



Results 2024

Q4

Disclaimer

This document and any related conference call or webcast (including any related Q&A session) has been prepared by Telefónica, S.A. (“Telefónica” or the “Company”, and together with its subsidiaries the “Telefónica Group”) exclusively for its use during the presentation of financial results. The Company does not assume any liability for the content of this document if used for any purposes different from the one outlined above.

This document and any related conference call or webcast (including any related Q&A session) may contain forward-looking statements (including forward-looking statements within the meaning of the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995). These forward-looking statements may include financial and other forecasts and estimates, as well as statements regarding plans, objectives and expectations of the Telefónica Group. The forward-looking statements can be identified, in certain cases, through the use of words such as “will,” “shall,” “target,” “expect,” “aim,” “hope,” “anticipate,” “should,” “may,” “might,” “assume,” “estimate,” “plan,” “risk,” “intend,” “believe” and similar language or other formulations of a similar meaning or, in each case, the negative formulations thereof. Other forward-looking statements can be identified in the context in which such statements are made or by the forward-looking nature of discussions of strategy, plans, objectives or intentions. These forward-looking statements include statements regarding our intent, belief or current expectations with respect to, among other things, the effect on our results of operations of competition in telecommunications markets; trends affecting our business, financial condition, results of operations or cash flows; ongoing or future acquisitions, investments or divestments; our capital expenditures plan; our estimated availability of funds; our ability to repay debt with estimated future cash flows; our shareholder remuneration policies; supervision and regulation of the telecommunications sectors where we have significant operations; our environmental, social and governance commitments and targets; our existing or future strategic partnerships or joint ventures; the potential for growth and competition in current and anticipated areas of our business; and the outcome of pending or future litigation or other legal proceedings and investigations.

Any such forward-looking statements reflect the current views of the Telefónica Group’s management and may change over time. They do not intend to be exhaustive, and they have not been verified or audited by any third party. Telefónica’s opinions and aspirations with respect to future events do not represent any guarantee of future fulfilment or profitability, and they are subject to risks and uncertainties that could cause the final developments and results to materially differ from those expressed or implied by such forward-looking statements. These risks and uncertainties include those identified in the documents containing more comprehensive information filed by Telefónica with the relevant supervisory authorities of the securities markets in which its shares are listed and, in particular, the Spanish National Securities Market Commission (“CNMV”) and the U.S. Securities and Exchange Commission (“SEC”).

You are cautioned not to place undue reliance on any forward-looking statements contained in this document and any related conference call or webcast (including any related Q&A session). Except as required by applicable law, Telefónica does not assume any obligation to publicly update the forward-looking statements to adapt them to events or circumstances taking place after the date hereof, including, among others, changes in the Telefónica’s Group business, changes in its business development strategy or any other circumstances.

This document and any related conference call or webcast (including any related Q&A session) may contain summarised, non-audited or non-IFRS financial information. Such information may not be prepared in accordance with the financial reporting requirements established by the SEC, is presented for supplemental informational purposes only and should not be considered a substitute for audited financial information presented in accordance with IFRS. The Company’s non-IFRS financial measures may differ from similarly titled measures used by other companies. In addition, there are material limitations associated with the use of non-IFRS financial measures since they exclude significant expenses and income that are recorded in the Company’s financial statements. Information related to any alternative performance measures (APMs) used in this presentation are included in Telefónica’s consolidated financial statements and consolidated management report 2024, submitted to the CNMV, in Note 2, page 15 of the .pdf filed. Recipients of this document are invited to read it. This document also contains sustainability information, that may include environmental, social and governance-related metrics, statements, goals, commitments and opinions. The sustainability information has been prepared with various materiality analyses, estimates, assumptions and data collection and verification practices and methodologies, both external and internal, which may differ from those used by other companies.

Neither this document nor any related conference call or webcast (including any related Q&A session) nor any of their contents constitute an offer to purchase, sell or exchange any security, a solicitation of any offer to purchase, sell or exchange any security, or a recommendation or advice regarding any security, or a solicitation for any vote or approval in any other jurisdiction.

This document and any related conference call or webcast (including any related Q&A session) may include data or references to data provided by third parties. Neither Telefónica, nor any of the members of its senior management, its directors or its employees, either explicitly or implicitly, guarantees that these contents are exact, accurate, comprehensive or complete, nor are they obliged to keep them updated, nor to correct them in the case that any deficiency, error or omission were to be detected. Moreover, in reproducing these contents by any means, Telefónica may introduce any changes it deems suitable, may omit partially or completely any of the elements of this document, and in case of any deviation between such a version and this one, Telefónica assumes no liability for any discrepancy.

Opening Remarks

Mr. Marc Murtra
Chairman & CEO

Telefónica today: building on strong foundations

Strong position in high-quality core markets

Spain Market Rank #1	Brazil Market Rank #1
Germany Market Rank #3	UK Market Rank #2

FY 24 Performance

Revenue growth +1.6% y-o-y
EBITDA growth +1.2% y-o-y
FCF generation €2.6bn

33 NPS score	Leading copper shutdown
Most valuable brands	+10% T. Tech revenue
Digital ecosystem	Improved efficiency



390m customers



World-class infrastructure



Management skills and know-how

A new time in Europe

A new context

Strategic Autonomy

Technological disruption

Via AI and others

More Euro-centric decisions

Priorities

Industrial rationale

Focus on core markets & activities

Efficient capital allocation

Consolidation

Driving future growth

Commitments

FCF is king

Drive business performance

Conduct strategic review

Conclude in H2 25

Financial discipline

To create sustainable shareholder value

Q4 24 & FY 24 Summary

Mr. Ángel Vilá
COO

2024: Delivered on guidance

- ✓ **Guidance met;** FCF of €2.6bn, +14.1% y-o-y, with all 2024 guidance metrics achieved
- ✓ **Core markets momentum;** growth across Spain, Germany, UK and Brazil with improved customer metrics
- ✓ **Network leadership strengthened;** 84.6m PPs with FTTH, 74% 5G coverage across core markets
- ✓ **Operational excellence;** Industry-leading CapEx/Revenue ratio of 12.9%, successful legacy network decommissioning
- ✓ **Financial position enhanced:** Reduced leverage back to below 2.6x, dividend well covered

	2024 Guidance	FY 24
Revenue y-o-y reported	~1%	+1.6%
EBITDA y-o-y reported	1% to 2%	+1.2%
EBITDAaL - CapEx y-o-y reported	1% to 2%	+1.6%
CapEx / Sales	Up to 13%	12.9%
FCF y-o-y reported	>10%	+14.1%
Cash Dividend	€0.3/share 2 tranches €0.15; 19 th Dec-24, Jun-25	Improved coverage
Leverage	Reduced	2.58x

Accomplishments 2024, a stronger Telefónica

Enhanced **CUSTOMER** experience focus

- **More customers**, +2m y-o-y
- **Outstanding and increasing NPS**, +2 p.p y-o-y
- **Improving lifetime value** and **reducing churn**

Next Generation **NETWORKS**

- **More fibre**, +10m PPs y-o-y
- **More 5G**, +12 p.p. y-o-y in core markets
- Pioneers in **scaling network autonomy**

Efficiency driven **MANAGEMENT**

- **Decommissioning**, copper shutdown in Spain
- **Hispania**, sale of Argentina, Peru restructuring
- **Optimising internal operations**

Telefónica Group: resilient performance and FCF focus

	Q4 y-o-y reported	FY y-o-y Reported
Revenue	+5.4%	+1.6%
Service revenue	+5.9%	+2.5%
B2B revenue	+10.0%	+4.8%
B2C revenue	+6.5%	+2.5%
EBITDA	-0.1%	+1.2%
EBITDAaL - CapEx	-8.4%	+1.6%
CapEx/Sales	15.5%	12.9%
FCF	+0.9%	+14.1%

Growth

- Improved customer metrics and growth momentum in core units
- Ramping up in main T. Hispam metrics on positive FX impacts
- Consistent growth in B2B, T. Tech a differential driver

Operating leverage

- Reliable operating leverage (flat in FY 24 y-o-y)
- CapEx +5.7% in Q4 due to ARG and phasing (FY 24 -1.4% y-o-y)
- FY CapEx below 13% over sales

FCF focus

- FCF ramping-up throughout the year
- Natural hedging policy pays off, with limited FX impact
- Reduced leverage and improved dividend coverage

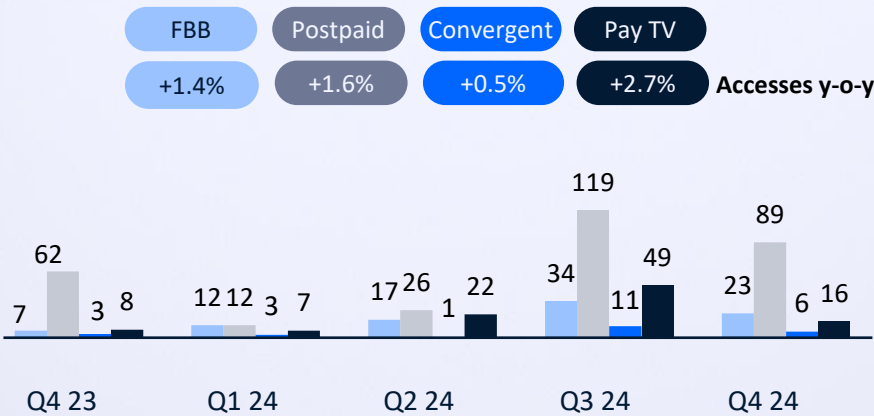
Q4 24 Core Operating Business

Mr. Ángel Vilá
COO

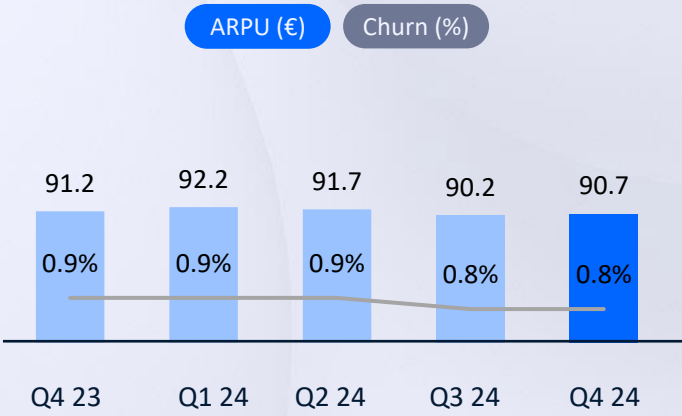


Spain: increasing customer base, FY revenue and EBITDA growth

Net adds (k)



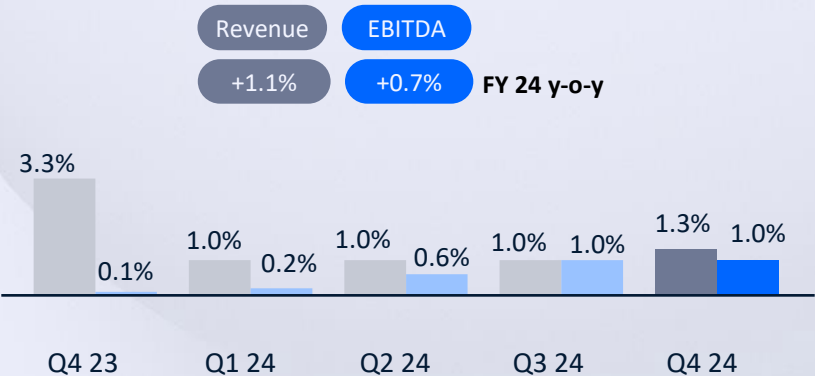
Convergent KPIs



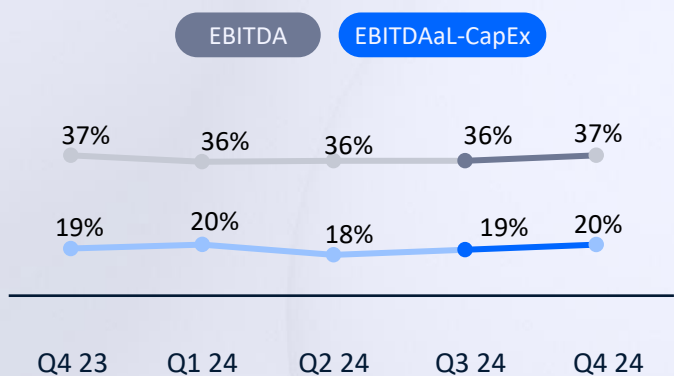
Highlights

- FY growth y-o-y in all accesses, 1st time since 2018
- Best convergent churn (FY 24 0.9%) in more than a decade
- Superior NPS and CLV in the market
- EBITDAaL y-o-y growth in H2 24
- 12.1% CapEx/Sales in FY 24 (-0.5 p.p. y-o-y)
- Stabilised EBITDAaL-CapEx in FY 24

Revenue & EBITDA growth (y-o-y)



Margins



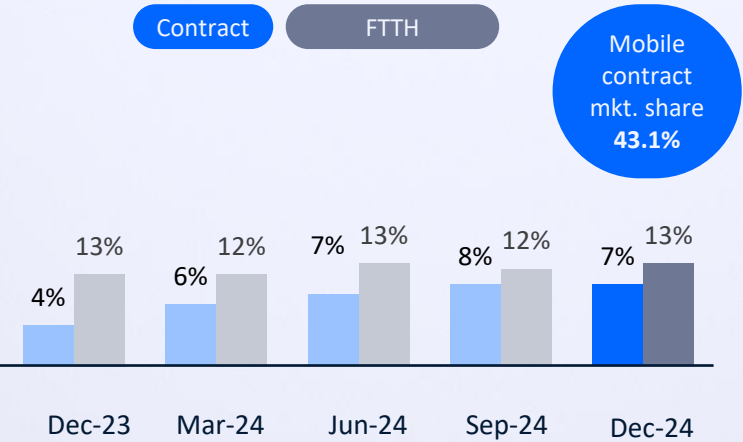
Sustained growth
Premium positioning paying-off
Deregulation opportunities



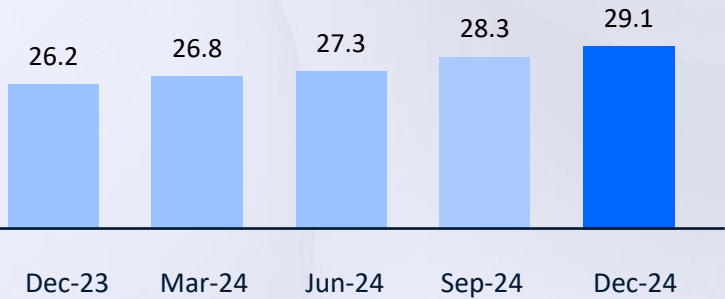


Brazil: high growth with expanding margins

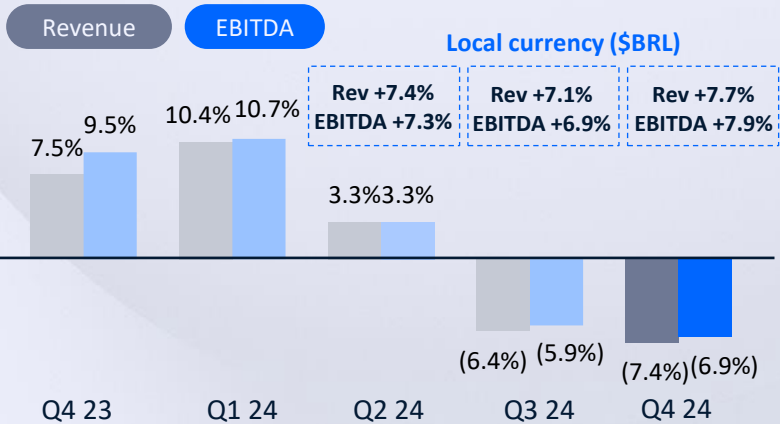
Accesses growth (y-o-y)



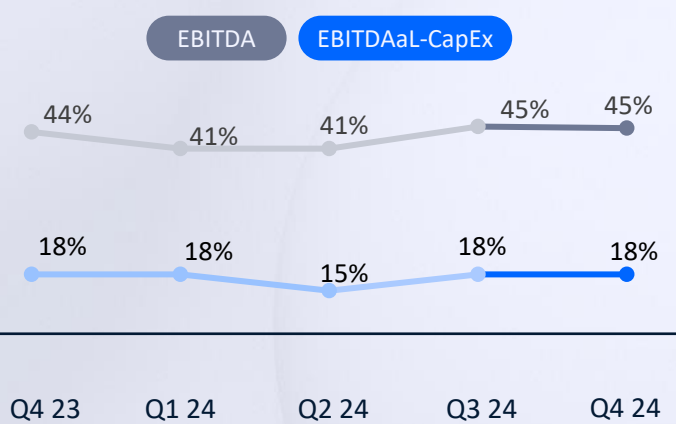
FTTH Premises passed (m)



Revenue & EBITDA growth (y-o-y)



Margins



Highlights

- Increased quality of accesses
 - Postpaid ARPU +3% y-o-y, churn below 1%
 - FTTH connections +20% y-o-y; lowest-ever 1.5% churn
 - Vivo Total accesses: +85% y-o-y
- Higher margins despite commercial acceleration
 - 44.7% EBITDA (+0.3 p.p. y-o-y)
 - 18.4% EBITDAaL-CapEx (+0.5 p.p. y-o-y)
- Local currency growth momentum intact, well above inflation
 - Revenue: +7.7%. New record in fixed (+8.0% y-o-y)
 - EBITDA +7.9%, EBITDAaL-CapEx +9.7%
- Vivo included in the DJ Sustainability World Index

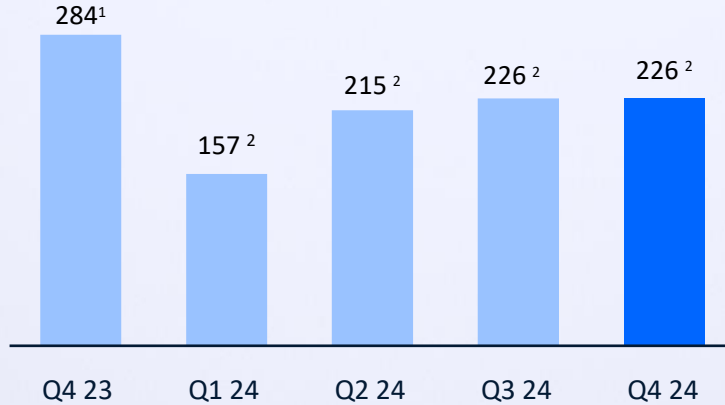
Final agreement for migration to Authorization



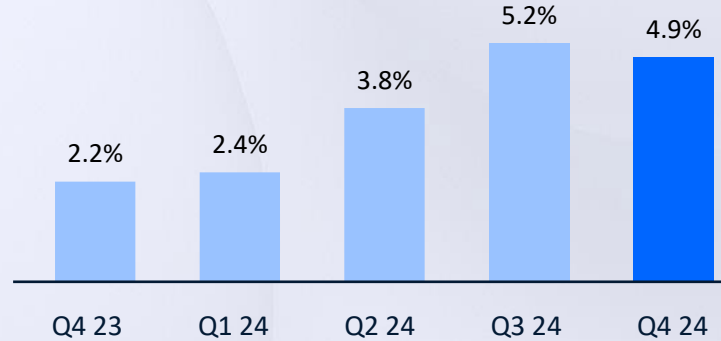


Germany: sustained operational momentum and strong EBITDA growth

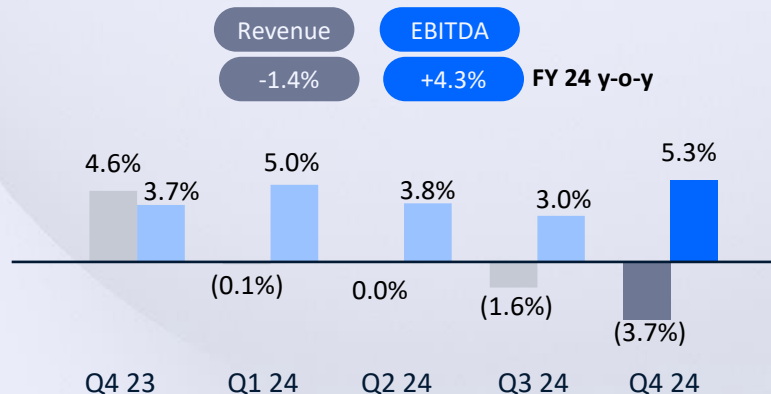
Contract net adds (k)



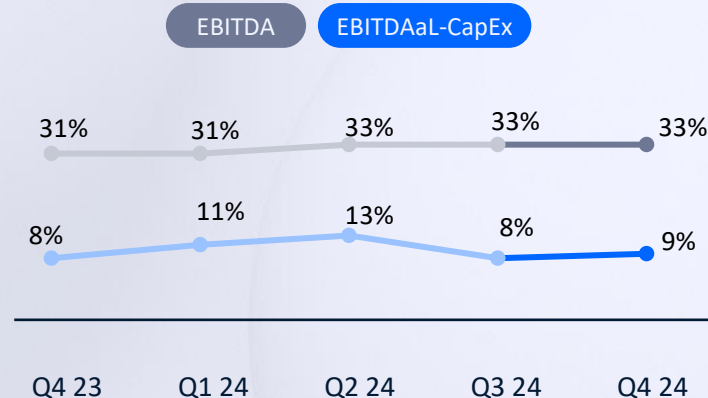
Fixed ARPU (y-o-y)



Revenue & EBITDA growth (y-o-y)



Margins



Highlights

- Continued O₂ brand appeal & enhanced B2P
- O₂ network rated “very good” (*connect magazine*)
- 5G pop coverage >97%
- O₂ contract churn stable at low levels; 1.0% in FY24
- Revenue reflecting MTR headwinds, tough handset comps and change of the 1&1 business model
- Improved operating leverage; q-o-q EBITDA growth
- Energy self-sufficient radio tower recognized with environmental award

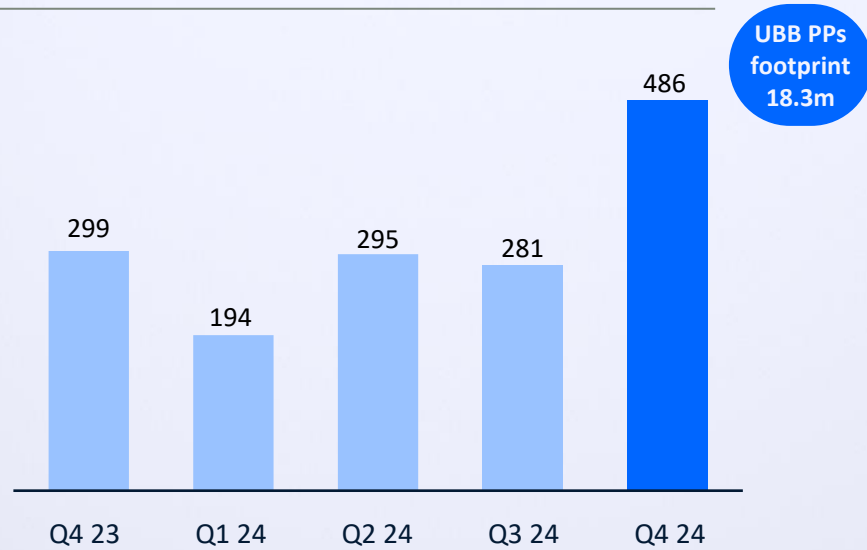
Final details BNetzA
of spectrum extension in Q1 25





VMO2: focus on network evolution and long-term growth

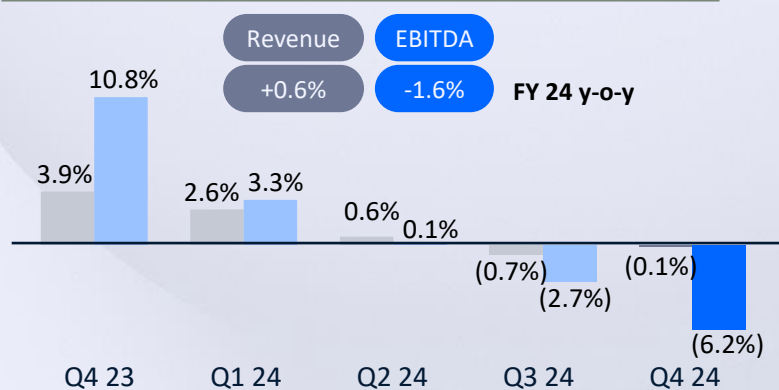
Fixed network build (k new PPs)



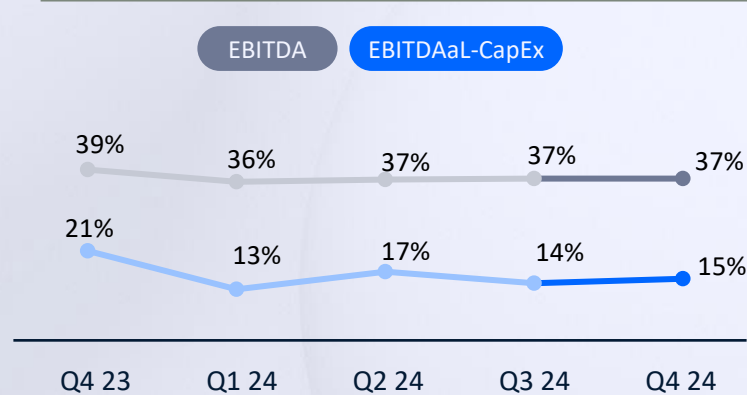
Mobile contract churn (%)



Revenue & EBITDA growth (y-o-y)



Margins



Highlights

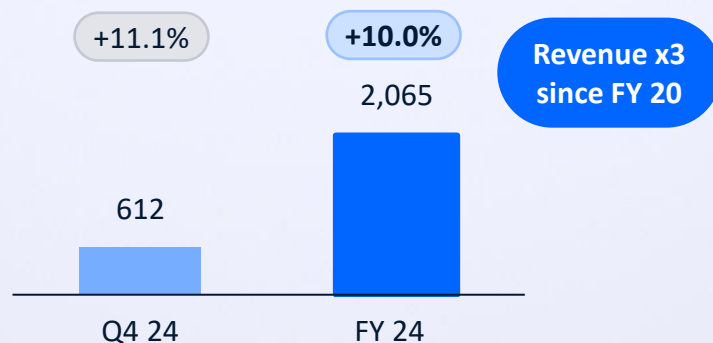
- **1.3m PPs in FY 24**, record footprint expansion
- **Combined** fibre reach of **6.4m PPs**
- **Contract churn** at **low levels**; -0.1 p.p. y-o-y
- **5G pop. coverage** reaches **75%**
- **Continued fixed growth**
 - Another Q of positive net FBB adds (12k)
 - Value growth (ARPU +2.0%)
- **£540m annualised synergies achieved** (~18 months ahead of target)
- **Improved revenue performance**, flat y-o-y
- **EBITDA decline** on tough comps, B2B fixed headwinds and investment in IT and digital efficiency programs



Tech: the B2B growth engine, enhances its scale and sustainability

Revenue

(€m) y-o-y



Commercial performance

~+30%

Bookings
vs FY 23

~+15%

Funnel
vs FY 23

Cross selling to 5.5m B2B
Telefónica customers

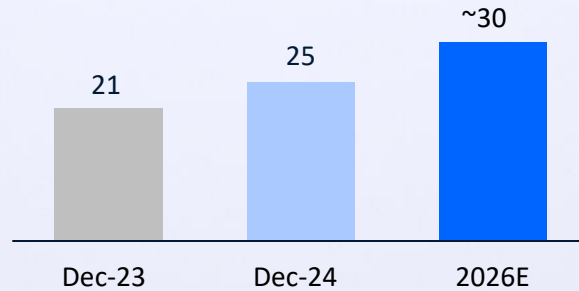
Future-proof business

- **Revenue y-o-y growth acceleration in Q4**, exceeded €2bn in FY 24
- **Strong commercial performance in Q4**, mostly in the Private sector
- **Bookings growing faster than revenue, feeding the backlog for 2025**
 - Increased average project's size and value as customers demand multiple projects for their digitisation
 - More recurrent and predictable revenue
- **Capturing SMEs opportunity in Spain**, adding consulting service (**Kit Consulting** - ERF)
- **Global Services Lines, boost operational capabilities in key markets**
 - **Cyber** provider of >70% **Ibex-35 companies**, **UK** gain momentum
 - **Cloud: Major Player Worldwide** UCaaS Service Providers 2024 (by IDC)
 - **AI & Data**: 10 specialised centres (SP, UK, BRA, HIS, Central Europe)

Infra: a global connectivity platform

Progressing on FTTH deployment

Total FTTH premises passed (m)
(via FiberCos)



~30% of 23-26 of TEF's FTTH rollout executed
Increasing differentiation and capabilities

Bluevia

UG
UNSERE GRÜNE
GLASFASER

nexfibre

FIBRASIL

Best-in class international connectivity infrastructure

TELXIU >100km of international fibre connectivity

Solid profitability

Double-digit traffic growth

48%

EBITDA margin
FY 24

+11%

vs. FY 23

New subsea cable (CELIA) connecting Puerto Rico and USA
(to go live in Q3 27)

Data Centres; asset recycling strategy

Nabiax
Hosting the future

Unlocking value, sale of our 20%
stake at >40x EBITDA

Closing conditional upon receiving regulatory approvals

Q4 24 Hispam / Financials / ESG

Mrs. Laura Abasolo
CFCO & Head of Telefónica Hispam



Hispan: a step forward in strategy execution



Telefonica Peru filed the Ordinary Insolvency Procedure

- Right decision to comply with our fiduciary duty of protecting Telefónica shareholders' interests



Sale of Telefónica Argentina for €1.2bn

- Simultaneous signing and closing on February 24th, execution risk avoided
- Optimised proceeds

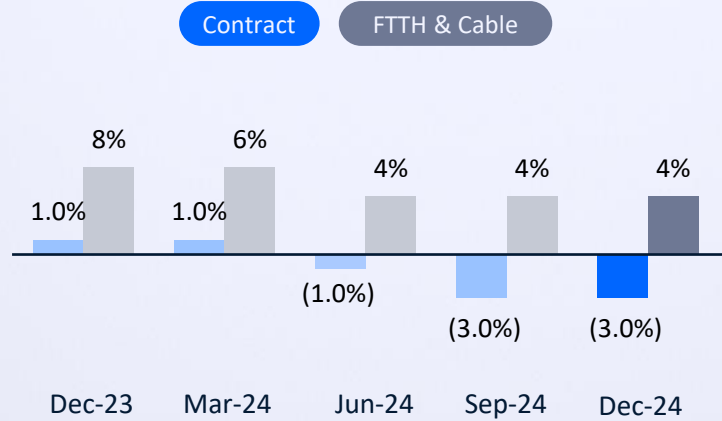


Continued execution of strategy

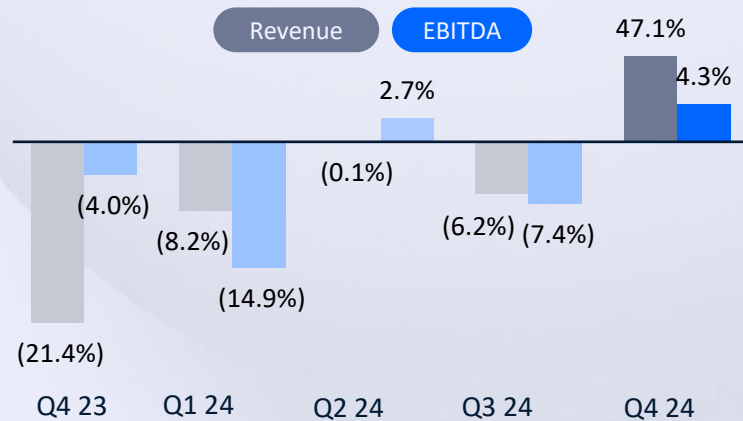


Hispam: towards a more rational industry

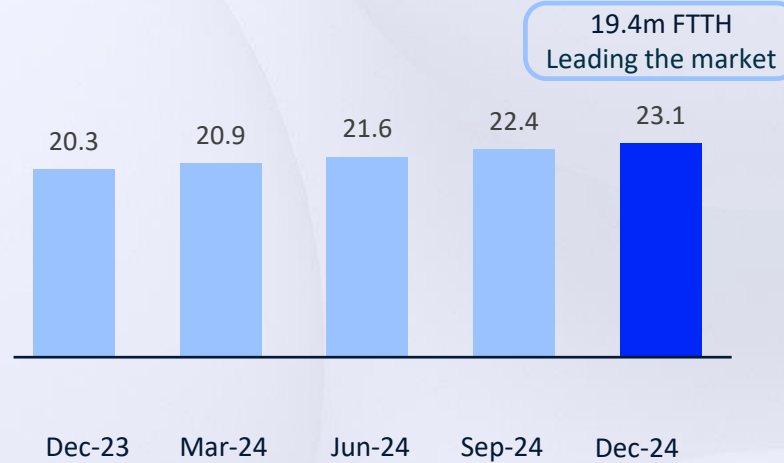
Accesses growth (y-o-y)



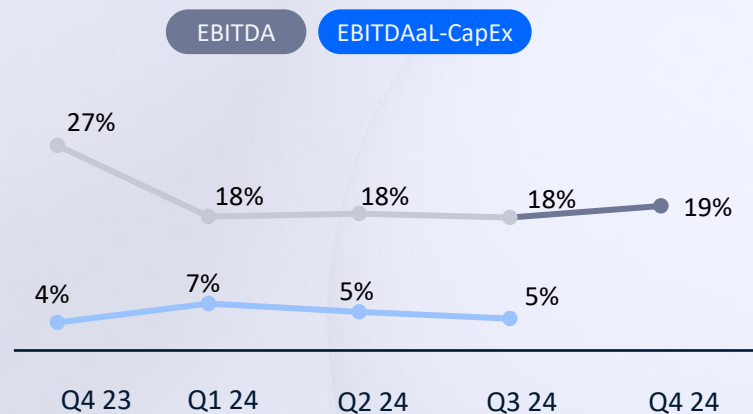
Revenue & EBITDA growth (y-o-y)



FTTH & Cable PPs (m)



Margins



Highlights

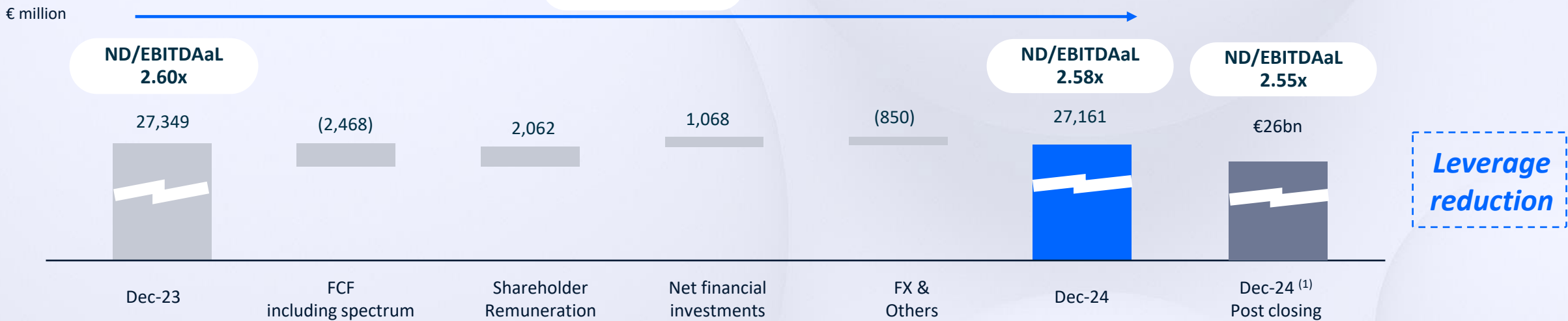
- **Focus on executing our strategic plan**
 - Avoiding infrastructure overlap
 - Exploring all options
- **Improved commercial results in Q4 24**
 - Contract net adds improving in all countries
 - 96% FTTH/FBB accesses (+5 p.p. y-o-y)
- **Q4 y-o-y results affected by:**
 - (+) ARS devaluation in Q4 23
 - (+) Adoption of IAS 21 on the exchange of Bolivar
 - (-) Q4 23 ONNet-related revenue
- **FY 24 Revenue: +7.8%, EBITDA: +3.4%, EBITDAaL +2.4%**

Invested capital -44% vs. Dec-19
Preserving T. Group optionality

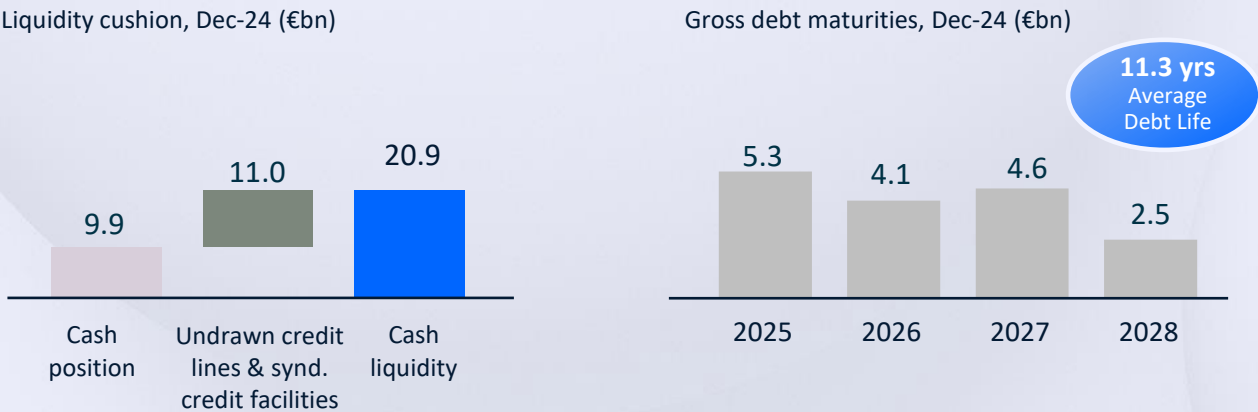


Solid balance sheet, contained costs and sound liquidity

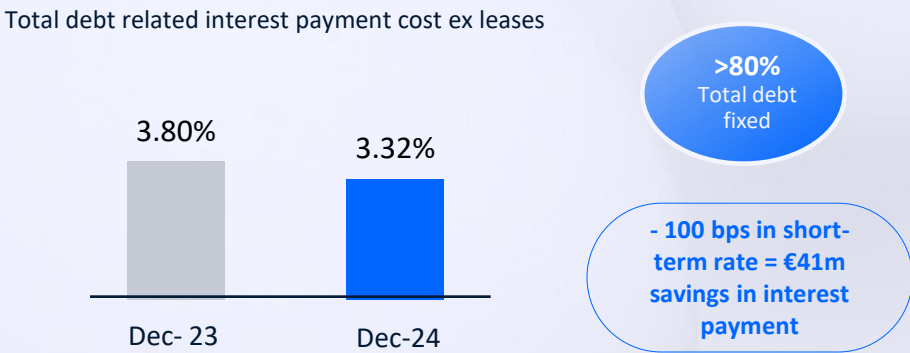
Net Financial Debt



Comfortable liquidity position



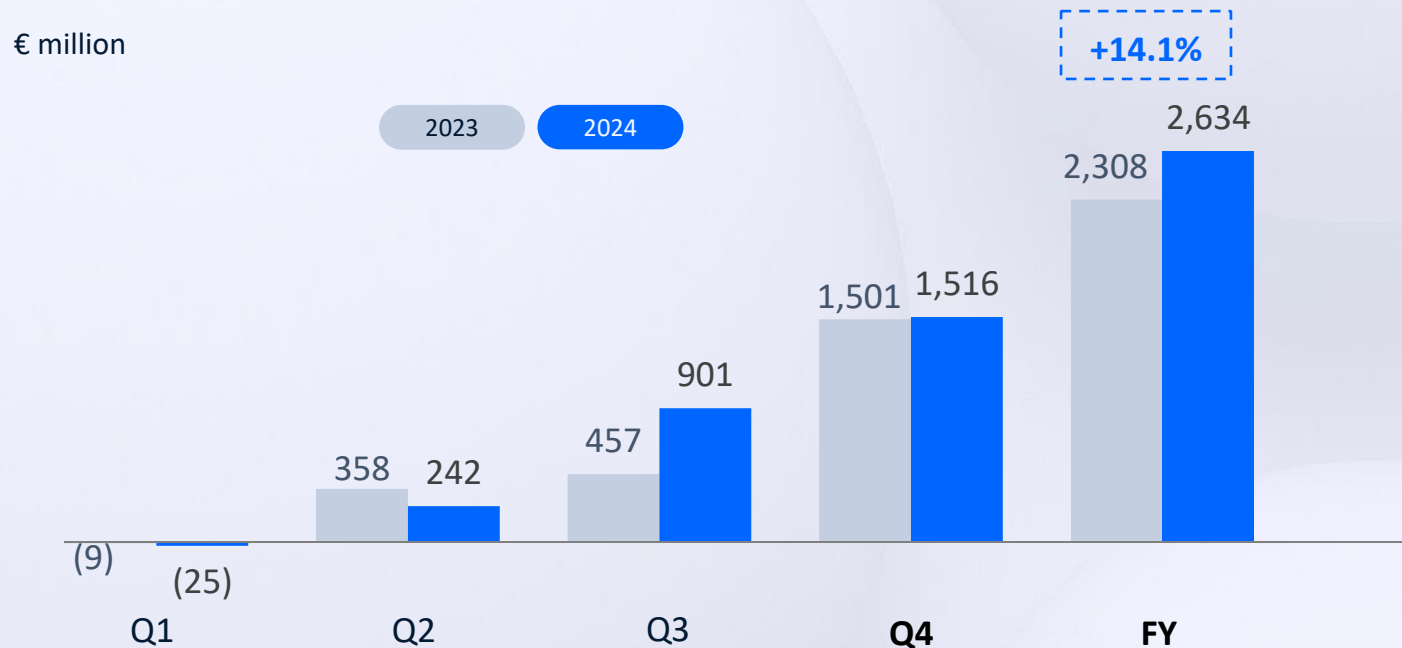
Contained interest payment cost



(1) Including the sale of Telefónica Argentina and the stake in Nabiax

2024 FCF; +14.1% y-o-y

Clear focus on FCF, improvement along the year



- **FCF back end loaded as expected** (Q4: +€615m or +68% q-o-q)
- **Levers of FCF growth in 2024**
 - Solid operations underlying performance and lower capital intensity
 - Optimisation of all other financial items and benefits from natural hedges

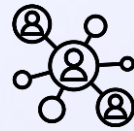
Responsible digitalisation is at the core of our business



Environmental

Green networks

- On track to be net zero by 2040, SBTi aligned
- Reduced emissions by 52% (Scope 1, 2 & 3) vs. 2015
- 100% renewable energy in 5 markets, 89% overall



Social

Accessible & trustworthy connectivity

- Rural MBB population coverage: 95% Spain, 99% Germany and 84% Brazil
- 0 serious data breaches
- Backed by a motivated (eNPS 75) & diverse team (34% women executives)



Governance

ESG embedded across the business

- >72k employees trained in anticorruption
- >20k sustainability-related audits of suppliers
- >37% of financing linked to sustainability indicators

During 2024, Telefónica was recognised by TIME Magazine, Newsweek, World Benchmarking Alliance, and several ESG data providers, including ISS ESG & Bloomberg, for its sector leadership in sustainability

Key takeaways

Mr. Marc Murtra
Chairman & CEO

2025 guidance

Revenue	EBITDA	EBITDAaL-CapEx	CapEx / Sales	FCF
Organic growth	Organic growth	Organic growth	< 12.5%	Similar to 2024

€0.30 DPS	Leverage reduction
-----------	--------------------

- All guidance on unchanged consolidation perimeter as of 31st December 2024
- All operating guidance in organic terms
- Includes £175m to £200m dividend from VMO2

Conduct strategic review, conclude in H2 25

Key takeaways

- 1 **Delivered in 2024. Continued strength in Spain, Brazil and Germany**
- 2 **Deliberate capital allocation**, reducing exposure to Hispam
- 3 **Strengthened balance sheet, attractive dividend**
- 4 **Strategic review to reflect on new time in Europe**, update in H2 25
- 5 **FCF generation focus and financial discipline**

Results presentation and Q&A Session



Telefónica's management will host a webcast on
27 February at 10:00 AM (CET), 9:00 AM (GMT), and 4:00 AM (EST)



Participants from Telefónica

- **Marc Murtra** | Chairman & CEO
- **Ángel Vilá** | COO
- **Laura Abasolo** | CFCO & Head T. Hispam
- **Markus Haas** | CEO Telefónica Deutschland
- **Lutz Schüler** | CEO Virgin Media O2
- **Eduardo Navarro** | Chief Corporate Affairs & Sustainability Officer
- **Adrián Zunzunegui** | Global 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



Social Benchmark
1st company worldwide 2024

For further information, please contact:

Investor Relations

Adrián Zunzunegui (adrian.zunzunegui@telefonica.com)

Isabel Beltrán (i.beltran@telefonica.com)

Torsten Achtmann (torsten.achtmann@telefonica.com)

Tel. +34 91 482 87 00

ir@telefonica.com

www.telefonica.com/investors

FOLLOW US:

