

# **Financial Results 3Q**

## **Colombia Telecomunicaciones S.A. ESP.**

JAN - SEP 2023

# ● ● ● Disclaimer

This document and any related conference call or webcast (including any related Q&A session) may contain forward-looking statements and information (hereinafter, the “Statements”) relating to the Telefónica Group (hereinafter, the “Company” or “Telefónica”). These Statements may include financial forecasts and estimates or statements regarding plans, objectives and expectations regarding matters, such as the customer base and its evolution, growth of the different business lines and of the global business, market share, possible acquisitions, divestitures or other transactions, the outcome of recently completed transactions, the Company’s results and its operations, including its environmental, social and governance commitments and targets.

The Statements can be identified, in certain cases, through the use of words such as “forecast”, “expectation”, “anticipation”, “aspiration”, “purpose”, “belief” “may”, “will”, “would”, “could”, “plan”, “project” or similar expressions or variations of such expressions. These Statements reflect the current views or aspirations of Telefónica with respect to future events, do not represent, by their own nature, any guarantee of future fulfilment, and are subject to risks and uncertainties that could cause the final developments and results to materially differ from those expressed or implied by such Statements. These risks and uncertainties include those identified in the documents containing more comprehensive information filed by Telefónica with the different supervisory authorities of the securities markets in which its shares are listed and, in particular, the Spanish National Securities Market Commission (CNMV) and the U.S. Securities and Exchange Commission (SEC).

Except as required by applicable law, Telefónica does not assume any obligation to publicly update the Statements to adapt them to events or circumstances taking place after the date hereof, including changes in the Company's business, changes in its business development strategy or any other circumstances.

This document and any related conference call or webcast (including any related Q&A session) may contain summarised, non-audited or non-IFRS financial information (including information referred to as “organic” and “underlying”). Such information may not be prepared in accordance with the financial reporting requirements established by the SEC, is presented for supplemental informational purposes only and should not be considered a substitute for audited financial information presented in accordance with IFRS. The Company’s non-IFRS financial measures may differ from similarly titled measures used by other companies. In addition, there are material limitations associated with the use of non-IFRS financial measures since they exclude significant expenses and income that are recorded in the Company’s financial statements.

Neither this document nor any related conference call or webcast (including any related Q&A session) nor any of their contents constitute an offer to purchase, sale or exchange any security, a solicitation of any offer to purchase, sale or exchange any security, or a recommendation or advice regarding any security.

This document and any related conference call or webcast (including any related Q&A session) may include data or references to data provided by third parties. Neither Telefónica, nor any of its administrators, directors or employees, either explicitly or implicitly, guarantees that these contents are exact, accurate, comprehensive or complete, nor are they obliged to keep them updated, nor to correct them in the case that any deficiency, error or omission were to be detected. Moreover, in reproducing these contents by any means, Telefónica may introduce any changes it deems suitable, may omit partially or completely any of the elements of this document, and in case of any deviation between such a version and this one, Telefónica assumes no liability for any discrepancy.



# Increase in revenues driven by fixed business.

## Operating Revenues 3Q 23

Var % 23/22

**+1,1%**



Fixed leads growth

## 3Q 23 organic OIBDA

Var % 23/22

**-8.6%**



Impacted by macroeconomic conditions and lower terminal sales

## Net debt

Sep-23

**\$4.5bn**



100% of USD debt covered

## OPCF 3Q 23

**\$416MM**



Impacted by higher CapEx payments due to intense execution on 4Q22.



### OP. Revenues (Jan-Sep 23):

Postpaid: -4,0% y-o-y ; Prepaid: -5,8% y-o-y

FBB(Includes FTTH) : +21,5% y-o-y; TV: +21,6% y-o-y



**Net Debt:** 50% in USD (\$2.227mm), 50% in COP (\$2.048mm)

## Colombia Telecomunicaciones S.A. ESP

Jan-Sep 2023

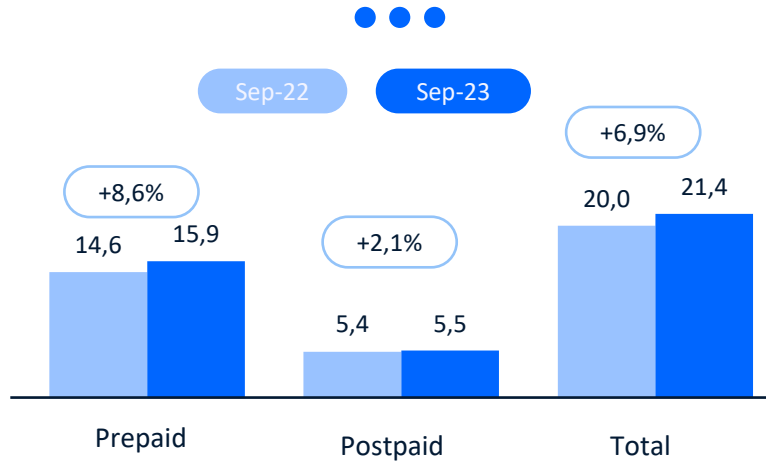
COP\$ millions	Reported	Var 23/22
Organic Revenues*	5.214	1,7%*
Expenses	4.175	4,6%
Organic OIBDA*	1.039	-8,6%*
OIBDA Margin	20,5%	-16,5 p.p.

\*Excludes the FTTH assets sale 841 MM in 1Q 2022

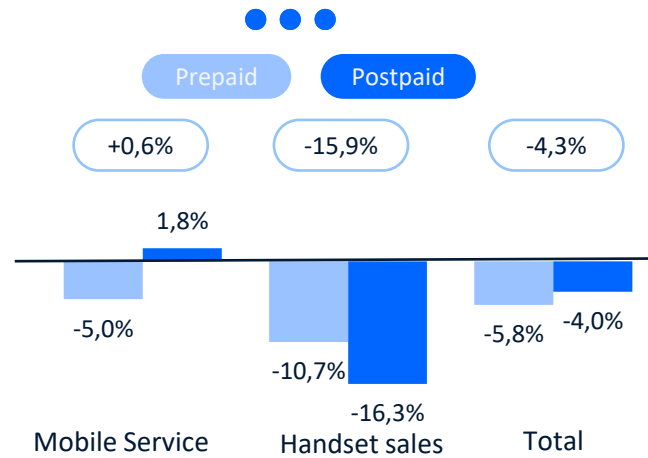


Var % 23/22

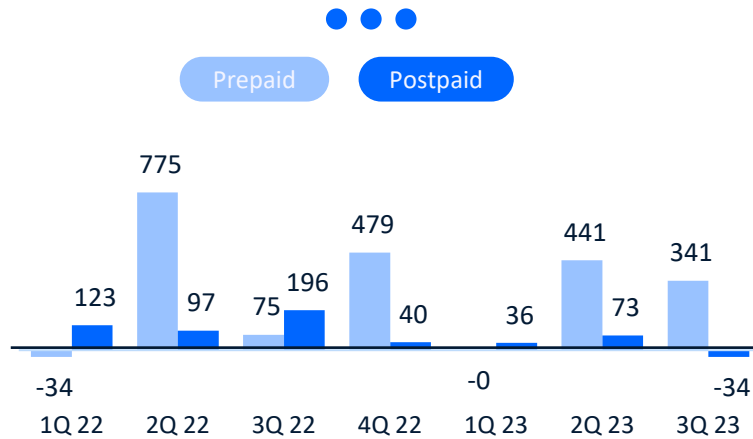
## Accesses (M)



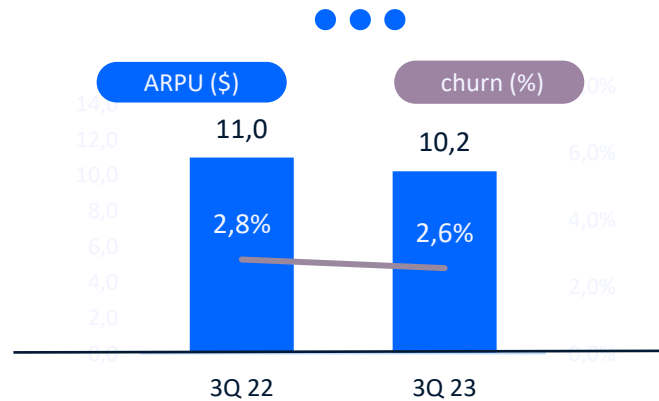
## Revenues (y-o-y 3Q)



## Net adds (k)



## KPIs Mobile



## Results

**Growth in accesses (+6.9% YoY), driven by the competitiveness of the offer, creating differentiation through additional features in products and services.**

**Decrease in revenues (-4.3% YoY) due to lower activity in the handset sales given the slowdown in economic activity**

**Mobile service revenues grew close to 1%, mainly driven by postpaid.**

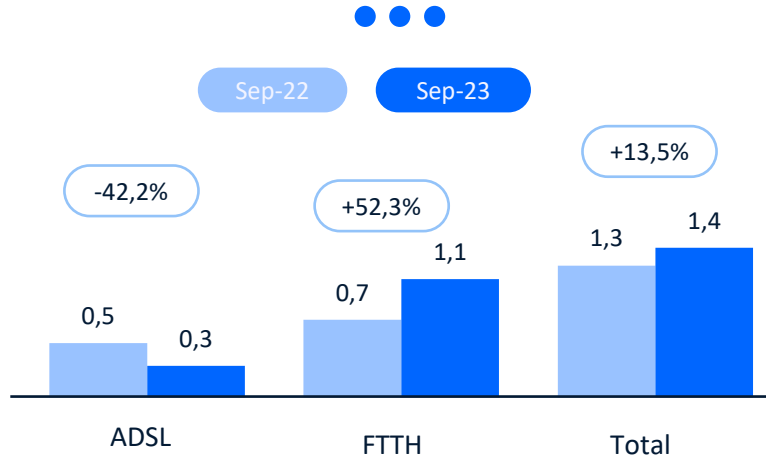
**ARPU decreases due to strategies for migrating recurring prepaid customers to postpaid.**

# FBB (Incl. FTTH)

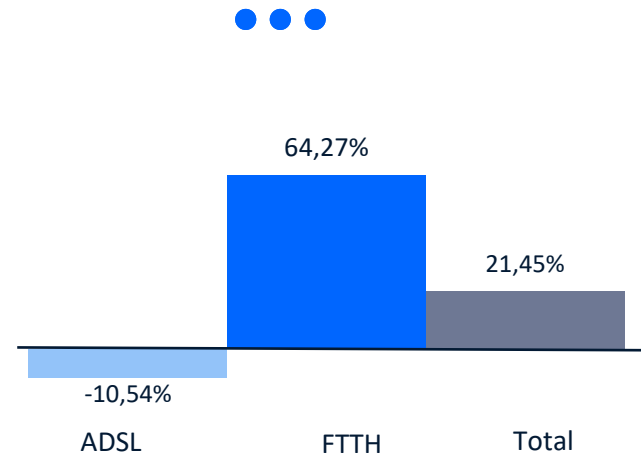


Var % 23/22

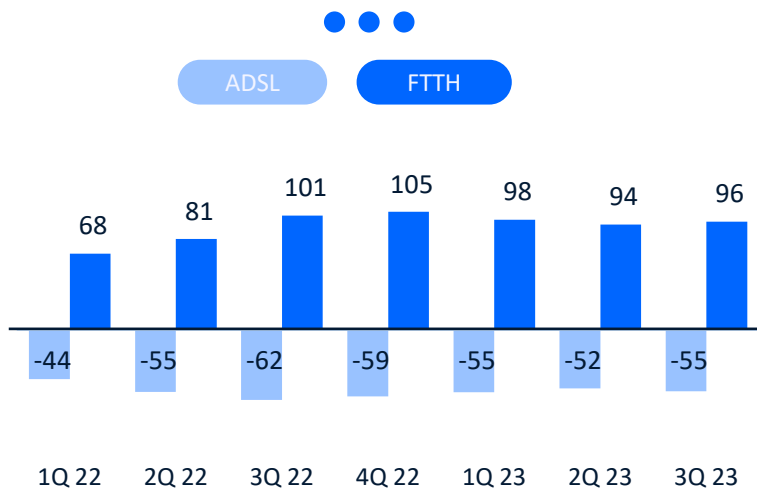
## Accesses (M)



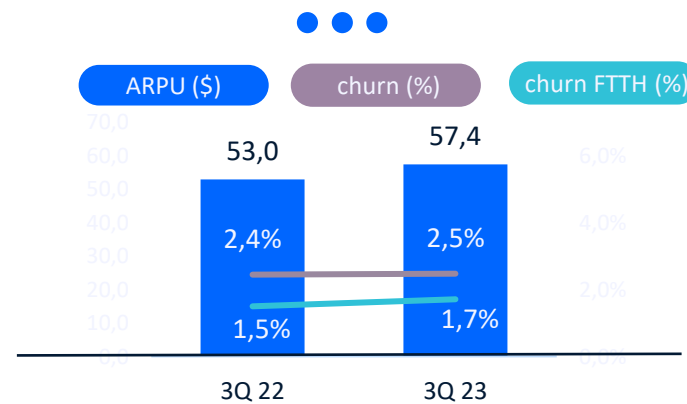
## Revenues (y-o-y 3Q)



## Net adds (k)



## KPIs FBB (Total)



## Results

Year-on-year growth of 64.3% in fiber revenues, this led the whole segment into a growth of 21,5% year-on-year in revenues

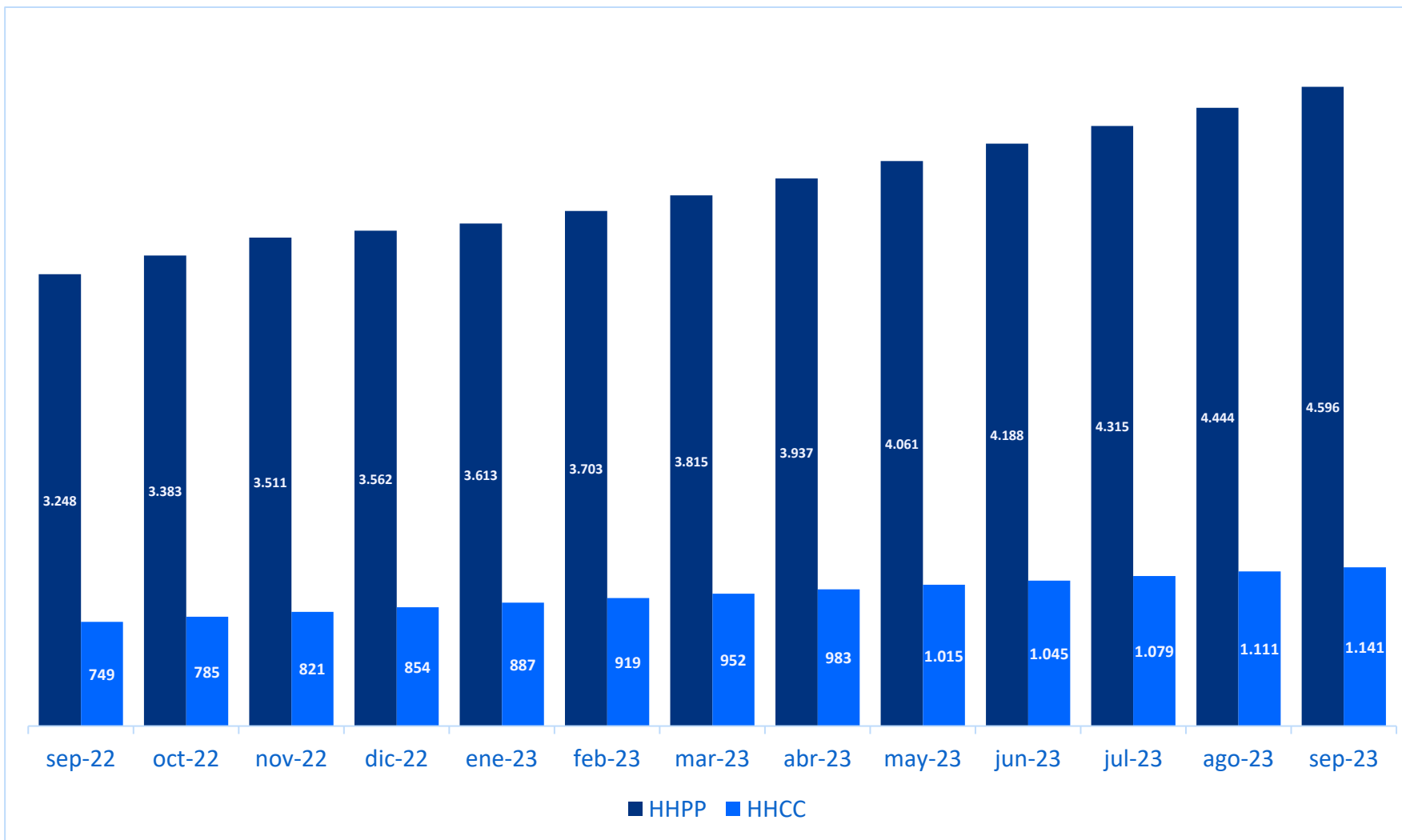
Number of FBB customers, growing +13.5% year-on-year.

FTTH customers accounted for 79.1% of the total number of FBB customers, a year-on-year increase of 52.3%



# FTTH Performance

HHPP y HHCC (Thousand)



## FTTH Deployment



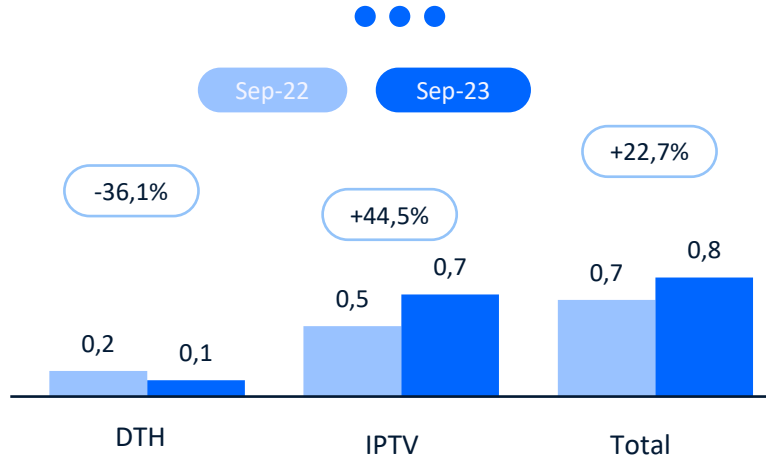
At 3Q23, 4.5 million HHPP, with a year-over-year growth of 41.5%.

Average monthly of 115,000 HHPP during 2023. Averages a monthly growth rate of 2.9%.

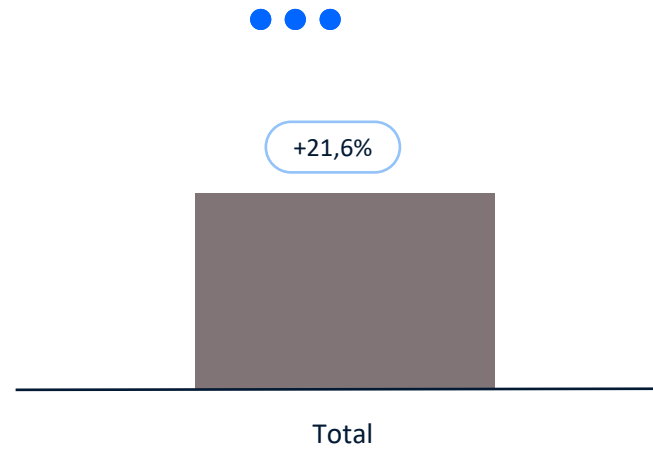
At 3Q23, 1.1 million HHCC, with a year-over-year growth of 52.3%.

Average monthly of 32,000 HHCC during 2023. Averages a monthly growth rate of 3.3%.

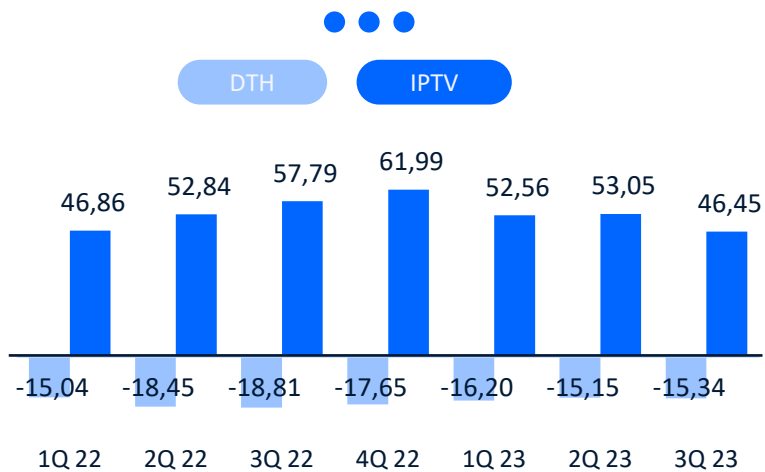
### Accesses (M)



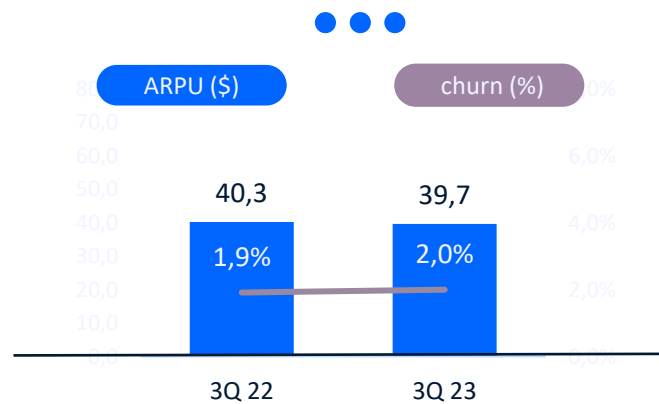
### Revenues (y-o-y)



### Net adds (k)



### KPIs TV (Total)



### Results

The deployment of fiber boosted pay TV through IPTV, reaching a total of 695.0k customers with a year-on-year growth of 44.5%, bringing the total number of TV customers to 808.9k.

IPTV share represented 85.9% of total subscribers at the end of 3Q23, which demonstrates the impact of this technology for consumers

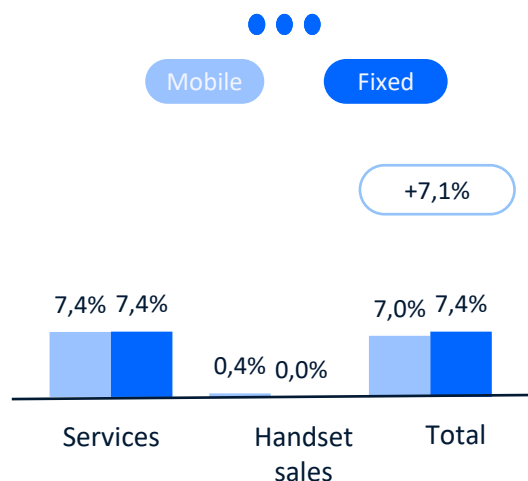


Var % 23/22

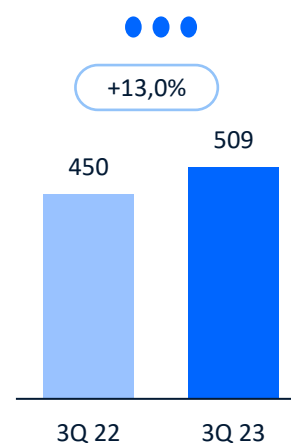
### Accesses(M)



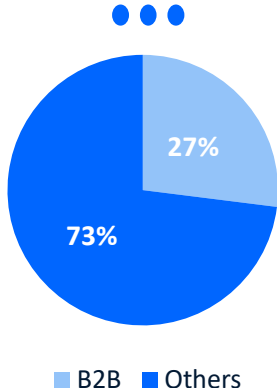
### Revenues (y-o-y)



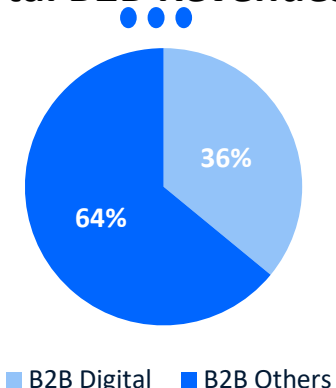
### Digital Revenues (y-o-y)



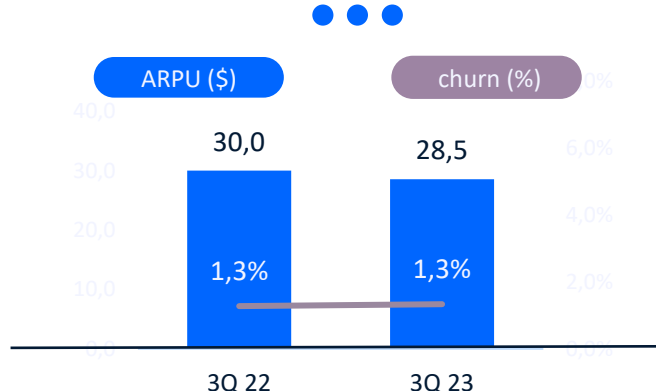
### %part. B2B in total Revenues



### %part. Digital B2B in total B2B Revenues



### KPIs B2B Mobile



### Results

In B2B, there was a 7.1% revenue growth at the end of 3Q23. This segment boosted the overall revenues growth

To highlight revenues growth in digital services for 3Q23 (+13.0% YoY)

B2B represents 27% of total revenues

Digital (B2B) represents 36% of total B2B Revenues



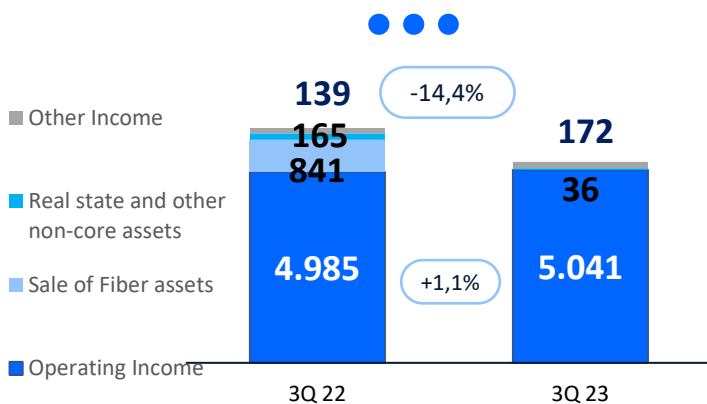
# Financial Results 3Q23

Colombia Telecomunicaciones S.A. ESP.

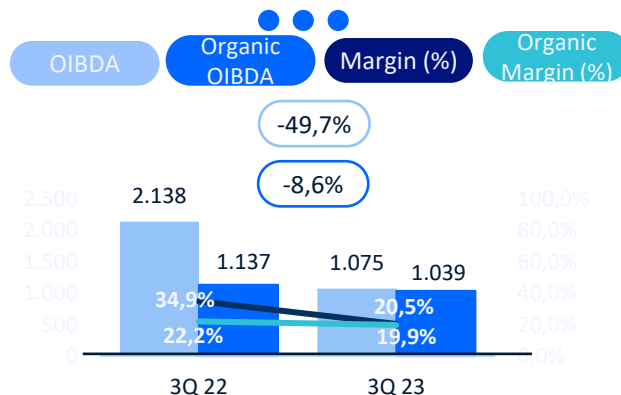
# ● ● ● Revenues, OpEx, OIBDA and OpCF



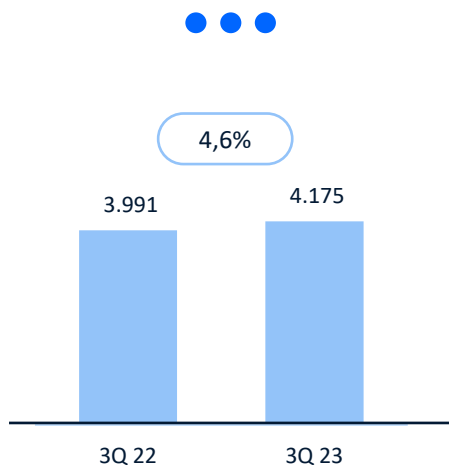
## Revenues (y-o-y)



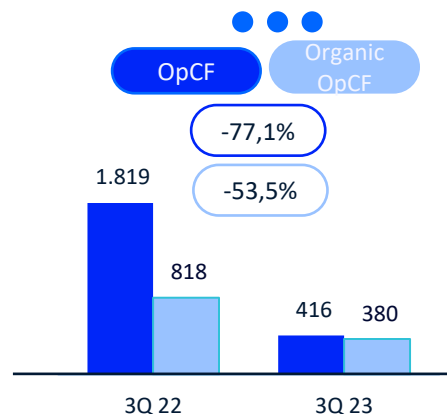
## OIBDA & Margin



## OpEx



## OpCF (OIBDA – Capex)



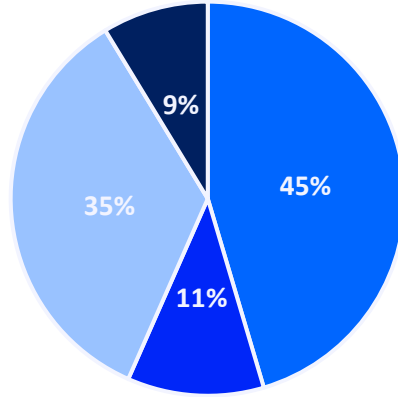
A 1.1% year-over-year increase in operating income in 3Q23 compared to 3Q22, primarily driven by fixed services propelled by connectivity through the optical fiber network, leveraged by expanded coverage and higher connection speeds; offsetting lower mobile revenues

The OIBDA declined by -49.7% year-over-year due to the sale of fiber assets and macroeconomic effects, with a decrease in handset sales due to changes in consumer behavior. Organic OIBDA decreased by 8.6% YoY.

The OpCF reached 416 million, experiencing a decline of -77.1% due to lower OIBDA and higher CapEx payments associated to intense CapEx execution in 4Q22.

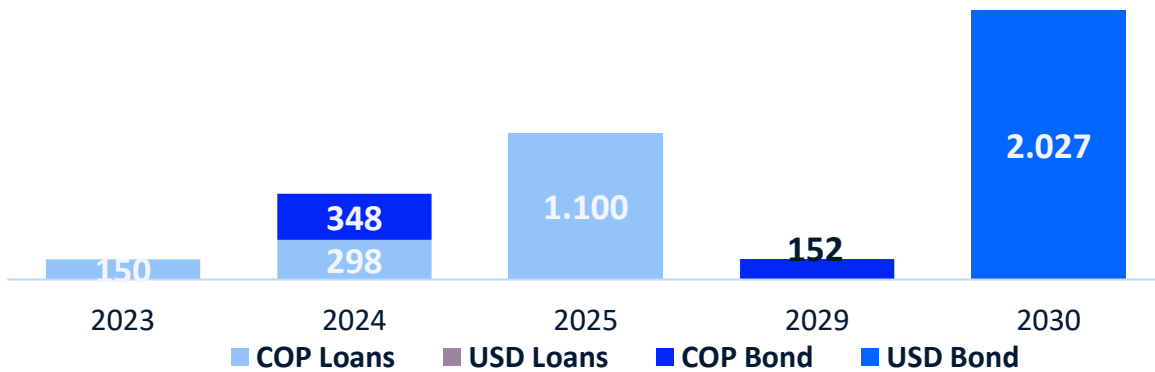
# DEBT

## Debt Structure



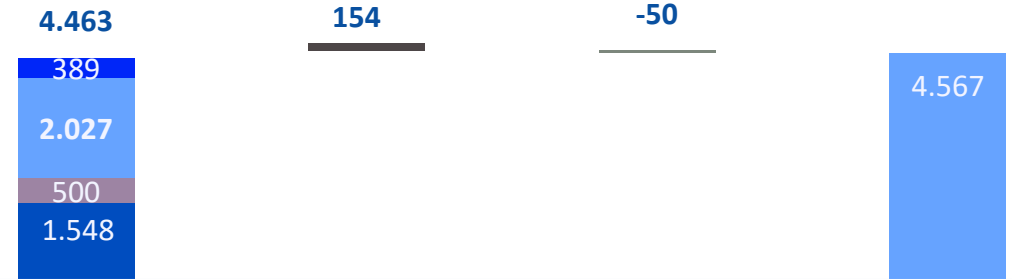
■ USD Loans ■ USD Bond ■ COP Bond ■ COP Loans ■ Licence

## Maturity Profile (\$ COP Millions)



■ COP Loans ■ USD Loans ■ COP Bond ■ USD Bond

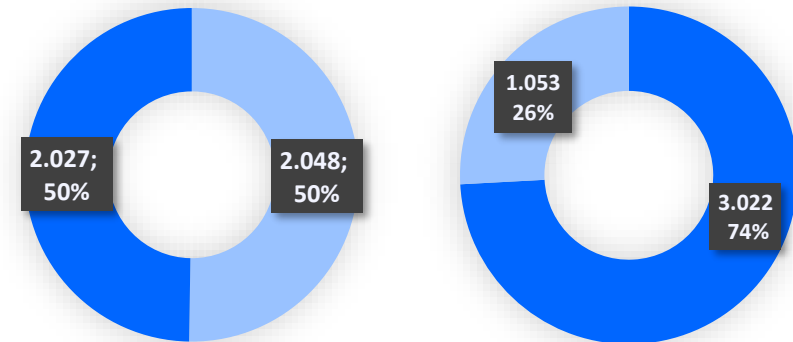
## Net Debt



(+) Financial Debt (+) Hedging Instruments (-) Cash and Equivalents (=) Net Financial Debt Valuation

■ USD Loans ■ COP Loans ■ COP Bond ■ USD Bond ■ Licence

## Debt detail by currency and interest rate



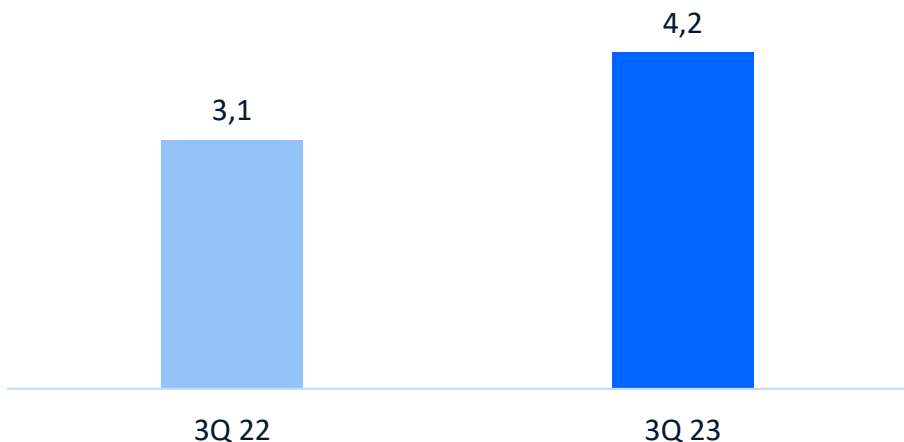
■ COP ■ USD

■ Fixed ■ Variable

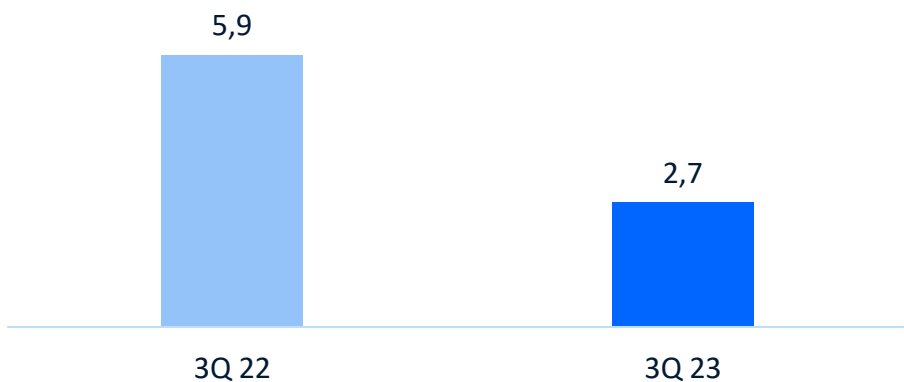


# Financial indicators

## Net Debt/ EBITDA<sup>(1)</sup>



## EBITDA / Net Financial Expenses<sup>(1)</sup>



## ESG Loans

		2021	2022	Q3 2023	Term
ESG-linked loans	Total	COP 798.000 millions	COP 1.098.000 millions	COP 1.098.000 millions	2024
Percentage of ESG-oriented debt / Total debt	Total	18,08%	25,52%	26,94%	

1. Includes IFRS 16

# Conclusions



# Summary

## 3Q23



- **Consistent growth** in organic **revenues** driven by the fixed business
- **Digital services revenues** has become more relevant over time.
- **Challenging** environment in **Macroeconomic and regulatory** perspective for the end of 2023



For further information, please contact:

**Investor Relations**

Inversionistas Co ([Inversionistas.co@telefonica.com](mailto:Inversionistas.co@telefonica.com))

Zamir Suz ([zamir.suz@telefonica.com](mailto:zamir.suz@telefonica.com))

Diego Perea ([diego.perea@telefonica.com](mailto:diego.perea@telefonica.com))

[Inversionistas.co@telefonica.com](mailto:Inversionistas.co@telefonica.com)

[www.telefonica.co/en/shareholders-and-investors/](http://www.telefonica.co/en/shareholders-and-investors/)

FOLLOW US:

