

RESULTS 3Q23

October 31st, 2023
Telefônica Brasil S.A.
Investor Relations

VIVT
B3 LISTED



VIV
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NYSE

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



Solid operating and financial performance lead to **robust cash generation and shareholder distribution**



Operating

60.4mn +5.2% YoY
112 million
Total Accesses

Mobile Postpaid Accesses

6.0mn +13.5% YoY
+0.7 million
accesses YoY

Fiber Homes Connected



Revenues

+7.5% +9.6% YoY
Core Revenues
growth

Total Revenue Growth 3Q23 YoY

+9.0% Handset
Revenues
+13.5% YoY

Mobile Serv. Revenue Growth 3Q23 YoY



Profitability

R\$5.5bn +11.7% YoY
42.2% EBITDA
Margin (+1.6
p.p. YoY)

EBITDA 3Q23

R\$8.9bn +27.1% YoY
23.1% OpCF
Margin (+3.3
p.p. YoY)

Operating Cash Flow¹ 9M23



Shareholder Remuneration

R\$7.6bn +16.7% YoY
19.6% of Total
Revenues

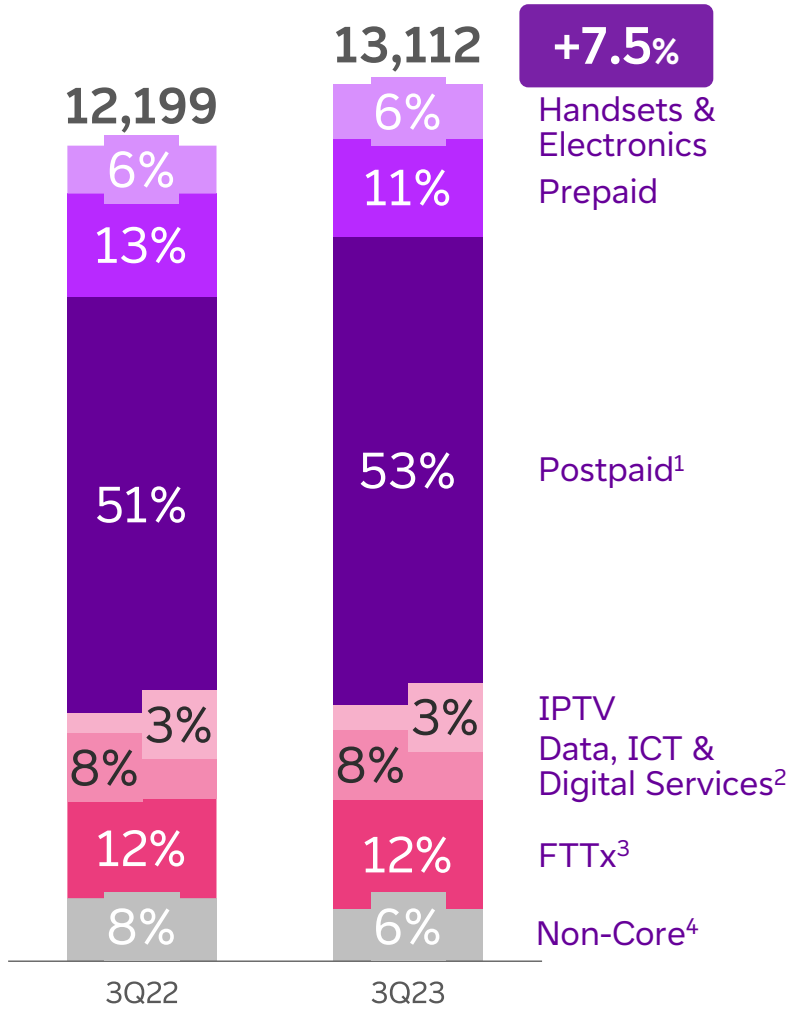
Free Cash Flow 9M23

R\$3.4bn +15.9% YoY
R\$ 2.6bn in
dividends and IoC²
declared in 2023³

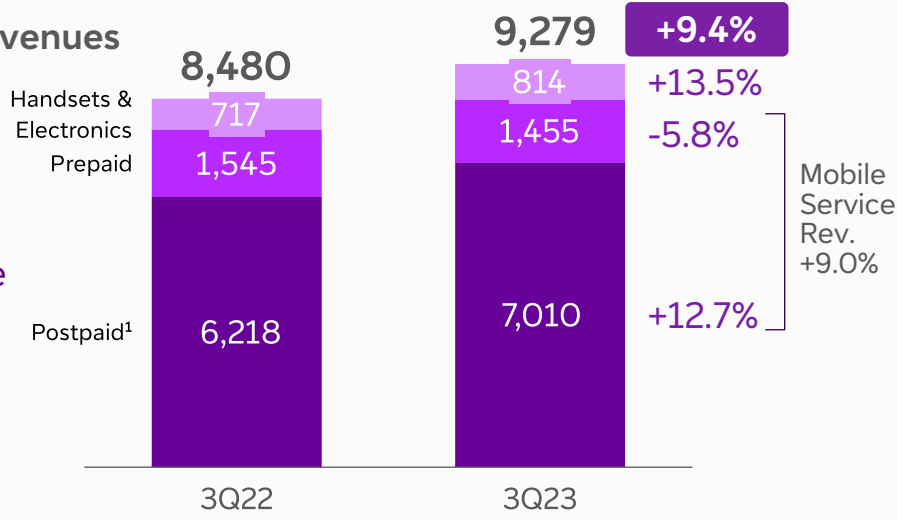
Net Income 9M23⁴

Total Revenues growing considerably above inflation as Core accelerates

Total Revenues
R\$ million, % of Total Revenues



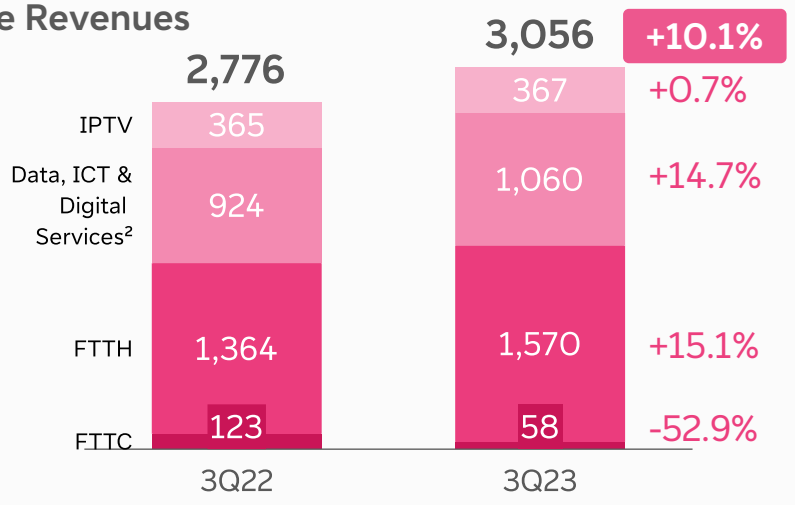
Mobile Revenues
R\$ million



Solid MSR growth fueled by robust commercial activity and improved customer mix



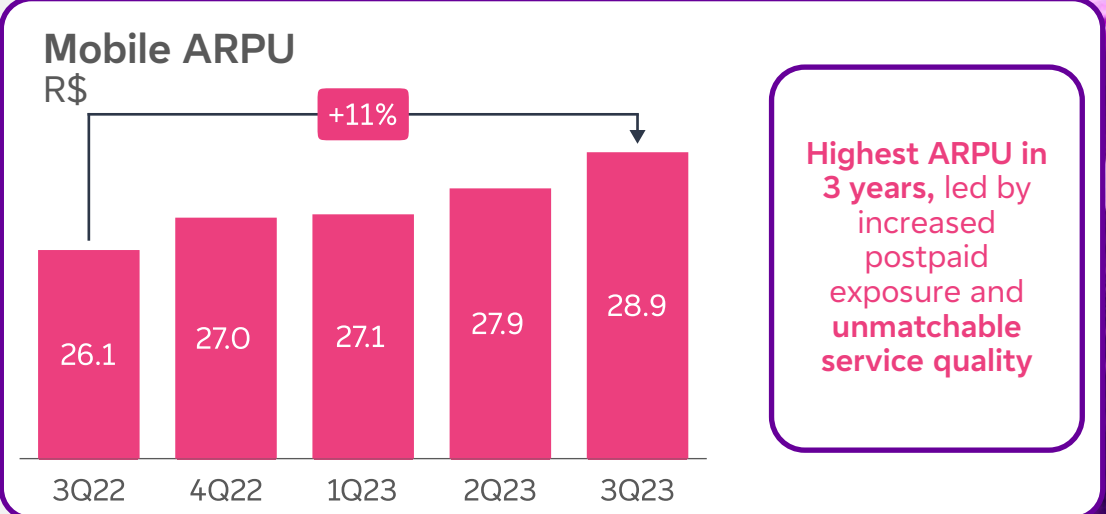
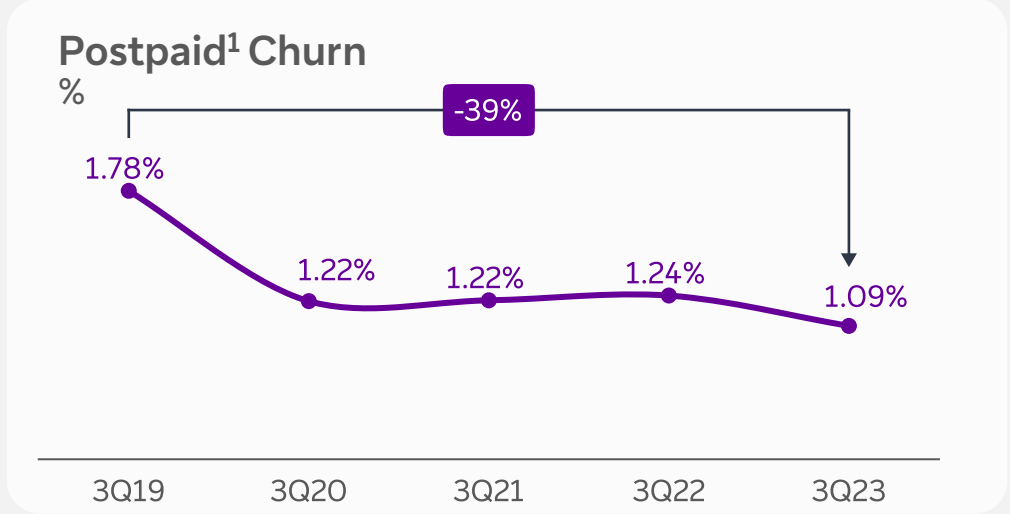
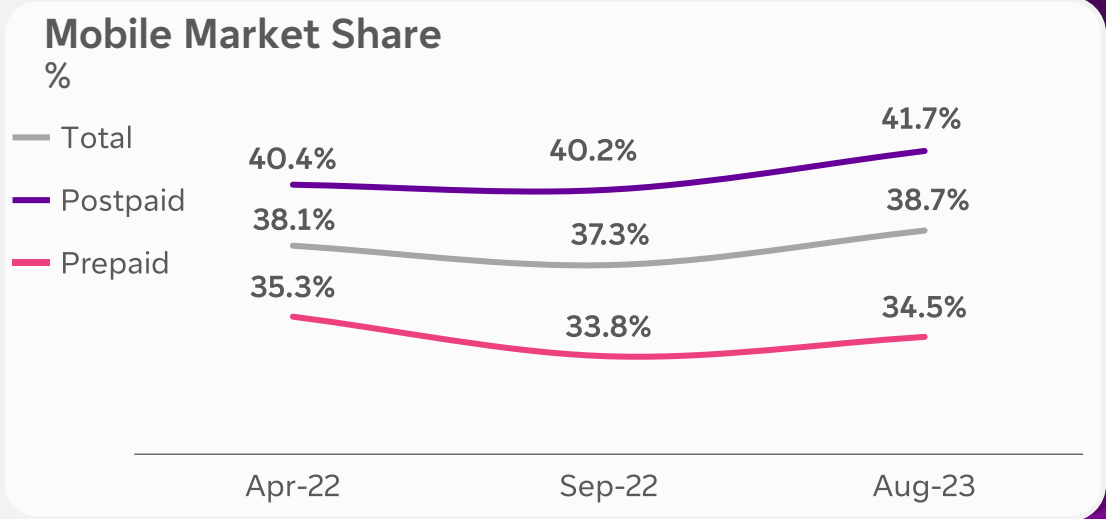
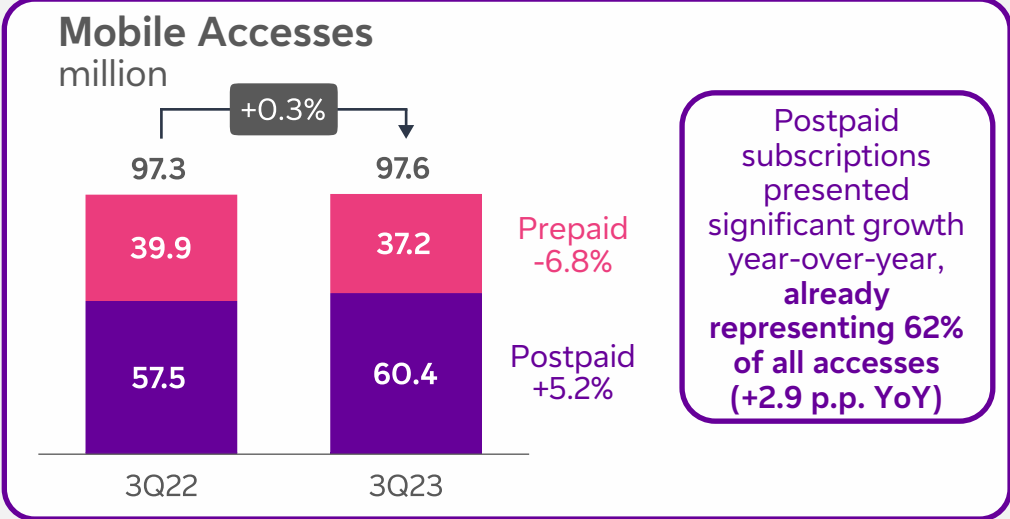
Fixed Core Revenues
R\$ million



Fixed Core Revenues growing double-digit, with a sustainably strong performance from key services

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.

Robust ARPU growth led by solid operating momentum as customers focus on quality services

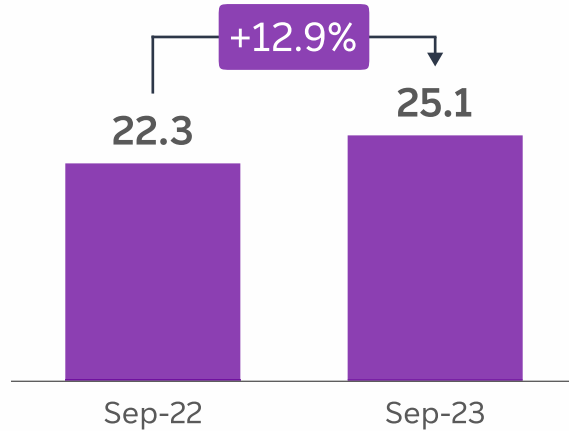


1 -Ex-M2M.

Leadership in fiber reinforced by strong deployment and unique convergent portfolio

FTTH Homes Passed

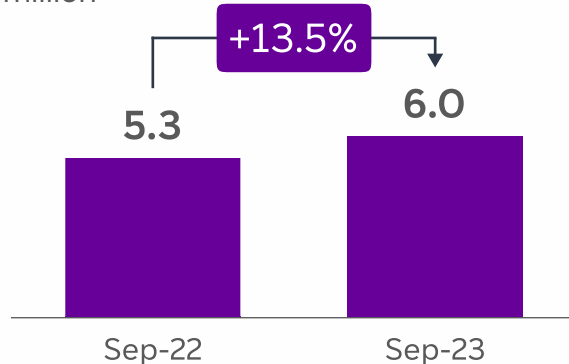
million



Vivo Fibra is present in **439 cities across Brazil** (+59 YoY)

FTTH Homes Connected

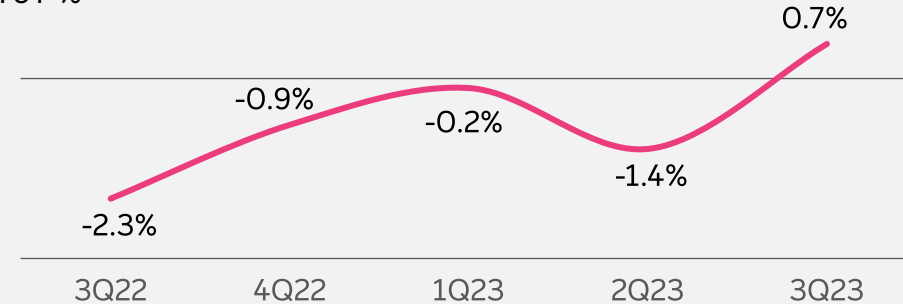
million



Over the last 12 months, we added **+715k new FTTH customers**, leading the market activity in the period

FTTH ARPU Growth

YoY %



FTTH ARPU evolution turns positive, as we combine price hikes with a top-notch fiber experience

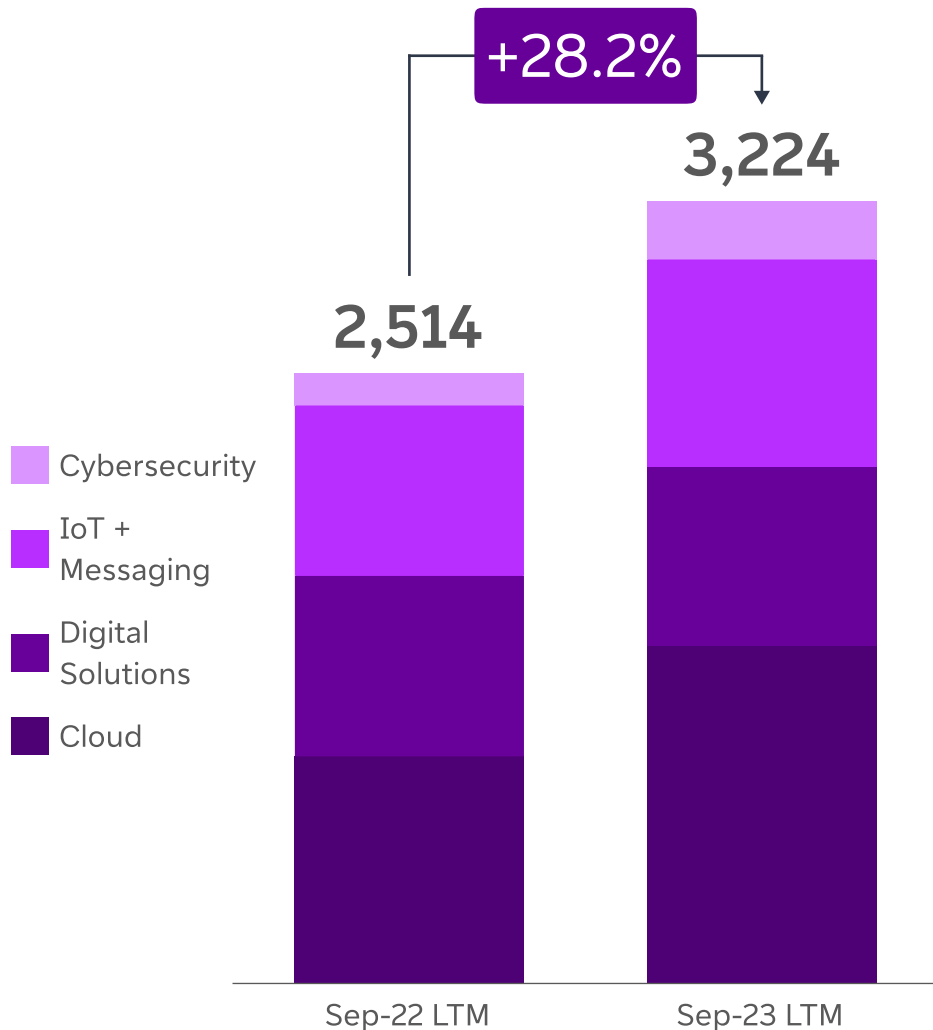
Total Fiber + Mobile

Customer base:

1.1 mn
up **2.5x YoY** in 3Q23

Vivo Total's yearly growth is a clear example of how **customers value quality convergent services paid in a single bill**

Digital B2B Revenues
R\$ million (LTM)



Digital B2B Revenues continue to gain share within our business, with important upside potential

Currently, we provide digital solutions to only ~10% of our B2B customers, thus providing us with a significant captive addressable market, especially in SMEs



ERP¹



Professional Email



Web Hosting

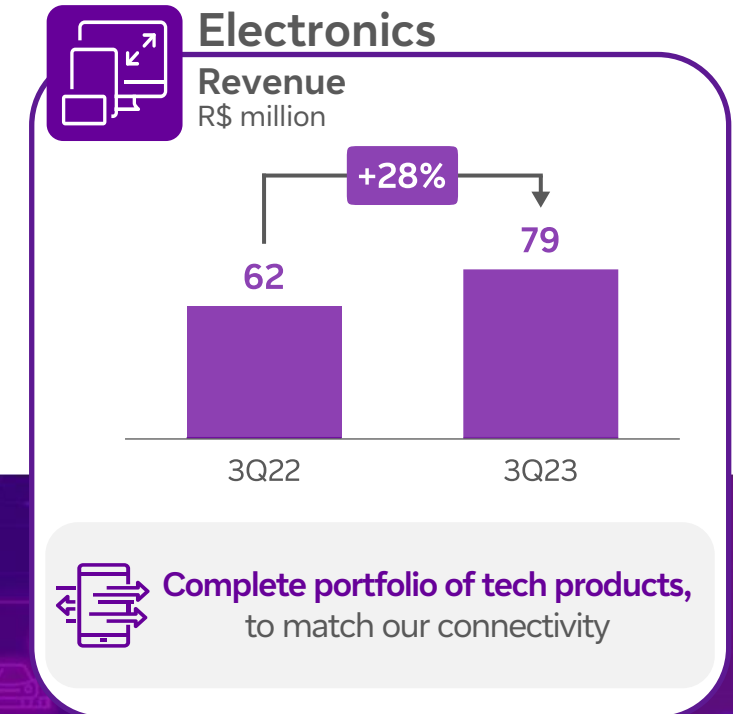
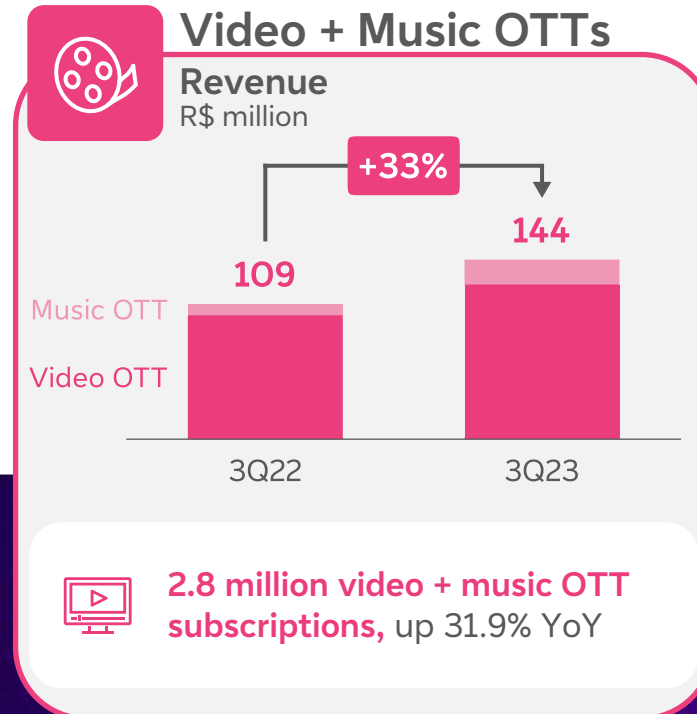
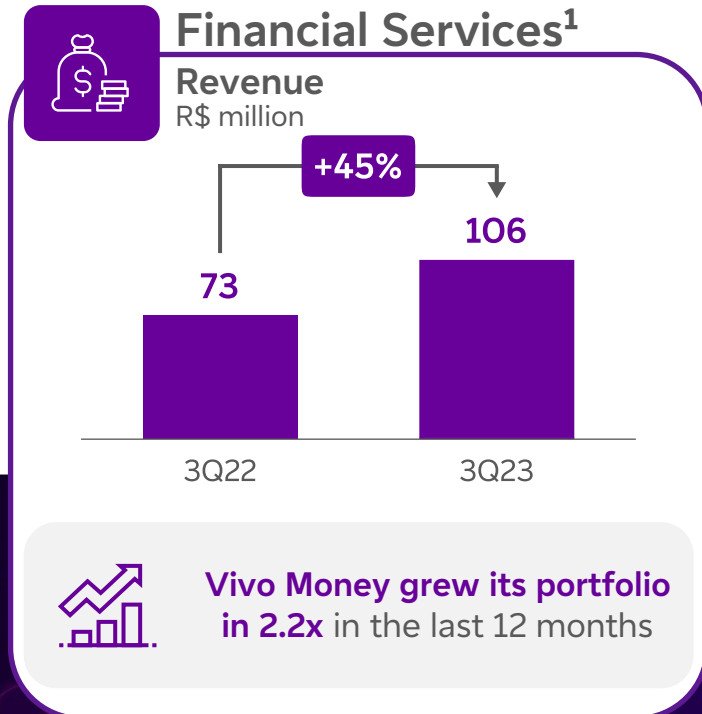


Website Builder



Ecosystem of B2B digital services, tailored for Small and Medium Enterprises of different sectors

Leveraging on one of Brazil's largest B2C customer bases among all sectors **to increase our share of wallet**



New sources of revenue (Financial Services¹, Video + Music OTTs and Electronics) **are growing fast and gaining relevance in our top-line mix**

¹ - Includes Vivo Money, Insurance and others.
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 advance in its social and climate actions, with the clear goal of leading positive change within the Company's reach

Climate



Launch of the **Climate Action Plan**, which presents how Vivo aligns its **business model with climate recommendations**

Carbon in the Supply Chain Program

125 carbon-intensive suppliers

involved in diagnosis, training and incentive towards establishing commitments



Goal to achieve net zero emissions by 2040

Environment



Highlighting the Vivo Recycle program, Vivo is the only Telco and Brazilian company in Fortune's **Change the World list**

Social



Launch of the analysis **Vivo for the SDGs**, detailing **Vivo's performance** regarding the **2030 Agenda** and the **11 SDGs** identified as **priority** to the business

Energy



Vivo will begin operating in the **Energy Self-production modality**, in partnership with **4 solar parks**



ISO 50,001 (Energy) recertification successfully obtained

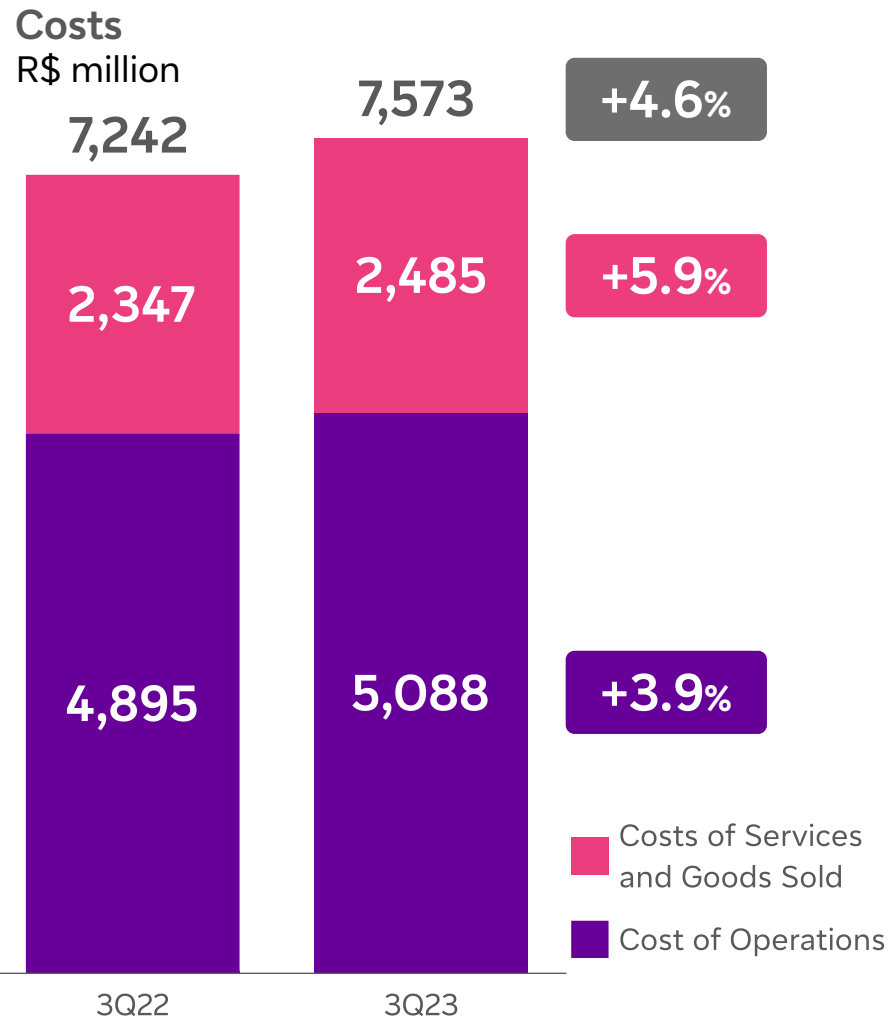
People



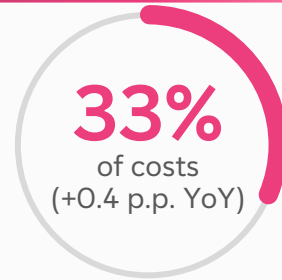
Once again, **Vivo placed among the Top 10 best companies¹ to work in Brazil**, according to the Great Place To Work national ranking

1 - Companies with more than 10,000 employees.

Opex evolution is considerably below revenue growth, as we continue to optimize our operating costs

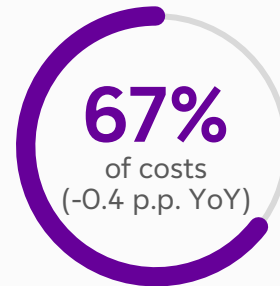


Costs of Services & Goods Sold



- **Cost of Services** grew as a result of the increasing digital solutions revenue
- **Cost of Goods Sold** expanded driven by strong sales of handsets and IT solutions

Cost of Operations

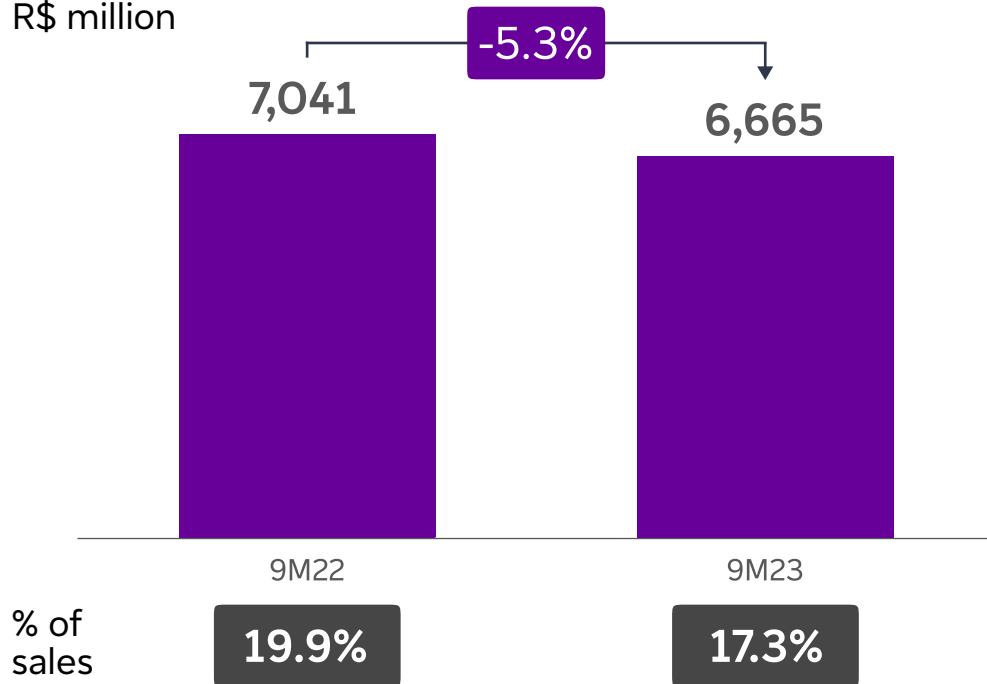


- **Reduction of Provision for Bad Debt** reinforcing Vivo's outstanding credit scoring and superior billing strategy
- **Personnel Costs** grew due to annual salary increases and strong commercial activity in B2B
- **Commercial and Infrastructure Expenses** growing below inflation, as higher commercial expenses are partially compensated by the end of Transition Service Agreement with Oi and higher adoption of digital channels
- **Other Revenues (Expenses)** had a positive effect of R\$175mn on matters related to the acquisition of part of Oi Móvel assets, such as the post-closing price adjustment agreement, in the amount of R\$244mn, and cancelation costs of tower contracts, in the amount of R\$69mn

Capex in line with guidance, coupled with solid operational performance, leading to strong cash flow expansion

Capex¹

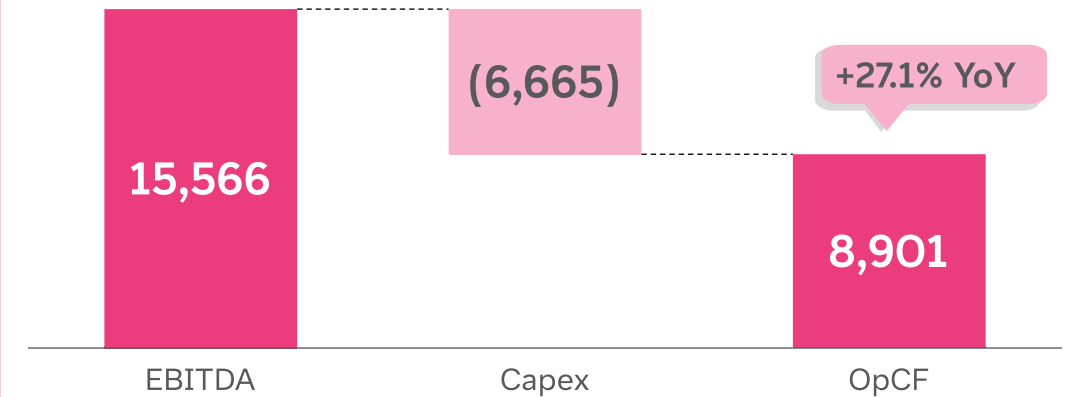
R\$ million



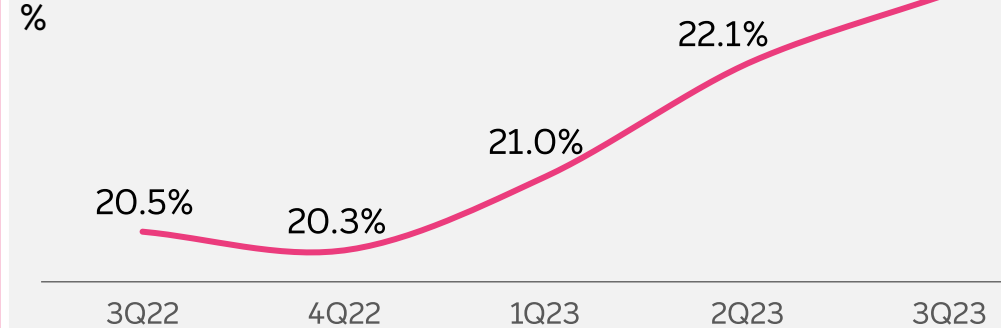
As of September 2023, Vivo covered 127 cities with 5G, reaching ~40% of the population with the technology, while maintaining its guided level of Capex below R\$9 billion for 2023

Operating Cash Flow¹

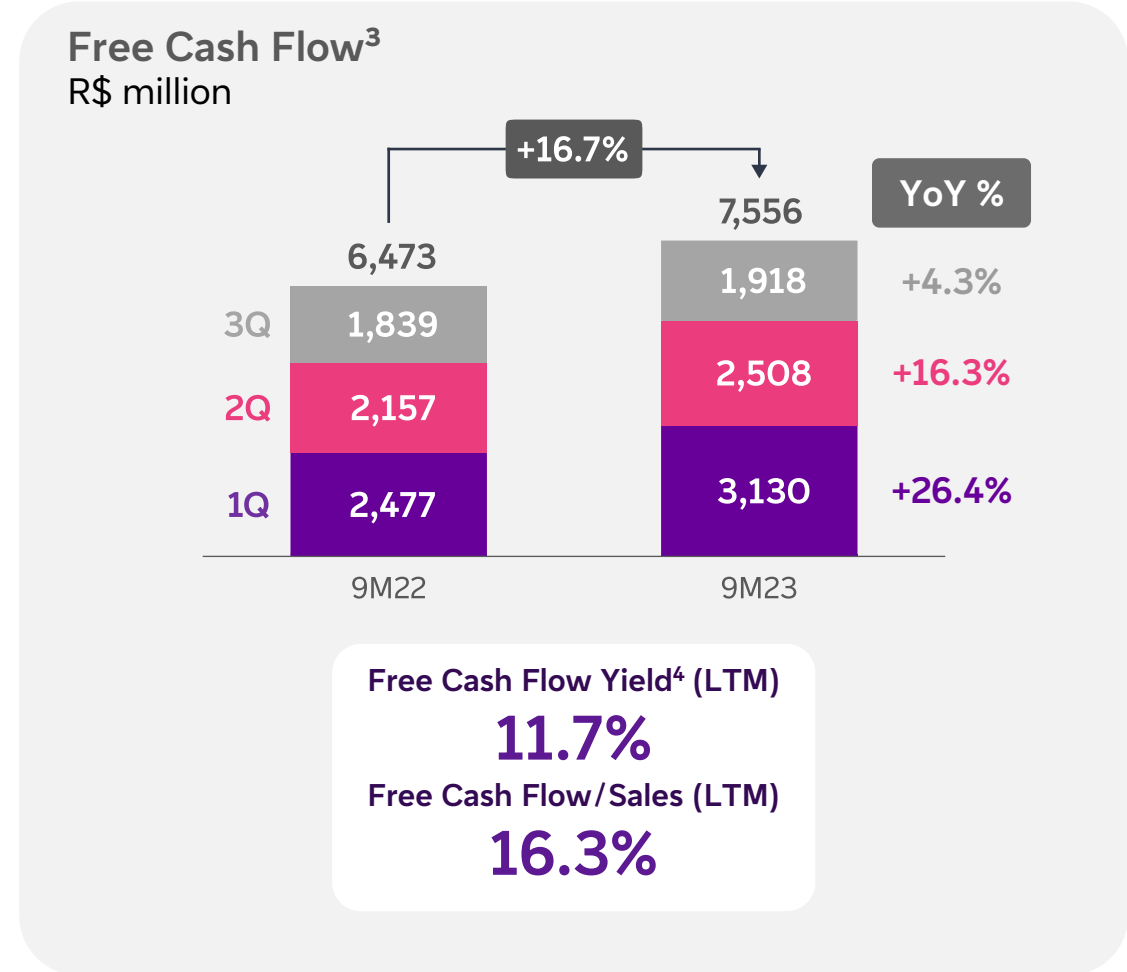
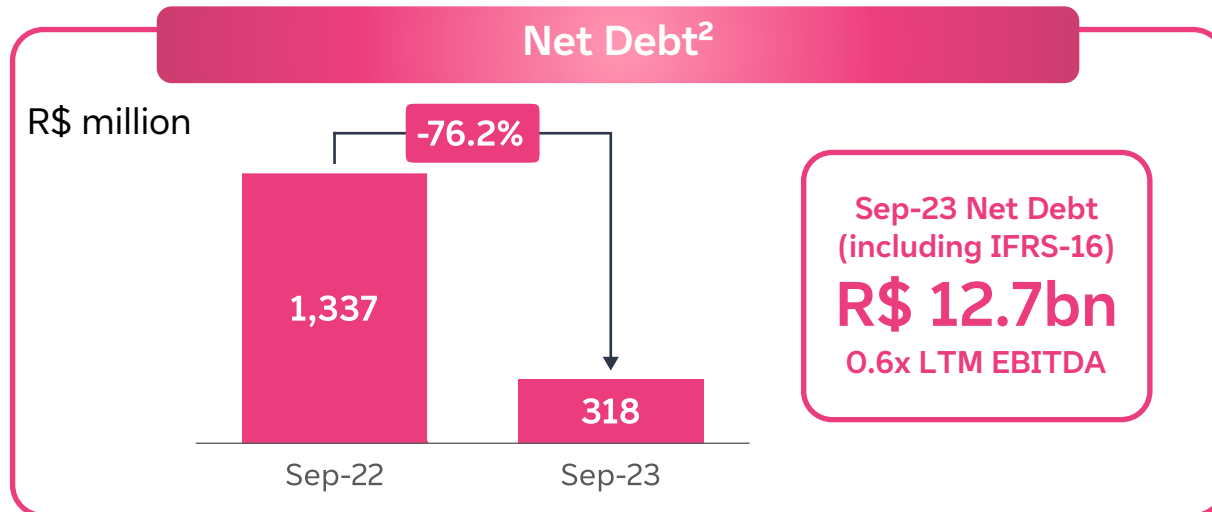
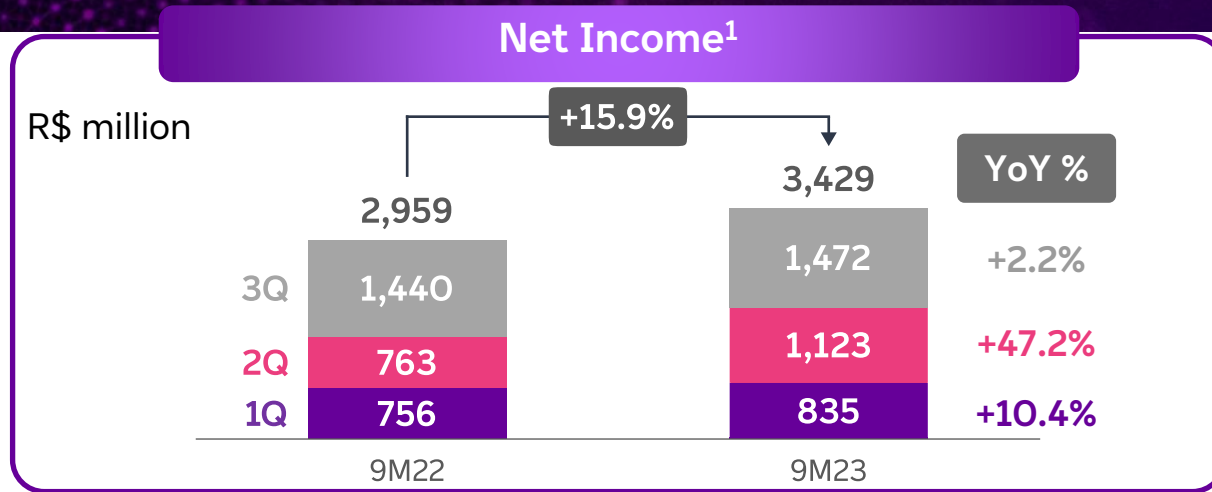
R\$ million, 9M23



OpCF Margin¹ LTM

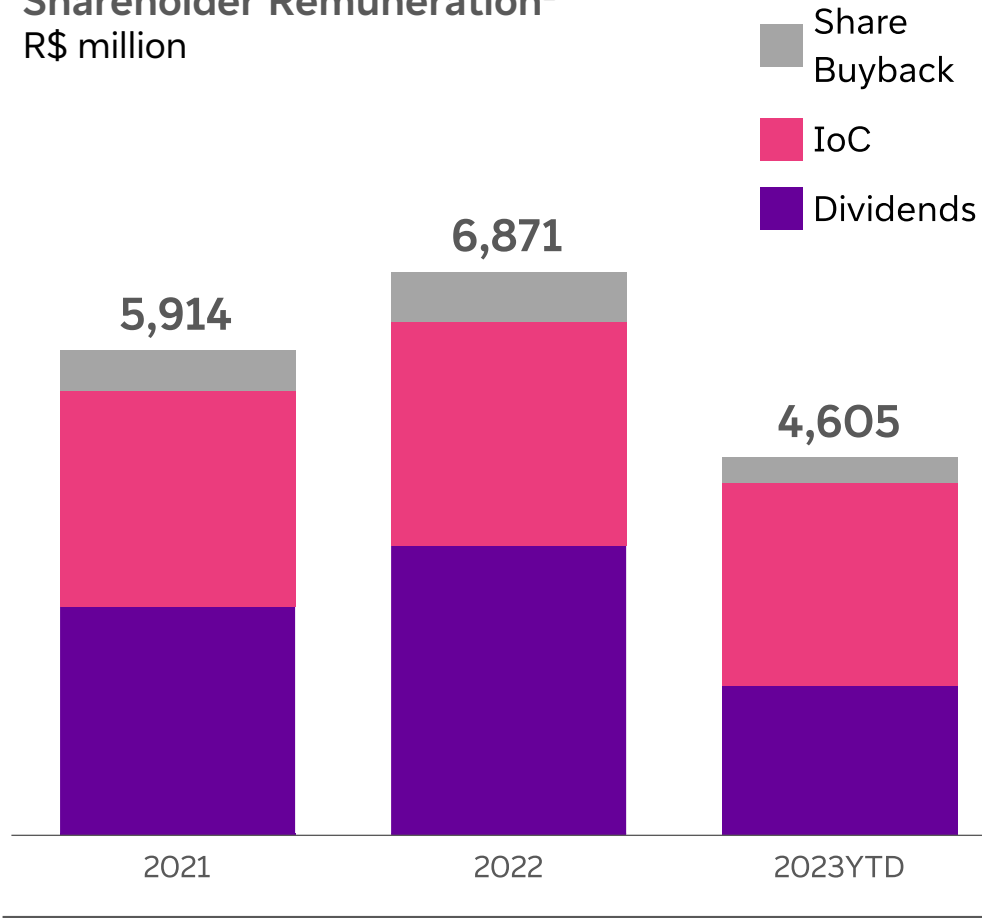


Double-digit net income and free cash flow growth in 9M23, combined with a low level of debt



1 – Considers the net income attributed to Telefônica Brasil. 2 – Excluding IFRS-16. 3 – After leases. 4 – Based upon Market Cap on Sep 30, 2023.

Shareholder Remuneration¹ R\$ million



Continued focus on cash remuneration

complemented by solid execution of our Share Buyback Program

Shareholder remuneration continues to be a priority, and the recent prior consent approval for the capital reduction gives us further flexibility



Capital Reduction: update and next steps

- ✓ Requested for Prior Consent from Anatel was submitted on **February 15, 2023**
- ✓ Approval of Prior Consent from Anatel was **granted on September 19, 2023**
- ✓ **Up to R\$5bn** to be carried out in one or more events
- ✓ Currently, we are **defining the next steps of the process**, to operationalize the capital reduction and distribute the proceeds to the shareholders
- ✓ **Positive outcome from this authorization**, as Vivo now has more flexibility to remunerate its shareholders



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