



Investor Presentation

November 2023

Cautionary statement

This presentation contains forward-looking statements. These forward-looking statements are usually accompanied by words such as >believe<, >intend<, >anticipate<, >plan<, >expect< and similar expressions or by >outlook<. Actual events may differ materially from those anticipated in these forward-looking statements as a result of a number of factors. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. Neither Telekom Austria AG nor the A1 Group nor any other person accepts any liability for any such forward-looking statements. A1 Group will not update these forward-looking statements, whether due to changed factual circumstances, changes in assumptions or expectations.

Alternative performance measures are used to describe the operational performance. Please therefore also refer to the financial information presented in the Consolidated Financial Statements, as well as the reconciliation tables provided in the Earnings Release. This presentation was created with care and all data has been checked conscientiously. Nevertheless, the possibility of layout and printing errors cannot be excluded. The use of automated calculation systems may give rise to rounding differences.

This presentation does not constitute a recommendation or invitation to purchase or sell securities of A1 Group. Telekom Austria AG is the mother company of the A1 Group.

Promoting a more sustainable way of life through digitalization

The A1 logo, featuring a large red 'A' and a smaller black '1'.

- Leading telco across CEE
- System-critical infrastructure: fixed-line and mobile networks, data centers
- Leverage the potential provided by megatrend digitalization
- Strong growth performance, solid balance sheet
- Well-balanced performance: stability in Austria, growth in CEE
- Sustainable dividend policy, well covered by FCF
- Among the best rated European Telcos by S&P and Fitch










5.0 billion
Revenues FY 2022

1.8 billion
EBITDA FY 2022

28 million
Customers in 7
core markets

18 thousand
Employees (FTEs)

Regional coverage

	Inhabitants (million)	GDP/capita (in \$)	Mobile subscribers (million; market position)		RGUs (million; market position)	
 Austria	9.0	67,900	5.2	#1	2.9	#1
 Bulgaria	6.5	33,600	3.8	#1	1.2	#2
 Croatia	3.9	40,400	2.0	#2	0.7	#2
 Belarus	9.2	22,600	4.9	#2	0.8	#2
 Serbia	6.8	23,900	2.4	#3	-	
 Slovenia	2.1	50,000	0.7	#2	0.2	#4
 N-Macedonia	2.1	20,200	1.1	#1	0.4	#2

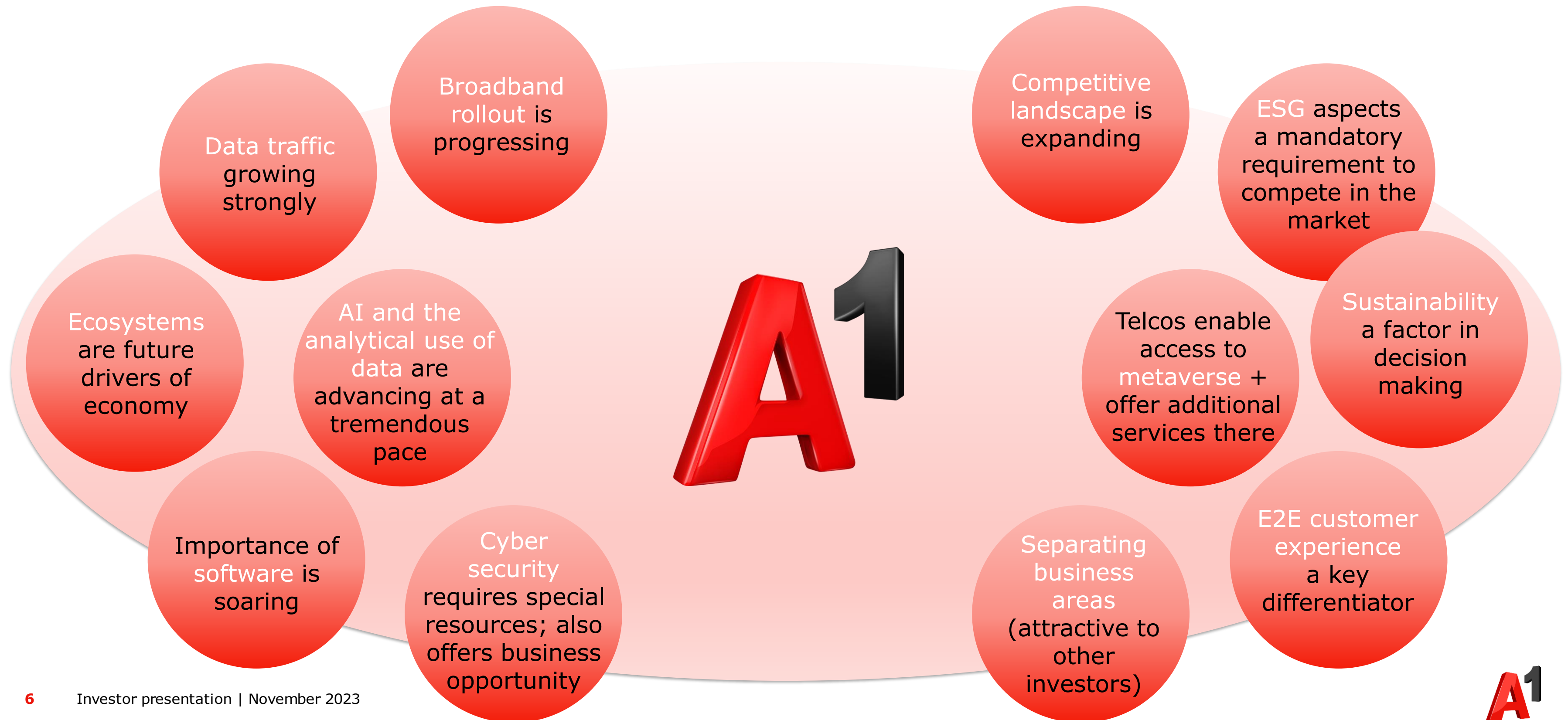
RGU = Revenue Generating Unit;

Source for inhabitants as well as GDP/capita (PPP, current international \$): <https://data.worldbank.org> (August 16, 2023); data for most recent year: 2022

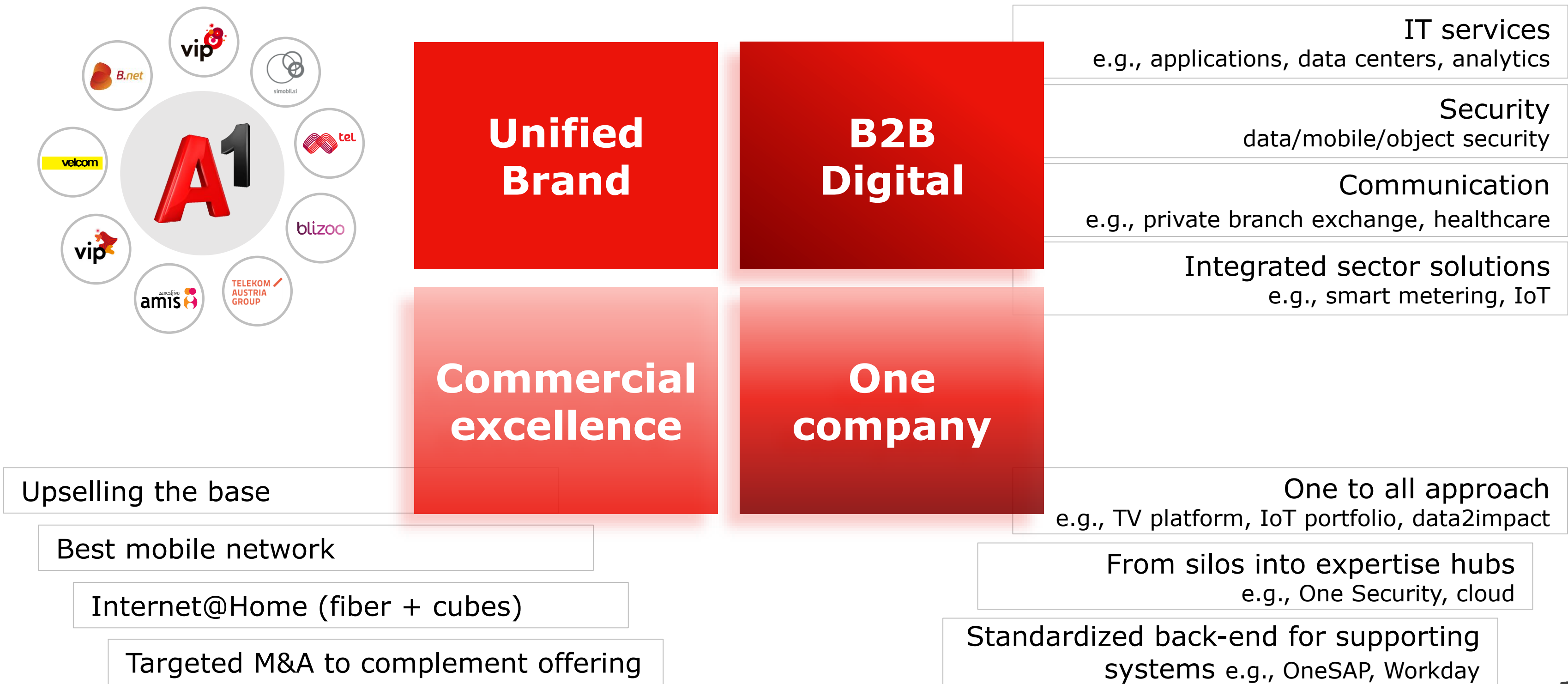
Strategy



Trends that influence telcos and A1's strategy



Key performance drivers

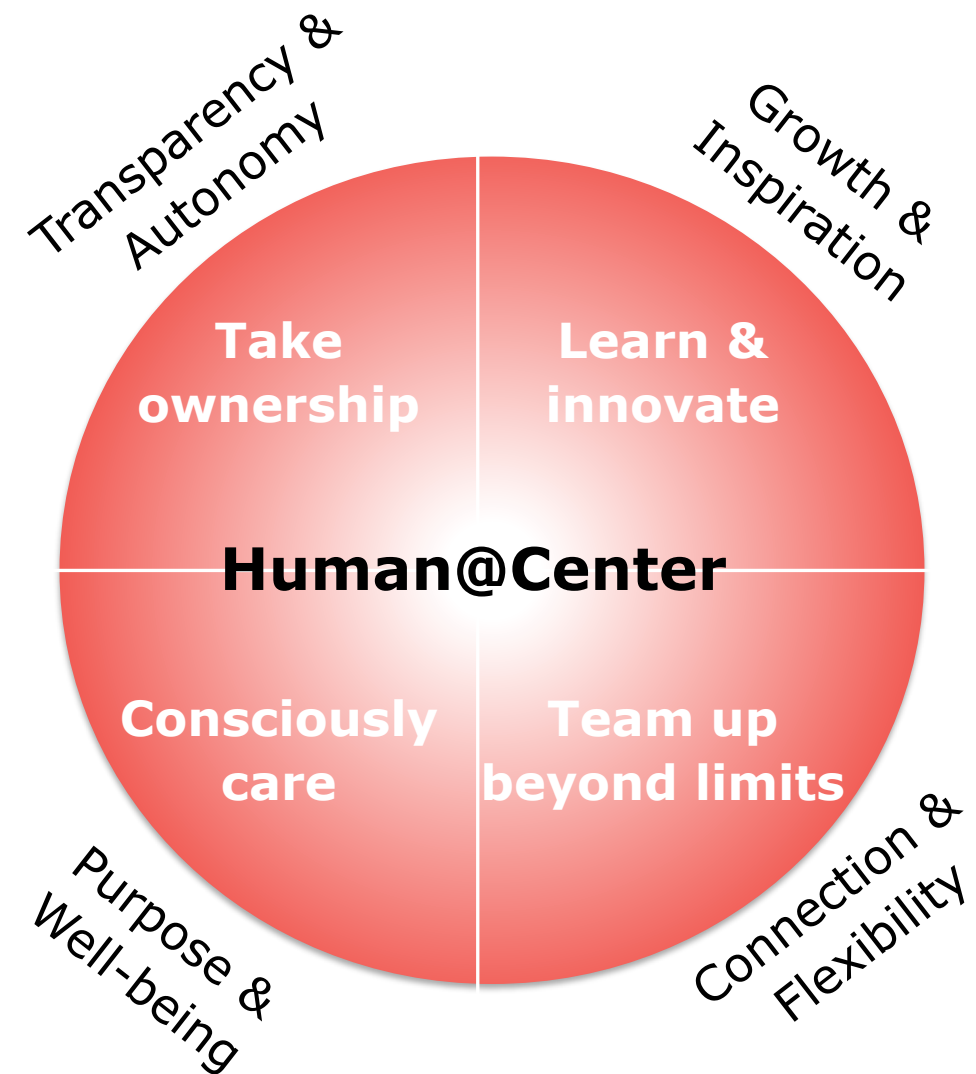


Strategy follows the vision: Empowering digital life

Evolve the core

- From network to connectivity plus
- From product driven to customer journey focused
- Operation to the cloud to simplify and modernize

... to stay relevant for customers



Explore the new

- Scaling-up the portfolio
- Develop eco-systems and partnerships to enrich capabilities
- Expertise hubs to master execution

... to discover new growth opportunities

Brand

ESG

Security

Towers spin-off

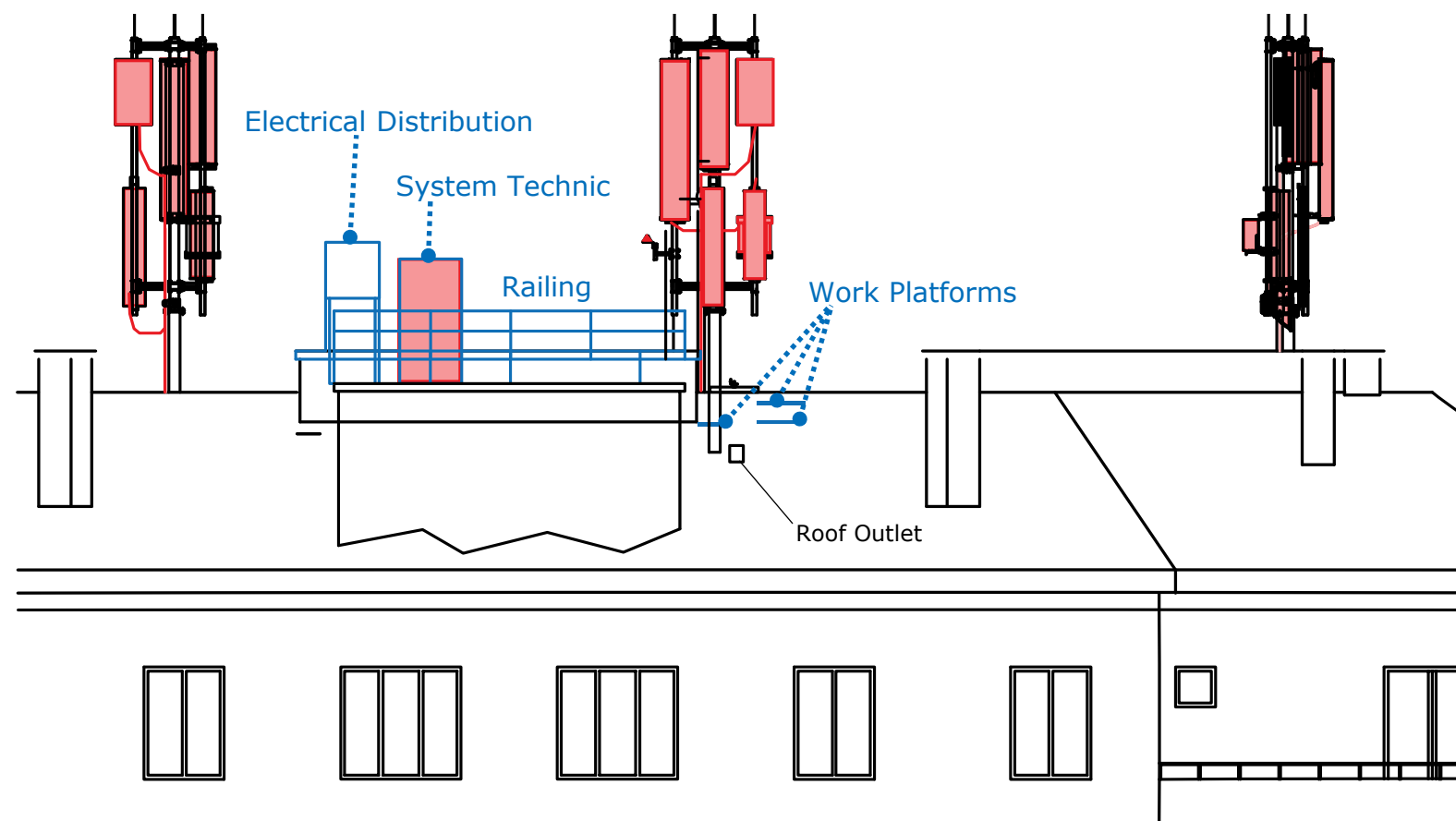


What is included in the Transaction

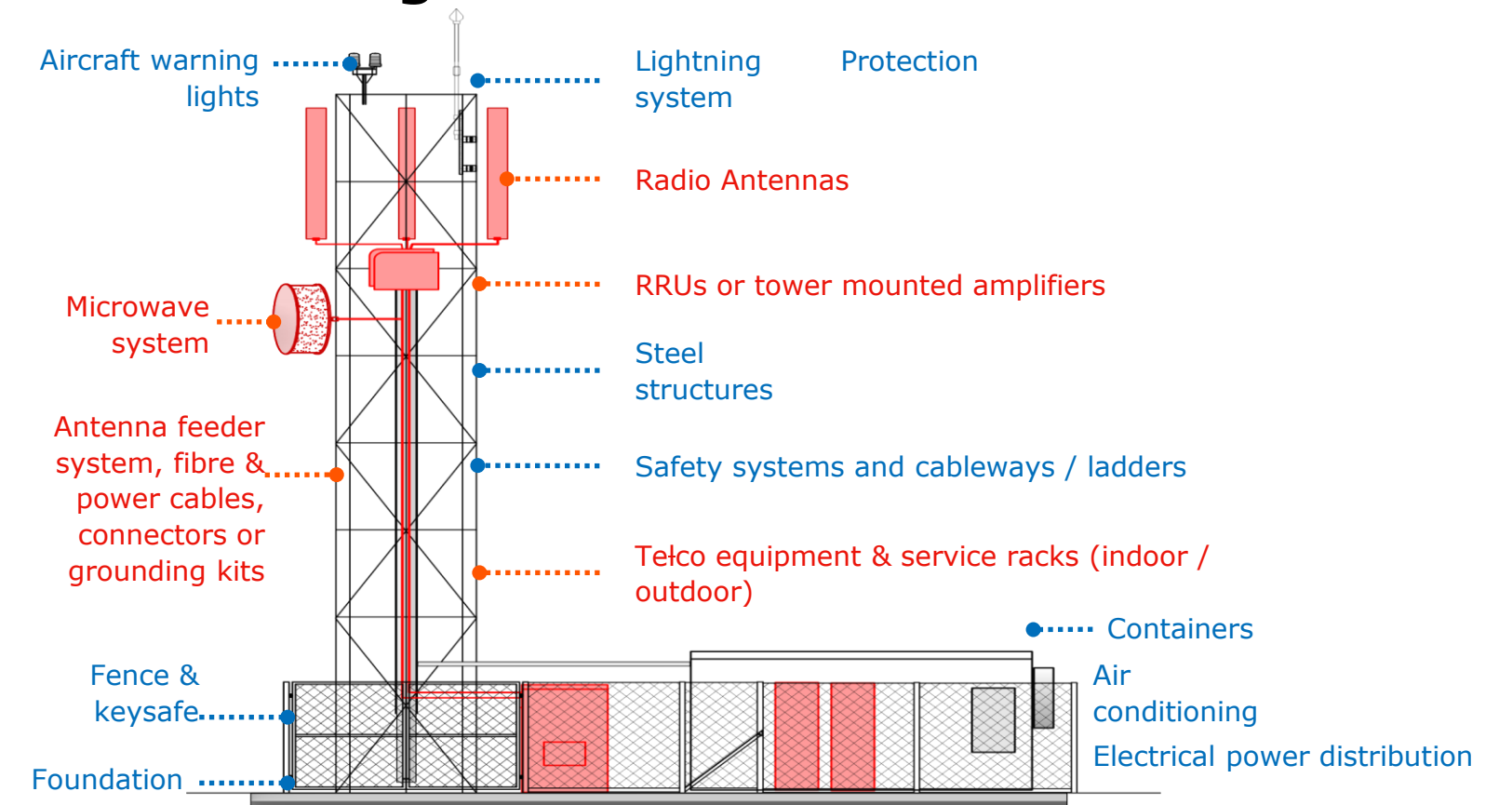
■ Passive Infrastructure > Transferred to EuroTeleSites

■ Active Infrastructure > Retained by A1

Site on rooftop



Site on the ground



- Simple constructions without technological advantage for telcos.
- Tower business comprises passive elements vs. active components that remain with A1.
- Added value is only created by installing the transmission and technology equipment.

A tower business is attractive, but not a core A1 business

Cornerstones of the A1 tower business EuroTeleSites

- A1 tower business (excl. Belarus) was spun-off on September 22, 2023.
- EuroTeleSites is listed on Vienna Stock Exchange, segment "Prime Market"; proportionate spin-off.

KPIs (pro-forma 2022)

- Total revenues: about € 232 mn
- EBITDAaL: about € 127 mn
- CAPEX of around € 60 mn p.a. on average over next 5 years

Portfolio as of June 30, 2023

	Austria	Bulgaria	Croatia	Serbia	Slovenia	North Macedonia	Total
# Macro Sites	6,098	2,729	1,540	1,620	754	484	13,225
# Micro Sites	1,418		54				1,472
Total	7,516	2,729	1,594	1,620	754	484	14,697

Transaction rationale | Advantages for main stakeholders



- **Focus** on core telecoms business
- Efficient **budget allocation**
- **Reduction of financial liabilities** by € 1 bn



- Increased **flexibility** to drive commercialisation
- Leaner structures for **efficient management**
- **Independent** company



Shareholders

- **Higher multiples**
- A1 with **sustainable dividend policy**
- EuroTeleSites is strongly **deleveraging** A1
- A1 and EuroTeleSites with **robust free cash flows**



Future legal relationship of A1 Group and EuroTeleSites

A1 will remain closely associated with EuroTeleSites as its anchor tenant

- **Contract Duration:** indefinite, however, termination is possible
 - by **A1** at the end of the 8th, 16th, 24th contract years
 - by **EuroTeleSites** for the first time at the end of the 24th contract year
 - by **both parties** at the end of a calendar year following the 24th contract year (with a 36-month notice period)
- **Inflation protection**
 - Rent and other price elements to be **85%** of CPI, subject to a cap of **3%** per year
 - Prices for steel components to be adjusted according to the **steel price index**

Providers

- A1 is **free to choose** tower providers, whether EuroTeleSites or 3rd TowerCos
- However, **A1** currently plans to roll out **c.1,000 sites** with EuroTeleSites over the next **5 years**

Services

- A1 will temporarily provide certain services to EuroTeleSites at **arm's length prices** (e.g., SAP-related matters)

Buyback right

- For A1 on a country-level basis in the event of operational or financial difficulties e.g., certain difficulties threatening the existence of the company or any EuroTeleSites opco

Effects of the spin-off on A1 Group (annualized view)



Balance Sheet

Financial debt: Reduced by € 1 bn

Total assets: +7%

Mainly due to higher lease liabilities and right-of-use-assets (for towers)

Net debt (excl. leases)/EBITDAaL:

Falls by more than half to **0.4x**

Net debt (incl. leases)/EBITDA:

Increases to about **1.3x**



Profit & Loss

Revenue: -0.2%

from transfer of third-party tower rentals to EuroTeleSites

EBITDA: +1% from OPEX savings

EBITDAaL: -11% from IFRS 16 (leases) impact

EBIT: -9% from lower D&A

Net result: -14%

lower interest on financial debt;
higher interest on right-of-use-assets;
slight reduction of income tax



Cash Flow

Free cash flow:

Lower by € 60 mn per year (average)

One-time effect on profitability in Q3 2023:
Stamp tax for lease contract of about € 36 mn not included.

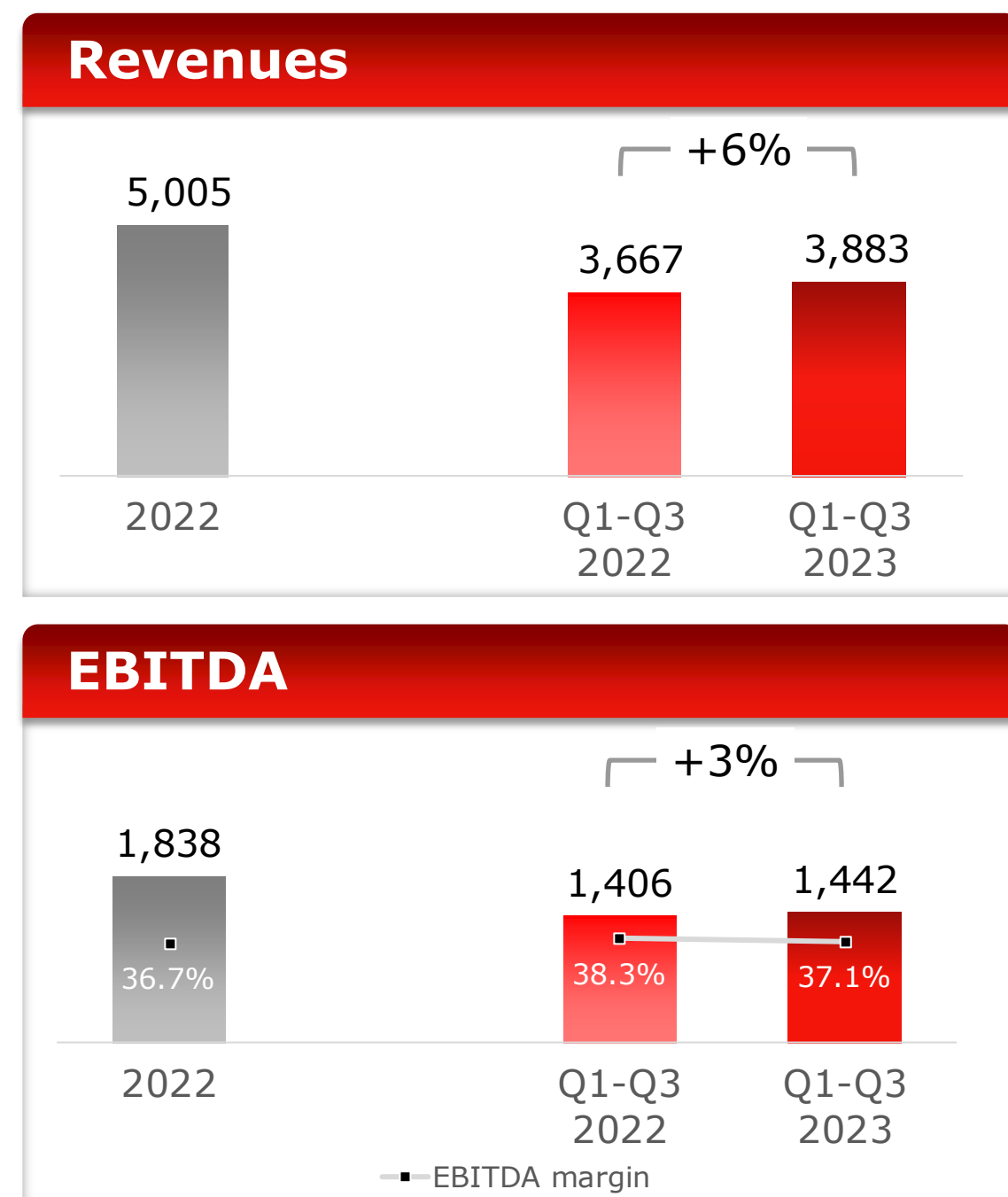
Low operational impact | No impact on A1 Group's dividend policy | € 1 bn debt reduction for A1

Financials



Recent financial performance

(Unless otherwise stated, in € mn)



Total revenues up, based on

- growth of subscriber base (+5.7%) and RGUs (+1.6%),
- up-selling,
- value-protecting pricing measures, and
- strong equipment sales in H1 2023.

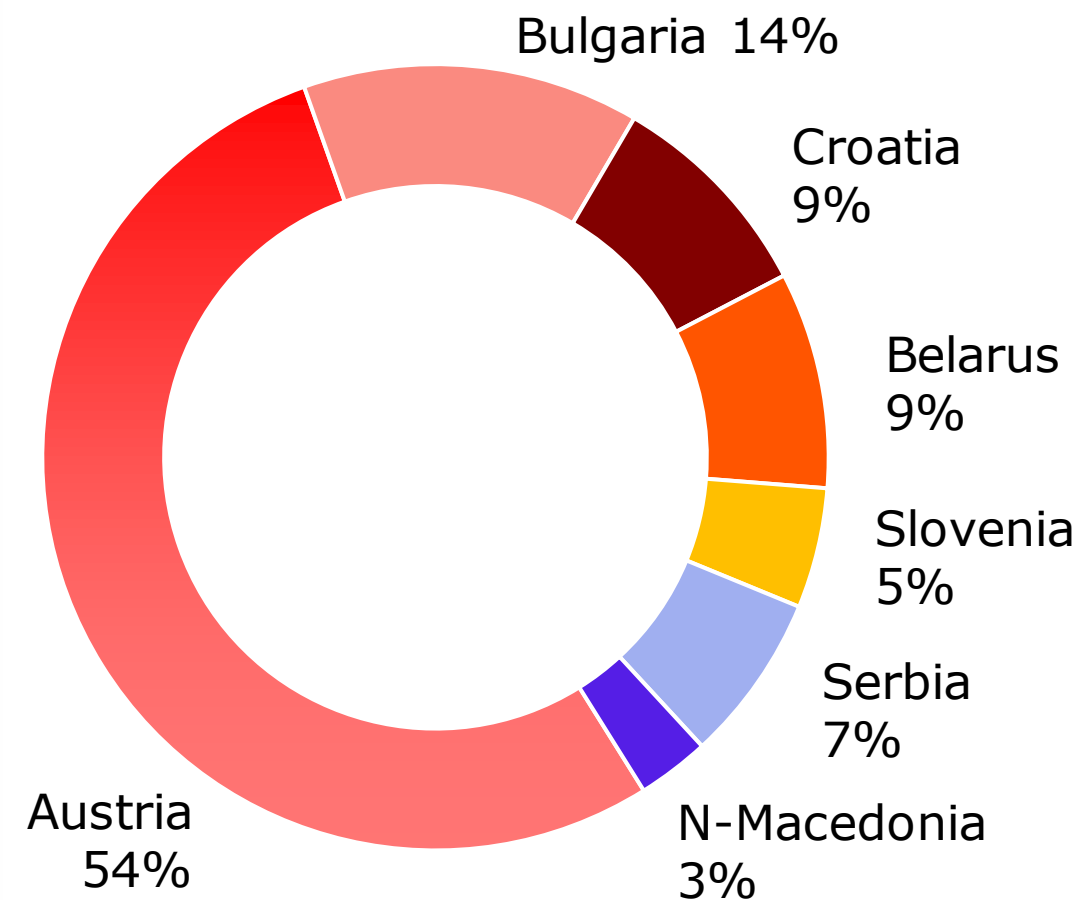
FX impact (BYN/EUR)

- Revenues: € -40 mn
- EBITDA: € -18 mn

Restructuring charges amounted to € 53 mn (Q1-Q3 2022: € 50 mn).

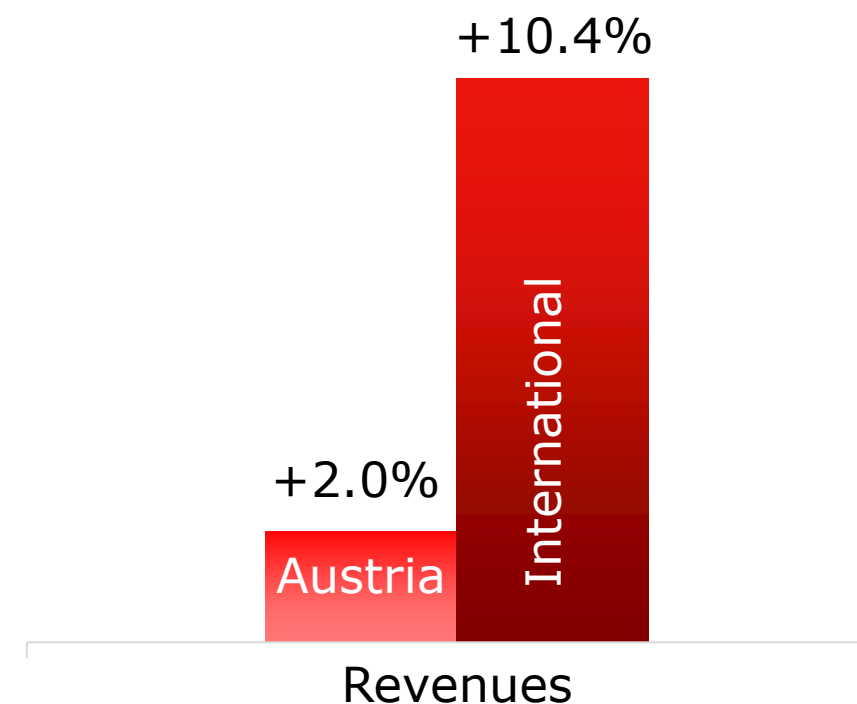
Well-balanced performance across geographic footprint

Revenue split (Q1-Q3 2023)

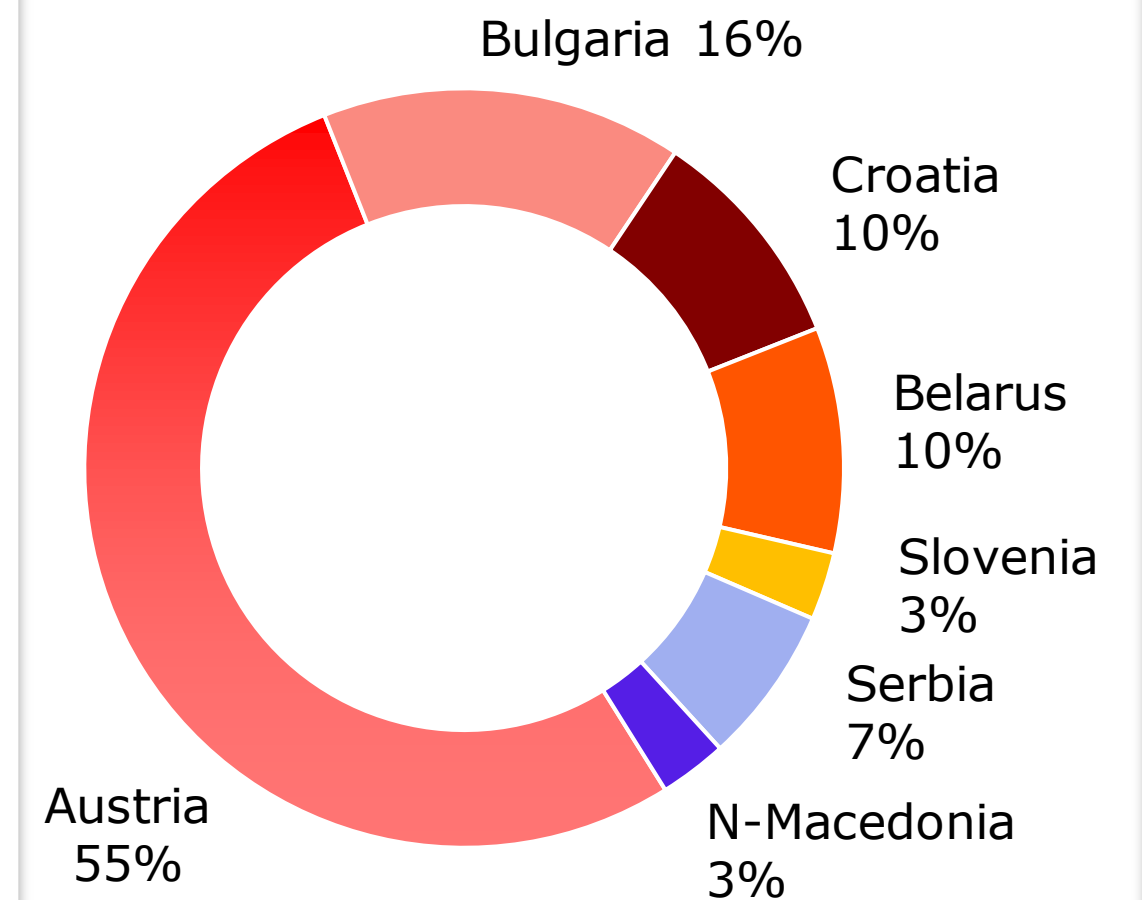


Corporate & other, elimination adds up to 1%

Growth driver CEE



EBITDA split (Q1-Q3 2023)



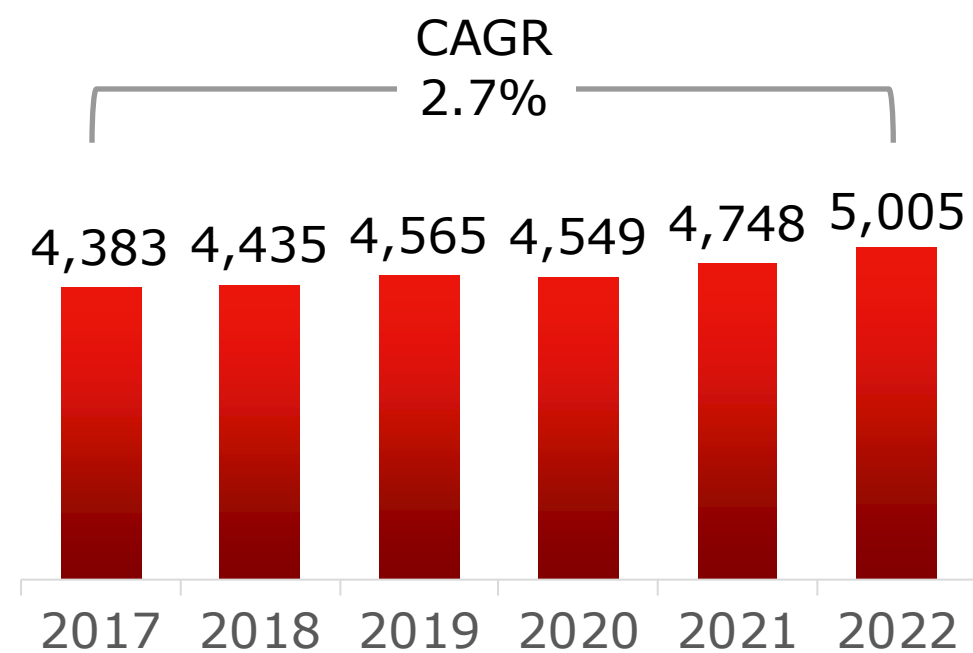
Corporate & other, elimination adds up to 3%

Business in Austria brings stability to the A1 Group, international business growth.

Sustainable growth and strong free cash flow development

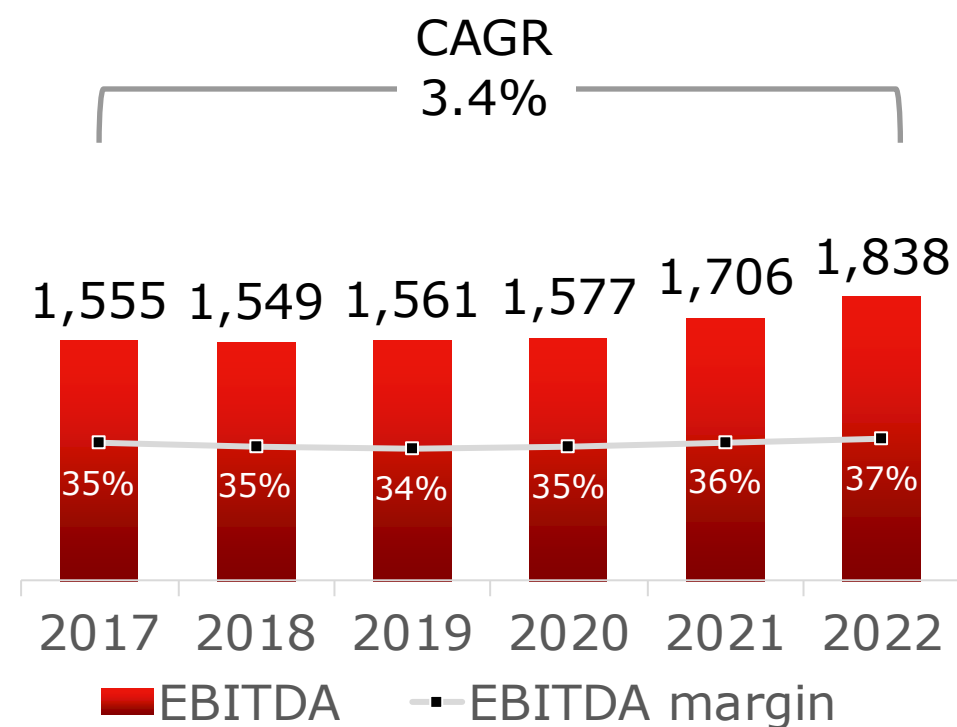
(Unless otherwise stated, in € mn)

Revenues consistently growing



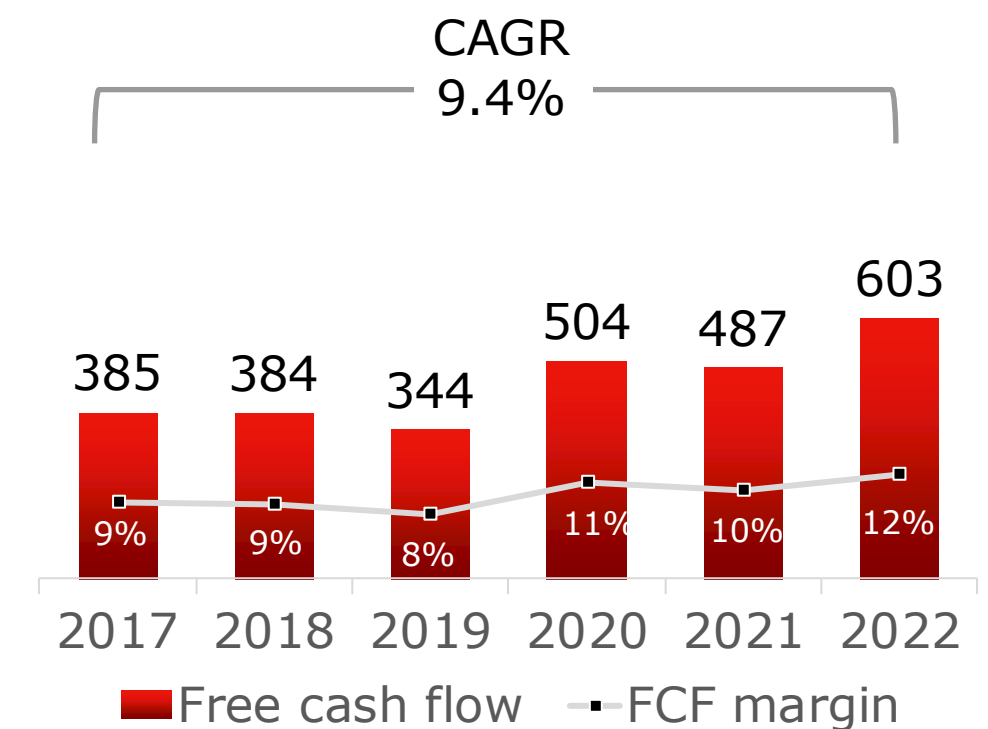
Steady top-line growth
5.4% Y-o-Y growth in 2022

EBITDA increased significantly



Revenue growth and careful cost management have driven consistent improvement in profitability...

Robust free cash flow

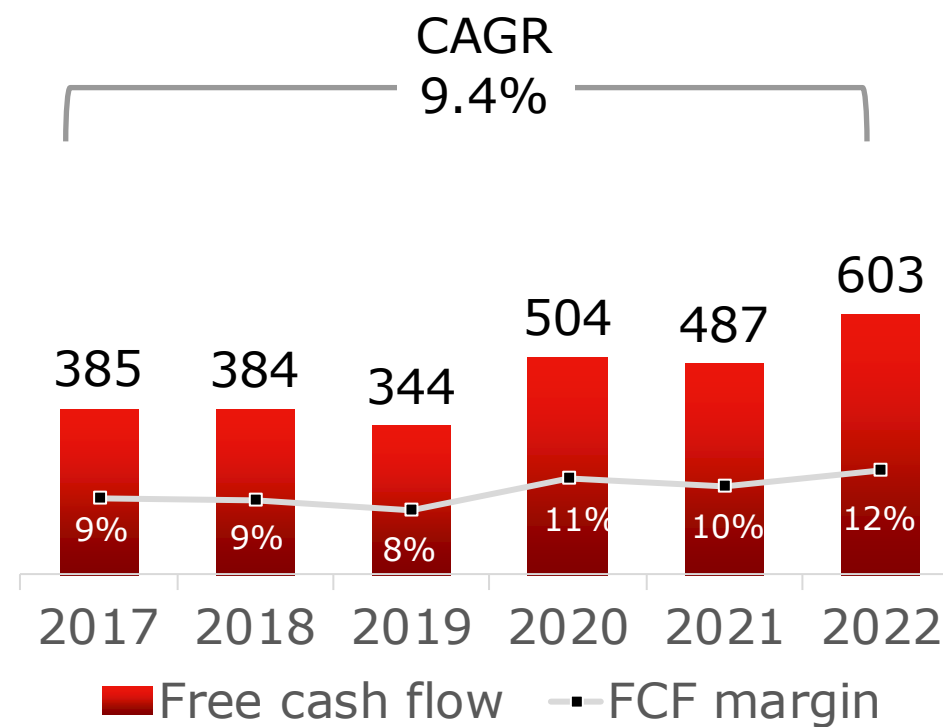


... leading to higher free cash flows

A1 has decreased net debt significantly

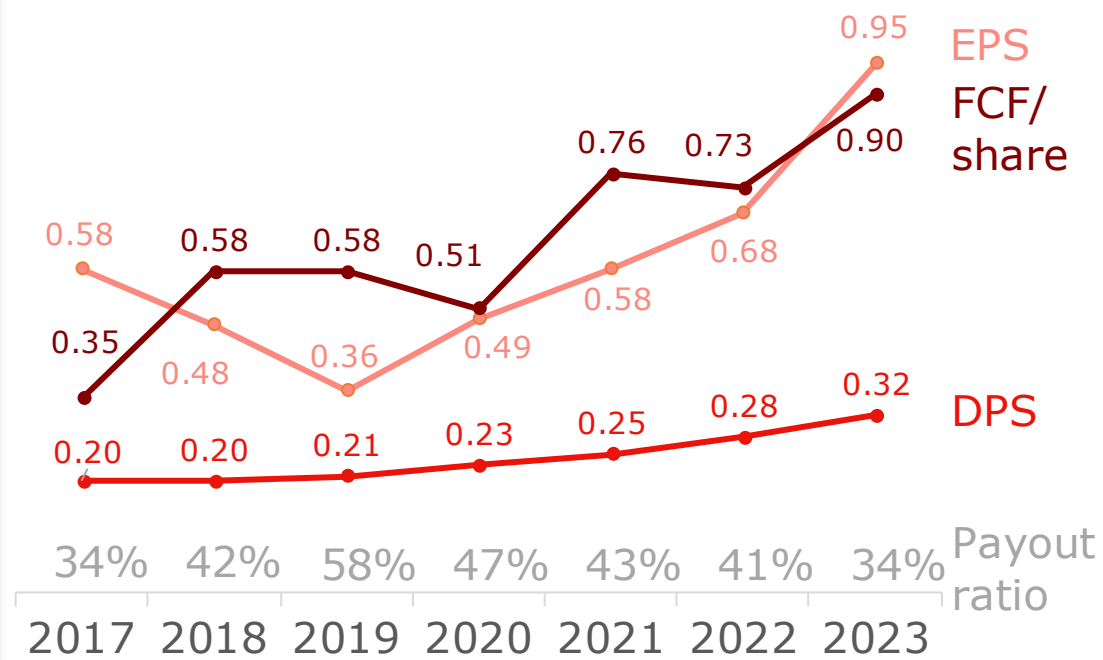
(Unless otherwise stated, in € mn)

Robust free cash flow



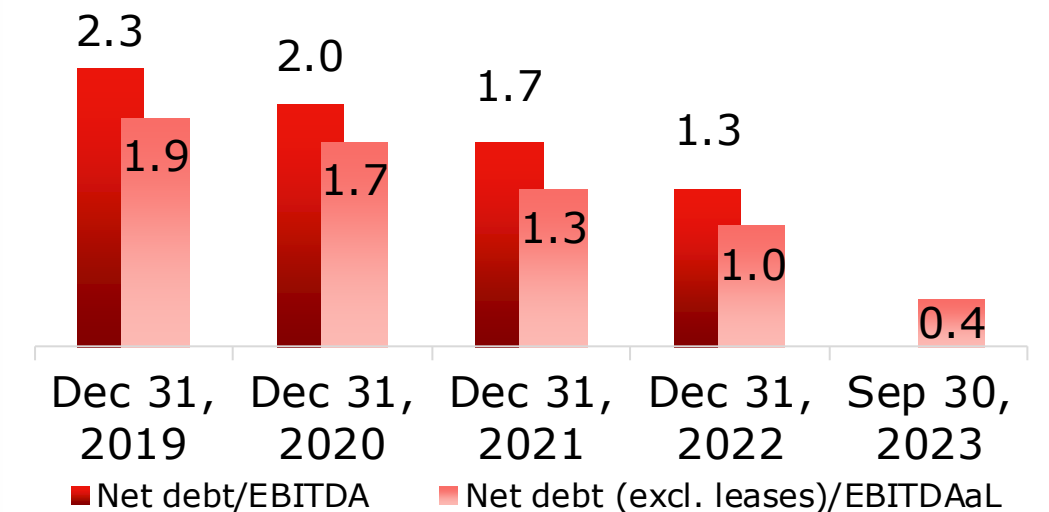
Focus on free cash flow...

Sustainable dividend policy



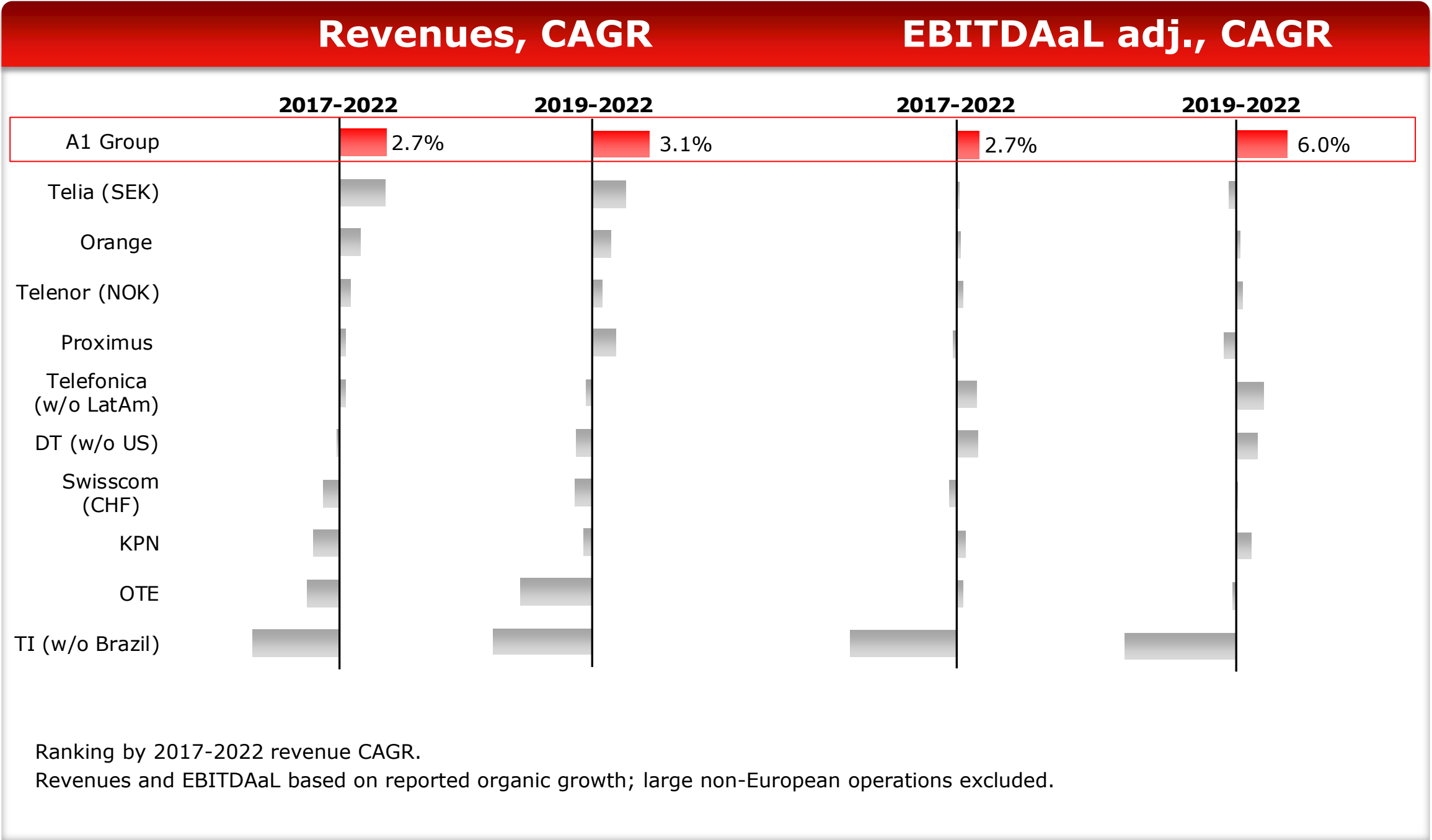
... in combination with a prudent but sustainable dividend policy ...

Net debt reduction



... enabled A1 to strongly deleverage. This provides financial flexibility for the future.

Strong growth performance within peer group in Europe



Standard & Poor's rating	
AA+	
AA	
AA-	
A+	
A	Swisscom +
A-	A1 Group Telenor +
BBB+	Orange DT OTE Telia Proximus +
BBB	KPN
BBB-	Telefonica
BB+	
BB	
BB-	
B+	Telecom Italia
B	

As of November 2, 2023

+ Government/group support

● Positive outlook

● Stable outlook

● Negative outlook

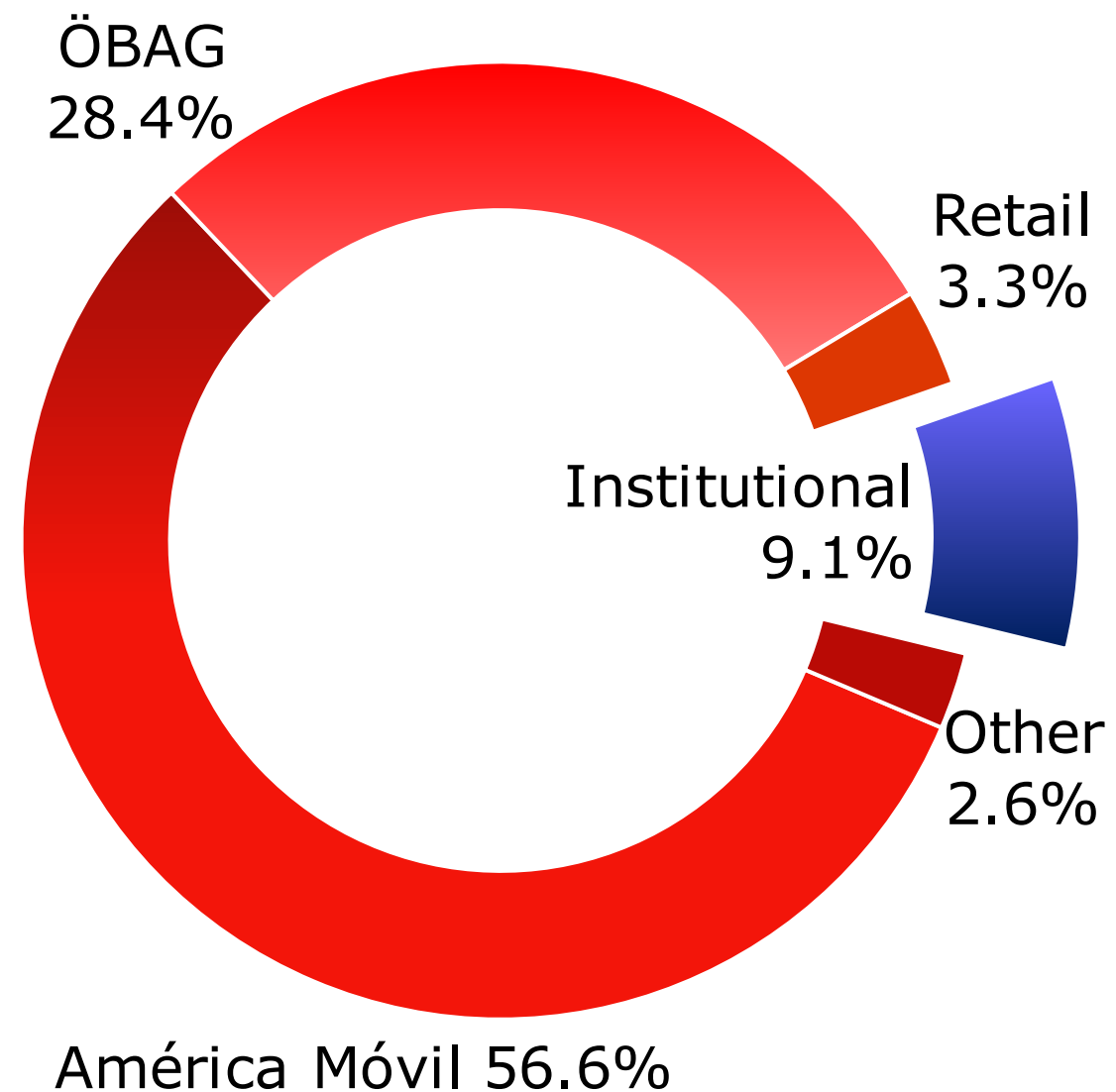


The share



Shareholder structure

Two strong shareholders



ÖBAG (Österreichische Beteiligungs AG)

- ÖBAG: independent holding company of state assets. Mission is to preserve and grow its investments for generations.
- Investment portfolio includes also: OMV, Verbund, Post, Casinos Austria, etc.

América Móvil

- Leading telco in Latin America
- Total revenues € 45 bn
- 300 million mobile customers
- 73 million RGUs
- Listed at the Mexican Stock Exchange and NYSE

Syndicate agreement between América Móvil and ÖBAG

On February 6, 2023, both parties agreed on a new syndication agreement with a term of 10 years. The publicly known cornerstones of this agreement are the following:

General

- Headquarters to remain in Austria
- Commitment to the listing at the Vienna Stock Exchange
- Free float of at least 10%
- Continued investment program (2022-2031) of € 1 bn for the broadband roll-out in Austria, in particular fiber

Management Board

- Currently 2 members (maximum 3 members)
- CEO nominated by América Móvil
- Deputy CEO nominated by ÖBAG
- Potential third member nominated by América Móvil

Supervisory Board (members elected by shareholders)

- ÖBAG:
 - 2 members
 - Right to nominate the Chairperson
- América Móvil: 8 members

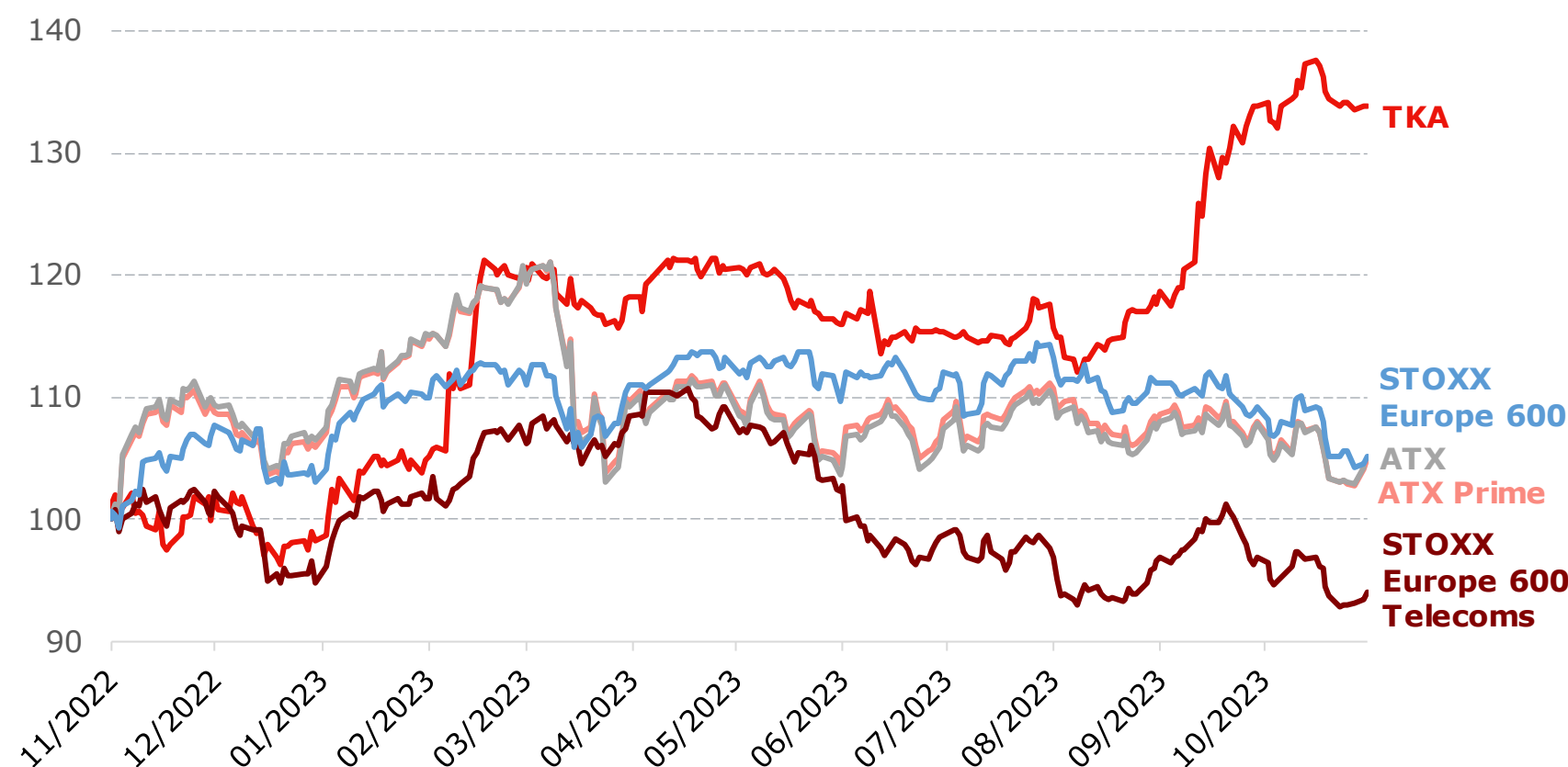
Share price

AT0000720008

Tela.VI

TKA AV

- Shares outstanding: 664,084,841
- Listing: Vienna Stock Exchange



Institution

Rating

Price (€)

AlphaValue/Baader Europe

Buy

8.55

Bank Pekao

Buy

8.50

Barclays

Neutral

7.00

Citigroup

Neutral

7.00

Erste Group Bank

Buy

8.10

HSBC

Buy

8.00

JP Morgan

suspended

suspended

Kepler Cheuvreux

Buy

8.50

LBBW

Buy

8.50

RBI

Buy

10.00

Consensus price target

8.24

As of November 3, 2023

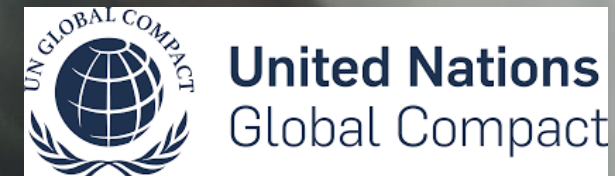
Sustainability
















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ESG: 2023 strategy update – key objectives

E	CO2 emissions  Net-Zero by 2030 Scope 1&2: -90% Scope 3: -60% reduction (base year 2019)	Energy efficiency  80% Increase energy efficiency to 80% by 2030 (base year 2019) Efficiency = % change of MWh per transported TB data	Recycle/Refurbish  20% Increase percentage of recycled and refurbished devices to 20% of the total amount of devices & equipment distributed by 2025	Waste reduction  Zero-waste to landfill Obtain carbon trust “Zero waste to landfill” certificate by 2030	Product reuse  Pilot project Launch one reuse-lighthouse project in each OpCo where they trail one out of three options: <ul style="list-style-type: none"> • Resell • Repair • Reuse
	HIGHER AMBITION			NEW	
	Digital education  500k people 500k people participated overall by 2030 (starting from 2021) in digital education initiatives	Div., Equity, Incl.  40% female share 40% female leaders as well as an overall female employee share by 2025	Volunteering  Pilot project Launch one volunteering-lighthouse project in each OpCo, giving every employee the possibility to participate.	Gender pay gap  Close gender pay gap Standardize measure and reduce gender pay gap	Employee learning  40h learning Increase employee learning hours to reach an average of 40h per employee by 2030
	HIGHER AMBITION			NEW	
	CMS: Compliance Management Syst.  Audit Maintain a best-practice and externally certified compliance management system	Board incentives  Incentivization Keep incentivized ESG goals within board remuneration plan in all years till 2030	Supplier policy  Advanced supplier-engagem. Mandatory submission of data on ESG performance indicators for vendors & enforce high supplier standards along the value-chain		
	HIGHER AMBITION			NEW	

Out look



Outlook for FY 2023

	Guidance 2023	Consensus 2023 (October 2023)
Total revenues	Around +5%	€ 5,231 mn (+4.6%)
CAPEX (excl. spectrum, M&A)	Around € 950 mn	€ 975 mn

- Revenues:
 - Main growth drivers: value-protecting pricing measures, upselling in the retail business, development of Solutions & Connectivity
 - Dampening effects: decline in voice, international wholesale in Austria, interconnection
 - Furthermore, roaming is expected to grow but much less than in 2022; Belarusian ruble is expected to depreciate against the euro, STEMCO consolidated in the previous year from August onwards
- CAPEX does not include investments in spectrum or acquisitions. In 2023, A1 Group invested € 110 mn in spectra in Croatia; further investments in frequencies are expected in particular in Bulgaria.

A1 ambitions 2024-2026

Revenues

3-4% increase p.a.

Based on current inflation and exchange rate expectations

EBITDA

4-5% increase p.a.

Based on current inflation and exchange rate expectations

CAPEX

€ 2.8 bn plus frequencies

Dividend baseline

€ 0.32 per share

Based on the Group's operational and financial development, the dividend level will be maintained or increased.

Investment Case Telekom Austria

Leading telco across CEE

- Among top 2 mobile operators in 6 out of 7 core markets
- >28 million customers in Europe
- >80% of Group EBITDA in investment-grade rated countries

Top performing incumbent telco in Europe

- Strong growth rates, high profitability, robust FCF
- Low financial leverage
- Sustainable dividend payouts
- One of the highest rated European telcos by S&P and Fitch

Modern and lean corporate structure

- Focus on core business (after tower spin-off)
- Well-balanced performance: stability in Austria, growth in CEE
- Core shareholders:
América Móvil (one of the largest telcos globally) + ÖBAG (Austrian state)



Appendix



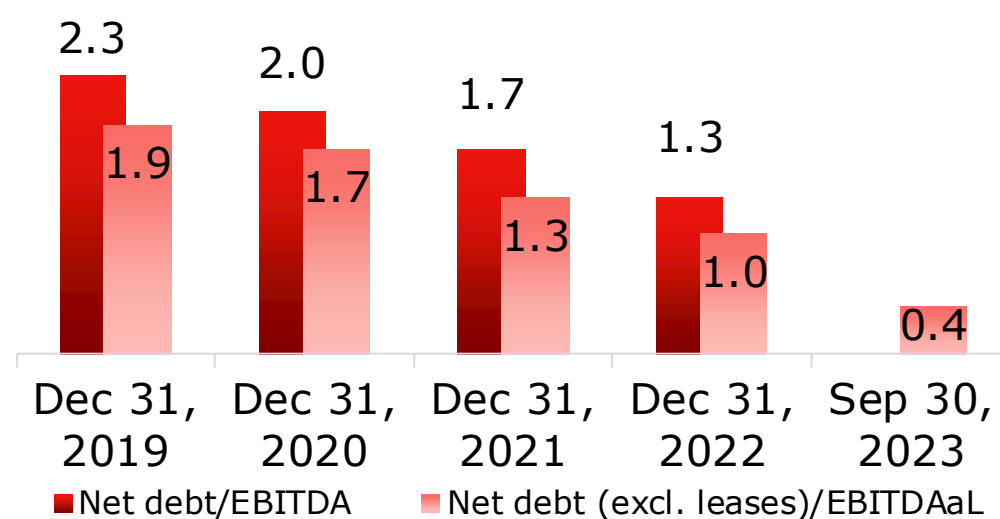
Conservative financial policy, investment-grade ratings

(data excluding EuroTeleSites)

Overview (Sept 30, 2023)

- Total financial debt: € 878 mn
- Average cost of debt: 1.92%
- Cash & cash equivalents: € 152 mn
- Avg. term to maturity: 2.73 years

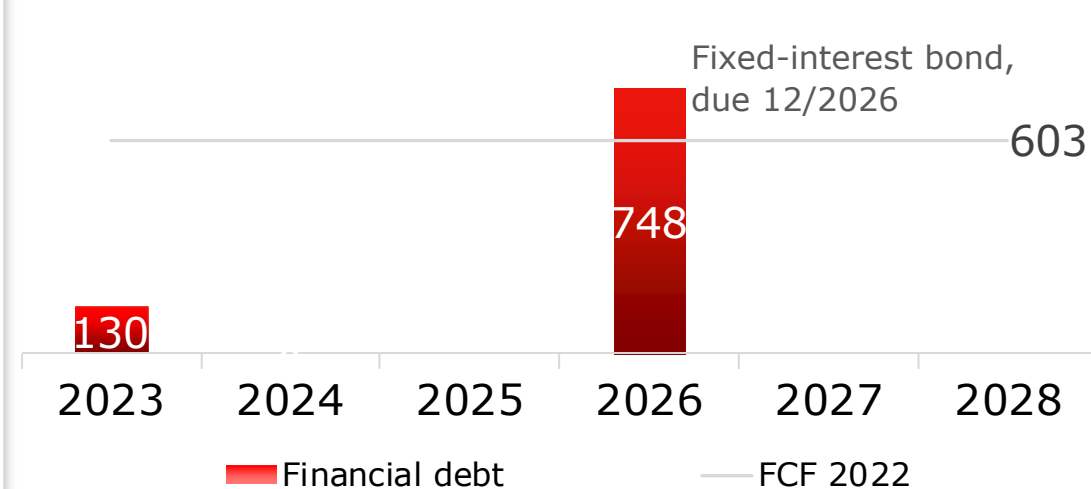
Net debt/EBITDA



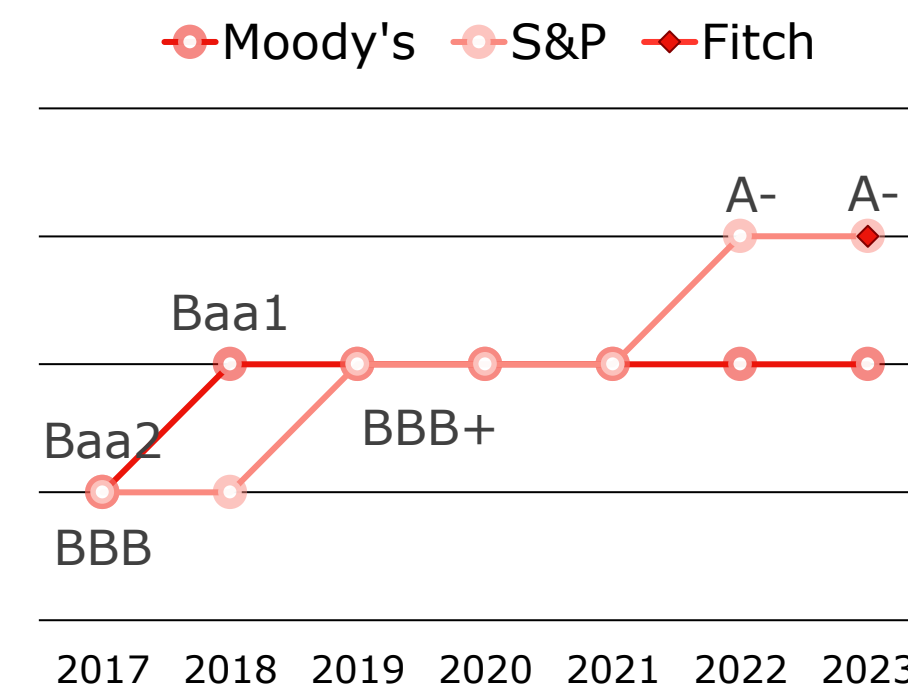
Lines of credit (Sept 30, 2023)

- Total committed lines: € 1,415 mn
Avg. term to maturity: 2.44 years
- Undrawn committed credit lines: € 1,320 mn

Debt maturity profile (Sept 30, 2023)



Credit ratings



- Fitch assigned A- in June 2023 (initial rating, best European telco)
- S&P upgrade to A- in 10/2022
- Moody's confirmed Baa1 in 12/2022

Management Board



Alejandro Plater (*1967, Argentina)

- Board member since August 2015
 - 2015-2018 as CEO, 2018-2023 as COO
- Before A1, senior roles at Ericsson
- Studied Economics at University of Buenos Aires, post-graduate studies at Columbia and Wharton as well as London Business School



Thomas Arnoldner (*1977, Austria)

- Board member since September 2018
 - 2018-2023 as CEO
- Before A1, board functions at Alcatel-Lucent Austria, T-Systems Austria
- Studied Business Management at Vienna University of Economics & Business and at the Stockholm School of Economics



Thank you

Hans Lang
Head of Investor Relations

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