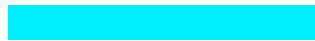


# Investor presentation

# Telefónica Deutschland

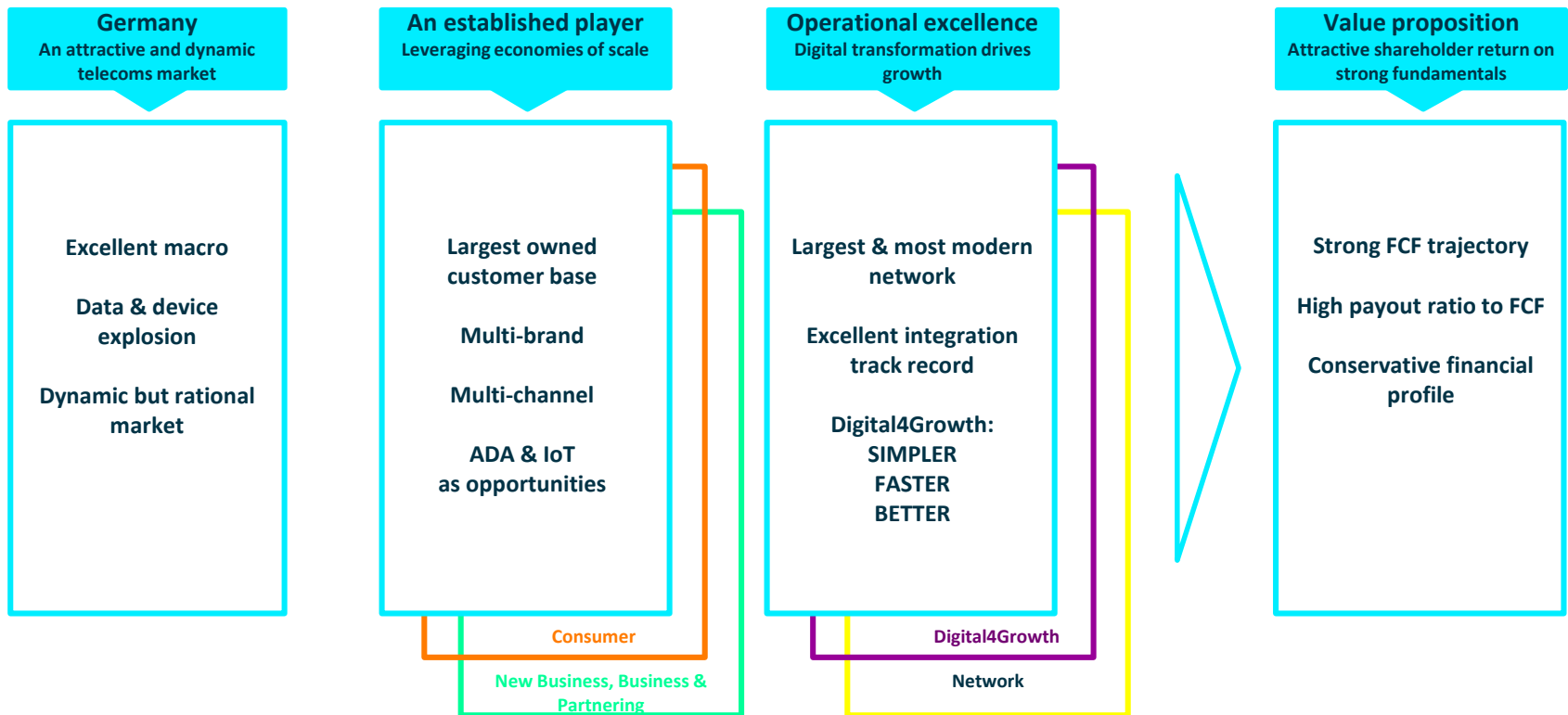


Investor Relations  
Q2 2019

# Disclaimer

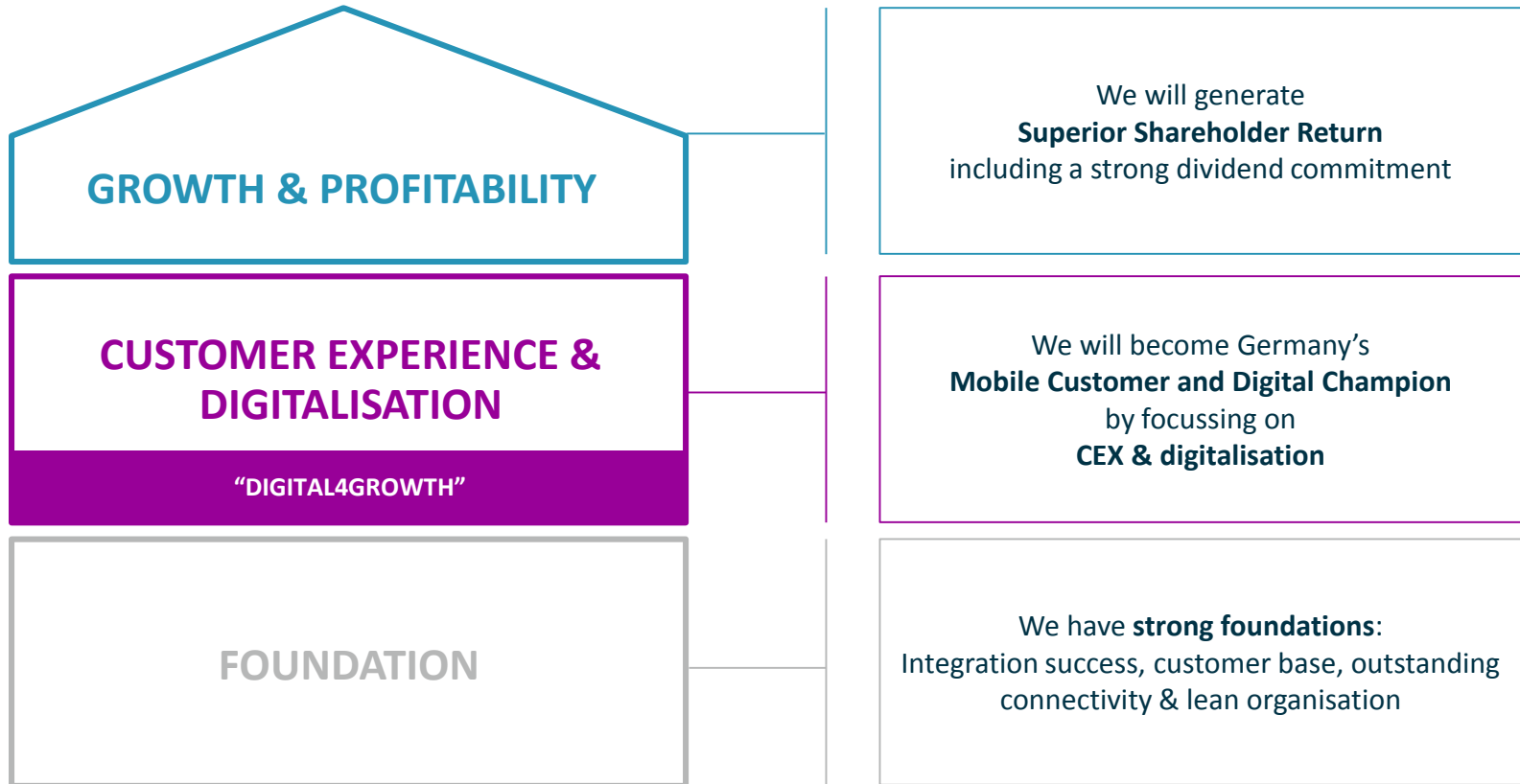
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# The Telefónica Deutschland Equity Story: Becoming the Mobile Customer & Digital Champion



<sup>1</sup> Excluding regulatory effects

# Strategic priorities of Telefónica Deutschland



# The German market thesis



## Environment

Largest 4 to 3 merger in Europe, rational and dynamic market; mobile data usage increase and IoT drive market opportunity with focus on retention and fair market share

## Data & sensors



Device & sensor opportunity: Consumer will mainly buy IoT from an existing relationship



## Convergence

Soft convergence: Limited consumer demand for quadruple play due to large FTA offering; wholesale access to incumbent broadband network

## New regulatory environment



Europe needs a common regulatory framework on spectrum, as well as deregulation and a consistent framework for OTT & net neutrality to encourage investments

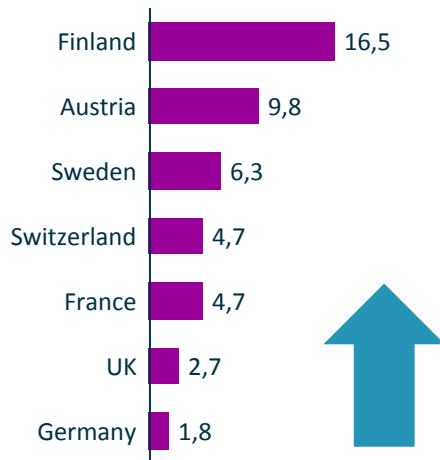
<sup>1</sup> Statistisches Bundesamt (2018)

<sup>2</sup> Arbeitsagentur (June 2019)

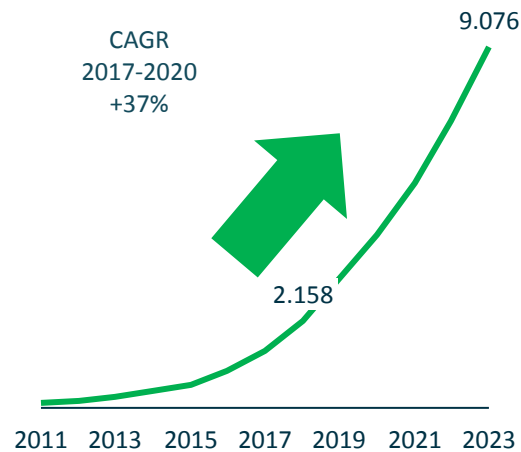
# The data & device opportunity: Expecting explosive growth

## MARKET TRENDS – German market with significant further growth potential

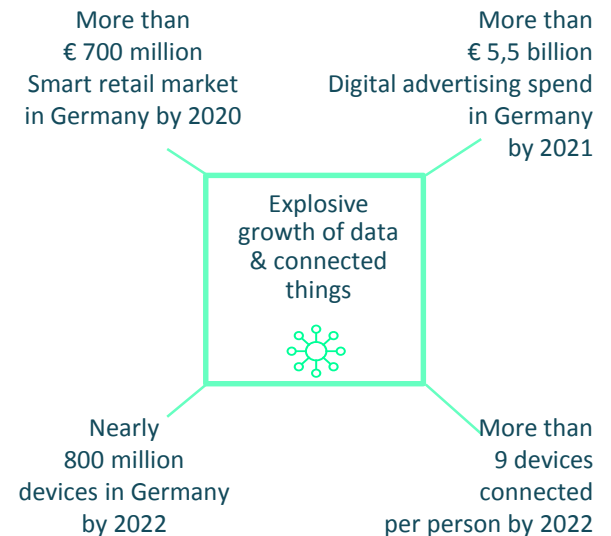
**Mobile data usage in Europe<sup>1</sup>**  
in GB/month per connection



**Mobile data traffic in Germany<sup>1</sup>**  
Annual volume of mobile data traffic  
in m GB



**ADA and IoT growth opportunity<sup>2</sup>**



- Germany still a European laggard in terms of customer data usage
- Further opportunities from growing LTE adoption

- Music & video streaming as usage drivers
- Trend to 3 GB/month for LTE customers

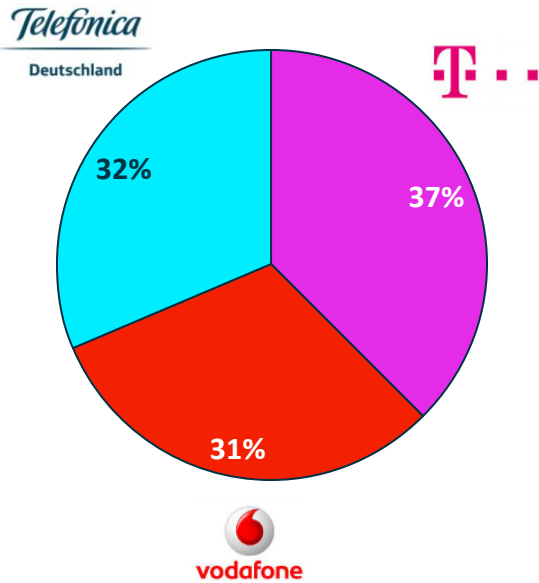
- Device & sensor opportunity: Consumer will mainly buy IoT from an existing relationship

Source: <sup>1</sup> Analysys Mason "Western Europe telecoms market trends and forecasts 2018–2023", 05.03.2019

<sup>2</sup> Company Research / Simon-Kucher & Partners analysis (2017) / Cisco VNI Global forecast (2019) / Please note: Devices including cellular, wifi & Bluetooth

# Competitive environment Germany

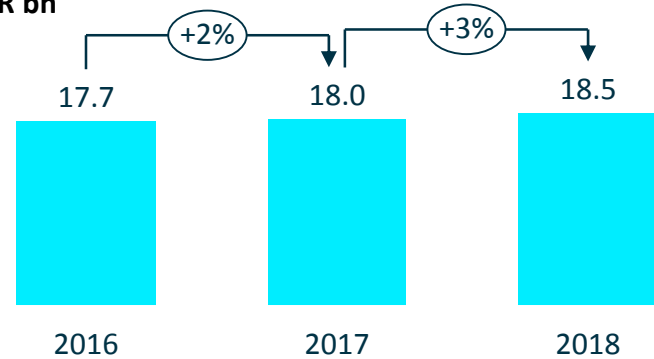
## Rational and balanced market structure<sup>1</sup>



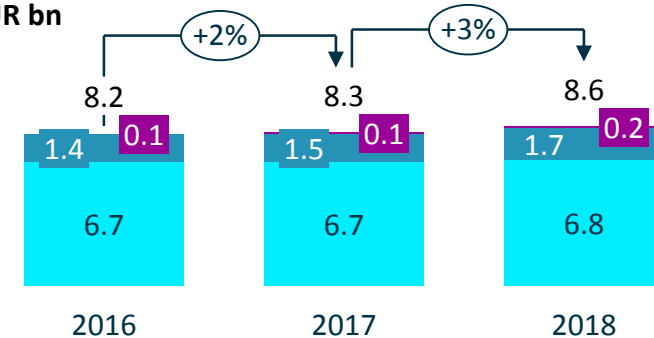
- Rational market following 4 to 3 consolidation
- Tiered mobile data portfolios enabling data monetisation

## Market development in past years<sup>2</sup>

Mobile market: Service revenues  
EUR bn



Fixed broadband retail revenues  
EUR bn



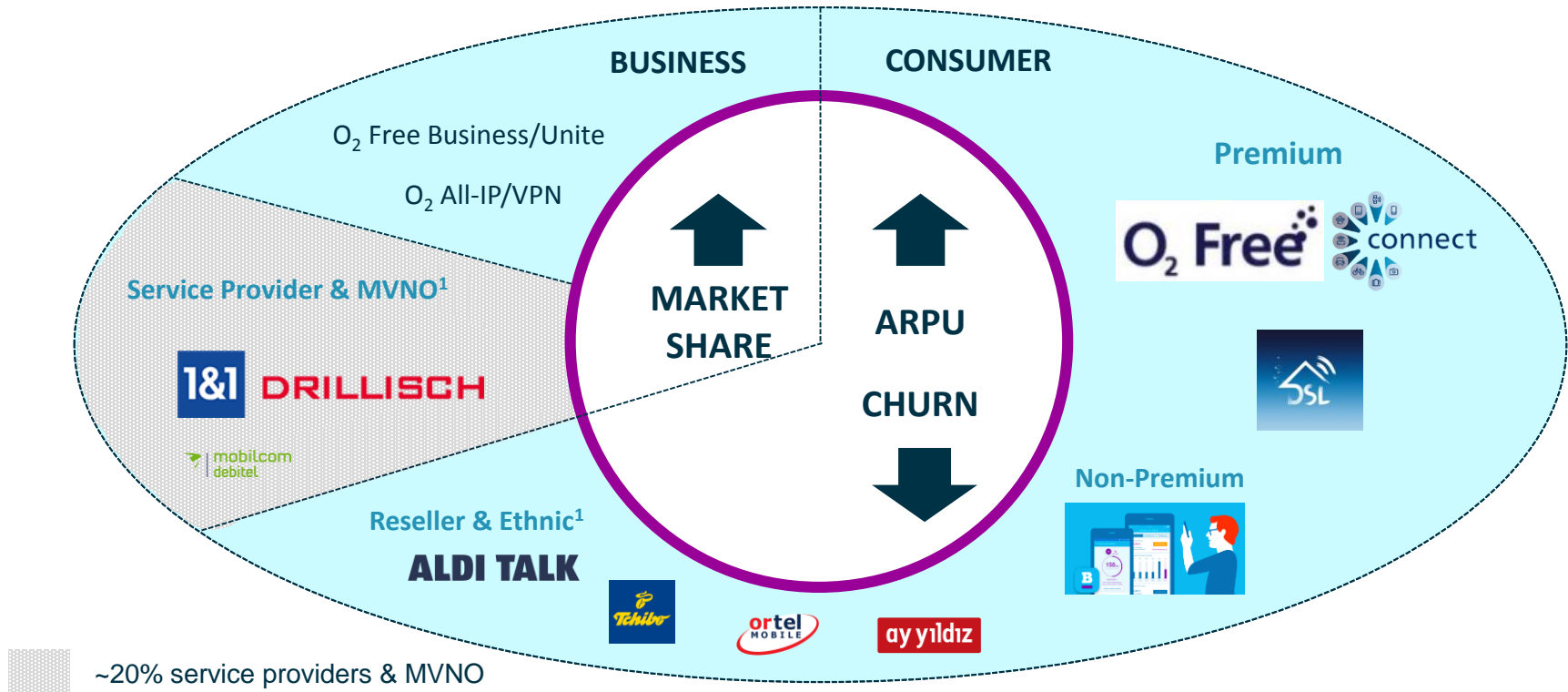
■ Fibre ■ Cable ■ DSL

<sup>1</sup> Market share of MSR (IFRS 15) based on reported financials by MNOs for Q1 2019

<sup>2</sup> Source: Analysys Mason "Western Europe telecoms market trends and forecasts 2018–2023", 05.03.2019

# Largest owned customer base of ~35 million

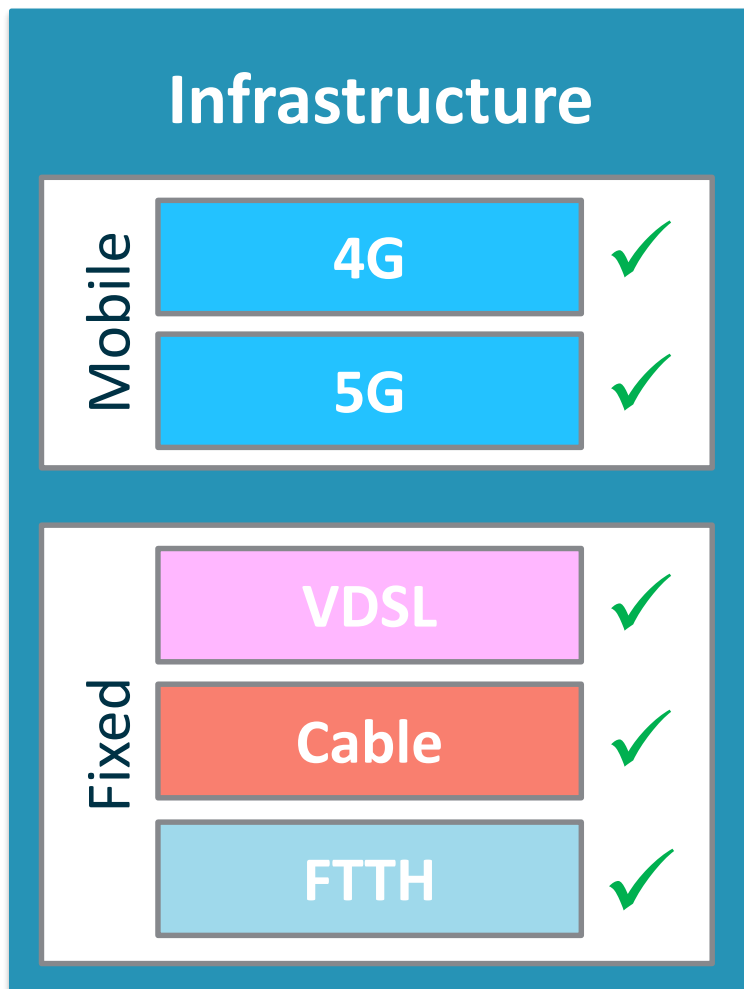
~80% owned customers



<sup>1</sup> Not exhaustive



# Becoming the Mobile Customer & Digital Champion: All-round infrastructure player confirmed



- **> 4,400 new LTE sites**; on track for FY 2019 target of 10,000k
- **Network churn receding**; improving overall O<sub>2</sub> churn and already reaching our CMD target of -2p.p. from -18.0% (FY'17 annualised) to -15.1% now (H1'19 annualised)
- **Exclusive cable wholesale access** to Vodafone's cable network in Germany; enhancing infrastructure footprint to give customers choice: Triple play offers via fixed & cable
- **Driving innovation in 5G**: Establishing the world's first 5G network for automobile production in Mercedes-Benz Cars "Factory 56"

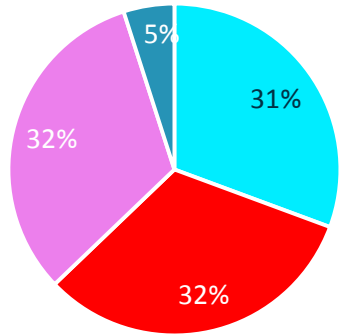


# Future-proof spectrum setup to enable best customer experience

## Balanced position in coverage and capacity spectrum 2021-2025

Potential future utilisation	5G 4G	5G 4G	4G 2G	5G 4G	5G 4G	5G 4G	5G 4G	5G 4G	5G
Utilisation today		4G	2G		2G/4G	3G/4G	4G	pLTE	
Total availability	2x 30 MHz	2x 30 MHz	2x 35 MHz	1x 40 MHz	2x 75 MHz	2x 60 MHz	2x 70 MHz	1x 50 MHz	1x 300 MHz

### Total Spectrum holding



1&1 Drillisch

Telefónica Deutschland

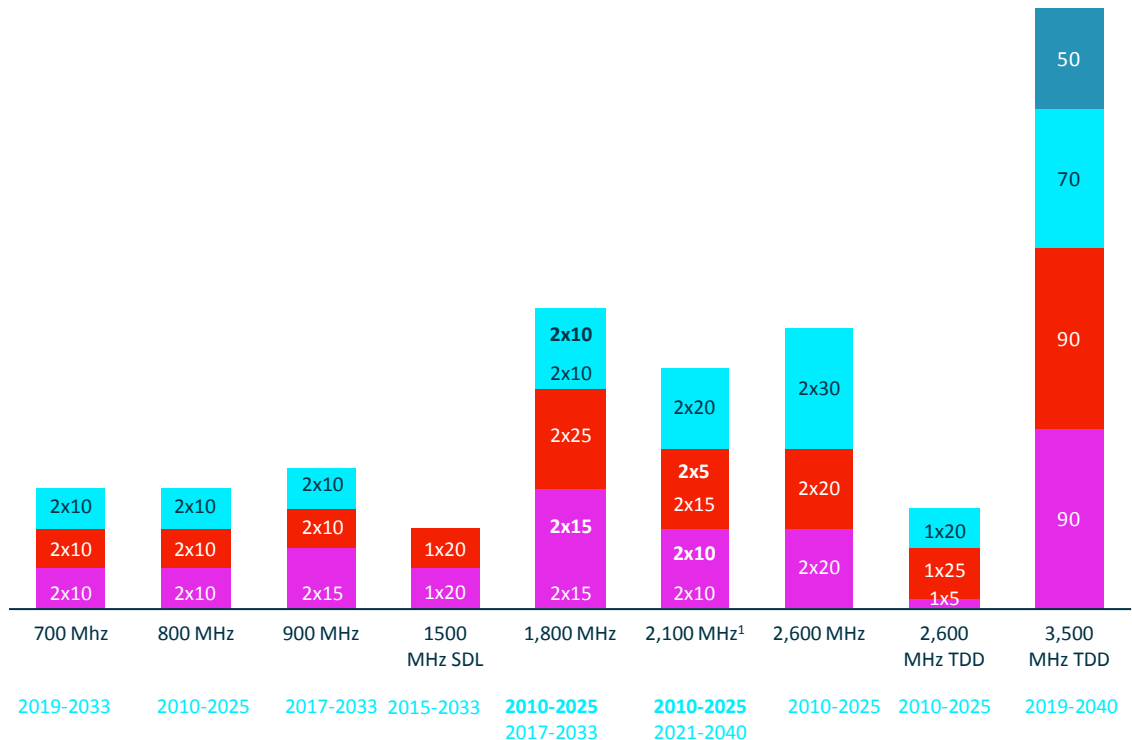
Vodafone

Deutsche Telekom

TEF VF DT DRI

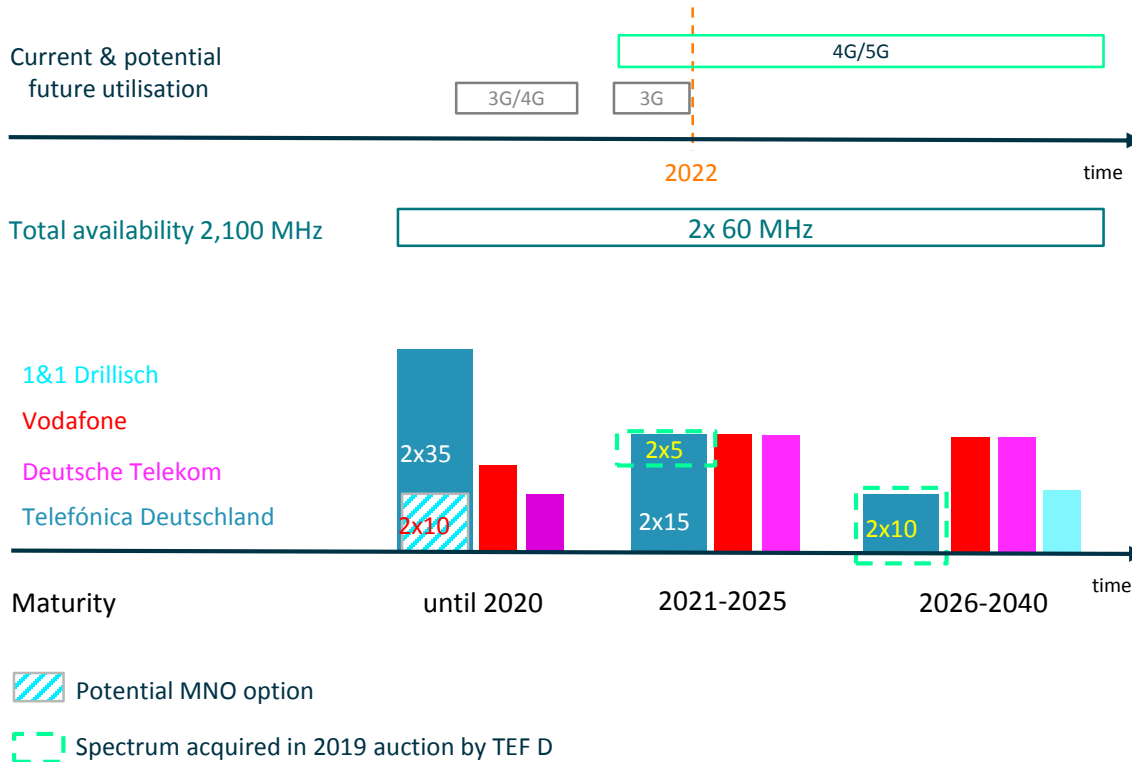
Frequencies

Maturity



<sup>1</sup> In addition: 24.2 MHz @2.1 GHz TDD  
As of 1 January 2026: DRI: 2x10 MHz; TEF D: 2x10 MHz; Vod: 2x20 MHz; DT: 2x20 MHz

# Planned utilisation of 2,100 MHz spectrum



- BNetzA will allocate the licenses acquired in the 2019 spectrum auction with effect of 1 Jan 2021 resp. 2026
  - Between 2021/25 TEF D still holds 1/3 of available 2.1 GHz licences
- Data traffic increasingly moving from 3G to 4G due to customer demand for high speed mobile broadband
  - **Aiming to switch off 3G network by the end of 2022**
  - Beyond 2022 reduced reliance on 2,100 MHz spectrum

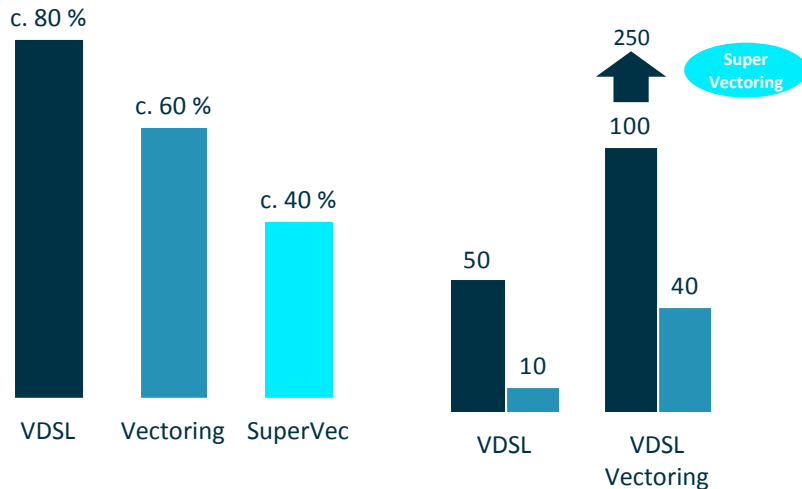
# Fixed infrastructure model to complement our mobile network for best high-speed experience

## Access to best available fixed NGA<sup>1</sup> networks and multi-sourcing

NGA coverage  
(% of covered households)

Maximum speed  
(Up- & Download, Mbps)

■ Download ■ Upload



- Nationwide access to DT NGA network – DT is currently focussed on upgrading VDSL to Vectoring and SuperVectoring
- Cooperation with vitroconnect started in Q4 to access footprints of alternative carriers – 1<sup>st</sup> partner is EWE TEL

<sup>1</sup> NGA: Next Generation Access including VDSL, Vectoring and future FTTH deployments

## Fixed

- Access to best available **fixed NGA network<sup>1</sup>** with access to >34 million VDSL households
- **Exclusive access** to up to 24 million **cable** households via Vodafone network in Germany, contingent upon acquisition of Unity Media by Vodafone → Merger approved by EC
- Full **convergence** capabilities

## Mobile fibre backhaul

- **Fibre backhaul** plan as a key enabler for 5G
- Target: >90% fibre in sub-/urban areas
- Target: >25% fibre in rural areas
- Differentiated sourcing model

# O<sub>2</sub> Free, my All in One & DSL portfolio

## 2019 O<sub>2</sub> Free connect + boost

O <sub>2</sub> Free Unlimited unbegrenzt	O <sub>2</sub> Free L 30 GB	O <sub>2</sub> Free M 10 GB	O <sub>2</sub> Free S 1 GB
<ul style="list-style-type: none"> <li>Unbegrenzte HighSpeed-Daten mit LTE Max.</li> <li>Allnet-Flat in alle dt. Netze</li> </ul>	<ul style="list-style-type: none"> <li>30 GB HighSpeed-Daten mit LTE Max.</li> <li>Allnet-Flat in alle dt. Netze</li> </ul>	<ul style="list-style-type: none"> <li>10 GB HighSpeed-Daten mit LTE Max.</li> <li>Allnet-Flat in alle dt. Netze</li> </ul>	<ul style="list-style-type: none"> <li>1 GB HighSpeed-Daten mit LTE Max.</li> <li>Allnet-Flat in alle dt. Netze</li> </ul>
	<p><b>Für nur 3 € incl. mehr</b></p> <p>60 GB mit Connect-Option:  <input type="checkbox"/> Datenvolumen auf mehreren mobilen Geräten nutzen</p>	<p><b>Für nur 3 € incl. mehr</b></p> <p>20 GB mit Connect-Option:  <input type="checkbox"/> Datenvolumen auf mehreren mobilen Geräten nutzen</p>	<p><b>Für nur 3 € incl. mehr</b></p> <p>2 GB mit Connect-Option:  <input type="checkbox"/> Datenvolumen auf mehreren mobilen Geräten nutzen</p>
<p>Tarifdetails &gt;</p> <p>Produktinformationsblatt &gt;</p> <p>monatlich <b>59,99</b>                  + Anschlusspreis 29,99 €</p>	<p>Tarifdetails &gt;</p> <p>Produktinformationsblatt &gt;</p> <p>monatlich <b>39,99</b>                  + Anschlusspreis 29,99 €</p>	<p>Tarifdetails &gt;</p> <p>Produktinformationsblatt &gt;</p> <p>monatlich <b>29,99</b>                  + Anschlusspreis 29,99 €</p>	<p>Tarifdetails &gt;</p> <p>Produktinformationsblatt &gt;</p> <p>monatlich <b>19,99</b>                  + Anschlusspreis 29,99 €</p>


## 2019 O<sub>2</sub> my All in One

O <sub>2</sub> my All in One Unlimited unbegrenzt LTE und 50 MBit/s DSL	O <sub>2</sub> my All in One XL 60 GB LTE und 50 MBit/s DSL
<ul style="list-style-type: none"> <li>Unbegrenzte HighSpeed-Daten mit LTE Max.</li> <li>Unbegrenzt DSL mit bis zu 50 MBit/s und Telefon-Flat vom Festnetz in alle dt. Netze</li> <li>Allnet-Flat in alle dt. Netze</li> <li>Allnet-Flat ins EU-Ausland</li> </ul>	<ul style="list-style-type: none"> <li>60 GB HighSpeed-Daten mit LTE Max.</li> <li>Unbegrenzt DSL mit bis zu 50 MBit/s und Telefon-Flat vom Festnetz in alle dt. Netze</li> <li>Allnet-Flat in alle dt. Netze</li> </ul>
<p><b>Für nur 20 € incl. mehr</b></p> <p>Connect-Option:  <input type="checkbox"/> Datenvolumen auf mehreren mobilen Geräten nutzen</p>	
<p>Tarifdetails &gt;</p> <p>Produktinformationsblatt &gt;</p> <p>monatlich <b>79,99</b>                  + Anschlusspreis 29,99 €</p>	<p>Tarifdetails &gt;</p> <p>Produktinformationsblatt &gt;</p> <p>monatlich <b>59,99</b>                  + Anschlusspreis 29,99 €</p>

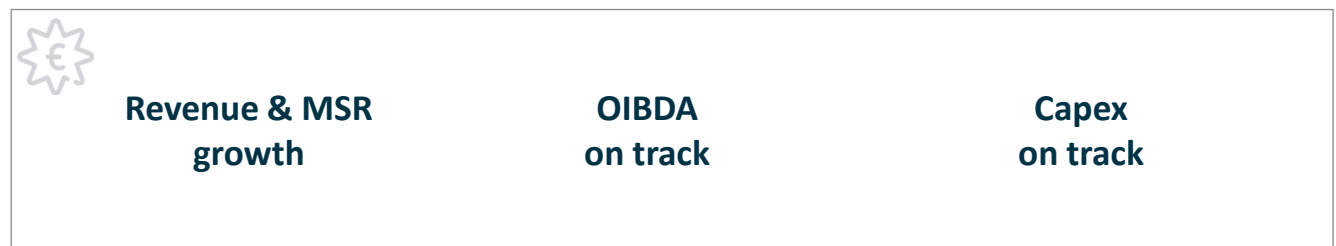
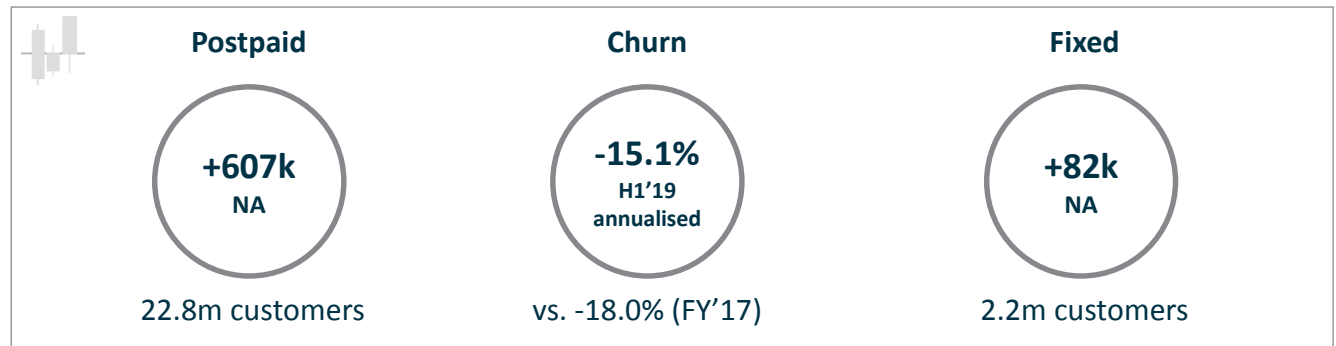
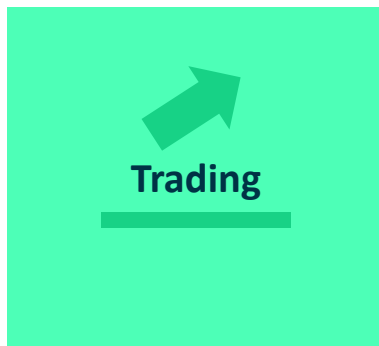
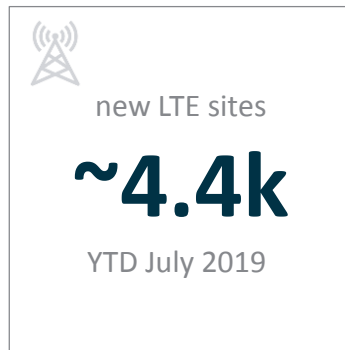
## 2018 O<sub>2</sub> DSL

O <sub>2</sub> my Home L <sup>1</sup> 100 MBit/s DSL	O <sub>2</sub> my Home M <sup>1</sup> 50 MBit/s DSL	O <sub>2</sub> my Home S <sup>1</sup> 10 MBit/s DSL
<ul style="list-style-type: none"> <li>Super-HighSpeed DSL: Download bis zu 100 MBit/s Upload bis zu 40 MBit/s</li> <li>Telefon-Flat: kostenlos in alle dt. Netze</li> <li>6 € Anschlussgebühr</li> <li>6 € Bereitstellungsgebühr bei Router-Auswahl</li> </ul>	<ul style="list-style-type: none"> <li>HighSpeed DSL: Download bis zu 50 MBit/s Upload bis zu 10 MBit/s</li> <li>Telefon-Flat: kostenlos in alle dt. Netze</li> <li>6 € Anschlussgebühr</li> <li>6 € Bereitstellungsgebühr bei Router-Auswahl</li> </ul>	<ul style="list-style-type: none"> <li>DSL: Download bis zu 10 MBit/s Upload bis zu 2,4 MBit/s</li> <li>Telefon-Flat: kostenlos in alle dt. Netze</li> <li>49,99 € Anschlussgebühr</li> <li>6 € Bereitstellungsgebühr bei Router-Auswahl</li> </ul>
<p>Effektivpreis pro Monat: nur 29,99 €</p> <p>monatlich <b>24,99</b>                  ab dem 15. Monat 24,99 €</p>	<p>Effektivpreis pro Monat: nur 22,07 €</p> <p>monatlich <b>19,99</b>                  ab dem 15. Monat 24,99 €</p>	<p>Effektivpreis pro Monat: nur 22,07 €</p> <p>monatlich <b>14,99</b>                  ab dem 15. Monat 24,99 €</p>

Double data and  feature for additional EUR 5 for O<sub>2</sub> Free S, M and L

 feature with up to 9 Sim cards can be activated for an additional EUR 20 for unlimited

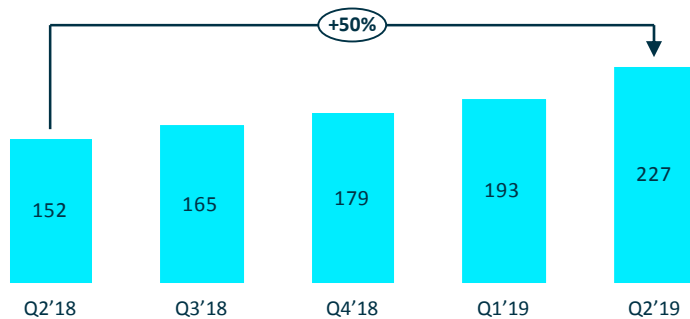
# Mobile Customer & Digital Champion: Momentum in all key-areas



# Sustained mobile data traffic growth, CAGR of 50%

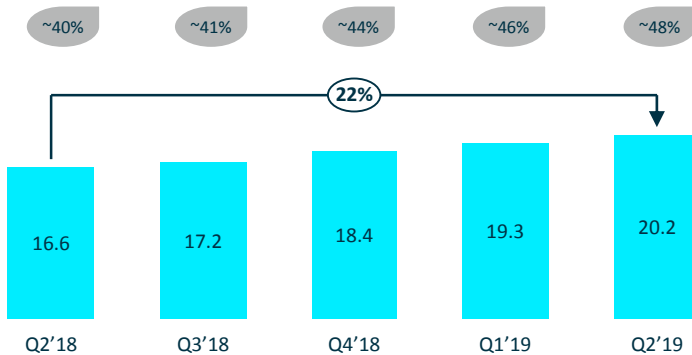
## Mobile data traffic maintains growth rate

Traffic (TB/Q)



## LTE customer base continues to grow

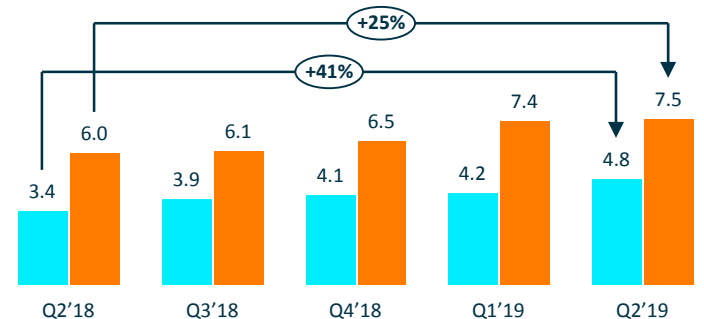
LTE customers (in million) / LTE penetration (in %)



## O<sub>2</sub> Free tariffs driving data growth

Average data usage for O<sub>2</sub> LTE customers (GB/month)

■ O<sub>2</sub> Free M tariff



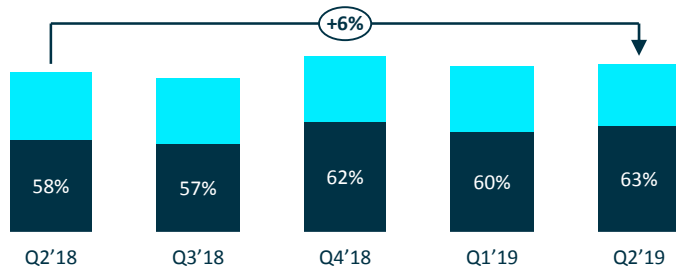
- Large data buckets and continuous LTE adoption driving data growth; CAGR of ~50% with streaming services as the major driver
- Average data usage of O<sub>2</sub> LTE customers close to 5GB per month, O<sub>2</sub> Free customers consume >7GB per month in the most popular M tariff
- LTE customer base up +21.6% y-o-y to 20.2 million
- LTE penetration up +8.3 p.p. y-o-y, while in postpaid LTE penetration already at ca. 65%

# Expanding partnerships in the partner business

## Partner trading reflecting seasonality

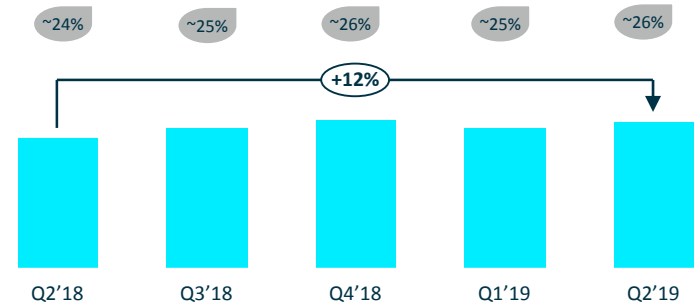
Postpaid gross adds share

GA retail brands GA partner brands



## Partner revenue growth in line with expectations

Postpaid partner MSR / Share over postpaid MSR (in %)

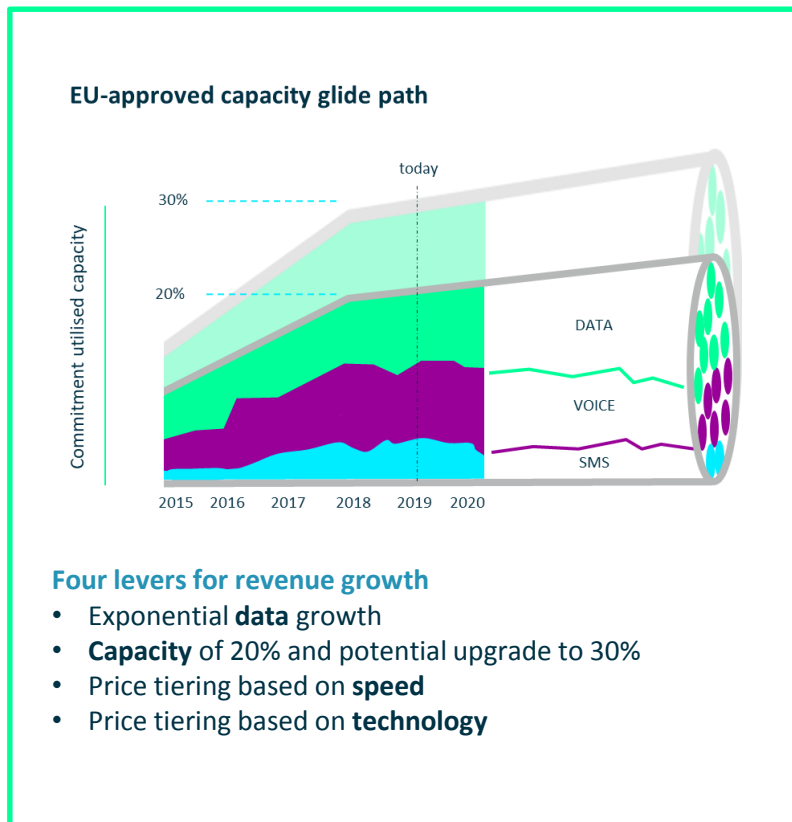


- Partner performance remains in line with expectation
- Stronger trading performance in Q2 primarily driven by expansion of non-MBA MVNO partnerships and migration effects
- Partner revenue growth in line with expectations, predominantly driven by the data dynamics of the MBA MVNO

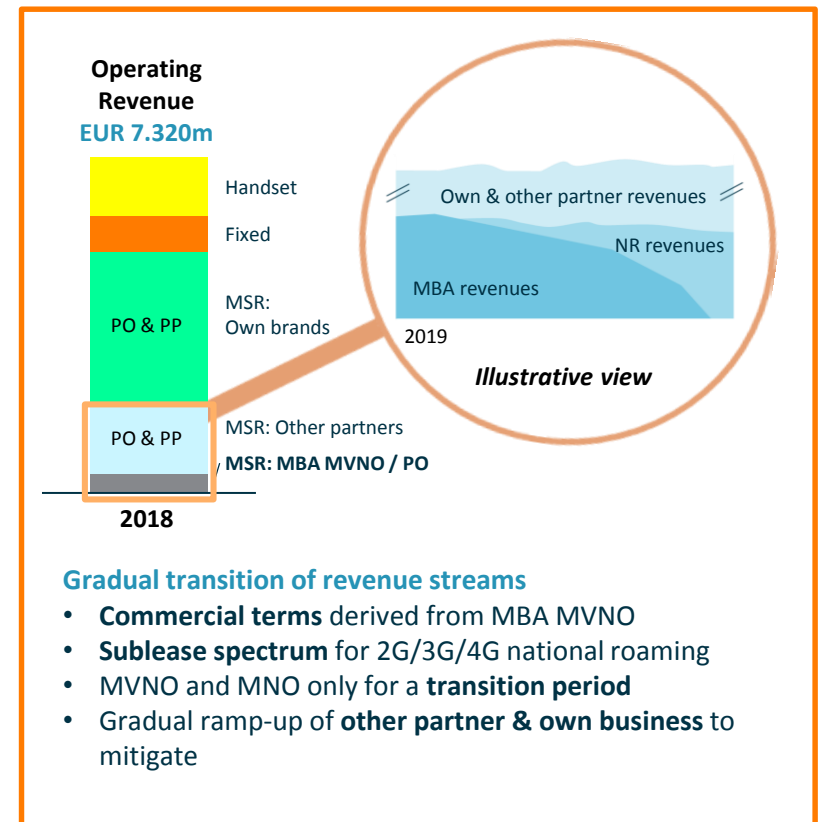


# Post German spectrum auction no short- to mid-term impact expected; long-term mitigation by own & other partner business

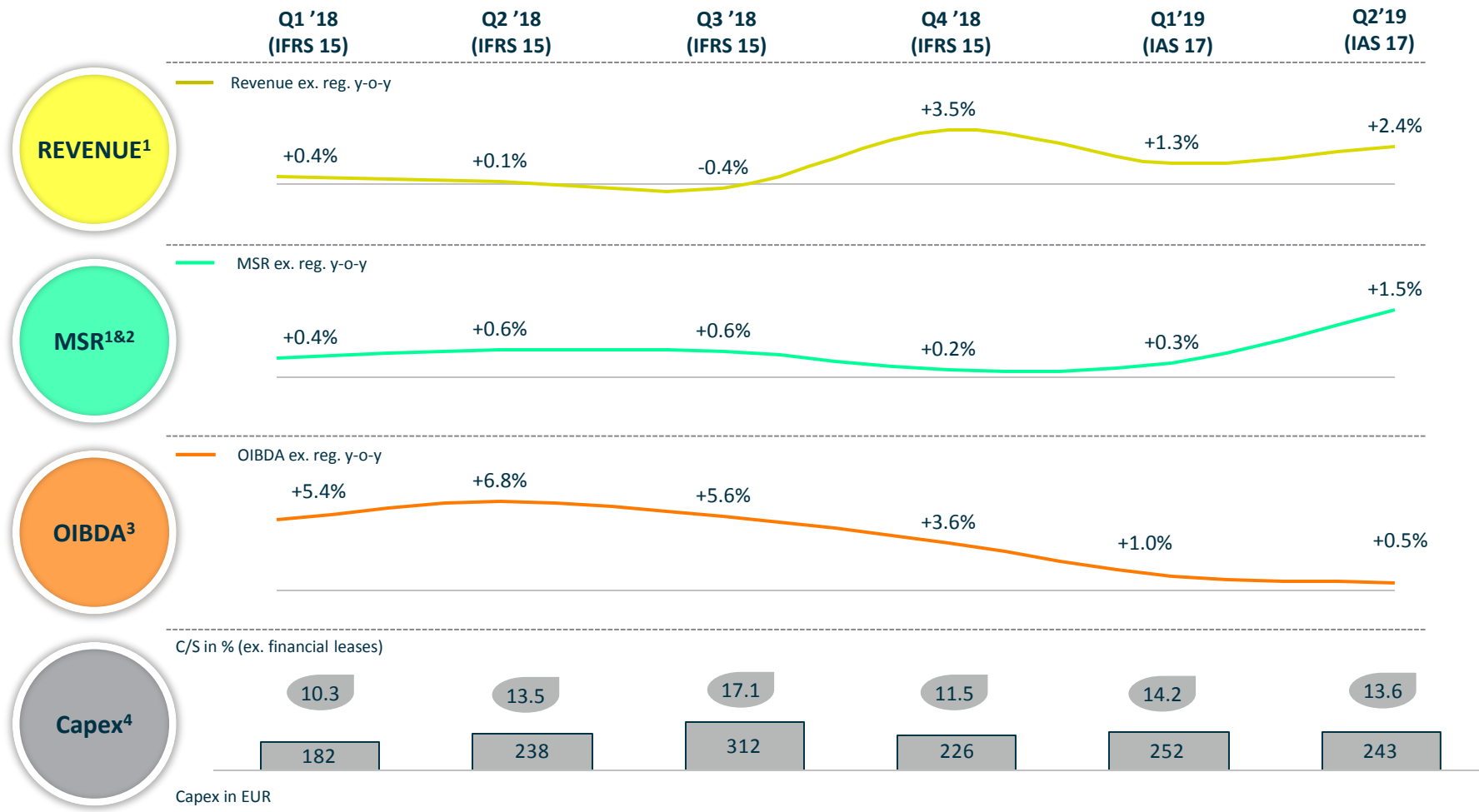
## Scenario 1: Continuation of MBA MVNO



## Scenario 2: MNO remedy – gradual transition



# Operational and financial trends strong



<sup>1</sup> Excluding the negative impact from regulatory changes (mainly driven by the mobile termination rate cut to EURc 0.95 per minute as of 1 Dec 2018)

<sup>2</sup> Mobile service revenue include base fees and fees paid by our customers for the usage of voice, sms and mobile data services. Also, access and interconnection fees as well as other charges levied on our partners for the use of our network are included

<sup>3</sup> Exceptional effects were EUR 12 million of restructuring expenses in the period April to June 2019 (EUR 17 million based on IAS 17). The difference between restructuring charges under IAS 17 and IFRS 16 is due to the fact that certain IAS 17 operating lease commitments require the recognition of provisions, whereas those are recognised as lease liabilities under IFRS 16. Regulatory effects amounted to EUR 10 million in the period April to June 2019.

<sup>4</sup> Excluding additions from capitalised right-of-use assets (as of 1 January 2019) and excluding additions from capitalised finance leases (till 31 December 2018)

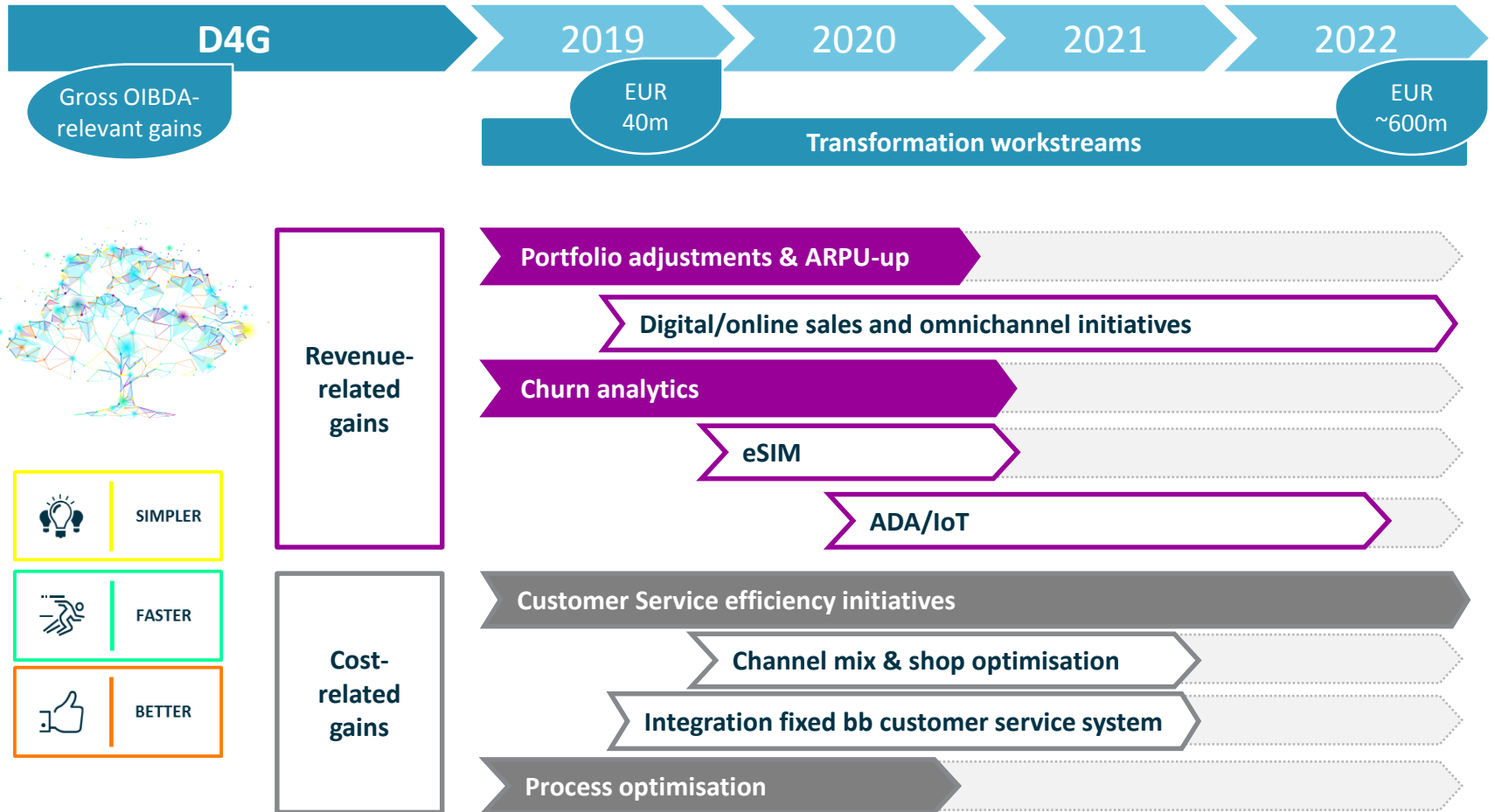
# H1 2019 results broadly in line with guidance

	Baseline 2018	Outlook 2019	H1 2019	
<b>Revenue</b>	EUR 7,320 m	<b>Broadly stable</b> (excl. regulatory effects of EUR 60-70m)	+1.8% y-o-y	✓
<b>OIBDA<sup>1</sup></b>	EUR 1,884 m	<b>Broadly stable to slightly positive</b> (excl. regulatory effects of EUR 40-50m)	+0.7% y-o-y As per IAS 17 reporting	✓
<b>C/S<sup>2</sup></b>	13.2%	<b>Approx. 13-14%</b>	+25.2% y-o-y As per IFRS 16 reporting	✓

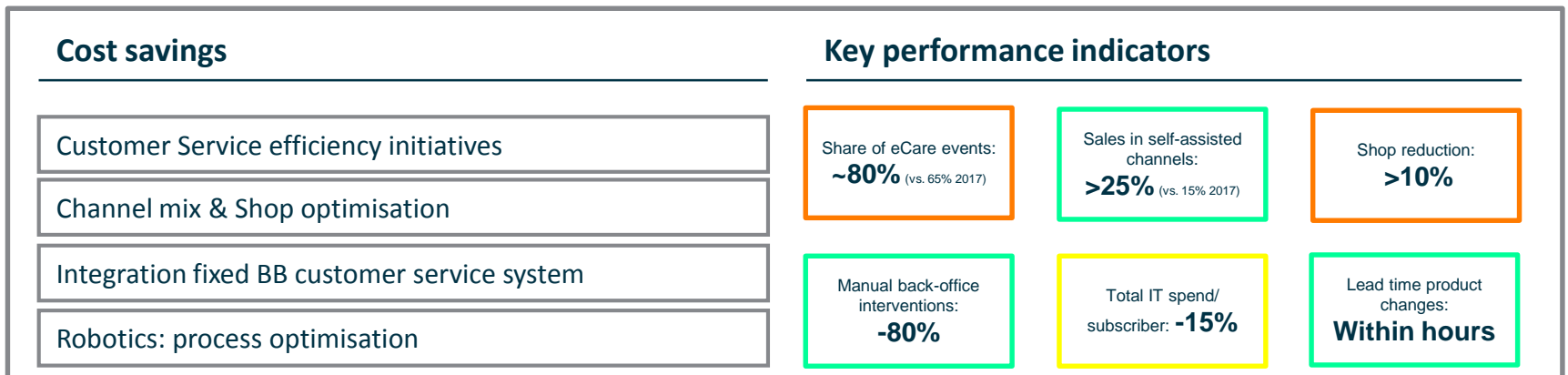
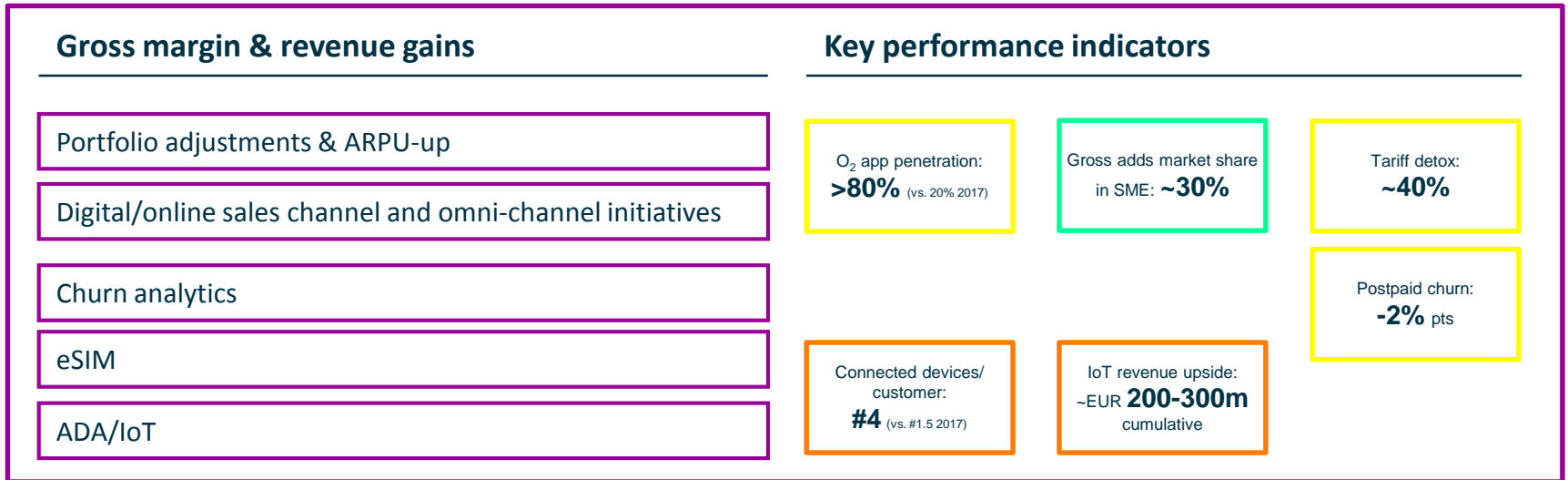
<sup>1</sup> Exceptional effects such as restructuring costs or the sale of assets are excluded

<sup>2</sup> Excluding additions from capitalised right-of-use assets (as of 1 January 2019) and excluding additions from capitalised finance leases (till 31 December 2018)

# Digital4Growth – Key Transformation drivers in 2019



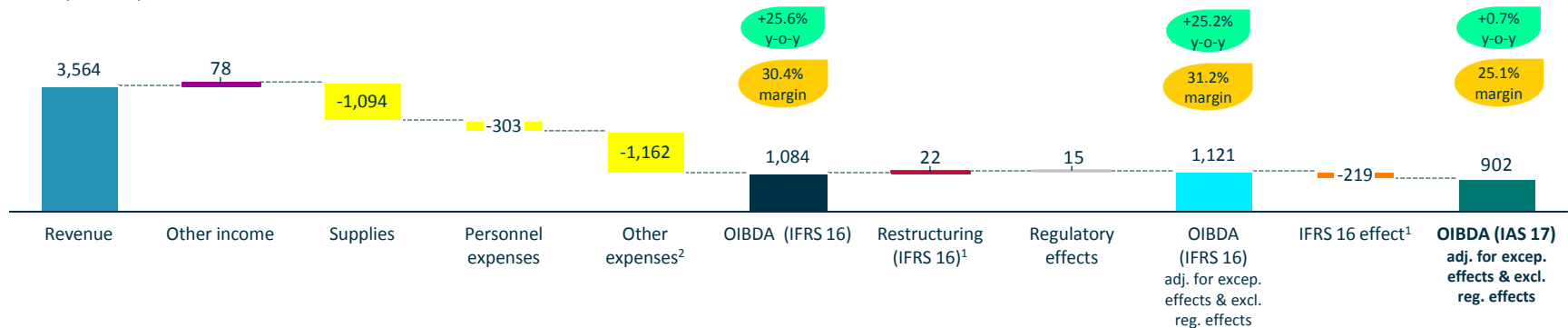
# Digital4Growth – Key transformation areas



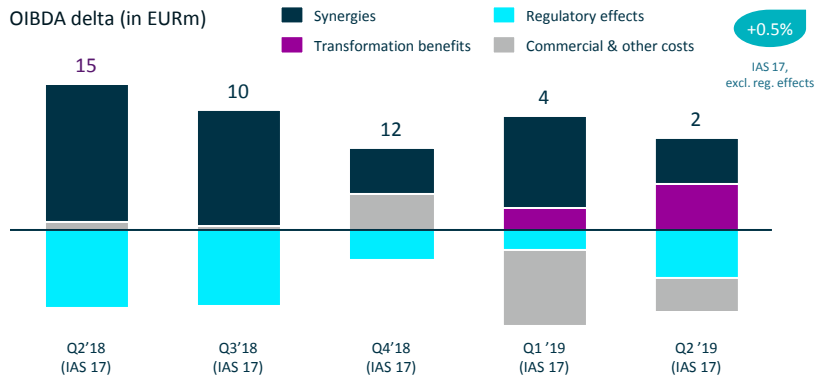
# OIBDA reflects investments into future growth & transformation focus

## Structure of OIBDA for January to June 2019

OIBDA (in EURm)



## OIBDA<sup>1</sup> reflects synergies & transformation



- Underlying OIBDA (IAS 17) +0.7% y-o-y in H1 19 driven by
  - Network synergies of ~EUR 30 million
  - Transformation benefits of ~EUR 15 million driven by O<sub>2</sub> consumer and IT cost savings
- Regulatory effects of EUR 15 million driven by usage elasticity effects from the RLH regime & intra EU calls (since 15 May '19)
- Restructuring<sup>1</sup> costs of EUR 22 million under IFRS 16
- Underlying OIBDA margin expands to 31.2% under IFRS 16 vs. 25.1% under IAS 17

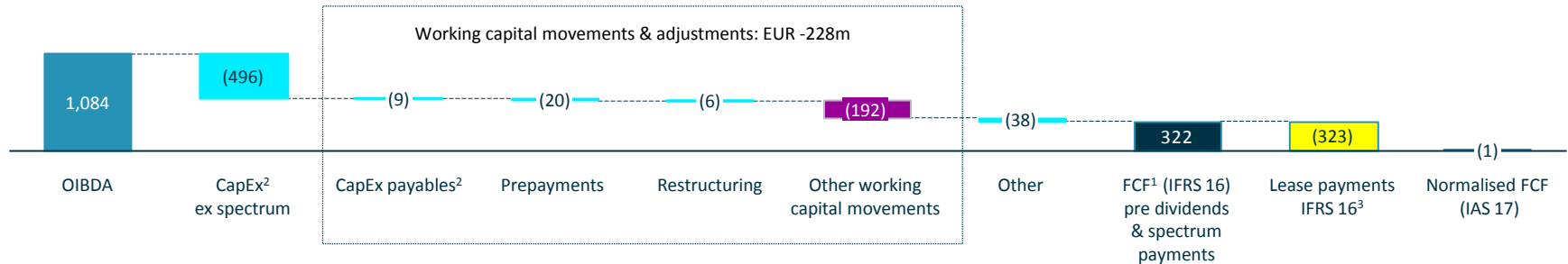
<sup>1</sup> According to IAS 17, restructuring costs were EUR 40 million. The total resulting IFRS 16 effect at reported OIBDA level comes to EUR 219 million. The difference between restructuring charges under IAS 17 and IFRS 16 is due to the fact that certain IAS 17 operating lease commitments require the recognition of provisions, whereas those are recognised as lease liabilities under IFRS 16

<sup>2</sup> Includes other expenses and impairment losses in accordance with IFRS 9

# FCF dynamics reflect implementation of IFRS 16

## Evolution of Free Cash Flow (FCF)<sup>1</sup> YTD June 2019

FCF (in EURm)



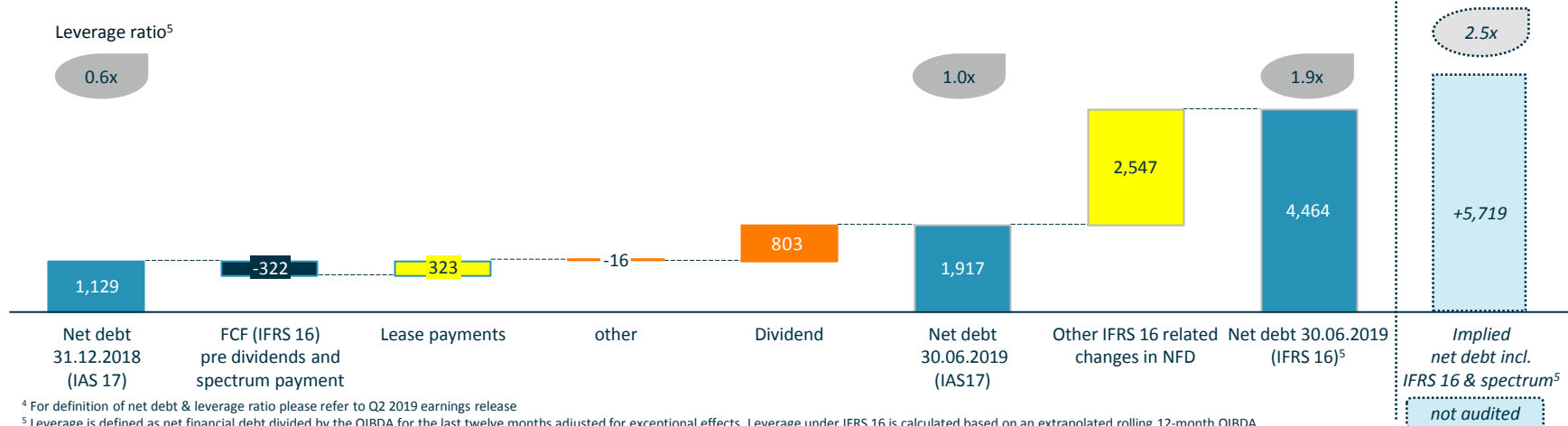
<sup>1</sup> FCF pre dividend & spectrum payments is defined as the sum of cash flow from operating activities & cash flow from investing activities

<sup>2</sup> Excluding additions from capitalised right-of-use assets (as of 1 January 2019) and excluding additions from borrowed capital for investments in spectrum

<sup>3</sup> Includes EUR 327 million of lease payments under IFRS 16 and -EUR 4 million of former IAS 17 finance lease payments

## Evolution of Net Debt<sup>4</sup> – Leverage<sup>4</sup> in line with target

Net Debt (in EURm)

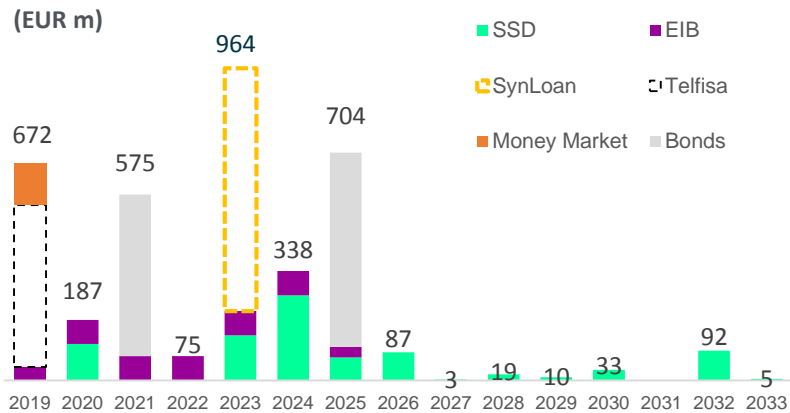


<sup>4</sup> For definition of net debt & leverage ratio please refer to Q2 2019 earnings release

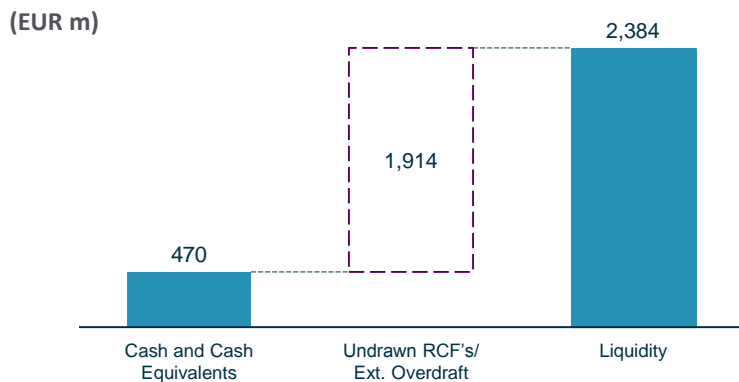
<sup>5</sup> Leverage is defined as net financial debt divided by the OIBDA for the last twelve months adjusted for exceptional effects. Leverage under IFRS 16 is calculated based on an extrapolated rolling 12-month OIBDA. It will only be possible to report a leverage ratio based on actuals under IFRS 16 with the publication of the financial statements for 2019

# Smooth maturity profile and diversified financing mix per 30 June 2019

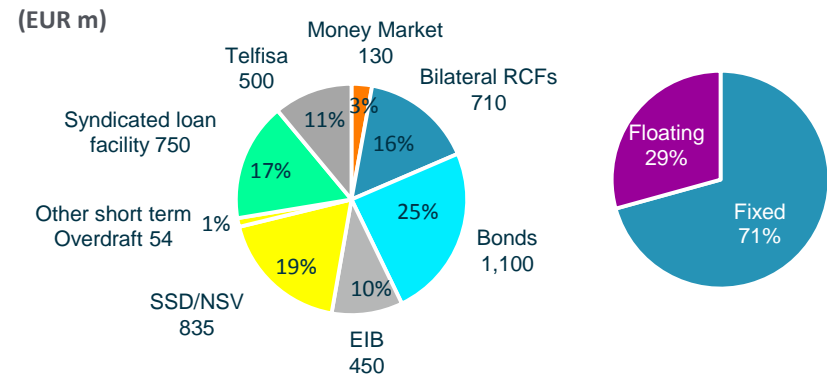
## Maturity profile<sup>1</sup>



## Liquidity position



## Financing and interest mix<sup>2</sup>



- Well balanced and diversified maturity profile
- EUR 2.4 billion liquidity position ensures financial flexibility
- Low exposure to rate hikes due to a high percentage of debt at fixed rates
- EUR 360 million promissory note loan with maturities of 5, 7 and 10 years placed in April 2019
- EUR 130 million Money Market Facilities outstanding



# Attractive shareholder remuneration policy

## Shareholder remuneration policy – Main guidelines<sup>1</sup>

Maintain high pay-out in relation to FCF

Consider expected future cash flows in dividend proposals

Review of the self-defined leverage target<sup>2</sup> to reflect implementation of IFRS 16<sup>3</sup> and utilise full financial flexibility with regards to the upcoming 5G investments, whilst maintaining Fitch BBB rating



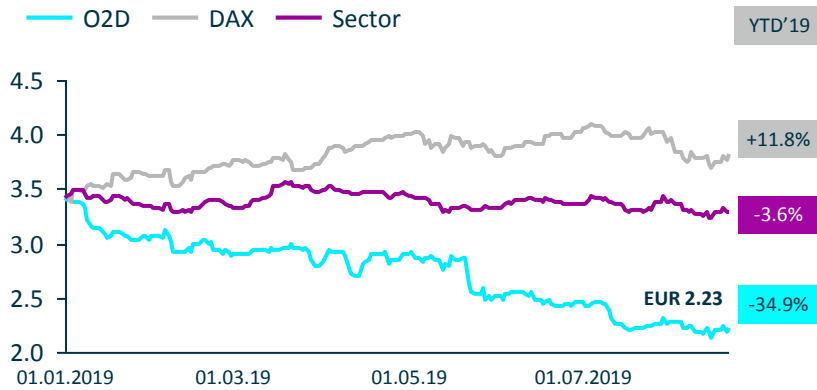
<sup>1</sup> Refer to the Telefónica Deutschland website for full dividend policy ([www.telefonica.de](http://www.telefonica.de))

<sup>2</sup> At or below 1.0x

<sup>3</sup> As of 1 January 2019

# O2D Factsheet

## Share price development until 21.08.2019

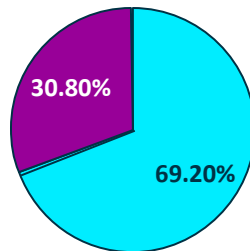


## Telefónica Deutschland at a glance

Market segment	Prime Standard
Industry	Telecommunications
Shares outstanding	2,974,554,993 shares
Share capital	EUR 2,974.6 m
Market cap (as of 30.06.2019)	EUR 7,308.5 m
Share price (as of 30.06.2019)	EUR 2.457

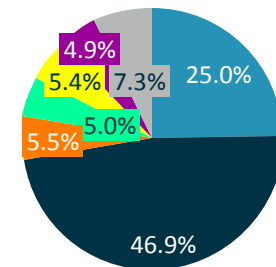
## Shareholder structure as of 30.06.2019<sup>1</sup>

- Telefónica Germany Holdings Ltd <sup>2</sup>
- Freefloat



## Regional split of shareholder structure<sup>3</sup>

- UK & Ireland
- North America
- France
- Germany
- Continental Europe
- Scandinavia
- Rest of World



<sup>1</sup> Status: 30 June 2019

<sup>2</sup> Telefónica Germany Holdings Limited is an indirect wholly owned subsidiary of Telefónica S.A.; Status: According to shareholder register as of 30 June 2019

<sup>3</sup> Source: NASDAQ; Shareholder ID as of April 2019

# The team: Telefónica Deutschland board members



Markus Haas  
Chief Executive Officer



Markus Rolle  
Chief Financial Officer



Wolfgang Metzke  
Chief Consumer Officer



Alfons Lösing  
Chief Partner & Business Officer



Mallik Rao  
Chief Technology Officer



Guido Eidmann  
Chief Information Officer



Valentina Daiber  
Chief Officer Legal & Corporate Affairs



Nicole Gerhardt  
Chief Human Resources Officer

# Investor Relations contact details



Dr. Veronika Bunk-Sanderson, CFA  
Director Communications & Investor Relations

+49 176 2102 8909  
veronika.bunk-sanderson@telefonica.com



Marion Polzer, CIRO  
Head of Investor Relations

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

Get in touch with us:  
+49 89 2442 1010  
IR-Deutschland@telefonica.com

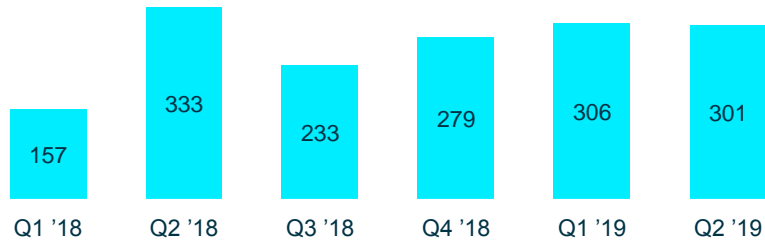


# Appendix - KPIs

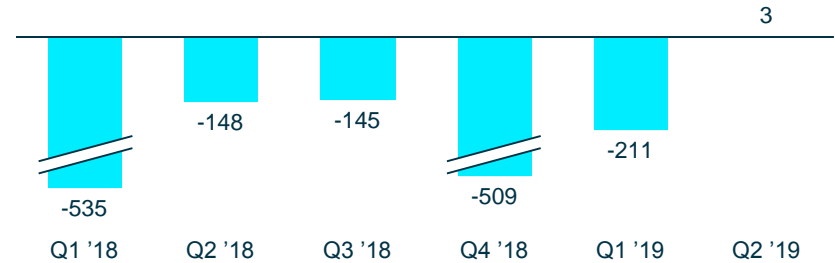


# Mobile KPIs

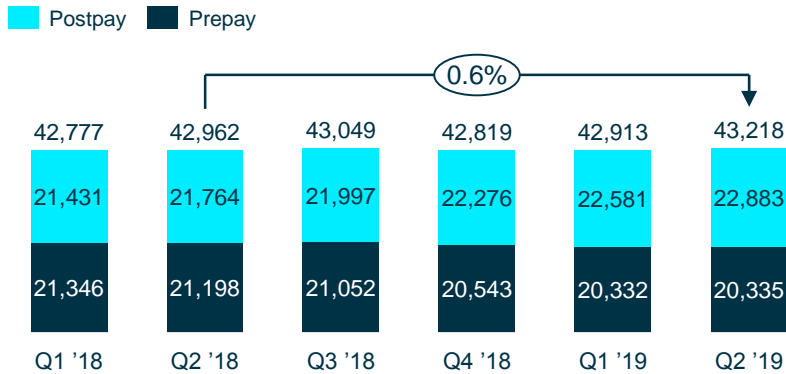
Postpay net adds ('000)



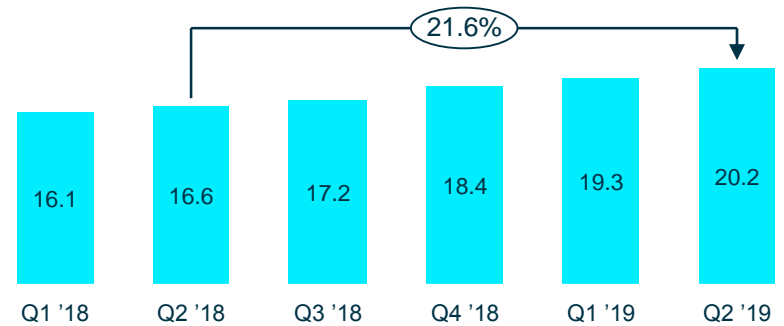
Prepay net adds ('000)



Mobile customer base ('000)

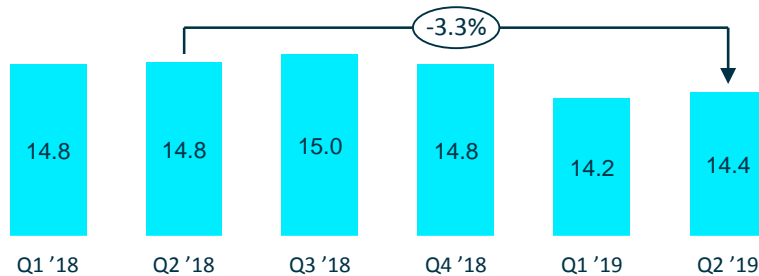


LTE customer base (in m)

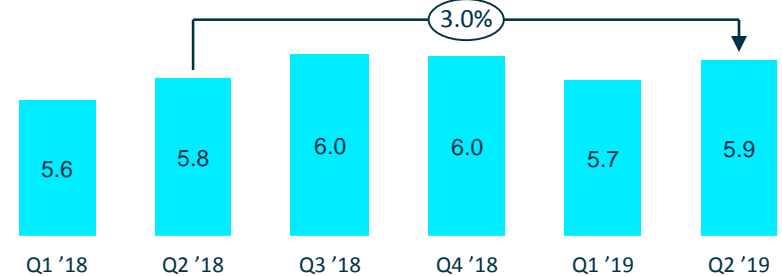


# Mobile KPIs

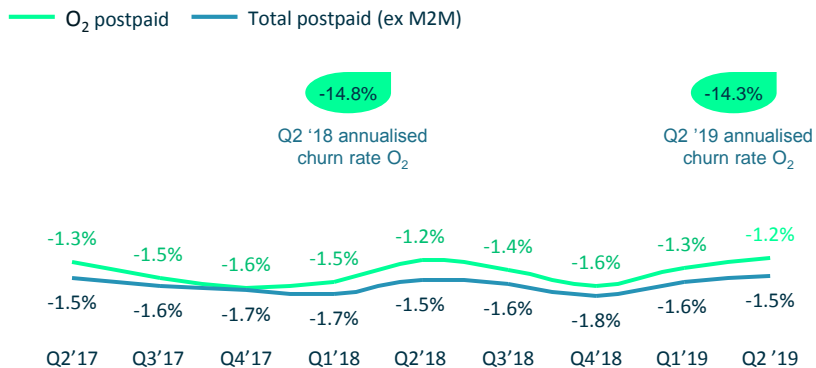
## Postpay ARPU (EUR)



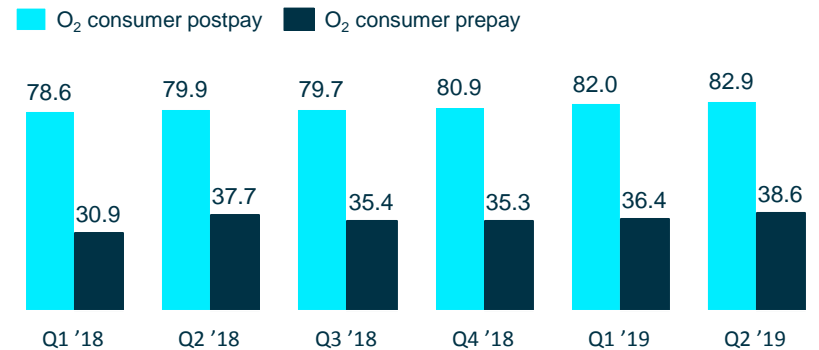
## Prepay ARPU (EUR)



## Churn rate (%)



## Smartphone penetration (%)<sup>1</sup>



<sup>1</sup> Smartphone penetration is based on the number of customers with a smallscreen tariff (e.g., for smartphones) divided by the total mobile customer base less M2M, less customers with a big screen tariff

# Fixed line KPIs

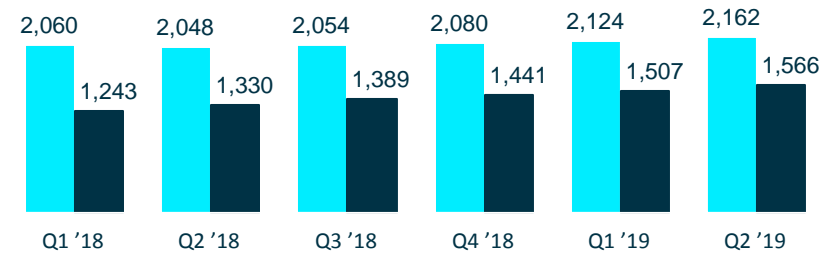
## Retail broadband net adds ('000)

■ Therof DSL   ■ Therof VDSL

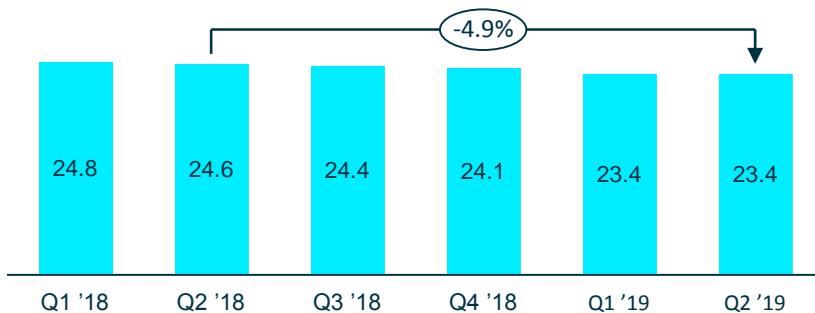


## Fixed accesses ('000)

■ Retail DSL   ■ thereof VDSL



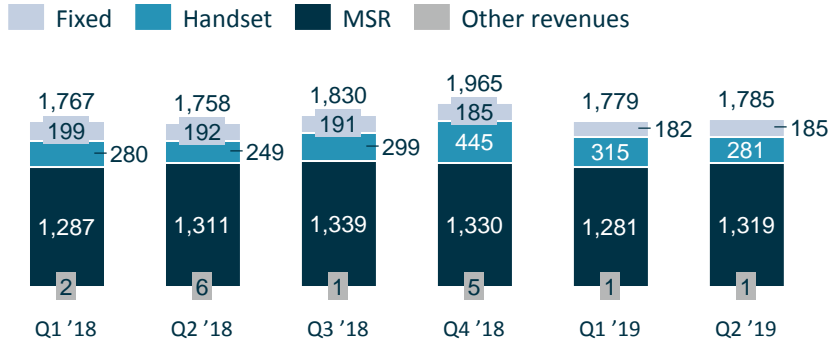
## Fixed retail ARPU (EUR)



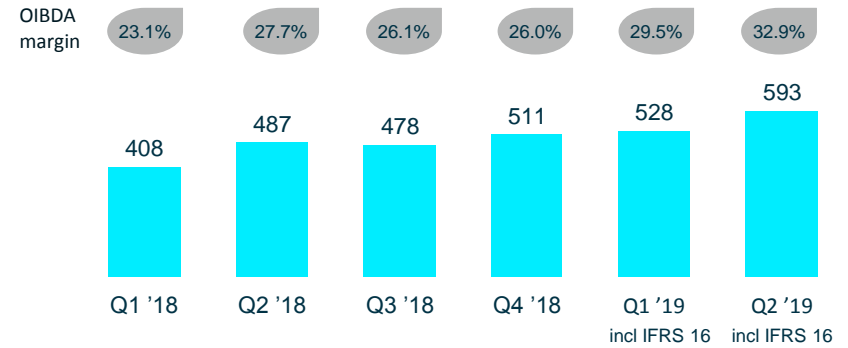


# P&L

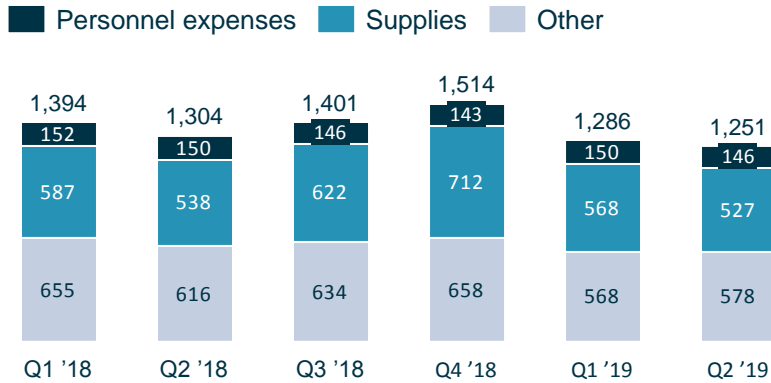
## Revenue structure (EUR m)



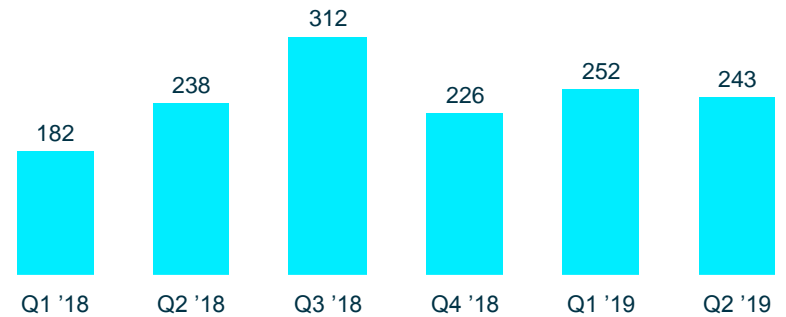
## OIBDA (post GF, pre exceptional effects / EUR m)<sup>1</sup>



## OpEx split<sup>2</sup> (EUR m)



## CapEx<sup>3</sup> (EUR m)



<sup>1</sup> Adjusted for exceptional effects, excl. the negative impact from regulatory changes and y-o-y comparison based on IAS17 accounting standards for 2018 and IFRS16 for 2018. For details please refer to additional materials of the Q2 2019 results release

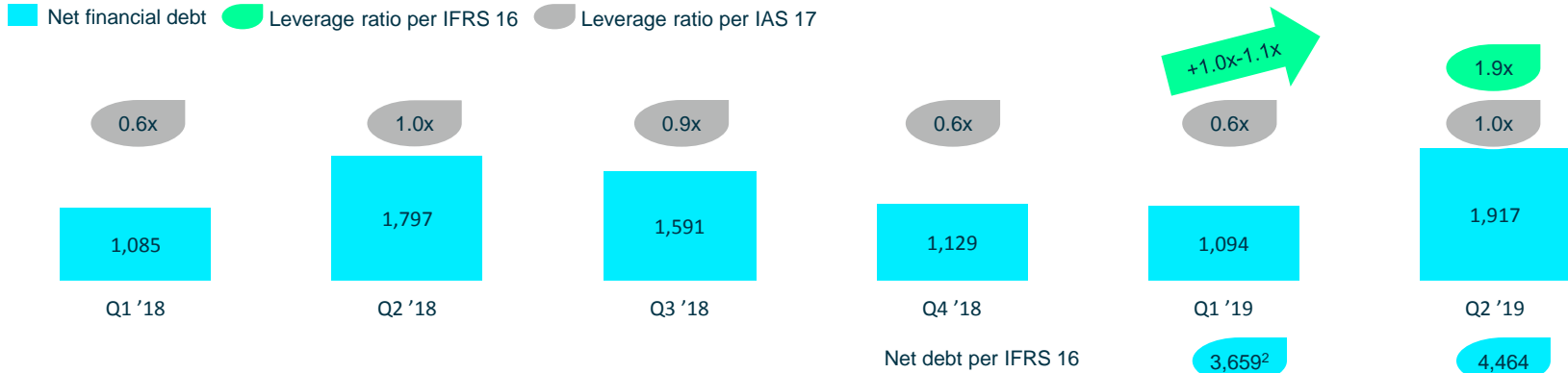
<sup>2</sup> Opex-split before exceptional effects changes and y-o-y comparison based on IAS17 accounting standards for 2018 and IFRS16 for 2018. For details please refer to additional materials of the Q2 2019 results release

<sup>3</sup> Excluding additions from capitalised right-of-use assets (as of 1 January 2019) respective excluding additions from capitalised finance leases (till 31 December 2018)

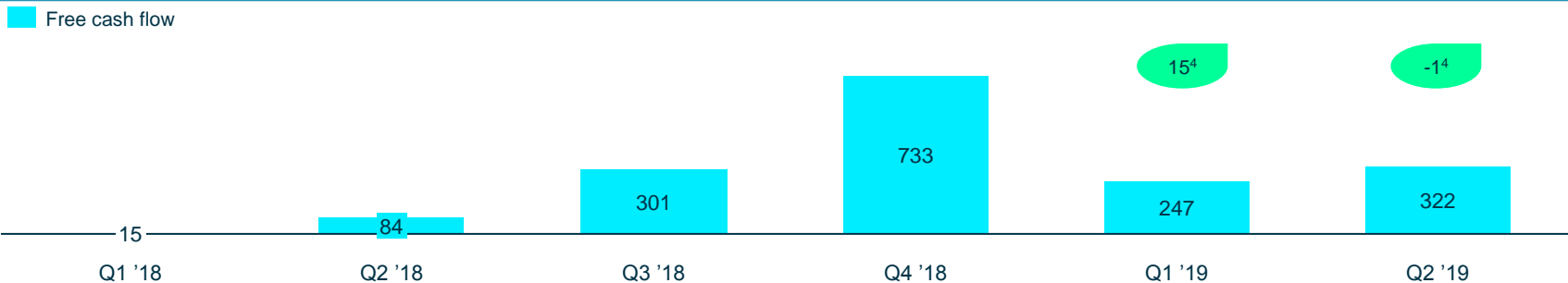
Approx. 1.0x-1.1x  
above IAS 17  
comparable

# Financials

## Net debt and leverage<sup>1</sup> (EUR m)



## Free cash flow<sup>3</sup> (YTD in EUR m)



<sup>1</sup> Under IAS 17 accounting standard

<sup>2</sup> Under IFRS 16; with balance sheet items within net financial debt affected by IFRS 16 still subject to change within a bandwidth of +/- 5%

<sup>3</sup> Free cash flow pre dividends and payments for spectrum is defined as the sum of cash flow from operating activities and cash flow from investing activities and does not contain payments for investments in spectrum

<sup>4</sup> Under IFRS 16 accounting standard

# Quarterly detail of relevant financial and operating data for Telefónica Deutschland

Financials	2018					2019	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
Revenue (excl. regulatory effects)	1,767	1,758	1,830	1,965	7,320	1,789	1,799
Mobile service revenues (excl. regulatory effects)	1,287	1,311	1,339	1,330	5,267	1,291	1,331
Revenue	1,767	1,758	1,830	1,965	7,320	1,779	1,785
OIBDA (post Group fees) adjusted for exceptional & regulatory effects <sup>1</sup>	408	487	478	511	1,884	528	593
OIBDA (post Group fees) adjusted for exceptional effects	408	487	478	511	1,884	524	582
CapEx <sup>2</sup> excl. investments in spectrum	182	238	312	226	958	252	243
C/S Ratio <sup>2</sup> (based on Revenue)	10.3%	13.5%	17.1%	11.5%	13.1%	14.2%	13.6%
Revenue and Opex related Synergies	~35	~30	~25	~10	~100	~20	~10
Capex related synergies	~15	~10	~10	~15	~50	~15	~10
Transformation benefits	N/A	N/A	N/A	N/A	N/A	~5	~10

Accesses	2018					2019	
	Q1	Q2	Q3	Q4	FY	Q1	Q2
Total Accesses	47,075	47,180	47,268	47,089	47,089	47,202	47,556
o/w Mobile	42,777	42,962	43,049	42,819	42,819	42,913	43,218
Prepay	21,346	21,198	21,052	20,543	20,543	20,332	20,335
Postpay	21,431	21,764	21,997	22,276	22,276	22,581	22,883

<sup>1</sup> Adjusted for exceptional effects, excl. the negative impact from regulatory changes and figures based on IAS17 accounting standards for 2018 and IFRS16 for 2018. For details please refer to additional materials of the Q2 2019 results release

<sup>2</sup> Excluding additions from capitalised right-of-use assets (as of 1 January 2019) respective excluding additions from capitalised finance leases (till 31 December 2018)

*Telefónica*

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