

CREDIT OPINION

21 December 2023

Update



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RATINGS

Telekom Austria AG

Domicile	Vienna, Austria
Long Term Rating	A3
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 following rating upgrade

Summary

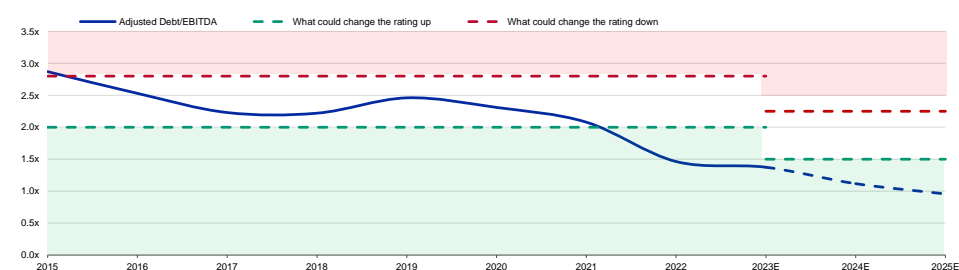
We have recently [upgraded Telekom Austria AG's](#) rating to A3 from Baa1 to reflect the company's reduced leverage on a sustained basis, supported by a better than expected operating performance and a solid track record operating under a conservative financial policy.

Telekom Austria's A3 long term issuer rating is supported by: (1) the group's moderate scale; (2) its position as a strong integrated player in its highly competitive domestic telecommunications market; (3) its geographical diversification in a number of Eastern European countries, mitigated by the fact that these countries are exposed to higher macroeconomic risk and foreign currency risks than its core domestic operations; (4) its strong cash flow generation and strong credit metrics; (5) the company's commitment to a conservative financial strategy; and (6) the benefits resulting from [America Movil, S.A.B. de C.V.'s](#) (America Movil, Baa1 stable) 58% shareholding in Telekom Austria.

Telekom Austria is a government-related issuer (GRI) and it's A3 rating benefits from one notch uplift from its baa1 BCA as a result of (1) the group being 28.42% government-owned; (2) its moderate level of default dependence; and (3) Moody's assumption of moderate support from the government in case of need.

Exhibit 1

We expect Telekom Austria's leverage to remain low for the rating category Moody's-adjusted debt/EBITDA over 2015-25E [1]



[1] Forecasts for 2023-25 do not consider accelerated capital spending programs, M&A or extraordinary shareholder remuneration. We acknowledge Telekom Austria's current financial flexibility and expect that management will preserve the group's financial strength, managing its strategic investments in capex and M&A, as well as shareholder remuneration in line with its stated commitment to an A3 rating.

Source: 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
- » Commitment to an A3 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 outlook reflects our expectation that Telekom Austria will maintain its strong financial metrics and business positioning in Austria and within its international footprint. As a result, we expect the company's leverage, measured by Moody's-adjusted gross debt/EBITDA, to remain below 2.0x on a sustained basis and its retained cash flow (RCF)/ net debt to remain above 35%.

The stable outlook also reflects our expectation that the company will maintain a conservative financial policy balancing creditor protection and shareholder remuneration, and a prudent liquidity risk management.

Factors that could lead to an upgrade

Upward pressure on the rating could develop if the company's credit metrics were to strengthen as a result of sustained improvements in its operating performance and cash flow generation. This improvement would be reflected in its Moody's adjusted RCF/adjusted net debt ratio exceeding 45% and its gross adjusted debt/EBITDA ratio remaining below 1.5x on a sustained basis.

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 environments; the group's liquidity profile were to deteriorate; or the group were to make significant debt-financed acquisitions or increase shareholder remuneration, such that its credit metrics deteriorate, reflected by its adjusted RCF/adjusted net debt remaining below 35% and its adjusted gross debt/EBITDA above 2.25x, 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 if the support assumption for the group is lowered. 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-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-23	2023 (E)	2024 (E)	2025 (E)
Revenue	4,280	4,343	4,469	4,464	4,666	4,916	5,231	5,414	5,593
Debt / EBITDA	2.2x	2.2x	2.5x	2.3x	2.1x	1.5x	1.4x	1.1x	1.0x
RCF / Net Debt	34.3%	34.7%	33.4%	37.2%	43.9%	54.6%	58.9%	72.0%	86.9%
(EBITDA - Capex) / Interest Expense	5.6x	5.7x	4.7x	6.0x	6.6x	12.3x	7.8x	7.5x	7.7x

Source: Moody's Financial Metrics™

Profile

Headquartered in Vienna, Austria, Telekom Austria AG is the leading integrated telecommunications provider in the country, providing 2.8 million fixed-line connections (as of September 2023), and serving 5.1 million mobile customers (as of September 2023). 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 15.2 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 58% holding (fully consolidating Telekom Austria), and the Austrian government through Oesterreichische Beteiligungs AG (OBAG), with a 28.42% holding. For the last 12 months ended September 2023, the company reported revenue and EBITDA of €5.2 billion and €1.9 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, both in wireline and wireless, with a market share of more than 40% (see Exhibit 3), followed by T-Mobile Austria GmbH and Hutchison Drei Austria GmbH.

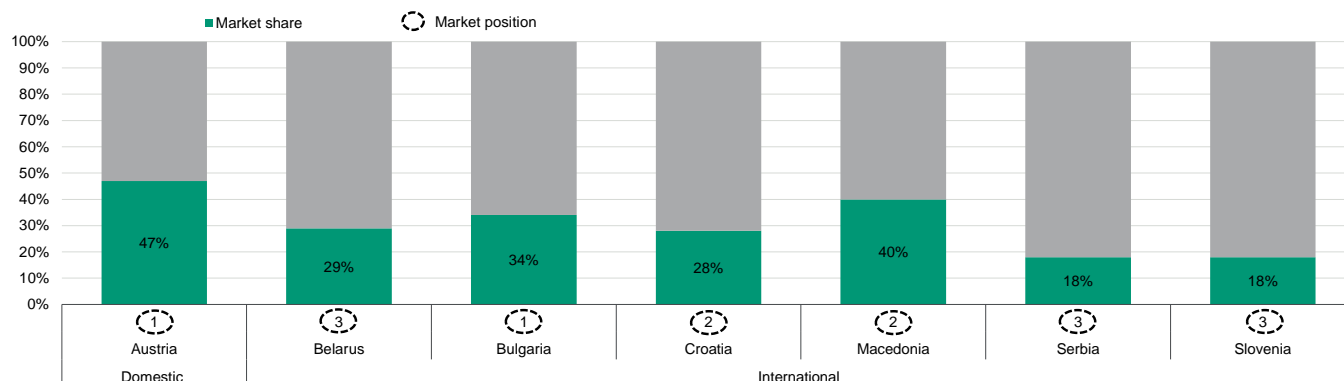
Telekom Austria's main markets are characterized by fierce competition in both mobile and fixed communications. In Austria, the company continues to experience sustained pressure on prices, mainly in the lower end of the market, as a result of the aggressive pricing policies implemented by mobile virtual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

As of September 2023, Telekom Austria was also one of the leading mobile operators in Bulgaria (number one by mobile market share), Croatia (number two by mobile market share) and Belarus (number two by mobile market share) (see Exhibit 3). In the first nine months of 2023, CEE markets exhibited a strong increase in revenue and EBITDA of 10.4% and 7.7%, respectively.

Exhibit 3

Telekom Austria is the market leader in Austria and the challenger in most of its international operations

Market share [1] and market position as of Full Year 2022



[1] Total revenue excluding OOI.

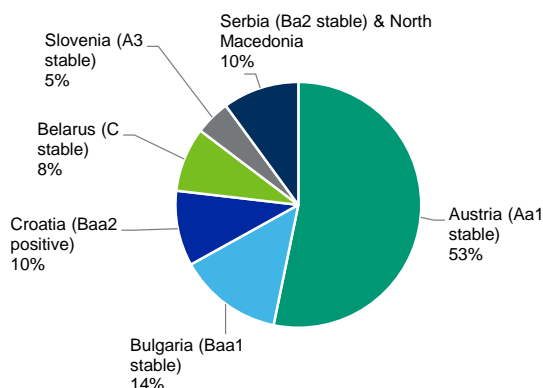
Source: Company

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 5 shows, more than 40% of its operating cash flow was generated in Austria in H1 2023. However, this figure significantly decreased from more than 60% in 2018 in light of higher capital spending¹ in Austria.

Exhibit 4

Austria accounted for 53% of revenue

External revenue by geography as of year-to-date September 2023 [1]



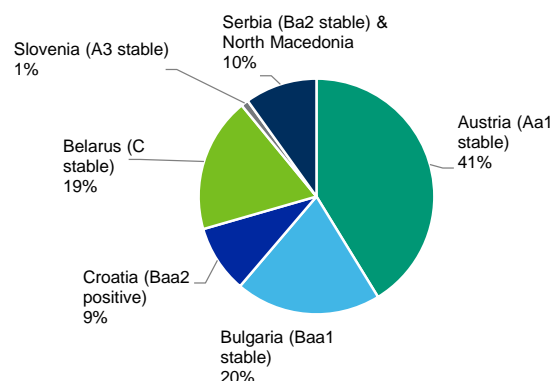
[1] Corporate, other and eliminations are excluded from the calculation.

Source: Company

Exhibit 5

Austria accounted for 41% of operating free cash flow

Operating free cash flow breakdown by geography as of H1 2023 [1][2]



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

[2] Operating free cash flow is calculated as EBITDA - capital spending (excluding spectrum payments for €110 in Croatia in April 2023).

Source: Company

Adjusted leverage broadly unchanged following the spin-off of its towers

On 6 February 2023, Telekom Austria announced that its two main shareholders, with a 51%² stake, and the Austrian government, with a 28.42% stake, agreed to support a spin-off of its mobile towers to shareholders, who will receive shares in this separate, publicly traded entity on the Vienna Stock Exchange.

On 1 August 2023, the shareholders of Telekom Austria Group decided in an extraordinary General Assembly to spin off the cell tower business to the newly founded EuroTeleSites AG (Baa2, stable). On 22 September 2023, EuroTeleSites spin off was completed and listed on the Official Market (Amtlicher Handel) of the Vienna Stock Exchange.

The structure of the transaction differs from similar deals in the European telecom sector in recent years where a number of telecom operators disposed of their tower infrastructure at attractive multiples and used cash proceeds to reinforce their balance sheets either in the form of debt repayments or by retaining the cash for future investments.

The transaction involved the transfer of around €1.1 billion financial debt to the tower company while EBITDA was hardly affected. This structure allowed the company to halve its net debt/EBITDA per the company's definition to 0.4x (net debt excluding leases/EBITDAaL). However, Moody's-adjusted debt/EBITDA deteriorated by close to 0.1x, owing to the €1.3 billion lease component from the contract with EuroTeleSites.

Despite the transaction was leverage neutral, we view it as being marginally credit negative. Its business profile has weakened because it no longer owns a valuable asset that could be monetized in case of need. While shareholders now own shares in both entities, Telekom Austria's creditors have no upside since leverage remains broadly unchanged compared with the level before the spin-off. In addition, the shareholder base of the tower entity might evolve overtime, such that the interests of Telekom Austria and the tower entity might not be aligned.

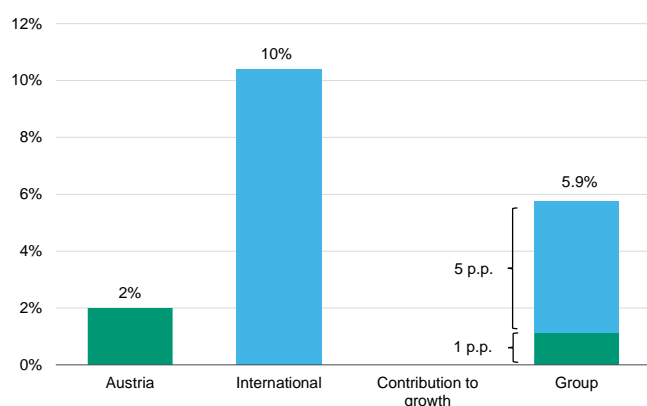
Solid operating performance despite negative foreign-currency impact

Telekom Austria's revenue grew 5.9% in the first nine months of 2023 to €3.9 billion. International operations were the highest contributors with a 10% growth, boosted by Bulgaria, while domestic business grew at 2% (see Exhibit 6). Service revenue grew 5% in the same period to €3.2 billion, while equipment revenue went up by close to 12% (see Exhibit 7). Service revenue growth was driven by retail mobile growth of 5%, cubes, retail broadband and TV (14.4% and 8.3%, respectively) and also by solutions and connectivity (10.8%), which more than compensated fixed voice revenue primarily in Austria and Interconnection (-13.9% and -9.4%, respectively).

Exhibit 6

Telekom Austria's revenue grew 5.9%, boosted by international operations

Reported revenue growth and contributions by geography - the first nine months of 2023

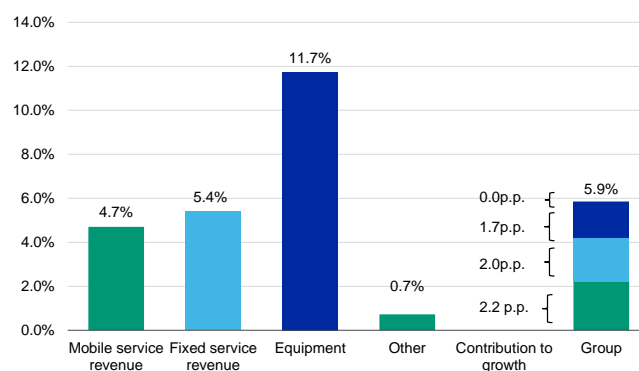


Sources: Moody's Investors Service and company

Exhibit 7

Telekom Austria's revenue grew 5.9%, supported by mobile, fixed and equipment

Reported revenue growth and contributions by business segments - the first nine months of 2023



Source: Reported revenue growth and contributions by business segments - the first nine months of 2023

Reported EBITDA was up 2.6% to €1.4 billion as of September 2023, weakened by restructuring and negative foreign-currency movements in Belarus.

In its Q3 2023 results presentation, Telekom Austria confirmed its guidance for 2023, which includes total revenue growth of 5% and around €950 million in capital spending. On 5 September 2023, Telekom Austria disclosed its new strategic plan for 2024-26. The company's ambitions for 2024-26 include 3%-4% growth per year in revenue, 4%-5% growth per year in EBITDA, capital spending of €2.8 billion for the period and a dividend baseline of €0.32 per share, which will be maintained or increased based on the group's operational and financial development.

We expect the company's revenue to grow 5% in 2023 and at a compound annual growth rate (CAGR) of around 3% in 2024-26, driven mainly by mobile and business solutions. We expect EBITDA to grow 3.8% in 2023 and at a 4.1% CAGR in 2024-26, supported by efficiencies.

Credit metrics to remain solid

We expect that Telekom Austria will retain its strong market position in Austria and its good operating performance weathering competitive and macroeconomic pressures in the markets where it operates.

Leverage, measured as gross adjusted debt/EBITDA, declined 1.5x as of December 2022 (including the IFRS 16 impact) from the peak of 3.5x in 2013. We expect leverage to continue to decline in the next 12-18 months through solid free cash flow generation. However, Telekom Austria's CEO, stated in the Q3 2023 results presentation on 17 October 2023 as well as on the capital markets day on 5 September 2023, that the company will use the financial flexibility arising from the towers spin-off in three main areas: funding capital spending opportunities to accelerate growth; targeted M&A, with a focus on in-market consolidation; and increasing shareholder remuneration.

We acknowledge Telekom Austria's current financial flexibility and expects that management will preserve the group's financial strength, managing its strategic investments in capex and M&A, as well as shareholder remuneration in line with its stated commitment to an A3 rating.

America Movil, as Telekom Austria's major shareholder with a 58% 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 increased its stake in Telekom Austria from 51% to 56.55% first in July 2023 and further up to 58% in November 2023.

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.

High capital spending for investments in fiber and 5G

The group's key areas of investment include the development 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.

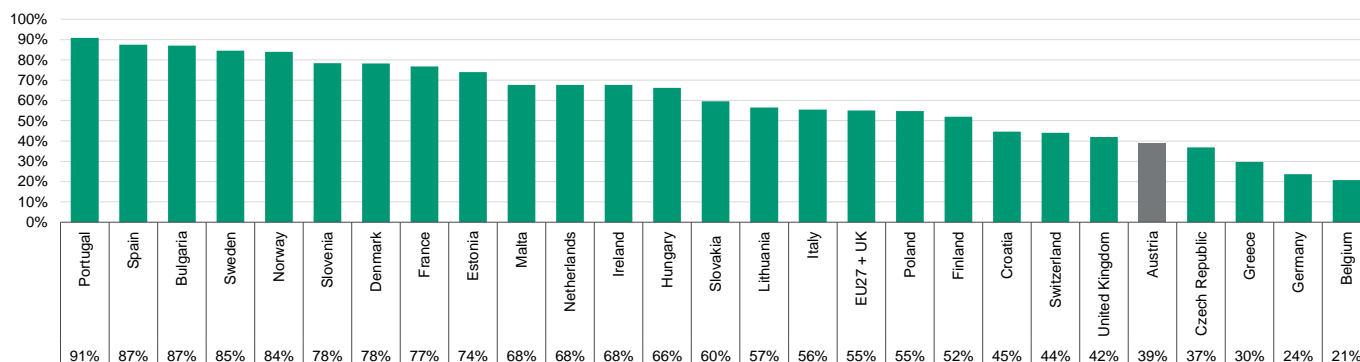
Telekom Austria expects its capital spending, excluding spectrum, to reach to close to €950 million from €945 in 2022 and from €850 million in 2021. The increase results mainly from higher investments in Austria dedicated to more fiber build and, to a lesser extent, to more IT capital spending and the 5G rollout. Telekom Austria also disclosed in its latest capital markets day in September 2023 an ambition of around €2.8 billion in 2024-2026. We expect capital spending to increase to around 25% of sales in 2025 from 22%, driven partially by higher leases as a result of the spinoff of the towers and the leaseback contracts. Capital spending will represent the principal use of its cash flow generation, subject to any extraordinary dividend or M&A activity.

In April 2023, Telekom Austria's subsidiary in Croatia, A1 Croatia, acquired frequencies in the 800-megahertz (MHz), 900-MHz, 1,800-MHz, 2,100-MHz and 2,600-MHz bands for a total of €110 million.

Exhibit 8

Austria lags other European markets in terms of fiber-to-the-home (FTTH) coverage

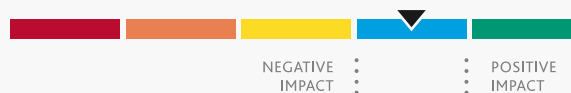
FTTH coverage as of September 2022



Sources: FTTH Council Europe's Market Intelligence Committee and Moody's Investors Service

ESG considerations**Telekom Austria AG's ESG credit impact score is CIS-2**

Exhibit 9

ESG credit impact score**CIS-2**

ESG considerations do not have a material impact on the current rating.

Source: Moody's Investors Service

Telekom Austria's CIS-2 indicates that ESG considerations 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 10

ESG issuer profile scores

ENVIRONMENTAL

E-2

SOCIAL

S-3

GOVERNANCE

G-2

Source: Moody's Investors Service

Environmental

Telekom Austria's E-2 is driven by its low exposure to environmental risks and is in line with the overall 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

Telekom Austria's S-3 reflects moderate social risks, including 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.

Governance

Telekom Austria G-2 reflects its track record of maintaining a solid balance sheet and conservative financial policies. Telekom Austria is a public company, with the Austrian government owning 28.43% of the company. In addition, America Movil (Baa1 stable), owns a 58% equity stake, controls and fully consolidates Telekom Austria into its accounts. In 2023, America Movil increased its stake in Telekom Austria from 51% up to 58%. There is a shareholder agreement between the Austrian government and America Movil, which includes free float of at least 10%. Corporate governance includes tight control and financial 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 has improved following the spin-off of the mobile towers business, as a result of which, the company repaid around €1 billion of debt maturities maturing in 2023, 2024 and 2025.

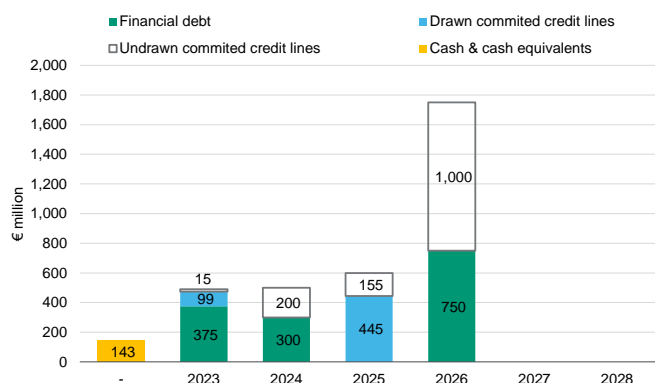
As of September 2023, Telekom Austria had around €152 million of cash and cash equivalents. In addition, the group has a €1.3 billion undrawn committed credit facility, which is not subject to any significant adverse change clauses or financial covenants.

In addition, we expect the company to generate free cash flow of around €270 million and €200 in 2024 and 2025, respectively.

Telekom Austria's liquidity is sufficient to cover its cash needs over the next 12 to 24 months. However, the company faces a debt maturity wall in 2026, when its RCF and a €750 million bond mature. While the company has a track record of aggressive management of debt maturities, the rating upgrade reflects the expectation that refinancing needs will be addressed at least one year ahead of maturity.

Exhibit 11

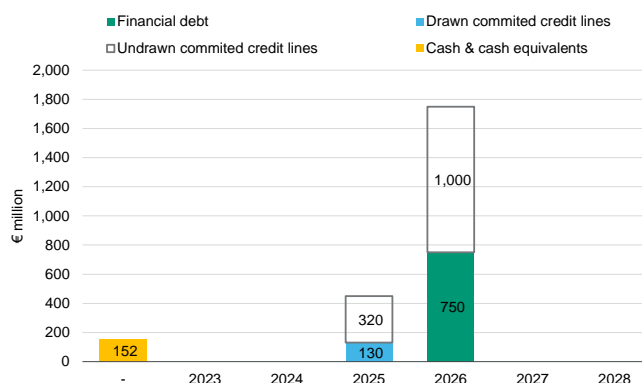
Telekom Austria's maturity profile strengthened... Telekom Austria maturity profile as of June 2023



Source: Moody's and Telekom Austria

Exhibit 12

...after the spin-off Telekom Austria maturity profile as of September 2023



Source: Moody's and Telekom Austria

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 baa1, reflecting Telekom Austria's underlying credit strength
2. The local-currency rating of Austria (Aa1 stable)
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 EU 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 Baa1 outcome from the [Telecommunications Service Providers](#) rating methodology scorecard is in line with Telekom Austria's underlying BCA of baa1. The final rating of A3 benefits from one notch of uplift for government support.

Exhibit 13

Rating factors

Telekom Austria AG

Telecommunications Service Providers Industry Scorecard [1]			Current LTM 6/30/2023		Moody's 12-18 Month Forward View As of 12/19/2023 [2]	
Factor 1 : Scale (10%)	Measure	Score			Measure	Score
a) Revenue (USD Billion)	\$5.3	Ba			\$5.5 - \$5.9	Ba
Factor 2 : Business Profile (25%)						
a) Competitive Position	A	A			A	A
b) Market Share	Baa	Baa			Baa	Baa
Factor 3 : Profitability and Efficiency (10%)						
a) Revenue and Margin Sustainability	Baa	Baa			Baa	Baa
Factor 4 : Leverage and Coverage (40%)						
a) Debt / EBITDA	1.5x	A			~1.7x	A
b) RCF / Net Debt	46.0%	Baa			~40%	Baa
c) (EBITDA - CAPEX) / Interest Expense	9.0x	Aaa			~5.0x	A
Factor 5 : Financial Policy (15%)						
a) Financial Policy	Baa	Baa			Baa	Baa
Rating:						
a) Scorecard-Indicated Outcome		Baa1				Baa1
b) Actual Rating Assigned						A3
Government-Related Issuer	Factor					
a) Baseline Credit Assessment	baa1					
b) Government Local Currency Rating	Aa1					
c) Default Dependence	Moderate					
d) Support	Moderate					
e) Actual Rating Assigned	A3					

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

[2] Moody's forward view assumes that Telekom Austria will make use of current financial flexibility while will preserve the group's financial strength in line with its stated commitment to an A3 rating.

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

Ratings

Exhibit 14

Category	Moody's Rating
TELEKOM AUSTRIA AG	
Outlook	Stable
Issuer Rating	A3
Senior Unsecured MTN -Dom Curr	(P)A3
Commercial Paper -Dom Curr	P-2
Other Short Term -Dom Curr	(P)P-2
TELEKOM FINANZMANAGEMENT GMBH	
Outlook	Stable
Bkd Senior Unsecured -Dom Curr	A3
Bkd Commercial Paper -Dom Curr	P-2
Bkd Other Short Term -Dom Curr	(P)P-2

Source: Moody's Investors Service

Appendix

Exhibit 15

Peer comparison Telekom Austria AG

(in USD million)	Telekom Austria AG A3 Stable			Deutsche Telekom AG Baa1 Stable			Swisscom AG A1 Stable			Elisa Corporation Baa2 Stable			Telia Company AB Baa1 Stable		
	FYE Dec-21	FYE Dec-22	LTM Jun-23	FYE Dec-21	FYE Dec-22	LTM Sep-23	FYE Dec-21	FYE Dec-22	LTM Sep-23	FYE Dec-21	FYE Dec-22	LTM Sep-23	FYE Dec-21	FYE Dec-22	LTM Jun-23
Revenue	5,521	5,181	5,335	127,320	120,356	119,907	12,238	11,649	12,143	2,364	2,244	2,326	10,304	9,016	8,820
EBITDA	2,016	1,936	1,955	47,026	41,615	44,403	4,812	4,654	4,950	826	773	801	3,456	2,926	2,747
Total Debt	4,028	2,868	2,968	169,813	163,047	158,829	9,538	8,805	9,056	1,530	1,465	1,785	10,164	8,196	9,322
Cash & Cash Equivalents	608	160	156	8,621	6,062	7,817	440	131	139	130	91	337	1,582	877	669
EBITDA margin %	36.5%	37.4%	36.6%	36.9%	34.6%	37.0%	39.3%	39.9%	40.8%	34.9%	34.4%	34.4%	33.5%	32.5%	31.1%
(EBITDA - Capex) / Interest Expense	6.6x	12.3x	9.0x	3.0x	2.3x	2.6x	15.5x	17.7x	16.9x	31.7x	30.3x	19.4x	4.4x	3.2x	2.5x
Debt / EBITDA	2.1x	1.5x	1.5x	3.8x	3.9x	3.6x	2.0x	1.8x	1.8x	1.9x	1.9x	2.2x	3.1x	2.9x	3.5x
FCF / Debt	8.9%	15.1%	1.4%	2.6%	4.7%	5.9%	4.3%	2.5%	3.1%	0.2%	-2.3%	0.0%	2.4%	-4.0%	-10.4%
RCF / Debt	37.2%	51.5%	43.6%	21.5%	21.7%	22.4%	32.2%	35.1%	36.4%	21.1%	21.3%	16.5%	17.4%	18.7%	15.4%

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

Source: Moody's Financial Metrics™

Exhibit 16

Telekom Austria's Moody's-adjusted debt breakdown

	FYE	FYE	FYE	FYE	FYE	LTM
(in EUR million)	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Jun-23
As Reported Total Debt	2,782	3,603	3,398	3,366	2,550	2,583
Pensions	144	164	179	176	138	138
Leases	497	0	0	0	0	0
Non-Standard Adjustments	5	1	0	0	0	0
Moody's Adjusted Total Debt	3,427	3,769	3,577	3,542	2,687	2,721

Source: Moody's Financial Metrics™

Exhibit 17

Telekom Austria's Moody's-adjusted EBITDA breakdown

	FYE	FYE	FYE	FYE	FYE	LTM
(in EUR million)	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Jun-23
As Reported EBITDA	1,389	1,538	1,556	1,708	1,845	1,875
Unusual Items - Income Statement	0	(0)	0	0	0	0
Pensions	(5)	(5)	(4)	(5)	(4)	(4)
Leases	166	0	0	0	0	0
Interest Expense - Discounting	(4)	0	0	0	(5)	(5)
Non-Standard Adjustments	1	0	0	0	1	1
Moody's Adjusted EBITDA	1,546	1,534	1,552	1,704	1,837	1,867

Source: Moody's Financial Metrics™

Exhibit 18

Telekom Austria AG

Select historical and forecast Moody's-adjusted financial data

	FYE	FYE	FYE	FYE	FYE	LTM	2023 (E)	2024 (E)	2025 (E)
(in EUR million)	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Jun-23			
INCOME STATEMENT									
Revenue	4,343	4,469	4,464	4,666	4,916	5,094	5,231	5,414	5,593
EBITDA	1,546	1,534	1,552	1,704	1,837	1,867	1,919	2,002	2,082
BALANCE SHEET									
Cash & Cash Equivalents	64	140	211	534	150	143	150	150	150
Total Debt	3,427	3,769	3,577	3,542	2,687	2,721	2,638	2,237	1,991
CASH FLOW									
Capital Expenditures	(915)	(1,023)	(896)	(1,008)	(1,055)	(1,144)	(1,194)	(1,222)	(1,384)
Dividends	(166)	(140)	(153)	(167)	(187)	(400)	(213)	(239)	(259)
Retained Cash Flow (RCF)	1,167	1,212	1,254	1,319	1,385	1,185	1,466	1,502	1,600
RCF / Net Debt	34.7%	33.4%	37.2%	43.9%	54.6%	46.0%	58.9%	72.0%	86.9%
Free Cash Flow (FCF)	210	186	331	315	405	37	232	270	206
FCF / Debt	6.1%	4.9%	9.2%	8.9%	15.1%	1.4%	8.8%	12.1%	10.3%
PROFITABILITY									
EBITDA margin %	35.6%	34.3%	34.8%	36.5%	37.4%	36.6%	36.7%	37.0%	37.2%
INTEREST COVERAGE									
(EBITDA - CAPEX) / Interest Expense	5.7x	4.7x	6.0x	6.6x	12.3x	9.0x	7.8x	7.5x	7.7x
LEVERAGE									
Debt / EBITDA	2.2x	2.5x	2.3x	2.1x	1.5x	1.5x	1.4x	1.1x	1.0x

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

Source: Moody's Financial Metrics™

Endnotes[1](#) Excluding spectrum.[2](#) On 24 July 2023, America Movil increased the overall shareholding in Telekom Austria AG to 56.55%.

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REPORT NUMBER

1391279