

RESULTS 2Q24

July 29th, 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



Growth acceleration in all key lines while customer base reaches its highest level ever



Growth

Profitability

Sustainability

2Q24

Mobile Postpaid Accesses

64.0 mn

+7.2%
YoY

100.9mn Total Mobile
Accesses (+3.3% YoY)

Total Revenue

+7.4 %

YoY

EBITDA

+7.3 %

YoY

Net Income 1H24²

R\$2.1 bn

+8.2% YoY

Fiber Homes Connected

6.5 mn

+12.7%
YoY

27.3mn Homes Passed
(+10.7% YoY)

Mobile Service Revenue

+8.8 %

YoY

Operating Cash Flow¹ 1H24

R\$6.5 bn

+8.8% YoY
23.9% of Total Revenues

Free Cash Flow 1H24

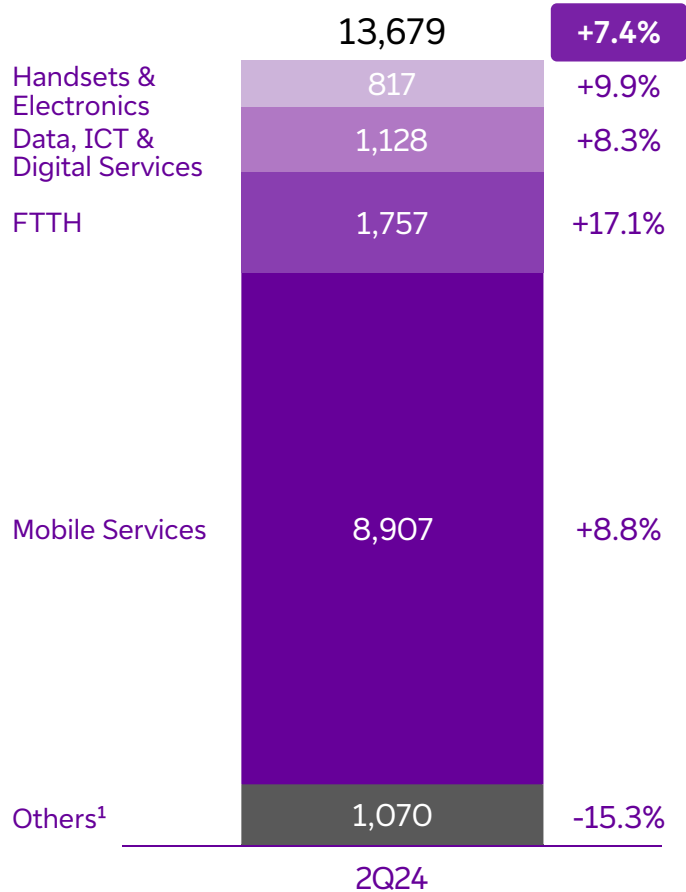
R\$5.5 bn

20.1% of Total Revenues

1 – Capex ex-licenses. OpCF after leases amounted to R\$4.0 billion in 1H24, up 10.2% YoY with a margin of 14.9% (+0.4p.p. YoY). 2 – Net income attributed to Telefônica Brasil.

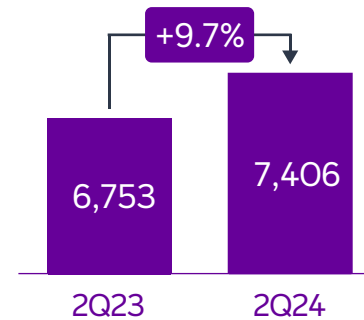
Total Revenues growing well above inflation, supported by strong MSR and FTTH performance

Total Revenues R\$ million

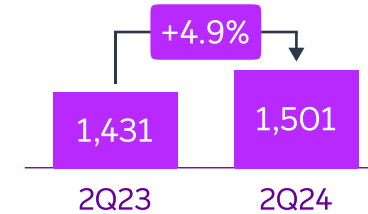


Mobile Service Revenues R\$ million

Postpaid²

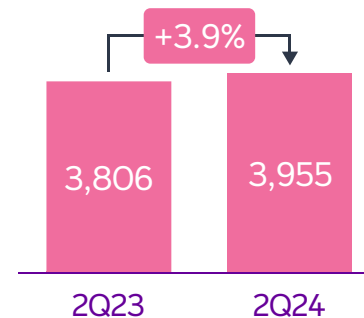


Prepaid



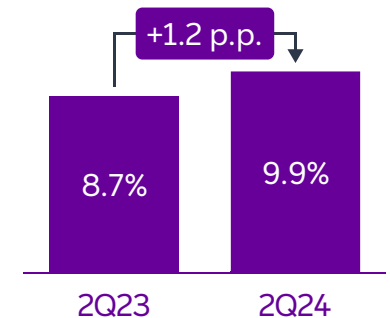
MSR continues to grow significantly due to **solid commercial and operating performance**

Fixed Revenues R\$ million



Highest fixed revenue growth since 3Q15 with **enhanced fiber and B2B performance**

B2B Digital + B2C New Businesses over Total Revenues %

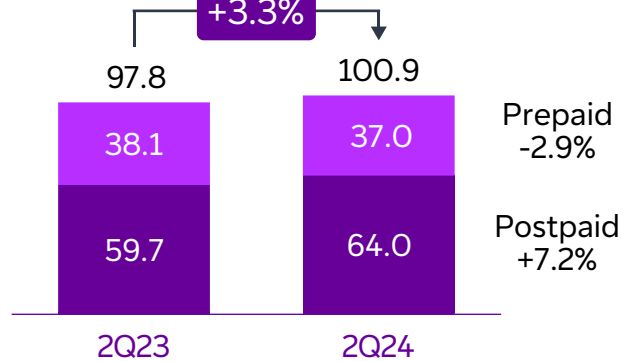


1 – “Others” includes FTTC (Fiber-to-the-Cabinet), xDSL, IPTV and Voice. 2 – Postpaid Revenues include M2M, Dongles, Wholesale, Roaming, etc.

Vivo's mobile leadership is underpinned by ARPU improvement and churn at historical lows

Mobile Accesses

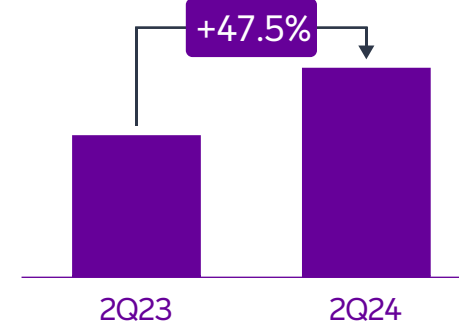
million



Mobile base reached more than 100 million accesses, with postpaid representing 63.4% over total accesses

Hybrid to Pure Postpaid Migration

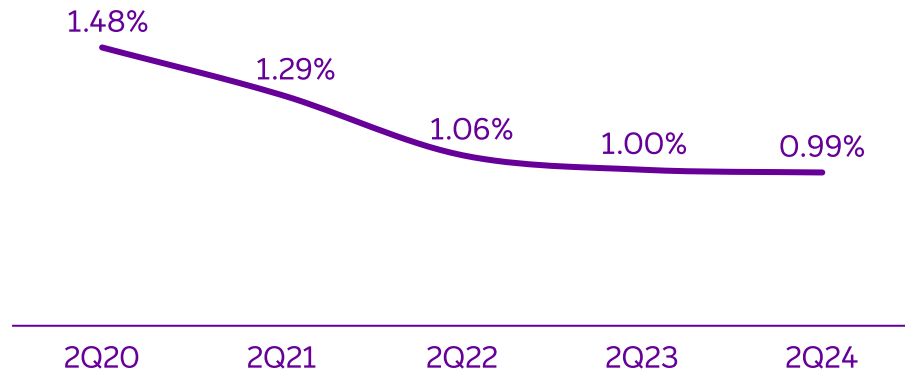
YoY %



As customers continuously look for a higher quality service and more data, the migration to pure postpaid remains accelerated

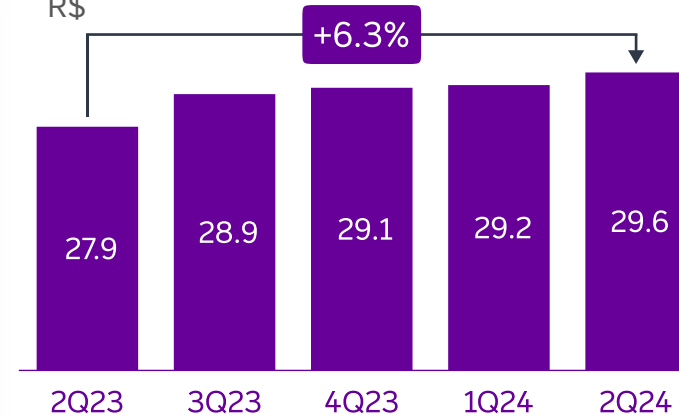
Postpaid¹ Churn

%



Mobile ARPU

R\$

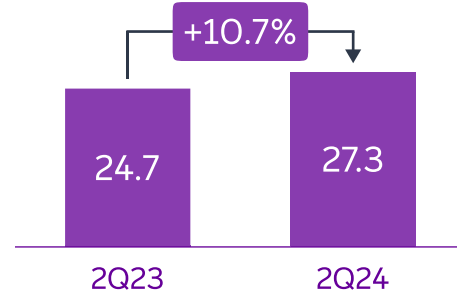


Highest ARPU since 2019, due to increased consumption and improved customer mix

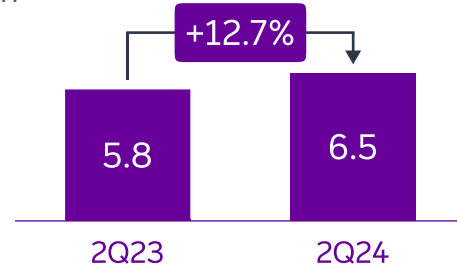
1 – Ex-M2M.

Improved fiber ARPU and net additions mainly driven by the unique convergence proposal of Vivo Total

FTTH Homes Passed
million

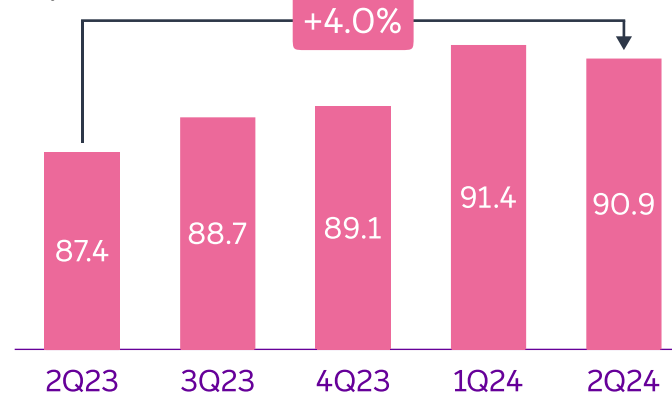


FTTH Homes Connected
million

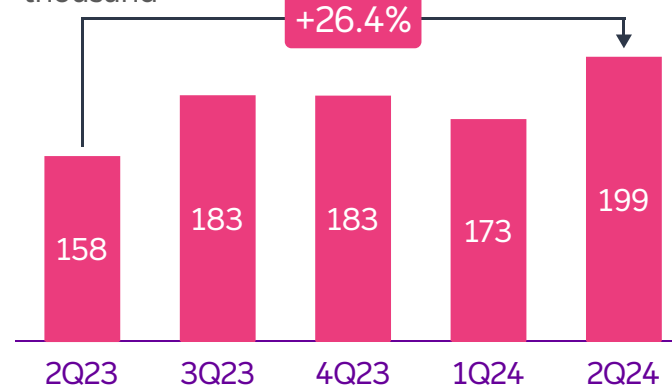


As we get closer to meeting our target of 29mn Homes Passed with fiber by the end of 2024, **our network penetration grew to 24.0% (+0.4 p.p. YoY)**

FTTH ARPU
R\$



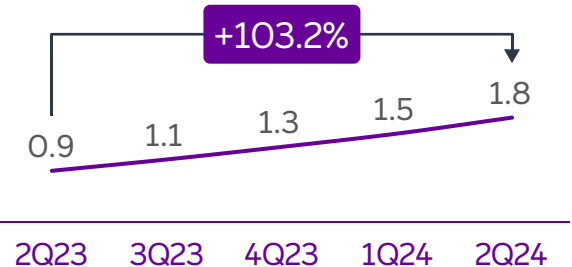
FTTH Net Additions
thousand



***Total**

Fiber + Mobile¹

Vivo Total Customer Base
million



Vivo Total Highlights:

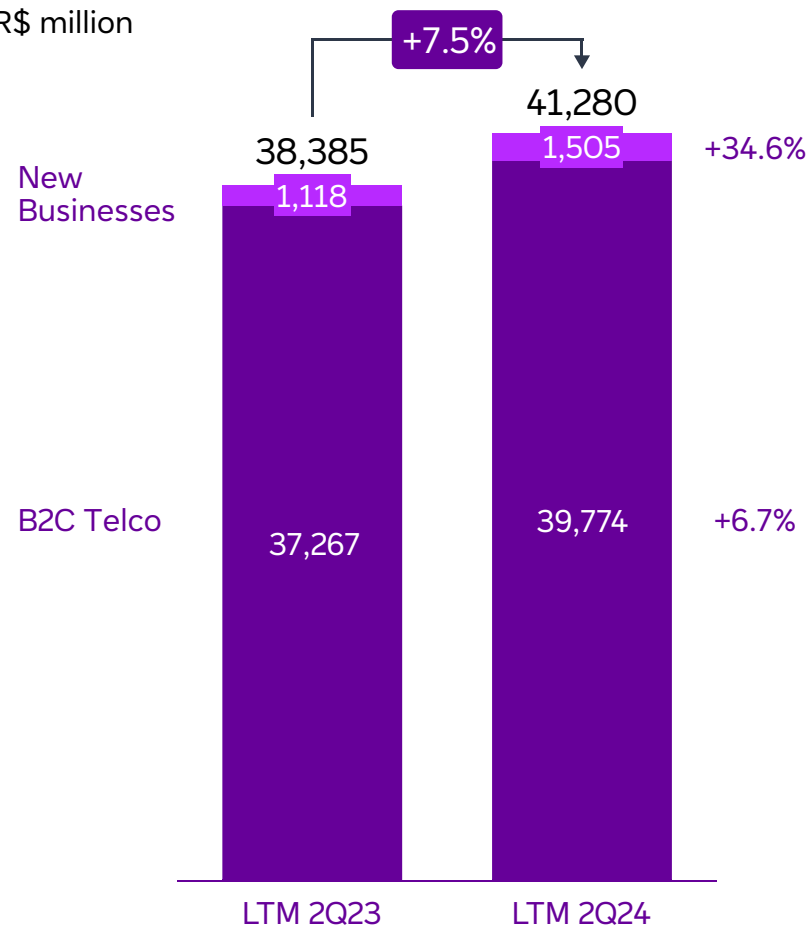
- Vivo Total's churn is ~1 p.p. lower than standalone fiber
- ~85% of FTTH sales in Vivo's own stores are with the Vivo Total plan
- Hybrid to Vivo Total migration grew close to 90% YoY

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

B2C new businesses continue to gain traction and relevance, contributing to a solid expansion of B2C revenues

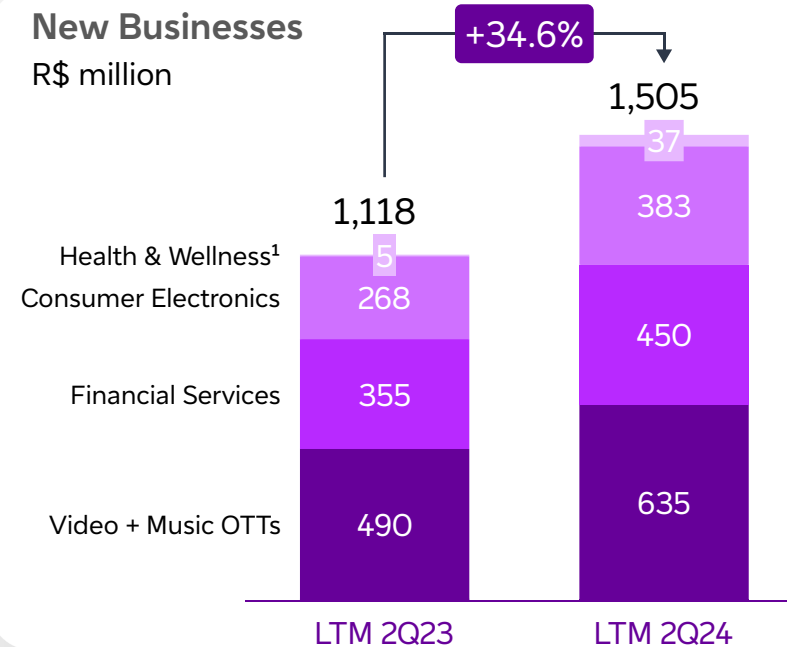
Total B2C Revenues¹

R\$ million



New Businesses

R\$ million



B2C new businesses represent **2.8%** of total revenues (+0.6 p.p. YoY), and are rapidly expanding



- Total of **321k** subscriptions
- Over **30k** doctors' appointments, exams and procedures YTD
- Expansion of the pharmacy network to more than **10k** stores in Brazil



Two new financial services launched:

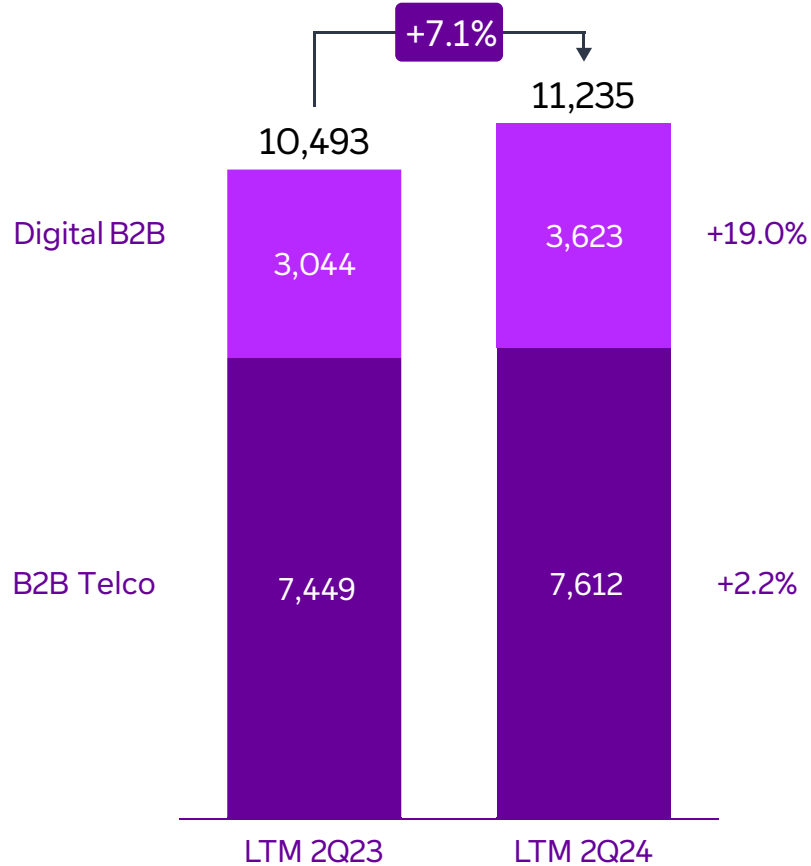
- **Pix payable in installments**
- **Anticipated loan linked to the popular "Saque Aniversário FGTS"** (yearly withdrawal from the public Severance Pay Fund)

1 — Health & Wellness revenues were added this quarter in the B2C New Business segment. Includes revenues originated from Vale Saúde Sempre and Atma, our proprietary meditation and mindfulness app.

B2B Digital services revenues remain on the rise, driving sustainable Total B2B growth

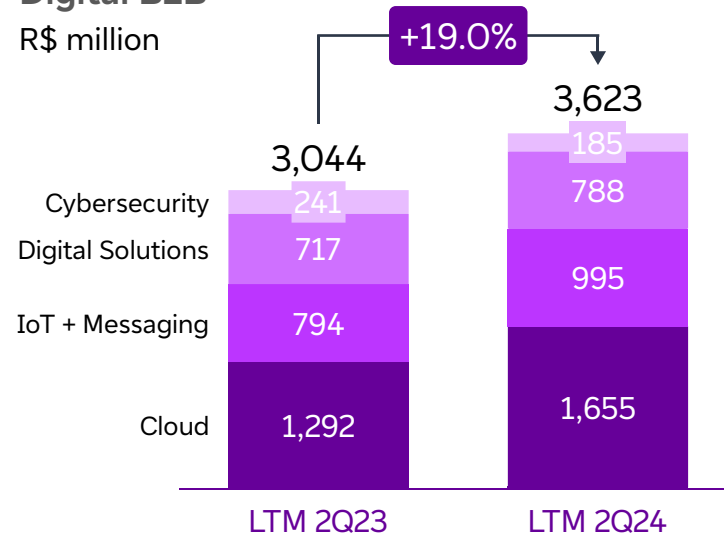
Total B2B Revenues¹

R\$ million



Digital B2B

R\$ million



Digital B2B represents **32.2% of total B2B revenues** (+3.2 p.p. YoY), and **6.7% of Vivo's overall revenues** (+0.7 p.p. YoY)



GROWTH PARTNER

IPNET Acquisition

- Payment of up to R\$230 million;
- ~260 specialized employees, with 140 Google solutions experts, diversifying Vivo's B2B portfolio

Information about IPNET:

- Company specialized in the **resale, adaptation, migration and support of software and systems**;
- **20 years in the market**;
- **R\$218 million in revenues in 2023**, with an annual growth of 35%

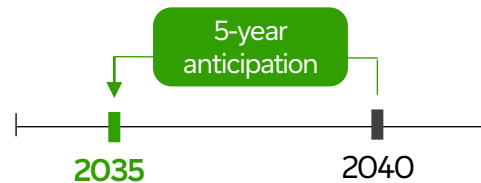
1 — Excludes Wholesale revenues that amounted R\$1,357 million in 2Q24 LTM.

ESG continues to play a key role in our strategy, and we recently disclosed new corporate targets for 2035

ESG Targets 2035

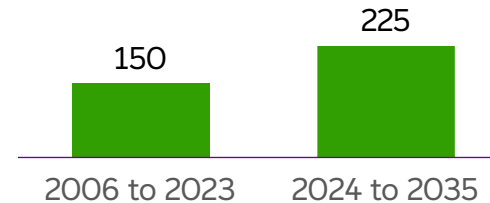
CLIMATE

Reach net zero emissions



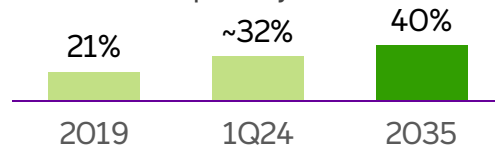
CIRCULAR ECONOMY

Collect an additional 225 tons of electronic waste through the Vivo Recycle Program in the next 12 years

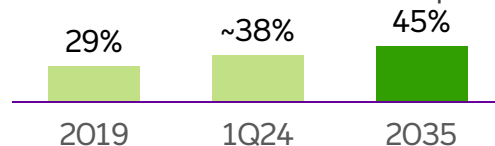


DIVERSITY

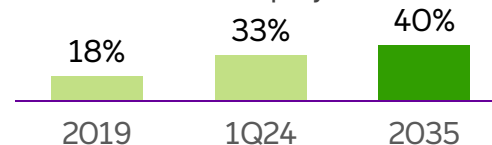
% of senior leadership roles occupied by women



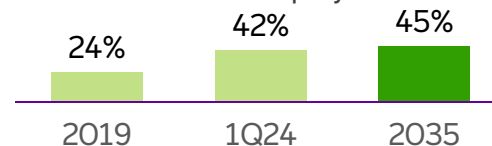
% women in overall leadership



% of leadership roles occupied by black employees



% black employees



Social



25
ANOS

The Telefônica Vivo Foundation completed 25 years of holding unto its purpose of “**educate to transform, digitalize to bring closer**”

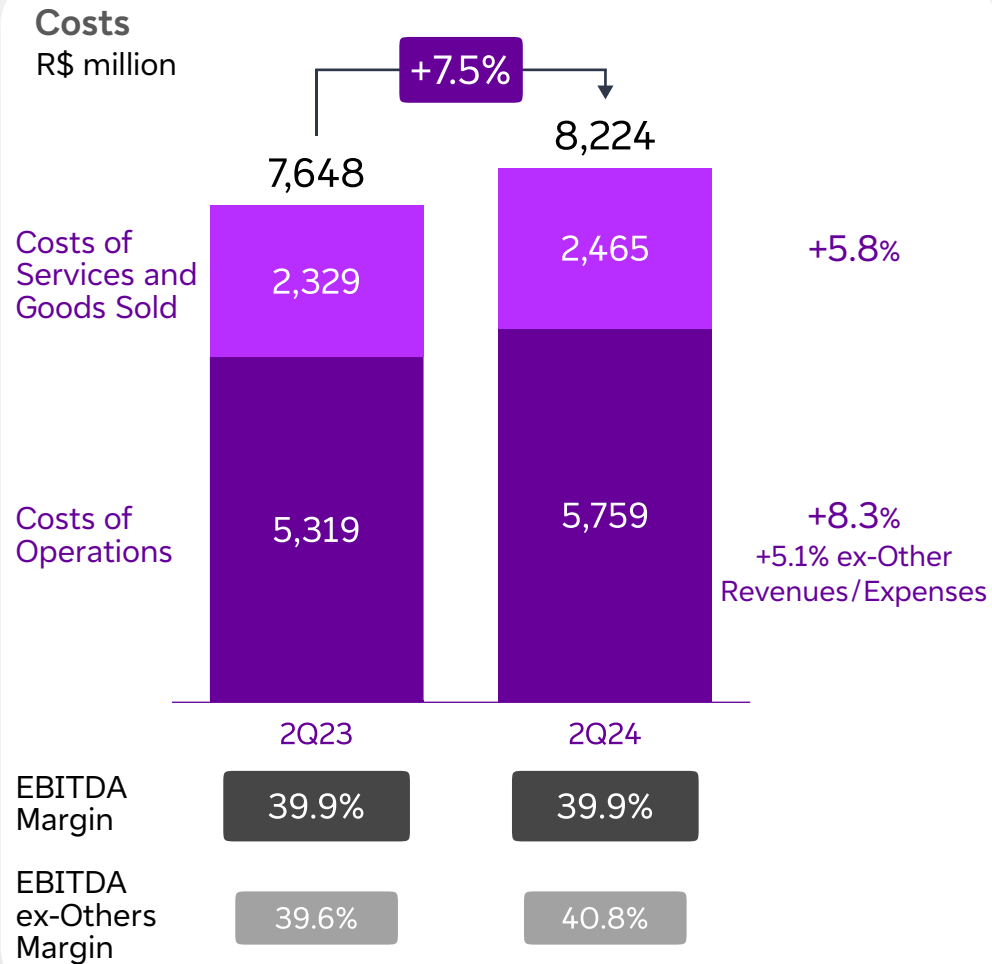
Volunteer Day mobilized more than **10,000 employees and their families, benefiting over 40,000 people**

Vivo is the best in its category in the **Melhores do ESG 2024** of Exame Magazine

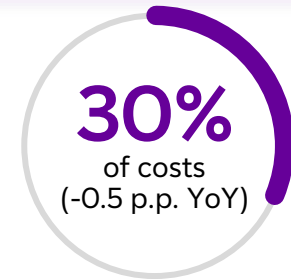


Check out the **2023 Integrated Report**

Opex driven by costs related to strong commercial activity, growth of digital services and handset revenues

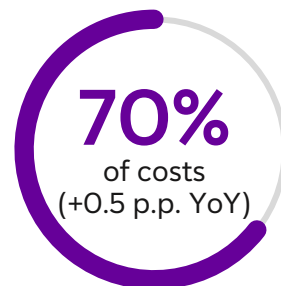


Cost of Services & Goods Sold



- **Cost of Services** evolution was boosted by higher sales of digital services in B2B and B2C and customer base growth
- **Cost of Goods Sold** grew in-line with the increase of handsets and consumer electronics sales

Cost of Operations

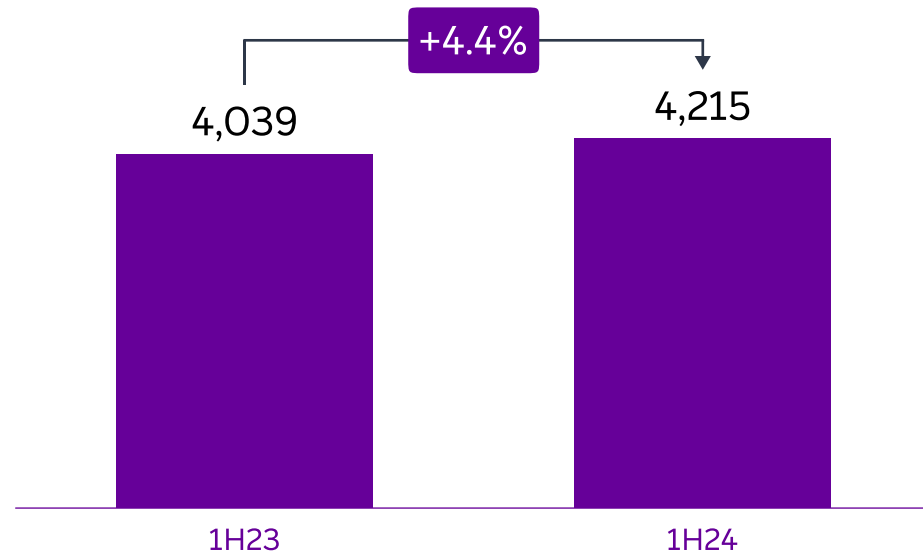


- **Personnel Costs** increased mainly due to annual salary readjustment and health benefits
- **Commercial and Infrastructure Expenses** saw an expansion caused by greater commercial activity and customer base growth
- **Provision for Bad Debt** remains under control, highlighting how customers prioritize paying their connectivity bills
- **Other Revenues (Expenses)** impacted by reduced sales of real estate and network assets YoY. Excluding this line, EBITDA grew +10.6% YoY, with margin expanding +1.2p.p., to 40.8%

Strong operating performance and Capex efficiency further raises our OpCF Margin

Capex¹

R\$ million



% of sales

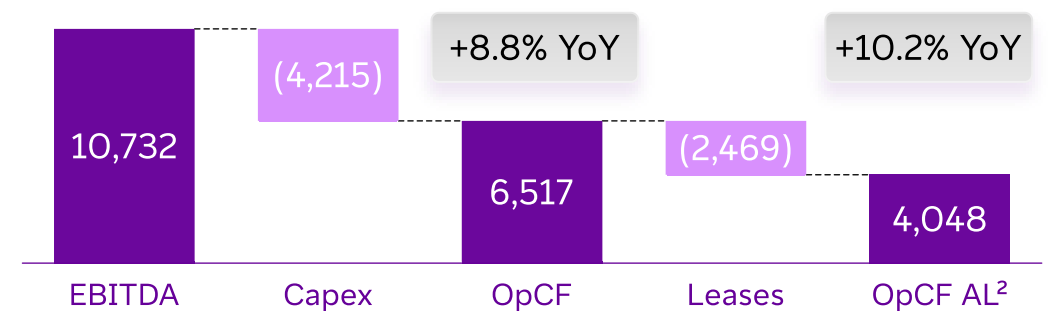
15.9%

15.5%

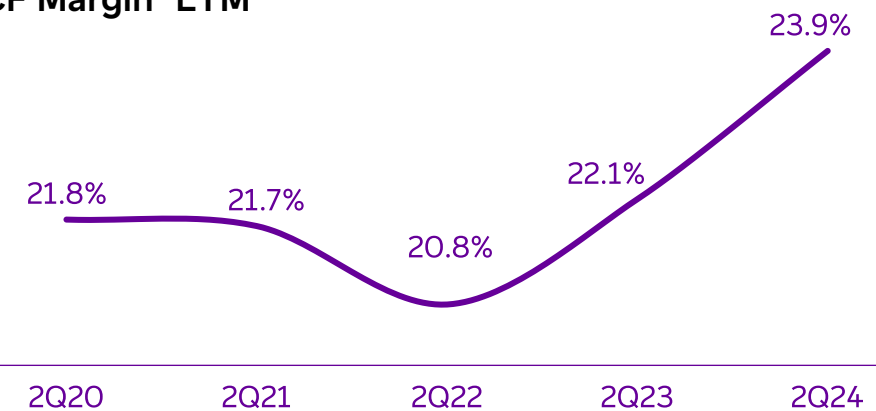
Efficient Capex allocation drives key results for Vivo, as we are the leader in 4.5G coverage and already offer a high quality 5G experience to 50% of the population

Operating Cash Flow¹

R\$ million, 1H24



OpCF Margin¹ LTM %

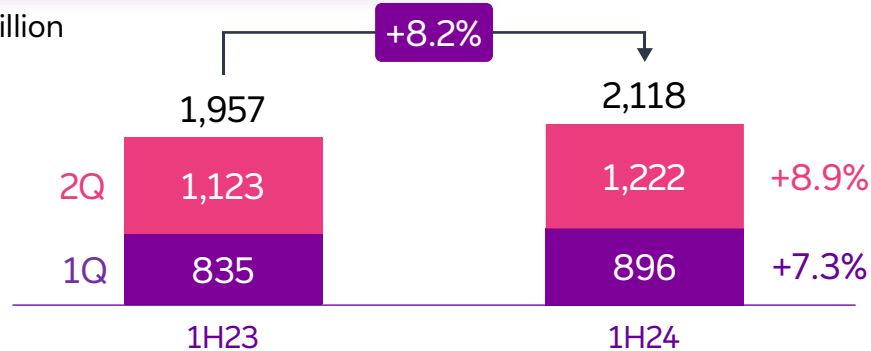


1 – Ex-spectrum licenses and IFRS-16. 2 – After Leases.

The profitability of our business continues to improve, with a solid free cash flow generation

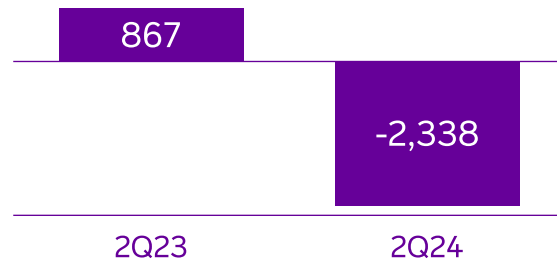
Net Income¹

R\$ million



Net Debt²

R\$ million



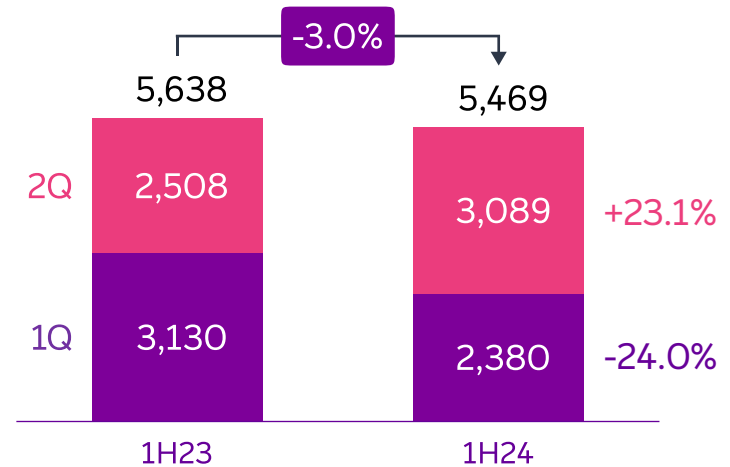
Jun-24 Net Debt
including IFRS-16

R\$11.3bn

0.5x LTM EBITDA

Free Cash Flow³

R\$ million



Free Cash Flow Yield⁴ (LTM)

10.6%

Free Cash Flow/Sales (LTM)

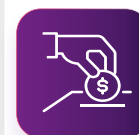
14.8%

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\$4.5 billion. 3 – After leases. 4 – Market cap based on 06/30/2024.

Superior shareholder remuneration reinforced by recent IoC deliberations and accelerated buybacks

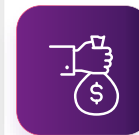
Shareholder Remuneration

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	0.4	Ongoing	
IoC Declared in 2024 ¹	1.5	Before April 30th, 2025	



Share buyback program

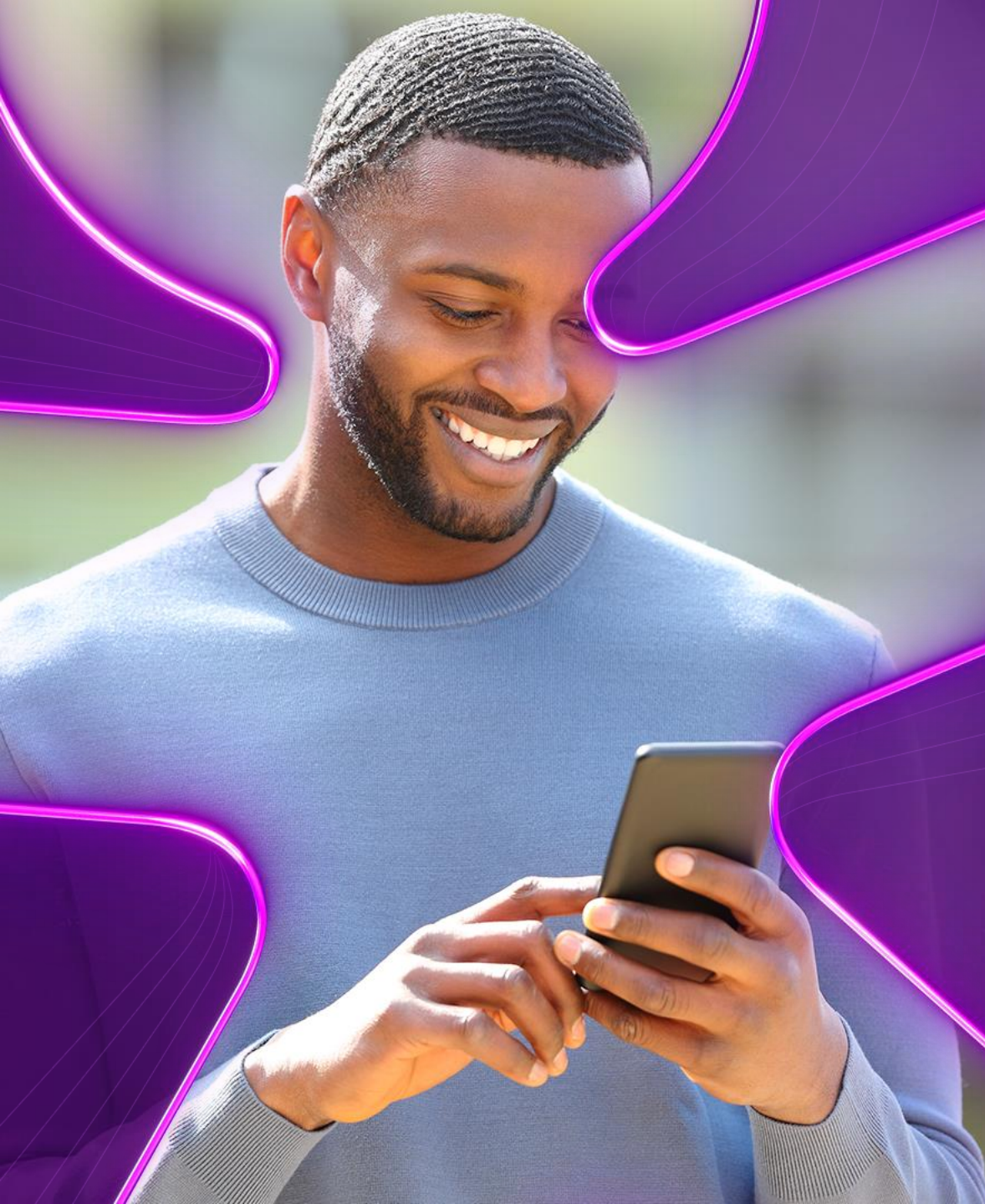
- We already bought back R\$447 million as of July 26th, 2024, equivalent to 9.6 million common shares (0.6% of the Company's capital)



Guidance 2024-26

- Vivo is 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 from January to July 2024.



For further information

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