



Analyst presentation FY 2022 results

swisscom

09 February 2023



Welcome and agenda

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2022 results

Christoph Aeschlimann
CEO Swisscom

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Trends and strategic priorities

Christoph Aeschlimann
CEO Swisscom



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Christoph Aeschlimann
CEO Swisscom

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Christoph Aeschlimann
CEO Swisscom

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Head Residential Customers

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CEO Swisscom



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2022 results

Christoph Aeschlimann
CEO Swisscom



Highlights 2022

Another successful year with achievements along our strategic objectives



**#1
in Switzerland**



**Leading
challenger in Italy**



**Rock-solid
financials**



**Committed
to corporate
responsibility**



**Outstanding
in innovation
and reliability**

Highlights 2022

Strongest brand¹
Winner of several
benchmarking tests
#1 ICT provider²
FTTH rollout
strategy clarified

Another 4 quarters of growth
Consumer with strong
momentum in mobile
Awarded best wireline
and mobile network³
Growing Enterprise
and Wholesale
EBITDA +3%

Strong underlying
financial results
Cost ambitions:
delivered
Stable CAPEX
Guidance achieved
Healthy leverage

Industry leader in
sustainability⁴
CO₂ emission
reduced by 5%
1 million devices
collected since 2012

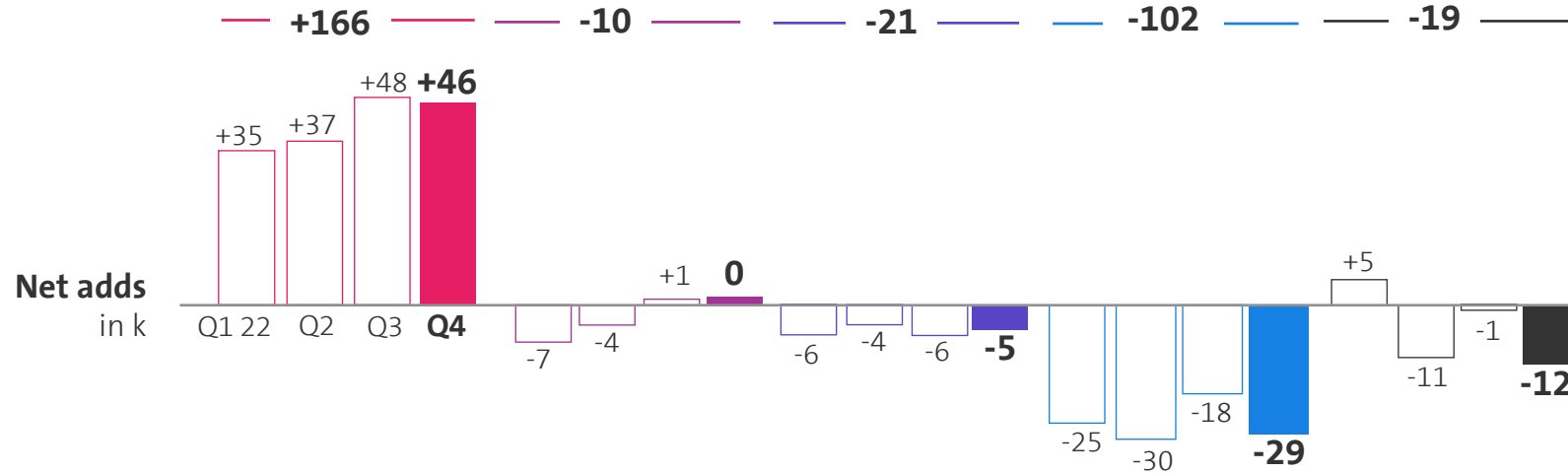
Successful blue launch
Best mobile network in
Switzerland
Positive
50G PON field test
Excellence in reliable and
secure services increased



Market results 2022

Sound RGU performance in a challenging environment: stable in Switzerland and growing in Italy

Swisscom Switzerland



Postpaid

5'146

55%

Broadband

2'027

50%

TV

1'571

39%

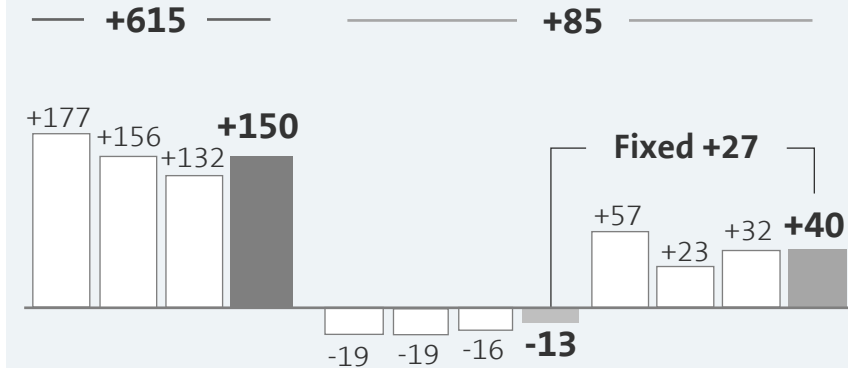
Fixed voice

1'322

Wholesale

679

Fastweb



Mobile

3'087

4%

Broadband

2'683

16%

Wholesale

458



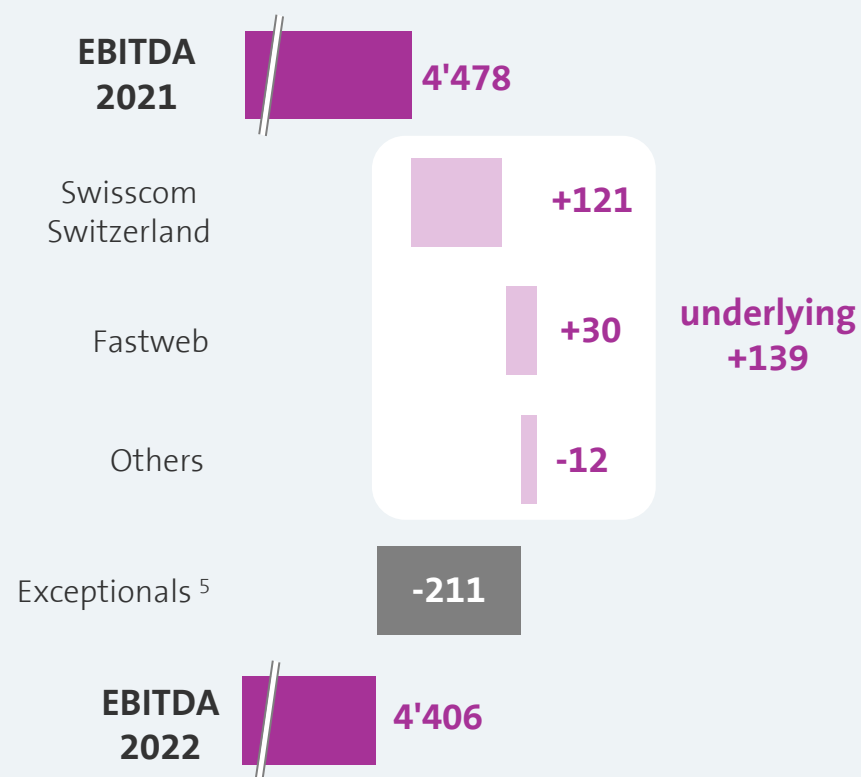
Financial results 2022

Underlying EBITDA increased thanks to strong operational results in Switzerland and Italy

in CHF mn

Net Revenue 11'112 (-71, -0.6% YOY) underlying ¹ (+116, +1.0% YOY)	EBITDA 4'406 (-72, -1.6% YOY) underlying ² (+139, +3.1% YOY)	EBITDA margin 39.7% (-0.3pp)	Net income 1'603 (-230, -12.5% YOY) comparable ³ (+180, +11.4% YOY)
CAPEX 2'309 (+23, +1.0% YOY)	OpFCF proxy 1'811 (-80, -4.2% YOY)	Net debt⁴ 7'374 (-332, -4.3% YOY)	Leverage 1.7x stable

in CHF mn



1) At constant currencies, 2) Including adjustments of pension cost and provisions, at constant currencies as outlined on page 71, 3) Excluding one-off items in EBITDA, financial result and tax expense as outlined on page 72, 4) Including lease liabilities, 5) Consists of adjustments for provisions (regulatory litigations (2021: CHF -52mn, 2022: CHF -157mn) and restructuring (2021: CHF -14mn, 2022: CHF +5mn (release of provisions)), negative currency effects of CHF -65mn and adjustment of pension cost (2021: CHF +60mn)



Trends and strategic priorities

Christoph Aeschlimann
CEO Swisscom



Trends impacting Swisscom's business and its ecosystem

Technology boosts expectations of customers and stakeholders



Cloud and **Security** (as-a-service)
gaining momentum

Software importance up

Web 3.0, Blockchain and **Metaverse**
disruptive over time

AI and **Analytics** enabling
efficiency increase and scalability

IoT connecting and integrating everything

New **data-driven business models**

Changing and growing needs:
seamless, flexible, convenient,
digital and personalised

**Sensitivity of value
for money** increasing

Digital first as new normal
Rising awareness for
secure and reliable services

ESG relevance
gaining momentum

Data protection and
compliance
increasingly important

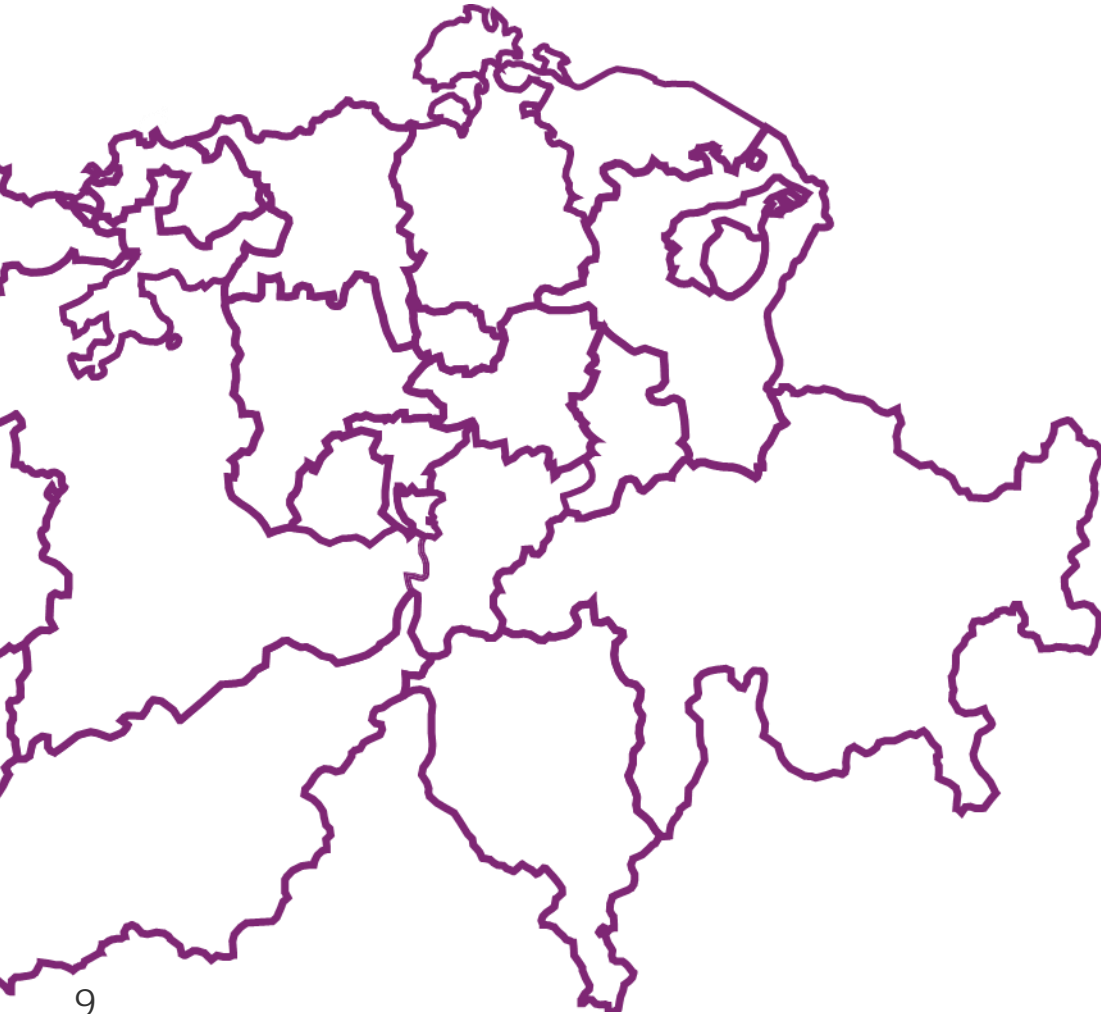
Supply chain bottlenecks
require new thinking

War for talents ongoing



Economic environment in Switzerland fairly robust

Telco market highly quality-orientated but competitive, IT market with prosperous outlook



Economy

- **Resilient**
 - GDP outlook 2023¹: slightly positive
 - Unemployment rate²: low at c. 2.2%
 - +2.8% 2022 inflation³, in EU context low
- **8.7mn population** slightly growing (+1%/year)⁴, driven by migration
- **Robust spending behaviour**

Market

- **High affinity for quality** – Swiss made
- **Telco**: unchanged **competitive** and **mature**, 2022 with slightly softer price pressure
- **Regulatory environment** more **challenging** especially with regard to competition law
- Market for **IT services growing**, driven by digitalisation and new customer needs



Economic environment in Italy unchanged challenging

Telco market with deteriorating value generation, IT with uplift potential



Economy

- **Challenging**
 - GDP outlook 2023¹: stable
 - Current unemployment rate¹: decreasing to <8%
 - +11.6% 2022 inflation¹
- **59mn population** slightly shrinking (-0.3%/year)¹
- **Spending budgets more volatile**

Market

- Generally **high price-sensitivity but signs of increasing value-orientation**
- **Telco**: strongly **competitive** sector with decreasing industry revenues, high infra dynamics and political uncertainties
- **Very fragmented IT market**, but offering opportunities for Telcos to capture share in fast growing ICT business

1) Source: ISTAT 2023



Swisscom today: well-positioned

Strong basis for a successful future in Switzerland and Italy



Market leadership and strongest brand in Switzerland

Leading across most segments thanks to outstanding recognition for inspiring customer experience and quality



Best mobile network and services

Win of relevant benchmarking tests - multiple times in a row



Proven pioneer in innovation

Successful exploitation of technology opportunities



Growing IT relevance

Innovative portfolio extension combined with excellent execution



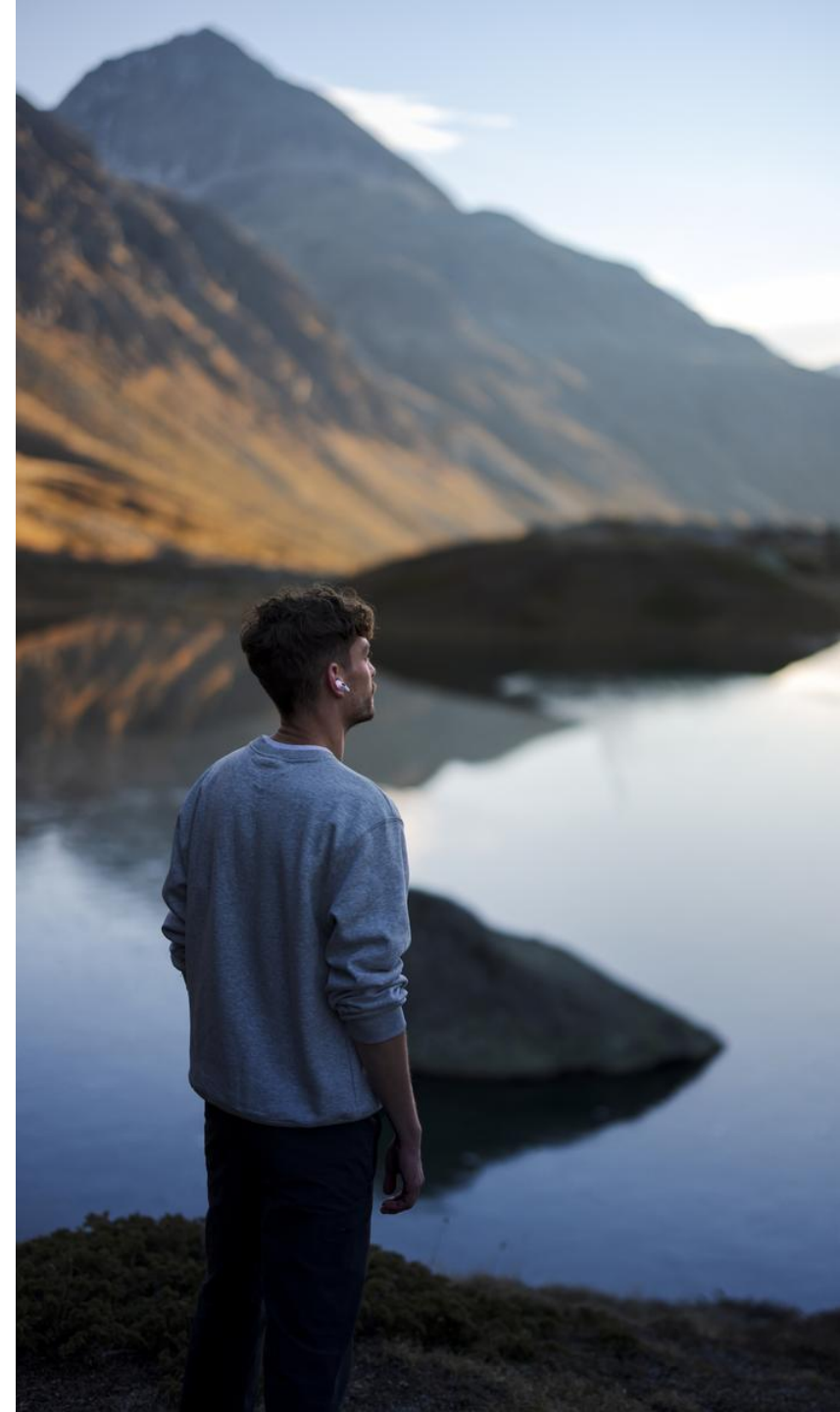
Successful attacker in Italy

38th consecutive quarters of customer, top line and margin growth



Most sustainable Telco worldwide¹

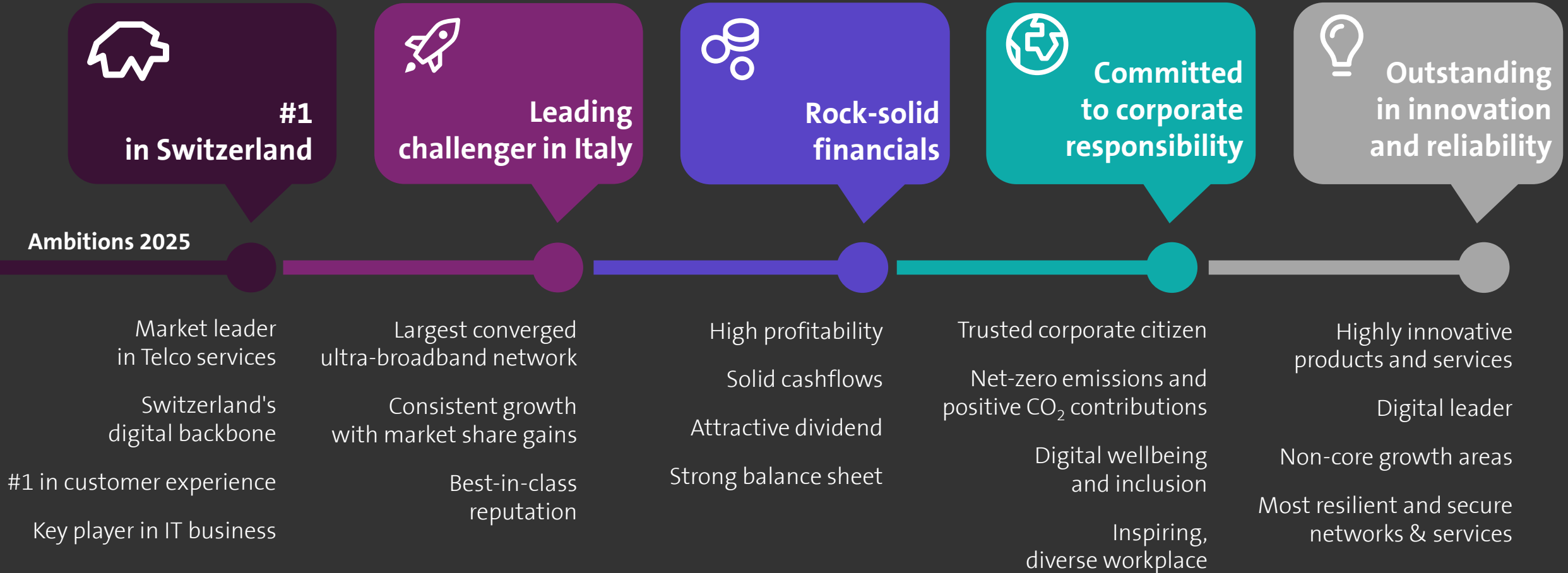
More than 20 years committed to corporate responsibility





Swisscom 2025: strategy and ambitions

Empowering the digital future





Committed to corporate responsibility - highlights 2022 and outlook

Swisscom again awarded as world's most sustainable Telco



For the environment



For people



In governance



Highlights 2022



- Climate-neutral subscriptions
- New WLAN box 3
- Reduced scope 1-3 emissions (-5% YOY)
- Scope 4 savings of 1'591kT CO₂

- 1 million devices collected
- 30% higher online education for media competence
- Reassessment friendly workspace label

- Best board of directors out of 171 companies in Switzerland¹

Outlook

- Ambition 2025: climate-neutral across scope 1-3
- Achieve additional CO₂ savings through our ICT services (scope 4)

- Media courses with a new sustainability learning path
- Increase awareness of Swisscom Campus
- Strengthen diversity targets

- Introduce e-learning in business ethics for employees
- Taking ESG reporting to the next level

1) Source: 'Finanz und Wirtschaft' Ranking, 8 July 2022



Outstanding in innovation - Swisscom's cornerstones

Crucial to differentiate and cement leadership in customer experience

- **Application of AI & analytics use cases** for internal and external applications
- World's 1st and **successful live test of 50G PON**
- **Network configuration** and **process optimisation** thanks to new technologies
- Launch of **blue music**
- **First entertainment use cases Web 3.0** in the area of concerts, football matches and digital twin shop
- Enhancement of **Trust Services portfolio** and building strategic partnerships
- **Exploratory activities** in the area of **Web 3.0** and **blockchain**



- **Enhancement of cyber security portfolio**, e.g., through data exchange in a secured ecosystem
- **Security improvements for customers**, e.g., in the area of SMS filtering and anti-spoofing
- Enhancement of **push-to-talk** for B2B customers
- Development of **5G standalone infrastructure**
- **Development of My Swisscom app** and web redesign
- Launch of **blue portfolio** with **digital first benefit**





Swisscom Switzerland

#1 in Switzerland

Christoph Aeschlimann
CEO Swisscom

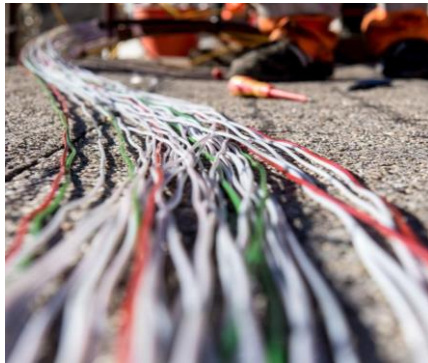


Achievements 2022

Swisscom Switzerland with strong results across all segments

Networks & IT

Accelerating rollout of Gigabit networks



- Clarified FTTH rollout strategy
- Clear leadership in mobile
- IT consolidation on track
- Reliability improved
- Successful in wholesale

B2C

Revenue stabilisation in 2022



- Successful blue launch
- RGU base¹ growing
- Positive service revenue trend
- NPS leadership extended
- #1 in customer experience

B2B

Commercially and operationally strong



- Telco expectations exceeded
- Strong growth in IT
- Successful in security and cloud
- Best customer experience

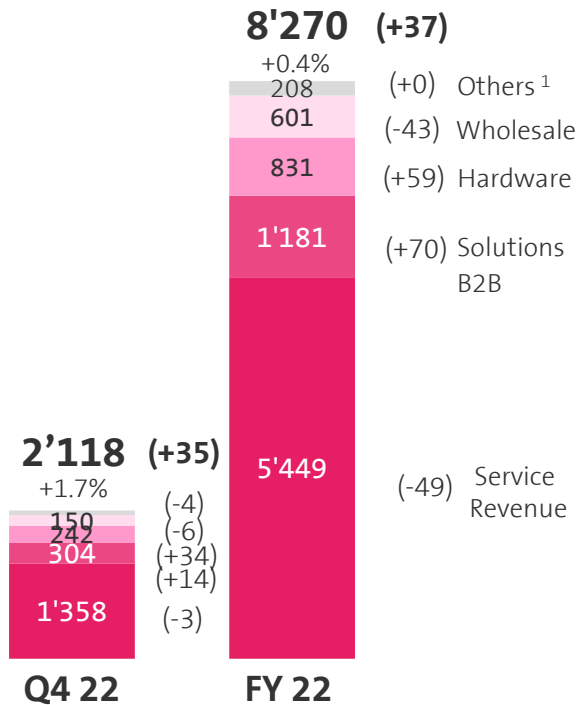


Financial results 2022

Top line and EBITDA (despite provisions) increased. OpFCF proxy flattish driven by higher CAPEX

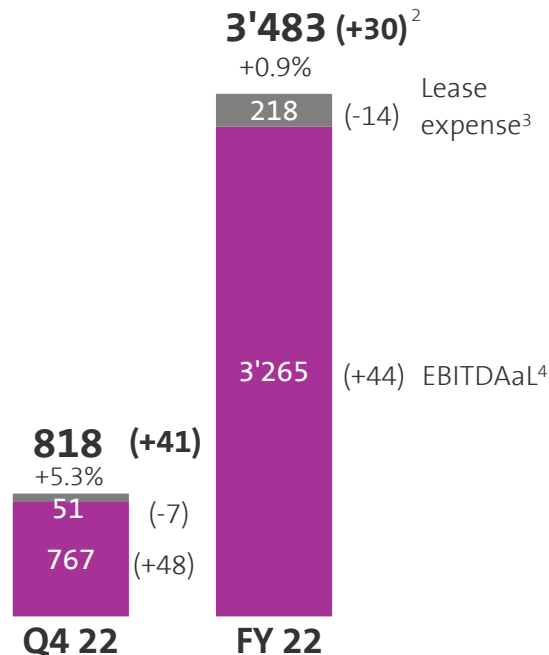
Net revenue

in CHF mn (YOY)



EBITDA

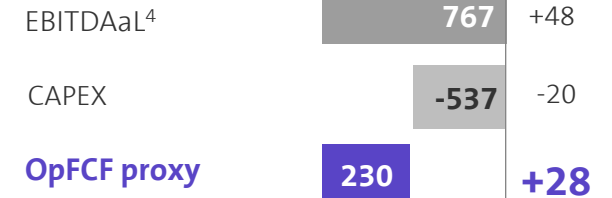
in CHF mn (YOY)



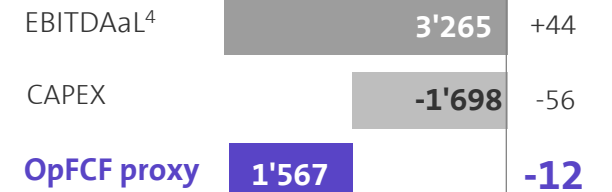
OpFCF proxy

in CHF mn

Q4 22



FY 22



1) FY 22: CHF 208mn (CHF +0mn YOY), Q4 22: CHF 64mn (CHF -4mn YOY), 2) Reported EBITDA includes exceptional items of CHF -152mn in 2022 (2021: CHF -61mn), underlying EBITDA up by CHF +121mn (+3.4% YOY), 3) Consists of depreciation of right-of-use assets and interest expense leases, 4) EBITDA minus lease expense



Strategy

Proven pillars to deliver and maximise value generation in Switzerland

Best customer experience



Operational excellence



New growth



#1 in NPS

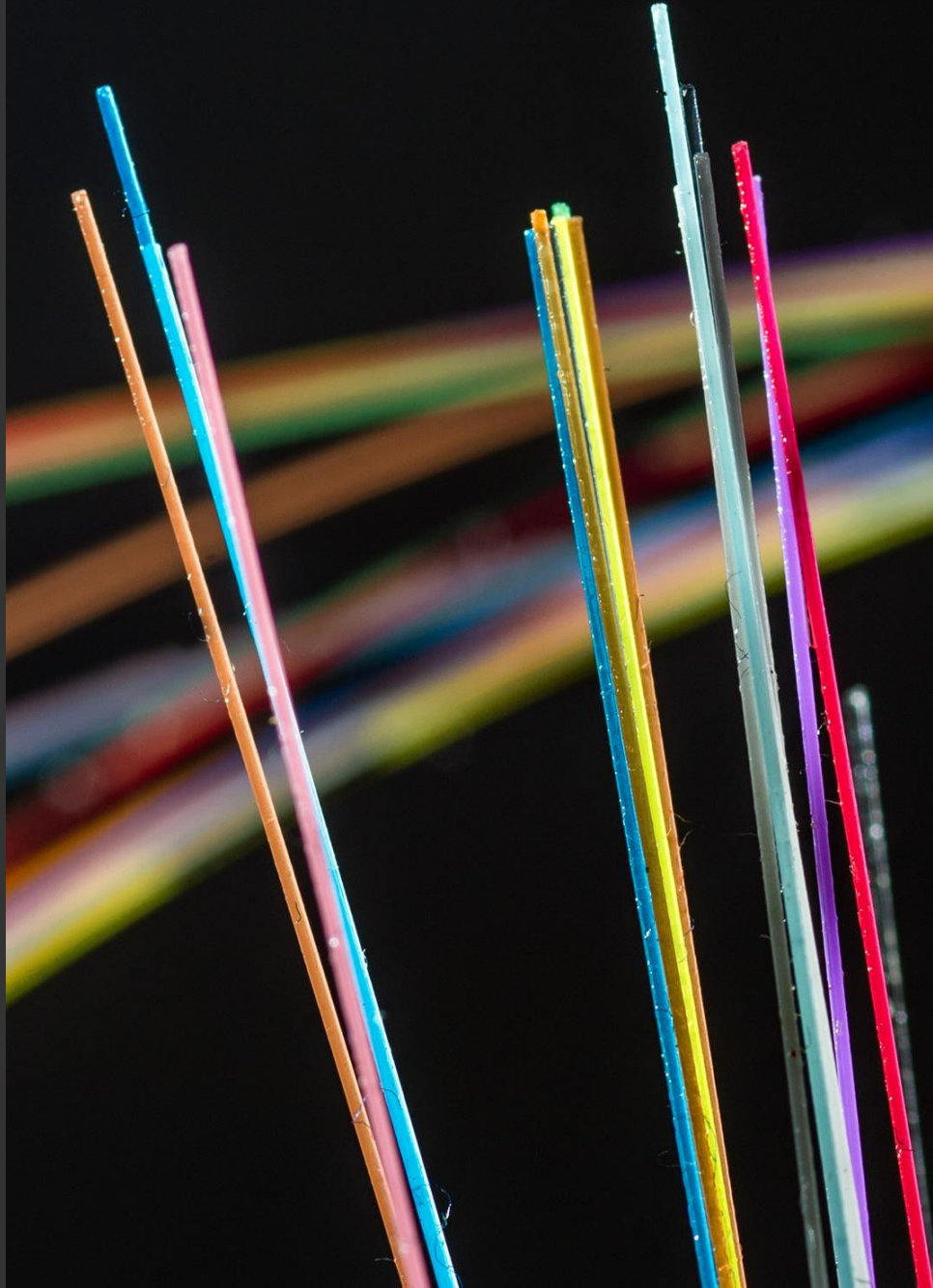
- Best products
- Best sales and services
- Best infrastructure

Cost savings

- Digitalisation push
- Networks and IT excellence
- Efficient and smart investments

Revenue growth

- Maximise core
- Grow in IT
- Focused growth in new businesses



Networks & IT

Continuous investments
to keep competitive edge and enable growth

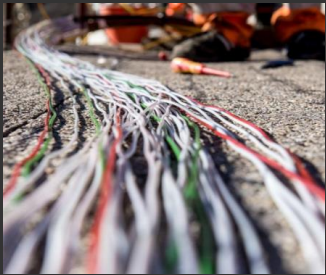
Christoph Aeschlimann
CEO Swisscom



Achievements 2022

Accelerating rollout of Gigabit networks

Clarified FTTH rollout strategy



- Full speed P2P rollout
- UBB coverage at high levels
- Win of all relevant benchmark tests

Clear leadership in mobile



- Win of all relevant benchmarking tests
- 5G+ pop coverage increased
- Several B2B 5G use cases introduced

IT consolidation on track



- Continued app, platform and supplier consolidation
- Increased cloudification momentum

Reliability improved



- Increased service reliability
- Network security progressing
- Customer satisfaction at top levels

Successful in wholesale



- Extension of access agreement with Sunrise
- Salt: successful discussions to adapt fibre agreement
- High customer satisfaction



Priorities 2023



FTTH extension to maintain UBB competitiveness and achieve 50-55% coverage by 2025



Rollout 5G+ nationwide and speed up network densification



Continue consolidation and cloudification to enable future operational excellence gains



Invest in reliable and secure services to further cement outstanding customer satisfaction



Secure wholesale value contribution through high customer satisfaction and major long-term agreements



FTTH extension

Building Switzerland's infrastructure of the future



Belief and approach 2022

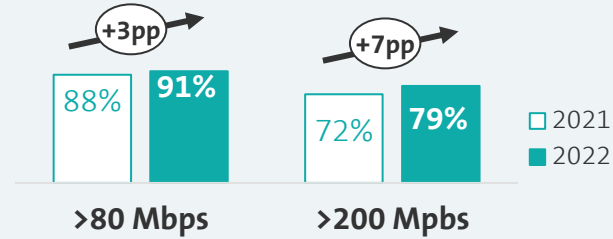
Continuously invest to **satisfy growing bandwidth demand** and **ensure best customer experience** with high-performance networks

FTTH extension to maintain **competitiveness** and **optimise operational cost**

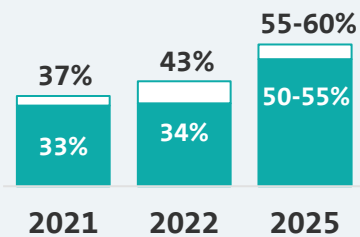
FTTH rollout adapted as from Q3 to P2P and retrofiting P2MP to P2P for subsequent activation

Innovate the market with the latest technology development such as **50G PON** with its successful test in the live network

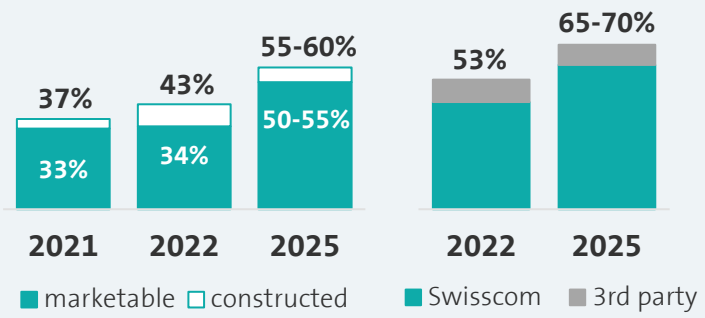
UBB coverage extended



FTTH rollout plan



FTTH coverage ¹



Up to 50 Gbps speed in 2-3 years



Focus and ambitions 2023+

Push FTTH rollout to achieve 50-55% HH coverage by 2025 and the ambition of **70-80% by 2030**

Deploy P2P investments smartly to optimise CAPEX/HH, also with co-construct cooperations

Final COMCO decision on FTTH investigation with limited relevance – P2P rollout already reflected in financial plans

Test potential of future copper to fibre migration for selected communities

1) 3rd party coverage of ~10% as per YE 2022 (internal estimation)



Rollout 5G+ nationwide

Extend Swisscom's leadership in wireless

Belief and approach 2022

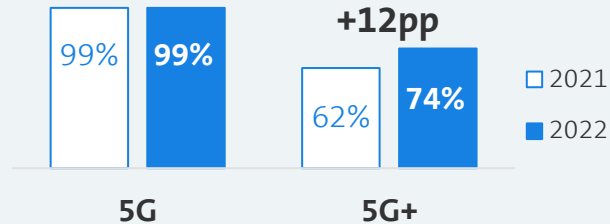
5G penetrates the market fast(er than any generation before) – in Switzerland **4.5mn 5G devices** in operation¹

5G upgrades **deliver capacity** to satisfy the growing demand for mobile data (+20% YOY)

5G technology enables new use cases from mission & business critical communication, mobile private networks and fixed wireless

Keep network leadership – winner of connect, CHIP and all other relevant tests - by **leveraging spectrum superiority**

Outstanding 5G pop coverage



New 5G business



#1 in Switzerland



Focus and ambitions 2023+

Annual CAPEX envelope of CHF ~0.3bn to **ensure best wireless network** and **drive up 5G+ coverage** to 90%

Continue network densification to **enable extra capacity and extend coverage leadership** with 6.2k sites (2x of competition)

Most cantons meanwhile **applying simplified authorisation processes** for site updates. Numerous allow even updates to 5G+ in simplified procedures



1) Source: asut, as per YE 2022



Continue IT and network simplification and cloudification

Consolidate applications, phase-out legacy platforms and apply multi-cloud strategy

Belief and approach 2022

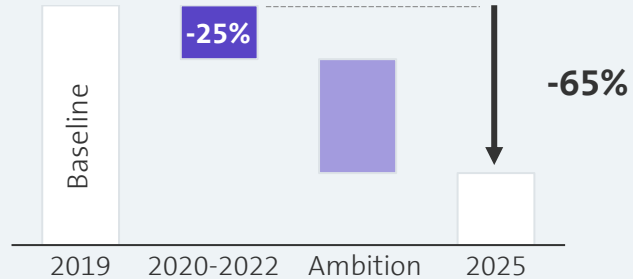
Accelerate consolidation and modernisation of IT and network platforms to **create headroom for operational excellence and innovation**

Constantly reduce complexity for **higher stability and reliability of networks**

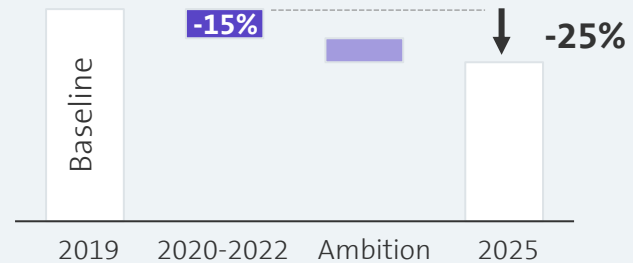
Seize the **opportunities of public cloud offerings** for new business

Lower power consumption through reduction of network platforms and IT applications

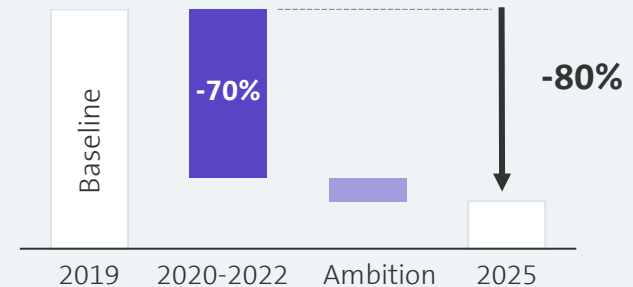
Phase-out of network platforms



Phase-out apps & network functions



Continuous supplier reduction



Focus and ambitions 2023+

Keep high discipline in continuously phasing-out and consolidating network platforms and applications

Move selectively applications and databases **to AWS**

Modernisation and consolidation in IP and optical backbone – allowing **simpler architecture and higher capacity**



Reliable and secure services

Drive down further number and duration of incidents



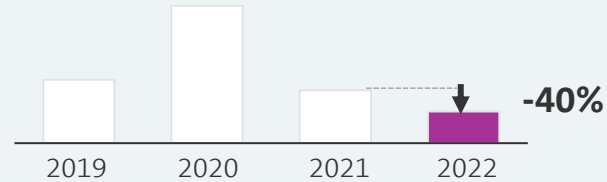
Belief and approach 2022

Dependency on services **increasing** – lower tolerance for service interruptions – while keeping outstanding customer satisfaction with **top service stability**

"No-legacy" is easier to operate. Clean architecture, cloud native applications & network functions and next generation networks enable excellence in stability

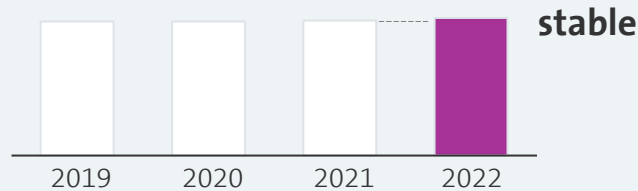
Bring DevOps to the next level: agile concepts need to be complemented by state-of-the art **service management** practices & procedures

Less escalated major incidents

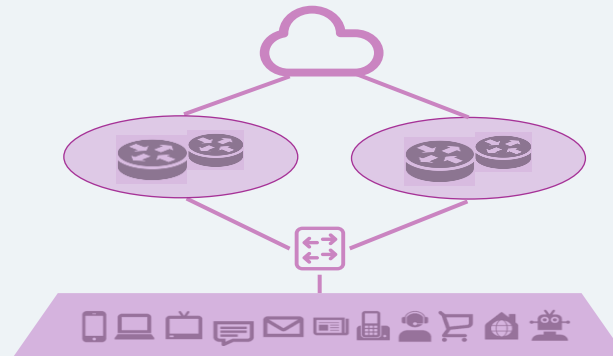


High customer satisfaction

NPS stable at high level



Dual Core IP network



Focus and ambitions 2023+

Continue stability program to reach unprecedented levels – reduce number of **major incidents 2x**, **change-related incidents 4x** and **disruption period 4x**

Rollout of a new **service management system** to all ICT services – including modern **site reliability engineering** practices

Automate network operation based on **NaaS** approach, enable CI/CD for **faster innovation**



Secure wholesale value contribution

High customer satisfaction and long-term agreements key levers for future growth

Belief and approach 2022

#1 in Switzerland as **largest provider of network wholesale services** enabling access for all operators

Infrastructure **ownership** and **fibre rollout** as prerequisite for future value contribution

Several access agreements in the course of 2022 agreed or renewed

Record high customer satisfaction thanks to continuous improvement of customer pain points

Swisscom portfolio

Access lines

BBCS (Layer 3) and ALO (Layer 1) services

Leased lines

managed transport services, backbone & backhaul

Interconnection

Infrastructure

MVNO

Diverse customer universe



Focus and ambitions 2023+

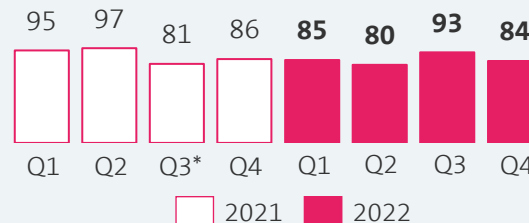
Extension of FTTH coverage stimulates **leverage of Swisscom network** and drives **top line**

Monetise fibre rollout through partnership-based cooperations and **satisfy increasing demand for leased line services**

Tap new sources of growth in transport and mobile business

Wholesale services revenue

in CHF mn



* first quarter after MVNO loss of UPC



B2C

Continuously reinforce leading market position to maximise value creation in B2C

Dirk Wierzbitzki
Head Residential Customers



Achievements 2022

Revenue stabilisation

Successful blue launch



- Good sales momentum thanks to new blue portfolio
- Strengthened position in growing segment of digital natives

Positive service revenue trend



- Strong Postpaid net adds thanks to wingo
- Positive ARPU momentum
- Entertainment, VAS & accessories growing

NPS leadership extended



- Highest NPS in Switzerland
- Record-low churn rates for mobile and broadband
- Successful rollout of innovative shop concept

#1 in customer experience



- 1st place connect test shop
- 1st place connect test app
- 1st place Pctipp service award

Strong margin contribution



- Significantly reduced customer care workload
- Ongoing simplification of organisation and processes



Priorities 2023



Defend ARPUs adapting smart promotional behaviour and targeted pricing moves



Maintain strong market position with new flagship offering blue and 2nd brand wingo



Optimise churn prevention with focus on best customer satisfaction and strong brand reputation



Grow revenues with entertainment, value-added services & accessories



Digitise sales and care journeys with new innovative concepts



Defend ARPUs with smart promotional behaviour and targeted pricing moves

ARPU decline stopped due to reduced price promotions and FMC reaching a plateau

Belief and approach 2022

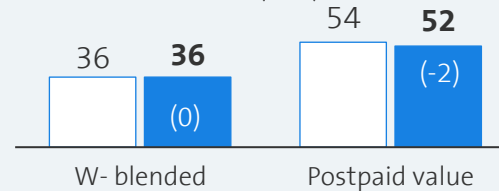
Reduced price promotions under Swisscom brand with limited impact on sales but noticeable ARPU effect (e.g. reduced promotion durations)

Customers taking FMC advantages reaching a plateau further stabilising ARPUs

Primarily use wingo, Swisscom 2nd brand, to defend market share and strengthen position in price sensitive customer segments

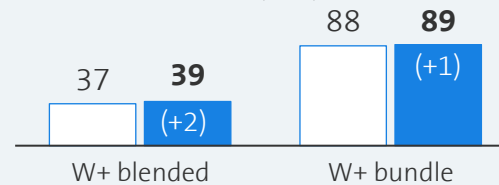
Wireless ARPUs

in CHF (YOY)



Wireline ARPUs

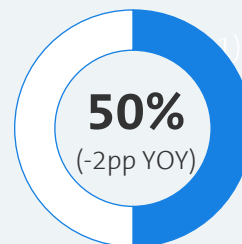
in CHF (YOY)



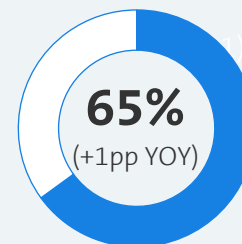
□ FY 2021 ■ FY 2022

FM converged HHs

Postpaid value



Broadband



Focus and ambitions 2023+

In 2022 we started to implement **selective price adjustments** to compensate for inflationary effects on the expenditure side

In 2023 we will evaluate **further selected price adjustments** and **broader pricing measures**, if necessary

Continue pursuing successful promotional behaviour and focusing on value, not on growth at any price



Maintain strong market position with new flagship offering blue and wingo

Launch of innovative own-brand portfolio blue with new consistent brand appearance strengthens positioning

Belief and approach 2022

Continuously **innovate market with best offerings** and lever Swisscom's **strong brand presence** to enhance Swisscom's leading market position

Successful launch of blue with already 4.6mn subs by YE 2022

- **Better:** more value
- **Simpler:** unprecedented ease-of-use 'rethinking' experience
- **Attractive:** digital self-service benefit – 'simply digital'

Growing RGU base especially thanks to **wingo success** with limited cannibalisation effects

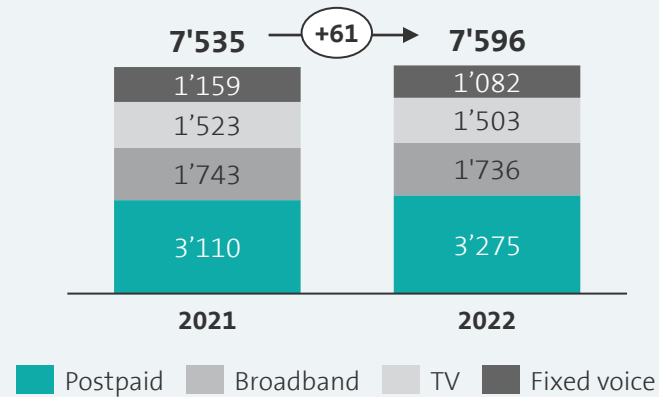
Focus and ambitions 2023+

Lever new blue portfolio and best-in-class online experience to **attract new customers with high preference for self-service**

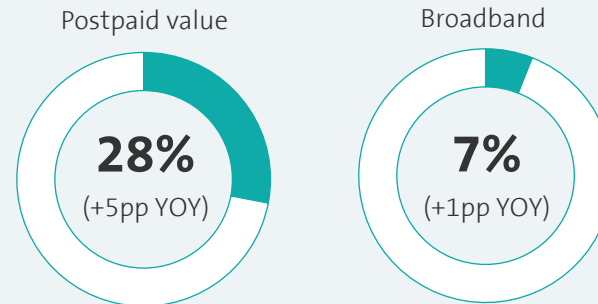
Regain market momentum in broadband after clarified FTTH rollout strategy and decision to retrofit c. 300k non-marketable P2MP access lines

Further **develop wingo and 3rd brand's value propositions with new features**

RGU base (in k)



2nd/3rd brands share





Optimise churn prevention with customer satisfaction and brand reputation

Record low churn levels in 2022 due to focus on satisfaction of existing customers

Belief and approach 2022

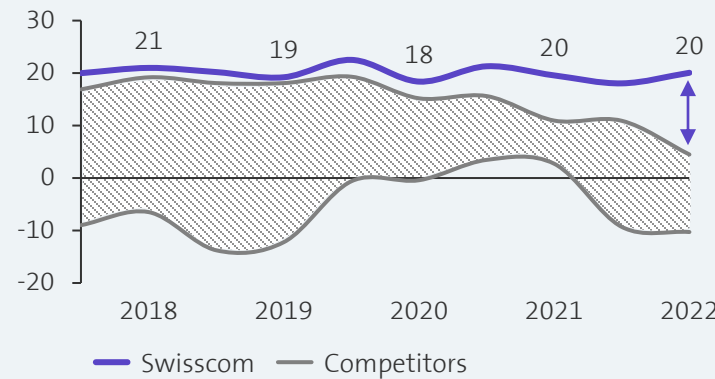
#1 NPS market position further cemented with highest NPS, by a large margin

Churn rates on record-low levels thanks to **successful retention measures appreciating loyalty** (e.g., free speed upgrades for existing customers during blue launch)

Successful rollout of innovative shop concept paying off: Swisscom wins connect shop test 2022

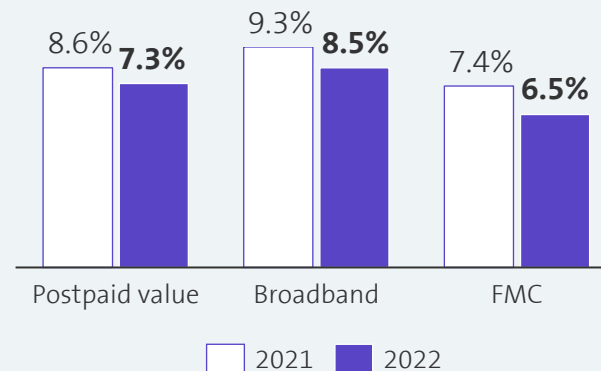
NPS development¹

2018 – 2022



Churn rates

p.a.



Focus and ambitions 2023+

Continue to **retain existing customers** by constantly appreciating their **loyalty** and excellent **retention management**

Continuous investments in **customer experience** and **brand** clearly pay off and **support premium pricing**

Further development of entire private customer presence into a **consistent, emotional experience** for our customers

1) Source: Swisscom NPS survey (in collaboration with LINK Institute), n=3000 (Swiss population), twice a year



Grow revenues with entertainment, value-added services & accessories

Growth story continues

Belief and approach 2022

Entertainment successful in 2022

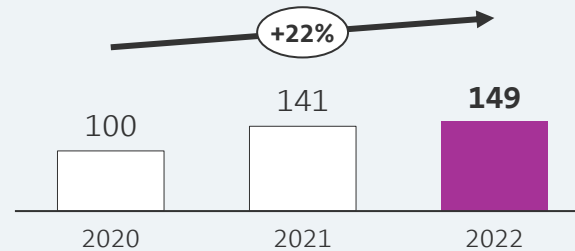
- blue TV with many new features available on more platforms
- UEFA Champions League rights secured until 2026/27
- Strong recovery of cinema business
- Successful launch of blue music

Value-added services, accessories & Smart Life revenue continue to grow

- VAS business growing with Security & Services offerings
- Accessories & Smart Life growing slower due to limited hardware availability

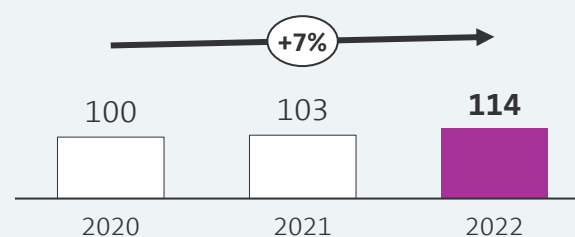
blue Sport subs

indexed, CAGR



Security & Services revenues

indexed, CAGR



Focus and ambitions 2023+

Next level entertainment

- Launch of new TV box in 2023 bringing entertainment experience to the next level
- Expansion of blue music proposition

Push 3rd party VAS offers

- Strengthen proposition through easy access to best 3rd party offerings incl. special advantages for Swisscom customers



Digitise sales and care journeys with new innovative concepts

Continue shift to online while keeping best experience across all channels

Belief and approach 2022

Digital care share growing ...

- New award-winning app with new chatbot "Sam" released
- New simply digital benefit drives self-service adoption

... leading to a significant reduction of customer care workload

Omni-channel sales approach ...

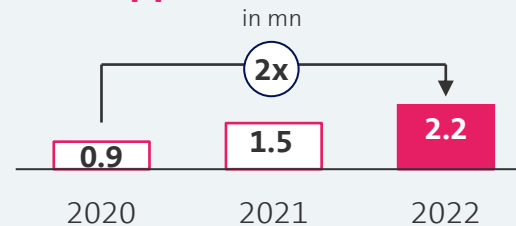
- Broad shop footprint with new 'phygital' shop concept
- eSales capabilities further improved with new digital journeys

... leading to continuous digital adoption of customer base

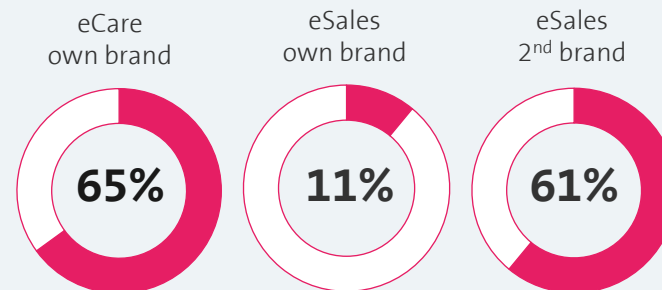
Leading in customer interaction



App installed base



Channel share



Focus and ambitions 2023+

Continuous **shift to self-assisted** customer care by increasing '**simply digital**' penetration with new blue offerings and growing **deflection rate of chatbot**

Lever **new shop concept** to stimulate migration to digital channels

Further **personalise customer journeys** by implementing data-based **360° customer interactions**



B2B

Lever unique market position to retain value in Telco business and continuously grow as IT provider

Urs Lehner
Head Business Customers



Achievements 2022

B2B with strong results - commercially and operationally

Telco expectations exceeded



- Encouraging top line evolution thanks to value-oriented execution
- Launch of 5G FWA solution in Q4
- Leading in software-defined technology

Strong growth in IT



- Participated in growing IT market
- Expanded position in software business
- Positive profitability trends

Successful in security and cloud



- Growth in public cloud business accelerating thanks to strong partnerships
- Leading in security: revenue doubled in security TDR¹
- Fended off two biggest cyber attacks in Switzerland

Best customer experience



- Web portal penetration further extended
- Share of digital customer interactions increased
- Strong NPS results



Priorities 2023



Push Telco value differentiation



Further expand our position
as a leading Swiss IT service provider



Provide most-valuable and secure products
in hybrid and public ICT environment



Deliver seamless customer experience



Push Telco value differentiation

Hold leading market position through innovative offerings and value-oriented pricing

Belief and approach 2022

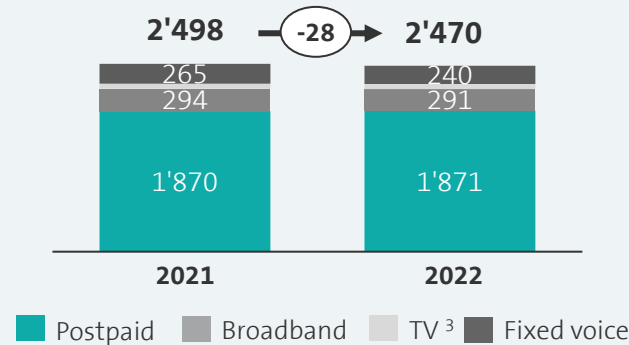
Maximise value through technology leadership, innovative offerings, ICT converged proposition and strong market share whilst continuously **improving operational efficiency**

Strong **achievements in technology and innovation differentiation**

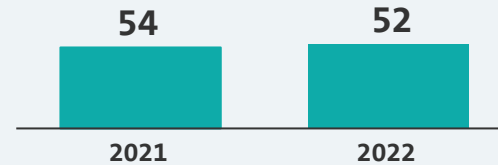
- 1st 5G MPN¹ pilot customers
- 5G FWA market launch
- AWS cloud integration
- Growing in network security
- Leading in software-defined technology: customer migration initialised

Position as **E2E IoT solution provider** and **grow IoT solution business** incl. application and analytics

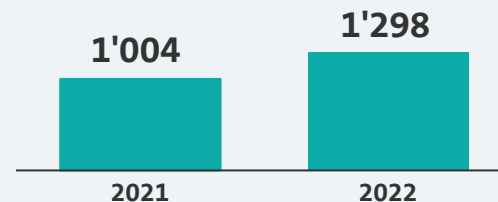
RGU base (in k)



Blended ARPUPs² (in CHF)



IoT active SIM cards (in k)



Focus and ambitions 2023+

Further **execute value-oriented strategy**

- Include new, innovative services in contract extensions
- Leverage USP through Teams mobile integration launch as one of five providers worldwide
- Productification of MPN¹ based on strong pilot learnings

Push **efficiency measures**, e.g.,

- Business launch of new digitally-enabled wireless portfolio
- Drive software-defined technology enabling network simplifications

Grow IoT solution business beyond connectivity by **focusing on selected verticals**

1) 5G Mobile Private Networks, 2) ARPU all B2B underlying products
 3) TV subs per YE 22: 68k (-1k YOY)



Further expand our position as a leading Swiss IT service provider

Focus on generating business value for customers

Belief and approach 2022

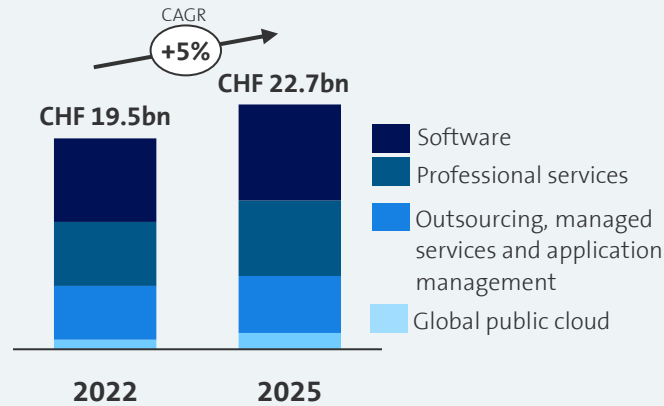
Benefit from ongoing market growth by generating business value with IT as the relevant business and transformation partner for our customers

Unique differentiation through a broad portfolio, local proximity and industry-specific know-how

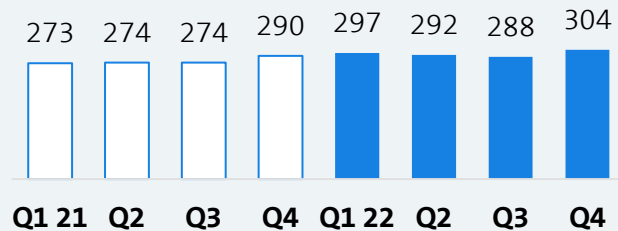
Expansion of capabilities in software business through tailored acquisitions and organic growth

Leverage strong market positioning in SME for additional growth by supporting SME's digitalisation journey

Swiss IT market outlook ¹



Solutions top line (in CHF mn)



Latest non-organic moves



Focus and ambitions 2023+

Be close to corporates' business processes to achieve growth and positive cross-selling effects on infrastructure business

- **G2M transformation:** focus on selected industries and strengthen expertise
- **Expansion of professional services**
- **Push business-focused IT:** digital solutions and software business

Strengthen SME portfolio and market presence and **optimize G2M approach** including IT-partner ecosystem

1) Source: PAC Market Figures - Software & IT Services (Oct. 2022)



Most-valuable and secure products in hybrid and public ICT environment

Strengthen capabilities by integrating our own and 3rd party solutions

Belief and approach 2022

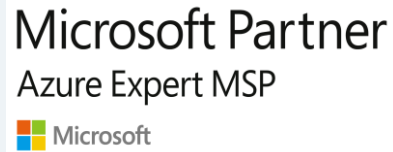
Offer most-valuable solutions while integrating own and 3rd party services - in the private, public and hybrid ICT environment

Participate in fast-growing public cloud market through strong partnerships (AWS since 2022)

Extend differentiation with completely public cloud-based modern collaboration suite (with best customer experience portal)

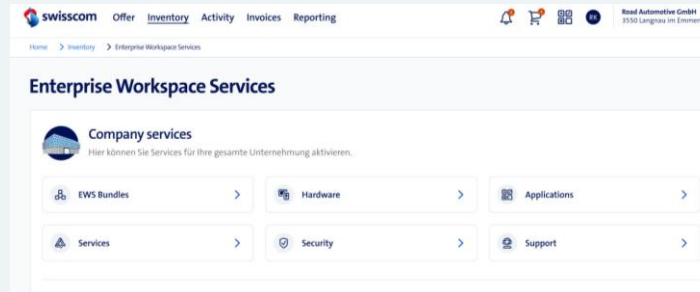
Cyber security a critical and major concern for customers: launch of several new security services¹

Exclusive partner status



All-in-one management portal

Collaboration suite



One of the leaders in security services

Swisscom and its subsidiary United Security Providers



Focus and ambitions 2023+

Strengthen global public cloud partnerships and build hybrid cloud base capabilities

Execute UCC dual vendor and dual public & private cloud strategy: full coverage of customer needs by providing public cloud UCaaS² and own private cloud elements

Develop industry-specific offerings of public cloud-based collaboration suite to further differentiate by meeting specific requirements

Advance and confirm the roadmap of security offerings and IT outsourcing solutions

1) CSIRT (Computer Security Incident Response), TDR (Threat Detection & Response),
2) Unified Communications & Collaboration as a service



Deliver seamless customer experience

Push service and digital transformation and omni-channel execution

Belief and approach 2022

Push digital customer interactions and differentiation through seamless omni-channel experience is the basis for an increasing customer satisfaction

My Swisscom Business portal builds the unified center for

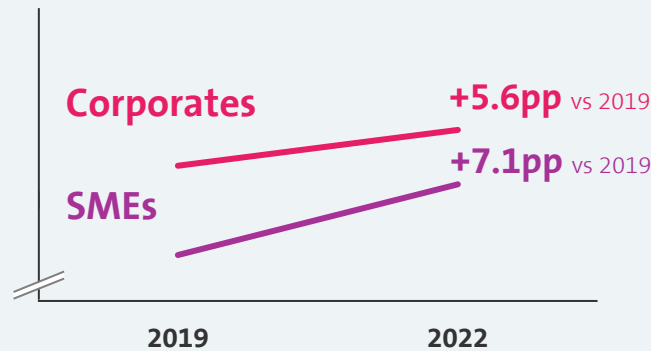
- standardized digital transactions
- omni-channel enablement of new products

In 2022 all corporate customers migrated, and SMEs' migration started

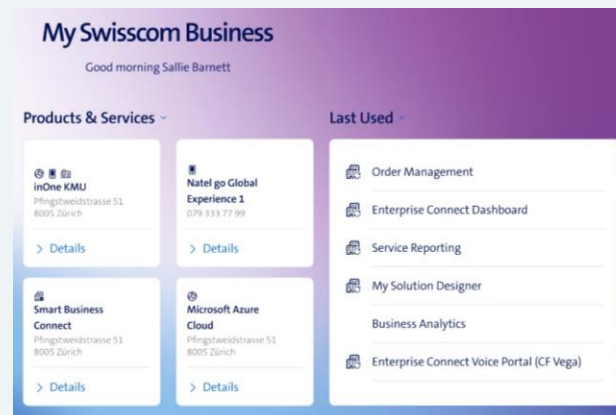
Deliver outstanding ICT support: foster competent and efficient customer-centric support in a multi-channel approach

Strong NPS development

pre- vs. post Covid-19



B2B business portal



Focus and ambitions 2023+

Push digital customer experience through further improvements in customer journey, portal performance and user experience

Drive share of digital transactions while primarily focusing on

- mobile, billing and service operations for corporates
- new wireless products and billing for SMEs

Maintain and improve excellent service quality and consulting activities by strengthening skills, simplifying and consolidating sales activities provided by call agents towards SME customers



Fastweb
Leading challenger in Italy

Alberto Calcagno
CEO Fastweb





Achievements 2022

Another successful year with 4 consecutive quarters of growth

Delivered again



38th consecutive quarter of growth

Strong RGU results: +700k

Positive financial performance

Strong infra footprint



Awarded as best wireline and best FTTH networks in 22¹

5G leader: 67% coverage (+17pp) and best performance² in H2 22

5G FWA covering 4.5mn HHs

Solid Consumer performance



Deliberate value focus in broadband to stabilise ARPU

UBB penetration up to 86% (+4pp)

Strong in mobile: +615k subs

Growing Enterprise



EU funds' projects execution started

5G mobile launched with highly satisfied customers

Cloud partnership with major hyper-scalers

Successful Wholesale



Double-digit revenue growth

Strong growth of UBB lines

Acquisition of new important UBB customers

Sustainability key



Deployed distinctive positioning TU SEI FUTURO

Opening of STEP Futurability district

Zero CO₂ subscriptions for mobile and wireline services

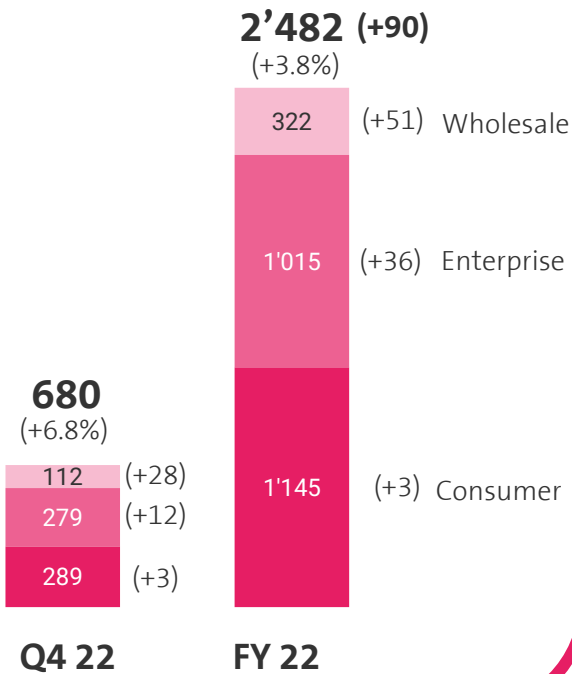


Financial results 2022

Growing across all financial metrics in a challenging environment

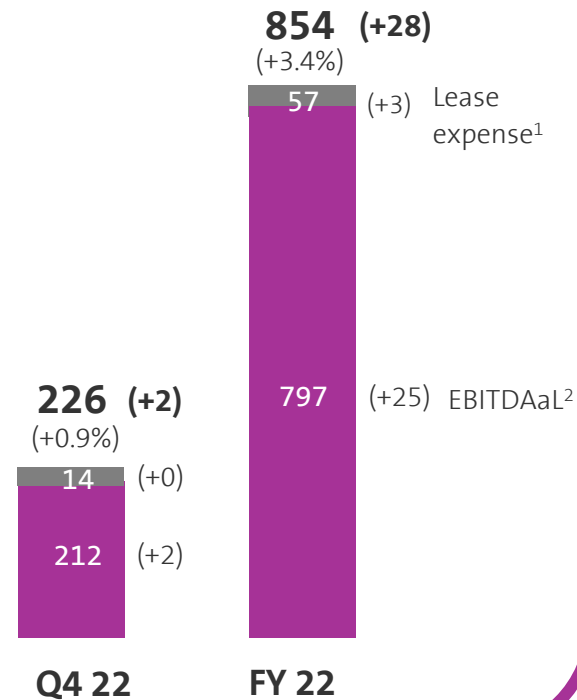
Net revenue

in EUR mn (YOY)



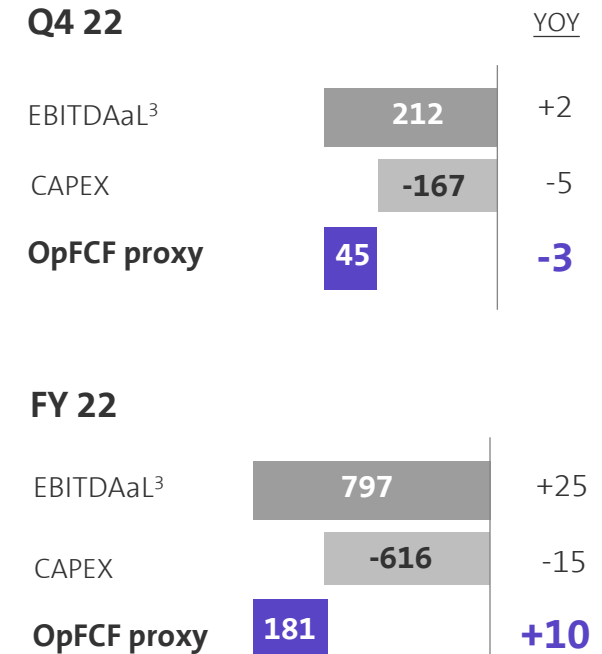
EBITDA

in EUR mn (YOY)



OpFCF proxy

in EUR mn

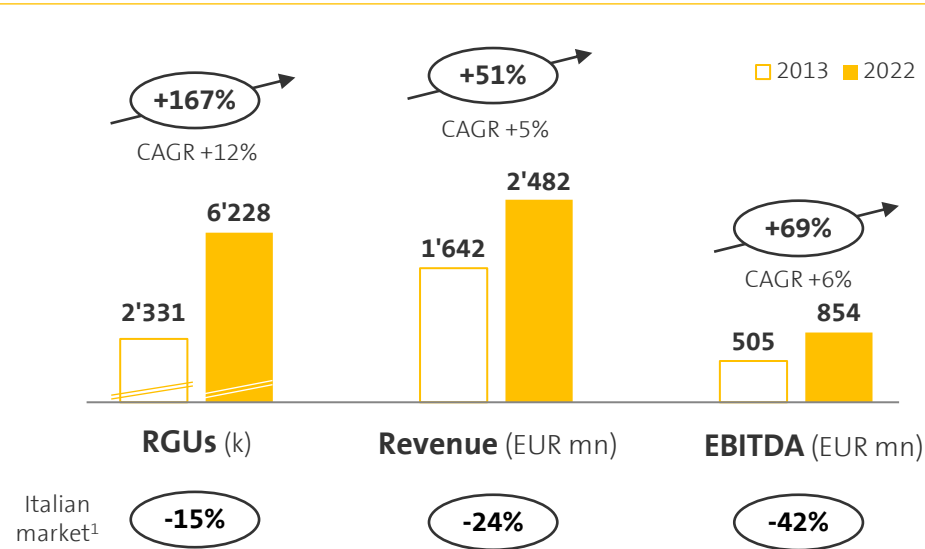


1) Consists of depreciation right of use assets and interest expense leases with scope of IFRS 16, 2) EBITDA after lease expense



Fastweb growing across all KPIs

A unique growth case in Europe



- Fastweb performed **38 consecutive quarters of absolute growth** on RGUs, revenues and EBITDA

- **In Italy: Fastweb 1st for growth across all KPIs** (RGUs, revenue, EBITDA), among top convergent players²
- **In Europe: Fastweb 1st in RGUs and revenue growth**, among major players³

1) Fastweb excluded (Source: Operators' declarations (2013-2021))

2) Source: Operator's declarations (2017-2021)

3) Source: Analysis Mediobanca report (2017-2022)

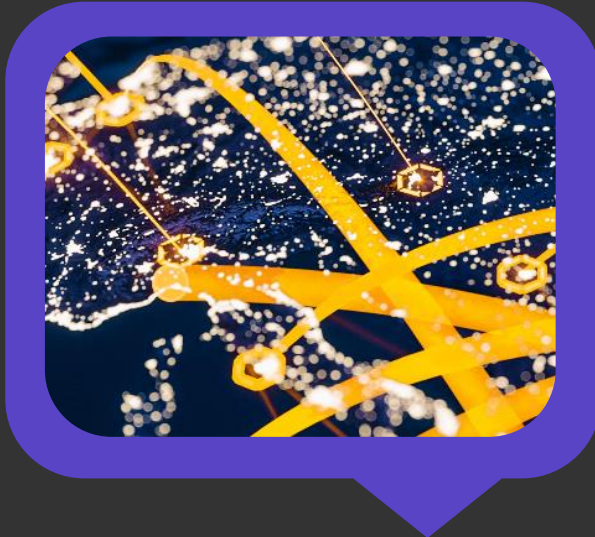




Strategy

Robust pillars to pursue solid and steady financial growth in Italy

Excellent execution



Profitable growth

- Scale-up 5G mobile
- Grow in ICT business
- Maximise infra monetisation

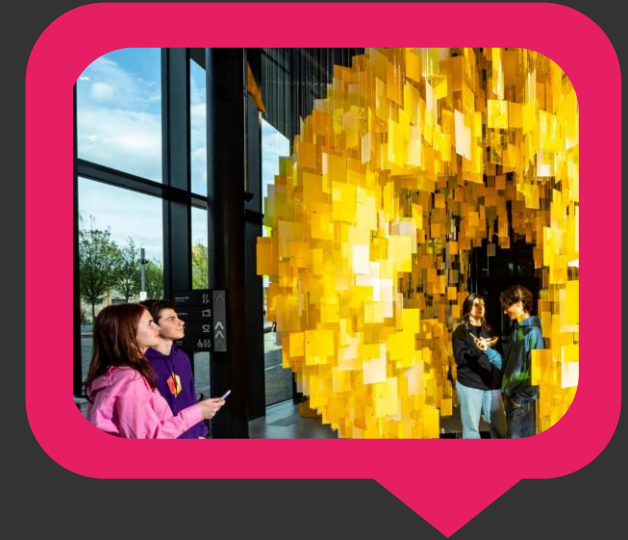
Technology leadership



Keep on leading the future

- Extend Gigabit footprint
- Foster IT capabilities
- Differentiation through innovation

Distinctive position



Best-in-class reputation

- Spread digital skills in Italy
- Become carbon-neutral by 2025
- Be a role model for inclusion



Priorities 2023



Make infrastructure future-proof through extension of UBB/5G coverage and network capabilities



Manage macroeconomic headwinds successfully while increasing efficiency and optimising cost base



Grow Consumer mobile base while maximising value generation from wireline broadband



Drive Enterprise to the next level of growth with 5G mobile and cloud & security services



Lever UBB footprint and one-stop-shop approach to grow further in wholesale business



Deliver on ESG objectives to benefit further from outstanding value reputation



Make infrastructure future-proof

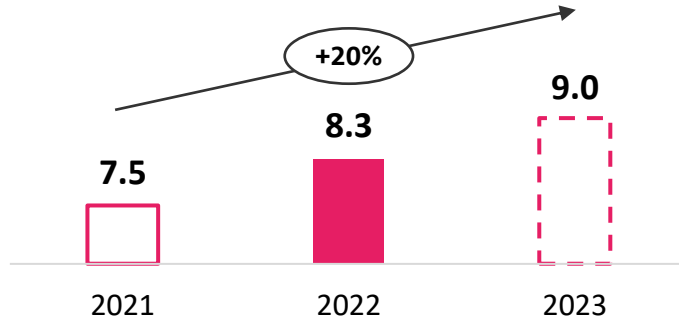
Continuously push on UBB leadership in fibre and 5G



FTTx

up to 2.5 Gbps

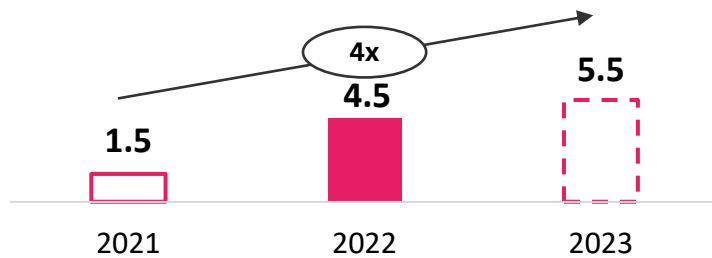
mn HHs and companies



5G FWA

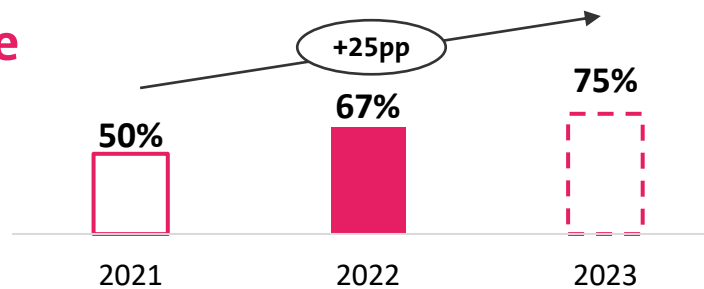
up to 1 Gbps

mn HHs and companies



5G mobile

outdoor coverage





Manage macroeconomic headwinds successfully

Increasing efficiency and reducing cost base is key to optimise margins



Belief and approach 2022

Macroeconomic headwinds

proactively addressed with a mix of short-term actions and mid-to-long-term measures (overall cost plan)

Management of energy cost through implementation of a multi-year plan to

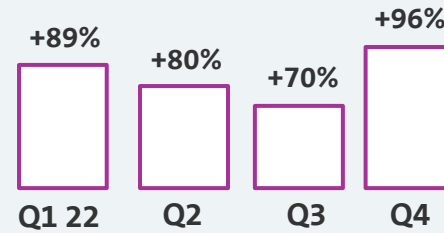
- reduce consumption
- lower price exposure

Inflation: selective price adjustments

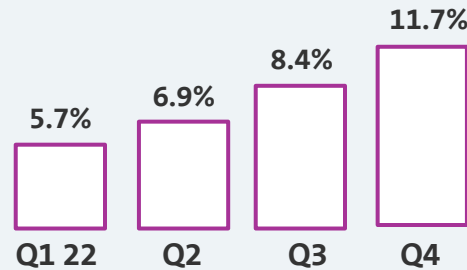
on specific Consumer services (fixed and mobile) and Enterprise contract renewals

Higher energy cost in 2022

(YOY)



Rising inflation² in Italy



Focus and ambitions 2023+

Deliver on overall cost plan

- HQ-sites optimization
- IT-Network rationalisation

Execute multi-year plan to decrease energy exposure sustainably

- **Lower consumption** through network and site optimisation, smart-working, reduction of lighting and temperature usage
- **New PPAs¹** such as renewable energy deal with Statkraft

Evaluate opportunistic steps to protect margins

- Extend selective pricing fine-tunings

1) Power purchase agreement

2) ISTAT – Jan 2023



Maximise value generation from Consumer broadband

Scale-up value generation from broadband through distinct differentiation and disciplined behaviour

Belief and approach 2022

Distinct value focus to generate UBB growth and **retain pricing discipline** to defend margin

Extend fixed offerings with VAS

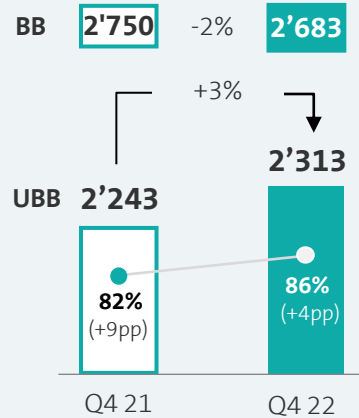
to increase customer stickiness, e.g.,

- WLAN extender NeXXt
- Loyalty program FastwebUp
- Home insurance (with Quixa)

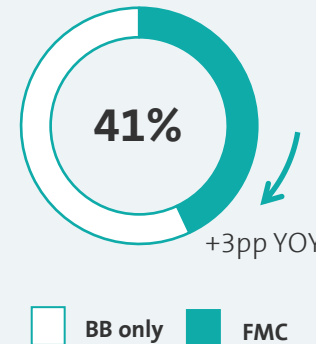
Address primarily family HHs to drive FMC penetration further up

Churn reduction through data driven/AI-based approach

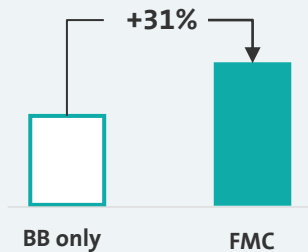
Broadband subs (k) and UBB penetration (YOY)



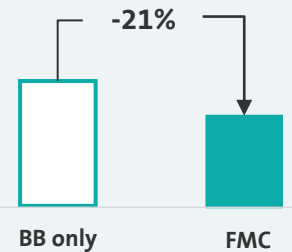
FMC penetration



ARPU uplift (EUR/month, YOY)



Churn benefit (FY 22)



Focus and ambitions 2023+

Continue to behave rationally on the market and pricing to maximise value generation

Scale-up through upselling and adding new services

Stimulate future UBB growth through FTTH coverage extension and raising awareness of digital benefits (TU SEI FUTURO)

Extend AI-based and data-driven activities to further improve customer experience and operational efficiency



Grow Consumer mobile base

Stimulate ongoing growth in B2C market with attractive offerings

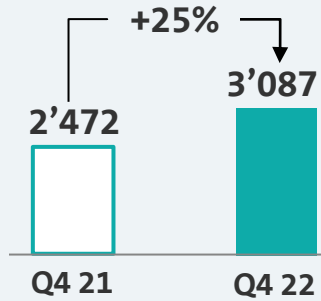
Belief and approach 2022

Solid **growth enabler** with strong propositions along the whole year

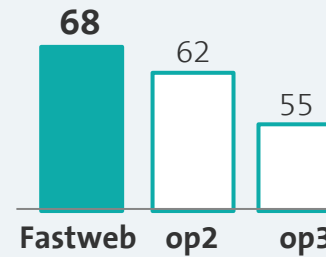
Top performer in Italy in October and November 2022 by subscribers acquired from competitors, **2nd best performer** for the rest of the year

Push 5G usage on Fastweb proprietary network to improve margins on mobile

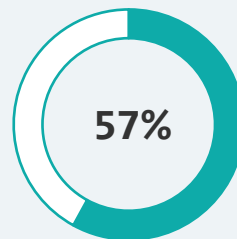
Mobile CB (k)



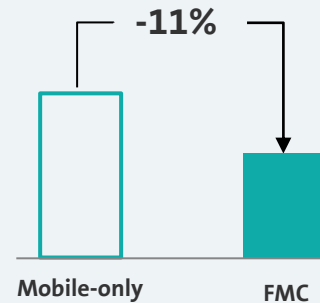
Speed score¹ (H2 22)



Mobile-fixed penetration



Churn benefit (FY 22)



Focus and ambitions 2023+

Keep focusing on SIM growth through a competitive go2market approach and attractive pricing

Boost mobile-fixed offerings and increase penetration in order to increase stickiness

Keep on exploiting our proprietary best-in-class 5G network

1) Ookla Speedtest Intelligence 2022



Drive Enterprise to the next level of growth

EUR 1bn revenue achieved. Keep on growing in cloud / cyber-security and ramp up on 5G mobile in B2B space

Belief and approach 2022

Keep leading **wireline market share through service excellence and tapping into new sources of growth**

- e.g., awarded public bid in 2022 to connect schools & health facilities

Leverage existing customer base to **generate new revenue growth from 5G mobile** and offer FMC services to cement customer loyalty

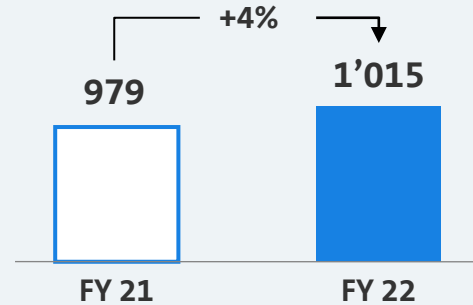
- Several new contracts signed: e.g., LG Electronics, Monte Paschi Siena bank

ICT/Security

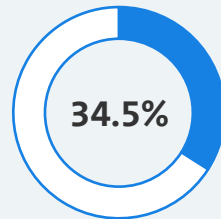
- Awarded as “Italy Amazon Web Service Rising Star Partner of the Year”
- Acquired **cloud** engineering competencies – through M&A
- CONSIP¹ agreement for **digitalisation**

1) CONSIP: vehicle through which public administration acquires services, 2) Public administration

Revenues (in EUR mn)



Market Share



34.5%

- **34.5% overall** share in Enterprise market, stable YOY
- **45.5%** market share in PA sector²

Main Contracts



Connectivity



5G Mobile Enterprise



ICT /Security

Focus and ambitions 2023+

Continue to **innovate in ICT, cloud and cyber-security** and **drive 5G mobile services** to enforce lock-in

Exploit M&A acquisition to **strengthen AWS partnership and boost cloud business ambitions**

Improve margins through data centre, space optimisation and price adjustments to partially pass on macroeconomic cost increases to customers

Mobile 5G for Enterprise: **launch of 5G private networks**



Grow further in Wholesale business

Lever UBB footprint and one-stop-shop approach

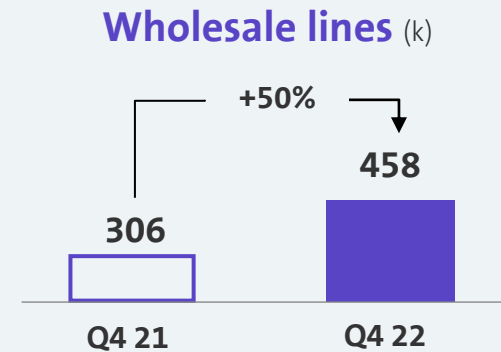
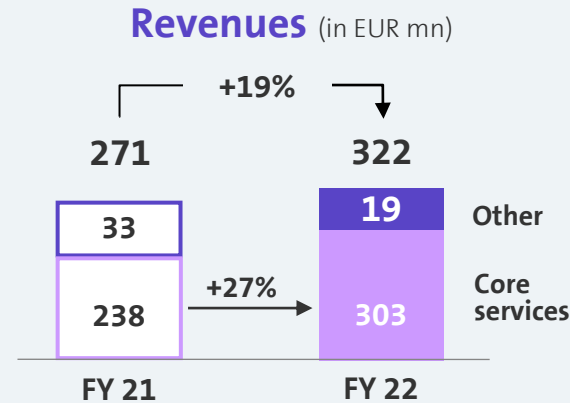


Belief and approach 2022

Double digit growth in revenues pushed by all streams (UBB lines, IRU-related business, P2P)

Steady growth reaching 458k UBB lines (+50% YOY), primarily driven by successful operations and new customer deals

IRU-related business continues to be an **important revenue stream** also in 2022 as it will be in the future



Focus and ambitions 2023+

Successful **execution of recent major customer deals** (Iliad, Enel) and acquisition of new prospects

Pursue **wholesale differentiation through digitalization and new services** in mobile and cloud/security in the future

Focus on execution, reputation and innovation, ready to operational excellence

Exploit FTTH footprint expansion



TU SEI FUTURO

Help everybody to build their future with trust

Belief and approach 2022

Deployed TU SEI FUTURO positioning

- Achieved status of **benefit company**, adopting ESG objectives together with economic ones
- Opened **STEP Futurability district**, a journey into the future
- Awarded among the first 20 companies of Financial Times **Europe's Climate Leaders 2022**
- **Fastweb Digital Academy (FDA)** reached >50k participants

Focus and ambitions 2023+

- **STEP** to become **main hub for innovation** and most visited exhibition for schools and students in Milan
- Become **carbon neutral by 2025**, across scope 1-3
- Strengthen **Fastweb Digital Academy (FDA)** positioning as **main partner for PA digital training**





Summary and outlook

Kept our winning streak of consecutive quarters of growth - to continue in 2023

UBB footprint extended.

Gigabit networks and cloud deployment pursuing infrastructure-OTT strategy

Future-proof networks



Best-in-class reputation



Achieved major milestones

with TU SEI FUTURO program: benefit company, STEP openings, record number of FDA students

Macroeconomic exposure successfully addressed

with a mix of initiatives to improve efficiency and cost base



Management of macroeconomic trends



Engines of growth

Again delivered.

Value in B2C retained through scaling-up mobile and growth in Enterprise and Wholesale realised

Outlook 2023

(YOY change)

Revenue +4%

EBITDA +2-3%

CAPEX stable



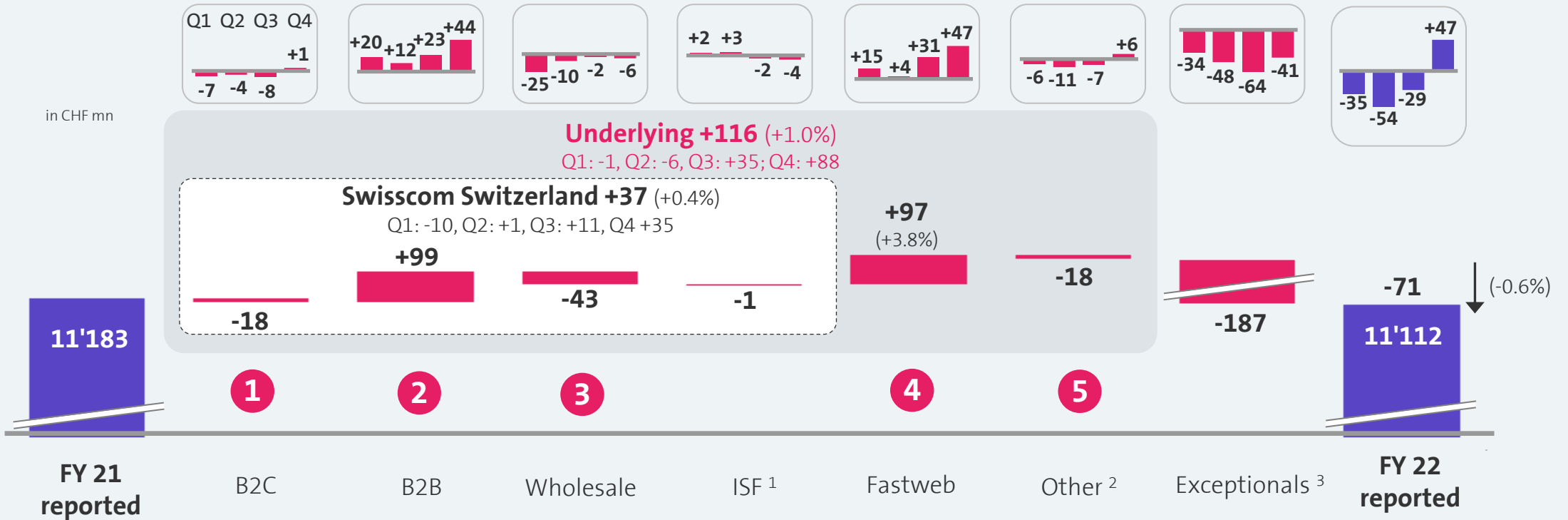
Financials

Eugen Stermetz
CFO Swisscom



Group revenue

Underlying top line up primarily thanks to growing Fastweb



- 1** Q4 flat primarily thanks to service revenue (CHF +7mn) overcompensating hardware sales (CHF -4mn)
- 2** Q4 up driven by higher solutions revenue (CHF +14mn) and higher hardware sales (CHF +38mn, seasonally impacted by customer projects)

- 3** Q4 slightly down due to lower revenue from termination and wholesale services, impact from MVNO loss phased-out in H1
- 4** Positive Q4 contribution thanks to growth in Enterprise CHF +14mn and Wholesale CHF +30mn, Consumer slightly up
- 5** Q4 positive as cabling growth overcompensated disposal of local.fr as per YE 2021

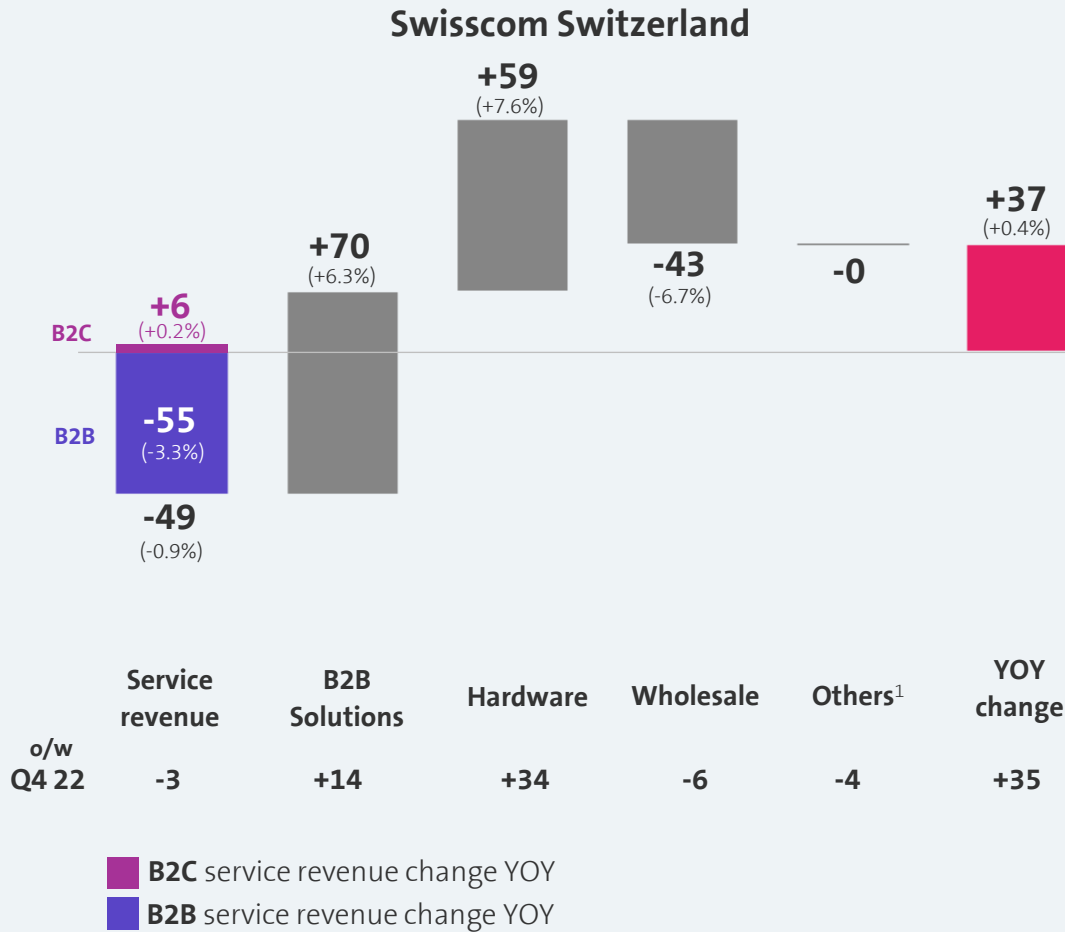
1) Infrastructure & Support Functions, including intersegment revenue, 2) Other operating segments and intersegment elimination, 3) FY 2022 consists of currency effects of CHF -187mn, CHF/EUR exchange rate for fiscal year 2022 of 1.00 (vs. 1.08 for fiscal year 2021)



Swisscom Switzerland revenue

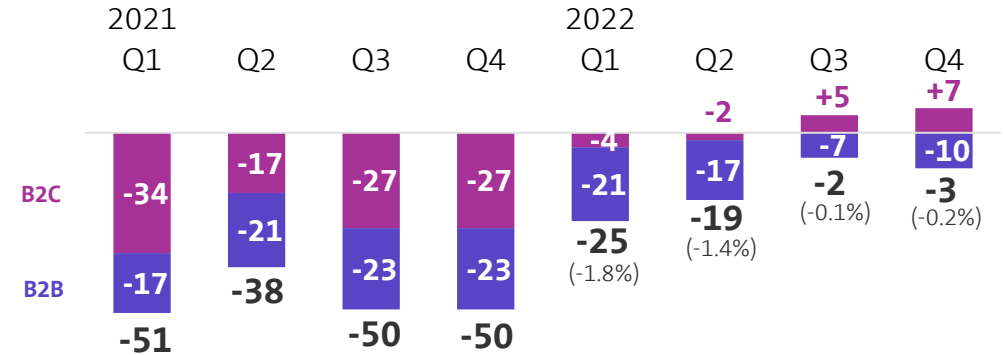
Service revenue with positive trend and Solutions with continuous growth

FY 22 revenue changes by business drivers in CHF mn (YOY)

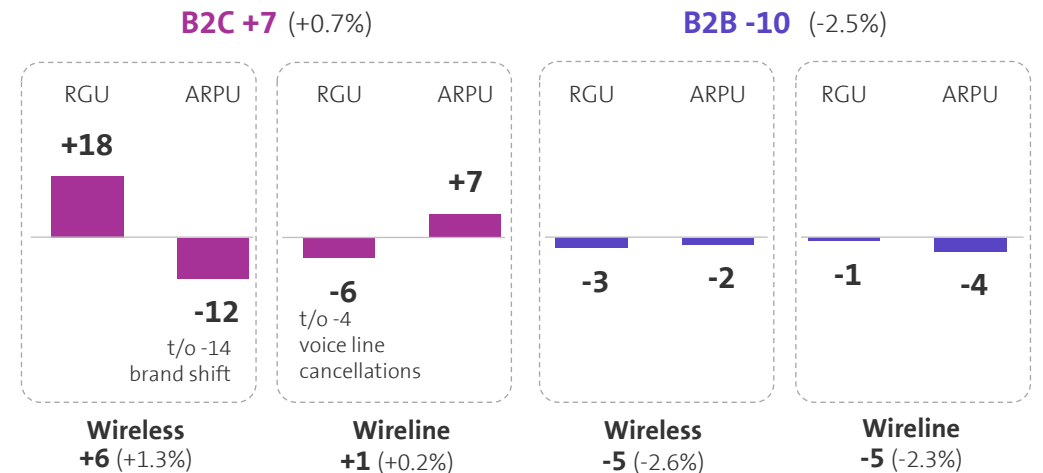


1) Including intersegment revenue

Service revenue evolution in CHF mn (YOY)



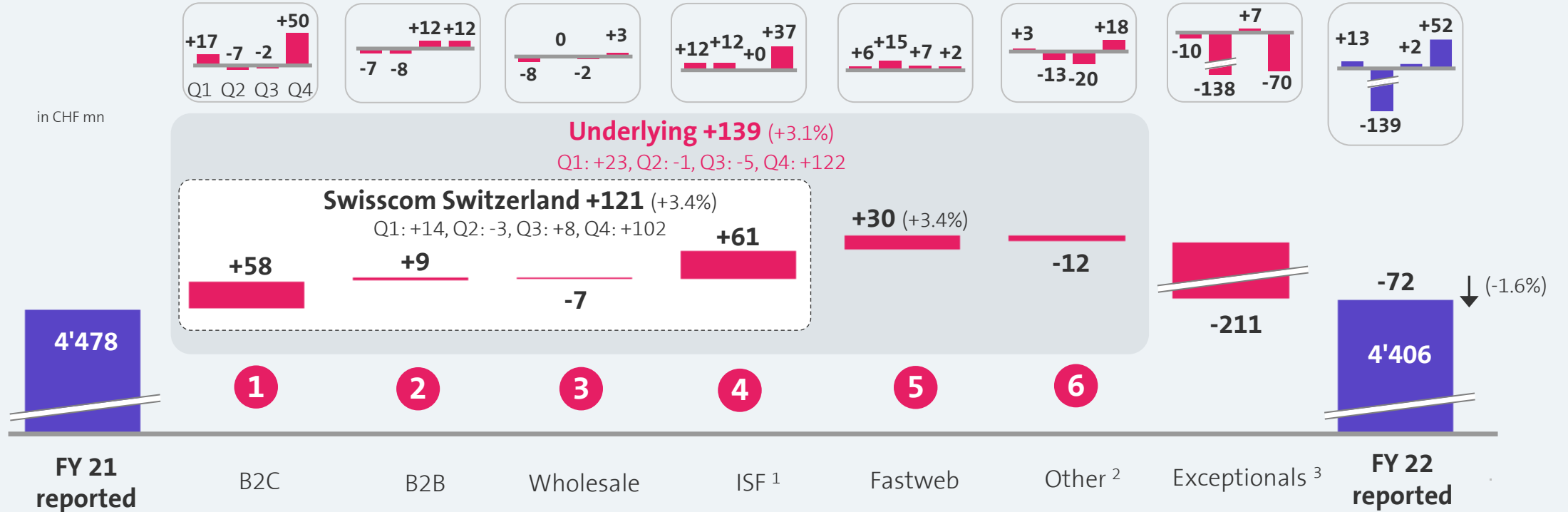
Q4 22 changes by RGU and ARPU in CHF mn (YOY)





Group EBITDA

Underlying increase driven by strong Q4 of Swisscom Switzerland and FY growth of Fastweb



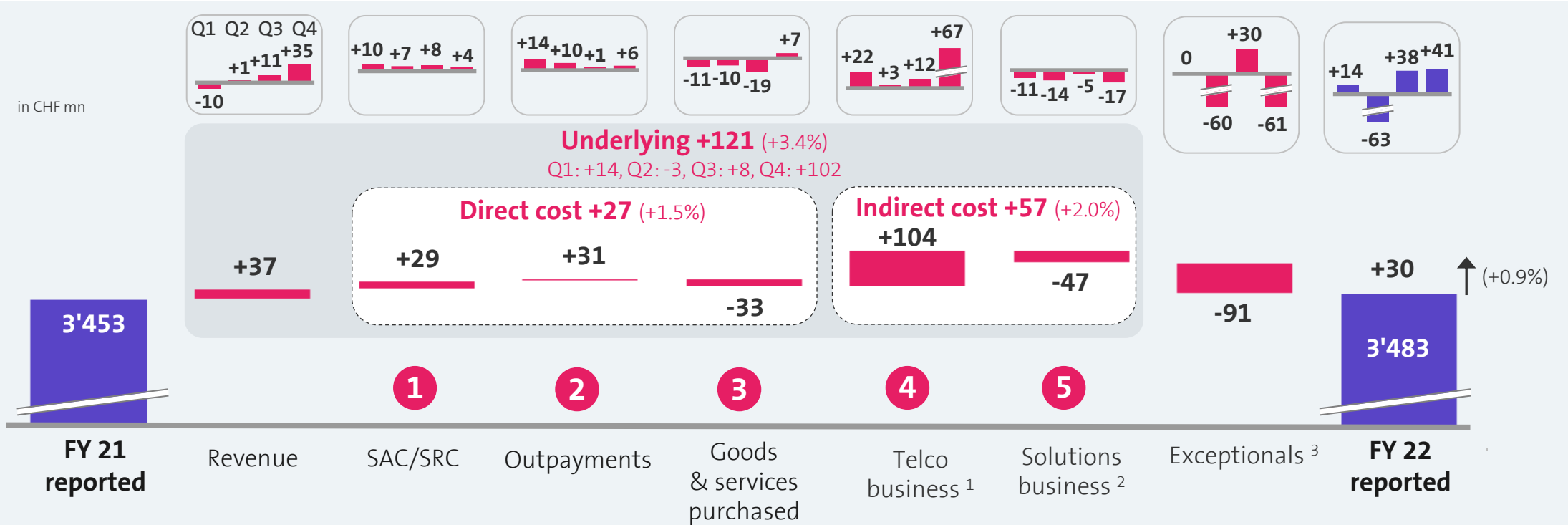
- 1** Q4 strong thanks to higher service revenue and lower SAC/SRC, high advertising cost in 2021 and other seasonal effects
- 2** Q4 up thanks to moderate service revenue decrease and increased efficiency
- 3** Q4 flattish, FY decrease: impact from MVNO loss partly compensated by higher access service revenues and cost savings
- 4** Q4 with strong contributions from operational excellence initiatives – as anticipated
- 5** FY growth of +3.4% despite impact from higher energy cost
- 6** Q4 primarily up due to improved contributions from cabled and local search

1) Including intersegment elimination Swisscom Switzerland, 2) Including Other operating segments and intersegment elimination Group level, 3) 12m 2021 with effects from lower pension cost (Q2: CHF +60mn) and increase of provisions for regulatory litigations (Q2: CHF -22mn, Q3: CHF -30mn) and restructuring (Q4: CHF -14mn), 12m 2022 with effects from increase of provisions for regulatory litigations (Q2: CHF -82mn, Q4: CHF -75mn), release of provisions for restructuring (Q4: CHF +5mn) and currency effects (Q1: CHF -10mn, Q2: CHF -18mn, Q3: CHF -23mn, Q4: CHF -14mn)



Swisscom Switzerland EBITDA

Underlying improved thanks to lower direct cost and continued savings in indirect Telco costs



- 1** Q4 almost on prior's year level due to higher competitive intensity (compared to Q1-Q3), FY impacted by lower retention measures in wireless and limited HW available
- 2** Q4 with lower outpayments for roaming (as lower unit prices overcompensated higher outbound volume) and interconnection

- 3** Q4 lower thanks to seasonally lower cost for services purchased overcompensating higher HW cost in B2B
- 4** Q4 as expected with stronger contribution from cost saving initiatives. FY target (CHF +100mn) overachieved
- 5** Q4 impacted by higher accruals for project risks in B2B

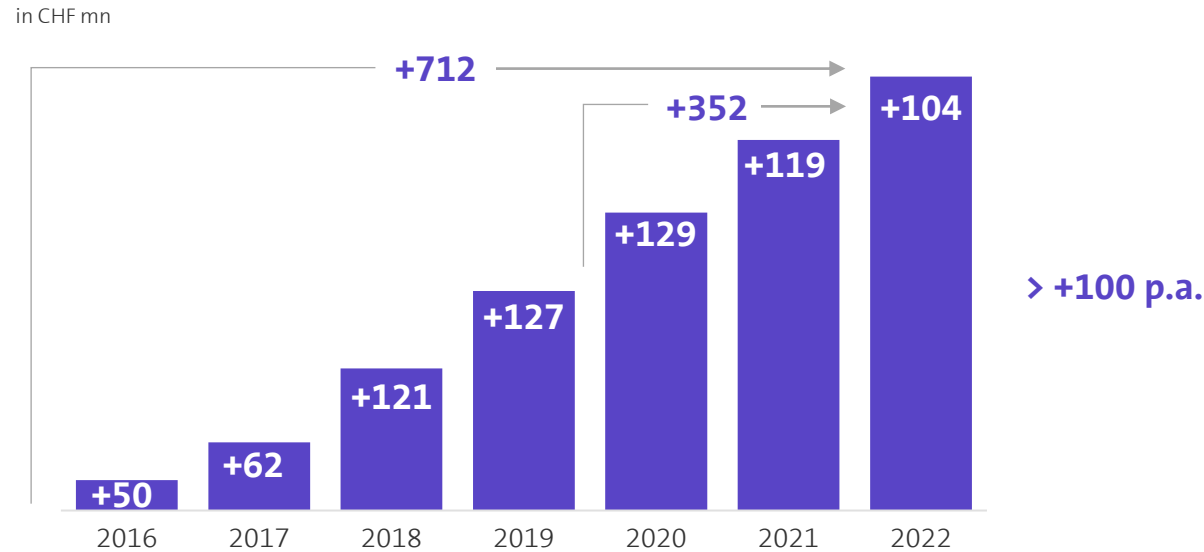
1) Capacity costs and other operating expenses of the Telco business, 2) Capacity costs and other operating expenses of the Solutions business

3) Adjustments of provisions for regulatory litigations (Q2 21: CHF -22mn, Q3 21: CHF -30mn, Q2 22: CHF -82mn and Q4 22: CHF -75mn) and restructuring (Q4 21: CHF -9mn, Q4 22: CHF +5mn)



Operational excellence in Switzerland

Continuous execution on Telco cost savings a constant priority



Strong execution on cost savings for many years

- Target 2022 to reduce indirect cost in Telco business by CHF 100mn overachieved
- Ambition of lowering indirect cost base over 3 years (2020-2022) exceeded: CHF 352mn versus ambition of CHF 300mn
- Cumulative net savings of CHF 712mn over 7 years, resulting in indirect cost base down by CHF >100mn p.a. on average

Operational excellence remains crucial

- **Outlook 2023:** reduce Telco-related costs in the same magnitude as previous years
- **Net savings 2023:** will be significantly lower due to inflation (primarily salary increases as from April 1 as well as higher energy prices)
- **Unchanged long-term ambition:** continuously manage indirect cost base and **push operational excellence** throughout the whole organisation

Networks & IT simplification	Digitalisation of customer interaction
Lean and agile organisation	Data- & analytics-driven efficiency



Capital expenditures

Group CAPEX in line with FY guidance of CHF ~2.3bn

in CHF mn

	Q4 22	FY 22
Group CAPEX	708 (+27, +4.0% YOY)	2'309 (+23, +1.0% YOY)
Swisscom Switzerland	537 (+20, +3.9% YOY)	1'698 (+56, +3.4% YOY)
Fastweb ¹	166 (-4, -2.4% YOY)	619 (-30, -4.6% YOY)
Other	+5	-8

1) In local currency FY 22: EUR 616mn (+15, +2.5% YOY)

Swisscom Switzerland FY 22

Wireless
CHF 282mn (-13% YOY)

- Lower **wireless** investments due to less construction volume driven by permission delays (as anticipated)

Fibre
CHF 480mn (-14% YOY)

- Lower CAPEX for **fibre** - as expected - due to FTTS completion and COMCO fibre investigation into FTTH topology

Backbone & transport infra
CHF 555mn (+30% YOY)

- Higher **backbone & transport** CAPEX to reduce complexity, increase network stability and enable future cost savings

IT & others
CHF 381mn (+14% YOY)

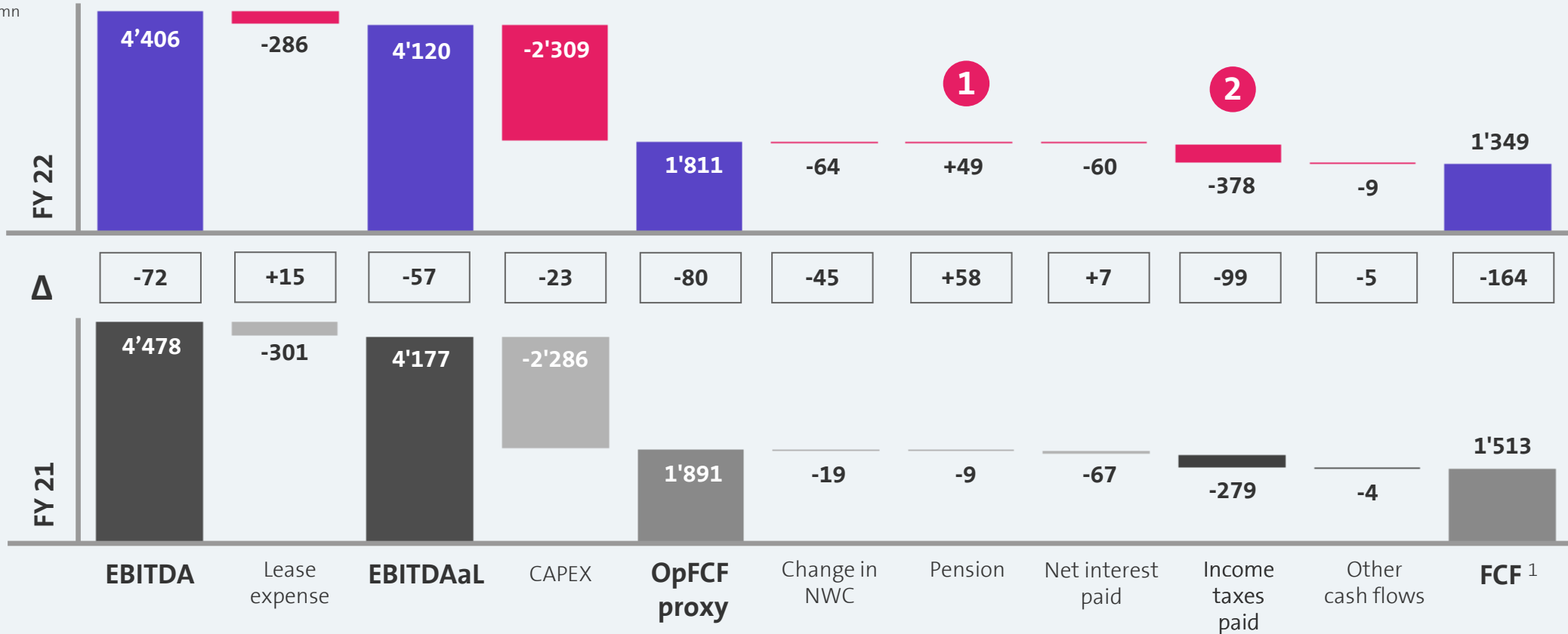
- Higher **IT** investments to push digitalisation, drive customer experience and increase efficiency further



Free cash flow

Softer in 2022 due to lower reported EBITDA and different phasing of tax payments

in CHF mn



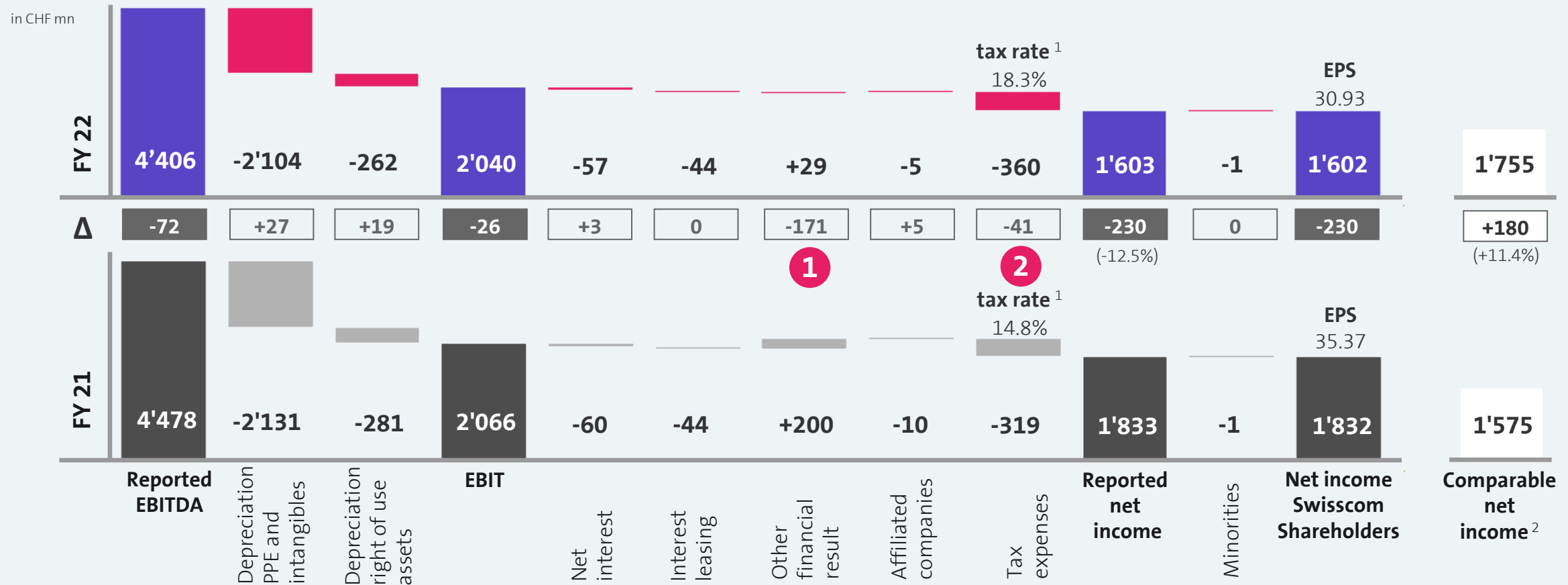
- 1** Positive YOY change from negative one-off effect from pension plan amendment (CHF -60mn) in Q2 2021
- 2** Higher in 2022 due to a different payment schedule compared to 2021

1) FCF excluding M&A effects (FY 22 CHF -69mn, FY 21 CHF +105mn)



Net income

YOY change impacted by one-off effects in other financial result and tax expenses in 2021



- 1 Other financial result 2021 positively impacted by one-off gains of CHF 38mn from sale of BICS and CHF 169mn from transfer of 20% stake in FlashFiber to FiberCop. 2022 positively impacted by change in fair value of interest rate swaps (CHF +45mn YOY)
- 2 Tax rate 2021 lower as a result of BICS sale, FiberCop transaction and step-up of Fastweb intangibles for tax purposes

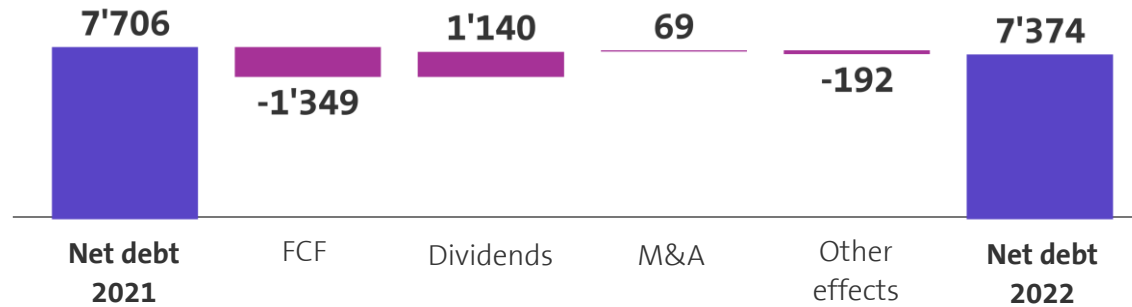
1) Tax rate FY 22: tax expenses of CHF 360mn / EBT of CHF 1'963mn = 18.3%, tax rate FY 21: tax expenses of CHF 319mn / EBT of CHF 2'152mn = 14.8%, 2) Comparable net income FY 2021 considers exceptionals for adjustments of pension cost (CHF +60mn), provision for regulatory litigations (CHF -52mn), one-off gains of CHF +207mn (CHF +38mn from sale of BICS and CHF +169mn from transfer of 20% stake in FlashFiber to FiberCop), positive one-off tax impacts in Italy (CHF +57mn from tax regime changes), restructuring cost (CHF -14mn) and comparable net income FY 2022 considers exceptionals for adjustments of provision for regulatory litigations of CHF -157mn, release of provisions restructuring cost CHF +5mn. Excluding tax effects



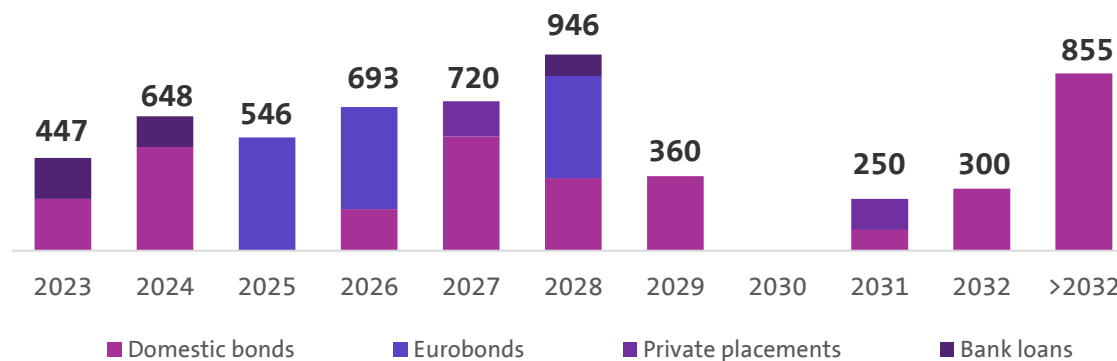
Swisscom committed to sound financial profile

Well balanced and diversified maturity profile

Net debt development (in CHF mn)



Debt maturity profile¹ as per YE 2022



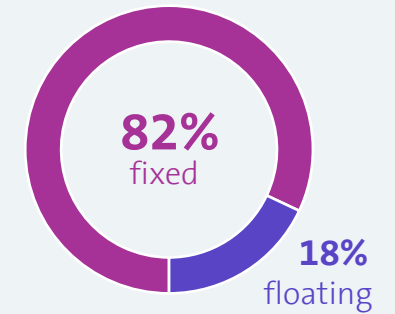
Leverage

1.7x (stable)²

Ratings

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

Debt mix



- \emptyset interest rate of **1.05%**
- Debt portfolio **duration** of **5.41 years**
- **CHF 2.2bn** (unused) **committed credit lines**

1) Excl. short-term money market borrowings, 2) Leverage cap set by the Government: 2.4x (incl. lease liabilities)



Guidance FY 2023

Net revenue of CHF 11.1-11.2bn, EBITDA of CHF 4.6-4.7bn and CAPEX of CHF ~2.3bn

in CHF bn	2022 reported	Splits into:	2023 outlook ³	Splits into:
Revenue	11.112	CHF 8.6bn for Switzerland ² EUR 2.5bn for Fastweb	11.1-11.2	CHF ~8.6bn for Switzerland EUR 2.5-2.6bn for Fastweb
EBITDA¹	4.406	CHF 3.5bn for Switzerland EUR 0.9bn for Fastweb	4.6-4.7	CHF 3.7-3.8bn for Switzerland EUR ~0.9bn for Fastweb
CAPEX	2.309	CHF 1.7bn 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 2024)

1) EBITDAaL 2022: CHF 4.1bn, EBITDAaL guidance 2023: CHF ~4.3-4.4bn
 2) Swisscom Group without Fastweb
 3) For consolidation purposes, CHF/EUR of 1.00 has been used (vs. 1.00 for FY 2022)



Wrap-up

Christoph Aeschlimann
CEO Swisscom



Final remarks

Uniquely positioned to continue delivering and generating reliable cashflows





Questions & answers



Appendix



Group revenue and EBITDA

Reported and underlying changes – reconciliation to alternative performance measures

in CHF mn	2021					2022					Change				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Revenue, reported	2'803	2'780	2'760	2'840	11'183	2'768	2'726	2'731	2'887	11'112	-35	-54	-29	+47	-71
Currency effect						34	48	64	41	187	+34	+48	+64	+41	+187
Underlying											-1	-6	+35	+88	+116
EBITDA, reported	1'124	1'193	1'148	1'013	4'478	1'137	1'054	1'150	1'065	4'406	+13	-139	+2	+52	-72
Provisions for regulatory litigations		22	30		52		82		75	157		+60	-30	+75	+105
Gain from change in pension plan		-60			-60							+60			+60
Restructuring cost				14	14				-5	-5				-19	-19
Adjustments	0	-38	30	14	6	0	82	0	70	152	+0	+120	-30	+56	+146
EBITDA adjusted	1'124	1'155	1'178	1'027	4'484	1'137	1'136	1'150	1'135	4'558	+13	-19	-28	+108	+74
Currency effect ¹						10	18	23	14	65	+10	+18	+23	+14	+65
Exceptionals (adjustments + currency effect)											+10	+138	-7	+70	+211
Underlying											+23	-1	-5	+122	+139

1) CHF/EUR exchange rate for fiscal year 2022 of 1.00 (vs. 1.08 for fiscal year 2021)



Net income

Reported and comparable

in CHF mn

	2021					2022					Change					
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	FY%
Net income, reported	638	408	490	297	1'833	447	338	429	389	1'603	-191	-70	-61	+92	-230	-12.5%
Provisions for regulatory litigations		22	30		52		82		75	157		+60	-30	+75	+105	
Adjustment pension cost		-60			-60							+60			+60	
Restructuring cost				14	14				-5	-5				-19	-19	
Total EBITDA adjustments		-38	30	14	6		82		70	152		+120	-30	+56	+146	
Gain on FlashFiber participation	-169				-169						+169				+169	
Gain on the sale in BICS	-38				-38						+38				+38	
Total non-recurring items impacting financial result	-207				-207						+207				+207	
Capitalisation of deferred tax assets (change in Italian tax law)			-57		-57								+57		+57	
Total non-recurring items impacting tax expense			-57		-57								+57		+57	
Total adjustments and non-recurring items	-207	-38	-27	14	-258	0	82	0	70	152	+207	+120	+27	+56	+410	
Net income, comparable	431	370	463	311	1'575	447	420	429	459	1'755	+16	+50	-34	+148	+180	+11.4%

- Currency effect not material on EBIT level therefore not taken into account for the comparable figures



Residential Customers

Segment reporting as per 31.12.2022

Net revenue decreased driven by hardware sales.

Service revenue flat. Impact from brand shift compensated by an increase in postpaid customers.

EBITDA up by +2.0% supported by lower subscriber acquisition and retention costs and lower costs for workforce.

Marketing expenses with different seasonality compared to 2021.

	Q4 2022	Q4/Q4	31.12.2022	YoY
Net revenue in MCHF ¹⁾	1'157	0.0%	4'527	-0.4%
Direct costs in MCHF	-239	-11.5%	-878	-6.7%
Indirect costs in MCHF ²⁾	-173	-10.4%	-674	-2.0%
EBITDA in MCHF	745	7.3%	2'975	2.0%
<i>EBITDA in %</i>	<i>64.4%</i>		<i>65.7%</i>	
Depreciation & amortisation in MCHF	-15	-6.3%	-60	9.1%
Lease expense in MCHF	-10	0.0%	-40	0.0%
Segment result in MCHF	719	7.6%	2'875	1.9%
CAPEX in MCHF	-24	0.0%	-55	37.5%
FTE's	-48		2'676	-7.1%
Wireless customers Postpaid in '000	+49		3'275	5.3%
Wireless customers Prepaid in '000	-39		1'027	-14.2%
Blended wireless ARPU in CHF	36	2.9%	36	0.0%
Broadband lines in '000	+2		1'736	-0.4%
Voice lines in '000	-21		1'082	-6.6%
TV subs in '000	-5		1'503	-1.3%

1) incl. intersegment revenues

2) incl. capitalised costs and other income



Business Customers

Segment reporting as per 31.12.2022

Net revenue increased (+3.2%), thanks to higher Solutions revenue (+6.3%) and hardware sales (+37.3%), partially resulting from the MTF acquisition.

On the other hand, service revenue decreased (-3.3%) due to ongoing price pressure.

Decrease softened in 2nd half year supported by the increase in roaming revenue.

EBITDA slightly up (+0.7%). The decline in high margin service revenue compensated by growth in Solutions and efficiency increase.

	Q4 2022	Q4/Q4	31.12.2022	YoY
Net revenue in MCHF ¹⁾	808	5.5%	3'129	3.2%
Direct costs in MCHF	-214	8.1%	-765	7.4%
Indirect costs in MCHF ²⁾	-264	5.6%	-980	3.8%
EBITDA in MCHF	330	3.8%	1'384	0.7%
<i>EBITDA in %</i>	<i>40.8%</i>		<i>44.2%</i>	
Depreciation & amortisation in MCHF	-21	23.5%	-76	13.4%
Lease expense in MCHF	-8	14.3%	-30	-3.2%
Segment result in MCHF	301	2.4%	1'278	0.1%
CAPEX in MCHF	-15	25.0%	-47	11.9%
FTE's	+4		5'177	2.6%
Wireless customers in '000	-3		1'871	0.1%
Blended wireless ARPU in CHF	29	-3.3%	29	-6.5%
Broadband lines in '000	-2		291	-1.0%
Voice lines in '000	-8		240	-9.4%
TV subs in '000	+0		68	-1.4%

1) incl. intersegment revenues

2) incl. capitalised costs and other income



Wholesale

Segment reporting as per 31.12.2022

Revenue from external customers down by -6.7%, mainly due to MVNO loss and lower inbound roaming revenue.

Wholesale lines with minor decrease and limited revenue impact.

EBITDA down -2.3% YOY (CHF -7mn), the impact of the MVNO loss was partly compensated by lower cost.

	Q4 2022	Q4/Q4	31.12.2022	YoY
External revenue in MCHF	150	-3.8%	601	-6.7%
Intersegment revenue in MCHF	3	-25.0%	11	10.0%
Net revenue in MCHF	153	-4.4%	612	-6.4%
Direct costs in MCHF	-72	-8.9%	-308	-9.1%
Indirect costs in MCHF ¹⁾	-	-100.0%	-13	-23.5%
EBITDA in MCHF	81	3.8%	291	-2.3%
<i>EBITDA in %</i>	<i>52.9%</i>		<i>47.5%</i>	
Depreciation & amortisation in MCHF	-		-	
Lease expense in MCHF	-1		-1	
Segment result in MCHF	80	3.9%	290	-2.4%
CAPEX in MCHF	-		-	
FTE's	-3		73	-1.4%
Wholesale lines in '000	-12		679	-2.7%

1) incl. capitalised costs and other income



Wholesale

Overview of offerings

Carrier lines

Access lines

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

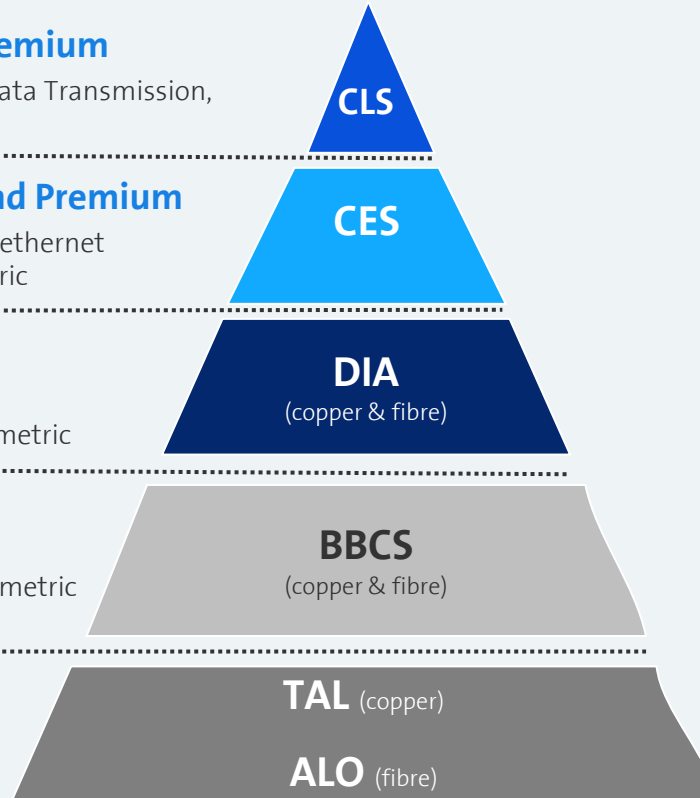
Broadband Connectivity Service

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

Unbundled Line (TAL)

Access Line Optical (ALO)

- Layer-1 line rental



Monthly prices / access line

Broadband Connectivity Service BBCS, Layer-3, 100 Mbps	CHF 19
Broadband Connectivity Service BBCS, Layer-3, 500 Mbps	CHF 26
Broadband Connectivity Service BBCS, Layer-3, 1'000 Mbps	CHF 32
Unbundled Access Line TAL, layer-1, copper	CHF 14.30
Access Line Optical ALO, layer-1, fibre	CHF 24



Infrastructure & Support Functions

Segment reporting as per 31.12.2022

EBITDA deteriorated by 2.6% (CHF -29mn). 2021 and 2022 were affected by provisions for regulatory litigations and restructuring. Excluding exceptionals, EBITDA 2022 improved by +2.9% - primarily thanks to operational excellence.

Indirect cost (net of capitalized costs) increased by 1.9%. On a comparable basis, the indirect cost decreased by 6.0%. The cost reductions were enabled by efficiency gains due to adjustments of processes as well as further simplification of infrastructure and network architecture.

	Q4 2022	Q4/Q4	31.12.2022	YoY
Net revenue in MCHF	17	-10.5%	71	-6.6%
Direct costs in MCHF	-1	-50.0%	-8	14.3%
Workforce expenses in MCHF ¹⁾	-158	-16.0%	-607	-8.7%
Maintenance in MCHF	-50	-7.4%	-198	-8.8%
IT expenses in MCHF	-40	11.1%	-139	3.0%
Other OPEX in MCHF	-171	39.0%	-533	17.9%
Other indirect costs in MCHF	-261	22.5%	-870	8.2%
Other income in MCHF	67	-2.9%	248	-5.7%
Other indirect costs and income in MCHF	-194	34.7%	-622	15.0%
Indirect costs in MCHF ²⁾	-352	6.0%	-1'229	1.9%
EBITDA in MCHF	-336	6.7%	-1'166	2.6%
Depreciation & amortisation in MCHF	-329	2.5%	-1'352	-0.1%
Lease expense in MCHF	-34	-15.0%	-149	-6.9%
Segment result in MCHF	-699	3.4%	-2'667	0.6%
CAPEX in MCHF	-498	3.5%	-1'596	2.3%
FTE's	-1		4'896	0.1%

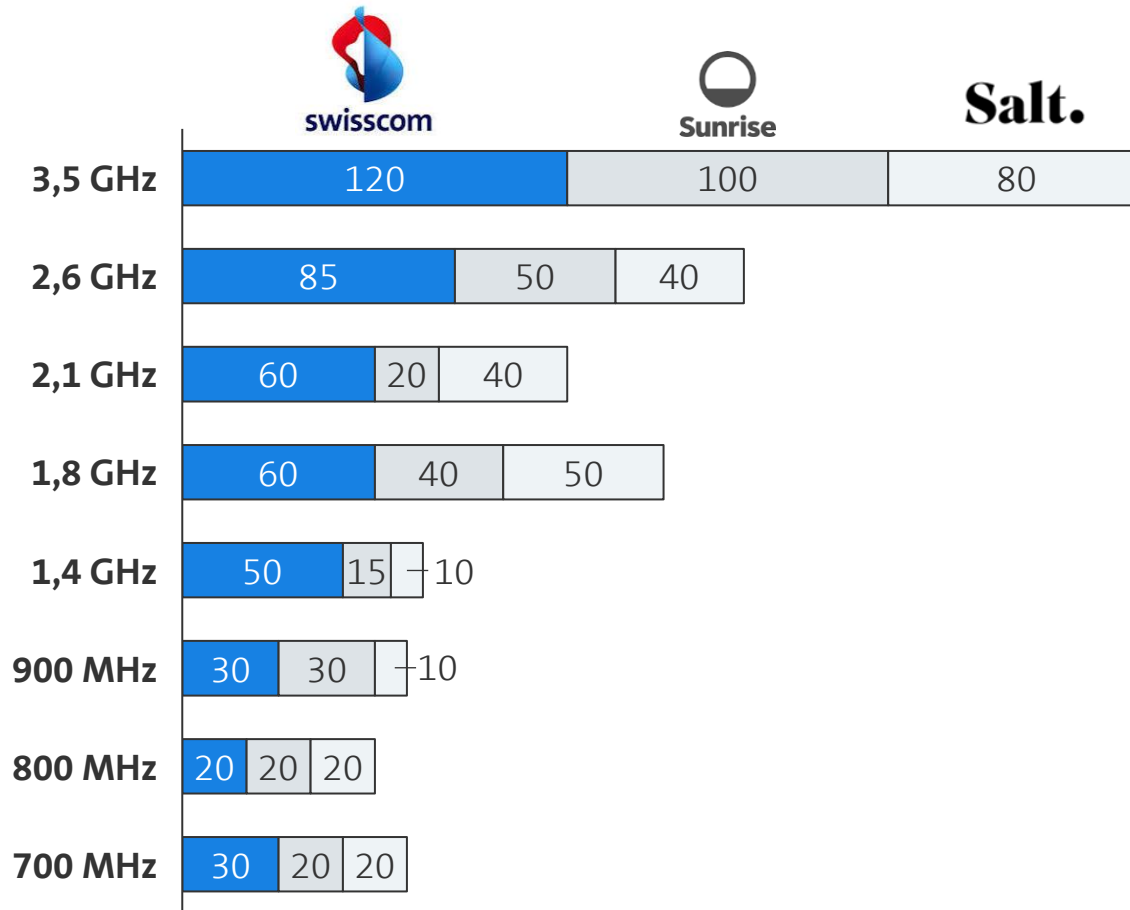
1) incl. capitalised costs

2) incl. intersegment indirect costs

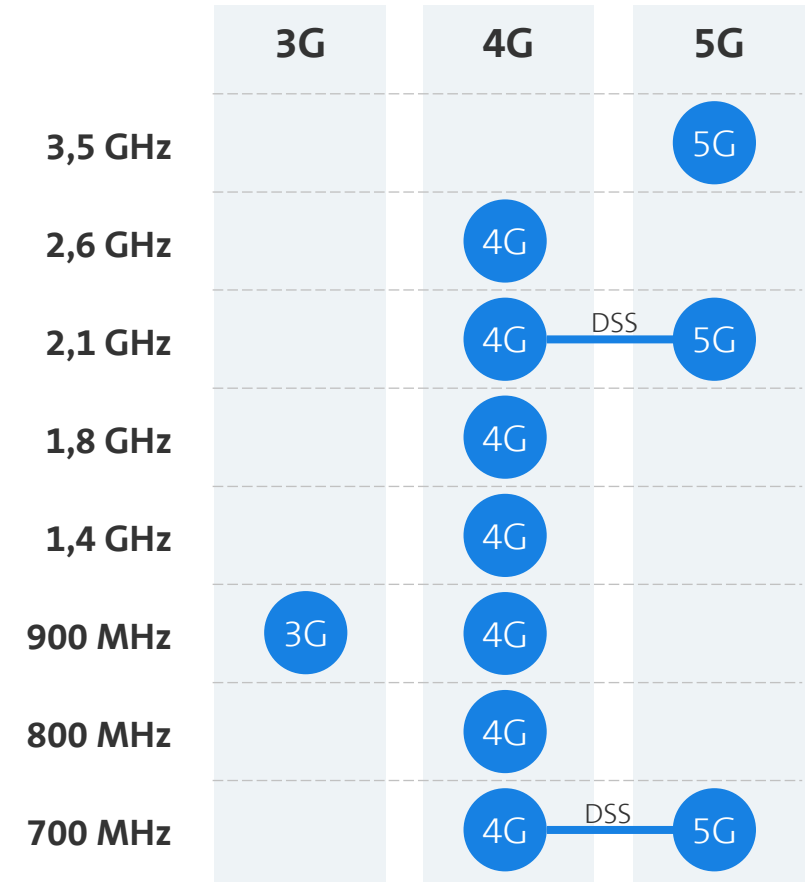


W- spectrum situation in Switzerland

Spectrum licenses until 2028 or 2034



Spectrum use by Swisscom



DSS: dynamic spectrum sharing



Fastweb

Segment reporting as per 31.12.2022

Consumer revenue on level of prior year, thanks to growth in mobile compensating impact from increased competition in broadband.

Enterprise revenue up by +3.7% as primarily revenue from public administration sector increased.

Wholesale revenue increased (+18.8%) as well, driven by increasing number of wholesale lines and contributions from IRU-related business.

EBITDA up by +3.4% YOY thanks to top line growth.

	Q4 2022	Q4/Q4	31.12.2022	YoY
Consumer revenue in MEUR	289	1.0%	1'145	0.3%
Enterprise revenue in MEUR	279	4.5%	1'015	3.7%
Wholesale revenue in MEUR ¹⁾	112	33.3%	322	18.8%
Net revenue in MEUR ¹⁾	680	6.8%	2'482	3.8%
OPEX in MEUR ²⁾	-454	9.9%	-1'628	4.0%
EBITDA in MEUR	226	0.9%	854	3.4%
<i>EBITDA margin in %</i>	<i>33.2%</i>		<i>34.4%</i>	
Depreciation & amortisation in MEUR	-151	0.7%	-600	1.7%
Lease expense in MEUR	-14	0.0%	-57	5.6%
Segment result in MEUR	61	1.7%	197	8.2%
CAPEX in MEUR	-167	3.1%	-616	2.5%
FTE's	+124		3'039	10.4%
BB customers in '000	-13		2'683	-2.4%
Wireless customers in '000	+150		3'087	24.9%
Wholesale ultra broadband lines in '000	+40		458	49.7%
In consolidated Swisscom accounts				
EBITDA in MCHF	224	-5.1%	857	-3.9%
CAPEX in MCHF	-166	-2.4%	-619	-4.6%

1) incl. revenues to Swisscom companies

2) incl. capitalised costs and other income



Other Operating Segments

Segment reporting as per 31.12.2022

Net revenue YOY on previous year level.

FY EBITDA lower due to lower contributions from cabling.

	Q4 2022	Q4/Q4	31.12.2022	YoY
External revenue in MCHF	110	4.8%	417	-3.2%
Net revenue in MCHF ¹⁾	279	6.1%	1'038	0.5%
OPEX in MCHF ²⁾	-241	3.4%	-878	1.3%
EBITDA in MCHF	38	26.7%	160	-3.6%
<i>EBITDA margin in %</i>	<i>13.6%</i>		<i>15.4%</i>	
Depreciation & amortisation in MCHF	-14	-12.5%	-49	-12.5%
Lease expense in MCHF	-2	0.0%	-10	-9.1%
Segment result in MCHF	22	83.3%	101	2.0%
CAPEX in MCHF	-12	0.0%	-34	-17.1%
FTE's	+48		3'296	1.0%

1) incl. intersegment revenues

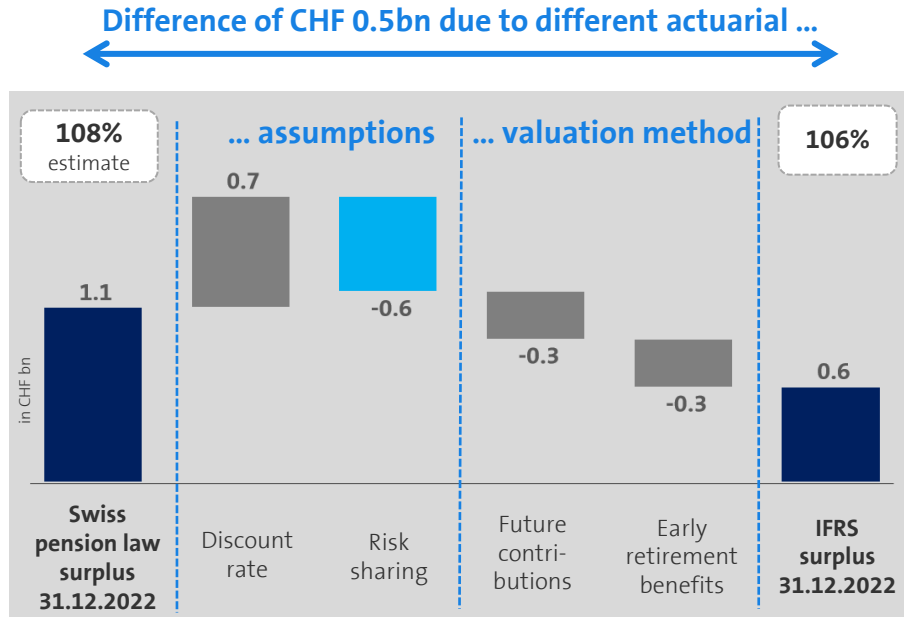
2) incl. capitalised costs and other income



Pension plan

Status as per 31.12.2022

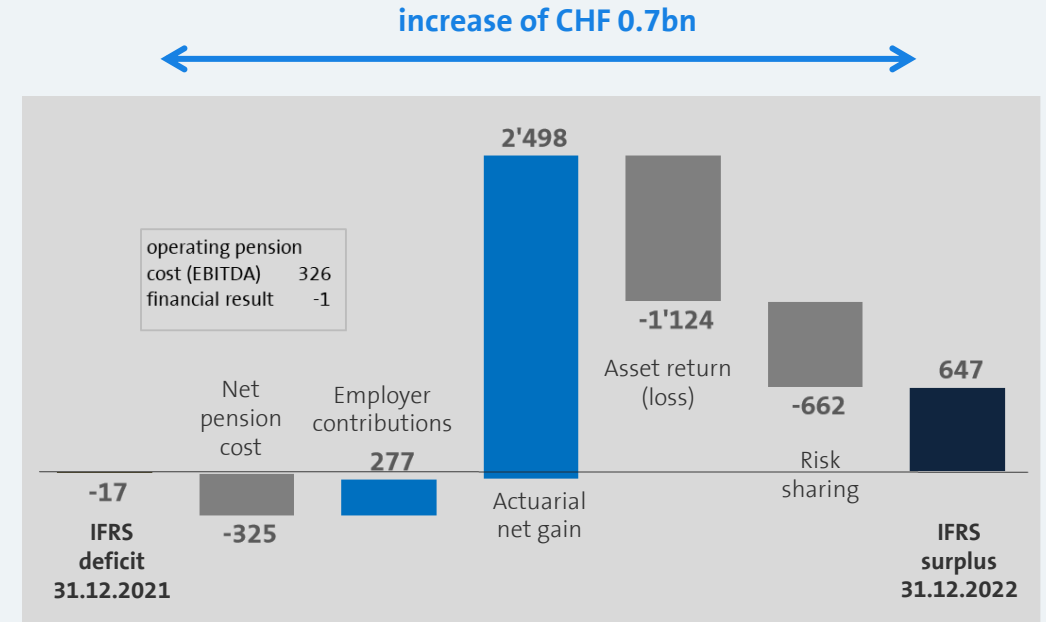
Valuation differences between Swiss pension law and IFRS



- Funding requirements are based on the actuarial valuation in accordance with Swiss pension law, IFRS not relevant
- Coverage ratio under Swiss pension law: 108% (estimate)
- Key actuarial assumptions:

	Swiss pension law	IFRS
Discount rate	1.50%	2.19% based on yield of AA-rated corporate bonds

Evolution IFRS deficit / surplus



- Pension plan surplus of CHF 0.6bn based on IFRS valuation
- Actuarial net gain CHF 2.5bn: increase discount rate (gain CHF 2.9bn) less inflation-related changes on assumptions for salary increase and interest on old-age accounts (loss CHF 0.4bn)
- Surplus not recognised as asset in the balance sheet according to IFRS



Pension plan

Reported costs and outlook: company contributions (cash payments) stable

in CHF mn	FY 21 reported	FY 22 reported	Change 22/23	FY 23 estimate
Operating pension cost	320	326	-90	236
Plan amendments (one-off cost reduction)	-60	-	-	-
Net pension cost (EBITDA)	260	326	-90	236
Net interest (financial result)	1	-1	-	-1
Total pension cost (P&L)	261	325	-90	235
Company contributions (cash payments)	269	277	-	277
Pension cost (EBITDA) less cash payments	-9	49	-90	-41

Operating pension cost

- Positive effect of plan amendment CHF 60mn included in 2021 (negative cost)
- Costs highly sensitive to changes of discount rate
- Operating pension cost FY 2023 CHF -90mn lower compared to FY 2022 because of higher discount rate

Cash payments

- Cash contributions not based on IFRS
- No impact of higher interest on cash contributions
- FY 2023 estimate: company contributions (cash payments) > operating pension cost



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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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