MOODY'S INVESTORS SERVICE

CREDIT OPINION
27 July 2021

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

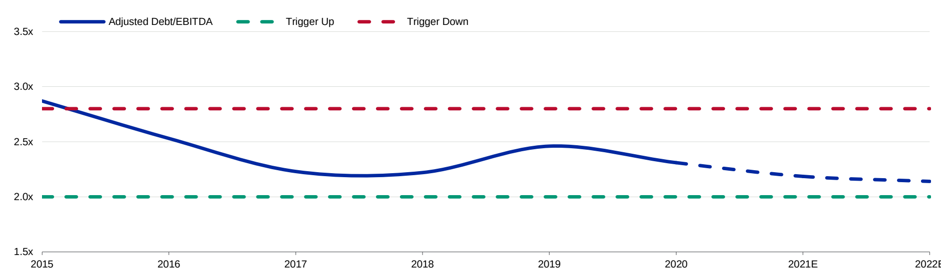
## Update to credit analysis

## 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 standalone credit quality, is baa2.


Exhibit 1
**Gross leverage to decline to around 2.2x by 2021**
**Moody's-adjusted debt/EBITDA over 2015-22E**




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 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 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 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.

## Key indicators

Exhibit 2
**Telekom Austria AG [1]**

| (in EUR million) | Dec-15 | Dec-16 | Dec-17 | Dec-18 | Dec-19 | Dec-20 | 2021 (E) | 2022 (E) |
|---|---|---|---|---|---|---|---|---|
| Revenue | 4,020 | 4,125 | 4,280 | 4,343 | 4,469 | 4,464 | 4,524 | 4,570 |
| Debt / EBITDA | 2.9x | 2.5x | 2.2x | 2.2x | 2.5x | 2.3x | 2.2x | 2.1x |
| RCF / Debt | 25.8% | 30.9% | 32.3% | 34.0% | 32.1% | 35.0% | 38.7% | 39.1% |
| (EBITDA - Capex) / Interest Expense | 3.2x | 3.3x | 5.6x | 5.7x | 4.7x | 6.0x | 5.9x | 6.1x |

[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 1.8 million fixed-line connections, and serving 5.0 million mobile customers (as of June 2021). 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 17.3 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 2020, group revenue and EBITDA totaled €4.55 billion and €1.58 billion, respectively.

## Detailed credit considerations

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

Telekom Austria has a stable, leading position in the domestic mobile market, with a reported market share of 37.5% as of December 2020. The group also reported a market share of 52.1% in fixed broadband.

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.

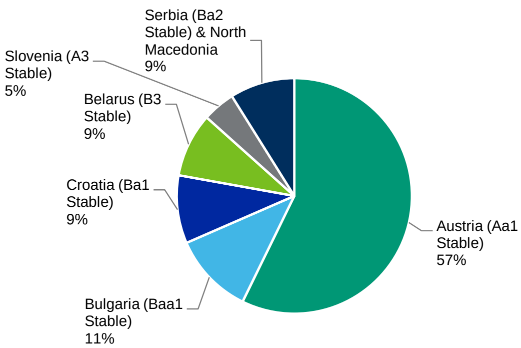
We expect both the mobile and fixed-line markets to remain competitive in 2021, as indicated by intensified competition in the broadband business. However, the company has implemented an indexation of around 1.5% for existing customers in some high-value mobile and fixed-line businesses, as well as an 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. All operators have launched 5G tariffs with an initial strong uptake. 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. In September 2020, the company increased prices for existing residential fixed-line voice customers by €2 and for select SIM-only customers by €1 to €3. Nevertheless, we do not expect the Austrian market to experience a significant price increase in the next two years.

As of December 2020, Telekom Austria was also one of the leading mobile operators in Bulgaria (an around 38% reported market share), Croatia (around 37%) and Belarus (around 42%). In 2020, CEE markets exhibited broadly flat revenue of -0.1%, mainly driven by roaming losses and negative foreign-currency effects, mainly driven by Belarus. Excluding one-off and foreign-exchange effects, international operations grew by 3.8% and 4.0% in total revenue and EBITDA, respectively.

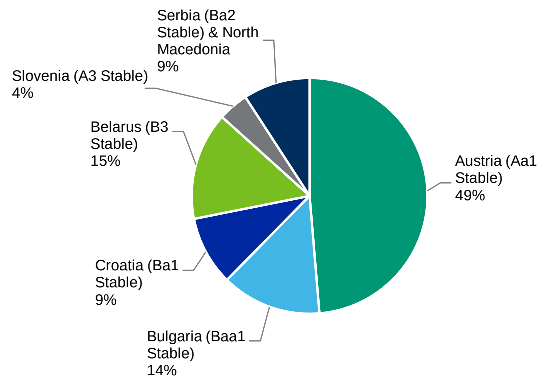
The positive aspects of Telekom Austria's diversification in a number of Eastern European countries are mitigated by their exposure to higher macroeconomic and foreign-currency risks. Moreover, as shown in Exhibit 4, more than 49% of operating cash flow was generated in Austria in 2020. However, this figure has significantly decreased from above 60% in 2018 in light of higher capex in Austria including spectrum auctions.

Exhibit 3
**Austria represented 57% of revenue in 2020**
**2020 external revenue by geography**




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

Exhibit 4
**Austria represented 49% of operating free cash flow in 2020**
**2020 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 despite negative foreign-currency impact; roaming revenue starts to show signs of recovery

Telekom Austria's 2020 operating performance was relatively resilient despite the negative impact from the coronavirus pandemic. Service revenue remained broadly flat with roaming losses and negative foreign-currency movements being offset by increasing fixed and mobile customer bases. Service revenue excluding foreign-currency effects and one-offs would have been 1.6% for the year. EBITDA before restructuring costs grew by 1% in 2020, supported by operational efficiencies.

In the first half of 2021, service revenue grew by 3.9%, mainly driven by mobile and connectivity. Roaming revenue started to show signs of recovery in Q2 2021 with a positive yoy impact of around 1% of EBITDA. The company expects to recover around 20%-25% of roaming revenue by the end of the year from pre-pandemic levels.

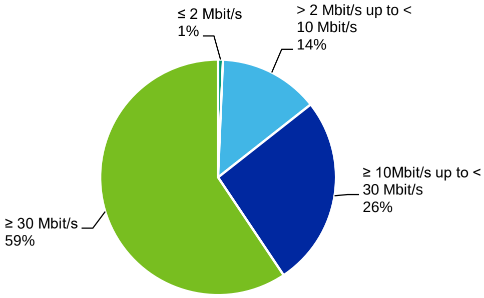
We expect the company's revenue to grow in low-single-digit percentages over the next 12-18 months, in line with the company's revised outlook of 2%-3% (from the previously guided 1% revenue growth). We expect EBITDA to likely grow as a result of the revenue growth and its cost-cutting measures.

Additionally, the acceleration in fiber rollout 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 shown in Exhibit 5, as of December 2020, a significant part of fixed broadband connections had a bandwidth of less than 30 megabits per second (Mbps). 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 30 Mbps**

**Fixed broadband breakdown by bandwidth as of December 2020**

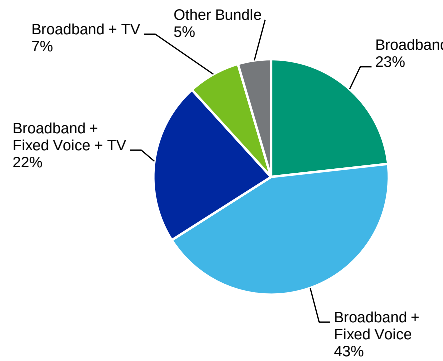



*Source: Rundfunk Und Telekom Regulierungs-GmbH*

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 December 2020**




*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 by gross adjusted debt/EBITDA, declined steadily to 2.3x as of December 2020 (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 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&As.

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 has a strategic advantage over competitors

The group's key areas of investment include the introduction of 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, to around €800 million from the low levels in 2020. We expect capital spending to remain high at 18% of sales (€800 million-€850 million per year) in 2021 and 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.

In addition, we expect additional cash outflows in relation to spectrum auction payments in Croatia, Serbia and Macedonia.

Additionally, Telekom Austria is working on the development of alternatives for its passive tower infrastructure to create efficiencies and increase tenancy rations. 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

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, and 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.

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

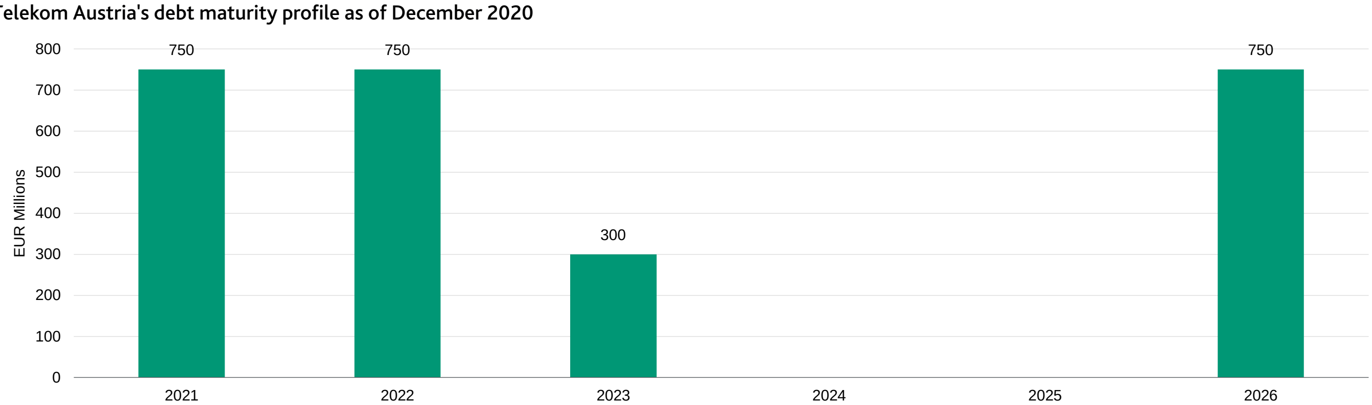
As of June 2021, Telekom Austria had around €313 million of cash and cash equivalents. In addition, the group has a €1.0 billion undrawn committed credit facility, which is not subject to any significant adverse change clauses or financial covenants.

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-€350 million over the next 12-18 months. The group's average cost of debt is around 2.95%, with an average term to maturity of 2.2 years as of the end of June 2021.

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 December 2020**




*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:

(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; 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

## 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 2021-22. Over the same period, we expect its adjusted RCF/debt to be above 35% and (EBITDA - capital spending)/gross interest expense around 6x. In terms of leverage, debt/EBITDA is likely to remain at 2.2x-2.0x for the next 12-18 months.

Exhibit 8

**Rating Factors**

Telekom Austria AG

| Telecommunications Service Providers Industry Scorecard [1][2] | Current Dec-20 | | Moody's 12-18 Month Forward View As of 6/30/2021 [3] | |
|---|---|---|---|---|
| **Factor 1 : Scale (12.5%)** | **Measure** | **Score** | **Measure** | **Score** |
| a) Revenue (USD Billion) | $5.2 | Ba | $5.2-5.3 | 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 | 2.2x | Baa | 2.2x-2.0x | Baa |
| b) RCF / Debt | 35.0% | A | 38%-39% | A |
| c) (EBITDA - CAPEX) / Interest Expense | 6.0x | A | 6.0x | A |
| **Factor 5 : Financial Policy (15%)** | | | | |
| a) Financial Policy | Baa | Baa | Baa | Baa |
| **Rating:** | | | | |
| a) Scorecard-Indicated Outcome | | | | Baa2 |
| b) Actual Rating Assigned | | | | Baa1 |
| **Government-Related Issuer** | | | | |
| 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.
*Source: Moody's Financial Metrics™ and Moody's Investors Service*

## Ratings

Exhibit 9

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

| | Telekom Austria AG Baa1 Stable | | | Deutsche Telekom AG Baa1 Stable | | | Swisscom AG A2 Stable | | | Elisa Corporation Baa2 Stable | | | Telia Company AB Baa1 Stable | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FYE | FYE | LTM | FYE | FYE | LTM | FYE | FYE | LTM | FYE | FYE | LTM | FYE | FYE | LTM |
| (in USD million) | Dec-19 | Dec-20 | Mar-21 | Dec-19 | Dec-20 | Mar-21 | Dec-19 | Dec-20 | Mar-21 | Dec-19 | Dec-20 | Mar-21 | Dec-19 | Dec-20 | Mar-21 |
| Revenue | 5,003 | 5,095 | 5,220 | 90,155 | 115,274 | 125,366 | 11,526 | 11,835 | 12,105 | 2,064 | 2,162 | 2,226 | 9,098 | 9,718 | 9,993 |
| EBITDA | 1,717 | 1,771 | 1,849 | 30,278 | 42,536 | 47,398 | 4,412 | 4,654 | 4,808 | 739 | 790 | 812 | 3,348 | 3,743 | 3,802 |
| Total Debt | 4,231 | 4,386 | 4,156 | 102,729 | 177,342 | 176,066 | 11,035 | 11,013 | 10,456 | 1,445 | 1,757 | 1,701 | 12,021 | 12,365 | 11,816 |
| Cash & Cash Equivalents | 157 | 258 | 436 | 6,020 | 15,785 | 11,603 | 339 | 385 | 557 | 58 | 269 | 322 | 659 | 985 | 985 |
| EBITDA margin % | 34.3% | 34.8% | 35.4% | 33.6% | 36.9% | 37.8% | 38.3% | 39.3% | 39.7% | 35.8% | 36.5% | 36.5% | 36.8% | 38.5% | 38.0% |
| (EBITDA - Capex) / Interest Expense | 4.7x | 6.0x | 6.4x | 3.3x | 3.0x | 3.1x | 12.7x | 13.2x | 13.3x | 17.7x | 23.5x | 26.1x | 4.7x | 5.0x | 4.8x |
| Debt / EBITDA | 2.5x | 2.3x | 2.2x | 3.4x | 3.9x | 3.7x | 2.4x | 2.2x | 2.2x | 1.9x | 2.1x | 2.1x | 3.6x | 3.0x | 3.1x |
| FCF / Debt | 4.9% | 9.2% | 11.3% | 3.0% | -1.2% | 1.0% | 3.5% | 4.7% | 5.4% | 1.6% | 2.4% | 1.5% | 0.8% | 1.9% | 2.4% |
| RCF / Debt | 32.1% | 35.0% | 36.4% | 22.9% | 18.9% | 19.8% | 26.2% | 28.3% | 27.2% | 22.2% | 20.1% | 20.3% | 15.9% | 19.1% | 18.4% |

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

| | FYE | FYE | FYE | FYE | FYE |
|---|---|---|---|---|---|
| (in EUR thousands) | Dec-16 | Dec-17 | Dec-18 | Dec-19 | Dec-20 |
| **As Reported Total Debt** | 2,803,561 | 2,534,173 | 2,782,048 | 3,603,418 | 3,397,697 |
| Pensions | 141,028 | 136,117 | 143,678 | 164,353 | 179,487 |
| Leases | 495,954 | 486,078 | 496,740 | 0 | 0 |
| Hybrid Securities | 295,593 | 295,593 | 0 | 0 | 0 |
| Non-Standard Public Adjustments | 111,667 | 19 | 4,600 | 1,179 | 7,053 |
| **Moody's Adjusted Total Debt** | 3,847,803 | 3,451,980 | 3,427,066 | 3,768,950 | 3,584,237 |

*Source: Moody's Financial Metrics™*

Exhibit 12

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

| | FYE | FYE | FYE | FYE | FYE |
|---|---|---|---|---|---|
| (in EUR thousands) | Dec-16 | Dec-17 | Dec-18 | Dec-19 | Dec-20 |
| **As Reported EBITDA** | 1,361,820 | 1,391,967 | 1,389,111 | 1,538,386 | 1,555,891 |
| Unusual Items - Income Statement | (3,931) | (32) | 0 | (240) | 0 |
| Pensions | (5,209) | (5,230) | (4,517) | (4,503) | (4,405) |
| Leases | 165,318 | 162,026 | 165,580 | 0 | 0 |
| Non-Standard Public Adjustments | 2,767 | 2,674 | 797 | 407 | 77 |
| Interest Expense - Discounting | 0 | (4,720) | (4,465) | 0 | 0 |
| **Moody's Adjusted EBITDA** | 1,520,765 | 1,546,685 | 1,546,506 | 1,534,050 | 1,551,563 |

*Source: Moody's Financial Metrics™*

Exhibit 13

**Telekom Austria AG**

**Select historical and forecasted Moody's-adjusted financial data**

| (in EUR million) | FYE 2016 | FYE 2017 | FYE 2018 | FYE 2019 | FYE 2020 | Proj. 2021 | Proj. 2022 |
|---|---|---|---|---|---|---|---|
| **INCOME STATEMENT** | | | | | | | |
| Revenue | 4,125 | 4,280 | 4,343 | 4,469 | 4,464 | 4,595 | 4,641 |
| EBITDA | 1,521 | 1,547 | 1,547 | 1,534 | 1,552 | 1,571 | 1,604 |
| **BALANCE SHEET** | | | | | | | |
| Cash & Cash Equivalents | 464 | 202 | 64 | 140 | 211 | 364 | 607 |
| Total Debt | 3,848 | 3,452 | 3,427 | 3,769 | 3,584 | 3,377 | 3,377 |
| **CASH FLOW** | | | | | | | |
| Capital Expenditures | (962) | (844) | (915) | (1,023) | (896) | (983) | (990) |
| Dividends | 55 | 154 | 166 | 140 | 153 | 154 | 169 |
| Retained Cash Flow (RCF) | 1,189 | 1,114 | 1,167 | 1,212 | 1,254 | 1,307 | 1,321 |
| RCF / Debt | 30.9% | 32.3% | 34.0% | 32.1% | 35.0% | 38.7% | 39.1% |
| Free Cash Flow (FCF) | 147 | 203 | 210 | 186 | 331 | 353 | 316 |
| FCF / Debt | 3.8% | 5.9% | 6.1% | 4.9% | 9.2% | 10.5% | 9.4% |
| **PROFITABILITY** | | | | | | | |
| EBITDA margin % | 36.9% | 36.1% | 35.6% | 34.3% | 34.8% | 34.2% | 34.6% |
| **INTEREST COVERAGE** | | | | | | | |
| (EBITDA - CAPEX) / Interest Expense | 3.2x | 5.6x | 5.7x | 4.7x | 6.0x | 5.9x | 6.1x |
| **LEVERAGE** | | | | | | | |
| Debt / EBITDA | 2.5x | 2.2x | 2.2x | 2.5x | 2.3x | 2.2x | 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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