

Press Release

Telefónica simplifies operating model in Spain to harness synergies, drive growth and scale digital services internationally

- Telefónica España is redefining its structure around three major independent business units: B2B Spain, B2C Spain and Wholesale Spain. The aim is to sharpen focus within each segment, drive growth, streamline the organisation and strengthen accountability for the performance of each unit.
- Telefónica España's support functions will become part of the corresponding corporate areas, simplifying the management model and harnessing synergies.
- The new operating model optimises decision-making by eliminating redundancy, aligns Telefónica España's commercial and technology capabilities with market needs, and steps up its commitment to the business and residential segments to drive growth both in Spain and internationally.
- Borja Ochoa will remain in post as non-executive Chairman of Telefónica España and will lead the B2B unit.
- Telefónica continues to innovate and reduce operational complexity to compete effectively across global markets.

Madrid, 30 September 2026. Telefónica's Board of Directors today approved, at the proposal of Chairman and CEO Marc Murtra, a simplification of the company's operating model. The move is intended to step up growth in the businesses where Telefónica España has the strongest potential: business and residential customers. The new, streamlined structure will enable Telefónica España to deploy its capabilities in other markets, eliminate redundancy and accelerate both decision-making and implementation.

The new model will see Telefónica España's support functions incorporated into the corresponding corporate areas, and create three major independent business units: B2B Spain, B2C Spain and Wholesale Spain.

Under the new structure, Spain will be well-positioned as a platform from which to develop and scale digital services in international markets, with a particular focus on

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cybersecurity, cloud and defence, as well as new B2C businesses. With this simplified structure, Telefónica elevates its position as a strategic asset for Spain and Europe and reinforces its commitment to European technological autonomy.

Simplified corporate functions

Telefónica España's Finance and Control, Strategy, People, Legal, Security and Audit support functions will become part of the corresponding corporate areas, under the direct remit of Executive Chairman Marc Murtra. The transition prioritises commercial and technology functions, simplifies processes, tightens up decision-making and focuses resources on the business.

The change will eliminate redundancy and simplify coordination and implementation across support functions. Employees will remain assigned to their respective legal entities and will continue to focus either on the Corporation or Telefónica España, as applicable.

Three business units to simplify operations, step up growth and scale capabilities internationally

Telefónica España is reconfiguring its structure around three major independent business units – B2B Spain, B2C Spain and Wholesale Spain – to transform and grow B2B and B2C, accelerate the deployment of AI, harness synergies and simplify operations.

The new management and reporting model does not alter Telefónica España's legal structure. Each unit will have a single leader, its own objectives and a mandate tailored to its specific growth opportunities. The Group's financial reporting to the market will remain unchanged.

B2B Spain will manage the business serving companies and public administrations in Spain. B2B will continue to drive growth in Spain while scaling its cybersecurity, cloud, data and artificial intelligence, IoT, and defense and security solutions into other European markets.

The new model is designed to leverage B2B's strengths both in Spain and internationally, cementing its role as one of Telefónica's key growth drivers. Telefónica Tech will be fully integrated into B2B Spain.

Borja Ochoa will lead this unit, remaining in post as non-executive Chairman of Telefónica España. Sofía Collado will continue to head up Telefónica Tech.

B2C Spain will encompass the residential business, including connectivity and television services, hardware and devices, and Movistar Plus's content business. The unit will combine domestic growth with international ambitions focused on selected areas of the home ecosystem and new services, including alarms, connected devices, global content sales and travel eSIMs. Óscar Candiles will lead this unit.

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CTIO Spain will be responsible for Telefónica España's network, systems and operations. Its objective will be to simplify and transform processes and systems through automation and artificial intelligence, and to deliver services to the newly-created business units. Sergio Sánchez will be at the helm of CTIO Spain.

The **Wholesale Spain** unit, led by Marisa Urquía, will retain responsibility for Telefónica España's business with other operators.

The three units and CTIO, together with the businesses in Germany, Brazil and the United Kingdom, will report directly to Chief Operating Officer Emilio Gayo.

Óscar Candiles and Sergio Sánchez will join Telefónica's Executive Committee.

In keeping with the greater simplicity of the new operating model, the Board of Directors of Movistar Plus will be dissolved, with Javier de Paz stepping down as non-executive Chairman. Javier will take on new responsibilities for Business Development and Business Continuity at the European level and will retain his role as Deputy to the Chairman, with responsibility for Infrastructure, Real Estate Assets and Corporate Social Responsibility.

"The new organisational model approved by the Board foregrounds the major technology and business capabilities of Telefónica España and Telefónica Tech. It also simplifies our support functions to make them more agile and effective. The decision is closely aligned with our operating priorities: greater clarity, simplicity and ambition. This is an example of the type of transformation we must continue to pursue. I want to thank all the professionals at Telefónica España, Telefónica Tech and our corporate functions for the work they have done and for all they will continue to deliver over the coming months," said Marc Murtra, Chairman and CEO of Telefónica.

A strong foundation to simplify and accelerate growth

The new model builds on a position of strength. Telefónica España closed the first half of 2026 with revenues of €6.51 billion, up 2.5% year on year, and adjusted EBITDA of €2.30 billion, up 2.1%.

Growth has accelerated quarter after quarter. Between April and June, revenue increased by 2.9%, the fastest rate since the end of 2023, while adjusted EBITDA rose by 2.3%, the strongest growth recorded since the end of 2019.

The company continues to grow its customer base, with more than 16 million mobile contract accesses, whilst keeping churn at an all-time low of 0.7%. In the business segment, digital services are growing at double-digit rates and now account for more than half of the segment's revenues, which shows that Telefónica's commitment to cloud, cybersecurity, edge and artificial intelligence is already delivering tangible results.

Telefónica's transformation

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This new operating model will deepen Telefónica's transformation and further build on its Transform & Grow strategic plan. Telefónica continues to become more digital, agile and competitive with a view to positioning itself firmly as one of Europe's leading operators by 2030, supported by world-leading capabilities in digital services.