

Results for the Second Quarter and First Half 2020

Vienna, July 14, 2020 - Today, A1 Telekom Austria Group (VSE: TKA, OTC US: TKAGY) announces its results for the second quarter and the first half of 2020, ending June 30, 2020. The half-year report including the condensed consolidated financial statements will be published on July 21, 2020.

Key performance indicators

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Total revenues	1,095.7	1,122.6	-2.4	2,221.7	2,212.1	0.4
Service revenues	939.5	943.7	-0.4	1,889.3	1,868.1	1.1
thereof mobile service revenues	509.5	515.2	-1.1	1,030.3	1,010.1	2.0
thereof fixed-line service revenues	430.0	428.5	0.4	859.0	858.0	0.1
Equipment revenues	136.7	149.8	-8.7	294.8	293.3	0.5
Other operating income	19.5	29.1	-33.2	37.6	50.6	-25.7
EBITDA before restructuring	415.1	413.2	0.5	811.7	808.2	0.4
% of total revenues	37.9%	36.8%		36.5%	36.5%	
EBITDA	390.1	392.1	-0.5	770.7	766.2	0.6
% of total revenues	35.6%	34.9%		34.7%	34.6%	
EBIT	151.6	154.6	-1.9	299.0	294.8	1.4
% of total revenues	13.8%	13.8%		13.5%	13.3%	
Net result	113.8	70.0	62.7	203.1	155.9	30.3
% of total revenues	10.4%	6.2%		9.1%	7.0%	
Wireless indicators	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Wireless subscribers (thousands)	21,207.5	21,171.5	0.2	21,207.5	21,171.5	0.2
Postpaid	17,194.7	16,575.0	3.7	17,194.7	16,575.0	3.7
Prepaid	4,012.9	4,596.5	-12.7	4,012.9	4,596.5	-12.7
MoU (per Ø subscriber)	440.3	365.7	20.4	418.5	359.8	16.3
ARPU (in EUR)	8.0	8.2	-1.8	8.1	8.0	0.8
Mobile churn (%)	1.4%	1.5%		1.4%	1.6%	
Wireline indicators	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
RGUs (thousands)	6,104.7	6,176.3	-1.2	6,104.7	6,176.3	-1.2

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¹ Alternative performance measures are included in this report. For details please refer to the tables on page 15 onwards.

Q2 2020 Analysis

Group Summary

While the Covid-19 outbreak had only limited impact on Q1 2020 results, in Q2 2020 the effects of the severe lockdown measures imposed by almost all governments in our footprint signalled the upcoming challenges for our business. At the same time the financials of the second quarter of 2020 reflect a resilience in large parts of our operations and the positive effects of countermeasures taken by the management.

Reduced mobility, suspension of businesses and strict travel restrictions weighed on several aspects in Q2 2020, among which roaming traffic volumes, equipment sales and FX movements were most adversely affected. Initially imposed restrictions to public life, shops and borders closures were gradually lifted as of May 2020 when most of the countries decided to cautiously abandon those measures and were set to reopen their economies. However, certain travel restrictions and local measures have been reimposed since June 2020 as a response to rising infections rates in some regions.

The presentation for the conference call and key figures of A1 Telekom Austria Group in Excel format ('Fact Sheet Q2 2020') are available on the website at www.a1.group.

- Group total revenues decreased by 2.4%, due to lower equipment revenues and roaming losses as well as lower other operating income, following a real estate sale in Austria in the comparison period. Additionally, revenues were also impacted by negative FX effects stemming mainly from Belarus and to a lower extent from Croatia. Excluding FX and one-off effects, total revenues remained stable (-0.2%).
 - Mobile service revenues declined by 1.1% on a Group level as the growth in Austria, Bulgaria and Serbia was outweighed by roaming losses and negative FX effects
 - Fixed-line service revenues increased slightly by 0.4% as the growth in Bulgaria and Slovenia made up for the decline in Austria and other international markets
- Mobile contract subscribers rose by 3.7% with growth in almost all markets
- Fixed-line RGUs decreased by 1.2%, as the growth in high-bandwidth broadband and TV RGUs could not compensate for the decline of low-bandwidth broadband and fixed voice RGUs in Austria
- Group EBITDA before restructuring charges increased by 0.5% (reported: -0.5%) as roaming losses were more than outweighed by cost savings. Excluding one-off and FX effects as well as restructuring charges, Group EBITDA increased by 3.9%.
 - In Austria EBITDA before restructuring charges increased by 0.4% (reported: -1.3%) as mobile service revenues were able to grow despite the roaming losses, additionally supported by OPEX savings. Excluding a one-off effect in the comparison period, EBITDA before restructuring grew by 3.7%.
 - EBITDA in the international operations declined by 0.9%, mainly due to negative FX effects in Belarus and roaming losses in Croatia, while Bulgarian segment showed again a strong growth
- Net result increased by 62.7% compared to the previous year, both periods being significantly impacted by decided tax cases in Bulgaria
- Q2 2020 showed a particularly strong free cash flow generation of EUR 158.8 mn (Q2 2019: EUR 34.2 mn), due to lower capital expenditures paid and better working capital trends in the reporting period, while Q2 2019 was impacted by paid frequencies for spectrum auctions.
- Outlook 2020: ~2% decline of total revenues, mainly driven by negative impacts from roaming and FX as well as lower equipment revenues; Capex cuts of ~25% compared to the initial outlook (EUR 770 mn capital expenditures before spectrum and acquisitions) to ensure flexibility and to strengthen the free cash flow profile

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 about 5% due to the sharp decline of roaming traffic in the course of imposed travel restrictions
- Restructuring charges in Austria amounted to EUR 25.0 mn in Q2 2020 (Q2 2019: EUR 21.1 mn)
- There were positive one-off effects in Q2 2019 of EUR 8.2 mn in total revenues and EUR 6.8 mn in EBITDA, stemming mainly from the sale of a real estate included in other operating income in Austria.
- Negative FX effects amounted to EUR 16.4 mn in total revenues, EUR 12.2 mn in service revenues and EUR 7.1 mn in EBITDA in Q2 2020, stemming mainly from Belarus and to a lower extent from Croatia.

Mobile Subscribers and Fixed-line RGUs

Number of postpaid subscribers grew by 3.7% in Q2 2020, RGUs decreased by 1.2%

In mobile communications, the number of subscribers of the A1 Telekom Austria Group remained stable (+0.2%) at 21.2 million in the quarter under review. In the Austrian market, the regulation for registering SIM cards has been effective as of January 1, 2019. Existing customers could register until September 1, 2019. This led again to considerably lower gross additions and subscriber numbers in the prepaid segment.

The number of contract customers rose in almost all markets driven by ongoing strong demand for mobile WiFi routers. The number of A1 Digital M2M customers further increased in Q2 2020 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 1.1% year-on-year. The decline in RGUs in Austria was driven by low-bandwidth broadband and voice RGUs, while speed upgrades were particularly strong also in Q2 2020. In the international markets, the number of RGUs rose due to TV and broadband RGUs.

Austria

Key performance indicators

Financials

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Total revenues	635.9	658.5	-3.4	1,283.4	1,305.3	-1.7
Service revenues	574.1	576.6	-0.4	1,151.6	1,153.8	-0.2
thereof mobile service revenues	232.4	229.9	1.1	469.8	460.8	2.0
thereof fixed-line service revenues	341.7	346.7	-1.4	681.8	693.0	-1.6
Equipment revenues	51.0	62.1	-18.0	109.8	117.6	-6.6
Other operating income	10.9	19.8	-45.0	22.1	33.9	-35.0
EBITDA before restructuring	258.3	257.4	0.4	497.7	504.3	-1.3
% of total revenues	40.6%	39.1%		38.8%	38.6%	
EBITDA	233.3	236.3	-1.3	456.7	462.3	-1.2
% of total revenues	36.7%	35.9%		35.6%	35.4%	
EBIT	100.8	109.9	-8.3	195.6	211.7	-7.6
% of total revenues	15.9%	16.7%		15.2%	16.2%	

Wireless indicators	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Wireless subscribers (thousands)	5,003.7	5,241.2	-4.5	5,003.7	5,241.2	-4.5
thereof postpaid	3,915.2	3,851.8	1.6	3,915.2	3,851.8	1.6
thereof prepaid	1,088.6	1,389.4	-21.7	1,088.6	1,389.4	-21.7
MoU (per Ø subscriber)	383.7	279.3	37.3	366.6	278.7	31.5
ARPU (in EUR)	15.4	14.5	6.2	15.5	14.5	7.2
Mobile churn (%)	1.3%	1.4%		1.4%	1.4%	

Wireline indicators	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
RGUs (thousands)	3,193.7	3,283.7	-2.7	3,193.7	3,283.7	-2.7

In the second quarter of 2020, all Austrian network operators continued with the offering of their convergent products. Competition in the Internet@home business which comprises of mobile WiFi routers, hybrid and pure fixed-line broadband solutions remained intense in the second quarter of 2020, following new pricings of high-bandwidth products and bundles with security products.

To address these competition moves, A1 launched a new broadband promotion at the end of April 2020, offering attractive benefits to new and existing fixed-line broadband customers, such as a free tablet and no installation fee. As of June 29th, 2020, this promotion has been amended to include some special regional offers and above all a premium WiFi mesh set which provides for a better quality of the broadband Internet connection at the customer's premises also. The promotion aimed to improve the downward trend of fixed-line orders which were additionally discouraged by lockdown measures imposed earlier in March 2020. It resulted in improving numbers of gross-adds in May and considerably higher sales volumes in June compared to the previous year, improving the negative trend in net-adds from the previous quarter.

In the mobile segment, demand peaked on the business side during the initial few weeks of the lockdown, while the residential side showed some signs of slowing down. Yet, these trends reversed approaching the end of the quarter and the market dynamics started to normalize.

A1 launched its "5Giga" premium tariff portfolio in January 2020, for mobile and Internet@Home segments. 5GigaMobil tariffs offer a priority network proposition, unlimited data volumes, as well as the latest 5G devices. 5GigaNet tariffs feature a bandwidth guarantee of minimum 90% for FTTH products while 5GigaCube tariffs for mobile WiFi routers offer besides the priority network proposition increased speeds as well as premium hardware. While the initial uptake for these 5Giga tariffs showed strong demand in the first quarter, the trend has weakened with the new environment caused by the Covid-19 outbreak. Besides the 5GigaMobil tariffs, A1 offers attractive LTE mobile tariffs with increased data allowances.

Strong demand on the mobile business side during the first weeks of the lockdown

The competition in mobile low value and youth segments intensified again in the second quarter, with aggressive offers including voice and hardware promotions, which A1 continued to counter via special youth promotions and attractive offers with its no-frills brands. As SIM card registration has been effective as of January 1, 2019 for new customers and as of September 1, 2019 for existing customers, unregistered SIM cards will be cancelled by October 2020 at the latest. Prepaid revenues have only a minor impact on service revenues.

In March 2020, A1 successfully launched its new TV platform A1 Xplore TV with 260 channels, 7 day replay, multiscreen experience, up to 500 hours recording and many integrated apps on TV, tablet, smartphone, laptop and chromecast. While the migration of existing customers to the new platform started well and provided an additional support to ARPL in Q2 2020 due to the higher pricing of the new product, acquiring new customers remains a challenge.

In November 2019, prices for existing fixed-line voice customers were increased. As of April 1, 2020, an indexation of approx. 1.5% has been effective for existing customers in parts of the mobile high-value and the fixed-line business. Furthermore, the activation fee and the annual service fee have been increased for mobile customers and tariff switches respectively in February 2020.

Impact of Covid-19

The containment measures implemented by the Austrian government on March 16, 2020 have taken effect and the number of new infections in Austria was in continuous decrease during the second quarter. At around mid-May 2020, the country started with a gradual and monitored re-opening. Schools, restaurants and museums opened again on May 15th, while accommodation facilities have been available since May 29th. Shops of telecommunications providers were allowed to stay open during the lockdown. At the beginning of July 2020, regional measures have been reintroduced by some local governments as a response to some rises in the number of infections.

Mobile voice and data traffic started to normalize, but fixed line volumes still higher compared to pre- Covid-19 levels

The initial surge in mobile and fixed-line voice and data traffic following the announcement of containment measures started to decline only slowly towards the end of the second quarter and volumes in the fixed-line business are still higher compared to their pre-Covid-19 levels, while mobile voice and data traffic has normalized. TV usage and video-on-demand increased considerably during the lockdown but has returned to normal. Despite these initial rapid consumption increases, network quality, also at peak hours, remained high.

Extraordinarily high demand for mobile WiFi routers and mobile devices for business customers since the end of the first quarter, has started to normalize in May and June 2020. In the residential mobile business, gross adds began to improve after April 2020, while the churn remained low. The share of online purchases initially increased from below 10% to approximately 20%, yet resumed close to its old level after the lifting of lockdown measures.

At the beginning of June, the Austrian government started to re-open its borders with most neighbouring countries, while later in the month, the travel restriction ban was also lifted for other selected EU countries. As of July 1st, the government decided to shortlist several non-EU countries whose citizens may travel to Austria. Roaming revenues were hit considerably since March 2020 due to the premature stop of the winter tourist season and were additionally negatively affected by the imposed travel restrictions and border closures throughout the second quarter.

The fixed-line business continued to be shaped by strong demand of business customers for VPN connections and bandwidth upgrades, especially at the beginning of the second quarter. In the residential business, fixed-line orders initially declined due to lockdown measures, but the trend improved with the above mentioned broadband promotion. Demand for bandwidth upgrades of existing customers remained high in the second quarter. Fixed-line voice business, even though in a long-term declining trend, contributed

positively during the second quarter due to increased voice traffic and the price increases in November 2019.

Q2 2020 Results

Total revenues in the Austrian segment declined by 3.4% in the second quarter of 2020, driven by lower equipment revenues, roaming losses as well as other operating income which was higher in the comparison period, stemming from the sale of a real estate. Service revenues declined only slightly by 0.4%.

Mobile service revenues increased in the second quarter of 2020, as the strong demand for mobile WiFi routers and successful upselling activities in the high value segment outweighed the losses in roaming revenues caused by deteriorating market dynamics amidst the Covid-19 crisis. ARPU increased due to the higher share of contract customers following the SIM card registration. Additionally, the strong demand for mobile Wi-Fi routers and high value tariffs also drove ARPU.

Equipment revenues declined sharply due to a considerably lower number of sold devices during the containment period at the beginning of the second quarter.

Fixed-line service revenues declined by 1.4% in Q2 2020, entirely driven by markedly lower interconnection revenues as the international calls traffic volumes decreased during the outbreak and a less favorable destination mix. Retail fixed-line service revenues remained stable (-0.2%) and were positively affected by higher voice traffic and broadband upgrades, as well as above mentioned price increases. This came in spite of losses due to customers' voucher redemption and lower installation fees collected, both as consequences of the broadband promotion campaign mentioned above. Solutions and connectivity revenues grew in the second quarter, despite some negative pandemic effects, on the back of increased demand for data center, security and workplace services. ARPL increased by 3.9% due to successful upselling measures and the price increases in November 2019.

Internet@home subscriber numbers, which include pure fixed-line broadband RGUs, hybrid modems and mobile WiFi routers, grew by 1.5% year-on-year. This growth was once again driven by ongoing strong demand for both high and low value mobile WiFi routers.

Internet@home continued to grow at 1.5% year-on-year

The equipment margin worsened in the second quarter due to lower promotional deals as well as positive inventory value adjustments in the comparison period. Total subsidies decreased following the decline in equipment sales, attributable to the negative effect of the Covid-19 outbreak, while subsidies per device were also lower compared to previous year.

EBITDA before restructuring increased by 0.4% (reported: -1.3%), due to growing mobile service revenues despite the roaming losses as well as due to OPEX savings, especially in workforce costs and advertising expenses. While the former declined mainly due to lower travel and training expenses, the latter decreased mainly due to seasonal shifts of promotional activities. Additionally, EBITDA in the comparison period benefited from the above mentioned real estate sale. Excluding this one-off effect and restructuring charges, EBITDA showed a growth of 3.7%.

International operations

Key performance indicators

Financials in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Total revenues	465.9	476.2	-2.2	951.3	929.3	2.4
Service revenues	371.5	379.0	-2.0	750.6	735.8	2.0
thereof mobile service revenues	278.6	289.7	-3.8	563.6	557.2	1.2
thereof fixed-line service revenues	92.9	89.3	4.0	187.0	178.6	4.7
Equipment revenues	85.7	87.7	-2.3	184.6	176.0	4.9
Other operating income	8.7	9.5	-7.9	16.0	17.5	-8.6
EBITDA	172.0	173.6	-0.9	343.5	334.7	2.7
% of total revenues	36.9%	36.5%		36.1%	36.0%	
EBIT	67.6	63.1	7.2	136.0	115.0	18.2
% of total revenues	14.5%	13.3%		14.3%	12.4%	
Wireless indicators	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Wireless subscribers (thousands)	14,517.5	14,603.3	-0.6	14,517.5	14,603.3	-0.6
thereof postpaid	11,593.2	11,396.2	1.7	11,593.2	11,396.2	1.7
thereof prepaid	2,924.3	3,207.1	-8.8	2,924.3	3,207.1	-8.8
Wireline indicators	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
RGUs (thousands)	2,911.0	2,892.6	0.6	2,911.0	2,892.6	0.6

Excluding FX effects, EBITDA increased by 3.2% in CEE markets

The international operations showed a decline in total revenues of 2.2%, and in EBITDA of 0.9% mainly driven by the Belarus and the Croatian segment, while the Bulgarian segment grew again. Excluding the negative FX effects, the international operations grew by 1.3% and 3.2% in total revenues and EBITDA, respectively.

Bulgaria

Revenue growth remained solid on the Bulgarian market in Q2 2020, despite the negative pandemic effects. Service revenues grew on the back of the fixed-line business which continued to be driven by customized corporate solutions, upselling in the broadband segment as well as enriched TV content. That led to a higher ARPL as well as more TV and broadband RGUs. Mobile service revenues also increased due to effective upselling activities, however the growth slowed a bit due to declining roaming revenues.

General mobility restrictions with regards to Covid-19 were lifted beginning of May 2020, while recommendations to reduce physical contacts and to enable home office for employees still remain. All schools and universities will be closed until September 2020. The border closure has been lifted with the exception of certain nationalities with a high risk of pandemic spread. At the beginning of July, a slowly rising trend of new daily infections has been noticed in Bulgaria, which at the time did not have an effect on business operations in the country.

In Q2 2020, total revenues increased by 5.3% driven by higher service revenues (+6.0%) as well as slightly higher equipment revenues coming from ICT and business customers. Total costs and expenses rose due to higher content costs and higher administrative expenses, while the equipment margin deteriorated slightly. As a consequence, EBITDA increased by 6.7%.

Croatia

In Q2 2020, as self-isolation and physical distancing measures took place, the economic activity in Croatia showed first signs of a recession. Having strong dependency on tourism and Italy as the largest trading partner, the Croatian economy is being one of the hardest-hit in the region.

Triggered by the Covid-19 crisis, all telecom operators started to offer additional benefits to their customers, such as free TV content and special promotions on the fixed-line side as well as unlimited data tariffs, hardware discounts and free data packages on the mobile side.

In the fixed-line market, digital channel push and additional benefits for customers such as free TV content, hardware and discount promotions were all the reactions of A1 Croatia to Covid-19 challenges. In the mobile market, negative pandemic effects are mitigated with free data options, hardware discounts as well as high end tariffs with double data in the prepaid segment.

Following the easing of lockdown measures, borders with neighbouring and most of EU countries have been reopened as of beginning of June. The situation in tourism improved slightly compared to April and May, with certain Covid-19 preventive measures still in place and obligatory tourist registration prior to entering the country. All shops and shopping malls have been reopened, while schools and universities are allowed to work with limited capacity.

As of mid-June, the number of Covid-19 cases started to grow again and are now exceeding the first wave's peak from March. The government is considering a re-introduction of restrictions to some borders and public meetings in case of a further significant increase of Covid-19 cases, with the intent to avoid a full lockdown. Earlier on, the government had introduced measures to support businesses during the Covid-19 lockdown including postponements of payment for taxes, working capital and liquidity loans as well as minimal salary support to affected businesses.

The Croatian Kuna depreciated by 2.1% (period average) against the Euro in Q2 2020, which led to negative FX impact of EUR 2.2 mn on total revenues and EUR 0.7 mn on EBITDA.

In Q2 2020, total revenues in the Croatian segment declined by 6.8% year-on-year driven by lower service revenues and reduced equipment sales. Decline in service revenues was driven by lower roaming and inter-connection revenues as well as unfavourable FX impacts. Lower costs and expenses due to reduced sales and marketing expenses as well as administration costs could not compensate for the decline in service revenues, which drove EBITDA down by 3.2% compared to the previous year.

Belarus

In Q2 2020, economic activity in Belarus slowed down and businesses also suffered from the Covid-19 pandemic. Inflation rate came in at 5.2% in June 2020. The Belarusian Ruble depreciated against Euro in Q2 2020 by 12.2% compared to the same period last year (period average).

In the second quarter, market dynamics slowed down and while operators continued to focus on retaining and upselling of existing customers, acquiring new customers has become more difficult. A1 benefits from the ability to offer nationwide LTE coverage following the acquisition of LTE capacities in December 2019.

In contrast to the other A1 markets, the Belarusian government imposed no official restrictions in connection with the Covid-19 outbreak but people have been asked to minimize social contacts. Since mid-April the country's pandemic situation worsened and the number of officially reported new infections started to rise. However, this trend stabilized in June and the number of new Covid-19 cases started to decline towards the end of the second quarter. As of April 24, 2020, A1 Belarus closed some less frequented shops and has launched an online store in order to shift more sales to digital channels. At the beginning of July 2020, all own A1 points of sales have been reopened and are functioning at full capacity.

As of March 26, 2020 A1 Belarus successfully launched its attractive #stayonline initiative with unlimited data and 30 free TV channels, films and series for upselling existing mobile and fixed-line customers. This continued also in the second quarter of 2020 and played an important role in the acquisition of new customers.

Already in the second half of 2019, A1 Belarus redesigned its mobile portfolio to include more data-centric propositions and optional data add-ons for voice-only prepaid propositions as well as aiming to shift prepaid customers to contract offers. In Q2 2020, A1 launched a convergent service plan including mobile and fixed-line connectivity as well as TV services which has been positively accepted by the market and resulted in higher subscriber numbers.

As of July 1, 2019, an inflation-linked price increase for mobile customers of 4.3% was implemented. Fixed-line tariffs for existing customers were increased by 6.0% in June 2019.

Due to negative FX effects of EUR 14.2 mn, total revenues declined in Euro terms, while they rose by 6.9% on a local currency basis. The growth was driven by higher service revenues as mobile service revenues grew despite the negative roaming effect due to the upselling measures and structural shifts to the new portfolio with higher monthly fees as well as due to the above mentioned price increase. Also, fixed-line service revenues rose on the back of price increases. The equipment margin improved driven by a better ICT equipment margin resulting from a large business project. Costs and expenses were lower on the local currency basis, mainly due to lower equipment costs but also due to lower advertising expenses. On a local currency basis, EBITDA increased by 7.9% compared to the same period last year. In Euro terms, EBITDA declined by 5.5%.

Other Segments

In Q2 2020, competition in the Slovenian mobile market remained intense and all operators continued with their promotions. Although the market had become calmer in April due to the Covid-19 crisis, the activity gradually returned in May and June to its pre-Covid-19 levels. A1 Slovenia introduced its new Xplore TV platform on the market, together with new propositions such as higher speeds, satisfaction guarantee, non-binding as well as increased pricing. Most of Covid-19 measures imposed around mid-March have now been lifted and mobility of the population is returning to normal. Border closures remained in place only for certain countries with critical pandemic development. Total revenues declined by 1.4% in Q2 2020, driven by lower service revenues as higher fixed-line revenues only partly mitigated the decline in mobile service revenues. While the former increased due to successful customer acquisition and increasing subscriber base the latter declined due to lower roaming revenues as well as reduced inbound airtime and migration to bundle plans. Costs and expenses declined slightly in Q2 2020, mainly due to lower sales costs and lower administration expenses. Equipment costs increased, however, following higher subsidy levels after the lifting of Covid-19 restrictions which weighed on the equipment margin. In total, EBITDA decreased by 2.9%.

While the mobile market in Serbia started to show maturity signs with declining subsidies in the first quarter, after the Covid-19 lockdown in the second quarter the competition has become more aggressive, introducing hardware promotions with discounts and higher subsidies. The redesign of the portfolio in February 2020 with a "more for more" concept with higher data allowances for tariffs including hardware led to a stronger differentiation against SIM only tariffs which continued also in Q2 2020. Similarly, demand for unlimited voice and SMS tariffs with flat data allowances and the popularity of mobile WiFi routers have increased even more in the second quarter. During the Covid-19 outbreak, the competition offered free add-ons for social network apps as a part of an appeal to its users to stay at home. Vip mobile also provided free-of-charge services to access certain home schooling materials. Strict lockdown measures with curfews, closed public institutions and transportation as well as the repayment relief programs that had been in place from mid-March were gradually lifted starting mid-May. At the beginning of July, a rising number of infections appeared in the country, causing several containment measures to be re-imposed by city governments.

Total revenues declined by 1.2% as the growth of service revenues was outweighed by the decline of equipment revenues following reduced equipment sales during the lockdown time. Costs and expenses also came down mainly due to lower administration expenses as well as lower advertising and lower commission costs. The equipment margin worsened due to lower quantities sold and deferrals in relation with IFRS 15. Alltogether, that led to EBITDA increase of 1.2% year-on-year.

With the introduction of a regional retail roaming agreement for the Western Balkan countries, roaming rates have been cut as of July 1, 2019 and are planned to be abolished entirely by July 1, 2021. This affects both Serbia and North Macedonia.

In Q2 2020, mobile operators in North Macedonia focused on promotional activities through online sales channels following publicly restricted working hours and addressed mainly their prepaid and business segments with attractive data packages and office products, accompanied by higher subsidies. A1 used the opportunity to launch digital products like A1 Live shop and SMS bill. As of March 11, 2020, restrictions on public life were introduced with closed schools and universities. Also telecommunication shops were partially closed. While the pandemic situation improved initially, it started to worsen around the end of May. Thus most of the measures which were lifted at the end of May and beginning of June had to be re-introduced shortly afterwards, impacting the pace of market recovery.

Total revenues declined by 3.5% driven by lower mobile service revenues which were partially mitigated by a slight increase in fixed-line service revenues. Mobile service revenues declined due to deteriorating trends in the business and prepaid segments. Costs and expenses were lower mainly due to a decrease in advertising expenses. A better equipment margin only partially compensated for the decline in service revenues, resulting in 6.0% lower EBITDA.

Half-year Highlights

- Group total revenues increased slightly by 0.4%, driven by service revenue growth despite roaming losses, compensating for lower other operating income, which was impacted by a real estate sale in Austria in Q2 2019. Excluding FX and one-off effects, total revenues increased by 1.6%.
- Mobile service revenues rose by 2.0%, driven by Austria, Bulgaria and Serbia mainly due to the ongoing strong demand for mobile WiFi routers
- Fixed-line service revenues remained stable (+0.1%), as the growth in international markets compensated for the decline in Austria.
- Group EBITDA before restructuring charges increased by 0.4%, driven by higher service revenues. Excluding also one-off and FX effects, EBITDA increased by 2.3%.
 - In Austria, EBITDA before restructuring declined by 1.3% negatively impacted by roaming losses and the lower equipment margin in Q1 2020. Excluding also the one-off effect in the comparison period, Austrian EBITDA remained stable (+0.3%).
 - The increase in EBITDA for the international operations of 2.7% was particularly supported by Bulgaria, Belarus and Serbia.
- Net result increased from EUR 155.9 mn in the first half of 2019 to EUR 203.1 mn in the first half of 2020

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

- Total one-off effects of positive EUR 8.2 mn in revenues and EUR 6.8 mn in EBITDA in the first half of 2019, stemming mainly from a real estate sale included in other operating income in Austria .
- Negative FX effects amounted to EUR 18.5 mn in total revenues, EUR 13.9 mn in service revenues and EUR 8.0mn in EBITDA in the first half of 2020, stemming mainly from Belarus and to a lower extent from Croatia

Group profit and loss – below EBITDA

In the first half of 2020, **depreciation and amortization** (incl. rights of use) remained stable (-0.1%) at EUR 471.7 mn.

Operating income increased by 1.4% from EUR 294.8 mn in the first half of 2019 to EUR 299.0 mn in the first half of 2020.

Net result increased by 30.3% in the first half of 2020

Net result increased by 30.3% from EUR 155.9 mn in the first half of 2019 to EUR 203.1 mn in the reporting period, significantly impacted by decided tax cases in Bulgaria

Cash flow

(in EUR million)	1-6 M 2020	1-6 M 2019	% change
Cash flow from operating activities	758.9	668.8	13.5
Capital expenditures paid	-370.3	-473.2	21.7
Proceeds from sale of plant, property and equipment	5.3	11.7	-54.8
Interest paid	-44.5	-53.7	17.1
Lease principal paid	-85.8	-84.9	-1.1
Free cash flow	263.5	68.7	283.8

Cash flow from operating activities increased in the first half of 2020 due to lower working capital needs and lower income taxes paid. In the first half of 2020, 'Changes in financial positions and other' in the amount of EUR -55.2 mn (1-6M 2019: -135.9) were mainly driven by the decrease of trade receivables, lower accounts payable and restructuring payments.

Capital expenditures paid in the first half of 2020 declined due to acquired frequencies in the comparison period and reduced spending in the reporting period following the postponement of some investments. Proceeds from the sale of plant, property and equipment came in lower in the first half of 2020 as the comparison period benefited from the sale of real estate in Austria, while interest paid were impacted by the Bulgarian tax cases. In total, free cash flow increased from EUR 68.7 mn in the first half of 2019 to EUR 263.5 mn in the reporting period.

Net Debt

in EUR million	Jun 30, 2020	Dec 31, 2019	% change
Long-term debt	2,541.1	2,539.6	0.1
Lease liability long-term	745.4	788.2	-5.4
Short-term debt	0.0	123.0	-100.0
Lease liability short-term	152.9	152.6	0.2
Cash and cash equivalents	-141.0	-140.3	-0.5
Net debt (incl. leases)	3,298.4	3,463.1	-4.8
Net debt (incl. leases) / EBITDA (12 months)	2.1x	2.2x	
in EUR million	Jun 30, 2020	Dec 31, 2019	% change
Net debt (excl. leases)	2,400.2	2,522.3	-4.8
Net debt (excl. leases) / EBITDA after leases (12 months)	1.7x	1.8x	

Net debt (incl. leases) declined by 4.8%, mainly driven by the redemption of multi-currency-notes. Net debt (excl. leases) / EBITDA after leases (12 months) decreased from 1.8 as of December 31, 2019 to 1.7x as of June 30, 2020.

Capital expenditures

In the first half of 2020, capital expenditures decreased by 22.0% to EUR 323.5 mn. Tangible capital expenditures declined by 4.0% to EUR 267.4 mn, mainly due to postponements and cuts of some investments in Austria as well as in our international footprint.

Intangible capital expenditures declined from EUR 136.2 mn in the comparison period to EUR 56.1 mn in the first half of 2020 due to acquired frequencies in Q2 2019 in Austria (3.5 GHz; EUR 64.3 mn), Belarus (2.1 GHz; EUR 9.5 mn) and Croatia (2.1 GHz; EUR 7.2 mn).

A1 Telekom Austria Group outlook for the full year 2020

New outlook 2020:
~2% decline of total revenues; CAPEX cuts of approx. 25% vs. initial outlook (EUR 770 mn) to ensure flexibility and strengthen free cash flow

As a consequence of the rising uncertainties following the outbreak of the Covid-19 pandemic, back in April 2020 A1 Telekom Austria Group suspended its initial outlook for 2020 of approximately 1-2% growth in total revenues and of capital expenditures before spectrum and acquisitions of approximately EUR 770 mn. Due to the meanwhile better visibility of the impacts of the pandemic and of the countermeasures taken, the Management of A1 Telekom Austria Group has decided to present a new outlook for the financial year 2020. This outlook is however subject to no material deterioration of the pandemic, which would affect the economies in our footprint.

Q2 2020 results were heavily impacted by reduced roaming revenues following the travel restrictions. Although they have been lifted mostly within the EU in the meantime, international travelling is still very restrained and this is expected to remain throughout the rest of the year. Therefore, we estimate a negative impact out of reduced roaming on full-year 2020 total revenues of about 2%.

Equipment revenues declined sharply due to considerably lower number of sold devices during the containment period at the beginning of Q2 2020. Although bad debts have shown limited operational impact on bill collections so far, the general allowances have been increased as a precautionary step.

In Belarus, the results were materially affected by the devaluation of the Belarusian Ruble in the first half of the year 2020. The Management of A1 Telekom Austria Group expects the currency to depreciate by around 15% (period average) against the Euro in 2020, although it should be noted that the predictability of the Belarusian Ruble is generally limited.

Despite these challenges, we saw overall a solid resilience in large parts of our business in the second quarter of 2020, which together with additional support from cost savings translated into operative EBITDA growth. The free cash flow benefited also from lower capital expenditures following restrained investment policies. A1 Telekom Austria Group will continue to have a strong focus on efficiency improvements to mitigate the expected negative impacts during the rest of the year.

As the situation presents itself at the moment, the Management of A1 Telekom Austria Group expects for the full year 2020 a moderate decrease in total revenues of approximately 2%. Capital expenditures before spectrum investments and acquisitions are intended to be cut by approximately 25% from the initial outlook of EUR 770 mn to ensure full flexibility and strengthen the free cash flow profile. As stated above, this outlook is subject to no material deterioration of the pandemic situation.

The Management board currently intends proposing a dividend per share of EUR 0.23 to the annual general meeting 2020, which will take place on September 24, 2020. Dividend payments follow our current dividend policy which is closely monitored and adapted if needed.

In the last years, A1 Telekom Austria Group focused on deleveraging which led to a resilient balance sheet structure with net debt (excl. leases) / EBITDA after leases at 1.7x as of June 30, 2020. A1 Telekom Austria Group can rely on undrawn committed credit lines of EUR 1.1 bn, resulting in a strong liquidity position, which was also underpinned by S&P Global's affirmation of the BBB+ credit rating in April 2020 (outlook: stable).

Detailed Figures

Revenues

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Austria	635.9	658.5	-3.4	1,283.4	1,305.3	-1.7
Bulgaria	121.5	115.4	5.3	249.0	226.5	9.9
Croatia	99.3	106.5	-6.8	200.4	208.6	-3.9
Belarus	98.3	105.2	-6.5	207.9	198.9	4.5
Slovenia	50.8	51.5	-1.4	99.4	102.6	-3.2
Serbia	68.1	68.9	-1.2	136.7	134.0	2.0
North Macedonia	28.3	29.3	-3.5	57.9	59.6	-2.9
Corporate & other, eliminations	-6.4	-12.6	n.m.	-13.1	-23.5	n.m.
Total revenues	1,095.7	1,122.6	-2.4	2,221.7	2,212.1	0.4

Service Revenues

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Austria	574.1	576.6	-0.4	1,151.6	1,153.8	-0.2
Bulgaria	99.0	93.4	6.0	197.7	182.9	8.1
Croatia	86.1	91.5	-5.9	174.4	177.0	-1.5
Belarus	72.5	79.2	-8.4	150.6	151.2	-0.4
Slovenia	38.6	39.5	-2.5	76.8	78.4	-2.1
Serbia	51.7	51.1	1.2	103.7	98.3	5.5
North Macedonia	23.8	24.9	-4.2	48.1	48.9	-1.6
Corporate & other, eliminations	-6.3	-12.5	n.m.	-13.6	-22.4	n.m.
Total service revenues	939.5	943.7	-0.4	1,889.3	1,868.1	1.1

Mobile Service Revenues

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Austria	232.4	229.9	1.1	469.8	460.8	2.0
Bulgaria	66.5	64.5	3.1	133.1	126.3	5.4
Croatia	55.3	59.8	-7.5	111.5	113.6	-1.9
Belarus	61.2	67.6	-9.4	127.5	128.7	-0.9
Slovenia	28.3	30.2	-6.2	56.4	59.6	-5.4
Serbia	49.5	48.7	1.6	99.3	93.3	6.4
North Macedonia	18.1	19.4	-7.0	36.6	36.6	-0.1
Corporate & other, eliminations	-1.7	-4.9	n.m.	-3.8	-8.7	n.m.
Total mobile service revenues	509.5	515.2	-1.1	1,030.3	1,010.1	2.0

Fixed-Line Service Revenues

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Austria	341.7	346.7	-1.4	681.8	693.0	-1.6
Bulgaria	32.6	28.9	12.5	64.7	56.6	14.2
Croatia	30.7	31.6	-2.8	62.9	63.3	-0.7
Belarus	11.3	11.6	-2.1	23.1	22.6	2.5
Slovenia	10.3	9.4	9.4	20.4	18.9	8.3
Serbia	2.3	2.4	-6.1	4.4	5.0	-12.4
North Macedonia	5.8	5.5	5.5	11.5	12.3	-6.2
Corporate & other, eliminations	-4.6	-7.6	n.m.	-9.8	-13.7	n.m.
Total fixed line service revenues	430.0	428.5	0.4	859.0	858.0	0.1

Other Operating Income

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Austria	10.9	19.8	-45.0	22.1	33.9	-35.0
Bulgaria	1.4	1.3	11.8	2.2	2.9	-23.6
Croatia	1.2	1.9	-36.6	2.3	3.3	-31.2
Belarus	4.4	4.8	-8.9	7.3	7.4	-1.5
Slovenia	0.8	0.8	3.1	1.7	1.6	5.8
Serbia	0.8	0.6	36.3	1.7	1.4	16.3
North Macedonia	0.2	0.2	1.0	0.3	0.9	-68.7
Corporate & other, eliminations	-0.1	-0.1	n.m.	0.1	-0.9	n.m.
Total other operating income	19.5	29.1	-33.2	37.6	50.6	-25.7

EBITDA

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Austria	233.3	236.3	-1.3	456.7	462.3	-1.2
Bulgaria	48.1	45.1	6.7	94.0	87.9	6.9
Croatia	33.8	34.9	-3.2	67.1	66.6	0.8
Belarus	45.2	47.8	-5.5	92.6	90.4	2.5
Slovenia	14.1	14.5	-2.9	27.9	28.4	-1.7
Serbia	20.7	20.4	1.2	41.1	39.4	4.2
North Macedonia	10.2	10.9	-6.0	20.8	22.0	-5.1
Corporate & other, eliminations	-15.3	-17.8	14.4	-29.6	-30.8	4.1
Total EBITDA	390.1	392.1	-0.5	770.7	766.2	0.6

EBITDA After Leases*

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Austria	213.1	216.3	-1.5	416.4	422.5	-1.4
Bulgaria	41.2	38.4	7.3	80.2	74.7	7.5
Croatia	30.0	31.0	-3.4	59.6	58.8	1.3
Belarus	41.7	43.9	-5.1	85.4	83.0	3.0
Slovenia	9.6	10.1	-5.5	18.9	19.8	-4.4
Serbia	16.4	16.4	0.0	32.6	31.4	3.8
North Macedonia	8.6	9.3	-7.7	17.6	18.8	-6.8
Corporate & other, eliminations	-15.4	-17.9	14.1	-29.8	-30.9	3.7
Total EBITDA after leases	345.2	347.7	-0.7	681.1	678.2	0.4

* EBITDA after leases is defined as EBITDA plus depreciation of right-of-use assets and interest expense on lease liabilities

Depreciation and Amortization

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Austria	132.5	126.4	4.9	261.1	250.6	4.2
Bulgaria	29.7	28.6	3.6	58.9	56.7	4.0
Croatia	26.1	26.2	-0.3	50.7	51.5	-1.6
Belarus	16.3	23.6	-30.9	33.9	46.8	-27.5
Slovenia	11.3	11.2	0.3	22.2	21.9	1.7
Serbia	13.8	13.8	-0.1	27.2	27.5	-0.9
North Macedonia	7.5	7.3	3.2	15.0	15.7	-4.6
Corporate & other, eliminations	1.3	0.4	241.3	2.6	0.7	298.1
Total D&A	238.5	237.5	0.4	471.7	471.3	0.1

EBIT

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Austria	100.8	109.9	-8.3	195.6	211.7	-7.6
Bulgaria	18.4	16.4	12.1	35.0	31.2	12.4
Croatia	7.7	8.7	-12.0	16.5	15.1	8.8
Belarus	28.8	24.2	19.3	58.7	43.6	34.7
Slovenia	2.8	3.3	-13.9	5.7	6.5	-13.3
Serbia	6.9	6.7	3.9	13.8	11.9	16.2
North Macedonia	2.8	3.6	-24.3	5.9	6.3	-6.3
Corporate & other, eliminations	-16.6	-18.2	9.0	-32.2	-31.5	-2.3
Total EBIT	151.6	154.6	-1.9	299.0	294.8	1.4

Capital Expenditures

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Austria	96.0	181.4	-47.1	226.1	290.4	-22.1
Bulgaria	14.9	16.3	-8.7	29.2	26.5	10.4
Croatia	13.6	21.6	-37.3	27.7	46.3	-40.3
Belarus	7.5	20.5	-63.7	15.9	27.2	-41.5
Slovenia	4.6	3.9	17.2	6.9	6.1	12.7
Serbia	7.6	7.7	-1.1	10.2	10.4	-2.3
North Macedonia	2.5	3.9	-37.4	6.0	5.4	11.4
Corporate & other, eliminations	0.7	1.4	-46.5	1.5	2.3	-33.9
Total capital expenditures	147.3	256.8	-42.6	323.5	414.6	-22.0

Capital Expenditures – Tangible

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Austria	76.9	97.0	-20.7	184.9	186.6	-0.9
Bulgaria	12.6	13.6	-7.7	24.4	21.0	16.1
Croatia	12.7	19.8	-35.6	24.7	35.6	-30.5
Belarus	6.1	9.7	-36.6	12.0	15.2	-21.1
Slovenia	3.8	3.3	15.0	5.9	5.2	13.1
Serbia	6.9	6.5	6.0	9.6	8.5	13.4
North Macedonia	1.9	3.7	-48.5	5.2	5.0	4.6
Corporate & other, eliminations	0.3	0.8	-61.2	0.7	1.4	-54.1
Total capital expenditures - tangible	121.3	154.5	-21.5	267.4	278.5	-4.0

Capital Expenditures – Intangible

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Austria	19.1	84.4	-77.3	41.2	103.8	-60.3
Bulgaria	2.3	2.7	-14.2	4.8	5.5	-11.7
Croatia	0.8	1.8	-56.1	3.0	10.8	-72.6
Belarus	1.3	10.8	-87.9	4.0	12.1	-67.1
Slovenia	0.8	0.6	28.4	1.0	0.9	10.3
Serbia	0.7	1.2	-40.6	0.5	1.9	-72.6
North Macedonia	0.5	0.2	173.7	0.8	0.4	102.7
Corporate & other, eliminations	0.4	0.5	-23.1	0.9	0.9	-1.7
Total capital expenditures - intangible	26.0	102.3	-74.6	56.1	136.2	-58.8

Wireless Subscribers

in thousands	Q2 2020	Q2 2019	% change
Austria	5,003.7	5,241.2	-4.5
thereof postpaid	3,915.2	3,851.8	1.6
Bulgaria	3,758.5	3,836.8	-2.0
thereof postpaid	3,379.2	3,408.1	-0.8
Croatia	1,871.9	1,843.9	1.5
thereof postpaid	1,144.7	1,073.6	6.6
Belarus	4,863.9	4,869.4	-0.1
thereof postpaid	4,122.0	4,069.1	1.3
Slovenia	699.4	697.0	0.3
thereof postpaid	627.8	616.8	1.8
Serbia	2,272.6	2,271.5	0.1
thereof postpaid	1,591.3	1,523.8	4.4
North Macedonia	1,051.1	1,084.7	-3.1
thereof postpaid	728.2	704.7	3.3
Total wireless subscribers	21,207.5	21,171.5	0.2
thereof postpaid	17,194.7	16,575.0	3.7

RGUs

in thousands	Q2 2020	Q2 2019	% change
Austria	3,193.7	3,283.7	-2.7
Bulgaria	1,074.9	1,044.9	2.9
Croatia	676.1	703.6	-3.9
Belarus	618.1	624.4	-1.0
Slovenia	208.4	190.4	9.4
North Macedonia	333.5	329.3	1.3
Total RGUs	6,104.7	6,176.3	-1.2

Mobile churn

in %	Q2 2020	Q2 2019	1-6 M 2020	1-6 M 2019
Austria	1.3%	1.4%	1.4%	1.4%
Bulgaria	1.5%	1.4%	1.4%	1.9%
Croatia	1.6%	1.8%	1.9%	2.3%
Belarus	1.2%	1.4%	1.2%	1.4%
Slovenia	1.1%	1.3%	1.1%	1.3%
Serbia	2.4%	2.7%	2.5%	2.7%
North Macedonia	1.9%	1.5%	1.7%	1.5%

EBITDA per segment - adjusted for FX-, one-off effects and restructuring charges

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Austria	258.3	249.2	3.7	497.7	496.1	0.3
Bulgaria	48.1	45.1	6.7	94.0	87.9	6.9
Croatia	34.5	34.9	-1.1	68.2	66.6	2.3
Belarus	51.6	47.8	7.9	99.7	90.4	10.3
Slovenia	14.1	15.5	-9.0	27.9	29.4	-5.0
Serbia	20.6	20.9	-1.1	40.9	39.8	2.7
North Macedonia	10.3	10.9	-5.7	20.9	22.0	-4.9
Corporate & other, eliminations	-15.3	-17.8	n.m.	-29.6	-30.8	n.m.
Total adjusted EBITDA	422.3	406.4	3.9	819.7	801.4	2.3

Group EBITDA - adjustments for FX-, one-off effects and restructuring charges

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
EBITDA	390.1	392.1	-0.5	770.7	766.2	0.6
FX translation effect	7.1			8.0		
One-off effects		-6.8			-6.8	
Restructuring charges	25.0	21.1		41.0	42.0	
EBITDA - excl. FX-, one off effects and restructuring charges	422.3	406.4	3.9	819.7	801.4	2.3

Austria EBITDA - adjustments for one-off effects and restructuring charges

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
EBITDA	233.3	236.3	-1.3	456.7	462.3	-1.2
One-off effects		-8.2			-8.2	
Restructuring charges	25.0	21.1		41.0	42.0	
EBITDA excl. one off effects and restructuring charges	258.3	249.2	3.7	497.7	496.1	0.3

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

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
EBITDA after leases	345.2	347.7	-0.7	681.1	678.2	0.4
FX translation effect	7.1			8.0		
One-off effects		-6.8			-6.8	
Restructuring charges	25.0	21.1		41.0	42.0	
EBITDA after leases - excl. FX-, one-off effects and restructuring charges	377.4	362.0	4.3	730.1	713.4	2.3

ARPU

ARPU-relevant revenues are wireless service revenues, i.e. mobile retail revenues (incl. customer roaming) and mobile interconnection as well as visitor roaming and national roaming revenues. The ARPU is calculated based on ARPU-relevant revenues divided by the average subscribers in a certain period.

in EUR	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Austria	15.4	14.5	6.2	15.5	14.5	7.2
Bulgaria	5.9	5.6	4.2	5.8	5.5	6.3
Croatia	9.9	11.0	-9.9	10.0	10.5	-4.8
Belarus	4.2	4.6	-9.6	4.4	4.4	-1.2
Slovenia	13.5	14.4	-6.5	13.4	14.2	-5.9
Serbia	7.3	7.2	0.6	7.2	7.0	3.6
North Macedonia	5.7	6.0	-5.3	5.7	5.6	0.7
Group ARPU	8.0	8.2	-1.8	8.1	8.0	0.8

ARPL (reported)

ARPL-relevant revenues are fixed retail revenues and fixed interconnection revenues. The ARPL is calculated by dividing ARPL-relevant revenues by average fixed access lines in a certain period. The difference to fixed-line service revenues represents interconnection transit revenues, solutions & connectivity revenues and other revenues.

in EUR	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Austria	32.5	31.2	3.9	32.2	31.2	3.3
Bulgaria	13.4	13.3	1.1	13.4	13.2	1.8
Croatia	31.0	30.1	3.0	31.3	30.2	3.5
Belarus	5.9	5.9	0.4	6.1	5.6	8.0
Slovenia	33.2	35.3	-5.8	33.4	35.8	-6.8
Serbia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
North Macedonia	10.8	10.8	-0.3	10.8	10.9	-0.6

ARPL-relevant revenues (in EUR million)	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Austria	188.6	189.0	-0.2	376.6	379.6	-0.8
Bulgaria	22.2	21.5	3.2	44.3	42.6	4.0
Croatia	26.3	27.0	-2.4	53.6	54.1	-1.0
Belarus	6.8	7.4	-8.7	14.0	14.5	-3.8
Slovenia	8.5	8.2	3.9	16.9	16.3	3.4
Serbia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
North Macedonia	5.0	4.9	1.1	10.0	9.9	1.2

Access lines (in '000)	Q2 2020	Q2 2019	% change
Austria	1,929.7	2,006.5	-3.8
Bulgaria	552.3	542.6	1.8
Croatia	281.8	298.1	-5.5
Belarus	380.9	405.3	-6.0
Slovenia	85.9	77.9	10.4
Serbia	n.a.	n.a.	n.a.
North Macedonia	153.5	152.2	0.9

Belarus Key Financials in EUR and BYN

Due to the impact on the consolidated results of occasionally substantial fluctuations in the Belarusian Ruble, the performance of the Belarusian segment is also presented in local currency.

in EUR million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Total revenues	98.3	105.2	-6.5	207.9	198.9	4.5
Total costs and expenses	-53.2	-57.4	7.3	-115.3	-108.5	-6.2
EBITDA	45.2	47.8	-5.5	92.6	90.4	2.5

in BYN million	Q2 2020	Q2 2019	% change	1-6 M 2020	1-6 M 2019	% change
Total revenues	264.5	247.4	6.9	535.1	475.8	12.5
Total costs and expenses	-143.3	-134.8	-6.3	-296.7	-259.5	-14.3
EBITDA	121.2	112.5	7.7	238.4	216.3	10.2

Additional Information

Risks and Uncertainties

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 Annual Report 2019, pp. 74 ff.

Waiver of Review

This financial report of the A1 Telekom Austria Group contains quarterly and half-year 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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