



Results for Q4 2022 and FY 2022

Cautionary statement

This presentation 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 Telekom Austria AG nor the A1 Group nor any other person accepts any liability for any such forward-looking statements. A1 Group will not update these forward-looking statements, whether due to changed factual circumstances, changes in assumptions or expectations.

Alternative performance measures are used to describe the operational performance. Please therefore also refer to the financial information presented in the Consolidated Financial Statements, as well as the reconciliation tables provided in the Earnings Release. This presentation was created with care and all data has been checked conscientiously. Nevertheless, the possibility of layout and printing errors cannot be excluded. The use of automated calculation systems may give rise to rounding differences.

This presentation does not constitute a recommendation or invitation to purchase or sell securities of A1 Group.

Highlights

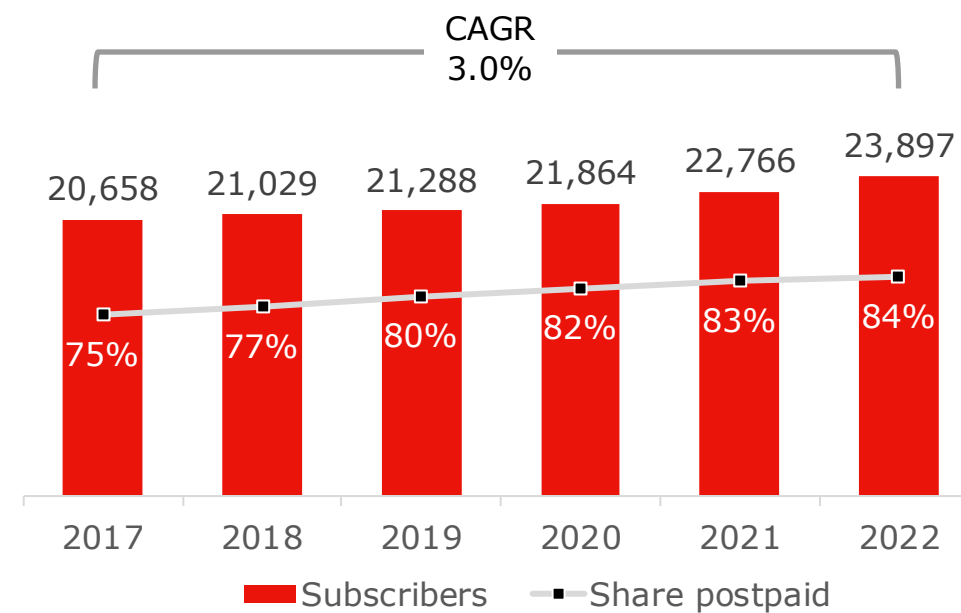
- 2022 revenues: +5% passing the € 5 bn mark. Service revenues grew in all markets
- 2022 EBITDA: +8% despite rising core OPEX
- CAPEX increase mainly driven by accelerated fiber and 5G roll-out activities in Austria
- 2022 FCF: +24% demonstrates strong operating performance and working capital management
- Dividend proposal of € 0.32/share (previous year: € 0.28); well covered by earnings and free cash flow
- Credit rating upgrade by S&P to A-; best S&P rating in A1 Telekom Austria Group's corporate history
- Upgrade of ESG ratings
- Deregulation of Austrian wholesale market
- Main shareholders: Extension of syndicate agreement and spin-off of tower business



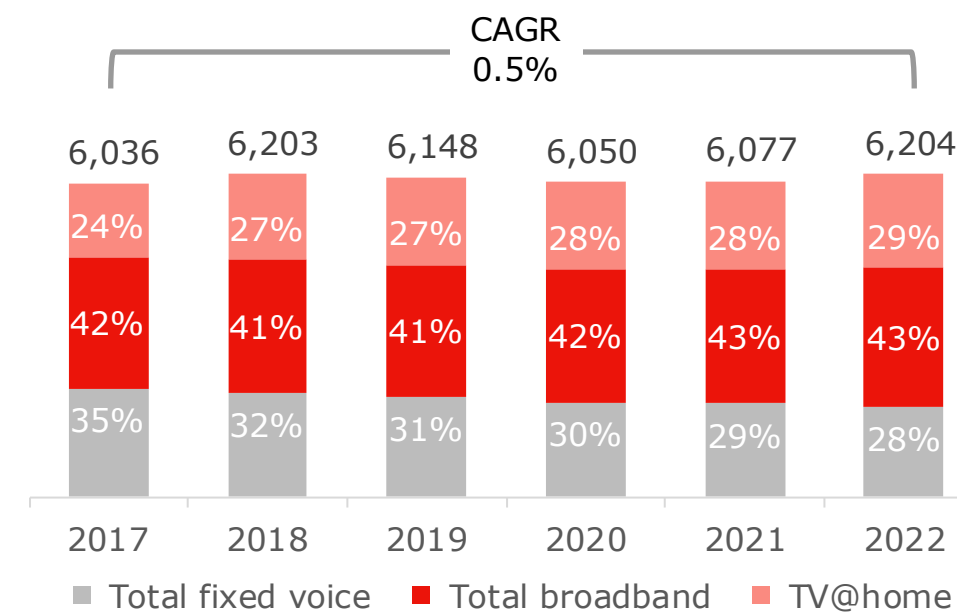
Source Sustainalytics. Sustainalytics, a Morningstar company, is a leading independent ESG research, ratings and data firm, has recognized Telekom Austria as a Sustainalytics ESG Top Rated Company.

Customer-related information

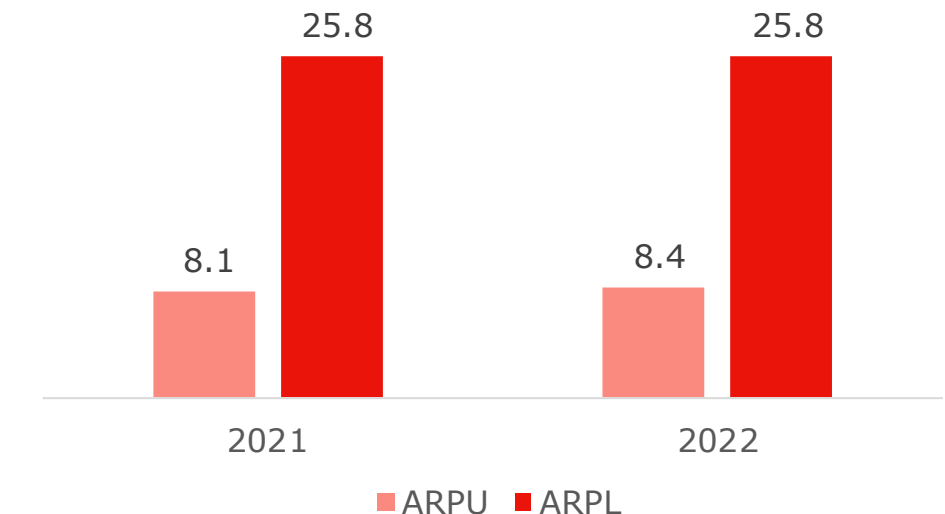
Mobile subscribers (in thousand)



RGUs (in thousand)



2022 ARPU and ARPL (in €)



Number of **mobile subscribers** rose by 5.0% in 2022. Share of contract customers has been constantly increasing.

6.2 mn **RGUs** (+2.1% yoy). Share of fixed voice constantly declining whereas broadband and TV@home grows.

FY 2022 Group **ARPU** +2.7% yoy

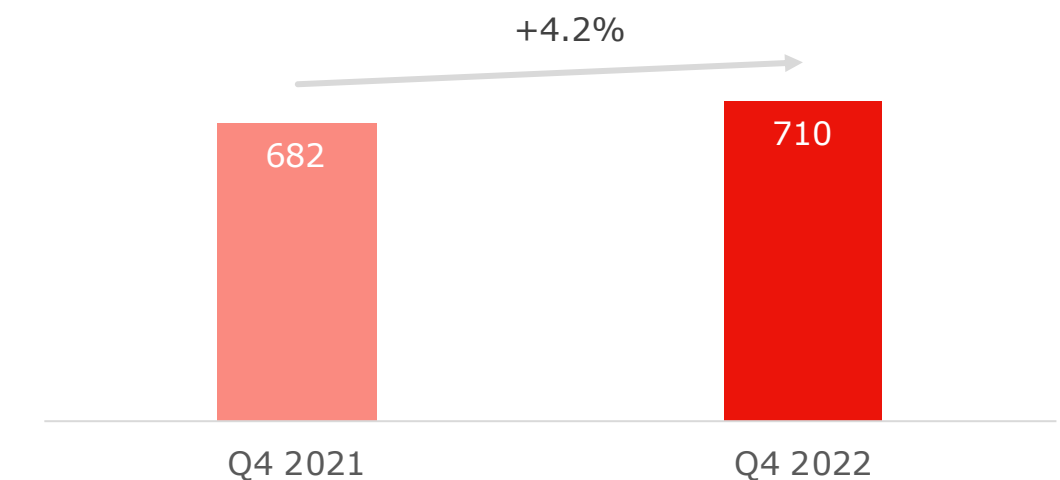
FY 2022 Group **ARPL** stable

Segment Austria in Q4 2022

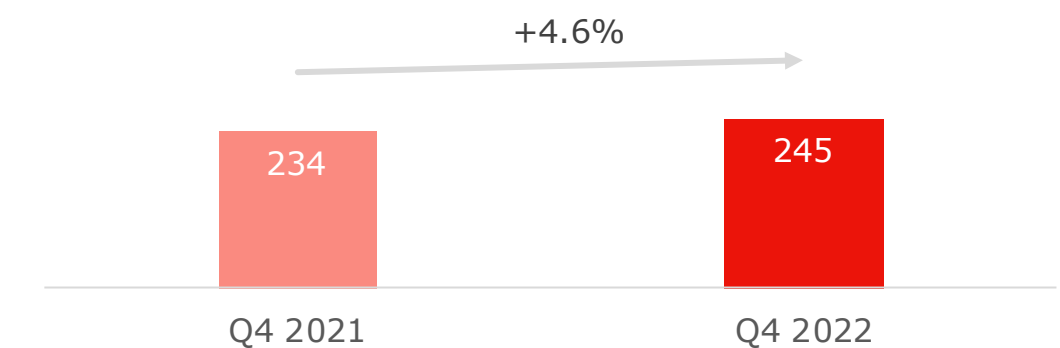
Highlights

- Intensified market dynamics before Christmas
- Mobile:
 - Changed portfolio approach: lower subsidies and lower monthly fees
 - Solid demand for high-value and SIM-only offers
 - 5G a standard in all tariffs
- Fixed:
 - In retail business, continued up-selling to broadband
 - Solution & connectivity business developed well
 - Deregulation of Austrian wholesale market
- Revenues: service (fixed and mobile) and equipment revenues increased
- Core OPEX marginally higher; supported mainly by lower workforce and advertising costs

Revenues (€ mn)



EBITDA (€ mn)

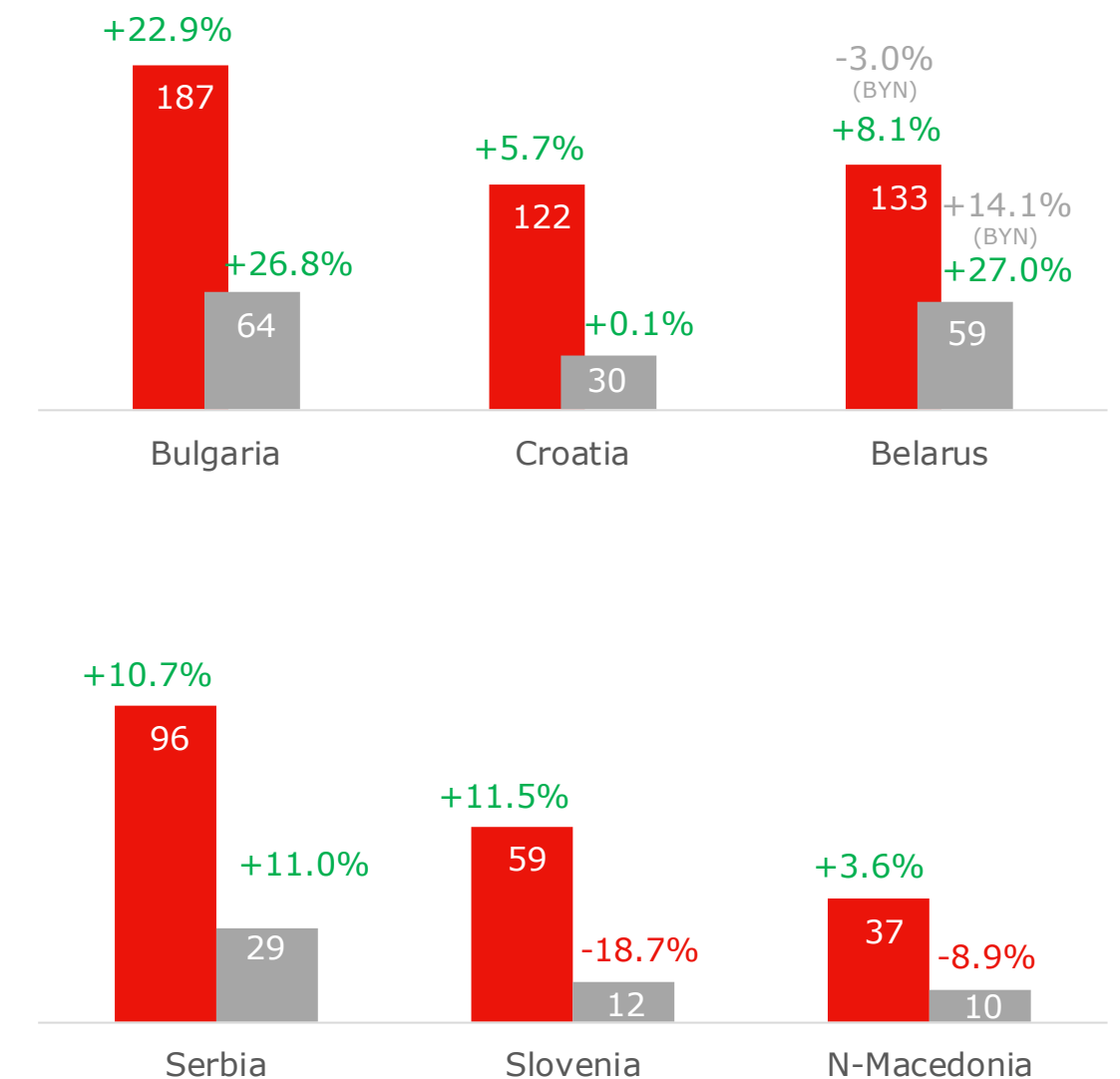


International segments in Q4 2022

Highlights

- All segments with revenue growth
 - All achieved service revenue growth
 - All but Belarus and N-Macedonia with equipment revenue growth
- Bulgaria: Positive fixed-line and mobile performance
STEMO impact of € 12 mn revenues, € 1 mn on EBITDA
- Belarus: Solid operational performance supported by a positive BYN impact on revenues of € 14mn and on EBITDA of € 6 mn
- Croatia: Revenue increase on the back of growing mobile and fixed-line customer base; improved equipment sales
- Serbia: Successful up-selling and strong equipment sales
- Slovenia and North Macedonia heavily affected by surging electricity costs

Revenues and EBITDA (€ mn)

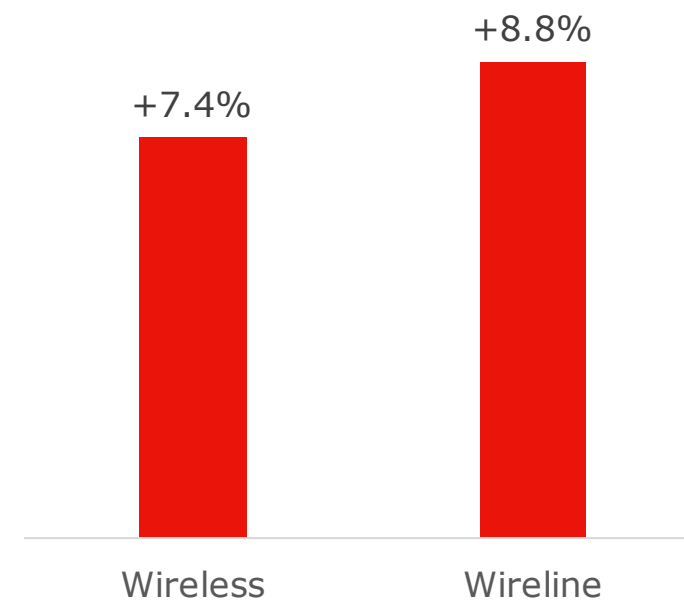
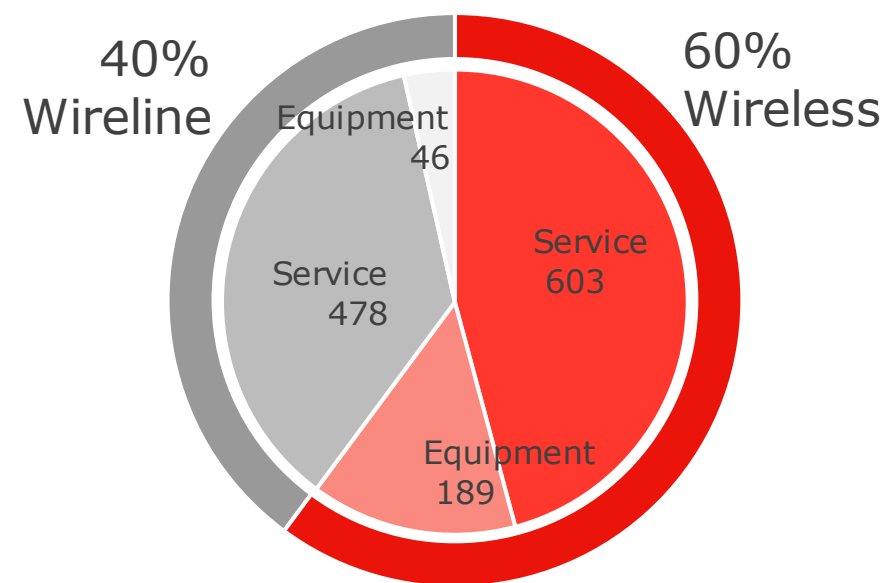


Group revenues

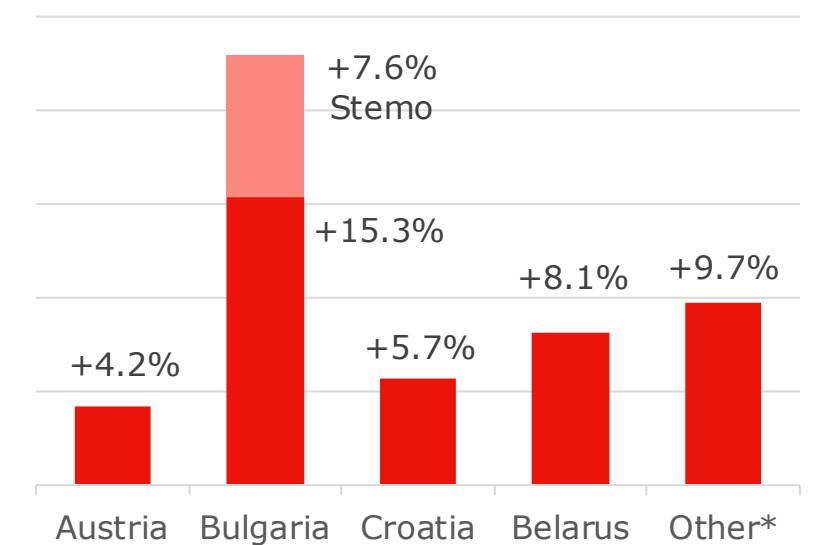
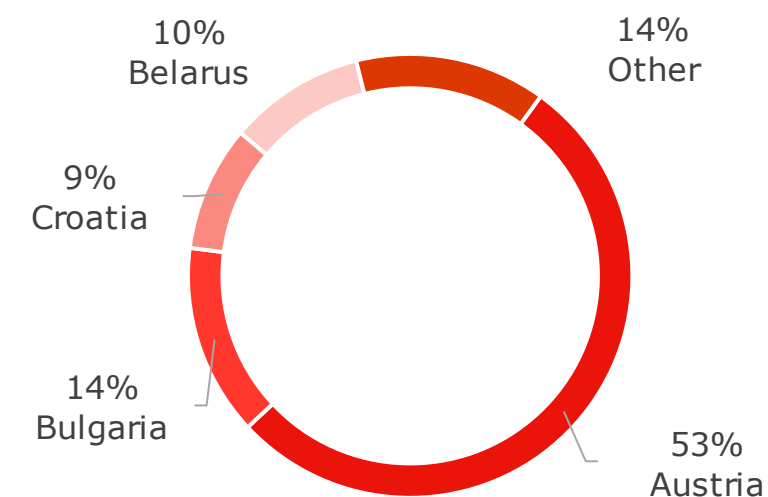
Unless otherwise stated, all amounts in € mn

	Q4 2022	Q4 2021		FY 2022	FY 2021	
Service revenues	1,081	1,012	+6.9%	4,164	3,957	+5.2%
Equipment revenues	235	208	+13.1%	752	710	+6.0%
Other operating income	22	23	-4.3%	89	82	+8.0%
Total revenues	1,338	1,242	+7.7%	5,005	4,748	+5.4%

Wireline/Wireless revenues (Q4 2022)



Regional revenue split (Q4 2022)



* Incl. corporate and eliminations

P&L

Unless otherwise stated, all amounts in € mn

	Q4 2022	Q4 2021		FY 2022	FY 2021	
Revenues	1,338	1,242	+7.7%	5,005	4,748	+5.4%
OPEX	(883)	(821)	+7.5%	(3,094)	(2,958)	+4.6%
Restructuring	(23)	(21)	+14.8%	(73)	(84)	-19.5%
EBITDA	432	400	+8.0%	1,838	1,706	+7.7%
<i>EBITDA margin</i>	32.3%	32.2%	+0.1pp	36.7%	35.9%	+0.8pp
before restructuring	455	421	+8.1%	1,911	1,790	+6.7%
<i>Margin</i>	34.0%	33.9%	+0.1pp	38.2%	37.7%	+0.5pp
after Leases	385	356	+8.3%	1,657	1,531	+8.2%
<i>Margin</i>	28.8%	28.6%	+0.2pp	33.1%	32.2%	+0.9pp
EBIT	185	159	16.5%	871	753	15.6%
<i>EBIT margin</i>	13.8%	12.8%	+1pp	17.4%	15.9%	+1.5pp
Financial result	(17)	(30)	-45.5%	(55)	(101)	-45.3%
Income taxes	(37)	(88)	-58.3%	(181)	(198)	-8.2%
Net result	132	40	227.4%	635	455	39.5%
<i>Net margin</i>	9.8%	3.2%	+6.6pp	12.7%	9.6%	+3.1pp

Cost of equipment up due to higher equipment sales

Electricity costs +21% (FY: +39%)

Workforce cost* increased by 2.7% in Q4 (FY: 1.8%)

Restructuring costs +15% (FY: -20%), making up parts of low Q3 value

Financial result improved: redemption of bonds, lower net debt, more short-term financing

2021: reversal of impairment raised **taxes** to a high level

* Excluding restructuring

Free cash flow

Unless otherwise stated, all amounts in € mn

	Q4 2022	Q4 2021		FY 2022	FY 2021	
EBITDA	432	400	+8.0%	1,838	1,706	7.7%
Restructuring charges, cost of labor obligations	28	24	+14.8%	74	92	-19.5%
Lease paid (principal, interest, prepayments)	(39)	(38)	+4.5%	(182)	(171)	+6.3%
Income taxes paid	(50)	(39)	+28.6%	(137)	(106)	+28.7%
Net interest paid	(7)	(36)	-80.4%	(47)	(78)	-39.2%
Change working capital and other changes	89	(1)	n.m.	91	31	+191.4%
CAPEX	(330)	(259)	+27.6%	(944)	(891)	+5.9%
FCF before soc. plans	122	51	+138.5%	692	582	+18.9%
Social plans new funded	(21)	(29)	-29.5%	(88)	(94)	-6.4%
Free cash flow	101	22	+363.1%	603	487	+23.8%
<i>FCF/revenues</i>	<i>7.6%</i>	<i>1.8%</i>	<i>+5.8pp</i>	<i>12.1%</i>	<i>10.3%</i>	<i>+1.8pp</i>

Q4 2022 FCF +363%
FY 2022 FCF +24%

Despite increased CAPEX

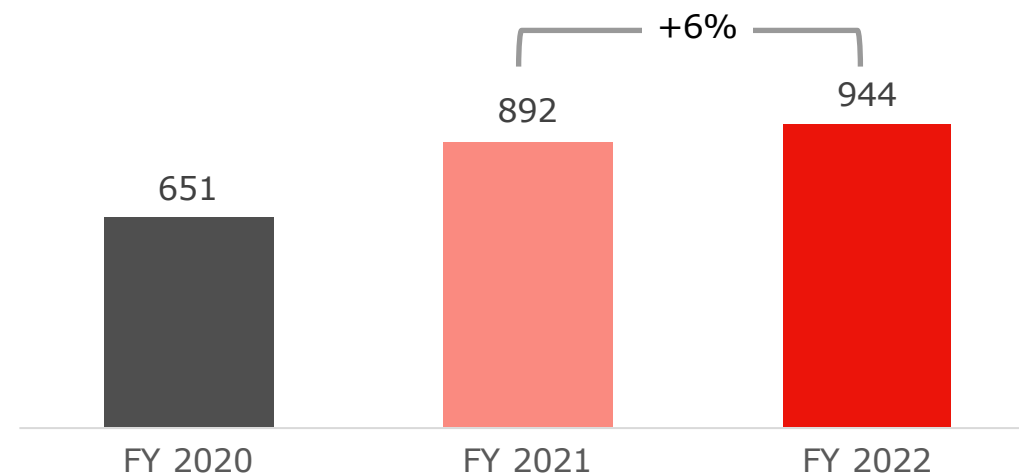
Lower interest paid
because of lower net debt,
repayment of two € 750 mn
bonds in December 2021
and April 2022 (3.125% and
4.0%), and more short-term
financing.

Working capital improved
due to higher accounts
payable mainly driven by
higher CAPEX.

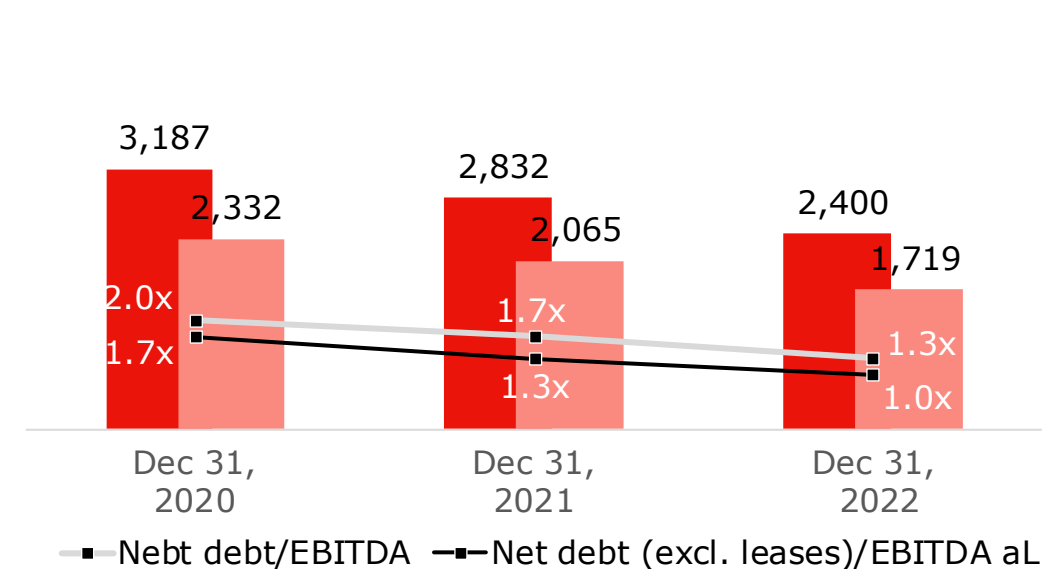
Other financial KPIs

(Unless otherwise stated, in € mn)

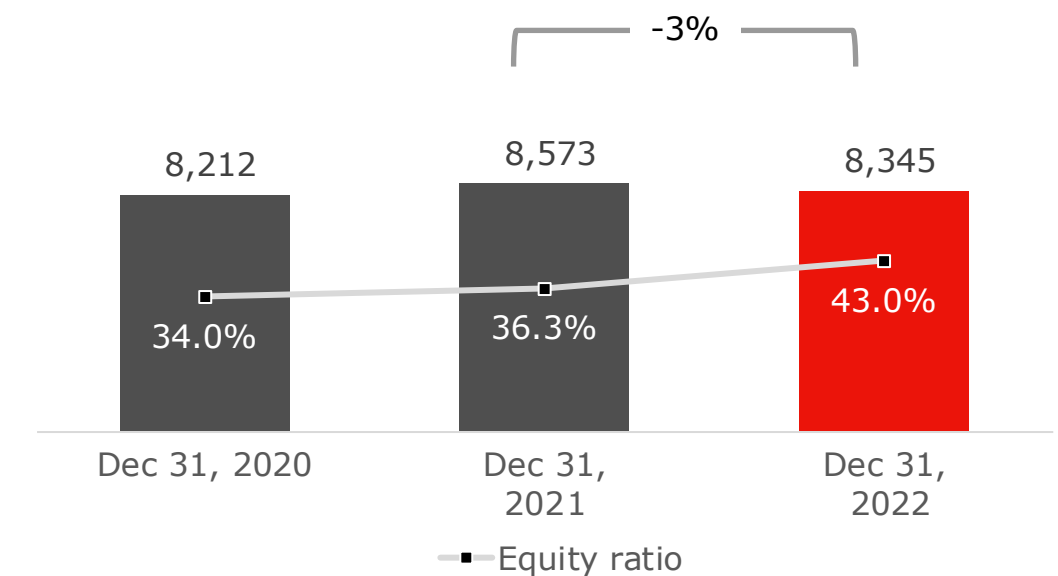
CAPEX (incl. frequencies; € mn)



Net debt incl and excl leases (€ mn)



Balance sheet (€ mn)



CAPEX for fiber network infrastructure in Austria, 5G in Austria, Slovenia, Bulgaria, and N-Macedonia. Investment in frequencies of € 10 mn in FY 2022 (2021: € 65 mn). CAPEX in Q4: € 330mn (+48% sequentially and +28% yoy)

Net debt further decreased due to a strong free cash flow.

Balance sheet-reducing effect of the cash used to repay a bond in April 2022 led to a lower **balance sheet total**.

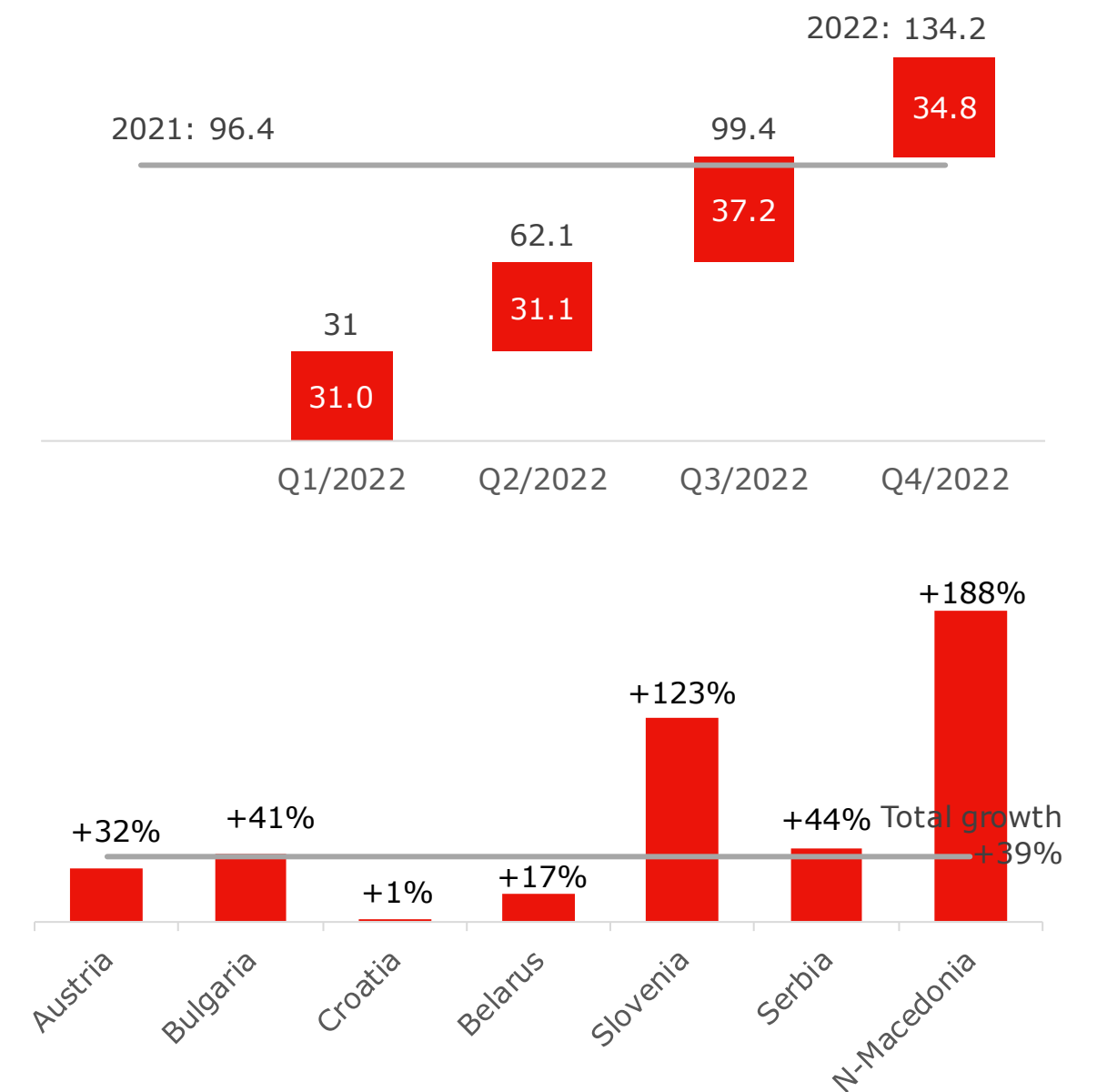
Focus points



Focus point: Impact of electricity costs and workforce costs

- About 90% of consumed **electricity** is used for operating the networks. Thereof, 60% are used for the mobile network.
- **Electricity costs** increased by 39% in FY 2022 consumption rose by 2%, data traffic up by 18%
- Varying impact within footprint, due to different sourcing & contracting
- **Workforce costs** of about EUR 1 billion in FY 2022. Thereof 66% in Austria + Restructuring of EUR 73 mn → 69% in Austria
- Despite an agreed salary increase in Austria in 2023 (~ 6,800 FTEs), workforce costs are expected to be stable.

Electricity costs 2022



Focus point: New agreement between main shareholders

- ÖBAG, the Austrian state fund, and América Móvil together hold 79% of Telekom Austria's share capital.
- A syndicate agreement between the main shareholders would have expired in 2024.
- On February 6, 2023, both parties agreed on a new syndicate agreement which has a term of 10 years.

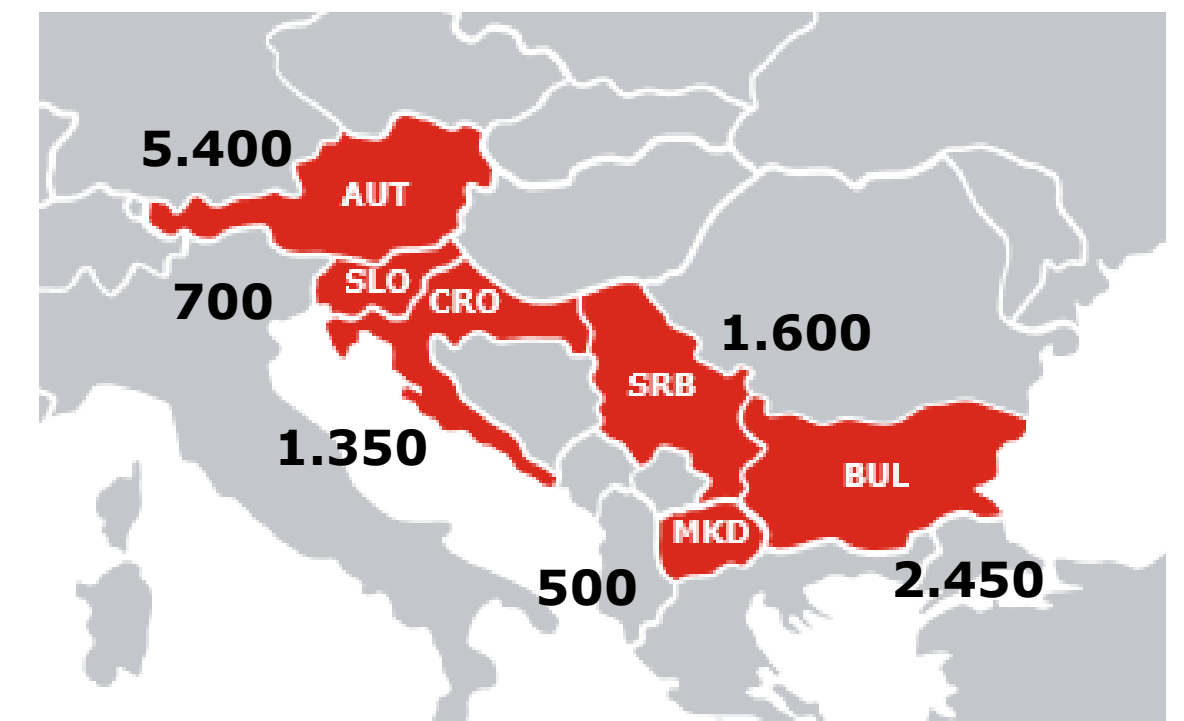
- What has **not** changed:
 - ÖBAG will keep the 2 seats in the Supervisory Board and the right to nominate the Chairperson
 - Headquarters of Telekom Austria remains in Austria
 - Listing of Telekom Austria at the Vienna Stock Exchange

- What is **new**:
 - Management Board reduced to 2 members (so far 3)
 - América Móvil has right to nominate the CEO (so far ÖBAG), and ÖBAG to nominate the second member
 - Continued investment program of € 1 bn for the broadband roll-out in Austria, in particular fiber which started in 2022.
 - Spin-off of tower business with a separate syndicate agreement (but similar to Telekom Austria's)

Focus point: Status of A1 Towers

- Internal separation in all markets excl. Belarus (not in scope) & Austria
- Shareholders firmly support spin-off of mobile towers
- TowerCo to be listed at the Vienna Stock Exchange.
 - Shareholders will get the same share in TowerCo as in Telekom Austria
- Transaction is subject to required corporate and regulatory approvals.
- Transaction is planned to be concluded by the end of 2023, depending on market environment

A1 Towers – geographical overview



Macro sites in ownership

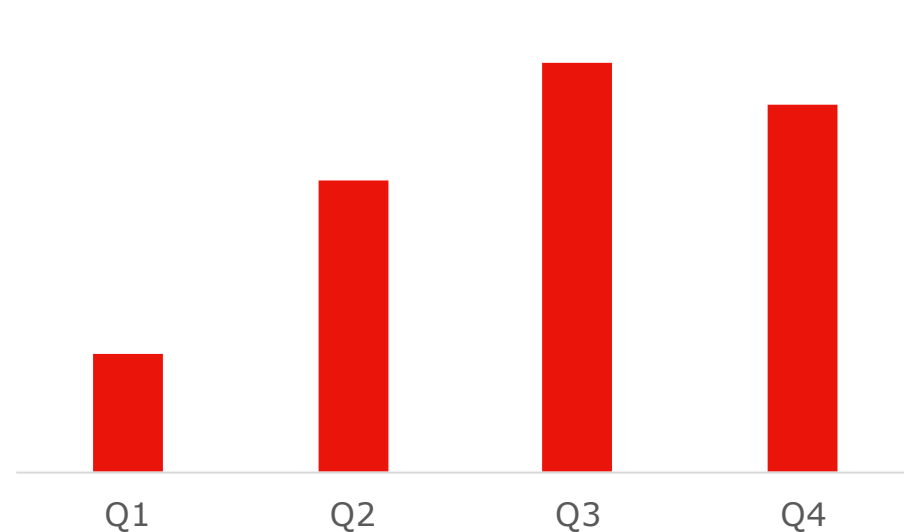
Rounded numbers	Total	Austria	Bulgaria	Serbia	Croatia	Slovenia	N-Macedonia
Greenfield	5,100	2,600	700	600	650	300	250
Rooftop	6,900	2,800	1,750	1,000	700	400	250
Total	12,000	5,400	2,450	1,600	1,350	700	500
		45%	20%	13%	11%	6%	4%

Focus point: Fiber rollout in Austria

Rollout activities

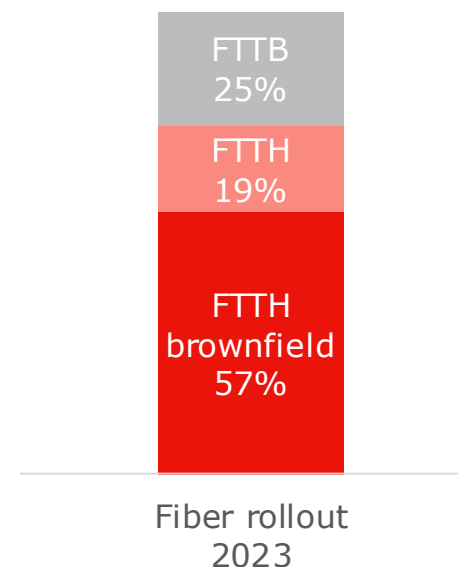
- Rollout activities continued
- Dedicated organizational unit established
 - steering of rollout activities under one roof
 - regional focus
- Certain constraints in construction capacity
- Within current **CAPEX** envelope, at around the **level of 2022**

Rollout dynamics 2023 (FTTB)



15 Results presentation: Q4 2022

Rollout of Fiber To The Premise



New portfolio

A1 Glasfaser 250



A1 Glasfaser 500



A1 Glasfaser 1000



Das beste Highspeed-Internet von A1.

mit bis zu € 180,- Bonus*

A1 Glasfaser Internet 1.000	A1 Glasfaser Internet 500	A1 Glasfaser Internet 300
1.000 Mbit/s Download 100 Mbit/s Upload	500 Mbit/s Download 100 Mbit/s Upload	300 Mbit/s Download 100 Mbit/s Upload
+ € 180 Bonus	+ € 180 Bonus	+ € 180 Bonus
€ 89 ⁹⁰ Monatliches Grundentgelt	€ 59 ⁹⁰ Monatliches Grundentgelt	€ 49 ⁹⁰ Monatliches Grundentgelt

A1 Internet 150	A1 Internet 100	A1 Internet 50
150 Mbit/s Download 20 Mbit/s Upload	100 Mbit/s Download 15 Mbit/s Upload	50 Mbit/s Download 10 Mbit/s Upload
+ € 120 Bonus	+ € 120 Bonus	+ € 60 Bonus
€ 39 ⁹⁰ Monatliches Grundentgelt	€ 32 ⁹⁰ Monatliches Grundentgelt	€ 24 ⁹⁰ Monatliches Grundentgelt

Um nur € 5,-/Monat mit A1 Xplore TV M kombinieren und die neue TV-Dimension entdecken.

*Möbliches Entgelt: € 29,90/Jahr. A1 Xplore M zzgl. A1 Xplore TV Box € 3,90/Monat. Angebot: Gratis Herstellung und Bonus gültig für A1 Breitband Neukunden mit Herkunftsadresse in ausgewählten Postleitzahlen in Salzburg. Angebotsverfügbarkeit vom Hersteller abhängig und unter A1.net/verfügbarkeit abrufbar. Bonus: Höchstanspruchsbetrag € 14,- €/Q, bei A1 Internet 20/50, € 12,- bei A1 Internet 100/150 und € 18,- bei A1 Internet 300 und A1 Glasfaser Tardis auf einer der ersten Rechnungen. Die Höchstanspruchsbeträge sind Mindestvertragsdauer 24 Monate. Preise in € inklusive USt. Nicht mit anderen Angeboten kombinierbar. Angebot gültig bis auf Widerruf. Details unter A1.net.

- ✓ Only one FTTH/B portfolio available starting with 250 Mbit/s
- ✓ Products with FTTH include bandwidth guarantee
- ✓ Available in all areas (VHCN/new building/regional)
- ✓ Reduced Gbit/s pricing
- ✓ Stronger offers for new buildings



Outlook

look



Guidance '23

Total revenues

Around +4%

CAPEX (excl. spectrum, M&A)

Around € 950 million

Dividend proposal of € 0.32/share (previous year: € 0.28)

AGM on June 7, 2023

Dividend payment day on June 15, 2023

Appendix



Financial debt is constantly decreasing

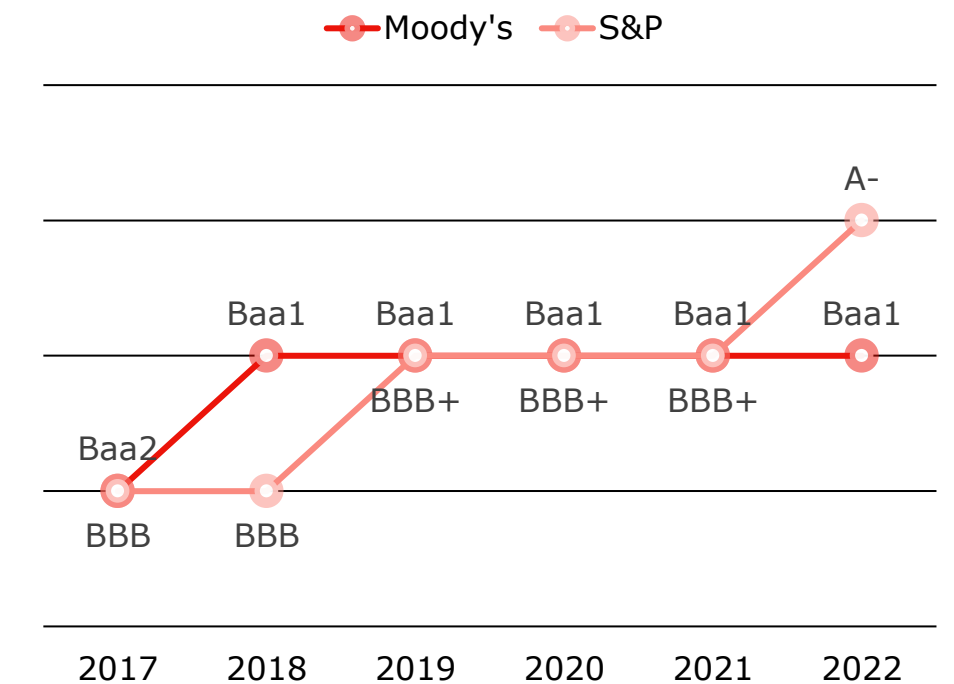
Overview (Dec 31, 2022)

- Total debt of € 1,869 mn
- Average cost of debt of 2.16%
- Cash & cash equivalents: € 150 mn
- Avg. term to maturity of 1.98 years

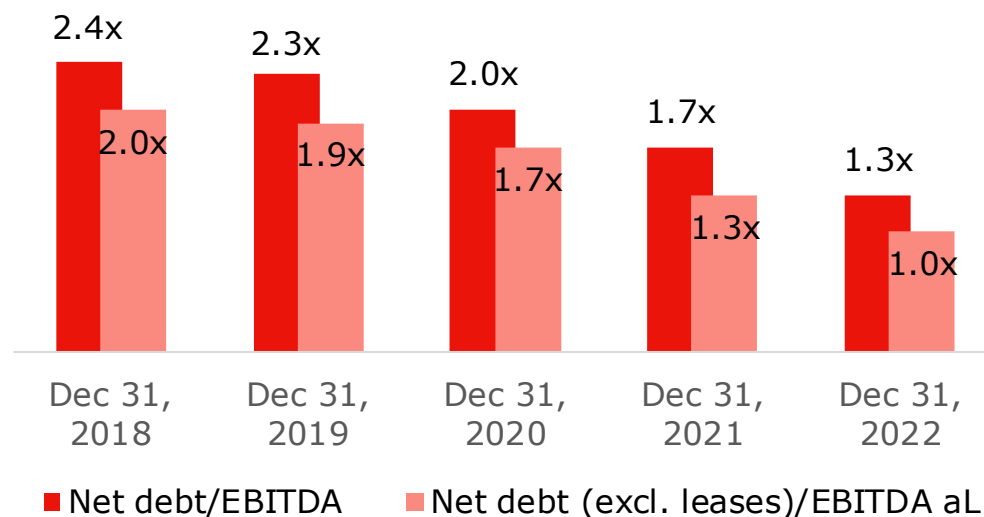
Lines of credit (Dec 31, 2022)

- Total committed lines: € 1,715 mn
 - Average term to maturity: 2.98 years
- Thereof, undrawn committed credit lines: € 1,227 mn

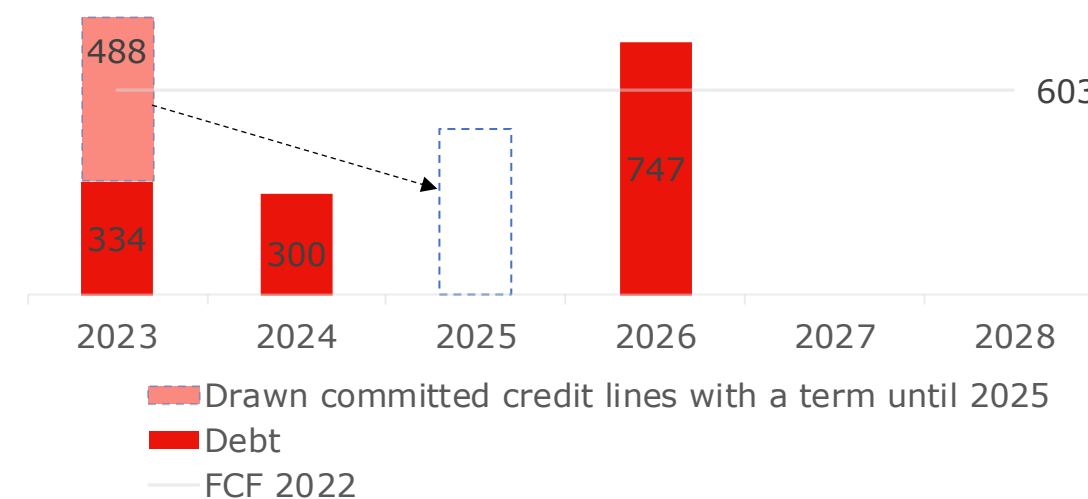
Credit ratings



Net debt/EBITDA



Debt maturity profile (Dec 31, 2022)



- S&P upgrade to A- in Oct. 2022
 - Reflects strong operating performance and prudent financial policies
- Moody's confirmed Baa1 in Dec. 2022

A1

**Thank
you**

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