VodafoneZiggo Reports Preliminary Q3 2022 Results

Solid financial performance; Reconfirming 2022 Guidance

Utrecht, November 1, 2022 — VodafoneZiggo[1] announces its unaudited consolidated results for the three months ("Q3") and nine months ("YTD") ended September 30, 2022.

Highlights for Q3 2022:

- Improving commercial momentum, despite continued promotional intensity in the market:
  - Fixed Mobile Convergence ("FMC")[2] households returned to growth, with 11,100 additions in the quarter to a total of 1.5 million, and FMC SIMs[3] increased by 24,300 to a total of 2.5 million, delivering significant Net Promoter Scores ("NPS") and customer loyalty benefits. FMC households had, on average, 13 points higher NPS and were 50% less inclined to churn compared to non-FMC households in the quarter
  - Mobile postpaid ARPU[4] grew 1.7% YoY, while mobile postpaid SIMs continued to grow, adding 67,000 SIMs in Q3, of which 30,000 were in B2B
  - Fixed ARPU grew 1.2% YoY. Total internet RGUs[5] of 3.3 million, slightly declining by 9,300 in the quarter. B2B internet RGUs continued to record solid growth, with 6,100 added in the quarter
- Sustaining solid cash flow generation:
  - Revenue grew 1.0% YoY, primarily driven by the growth in ARPU, mobile postpaid base and B2B fixed customer base, partially offset by the decline in B2C fixed customer base. Mobile service revenue grew 7.2% YoY in the quarter, the highest growth in 5 years
  - Reported net earnings of €166.6 million, compared to a net loss of €20.9 million in the prior year period, driven by higher gains on our derivative portfolio and higher operating income, partially offset by higher foreign currency exchange losses and higher income tax expenses
  - Adjusted EBITDA[6] grew 1.3% YoY, largely driven by top line growth and incremental cost efficiency measures, effectively mitigating the impact of cost inflation
  - Generated €286.8 million of Adjusted EBITDA less P&E Additions[7], decreasing 11.5% YoY, primarily driven by higher investment in our SmartWiFi solutions and Mediabox Next Mini
- >90% of our fixed network footprint connected to Gigabit speeds, on track for 100% coverage in December
- Reconfirming FY 2022 guidance[8]: stable to modest growth in Adjusted EBITDA, 22%-24% of P&E Additions[9] as % of revenue and €550 - €650 million total shareholder cash distributions

Jeroen Hoencamp, CEO VodafoneZiggo, commented:

"We delivered a good financial performance with growth in revenue and adjusted EBITDA, in line with our expectations. Consistent commercial momentum and ARPU growth underpinned our mobile and B2B performance, each recording its highest revenue growth in 5 years. More than 90% of our footprint now has access to Gigabit speeds, on track to deliver nationwide coverage in December. We further expanded our SmartWiFi connected homes to 1.5 million and continue to invest in 5G capacity and coverage. As a result of the progress made, and despite the high inflationary environment we operate in, we are on track to deliver on our full year guidance."

Consumer performance for Q3 and YTD 2022:

Total consumer revenue was stable in Q3 and declined 1.3% YoY in YTD 2022, primarily due to a decline in Consumer fixed revenue

Fixed:

Consumer fixed revenue[10] declined 2.4% YoY in Q3 and 2.9% YoY in YTD 2022

- Revenue decline primarily driven by a decline in our customer base and lower out of bundle usage, partially offset by our July price increase
  - In July 2022, we successfully implemented an average 3.5% price increase without a significant increase in churn, further supporting our network investments and helping to mitigate inflationary cost effects
- Consumer internet RGUs decreased by 15,400 in the quarter, driven by promotional activities in the market
- Continue to execute our strategy by providing high-speed, reliable and secure connectivity through our hybrid fiber cable network and by offering SmartWiFi solutions to our customers
  - 500,000 additional customer homes were connected to 1 Gbps speeds in Q3 as part of our DOCSIS 3.1 roll-out, bringing the total to 6.8 million homes (93% of our footprint); we are on track to reach 100% in December 2022, despite global raw material shortages and supply chain challenges
  - 100,000 SmartWiFi pods delivered to our customer homes in Q3, bringing the total to 1.5 million pods and representing approximately 45% of our total internet RGUs

Mobile:

Consumer mobile revenue[11] grew 5.6% YoY in Q3 and 2.7% YoY in YTD 2022

- Q3 revenue growth was primarily driven by customer base and ARPU growth
  - Postpaid ARPU grew 1.8% YoY in Q3 to €18, primarily driven by the net effect of higher roaming revenue, price indexation, and lower national out-of-bundle revenue
- We added 37,100 net mobile postpaid customers in Q3, bringing the YTD total to 78,300, supported by a successful Vodafone Runners campaign and low churn level

Business performance for Q3 and YTD 2022:

Total B2B revenue grew 6.3% YoY in Q3 and 4.8% YoY in YTD 2022, marking our seventh consecutive quarter of growth

Fixed:

B2B fixed revenue[12] grew 0.8% YoY in Q3 and 1.4% YoY in YTD 2022

- Revenue growth was primarily driven by growth in SOHO ("Small Office Home Office"), small business, and our Unified Communication[13] portfolio
  - Q3 SOHO fixed ARPU increased 1.1% YoY to €63 and Q3 small business fixed ARPU increased 0.6% YoY to €84

- 6,100 B2B internet RGUs and 4,600 Unified Communication seats[13] added in Q3, bringing the YTD total to 19,900 and 59,300, respectively

Mobile:

B2B mobile revenue[14] recorded a double digit growth of 12.2% YoY in Q3 and grew 8.5% YoY in YTD 2022, representing the highest quarterly growth since the creation of VodafoneZiggo

- Revenue growth was primarily driven by (i) higher roaming and visitor revenue, (ii) higher handset sales, (iii) higher Internet of Things ("IoT") revenue, and (iv) customer base growth, partially offset by (v) price pressure in the large corporate segment. National out-of-bundle revenue was stable YoY
    - Postpaid ARPU grew 1.6% YoY to €16 driven by higher roaming revenue, partially offset by pricing pressure in the large corporate segment
- 30,000 mobile postpaid net additions in Q3, bringing the YTD total to 74,700 net additions and passing 2 million SIMs milestone
- First operator in the Netherlands to launch and offer Network Slicing capabilities to our business customers, where a portion of our mobile network is reserved for business-critical applications, ensuring stable and fast network connectivity

Financial highlights for Q3 and YTD 2022[1]:

- Revenue grew 1.0% YoY in Q3 and was stable YoY in YTD 2022, supported by higher ARPU, higher mobile postpaid base and higher B2B fixed customer base, fully offsetting a decline in B2C fixed customer base
    - Mobile service revenue grew 7.2% YoY in Q3 and 5.4% YoY in YTD 2022, recording the highest quarterly growth in 5 years
- Reported net earnings of €166.6 million in Q3, compared to a net loss of €20.9 million in the prior year period, as higher realized and unrealized gains on derivative instruments and higher operating income were only partially offset by higher foreign currency exchange losses and higher income tax expense
    - Reported YTD net earnings of €366.8 million, compared to a net loss of €47.1 million in the prior year period, as higher realized and unrealized gains on derivative instruments and higher operating income were only partially offset by higher foreign currency exchange losses, net losses on debt extinguishment and higher income tax expense
- Adjusted EBITDA increased 1.3% YoY in the quarter to €496.7 million, primarily driven by revenue growth and incremental cost efficiency measures, effectively mitigating higher energy costs related to inflation
    - On a YTD basis, Adjusted EBITDA grew 0.4% YoY to €1,437.1 million as revenue growth, incremental cost efficiency measures, lower programming costs related to the Formula 1 rights loss and reduced charges for other major sports rights more than offset the impact from higher energy costs

- Property and equipment additions[9] were 20.3% of revenue in Q3 and 21.1% on a YTD basis and we continue to accelerate investments in SmartWiFi solutions, the Mediabox Next Mini and both mobile and fixed network capacity expansion towards the end of the year
  - Q3 additions were €44.0 million higher YoY, primarily driven by (i) higher spend on customer premises equipment, (ii) higher capacity expansion in both mobile and fixed networks, and (iii) higher spend on IT projects, partially offset by (iv) lower new build activity
  - YTD additions were €52.8 million higher YoY, primarily driven by (i) higher spend on customer premises equipment, (ii) higher capacity expansion in both mobile and fixed networks, and (iii) higher spend on IT projects, partially offset by (iv) lower new build activity
- Adjusted EBITDA less P&E Additions decreased 11.5% YoY in Q3 to €286.8 million, representing 27.8% of revenue, primarily driven by higher investment in customer premises equipment
  - On a YTD basis, Adjusted EBITDA less P&E Additions decreased 5.6% YoY to €795 million, representing 26.1% of revenue, primarily driven by higher investment in customer premises equipment
- During the quarter, we made equity distributions of €90 million to shareholders and interest payments on the Shareholder Notes of €25.7 million, bringing the YTD total to €426.4 million
- At September 30, 2022, our fully-swapped third-party debt borrowing cost[15] was 3.9% and average tenor of our third-party debt (excluding vendor and handset financing obligations) was 7 years
- At September 30, 2022, total third-party debt (excluding vendor financing, handset financing and lease obligations) was €10.7 billion, which is an increase of €0.4 billion from June 30, 2022, all due to the strengthening of the US Dollar. Furthermore, when taking into consideration the projected principal-related cash flows associated with our cross-currency derivative instruments, the total covenant amount of third-party gross debt was €9.2 billion at September 30, 2022. The change compared to June 30, 2022 was driven by the reduction of the Excess Cash Facility. For information concerning the debt balances used in our covenant calculations, see Covenant Debt Information below
- At September 30, 2022, and subject to the completion of our corresponding compliance reporting requirements, (i) the ratio of Senior Net Debt to Annualized EBITDA (last two quarters annualized) was 3.62x and (ii) the ratio of Total Net Debt to Annualized EBITDA (last two quarters annualized) was 4.58x, each as calculated in accordance with our most restrictive covenants, and reflecting the Credit Facility Excluded Amount as defined in the respective credit agreements
  - Vendor and handset financing obligations are not included in the calculation of our leverage covenants. If we were to include these obligations in our leverage ratio calculation, and not reflect the Credit Facility Excluded Amount, the ratio of Total Net Debt to Annualized EBITDA would have been 5.41x at September 30, 2022
- At September 30, 2022, we had maximum undrawn Revolving Credit Facility commitments of €800 million. When our Q3 compliance reporting requirements have been completed and assuming no changes from September 30, 2022 borrowing levels, we anticipate that we will continue to have €800 million of our unused Revolving Credit Facility commitments available to be drawn

Operating Statistics Summary

	As of and for the three months ended September 30,	
	2022	2021
Footprint		
Homes Passed[16]	7,361,300	7,320,700
Fixed-Line Customer Relationships[17]		
Fixed-Line Customers	3,681,500	3,762,900
Q3 organic Fixed-Line Customer net losses	(19,500)	(22,000)
RGUs per Fixed-Line Customer	2.40	2.45
Q3 Monthly ARPU per Fixed-Line Customer	€ 53	€ 52
Mobile SIMs[3]		
Postpaid	5,130,700	4,940,200
Prepaid	380,600	387,500
Total Mobile	5,511,300	5,327,700
Q3 organic Postpaid net additions	67,000	66,500
Q3 organic Prepaid net losses	(5,100)	(8,800)
Total organic Mobile net additions	61,900	57,700
Q3 Monthly Mobile ARPU		
Postpaid (including interconnect revenue)	€ 18	€ 17
Prepaid (including interconnect revenue)	€ 4	€ 4
Convergence[2]		
Converged Households	1,501,300	1,487,900
Converged SIMs	2,534,800	2,455,500
Converged Households as % of Internet RGUs	45%	45%
Subscribers (RGUs)		
Video[18]	3,670,400	3,754,700
Internet[19]	3,300,500	3,337,300
Telephony[20]	1,862,200	2,124,600
Total RGUs	8,833,100	9,216,600
Q3 Organic RGU Net Losses		
Video	(20,200)	(22,900)
Internet	(9,300)	(10,400)
Telephony	(71,100)	(52,400)
Total organic RGU net losses	(100,600)	(85,700)

Financial Results, Adjusted EBITDA Reconciliation & Property and Equipment Additions

The following table reflects preliminary unaudited selected financial results for the three and nine months ended September 30, 2022 and 2021:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Change	Nine months ended September 30, 2022	Nine months ended September 30, 2021	Change
	in millions, except % amounts					
Total revenue						
Consumer fixed revenue[10]						
Subscription revenue	€ 511.0	€ 521.4	(2.0)%	€ 1,523.6	€ 1,559.3	(2.3%)
Non-subscription revenue	3.0	5.5	(45.5%)	10.0	20.8	(51.9%)
Total consumer fixed revenue	514.0	526.9	(2.4%)	1,533.6	1,580.1	(2.9%)
Consumer mobile revenue[11]						
Service revenue	172.8	163.7	5.6%	502.0	480.1	4.6%
Non-service revenue	62.8	59.5	5.5%	174.7	178.9	(2.3%)
Total consumer mobile revenue	235.6	223.2	5.6%	676.7	659.0	2.7%
Total consumer revenue	749.6	750.1	(0.1%)	2,210.3	2,239.1	(1.3%)
B2B fixed revenue[12]						
Subscription revenue	130.6	129.2	1.1%	393.2	385.7	1.9%
Non-subscription revenue	3.0	3.4	(11.8%)	8.9	10.7	(16.8%)
Total B2B fixed revenue	133.6	132.6	0.8%	402.1	396.4	1.4%
B2B mobile revenue[14]						
Service revenue	101.7	92.3	10.2%	292.4	273.6	6.9%
Non-service revenue	38.6	32.8	17.7%	104.4	92.2	13.2%
Total B2B mobile revenue	140.3	125.1	12.2%	396.8	365.8	8.5%
Total B2B revenue	273.9	257.7	6.3%	798.9	762.2	4.8%
Other revenue[21]	9.6	15.3	(37.3%)	31.3	39.5	(20.8%)
Total revenue	€ 1,033.1	€1,023.1	1.0 %	€ 3,040.5	€ 3,040.8	0.0%
Adjusted EBITDA[6]	€ 496.7	€ 490.1	1.3%	€ 1,437.1	€ 1,431.9	0.4%
Adjusted EBITDA as a percentage of revenue	48.1 %	47.9 %		47.3 %	47.1 %	

The following table provides a reconciliation of net earnings (loss) to Adjusted EBITDA:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	in millions			
Net earnings (loss)	€ 166.6	€ (20.9)	€ 366.8	€ (47.1)
Income tax expense (benefit)	60.5	(6.9)	182.8	(14.7)
Other income, net	(0.2)	—	(0.5)	—
Losses on debt extinguishment, net	—	—	71.1	7.6
Foreign currency transaction losses, net	421.2	127.9	892.7	291.7
Realized and unrealized gains on derivative instruments, net	(683.9)	(157.1)	(1,636.5)	(392.4)
Interest expense:				
Third-party	121.7	103.6	333.5	311.5
Related-party	25.7	24.9	76.4	69.8
Operating income	111.6	71.5	286.3	226.4
Impairment, restructuring and other operating items, net	4.0	11.8	9.0	27.1
Depreciation and amortization	381.1	406.8	1,141.8	1,177.9
Share-based compensation expense	—	—	—	0.5
Adjusted EBITDA	€ 496.7	€ 490.1	€ 1,437.1	€ 1,431.9

The table below highlights the categories of our property and equipment additions for the indicated periods and reconciles those additions to the capital expenditures that we present in our condensed consolidated statements of cash flows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	in millions, except % amounts			
Customer premises equipment	€ 71.0	€ 45.1	€ 186.3	€ 153.8
New build and upgrade	24.5	29.6	78.9	95.1
Capacity	46.3	50.2	164.4	169.2
Baseline	35.2	20.0	119.5	100.1
Product and enablers	32.9	21.0	93.0	71.1
Property and equipment additions[9]	209.9	165.9	642.1	589.3
Assets acquired under capital-related vendor financing arrangements	(87.8)	(112.1)	(320.6)	(364.1)
Assets acquired under finance leases	(0.1)	(2.1)	(2.2)	(5.2)
Changes in liabilities related to capital expenditures	37.0	22.5	72.6	12.0
Total capital expenditures[22]	€ 159.0	€ 74.2	€ 391.9	€ 232.0
Spectrum license additions[9]	€ —	€ —	€ —	€ 163.3
Changes in liabilities related to spectrum expenditures	—	207.9	—	44.6
Total cash paid for spectrum licenses	€ —	€ 207.9	€ —	€ 207.9
Property and equipment additions as a percentage of revenue	20.3 %	16.2 %	21.1 %	19.4 %
Adjusted EBITDA less P&E Additions[7] Reconciliation				
Adjusted EBITDA	€ 496.7	€ 490.1	€1,437.1	€1,431.9
Property and equipment additions	(209.9)	(165.9)	(642.1)	(589.3)
Adjusted EBITDA less P&E Additions	€ 286.8	€ 324.2	€ 795.0	€ 842.6
as a percentage of revenue	27.8 %	31.7 %	26.1 %	27.7 %

Third-Party Debt, Finance Lease Obligations and Cash and Cash Equivalents

The following table details the borrowing currency and euro equivalent of the nominal amount outstanding of VodafoneZiggo's consolidated third-party debt, finance lease obligations and cash and cash equivalents.

	September 30, 2022			June 30, 2022
	Borrowing currency		€ equivalent	
			in millions	
Credit Facilities				
Term Loan H (EURIBOR + 3.00%) EUR due 2029	€	2,250.0	2,250.0	2,250.0
Term Loan I (LIBOR + 2.50%) USD due 2028	$	2,525.0	2,579.2	2,408.8
Financing Facility			22.6	57.6
€800.0 million Ziggo Revolving Facilities EUR due 2026			—	—
Total Credit Facilities			4,851.8	4,716.4
Senior Secured Notes				
5.00% USD Senior Secured Notes due 2032	$	1,525.0	1,557.7	1,454.8
4.875% USD Senior Secured Notes due 2030	$	991.0	1,012.3	945.4
3.50% EUR Senior Secured Notes due 2032	€	750.0	750.0	750.0
2.875% EUR Senior Secured Notes due 2030	€	502.5	502.5	502.5
Total Senior Secured Notes			3,822.5	3,652.7
Senior Notes				
3.375% EUR Senior Notes due 2030	€	900.0	900.0	900.0
6.00% USD Senior Notes due 2027	$	625.0	638.4	596.2
5.125% USD Senior Notes due 2030	$	500.0	510.7	477.0
Total Senior Notes			2,049.1	1,973.2
Vendor financing			995.9	999.8
Other debt[23]			166.8	164.9
Finance leases			16.6	17.5
Total third-party debt and finance lease obligations			11,902.7	11,524.5
Unamortized premiums, discounts and deferred financing costs, net			(38.8)	(38.8)
Total carrying amount of third-party debt and finance lease obligations			11,863.9	11,485.7
Less: cash and cash equivalents			85.4	133.0
Net carrying amount of third-party debt and finance lease obligations[24]			€ 11,778.5	€ 11,352.7
Exchange rate ($ to €)			0.97900	1.04825

Covenant Debt Information

The following table details the euro equivalent of the reconciliation from VodafoneZiggo's consolidated third-party debt to the total covenant amount of third-party gross[25] and net debt[24] and includes information regarding the projected principal-related cash flows of our cross-currency derivative instruments. The euro equivalents presented below are based on exchange rates that were in effect as of September 30, 2022 and June 30, 2022. These amounts are presented for illustrative purposes only and will likely differ from the actual cash receipts in future periods.

	September 30, 2022	June 30, 2022
	in millions	
Total third-party debt and finance lease obligations (€ equivalent)	€ 11,902.7	€ 11,524.5
Vendor financing	(995.9)	(999.8)
Finance lease obligations	(16.6)	(17.5)
Other debt[23]	(166.8)	(164.9)
Credit Facility excluded amount	(498.3)	(491.9)
Projected principal-related cash receipts associated with our cross-currency derivative instruments	(1,073.8)	(657.7)
Total covenant amount of third-party gross debt[25]	9,151.3	9,192.7
Less: cash and cash equivalents*	(31.7)	(53.6)
Total covenant amount of third-party net debt[24]	€ 9,119.6	€ 9,139.1

* This excludes the cash that is related to the unutilized portion of the Vendor Finance Note facility of €9.6 million and €41.6 million as of September 30, 2022 and June 30, 2022, respectively, as well as the cash that is outside the covenant group, amounting to €44.1 million and €37.8 million as of September 30, 2022 and June 30, 2022, respectively.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements with respect to our strategies, future financial and operational growth prospects and opportunities; expectations with respect to our Adjusted EBITDA and cash returns to our shareholders; expectations with respect to the development, enhancement and expansion of our superior networks and innovative and advanced products and services; expectations regarding the availability of mobile devices with 1 Gbps+ download speeds; expectations with respect to synergies; the strength of our balance sheet and tenor of our third-party debt; and other information and statements that are not historical fact. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. These risks and uncertainties include events that are outside of our control, such as current political and economical environment; the ongoing war in Ukraine; the impact of inflation on consumer disposable income; the impact of the COVID-19 pandemic on our company; the continued use by subscribers and potential subscribers of our services and their willingness to upgrade to our more advanced offerings; our ability to meet challenges from competition, to manage rapid technological change or to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers; the effects of changes in laws or regulation; general economic factors; our ability to obtain regulatory approval and satisfy regulatory conditions associated with acquisitions and dispositions; our ability to successfully acquire and integrate new businesses and realize anticipated efficiencies from any acquired businesses; the availability of attractive programming for our video services and the costs associated with such programming; our ability to achieve forecasted financial and operating targets; the outcome of any pending or threatened litigation; the ability of our operating companies to access cash of their respective subsidiaries; the impact of our operating companies' future financial performance, or market conditions generally, on the availability, terms and deployment of capital; fluctuations in currency exchange and interest rates; the ability of suppliers and vendors to timely deliver quality products, equipment, software, services and access; our ability to adequately forecast and plan future network requirements including the costs and benefits associated with network expansions; and other factors detailed from time to time in our most recent Annual and Quarterly Reports. These forward-looking statements speak only as of the date of this release. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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About VodafoneZiggo

VodafoneZiggo is a leading Dutch company that provides fixed, mobile and integrated communication and entertainment services to consumers and businesses. As of September 30, 2022, we have over 5 million mobile, over 3 million video and fixed broadband internet and approximately 2 million fixed telephony subscribers.

Approximately 7,000 people are employed by VodafoneZiggo. Our offices are located in Utrecht, Amsterdam, Maastricht, Hilversum, Leeuwarden, Groningen, Nijmegen, Helmond and Rotterdam.

The VodafoneZiggo JV is a 50:50 joint venture between Liberty Global, one of the world's leading converged video, broadband and communications companies, and Vodafone Group, one of the world's leading technology communications companies.

Liberty Global is a world leader in converged broadband, video and mobile communications services. It delivers next-generation products through advanced fiber and 5G networks, and currently provides over 86 million connections* across Europe and the United Kingdom. Liberty Global's businesses operate under some of the best-known consumer brands, including Virgin Media-O2 in the UK, VodafoneZiggo in The Netherlands, Telenet in Belgium, Sunrise in Switzerland, Virgin Media in Ireland and UPC in Slovakia. Liberty Global, through its global investment arm Liberty Global Ventures, has a portfolio of more than 75 companies and funds across content, technology and infrastructure, including strategic stakes in companies like ITV, Televisa Univision, Plume, Lionsgate and the Formula E racing series.

Unique in its scale as the largest pan-European and African technology communications company, Vodafone transforms the way people live and work through its innovation, technology, connectivity, platforms, products and services. Vodafone operates mobile and fixed networks in 21 countries, and partners with mobile networks in 48 more. As of 30 June 2022, Vodafone had over 300 million mobile customers, more than 28 million fixed broadband customers and 22 million TV customers. Vodafone is a world leader in the Internet of Things ("IoT"), connecting around 160 million devices and platforms.

*Represents aggregate consolidated and 50% owned non-consolidated fixed and mobile subscribers. Includes wholesale mobile subscribers of the VMO2 JV and B2B fixed subscribers of the VodafoneZiggo JV.

Footnotes

1. VodafoneZiggo Group B.V. ("VodafoneZiggo"), a leading Dutch company that provides fixed, mobile and integrated communication and entertainment services to consumers and businesses, reports its selected, preliminary unaudited financial and operating information for the three months ("Q3") and nine months ("YTD") ended September 30, 2022, as compared to the results for the same periods in the prior year (unless otherwise noted). The financial and operating information contained herein is preliminary and subject to change. We expect to issue our September 30, 2022 unaudited condensed consolidated financial statements prior to the end of November 2022, at which time the report will be posted to our website. The financial figures contained in this release are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

2. Converged households or converged SIMs represent customers in either our Consumer or SOHO segment that subscribe to both a fixed-line digital TV and an internet service and Vodafone and/or hollandsnieuwe postpaid mobile telephony service.

3. Our mobile subscriber count represents the number of active subscriber identification module ("SIM") cards in service rather than services provided. For example, if a mobile subscriber has both a data and voice plan on a smartphone this would equate to one mobile subscriber. Alternatively, a subscriber who has a voice and data plan for a mobile handset and a data plan for a laptop (mobile broadband or secondary SIM) would be counted as two mobile subscribers. Our mobile subscriber count includes both prepaid and postpaid plans. Prepaid customers are excluded from our prepaid mobile telephony subscriber counts after a period of inactivity of 9 months.

4. Average Revenue Per Unit ("ARPU") refers to the average monthly subscription or service revenue, for either fixed or mobile services, respectively, per average fixed customer relationship or mobile subscriber, as applicable. Although presented on a combined basis in our operating statistics summary table above, our ARPU per fixed customer relationship is calculated separately for our residential ("Consumer fixed ARPU"), SOHO ("SOHO fixed ARPU") and small business ("Small business fixed ARPU") subscribers by dividing the average applicable monthly fixed subscription revenue for the indicated period, by the average of the opening and closing balances for the fixed customer relationship for the period. Fixed customer relationships of entities acquired during the period are normalized. Although presented on a combined basis in our operating statistics summary table above, our ARPU per mobile subscriber is calculated separately for our Consumer ("Consumer mobile postpaid ARPU") and B2B ("B2B mobile postpaid ARPU") subscribers. Our ARPU per mobile subscriber calculations refer to the average monthly mobile service and interconnect revenue per average mobile subscribers in service and are calculated by dividing the average monthly postpaid mobile service revenue including interconnect revenue for the indicated period, by the average of the opening and closing balances of postpaid mobile subscribers in service for the period.

5. RGU ("Revenue Generating Unit") is separately a Basic Video Subscriber, Enhanced Video Subscriber, Internet Subscriber or Telephony Subscriber (each as defined and described below). A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer in our market subscribed to our enhanced video service, fixed-line telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of Basic Video, Enhanced Video, Internet and Telephony Subscribers. RGUs generally are counted on a unique premises basis such that a given premises does not count as more than one RGU for any given service. On the other hand, if an individual receives one of our services in two premises (e.g. a primary home and a vacation home), that individual will count as two RGUs for that service. Each bundled video, internet or telephony service is counted as a separate RGU regardless of the nature of any bundling discount or promotion. Non-paying subscribers are counted as subscribers during their free promotional service period. Some of these subscribers may choose to disconnect after their free service period. Services offered without charge on a long-term basis (e.g., VIP subscribers, or free service to employees) generally are not counted as RGUs. We do not include subscriptions to mobile services in our externally reported RGU counts. In this regard, our September 30, 2022 RGU counts exclude our separately reported prepaid and postpaid mobile subscribers.

6. Adjusted EBITDA is the primary measure used by our management to evaluate the operating performance of our businesses. Adjusted EBITDA is also a key factor that is used by our management and our Supervisory Board to evaluate the effectiveness of our management for purposes of annual and other incentive compensation plans. As we use the term, Adjusted EBITDA is defined as operating income before depreciation and amortization, share-based compensation, provisions and provision releases related to significant litigation and impairment, restructuring and other operating items. Other operating items include (i) gains and losses on the disposition of long-lived assets, (ii) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable, and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Our management believes Adjusted EBITDA is a meaningful measure because it represents a transparent view of our recurring operating performance that is unaffected by our capital structure and allows management to (a) readily view operating trends, (b) perform analytical comparisons and benchmarking between entities and (c) identify strategies to improve operating performance. We believe our Adjusted EBITDA measure is useful to investors because it is one of the bases for comparing our performance with the performance of other companies in the same or similar industries, although our measure may not be directly comparable to similar measures used by other companies. Adjusted EBITDA should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income, net earnings or loss, cash flow from operating activities and other U.S. GAAP measures of income or cash flows. A reconciliation of net loss to Adjusted EBITDA is presented under the *Financial Results, Adjusted EBITDA Reconciliation & Property and Equipment Additions* section of this release.

7. Adjusted EBITDA less P&E Additions, which is a non-GAAP measure, represents Adjusted EBITDA less property and equipment additions on an accrual basis, amounts financed under vendor financing or finance lease arrangements and other non-cash additions. Adjusted EBITDA less P&E Additions is a meaningful measure because it provides (i) a transparent view of Adjusted EBITDA that remains after our capital spend, which we believe is important to take into account when evaluating our overall performance and (ii) a comparable view of our performance relative to other telecommunications companies. Our Adjusted EBITDA less P&E Additions measure may differ from how other companies define and apply their definition of similar measures. Adjusted EBITDA less P&E Additions should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income, net earnings or losses and other U.S. GAAP measures of income.

8. The financial guidance for FY 2022 is:
    a. Stable to modest growth in Adjusted EBITDA
    b. 22% - 24% of property and equipment ("P&E") additions as % of revenue

c. €550 - €650 million total shareholder cash distributions

A reconciliation of our Adjusted EBITDA guidance to a U.S. GAAP measure is not provided due to the fact that not all elements of the reconciliation are projected as part of our forecasting process, as certain items may vary significantly from one period to another.

Total shareholder cash distributions includes payments for equity distributions and principal and interest on Shareholder Notes. Of note, this is in addition to the shareholder charges that we describe in our 2021 annual report. Shareholders refers to the 50:50 ownership by Vodafone and Liberty Global of VodafoneZiggo.

9. Property and equipment ("P&E") additions include property and equipment capital expenditures on an accrual basis, amounts financed under vendor financing or finance lease arrangements and other non-cash additions. Spectrum license additions include capital expenditures for spectrum licenses on an accrual basis.

10. Consumer fixed revenue is classified as either subscription revenue or non-subscription revenue. Consumer fixed subscription revenue includes revenue from subscribers for ongoing broadband internet, video, and voice services offered to residential customers and the amortization of installation fee. Consumer fixed non-subscription revenue includes, among other items, interconnect, channel carriage fees and late fees.

11. Consumer mobile revenue is classified as either service revenue or non-service revenue. Consumer mobile service revenue includes revenue from ongoing mobile and data services offered under postpaid and prepaid arrangements to residential customers. Consumer mobile non-service revenue includes, among other items, interconnect revenue, mobile handset and accessories sales, and late fees.

12. B2B fixed revenue is classified as either subscription revenue or non-subscription revenue. B2B fixed subscription revenue includes revenue from business broadband internet, video, voice, and data services offered to SOHO, small and medium to large enterprises. B2B fixed non-subscription revenue includes, among other items, revenue from hosting services, installation fees, carriage fees and interconnect.

13. Unified Communication portfolio refers to a suite of B2B product offerings including One Net, One Mobile, One Fixed, Office 365, Skype for Business, cloud hosting and customer contact center solutions. Unified Communication seats are unique licenses subscribed in each of these products.

14. B2B mobile revenue is classified as either service revenue or non-service revenue. B2B mobile service revenue includes revenue from ongoing mobile and data services offered to SOHO, small and medium to large enterprise customers as well as wholesale customers. B2B mobile non-service revenue includes, among other items, interconnect including visitor revenue, mobile handset and accessories sales, and late fees.

15. Our fully-swapped third-party debt borrowing cost represents the weighted average interest rate on our aggregate variable- and fixed-rate indebtedness (excluding finance leases and vendor and handset financing obligations), including the effects of derivative instruments and commitment fees, but excluding the impact of financing costs.

16. Homes Passed are homes, residential multiple dwelling units or commercial units that can be connected to our networks without materially extending the distribution plant. Our Homes Passed counts are based on internally maintained databases of connected addresses, which are updated monthly. Due to the fact that we do not own the partner networks, we do not report homes passed for partner networks.

17. Fixed Customer Relationships are the number of customers who receive at least one of our video, internet or telephony services that we count as RGU, without regard to which or to how many services they subscribe. Fixed Customer Relationships generally are counted on a unique premises basis. Accordingly, if an individual receives our services in two premises (e.g., a primary home and a vacation home), that individual generally will count as two Fixed Customer Relationships. We exclude mobile-only customers from Fixed Customer Relationships.

18. Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our video service over our broadband network or through a partner network via a digital video signal. Video Subscribers are counted on a unique premises basis. For example, a subscriber with one or more set-top boxes that receives our video service in one premises is generally counted as just one subscriber and a subscriber with two homes and a subscription to our video service at each home is counted as two RGUs.

19. Internet Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our internet services over our networks, or that we service through a partner network.

20. Telephony Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our voice services over our networks, or that we service through a partner network. Telephony Subscribers exclude mobile telephony subscribers.

21. Other revenue includes, among other items, programming, advertising and site sharing revenue.

22. The capital expenditures that we report in our consolidated statements of cash flows do not include amounts that are financed under vendor financing or finance lease arrangements. Instead, these expenditures are reflected as non-cash additions to our property and equipment when the underlying assets are delivered, and as repayments of debt when the related principal is repaid.

23. Other debt represents handset financing obligations.

24. Net third-party debt is not a defined term under U.S. GAAP and may not therefore be comparable with other similarly titled measures reported by other companies.

25. Total covenant amount of third-party gross debt is the euro equivalent of the nominal amount outstanding of our third-party debt less (i) vendor financing, (ii) finance lease obligations, (iii) other debt and (iv) the projected principal-related cash flows associated with our cross-currency derivative instruments. These projected cash flows are presented for illustrative purposes only and will likely differ from the actual cash receipts or payments in future periods. A reconciliation of total third-party debt to total covenant amount of third-party gross and net debt is provided under the *Covenant Debt Information* section of this release.

Additional General Notes:

Certain of our B2B fixed revenue is derived from SOHO, small business and multiple dwelling unit subscribers. SOHO subscribers pay a premium price to receive enhanced service levels along with video, internet or telephony services that are the same or similar to the mass marketed products offered to our residential subscribers. small business customers receive video, internet or telephony services that are similar to our SOHO product offerings with additional optional functionality such as static IP addresses, hosted VoIP, or Multi Wi-Fi. The small business product offerings come at a premium price compared to the business products we offer to our SOHO customers. All mass marketed products provided to SOHO and small business customers, whether or not accompanied by enhanced service levels and/or premium prices, are included in the respective RGU and customer counts of our broadband communications operation, with only those services provided at premium prices considered to be “SOHO RGUs” and “Small business RGUs” or “SOHO customers” and “Small business customers”. To the extent our existing customers upgrade from a residential product offering to a SOHO or small business product offering, the number of SOHO or small business RGUs or SOHO or small business customers will increase, but there is no impact to our total RGUs or customer counts. We report multiple dwelling unit subscribers and revenue under our B2B segment as these contracts are managed by the B2B management team. With the exception of our B2B SOHO, small business and multiple dwelling unit subscribers, we generally do not count customers of B2B fixed services as customers or RGUs for external reporting purposes.

While we take appropriate steps to ensure that subscriber statistics are presented on a consistent and accurate basis at any given balance sheet date, the variability in (i) the nature and pricing of products and services, (ii) the distribution platform, (iii) billing systems, (iv) bad debt collection experience and (v) other factors add complexity to the subscriber counting process. We periodically review our subscriber counting policies and underlying systems to improve the accuracy and consistency of the data reported on a prospective basis. Accordingly, we may from time to time make appropriate adjustments to our subscriber statistics based on those reviews.