

VodafoneZiggo Reports Preliminary Q3 2024 Results

Financial Performance in line with Expectation, Reconfirming 2024 Guidance

Utrecht, October 29, 2024 — VodafoneZiggo¹ announces its unaudited consolidated results for the three months (“Q3”) and nine months (“YTD”) ended September 30, 2024.

Highlights for Q3 2024:

- Executing strategy, while commercial performance was still impacted by competitive market:
 - Mobile postpaid SIMs² grew 2,300, an improvement of 20,700 compared to the previous quarter decline of 18,400, driven by sales recovery in our consumer segment. B2B net adds were impacted by the loss of low ARPU local government contracts in the prior year. Mobile postpaid ARPU³ grew by 2.6% YoY, supported by price indexation
 - Fixed Mobile Convergence (“FMC”)⁴ SIMs grew 15,300 and broadband household penetration increased to 49%. We continue to experience higher Net Promoter Scores and customer loyalty in our FMC base
 - Total broadband subscribers⁵ declined by 20,400, of which 25,500 was in consumer, partially offset by growth of 5,100 in B2B. This represents a 2,200 improvement compared to the previous quarter decline of 22,600. Fixed ARPU grew by 0.7% YoY
- Realizing financial performance in line with expectation:
 - Revenue declined 0.5% YoY, with growth in mobile and B2B revenue offset by a decline in consumer fixed revenue. Mobile subscription revenue grew by 5.0% YoY
 - Reported a net loss of €121.7 million, compared to a net loss of €58.3 million in the prior year period, as derivative portfolio losses were only partially offset by foreign currency exchange gains, higher income tax benefits and higher operating income
 - Adjusted EBITDA⁶ grew 0.8% YoY to €480.3 million, as cost control measures and lower energy costs were partly offset by increased programming costs related to our UEFA broadcast, higher wage costs and lower revenue
 - Property & equipment (“P&E”)⁷ additions of €195.9 million or 19.0% of revenue
 - Generated €284.4 million of Adjusted EBITDA less P&E Additions⁸ or 27.6% of revenue
- Reconfirming FY 2024 guidance⁹:
 - Low single digit growth in Adjusted EBITDA, supported by revenue growth
 - 21 - 23% P&E additions as % of revenue
 - Up to €300 million total cash available for potential shareholder cash distributions and non-recurring investments

Stephen van Rooyen, CEO VodafoneZiggo, commented:

“I am pleased to have had a solid start at VodafoneZiggo. In my first two months, I have met many colleagues from across the organization as well as spent time with our customers. I have taken the time to listen and learn, and have been impressed by the strength of the underlying business, our capabilities, and our potential for future growth. Our third quarter results reflect our resilience in this competitive market through the strong focus on providing the best network and entertainment experience for our customers. We are off to a good start with our exclusive UEFA broadcasting rights and we delivered our

revenue and Adjusted EBITDA profile as expected. Therefore, I am confident that we will deliver our 2024 guidance.”

Consumer performance for Q3 and YTD 2024:

Total consumer revenue declined by 1.5% YoY in Q3 and increased by 0.6% YoY in YTD 2024

Fixed:

Consumer fixed revenue¹⁰ declined by 4.8% YoY in Q3 and 2.0% YoY in YTD 2024

- The revenue decline was primarily driven by the decline in our customer base, partially offset by the price indexation implemented in July 2024
 - Q3 consumer fixed ARPU increased 0.3% YoY to €56
- Consumer broadband subscribers decreased by 25,500 in the quarter, amidst the continued promotional intensity in the market. This represents a 1,900 improvement compared to the previous quarter decline of 27,400, supported by higher sales activity
- We continue to execute our strategy by providing high-speed, reliable and secure connectivity, services and the best entertainment to our customers through our Hybrid Fiber Coax network
 - Offering nationwide gigabit speeds across 100% of our fixed network footprint since 2023
 - During the quarter we delivered SmartWiFi pods to 80,000 customers, bringing the total to more than 1.9 million customers, and reaching a broadband customer penetration of 62%
 - During the quarter, 15,000 more customers began using our next-generation video platforms Mediabox Next Mini, Next or the upgraded Mediabox XL, providing them with a user friendly interface that enables direct access and searching of all content using the voice control function on their TV remote control. By the end of Q3, the number of customers using our next-generation video platforms reached 2.1 million, representing a 61% penetration of our video customer base
 - Registration on our 'Ziggo Sport Free' website continued to increase, reaching more than 500,000 unique registrations at the end of September 2024. This allows non-subscribers to stream the UEFA Dutch clubs matches through our flagship Ziggo Go app. Furthermore, we have seen a positive impact from the UEFA broadcast on our brand consideration, strengthening our position as the leading sport and entertainment provider in the Netherlands

Mobile:

Consumer mobile revenue¹¹ grew by 5.5% YoY in Q3 and 6.0% YoY in YTD 2024

- The revenue growth was primarily driven by (i) the average price indexation of 10.0% implemented in October 2023, (ii) higher handset sales and (iii) YoY customer base growth, partially offset by lower interconnect revenue. Mobile subscription revenue grew by 4.7% YoY in Q3 and 6.4% YoY in YTD 2024
 - Q3 consumer mobile postpaid ARPU grew by 2.6% YoY to €19
- Reported 11,500 consumer mobile postpaid organic net additions in the quarter, bringing the YTD total to 24,600 organic net additions
- In October 2024, we implemented an average 3.8% price indexation, in line with 2023 Dutch Consumer Price Index (“CPI”), to further support our network investments and mitigate inflationary cost pressures

Business performance for Q3 and YTD 2024:

Total B2B revenue increased by 2.1% YoY in Q3 and 1.4% YoY in YTD 2024

Fixed:

B2B fixed revenue¹² increased by 1.0% YoY in Q3 and 3.9% YoY in YTD 2024

- The revenue growth was primarily driven by growth in our SOHO (“Small Office Home Office”) and small business segments and our Unified Communication¹³ portfolio
 - Q3 SOHO fixed ARPU remained stable YoY at €63 and Q3 small business fixed ARPU increased by 7.3% YoY to €92
- 5,100 B2B broadband subscribers were added in the quarter, bringing the YTD total net additions to 13,000. Unified Communication seats¹³ slightly declined by 2,400 in Q3, bringing the YTD total net additions to 5,600

Mobile:

B2B mobile revenue¹⁴ increased by 3.3% YoY in Q3 and decreased by 1.2% YoY in YTD 2024

- Subscription revenue grew by 5.6% and 4.7% YoY in Q3 and YTD 2024, respectively, primarily driven by price indexation and higher wholesale revenue. Non-subscription revenue decreased by 3.9% and 17.5% YoY in Q3 and YTD 2024, respectively, primarily driven by lower low-margin handset sales and visitor revenue
 - Q3 B2B mobile postpaid ARPU increased 2.3% YoY to €15 as price indexation was partially offset by pricing pressure in the large corporate segment and lower out of bundle revenue
- Reported 9,200 B2B mobile postpaid organic net losses in the quarter, reflecting the port-outs of local government contracts. These low ARPU contracts were not extended in 2023. Total YTD organic net losses were 18,400
- In July 2024, we launched a revamped RED Pro proposition for our SOHO and small business customers offering larger data bundles, an extra data SIM, a security package and introduces a new and unique World Bundle which allows customers to use their own bundle outside EU countries for a fixed tariff

Financial highlights for Q3 and YTD 2024:

- Revenue declined by 0.5% in Q3 and grew 0.9% YoY in YTD 2024, supported by continued growth in mobile and B2B revenue, offset by a decline in consumer fixed customer base
 - Mobile subscription revenue grew 5.0% YoY in Q3 and 5.8% YoY in YTD 2024, supported by YoY growth in the mobile postpaid customer base and price indexation
- Reported a net loss of €121.7 million in Q3, compared to a net loss of €58.3 in the prior year period, driven by derivative portfolio losses, partially offset by (i) foreign currency exchange gains, (ii) higher income tax benefits and (iii) higher operating income
 - Reported a net loss of €148.7 million in YTD 2024, compared to a net loss of €257.7 million in the prior year period, driven by (i) foreign currency exchange gains and (ii) higher operating income, partially offset by (a) lower derivative portfolio gains, (b) higher third-party interest expense and (c) lower income tax benefits

- Adjusted EBITDA increased 0.8% YoY in Q3 to €480.3 million, reflecting our cost control measures, in areas such as customer service, IT, procurement and business contracting services, and lower energy costs, partly offset by higher programming costs related to the UEFA broadcast, wage increases related to our collective labor agreement and lower revenue
 - On a YTD basis, Adjusted EBITDA increased 5.8% YoY to €1,440.1 million, as cost control measures and sales margin growth were only partially offset by wage increases related to our collective labor agreement and higher programming costs related to the UEFA broadcast
- Property and equipment additions were 19.0% of revenue in Q3 2024, reflecting our commitment to invest in our networks, products and services
 - Q3 and YTD additions were €16.1 million and €23.0 million lower YoY, respectively, driven by lower spend on IT transformation projects and higher customer premises equipment inventory level, partially offset by higher capacity and coverage expansion in both mobile and fixed networks
- During the quarter, we successfully acquired 100 MHz spectrum license in the 3.5 GHz band. The license fee of €57.5 million was paid in full to the Dutch government in July 2024, funded from cash flow generated from our operations
- Generated €284.4 million of Adjusted EBITDA less P&E Additions in Q3, representing 27.6% of revenue and 7.5% YoY growth
 - On a YTD basis, Adjusted EBITDA less P&E Additions increased by 15.0% to €782.1 million, representing 25.5% of revenue
- During the quarter, we made interest payments on the Shareholder Notes of €25.8 million, bringing the YTD total shareholder cash distributions to €76.7 million
- At September 30, 2024, our fully-swapped third-party debt borrowing cost¹⁵ was 3.9% and average tenor of our third-party debt (excluding vendor and handset financing obligations) was 5.0 years
- At September 30, 2024, total third-party debt (excluding vendor financing, handset financing and lease obligations) was €9.9 billion, a decrease of €0.3 billion compared to June 30, 2024, reflecting the weakening of the US Dollar against the euro. 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 September 30, 2024. For information concerning the debt balances used in our covenant calculations, see Covenant Debt Information below
- At September 30, 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 3.60x and (ii) the ratio of Total Net Debt to Annualized EBITDA (last two quarters annualized) was 4.55x, 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 5.39x at September 30, 2024
- At September 30, 2024, we had maximum undrawn commitments of €800 million under our Revolving Facilities. When our Q3 compliance reporting requirements have been completed and assuming no changes from September 30, 2024 borrowing levels, we anticipate that all €800 million of our unused Revolving Facilities commitments available to be drawn

- In October 2024, we successfully issued our second Green Bond under the Green Finance Framework, which is part of our Sustainable Finance Framework. With the issuance we are committed to invest an equivalent amount to the proceeds in various initiatives to reduce our carbon footprint and further accelerate our transition to a climate-resilient future
 - The initiatives may include investments in renewable energy, energy efficiency improvements, circular economy, clean transportation, and green buildings
 - The Green Bond consists of €575 million 6.125% Senior Notes due 2032. The proceeds of this Green Bond will be used to refinance the existing \$625 million 6.0% Senior Notes due 2027, which may occur over a period, by way of open market purchases, privately negotiated transactions, tender offers, repayments, prepayments, redemptions or otherwise
 - This transaction was net leverage neutral and resulted in an increase in our debt tenor

ESG highlights for Q3 2024:

- In August 2024, we expanded our Digital Tuesday initiative to four days a week, from Tuesdays to Fridays. The initiative is further expanded to all VodafoneZiggo stores. Through these walk-in sessions, we provide everyone, especially the elderly, with personal and practical help with all their digital queries, including queries about our exclusive UEFA content
- Following the successful launch to Vodafone customers last year, we expanded our Health-e app offering to Ziggo customers and non-customers in September 2024. The app provides customers with direct access to medical, mental health and well-being experts
- In September 2024, EcoVadis awarded us a Platinum medal, their highest category. This positions us among the top 1% of best-performing companies worldwide in the field of sustainability and corporate social responsibility. The outcome underscores our ongoing commitment to a fair and sustainable supply chain, achieved through close collaboration with our suppliers

Operating Statistics Summary

	As of and for the three months ended September 30,	
	2024	2023
Footprint		
Homes Passed* ¹⁶	7,558,100	7,467,100
Q3 organic Homes Passed net additions	8,600	28,800
Fixed-Line Customer Relationships¹⁷		
Fixed-Line Customers	3,452,600	3,600,200
Q3 organic Fixed-Line Customer net losses	(33,600)	(38,600)
RGUs per Fixed-Line Customer	2.28	2.33
Q3 monthly ARPU ³ per Fixed-Line Customer	€ 55	€ 54
Mobile SIMs²		
Postpaid	5,298,400	5,261,500
Prepaid	282,100	336,600
Total Mobile	5,580,500	5,598,100
Q3 organic Postpaid net additions	2,300	28,600
Q3 organic Prepaid net losses	(37,300)	(900)
Total organic Mobile net additions (losses)	(35,000)	27,700
Q3 monthly Mobile ARPU³		
Postpaid (including interconnect revenue)	€ 17	€ 17
Prepaid (including interconnect revenue)	€ 4	€ 4
Convergence⁴, including SOHO		
Converged Households	1,523,000	1,537,400
Converged SIMs	2,693,100	2,649,600
Converged Households as % of Broadband RGUs	49%	48%
Subscribers (RGUs)⁵		
Video ¹⁸	3,426,100	3,573,500
Broadband ¹⁹	3,137,600	3,233,600
Telephony ²⁰	1,322,100	1,593,000
Total RGUs	7,885,800	8,400,100
Q3 Organic RGU Net Losses		
Video	(33,800)	(38,000)
Broadband**	(20,400)	(33,900)
Telephony	(57,500)	(65,900)
Total organic RGU net losses	(111,700)	(137,800)

* Homes passed includes non-organic net additions of 63,000 in Q3 2023. These non-organic net additions reflect adjustments to our previously reported numbers.

** We reported broadband net losses of 23,400 during Q3 2024, comprised of 20,400 organic net losses and 3,000 non-organic net losses. These non-organic net losses reflect adjustments to our previously reported numbers.

Financial Results, Adjusted EBITDA Reconciliation & Property and Equipment Additions

The preliminary unaudited selected financial results are set forth below:

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023*	Change	2024	2023*	Change
in millions, except % amounts						
Total revenue						
Consumer fixed revenue¹⁰						
Subscription revenue	€ 489.1	€ 513.5	(4.8)%	€ 1,465.3	€ 1,495.0	(2.0)%
Non-subscription revenue	2.5	2.7	(7.4)%	8.7	8.6	1.2%
Total consumer fixed revenue	491.6	516.2	(4.8)%	1,474.0	1,503.6	(2.0)%
Consumer mobile revenue¹¹						
Subscription revenue	186.1	177.8	4.7%	554.0	520.7	6.4%
Non-subscription revenue	64.5	59.7	8.0%	190.0	181.0	5.0%
Total consumer mobile revenue	250.6	237.5	5.5%	744.0	701.7	6.0%
Total consumer revenue	742.2	753.7	(1.5)%	2,218.0	2,205.3	0.6%
B2B fixed revenue¹²						
Subscription revenue	142.1	140.8	0.9%	422.5	407.4	3.7%
Non-subscription revenue	3.1	3.0	3.3%	9.7	8.7	11.5%
Total B2B fixed revenue	145.2	143.8	1.0%	432.2	416.1	3.9%
B2B mobile revenue¹⁴						
Subscription revenue	104.1	98.6	5.6%	308.1	294.4	4.7%
Non-subscription revenue	29.7	30.9	(3.9)%	88.1	106.8	(17.5)%
Total B2B mobile revenue	133.8	129.5	3.3%	396.2	401.2	(1.2)%
Total B2B revenue	279.0	273.3	2.1%	828.4	817.3	1.4%
Other revenue ²¹	8.3	7.3	13.7%	23.1	20.8	11.1%
Total revenue	€ 1,029.5	€ 1,034.3	(0.5)%	€ 3,069.5	€ 3,043.4	0.9 %
Adjusted EBITDA⁶	€ 480.3	€ 476.5	0.8%	€ 1,440.1	€ 1,361.3	5.8%
Adjusted EBITDA as a percentage of revenue	46.7%	46.1%		46.9%	44.7%	

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

A reconciliation of Net loss to Adjusted EBITDA is set forth below:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	in millions			
Net loss	€ (121.7)	€ (58.3)	€ (148.7)	€ (257.7)
Income tax benefit	(30.7)	(17.1)	(36.7)	(49.1)
Other expense (income), net	(1.5)	—	(1.4)	0.4
Foreign currency transaction losses (gains), net	(226.6)	182.2	(42.1)	70.5
Realized and unrealized losses (gains) on derivative instruments, net	276.4	(212.1)	(72.0)	(135.3)
Interest expense:				
Third-party	163.7	160.8	493.2	460.4
Related-party	25.8	25.7	76.7	76.4
Operating income	85.4	81.2	269.0	165.6
Impairment, restructuring and other operating items, net	0.2	5.3	4.5	41.3
Depreciation and amortization	394.7	390.0	1,166.6	1,154.4
Adjusted EBITDA	€ 480.3	€ 476.5	€ 1,440.1	€ 1,361.3

Our property and equipment additions for the indicated periods and reconciliation to the capital expenditures that we present in our condensed consolidated statements of cash flows is forth below:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
in millions, except % amounts				
Customer premises equipment	€ 41.8	€ 47.5	€ 167.3	€ 176.3
New build and upgrade	25.0	27.5	91.3	81.6
Capacity	65.2	57.0	182.7	176.0
Baseline	30.7	43.8	119.4	132.6
Product and enablers	33.2	36.2	97.3	114.5
Property and equipment additions⁷	195.9	212.0	658.0	681.0
Assets acquired under capital-related vendor financing arrangements	(105.9)	(115.0)	(295.8)	(293.4)
Assets acquired under finance leases	(1.0)	(8.0)	(6.2)	(10.8)
Changes in liabilities related to capital expenditures	35.1	36.0	81.7	107.2
Total capital expenditures²²	€ 124.1	€ 125.0	€ 437.7	€ 484.0
Property and equipment additions as a percentage of revenue ..	19.0%	20.5%	21.4%	22.4%
Spectrum license additions ^{*23}	€ 57.6	€ —	€ 57.6	€ —
Total cash paid for spectrum licenses	€ 57.6	€ —	€ 57.6	€ —
Adjusted EBITDA less P&E Additions⁸ reconciliation				
Adjusted EBITDA	€ 480.3	€ 476.5	€ 1,440.1	€ 1,361.3
Property and equipment additions	(195.9)	(212.0)	(658.0)	(681.0)
Adjusted EBITDA less P&E Additions	€ 284.4	€ 264.5	€ 782.1	€ 680.3
as a percentage of revenue	27.6%	25.6%	25.5%	22.4%

*Spectrum license additions of €57.6 million includes transaction costs of €0.1 million.

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

The borrowing currency and euro equivalent of the nominal outstanding amounts of VodafoneZiggo's consolidated third-party debt, finance lease obligations and cash and cash equivalents is set forth below:

	September 30, 2024		June 30, 2024	
	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	2,264.9	2,356.3
Financing Facility			2.3	2.3
€25.0 million Ziggo Revolving Facility G1 EUR due 2026			—	—
€775.0 million Ziggo Revolving Facility G2 EUR due 2029			—	—
Total Credit Facilities			4,517.2	4,608.6
Senior Secured Notes				
5.00% USD Senior Secured Notes due 2032	\$	1,525.0	1,367.9	1,423.1
4.875% USD Senior Secured Notes due 2030	\$	991.0	888.9	924.8
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			3,509.3	3,600.4
Senior Notes				
3.375% EUR Senior Notes due 2030	€	900.0	900.0	900.0
6.00% USD Senior Notes due 2027	\$	625.0	560.6	583.2
5.125% USD Senior Notes due 2030	\$	500.0	448.5	466.6
Total Senior Notes			1,909.1	1,949.8
Vendor financing			998.0	999.5
Other debt ²⁴			188.8	186.0
Finance lease obligations			24.6	25.9
Total third-party debt and finance lease obligations			11,147.0	11,370.2
Unamortized premiums, discounts and deferred financing costs, net			(25.7)	(27.5)
Total carrying amount of third-party debt and finance lease obligations ..			11,121.3	11,342.7
Less: Cash and Cash equivalents			94.7	133.2
Net carrying amount of third-party debt and finance lease obligations²⁵	€	11,026.6	€ 11,209.5	
Exchange rate (\$ to €)			1.11485	1.07160

Covenant Debt Information

The euro equivalent of the reconciliation from VodafoneZiggo's consolidated third-party debt to the total covenant amount of third-party gross and net debt²⁵ and includes information regarding the projected principal-related cash flows of our cross-currency derivative instruments is set forth below. The euro equivalents presented below are based on exchange rates that were in effect as of September 30, 2024 and June 30, 2024. These amounts are presented for illustrative purposes only and will likely differ from the actual cash receipts in future periods.

	September 30, 2024	June 30, 2024
in millions		
Total third-party debt and finance lease obligations (€ equivalent)	€ 11,147.0	€ 11,370.2
Vendor financing	(998.0)	(999.5)
Other debt ²⁴	(188.8)	(186.0)
Finance lease obligations	(24.6)	(25.9)
Credit Facility excluded amount	(500.7)	(498.7)
Projected principal-related cash receipts associated with our cross-currency derivative instruments	(306.3)	(514.2)
Total covenant amount of third-party gross debt	9,128.6	9,145.9
Less: Cash and Cash equivalents*	(24.6)	(17.9)
Total covenant amount of third-party net debt²⁵	€ 9,104.0	€ 9,128.0

* This excludes the cash that is related to the unutilized portion of the Vendor Finance Note facility of €29.5 million and €16.9 million as of September 30, 2024 and June 30, 2024, respectively, as well as the cash that is outside the covenant group, amounting to €40.6 million and €98.4 million as of September 30, 2024 and June 30, 2024, respectively.

Forward-Looking Statements

This press release contains forward-looking statements including statements regarding our strategies, future growth ambitions and opportunities, and other information and statements that are not historical fact. Accordingly, one should not place undue reliance on these statements.

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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, 2024, we have approximately 5.6 million mobile, 3.4 million video, 3.1 million broadband internet and 1.3 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 330 million customers in 15 countries, partner with mobile networks in 45 more and have one of the world's largest IoT platforms. In Africa, Vodafone financial technology businesses serve more than 79 million customers across seven 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 ("Q3") and nine months ("YTD") ended September 30, 2024, 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, 2024 unaudited condensed consolidated financial statements in November 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 September 30, 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. 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.
8. 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.

9. 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.

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 fixed-line telephony services offered to residential customers and the amortization of installation fees. Consumer fixed non-subscription revenue includes, among other items, interconnect revenue, channel carriage fees, late fees and revenue from the sale of equipment.
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, fixed-line telephony, 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. Spectrum license additions include capital expenditures for spectrum licenses on an accrual basis.
24. Other debt represents handset financing obligations.
25. 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 fixed-line 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 fixed-line 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.