

Results for the First Quarter 2021

Vienna, April 27, 2021 – Today, A1 Telekom Austria Group (VSE: TKA, OTC US: TKAGY) announces its results for the first quarter of 2021, ending March 31, 2021.

Group Review

Key performance indicators

in EUR million	Q1 2021	Q1 2020	% change
Total revenues	1,135.5	1,126.0	0.8
Service revenues	955.7	949.8	0.6
thereof mobile service revenues	518.9	520.8	-0.4
thereof fixed-line service revenues	436.8	429.0	1.8
Equipment revenues	162.1	158.0	2.6
Other operating income	17.8	18.2	-2.3
EBITDA	398.3	380.6	4.7
% of total revenues	35.1%	33.8%	
EBITDA before restructuring	419.3	396.6	5.7
% of total revenues	36.9%	35.2%	
EBIT	163.3	147.3	10.8
% of total revenues	14.4%	13.1%	
Net result	108.9	89.3	22.0
% of total revenues	9.6%	7.9%	
Wireless indicators	Q1 2021	Q1 2020	% change
Wireless subscribers (thousands)	21,931.7	21,306.1	2.9
Postpaid	18,013.7	17,100.5	5.3
Prepaid	3,918.0	4,205.7	-6.8
MoU (per Ø subscriber)	429.7	397.0	8.2
ARPU (in EUR)	7.9	8.2	-3.1
Mobile churn (%)	1.4%	1.5%	
Wireline indicators	Q1 2021	Q1 2020	% change
RGUs (thousands)	6,079.2	6,131.4	-0.9

All comparisons are given year-on-year. EBITDA is defined as net income excluding financial result, income taxes, depreciation and amortization and impairment charges.

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Alternative performance measures are included in this report. For details, please refer to the section 'Detailed figures'.

Group Summary Q1 2021

Higher revenues and rising EBITDAs in almost all segments of the A1 Telekom Austria Group reflect the successful efforts to combat the impacts from COVID-19 and the corresponding measures taken by the governments with an attractive portfolio of products and services as well as ongoing efficiency improvements. Above all, these measures lead to a complete cancellation of winter tourism and, therefore, weighed heavily on roaming traffic during the quarter. At the same time, the continuing needs for home office, home schooling, distance learning and accelerated digitalization within companies drove the demand for higher bandwidths as well as for corresponding products and services from both consumers and businesses.

The presentation for the conference call and key figures of A1 Telekom Austria Group in Excel format ('Fact Sheet Q1 2021') are available on the website at www.a1.group.

- Group total revenues rose by 0.8 %, with increases in all segments apart from an FX driven decline in Belarus.
 - Mobile service revenues declined only slightly by 0.4 %, as decreases in Austria, Belarus and Slovenia were almost offset by increases in Bulgaria, Croatia, Serbia and North Macedonia.
 - Fixed-line service revenues rose by 1.8 % and were driven by higher revenues in Austria, Bulgaria, Slovenia and North Macedonia. Belarus and Croatia reported lower figures.
 - Equipment revenues rose by 2.6 % on a Group level with a particular high increase in Austria.
- Mobile contract subscribers rose by 5.3 % year-on-year, with growing numbers in almost all markets.
- Fixed-line RGUs decreased by 0.9 % year-on-year, as the high-bandwidth broadband RGUs growth could not compensate for a decline of low-bandwidth broadband RGUs and fewer fixed-line voice RGUs in Austria.
- Group EBITDA before restructuring charges increased by 5.7 % (reported: +4.7 %) and rising EBITDA margins in almost all segments give proof of the successful measures to enhance operating efficiency.
 - In Austria, EBITDA before restructuring charges rose by 4.4 % (reported: +2.5 %) as higher service revenues and continued cost savings more than offset a lower equipment margin.
 - Excluding FX impacts, EBITDA in the international markets grew by 13.2 % with rising contributions in all segments.
- Net result grew by 22.0 % to EUR 108.9 mn, as the solid operational performance and an improved foreign currency exchange result more than outweighed higher income tax expenses.
- Free cash flow increased from EUR 116.4 mn in Q1 2020 to EUR 174.1 mn in Q1 2021, as the improved operational performance and lower working capital needs outweighed higher capital expenditures.
- Spectrum acquired in Q1 2021 : 2.1 GHz and 2.6 GHz for EUR 3.2 mn in Bulgaria.
- Spectrum acquired in April 2021 : 3.6 Ghz for 2.4 mn in Bulgaria and 700 MHz, 1.4 GHz, 2.1 GHz, 3.6 GHz, 26 GHz for EUR 42.4 mn in Slovenia.
- Outlook 2021 confirmed: around 1 % Group total revenue growth, approx. EUR 800 mn CAPEX excluding spectrum investments and acquisitions.

The following factors should be considered in the analysis of A1 Telekom Austria Group's quarterly operating results:

- Negative roaming impact on Group EBITDA of around 3 % (Q1 20: ~ 1.5 %) stemming mostly from the roaming traffic decline due to imposed travel restrictions and lack of winter tourism in Austria.
- Negative FX effects amounted to EUR 25.8 mn in total revenues and EUR 11.6 mn in EBITDA in Q1 2021. They came with a vast majority from Belarus and to a small extent from Croatia.
- There were no one-off effects in total revenues and EBITDA in Q1 2021 and Q1 2020.
- Restructuring charges in Austria amounted to EUR 21.0 mn in Q1 2021 (Q1 2020: EUR 16.0 mn).

Outlook confirmed

Outlook unchanged

The Management of A1 Group confirms the outlook for the financial year 2021 with total revenue growth of around 1% and capital expenditures, before spectrum investments and acquisitions, of around EUR 800 mn. The Belarusian ruble is expected to depreciate by 10-15% (period average) against the euro in 2021 (previously ~15%). In the first quarter of 2021, depreciation was 21.1% (period average). The Management Board and the Supervisory board will continuously evaluate the further development of the COVID-19 pandemic in terms of its financial and general business impacts.

Mobile Subscribers and Fixed-line RGUs

In mobile communications, the number of subscribers of A1 Telekom Austria Group increased by 2.9% to 21.9 million in the first quarter of 2021.

Number of postpaid subscribers grew by 5.3 % in Q1 2021

The number of contract customers rose in almost all markets driven by continued strong demand for mobile WiFi routers. The number of A1 Digital M2M customers further increased in Q1 2021 while prepaid customer numbers continued to decline as most markets see an ongoing shift from prepaid to contract offers. The number of revenue-generating units (RGUs) in the Group's fixed-line business declined by 0.9% year-on-year. A decline in RGUs in Austria was driven by low-bandwidth broadband and voice RGUs, and was mitigated by an increased number of high-bandwidth RGUs due to continued strong demand for these products in Q1 2021. In the CEE markets, the number of RGUs rose due to broadband and TV RGUs.

Comments on Operating Segments for Q1 2021 – Revenues and EBITDA

Austria

Key performance indicators

Financials

in EUR million	Q1 2021	Q1 2020	% change
Total revenues	657.4	647.5	1.5
Service revenues	581.1	577.5	0.6
thereof mobile service revenues	236.6	237.4	-0.4
thereof fixed-line service revenues	344.5	340.1	1.3
Equipment revenues	65.2	58.8	10.8
Other operating income	11.2	11.2	-0.5
EBITDA	228.9	223.4	2.5
% of total revenues	34.8%	34.5%	
EBITDA before restructuring	250.0	239.4	4.4
% of total revenues	38.0%	37.0%	
EBIT	94.2	94.8	-0.7
% of total revenues	14.3%	14.6%	

Wireless indicators	Q1 2021	Q1 2020	% change
Wireless subscribers (thousands)	5,025.4	5,051.6	-0.5
Mobile churn (%)	1.8%	1.6%	

Wireline indicators	Q1 2021	Q1 2020	% change
RGUs (thousands)	3,113.9	3,219.3	-3.3

In Austria, the business development continued to be driven by changing demand patterns as a consequence of the pandemic while continuing travel restrictions resulted in an almost complete cancellation of the important winter tourism during the quarter. The changing working environment, home schooling and distance learning resulted in an ongoing strong appeal for higher bandwidth products. The solution and connectivity business improved versus previous quarters as, in addition to new projects, customers restarted projects that had been stopped last year. With a continuing strong demand for mobile WiFi routers also the mobile business benefitted from above mentioned dynamics, while the travel restrictions weighed heavily on roaming traffic.

Demand for higher bandwidth products continued

Total revenues in the Austrian segment increased by 1.5 %, driven by higher equipment and higher service revenues. While equipment revenues rose due to higher handset sales compared to the same quarter in the previous year, service revenues increased on the back of the fixed-line business which more than compensated for slightly lower mobile service revenues.

Fixed-line service revenues increased as higher solution and connectivity revenues resulting from the above-mentioned new and restarted customers' projects more than outweighed lower volume-driven interconnection revenues, while retail fixed-line service were stable. The latter was mostly due to positive effects from broadband speed upgrades and some pricing adjustments which could compensate for the declining voice traffic and the lower number of RGUs.

Internet@home subscriber numbers, which include pure fixed-line broadband RGUs, hybrid modems and mobile WiFi routers, increased in the reporting period by 1.4 %, mainly driven by continued demand for mobile WiFi routers.

Internet@home continued to grow: +1.4 % year-on-year in Q1 2021

Mobile service revenues declined only slightly (-0.4 %) as customer and visitor roaming losses, associated with the above mentioned travel restrictions, were almost fully mitigated by increased revenues due to continued strong demand for mobile WiFi routers and certain price measures.

EBITDA before restructuring increased by + 4.4 %

EBITDA before restructuring charges increased by 4.4 % (reported: 2.5 %) as higher service revenues and continued cost savings more than offset the lower equipment margin. Costs and expenses benefited from lower workforce costs due to fewer FTEs as well as lower travel and training expenses, while ICT- related content costs increased. Bad debt was also lower, as the comparison period was impacted by a precautionary increase in the valuation allowance after the COVID-19 outbreak. Additionally, advertising expenses came in lower mainly due to last year's 5G campaign launch. The equipment margin declined due to higher subsidies provided both in retention and acquisition activities.

Restructuring charges amounted to EUR 21.0 mn, an increase compared to the same period last year (EUR 16.0 mn), as fewer people accepted social plans in Q1 2020.

International operations

Key performance indicators

Financials in EUR million	Q1 2021	Q1 2020	% change
Total revenues	483.7	485.4	-0.3
Service revenues	379.9	379.2	0.2
thereof mobile service revenues	283.7	285.0	-0.5
thereof fixed-line service revenues	96.2	94.1	2.2
Equipment revenues	96.8	98.9	-2.2
Other operating income	7.0	7.3	-3.7
EBITDA	182.5	171.5	6.4
% of total revenues	37.7%	35.3%	
EBIT	83.7	68.4	22.5
% of total revenues	17.3%	14.1%	
Wireless indicators	Q1 2021	Q1 2020	% change
Wireless subscribers (thousands)	14,722.9	14,650.1	0.5
Wireline indicators	Q1 2021	Q1 2020	% change
RGUs (thousands)	2,965.3	2,912.2	1.8

Excluding FX effects, EBITDA in international operations rose by 13.2 %

In Q1 2021, all international operations posted EBITDA growth except Belarus where solid operational performance was dimmed by the negative development of Belarusian ruble. Bad debt was also lower in all international segments, as the comparison period was negatively impacted by precautionary increase of the valuation allowance amidst the COVID-19 outbreak. Negative FX effects amounted to EUR 25.8 mn in total revenues and EUR 11.6 in EBITDA and stemmed almost entirely from Belarus. Excluding FX effects, international operations grew by 5.0 % and 13.2 % in total revenues and in EBITDA respectively.

Bulgaria

In Bulgaria, the first quarter benefitted again from continuing positive trends both in the fixed-line and in the mobile business. The fixed-line business was driven by the upselling to higher bandwidth products, demand for exclusive TV content as well as the solid solution and connectivity business which all together translated into higher revenues. Market dynamics in the mobile business showed increasing demand for high-end unlimited offers. Despite the negative roaming impact resulting from travel restrictions, mobile service revenues rose due to the successful upselling of existing contract customers.

Total revenues increased by 3.6 %, as service revenue growth of 7.3 % more than compensated for lower equipment revenues which declined due to fewer quantities sold. Costs and expenses decreased owing to lower costs of equipment as well as lower bad debt and sales area costs. In total, increased revenues together with the lower OPEX led to a strong EBITDA growth of 21.2 %.

Croatia

In Croatia, the competitive environment remained intense during the first quarter of 2021. A1 Croatia continued to offer its redesigned mobile portfolio with attractive hardware and the company increased subsidies compared to the same period last year in the course of the prolonged Christmas campaign, while demand for mobile WiFi routers remained strong. In the fixed-line business, TV propositions featuring enriched sports content continue to play an important role.

The Croatian kuna depreciated by 1.1 % (period average) against the euro in Q1 2021, leading to a negative FX impact of EUR 1.1 mn and EUR 0.4 mn on total revenues and EBITDA respectively.

Total revenues increased by 4.7 %, driven by equipment revenues following increased handset sales while service revenues remained flat. Mobile service revenues grew, despite roaming losses, due to the strong performance of mobile WiFi routers following the ongoing shift of customers from fixed-line bitstream access to mobile WiFi routers as well as due to the higher number of contract customers. This compensated for the decline in fixed-line service revenues driven by the above-mentioned customers shift. Total costs and expenses went up mainly due to higher cost of equipment, increased advertising expenses and higher network maintenance costs, but were mitigated by lower bad debt, lower content and lower frequency fee costs. EBITDA increased by 7.1 % driven by the better equipment margin and the mentioned cost savings.

Belarus

Strong operational trends in Belarus were clouded by a weak economic situation and rising inflation which stood at 8.5 % year-on-year in the first quarter of 2021. The Belarusian ruble was mainly stable vs. the euro throughout the first quarter of 2021 but depreciated -21.1 % (period average) compared to Q1 2020. The government increased corporate income tax rate for telecommunication companies from 18 % to 30 %, effective from January 2021 until the end of 2022. The market dynamics remained broadly unchanged during the first quarter of the year, with mobile network operators focusing on a retention and upselling of existing customers. A1 Belarus continued to offer attractive convergent service plans as well as to respond to a growing demand for ICT services.

Due to negative FX effects of EUR 24.7 mn, total revenues declined in euro terms by 15.6 % while they grew by 6.9 % on a local currency basis owing to a strong service revenue growth. Mobile service revenues rose amidst a growing contract subscriber base and the positive impact from inflation-linked price adjustments in November 2020. Fixed-line service revenues increased due to successful upselling to convergent offers as well as inflation-linked price adjustments done in the last year. Costs and expenses increased as higher service area costs could be mitigated only partially by lower bad debt. On a local currency basis, EBITDA increased by 12.2 % as strong service revenue growth and the positive equipment margin more than outweighed higher costs and expenses. In euro terms, EBITDA declined by 11.4 %.

Other segments

In Slovenia, the mobile market remained competitive during the first quarter of 2021. Redesigned propositions with higher speeds and non-binding options in the fixed-line business contributed to the growth in the RGU base. That translated into higher fixed-line service revenues, and compensated for lower mobile service revenues due to the decline in interconnection revenues, keeping total service revenues flat. Equipment revenues increased due to higher equipment sales following increased subsidies. EBITDA increased by 6.3 %, as lower bad debt and lower advertising expenses more than compensated for the negative equipment margin.

In Serbia, the mobile market was shaped by increased demand for mobile WiFi routers and bundles with unlimited voice and increased data allowance. Service revenues increased due to the successful monetization and upselling to high-value tariffs, while equipment revenues declined due to less quantity sold. Costs and expenses declined driven by lower bad debt, while advertising expenses increased due to rebranding

activities. EBITDA rose by 15.4 % as service revenue growth more than outweighed the negative equipment margin. In North Macedonia, market participants continued to focus in the mobile business on a more-for-more concept with increased data volumes, while attractive convergent offers shaped the development in the fixed-line business. A1 benefited from successful upselling to high value tariffs and a strong performance of mobile WiFi routers. EBITDA increased by 3.2 %, driven by service revenue growth despite a lower equipment margin following higher subsidies.

Group profit and loss – below EBITDA

Depreciation and amortization (incl. rights of use) rose only slightly (+0.7 %) to EUR 235.0 mn in the first quarter of 2021, while **operating income** increased by 10.8 % to EUR 163.3 mn driven by higher EBITDA.

Net result grew by 22.0 % to EUR 108.9 mn in Q1 2021, as the solid operational performance in the reporting period and an improved foreign currency exchange result in Croatia and Belarus more than outweighed higher income tax expenses. Income tax expenses came in higher, as the comparison period was positively impacted by a tax case in Bulgaria but also due to the increased corporate income tax rate in Belarus from January 2021.

Balance Sheet

As of March 31, 2021, the balance sheet total increased by 2.1 % compared to December 31, 2020. Current assets increased mainly due to higher cash and cash equivalents. Non-current assets declined as higher property, plant and equipment attributable to the fiber-rollout only partially mitigated for lower right-of-use assets and lower intangible assets. The latter decreased due to the amortization of licenses.

Current liabilities increased due to higher accounts payable attributable to the low level of accounts payable at the year-end 2020, while non-current liabilities declined mainly owing to lower lease liabilities. The equity ratio as of March 31, 2021 amounted to 34.7 % compared to 34.0 % as of December 31, 2020. The increase in shareholders' equity is attributable to the net income generation in Q1 2021.

Net Debt

Net debt (excl. leases) decreased by 6.8 %, due to higher cash and cash equivalents in the reporting period. For this reason and due to better operating results, the net debt (excl. leases) to EBITDA after leases decreased from 1.7x as of December 31, 2020 to 1.5x as of March 31, 2021.

in EUR million	Mar 31, 2021	Dec 31, 2020	% change
Net debt (excl. leases)	2,173.0	2,331.9	-6.8
Net debt (excl. leases) / EBITDA after leases (12 months)	1.5x	1.7x	

in EUR million	Mar 31, 2021	Dec 31, 2020	% change
Long-term debt	1,794.2	1,793.7	0.0
Lease liability long-term	655.8	700.6	-6.4
Short-term borrowings	749.3	749.1	0.0
Lease liability short-term	157.6	154.4	2.1
Cash and cash equivalents	-370.6	-210.9	75.7
Net debt (incl. leases)	2,986.3	3,186.8	-6.3
Net debt (incl. leases) / EBITDA (12 months)	1.9x	2.0x	

Cash Flow

(in EUR million)	Q1 2021	Q1 2020	% change
EBITDA	398.3	380.6	4.7
Restructuring charges and cost of labor obligations	21.5	18.6	16.1
Lease paid (principal, interest and prepayments)	-59.8	-63.4	5.7
Income taxes paid	-3.8	-13.4	71.6
Net interest paid	-1.0	-3.8	74.5
Change working capital and other changes	46.3	-9.5	n.m.
Capital expenditures	-204.0	-176.2	-15.8
Free Cash Flow (FCF) before social plans	197.6	132.8	48.8
Social plans new funded*	-23.5	-16.4	-43.4
FCF after social plans new	174.1	116.4	49.5

* Cost for social plans granted after January 1, 2019.

In the quarter under review, "Changes in working capital and other changes" in the amount of EUR 46.3 mn (Q1 2020: EUR -9.5 mn), were mainly driven by higher accounts payable and a deposit for a frequency auction in Slovenia. Capital expenditures increased in Q1 2021, mainly due to higher network investments in Bulgaria.

Free cash flow rose from EUR 116.4 mn in Q1 2020 to EUR 174.1 mn in Q1 2021, as the improved operational performance and lower working capital needs outweighed higher capital expenditures.

Capital Expenditures

In Q1 2021, capital expenditures increased by 15.8 % year-on-year to EUR 204.0 mn driven by the Bulgarian segment. Tangible capital expenditures rose by 11.6% to EUR 163.0 mn, as an increase in expenditures associated with the 5G rollout in Bulgaria exceeded a decline of investments in Austria due to the lower fiber rollout compared to the same period last year. Intangible capital expenditures increased by 36.2 % to EUR 41.0 mn, due to the acquisition of frequencies in Bulgaria and higher IT investments in Austria.

+ 49.5% free cash flow in Q1 2021

Detailed Figures

Revenues

in EUR million	Q1 2021	Q1 2020	% change
Austria	657.4	647.5	1.5
Bulgaria	132.2	127.6	3.6
Croatia	105.9	101.2	4.7
Belarus	92.4	109.6	-15.6
Slovenia	51.4	48.6	5.7
Serbia	70.7	68.6	3.0
North Macedonia	31.5	29.6	6.2
Corporate & other, eliminations	-6.0	-6.7	n.m.
Total revenues	1,135.5	1,126.0	0.8

Service Revenues

in EUR million	Q1 2021	Q1 2020	% change
Austria	581.1	577.5	0.6
Bulgaria	105.9	98.7	7.3
Croatia	88.4	88.3	0.1
Belarus	67.5	78.1	-13.5
Slovenia	38.2	38.3	-0.2
Serbia	55.0	51.9	6.0
North Macedonia	25.2	24.2	4.0
Corporate & other, eliminations	-5.7	-7.2	n.m.
Total service revenues	955.7	949.8	0.6

Mobile Service Revenues

in EUR million	Q1 2021	Q1 2020	% change
Austria	236.6	237.4	-0.4
Bulgaria	70.7	66.6	6.2
Croatia	57.5	56.2	2.3
Belarus	56.1	66.2	-15.3
Slovenia	27.4	28.1	-2.4
Serbia	53.2	49.8	6.7
North Macedonia	19.1	18.5	3.5
Corporate & other, eliminations	-1.6	-2.0	n.m.
Total mobile service revenues	518.9	520.8	-0.4

Fixed-Line Service Revenues

in EUR million	Q1 2021	Q1 2020	% change
Austria	344.5	340.1	1.3
Bulgaria	35.1	32.1	9.4
Croatia	30.9	32.1	-3.7
Belarus	11.4	11.8	-3.3
Slovenia	10.8	10.2	5.7
Serbia	1.9	2.1	-11.1
North Macedonia	6.1	5.8	5.8
Corporate & other, eliminations	-4.0	-5.2	n.m.
Total fixed line service revenues	436.8	429.0	1.8

Other Operating Income

in EUR million	Q1 2021	Q1 2020	% change
Austria	11.2	11.2	-0.5
Bulgaria	1.2	0.8	50.4
Croatia	1.1	1.1	-0.2
Belarus	2.3	2.9	-20.3
Slovenia	1.1	0.9	22.2
Serbia	1.0	0.9	8.9
North Macedonia	0.4	0.1	189.8
Corporate & other, eliminations	-0.4	0.3	n.m.
Total other operating income	17.8	18.2	-2.3

EBITDA

in EUR million	Q1 2021	Q1 2020	% change
Austria	228.9	223.4	2.5
Bulgaria	55.6	45.9	21.2
Croatia	35.7	33.3	7.1
Belarus	42.0	47.5	-11.4
Slovenia	14.7	13.8	6.3
Serbia	23.5	20.4	15.4
North Macedonia	10.9	10.6	3.2
Corporate & other, eliminations	-13.2	-14.3	7.9
Total EBITDA	398.3	380.6	4.7

EBITDA after leases

in EUR million	Q1 2021	Q1 2020	% change
Austria	209.2	203.4	2.9
Bulgaria	48.8	39.0	25.0
Croatia	32.0	29.6	8.1
Belarus	39.2	43.8	-10.5
Slovenia	10.0	9.3	7.0
Serbia	19.4	16.2	19.8
North Macedonia	9.4	9.0	4.8
Corporate & other, eliminations	-13.3	-14.4	7.9
Total EBITDA after leases	354.7	335.9	5.6

Depreciation and Amortization

in EUR million	Q1 2021	Q1 2020	% change
Austria	134.8	128.6	4.8
Bulgaria	28.9	29.3	-1.2
Croatia	24.5	24.5	0.0
Belarus	14.1	17.6	-19.9
Slovenia	11.1	11.0	1.2
Serbia	13.5	13.5	-0.3
North Macedonia	6.9	7.5	-7.9
Corporate & other, eliminations	1.2	1.3	-7.4
Total D&A	235.0	233.3	0.7

EBITDA - excluding FX-, one-off effects and restructuring charges

in EUR million	Q1 2021	Q1 2020	% change
Austria	250.0	239.4	4.4
Bulgaria	55.6	45.9	21.2
Croatia	36.1	33.3	8.3
Belarus	53.3	47.5	12.2
Slovenia	14.7	13.8	6.3
Serbia	23.5	20.4	15.4
North Macedonia	10.9	10.6	3.3
Corporate & other, eliminations	-13.2	-14.3	n.m.
Total adjusted EBITDA	431.0	396.6	8.7

Group EBITDA - excluding FX-, one-off effects and restructuring charges

in EUR million	Q1 2021	Q1 2020	% change
EBITDA	398.3	380.6	4.7
FX translation effect	11.6		
One-off effects	0.0	0.0	
Restructuring charges	21.0	16.0	
EBITDA - excl. FX-, one off effects and restructuring charges	431.0	396.6	8.7

Austria EBITDA - excluding one-off effects and restructuring charges

in EUR million	Q1 2021	Q1 2020	% change
EBITDA	228.9	223.4	2.5
One-off effects			
Restructuring charges	21.0	16.0	
EBITDA excl. one off effects and restructuring charges	250.0	239.4	4.4

EBITDA after leases - excluding FX-, one-off effects and restructuring charges

in EUR million	Q1 2021	Q1 2020	% change
EBITDA after leases	354.7	335.9	5.6
FX translation effect	11.6		
One-off effects	0.0	0.0	
Restructuring charges	21.0	16.0	
EBITDA after leases - excl. FX-, one-off effects and restructuring charges	387.4	351.9	10.1

EBIT

in EUR million	Q1 2021	Q1 2020	% change
Austria	94.2	94.8	-0.7
Bulgaria	26.7	16.6	60.6
Croatia	11.2	8.8	27.1
Belarus	27.9	29.9	-6.5
Slovenia	3.6	2.9	25.9
Serbia	10.1	6.9	46.0
North Macedonia	4.0	3.1	30.0
Corporate & other, eliminations	-14.4	-15.6	7.9
Total EBIT	163.3	147.3	10.8

Group Capital Expenditures

in EUR million	Q1 2021	Q1 2020	% change
Total capital expenditures - tangible	163.0	146.1	11.6
Total capital expenditures - intangible	41.0	30.1	36.2
Total capital expenditures	204.0	176.2	15.8

Wireless subscribers

in thousands	Q1 2021	Q1 2020	% change
Austria	5,025.4	5,051.6	-0.5
Bulgaria	3,732.3	3,821.9	-2.3
Croatia	1,942.0	1,872.4	3.7
Belarus	4,915.3	4,871.6	0.9
Slovenia	706.3	701.8	0.6
Serbia	2,349.0	2,298.5	2.2
North Macedonia	1,078.1	1,084.0	-0.5
Total wireless subscribers	21,931.7	21,306.1	2.9

RGUs

in thousands	Q1 2021	Q1 2020	% change
Austria	3,113.9	3,219.3	-3.3
thereof broadband	1,375.3	1,403.4	-2.0
thereof voice	1,436.3	1,492.1	-3.7
Bulgaria	1,089.4	1,073.4	1.5
thereof broadband	483.0	469.4	2.9
thereof voice	60.7	67.5	-10.1
Croatia	669.3	681.2	-1.7
thereof broadband	251.1	250.2	0.4
thereof voice	185.9	196.3	-5.3
Belarus	650.4	617.4	5.3
thereof broadband	255.1	229.3	11.3
thereof voice	2.4	2.6	-7.0
Slovenia	214.5	205.8	4.2
thereof broadband	90.4	84.6	6.8
thereof voice	46.9	49.7	-5.5
North Macedonia	341.7	334.3	2.2
thereof broadband	107.4	104.5	2.8
thereof voice	103.0	98.1	5.1
Total RGUs	6,079.2	6,131.4	-0.9
thereof broadband	2,562.4	2,541.4	0.8
thereof voice	1,835.4	1,906.2	-3.7

Condensed Consolidated Statement of Comprehensive Income

in EUR million, except per share information	Q1 2021 unaudited	Q1 2020 unaudited
Service revenues	955.7	949.8
Equipment revenues	162.1	158.0
Other operating income	17.8	18.2
Total revenues (incl. other operating income)	1,135.5	1,126.0
Cost of service	-323.6	-326.8
Cost of equipment	-164.2	-154.3
Selling, general & administrative expenses	-246.7	-261.6
Other expenses	-2.7	-2.6
Total cost and expenses	-737.2	-745.4
Earnings before interest, tax, depreciation and amortization - EBITDA	398.3	380.6
Depreciation and amortization	-194.7	-192.6
Depreciation of right-of-use assets	-40.3	-40.7
Operating income - EBIT	163.3	147.3
Interest income	1.0	1.3
Interest expense	-24.9	-26.4
Interest on employee benefits and restructuring and other financial items, net	-1.4	-0.3
Foreign currency exchange differences, net	-0.4	-16.4
Financial result	-25.8	-41.8
Earnings before income tax - EBT	137.5	105.6
Income tax	-28.6	-16.3
Net result	108.9	89.3
Attributable to:		
Equity holders of the parent	108.7	89.2
Non-controlling interests	0.2	0.1
Earnings per share attributable to equity holders of the parent in euro*	0.16	0.13
Weighted-average number of ordinary shares outstanding	664,084,841	664,084,841
Other comprehensive income items:		
Items that may be reclassified to profit or loss:		
Effect of translation of foreign entities	5.5	-62.0
Realized result on hedging activities, net of tax	1.1	1.1
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit obligations, net of tax	3.8	-8.7
Total other comprehensive income (loss)	10.4	-69.6
Total comprehensive income (loss)	119.3	19.6
Attributable to:		
Equity holders of the parent	119.1	19.6
Non-controlling interests	0.2	0.1

* basic and diluted

Condensed Consolidated Statement of Financial Position

in EUR million	March 31, 2021 unaudited	Dec. 31, 2020 audited
ASSETS		
Current assets		
Cash and cash equivalents	370.6	210.9
Short-term investments	179.7	164.8
Accounts receivable: Subscribers, distributors and other, net	773.1	782.6
Receivables due from related parties	0.6	0.5
Inventories, net	93.9	90.8
Income tax receivable	0.6	0.9
Other current assets, net	183.6	152.4
Contract assets	106.4	106.8
Total current assets	1,708.5	1,509.7
Non-current assets		
Property, plant and equipment, net	2,787.6	2,753.1
Right-of-use assets, net	828.0	853.1
Intangibles, net	1,656.2	1,678.0
Goodwill	1,283.6	1,284.0
Long-term investments	11.3	12.4
Deferred income tax assets	84.6	96.5
Other non-current assets, net	27.2	25.1
Total non-current assets	6,678.5	6,702.2
TOTAL ASSETS	8,387.0	8,212.0
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Short-term debt	749.3	749.1
Lease liabilities short-term	157.6	154.4
Accounts payable	778.3	685.8
Accrued liabilities and current provisions	239.2	246.4
Income tax payable	39.1	24.0
Payables due to related parties	0.2	0.2
Contract liabilities	203.8	188.7
Total current liabilities	2,167.4	2,048.4
Non-current liabilities		
Long-term debt	1,794.2	1,793.7
Lease liabilities long-term	655.8	700.6
Deferred income tax liabilities	3.1	4.1
Other non-current liabilities	40.7	53.9
Asset retirement obligation and restructuring	586.0	586.0
Employee benefits	226.9	231.5
Total non-current liabilities	3,306.6	3,369.8
Stockholders' equity		
Capital stock	1,449.3	1,449.3
Treasury shares	-7.8	-7.8
Additional paid-in capital	1,100.1	1,100.1
Retained earnings	1,135.6	1,026.9
Other comprehensive income (loss) items	-766.5	-776.9
Equity attributable to equity holders of the parent	2,910.7	2,791.6
Non-controlling interests	2.3	2.1
Total stockholders' equity	2,913.0	2,793.8
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	8,387.0	8,212.0

Condensed Consolidated Statement of Cash Flows

in EUR million	Q1 2021 unaudited	Q1 2020 unaudited
Earnings before income tax - EBT	137.5	105.6
Depreciation	129.7	127.8
Amortization of intangible assets	65.0	64.8
Depreciation of right-of-use assets	40.3	40.7
Result on sale/measurement of investments	-0.1	1.0
Result on sale of property, plant and equipment	1.6	1.1
Net period cost of labor obligations and restructuring	22.5	19.7
Foreign currency exchange differences, net	0.4	16.4
Interest income	-1.0	-1.3
Interest expense	25.5	24.6
Other adjustments	-0.2	2.1
Non-cash and other reconciliation items	283.8	296.8
Accounts receivable: Subscribers, distributors and other, net	12.1	25.6
Prepaid expenses	-0.6	1.3
Due from related parties	-0.1	0.8
Inventories	-2.9	-5.4
Other assets	-1.9	0.0
Contract assets	0.4	10.1
Accounts payable and accrued liabilities	18.6	-31.9
Due to related parties	0.0	-0.9
Contract liabilities	15.1	11.9
Working capital changes	40.6	11.6
Employee benefits and restructuring paid	-26.5	-29.2
Interest received	1.0	1.3
Income taxes paid	-3.8	-13.4
Net cash flow from operating activities	432.6	372.7
Capital expenditures paid	-201.0	-205.2
Proceeds from sale of plant, property and equipment	0.5	3.0
Purchase of investments	-25.1	-0.2
Proceeds from sale of investments	11.3	0.0
Net cash flow from investing activities	-214.2	-202.3
Interest paid	-5.6	-9.7
Change in short-term debt	0.8	-122.2
Dividends paid	0.0	-0.6
Lease principal paid	-54.3	-56.1
Net cash flow from financing activities	-59.2	-188.6
Adjustment to cash flows due to exchange rate fluctuations, net	0.5	-5.1
Net change in cash and cash equivalents	159.7	-23.4
Cash and cash equivalents beginning of period	210.9	140.3
Cash and cash equivalents end of period	370.6	116.9

Additional Information

Risks and Uncertainties

The A1 Telekom Austria Group faces various risks and uncertainties which could affect its results. For further details about these risks and uncertainties, please refer to the A1 Telekom Austria Group Combined Annual Report 2020, pp. 85 ff.

Waiver of Review

This financial report of A1 Telekom Austria Group contains quarterly results which have not been audited or reviewed by a certified public accountant.

Other

The use of automated calculation systems may give rise to rounding differences.

The reported results include depreciation and amortization of fair value adjustments resulting from past business combinations and therefore may deviate from the result of the single financial statements.

n.m. - not meaningful, used for percentage changes >300% and others which are not meaningful.

n.a. - not applicable, e.g. for divisions by zero.

Disclaimer

Disclaimer for forward-looking statements: This document contains forward-looking statements. These forward-looking statements are usually accompanied by words such as 'believe', 'intend', 'anticipate', 'plan', 'expect' and similar expressions. 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 A1 Telekom Austria Group nor any other person accepts any liability for any such forward-looking statements. A1 Telekom Austria Group will not update these forward-looking statements, whether due to changed factual circumstances, changes in assumptions or expectations. This report does not constitute a recommendation or invitation to purchase or sell securities of A1 Telekom Austria Group.

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