

Telefónica Deutschland

Interim statement Q1 results

12 May 2021

Markus Haas

CEO

 @Markus Haas

Markus Rolle

CFO

 @Markus Rolle



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.

Solid start into the year with good operational & financial performance

Confirming FY21 outlook

Boost Revenues Outperform the market



Mobile Growth

gaining rural share & reinforcement in urban



Smart Bundling (incl. FMS)

capturing value & reducing churn



Attack in B2B

Targeting fair SME share

Q1 21

Revenue YoY

+0.2%

+1.5%²

OIBDA¹ YoY

+5.5%

+6.4%²

Capex/Sales

12.3%

Net Adds³

>220k

Churn⁴

1.0%

O₂ ARPU⁵

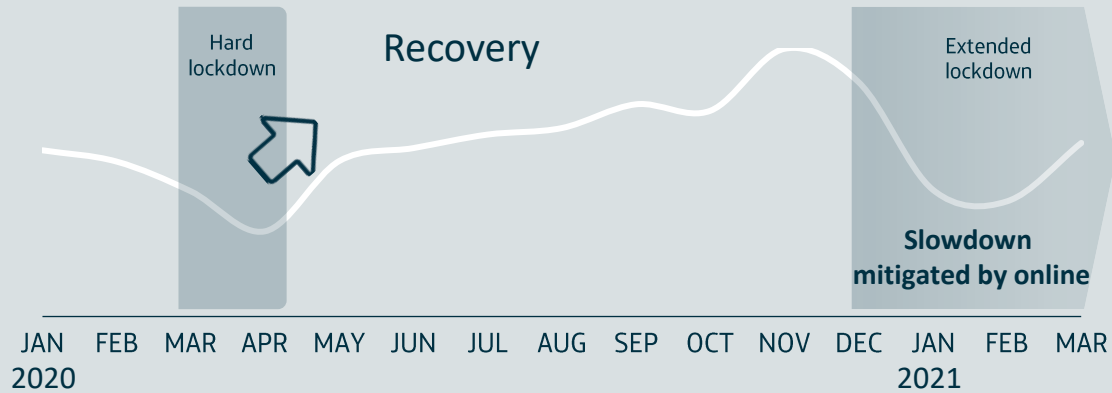
+0.5%



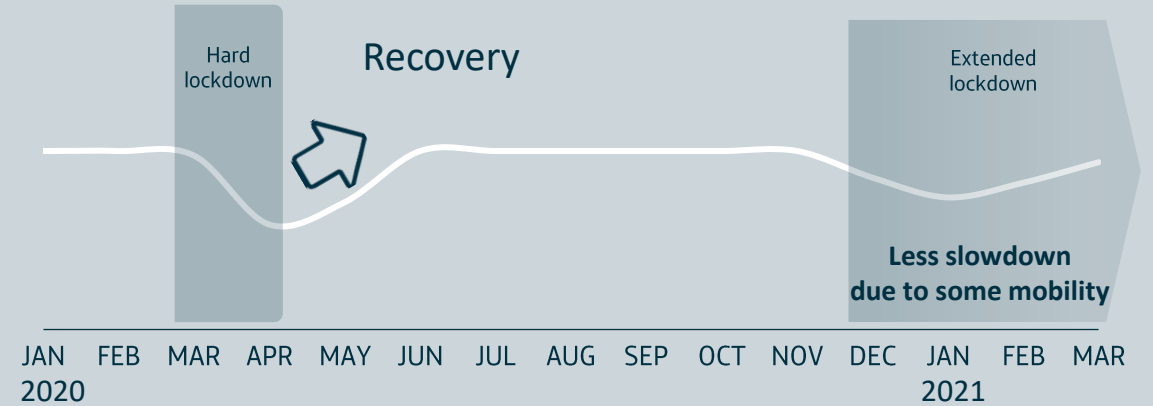
We democratise access to the **sustainable digital future to create a better everyday life**

Resilient business model in full quarter of lockdown

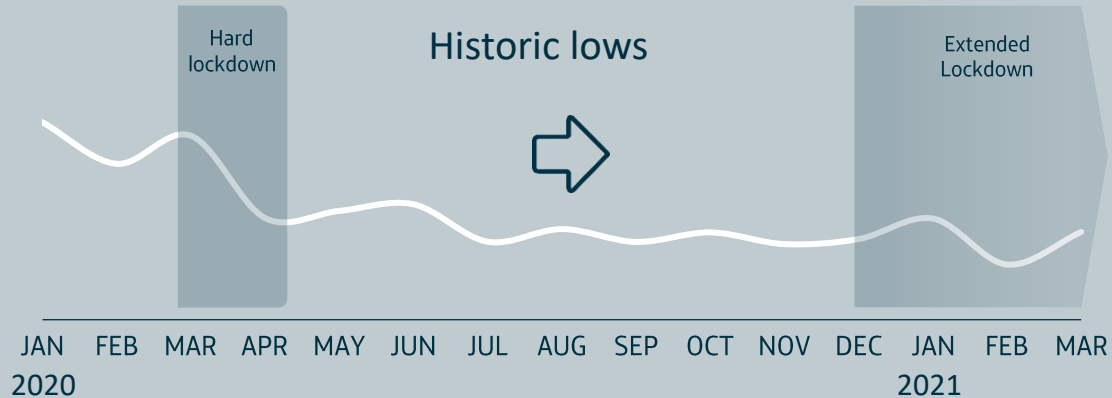
O₂ GROSS ADDS



PREPAID TOP UP BOOKINGS



O₂ CHURN



INT'L ROAMING REVENUE (OUTBOUND)



ESG at the heart of TEF D's strategy throughout the pandemic

Launch of Responsible Business Plan 2025 – Digital. Sustainable. Connected.

ESG strategy fully integrated in overall business strategy

- ✓ RBP goal: Creation of sustainable value and minimisation of risks
- ✓ RBP 2020: Achieved key targets
- ✓ RBP 2025: Ambitious future targets incl. climate protection strategy



2004

2021

2004

ISO 14001 certification



2005

CR-Report



2012

Launch corporate accelerator Wayra



2012

Launch Eco Index



2015

ISO 50001 certification



2019

Sustainability linked loan

2020

ESG DAX50

2020

Climate protection strategy 2025

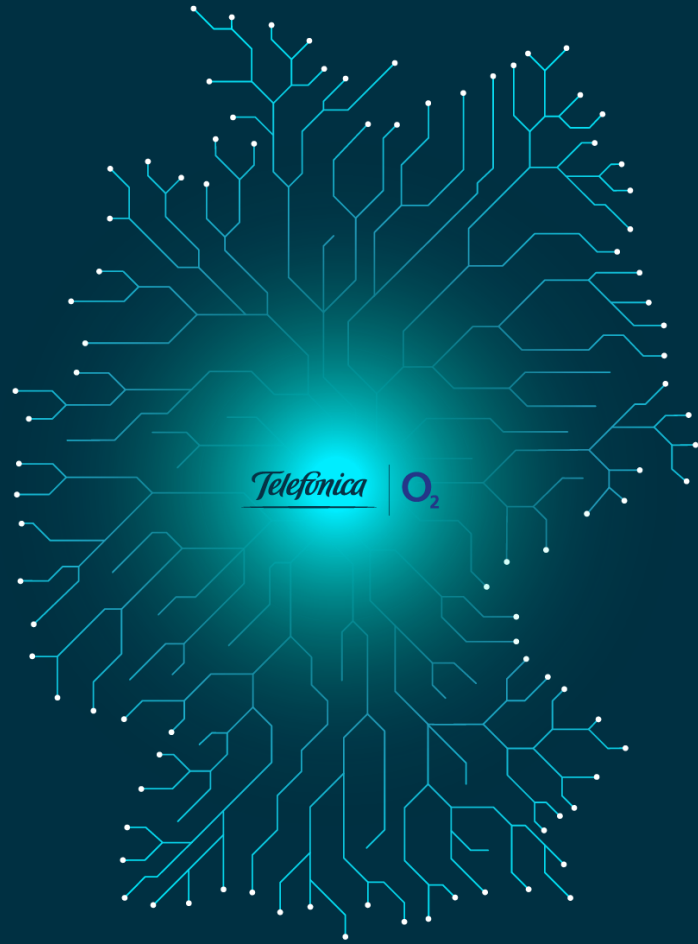
2016 - 2020
RBP



2021 - 2025
RBP



Rapid 5G expansion



✓ 5G in >30 cities



✓ ~1k 5G SA sites



✓ 5G cloud core for campus networks



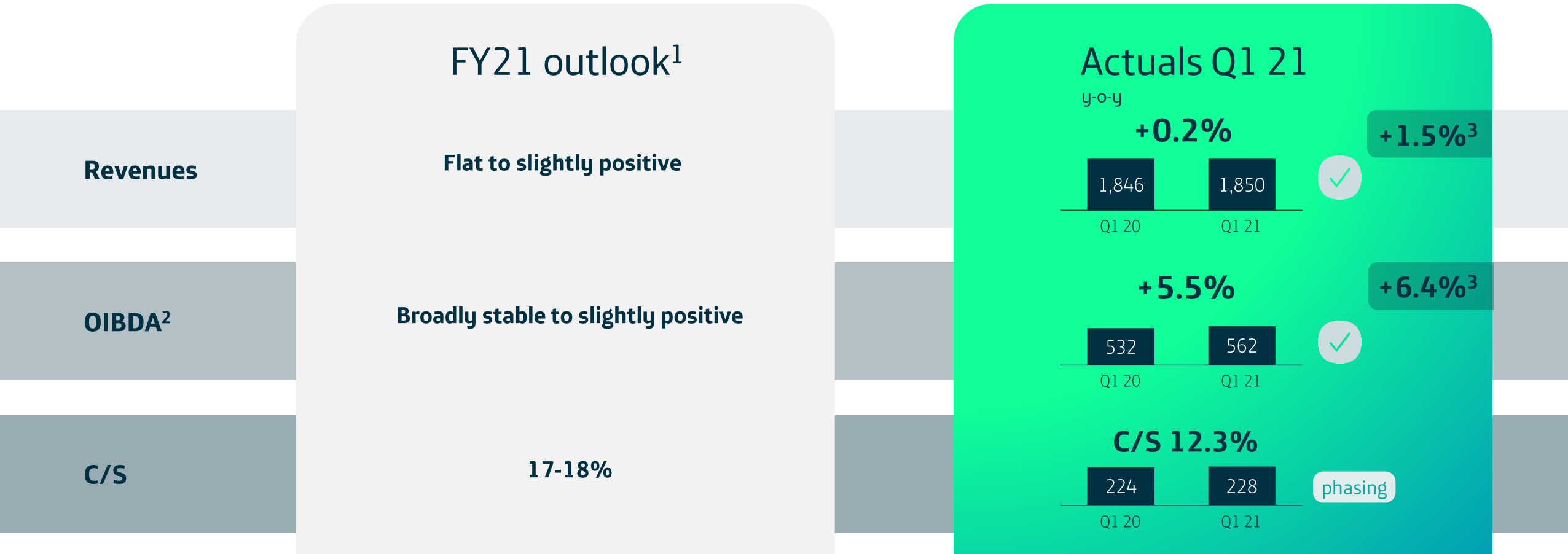
YE24: ~35k network grid



YE21: >30% coverage YE22: 50% coverage YE25: nationwide coverage

Confirming FY21 outlook – building on operational & financial momentum

Supported by network equalisation and historic low churn



Virtual AGM on 20 May – dividend proposal EUR 0.18/share

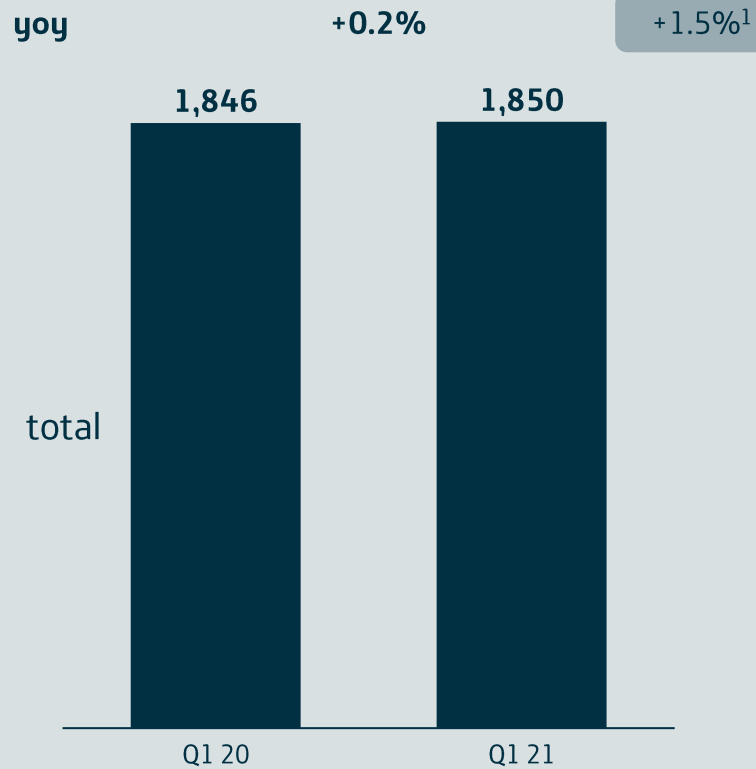


Financial Update

Markus Rolle
CFO

Operational trends in-tact across all revenue lines

Revenues (EURm)

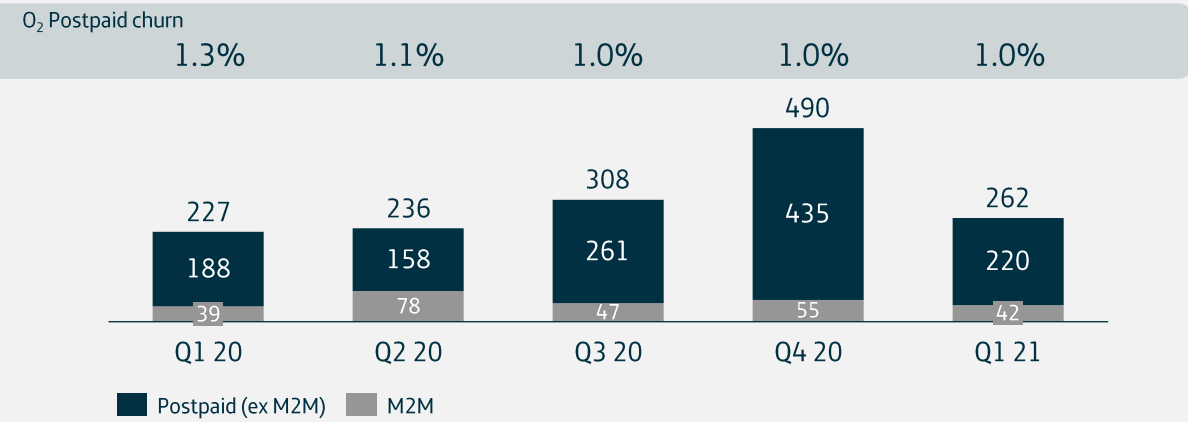


Sustained revenue trends (EURm)

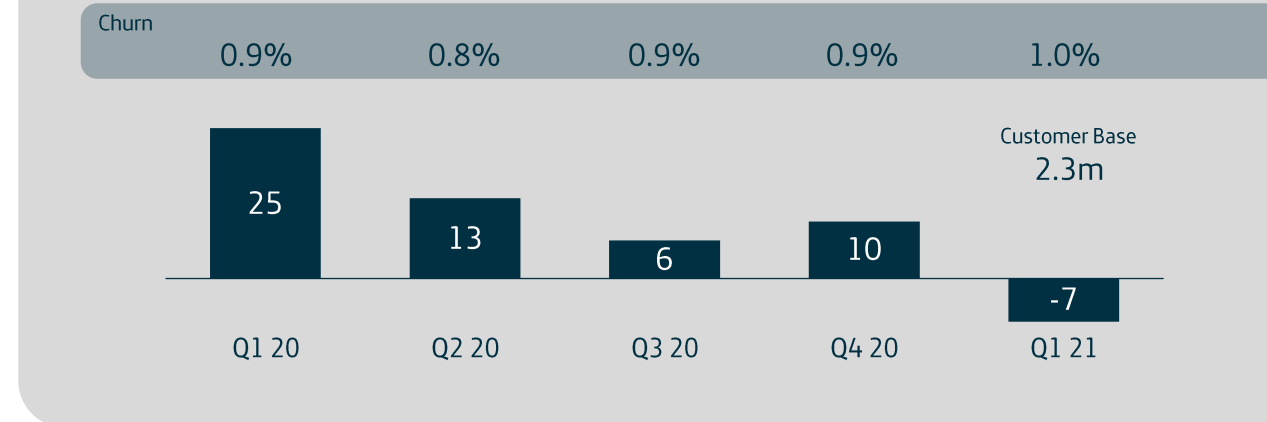


Continued own brand momentum supported by online channels

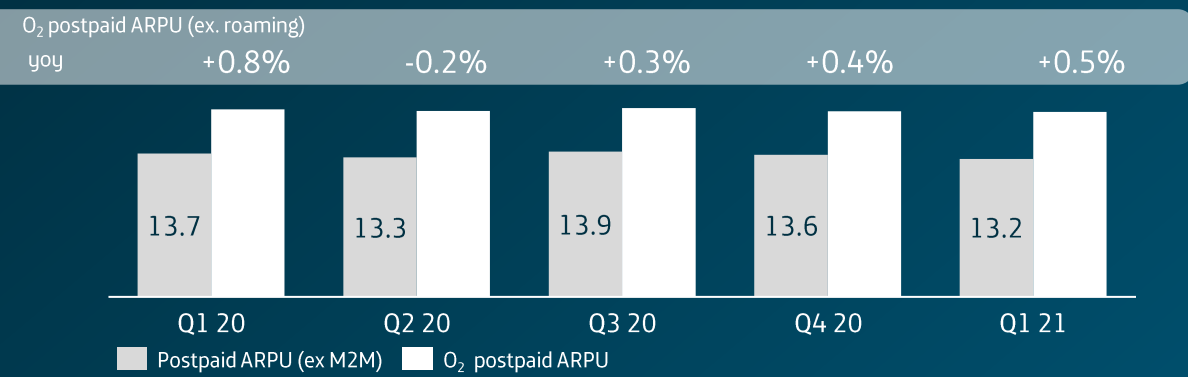
Mobile Net Adds (k)



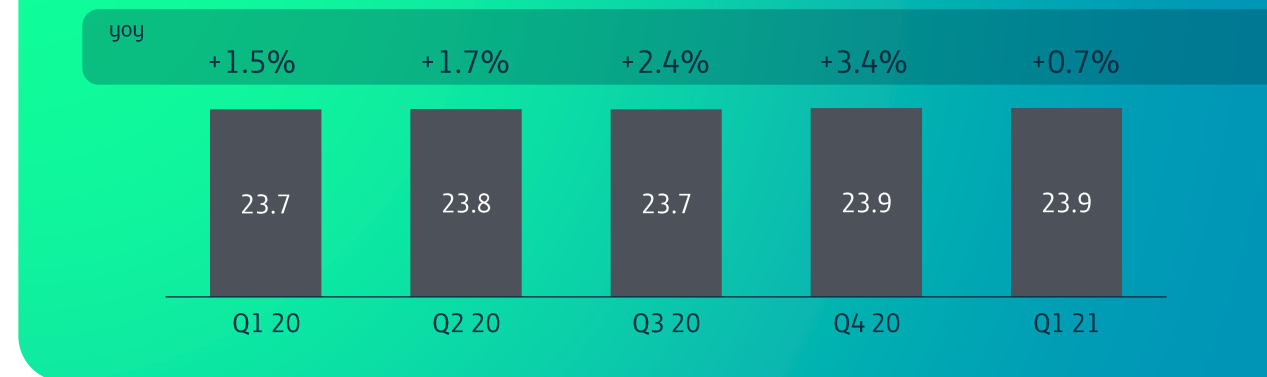
Fixed Net Adds (k)



Mobile Postpaid ARPU (EUR)



Fixed ARPU (EUR)

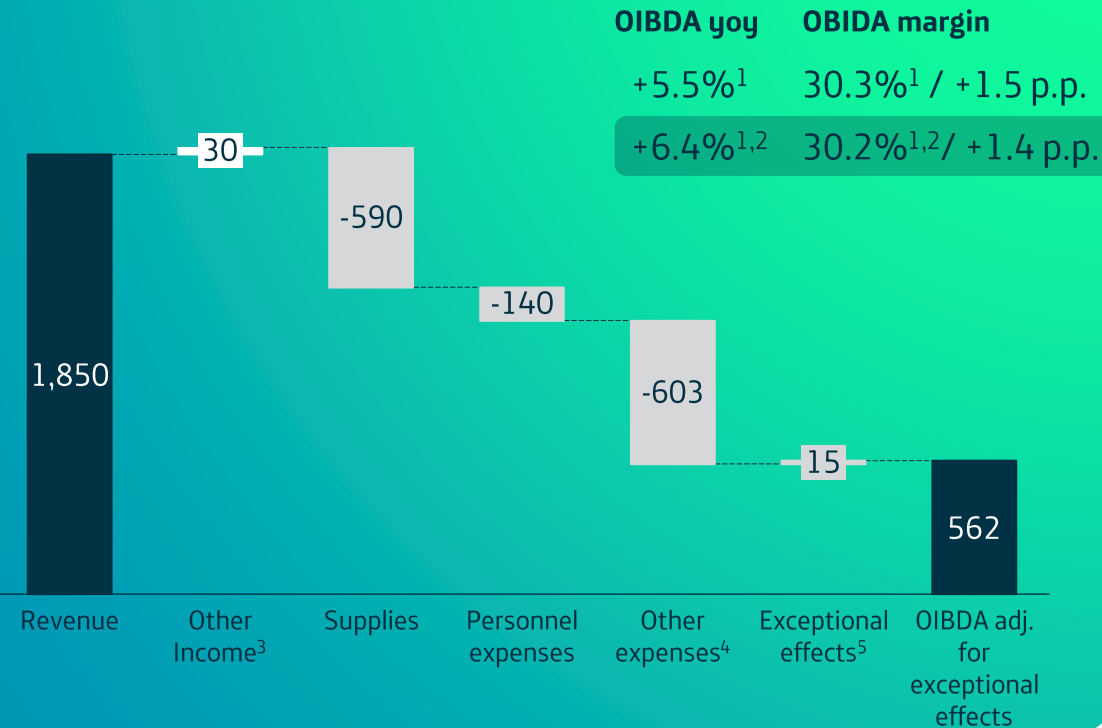


Strong OIBDA growth

Improved revenue quality & effective C-19 cost management

Q1 21

(EURm)

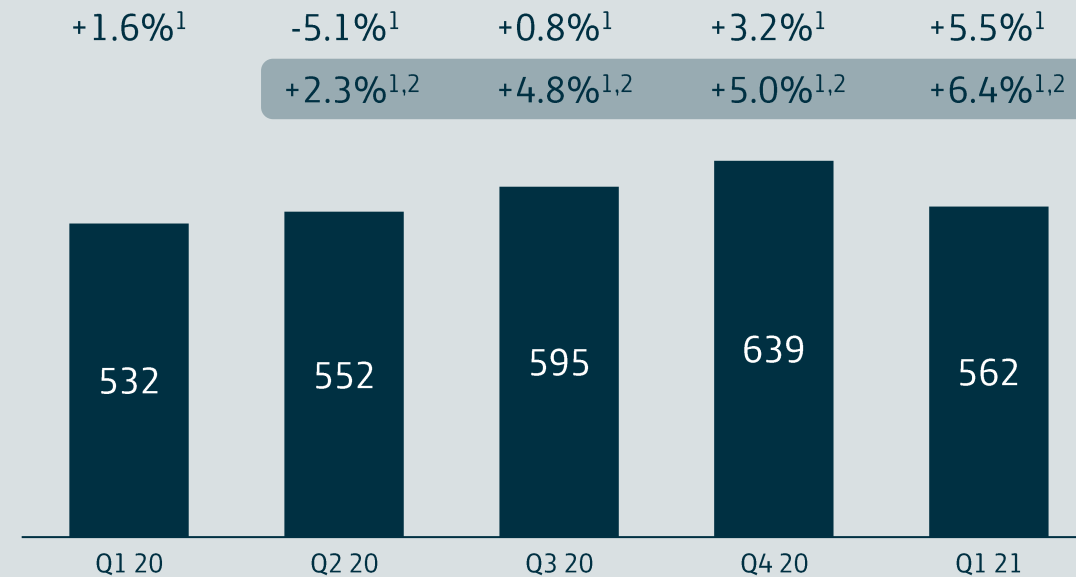


OIBDA yoy	OBIDA margin
+5.5% ¹	30.3% ¹ / +1.5 p.p.
+6.4%^{1,2}	30.2%^{1,2} / +1.4 p.p.

OIBDA¹

(EURm)

OIBDA yoy



¹ Adjusted for exceptional effects

² Excl. Covid-19 impacts

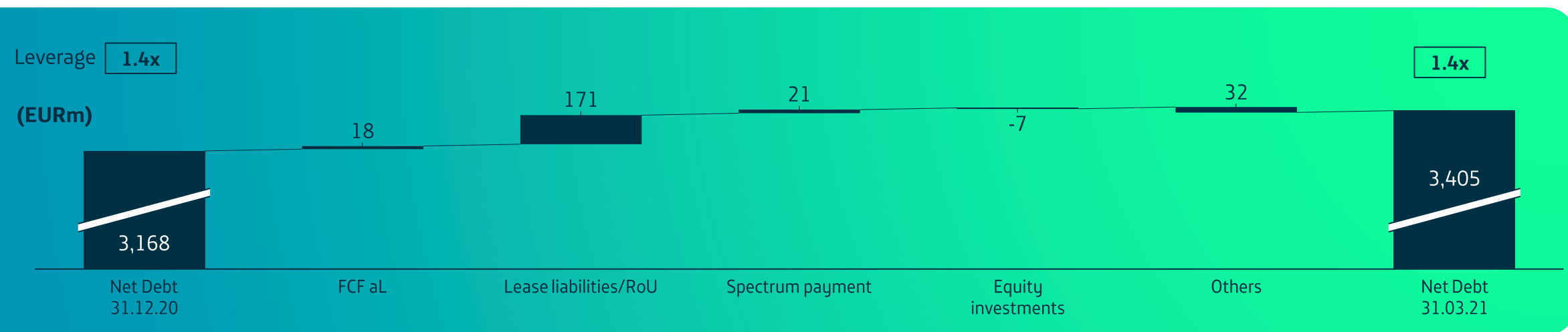
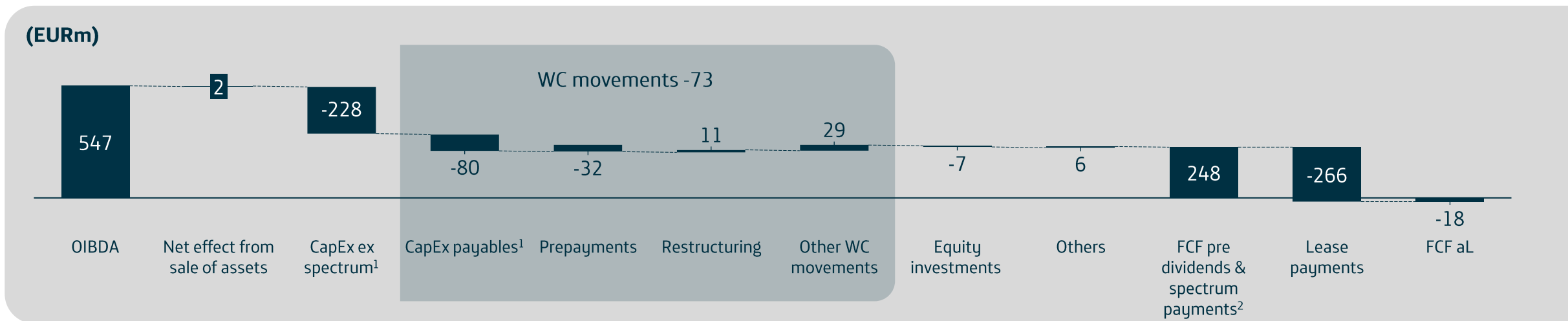
³ Adjusted for capital gains/losses related with the sale of assets

⁴ Includes exceptional effects, Group fees and impairment losses in accordance with IFRS 9

⁵ Mainly restructuring expenses

Q1 Free Cash Flow dynamics reflect usual seasonality

Solid financial position



¹ Excluding additions from capitalised right-of-use assets and investments in spectrum

² FCF pre dividends & spectrum payments is defined as the sum of cash flow from operating activities & cash flow from investing activities

³ Net financial debt includes current and non-current interest-bearing financial assets and interest-bearing liabilities as well as cash and cash equivalents and excludes payables for spectrum

⁴ Leverage ratio is defined as net financial debt divided by the OIBDA for the last twelve months adjusted for exceptional effects

Solid start into the year with good operational & financial performance

Confirming FY21 outlook

Good Q1 operational & financial performance

Full quarter of hard lockdown weighs on physicals & roaming with some offsetting OIBDA factors

Operational trends in-tact across all revenue lines

Continued core business momentum

Strong OIBDA growth

Supported by revenue mix & effective C-19 cost management

FCFaL dynamics with usual seasonality

Leverage with comfortable headroom to BBB-rating

Solid B/S, strong liquidity position and ability to generate FCF growth

Dividend proposal of EURc 18 per share for FY20 to AGM on 20 May





Telefónica Deutschland
Management Q&A



Markus Haas

CEO

 @Markus Haas



Markus Rolle

CFO

 @Markus Rolle

Any questions?

We look forward to hearing from you!

 +49 89 2442 1010

 ir-deutschland@telefonica.com

Christian Kern

Director Investor Relations



+49 179 900 0208
christian.kern@telefonica.com

Marion Polzer, CIRO

Head of Investor Relations



+49 176 7290 1221
marion.polzer@telefonica.com

Eugen Albrecht

Senior Investor Relations Officer



+49 176 3147 5260
eugen.albrecht@telefonica.com

Telefonica

Deutschland