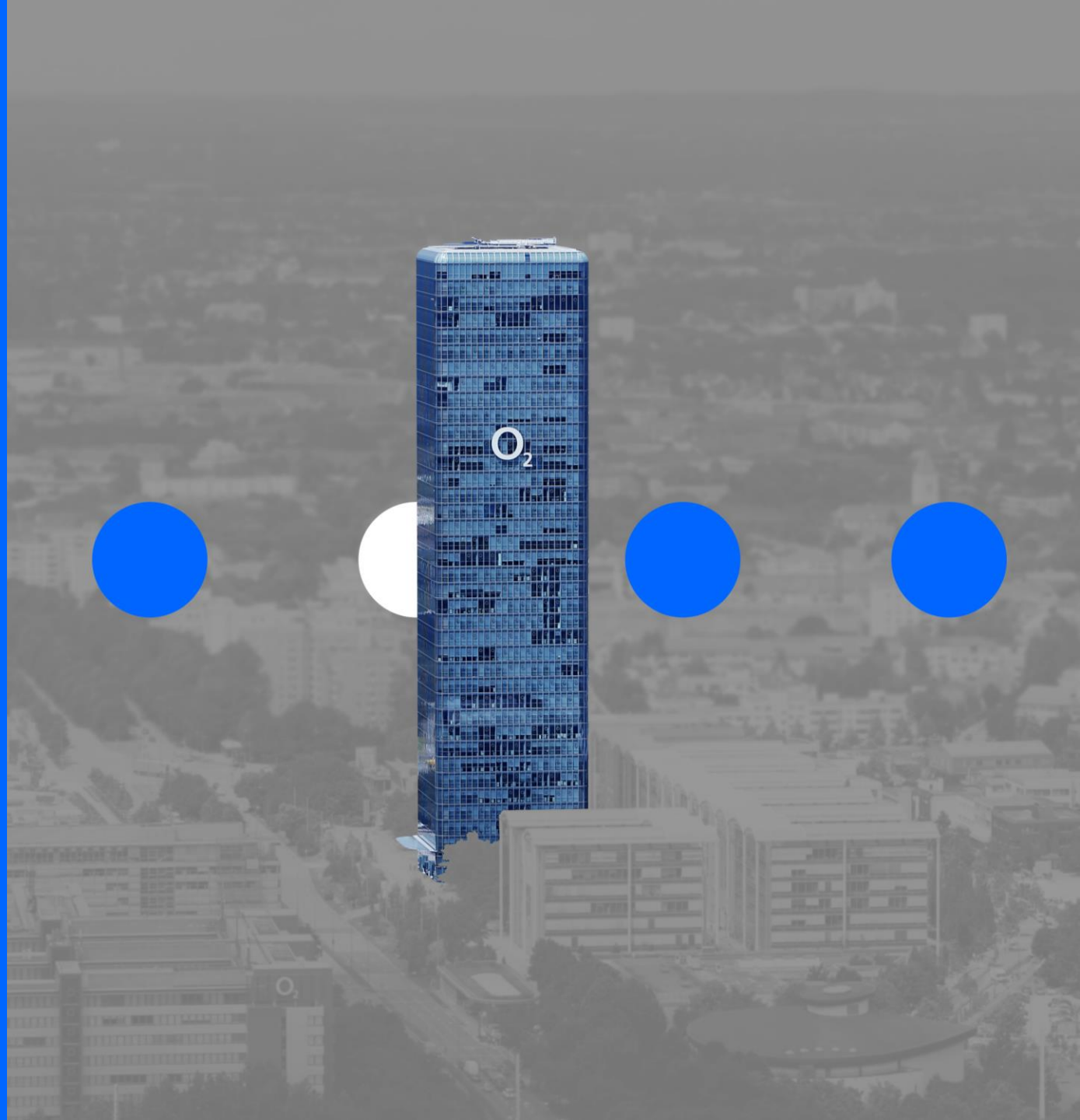


Telefónica Deutschland
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Telefónica Deutschland

Investor presentation

August 2022



Disclaimer



This document contains statements that constitute forward-looking statements and expectations about Telefónica Deutschland Holding AG (in the following “the Company” or “Telefónica Deutschland”) that reflect the current views and assumptions of Telefónica Deutschland's management with respect to future events, including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations which may refer, among others, to the intent, belief or current prospects of the customer base, estimates regarding, among others, future growth in the different business lines and the global business, market share, financial results and other aspects of the activity and situation relating to the Company. Forward-looking statements are based on current plans, estimates and projections. The forward-looking statements in this document can be identified, in some instances, by the use of words such as "expects", "anticipates", "intends", "believes", and similar language or the negative thereof or by forward-looking nature of discussions of strategy, plans or intentions. Such forward-looking statements, by their nature, are not guarantees of future performance and are subject to risks and uncertainties, most of which are difficult to predict and generally beyond Telefónica Deutschland's control, and other important factors that could cause actual developments or results to materially differ from those expressed in or implied by the Company's forward-looking statements. These risks and uncertainties include those discussed or identified in fuller disclosure documents filed by Telefónica Deutschland with the relevant Securities Markets Regulators, and in particular, with the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin). The Company offers no assurance that its expectations or targets will be achieved. Analysts and investors, and any other person or entity that may need to take decisions, or prepare or release opinions about the shares / securities issued by the Company, are cautioned not to place undue reliance on those forward-looking statements, which speak only as of the date of this document. Past performance cannot be relied upon as a guide to future performance. Except as required by applicable law, Telefónica Deutschland undertakes no obligation to revise these forward-looking statements to reflect events and circumstances after the date of this presentation, including, without limitation, changes in Telefónica Deutschland's business or strategy or to reflect the occurrence of unanticipated events. The financial information and opinions contained in this document are unaudited and are subject to change without notice. This document contains summarised information or information that has not been audited. In this sense, this information is subject to, and must be read in conjunction with, all other publicly available information, including if it is necessary, any fuller disclosure document published by Telefónica Deutschland. None of the Company, its subsidiaries or affiliates or by any of its officers, directors, employees, advisors, representatives or agents shall be liable whatsoever for any loss however arising, directly or indirectly, from any use of this document its content or otherwise arising in connection with this document. This document or any of the information contained herein do not constitute, form part of or shall be construed as an offer or invitation to purchase, subscribe, sale or exchange, nor a request for an offer of purchase, subscription, sale or exchange of shares / securities of the Company, or any advice or recommendation with respect to such shares / securities. This document or a part of it shall not form the basis of or relied upon in connection with any contract or commitment whatsoever. These written materials are especially not an offer of securities for sale or a solicitation of an offer to purchase securities in the United States, Canada, Australia, South Africa and Japan. Securities may not be offered or sold in the United States absent registration under the US Securities Act of 1933, as amended, or an exemption there from. No money, securities or other consideration from any person inside the United States is being solicited and, if sent in response to the information contained in these written materials, will not be accepted.

Key reasons to invest



Robust German economy despite some inflationary pressures



Current Trends

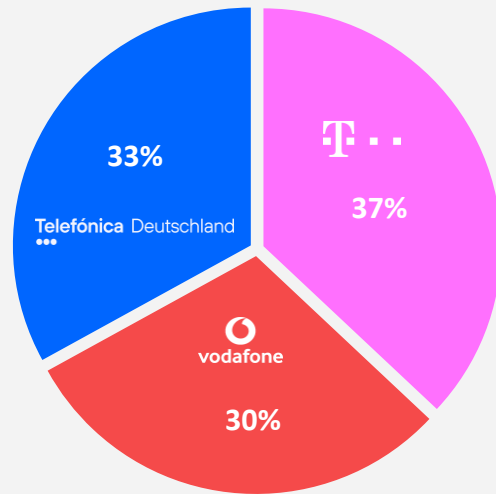
- Dynamic yet rational mobile market
- Data growth with continued CAGR of >50%
- Soft convergent market environment
- 3 strong mobile networks

Future Trends

- 5G use cases & demand to accelerate
- Fixed-Mobile-Substitution becoming increasingly relevant
- 3 integrated (mobile + fixed) players
- 4th urban MNO

Competitive Environment

Rational & balanced market¹



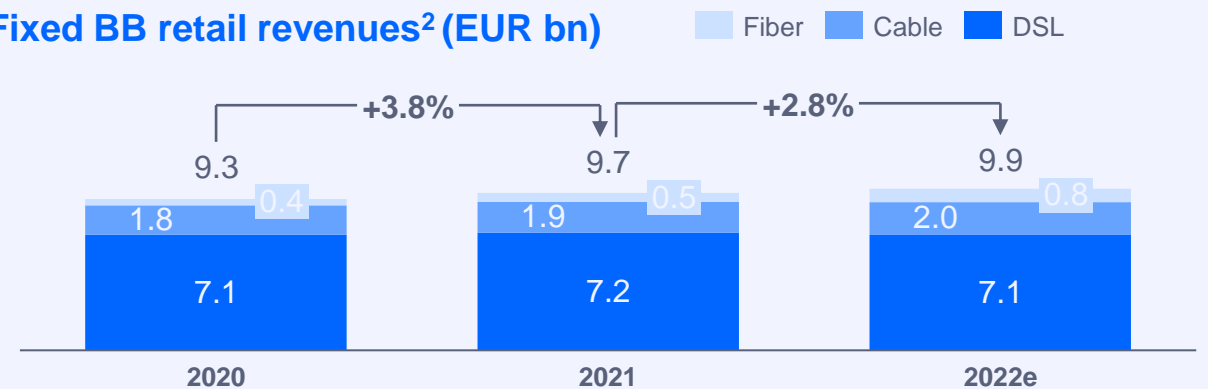
- Rational market following 4 to 3 consolidation
- Tiered mobile portfolios enabling data monetisation

Market development²

Mobile service revenues² (EUR bn)



Fixed BB retail revenues² (EUR bn)



Delivering on our strategy - expanding FY22 OIBDA outlook

Focused execution supported by our *Investment for Growth* programme

Strategy



Mobile Growth



B2B Attack



Smart Bundling



ESG leadership



Delivery



MSR

Growing profitable



SME

Driving momentum



Households

Increasing penetration



**Responsible Business
Plan 2025**

Executing ambitious plan

Achieving strong H1 22 results

Sustained commercial traction & financial performance

Customers

+661k

Postpaid Net Adds

1.0%

O₂ Postpaid Churn

Strong NPS

O₂ Brand

Celebrating
20 years

O₂

Financials

+5.5%

Revenues

+4.9%

OIBDA¹

14.1%

C/S

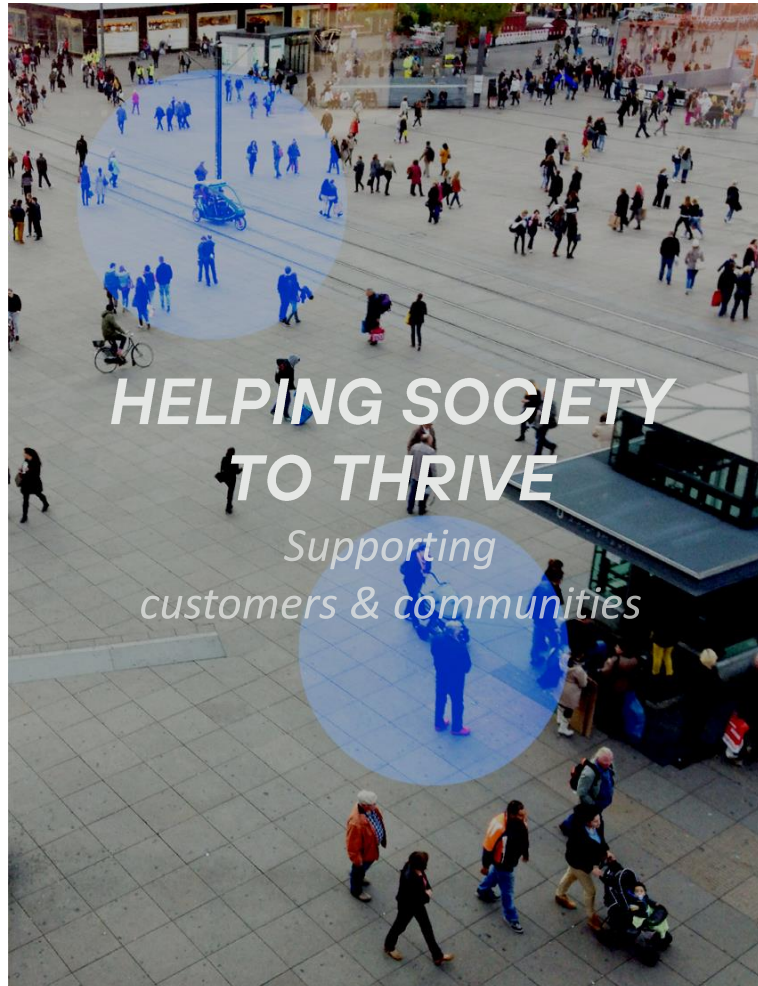
¹ Adjusted for exceptional effects

Delivering on our ESG commitments

Promoting a sustainable digital future for society

Responsible Business Plan 2025

Shaping
sustainable digitalisation
and transformation
of future economy
and society



Achievements

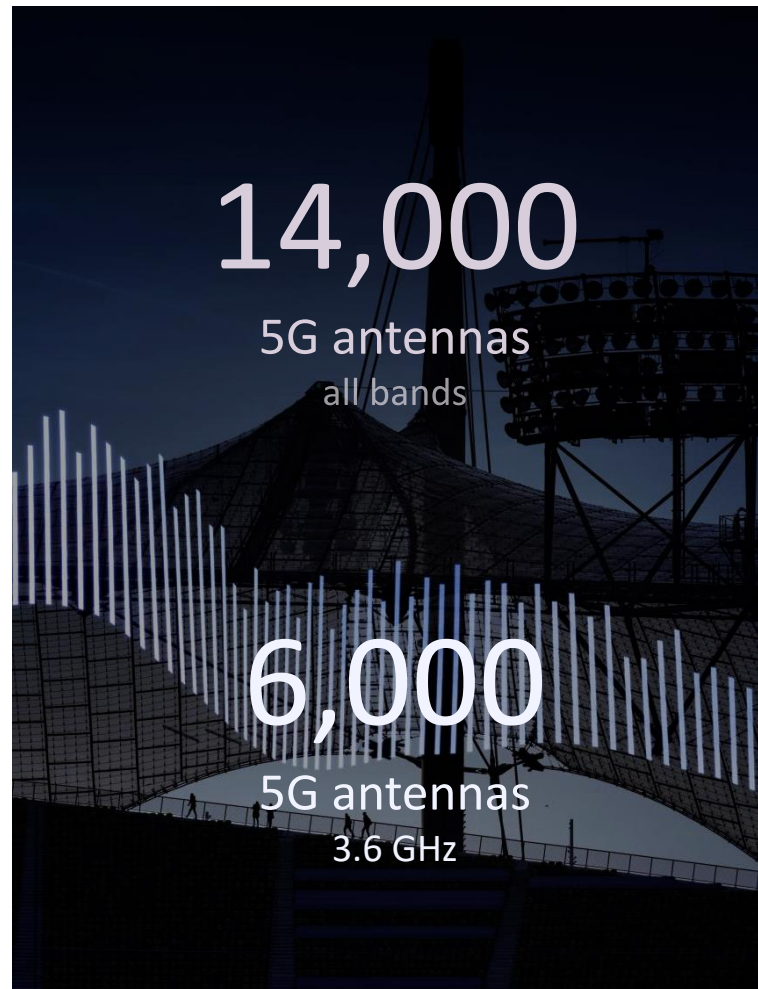
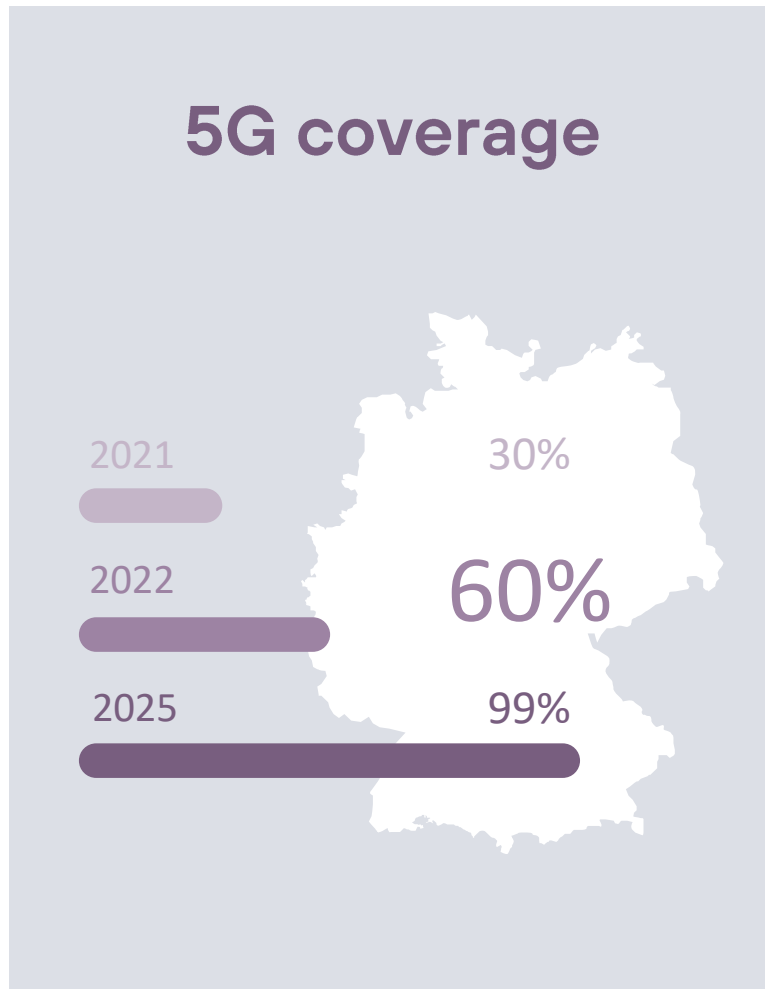
Support for Ukraine
Volunteering day for refugees

Social programmes
3rd 'German digital day' @BASECAMP
in Berlin to promote digital literacy

Environmental weeks
Contribution to local
environmental protection

Accelerating 5G rollout

Raised ambition to 60% coverage by YE22 within unchanged Capex envelope



connect
SEHR GUT
FESTNETZTEST
BUNDESWEITE ANBIETER
O2
Heft 8/2022
www.connect.de

connect
SEHR GUT
MOBILFUNK UND
5G-NETZTEST
Telefónica
Heft 1/2022
www.connect.de

Network parity

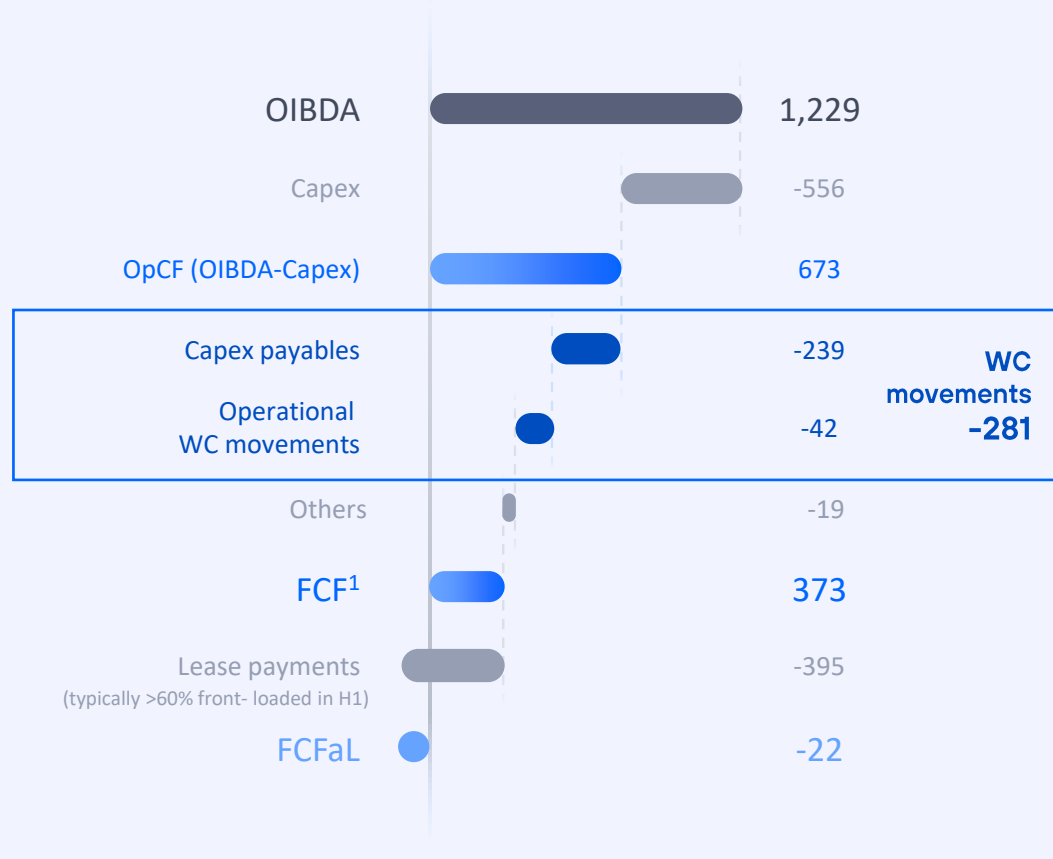
Marketing of
1Gbit/s portfolio

The block contains two award logos from 'connect' magazine. The first is for O2, 'FESTNETZTEST BUNDESWEITE ANBIETER', 'SEHR GUT', Heft 8/2022. The second is for Telefónica, 'MOBILFUNK UND 5G-NETZTEST', 'SEHR GUT', Heft 1/2022. Below the logos is the text 'Network parity' and an icon of a house with 'FTTH' and a circuit symbol. At the bottom is the text 'Marketing of 1Gbit/s portfolio'.

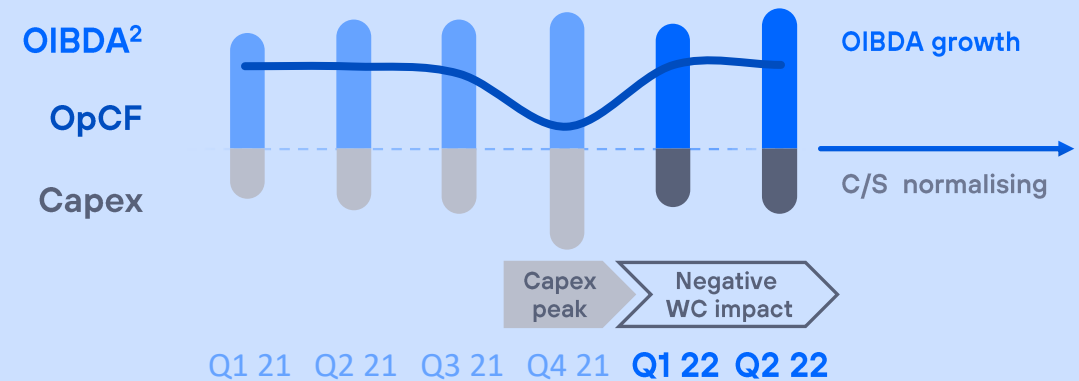
Producing stable OpCF during investment phase

Well on track for strong FCF generation

FCF H1 22 (EURm)



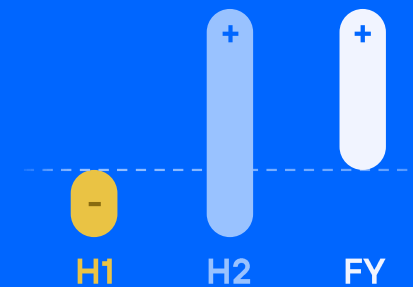
Stable OpCF during investment phase (EURm)



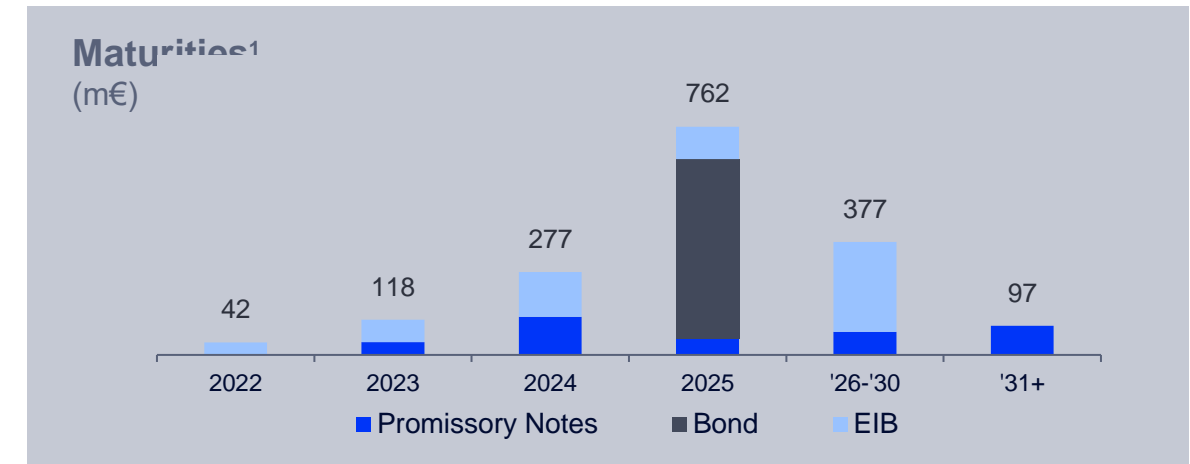
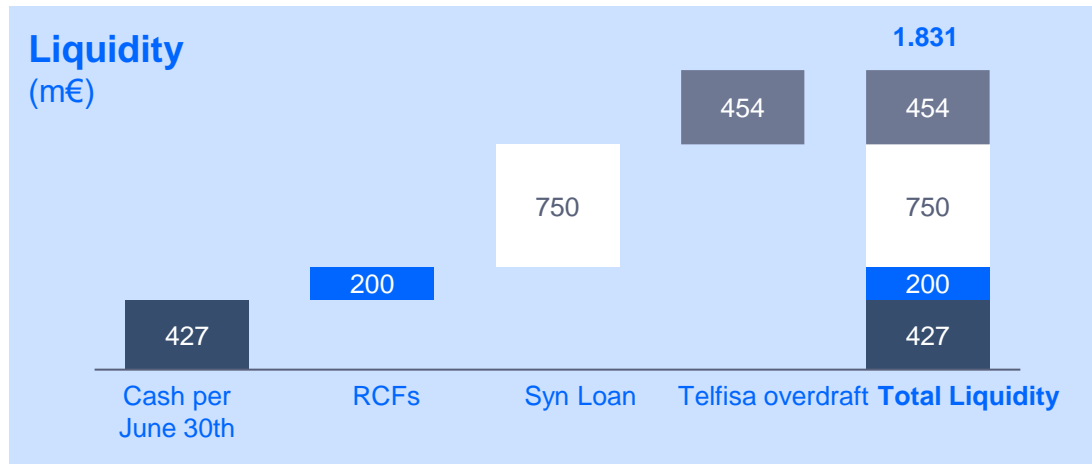
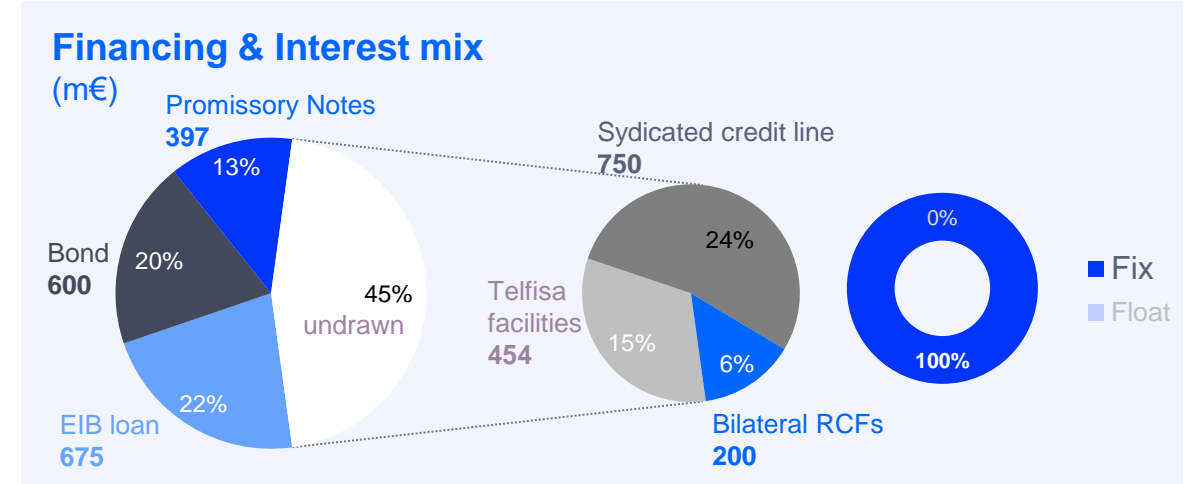
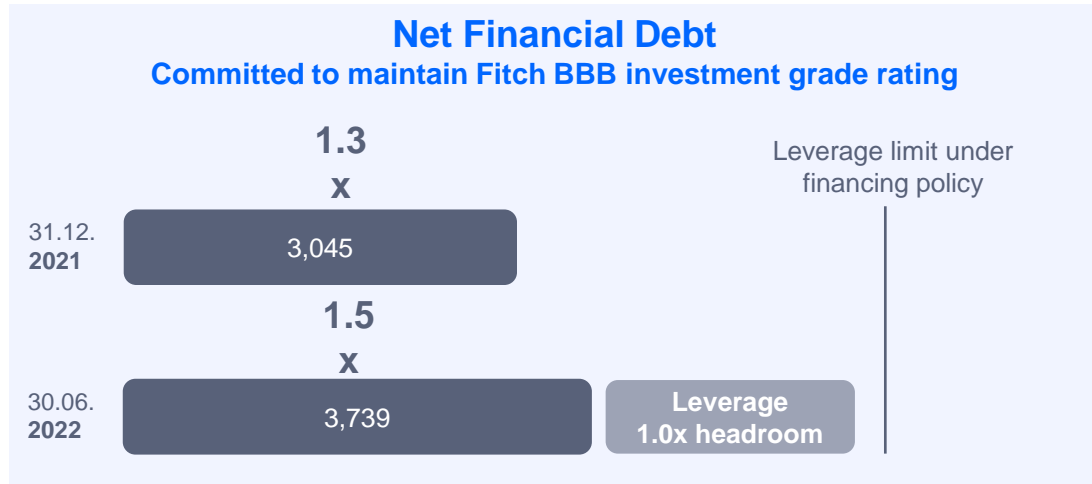
Back-end loaded FCFaL profile (illustrative)

Key seasonal factors H1

- Annual pre-payments e.g. leases
- Reduction of Capex payables



Continuing strong financing profile



¹ excludes undrawn facilities

Expanding FY22 OIBDA outlook

Supported by strong H1 22 results

	FY22 outlook	Actuals H1 22	Updated FY22 outlook
Revenues	Low single digit % growth incl. regulatory headwinds of EUR 70-80m	EURm 3,949 +5.5% yoy ✓	Low single digit % growth incl. regulatory headwinds of EUR 70-80m
OIBDA	Low single digit % growth w/ margin expansion incl. regulatory headwinds of EUR 15-20m	EURm 1,231 +4.9% yoy ✓	Low to low mid-single digit % growth w/ margin expansion incl. regulatory headwinds of EUR 15-20m
C/S	14-15%	14.1% ✓	14-15%

Thank You
We look forward to
your feedback



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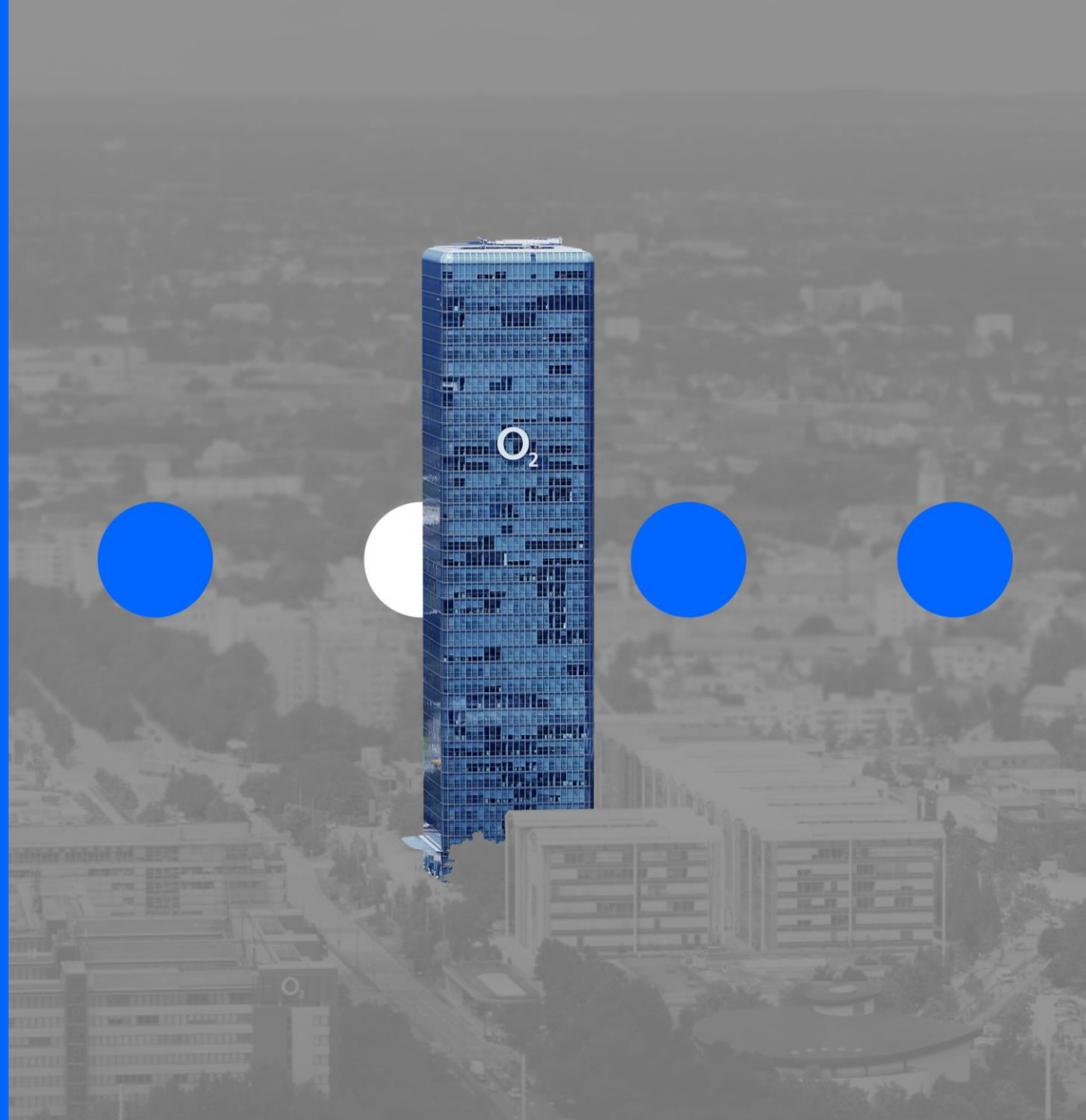
Eugen Albrecht, CIRO

Senior Investor Relations Officer













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eugen.albrecht@telefonica.com

Appendix

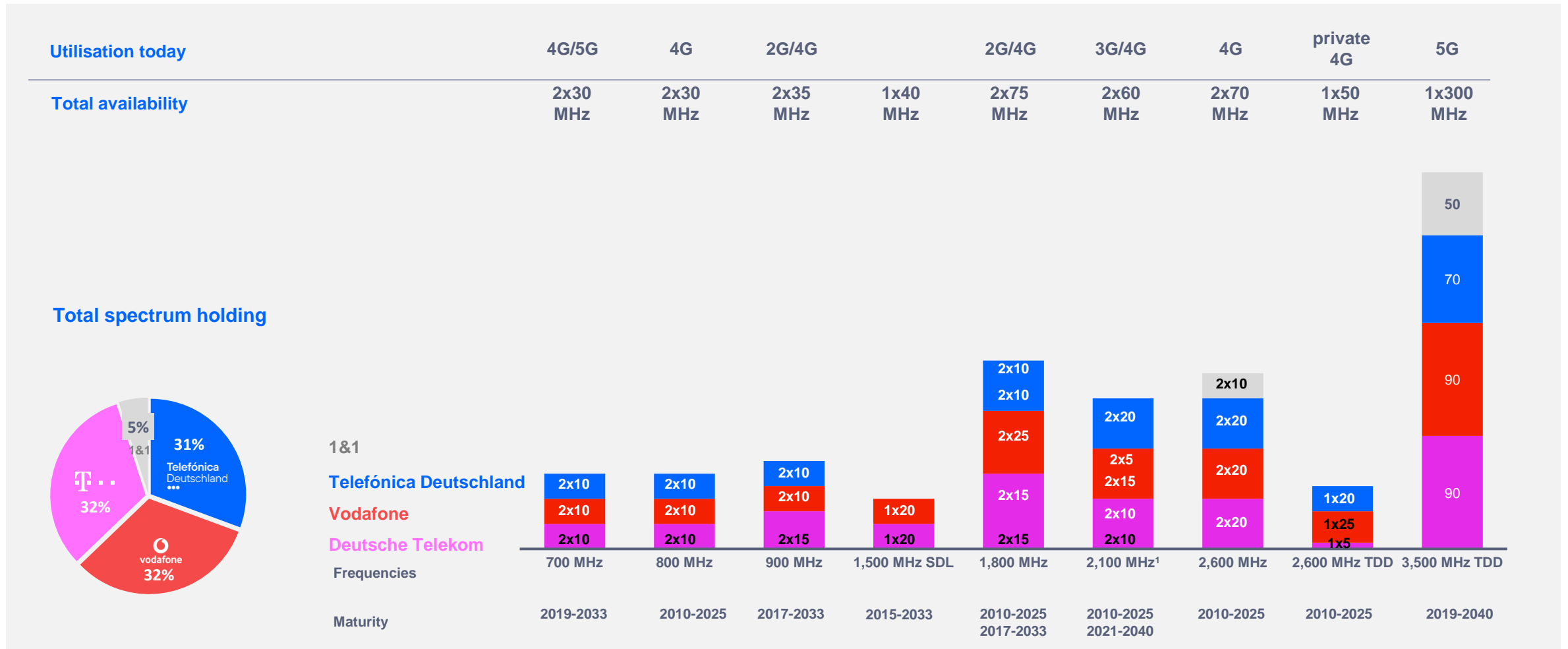


Well ranked & continuous improvement in relevant ESG ratings

 SUSTAINALYTICS	Risk Low: 12.4 (Low) Exposure Score: 39.4 (Medium) Management Score: 76 (Strong)	
MSCI 	Rating: AA	
S&P Global	Rating: Percentile 75 (57 of 100 pts)	Erstteilnahme
ISS ESG 	Grade: Prime B- (Good)	
FTSE Russel	Successfully listed (4.1 of 5 pts)	
	Successfully listed (66 of 100 pts (Advanced))	
Bloomberg	Successfully listed (70,49%)	
 Business Sustainability Ratings	Successfully listed 76/100 (Platin – top 1%)	

Status: July 2022

Future-proof spectrum set-up to enable best customer experience

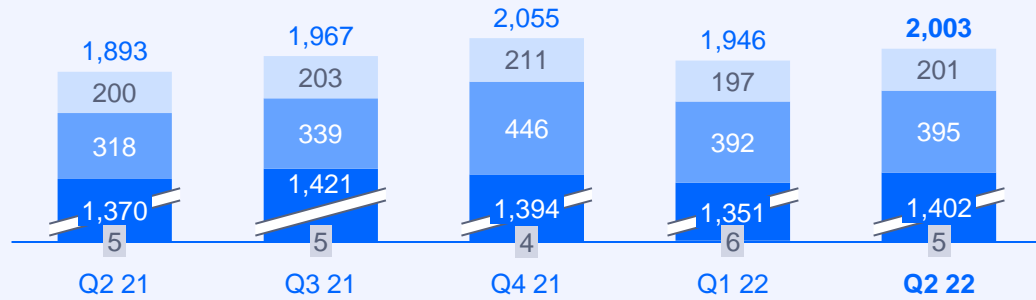


¹ From 2021, additional 19.2 MHz TDD
 From 1 January 2026: 1&1: 2x10 MHz; Telefónica Deutschland Group: 2x10 MHz; Vodafone: 2x20 MHz; Deutsche Telekom: 2x20 MHz

P&L

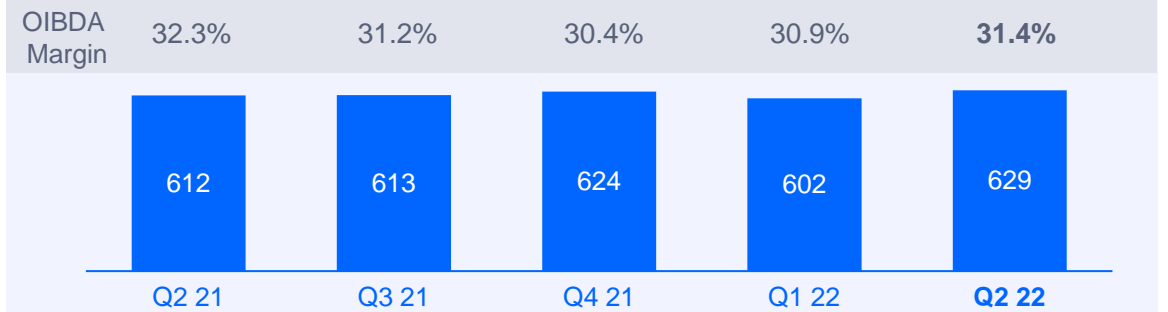
Revenue structure (EUR)

Fixed Handset MSR Other revenues



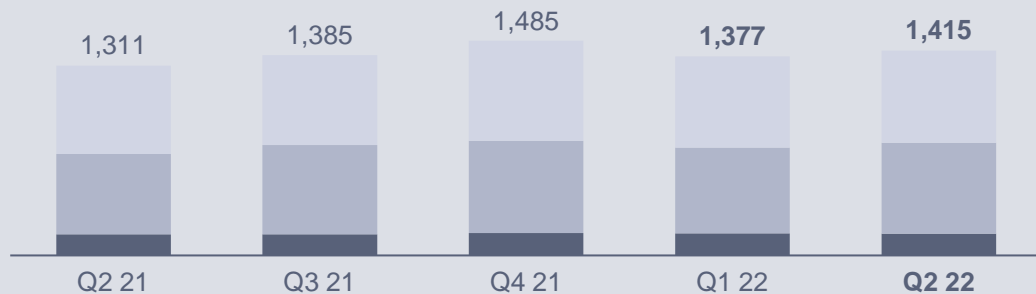
OIBDA¹ (EUR)

OIBDA adj. for exceptional effects



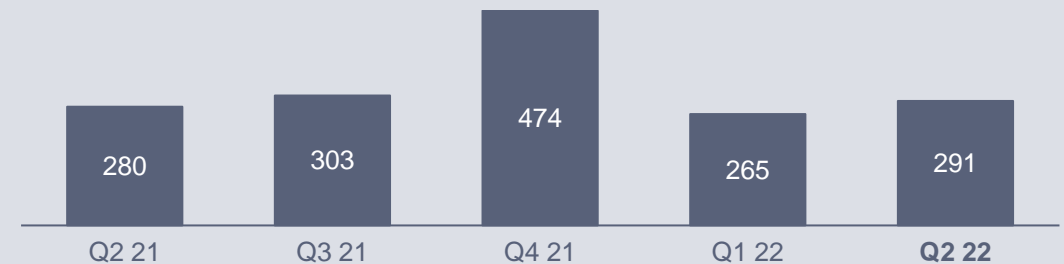
OpEx split² (EUR)

Personnel expenses Supplies Other



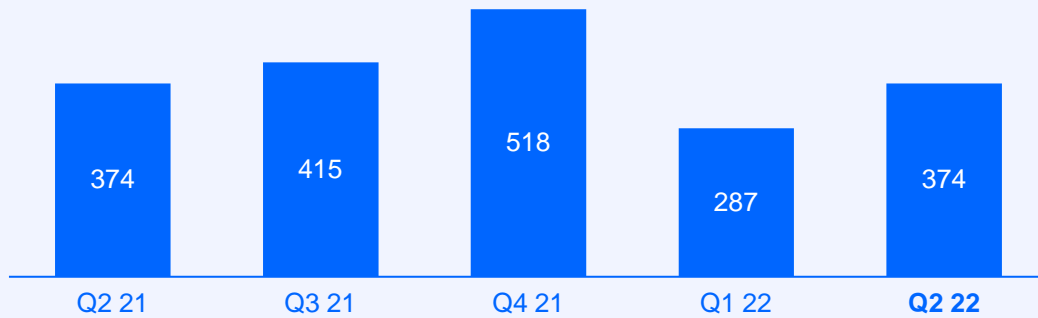
CapEx³ (EUR)

C/S 14.8% 15.4% 21.1% 13.6% 14.5%

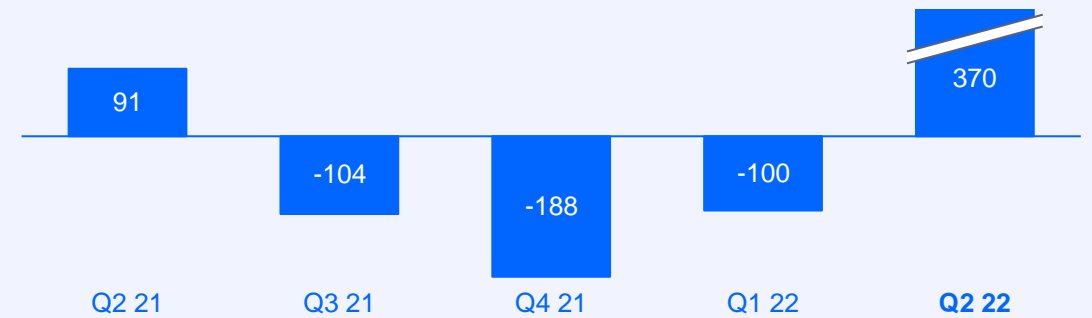


Mobile KPIs

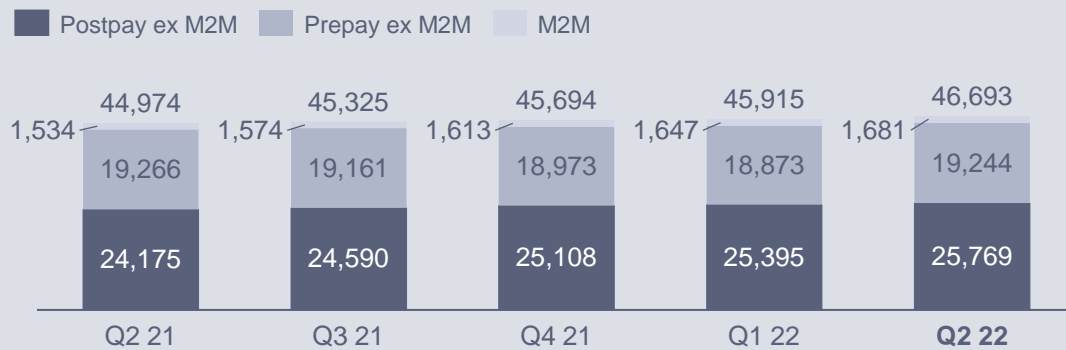
Postpaid net adds¹ (k)



Prepaid net adds (k)



Mobile customer base (k)

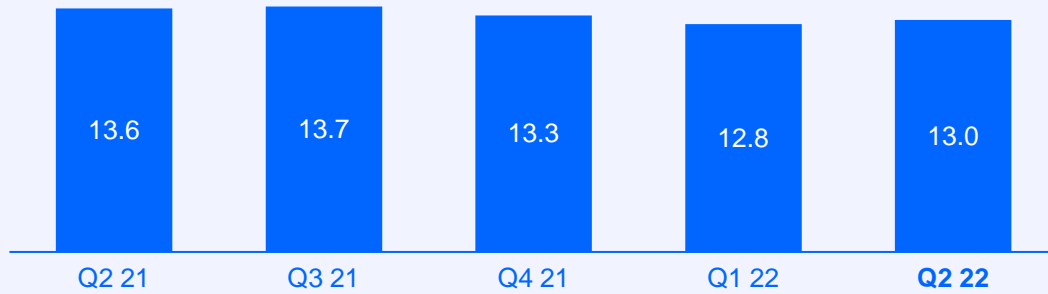


LTE customer base (m)

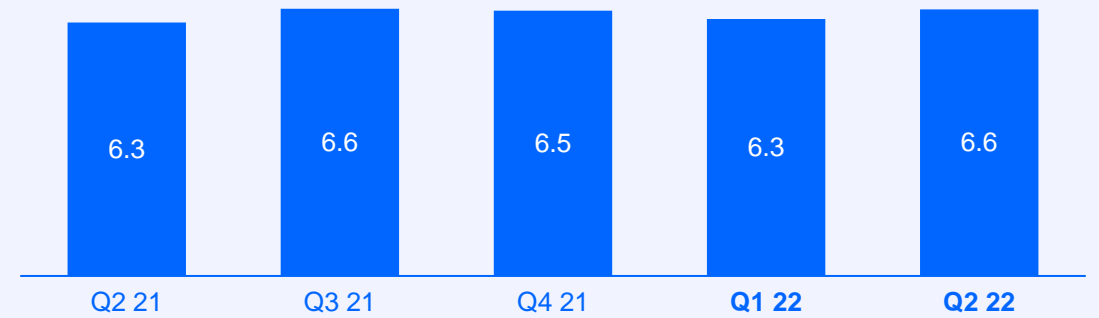


Mobile KPIs

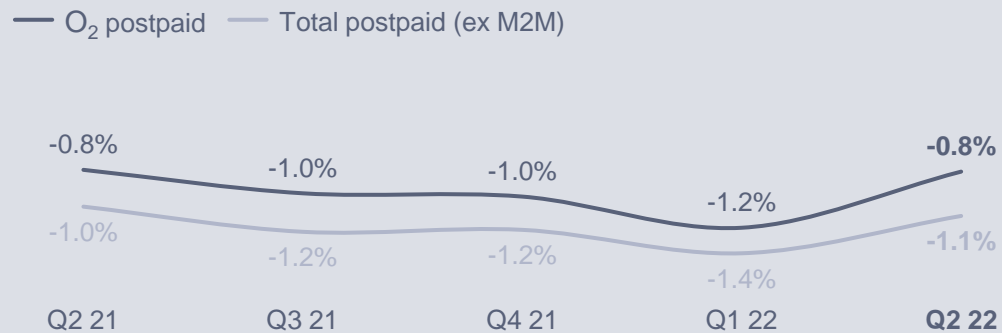
Postpaid ARPU ex M2M (EUR)



Prepaid ARPU (EUR)



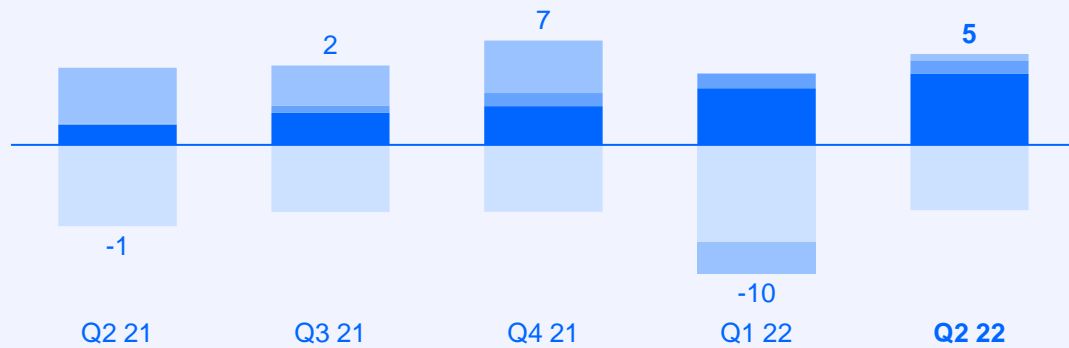
Churn rate (%)



Fixed KPIs

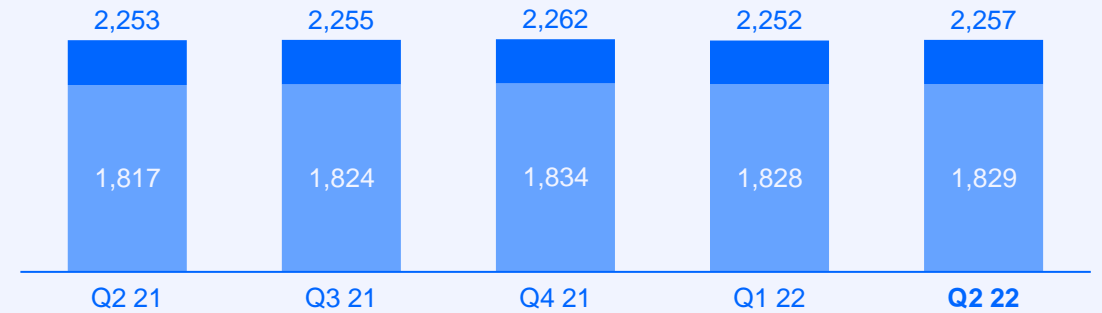
Retail broadband net adds (k)

■ Cable ■ Fibre ■ VDSL ■ DSL



Fixed accesses (k)

■ VDSL








Fixed retail ARPU (EUR)



O₂ 20th Birthday Promo Portfolio (until 4 Oct-22)


Bookable until 4 Oct-22

New: Promo extended until 4 Oct-22


		 GROWTH: Annually +10GB for 20 years / No price increase		
Data volume	40 GB	 Flexible contract duration: monthly contract termination	1000 MBit/s Upload 50 MBits/s	1000 MBit/s Upload 50 MBits/s
Max. Speed	300 Mbit/s		 	 
Network	4G / 5G		Voice Flat to German fixed net	Voice Flat to German fixed net
VOICE/SMS flat	✓		AVM6660 4.99 mthl	AVM6660 4.99 mthl
EU Roaming	✓			
Monthly fee	Until 4 th Oct: 29.⁹⁹ From 5 th Oct: 34.⁹⁹	 Future ready with 5G	mth 1-12 29.⁹⁹ from mth 13 39.⁹⁹	mth 1-12 34.⁹⁹ from mth 13 44.⁹⁹

O₂ Free unlimited portfolio


	O ₂ Free Unlimited Basic	O ₂ Free Unlimited Smart	O ₂ Free Unlimited Max
Max. Speed	2 MBit/s	10 MBit/s	500 Mbit/s
Network	4G / 5G	4G / 5G	4G / 5G
VOICE/SMS flat	✓	✓	✓
EU Roaming	✓	✓	✓
Monthly fee	29.⁹⁹	39.⁹⁹	59.⁹⁹




Unlimited usage



Flexible contract duration:
monthly contract termination




Best-fit by **speed-classes**




Future ready with **5G**

O₂ Free volume-based portfolio


	O ₂ Free S	O ₂ Free M	O ₂ Free L
Data volume	3 GB	20 GB	60 GB
Max. Speed	225 Mbit/s	300 Mbit/s	300 Mbit/s
Network	4G	4G / 5G	4G / 5G
VOICE/SMS flat	✓	✓	✓
EU Roaming	✓	✓	✓
Monthly fee	19.⁹⁹	29.⁹⁹	39.⁹⁹




***BOOST: Doubling data and adding multiple devices**




***O₂ 20th Birthday Promo: Grow Tariff instead of M Boost (see extra chart)**



Flexible contract duration: monthly contract termination








All customer needs supported by high speed internet



Future ready with 5G

O₂ my Home portfolio – technology agnostic approach

	O ₂ my Home S	O ₂ my Home M	O ₂ my Home L	O ₂ my Home XL	O ₂ my Home XXL
Max. Speed	10 MBit/s Upload 2 MBit/s	50 MBit/s Upload 10 MBit/s	100 MBit/s Upload 40 MBit/s	250 MBit/s Upload 40 MBit/s	1000 MBit/s Upload 50 MBit/s
Technology					
Voice flat to German fixed networks	✓	✓	✓	✓	✓
Optional HomeBox 3 AVM7590 AVM6660 Homespot	3.99 mthl 5.99 mthl - 4.99 mthl	3.99 mthl 5.99 mthl 4.99 mthl 4.99 mthl	3.99 mthl 5.99 mthl 4.99 mthl	3.99 mthl 5.99 mthl 4.99 mthl	3.99 mthl 5.99 mthl 4.99 mthl
Monthly fee 24m contract	24.⁹⁹	29.⁹⁹	34.⁹⁹	44.⁹⁹	69.⁹⁹

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