

RESULTS 2Q23

July 25th, 2023
Telefônica Brasil S.A.
Investor Relations

VIVT
B3 LISTED



ISEB3 ICO2B3

DISCLAIMER

This presentation may contain forward-looking statements concerning prospects and objectives regarding the capture of synergies, growth of the subscriber base, a breakdown of the various services to be offered and their respective results

Our actual results may differ materially from those contained in such forward-looking statements, due to a variety of factors, including Brazilian political and economic factors, the development of competitive technologies, access to the capital required to achieve those results, and the emergence of strong competition in the markets in which we operate

The exclusive purpose of such statements is to indicate how we intend to expand our business and they should therefore not be regarded as guarantees of future performance



Revenues continue to grow above inflation, while financial position remains robust **due to operating performance**



Operating

59.7mn

+4.8% YoY
112 million
Total Accesses

Mobile Postpaid Accesses

5.8mn

+15.1% YoY
+0.8 million
accesses YoY

Fiber Homes Connected



Revenues

+7.6%

+9.9% YoY
Core Revenues
growth

Total Revenue Growth 2Q23

+10.4%

+7.0% YoY
Handset
Revenues

Mobile Serv. Revenue Growth 2Q23



Profitability

R\$ 5.1 bn

+11.1% YoY
39.9% EBITDA
Margin (+1.2
p.p. YoY)

EBITDA 2Q23

R\$ 6.0 bn

+29.2% YoY
23.5% OpCF
Margin (+3.5
p.p. YoY)

Operating Cash Flow¹ 1H23



Shareholder Remuneration

R\$ 5.6 bn

+21.7% YoY
22.2% of Total
Revenues

Free Cash Flow 1H23

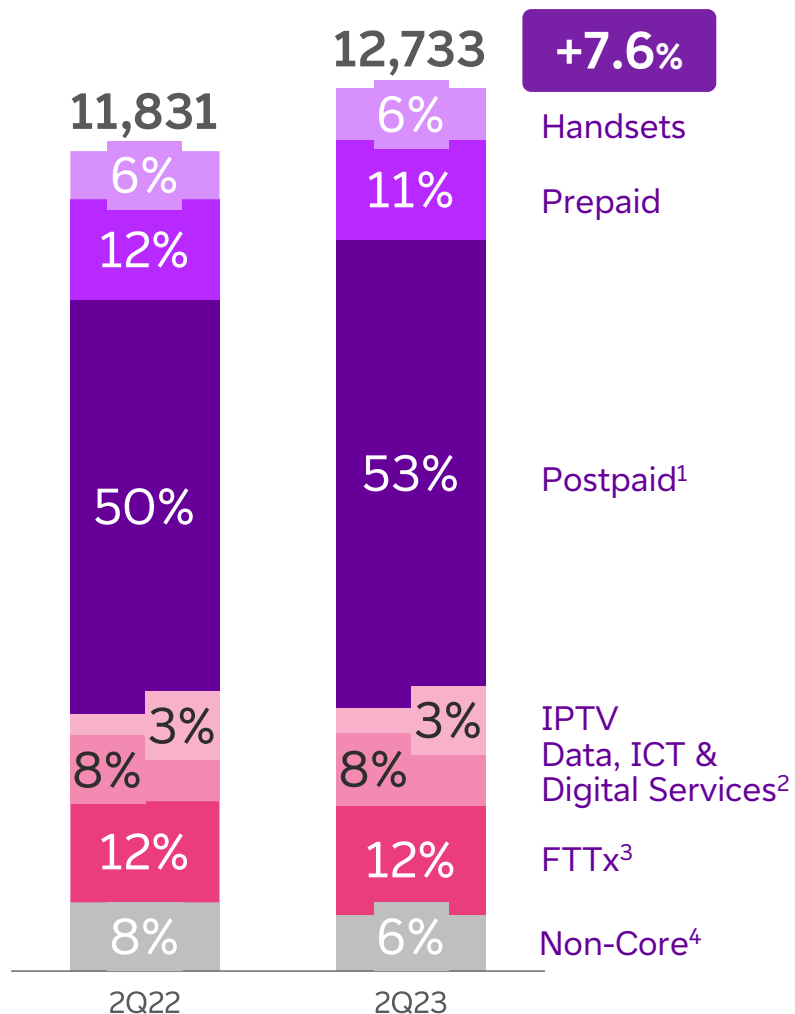
R\$ 2.0bn

+28.9% YoY
R\$ 1.9bn in
dividends and IoC²
declared in 2023³

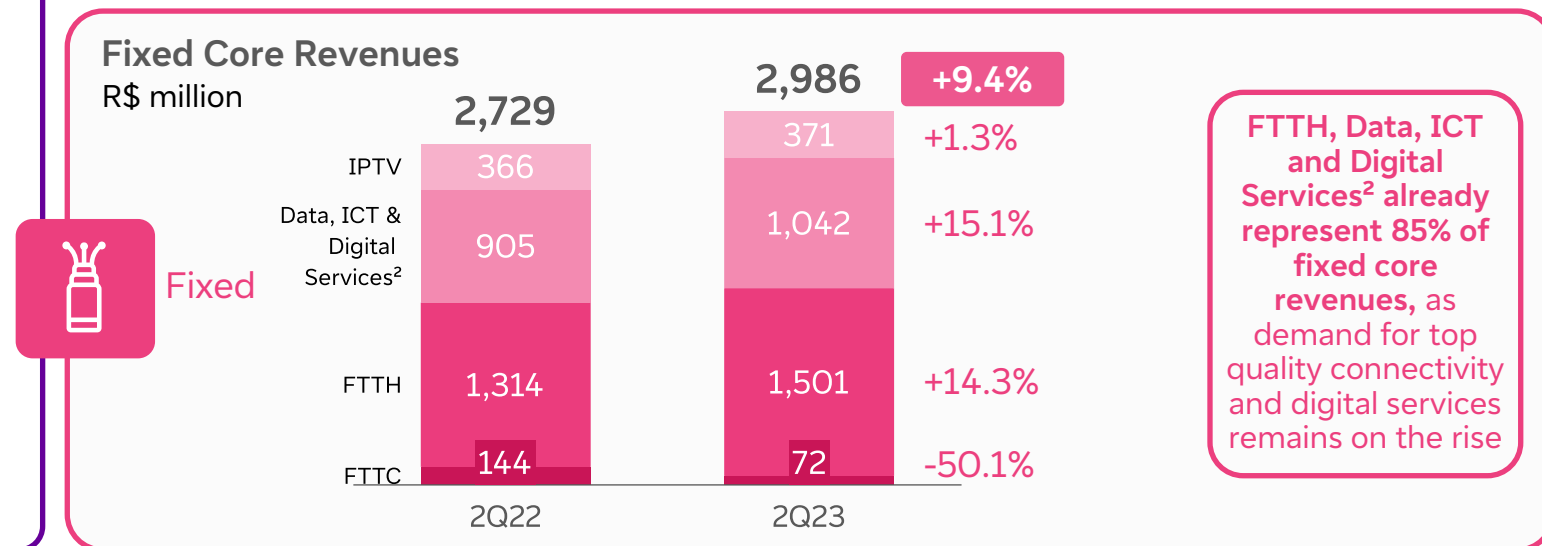
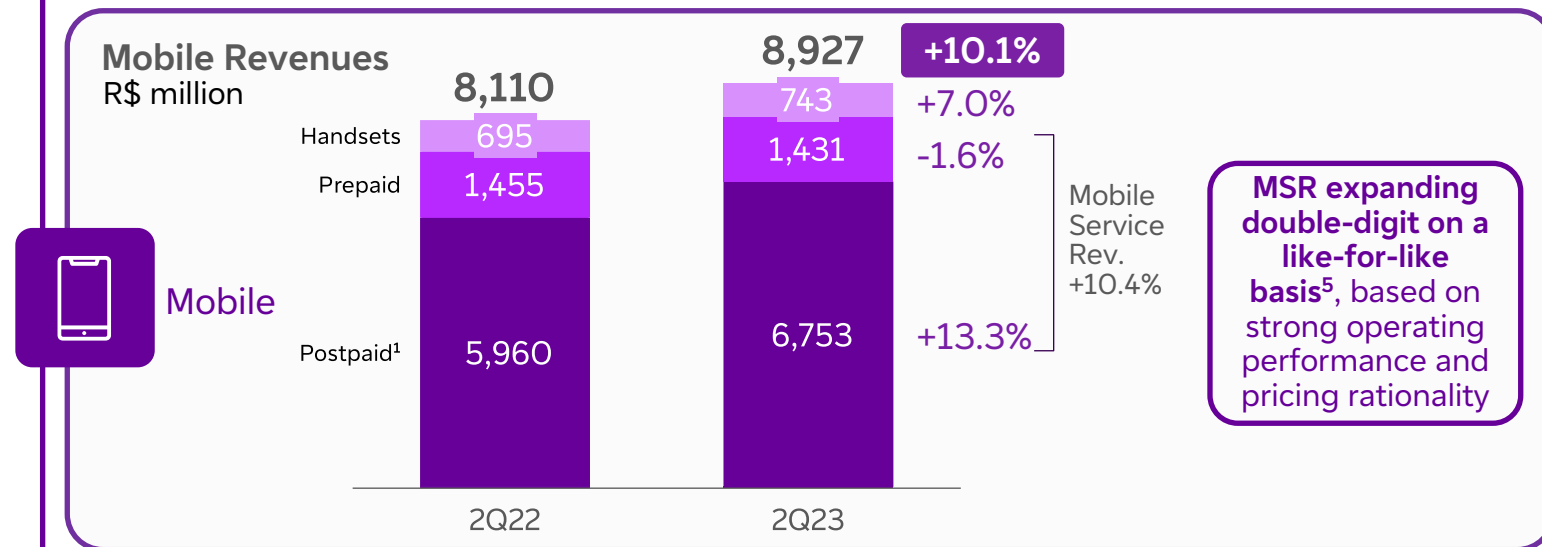
Net Income 1H23⁴

Total Revenues

R\$ million, % of Total Revenues

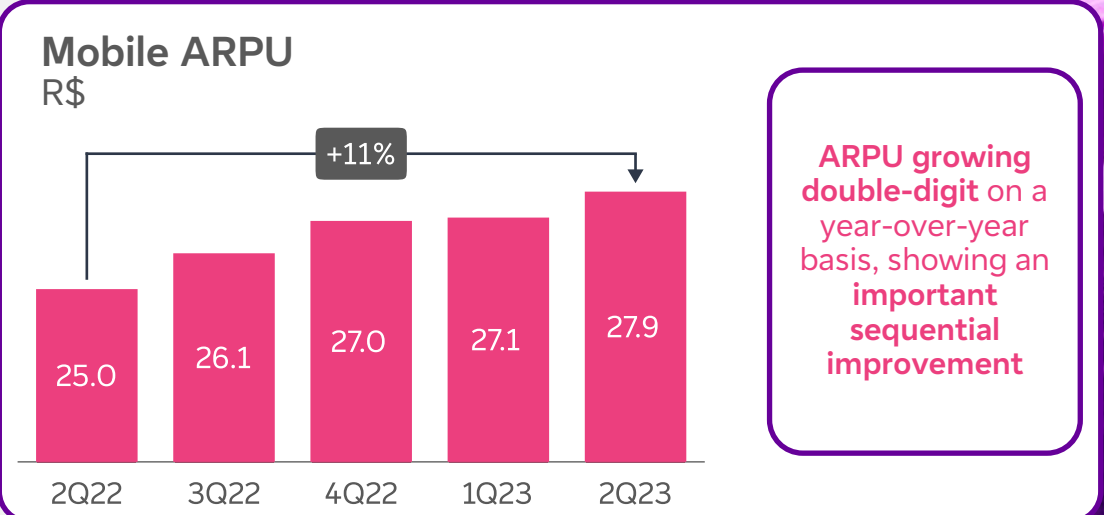
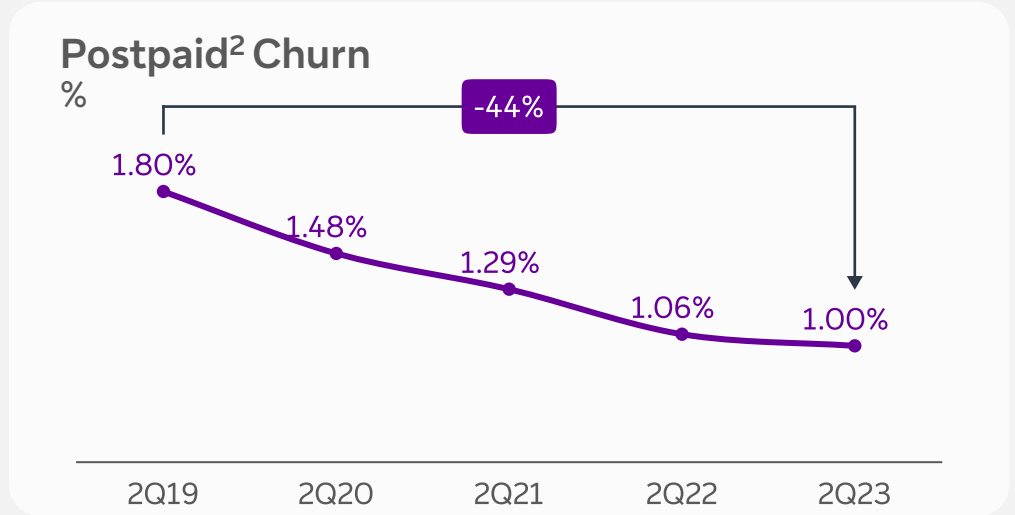
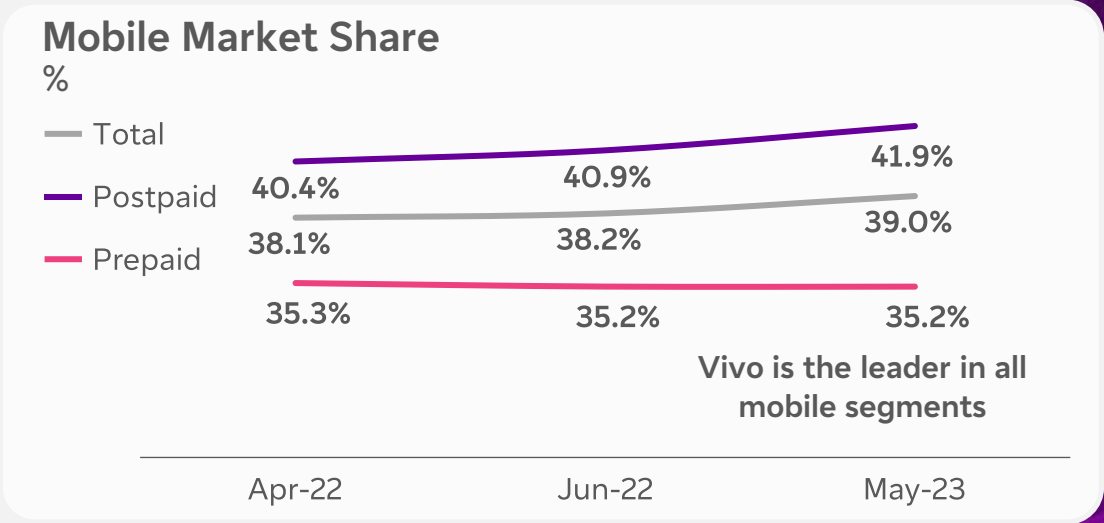
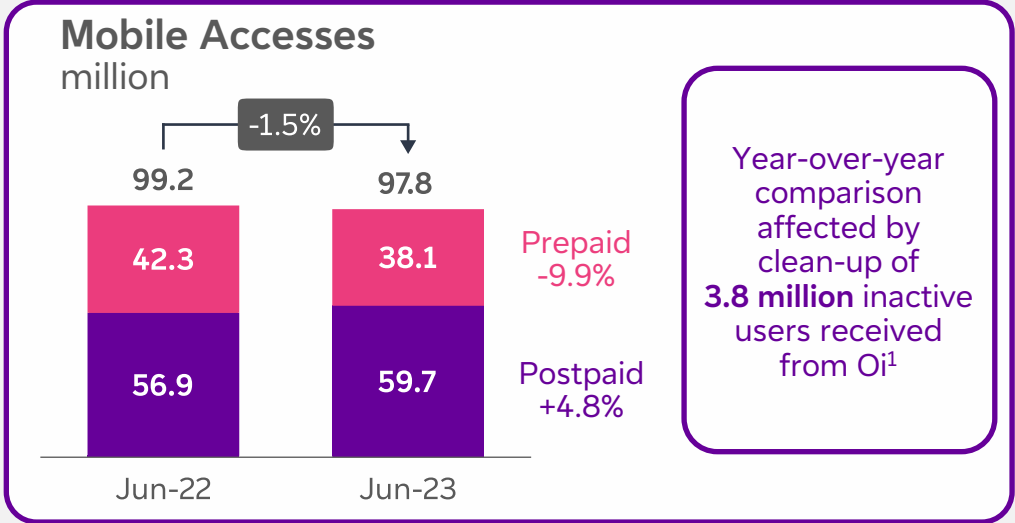


Core Revenues represent 94% of total revenues, reaching double-digit growth



1 – Postpaid includes M2M, Dongles and Other Revenues. 2 – Data, ICT & Digital Services include Wholesale and Other Fixed Revenues. 3 – FTTH (Fiber-to-the-Home) and FTTC (Fiber-to-the-Cabinet). 4 – Non-Core includes fixed voice, xDSL & DTH. From Jan/2023 onwards, we are no longer offering DTH services. 5 – Operating results from Oi Mobile were consolidated in April 2022, making 2Q23 numbers fully comparable.

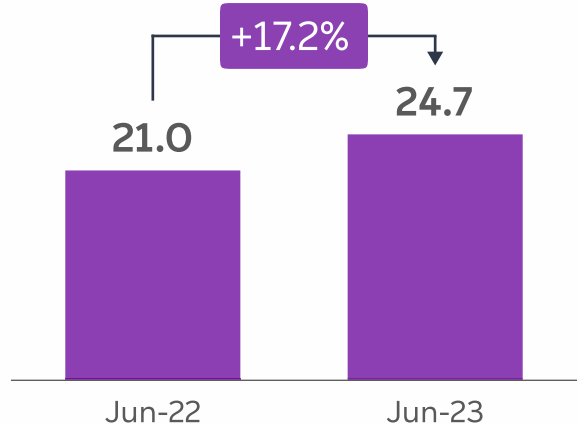
Solid leadership in mobile business with improvements in ARPU and churn trends



1 – Clean-ups per quarter: 797k postpaid and 2.218k prepaid in the 3Q22, 184k postpaid and 155k prepaid in the 4Q22 and 457k postpaid in the 1Q23. 2 – Ex-M2M.

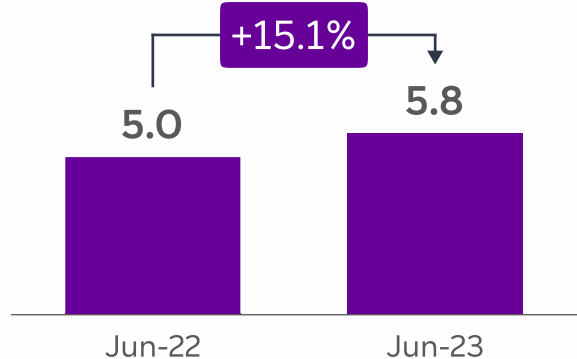
FTTH continues to expand, driven by customer base growth and reduced churn rates

FTTH¹ Homes Passed
million



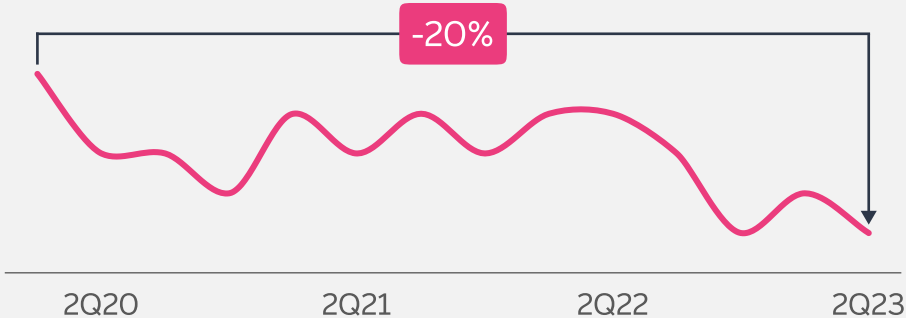
Vivo Fibra reached **439** cities throughout Brazil (+85 cities YoY)

FTTH¹ Homes Connected
million



Over the last 12 months, we added **+760k** new FTTH customers, leading the market activity in the period

FTTH¹ Churn
%



Lowest FTTH churn level ever in 2Q23, as we differentiate ourselves through top quality and fixed-mobile convergence



270mbps avg. speed²
+59mbps YoY



In 2Q23, 93% of our FTTH gross adds were in speeds of at least 300mbps

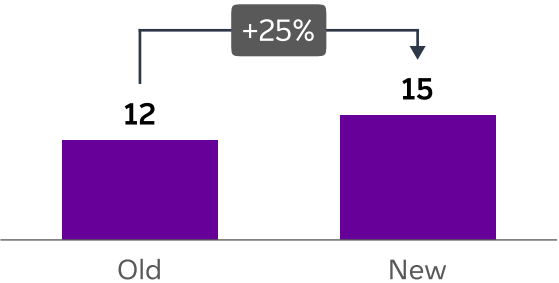
1 – Fiber-to-the-home. 2 – Average Customer Base Speed.

Complete portfolio of services catering to the needs of all user profiles, aiming to improve customer monetization and retention

Prepaid



New pricing strategy, with **entry top-up level** increasing from R\$12 to R\$15¹



Simple portfolio structure, matching top-up options with offer prices to **maximize consumption and prompt migrations from prepaid to hybrid**

Hybrid

New hybrid bundles aimed at increasing the lifetime value of customers:

- *Controle + valesaúde sempre
- *Controle + **NETFLIX**
- *Controle + *Play

With Vivo's wide portfolio of services, **we are able to expand our value proposition towards other sectors**

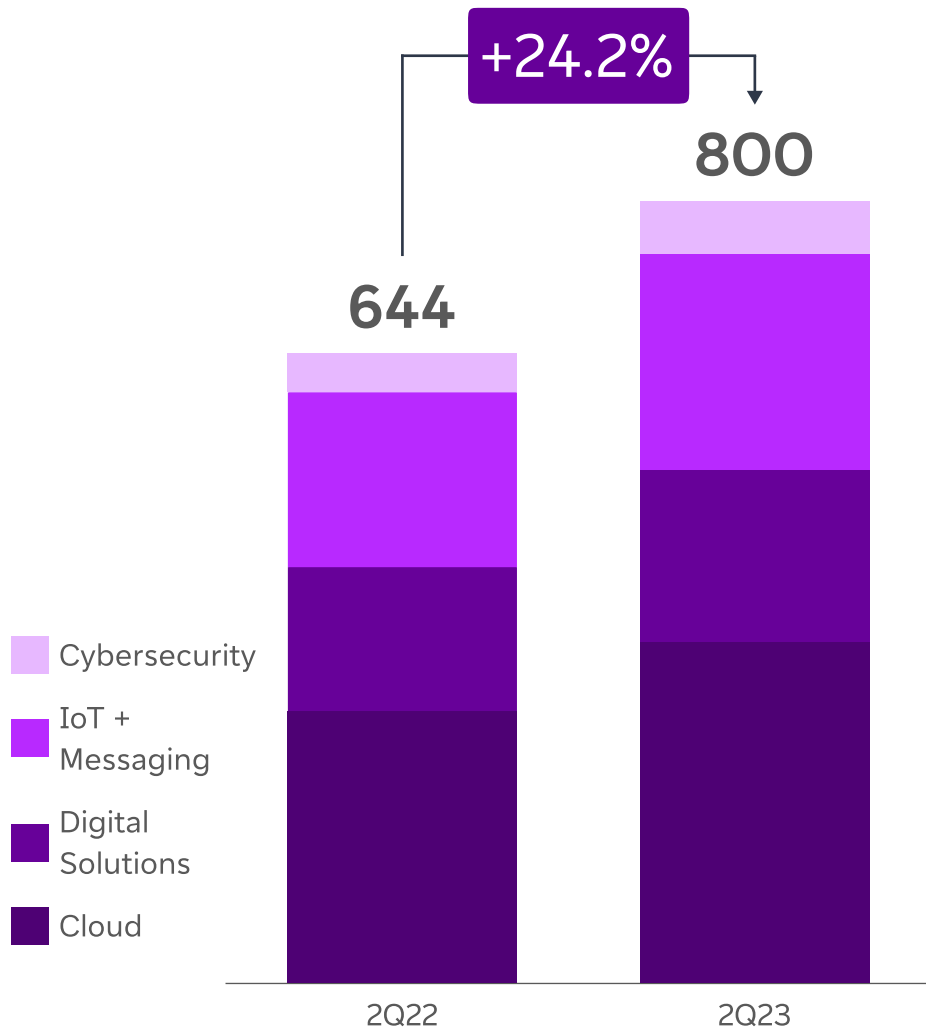
Vivo Total



Churn of Vivo Total reached 0.39% in 2Q23, demonstrating customer preference for high quality connectivity and convenience to have all services in a single plan

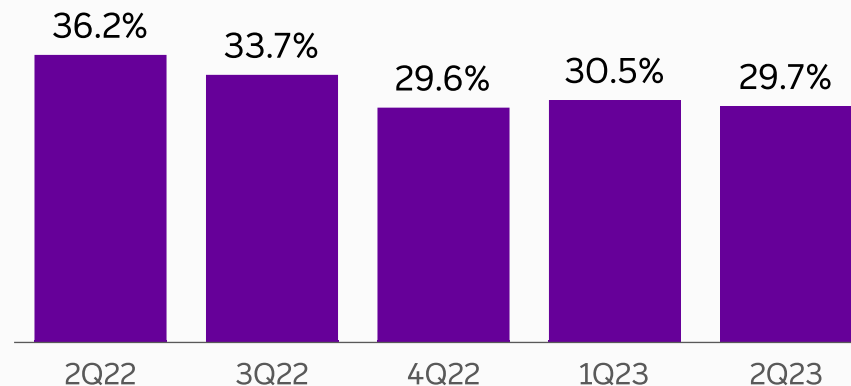
1 – New minimum top-up price of R\$15, in line with the cheapest offer of Vivo Pré Turbo, which costs R\$15 for 15 days.

Digital B2B Revenues R\$ million



Digital B2B revenues contribute to improve Vivo's ROIC, due to its asset light nature

Digital B2B Revenues expanding at a steady rate
Digital B2B Revenues YoY growth LTM



Our B2B Digital Revenues are recurring in the most part, as seen in recent 12-month growth trends



Vivo Empresas was elected **Partner of the Year** by Microsoft Brasil in 2023¹

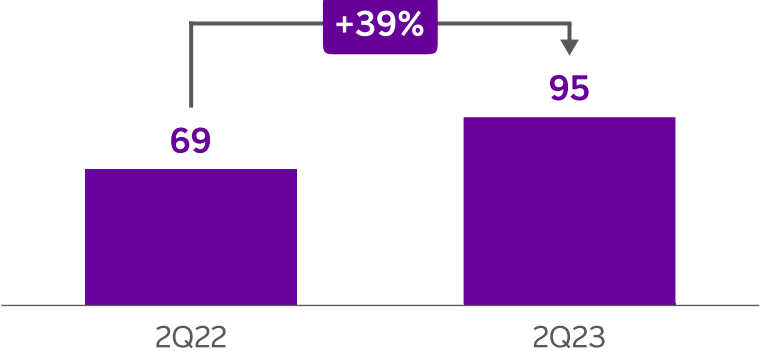
Vivo's partnership with Microsoft places us as a **key reseller** of solutions such as Cloud Azure, Microsoft 365 and Microsoft Teams **to companies of all sizes**

B2C ecosystem continues to consolidate its scope, enhancing Vivo's presence as a digital hub for financial and OTT services

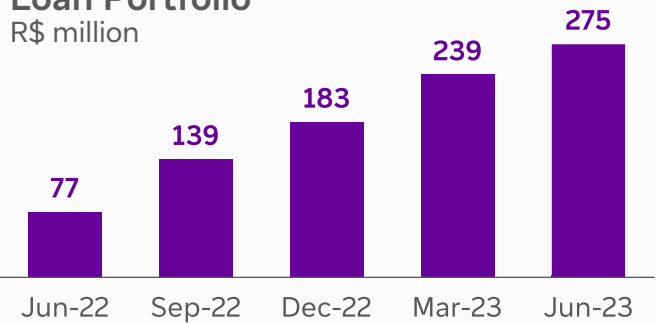


Financial Services¹

Revenue
R\$ million



Money Loan Portfolio R\$ million

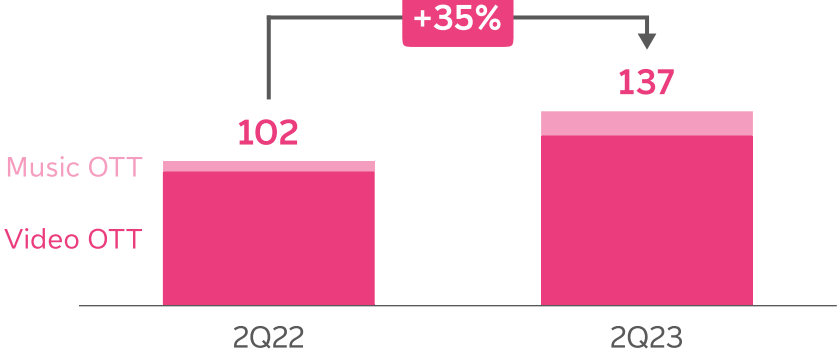


Vivo Money, our 100% digital credit product, grew its loan portfolio by 3.6x in the last 12 months



Video² + Music OTTs

Revenue
R\$ million



Distribution of OTT services through Vivo's invoice



Spotify

NETFLIX



Vivo Play App as the digital platform to integrate multiple content features



HBOmax



2.5 million video + music OTT subscriptions

globoplay

TIDAL

TELE CINE



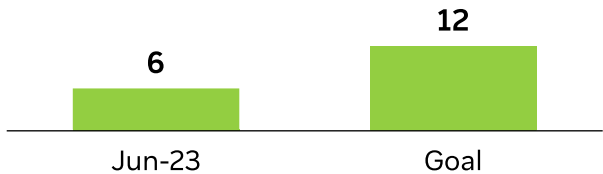
PREMIERE

1 – Includes Vivo Money, Insurance and others. 2 – The parameter for the calculation of Video OTT revenue was revised, and the 1Q23 figure is R\$ 126mn. Note: this slide does not include the totality of the Company's digital services. Includes revenues allocated in service and other revenue lines.

Vivo continues to expand its ESG practices, evolving in clean energy usage, diversity and transparency

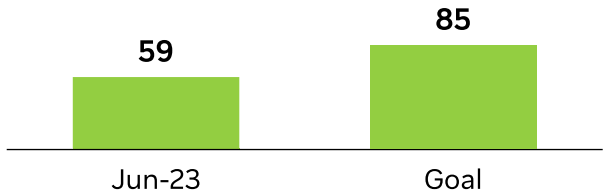
Environmental

Recycled waste (Vivo Recicle) Tons



Appropriate disposal of electronic waste, ensuring that all collected material is recycled

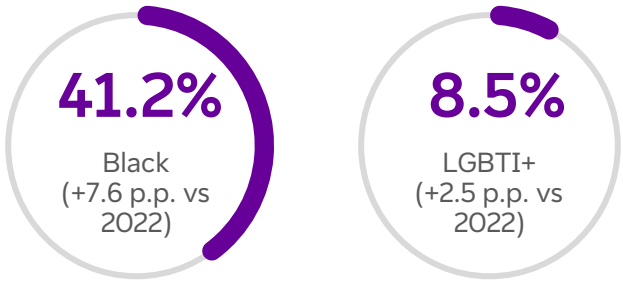
Distribution Generation Program Power Plants (#)



Renewable energy plants (solar, hydro and biogas) spread throughout the country

Social

Employees Self-declared



Increasing **diversity** in the workforce

Jovem Aprendiz Program 2023

50% of vacancies for black people and no age limit for people with disabilities



Sponsor of São Paulo's LGBT+ Pride Parade for the 2nd year in a row

Governance

ISO 27.001¹

New certificated processes:
Application Security (AppSec)
and Data Protection
Monitoring



Vivo is leader in ESG
Responsibility in the
sector²

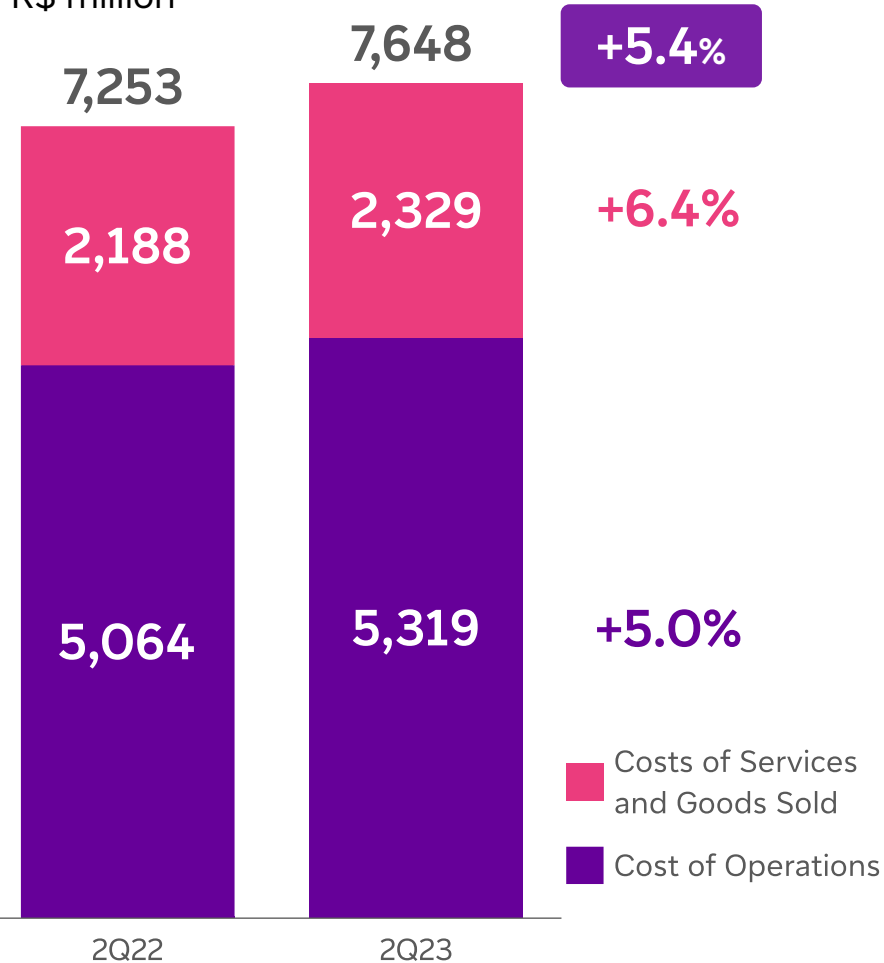
Vivo's
Integrated
Report 2022



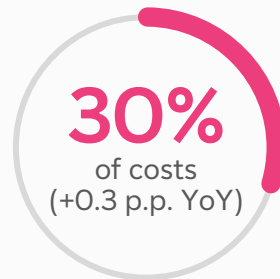
1 – Reference certification in Information Security Management, achieved for #Vivo Segura Digital Security program processes. 2 – According to the Merco ranking.

Evolution of costs decelerates due to higher operating leverage and continuous efficiency initiatives

Costs
R\$ million

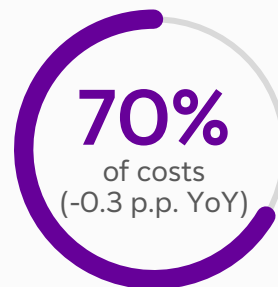


Costs of Services & Goods Sold



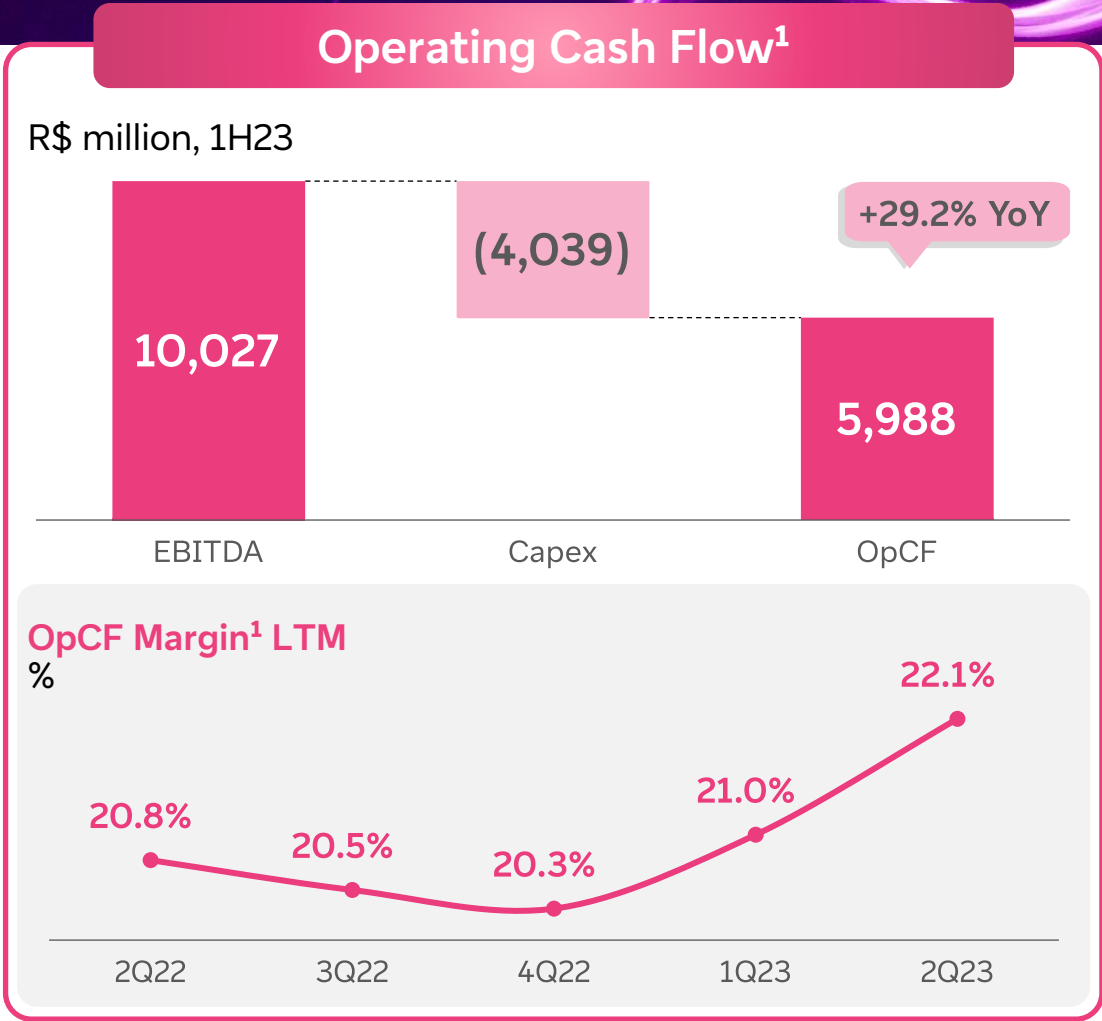
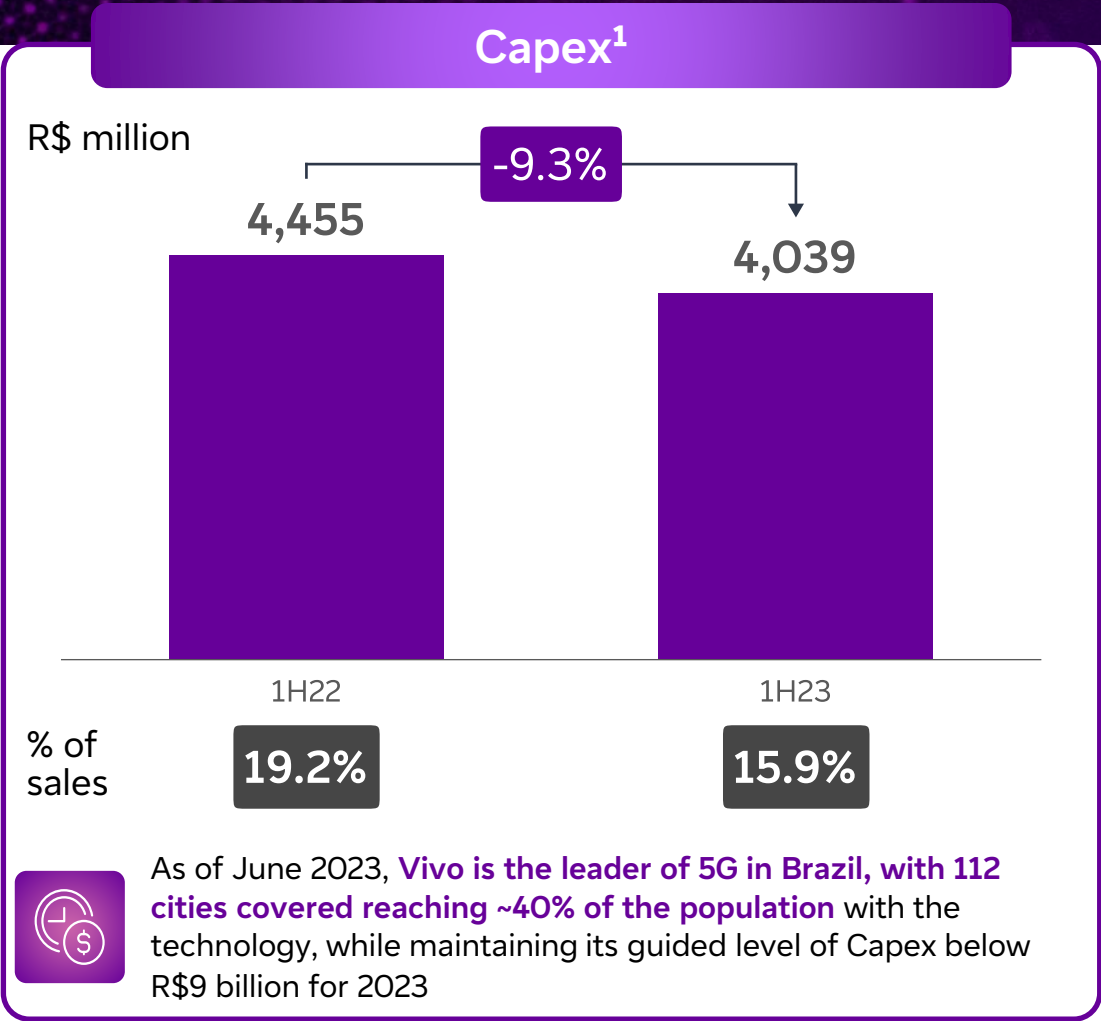
- **Cost of Services** grew reflecting the higher revenues from the sale of licenses and services to companies
- **Cost of Goods Sold** expanded due to the growth of revenues coming from handsets and IT solutions

Cost of Operations



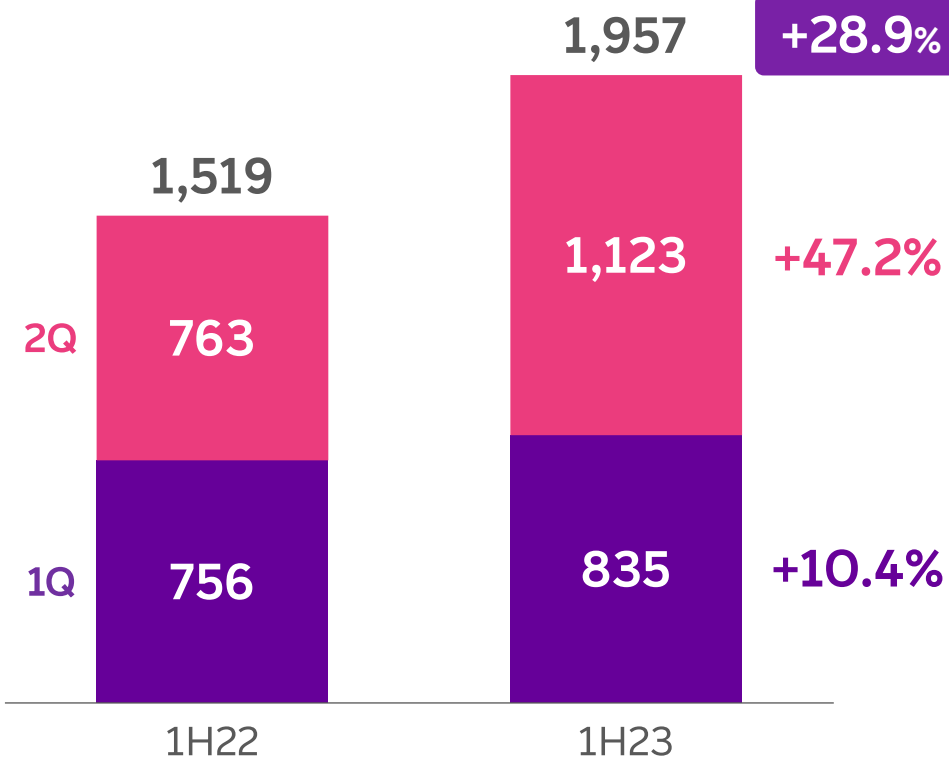
- **Commercial and Infrastructure Expenses** growing considerably below inflation, led by the end of the Transitional Service Agreement (R\$147 million 12M) with Oi due to the Garliava's acquisition and digitalization of customer care
- **Personnel costs** increasing due to annual salary readjustments, insourcing of activities in critical areas and greater commercial activity in B2B
- Expansion of **Provision for Bad Debt** in the quarter related to a onetime effect in the B2B segment, to be normalized in 2H23, while B2C activity remains stable

Operating Cash Flow margin expansion is explained by reduction in Capex and double-digit EBITDA growth



1 – Ex-licenses.

Net Income¹
R\$ million



Strong Net Income evolution as a result of improved operating trends and efficient financial management

Shareholder remuneration reaching R\$2.16 bn YTD, a result of a positive Net Income growth led by solid operating and financial performance

Shareholder Remuneration YTD²



Dividends + IOC³
Declared⁴

R\$1.95 bn

+



Share Buybacks

R\$0.21 bn

Total

R\$2.16 bn

Payment of 2022 remuneration is now complete

1st Tranche:

R\$2.1 bn

Apr. 18th, 2023



2nd Tranche:

R\$1.8 bn

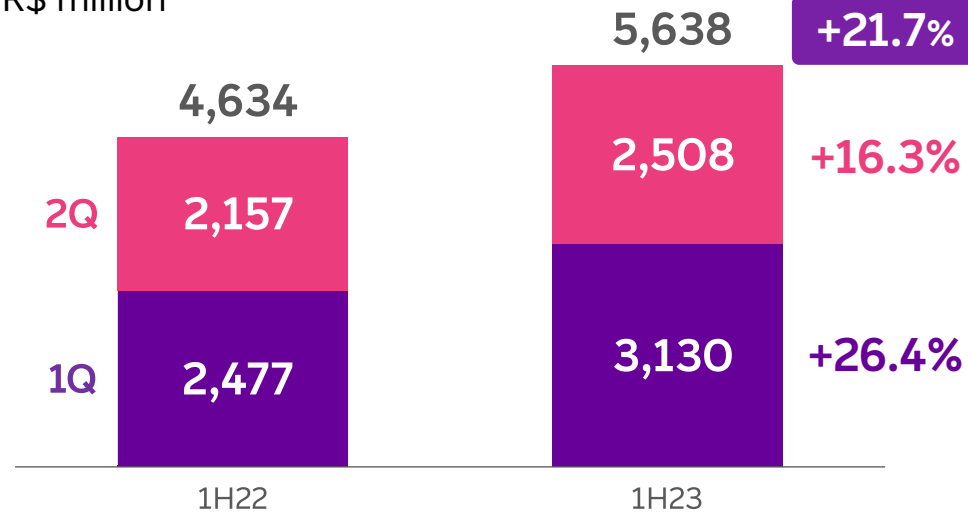
Jul. 18th, 2023



Double-digit Free Cash Flow growth, totaling R\$5.6 billion in 1H23, allowing for controlled levels of indebtedness

Free Cash Flow¹

R\$ million



Free Cash Flow Yield² (LTM)

11.5%

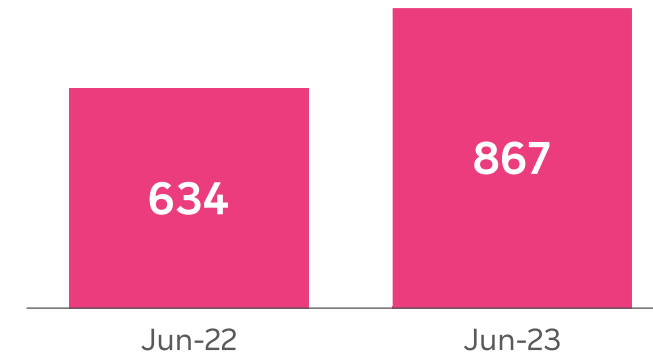
Free Cash Flow/Sales (LTM)

16.5%

Net (Cash) Debt³

R\$ million

Strong FCF generation allowed us to maintain reduced levels of leverage



Jun-23 Net Debt (including IFRS-16)

R\$ 12.2bn

0.6x LTM EBITDA

For further information:

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