



RESULTS 1Q24

May 7th, 2024

Telefônica Brasil S.A.
Investor Relations

VIVT
B3 LISTED

VIV
LISTED
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



Strong operating performance leading to above-inflation growth in revenues, EBITDA and net income



Growth

Profitability

Sustainability

1Q24

Mobile Postpaid Accesses

62.6 mn

+6.6%
YoY

99.7mn Total Mobile
Accesses (+1.6% YoY)

Total Revenue

+6.5 %

YoY

EBITDA

+6.8 %

YoY

Net Income²

R\$0.9 bn

+7.3% YoY

Fiber Homes Connected

6.3 mn

+12.3%
YoY

26.8mn Homes Passed
(+10.0% YoY)

Mobile Serv. Revenue

+9.3 %

YoY

Operating Cash Flow¹

R\$3.4 bn

25.1% of Total Revenues

Free Cash Flow

R\$2.4 bn

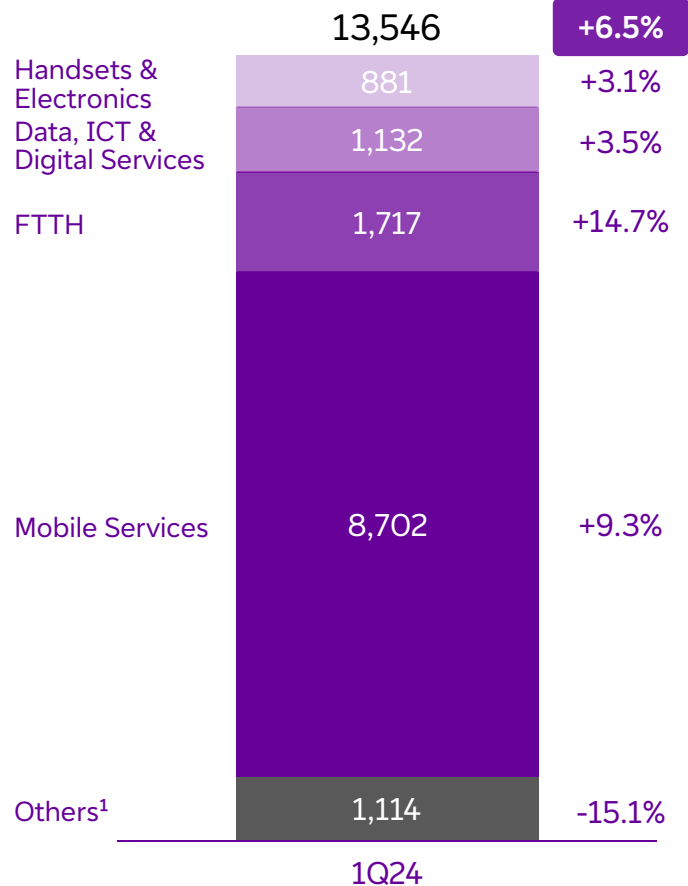
17.6% of Total Revenues

1 — Capex ex-licenses. 2 — Net income attributed to Telefônica Brasil.

Positive revenue momentum remains intact, supported by mobile and fiber revenues

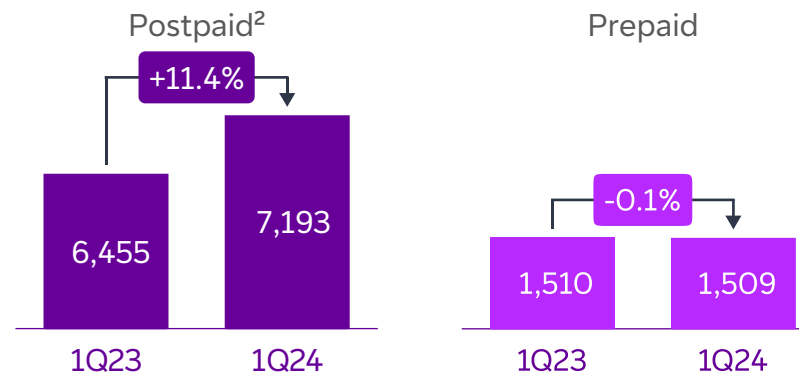
Total Revenues

R\$ million



Mobile Service Revenues

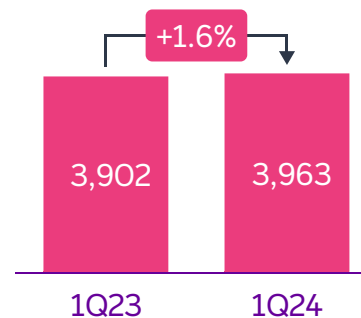
R\$ million



Double-digit growth in postpaid revenues, driven by **positive commercial momentum** and **upselling from prepaid to postpaid**

Fixed Revenues

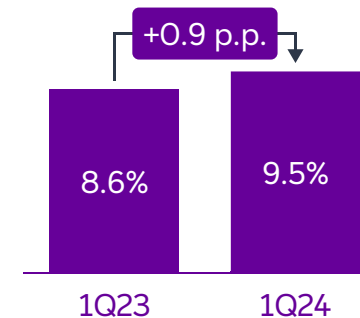
R\$ million



Deceleration of fixed revenues due to seasonality, impacting the YoY evolution of Data, ICT & Digital Services, compensated by **consistent mid-teen expansion of FTTH revenues**

B2B Digital + B2C New Businesses over Total Revenues

%

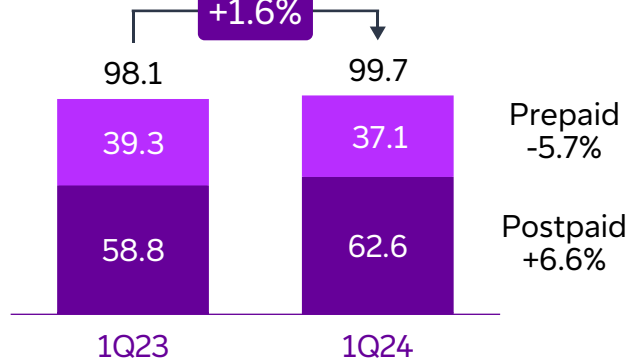


1 – “Others” includes FTTC (Fiber-to-the-Cabinet), xDSL, IPTV and Voice. 2 – Postpaid Revenues include M2M, Dongles, Wholesale, Roaming, etc.

Continued ARPU expansion combined with low churn is key to our leading mobile performance

Mobile Accesses

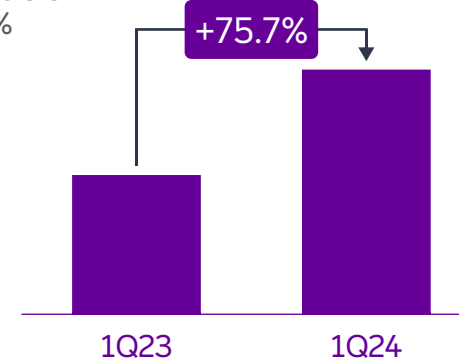
million



Improved monetization of customer base as mix of postpaid accesses over total accesses expands +2.9 p.p. YoY, to 62.8%

Hybrid to Pure Postpaid Migration

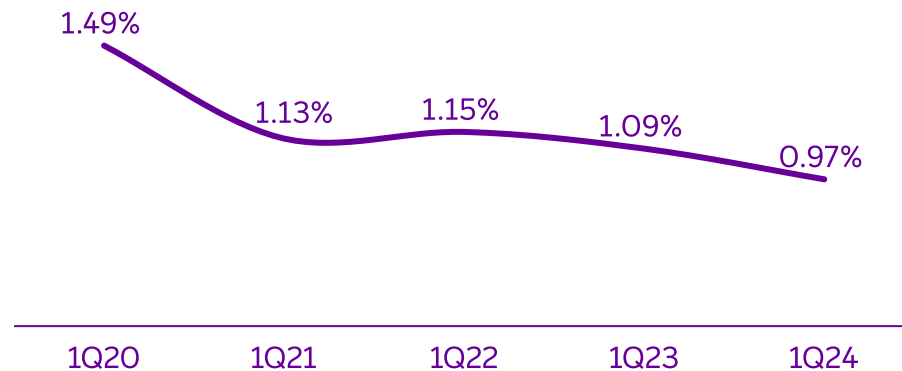
YoY %



Increased migration of customers from hybrid to higher-value postpaid plans reflects the quality of our offers and rising data consumption

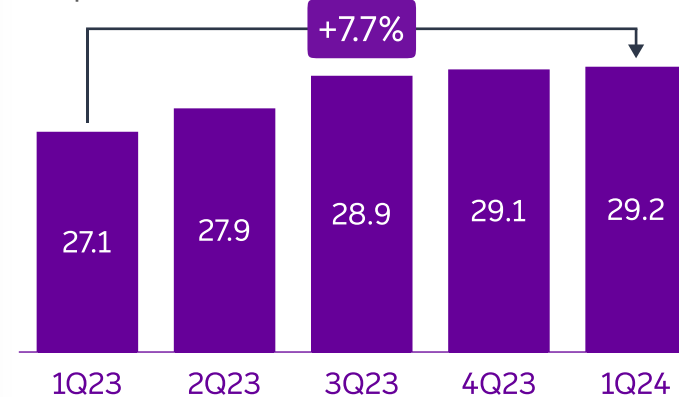
Postpaid¹ Churn

%



Mobile ARPU

R\$

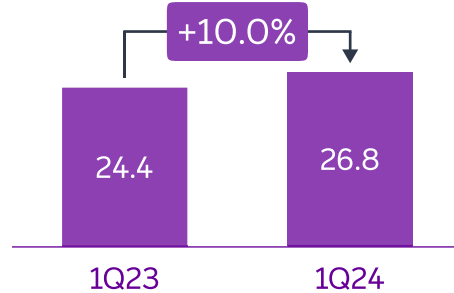


Better ARPU dynamics replicating the progressive demand for our cutting-edge connectivity services

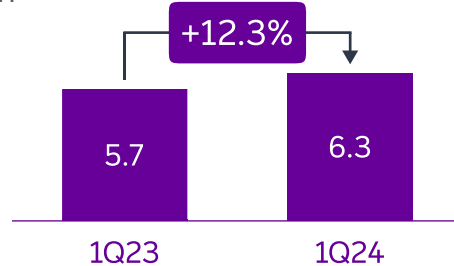
1 – Ex-M2M.

Vivo Total continues to outperform, leading to an increase in take-up ratio and ARPU acceleration

FTTH Homes Passed
million

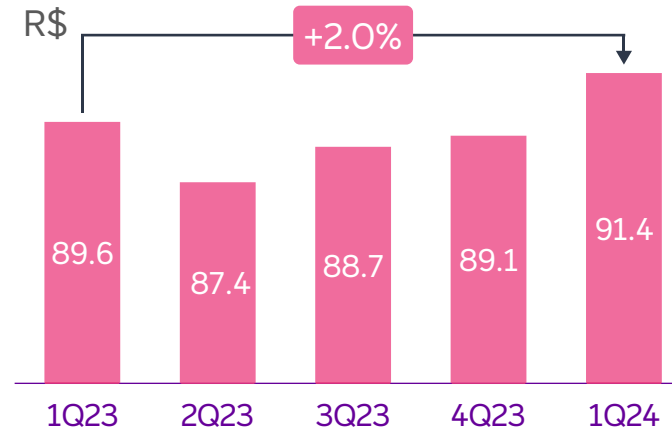


FTTH Homes Connected
million

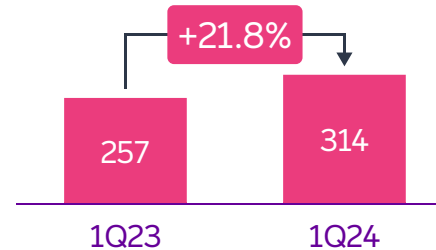


In 1Q24, **Vivo added 173k new fiber accesses**, increasing our network penetration to 23.7% (+0.5 p.p. YoY)

FTTH ARPU
R\$



Average B2C FTTH Speed Sold
Mbps

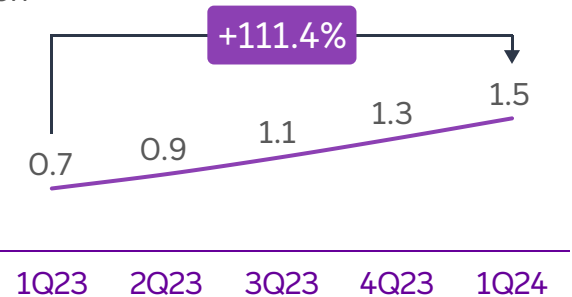


As customers buy higher speeds, **ARPU continues to expand**, denoting the strength of our offer, as well as the **quality of our service**

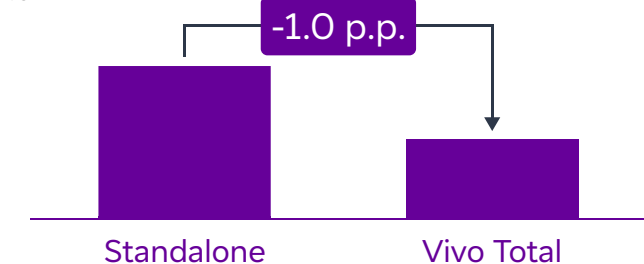
*Total

Fiber + Mobile¹

Vivo Total Customer Base
million



B2C FTTH Churn Comparison
%

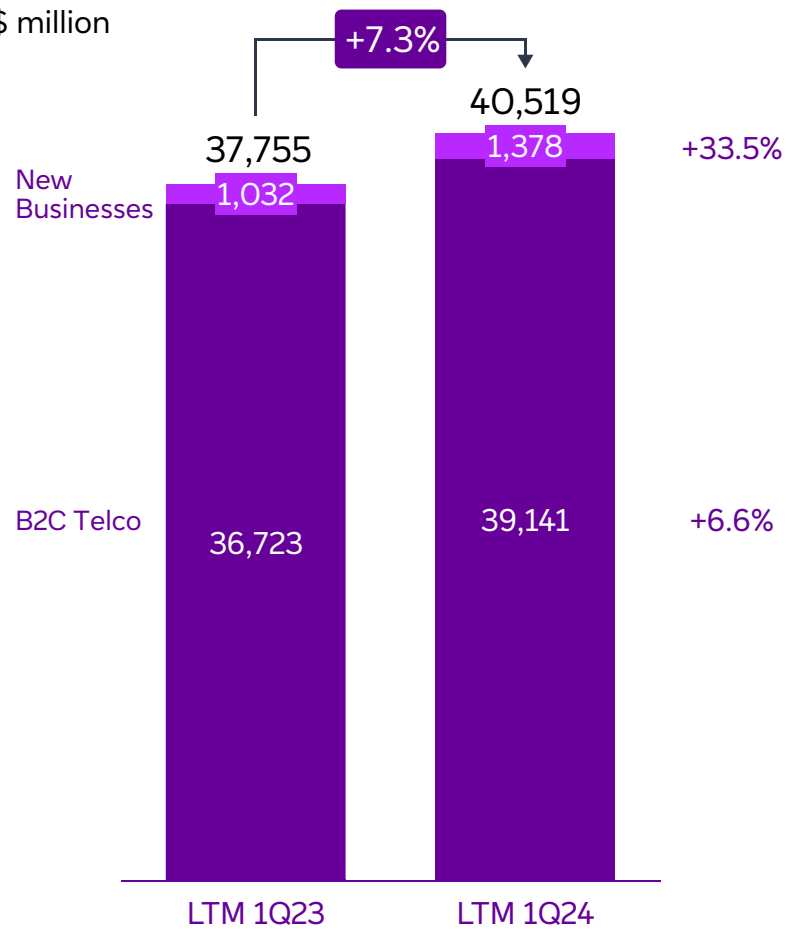


1 – Vivo Total is a convergent offer that combines fiber and mobile in a single bill.

B2C revenues grew well above inflation, highlighting the new businesses, that increased over 30% YoY

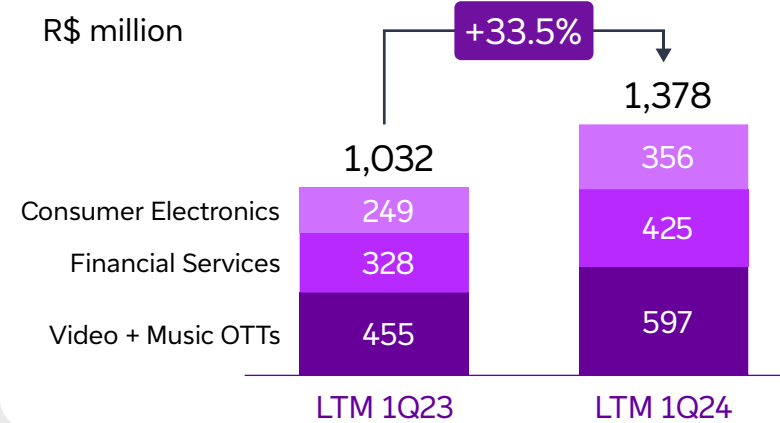
Total B2C Revenues¹

R\$ million



New Businesses

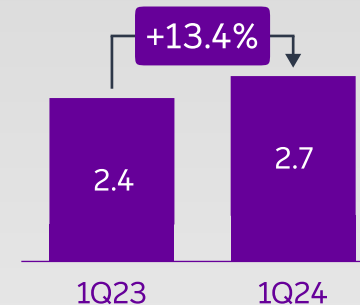
R\$ million



B2C new businesses continue its rapid growth, and already represents **2.6% of total revenues** (+0.6 p.p. YoY)

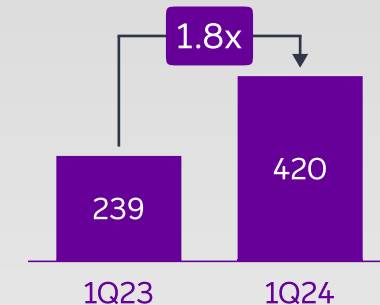
OTT subscriptions

million



Vivo Money's credit portfolio

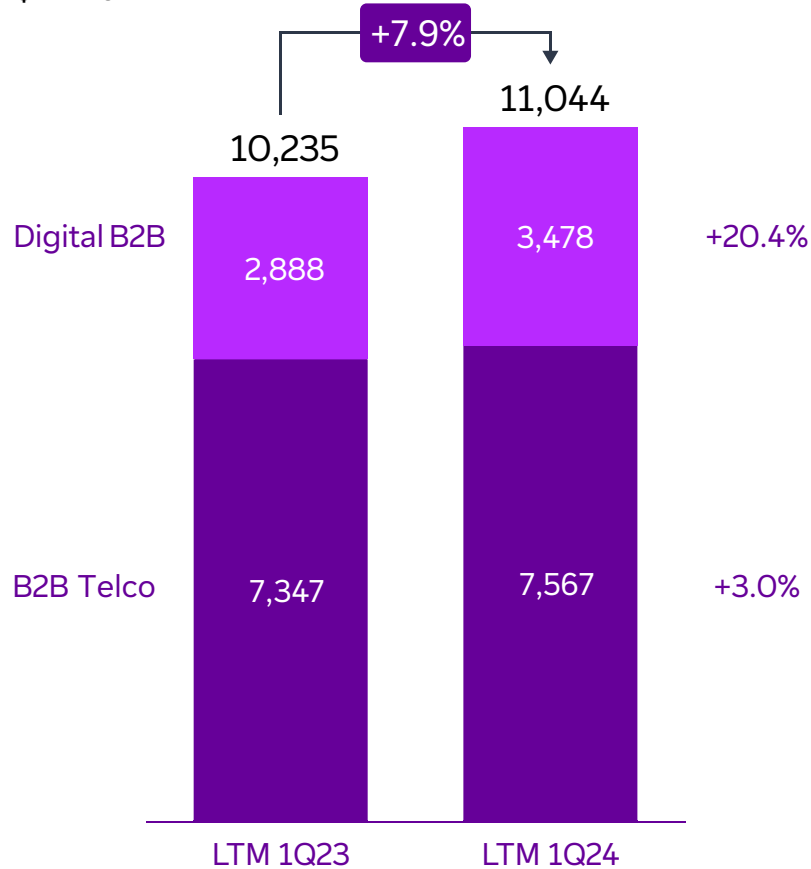
R\$ million



B2B continues to accelerate, as digital services are increasingly more significant over total revenues

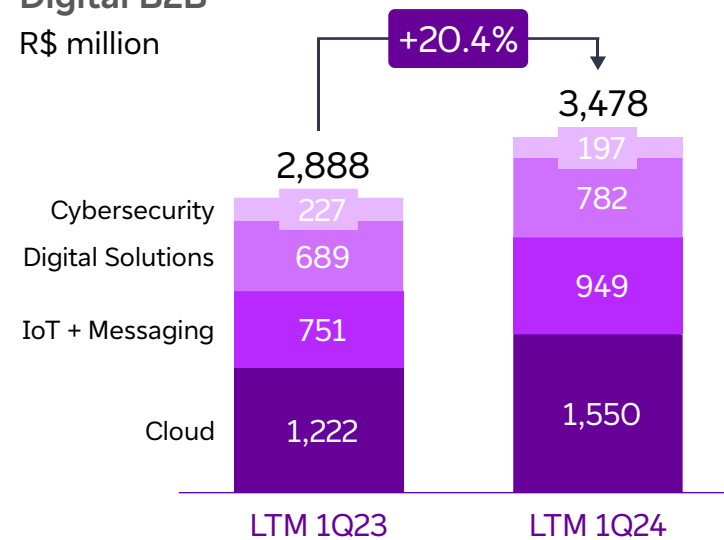
Total B2B Revenues¹

R\$ million



Digital B2B

R\$ million



Digital B2B continues to grow, and already represents **31.5% of total B2B revenues** (+3.3 p.p. YoY), and **6.6% of total revenues** (+0.7 p.p. YoY)



1Q24 saw meaningful opportunities in **private network**, with the development of customized solutions for **key B2B customers**

1 — Excludes Wholesale revenues that amounted R\$1,362 million in 1Q24 LTM.

Vivo is advancing in its ESG agenda, with recognition in Brazil and internationally

Environmental

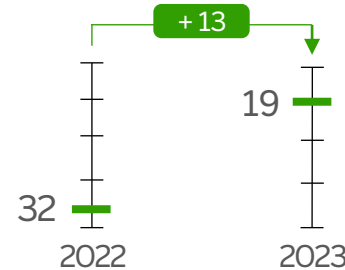
Vivo is among the leading companies in **climate transparency**

Present at the **A List of CDP Climate Change** and the only telco among the leading Brazilian companies in **climate supplier engagement**



Governance

Positions at Merco Companies - Brazil



Vivo among the **Top 20 companies with the best reputation in Brazil** by Merco (Corporate Reputation Business Monitor), **up +13 positions**

Vivo also placed 1st in Brazil and runner-up in the Americas in Caliber's¹ reputation sector ranking

Since the launch of the ISE B3 ranking, Vivo has been one of the **Top 5 most sustainable companies** in Brazil among all sectors

ISE B3

Social

Vivo 2024 Youth Apprentice Program with **50%** of the ~290 positions for **black candidates**

Vivo's Internship Program had more than **60%** of the **425 positions allocated to black students**

Provision of **10k scholarships aimed at software development and artificial intelligence (AI)**

Vivo was awarded by **UN Global Compact in Brazil**, for its actions towards **Race is Priority** and **Mind in Focus** movements of 2030 Ambition

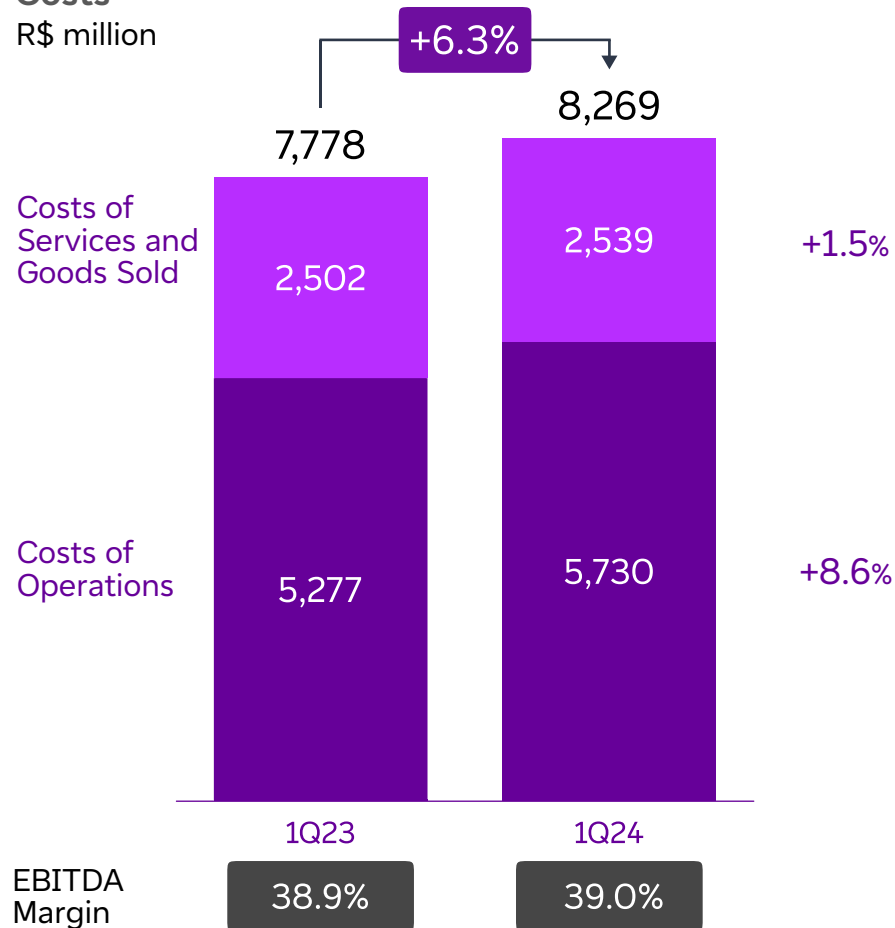


Check out the main **ESG Highlights** of 2023

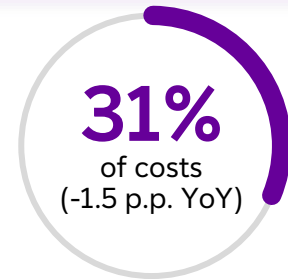
1 — Company specialized in Corporate Reputation.

Opex growing below revenues even as costs of operations accelerate to cope with improved commercial trends

Costs
R\$ million

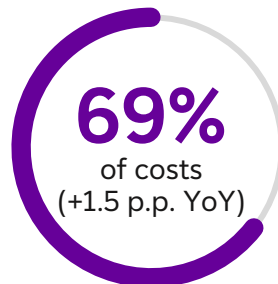


Cost of Services & Goods Sold



- **Cost of Services** evolution driven by ramp up of our customer base and sales of digital services in B2B and B2C
- **Cost of Goods Sold** grew aligned with the increase of handsets and consumer electronics sales

Cost of Operations

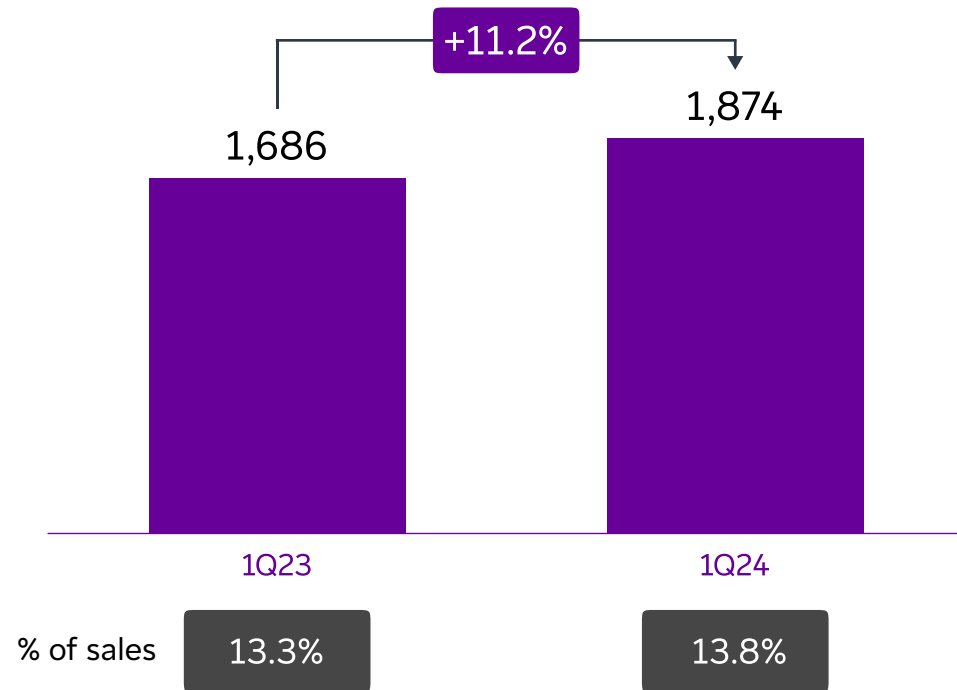


- **Personnel Costs** increased mainly due to annual salary readjustment
- **Commercial and Infrastructure Expenses** had an expansion due to greater commercial activity and higher advertising expenses
- **Provision for Bad Debt** remained under control, increasing in line with revenue evolution
- **Other Revenues (Expenses)** had a lower level of tax recoveries and reduction of unused network equipment sales

Robust commercial performance drove operating cash flow expansion with margin improvement

Capex¹

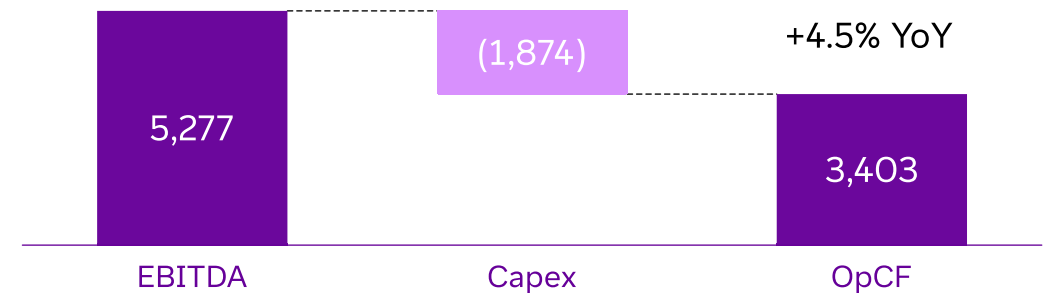
R\$ million



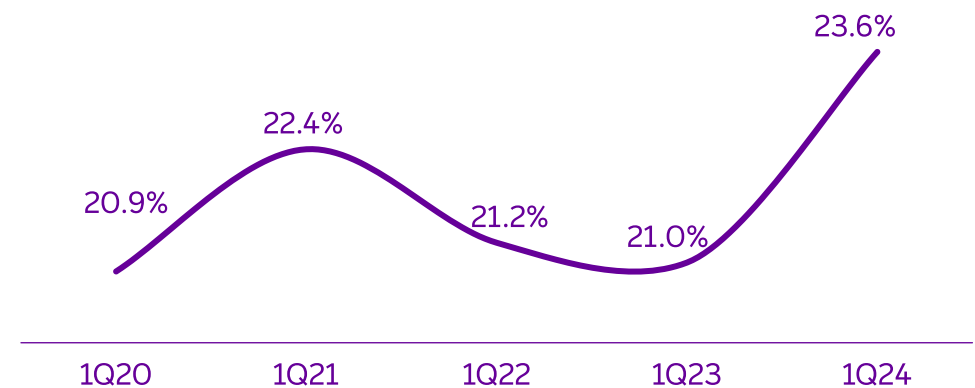
Capex efficiency remains a priority, as we are the only 5G operator in all cities with >200k inhabitants, covering 47% of Brazil's population

Operating Cash Flow¹

R\$ million, 1Q24



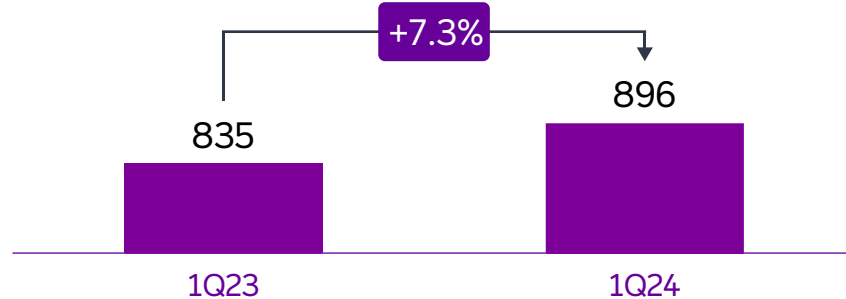
OpCF Margin¹ LTM %



Despite challenging comps, free cash flow generation remains solid and net income continues to expand

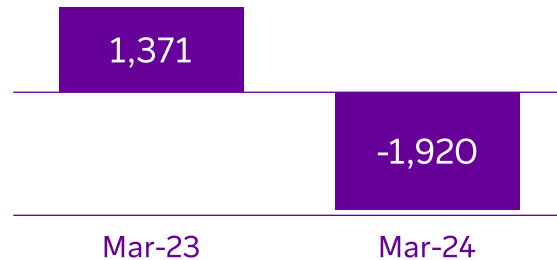
Net Income¹

R\$ million



Net Debt²

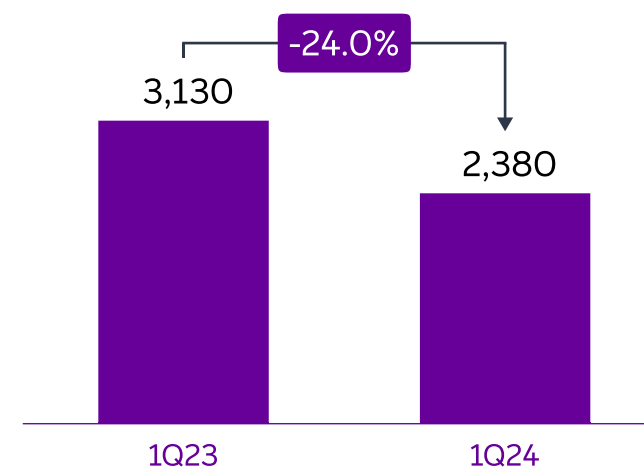
R\$ million



Mar-24 Net Debt
including IFRS-16
R\$11.5bn
0.5x LTM EBITDA

Free Cash Flow³

R\$ million



YoY Free Cash
Flow reduction
due to seasonality
and positive
effects recognized
in 1Q23⁴

Free Cash Flow Yield⁵ (LTM)

8.8%

Free Cash Flow/Sales (LTM)

14.0%

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\$4.4 billion. 3 – After leases. 4 – We were benefitted by a compensation of tax credits in the amount of R\$492mn in 1Q23. 5 – Market cap based on 03/31/2024.

We are on track to meet the shareholder remuneration guidance, providing superior returns

Shareholder Remuneration

Type of Payment	Amount (R\$ billion)	Date of Payment
Outstanding IoC declared in 2023	2.2	April 23 rd , 2024 
Capital Reduction	1.5	July 10 th , 2024
Share Buyback	0.1	Ongoing
IoC Declared in 2024 ¹	0.7	Before April 30 th , 2025



New share buyback program

- The program began on March 5th, 2024, and will end on March 4th, 2025
- We intend to invest up to R\$1 billion to buyback our shares within this program



Capital Reduction: update and next steps

- The total of R\$1.5 billion to be paid on July 10th, 2024, in a single installment, corresponding to ~R\$0.91 per share
- Shareholders included in the Company's records at the end of April 10th, 2024, are entitled to receive the capital refund



Guidance 2024-26

- Vivo 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 Interest on Capital deliberated on March 14th, 2024 and April 16th, 2024, in the respective amounts of R\$300mn and R\$380mn.



For further information

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