

Press Release _Results 2024

Telefónica increases revenue to €41,315 million in 2024 and meets all financial targets

- Adjusted net income, excluding extraordinary impacts, reaches €2,304 million in 2024.
- The Group ends a solid year and meets all financial targets set for 2024: revenue increase by 1.6%; EBITDA rises by 1.2%; EBITDAaL – CapEx grows by 1.6%; CapEx-to-revenue ratio stands at 12.9%; and cash flow generation increases by 14.1%.
- Net financial debt fell to €27,161 million and the Group's debt ratio fell to 2.58x EBITDAaL.
- The company sets as new financial guidance for 2025 year-on-year organic growth in revenue, EBITDA, and EBITDAaL-CapEx; CapEx over sales below 12.5%; FCF similar to 2024; and leverage reduction.
- In relation to the shareholder remuneration policy, Telefónica proposes a dividend of €0.30 per share in cash for 2025.

Madrid, February 27, 2025. Telefónica today presented its results for the 2024 financial year, marked by the fulfilment of all financial targets announced at the beginning of last year. The results have reflected its solid growth in revenue and EBITDA, as well as the over-fulfilment of cash flow, which has reached €2,634 million, 14.1% more than in 2023 and above the 10% increase set as a target for 2024.

In addition to strong free cash flow (FCF), Telefónica has also met its other financial targets for 2024: revenue has grown by 1.6%, above the target of around 1%; EBITDA has increased by 1.2%, within the range of 1% to 2%; operating cash flow (EBITDAaL - CapEx) increased by 1.6%, within the range of 1% to 2%; and the investment-to-revenue ratio stood at 12.9%, when the guide was up to 13%.

In this context, Telefónica has presented today its new financial guidance for 2025. The company forecasts year-on-year organic growth in revenue, EBITDA, and EBITDAaL-

CapEx, and also sets a target for CapEx over sales below 12.5%, FCF similar to 2024 and leverage reduction.

In addition, the company confirms a cash dividend of 0.30 euros per share for 2025, payable in two tranches, the first in December 2025 (0.15 euros) and the second in June 2026 (0.15 euros). Regarding the dividend for 2024, the pending second tranche will be distributed in June 2025.



Revenue performance and business strength

The strength of the business and the favourable commercial momentum of Telefónica's main markets have led to revenue growth of 1.6% in 2024, to €41.315 million, and 5.4% in the fourth quarter of the year. The good figures for the quarter are also reflected in the main segments, with growth of 6.5% in residential revenues and 10% in the business segment. For the whole year, residential revenue has increased by 2.5% and business revenue by 4.8%.

The favourable performance of the businesses has also been reflected in profitability, with the adjusted earnings before depreciation and amortisation (EBITDA), registering an annual increase of 1.2%, up to €13,276 million.

By markets, Telefónica España ended the year with simultaneous growth in its main customer segments for the first time since 2018, and with the best churn since 2013, down to 0.9%. In Brazil, the company has maintained its leadership in the mobile market, while growing customers and ARPU and keeping churn at low levels (0.9%), while Germany continues to stand out for its solid operational performance, which is reflected in the attractiveness of the O2 brand in the market. The UK has continued to expand its fixed network, with 1.3 million premises passed in 2024, reaching a total of 18.3 million.

As a result of the favourable evolution of the business, revenue in Spain have grown by 1.3% in the fourth quarter, to €3,364 million, and by 1.1% in 2024, to €12,791 million. Adjusted EBITDA has also confirmed its return to growth with increases of 1% in the last quarter, to €1,255 million, and 0.7% for the whole year, to €4,641 million. In Brazil, revenue and adjusted EBITDA have increased by more than 7%, both in the quarter and in the year, in local currency. In 2024, Brazil achieved revenue of €9,618 million and an adjusted EBITDA of €4,116 million. As for Germany, annual revenue stood at €8,492 million, with an adjusted EBITDA of €2,764 million, 4.3% more.



The evolution of the company's global units has been equally favourable, both in the case of Telefónica Tech and Telefónica Infra. Telefónica Tech's annual revenues have grown by 10%, reaching €2.065 billion. Telefónica Infra has closed the financial year with 25 million premises passed with FTTH, while Telxius, the Group's submarine cable unit, has continued to record high profitability with an EBITDA margin of 48%.

Efficiency and investment management

Telefónica has allocated a total of €5,318 million to investment in 2024, 1.4% less than in 2023, in line with the forecast of closing the year with a CapEx-to-revenue ratio of less than 13%, a benchmark in the industry. EBITDAaL-CapEx increased by 1.6% to €5.212 billion.

Free cash flow (FCF) comfortably exceeded the target of growing by more than 10%, reaching €2,634 million, 14.1% more, and also had a good fourth quarter, with growth of 68% compared to the third quarter of 2024.

On the other hand, net financial debt has decreased by €1,537 million during the year, to a total of €27,161 million at the end of 2024, which has allowed the leverage ratio to be reduced to 2.58 times EBITDAaL. Debt management throughout 2024 has made it

possible to maintain a liquidity position of more than €20.8 billion, covering debt maturities over the next three years and an average debt life of 11.3 years.

Accounting measures

To comply with the most rigorous and transparent accounting criteria, Telefónica has carried out various impairment tests to update the fair value of its assets.

In the last quarter of 2024, asset impairment exceeded €2 billion, spread across Argentina (€1.274 million), Chile (€397 million), Telefónica Tech (€243 million) and Peru (€108 million). These impacts have been decisive in the Group recording a net loss of €1,003 million in the fourth quarter, which for the whole year has stood at -€49 million.

Excluding extraordinary impacts, such as restructuring costs or non-cash impairments, Telefónica obtained an adjusted net income of €425 million in the fourth quarter and €2,304 million in 2024.

390 million accesses

Telefónica increased its customer base in 2024 and ended the year with a total of 390 million (+1%), while maintaining its technological leadership in both 5G and fibre, a segment in which it continues to be the global leader excluding Chinese operators.

In relation to fixed technology, the company has 181.5 million premises passed with ultra-broadband networks, of which a total of 84.6 million correspond to fibre (+14%). Regarding 5G technology, Telefónica already reaches 91% of the population in Spain, 97% in Germany, 61% in Brazil and 75% in the United Kingdom.

Sustainability: new energy efficiency target

Telefónica's sustainability objectives, aligned with those of the United Nations, have made considerable progress during 2024.

On the environmental side, the company continues to progress towards its goal of net zero by 2040. Total emissions have been reduced by 52% since 2015, and after achieving the 2025 target to reduce energy consumption per unit of traffic by 90%, the company has now raised the target to achieve a 95% reduction by 2030. With respect its commitment to circularity, the number of reused equipment from operations, offices, and customers in 2024 has risen to five million, 11% more than in 2023.

From a social perspective, the company continues to roll out connectivity with the ambition of closing the digital divide. This same goal has led Telefónica to improve the technological skills and employability of more than one million people via the Telefonica Foundation. Progress in 2024 has been enabled by a diverse and motivated workforce. At the end of 2024, 34% of executive positions were held by women, exceeding the target of 33.4%. The employee satisfaction score (eNPS/Net Promoter Score) stood at 75 points, comfortably surpassing the goal of 70.

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In terms of governance, Telefónica has trained more than 72,700 employees in anti-corruption and performed nearly 21,000 sustainability-related audits on suppliers. Finally, in 2024, 37.4% of total financing was linked to sustainability criteria, 3.8 p.p. more than year-end 2023, and well on track to achieve the goal of reaching around 40% by 2026.