

CREDIT OPINION

2 December 2022

Update



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RATINGS

Telekom Austria AG

Domicile	Vienna, Austria
Long Term Rating	Baa1
Type	LT Issuer Rating
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Telekom Austria AG

Update to credit analysis following ratings affirmation

Summary

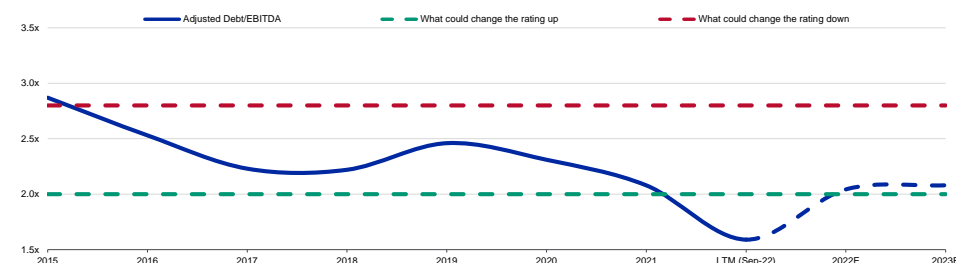
On 29 November 2022, we affirmed [Telekom Austria AG's](#) (Telekom Austria) Baa1 rating with stable outlook to reflect our expectation that Telekom Austria's leverage and cash flow metrics will continue to remain solid, underpinned by a stable operating performance and a predictable financial policy.

Telekom Austria's Baa1 rating reflects the group's moderate scale; its position as a strong integrated company in the competitive domestic telecommunications market; its geographic diversification in a number of Eastern European countries, with exposure to higher macroeconomic and foreign-currency risks, particularly in Belarus; its sustainable cash flow generation and credit metrics; its public commitment to a conservative financial strategy; and the benefits resulting from [America Movil, S.A.B. de C.V.'s](#) (America Movil, Baa1 stable) 51% shareholding in Telekom Austria.

Telekom Austria is a government-related issuer (GRI), and its Baa1 rating benefits from one notch of uplift as a result of the [Government of Austria's](#) (Aa1 stable) 28.42% ownership of the group, its moderate level of default dependence and our moderate support assumptions for the group. Telekom Austria's Baseline Credit Assessment (BCA), a measure of its standalone credit quality, is baa2.

Exhibit 1

Gross leverage to trend to around 2.0x by 2023 Moody's-adjusted debt/EBITDA over 2015-23E



Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

Sources: Moody's Financial Metrics™ and Moody's Investors Service

Credit strengths

- » Leading market position in Austria and a number of Central and Eastern European (CEE) countries, although in competitive environments
- » Continued commitment to an investment-grade rating
- » Support from the Government of Austria, which translates into a one-notch uplift to the final rating
- » Strong implicit support from America Movil

Credit challenges

- » A very competitive domestic market
- » Country and foreign-exchange risks in Belarus
- » Highly capital-intensive investments as a result of the acceleration in fiber rollout, in line with the industry average

Rating outlook

The stable rating outlook reflects our expectation that Telekom Austria will maintain its strong financial metrics and business positioning in Austria and its international footprint. As a result, we expect the company's leverage, measured by Moody's-adjusted gross debt/EBITDA, to remain below 2.5x on a sustained basis and retained cash flow (RCF)/debt to remain above 30% over the next 12-18 months.

The stable outlook also reflects our expectation that, over the next three years, Telekom Austria will continue to improve its operating performance in a competitive market, benefiting from its past investments to improve the network quality.

The stable outlook takes into account a degree of event risk, which is low and mitigated by the lack of sizable opportunities in the markets in which Telekom Austria operates and the company's conservative financial policies.

Factors that could lead to an upgrade

We could consider upgrading Telekom Austria's rating if the group's debt protection ratios were to strengthen as a result of improvements in its operational cash flow, assuming no changes in the sovereign rating or levels of government support and default dependence. This improvement would be reflected in its Moody's adjusted RCF/adjusted gross debt trending toward 35% and gross adjusted debt/EBITDA remaining below 2.0x on a sustained basis. However, upward pressure would also require a stronger track record of liquidity management, including the refinancing of debt instruments well in advance of maturities.

Factors that could lead to a downgrade

The rating could come under downward pressure if Telekom Austria's underlying operating performance were to weaken as a result of more adverse macroeconomic, regulatory or competitive developments; the group's liquidity profile were to deteriorate; or the group were to make additional significant debt-financed acquisitions or increase shareholder remuneration, such that its credit metrics would deteriorate, reflected by its adjusted RCF/adjusted gross debt remaining below 30% and adjusted gross debt/EBITDA above 2.8x, both on a sustained basis.

In addition, we would most likely no longer apply the GRI methodology to Telekom Austria or incorporate an uplift into its final rating if the government were to reduce its stake in the group to below 20% or we were to lower our support assumptions for the group. While either one of these factors would likely result in a one-notch downgrade, there is no indication that either will occur.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

Telekom Austria AG

(in EUR million)	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	LTM (Sep-22)	2022 (E)	2023 (E)
Revenue	4,020	4,125	4,280	4,343	4,469	4,464	4,666	4,819	4,730	4,794
Debt / EBITDA	2.9x	2.5x	2.2x	2.2x	2.5x	2.3x	2.1x	1.6x	2.0x	2.1x
RCF / Debt	25.8%	30.9%	32.3%	34.0%	32.1%	35.0%	37.2%	48.5%	35.0%	34.4%
(EBITDA - Capex) / Interest Expense	3.2x	3.2x	5.6x	5.7x	4.7x	6.0x	6.6x	9.9x	4.0x	4.1x

Source: Moody's Financial Metrics™

Profile

Headquartered in Vienna, Austria, Telekom Austria AG (Telekom Austria) is the leading integrated telecommunications provider in the country, providing 1.7 million fixed-line connections (as of June 2022), and serving 5.1 million mobile customers (as of September 2022). The group has a nationwide presence, delivering a full range of services and products, including telephony, data exchange, interactive content, TV, and information and communications technology solutions. The group has also expanded its mobile operations outside Austria, where its customer base accounts for more than 18.6 million subscribers. Telekom Austria is one of the leading mobile operators in Bulgaria, Belarus and Croatia, and is also present in Slovenia, Macedonia and Serbia.

Telekom Austria's main shareholders are America Movil, with a 51% holding (fully consolidating Telekom Austria), and the Austrian government, with a 28.42% holding. In 2021, group revenue and EBITDA totaled €4.75 billion and €1.71 billion, respectively.

Detailed credit considerations

Leading market position, although in a competitive environment

Telekom Austria has a stable, leading position in the domestic mobile market, with a reported market share of 36.9% as of June 2022 (last available). The group also reported a market share of 48.3% in fixed broadband as of September 2022.

Telekom Austria's main markets are characterized by fierce competition in both mobile and fixed communications. In Austria, the company continues to experience sustained pressure on prices, mainly in the lower end of the market, as a result of the aggressive pricing policies implemented by mobile virtual network operators.

We expect both the mobile and fixed-line markets to remain competitive in 2022-2023, as indicated by intensified competition in the broadband business. However, the recent regulatory decision approved in November 2022 to de-regulate the wholesale broadband market in the country will help alleviate pricing pressures. The company has also implemented an indexation of around 2.8% for existing customers in some high-value mobile and fixed-line businesses, as well as an increase in the activation and annual service fees for some mobile customers. We note that price increases may not be sufficient to offset persistent inflationary pressures in the form of increases in wages, leases and energy costs. We also expect Austrian economy to enter into recession in 2023 with GDP decline of 0.4%. This will continue to put pressure on operating performance.

In the premium segment, operators are likely to focus on customer upselling strategies rather than on promotions to gain market share. All operators have launched 5G tariffs with an initial strong uptake. The company aims to offset the competitive pressure in the low-end segment by implementing a convergence strategy and focusing on upselling and cross-selling to high-value customers. In April 2022, the company implemented inflation-linked price increases. Nevertheless, we do not expect the Austrian market to experience a significant price increase in the next two years.

As of June 2022, Telekom Austria was also one of the leading mobile operators in Bulgaria (an around 37% reported market share), Croatia (around 38%) and Belarus (around 42%). In 9M 2022, CEE markets exhibited a strong increase in revenue and EBITDA of 7.6% and 10.4%, respectively.

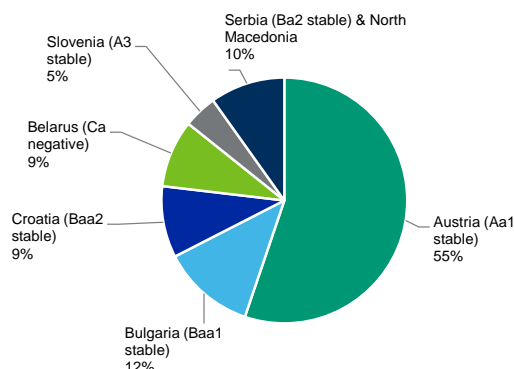
The positive aspects of Telekom Austria's diversification in a number of Eastern European countries are mitigated by its exposure to higher macroeconomic and foreign-currency risks. Moreover, as Exhibit 4 shows, more than 52% of its operating cash flow was generated in

Austria in H1 2022. However, this figure significantly decreased from above 60% in 2018 in light of higher capital spending in Austria, including spectrum auctions.

Exhibit 3

Austria accounted for 56% of revenue

External revenue by geography as of September 2022



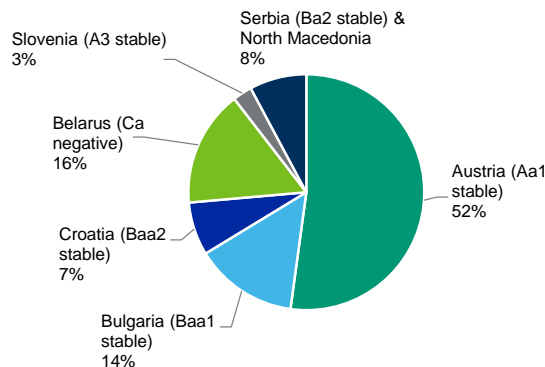
[1] Corporate, other and eliminations are excluded from the calculation.

Source: Company

Exhibit 4

Austria accounted for 52% of operating free cash flow

Operating free cash flow breakdown by geography as of June 2022



[1] Corporate, other and eliminations are excluded from the calculation.

[2] Operating free cash flow is calculated as EBITDA - capital spending (inclusive of spectrum payments).

Source: Company

Solid operating performance despite negative foreign-currency impact; roaming revenue starts to show signs of recovery

Telekom Austria's 2021 operating performance was relatively resilient despite the negative impact from the pandemic. Service revenue increased by 4.0%, in line with pre-pandemic levels, with positive growth across countries, except for Slovenia (-0.2%). Mobile service revenue increased by 5.3%, driven mainly by the strong mobile core business, high demand for mobile Wi-Fi routers and upselling activities in the high-value segment. Fixed-line service revenue grew by 2.4%, mainly underpinned by the increased demand for high-bandwidth products, fueled by the acceleration in digitization as a result of the pandemic, as well as by the growth in the solutions and connectivity business.

EBITDA before restructuring costs grew by 7.8% in 2021, supported by all geographies in which Telekom Austria operates, especially supported by the sound growth in Austria and Bulgaria. Excluding one-offs and foreign exchange, EBITDA increased 9.1%. Domestic adjusted EBITDA rose 5.3% on the back of sound service revenue evolution and flat total costs. Adjusted EBITDA in Telekom Austria's international businesses grew by 9.4%, mainly supported by Bulgaria, Croatia and Serbia.

We expect the company's revenue to grow in the low-single-digit percentages over the next 12-18 months, compared with the company's revised outlook of 3%. We expect EBITDA to grow as a result of revenue growth and the company's cost-cutting measures. However, inflation headwinds will challenge EBITDA; in particular, energy-related costs will weigh on TA's cost base.

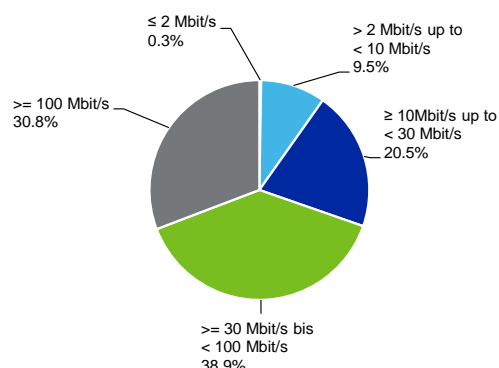
In the third quarter of 2022, Telekom Austria showed service revenue and adjusted EBITDA growth across its entire footprint. At a group level, total revenue, service revenue and adjusted EBITDA grew by 7.2%, 5.5% and 4.9%, respectively, from the levels during the same quarter in 2021. The group managed to offset higher core operating expenses, especially those related to electricity.

Additionally, the acceleration in the fiber rollout may support revenue growth in the country because customers on low-priced data plans may revert to fixed broadband. In line with other European countries, the lack of high-speed fixed broadband infrastructure in Austria has been a key catalyst for the expansion of mobile broadband, which is cheaper than fiber and capable of delivering comparable speeds. As Exhibit 5 shows, as of June 2022, a significant part of fixed broadband connections had a bandwidth of less than 100 megabits per second (Mbps). The fiber rollout is also likely to boost the overall low degree of convergence in the country, with Telekom Austria likely to be the main beneficiary.

Exhibit 5

Most Austrian fixed broadband connections have bandwidths below 100 Mbps

Fixed broadband breakdown by bandwidth as of June 2022

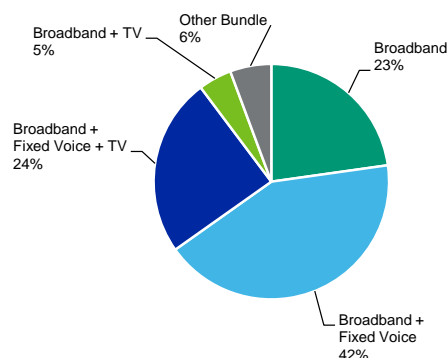


Source: Rundfunk Und Telekom Regulierungs-GmbH

Exhibit 6

Telekom Austria is likely to be the main beneficiary of the potential increase in convergence in the Austrian market

Consumer broadband connections by bundle category as of June 2022



Source: Rundfunk Und Telekom Regulierungs-GmbH

Credit metrics to remain at the current strong levels without sizable debt-financed M&A

Management continues to implement a number of actions to enhance its financial flexibility, including accelerated cost-cutting initiatives; a moderate shareholder remuneration policy; and a conservative capital structure with moderate leverage.

Leverage, measured as gross adjusted debt/EBITDA, declined steadily to 2.1x as of December 2021 (including the IFRS 16 impact) from the peak of 3.5x in 2013. We expect leverage to reduce toward 2.0x over the next 12-18 months.

America Movil, as Telekom Austria's major shareholder with a 51% stake, is instrumental in this leverage reduction process. As part of the shareholder agreement, Telekom Austria successfully completed a capital increase in November 2014, which amounted to €1 billion. This improved Telekom Austria's capital structure and financial position, and provided additional financial flexibility for investments.

America Movil has also had a positive impact on Telekom Austria's overall strategic execution, broadly because of the possibility of the Austrian operator leveraging the size of its main shareholder to gain substantial purchasing power with vendors or to enhance its relationships with financial institutions; the shift from a marketing to a revenue-oriented approach; and the strong focus on the business and cost savings.

Telekom Austria has strong credit metrics, which will likely be sustained without sizable debt-financed M&A. The group is likely to focus its M&A activity on small acquisitions to strengthen its market position. The company has stated that any transaction will be funded within the tolerance levels of the investment-grade rating category. However, we do not expect any significant transaction to take place over the next 12-24 months.

High capital spending for investments in fiber and 5G

The group's key areas of investment include the introduction of the 5G mobile network across its markets and the acceleration of the fiber rollout in Austria.

Telekom Austria will continue to adapt its fixed network infrastructure to meet the growing demand for high-bandwidth broadband solutions. The introduction of the hybrid modem, a technology that combines fixed-line and mobile networks to increase bandwidth, will be key in meeting the increasing demand for high-bandwidth speeds through the current fixed and mobile networks, maintaining a competitive edge over cable operators and upselling current ADSL products.

Telekom Austria expects to increase its capital spending, excluding spectrum, by around 15% in 2022 to close to €950 million from €850 million in 2021. The increase results mainly from higher investments in Austria dedicated to more fiber build and, to a lesser extent, to more IT capital spending and the 5G rollout. We expect capital spending to increase to around 20% of sales in 2022. Capital spending will represent the principal use of its cash flow generation, given the expected moderate dividend policy and lack of sizable M&A opportunities.

Also, we expect additional cash outflows in relation to spectrum auction payments in Slovenia and Serbia.

Additionally, Telekom Austria is working on the development of alternatives for its passive tower infrastructure to create efficiencies and increase tenancy ratios. As the industry comes closer to the deployment of 5G mobile technology, business models continue to evolve. They are shifting from legacy tower ownership models, which served as a key differentiating factor in providing coverage, to asset-light models, in which passive infrastructure (the towers) is no longer owned. The credit implications of any potential transaction will depend on the transaction features. For more information on how we assess this kind of a transaction, please refer to the report [Mobile tower deals can bring operational benefits but also credit complexities](#).

ESG considerations

Telekom Austria AG's ESG Credit Impact Score is Neutral-to-Low CIS-2

Exhibit 7

ESG Credit Impact Score

CIS-2

Neutral-to-Low

For an issuer scored CIS-2 (Neutral-to-Low), its ESG attributes are overall considered as having a neutral-to-low impact on the current rating; i.e., the overall influence of these attributes on the rating is non-material.



Source: Moody's Investors Service

Telekom Austria's ESG Credit Impact Score is Neutral-to-Low (**CIS-2**). ESG attributes have low credit impact on Telekom Austria's current rating, as the company has historically maintained a conservative financial policy with a strong track record of managing the environmental and social risks. The company's ability to innovate and adapt to customers' sustainability requirements helps mitigate its exposures to energy consumption, data privacy and societal trends over time.

Exhibit 8

ESG Issuer Profile Scores

ENVIRONMENTAL

E-2

Neutral-to-Low



SOCIAL

S-3

Moderately Negative



GOVERNANCE

G-2

Neutral-to-Low



Source: Moody's Investors Service

Environmental

The company's exposure to environmental risks is Neutral-to-Low, in line with exposures of the telecommunications industry. The company's objectives to increase renewable power usage is in line with telecommunications industry trends. The nature of its telecommunications activities, with limited exposure to physical climate risk and very low emissions of pollutants and carbon, results in low environmental risk.

Social

Social risks are moderately negative for Telekom Austria, as it faces exposure to well entrenched labour unions with rigid employee regulations and changing demographic and societal trends towards the use of telecom related technology. This is partially mitigated through Telekom Austria's end products and services which include Telekom Austria's ability to adapt its services to cater to its customers' requirements. Data security and data privacy issues are prominent in the sector. Telecommunications providers exchange

large amounts of data, and a breach could cause legal, regulatory or reputation issues. In addition, a breach could result in increased operational costs to mitigate cyberattacks and reduce exposure to the loss of private data. Electromagnetic radiation (for example, from mobile antennas or mobile handsets) has repeatedly been said to be potentially harmful to the environment and health. While the need for higher mobile data speeds will increase electromagnetic radiation, we do not see it as a significant environmental risk for Telekom Austria, given the existing regulatory radiation limits and ongoing technology improvements.

Governance

Telekom Austria has neutral exposure to governance factors as highlighted by its track record of maintaining strong risk management strategies and conservative financial policies. Telekom Austria is a public company, with the Austrian government owning 28.43% of the company. In addition, America Movil (A3 negative), owns a 51% equity stake, controls and fully consolidates Telekom Austria into its accounts. There is a shareholder agreement between the Austrian government and America Movil, which includes a limitation over America Movil's maximum ownership to its current stake. Corporate governance includes tight control and conservative policies dictated by America Movil.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

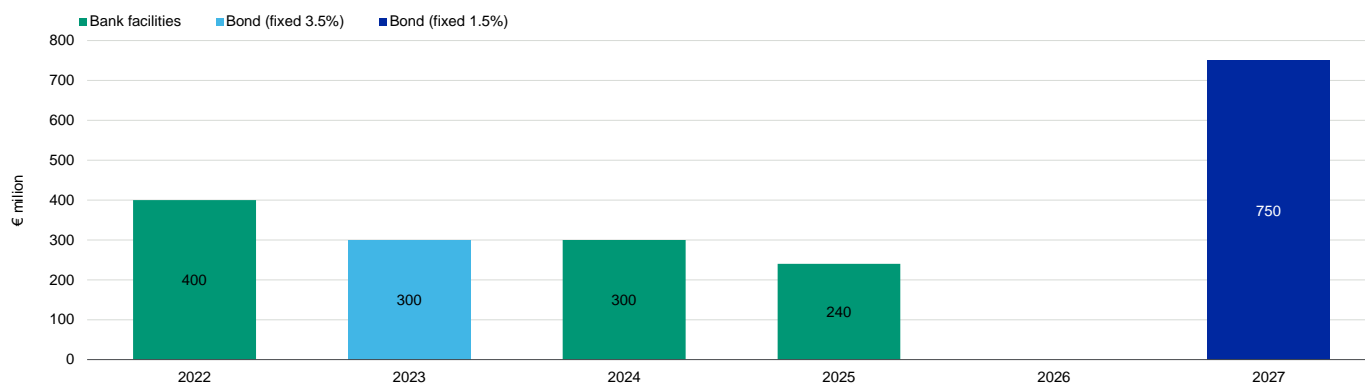
Liquidity analysis

Telekom Austria's liquidity profile is adequate factoring in the availability of cash to cover its upcoming debt maturities, as well as other cash demands. However, the group's liquidity management relies significantly more than its peers on short-term debt with refinancing needs executed within one year. As of September 2022, the group has €172 million of cash and cash equivalents. In addition, the group has a €1.5 billion undrawn committed credit facility, which is not subject to any significant adverse change clauses or financial covenants. Upcoming debt maturities include a €400 million loan due in December 2022 and a €300 million backed senior unsecured bond due in July 2023.

Exhibit 9

The next bond maturity will be in June 2023

Telekom Austria's debt maturity profile as of September 2022



Source: Company

GRI considerations

Because Telekom Austria is 28.42% owned by the Austrian government, the group is considered a GRI under our methodology. Therefore, we consider the following inputs:

- (1) A BCA of baa2, reflecting Telekom Austria's underlying credit strength
- (2) The local-currency rating of Austria
- (3) The moderate default dependence, reflecting the financial and operational links between the group and the Austrian economy

We have factored into Telekom Austria's rating a moderate level of government support based on the following considerations:

- (1) There is no explicit expression of support from the government (that is, the government does not guarantee the debt of the GRI).
- (2) The government's 28.42% ownership of Telekom Austria and its willingness to behave as a rational shareholder might suggest that the government would be unlikely to be the sole provider of support — instead, it would only consider providing support jointly with other shareholders in the form of a capital increase.
- (3) There are European Union policy barriers to the provision of direct financial support, and the government is likely to obey these rules.
- (4) We consider the Austrian government's historical approach moderately interventionist — the government reviews and supervises Telekom Austria's business and funding plans, which we consider positive relative to support assumptions, and appoints a number of board members; it is unlikely that the Austrian government's reputation would be damaged in the event of a default by Telekom Austria.

Methodology and scorecard

Rating methodology

The Baa2 outcome from the [Telecommunications Service Providers](#) rating methodology scorecard is in line with Telekom Austria's underlying BCA of baa2. The final rating of Baa1 benefits from one notch of uplift for government support.

We expect Telekom Austria's credit metrics to remain strong over 2022-23. Over the same period, we expect its adjusted RCF/debt to be above 35% and (EBITDA - capital spending)/gross interest expense to be around 4x. In terms of leverage, debt/EBITDA is likely to remain at 2.0x-2.1x over the next 12-18 months.

Exhibit 10

Rating factors Telekom Austria AG

Telecommunications Service Providers Industry Scorecard [1][2]			Current LTM 9/30/2022		Moody's 12-18 Month Forward View As of 7/14/2022 [3]	
Factor 1 : Scale (12.5%)	Measure	Score	Measure	Score	Measure	Score
a) Revenue (USD Billion)	\$5.2	Ba	\$5.5 - \$5.6	Ba		
Factor 2 : Business Profile (27.5%)						
a) Business Model, Competitive Environment and Technical Positioning	A	A	A	A		
b) Regulatory Environment	Ba	Ba	Ba	Ba		
c) Market Share	Baa	Baa	Baa	Baa		
Factor 3 : Profitability and Efficiency (10%)						
a) Revenue Trend and Margin Sustainability	Baa	Baa	Baa	Baa		
Factor 4 : Leverage and Coverage (35%)						
a) Debt / EBITDA	1.6x	A	2x - 2.1x	Baa		
b) RCF / Debt	48.5%	Aa	34.4% - 35%	Baa		
c) (EBITDA - CAPEX) / Interest Expense	9.9x	Aaa	4x - 4.1x	Baa		
Factor 5 : Financial Policy (15%)						
a) Financial Policy	Baa	Baa	Baa	Baa		
Rating:						
a) Scorecard-Indicated Outcome		Baa1			Baa2	
b) Actual Rating Assigned					Baa1	
Government-Related Issuer			Factor			
a) Baseline Credit Assessment		baa2				
b) Government Local Currency Rating		Aa1				
c) Default Dependence		Moderate				
d) Support		Moderate				
e) Actual Rating Assigned		Baa1				

[1] All ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2] This represents Moody's forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.

Sources: Moody's Financial Metrics™ and Moody's Investors Service

Ratings

Exhibit 11

Category	Moody's Rating
TELEKOM AUSTRIA AG	
Outlook	Stable
Issuer Rating	Baa1
Senior Unsecured MTN -Dom Curr	(P)Baa1
Commercial Paper -Dom Curr	P-2
Other Short Term -Dom Curr	(P)P-2
TELEKOM FINANZMANAGEMENT GMBH	
Outlook	Stable
Bkd Senior Unsecured -Dom Curr	Baa1
Bkd Commercial Paper -Dom Curr	P-2
Bkd Other Short Term -Dom Curr	(P)P-2

Source: Moody's Investors Service

Appendix

Exhibit 12

Peer comparison Telekom Austria AG

(in USD millions)	Telekom Austria AG			Deutsche Telekom AG			Swisscom AG			Elisa Corporation			Telia Company AB		
	Baa1 Stable			Baa1 Stable			A2 Stable			Baa2 Stable			Baa1 Stable		
	FYE Dec-20	FYE Dec-21	LTM Sep-22	FYE Dec-20	FYE Dec-21	LTM Jun-22	FYE Dec-20	FYE Dec-21	LTM Sep-22	FYE Dec-20	FYE Dec-21	LTM Sep-22	FYE Dec-20	FYE Dec-21	LTM Sep-22
Revenues	\$5,095	\$5,521	\$5,228	\$115,274	\$128,720	\$126,324	\$11,835	\$12,238	\$11,729	\$2,162	\$2,364	\$2,281	\$9,718	\$10,304	\$9,374
EBITDA	\$1,771	\$2,016	\$1,961	\$42,536	\$47,756	\$45,972	\$4,654	\$4,812	\$4,556	\$790	\$826	\$787	\$3,277	\$3,456	\$3,178
Total Debt	\$4,377	\$4,028	\$2,816	\$177,342	\$169,813	\$165,496	\$11,013	\$9,545	\$8,634	\$1,757	\$1,530	\$1,419	\$12,366	\$10,164	\$7,541
Cash & Cash Equivalents	\$258	\$608	\$169	\$15,785	\$8,621	\$5,483	\$385	\$440	\$161	\$269	\$130	\$77	\$985	\$1,582	\$872
EBITDA Margin	34.8%	36.5%	37.5%	36.9%	37.1%	36.4%	39.3%	39.3%	38.8%	36.5%	34.9%	34.5%	33.7%	33.5%	33.9%
(EBITDA-CAPEX) / Interest Expense	6.0x	6.6x	9.9x	3.0x	3.1x	2.9x	13.2x	15.5x	16.3x	23.5x	31.7x	28.8x	3.9x	4.4x	3.6x
Debt / EBITDA	2.3x	2.1x	1.6x	3.9x	3.7x	3.9x	2.2x	2.0x	2.0x	2.1x	1.9x	2.0x	3.4x	3.1x	2.7x
FCF / Debt	9.2%	8.9%	11.6%	-0.4%	2.6%	3.0%	5.7%	4.3%	2.2%	2.4%	0.2%	-2.1%	1.9%	2.4%	-2.1%
RCF / Debt	35.0%	37.2%	48.5%	18.9%	21.4%	20.0%	29.3%	32.2%	30.9%	20.1%	21.1%	19.7%	14.9%	17.4%	19.5%

All figures and ratios are calculated using Moody's estimates and standard adjustments.

Source: Moody's Financial Metrics™

Exhibit 13

Telekom Austria's Moody's-adjusted debt breakdown

(in EUR Thousands)	FYE	FYE	FYE	FYE	FYE	LTM
	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Sep-22
As Reported Total Debt	2,534,173	2,782,048	3,603,418	3,397,697	3,366,430	2,698,300
Pensions	136,117	143,678	164,353	179,487	175,972	175,972
Leases	486,078	496,740	0	0	0	0
Hybrid Securities	295,593	0	0	0	0	0
Non-Standard Public Adjustments	19	4,600	1,179	0	0	0
Moody's Adjusted Total Debt	3,451,980	3,427,066	3,768,950	3,577,184	3,542,402	2,874,272

Source: Moody's Financial Metrics™

Exhibit 14

Telekom Austria's Moody's-adjusted EBITDA breakdown

	FYE	FYE	FYE	FYE	FYE	LTM
(in EUR Thousands)	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Sep-22
As Reported EBITDA	1,391,967	1,389,111	1,538,386	1,555,891	1,708,189	1,811,989
Unusual Items - Income Statement	(32)	0	(240)	0	0	0
Pensions	(5,230)	(4,517)	(4,503)	(4,405)	(4,634)	(4,634)
Leases	162,026	165,580	0	0	0	0
Non-Standard Public Adjustments	2,674	797	407	77	165	165
Interest Expense - Discounting	(4,720)	(4,465)	0	0	0	0
Moody's Adjusted EBITDA	1,546,685	1,546,506	1,534,050	1,551,563	1,703,720	1,807,520

Source: Moody's Financial Metrics™

Exhibit 15

Telekom Austria AG

Select historical and forecast Moody's-adjusted financial data

	FYE	FYE	FYE	FYE	FYE	FYE	LTM	Proj.	Proj.
(in EUR million)	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Sep-22	Dec-22	Dec-23
INCOME STATEMENT									
Revenue	4,125	4,280	4,343	4,469	4,464	4,666	4,819	4,730	4,794
EBITDA	1,521	1,547	1,547	1,534	1,552	1,704	1,808	1,603	1,625
BALANCE SHEET									
Cash & Cash Equivalents	464	202	64	140	211	534	172	150	150
Total Debt	3,848	3,452	3,427	3,769	3,577	3,542	2,874	3,275	3,379
CASH FLOW									
Capital Expenditures	(962)	(844)	(915)	(1,023)	(896)	(1,008)	(1,014)	(1,200)	(1,200)
Dividends	55	154	166	140	153	167	187	(186)	(199)
Retained Cash Flow (RCF)	1,189	1,114	1,167	1,212	1,254	1,319	1,393	1,145	1,162
RCF / Debt	30.9%	32.3%	34.0%	32.1%	35.0%	37.2%	48.5%	35.0%	34.4%
Free Cash Flow (FCF)	147	203	210	186	331	315	334	(45)	(30)
FCF / Debt	3.8%	5.9%	6.1%	4.9%	9.2%	8.9%	11.6%	-1.4%	-0.9%
PROFITABILITY									
EBITDA margin %	36.9%	36.1%	35.6%	34.3%	34.8%	36.5%	37.5%	33.9%	33.9%
INTEREST COVERAGE									
(EBITDA - CAPEX) / Interest Expense	3.2x	5.6x	5.7x	4.7x	6.0x	6.6x	9.9x	4.0x	4.1x
LEVERAGE									
Debt / EBITDA	2.5x	2.2x	2.2x	2.5x	2.3x	2.1x	1.6x	2.0x	2.1x

Moody's forecasts are Moody's opinion and do not represent the views of the issuer.

Source: Moody's Financial Metrics™

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