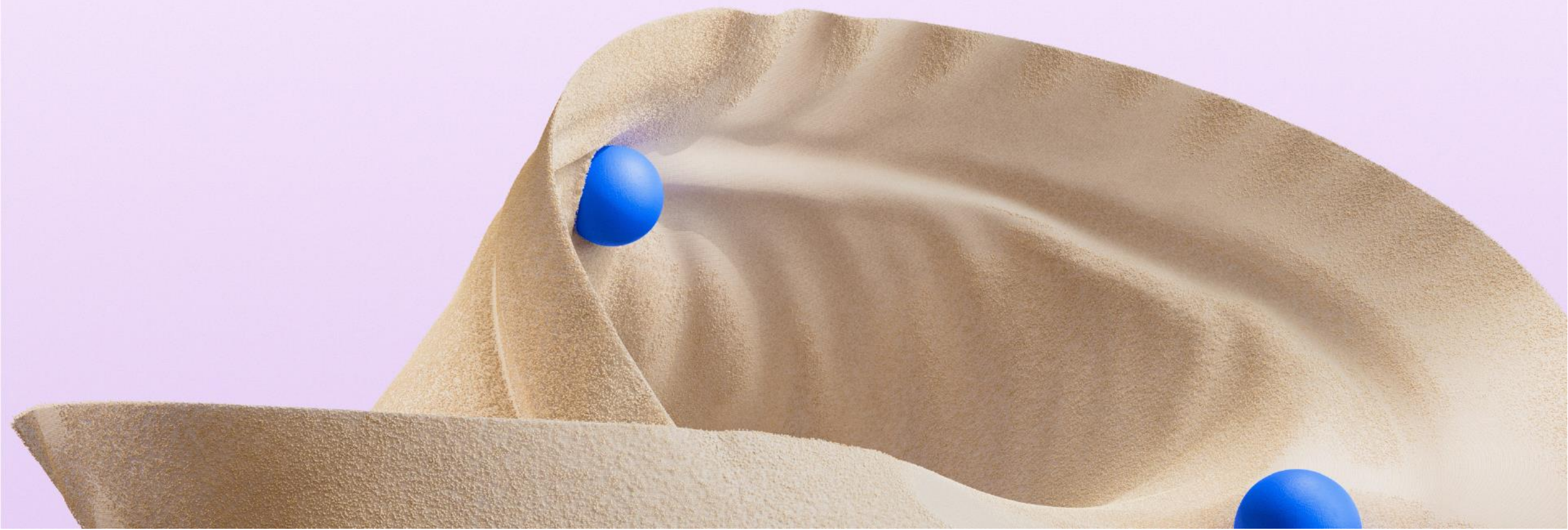




# Results 2025

→ **Q2**



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# Q2 25 Summary

**Mr. Marc Murtra**  
Chairman & CEO



## Four principles guiding our transformation

1

**Customers** at the core of everything we do

3

Disciplined  
**industrial rational**

Strict financial discipline

2

**Technology & operational excellence** key for our business

4

**Value creation** for all stakeholders

Europe and leadership in Brasil as priorities

---

**Strategic review on track in H2 25**

---

# Solid progress in strategy execution, Q2 milestones

## CUSTOMER focus

348.6m

+1.9m q-o-q

### Improved CLV

Strong NPS score (33)

Best-in class churn

### Portfolio renewals

Mi Movistar in Spain mid-June

New O2 tariffs in Spain

## Next Generation NETWORKS

Fibre 81.4m

+1.5m PPs q-o-q

### 5G coverage 77%

+2 p.p. q-o-q in core markets

### Network expansion

Managing efficiently the technology cycle

## Efficiency driven MANAGEMENT

### CapEx reduction on efficiencies

Milestone of Copper switch-off in Spain

Automation of processes

New architecture of the network

### Simplification

A competitive advantage

### Acceleration in Hispam disposals

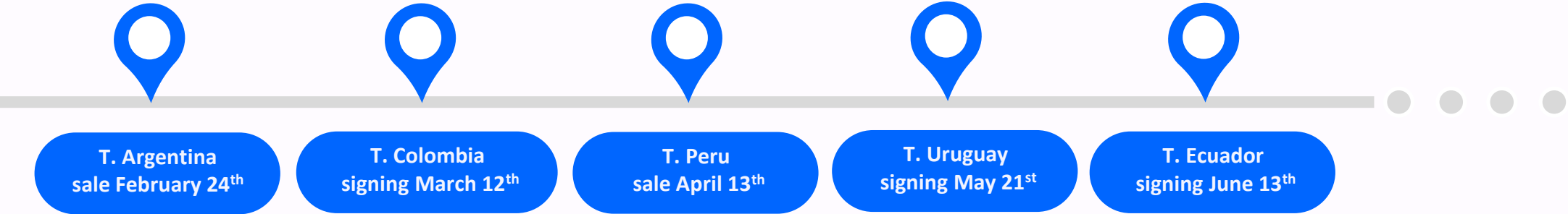
Signing Uruguay and Ecuador in May, June

Argentina (Feb), Peru (April) and signing Colombia (Mar)

# Accelerating portfolio transformation in Hispam



2025



- ✓ Sale of T. Argentina (€1.2bn), simultaneous signing and closing executed
- ✓ Binding agreement for T. Colombia (~€368m), closing pending subject to certain conditions
- ✓ Sale of Telefonica Peru, simultaneous signing and closing executed
- ✓ Binding agreement for the sale of T. Uruguay (FV ~€389m), closing pending subject to certain conditions
- ✓ Binding agreement for the sale of T. Ecuador (FV ~€330m), closing pending subject to certain conditions

## Total Transaction value

~€3bn firm value across 5 transactions

# Overview of key financials; acceleration in organic growth

€ in millions	H1 25			Q2 25		
	Reported	Reported y-o-y	Organic y-o-y	Reported	Reported y-o-y	Organic y-o-y
<b>Revenue</b>	18,013	(3.3%)	1.5%	8,953	(3.7%)	1.5%
Service revenue	16,263	(3.3%)	1.6%	8,104	(3.8%)	1.6%
B2C revenue	10,801	(4.3%)	2.0%	5,323	(4.8%)	2.1%
B2B revenue	4,027	0.6%	5.1%	2,021	0.2%	5.2%
Wholesales & Others	3,185	(4.8%)	(4.7%)	1,609	(4.5%)	(4.7%)
<b>EBITDA</b>	5,867	(4.6%)	0.8%	2,921	(4.8%)	1.2%
<b>EBITDAaL- CapEx</b>	2,528	(5.9%)	(0.2%)	1,212	(6.2%)	(0.1%)
<b>CapEx / Sales organic</b>	11.1%		(0.4 p.p.)	12.1%		(0.4 p.p.)
<b>FCF from continuing operations</b>	291	(42.4%)		505	(6.6%)	
<b>Net Financial Debt</b>	27,609	(5.5%)				
<b>EPS from continuing operations</b>	0.15	(27.3%)		0.07	(30.7%)	

**FX impact in reported**  
-4.9p.p. in revenue,  
-5.1p.p. in EBITDA,  
-4.2p.p. in EBITDAaL-CapEx  
(H1: -4.5pp, -4.8pp, -4.2pp)

**FCF building momentum**  
+€718m q-o-q

# Delivering steady underlying performance



## Spain; improved EBITDAaL-CapEx (+2.8%, +0.8 q-o-q)

y-o-y organic Q2

- Q2 net adds, the best since Q3 18
- Consistent trend in Service Revenue (+1.0%) and EBITDA (+1.0%)



## Brazil; leader in market share (mobile contract and FTTH)

- Record EBITDA growth (+8.6%) since Q4 23
- Robust EBITDAaL-CapEx margin (16.3%, +1.0 p.p.)



## Germany; focused on mitigating of 1&1 migration

- Commercial momentum and B2P transformation
- H1 EBITDAaL-CapEx margin (12.0%; +0.1 p.p.)



## VMO2; EBITDA improved decline on cost efficiencies

y-o-y organic Q2

- Network expansion
- Spectrum acquisition, a long-term positive



## Hispania; 2<sup>nd</sup> Q of positive contract net adds

y-o-y organic Q2

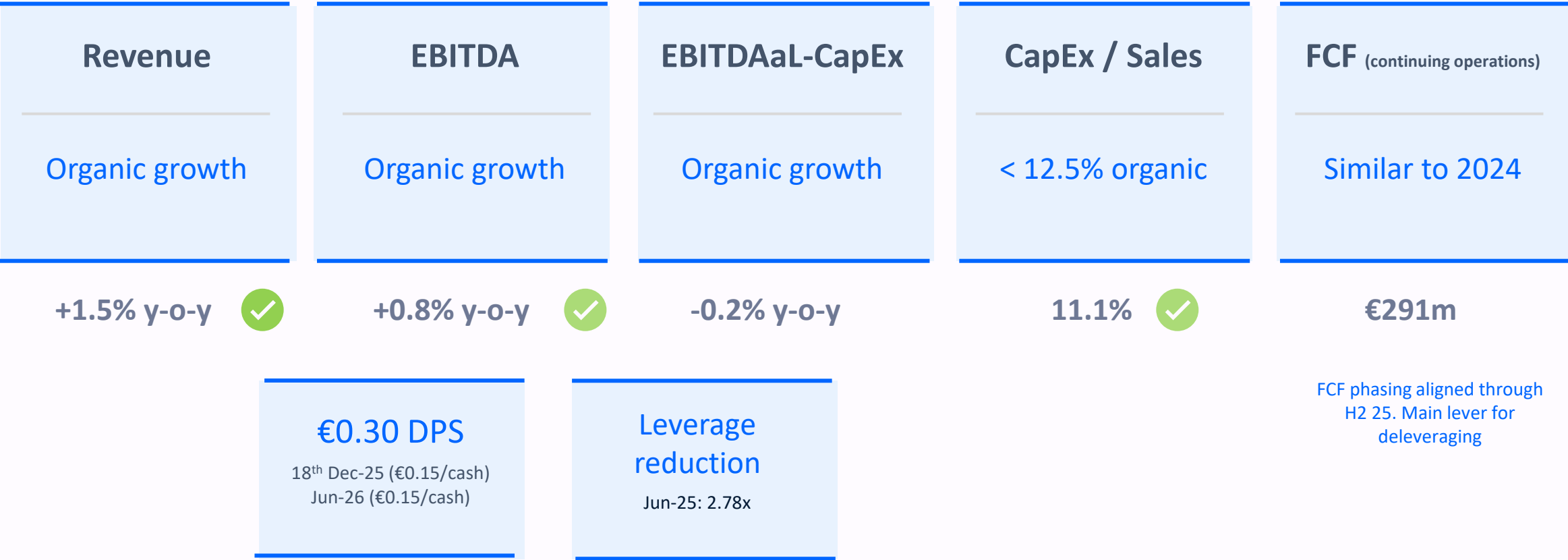
- Increased FTTH penetration
- Declining EBITDA softened

## Contribution to y-o-y growth Group EBITDA





# On track: 2025 guidance confirmed



Constant perimeter of consolidation

Q2 performance in line with company expectations



# Q2 25 Operating Business

Mr. Emilio Gayo  
COO



## Q2 operating business: disciplined execution

Commercial  
momentum

Standout network  
quality

Consistent  
execution

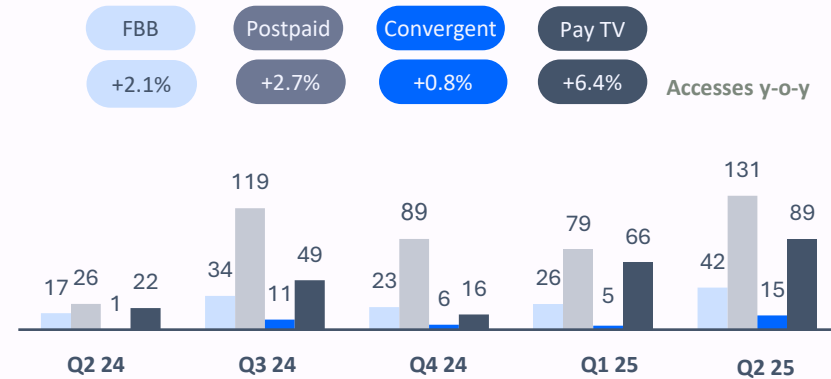
# Spain: Accelerating growth in customers and financials



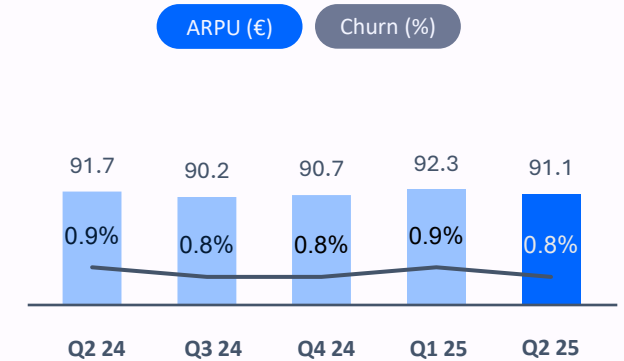
- **Best quarter net adds since Q3 18**
  - y-o-y growth of accesses accelerate
  - Better portability and churn
- **Reinforced competitiveness**
  - Movistar & O2 portfolios upgraded
  - New exciting attention plan "Movistar por ti"
- **B2C growth balanced:** higher base & benchmark CLV
- **IT sales at double digit growth** (>50% B2B)
- **Q2 EBITDAaL +1.2% y-o-y**; +0.2 p.p. q-o-q
- **Best-in-class CapEx/Sales**
  - H1: 11.2%; superior NGN

**Leading cash conversion**  
**Fibre market deregulated**  
 (CNMC resolution expected in Q3)

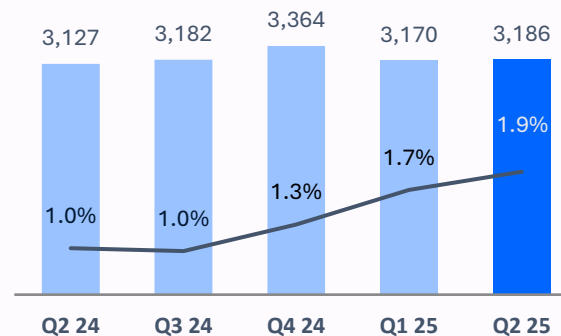
## Net adds (k)



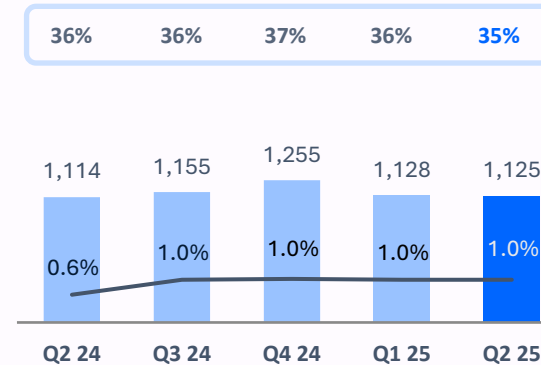
## Convergent KPIs



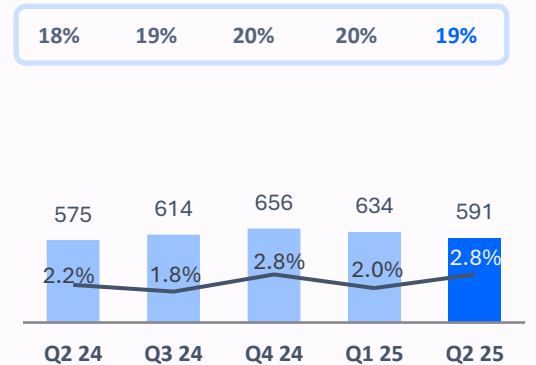
## Revenue



## EBITDA & margin



## EBITDAaL-CapEx & margin



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

# Brazil: Growth in high value accesses and accelerating financial growth



## Clear leadership in the market

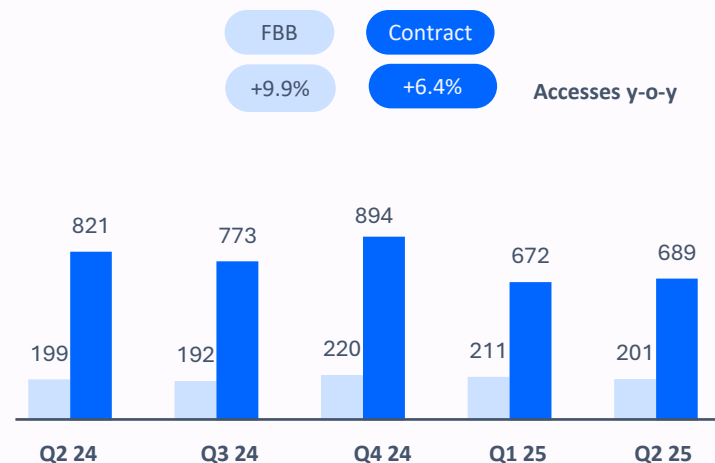
- Market share: postpaid (43%) FTTH (18%)
- Vivo Total (fully convergent) acc +63%
- **FTTH:** 30.1m PPs (+2.8m in LTM)

## Revenue growth above inflation

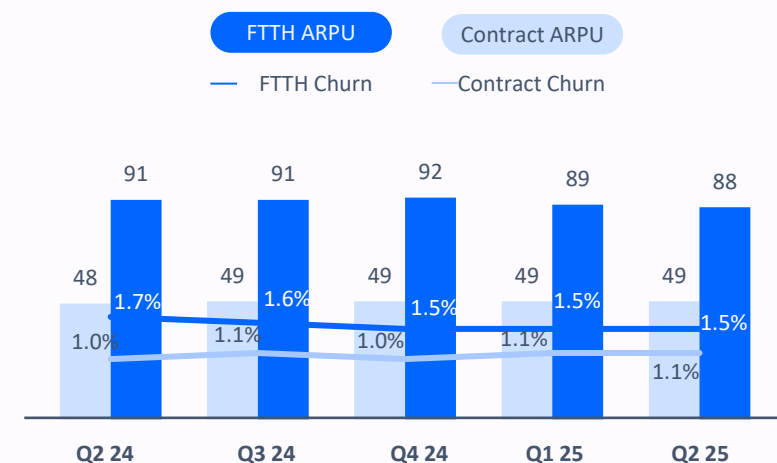
- MSR (+7.3%) & Fixed (+7.9%)
- FTTH (+10.9%) & Contract (+9.2%)
- **Strongest EBITDA growth since Q4 23**
- **CapEx/Revenue** 14.8% in H1 (-0.6 p.p.)
- Acquisition of **50% stake in FiBrasil owned by CDPQ** for BRL850m
- **“Company of the Year” EXAME’s ESG award**

**Final agreement for migration to Authorisation**

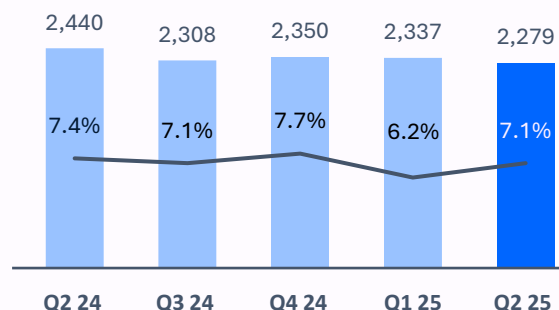
## Net adds (k)



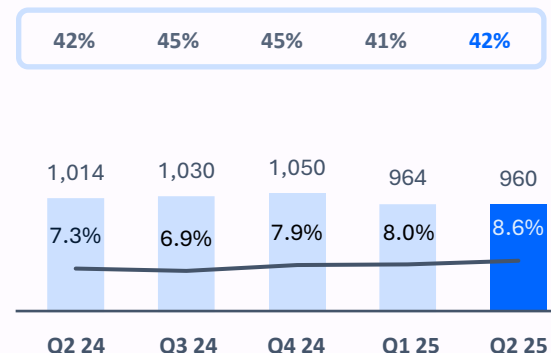
## KPIs (local currency)



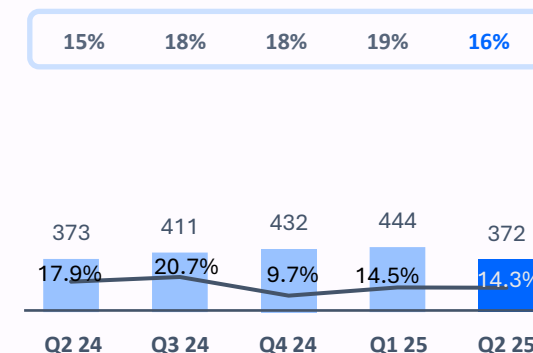
## Revenue



## EBITDA & margin



## EBITDAaL-CapEx & margin



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



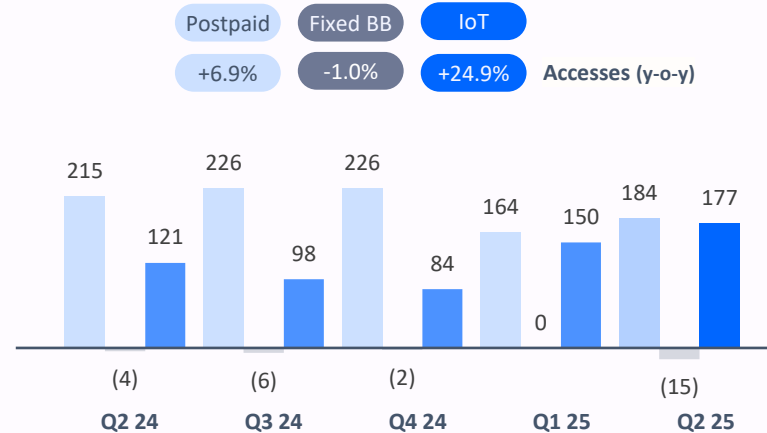
# Germany: focused on mitigating the effect of 1&1 migration



- **Robust mobile trading, contract net adds +12.1% q-o-q**
  - Somewhat higher promotional activity in the market
  - Stable O<sub>2</sub> churn at low levels, 0.9%
- **5G coverage ~98%**; strong progress on densification & innovation
- **Partner business weighs on financials**
  - Revenue weaker on MSR reflecting customer migration
  - Softer handset sales; in-line with market
  - Fixed revenue continue to grow
- **EBITDA**; focused strategy execution but short-term impact of partner business transformation
- **ESG**; top 5 ranked telco providers globally

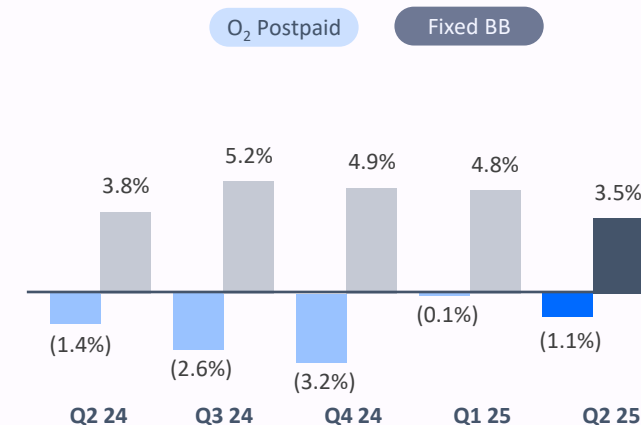
**O<sub>2</sub> network ranked among top 3 in EU in recent crowdsourcing test (connect magazine)**

## Net adds (k)

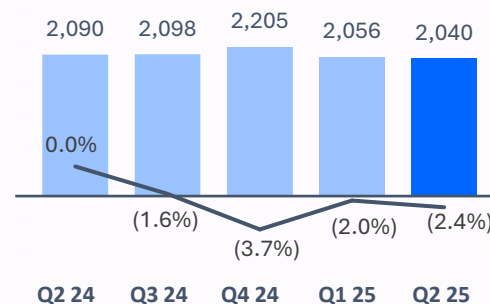


Net adds exclude 3rd party MNO-accesses

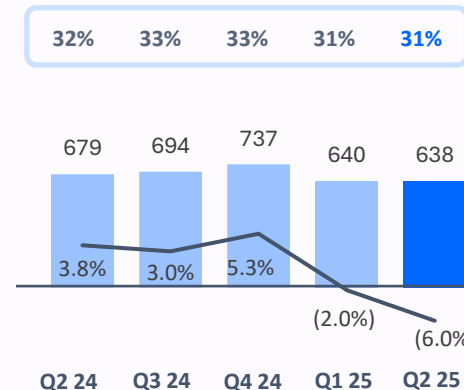
## ARPU (y-o-y)



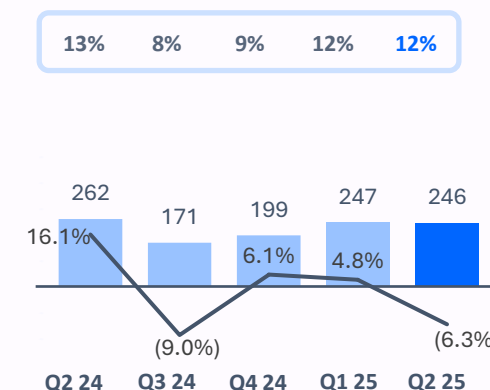
## Revenue



## EBITDA & margin



## EBITDAaL-CapEx & margin



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

# VMO2: Focus on value over volume

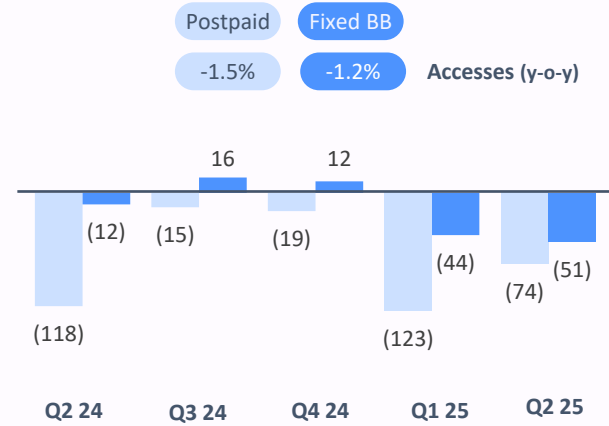


- **Contract churn improved to 1.1%**
- **Consumer fixed ARPU growth; £1.5 q-o-q**
- **Fixed footprint reaches 18.5m UBB PPs**

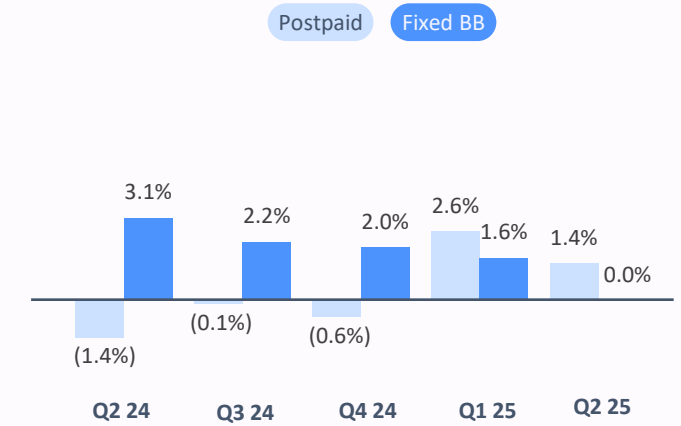
- **Revenue decline impacted by:**
  - Price rise phasing
  - Handset softness
  - Lower nexfibre construction
- **EBITDA trend improving;** cost efficiencies starting to deliver
- **All guidance metrics reaffirmed**
- **Campaign** to help ~2m vulnerable customers in UK's digital switchover

**Spectrum acquisition to strengthen mobile position (pending OFCOM approval)**

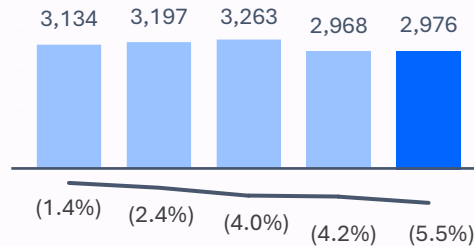
## Net adds (k)



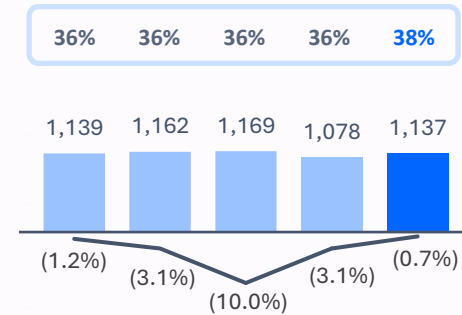
## ARPU (y-o-y)



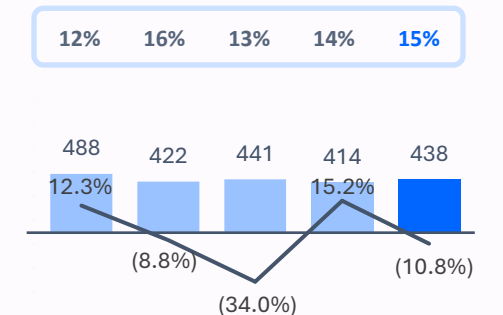
## Revenue



## EBITDA & margin



## EBITDAaL-CapEx & margin



Q2 24 Q3 24 Q4 24 Q1 25 Q2 25

Q2 24 Q3 24 Q4 24 Q1 25 Q2 25

Q2 24 Q3 24 Q4 24 Q1 25 Q2 25

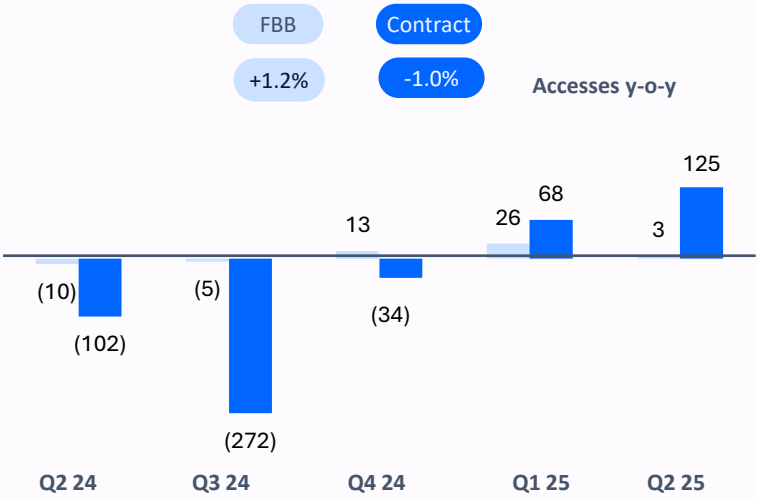
y-o-y org growth; Absolute numbers (€m) of EBITDA and EBITDAaL are adjusted and CapEx ex- spectrum

# Hispan: Better commercial trends

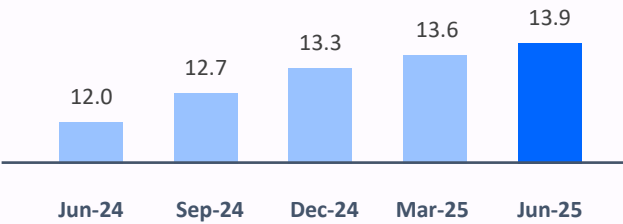


- **Sustained improvement in commercials**
  - Positive contract net adds in Mexico, Colombia & Chile
  - FTTH/FBB accesses (99%, +5 p.p.)
- **Service revenue** -3.4% (legacy assets sales in 2024)
  - Mexico +3.5%
- **EBITDA** trend improved thanks to Colombia (+1.3%)
- **EBITDAaL-CapEx**: affected by higher leases in Colombia

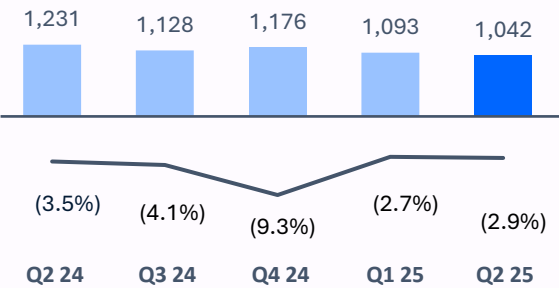
Net adds (k)



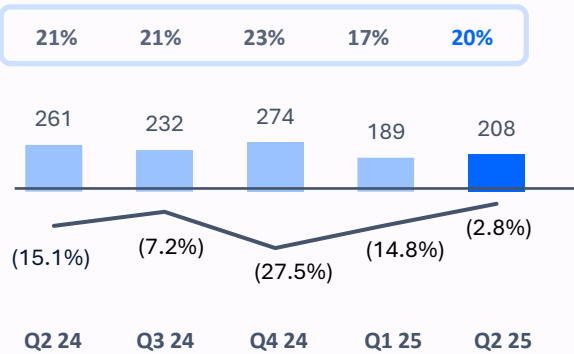
FTTH premises passed (m)



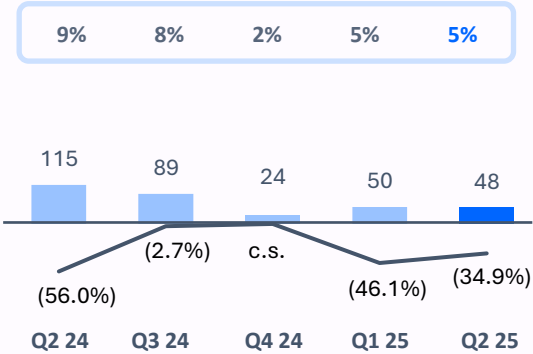
Revenue



EBITDA & margin



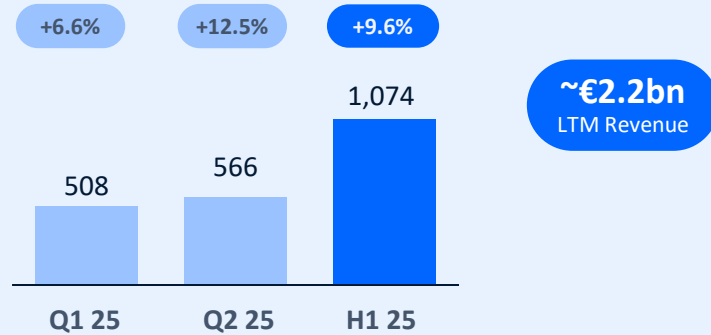
EBITDAaL-CapEx & margin



y-o-y org growth; Absolute numbers (€m) of EBITDA and EBITDAaL are adjusted and CapEx ex- spectrum  
2024 vs. 2023 financial variations includes Argentina, Peru, Ecuador and Uruguay under Organic criteria

## Telefónica Tech

Revenue (€ million) (y-o-y organic)



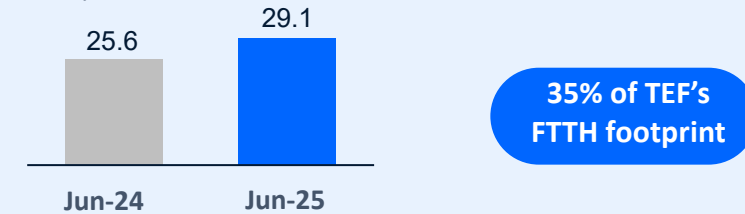
### Sustainable business

- Commercial activity led by Financial, Healthcare & Public sector
- Bookings growth in line with revenues, healthy funnel for the rest of the year
- AI & Data, key driver for customers totalisation triggering Cloud, IoT & Data Protection (Cybersecurity) projects

## Telefónica Infra

- Contributes to the industrial transformation and efficiency of the OBs
- Maintains its role as growth enabler

FTTH JV premises passed (m)  
(via FibreCos)



**TELXIU**

>100km of international fibre connectivity

Consistent  
profitability H1 25

49%  
EBITDA  
margin

Partnering with Google to provide the necessary infrastructure to land their new subsea cable Sol in Spain



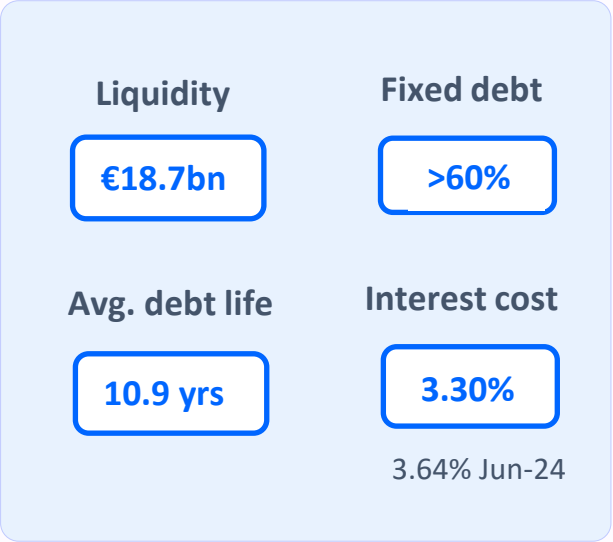
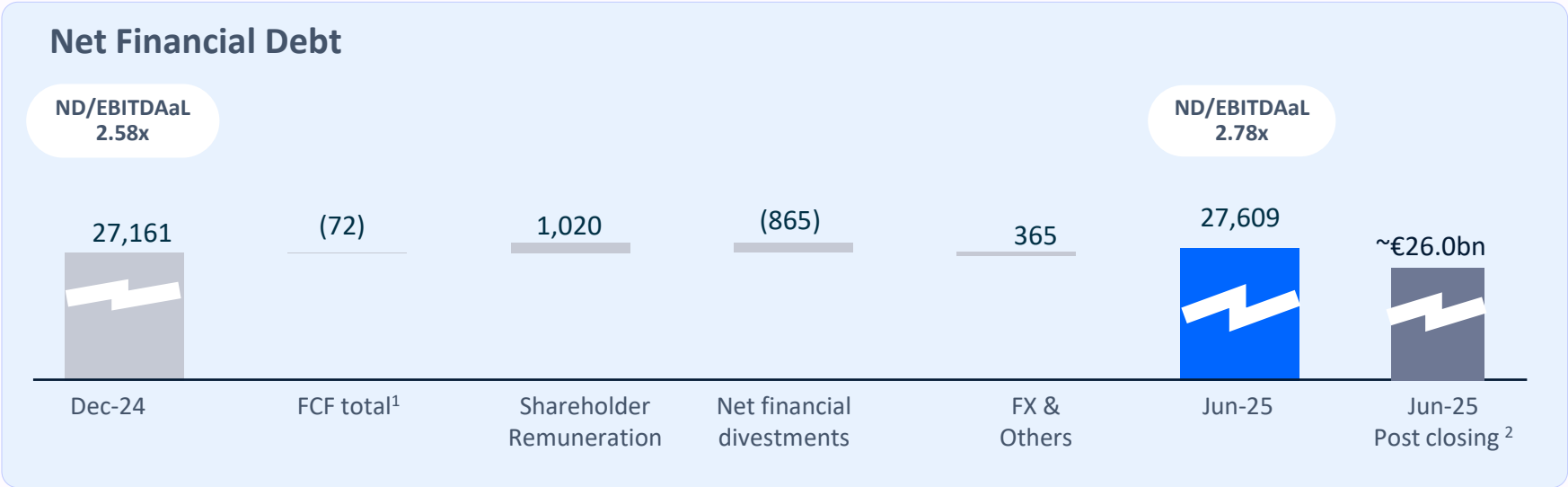
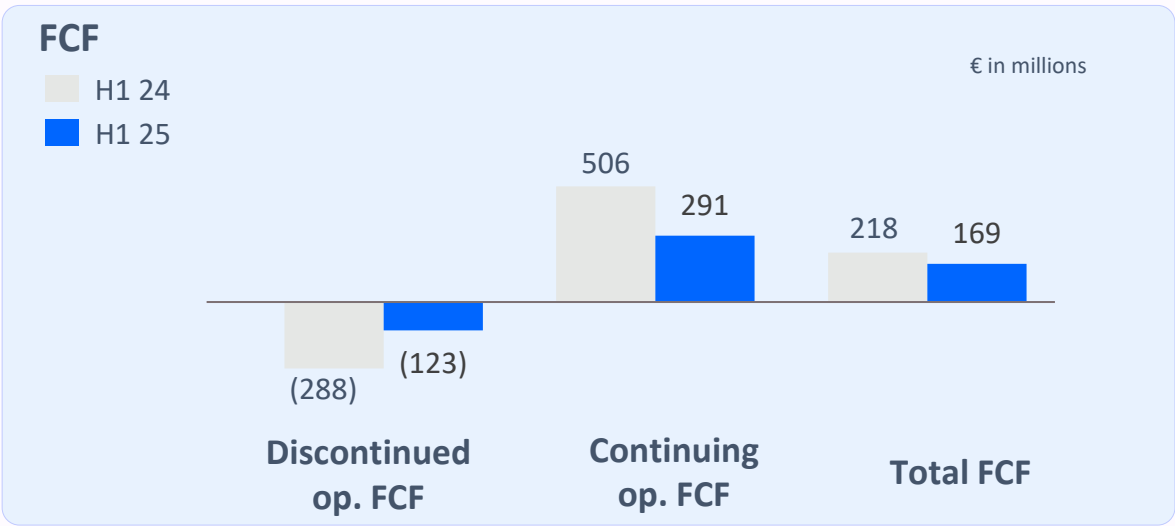
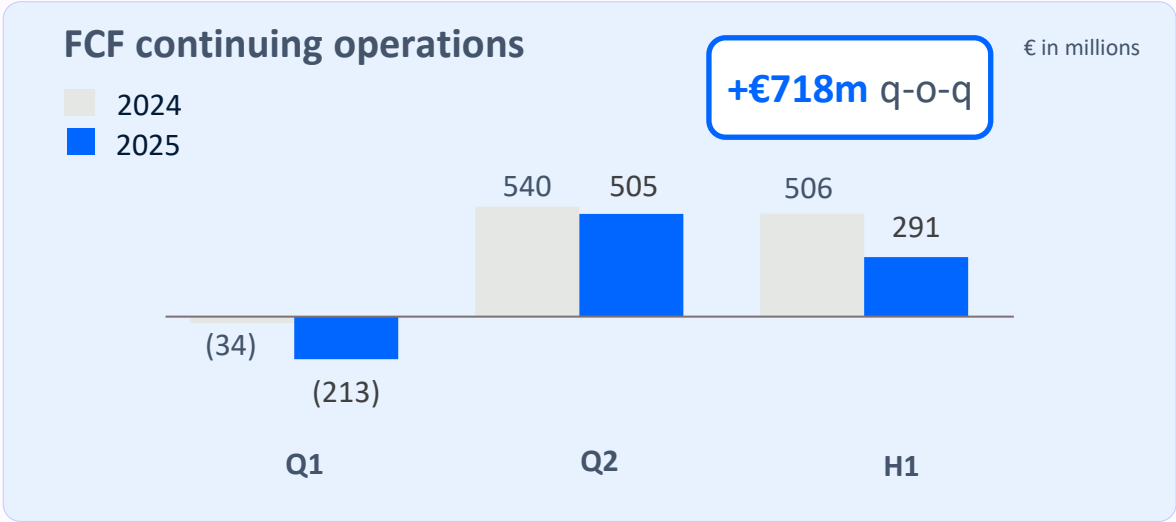
# Q2 25 Financials / ESG

**Mrs. Laura Abasolo**  
CFCO





# FCF improvement, solid balance sheet



# Leading in sustainability



## Environmental

Substantiating our net zero goals  
Updated Climate Action Plan published



CDP Supplier Engagement Leader:  
A-list for 6<sup>th</sup> consecutive year



## Social

Customer at the centre  
Personalised service model (Spain)



Committed to diversity  
34% women execs, LGBTIQ+ Pride events



## Governance

Reinforcing ethical behaviour  
Updated course for employees



Recognised for transparency  
Awards for fiscal & sustainability reporting

Telefónica named 2<sup>nd</sup> Most Sustainable Company of 2025 by *TIME* and *Statista*



# Key takeaways

**Mr. Marc Murtra**  
Chairman & CEO



# Delivering another solid quarter and building Telefónica's next chapter



## Executing today

- Positive momentum in core markets, consistent and focused execution
- Accelerating Hispam disposals; already Argentina, Peru, Colombia, Uruguay and Ecuador
- Proactive management of efficiencies
- 2025 guidance and dividend reiterated



## Building tomorrow

- Strategic review progressing on schedule for H2 unveiling
- Customers and infrastructures advantages
- Disciplined industrial rational and financial flexibility
- Value creation

# Results presentation and Q&A Session



Telefónica's management will host a webcast on  
**30 July at 10:00 AM (CEST), 9:00 AM (BST), and 4:00 AM (EDT)**



## Participants from Telefónica

- **Marc Murtra** | Chairman & CEO
- **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** | Global 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



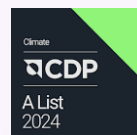
- To **participate in the Q&A session**, please register using the following link to receive the dial in and PIN details: [click here](#)





**Bloomberg**

Bloomberg ESG Score  
**#2 in sector**



CDP  
Climate A  
List 2024



FTSE4Good  
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

For further information, please contact:  
**Investor Relations**

Torsten Achtmann (torsten.achtmann@telefonica.com)  
Isabel Beltrán (i.beltran@telefonica.com)  
Tel. +34 91 482 87 00  
ir@telefonica.com  
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