



# RESULTS 3Q24

November 5<sup>th</sup>, 2024

Telefônica Brasil S.A.  
Investor Relations

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# 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



# High-single digit growth in revenues and EBITDA leading to sustained profitability



## Growth

## Profitability

## Sustainability

3Q24

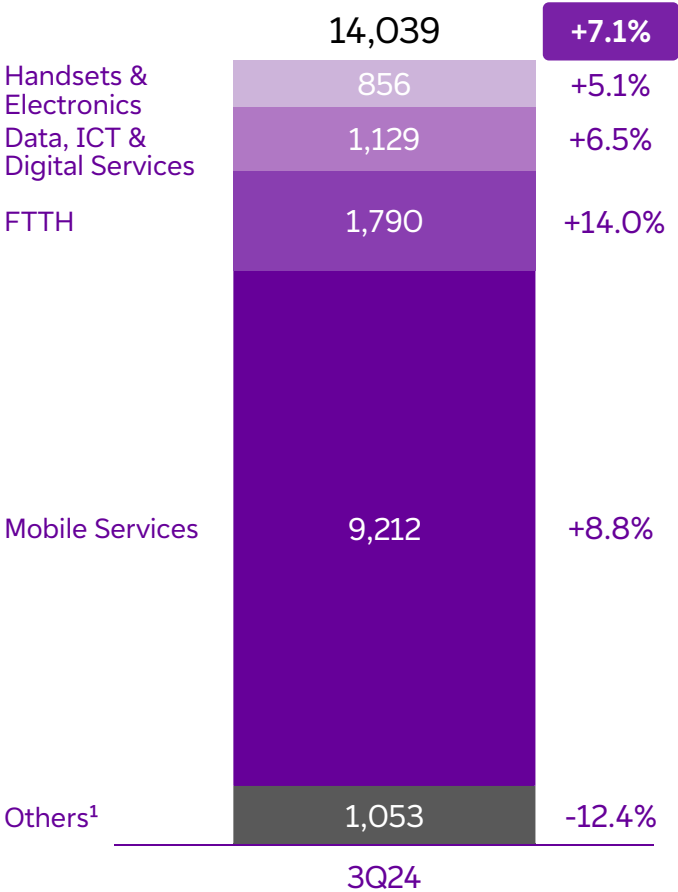
<p><b>Mobile Postpaid Accesses</b></p> <p><b>65.0 mn</b> <span>+7.6% YoY</span></p> <p>101.5mn Total Mobile Accesses (+4.0% YoY)</p>	<p><b>Total Revenue</b></p> <p><b>+7.1%</b></p> <p>YoY</p>	<p><b>EBITDA</b></p> <p><b>+7.4%</b></p> <p>YoY</p>	<p><b>Net Income 9M24<sup>2</sup></b></p> <p><b>R\$3.8 bn</b></p> <p>+10.4% YoY</p>
<p><b>Fiber Homes Connected</b></p> <p><b>6.7 mn</b> <span>+12.5% YoY</span></p> <p>28.3mn Homes Passed (+12.7% YoY)</p>	<p><b>Mobile Service Revenue</b></p> <p><b>+8.8%</b></p> <p>YoY</p>	<p><b>Operating Cash Flow<sup>1</sup> 9M24</b></p> <p><b>R\$10.0 bn</b></p> <p>+12.0% YoY 24.2% of Total Revenues</p>	<p><b>Free Cash Flow 9M24</b></p> <p><b>R\$7.1 bn</b></p> <p>17.3% of Total Revenues</p>

1 – Capex ex-licenses. OpCF after leases amounted to R\$6.3 billion in 9M24, up 14.9% YoY with a margin of 15.2% (+1.0p.p. YoY). 2 – Net income attributed to Telefônica Brasil.

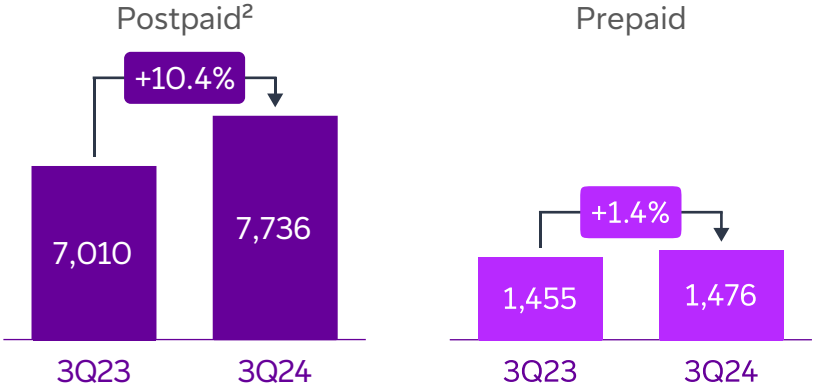


# Excellent results in postpaid, fiber and digital services supporting solid top-line expansion

## Total Revenues R\$ million

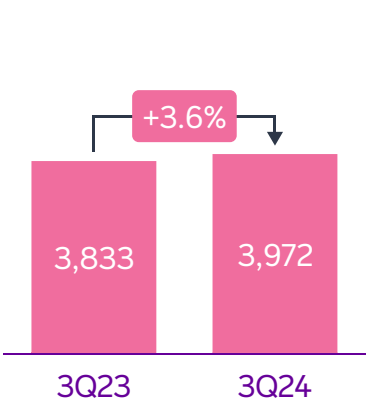


## Mobile Service Revenues R\$ million



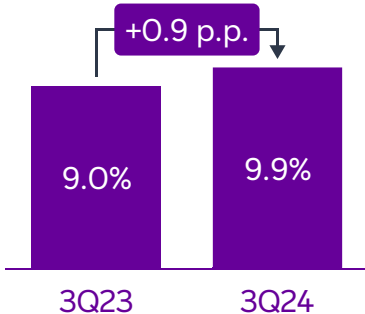
MSR growing more than twice the inflation of the period as postpaid, that represents 52% of Vivo's total revenue, reaches double-digit growth

## Fixed Revenues R\$ million



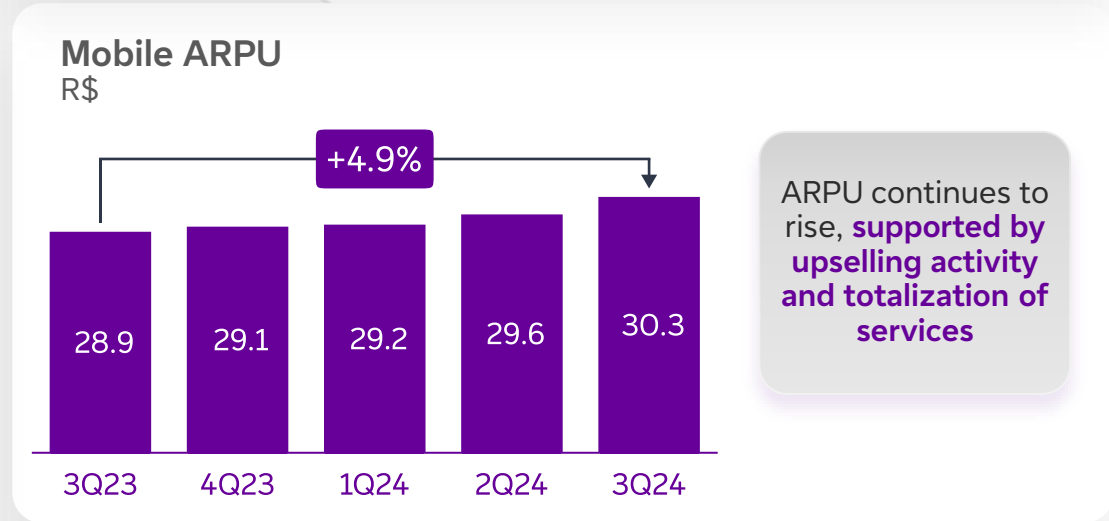
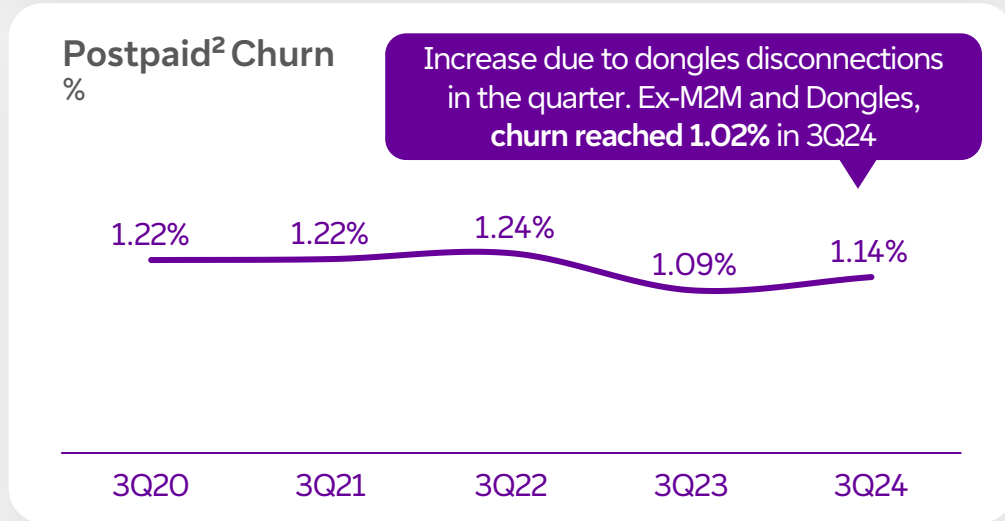
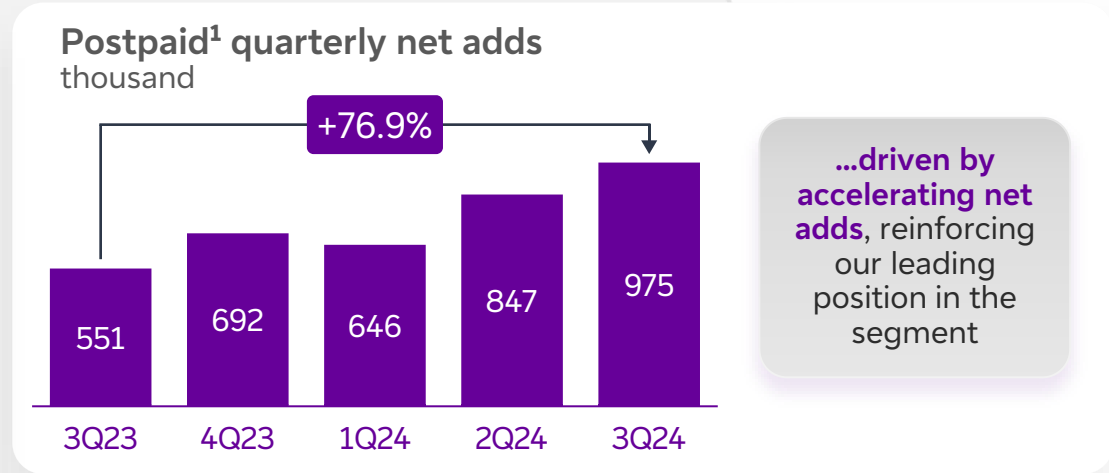
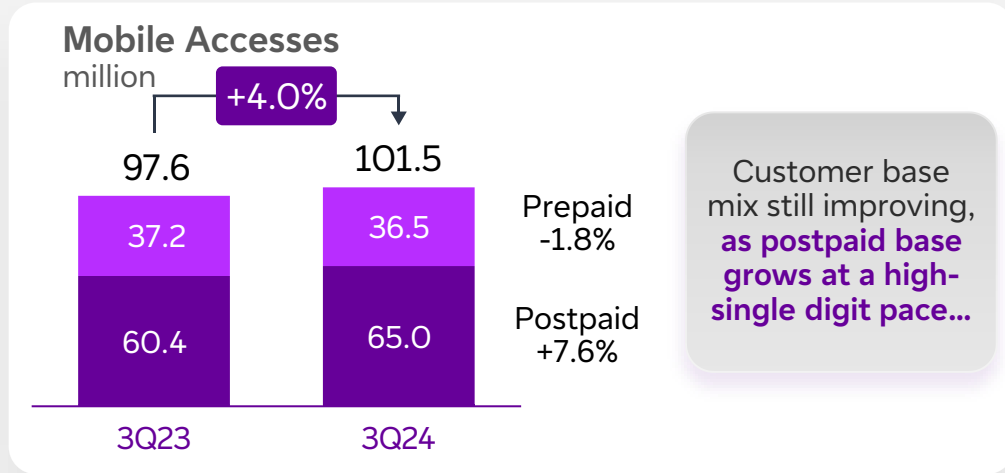
Increased Fiber and Digital B2B revenues contribute to the positive momentum of the fixed business

## B2B Digital + B2C New Businesses over Total Revenues %



1 – "Others" includes FTTC (Fiber-to-the-Cabinet), xDSL, IPTV and Voice. 2 – Postpaid Revenues include M2M, Dongles, Wholesale, Roaming, etc.

# Mobile business continues to outperform, led by our best-in-class quality and value proposition



1 – Considers hybrid and pure postpaid accesses, thus excluding M2M and Dongles. 2 – Ex-M2M.



# Our 5G is among the best in the world, which reflects our leadership in Brazil

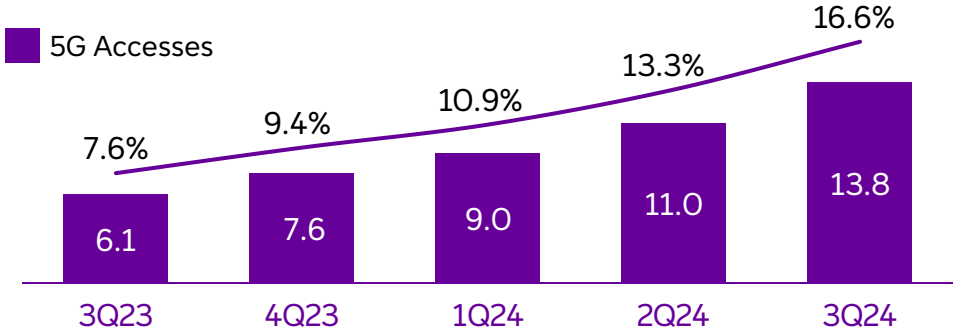
## State-of-the-Art 5G

### Vivo's 5G Accesses

million

— 5G Accesses / Mobile<sup>1</sup> Accesses

■ 5G Accesses



According to OpenSignal's 5G Global Mobile Network Experience Awards 2024<sup>2</sup>, **Vivo's 5G technology has the fastest download speed in the world** in the large land mass category, reaching 365.6Mbps



OPEN SIGNAL

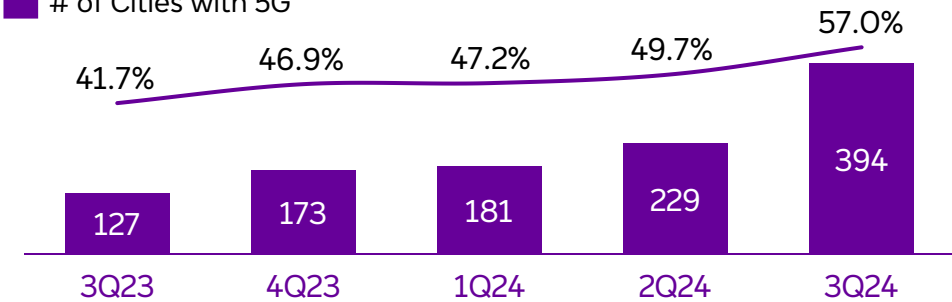
## Unrivaled Leadership

### Cities Covered with 5G

#

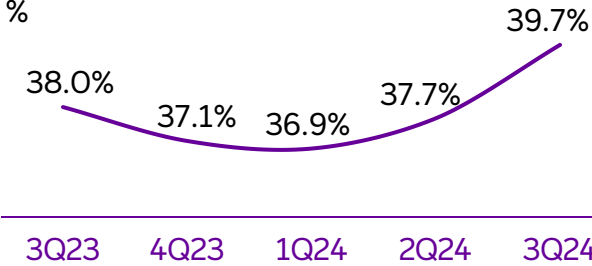
— % of Population Covered with 5G

■ # of Cities with 5G



### 5G Market Share

%

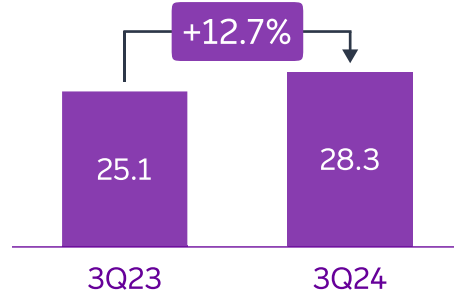


**Vivo leads the 5G market**, as customers demand an enhanced experience

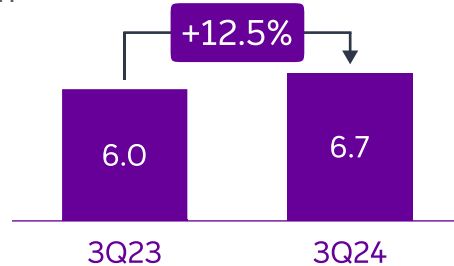
1 – Considers all mobile accesses, except M2M and Dongles. 2 – Source: <https://www.opensignal.com/2024/10/5g-global-mobile-network-experience-awards-2024>.

# Strong Vivo Total performance leading to solid fiber results

**FTTH Homes Passed**  
million

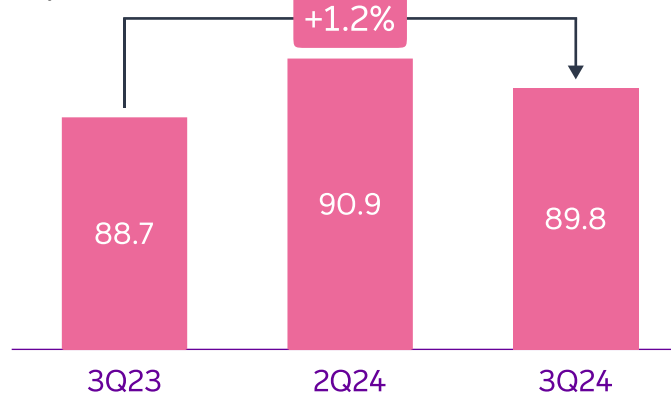


**FTTH Homes Connected**  
million

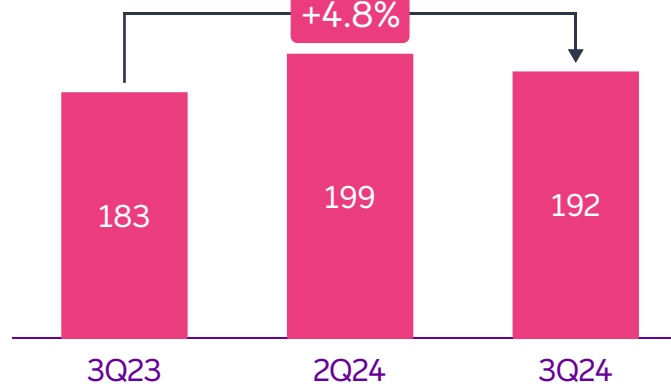


We are closer to our goal of 29mn Homes Passed with fiber, while **network penetration reached 23.8%**

**FTTH ARPU**  
R\$



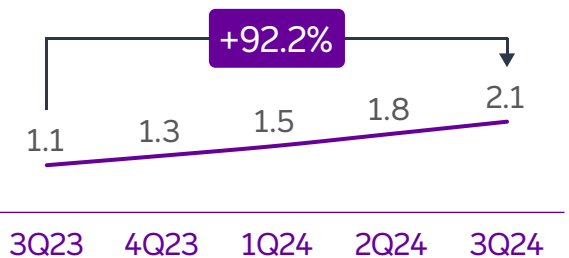
**FTTH Net Additions**  
thousand



## Total

Fiber + Mobile<sup>1</sup>

**Vivo Total Customer Base**  
million



### Vivo Total Highlights:

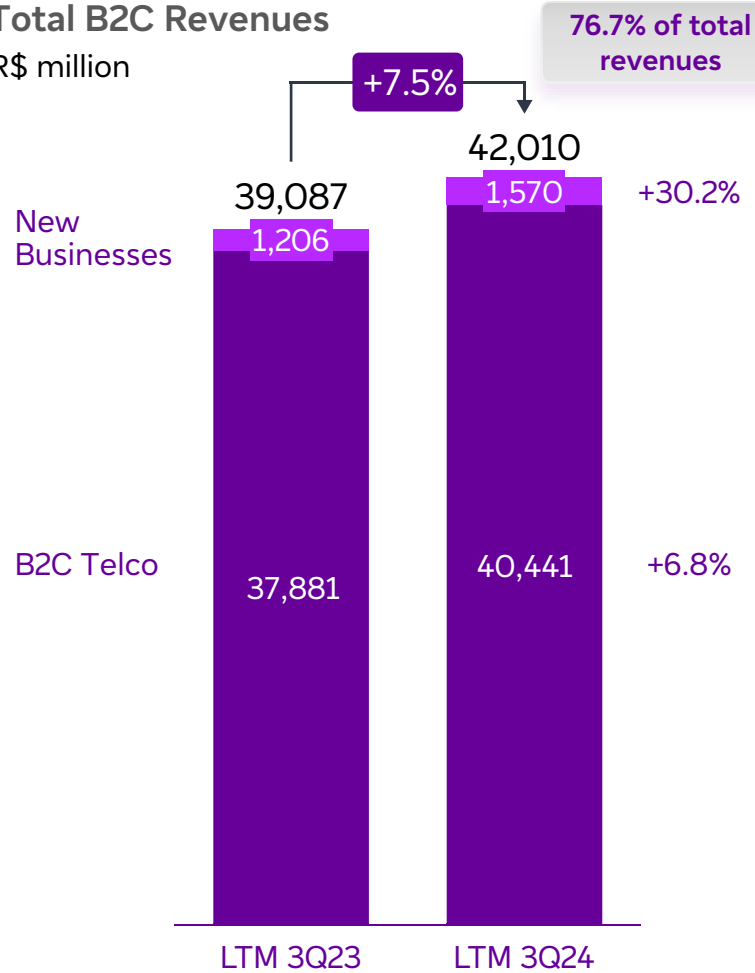
- Vivo Total's churn is ~1 p.p. lower than standalone fiber
- ~83% of FTTH sales in Vivo's own stores are with the Vivo Total plan
- 41.5% of Vivo's convergent customers are still not in Vivo Total's customer base

1 – Vivo Total is a convergent offer that combines fiber and mobile in a single bill.

# We are seeing the average expenditure per individual increase as we expand our portfolio of B2C solutions

## Total B2C Revenues

R\$ million



## Monthly B2C Revenue/RGU<sup>1</sup>

R\$/month

R\$ **61.5**

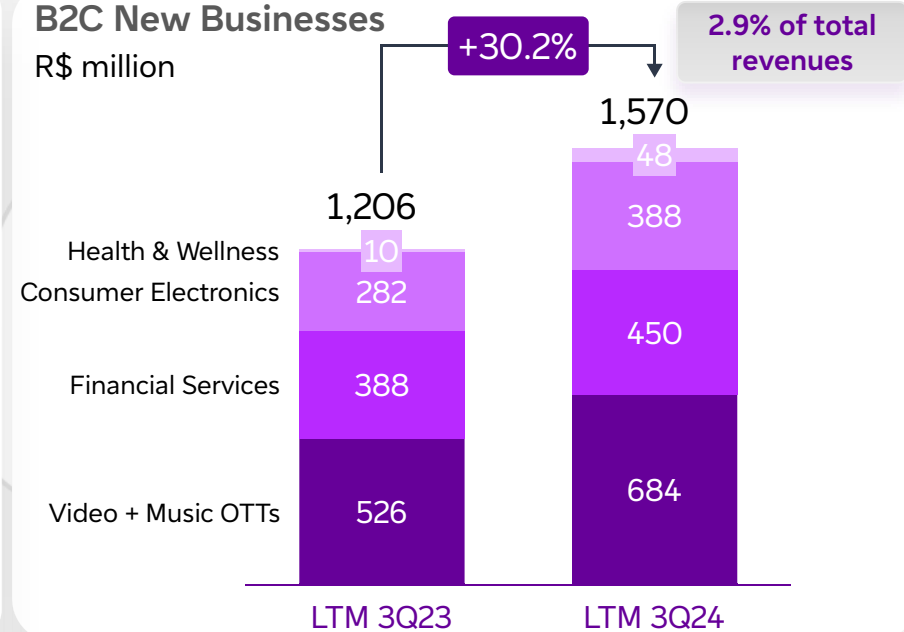
## Number of RGUs<sup>1</sup>

million

**57.0**

## B2C New Businesses

R\$ million



- More than **370k subscriptions** (+217% YoY)
- Close to **50k doctors' appointments, exams and procedures** YTD
- ~**910k items** sold at drugstores with discount through Vale Saúde

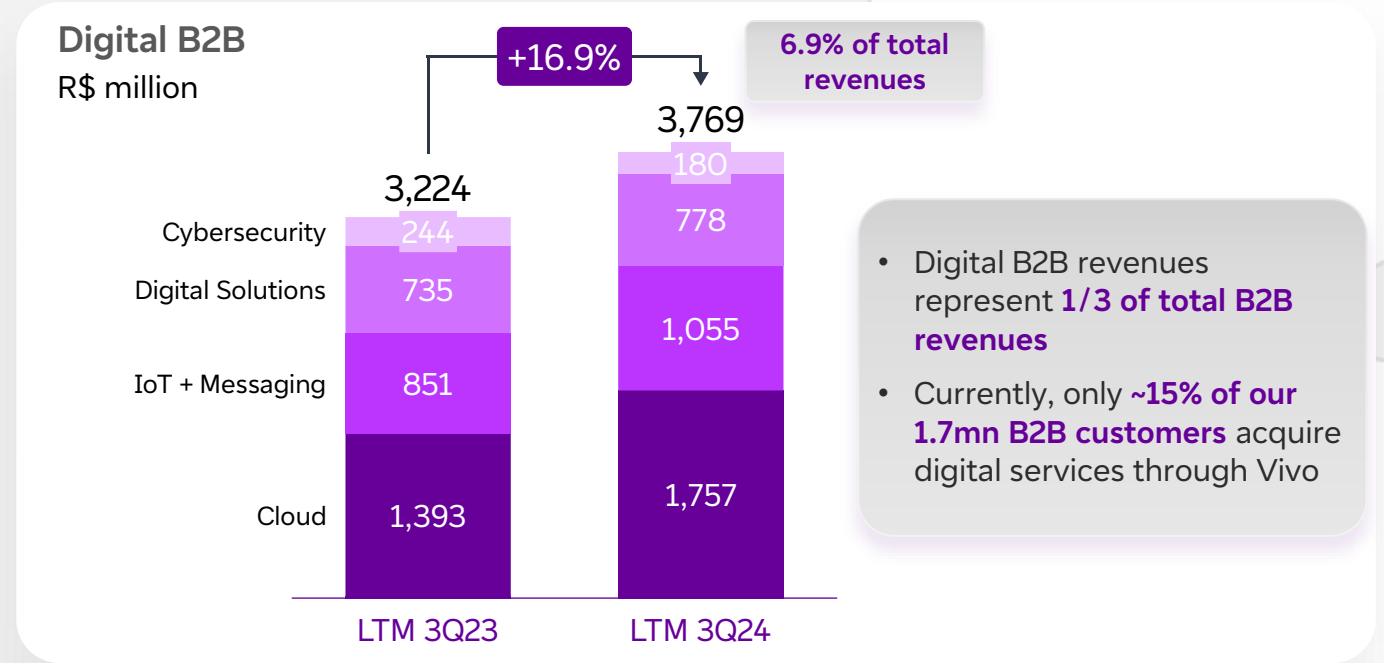
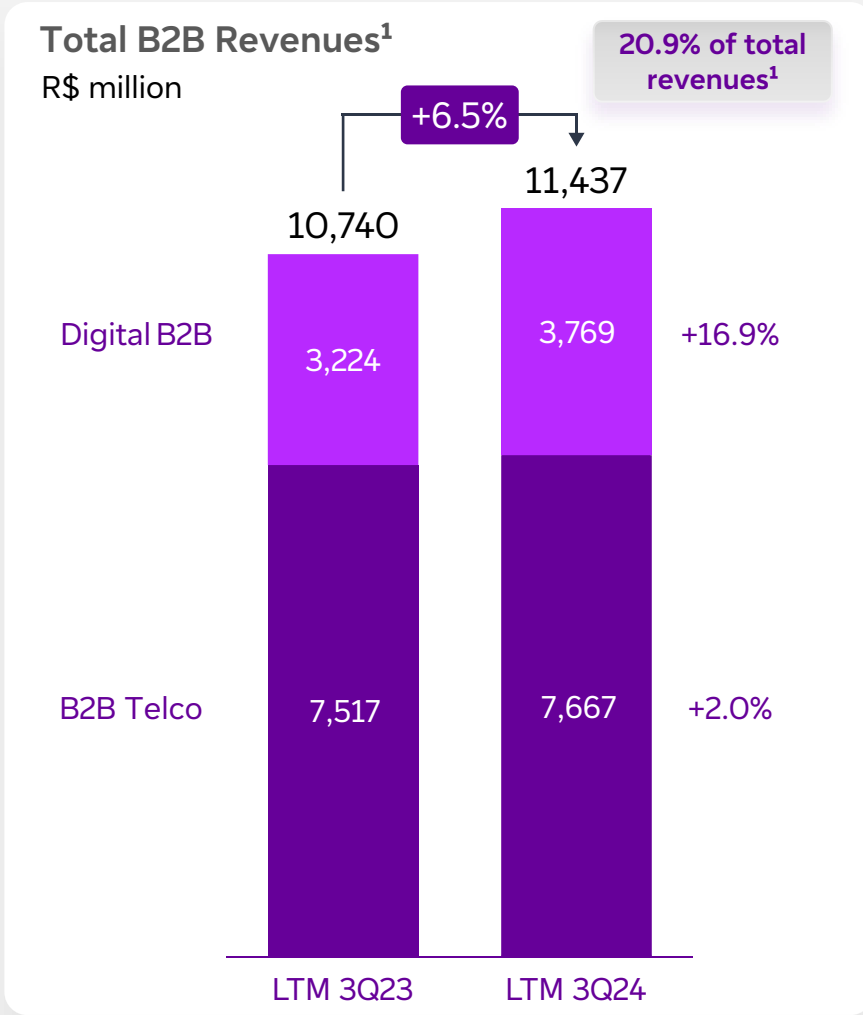


Vivo Pay received authorization from the Brazilian Central Bank, to operate as a **Direct Credit Company**, further enhancing Vivo's Financial Services

1 – B2C Revenue Generating Units (Taxpayer ID/CPFs).



# Our B2B platform is unique and irreplicable, with the results showcasing this differential



## Agro

Vivo Agro grew +112% YoY in terms of sites sold, further increasing Vivo's presence in the digitization of the Agribusiness

## Ventures

Vivo Ventures acquired a minority stake in Agrolend, a fintech that provides credit to small and medium rural producers in Brazil

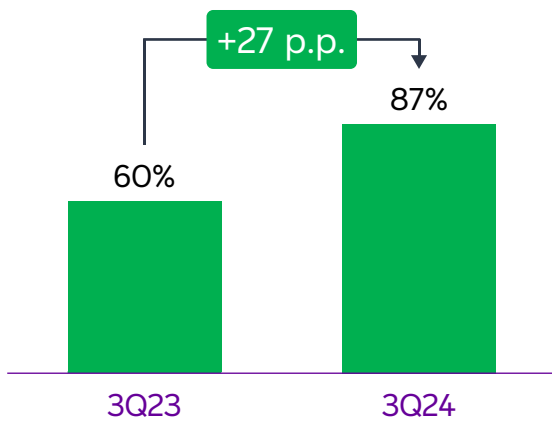
1 – Excludes Wholesale revenues that amounted R\$1,351 million in 3Q24 LTM.

# Vivo continues engaging suppliers on ESG matters and reinforces its commitment to diversity

## Net Zero Goal

### Carbon in the Supply Chain Program

% of suppliers engaged on climate-related initiatives



The proportion of the 125 **carbon-intensive suppliers** who calculate their emissions has grown by **+14 p.p.**, and those with **reductions targets increased +23 p.p.** since the beginning of the program



The **2024 Climate Action Plan** has been launched, which consolidates and presents the transition strategies **toward Net Zero**, a goal which had its **deadline moved up to 2035**

## People



**Top 3 best companies<sup>1</sup> to work** in Brazil, according to the national ranking of Great Place To Work

## Inclusion



More than **50 vacancies** in the **Women of Fiber Program** and more than **250 vacancies** in the **Youth Apprenticeship Program**, with 50% reserved for Black Talents, were open



**Digital Transformation in Education** was the topic of the 25th anniversary event of Fundação Telefônica Vivo, which discussed the role of technology and AI in Brazilian public schools



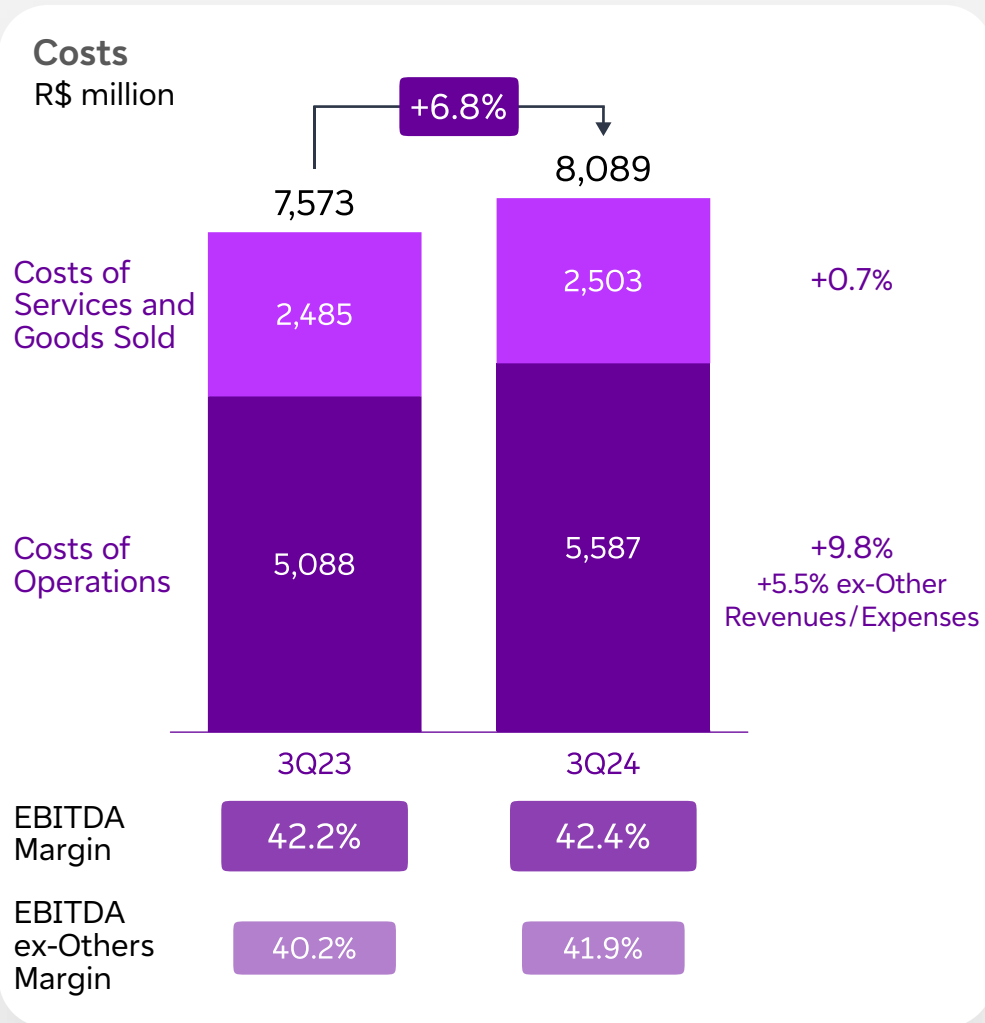
The **Plural Partner Program** has been launched, an initiative aimed at developing ESG best practices in the supply chain



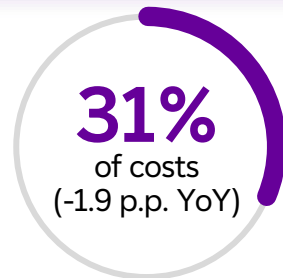
Present in the Top 100 **FTSE Diversity & Inclusion Index**

1 – Considers companies with more than 10,000 employees.

# Controlled opex expansion allowing us to increase EBITDA margin in the quarter

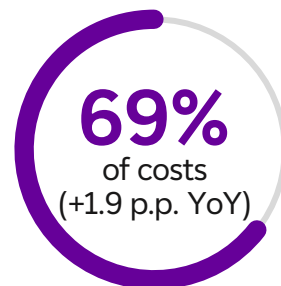


## Cost of Services & Goods Sold



- **Cost of Services** increased due to higher sales of B2B digital solutions and growth in the customer base
- **Cost of Goods Sold** slightly decreased as a result of reduced level of subsidies and increased share of consumer electronics sales, that have higher margins than smartphones

## Cost of Operations



- **Personnel Costs** had annual salaries and health benefits readjustments
- **Commercial and Infrastructure Expenses** grew mainly due to customer base growth, and higher expenses with technology and marketing
- **Provision for Bad Debt** remains at stable sequential levels, with YoY growth explained by one-time adjustment that positively impacted 3Q23
- **Other Revenues (Expenses)** presented a positive result in the quarter, albeit lower YoY as 3Q23 had a positive effect of R\$175mn on matters related to the acquisition of part of Oi Mobile assets

# Operating Cash Flow on the rise as capital intensity continues to reduce

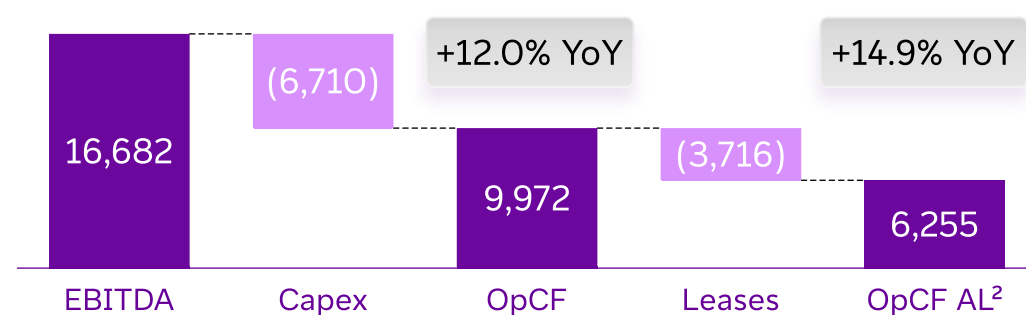
## Capex<sup>1</sup>

R\$ million



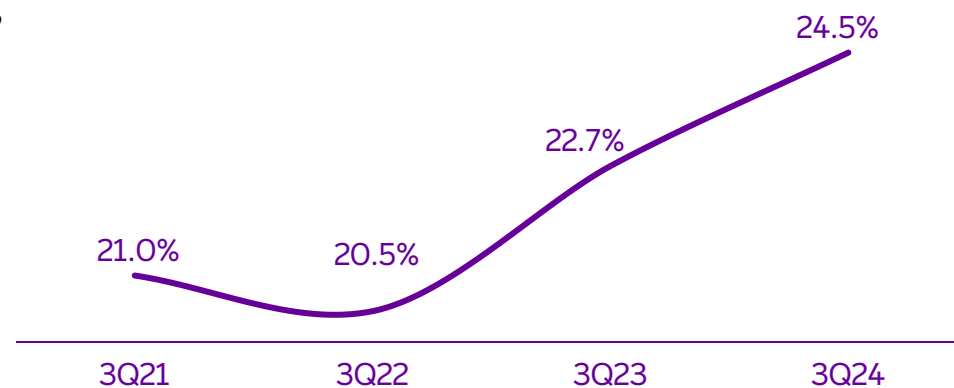
## Operating Cash Flow<sup>1</sup>

R\$ million, 9M24



## OpCF Margin<sup>1</sup> LTM

%



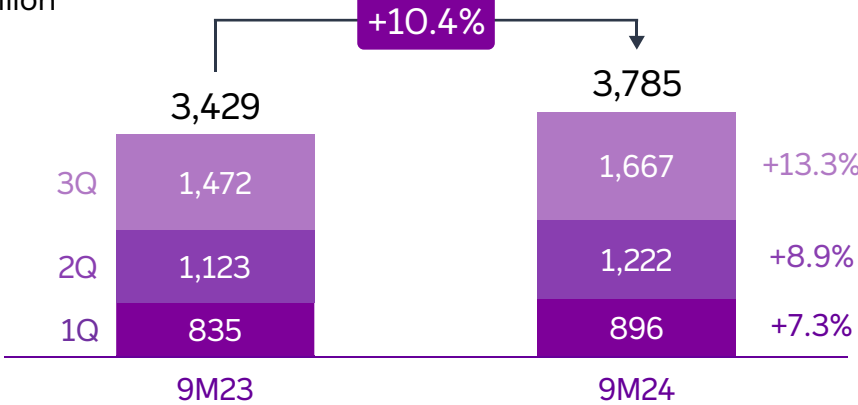
1 – Ex-spectrum licenses and IFRS-16. 2 – After Leases.



# Double-digit growth in net income coupled with a robust cash generation is a powerful combination

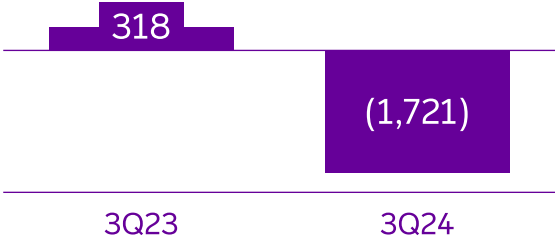
## Net Income<sup>1</sup>

R\$ million



## Net Debt<sup>2</sup>

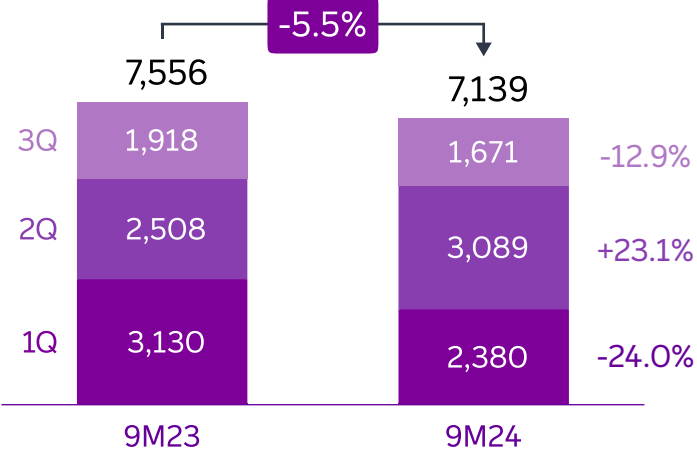
R\$ million



Sep-24 Net Debt including IFRS-16  
**R\$12.3bn**  
 0.5x LTM EBITDA

## Free Cash Flow<sup>3</sup>

R\$ million



Free Cash Flow Yield<sup>4</sup> (LTM)

**8.4%**

Free Cash Flow/Sales (LTM)

**14.1%**

1 – Considers the net income attributed to Telefônica Brasil. 2 – Excluding IFRS-16. Debt position does not include the outstanding amount related to the FISTEL TFF fee for the period 2020-2024, amounting to R\$4.6 billion. 3 – After leases. 4 – Market cap based on 09/30/2024.

# Strong operating and financial results reflect in increasing shareholder remuneration

## Shareholder Remuneration

Type of Payment	Amount (R\$ billion)	Date of Payment	
Outstanding IoC declared in 2023	2.2	April 23 <sup>rd</sup> , 2024	✓
Capital Reduction (Phase I)	1.5	July 10 <sup>th</sup> , 2024	✓
Share Buyback <sup>1</sup>	1.1	Ongoing	
IoC Declared in 2024 <sup>2</sup>	1.9	Before April 30 <sup>th</sup> , 2025	
Capital Reduction (Phase II) <sup>3</sup>	2.0	Before July 31 <sup>st</sup> , 2025	



### Share buyback program

- We already repurchased R\$1.1 billion as of November 5<sup>th</sup>, 2024, equivalent to 21.9 million common shares (1.3% of the Company's shares)
- On August 30<sup>th</sup>, 2024, the Company's Board of Directors amended the current Share Buyback Program to increase the limit of the program to R\$1.5 billion



### Capital Reduction (Phase II)

- On November 5<sup>th</sup>, our Board of Directors approved a proposal for a further Capital Stock reduction in the amount of R\$2.0 billion, with the record date set for February 27<sup>th</sup>, 2025, and to be paid by July 31<sup>st</sup>, 2025, subject to approval at the Extraordinary General Meeting that will take place on December 18<sup>th</sup>, 2024



### Guidance 2024-26

- Vivo is committed to paying out ≥100% of the net income generated during 2024, 2025 and 2026, considering the sum of dividends, IoC, capital reductions and share buybacks

1 – Considers share buybacks executed up to the date of this presentation. 2 – Considers Interest on Capital deliberated from January to September 2024.  
3 – Subject to approval at Extraordinary General Meeting and a 60-day opposition period from creditors, in accordance with Law 6,404/76.



Telefónica



For further information

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