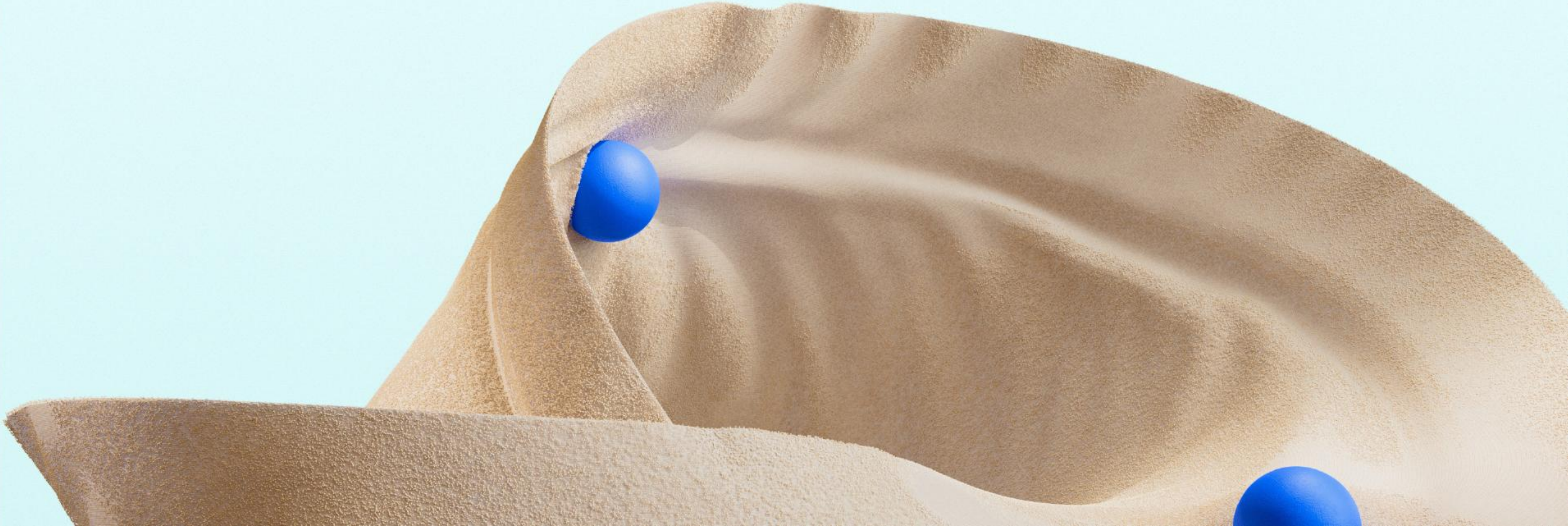
Telefónica

Results 2025

Q3



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Q3 25 Summary

Mr. Emilio Gayo
COO

Q3 milestones

CUSTOMER focus

350.2m
+1.6m q-o-q

Growing Customer Lifetime Value
Superior NPS (32) and low churn

Next Generation NETWORKS

Fibre 82.6m
+1.3m PPs q-o-q

5G coverage 78%
1 p.p. q-o-q in core markets

Efficiency driven MANAGEMENT

Industry leading CapEx to Sales ratio
Continued decline y-o-y

Accelerating portfolio transformation
Uruguay and Ecuador sales closed in October

Key financial metrics, sustained organic growth

€ in millions	9M 25 Reported	9M 25 Reported y-o-y	9M 25 Organic y-o-y	Q3 25 Reported	Q3 25 Reported y-o-y	Q3 25 Organic y-o-y
Revenue	26,970	(2.8%)	1.1%	8,958	(1.6%)	0.4%
Service revenue	24,427	(2.7%)	1.3%	8,164	(1.4%)	0.6%
B2C revenue	16,122	(3.4%)	1.9%	5,321	(1.6%)	1.7%
B2B revenue	6,047	1.8%	5.6%	2,020	4.2%	6.5%
Wholesale & Others	4,801	(5.9%)	(6.6%)	1,616	(8.0%)	(10.2%)
EBITDA	8,938	(3.6%)	0.9%	3,071	(1.5%)	1.2%
EBITDAaL- CapEx	3,832	(4.0%)	0.9%	1,252	0.2%	3.4%
CapEx / Sales organic	11.8%		(0.5 p.p.)	13.1%		(0.7 p.p.)
FCF from continuing operations	414	(68.0%)		123	(84.4%)	
Net Financial Debt	28,233	(1.6%)				
EPS from continuing operations	0.24	(26.7%)		0.09	(25.5%)	

Decreased FX impact in Q3 reported

-1.9p.p. in revenue,
-2.1p.p. in EBITDA,
-1.9p.p. in EBITDAaL-CapEx
(9M: -3.7pp, -3.9pp, -3.4pp)

EBITDA, EBITDAaL and EPS are adjusted, CapEx ex-spectrum

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Q3 25 Operating Business

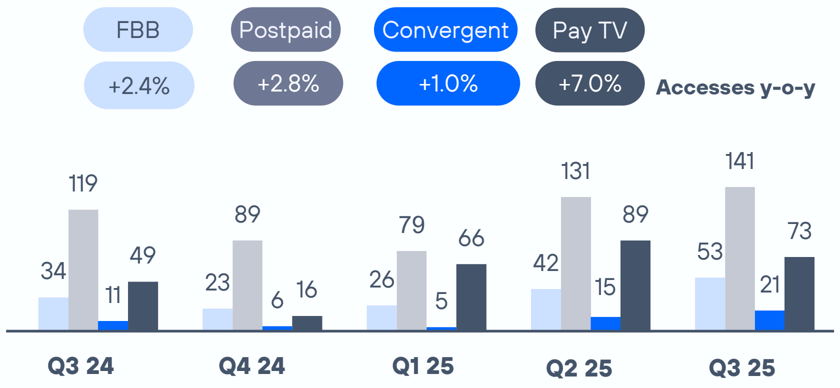
Mr. Emilio Gayo
COO

Spain: Solid momentum fueling the growth

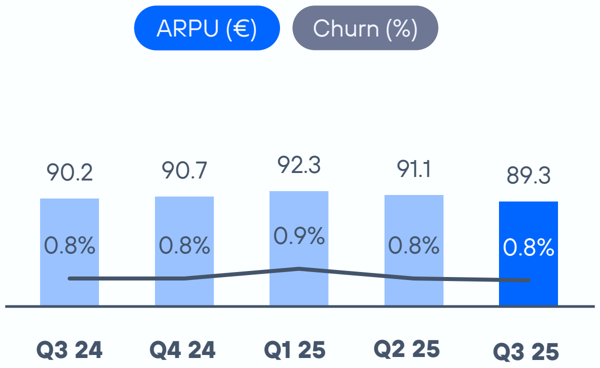
- **Growth acceleration in all main accesses**
  - Record FBB and Contract base
  - Best churn and portability ratios
  - Best convergent net adds in 6 years
- **Strong retail revenue**
  - Increased B2C accesses
  - Sequential y-o-y decline in convergent ARPU lower than in 2024
  - IT double digit growth in 9M (>50% B2B)
- **Accelerating EBITDAaL-CapEx** (y-o-y)
- **Best-in-class CapEx/Sales**
  - 9M: 11.3% (-0.4 p.p. y-o-y)
  - Well invested FTTH & 5G

Fibre market deregulation approved
(effective in Feb-26)

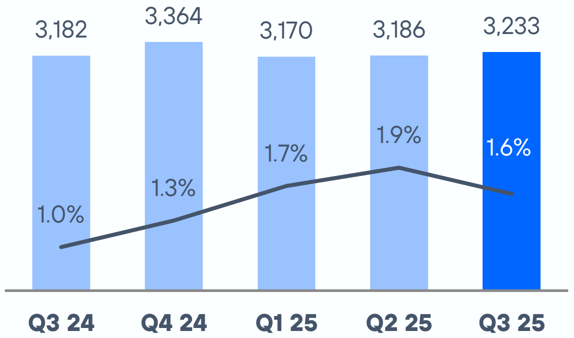
Net adds (k)



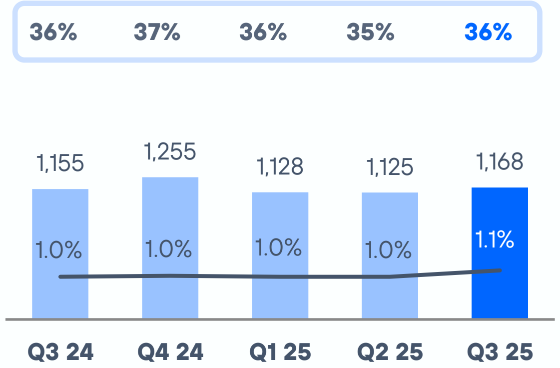
Convergent KPIs



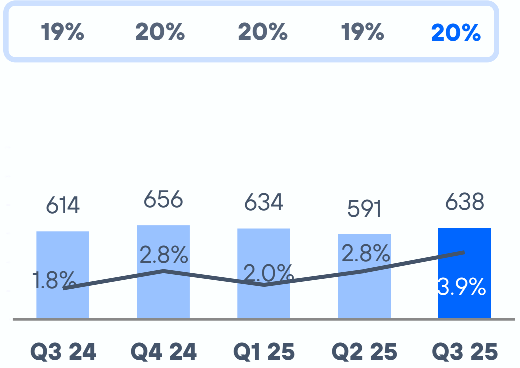
Revenue



EBITDA & margin



EBITDAaL-CapEx & margin



y-o-y org growth; Absolute numbers (€m) of EBITDA and EBITDAaL are adjusted and CapEx ex-spectrum

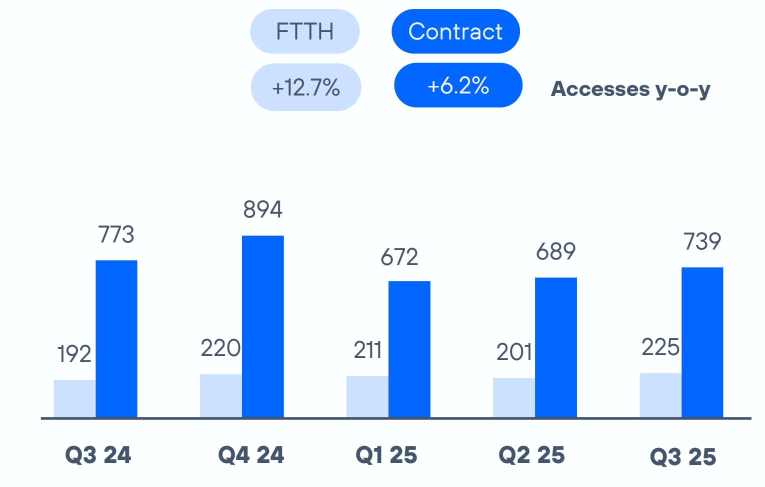
Brazil: EBITDA growth strengthened by high-value accesses and efficiencies

- **Quality accesses growth:**
  - Vivo Total (fully convergent) +53%
  - 5G Take-up 26% (+9.3 p.p. y-o-y)
- **New digital businesses gaining traction**
  - B2C: Video & Music OTT: +19.9%
  - B2B: Cloud (+46.6%) and IoT (+25.0%)

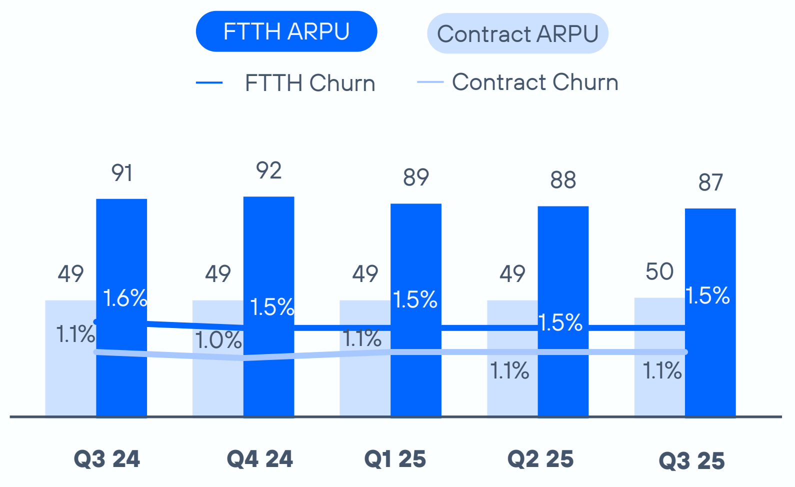
- **Revenue & EBITDA growing above inflation**
  - Mobile (+5.2%) & Fixed (+9.6%)
  - FTTH (+11.0%) & Contract (+7.7%)
- **EBITDA growth further accelerated**
- **CapEx/Sales** 9M 15.7% (-0.5 p.p.)
- **Biodiversity commitment:** Regeneration of 800 hectares in the Amazon over 30 years

Q3: First positive impacts from migration to Authorisation
(sale of concession-related assets +€36m)

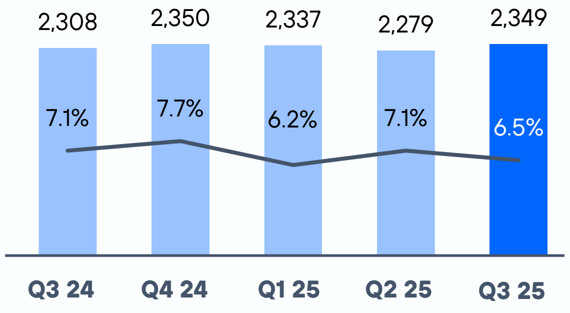
Net adds (k)



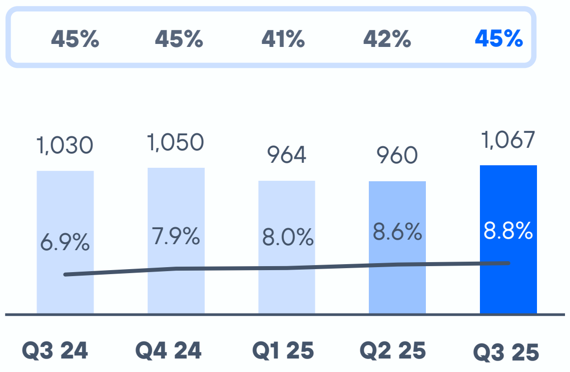
KPIs (local currency)



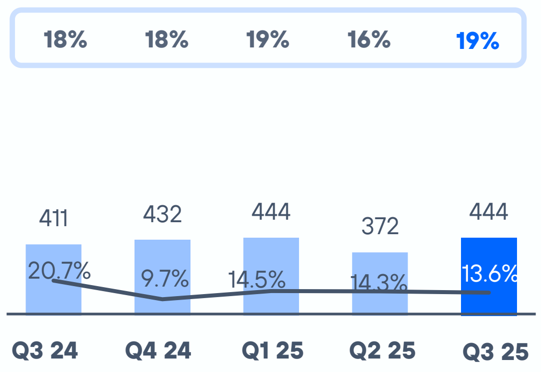
Revenue



EBITDA & margin



EBITDAaL-CapEx & margin



y-o-y org growth; Absolute numbers (€m) of EBITDA and EBITDAaL are adjusted and CapEx ex-spectrum

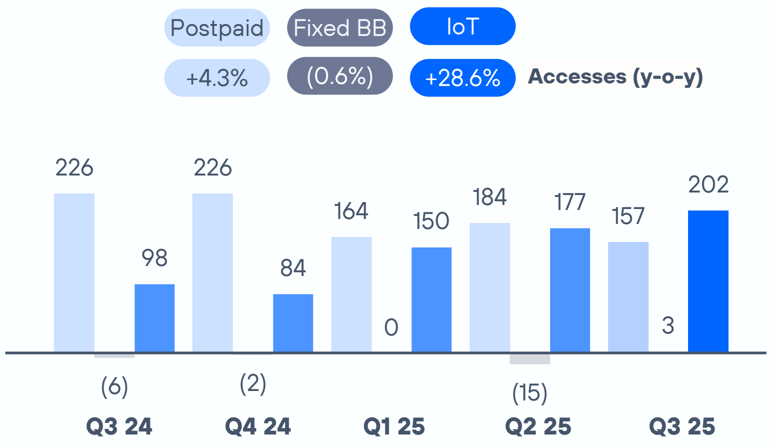
Germany: Solid core momentum while 1&1 migration weighs on results

- **Solid commercial traction**
  - Continued own brand momentum
  - Fixed trading back to growth
  - Higher level of promotional activity
- **5G pop. coverage 98%**; strong progress on densification & innovation

- **Financials impacted by partner business**
  - Revenue decline on MSR pressure through partner customer migration
  - Softer handset market trends
  - Fixed revenue maintain growth path on improved value-mix
- **EBITDA supported** by efficiency measures
- **ESG;** switch to reusable euro pallets to reduce annual wood consumption by ~320 tons

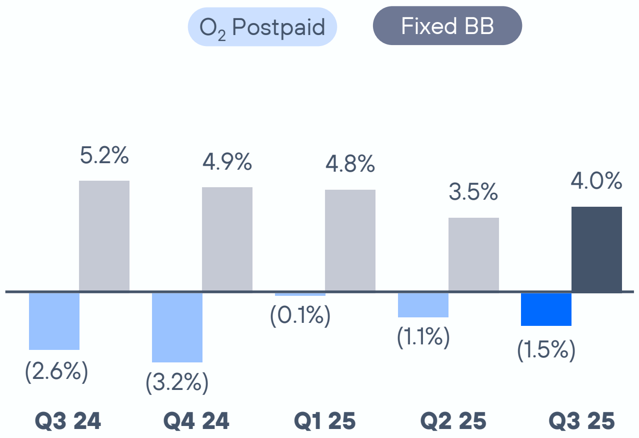
Resilient underlying performance while navigating the peak of B2P customer migration

Net adds (k)

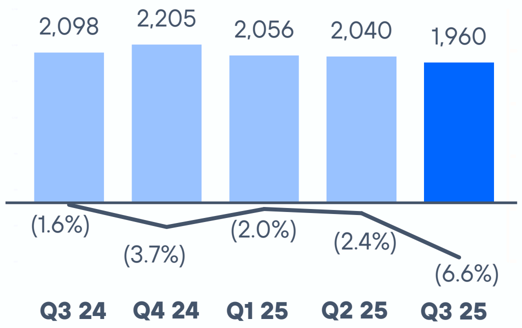


Net adds exclude 3rd party MNO-accesses

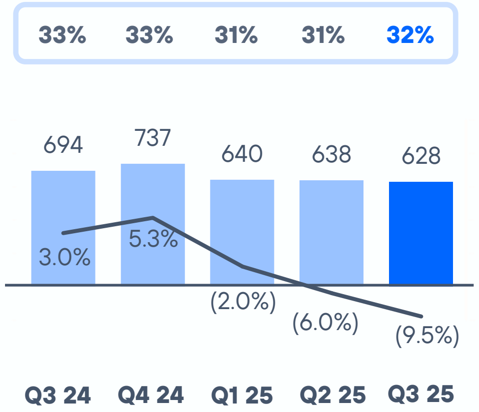
ARPU (y-o-y)



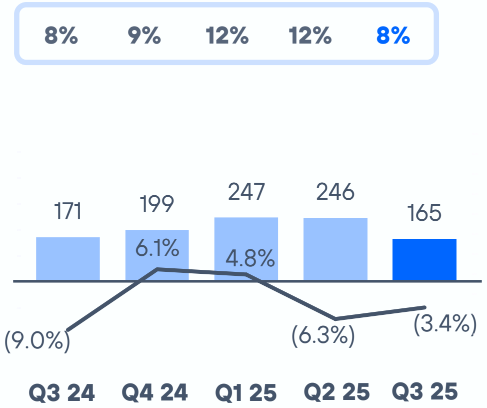
Revenue



EBITDA & margin



EBITDAaL-CapEx & margin



y-o-y org growth; Absolute numbers (€m) of EBITDA and EBITDAaL are adjusted and CapEx ex- spectrum

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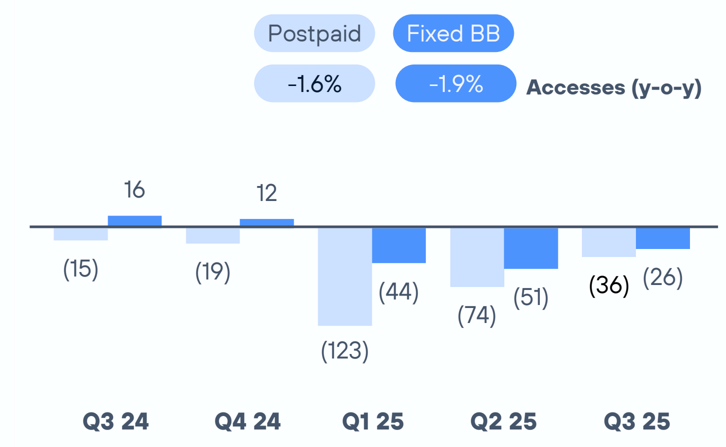
VMO2: Continuing to balance volume with value

- **Improved commercial trading,** mobile contract and fixed-line
- **Launch of giffgaff broadband;** new F2M convergence offering,
- **Fixed footprint**: 18.7m UBB PPs

- **Revenue continued facing challenges**:
  - Challenging market dynamics
  - Lower handset sales and nexfibre construction
  - Guided revenue -0.1%
- **Guided EBITDA +2.7%**
  - Reducing operating expenses
- **ESG:** 'A' rating; CDP supplier engagement

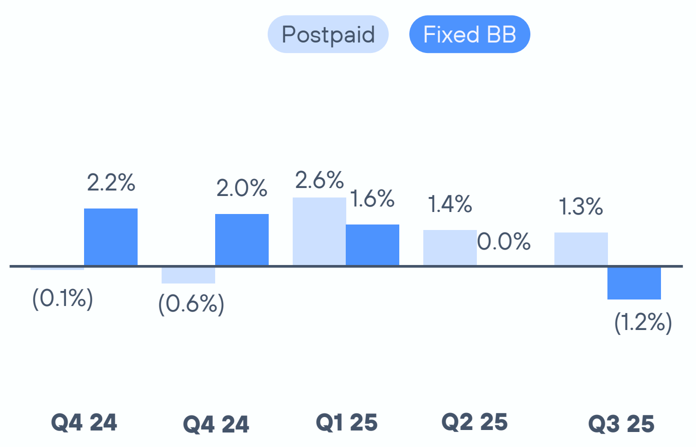
Completed O2 Daisy merger,
consolidated since 1st of August

Net adds (k)

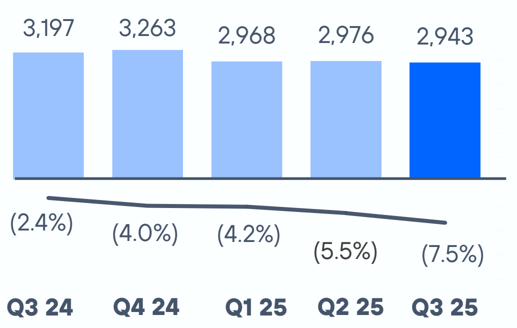


excl. Daisy impact

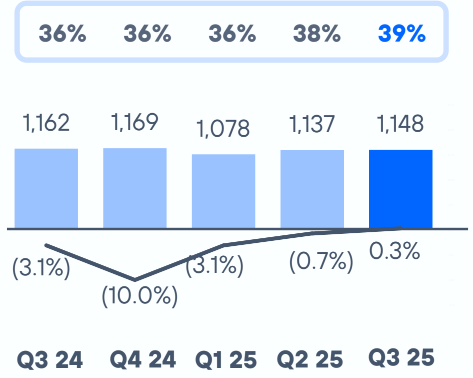
ARPU (y-o-y)



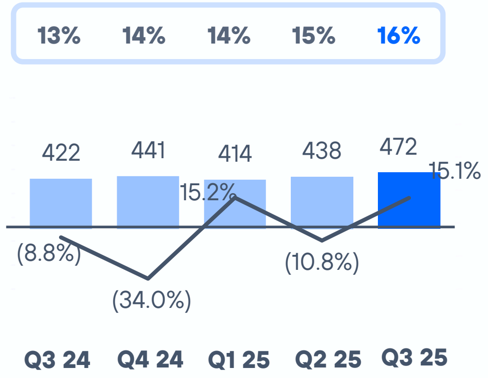
Revenue



EBITDA & margin



EBITDAaL-CapEx & margin



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y-o-y org growth (excl. Daisy impact); Absolute numbers (€m) of EBITDA and EBITDAaL are adjusted and CapEx ex- spectrum

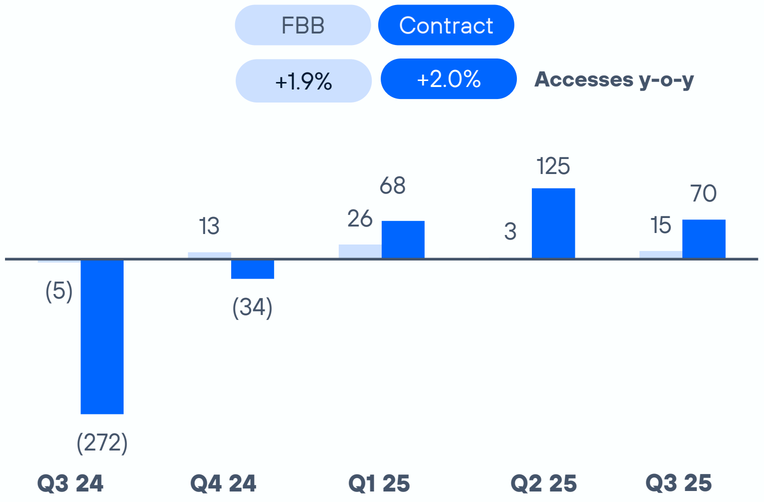
Hispam: Acceleration of portfolio simplification

- **Accelerating growth in high value accesses**
  - COL: quality improvement, MEX: sustained performance, CHI: better portability
  - Completed migration to FTTH (99% of FBB)

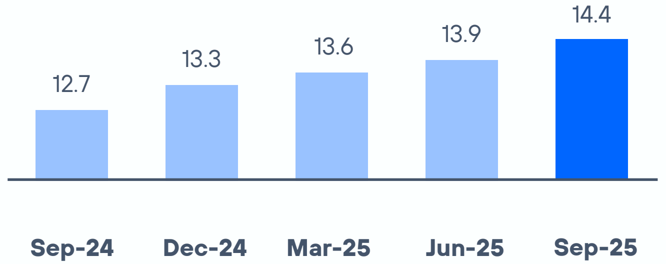
- **Service revenue** -2.5%. MEX +2.7%
- **EBITDA** trend improved on MEX (+25.2%)
- **EBITDAaL-CapEx** reflected higher leases in COL

T. Uruguay closed October 7th
T. Ecuador closed October 30th

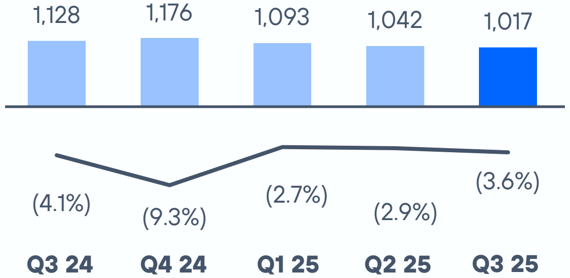
Net adds (k)



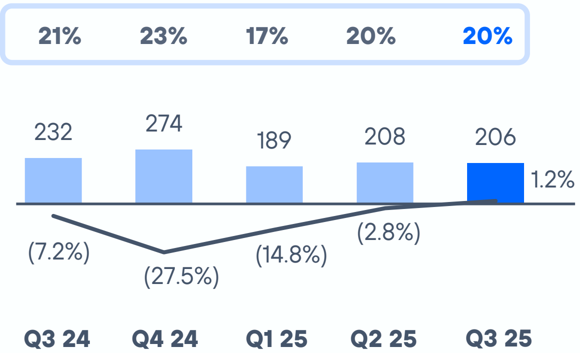
FTTH premises passed (m)



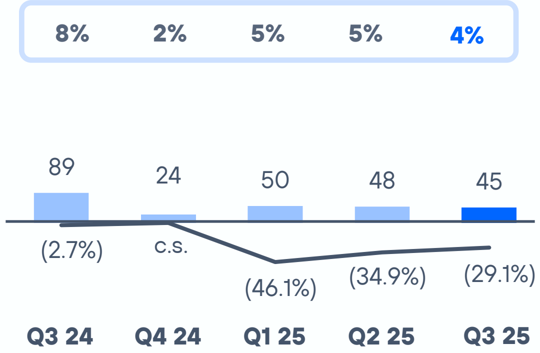
Revenue



EBITDA & margin



EBITDAaL-CapEx & margin



y-o-y org growth; Absolute numbers (€m) of EBITDA and EBITDAaL are adjusted and CapEx ex- spectrum

2025 vs. 2024 financial variations includes Argentina, Peru, Ecuador and Uruguay under Organic criteria

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Q3 25 Financials / ESG

Mrs. Laura Abasolo
CFCO

2025 Guidance: Operational guidance on track with new FCF expectations

Revenue	EBITDA	EBITDAaL-CapEx	CapEx / Sales	FCF (continuing operations)
Organic growth	Organic growth	Organic growth	< 12.5% organic	~€1.9bn
+1.1% y-o-y	+0.9% y-o-y	+0.9% y-o-y	11.8%	€414m

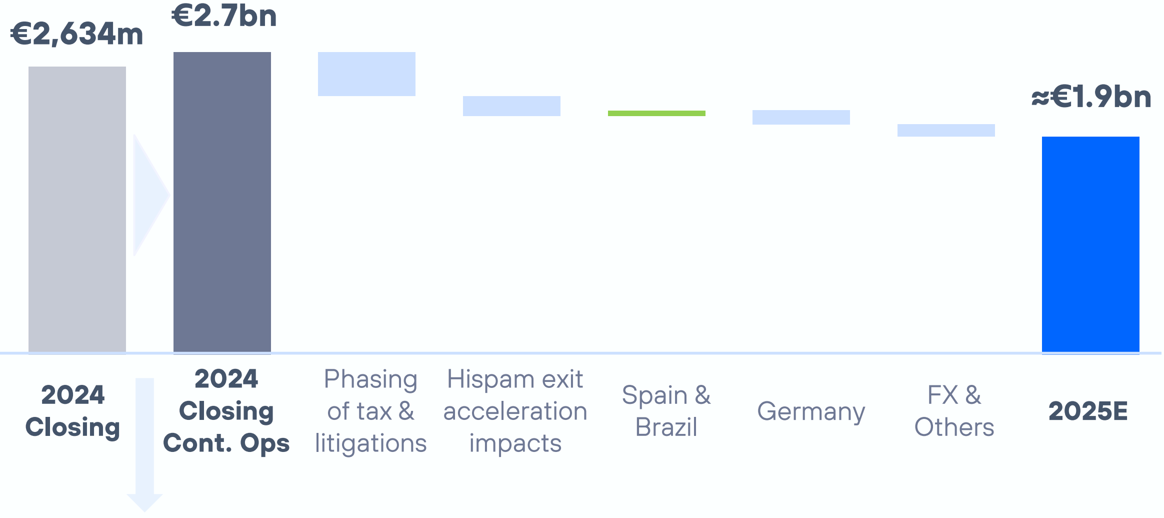
€0.30 DPS
18th Dec-25 (€0.15/cash)
Jun-26 (€0.15/cash)

Slightly higher leverage
Sep-25: 2.87x

Constant perimeter of consolidation

2025 FCF expectations

Lower FCF expected for 2025 mainly from different timing in cash inflow from tax case and litigations won and impacts from transitioning Hispam perimeter changes

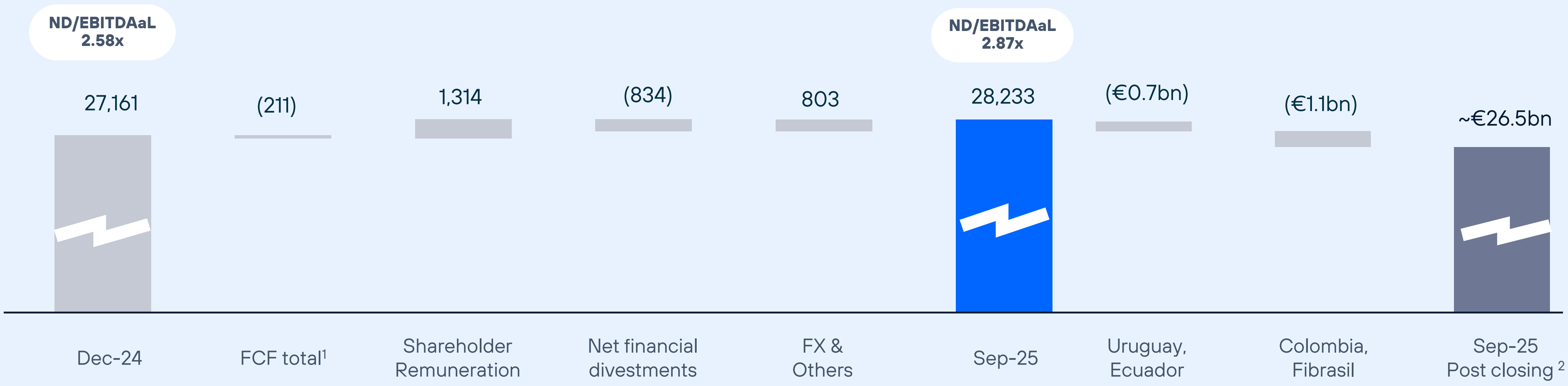


Moving to FCF from Continued Operations and adjusted in Q1 for Argentina & Peru and in Q2 for Ecuador and Uruguay

- Cash foreseen in 2025 to be received later than expected
  - Tax refund from goodwill case (won and P&L impact in 2023 and ratified by Supreme Court in 2025)
  - Agreement on a litigation to payment in 2025-2027 vs in 2025
- Perimeter changes accelerated in Hispam: Full transition plan being designed that impacts remaining OBs and instrumental companies
  - Less purchasing volume
  - T. Tech inorganic plan in place
  - WC management capacity
- FX and other impacts driving y-o-y comps. Working in every line to maximize but still negative net impact
- Spain and Brazil strong performance not compensating Germany. Q3 results confirm challenging Germany performance as lost B2P FCF impact accelerates in 2025

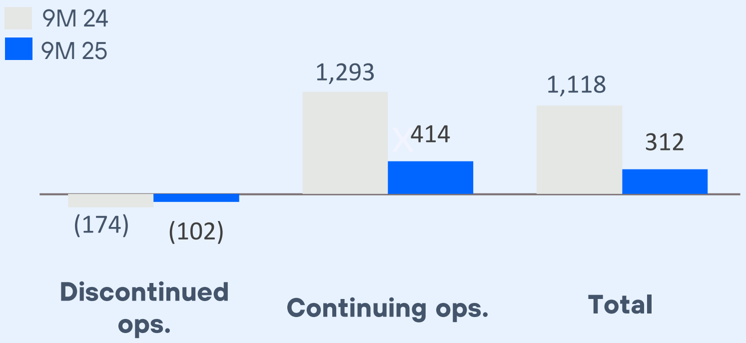
Financial profile

Net Financial Debt



FCF

€ in millions



Liquidity	Fixed debt	Avg. debt life	Interest cost
€16.4bn	>63%	10.5 yrs	3.44% 3.57% Sep-24

1. Total FCF (from continuing and discontinued operations) including spectrum payments.
2. Including the sale of T. Uruguay and T. Ecuador (both closed in October), T. Colombia (just the deconsolidation of T. Colombian net debt as of Sep-25) and the acquisition of 50% of Fibrasil.

Creating value through responsible digitalisation

Environmental

Hedging energy costs via renewables
Long-term model implemented in all main markets

Reducing Scope 3 through sustainable travel
Co-founders of initiative to use Sustainable Aviation Fuel

Social

Investing in resilient networks
€77bn of SDG aligned investments since 2015

Promoting diversity
FT Diversity Leader for 6th year running

Governance

Transparency in Sustainable Finance
Bond Report published showing €2.8bn allocation

Training in Responsible Business
Completed by 93% employees

Continue to lead sector in ESG ratings: top 3% in Sustainalytics

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Key takeaways

Mr. Emilio Gayo
COO

Closing remarks

Q3: focus on execution

Capital Markets Day at 12:00 pm CET

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Bloomberg ESG Score
#2 in sector

CDP
Climate A
List 2024

FTSE4Good
2024
#1 in sector

ISS ESG Corporate
Rating
#1 in sector

Sustainalytics ESG
Industry **Top Rated**
2025

Social Benchmark
1st company worldwide
2024

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