

RESULTS 1Q22

May 11th, 2022
Telefônica Brasil S.A.
Investor Relations



VIVT
B3 LISTED

VIV
LISTED
NYSE

ISEB3

ICO2 B3

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

Closing of the acquisition of Oi Móvel to create value through the incorporation of key assets, reinforcing Vivo's leadership in Mobile

Acquired assets



Spectrum
43MHz



Mobile Customer Base
12.5 mn accesses



Sites
2.7k sites¹

with Nationwide coverage

37% in postpaid and 63% in prepaid

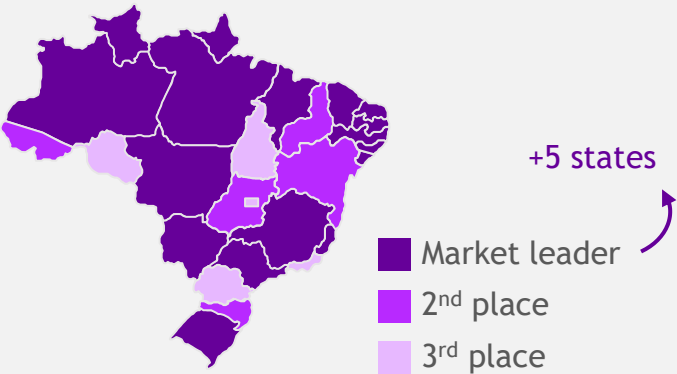
Reinforcing the capacity & capillarity of our network

Customer Base

From 100 million to
112 million
total accesses⁴

55 million
Postpaid accesses

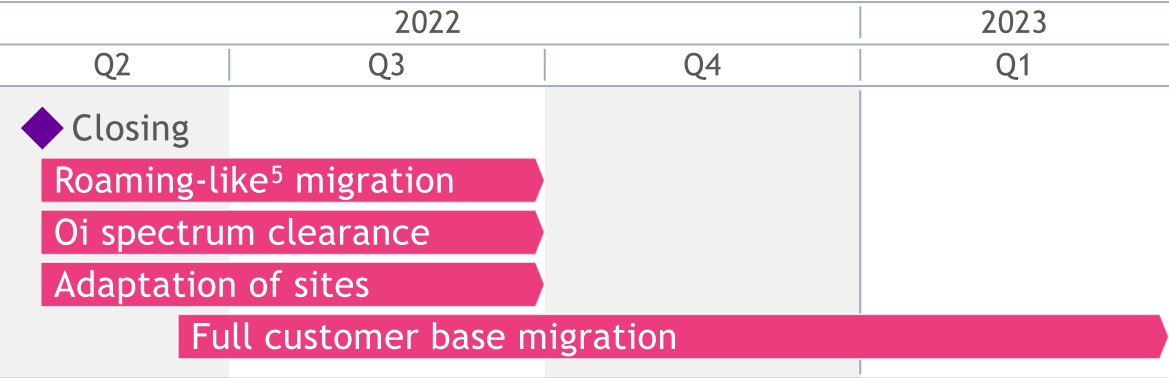
42 million
Prepaid accesses



Cost and Capex Synergies	NPV, R\$ bn
Network	≈1.8
Spectrum	≈1.7
Commercial	≈1.0
Others	≈0.9
Total	≈5.4

In March 2022, **Vivo's portion of Oi's assets generated R\$135 million of monthly revenues²** and we expect **EBITDA and OpCF³ margin above 70%**, considering synergies running rate

Next steps

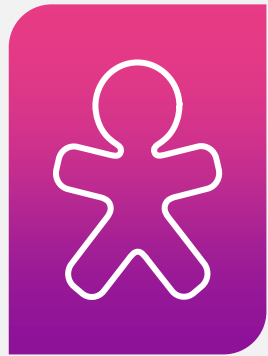


More information is available on the [deal's presentation](#), available at our Investor Relations website

1 - Total lease liability of R\$1.4 billion NPV (unaudited figure). Half of the sites to be offered for sale in order to comply with the antitrust's (CADE) remedy. 2 - Unaudited figure. 3 - EBITDA – Capex. 4 - Considering Vivo's mobile access base of 84.6 million as per ANATEL's February 2022 figures and customer base coming from Oi, 12.5 million. 5 - Temporary migration in which the customer access is migrated to Vivo, while network and customer service is still provided by Oi.

Vivo hit the historic mark of 100 million accesses in 1Q22, posting 4.6% growth in Total Revenues and generating R\$2.5 billion in Free Cash Flow

100 million total accesses¹



Operating

50.9mn

Mobile Postpaid Accesses

Largest customer base in Vivo's history

4.8mn

Fiber Homes Connected

+29.1% YoY,
+1.1 million accesses YoY



Revenues

+4.6%

Total Revenue Growth

+5.7% YoY Mobile Service Revenue Growth

+1.9%

Fixed Service Revenue Growth

+11.9% YoY Core Fixed² Revenues



Profitability

R\$
4.5bn

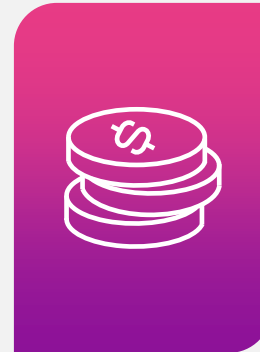
EBITDA 1Q22

+1.3% YoY,
EBITDA Margin of 39.7%

R\$
2.6bn

Operating Cash Flow³ 1Q22

+4.8% YoY,
OpCF Margin of 23.2%



Shareholder Remuneration

R\$
2.5bn

Free Cash Flow³ 1Q22

+12.6% YoY,
21.8% FCF/Sales

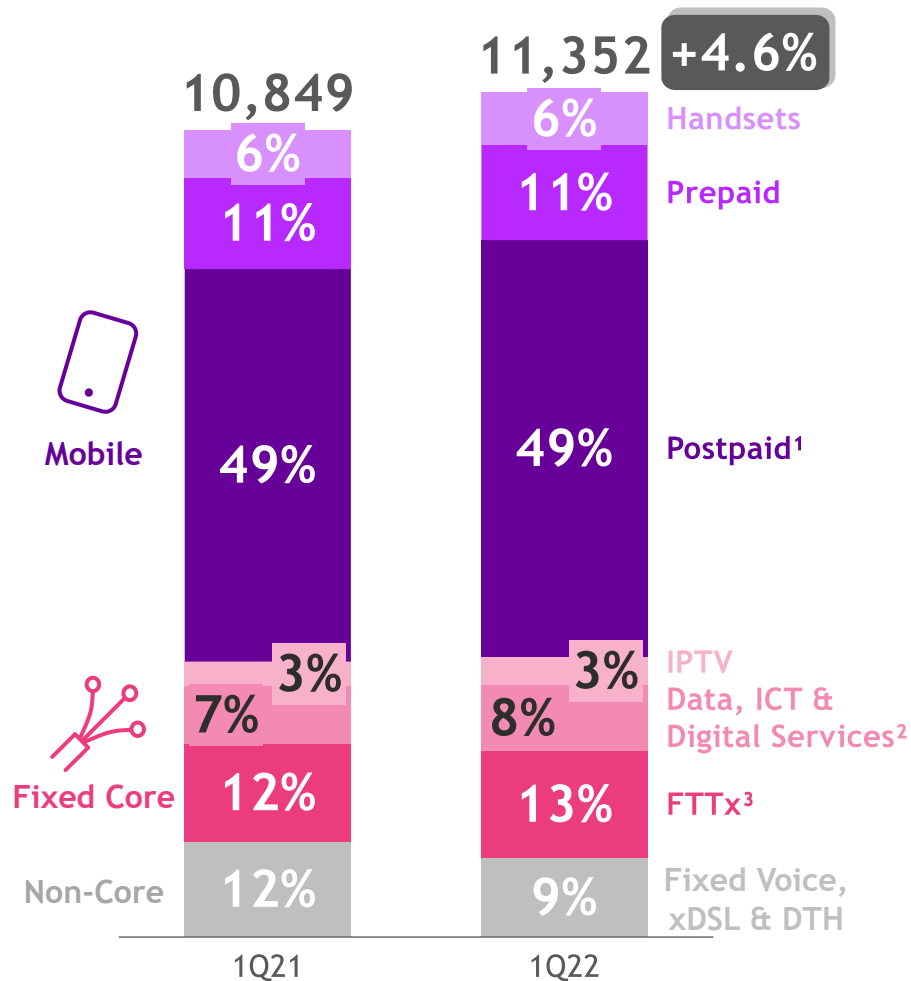
R\$
6.3bn

Sh. Remuneration in LTM March 2022

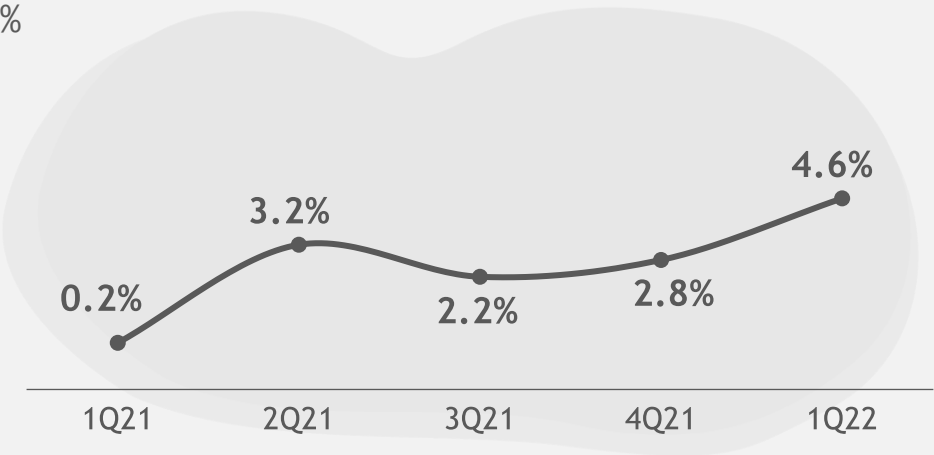
7.0% Dividend yield LTM⁴,
7.6% considering Buybacks

Total Revenue acceleration, driven by Core Revenues, led to Vivo's highest quarterly YoY growth in recent history

Total Revenues
R\$ million, % of Total Revs

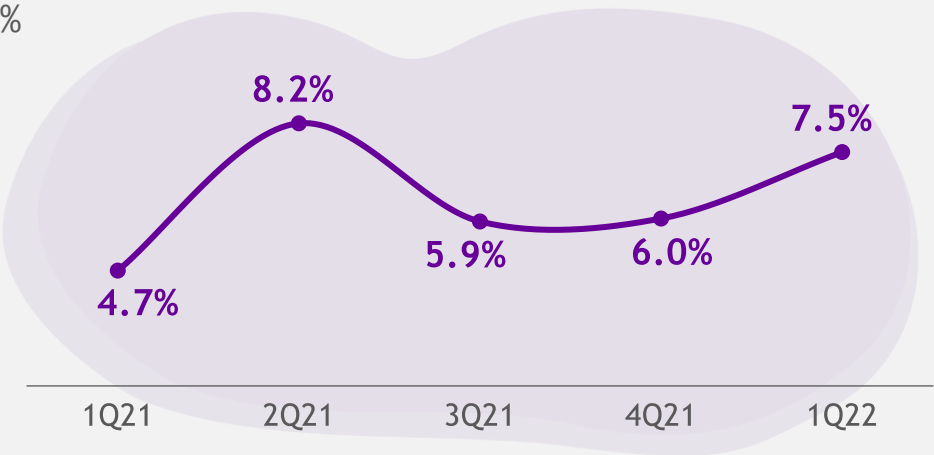


Total Revenues YoY growth
%



Highest YoY growth in the last 7 years, with strong results in both Mobile and Fixed Core

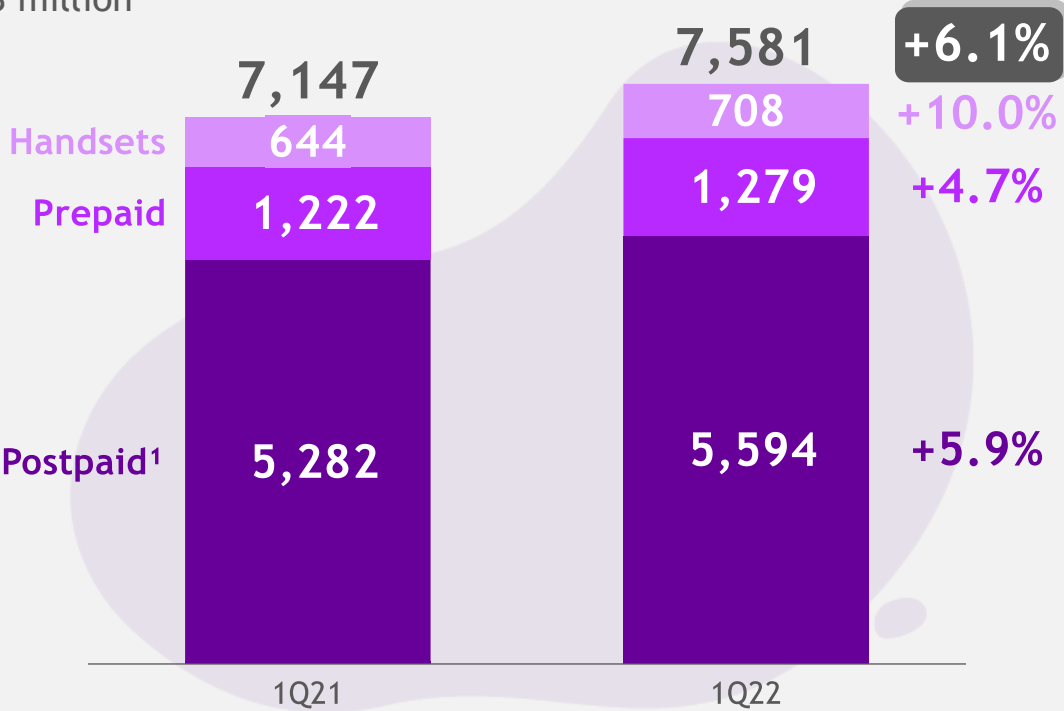
Core Revenues YoY growth
%



Positive outcomes in Fiber and Postpaid denoting our strength in high-end segments

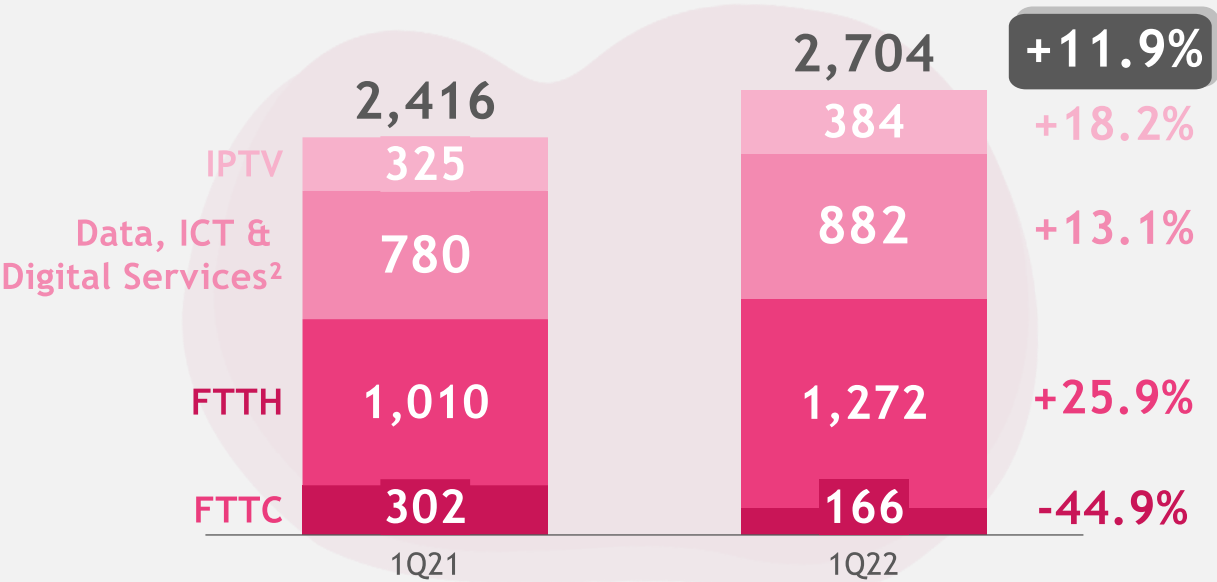
Core Revenues prosper due to solid Mobile evolution and outstanding performance in Fiber and Digital B2B

Mobile Revenues
R\$ million



- Strong volume of net additions both in postpaid (+4.9 million YoY) and prepaid (+0.7 million YoY)
- Market rationality supporting healthy price environment in hybrid and postpaid

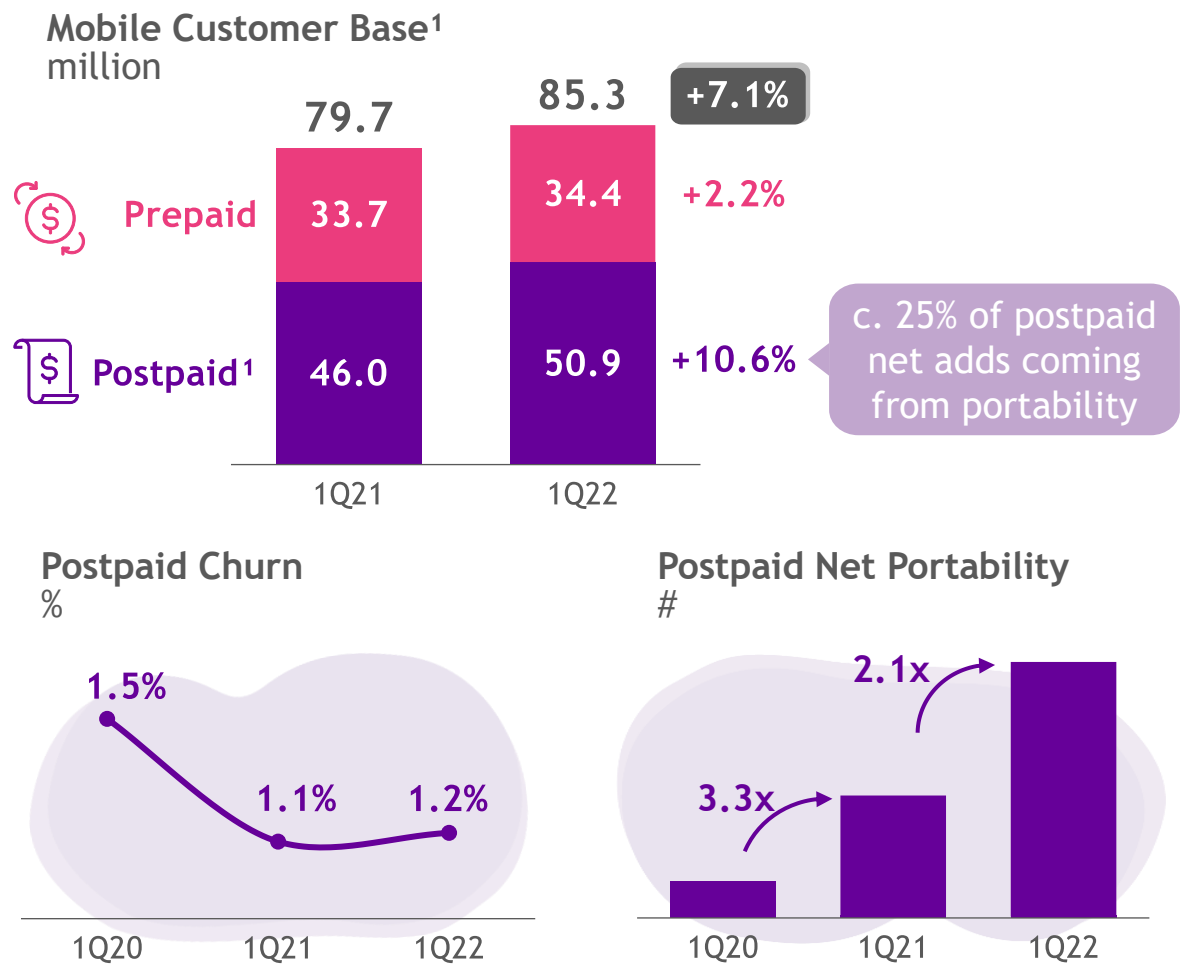
Fixed Core Revenues
R\$ million



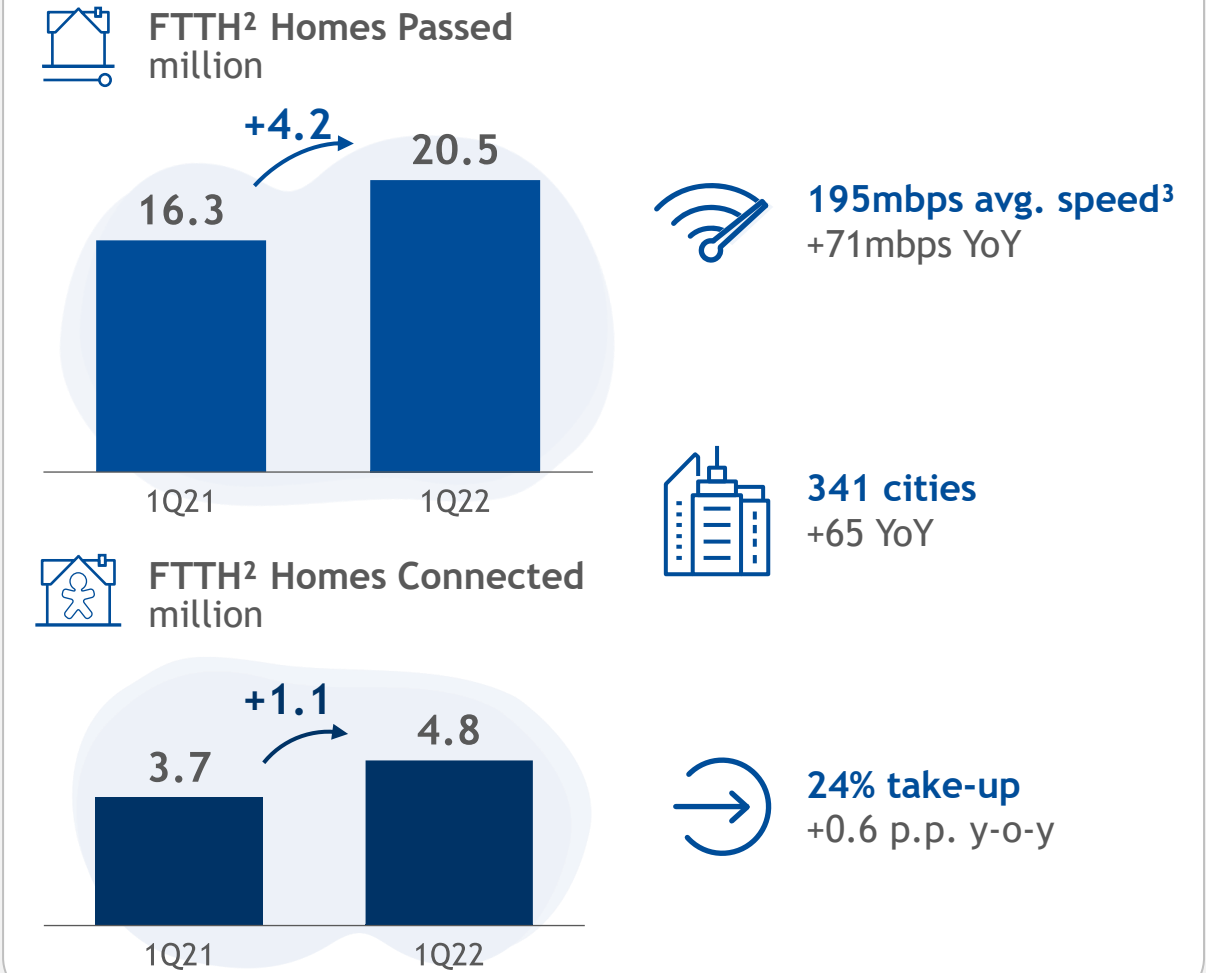
- FTTH continues to outperform, reaching R\$4.6 billion in revenues in LTM Mar-22 (+34.9% YoY)
- Data, ICT & Digital Services maintaining double-digit growth driven by increasing demand for B2B digital solutions

Positive figures in postpaid and fiber attesting Vivo's position as the Telco with the best quality and value proposition

Mobile Operating Figures



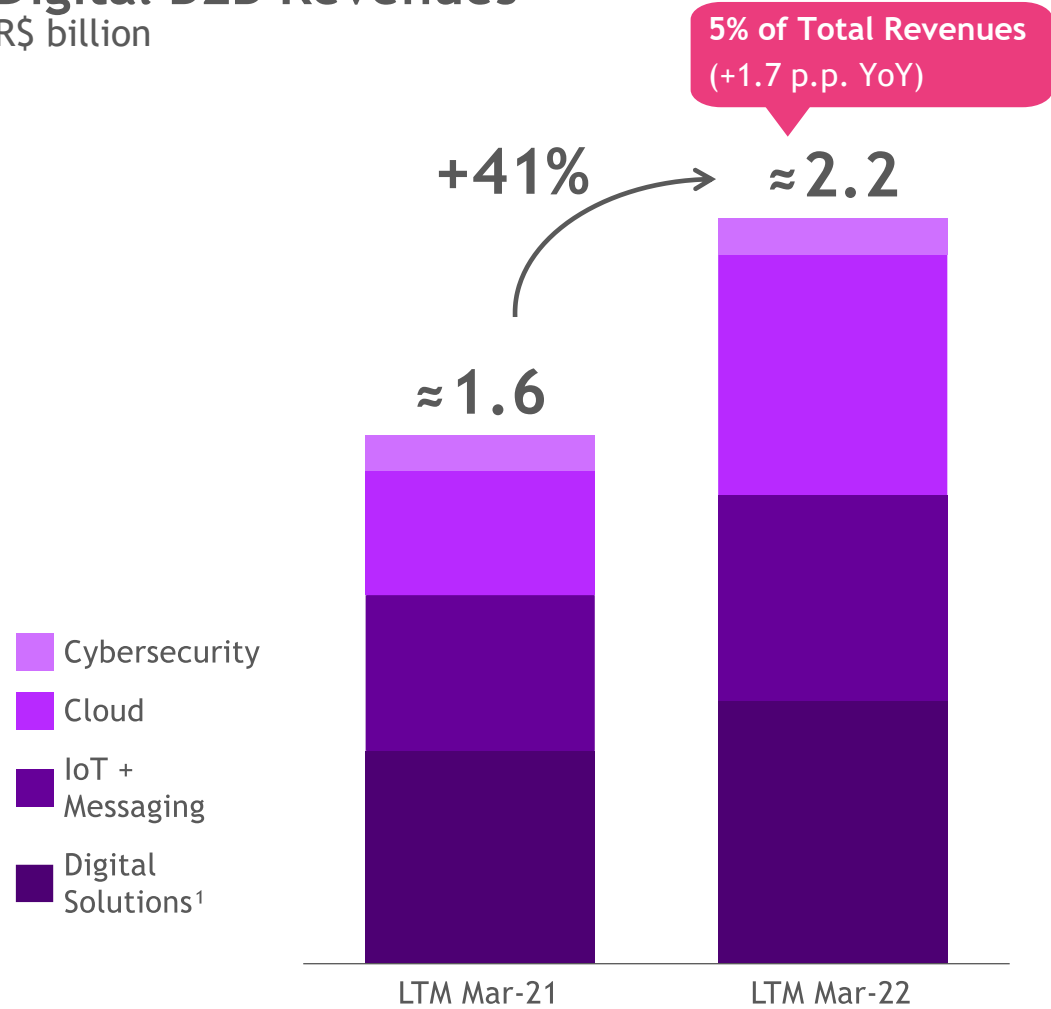
Fixed Operating Figures



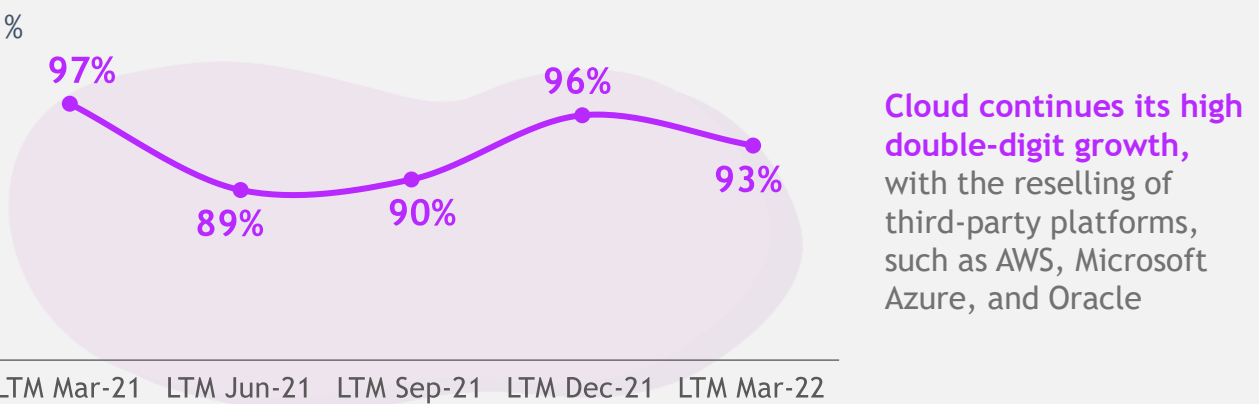
Digital B2B revenues, that already represent 5% of our top-line, continue to thrive, as demand remains heated

Digital B2B Revenues

R\$ billion

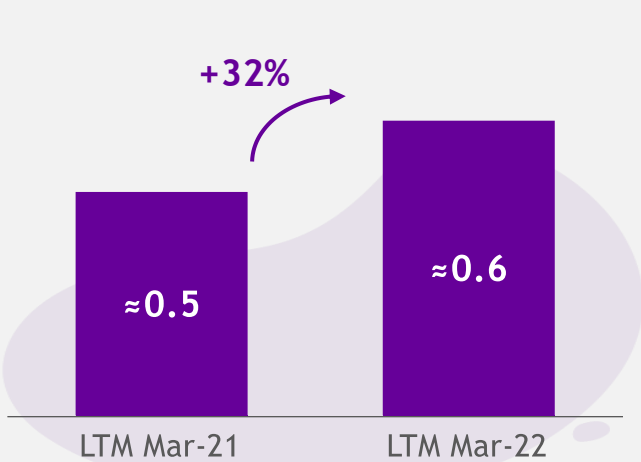


Cloud Revenues LTM YoY Growth



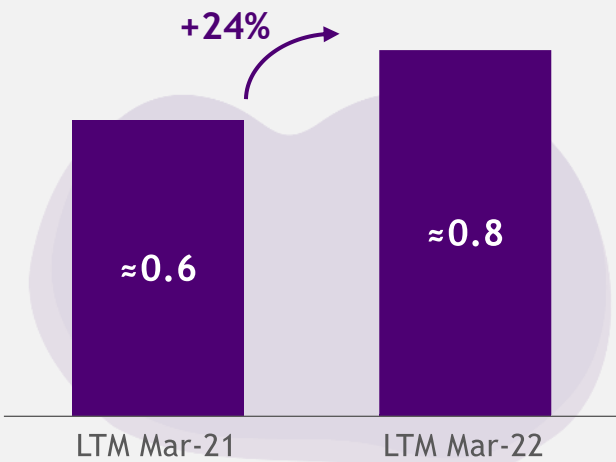
IoT + Messaging

R\$ billion



Digital Solutions¹

R\$ billion



Creation of Vivo Ventures extending our B2C Digital Ecosystem, that was also enhanced by a new Vivo Play Portfolio and repositioning of Terra Portal

Vivo Ventures

Vivo's Corporate Venture Capital fund

R\$320 million
as initial 5-year contribution

Fostering the **expansion of our digital ecosystem** through the creation of **partnerships with startups**, leveraging on **Vivo's extensive distribution chain** and **brand potential**



Entertainment



Smart Home



Financial Services



e-Commerce



e-Health



Education

vivo PLAY

New packs offering **Live TV** on top of **video on demand content** directly on **Smart TVs, Mobile and web** with zero capex



Digital live channels packs with competitive prices starting at **R\$29.90**

Easier subscription, discovery and consumption of Vivo's OTT¹ partners

terra

Terra Portal becomes a mediatech using market intelligence to maximize content and advertising impact



4th biggest
News portal in Brazil



c.70 million²
unique users/month

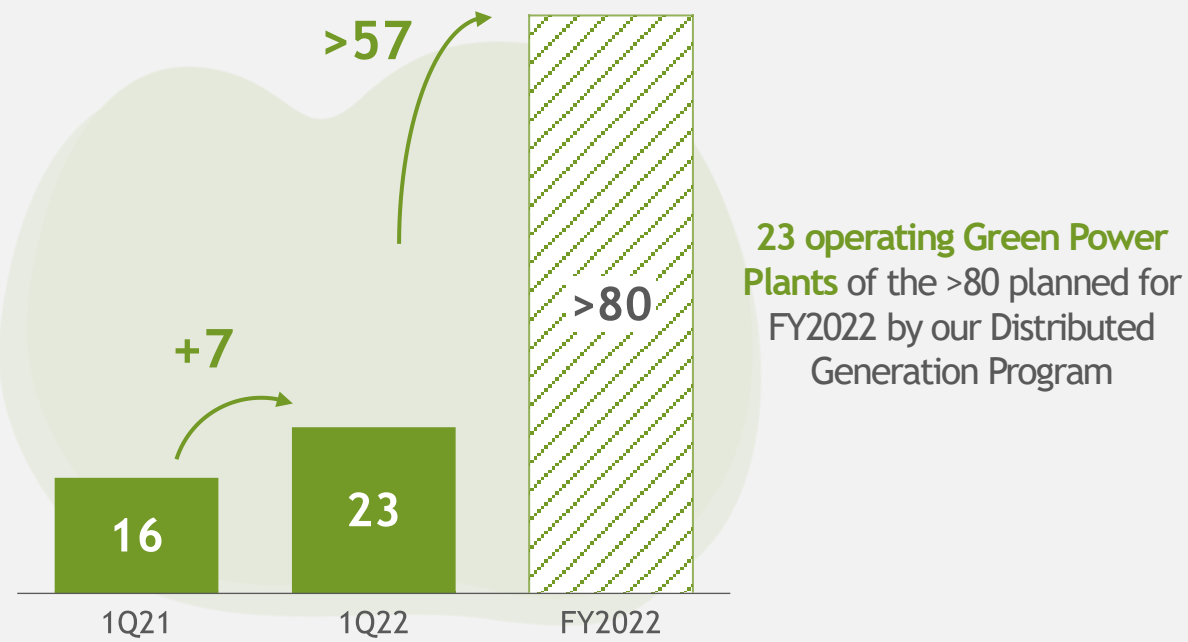


>650 million²
pageviews

Vivo's ESG initiatives are keystones of our purpose and strategy and will continue to evolve throughout 2022

Environmental

of Power Plants



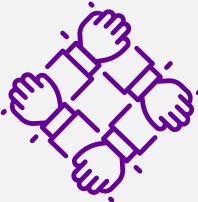
Governance and Diversity



Board of Directors¹ with 4 women
as of April 26th, 2022, representing 33% of the board



50% of internships for black people
Half of the 750 new positions



Launch of Acolhe Platform
in partnership with Zumbi dos Palmares University to promote legal and psychological support for racism victims using Vivo's SMS infrastructure



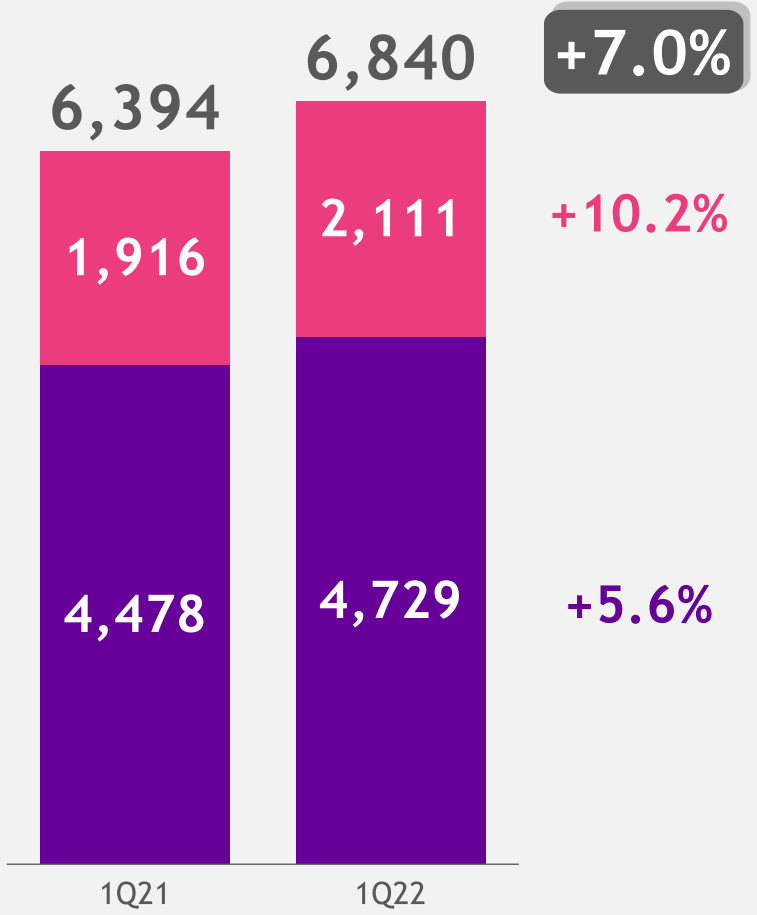
Leadership in Climate Change & Supplier Engagement

According to CDP (Carbon Disclosure Project)

Vivo's transition into a hub for digital services continues to change the cost base, that was pressured by inflation in 1Q22

Total Costs
R\$ million

vs. Inflation LTM¹:
+11.3%



Cost of Services and Goods Sold

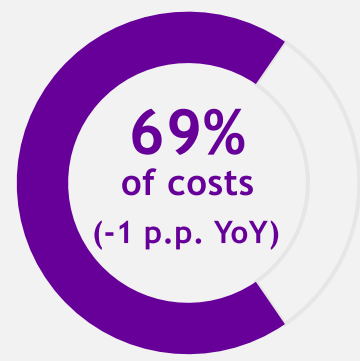
Cost of Operations

Cost of Services and Goods Sold



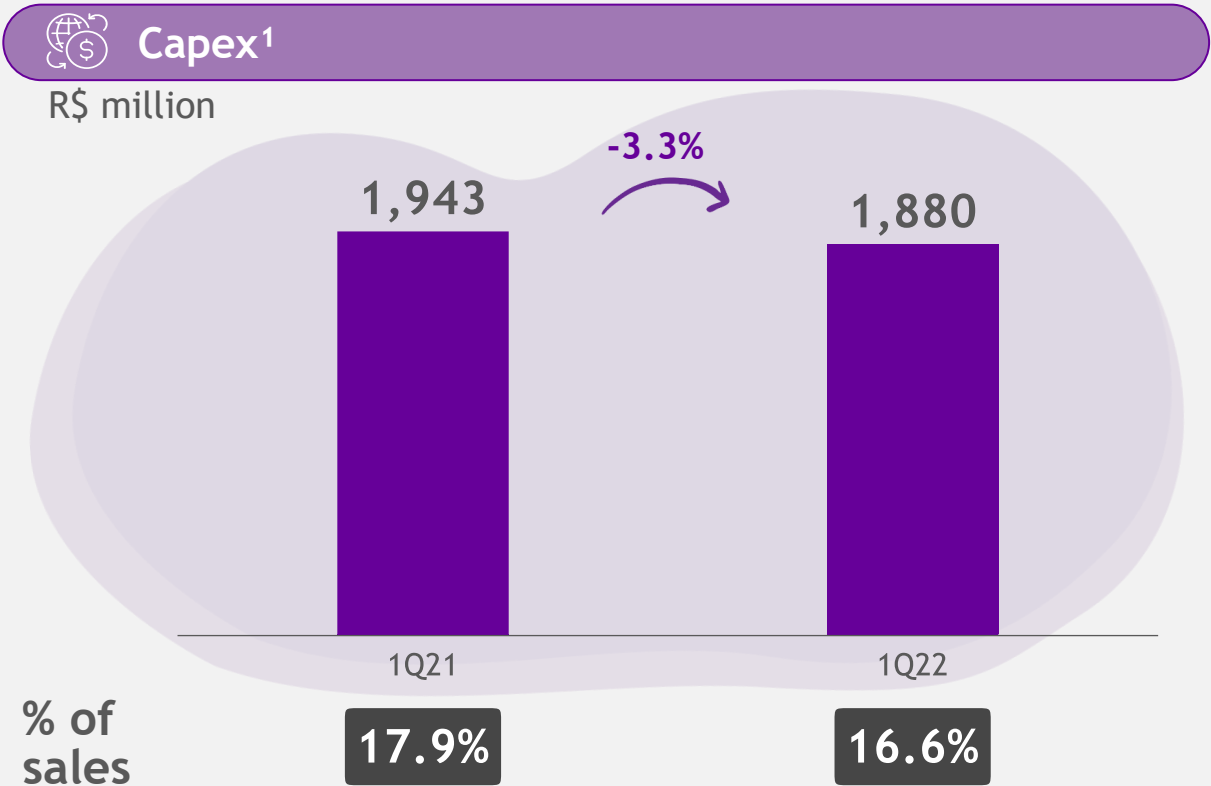
- **Cost of Services up** +7.8% YoY impacted by product licensing, as revenues of B2C and B2B digital solutions continue its double-digit evolution
- **Cost of Goods Sold expansion** (+13.6% YoY) with the growth of Handset and IT equipment sales

Cost of Operations

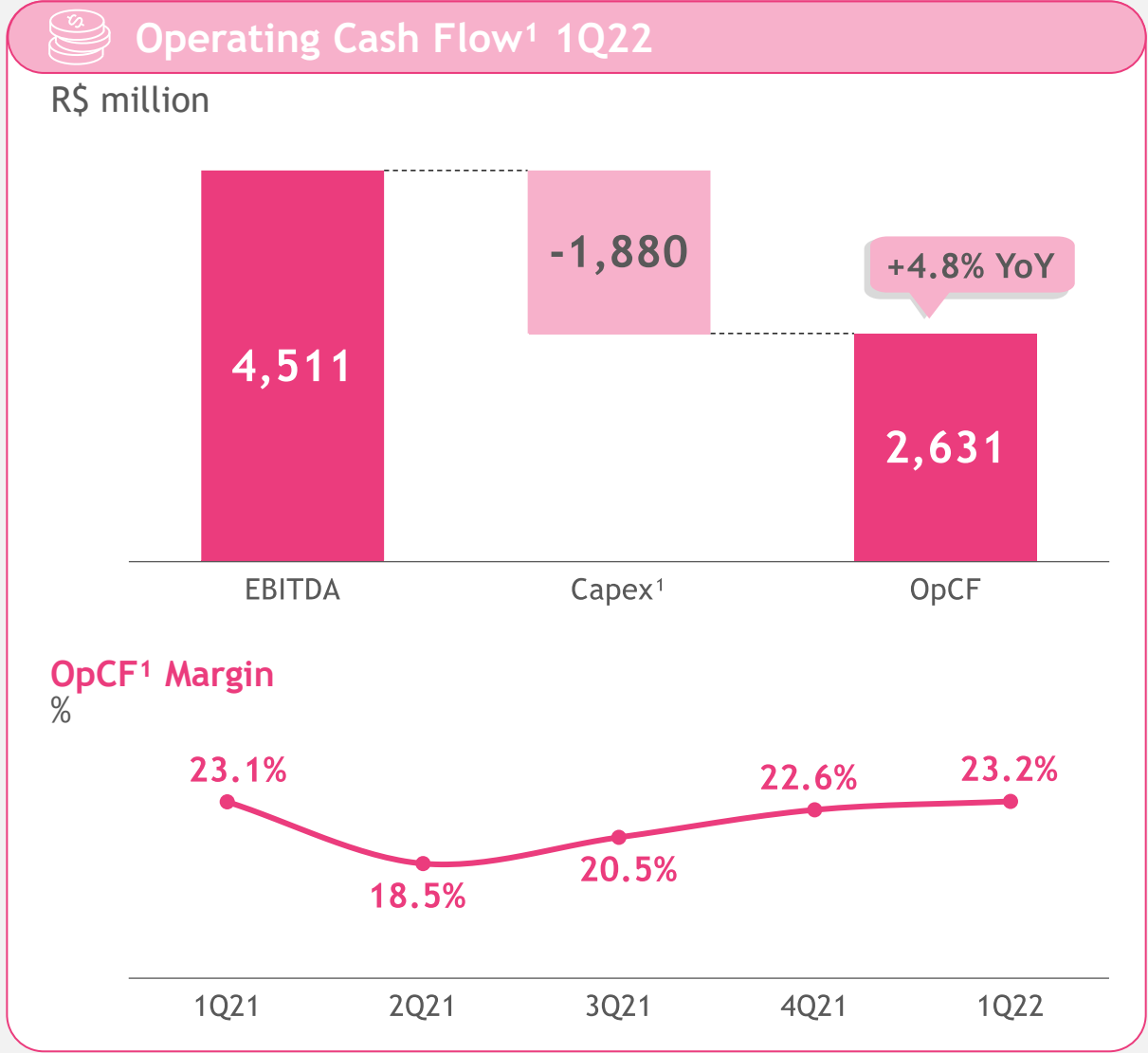


- **Growth of personnel costs** (+9.4% YoY) driven by annual salary adjustment
- **Commercial and Infrastructure Expenses rising** +1.9% YoY, led by increased network usage and taxes, offsetting savings from **lower costs with call centers and bad debt**

Improved mix of investments with focus on Fiber and 5G deployment, while Operating Cash Flow generation remain solid

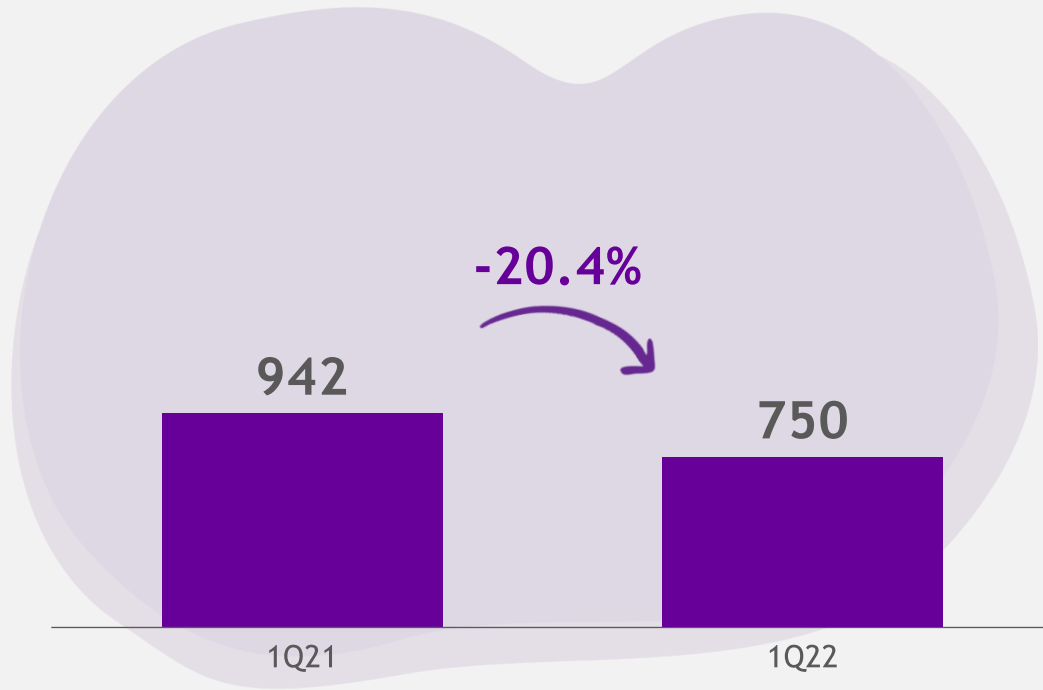


- 82% of Capex dedicated to growth and transformation
- Fiber continues to be the main investment driver, representing around one-third of total capex
- Investments in 5G already executed in 1Q22, while 4G capex intensity starts to recede



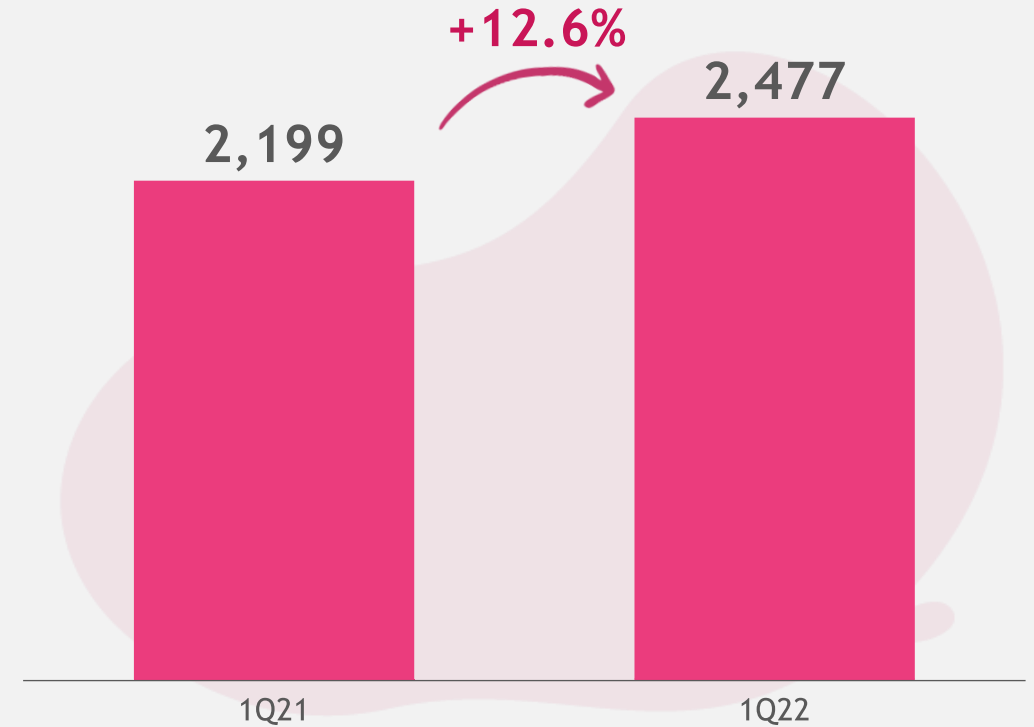
Double-digit Free Cash Flow growth, even with net income decrease led by higher D&A and financial expenses

Net Income 1Q22
R\$ million



Net income affected by **growing D&A**, as we started to **amortize 5G frequencies**, and **increase of financial expenses** given higher indebtedness and interest rates

Free Cash Flow¹ 1Q22
R\$ million

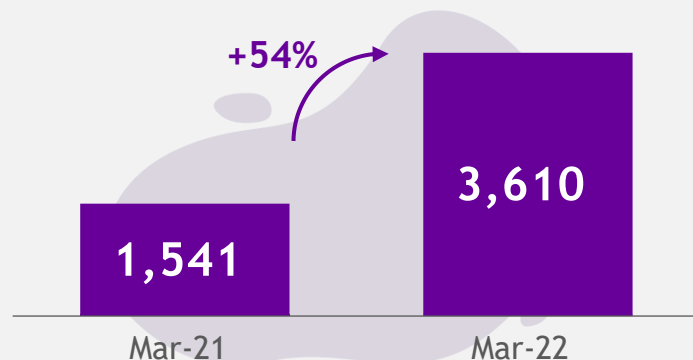


Positive operating performance and efficient financial management leading to a **Free Cash Flow 3.3x higher than the Net Income** of 1Q22

Sound net cash position, despite increased Gross Debt with the auction of 5G spectrum held on 4Q21, allowing us to continue with our Share Buybacks

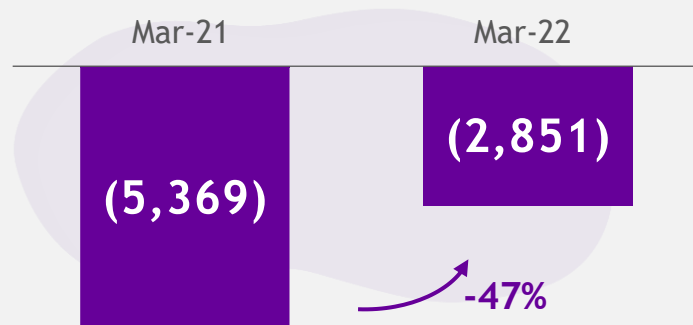
Gross Debt

R\$ million



Net Debt (Cash)¹

R\$ million



Shareholder Remuneration



Dividends + IOC²
LTM Mar-22:

R\$6.3 bn

Gross/Share **R\$3.74**

Div. Yield³ **7.6%**

Payout³ **113%**



Share Buyback:

Program renewed
(Feb/22 - Feb/23) to continue
complementing stockholders' return

R\$115 mn
Repurchased in 1Q22

Payment of 2021 Remuneration

1st Tranche: Jul. 19th, 2022

R\$2.7 bn

2nd Tranche: Oct. 18th, 2022

R\$3.5 bn

For further information:

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