

Brazil TMT

Anatel Data - December: Broadband slightly down but strong on mobile

Industry Overview

Broadband: Slight slowdown for the large Telcos

Broadband net adds had a slight deceleration for the large Telcos (seasonal impact). Vivo's fiber net adds decreased to 55k from 59k in November. Vivo's consolidated net adds (all technologies) reached 29k, down from 30k in November. Claro (AMX) net adds decreased to 42k on fiber vs 44k in November. For all technologies, Claro posted 21k net adds vs 27k in November. TIM's net adds decelerated to -1k from +3k in November. Oi posted -37k net disconnections.

Broadband: ISPs remain soft

For the ISPs, Brisanet posted 13k net adds, up from 12k in November. Desktop posted a soft 5k net adds down from 7k in November. Unifone reported 2k net adds, up from 1k in October.

Postpaid: Strong all-around performance continues

On postpaid, Claro was the best performer with 352k net adds, down from 436k in November. Vivo posted a still solid 214k net adds but flattish MoM. TIM posted a deceleration, with 123k net adds down from 178k in the previous month.

Prepaid: Solid pick up from a soft November

Solid performance for Vivo and Claro in December, with TIM once again showing soft results. TIM had -38k net disconnections, from -232k in November. Claro reported strong +175k net adds, from -175k net disconnections in November. Vivo posted +85k net adds, from -20k net disconnections in November. We highlight that numbers may have been impacted by user base adjustments.

Our take on broadband: Better for Large Telcos

December was a slightly soft month for broadband, with most companies posting a sequential deceleration or remained at a similar soft pace (seasonal impact). For 2024, although we expect net adds for the ISPs to decelerate YoY, as the companies reduce their expansion pace, we could see a slight sequential pick up in the coming months. For Vivo and Claro, we expect 2024 to continue to show improvement in terms of consolidated net adds, due to the phase out of legacy technologies.

Our take on mobile: Solid numbers

2023 was a strong year for the large Telcos in the mobile segment, mainly driven by price hikes that led to an ARPU growth. For 2024, we expect this positive dynamic to continue leading to a real top line growth. Although it is early to call it a trend, we see further upside risk if the Telcos sustain solid net adds numbers as the ones seen in December.

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MSR = Mobile Service Revenue

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Exhibit 1: Claro had the best performance again on postpaid on December

Evolution of Mobile postpaid subscribers (000's subs)

Post-paid 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
Vivo	43,947	44,044	44,054	43,782	43,919	44,053	44,248	44,397	44,671	44,804	45,476	45,689	45,903
Claro	33,376	33,592	33,808	34,021	34,189	34,401	34,496	34,728	34,927	35,422	35,715	36,151	36,503
Tim	22,921	22,804	22,619	21,563	21,650	21,769	21,842	21,963	22,096	22,198	22,279	22,456	22,580
Oi	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	762	768	774	772	778	780	788	796	801	805	810	811	812

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 2: In December Claro reported 352k net adds, Vivo 214k and TIM 123k

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

Post-paid Net Adds (MoM)	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
Vivo	119	97	10	(272)	137	134	194	150	274	133	672	213	214
Claro	(1,970)	216	216	214	168	212	94	232	200	495	293	436	352
Tim	(437)	(117)	(185)	(1,056)	87	119	73	121	134	102	81	178	123
Oi	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	4	6	7	(2)	6	2	8	8	5	5	5	1	0

Source: BofA Global Research

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Exhibit 3: As of December 2023, Vivo had 43% market share, Claro 35% and TIM 21%

Mobile postpaid market share per month

Market Share Post-Paid (%)	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
Vivo	43.5%	43.5%	43.5%	43.7%	43.7%	43.6%	43.6%	43.6%	43.6%	43.4%	43.6%	43.5%	43.4%
Claro	33.0%	33.2%	33.4%	34.0%	34.0%	34.1%	34.0%	34.1%	34.1%	34.3%	34.2%	34.4%	34.5%
Tim	22.7%	22.5%	22.3%	21.5%	21.5%	21.6%	21.5%	21.6%	21.6%	21.5%	21.4%	21.4%	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

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Exhibit 4: The large Telcos had a soft performance in 2023

Evolution of Mobile prepaid subscribers (000's subs)

Pre-paid 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
Vivo	39,306	39,424	39,232	39,296	38,910	38,542	38,071	37,765	37,315	37,163	37,203	37,182	37,267
Claro	36,307	35,838	34,969	34,946	34,999	35,053	35,141	35,226	35,318	35,334	35,384	35,288	35,463
Tim	35,420	35,053	34,820	35,653	35,115	34,903	34,639	34,533	34,309	34,078	33,904	33,672	33,634
Oi	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	887	1,068	1,064	1,073	1,070	1,080	1,084	1,086	1,089	1,088	1,102	1,117	1,095

Source: BofA Global Research

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Exhibit 5: In December Claro reported 175k net adds, Vivo 85k and TIM -38k

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

Pre-paid Net Adds (MoM)	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
Vivo	(143)	118	(193)	64	(386)	(367)	(472)	(305)	(451)	(151)	39	(20)	85
Claro	(134)	(469)	(869)	(23)	53	54	88	85	92	17	49	(96)	175
Tim	187	(367)	(233)	833	(539)	(212)	(264)	(106)	(224)	(232)	(174)	(232)	(38)
Oi	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	(222)	181	(3)	9	(4)	10	5	2	3	(1)	14	15	(22)

Source: BofA Global Research

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Exhibit 6: As of December 2023, Vivo had 35% market share, Claro 33% and TIM 31%

Mobile prepaid market share per month

Market Share Pre-Paid (%)	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
Vivo	35.1%	35.4%	35.6%	35.4%	35.3%	35.2%	34.9%	34.8%	34.5%	34.5%	34.6%	34.7%	34.7%
Claro	32.4%	32.2%	31.8%	31.5%	31.8%	32.0%	32.3%	32.4%	32.7%	32.8%	32.9%	32.9%	33.0%
Tim	31.6%	31.5%	31.6%	32.1%	31.9%	31.9%	31.8%	31.8%	31.8%	31.7%	31.5%	31.4%	31.3%
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%	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

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Exhibit 7: Overall soft performance for broadband in December

Evolution of broadband subscribers (000's subs)

Broadband 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
Vivo	6,474	6,486	6,495	6,511	6,520	6,533	6,559	6,587	6,612	6,632	6,672	6,702	6,731
Claro	9,751	9,776	9,777	9,799	9,809	9,825	9,843	9,862	9,886	9,908	9,923	9,951	9,972
Tim	723	729	735	739	746	758	767	779	790	797	807	810	809
Desktop	809	818	826	955	962	968	976	985	993	999	1,006	1,012	1,017
Unifiquie	606	644	645	654	662	662	690	712	715	716	716	717	719
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
Oi	5,052	5,052	5,008	5,006	5,008	5,008	4,973	4,920	4,895	4,872	4,820	4,828	4,792

Source: BofA Global Research

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Exhibit 8: Slight net adds deceleration in December

Broadband net adds per month (000's subs)

Broadband 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
Vivo	11	9	16	9	13	26	28	25	20	40	30	29
Claro	25	1	23	10	16	17	19	24	22	16	27	21
Tim	6	6	4	7	12	9	12	10	7	10	3	(1)
Desktop	9	7	129	7	7	8	9	9	6	7	7	5
Unifiquie	38	2	8	8	1	28	22	3	1	1	1	2
Brisanet	20	16	23	19	13	18	16	17	14	10	12	13
Oi	(1)	(44)	(2)	2	0	(36)	(53)	(25)	(23)	(52)	8	(37)

Source: BofA Global Research

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Exhibit 9: Overall soft performance across the board in December

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
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
Claro	885	919	940	968	993	1,024	1,058	1,093	1,132	1,171	1,213	1,257	1,299
Tim	555	570	584	599	613	633	649	668	685	698	714	722	725
Desktop	809	818	826	955	962	968	976	985	993	999	1,006	1,012	1,017
Unifiquie	606	644	645	654	662	662	690	712	715	716	716	717	719
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
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

Source: BofA Global Research

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Exhibit 10: Fiber net adds decelerated in December, negatively impacted by seasonality

Fiber net adds per month (000's subs)

Fiber Net Adds (MoM)	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
Vivo	63	62	48	60	46	52	59	63	63	57	69	59	55
Claro	36	34	22	27	25	32	33	35	39	39	42	44	42
Tim	12	15	14	15	14	20	16	19	17	13	16	8	3
Desktop	43	9	7	129	7	7	8	9	9	6	7	7	5
Unifiqu	2	38	2	8	8	1	28	22	3	1	1	1	2
Brisanet	21	20	16	23	19	13	18	16	17	14	10	12	13
Oi	19	45	(4)	39	34	32	(7)	(28)	0	0	2	(1)	(9)

Source: BofA Global Research

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