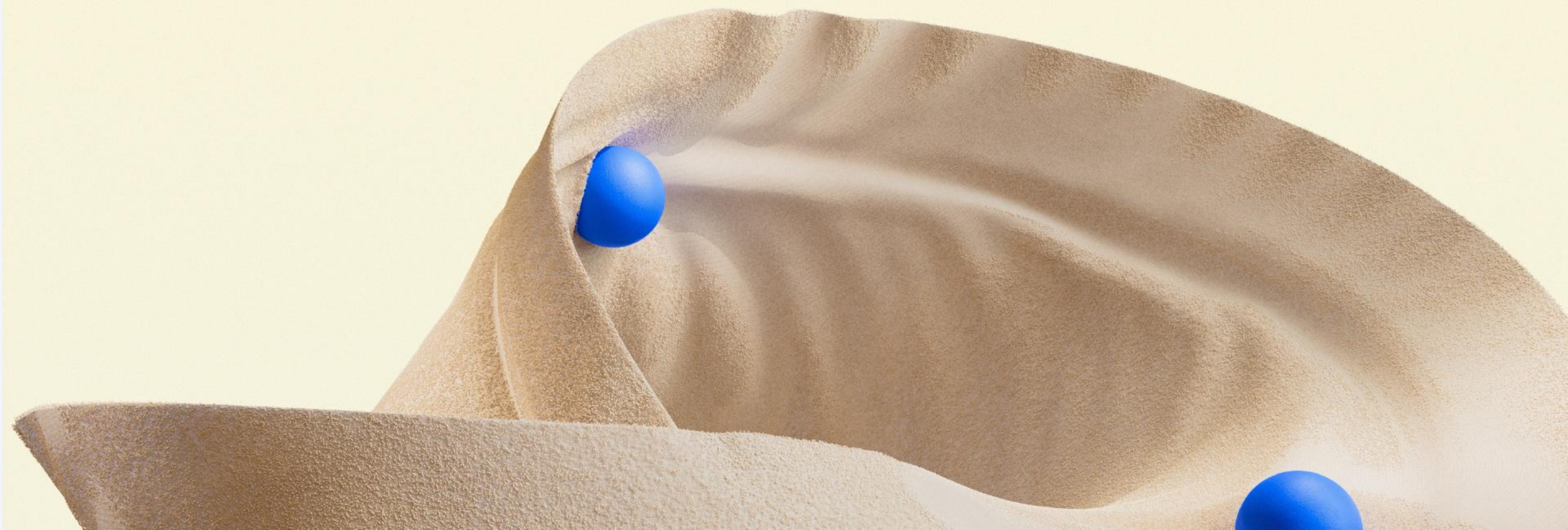




Results 2025

→ **Q4**



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Summary

Mr. Marc Murtra
Chairman & CEO

Opening remarks

To provide citizens the best access to digital technologies

Additional and enhanced customer services

A more innovative and competitive company

Ambitious and effective management

Absolute commitment to guidance and financial discipline

Build a stronger more competitive European operator

Delivered on 2025 commitments with accelerating momentum in Q4

- **Accelerated adj. EBITDA and adj. OpCFaL growth in Q4**; exiting 2025 with momentum; strong B2B performance
- **Adj. OpCFaL and FCF delivered**; back-end loaded as expected
- **Core markets performing well**; best commercial results since 2018 in Spain, access base all-time high in Brazil, O2 brand momentum strong in Germany
- **Portfolio simplification continues**; exited 6 markets in Hispam; organisation streamlining progressing with workforce restructuring in place
- **Full year 2025 guidance achieved**
- **Transform & Grow on track**; executing against CMD framework

Metric	2025 Guidance	FY 25		Q4 25
Revenue ¹ @ constant	Growth	+1.5%	✓	+1.3%
Adj. ^{1,2} EBITDA @ constant	Growth	+2.0%	✓	+2.8%
Adj. ^{1,2} OpCFaL @ constant	Growth	+5.9%	✓	+12.9%
CapEx ex spectrum / Sales @ constant	<12.5%	12.4%	✓	13.8%
FCF	~€2.7bn	€2.8bn	✓	€1.4bn
FCF incl. commitments & VMO2 dividend	~€1.9bn	€2.1bn	✓	€1.4bn
Dividend	€0.30 DPS	€0.30 DPS Dec-25 (€0.15) Jun-26 (€0.15)	✓	
Leverage	Slightly Higher	2.78x	✓	

Milestones achieved in 2025 create a solid foundation for Transform & Grow plan

1

DELIVER BEST-IN-CLASS CUSTOMER EXPERIENCE

- **Accesses reached 326.1m**, +2% y-o-y, NPS score 35 (+2 p.p. vs Q3)
- **Spain leading on CLV** with best-in-class churn and ARPU; UEFA rights 2027-2031, La Liga 2027-2032, **Brazil convergence accelerating**, Vivo Total accesses up 41%, **Germany churn at historic lows**, O₂ contract 1.1%
- **Robust B2B revenue growth** +7% (Q4 & FY), double digit growth in IT, expand the services we offer

4

EVOLVE TECHNOLOGICAL CAPABILITIES

- **Fibre leadership** 163m PPs, +1%, **5G coverage** 80% core markets, +6 p.p.y-o-y
- **FiBrasil now fully owned**
- **Advanced network automation and new AI technologies**, 12 use cases operating at Level 4 Autonomy

5

SIMPLIFY OPERATING MODEL

- **Continued legacy shut-down**; copper switch-off in Spain a major milestone, copper shut down in Brasil started
- **Workforce transformation T. España and Global Units** (agreement in place), ~€0.6bn run-rate savings by 2028

6

DEVELOP TALENT

- **Implementing an impact-based culture** and reached a 73 eNPS

FOCUS ON PORTFOLIO MANAGEMENT EXECUTION

INVESTING IN CORE MARKETS

4 strong core markets

EXECUTING HISPAM EXIT

4 Hispam exits (Argentina, Perú, Ecuador and Uruguay), completed in 12 months

Transform & Grow: the 2026 priorities that drive the next phase of growth

1

DELIVER BEST-IN-CLASS CUSTOMER EXPERIENCE

- **Faster incidents resolution** across the Group
- **Hyper-personalisation** through AI
- **Cutting-edge equipment**: WiFi 7 in Spain and Brazil

2

EXPAND B2C OFFERING

- **Accelerated convergence** in Brazil and Germany and enhancing capabilities in UK
- **Expanding ecosystem**: media, security, consumer electronics, AI, fintech
- **Secure premium content** position in Spain

3

SCALE B2B

- **Scaling cybersecurity and cloud**
- **Growing defense sector** positioning in Spain
- **Accelerate in UK**, leveraging 02-Daisy integration

ACTIVE PORTFOLIO MANAGEMENT

EXECUTING HISPAM EXIT

2 exits closed YTD (Colombia, Chile)

INVESTING IN CORE MARKETS

UK: Nexfibre acquisition of **Netomnia** expands fibre footprint to become the largest full fibre altnet in the UK. VMO2 to acquire Netomnia broadband customers

4

EVOLVE TECHNOLOGICAL CAPABILITIES

- **Expanded fiber network** in UK and Brazil
- **Next-gen 10 Gbps fibre** in Spain and Brazil
- **Expanded 5G coverage** across core markets
- **Copper shutdown** in Brazil

5

SIMPLIFY OPERATING MODEL

- **Workforce restructuring**
- **Lease and vendor optimisation**
- **Network and business operations automation** via AI

6

DEVELOP TALENT

- **Upskill workforce** to deploy AI and automation tools

Guidance 2026, 2025-2028 and 2028-2030

	2026	2028	2030
	Transform & Grow		Transform & Grow
	2026 Guidance		
Revenue¹ @ constant	1.5%-2.5%	1.5-2.5% CAGR '25-'28	2.5-3.5% CAGR '28-'30
Adj. EBITDA^{1,2} @ constant	1.5%-2.5%	1.5-2.5% CAGR '25-'28	2.5-3.5% CAGR '28-'30
CapEx³ ex spectrum/Revenue @ constant	~12%	Down to ~12% '26-'28	Down to ~11% in '30
Adj. OpCFaL^{1,2} @ constant	Over 2%	1.5-2.5% CAGR '25-'28	2.5-3.5% CAGR '28-'30
FCF³	~€3.0bn	3-5% CAGR '25-'28	
Leverage	Declining towards 2028 target	~2.5x in '28	
Dividend⁴	0.15 €/share	40-60% of '27-'28 FCF base for dividend ⁵	

1. Constant: assumes constant FX (average FX 2025), constant perimeter and excludes the contribution to growth from Venezuela
2. Adjusted figures consider constant perimeter and derived capital gains/losses and do not include restructuring costs, write-offs and material non-recurring impacts
3. FCF for Guidance includes reported FCF from continuing operations and excludes non-recurring spectrum payments, employee commitments and VMO2 dividends
4. Dividend payable in cash in June of the following year.
5. FCF base for dividend = FCF base for guidance – Employee commitments + VMO2 dividends.



Operating Business

Mr. Emilio Gayo
COO

Spain: Operational excellence support outstanding KPIs, FY growth across financials



• 2025, best KPIs since 2018

- Record FBB and TV net adds
- Lowest churn ever, best portability ratio
- NPS based on segmentation and top QoS

• Solid retail revenue

- Sustained top convergent ARPU and churn
- IT double digit growth in FY (>50% B2B)

• FY growth in profitability and cash generation

- Adj.EBITDAaL (+0.9% y-o-y; Q4 +0.4%)
- Adj. OpCFaL (+2.3% y-o-y)

• CapEx/Sales

- Superior FTTH & 5G networks
- FY: 11.7% (-0.4 p.p. y-o-y)

• Operational CO₂ emissions -92% vs 2015

Redundancy plan large efficiencies

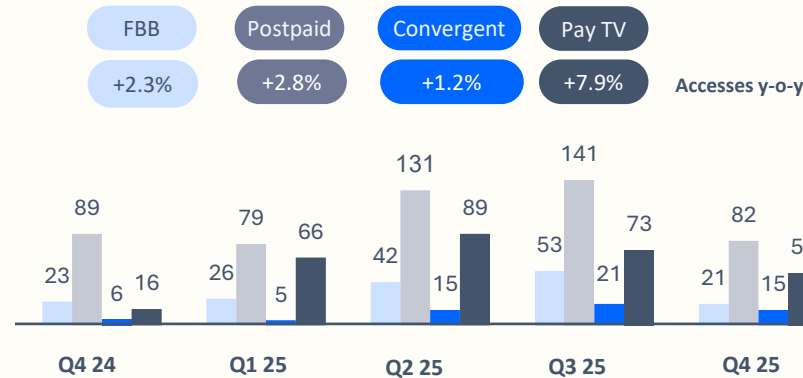
(~250M€ in FY 26, ~500M€ in FY 28)

Football rights secured

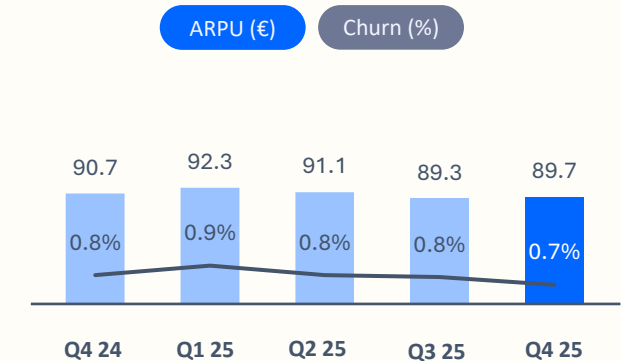
(next cycles of UEFA & LaLiga)

Deploying a leading Edge Plan (17 nodes)

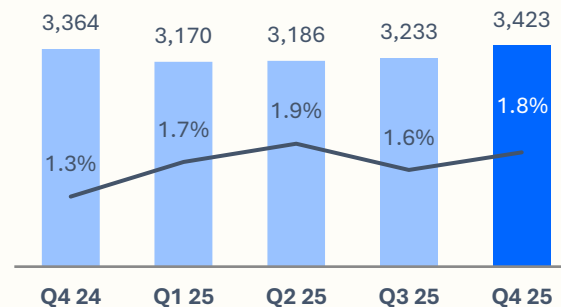
Net adds (k)



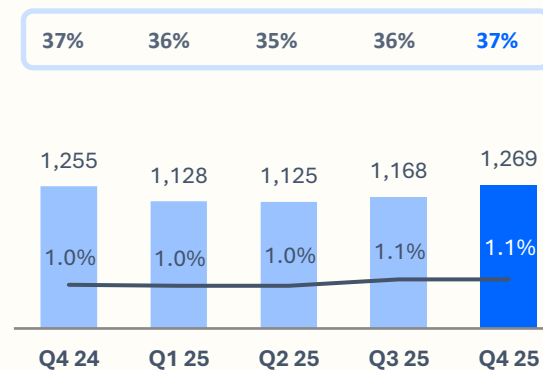
Convergent KPIs



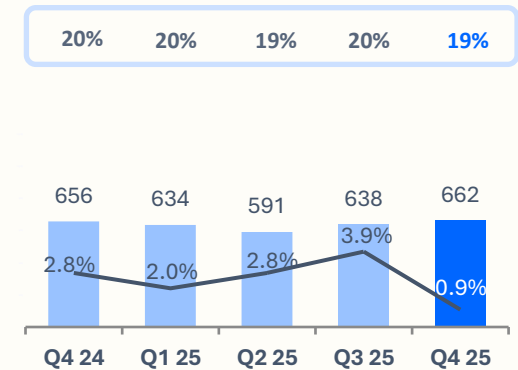
Revenue



Adj. EBITDA & margin



Adj. OpCFaL & margin



Brazil: Vivo differentiated assets are driving strong operational and financial performance



Access base at an all-time high

- Vivo Total (fully convergent) +40.9%
- Steady growth in FTTH & contract
- Improvement mobile ARPU (+5.2%)

New digital businesses gaining traction

- B2C: Video & Music OTT: +18.1%
- B2B: Cloud (+37.8%) and IoT (+25.9%)

Growing above inflation in all metrics

Revenue y-o-y growth acceleration

- MSR improved to +7.0%. Contract (+7.7%)
- Fixed (+5.4%): FTTH (+9.9%)

Adj. OpCFaI: +15.7% in FY 25

- CapEx/Sales 15.6% (-0.8 vs FY 24)

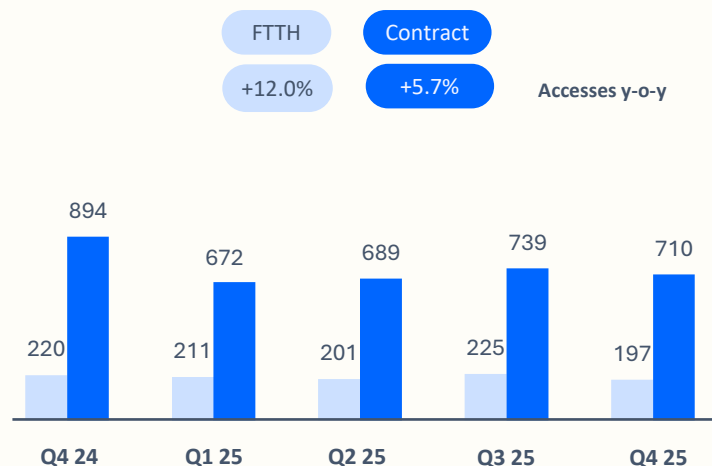
Vivo at COP 30: Strengthened its ESG positioning

Impacts from

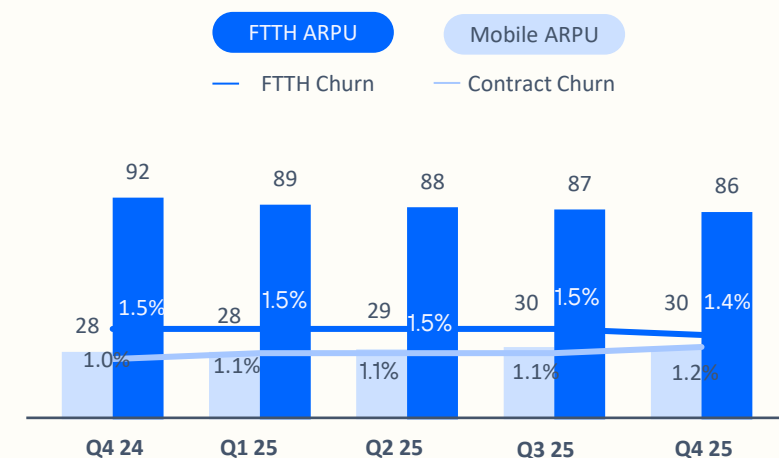
migration to Authorisation

(+€16m in Q4 25; +€101m in Q4 24)

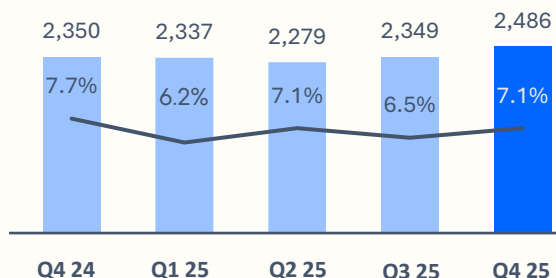
Net adds (k)



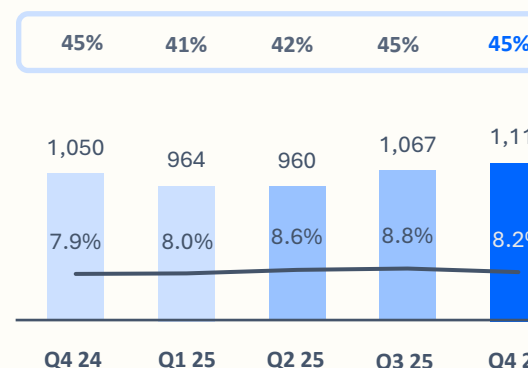
KPIs (local currency)



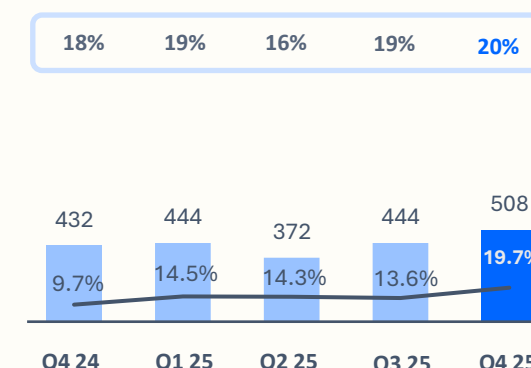
Revenue



Adj. EBITDA & margin



Adj. OpCFaI & margin



Germany: Robust core business momentum, 1&1 migration weighing on financials



- Focused on profitable growth in a mature market with persistently high promotional activity**

- Good traction O₂ brand; attractive mobile offers
- Low level of O₂ contract churn 1.1%

- Network quality**

- O₂ ranked 2nd place in connect magazine test
- 5G network coverage target achieved: 99%

- Temporary headwinds from 1&1**

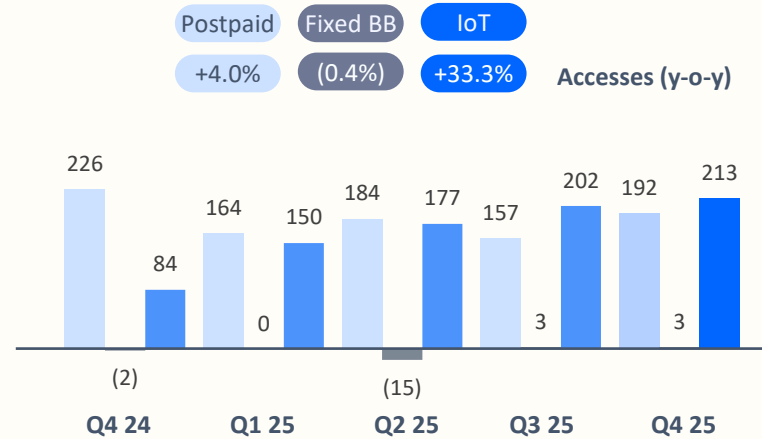
- MSR and Adj. EBITDA under pressure. Customer migration completed by year-end
- Fixed revenue maintained growth path, handset sales seasonally up

- 1&1 effects to annualise along FY 26**

- ESG;** Transparency Award for the 3rd time in a row, confirming the 'Excellence' status in 2025

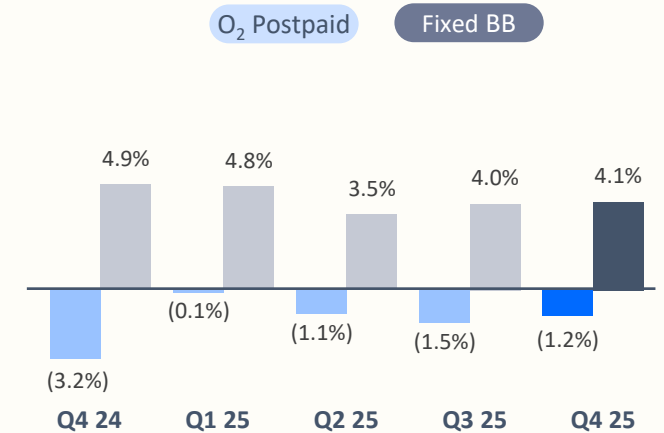
Return to growth in 2027 based on a high-quality network and a solid brand positioning

Net adds (k)

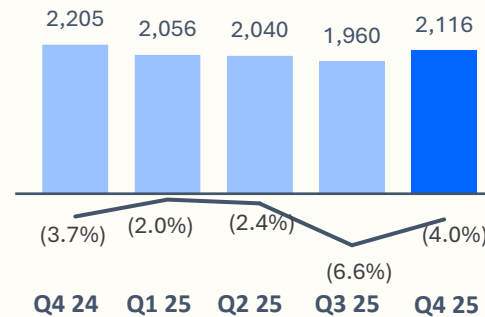


Net adds exclude 3rd party MNO-accesses

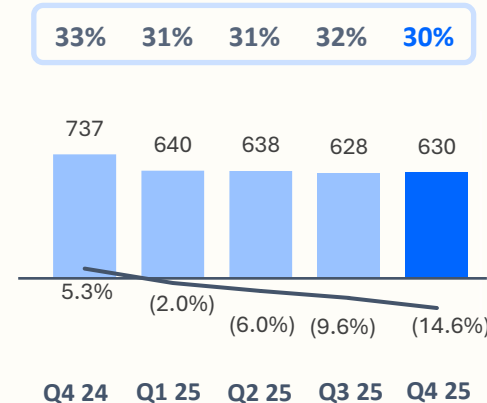
ARPU (y-o-y)



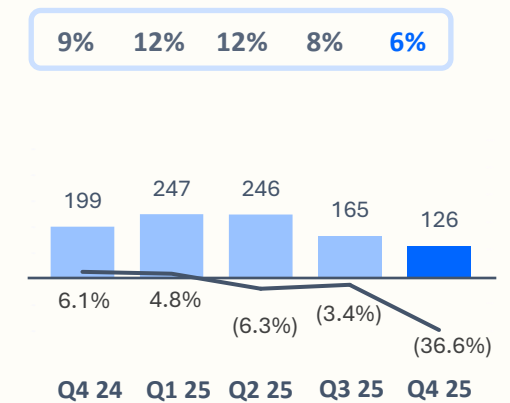
Revenue



Adj. EBITDA & margin



Adj. OpFCFaL & margin



VMO2: Strong progress in fiber and 5G deployment

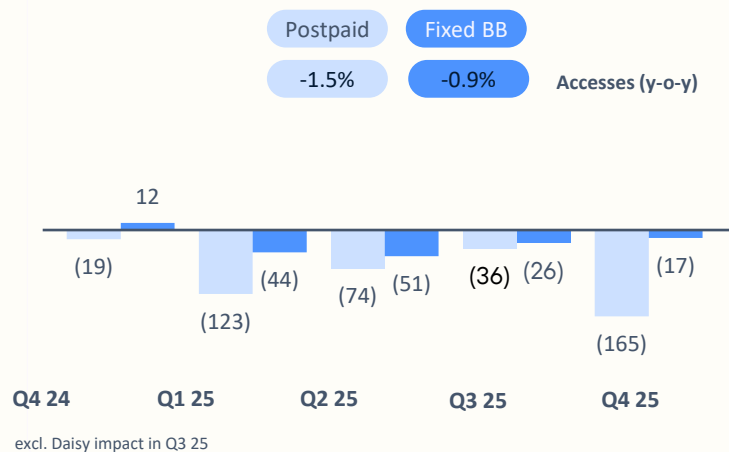


- **Fixed footprint:** 18.8m UBB PPs
- **5G outdoor coverage:** 87% (+12 p.p. y-o-y)
- **Improved fixed-line trading for 2nd consecutive Q**
 - Q4 25 mobile trading affected by price rise
- Recognised as the **UK's top broadband** provider in Opensignal's 2025

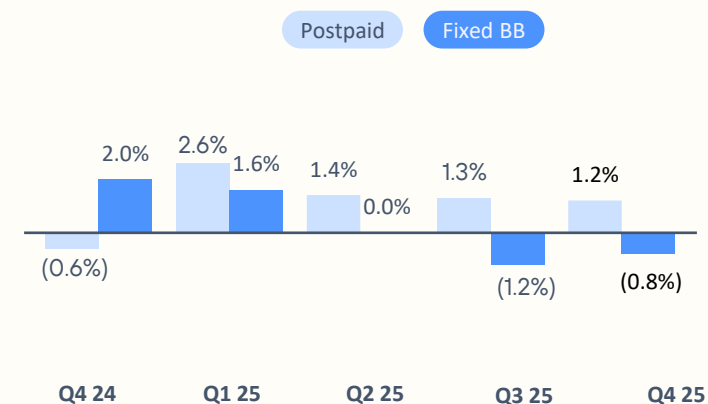
- **Revenue & Adj. EBITDA FY guidance met**
 - +0.2% and +0.9% respectively
 - Lower handset sales and nexfibre construction
 - Consumer fixed affected by strong competition
- **ESG:** 'A-' rating; CDP leadership' level

Agreement for Netomnia acquisition
Strengthened network, fibre expansion and value creation through VMO2 and nexfibre

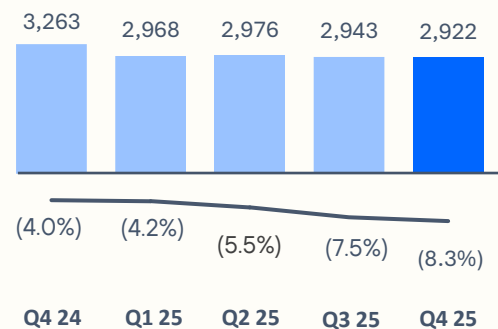
Net adds (k)



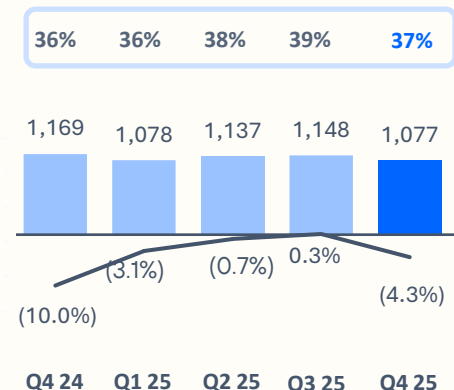
ARPU (y-o-y)



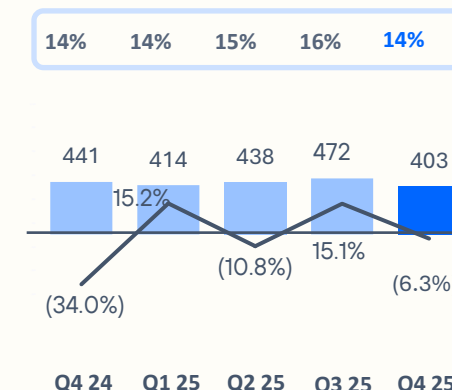
Revenue



Adj. EBITDA & margin

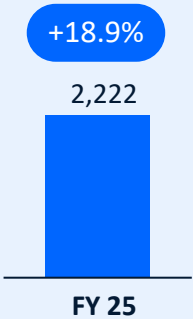


Adj. OpCFaL & margin



Telefónica Tech

Revenue (€m) (y-o-y constant)



Growth in line with revenue

Bookings vs FY 24

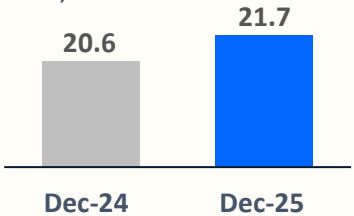
Sustainable growth

- **Uninterrupted commercial traction**
- **Scaling capabilities** to foster growth in Cybersecurity, Sovereign cloud, IoT and AI
- **Simplified operating model** in HispAm, transferred operations (Colombia, México, Chile and Perú (Dec-25 & Jan-26))

Telefónica Infra

- Focused on value creation optionality
- Contributes to the industrial transformation and efficiency of OBs

FTTH JV premises passed (m) (via FibreCos)



24% of TEF's FTTH deployment

TELXIUS

>100km of international fibre connectivity

>45% Adj. EBITDA margin

Sustained profitability FY 25

fiberpass

Agreement for AXA to acquire a 40% - subject to regulatory approvals

Telefónica monetising 8% stake to 55%

Final structure
T. España 30%
T. Infra 25%
AXA 40%
VOD España 5%



Financials / ESG

Mr. Juan Azcue

Chief Financial & Corporate Development Officer

Q4 momentum across our key financial metrics

€ in millions	FY 25			Q4 25		
	Current	Current y-o-y	Constant y-o-y	Current	Current y-o-y	Constant y-o-y
Revenue	35,120	(1.5%)	1.5%	9,174	0.7%	1.3%
Service revenue	31,601	(1.5%)	1.5%	8,107	0.3%	0.9%
B2C revenue	20,831	(2.4%)	1.8%	5,408	1.1%	2.1%
B2B revenue	7,957	4.0%	7.1%	2,158	6.3%	7.3%
Wholesale & Others	6,331	(5.3%)	(6.1%)	1,608	(7.3%)	(8.2%)
Adj. EBITDA	11,918	(1.6%)	2.0%	3,198	2.0%	2.8%
Adj. OpCFaL	5,081	1.9%	5.9%	1,281	12.3%	12.9%
CapEx ex spectrum/ Sales	12.4%		(0.7 p.p.)	13.8%		(1.3 p.p.)
FCF	2,786	(20.2%)				
FCF incl. commitments and VMO2 dividend	2,069	(26.3%)		1,402	5.7%	
Net Financial Debt	26,824	(1.2%)				
Adj. EPS from continuing operations	0.33	(21.1%)		0.06	(29.7%)	

FY negative FX impact, lessen in Q4

-0.7 pp in revenue,
-0.9 pp in adj. EBITDA,
-1.1 pp in adj. OpCFaL

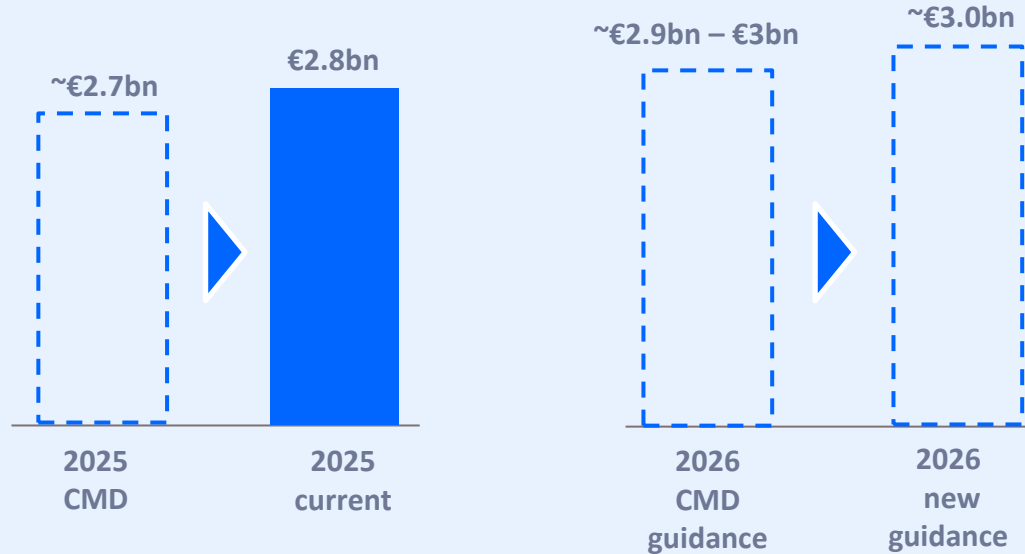
Hispania sales

discontinued operations
(ARG, PER, ECU, URU, COL,
other small companies)

FY 2025 guidance exceeded and 2026 upgraded guidance

FCF vs Guidance

- Guidance
- Current



Q4 & FY 25

- Q4 FCF acceleration drove full year delivery
- 2025 FCF above guidance on healthier FCF basis after some Hispam disposals and positive underlying momentum

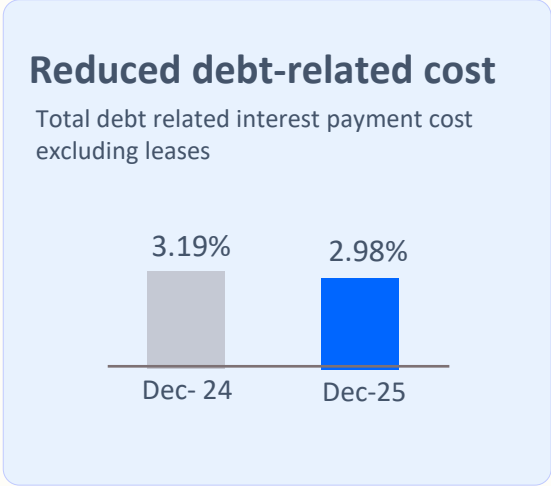
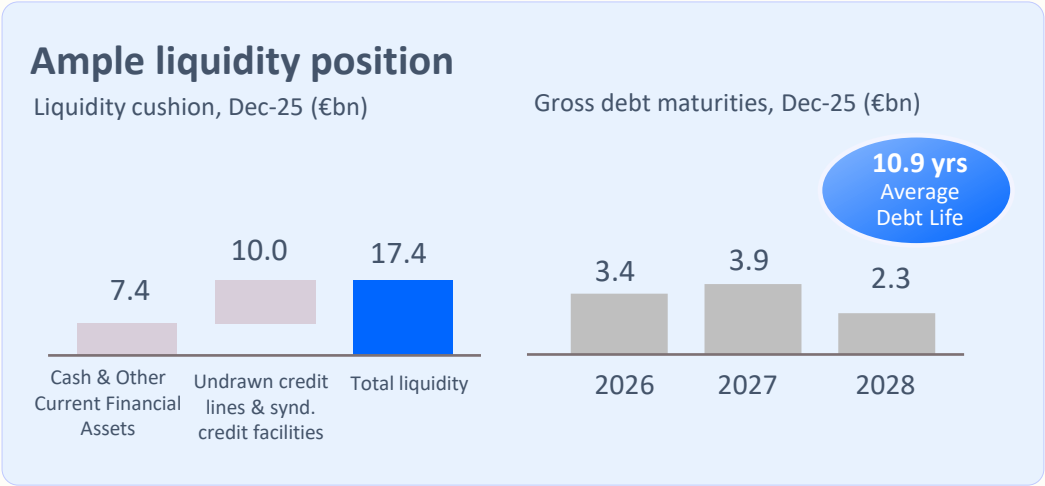
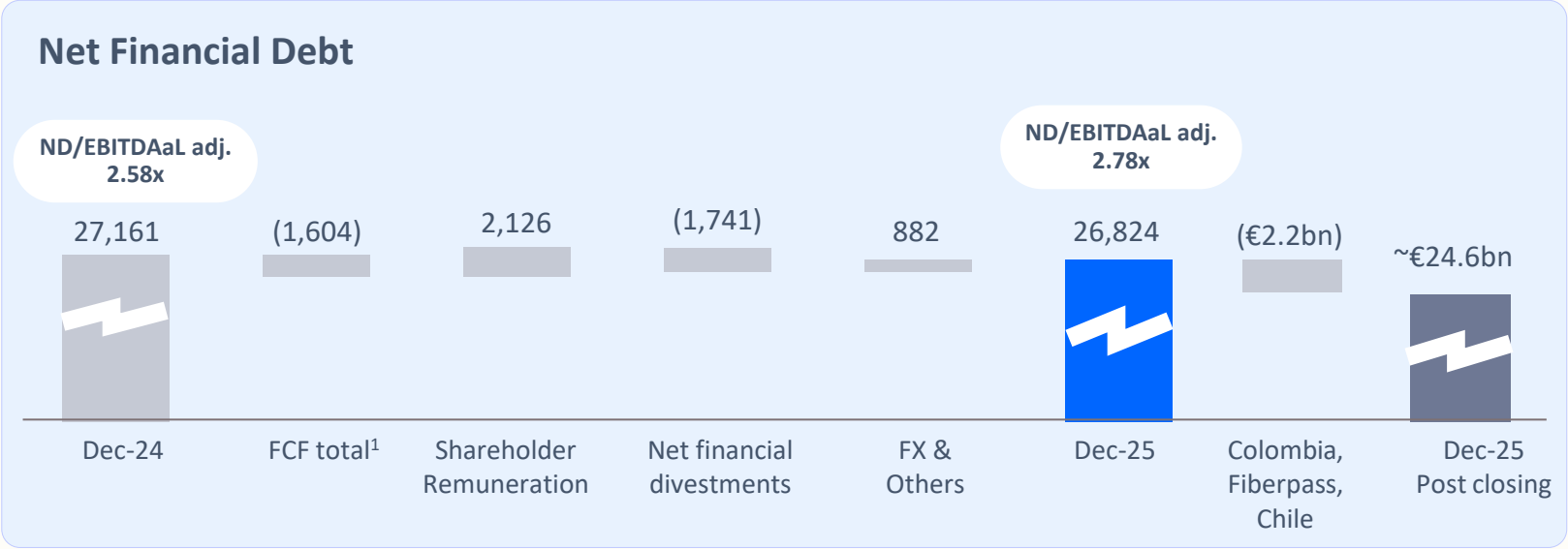
2026

- Upgrading to ~€3.0bn FCF guidance for 2026 ex. Chile
- Focus on adjusted OpCFaL positive performance and optimization of all lines below

Disciplined balance sheet management

Highlights

- Leverage reduction in Q4, from 2.87x in Q3 to 2.78x, further deleverage in 2026 towards 2.5x target in 2028
- Committed to investment grade credit rating
- Strong liquidity position covering well-spread maturities for next years
- Reduced debt-related cost



Clear financial priorities position Telefónica to create long-term value



DE-RISKED AND
GROWING FCF



INVESTMENT
GRADE A MUST



SUSTAINABLE
REMUNERATION
LINKED TO FCF



VALUE ACCRETIVE M&A

- CORE MARKETS OPPORTUNITIES
- SYNERGISTIC
- FINANCIAL DISCIPLINED



IMPROVED FINANCIAL FLEXIBILITY

Continued progression across the sustainability pillars



Environmental

Advancing towards Net Zero in 2040

-91% Scopes 1 & 2 since 2015
-34% Scope 3 since 2016



Securing stability with clean energy

39% of Group energy sourced from long-term from renewal PPAs



Social

Connecting communities

92% rural MBB coverage across core markets



Protecting customers from cyber threats

211m attacks avoided in 2025
(Spain)



Governance

Safeguarding the supply chain

>17k sustainability-related audits in 2025



Leading in sustainable financing

>20bn of financing linked to sustainable indicators

Continue to lead in ratings:

CDP A List for 12th consecutive year

1st in sector in WBA Digital Inclusion & Social Benchmarks and Ranking Digital Rights Index



Key takeaways

Mr. Marc Murtra
Chairman & CEO

Closing remarks

Strong operating progress across Spain, Brazil and Germany, each advancing on strategic priorities

Telefónica delivered on all 2025 financial commitments with accelerating momentum in Q4.

Simplifying operations across the business with Hispam exit progressing, efficiency initiatives ramping, and workforce restructuring on track

2026 guidance, growth in revenue & adj. EBITDA and accelerating in adj. OpCFaL and FCF upgrading to ~€3Bn, supporting dividend & deleveraging. We already exited Chile & Colombia and announced the Netomnia acquisition

Executing on our Transform & Grow plan with a clear framework: driving growth with consolidation as an upside

Telefónica has a strong foundation and the best plan to become a world-class European Telco with profitable scale

Results presentation and Q&A Session



Telefónica's management will host a webcast on
24 February at 10:00 AM (CET), 9:00 AM (GMT), and 4:00 AM (EST)



Participants from Telefónica

- **Marc Murtra** | Chairman & CEO
- **Emilio Gayo** | COO
- **Juan Azcue** | CFDO
- **Lutz Schüler** | CEO Virgin Media O2
- **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](#)



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CDP
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2025
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ISS ESG

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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
www.telefonica.com/investors

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