

# CORPORATE PRESENTATION

**Accelerating core revenues and  
expansion of digital ecosystem**

May 2021



# DISCLAIMER



**This presentation may contain forward-looking statements** concerning future prospects and objectives regarding growth of the subscriber base, a breakdown of the various services to be offered, and their respective results



Due to factors like the Brazilian political and economic activities, the development of competitive technologies, accessibility to capital to achieve those results, and the rise of strong competition in markets in which we operate; **our results may differ from those found in the forward-looking statements**



**The exclusive purpose of such statements is to indicate how we intend to expand our business.** Therefore, they should not be regarded as guarantees of future performance



# VIVO IS THE TELCO MARKET LEADER IN BRAZIL AND HAS THE BEST ASSETS TO CAPTURE GROWTH OPPORTUNITIES AND GENERATE HIGHER RETURNS



## ESG

- Launch of campaign '**United against hunger**'
- **1<sup>st</sup> Brazilian company of the sector** with ISO 26000
- **1<sup>st</sup> Solar Power Plant of the Northern Region** inaugurated
- Vivo considered as the company with the **best reputation of the sector**

Continuous evolution on ESG to deliver on our purpose: '**Digitalize to Bring Closer**'



## Growth Opportunities

- Improvement of **fiber take up and mobile services evolution**
- **New revenue streams** in digital services and IoT
- **5G auction and modernization of regulatory framework**

**Acceleration of fiber deployment and improvement in mobile**



## Evolution of Core Businesses

- **Core Businesses** already represent c. **90%** of Total Revenues
- **Fiber deployment continues at full speed**
- **Multiple initiatives across the digital space** with **Vida V** in e-health, **Vivo Pay** and **Vivo Money** in financial services, and partnerships with **Dotz** and **CDF**

**Total Revenues back to growth with positive outlook in Mobile, Fixed, and Digital Services**



## Efficiency and Returns

- **Acceleration of revenues** changing cost-base mix
- **Digitalization and simplification initiatives** reducing cost of operations
- **Robust Shareholder Remuneration** with **R\$700 million** already distributed in IOC in 2021<sup>1</sup> and **Share Buyback Program**

**Strong FCF and Shareholder Remuneration**



# VIVO'S ESG INITIATIVES ARE AN IMPLICIT COMPONENT OF OUR PURPOSE, "DIGITALIZE TO BRING CLOSER", AND WILL CONTINUE TO EVOLVE IN 2021

## Launch of the Campaign **'United against hunger'**

in partnership with the NGO *Gerando Falcões*, and support of the *Movimento Panela Cheia*, with **Fundação Telefônica Vivo donating two food kits for each one that is donated.**



## **1<sup>st</sup> Brazilian company of the sector** with **ISO 26000** certificate

with **Social Responsibility guidelines** that reinforce our responsible performance, from employees to suppliers and society as a whole



## **1<sup>st</sup> Solar Power Plant** of the Company in the Northern Region

in Marabá-PA, generating up to 2.190 MWh per year, **destined to serve 632 of Vivo's consumption units**

**100% Renewable Energy**



## **Vivo: best reputation in the sector**

**jumping 13 positions** in Merco's national scale (vs. 2019)

More information about our ESG initiatives is available in our 2020 Sustainability Report, available at our [Investor Relations website](#)







# POSITIVE EVOLUTION OF THE REGULATORY FRAMEWORK AND ECONOMIC RECOVERY WILL ENABLE VIVO TO UNLOCK SIGNIFICANT VALUE

## 5G spectrum auction



Likely to focus on **coverage obligations**



Expected to take place in **2H21**



5G DSS **already launched** in 8 major Brazilian cities

## Law 13.879 brings a positive outlook to the sector's regulation



Focused on the possibility of transitioning from **fixed voice concessionaires to an authorization framework**



Companies will be able to significantly reduce their legacy expenditures and **focus investments on modern, future-proof solutions**



Allows for the **automatic renewal of spectrum**



## Brazilian economic outlook

- **Recovery of economic activity** to be sustained by the vaccination process, Government's financial aid, and strong global growth
- Normalization of **interest rates** due to higher inflation, but still at **relatively low levels**
- **Economic reforms are underway** to address fiscal risks

	20A	21E	22E	23E
<b>GDP Growth %</b>	-4.1%	+3.5%	+2.4%	+2.5%
<b>CPI %</b> , EoP	4.5%	5.2%	3.6%	3.3%
<b>FX</b> R\$/US\$ EoP	5.2	5.3	5.4	5.2



# THE BRAZILIAN MARKET IS WITNESSING POSITIVE TRENDS ACROSS KEY SEGMENTS IN WHICH VIVO IS THE LEADING OPERATOR

## Market trends



### Increasing demand for high-speed connectivity

- The pandemic accelerated digital transformation and demand for reliable, quality broadband



### Accelerated Fiber-to-the-home (FTTH) expansion

- Ultra broadband will maintain a double-digit growth in the upcoming years



### New revenue streams and increasing demand for IoT

- Telcos will expand their reach in Digital Services
- IoT to gain traction mainly in Brazil's fleet management, agroindustry, smart buildings and smart cities

## vivo 1Q21 Operating highlights

**96mn**

Total Accesses  
+2.7mn YoY

**46mn**

Postpaid Accesses  
57.7% of Total Mobile Accesses

**33.1%**  
Market-share



**37.0%**  
Market-share



**3.7mn**

FTTH<sup>1</sup> Homes-Connected  
+1.1mn YoY

**16.3mn**

FTTH<sup>1</sup> Homes-Passed  
+4.6mn YoY

**21.2%**  
Market-share



**LATAM's**  
biggest footprint





# VIVO IS TRANSFORMING ITS REVENUE PROFILE AS CORE BUSINESSES REPRESENT ALMOST 90% OF REVENUES

Core evolution

## Core Businesses



Mobile



Handsets



FTTx



IPTV



Digital Services



Data and ICT

## Non-Core Businesses



Fixed Voice



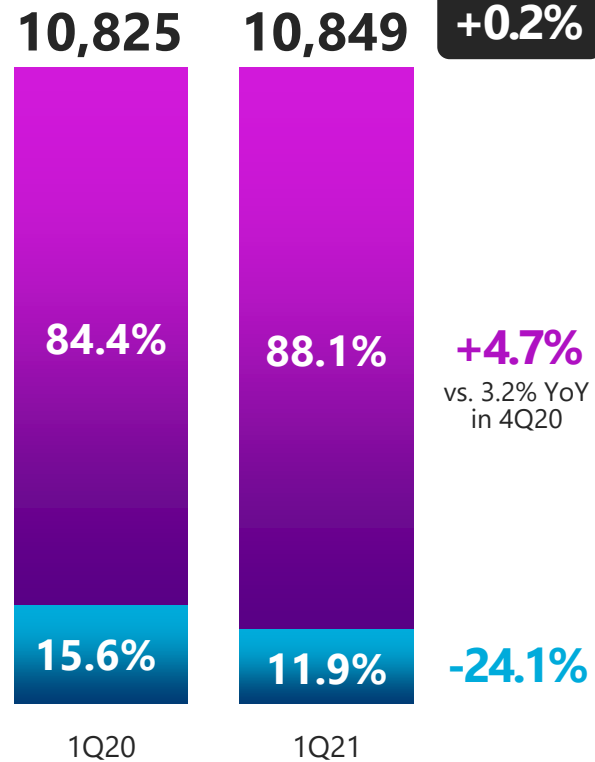
ADSL



DTH

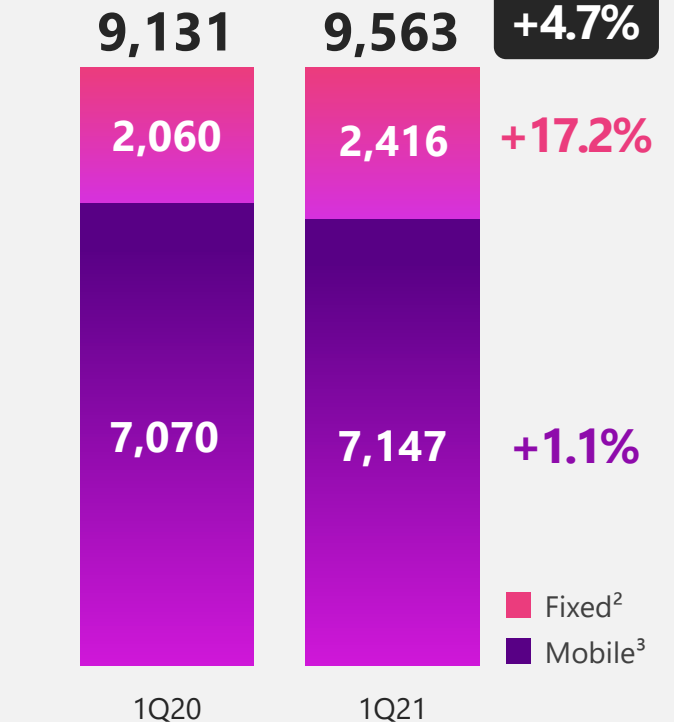
## Total Revenues<sup>1</sup>

R\$ million, %



## Revenues from Core Businesses

R\$ million



Core Businesses Non-Core Businesses

7  
1 – Mobile Revenues: +1.1% YoY, Fixed Revenues: -1.4% .  
2 – Includes FTTH, FTTC, IPTV, Data & ICT, Wholesale Revenues and others.  
3 – Mobile Revenues includes Handset Sales.

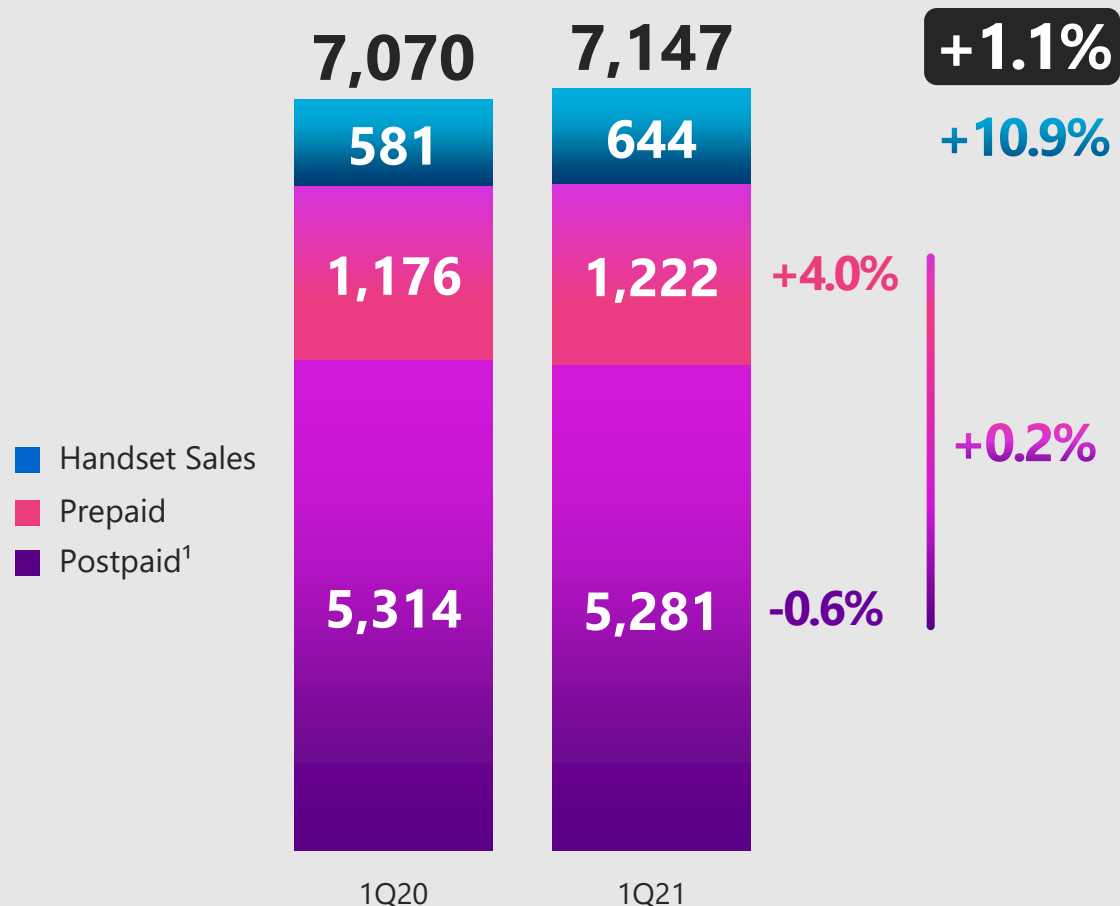


# SUSTAINING MOBILE REVENUE GROWTH DRIVEN BY STRONG PREPAID COMMERCIAL ACTIVITY AND HANDSET SALES

Core evolution

## Mobile Revenues

R\$ million



## Postpaid



**ARPU improvement** through Vivo Selfie co-branded plans, offering digital content and increasing **customer loyalty**

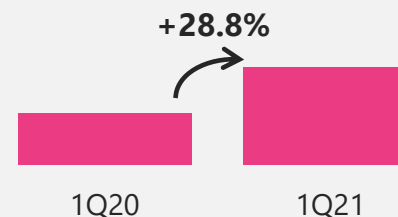
## VIVO EASY



Co-creation of **Vivo Easy**, a **100% digital plan** focused on younger audiences, with **DJ Alok**

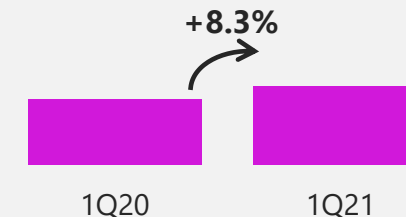
## Prepaid

### Digital Top-ups



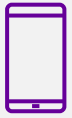
**More intense use of digital channels** through **customer base incentives** and increasing adoption of **Meu Vivo** (e-Care app)

### # of Customers topping-up



**Increased demand** for connectivity and the recognition of Vivo's **superior quality** driving **higher customer base activation**

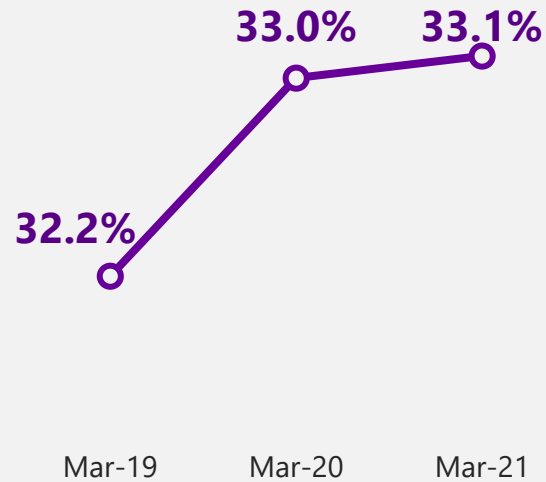




# BEST-IN-CLASS CONNECTIVITY AND CUSTOMER CARE DRIVING CHURN TO RECORD LOW LEVELS IN 1Q21, COMBINED WITH SOLID POSTPAID NET ADDITIONS

Core evolution

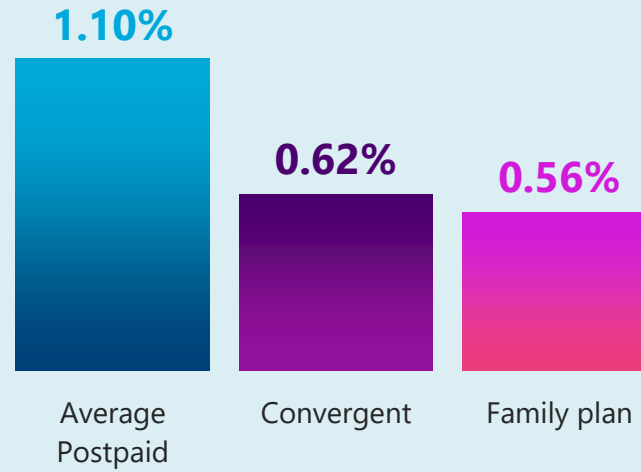
## Mobile Market-share<sup>1</sup>



Quality of service paying off as **Vivo reaffirms its leadership** in mobile

## Postpaid Churn

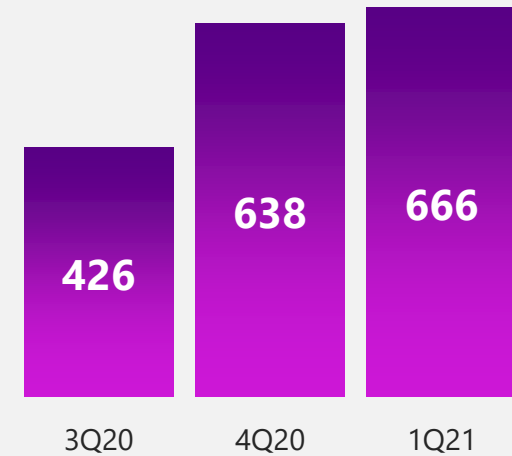
ex-M2M



**Customer loyalty further expanded** by offering a complete portfolio of co-branded plans with recognized digital players

## Postpaid Net Additions

thousands, ex-M2M



**Strong postpaid net additions** for the third quarter in a row, the highest since 2017

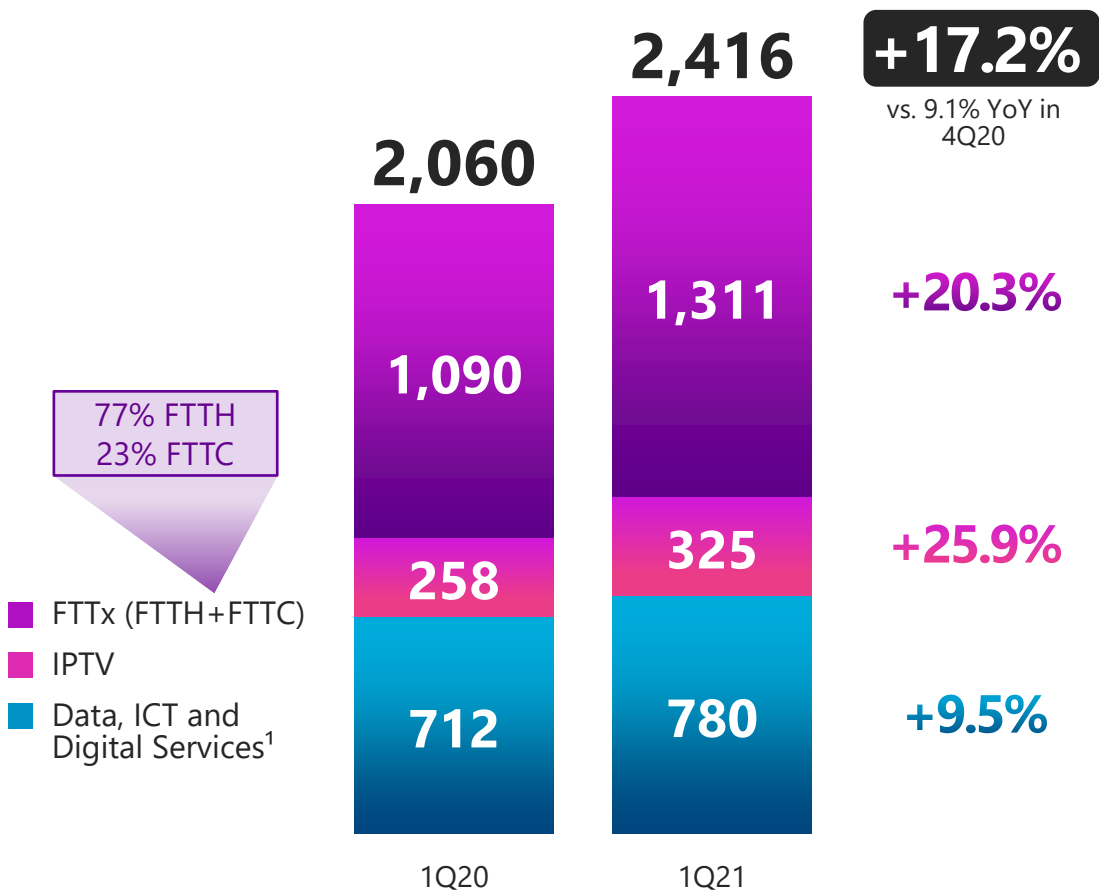


# ROBUST CORE FIXED REVENUE GROWTH DRIVEN BY INCREASING DEMAND FOR HIGH-SPEED CONNECTIVITY AND RELEVANT DIGITAL SERVICES

Core evolution

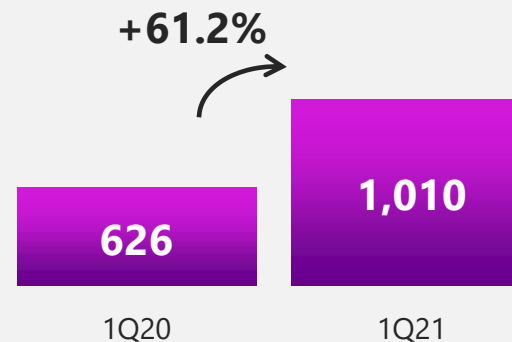
## Core Fixed Revenues<sup>1</sup>

R\$ million



## FTTH

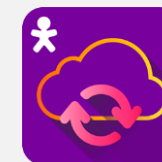
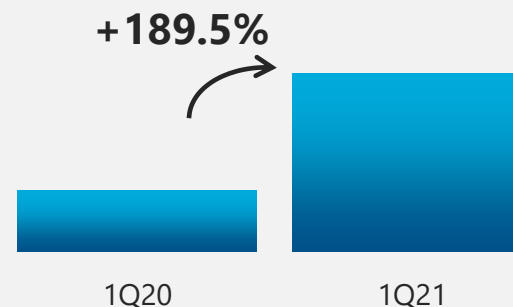
Revenues, R\$ million



Consistent FTTH revenue growth driven by ARPU increase, OTT<sup>2</sup> bundles and higher net additions

## Cloud

Revenues, R\$ million



Convergence of Telco services with a complete portfolio of business solutions, as Vivo pushes to meet B2B customer needs



# INCREASING VOLUME OF FTTH NET ADDITIONS WITH SUPERIOR ARPU SUPPORTED BY ACCELERATED FIBER DEPLOYMENT

Core evolution

## FTTH Net Additions

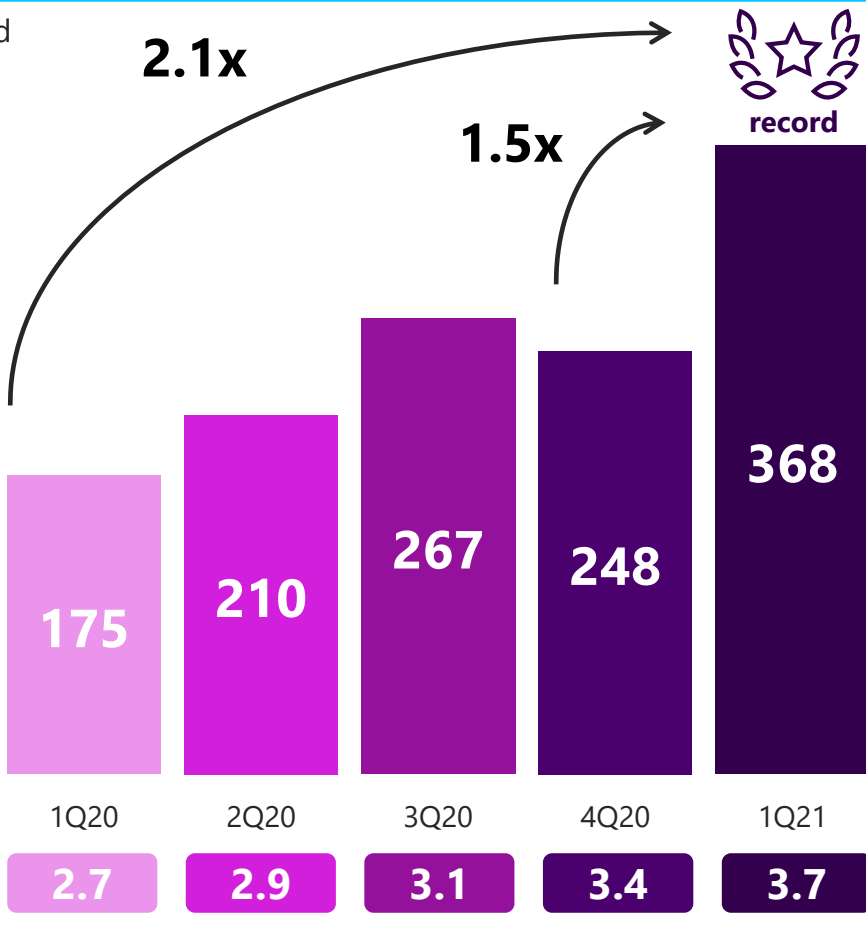
thousand

2.1x

1.5x



record

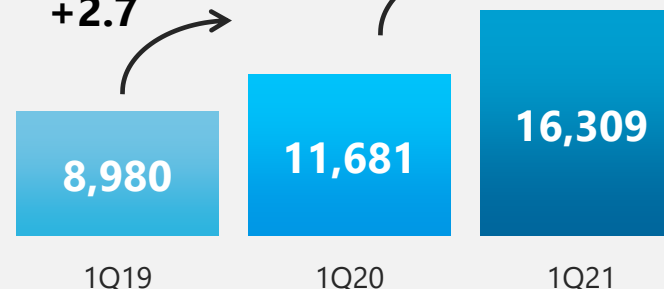


## FTTH Homes Passed

million

+2.7

+4.6



Fiber deployment enhanced by organic expansion and implementation of alternative, Capex light, models

## Addition of high-value customers, improving ARPU

≈30% of Gross additions with:



300Mbps speeds



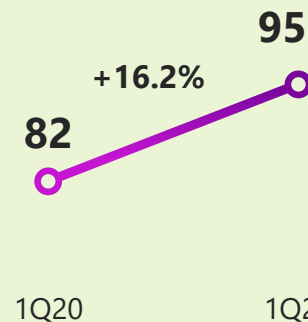
Video OTTs<sup>2</sup>

>35% of Net adds are:



Convergent customers

ARPU, R\$





# FIBRASIL: NEUTRAL FIBER NETWORK WILL BE OPERATIONAL BY 2H21, ACCELERATING FIBER DEPLOYMENT AND REDUCING TIME-TO-MARKET

Core evolution



CDPQ is a Canadian **long-term institutional investor**, with **investments in >65 countries**, including Latin America.

## Milestones

04/06/21

CADE approval

04/23/21

European Anti-Trust Agency approval

Pending

ANATEL approval

2H21

FiBrasil **fully operational**

## FiBrasil Overview



Aim is to **accelerate fiber deployment** and **capture value through wholesale to third-parties**



Vivo to **carve out 1.6 million** brownfield HPs outside the state of São Paulo



**Capex light model** where Vivo **manages the relationship with the customer** and remunerates FiBrasil for the use of network



**Expansion** of the present footprint to **>5 million FTTH HPs in 4 years**



Deployment in **greenfield cities** and **organic expansions in brownfield cities**



# VIVO IS EXPANDING ITS PORTFOLIO AND CREATING A DIGITAL ECOSYSTEM, TEAMING UP WITH THE TOP PLAYERS OF THESE SEGMENTS

Core evolution

## Launch of e-Health Platform

# VIDA V

Powered By  TELADOC

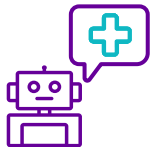
**Binding agreement** with **Teladoc**, one of the largest telemedicine companies in the world, as another step towards building a **health and wellness hub around Vivo**



**Immediate and scheduled** doctors' appointments



**Discount in >27k drugstores** throughout Brazil



**Pre-screening of symptoms** through AI



**Digital** certificates, exam requests and prescriptions



- Focus on **population without private health plans**
- Not exclusive to Vivo Customers**
- Platform to include **other health players & partners**

## Equity Stake Partnerships

**Agreements with top players** in their segment, generating value to Vivo:

- Leveraging on combined capabilities **resulting in increased ARPU and engagement**
- Minority stake** in high-potential businesses



**Engagement platform** with **48 million** customers

- Increasing customer preference through Dotz loyalty program
- Acceleration of Vivo's digital services, such as Vivo Money
- Entry in new ecosystem with >5,000 POS and 100 partners

# CDF.

B2B2C **marketplace** for **Home Service** and **Premium Tech Support**

- Expansion Vivo Guru's portfolio of services
- Address the Smart Home opportunity
- Higher customer loyalty and monetization





# LAUNCH OF VIVO PAY AND EXPANSION OF VIVO MONEY GENERATE MORE BENEFITS AND ENHANCE LIFETIME VALUE

Core evolution

## vivo PAY

### Vivo's free digital account



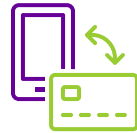
**Virtual Prepaid Card**  
for online shopping



**Cash transfers** to other  
banks via PIX



**Prepaid top-ups**



**Credits** for mobile apps  
like Google Play, Uber,  
Spotify and iFood



**Payment of  
bills**



**Gigaback: Up to 20GB** in  
extra data for customers  
that open their account

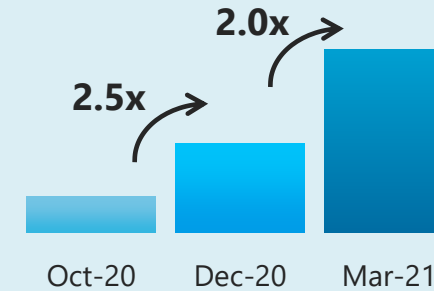
- **Not exclusive to Vivo customers**
- Focus on **hybrid and prepaid customers** with top-up recurrency and low bankarization
- **Cross-benefits** with other financial services initiatives



## vivo MONEY

### Credit origination

R\$ million



**Personal loan service**, initially focused on postpaid and hybrid customers. **Easy and 100% digital loans**, with extremely competitive interest rates offered

## vivo ITAUCARD



Co-branded credit card with **Itaú Bank** to stimulate sales in **Vivo's stores** and **digital marketplace**

Allows for payments in 21 monthly installments and offers **Cashback of up to 10% on products and services**

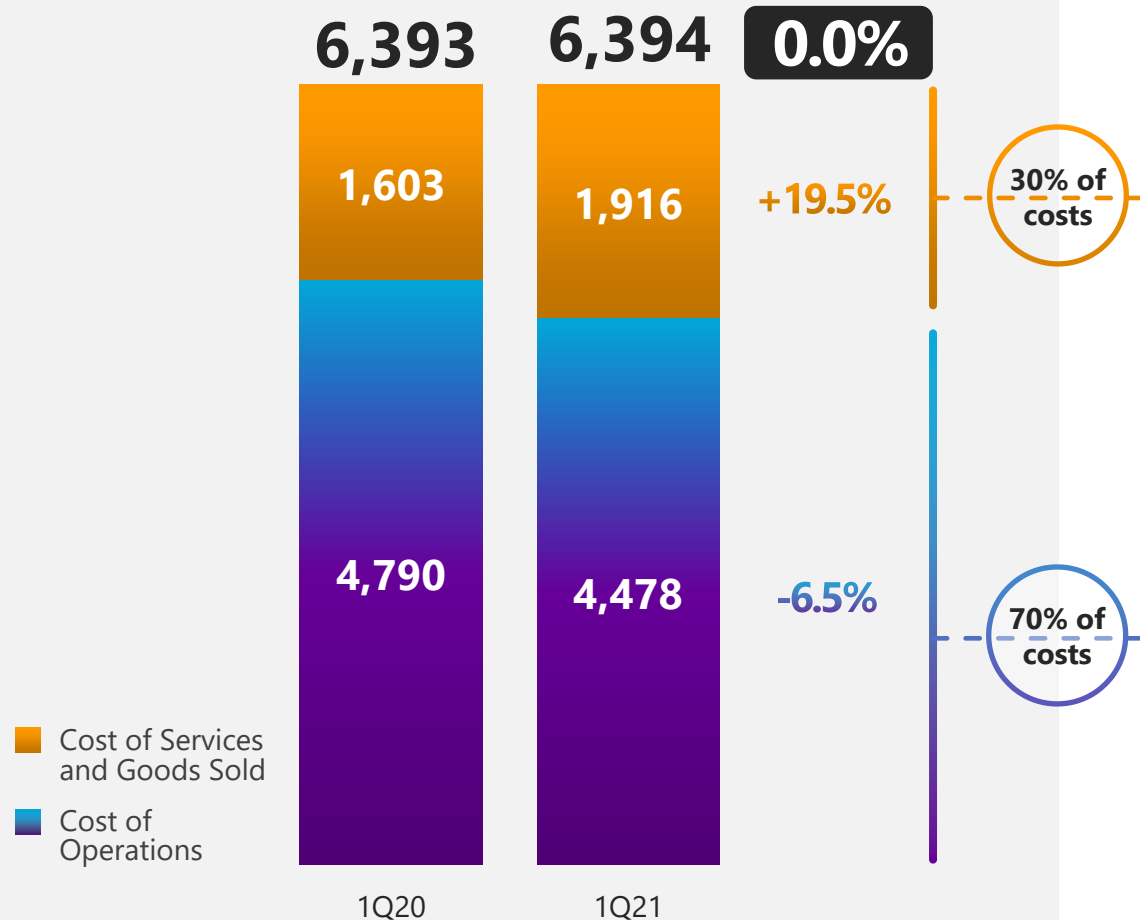


# THE ACCELERATION OF VIVO'S REVENUES AND SHIFT TOWARDS BECOMING A DIGITAL HUB IS TRANSFORMING THE COST BASE

Efficiencies & returns

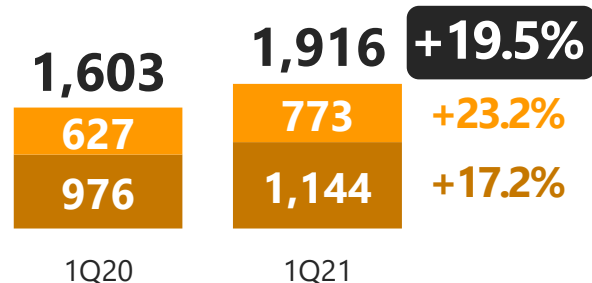
## Total Costs<sup>1</sup>

R\$ million



## Cost of Services and Goods Sold

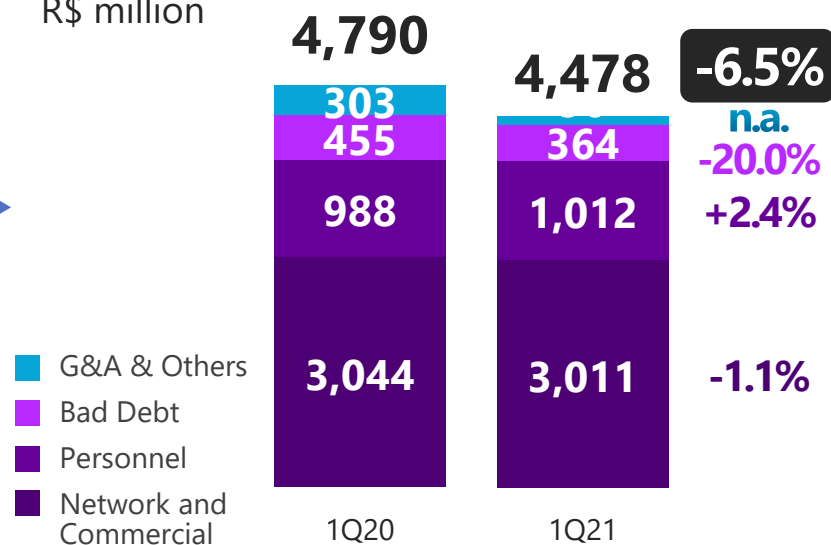
R\$ million



- **COGS** impacted by acceleration of **B2C** and **B2B equipment sales**
- **Cost of Services** driven by gradual **B2B recovery**, **FISTEL** related to increased customer base, **digital content** and **services**

## Cost of Operations<sup>1</sup>

R\$ million



- **Cost reduction** bound to **call center, billing** and **collections efficiencies**
- **Decrease** of commercial costs due to **higher usage of digital channels**



# AN EFFICIENCY-ORIENTED MINDSET IS FAST-TRACKING THE DIGITALIZATION AND SIMPLIFICATION JOURNEY, IMPROVING CUSTOMER EXPERIENCE AND REDUCING COSTS

Efficiencies & returns

## Automation



VIVO BOTS

917

Robots executing Automated Processes

91%

Assertiveness

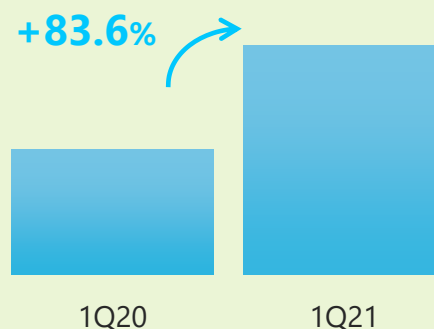


More than **R\$200 million** in savings of front and back-office processes since Dec-20

## e-Commerce

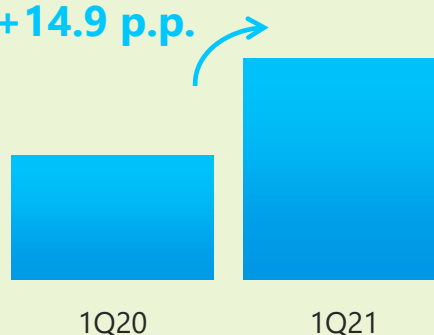
### Digital FTTH Sales

+83.6%



### Share of digital pre to postpaid migrations

+14.9 p.p.



## e-Care



19.4mn

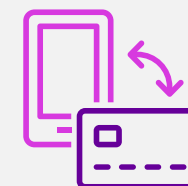
Unique Users Meu Vivo

+2.7 million YoY

88%

e-Billing

+13.6 p.p. YoY



65%

Payments using digital platforms

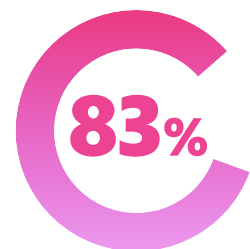
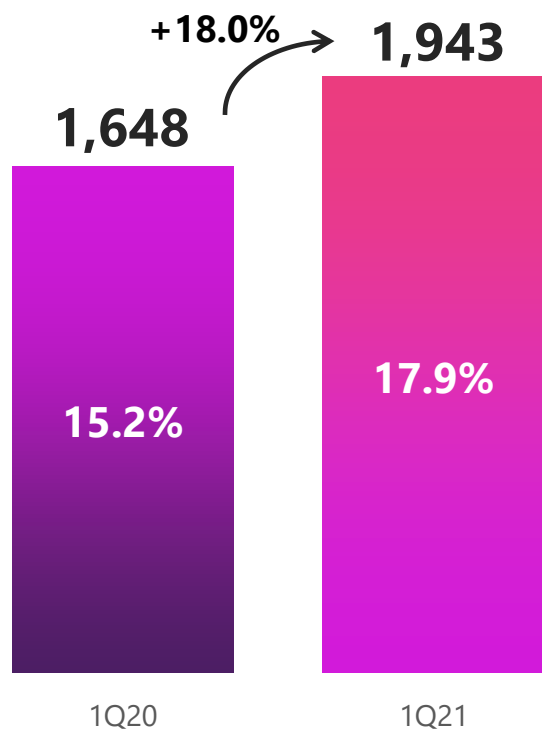


# INVESTMENTS IN UPGRADED MOBILE COVERAGE AND FIBER DRIVEN BY INCREASED DATA CONSUMPTION AND FTTH NET ADDITIONS

Efficiencies & returns

## CAPEX

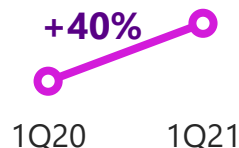
- Capex, R\$ Million
- Capex/Sales, %



83% of Capex dedicated to **Growth** and **Transformation**

Higher investment in FTTH driven by **accelerated fiber deployment** and **net additions**

FTTH Capex YoY %



**Fiber-to-the-Site** in the 50 biggest cities

## Preparation for 5G



- **Solid competitive advantage** from the start as Vivo has the **country's largest fiber footprint**



- **Initial launch** 5G DSS in 8 major Brazilian cities

## RAN Sharing with Tim



### Single Grid

- 4G Coverage Expansion: **348 cities each already implemented**
- Consolidation: **pilot is positively progressing in 50 cities** (25 each)



### 2G Switch-off

- **Tests advancing as planned** and rollout expected by 3Q21

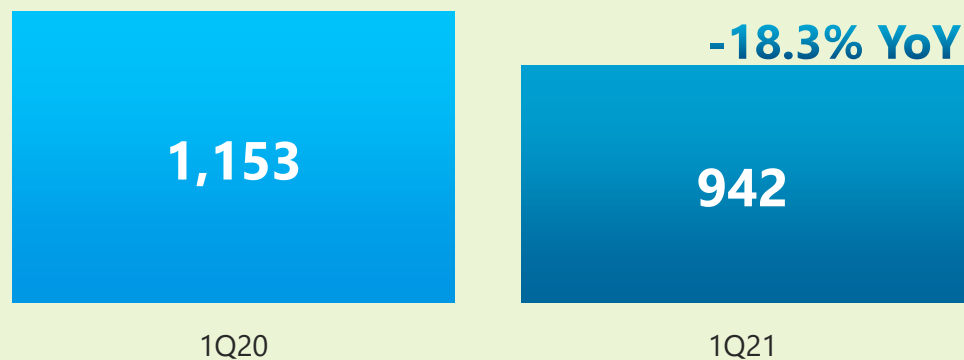


# ELEVATED SHAREHOLDER REMUNERATION SUPPORTED BY NET PROFIT GENERATION AND ESCALATED SHARE BUYBACK PROGRAM

Efficiencies & returns

## Net Income

R\$ million



## Payment Schedule based on 2020 Net Income

### First Tranche

**R\$2.6 billion**

Jul 13<sup>th</sup>, 2021

### Second Tranche

**R\$2.8 billion**

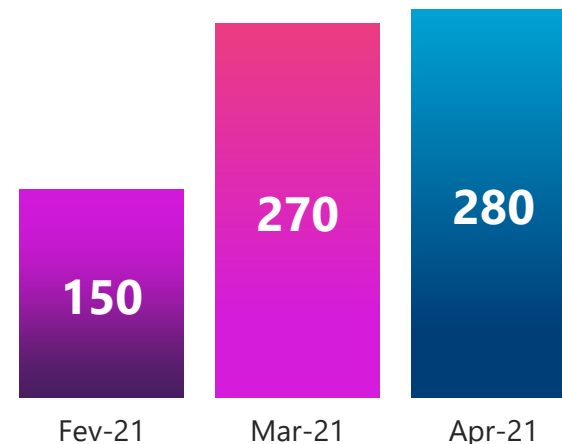
Oct 05<sup>th</sup>, 2021



DPS<sup>1</sup>:  
**R\$3.25<sup>2</sup>**

## Shareholder Remuneration

R\$ million



**R\$0.7 billion**  
declared as of  
April 2021

Dividend  
Yield LTM:  
**7.9%**

## Share Buyback



**5.4mn**  
**Shares in treasury<sup>3</sup>**



**0.32%**  
**of the Total Capital**



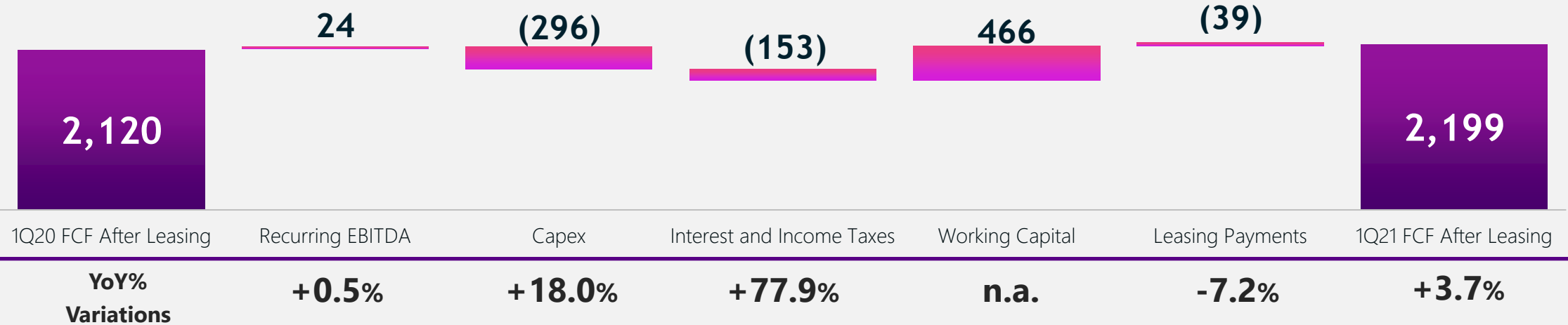


# FREE CASH FLOW ROSE 3.7% YOY IN 1Q21 DUE TO VIVO'S ROBUST OPERATING AND FINANCIAL MANAGEMENT RESULTING IN SOLID BALANCE SHEET AND IMPROVED METRICS

Efficiencies & returns

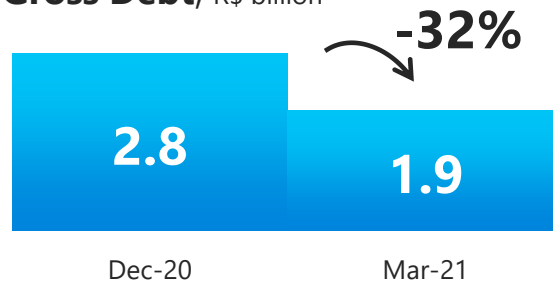
## Free Cash Flow<sup>1</sup>

R\$ million, Δ a/a



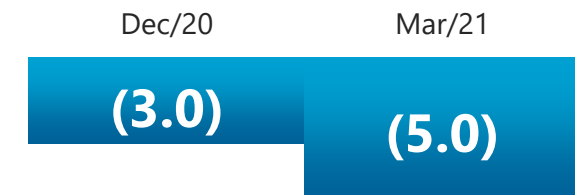
## Leverage

Gross Debt, R\$ billion



Strong **net cash position** reinforcing Vivo's sound financials

Net Debt (Cash), R\$ billion





For further information:

## Investor Relations

[www.telefonica.com.br/ir](http://www.telefonica.com.br/ir)

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NYSE

[B]<sup>3</sup>  
BRASIL  
BOLSA  
BALCÃO





# 1Q21 HIGHLIGHTS

Consolidated in R\$ million	1Q21	1Q20	Δ% YoY
<b>Net Operating Revenue</b>	<b>10.849</b>	<b>10.825</b>	<b>0,2</b>
Core Revenue <sup>1</sup>	9.563	9.131	4,7
Mobile Revenue	7.147	7.070	1,1
Fixed core revenue	2.416	2.060	17,2
Non-core Revenue <sup>2</sup>	1.286	1.694	(24,1)
<b>Recurring Total Costs<sup>3</sup></b>	<b>(6.394)</b>	<b>(6.393)</b>	<b>0,0</b>
<i>Reported Total Costs</i>	<i>(6.394)</i>	<i>(6.318)</i>	<i>1,2</i>
<b>Recurring EBITDA<sup>3</sup></b>	<b>4.455</b>	<b>4.431</b>	<b>0,5</b>
<b>Recurring EBITDA Margin<sup>3</sup></b>	<b>41,1%</b>	<b>40,9%</b>	<b>0,1 p.p.</b>
<i>Reported EBITDA</i>	<i>4.455</i>	<i>4.507</i>	<i>(1,1)</i>
<i>Reported EBITDA Margin</i>	<i>41,1%</i>	<i>41,6%</i>	<i>(0,6) p.p.</i>
<b>Net Income</b>	<b>942</b>	<b>1.153</b>	<b>(18,3)</b>
<b>CAPEX   EX-IFRS 16</b>	<b>1.943</b>	<b>1.648</b>	<b>18,0</b>
<b>Free Cash Flow<sup>4</sup></b>	<b>2.199</b>	<b>2.120</b>	<b>3,7</b>
<b>Core Revenue / Net Revenue</b>	<b>88,1%</b>	<b>84,4%</b>	<b>3,8 p.p.</b>
<b>Non-core Revenue / Net Revenue</b>	<b>11,9%</b>	<b>15,6%</b>	<b>(3,8) p.p.</b>
<b>Total Subscribers (Thousand)</b>	<b>95.809</b>	<b>93.082</b>	<b>2,9</b>
Core Subscribers	85.816	80.529	6,6
% / total accesses	89,6%	86,5%	3,1 p.p.
Non-core Subscribers	9.993	12.553	(20,4)
% / total accesses	10,4%	13,5%	(3,1) p.p.

1 – Total Revenue excluding fixed voice, xDSL and DTH.

2 – Fixed voice, xDSL and DTH revenues.

3 – Excludes the positive effect related to the sale of towers and rooftops in the amount of R\$75.7 million in 1Q20.

4 – Free cash flow after payment of Leasing. Excludes R\$470 million received from the sale of towers and rooftops in 1Q20.



# 1Q21 MOBILE AND FIXED REVENUES

## NET OPERATING REVENUES | MOBILE SERVICES

Consolidated in R\$ million	1Q21	1Q20	Δ% YoY
<b>NET MOBILE REVENUE</b>	<b>7.147</b>	<b>7.070</b>	<b>1,1</b>
<b>Mobile Service Revenue</b>	<b>6.503</b>	<b>6.489</b>	<b>0,2</b>
Postpaid	5.281	5.314	(0,6)
Prepaid	1.222	1.176	4,0
<b>Handset Revenues</b>	<b>644</b>	<b>581</b>	<b>10,9</b>

## NET OPERATING REVENUES | FIXED SERVICES

### NET OPERATING REVENUES | FIXED SERVICES

Consolidated in R\$ million	1Q21	1Q20	Δ% YoY
<b>NET FIXED REVENUE</b>	<b>3.702</b>	<b>3.754</b>	<b>(1,4)</b>
<b>Core fixed revenue<sup>1</sup></b>	<b>2.416</b>	<b>2.060</b>	<b>17,2</b>
<b>FTTx</b>	<b>1.311</b>	<b>1.090</b>	<b>20,3</b>
FTTH	1.010	626	61,2
<b>IPTV</b>	<b>325</b>	<b>258</b>	<b>25,9</b>
<b>Corporate Data, ICT and others</b>	<b>780</b>	<b>712</b>	<b>9,5</b>
<b>Non-core fixed revenue<sup>2</sup></b>	<b>1.286</b>	<b>1.694</b>	<b>(24,1)</b>
<b>Core fixed revenue / Net fixed revenue</b>	<b>65,3%</b>	<b>54,9%</b>	<b>10,4 p.p.</b>
<b>Non-core fixed revenue / Net fixed revenue</b>	<b>34,7%</b>	<b>45,1%</b>	<b>(10,4) p.p.</b>



# 1Q21 MOBILE OPERATING FIGURES

Thousand	1Q21	1Q20	Δ% YoY
<b>TOTAL MOBILE SUBSCRIBERS</b>	<b>79.682</b>	<b>74.749</b>	<b>6,6</b>
Postpaid	46.013	43.725	5,2
<i>M2M</i>	<i>10.692</i>	<i>10.415</i>	<i>2,7</i>
Prepaid	33.669	31.024	8,5
<b>MARKET SHARE<sup>1</sup></b>	<b>33,1%</b>	<b>33,0%</b>	<b>0,1 p.p.</b>
Postpaid <sup>1</sup>	37,0%	39,0%	(2,0) p.p.
Prepaid <sup>1</sup>	28,9%	27,1%	1,8 p.p.
<b>ARPU (R\$/month)</b>	<b>27,3</b>	<b>29,0</b>	<b>(5,6)</b>
Postpaid (Human)	49,7	51,3	(3,1)
M2M	3,0	3,0	(0,8)
Prepaid	12,1	12,5	(3,5)
<b>MONTHLY CHURN</b>	<b>2,9%</b>	<b>3,1%</b>	<b>(0,2) p.p.</b>
Postpaid (ex-M2M)	1,1%	1,5%	(0,4) p.p.
Prepaid	4,8%	5,1%	(0,3) p.p.





# 1Q21 FIXED OPERATING FIGURES

Thousand	1Q21	1Q20	Δ% YoY
<b>TOTAL FIXED SUBSCRIBERS</b>	<b>16.127</b>	<b>18.333</b>	<b>(12,0)</b>
<b>Core fixed subscribers<sup>1</sup></b>	<b>6.134</b>	<b>5.780</b>	<b>6,1</b>
<b>FTTx</b>	<b>5.220</b>	<b>5.027</b>	<b>3,8</b>
FTTH	3.746	2.652	41,2
<b>IPTV</b>	<b>914</b>	<b>753</b>	<b>21,3</b>
<b>Non-core fixed subscribers</b>	<b>9.993</b>	<b>12.553</b>	<b>(20,4)</b>
<b>ARPU   FTTH (R\$/month)</b>	<b>94,7</b>	<b>81,5</b>	<b>16,2</b>
<b>ARPU   IPTV (R\$/month)</b>	<b>119,6</b>	<b>117,0</b>	<b>2,2</b>
<b>Core fixed subscribers<sup>1</sup> / Total Fixed subscribers</b>	<b>38,0%</b>	<b>31,5%</b>	<b>6,5 p.p.</b>
<b>Non-core fixed subscribers<sup>2</sup> / Total Fixed subscribers</b>	<b>62,0%</b>	<b>68,5%</b>	<b>(6,5) p.p.</b>



# 1Q21 IFRS INCOME STATEMENT

Consolidated in R\$ million	1Q21	1Q20	Δ% YoY
<b>Gross Operating Revenue</b>	<b>16.036</b>	<b>15.804</b>	<b>1,5</b>
<b>Net Operating Revenue</b>	<b>10.849</b>	<b>10.825</b>	<b>0,2</b>
Core Revenue <sup>1</sup>	9.563	9.131	4,7
Mobile core revenue	7.147	7.070	1,1
Fixed core revenue	2.416	2.060	17,2
Non-core Revenue <sup>2</sup>	1.286	1.694	(24,1)
<b>Total Costs</b>	<b>(6.394)</b>	<b>(6.318)</b>	<b>1,2</b>
<b>Cost of Services and Products sold</b>	<b>(1.916)</b>	<b>(1.603)</b>	<b>19,5</b>
Services	(1.144)	(976)	17,2
Products sold	(773)	(627)	23,2
<b>Costs from Operations</b>	<b>(4.478)</b>	<b>(4.714)</b>	<b>(5,0)</b>
Personnel	(1.012)	(988)	2,4
Commercial and Infrastructure	(3.011)	(3.044)	(1,1)
Provision for Bad Debt	(364)	(455)	(20,0)
General and Administrative	(303)	(305)	(0,6)
Other Net Operating Revenue (Expenses)	213	77	175,1
<b>EBITDA</b>	<b>4.455</b>	<b>4.507</b>	<b>(1,1)</b>
EBITDA Margin %	41,1%	41,6%	(0,6) p.p.
<b>Depreciation and Amortization</b>	<b>(2.905)</b>	<b>(2.745)</b>	<b>5,9</b>
<b>EBIT</b>	<b>1.550</b>	<b>1.762</b>	<b>(12,1)</b>
<b>Financial Result</b>	<b>(315)</b>	<b>(195)</b>	<b>61,7</b>
<b>Gain (Loss) on Investments</b>	<b>2</b>	<b>1</b>	<b>n.a.</b>
<b>Taxes (Income tax / Social contribution)</b>	<b>(295)</b>	<b>(415)</b>	<b>(28,9)</b>
<b>Net Income</b>	<b>942</b>	<b>1.153</b>	<b>(18,3)</b>

1 – Total Revenue excluding fixed voice, xDSL and DTH.

2 – Fixed voice, xDSL and DTH revenues.