



19 October 2022

## **Infratil 2022 Sydney Investor Day**

Infratil Limited ("Infratil") has released the presentation materials for its Investor Day held today in Sydney.

Infratil's objective is to keep its stakeholders well informed about how its businesses are performing and how their delivery on strategic objectives is progressing.

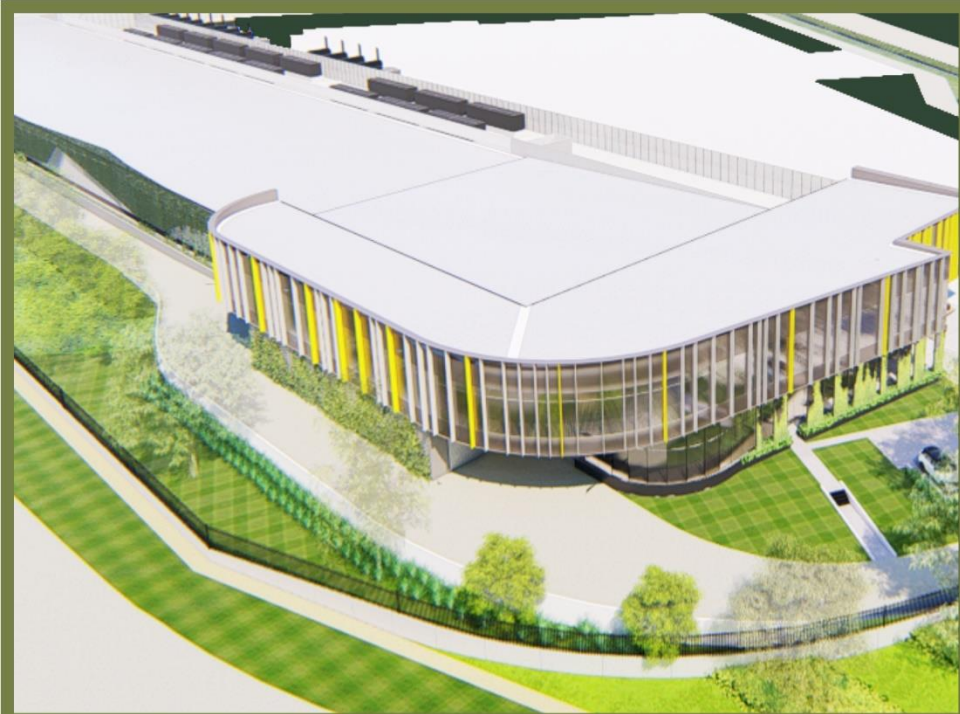
Today's Investor Day provides an update on Infratil's investments in CDC Data Centres and Vodafone NZ.

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# Important notice and disclaimer

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Information set forth in this presentation may contain "forward-looking information", including "future oriented financial information" and "financial outlook", under applicable securities laws (collectively referred to herein as "**forward-looking statements**"). Except for statements of historical fact, information contained herein constitutes forward-looking statements and may include (but is not limited to): (i) CDC's projected financial performance; (ii) the expected development of CDC's business, projects and joint ventures; (iii) execution of CDC's vision and growth strategy; (iv) sources and availability of third-party financing for CDC's projects; (v) completion of CDC projects that are currently underway, in development or otherwise under consideration; (vi) renewal of CDC's current customer, supplier and other material agreements; and (vii) future liquidity, working capital, and capital requirements. Forward-looking statements are provided to allow recipients of this presentation the opportunity to understand CDC's beliefs and opinions, so that such beliefs and opinions may be used by recipients as one factor in performing evaluation of financing opportunities.

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# Agenda

Overview

1

Performance

2

Outlook

3

Questions

4



# CDC Overview



# Overview

Established in 2007, CDC has grown to become a leading owner, developer and operator of large-scale, secure and sovereign data centres in Australia and New Zealand



**Availability** – 100% uptime guaranteed, resilient and modern facilities



**Interconnection** – powerful ecosystem, direct customer and cloud provider connectivity within and across CDC's campuses



**Sovereignty & Security** – Certified Strategic Provider under Hosting Certification Framework, Government security accreditation, 24x7x365 on-site guards, security cleared personnel



**Optionality** – service flexibility; modular, efficient and future-proof infrastructure



**Sustainability** – leading water and electricity sustainability practices, strong environmental, sustainability and governance credentials

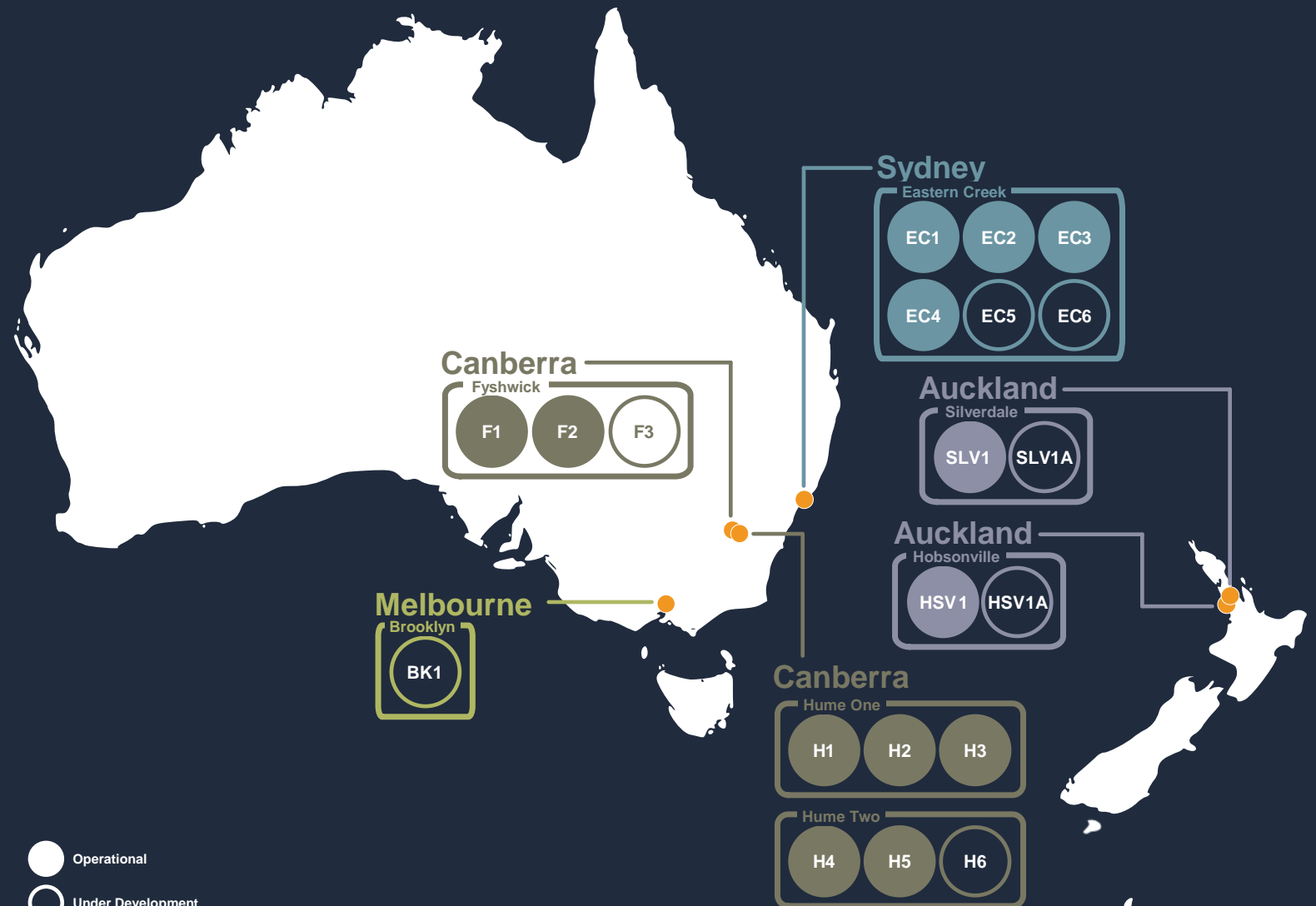


***Pictured:*** CDC Silverdale (Auckland) – completed in August 2022

# Operating Footprint

CDC boasts a broad footprint of data centres in Australia and New Zealand servicing a wide range of Government, Hyperscale and Commercial clients

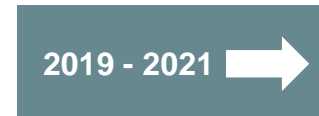
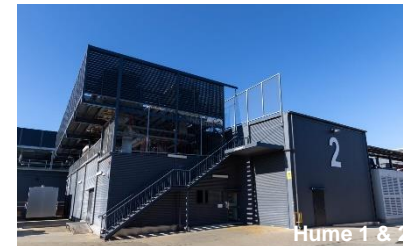
The combination of high credit quality clients and large contracts with long Weighted Average Lease Expiries is unique globally in the data centre industry



# World Class Data Centre Portfolio

CDC data centres are renowned for their extremely high performance, technical and security standards at all locations

Facility	Status	Build Capacity (MW)	Commission Date
Hume 1 & 2	Operating	12	2008 & 2011
Fyshwick 1	Operating	19	2015
Hume 3	Operating	9	2016
Eastern Creek 1	Operating	7	2018
Fyshwick 2	Operating	26	2018
Hume 4	Operating	29	2019
Eastern Creek 2	Operating	20	2019
Eastern Creek 3	Operating	42	2020
Eastern Creek 4	Operating	54	2022
Hume 5	Operating	22	2022
Silverdale 1	Operating	14	2022
Hobsonville 1	Operating	14	2022
<b>Total Operating Capacity</b>		<b>268</b>	
Brooklyn 1	Under Construction	30	2023
Auckland	Under Construction	12	2024
<b>Total Construction Capacity</b>		<b>42</b>	
Sydney	Future Build	108	
Canberra	Future Build	178	
Melbourne	Future Build	120	
Auckland	Future Build	70	
<b>Total Future Capacity</b>		<b>476</b>	
<b>Total Capacity</b>		<b>786</b>	

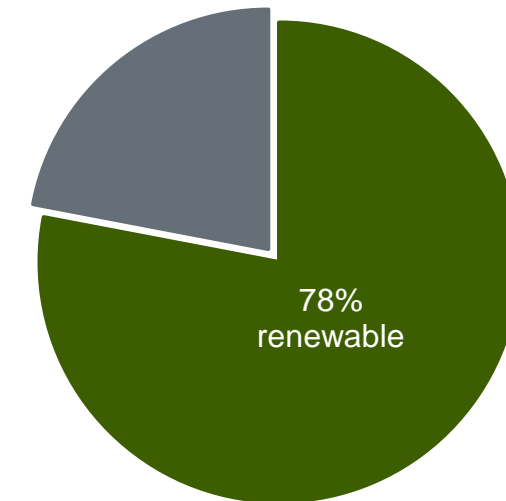


# ESG Leadership – Energy

CDC sources renewable energy for 78% of its data centres and is working to have 100% renewable energy

- More than 70% of the National Electricity Market in Australia is powered by fossil fuels (coal and gas). In New Zealand this is less than 20% due to its vast hydroelectric generation infrastructure
- In stark contrast, 78% of CDC's data centre electricity is from renewable energy sources – hydro, solar and wind
- CDC's aspiration is to achieve net zero emissions by 2030 and is well advanced with its current operating and procurement practices

CDC total electricity mix



■ Renewable Canberra / Sydney / Auckland ■ Non-renewable Sydney

- 100% renewable and “carboNZero certified” electricity in Auckland, New Zealand
- 100% renewable electricity in all ACT sites
- The ambition is for 100% of NSW and VIC electricity to be sourced from renewable sources going forward



**Pictured:** Electric vehicle charging stations at Eastern Creek

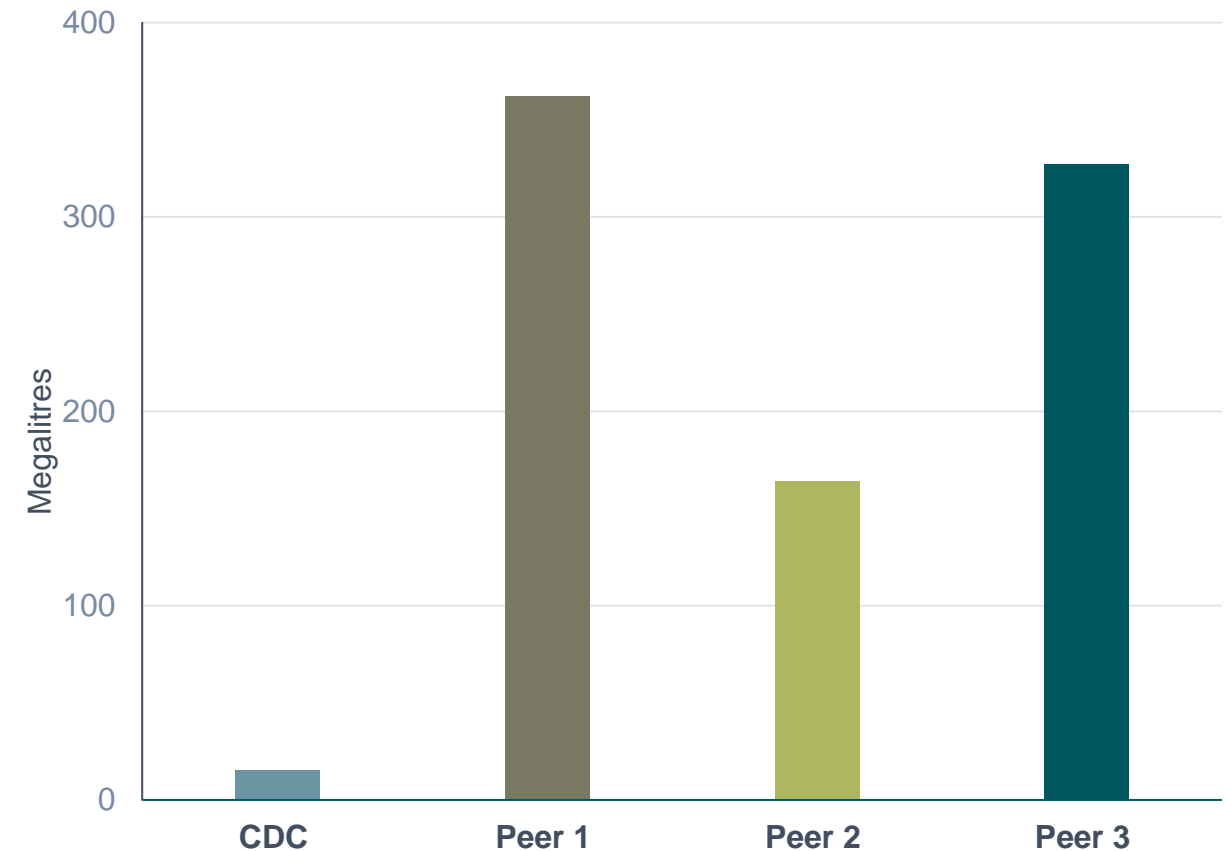
# ESG Leadership – Water

CDC is a leader in the responsible use of water for managing and cooling its data centres

- Compared to CDC, other Australian data centre providers consume ~300 megalitres per annum more water to operate their facilities – equivalent to 120 Olympic-sized swimming pools every year
- CDC-built data centres have an innovative closed-loop cooling system that eliminates water wastage – consuming near zero water
- The closed loop also removes a major potential point of failure in operation as well as being more sustainable and resilient



Annual water usage, 2020/21



Source: Company websites, scaled based on published WUE data

# ESG Leadership – Social and Governance

CDC is committed to leading governance practices and being a positive contributor in the communities where we operate, supporting 17 community and sporting clubs



ISO 9001: 2015 Quality Management System  
ISO 14001: 2015 Environmental Management System  
ISO 27001: 2013 Information Security Management System  
ISO 45001: 2018 Work Health and Safety Management System



PCI DSS

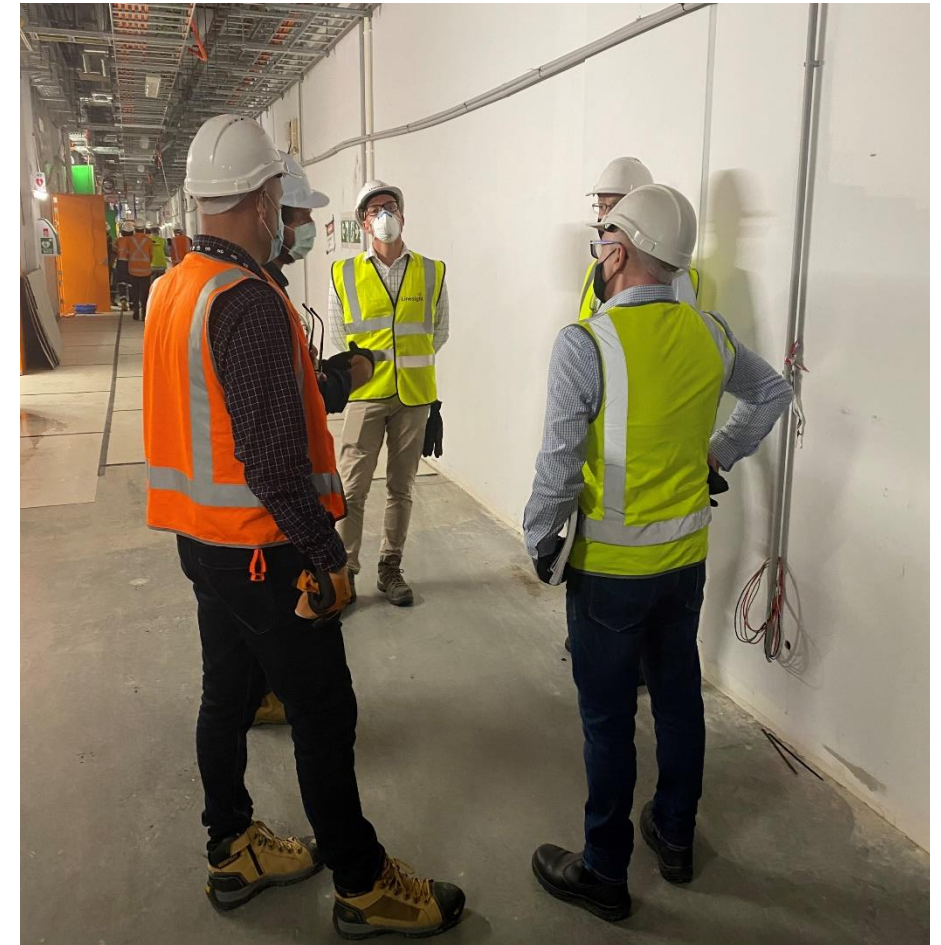


SOC 2 Type II



G R E S B

Global Real Estate Sustainability Benchmark



# CDC Performance



# FY23 Achievements to Date

CDC has delivered on all its promises from February 2022



## Customers

- Continuing to grow and diversify National Critical Infrastructure and Commercial client base



## Development

- Commissioning four new data centres in Auckland, Canberra and Sydney



- Have commenced development in Melbourne
- Exploring additional strategic growth opportunities



## People

- Building the team further to meet organisational goals, broaden capability and exceed client expectations



## Financial

- On track to deliver 30%+ YoY revenue and earnings growth



# 104 MW of New Capacity Delivered in FY23

CDC has commissioned four new data centres in FY23. These sites meet and improve upon the extremely high standards for which CDC is renowned, attracting strong Day 1 commitments from our customers

## 01 Silverdale (Auckland)

14MW DC in northern Auckland



Silverdale frontage



Silverdale electrical switch room

## 02 Hobsonville (Auckland)

14MW DC in western Auckland



Hobsonville street-view



Hobsonville frontage

## 03 Hume 5 (ACT)

22MW DC in Hume Campus 2



H5 Admin Building (front) and H5 (rear-left)



H5 Admin Building from H5

## 04 Eastern Creek 4 (NSW)

54MW DC, CDC's largest to date



EC4 façade during construction



EC4 chiller deck

# Financial Performance

**CDC's business model has very solid foundations, with six key strengths underpinning strong financial performance**

- 1



CDC has built a loyal customer base comprising Government, Hyperscale and National Critical Infrastructure / Commercial clients
- 2



New customers added to the CDC ecosystem
- 3



High quality underlying client base
- 4



Long-term contracts
- 5



Strong track record of renewals and extensions
- 6



Superior Weighted Average Lease Expiry (WALE) of 21+ years including options

	6 months to 30 Sep 22	6 months to 31 Mar 22	6 months to 30 Sep 21
Data Centre capacity (built)	268 MW	164 MW	164 MW
Capacity under construction	42 MW	104 MW	104 MW
Development pipeline	476 MW	436 MW	286 MW
Weighted Average Lease Expiry (including options)	21.1	21.6	22.5
Rack utilisation	65.9%	75.3%	74.0%
Capital expenditure	A\$444m	A\$308m	A\$195m

- CDC has continued to invest in new data centre capacity in 1H of FY23
- New customer contracts signed are in line with forecast, however pandemic impacts and supply chain delays have slowed customers' commencement of operations in some instances
- Inflation impacts on capex are being offset by innovation in construction methods, better procurement practices, and improved site productivity

# CDC Outlook



# Strategic Customer Trends Continue to Underpin Growth Plans

CDC's track record of project delivery puts it in the right place at the right time to satisfy accelerating market demand



# Looking Ahead

The focus for the rest of FY23 is across the 4 key dimensions of Customers, Development, People and Financial



## Customers

- Onboard new contracted customers in Auckland, Canberra and Sydney
- Continue to grow and diversify National Critical Infrastructure and Commercial client base
- Exceed client expectations



## People

- Foster high performance culture
- Build the team to meet corporate goals and planned growth
- Enhance organisational skill base through CDC Academy



## Development

- Accelerate construction in Melbourne and Auckland
- Plan for more new data centre developments in Auckland, Canberra and Sydney
- Explore additional strategic growth opportunities in Australia and New Zealand



## Financial

- Deliver 30%+ YoY revenue and earnings growth
- Maintain prudent cost controls in inflationary environment
- Expand capital structure to fund investment plans

# Development Pipeline – Melbourne

Construction has commenced at CDC's first Melbourne facility, with works progressing at pace. We expect to welcome our first customers in mid-2023



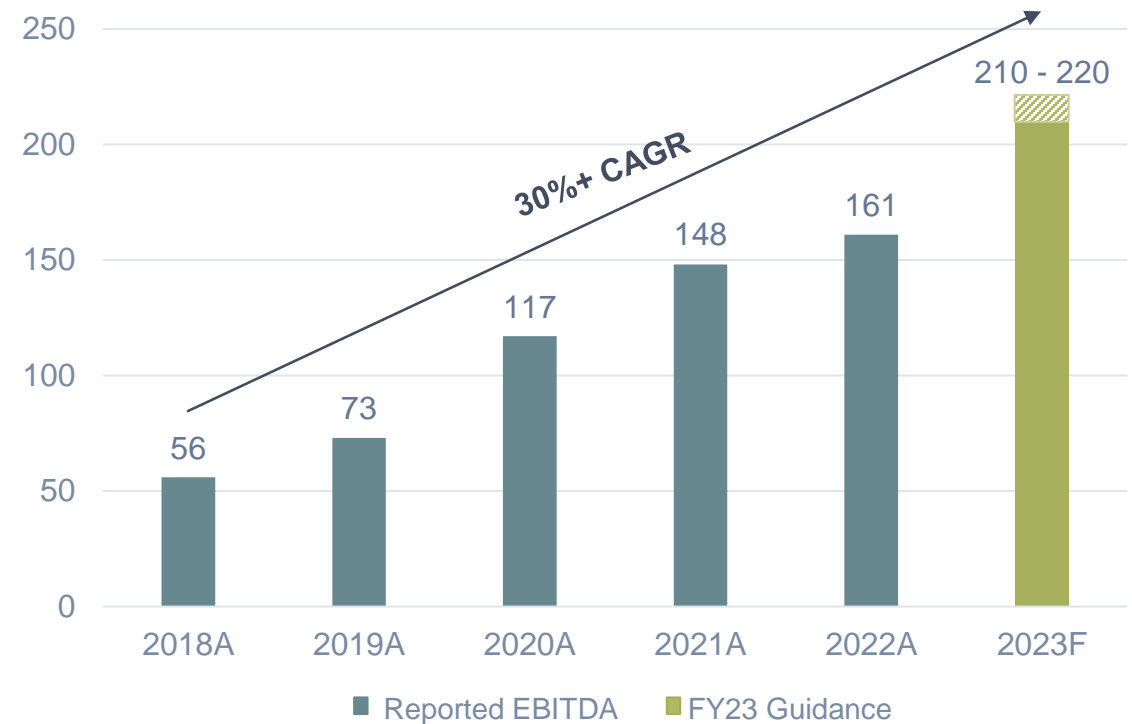
# Financial Outlook

Profitable growth to continue as customers are onboarded into our newly commissioned facilities in New Zealand and Australia, and our customer-driven development pipeline is realised

- CDC generated A\$161.2m of EBITDAF earnings in FY22
- CDC is forecast to deliver FY23 earnings in the A\$210-220m range (ie. +30-37% YoY), slightly below the May 22 guidance of A\$220-230m (+40% at the mid-point)
- The change is mainly due to two factors:
  1. Labour and supply chain challenges in Auckland delaying the completion of the 2 new data centres
  2. Pandemic impacts and supply chain delays slowing customers' commencement of operations in some instances

Both factors pertain to time of onboarding and revenue commencement, and not to opex costs which are tightly controlled

- The new business pipeline is strong and conversions have been very high across all customer categories



# Questions





# Vodafone Infratil Investor Update

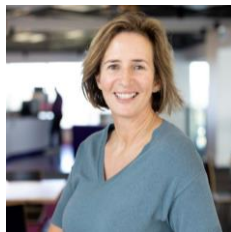
19 October 2022

*#YEAROFTHECUSTOMER*

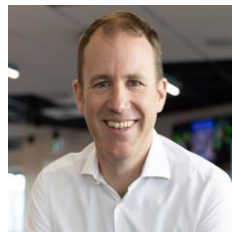
# Our executive team



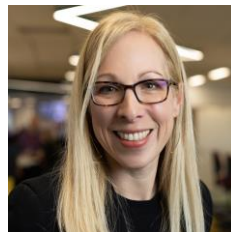
**Jason Paris**  
Chief Executive



**Jodie King**  
Chief People  
Officer



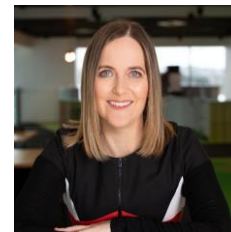
**Richard Mooney**  
Chief Strategy  
Officer



**Lindsay Zwart**  
Chief Enterprise  
Officer



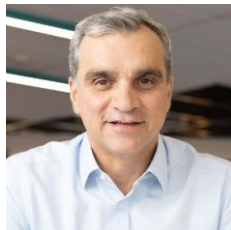
**Tony Baird**  
Chief Technology  
Officer



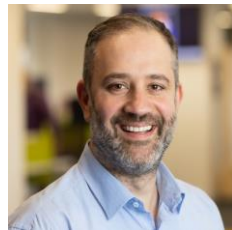
**Juliet Jones**  
Legal, Regulatory &  
Sustainability  
Director



**Ralph Brayham**  
Transformation  
Director



**John Boniciolli**  
Chief Financial  
Officer



**Andrew Haddad**  
Chief Information  
Officer



**Joe Goddard**  
Experience &  
Commercial  
Director



**Chris Fletcher**  
SME & Consumer  
Director

## • Our purpose •

**Unlocking the magic of technology to create an awesome Aotearoa**

Ka mau te mauri o te hangarau, ka whakamana a Aotearoa

## • Our plan to deliver •

### **Network Forward**

**Our customers trust us**  
because we provide secure,  
world-leading technology solutions  
that improve their lives and  
businesses

### **Remarkable Simplicity**

**Our customers value us**  
because we support them with  
effortless experiences that work  
flawlessly every time

### **Customer Obsessed**

**Our customers love us**  
because we understand their  
needs and are passionate about  
always delivering for them

### **Winning where it matters**

**Our owners back us** because we provide strong financial returns through  
ICT, mobility and on net leadership, with the most efficient cost to operate

# Strong progress with significant additional potential available

## Progress

### Network Forward

- TowerCo transaction soon to be completed
- Wholesale MVNO platform built and in market
- Awarded New Zealand's best mobile network

### Remarkable Simplicity

- Best ever IT stability<sup>1</sup>
- Best ever customer service results<sup>1</sup>
- Fastest cost reduction<sup>2,3</sup>

### Customer Obsessed

- Highest ever organisational capability and culture scores<sup>1</sup>
- Helping create a better Aotearoa through our Vodafone Aotearoa Foundation

### Winning where it matters

- Stable but competitive market
- Fastest growing postpaid connections<sup>4</sup>
- Fastest growing ICT revenue<sup>5</sup>
- Fastest growing EBITDA in the market<sup>2</sup>

## Potential

### Network Forward

- Accelerated 4G and 5G upgrade path
- Fibre asset review underway
- Significant ongoing investments in security and privacy protections

### Remarkable Simplicity

- IT modernisation programme pivot
- On net migration continues
- Product, plan, and experience simplification
- Further service gains being targeted

### Customer Obsessed

- Advanced AI, Machine learning and data analytics experimentation

### Winning where it matters

- FY23 guidance and eventual 30% EBITDA margin on track
- CPI based pricing construct
- 2023 rebrand announced
- Prepaid churn improvement required

1. For Vodafone NZ

2. Based on latest annual reporting period vs PCP (Prior Comparable Period). Sourced from Spark (June-22) and 2degrees (December-21) annual reports

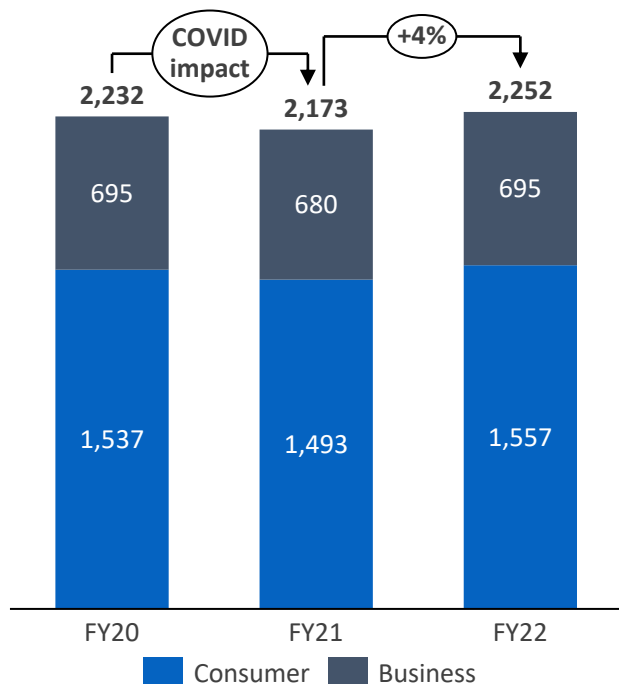
3. Total operating costs (direct costs and operating expenses)

4. Based on absolute Consumer and Business postpaid connection growth in quarter to June-22 vs PCP, sourced from IDC

5. Based on latest annual reporting period vs PCP vs incumbents Spark and Datacom. Sourced from Spark (June-22) and Datacom (March-22) annual reports

# Strong and resilient market dynamics in key mobile segment

## Mobile market service revenue (\$m)<sup>1,2,3</sup>



## Market trends<sup>1,2,3</sup>

- Mobile service revenue growth driven by:
  - Connection growth
    - Consumer Postpaid: +7% CAGR (FY20-22)
    - Business: +4% CAGR (FY20-22)
  - Blended total mobile ARPU growth (FY20: \$28.20 → FY22: \$29.80) driven by pre to post migration, data growth etc.)
- The growth in FY22 does not include the impact of return of roaming, which we are now experiencing in current trading
- Industry consolidation (illustrated below)

### Pre 2degrees and Vocus NZ merger



### Post merger



1. Market revenue data sourced from IDC and includes interconnect revenue

2. Periods presented at Vodafone financial year end March

3. Business includes SME and Enterprise

**Network Forward**



# Infrastructure utilisation continues



## WHERE WE'VE COME FROM



Challenger with a proud history of technology leadership; first to launch 2G/3G/4G



Limited growth investment, focus on capacity & metropolitan areas



High quality but underutilised asset – 11,000 km of access, metro, national and International fibre



No ability to consider infrastructure value maximisation opportunities



Cyber security only as strong as Vodafone's weakest market



## WHERE WE ARE NOW



New Zealand's first 5G network and awarded New Zealand's best mobile network. 30-year Nokia partnership



New site builds (85/210) and upgrades (281/660) being completed in metro and regional New Zealand in partnership with customer facing BU's and customer input (pin drop); RBI2



Increased network utilisation with ~30% increase in on net customers; wholesale wins, network sharing and new hyperscaler data centre fibre builds; double-digit international growth



Infrastructure value maximisation and delayering (e.g. 2degrees MoRAN and TowerCo)



Group separation, improved cyber security maturity (NIST 3.6) and reliability with AI and analytics



## WHERE WE'RE HEADING



Best in class mobile network with all sites 4.5G/5G and ubiquity; small cell and mmWave; 2G/3G switch-off; 4G/5G spectrum re-farm



New Zealand's smartest integrated network leveraging 5G SA Core capabilities with fixed / mobile convergence; high-capacity fibre; AI/ML



Further on net migration and wholesale acceleration



FibreCo asset review – 48,000 buildings within 50m of network; 214k homes passed in HFC; domestic and International



Cyber security leader (NIST >4) with 5G SA Core virtualisation and legacy retirement



The background is a deep space scene. It features a vibrant nebula with shades of red, magenta, and purple, filled with numerous small, bright stars. In the lower portion of the image, there are wispy, cloud-like structures in similar colors. On the right side, a large, glowing, translucent sphere is partially visible, with bright light reflecting off its surface.

# Remarkable Simplicity

# Simplifying, stabilising and modernising our IT



## WHERE WE'VE COME FROM



Complex architecture, aged applications and BSS complexity driven by multiple acquisitions



Initial moves to consolidate BSS systems



## WHERE WE ARE NOW



Stabilisation and simplification of legacy systems with open problem investigations reduced from >350 in 2019 to < 50 in September 2022



All Consumer and SME customers migrated off legacy IT stacks onto the target platform by December 2022



Successful IT delivery of key technology changes – Group separation for ERP, Office IT and security, new contact centre, Cloud infrastructure, NaaS – Network as a Service & APIs, modernised ticketing and customer reporting



BSS modernisation programme (DX) with international vendor challenging and have pivoted to work with existing vendors



New MVNO/MVNE deployed for mobile, FWA and IoT



## WHERE WE'RE HEADING



All existing legacy systems upgraded and stabilised



Increased AI and analytics to drive new user experiences. Automated security tools, controls and compliance to ensure effortless customer migration to new products, plans and IT stack



Further radical product simplification, digitisation and automation across all products and journeys



IT modernisation completed with existing vendors and xVNO for Fixed and Mobile wholesale offers

# We're improving our operational performance



## WHERE WE'VE COME FROM

- Low transactional NPS (tNPS)
- Average speed to answer (ASA), First Time Fix (FTF) and Transfers all worst in market
- Calls handled offshore or outsourced
- Retail operated as a JV not direct
- Higher call volumes / less digital self serve



## WHERE WE ARE NOW

- tNPS has improved 25% over the last year
- ASA has halved, ~4k additional customers FTF per month, 8% fewer calls transferred
- ~300 customer service frontline staff now onshore and insourced with 100% of Business calls now onshore and regional SME business managers in place
- Retail store buy back completed
- Started to deliver on our omnichannel strategy using Amazon connect and async messaging
- Improving our digital self serve through App (7% increase in usage since June 2022)



## WHERE WE'RE HEADING

- #1 brand in telco by NPS
- Digital first, automation self service, call transfers halved by end of FY24 and lowest cost to serve
- Omnichannel and hyperlocal sales and service experience fully embedded
- New store fit outs in 2023 with locals serving locals
- Design service out of products and plans
- Fully rationalised product set

**Customer Obsessed**



# Lifting our culture, capability and performance



## WHERE WE'VE COME FROM

- Low eNPS at 13
- Limited organisational health measures
- Limited organisational productivity measures (benchmark to Vodafone Group)
- A leader in flexible working
- Limited investment in capability and new ways of working



## WHERE WE ARE NOW

- Strong eNPS at 55
- Top end of second quartile organisational health
- Organisational productivity better than NZ peers (labour / revenue ratio)
- A recognised New Zealand leader in hybrid flexible through COVID, with the tools, behaviours and culture embedded to support high performance
- New ways of working being trialed and embedded, new behaviours launched and comprehensive leadership development programmes in place



## WHERE WE'RE HEADING

- Further eNPS improvement
- Top quartile organisational health
- Upper quartile internationally in organisational productivity
- A leader in flexible working to attract regional talent and investment in new ways of working, simplification and digital tools for ongoing productivity gains
- New ways of working and behaviors embedded to accelerate to future operating model, investment in Data, CX & Digital capability

# Committed to ESG and a better New Zealand for future generations



## WHERE WE'VE COME FROM

- Legacy equipment, growing power consumption
- Limited focus on carbon emissions
- Strong focus on philanthropy via the Vodafone Aotearoa Foundation
- Vodafone Aotearoa Foundation focused on young people and \$47m contributed over 20 years
- ESG largely informed by the Vodafone Group priority areas with heavy Europe/Africa focus



## WHERE WE ARE NOW

- Power management of off-peak capacity, recycling of infrastructure, passive heat exchanging, solar power trials
- Evaluation of carbon emissions footprint by independent audit
- Sustainability standards set through procurement processes including our commitment to Te Tiriti o Waitangi
- Vodafone Aotearoa Foundation 100% focused on the youth of New Zealand
- Additional \$1.2 million p.a. to be given to youth-related charities via One Good Kiwi
- Creation of Whārikihia - Our Māori strategy, initial focus on cultural competency and developing relationships with Māori businesses



## WHERE WE'RE HEADING

- Increased use of solar, power management, retirement of legacy network equipment, leading to reduced power consumption
- Execution of plan to transition to a greener future using mix of different carbon emission reduction options
- Vodafone Aotearoa Foundation with its partners makes significant inroads in halving the number of disadvantaged youth in New Zealand
- One Good Kiwi scales and additionally funded by other corporate partners
- Embedding of Whārikihia - our Māori strategy creates sustainable futures with Māori
- Increase diversity e.g. Pacifika, LGBTQI+ across all levels of our workforce

**Winning where it matters**



# Changing the way customers think about our brand

## Our new brand will

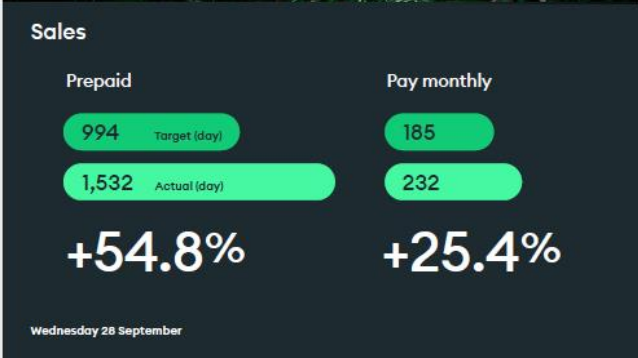
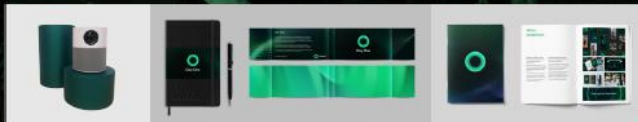
1. *Enable significant ongoing cost savings* once the rebrand is completed and the brand has been established
2. *Improve mobile trading performance* by creating ongoing moments of reappraisal and improved consideration for a large segment of New Zealanders who currently don't consider us an option for their mobile and broadband services
3. *Accelerate our ICT growth.* The Vodafone brand is strongly linked with mobility and now also needs to be just as strong in ICT. The new brand will unlock further trading improvements in a growing segment of the market that we have relatively low market share in
4. *Drive dramatic simplification and efficiency* across the company – one plan, one click, one call, one bill, one process



We're changing in early 2023

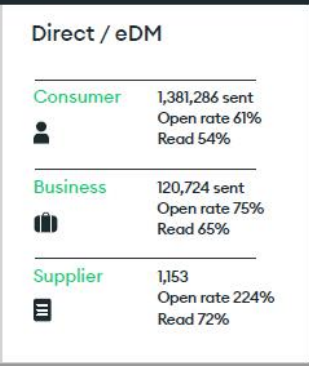
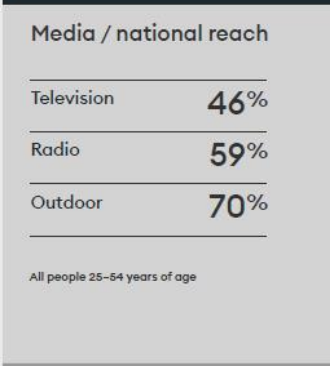
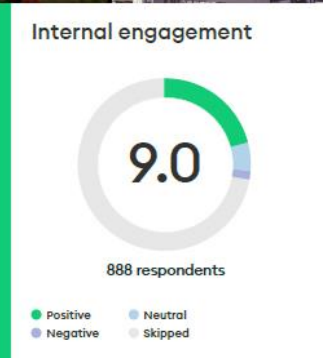


one.nz



### Social media

Platform	Reach	Impressions
Facebook/IG	1,959,353 66%	5,595,872
Tik Tok	843,452 64%	2,394,662
Snapchat	541,914 46%	1,079,307
Linkedin	214,159 22%	373,390





# Consumer Trading: Mobile Service Revenue Growth Accelerating



## WHERE WE'VE COME FROM

- Trailing the market in total mobile customer growth
- Mobile & broadband customer ARPU decline
- Mobile & Broadband revenue decline
- Price drops
- Postpaid customer churn of 11-12%
- <10% fixed wireless penetration of broadband base
- Strong roaming & tourism revenues



## WHERE WE ARE NOW

- Leading the market in postpaid mobile customer connection growth<sup>1</sup>
- Mobile customer ARPU growth
- Mobile revenue growth
- Price increases
- Postpaid customer churn of 9-10%
- >20% fixed wireless penetration of broadband base
- Partial return of roaming & tourism revenues



## WHERE WE'RE HEADING

- Leading the market in total mobile customer growth
- Mobile & broadband ARPU growth
- Mobile & Broadband revenue growth
- CPI based pricing construct
- Postpaid customer churn of 7-8%
- >25% fixed wireless penetration of broadband base
- Roaming & tourism returning to pre-covid levels

1. Based on absolute connection growth in quarter to June-22 vs PCP, sourced from IDC

# Enterprise & SME Trading: #1 in Mobile and Fastest Growing in ICT



## WHERE WE'VE COME FROM

- A declining mobile based with high churn
- ICT products sold to 20% of customer base
- Limited fixed options
- Low customer satisfaction with offshore customer service and poor digital experience



## WHERE WE ARE NOW

- Enterprise and SME #1 mobile market connection share<sup>1</sup> and SME mobile base with lowest churn on record<sup>2</sup>
- ICT revenue growth faster than the market<sup>3</sup>
- A leader in ICT enhanced security through partial acquisition of NZ's leading cyber security company, DEFEND
- ICT attachment at 46%
- Unified communications growing at greater than 20% YOY
- 100% of business care onshore improved customer satisfaction
- Enhanced self service and digital experience



## WHERE WE'RE HEADING

- Maintain #1 in Mobile market connection share for Enterprise and SME
- New Zealand's most disruptive and fastest growing ICT brand
- Differentiated private cloud partnering with hyperscalers
- Fixed wireless and unified communications growth
- 100% case managed care for customer service
- Hyperlocal omni channel execution leading to growth of regional market share for SME

1. Market share estimates sourced from IDC

2. For Vodafone NZ

3. Based on latest annual reporting period vs PCP vs incumbents (Spark and Datacom). Sourced from Spark (June-22) and Datacom (March-22) annual reports

# Wholesale trading: Our Aim Is to be the Wholesale Partner of Choice



## WHERE WE'VE COME FROM

### Traditional wholesaling



Fledgling business at acquisition primarily dealing in traditional fixed products; Vodafone Group reluctance in wholesaling mobile or monetising infrastructure



Overall business focus on retail with limited wholesale customer or product focus. Aged and complex services



## WHERE WE ARE NOW

### Infrastructure partnering



Growing business with strong pipeline. 36% YoY growth targeting new customers with full product catalogue: Mobile products launched with MVNO offering mobile, FWA and IoT – deals contracted; active network sharing



Modern fixed products such as Data Centre Connect for wholesale and Enterprise with new fibre builds underway for CDC and hyperscaler data centres; International growth (30% 3-year CAGR); Access fibre modernisation



Government – private networks and emergency services proposals; rural / mobile black spot builds



## WHERE WE'RE HEADING

### Infrastructure partnering leadership



Ongoing double-digit growth



Use of xVNE for fixed and mobile products in converged bundles



New 5G enabled use cases:

- Private 5G on premise (e.g. campus / Enterprise WiFi replacement)
- Network Slice (e.g. emergency services)
- Mobile Edge Compute
- IoT



Fixed highly elastic and secure solutions easily configured with bandwidth on demand for business to cloud applications

# Financials



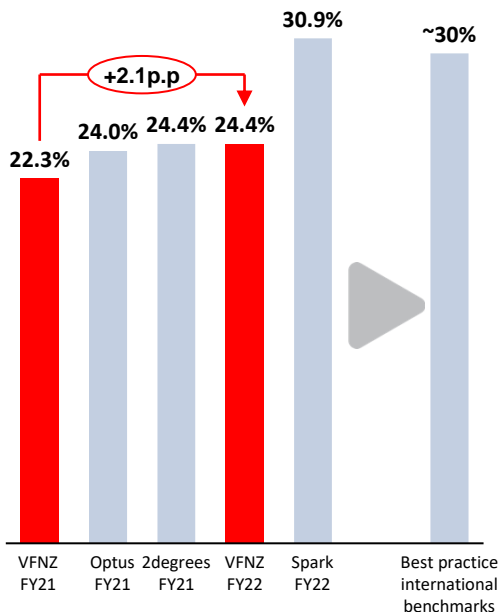
# On track for FY23 Guidance with strong mobile services revenue growth

	12 months 31/03/2021 \$m	12 months 31/03/2022 \$m	FY22 pcp %	FY23 Outlook
<b>Mobile revenue</b>	793.7	804.9	1.4%	Accelerating mobile services revenue growth. FY23 mobile services revenue aspiration mid-to-high single digit percentage growth
<b>Fixed revenue</b>	728.1	710.5	(2.4%)	FY23 outlook broadly in-line with FY22. Strong ICT, FWA, and Wholesale revenue growth partly offsets the decline in fixed legacy resulting from market competitive intensity
<b>Other revenue</b>	431.9	452.0	4.7%	FY23 outlook broadly in-line with FY22 subject to handset supply conditions
<b>Total Costs</b>	(1,517.1)	(1,486.4)	2.0%	Direct cost of sales expected to grow at a slower pace than revenue growth. Reduction in underlying indirect operating costs excluding (a) one off Tower Co costs; and (b) one-off rebranding investment
<b>EBITDA</b>	436.6	481.0	10.2%	FY23 EBITDA margin expansion through accelerating service revenue growth and reduction in underlying indirect operating costs
<b>Capex</b>	242.2	356.2	47.1%	FY23 capex ex-spectrum is expected to be broadly in-line with FY22
<b>Net Debt</b>	1,300.8	1,344.4	3.3%	~30% maturing July 2023, balance maturing July 2025. The process to extend the July 2023 maturity has commenced.

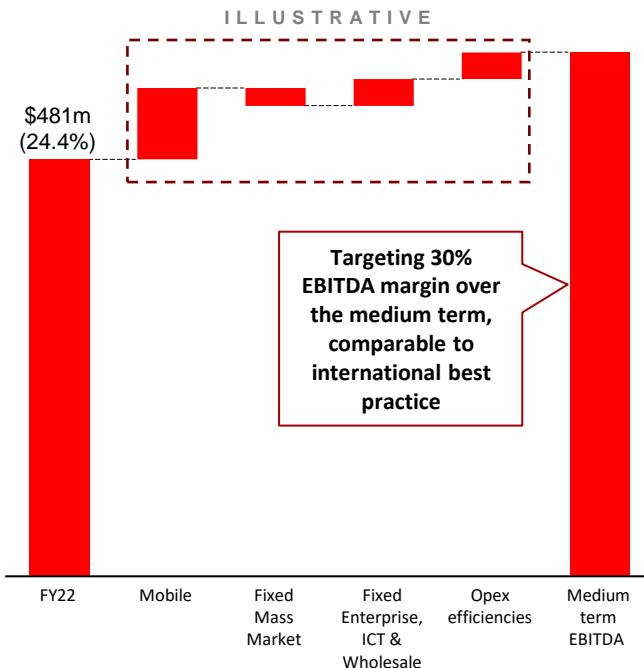
- FY23 guidance of \$490m - \$520m is maintained
- FY23 Total Costs include one-off (a) Tower Co transaction and implementation costs; and (b) the rebranding investment
- FY23 guidance basis guidance excludes any potential impairments to investment / non-current assets and the impact of the Tower Co sale (including transaction and implementation costs) which is yet to complete.

# Vodafone has a clear path to deliver margin expansion aspirations in line with international benchmarks

Statutory EBITDA margin (post-SaaS) (%):  
Vodafone<sup>1</sup> vs. international benchmarks<sup>2</sup>



Future EBITDA % growth drivers



EBITDA drivers:

- 1 Continued strong (low to mid single digit) mobile service revenue growth supported by
  - Continued market growth
  - Return of roaming revenues and travellers
  - Data growth
- 2 Continued pressure in fixed broadband market, reducing ARPU by low single digit offset by growth of FWA
- 3 Growth sectors, in particular ICT and Wholesale.
  - ICT growth of c. 10%+ in line with market driven by challenger position and strong growth in security and cloud markets.
  - Gradual sustained growth in Wholesale infrastructure
- 4 Continued operating efficiencies driven by:
  - Network and IT modernisation
  - Simplification, automation, process improvements and improved CX

1. Vodafone presented pre TowerCo impact

2. Sourced from Optus (March-21), 2degrees (December-21) and Spark (June-22) annual reports

# Future Scorecard

## Our key focus areas

Objective	Measure
Network Forward	<ul style="list-style-type: none"><li>• Maximise value from infrastructure</li><li>• Best in class mobile network</li></ul>
Remarkable Simplicity	<ul style="list-style-type: none"><li>• Dramatic simplification of products, plans and journeys</li><li>• All service interactions right first time</li><li>• Market leading efficiency and cost discipline</li></ul>
Customer Obsessed	<ul style="list-style-type: none"><li>• Market leading customer experience</li><li>• Strong employee capability, productivity and engagement</li></ul>
Winning Where It Matters	<ul style="list-style-type: none"><li>• Stable but competitive market</li><li>• Grow mobile revenue</li><li>• Grow ICT year on year revenue</li><li>• Gain market NPS leadership</li><li>• A New Zealand leader in sustainability</li></ul>

Questions?





# Thank you

*#YEAROFTHECUSTOMER*

## Appendix – acronym guide

Acronym	Meaning
5G SA	5G Stand Alone core solution
API	Application Programming Interface
ASA	Average Speed to Answer
BSS	Business Support Systems
BU	Business Unit
ERP	Enterprise resource planning
FTF	First time fix
FWA	Fixed Wireless Access
IoT	Internet of Things
MVNE / xVNE / MVNO	Mobile Virtual Network Enabler / Operator
NIST / CSF	National Institute of Standards and Technology / Cybersecurity Framework
NPS / eNPS / tNPS	Net Promoter Score / Employee Net Promoter Score / Transactional Net Promoter Score
NaaS	Network as a service
OHI	Organisational Health Index
RBI	Rural Broadband Initiative