VodafoneZiggo Reports Preliminary Q1 2024 Results

Solid Financial Performance, Confirming 2024 Guidance

Utrecht, May 1, 2024 — VodafoneZiggo[1] announces its unaudited consolidated results for the three months ("Q1") ended March 31, 2024.

Highlights for Q1 2024:

- Sustaining commercial momentum in convergence, mobile and B2B:
  - Mobile postpaid SIMs[2] grew by 22,300, and mobile postpaid ARPU[3] grew by 3.4% YoY, supported by our price actions
  - Fixed Mobile Convergence ("FMC")[4] broadband households penetration remained stable in the quarter at 48%. FMC SIMs increased by 22,700 to almost 2.7 million, driving improved Net Promoter Scores and customer loyalty
  - Consumer broadband subscribers[5] declined by 26,600, partially offset by a growth of 3,100 in B2B. Total broadband subscribers declined by 23,500, a 3,000 improvement compared to Q4 2023. Fixed ARPU grew by 4.2% YoY, also supported by price actions
- Delivering solid financial results:
  - Revenue grew 1.6% YoY, with growth in both fixed and mobile revenue. Mobile subscription revenue grew by 7.5% YoY, representing our highest quarterly growth since the formation of the JV, driven by customer and ARPU growth
  - Reported a net loss of €12.5 million, compared to a net loss of €82.0 million in the prior year period, as derivative portfolio gains and higher operating income were partially offset by foreign currency exchange losses, higher third-party interest expense and lower income tax benefits
  - Adjusted EBITDA[6] returned to growth, with an 8.8% YoY increase to €478.1 million, reflecting a growth in sales margin and higher cost inflation of €17.7 million in the prior year period
  - Generated €252.7 million of Adjusted EBITDA less P&E Additions[7], representing 24.6% of revenue
- Confirming FY 2024 guidance[8]:
  - Low single digit growth in Adjusted EBITDA, supported by revenue growth
  - 21 - 23% P&E additions[9] as % of revenue
  - Up to €300 million total cash[8] available for potential shareholder cash distributions and non-recurring investments

Ritchy Drost, CFO VodafoneZiggo, commented:

"We maintained customer growth in mobile and B2B in the first quarter of the year and our broadband performance continued to show improvement quarter-on-quarter, underpinning our belief that we are executing the right strategy to provide the best network and entertainment experience for our customers. Preparations are well underway for broadcasting all UEFA club football matches exclusively through our Ziggo Sport channel and Ziggo Go app this summer. Adjusted EBITDA has returned to growth, underpinning Q1 financial performance and our 2024 guidance which we remain on track to deliver. On behalf of the company, I would also like to thank Jeroen Hoencamp who has stepped down as the CEO of VodafoneZiggo from May 1, 2024. Through his strong leadership, Jeroen leaves VodafoneZiggo in a good shape, with a strong position in the Dutch telecom market and a solid financial foundation, including its balance sheet."

Consumer performance for Q1 2024:

Total consumer revenue increased by 1.6% YoY in Q1 2024

Fixed:

Consumer fixed revenue[10] declined by 0.6% in Q1 2024

- The revenue decline was primarily driven by the decline in the customer base, partially offset by the average price indexation of 8.5% implemented in July 2023
  - ARPU grew by 4.4% YoY to €55
- Consumer broadband subscribers decreased by 26,600 in the quarter, amidst the continued competitive environment. This represents a 4,600 improvement compared to the previous quarter, supported by lower churn
- We continue to execute our strategy by providing high-speed, reliable and secure connectivity and the best entertainment to our customers through our Hybrid Fiber Coax network
  - During the quarter we delivered SmartWiFi pods to 41,000 customers, bringing the total to more than 1.8 million customers, and reaching a broadband customer penetration of 57%
  - By the end of Q1, almost 2.1 million customers had a Mediabox Next, Next Mini or the upgraded Mediabox XL in their homes, representing a 59% video customer penetration
  - The Apple TV+ streaming service has been fully integrated in our video platform, joining other popular streaming services that have been previously integrated, and enabling our customers direct access and easy search to all their content using our voice control function
  - We extended the broadcasting deals for the Italian Serie A, Coppa Italia and Supercoppa Italiana football matches until 2029, and together with the upcoming UEFA club football exclusive broadcasting rights, further solidified our Ziggo Sport channel as the premier sport channel for our customers

Mobile:

Consumer mobile revenue[11] grew by 6.4% YoY in Q1 2024

- The revenue growth was primarily driven by (i) the average price indexation of 10.0% implemented in October 2023, (ii) customer base growth and (iii) higher handset sales, partially offset by lower interconnect revenue
  - Postpaid ARPU grew by 4.5% YoY to €19
- 13,000 consumer mobile postpaid net additions in Q1, supported by a low churn level

Business performance for Q1 2024:

Total B2B revenue increased by 1.4% YoY in Q1 2024

Fixed:

B2B fixed revenue[12] increased by 5.5% YoY in Q1 2024

- The revenue growth was primarily driven by growth in SOHO ("Small Office Home Office") and small segments and our Unified Communication[13] portfolio
    - SOHO fixed ARPU remained stable YoY at €62 and small business fixed ARPU increased by 6.0% YoY to €91
- 3,100 B2B broadband subscribers and 4,100 Unified Communication seats[13] were added in the quarter

Mobile:

B2B mobile revenue[14] decreased by 2.6% YoY in Q1 2024

- The revenue decline was primarily driven by lower handset sales, partially offset by price indexation and customer base growth. Mobile subscription revenue grew by 6.9% YoY in the quarter
    - Postpaid ARPU grew 1.4% YoY to €15 driven by a net effect of price indexation partially offsetting pricing pressure in the large corporate segment
- 9,300 B2B mobile postpaid net additions in Q1

Financial highlights for Q1 2024:

- Revenue grew by 1.6% YoY, supported by continued growth in mobile and B2B fixed revenue, partially offset by a decline in B2C fixed customer base
    - Mobile subscription revenue grew 7.5% YoY, marking our twelfth consecutive quarterly growth and highest quarterly growth since the formation of the JV. The revenue growth was supported by growth in mobile postpaid customer base and price indexation
- Reported a net loss of €12.5 million, compared to net loss of €82.0 million in the prior year period, driven by (i) derivative portfolio gains and (ii) higher operating income, partially offset by (a) foreign currency exchange losses, (b) higher third-party interest expense and (c) lower income tax benefits
- Adjusted EBITDA increased 8.8% YoY to €478.1 million, reflecting a 3.0% YoY growth in sales margin and higher cost inflation of €17.7 million in the prior year period, driven predominantly by lower energy costs and the phasing of wage increases
- Property and equipment additions were 22.0% of revenue in Q1 2024
    - Q1 additions were €8.0 million lower YoY, reflecting the net effect of higher spend on IT transformation projects in the prior year period, partially offset by (i) higher capacity and coverage expansion in both mobile and fixed networks and (ii) higher customer premises equipment
- Generated €252.7 million of Adjusted EBITDA less P&E Additions, representing 24.6% of revenue and 22.6% YoY growth. The growth was primarily driven by Adjusted EBITDA growth
- During the quarter, we made interest payments on the Shareholder Notes of €25.5 million
- At March 31, 2024, 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 5.5 years
- At March 31, 2024, total third-party debt (excluding vendor financing, handset financing and lease obligations) was €10.1 billion, an increase of €0.1 billion compared to December 31, 2023. 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

remained stable at €9.1 billion at March 31, 2024. For information concerning the debt balances used in our covenant calculations, see Covenant Debt Information below

- At March 31, 2024, 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 3.66x and (ii) the ratio of Total Net Debt to Annualized EBITDA (last two quarters annualized) was 4.62x, 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 5.48x at March 31, 2024
- In March 2024, the maximum borrowing capacity of our Revolving Facility G1 has been reduced by €50 million to €75 million. At March 31, 2024, we had maximum undrawn commitments of €800 million under our Revolving Facilities. When our Q1 compliance reporting requirements have been completed and assuming no changes from March 31, 2024 borrowing levels, we anticipate that we will have €800 million of our unused Revolving Facilities commitments available to be drawn

ESG highlights:

- In 2023, our CO_2 footprint encompassing scope 1, 2 and 3 emissions reduced by 44% as compared to 2018 baseline. We are on track to achieve our environmental target of reducing our CO_2 footprint by 50% against our 2018 baseline by 2025
- In January 2024, we were again awarded a gold medal from EcoVadis, an authority in business sustainability ratings. This positions us among the top 5% of best-performing companies in the field of sustainability. The outcome underscores our ongoing commitment to a fair and sustainable supply chain, achieved through close collaboration with our suppliers
- In February 2024, we launched a new Vodafone offer especially for young adults, aged between 18 and 28, to support their journey in the digital age. They can benefit from the Vodafone Young discount and gain access to all the extras offered by Vodafone through our Priority program
- In March 2024, we successfully linked three ESG related KPIs to our Revolving Facilities, expanding our effort to build a sustainable capital structure. The three KPIs further support our ambition to reduce our scope 1 and 2 CO_2 emissions (KPI 1), reduce our scope 3 CO_2 emissions (KPI 2) and increase the number of women in people leader roles (KPI 3). Each KPI will have its proposed annual target set until 2028 with a total margin adjustment of up to +/- 5 bps
- In April 2024, we published our second integrated annual report. In the 2023 report, titled Connection in Action, we provide, in addition to financial results, extensive insight into our efforts in the areas of sustainability, digital inclusion and governance. With this, we are taking action towards compliance with the Corporate Sustainability Reporting Directive ("CSRD"), which is effective for VodafoneZiggo as of January 1, 2025
- In April 2024, we launched Digital Tuesday, an initiative to help older people navigate the challenges of the digital society. These weekly drop-in sessions at select VodafoneZiggo shops provide older members of society with personal and practical help with all their digital queries

Operating Statistics Summary

	As of and for the three months ended March 31, 2024	2023
Footprint		
Homes Passed[16]	7,533,200	7,380,100
Q1 organic Homes Passed net additions	16,600	6,800
Fixed-Line Customer Relationships[17]		
Fixed-Line Customers	3,517,800	3,672,200
Q1 organic Fixed-Line Customer net losses	(35,200)	(3,500)
RGUs per Fixed-Line Customer	2.31	2.36
Q1 Monthly ARPU[3] per Fixed-Line Customer	€ 54	€ 52
Mobile SIMs[2]		
Postpaid	5,324,100	5,195,400
Prepaid	327,500	364,100
Total Mobile	5,651,600	5,559,500
Q1 organic Postpaid net additions	22,300	38,500
Q1 organic Prepaid net losses	(12,700)	(6,600)
Total organic Mobile net additions	9,600	31,900
Q1 Monthly Mobile ARPU[3]		
Postpaid (including interconnect revenue)	€ 17	€ 17
Prepaid (including interconnect revenue)	€ 3	€ 3
Convergence[4], including SOHO		
Converged Households	1,531,200	1,510,900
Converged SIMs	2,682,000	2,576,000
Converged Households as % of Broadband RGUs	48%	46%
Subscribers (RGUs)[5]		
Video[18]	3,491,700	3,644,600
Broadband[19]	3,183,600	3,298,500
Telephony[20]	1,434,700	1,710,300
Total RGUs	8,110,000	8,653,400
Q1 Organic RGU Net Losses		
Video	(33,000)	(20,100)
Broadband	(23,500)	(8,500)
Telephony	(86,400)	(76,300)
Total organic RGU net losses	(142,900)	(104,900)

Financial Results, Adjusted EBITDA Reconciliation & Property and Equipment Additions

The following table reflects preliminary unaudited selected financial results for the three months ended March 31, 2024 and 2023:

	Three months ended March 31,		
	2024	2023*	Change
	in millions, except % amounts		
Total revenue			
Consumer fixed revenue[10]			
Subscription revenue	€ 491.7	€ 494.9	(0.6)%
Non-subscription revenue	3.1	2.9	6.9%
Total consumer fixed revenue	494.8	497.8	(0.6%)
Consumer mobile revenue[11]			
Subscription revenue	183.6	170.3	7.8%
Non-subscription revenue	64.0	62.5	2.4%
Total consumer mobile revenue	247.6	232.8	6.4%
Total consumer revenue	742.4	730.6	1.6%
B2B fixed revenue[12]			
Subscription revenue	139.9	132.6	5.5%
Non-subscription revenue	3.1	3.0	3.3%
Total B2B fixed revenue	143.0	135.6	5.5%
B2B mobile revenue[14]			
Subscription revenue	103.5	96.8	6.9%
Non-subscription revenue	30.0	40.3	(25.6%)
Total B2B mobile revenue	133.5	137.1	(2.6%)
Total B2B revenue	276.5	272.7	1.4%
Other revenue[21]	7.2	6.5	10.8%
Total revenue	€ 1,026.1	€ 1,009.8	1.6 %
Adjusted EBITDA[6]	€ 478.1	€ 439.6	8.8%
Adjusted EBITDA as a percentage of revenue	46.6 %	43.5 %	

* Certain revenue amounts have been reclassified to conform to our 2024 presentation.

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

	Three months ended March 31,	
	2024	2023
	in millions	
Net loss	€ (12.5)	€ (82.0)
Income tax benefit	(11.0)	(19.4)
Other expense, net	0.1	—
Foreign currency transaction losses (gains), net	140.3	(85.6)
Realized and unrealized losses (gains) on derivative instruments, net	(211.0)	74.4
Interest expense:		
Third-party	164.6	143.3
Related-party	25.5	25.2
Operating income	96.0	55.9
Impairment, restructuring and other operating items, net	(0.1)	2.7
Depreciation and amortization	382.2	381.0
Adjusted EBITDA	€ 478.1	€ 439.6

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 March 31,	
	2024	2023
	in millions, except % amounts	
Customer premises equipment	€ 65.8	€ 64.8
New build and upgrade	33.1	27.0
Capacity	53.8	49.4
Baseline	44.2	52.1
Product and enablers	28.5	40.1
Property and equipment additions[9]	225.4	233.4
Assets acquired under capital-related vendor financing arrangements	(70.7)	(92.9)
Assets acquired under finance leases	(2.7)	(1.4)
Changes in liabilities related to capital expenditures	38.0	68.8
Total capital expenditures[22]	€ 190.0	€ 207.9
Property and equipment additions as a percentage of revenue	22.0 %	23.1 %
Adjusted EBITDA less P&E Additions[7] Reconciliation		
Adjusted EBITDA	€ 478.1	€ 439.6
Property and equipment additions	(225.4)	(233.4)
Adjusted EBITDA less P&E Additions	€ 252.7	€ 206.2
as a percentage of revenue	24.6 %	20.4 %

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.

	March 31, 2024			December 31, 2023
	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 (SOFR + 2.50%) USD due 2028	$	2,525.0	2,338.7	2,282.1
Financing Facility			2.3	2.3
€75.0 million Ziggo Revolving Facility G1 EUR due 2026			—	—
€725.0 million Ziggo Revolving Facility G2 EUR due 2029			—	—
Total Credit Facilities			4,591.0	4,534.4
Senior Secured Notes				
5.00% USD Senior Secured Notes due 2032	$	1,525.0	1,412.5	1,378.3
4.875% USD Senior Secured Notes due 2030	$	991.0	917.9	895.7
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			3,582.9	3,526.5
Senior Notes				
3.375% EUR Senior Notes due 2030	€	900.0	900.0	900.0
6.00% USD Senior Notes due 2027	$	625.0	578.9	564.9
5.125% USD Senior Notes due 2030	$	500.0	463.1	451.9
Total Senior Notes			1,942.0	1,916.8
Vendor financing			1,003.5	999.6
Other debt[23]			186.8	177.4
Finance lease obligations			25.7	25.3
Total third-party debt and finance lease obligations			11,331.9	11,180.0
Unamortized premiums, discounts and deferred financing costs, net			(28.9)	(29.9)
Total carrying amount of third-party debt and finance lease obligations			11,303.0	11,150.1
Less: cash and cash equivalents			39.6	116.6
Net carrying amount of third-party debt and finance lease obligations[24]			€ 11,263.4	€ 11,033.5
Exchange rate ($ to €)			1.07965	1.10645

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 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 March 31, 2024 and December 31, 2023. These amounts are presented for illustrative purposes only and will likely differ from the actual cash receipts in future periods.

	March 31, 2024	December 31, 2023
	in millions	
Total third-party debt and finance lease obligations (€ equivalent)	€ 11,331.9	€ 11,180.0
Vendor financing	(1,003.5)	(999.6)
Finance lease obligations	(25.7)	(25.3)
Other debt[23]	(186.7)	(177.4)
Credit Facility excluded amount	(493.0)	(496.1)
Projected principal-related cash receipts associated with our cross-currency derivative instruments	(486.6)	(348.3)
Total covenant amount of third-party gross debt	9,136.4	9,133.3
Less: cash and cash equivalents*	(23.3)	(22.0)
Total covenant amount of third-party net debt[24]	€ 9,113.1	€ 9,111.3

* This excludes the cash that is related to the unutilized portion of the Vendor Finance Note facility of €15.9 million and €6.1 million as of March 31, 2024 and December 31, 2023, respectively, as well as the cash that is outside the covenant group, amounting to €0.4 million and €88.5 million as of March 31, 2024 and December 31, 2023, respectively.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the U.S. 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 financial performance, including revenue, Adjusted EBITDA, Adjusted EBITDA less P&E Additions and cash returns to our shareholders, as well as our 2024 financial guidance; expectations of any macroeconomic dynamics that may be beneficial or detrimental to the company; expectations with respect to the development, enhancement and expansion of our networks and innovative and advanced products and services; expectations regarding the availability of mobile devices with 1 Gbps+ download speeds; expectations with respect to our service offerings, such as our UEFA club football broadcast, including the benefits to be derived therefrom; our ability to improve broadband speed and performance using our Hybrid Fiber Coax infrastructure; the strength of our balance sheet, our borrowing capacity 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 the current political and economic environment; geopolitical tensions; the impact of inflation on consumer disposable income; the continued use by subscribers and potential subscribers of our services and their willingness to upgrade to our more advanced offerings; our ability to maintain commercial momentum in mobile and B2B; our ability to grow FMC households; 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; 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 impact of our 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 March 31, 2024, we have approximately 5.6 million mobile, 3.5 million video, 3.2 million broadband internet and 1.4 million fixed telephony subscribers.

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

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, 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 85 million* connections across Europe. Liberty Global's businesses operate under some of the best-known consumer brands, including Sunrise in Switzerland, Telenet in Belgium, Virgin Media in Ireland, UPC in Slovakia, Virgin Media-O2 in the U.K. and VodafoneZiggo in The Netherlands. Liberty Global, through its global investment arm, Liberty Global Ventures, has a portfolio of more than 75 companies and funds across the content, technology and infrastructure industries, including stakes in companies like ITV, Televisa Univision, Plume, AtlasEdge and the Formula E racing series.

Vodafone is the largest pan-European and African telecoms company with the purpose to connect for a better future by using technology to improve lives, businesses and help progress inclusive sustainable societies. Vodafone provides mobile and fixed services to over 300 million customers in 17 countries, partner with mobile networks in 43 more and have one of the world's largest IoT platforms. In Africa, Vodafone financial technology businesses serve more than 76 million customers across eight countries – managing more transactions than any other provider.

*Represents aggregate consolidated and 50% owned non-consolidated fixed and mobile subscribers. Includes wholesale mobile connections 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 ("Q1") ended March 31, 2024, as compared to the results for the same period 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 March 31, 2024 unaudited condensed consolidated financial statements by mid-May 2024, 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. 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.
3. Average Revenue Per Unit ("ARPU") refers to the average monthly subscription 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 relationships 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 subscription and interconnect revenue per average mobile subscribers in service and are calculated by dividing the average monthly postpaid mobile subscription 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.
4. Converged households or converged SIMs represent customers in either our Consumer or SOHO segment that subscribe to both a fixed-line digital TV and a broadband internet service and Vodafone and/or hollandsnieuwe postpaid mobile telephony service.
5. Subscriber or RGU ("Revenue Generating Unit") is separately a Video Subscriber, Broadband 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 video service, fixed-line telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of Video, Broadband 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, broadband 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 March 31, 2024 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 2024 is:
   a. Low single digit growth in Adjusted EBITDA, supported by revenue growth
   b. 21% to 23% of property and equipment additions as % of revenue
   c. Up to €300 million total cash available for potential shareholder cash distributions and non-recurring investments

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 cash available refers to cash generated during the period excluding any financing and investment expenses relating to potential acquisitions, mobile spectrum auction fees, or other liabilities.

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 2023 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.
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 subscription revenue or non-subscription revenue. Consumer mobile subscription revenue includes revenue from ongoing mobile and data services offered under postpaid and prepaid arrangements to residential customers. Consumer mobile non-subscription 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 subscription revenue or non-subscription revenue. B2B mobile subscription 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-subscription revenue includes, among other items, interconnect including visitor revenue, mobile handset and accessories sales, late fees, and site sharing revenue.
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 but including 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, broadband 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. Broadband Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our broadband 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 and advertising revenue.
22. The capital expenditures that we report in our condensed 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 carrying amount of third-party debt and finance lease obligations is not a defined term under U.S. GAAP and may not therefore be comparable with other similarly titled measures reported by other companies.

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, broadband 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, broadband 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.