



# Results 2024

Q4

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# Opening Remarks

Mr. Marc Murtra  
**Chairman & CEO**

# Telefónica today: building on strong foundations

## Strong position in high-quality core markets

**Spain**

Market Rank

**#1**

**Brazil**

Market Rank

**#1**

**Germany**

Market Rank

**#3**

**UK**

Market Rank

**#2**

## FY 24 Performance

**Revenue growth**

**+1.6%** y-o-y

**EBITDA growth**

**+1.2%** y-o-y

**FCF generation**

**€2.6bn**

**33 NPS score**

**Leading copper shutdown**

**Most valuable brands**

**+10% T. Tech revenue**

**Digital ecosystem**

**Improved efficiency**



**390m customers**



**World-class infrastructure**



**Management skills and know-how**

# A new time in Europe

## A new context

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**Strategic Autonomy**

**Technological disruption**

Via AI and others

**More Euro-centric decisions**

## Priorities

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**Industrial rationale**

**Focus on core markets & activities**

Efficient capital allocation

**Consolidation**

Driving future growth

## Commitments

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**FCF is king**

Drive business performance

**Conduct strategic review**

Conclude in H2 25

**Financial discipline**

**To create sustainable shareholder value**

# Q4 24 & FY 24 Summary

Mr. Ángel Vilá  
COO

## 2024: Delivered on guidance

- 
**Guidance met;** FCF of €2.6bn, +14.1% y-o-y, with all 2024 guidance metrics achieved
- 
**Core markets momentum;** growth across Spain, Germany, UK and Brazil with improved customer metrics
- 
**Network leadership strengthened;** 84.6m PPs with FTTH, 74% 5G coverage across core markets
- 
**Operational excellence;** Industry-leading CapEx/Revenue ratio of 12.9%, successful legacy network decommissioning
- 
**Financial position enhanced:** Reduced leverage back to below 2.6x, dividend well covered

	2024 Guidance	FY 24
<b>Revenue</b> y-o-y reported	~1%	+1.6%
<b>EBITDA</b> y-o-y reported	1% to 2%	+1.2%
<b>EBITDAaL - CapEx</b> y-o-y reported	1% to 2%	+1.6%
<b>CapEx / Sales</b>	Up to 13%	12.9%
<b>FCF</b> y-o-y reported	>10%	+14.1%
<b>Cash Dividend</b>	€0.3/share 2 tranches €0.15; 19 <sup>th</sup> Dec-24, Jun-25	Improved coverage
<b>Leverage</b>	Reduced	2.58x

## Accomplishments 2024, a stronger Telefónica

### Enhanced **CUSTOMER** experience focus

- **More customers**, +2m y-o-y
- **Outstanding and increasing NPS**, +2 p.p y-o-y
- **Improving lifetime value** and **reducing churn**

### Next Generation **NETWORKS**

- **More fibre**, +10m PPs y-o-y
- **More 5G**, +12 p.p. y-o-y in core markets
- Pioneers in **scaling network autonomy**

### Efficiency driven **MANAGEMENT**

- **Decommissioning**, copper shutdown in Spain
- **Hispan**, sale of Argentina, Peru restructuring
- **Optimising internal operations**



# Telefónica Group: resilient performance and FCF focus

	Q4 y-o-y reported	FY y-o-y Reported
Revenue	+5.4%	+1.6%
Service revenue	+5.9%	+2.5%
B2B revenue	+10.0%	+4.8%
B2C revenue	+6.5%	+2.5%
EBITDA	-0.1%	+1.2%
EBITDAaL - CapEx	-8.4%	+1.6%
CapEx/Sales	15.5%	12.9%
FCF	+0.9%	+14.1%

## Growth

- Improved customer metrics and growth momentum in core units
- Ramping up in main T. Hispam metrics on positive FX impacts
- Consistent growth in B2B, T. Tech a differential driver

## Operating leverage

- Reliable operating leverage (flat in FY 24 y-o-y)
- CapEx +5.7% in Q4 due to ARG and phasing (FY 24 -1.4% y-o-y)
- FY CapEx below 13% over sales

## FCF focus

- FCF ramping-up throughout the year
- Natural hedging policy pays off, with limited FX impact
- Reduced leverage and improved dividend coverage

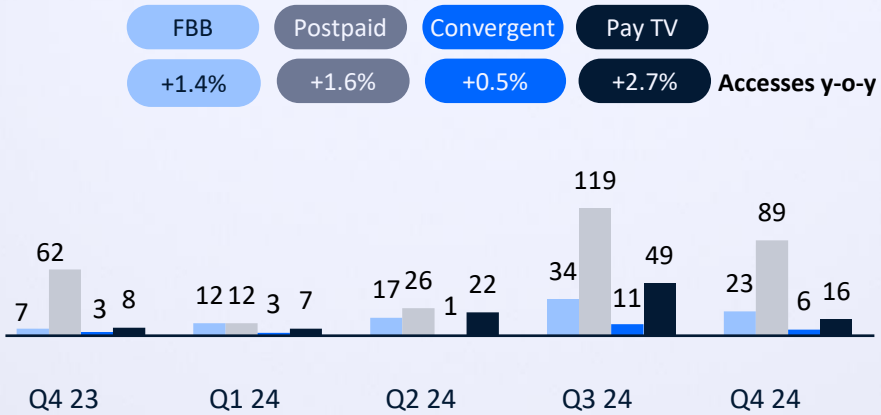
# Q4 24 Core Operating Business

Mr. Ángel Vilá  
COO

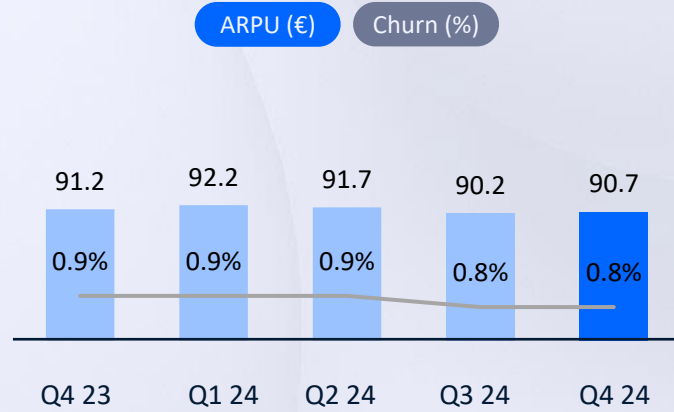


# Spain: increasing customer base, FY revenue and EBITDA growth

## Net adds (k)



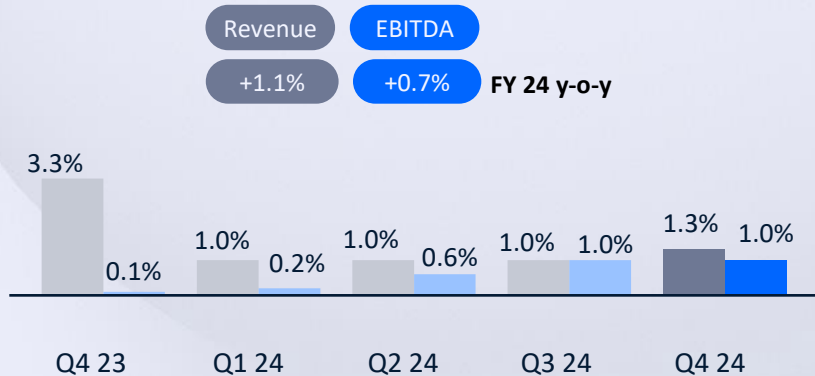
## Convergent KPIs



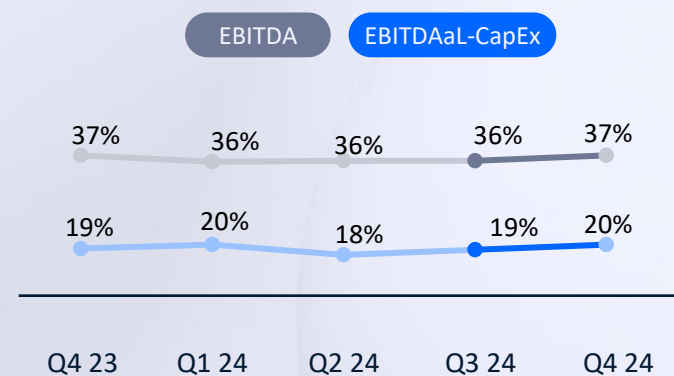
## Highlights

- FY growth y-o-y in all accesses, 1<sup>st</sup> time since 2018
- Best convergent churn (FY 24 0.9%) in more than a decade
- Superior NPS and CLV in the market
- EBITDAaL y-o-y growth in H2 24
- 12.1% CapEx/Sales in FY 24 (-0.5 p.p. y-o-y)
- Stabilised EBITDAaL-CapEx in FY 24

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



## Margins



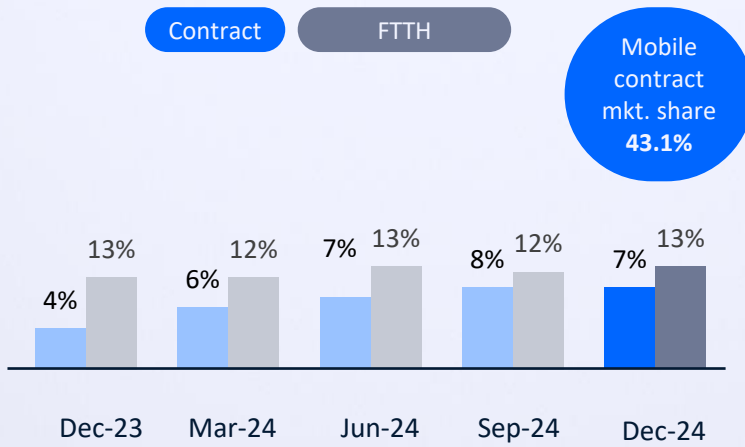
Sustained growth  
Premium positioning paying-off  
Deregulation opportunities



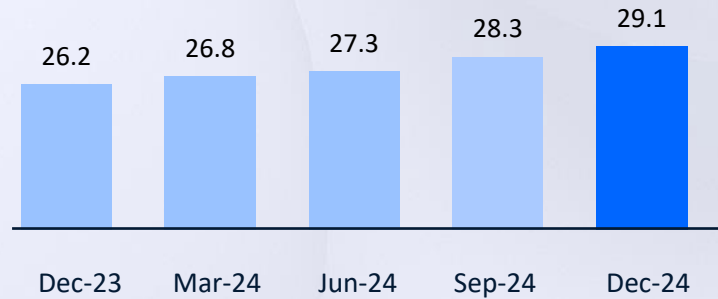


# Brazil: high growth with expanding margins

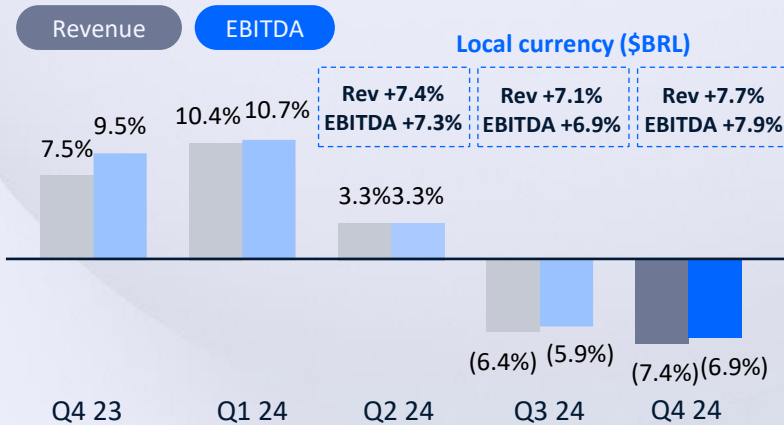
## Accesses growth (y-o-y)



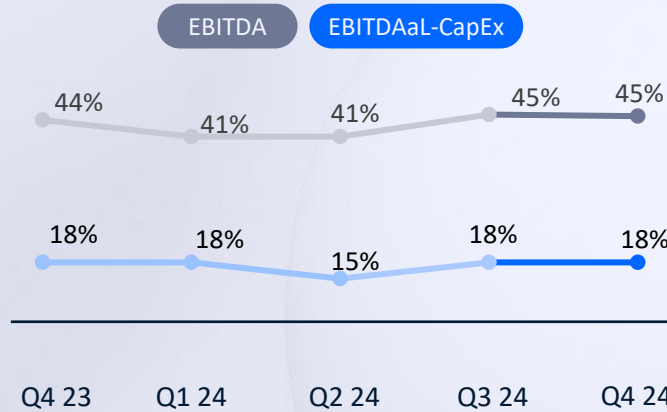
## FTTH Premises passed (m)



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



## Margins



## Highlights

- **Increased quality of accesses**
  - Postpaid ARPU +3% y-o-y, churn below 1%
  - FTTH connections +20% y-o-y; lowest-ever 1.5% churn
  - Vivo Total accesses: +85% y-o-y
- **Higher margins** despite commercial acceleration
  - 44.7% EBITDA (+0.3 p.p. y-o-y)
  - 18.4% EBITDAaL-CapEx (+0.5 p.p. y-o-y)
- **Local currency** growth momentum intact, well above inflation
  - **Revenue: +7.7%**. New record in fixed (+8.0% y-o-y)
  - **EBITDA +7.9%, EBITDAaL-CapEx +9.7%**
- Vivo included in the **DJ Sustainability World Index**

Final agreement for migration to Authorization



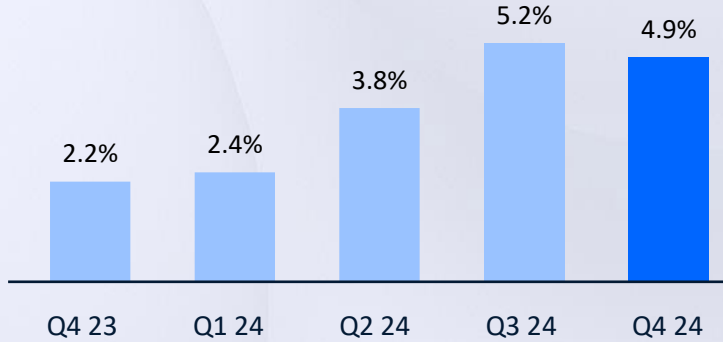


# Germany: sustained operational momentum and strong EBITDA growth

## Contract net adds (k)



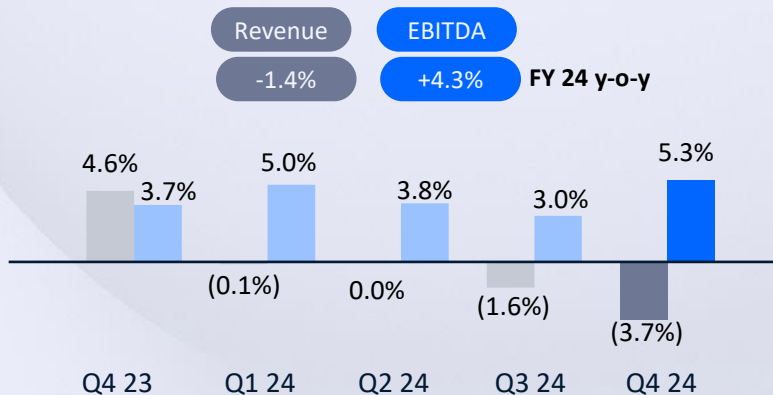
## Fixed ARPU (y-o-y)



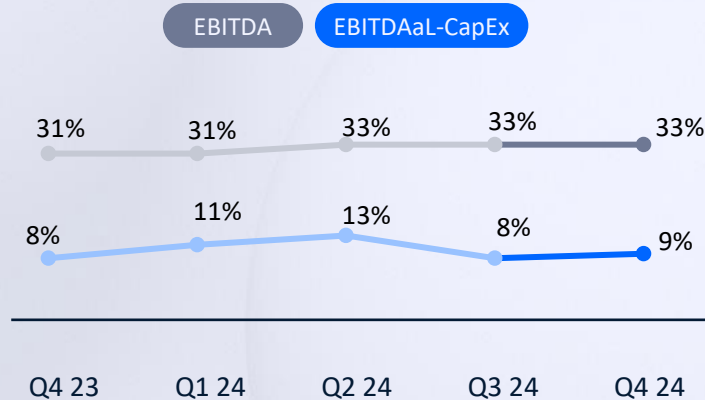
## Highlights

- Continued O<sub>2</sub> brand appeal & enhanced B2P
- O<sub>2</sub> network rated “very good” (*connect magazine*)
- 5G pop coverage >97%
- O<sub>2</sub> contract churn stable at low levels; 1.0% in FY24
- Revenue reflecting MTR headwinds, tough handset comps and change of the 1&1 business model
- Improved operating leverage; q-o-q EBITDA growth
- Energy self-sufficient radio tower recognized with environmental award

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



## Margins



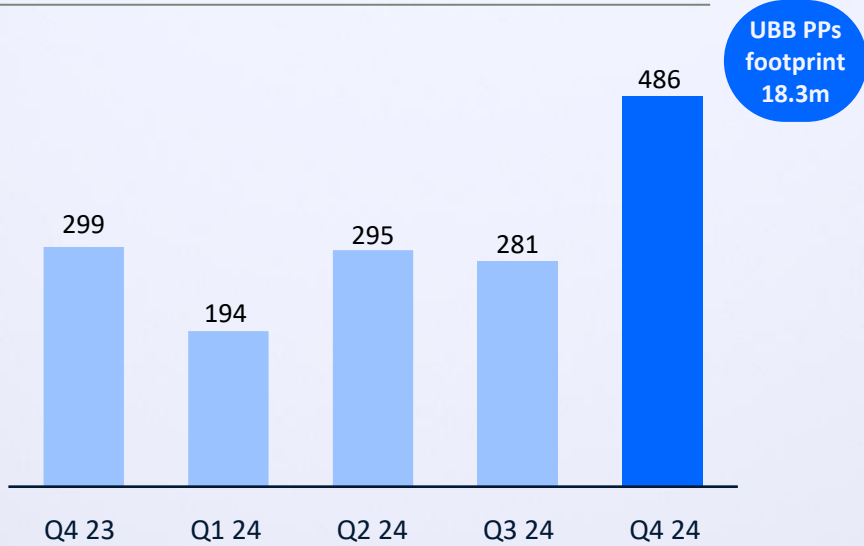
Final details BNetzA  
of spectrum extension in Q1 25



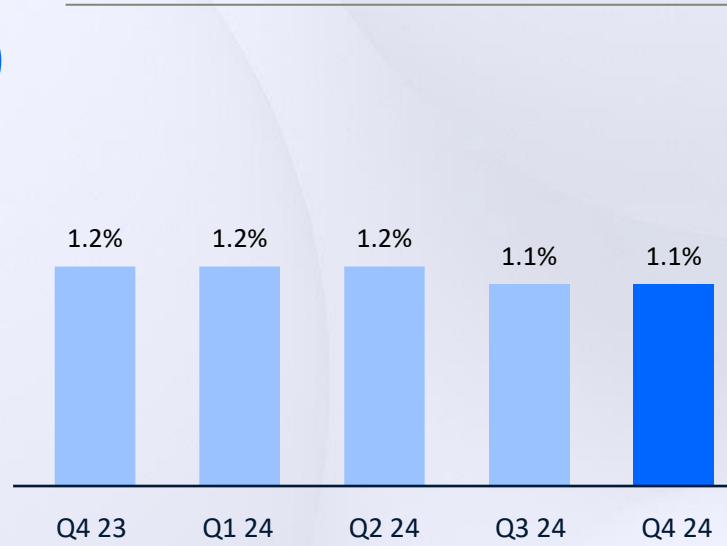


# VMO2: focus on network evolution and long-term growth

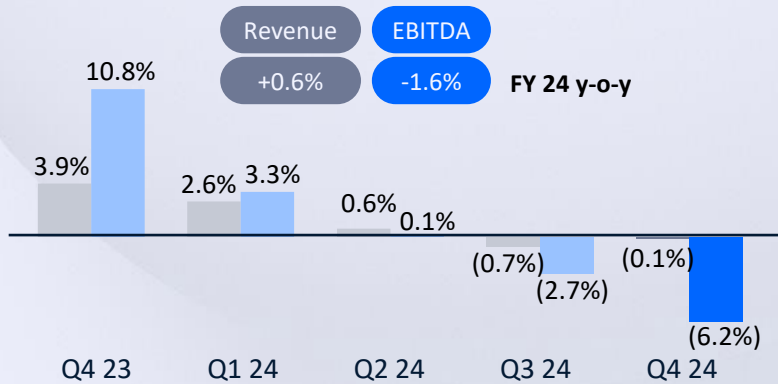
## Fixed network build (k new PPs)



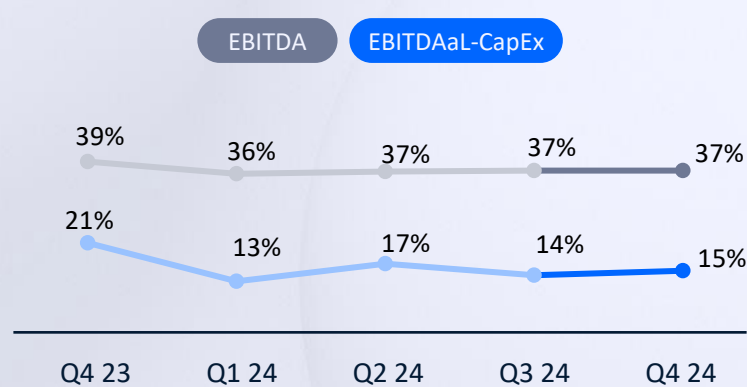
## Mobile contract churn (%)



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



## Margins



## Highlights

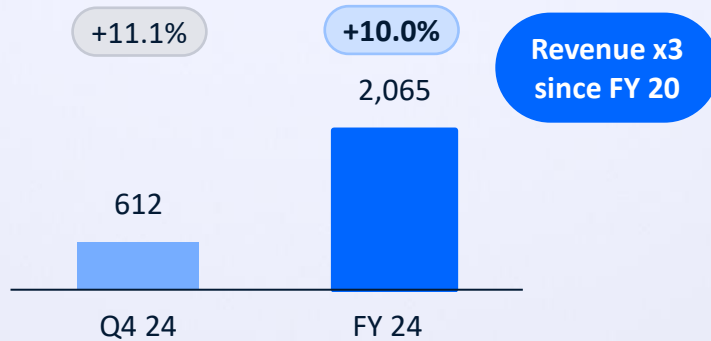
- **1.3m PPs in FY 24**, record footprint expansion
- **Combined fibre reach of 6.4m PPs**
- **Contract churn at low levels**; -0.1 p.p. y-o-y
- **5G pop. coverage reaches 75%**
- **Continued fixed growth**
  - Another Q of positive net FBB adds (12k)
  - Value growth (ARPU +2.0%)
- **£540m annualised synergies achieved** (~18 months ahead of target)
- **Improved revenue performance**, flat y-o-y
- **EBITDA decline** on tough comps, B2B fixed headwinds and investment in IT and digital efficiency programs



# Tech: the B2B growth engine, enhances its scale and sustainability

## Revenue

(€m) y-o-y



## Commercial performance

~+30%

Bookings  
vs FY 23

~+15%

Funnel  
vs FY 23

Cross selling to 5.5m B2B  
Telefónica customers

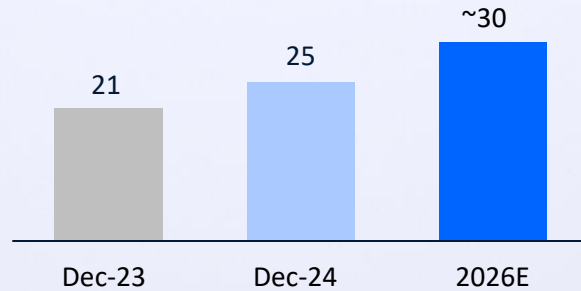
## Future-proof business

- **Revenue y-o-y growth acceleration in Q4**, exceeded €2bn in FY 24
- **Strong commercial performance in Q4**, mostly in the Private sector
- **Bookings growing faster than revenue, feeding the backlog for 2025**
  - **Increased average project's size and value as customers demand multiple projects** for their digitisation
  - **More recurrent and predictable revenue**
- **Capturing SMEs opportunity in Spain**, adding consulting service (**Kit Consulting** - ERF)
- **Global Services Lines, boost operational capabilities in key markets**
  - **Cyber** provider of >70% **Ibex-35 companies**, **UK** gain momentum
  - **Cloud: Major Player Worldwide** UCaaS Service Providers 2024 (by IDC)
  - **AI & Data**: 10 specialised centres (SP, UK, BRA, HIS, Central Europe)

# Infra: a global connectivity platform

## Progressing on FTTH deployment

Total FTTH premises passed (m)  
(via FiberCos)



~30% of 23-26 of TEF's FTTH rollout executed  
Increasing differentiation and capabilities

Bluevía

UG UNSERE GRÜNE GLASFASER

nexfibre

FIBTASIL

## Best-in class international connectivity infrastructure

**TELXIUS** >100km of international fibre connectivity

Solid profitability

Double-digit traffic growth

48%

EBITDA margin  
FY 24

+11%

vs. FY 23

New subsea cable (CELIA) connecting Puerto Rico and USA  
(to go live in Q3 27)

## Data Centres; asset recycling strategy

**Nabiax**  
Hosting the future

Unlocking value, sale of our 20%  
stake at >40x EBITDA

Closing conditional upon receiving regulatory approvals



# Q4 24 Hispam / Financials / ESG

Mrs. Laura Abasolo  
**CFCO & Head of Telefónica Hispam**



## Hispam: a step forward in strategy execution



### Telefonica Peru filed the Ordinary Insolvency Procedure

- Right decision to comply with our fiduciary duty of protecting Telefónica shareholders' interests



### Sale of Telefónica Argentina for €1.2bn

- Simultaneous signing and closing on February 24<sup>th</sup>, execution risk avoided
- Optimised proceeds

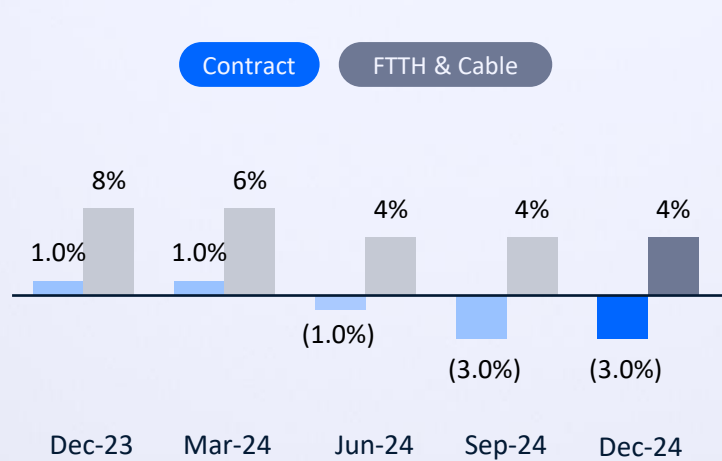


### Continued execution of strategy

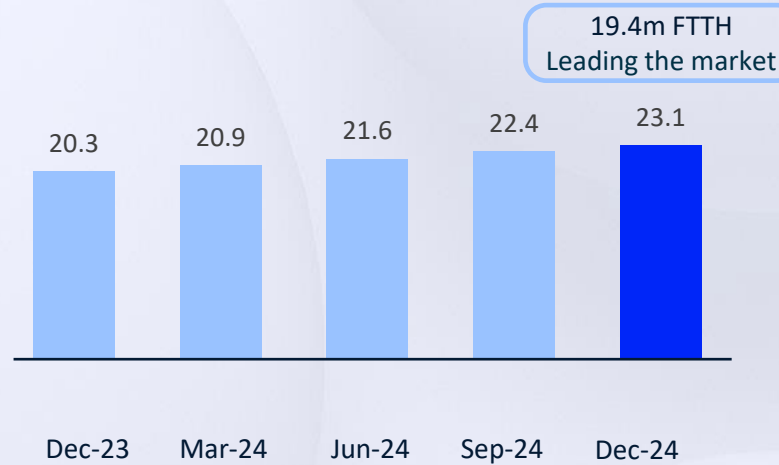


# Hispam: towards a more rational industry

## Accesses growth (y-o-y)



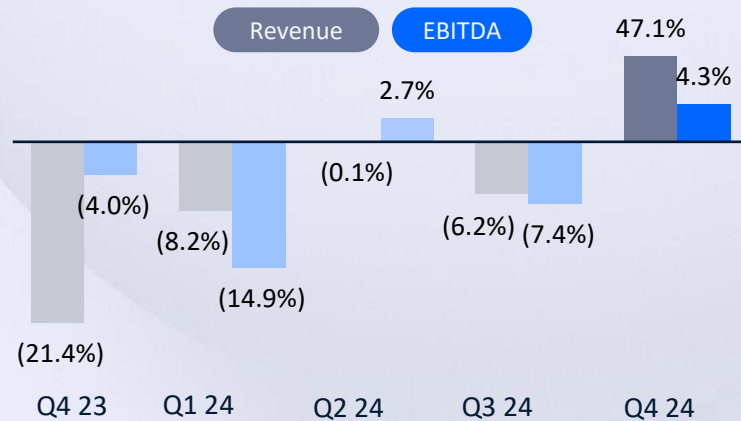
## FTTH & Cable PPs (m)



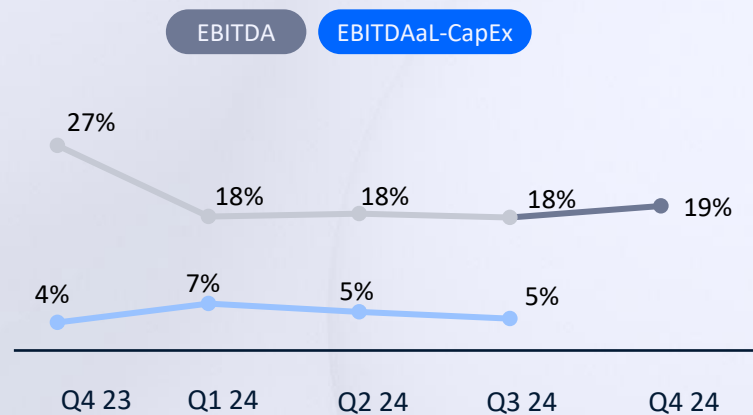
## Highlights

- **Focus on executing our strategic plan**
  - Avoiding infrastructure overlap
  - Exploring all options
- **Improved commercial results in Q4 24**
  - Contract net adds improving in all countries
  - 96% FTTH/FBB accesses (+5 p.p. y-o-y)
- **Q4 y-o-y results affected by:**
  - (+) ARS devaluation in Q4 23
  - (+) Adoption of IAS 21 on the exchange of Bolivar
  - (-) Q4 23 ONNet-related revenue
- **FY 24 Revenue: +7.8%, EBITDA: +3.4%, EBITDAaL +2.4%**

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



## Margins



**Invested capital -44% vs. Dec-19**  
**Preserving T. Group optionality**

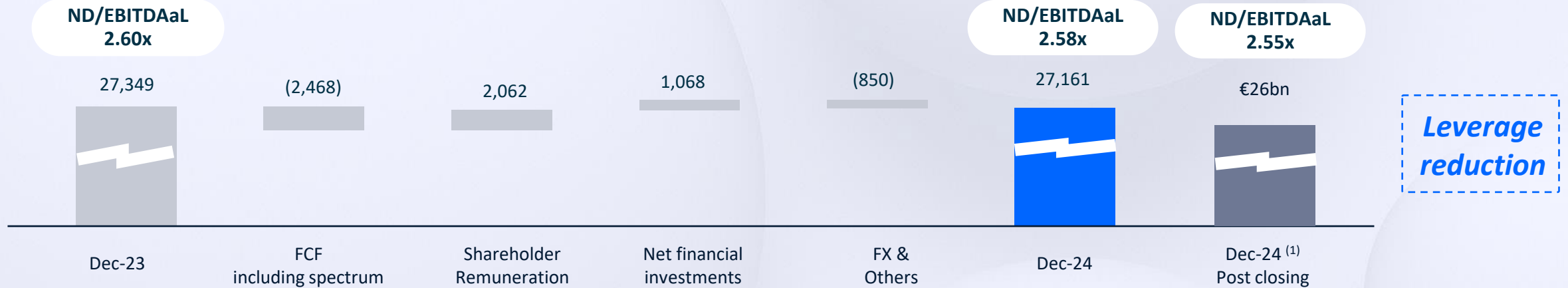


# Solid balance sheet, contained costs and sound liquidity

## Net Financial Debt

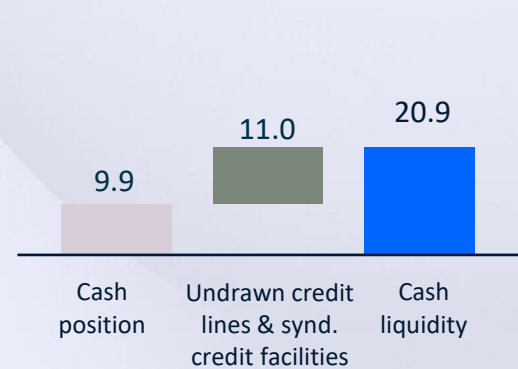
€ million

-0.02x; -€0.2bn

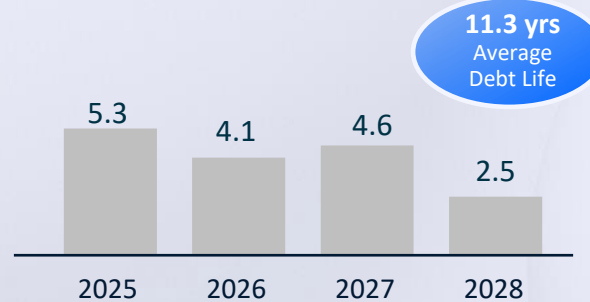


## Comfortable liquidity position

Liquidity cushion, Dec-24 (€bn)

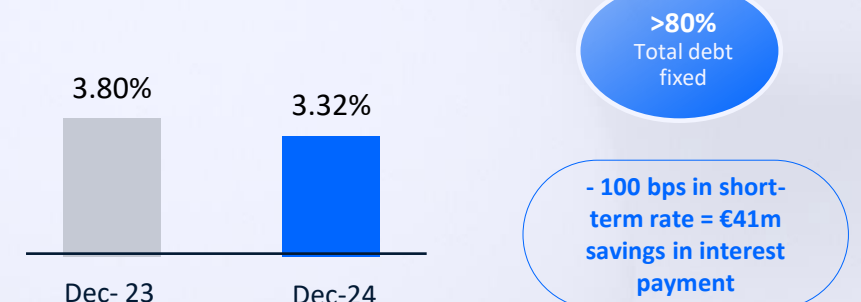


Gross debt maturities, Dec-24 (€bn)



## Contained interest payment cost

Total debt related interest payment cost ex leases



## 2024 FCF; +14.1% y-o-y

### Clear focus on FCF, improvement along the year

€ million



- **FCF back end loaded as expected** (Q4: +€615m or +68% q-o-q)
- **Levers of FCF growth in 2024**
  - Solid operations underlying performance and lower capital intensity
  - Optimisation of all other financial items and benefits from natural hedges

# Responsible digitalisation is at the core of our business

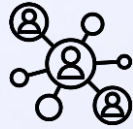


## Environmental

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### Green networks

- On track to be net zero by 2040, SBTi aligned
- Reduced emissions by 52% (Scope 1, 2 & 3) vs. 2015
- 100% renewable energy in 5 markets, 89% overall



## Social

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### Accessible & trustworthy connectivity

- Rural MBB population coverage: 95% Spain, 99% Germany and 84% Brazil
- 0 serious data breaches
- Backed by a motivated (eNPS 75) & diverse team (34% women executives)



## Governance

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### ESG embedded across the business

- >72k employees trained in anticorruption
- >20k sustainability-related audits of suppliers
- >37% of financing linked to sustainability indicators

**During 2024, Telefónica was recognised by TIME Magazine, Newsweek, World Benchmarking Alliance, and several ESG data providers, including ISS ESG & Bloomberg, for its sector leadership in sustainability**

# Key takeaways

Mr. Marc Murtra  
**Chairman & CEO**

## 2025 guidance

<b>Revenue</b>	<b>EBITDA</b>	<b>EBITDAaL-CapEx</b>	<b>CapEx / Sales</b>	<b>FCF</b>
Organic growth	Organic growth	Organic growth	< 12.5%	Similar to 2024
	<b>€0.30 DPS</b>		<b>Leverage reduction</b>	

- All guidance on unchanged consolidation perimeter as of 31st December 2024
- All operating guidance in organic terms
- Includes £175m to £200m dividend from VMO2

**Conduct strategic review, conclude in H2 25**



## Key takeaways

- 1** Delivered in 2024. Continued strength in Spain, Brazil and Germany
- 2** Deliberate capital allocation, reducing exposure to Hispam
- 3** Strengthened balance sheet, attractive dividend
- 4** Strategic review to reflect on new time in Europe, update in H2 25
- 5** FCF generation focus and financial discipline

## Results presentation and Q&A Session



Telefónica's management will host a webcast on **27 February at 10:00 AM (CET), 9:00 AM (GMT), and 4:00 AM (EST)**



### Participants from Telefónica

- **Marc Murtra** | Chairman & CEO
- **Ángel Vilá** | COO
- **Laura Abasolo** | CFO & Head T. Hispam
- **Markus Haas** | CEO Telefónica Deutschland
- **Lutz Schüler** | CEO Virgin Media O2
- **Eduardo Navarro** | Chief Corporate Affairs & Sustainability Officer
- **Adrián Zunzunegui** | 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



2024  
#1 in sector

**ISS ESG**

ISS ESG Corporate Rating  
#1 in sector



Sustainalytics ESG  
Industry Top Rated 2025



Social Benchmark  
1<sup>st</sup> company worldwide 2024

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