

# Telefónica grows in all its markets and increases revenues to €10,045 million



PUBLISHED MAY 10, 2023  
BY [TELEFÓNICA](#)

The company accelerated growth with revenues up 6.7% thanks to positive contributions from all geographies and business units.

- The quarter also showed sustained growth in OIBDA, which increased organically by 1.1% despite inflationary pressures.
- The first quarter results consolidate Telefónica on the path to meet its 2023 financial targets.
- Telefónica Tech's revenues rose 43.5% in the first quarter to €429 million.
- The company reduced its debt by 3.5% compared to March 2022 and has covered the maturities of the next three years, with more than 80% of the debt at a fixed rate and an average debt life of 13.2 years.
- Telefónica's customer base grew 4% between January and March to 383.6 million, with strong growth in fibre (+16%) and mobile contract (+7%) accesses.

-

We have made a strong start to the year despite the challenging global economic environment. We continue to execute our strategic plan and added another quarter of accelerated revenue growth in all regions where Telefónica operates. As a result, we are on track to meet our financial targets for the full year, and we can also confirm the dividend forecast for 2023. Telefónica continues to deliver on its commitment to reduce debt and continues to strengthen its balance sheet thanks to its ability to anticipate,

said José María Álvarez-Pallete, Chairman and CEO of Telefónica.

Madrid, 11 May 2023. Telefónica has accelerated its growth in the first quarter of 2023 to confirm the positive trend in its main geographies with widespread increases in revenues across all segments and business units of the company, despite ongoing inflationary pressures. Between January and March, the operator reported revenues of €10,045 million, 6.7% higher than in the same period of the previous year.

Telefónica executed in the quarter the key guidelines of its strategy and capitalised on the industry and business opportunities that have arisen in recent months. Telefónica's key markets ended the quarter in very positive terms: Spain's revenues rose 0.3% to €3,088 million, Germany's rose 8% to €2,101 million and Brazil's rose 17.5% to €2,282 million. The UK continued to improve its organic growth levels to €2,947 million and Hispam continued to evolve in its objective of achieving a modulated and sustainable exposure to the region.

The first quarter results put the company on track to meet its financial targets for the full year and in the position to confirm the distribution of the 2023 dividend of €0.30 per share payable in two tranches, in December 2023 and June 2024.

We have made a strong start to the year despite the challenging global economic environment. We continue to execute our strategic plan and added another quarter of accelerated revenue growth in all regions where Telefónica operates. As a result, we are on track to meet our financial targets for the full year, and we can also confirm the dividend forecast for 2023. Telefónica continues to deliver on its commitment to reduce debt and continues to strengthen its balance sheet thanks to its ability to anticipate,

said José María Álvarez-Pallete, Chairman and CEO of Telefónica.

The company's OIBDA stood at €3,121 million at the end of March, a stable and constant level thanks to revenue growth and the focus on efficiency, despite the inflationary environment. Net income totalled €298 million.

Exchange rates were favourable for another quarter, with a positive contribution to the Group's revenues of €136 million and €47 million in OIBDA.

Strong OIBDA and efficient investment management enabled operating cash flow (OIBDA – CapEx) to grow 2.1% in organic terms to €2,320 million, excluding spectrum.

### Solid development of global units

The strong revenue performance was particularly reflected in Telefónica Tech, where revenues grew 43.5% in the first quarter to €429 million. Telefónica Tech continued to grow at a rate well above the market and contributed to the solid overall revenue growth in the B2B segment, as a result of its scale and differential capabilities in the context of the sector.

Within the overall revenue growth recorded in the first three months of 2023, the B2B segment remained one of the main drivers of the company's growth, with sales up 9% organically compared to the first quarter of 2022.

Telefónica Infra also continued to strengthen Telefónica's positioning thanks to value creation and its pioneering status in the implementation of new fibre infrastructure models. Telxius, Telefónica's subsea cable business, reported an increase in reported revenues of 8.4% and 10.4% in OIBDA, which grew for the fifth consecutive quarter.

At the end of the first quarter, net debt stood at €26,443 million, 3.5% lower than a year earlier, as a result of the company's financial strength and the cash generated by the businesses. At 31 March, free cash flow generation reached €454 million.

Telefónica faces the current scenario of inflationary pressures and rising interest rates with a solid financial and liquidity position. More than 80% of debt is at fixed rates, the company has covered maturities over the next three years, the average debt life is 13.2 years and the liquidity position is close to €21,400 million.

### Transformation and technological leadership

Telefónica's customer base grew 4% between January and March to 383.6 million, with strong growth in fibre (+16%) and mobile contract (+7%) accesses.

The company has continued to make progress in its transformation

with the aim of continuing to occupy the position of technological leadership that it currently holds. In addition to the acceleration of fibre and 5G deployments, the closure of copper plants in Spain is scheduled for April 2024.

The company remains the leader in fibre deployment, with a total of 168.9 million premises passed at the end of March, 4% more than a year ago, of which a total of 66.6 million (+15%) run over Telefónica's own fibre networks.

With respect to 5G technology, already available in the four main markets, the company launched the stand-alone version in Brazil during the quarter, and plans to launch it in the UK, Germany and Spain in 2023. At the end of March, 5G already covered more than 2,100 locations in the UK, more than 82% of the population in Germany, 85% of the population in Spain and 58 cities in Brazil.

#### New environmental, social and governance milestones

In the first quarter of 2023, Telefónica continued to consolidate its progress in the environmental, social and governance areas.

In its goal of helping to decarbonise the economy through digitalisation, it is important to highlight the final phase of the closure of the entire copper network in Spain in April 2024, with a potential reduction in the environmental impact of the country's fixed network of 94%. With regard to the development and use of renewable energies, Telefónica started up three new Distributed Generation plants in Brazil in the quarter, bringing the total to 51 of the 85 plants planned.

In terms of the social objectives to which the company is firmly committed, during the first three months of the year, 4G/5G and fibre deployments continued in order to connect communities through technology, while aid to access connectivity through social tariffs has been intensified. In this regard, the UK has expanded the eligibility criteria for accessing these tariffs in the quarter. Lastly, the General Shareholders' Meeting approved in March all resolutions presented by the Board of Directors, implementing best practices in Corporate Governance. Also in this area, Telefónica continued to lead the sector in financing linked to sustainability criteria with a total of €17,000 million.

*Press release distributed by Wire Association on behalf of Telefónica,*

on May 10, 2023. For more information subscribe and [follow](#) us.

---

## Media Assets

### Embedded Media

Visit the [online press release](#) to interact with the embedded media.

<https://wireassociation.eu/newsroom/telefonica/releases/en/telefonica-grows-in-all-its-markets-and-increases-revenues-to-eur10045-million-1148>

---

## Telefónica

**Newsroom:** <https://wireassociation.eu/newsroom/telefonica>

**Website:** <https://www.telefonica.com/>

**Primary Email:** [contacto@fundaciontelefonica.com](mailto:contacto@fundaciontelefonica.com)

### Social Media

Facebook - <https://www.facebook.com/telefonica>

Linkedin - <https://www.linkedin.com/company/telef%C3%B3nica>

Twitter - <https://twitter.com/telefonica/>

Instagram - <https://www.instagram.com/telefonica/>

Youtube - <https://www.youtube.com/user/telefonica>

---