

RESULTS 4Q21

Telefônica Brasil S.A.
Investor Relations

February 23rd, 2021



VIVT
B3 LISTED

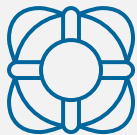
VIV
LISTED
NYSE

ISEB3 ICO2B3

DISCLAIMER



This presentation may contain forward-looking statements concerning prospects and objectives regarding 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



LARGEST CUSTOMER BASE IN VIVO'S HISTORY AND SUSTAINABLE REVENUE ACCELERATION, TRANSLATING INTO EBITDA GROWTH AND SUPERIOR SHAREHOLDER REMUNERATION

99 million total accesses

50mn

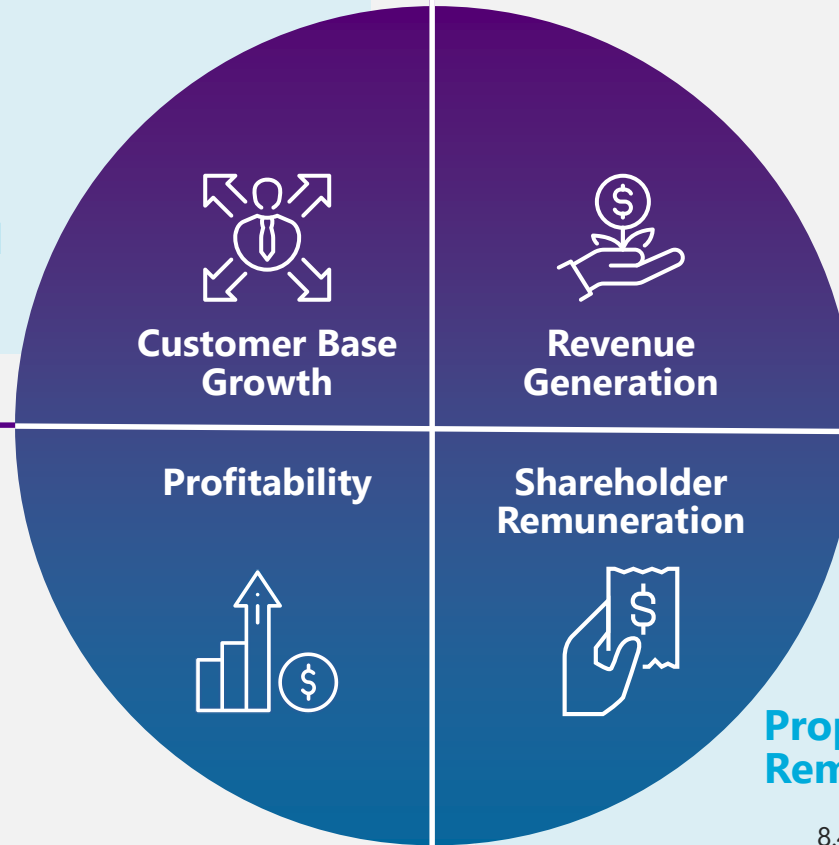
Mobile Postpaid Accesses

Leading to largest customer base in Vivo's history

4.6mn

Fiber Homes Connected

+36.4% YoY, with 253k net adds in Q4



+0.8%

Fixed Service Revenue Growth

+13.7% YoY Core Fixed¹ Revs, +31.2% YoY FTTH²

+3.1%

Mobile Service Revenue Growth

+3.7% YoY including Handsets

EBITDA Margin: 42.9%

R\$

4.9bn

EBITDA 4Q21

+1.2% YoY

R\$

2.6bn

Net Income 4Q21

+2.0x YoY

R\$

6.3bn

Proposed Shareholder Remuneration in 2021

7.7% Dividend yield, 8.4% considering Share Buybacks

R\$

0.5bn

in Share Buybacks in 2021

14 mn shares in Treasury canceled in 2022³



CORE BUSINESSES⁴ CONTINUE TO THRIVE, UP 6% YOY, AND ALREADY REPRESENT MORE THAN 90% OF VIVO'S TOTAL REVENUES

Core Businesses



Mobile



Handsets



FTTx



IPTV



Digital Services



Data and ICT

Non-Core Businesses



Fixed Voice



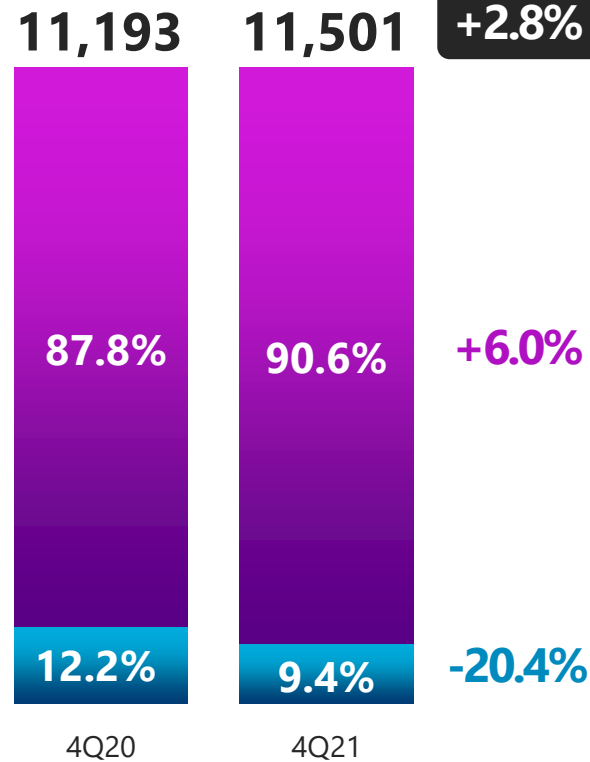
ADSL



DTH

Total Revenues¹

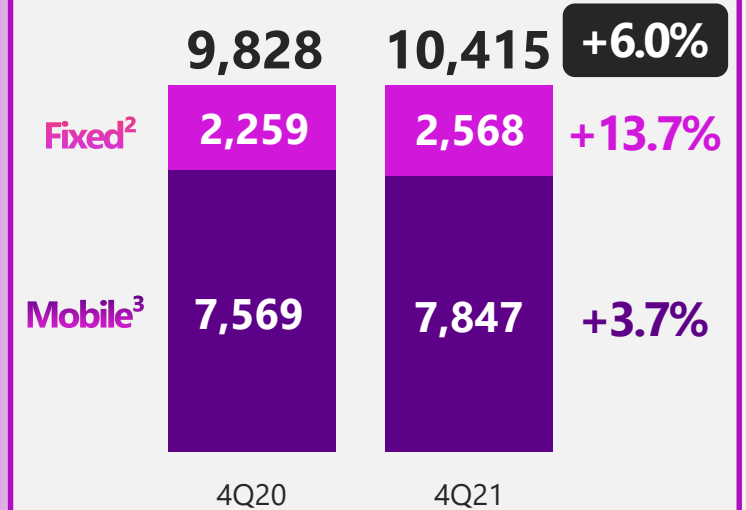
R\$ million, %



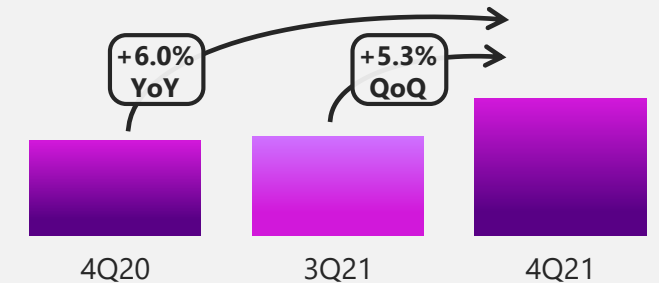
Core Businesses Non-Core Businesses

Revenues from Core Businesses

R\$ million



Core Business Revenues



1 - Mobile Revenues: +3.7% YoY, Fixed Revenues: +0.8% .

2 - Includes FTTH, FTTC, IPTV, Data & ICT, Wholesale Revenues and others.

3 - Mobile Revenues includes Handset Sales.

4 - All revenues excluding Fixed Voice, xDSL and DTH.

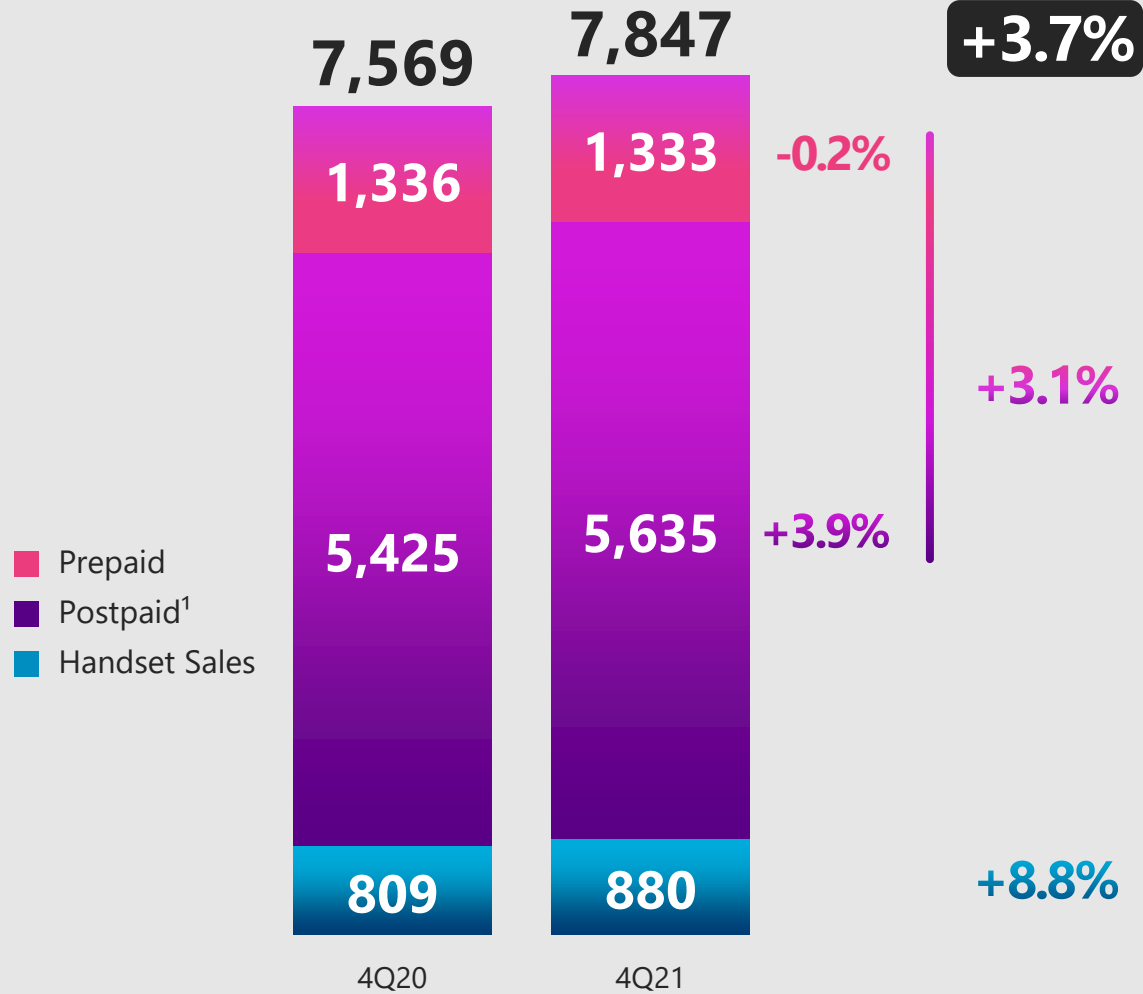


Mobile

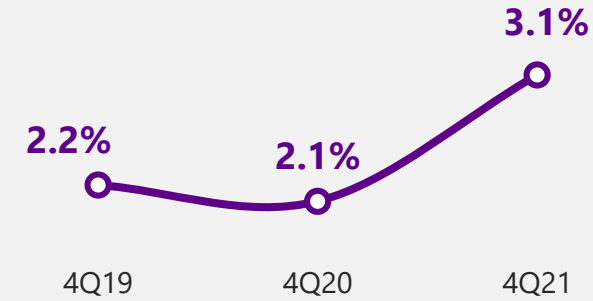
SOLID EVOLUTION OF MOBILE SERVICE REVENUES, AS POSTPAID CONTINUES TO GAIN RELEVANCE

Mobile Revenues

R\$ million



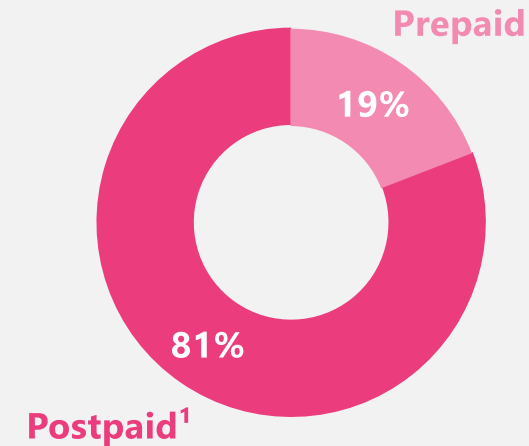
Mobile Service Revenue Growth YoY



Acceleration of Mobile Service Revenues, backed by a superior value proposition and expansion of the customer base

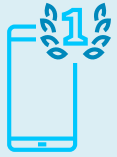
Postpaid share in Mobile Service Revenues

Mobile Service Revenues Composition %

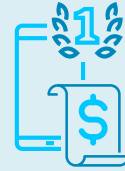


Postpaid¹ represents 81% of Mobile Service Revenues, resulting in additional protection from macro downturns and inflation volatility

LEADERSHIP REASSURED AS DATA CONSUMPTION GROWS, INCREASING THE NEED FOR HIGH QUALITY CONNECTIVITY, IMPROVING CUSTOMER MIX AND LIFETIME VALUE



Mobile
market leader
33.1% share



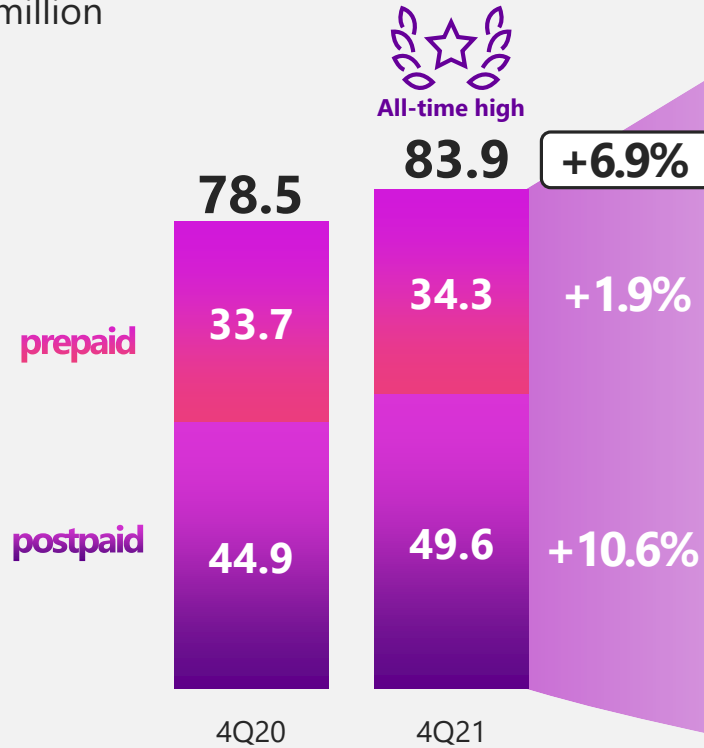
Postpaid
market leader
37.0% share



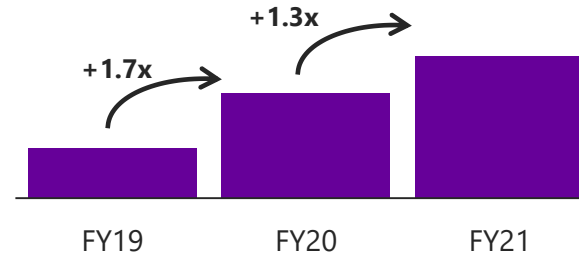
Prepaid
market leader
28.7% share

Mobile Access Base

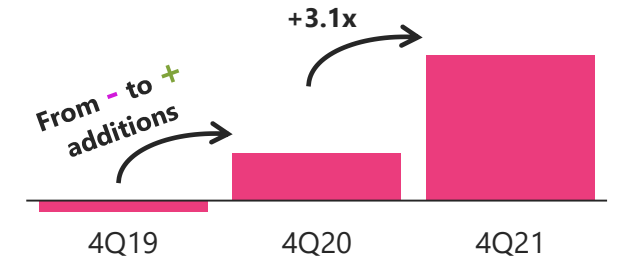
million



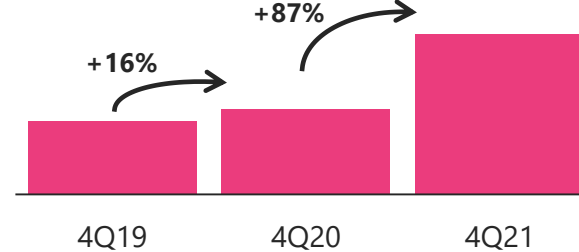
Data Consumption PB



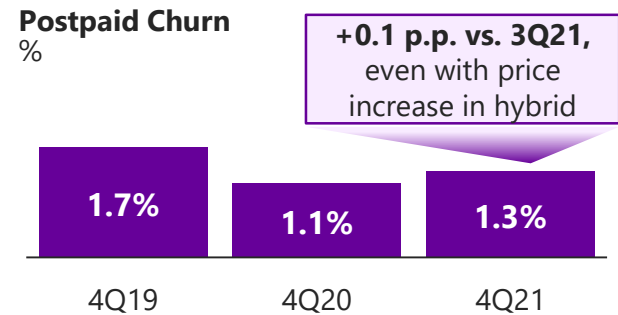
Postpaid Portability Net Adds



Hybrid to Postpaid Upsells Thousands



Postpaid Churn %





THE ACQUISITION OF OI'S MOBILE ASSETS IS ALMOST COMPLETE AND WILL ALLOW FOR AN IMPROVEMENT OF MOBILE NETWORK QUALITY NATIONWIDE



Milestones 2022



January

Anatel grants prior consent



February

CADE approves the deal



Closing expected for the next months



Details of the transaction

Amount to be paid¹

R\$5.5 billion



Funded **100%** with **Vivo's Cash position**

Spectrum

43 MHz



Public offering of radio frequencies and **new offers** for spectrum band leases

Client Base¹

10.5 million



Reinforcing Vivo's leadership, where the company has less market share

Sites¹

2.7k



Sale of ~50% of Radio Base Stations acquired



Upsides



Efficiency gains derived from **better network usage**



Upgraded overall customer experience given the improvement of mobile network quality



Acceleration of Brazil's digitalization process through sustainable investments

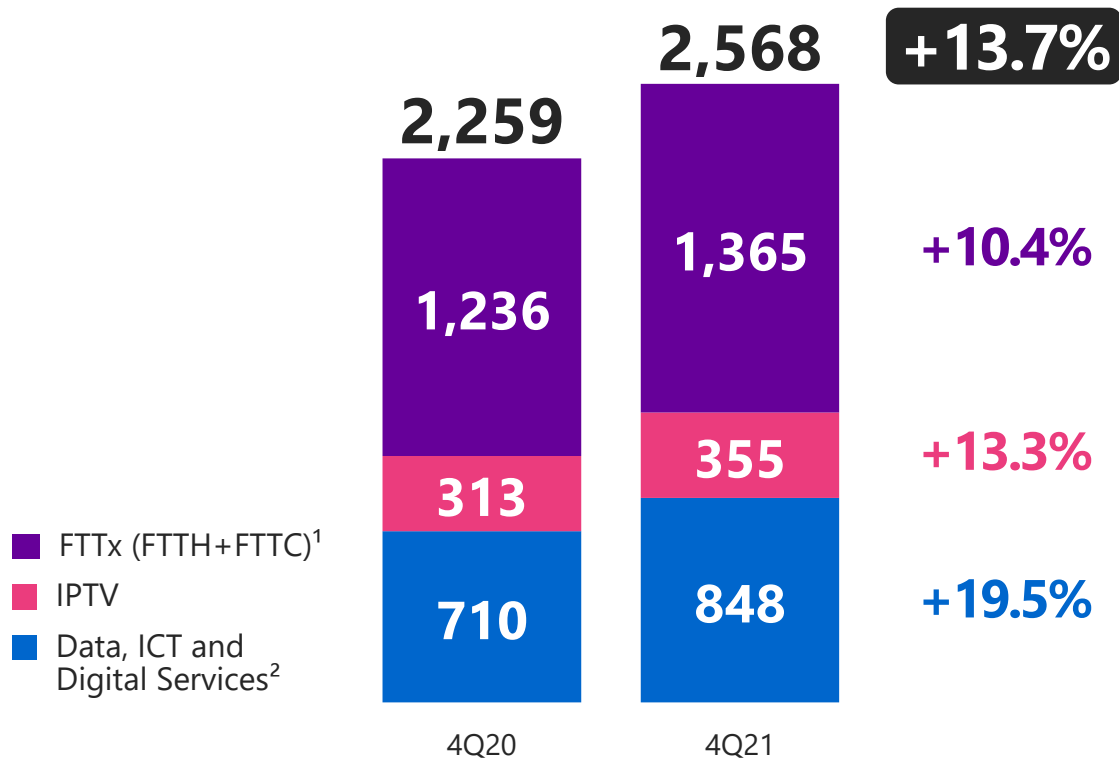


OpEx and CapEx synergies given solid track record of Vivo's previous integrations

THE EVOLUTION OF TOTAL FIXED REVENUES REMAINS POSITIVE DUE TO DOUBLE-DIGIT GROWTH OF CORE SEGMENTS

Core Fixed Revenues

R\$ million



Total Fixed Revenues
R\$ million

3,623 **3,654** **+0.8%**

Total Fixed Revenue Growth YoY

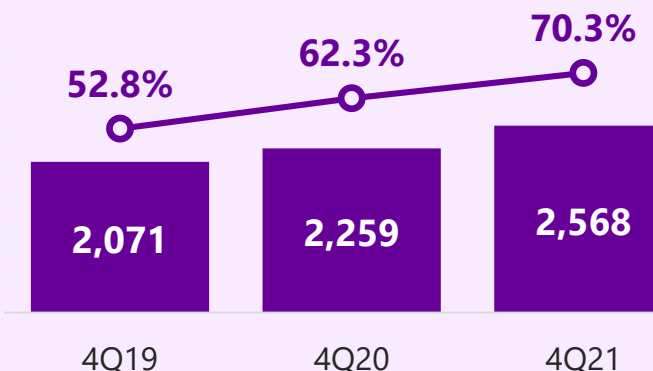


Total Fixed Revenues growing once again attesting the positive trend

Core Fixed Revenues

R\$ million

■ Fixed Core Revenues ○ % over Fixed Revenues

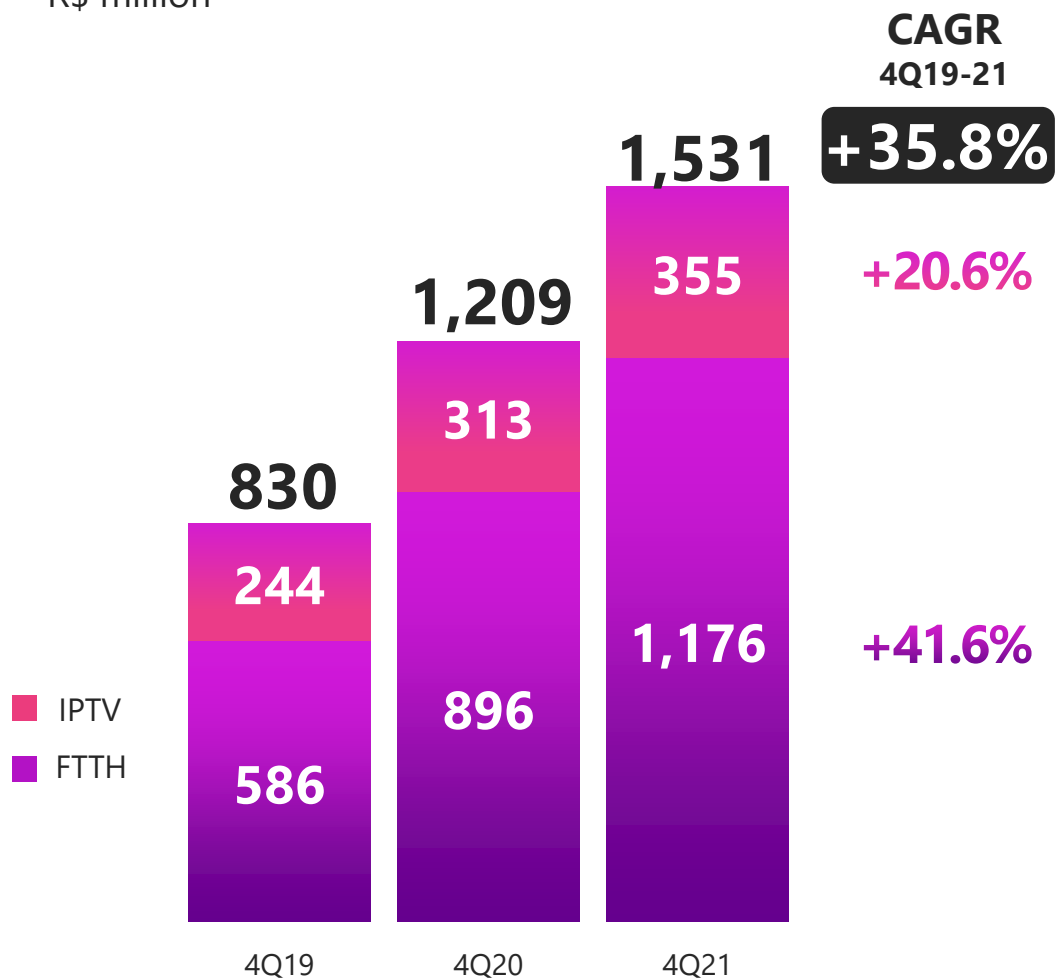


Double-digit growth of Core Fixed Revenues, combined with increased relevance vs mix

FIBER REVENUES MAINTAIN AN ACCELERATED GROWTH TRAJECTORY, WHILE IMPROVING THE MIX OF SPEEDS, CONTENT BUNDLES AND CONVERGENCE

Fiber Revenues

R\$ million

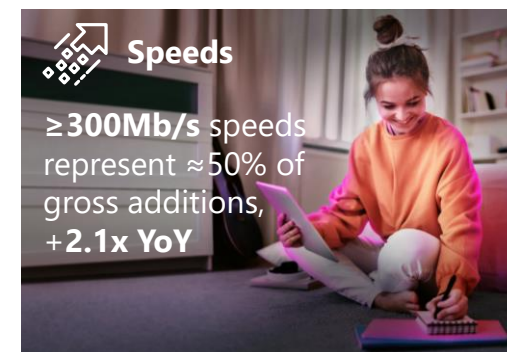
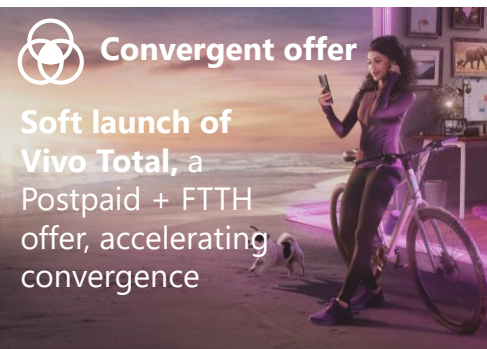
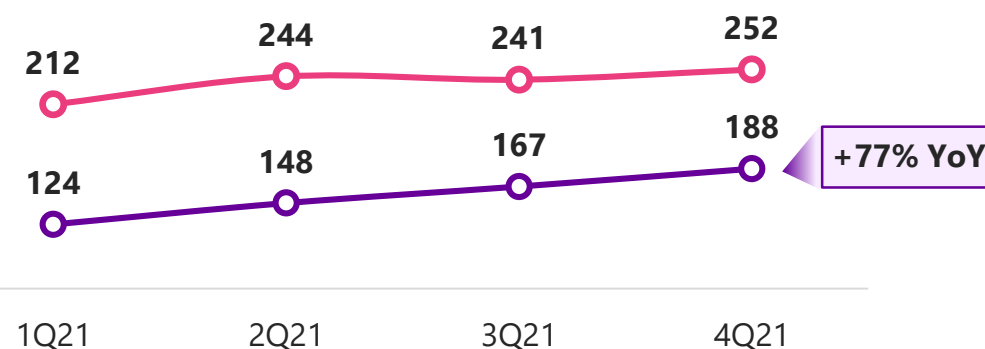


Fiber Customer Base

Average speed

Mb/s

— Gross Adds Avg. Speed — Customer Base Avg. Speed



FTTH price-up of ≈ 10% in 1Q22 for the eligible base

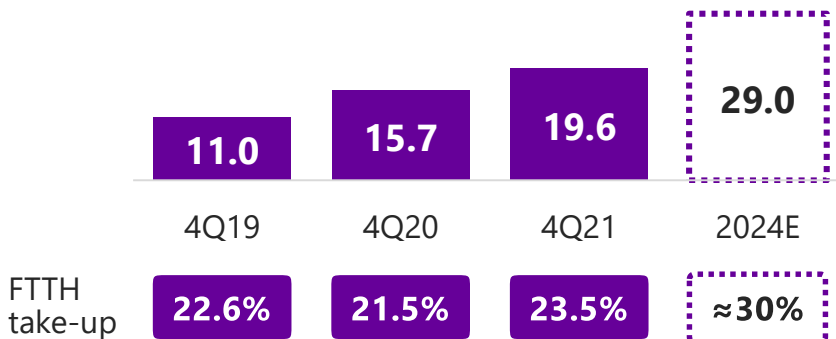


VIVO REACHED 4.6 MILLION FTTH CONNECTIONS IN 2021, AND WILL CONTINUE TO FURTHER EXPAND ITS CUSTOMER BASE DRIVEN BY ORGANIC AND FIBRASIL HP ROLLOUT



Homes Passed Evolution

million

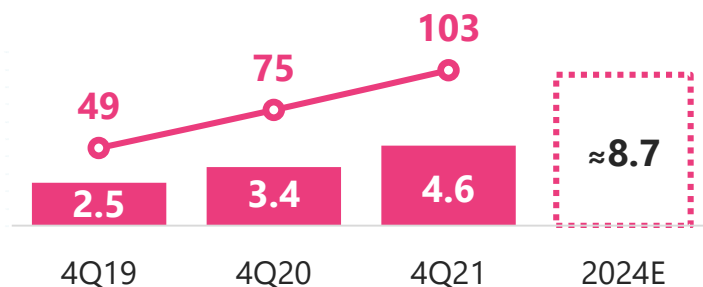


Vivo reached **327 cities in 4Q21**, and has a target of **29 mn HPs by FY2024**, with a $\approx 30\%$ take-up rate



Home Connected Evolution

■ Homes Connected (millions)
○ Avg. Net Adds per month (thousand)

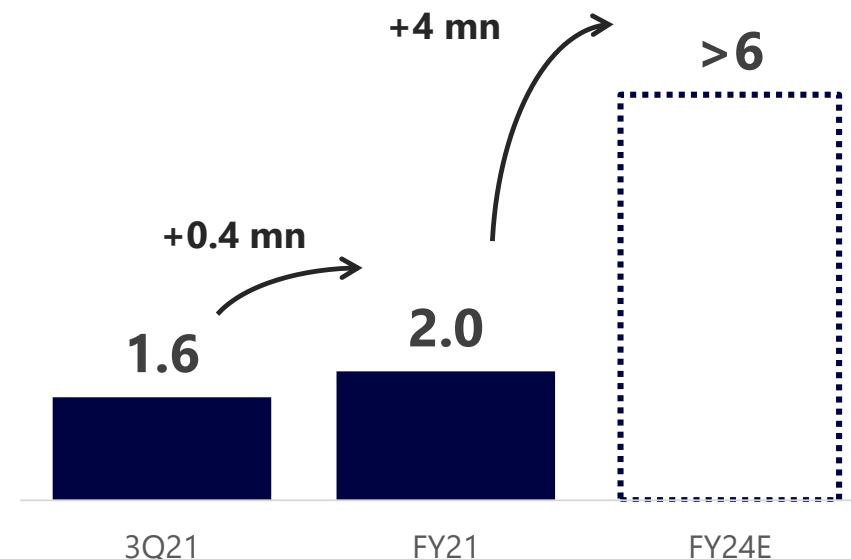


Net additions hitting 100k mark in FY21, confirming the size of the fiber opportunity in Brazil and Vivo's superior quality



FIBRASIL

Homes Passed
million



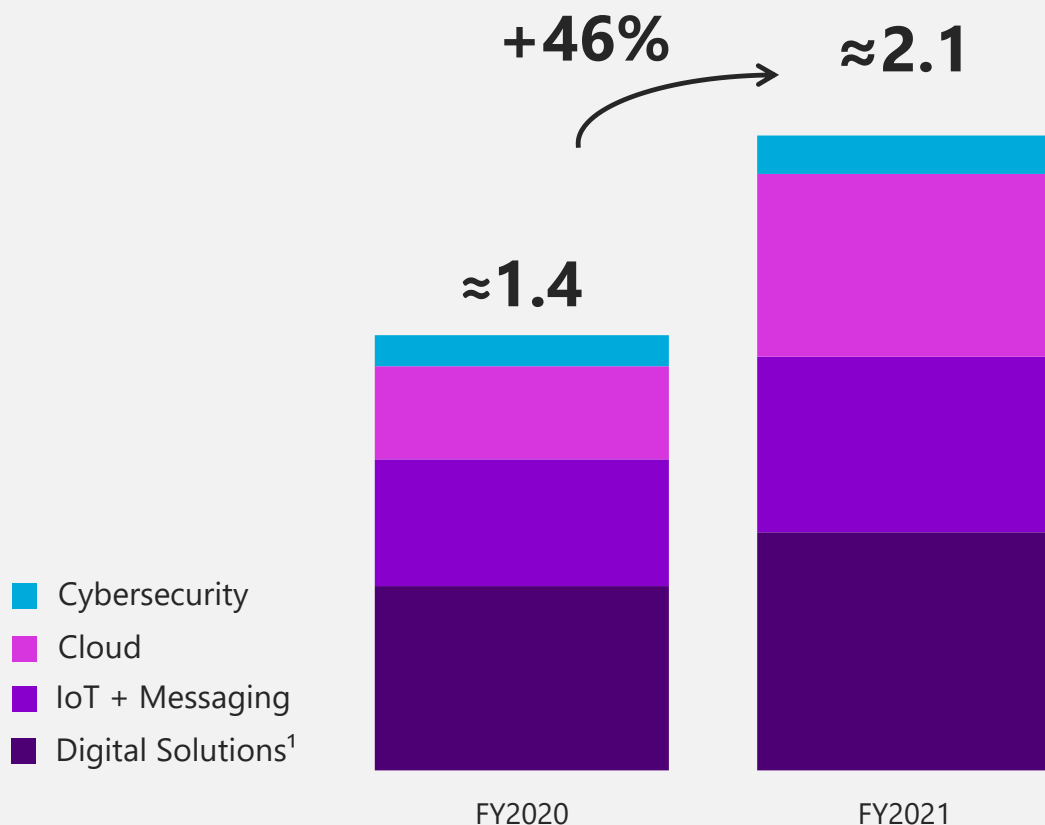
FiBrasil reached 2.0 million HPs in FY21 and raised **R\$550 million in debentures** to accelerate its fiber rollout



IMPRESSIVE GROWTH OF DIGITAL B2B REVENUES, BY OFFERING A WIDE RANGE OF SERVICES THAT MEET ALL BUSINESS NEEDS, FROM CLOUD TO DIGITAL SOLUTIONS

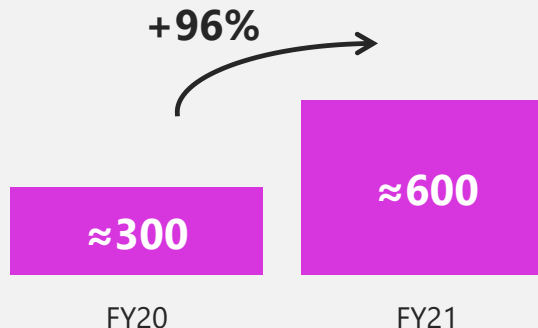
Digital B2B Revenues

R\$ billion

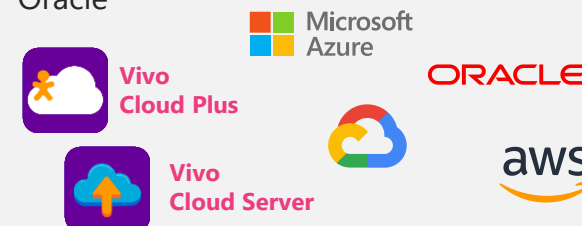


Cloud

Revenues
R\$ million

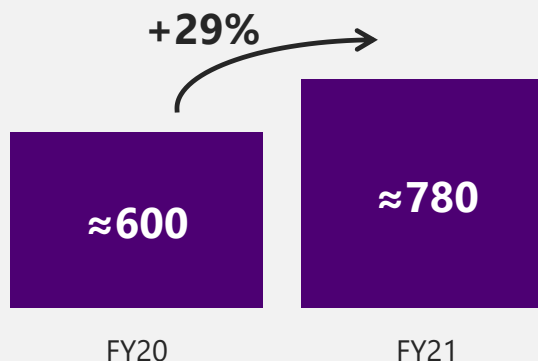


Complete portfolio of Cloud Solutions and reselling of third-party platforms, such as AWS, Microsoft Azure, Google Cloud and Oracle

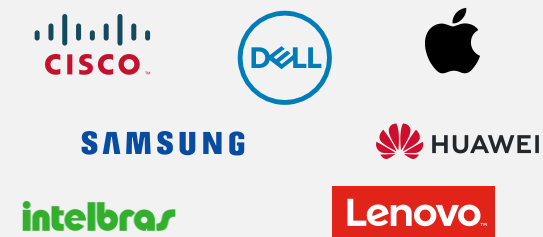


Digital Solutions¹

Revenues
R\$ million



Sale and leasing of IT equipment and private network services as Vivo is a one-stop-shop for businesses' digitalization



THE CONSOLIDATION OF THE B2C ECOSYSTEM IS UNDERWAY, PROVIDING DIGITAL SERVICES ACROSS VERTICALS TO INCREASE CUSTOMER'S SHARE OF WALLET



Atma: redesign of Vivo Meditação, going beyond mindfulness

≈ **150k**

Installed app, **fully organic**, leveraging on Vivo's customer base

> **8mn**

minutes meditated in > **1,000** different programs

Content



e-Health & Wellness



ENTERTAINMENT

Partnership with top-of-mind OTT's complementing mobile and fixed Customer Journey

≈ **1.2mn**

Customer subs
+79% YoY



vivo + **ânima**
EDUCAÇÃO

Education platform focused on **lifelong learning** and **employability**



Signing of the definitive agreements with Ânima Educação for the constitution of the joint-venture

Financial Services



Education



vivo MONEY*

Personal, 100% digital loan service, with > **R\$30 million** credit conceded

Monthly credit origination
R\$

+ 6.7x YoY



4Q20

4Q21

New contracts/month
#

+ 6.5x YoY



4Q20

4Q21

VIVO CONTINUES TO INVEST IN EFFORTS THAT GIVE BACK TO SOCIETY, WHILE DETERMINEDLY PROMOTING DIVERSITY IN THE WORKPLACE

Environment



Recicle com a Vivo
>9 ton collected in 2021



21 renewable powerplants
 83 powerplants until FY22



19% less CO₂ direct emissions YoY

Diversity



29% of women in leadership
 (FY21)

30% of black people in the workforce (FY21)

4% of LGBTI+ people in the workforce (FY21)

Social Impact



≈2.7 million people benefitted and
R\$64.2 million invested



Launch of Data Science course for high school students from public schools, through Fundação Telefônica Vivo

ACKNOWLEDGEMENTS



1st year in Bloomberg Gender-Equality Index (GEI)

S&P Dow Jones Indices

A Division of **S&P Global**

Best Telco in LatAm and 2nd consecutive year in The Sustainability Yearbook

ISEB3

3rd place in ISE/B3 ranking



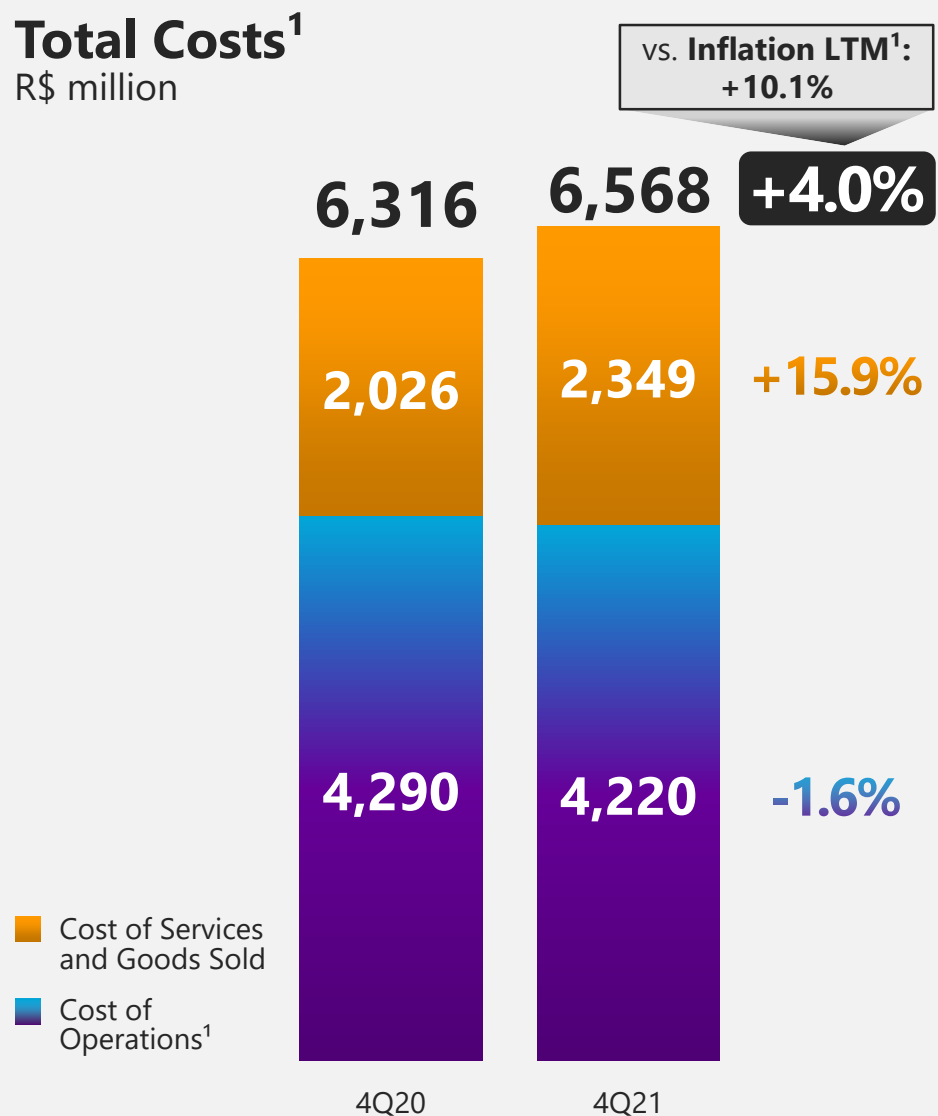
Only Telco in the new **GPTW B3 Index**



THE SHIFT TOWARDS VIVO'S CORE REVENUES IS CHANGING THE COST BASE ACCORDINGLY, WITH THE SALE OF DIGITAL SERVICES BECOMING MORE RELEVANT

Total Costs¹

R\$ million

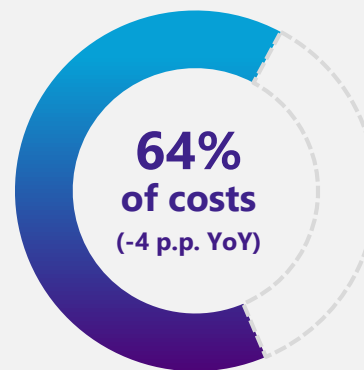


Cost of Services and Goods Sold



- **Increase on Cost of Services** (+18.0% YoY) given higher volumes of licenses and sales of digital B2C and B2B solutions
- **Cost of Goods Sold expansion** (+13.5% YoY) due to Handset and ICT sales growth

Cost of Operations



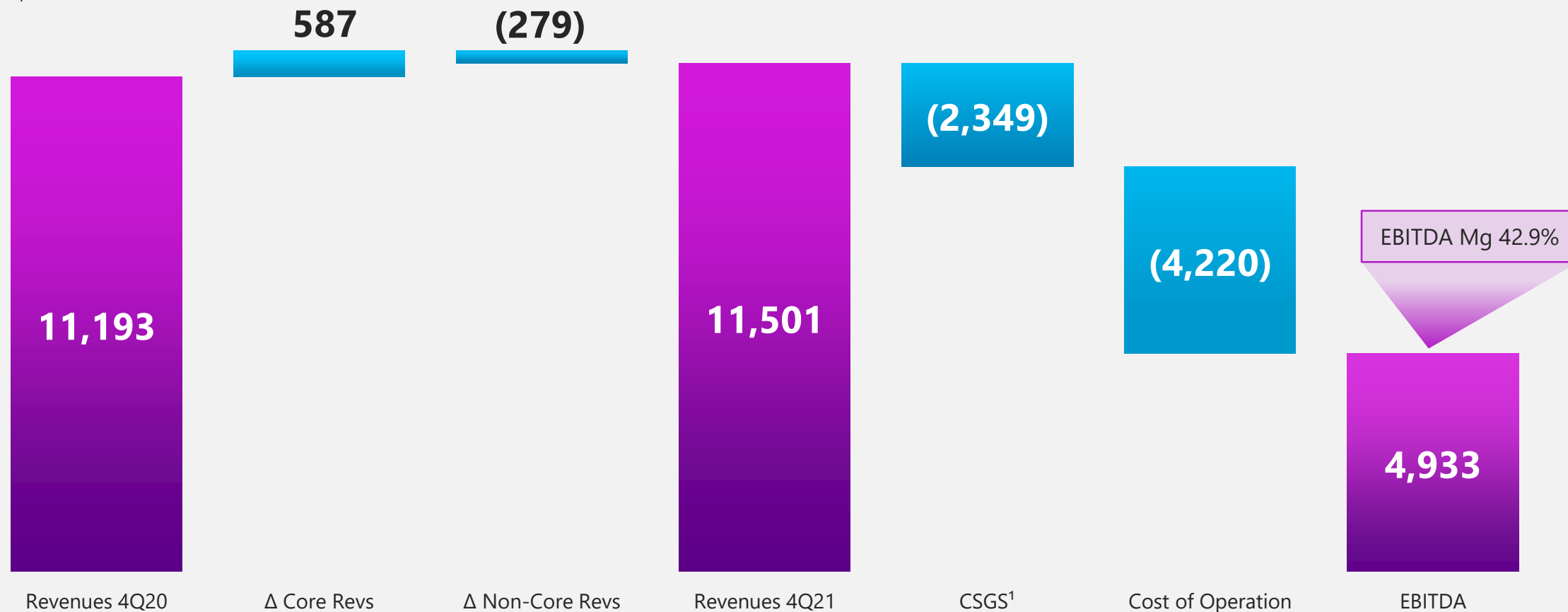
- **Growth of personnel costs** (+17.7% YoY) **due to higher inflation and government measures in 4Q20** (e.g., temporary workday reduction)
- **Reduction in bad debt, call center spending** and savings from digitalization and simplification initiatives offset by **Commercial and Infrastructure Expenses** due to increased network usage



EBITDA GROWTH OF 1.2% SUPPORTED BY THE EXPANSION OF CORE REVENUES AND OPEX SAVINGS INITIATIVES

EBITDA Evolution

R\$ million



YoY%
Variations

+6.0%

-20.4%

+2.8%

+15.9%

-1.6%

+1.2%

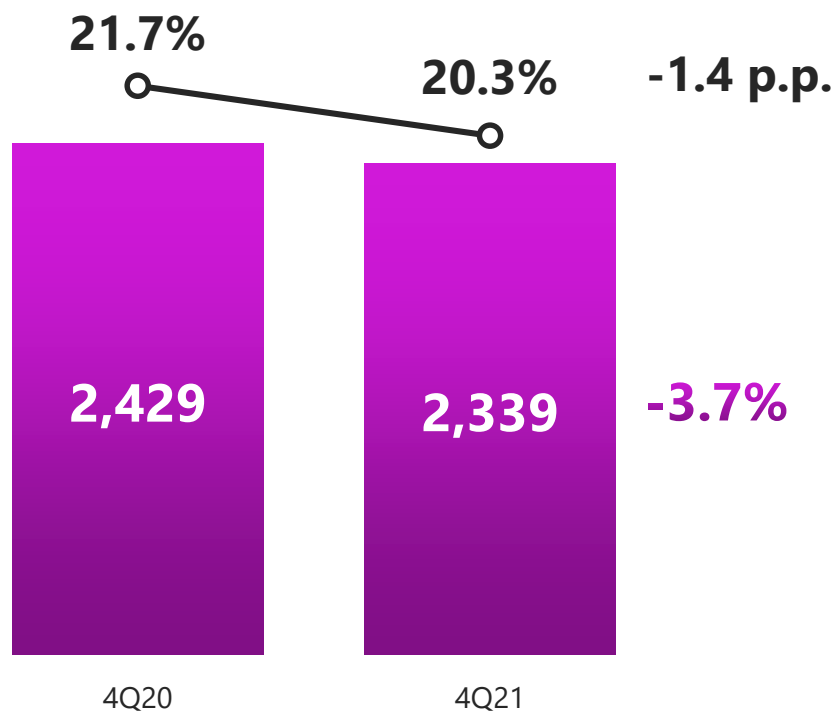


INVESTING IN GROWTH TECHNOLOGIES, WHILE PREPARING FOR THE UPCOMING 5G OPPORTUNITY



CAPEX¹

■ Capex/Sales, % ■ Capex¹, R\$ Million



CapEx FY21: R\$8,685 million (19.7% of sales, +1.7 p.p.), with **83%** of CapEx dedicated to **Growth and Transformation**



5G Spectrum Acquisition

- **Biggest spectrum auction in Brazil's history**, with lots in 2.3 GHz, 3.5GHz and 26GHz
- Focus on coverage obligations, denoting a **non-fundraising bias**, with investments in school, remote and less populous regions
- Sum of **≈R\$4.5 billion** related to **licenses and obligations²** was booked in 4Q21
- Vivo acquired the following spectrum blocks with the respective conditions:

	2.3GHz	3.5GHz	26GHz
Block	40-50MHz	100 MHz	600 MHz
Licenses	R\$0.9 billion, to be paid in 20 years		
Obligations²	2022 R\$2.7 billion	2023 R\$0.6 billion	2024 R\$0.3 billion

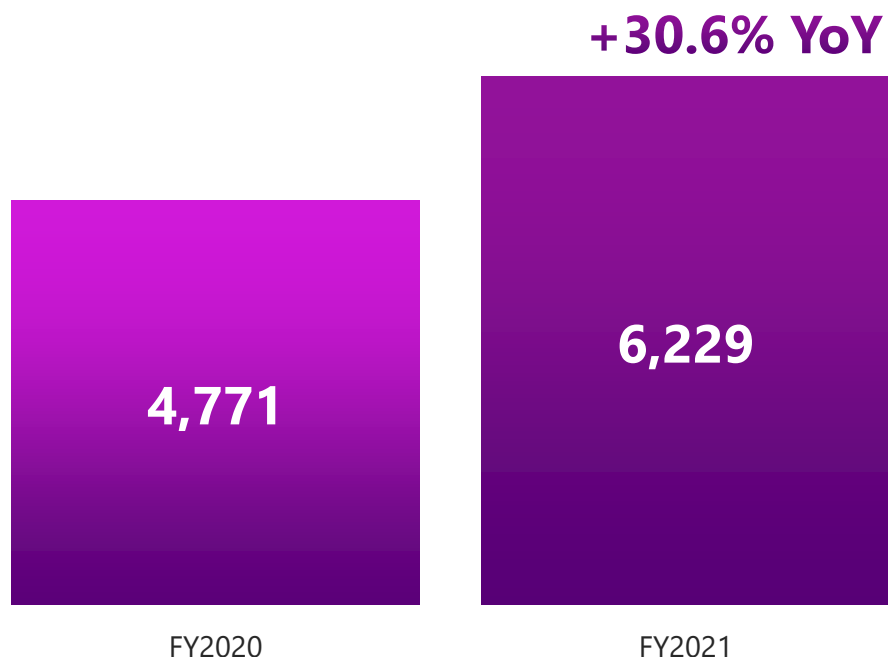


NET PROFIT TOTALING R\$6.2 BILLION AND EXECUTION OF SHARE BUYBACKS CONTRIBUTING TO VIVO'S ALREADY UNPARALLELED SHAREHOLDER RETURN



Net Profit

R\$ million



Positive impact of R\$1.4 billion in 4Q21 related to a Supreme Court decision that defined as unconstitutional the incidence of income taxes over monetary updates received from tax refunds



2021 Proposed Remuneration with payout > 100%

Dividends + IOC¹:

R\$6.3bn

Gross/Share: **R\$3.73**

Share Buybacks:

R\$0.5bn

Payout + SBB²: **108.5%**

Dividends + IOC¹ + SBB²:

R\$6.8bn

Div. Yield

7.7%

Div. Yield + SBB²

8.4%



New Share Buyback Program

14.0 million
shares in Treasury in Dec/21

Cancellation of stocks held in Treasury in Dec/21 decided by the Board of Directors in Feb/22

New Program
Feb/22-Feb/23

to **continue pushing buybacks further** and complementing shareholder remuneration



FREE CASH FLOW TOTALED R\$7.4 BILLION IN 2021, PLACING VIVO IN A SOLID POSITION TO ACQUIRE SPECTRUM AND OI'S MOBILE ASSETS



Leverage

Rock-solid balance sheet and cash position even with the increase in Gross Debt due to the **booking of 5G obligations**

Gross Debt², R\$ billion



Dec/20

Dec/21

Net Debt (Cash), R\$ billion



Dec/20

Dec/21



For further information:

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