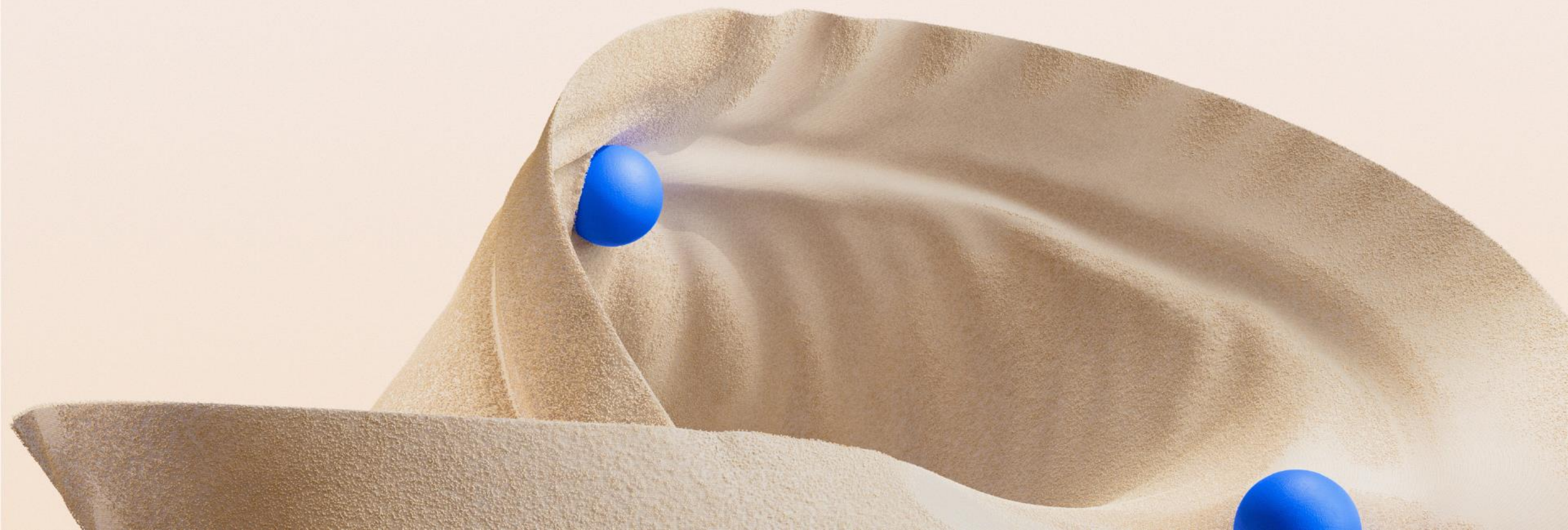




# Results 2025



Q1



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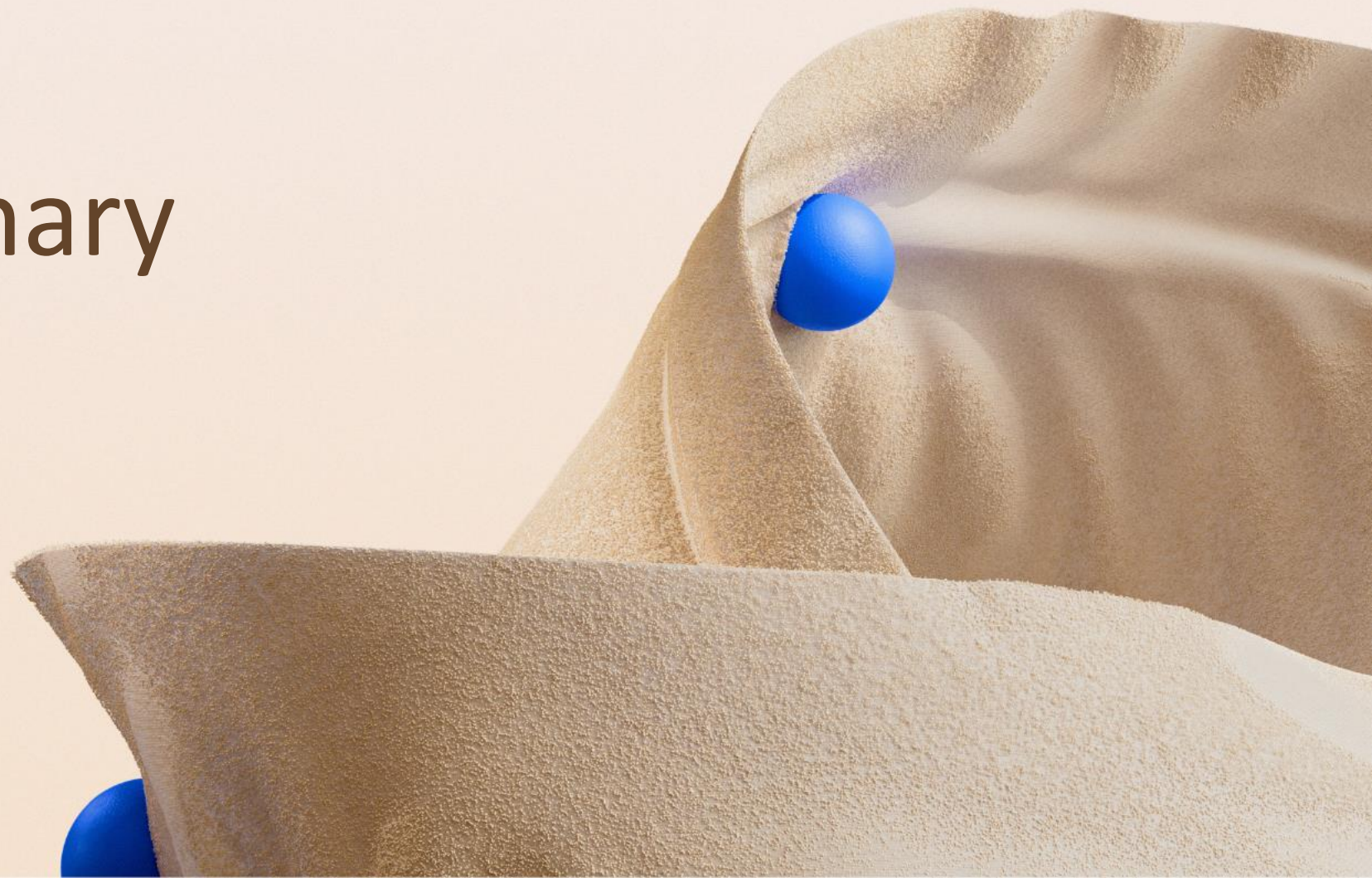
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# Q1 25 Summary

Mr. Emilio Gayo  
**COO**



# Operational progress

## CUSTOMER focus

- **Strong customer base**, 354m accesses
- **Improved P&S portfolio**, Fusion Digital 5.0 for SMEs in Spain
- **NPS hits new highs**, 35 score
- **Historic low churn = higher lifetime value**

## Next Generation NETWORKS

- **Expanding fibre**, +1.5m PPs q-o-q to 80m
- **75% 5G coverage** (core markets), +11 p.p. y-o-y
- **More autonomous and efficient networks** (virtualised, open, disaggregated)
- **Network availability rate up in core markets** (fixed +0.2 p.p., mobile +0.5 p.p. y-o-y)

## Efficiency driven MANAGEMENT

- **Legacy shutdown** (Spain copper completed, 3G Germany, 2G Uruguay)
- **CapEx intensity declining** (CapEx/Sales-0.4 p.p. y-o-y)
- **Executing our plan in Hispam**, sale of Argentina, Peru and signing in Colombia

## Q1: Resilient core units

- ✓ **Improved traction in Spain;** revenue and EBITDAaL growth accelerates to +1.7% and +1.0%
- ✓ **Intact momentum in Brazil** (EBITDA +8.0%, EBITDAaL-CapEx +14.5%). **Margin expansion** (EBITDAaL- CapEx +1.4 p.p.)
- ✓ **Strong EBITDAaL-CapEx in Germany** (+4.8%). Revenue and EBITDA reflect B2P transformation and tough comps
- ✓ **Hispania;** back to positive contract net adds, 1<sup>st</sup> time since Q4 23. Financials reflect high competition and reported terms impacted by FX and portfolio changes
- ✓ **Reported results** hit by FX. **Organic growth aligned with guidance** (comps to ease along the year). **Net debt reduced and FCF seasonality**

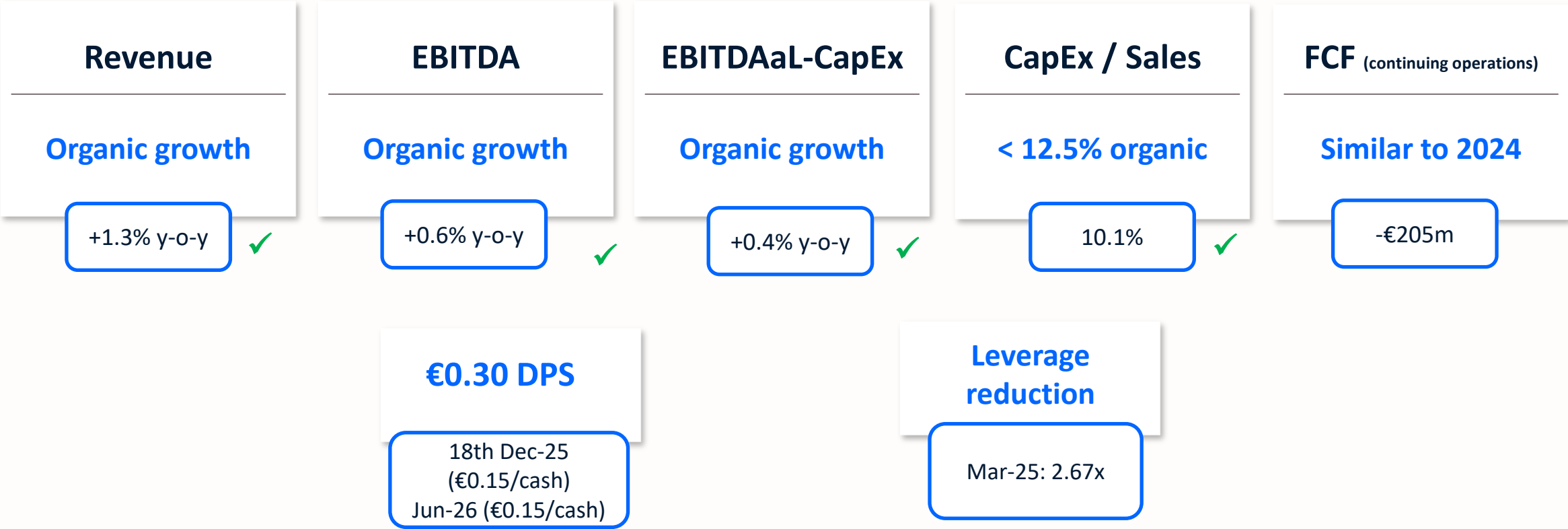
y-o-y organic

	Q1 y-o-y reported	Q1 y-o-y organic
Revenue	-2.9%	+1.3%
Service revenue	-2.8%	+1.5%
B2C revenue	-2.9%	+1.8%
B2B revenue	+1.4%	+5.4%
EBITDA	-4.2%	+0.6%
EBITDAaL - CapEx	-4.9%	+0.4%
CapEx/Sales	10.2%	10.1%

Argentina and Peru accounted as discontinued Operations since 1 January 2025 and reflected in the P&L in the line of Net Income from discontinued operations

EBITDA is adjusted and CapEx ex-spectrum

# On track to meet 2025 guidance



Constant perimeter of consolidation

Q1 aligned with internal expectations





# Q1 25 Operating Business

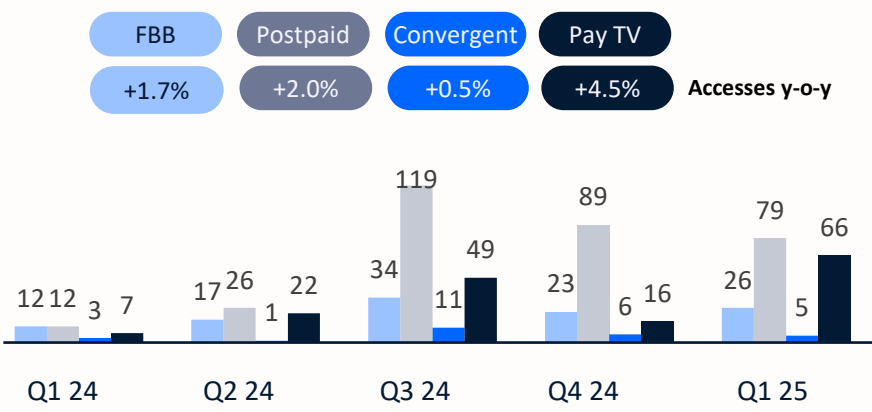
Mr. Emilio Gayo  
**COO**



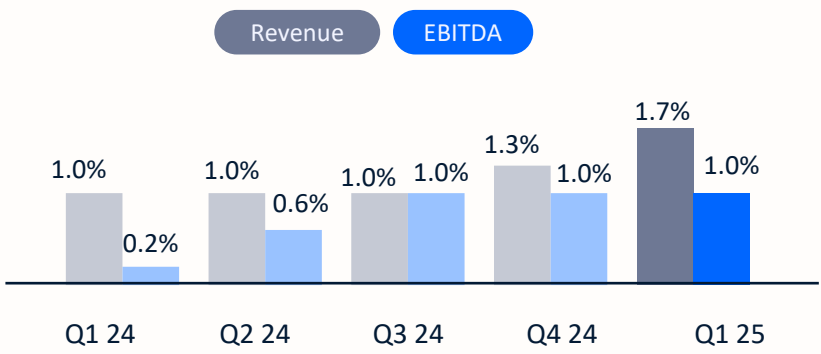


# Spain: Increasingly resilient growth

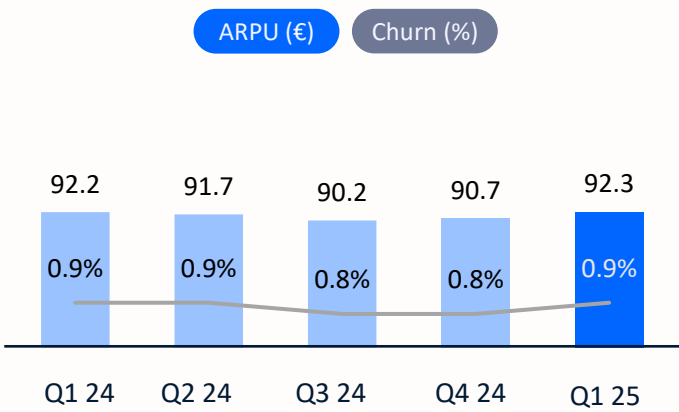
## Net adds (k)



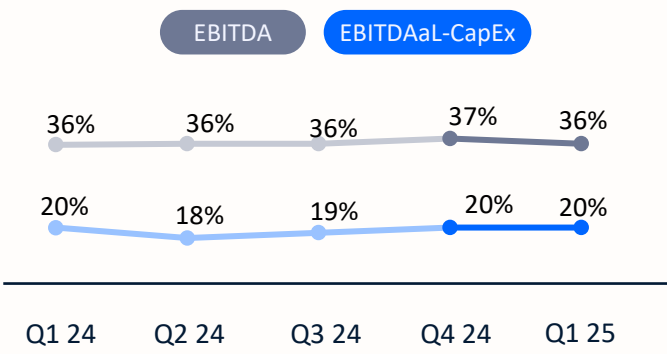
## Revenue & EBITDA growth (y-o-y organic)



## Convergent KPIs



## Margins (organic)



## Highlights

- Growth in all accesses for 7<sup>th</sup> Q in a row accelerating
  - Q1 net adds increasing y-o-y
- Revenue +1.7%, service revenue +1.0%
- B2C growth on customer focus and improving portfolio
  - Smart segmentation, valued brands, flexible offer
  - Traction in our digital ecosystem: devices, alarms...
  - Benchmark convergent Customer Lifetime Value
  - Best ARPU and churn, price upgrade in Jan-25
- B2B intact momentum on solid IT and stable comms
- EBITDAaL-CapEx +2.0% y-o-y
- Best-in-class CapEx/Sales at 10.5% with second-to-none premium networks

Operating leverage paying off  
Deregulation opportunities

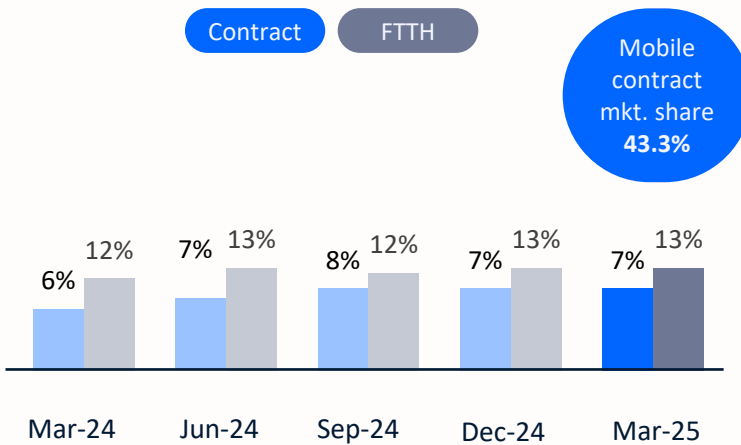




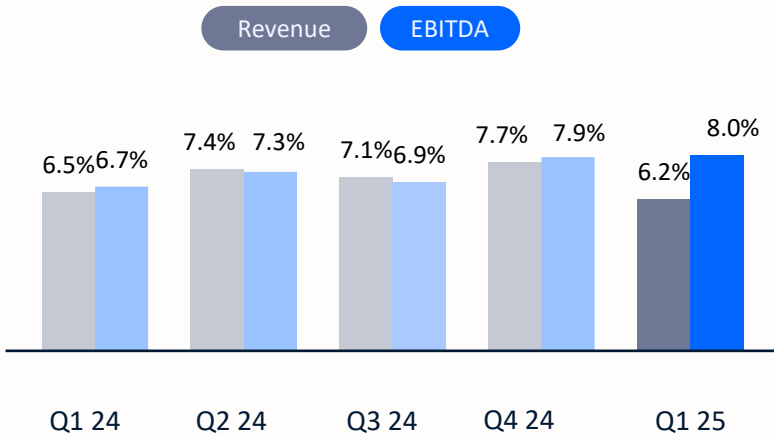


# Brazil: Real growth and strong profitability

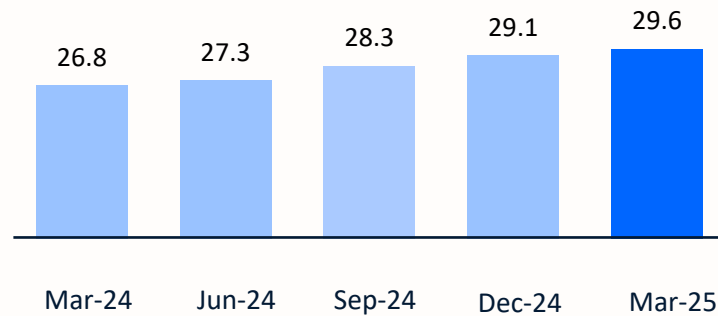
## Accesses growth (y-o-y)



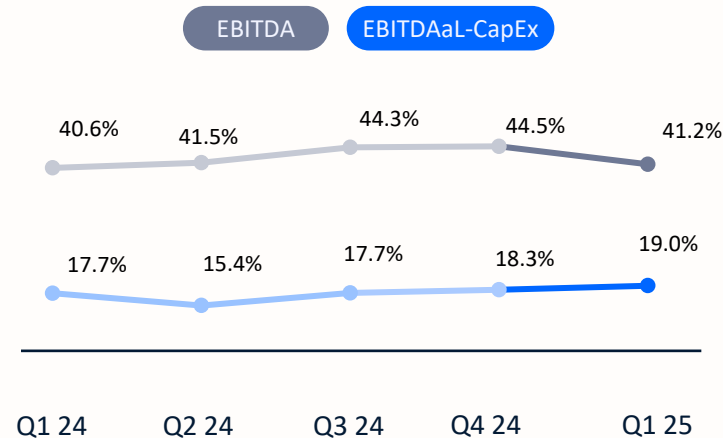
## Revenue & EBITDA growth (y-o-y organic)



## FTTH Premises passed (m)



## Margins (organic)



## Highlights

- Continue to grow well above inflation
- Translated into Euro results hit by FX
- Service Revenue: Mobile (+6.5%) & Fixed (+6.2%)
  - Contract: +8.7% & FTTH: 11.1%
  - B2B +14.5% thanks to broad service portfolio
- Maintained commercial momentum
  - Leaders in postpaid & FTTH
  - Vivo Total (fully convergent) accesses +77%
- Digital services penetration accelerates (11% o/total rev)
- Tariff increase in contract & fibre
- Margin expansions y-o-y despite commercial efforts
  - EBITDA (+0.7 p.p.)
  - EBITDAaL-CapEx (+1.4 p.p.)
  - EBITDA +8.0%, EBITDAaL-CapEx +14.5%

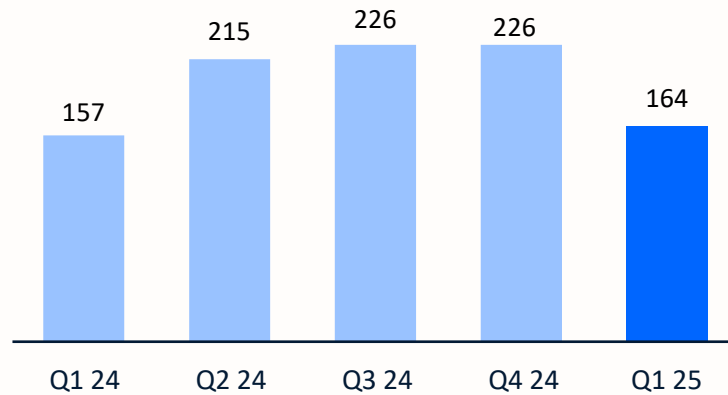
Final agreement for  
migration to Authorization



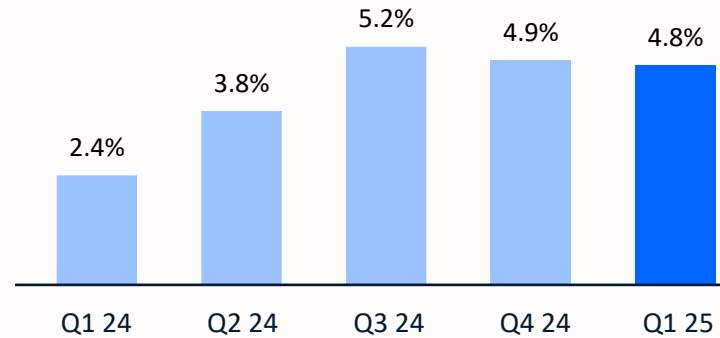


## Germany: Operating leverage focus

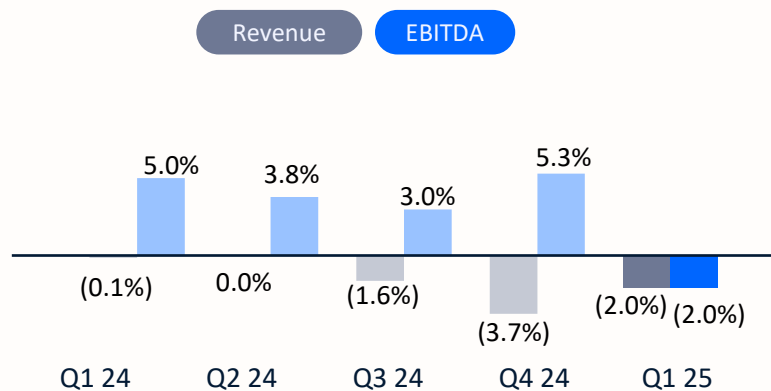
### Contract net adds (k) <sup>1</sup>



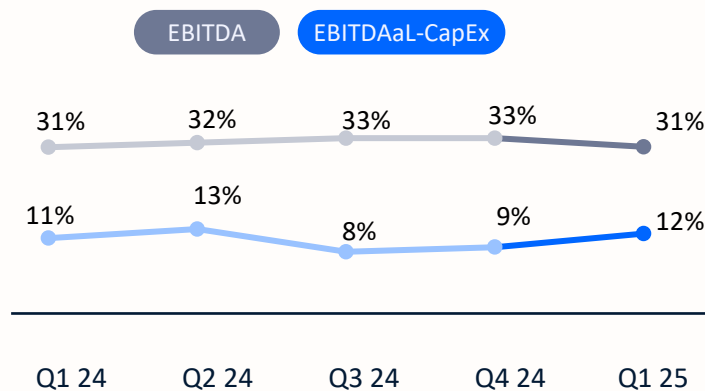
### Fixed ARPU (y-o-y)



### Revenue & EBITDA growth (y-o-y organic)



### Margins (organic)



### Highlights

- **Contract net adds** +4.5% y-o-y, stable 1.1% churn
- **O<sub>2</sub> contract ARPU** flattish (friends & family-offers)
- **Revenue** headwinds (B2P transformation, market weakness for handsets) and tough **EBITDA** comps
- **Focus on efficiency gains & profitable growth**
  - Stable EBITDA margin
  - **EBITDAaL\*-CapEx +4.8%**, margin +0.8 p.p

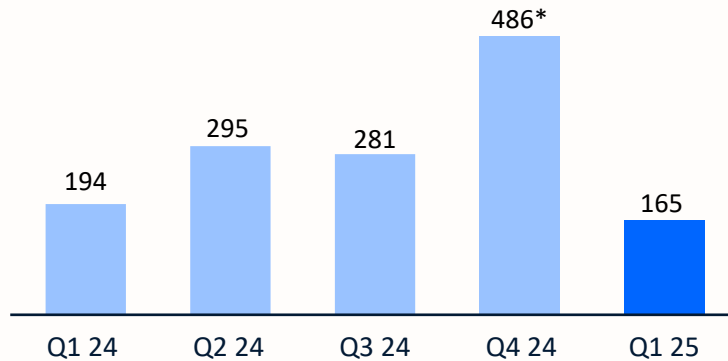
**BNetzA's confirmed  
5-year spectrum prolongation**



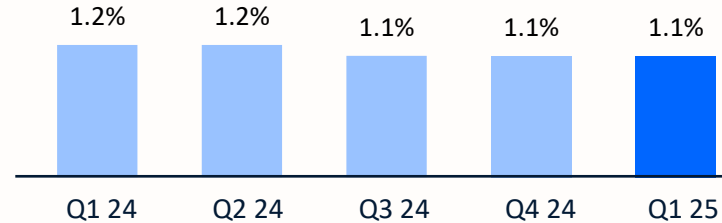


# VMO2: Key network programmes of fibre and 5G rollout progress

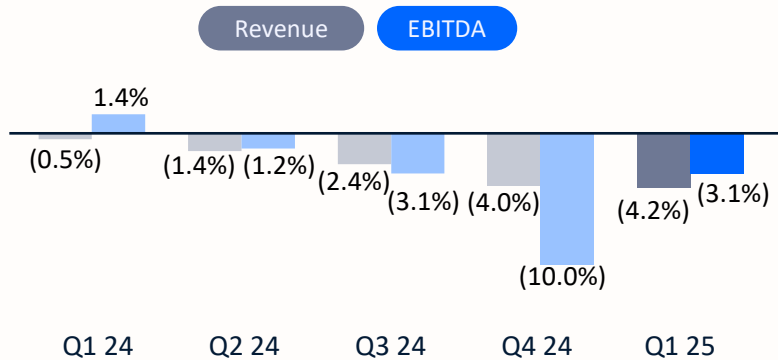
## Fixed network build (k new PPs)



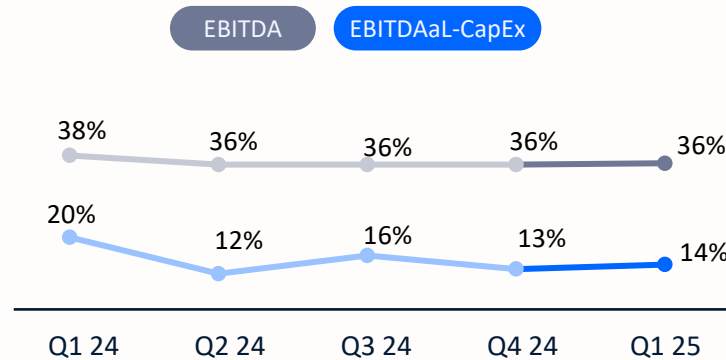
## Mobile contract churn (%)



## Revenue & EBITDA growth (y-o-y organic)



## Margins (organic)



## Highlights

- **5G pop. coverage 77%**
- **Fixed footprint reaches 18.4m UBB PPs**
- **Contract churn** stable at **low levels**; 1.1%
- **Revenue and EBITDA** back to growth (ex. handset & nexfibre)
  - Price rise phasing to service revenue
  - Fixed consumer ARPU +1.6%
  - Cost efficiencies
- **EBITDAaL-CapEx** +15.2% on lower CapEx (-12.9%)
  - +2.3 p.p. in margin
- Progressing ESG strategy with **circularity initiatives**

Growth in key metrics in line with guidance





## Hispan: Progress in strategic execution

2025



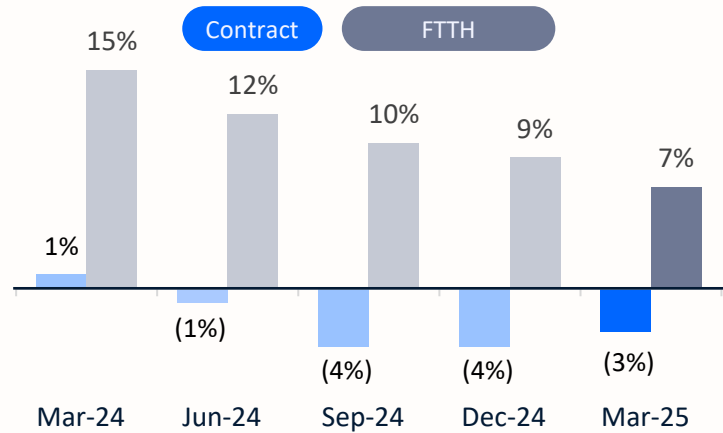
- ✓ **Sale of T. Argentina (€1.2bn)**, simultaneous signing and closing on February 24<sup>th</sup>, execution risk avoided
- ✓ **Binding agreement for T. Colombia (~€368m)**, closing subject to regulatory approvals and agreements with minorities
- ✓ **Sale of Telefonica Peru**
  - Simultaneous signing and closing on April 13<sup>th</sup>
  - Avoiding future liabilities' payment (SUNAT and financial debt)
  - Removing risk of future contingencies and potential additional financing needs
  - Positive impacts from deconsolidation at FCF and leverage level
- ✓ **Continued execution of strategy**



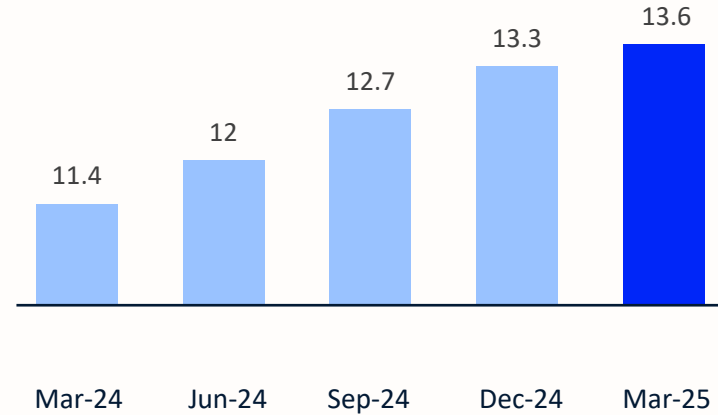


# Hispam: Towards stabilisation while reducing exposure

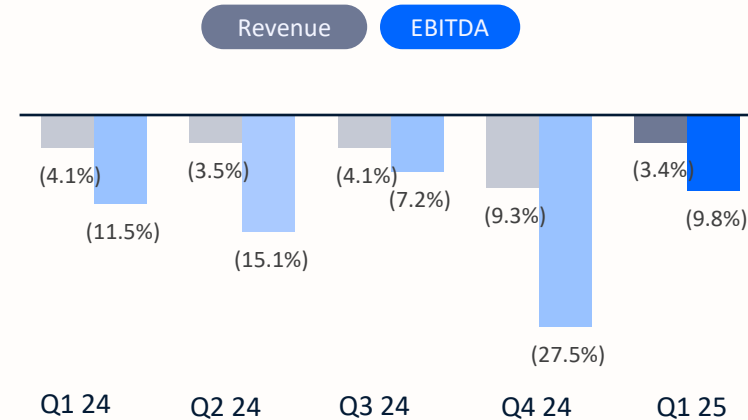
## Accesses growth (y-o-y)



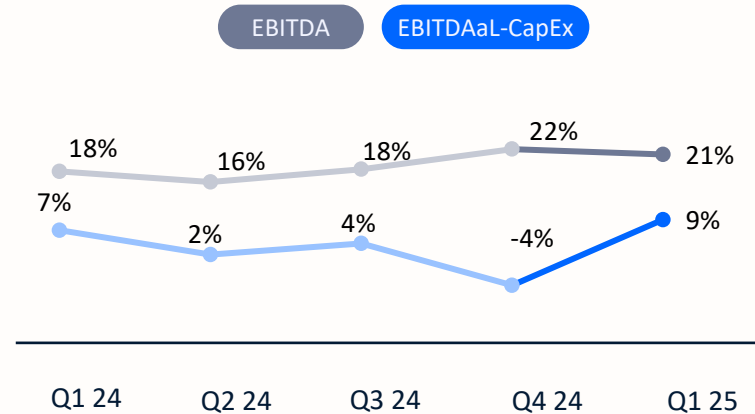
## FTTH (m)



## Revenue & EBITDA growth (y-o-y organic)



## Margins (organic)



## Highlights

- **Focus on executing our strategic plan**
- **Better commercial net adds in contract & FTTH in Q1 25**
  - Positive contract net adds after 5 Qs posting losses
  - Chile, reduced portability thanks to new regulatory rules
  - FTTH/FBB accesses (98%, +6 p.p.)
- **Service revenue** -3.1%, Mexico +5.0%
- **EBITDAaL-CapEx**: -30.9% affected by higher leases in Col

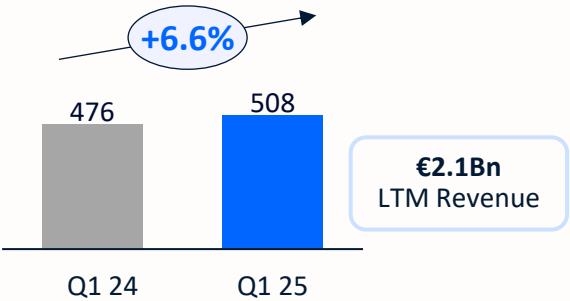
**Invested capital -49% vs. Dec-19**  
**Preserving T. Group optionality**



# Telefónica Tech / Telefónica Infra

## Telefónica Tech

Revenue (€ million) (y-o-y organic)

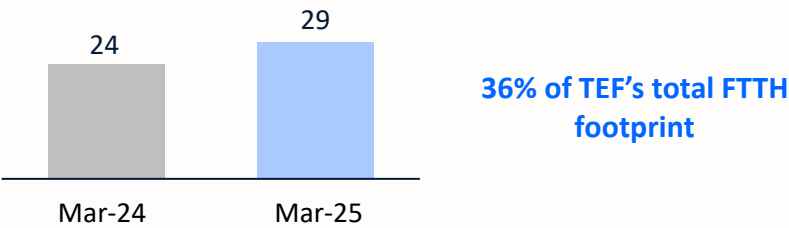


### Sustainable business

- Commercial activity led by Private Sector in Q1 25
- Strong commercial funnel for the rest of the year
- Strong market recognition, leader position by industry analysts

## Telefonica Infra

FTTH JV premises passed (m)  
(via FiberCos)



### Data Centres:

- Closed sale of 20% in Nabiax
- Analysing opportunities to maintain exposure to DCs

## TELXIUS

>100km of international fibre connectivity

Solid profitability

50%  
EBITDA margin

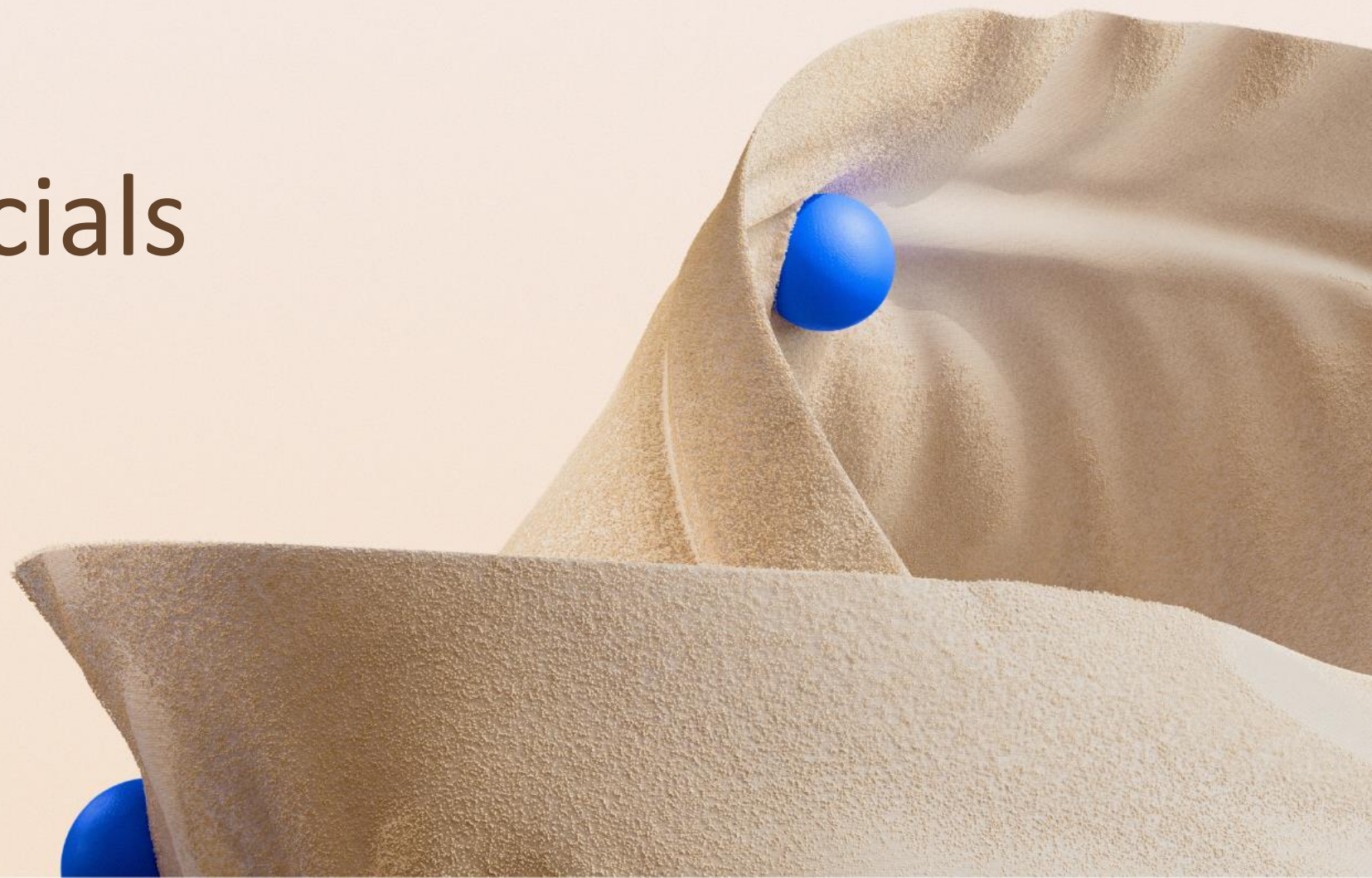
Value of contracts with  
3rd parties

+91%  
vs. Q1 24

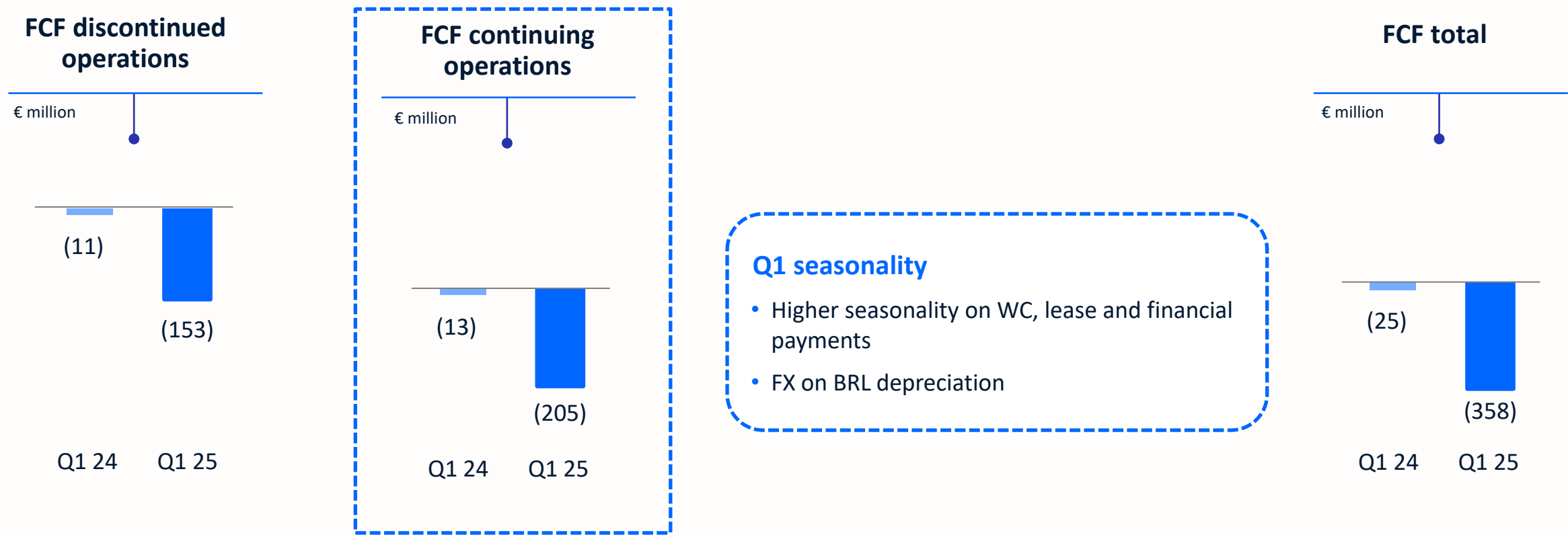


# Q1 25 Financials

Mrs. Laura Abasolo  
**CFCO**



# Accelerate FCF delivery throughout the year

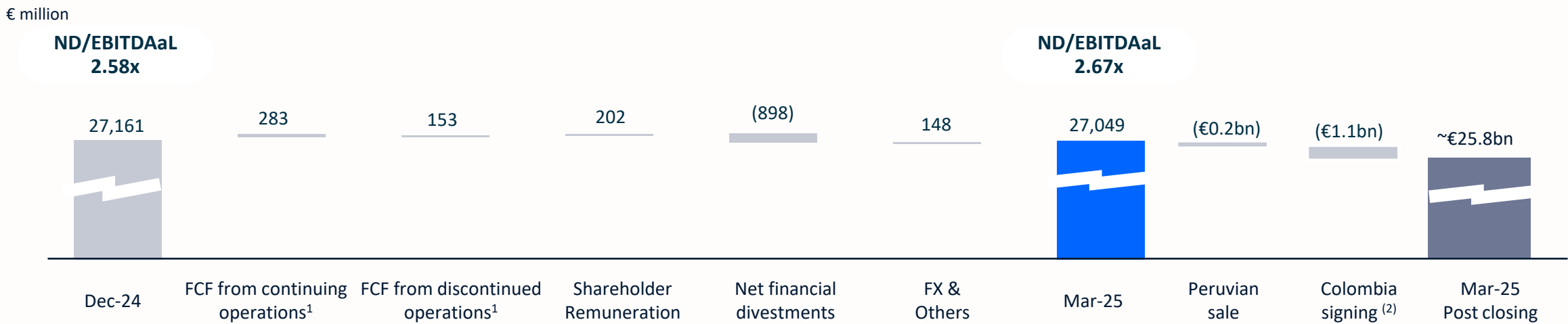


FCF to improve along the year

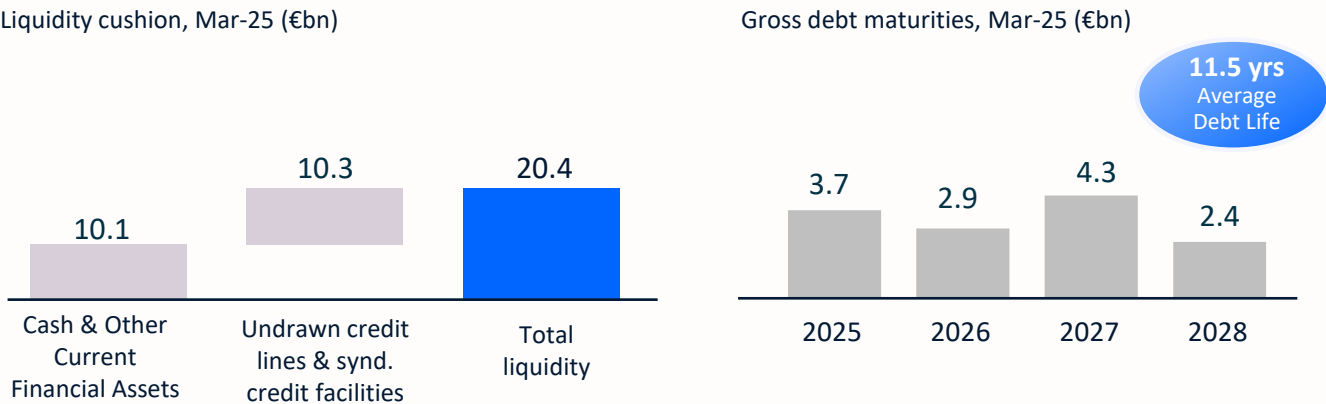


# Solid balance sheet, sound liquidity and contained costs

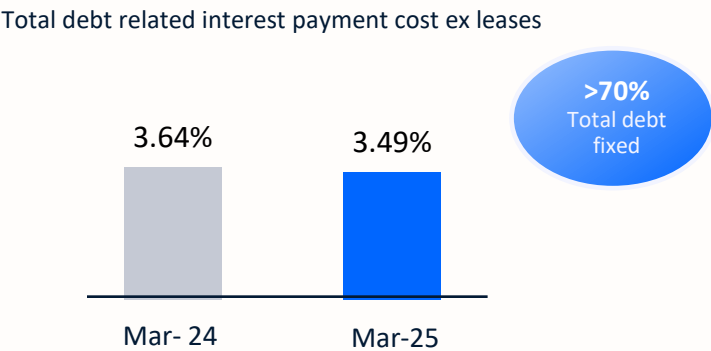
## Net Financial Debt



## Comfortable liquidity position



## Contained interest payment cost



# Pragmatic ESG management to create value



## Environmental

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**Renewables to hedge energy costs:** PPAs for renewables cover 30% of electricity needs

**Helping customers decarbonise:** launched AI solutions for urban lighting and fleet management via Telefónica Tech



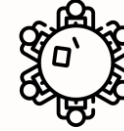
## Social

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**Connecting communities:** 98% 4G population coverage in main markets

**Protecting customers:** 7.8m cyber-threats blocked (Spain)

**Monitoring risk:** supplier audits & worker surveys at high-risk sites



## Governance

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**Balanced and diverse Board:** 40% women, and 53% independent

**Shareholder confidence:** all resolutions approved at the AGM

**Fiscal Transparency report published:** €8.4bn paid in taxes globally in 2024

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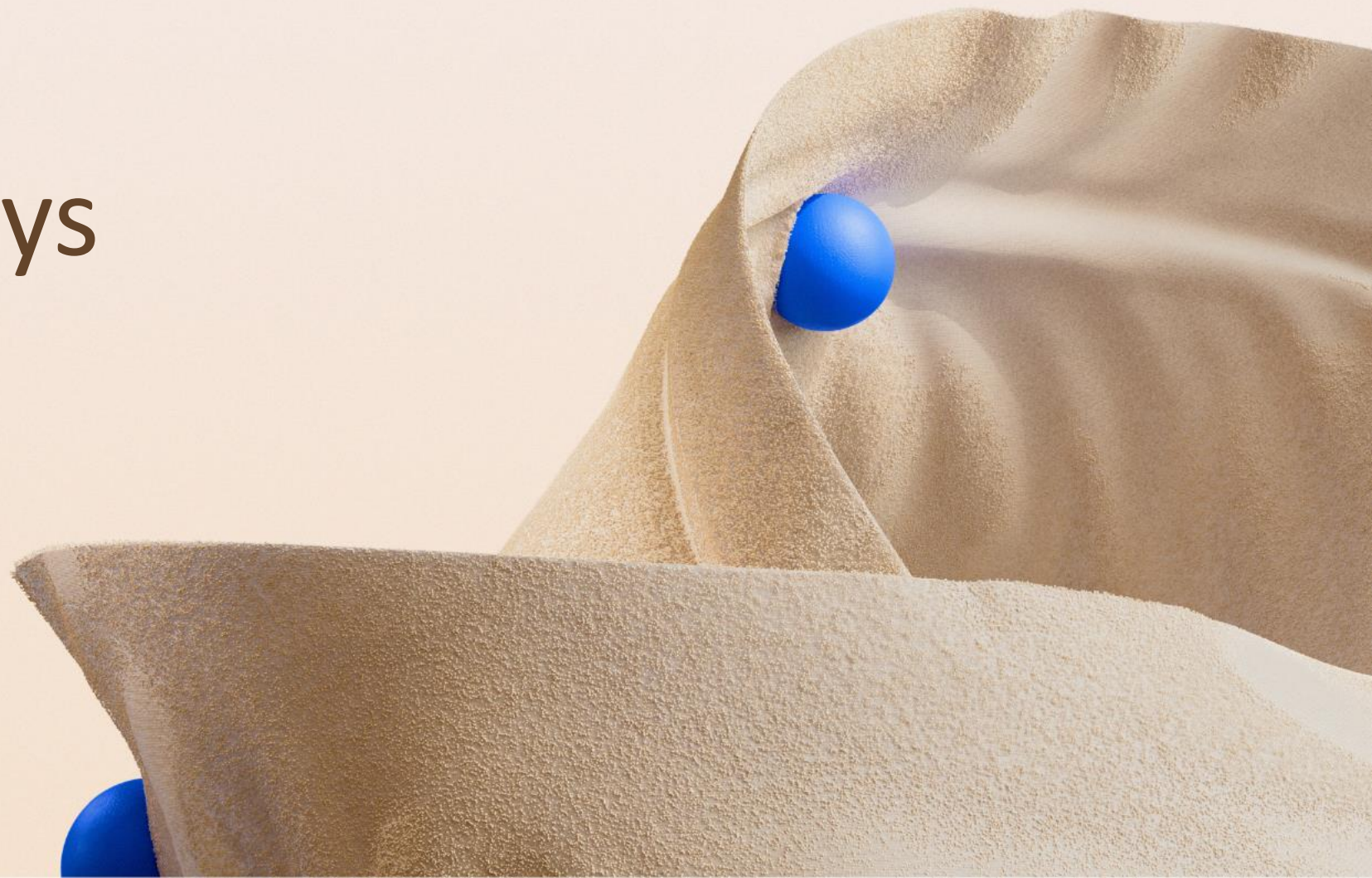
**Positive impact: consistent socio-economic contribution aligned with the SDGs**

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# Key takeaways

Mr. Emilio Gayo  
**COO**



## Key messages

### Continued strategy execution: Resilient core markets T. Hispam exposure reduced

- Performance in core markets driven by customers and NGN
- Capital being reallocated from T. Hispam disposals to core markets, core business and positive leverage impacts
- Efficiency focus

### 2025 guidance confirmed

- Comps to ease through the year
- Back-end loaded FCF

### Guidelines of our strategic framework

1. Customers at the core
2. Technology and operational excellence
3. Disciplined industrial rationale
4. Value creation for all stakeholders

**Europe will change**

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Update on **strategic review in H2 25**

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# Results presentation and Q&A Session



Telefónica's management will host a webcast on  
**14 May at 10:00 AM (CEST), 9:00 AM (BST), and 4:00 AM (EDT)**



## Participants from Telefónica

- **Emilio Gayo** | COO
- **Laura Abasolo** | CFCO
- **Markus Haas** | CEO Telefónica Deutschland
- **Lutz Schüler** | CEO Virgin Media O2
- **Eduardo Navarro** | Chief Corporate Affairs & Sustainability Officer
- **Torsten Achtmann** | Director of Investor Relations

## Webcast



- To access the webcast: [click here](#)
- The webcast replay **will be available on Telefónica IR's website** after the event

## Q&A Session

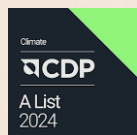


- To **participate in the Q&A session**, please register using the following link to receive the dial in and PIN details: [click here](#)



**Bloomberg**

Bloomberg ESG Score  
#2 in sector



CDP Climate  
A List 2024



2024  
#1 in sector

**ISS ESG**

ISS ESG Corporate Rating  
#1 in sector



Sustainalytics ESG  
Industry Top Rated 2025



World  
Benchmarking  
Alliance

Social Benchmark  
1<sup>st</sup> company worldwide 2024

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