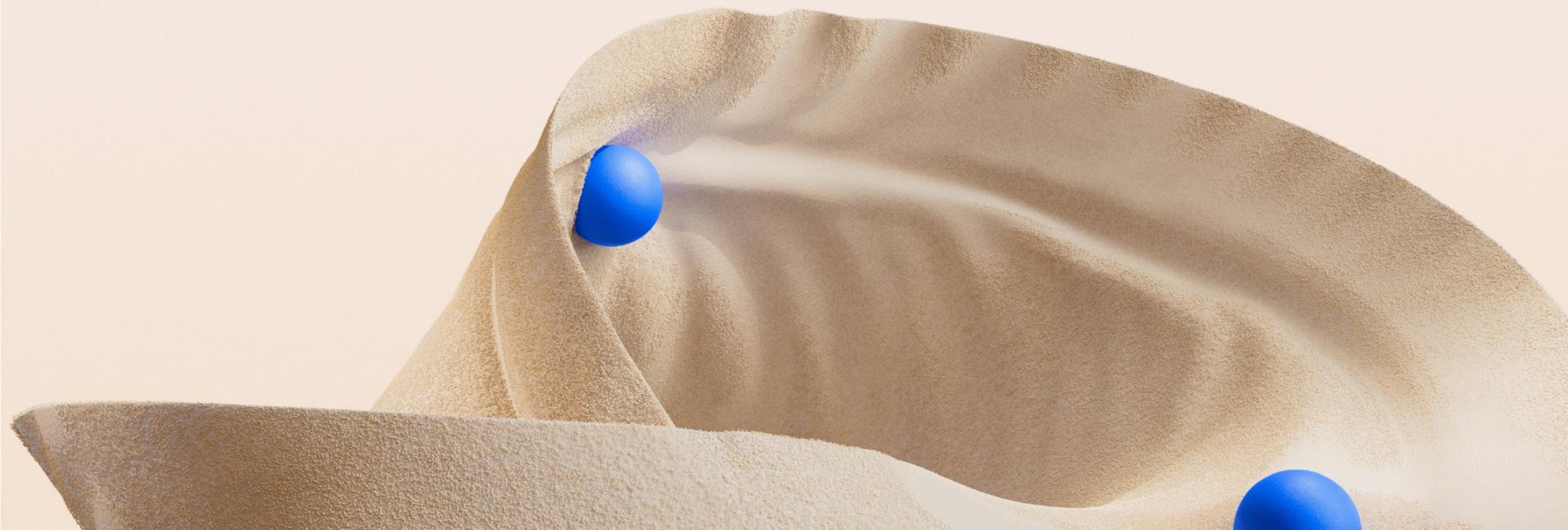




Results 2025



Q1



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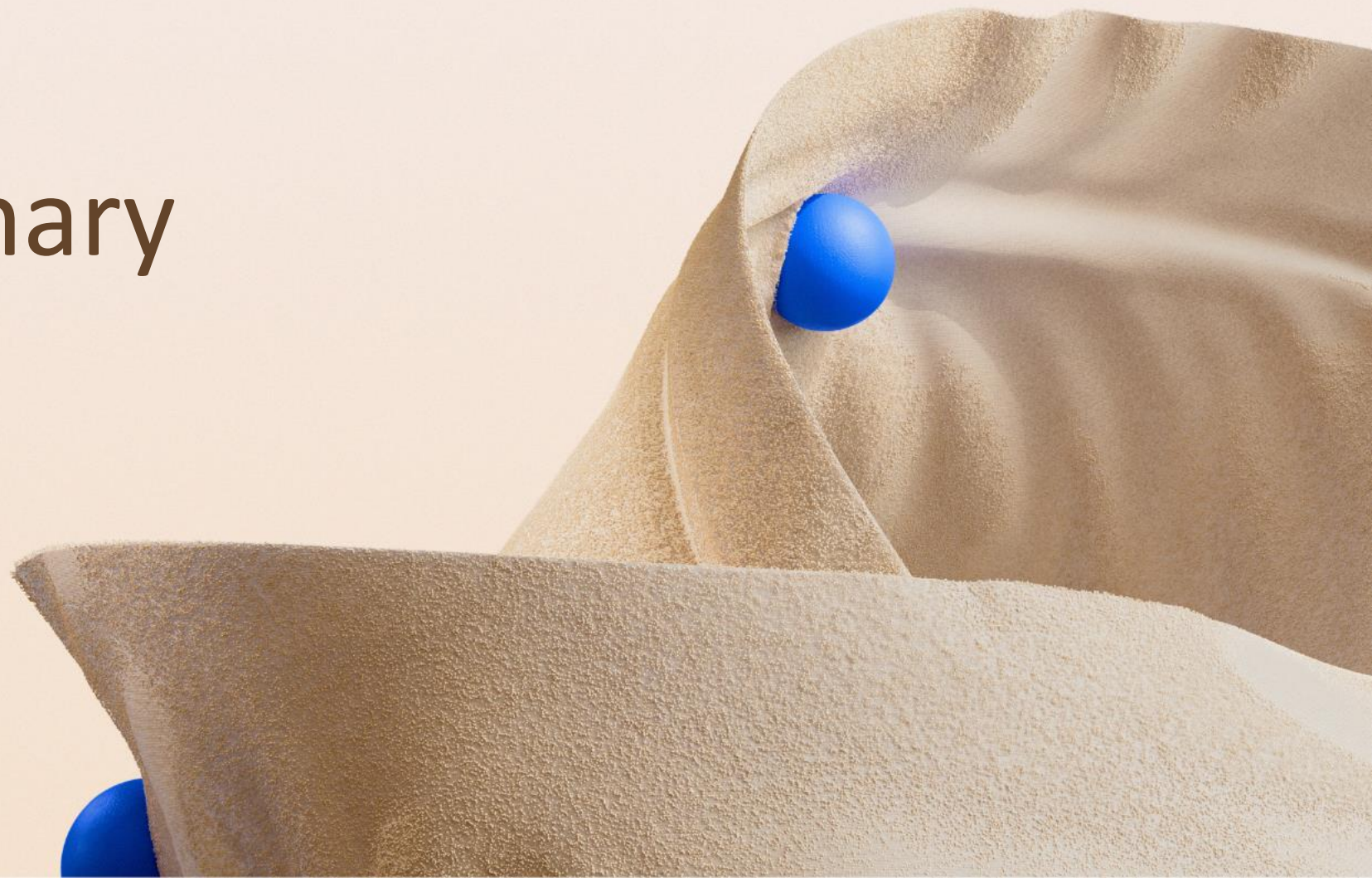
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Q1 25 Summary

Mr. Emilio Gayo
COO



Operational progress

CUSTOMER focus

- **Strong customer base**, 354m accesses
- **Improved P&S portfolio**, Fusion Digital 5.0 for SMEs in Spain
- **NPS hits new highs**, 35 score
- **Historic low churn = higher lifetime value**

Next Generation NETWORKS

- **Expanding fibre**, +1.5m PPs q-o-q to 80m
- **75% 5G coverage** (core markets), +11 p.p. y-o-y
- **More autonomous and efficient networks** (virtualised, open, disaggregated)
- **Network availability rate up in core markets** (fixed +0.2 p.p., mobile +0.5 p.p. y-o-y)

Efficiency driven MANAGEMENT

- **Legacy shutdown** (Spain copper completed, 3G Germany, 2G Uruguay)
- **CapEx intensity declining** (CapEx/Sales-0.4 p.p. y-o-y)
- **Executing our plan in Hispam**, sale of Argentina, Peru and signing in Colombia

Q1: Resilient core units

- ✓ **Improved traction in Spain;** revenue and EBITDAaL growth accelerates to +1.7% and +1.0%
- ✓ **Intact momentum in Brazil** (EBITDA +8.0%, EBITDAaL-CapEx +14.5%). **Margin expansion** (EBITDAaL- CapEx +1.4 p.p.)
- ✓ **Strong EBITDAaL-CapEx in Germany** (+4.8%). Revenue and EBITDA reflect B2P transformation and tough comps
- ✓ **Hispania;** back to positive contract net adds, 1st time since Q4 23. Financials reflect high competition and reported terms impacted by FX and portfolio changes
- ✓ **Reported results** hit by FX. **Organic growth aligned with guidance** (comps to ease along the year). **Net debt reduced and FCF seasonality**

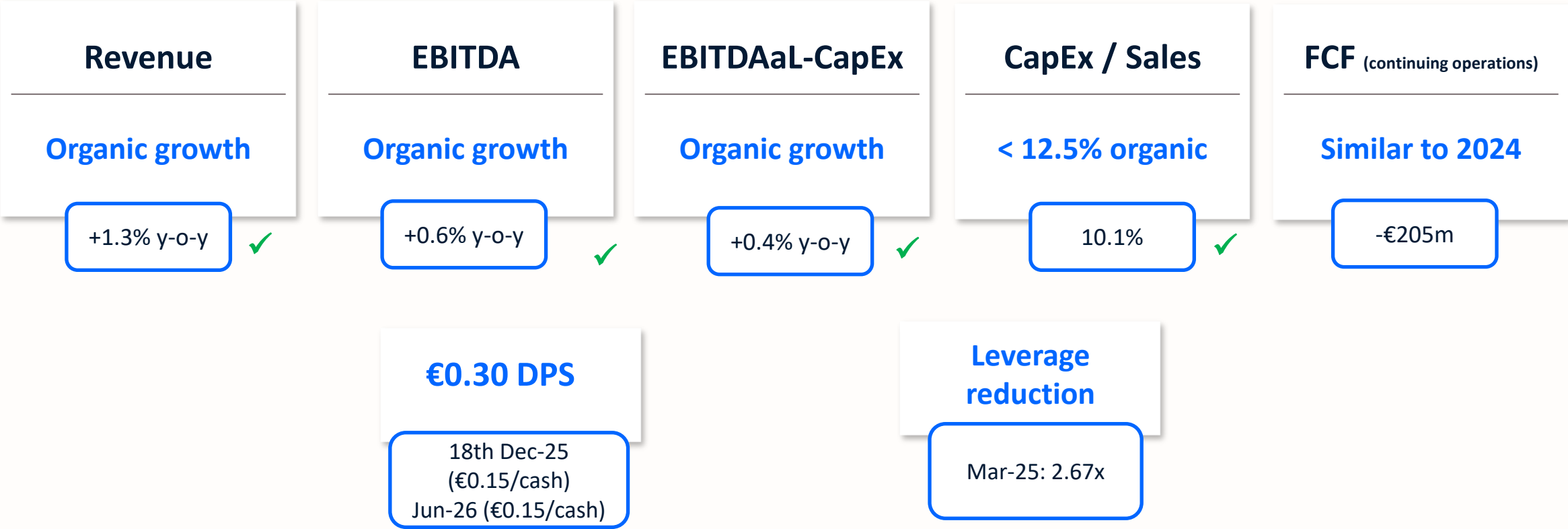
y-o-y organic

	Q1 y-o-y reported	Q1 y-o-y organic
Revenue	-2.9%	+1.3%
Service revenue	-2.8%	+1.5%
B2C revenue	-2.9%	+1.8%
B2B revenue	+1.4%	+5.4%
EBITDA	-4.2%	+0.6%
EBITDAaL - CapEx	-4.9%	+0.4%
CapEx/Sales	10.2%	10.1%

Argentina and Peru accounted as discontinued Operations since 1 January 2025 and reflected in the P&L in the line of Net Income from discontinued operations

EBITDA is adjusted and CapEx ex-spectrum

On track to meet 2025 guidance



Constant perimeter of consolidation

Q1 aligned with internal expectations



Q1 25 Operating Business

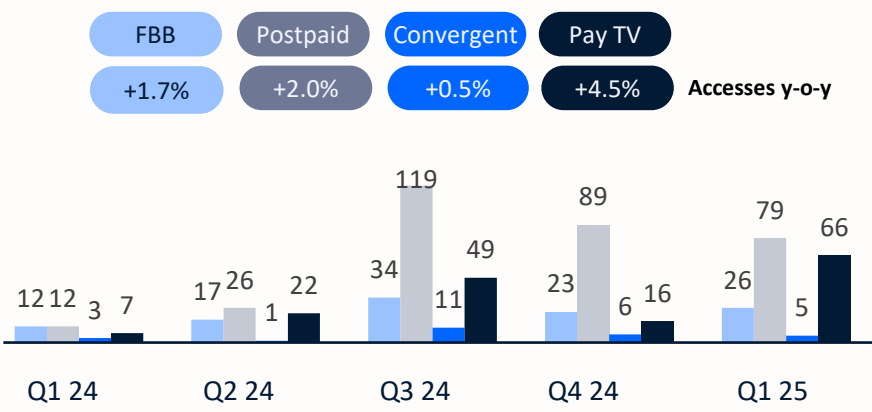
Mr. Emilio Gayo
COO



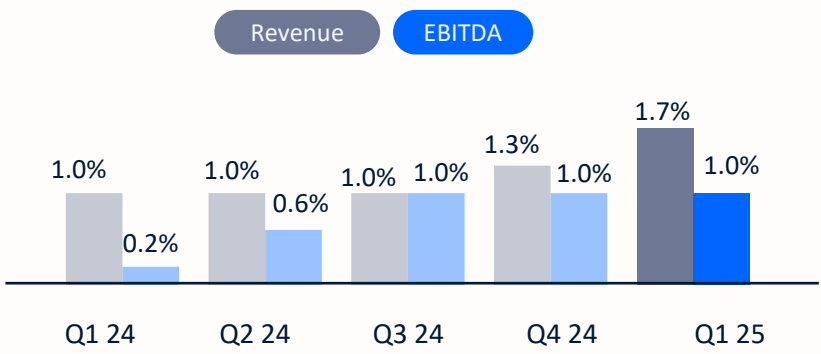


Spain: Increasingly resilient growth

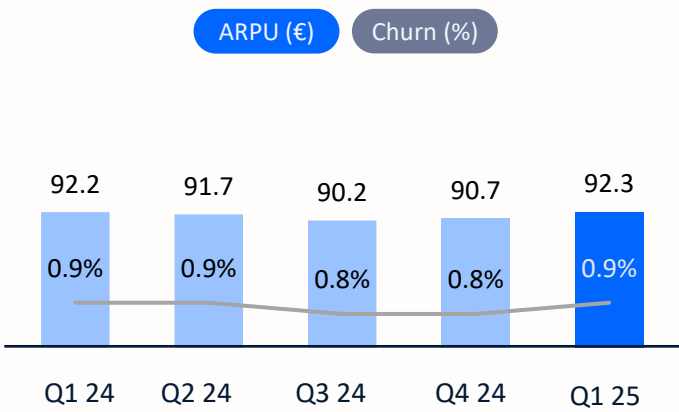
Net adds (k)



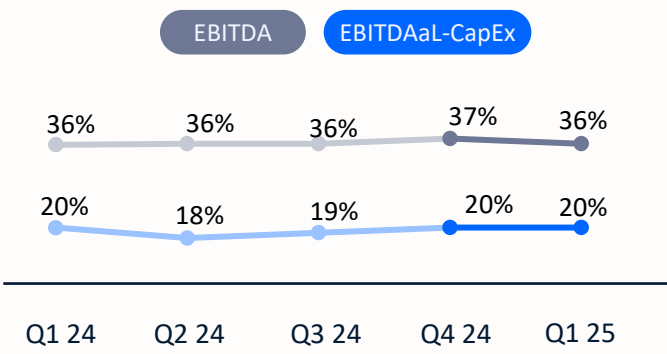
Revenue & EBITDA growth (y-o-y organic)



Convergent KPIs



Margins (organic)



Highlights

- Growth in all accesses for 7th Q in a row accelerating
 - Q1 net adds increasing y-o-y
- Revenue +1.7%, service revenue +1.0%
- B2C growth on customer focus and improving portfolio
 - Smart segmentation, valued brands, flexible offer
 - Traction in our digital ecosystem: devices, alarms...
 - Benchmark convergent Customer Lifetime Value
 - Best ARPU and churn, price upgrade in Jan-25
- B2B intact momentum on solid IT and stable comms
- EBITDAaL-CapEx +2.0% y-o-y
- Best-in-class CapEx/Sales at 10.5% with second-to-none premium networks

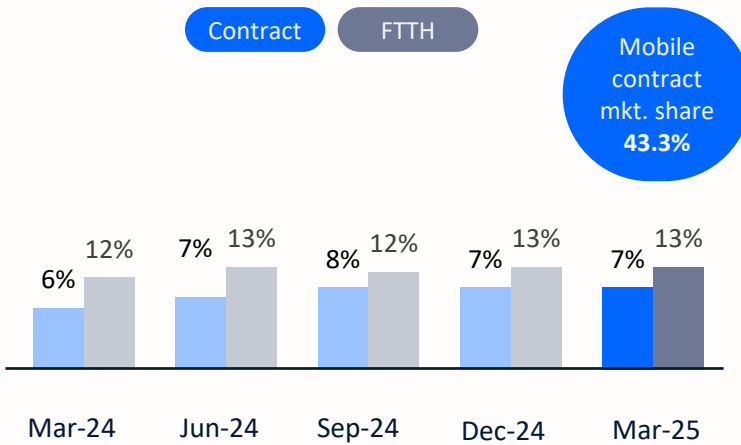
Operating leverage paying off
Deregulation opportunities



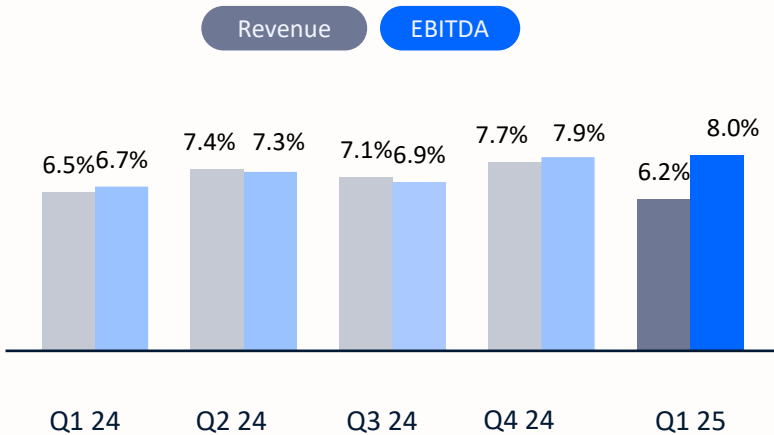


Brazil: Real growth and strong profitability

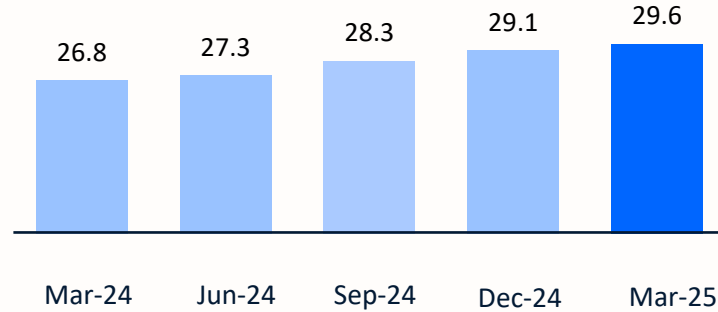
Accesses growth (y-o-y)



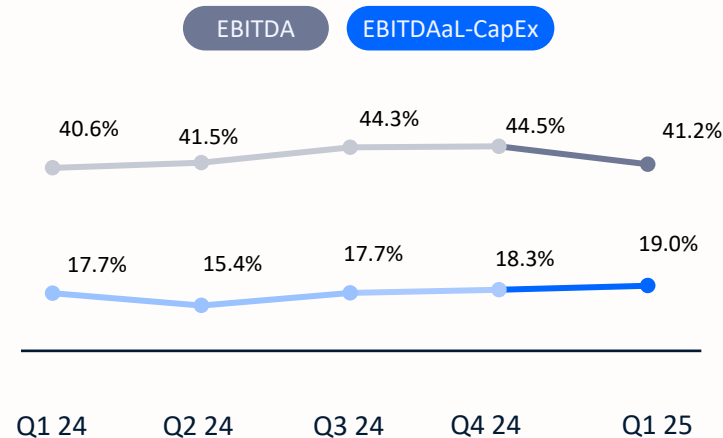
Revenue & EBITDA growth (y-o-y organic)



FTTH Premises passed (m)



Margins (organic)



Highlights

- Continue to grow well above inflation
- Translated into Euro results hit by FX
- Service Revenue: Mobile (+6.5%) & Fixed (+6.2%)
 - Contract: +8.7% & FTTH: 11.1%
 - B2B +14.5% thanks to broad service portfolio
- Maintained commercial momentum
 - Leaders in postpaid & FTTH
 - Vivo Total (fully convergent) accesses +77%
- Digital services penetration accelerates (11% o/total rev)
- Tariff increase in contract & fibre
- Margin expansions y-o-y despite commercial efforts
 - EBITDA (+0.7 p.p.)
 - EBITDAaL-CapEx (+1.4 p.p.)
 - EBITDA +8.0%, EBITDAaL-CapEx +14.5%

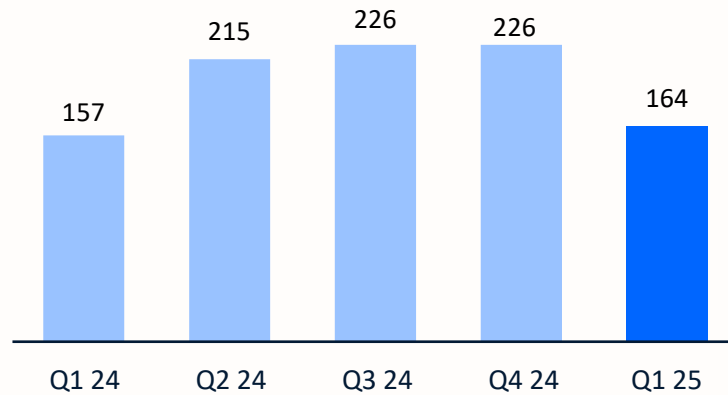
Final agreement for
migration to Authorization



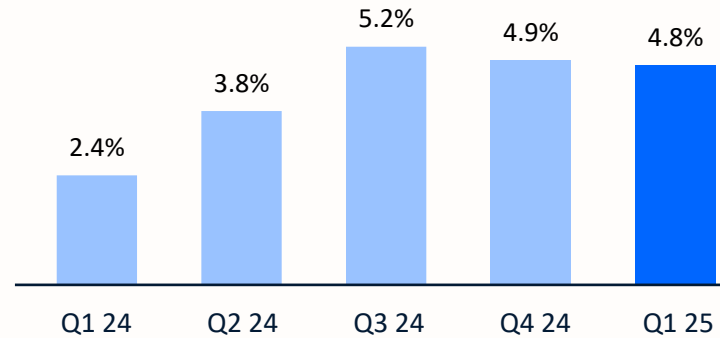


Germany: Operating leverage focus

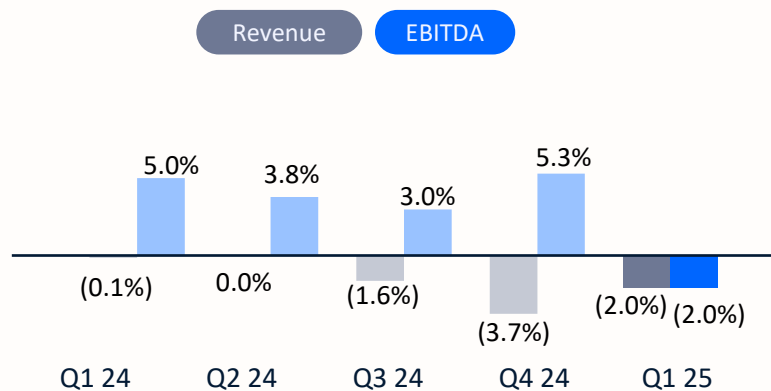
Contract net adds (k) ¹



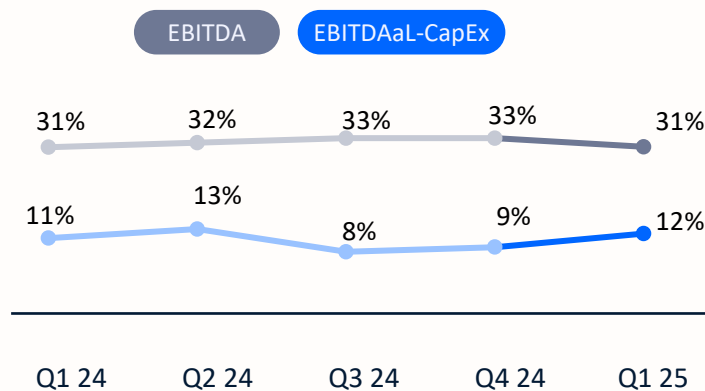
Fixed ARPU (y-o-y)



Revenue & EBITDA growth (y-o-y organic)



Margins (organic)



Highlights

- **Contract net adds** +4.5% y-o-y, stable 1.1% churn
- **O₂ contract ARPU** flattish (friends & family-offers)
- **Revenue** headwinds (B2P transformation, market weakness for handsets) and tough **EBITDA** comps
- **Focus on efficiency gains & profitable growth**
 - Stable EBITDA margin
 - **EBITDAaL*-CapEx +4.8%**, margin +0.8 p.p

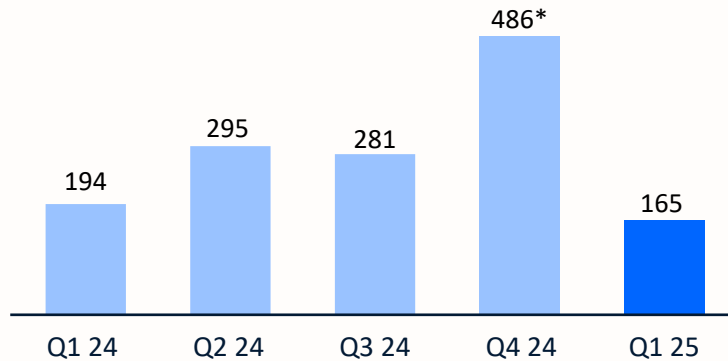
**BNetzA's confirmed
5-year spectrum prolongation**



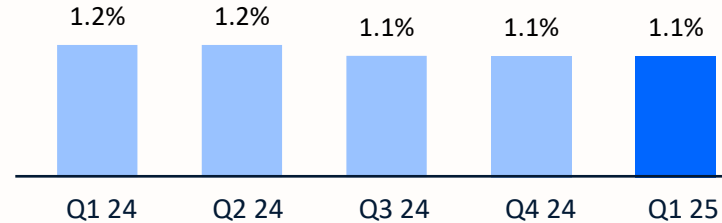


VMO2: Key network programmes of fibre and 5G rollout progress

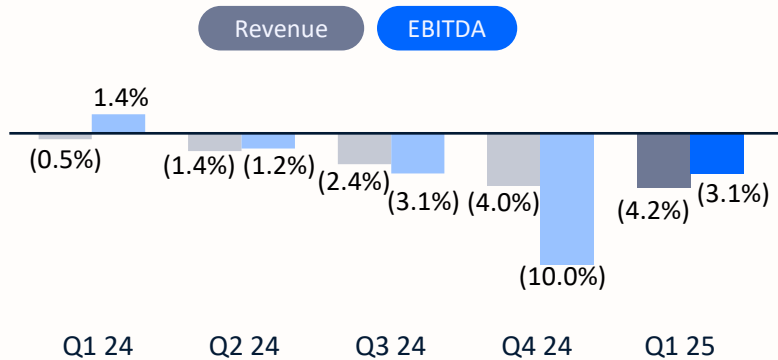
Fixed network build (k new PPs)



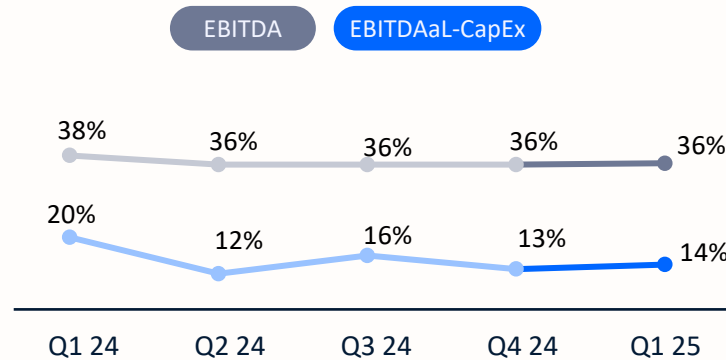
Mobile contract churn (%)



Revenue & EBITDA growth (y-o-y organic)



Margins (organic)



Highlights

- **5G pop. coverage 77%**
- **Fixed footprint reaches 18.4m UBB PPs**
- **Contract churn** stable at **low levels**; 1.1%
- **Revenue and EBITDA** back to growth (ex. handset & nexfibre)
 - Price rise phasing to service revenue
 - Fixed consumer ARPU +1.6%
 - Cost efficiencies
- **EBITDAaL-CapEx** +15.2% on lower CapEx (-12.9%)
 - +2.3 p.p. in margin
- Progressing ESG strategy with **circularity initiatives**

Growth in key metrics in line with guidance





Hispan: Progress in strategic execution

2025

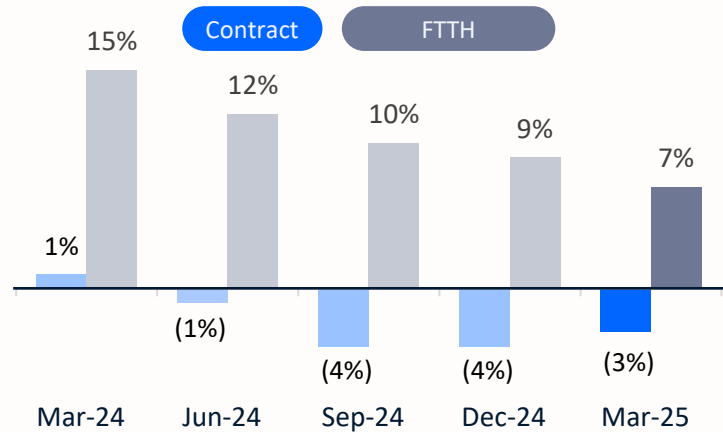


- ✓ **Sale of T. Argentina (€1.2bn)**, simultaneous signing and closing on February 24th, execution risk avoided
- ✓ **Binding agreement for T. Colombia (~€368m)**, closing subject to regulatory approvals and agreements with minorities
- ✓ **Sale of Telefonica Peru**
 - Simultaneous signing and closing on April 13th
 - Avoiding future liabilities' payment (SUNAT and financial debt)
 - Removing risk of future contingencies and potential additional financing needs
 - Positive impacts from deconsolidation at FCF and leverage level
- ✓ **Continued execution of strategy**

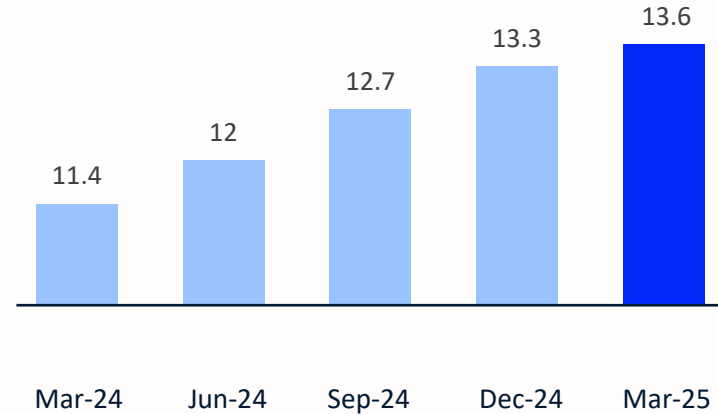


Hispam: Towards stabilisation while reducing exposure

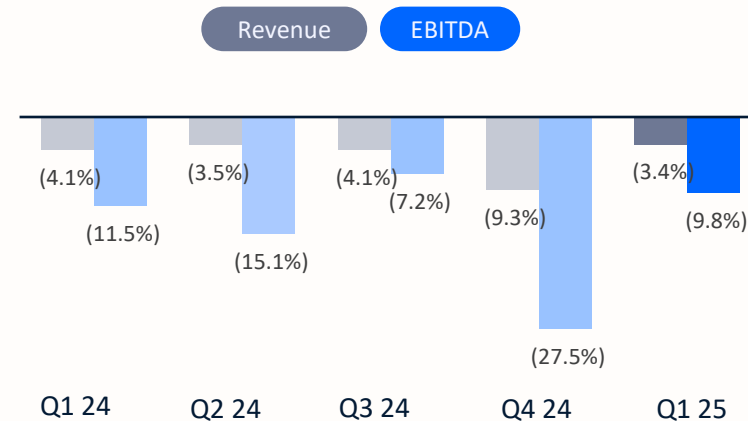
Accesses growth (y-o-y)



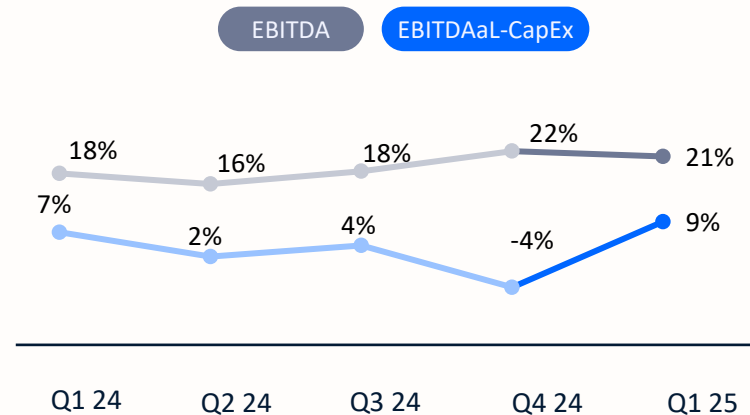
FTTH (m)



Revenue & EBITDA growth (y-o-y organic)



Margins (organic)



Highlights

- **Focus on executing our strategic plan**
- **Better commercial net adds in contract & FTTH in Q1 25**
 - Positive contract net adds after 5 Qs posting losses
 - Chile, reduced portability thanks to new regulatory rules
 - FTTH/FBB accesses (98%, +6 p.p.)
- **Service revenue** -3.1%, Mexico +5.0%
- **EBITDAaL-CapEx**: -30.9% affected by higher leases in Col

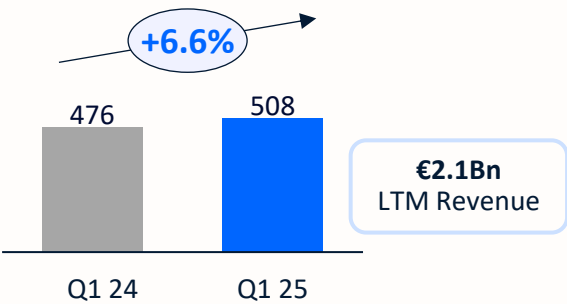
Invested capital -49% vs. Dec-19
Preserving T. Group optionality



Telefónica Tech / Telefónica Infra

Telefónica Tech

Revenue (€ million) (y-o-y organic)

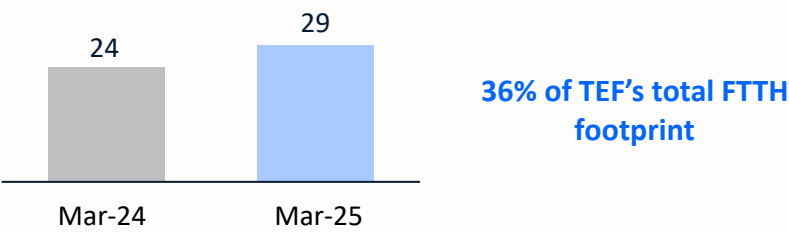


Sustainable business

- Commercial activity led by Private Sector in Q1 25
- Strong commercial funnel for the rest of the year
- Strong market recognition, leader position by industry analysts

Telefonica Infra

FTTH JV premises passed (m)
(via FiberCos)



Data Centres:

- Closed sale of 20% in Nabiax
- Analysing opportunities to maintain exposure to DCs

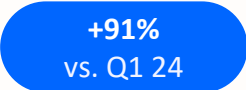
TELXIUUS

>100km of international fibre connectivity

Solid profitability



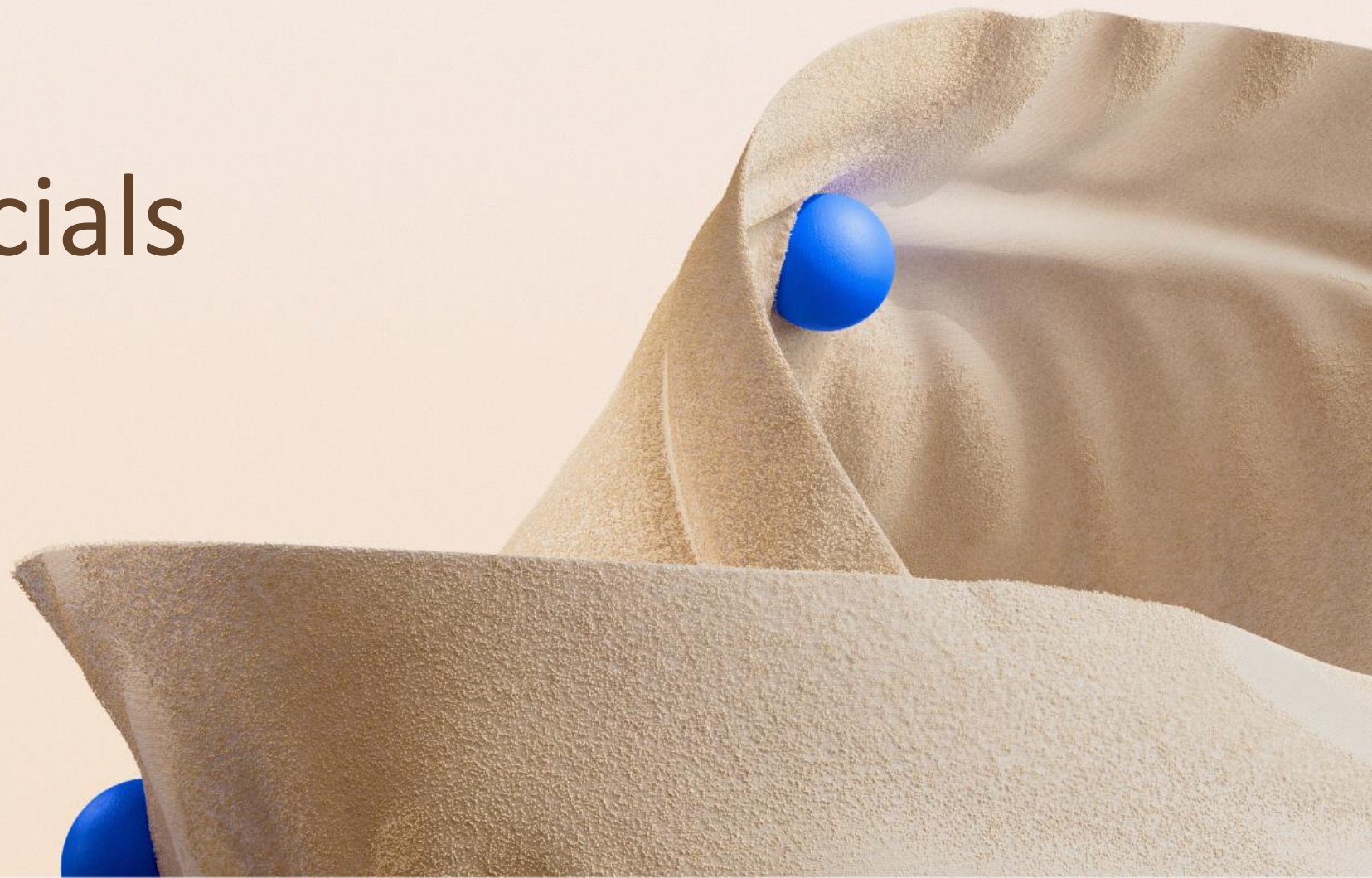
Value of contracts with 3rd parties



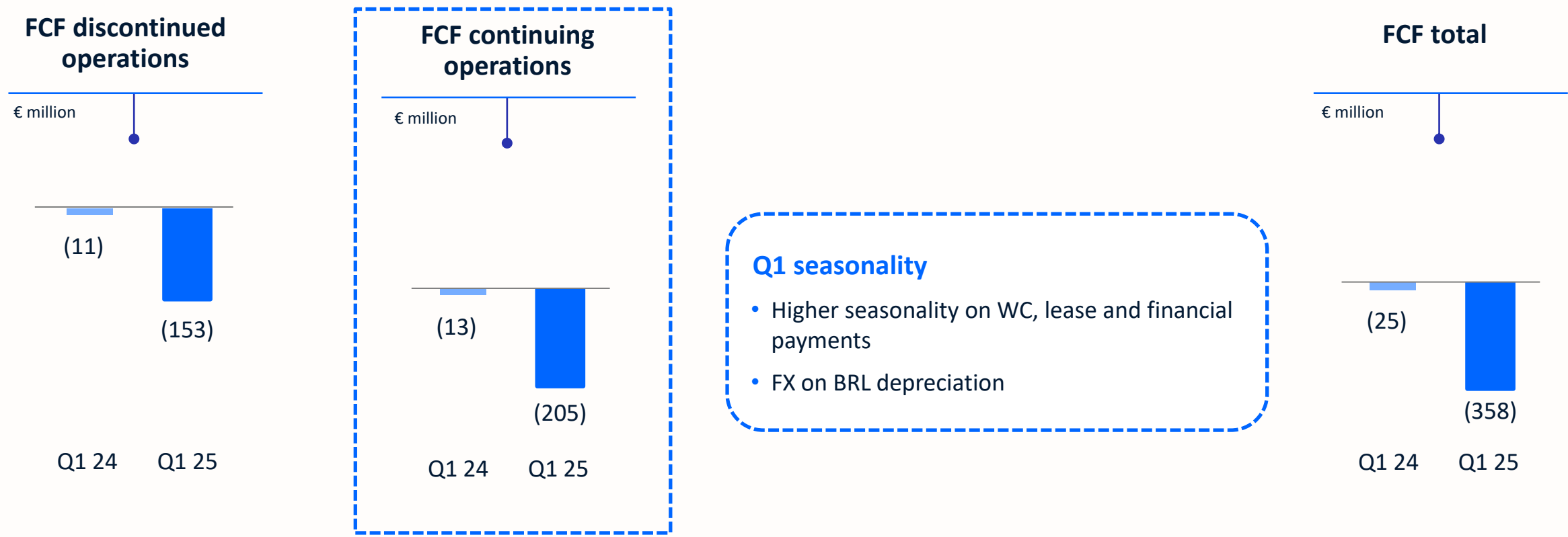


Q1 25 Financials

Mrs. Laura Abasolo
CFCO



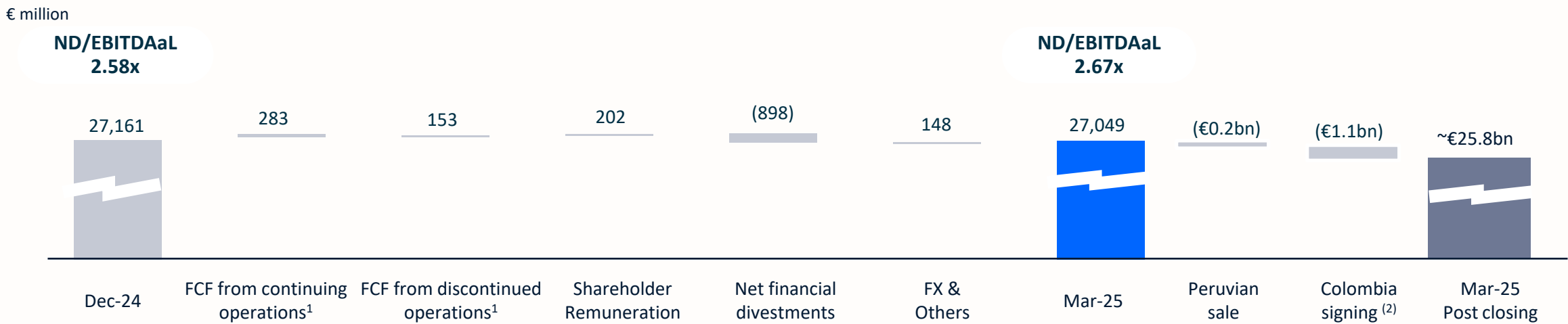
Accelerate FCF delivery throughout the year



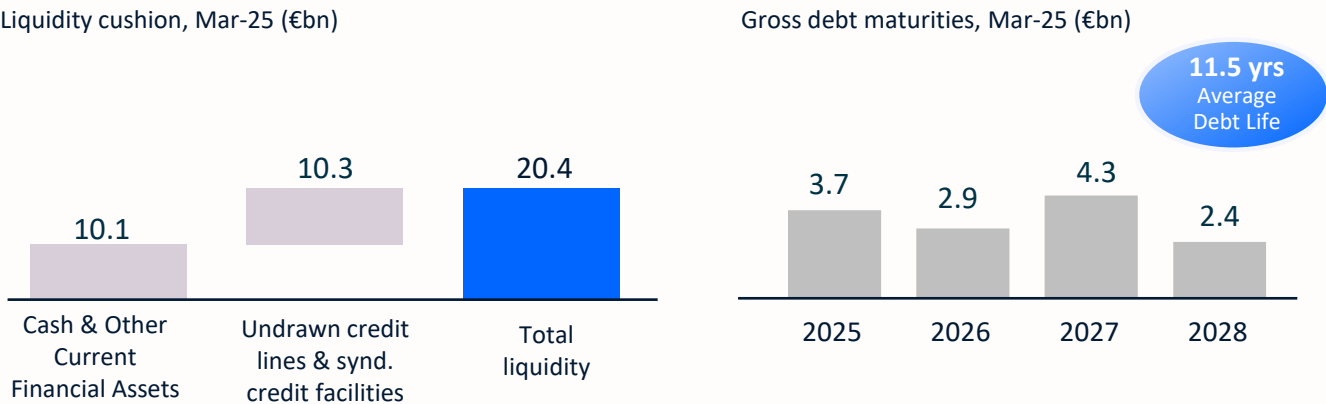
FCF to improve along the year

Solid balance sheet, sound liquidity and contained costs

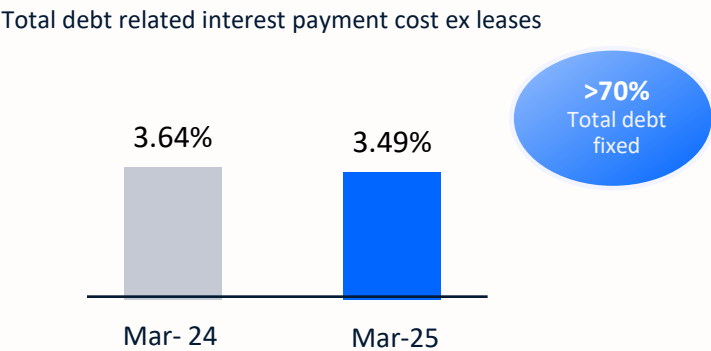
Net Financial Debt



Comfortable liquidity position



Contained interest payment cost



Pragmatic ESG management to create value



Environmental

Renewables to hedge energy costs: PPAs for renewables cover 30% of electricity needs

Helping customers decarbonise: launched AI solutions for urban lighting and fleet management via Telefónica Tech

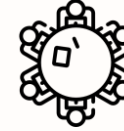


Social

Connecting communities: 98% 4G population coverage in main markets

Protecting customers: 7.8m cyber-threats blocked (Spain)

Monitoring risk: supplier audits & worker surveys at high-risk sites



Governance

Balanced and diverse Board: 40% women, and 53% independent

Shareholder confidence: all resolutions approved at the AGM

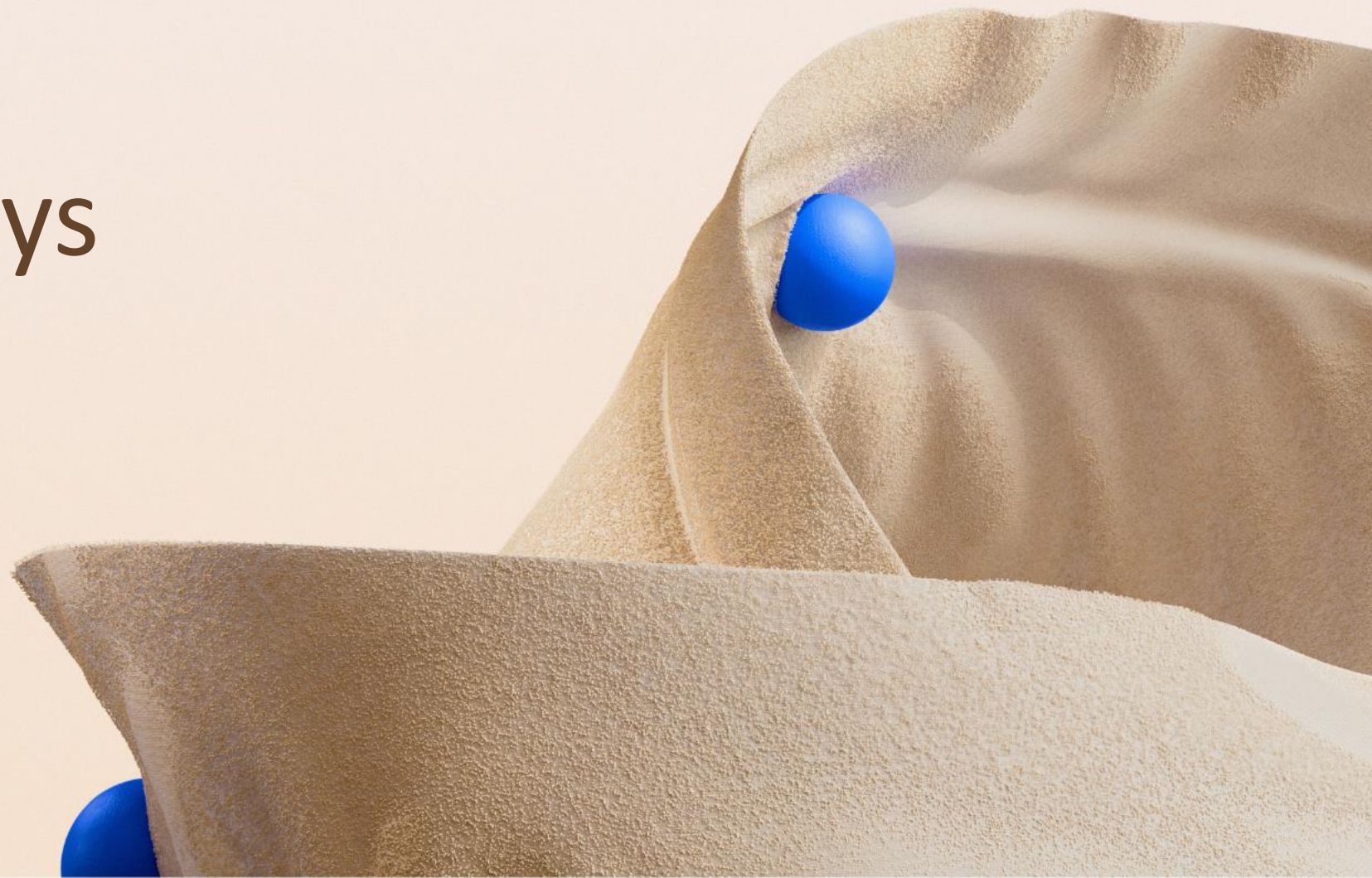
Fiscal Transparency report published: €8.4bn paid in taxes globally in 2024

Positive impact: consistent socio-economic contribution aligned with the SDGs



Key takeaways

Mr. Emilio Gayo
COO



Key messages

Continued strategy execution: Resilient core markets T. Hispam exposure reduced

- Performance in core markets driven by customers and NGN
- Capital being reallocated from T. Hispam disposals to core markets, core business and positive leverage impacts
- Efficiency focus

2025 guidance confirmed

- Comps to ease through the year
- Back-end loaded FCF

Guidelines of our strategic framework

1. Customers at the core
2. Technology and operational excellence
3. Disciplined industrial rationale
4. Value creation for all stakeholders

Europe will change

Update on **strategic review in H2 25**

Results presentation and Q&A Session



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
- **Laura Abasolo** | CFCO
- **Markus Haas** | CEO Telefónica Deutschland
- **Lutz Schüler** | CEO Virgin Media O2
- **Eduardo Navarro** | Chief Corporate Affairs & Sustainability Officer
- **Torsten Achtmann** | 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

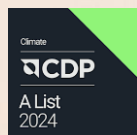


- To **participate in the Q&A session**, please register using the following link to receive the dial in and PIN details: [click here](#)



Bloomberg

Bloomberg ESG Score
#2 in sector



CDP Climate
A List 2024



2024
#1 in sector

ISS ESG

ISS ESG Corporate Rating
#1 in sector



Sustainalytics ESG
Industry Top Rated 2025



World
Benchmarking
Alliance

Social Benchmark
1st company worldwide 2024

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