



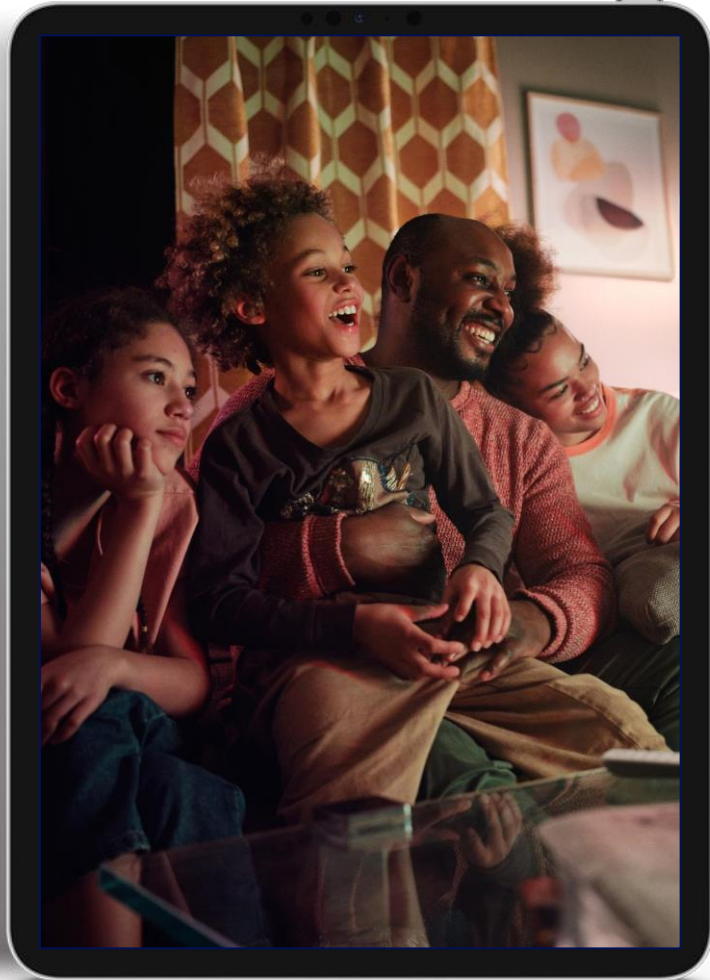
Swisscom FY 2021 results

Analyst and investor presentation

February 3rd, 2022



Welcome and agenda



Achievements 2021

Urs Schaeppi, CEO Swisscom



Swisscom 2025

Urs Schaeppi, CEO Swisscom



#1 in Switzerland

Urs Schaeppi, CEO Swisscom



Leading challenger in Italy

Alberto Calcagno, CEO Fastweb



Rock-solid financials

Eugen Stermetz, CFO Swisscom



Wrap-up

Urs Schaeppi, CEO Swisscom



Q&A

All



Achievements 2021

Urs Schaeppi, CEO Swisscom



2021 in a nutshell

Strong operational performance and financial results



Highest NPS 

and **best converged network** in **Switzerland**

Several test wins confirming Swisscom's undisputed leadership in best customer experience



Outstanding ICT position.

Leading in **Cloud** and **Managed Security**



Successful challenger with **growing RGUs** and **EBITDA (+5%)**



Sound financial results also thanks to solid execution in management of indirect costs



Climate neutral operations since 2020

New CO₂ ambitions 2025 to be 1st net zero Telco



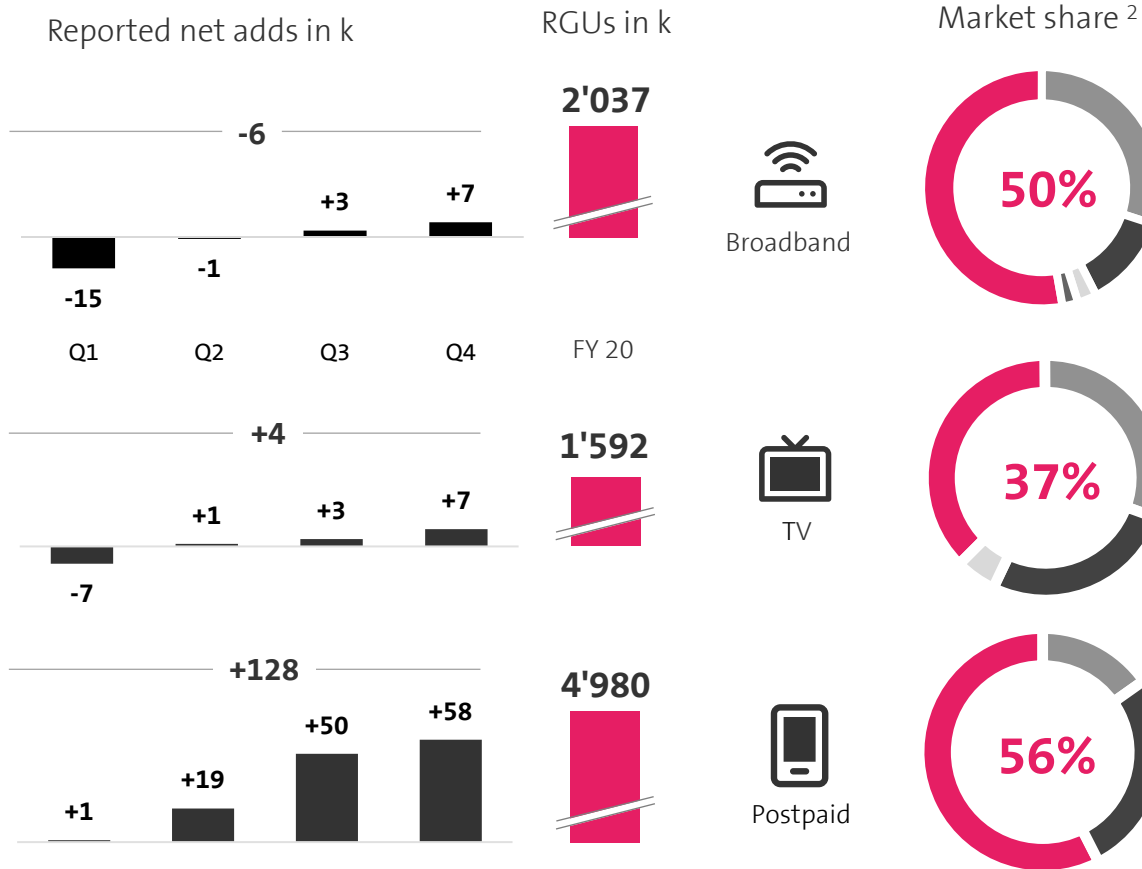


Market performance in Switzerland and Italy

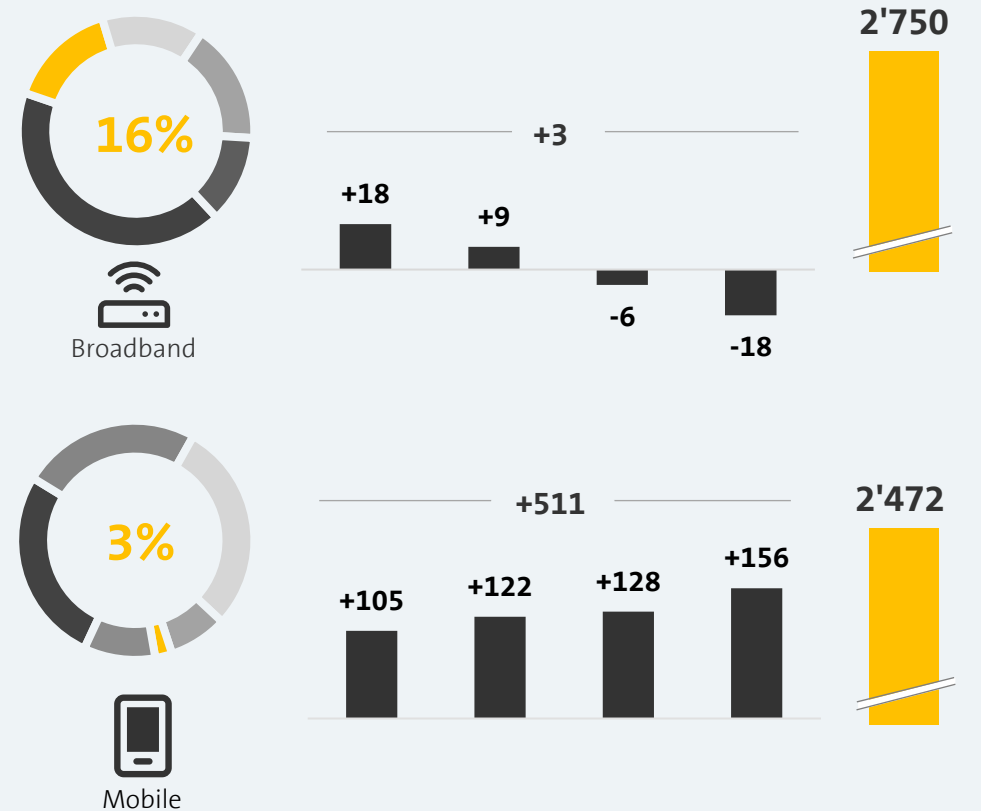
Overall solid operational results with a strong focus on value customers



Swisscom Switzerland ¹



Fastweb



1) Underlying FY net adds
 - BB -1k as Q1 21 extraordinary impacted by Swisscom Casa phase-out (-5k B2C)
 - Postpaid +144k as Q1 2021 extraordinary impacted by 2G switch-off (-4k B2C and -12k B2B)
 2) Market share as per 30.09.2021

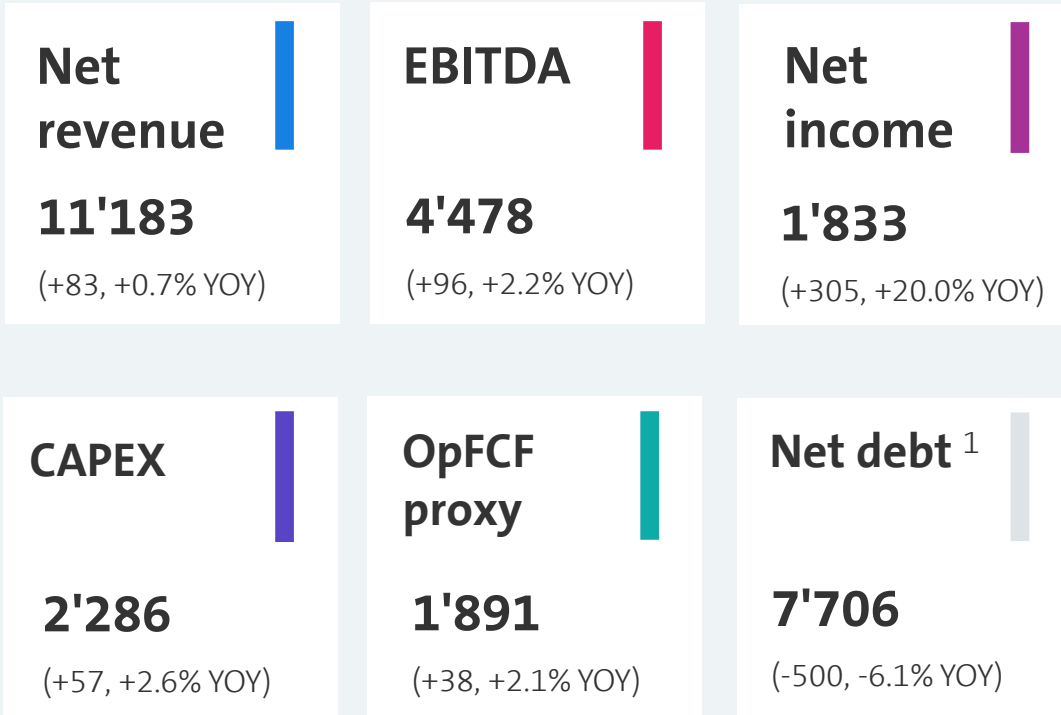


Financial results 2021

Underlying EBITDA increased thanks to strong operational results and lower indirect costs

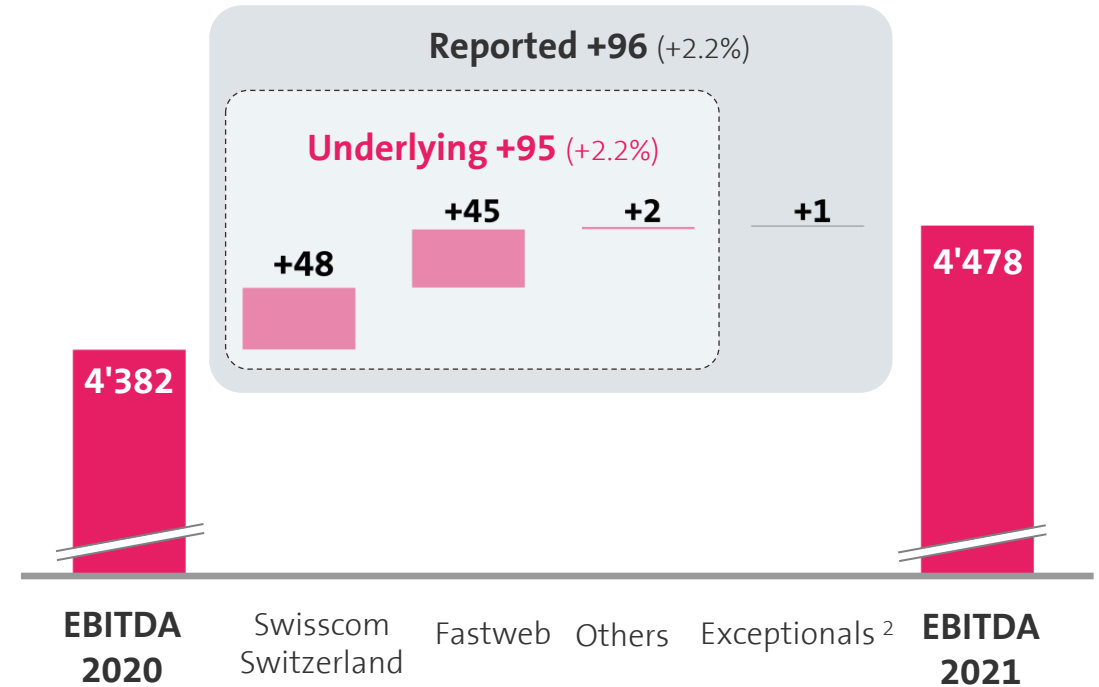


in CHF mn



Underlying EBITDA growing in 2021

in CHF mn



1) Including lease liabilities, Net debt/EBITDA as per 31.12.2021: 1.7x (-0.2x YOY), 2) Consists of adjustments for provisions (regulatory litigations (Q2: CHF -22mn; Q3: CHF -30mn) and restructuring (Q4: CHF -14mn)), positive currency effects of CHF +7mn (Q1: CHF +4mn, Q2: CHF +7mn, Q3: CHF +1mn, Q4: CHF -5mn) and effects from an adjustment of pension liabilities (Q2: CHF +60mn)



Swisscom 2025

Urs Schaeppi, CEO Swisscom



Swisscom uniquely positioned ...

Steady investments reflected in best customer experience and strong shareholder return



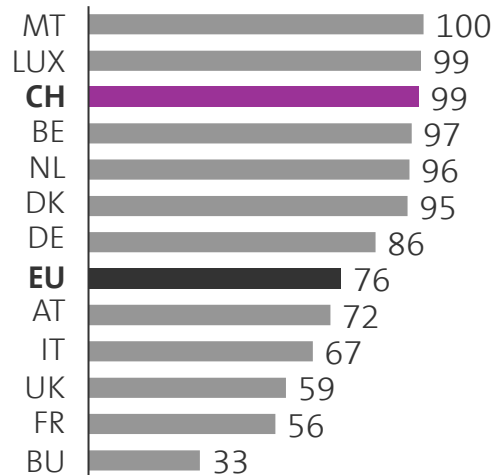
Attractive
UBB footprint

#1 NPS

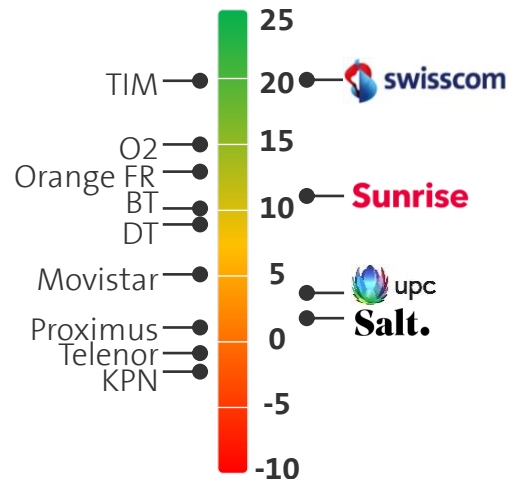
Leading service
revenue shares

Strong
TSR track record

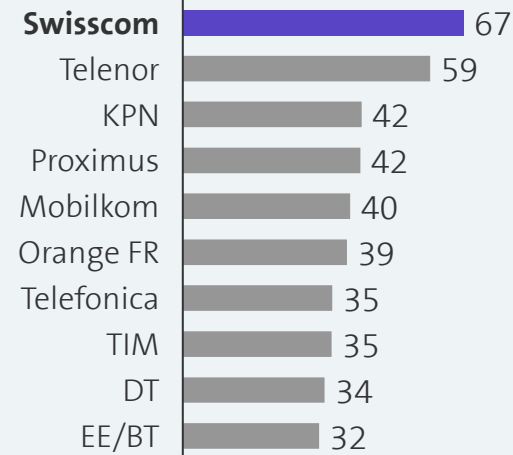
>100 Mbps coverage¹
in %



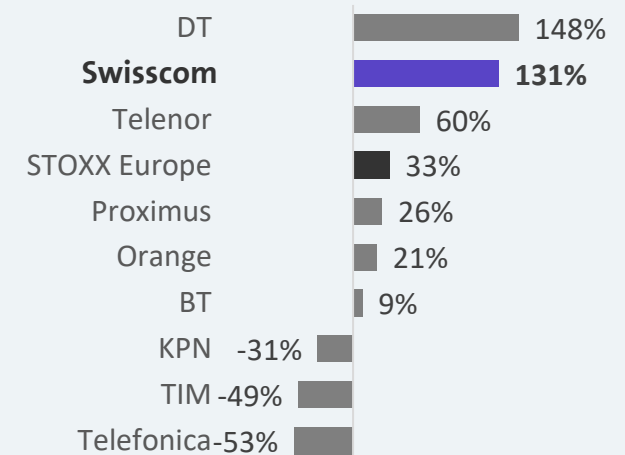
NPS comparison²



Mobile market share³
of service revenues in %



Total Shareholder Return⁴
for 2011-2021 and in CHF



1) EU commission report 'BB coverage in EU 2020', 2) Exane BNP Paribas broker report 'STAMP 2021' and NPS data collection by OMK, 3) Credit Suisse European Telecoms Factsheet (Aug 21), 4) Bloomberg



... in an environment with continuous challenges

Swisscom's business and ecosystem impacted on several dimensions



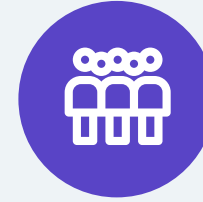
Market

- Ongoing **service revenue pressure** in **Switzerland**
- **Increasing competitive dynamics** in the **Italian broadband market**
- Substantial **growth opportunities** in **IT business**
- Continuous **efficiency gains key**



Customers

- **Price sensitivity up**
- **Requirements changing**
 - Simple offerings
 - Stable solutions
 - Instant 24/7 services
- **Raising expectations** for **digital experience**



Stakeholders

- **ESG relevance increasing**
- **Higher** number of **cyber attacks**
- **Regulatory environment hard to predict**
- **Tough war for talents** in **Switzerland**



Swisscom with solid strategy and ambitious goals 2025 ...

... to empower the digital future



#1 in Switzerland

- Market leader in Telco services
- Switzerland's digital backbone
- No. 1 in customer experience
- Key player in IT business with growth potential



Leading challenger in Italy

- Largest converged UBB network
- Consistent growth with market share gains
- No. 1 in reputation



Rock-solid financials

- Sound profitability
- Strong cashflows
- Attractive dividend
- Strong balance sheet



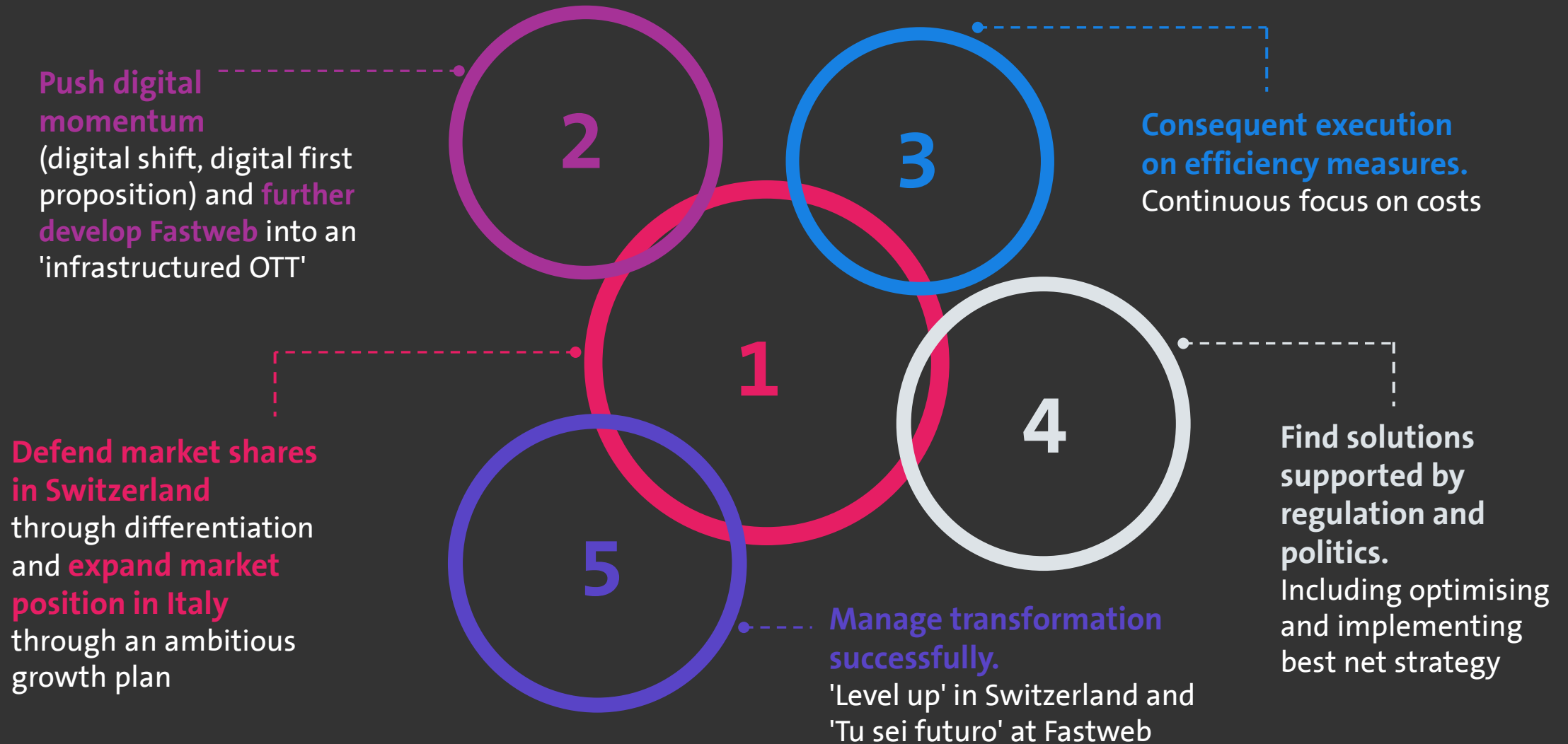
Committed to corporate responsibility

- Trusted corporate citizen
- Net-zero emissions and positive CO₂ contributions
- Digital wellbeing and inclusion
- Inspiring and diverse workplace



Outstanding in innovation & reliability

- Highly innovative products and services
- Digital leader
- Revenue growth in non-core business
- Most resilient and secure networks and services





#1 in Switzerland

Urs Schaeppi, CEO Swisscom



Achievements 2021

Swisscom Switzerland with outstanding results - commercially and operationally



B2C

Several test wins

connect shop, connect app, PC Tipp
hotline

NPS leadership

increased

Launch

blue Play

Growing Smart Home:

c. +80% connected HHs

2nd/3rd brands

with record months

Low churn

levels

Leading market shares

across all segments

B2B

Strong NPS

development

Several partner awards

affirming innovation leadership

Launch of

new customer portal

Successful

ICT acquisitions

Positive momentum in order intake

Financially sound with

42% EBITDA margin

Infra

Win of all w- tests

in Switzerland

Completion of

2G phase-out

5G coverage

of **99%**

UBB extension

with
72% of all HHs with >200Mbps

Network reliability

boosted

New access agreement

with Salt



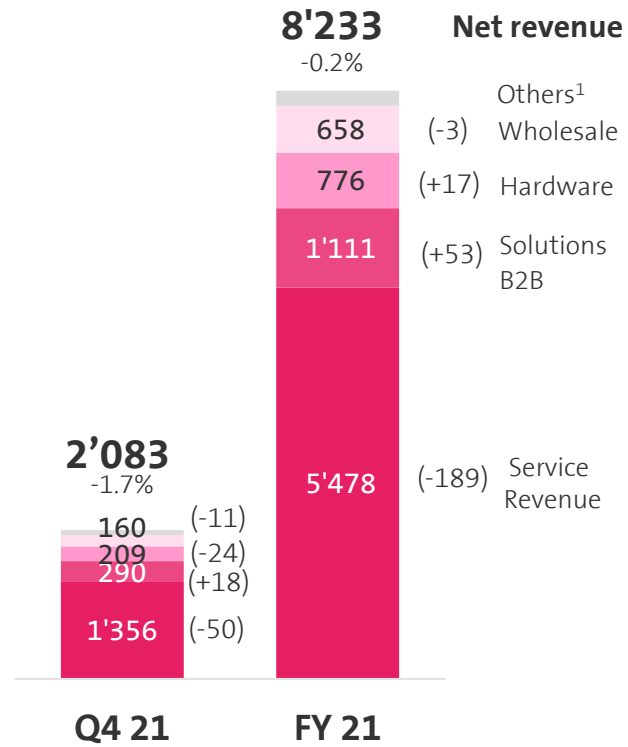
Financials 2021

Net revenue flat. Reported EBITDA impacted by provisions and FCF additionally by higher CAPEX



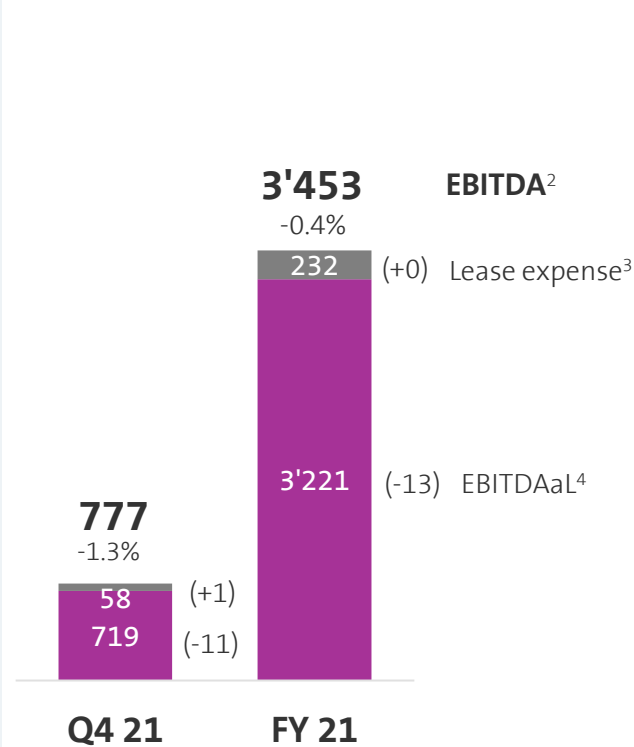
Net revenue

in CHF mn (YOY)



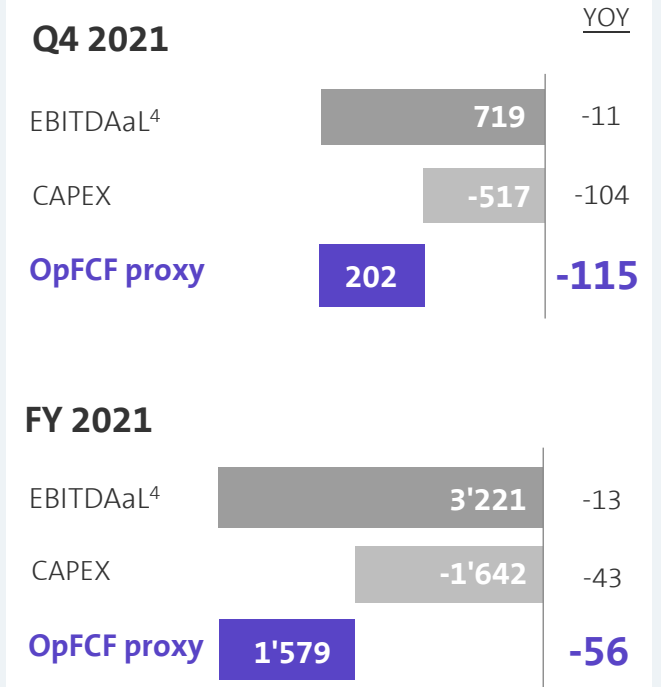
EBITDA

in CHF mn (YOY)



OpFCF proxy

in CHF mn



1) Q4 2021: CHF 68mn (CHF +30mn YOY), FY 2021: CHF 210mn (CHF +105mn YOY), 2) Reported EBITDA includes exceptional effects of CHF -61mn YOY, underlying EBITDA up by CHF +48mn (+1.4% YOY), 3) Consists of depreciation of right-of-use assets and interest expense leases, 4) EBITDA minus lease expense



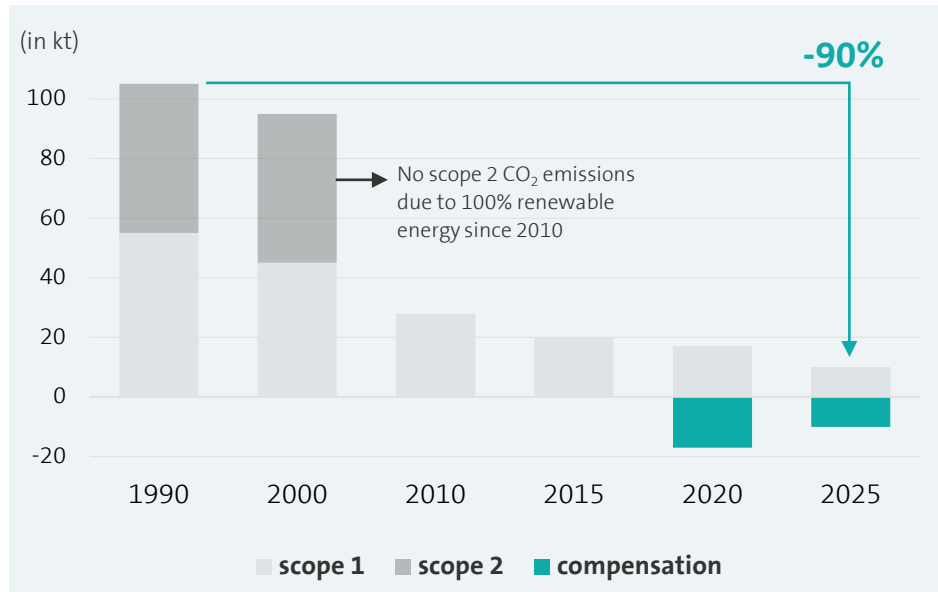
Corporate responsibility: new CO₂ ambitions 2025

Swisscom since 2020 fully climate-neutral and continues to be an industry front-runner



Own direct CO₂ emissions (scope 1-2)

From fuel, thermal energy consumption and purchased electricity

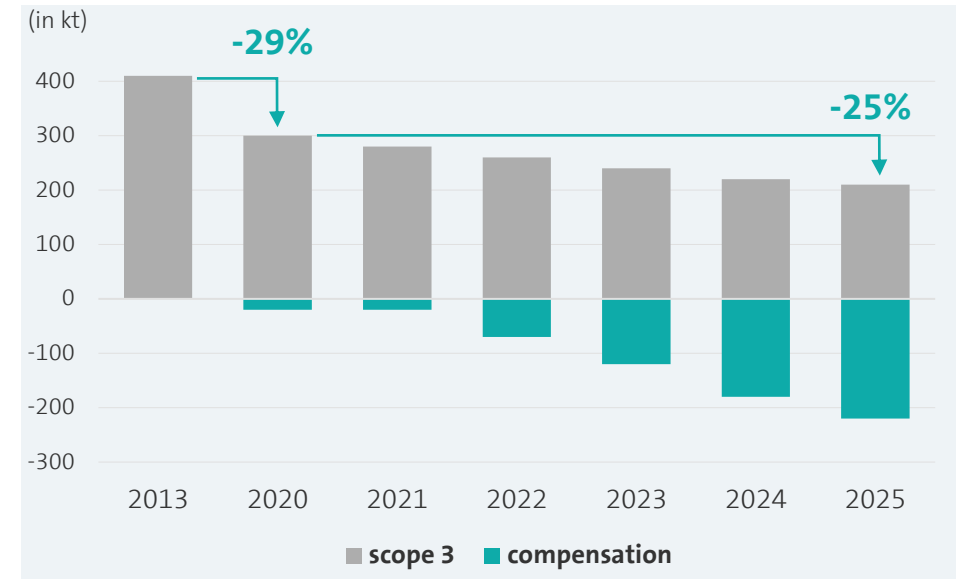


Reduction of **direct CO₂ emissions** by **90%** until **2025**¹

- **100% renewable energy** since 2010²
- Replacement of fossil heating energy with **heat pumps** and decrease of heating intensity per square meter
- Start **electrification** of Swisscom's **vehicle fleet**
- Further increase **energy efficiency**
- Remaining emissions offset³

Own indirect emissions (scope 3)

From supply chains, transport, waste disposal, business travel



Indirect CO₂ emissions (mainly within **supply chain**)

systematically recorded since 2013

- **Reduction** by **29%** as of 2020 thanks to improvements within supply chain and increased energy efficiency of customer devices
- **Target 2025**: decrease of further **25%**
- Remaining emissions offset³

1) Compared to 1990, 2) Scope 2 with 100% renewable energy since 2010 (solar energy and guarantee of origin), 3) Since 2020



Corporate responsibility: results 2021

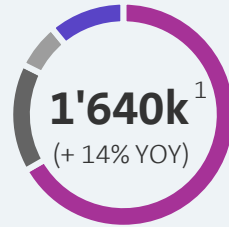
Swisscom continues to assume responsibility



Ready for people



Status 2021



- **71'806** schoolchildren, teachers, parents and senior citizens were trained in the **use of digital media**
- **Youth media protection** with inclusion of all user groups and **security** aspects
- **New offers** for **SMEs** planned

Ready for the environment



Status 2021 (in kt)

CO₂ emissions² (Scope 1-3) CO₂ Savings (Scope 4)

291

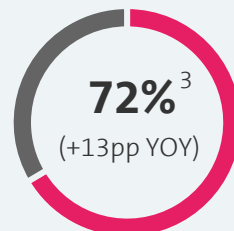


- **87 own photovoltaic systems** have generated **~3 GWh** of electricity and reduced the power consumption of a mobile radio system by 10-15%
- **Efficiency measures** helped to **avoid 22 GWh** of electricity consumption

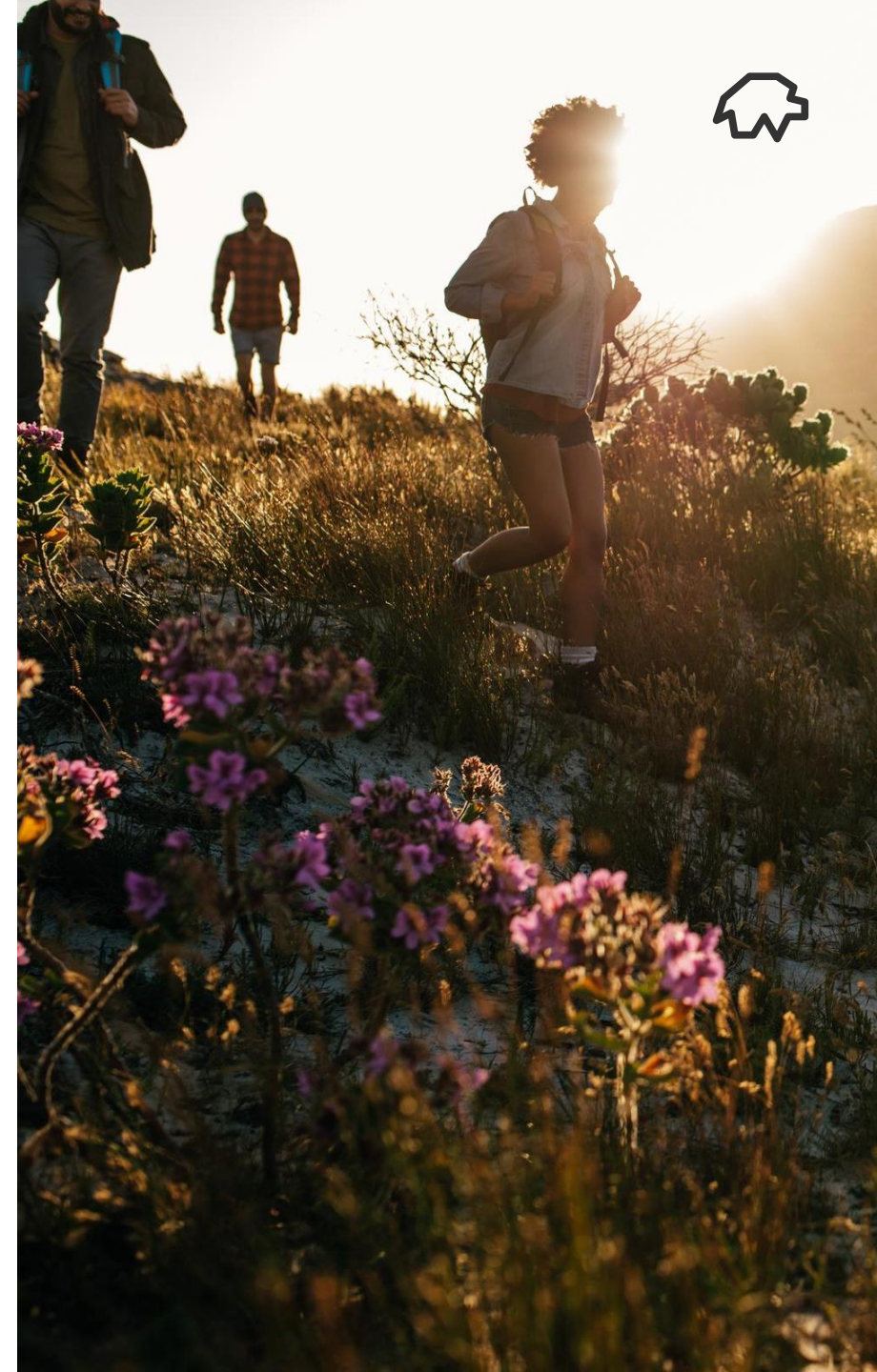
Ready for Switzerland



Status 2021



- Strong contribution to build a **resilient infrastructure** and promote sustainable economic growth
- Higher bandwidths through **modernisation of existing network and expansion**



1) People trained per year to use digital media and improved working conditions for employees in our supply chains,

2) CO₂ emissions 2020: 315 kt reported, 295 kt restated (in 2021),

3) >200 Mbps coverage



Strategy

Proven settings for Swisscom Switzerland



Best customer experience



#1 in NPS

Best products

Best services

Best infrastructure

Operational excellence



Cost savings

Digital leader

Lean IT and networks

Smart investments

New growth



Revenue growth

Maximise core

Grow in Solutions

Focused growth in adjacent businesses



Empowering the digital future in B2C



Maximise customer value

with attractive inOne and convergent offerings



Inspire with exciting entertainment

by leveraging blue and launching blue 2



Increase share of wallet

through best digital experience with VAS and Smart Life



Attract new subs with wingo

and smart promotional behaviour



Empower digital channels

and develop shops towards phygital





Maximise customer value in saturated markets

Convince with quality and network differentiation to upgrade customers



Ongoing growth with inOne and giga-tariffs

- **More4More strategy with giga-tariffs**
e.g. +25% BB L tariffs with 10Gbps offerings in 2021
- **Continuous Pre2Post migration in mobile**
(+67k in 2021 – net effect)



Leverage the best network

- **Winner of connect w- network test**
- **Winner of connect 10 Gbps test**
- **Ookla test winner for best w- network**

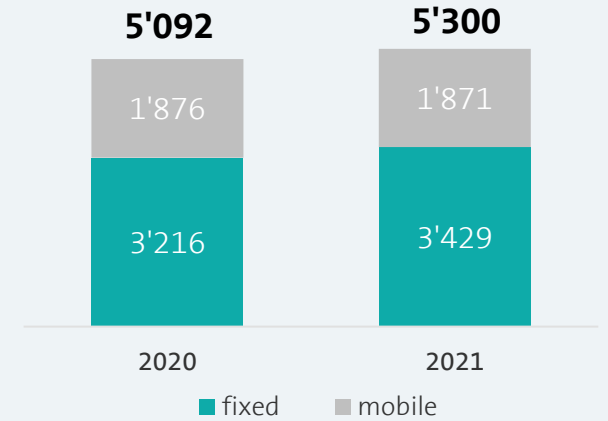


Differentiated access with E2E connectivity solutions

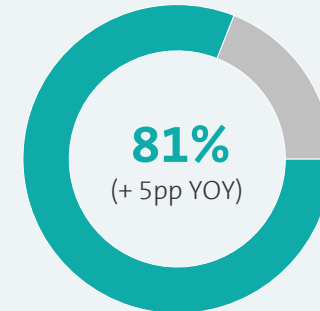
- **New WLAN extender** for best connectivity in every corner
- **Launch of internet 5G booster** enabling speeds up to 1 Gbps
- **TV experience further enhanced** cementing Swisscom's leadership in home entertainment

Status

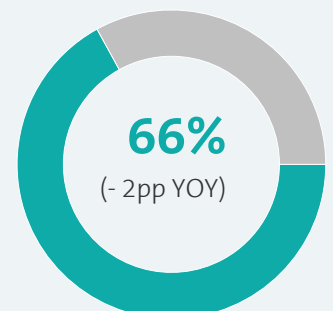
inOne RGUs increase in k



inOne home % of B2C broadband RGUs



inOne mobile % of B2C postpaid RGUs



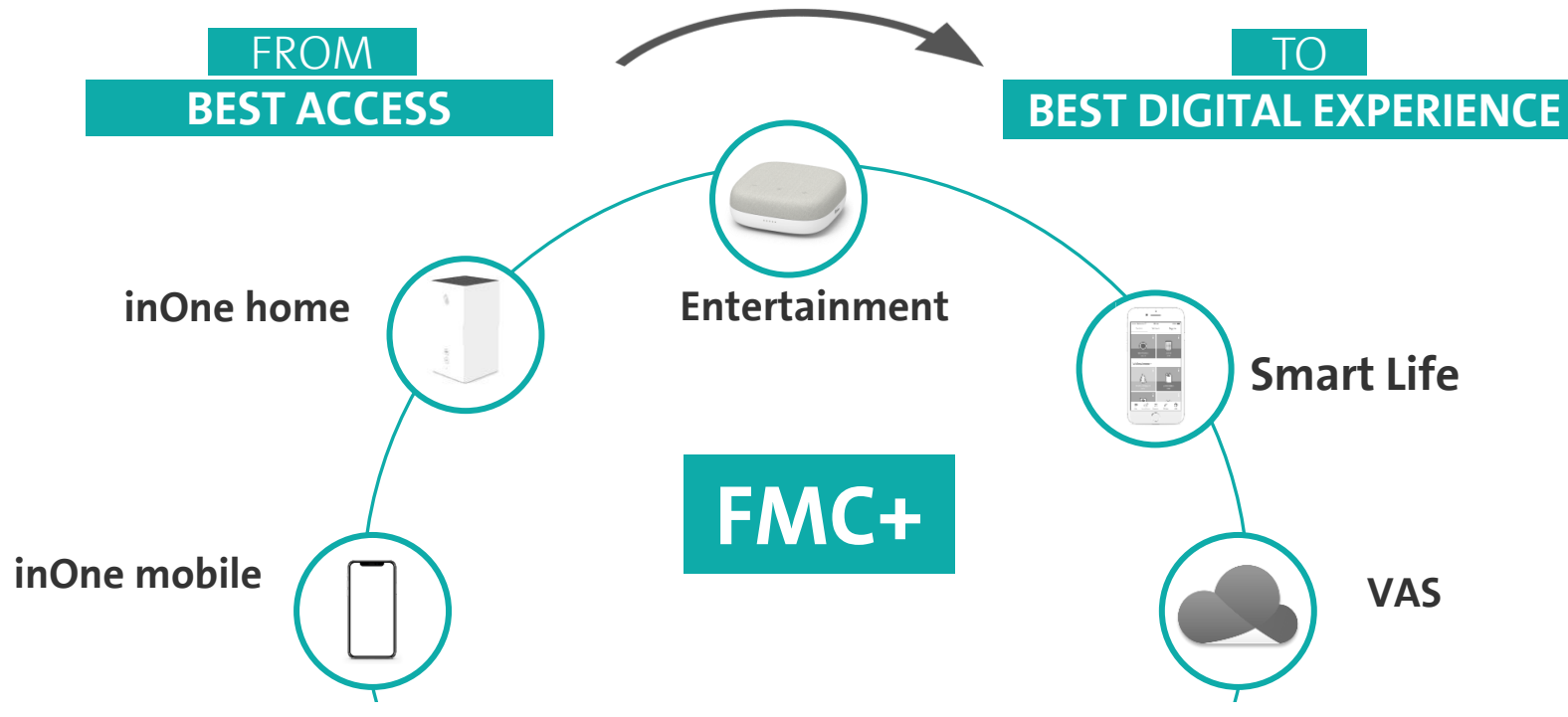


Lead in FMC+ experience to protect the core

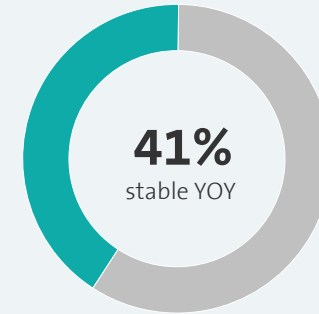
Defend ARPU and keep churn low



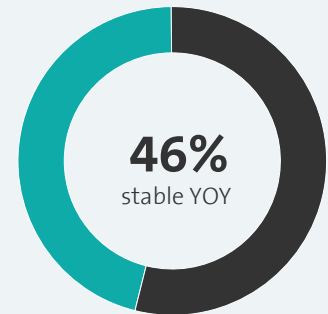
Status



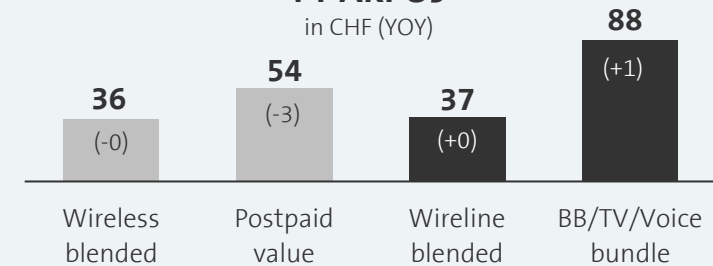
FM converged postpaid value subs¹
as per 31.12.2021



FM converged broadband subs¹
as per 31.12.2021

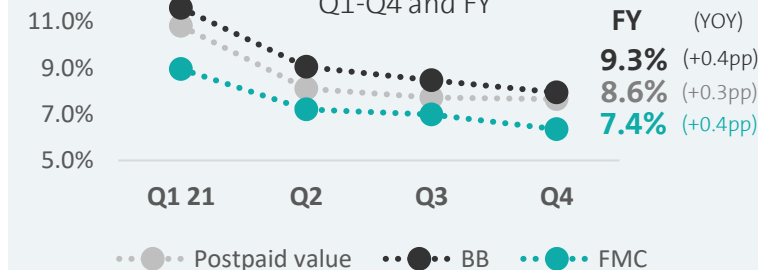


FY ARPUs
in CHF (YOY)



Churn rates

Q1-Q4 and FY



- **Extend convergence story towards best digital experience**
e.g. strengthening of VAS & Security offerings in 2021
- **Wide benefits towards all HH members**
e.g. integration of data packages for kids generation
- **FMC+ with positive effects on NPS and churn**

1) Postpaid value own brand 53% (+2pp YOY) and BB own brand 48% (+0pp YOY)



Outstanding entertainment is key to keep and attract customers

Strong attachment rate and NPS



Status

1 Aggregator role to strengthen competitiveness

Smart partnership - all from 1 single source

<p>Exclusive content</p> <ul style="list-style-type: none"> New exclusive offerings Best sport experience (home of football) 	<p>Best user experience</p> <ul style="list-style-type: none"> New TV box Additional storage Several updates
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2 Scaling & monetising TV

blue TV as OTT offerings

- LGs, Apple TV
- Quickline, Net+
- wingo
- Sunrise TV box

Lever pay TV

- Especially in sport offerings

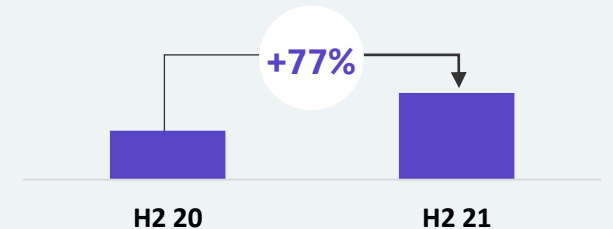
High attachment rate TV to broadband



NPS TV lead increased

+16pp
advantage to main competitor

blue Sports gross adds



3 Strengthening entertainment proposition



Thousands of movies & series, included from now onwards¹



Launch of sport centre with new features (e.g. match-highlights)



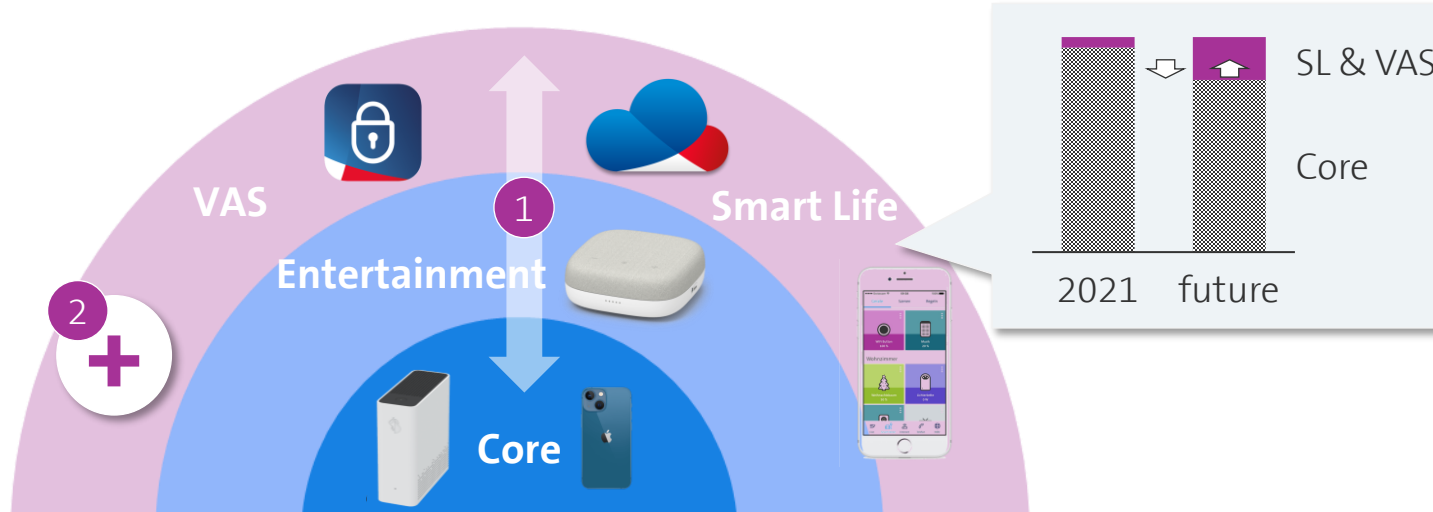
From 2022 onwards: Swisscom blue Music incl. events

1) For M tariffs onwards



Best digital experience driving growth in Smart Life and VAS ...

... and protecting core business



1 Up- and cross-selling

- **VAS with revenue growth in 2021.** Several new services: 1) security with cyber identity security and extension of customer base; 2) new MyCloud paid services with high pickup success
- **Smart Home growth: c. +70% in revenues** and c. + 80% connected HH with one or more devices activated in Home App
- **Smart Home users with Ø 3.8 devices/HH.** Swisscom with leading brand share

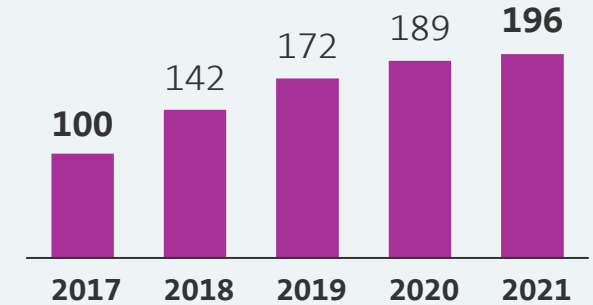
2 New growth areas

- **Grow with collaborations**
- **Extend App penetration and usage** (MySwisscom & Smart Home) as entry gate for Smart Life and VAS
- **Invest selectively** in VAS and Smart Life **to extend leadership in FMC+**

Status

Security & Services revenues

[indexed]



Smart Life



Close to 400k devices activated in Home App



Smart Home with c. +80% connected HH



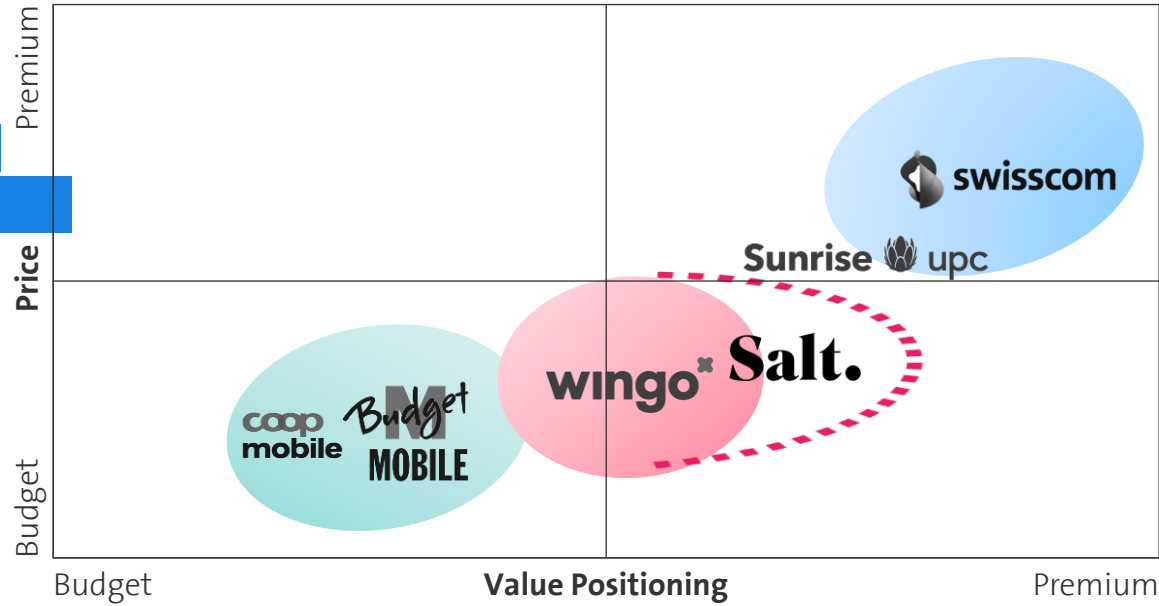
Attack from all sides with multi-brand strategy

Record year for wingo and 3rd brands ready to attack

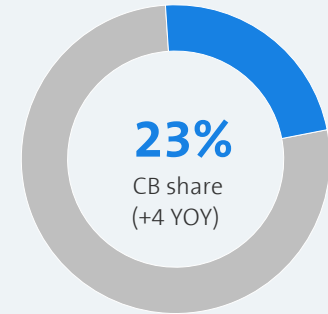


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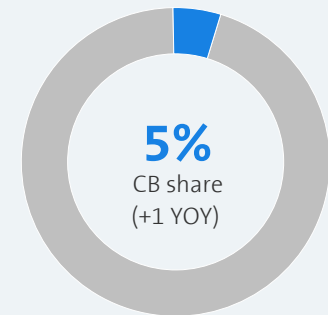
POSITIONING
MULTI-BRAND



2nd/3rd brands
postpaid value subs



2nd/3rd brands
broadband subs



wingo*

- **2nd brand with record growth** (and limited cannibalisation effects)
- **Further develop wingo position as convergent player** (e.g blue TV launched) in order to stimulate ARPU **within young and price-sensitive segments**
- **3rd brands: strengthen positioning to exploit full market potential** (e.g. additional targeted offers such as family options or roaming/international usage)

Budget MOBILE
coop mobile





Smart promotional behaviour key to successfully address market dynamics



Swisscom: focus on convergence and value. wingo: defend market share

Own brand: focus on convergence and value, not on growth at any price



Focus on convergence – promotions mainly as a cross-selling tool to boost convergence, rather than to acquire new standalone customers



Link promotions to top tariffs – high stickiness for top tariffs also after promotion phase, leading to better ARPU evolution



Value promotions for existing customers – free upgrade offers for up to 12 months to improve loyalty and drive ARPU



2nd/3rd brands: defend market share in more price-sensitive segments



Every day promotion – regularly changing promotions to participate in growth in increasing price sensitive customer segments



Counter attacks – matching competitor promotions and price attacks to defend market share with limited cannibalisation



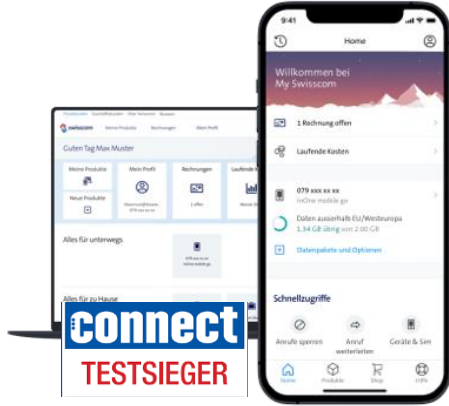


Digital push with best omni-channel experience

Consistent shift to online while keeping best experience across all channels



Status¹



MySwisscom App

Sales and care with successful shift to online ...

- **W- eSales close to 10%**, broadband growing towards 20%
- **Workload shift to online already at 60%**
- **MySwisscom App rated as #1 carrier App by connect test**
- Online channels with **improving NPS**

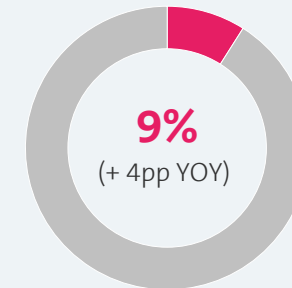
... while assisted channels stay at the heart of Swisscom's omni-channel approach

- **Majority** of own brand sales in physical shops (own, franchise, third)
- **Cross- and upsell** potential highest in shops
- **NPS in shops** highest of all channels
- **Online education of customers** highly relevant to strengthen omni-channel approach
- **Shops** with new **digitalised** concept (close to 50% of all shops remodelled until YE 2022)

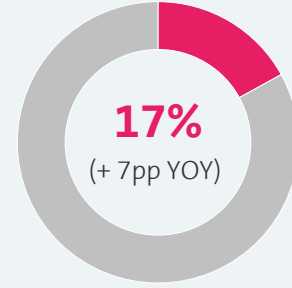


New shop concept

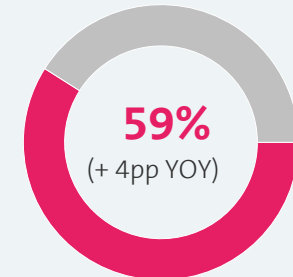
Channel share eSales wireless



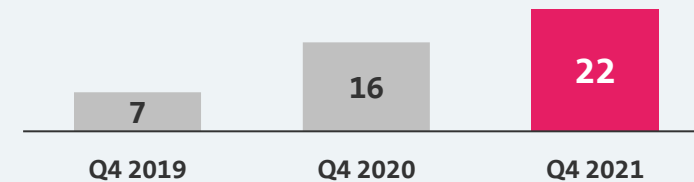
Channel share eSales wireline



Channel eCare



Online NPS



1) Of own brand



Empowering the digital future in B2B



Push value differentiation
through attractive modular Telco offerings



Foster new business opportunities
thanks to 5G in combination with IoT, cloud and analytics



Extend ICT leadership in corporate segment
with organic growth, selective acquisitions and strong partnerships



Lever strong market position in SME
with strengthened capabilities and best convergent ICT Solutions



Cement #1 NPS market position
by driving digital transformation and best omnichannel experience





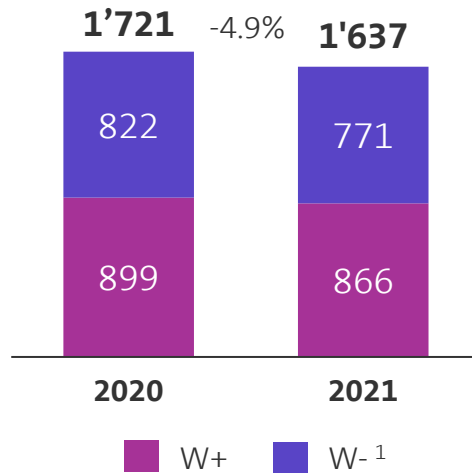
Service revenue impacted by continuous price pressure

Hold leading position in a challenging market with strong value proposition



Service revenue trend unchanged

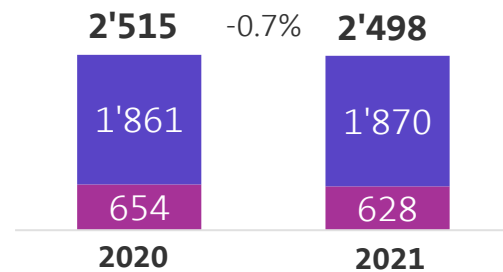
in CHF mn



- **Covid-19 tailwind** led to better YOY evolution (than originally anticipated)
- **W- ARPU of CHF 31**, YOY decline of CHF -2 driven by continuous **price pressure**
- **W+** primarily impacted by lower voice volume due to **technology shift**

Solid evolution of underlying products

RGUs in k



- **RGU base stable without 2G sunset effect** of -12k postpaid RGUs in Q1 2021

Hold leading position with strong value differentiation

- **Attractive modular offerings**
- **Technology leadership** and **innovative solutions** to generate new business
- **Convergent ICT proposition** to protect market share and revenue
- **Value oriented pricing** approach to maximise value
- Cement **NPS leadership**
- Customer migration towards **software defined offerings**
- Continuous **efficiency improvements** to maintain Telco margin



1) Including business numbers



New business potential through 5G and IoT in wireless

Proven ability to combine IoT, 5G, cloud and analytics' capabilities



Growth potential with selected 5G use cases

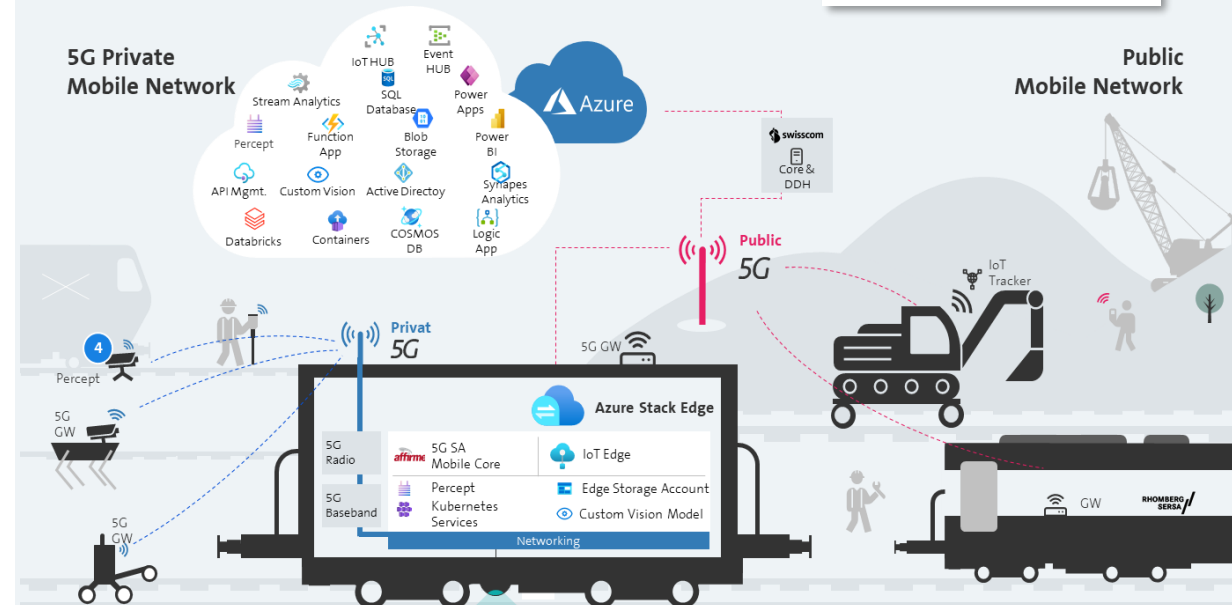
Critical communication		Prioritised voice, data and push-to-talk services for critical use cases
Mobile private networks		Connect smart assets or prioritise highly available connectivity
FWA		Temporary, location independent WAN/LAN solutions

IoT rollout as another growth driver

Grow subs base		Land and expand customer specific use cases
Differentiated system competence		Increase win-rate/retention and prevent price erosion with unique competencies
Selective hardware bundling		Speed-up execution with standardised hardware-connectivity bundles

Microsoft global IoT award for successful customer project

- Successful **combination of state-of-the-art technologies** to create measurable benefits on **rail construction sites**
 - **5G/4G private mobile network**, connecting devices and machines
 - **Local cloud** on railway carriage pre-processing large data volumes
 - **Edge-IoT: AI models analyse** and **provide immediate on-site results**
 - **Customized localization** and **tracking**
 - **Machine monitoring** based on **Azure**





Extending ICT portfolio in corporate segment

Organic and inorganic initiatives combined with strong partnerships cementing Swisscom leading position



Corporate Solutions

Vertical IT Solutions



Business Applications



SAP



Cloud



Workplace & UCC



Security

Enterprise Mobile Solutions

Networking & Voice Solutions

IoT

Addressing E2E customer needs as #1 digitalisation partner

Initiatives supporting ongoing IT solution growth

Acquisition of **JLS** to strengthen **digital communication, customer specific applications** and address digital signage needs

Acquisition of **Webtiser** to extend SAP implementation practice with SAP **e-commerce capabilities**

Strengthened **hybrid ICT offering**, by advancing **AWS partnership** and pursuing **strong market development with MS Azure**

New generation of enterprise workspace offering, fully cloud enabled, operation system agnostic and cutting-edge process

Strengthened TDR/SOC¹ services, while **expanding managed services portfolio** and **security consulting**

Positive evolution of Solutions order intake

(2021 with CHF +0.1bn new business)

1) TDR: Threat Detection & Response, SOC: Security Operations Center



Lever Swisscom's strong market position in SME

Acquisition of MTF to enhance capabilities and penetrate SME-market with ICT solutions



SME Solutions

- Internet, landline, TV
- Mobile

Security

Cloud

New ways of working

Application ecosystem

Initiatives for profitable growth in SME segment

Strengthen capabilities to address market needs

Attractive proposition

IT sales capabilities

Performing IT-partner eco system

Scalable operating and service model



- **Comprehensive IT capabilities** ranging from infrastructure to application offerings
- **Extensive service offering**
- **SME specific operating model**
- **Strong local presence**
- **Trusted SME partner**

Provide SaaS ecosystem for SMEs

Relevant portfolio

- **Support Digitalization journey** of Swiss SME
- **Protect service revenue** with converged offering
- **Leverage customer relationships** and trusted Swisscom brand for additional growth





Cementing #1 NPS market position with best-in-class omnichannel experience



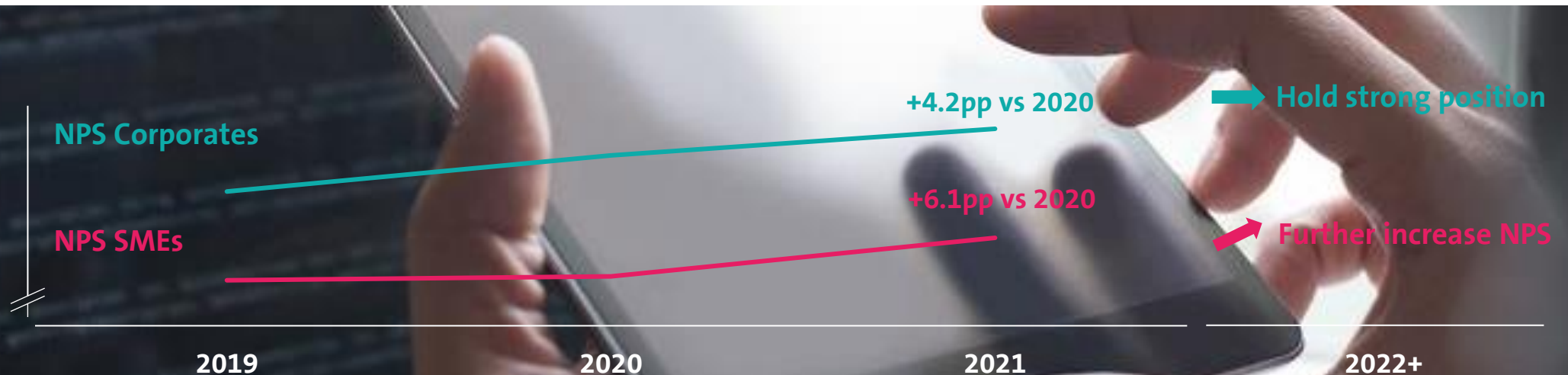
Digital transformation as basis for high and increasing customer satisfaction

Key results 2021

- Launch of **MySwisscom business portal** and migration of corporate customers to new portal completed
- **Self-service online share** for corporate customers increased to **>60%**
- **High touchpoint satisfaction** and **1st contact resolution**

Outlook 2022+

- **One B2B portal:** start migration of SME customers and partners to **new unified customer centre for standardised transactions**
- Further **increase online share** for corporate and mid-market customers
- **Extend high touchpoint satisfaction rate**





Empowering the digital future in infrastructure



Best mobile net in Switzerland

proven by numerous key test wins for many years



Continuous fibre-optic investments

to make Switzerland gigabit ready and future-proof



Reduce IT & network complexity

to improve efficiency, cost base and reliability



Reliable and secure networks

key to be a trustworthy and value-oriented operator



Ensure long-term value generation in wholesale

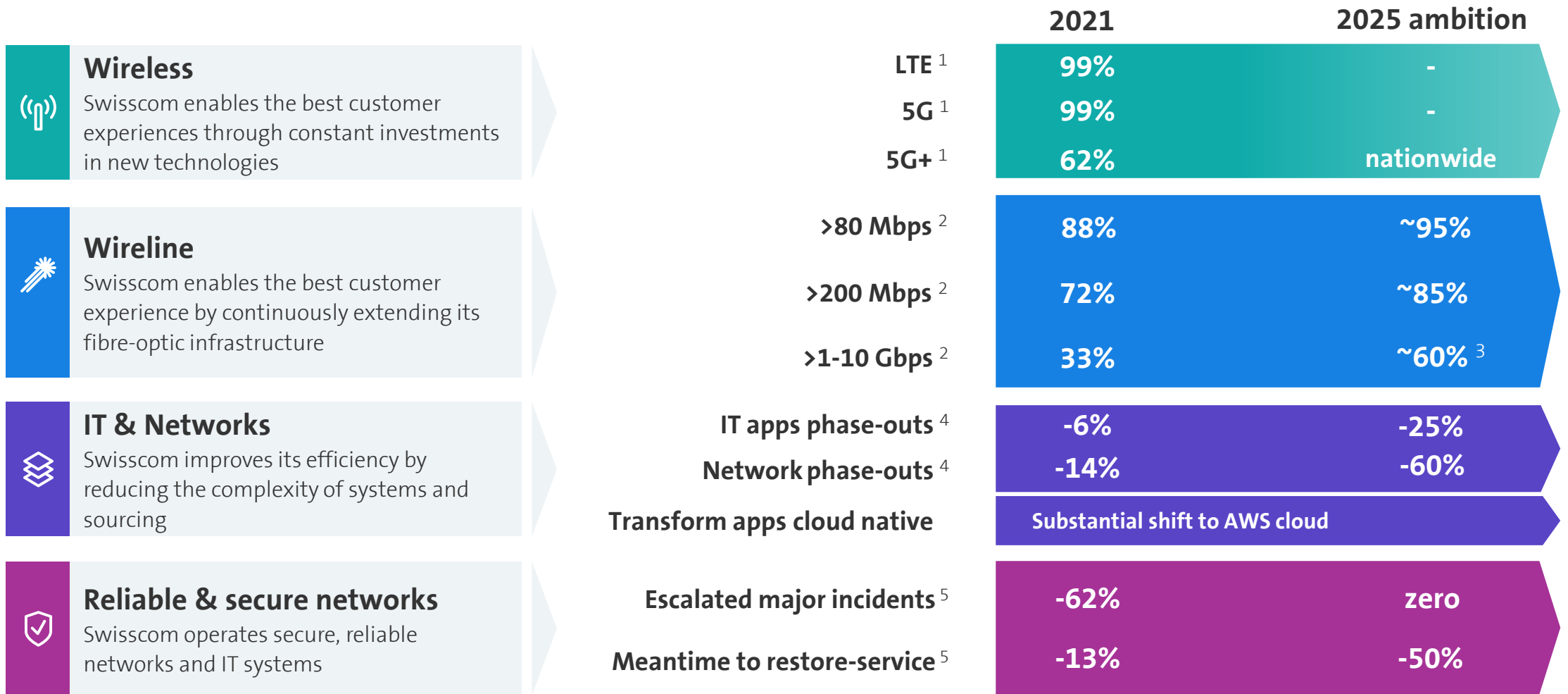
through strengthened competitiveness and partnership-based cooperations





Ambitious targets to transform our IT & network infrastructure

Swisscom heavily invests in networks and technology stack simplification and modernisation



1) Pop coverage, 2) Coverage of marketable HH/SME connections, 3) Subject to review depending on regulatory developments, 4) Compared to 2019 baseline, 5) Compared to 2020 baseline



Winner of all Swiss mobile tests in 2021 including 5G

Undisputed mobile leadership and #ready for tomorrow with the best 5G network



Undisputed #1 in mobile



Swisscom **wins connect for the twelfth time in first place** with the **rating outstanding** in the categories 'voice', 'data' and 'crowd'



Swisscom **wins the CHIP mobile network test 2021 for the sixth time in a row** in all five categories: 'internet', 'telephony', 'availability', 'long-distance' and '5G'



Swisscom **wins the Ookla mobile test for the sixth time** in the categories 'best mobile coverage' and 'fastest mobile network'

Swisscom's factors of permanent success

- **Continuous investments** (steady annual CAPEX envelope of CHF ~0.3bn)
- **Best frequency portfolio** and **efficient technology allocation** (2G frequencies replaced for 3G and 4G)
- Strong network partner: **1 single and very reliable, innovative network vendor** (Ericsson)
- **Leadership in # of sites** (6k macro, 2x of competition)

High investments despite regulatory barriers

- **Increasing data demand** (+20% avg. data growth/year) keeps investment need high
- Despite regulatory relief (on 5G radiation measurement) **unchanged strict EMF restrictions** hamper better spectrum usage
- **5G+ rollout on track but unchanged public concerns** make site permission process tough



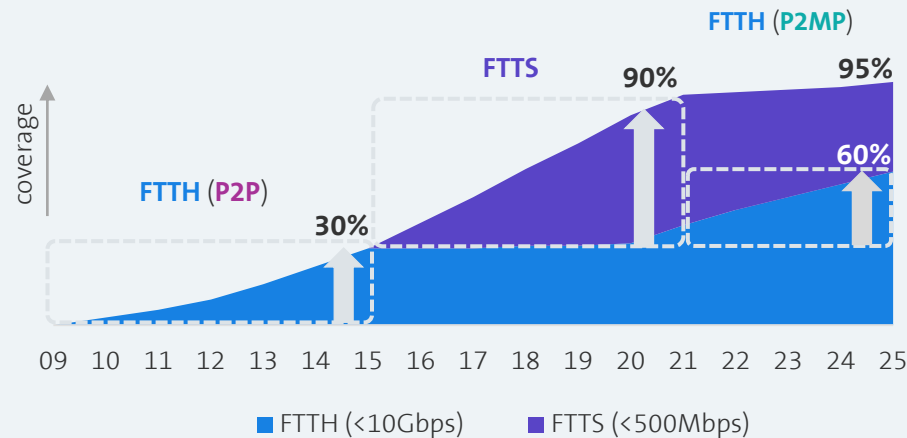
Making Switzerland Gigabit-ready

Swisscom targets a fibre-optic HH coverage of ~60% by 2025 – enabled by efficient P2MP approach



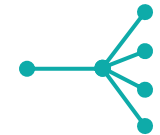
Swisscom's fibre strategy and roadmap

- **FTTH rollout 2009-2015** (together with utilities): 30% HH coverage (on P2P topology)
- **FTTS push until 2022** to cover 90% of HH with >80 Mbps and remain competitive against cable
- **In 2021** we have started the **next FTTH push** (based on P2MP topology) and are upgrading the FTTS turf with fibre on the last mile

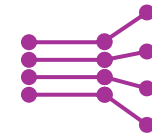


Swisscom's FTTH-rollout approach

- **P2MP** stands for the **most efficient** and **common fibre-optic rollout approach internationally**
- As a result, innovations and future developments are fully focused on P2MP technology

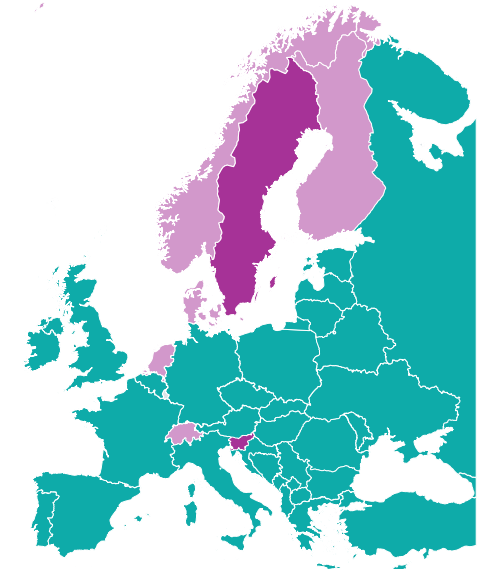


P2MP is cost-effective and best practice. Feeder fibres can be reused from FTTS



P2P dominant in early FTTH rollouts

- P2MP
- P2P
- P2P / P2MP

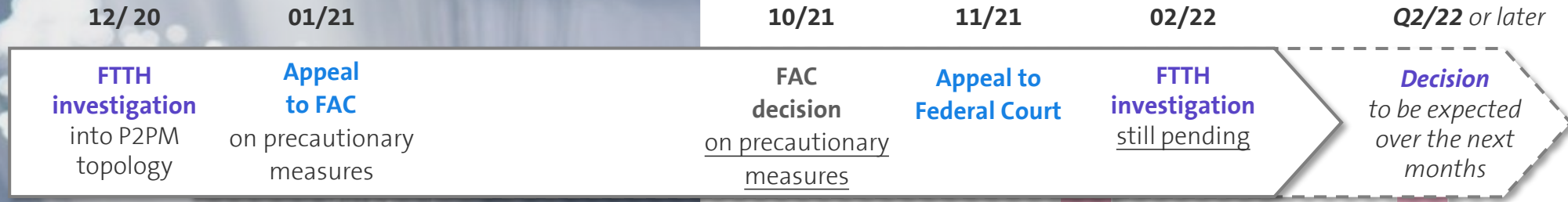





Source: Nokia, Altman Solon



COMCO investigating Swisscom's P2MP fibre-optic rollout

Swisscom in discussions with COMCO to find an agreement on P2MP



-  Competition commission (COMCO)
-  Federal Administrative Court (FAC)
-  Swisscom

 **Discussions with COMCO**

 **Range of possible outcomes**





Way forward to accomplish the FTTH rollout

Dividend policy unaffected by outcome of fibre discussions



Swisscom in discussions with COMCO

- Aim to find an **agreement on a L1 offering** (based on FANS technology) - discussions ongoing
- A **decision expected** over the next months (probably **in Q2** or later)



P2MP rollout continues

- **No marketing** in the new P2MP turf
- **Network elements can be reused** in case of shift to P2P



Range of possible outcomes for rollout 2022-2025

Best case



Worst case

	Best case	Worst case
Topology	P2MP	P2P
Coverage target 2025	~60%	~50%
New FTTH HHs in mn (in % coverage)	+1.5 (+30%)	+1.0 (+20%)
Avg. cost/HH connection in CHF ¹	c. 1.5-1.6k	c. 2.0k ²
Fibre CAPEX outlook	22: flat, 23-25: slightly down	22: flat, 23-25: slightly up
Financing	FCF	FCF
Dividend policy	unchanged	unchanged

1) Avg. cost for the upgrade of FTTS connections, 2) Higher avg. cost/HH connection of c. 30% due to extra feeder investments



Reduce IT and network complexity for operational excellence

We simplify - consistently and everywhere



Phase-out legacy technology



- Prepare **3G phase out by 2025**
- Accelerated **copper phase-out** until **2030**, by actively migrating customers in FTTH areas

Consolidate / simplify networks



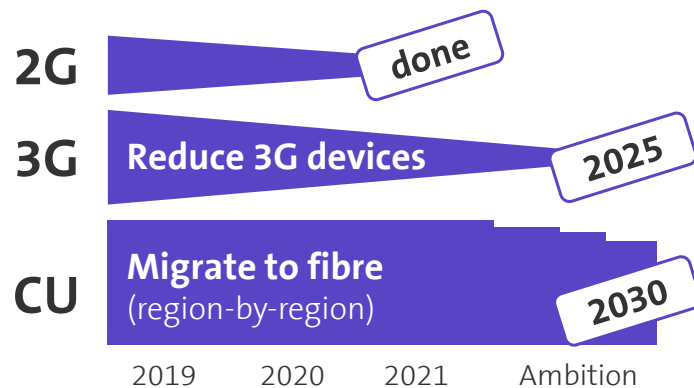
- **Radical consolidation** and modernisation of **network platforms**
- **Increase standardisation**

Phase-out / cloudify applications

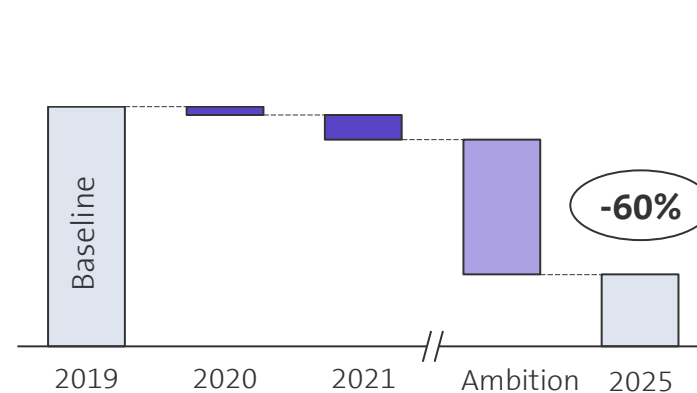


- **Phase out 25% of applications**
- Transform majority of **remaining workload** to cloud-native

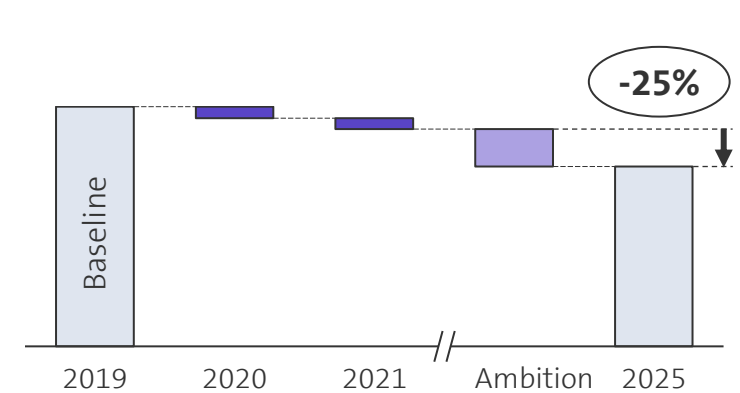
Access phase-out roadmap



Reduction of network platforms



Reduction of IT applications





Reliable and secure networks key to cement outstanding trustworthiness

Reliability and security are the basis of our value creation and first priority



Strategic initiatives for best operations ...



People & culture

- Separate **task force** mandated to **prevent major disruptions**
- As a result, **high awareness and value for reliable operations**



Processes

- From 2022, **all service management processes will be harmonised** and simplified within Swisscom



Tools & monitoring

- We **invested** substantially in **E2E monitoring capabilities**
- In addition, large **efforts to better inventory our IT landscape**



Major infrastructure projects

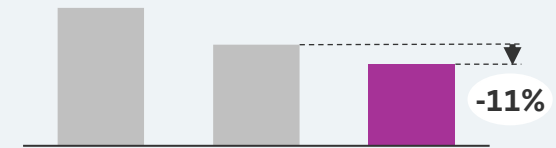
- **Simplification** and **consolidation** of networks, applications and platforms **increase operational reliability**

... and strong improvements

Escalated major incidents



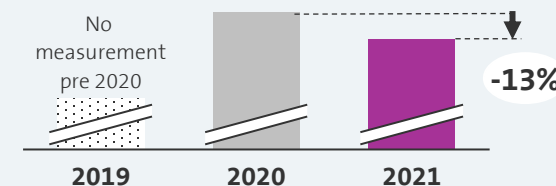
B2B major incidents



Customer satisfaction
NPS stable at high level



Mean time to restore-service





Secure wholesale value contribution

Focus on core business with new access products and new access agreements



Access products

- Broadband connectivity services (BBCS) on all copper & fibre technologies
- Access line optical (ALO) on P2P FTTH
- NEW** • PON-trees in fibre partnerships on P2MP FTTH
- NEW** • Alternative L1 access option for P2MP under evaluation



Access agreements

- NEW** • Fibre partnership with Salt
- Access agreement with Sunrise upc
- Several other access agreements with other operators

Strengthened competitiveness and partnership-based cooperations ensure long-term value for Swisscom





Empowering the digital future in operational excellence



Strong execution on cost saving ambitions

Cumulative savings of > CHF 600mn since 2016



Simplification key

to increase operational efficiency and optimise networks and IT platforms



Drive digitalisation

through pushing online sales and care, continuous process automation and cloud-transformation



Cost control as top priority

to compensate service revenue decline and remain competitive in Switzerland





Strong execution on cost saving targets for many years

Cost control remains essential



- **Strong track record**
 - **Cumulative net savings of CHF 608mn over 6 years**
 - Indirect cost base down by CHF ~100mn p.a. on average
- In this context the **FTE number of Swisscom Switzerland** came **down** consequently as well
 - -2.7k FTEs in total (2016-21)



Simplicity is core to increase efficiency throughout the whole organisation

Push operational efficiency to the next level and optimise networks and IT platforms

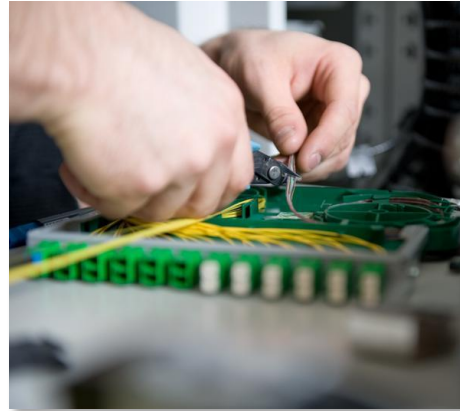


Operational efficiency



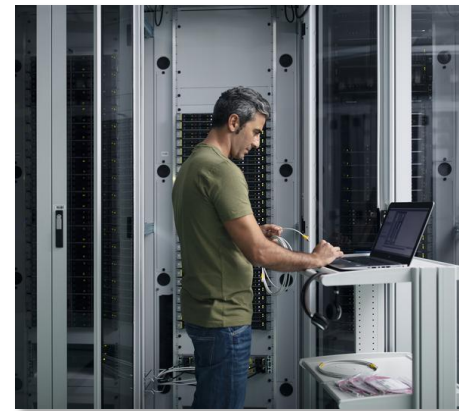
- Streamline product portfolios
- Improve processes and quality by increased first-time-right
- Renegotiate purchasing contracts
- Shift sales and care to online

Network / IT optimisations



- Network phase-outs
- Reduction of IT platforms
- Consolidation of IT infrastructure
- Cloud-native transformation of applications, operations and development

Data and analytics



- Drive process efficiency to the next level
- Optimise operations through smart E2E monitoring
- AI-based network maintenance
- Push robotic process automation

Lean / agile organisation



- Workforce insourcing (DevOps centres in Riga and Rotterdam)
- Reduce number of suppliers
- Review outsourcing and nearshoring options
- Leverage new ways of working and optimise office space



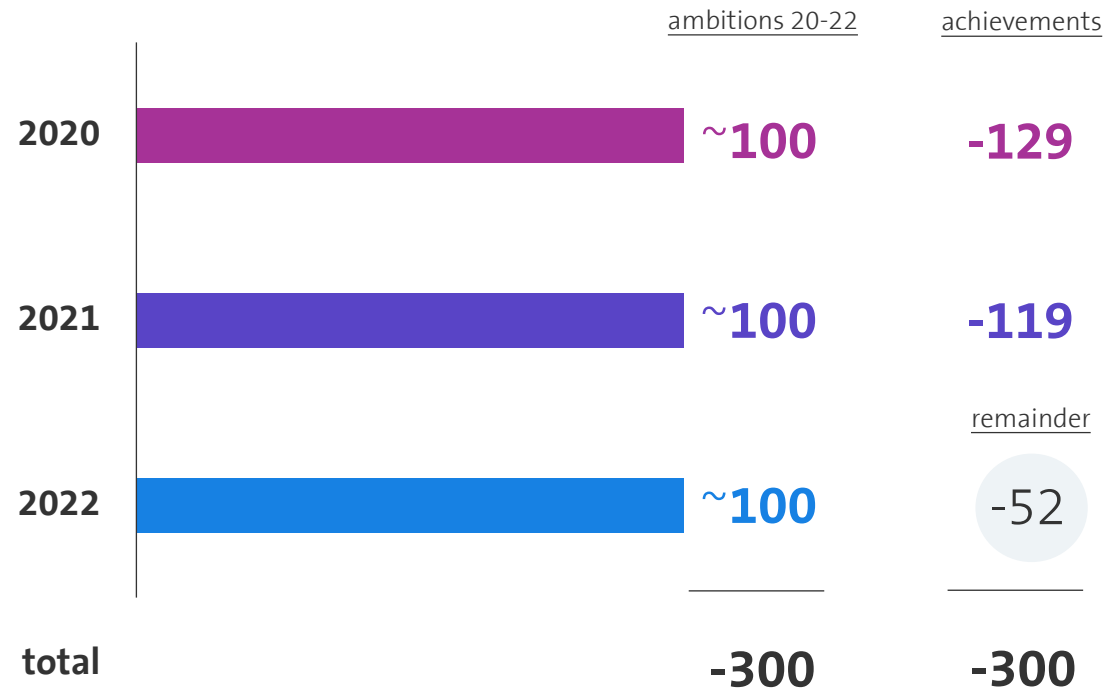
Operational excellence

Swisscom targets to lower indirect Telco-related costs by CHF -100mn in 2022



Ahead of plan thanks to overachievements 2020-2021

in CHF mn



- **>80% of total 20-22 ambition** of lowering indirect cost base by CHF -300mn already **realised**
- Swisscom continues to reduce its indirect cost
 - **2022** with c. **CHF -100mn Telco-related costs**
 - **2023+:** Telco-related costs to decrease in the **same magnitude** to address future service revenue pressure



Leading challenger in Italy

Alberto Calcagno, CEO Fastweb



Successful execution of 'infrastructure-OTT' strategy in 2021

Coupling superior infrastructure with flexible platforms



Solid operational momentum

- **Increase in wireline RGUs**
 - Preserving margins in retail
 - Boosting UBB lines in wholesale
- **Strong growth in mobile:** 2nd best market performer
- **Strengthened position** in Enterprise



Several successful launches

- **2.5 Gbps offer** and **new 5G FWA service**
- **NeXXt**, 1st internet box in EU with Alexa integrated
- **5G mobile** in **Enterprise**
- **New data centre** in Rome and **Security operation centre** in Bari
- **Partnership agreement** with **AWS**



Network rollout on track

- **Outstanding UBB infrastructure** with 89% coverage of families and business
- **FiberCop** set up completed, aiming to rollout fibre up to 56% of Italy by 2025
- **5G** network now at c. 50% population coverage





Leading to another golden year

Strong performance - operationally, commercially and financially



Strong market performance

- **Total Net RGUs +692k** (+14% YOY)
 - Wireline: **+181k** (+6% YOY)
 - Retail **+3k** (+0% YOY)
 - Wholesale UBB lines **+178k** (+113% YOY)
 - Mobile **+511k** (+26% YOY)
- Enterprise Market **share** cemented at **34.5%**
- **Orderbook up** +15% YOY to EUR **251mn**



FY guidance achieved

- **+5% EBITDA**
- **+4% revenues**
- **34** consecutive quarters of growth



NPS leadership in wireline

- Confirmed 2nd time in row
- **1st** operator for broadband quality as per **Netflix Index**



Leading in sustainability

- Certificate of Standard Ethics for **best ESG Telco in Italy**



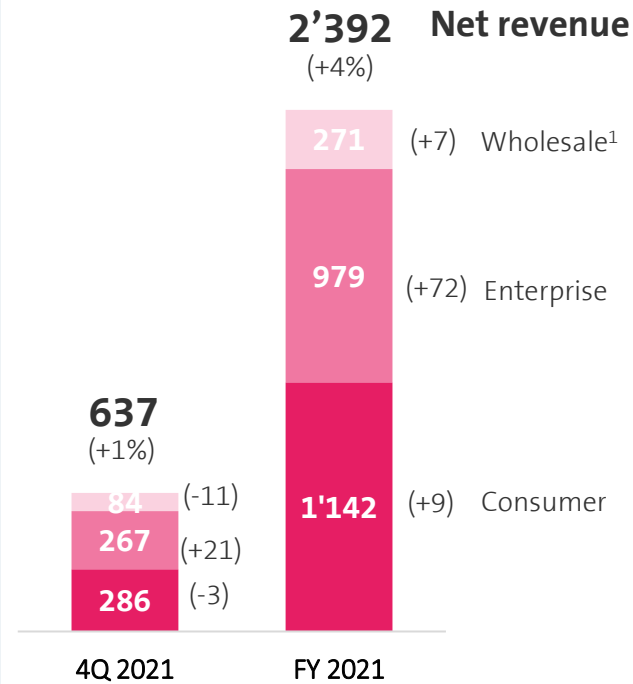
Financial results 2021

Continuous improvement of free cash flow contribution



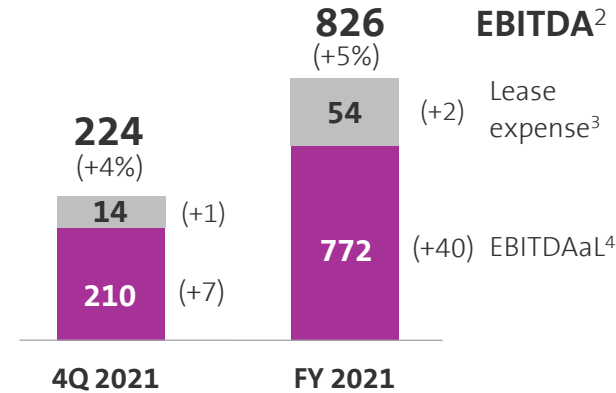
Net revenue

in EUR mn (YOY)



EBITDA

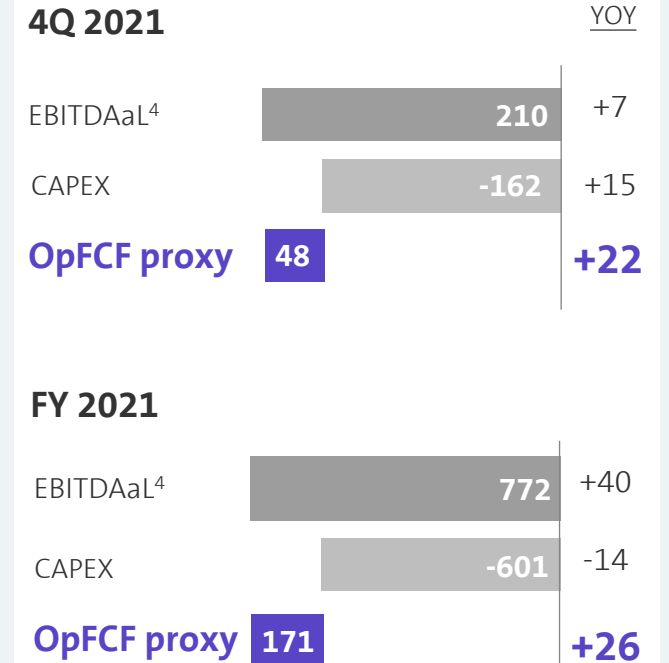
in EUR mn (YOY)



- **EBITDAaL** growth confirmed +5% YOY, in line with prior year and with FY guidance

OpFCF proxy

in EUR mn



1) Including intercompany revenues, 2) Reported EBITDA, 3) Consists of depreciation of right-of-use assets and interest expense leases, 4) EBITDA minus lease expense; including income from regulatory litigations



Fastweb recipe for continuous growth delivery

Accelerate transition to a platform-based company differentiating by trust and inclusion



Exploit growth areas

Deliver consistent growth over time in all business segments:

- Consumer Wireline
- Mobile
- Enterprise
- Wholesale



Expand own infrastructure and OTT platforms

Exploit own NGN infrastructure and agile platforms, to provide best performance and services



Differentiate through a new positioning «Tu sei futuro»

Provide everybody with tools, competencies and skills to build their future with trust



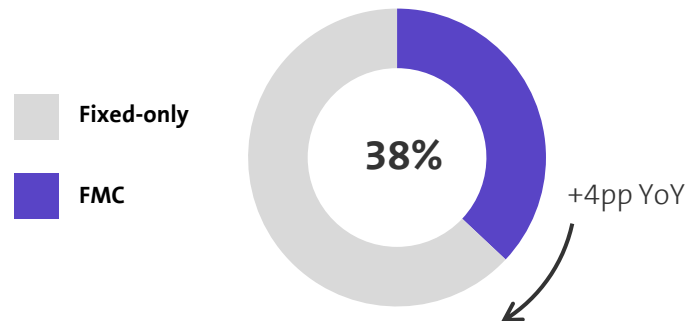


Consumer - wireline

UBB growth thanks to OTT capabilities, infrastructure differentiation and compelling FMC offerings

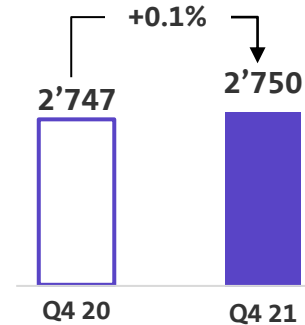
Highlights 2021+

- Unique “Nexxt” Internet Box
- Best UBB performance everywhere through **FWA**
- **NPS leadership** in wireline
- Push on **Fixed-Mobile convergence**
 - ARPU uplift: **+24%**
 - Share of **38%** (+4pp YOY)



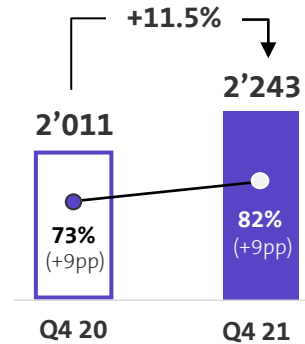
Consumer operational KPIs

Broadband subs in k (YOY)



- Customer base **flat YOY**

UBB subs (k) and penetration (YoY)



- **Strong UBB** growth, with 93% of gross adds
- **UBB penetration** increased **+9pp YOY**





Mobile - B2C and B2B

Deliver constant growth of mobile subs in B2C and enter B2B market



Highlights 2021+

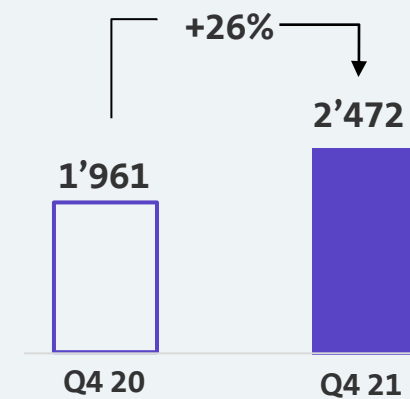


- **2nd best performer** in the market by numerous subs acquired from other operators (mobile number portability)
- **Extended real coverage on own 5G network**, currently available in 1'000+ cities (c. 50% outdoor coverage)
- Expand **5G mobile service for B2B** leveraging Fastweb's large and loyal customer base
- Accelerate **migration from 4G to own 5G network**



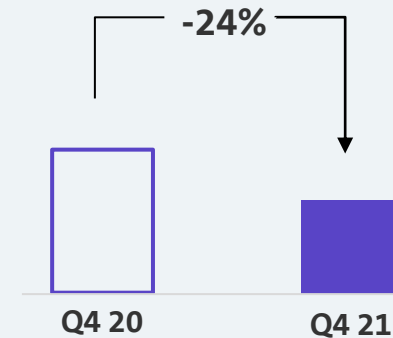
B2C operational KPIs

Mobile subs

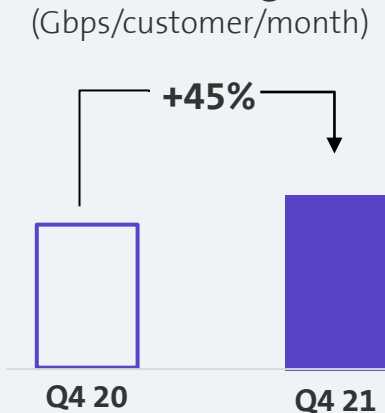


- Mobile **customer base up by +26% YOY**

Churn (YOY)



Data usage (Gbps/customer/month)





Enterprise

Continuous expansion in Cloud & Security field to stimulate further growth



Highlights 2021+



Telco

- **OTT-like process digitalisation** from presale to delivery
- **Fully customer-tailored** infrastructure solutions
- Push on **NeXXt Communication** (cloud IP-PBX)

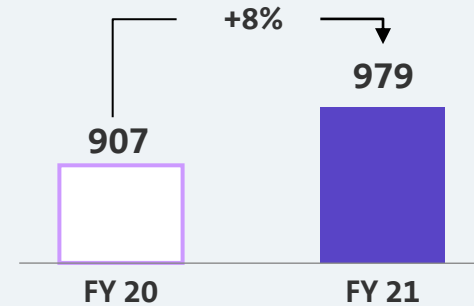


ICT - Cloud & Security

- Exploit **recovery fund plan** (PNRR) opportunities
- Continuously increase **skills, capabilities, and service innovation** leveraging on Cutaway and 7Layers competences
- **Leverage on partnership** with **AWS**
- Launch innovative services e.g. **edge computing**

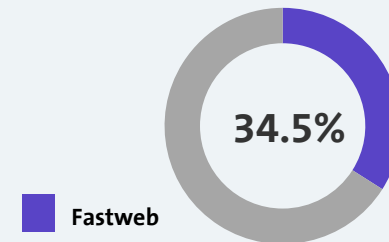
B2B operational KPIs

Revenues in EUR mn (YOY)



- **Revenues +8% YOY** primarily driven by public admin (PA) sector

Market share



- **34.5% overall** share¹ in Enterprise market
- **46.1%** market share in **PA sector**

New contracts



Regione Siciliana



Ministero della Giustizia

1) Source EY 2021, market share includes voice, data and VAS/ICT addressed by Telcos



Wholesale

Boost of UBB lines growth thanks to infrastructure light retail competitors



Highlights 2021+

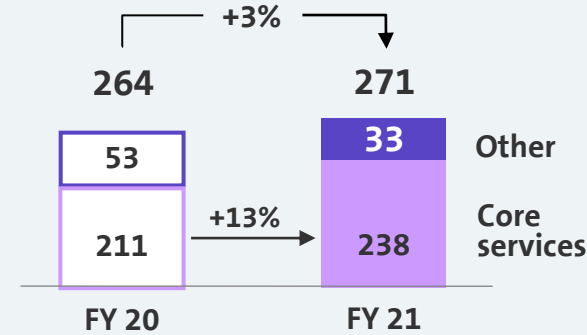


- UBB lines growth driven by **agreements and successful implementation with WindTre and Sky**
- **Future focus**
 - Acquire **strategic Telco customers and multi-utilities**
 - **One-stop-shop approach** with an OTT like ease of use
 - Further **extend own infrastructure footprint**
 - **Focus on P2P services** for business customers



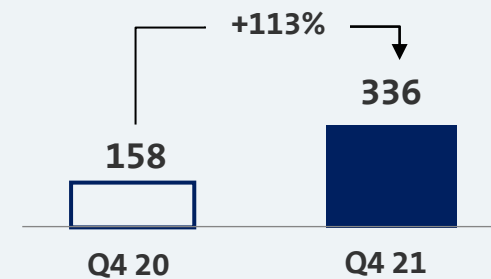
Operational KPIs

Revenues in EUR mn¹ (YOY)



- **Core up** (EUR +27mn YOY): **growth of wholesale lines and IRU-related revenue streams** for fibre backhauling
- **Other** (with low marginality) **down** (EUR -20mn YOY): primarily due to Flashfiber construction peak in Q4 20

Wholesale lines (k)



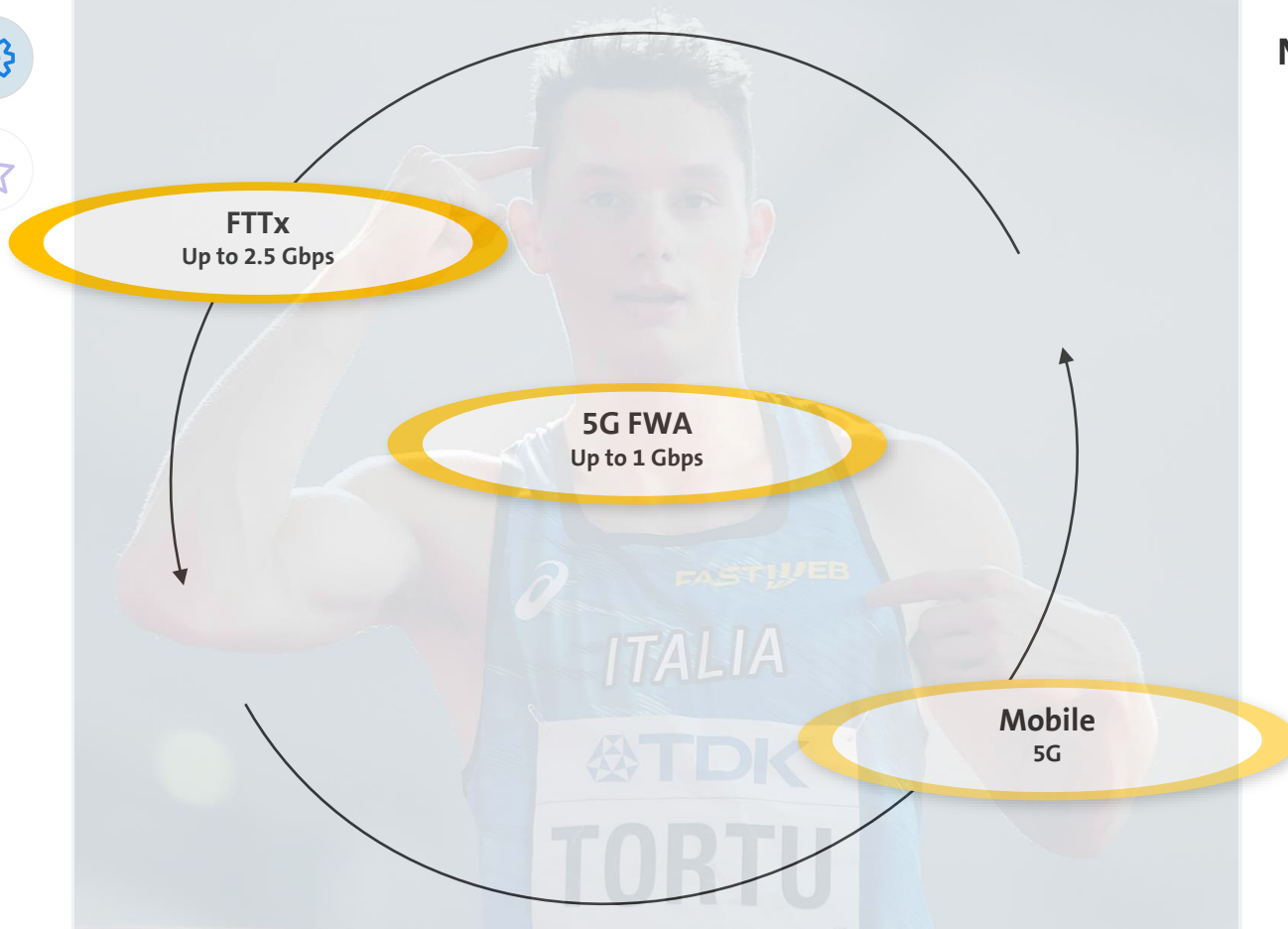
- Lines increasing with **+66k new connections** in Q4 vs Q3

1) Including intercompany revenues



Own infrastructure evolution

Pursue UBB leadership through FTTH, 5G FWA and 5G Mobile



Own network coverage

Network evolution with stable CAPEX envelope of EUR ~0.6bn

	FTTx mn HHs & companies	5G FWA	5G Mobile % outdoor cov.
2021	7.5	1.5	50%
2025	14.5	12	90%
	4.5% stake in FiberCop	5G FWA with Linkem	5G Mobile with WindTre



Empowering the digital future

New Fastweb Purpose: help everybody to build their future with trust



TU SEI FUTURO



CORE

Core Business Operations

- Provide **tools** and **infra to empower the digital future** and **create trust** through transparency and quality of services



FDA

Fastweb Digital Academy

- Fastweb's digital academy to foster both **professional and basic skills**



STEP

Fastweb Purpose Experience

- Unique **exhibition centre** at Fastweb headquarters to engage the general public with their future



FUTURE WEEK

- Fastweb workforce **dedicating one week** of their time to FDA, STEP and sustainability activities



GREEN

- Limit own impact on environment by **reducing CO₂ emission**
- **Involve customers and vendors** in sustainability initiatives
- **Carbon-neutral by 2025**, 25 years ahead of the EU's objective



Wrap-up and guidance

Accelerate positive momentum and grow likewise in 2022



Deliver top-line growth over time

- **Continue sustained RGU growth**
 - Value-based approach in Consumer wireline with innovative products and services with superior quality
 - Grow on mobile B2C and B2B market exploiting 5G
 - Scale-up wholesale volume business
- **Foster Cloud and Security** business in Enterprise



Expand own infrastructure

- Continue **infrastructure expansion**
- Provide **best performance everywhere**, leveraging on FTTH, 5G FWA and 5G Mobile



Differentiate through new market positioning

- Helping everybody to build their future with **trust**
- Ambition to become the number 1 company in terms of **reputation**

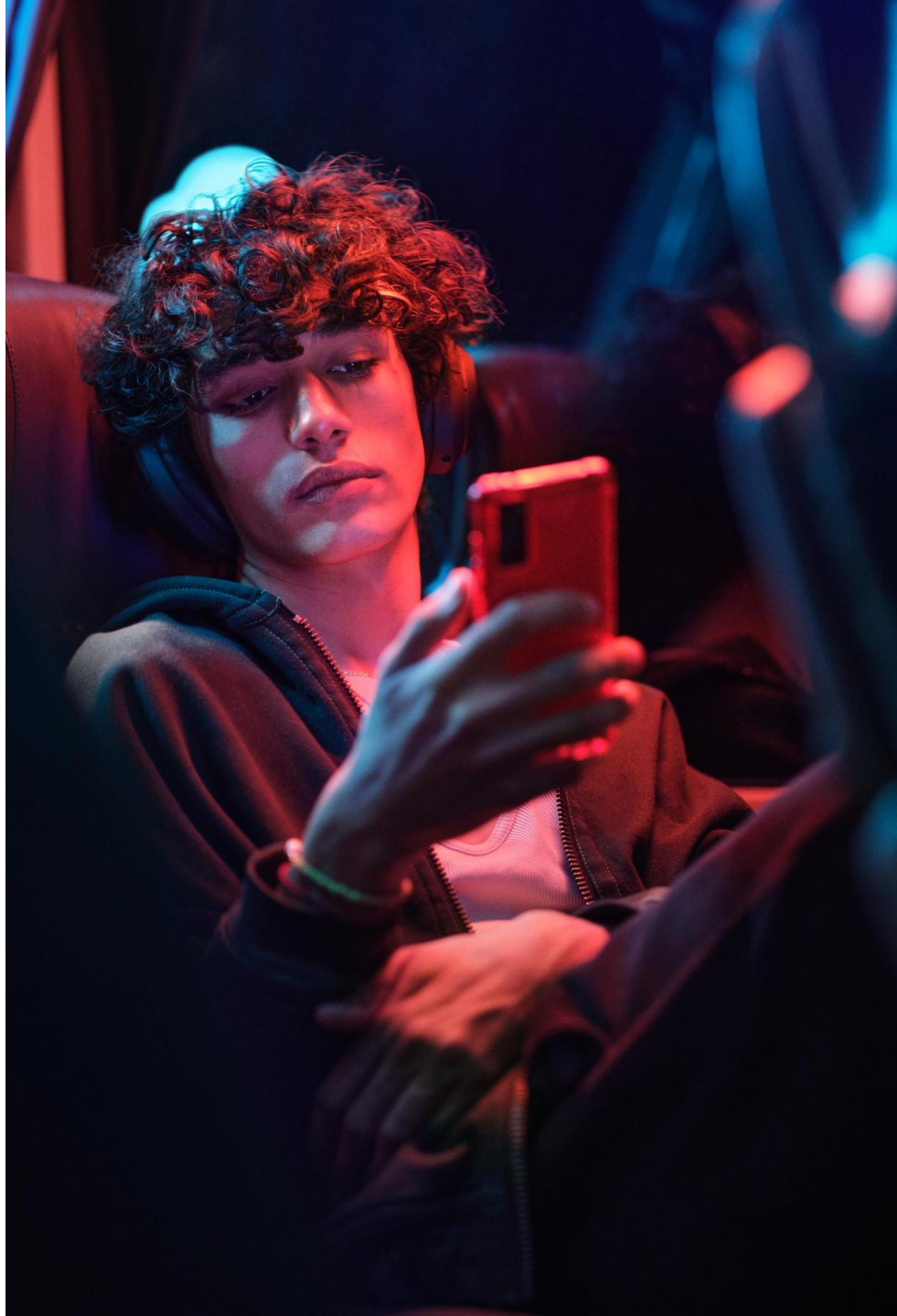


Outlook 2022



- **Revenue +5%**
- **EBITDA* +5%**
- **CAPEX stable**

* Incl. income from regulatory contributions



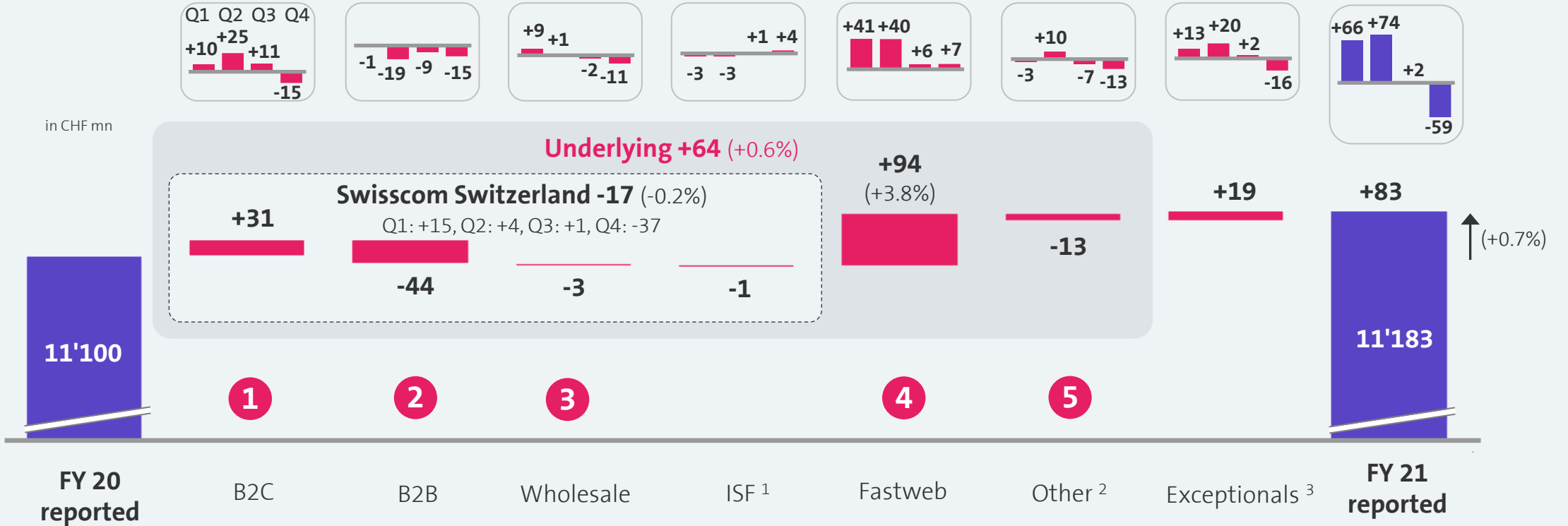
Rock-solid financials

Eugen Stermetz, CFO Swisscom



Group revenue

Delivered. Swisscom's top line spot-on guidance of CHF 11.2bn



- 1** Q4 down YOY (CHF -15mn) primarily due to lower hardware sales (CHF -19mn), service revenue decline (CHF -27) stable compared to Q3
- 2** Q4 service revenue decline (CHF -23mn) due to ongoing ARPU pressure and softer hardware sales (CHF -4mn) partially compensated by growth in Solutions (CHF +18mn)
- 3** Q4 decline driven by lower MVNO revenues, FY almost flat (CHF -3mn) thanks to BBCS growth and higher inbound revenues
- 4** Q4 with Consumer CHF -3mn (lower RGU growth and activation charges), Enterprise CHF +22mn (back to avg. level) and Wholesale CHF -12mn (Flashfiber construction peak in Q4 20)
- 5** Q4 with lower revenue contributions from cabled and local search

1) Infrastructure & Support Functions, including intersegment revenue, 2) Other operating segments and intersegment elimination, 3) Consists of currency effects of CHF +19mn



Swisscom Switzerland revenue

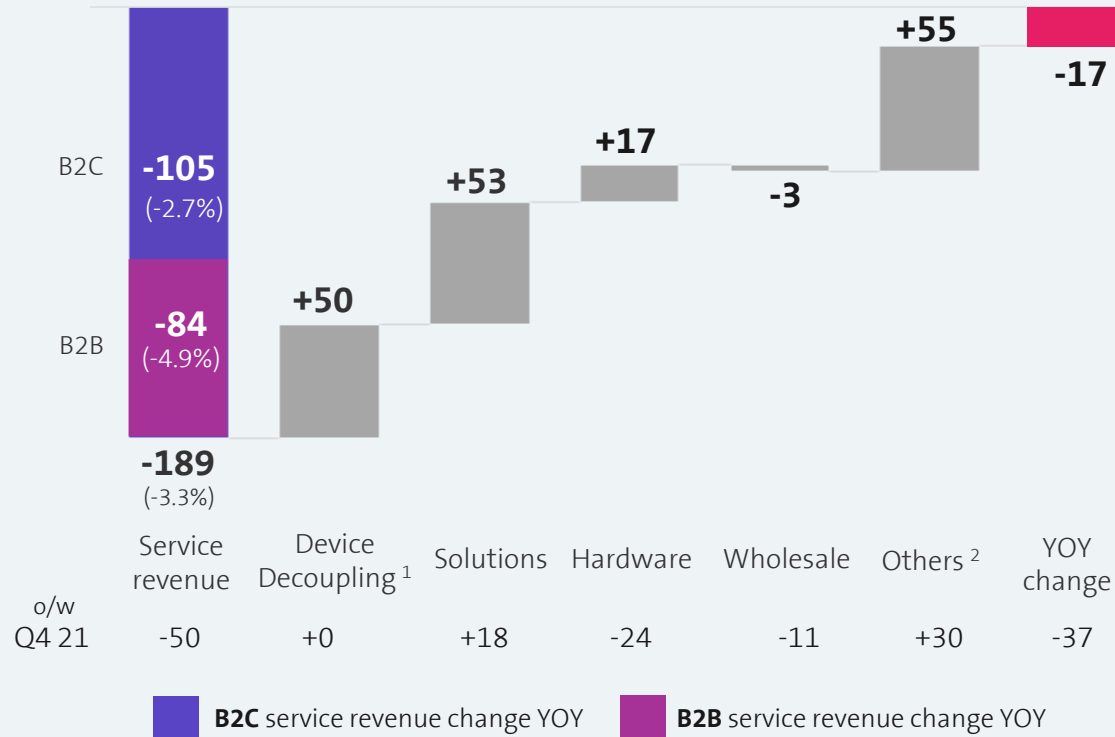
Service revenue decline of CHF -189mn: lower than expected, also thanks to Covid-19 tailwind



FY 21 revenue changes by business drivers

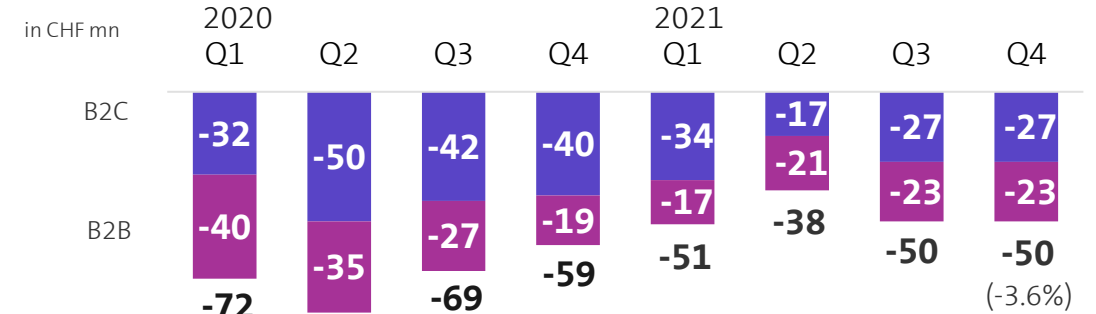
in CHF mn

Swisscom Switzerland -17 (-0.2%)



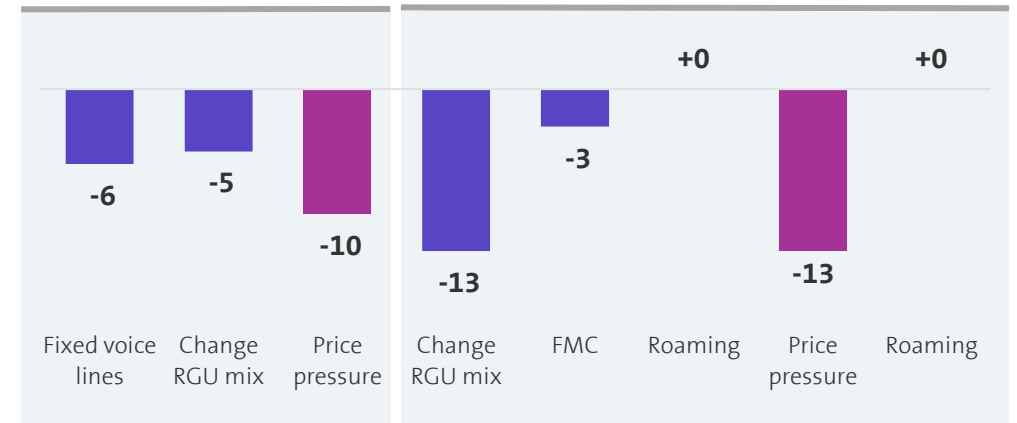
Service revenue evolution and Q4 21 changes

in CHF mn



Wireline -21 (-2.9%)

Wireless³ -29 (-4.3%)



Q3 21

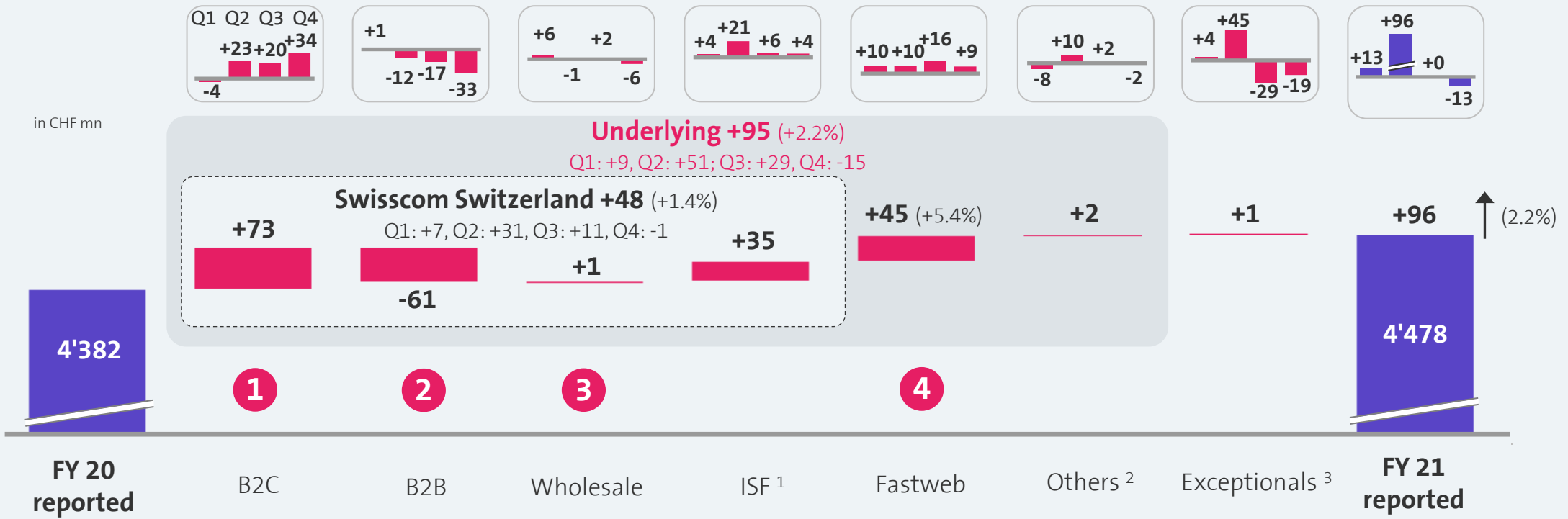
-5 -9 -9 -11 -5 -0 -15 +1

1) IFRS15 revenue reconciliation within B2C, in connection with previously subsidised mobile subs (final effect in Q2 2021), 2) CHF +15mn commission from device insurance (Q3) and CHF +25mn from IFRS15 effects, including intersegment revenue, 3) Including business numbers



Group EBITDA

EBITDA up thanks to strong underlying results of Swisscom Switzerland (+1.4%) and Italy (+5.4%)



- 1** Positive Q4 primarily thanks to lower SAC/SRC (CHF +9mn) and indirect cost savings (CHF +25mn)
- 2** Q4 impacted by higher accruals for project risks and bad debt

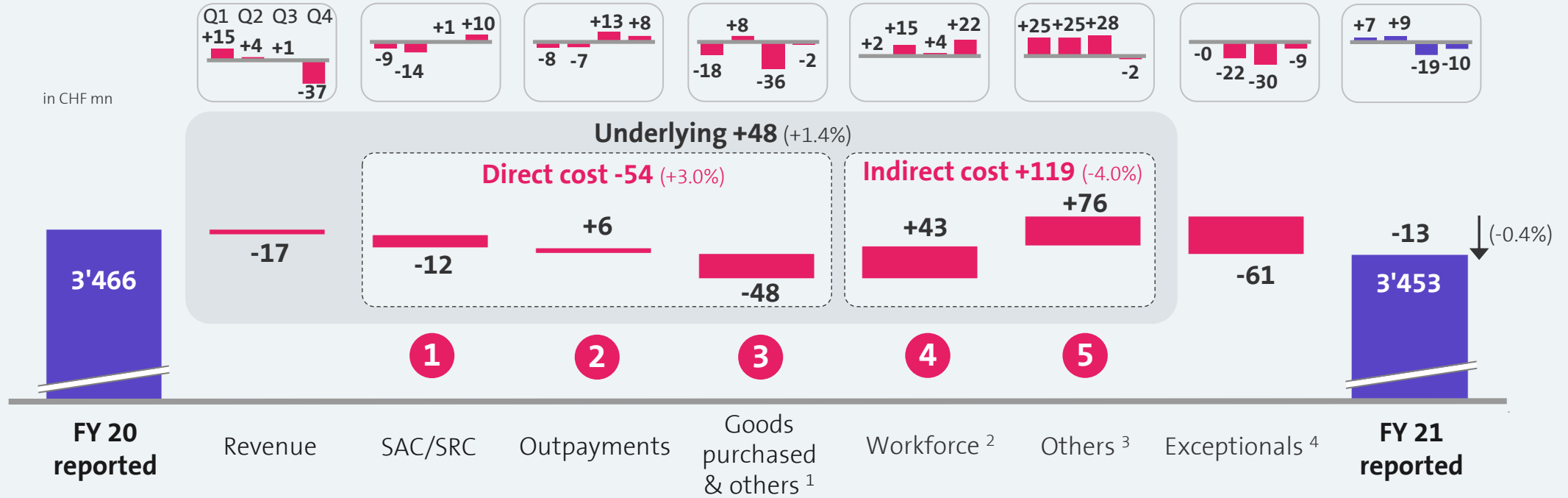
- 3** Q4 slightly negative: loss of MVNO not fully compensated by access business (BBCS) growth
- 4** Q4 with ordinary growth after Q3 outlier (impacted by income from regulatory litigations)

1) Including intersegment elimination Swisscom Switzerland, 2) Including other operating segments and intersegment elimination Group level, 3) Consists of adjustments for provisions (regulatory litigations (Q2: CHF -22mn; Q3: CHF -30mn) and restructuring (Q4: CHF -14mn)), positive currency effects of CHF +7mn (Q1: CHF +4mn, Q2: CHF +7mn, Q3: CHF +1mn, Q4: CHF -5mn) and effects from an adjustment of pension liabilities (Q2: CHF +60mn)



Swisscom Switzerland EBITDA

Indirect cost savings on a recurring base of CHF 119mn



- 1** SAC/SRC in Q4 lower driven by device availability. H1 with higher cost due to Covid-19 impacts in prior year
- 2** Outpayments softer in Q4, higher roaming volumes over-compensated by positive price effects

- 3** Q3 impacted by lower costs for sport events (later start of football season) and assurance in 2020
- 4** FY savings of CHF +43mn with quarterly swings impacted by seasonal effects (e.g. vacation accruals)
- 5** Q4 with higher marketing costs and softer saving contributions of other costs

1) Goods purchased, services purchased and IFRS15 direct cost reconciliation, 2) Workforce expenses net of capitalized cost, 3) Other operating expenses net of other income
 4) Adjustments of provisions for regulatory litigations (Q2: CHF -22mn, Q3: CHF -30mn) and restructuring (Q4: CHF -9mn)



Capital expenditures

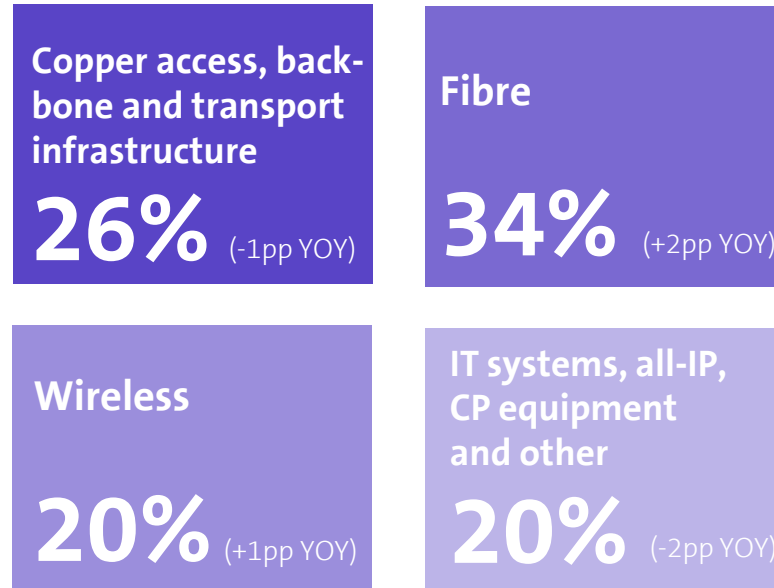
Continuous investments in critical infrastructure of the future



in CHF mn, % YOY

	Q4 21	FY 21
Group CAPEX	681 (+84, +14.1%)	2'286 (+57, +2.6%)
Swisscom Switzerland	517 (+104, +25.2%)	1'642 (+43, +2.7%)
Fastweb¹	170 (-20, -10.5%)	649 (+20, +3.2%)
Other²	-6	-5

Swisscom Switzerland FY 2021



- **Swisscom Switzerland:** increased YOY (+2.7%), primarily due to higher fibre investments (34% of Swiss envelope)
- **Fastweb:** CAPEX in EUR slightly up (+2.4% YOY), driven by customer projects (mainly CPE) and 5G

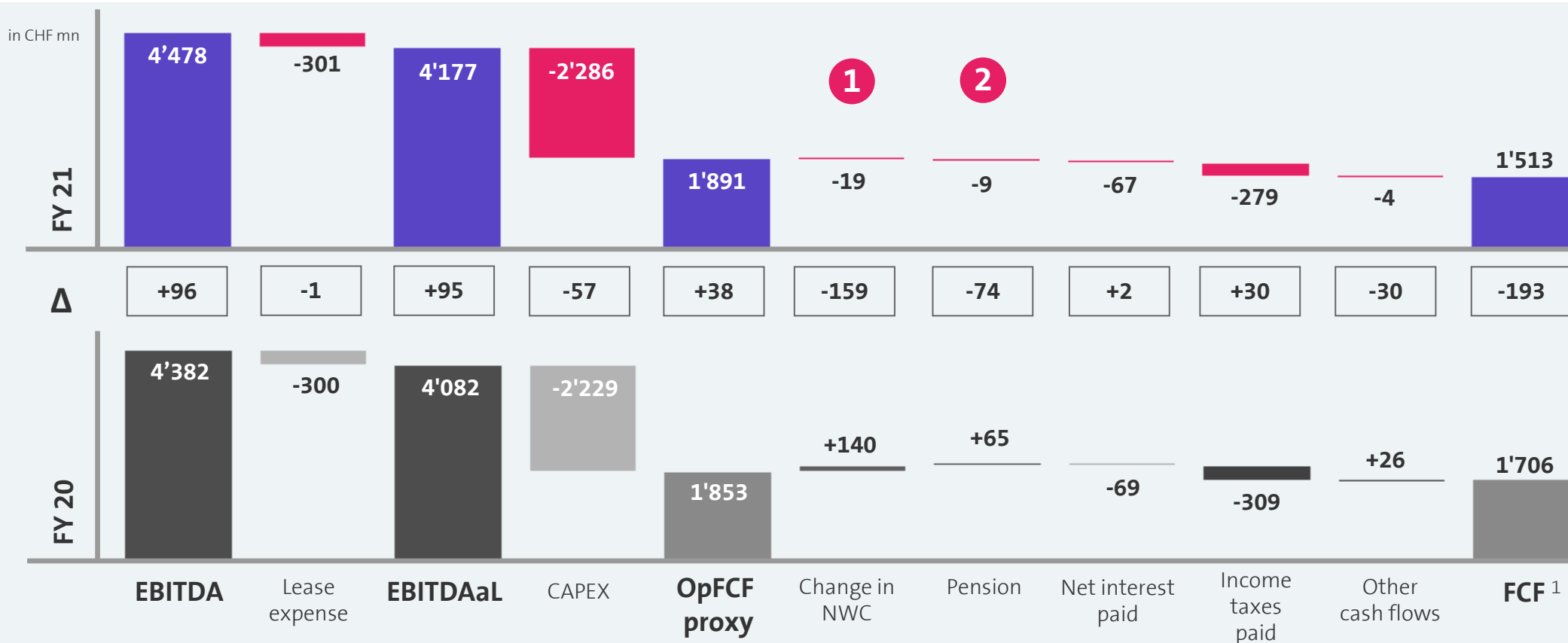
1) In local currency Q4 21: EUR 162mn (-8.5% YOY), FY 21: EUR 601mn (+2.4% YOY)

2) Including intersegment elimination



Free cash flow

Lower YOY primarily due to different evolution of net working capital



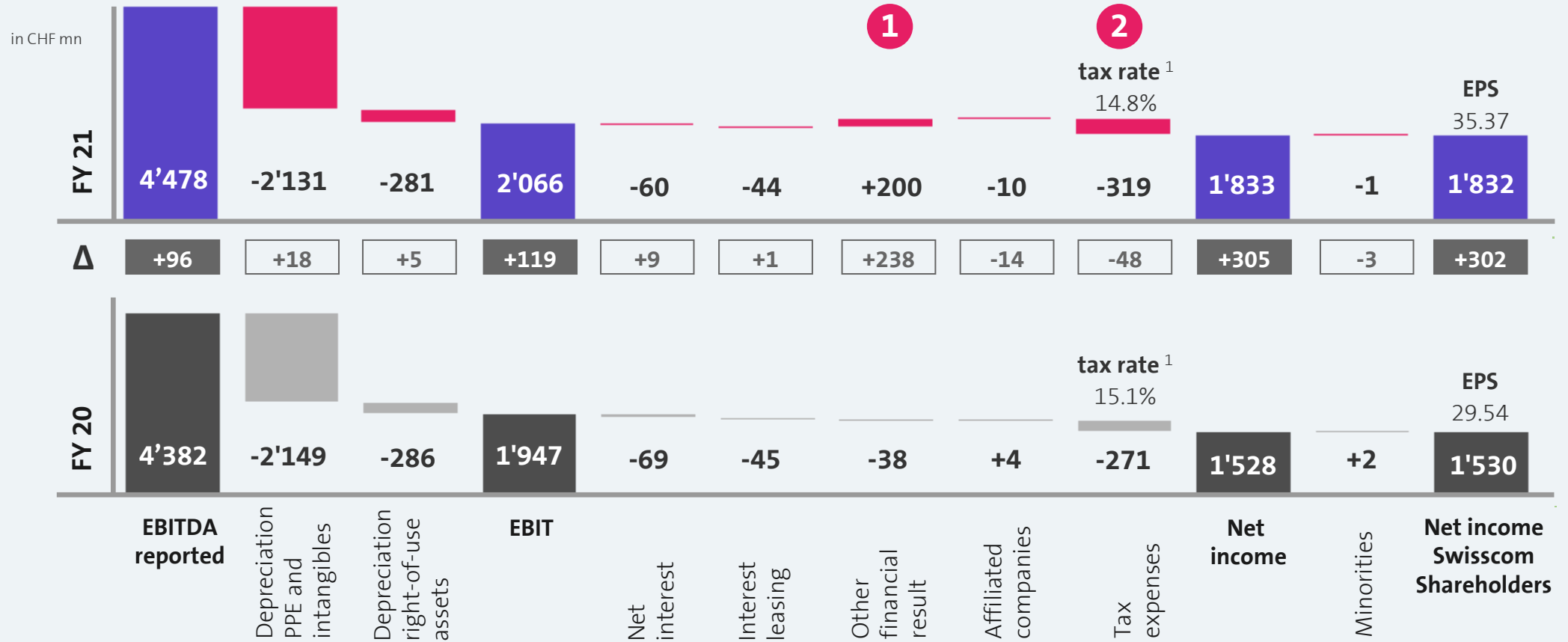
- 1** NWC in 2021 almost stable. In previous year NWC decreased due to advanced payments from corporate customers
- 2** Difference between net pension cost and employer contribution (cash payments) affected by a positive one-off effect on EBITDA (CHF +60mn) from the pension plan amendment in Q2

1) FCF excluding M&A effects (FY 20: CHF -29mn, FY 21: CHF +105mn)



Net income

EPS increased by +19.7% thanks to stronger EBIT (+6.1%) and positive one-off effects



- 1 Other financial result positively impacted by one-off gains of CHF 38mn from sale of BICS (22.4% Swisscom stake) and CHF 169mn from transfer of 20% stake in FlashFiber to FiberCop, recognised at fair value
- 2 Higher tax expenses YOY due to higher EBT. Future (normalised) tax rate expected to be around 19%

1) Tax rate FY 21: tax expenses of CHF 319mn / EBT of CHF 2'152mn = 14.8%, tax rate FY 20: tax expenses of CHF 271mn / EBT of CHF 1'799mn = 15.1%

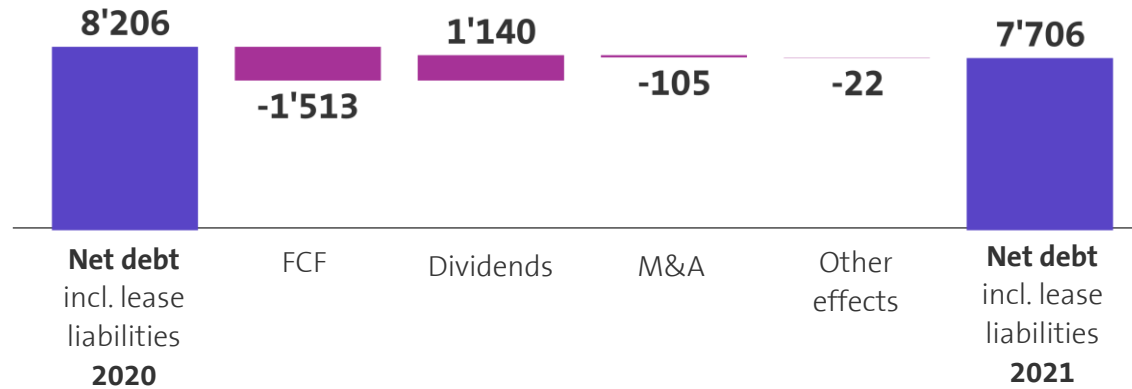


Swisscom committed to sound financial profile

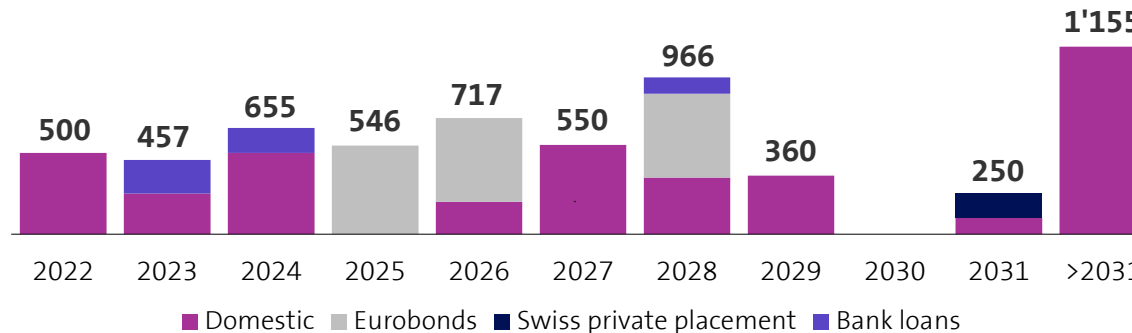
Well balanced and diversified maturity profile



Net debt development (in CHF mn)



Debt maturity profile¹ as per YE 2021



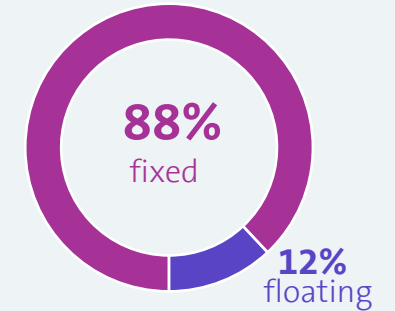
Leverage

1.7x (-0.2x YOY)²
1.4x IFRS16 adjusted

Ratings

S&P: **A stable**
Moody's: **A2 stable**

Debt mix



- \emptyset interest rate of **0.9%**
- Debt portfolio **duration** of **6.19 years**
- **CHF 2.2bn** (unused) **committed credit lines**

1) Excl. short-term money market borrowings, 2) Adjusted leverage gap (set by the Government): 2.4x (including lease liabilities)



Guidance FY 2022

Net revenue of CHF 11.1-11.2bn, EBITDA of CHF ~4.4bn and CAPEX of CHF ~2.3bn



in CHF bn	2021 reported	Splits into:	2022 outlook³	Splits into:
Revenue	11.183	CHF 8.6bn for Switzerland ² EUR 2.4bn for Fastweb	11.1-11.2	CHF 8.5-8.6bn for Switzerland EUR ~2.5bn for Fastweb ⁴
EBITDA¹	4.478	CHF 3.6bn for Switzerland EUR 0.8bn for Fastweb	~4.4	CHF ~3.5bn for Switzerland EUR 0.8-0.9bn for Fastweb ⁴
CAPEX	2.286	CHF 1.6bn for Switzerland EUR 0.6bn for Fastweb	~2.3	CHF ~1.7bn for Switzerland EUR ~0.6bn for Fastweb

Upon meeting its targets, Swisscom plans to propose
again a dividend of CHF 22/share (payable in 2023)

1) EBITDAaL 2021: CHF 4.2bn, EBITDAaL guidance 2022: CHF ~4.1bn
 2) Swisscom Group without Fastweb
 3) For consolidation purposes, CHF/EUR of 1.04 has been used (vs. 1.08 for fiscal year 2021)
 4) +5% YOY



Wrap-up

Urs Schaeppi, CEO Swisscom



Final remarks

Well positioned





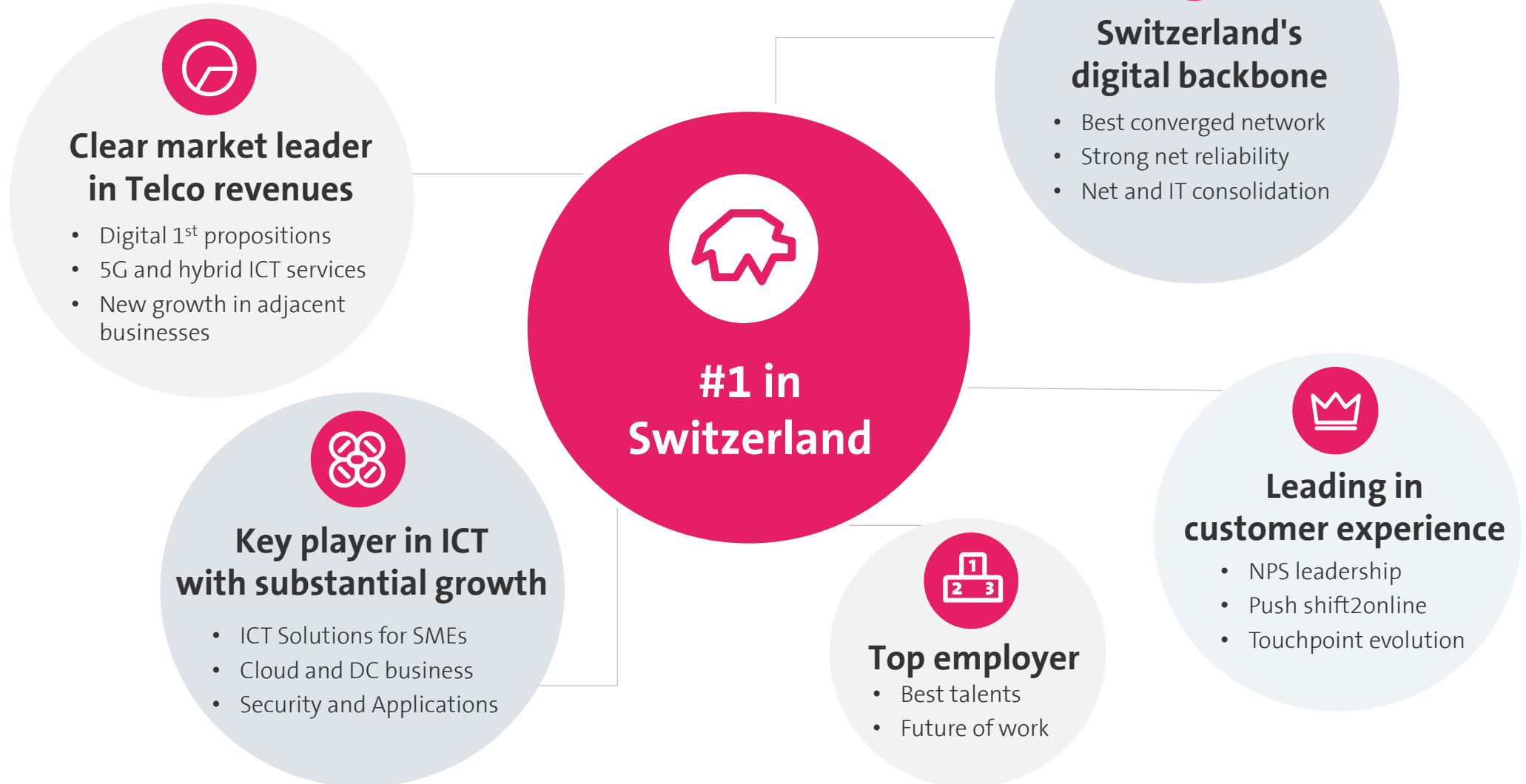
Q&A



Appendix



Ambitions 2025 - Swisscom Switzerland





Ambitions 2025 - Fastweb



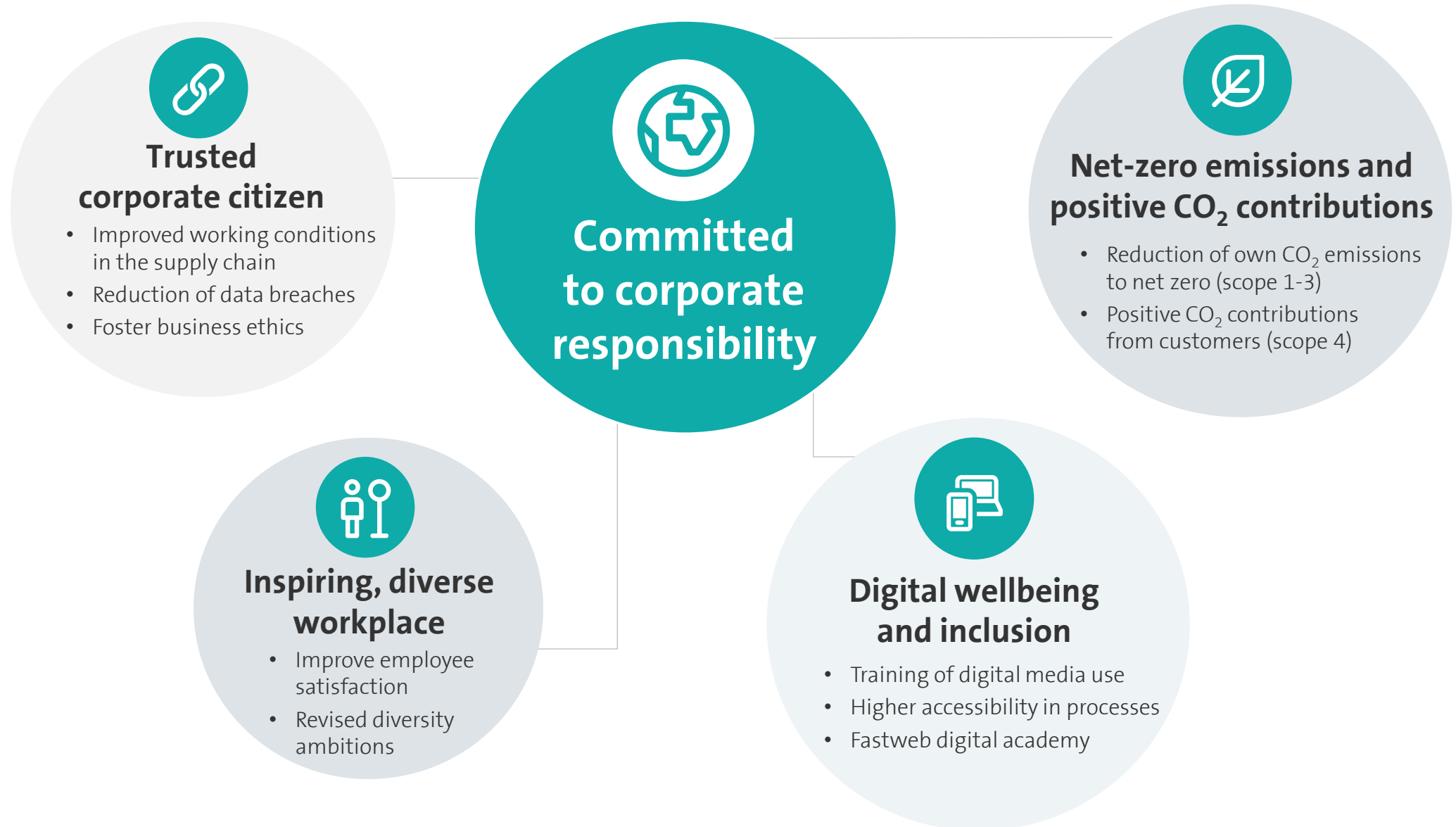


Ambitions 2025 - financials





Ambitions 2025 - corporate responsibility





Ambitions 2025 - innovation and reliability





Key financials

Reported and underlying revenue and EBITDA

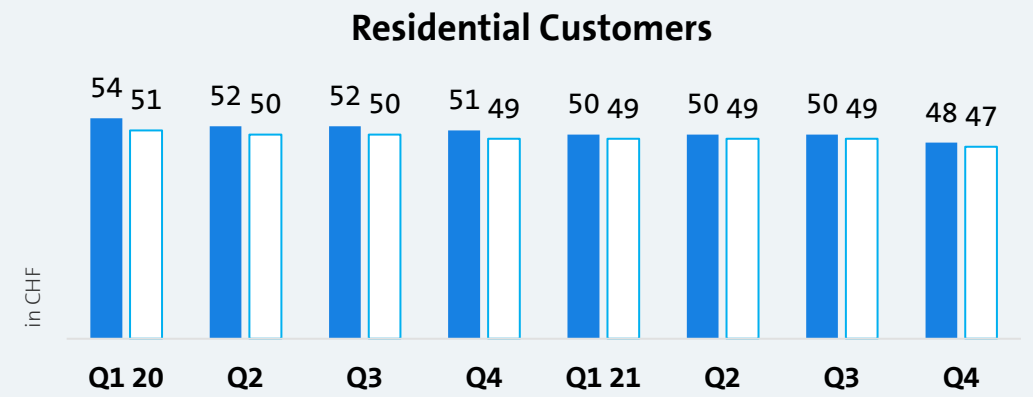
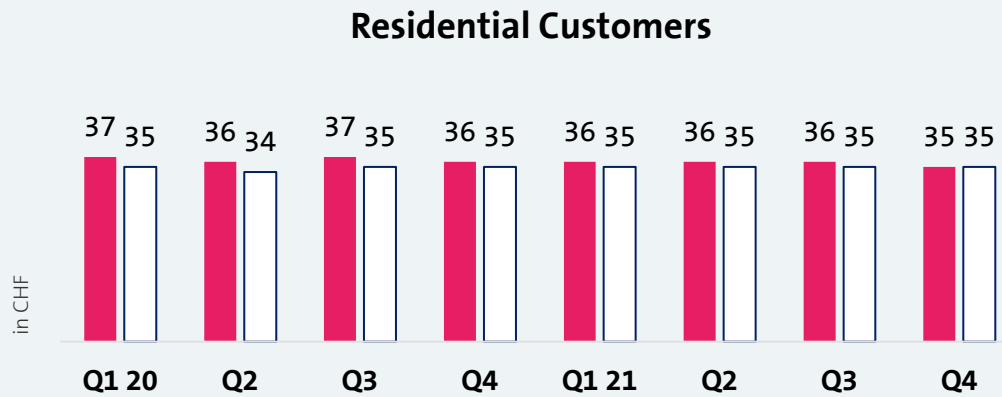
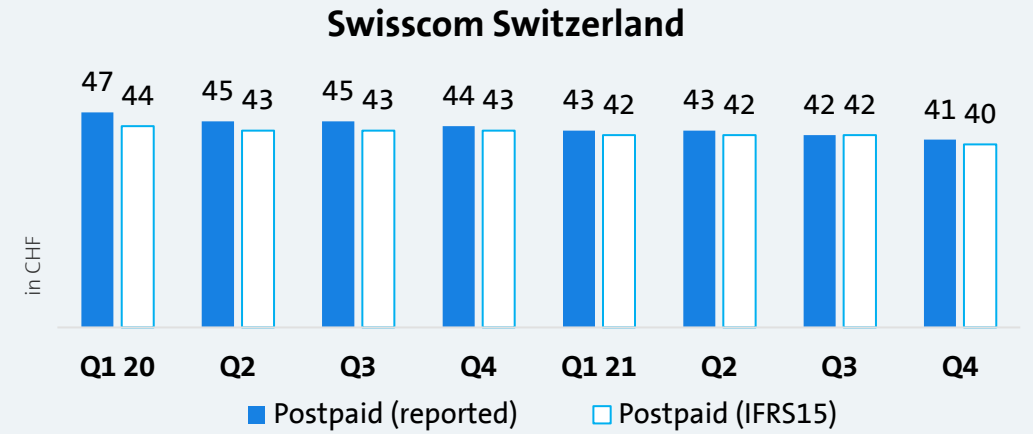
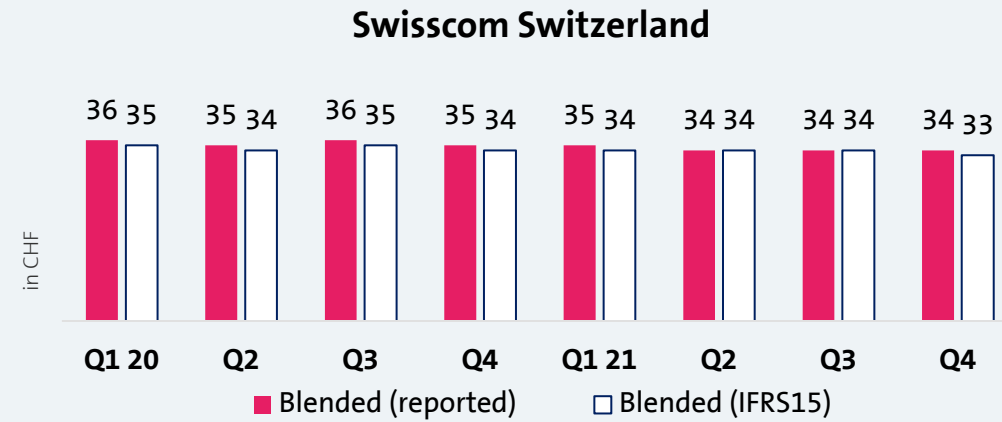
in CHF mn

	2020					2021					Change Q/Q				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Revenue, reported	2'737	2'706	2'758	2'899	11'100	2'803	2'780	2'760	2'840	11'183	+66	+74	+2	-59	+83
Currency effect						-13	-20	-2	16	-19	-13	-20	-2	+16	-19
Underlying change											+53	+54	+0	-43	+64
EBITDA, reported	1'111	1'097	1'148	1'026	4'382	1'124	1'193	1'148	1'013	4'478	+13	+96	+0	-13	+96
Provisions for regulatory litigations							22	30		52		+22	+30		+52
Adjustment pension cost							-60			-60		-60			-60
Restructuring cost									14	14				+14	+14
Currency effect						-4	-7	-1	5	-7	-4	-7	-1	+5	-7
Underlying change											+9	+51	+29	+6	+95



Swisscom Switzerland

Wireless ARPU and IFRS15 adjustments



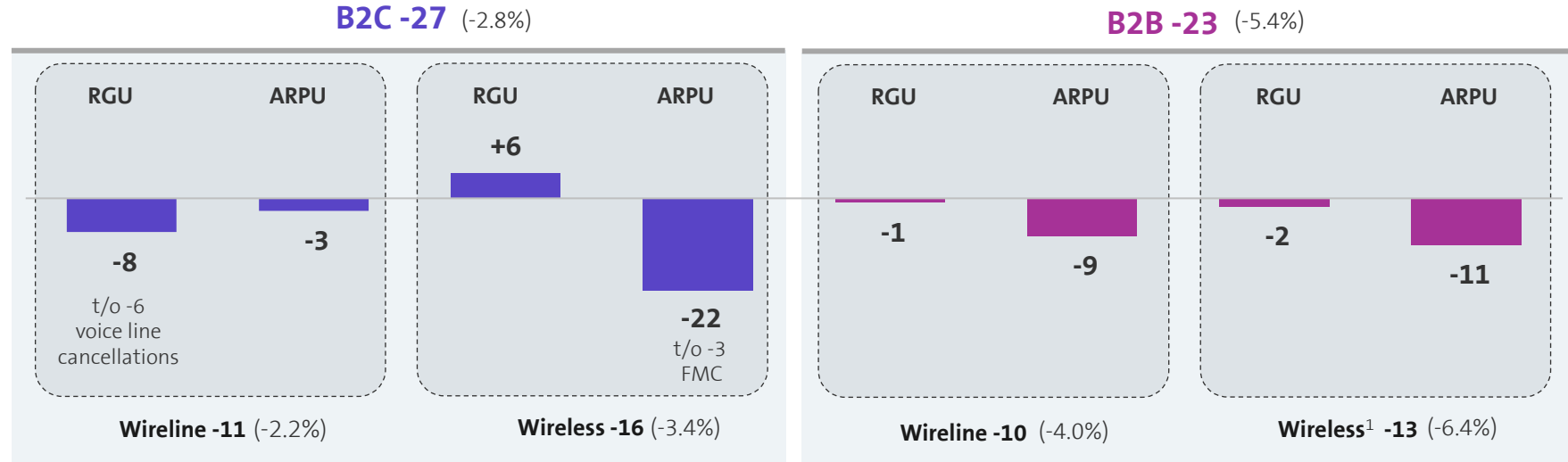


Swisscom Switzerland: service revenue dynamics in Q4 and FY 2021

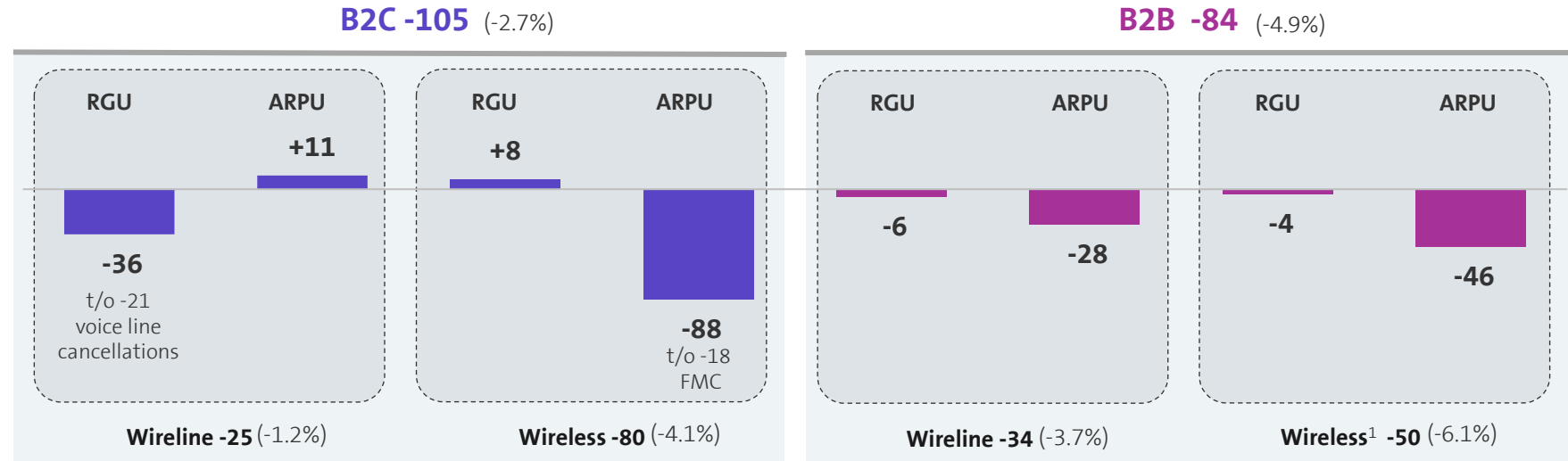
Reporting framework for service revenue dynamics from Q1 2022 onwards

in CHF mn

Q4 changes 2021



FY changes 2021



1) Including business numbers



Residential Customers (B2C)

Segment reporting as per 31.12.2021

Net revenue increased primarily thanks to IFRS15 revenue reconciliation (CHF +75mn), higher hardware sales (CHF +23mn) and other revenues; however service revenue declined (CHF -105mn).

Service revenue decreased (-2.7%) due to higher discount volumes, brand shift and further voice line losses.

Contribution margin 2 increased by +2.7% thanks to indirect cost savings.

	Q4 2021	Q4/Q4	31.12.2021	YoY
Net revenue in MCHF ¹⁾	1'169	-1.3%	4'592	0.7%
Direct costs in MCHF	-314	-7.1%	-1'135	4.3%
Indirect costs in MCHF ²⁾	-192	-11.5%	-686	-11.4%
Contribution margin 2 in MCHF	663	5.4%	2'771	2.7%
<i>Contribution margin 2 in %</i>	<i>56.7%</i>		<i>60.3%</i>	
Depreciation & amortisation in MCHF	-16	-5.9%	-55	-22.5%
Lease expense in MCHF	-10	0.0%	-40	-7.0%
Segment result in MCHF	637	5.8%	2'676	3.6%
CAPEX in MCHF	-24	200.0%	-40	48.1%
FTE's	-80		2'875	-6.7%
Broadband lines in '000 ³⁾	+7		1'743	-0.2%
Voice lines in '000 ³⁾	-12		1'159	-6.2%
Wireless customers Prepaid in '000	-71		1'197	-12.8%
Wireless customers Postpaid in '000 ³⁾	+47		3'110	4.0%
Blended wireless ARPU in CHF	35	-2.8%	36	0.0%
TV subs in '000 ³⁾	+7		1'523	0.3%

1) incl. intersegment revenues

2) incl. capitalised costs and other income

3) sum of single play and bundles



Business Customers (B2B)

Segment reporting as per 31.12.2021

Net revenue decreased YOY by -1.4% primarily driven by lower service revenue of CHF -84mn and hardware sales (CHF -7mn).

On the other hand, Solutions revenue grew by CHF +53mn (+5.0% YOY).

Contribution margin 2 decreased (-4.5%). The decline in service revenue was partly compensated by growth in Solutions revenue.

	Q4 2021	Q4/Q4	31.12.2021	YoY
Net revenue in MCHF ¹⁾	773	-1.5%	3'058	-1.4%
Direct costs in MCHF	-222	2.8%	-821	1.4%
Indirect costs in MCHF ²⁾	-252	6.3%	-950	0.8%
Contribution margin 2 in MCHF	299	-9.9%	1'287	-4.5%
<i>Contribution margin 2 in %</i>	<i>38.7%</i>		<i>42.1%</i>	
Depreciation & amortisation in MCHF	-17	-15.0%	-67	-13.0%
Lease expense in MCHF	-7	-12.5%	-31	-6.1%
Segment result in MCHF	275	-9.5%	1'189	-4.0%
CAPEX in MCHF	-12	-7.7%	-42	5.0%
FTE's	-18		5'045	2.3%
Broadband lines in '000	+0		294	-1.0%
Voice lines in '000	-5		265	-8.0%
Wireless customers in '000	+11		1'870	0.5%
Blended wireless ARPU in CHF	30	-6.3%	31	-6.1%
TV subs in '000	+0		69	0.0%

1) incl. intersegment revenues

2) incl. capitalised costs and other income



Wholesale

Segment reporting as per 31.12.2021

Revenue from external customers down by +0.5%.

MVNO revenue decreased, inbound roaming revenue increased (volume driven).

Contribution margin 2 nearly stable (+0.2%).

	Q4 2021	Q4/Q4	31.12.2021	YoY
External revenue in MCHF	160	-6.4%	658	-0.5%
Intersegment revenue in MCHF	72	-7.7%	313	-0.6%
Net revenue in MCHF	232	-6.8%	971	-0.5%
Direct costs in MCHF	-100	-8.3%	-426	-1.6%
Indirect costs in MCHF ¹⁾	-5	-28.6%	-20	5.3%
Contribution margin 2 in MCHF	127	-4.5%	525	0.2%
<i>Contribution margin 2 in %</i>	<i>54.7%</i>		<i>54.1%</i>	
Depreciation & amortisation in MCHF	-		-	
Lease expense in MCHF	-1		-1	
Segment result in MCHF	126	-5.3%	524	0.2%
CAPEX in MCHF	-		-	
FTE's	-3		81	-2.4%
Full access lines in '000	-3		41	-26.8%
BB (wholesale) lines in '000	+8		596	7.4%

1) incl. capitalised costs and other income



Wholesale portfolio

Access offerings

Solution Business

Carrier Line Service Basic und Premium

- Dedicated high-quality Point-to-Point Data Transmission, 2Mbps to 100Gbps symmetric

Carrier Ethernet Service Basic und Premium

- Layer-2 service for low-cost and flexible ethernet connections, 2Mbps to 10Gbps symmetric

Direct Internet Access

- Fully managed layer-3 service, 10Mbps to 1Gbps asymmetric and symmetric

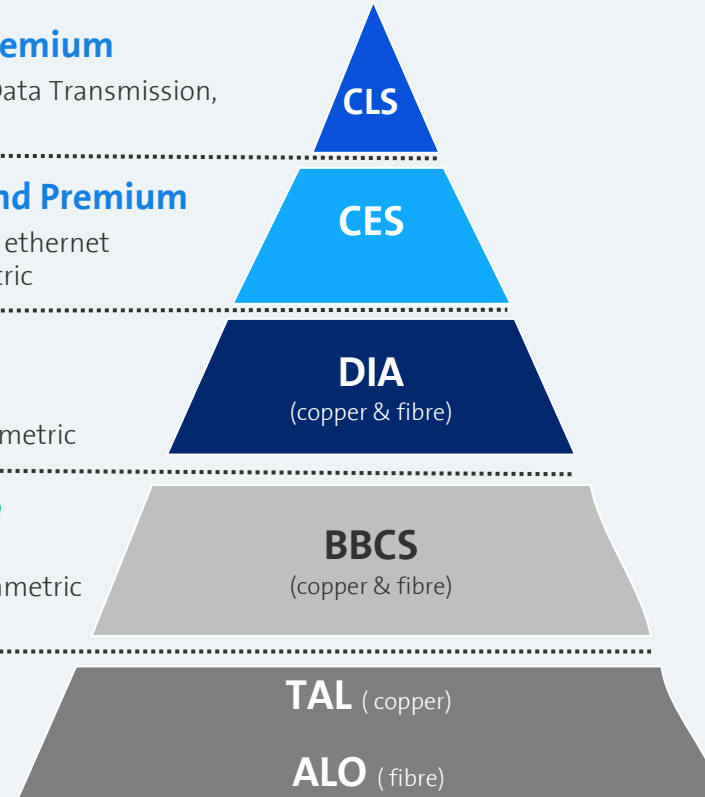
Broadband Connectivity Service

- Swiss-wide broadband access, 2Mbps to 10Gbps, asymmetric and symmetric

Unbundled Line (TAL)

Access Line Optical (ALO)

- Layer-1 line rental



Monthly mass market prices

Broadband Connectivity Service BBCS, Layer-3, 100 Mbps ²	CHF 19
Broadband Connectivity Service BBCS, Layer-3, 500 Mbps ²	CHF 26
Broadband Connectivity Service BBCS, Layer-3, 1'000 Mbps ²	CHF 32
Unbundled Access Line ¹ TAL, layer-1, copper	CHF 13.80
Access Line Optical ALO, layer-1, fibre	CHF 25

¹ From 1st January 2022 onwards

² From 1st March 2022 onwards



Infrastructure & Support Functions

Segment reporting as per 31.12.2021

Contribution margin 2 deteriorated by 2.4% as it was affected by adjustments of provisions for regulatory litigations and for restructuring.

On a comparable basis, contribution margin 2 improved by 3.1%, driven by lower network maintenance costs and IT expenses.

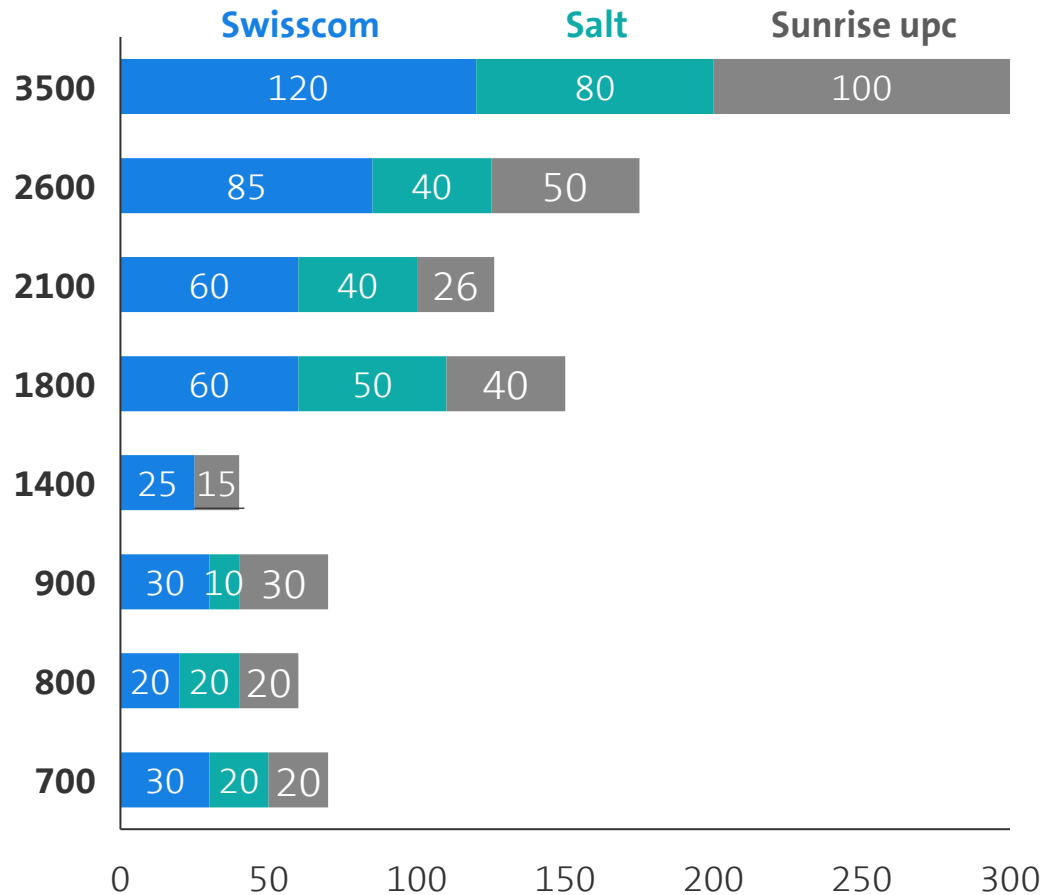
Insourcing of FTE leads to a higher contribution of capitalised cost and negatively impacts workforce expenses.

	Q4 2021	Q4/Q4	31.12.2021	YoY
Net revenue in MCHF	19	-5.0%	76	-8.4%
Direct costs in MCHF	-2	100.0%	-7	-12.5%
Workforce expenses in MCHF	-243	3.4%	-878	1.4%
Maintenance in MCHF	-54	-6.9%	-217	-5.2%
IT expenses in MCHF	-36	-25.0%	-137	-11.6%
Other OPEX in MCHF	-122	23.2%	-448	15.8%
Indirect costs in MCHF	-455	3.4%	-1'680	2.6%
Capitalised costs and other income in MCHF	124	8.8%	480	4.8%
Contribution margin 2 in MCHF	-314	2.3%	-1'131	2.4%
Depreciation & amortisation in MCHF	-321	-3.6%	-1'353	-0.6%
Lease expense in MCHF	-40	5.3%	-160	3.2%
Segment result in MCHF	-675	-0.4%	-2'644	0.9%
CAPEX in MCHF	-481	22.7%	-1'560	1.8%
FTE's	+27		4'888	2.9%



W- spectrum situation in Switzerland

Spectrum overview



Frequencies use

- **3.5 GHz**: use for 5G TDD high-capacity deployment (also named **5G+** by Swisscom)
- **2,6 GHz**: in more densely populated areas, Swisscom uses the 2.6 GHz band for **LTE**
- **2,1 GHz**: Swisscom switched 3G to **5G** here on 1 October 2019
- **1,8 GHz**: the most important frequency for **LTE**
- **900 MHz**: on this frequency band, Swisscom realises its universal service obligation with voice telephony via their **3G** mobile communications network. In few cases, Swisscom also uses it for **LTE**
- **800 MHz**: exclusively used for the 4th generation of mobile telephony, **LTE**
- **700 MHz**: Swisscom uses band 28 for 4G LTE and in other locations for **5G**



Fastweb

Segment reporting as per 31.12.2021

All customer segments report year-to-date a revenue increase.

Growth in consumer revenue has slowed down as competition in the broadband market has intensified.

Enterprise revenue up by +7.9% as revenues with public administrations increased.

EBITDA up by +5.4% YOY driven by revenue growth.

	Q4 2021	Q4/Q4	31.12.2021	YoY
Consumer revenue in MEUR	286	-1.0%	1'142	0.8%
Enterprise revenue in MEUR	267	8.5%	979	7.9%
Wholesale revenue in MEUR ¹⁾	84	-11.6%	271	2.7%
Net revenue in MEUR ¹⁾	637	1.1%	2'392	3.8%
OPEX in MEUR ²⁾	-413	-0.2%	-1'566	3.0%
EBITDA in MEUR	224	3.7%	826	5.4%
<i>EBITDA margin in %</i>	35.2%		34.5%	
Depreciation& amortisation in MEUR	-150	3.4%	-590	2.3%
Lease expense in MEUR	-14	7.7%	-54	3.8%
Segment result in MEUR	60	3.4%	182	17.4%
CAPEX in MEUR	-162	-8.5%	-601	2.4%
FTE's	+12		2'753	1.8%
BB customers in '000	-18		2'750	0.1%
Wireless customers in '000	+156		2'472	26.1%
In consolidated Swisscom accounts				
EBITDA in MCHF	236	1.7%	892	6.2%
CAPEX in MCHF	-170	-10.5%	-649	3.2%

1) incl. revenues to Swisscom companies

2) incl. capitalised costs and other income



Other

Segment reporting as per 31.12.2021

Net revenue up by +1.9%
due to higher revenue
from cabling.

EBITDA down by -9.8%
mainly driven by a change
in revenue mix (higher
business volume with
lower margin).

	Q4 2021	Q4/Q4	31.12.2021	YoY
External revenue in MCHF	105	-9.5%	431	-3.1%
Net revenue in MCHF ¹⁾	263	1.5%	1'033	1.9%
OPEX in MCHF ²⁾	-233	9.4%	-867	4.5%
EBITDA in MCHF	30	-34.8%	166	-9.8%
<i>EBITDA margin in %</i>	<i>11.4%</i>		<i>16.1%</i>	
Depreciation & amortisation in MCHF	-16	0.0%	-56	-9.7%
Lease expense in MCHF	-2	-33.3%	-11	-8.3%
Segment result in MCHF	12	-55.6%	99	-10.0%
CAPEX in MCHF	-12	-14.3%	-41	-6.8%
FTE's	-205		3'263	-7.1%

1) incl. intersegment revenues

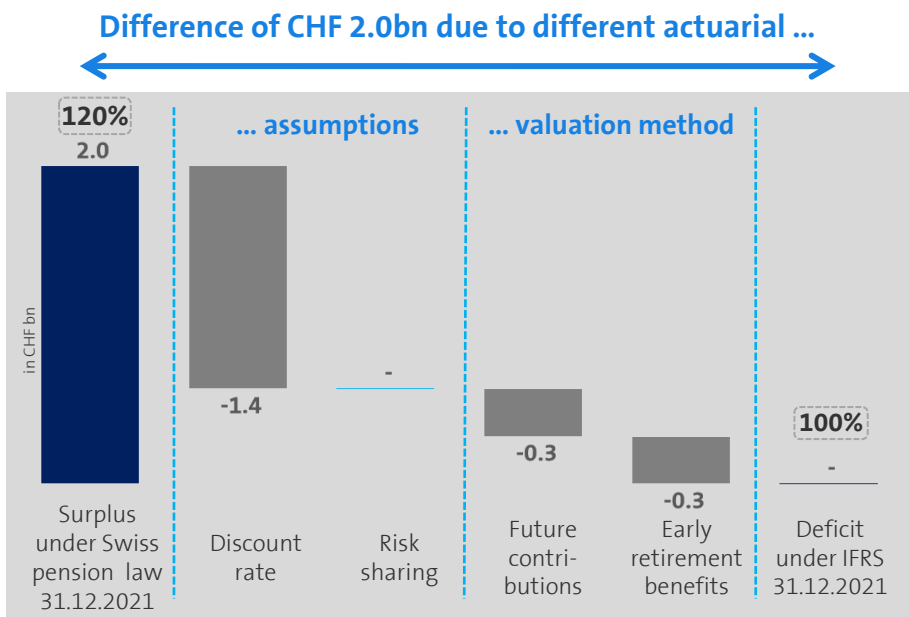
2) incl. capitalised costs and other income



Pension plan

Status as per 31.12.2021

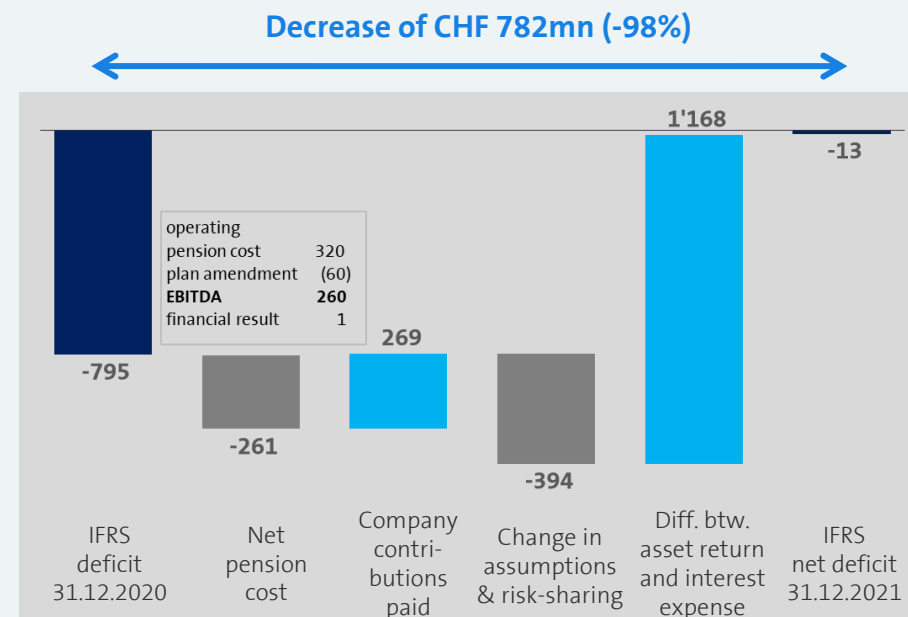
Valuation differences between Swiss pension law and IFRS



- Funding requirements are based on the actuarial valuation in accordance with Swiss pension law, IFRS not relevant
- Coverage ratio under Swiss pension law: 120%
- Key actuarial assumptions:

	Swiss pension law	IFRS
Discount rate	1.50% based on expected long-term asset return	0.30% based on yield of AA-rated corporate bonds

Evolution IFRS deficit in 2021



- Positive one-off effect from plan amendment affects net pension cost
- Net of this one-off effect operating pension cost significantly higher than cash contributions from company
- Significantly lower deficit driven by high return on plan assets (yield +9.7% resp. CHF +1.2 bn)
- Partially compensated by change in assumptions: risk-sharing (-), interest on old age account (-), discount rate (+), mortality (+)



Pension plan

Reported costs and outlook

in CHF mn	2020 reported	2021 reported	Change 21/22	2022 estimate
Operating pension cost	338	320	15	335
Plan amendments (one-off cost reduction)	-	-60	60	-
Net pension cost (EBITDA)	338	260	75	335
Net interest (financial result)	2	1	-	1
Total pension cost (P&L)	340	261	75	336
Company contributions (cash payments)	273	269	-4	265
Pension cost (EBITDA) less cash payments	65	-9	79	70

Operating pension cost

- Costs recognized in EBITDA measured in accordance with IFRS
- Positive effect of plan amendment CHF 60mn included in 2021 (negative cost)
- Costs are highly sensitive to changes of discount rate assumption

Cash payments

- Cash contributions are not based on IFRS actuarial valuation method
- Contributions are lower than operating pension cost (excl. effect plan amendment in 2021)



Investor contact



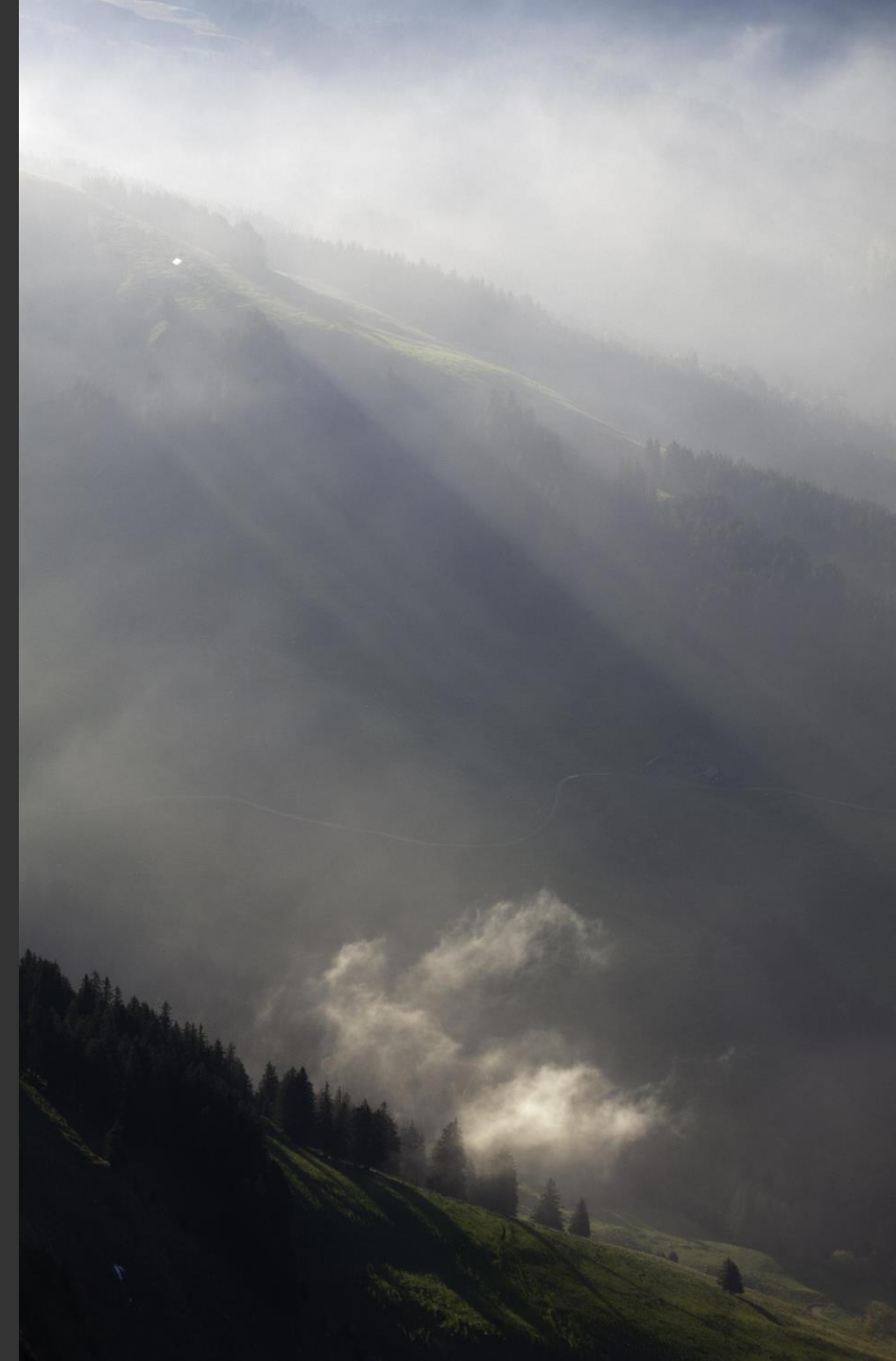
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Cautionary statement

Regarding forward looking statements

- "This communication contains statements that constitute "forward-looking statements". In this communication, such forward-looking statements include, without limitation, statements relating to our financial condition, results of operations and business and certain of our strategic plans and objectives.
- Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors which are beyond Swisscom's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors detailed in Swisscom's and Fastweb's past and future filings and reports, including those filed with the U.S. Securities and Exchange Commission and in past and future filings, press releases, reports and other information posted on Swisscom Group Companies' websites.
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