Press Release_Q3 Results 2026

Telefónica posted a net profit of €1,333 million from its continuing operations up to September (+21.6 per cent) and has upgraded its targets for adjusted EBITDA, adjusted OpCFaL and FCF

- The Group has raised its key financial targets for 2026: growth in adjusted EBITDA (slightly above 2.5%, up from +1.5–2.5%); growth in adjusted OpCFaL (above 3.5 per cent, having already been raised in July from above 2 per cent to above 3 per cent); and free cash flow (up to approximately €3.1 billion from approximately €3.0 billion).

- Telefónica has confirmed a cash dividend of 0.15 euros per share for 2026, to be paid in June 2027.

- In the first nine months of 2026, Telefónica posted revenue of 24,825 million euros (+2.8% at real exchange rates), adjusted EBITDA of 8,846 million euros (+4.6% at real exchange rates, the largest increase in the last decade), adjusted operating cash flow after leases of €4,018 million (+6.1% at real exchange rates) and free cash flow from continuing operations of €1,963 million (+10.7% at real exchange rates).

- 'Transform & Grow' strategic plan execution has enabled the Group's key financial metrics to grow simultaneously between July and September for the fourth consecutive quarter, at both real and constant exchange rates.

- In the third quarter, at real exchange rates, revenue rose by 4.8 per cent, adjusted EBITDA increased by 6.2 per cent, adjusted operating cash flow after leases rose by 10.6 per cent, and free cash flow from continuing operations grew by 220.1 per cent.

- Telefónica reduced its debt by €1.6bn between January and September -the largest reduction in the first nine months of a financial year since 2021- and its net financial debt stood at €25,186 million at the end of September.

- Telefónica España continues to demonstrate commercial strength, increasing fibre and mobile contract subscriptions as well as pay-TV customers (+6%) within a distinctive and innovative B2C services ecosystem; it has brought churn to historic lows, increased revenue by 2.6 per cent and accelerated adjusted EBITDA growth to 2.6 per cent in the third quarter, and for the first nine months of 2026, it recorded its highest revenue growth (+2.5 per cent) in over 15 years.

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- Telefónica Brasil saw revenue rise (+15.4 per cent at real exchange rates and +7.2 per cent at constant exchange rates) and adjusted EBITDA increase (+18 per cent at real exchange rates and +9.7 per cent at constant exchange rates) at a rate exceeding inflation in the third quarter; it reached a record 120.3 million accesses and recorded 28 per cent growth in its convergent offering.

- Telefónica Germany is increasing its number of fixed-line and mobile customers, both on contract and pay-as-you-go, and is making progress with its transformation to simplify its operating model and lay the foundations for a return to growth in 2027.

- In the UK, VMO2, which has set out a new strategic direction aimed at achieving annualised cost savings of approximately 800 million pounds by 2029, has reaffirmed its forecasts for service revenue, adjusted EBITDA and free cash flow for 2026.

- Telefónica's total number of accesses has risen to 302.1 million, representing year-on-year growth of 5 per cent.

Madrid, 12 November 2026. Telefonica today announced its results for the third quarter of 2026, a period in which its revenue rose to €8,433 million (+4.8 per cent at real exchange rates and +2.2 per cent at constant exchange rates), adjusted[1] EBITDA rose to €3,078 million (+6.2% at real exchange rates and +2.8% at constant exchange rates), adjusted operating cash flow after leases (adjusted OpCFaL) increased to €1,364 million (+10.6% at real exchange rates and +7.2% at constant exchange rates), and free cash flow from continuing operations reached €1,018 million (+220.1% at real exchange rates). Furthermore, continuing operations recorded a net profit of €860 million in the third quarter (+151.3 per cent) and €1,333 million in the first nine months of the year (+21.6 per cent).

Between July and September, the company posted its fourth consecutive quarter of simultaneous growth across its key financial metrics, both at real and constant[2] terms. This performance has been driven primarily by strong growth in revenue, adjusted EBITDA and adjusted OpCFaL in Spain and Brazil.

The results achieved in Q3 and 9M 2026 have led the company to upgrade several of the financial targets set for the year, based on a constant exchange rate. Specifically, it is raising the growth target for adjusted EBITDA to slightly above 2.5 per cent from 1.5-2.5 per cent; it is again increasing the growth target for adjusted OpCFaL to over 3.5 per cent, having already revised it upwards in July from over 2 per cent to over 3 per cent;

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[1] *Adjusted figures consider constant perimeter and derived capital gains/losses and do not include restructuring costs, write-offsand material non-recurring impacts.*

[2] *Constant: assumes constant FX (average FX in 9M 25), constant perimeter and excludes the contribution to growth from Venezuela.*

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and it has raised the free cash flow (FCF) target to around €3.1bn from around €3bn. Telefónica has also introduced a new target, consisting of service revenue growth of around 1.5 per cent in 2026; it maintains the targets for the capital expenditure-to-revenue ratio (CapEx/Revenue) to stand at around 12 per cent and for leverage to be gradually reduced towards the 2028 target of 2.5 times EBITDAaL; and it has adjusted the total revenue growth target for 2026 to 1-1.5 per cent, down from the previous 1.5-2.5 per cent.

The third-quarter results also enable Telefónica to confirm a cash dividend of 0.15 euros per share for the 2026 financial year, payable in June 2027, subject to approval by the Annual General Meeting of Shareholders. In June 2026, the company made a cash payment of 0.15 euros per share, which corresponded to the second instalment of the dividend for the 2025 financial year.

"Telefónica has once again delivered solid results in the third quarter. Our key financial metrics have all grown together for the fourth consecutive quarter, driven by stronger operating metrics. This sustained performance is the result of the disciplined execution of our Transform & Grow plan. The plan is proving its effectiveness and allows us to be more ambitious. We are raising our full-year growth guidance for adjusted EBITDA and adjusted OpCFaL, and lifting our free cash flow outlook," said Marc Murtra, Executive Chairman of Telefónica.

Solid revenue and improved profitability

In the third quarter of 2026, Telefónica generated revenue of €8,433 million, up 4.8 per cent on the third quarter of 2025 at real exchange rates and 2.2 per cent at constant exchange rates. In the first nine months of the year, revenue totalled €24,825 million, up 2.8 per cent at real exchange rates (1.0 per cent at constant exchange rates).

By segment, revenue from the residential business (B2C) grew by 7.5 per cent year-on-year at real exchange rates (+3.9 per cent at constant exchange rates), reaching €4,985 million, accounting for 59 per cent of the Group's total revenue in the third quarter. Up to September, it totalled €14,678 million. Revenue from the business-to-business (B2B) segment rose by 8.1 per cent at real exchange rates (+5.6 per cent at constant exchange rates) between July and September, reaching €1,996 million, accounting for 24 per cent of the total, and totalling €5,950 million in the first nine months of the year. Revenue from the wholesale business fell by 7.0 per cent at real exchange rates (6.5 per cent at constant exchange rates) in the third quarter, to €1,453 million, accounting for the remaining 17 per cent. In the first nine months of the year, it stood at €4,197 million.

Telefónica has improved its profitability in the third quarter of 2026, with adjusted EBITDA reaching €3,078 million, up 6.2 per cent at real exchange rates (+2.8 per cent at constant exchange rates) compared with the same period last year. This growth has driven adjusted EBITDA for the first nine months to €8,846 million, up 4.6 per cent at real exchange rates -the largest increase in the last decade- and up 2.5 per cent at

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constant exchange rates, putting the Group firmly on track to meet its growth targets for the year.

The same has been true of adjusted operating cash flow after leases, which saw its growth accelerate in the third quarter. During this period, adjusted OpCFaL rose to €1,364 million, up 10.6 per cent at real exchange rates (up 7.2 per cent at constant exchange rates). In the first nine months of the financial year, it reached €4,018 million, up 6.1 per cent at real exchange rates (up 4.2 per cent at constant exchange rates).

Net income growth

In the third quarter, the Group posted a net profit of €802 million, up 191.1 per cent on the same period in 2025, with continuing operations generating a net profit of €860 million (+151.3 per cent) and discontinued operations recording a loss of €58 million (-13.3 per cent).

In the first nine months of the year, the Group posted a net profit of €464 million, compared with losses of €1,080 million in the same period of 2025. Continuing operations contributed a net profit of €1,333 million (+21.6 per cent), whilst discontinued operations recorded a net loss of €870 million (-60 per cent).

Spain consolidates its growth

Telefónica España has consolidated its growth with quarterly revenue of €3,316 million (+2.6 per cent) and adjusted EBITDA of €1,199 million (+2.6 per cent). In the last quarter, average revenue per user (ARPU) reached 90.4 euros and the churn rate stood at a record low of 0.7 per cent. Furthermore, the mobile contract subscriber base has consolidated at over 16 million, whilst IoT lines have risen to 26 million, an increase of 111.1 per cent compared with September 2025. In the first nine months of 2026, revenue reached €9,828 million following a 2.5 per cent increase -the highest growth in over 15 years- whilst adjusted EBITDA rose by 2.3 per cent to €3,501 million.

Telefónica Brasil ended September with a record 120.3 million accesses, whilst its Vivo Total convergent offering reached 4 million customers -28 per cent more than a year ago-. In Q3, revenue growth accelerated to outpace inflation, reaching 2,712 million euros, up 15.4 per cent at real exchange rates (up 7.2 per cent at constant exchange rates). The same was true of adjusted EBITDA, which reached €1,258 million after growing by 18 per cent at real exchange rates (+9.7 per cent at constant exchange rates). In the first nine months, revenue stood at €7,907 million, up 13.5 per cent at real exchange rates (up 7.4 per cent at constant exchange rates), whilst adjusted EBITDA stood at €3,473 million (up 16.2 per cent at real exchange rates and up 9.9 per cent at constant exchange rates).

Telefónica Germany, which recorded declines in revenue and adjusted EBITDA in both the third quarter and the first nine months of the year, achieved a net gain of 49,000 mobile contract subscriptions, 12,000 mobile pay-as-you-go subscriptions and 13,000 fixed broadband subscriptions, marking its fifth consecutive quarter of net additions. The

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company has made progress with its reorganisation to simplify its operating model and boost its profitability.

In the UK, VMO2 has reaffirmed its 2026 targets for service revenue, adjusted EBITDA and free cash flow, following results so far this year that are in line with forecasts. Furthermore, the company has announced a new strategic direction, with a transformation programme aimed at achieving annualised cost savings of approximately £800 million by 2029, including approximately £400 million in 2027 and approximately £600 million in 2028.

The Group's investment stood at €1,097 million in Q3, up 1.1 per cent on the same period in 2025 at real exchange rates (-2.3 per cent at constant exchange rates), bringing the total for the first nine months of the year to 3,005 million euros, up 1.3 per cent (-1.0 per cent at constant exchange rates). This figure has resulted in a capital expenditure-to-revenue ratio of 12.1% up to September in real terms.

Free cash flow acceleration and debt reduction

Free cash flow from continuing operations accelerated to €1,018 million (+220.1 per cent) in Q3, reaching €1,963 million in the first nine months of the year (+10.7 per cent).

The Group reduced its debt to €25,186 million at the end of September, 10.8 per cent lower than a year earlier, having cut it by €1,600 million in the first nine months of the financial year, the largest reduction since 2021. Leverage ratio has fallen to 2.63 times, down from 2.68 times at the end of June 2026 and 2.78 times at the end of 2025.

More accesses and leadership in fibre

Telefónica ended September with 302.1 million accesses, 5 per cent more than at the end of September 2025. This growth is driven by fibre-to-the-home (FTTH), which have risen by 7.9 per cent to 14.5 million.

The Group has maintained its global leadership position in fibre, with 164.1 million premises passed by ultra-fast broadband networks (+1 per cent year-on-year), of which 77.6 million (+7 per cent) are FTTH.

Furthermore, Telefónica offers 5G coverage of 96 per cent in Spain, 99 per cent in Germany, 73 per cent in Brazil and 88 per cent in the United Kingdom, giving an average of 83 per cent across its four core markets, all of which operate on standalone 5G.

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