



# Financial Results

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

JAN | DEC 2023

# Revenues show growth at the end of 2023

## Revenues Dec.23

Var % 23/22

**+2.8%**



## EBITDA Dec.23

CL\$ million

**MM\$333,663**



## Net Debt

Dec-23

**MM\$ 939,291**



## OpCF Dec.23

(Ebitda – CapEx)

**MM\$ 157,170**



**Revenues** (Var. 23/22) : Growth in Fixed Broadband Services +5.3%, Business Data +6.7% and Television +1.5% stands out, while the Mobile business grew 0.9% in the period.



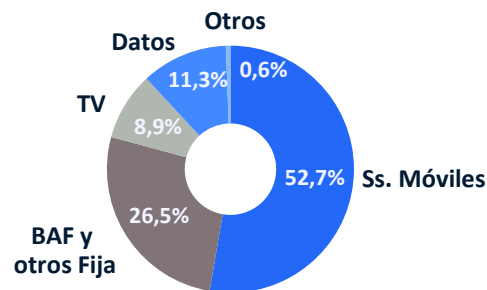
**EBITDA**, decreases in the quarter due to higher expenses associated with commercial dynamics, inflation and personnel expenses due to restructuring.

## Telefonica Móviles Chile S.A.

Ene-Dic 2023

Ch\$ million	Reported	Var % 23/22
<b>Ordinary Revenues</b>	1.698.144	1,4%
<b>Total Revenues</b>	1.792.318	2,8%
<b>Expenses</b> (Excl. Depreciation)	-1.458.655	8,4%
<b>EBITDA</b>	333.663	-16,3%
<b>Margen EBITDA</b>	18,6%	-4,3 p.p.
<b>Net Results</b>	-76.565	c.s.

## Ordinary Revenues



## Telefónica Chile S.A.

Ene-Dic. 2023

Ch\$ million	Reported	Var % 23/22
<b>Ordinary Revenues</b>	963.194	5%
<b>Total Revenues</b>	1.049.945	8%
<b>Expenses</b> (Excl. Depreciation)	-893.964	13%
<b>EBITDA</b>	155.981	-10%
<b>Margen EBITDA</b>	14,9%	-3,0 p.p.
<b>Net Results</b>	-1.201	c.s.

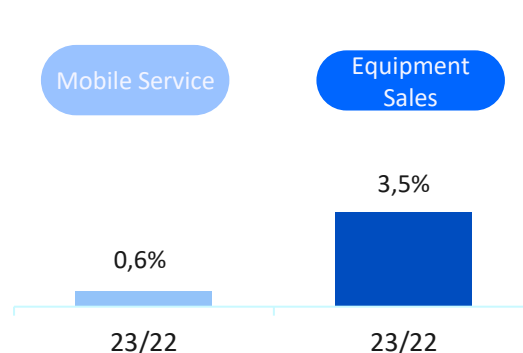
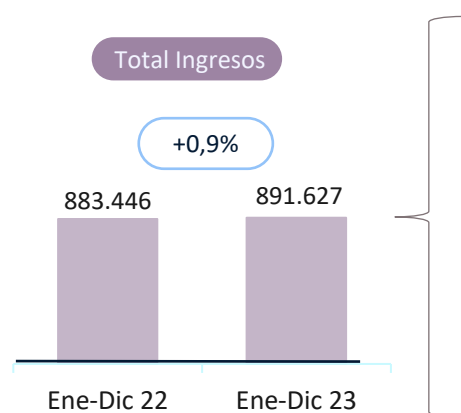
# Mobile Services (Postpaid y Prepaid)



Var % 23/22 **Mobile Revenues (mill)**

**Mobile Revenues (mill)**

**(Var% 23/22)**



## Positive revenue trend continues

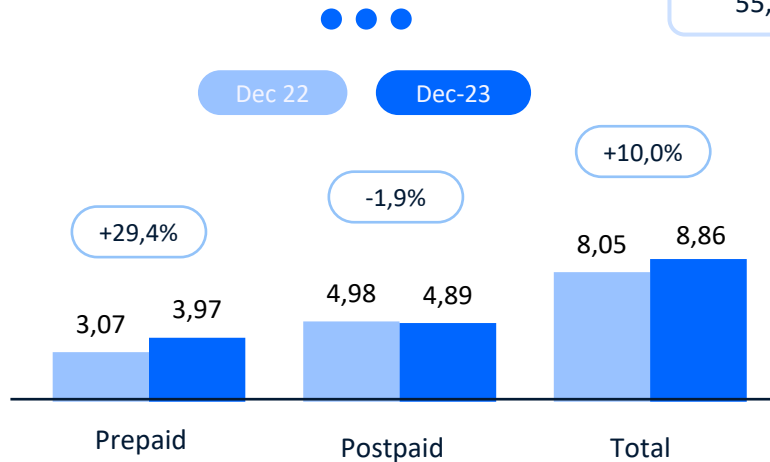
REVENUES as of Dec.23 grew slightly 0.9% y/y, mainly explained by:

- i) Higher revenues from postpaid services (+1.5% y/y) due to a growth in ARPU compared to 2022, which offsets the drop in prepaid service revenues and
- ii) higher revenues of equipment sales from prepaid and postpaid.

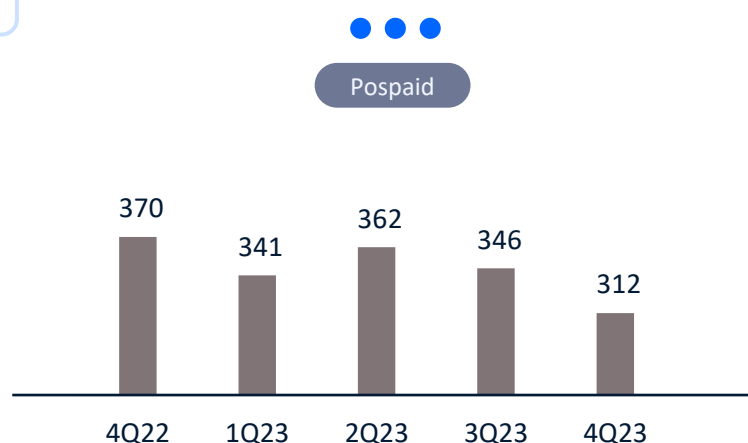
Mobile Customer Base (Voice, BAM and M2M), shows a growth of 10.0% y/y, driven by growth in total Mobile Accesses and prepaid BAM. Postpaid has been affected by lower additions during recent quarters.

**Total Accesses\* (million)**

% Postpaid 55,2%



**Postpaid net adds (Thousand)**

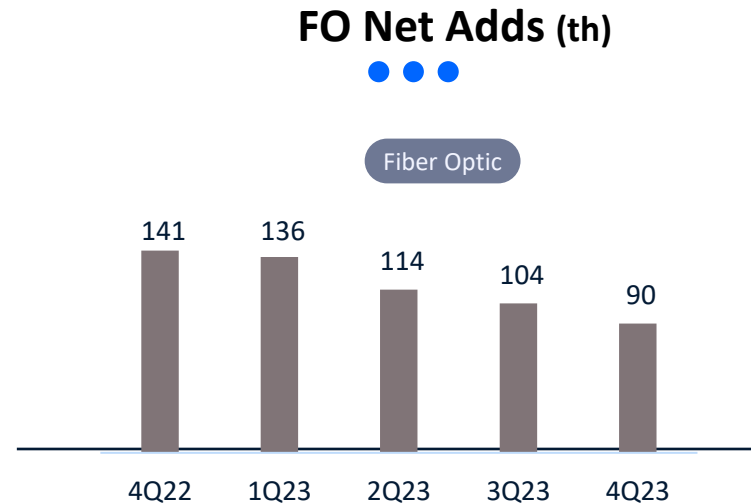
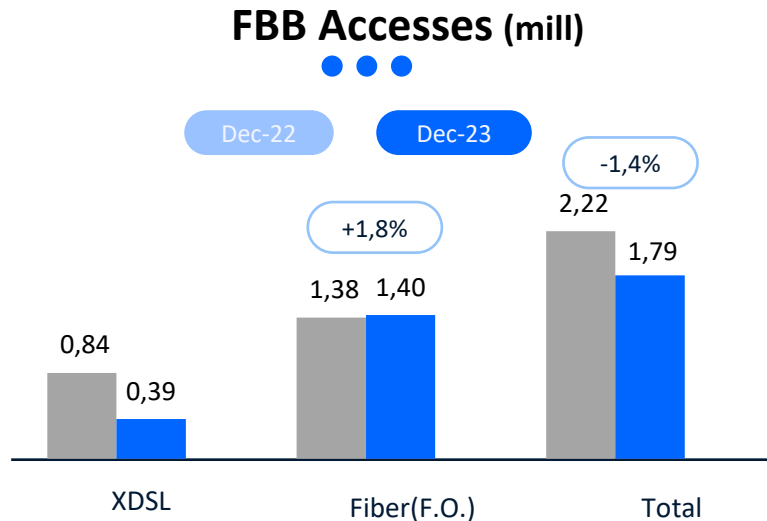
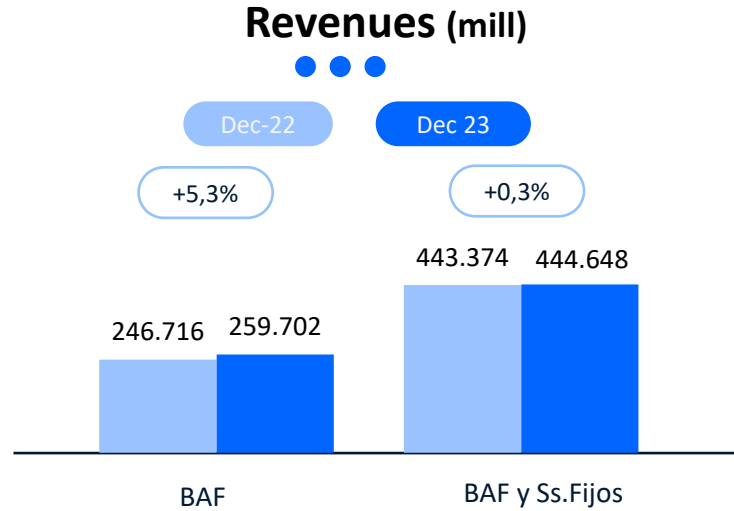


\*: Voice, BAM and M2M

# Fixed Broad Band (FBB) and Fixed Services



Var % 23/22



## Positive performance of Fiber Optic

As of Dec. 2023, Revenues from BAF and Other Fixed Telecom Services grow 0.3%, explained by growth in fiber optic revenues (+5.3%), which are partially offset by lower revenues from other fixed telecom services such as telephony and wholesales.

BAF accesses fell 1.4% y/y, due to lower XDSL accesses and partially offset by a **1.8% growth in fiber optic accesses**, even though a slowdown in additions is observed in the last quarters

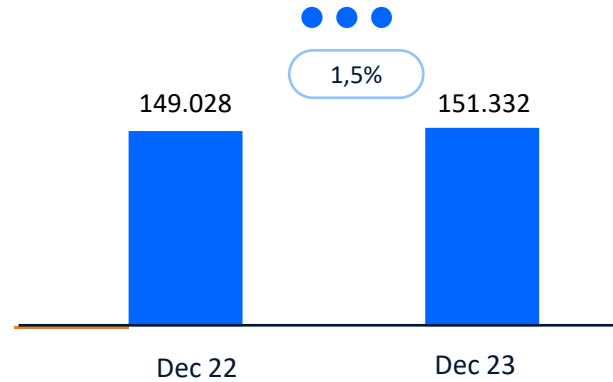
**Market leadership in fixed broadband is maintained**, reaching 97.3% of total accesses with Fiber Optic, which totaled 1,402,619

# ● ● ● Video & Television

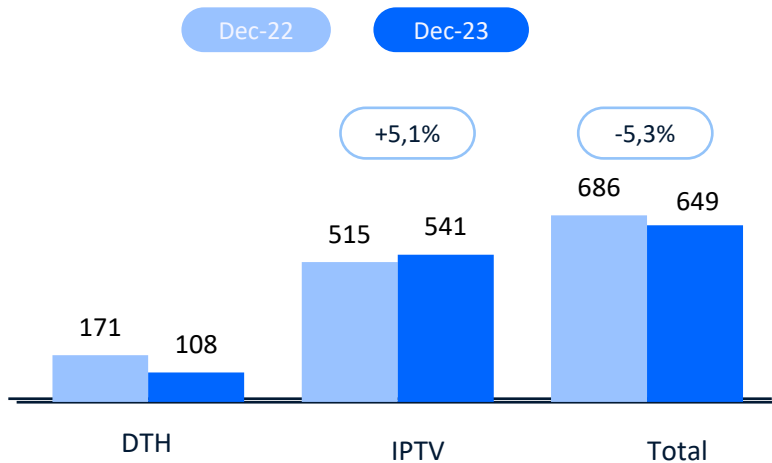


○ Var % 23/22

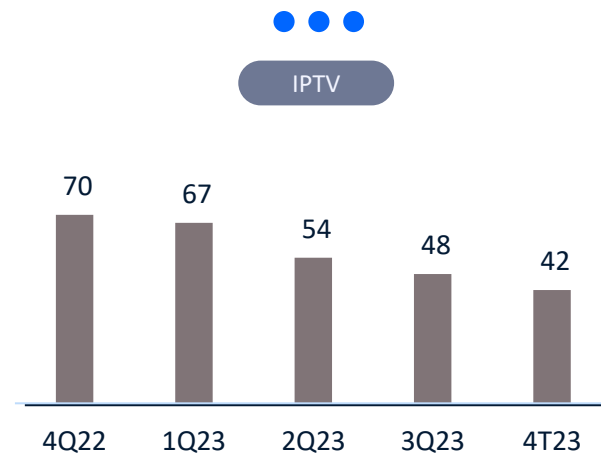
## TV Revenues (mill)



## TV Accesses (mill)



## IPTV net adds (Th)



## IPTV growth boosted by FO

TV REVENUES grow 1.5% compared to Jan-Dec 2022, due to a recovery in ARPU in 4Q23 and greater IPTV accesses

TV accesses (IPTV +DTH) fell -5.3% y/y, explained by lower DTH accesses, which were partially offset by the 5.1% growth of IPTV accesses, compared to the same period of the previous year, driven by the sale of fiber optic Duos and Trios.

IPTV accesses represent 83% of total TV accesses as of December 2023

Movistar maintains an attractive TV offering that includes a wide range of channels (HD and sports), direct access to Netflix, Star+, Disney+, Paramount, Prime video, HBO/MAX and YouTube among others.

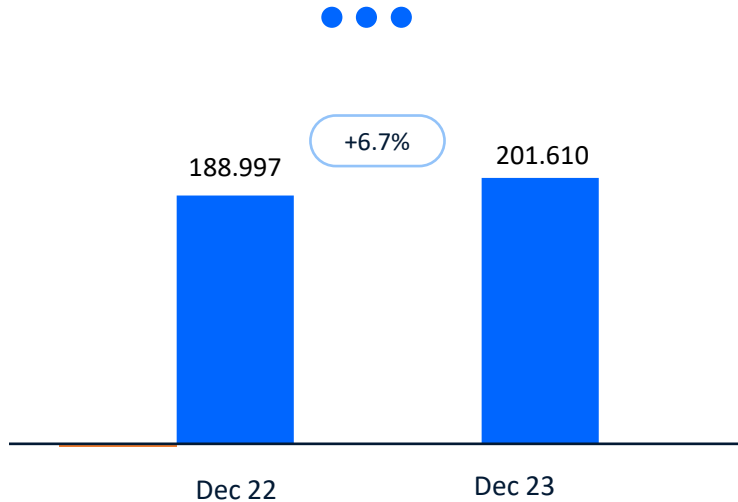


# Corporate Communications and Data Services



## Corporate Communications and Data Services (mill)

Var % 23/22



## Growth in Corporate Communications and data services



At the end of December, revenue from business data services showed a growth of 6.7%, mainly explained by the growth of Digital Services (+32.7%), compared to the same period of the previous year, associated with the closing of new contracts of services and contract with electoral service for the voting process in 2023.

### New projects for 2023:



# 4Q23 Results

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

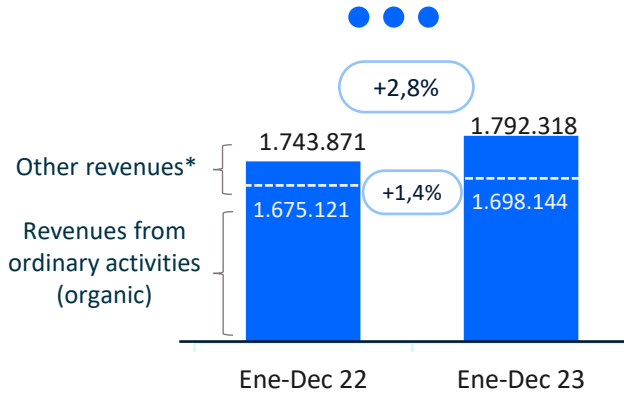


# ● ● ● Revenues, EBITDA and OpCF

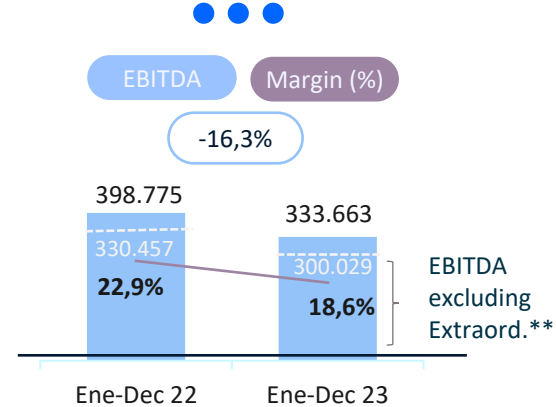
## Telefónica Móviles Chile S.A.



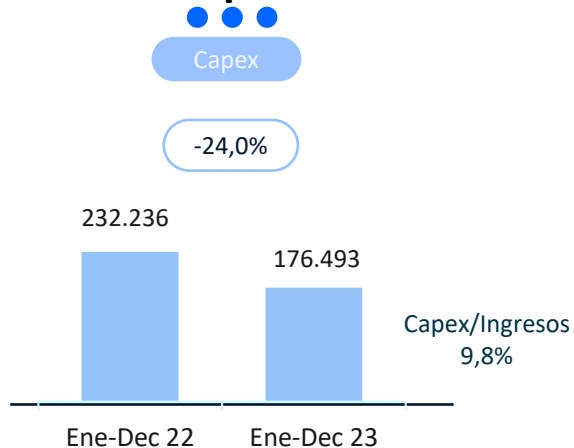
### Revenues (y-o-y)



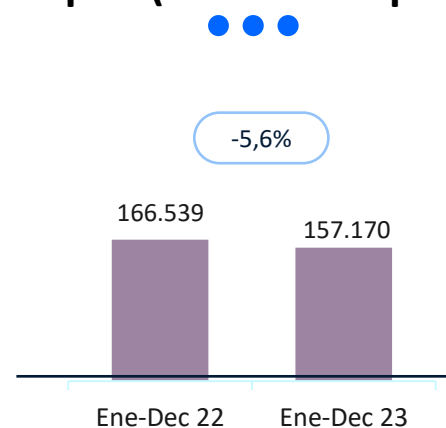
### EBITDA\*\* y Margin



### CapEx



### OpCF (OIBDA – CapEx)



As of Dec.23, TMCH's revenues grow **2.8%**, explained by higher revenues from Fiber Optic, Data Services (B2B) and IPTV, as well as the good performance of the Mobile Postpaid service and sale of terminals. Other income grows 37.0%, due to extraordinary revenues\* in 2022 and 2023.

**EBITDA falls -16.3% compared to Dec.22.** discounting extraordinary effects\* in 2022 and 2023, EBITDA falls -16.8% y/y, explained by higher operating costs (+6.0% y/y), due to inflation, commercial dynamics and FO connectivity service, reaching an adjusted margin of 17.5% in 2023, which compares to a margin of 21.3% in 2022.

**Capex shows a drop of -24.0% y/y,** due to the greater investment made in 2022, due to 5G deployment, with the above the OpCF reached \$157,170 thousand.

\*: Extraordinary effects in 2022 and 2023: In 2022, income of \$38,318 million was recognized from asset sales (sale of Data Center and Sale of towers on the roofs of buildings). In 2023, income of \$5,526 million was recognized from real estate sales and \$61,500 million from the accelerated recognition of the provision of income from service exclusivity, associated with the purchase and sale contract of the 2021 fiber optic assets. Additionally, in December 2023, recognized the cost of the simplification plan for \$33,400 million, for compensation and others.

\*\* Excluding extraordinary items in 2022 and 2023\*, EBITDA falls -16.8%, and margins reach 21.3% and 17.5%, respectively

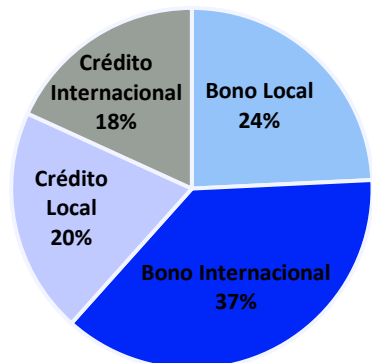




# Debt of Telefónica Móviles Chile S.A.



## Debt Structure

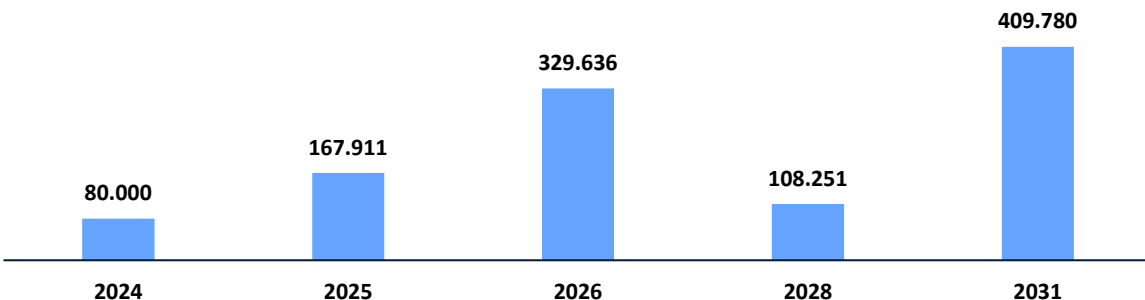


### Debt as of Dec 31, 2023:

- ✓ Gross Debt (excl. leases) → Ch\$1.128.516 mills
- ✓ Net Debt (including leases) → Ch\$1.502.143 mills.
- ✓ Net debt (excl. leases) → Ch\$939.291 mills.
- ✓ ICR : AA (in observation)/ Fitch: AA- (Stable)
- ✓ S&P: BBB- (negative)/ Fitch: BBB- (Stable)

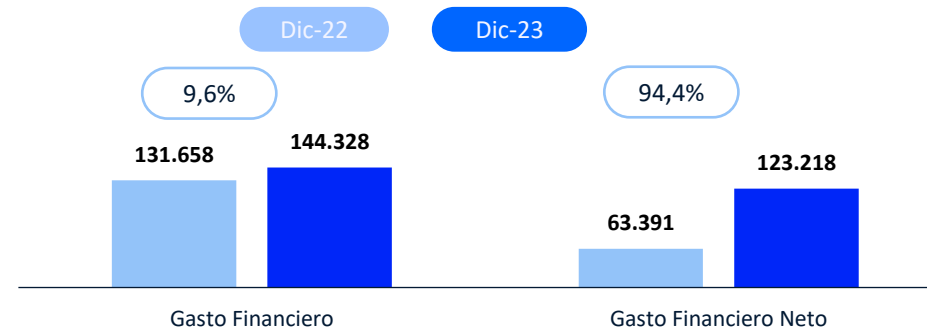
- ✓ Gross Debt grows due to financing of the contribution to the related company OnNet Fibra in December 2023
- ✓ Net debt increases slightly due to higher gross debt partially offset by higher cash balance

## Maturity Profile Mills \$



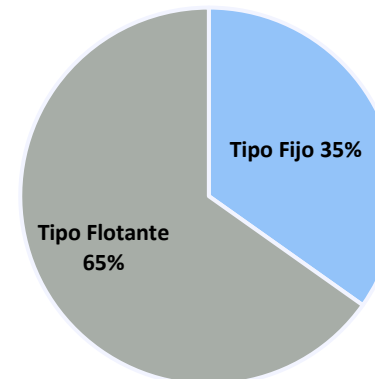
- ✓ Payment capacity supported by EBITDA generation for the last 12 months ended December 2023, which reached Ch\$ 333 billion.

## Financial expenses Mills. \$



- ✓ Gross and net financial expenses increase due to a higher average market interest rate in 2023, an increase in working capital initiatives and a decrease in financial income due to the earn out payment and credit payment by OnNet Fibra in 2022.

## Currency and Interest Rate Coverage



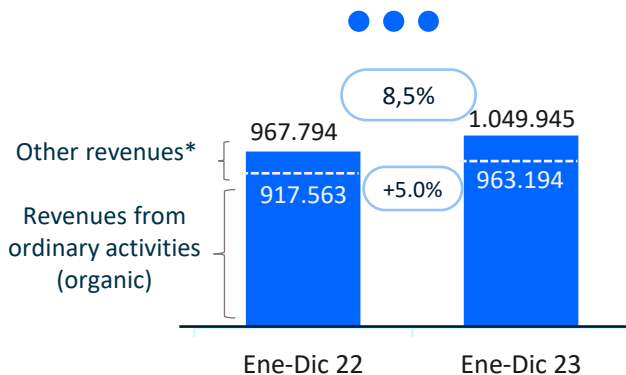
- ✓ 100% FX coverage
- ✓ Average gross debt rate: **8,47%** annual

# Revenues, EBITDA and OpCF

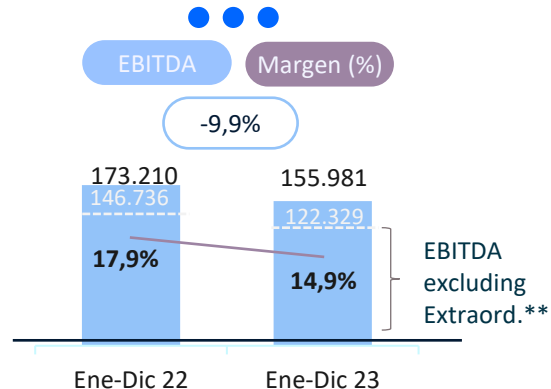
## Telefónica Chile S.A. (TCH)



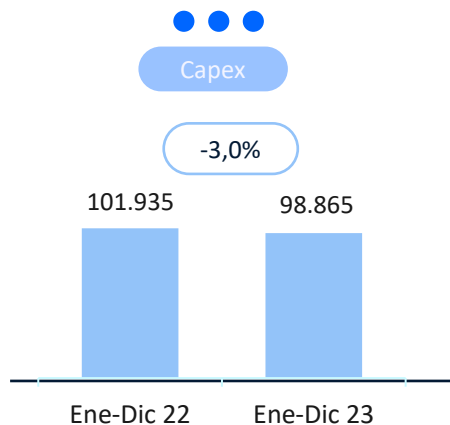
### Revenues (y-o-y)



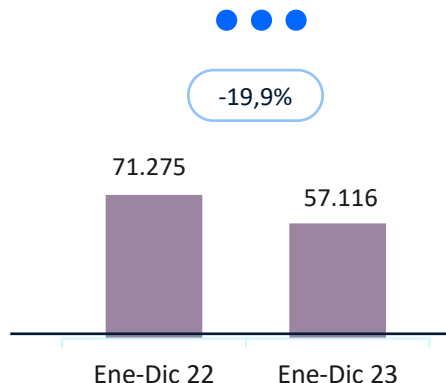
### EBITDA y Margin \*\*



### CapEx



### OpCF (OIBDA – CapEx)



As of Dec.23, TCH's revenues from **ordinary activities grew 5.0%**, explained by higher revenues from Fixed Broadband, driven by the growth of Fiber Optic accesses, as well as higher revenues from Data Services for companies (B2B) in the period. Total revenues grow 8.5% due to extraordinary revenues in 2022 and 2023\*

**EBITDA falls -9.9% compared to Dec.22.**, discounting extraordinary effects\*, EBITDA falls -16.6% due to higher operating costs associated with inflation and commercial dynamics, such as commissions, content and connectivity services expenses, among others. Reaching a margin of 12.4%

The capex of the fixed business shows a reduction of 3.0% in the period, resulting in an OpCF (EBITDA – CapEx) of \$57,116 million as of Dec 23

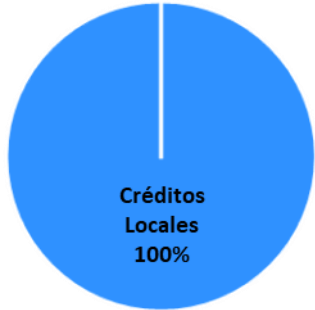
\*: Extraordinary effects in 2022 and 2023: In 2022, income of \$38,318 million was recognized from asset sales (sale of Data Center). In 2023, income of \$5,526 million was recognized from real estate sales and \$61,500 million from the accelerated recognition of the provision of income from service exclusivity, associated with the purchase and sale contract of the 2021 fiber optic assets. Additionally, in December 2023, recognized the cost of the simplification plan for \$33,400 million, for compensation and others.

\*\* Excluding extraordinary items in 2022 and 2023\*, EBITDA falls -16.6%, and margin reached 12,4%

# Debt of Telefónica Chile S.A.



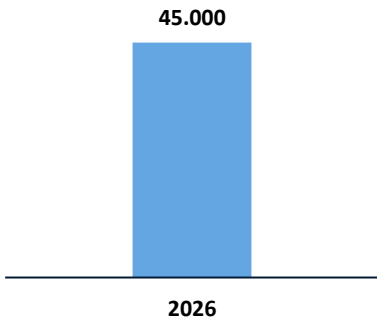
## Debt Structure<sup>(1)</sup>



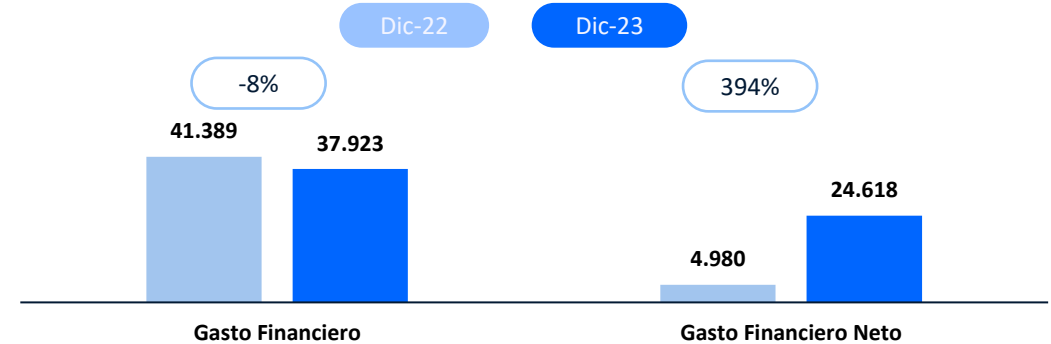
- ✓ Gross debt excl. leases: \$45.000 mill
- ✓ Gross debt as of dec. 2023: Ch\$77.124 mills.
- ✓ Net debt as of dec. 2023 : Ch\$-61.649 mills.
- ✓ ICR : AA+ (Stable) / Fitch: AA- (Stable)

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

## Maturity Profile Mills \$

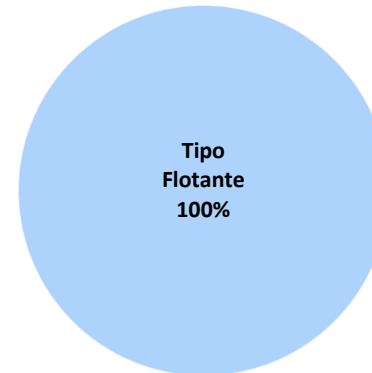


## Financial expenses Mills. \$



- ✓ Gross financial expenses decrease due to a lower debt balance and net financial expenses increase due to lower financial income due to the earn out payment and credit payment by OnNet Fibra in 2022.

## Currency and Interest Rate Coverage

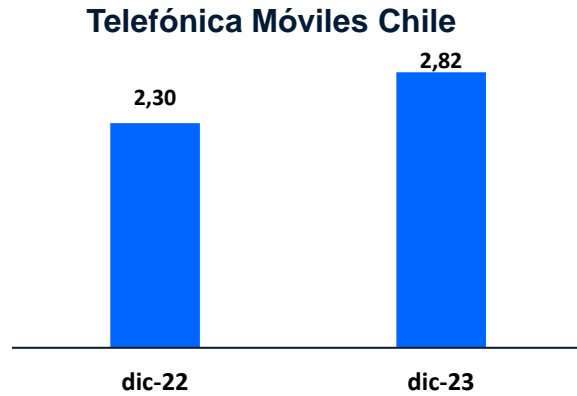


- ✓ 100% FX Coverage
- ✓ Average gross debt rate: 11.9% anual

# Solid financial indicators

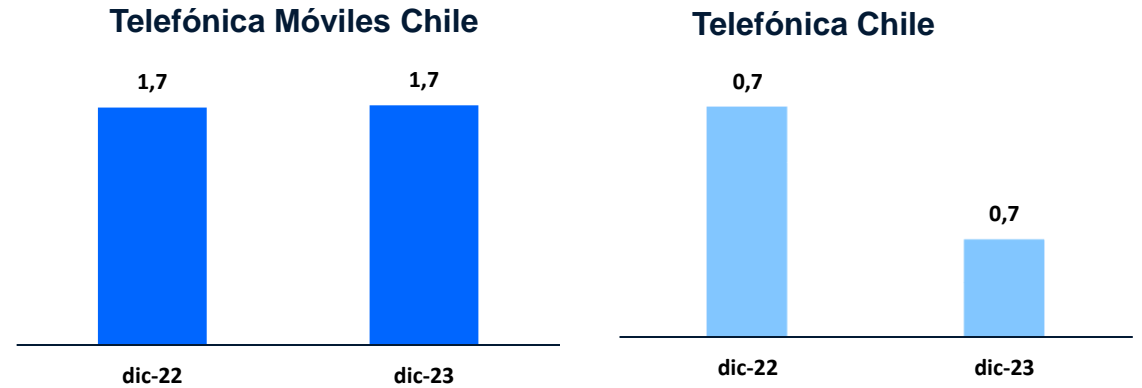


## Net Debt / EBITDA<sup>(1)(2)</sup>

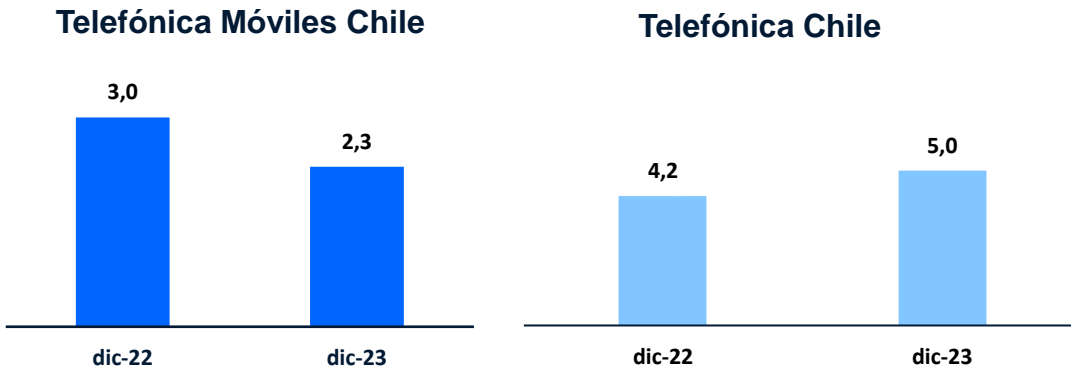


## Total Liabilities\* / Equity

\*: excluding hedging assets



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



1. Net debt includes IFRS16 financial debt.
2. TCh's Net Debt / EBITDA ratio It is not calculated because the cash balance is greater than the net debt.
3. EBITDA and Net Financial Expenses consider 12 rolling months.

# Closing remarks



## Closing remarks:



4Q23



- **In summary.** At the end of fiscal year 2023, Revenues maintain a positive trend, showing a growth of 2.8%, driven by Fixed Broadband, Communications and Data for companies, Television and Mobile postpaid service. EBITDA is affected by higher expenses associated with commercial dynamics and inflation.
- **The capex/revenue ratio reached 9.8%** with a focus on efficiency and quality of service.
- **TMCH capital increase:** On November 27, 2023, the Extraordinary Shareholders' Meeting of Telefónica Móviles Chile S.A. approved a **capital increase for an amount of CLP 270,000 million, which was subscribed and paid during the month of December 2023** by the majority shareholder “Inversiones Telefónica International Holding SpA”. The objective of this capital increase is to provide resources for the execution of the Company's simplification and digital transformation plan with a focus on increasing the profitability of its businesses, covering upcoming debt maturities and other uses.
- Following the approval by the antitrust authorities of the acquisition of the fiber optic assets owned by Entel by InfraCo SpA (OnNet), on December 22, 2023, the shareholders of the company InfraCo SpA, in which Telefónica Chile S.A. owns 40% of its property, agreed to finance the operation through a combination of bank debt, capital contributions and loans contracted with shareholders. **Telefónica Chile S.A. as a shareholder of OnNet, made a capital contribution of Th\$44,186,971 (corresponding to 65,388 ordinary shares), maintaining its participation. Likewise, it granted a loan for ThCh\$44,186,971.**



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