

Preliminary results H1 / Q2 23

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Markus Haas
CEO



Markus Rolle
CFO

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Preliminary results
Strategic Update



Markus Haas
CEO

Excellent progress to build the best Telefónica Deutschland

Outperforming German telco market – leading M4M and ESG

Strategic Focus

Network

Sustain network quality powered by green energy

Growth

Increase market share across all segments

Transformation

Accelerate digitalisation



H1 23 Results

+6.2%

Revenues

+2.2%

OIBDA¹

12.0%

Capex/Sales

¹Adjusted for exceptional effects

High quality green 5G network - driving digitalisation & economic growth

Achieved 5G target of ~90% already by H1 23

'Very Good' Network

3rd consecutive 'very good'

~90%
5G coverage

'Very Good' Service

Biggest incremental gain



Network Ambition



Nationwide 5G coverage
latest by YE25

Leading M4M including 5G mass-market enablement

Underpinning growth ambitions

O₂ can do

Key driver of
more-for-more
strategy

Positive 'M4M' momentum
on back of launch in
April 2023



Blau

Launched
February 2023

ay yıldız

Launched
March 2023

ortel
MOBILE

Launched
March 2023

Tchibo
MOBIL

Launched
May 2023

ALDI TALK

Launched
July 2023

Narrowing FY23 outlook to upper-range

Strong H1 23 results and continued momentum underpinning confidence

Previous FY23 Outlook

Low single digit % growth

incl. regulatory headwinds of 50-60 EURm

Low single digit % growth

incl. regulatory headwinds of 10-15 EURm

~14%

Revenues

OIBDA¹

C/S

Updated FY23 Outlook

Upper-range of low single digit % growth

incl. regulatory headwinds of 50-60 EURm

Upper-range of low single digit % growth

incl. regulatory headwinds of 10-15 EURm

~14%

¹Adjusted for exceptional effects

Dividend paid in May - EURc 18/share

Preliminary results
Financial Update



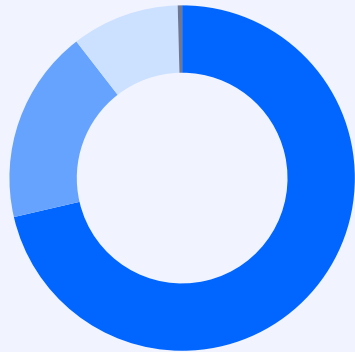
Markus Rolle
CFO

Sustained revenue growth supported by ongoing MSR momentum

Accelerated MSR growth

Q2 23 Revenues

+4.4%
2,091 EURm



● MSR ● Handsets ● Fixed ● Other



Q2 23 Growth

+4.3%
MSR

+6.1%
Handsets

+4.5%
Retail FBB

Good commercial traction in combination with low churn

Well received new O₂ tariff portfolio supported by strong brand momentum

Q2 23 Mobile

+302k

Postpaid Net Adds

0.8%

O₂ Postpaid Churn

+1.0% yoy

O₂ Postpaid ARPU



¹ Definition adjustment

Q2 23 Fixed

+22k

Fixed Net Adds

0.8%

Fixed Churn

+1.3% yoy

Fixed BB ARPU¹

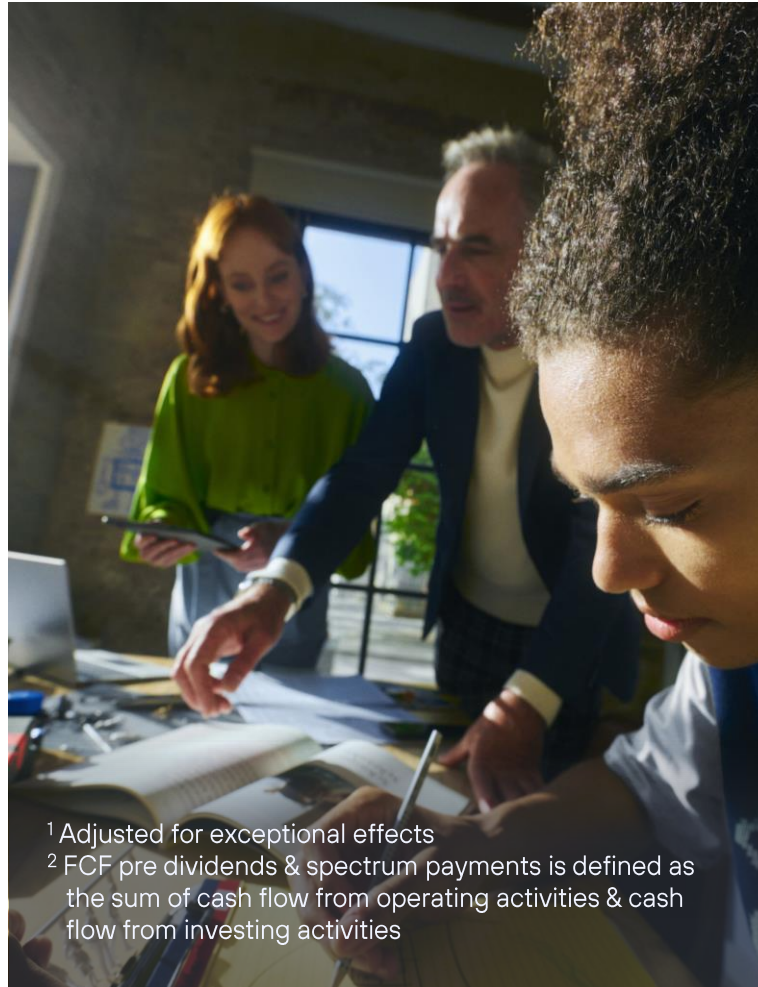
Strong OIBDA growth driven by high MSR quality

Positive FCFaL trend

Q2 23 OIBDA¹

+2.7%
yoy

30.9%
Margin



¹ Adjusted for exceptional effects

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

YTD Free Cashflow

1,257 EURm
OIBDA

504 EURm
CAPEX

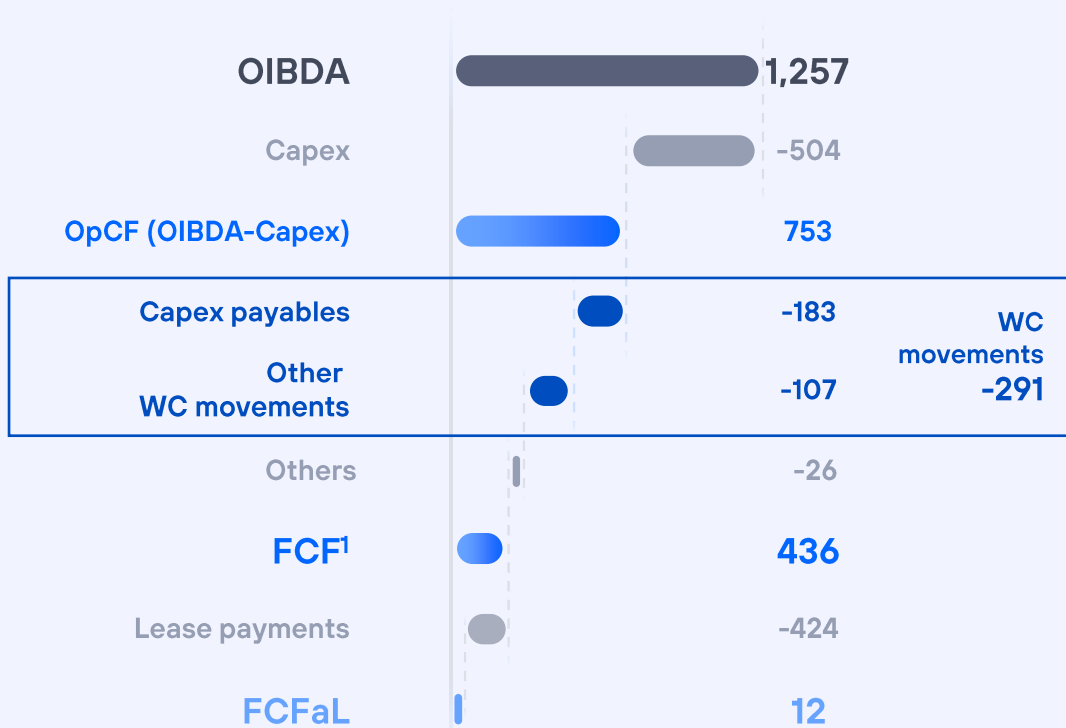
436 EURm
FCF²

12 EURm
FCFaL

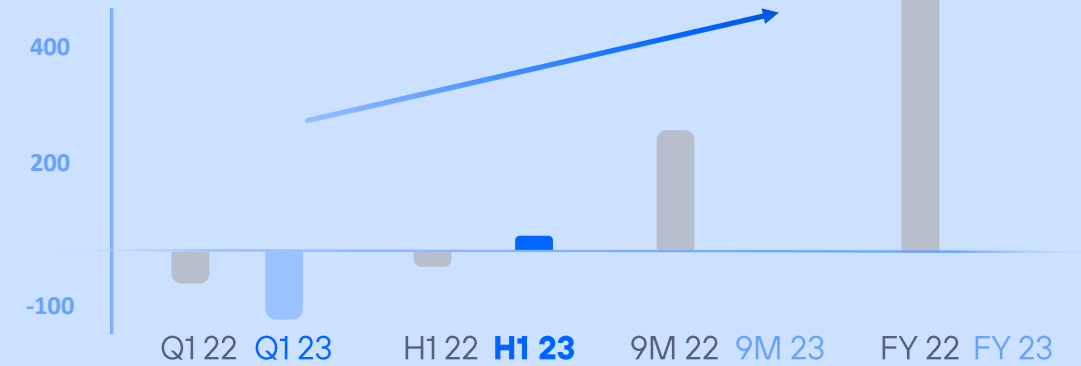
Achieved positive FCFaL already in H1 23 – enhancing strong balance sheet

Well on track to deliver more than dividend coverage

H1 23 FCF (EURm)



Back-end loaded FCFaL profile (EURm)



Net Debt (EURm)

3,680
Leverage 1.4x

FitchRatings

BBB
Stable Outlook

Excellent progress to build best Telefónica Deutschland

Key take-aways

Sustained revenue growth

Driven by high MSR quality



Strong OIBDA growth

Positive FCFaL trend

High quality network

Approaching nationwide 5G coverage

Narrowing FY23 outlook to upper-range

On back of strong H1 results & continued momentum

Leading ESG agenda

Promoting a sustainable digital future

Thank You Management Q&A



Markus Haas
CEO



Markus Rolle
CFO

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

Telefónica Deutschland
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