

Telefónica Deutschland  
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# Preliminary Results Q4/FY 21

23 February 2022

**Markus Haas**

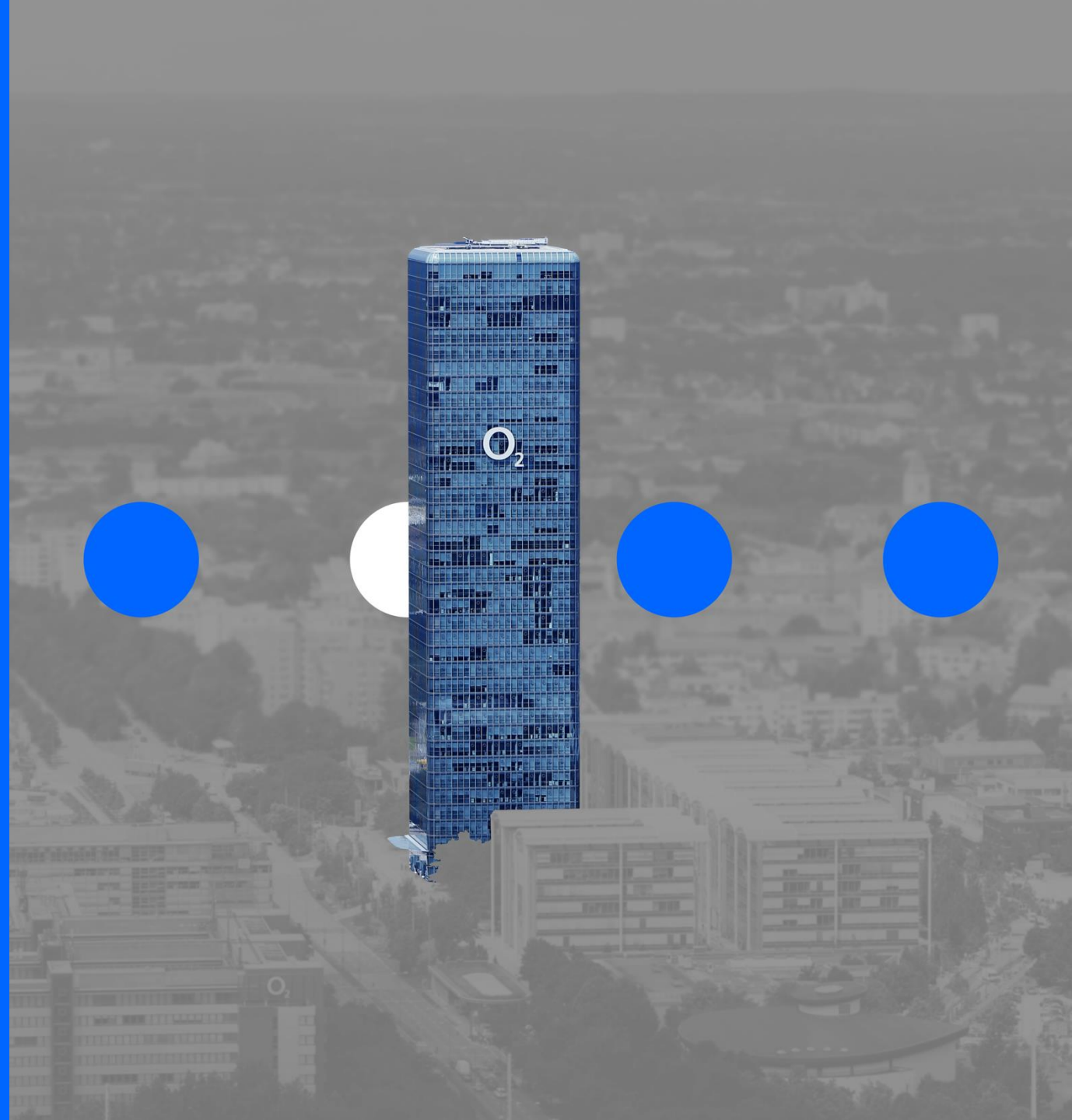
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 @Markus Haas

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CFO

 @Markus Rolle



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# After 2<sup>nd</sup> year of strong delivery well on track for mid-term-guidance

## Continued growth momentum into FY22

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

### Strategy Recap

Boost revenues, outperform the market

Mobile Growth



Attack in B2B



Smart Bundling  
(incl. FMS)



Network parity



### Midterm Guidance 2020 - 2022

Achievements after 2 years



**Revenue**

Cumulated growth  $\geq$  5%



**Margins**

Ongoing improvements<sup>6</sup>



**Capex/Sales**

C/S peak in FY21,  
Normalising towards YE22

### FY21

+3.1%

+2.6%<sup>2</sup>

Revenue

+3.9%

+1.8%<sup>3</sup>

OIBDA<sup>1</sup>

16.5%

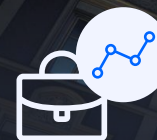
Capex/Sales

1.5m

Net Adds<sup>4</sup>

0.9%

O<sub>2</sub> Churn<sup>5</sup>



**B2B**

Gaining market share



**Network parity**

and price-value-leadership



**ESG**

leadership

<sup>1</sup> Adjusted for exceptional effects

<sup>2</sup> Excl. non-recurrent special factors

<sup>3</sup> Excl. non-recurrent special factors & received social security payments

<sup>4</sup> Postpaid excl. 203k M2M

<sup>5</sup> O<sub>2</sub> Postpaid




<sup>6</sup> Adj. for except. effects & excl. C-19 impacts

# Strong ESG delivery – recognised as top-rated ESG performer

## Environment

### BUILDING A GREENER FUTURE




Lower carbon economy & digital innovation

-  **Efficiency**  
Increased target of 87% (from 82%) less energy consumption by 2025\*  
2021: 78%\*
-  **100% renewable energy**  
Well on track to achieve net zero carbon emission target by 2025  
Further yoy reduction of ~20kt CO<sub>2</sub> in 2021
-  **Circular Economy**  
Sustainable products & services  
Reduce – repair – recycle up ~50% yoy

## Social

### HELPING SOCIETY TO THRIVE




Supporting customers & communities

-  **Society**  
C-19 crisis management.  
Flood: Emergency help & reliable network.  
Initiatives for digital inclusion.
-  **Customers & Society**  
Continuous improvement of reputation score
-  **Employees**  
Improvement of strong eNPS

## Governance

### LEADING BY EXAMPLE

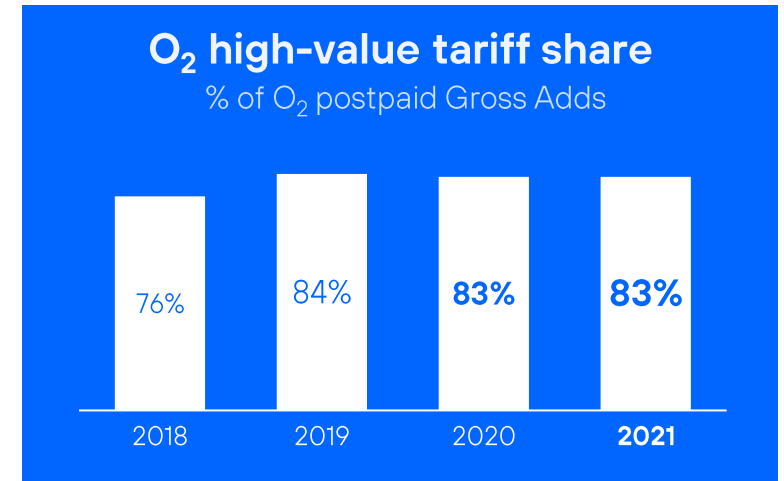
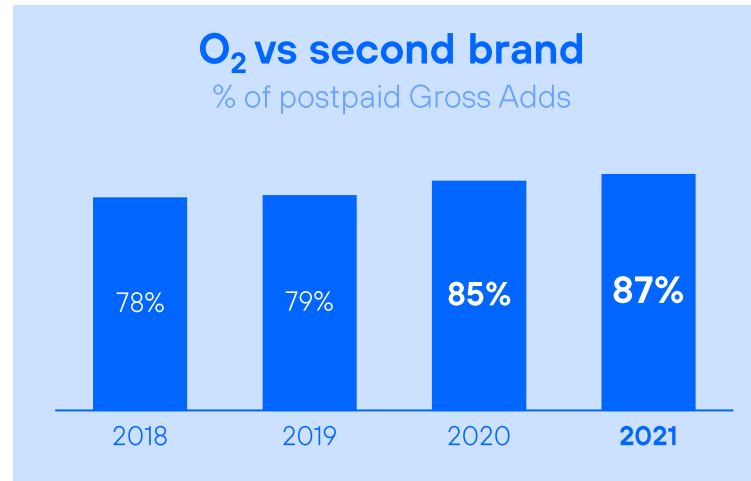
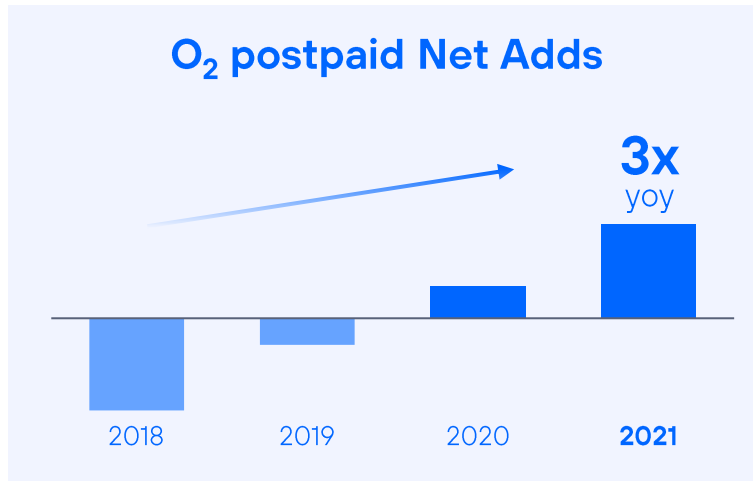
Running an inclusive, fair & ethical business

-  **Robust governance structure**  
Supervisory Board & Management Board – highly experienced & diverse
-  **Gender Equality**  
Bloomberg Global Equality Index 2022 – included 3<sup>rd</sup> year running
-  **Health & Safety**  
Awarded for Corporate Health Management

Top-ranked in ESG by leading rating agencies & well prepared for EU Taxonomy



# Accelerating momentum across consumer business delivers value



## Award-winning service proposition



'Very good' network  
2<sup>nd</sup> time in a row



Price-value leadership  
for Infrequent, Normal, Heavy & Power users



Service excellence  
Leading customer service

# SME focus drives B2B growth momentum

## Competitive core service portfolio

Mobile



Fixed



VAS



M2M/IoT



SD-WAN



Cloud



p5G



Future service opportunities through **Network Slicing**

**+12%**

Revenues (yoy)



**>80%**

Digital service  
revenues (yoy)



**-13%**

Churn (yoy)



Strong  
improvements  
NPS



Sustainable  
technologies  
contribute to  
ESG targets



# Passed Capex peak in FY21 - on track for normalised C/S levels by YE22

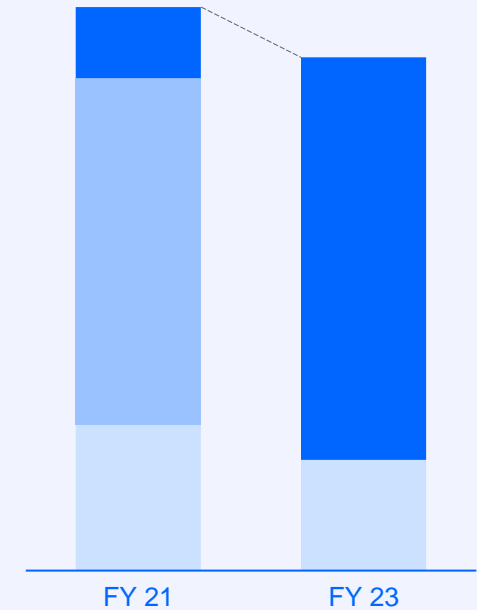
## Network parity



## Technology transformation



## From 16.5% to normalised C/S



## 5G pop coverage



## 3G sunset



# Strong FY21 growth momentum fuels confident FY22 outlook

	FY21		FY22 Outlook <sup>1</sup>
Revenues	✓	+3.1% yoy	Low single digit % growth incl. regulatory headwinds of EUR 70-80m
OIBDA <sup>2</sup>	✓	+3.9% yoy	Low single digit % growth w/ margin expansion incl. regulatory headwinds of EUR 15-20m
C/S	✓	16.5%	14-15%

**FY21 dividend proposal of EURc 18 per share to AGM in May**

<sup>1</sup>Including regulatory effects

<sup>2</sup> Adjusted for exceptional effects

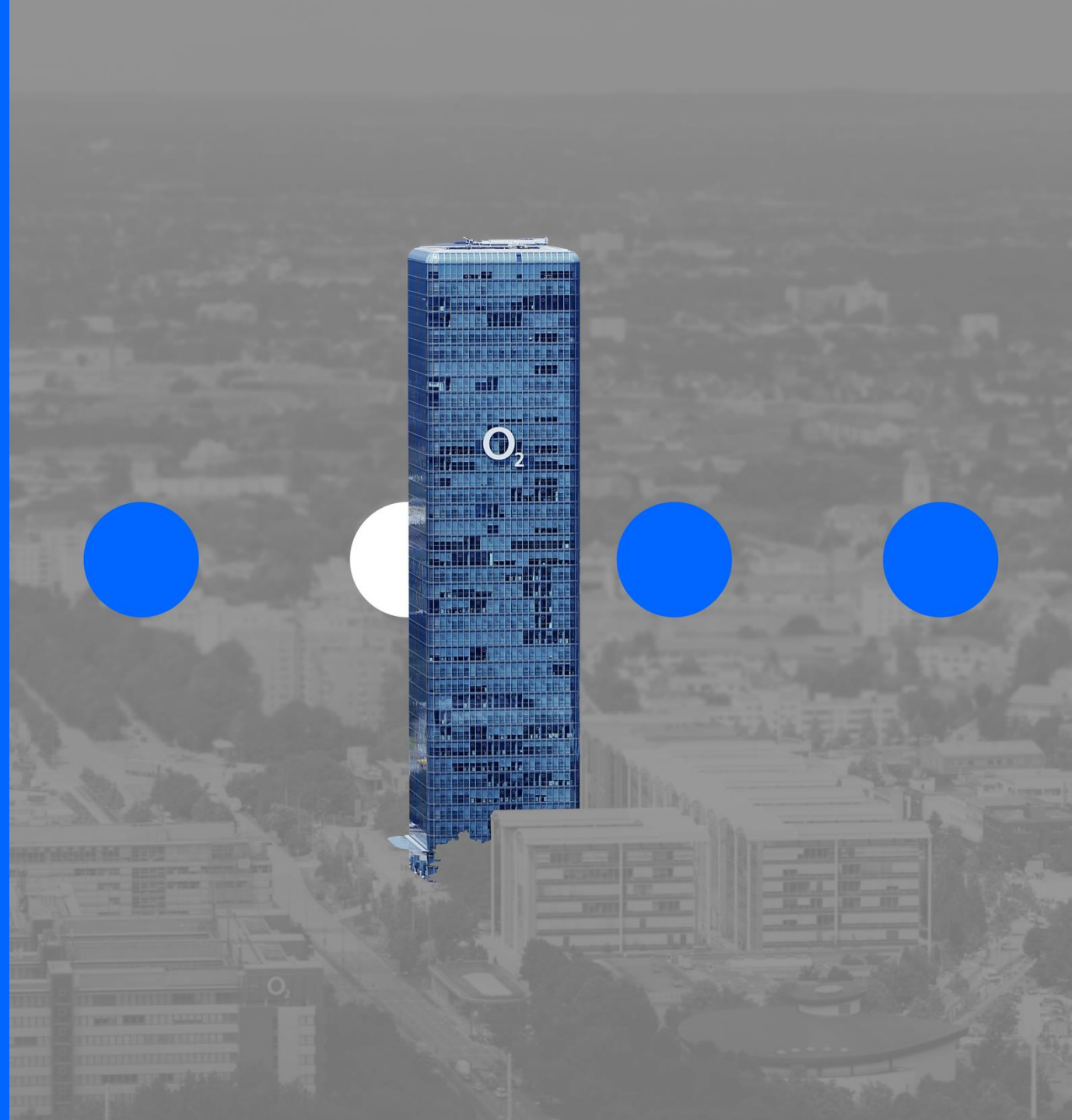


# Financial Update

**Markus Rolle**

CFO

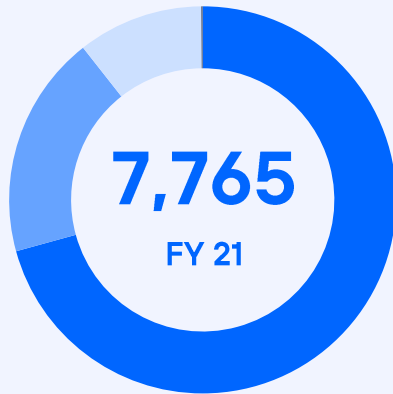
 @Markus Rolle



# Profitable revenue growth driven by continued strong MSR performance

## Revenues (EURm)

**+3.1%**  
yoy  
+2.6%<sup>1</sup>



**+1.6%**  
yoy



<sup>1</sup> Excl. non-recurrent special factors

● MSR ● Handset ● Fixed ● Other

## MSR growth momentum (EURm)



# Strong momentum of O<sub>2</sub> Free portfolio fuels sustained ARPU growth

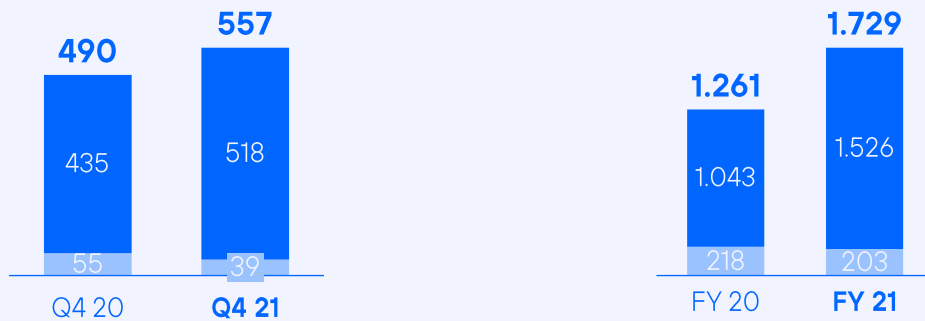
## Mobile Net Adds (k)

■ Postpaid (ex M2M) ■ M2M

O<sub>2</sub> Postpaid Churn

1.0%

0.9%

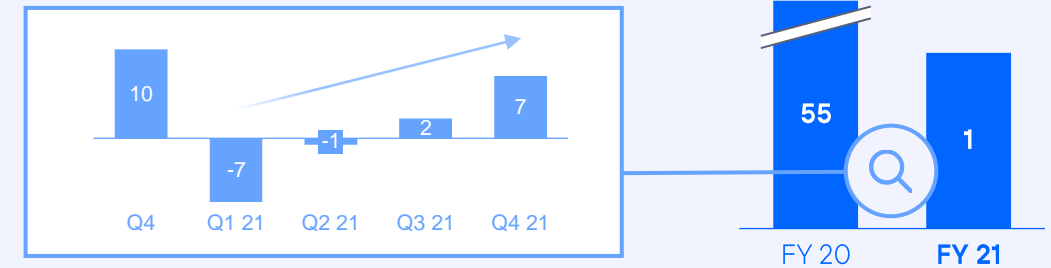


## Fixed Net Adds (k)

Churn

0.9%

0.9%



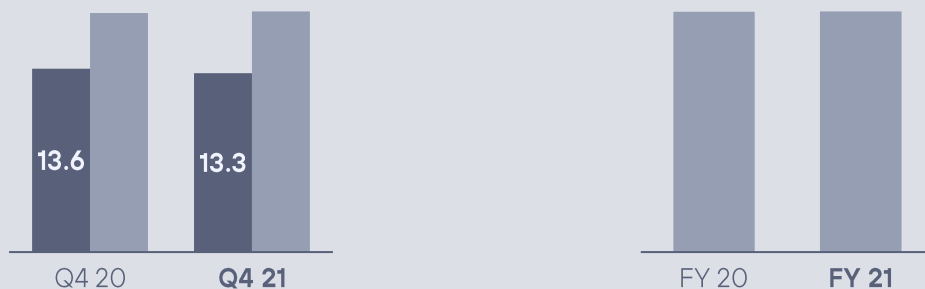
## Mobile Postpaid ARPU (EUR)

■ Postpaid ARPU (ex M2M) ■ O<sub>2</sub> Postpaid ARPU

O<sub>2</sub> Postpaid ARPU yoy

+0.7%

+0.2%

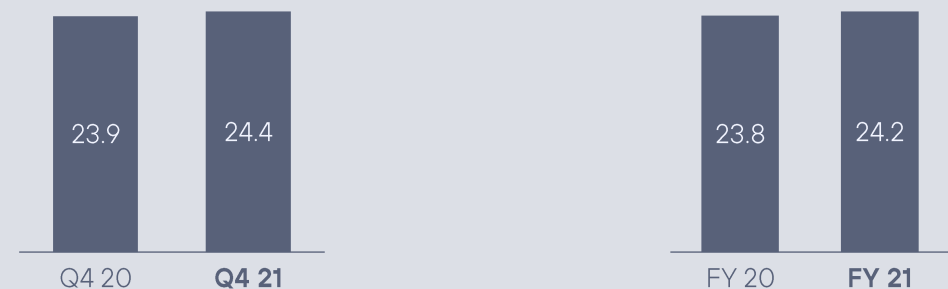


## Fixed ARPU (EUR)

ARPU yoy

+2.1%

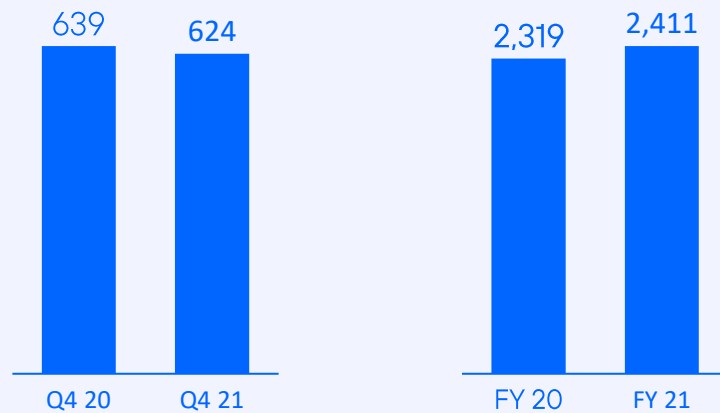
+1.7%



# Q4 21 OIBDA reflecting strong commercial momentum

## OIBDA<sup>1</sup> (EURm)

OIBDA yoy **-2.3%** **+3.9%**  
+1.8%<sup>2</sup>

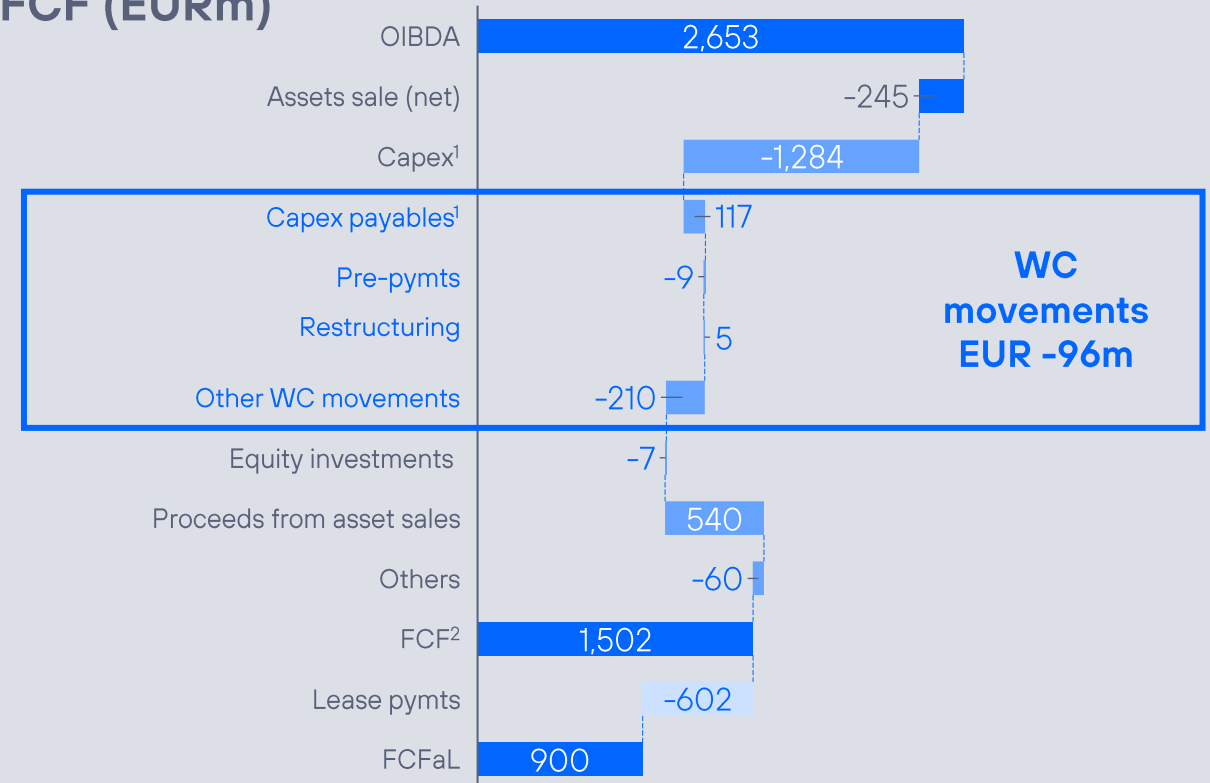


OIBDA margin **30.4%** **31.0%**  
30.7%<sup>2</sup>

<sup>1</sup> Adjusted for exceptional effects

<sup>2</sup> Excl. non-recurrent special factors & received social security payments

## FCF (EURm)



**Net Debt<sup>3</sup> (EURm) 3,045**

**Leverage<sup>4</sup> 1.3x**

<sup>1</sup> Capex includes additions to PP&E and other intangible assets, while investments for spectrum licenses and additions from capitalised right-of-use assets are not included

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

<sup>3</sup> 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

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

# Delivered FY21 at top-end of double-upgraded outlook

## FY22 outlook continues to build on 3 strategic growth pillars

	FY21 Outlook <sup>1</sup>	FY21 Actuals	FY22 Outlook <sup>1</sup>
<b>Revenues</b>	Slightly positive	✓ EURm 7,765 +3.1% yoy	<b>Low single digit % growth</b> incl. regulatory headwinds of EUR 70-80m
<b>OIBDA<sup>2</sup></b>	Low mid-single digit % growth	✓ EURm 2,411 +3.9% yoy	<b>Low single digit % growth w/ margin expansion</b> incl. regulatory headwinds of EUR 15-20m
<b>C/S</b>	<17 - 18%	✓ 16.5%	14-15%

**FY21 dividend proposal of EURc 18 per share to AGM in May**

<sup>1</sup>Including regulatory effects

<sup>2</sup> Adjusted for exceptional effects

# Telefónica Deutschland Management Q&A



**Markus Haas**

CEO

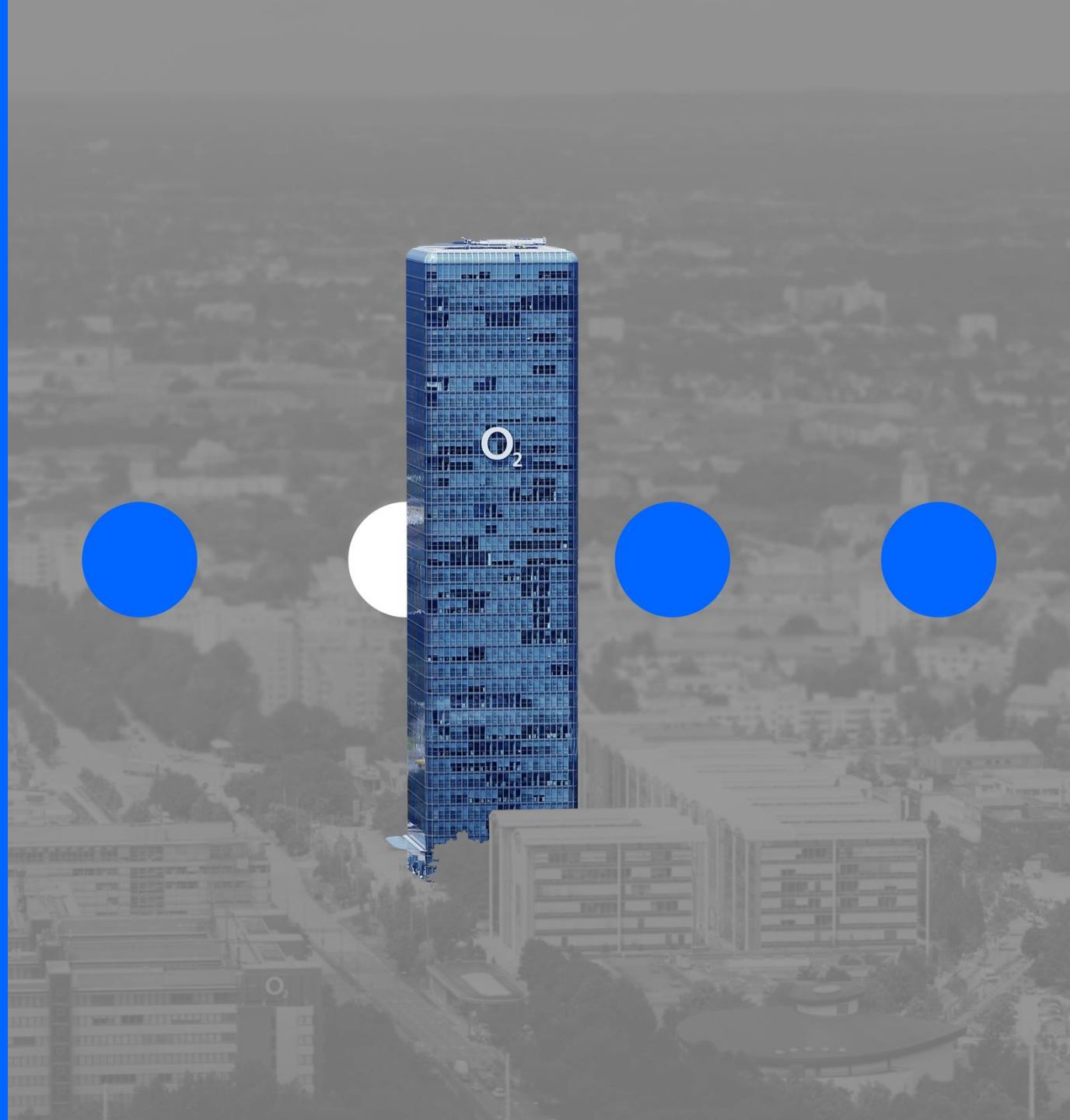
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Questions?

We look forward  
to your feedback



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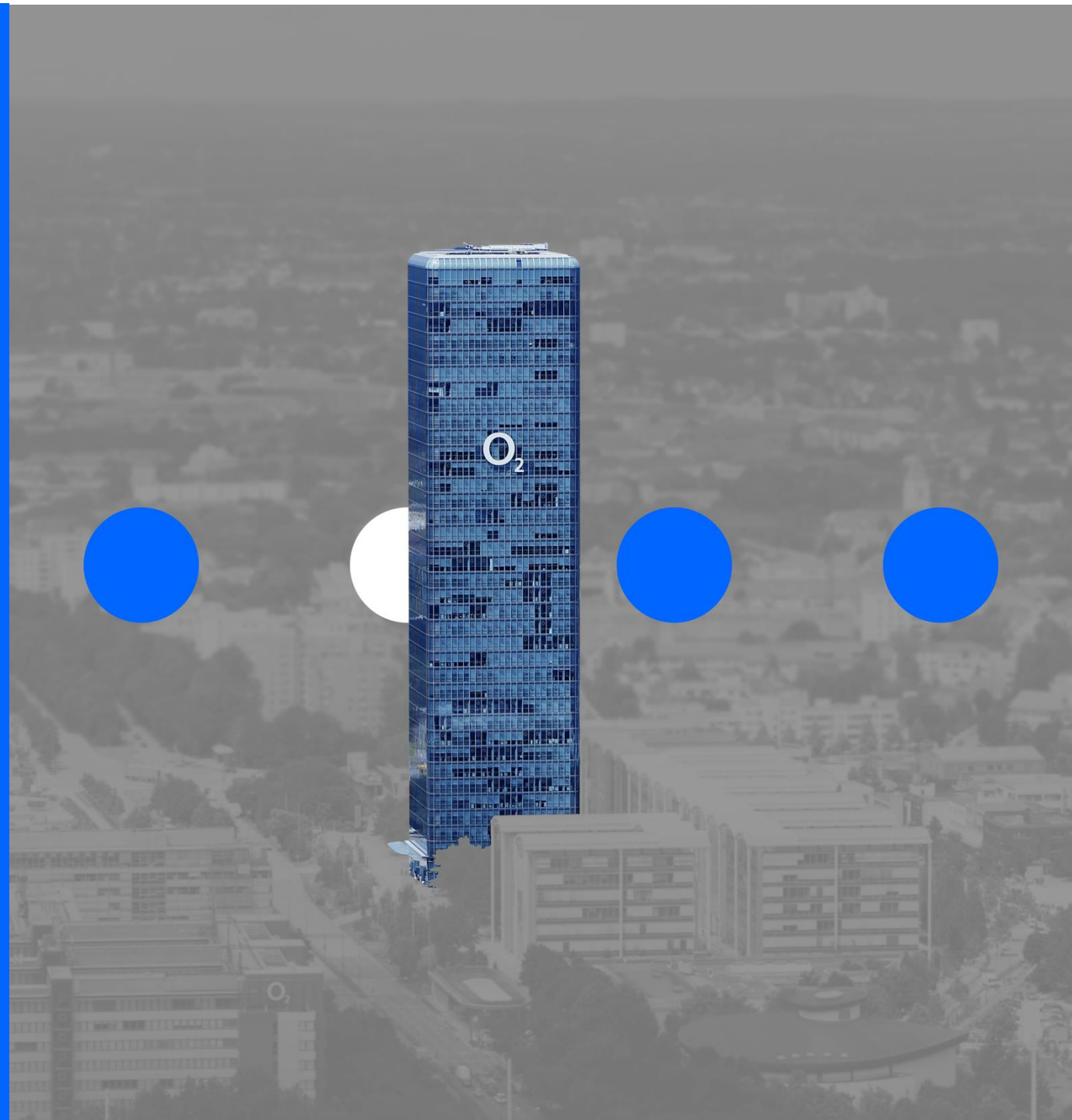


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