Telefônica Brasil S.A. (VIV)

Updated April 3rd, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$16.03	**5 Year Annual Expected Total Return:**	0.6%	**Market Cap:**	$25.6 B
Fair Value Price:	$13.00	**5 Year Growth Estimate:**	0.0%	**Ex-Dividend Date:**	03/26/2026
% Fair Value:	123%	**5 Year Valuation Multiple Estimate:**	-4.1%	**Dividend Payment Date:**	04/14/2026
Dividend Yield:	4.4%	**5 Year Price Target**	$13.00	**Years Of Dividend Growth:**	0
Dividend Risk Score:	F	**Sector:**	Communication Services	**Rating:**	Sell

Overview & Current Events

Telefônica Brasil S.A., branded as Vivo, is the largest telecommunications operator in Brazil, serving over 100 million mobile and fixed accesses with mobile, fixed-line, broadband, and fiber services across the country. The company holds a leading position in Brazil's mobile market and operates one of the country's largest fiber networks, with revenues primarily driven by wireless and data services as customers continue to migrate toward higher-speed connectivity and digital solutions. Telefônica Brasil has a market cap of $25.6 billion and tends to pay dividends on a monthly basis.

On February 23rd, 2026, Telefônica Brasil posted its Q4 and full-year results for the period ending December 31st, 2025. The company generated quarterly revenue of $2.83 billion, up 7.1% year over year, driven by sustained growth in postpaid mobile, FTTH, and digital services, with mobile service revenue up 7.0% and FTTH revenue up 9.8%. EBITDA increased 8.1% year over year to $1.22 billion, with the EBITDA margin expanding to 42.9%, reflecting improved operational efficiency and solid commercial momentum despite persistent personnel expenses. Net income grew 6.5% year-over-year to $340 million, while EPS increased 8.6% year over year to $0.11. For FY2026, we expect EPS of $1.00.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.69	$0.88	$1.49	$0.78	$0.54	$0.69	$0.47	$0.61	$0.63	$0.34	***$1.00***	***$1.00***
DPS	---	---	---	---	$0.21	$0.64	$0.40	$0.62	$0.42	$0.54	***$0.70***[1]	***$0.70***
Shares[2]	3377	3377	3377	3377	3377	3366	3342	3317	3286	3224	***3224***	***3200***

Over the past decade, Telefônica Brasil's earnings have been shaped by three main forces. Specifically, the company's results have been affected by the shift from legacy voice to data and fiber, large network investment cycles, and the Brazilian macro and currency environment.

EPS growth through 2017 and into 2018 was driven by expanding mobile and data revenues, improved service pricing and broader adoption of postpaid and broadband products as legacy voice declined and network investments began to pay off, driving better profitability. After a weaker 2019–2020 period marked by softer consumer spending and the pandemic, which slowed roaming, equipment sales and put pressure on margins while CapEx stayed elevated, results began to recover in 2021–2022 as demand for high-speed connectivity and enterprise data services strengthened.

In 2023, stronger local-currency net income, driven by continued mobile service growth, fiber expansion and stable margins, lifted earnings, and 2024 saw EPS remain firm as service revenue growth persisted alongside disciplined cost control, even as competitive pressures and investment in 5G and FTTH networks weighed on net margins. In contrast, 2025 was characterized by significant financial headwinds, as elevated interest rates and the impact of tax regulatory changes weighed on net profitability, dragging full-year EPS down to $0.34 despite robust operational performance.

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[1] Estimated figure based on variable dividend monthly payments and potential for additional capital returns ex-buybacks.
[2] Share count is in millions.

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Part of the year-to-year movement in the above U.S.-dollar EPS history also reflects the significant depreciation of the Brazilian real relative to the dollar over this period, which increased EPS volatility when translated into U.S. dollars even if the underlying Brazilian real results grew more steadily.

We forecast 0% growth in EPS and DPS as they can move either way due to the tug-of-war between steady mobile and fiber growth and ongoing competition, heavy investment and costs, and swings in the Brazilian real versus the U.S. dollar, which can materially affect reported results for U.S. investors.

The company pays a dividend on a monthly basis. However, this has only been the case since May 2025, and given the way the board thinks about dividends can change abruptly, investors should be careful when it comes to trusting today's condition. Also payouts vary from month to month, so forecasting future dividends is entirely impossible. Brazil now imposes a 10% withholding tax on dividends for non-residents.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	---	---	---	---	12.3	9.6	16.0	12.7	13.9	38.3	***16.0***	***13.0***
Avg. Yld.	---	---	---	---	3.2%	9.7%	5.3%	8.0%	4.8%	4.1%	***4.4%***	***5.4%***

Telefônica Brasil has generally traded at a low-teens earnings multiple, which is typical for a large, mature telecom with stable cash flows but limited structural growth. Today, shares trade at about 16x our expected EPS, likely showing that investors believe earnings visibility has improved today following a heavy phase of investing. Still, to account for the lack of overall expected growth from a legacy dinosaur business as well as a "Brazil discount" we have set our fair P/E at 13x, implying the possibility of a significant valuation headwind ahead.

Safety, Quality, Competitive Advantage, & Recession Resiliency

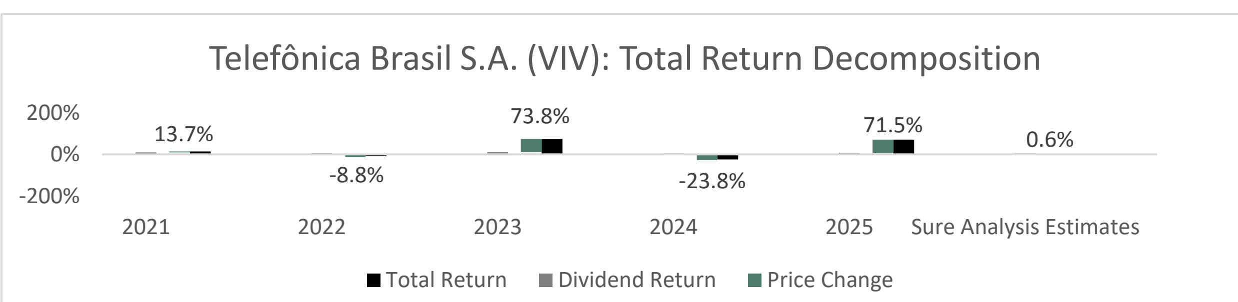
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	---	---	---	39%	93%	85%	102%	67%	158%	***70%***	***70%***

Telefônica Brasil operates infrastructure that people and businesses rely on every day, which makes demand for its services relatively stable even when the economy weakens. Its scale and nationwide network give it a real advantage in coverage, cost efficiency, and service quality that is hard for smaller competitors to match. A large base of postpaid and broadband customers makes revenues more recurring and predictable than in most consumer businesses. In a downturn, usage and upgrades may slow, but connectivity is usually one of the last expenses customers cut, which helps keep cash flow and profitability relatively resilient. Still, non-Brazil-based investors need be careful about FX risks.

Final Thoughts & Recommendation

Overall, Telefônica Brasil is a stable, cash-generative market leader with strong competitive positioning, but limited growth and meaningful currency and valuation headwind risks mean the stock may struggle to generate positive returns over the medium term. For this reason, and the lack of progressive dividend growth, we rate the stock as a sell.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	12,061	12,195	13,533	11,887	11,222	8,361	8,160	9,302	10,431	10,359
Gross Profit	5,507	5,695	6,591	5,622	5,023	3,504	3,132	3,536	4,063	4,082
Gross Margin	45.7%	46.7%	48.7%	47.3%	44.8%	41.9%	38.4%	38.0%	38.9%	39.4%
SG&A Exp.	3,867	3,988	4,416	7,602	3,853	2,791	2,633	2,822	3,082	2,997
D&A Exp.	2,040	2,196	2,460	2,289	2,768	2,177	2,231	2,451	2,681	2,634
Operating Profit	1,418	1,564	1,991	1,729	1,593	1,040	1,044	1,042	1,387	1,533
Operating Margin	11.8%	12.8%	14.7%	14.5%	14.2%	12.4%	12.8%	11.2%	13.3%	14.8%
Net Profit	1,024	1,172	1,444	2,442	1,268	925	1,154	786	1,009	1,031
Net Margin	8.5%	9.6%	10.7%	20.5%	11.3%	11.1%	14.1%	8.4%	9.7%	10.0%
Free Cash Flow	929	1,139	1,339	936	2,252	2,143	1,627	1,752	1,997	1,957
Income Tax	291	301	351	643	353	240	(50)	150	107	224

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	26,572	32,747	30,564	26,462	26,920	20,935	20,765	22,562	24,855	20,224
Cash & Equivalents	1,429	1,683	1,345	971	913	1,143	1,182	543	912	1,108
Accounts Receivable	2,094	2,674	2,589	2,143	2,168	1,575	1,454	1,646	1,918	1,533
Inventories	153	126	105	119		122	115	150	169	178
Goodwill & Int. Ass.	11,528	13,667	13,063	10,894	-	7,813	7,918	9,418	10,080	7,812
Total Liabilities	9,241	11,472	9,623	7,987		7,543	8,197	9,596	10,522	8,926
Accounts Payable	2,116	2,372	2,245	1,972	1,708	1,273	1,281	1,405	1,682	1,494
Long-Term Debt	2,251	1,415	1,652	1,220	504	2,275	2,322	3,179	3,734	3,046
Shareholder's Equity	5,843	7,173	7,060	6,229	5,905	13,391	12,568	12,956	14,321	11,287
LTD/E Ratio	0.15	0.13	0.12	0.09	0.20	0.19	0.24	0.28	0.27	0.30

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	3.7%	4.0%	4.6%	8.6%	4.7%	3.9%	5.5%	3.6%	4.3%	4.6%
Return on Equity	6.0%	6.1%	6.8%	12.4%	7.0%	6.0%	8.9%	6.2%	7.4%	8.0%
ROIC	5.2%	5.3%	6.1%	11.2%	6.2%	5.0%	7.3%	4.9%	5.8%	6.3%
Shares Out.	2982	3377	3377	3377	3377	3377	3366	3342	3317	3286
Revenue/Share	8.09	7.22	8.01	7.04	6.65	4.95	4.85	5.57	6.29	6.30
FCF/Share	0.62	0.67	0.79	0.55	1.33	1.27	0.97	1.05	1.20	1.19

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.