

RESULTS 1Q23

May 9th, 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



Strong operating performance driving further revenue acceleration **and robust cash generation**



Operating

58.8mn 112 million
Total Accesses
+12.3% YoY

Mobile Postpaid Accesses

5.7mn +16.8% YoY
+0.8 million
accesses YoY

Fiber Homes Connected



Revenues

+12.1% +15.4% YoY
Core Revenues
growth

Total Revenue Growth 1Q23

+15.9% +20.6% YoY
Handset
Revenues

Mobile Serv. Revenue Growth 1Q23



Profitability

R\$ 4.9bn +9.6% YoY
38.9% EBITDA
Margin

EBITDA 1Q23

R\$ 3.3bn +23.7% YoY
25.6% OpCF
Margin

Operating Cash Flow 1Q23



Shareholder Remuneration

R\$ 3.1bn +26.4% YoY
24.6% of Total
Revenues

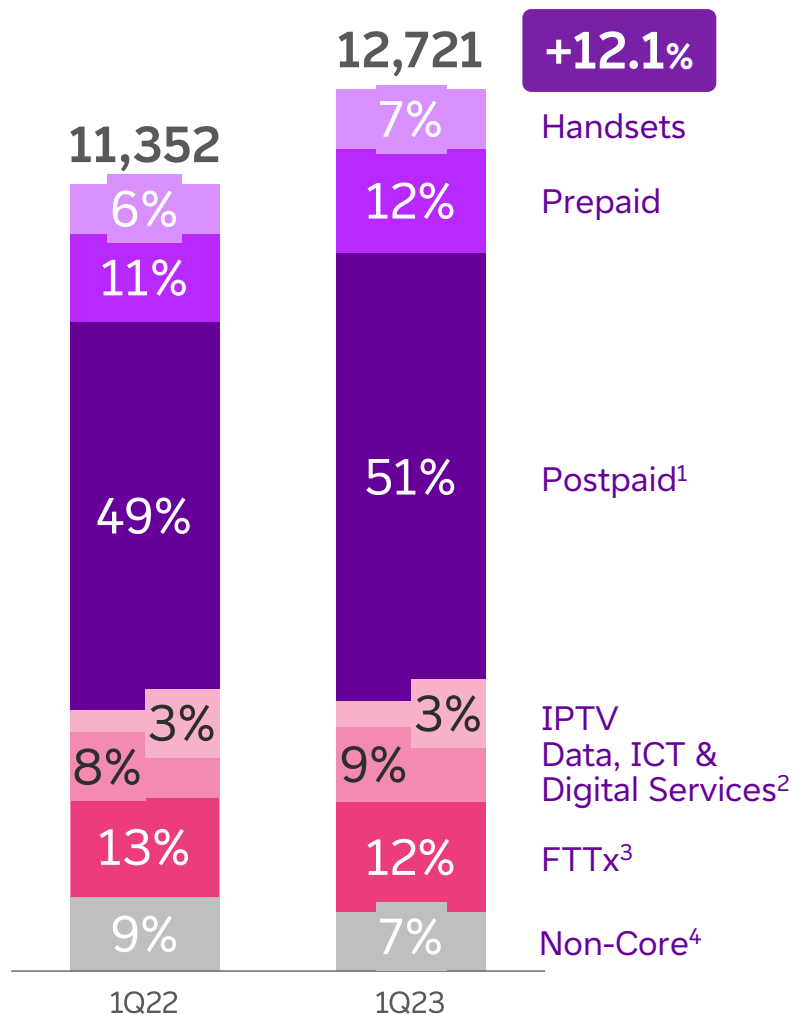
Free Cash Flow 1Q23

R\$ 1.2bn in addition to R\$
72mn invested to
buyback shares

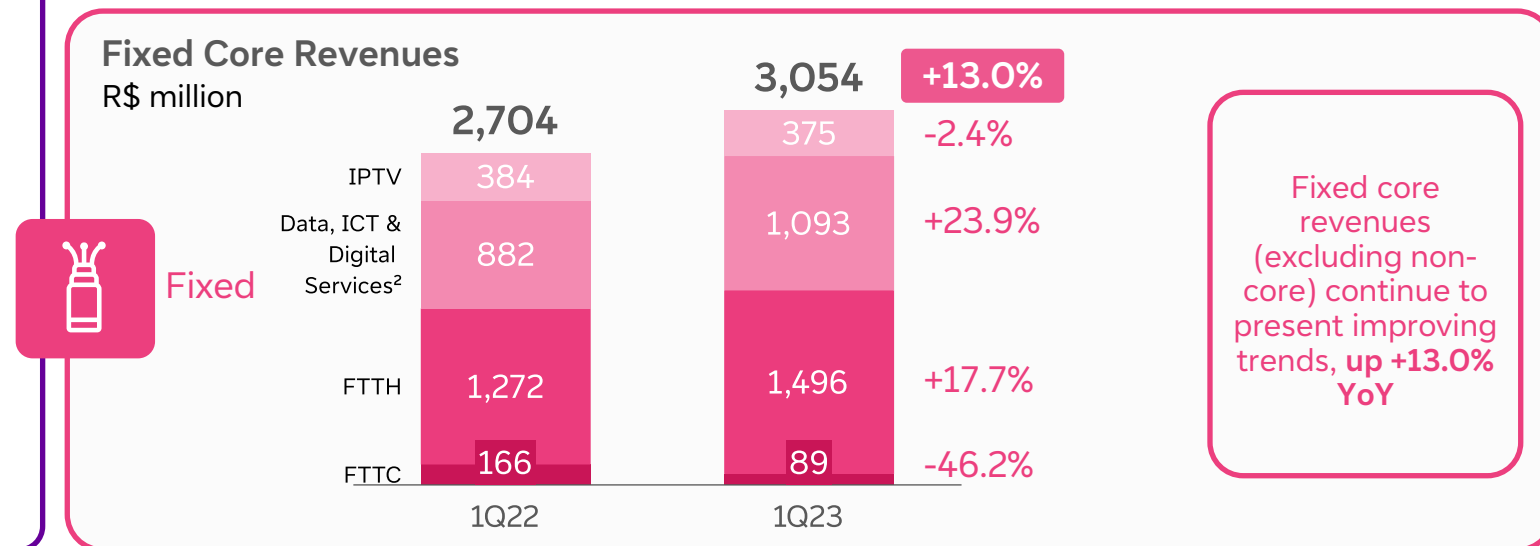
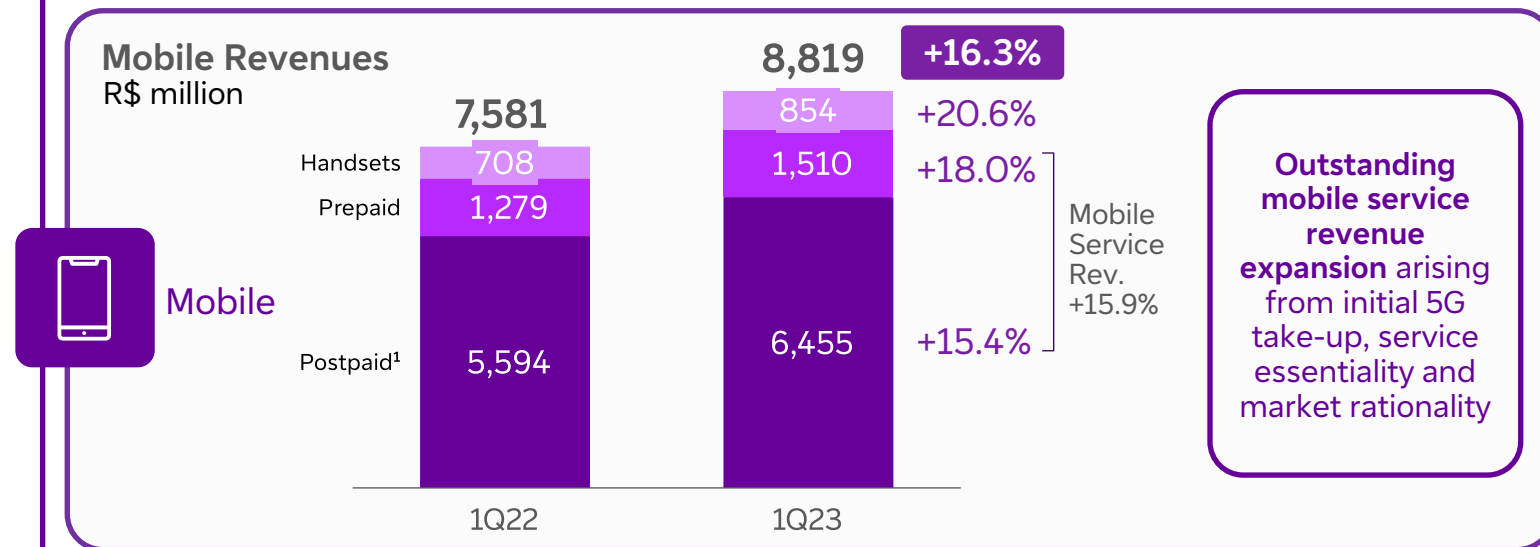
In Dividends + IoC¹ declared² YTD

Total Revenues

R\$ million, % of Total Revenues



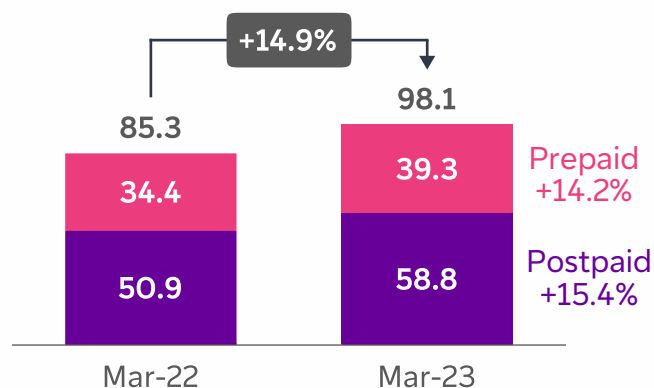
Total revenues expanding the most in over 10 years as core services accelerate



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.

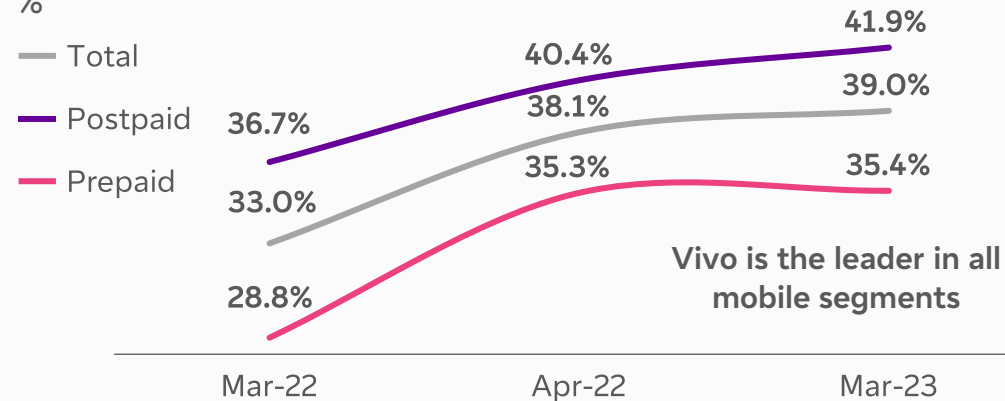
The mobile business continues to accelerate, as Vivo increases its market share and reduces churn

Mobile Accesses
million

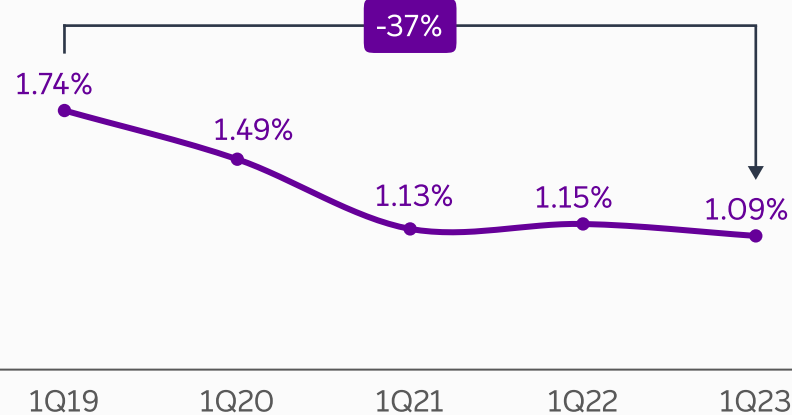


In 1Q23, postpaid numbers were impacted by 199k dongle disconnections and by an additional clean-up of 457k hybrid customers coming from Oi

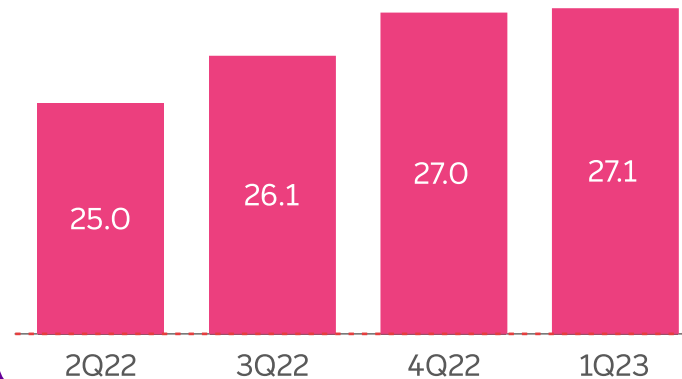
Mobile Market Share
%



Postpaid¹ Churn
%



Mobile ARPU
R\$

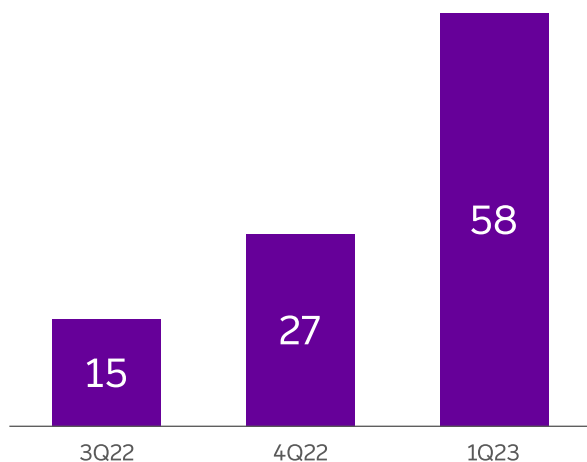


As competition in the mobile market becomes sequentially more rational, **ARPU continues to increase** on a quarterly basis

The need for high quality connectivity continues to grow, and Vivo's 5G deployment is quickly expanding to meet this demand

Population with 5G

of cities with Vivo's 5G SA¹

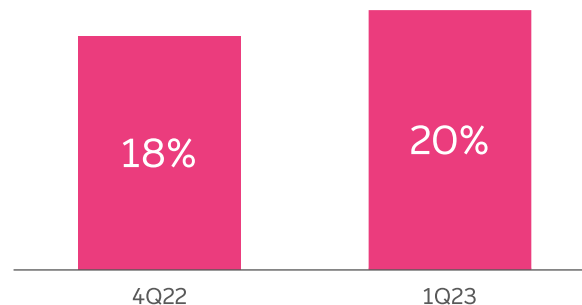


As of March 2023, we already covered 41% of the cities with more than 200k inhabitants, being ahead of the schedule established by ANATEL

Vivo's 5G Accesses

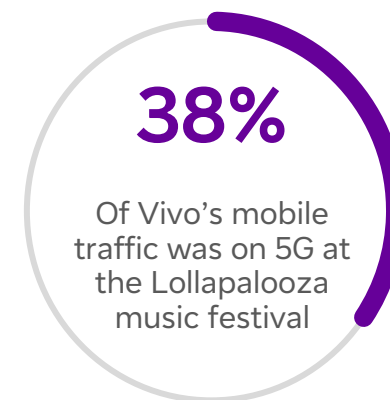
68% of all handsets sold in stores are 5G ready, and the entry level price of a 5G standalone smartphone starts from as low as R\$1,299

5G Accesses²/Pure Postpaid Customer Base %



Mobile Traffic

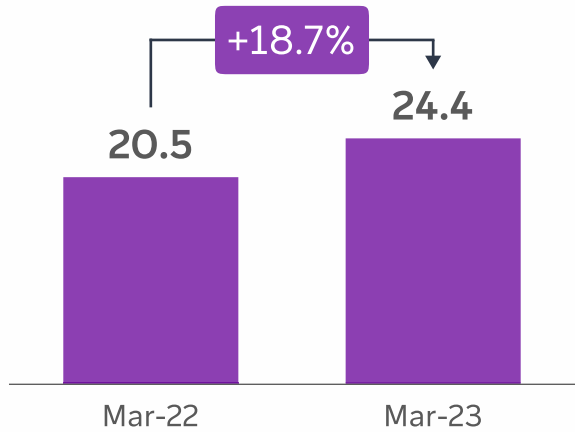
5G at Lollapalooza



On average, data consumption for users with 5G is considerably higher in comparison to previous technologies, allowing opportunities for upsell

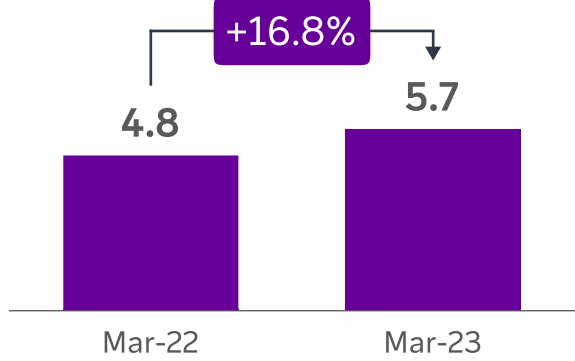
As FTTH continues its expansion, the totalization of customers leads to increased lifetime value and reduced churn rates

FTTH¹ Homes Passed
million



Vivo Fibra is present in **436 cities** throughout **Brazil** (+95 YoY)

FTTH¹ Homes Connected
million



Over the last 12 months, we added 813k new customers to our FTTH base, **almost twice as much as the 2nd player in the market**



Vivo's Fiber + Mobile offer

Vivo Total's monthly churn in 1Q23 was **0.39%**, significantly lower than the standalone churn rates for FTTH and postpaid



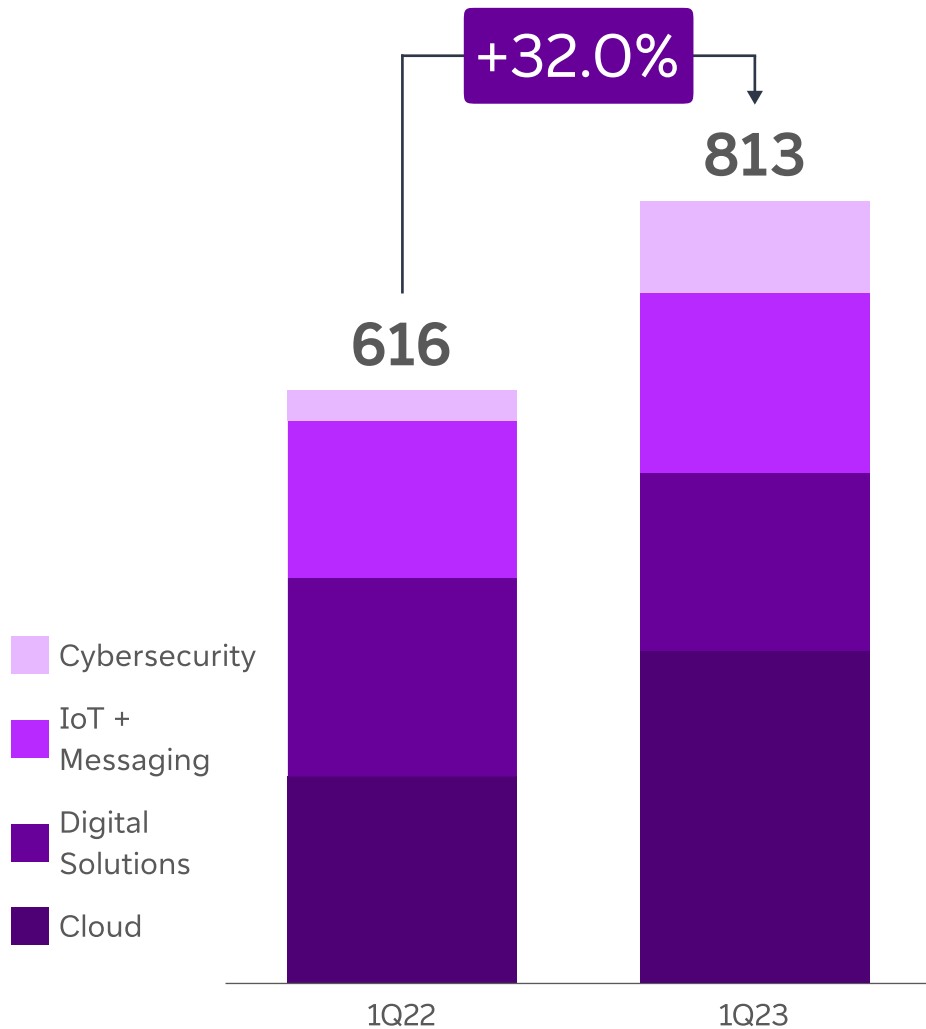
251mbps avg. speed²
+56mbps YoY



In 1Q23, **95% of our FTTH gross adds** were in speeds of at least 300mbps

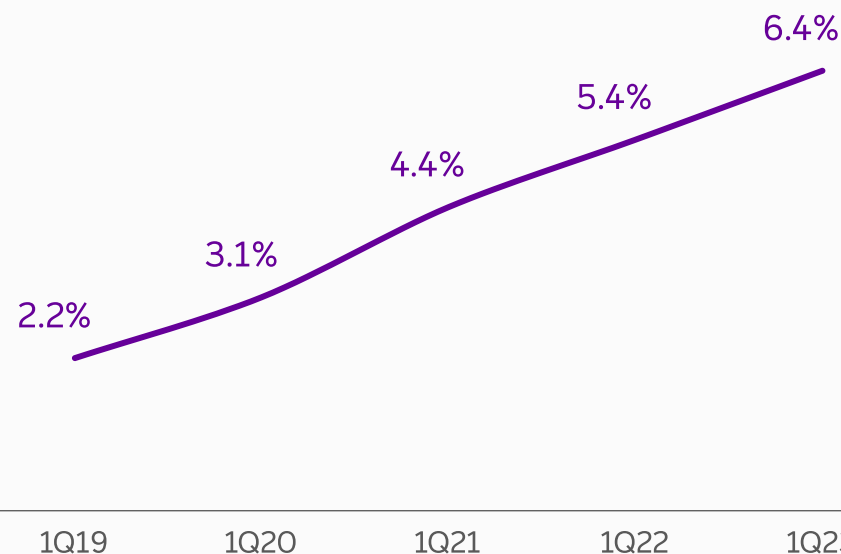
1 – Fiber-to-the-home. 2 – Average Customer Base Speed.

Digital B2B Revenues R\$ million



Vivo is the main supplier of key B2B services to companies of all sizes, and revenues are growing rapidly

Digital B2B Revenues is quickly expanding
Digital B2B/Total Revenues



Digital B2B Revenues' CAGR 19-23: **+35%**



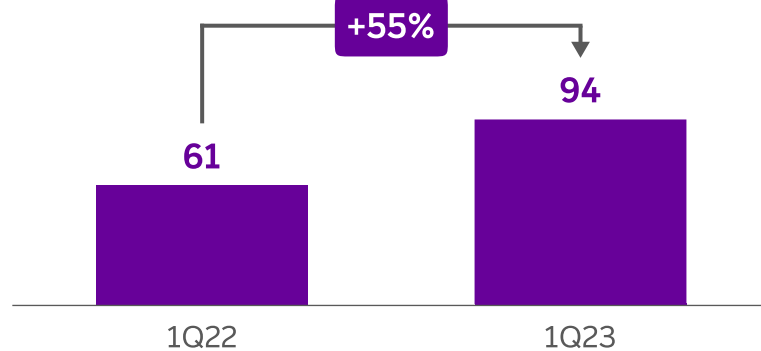
By going beyond just offering connectivity services to companies, **we created a high-growth revenue stream that already represents over 6% of our top-line**, understanding the digitalization needs of our B2B customers

We continue to develop our B2C ecosystem, scaling up financial services and video content partnerships to enhance lifetime value



Financial Services¹

Revenue
R\$ million

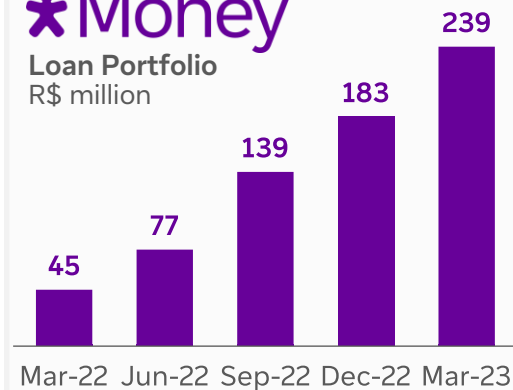


*Seguros

- Insurance for Smartphones, Tablets, Smartwatches and Laptops in partnership with Zurich Seguros
- >300k smartphones secured
- Pet and Home Insurance are gaining traction

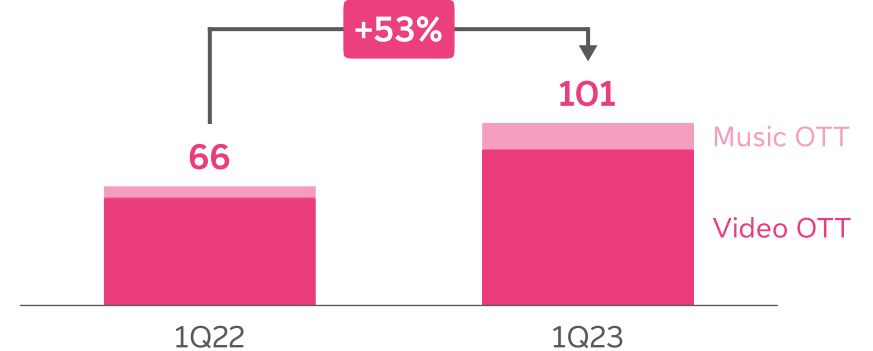
*Money

Loan Portfolio
R\$ million



Video + Music OTTs

Revenue
R\$ million



Distribution of OTT services through Vivo's invoice



Vivo Play App as the digital platform to integrate multiple content features, with more than 50k customers



More than 2.2 million video + music OTT subscriptions



NETFLIX



HBO MAX

TIDAL

TELE CINE



PREMIERE

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's value proposition in B2C is strengthened by additional digital services and a complete portfolio of tech electronics

Additional Ecosystem Services



Vida V - Health & Wellness

- Acquisition of Vale Saúde Sempre (partnership with +5k labs and clinics nationwide)
- >70k lives



Viva E - Education

- Employability platform that combines online courses and job openings
- JV with Ânima Educação
- More than 400 hours of content



Vivo Ventures

- R\$320mn to be invested in startups;
- Two investments already made (Klavi and Klubi)

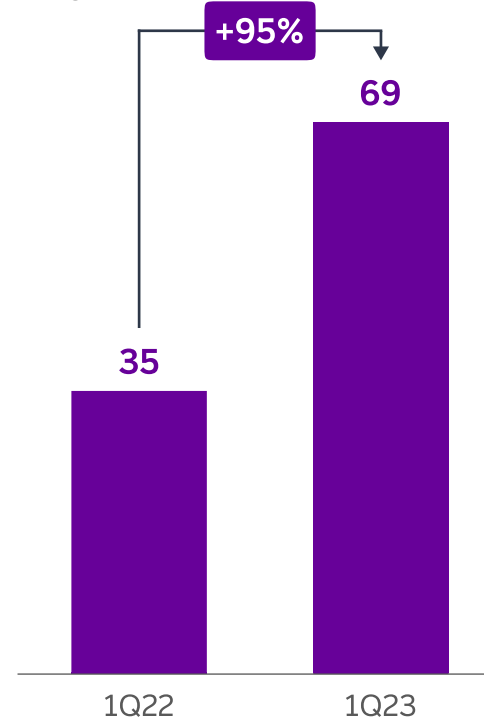


Smart Home

- Premium tech support with specialized assistance
 - +40k Vivo Guru subscriptions
 - +80k devices sold, such as virtual assistant, router, robot cleaner, lamps and sensors, among others

Complete Electronics Portfolio Beyond Smartphones

Revenue
R\$ million



Vivo's physical and digital channels serving as a **hub for the sale of electronics and accessories**



Smart home



Wearables



Laptops



Accessories

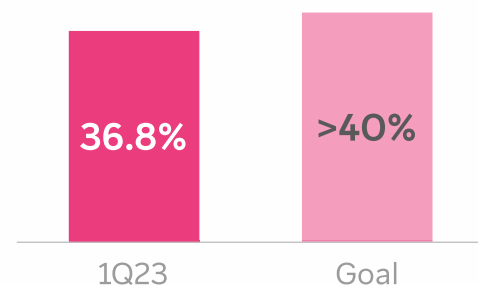
New brand Ovvi by Vivo

Vivo reinforces its commitment to Racial and Gender Diversity and is advancing in its Climate and Energy practices

Women in Executive Leadership

Women are present in **36.8%** of executive leadership roles out of the 40% planned

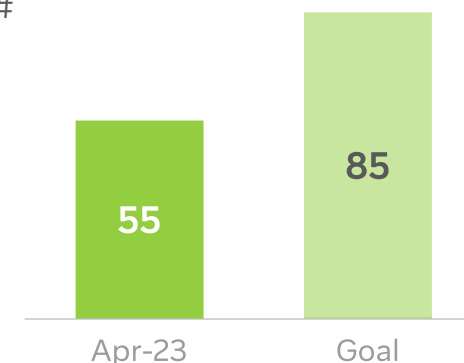
Women in Leadership roles %



Distribution Generation Program

+7 new inaugurated power plants, reaching 55 power plants of the 85 planned

Power Plants #



Broadening of *Presença Preta*

Largest part of Vivo's tickets for Lollapalooza directed to black people from peripheral communities, and black influencers/entrepreneurs



Women's Month

320 exclusive job openings for women, of which **25%** specific for the Women of Fiber project



Carbon Disclosure Project

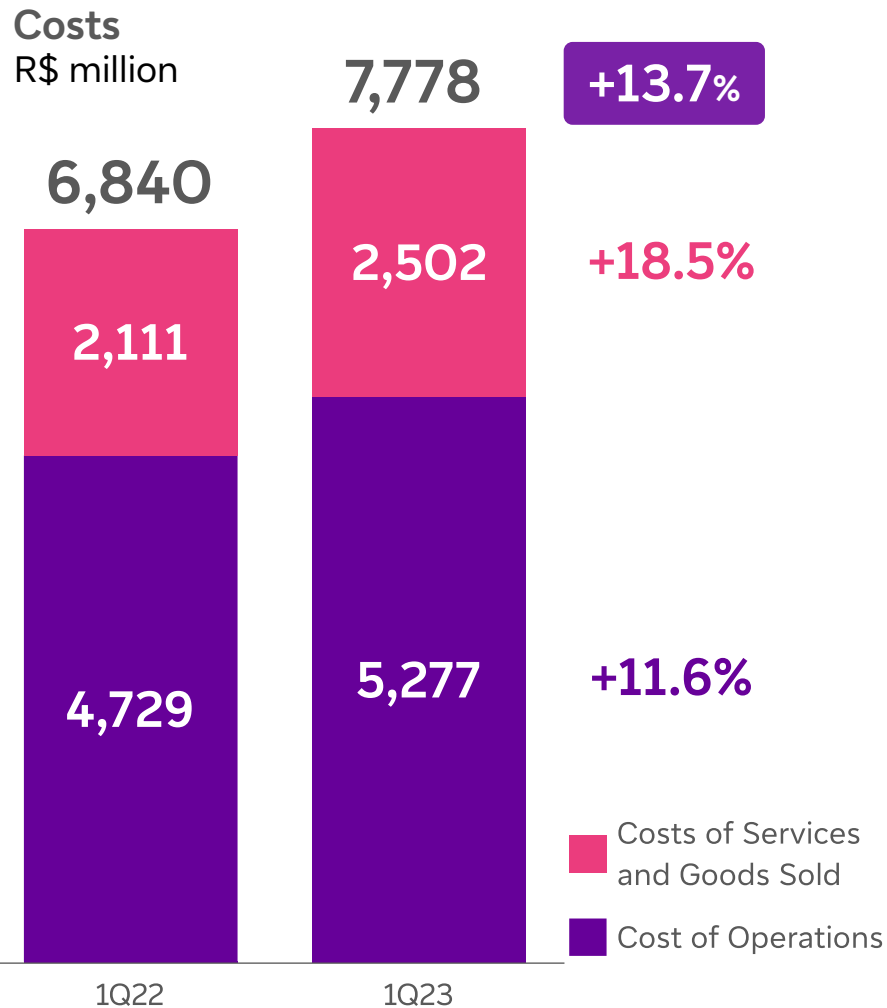
3rd consecutive year as Supplier Engagement Leader



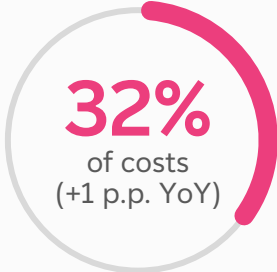
ESG Highlights 2022

Access and check the main ESG results and indicators of 2022

Costs continue to move accordingly to the shift in revenue mix, as digital solutions gain relevance

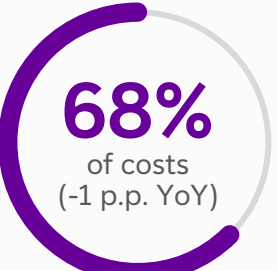


Costs of Services & Goods Sold



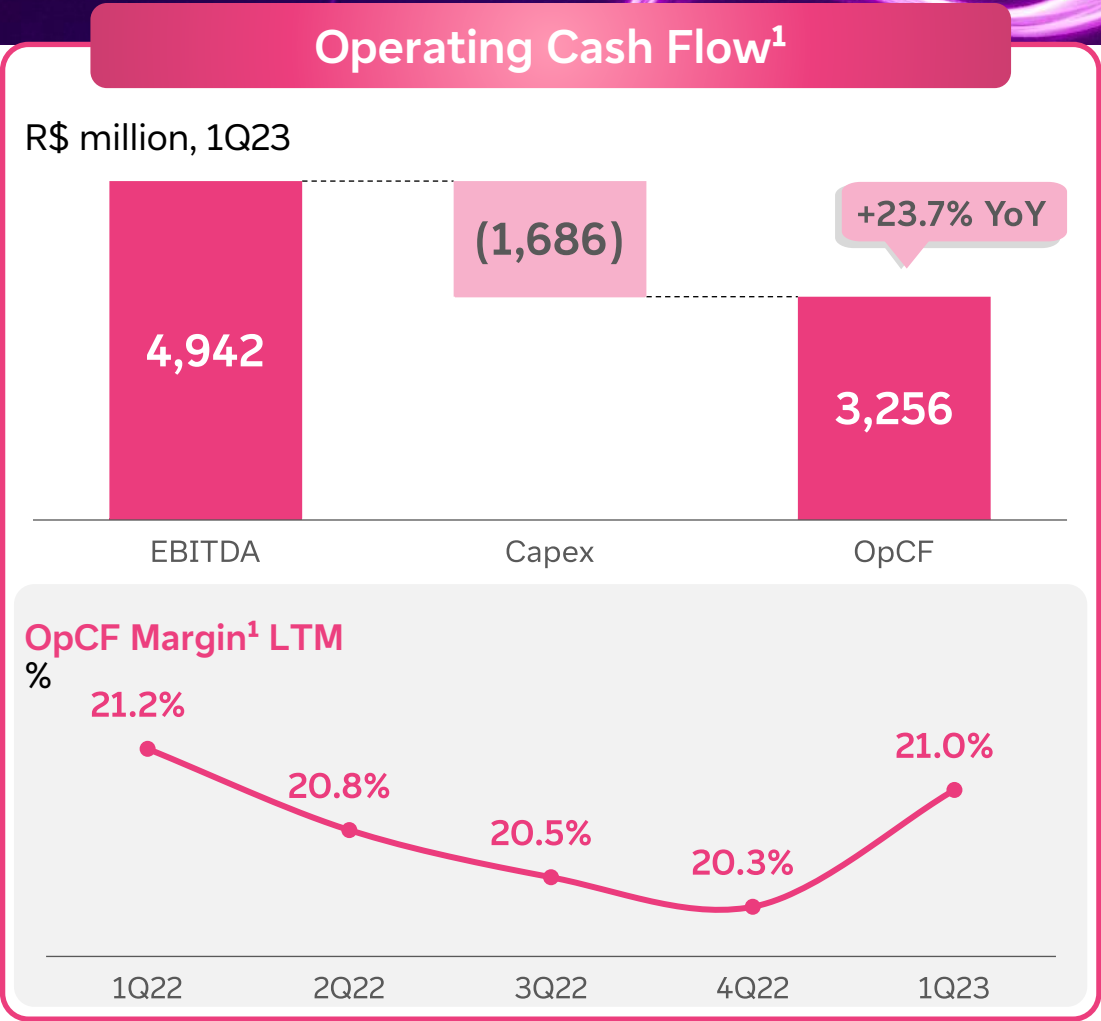
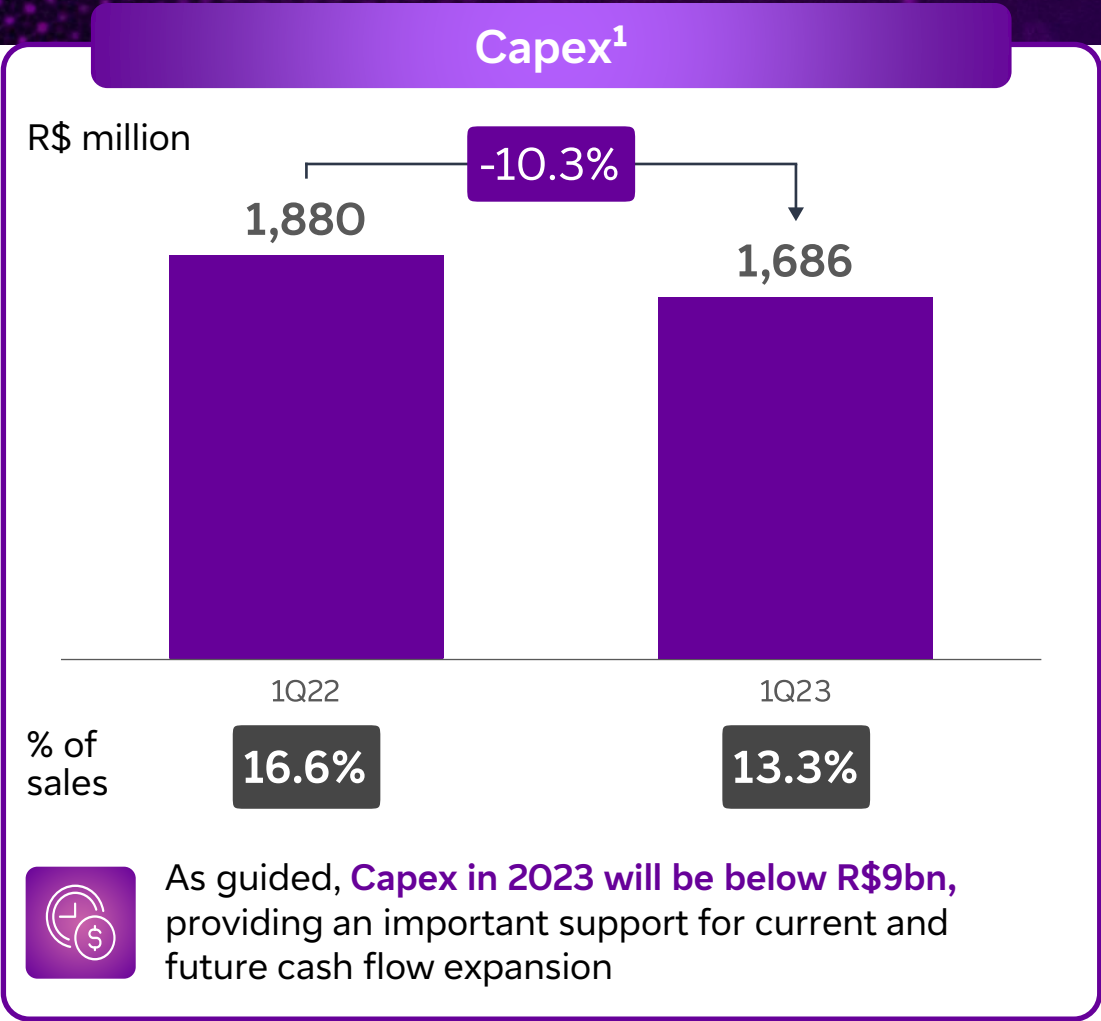
- **Cost of Services up +18.4%** supporting the expansion of digital services and impacted by higher regulatory taxes led by mobile base growth
- **Cost of Goods Sold expanded +18.7%** driven by strong sales of handsets, accessories and IT solutions

Cost of Operations



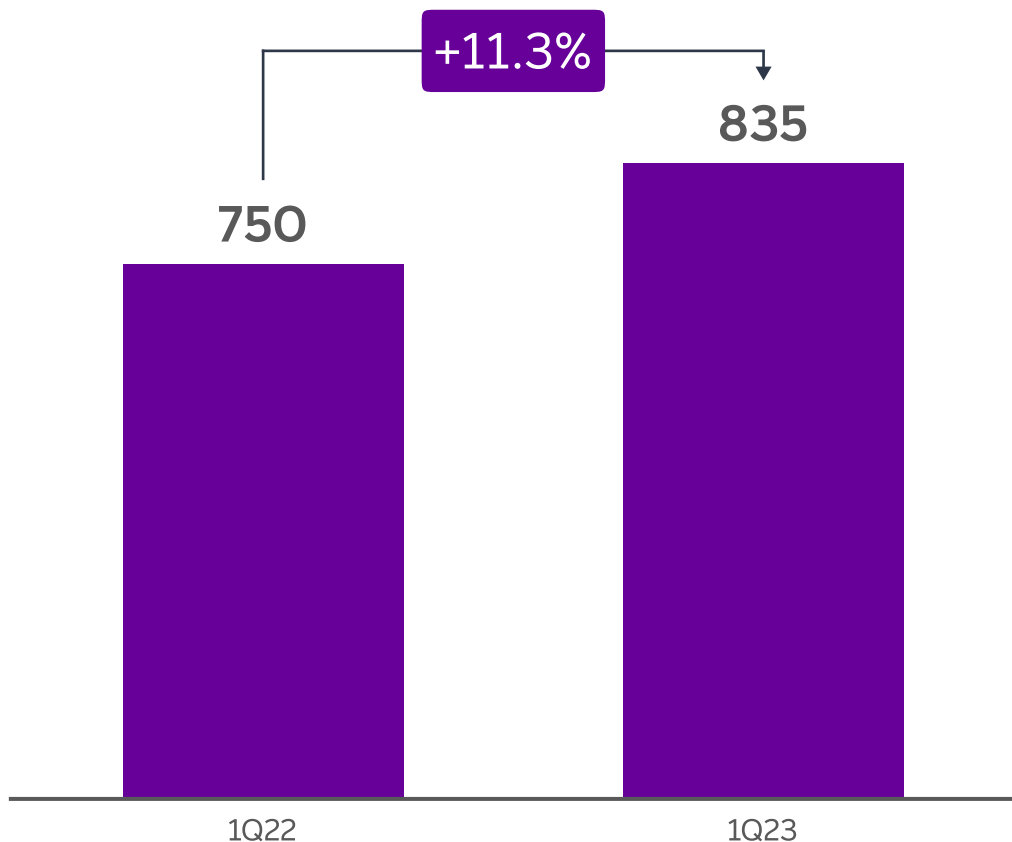
- **Commercial and Infrastructure Expenses** growing considerably below revenues, due to continued digitalization of customer interactions
- **Personnel costs** growing due to annual salary readjustments, higher expenses with variable compensation, insourcing of activities in critical areas, launch of new businesses and greater commercial activity in B2B
- **Provision for Bad Debt** kept a constant yearly growth highlighting the service essentiality and our superior credit scoring

Capex intensity starts to reduce, leading to strong operating cash flow generation in the quarter



1 – Ex-licenses.

Net Income
R\$ million



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

Solid operating and financial performance driving Net Income growth, with shareholder remuneration reaching R\$1.3 bn YTD

Shareholder Remuneration YTD



Dividends + IOC¹
Declared²

R\$1.2 bn

+



Share Buybacks

R\$0.1 bn

Total

R\$1.3 bn

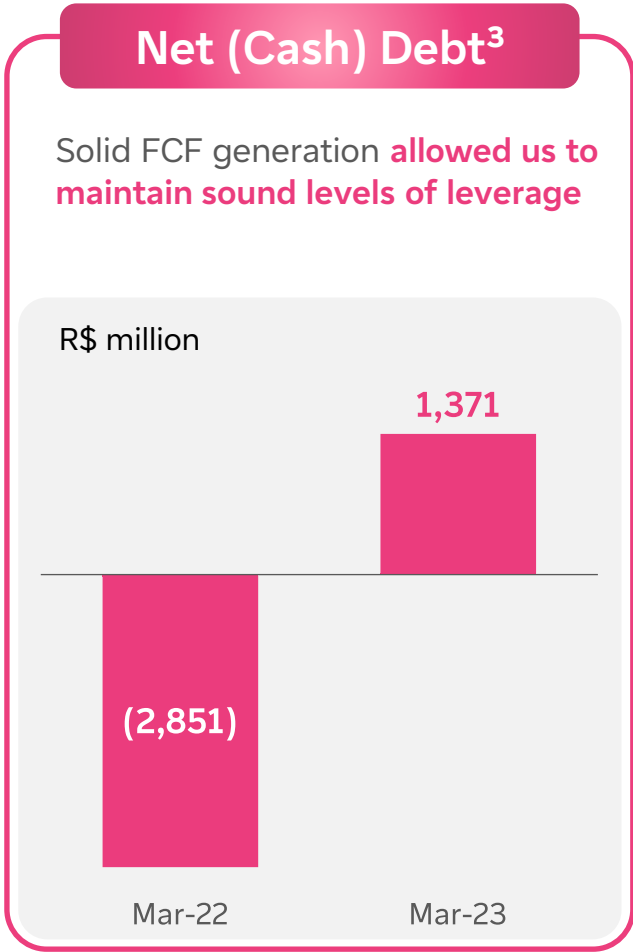
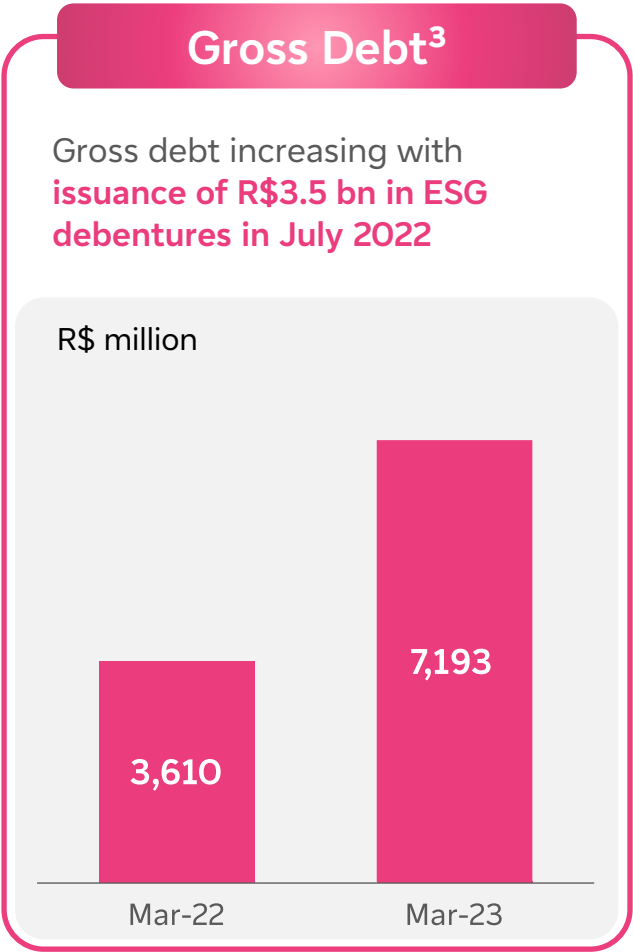
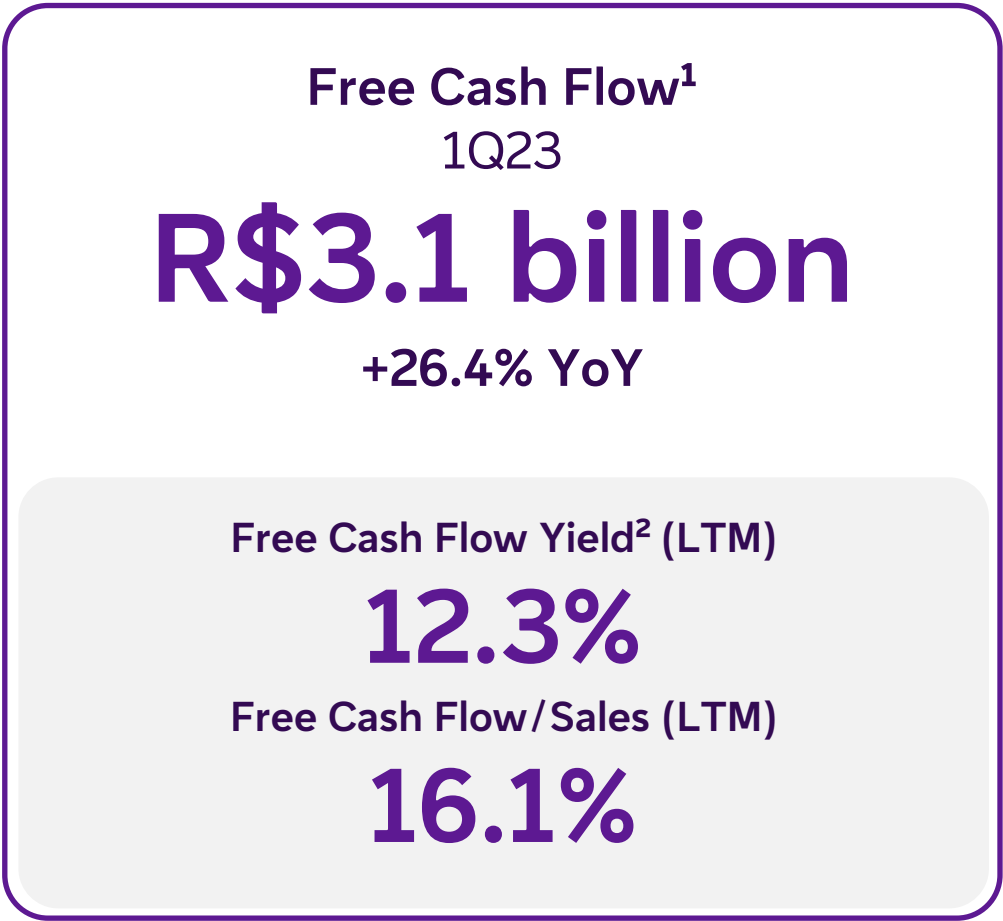
Payment of 2022 Remuneration

1st Tranche:
R\$2.1 bn
Apr. 18th, 2023



2nd Tranche:
R\$1.8 bn
Jul. 18th, 2023

Strong Free Cash Flow generation, totaling R\$3.1 billion in 1Q23, allowing for controlled levels of indebtedness



1 – After leasing. 2 – Based upon Market Cap on March 31, 2023. 3 – Excluding IFRS-16. Net Debt including IFRS-16: R\$13.2 billion as of March 2023. Gross Debt including IFRS-16: R\$19.0 billion.

For further information:

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