

Brazil TMT

Anatel Data - January: Broadband accelerates; postpaid once again strong

Industry Overview

Broadband: Slight acceleration across the board

Broadband net adds had a slight acceleration across the board. Vivo's fiber net adds increased to 58k from 55k in December. Vivo's consolidated net adds (all technologies) reached 32k, up from 29k in December. Claro (AMX) fiber net adds increased to 46k vs 42k in December. For all technologies, Claro posted 32k net adds vs 21k in December. TIM's net adds accelerated to +4k from -1k in December. Oi posted -14k net disconnections vs -37k in December.

Broadband: Desktop accelerates; Brisanet Flat

For the ISPs, Brisanet posted 12k net adds, flattish MoM. Desktop posted a solid acceleration to 10k, up from 5k in December. Unifone reported 28k net adds, likely mostly due to the incorporation of acquisitions (2k in December).

Postpaid: Strong performance continues across the board

On postpaid, Claro was the best performer with 344k net adds, down from 352k in December. Vivo posted a solid 264k net adds up from 214k in December. TIM posted flattish results MoM, with 122k net adds.

Prepaid: Claro continues to outperform

Claro once again reported solid results with 130k net adds in December, but down from 175k in December. Vivo and TIM reported a deceleration. Vivo had -84k net disconnections, from +85k net adds in December. TIM reported -124k net disconnections, down from -34k in December.

Our take: Broadband - Acceleration for Large Telcos

January was a solid month for Larger Telcos on broadband, with an acceleration after a soft December (seasonal impact). We highlight the strong continuous performance by Vivo and Claro in broadband, which we expect should continue given the phase out of legacy technologies. For the ISPs, net adds pace remained relatively similar, with an improvement for Desktop

Our take: Mobile – Postpaid remains strong

Large Telcos continued to post strong results, which we believe represent further upside for MSR growth for 2024. We highlight we already expect all large Telcos to post MSR growth of >6% in 2024, but this could be boosted by positive net adds. On prepaid, although TIM decelerated, disconnections have been limited given the recent price hikes in the segment, which we see as a positive sign for further price hikes. (see: [BZ Telecom Price Tracker: First prepaid entry price hike in years](#)). Brisanet also started reporting their mobile user base, with 24k subscribers, which we see as a promising start.

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ISP = Internet service provider

MSR = Mobile Service Revenue

Anatel = Brazil Telecom's regulator

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Exhibit 1: Claro once again had the best performance on postpaid on January

Evolution of Mobile postpaid subscribers (000's subs)

Post-paid Subscribers	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Vivo	44,044	44,054	43,782	43,919	44,053	44,248	44,397	44,671	44,804	45,476	45,689	45,903	46,167
Claro	33,592	33,808	34,021	34,189	34,401	34,496	34,728	34,927	35,422	35,715	36,151	36,503	36,847
Tim	22,804	22,619	21,563	21,650	21,769	21,842	21,963	22,096	22,198	22,279	22,456	22,580	22,702
Oi	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	768	774	772	778	780	788	796	801	805	810	811	812	829

Source: BofA Global Research, Anatel

BofA GLOBAL RESEARCH

Exhibit 2: In January Claro reported 344k net adds, Vivo 264k and TIM 122k

Mobile postpaid net adds per month (000's subs)

Post-paid Net Adds (MoM)	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Vivo	97	10	(272)	137	134	194	150	274	133	672	213	214	264
Claro	216	216	214	168	212	94	232	200	495	293	436	352	344
Tim	(117)	(185)	(1,056)	87	119	73	121	134	102	81	178	123	122
Oi	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	6	7	(2)	6	2	8	8	5	5	5	1	0	18

Source: BofA Global Research, Anatel

BofA GLOBAL RESEARCH

Exhibit 3: As of January 2024, Vivo had 43% market share, Claro 35% and TIM 21%

Mobile postpaid market share per month

Market Share Post-Paid (%)	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Vivo	43.5%	43.5%	43.7%	43.7%	43.6%	43.6%	43.6%	43.6%	43.4%	43.6%	43.5%	43.4%	43.3%
Claro	33.2%	33.4%	34.0%	34.0%	34.1%	34.0%	34.1%	34.1%	34.3%	34.2%	34.4%	34.5%	34.6%
Tim	22.5%	22.3%	21.5%	21.5%	21.6%	21.5%	21.6%	21.6%	21.5%	21.4%	21.4%	21.3%	21.3%
Oi	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Others	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%

Source: BofA Global Research, Anatel

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Exhibit 4: Large Telcos continues to show a soft performance in the beginning of 2024

Evolution of Mobile prepaid subscribers (000's subs)

Pre-paid Subscribers	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Vivo	39,424	39,232	39,296	38,910	38,542	38,071	37,765	37,315	37,163	37,203	37,182	37,267	37,183
Claro	35,838	34,969	34,946	34,999	35,053	35,141	35,226	35,318	35,334	35,384	35,288	35,463	35,593
Tim	35,053	34,820	35,653	35,115	34,903	34,639	34,533	34,309	34,078	33,904	33,672	33,634	33,510
Oi	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	1,068	1,064	1,073	1,070	1,080	1,084	1,086	1,089	1,088	1,102	1,117	1,095	1,127

Source: BofA Global Research, Anatel

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Exhibit 5: In January Claro reported 130k net adds, Vivo -84k and TIM -124k

Mobile prepaid net adds per month (000's subs)

Pre-paid Net Adds (MoM)	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Vivo	118	(193)	64	(386)	(367)	(472)	(305)	(451)	(151)	39	(20)	85	(84)
Claro	(469)	(869)	(23)	53	54	88	85	92	17	49	(96)	175	130
Tim	(367)	(233)	833	(539)	(212)	(264)	(106)	(224)	(232)	(174)	(232)	(38)	(124)
Oi	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	181	(3)	9	(4)	10	5	2	3	(1)	14	15	(22)	32

Source: BofA Global Research, Anatel

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Exhibit 6: As of January 2024, Vivo had 35% market share, Claro 33% and TIM 31%

Mobile prepaid market share per month

Market Share Pre-Paid (%)	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Vivo	35.4%	35.6%	35.4%	35.3%	35.2%	34.9%	34.8%	34.5%	34.5%	34.6%	34.7%	34.7%	34.6%
Claro	32.2%	31.8%	31.5%	31.8%	32.0%	32.3%	32.4%	32.7%	32.8%	32.9%	32.9%	33.0%	33.1%
Tim	31.5%	31.6%	32.1%	31.9%	31.9%	31.8%	31.8%	31.8%	31.7%	31.5%	31.4%	31.3%	31.2%
Oi	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Others	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

Source: BofA Global Research, Anatel

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Exhibit 7: Overall solid performance for broadband in January

Evolution of broadband subscribers (000's subs)

Broadband Subscribers	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Vivo	6,486	6,495	6,511	6,520	6,533	6,559	6,587	6,612	6,632	6,672	6,702	6,731	6,763
Claro	9,776	9,777	9,799	9,809	9,825	9,843	9,862	9,886	9,908	9,923	9,951	9,972	10,005
Tim	729	735	739	746	758	767	779	790	797	807	810	809	813
Desktop	818	826	955	962	968	976	985	993	999	1,006	1,012	1,017	1,027
Unifique	644	645	654	662	662	690	712	715	716	716	717	719	747
Brisanet	1,121	1,136	1,159	1,178	1,191	1,210	1,226	1,243	1,257	1,267	1,280	1,292	1,304
Oi	5,052	5,008	5,006	5,008	5,008	4,973	4,920	4,895	4,872	4,820	4,828	4,792	4,777

Source: BofA Global Research, Anatel

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Exhibit 8: Slight net adds acceleration in January

Broadband net adds per month (000's subs)

Broadband Net Adds (MoM)	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Vivo	9	16	9	13	26	28	25	20	40	30	29	32
Claro	1	23	10	16	17	19	24	22	16	27	21	32
Tim	6	4	7	12	9	12	10	7	10	3	(1)	4
Desktop	7	129	7	7	8	9	9	6	7	7	5	10
Unifique	2	8	8	1	28	22	3	1	1	1	2	28
Brisanet	16	23	19	13	18	16	17	14	10	12	13	12
Oi	(44)	(2)	2	0	(36)	(53)	(25)	(23)	(52)	8	(37)	(14)

Source: BofA Global Research, Anatel

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Exhibit 9: Overall solid performance across the board in January

Evolution of fiber subscribers (000's subs)

Fiber Subscribers	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Vivo	5,484	5,546	5,593	5,653	5,699	5,751	5,810	5,873	5,936	5,993	6,062	6,121	6,176	6,234
Claro	885	919	940	968	993	1,024	1,058	1,093	1,132	1,171	1,213	1,257	1,299	1,345
Tim	555	570	584	599	613	633	649	668	685	698	714	722	725	733
Desktop	809	818	826	955	962	968	976	985	993	999	1,006	1,012	1,017	1,027
Unifique	606	644	645	654	662	662	690	712	715	716	716	717	719	747
Brisanet	1,100	1,121	1,136	1,159	1,178	1,191	1,210	1,226	1,243	1,257	1,267	1,280	1,292	1,304
Oi	4,234	4,279	4,275	4,314	4,348	4,379	4,373	4,345	4,345	4,345	4,347	4,346	4,337	4,339

Source: BofA Global Research, Anatel

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Exhibit 10: Fiber net adds decelerated in January

Fiber net adds per month (000's subs)

Fiber Net Adds (MoM)	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Vivo	62	48	60	46	52	59	63	63	57	69	59	55	58
Claro	34	22	27	25	32	33	35	39	39	42	44	42	46
Tim	15	14	15	14	20	16	19	17	13	16	8	3	8
Desktop	9	7	129	7	7	8	9	9	6	7	7	5	10
Unifique	38	2	8	8	1	28	22	3	1	1	1	2	28
Brisanet	20	16	23	19	13	18	16	17	14	10	12	13	12
Oi	45	(4)	39	34	32	(7)	(28)	0	0	2	(1)	(9)	2

Source: BofA Global Research, Anatel

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