

RESULTS 2026

Q1



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Summary

Mr. Emilio Gayo
COO



A strong start to 2026; constant execution

Steady growth of revenue, adj. EBITDA and adj. OpCFaL (improved trends in Spain and Brazil). **Appropriate CapEx/Revenue** to deliver growth

Net debt reduction (Q1: -€1.5bn). FCF affected by usual seasonality

Solid commercial performance, Spain (best churn in history), **Brazil** (record total mobile ARPU), **Germany** (low level O₂ contract churn 1.1%), **VMO2** (fixed base improvement)

Reaping benefits from simplified operating model, initial savings of workforce restructuring (Spain, Global Units), leaner operations generating efficiencies...

Growth focused investments (FTTH, 5G, ...). Global leader in fibre

Earnings momentum continued helped by strategic focus despite challenging geopolitical context

Well on track for 2026 guidance

Progress against Transform & Grow priorities

Metric	2026 Guidance	Q1 26	
Revenue ¹ @ constant	1.5%-2.5%	+0.8%	On track
Adj. EBITDA ^{1,2} @ constant	1.5%-2.5%	+1.8%	✓
Adj. OpCFaL ^{1,2} @ constant	Over 2%	+2.4%	✓
CapEx ex spectrum /Revenue @ constant	12%	+10.7%	✓
FCF ³	~€3.0bn	€333m	On track
Dividend ⁴	€0.15/share	Jun-27 (€0.15) Jun 18 th 2026 (€0.15), 2 nd tranche of 2025	✓
Leverage	Declining towards 2028 target	2.72x	On track

1) Constant: assumes constant FX (average FX Q1 25), constant perimeter and excludes the contribution to growth from Venezuela

2) Adjusted figures consider constant perimeter and derived capital gains/losses and do not include restructuring costs, write-offs and material non-recurring impacts

3) FCF for Guidance includes reported FCF from continuing operations and excludes non-recurring spectrum payments, employee commitments and VMO2 dividends

4) Dividend payable in cash in June of the following year.

Consistent execution of Transform & Grow plan in Q1

1

DELIVER
BEST-IN-CLASS
CUSTOMER
EXPERIENCE

- **Accesses +5% y-o-y (FTTH +9%). Sound NPS** (score 34). Hyper-personalisation initiatives
- Spain launched WiFi 7 (+10% **customer satisfaction** vs. WiFi 6)
- Network quality and coverage improvement. **Germany O2 campaigns, UK Starlink agreement**

2

EXPAND B2C
OFFERING

- **Steady growth** (revenue +1.5% y-o-y). Growing convergence (e.g. Brazil + Germany)
- **Ecosystem expansion:** Spain, fraud blocking, new ChatGPT (Germany also). *ValeSaude* and *VivoPay* accelerated subscriptions
- **Spain, leadership in premium content:** FIFA World Cup rights & original content recognition

3

SCALE B2B

- **B2B strength** (revenue +5.7% y-o-y)
- **Portfolio expansion:** cybersecurity, IoT, and cloud (Spain-Altim, Titán Connect, Brazil-São Martinho)
- **O2 business brand** launched in UK

FOCUS ON PORTFOLIO
MANAGEMENT EXECUTION

INVESTING IN CORE MARKETS

4 strong core markets

PROGRESSING IN HISPAM EXIT

Disposed 6 assets over 12 months.
>€4bn firm value across transactions

Signed T. Mexico sale, 7th April (FV €450m). Closing subject to certain conditions and regulatory approvals

Almost all Hispam exit executed, since Feb-25 Argentina, Perú, Ecuador, Uruguay, Colombia and Chile

4

EVOLVE
TECHNOLOGICAL
CAPABILITIES

- **More fibre** (74.9m PP, +6% y-o-y) and **5G coverage** (81%, +6 p.p. in core markets)
- **Network investments:** Germany (elimination of white spots contributes to mobile connectivity and digital inclusion). Spain (enabled native voice over 5G SA, 13 Edge nodes)
- **EURO-3C** (EC + consortium led by TEF + >70 European entities), the 1st pan-European sovereign infrastructure (Telco, Edge, Cloud and AI capabilities)

5

SIMPLIFY
OPERATING MODEL

- **Started copper legacy shut-down in Brazil,** progress on **3G shutdown in UK** and **starting in Spain**
- **First redundancy programs savings** in Spain + Global Units; ~60% of planned exits already done
- **Network and operational excellence,** e.g., energy and network asset management

6

DEVELOP TALENT

- **Implementing an impact-based culture and maintaining >70 eNPS**

Operating Business

Mr. Emilio Gayo
COO



Spain: Sustained operational momentum and accelerated growth across financials



- Solid trading leveraged on excellence**

- Lowest churn ever, improved portability
- Record mobile contract and FBB base
- Tariff upgrade (mid January)

- Accelerated revenue growth**

- Higher base and leading ARPU
- Enlarged B2C ecosystem
- B2B digital services strong growth

- Increased profitability and adjusted OpCFaL**

- First personnel savings
- Adj. EBITDAaL (+2.0% y-o-y)

- CapEx sustained**

- +1.3% y-o-y, 10.5% CapEx/Revenue
- Progress in XGS-PON and 5G

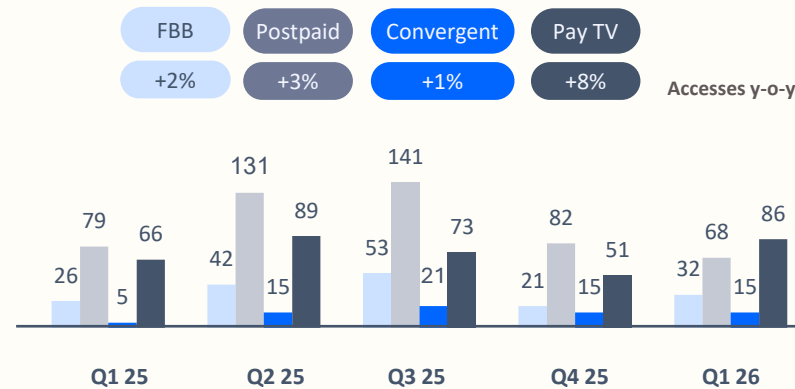
- Sustainable own production**

The most secure network in the market

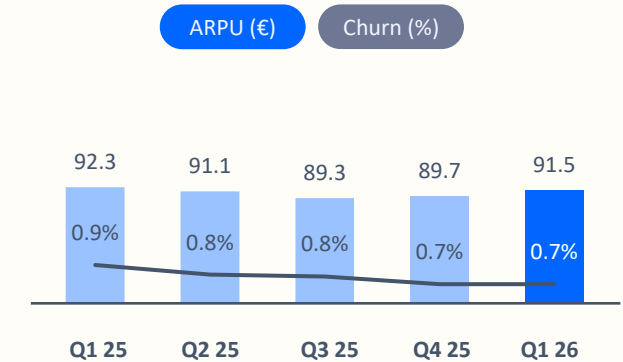
Innovative services launched

(WiFi-7, spam detection, Titán Connect, Future SOC, Euro-3C)

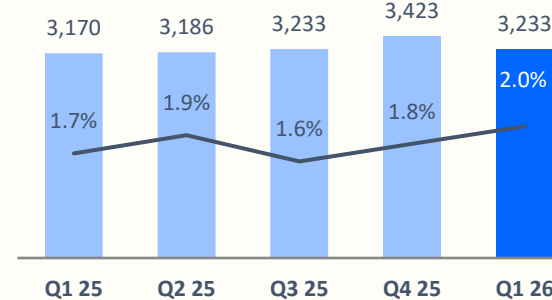
Net adds (k)



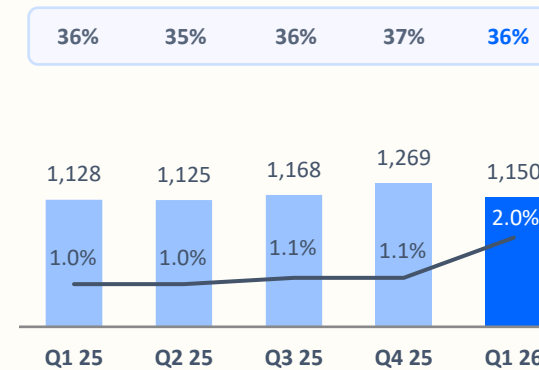
Convergent KPIs



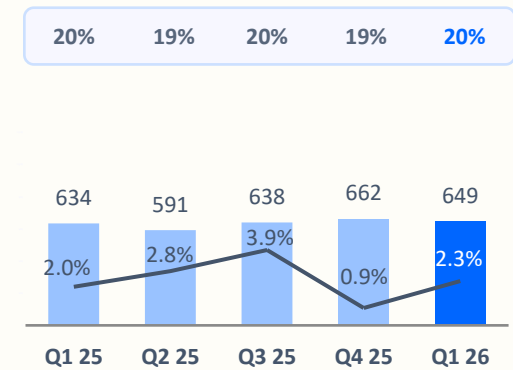
Revenue



Adj. EBITDA & margin



Adj. OpCFaL & margin



Brazil: Strong commercial and financial performance



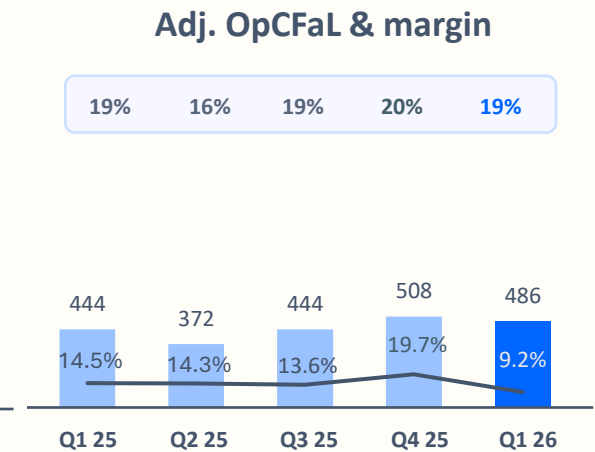
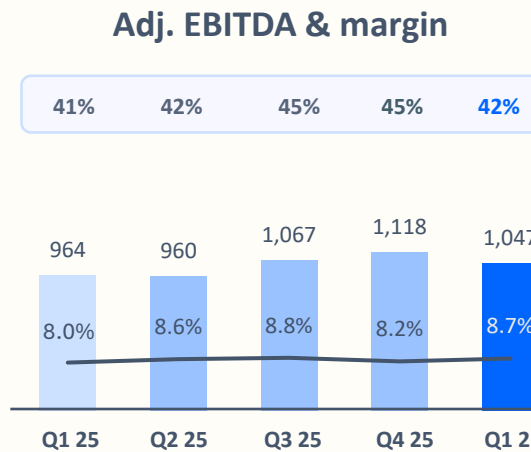
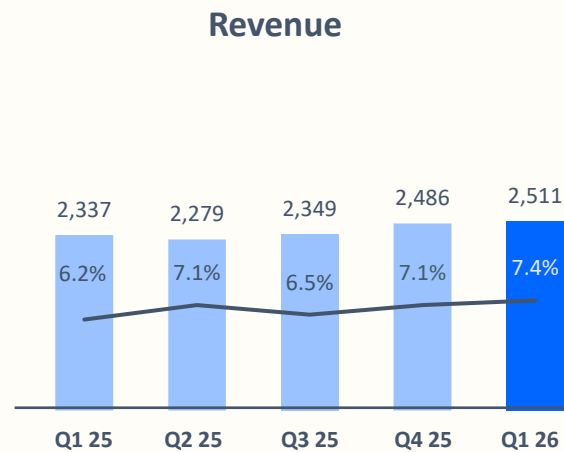
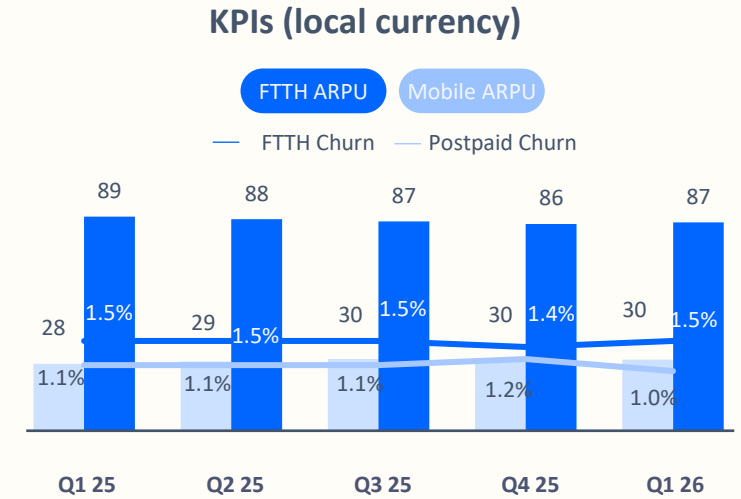
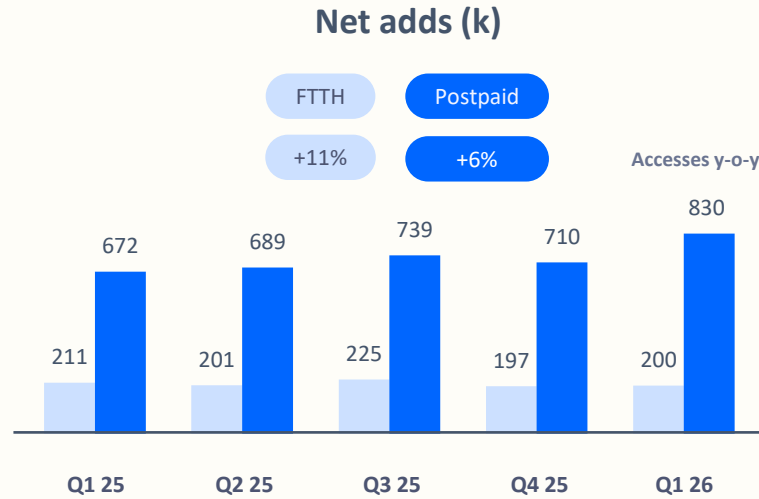
- **Consistent commercial value growth**
 - Vivo Total (fully convergent) +33%
 - Highest contract net adds in 5 Qs
 - 5G customer base +41% y-o-y to 25m
- **Record ever mobile ARPU**
- **Transformation to FTTH continued**
 - 31.5m PPs (+1.8m y-o-y)
- **Broad portfolio on new digital businesses**
 - B2C: Electronics (+56.0%); H&W(+67.7%)
 - B2B: Cloud (+29.0%) and IoT (+17.3%)

- **Accelerated revenue and EBITDA y-o-y**
 - Both business growing above inflation
 - MSR +6.6%; Handsets: +26.6%; Fixed +5.1%
 - Solid cost structure

CapEx/Revenue 13.2%

- **ESG:** Recognised in the *S&P Global Sustainability Yearbook 2026*

Impacts from migration to Authorisation
(R\$4.5bn in synergies; 10% already captured since April 2025)



Germany: Focus on profitable growth while prioritising efficiencies



Key strength: Network quality

- O₂ campaigns: *Good network or money back, Better than you think network*
- 5G roll-out, capacity upgrades for urban centres. >2 new sites per day

Mature market with more disciplined promos

- Acceleration of FBB momentum
- O₂ shops confirmed 'very good' for service quality in connect test
- Partnership with ADAC expanded

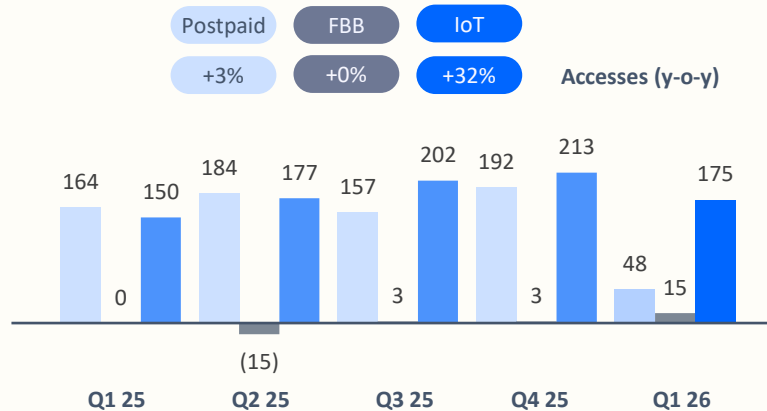
Financials show underlying resilience

- 1&1 customer migration weigh on revenue and adj. EBITDA
- Handset sales reflect seasonality in a weak German handset market
- Fixed revenue maintained growth path
- Continued efficiencies gains and cost control (high single digit underlying EBITDA-growth)

ESG: Consolidating supply chain governance

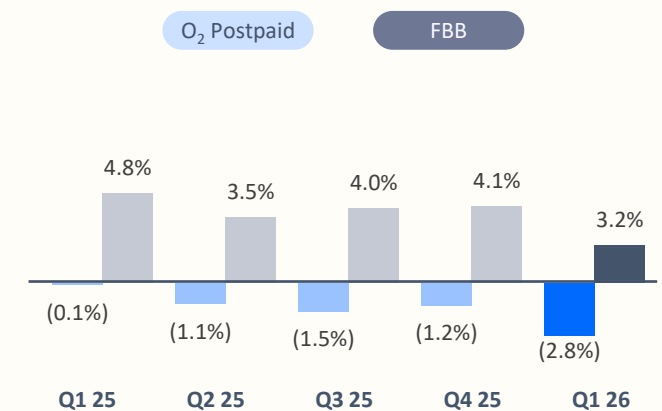
1&1 effects to annualise along FY 26, while peaking in Q1

Net adds (k)

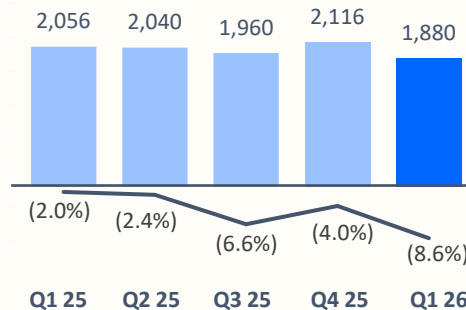


Net adds exclude 3rd party MNO-accesses

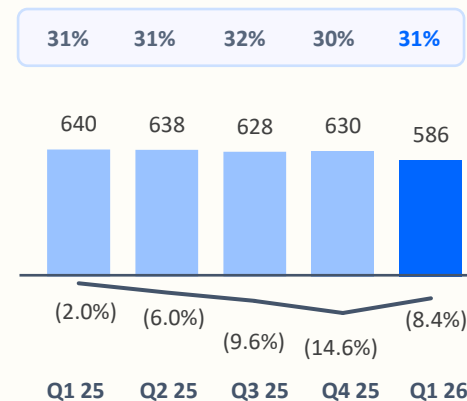
ARPU (y-o-y)



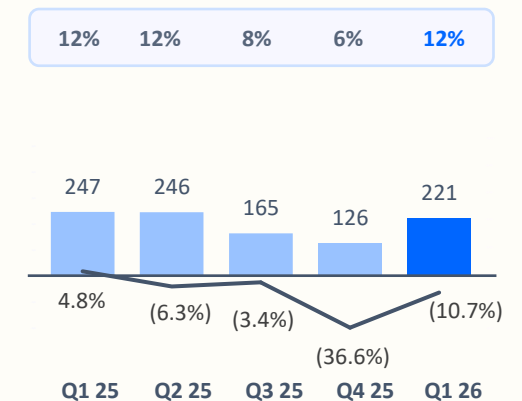
Revenue



Adj. EBITDA & margin



Adj. OpCFaL & margin



VMO2: Progress against strategy with targeted network investments



- **O2 Satellite launch:** First UK network to switch on direct-to-device satellite connectivity
- **Fixed footprint:** 18.8m UBB PPs
- **Further trading improvement**
 - Improved fixed trading for 3rd consecutive Q
 - Mobile churn improved q-o-q; ARPU stable
 - Leading MVNO market position

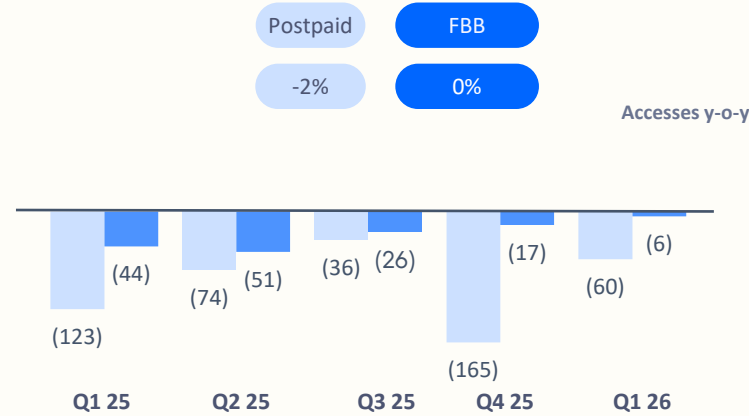
• **Service Revenue -3.0% & EBITDA adjusted -3.4% on track for FY 26 guidance**

- **Revenue -6.5% y-o-y**
 - Consumer: -3.8% affected by customer loss in LTM and fixed ARPU
 - Business: -5.1% due to low margin rev.
 - Wholesale: +5.1% thanks to MVNO

• **ESG:** Strengthened *Employee Wellbeing*

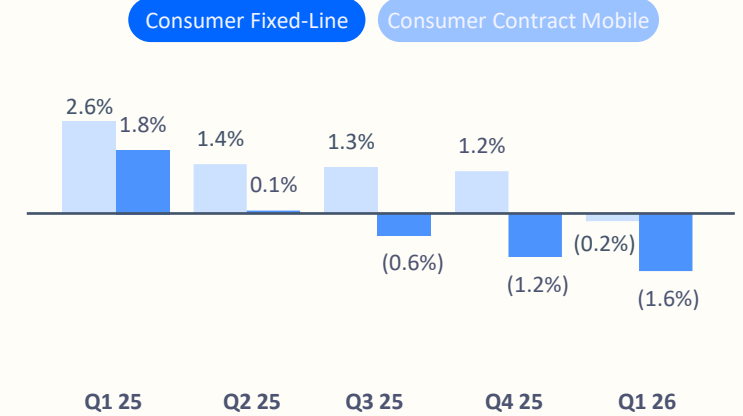
Most Reliable Broadband Provider at the Uswitch Telecoms Awards

Net adds (k)

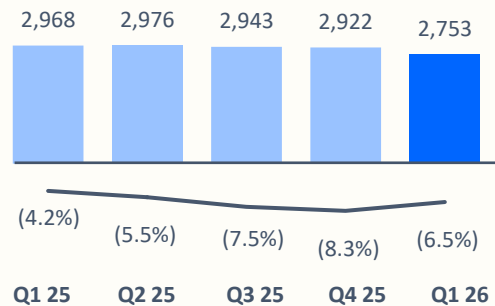


Q1 26 Net adds excludes the impact of adjustments made to accesses which had no impact on revenue

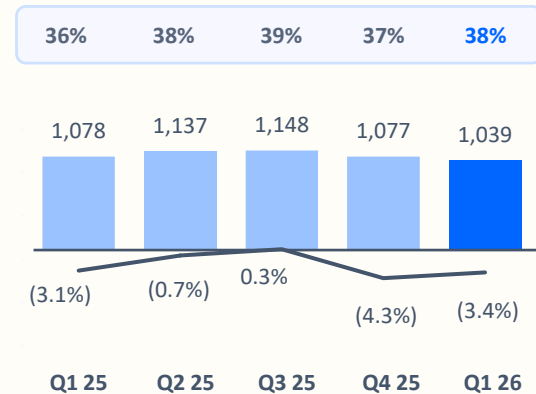
ARPU (local currency)



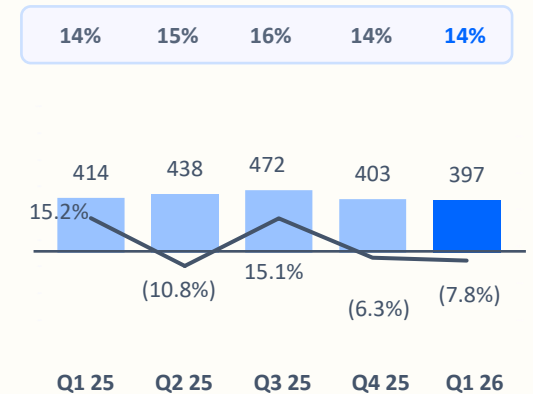
Revenue



Adj. EBITDA & margin



Adj. OpCFaL & margin





Financials / ESG

Mr. Juan Azcue
Chief Financial Officer



Financial performance: Good Q1, growth in constant and current

€ in millions	Q1 26		
	Current	Current y-o-y	Constant y-o-y
Revenue	8,127	0.4%	0.8%
Service revenue	7,405	0.7%	1.1%
B2C revenue	4,808	1.2%	1.5%
B2B revenue	1,932	5.3%	5.7%
Wholesale & Others	1,387	(7.9%)	(7.4%)
Adj. EBITDA	2,836	1.3%	1.8%
Adj. OpCFaL	1,375	1.6%	2.4%
CapEx ex-spectrum / Revenue	10.7%	(0.2 p.p.)	(0.2 p.p.)
FCF	333	(42.9%)	
Net Financial Debt	25,342	(6.3%)	
Adj. EPS (continuing operations)	0.07	(24.9%)	

Growth in constant and current

- Second Q of growth in constant and current

B2B, growth driver of the group

- Continued strong growth from B2B

Margin expansion reflecting operating leverage

- Adj. OpCFaL margin up +0.3 p.p. y-o-y (constant)

Hispan sales

- Discontinued operations in Q1 (Chile and Mexico)

FCF Q1 phasing aligned with expectations and history



Q1 performance

- Higher seasonality due to WC variation
- FCF generation aligned with historical patterns

2026 guidance reaffirmed

- Accelerating FCF delivery throughout the year
- Operational delivery drives ~€3.0bn target

Constant execution towards a de-risked FCF

Committed to FCF

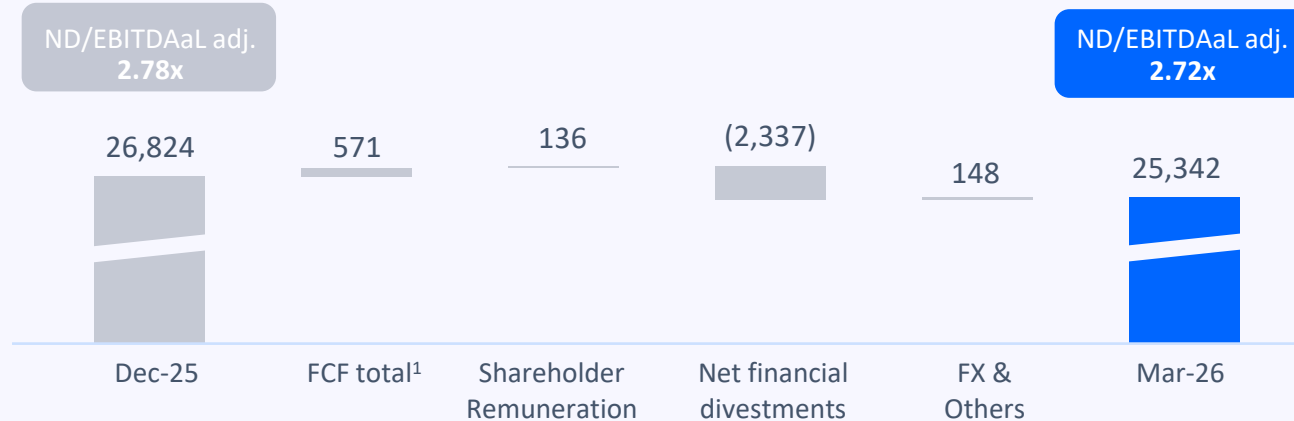
- More predictable (after Hispam sales)
- Higher quality (operational driven)
- Cost tailwind (execution of efficiency plan)
- Growing 2026 (2025 exceeded)

Leverage reduction, sound liquidity and lower interest costs

Highlights

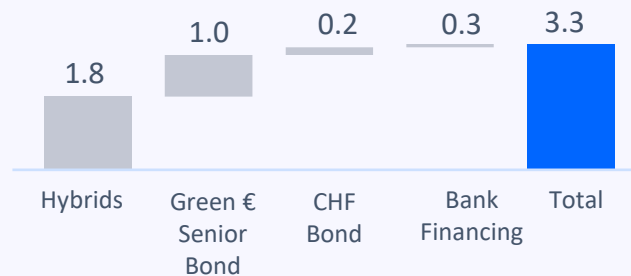
- Leverage reduction in Q1 to 2.72x
- Deleveraging on track towards 2.5x target in 2028
- Committed to investment grade credit rating
- Proactive financing activity has reduced refinancing pressure
- Comfortable liquidity position
- Reduced cost related payments

Net Financial Debt



Proactive Financing management

Financing activity, 2026 YTD (€bn)



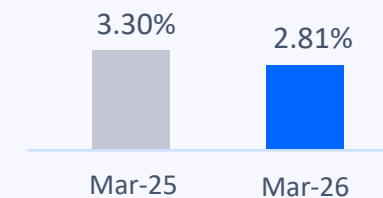
Solid liquidity position, Mar-26

€17.7bn
Liquidity Cushion

- Cash €7.7bn
- RCFs €5.7bn
- Bilateral credit lines: €4.4bn

Reduced debt-related cost

Total debt related interest payment cost excluding leases



Continued progression in sustainability to boost competitiveness



Environmental

Enhanced efficiency and resilience

-92% energy consumption per unit of traffic since 2015



Digitalisation for carbon transition

Customers avoided >19Mt CO₂e in 2025



Social

Bridging the digital divide

Digital access provided to **1m** people in UK (last 3 yrs)



Supporting & attracting talent

Pioneering Technology Scholarship Program (until 2028)



Governance

Balanced and diverse Board

47% women, **67%** independent



Fiscal Transparency report published

€7.5bn paid in taxes globally in 2025



Continue to lead in ratings
Included in **S&P Sustainability Yearbook** and **Corporate Knights Global 100**

Key takeaways

Mr. Emilio Gayo
COO



Wrap up: Strong start, constant execution, on track for full year guidance

A strong start to 2026, firmly on track to meet our 2026 guidance and executing against our Transform & Grow plan

Robust commercial performance. On financials, accelerated growth trends in Spain and Brazil (revenue and adj. EBITDA), but Germany challenged (peaking effect of 1&1). VMO2 on track with guidance.

Further deleveraging and committed to FCF. Disciplined towards financial flexibility

Signed the sale of Telefónica Mexico. Successfully executing our Hispam exit; almost complete. 6 assets over the last 12M

Building a stronger Company; more efficient, more profitable, more disciplined, more prepared, faster growing

Plan to become best-in class European Telco by 2030 and worldwide in 2035

Results presentation and Q&A Session



Calendar

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
- Juan Azcue | CFDO
- Borja Ochoa | CEO T. Spain
- Santiago Argelich | CEO T. Germany
- Lutz Schüler | CEO Virgin Media O2
- Torsten Achtmann | 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
#4 in sector

CDP
Climate A
List 2025



FTSE4Good

2025
#1 in sector

ISS ESG

ISS ESG Corporate
Rating
#1 in sector

Sustainalytics ESG

Sustainalytics ESG
**Top Quartile Telco
Industry 2025**



Digital Inclusion Benchmark,
Social Benchmark and Ranking
Digital Rights
1st company worldwide 2026

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