FY23 Results

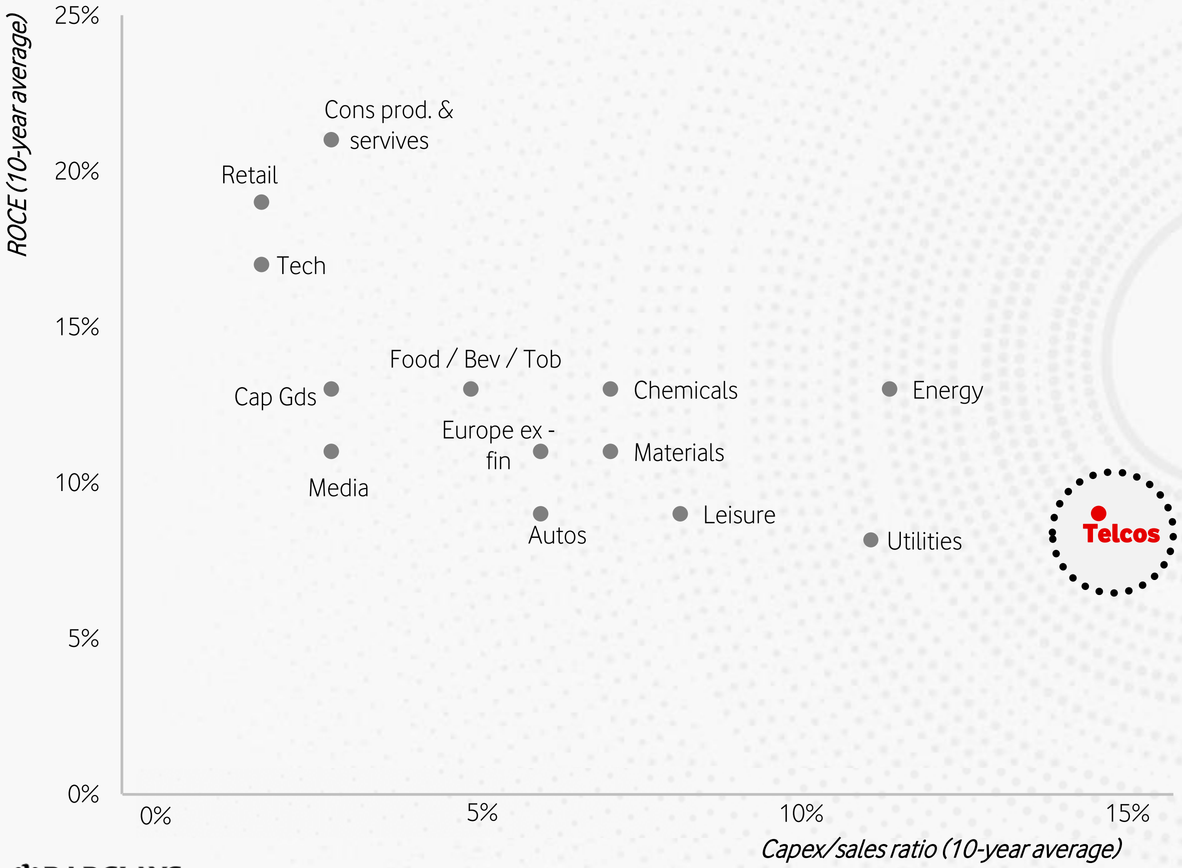
May 2023

CUSTOMERS : SIMPLICITY : GROWTH

A new roadmap for Vodafone

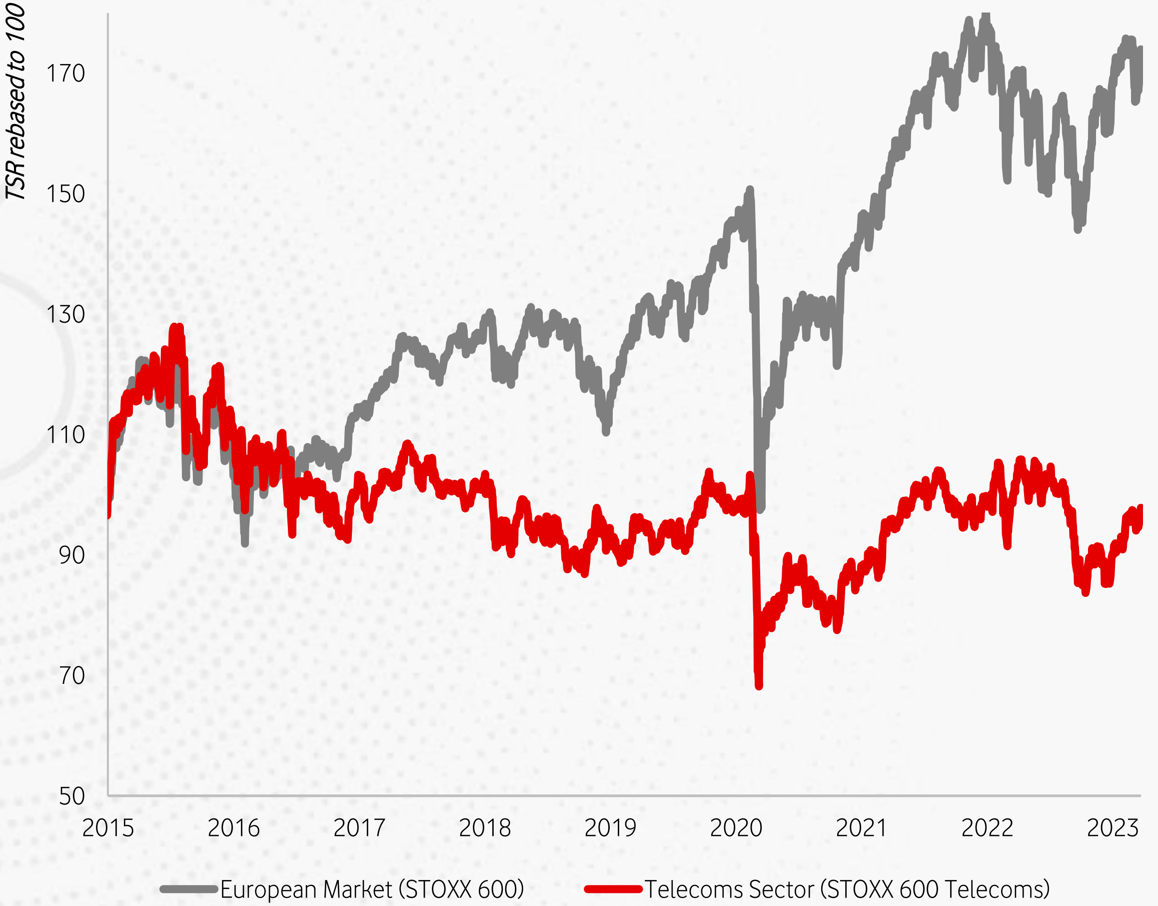
A : Vodafone must change | The market context

We invest more & earn less than other sectors…



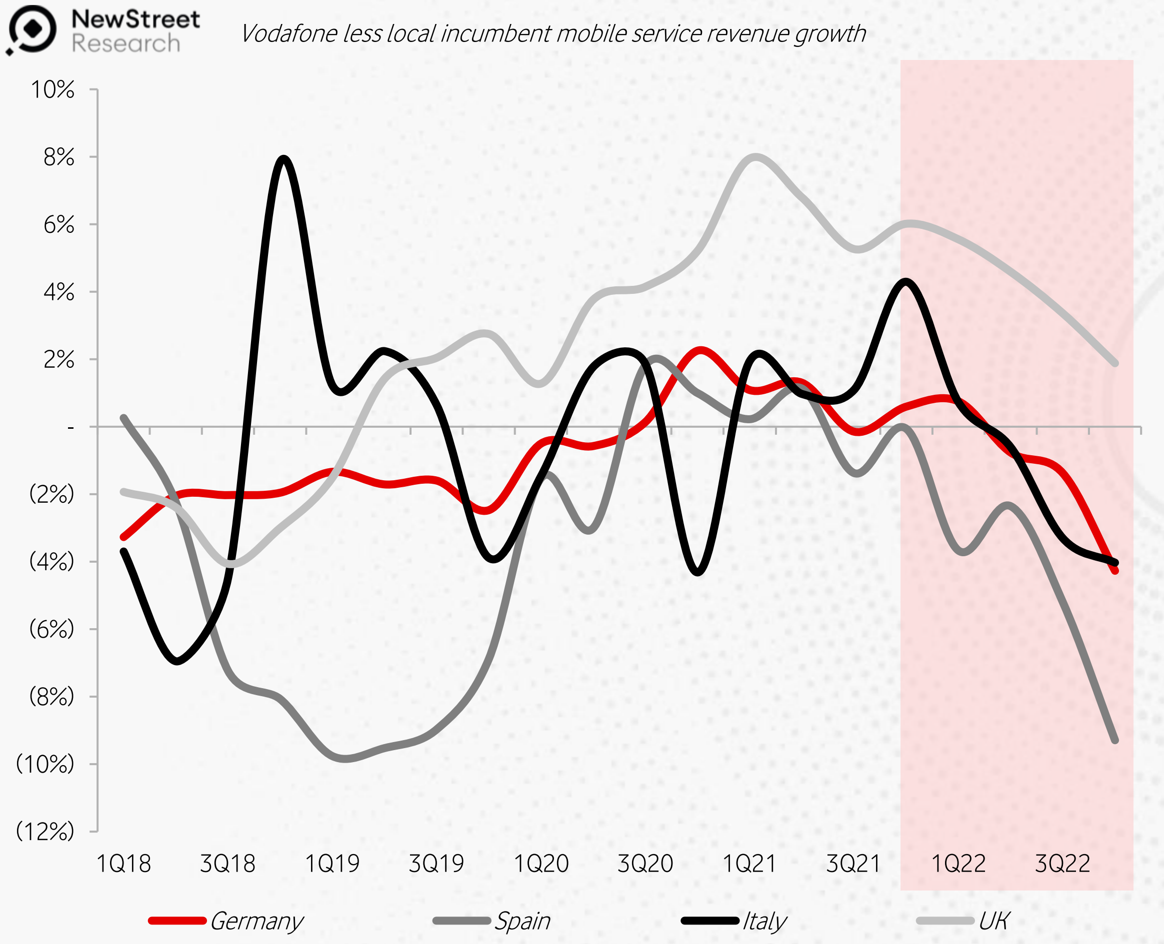
BARCLAYS

… and shareholder returns reflect it

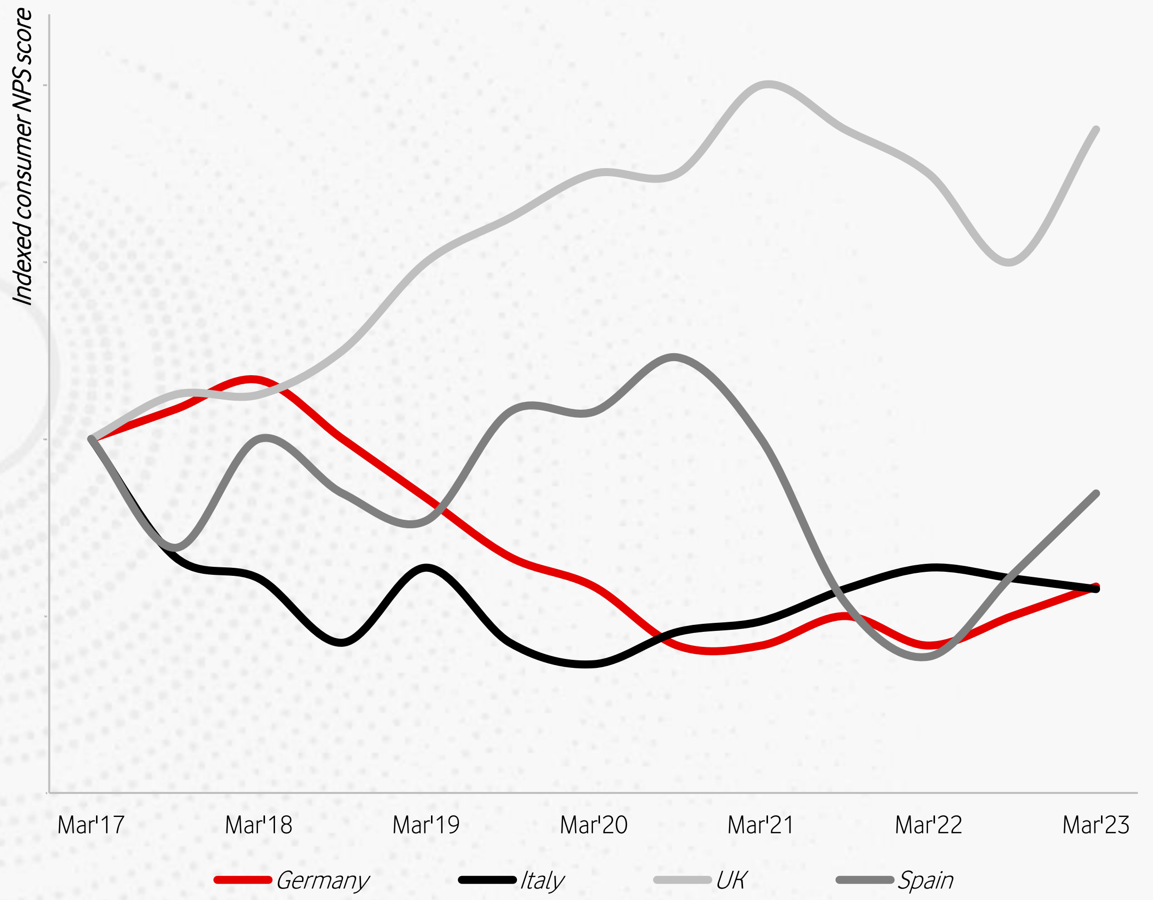


A : Vodafone must change | The performance context

Relative service revenue performance not good enough…

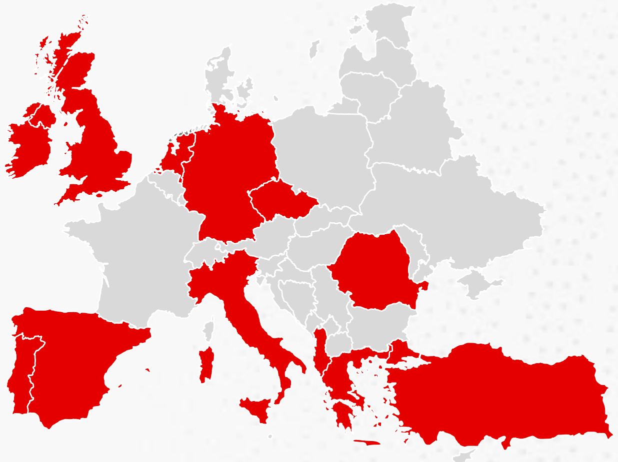


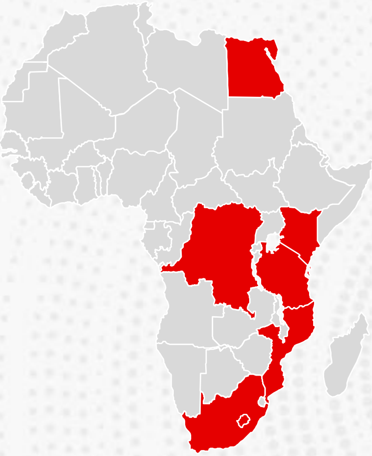
… partly driven by customer satisfaction



A : Vodafone must change | The performance context

Diverging performance by geography...





Market	FY23 SR growth	ROCE
Turkey	47.6%	Good
Portugal	5.7%	Good
UK	5.6%	Below WACC
Vodacom Intl's	5.3%	Good
Ireland	3.5%	Good
Czech Republic	3.3%	Good

Market	FY23 SR growth	ROCE
South Africa	2.6%	Good
Greece	2.2%	Good
Romania	-1.2%	Below WACC
Germany	-1.6%	Around WACC
Italy	-2.9%	Below WACC
Spain	-5.4%	Below WACC

... and even more so by segment

vodafone **Europe Consumer** *(51% Group SR)*	-1.1% SR growth	Higher EBITDAaL margin	Low ROCE
vodafone business **Business** *(27% Group SR)*	2.6% SR growth	Lower EBITDAaL margin	Good ROCE
vodacom **Africa**[1] *(17% Group SR)*	13.8% SR growth	Higher EBITDAaL margin	Good ROCE

[1] *Africa including Vodacom & Turkey*

A : Vodafone must change | The internal context

We have a unique set of strengths...

- Strong mobile networks
- Leading B2B & IoT position
- Market-leading African operations
- Engaged & experienced team
- Strong brand recognition

... but some limitations to overcome

- Structural complexity
- Reduced commercial agility
- Insufficient customer focus
- Sub-optimal local scale

B : Our transformation | Strategic shifts to drive growth

Where we are now	What will change	Target outcomes
Consumer dominated organisation	**Balanced focus on Business + Consumer**	**Maximise Business potential**
Inconsistent consumer experience	**Consumer back-to-basics to win in the market**	**Customer-driven growth**
Complex structure	**Leaner organisation focused on value**	**Faster execution & productivity**
Sub-optimal capital allocation	**Portfolio right-sized for growth**	**Sustainable ROCE**

B : Our transformation | A new roadmap for Vodafone

Balanced focus on Business + Consumer

Consumer back-to-basics to win in the market

Leaner organisation focused on value

Portfolio right-sized for growth

Action plan

CUSTOMERS

SIMPLICITY

GROWTH

Ambition

Best-in-class telco in Europe & Africa

Europe's leading platform for Business

B : Our transformation | Structure redesign

Future structure

Lean corporate services
Finance | HR | Legal | External Affairs | Brand

- **Germany**
- **UK** / **Italy** / **Other Europe**
- **Vodafone Business**
- **Vodacom** / **Ventures**
  - Vantage Towers
  - Other investments

'Commercial' shared operations (captive / 3rd party)
Networks | IT | Back-office | Procurement

Priority transformation actions

1. Lean corporate services & 'HoldCo' governance model for investments
2. Establish commercial model for shared operations
3. Scaling European Business platform
4. Local markets simplification
5. Portfolio right-sized for growth over time

C : The action plan | Near-term actions

CUSTOMERS

- Leverage new in-market autonomy for local agility
- Enhance B2B sales management
- Increase investment in customer care & journeys
- 'Detractor' reduction plans by market
- Reinvigorate Vodafone brand

SIMPLICITY

- 'Commercialise' shared operations
- Local markets restructuring execution
- Complete HQ simplification
- Step-down in in-house product development
- Clear individual accountabilities linked to incentives

GROWTH

- Continue pricing actions
- Germany turnaround execution
- Commercial traction in Europe
- Drive B2B digital services penetration
- Support Africa financial services growth

C : The action plan | Early execution examples

CUSTOMERS

- €150m investment reallocated in FY24 towards customer experience
- Brand spend increased €100m YoY
- New SME customer journeys in Germany & UK

SIMPLICITY

- 11k Europe role reductions in 'Group' & markets embedded in 3-yr plan
- First actions in Group, Germany & Italy
- Targeted individual incentives for Business digital services

GROWTH

- Capex reallocated from lower to higher ROCE markets
- Vodafone Spain under strategic review
- €6.5 billion proceeds from Vantage Towers, Hungary & Ghana

Reinvesting for growth

C : The action plan | Evaluating our progress

CUSTOMERS

- Net promoter scores
- 'Deep detractor' reduction
- Network reliability
- Revenue market share

A best-in-class customer experience

SIMPLICITY

- Europe net Opex savings
- Industry productivity benchmarking
- Shared operations NPS
- Team engagement

Most efficient operator in Europe & Africa

GROWTH

- Service revenue
- Adjusted EBITDAaL
- Free cash flow
- ROCE

Accelerated growth creating shareholder value

A new roadmap for Vodafone

Consumer back-to-basics to win in the market

Maximise potential of Vodafone Business

Leaner organisation focused on value

Execution through Customers, Simplicity & Growth

Best-in-class telco in Europe & Africa

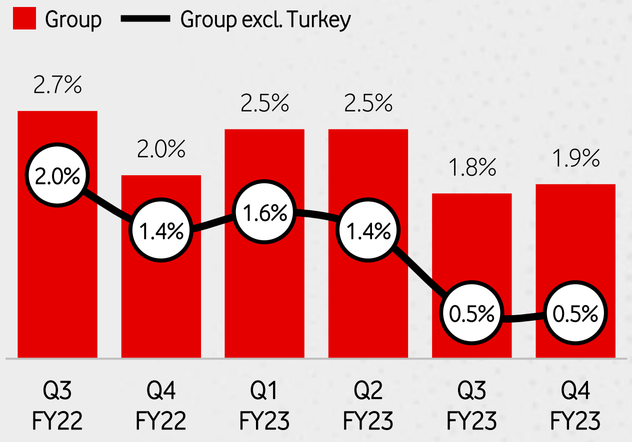
Europe's leading platform for Business

FY23 Results

Financial performance

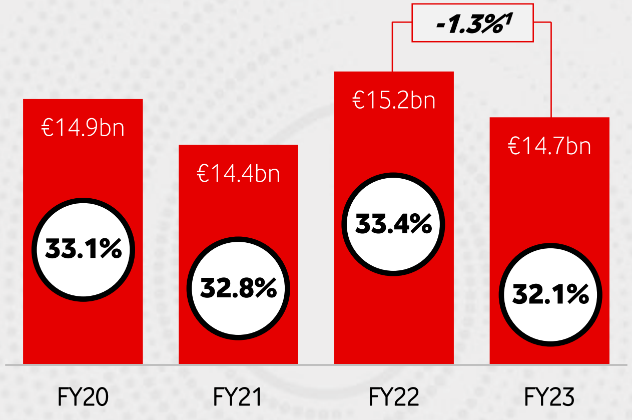
FY23 performance : Slowing in line with expectations

Service revenue growth



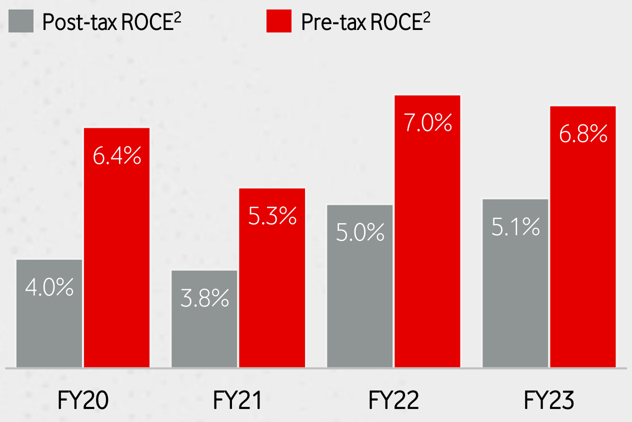
- Growth maintained with Europe -0.4% & growing in Africa
- Slowdown impacted by commercial underperformance in Germany

Adjusted EBITDAaL



- Adjusted EBITDAaL -1.3% [1] reflecting Germany performance & energy costs
- Absolute impacted by FX headwinds

ROCE



- ROCE broadly maintained above pre-pandemic levels despite macroeconomic challenges

Full-year dividend maintained at 9.00c

[1] -0.6% excluding the €105m headwind from prior year legal settlement in Italy
[2] ROCE excluding Vantage Towers in all periods

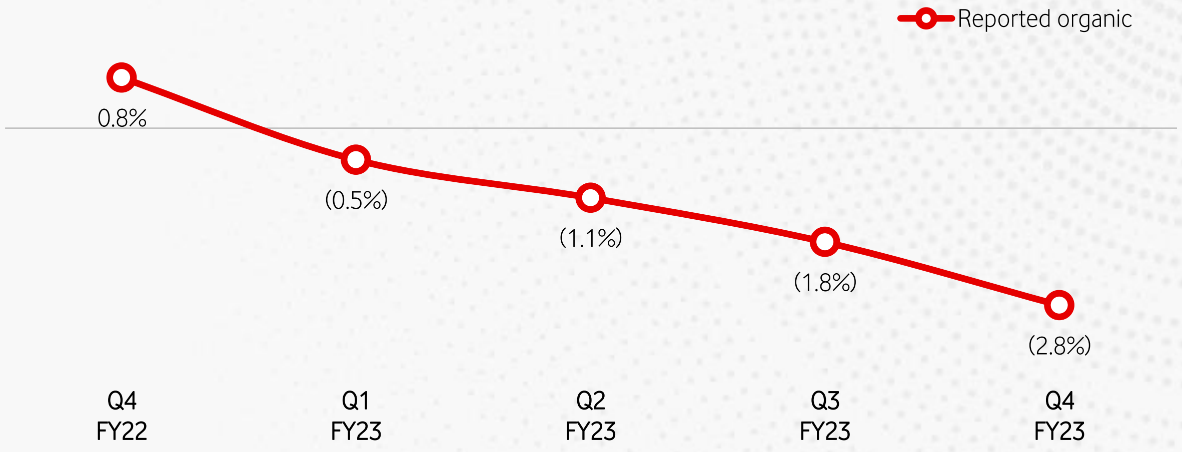
Germany : Further slowdown

	Service revenue	Adj. EBITDAaL
Germany 36% of Group EBITDAaL[1]	-1.6%	-6.1%

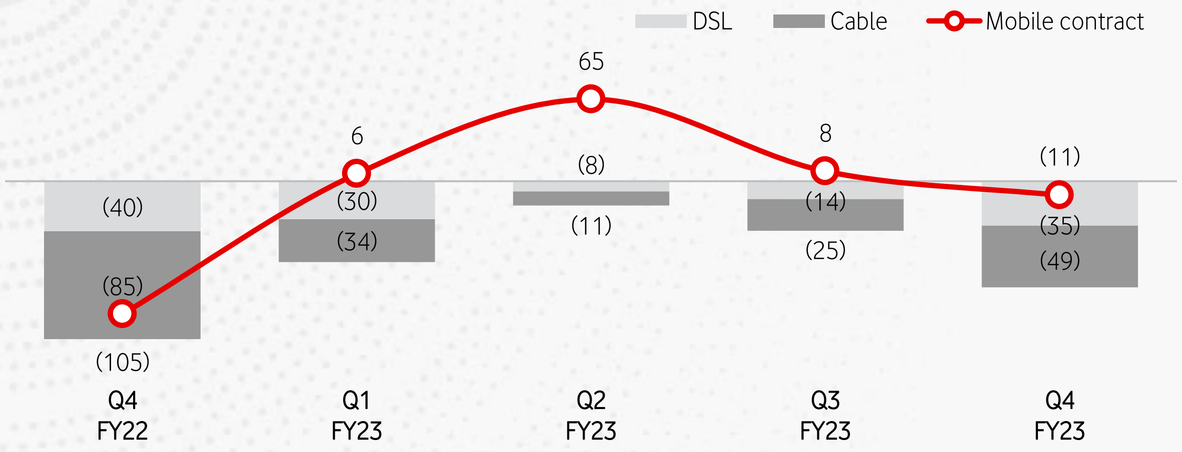
Key drivers

- Cumulative customer losses impacting performance
- Partially offset by broadband ARPU growth and roaming recovery
- Q3 / Q4 pricing actions supporting inflow ARPU, trade-off with near-term net additions
- EBITDAaL decline due to service revenue shortfall, prior year one-offs & increased energy costs

Service revenue growth (%)



Net additions ('000)



[1]Based on FY23 Adjusted EBITDAaL contribution

Germany : Commercial actions underway

Fixed

- Broadband retail price increase in Nov'22
- Segmented broadband back-book price increase started in Mar'23
- 2.5x upstream capacity upgrade run-rate
- DOCSIS 3.1 'high-split' trial executed

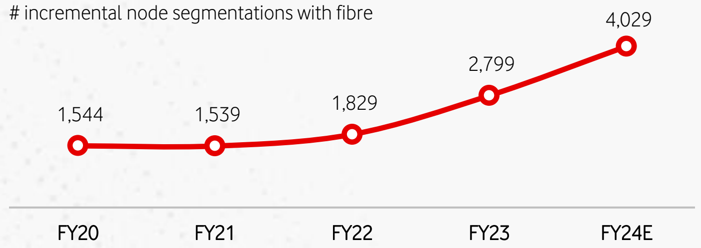
Mobile

- Partner card campaign from Feb'23
- Repositioned mobile portfolio in Apr'23
- New family plans in Summer & proposition refresh
- Legacy tariff simplification ongoing

TV

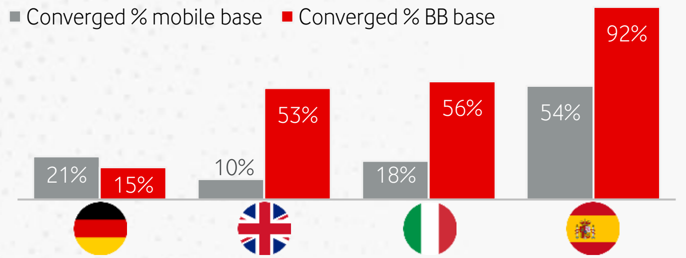
- Manage transition risk of 8.5m housing association customers (€800m revenue)
- Locking in bulk contracts
- First individual TV billing trials executed

Accelerating network capacity upgrades



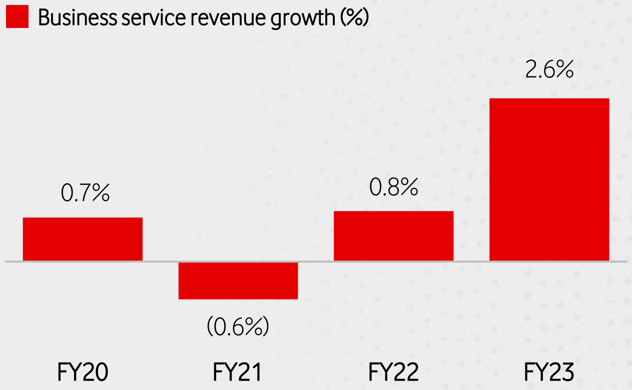
Strong network position

Convergence opportunity



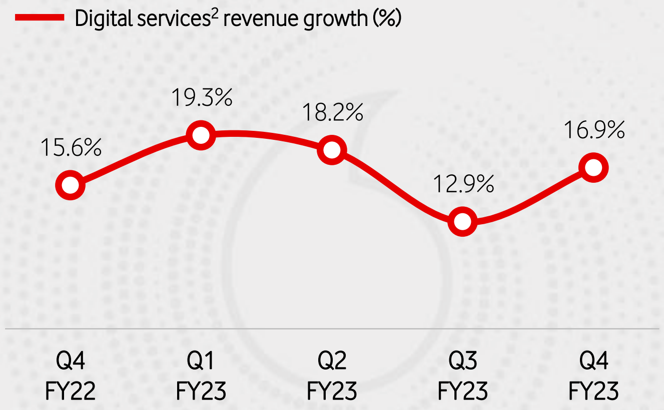
Vodafone Business : Growth acceleration

Strong financial performance



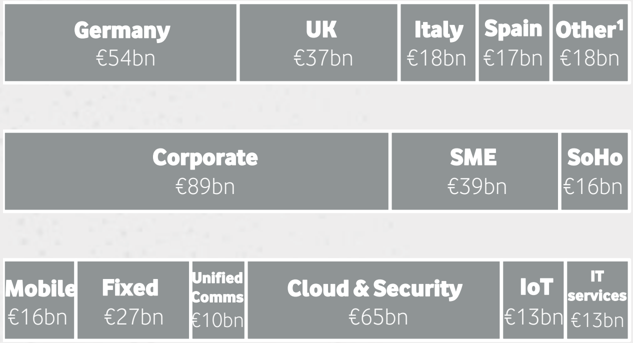
- Europe Q4 +3.4% (exc. Spain)
- Strong growth in corporate, SME & public sectors
- Ongoing margin expansion with good incremental ROCE

Unique scale & capabilities



- Curated & segment specific product portfolio
- €1bn revenue IoT business & 162 million connections
- V-Hub reaching 5 million unique visitors supporting SoHo & SMEs

Attractive addressable markets



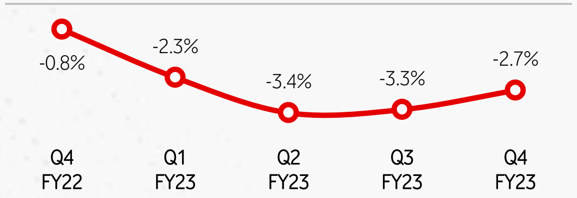
- €140+ billion addressable market size
- Accessing European business demand for digitalisation
- 11% p.a. digital market growth

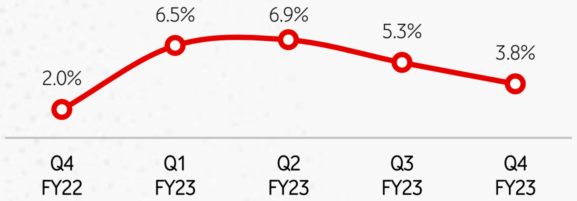
[1] Other includes Other Europe, Africa & Turkey
[2] Digital services include IoT, Cloud & Security services

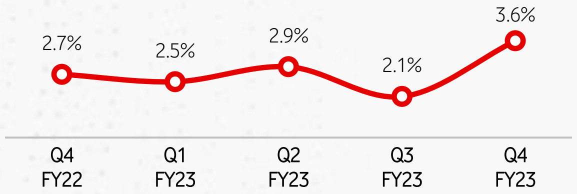
Europe : Mixed performance

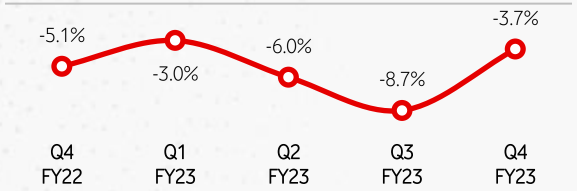
	Service revenue	Adj. EBITDAaL	Key drivers
Italy 10% of Group EBITDAaL[1]	-2.9%	-14.5%[2]	• Continued pricing pressure in mobile • Strong Business growth in fixed connectivity & digital services • EBITDAaL -5.8% excl. energy & legal settlement in FY22
UK 9% of Group EBITDAaL[1]	+5.6%	-1.4%	• Strong performance underpinned by customer base growth & pricing • Double-digit Consumer growth, Business accelerating • EBITDAaL growth 4.1% excl. energy, ROCE below WACC
Other Europe 11% of Group EBITDAaL[1]	+2.8%	+4.7%	• Service revenue growth in all markets (exc. Romania) due to pricing actions & good commercial momentum • EBITDAaL growth step up despite energy cost pressures • Hungary sale completed
Spain 6% of Group EBITDAaL[1]	-5.4%	-1.1%	• Highly competitive low-end segment • CPI-linked price increase from Jan'23 • Broadly stable EBITDAaL due to cost efficiency & tax benefits (c.+7pp)

Organic service revenue growth (%)







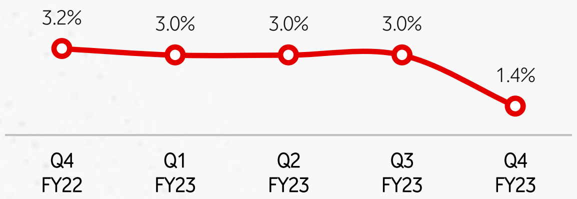


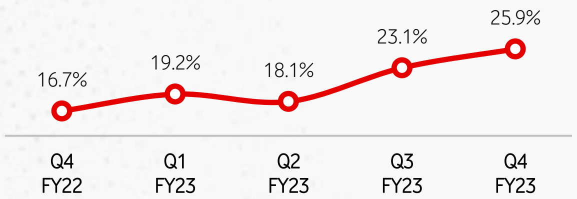
[1] *Based on FY23 Adjusted EBITDAaL contribution*
[2] *Includes €105m headwind from prior year legal settlement*

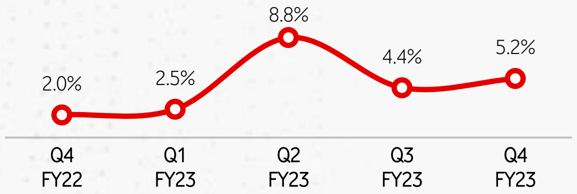
Africa & Turkey : Sustained growth

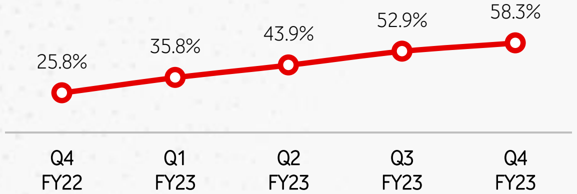
	Service revenue	Adj. EBITDAaL	Key drivers
South Africa 12% of Group EBITDAaL[1]	+2.6%	+1.7%	• Resilient prepaid performance • Good demand for financial services • Cost efficiencies offsetting inflationary pressures
Egypt 5% of Group EBITDAaL[1]	+21.1%	+10.2%	• Customer base & data usage acceleration • EBITDAaL growth impacted by currency devaluation • Transfer of 55% shareholding to Vodacom in Dec' 2022
Internationals 3% of Group EBITDAaL[1]	+5.3%	+1.5%	• Revenue & EBITDAaL in H2 impacted by natural disasters • Continued M-Pesa growth
Turkey 3% of Group EBITDAaL[1]	+47.6%	+49.8%	• Continuous repricing actions to mitigate inflation • Service revenue growth in Q4 above current inflation rate • Cost efficiency measures supporting EBITDAaL growth

Organic service revenue growth (%)





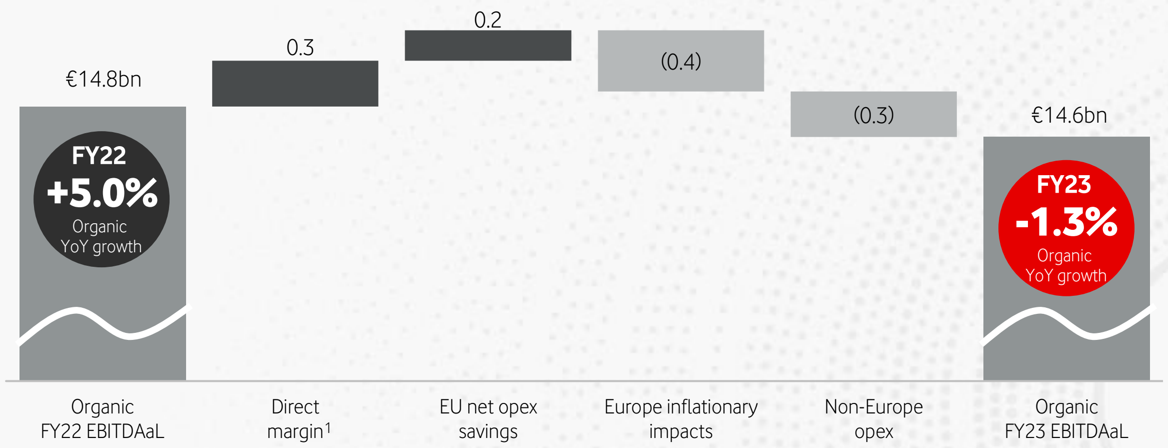




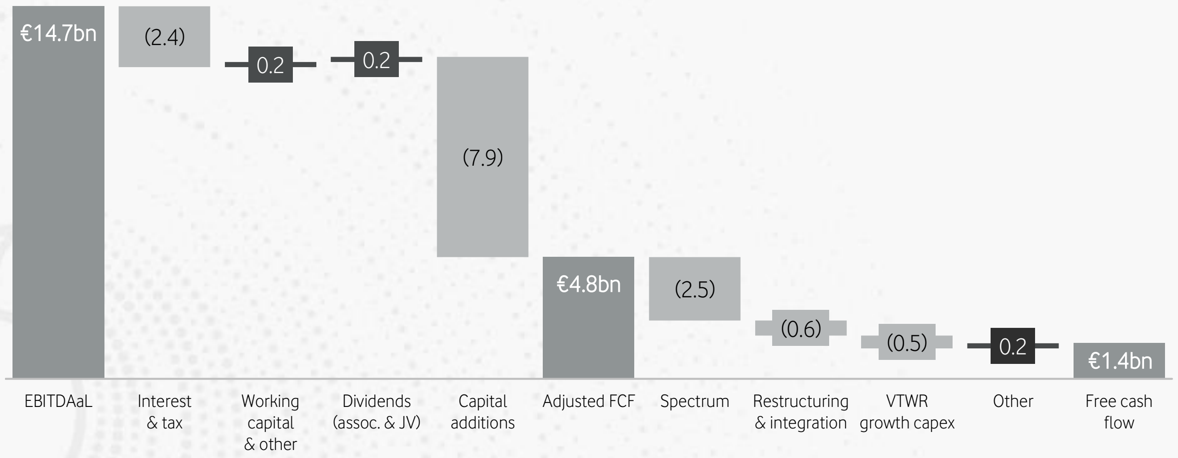
[1] *Based on FY23 Adjusted EBITDAaL contribution*

Adjusted EBITDAaL & FCF : Impacted by macro environment

Adjusted EBITDAaL



Adjusted Free cash flow

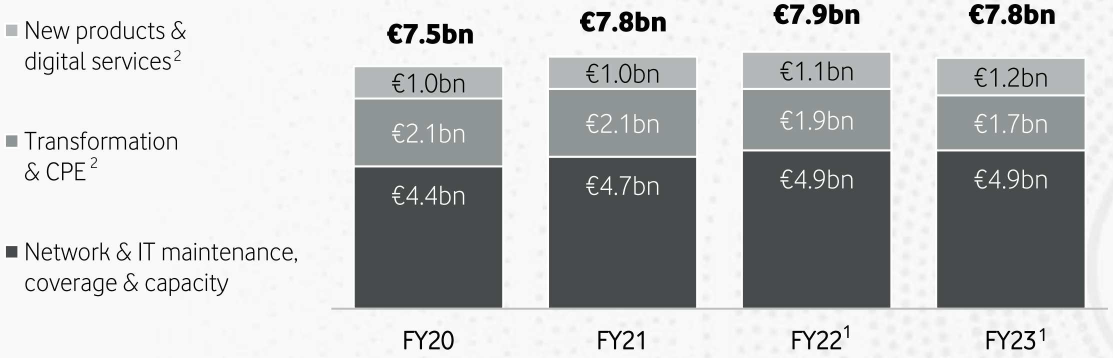


- EBITDAaL impacted by higher energy costs & one-off settlement in Italy in prior year
- Delivered €0.2bn Opex savings in Europe towards €1.0bn (FY26) target
- Interest & tax benefits from €0.1bn delayed Germany tax payment & €0.1bn liability management
- Spectrum payment of €1.7bn in Italy already in net debt & 5G investment cycle largely complete

[1] *Includes €105m headwind from prior year legal settlement in Italy*

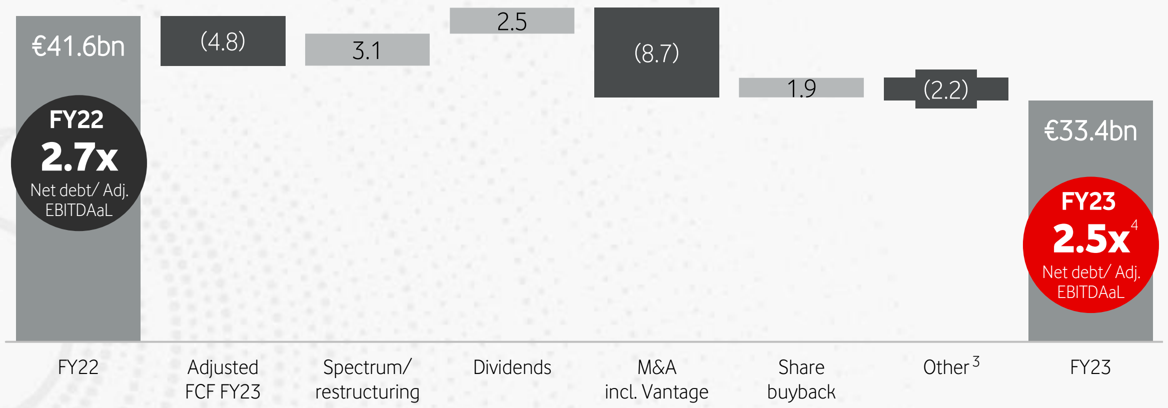
Capital allocation : Robust balance sheet a priority

Investing in growth & infrastructure



- Post-Vantage capital intensity at 17%
- Coverage & capacity investment increase from 5G roll-out
- Network maintenance kept flat

Deleveraging



- Net debt reduction from Vantage Towers & Hungary cash proceeds
- Vantage debt deconsolidation

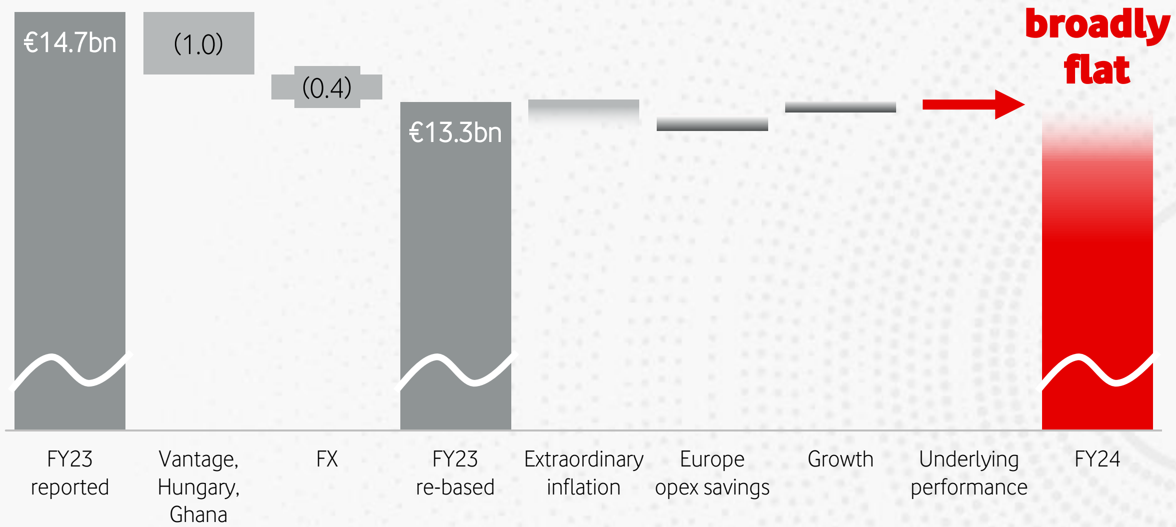
Full-year dividend maintained at 9.00c

[1] *Excludes Vantage Towers capital additions from FY22 onwards*
[2] *FY20 to FY22 reflects reclassified 'success based capex'*
[3] *Includes €1.7bn repayment of debt in relation to licences & spectrum in Italy*
[4] *FY23 ratio proforma for FX and M&A (Hungary, Ghana & Vantage Towers)*

FY24 guidance

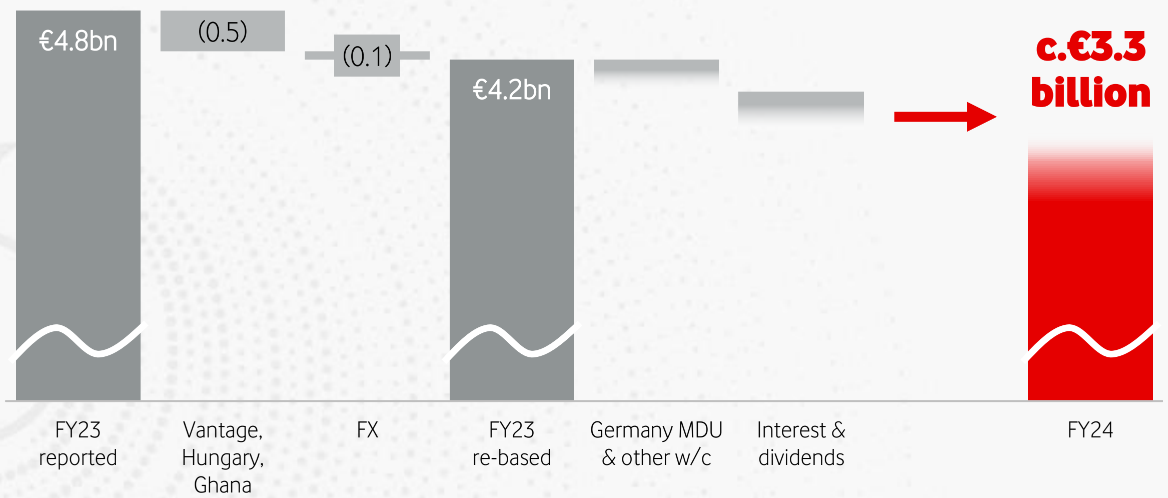
FY24 Adjusted EBITDAaL

(€billion)



FY24 Adjusted FCF

(€billion)



Adjusted EBITDAaL broadly flat

Currency	Guidance rate
ZAR	19.30
TRY	21.10
EGP	33.38
GBP	0.88

Adjusted FCF[1] c.€3.3 billion

[1] *Free cash flow before spectrum, restructuring & integration costs*

A new roadmap for Vodafone

Consumer back-to-basics to win in the market

Maximise potential of Vodafone Business

Leaner organisation focused on value

Execution through Customers, Simplicity & Growth

Best-in-class telco in Europe & Africa

Europe's leading platform for Business

Appendices

Provide investor feedback here :

investors.vodafone.com/feedback

Appendix I

More information

Vodafone Business : Virtual investor briefing

Connecting people, places & things for a better future

- We operate in attractive markets
- We have unique scale & capabilities
- We have strong operating momentum
- We are on a clear growth pathway

Materials including videos,
presentation, case studies and Q&A: *investors.vodafone.com/vbbriefing*

Vodafone Technology : Virtual investor briefing

A globally scaled operator

- Our customer demand continues to accelerate
- We have a strong technology roadmap
- We allocate capital to drive returns
- We are transforming to deliver growth

Materials including videos,
presentation, case studies and Q&A: *investors.vodafone.com/vtbriefing*

Social Contract : Virtual investor briefing

Shaping the Digital Society

- Historical policy choices have impacted the European telecoms sector
- Our 'Social Contract' enabling digital society
- Pro-investment policy reform is essential for Europe to meet its digital objectives

Materials including presentation & case studies:
https://investors.vodafone.com/social-contract

Additional data : Spreadsheet format

investors.vodafone.com/results

1. Quarterly revenue
2. Group financial performance
3. Segmental results
4. Segmental analysis
5. Cash Flow
6. Mobile customers
7. Fixed broadband customers
8. Marketable homes passed
9. TV customers
10. Converged customers
11. Mobile churn
12. Mobile data usage
13. Mobile ARPU
14. FX rates

FY23 financial summary

	FY22 €m	FY23 €m	Organic change[2]
Group service revenue	38,203	37,969	2.2%
Adjusted EBITDAaL	15,208	14,665	(1.3%)
Adjusted EBITDAaL margin	*33.4%*	*32.1%*	*(1.4pt)*
Capital additions	(8,306)	(8,378)	
Adjusted free cash flow[1]	5,437	4,842	
Free cash flow	3,309	1,442	

	FY22	FY23	
Adjusted net debt (€m)	(41,578)	(33,375)	
Controlled ROCE pre-tax[3]	7.0%	6.8%	(0.2pt)
ROCE post-tax[3]	5.0%	5.1%	+0.1pt

- Service revenue growth maintained with Europe -0.4% & Africa growing
- Decline in Europe largely reflecting the underperformance of Germany
- EBITDAaL impacted by higher energy costs & prior year one-off settlement in Italy (-0.7pp)
- Absolute EBITDAaL impacted by Turkish lira & Egyptian pound devaluations
- Free cash flow includes €1.7bn spectrum payment in Italy, already in net debt
- Net debt reduction due to initial net cash proceeds from Vantage Towers (€4.9bn) & Hungary (€1.6bn); Vantage debt deconsolidation (€2.2bn)

[1] Free cash flow before spectrum, restructuring & integration costs and Vantage Towers growth capex
[2] Adjusted EBITDAaL includes €105m headwind from prior year legal settlement in Italy
[3] Excluding Vantage Towers in both periods

Appendix III

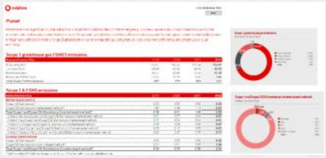
ESG reporting & performance

Extensive suite of ESG disclosures

Annual Report : vodafone.com/ar2022

- Integrated reporting covering ESG strategy & performance
- Complimented by six videos on key ESG topics

ESG Addendum : investors.vodafone.com/esgaddendum

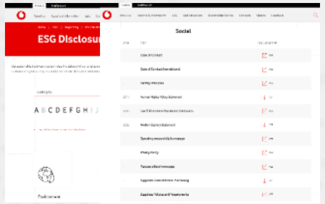


- >1,200 datapoints in spreadsheet format covering >300 indicators
- Includes GRI Standards index

Board conversations : investors.vodafone.com/videos

- Eight videos with Chair and Committee chairs
- Introductions to new Non-Executive Directors

ESG A-Z : investors.vodafone.com/esga-z

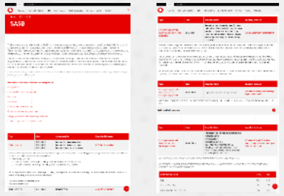


- >30 links to supporting disclosures, reports & policies
- Categorised by E, S or G & searchable

TCFD : investors.vodafone.com/tcfd

- Aligning to TCFD framework since 2019
- Fully or partially consistent with all 11 TCFD recommendations

SASB : investors.vodafone.com/sasb



- Seven disclosure topics
- Includes additional information beyond what is required in SASB Standards

Strong ESG performance

ESG Ratings :

investos.vodafone.com/esg-ratings

MSCI ESG Rating[1,2]
"AA"
Top 40% in sector

Sustainalytics ESG Risk Rating[1,3]
"Low risk"
Top 5% in sector

ISS ESG Corporate Rating[1]
"B"
Top 5% in sector

Refinitiv ESG score[1]
"88/100"
#1 in sector

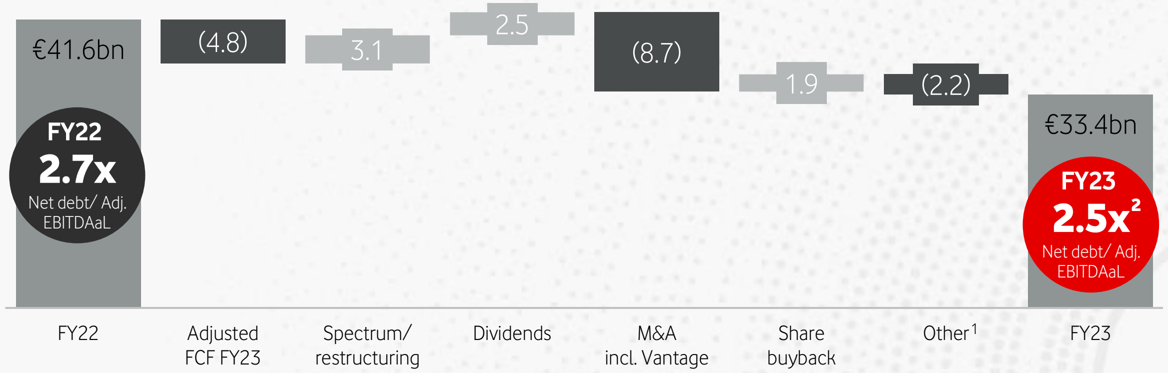
CDP Climate Change[1]
"A"
Leadership band

1. Unless otherwise stated, ESG ratings and relative position within sector as at 10 May 2023. See additional disclaimers on page 44. | 2. In 2022, Vodafone Group Plc received a rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

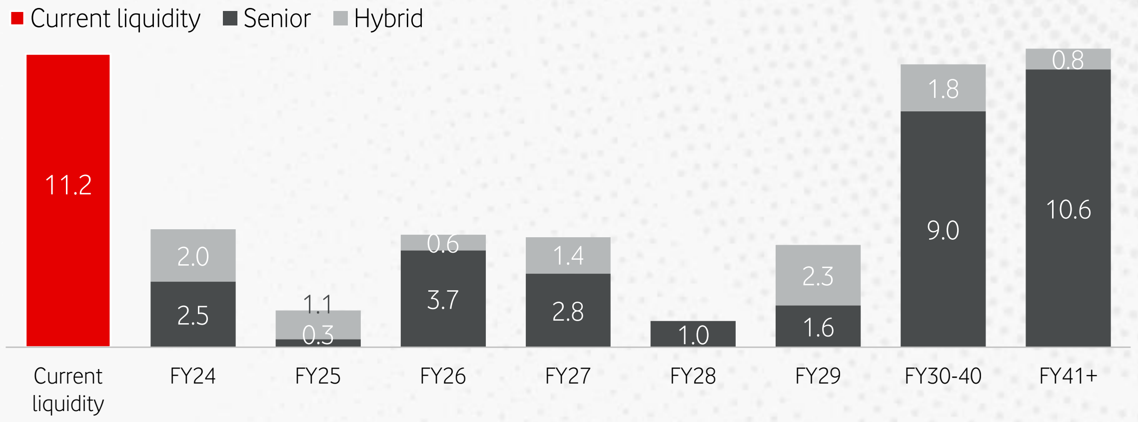
3. In September 2022, Vodafone Group Plc received an ESG Risk Rating of 15.8 and was assessed by Sustainalytics to be at low risk of experiencing material financial impacts from ESG factors.

Net debt, liquidity & total funding obligations

Net debt progression (€billion)



Bond maturity profile (€billion)



Total funding obligations

	FY23 €m	FY22 €m
Bonds	(44,116)	(48,031)
Bank loans	(795)	(1,317)
Other borrowings including spectrum	(1,744)	(3,909)
Gross debt	**(46,655)**	**(53,257)**
Cash and cash equivalents	11,705	7,496
Short-term investments	4,305	4,795
Derivative financial instruments	1,917	1,604
Net collateral (liabilities)/assets	(4,647)	(2,216)
Net debt (a)	**(33,375)**	**(41,578)**
Other funding obligations		
Lease liabilities	(13,364)	(12,539)
KDG put option liabilities	(485)	(494)
Guarantees over Australia joint ventures loans	(1,611)	(1,573)
Pension liabilities	(258)	(281)
Equity content of hybrid bonds	4,971	4,971
Total funding obligations (b)	**(44,122)**	**(51,494)**
Adjusted EBITDAaL (c)	14,665	15,208
Depreciation on right of use assets	3,883	3,908
Interest on leases	436	398
Adjusted EBITDAaL before leases (d)	**18,984**	**19,514**
Ratio of net debt to adjusted EBITDAaL (a/c)[2]	**2.5x**	**2.7x**
Ratio of total funding obligations to adjusted EBITDAaL before leases (b/d)[2]	**2.5x**	**2.6x**

[1] Includes €1.7 billion repayment of debt in relation to licences and spectrum in Italy
[2] FY23 ratio proforma for FX and M&A (Hungary, Ghana & Vantage Towers)

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Upcoming events

25 July **2023**	Annual General Meeting
27 July **2023**	FY24 Q1 Results
14 Nov' **2023**	FY24 Interim results