



Our Social Contract

Joakim Reiter

Group External Affairs Director

Reinald Krüger

Group Policy and Public Affairs Director



Disclaimer

By reading these slides you agree to be bound by the following conditions.

Information in the following presentation relating to the price at which relevant investments have been bought or sold in the past, or the yield on such investments, cannot be relied upon as a guide to the future performance of such investments. This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire or dispose of securities in any company within the Group.

No person is under any obligation to update, complete, revise or keep current the information contained in this presentation.

The presentation contains forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties because they relate to future events. Some of the factors which may cause actual results to differ from these forward-looking statements are discussed on the final slide of the presentation.

References to Vodafone are to Vodafone Group Plc and references to Vodafone Group are to Vodafone Group Plc and its subsidiaries unless otherwise stated. Vodafone, the Vodafone Portrait, the Vodafone Speech Mark, Vodafone Broken Speech Mark Outline, Vodafone One, The future is exciting. Ready? And M-Pesa, are trade marks owned by Vodafone. Other product and company names mentioned herein may be the trade marks of their respective owners.



European telcos conundrum



European Policy approach...

- Improving budget through extractive spectrum auctions
- Micro management through sector specific consumer regulation
- Interventions to artificially maintain/increase number of players

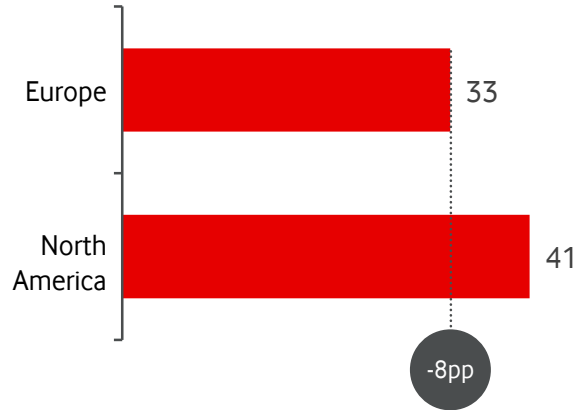


... outcomes

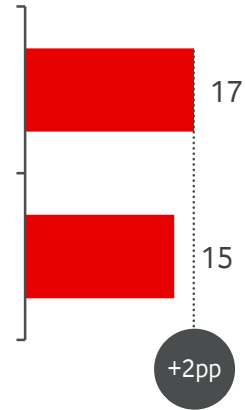
- Sharp declines in consumer prices while massive increase of data volumes
- Highest capex intensity (~20%) amongst industries
- Limited scale economies
- = ROIC (~4%) below cost of capital (5.5-7%)

10pp difference vs. US in profitability, mostly explained by regulation

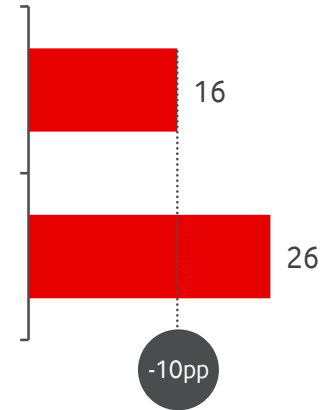
EBITDA margin (%)



Capex intensity (%)



EBITDA-Capex (%)



Our solution: a “Social Contract”



Trust

Consumer trust

Digital Society

Avoiding micro regulations



Fairness

Leaving no one behind

Infrastructure quality

Fair investment conditions



Leadership

Partnership

Innovation

Standing for what we believe

We are already executing on the “Social Contract”

Trust

Consumer trust

- Speed tiered unlimited
- Trust by design

Digital Society

- Women in tech/mobile
- Reducing GHG by 50% and going 100% green renewable electricity

Avoiding micro regulations

- AI guidelines, not regulation
- Single market framework for IoT

Fairness

Leaving no one behind

- UK (and DE) rural shared network
- European TowerCo

Infrastructure quality

- Vendor assurance system

Fair investment conditions

- Lower rollout costs
- Non-discriminatory spectrum licensing
- Level playing fields with digital incumbents

Leadership

Partnership

- Vodafone Invent
- ARM - IoT
- IBM - AI & cloud

Innovation

- Open RAN

Standing for what we believe

- EU Digital Single Market (DSM 2.0)
- An Industrial 5G spectrum policy for Europe





Q&A

Forward-looking statement

This presentation, along with any oral statements made in connection therewith, contains “forward-looking statements” within the meaning of the US Private Securities Litigation Reform Act of 1995 with respect to the Group’s financial condition, results of operations and businesses and certain of the Group’s plans and objectives.

In particular, such forward-looking statements include, but are not limited to the Group’s Environmental, Social and Governance targets.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “will”, “anticipates”, “aims”, “expects”, “believes”, “intends”, “plans”, “prepares”, “targets”, “forecasts” or “seeks” (including in their negative form). By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, the following: external cyber-attacks, insider threats or supplier breaches; general economic or and political conditions the jurisdictions in which the Group operates, including as a result of Brexit, and changes to the associated legal, regulatory and tax environments; increased competition; increased disintermediation; levels of investment in network capacity and the Group’s ability to deploy new technologies, products and services; rapid changes to existing products and services and the inability of new products and services to perform in accordance with expectation; the ability of the Group to integrate new technologies, products and services with existing networks, technologies, products and services; the Group’s ability to generate and grow revenue; a lower than expected impact of new or existing products, services or technologies on the Group’s future revenue, cost structure and capital expenditure outlays; slower than expected customer growth, reduced customer retention, reductions or changes in customer spending and increased pricing pressure; the Group’s ability to expand its spectrum position, win 3G, 4G and 5G allocations and realise expected synergies and benefits associated with 3G, 4G and 5G; the Group’s ability to secure the timely delivery of high-quality products from suppliers; loss of suppliers, disruption of

supply chains and greater than anticipated prices of new mobile handsets; changes in the costs to the Group of, or the rates the Group may charge for, terminations and roaming minutes; the impact of a failure or significant interruption to the Group’s telecommunications, networks, IT systems or data protection systems; the Group’s ability to realise expected benefits from acquisitions, partnerships, joint ventures, franchises, brand licenses, platform sharing or other arrangements with third parties; acquisitions and divestments of Group businesses and assets and the pursuit of new, unexpected strategic opportunities; the Group’s ability to integrate acquired business or assets; the extent of any future write-downs or impairment charges on the Group’s assets, or restructuring charges incurred as a result of an acquisition or disposition; developments in the Group’s financial condition, earnings and distributable funds and other factors that the Board takes into account in determining the levels of dividends; the Group’s ability to satisfy working capital requirements; changes in foreign exchange rates; changes in the regulatory framework in which the Group operates; the impact of legal or other proceedings against the Group or other companies in the communications industry and changes in statutory tax rates and profit mix.

Furthermore, a review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found under the headings “Forward-looking statements” and “Risk management” in the Group’s Annual Report for the year ended 31 March 2019. The Annual Report can be found on the Group’s website (vodafone.com/investor). All subsequent written or oral forward-looking statements attributable to the Company, to any member of the Group or to any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in or made in connection with this presentation will be realised. Subject to compliance with applicable law and regulations, Vodafone does not intend to update these forward-looking statements and does not undertake any obligation to do so.

