

## CREDIT OPINION

27 July 2020

Update

✓ Rate this Research

### 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: A conservative balance sheet

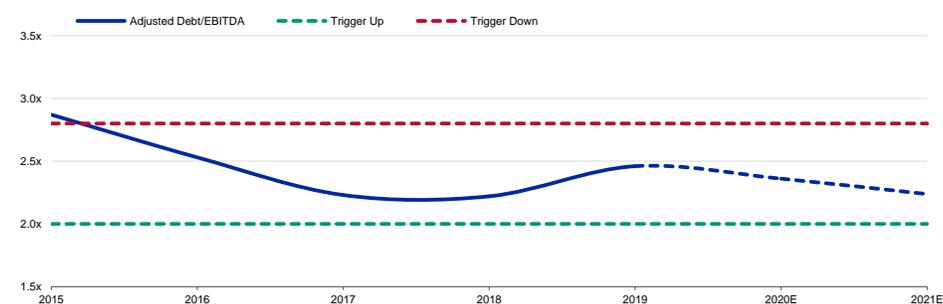
### Summary

[Telekom Austria AG's](#) (Telekom Austria) Baa1 rating reflects the group's moderate scale; its position as a strong integrated company in the highly 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; the marginal impact of the coronavirus pandemic on the company's operating performance; 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, A3 negative) 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 stand-alone credit quality, is baa2.

### Exhibit 1

#### Gross leverage to reduce to around 2.2x by 2021 Moody's-adjusted debt/EBITDA over 2015-21E



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 highly 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

- » Regulatory and foreign-exchange risks in Belarus
- » The negative impact of the coronavirus pandemic on the company's operating performance, although more limited than in other sectors
- » A very competitive domestic market
- » Highly capital-intensive investments as a result of the acceleration in fiber roll-out, 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 its international footprint. As a result, we expect the company's leverage, measured by Moody's adjusted gross debt/EBITDA, to be sustained below 2.5x 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 highly 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 where 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 adjusted RCF/gross adjusted debt trending toward 35% and gross adjusted debt/EBITDA remaining below 2.0x 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 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 ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for the most updated credit rating action information and rating history.

## Key indicators

Exhibit 2

### Telekom austria AG [1]

EUR Millions	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	LTM (Mar-20)	2020-proj	2021-proj
Revenue	4,020	4,125	4,280	4,343	4,469	4,509	4,451.0	4,517.0
Debt / EBITDA	2.9x	2.5x	2.2x	2.2x	2.5x	2.4x	2.4x	2.2x
RCF / Debt	25.8%	30.9%	32.3%	34.0%	32.2%	33.7%	31.3%	32.6%
(EBITDA - CAPEX) / Interest Expense	3.2x	3.2x	5.6x	5.7x	4.7x	4.8x	6.9x	5.9x
Net Debt / EBITDA	2.3x	2.2x	2.1x	2.2x	2.4x	2.3x	2.3x	2.1x
RCF / Net Debt	32.5%	35.2%	34.3%	34.7%	33.4%	34.8%	32.6%	33.9%

[1] All ratios are based on Adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Moody's Forecasts are Moody's opinion and do not represent the views of the issuer.

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 1.5 million fixed access lines and 1.4 million broadband connections, and serving 5.1 million mobile customers (as of 30 June 2020). 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 14.5 million subscribers (excluding machine-to-machine subscribers). Telekom Austria is one of the leading mobile operators in Bulgaria (through its subsidiary A1 Bulgaria EAD), Belarus (Velcom) and Croatia (A1 Croatia), and is also present in Slovenia (A1 Slovenija d.d.), Macedonia (One.Vip DOOEL), Serbia (Vip Mobile d.o.o) and Liechtenstein (Telecom Lichtenstein AG).

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 2019, group revenue and EBITDA totaled €4.57 billion and €1.56 billion, respectively.

## Detailed credit considerations

### Leading market position, although in a highly competitive environment

Telekom Austria holds a stable, leading position in the domestic mobile market, with a reported market share of 37% as of December 2019. The group also reported a market share of 54.8% in fixed broadband.

Telekom Austria's main markets are characterized by fierce competition in both mobile and fixed communications. In Austria, the company has experienced 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 2020, as indicated by Telekom Austria's recently launched broadband promotions. However, the company has implemented an indexation of around 1.5% 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.

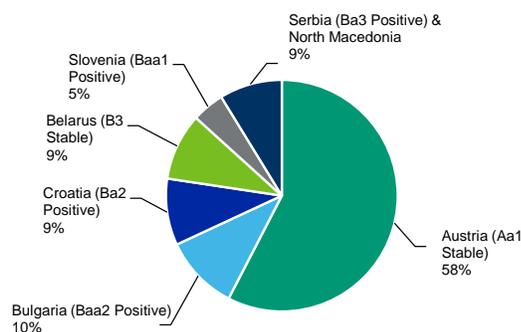
In the premium segment, operators are likely to focus on customer upselling strategies rather than on promotions to gain market share. In fact, the company aims to offset the competitive pressures in the low-end segment by implementing a convergence strategy and focusing on upselling and cross-selling to high-value customers. Nevertheless, we do not expect the Austrian market to experience a significant price increase in the next two years.

As of December 2019, Telekom Austria was also one of the leading mobile operators in Bulgaria (an around 39% reported market share), Croatia (around 36%) and Belarus (around 42%). In 2019, the group showed strong performance in the CEE markets, driven by service revenue growth in all segments, including in Slovenia, where fierce competition continues to pose challenges.

The positive aspects of Telekom Austria's diversification in a number of Eastern European countries are mitigated by their exposure to higher macroeconomic and foreign-currency risks. Moreover, as Exhibit 4 shows, the highly capital-intensive nature of these markets implies that cash flow generation (measured as EBITDA - capital spending) is substantially below that in the domestic market, where more than 50% of operating cash flow was generated in 2019. However, this figure has significantly decreased from above 60% in 2018 in light of the top-line growth in the international units.

Exhibit 3

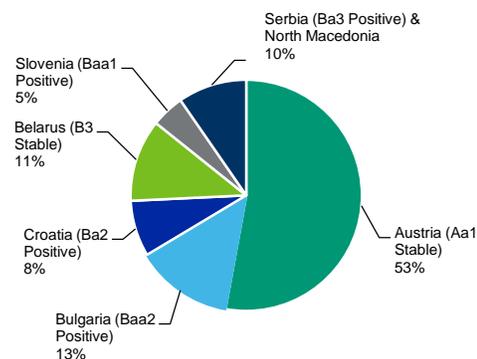
### Austria represented 58% of revenue in 2019 2019 external revenue by geography



[1] Corporate, other and eliminations excluded from the calculation.  
Source: Company

Exhibit 4

### Austria represented 53% of operating free cash flow in 2019 2019 operating free cash flow breakdown by geography



[1] Corporate, other and eliminations excluded from the calculation.  
[2] Operating free cash flow calculated as EBITDA - capital spending (inclusive of spectrum payments).  
Source: Company

## Solid operating performance, driven by international markets, despite modest improvements in the domestic market

We expect the group's operating performance in the Austrian market to be weakened by the coronavirus pandemic in 2020, and to slightly improve in 2021 in light of a lower impact from roaming and a positive evolution of the fixed broadband segment over the medium term. We expect these factors to offset the expected continued fixed-voice losses over the next two years.

Although more limited than in other sectors, the negative impact from the pandemic will likely contribute to lower revenue in 2020. Management continues to focus on cost cutting to mitigate the negative effect of lower revenue from roaming. We believe customers' bad debt is likely to rise as the economic consequences of the pandemic develop. However, telecom services have become so essential that they will not be one of the first things that consumers cut back on to save money. The hardest-hit segment will likely be the small and medium-sized enterprises.

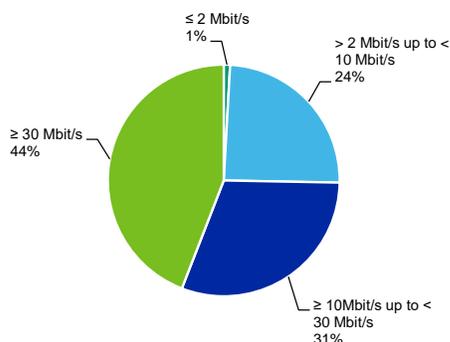
Additionally, slowing economies will have an overall negative effect on telecom revenue growth because of the correlation between GDP evolution and telecom revenue. However, we expect Telekom Austria to be able to cut costs and investment to conserve cash flow, partially offsetting the revenue declines.

The acceleration in fiber roll-out may support revenue growth in the country as 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 in the expansion of mobile broadband, which is cheaper than fiber and capable of delivering comparable speeds. As Exhibit 5 shows, as of December 2019, a significant part of fixed broadband connections (24%) had a bandwidth of 2-10 megabits per second (Mbps). Fiber rollout is also likely to boost the overall low degree of convergence in the country, with Telekom Austria expected to be the main beneficiary.

Exhibit 5

### Most Austrian fixed broadband connections have bandwidths below 30 Mbps

Fixed broadband breakdown by bandwidth as of December 2019

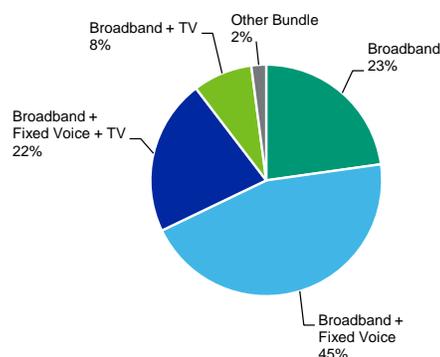


Source: Rundfunk Und Telekom Regulierungs

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 December 2019



Source: Rundfunk Und Telekom Regulierungs

We expect revenue to decline by around 2% in 2020 in line with the company's revised outlook. The company's EBITDA will likely remain stable in 2020 as a result of its cost-cutting measures. We expect it to record top-line and EBITDA improvements in 2021.

#### 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 by gross adjusted debt/EBITDA, declined steadily to 2.4x as of March 2020 (including the IFRS 16 impact) from the peak of 3.5x in 2013. We expect leverage to remain broadly stable over the next 24 months, at around 2.4x and 2.2x in 2020 and 2021, respectively.

America Movil, as Telekom Austria's major shareholder with a 51% stake, is instrumental in this deleveraging 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. Examples of small acquisitions include that of Metronet in Croatia in 2017, which enhanced its position in the country's business-to-business market, and the acquisition of Gomelsky OTTC Garant in Belarus in 2018, which helped improve the group's convergent position in the country.

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 in the next 12-24 months.

#### High capital spending for investments in fiber and 4G drives a strategic advantage over competitors

The group's key areas of investment include the expansion of its LTE mobile network across its markets and the acceleration of the fiber roll-out in Austria.

Telekom Austria will continue to adapt its fixed network infrastructure to meet the growing demand for high-bandwidth broadband solutions. As of FY 2019, 67% of Telekom Austria's customers had access to products with a bandwidth lower than 40 Mbps, which represents a significant improvement over last year (75% in 2018), although there is still upselling potential. However, through the

introduction of the hybrid modem, a technology that combines fixed-line and mobile networks to increase bandwidth. This technological development 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 reduce capital spending, excluding spectrum, by around 25% in 2020 from its initial outlook of around €770 million. We expect capital spending to remain high at 17%-19% of sales (€800 million-€825 million per year) in 2021. 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.

In addition, we expect additional cash outflows in 2020 in relation to spectrum auction payments in Austria for the 3.4-3.8 gigahertz (GHz) bands and for the 700 megahertz (MHz), 1,500 MHz and 2,100 MHz bands.

### ESG considerations

From a corporate governance perspective, Telekom Austria is a public company, with the Austrian government owning 28.43% of the company. In addition, America Movil, 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 Moviles.

The company's exposure to environmental and social risks is low and in line with the overall industry. Electromagnetic radiation (for example, from mobile antennas or mobile handsets) has repeatedly been claimed 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 global telecommunication providers, given the existing regulatory radiation limits and ongoing technology improvements.

In terms of social risks, 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. Additionally, we regard the coronavirus pandemic as a social risk under our environmental, social and governance (ESG) framework, given the substantial implications for public health and safety.

### Liquidity analysis

As of June 2020, Telekom Austria had around €141 million of cash and cash equivalents. In addition, the group has a €1.1 billion undrawn committed credit facility, which is not subject to any material adverse change clauses or financial covenants.

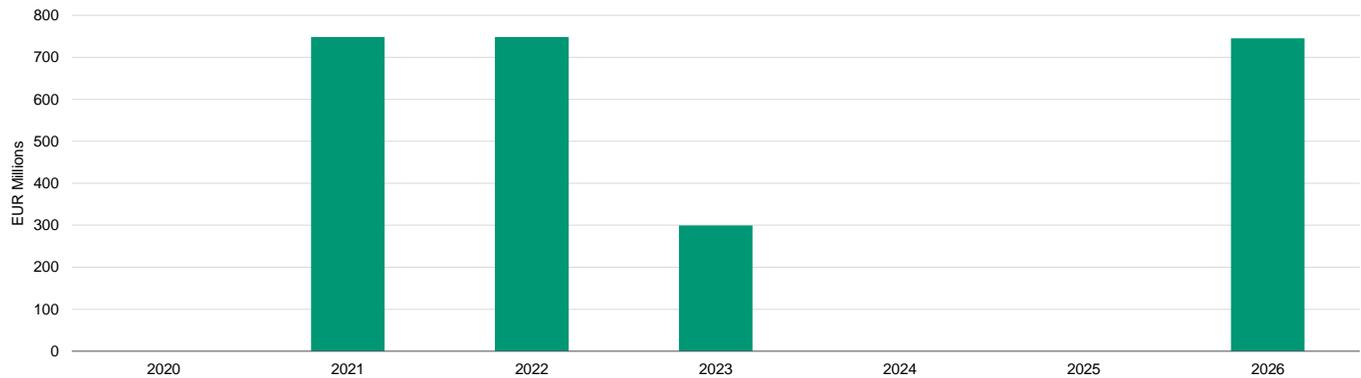
Telekom Austria's liquidity is sufficient to cover its upcoming debt maturities, as well as other cash demands. In this regard, we expect free cash flow generation (after capital spending and dividends, and before spectrum payments) to be around €300 million in 2020 as a result of lower capital spending. The group's average cost of debt is around 2.95%, with an average term to maturity of 3.19 years as of the end of June 2020.

Upcoming debt maturities include two €750 million bonds maturing in December 2021 and April 2022.

Exhibit 7

**Next bond maturity will take place in December 2021**

Telekom Austria's debt maturity profile as of June 2020



Source: Company

**Methodology and scorecard****Rating methodology**

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

We expect Telekom Austria's credit metrics to remain strong over 2020-21. Over the same period, we expect its adjusted RCF/debt to be within 31%-33% and (EBITDA - capital spending)/gross interest expense within 5.5x-6.5x. In terms of leverage, debt/EBITDA is likely to remain at 2.4x-2.2x for the next 12-18 months.

Exhibit 8

## Rating factors

Telekom Austria AG

## Methodology: Telecommunications Service Providers

	Current 2019 (Dec-19)		Moody's Forward View Next 12-18 months (as of Jul-20)	
	Measure	Score	Measure	Score
Factor 1: SCALE (12%)				
a) Revenue (USD Billion)	\$5.0	Ba	\$4.9	Ba
<b>Factor 2: BUSINESS PROFILE (28%)</b>				
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
<b>Factor 3: PROFITABILITY AND EFFICIENCY (10%)</b>				
a) Revenue Trend and Margin Sustainability	Baa	Baa	Baa	Baa
<b>Factor 4: LEVERAGE AND COVERAGE (35%)</b>				
a) Debt / EBITDA	2.5x	Baa	2.4x-2.2x	Baa
b) RCF / Debt	32.2%	Baa	31%-33%	Baa
c) (EBITDA - CAPEX) / Interest Expense	4.7x	Baa	5.5x-6.5x	Baa
<b>Factor 5: FINANCIAL POLICY (15%)</b>				
a) Financial Policy	Baa	Baa	Baa	Baa
<b>Rating Outcome:</b>				
a) Scorecard-Indicated Rating		Baa2		Baa2
b) Actual Rating Assigned				Baa1
<b>Government-Related Issuer</b>				
a) Baseline Credit Assessment				baa2
b) Government Local Currency Rating				Aa1
c) Default Dependence				Moderate
d) Support				Moderate
e) Final Rating Outcome				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

## GRI considerations

Given that 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
- (4) We have factored into Telekom Austria's rating a moderate level of government support based on the following considerations:
  - (a) there is no explicit expression of support from the government (that is, the government does not guarantee the debt of the GRI);

(b) 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;

(c) there are European Union policy barriers to the provision of direct financial support, and the government is likely to obey these rules;

(d) 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; in our view, it is unlikely that the Austrian government's reputation would be damaged in the event of a default by Telekom Austria;

(e) given its large workforce, the group's level of economic and social importance to Austria appears to be high.

## Ratings

Exhibit 9

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

Source: Moody's Investors Service

## Appendix

Exhibit 10

### Peer comparison Telekom Austria AG

(in US millions)	Telekom Austria AG (P)Baa1 Stable			Deutsche Telekom AG Baa1 Negative			Swisscom AG A2 Stable			Elisa Corporation Baa2 Stable			Telia Company AB Baa1 Stable		
	FYE Dec-18	FYE Dec-19	LTM Mar-20	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-18	FYE Dec-19	LTM Mar-20	FYE Dec-18	FYE Dec-19	LTM Mar-20	FYE Dec-18	FYE Dec-19	LTM Mar-20
Revenues	\$5,129	\$5,003	\$5,011	\$84,680	\$89,343	\$90,155	\$11,976	\$11,526	\$11,485	\$2,163	\$2,064	\$2,080	\$9,624	\$9,098	\$9,143
EBITDA	\$1,826	\$1,717	\$1,693	\$28,690	\$30,008	\$30,278	\$4,488	\$4,409	\$4,417	\$817	\$739	\$743	\$3,239	\$3,288	\$3,240
Total Debt	\$3,918	\$4,231	\$3,955	\$92,856	\$95,817	\$102,729	\$10,777	\$11,035	\$11,969	\$1,565	\$1,444	\$1,451	\$10,792	\$12,010	\$11,297
Cash & Cash Equivalents	\$73	\$157	\$128	\$3,967	\$4,192	\$6,026	\$481	\$339	\$1,537	\$92	\$58	\$177	\$2,543	\$658	\$1,140
EBITDA Margin	35.6%	34.3%	33.8%	33.9%	33.6%	33.6%	37.5%	38.3%	38.5%	37.8%	35.8%	35.7%	33.7%	36.1%	35.4%
(EBITDA-CAPEX) / Interest Exper	5.7x	4.7x	4.8x	3.0x	3.1x	3.3x	8.5x	12.9x	13.0x	12.9x	17.7x	22.9x	4.3x	4.5x	4.6x
Debt / EBITDA	2.2x	2.5x	2.4x	3.0x	3.3x	3.4x	2.4x	2.4x	2.7x	2.0x	1.9x	2.0x	3.4x	3.6x	3.6x
FCF / Debt	6.1%	4.9%	7.1%	4.6%	6.1%	3.0%	2.3%	3.5%	2.6%	1.2%	1.6%	1.9%	2.0%	0.8%	1.7%
RCF / Debt	34.0%	32.2%	33.7%	27.3%	26.3%	22.9%	26.3%	26.3%	25.1%	23.4%	22.2%	22.4%	16.4%	15.9%	16.4%

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

Source: Moody's Financial Metrics™

Exhibit 11

## Telekom Austria's Moody's-adjusted debt breakdown

(in EUR Thousands)	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	LTM Ending Mar-20
<b>As Reported Debt</b>	<b>3,394,562</b>	<b>2,803,561</b>	<b>2,534,173</b>	<b>2,782,048</b>	<b>3,603,418</b>	<b>3,438,500</b>
Pensions	127,372	141,028	136,117	143,678	164,353	164,353
Operating Leases	509,229	495,954	486,078	496,740	0	0
Hybrid Securities	295,593	295,593	295,593	0	0	0
Non-Standard Adjustments	100,149	111,667	19	4,600	1,179	1,179
<b>Moody's-Adjusted Debt</b>	<b>4,426,905</b>	<b>3,847,803</b>	<b>3,451,980</b>	<b>3,427,066</b>	<b>3,768,950</b>	<b>3,604,032</b>

Source: Moody's Financial Metrics™

Exhibit 12

## Telekom Austria's Moody's-adjusted EBITDA breakdown

(in EUR Thousands)	FYE Dec-15	FYE Dec-16	FYE Dec-17	FYE Dec-18	FYE Dec-19	LTM Ending Mar-20
<b>As Reported EBITDA</b>	<b>1,380,367</b>	<b>1,361,820</b>	<b>1,391,967</b>	<b>1,389,111</b>	<b>1,538,386</b>	<b>1,527,986</b>
Pensions	-5,736	-5,209	-5,230	-4,517	-4,503	-4,503
Operating Leases	169,743	165,318	162,026	165,580	0	0
Interest Expense – Discounting	0	0	-4,720	-4,465	0	0
Unusual	0	-3,931	-32	0	-240	-240
Non-Standard Adjustments	-240	2,767	2,674	797	407	507
<b>Moody's-Adjusted EBITDA</b>	<b>1,544,134</b>	<b>1,520,765</b>	<b>1,546,685</b>	<b>1,546,506</b>	<b>1,534,050</b>	<b>1,523,750</b>

Source: Moody's Financial Metrics™

Exhibit 13

**Telekom Austria**

Select historical Moody's-adjusted financial data

	2015	2016	2017	2018	2019	2020-proj	2021-proj
<b>INCOME STATEMENT</b>							
Revenue	4,020.3	4,124.8	4,279.7	4,343.5	4,469.3	4,451.0	4,517.8
EBITDA	1,544.1	1,520.8	1,546.7	1,546.5	1,534.1	1,525.6	1,550.5
<b>BALANCE SHEET</b>							
Cash & Cash Equivalents	911.5	464.2	202.4	63.6	140.3	140.3	140.3
Total Debt	4,426.9	3,847.8	3,452.0	3,427.1	3,769.0	3,601.0	3,469.6
<b>CASH FLOW</b>							
Capex = Capital Expenditures	869.5	962.2	844.2	914.6	1,023.4	799	949
Dividends	54.5	54.6	154.2	166.2	140.1	153	168
Retained Cash Flow	1,143.5	1,189.3	1,113.7	1,166.8	1,213.2	1127	1129
RCF / Debt	25.8%	30.9%	32.3%	34.0%	32.2%	31.3%	32.6%
Free Cash Flow (FCF)	275.1	147.0	202.7	210.1	186.3	316.8	184.4
FCF / Debt	6.2%	3.8%	5.9%	6.1%	4.9%	8.8%	5.3%
<b>PROFITABILITY</b>							
EBITDA Margin %	38.4%	36.9%	36.1%	35.6%	34.3%	34.3%	34.3%
<b>INTEREST COVERAGE</b>							
(EBITDA - CAPEX) / Interest Expense	3.2x	3.2x	5.6x	5.7x	4.7x	6.9x	5.9x
<b>LEVERAGE</b>							
Debt / EBITDA	2.9x	2.5x	2.2x	2.2x	2.5x	2.4x	2.2x

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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