

Press Release \_Results 2025

## Telefónica accelerates its growth in the last quarter of 2025 and increases revenues, adjusted EBITDA and free cash flow

- The Group obtained revenues of €9,174 million in the last quarter and €35,120 million for the whole year, a 1.5% more in constant terms.
- The company accelerated its growth between October and December with adjusted EBITDA up 2.8% in constant terms and adjusted operating cash flow after leases (OpCFaL) up 12.9%.
- The momentum of the last quarter makes it possible for Telefónica España to close its best business year since 2018 and for its revenues, adjusted EBITDA and adjusted OpCFaL to register simultaneous annual growth for the first time since 2008.
- Telefónica Brazil's revenues grew by 7.1% in local currency in the last quarter of the year, supported by the strength of commercial activity.
- Telefónica Germany has boosted the O2 brand in its market and has reported a quarter-on-quarter net gain from mobile contract customers of 22.2%.
- In the UK, VMO2 met its financial targets for the year in revenue (+0.2%) and EBITDA (+0.9%).
- Adjusted net income from continuing operations, including the recurring income of the businesses that remain in the Group, reached €2,122 million in 2025.
- The Group recorded a negative net result of €4,318 million in 2025 derived from non-recurring factors in continuing operations, such as restructuring costs or impairment on certain assets, and the impact of divestments in Hispam on discontinued operations.
- The quality of the infrastructures makes it possible to offer service to more than 326 million accesses with a fibre network that reaches 162.9 million premises and a 5G coverage that reaches 80% of the population in the core markets.
- Telefónica meets financial targets for 2025 and presents a new guidance for 2026 that include year-on-year growth in constant terms in revenues (1.5-2.5%), adjusted EBITDA (1.5-2.5%) and adjusted OpCFaL (above 2%); as well as a

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CapEx to revenue ratio of around 12%, a cash flow of around €3,000 million and a debt reduction towards the target set for 2028.

- "We have delivered in 2025 and we are prepared to continue doing so in 2026. We have embarked on a path of transformation of the company and today we have before us the first results that make us optimistic and allow us to continue courageously assuming calculated risks. We are living in a period of more growth and greater profitability, which allows me to say with satisfaction that Telefónica delivers," says Telefónica's Chairman, Marc Murtra.

**Madrid, February 24, 2026.** Telefónica today presented its results for the fourth quarter of 2025, a period that reflects higher revenues and the acceleration of growth in adjusted<sup>1</sup> EBITDA, adjusted OpCFaL and free cash flow. This boost comes within the framework of the company's new strategic plan, 'Transform & Grow', presented last November and which is in full execution to advance in the transformation of the Group and consolidate it as a European telecommunications operator of world reference with a profitable scale.

"We have delivered in 2025 and we are prepared to continue doing so in 2026. We have embarked on a path of transformation of the company and today we have before us the first results that make us optimistic and allow us to continue courageously assuming calculated risks. We are living in a period of more growth and greater profitability, which allows me to say with satisfaction that Telefónica delivers," says Marc Murtra, Chairman of Telefónica.

For the whole year, adjusted net income from continuing operations, which includes the recurring result from the operations within the Group at the end of the year, amounted to €2,122 million.

The impact of non-recurring factors, including restructuring costs due to workforce adjustment or impairment and change in the value of certain assets, led to annual losses of €2,049 million in continuing operations. On the other hand, the losses derived from the divestments made in Hispam result in annual losses of €2,269 million in discontinued operations (Argentina, Peru, Uruguay and Ecuador). Overall, the sum of the net results of continuing operations and discontinued operations means that Telefónica has recorded losses of €4,318 million in 2025.

## Compliance and execution

Telefónica has met the financial targets set for 2025 with revenue growth of 1.5% in constant<sup>2</sup> terms, adjusted EBITDA of 2% and adjusted OpCFaL of 5.9%. In addition, the CapEx to revenue ratio stood at 12.4%, which also met the target of falling below 12.5%. In terms of free cash flow, it ended the year above €2,000 million in continuing operations, after updating the target in the third quarter to around €1,900 million.

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Telefónica's new financial targets for 2026 envisage year-on-year growth in constant terms in revenues (1.5-2.5%), adjusted EBITDA (1.5-2.5%) and adjusted OpCFaL (above 2%); as well as a CapEx to revenue ratio of around 12%, cash flow of around €3,000 million and a debt reduction towards the target set for 2028.

Telefónica also continues to execute the divestment process in HispAm. In the first quarter of 2026, it closed the exits in Colombia and Chile, markets that are in addition to the sales already completed in 2025: Telefónica Argentina, Telefónica del Perú, Telefónica Uruguay and Telefónica Ecuador.

### Higher revenue and more profitability in the fourth quarter

Telefónica generated revenues of €9,174 million in the fourth quarter of the year, with a constant growth of 1.3%, and €35,120 million for the whole year, up 1.5%. In current terms, sales rose by 0.7% in the quarter and fell by 1.5% in the full period, impacted by currency evolution.

The company closed the fourth quarter with a strong and favorable positioning in its core markets. Telefónica España has once again presented a solid operating moment in its best business year since 2018, while revenues, adjusted EBITDA and adjusted OpCFaL registered simultaneous annual growth for the first time since 2008. In the last quarter, revenues have increased by 1.8% and adjusted EBITDA has risen by 1.1%. Telefónica Brasil has continued its growth path above inflation with revenues and adjusted EBITDA increasing by 7.1% and 8.2%, respectively, in local currency, and has recorded a record 116.8 million accesses. Telefonica Germany has continued boosting the O2 brand in its market and has reported a quarterly net gain from mobile contract customers of 22.2%. And Virgin Media O2 has met its financial targets for the year in revenue (+0.2%) and EBITDA (+0.9%).

By segments, the residential business (B2C) generated revenues of €5,408 million in the fourth quarter, 59% of the total; the business (B2B) has contributed 23.5%, with €2,158 million; and the wholesale business, the remaining 17.5%, up to €1,608 million.

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The Group's profitability has also accelerated in the last quarter of the year. Adjusted EBITDA increased by 2.8% in constant terms between October and December to €3,198 million and by 2% in the year to €11,918 million. Current adjusted EBITDA grew by 2% in the quarter and fell by 1.6% in the last twelve months.

CapEx in the fourth quarter totalled €1,259 million, 8.1% less than in the same period of 2024. For the whole year, it amounted to €4,340 million (-7.2%). Adjusted OpCFaL increased by 12.9% in constant terms the quarter to €1,281 million and by 5.9 percent in the full year to €5,081 million.

Free cash flow from continuing operations accelerated in the fourth quarter to €1,402 million and reached €2,069 million in the full year.

Net financial debt has been reduced by around €1,400 million in the fourth quarter and stood at €26,824 million as of December 31, 2025.

Among the global units, Telefónica Tech's revenues have increased by 18.9% in 2025, to €2,222 million.

## Quality infrastructures

Telefónica closed 2025 with 326.1 million accesses, with a year-on-year growth of 2.1%, and has maintained its position as a global leader in fibre. The company has 162.9 million premises deployed with ultra-fast broadband networks (+1%), of which a total of 74.3 million correspond to FTTH (+7%).

In addition, the company offers 5G coverage of 95% in Spain, 99% in Germany, 67% in Brazil, and 87% in the United Kingdom, for an average of 80% in its four core markets.

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*1 Adjusted figures: assumes constant perimeter and derived capital gains/losses, and does not include restructuring costs, write-offs and material non-recurring impacts.*

*2 Constant: assumes constant FX (average FX in 2024) constant perimeter and excludes the contribution to growth from Venezuela.*