Telekom Austria AG

Ratings

Telekom Austria AG

Long-Term IDR	A-
Short-Term IDR	F1

Outlooks

Long-Term Foreign-Currency IDR	Stable

Click here for the full list of ratings

ESG and Climate

Highest ESG Relevance Scores

Environmental	3
Social	3
Governance	3

2035 Climate Vulnerability Signal: 15

Applicable Criteria

Sector Navigators – Addendum to the Corporate Rating Criteria (June 2025)

Corporates Recovery Ratings and Instrument Ratings Criteria (August 2024)

Corporate Rating Criteria (June 2025)

Government-Related Entities Rating Criteria (July 2025)

Parent and Subsidiary Linkage Rating Criteria (June 2025)

Related Research

Global Corporates Macro and Sector Forecasts

Western European Telecoms Outlook 2025 (January 2025)

European Telecom Incumbents — Peer Credit Analysis (May 2025)

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Telekom Austria AG's (TKA) Outlook revision follows a similar action on its parent company, America Movil S.A.B. de C.V. (AMX; A-/Stable). Fitch Ratings now expects TKA to continue to be rated in line with its Standalone Credit Profile (SCP) reflecting that both parent and subsidiary Issuer Default Ratings (IDRs) are the same. TKA's rating has links to AMX, which owns 60.8% of TKA.

TKA's SCP reflects its leading position in its domestic telecom market, which contributes over 50% of its total EBITDA, and its diverse portfolio of international assets in central and eastern Europe (CEE). The company maintains one of the lowest leverage profiles among European telecom operators, underpinned by a conservative financial policy. However, Fitch expects free cash flow (FCF) to remain constrained in the short to medium term by fibre and 5G infrastructure investments.

Key Rating Drivers

Solid Domestic Market Position: TKA holds a leading position in the Austrian market, with mobile and fixed service revenue market shares of about 40% and 55%, respectively. It is one of three major mobile network operators and one of two principal local access network infrastructure providers in Austria. TKA's operations cover retail, business, wholesale, and pay TV segments, allowing it to offer convergent products and services that drive economies of scale.

Fitch expects TKA to face competitive pressures in its home market, despite its strong market position. In the mobile segment, mobile virtual network operators (MVNOs) are active with attractive offers and aggressive marketing strategies to attract new customers. In fixed line, the roll-out of fibre infrastructure challenges TKA's dominance, as it will face increased competition from more infrastructure providers, which could affect its wholesale profitability. However, this impact is softened by slow migration to fibre and Austria's prevalent use of mobile data, where TKA can compete effectively through its mobile broadband offerings.

Low Leverage, Conservative Financial Policy: TKA has publicly committed to a conservative financial policy to maintain a Fitch 'A-' rating or Moody's 'A3' rating. Its leverage falls comfortably within Fitch's threshold for an 'A-' rating. We forecast that TKA's EBITDA net leverage will decline to 0.1x at end-2025, from 0.2x at end-2024, and remain stable over the next three years.

Geographic Diversification: TKA operates in six CEE markets — Bulgaria, Croatia, Belarus, Serbia, Slovenia and North Macedonia — where it is either the leading or second-largest market provider, except in Serbia and Slovenia, where it is third. Most of these international markets have undergone some consolidation, with two or three operators, except for Slovenia, which has strong competitive pressure with four mobile operators. In August 2024 TKA signed a share purchase agreement for the fixed-line provider Conexio Metro d.o.o., enabling it to offer convergent services in Serbia, where 5G spectrum allocations are likely in 2025.

FCF Margins Constrain SCP: TKA's SCP is constrained by its low-single-digit FCF margin after dividends. Fitch expects its FCF margin to be 3.4% in 2025, before declining to a neutral level from 2026. This is due to high capex from an intensified fibre roll-out and 5G deployment, rising dividends, and higher working-capital outflows related to increased instalment sales business volume. However, excluding dividends, we expect FCF margins to remain moderate, at mid-single digits, in 2025-2028.

Belarus Risks: TKA is exposed to political, economic and FX risks in Belarus, which contributes about 10% to the group's EBITDA. A1 Belarus recently faced financial penalties of EUR24 million for administrative violations, which were converted into an obligation to expand its mobile network. In 2Q24, the government imposed temporary restrictions on dividend payments to foreign investors from the EU, affecting TKA's ability to upstream annual dividends of EUR60 million-80 million from the country. However, Fitch assesses the impact on TKA's financial profile as minimal.

Limited FX Risk: Most of TKA's markets are euro denominated or pegged/linked to the euro, minimising meaningful FX exposure. The only exceptions are Belarus and Serbia, although the Serbian dinar has remained stable against the euro in recent years.

Parent and Subsidiary Linkage Assessment: TKA is rated on a standalone basis, as its SCP is aligned with the IDR of AMX at 'A-'. Fitch assesses the strategic incentives for AMX to support TKA as 'Medium' under the *Parent and Subsidiary Linkage Rating Criteria*, given TKA's contribution of about 10% to AMX's consolidated EBITDA and provision of hard-currency cash flows. However, Fitch considers legal and operational incentives to be 'Low', reflecting the absence of legal guarantees or cross-defaults issued by the parent and limited operational synergies, primarily related to procurement and industry-specific knowledge sharing.

Minimal Impact from State Ownership: AMX acts in concert with Österreichische Beteiligungs AG (ÖBAG), a state fund that owns 28.4% of TKA. Both parties have a shareholder agreement, which Fitch believes does not detract from AMX's strategic incentives to support TKA. The state's ownership through ÖBAG does not warrant rating support, resulting in a low support score under Fitch's *Government-Related Entities Rating Criteria*.

Financial Summary

(EURm)	2022	2023	2024	2025F	2026F	2027F
Gross revenue	5,005	5,251	5,413	5,544	5,673	5,786
EBITDA margin (%)	34.6	32.8	31.0	30.8	30.1	30.0
EBITDA net leverage (x)	1.0	0.4	0.2	0.1	0.1	0.1
FCF margin (%)	7.9	2.0	4.6	—	—	—
(CFO-capex)/debt (%)	31.1	35.1	63.2	66.2	54.5	59.9

F = Forecast
Source: Fitch Ratings, Fitch Solutions

Peer Analysis

TKA is rated on a par with European incumbent telecoms group Royal KPN N.V. (BBB/Stable). TKA's higher 'a-' SCP than KPN's 'BBB' IDR reflects its more conservative leverage profile and financial policy. Competitor e& PPF Telecom Group B.V. (BBB/Stable; SCP: bbb-), which also operates in CEE markets, has a weaker operating profile as its domestic Czech assets have been transferred out of the group. Its predominant mobile-only profile, combined with the partial sale of its network infrastructure to minority investors, leads to lower leverage capacity than TKA.

TKA has slightly lower debt capacity than larger diversified western European telecom operators such as Deutsche Telekom AG (BBB+/Stable), Orange S.A. (BBB+/Stable), and Vodafone Group Plc (BBB/Positive), because of its significantly smaller FCF scale.

TKA's debt capacity is also lower than those of larger global peers, such as Verizon Communications Inc. (A-/Stable), AMX and Comcast Holdings Corporation (A-/Stable), whose EBITDA are 10x-30x greater than TKA's and whose FCF margins are higher.

Navigator Peer Comparison

	IDR/Outlook	Operating Environment	Management and Corporate Governance	Market Position	Diversification	Technology and Infrastructure	Regulatory Environment	Profitability	Financial Structure	Financial Flexibility
BT Group plc	BBB/Stable	aa	a-	bbb+	bbb	a	bbb	bbb	bbb	a
Deutsche Telekom AG	BBB+/Stable	aa	a-	a-	a	a	bbb	bbb+	bbb	bbb+
Orange S.A.	BBB+/Stable	aa	a-	a-	a	a	bbb	bbb	bbb	a-
e& PPF Telecom Group B.V.	BBB/Stable	a+	bbb-	bbb	bb+	bbb+	bbb	bbb+	bbb-	bbb
Royal KPN N.V.	BBB/Stable	aa	a-	bbb+	bbb	a-	bbb	bbb+	bbb	a
Telefonica Deutschland Holding AG	BBB/Stable	aa	bbb+	bbb	bb+	bbb	bbb	bb+	a	a
Telekom Austria AG	A-/Stable	aa-	a-	bbb+	bbb+	a	bbb	bbb	a	a
Vodafone Group Plc	BBB/Positive	aa-	a-	bbb+	a	a-	bbb	bbb	bbb-	bbb+

Source: Fitch Ratings

Relative Importance of Factor: Higher / Moderate / Lower

Name	IDR/Outlook	Operating Environment	Management and Corporate Governance	Market Position	Diversification	Technology and Infrastructure	Regulatory Environment	Profitability	Financial Structure	Financial Flexibility
BT Group plc	BBB/Stable	+6	+2	+1	0	+3	0	0	0	+3
Deutsche Telekom AG	BBB+/Stable	+5	+1	+1	+2	+2	-1	0	-1	0
Orange S.A.	BBB+/Stable	+5	+1	+1	+2	+2	-1	-1	-1	+1
e& PPF Telecom Group B.V.	BBB/Stable	+4	-1	0	-2	+1	0	+1	-1	0
Royal KPN N.V.	BBB/Stable	+6	+2	+1	0	+2	0	+1	0	+3
Telefonica Deutschland Holding AG	BBB/Stable	+6	+1	0	-2	0	0	-2	+3	+3
Telekom Austria AG	A-/Stable	+3	0	-1	-1	+1	-2	-2	+1	+1
Vodafone Group Plc	BBB/Positive	+5	+2	+1	+3	+2	0	0	-1	+1

Source: Fitch Ratings

Factor Score Relative to IDR: Worse positioned than IDR / Within one notch of IDR / Better positioned than IDR

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to a Downgrade

- A downgrade of AMX by more than two notches, assuming no change to Fitch's assessment of parent-subsidiary linkage

The SCP could be revised lower if: Fitch-defined EBITDA net leverage exceeds 1.5x on a sustained basis; there is a material deterioration in the company's domestic market position, FCF generation or the operating environment of CEE operations; or there is a change in financial policy that targets leverage above the thresholds consistent with the rating.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- An upgrade of AMX's IDR

The SCP could be revised higher if growth in profitability leads to FCF margins in mid-single digits and if Fitch-defined EBITDA net leverage is managed at below 0.8x, both on a sustained basis.

Liquidity and Debt Structure

At end-March 2025, TKA had EUR505 million of cash and cash equivalents and access to a EUR1 billion undrawn revolving credit facility (RCF) maturing in July 2026 and a EUR300 million bilateral RCF maturing in March 2028. This, combined with good access to capital markets, provides sufficient cover for near-term cash requirements. Fitch expects TKA's EUR750 million bond maturing in December 2026 to be repaid with a combination of cash and new debt.

A strong liquidity profile is a key driver to TKA's financial flexibility and its 'F1' Short-Term IDR. Essential to this is the absence of the need for external funding, except for any funds under already committed facilities, over the next 24 months.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

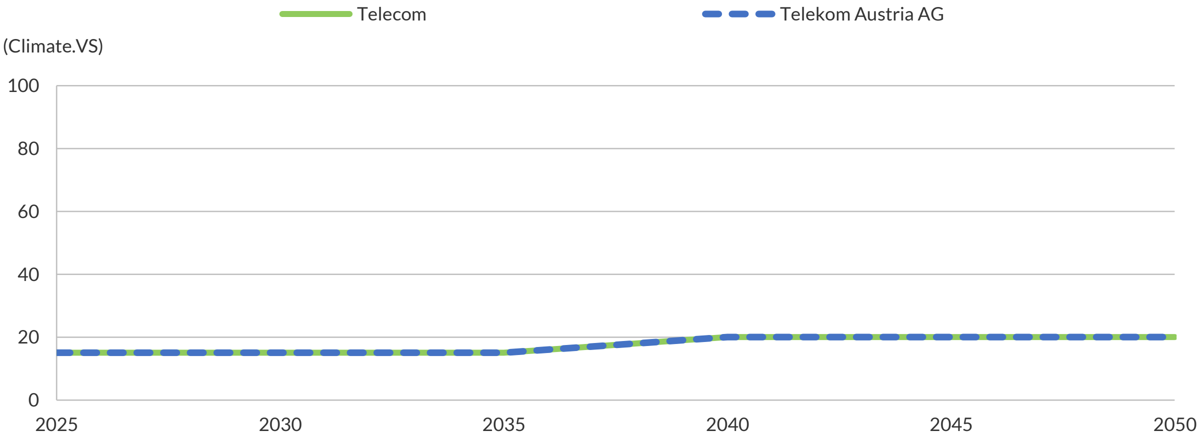
Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's Corporate Rating Criteria. For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see Climate Vulnerability Signals for Non-Financial Corporate Sectors.

The 2024 revenue-weighted Climate.VS for TKA for 2035 is 15 out of 100, suggesting low exposure to climate-related risks in that year.

Climate.VS Evolution

As of 31 December 2024



Source: Fitch Ratings

Liquidity and Debt Maturities

Liquidity Analysis

(EURm)	2025F	2026F	2027F	2028F
Available liquidity				
Beginning cash balance	367	558	-211	-231
Rating case FCF after acquisitions and divestitures	191	-19	-19	—
Total available liquidity (A)	**558**	**539**	**-231**	**-231**
Liquidity uses				
Debt maturities	—	-750	—	—
Total liquidity uses (B)	**—**	**-750**	**—**	**—**
Liquidity calculation				
Ending cash balance (A+B)	558	-211	-231	-231
Revolver availability	1,315	300	300	
Ending liquidity	**1,873**	**89**	**69**	**-231**
Liquidity score (x)	Not meaningful	1.1	Not meaningful	Not meaningful

F – Forecast.
Source: Fitch Ratings, Fitch Solutions, Telekom Austria AG

Scheduled Debt Maturities

(EURm)	31 Dec 24
2025	—
2026	750
2027	—
2028	—
2029	—
Thereafter	—
Total	**750**

Source: Fitch Ratings, Fitch Solutions, Telekom Austria AG

Key Assumptions

Fitch's Key Assumptions Within our Rating Case for the Issuer

- Low single-digit revenue growth between 2025 and 2028
- Fitch-defined EBITDA margin (before restructuring) of 30%-31% between 2025 and 2028
- Working-capital outflow at 0.7% of revenue in 2025, worsening to between 1.5% and 2% between 2026 and 2028
- Capex (excluding spectrum costs) at 14%-17% of revenue between 2025 and 2028
- Dividend payout of EUR266 million and EUR292 million in 2025 and 2026, respectively

Financial Data

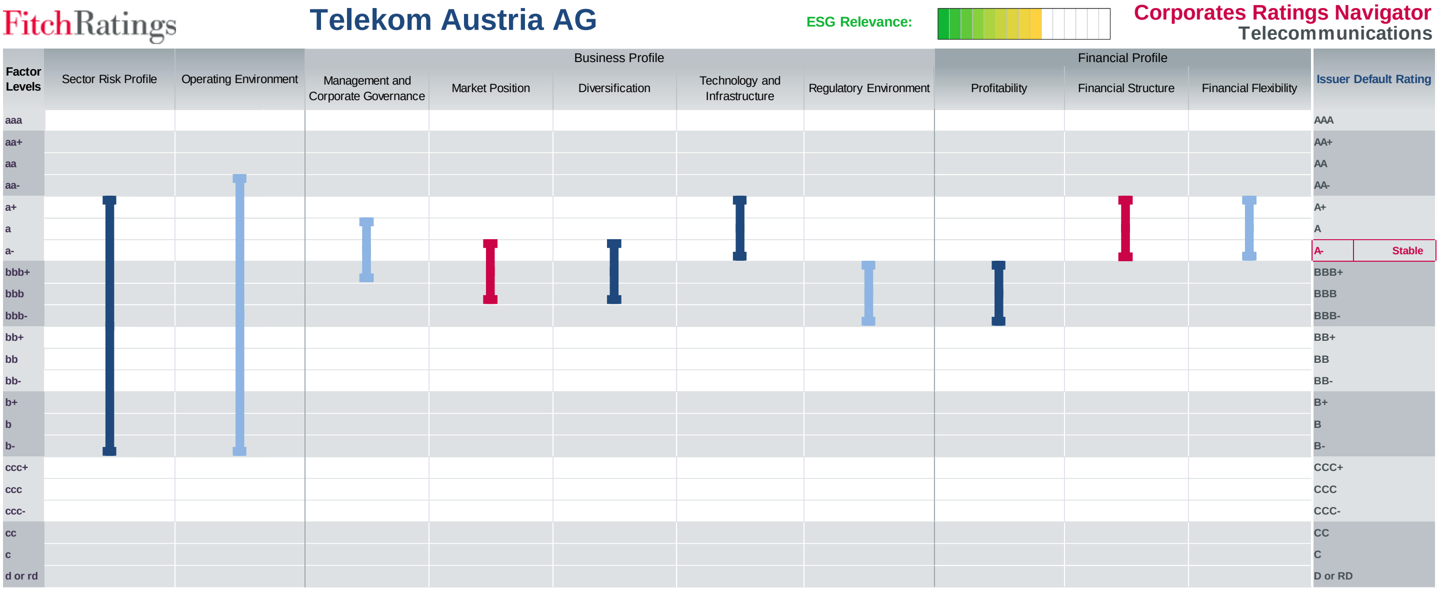
(EURm)	2022	2023	2024	2025F	2026F	2027F
Summary income statement						
Gross revenue	5,005	5,251	5,413	5,544	5,673	5,786
Revenue growth (%)	5.4	4.9	3.1	2.4	2.3	2.0
EBITDA before income from associates	1,730	1,722	1,679	1,708	1,709	1,735
EBITDA margin (%)	34.6	32.8	31.0	30.8	30.1	30.0
Summary balance sheet						
Readily available cash and equivalents	150	169	367	597	328	308
Debt	1,872	810	750	750	500	500
Net debt	1,722	642	383	153	172	192
Summary cash flow statement						
EBITDA	1,730	1,722	1,679	1,708	1,709	1,735
Cash interest paid	-59	-52	-17	-11	-13	-15
Cash tax	-137	-180	-156	-177	-191	-239
Dividends received less dividends paid to minorities (inflow/outflow)	-1	-1	-1	-1	-1	-1
Other items before FFO	-107	-111	-140	-125	-80	-50
FFO	1,439	1,398	1,385	1,403	1,433	1,440
FFO margin (%)	28.7	26.6	25.6	25.3	25.3	24.9
Change in working capital	39	-20	-21	-39	-114	-97
CFO (Fitch-defined)	1,477	1,378	1,364	1,364	1,319	1,343
Total non-operating/nonrecurring cash flow	—	34	13	—	—	—
Capex	-896	-1,094	-890	—	—	—
Capital intensity (capex/revenue) (%)	17.9	20.8	16.5	—	—	—
Common dividends	-186	-213	-239	—	—	—
FCF	395	105	248	—	—	—
FCF margin (%)	7.9	2.0	4.6	—	—	—
Net acquisitions and divestitures	-12	10	5	—	—	—
Other investing and financing cash flow items	-47	-31	6	—	—	—
Net debt proceeds	-721	-66	-60	-0	-250	—
Net equity proceeds	-0	—	—	—	—	—
Total change in cash	-385	19	198	230	-269	-19
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-1,094	-1,262	-1,111	-1,134	-1,338	-1,362
FCF after acquisitions and divestitures	383	116	253	230	-19	-19
FCF margin after net acquisitions (%)	7.7	2.2	4.7	4.2	-0.3	-0.3
Gross leverage ratios (x)						
EBITDA leverage	1.1	0.5	0.5	0.4	0.3	0.3
(CFO-capex)/debt	31.1	35.1	63.2	66.2	54.5	59.9
Net leverage ratios (x)						
EBITDA net leverage	1.0	0.4	0.2	0.1	0.1	0.1
(CFO-capex)/net debt	33.8	44.3	123.7	324.6	158.1	156.3
Coverage ratios (x)						
EBITDA interest coverage	29.5	33.1	99.9	151.7	130.2	115.6

CFO — Cash flow from operations.
Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



Bar Chart Legend:	
Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	⇧ Positive
Higher Importance	⇩ Negative
Average Importance	⇳ Evolving
Lower Importance	□ Stable

FitchRatings

Telekom Austria AG

Corporates Ratings Navigator
Telecommunications

Operating Environment

aa	Economic Environment	a	Strong combination of countries where economic value is created and where assets are located.
aa-	Financial Access	aa	Very strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	aa	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
b-			
ccc+			

Management and Corporate Governance

a+	Management Strategy	a	Coherent strategy and good track record in implementation.
a	Governance Structure	a	Experienced board exercising effective check and balances. Ownership can be concentrated among several shareholders.
a-	Group Structure	a	Group structure shows some complexity but mitigated by transparent reporting.
bbb+	Financial Transparency	bbb	Good quality reporting without significant failing. Consistent with the average of listed companies in major exchanges.
bbb			

Market Position

a	Market Position	a	Very strong and sustainable market share in primary markets (> 30%).
a-	Competition	bbb	Primary markets characterized by medium competitive intensity and/or moderate barriers to entry.
bbb+	Scale - EBITDA	bbb	>$1 billion
bbb			
bbb-			

Diversification

a	Service Platform Diversification	a	Operates several service platforms in primary markets.
a-	Geographic Diversification	bbb	Average geographic diversification.
bbb+			
bbb			
bbb-			

Technology and Infrastructure

aa-	Ownership of Network	a	Owns almost all of its infrastructure.
a+	Network and Service Quality	a	Market leading network in terms of coverage and technology deployment, with good quality of service.
a			
a-			
bbb+			

Regulatory Environment

a-	Regulatory Risk	bbb	Moderate.
bbb+			
bbb			
bbb-			
bb+			

Profitability

a-	Volatility of Cash Flow	bbb	Volatility and visibility of cash flow in line with industry average.
bbb+	EBITDA Margin	bbb	30%
bbb			
bbb-			
bb+			

Financial Structure

aa-	EBITDA Leverage	a	1.8x
a+	EBITDA Net Leverage	a	1.6x
a	(CFO-Capex)/Debt	a	20%
a-			
bbb+			

Financial Flexibility

aa-	Financial Discipline	a	Clear commitment to maintain a conservative policy with only modest deviations allowed.
a+	Liquidity	aa	No need for external funding beyond committed facilities in the next 24 months even under a severe stress scenario. Well-spread maturities. Diversified funding.
a	EBITDA Interest Coverage	a	10.5x
a-	FX Exposure	bbb	Some FX exposure on profitability and/or debt/cash flow match. Efficient hedging in place.
bbb+			

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Credit-Relevant ESG Derivation

Telekom Austria AG has 8 ESG potential rating drivers

- Energy and fuel use in networks and data centers
- Networks exposed to extreme weather events (e.g. hurricanes)
- Data security; service disruptions
- Impact of labor negotiations and employee (dis)satisfaction
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG
key driver	0	issues	5
driver	0	issues	4
potential driver	8	issues	3
not a rating driver	1	issues	2
	5	issues	1

For further details on Credit-Relevant ESG scoring, see page 3.

FitchRatings

Telekom Austria AG

Corporates Ratings Navigator
Telecommunications

Credit-Relevant ESG Derivation

Telekom Austria AG has 8 ESG potential rating drivers

- Telekom Austria AG has exposure to energy productivity risk but this has very low impact on the rating.
- Telekom Austria AG has exposure to extreme weather events but this has very low impact on the rating.
- Telekom Austria AG has exposure to customer accountability risk but this has very low impact on the rating.
- Telekom Austria AG has exposure to labor relations & practices risk but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	0	issues	4
potential driver	8	issues	3
not a rating driver	1	issues	2
	5	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	3	Energy and fuel use in networks and data centers	Profitability	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	3	Networks exposed to extreme weather events (e.g. hurricanes)	Profitability	1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Data security; service disruptions	Market Position; Profitability	4
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Market Position; Profitability	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Social attitudes toward network infrastructure	Diversification; Technology and Infrastructure; Profitability	1

Governance (G) Relevance Scores

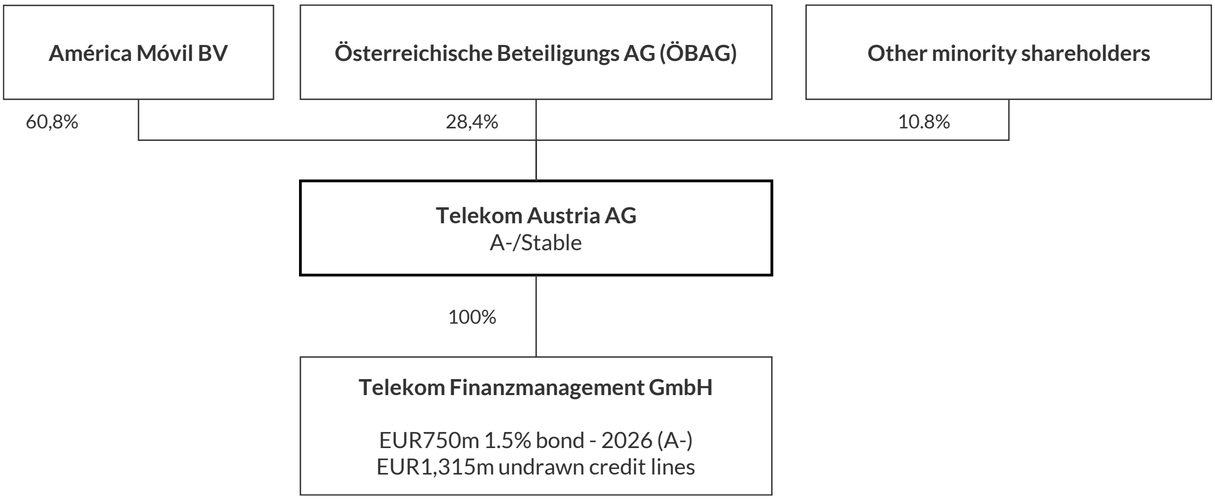
General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance	5
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance	4
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance	3
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance	2
				1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.
The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.
The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

CREDIT-RELEVANT ESG SCALE
How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram



Source: Fitch Ratings, Telekom Austria AG, as of July 2025

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (EURm)	EBITDA margin (%)	EBITDA net leverage (x)	FCF margin (%)	CFO-capex/ debt (%)
Telekom Austria AG	A-						
	A-	2024	5,413	31.0	0.2	4.6	63.2
	A-	2023	5,251	32.8	0.4	2.0	35.1
		2022	5,005	34.6	1.0	7.9	31.1
Deutsche Telekom AG	BBB+						
	BBB+	2023	111,682	33.3	2.5	8.8	13.6
	BBB+	2022	112,839	29.6	2.9	0.6	3.7
	BBB+	2021	105,962	28.7	3.2	-6.1	-3.5
Orange S.A.	BBB+						
	BBB+	2023	44,132	29.8	2.2	1.9	7.3
	BBB+	2022	43,480	30.1	2.1	-0.7	4.1
	BBB+	2021	42,522	29.9	2.2	-2.5	2.8
Vodafone Group Plc	BBB						
	BBB	2024	36,717	30.0	3.0	-1.5	4.7
	BBB	2023	45,706	32.1	2.2	2.4	8.3
	BBB	2022	45,580	33.5	2.5	2.5	7.6
Royal KPN N.V.	BBB						
	BBB	2024	5,603	44.2	2.4	2.3	11.5
	BBB	2023	5,439	43.8	2.3	4.4	13.0
	BBB	2022	5,374	44.3	2.3	4.9	14.1
BT Group plc	BBB						
	BBB	2024	24,357	35.1	1.9	-5.8	-2.7
	BBB	2023	23,521	34.4	1.8	-3.3	1.4
	BBB	2022	24,646	32.4	1.7	-1.7	-0.9
Telefonica Deutschland Holding AG	BBB						
	BBB	2023	8,614	22.2	0.5	-3.2	16.9
	BBB	2022	8,224	22.8	0.3	-8.1	-7.0
	BBB	2021	7,765	22.9	0.2	-1.8	29.8
e& PPF Telecom Group B.V.	BBB						
	BBB	2024	2,123	41.2	1.9	-3.7	23.6
	BBB-	2023	3,776	41.3	2.5	4.8	11.7
	BBB-	2022	3,506	41.3	2.6	5.3	7.1

Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

(EURm as of 31 Dec 24)	Notes and formulas	Standardised values	Lease treatment	Other adjustments	Adjusted values
Income statement summary					
Revenue		5,315	—	98	5,413
EBITDA	(a)	2,024	-418	73	1,679
Depreciation and amortisation		-1,163	338	0	-825
EBIT		861	-81	-0	781
Balance sheet summary					
Debt	(b)	750	—	—	750
Of which other off-balance-sheet debt		—	—	—	—
Lease-equivalent debt		—	—	—	—
Lease-adjusted debt		750	—	—	750
Readily available cash and equivalents	(c)	367	—	—	367
Not readily available cash and equivalents		—	—	—	—
Cash flow summary					
EBITDA	(a)	2,024	-418	73	1,679
Dividends received from associates less dividends paid to minorities	(d)	-1	—	—	-1
Interest paid	(e)	-99	82	—	-17
Interest received	(f)	19	—	—	19
Preferred dividends paid	(g)	—	—	—	—
Cash tax paid		-156	—	—	-156
Other items before FFO		-47	-1	-91	-140
FFO	(h)	1,741	-338	-18	1,385
Change in working capital		-26	—	5	-21
CFO	(i)	1,715	-338	-13	1,364
Non-operating/nonrecurring cash flow		—	—	13	13
Capex	(j)	-890	—	—	-890
Common dividends paid		-239	—	—	-239
FCF		585	-338	—	248
Gross leverage (x)					
EBITDA leverage	b/(a+d)	0.4	—	—	0.5
(CFO-capex)/debt (%)	(i+j)/b	109.9	—	—	63.2
Net leverage (x)					
EBITDA net leverage	(b-c)/(a+d)	0.2	—	—	0.2
(CFO-capex)/net debt (%)	(i+j)/(b-c)	215.2	—	—	123.7
Coverage (x)					
EBITDA interest coverage	(a+d)/(-e)	20.5	—	—	99.9

CFO — Cash flow from operations.
Note: The standardised items presented above are based on Fitch's taxonomy for the given sector and region.
Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.
Debt includes other off-balance-sheet debt.
Debt in the standardised values column excludes lease liabilities of EUR1,900.418 million.
Source: Fitch Ratings, Fitch Solutions, Telekom Austria AG

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

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