



# Swisscom

## Annual results press conference 2021

4 February 2021

swisscom



# Stefan Nünlist

Chief Group Communications & Responsibility



# Review 2020

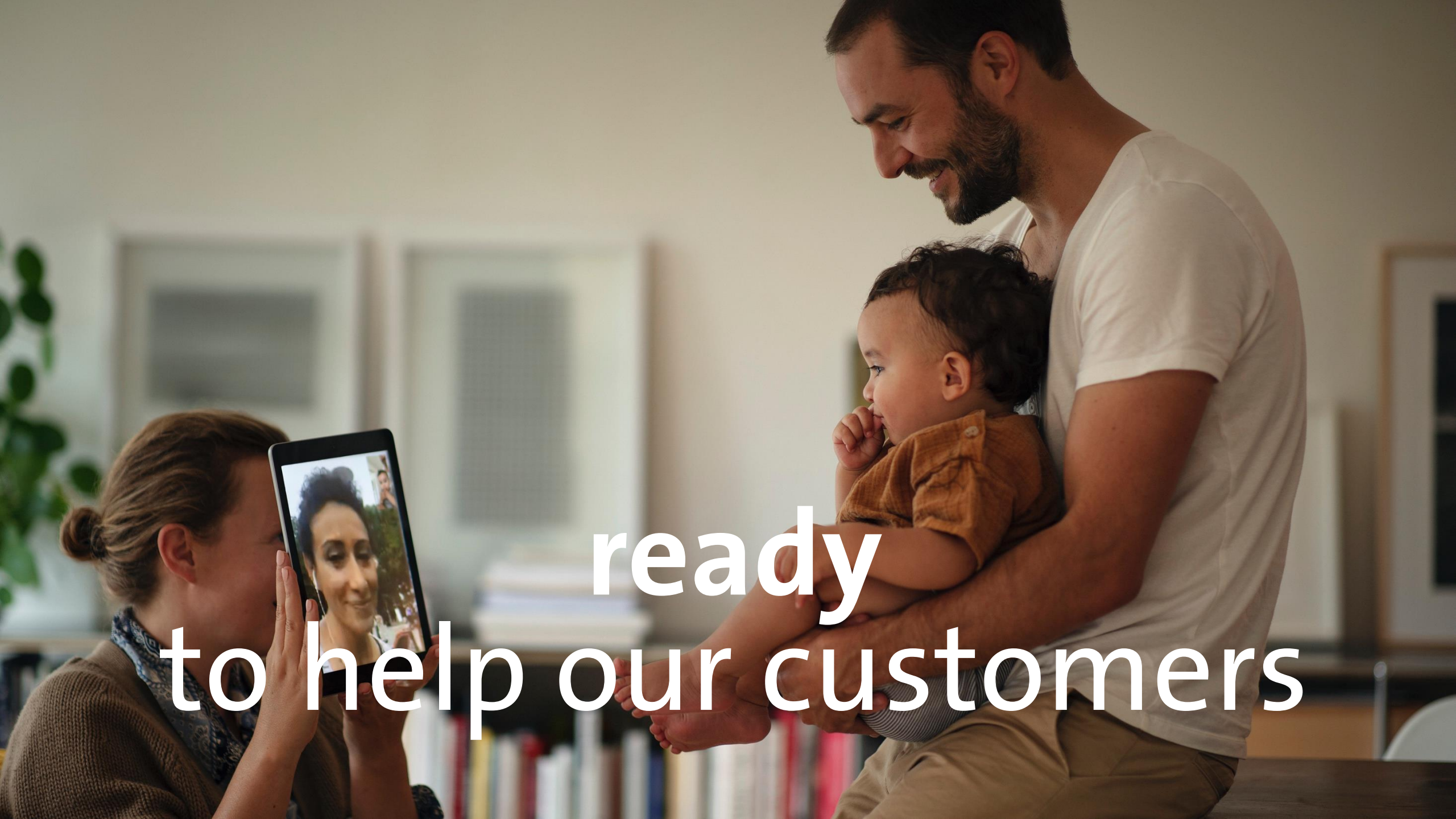
Urs Schaeppi, Chief Executive Officer





ready for life



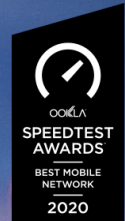


ready  
to help our customers





ready  
with the best network







ready  
with the latest  
technology

5G



A close-up photograph of a man wearing safety glasses, looking down at a bundle of fiber optic cables he is holding in his hands. The background is blurred, showing what appears to be a laboratory or industrial setting. The text 'ready with the latest technology' is overlaid on the left side of the image in a white, sans-serif font.

ready  
with the latest  
technology

50 Gbps



A woman with long brown hair is lying on her side on a dark leather couch, resting her head on her arms and smiling at the camera. She is wearing a grey long-sleeved shirt with a red stripe on the sleeve. The room is dimly lit with warm, orange-toned lamps in the background. A bookshelf, a potted plant, and a floor lamp are visible. The text "ready with the best entertainment" is overlaid in white on the right side of the image.

ready  
with the best  
entertainment





ready  
in a competitive market



An aerial photograph of a city, likely Zurich, Switzerland, taken during the 'golden hour' of sunset. The city's dense urban landscape, featuring a mix of modern glass-fronted skyscrapers and older European-style buildings, is bathed in warm, orange light. In the foreground, a prominent building with a 'swisscom' logo is visible. Beyond the city, a large body of water (Lake Zurich) stretches across the middle ground, with several construction cranes visible on the horizon. The background is dominated by a range of rugged, snow-capped mountains under a sky filled with soft, orange-tinted clouds. The overall scene conveys a sense of a thriving, modern metropolis nestled in a scenic natural environment.

ready  
for more cloud,  
security & ICT





ready  
for more sustainability





## 2020 key figures at a glance

Solid performance in spite of fierce competition and price pressure

### Revenue in CHF billions

11.45

2019

11.10

2020

### EBITDA in CHF billions

4.36

2019

4.38

2020

### Net income in CHF billions

1.67

2019

1.53

2020

### Investments in CHF billions

2.44

2019

2.23

2020

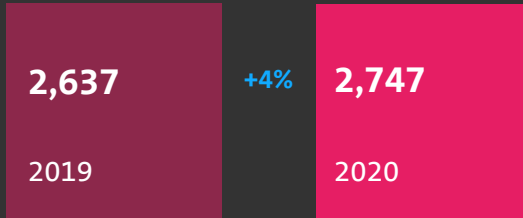




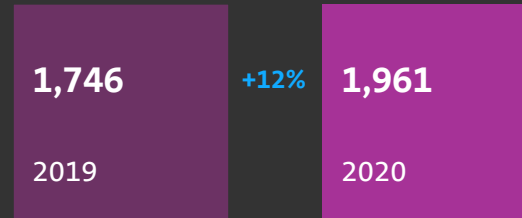
# Fastweb performs well on markets

## Growth in all customer segments

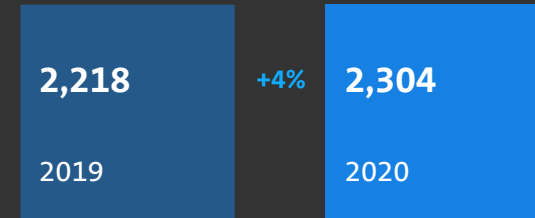
### Broadband customers (in thousands)



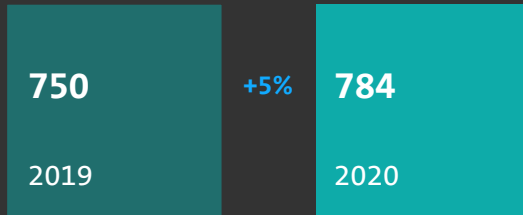
### Mobile customers (in thousands)



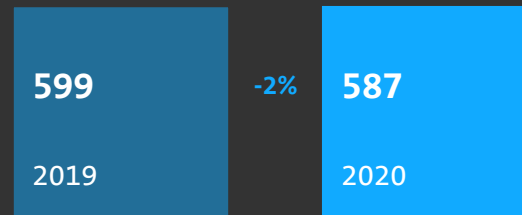
### Revenue (in EUR millions)



### EBITDA (in EUR millions)



### Investments (in EUR millions)







# 2020 financial results

Mario Rossi, Chief Financial Officer

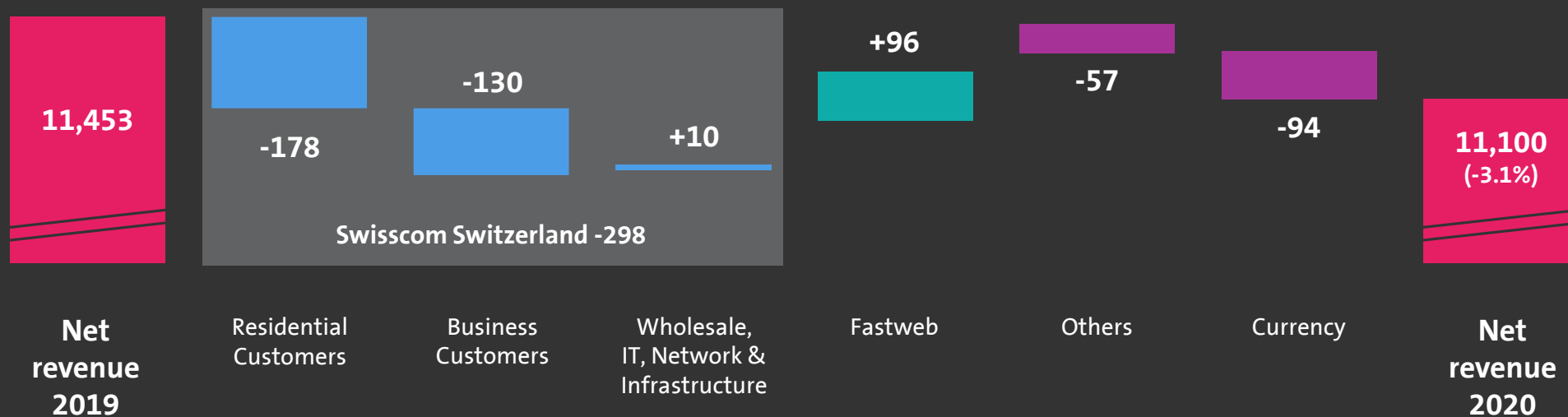




# Net revenue

Revenue slightly down on previous year, as expected

(in CHF millions)



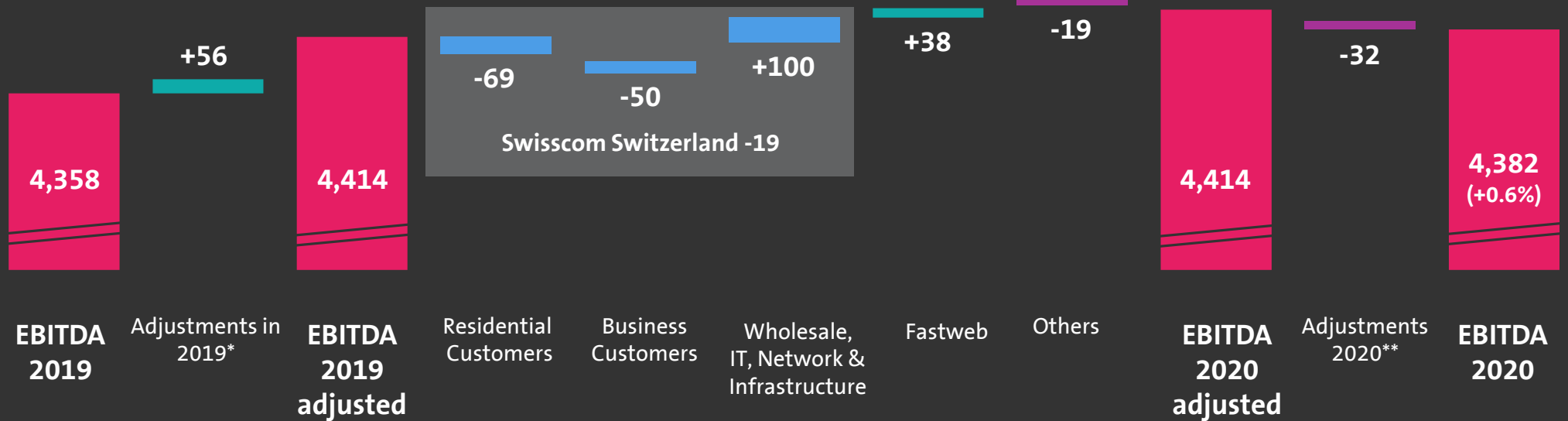




# Operating income

## EBITDA stable thanks to effective cost management

(in CHF millions)



\* Adjustments in 2019: Provisions Swisscom Switzerland (CHF +62 million) and reversal for others segment (CHF -6 million)

\*\* Adjustments in 2020: Exchange rate (CHF -32 million)





## Cost management

Successful implementation in core business

Continue cost-cutting programme ...

2020 target exceeded

Ambitions for 2021-2022

... through execution at three levels

2020

**CHF 129 million**



Network & IT

2021

**~ CHF 100 million**

Operational business

2022

**~ CHF 100 million**

Digital transformation

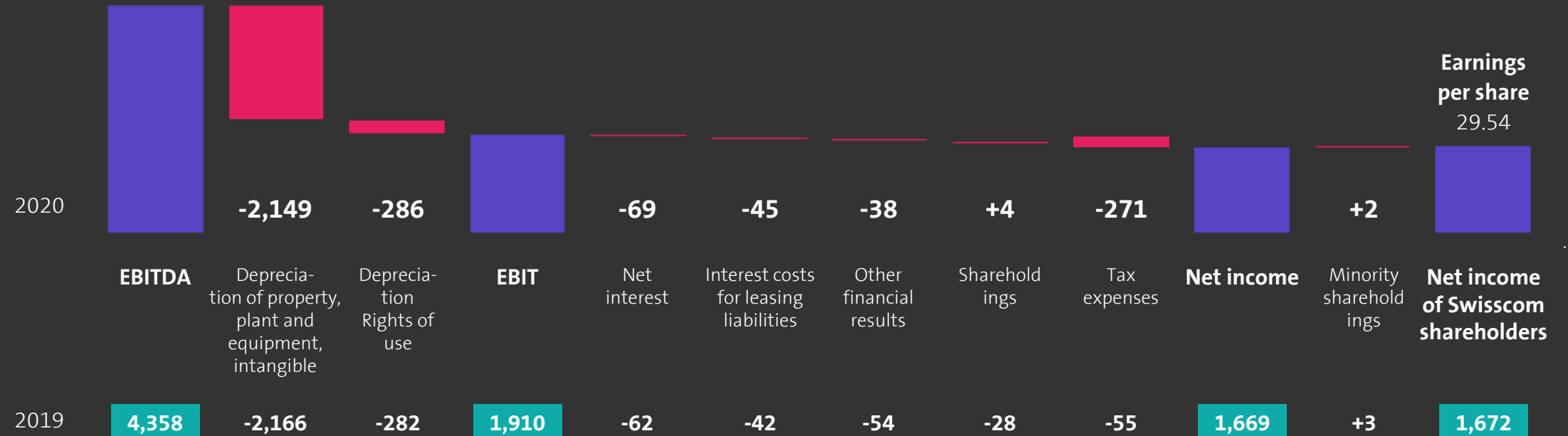




# Income statement

Net income of CHF 1.53 billion

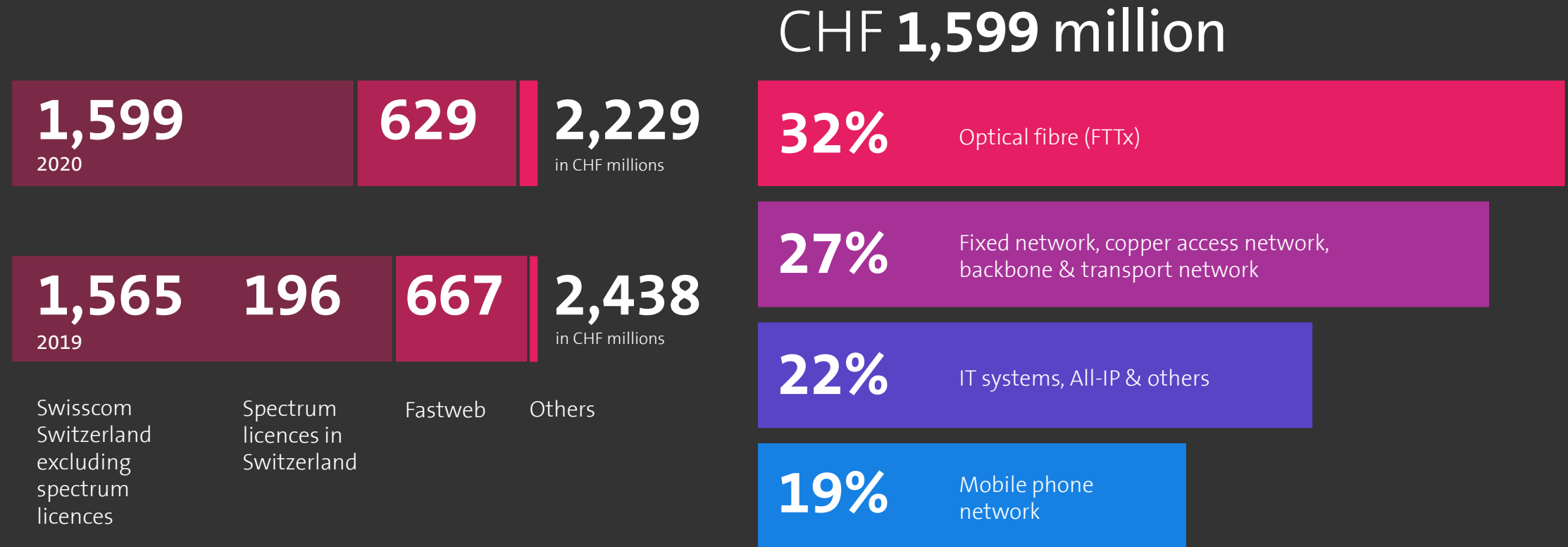
(in CHF millions)





## Investments

CHF 2.2 billion invested, or one fifth of net revenue



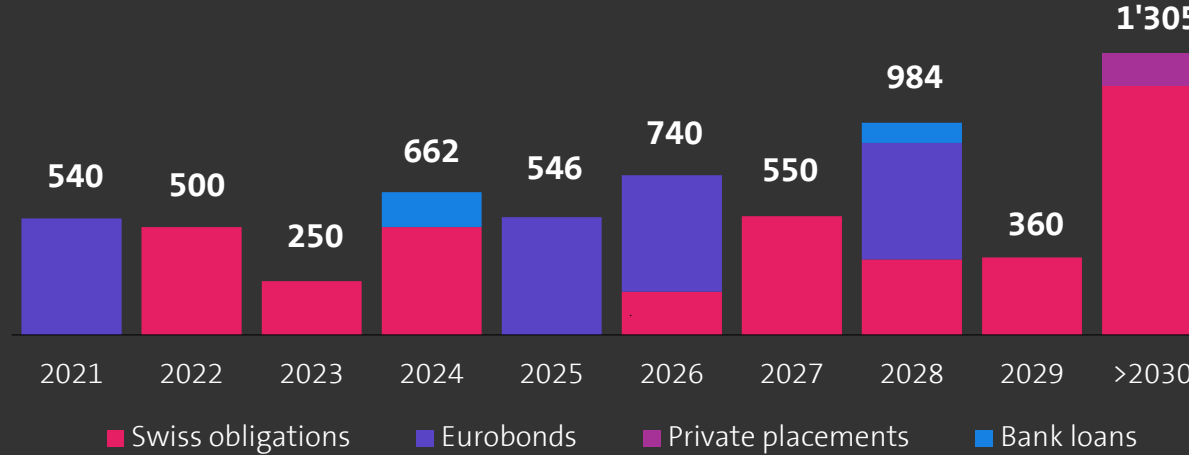
- Investment in Switzerland driven by fibre optic expansion and modernisation of the mobile network
- Fastweb: Current investments in network infrastructure remain high, but below previous year's level





# Maturity profile of financial liabilities as at 31.12.2020

Financing costs optimised further



**Leverage 1.9x**

1.5x IFRS16 adjusted

Average

**term of fixed-interest rate: 5.8 years**

Average

**financing costs: 0.9%**

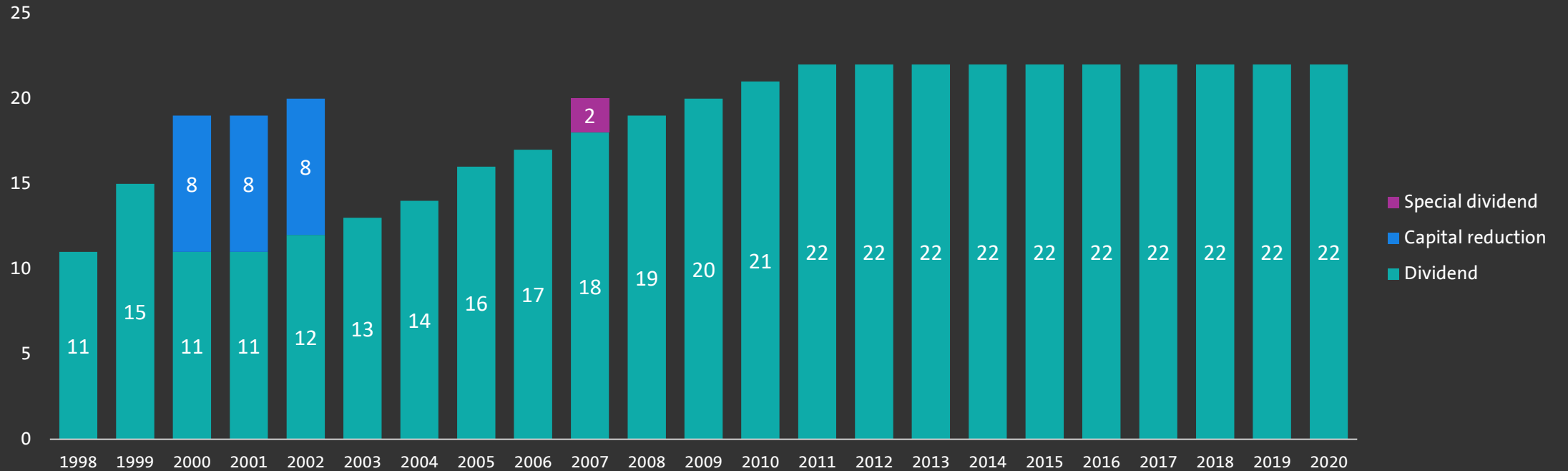
**Stable credit ratings**

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



## Return since IPO

Some CHF 34 billion have been distributed to shareholders since the IPO



- For the 2020 financial year: Proposal dividend of CHF 22 per share
- Swisscom is pursuing a policy of stable dividend payments commensurate with cash flow and the capital allocation





# Outlook for 2021

Urs Schaeppi, Chief Executive Officer



# Outlook for 2021

	2020	Expected change Swisscom excl. Fastweb	Expected change Fastweb	2021 outlook*	Divided into:
in CHF millions			in EUR millions		
<b>Revenue</b>	<b>11,100</b>	<b>&lt; 0</b>	<b>&gt; 0</b>	<b>~11,100</b>	~CHF 8.5 billion for Swisscom without Fastweb + ~EUR 2.4 billion for Fastweb
<b>EBITDA</b>	<b>4,382</b>	<b>&lt; 0</b>	<b>&gt; 0</b>	<b>~4,300</b>	~CHF 3.4 billion for Swisscom without Fastweb + ~EUR 0.8 billion for Fastweb
<b>CAPEX</b>	<b>2,229</b>	<b>&gt; 0</b>	<b>0</b>	<b>~2,300</b>	> CHF 1.6 billion for Swisscom without Fastweb + ~EUR 0.6 billion for Fastweb

\* For consolidation reasons, a CHF-EUR exchange rate of 1.07 was used (compared to 1.07 for the 2020 financial year)

**Upon achievement of targets unchanged dividend of CHF 22 per share**





# The environment in the Swiss telecommunications market



## Market consolidation & promotions

Saturated markets, high price pressure and competitive pressure, new market players



## Regulation

Slow 5G expansion, increasing regulatory pressure on Swisscom (basic service provision, wage restrictions, expansion of parliament's control)



## Innovations

Technological milestones in the fixed-line and mobile network, 5G expansion, launch of new entertainment portfolio 'blue', positive ICT development



## Result

Revenue at previous year's level; EBITDA stable on a comparable basis



# Driving forward the network expansion at full speed

## The best network – for Switzerland



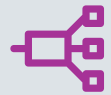
Best speed



Best coverage



Maximum availability



**Ultra-fast broadband everywhere**

**2020**

82% 80 Mbps  
32% 10 Gbps

**2021 Target**

90% 80 Mbps  
39% 10 Gbps

**2025 Ambition**

~90% 300–500 Mbps  
~60% 10 Gbps



**5G everywhere**

4G+ 99%  
5G 96%  
5G+ >500 locations

5G 99%  
5G+ forced expansion

5G 99%  
5G+ throughout Switzerland





## B2C – ready for an even better customer experience



### Expanded inOne offering

New, attractive offerings to impress our customers.  
Example: new prepaid offering.



### Smart Life

Smart Life and Smart Security solutions provide our customers with a networked home.



### Best entertainment experience

Strengthening our new product family 'blue'. More content, more platforms, more convenience.



### Growth

Grow Wingo and enter new segments with second brand.



ready  
for a smart life





## B2B – ready for the best service offering



### Technological leadership

We are developing new markets with innovative IoT and 5G solutions for healthcare, building technology and industry.



### Growth in cloud and security offerings

We are using our excellent position to generate growth in the area of ICT.



### Added value for customers

We offer our customers added value with modular offerings.



### Smart ICT for SMEs

With convergence offerings, we focus particularly on the needs of our customers.



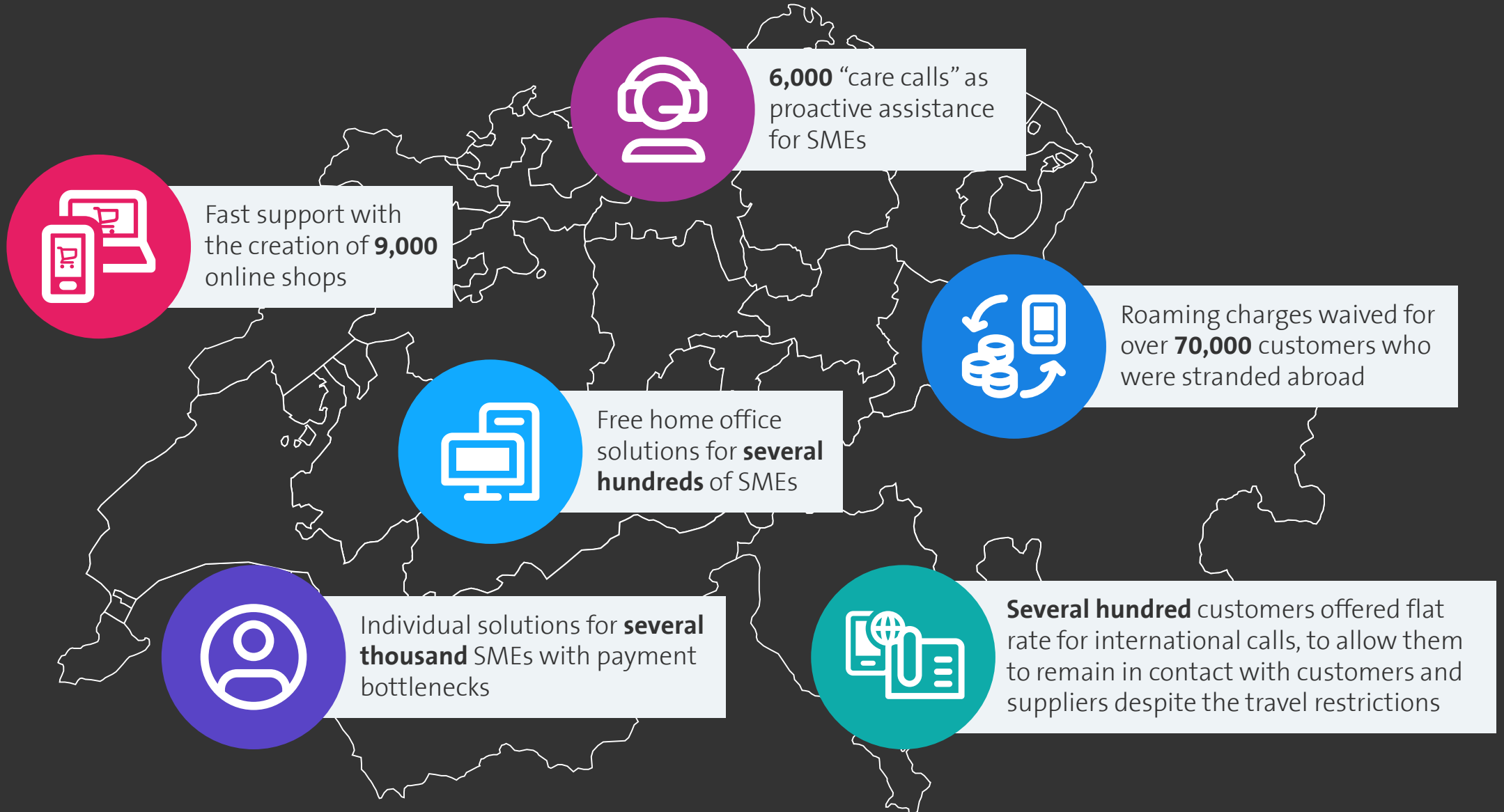
# Developments in SME market

Urs Lehner, Head of Business Customers





# Ready together for SMEs





+ 120,000

products available  
digitally in online shops

+ 100%

cloud-based workplaces

Number of VPN users  
**doubled**

+ several  
thousand

employees can work from home

**Our customers are more  
digital than ever before**





# Digitisation push continues



Home office



IT security



Managed services



Digital presence



Professionalisation  
Education



# Thank you and welcome



## Mario Rossi

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### Thank you...

- for 22 years at Swisscom
- for 8 years as Swisscom CFO
- for your expertise and commitment
- and all the best for your future



## Eugen Stermetz

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### Welcome...

- as the new CFO and member of the Group Executive Board from 1 March 2021
- with 25 years of management experience
- at Swisscom since 2012 in management positions – most recently Head of M&A and Treasury

A woman with blonde hair tied back, wearing a dark blue long-sleeved shirt with a vibrant red and pink floral pattern, is leaning forward on a motorcycle. She is looking off to the side with a focused expression. The motorcycle's handlebars and a round headlight are visible. In the background, a bright rainbow is visible against a blurred city street scene with buildings and other vehicles.

Your questions





# Thank you!