



# Financial Results

Telefónica Móviles Chile S.A. &  
Telefónica Chile S.A.

JAN | JUN 2023

# Revenues grow in 2Q23 driven by BAF, Data and Mobile

## Ordinary Revenues 2Q 23

Var % 23/22

**+5.7%**



## EBITDA 2Q23

Var % 23/22

**-22.7%**



## Net Debt

Jun-23

**MM\$ 827,175**



## OpCF 2Q23

(Ebitda – CapEx)

**MM\$ 95,566**



**Reported Revenues** (Var % 2T23/2T22) : Mobiles services grew +3,1% , BAF and others +8,1% and Data services +29,4%



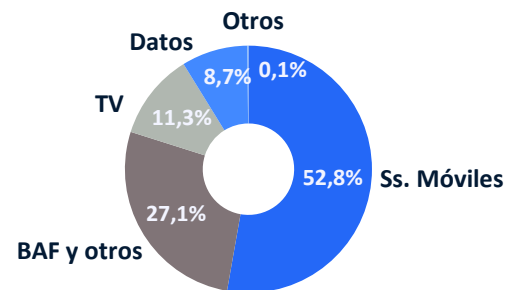
**EBITDA**, decreases in the quarter due to higher expenses associated with greater commercial dynamics and Inflation

## Telefonica Móviles Chile S.A.

Ene-Jun. 2023

Ch\$ millones	Reportado	Var % 23/22
<b>Total Ingresos Ordinarios</b>	849.385	5,7%
<b>Total Ingresos</b>	863.616	0,8%
<b>Gastos</b> (Excl. Depreciación)	701.758	8,4%
<b>EBITDA</b>	161.858	-22,7%
<b>Margen EBITDA</b>	18,70%	-5,7 p.p.
<b>Utilidad (Pérdida) Neta</b>	-31.522	c.s.

## Ordinary Revenues

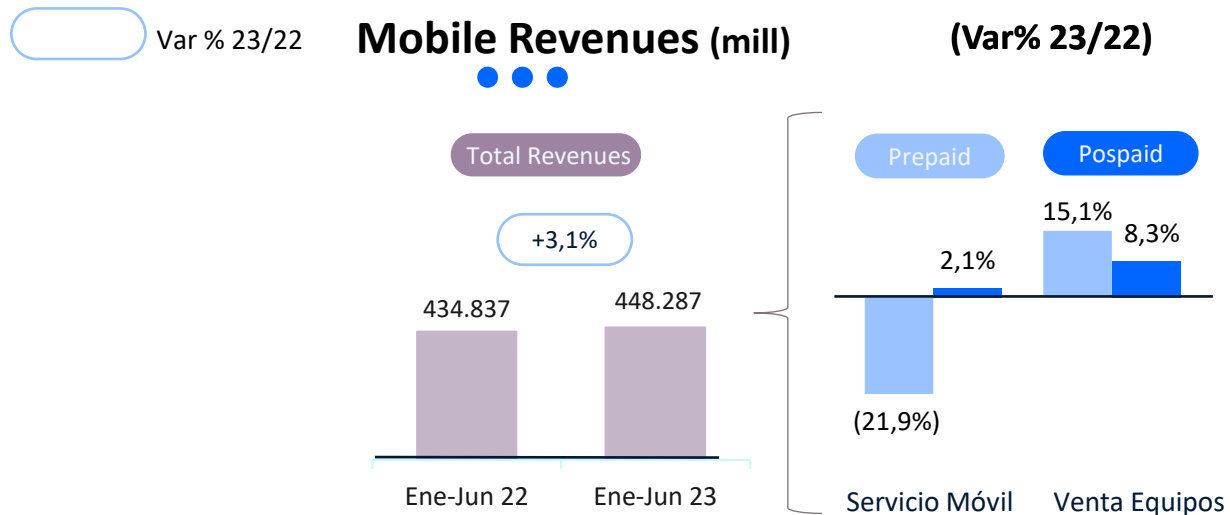


## Telefónica Chile S.A.

Ene-Jun. 2023

Ch\$ millones	Reportado	Var % 23/22
<b>Total Ingresos Ordinarios</b>	468.870	8,8%
<b>Total Ingresos</b>	478.393	1,5%
<b>Gastos</b> (Excl. Depreciación)	423.764	13,5%
<b>EBITDA</b>	54.629	-44,0%
<b>Margen EBITDA</b>	11,4%	-9,3 p.p.
<b>Utilidad (Pérdida) Neta</b>	-20.067	c.s.

# Mobile Services (Postpaid y Prepaid)



## Postpaid grows in revenue and customers

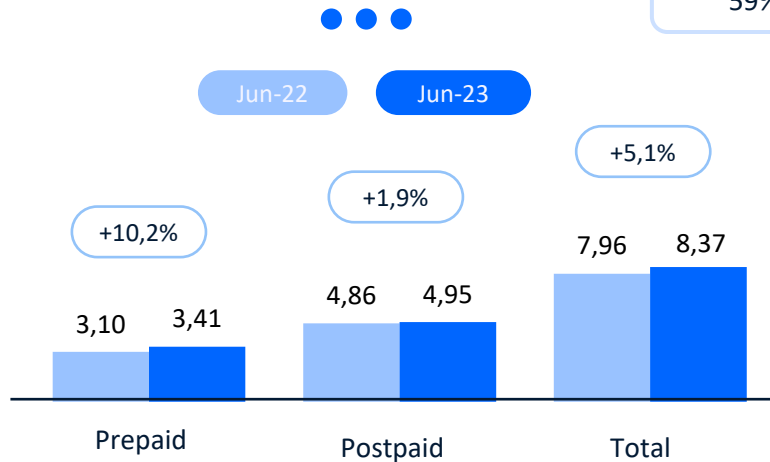
REVENUES as of Jun.23 grow 3.1% y/y, mainly explained by higher revenues from postpaid services and sales of terminal equipment.

The mobile customer base (Voice, BAM and M2M) shows a growth of 5.1% y/y, driven by commercial offers launched during 1H23 and a new grid of plans in the new 5G network

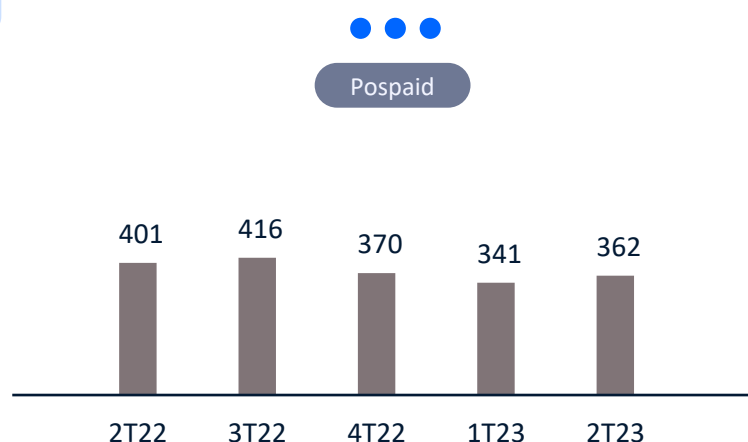
In postpaid accesses grew 1.9% y/y, while prepaid accesses grew 10.2%

An increase in postpaid net adds is observed compared to the previous quarter (1Q23)

## Total Accesses\* (million) % Postpago 59%



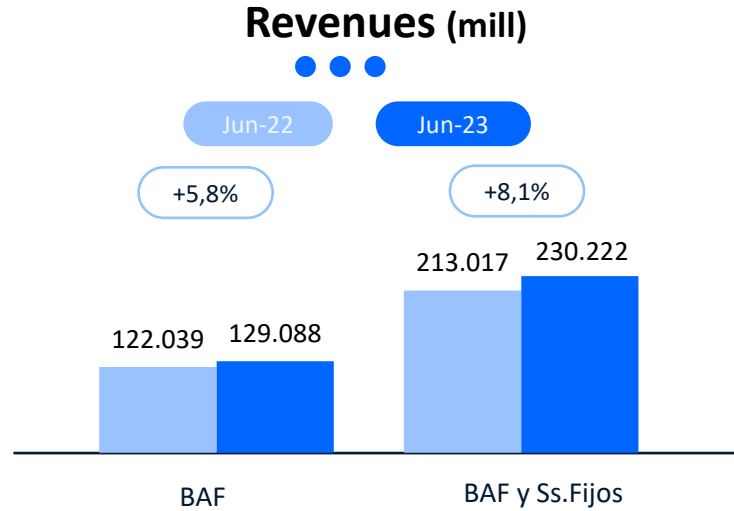
## Postpaid net adds (Thousand)



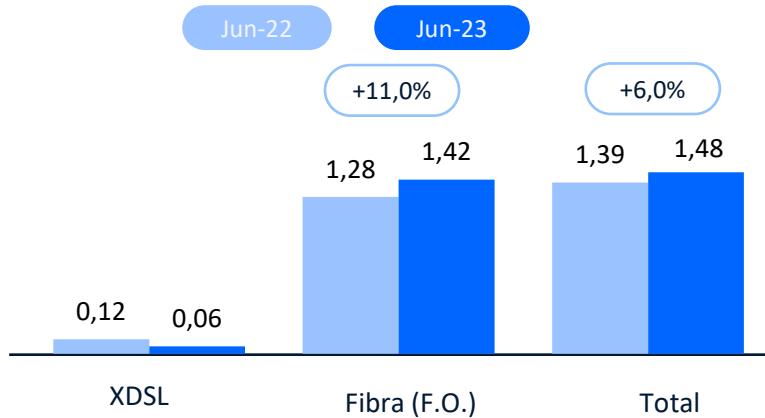
# Fixed Broad Band (FBB) and Fixed Services



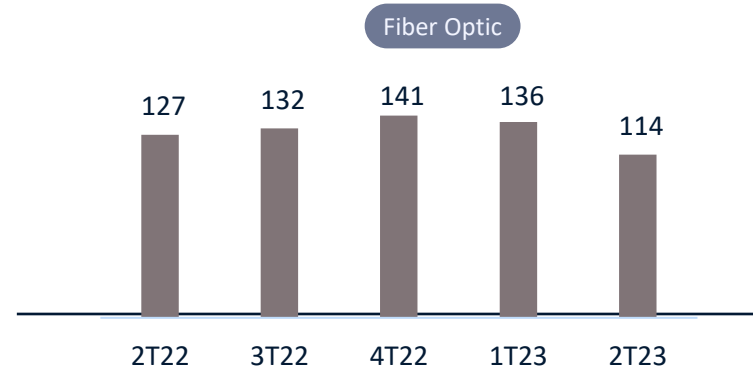
Var % 23/22



### FBB Accesses (mill)



### FO Net Adds (th)



## Growth Boosted by FO

As of Jun.2023, Income from BAF and Other Telecom services. Fixed lines grew 8.1%, explained by the good performance of fiber optics.

BAF accesses grew +6.0%, maintaining a positive trend and consolidating market leadership.

FO accesses grew by 11.0% compared to Jun.22, reaching 1,415,252 FO accesses, which represents 96% of total accesses.

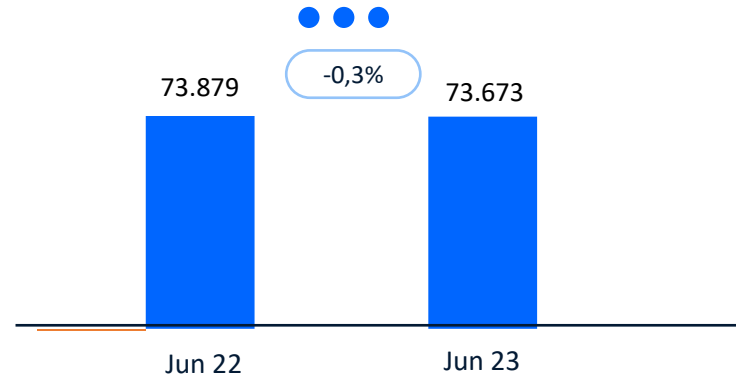
Movistar won the Ookla 1st Semester 2023 Award, for its reliable and quality FBB service (#1 in Internet speed)

# Video & Television

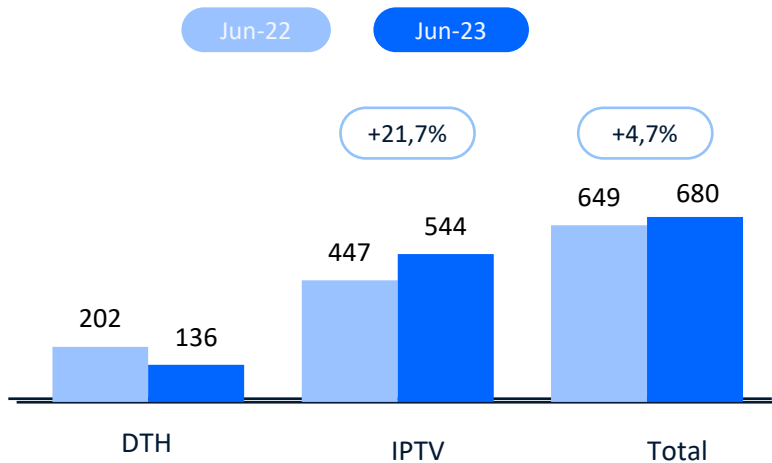


Var % 23/22

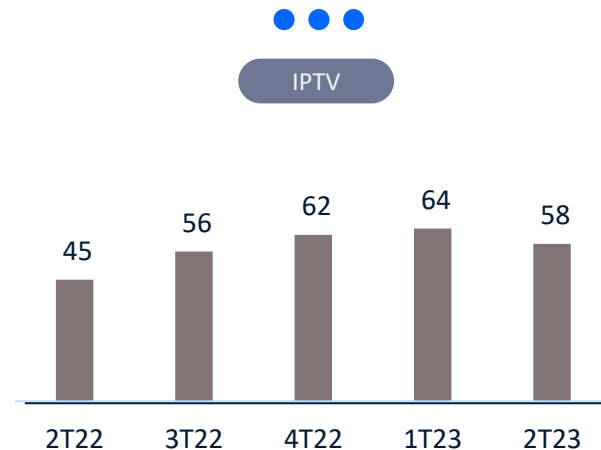
## TV Revenues (mill)



## TV Accesses (mill)



## IPTV net adds (Th)



## IPTV growth boosted by FO

TV REVENUES remain stable, showing a slight drop (-0.3%) compared to Jan-Jun 2022

The TV customer base grew 4.7% y/y, mainly explained by the growth of IPTV accesses (+21.7%), as a result of the good performance of net additions of fiber optic Duos and Trios.

IPTV accesses represent 80.0% of total TV accesses as of June 2023

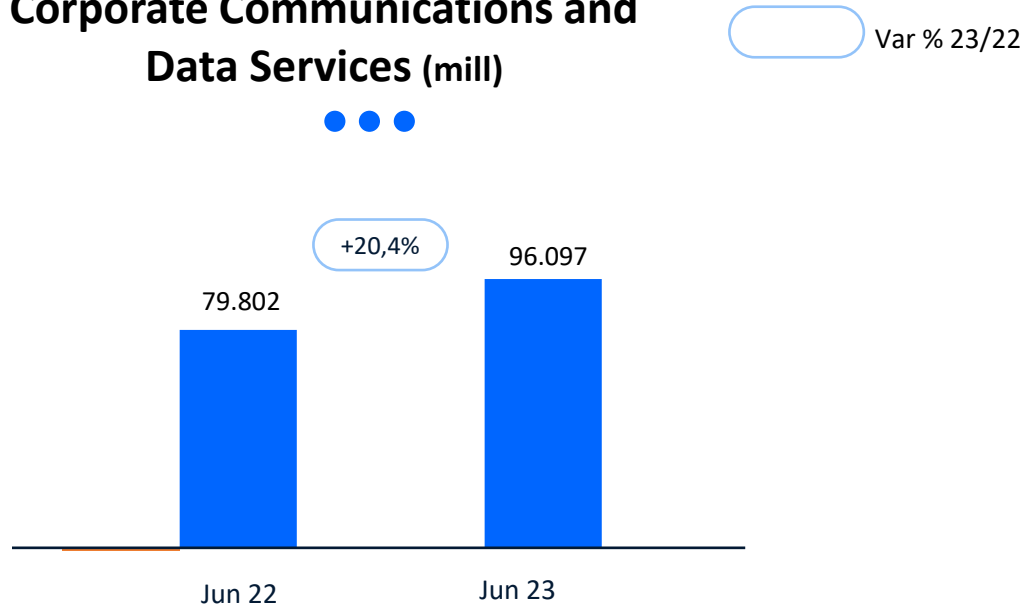
Movistar maintains an attractive TV offering that includes nearly 100 channels (HD and sports), direct access to Netflix, Star+, Disney+, Paramount, Prime video, HBO and YouTube among others.



# Corporate Communications and Data Services



## Corporate Communications and Data Services (mill)



+20,4%



Empresas

### Two digits growth in Corporate Communications and data services



Revenues from corporate data services show a growth of 20.4%, mainly explained by growth in private services (+1.5%) due to the closure of new projects and higher revenues from digital services (+40.0%) in 1H23 compared to same period of the previous year, the latter includes income associated with the contract with the Electoral Service, for the May 2023 elections.

# 2Q23 Results

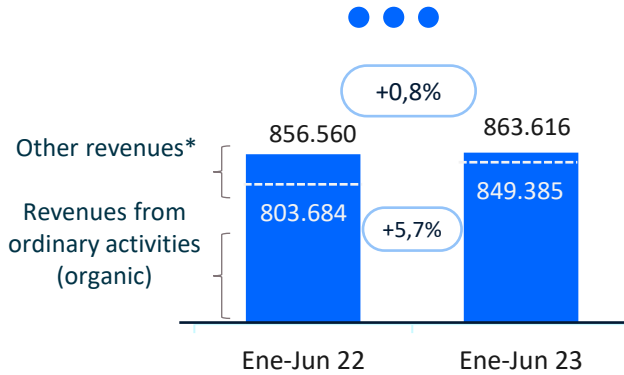
Telefónica Móviles Chile S.A. and Telefónica Chile S.A.

# ● ● ● Revenues, EBITDA and OpCF

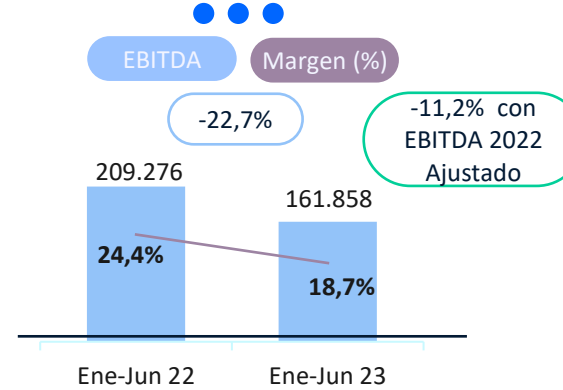
## Telefónica Móviles Chile S.A.



### Revenues (y-o-y)



### EBITDA\*\* y Margin

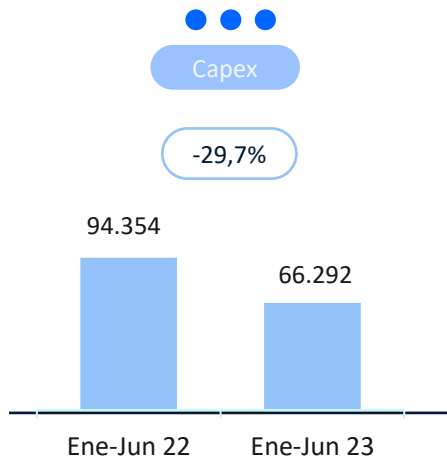


As of Jun.23, TMCH's revenue from ordinary activities grows 5.7%, driven by higher revenue from Fixed Broadband (FTTH), IPTV and data services for businesses (B2B), as well as good service performance Mobile Postpaid and sale of terminals. Total revenues grow slightly by 0.8% due to income from asset sales in 1H22

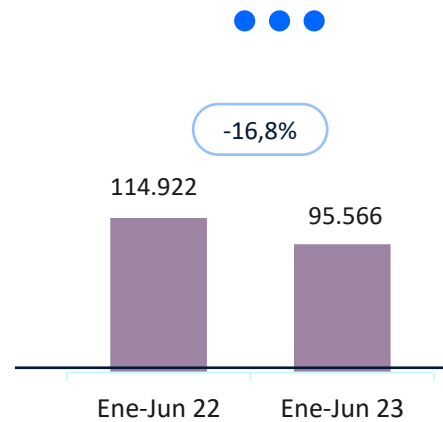
EBITDA falls -22.7% compared to Jun.22, discounting the effect of asset sales in the Jan-Jun 2022 period, EBITDA falls 11.2% explained by higher operating costs (+8.4%) associated with inflation, greater commercial dynamics and fiber optic connectivity service, reaching a margin of 18.7%, which compares to an adjusted margin of 21.1%.

Capex shows a drop of 29.7% y/y, due to the greater investment made in 2022, due to the deployment of 5G, with the above the OpCF reached \$95,566 million

### CapEx



### OpCF (OIBDA – CapEx)



\*: Other income for the period Jan-Jun 2022 includes \$36,103 million from asset sales (sale of Data Center and sale of towers on building rooftops)

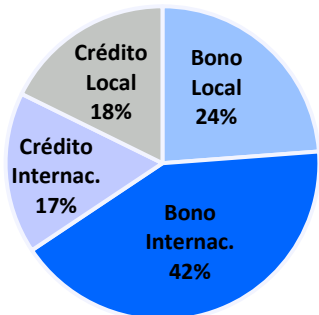
\*\* : EBITDA for Jan-Jun 2022, discounting the sale of assets, reaches \$173,173 (EBITDA Margin 21.1%)





# Debt of Telefónica Móviles Chile S.A.

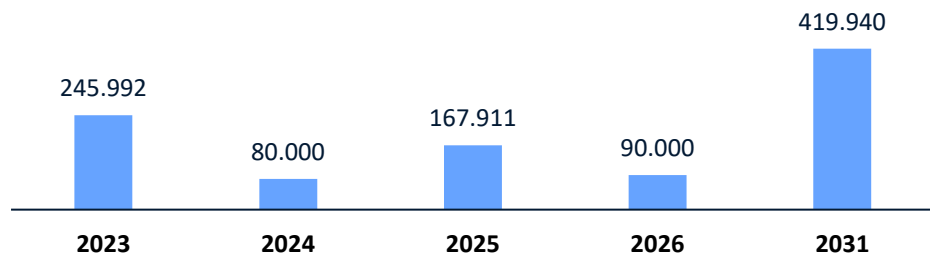
## Debt Structure



- ✓ Deuda bruta a mar. 2023 → Ch\$1.063.015 mills.
- ✓ Deuda neta a mar. 2023 → Ch\$827.175 mills.
- ✓ AA (ICR/FITCH)
- ✓ BBB-/BBB+ (S&P/ FITCH)

- ✓ Gross Debt decreases due to the payment of T. Chile's international bond in October 2022, which was refinanced early in November 2021.
- ✓ Net debt increases mainly due to a drop in cash balance.

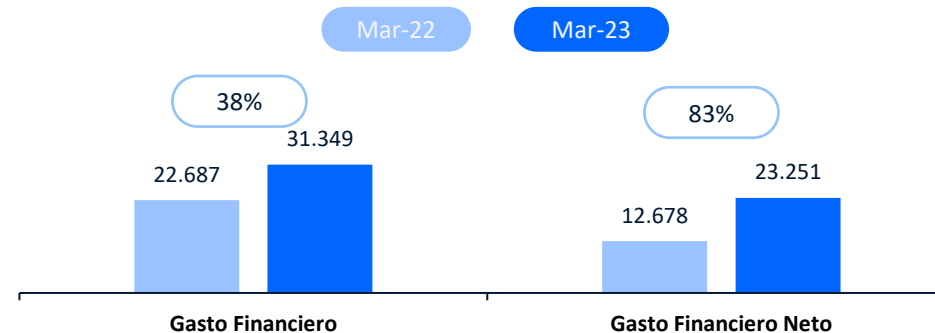
## Maturity Profile Mills \$



- ✓ Capacidad de pago respaldada por generación de EBITDA de los últimos 12 meses terminados en marzo 2023 que alcanzó los Ch\$ 388 mil millones.

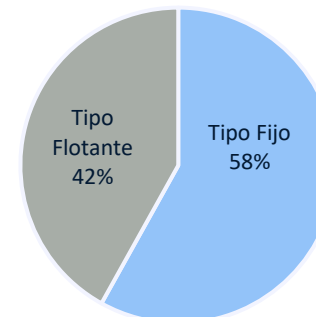
1 Deuda Bruta y Deuda Neta no incluye efecto de leases.

## Financial expenses Mills. \$



- ✓ Gross and net financial expenses increase due to higher market interest rates and increase in working capital initiatives. It is important to mention that the T. Chile international bonus was valid until October 12, 2022.

## Currency and Interest Rate Coverage



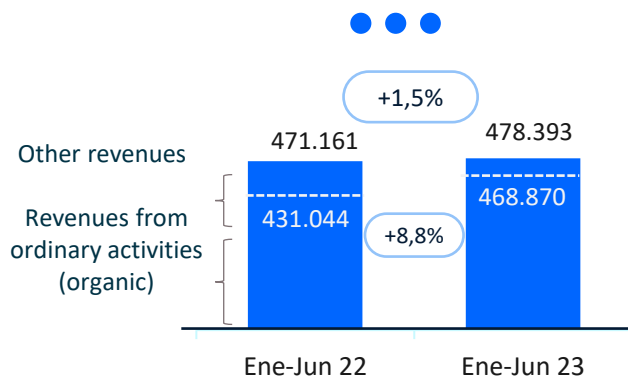
- ✓ 100% Cobertura FX
- ✓ Tasa media Deuda bruta: **7,15%** anual

# Revenues, EBITDA and OpCF

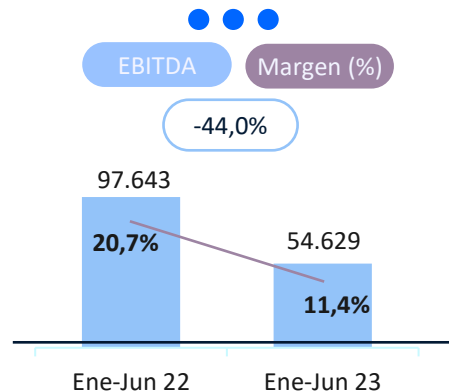
## Telefónica Chile S.A. (TCH)



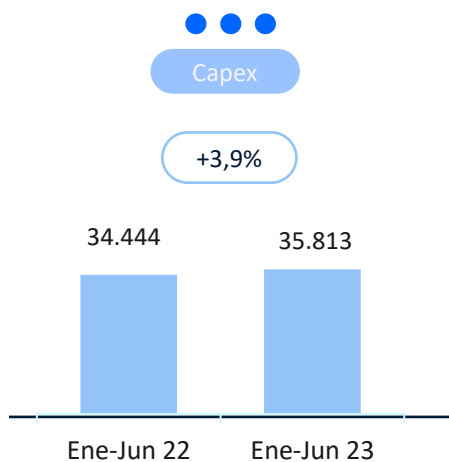
### Revenues (y-o-y)



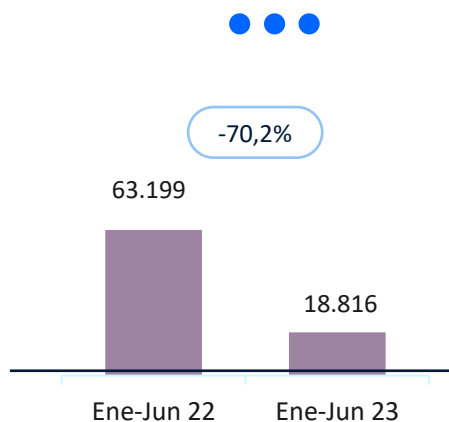
### EBITDA y Margin \*\*



### CapEx



### OpCF (OIBDA – CapEx)



As of Mar.23, TCH's revenues from ordinary activities grew 8.8%, explained by higher revenues from Fixed Broadband and IPTV, driven by the growth of Fiber Optic accesses, as well as higher revenues from Data Services for companies (B2B) in 1H23.

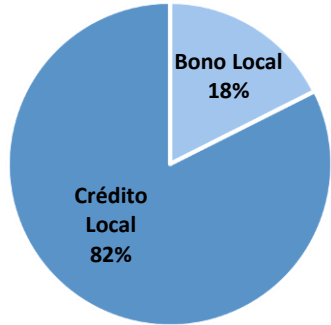
EBITDA falls -44.0% compared to Jun.22. due to higher operating costs associated with inflation and greater commercial dynamics (TV content and commissions) and fiber optic connectivity service, among others. Reaching a margin of 11.4%

Lower EBITDA and stable Capex resulted in an OpCF of \$18,816 million for 1H23.

# Debt of Telefónica Chile S.A.



## Debt Structure<sup>(1)</sup>



- ✓ Deuda bruta a jun. 2023: Ch\$64.043 mills.
- ✓ Deuda neta a jun. 2023 : Ch\$0 mills.
- ✓ AA (ICR/FITCH)
- ✓ BBB-/BBB+ (S&P/ FITCH)

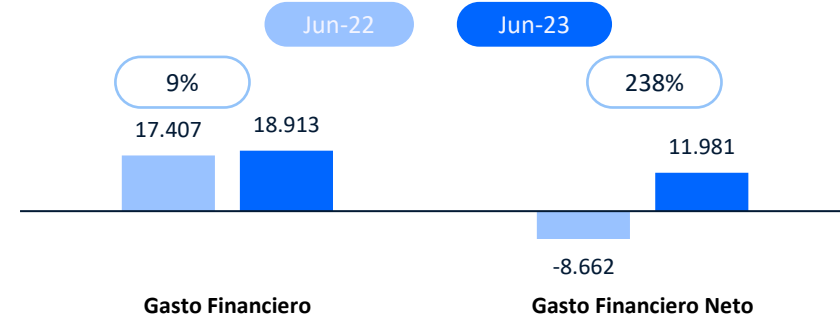
- ✓ Gross Debt decreases due to international bond maturity 144 A.
- ✓ Negative Net Debt because cash is greater than financial debt.

## Maturity Profile Mills \$

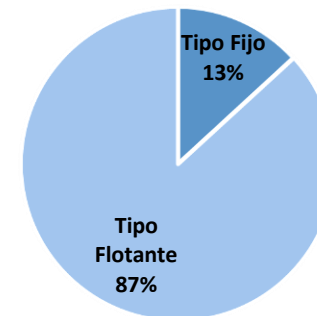


<sup>1</sup> Deuda Bruta y Deuda Neta no incluye efecto de leases.

## Financial expenses Mills. \$



## Currency and Interest Rate Coverage

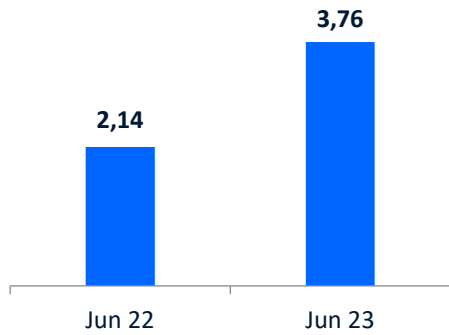


- ✓ 100% Cobertura FX
- ✓ Tasa media Deuda bruta: 11,3% anual

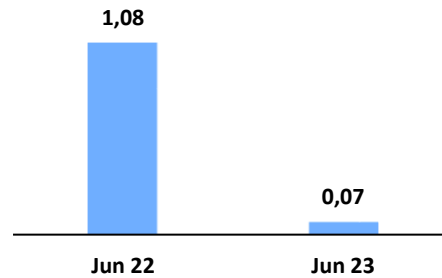


## Net Debt / EBITDA<sup>(1)(2)</sup>

### Telefónica Móviles Chile

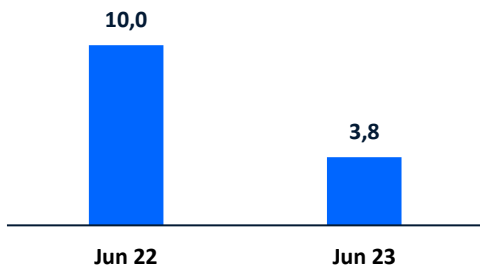


### Telefónica Chile

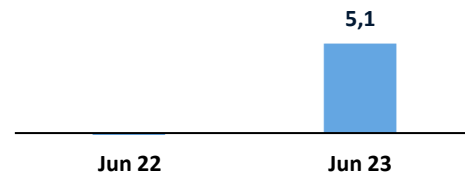


## EBITDA<sup>(1)</sup> / Net Financial Expenses

### Telefónica Móviles Chile



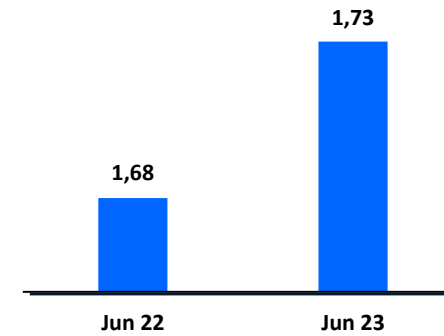
### Telefónica Chile<sup>(4)</sup>



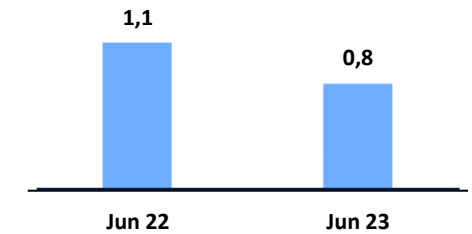
## Total Liabilities\* / Equity

\*: Menos activos de cobertura

### Telefónica Móviles Chile



### Telefónica Chile



1. Net debt includes financial debt per IFRS16.
2. Net Debt / EBITDA of T. Chile is not calculated because the cash balance is greater than the net debt.
3. EBITDA and Net Financial Expenses consider 12 rolling months.
4. Net financial expense coverage at 0 for T. Chile in Jun-22 because financial income was greater than financial expense.

# Closing remarks



## In summary:



### 2Q23



- Good performance of fixed income due to growth in Fiber Optic, IPTV and data for companies
- Postpaid revenue growth continues in the mobile business
- EBITDA affected by higher expenses associated with greater commercial dynamics and inflation



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