

EuroTeleSites



Today's Presenters



Ivo Ivanovski

**EuroTeleSites
CEO**



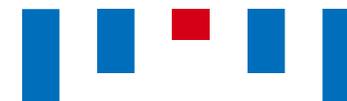
Lars Mosdorf

**EuroTeleSites
CFO**



1. Introduction to EuroTeleSites

EuroTeleSites



EuroTeleSites: Leading European TowerCo

- **Leading European TowerCo** providing leasing of antenna and equipment space as well as power backup
- **Headquarters:** Vienna, Austria; **173 employees**⁽¹⁾
- **Credit Rating:** Baa2 (Moody's) BBB- (Fitch) ⁽²⁾
- **Anchor Lease Agreement:** Industry-standard, long-term agreement signed with A1 as anchor tenant
- **Business Model:** Strong, stable model offering significant visibility on reliable and growing revenue and cash flows
- **Financials (2022PF⁽³⁾):** Revenue of €232mn and EBITDAaL of €127mn
- **Financing in place:** €500m bond, €500m loan and €75m RCF

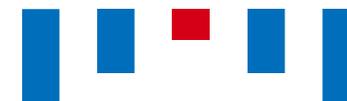
Strong Footprint: 13.2k Operating Sites in 6 Countries



4

Source: Company Information.

Notes: (1) Total number of full-time employees across EuroTeleSites geographies. (2) For A1 Towers Holding GmbH, as EuroTeleSites wholly-owned subsidiary and issuer of the bonds and creditor of loan and RCF. (3) Pro Forma information for 2022 and H1 2023 prepared as if the Group had existed on a stand-alone basis before the various spin-offs. (4) It is the mutual intention of A1 and EuroTeleSites to roll out c.1,000 new sites in the next five years.



EuroTeleSites will Enjoy the Support of Two Strong Shareholders



Ownership: 56.55%
Ratings: A- / Baa1 / A-

- **Overview:** America Movil (AMX) is Latin America's leading integrated telecom service provider, operating in 23 countries in the Americas (including Mexico, Brazil, and Colombia) and 7 countries in Europe (through Telekom Austria, c.57% owned subsidiary)
- **Highlights:**
 - **FY22 Rev / EBITDA⁽¹⁾:** \$43.5bn / \$17.0bn
 - **FY22 Net Leverage:** c.1.85x
 - **Current market cap:** \$58.9bn⁽²⁾

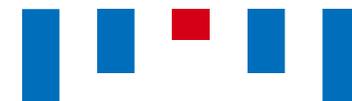


Ownership: 28.42%
Ratings: AA+ / Aa1 / AA+ (Govt of Austria)

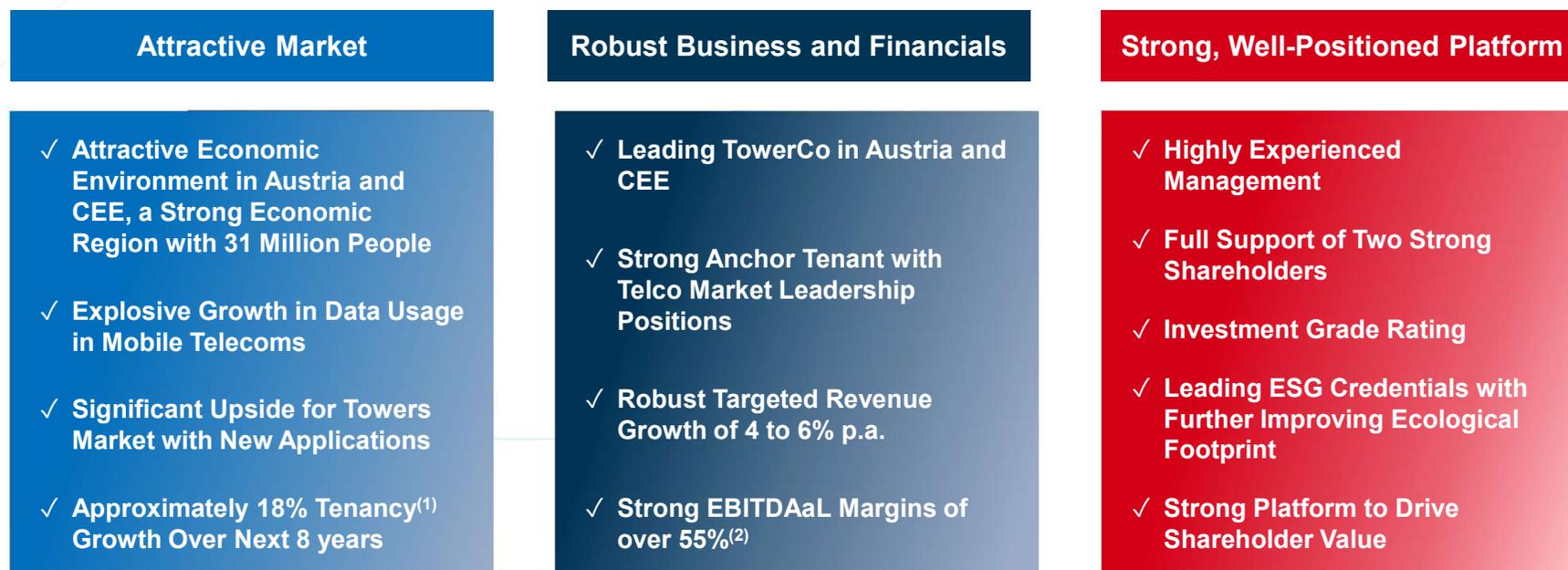
- **Overview:** ÖBAG is an Austrian state-owned holding company. It has an active management approach and is focused on long-term value creation, with a goal to preserve and grow investments on behalf of all Austrians
- **Portfolio:** ÖBAG oversees 10 companies covering key Austrian industries with total value of €30.84bn as of 31 Dec 2022
 - **Telekom Austria** – #1 telecom operator in Austria
 - **Verbund** – #1 electricity provider in Austria
 - **Österreichische Post** – #1 postal service provider in Austria
 - **OMV** – multinational integrated O&G player

Strategic Importance of EuroTeleSites to AMX and ÖBAG

- ✓ **Long-term ownership:** AMX and ÖBAG subject to a 10-year shareholding agreement with a 5-year lock-up period
- ✓ **Symbiotic relationship:** A1 – AMX's long-term strategic subsidiary in EU, relies heavily on EuroTeleSites for its operations
- ✓ **Active involvement:** AMX to be involved in EuroTeleSites' financial policy, strategic decisions and day-to-day management
- ✓ **National champions:** Both A1 and EuroTeleSites are viewed as providers of key national telecommunication functions



Attractive Market, Robust Business and a Strong Platform

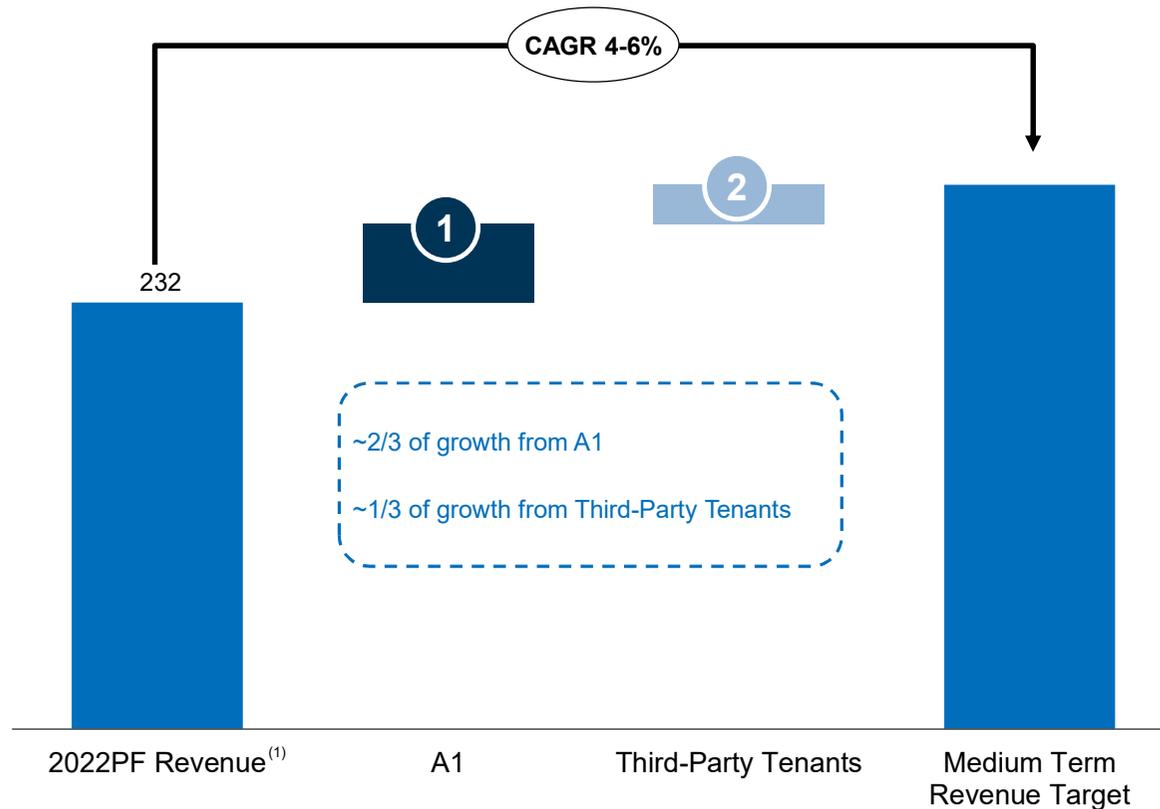


EuroTeleSites: Building Europe's Digital Infrastructure



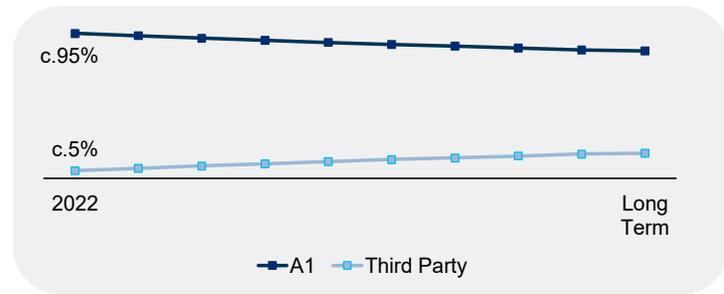
Strong Growth Trajectory Driven by both A1 and Third-Party Tenants

Revenue
(In €mn)



Long-term Management Targets

Revenue Contribution by Tenant: Growing Diversification



1 Anchor Tenant A1

- + Additional c.1,000 new BTS Sites
- + Network densification and coverage expansion
- + 5G Upgrades

2 Third-Parties

- + Additional 1,200 to 1,500 new tenancies
- + New MNOs tenants

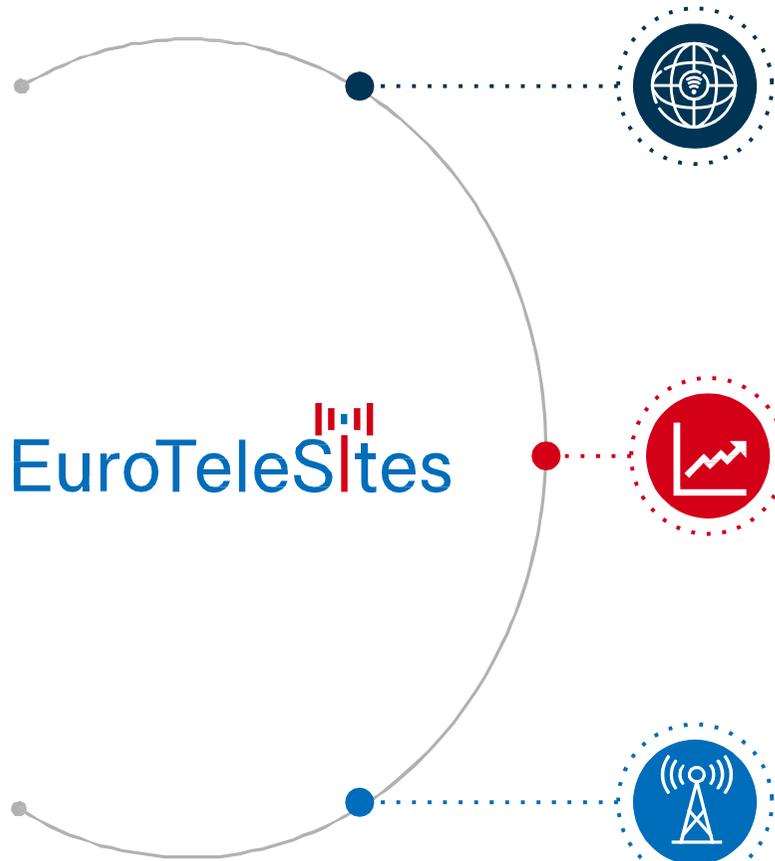


2. Key Investment Highlights

EuroTeleSites



Clear Drivers of Growth for the Mobile Telco Sector



Secular Tailwinds and Surging Mobile Data Usage

- Driven by a growing consumer base with significantly greater demand for data, mobile data traffic is expected to grow at a CAGR of 18% from 2022-2028 in Europe
- Demand for faster connection speeds and increasing number of connected devices necessitates denser networks

Technology Adoption

- 5G will play a key part in the future of data usage given its multiple use cases, driving an increase of 5G subscriptions from 1bn in 2022 to over 5bn in 2028
- Higher demand for 5G sites with high frequencies and bandwidth

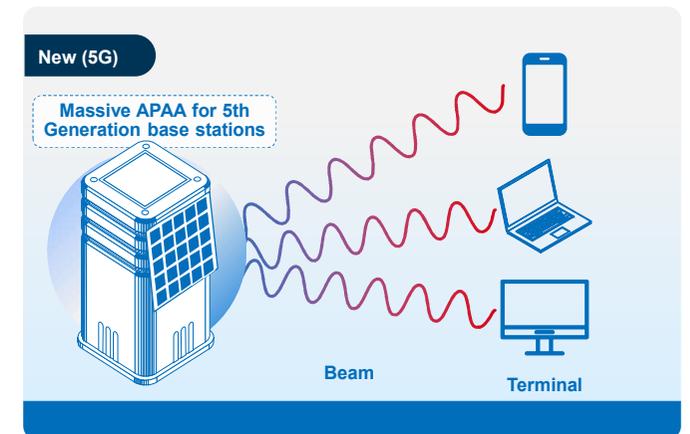
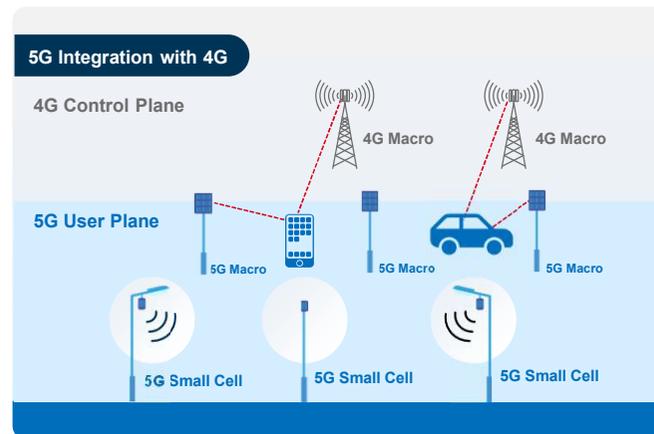
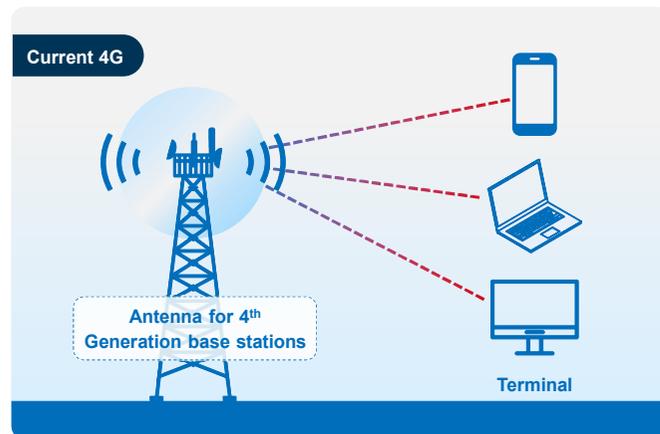
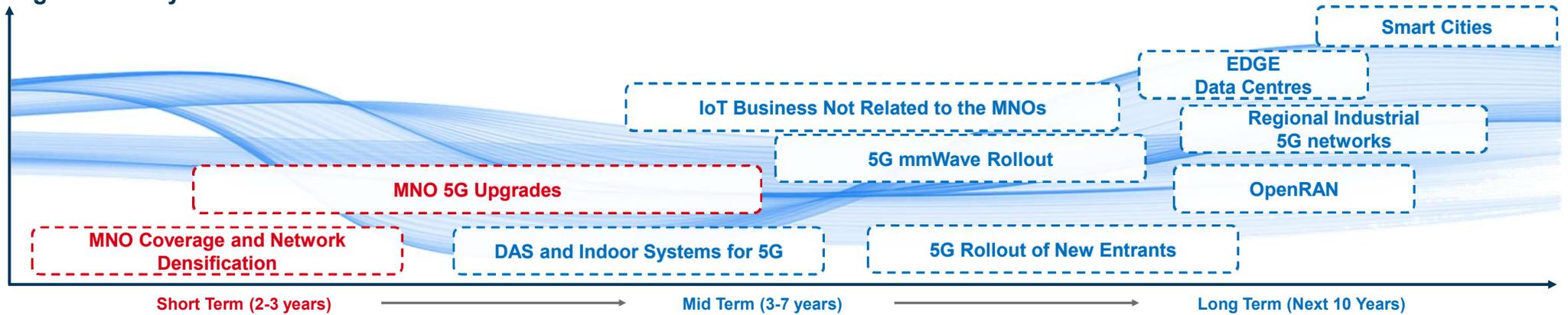
Quality of Service

- MNO rollout strategies are focused on improving quality of service (especially data) in order to grow market share
- MNOs obliged to expand coverage in the next few years by regulators



Future Growth Potential

Digital Maturity

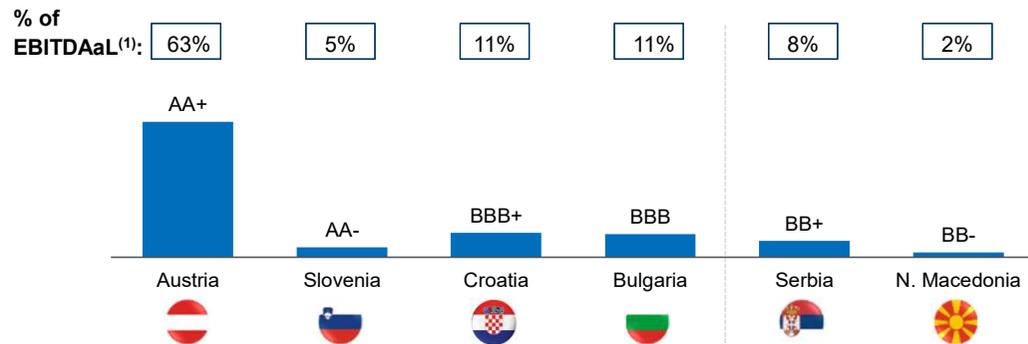




Favourable Macro Development Across EuroTeleSites' Footprint

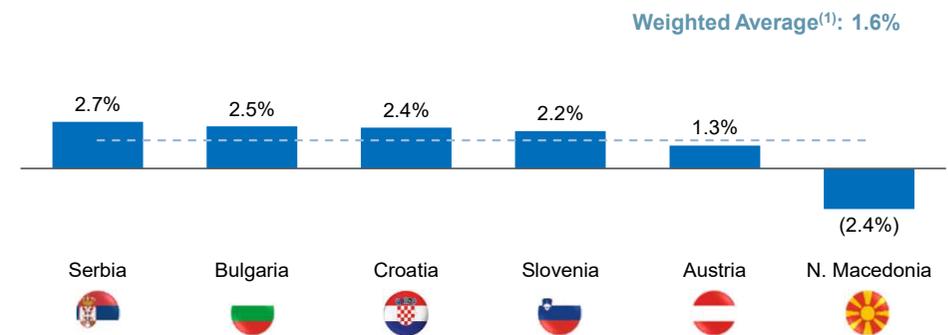
90% of EBITDAaL in IG-Rated Countries

(EBITDAaL contribution; S&P Country Credit Rating)



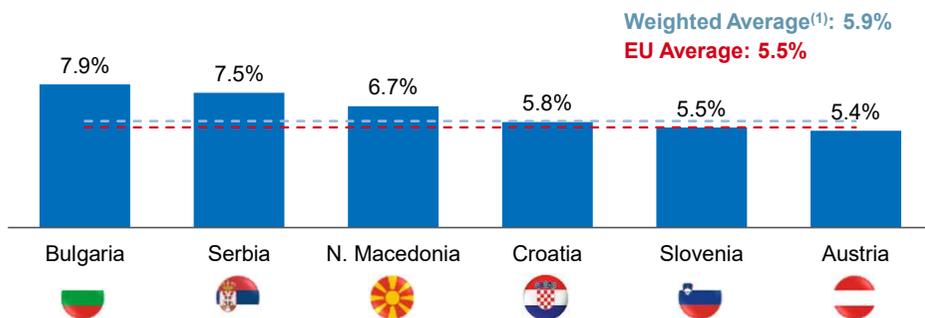
Positive Economic Growth Across Footprint

(Real GDP Growth 2022-2025 CAGR)



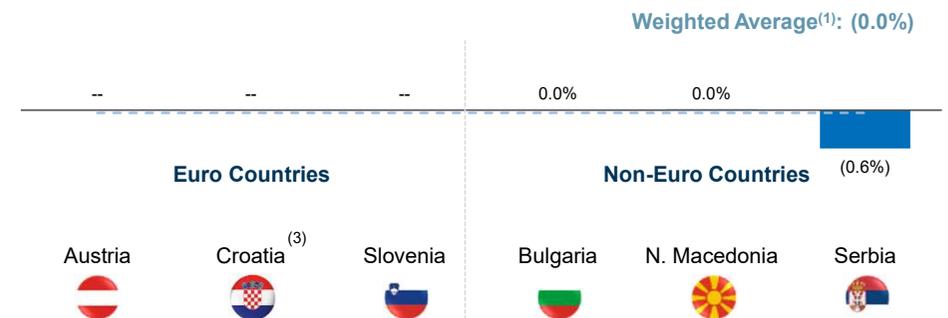
EuroTeleSites' Footprint Expected to Show Moderate Inflation

(Average inflation 2022-2025)



Limited Currency Risk Limited to Cost with Most Revenue in Euro

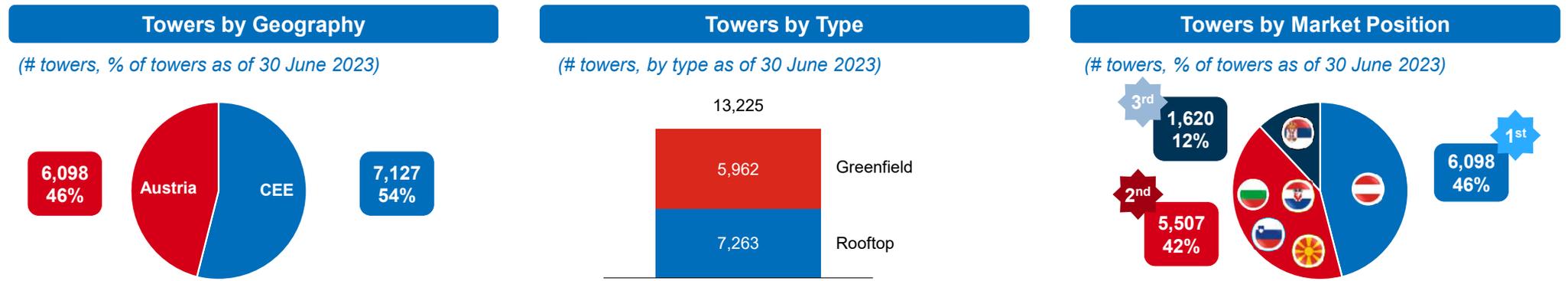
(Average L3Y Appreciation (depreciation) vs €⁽²⁾)





Leading Tower Operator Across Austria and CEE

EuroTeleSites is present in 6 European markets, 88% of which are in countries where EuroTeleSites is first or second in the market.



Potential for Significant Growth Resulting From Headroom in Towers Utilisation Rate



12 Source: Company Filings, Broker reports.
 Notes: (1) Number of tenants divided by number of towers, as of 30 June 2023. Management targets an increase of the tenancy ratio to 1.44x by 2031.





Highly Experienced Management Team



Ivo Ivanovski

CEO, EuroTeleSites

- 19 years' industry experience
- Management/executive experience with A1 Telekom Austria Group, and at international institutions, such as UN-GAID⁽¹⁾



Lars Mosdorf

CFO, EuroTeleSites

- 16 years' infrastructure experience
- Management/executive experience inter alia with Fraport AG, and Düsseldorf Airport (national and international)



Gernot Rasch

**Country Manager Austria,
EuroTeleSites**

- 19 years' industry experience
- Management/executive experience with A1 Group/Austria, A1 North Makedonia, A1 Croatia, and FL1 Liechtenstein



Gerhard Partl

**Group Finance Lead,
EuroTeleSites**

- 20+ years' industry experience
- Management experience with A1 Austria and Telekom Austria Group

A tall, lattice-structured telecommunications tower stands on a grassy hilltop. The tower is primarily white with red accents on its lower sections. At the top, several antennas and equipment are visible. The base of the tower is surrounded by a concrete foundation and some electrical enclosures. The background features a vast, rolling landscape of green hills and valleys under a clear blue sky with light clouds. The foreground shows some greenery and a utility pole.

3. Business Overview

EuroTeleSites



Focused Strategy Permeates Through the Core

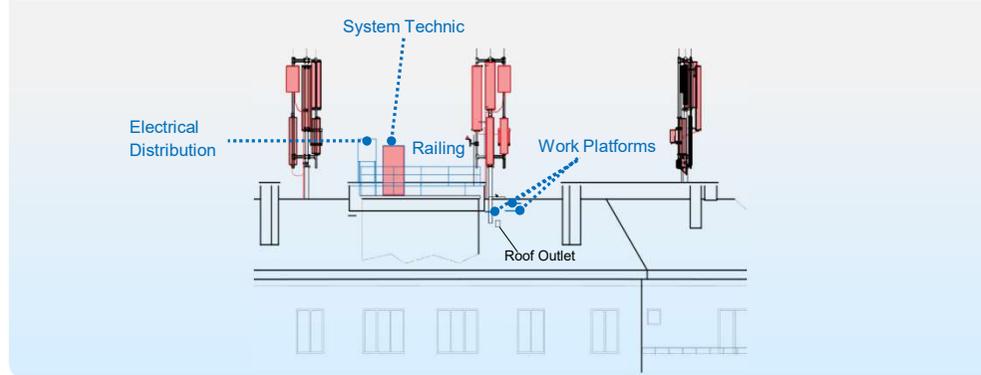
Our journey: From legacy telco cost center towards a customer-orientated business





Split of Responsibilities between EuroTeleSites and Tenants

Example: Rooftop



Core Services



Space



Maintenance



EMF Support

Additional Services



Built-To-Suit

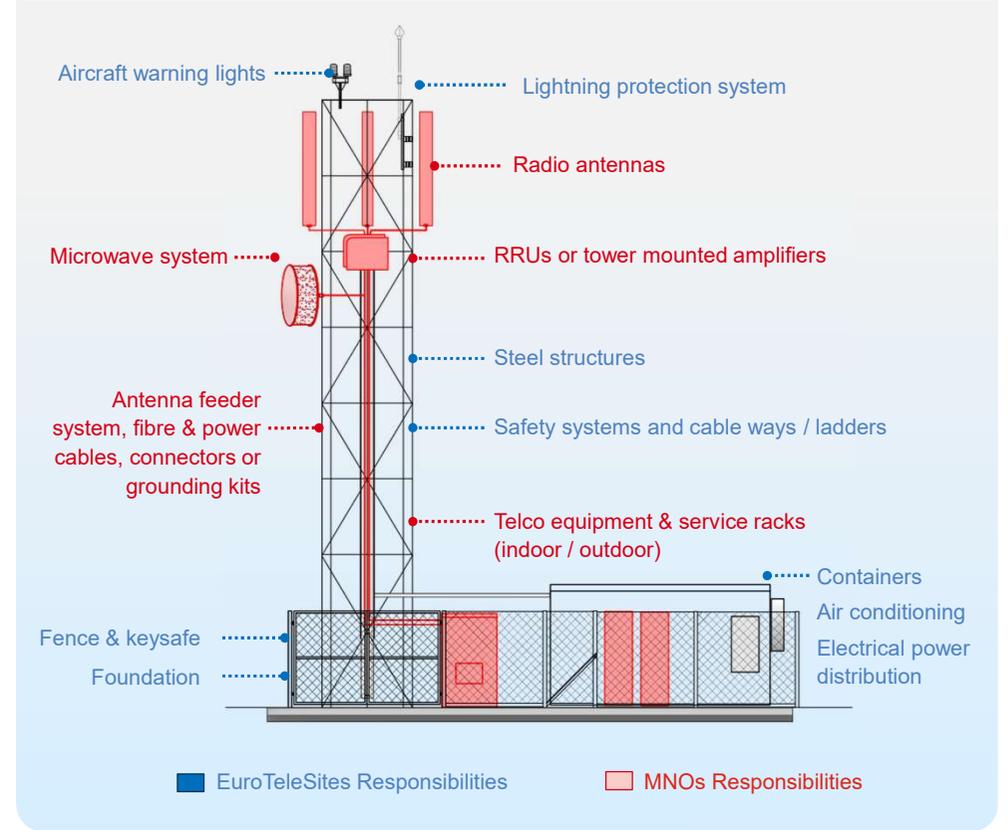


Upgrades



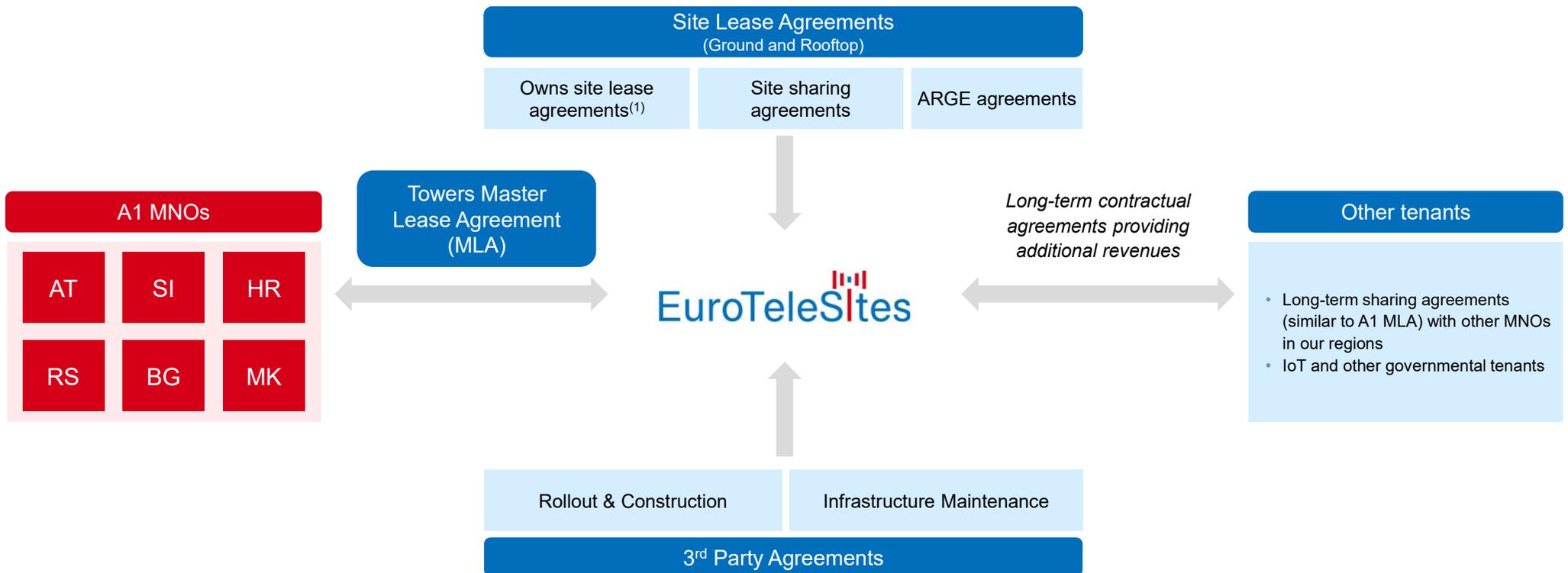
Energy

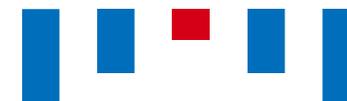
Example: Greenfield





Example Structure: EuroTeleSites and A1





Strong Anchor Tenant with Market Leadership Position

A1 is the leading telecoms provider in Austria and CEE, serving c.27mn customers with largely converged services.



- Incumbent operator in Austria and one of the leading converged providers in CEE
- **Headquarters:** Vienna, Austria
- **Stock Exchange:** Wiener Börse (Vienna Stock Exchange)
- **Wireless Subs / RGUs:** 23.9mn / 6.2mn ⁽¹⁾
- **Revenue:** €5.0bn ⁽¹⁾
- **EBITDA:** €1.8bn ⁽¹⁾
- **Credit Ratings:** A- / Stable at S&P
Baa 1 / Stable at Moody's
A- / Positive at Fitch

Highly Valuable Long Term Partnership with A1



Long-term Contract

- An attractive, market-standard and arms-length MLA will regulate the commercial and operational relationship between A1 and EuroTeleSites on a long-term basis



Anchor Fee

- At arms-length and denominated in local currency across footprint
- Non-discriminatory Colo fee across footprint



Indexation

- Linked to local CPI across footprint with market-standard caps to protect both EuroTeleSites and A1

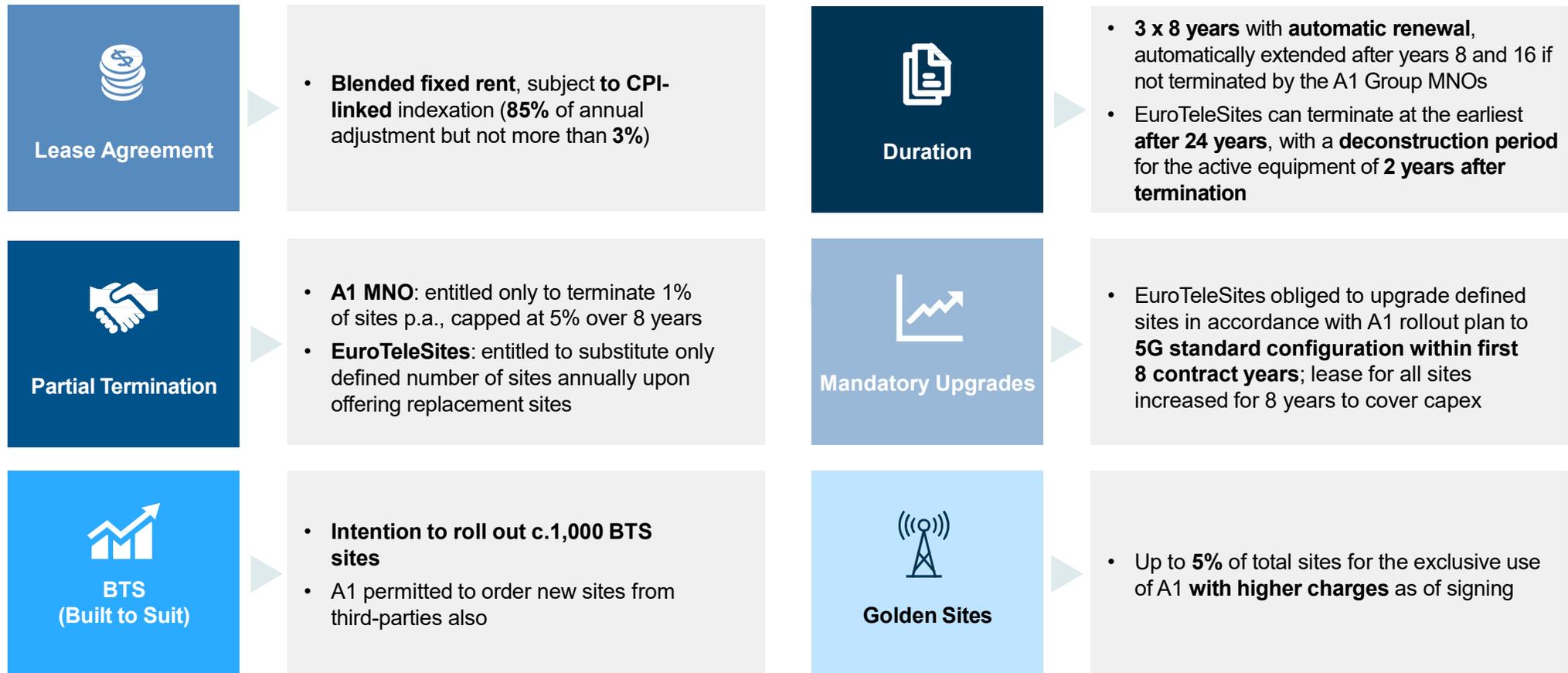


BTS

- Mutual intention of A1 and EuroTeleSites to roll out c.1,000 new BTS sites in the next 5 years



MLA Between EuroTeleSites and A1 Group MNOs



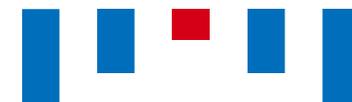


Diversified Customer Base Outside of MNOs

Non-MNO portfolio

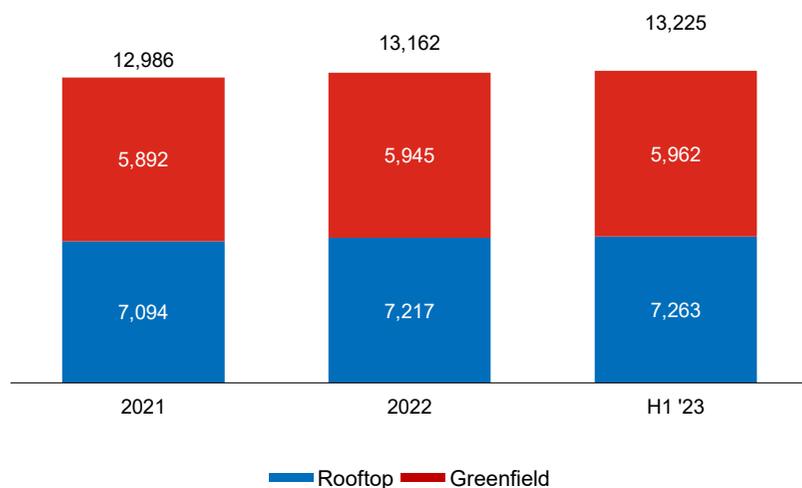
	% total tenancies ⁽¹⁾	Countries
Government use or public radio systems	67%	
Utilities & public companies	11%	
Broadcasters (TV/Radio)	7%	
Alternative Telcos	6%	
IoT	2%	
Others	6%	

- **Expected** to experience **significant growth in non-MNO market** by bringing new potential customers
- **Approx. 70%** of EuroTeleSites non-MNO portfolio is in **Austria, a key market** given spectrum
- **Government** use and **public digital** radio systems providers represent **2/3 of the non-MNO portfolio**
- **Potential for growth** in private sector – 5G related business development in **non-MNO companies and potential private networks**
- **High potential for non-MNO customers** on rooftop sites due to **no or very low investment requirements**

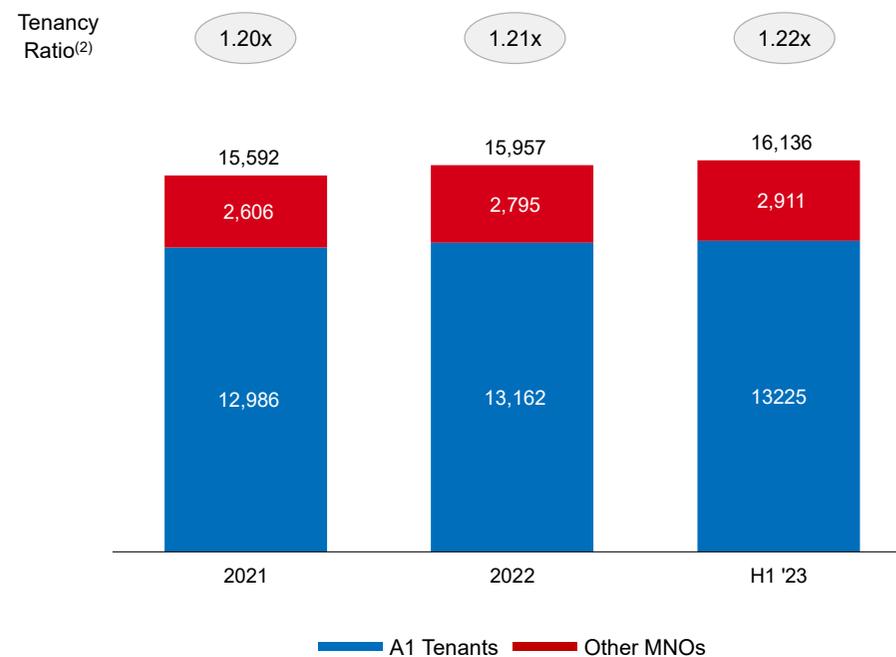


Towers and Tenancy Evolution: Targeting a Tenancy Ratio of 1.44x

Towers Development



Tenancy Development⁽¹⁾





Snapshot of Our Unwavering Commitment to ESG



Ecology

- Reduce the ecological impact via infrastructure sharing
- **During Construction**
 - ✓ Reduction of soil sealing
 - ✓ Protection of the landscape
 - ✓ Less steel and concrete used
 - ✓ Capex & CO2 savings
- **During Site Use**
 - ✓ Reduction of infrastructure maintenance due to fewer site visits and less material use
 - ✓ Less energy used due to shared components (e.g. cooling if necessary)
 - ✓ Capex & CO2 savings



Supply Chain

- Introduction of sustainable and efficient site power solutions, e.g. vertical windturbines (trial), supporting solar systems and autonomous site solutions
- Drive supply chain transparency and responsible reporting
- Collaborate with suppliers and stakeholders for sustainable outcomes
- Enforce high supplier standards along the value-chain
- ESG criteria included in supplier qualification



Vertical Windturbines (Trial)



Autonomous Site Solutions



Supporting Solar Systems



HR and Diversity

- Diversity is our everyday lifestyle
- Employees from 10 nationalities in different functions have worked together in 6 countries and different languages for years
- Workplace flexibility allows for work to be done regardless of time and location
- Collaboration and knowledge-sharing across disciplines
- 35% of overall employees and 30% of team lead functions are female



Governance

- Top-rated Supervisory Board with 10 Members (Aufsichtsrat)
- Management obliged to prioritise the best interests of EuroTeleSites
- Seasoned Management team with extensive expertise retains day-to-day control
- Transparent KPIs directly linked to EuroTeleSites' performance
- Well-defined contractual framework governing interactions with A1 MNO



Work Safety

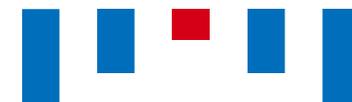
- Regular risk assessment
 - Annual height suitability checks for climbers
 - Extensive height workshops
 - Annual suitability equipment checks
- **No fatalities in the last 5 years**
- Training on health & safety protocols
- Safety measures & precautions
- Safety equipment & resources
- Emergency response plans



4. Financial Overview

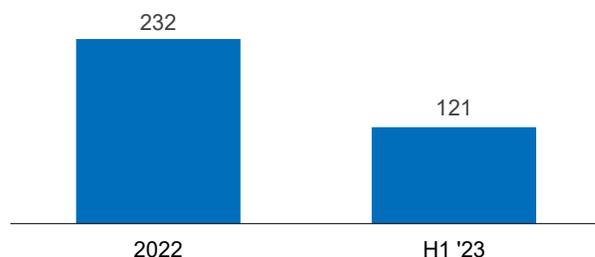
EuroTeleSites



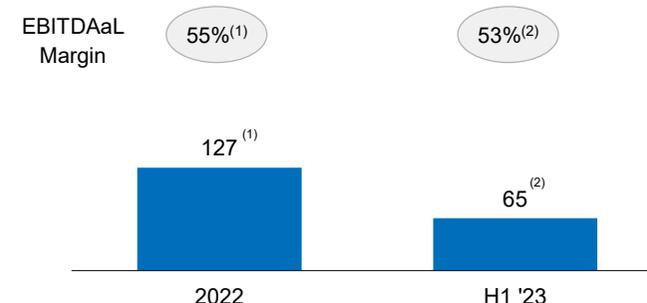


EuroTeleSites – an Attractive Investment with Value Creation From Day 1 and Growth Potential in the Medium and Long-term

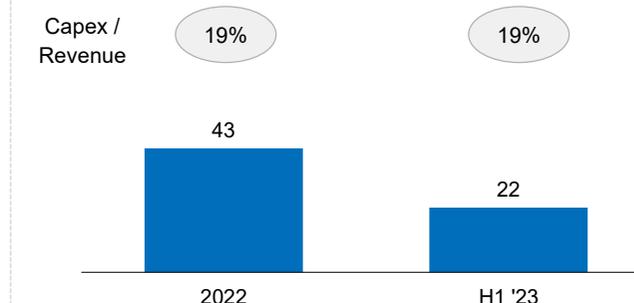
Revenue
(€mn)



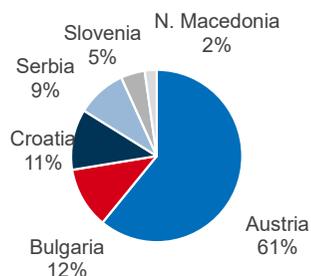
EBITDAaL
(€mn)



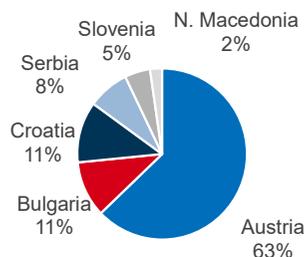
Capex
(€mn)



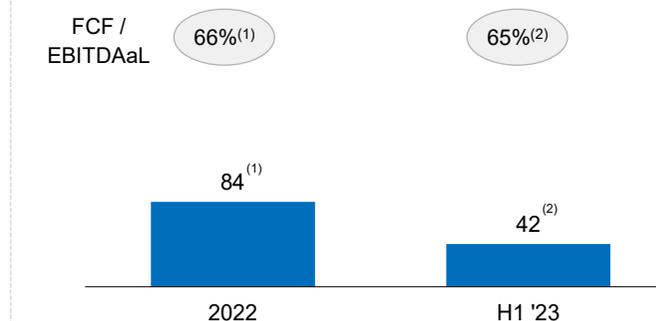
Revenue Split
(2022PF)



EBITDAaL Split
(2022PF)

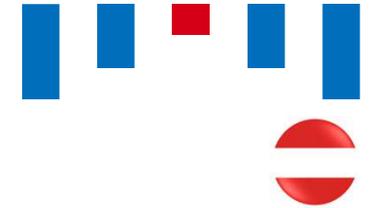


Free Cash Flow⁽³⁾
(€mn)



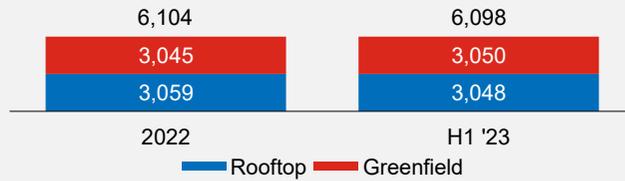
Source: Company Information.
Notes: (1) Includes HQ costs. (2) H1 2023 EBITDAaL and FCF impacted by c.€4mn one-off for IT-implementation. (3) Calculated as EBITDAaL minus Capex. All figures are Pro Forma information for 2022 and H1 2023 as if the Group had existed on a stand-alone basis before the various spins-off.

Austria: Key Operating & Financial Metrics



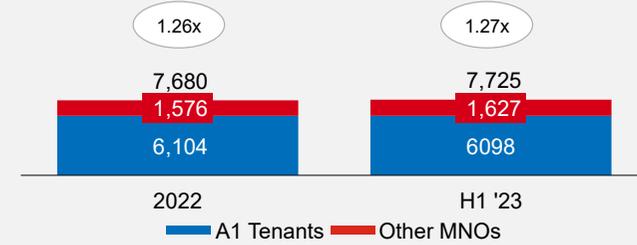
Operating Metrics

of Towers



of Tenants

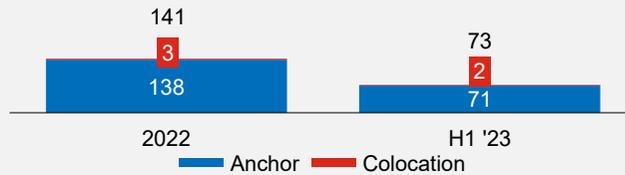
Tenancy Ratio



Financial Metrics

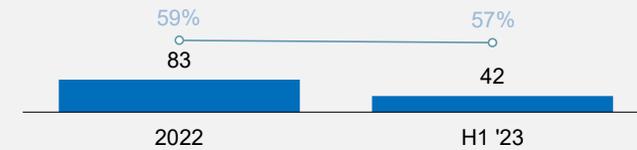
Revenue

(€mn)



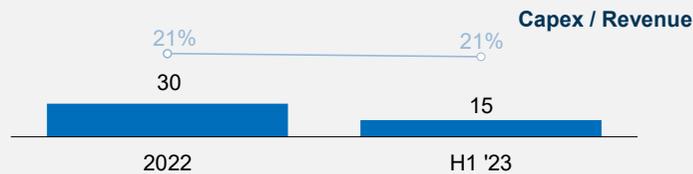
EBITDAaL

(€mn)



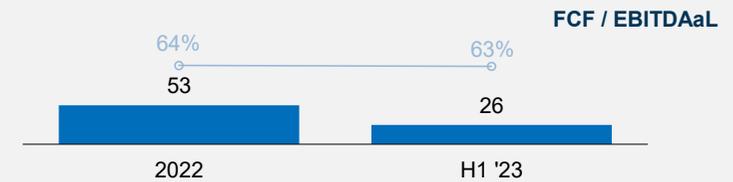
Capex

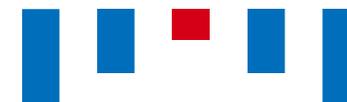
(€mn)



Free Cash Flow (1)

(€mn)

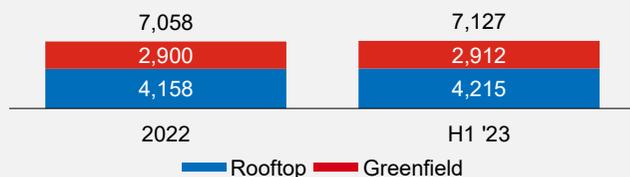




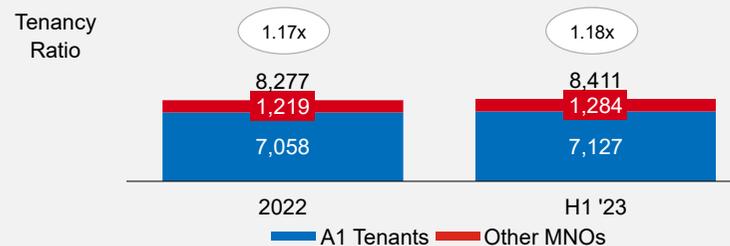
International: Key Operating & Financial Metrics

Operating Metrics

of Towers

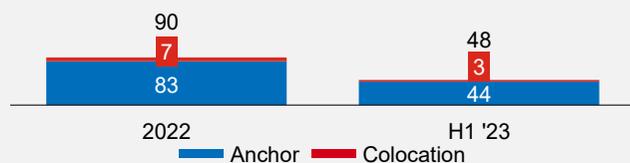


of Tenants

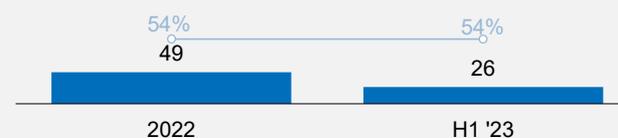


Financial Metrics

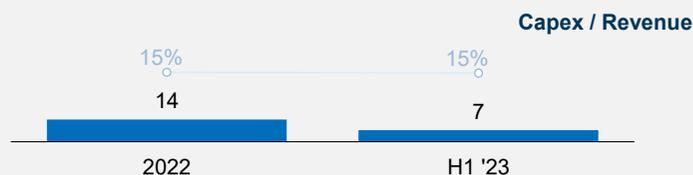
Revenue (€mn)



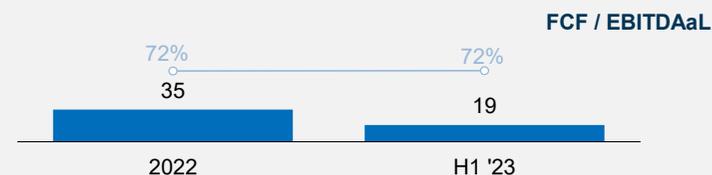
EBITDAaL (€mn)

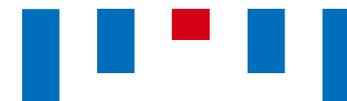


Capex (€mn)



Free Cash Flow (1) (€mn)





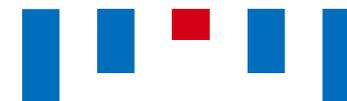
Financial Policy: Focus on Deleveraging in the First Four Years

Liquidity

- EuroTeleSites is fully committed to a prudent financial policy focusing on liquidity risk management
- Debt of €1bn currently held by A1 to be refinanced via a mix of instruments:
 - €500mn 5-year bullet loan issued on 9 June 2023 and drawn on 21 July 2023. The interest rate is based on EURIBOR plus an applicable margin
 - €500mn 5-year bond issued on 13 July 2023 at 5.25%
- Although the company – by the nature of the tower business – will have predictable and stable cash flows, the company has entered into a backstop facility (RCF), amounting to €75mn serving as a liquidity reserve

Leverage & Dividend Policy

- EuroTeleSites has an Investment Grade rating and is committed to maintaining this
 - Currently rated as Baa2 by Moody's and BBB- by Fitch⁽¹⁾
- Capital expenditure and shareholder distribution policy will aim to support this Investment Grade profile
- Company launch with Net leverage⁽²⁾ of c.7.6x pre-IFRS for 2023 and c.5x in the medium term
- Commitment for no dividends for the first four years



Medium Term Guidance Supported by Highly Visible, Predictable and Stable Cash Flows

Revenue Growth

- Expected to be 4-6% each year
- Two thirds is expected to come from A1 and the remaining one third is expected from third-parties

Free Cash Flow

- Positive for the next four years and beyond
- Working capital outflows are expected to be negligible

EBITDA / EBITDAaL

- Margin expansion over the next 4-5 years starting from a high EBITDA margin of 87% and a high EBITDAaL margin of 55% in 2022

Leverage⁽¹⁾

- Company launch with c.7.6x (year end 2023)
- Mid-term target of around 5x (targeted to reach this level within 4 years)

Capex

- Annual average capex of ~€60mn (c.20% of revenue) according to the 5-year plan which is front-loaded (incl. maintenance capex)
- Maintenance capex of c.3% of revenue

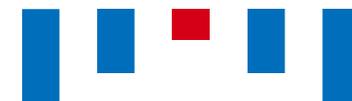
Dividends

- Commitment not to pay dividends for the first four years given focus on leverage reduction

5. Conclusion

EuroTeleSites





Key Takeaways

1

- **Surging demand for data** in Austria and CEE driven by new ways of working, interacting and living
- **Data usage to double** every 2-3 years

2

- **As market leader**, EuroTeleSites is **poised to benefit** from this surging demand for data
- This will drive **expected 4-6% revenue growth** p.a.

3

- EuroTeleSites is **already highly profitable** with a 2022PF EBITDAaL margin of 55%⁽¹⁾
- **Growth and further improvements in profitability** expected to drive **shareholder value from Day 1**

4

- **Favourable economics, revenue visibility**, attractive and expanding margins, and **growing cash conversion underpinned by a stable model**
- Growing cashflows present an opportunity for **dividend payments** in the foreseeable future

5

- Long-term agreements with **A1, an anchor tenant of the highest quality**
- **Full support of two strong shareholders**

Q&A



EuroTeleSites

Thank You



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