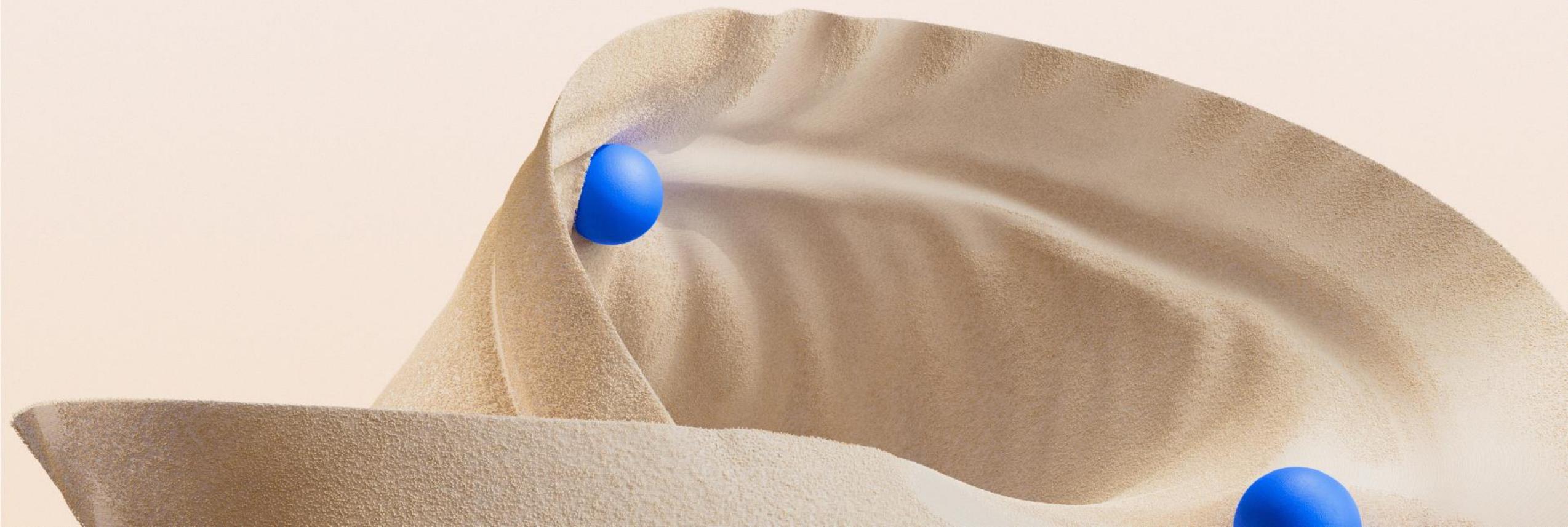




Results 2025



Q1



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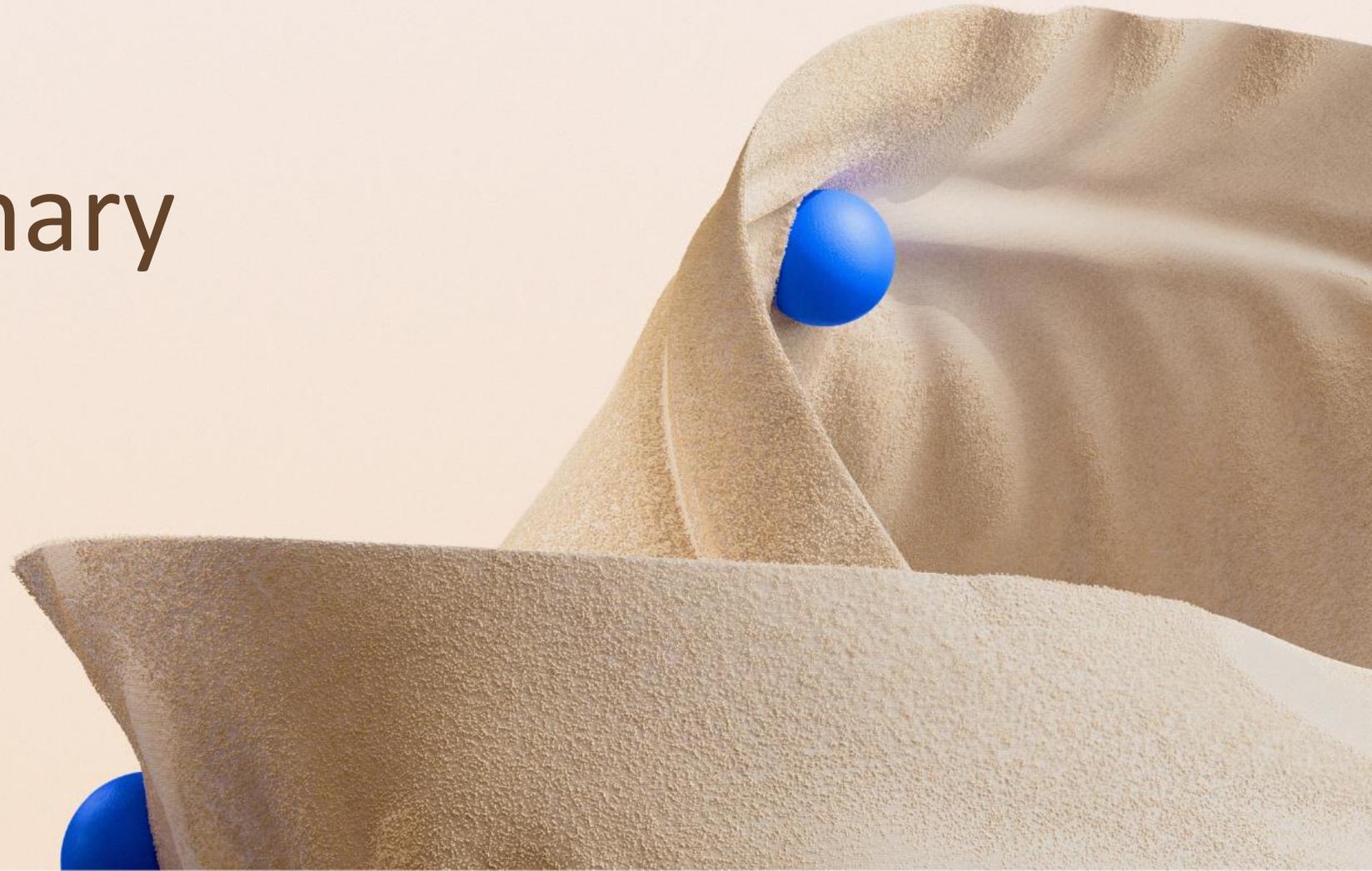
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Q1 25 Summary

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
- 
Hispam; back to positive contract net adds, 1st 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**

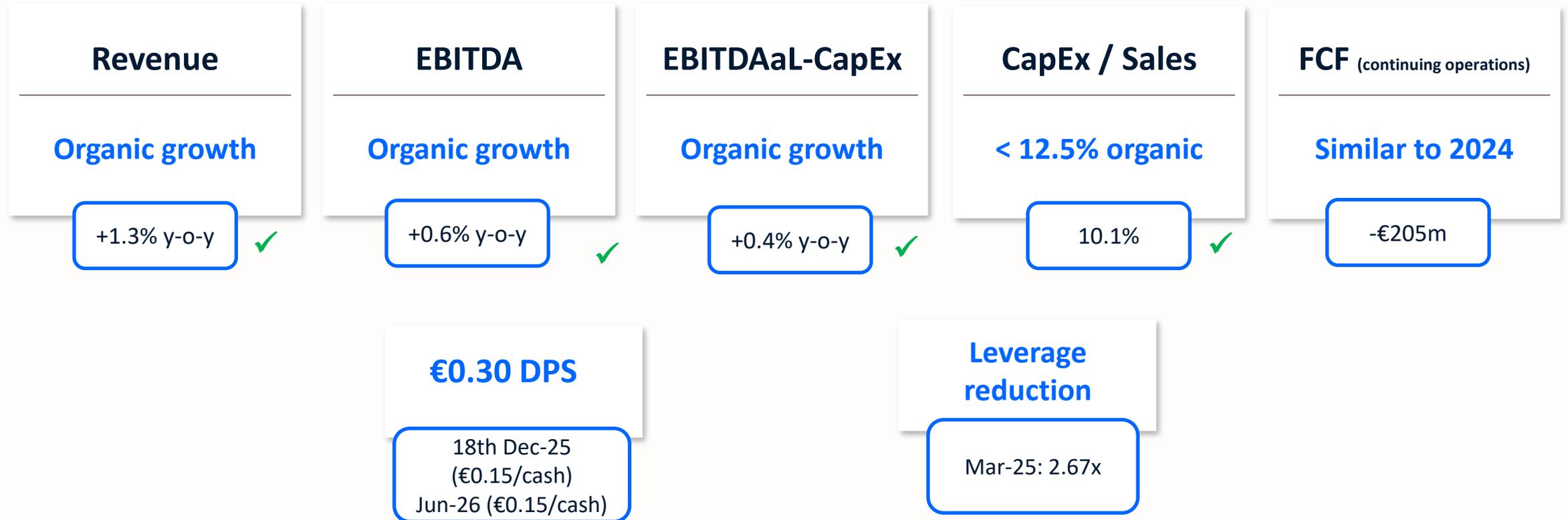
y-o-y organic

	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

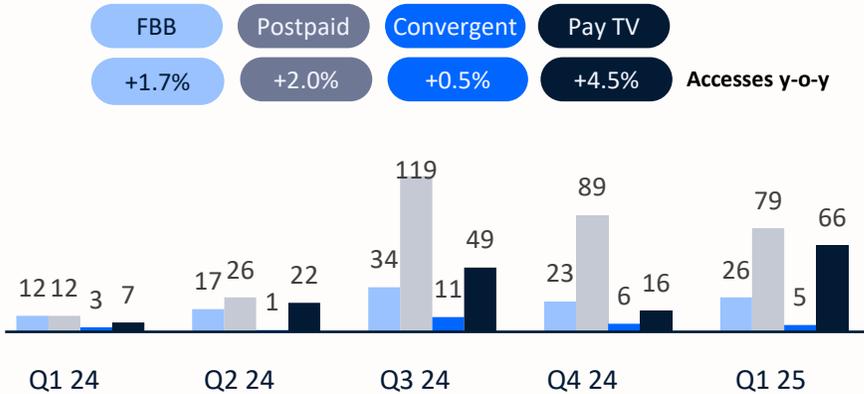
Mr. Emilio Gayo
COO



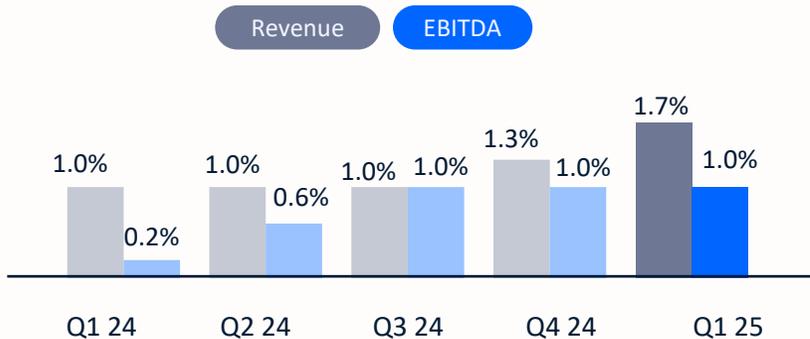


Spain: Increasingly resilient growth

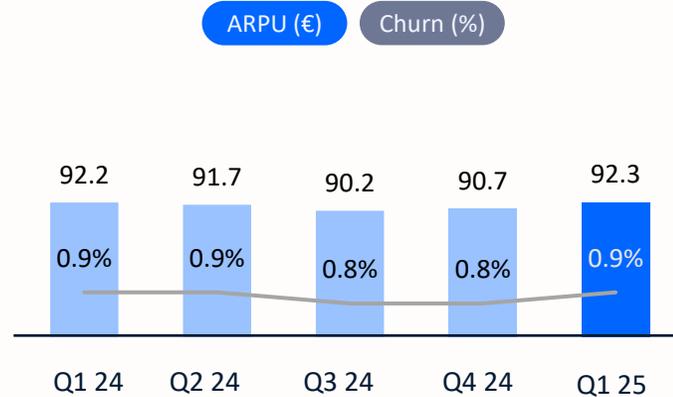
Net adds (k)



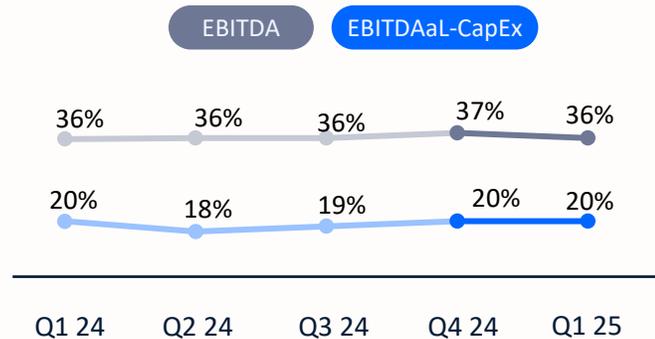
Revenue & EBITDA growth (y-o-y organic)



Convergent KPIs



Margins (organic)



Highlights

- Growth in all accesses for 7th 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

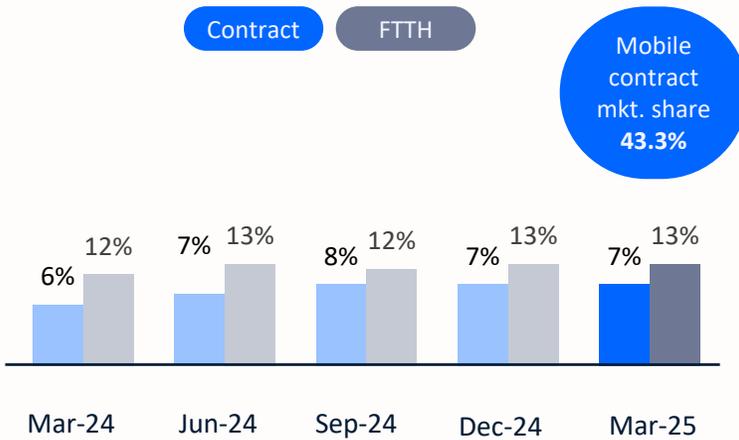
Operating leverage paying off
Deregulation opportunities



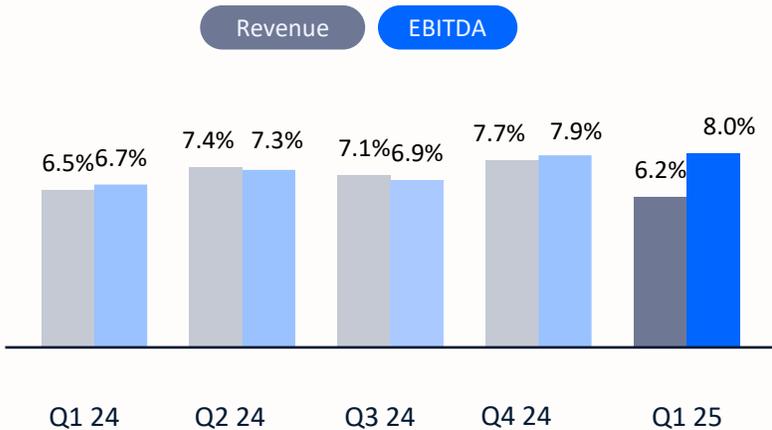


Brazil: Real growth and strong profitability

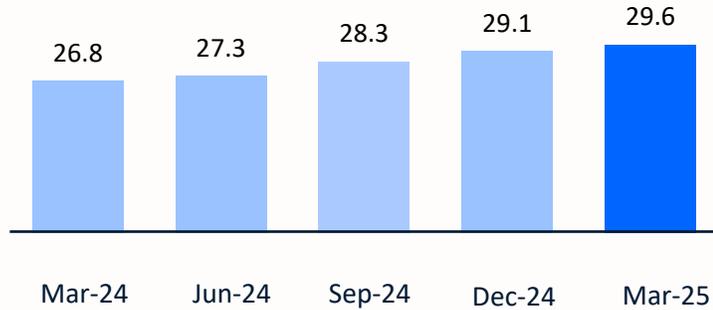
Accesses growth (y-o-y)



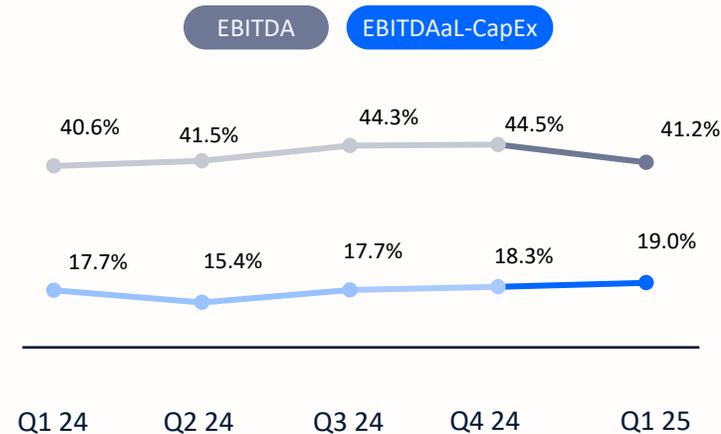
Revenue & EBITDA growth (y-o-y organic)



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%

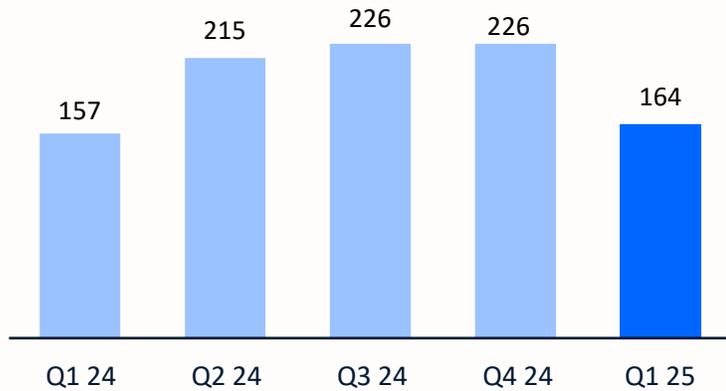
Final agreement for migration to Authorization



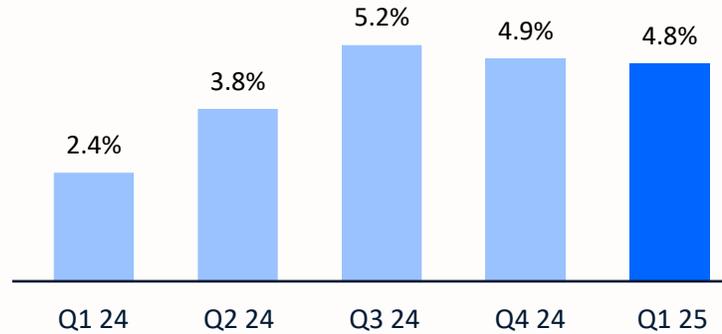


Germany: Operating leverage focus

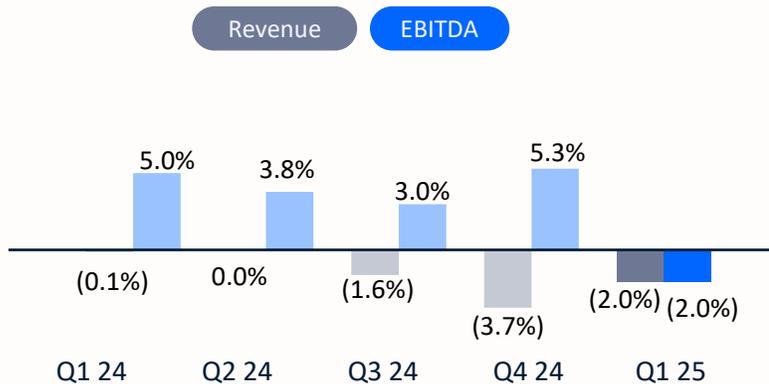
Contract net adds (k) ¹



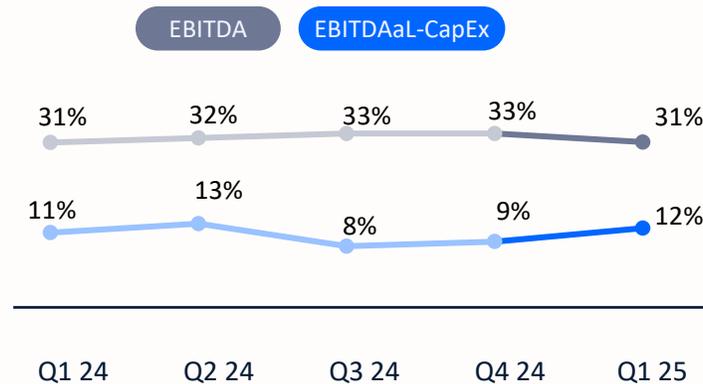
Fixed ARPU (y-o-y)



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



Margins (organic)



Highlights

- **Contract net adds** +4.5% y-o-y, stable 1.1% churn
- **O₂ 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

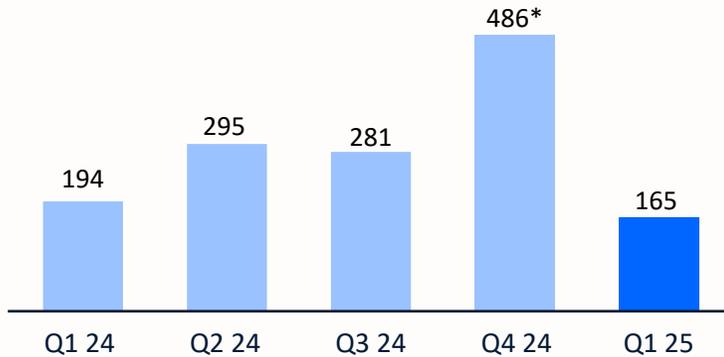
BNetzA's confirmed 5-year spectrum prolongation





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

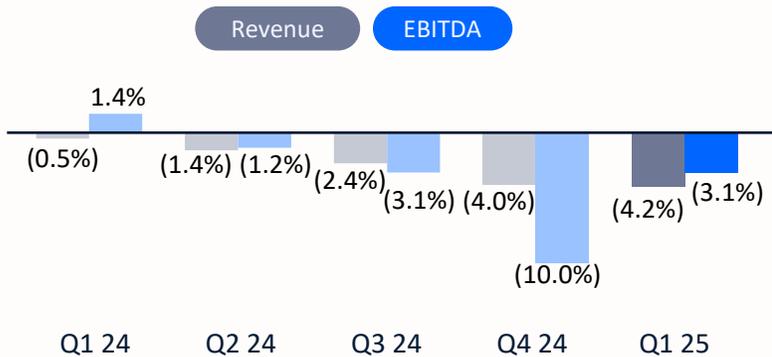
Fixed network build (k new PPs)



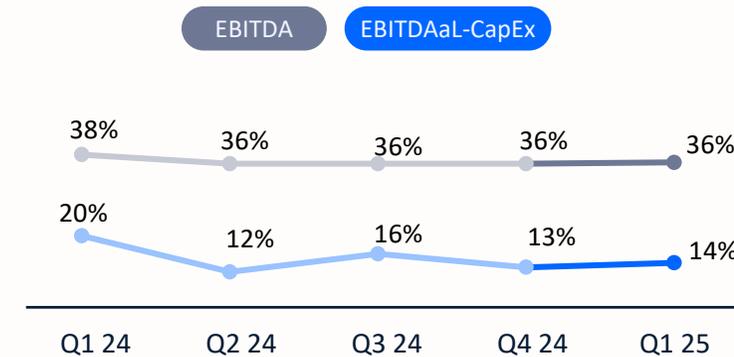
Mobile contract churn (%)



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





Hispam: Progress in strategic execution

2025

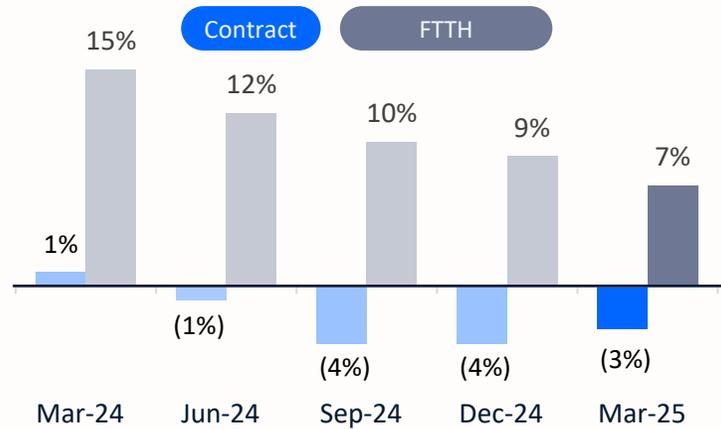


- ✓ **Sale of T. Argentina (€1.2bn)**, simultaneous signing and closing on February 24th, execution risk avoided
- ✓ **Binding agreement for T. Colombia (~€368m)**, closing subject to regulatory approvals and agreements with minorities
- ✓ **Sale of Telefonica Peru**
 - Simultaneous signing and closing on April 13th
 - 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**

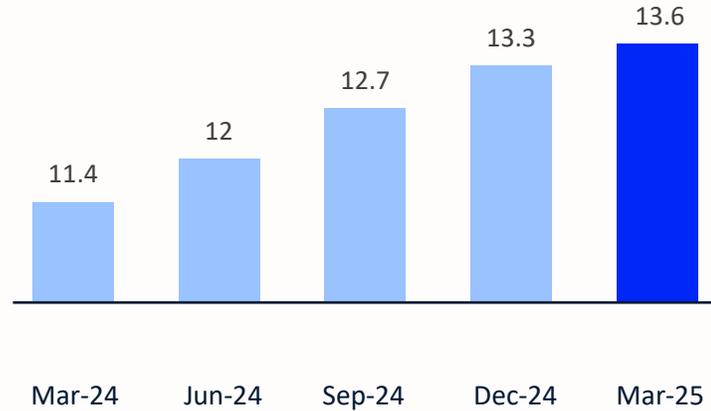


Hispam: Towards stabilisation while reducing exposure

Accesses growth (y-o-y)



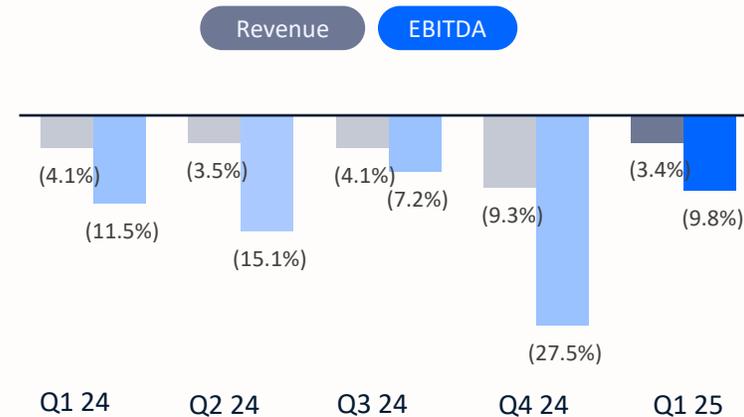
FTTH (m)



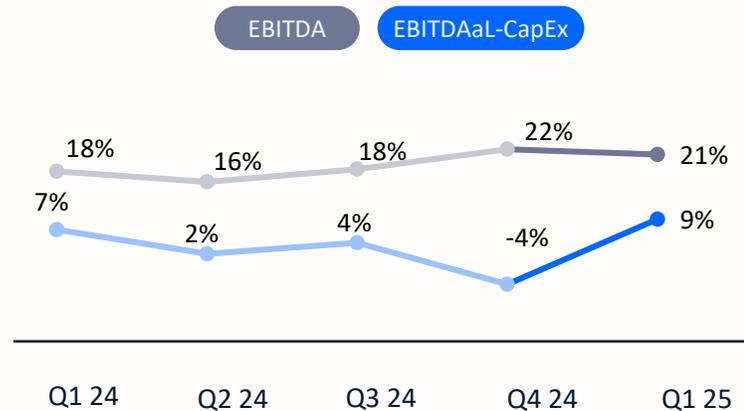
Highlights

- 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

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



Margins (organic)



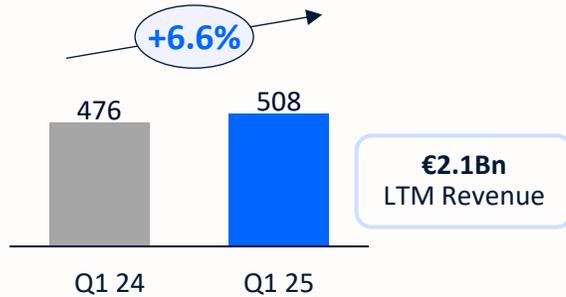
Invested capital -49% vs. Dec-19
Preserving T. Group optionality



Telefónica Tech / Telefónica Infra

Telefónica Tech

Revenue (€ million) (y-o-y organic)



Bookings vs Q1 24

~+7%

Funnel vs Q1 24

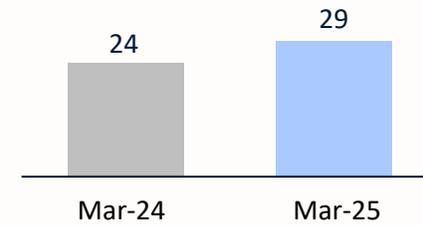
>+15%

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)



36% of TEF's total FTTH footprint

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

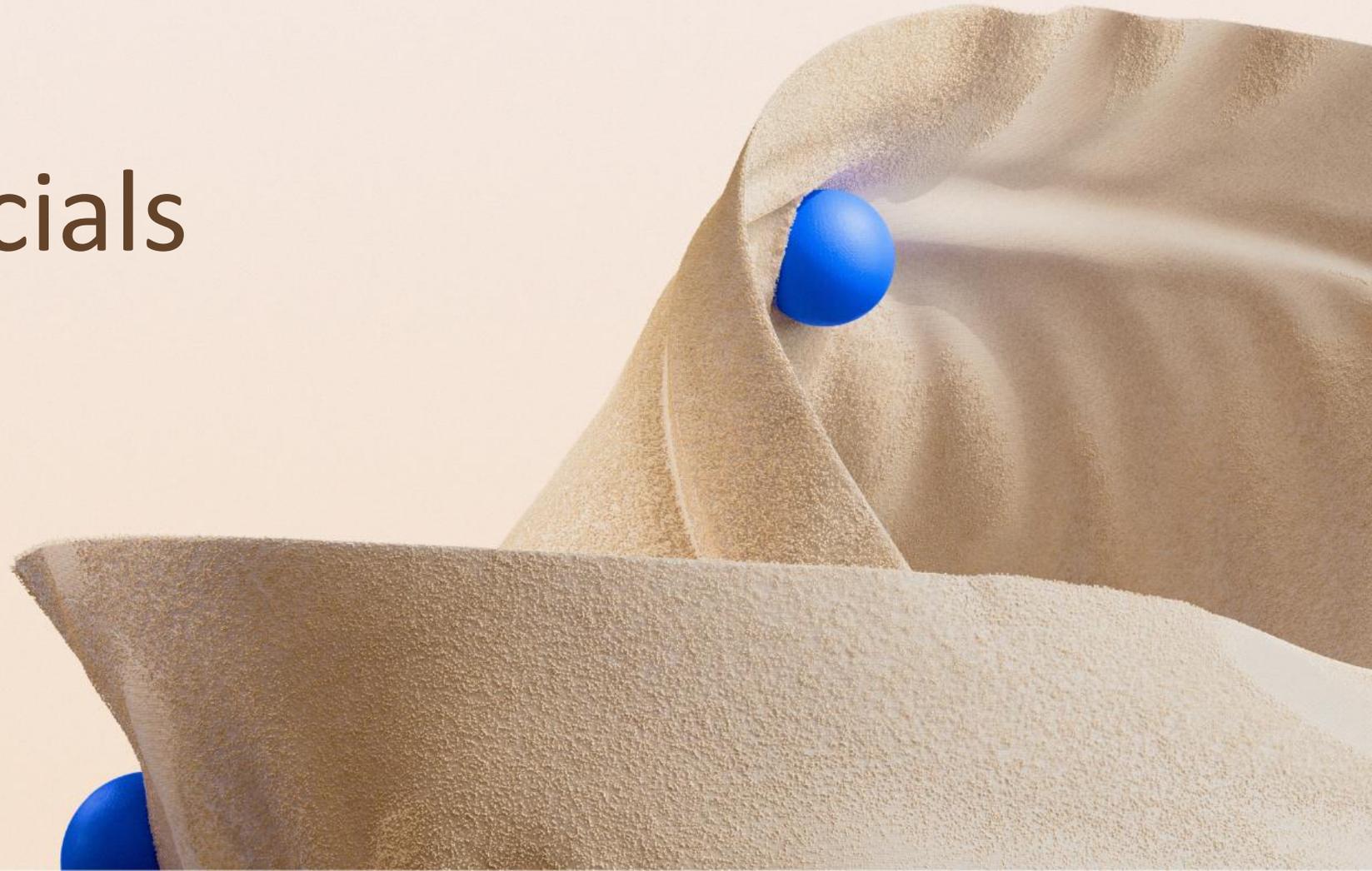
Value of contracts with 3rd parties

+91% vs. Q1 24

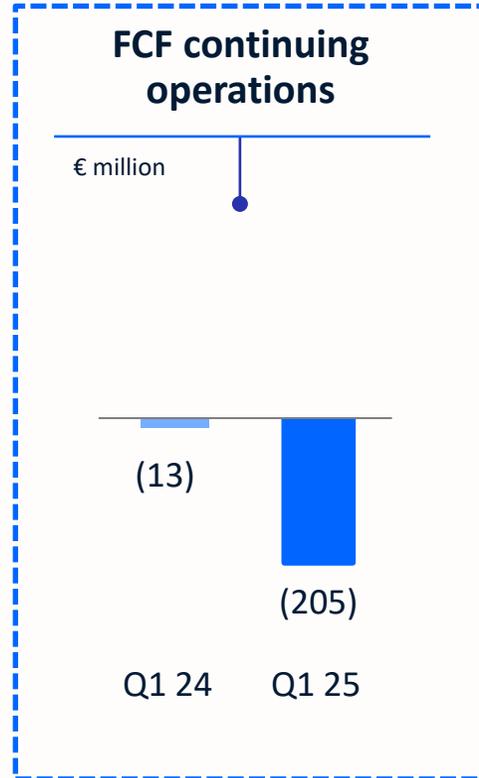
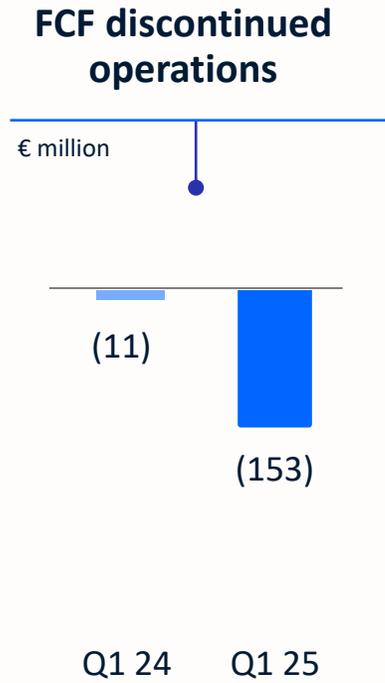


Q1 25 Financials

Mrs. Laura Abasolo
CFCO

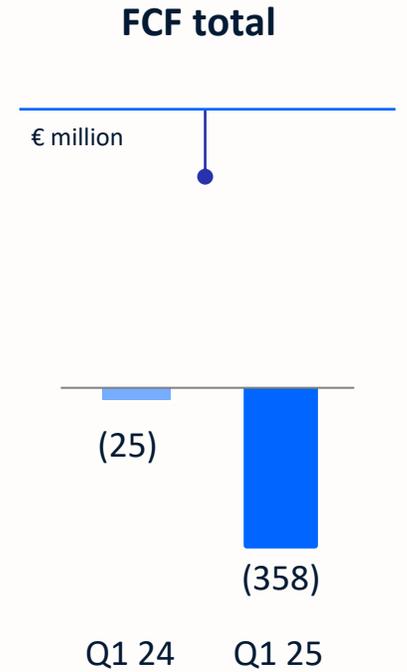


Accelerate FCF delivery throughout the year



Q1 seasonality

- Higher seasonality on WC, lease and financial payments
- FX on BRL depreciation

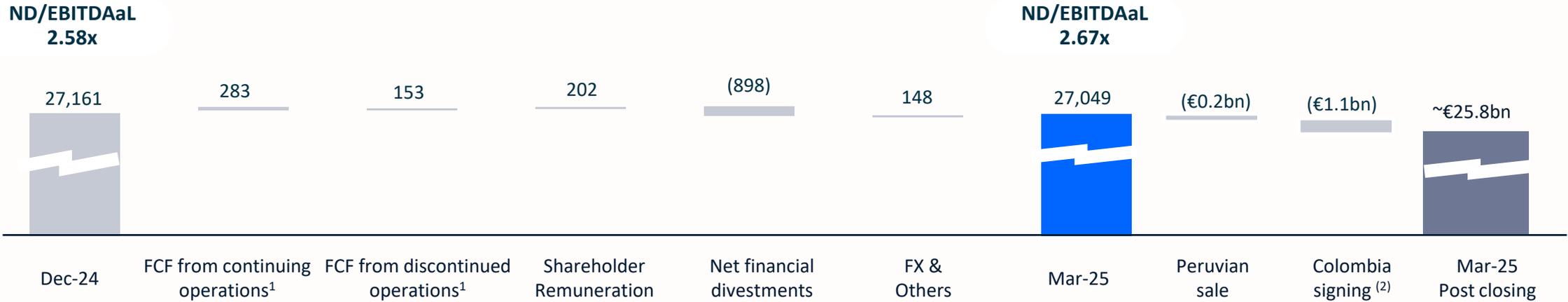


FCF to improve along the year

Solid balance sheet, sound liquidity and contained costs

Net Financial Debt

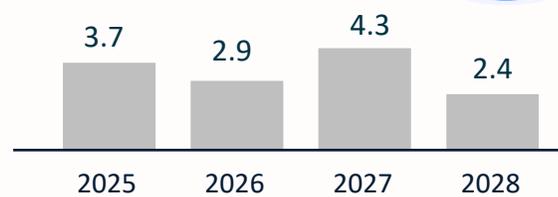
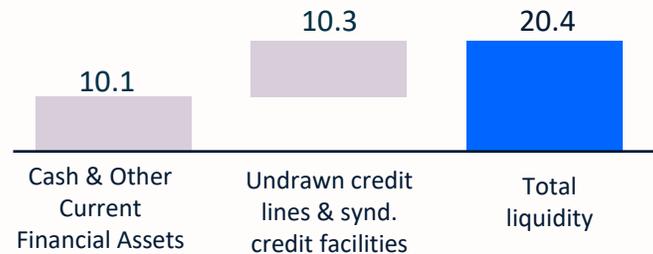
€ million



Comfortable liquidity position

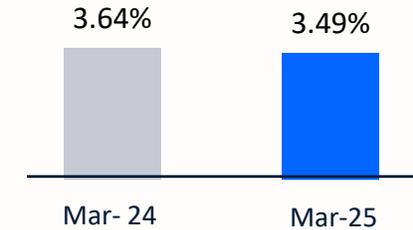
Liquidity cushion, Mar-25 (€bn)

Gross debt maturities, Mar-25 (€bn)



Contained interest payment cost

Total debt related interest payment cost ex leases



Pragmatic ESG management to create value



Environmental

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

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

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

Shareholder confidence: all resolutions approved at the AGM

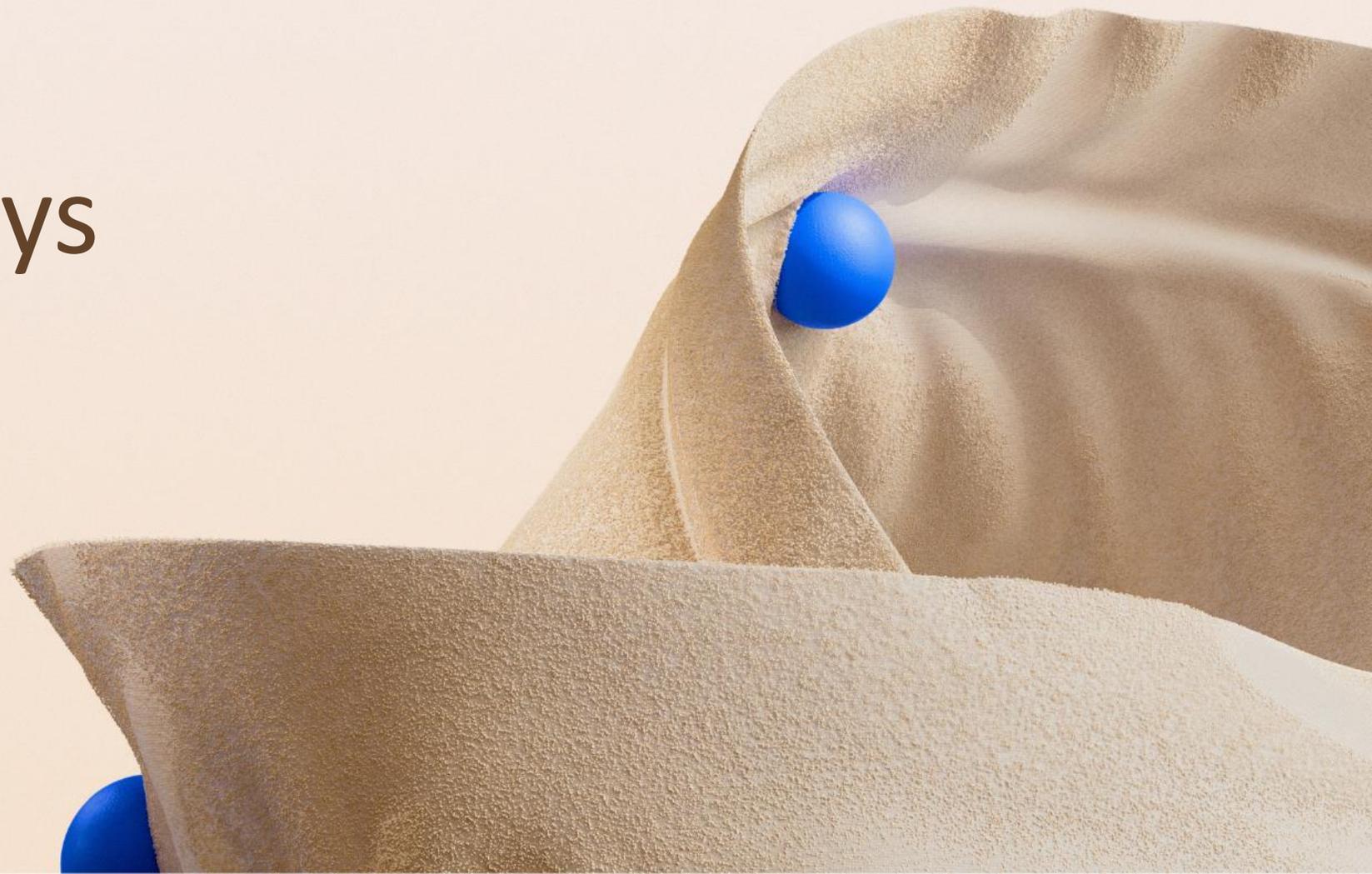
Fiscal Transparency report published: €8.4bn paid in taxes globally in 2024

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



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

Update on **strategic review in H2 25**

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** | CFO
- **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



Social Benchmark
1st company worldwide 2024

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