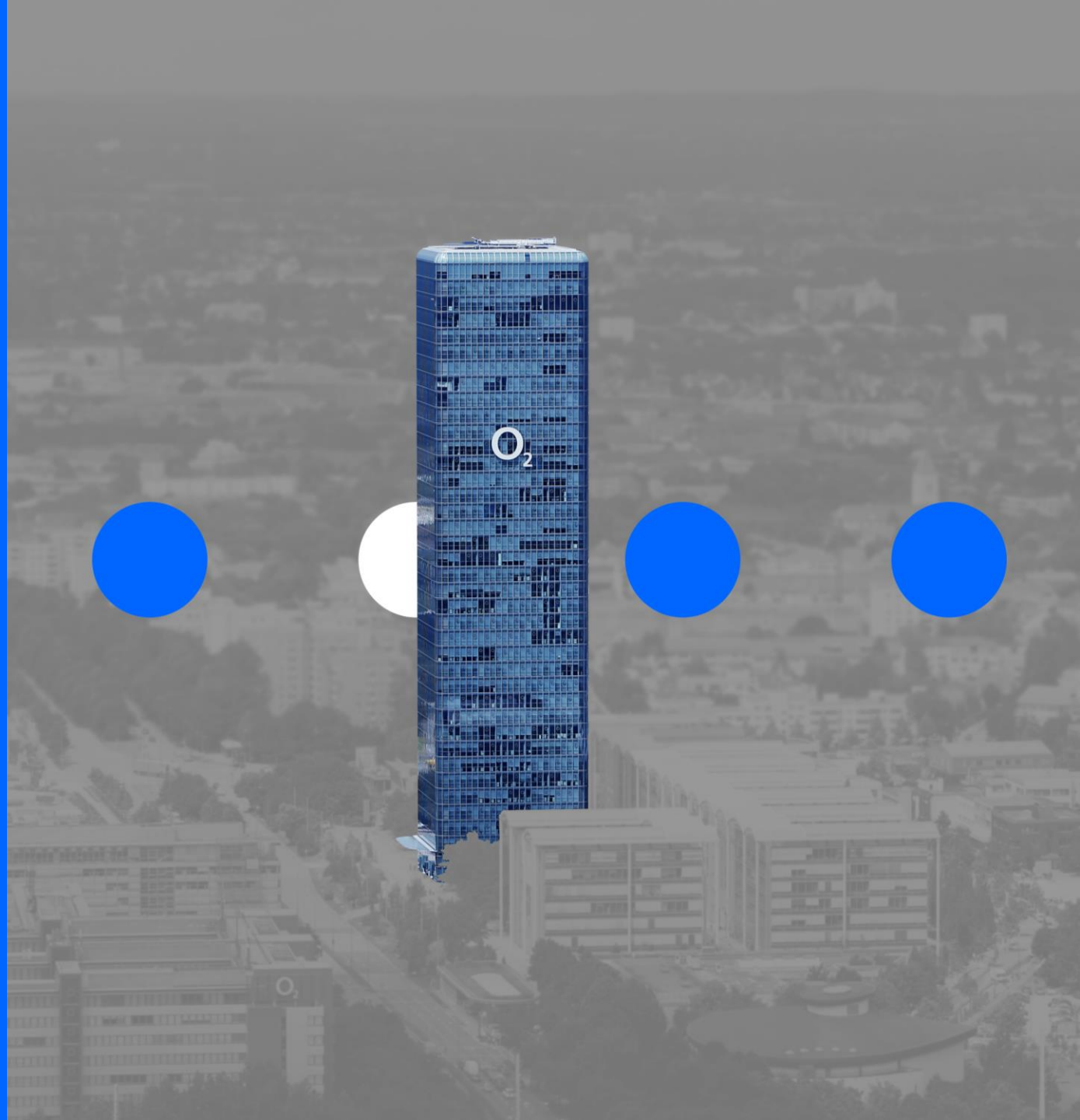


Telefónica Deutschland
•••

Telefónica Deutschland

Investor presentation

November 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

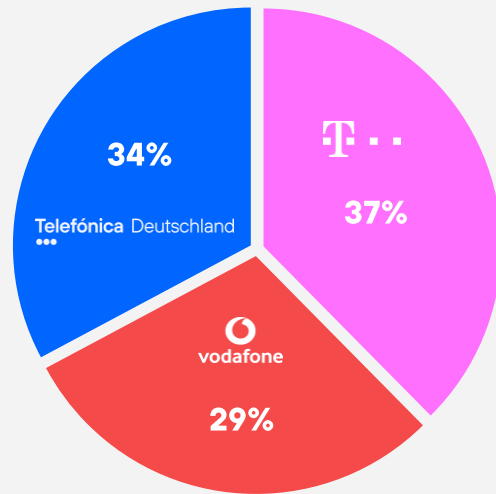
- Dynamic yet rational mobile market
- Data growth with continued CAGR of >50%
- Soft convergent market environment
- 3 strong mobile networks

Future Trends

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

Competitive Environment

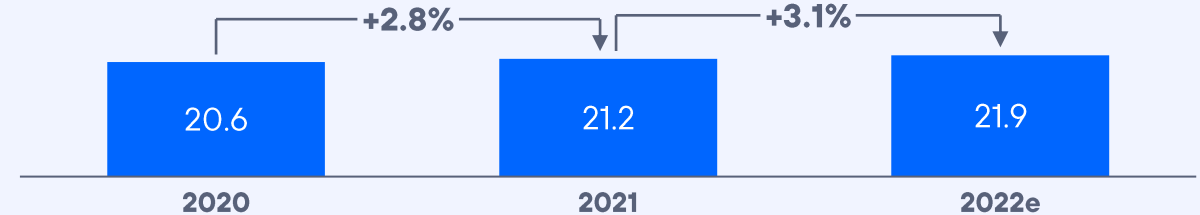
Rational & balanced market¹



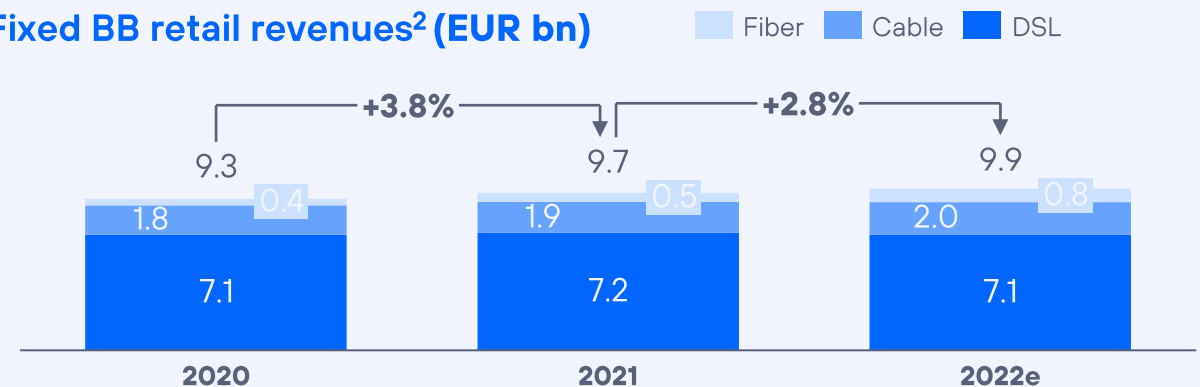
- Rational market following 4 to 3 consolidation
- Tiered mobile portfolios enabling data monetisation

Market development²

Mobile service revenues² (EUR bn)



Fixed BB retail revenues² (EUR bn)



Focused strategy execution results in FY22 outlook upgrade

Increasing MSR market share to >32%

Strategy Execution



Mobile Growth

Gaining MSR market share



B2B Attack

Driving client momentum in SME



Smart Bundling

Increasing household penetration & convergence



ESG leadership

Executing ambitious Responsible Business Plan 2025



Achieved strong 9M 22 results – continued profitable growth

Sustained commercial traction & financial performance

Customers

+965k

Postpaid Net Adds

1.1%

O₂ Postpaid Churn

Strong NPS

O₂ Brand



Financials

+5.7%

Revenues

+4.8%

OIBDA¹

14.9%

C/S

¹ Adjusted for exceptional effects

Leveraging leading ESG position for a sustainable future

Focused execution of Responsible Business Plan 2025

Responsible Business Plan 2025

Shaping
sustainable digitalisation
and transformation
of future economy
and society



Achievements

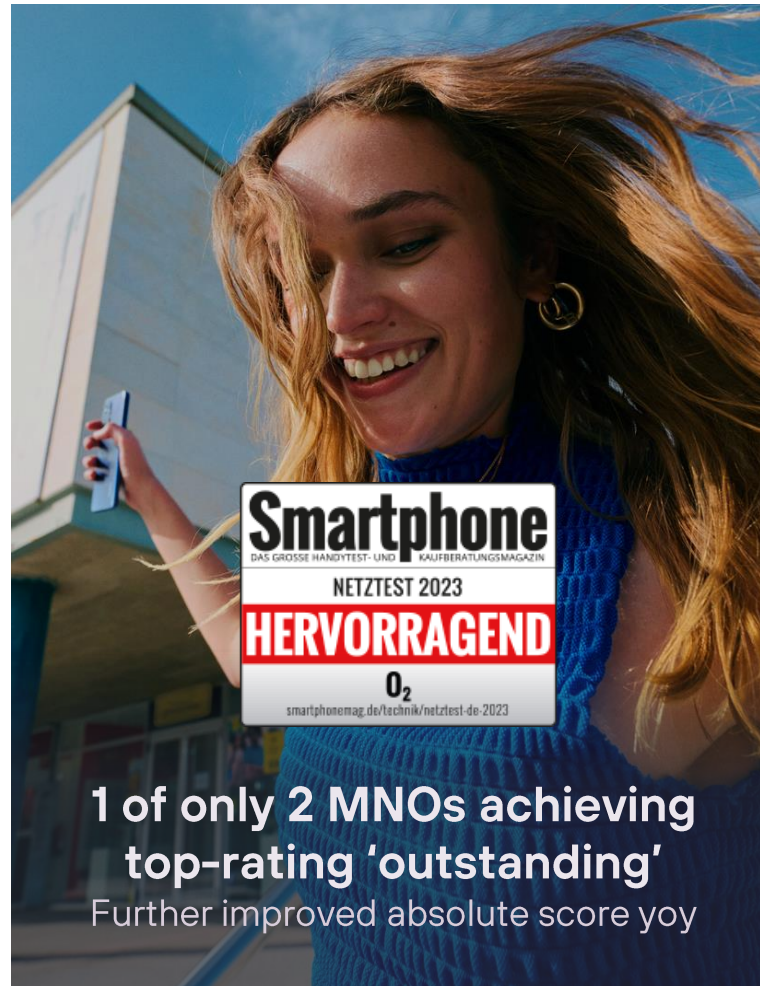
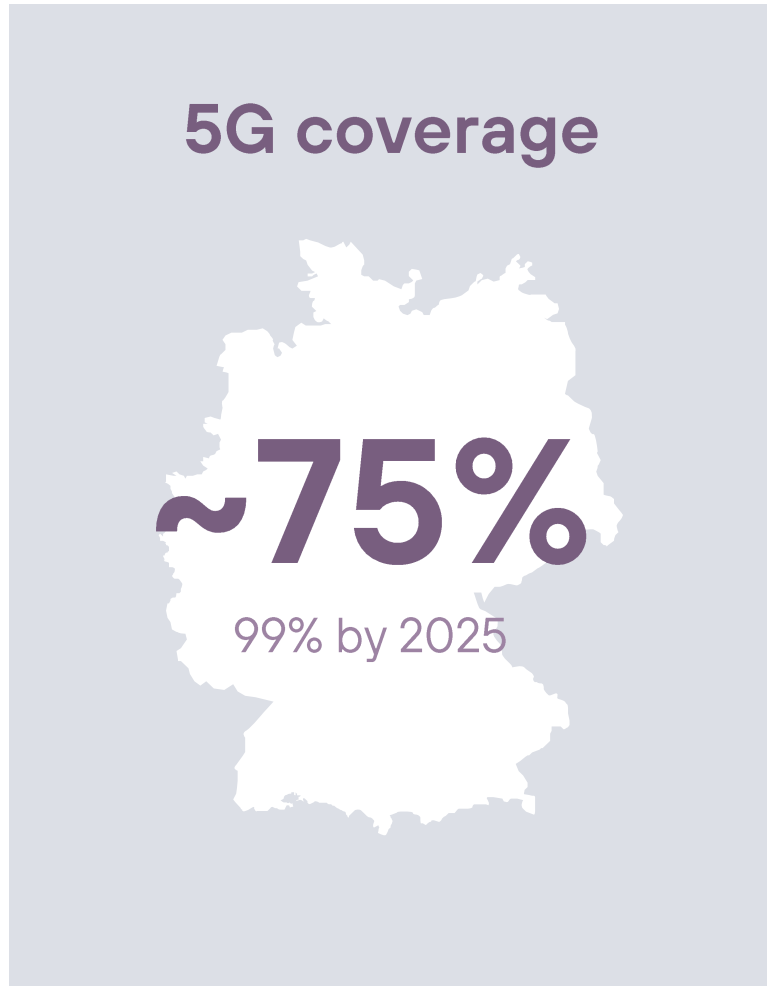
Signing of long-term PPA
Direct sourcing of green energy

Support for Ukraine
Donation of network equipment

Social programmes
Digital guide for kids

'Outstanding' network rating on the back of excellent network expansion

5G pop coverage of ~75% achieved within unchanged Capex envelope



3-year energy savings programme

~20%

gross energy savings¹
by FY26

AI-supported network standby
Network modernisation
Cloudification

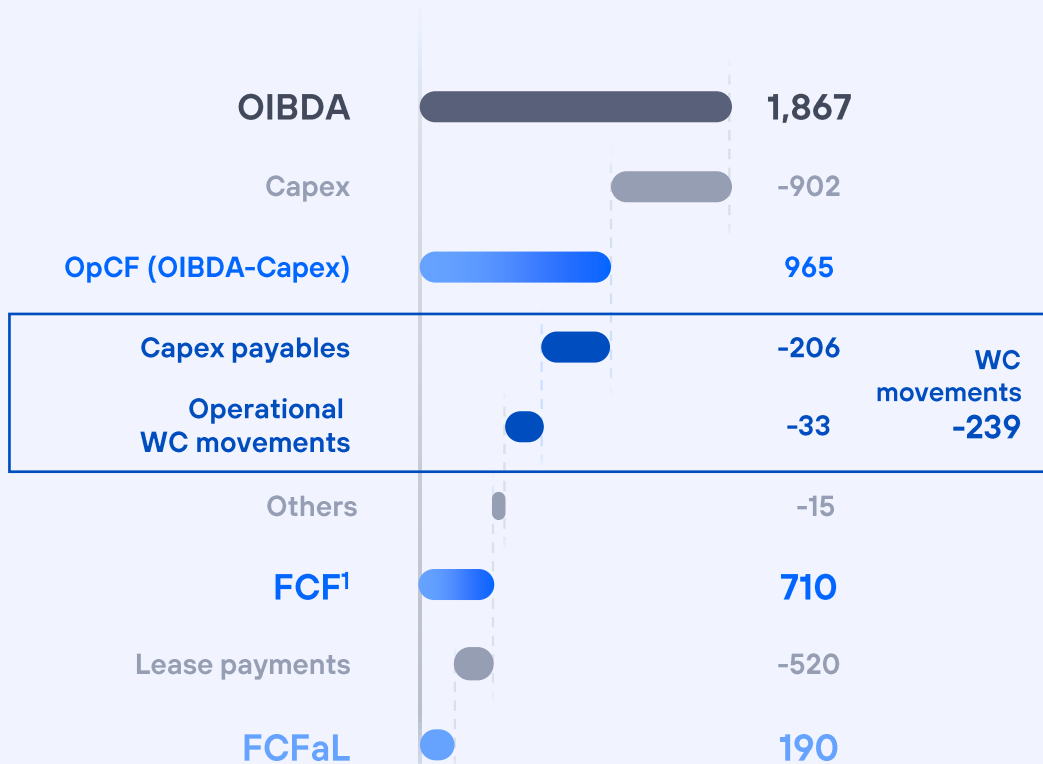
¹ compared to FY21

The background is a solid purple color. The text is white. At the top is '3-year energy savings programme'. Below that is '~20%' in a large font, followed by 'gross energy savings¹ by FY26'. Underneath is 'AI-supported network standby', 'Network modernisation', and 'Cloudification' on separate lines. At the bottom is '¹ compared to FY21'.

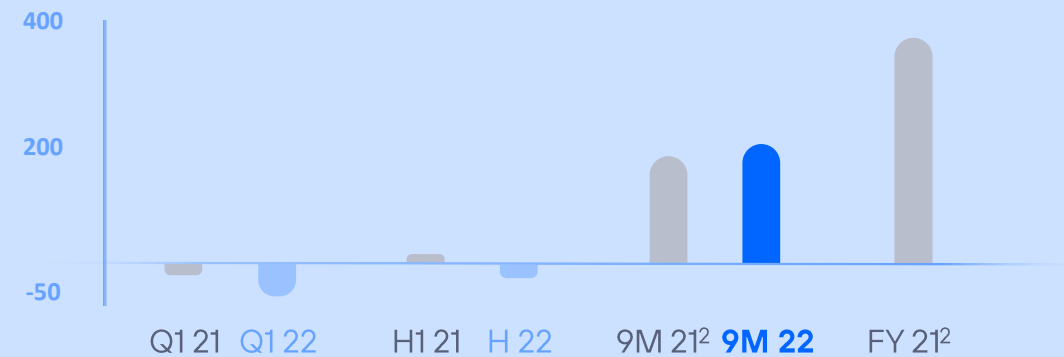
Healthy FCF generation during investment phase w/ strong balance sheet

FCFaL positive with back-end loaded profile

FCF 9M 22 (EURm)



Back-end loaded FCFaL profile (EURm)



Net Debt (EURm)

3,410
Leverage: 1.4x

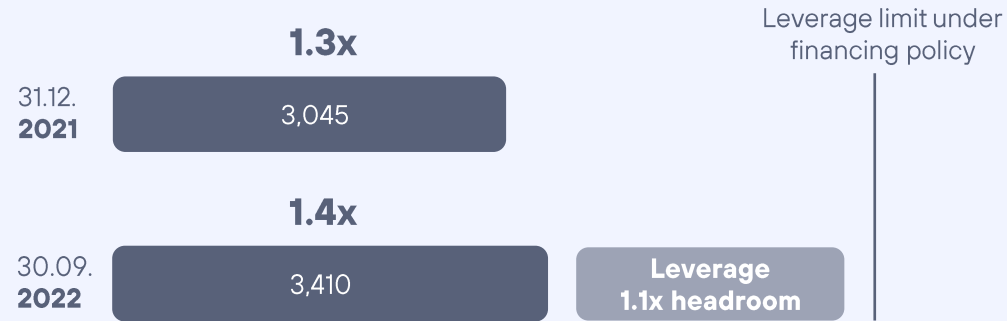
FitchRatings

BBB
Stable Outlook

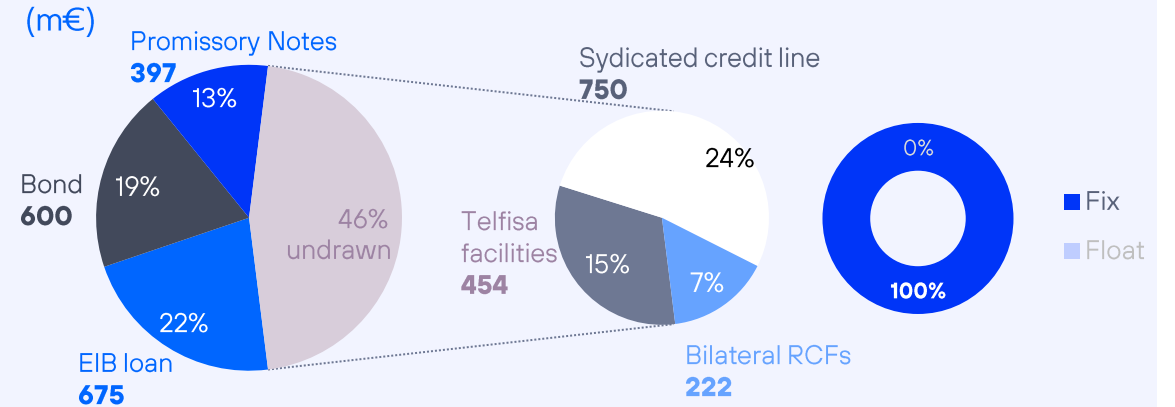
Continuing strong financing profile

Net Financial Debt

Committed to maintain Fitch BBB investment grade rating



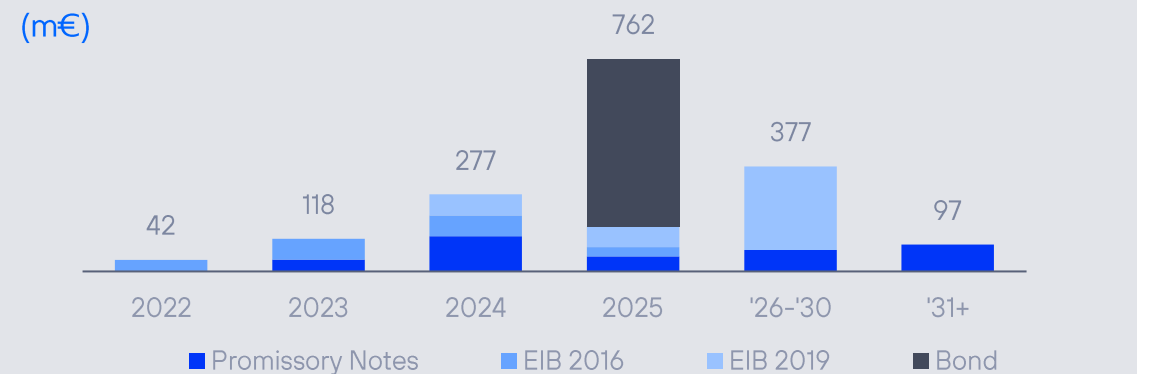
Financing & Interest mix (m€)



Liquidity (m€)



Maturities¹ (m€)



Upgrading FY22 Outlook

Supported by strong 9M 22 results

H1 updated FY22 Outlook

Low single digit % growth
incl. regulatory headwinds of 70-80 EURm

Low to low mid-single digit % growth w/ margin expansion
incl. regulatory headwinds of 15-20 EURm

14 – 15%

Revenues

OIBDA¹

C/S

Upgraded FY22 Outlook

Low mid-single digit % growth
incl. regulatory headwinds of 70-80 EURm

Low mid-single digit % growth w/ margin expansion
incl. regulatory headwinds of 15-20 EURm

14 – 15%

¹ Adjusted for exceptional effects

Thank You
We look forward to
your feedback



Christian Kern

Director Investor Relations

+49 179 9000 208

christian.kern@telefonica.com



Marion Polzer, CIRO

Head of Investor Relations

+49 176 7290 1221

marion.polzer@telefonica.com



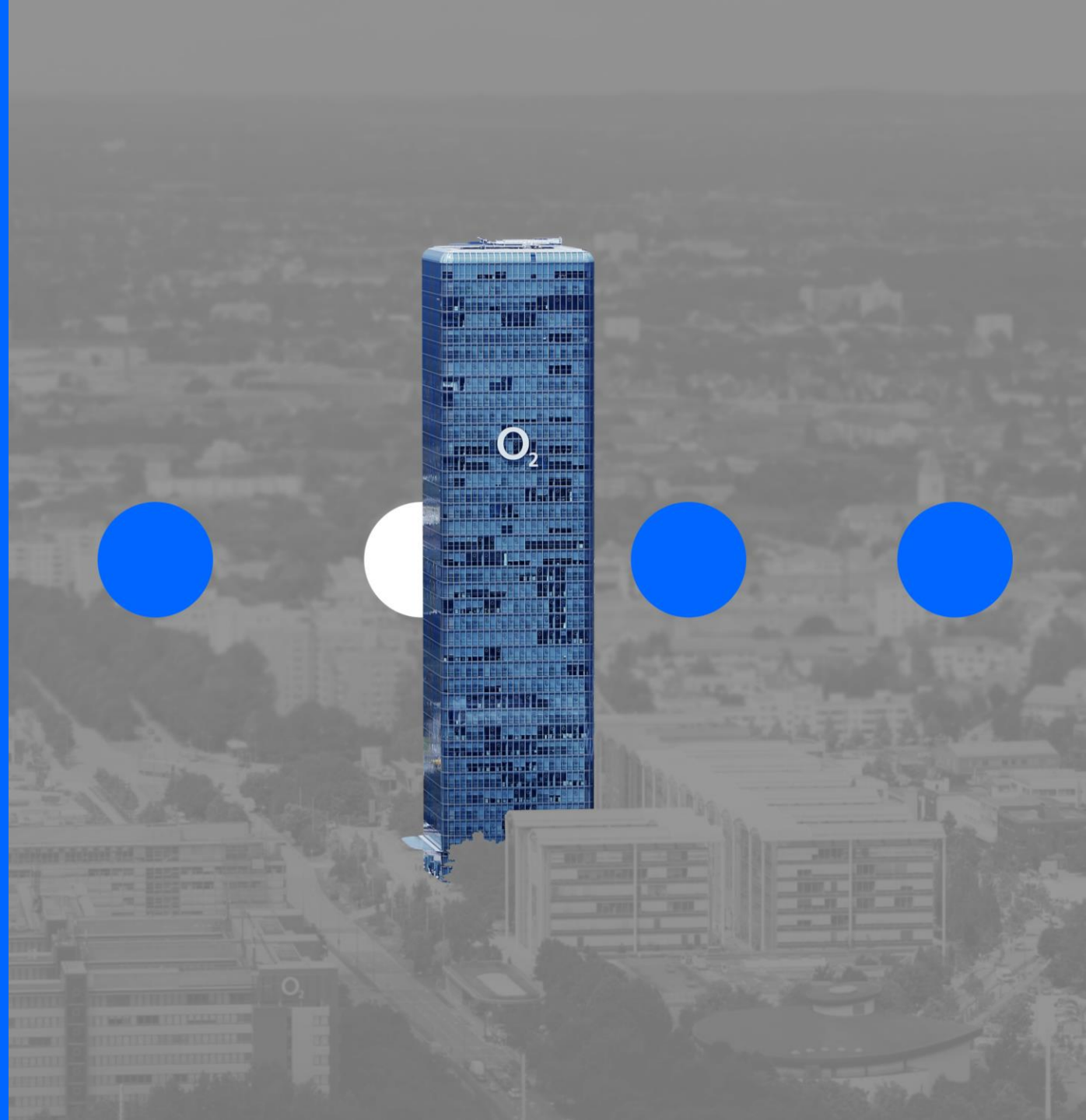
Eugen Albrecht, CIRO

Senior Investor Relations Officer















+49 176 3147 5260

eugen.albrecht@telefonica.com

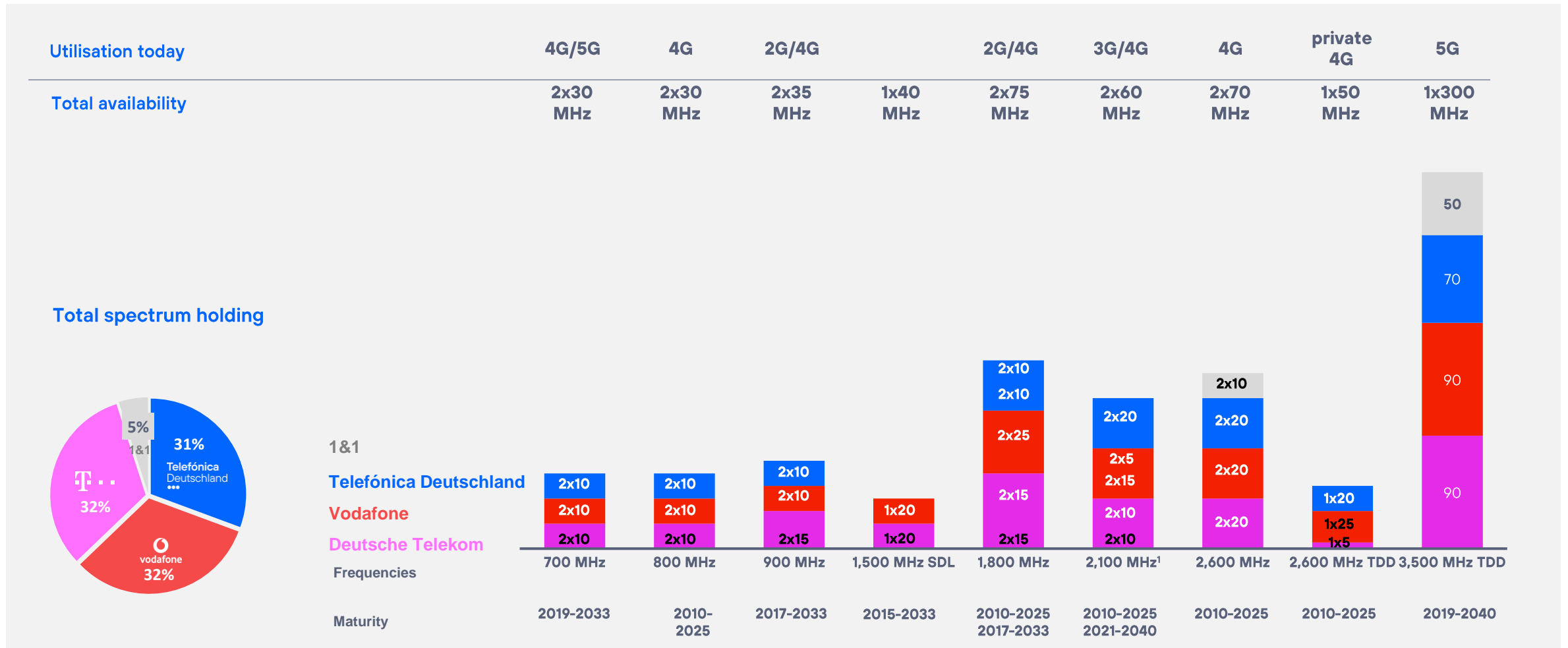
Appendix



Well ranked & continuous improvement in relevant ESG ratings/indices

| | | |
|--|--|---|
|  | Risk Low: 12.4 (Low) Exposure Score: 39.4 (Medium) Management Score: 76 (Strong) |   |
|  | Rating: AA |  |
| S&P Global | Rating: Percentile 75 (57 of 100 pts) | First participation  |
|  | Grade: Prime B- (Good) |  |
| FTSE Russel | Successfully listed (4.1 of 5 pts) |  |
|  | Successfully listed (66 of 100 scores – advanced) |  |
| Bloomberg | Successfully listed (70.5%) |  |
|  Business Sustainability Ratings | Successfully listed (76/100 – Platin, top 1%) |   |

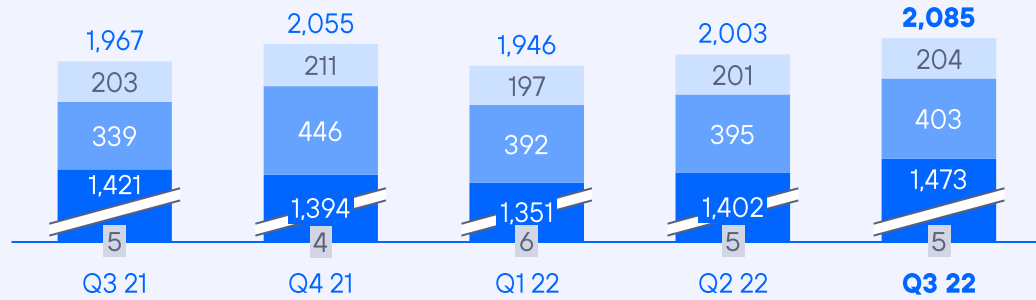
Future-proof spectrum set-up to enable best customer experience



P&L

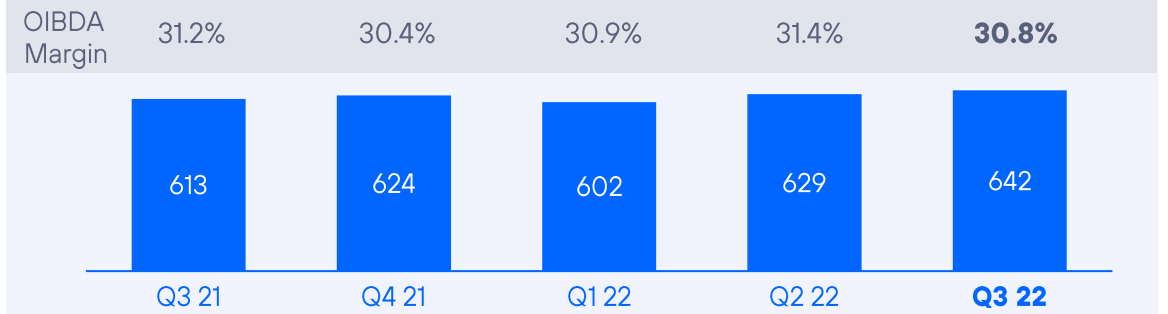
Revenue structure (EUR)

Fixed Handset MSR Other revenues



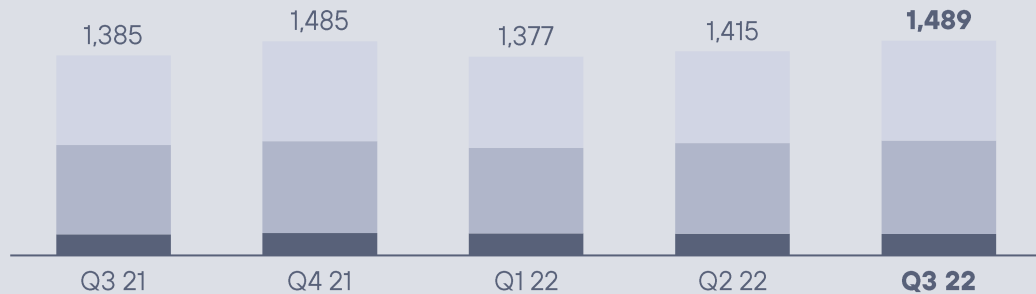
OIBDA¹ (EUR)

OIBDA adj. for exceptional effects



OpEx split² (EUR)

Personnel expenses Supplies Other



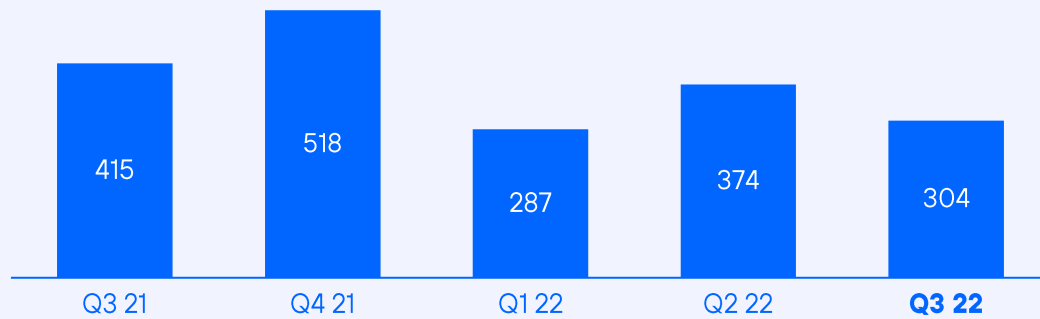
CapEx³ (EUR)

C/S 15.4% 23.1% 13.6% 14.5% 16.6%

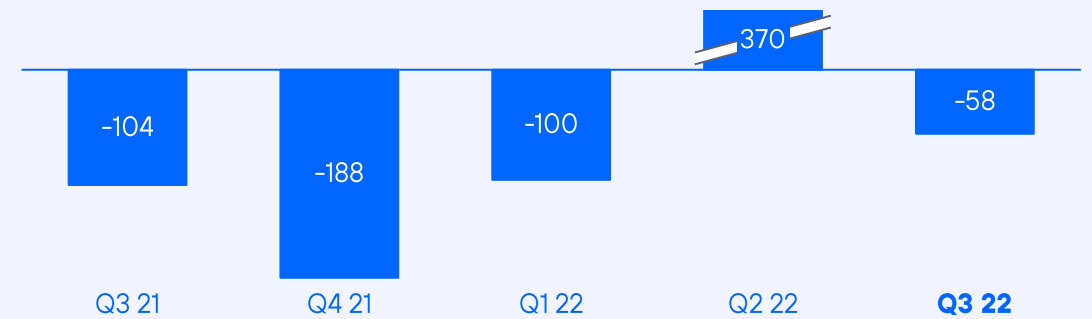


Mobile KPIs

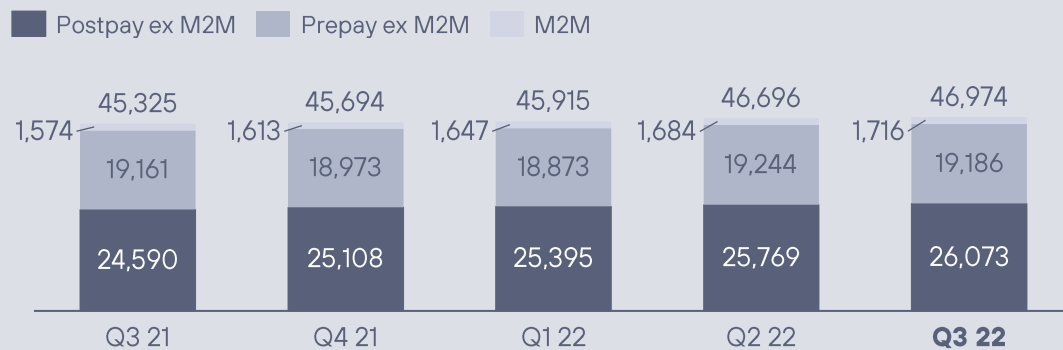
Postpaid net adds¹ (k)



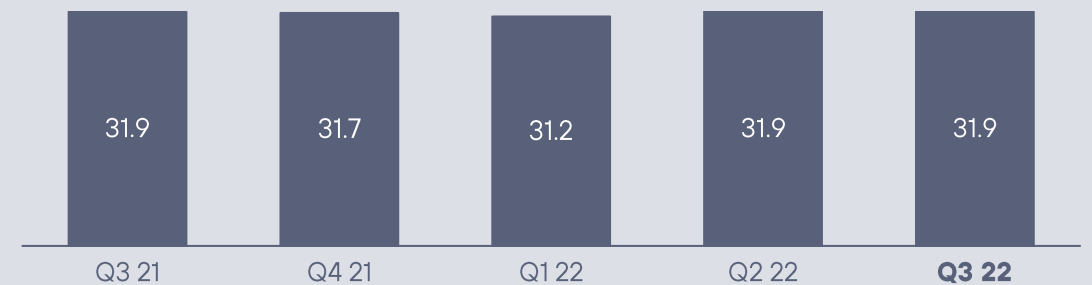
Prepaid net adds (k)



Mobile customer base (k)

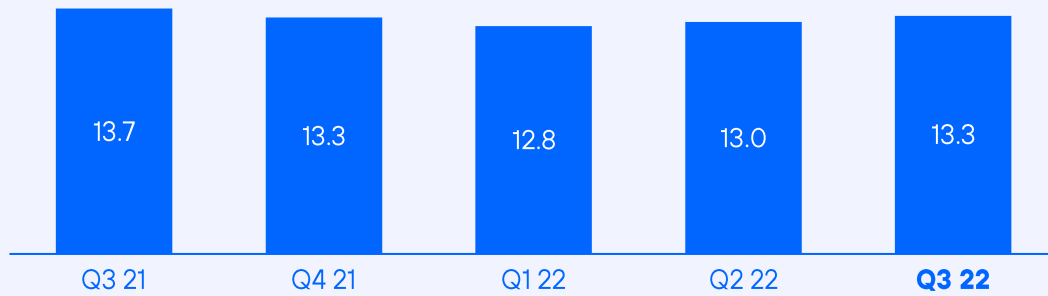


LTE customer base (m)

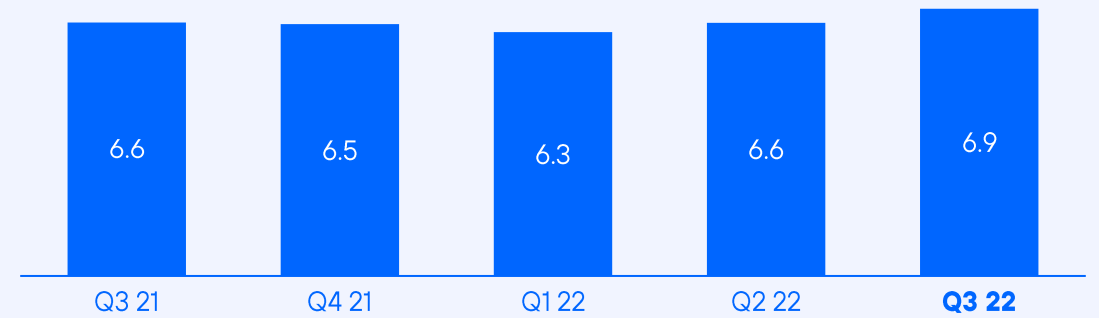


Mobile KPIs

Postpaid ARPU ex M2M (EUR)



Prepaid ARPU (EUR)



Churn rate (%)

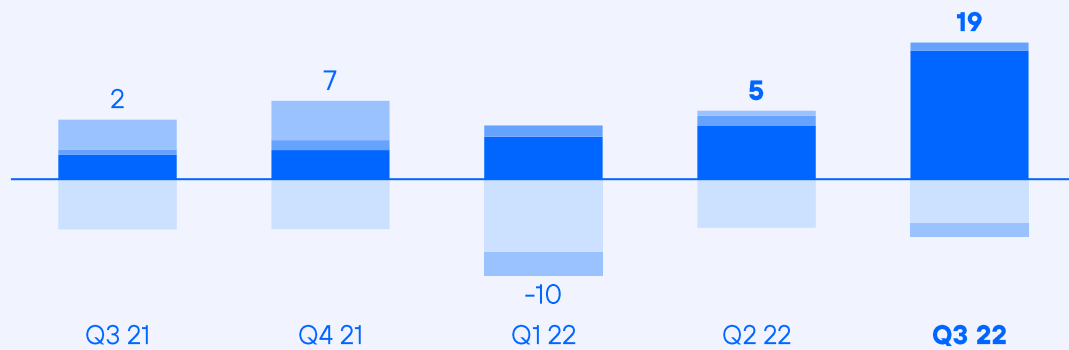
— O₂ postpaid — Total postpaid (ex M2M)



Fixed KPIs

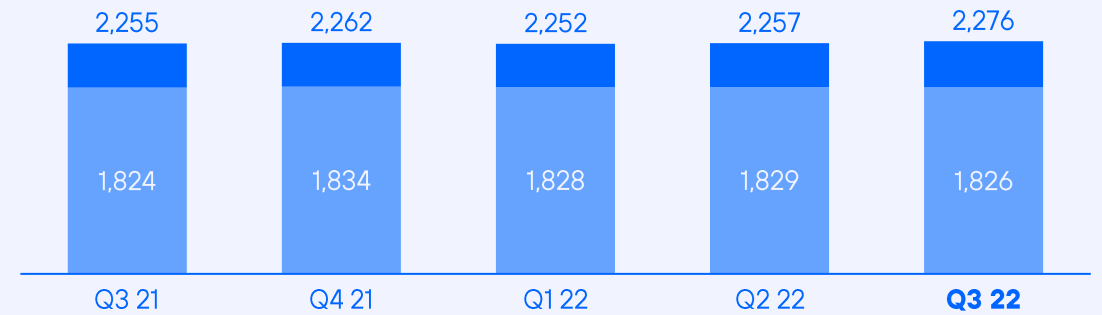
Retail broadband net adds (k)

■ Cable ■ Fibre ■ VDSL ■ DSL

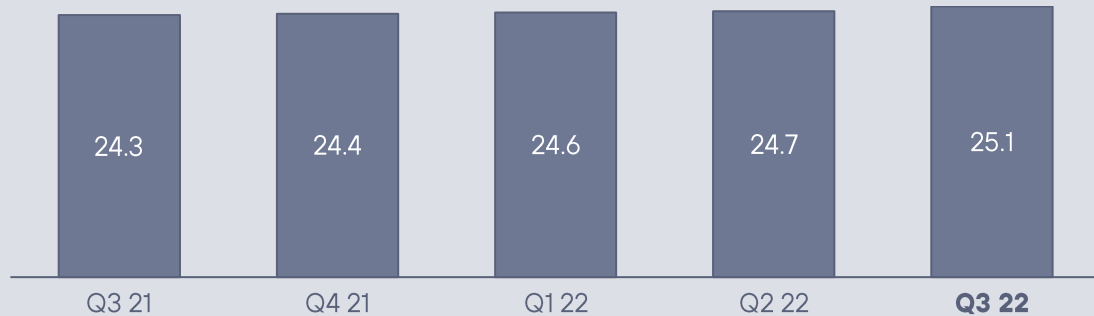


Fixed accesses (k)


■ VDSL



Fixed retail ARPU (EUR)



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 | ✓ | ✓ | ✓ |
| *BOOST (+5€): Double data & adding multiple devices |  |  + GROW 10GB yoy |  |
| Monthly fee | 19.⁹⁹ | 29.⁹⁹ | 39.⁹⁹ |



Flexible contract duration: **monthly contract termination**



All customer needs supported by **high speed internet**



Future ready with **5G**

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 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 Homespot | 3.99 mthl 5.99 mthl 4.99 mthl | 3.99 mthl 5.99 mthl 4.99 mthl | 3.99 mthl 5.99 mthl | 3.99 mthl 5.99 mthl | 3.99 mthl 5.99 mthl |
| Monthly fee 24m contract | 24.⁹⁹ | 29.⁹⁹ | 34.⁹⁹ | 39.⁹⁹ | 69.⁹⁹ |

Telefónica Deutschland
●●●