



swisscom

Analyst and investor presentation

FY 2023 results

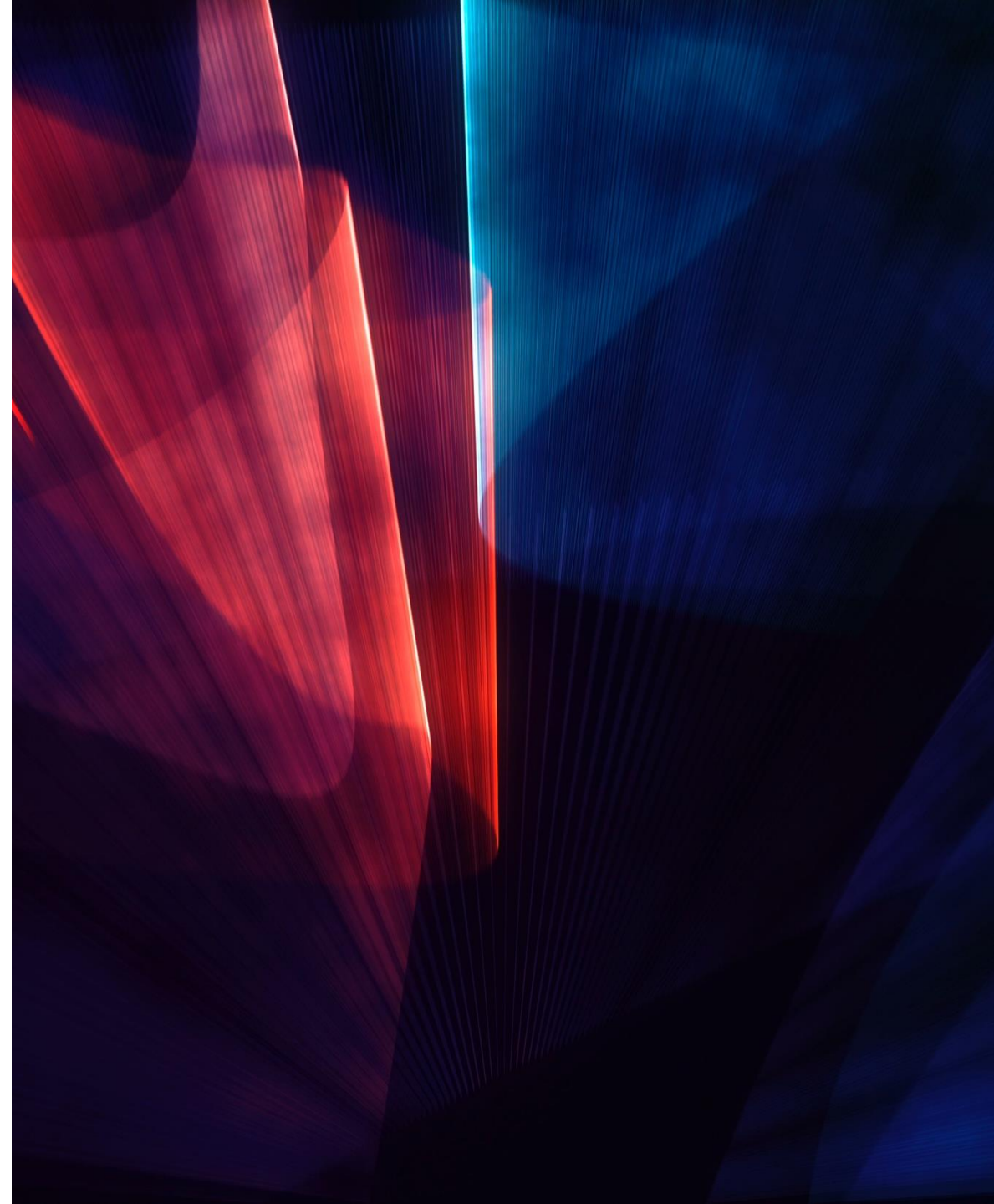
08 February 2024

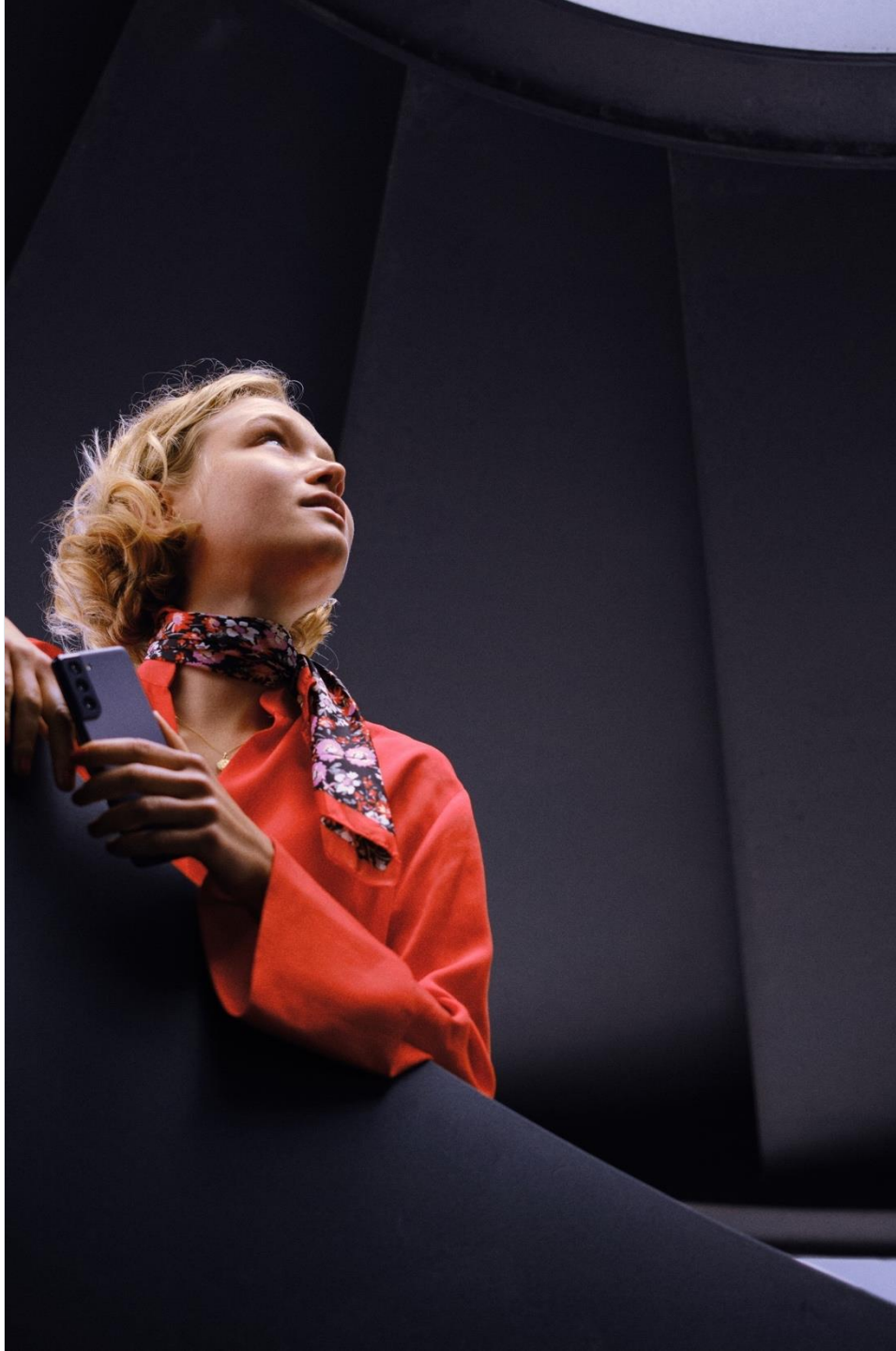


Agenda

Welcome and introduction

- 1. Successful 2023** p3-6
 - 2. Empowering the digital future
as Innovators of Trust** p7-11
 - 3. Trusted leader in digital life and business
in Switzerland and Italy** p12-50
 - 4. Rock-solid financials** p51-61
 - 5. Wrap-up** p62-63
 - 6. Q&A** p64
- Appendix** p65-81





Successful 2023

Christoph Aeschlimann
CEO Swisscom



Achievements 2023

Another successful year with many highlights along our group goals



Delivered again

Satisfying operational results and financial targets achieved



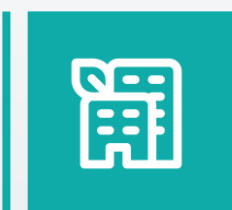
Strong delivery in innovation

Launch of several next generation services and non-stop investments in future-proof network



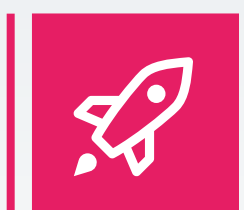
Leading in Switzerland

Strongest brand¹, NPS leadership and win of connect shop, service apps and network tests²



Outstanding ESG achievements

Ambitious net-zero group target validated by SBTi³ and Fastweb awarded as Europe's climate leader⁴



Growing in IT

Top line increased and Asept acquisition further strengthened position as key player in IT



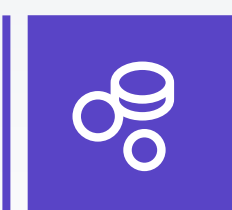
Attractive employer

Women's choice award and top IT employer in Switzerland⁵ and among best employers in Italy⁶



Successful challenger in Italy

>10 years of steady growth, underlying financial targets achieved and Walter Renna new CEO



Rock-solid balance sheet

Strong A credit ratings confirmed and leverage at comfortable 1.5x with a well-diversified maturity profile

1) Source: Brand Finance, Report Switzerland 50/2023 (Sept 2023), 2) Source: connect, 3) Science Based Targets initiative, 4) Source: FT & Statista, 5) Source: Universum ranking, employer branding research, insights and communication (2023), 6) Source: "Statista-Corriere della Sera" (Fastweb listed among best employers' companies in Italy for 2024)

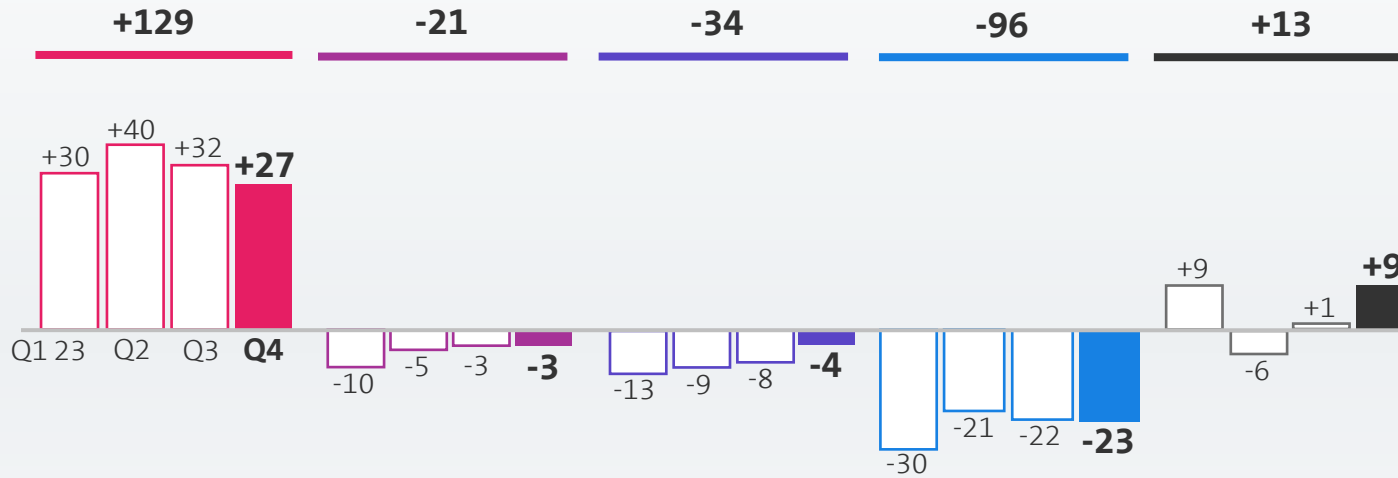


Operational performance 2023

Satisfying results with total RGU base being stable in Switzerland and growing in Italy

Swisscom Switzerland

Net adds
in k



Postpaid

Broadband

TV

Fixed voice

Wholesale

RGUs
in k

5'275

2'006

1'537

1'226

692

Mobile

Broadband

Wholesale

3'509

2'601

648

53%
(-2pp)

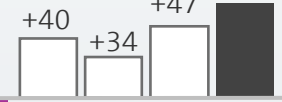
49%
(-1pp)

38%
(-1pp)

5%
(+1pp)

16%
(stable)

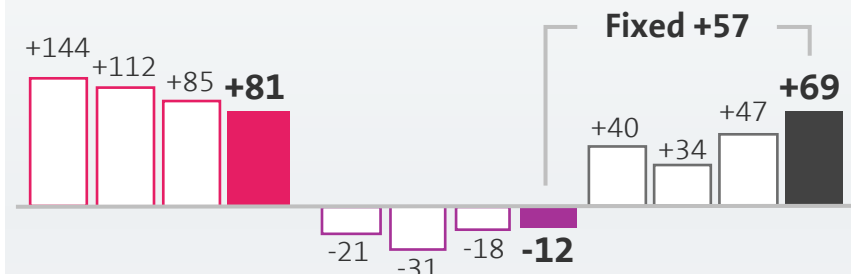
Fixed +57



Fastweb

+422

+108



Mobile

Broadband

Wholesale

3'509

2'601

648

5%
(+1pp)

16%
(stable)

Fixed +57

1) As per 30 Sept 2023

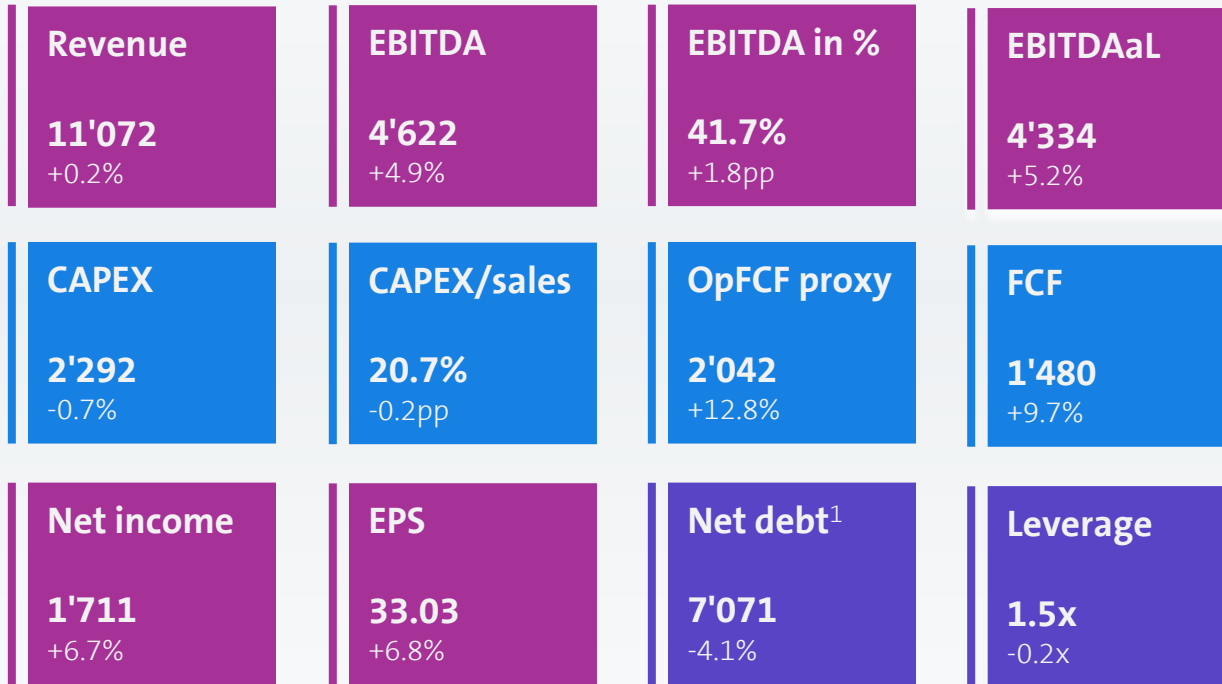


Financial results 2023

Rock-solid financial performance with higher EBITDA, free cashflow and net income

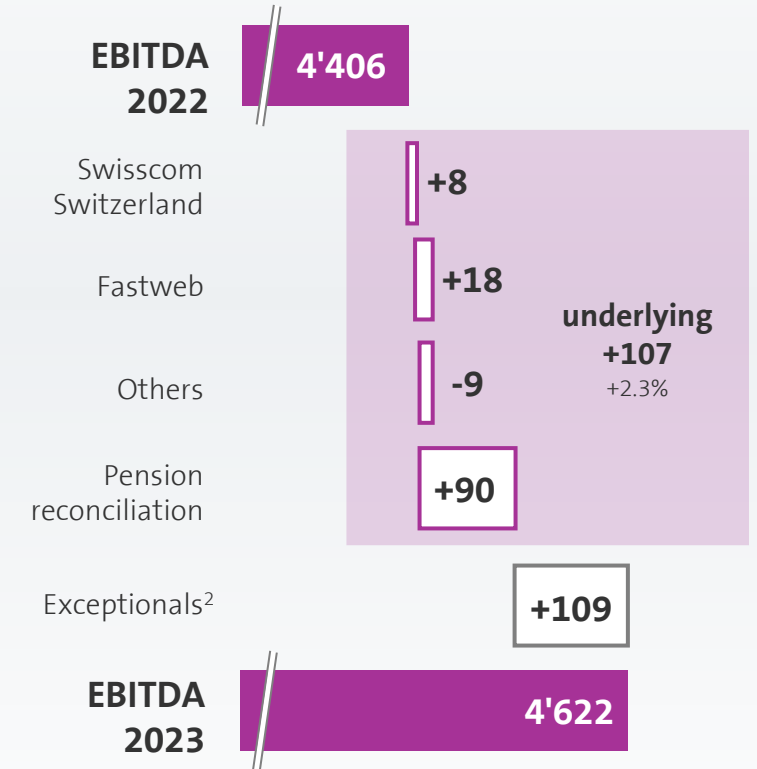
Key figures

in CHF mn, YOY



EBITDA

in CHF mn, YOY



1) Including lease liabilities of CHF 1'915mn, 2) Consists of change in provisions (in 2023: CHF +44mn net release, 2022: CHF -152mn net increase), FWA strategy change (2023: CHF -60mn) and currency impact (CHF -27mn)



Empowering the digital future as Innovators of Trust

Christoph Aeschlimann
CEO Swisscom



The Swisscom group story



Our Purpose

Empowering the digital future



Our Vision

Innovators of Trust

The most trusted Swiss tech innovator creating unique customer experiences with positive impact for society.



Our Values

trustworthy, committed, curious



The Swisscom group strategy



Delight customers

Create unique customer experiences every day



Innovate for growth

Deliver digital products and services of the future



Achieve more with less

Drive transformation at pace with AI, digitalization and simplification



Perform together

Develop ourselves and our collaboration relentlessly



The Swisscom strategy for Switzerland and Italy

How we achieve our vision



Delight customers

Strong brand play and quality positioning through enhanced differentiation: multi-brand excellence in Switzerland and TU SEI FUTURO in Italy

Best customer experience with innovative offerings and outstanding service

Stimulating customer lifetime loyalty through strong value touch and seamless phygital experience

Cementing strong network proposition with delivering Gigabit speed and highest resilience



Innovate for growth

Future-proof networks with latest architecture models and converged services

Convincing **new business propositions beyond the core** such as in next generation entertainment, insurance, energy and trust services

Fostering innovative ICT solutions through focused investments to drive digital transformation (e.g. in Cloud, (Gen) AI, Workplace)

Exploit **new opportunities in wholesale markets** of Switzerland and Italy



Achieve more with less

High efficiency driven by AI and automation and technology modernisation while continuously decreasing energy consumption

Simplified IT fostered by lifecycle management

Standardisation of processes and operating model transformation

Sales and service excellence with digital push, (Gen) AI tools and channels' efficiency



Perform together

Performance culture through incentives, performance tracking and transversal collaboration

Skill transformation to accelerate the journey from Telco to Techco

Diversity and talents by anchoring diversity criteria in people processes, talent recruiting and retention measures

Effective organisation forms

The Swisscom group goals

Our business and financial ambitions 2024

Presentation focus



Trusted leader in digital life and business

- Number 1 in Switzerland
- Leading challenger in Italy
- Key player in IT with substantial growth



Rock-solid financials

- Long-term value creation
- Attractive dividend
- Strong balance sheet

Deep-dive in appendix



Outstanding in innovation and reliability

- Innovative growth areas
- Most resilient networks, IT, infrastructure



Pioneer in sustainability

- Net-zero emissions
- Trusted corporate citizen
- Responsibility for digital society



High- performing teams

- Best and diverse talent
- Winning culture and inspiring leadership
- Employer of choice



Trusted leader in digital life in Switzerland

Dirk Wierzbitzki
CEO Residential Customers Switzerland



Achievements 2023

Strong results - commercially and operationally



Delight customers

Leading market position defended

with strong value proposition and successful multi-brand execution – driven by constant portfolio enhancements

Successful in ARPU stabilisation

through leveraging best customer experience ingredients and consequent focus on value promotions

Extended NPS leadership

confirmed by win of several connect tests and award for strongest brand in Switzerland



Innovate for growth

Inspiring in entertainment

with launch of next generation TV box, new premium offerings & streaming apps and successful cinema business

Growing beyond core

with strong YOY growth trajectory driven by attractive insurance offerings and promising extension of 3rd party streaming offerings



Achieve more with less

Stable EBITDA

thanks to rigorous execution on operational excellence initiatives leading to leaner and more efficient customer interactions and reduced contact centre workload

Effective in digital push

with significantly increased self-service share and growing app customer base



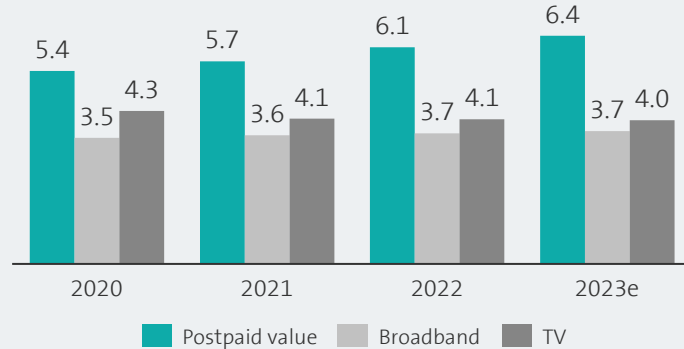
In market perspective

Swisscom well-positioned to sustain leading market position in light of trends

Market development

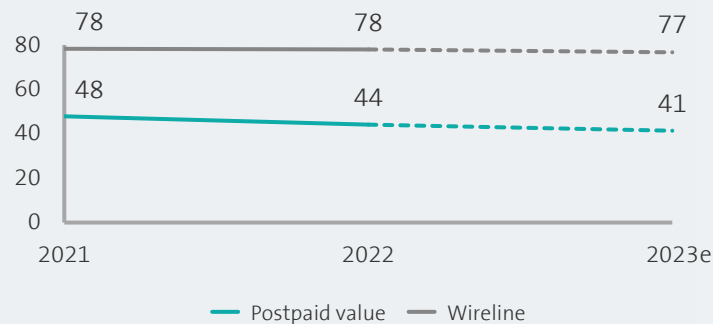
Swiss B2C Telco & TV market¹

2020-23, # subs in mn



Average ARPUs in Swiss B2C Telco market¹

2021-23, weighted average of top 3 players, in CHF



Market trends

- **Solid subs growth in postpaid** thanks to immigration and pre2post migrations, stable in broadband and slight decrease in TV (mainly due to OTT shift)
- Quality remains key despite **continuous shift to 2nd/3rd brands**
- **Increasing digital maturity** across customer segments
- **Price pressure expected to remain unchanged** despite slight slow-down of promotion intensity in 2023
- **Customer need for a strong partner in the digital world** - e.g., security offerings, other relevant 3rd party offerings in one place

Swisscom's proposition

- **Strong value focus in customer base development** through FMC play (increasing household penetration), FTTH monetisation as well as targeted loyalty measures
- **Multi brand positioning with targeted offerings** to optimally address broad range of customer segments
- **High relevance for customers in a digital world** by delivering on innovation (e.g. TV) and new growth areas beyond core
- **New ways to achieve more with less**, e.g. (Gen) AI scale-up, contact centre nearshoring, innovative shop concepts such as mini shop formats - but best customer experience remains paramount

1) Source: annual reports and other publications of companies, own estimates



Strategic priorities 2024 and beyond



Delight customers

Strong value focus
across all brands

Maintain leadership
with tailored own brand offers and value-oriented growth of wingo

Provide best experience
through continuous investments in loyalty and value-add for customers



Innovate for growth

Drive entertainment to the next level
with innovative services and best 3rd party content integration

Grow beyond core
in new areas and platform play based on existing strengths and new partnerships



Achieve more with less

Accelerate shift to online
through app push, increasing self-service and improved personalised flows

Push operational excellence
across organisation and touchpoints thanks to new shop concept, nearshoring push and AI at scale

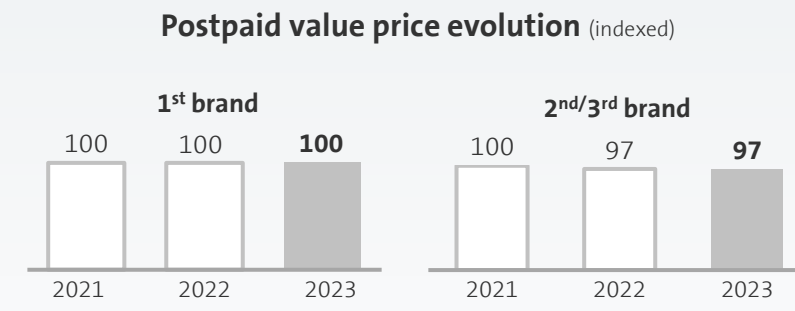
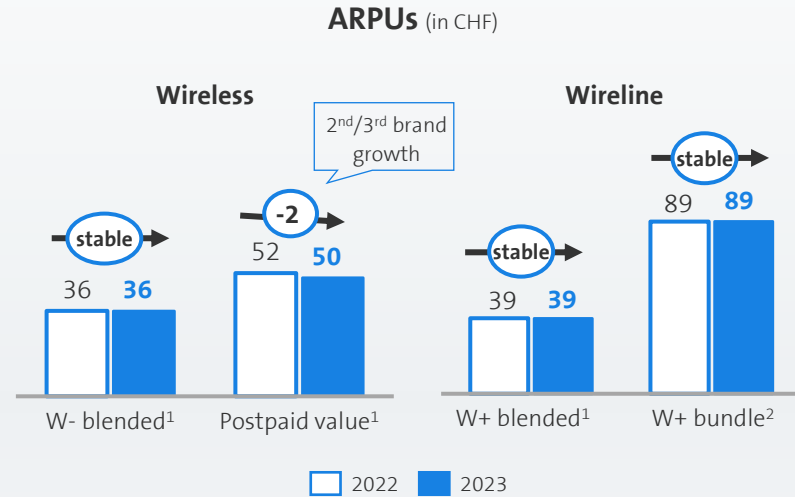


Strong focus on value optimisation across all brands

ARPU levels preserved while keeping cannibalisation effect limited

Our belief and approach in 2023

- **Focus on value promotions** - slowed down price & gifting promotions by focusing on value approach to counteract ARPU erosion
- **Successful best network monetization** - increased penetration of high-speed plans (mainly L and XL, and 5G options at wingo) with ARPU uplift
- **Limited impact of cannibalisation** that remains on stable and targeted level
- **Effective migration of outdated products** to focus on strong blue portfolio



→ ARPU of postpaid value (all brands) not impacted by price evolution but by growing 2nd/3rd brand share

Our 2024+ focus and ambitions

- **Strengthen value-oriented multi-brand play** with targeted campaigns and offerings for premium and budget segments
- **Stimulate ARPUs with highly personalised up-/cross-sells**, from increasing FTTH coverage and HH/FMC penetration to Entertainment and digital services beyond core
- **Continue smart promotional behaviour with value focus** and further reduce customer acquisition cost
- **Accelerate product portfolio adjustments** focusing on more performance for customers

1) Across all brands, 2) Own brand bundle (BB + TV + fixed voice)



Sustain leading market position through well-targeted offerings

Stable RGU base thanks to strong blue portfolio and continued value-oriented growth of wingo

Our belief and approach in 2023

- **Growing blue penetration and targeted portfolio extensions**, especially successful launch of new kids' subscriptions and TV XL
- **Stable RGU base driven by continued growth of wingo and 3rd brands**, targeting price sensitive customer segments
- **Continuous investments in fixed mobile convergence (FMC)** to grow convergent customer base
- **Less aggressive promotions in the market** allowing to keep churn ratios low



Delight customers

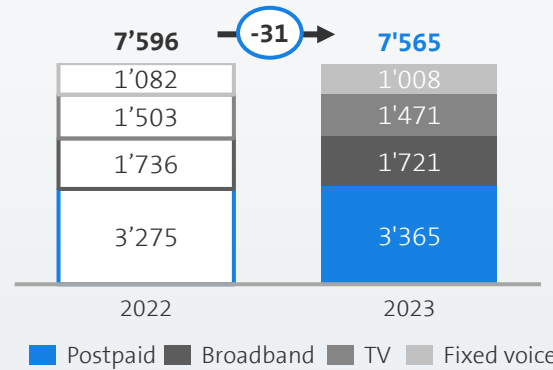


Innovate for growth



Achieve more with less

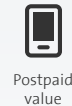
RGU base (in k)



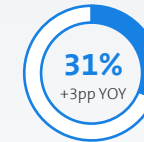
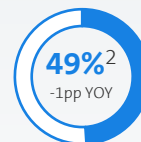
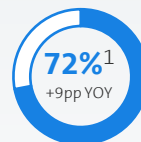
blue penetration

FMC penetration

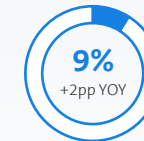
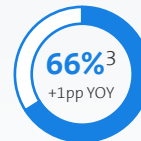
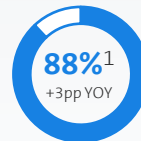
2nd/3rd brand penetration



Postpaid value



Broadband



Our 2024+ focus and ambitions

Extend differentiated offerings as market leader

- **Strengthen blue** with household and family proposition, FMC and FTTH focus as well as new innovations e.g. TV Next Gen.
- **Develop blue positioning beyond products** with focus e.g. on sustainability and society and a brand customers love
- **Lever wingo as full-service provider** to capture broadband and TV market shares in price sensitive customer segments

1) Own brand, 2) FMC share of postpaid value HHs (1'128k converged HHs, out of total HHs (2'321k, all brands) with at least 1 postpaid value subscription), 3) FMC share of BB HHs (1'128k converged HHs, out of total BB connections (1'721k, all brands))

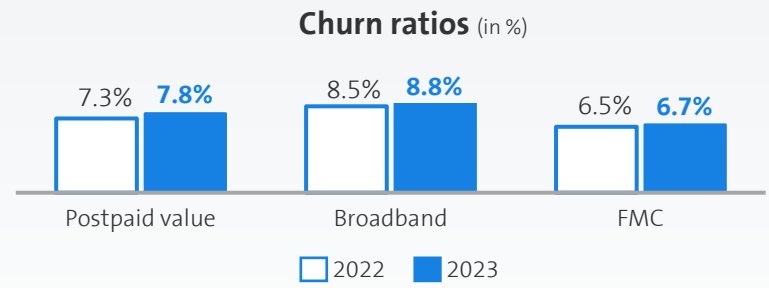
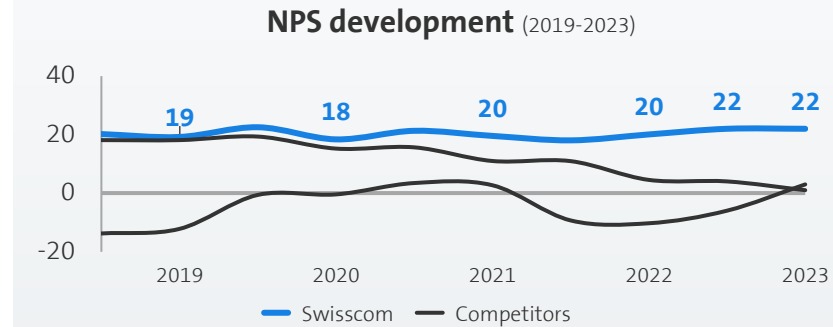


Create award-winning experiences and develop customers to loyal fans

Record NPS value in 2023 shows that continuous investments in customer experience and brand pay off

Our belief and approach in 2023

- **Lead in customer satisfaction:** #1 NPS market position by large margin proves that investments in service and experience pay off and underline value-add for customers
- **Award winning touchpoints:** Swisscom app and innovative shops (91/95 own shops modernized) ranked again as #1 in connect tests
- **Invest in loyalty and value for the customer base:** e.g. no inflation-based price increases for core products until YE 2024, free speed upgrades, special deals for all customers (e.g. Disney+/Paramount+)



Our 2024+ focus and ambitions

- **Reinforce #1 position as premium brand in Switzerland** through best customer service, reliability and high quality (e.g. best net)
- **Make loyalty investments more visible** showing customers all the exclusive benefits of today and tomorrow
- **Put emphasis on real value-add for customers** and stop low value adding services (e.g. monthly bill payments in shops)

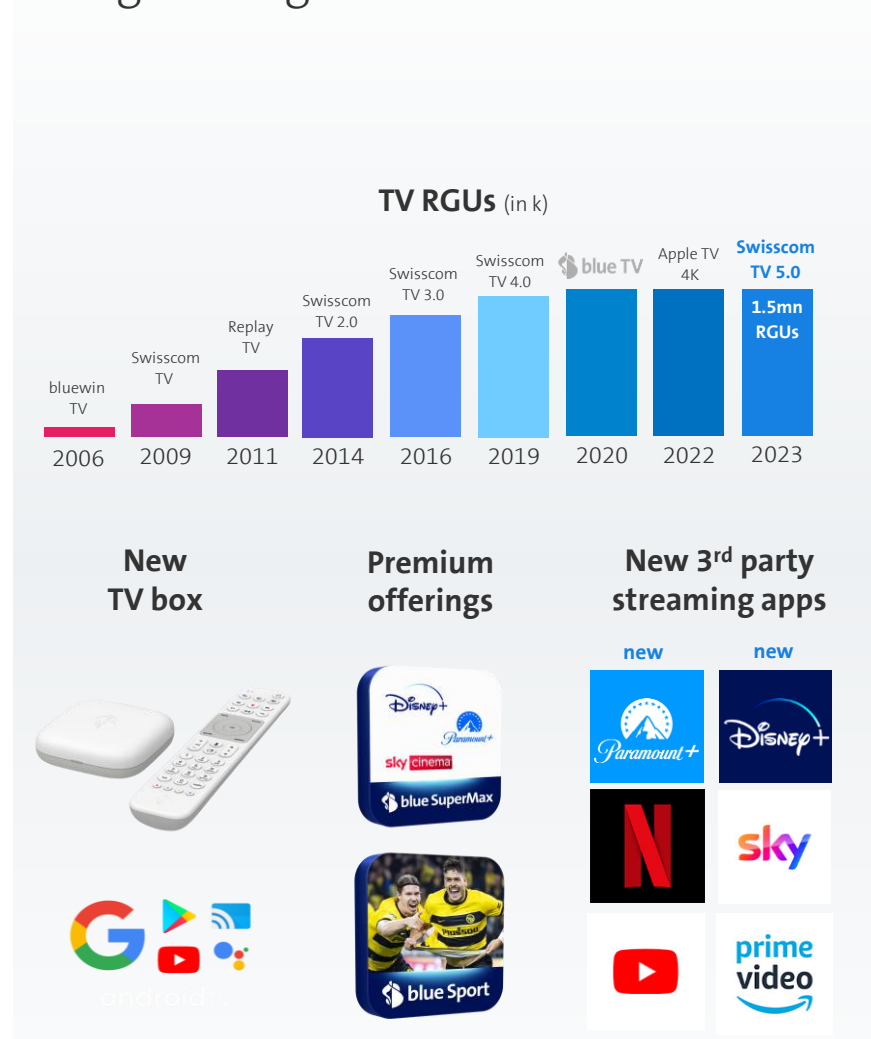


Fuel growth through entertainment innovation

Bring experience to the next level creating an integrated entertainment world with best 3rd party content

Our belief and approach in 2023

- **Evolve Entertainment** as reason to come and reason to stay
- **Launch of next generation TV proposition** aggregating live TV experience and Streaming
- **Leveraging Android/ Google ecosystem** with access to the google play store and features as Chromecast or Google Assistant
- Growing customer base as **home of football** at blue Sport
- **Strong cinema** performance also beyond movies e.g. bowling, lasertag



Our 2024+ focus and ambitions

- **Win customers with best content offerings** leveraging strong market position and scale
- **Strengthen home of football position** with best content (leagues) and state-of-the-art features (e.g. live statistics, highlight function)
- **Further strengthen cinema** market positioning with Multitainment centres incl. digital self-service capabilities and increase Swisscom brand experience (e.g. for loyalty offerings, promotions)



Leverage strengths and partnerships to drive innovation beyond core

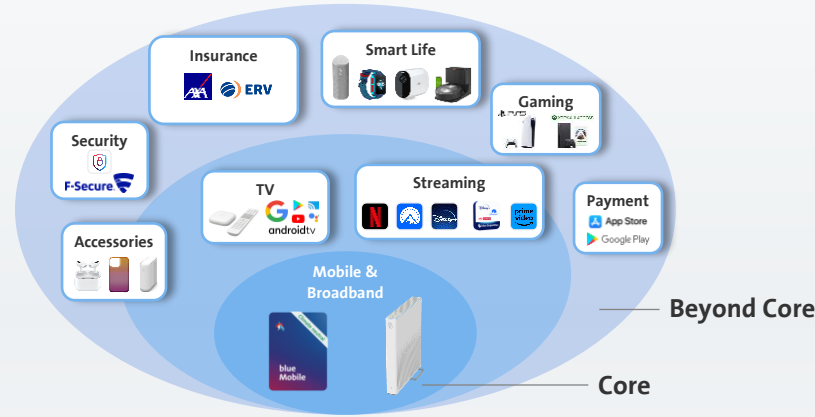
Tap into new growth areas and increase brand relevance for customers in the digital world

Our belief and approach in 2023

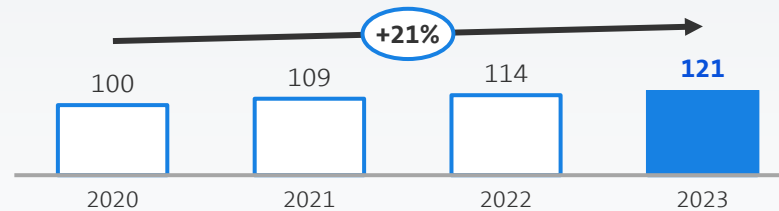
- **Growing share of revenues beyond mobile, broadband and TV** to address customer needs in a digital world
- **Strong YOY growth trajectory in non-core areas** such as Smart Life (e.g., smart watches), Gaming, and Payment (i.e. Swisscom Pay)
- **Successful track record with insurance:** solid revenue growth with security offering (i.e. cyber insurance) and device protection insurance leveraging top partners



B2C portfolio overview



Revenues beyond core (indexed)



Our 2024+ focus and ambitions

- **Grow revenue beyond core leveraging unique strengths** (e.g. strong customer base, high brand trust, mass market experience) and strong partnerships
- **Expand InsurTech offering together with established partners** to develop insurance portfolio into new categories
- **Scale 3rd-party offerings in entertainment and beyond** as digital platform (orchestration, billing, etc.) with top partners



Accelerate shift to online and drive efficiency across customer touchpoints

Significant reduction of contact centre workload driven by increasing digital adoption in customer base

Our belief and approach in 2023

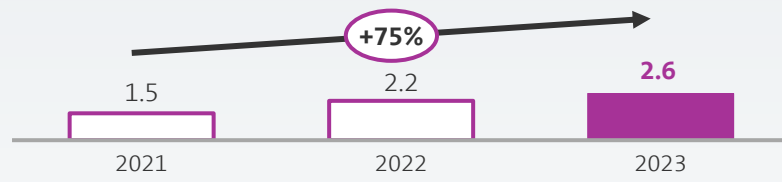
- **Shift to digital** fuelled by increasing self-service share and growing app customer base
- **Significantly reduced workload in contact centres** through simple & stable products, intuitive agent tools and digital shift of customers
- **Testing and deploying of new retail concepts** enabled by optimised staffing and strong sales capabilities
- **Stable profitability** through operational excellence and rigorous cost mgmt. allows to save for growth (e.g. successful pilots in nearshoring)



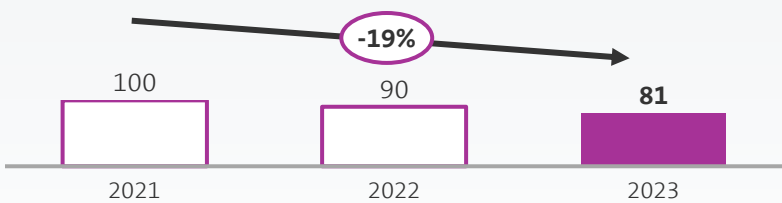
Channel shares



App installed base (in mn)



Contact centre workload (indexed)



Our 2024+ focus and ambitions

- **Double down on digital care and sales** to further push app penetration and self-service
- **Scale Gen AI** as basis for digital customer interactions (e.g. chatbot) and to achieve more with less
- **Strengthen personalisation** with more data-based & automated offerings at the right time and channel
- **Scale nearshoring partners** based on positive pilot results
- **Rollout and scale new innovative shop concepts** – e.g. lean mini shops enabled by digital innovation



Trusted leader in digital business in Switzerland

Urs Lehner

CEO Business Customers Switzerland



Achievements 2023

Focus on continuous growth with innovative ICT solutions



Delight customers

Strengthened value differentiation and premium positioning by launch of new innovative telco products and successful execution of value strategy

Outstanding customer satisfaction confirmed by record level NPS results in Corporate and SME segment

Improved addressing of customer's business needs through organisational adjustments towards industry-oriented sales



Innovate for growth

Ahead of market in MPLS to SD-WAN substitution with innovative Enterprise Connect portfolio

SME IT market position strengthened by launching new cloud-based SME IT outsourcing offering 'Business Workplace Services' with first pilot customers

Further enhanced IT capabilities in core software business and professional services by acquisition of Asept



Achieve more with less

Digitalisation further pushed by increasing web-portal penetration to support customer self-service and reduce internal workload

Positive development of IT profitability thanks to optimisation of resource management and efficiency measures in IT portfolio areas

Successful organisational simplifications to further improve collaboration processes and increase efficiency



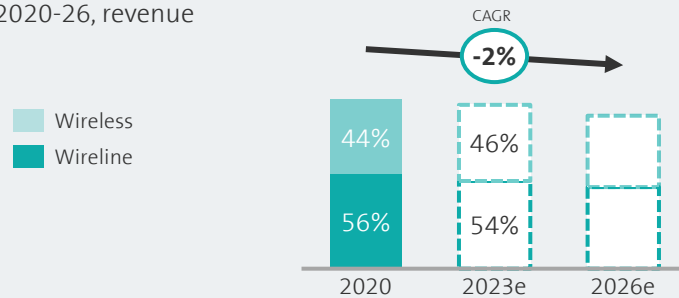
In market perspective

Growing B2B IT market, declining Telco market

Market development

Swiss B2B Telco market

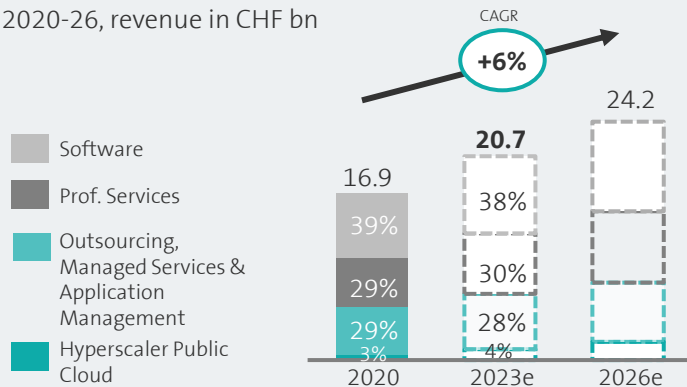
2020-26, revenue



Source: Swisscom estimate

Swiss IT market

2020-26, revenue in CHF bn



Source: PAC Market Figures - Software & IT Services (Oct 2023, Oct 2022)

Market trends

- **Wireless with ongoing price pressure** driven by unchanged highly competitive intensity
- **Technology shift in wireline** leads to revenue transfer towards IT (e.g. SD-WAN, fixed voice substitution by cloud offerings)

Increasing convergence of network and IT as main differentiating factor

- **Public cloud shift** of legacy infrastructure slower than expected
- **Ongoing** IT services market **consolidation**
- **Intensified price pressure** due to near- and off-shoring
- **War for talents** continues

Swisscom's proposition

- **Local proximity:** unique market position as the leading national ICT service provider
- **Most trusted business and transformation partner:** with tailored and industry-specific ICT solutions
- **Service differentiation:** excellent customer service and best-in-class digital self-service capabilities
- **Innovation leadership:** unique convergence of networking, IT & security capabilities



Strategic priorities 2024 and beyond



Delight customers

- **Lever award-winning network, products and service** to defend ARPU premium
- **Drive differentiation to the next level** through seamless customer experience, excellent service and trust



Innovate for growth

- **Pioneer with next generation connectivity proposition**
- **Further enhance position as a leading IT service provider** to benefit from market growth



Achieve more with less

- **Transform operating model:** continuously drive operational excellence through **digitalisation, standardisation** and **complexity management**



Continuously execute value strategy

Lever award-winning network, innovative products and leading service to defend ARPU premium

Our belief and approach in 2023

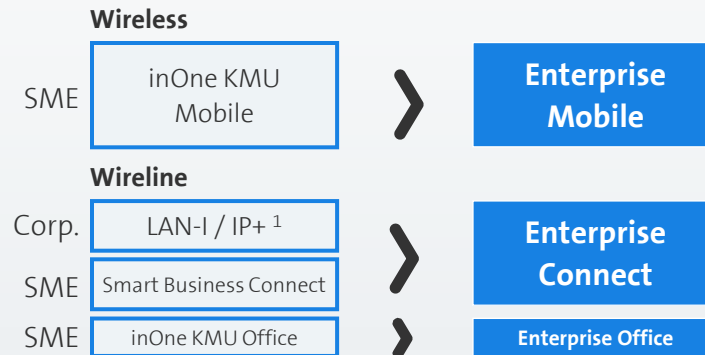
Wireless

- **Soft-launched new Enterprise Mobile portfolio** with improved multi device, roaming and speed features for SME customers
- **Defended ARPU premiums** in contract renewals and **win-back** of important customers by emphasizing key differentiators

Wireline

- **By far the best business internet performance** in the Swiss market confirmed by external tests
- Best-in-class **5G FWA offers** prioritised access to ultra-broadband network

Portfolio innovation



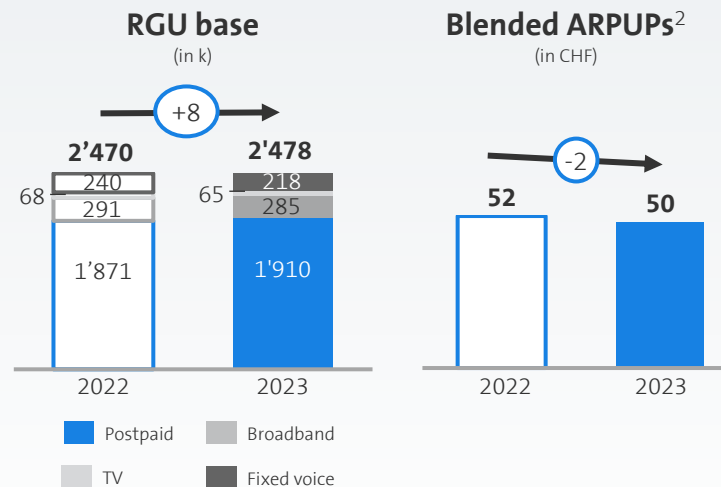
Our 2024+ focus and ambitions

Wireless

- **Full launch of Enterprise Mobile for all SME customers** to increase differentiation towards competition and B2C offerings
- **Selective price adjustment** to stabilise ARPU levels

Wireline

- **Enhance offerings** - alongside core access - **with additional services** (e.g. security) to strengthen proposition and **push cross-selling**



1) PWLAN & LAN Management will also be migrated to Enterprise Connect, 2) Average revenue per underlying product



Drive differentiation to the next level

Through seamless customer experience, excellent customer service and trust

Our belief and approach in 2023

- **Trust, customer experience and service excellence key** to differentiate and successfully execute value strategy
- **Record level NPS achieved** exceeding own targets
- **Corporate sales restructured around industries** to improve position as relevant business partner
- **My Swisscom Business portal:** all customers successfully migrated and ready to enhance digital experience
- **Further increased stability in operations**



Delight customers



Innovate for growth



Achieve more with less

NPS results



Corporate

+9.1pp vs avg. 19-22

Trust and data protection and security best rated dimensions

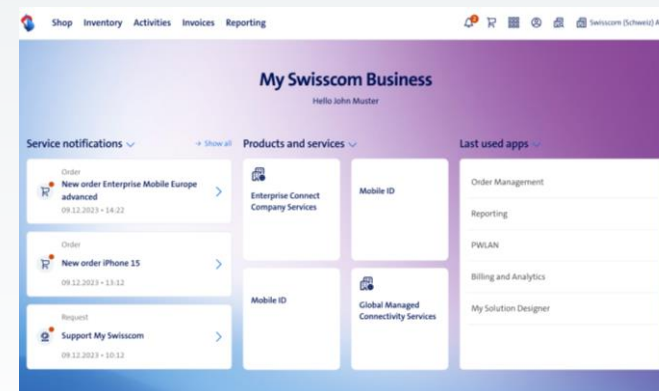


SME

+7.6pp vs avg. 19-22

Trust and service competence best rated dimensions

My Swisscom Business portal



Our 2024+ focus and ambitions

- Maintain and further improve **outstanding ICT service support quality**
- Further **align customer experience with customer needs** through G2M transformation
- Focus on **seamless experience across all channels**
- **Push digital self-care and sales experience** through further improvements in customer journey, portal performance and user experience



Pioneering with next generation connectivity proposition

Leverage unique market position by establishing convergence of network and security

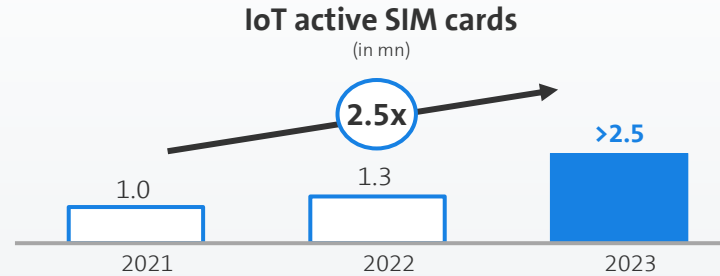
Our belief and approach in 2023

Wireless

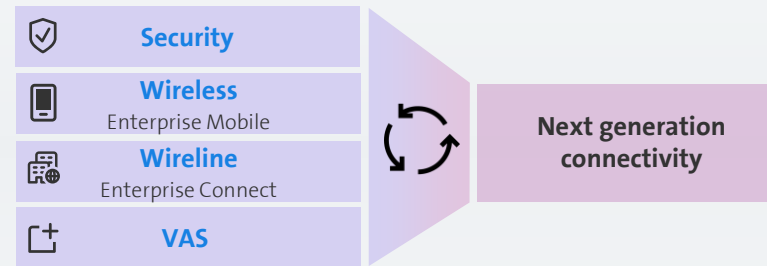
- **Launch of Teams mobile integration** as one of the 1st operators globally
- **Continued growth in IoT** business: IoT SIM cards almost doubled YoY
- 2/3 of corporate customers already use **5G+ offerings** with a speed of up to 2 Gbps

Wireline

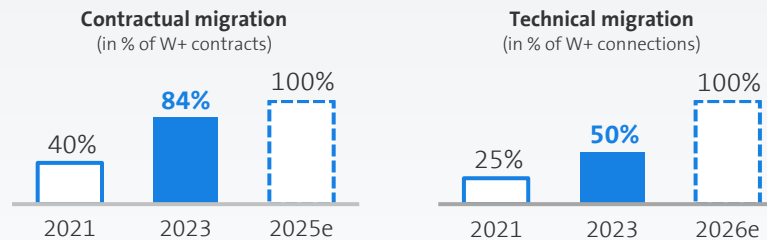
- Ahead of market **in MPLS to SD-WAN substitution** with innovative Enterprise Connect portfolio
- Leading role in the **transformation of the Swiss banking system** with the adoption of **SCION¹ technology** by SIX and Swiss National Bank



Telco portfolio evolution
converged security, wireless, wireline, VAS



SD-WAN penetration



Our 2024+ focus and ambitions

- **Launch of new business critical push to talk** offering and steady **growth in IoT business**
- Development of a **next generation B2B connectivity offering** with the ambition to converge telco, security and VAS. Piloting of new value proposition in 2024, expected launch in the course of 2025
- **Accelerate MPLS to SD-WAN substitution** and reach 100% penetration of Enterprise Connect portfolio in 2026



1) SCION (Scalability, Control, and Isolation On next-generation Networks) is a modern future internet architecture



Further expand position as leading Swiss IT service provider

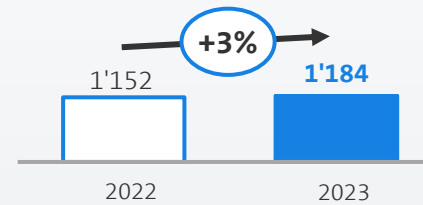
Bring business value to our customers through innovative ICT solutions for digital transformation

Our belief and approach in 2023

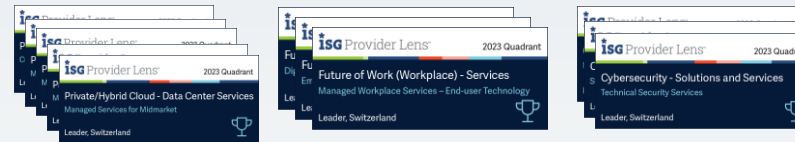
- **Participate in ongoing market growth** as the relevant business and transformation partner for Swisscom's customers
- **Constantly expanded business-related services:** acquisition of Asept in 2023 to complement software capabilities
- **Integrate own and 3rd party services** in the private, public and hybrid ICT environment for best offerings
- **Restructuring and rounding of SME portfolio** as the basis for growth in upcoming years



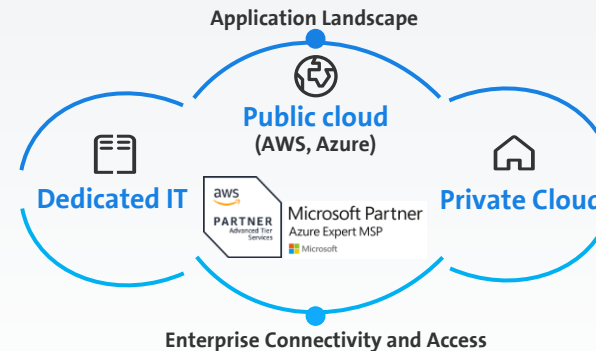
IT service revenue growth¹
in CHF mn



Multiple leader according to industry analysts²
Cloud Workplace Security



Strong partner ecosystem in hybrid ICT environment



Our 2024+ focus and ambitions

- **Continue enhancing differentiation** through business-focused and industry-specific know-how and G2M
- Focus on growth in **cloud, cyber security, software** and **professional services** as main value levers through organic and in-organic growth
- **Further strengthen SME market position** by portfolio and G2M approach optimization including IT-partner ecosystem
- **Actively address war for talents** through junior programs, enhanced employer branding and talent management, skill development

1) YOY growth of CHF +32mn, o/w CHF 18mn organic

2) Source: ISG Provider Lens - Private Hybrid Cloud and Datacenter Services 2023, ISG Provider Lens - Cybersecurity Solutions and Services 2023, ISG Provider Lens - Future of Work 2023



Further expand position as leading Swiss IT service provider

Strengthen differentiation with a broad portfolio from infrastructure to business-related IT

Our belief and approach in 2023

- **Growth in** focus areas of **data, AI- and digital consulting business**
- **Detection & response and security operation centre** (+50% YOY) growing
- Successful proof-of-concept of **new public-cloud-based workplace**
- **Public cloud** (+25% YOY) and **cloud professional services** (+10% YOY) growing
- **New cloud-based IT outsourcing offering** successfully launched

IT proposition

non-organic moves
complementing capabilities

Vertical solutions

(banking, health, insurance)

Business transformation, applications and prof. services

Security

Workplace & UCC

Cloud & data centre

SME IT



itnetx



Our 2024+ focus and ambitions

- **Collaborating with Nvidia** to provide AI solutions along the entire AI value chain
- **Enhance vertical flavours** of offerings
- **Expand professional services:** consulting, software development and integration
- **Push cyber defence and convergence-related services**
- **Drive** growth with **new offerings** and **enhance web portal automation**
- **Expand public cloud offering** and **push Swiss cloud services**
- **Ramp-up new offering** by initialising direct G2M and onboarding of partners



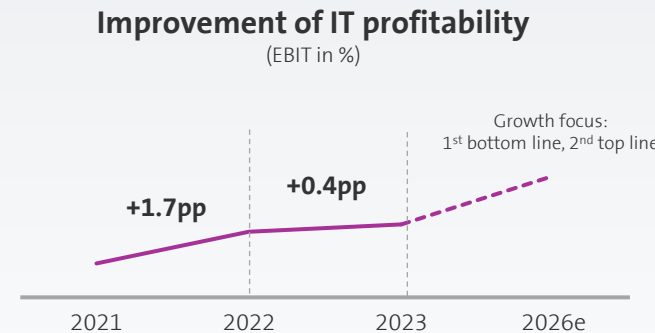
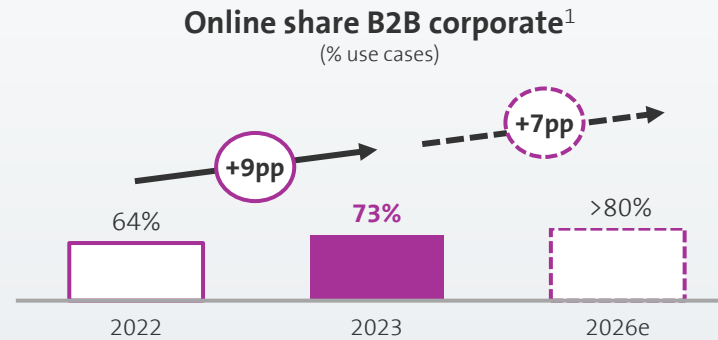


Operating model transformation successfully progressing

Continuously drive operational excellence through digitalisation, standardization and simplification

Our belief and approach in 2023

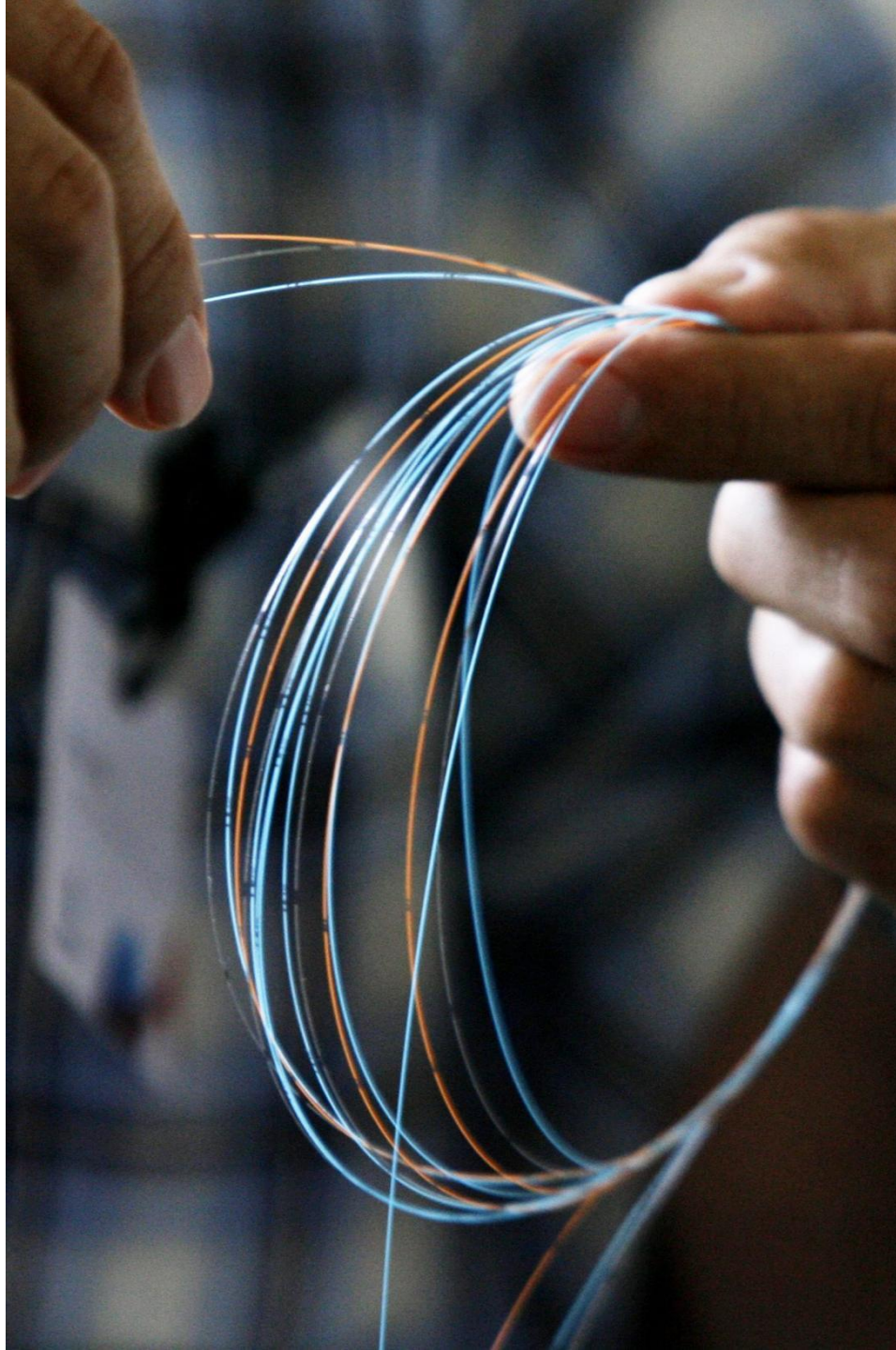
- **Ongoing simplification of organisation and processes** to improve collaboration and **mastering of business complexity** to increase efficiency further
- **Drive customer self-service** further with digitally-enabled Enterprise Mobile portfolio launch in 2023
- **Further technology and portfolio standardisation** through portfolio consolidation including shift to software-defined technologies
- **Successful execution of efficiency measures:** optimisation of resource management and IT portfolio



Our 2024+ focus and ambitions

- **Transform G2M approach to the next level** to increase sales effectiveness and enable growth by implementing new organisational setup (incl. SME IT-partner ecosystem)
- **Further enhance digital sales and self-service capabilities**
- **Continuously improve contact centre workload** through up-stream redesign, shift to self-care and efficiency measures
- **Push portfolio standardisation further** with persistent phase-outs of outdated offerings

1) Share of B2B corporate customer use cases that are solved online



Trusted leader in digital infrastructure in Switzerland

Christoph Aeschlimann
CEO Swisscom



Achievements 2023

Successfully enhanced position as trusted leader in digital infrastructure in Switzerland



Delight customers

#1 in FTTH and 5G+ coverage

ensured best customer experience based on latest network technology

Winner of relevant benchmark

tests¹ in fixed and mobile with outstanding results confirming best network position in Switzerland

Record-high NPS values achieved

thanks to further improvements of the reliability and quality of network services



Innovate for growth

Launch of dual core IP and new optical transport network

for higher bandwidth and highest availability through flexible meshed networks

Introducing Swisscom Digital

Architecture² - a composable enterprise architecture enabling Network-as-a-Service and data-driven business propositions

Hybrid cloud and cloud

transformation supporting Swiss digital sovereignty and enabling edge solutions



Achieve more with less

Decrease complexity

through reducing legacy systems leveraging automation, AI and public cloud services

Lower environmental impact

despite higher network coverage and data traffic thanks to network modernisation and in-house energy generation

Upscaled inhouse IT capabilities

through Swisscom DevOps centres as well as high employer attraction

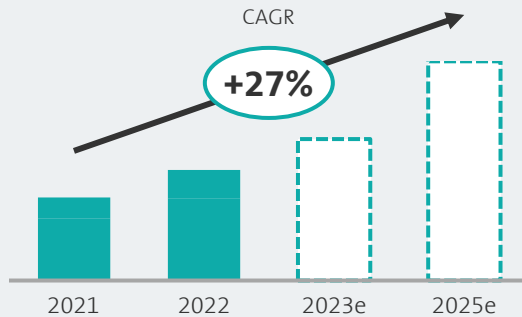


In market perspective

Best networks and transformation to cloud-native enterprise architecture to be ready for the future

Market development

Annual worldwide data growth¹
2021-25



Accelerating FTTH rollout
after redesign to full P2P-switch



Global tech players in IT
stimulating market environment



LEO satellites as a complementary
option to existing networks



Competitive wholesale market
based on liberal approach of Swiss regulations

Market trends

- **Increasing customer expectations** for bandwidth, stability and data protection
- **Fibre recognised as a future-proof technology**, increasing network sustainability and bringing copper to end of life
- **Accelerating 5G+ rollout** driven by rising rate of site permissions
- **Adopting cloud technologies**, including network functions, data storage, and service delivery for customers
- **Automation and AI transforming network management and infrastructure** and improving efficiency, security and customer experience
- **War for talents** in IT continues to intensify

Swisscom's proposition

- **Best state-of-the-art network infrastructure** to meet customer expectations in all aspects
- **Adapting cloud-native, AI-driven, composable enterprise architecture** enabling Telco to Techco transformation
- **Strong cloud-native capabilities** leveraged for internal and external use cases
- **Continuous expanding of AI and automation technologies** to increase services reliability and accelerate innovation
- **Top ICT employer²** to develop outstanding and customer-centric solutions
- **Strong value proposition in wholesale** enabling network monetisation

1) 2021: 1'851 Exabytes, 2025: 4'874 Exabytes, Source: PwC's Global Telecom Outlook 2023–2027, Omdia; 2) Source: Universum Talent Survey 2023, # 4 among the most attractive employers for IT professionals in Switzerland



Strategic priorities 2024 and beyond



Delight customers

Accelerate FTTH and 5G+ rollout to extend high-speed internet coverage

Enhance best network experience to prove the leading position by winning relevant benchmark tests

Further increase network reliability and security to offer most resilient services



Innovate for growth

Develop next generation connectivity with data/AI and cloud services

Further transform from Telco to Techco by executing composable Swisscom Digital Architecture

Add AI compute power to hybrid cloud to offer Swiss sovereign internal and external business solutions



Achieve more with less

Consistently standardise and automate processes and accelerate cloud transformation

Drive reduction of IT and network complexity with best-in-class lifecycle management

Pioneer in sustainability using latest technology for lowest energy consumption

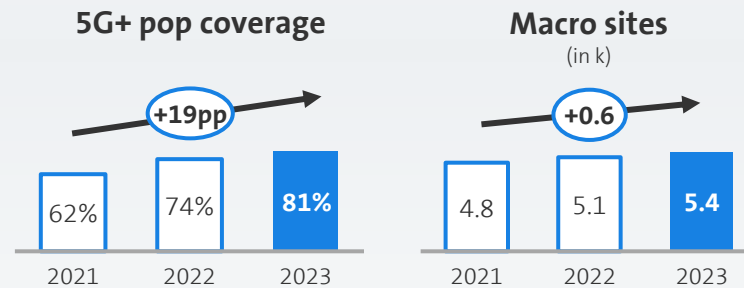
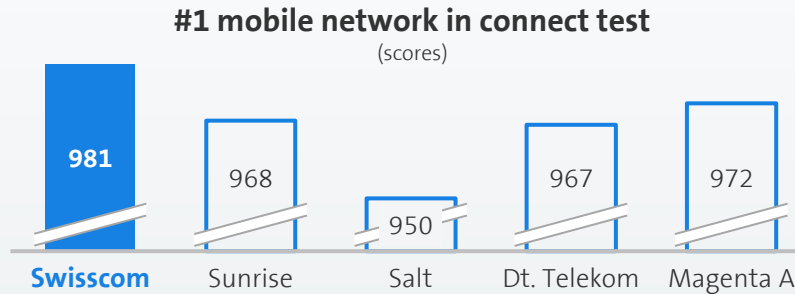


Continuously enhance mobile network leadership in Switzerland

Swisscom with best benchmarking scores in DACH region ever

Our belief and approach in 2023

- **Superior customer experience:** demonstrated technology leadership in network benchmark tests¹
- **Increased 5G+ coverage** for remarkable boost in data throughput (uplink and downlink)
- **From best to smartest network:** AI-powered tuning, worst-cell hunting and RAN automation combined with network expansion
- **Leveraging new technology** to drive efficiency and lower power consumption



Technology portfolio

- 3G ✘ Phase-out by YE 2025
- 4G ➡ Remains of significant importance
- 5G ➡ Increased coverage

Our 2024+ focus and ambitions

- Drive **5G+ pop coverage up to 90%** in the mid-term (2025)
- **Introduce 5G standalone²** to provide new features and monetize use cases such as slicing
- **Continue automation in the network** to improve quality through less manual intervention
- **Reduce power consumption** through network modernisation and despite traffic growth
- **Execute 3G phaseout** to unlock capacity and spectrum for 5G

1) CHIP, connect, 2) 5G standalone refers to a fully independent and self-sufficient 5G network architecture that does not rely on 4G infrastructure and provides enhanced speed, capacity and low-latency connectivity

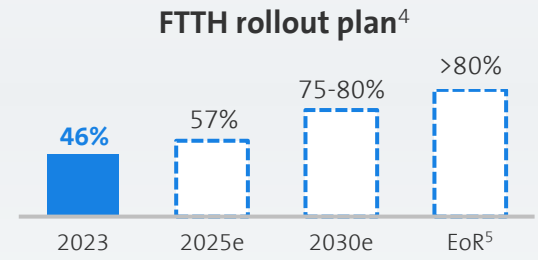
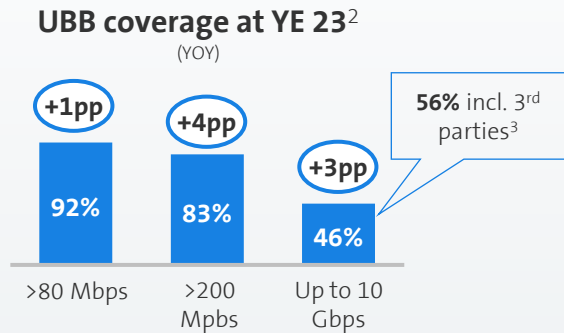


Build the next-generation network for Switzerland

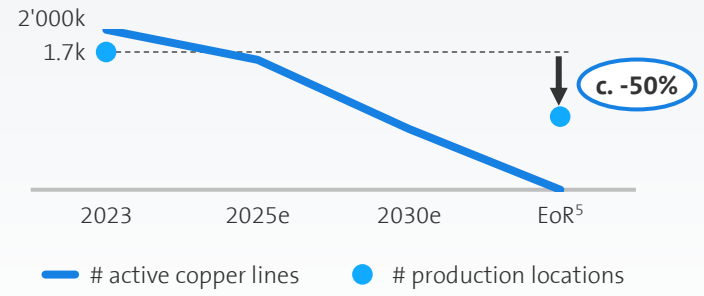
FTTH as future-proof technology drives innovation and efficiency

Our belief and approach in 2023

- **Continuous investments in performing networks** pays off: win of connect test for BB services
- **Expanded FTTH as the future-proof technology** enabling higher speed, reliability and efficiency
- **FTTH rollout adapted to P2P topology** and upgrade of P2MP lines initialised
- **Successful ARPU stimulation:** >90% of all FTTH lines with a higher tariff profile¹



Copper phase-out and production locations⁶ reductions



Our 2024+ focus and ambitions

- **Accelerate FTTH rollout** to achieve 57% coverage by 2025 and 75-80% coverage by 2030, reaching almost all municipalities in Switzerland
- **CAPEX envelope for fibre at CHF 500-550mn/year** till 2030, including co-construct cooperations where economically feasible
- **Migrate customers to FTTH proactively** and **phase-out copper gradually** from 2024 onwards
- **Enable OPEX savings of CHF ~100mn/year** by EoR⁴ through gradual copper retirement

1) Share of active FTTH connections with at least 1 Gbps subs (blue Internet M or L), 2) Ratio of total 5.45mn HHs in Switzerland, 3) Internal estimate, 4) Built connections, 5) End of Rollout, 6) Consists of c. 900 central offices and c. 800 remote locations

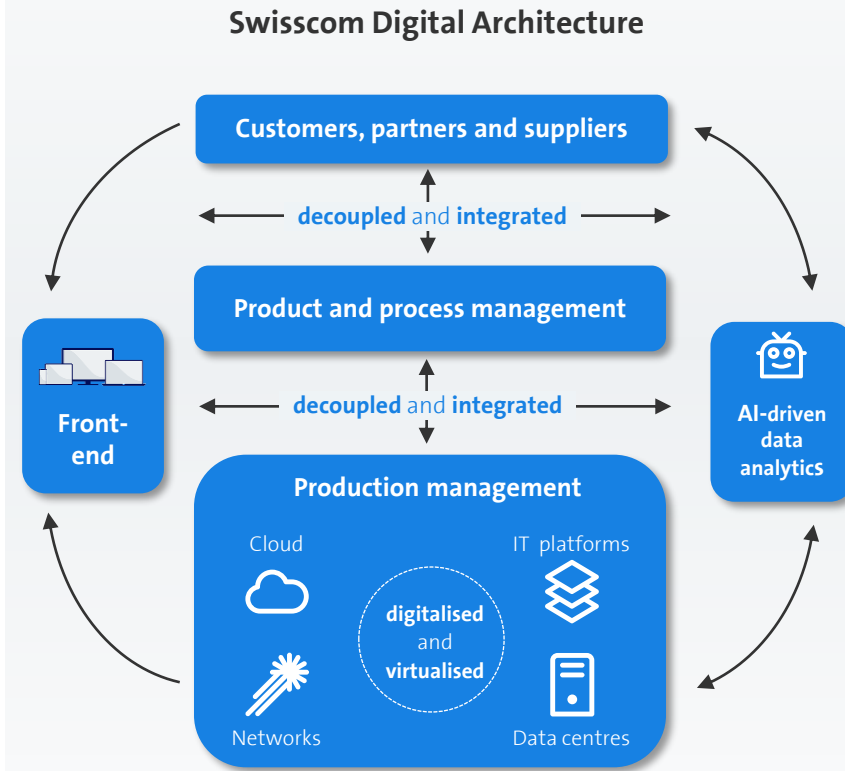


Building the state-of-the-art architecture

Transforming from Telco to Techco to drive innovation and efficiency

Our belief and approach in 2023

- **Initialised transformation to Swisscom Digital Architecture¹**, a composable, service-oriented model approach, enabling e.g. NaaS²
- **Networks successfully transformed and aligned** with future Swisscom Digital Architecture
- Finalised rollout of **new optical transport network** and launched **dual core IP access network**
- **Successful cloud integration in connectivity services** (incl. SD-WAN and VNF)³



Our 2024+ focus and ambitions

- **Execute transformation to Swisscom Digital Architecture**
- **Fully migrate services** to new transport and IP access network platforms
- **Explore new business opportunities** with API-driven network capabilities, e.g. NaaS,² network slicing, vertical integration
- **Shorten innovation cycles** with accelerated and automated testing
- **Apply full-stack AI compute power in data centres⁴** for internal and customer driven use cases

1) Based on TM-forum Open Digital Architecture (ODA) framework, 2) NaaS: Network-as-a-Service, 3) SD-WAN: software-defined wide-area network, VNF: virtual network functions, 4) Collaborating with Nvidia



Provide the most reliable and secure services

Application of stability measures to provide a reliable network without any outages

Our belief and approach in 2023

- **Reliable and secure networks** key to satisfy customers and achieve record-high stability NPS
- **Full infrastructure integration** ensures powerful security measures, particularly in internet-based networking
- **Implemented AI-driven anomaly-detection** in networks and cloud services for continuous and proactive incidents prevention
- **Dependency mapping between services and infrastructure** for impact detection and faster failure resolution



Delight customers

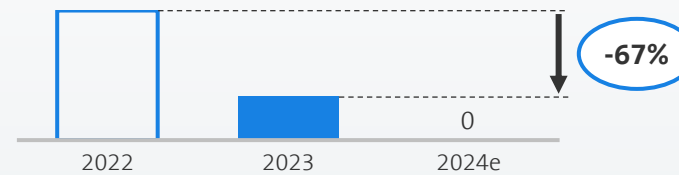


Innovate for growth

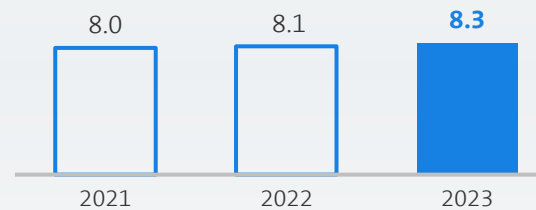


Achieve more with less

Diminish escalated major incidents

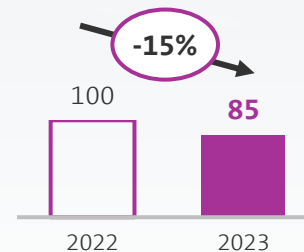


High customer satisfaction with stability (stability NPS)



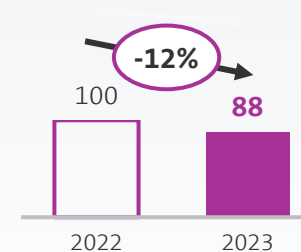
Reduced customer tickets

(#customer contacts, indexed)



Reduced field force

(#malfunction tickets, indexed)



Our 2024+ focus and ambitions

- **Set zero escalated major incidents** as standard for our customers
- **Implement zero-touch approach in networks** for highest security standards
- **Apply predictive and prescriptive analytics** instead of descriptive analytics
- **Adopt single-convergent IP network** with redundancy in core for greater reliability



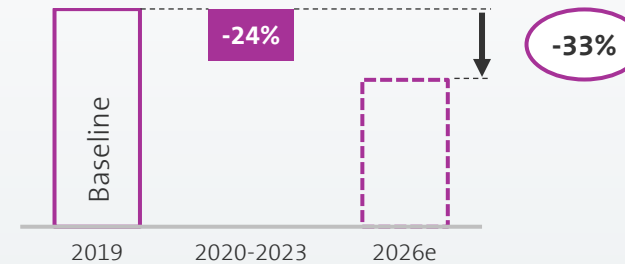
Continue network and IT simplification

Increased simplicity leads to reduced time-to-market and increased efficiency and quality in operations

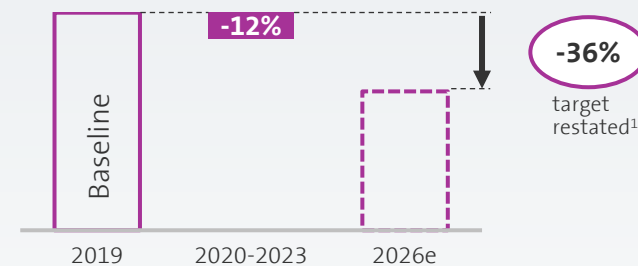
Our belief and approach in 2023

- **Unified hardware infrastructure** for IT production enables consolidation of multiple IT platforms and resource optimization
- **Reduced and consolidated** applications, network functions and platforms to increase operational flexibility and reliability
- **Expansion of DevOps centres** in Rotterdam and Riga to secure internal expertise and attract global IT talents

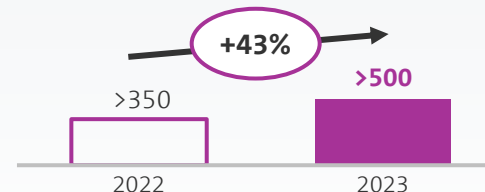
Phaseout of apps and network functions



Phaseout of IT and network platforms



Expansion of DevOps centres (FTEs)



Our 2024+ focus and ambitions

- **Elevate lifecycle management capabilities**, incl. strong discipline in ongoing phaseouts and consolidations, energy savings
- **Drive harmonisation and standardisation** in processes, data, architecture, technologies and operating models further
- **Accelerate cloud migration** to introduce new services at lower service costs
- **Replace core networks with a convergent network** on a dual core approach to increase automation

1) Not comparable to previous year due to restatement: target so far -65% for phase-out of network platforms, restated target includes also phase-out of IT platforms in addition to network platforms





Secure value contribution as technology leader and preferred partner

Maximise value generation primarily through monetising fibre rollout

Our belief and approach in 2023

- **#1 partner** thanks to strong offerings and best customer service
- **High customer satisfaction** through continuous reduction of customer pain points
- **Successful new and renewed customer contracts** such as long-term access deal with Salt
- **Increase in 5G roaming partnerships** (+33%, in 64 countries)
- **Continuous renegotiation of wholesale roaming conditions** through new price agreements with network partners



Delight customers

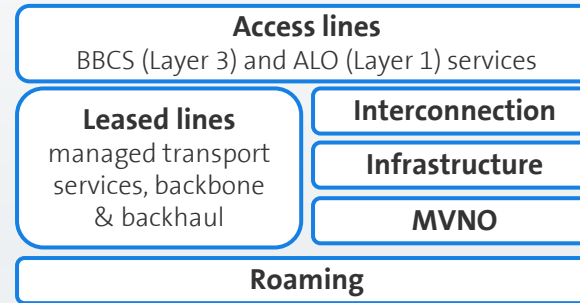


Innovate for growth



Achieve more with less

Wholesale service portfolio



Wholesale customers



Our 2024+ focus and ambitions

- **Develop current proposition further** to maintain high customer satisfaction
- **Expand portfolio** in managed services
- **Further monetise fibre rollout** while minimising customer churn to alternative networks
- **Optimise margin contribution** through achieving more attractive wholesale roaming and interconnection conditions



Trusted leader in digital life and business in Italy

Walter Renna
CEO Fastweb



Achievements 2023

Outstanding industrial performance in core and steady growth beyond traditional Telco services



Delight customers

Another successful year of growth across all metrics¹

2nd best market performer in mobile (+14% subs growth in 2023)

Leading among top Enterprise clients, reaching EUR 1.1bn revenues

Outstanding growth in wholesale reaching 648k UBB customers

High performing networks with strong FTTH footprint and leading mobile speed² for the third consecutive semester



Innovate for growth

1st Italian Techco collaborating with Nvidia enabling innovative offerings³ and efficient (Gen) AI internal adoption

Launch of breakthrough products for Consumer (web AI-assistant and superapp), **Enterprise** (AI-cybersecurity and Cloud-Edge) and **Wholesale** voice services (1st Telco offering convergence)

Remarkable coverage expansion: FTTH at 36% of Italian HHs (+ business)⁴ and 5G technology at 72.2% of population



Achieve more with less

Increased network efficiency leading to lower energy consumption of -13 GWh YOY. Coupled with **optimised energy procurement** energy expenses decreased by -11% YOY

Simplified IT thanks to operating model transformation already delivering -16% IT incidents

Continued work-place optimisation across all sites (-9.3k sqm)



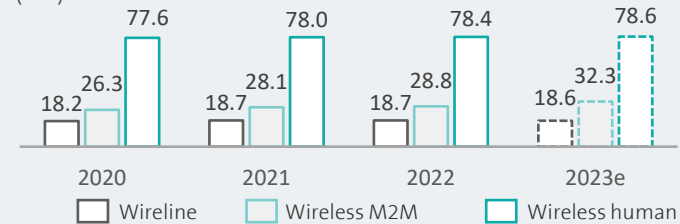
In market perspective

Fastweb well positioned to become an AI-driven company and to capture future market opportunities

Market development

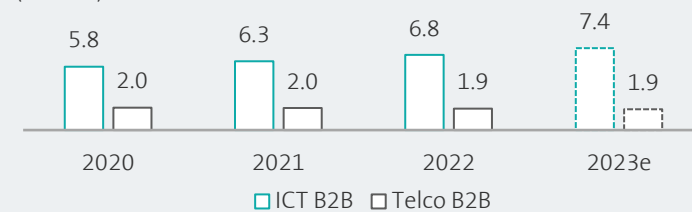
Italian Telco subscriptions¹

(mn)



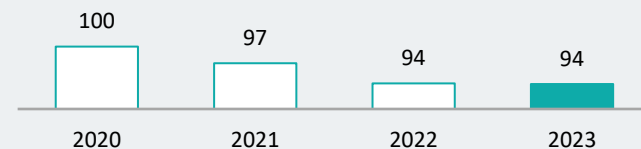
Italian B2B Enterprise Telco & ICT market²

(EUR bn)



Price index³ of Italian Telco services & appliances

(indexed, 2019 = 100)



Market trends

- **Inflationary pressure and energy prices cooling down**, after peaking in 2022
- **Pricing environment unchanged** although some Telcos moderately increased prices in 2023 on account of inflation after sharp declines in both, wireline and wireless, over recent years
- **Highly fragmented and competitive market**: in wireline and wireless, with >20 brands in the consumer market. New market entrants attacking with low-price approaches
- **FTTH and 5G penetration still at low levels** with growth potential through UBB expansion and migrating customers to latest technologies

Fastweb's proposition

- **Differentiation through high quality and best customer experience** confirmed by high NPS on all markets
- **Strong position in B2B⁴** thanks to fiberized networks connecting large enterprises and tailored VAS and ICT offerings
- **Strong wireline network** enabling successful wholesale business
- **Advanced IT capabilities** and **high performing infrastructure**
- **Ramping up AI capabilities to become the AI national hub** accelerated by Nvidia collaboration
- **Strong brand positioning with 'TU SEI FUTURO'**, with significant ESG achievements



Delight customers

Drive value differentiation with unique customer experience supported by AI-driven tools

Push on bundles with innovative services to boost loyalty and NPS

Expand UBB reach through investing in FTTH and 5G



Innovate for growth

Grow beyond fixed in B2C attacking on mobile, revamping SME and providing new bundle propositions

Become digital and AI enabler for business customers while further enhancing cloud, cybersecurity and launching AI-based products

Sustain growth in wholesale while exploiting new opportunities in mobile and international businesses



Achieve more with less

Tight cost management with tailored responsibilities across whole organisation

Boost agile working approaches to simplify internal processes and transform customer operation

Scale up AI adoption incl. (Gen) AI within coding, testing, incidents prevention, fibre rollout, etc.

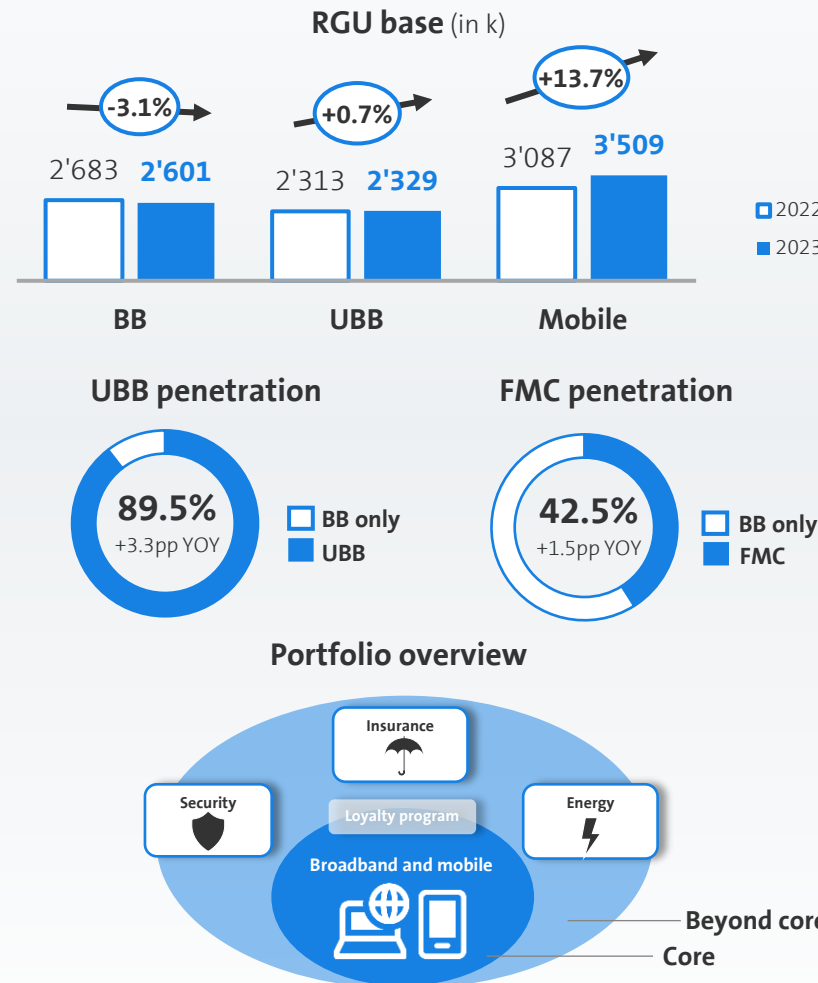


Consumer - maximise value in Telco and grow beyond core

Grow through quality in wireline and mobile and a robust household-centric ecosystem

Our belief and approach in 2023

- **Strong value orientation in customer base management** through premium offering allowing ARPU stimulation while growing UBB base
- **Attack in mobile** with attractive offerings to grow subs base. **2nd best market performer 2023** confirmed
- Drive FMC penetration and loyalty up with **targeted family offers**
- Churn advantages from **AI-assisted prediction**¹: -4.5pp in broadband, -3pp in mobile
- Lever customer base and **provide beyond core services** thanks to partnership agreements to increase loyalty and long-term value creation



Our 2024+ focus and ambitions

- **Focus on quality to sustain wireline stabilisation** with an innovative approach to customer ops supported by AI tools and processes
- **Further grow in mobile**, leveraging on convergence and attractive 5G offerings
- **Develop a domestic ecosystem tailored to households** by offering customised upsell opportunities in insurance, energy and security, with a deep control over the service value chain
- **Push on sales** by expanding sales network, leveraging agreement on SKY mobile and introduce AI tools for sale (AI sales-propensity & AI-driven geo-marketing tools)
- **Revamp SME business** via a new sales strategy and push on innovative services

1) Delta churn vs non-AI assisted sample



Enterprise - lever strong position and sustain sound profitability

Tailor future-proof cloud, security and AI-based propositions

Our belief and approach in 2023

- **Strong top line growth**: +11.7% YOY, up to EUR 1.1bn (43% of total revenue)
- **Increased market share** and **continuous shift to VAS**
- **Reinforced strong Italian position** among top clients in core services
- **Reinforced VAS and ICT proposition** through the launch of two strategic platforms (**DefenderAI** for cyber-security and **FASTedge** a cloud-native and distributed platform)
- **Successfully executed EU recovery fund projects** (e.g. connect schools, health facility projects)



Delight customers



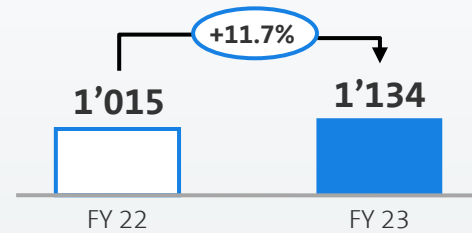
Innovate for growth



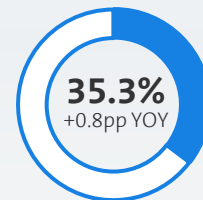
Achieve more with less

Enterprise revenue

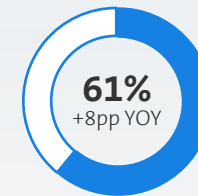
(in EUR mn)



Overall market share¹



VAS revenue share on total new orders value



Top new contracts 2023

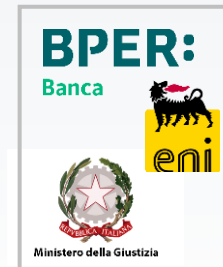
Connectivity



5G Mobile



ICT /Security



Our 2024+ focus and ambitions

- Leverage on **FTTH extension and 10 Gbps network** to guarantee the best quality and drive SDWAN adoption
- Scale up **cloud/cybersecurity business** also leveraging on acquired companies (Cutaway, Azatec, 7Layers)
- Drive **5G mobile** services to **increase loyalty**, enter M2M space and develop private network projects
- **Enter AI market** leveraging the collaboration with Nvidia and the development of a national LLM²

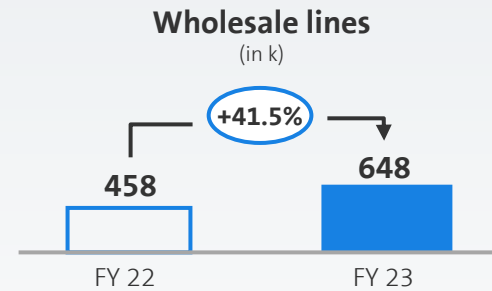
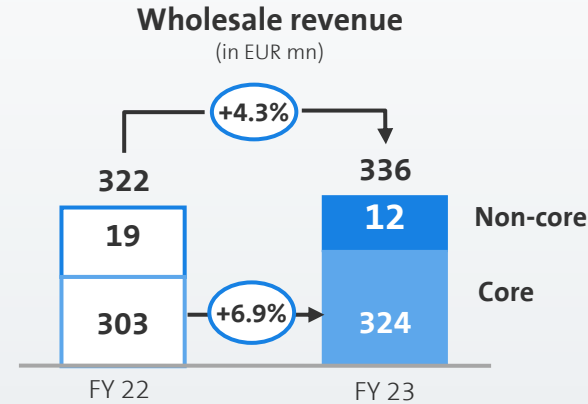


Wholesale - keep growing with innovative and reliable services

Push sustainable UBB growth and enter in new businesses

Our belief and approach in 2023

- Successful **execution on major customer deals** in fixed ultra-broadband (new in 2023: Iliad, Enel)
- **UBB lines growing, up to 648k** (+41.5% YOY), mainly through effective operations and new customer contracts
- Launch of voice services becoming the first telco offering **convergent wholesale services**
- **Increasing contributions from non-UBB core services** (e.g. P2P by mid-single digit), as well as IRU¹, despite highly competitive market environment



Wholesale customers



Our 2024+ focus and ambitions

- **Further grow in UBB business** thanks to existing contracts and capturing new entrants in the UBB Italian market
- **Drive quality offerings to the next level** by enhancing UBB platform functionalities and digitalisation
- **Enhance convergence** by launching **mobile wholesale**
- **Broaden the scope of infrastructure wholesale solutions to international business** by leveraging Italy's strategic position as a key data hub for the Middle East and Africa

1) Indefeasible rights of use



Networks and IT - provide best access services with top quality

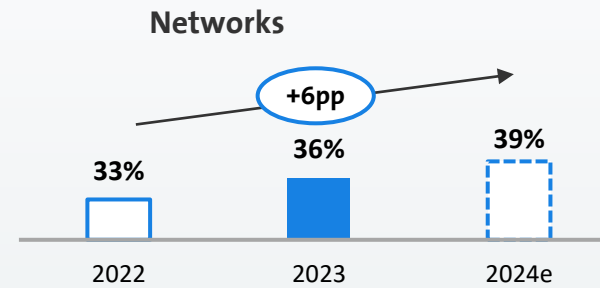
Boost leadership in FTTH, 5G and data/AI

Our belief and approach in 2023

- **Simplified UBB access strategy focusing on FTTH** in black/grey areas exploiting partnership with FiberCop and OpenFiber ...
- **... and changed FWA strategy** leveraging own 5G network through existing agreement with WindTre and stopping rollout of a dedicated FWA network outside FTTH reach¹
- **Increased quality by investing in strong IT capabilities and launching**
 - **IT transformation program**
 - **IT business operations** to ensure a customer-centric assistance

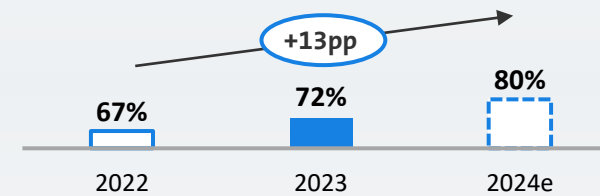


FTTH*
(HHs and companies coverage)²



* up to 2.5 Gbps, via FiberCop and other 3rd parties

5G**
(outdoor coverage)



** mobile and FWA, in slice partnership with WindTre

IT & Technology

Transformation program areas



Our 2024+ focus and ambitions

- **Further extend FTTH footprint** and **5G reach** to stimulate subs migration to latest technologies
- **Launch FWA 5G in white areas** currently served through old BB copper technology
- **Continue to invest in IT as a differentiating factor**
 - Take over control by **insourcing key software** and **testing factories** and further **pushing on cloud adoption**
 - **Establish centres of excellence** on key IT areas: cybersecurity, data, AI
 - **Reach state-of-art on AI** and **data analytics** with DevOps approach

1) Financial effect presented on p. 54, 2) Ratio of total 29.2mn HHs and companies in Italy, 3) Including 5 own data centres (o/w 3 tier IV) and 40 edge nodes



Supporting 'TU SEI FUTURO' through remarkable ESG achievements

Fastweb purpose based on a more connected, inclusive and eco-sustainable future

Our belief and approach in 2023

• Fastweb successfully delivering on ESG, certified by several institutes

- Standard Ethics¹
- Gender Equality UNI PDR 125
- Great place to work¹
- Statista Climate leader (Europe)¹

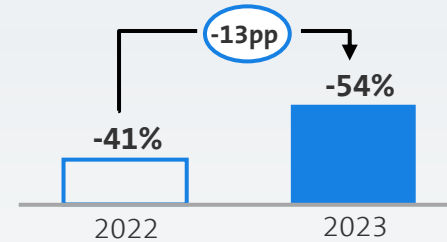
• Major achievements on Fastweb Digital Academy² enrollments and CO₂ emissions decrease

- 'Future week program' reached 7k days dedicated to social activities by Fastweb employees

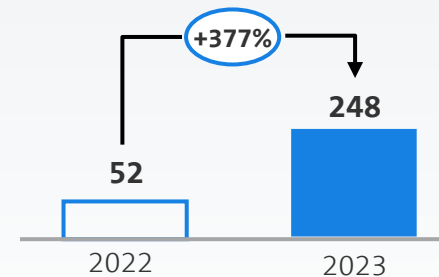
Murals in Milan



Direct CO₂ emissions reduction (scope 1, base year 2018)



Fastweb Digital Academy total training pop (k)



Our 2024+ focus and ambitions

- Get closer and closer to the ecological ambition of **reaching CO₂ neutrality by 2025**
- **Focus on sustainability in the supply chain**, ensuring suppliers fulfil ESG responsibilities
- **Keep growing Fastweb Digital Academy²** by increasing number of courses and training sessions specifically for private companies and PA.
- **Continue pushing efforts on ESG** at all levels of the organisation



1) For 3rd consecutive year, 2) Fastweb Digital Academy aims at increase country's digital literacy



Rock-solid financials

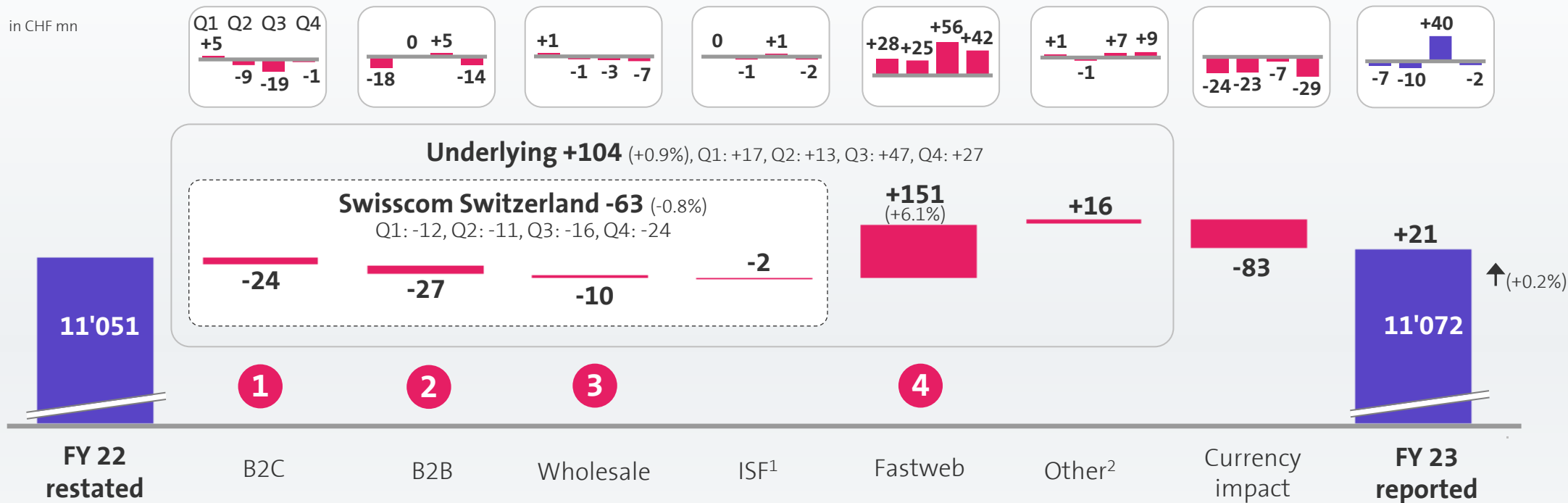
Eugen Stermetz
CFO Swisscom



Group revenue

Underlying top line increased thanks to Fastweb growth

in CHF mn



- 1** Q4 with Telco service revenue (CHF -4mn) as expected and lower other revenue (CHF -14mn), compensated by higher hard- and software sales (CHF +17mn)
- 2** Q4 with lower hard- and software sales (CHF -13mn), higher IT service revenue (CHF +10mn, o/w CHF +4mn organic) compensating decrease in Telco service revenue (CHF -12mn)
- 3** Q4 with lower MVNO revenues (CHF -2mn, customer loss in Q2), lower termination (CHF -1mn) and lower revenue from mobile backhauling
- 4** Also Q4 with increase: Enterprise (CHF + 41mn) and Consumer (CHF +5mn) higher, Wholesale slightly lower (CHF -4mn) due to strong IRU contributions in prior year

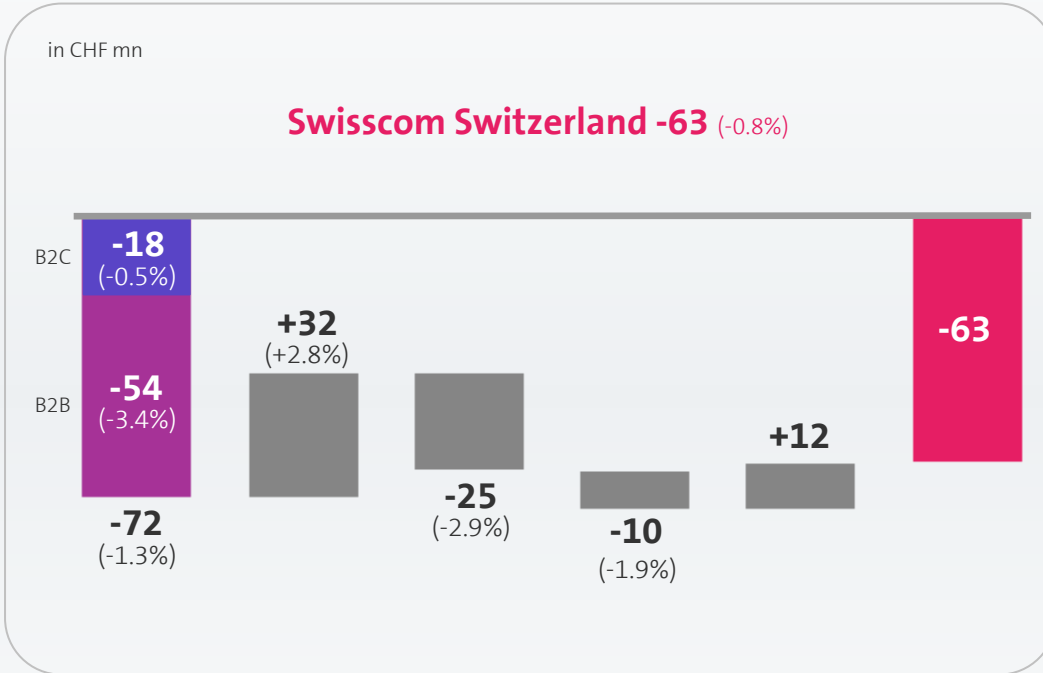
1) Infrastructure & Support Functions, including intersegment revenue, 2) Other operating segments and Intersegment elimination



Swisscom Switzerland revenue

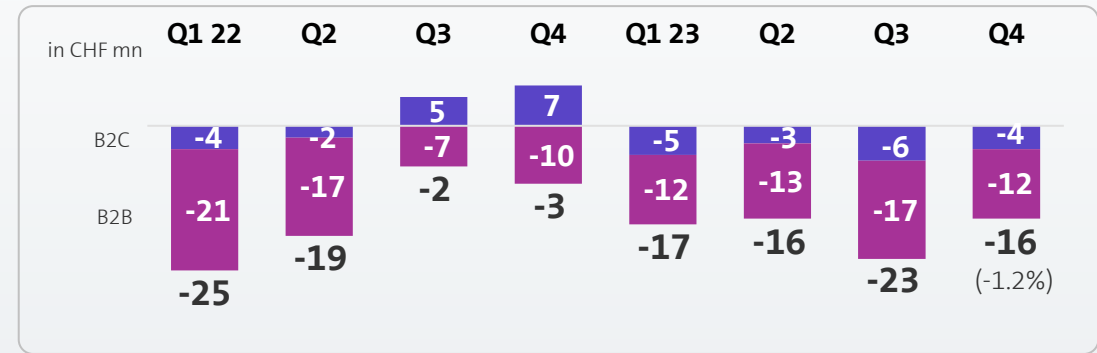
Telco service revenue decline: marginal in B2C, more pronounced in B2B

FY 23 revenue changes by business drivers

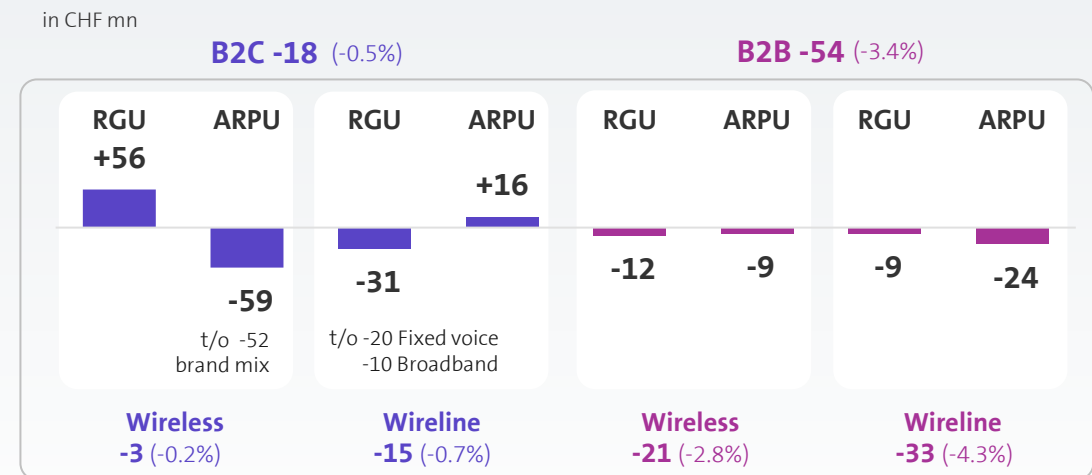


	Telco service	IT service	Hard- and software sales	Wholesale	Other ¹	YOY change
o/w Q4 23	-16	+10	+3	-7	-14	-24

Telco service revenue evolution



FY 23 Telco service revenue changes

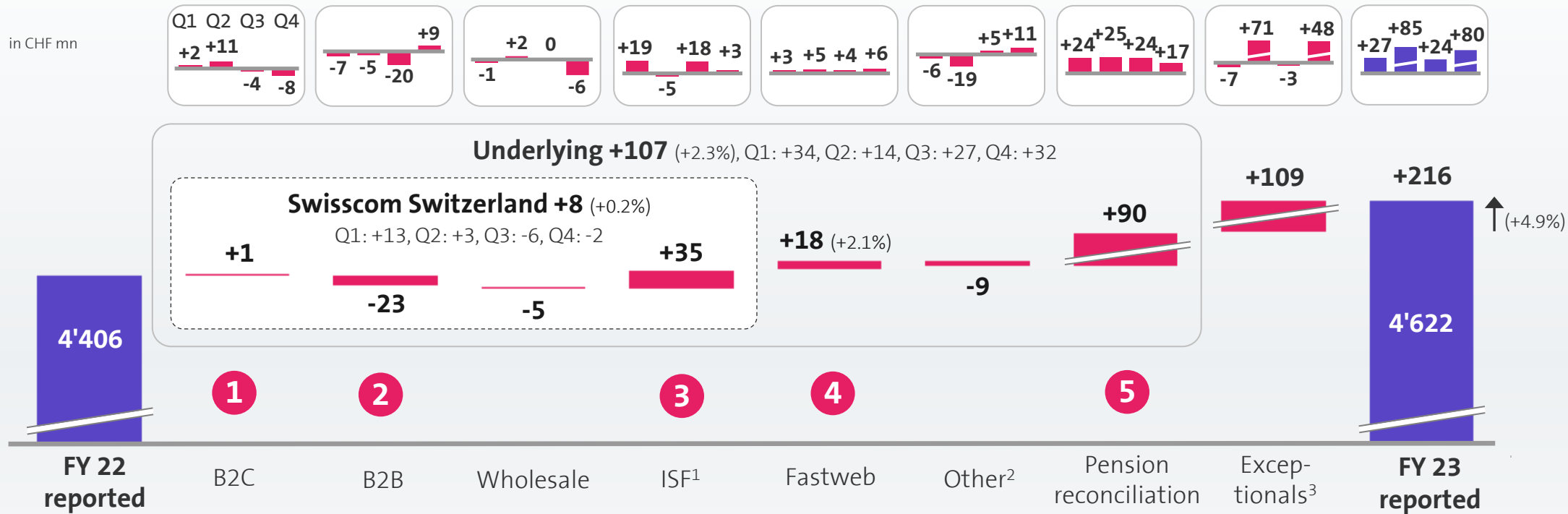


1) Including intersegment revenue, YOY change driven by higher cinema revenues CHF +11mn (o/w Q4 CHF -1mn) and IFRS15 reconciliation effects due to promotions CHF +7mn (o/w Q4 CHF -9mn)



Group EBITDA

Positive EBITDA development



- 1** Q4: slightly lower Telco service revenue and seasonally lower cost savings
- 2** Q4 with improvement: higher profitability in IT-business as prior year was impacted by accruals for project risks, partly compensated by decrease in Telco service revenue (CHF -12mn)

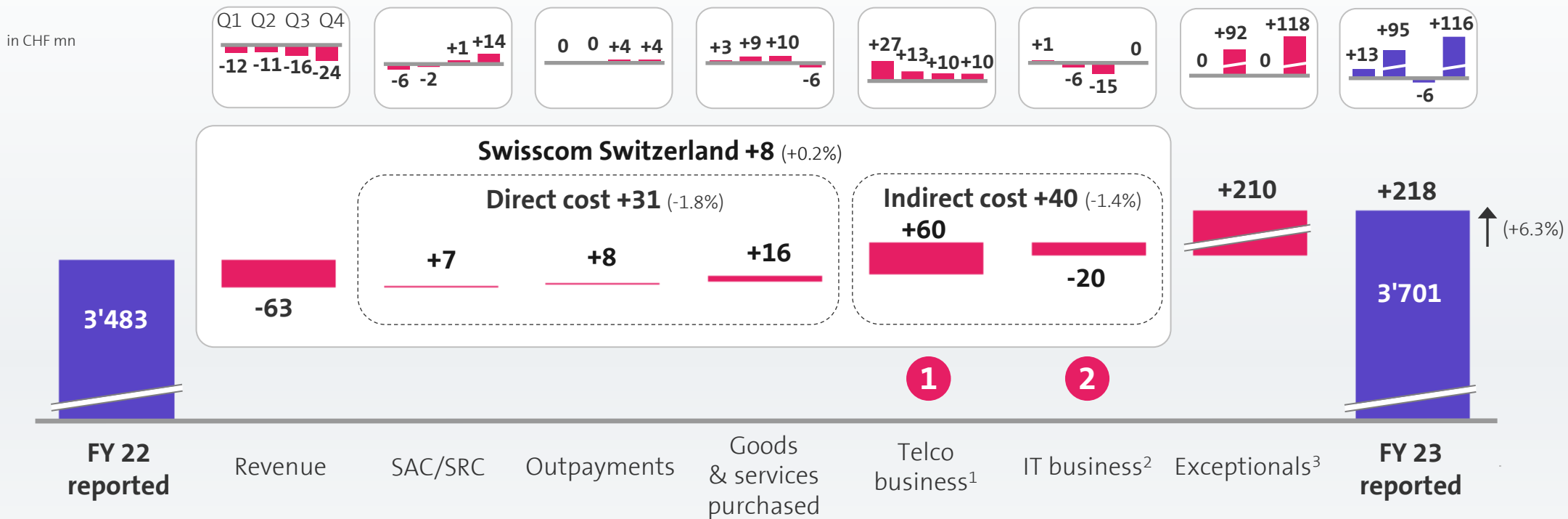
- 3** Q4 impacted by higher personnel expense accruals
- 4** EBITDA up thanks to top line growth
- 5** Lower operating pension cost due to increase in IFRS discount rate to be applied, FY impact as expected

1) Including intersegment elimination Swisscom Switzerland, 2) Includes Other operating segments, intersegment elimination group level, 3) Provisions for regulatory litigations (Q2 22: CHF -82mn, Q4 22: CHF -75mn, Q2 23: CHF -3mn net, Q4 23: CHF +54mn) and for restructuring (Q4 22: CHF +5mn, Q4 23: CHF -7mn), FWA strategy change (Q4 23: CHF -60mn) and currency impact (Q1 23: CHF -7mn, Q2 23: CHF -8mn, Q3 23: CHF -3mn, Q4 23: CHF -9mn)



Swisscom Switzerland EBITDA

Operationally on prior year level thanks to ongoing delivery on operational excellence



1 Q4 with CHF +10mn net Telco cost savings despite higher personnel expense accruals. FY savings of CHF +60mn nearly compensate decline in Telco service revenue

2 Q4 flat indirect costs despite revenue growth as prior year was impacted by accruals for project risks

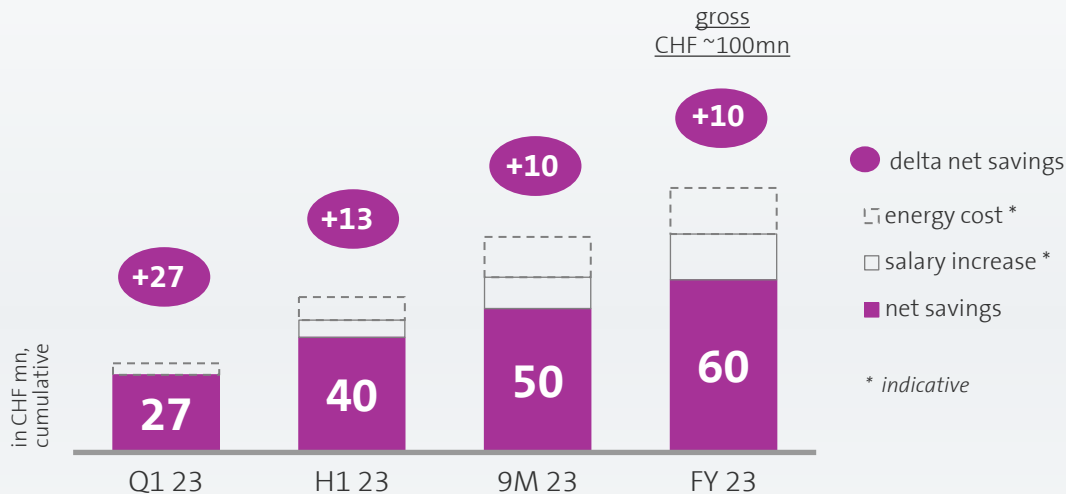
1) Capacity cost and other operating expenses of Telco business, 2) Capacity cost and other operating expenses of IT business, 3) Provisions for regulatory litigations (Q2 22: CHF -82mn, Q4 22: CHF -75mn, Q2 23: CHF +10mn, Q4 23: CHF +54mn) and for restructuring (Q4 22: CHF +5mn, Q4 23: CHF -6mn)



Telco cost savings in Switzerland

Continuously strive for Telco cost savings to balance out Telco service revenue erosion

Telco cost savings 2023



- **FY 2023 savings impacted** by inflationary headwind¹, as expected
- **Initial FY ambition** of CHF ~50mn **achieved**
- **Q4 net savings of CHF +10mn**, impacted by higher personnel expense accruals

Achieving more with less remains a top priority

- **Unchanged ambition to realise Telco cost savings** (CHF >50mn, net) compensating for potential future Telco service revenue pressure



Networks and IT
simplification



Digitisation of
customer interaction



Lean and agile
organisation



Data, AI and Analytics-
driven efficiency



Capital expenditures

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

Group CAPEX

in CHF mn

	Q4 23	FY 23
Group	662 (-46, -6.5% YOY)	2'292 (-17, -0.7% YOY)
Swisscom Switzerland	493 (-44, -8.2% YOY)	1'690 (-8, -0.5% YOY)
Fastweb¹	170 (+4, +2.4% YOY)	606 (-13, -2.1% YOY)
Other²	-1	-4

Swisscom Switzerland CAPEX

Wireless
CHF 271mn
(CHF -6mn YOY)

- Ongoing investments in **5G+ coverage extension**. CAPEX at prior's year level

Fibre
CHF 466mn
(CHF -9mn YOY)

- Overall fibre envelope lower due to completion of FTTS rollout in 2022. **FTTH spendings up** this year (CHF +153mn YOY)

Backbone & transport infra
CHF 571mn
(CHF +7mn YOY)

- Higher CAPEX due to **extra license fees** (e.g. cloud) this year and **lower spendings last year**

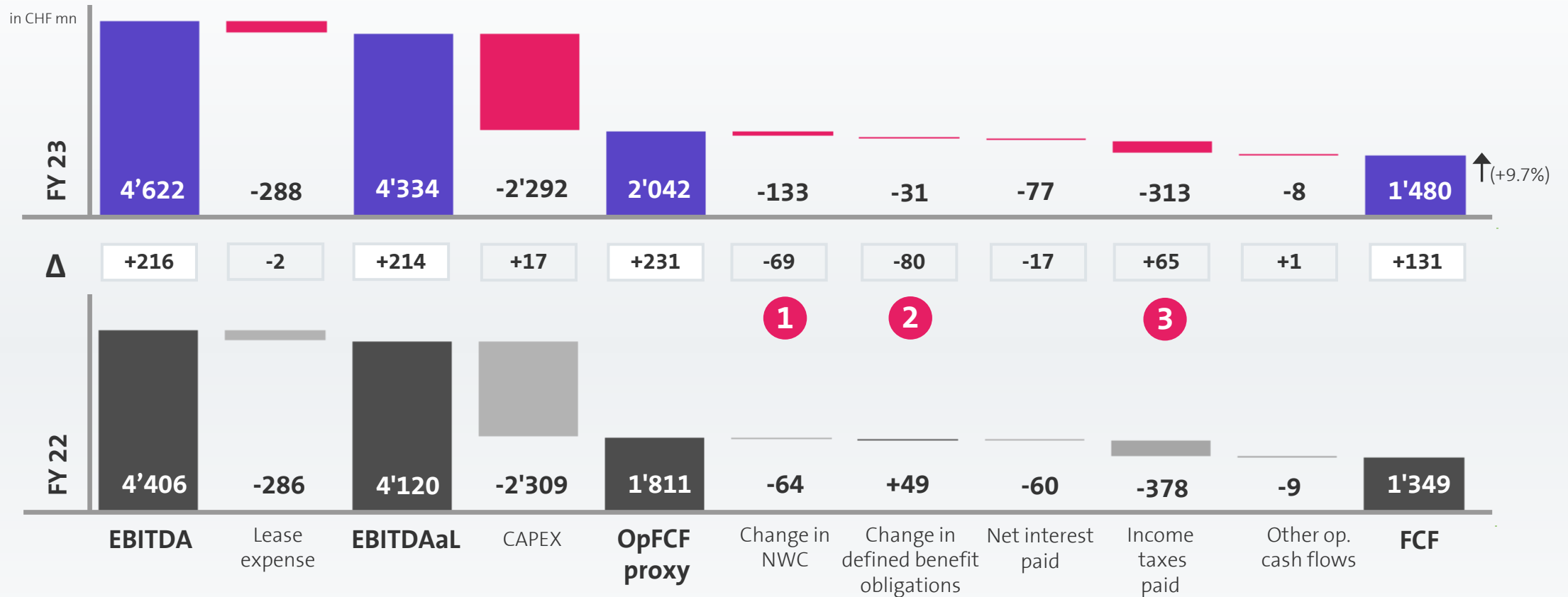
IT & others
CHF 382mn
(unchanged YOY)

- Nearly **unchanged investments in IT** to push digitalisation, drive customer experience and increase efficiency



Free cash flow

Solid FCF generation, slightly higher compared to 2022

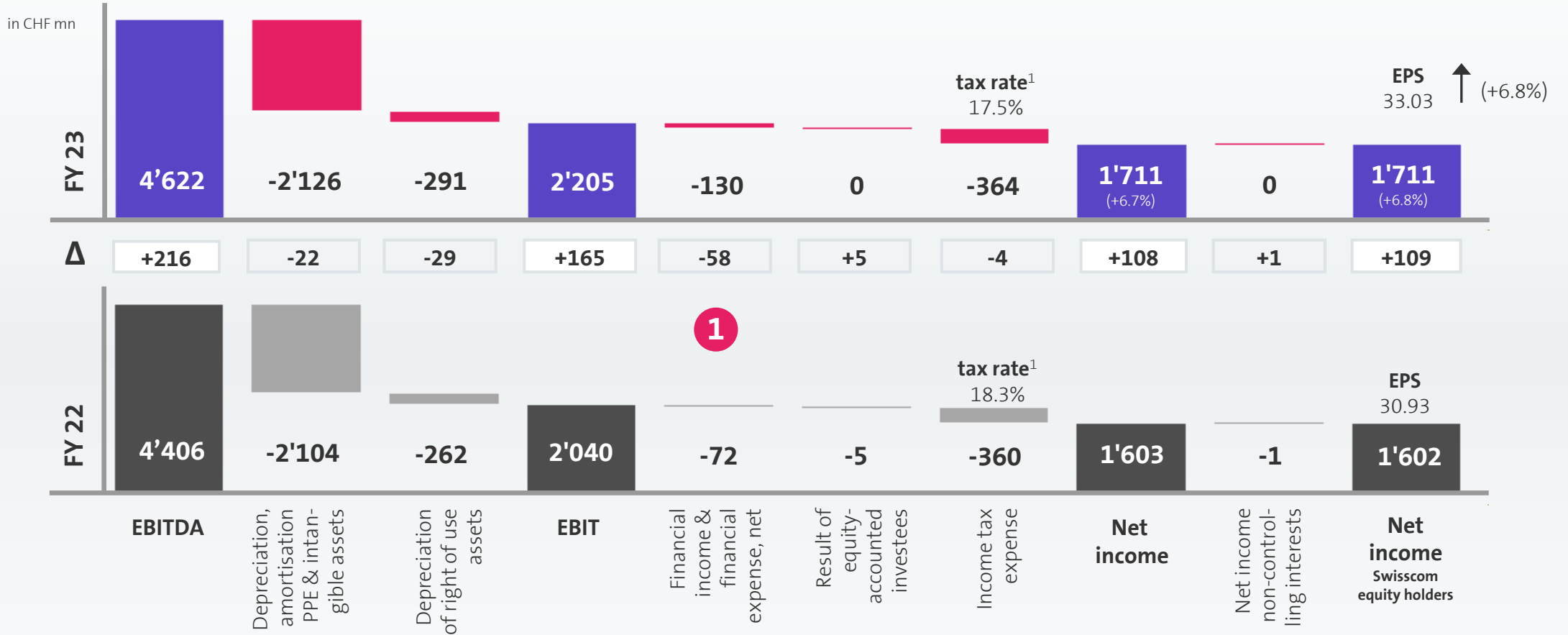


- 1 FY 23 number mainly driven by decrease in provisions (release and use)
- 2 Higher discount rate for IFRS pension liabilities with no impact on company contributions to pension fund (see appendix)
- 3 Higher tax payments last year due to a different payment schedule. 2023 with a more ordinary course



Net income

EPS increase (+7%) thanks to higher EBIT overcompensating lower financial result



1 FY 2022 positively impacted by change in fair value of interest rate swaps

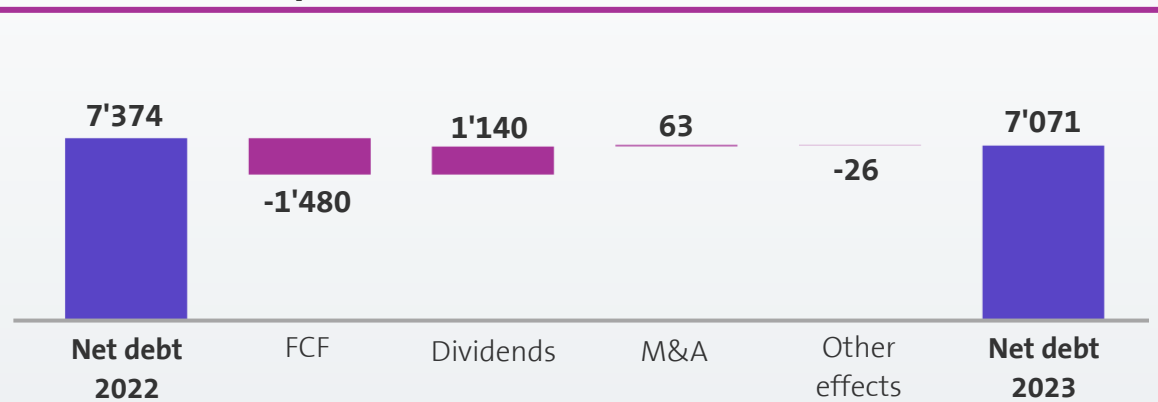
1) Tax rate FY 23: Tax expenses of CHF 364mn / EBT of CHF 2'075mn = 17.5%, tax rate FY 22: Tax expenses of CHF 360mn / EBT of CHF 1'963mn = 18.3%



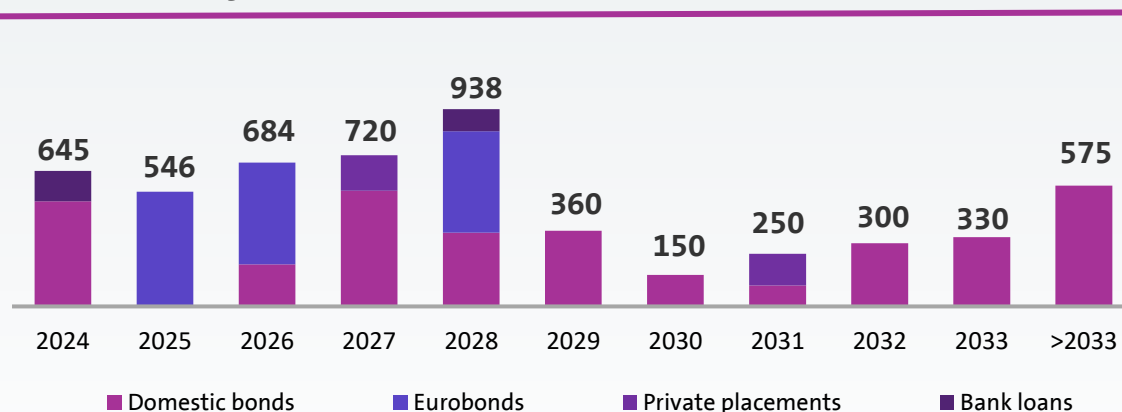
Swisscom committed to sound financial profile

Well balanced and diversified maturity profile

Net debt development (in CHF mn)



Debt maturity profile¹ as per YE 2023



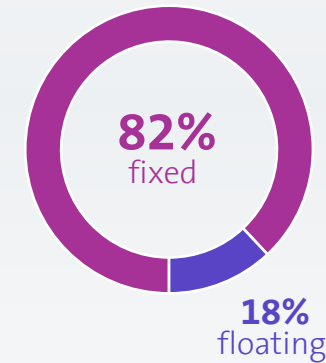
Leverage

1.5x (-0.2x)²

Credit ratings

S&P: **A positive**
Moody's: **A1 stable**

Debt mix



- Ø interest rate of **1.05%**
- Debt portfolio **duration** of **4.96 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)



FY 2024 guidance

Net revenue of CHF ~11.0bn, EBITDA of CHF 4.5-4.6bn and CAPEX of CHF ~2.3bn

in CHF bn	2023 reported	splits into:	2024 outlook ³	splits into:
Revenue	11.072	CHF 8.5bn for Switzerland ² EUR 2.6bn for Fastweb	~11.0	CHF ~8.5bn for Switzerland EUR ~2.6-2.7bn for Fastweb
EBITDA¹	4.622	CHF 3.8bn for Switzerland ⁴ EUR 0.8bn for Fastweb ⁵	4.5-4.6	CHF ~3.7bn for Switzerland EUR ~0.9bn for Fastweb
CAPEX	2.292	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 2025)

1) EBITDAaL 2023: CHF 4.334bn, EBITDAaL guidance 2024: CHF ~4.2-4.3bn, 2) Swisscom Group without Fastweb,

3) For consolidation purposes, CHF/EUR of 0.93 has been used (vs 0.97 for FY 2023),

4) CHF 3.78bn for Switzerland when adjusted by exceptionals, 5) EUR 0.87bn for Fastweb when adjusted by exceptionals



Wrap-up

Christoph Aeschlimann
CEO Swisscom



Final remarks

Strong market standing key for long-term value creation and attractive shareholder remuneration



Delivered on 2023 goals as basis for future success



Solid strategy with ambitious goals for 2024 defined



Innovative propositions for future growth launched



Continuous focus on FCF generation to pay attractive dividends



Q&A



Appendix



Group goal 'outstanding in innovation and reliability'

What we want to achieve



Outstanding in innovation and reliability



Pioneer in sustainability



High-performing teams

Focus areas



Innovative growth areas

Innovation fields



Future of network



Cloud & applications



AI & automation



Security



Entertainment & immersive reality



Digital services



Trust

Disruption radar on watch-items, e.g. LEO satellites, Quantum Computing, Spatial Computing (incl. Metaverse), Digital Twins, Web 3.0, Digital Health



Most resilient networks, IT, infrastructure

- **Reliability engineering practices** to continuously reduce self-induced incidents and vulnerabilities in networks' security

Ambitions

- **Continuous product innovations in innovation fields**, e.g.
 - Evolution of network architecture with latest technologies
 - Exploration and further development of cloud portfolio
 - Transformation into AI-driven company
 - Further expansion of security portfolio
 - Evolution of entertainment proposition and AR/VR capabilities
 - Launch of new offerings in areas such as InsurTech
 - Scale of digital trust portfolio and exploration of new opportunities
- **Reduction of escalated major incidents to zero** by ongoing reviews and application of automation/AI technologies
- **Single-convergent IP network** with multiple redundancy for greater reliability, higher bandwidths and faster integration of new services
- **Network orchestration** with a fully automated process for the deployment and continuous update of the 5G core network



Group goal 'pioneer in sustainability'

What we want to achieve



Outstanding in innovation and reliability



Pioneer in sustainability



High-performing teams

Focus areas



Net-zero emissions

- **Reduction of CO₂** across the whole value chain
 - Scope 1-2
 - electrification and energy efficiency measures in own operations
 - Scope 3
 - carbon reduction programs for suppliers
 - Avoided emissions
 - products to help customers avoid emissions
- **Circular economy:** '2nd life' for smartphones, refurbishment and green design of own products



Trusted corporate citizen

- Continuous **improvement of working conditions**, especially in supply chains (ESG upskilling in procurement, CRS Audits)



Responsibility for digital society

- Enable **digital wellbeing and competence:** Fastweb Digital Academy and digital push in customer care

Ambitions

- Deliver on new **ambitious net-zero target approved by SBTi¹:** Reduction of **CO₂ emissions** from operations and in supply chain by 90% till 2035 (base year 2018)
- Investment in **green start-ups**
- Increase second-life **programs for devices**
- Ensure **sustainability in supply chains** with rollout of new **ESG contract annex** and monitor compliance by **CSR Audits**
- Act as **high-tech investor and enabler of the digital ecosystem** in Switzerland by offering training on media competence (Swisscom Campus)
- **Strengthen Fastweb Digital Academy** positioning as main partner for Public Administration digital training



Group goal 'high-performing teams'

What we want to achieve



Outstanding in innovation and reliability



Pioneer in sustainability



High-performing teams

Focus areas



Best and diverse talent

- **Workforce diversification** across gender, age, nationality
- **Attract best talent**
- **Ongoing talent development** and proactive career management



Winning culture and inspiring leadership

- **Culture Development** Program
- Multi-layer **leadership development**
- **Team effectiveness** programs and structured organization development
- Anchor **Health and wellbeing** initiatives



Employer of choice

- Drive **Future of Work** through modern workplace
- Drive **effective organization and collaboration** through lean-agile teams and standardization
- **A great place to work**: Swisscom certified as Top ICT employer¹ in Switzerland, Fastweb - as best employers' companies in Italy²

Ambitions

- **Enhance inclusion and diversification** by integration of diversity KPIs into all key people processes
- Increase **internal staffing for management positions**
- **Keep high level of retention (>95%) for top talent**
- **Maintain high employer attractiveness with winning culture and inspiring leadership**
- **Keep high level of employer recommendation** and employee satisfaction
- Keep unwanted turnover at low level
- **Stay among top employers** in Switzerland and Italy
- Empowering **effective hybrid work** with modern technology, workspace, health and wellbeing initiatives and enabling leaders and team to best perform in the new work content



Key financials

Underlying revenue and EBITDA

in CHF mn	2022					2023					YOY				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Revenue	2'754	2'713	2'712	2'872	11'051	2'747	2'703	2'752	2'870	11'072	-7	-10	+40	-2	+21
Currency effect ¹						24	23	7	29	83	+24	+23	+7	+29	+83
Underlying											+17	+13	+47	+27	+104
EBITDA	1'137	1'054	1'150	1'065	4'406	1'164	1'139	1'174	1'145	4'622	+27	+85	+24	+80	+216
Provisions for regulatory litigations		82		75	157		3		-54	-51		-79		-129	-208
Restructuring cost				-5	-5				7	7				+12	+12
FWA strategy change									60	60				+60	+60
Adjustments		82		70	152		3		13	16	+0	-79		-57	-136
EBITDA adjusted	1'137	1'136	1'150	1'135	4'558	1'164	1'142	1'174	1'158	4'638	+27	+6	+24	+23	+80
Currency effect ¹						7	8	3	9	27	+7	+8	+3	+9	+27
Exceptionals (adjustments + currency effect)											+7	-71	+3	-48	-109
Underlying											+34	+14	+27	+32	+107

1) CHF/EUR exchange rate for Q1 2023 of 0.995, for H1 2023 of 0.988, for 9m 0.980 and for 12M of 0.973 (vs 1.034 for Q1 2022, 1.026 for H1 2022 and for 9m 2022 1.009 and for 12M 2022 1.004)



Residential Customers

Segment reporting as per 31.12.2023

Revenue slightly decreased (-0.6%) driven by Telco service revenue (-0.5%) and hardware sales (-2.9%) due to lower volume of smartphones sold. Higher cinema revenues did compensate partly.

Telco service revenue nearly stable (-0.5%): fixed voice with subscriber decrease due to mobile substitution, shift in brand mix compensated by increase in postpaid subs.

EBITDA stable, primarily thanks to improved indirect cost base.

in MCHF	Q4 2023	Q4/Q4	31.12.2023	YOY
Revenue ¹⁾	1'157	0.0%	4'502	-0.6%
Direct costs	-249	4.2%	-877	-0.1%
Indirect costs ²⁾	-171	-0.6%	-646	-3.6%
EBITDA	737	-1.2%	2'979	0.0%
<i>EBITDA as % of revenue</i>	63.7%		66.2%	
Lease expense	-11	0.0%	-41	2.5%
EBITDAaL	726	-1.2%	2'938	0.0%
CAPEX	-22	-8.3%	-49	-10.9%
OpFCF proxy	704	-1.0%	2'889	0.2%
Number of employees (FTE)	+10		2'572	-1.9%
Postpaid subs (k)	+22		3'365	2.7%
Prepaid subs (k)	-22		927	-9.7%
Wireless subs (k)	+0		4'292	-0.2%
ARPU wireless in CHF	36	0.0%	36	0.0%
Broadband subs (k)	-1		1'721	-0.9%
TV subs (k)	-3		1'472	-2.1%
Fixed voice subs (k)	-16		1'008	-6.8%

1) incl. intersegment revenues

2) incl. own work capitalised and other income



Business Customers

Segment reporting as per 31.12.2023

Revenue decreased (-31mn, -1.0%), driven by Telco service revenue (CHF -54mn, -3.4%, mostly price pressure). Higher IT service revenue (CHF +32mn, +2.8%) did partly compensate.

EBITDA down (-1.7%). Decrease of Telco service revenue partly compensated by lower OPEX in the Telco business and a higher contribution from the IT business.

in MCHF	Q4 2023	Q4/Q4	31.12.2023	YOY
Revenue ¹⁾	794	-1.7%	3'098	-1.0%
Direct costs	-200	-6.5%	-742	-3.0%
Indirect costs ²⁾	-255	-3.4%	-998	1.5%
EBITDA	339	2.7%	1'358	-1.7%
<i>EBITDA as % of revenue</i>	<i>42.7%</i>		<i>43.8%</i>	
Lease expense	-8	0.0%	-30	0.0%
EBITDAaL	331	2.8%	1'328	-1.7%
CAPEX	-15	0.0%	-50	6.4%
OpFCF proxy	316	2.9%	1'278	-2.0%
Number of employees (FTE)	+7		5'446	4.3%
Wireless subs (k)	+5		1'910	2.1%
ARPU wireless in CHF	28	-3.4%	28	-3.4%
Broadband subs (k)	-2		285	-2.1%
TV subs (k)	-1		65	-4.4%
Fixed voice subs (k)	-7		218	-9.2%

1) incl. intersegment revenues

2) incl. own work capitalised and other income



Wholesale

Segment reporting as per 31.12.2023

Revenue slightly lower (-1.6%). Lower revenue from termination and wholesale services was partly compensated by slightly higher revenues from inbound roaming.

Indirect costs and EBITDA impacted by a release of regulatory provisions of net CHF 42mn in 2023.

Excluding the exceptional effect, EBITDA slightly lower (-1.7%).

in MCHF	Q4 2023	Q4/Q4	31.12.2023	YOY
Revenue ¹⁾	130	-5.8%	542	-1.6%
Direct costs	-51	-10.5%	-239	-3.2%
Indirect costs ²⁾	27	n.m.	23	-253.3%
EBITDA	106	32.5%	326	12.8%
<i>EBITDA as % of revenue</i>	<i>81.5%</i>		<i>60.1%</i>	
Lease expense	-		-	
EBITDAaL	106	34.2%	326	13.2%
CAPEX	-		-	
OpFCF proxy	106		326	13.2%
Number of employees (FTE)	+1		83	5.1%
Wholesale lines (k)	+9		692	1.9%

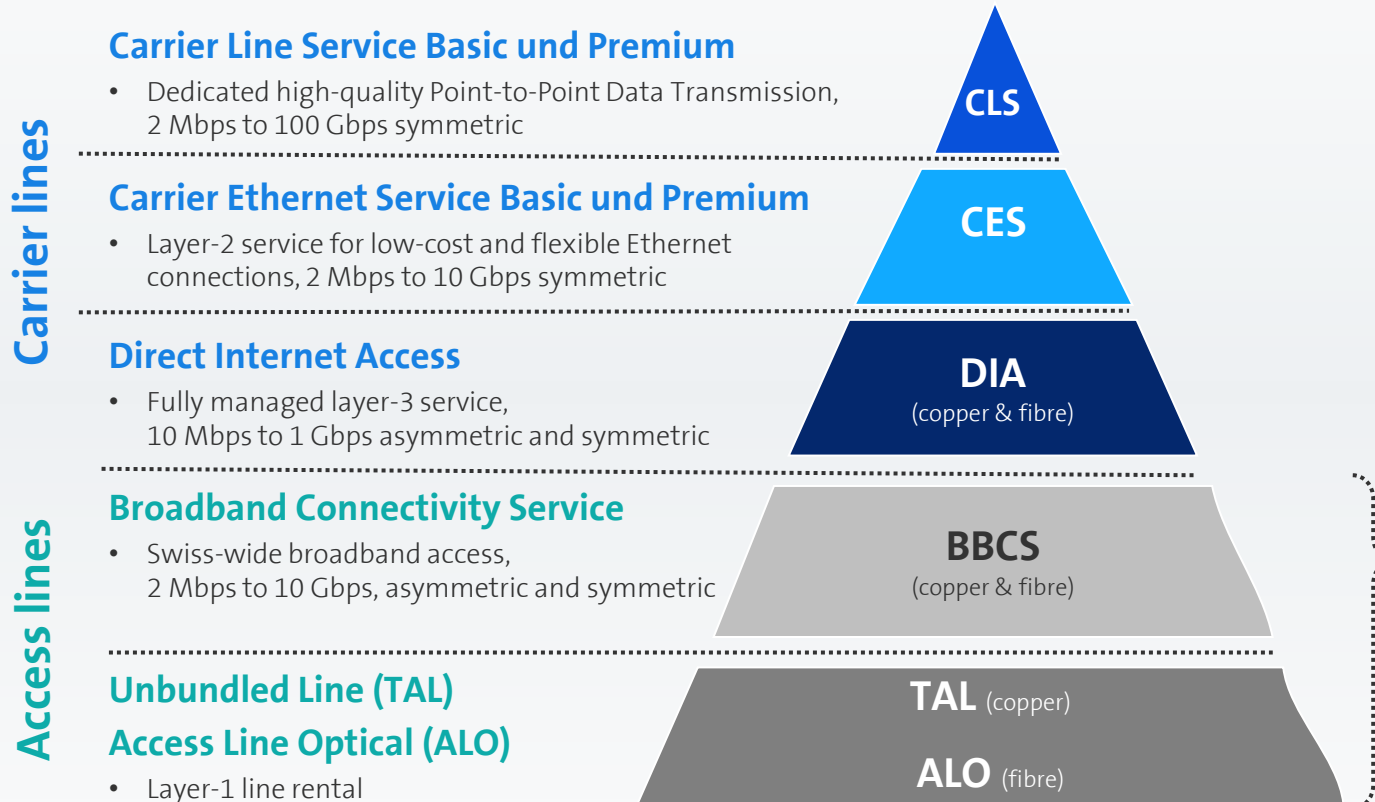
1) incl. intersegment revenues

2) incl. own work capitalised and other income



Wholesale

Overview of offerings with unchanged prices to prior year



Carrier Line Service Basic und Premium

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

Carrier Ethernet Service Basic und Premium

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

Direct Internet Access

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

Broadband Connectivity Service

- Swiss-wide broadband access, 2 Mbps to 10 Gbps, 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 Gbps	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 31.12.2023

Indirect costs and EBITDA improved substantially due to changes in provisions ¹ (e.g. increase of regulatory provisions of CHF 152mn in prior year).

Excluding the exceptional effect, EBITDA improved by 3.3% thanks to efficiency gains.

in MCHF	Q4 2023	Q4/Q4	31.12.2023	YOY
Revenue ¹⁾	16	-5.9%	73	2.8%
Direct costs	-2	100.0%	-8	0.0%
Indirect costs ²⁾	-262	-25.6%	-1'028	-16.3%
EBITDA	-248	-26.2%	-963	-17.3%
Lease expense	-38	11.8%	-154	3.4%
EBITDAaL	-286	-22.7%	-1'117	-15.0%
CAPEX	-456	-8.4%	-1'591	-0.3%
OpFCF proxy	-742	-14.5%	-2'708	-6.9%
Number of employees (FTE)	+27		5'155	5.2%

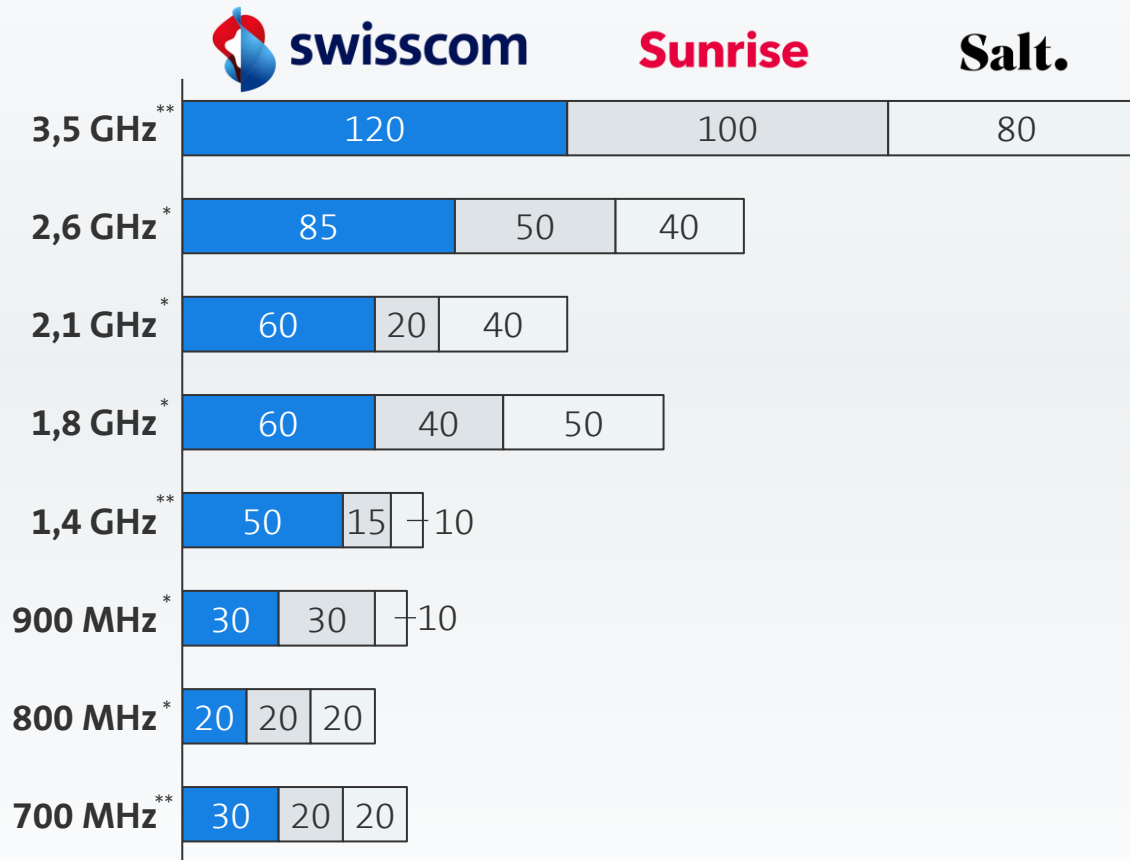
1) incl. intersegment revenues

2) incl. own work capitalised and other income

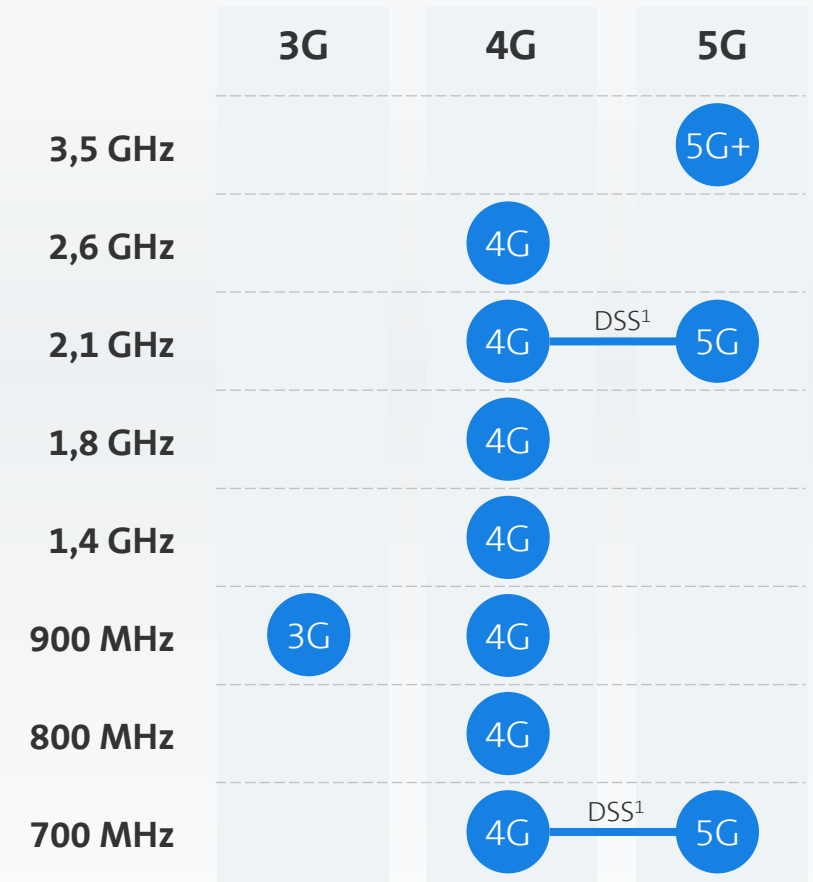


W- spectrum situation in Switzerland

Spectrum licenses until 2028* or 2034**



Spectrum use by Swisscom in 2024



1) DSS: dynamic spectrum sharing



Fastweb

Segment reporting as per 31.12.2023

Consumer revenue grew by +1.6% YOY, driven by increasing mobile RGUs.

Enterprise revenue up +11.7% YOY, primarily thanks to higher contributions from public administration.

Wholesale revenue increased +4.3% YOY, driven by higher number of wholesale lines (+41.5%).

Reported EBITDA impacted by extraordinary cost due to strategy change regarding fixed wireless access services (EUR -61mn) and an increase of provisions for regulatory litigations (EUR -13mn).

Excluding those one offs, EBITDA up +2% YOY primarily thanks to top line growth.

in MEUR	Q4 2023	Q4/Q4	31.12.2023	YOY
Consumer	294	1.7%	1'163	1.6%
Enterprise	320	14.7%	1'134	11.7%
Wholesale ¹⁾	108	-3.6%	336	4.3%
Revenue ¹⁾	722	6.2%	2'633	6.1%
Direct costs	-291	19.3%	-1'031	17.7%
Indirect costs ²⁾	-260	23.8%	-804	6.9%
EBITDA	171	-24.3%	798	-6.6%
<i>EBITDA as % of revenue</i>	<i>23.7%</i>		<i>30.3%</i>	
Lease expense	-14	0.0%	-55	-3.5%
EBITDAaL	157	-25.9%	743	-6.8%
CAPEX	-178	6.6%	-623	1.1%
OpFCF proxy	-21	-146.7%	120	-33.7%
Number of employees (FTE)	+11		3'157	3.9%
Wireless subs (k)	+81		3'509	13.7%
Broadband subs (k)	-12		2'601	-3.1%
Wholesale lines (k)	+69		648	41.5%
In consolidated Swisscom accounts				
EBITDA in MCHF	162	-27.7%	776	-9.5%
CAPEX in MCHF	-170	2.4%	-606	-2.1%

1) incl. intersegment revenues

2) incl. own work capitalised and other income



Other

Segment reporting as per 31.12.2023

Revenue up +3.6% driven by higher revenue from cabled.

EBITDA down -4.4% YOY mainly due to a slightly lower contribution from local search.

in MCHF	Q4 2023	Q4/Q4	31.12.2023	YOY
External revenue	118	7.3%	430	3.1%
Revenue ¹⁾	305	9.3%	1'075	3.6%
Direct costs	-23	0.0%	-84	10.5%
Indirect costs ²⁾	-228	4.6%	-838	4.5%
EBITDA	54	42.1%	153	-4.4%
<i>EBITDA as % of revenue</i>	<i>17.7%</i>		<i>14.2%</i>	
Lease expense	-3	50.0%	-11	10.0%
EBITDAaL	51	41.7%	142	-5.3%
CAPEX	-12	0.0%	-40	17.6%
OpFCF proxy	39	62.5%	102	-12.1%
Number of employees (FTE)	-13		3'316	0.6%

1) incl. intersegment revenues

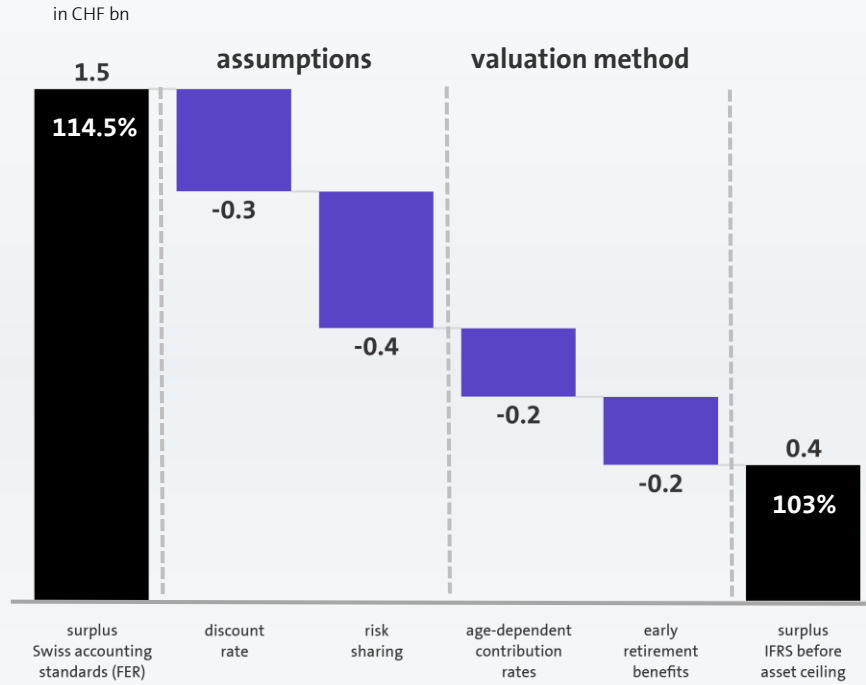
2) incl. own work capitalised and other income



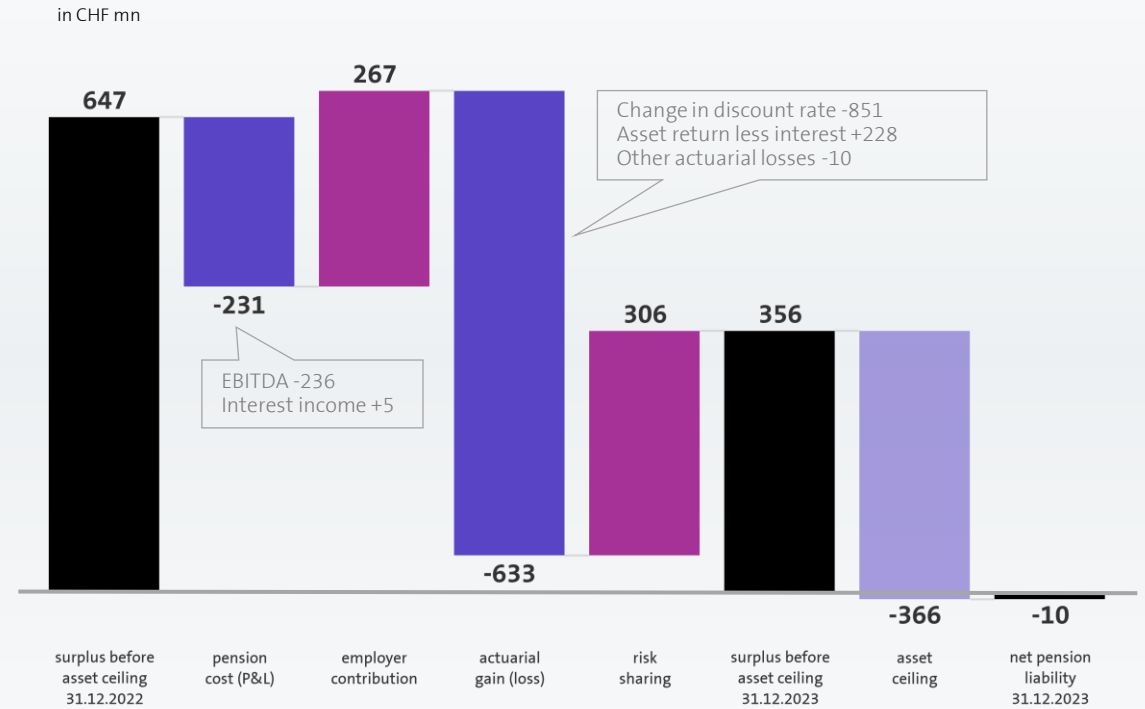
Pension plan

Status as per 31.12.2023

Valuation difference of CHF 1.1bn
between FER and IFRS as per 31.12.2023



IFRS surplus evolution and net pension liability
Decrease of surplus by CHF 291mn



- Funding requirements are based on the actuarial valuation in accordance with Swiss pension law, IFRS not relevant
- Discount rates used for valuation
 - 2023: FER 1.75%
 - 2023: IFRS 1.51% (vs 2.19% in 2022)

- Pension plan surplus (IFRS) decreased from CHF 647mn to CHF 356mn mainly because of actuarial loss (CHF -633mn) related to lower discount rate
- Surplus not recognised as asset in the balance sheet according to IFRS



Pension cost and cash payments

Net pension cost impacted by discount rate, but company contributions (cash payments) stable

in CHF mn	FY 22 reported	FY 23 reported	Change FY 23/24	FY 24 estimate
Segments' pension cost	273	273	6	279
Pension reconciliation	53	-37	15	-22
Net pension cost (EBITDA)	326	236	21	257
Net interest (financial result)	-1	-5	-	-5
Total pension cost (P&L)	325	231	21	252
Company contributions (cash payments)¹	277	267	6	273
Pension cost (EBITDA) less cash payments	49	-31	15	-16

Net pension cost (EBITDA)

- Pension cost highly sensitive to changes of discount rate
- Net pension cost lower in 2023: CHF -90mn YOY (pension reconciliation, non-cash) because of higher IFRS discount rate, with positive EBITDA impact
- Estimated net pension cost 2024: CHF 257mn up by CHF +21 YOY (t/o CHF +15mn pension reconciliation, non-cash) driven by lower IFRS discount rate (-0.68pp YOY), impacting EBITDA negatively

Cash payments

- Cash contributions not based on IFRS
- No impact of higher interest on cash contributions
- FY 2024 estimate: company contributions (in cash) at stable level



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.
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