Vodafone Spain results

FY 25 & Q1 26

A transformational year

July 16th, 2025

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First year of turnaround delivers significant improvement

Full-year 2025	Q1 26
Broadband lines +29k 9M to March (1)	**Broadband lines** +7k
Mobile lines (2) +26k 9M to March (1)	**Mobile lines (2)** +39k
EBITDA €1,699mn	**EBITDA** €442mn
EBITDAaL €1,249mn	**EBITDAaL** €316mn
Cash Flow (3) €625mn	**Cash Flow (3)** €201mn

Highlights

Customer base back to growth for the first time in years:

- Investment in the customer drives sales growth
- Focus on customer churn reduction

Cost reduction actions drive strong cash flow:

- 400 initiatives in FY25 and over 300 in FY26
- EBITDAaL margin grows from 32% in FY24 to 35% in Q1 26
- Cash Flow margin grows from 10% in FY24 to 22% in Q1 26

FibreCo processes well advanced:

- Telefónica Fiberpass up & running
- MasOrange FibreCo secures €4.7bn of investment grade debt
- Monetisation process well advanced

(1): Zegona closed the acquisition of Vodafone Spain on May 31st, 2024. Therefore we are showing 9 months of Zegona ownership in FY25. FBB lines were +3k in the 12-months to March 25 and mobile contract lines were -66k in the same period.
(2): Mobile lines refer to contract mobile lines; prepaid lines were -38k in the 9M to March and +42k in Q1 26 due to the impact of seasonality in the prepaid business.
(3): Cash Flow refers to EBITDAaL - Capex

Business transformation across the organisation

Business

- ✓ **New commercial line-up** drives customer growth
- ✓ **Churn reduction** focus
- ✓ **Sales channel rationalisation** to drive sales and reduced costs
- ✓ **Sales and customer care insourced** with launch of new platforms (Vsales and Vplat)
- ✓ **Enhanced Lowi** proposition and new branding
- ✓ **Prepaid** distribution channel insourced with the acquisition of Sercom
- ✓ **B2B growth underpinned by** Cybersecurity, IoT and Big Data
- ✓ **New Wholesale** strategy already delivering results (agreement with PTV and others)

Technology

- ✓ **Rationalisation** of network leases and rentals
- ✓ **Consolidation** and rationalisation of IT systems
- ✓ **Legacy switch-off** and migrations
- ✓ **FibreCos set-up** to rationalise fixed infrastructure

People

- ✓ **Restructured executive team**
- ✓ **Fit-for-purpose organisation** implemented with 28% workforce reduction
- ✓ **Employee satisfaction and engagement** improvement

- Increased sales
- Reduced customer churn
- Increased operational efficiencies
- Greater cash flow generation

Vodafone Spain's customer base is back to growth

New commercial initiatives implemented...

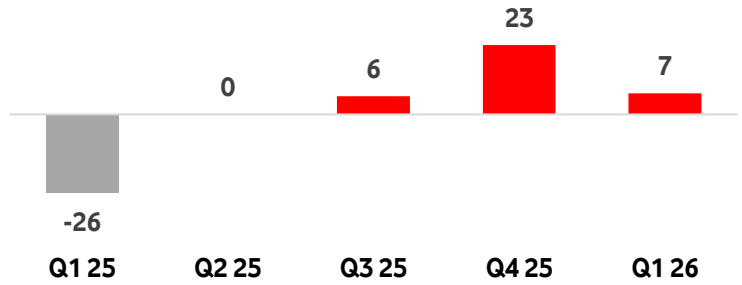
- ✓ Enhanced product line-up
- ✓ Lowi rebranding
- ✓ Reduced dependence on price promotions
- ✓ Commercially-focused advertising
- ✓ Diversification and reorganisation of sales channels

... deliver early signs of commercial turnaround...

- ✓ Broadband base grows for the first time in 4 years
- ✓ Broadband lines +36k since Zegona acquisition
- ✓ Contract mobile lines +65k since Zegona acquisition
- ✓ Consumer customer net adds turned positive in Q4 25
- ✓ 3P and 4P convergent sales +30% yoy in Q1 26

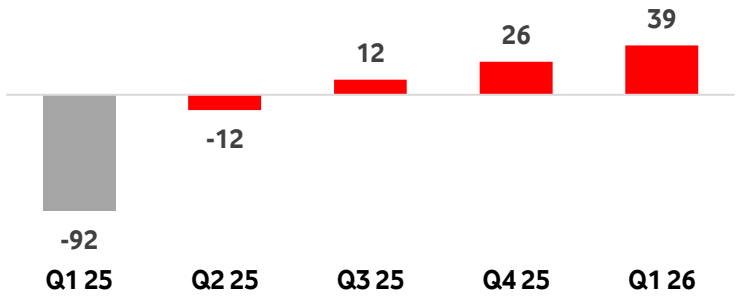
Broadband lines (1)

Net adds 000s



Contract mobile lines (1)

Net adds 000s

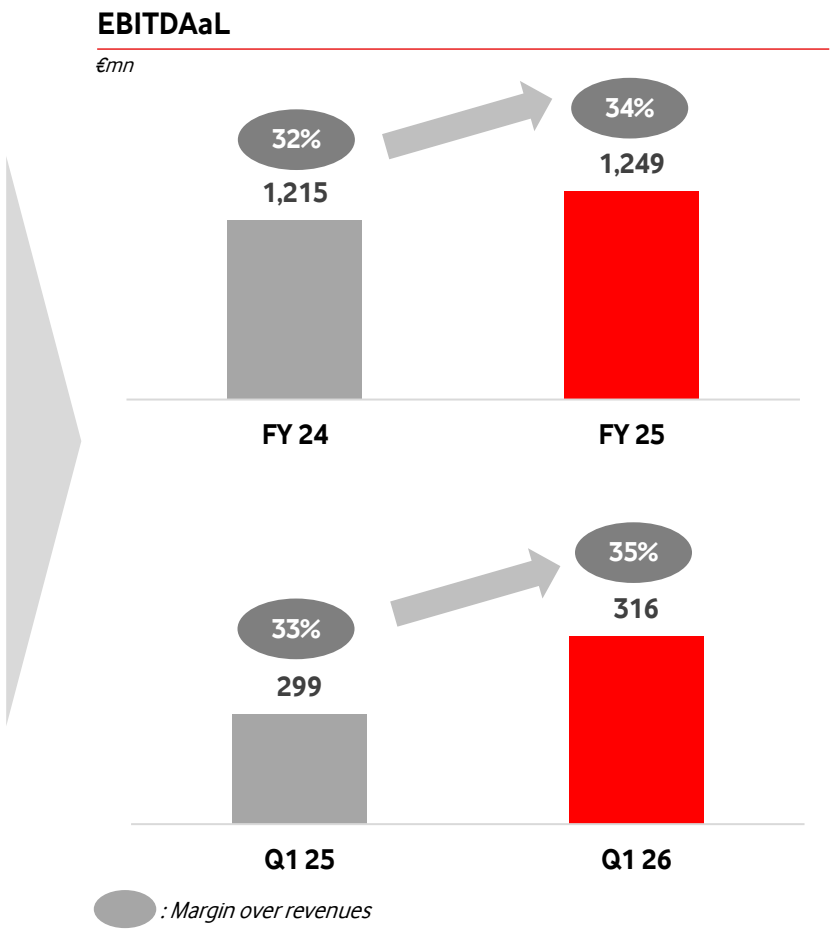


(1): Numbers excluding Finetwork in all quarters for comparative purposes; Zegona closed the acquisition of Vodafone Spain on May 31st, 2024. 9M to March is considered as the period Zegona managed Vodafone Spain during FY25 for illustrative purposes.

Cost reduction initiatives drive profit improvement

Cost reduction highlights:

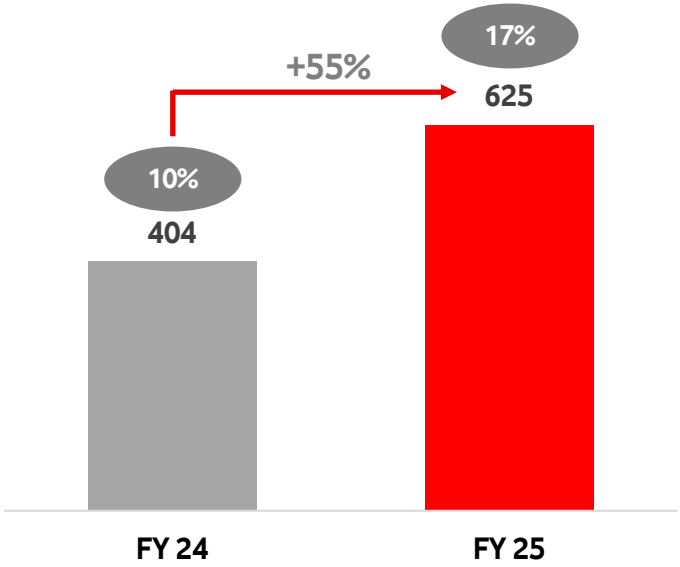
- ✓ 400 initiatives launched in FY25 and over 300 in FY26
- ✓ Wholesale cost reduction (25% over three years)
- ✓ Bad debt reduced 28%
- ✓ €33mn savings from consumer sales and service optimisation
- ✓ €32mn savings from B2B service productivity drive
- ✓ €70mn savings from 28% headcount reduction
- ✓ Technology opex reduced 17%



Significant increase in operational cash flow

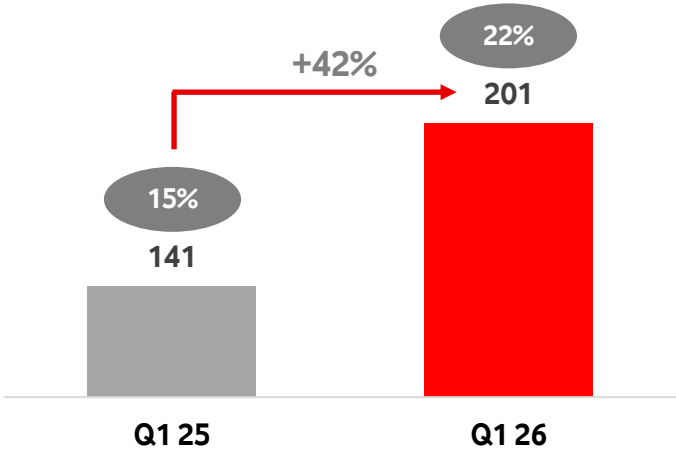
Cash flow (EBITDAaL – Capex)

€mn



Cash flow (EBITDAaL – Capex)

€mn



: *Margin over revenues*

Levered FCF powered by cash flow growth and declining interest costs

Substantial levered FCF growth potential

Significant increase in operational cash flow

- €625mn in FY25, 55% growth
- Quarterly cash-flow >€200mn

Neutral working capital

- Payment terms a key element of contract renegotiations
- Entreprise sales collections an important focus

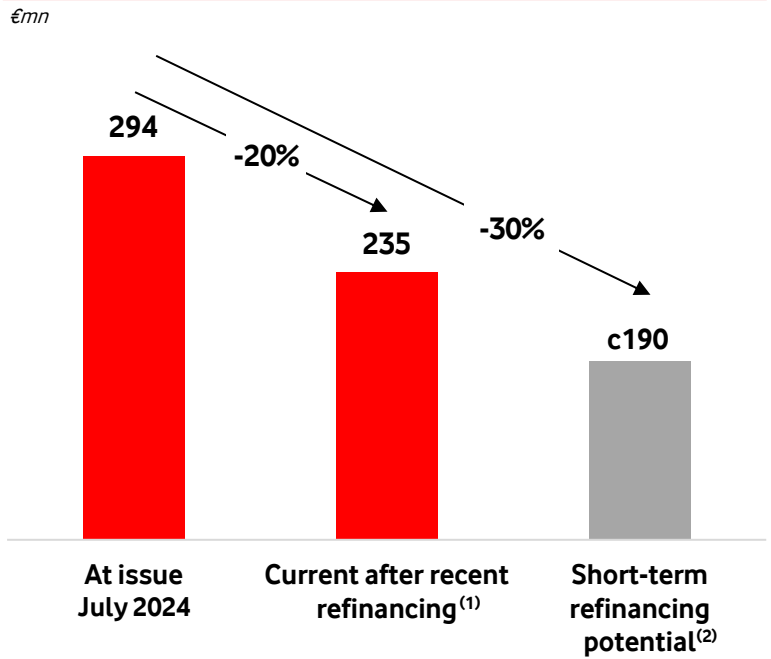
Declining interest costs driven by refinancing potential

- €1.3bn TLB refinanced in February to Euribor + 300bp (1)
- Opportunity to refi bonds and loans. Current bond yield c4.0% (2)

Limited cash tax

- The company does not currently pay tax
- >€5bn of historic net operating losses

Debt cost: interest annual run-rate (3)



(1): EUR TLB repriced from Euribor + 425bp to Euribor + 300bp and upsized to refinance the USD400mn TLB in February 2025.
(2): Refinancings may include maturity extensions and new loans and/or new bonds (including via private placement and/or tap issuance), subject to existing call protection. Current trading levels of c4.0% yield-to-worst of the EUR senior notes. Assumes no change in gross debt amount of €3.9bn.
(3): Cost of debt includes debt interest minus interest on cash.

FibreCos create a future-proof 100% FTTH network

Telefónica FibreCo

fiberpass

Operational ✓	March 2025
Financing	Ongoing
Monetisation	Ongoing

- **Footprint:** 3.6mn premises across Spain
- **Customers:** 1.4mn Vodafone Spain and Telefónica customers
- **Ownership:** 37% Vodafone Spain, 63% Telefónica
- **Financials:** run-rate EBITDA of c€125mn after 3 years
- **Operations**: Started on March 1st, 2025
- **Monetisation:** process well advanced

MasOrange FibreCo

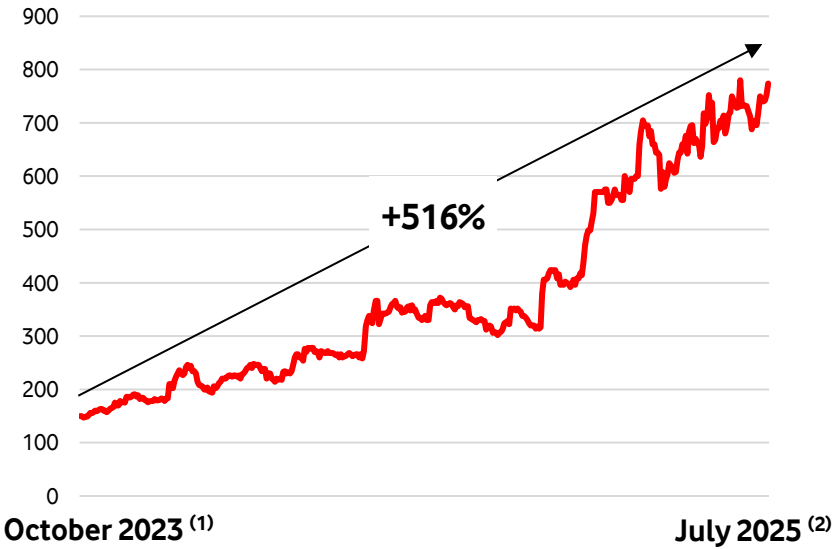
Operational	Ongoing
Financing ✓	Secured
Monetisation	Ongoing

- **Footprint:** 12.2mn premises across Spain, largest FibreCo in Europe
- **Customers:** c40% network utilisation, over 4.5m Vodafone Spain and MasOrange customers
- **Ownership:** MasOrange c70%, Vodafone Spain c30%
- **Financials:** run-rate EBITDA of c€480mn after 3 years
- **Financing:** €4.7bn offer secured for investment grade debt
- **Monetisation:** process well advanced

Significant increase in the Company's valuation underpinned by strong KPIs

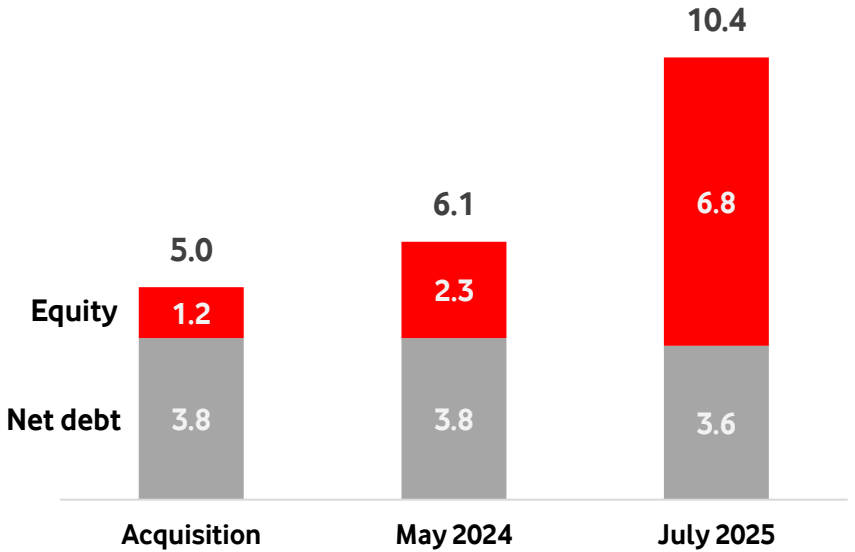
Zegona's share price

GBPp / share



Vodafone Spain's enterprise value (3)

€bn



(1): October 2023 when Zegona announced the acquisition of Vodafone Spain and GBP1.50 per share capital raise.
(2): As of July 11th, 2025.
(3): Vodafone Spain is Zegona's only operating asset. Vodafone Spain's valuation implied from Zegona's market capitalisation.

Transformation on track to deliver significant shareholder value

1. Business transformation and fast execution across the organisation
2. Investment in new commercial strategy drives return to customer growth
3. Cost reduction program drives strong operational cash flow generation
4. FibreCos provide a 100% FTTH footprint and financial optionality
5. Significant increase in the Company's valuation underpinned by strong KPIs

Together we can

Operational & Financial information

Vodafone Spain	Q1 25	Q2 25	Q3 25	Q4 25	FY 25	Q1 26
Operational KPIs						
EoP 000s						
Broadband lines [1]	**2,534**	**2,534**	**2,540**	**2,563**	**2,563**	**2,570**
Mobile lines [1]	**12,450**	**12,520**	**12,492**	**12,438**	**12,438**	**12,519**
o/w Contract	10,031	10,019	10,031	10,057	10,057	10,096
Financial KPIs						
€mn						
Revenues	**916**	**903**	**913**	**897**	**3,629**	**895**
EBITDA	**413**	**427**	**431**	**428**	**1,699**	**442**
% revenues	45.0%	47.3%	47.2%	47.7%	46.8%	49.4%
EBITDAaL	**299**	**318**	**320**	**312**	**1,249**	**316**
% revenues	32.6%	35.3%	35.0%	34.8%	34.4%	35.3%
Capex	**158**	**144**	**145**	**178**	**625**	**115**
% revenues	17.3%	15.9%	15.9%	19.9%	17.2%	12.8%
EBITDAaL - Capex	**141**	**175**	**175**	**134**	**625**	**201**
% revenues	15.4%	19.4%	19.1%	15.0%	17.2%	22.4%

(1): Numbers excluding Finetwork in all quarters for comparative purposes

Debt & interest cost information

As of June 30th, 2025	Debt principal	Debt cost	Comments
€mn			
Term Loan A	500	Euribor+3.00%	
EUR Term Loan B	1,290	Euribor+3.00%	Upsized and repriced from Euribor + 425bp to Euribor + 300bp in February 2025
USD Term Loan B			Refinanced in February 2025 with the upsize of the EUR TLB
EUR Senior Notes	1,300	6.750%	Currently trading at 3.99% YTW.
USD Senior Notes(1)	831	8.625%	Currently trading at 5.98% YTW.
Gross Debt	**3,921**		
Cash	**304**		Assumes 2.0% interest is paid on cash.
Net Debt	**3,617**	**c235**	
Leases	**984**		
Net Debt / L2QA EBITDA	**2.64x**		
Net Debt / L2QA EBITDAaL	**2.88x**		

(1): USD debt is hedged to Euros. Euro amount shown in the table. EUR swapped coupon on the USD Senior Notes is 7.38%.