Analyst & investor presentation

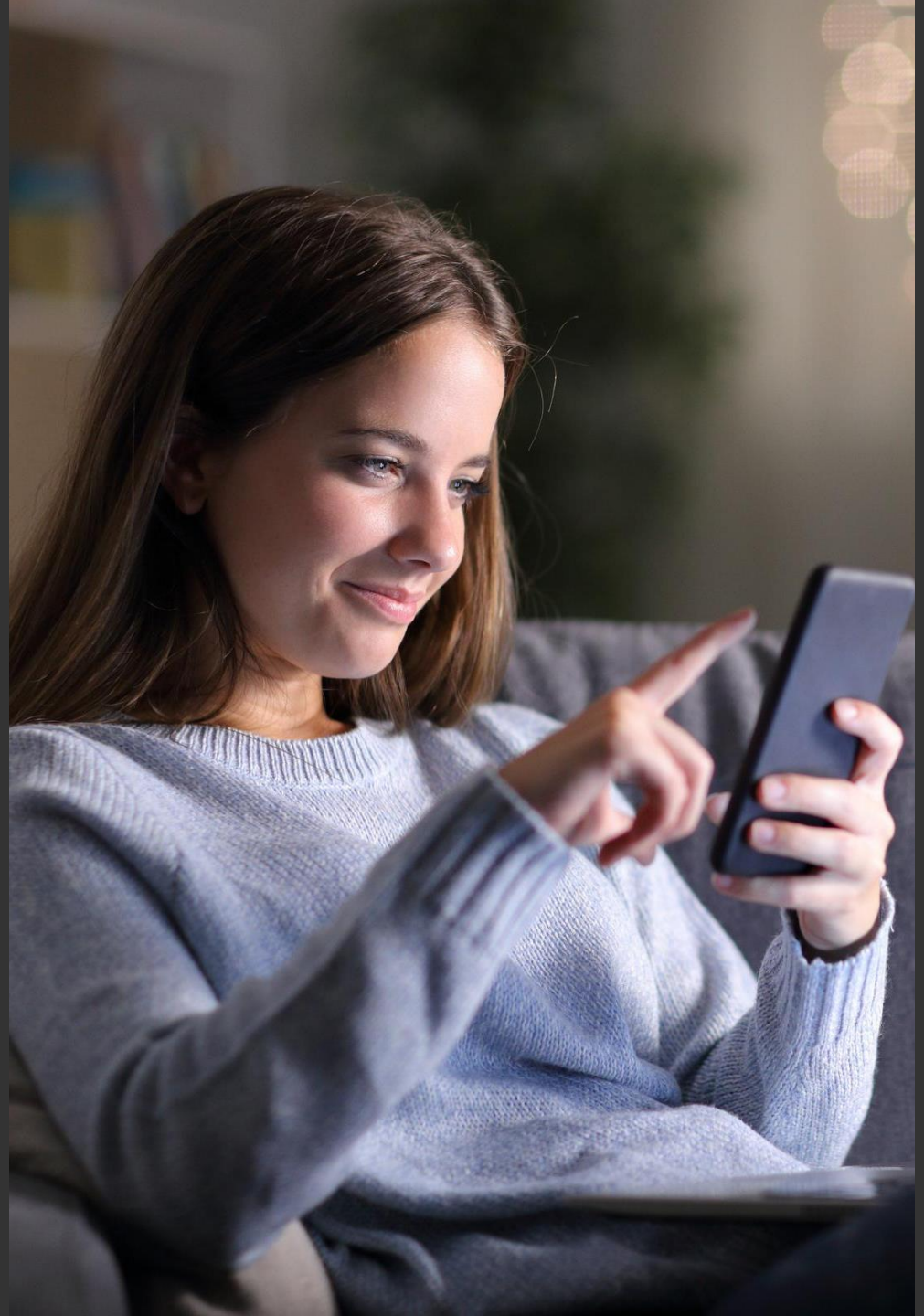
# Q1 2022 results

28 April 2022

swisscom

# Agenda

| | |
|---|---|
| **Introduction** | Louis Schmid, IR |
| **1. Highlights** | Urs Schaeppi, CEO |
| **2. Business review** | Urs Schaeppi, CEO |
| **3. Financial results** | Eugen Stermetz, CFO |
| **Questions & answers** | all |
| **Appendix** | |



# Highlights

# Q1 achievements



**Solid financial results**:
Q1 EBITDA margin 41.1% (+1.0pp)

**Ongoing high investments in Gigabit-networks**
COMCO investigation pending

**Access deal with Sunrise UPC successfully extended**

Swisscom 1st provider making **subscriptions $CO_2$ neutral**

**Switzerland's best 5G mobile network**

**Positive operational results of B2C**
New product portfolio coming soon!

**B2B Solutions growing**
thanks to SAP, Cloud and Security

**On track**
to achieve group guidance FY 2022

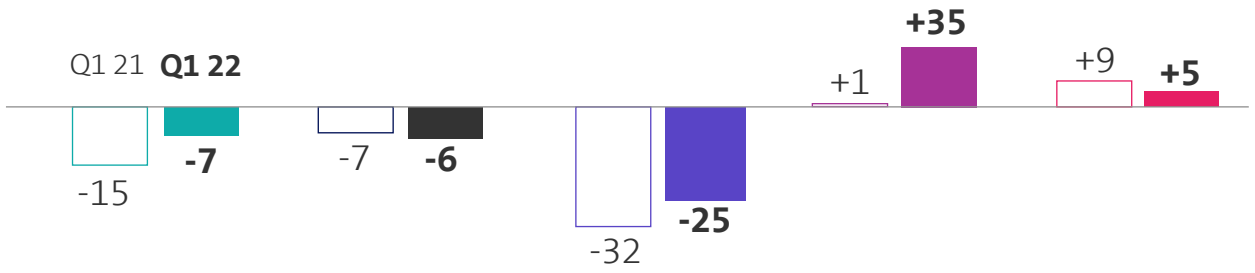
**Fastweb delivering**
35 consecutive quarters of growth

# Q1 market performance

Improving net adds momentum in Switzerland. Fastweb's RGU base growing

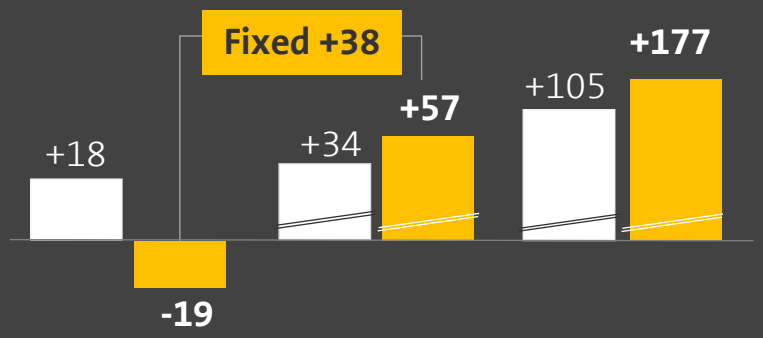
## Swisscom Switzerland

**Net adds**
reported in k [1]




| | Broadband | TV | Fixed voice | Postpaid | Wholesale |
|---|---|---|---|---|---|
| **RGUs** in k | 2'030 | 1'586 | 1'399 | 5'015 | 703 |
| Converged B2C share | 45% | | | 40% | |
| Market share [2] | 50% | 39% | | 55% | |

## Fastweb




| Broadband | Wholesale | Mobile |
|---|---|---|
| 2'731 | 363 | 2'649 |
| 39% | | |
| 16% | | 3% |

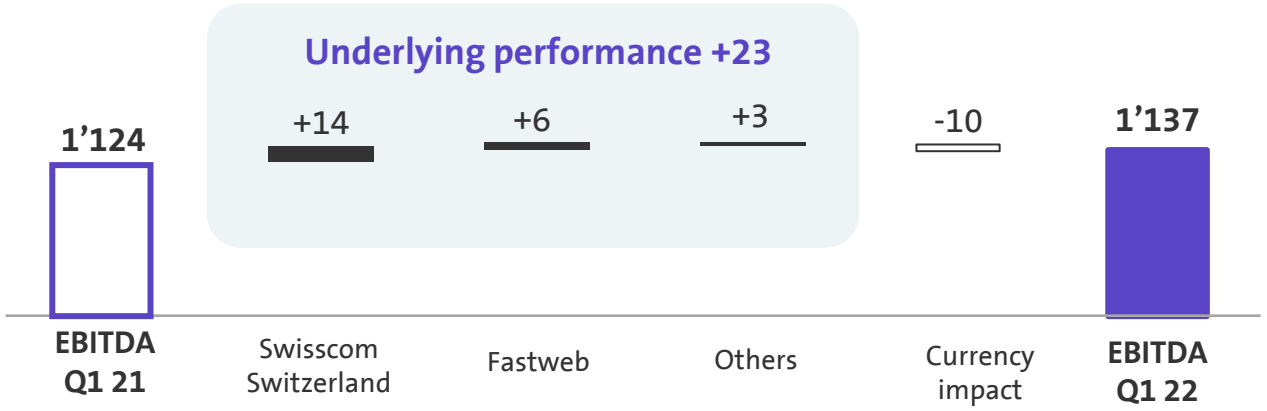
1) Q1 21 with one-off impacts: BB with -5k from Swisscom Casa phase-out and with -16k from 2G switch-off
2) Market share as per 31.12.2021

# Q1 financial performance

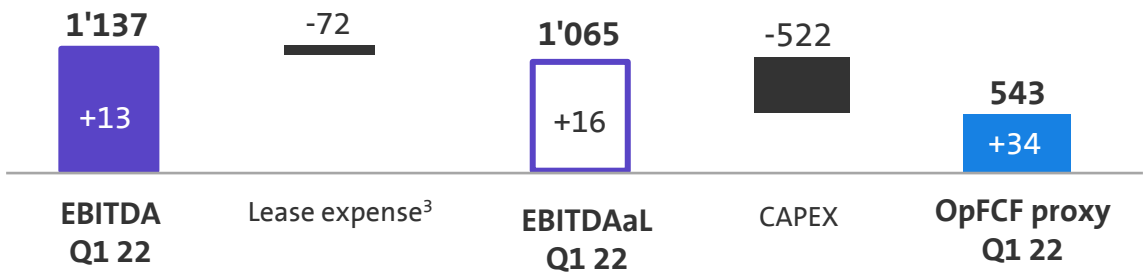
## Positive EBITDA development: margin improved by 1.0pp to 41.1%

| in CHF mn | Q1 2022 |
|---|---|
| **Net revenue** | **2'768** (-1.2% YOY) |
| **EBITDA** | **1'137** (+1.2% YOY) |
| **Net income** reported w/o one-off gains 2021 [1] | **447** (-29.9%YOY) (+3.7% YOY) |
| **CAPEX** | **522** (-3.3% YOY) |
| **Net debt**[2] | **7'680** (-0.3% YTD) |

### EBITDA development in CHF mn and YOY changes




### OpFCF proxy development in CHF mn




1) Net income 2021 adjusted by one-off gains of CHF 207mn (CHF 38mn from sale of BICS and CHF 169mn from transfer of 20% stake in FlashFiber to FiberCop)
2) Including lease liabilities of CHF 1'985mn, net debt w/o lease liabilities: CHF 5'695mn
3) Consists of depreciation right of use assets excluding IRU of CHF -61mn and interest expense leases of CHF -11mn

# Q1 macro-economic update

Energy prices, hardware availability and inflation of general concern

## Macro-economic situation ...

**Covid-19 pandemic**

**Geopolitical issues**

**Higher energy prices**

**Supply bottlenecks**

**Inflationary tendencies**

**Switzerland**
CPI expectations of Swiss National Bank
- **2022: 2.1%**
- **2023: 0.9%**

**EU**
HICP expectations of European Central Bank
- **2022: 5.1%**
- **2023: 2.1%**

## ... with no impact on Swisscom's FY 22 guidance

### Energy cost
- CHF 120mn (o/w vast majority for electricity) in 2021
- **2022 with limited exposure** thanks to hedging strategy (based on a rolling mechanism with decreasing ratio over a period of 4-5 years)

### Hardware availability
- **So far manageable**, with some supply bottlenecks for smartphones, routers, network and IT components
- Currently, we expect **only limited implications** on the network rollout and for B2C and B2B customers in 2022

### Inflation
- **Limited exposure in 2022** as (1) Swiss salaries (+0.9% agreed with unions) included in guidance and Fastweb w/o contractual adjustment obligation and (2) potential higher hardware prices passed on accordingly

# Business Review

# Swisscom priorities 2022

Along the group strategy and ambitious goals 2025 to empower the digital future

**Push digital momentum** (digital shift, digital first proposition) and **further develop Fastweb** into 'infrastructured OTT"

**Defend market shares in Switzerland** through differentiation and **expand market position in Italy** through an ambitious growth plan

**Consequent execution on efficiency measures.**
Continuous focus on costs

**Find solutions supported by regulation and politics.**
Including optimising and implementing best net strategy

**Manage transformation successfully.**
'Level up' in Switzerland and 'Tu sei futuro' at Fastweb

# Making Switzerland's infrastructure future-proof

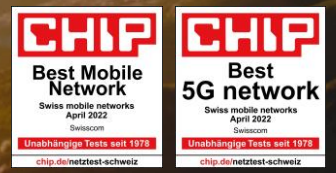
Swisscom continuously and heavily invests in next-generation networks

## Fibre

- **Continuous investments in UBB extension and FTTH** based on P2MP topology (but P2P-compatible)
  - **1-10 Gbps (marketable): 33%** HH coverage
  - **1-10 Gbps (constructed): 38%** HH coverage (incl. 5% not marketable, due to COMCO's precautionary measures)
  - **>200 Mbps: 74%** HH coverage (+2pp YTD)

## Mobile

- **5G+** rollout accelerating: **64%** pop coverage (+2pp YTD)
- 4G and 5G pop coverage of 99%
- Swisscom wins CHIP's mobile network test, for the seventh year in a row. **Best 5G network**




## COMCO investigation pending

- Intensive talks with COMCO (to find an agreement on P2MP over the next months) ongoing
- Range of possible outcomes for fibre-optic rollout 2022-2025 unchanged *

* as presented on 3 Feb 2022

## Access deal with Sunrise UPC

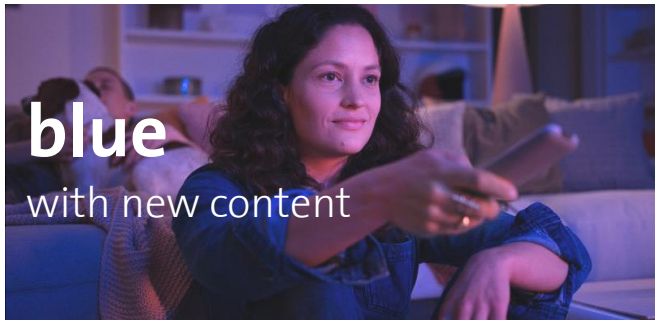
- Swisscom and Sunrise UPC **renewed existing access agreement successfully**
- Grants Sunrise UPC **continuous and long-term access to all our BB access technologies** in the whole of Switzerland, including new FTTH lines being built in the future

# Permanent customer-centric innovation to deliver best customer experience

Maximise value in B2C customer base through well tuned promotional activities

2

## Q1 with slightly softer promotional intensity in the market ...




**Own brand**
promotions with FMC focus or hardware stimulation

**VAS offerings**
modernised

Fast and uncomplicated
**aid for Ukrainian**
refugees

**New SMS filter service**
successfully launched

**wingo**
**The promotion tool**
of Swisscom

## ... and solid operational results

- **Improved net adds momentum**
- **Low churn rates further improved**
- **ARPUs with robust development**

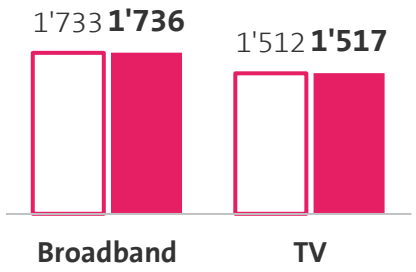
# B2C operational performance

## Overall solid KPIs and better churn rates

### Wireline

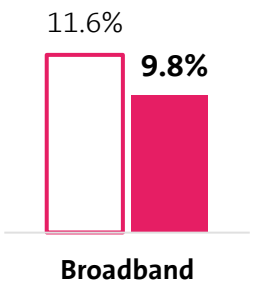
Q1 21 ■ Q1 22

**RGUs** in k




- **Solid** RGU base
- BB share of **2nd/3rd brands: 5%** (+1pp YOY)
- **82% inOne Home penetration** (+3pp YOY)

**Churn rate** p.a.

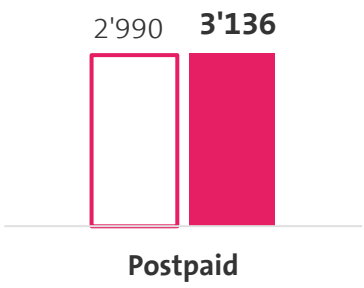



**ARPUs** in CHF (YOY)

### Wireless

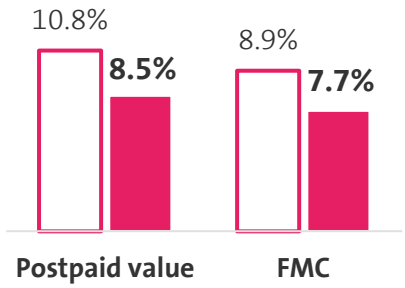
Q1 21 ■ Q1 22

**RGUs** in k

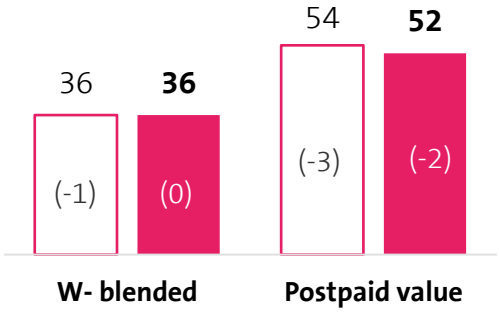



- **Growing** RGU base
- Postpaid value share of **2nd/3rd brands: 24%** (+5pp YOY)
- **66% inOne Mobile penetration** (-3pp YOY)

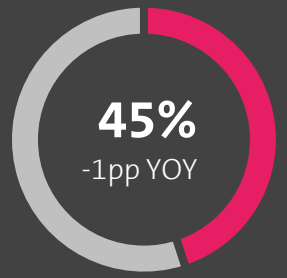
**Churn rates** p.a.



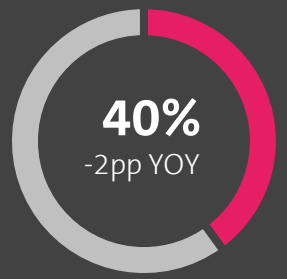

**ARPUs** in CHF (YOY)




**FM converged broadband subs**




**FM converged postpaid value subs**




1) BB + TV + fixed voice

# New Swisscom portfolio coming soon

Striving for growth in new customer segments, churn prevention and life-time value stimulation

**BETTER**
More of everything

**EASIER**
Via app

**MORE ATTRACTIVE**
Better value for money

**Focus on digital natives**
Largest and growing segment

**Reduced promotional intensity**
wingo for promo game

**Existing customers will benefit**
More for the same

**Balanced value-oriented offerings**
with a strong focus on new segments, rich propositions for families and the ambition to stimulate the life-time value of Swisscom's customer base

# B2B commercial update and operational performance

Telco business with robust RGU base and continuous price pressure, Solutions with growth

## Enterprises regain focus on digitalisation after Covid-19 dip

**Robust market position in Telco business**

**1st large smart metering project on IoT and LTE**

groupe e

**Ongoing positive traction in ICT Solutions business**

MTF

**Successful start under Swisscom umbrella**

**SAP business with strong momentum**

**Growth in Cloud and Security as expected**

**Stable RGU base**
(W- up, W+ down)

**Service revenue change with flattish evolution**

**Solutions revenue growing**

**Total RGU base**

**2'502k**
-0.4% YOY

**Service revenue change**, YOY in CHF mn

**-21**
Q4 21: -23

**W- ARPU** in CHF

**29**
Q4 21: 30

**Solutions revenue** in CHF mn

**297**
+8.8% YOY

# Operational excellence update and results

Telco-related cost initiatives on track and reduction committed, quarterly swings on net savings expected

## Overview of initiatives and Q1 results

**Online first: new customer push planned**

**Manage higher shop frequencies at lower cost**

**Continuous network & IT optimisation**

**Increase efficiency of support and HQ functions**

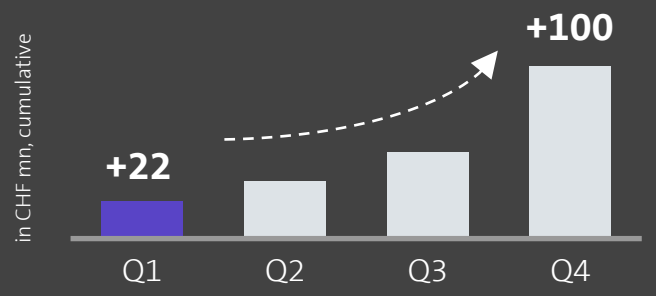
**Lower field service workload through decreasing service assurance cases**

**Lever DevOps centres in Riga and Rotterdam**

**Telco-related costs: Q1 net savings of CHF +22mn** [1]

## Outlook 2022

- **CHF 100mn FY ambition** for Telco-related cost savings **reiterated**



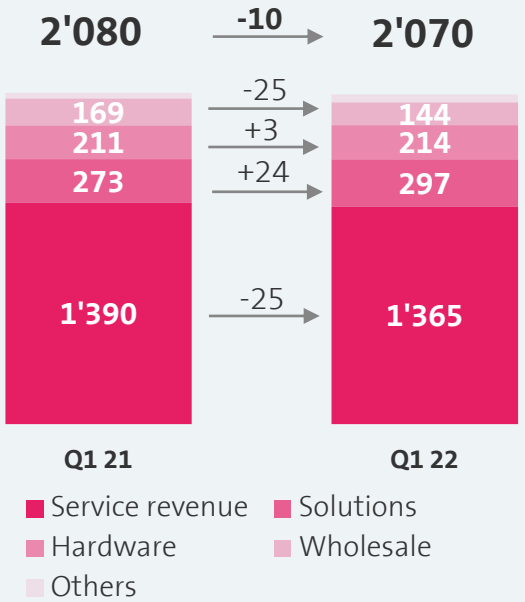

- **All initiatives on track**
- **Volatility of Q swings in 2022 expected to be higher**:
  No matching with seasonal effects of prior year and Q4 with a higher contribution in 2022 due to the profile of the current initiatives

1) YOY softer as prior year impacted by lower marketing costs due to the pandemic situation

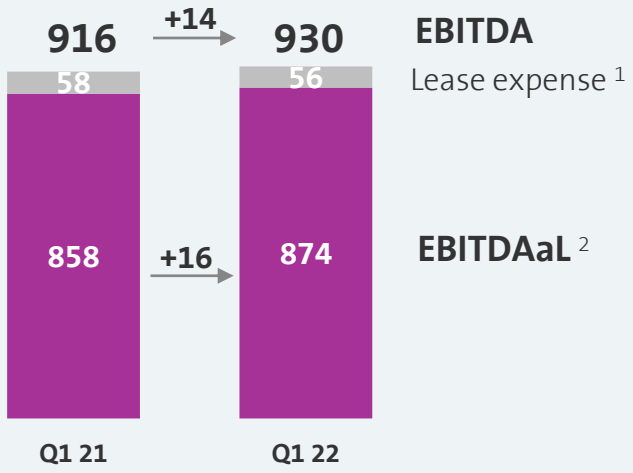
# Swisscom Switzerland: financial results

Overall solid thanks to softer service revenue decline and steady contributions from operational excellence

## Net revenue in CHF mn (YOY)

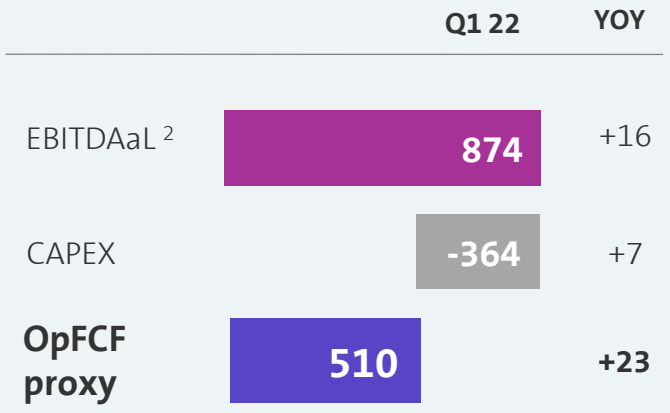



## EBITDA in CHF mn (YOY)




- **Successful reduction of indirect Telco-costs in Q1** (CHF -22mn YOY) compensates majority of high-margin service revenue decline

## OpFCF proxy in CHF mn



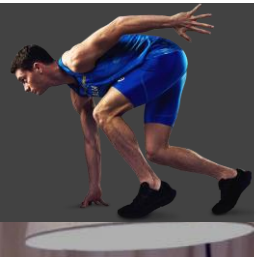

- **OpFCF proxy above prior year** as EBITDAaL improved (CHF +16mn YOY) and CAPEX marginally lower (CHF +7mn YOY)

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

# Fastweb with successful execution of strategic priorities in Q1

In Consumer no fixed price war (to preserve value) but counter-attack on Mobile and boost Wholesale

## Total RGU base: +215k (+37% YOY)



- Fixed +38k (YTD)
- Mobile +177k (YTD)

## Consumer

- **Broadband**
  - Reached 2.3mn UBB customers, +9% YOY
  - Confirmed NPS leadership
- **Mobile**
  - Confirmed 2nd best market performer

## Enterprise

- **Telco**
  - Outstanding order intakes primarily driven by finance and public administration
- **ICT**
  - Won national Cybersecurity tender in public administration
  - Submitted competitive offer for national strategic hub (NRRP*)

* National resilience and recovery plan

## Wholesale

- RGU base steadily **growing to 363k** (+137% YOY)
- Growth driven by Sky and Windtre, plus new acquired customers

## Sustainability

- Set target to become **carbon-neutral by 2025**, 25 years ahead of the EU's objective
- Became a "Benefit Company" by adding ESG objectives to economic ones
- Certified as "Great Place to Work"
- Among the 20 best "inclusive brands" in Italy for Diversity Brand Index 2022

## Network

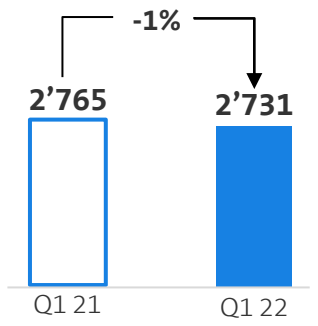
- **FTTx**: UBB (>100 Mbps) coverage: 91% of HHs and companies
- **5G FWA:** expansion continues, now up 2.1mn HHs
- **5G Mobile:** coverage on own 5G network: 55% outdoor coverage

# Fastweb: Consumer performance

Positive Q1 operational results with UBB (+30k) and Mobile (+177k) customer base strongly growing

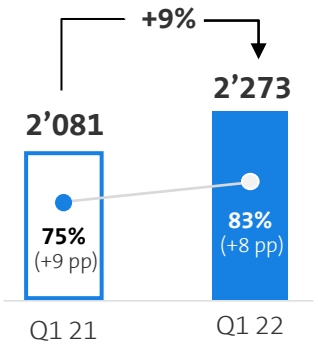
## Fixed

**Broadband subs** in k (YOY change)




- Fastweb's focus on value subs pays off:
  - BB customer base nearly stable
  - UBB subs further growing: Q1 +30k

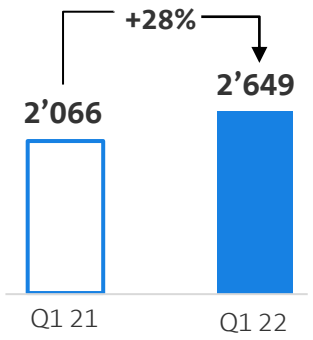
**UBB subs** (k) and **penetration** (YOY change)




- UBB base up to 2.3mn (+9pp YOY)
- Penetration stands at 83% (+8pp YOY)
- 94% of gross adds are UBB subs

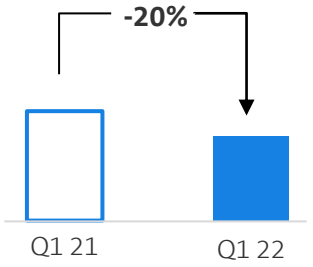
## Mobile

**Mobile subs** in k (YOY change)

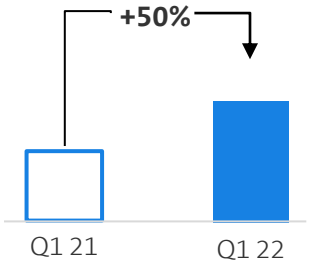



- Strong YOY growth:
  - +177k in Q1
  - +28% YOY increase
- 2nd best market performer in Italy

**Churn** (YOY)



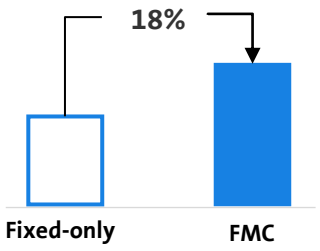

**Data usage** (GB/customer/month)



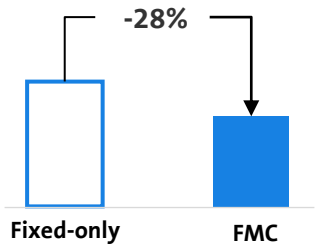

- Mobile churn rate significantly improved: -3.6pp YOY

## ARPU, churn, FMC penetration

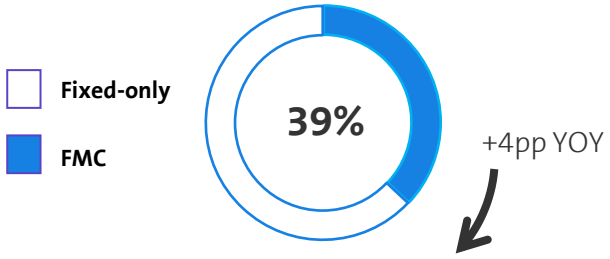
**ARPU uplift** (EUR/month, YOY)




**Churn benefit** (YOY)




**FMC penetration within BB customer base**

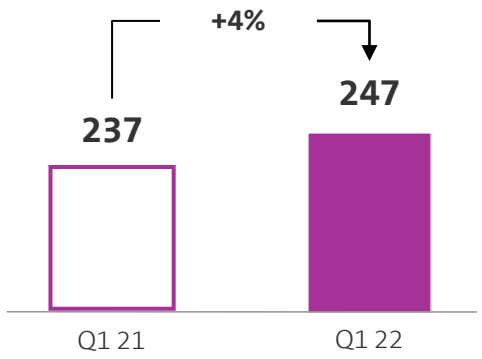


# Fastweb: Enterprise and Wholesale performance

Growth confirmed

## Enterprise

### Revenues in EUR mn (YOY)




- +4% YOY **driven by private and PA sector**
- **Awarded public tender (Consip) for Cyber Security for public offices**, EUR c. 135mn in 2 years for three winners

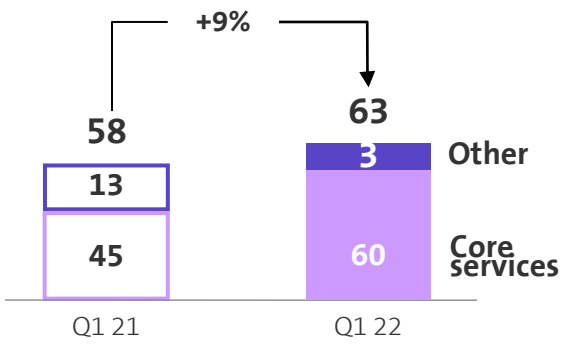
### New contracts

5G Mobile, Connectivity and Security main growth drivers

| Ministero della Giustizia | Ministero dell'Interno | MONTE DEI PASCHI DI SIENA BANCA DAL 1472 |
|---|---|---|
| 5G Mobile Enterprise | Connectivity | ICT /Security |

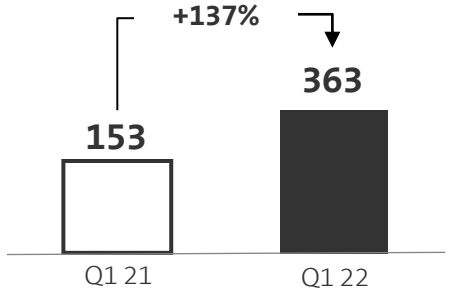
## Wholesale

### Revenues in EUR mn [1] (YOY)




- **Core services:** +33% YOY, growth driven by wholesale lines
- **Other** (with low marginality): EUR -10mn YOY, primarily due to Flashfiber project ended in FY '21

### Wholesale lines [2] (k)



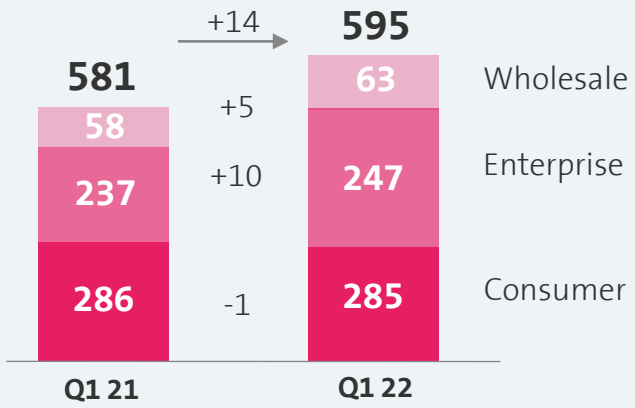

- **+57k new connections in Q1** driven by Sky and Windtre and other wholesale customers

1) Including intercompany revenues
2) Wholesale UBB lines restated from Q1'21

# Fastweb: financial results

## Q1 EBITDA +3.4%. On track to achieve FY EBITDA guidance

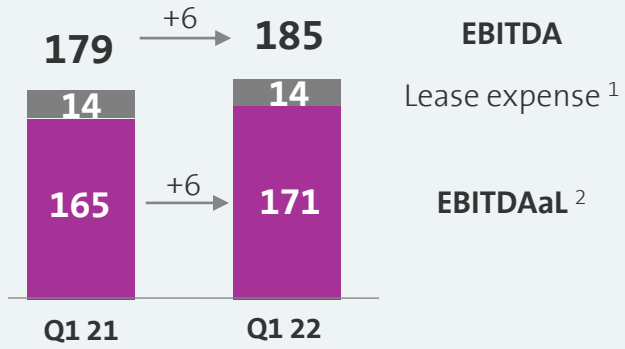
### Net revenue in EUR mn (YOY)




- **Revenues +2.4% YOY** sustained by business segments:
  - **enterprise** (+4% YOY)
  - **wholesale** (+9% YOY)

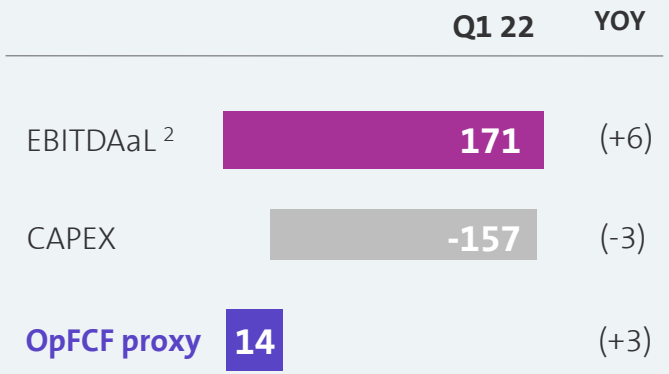
  ...and **consumer mobile** (+17% YOY)

### EBITDA in EUR mn (YOY)




- **EBITDAaL growth** of +3.6% YOY

### OpFCF proxy in EUR mn




- **CAPEX**: Q1 supports FY envelope of EUR ~0.6bn
- **OpFCF proxy**: Q1 contribution improved: +27% YOY

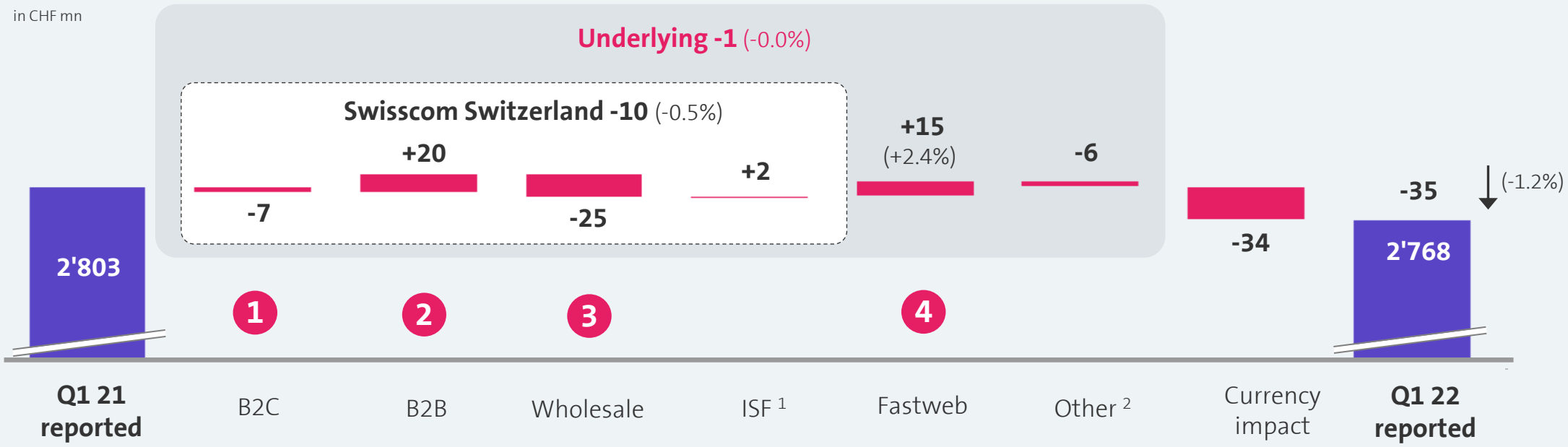
1) Consists of depreciation right of use assets and interest expense leases with scope of IFRS 16, 2) EBITDA after lease expense

3

# Financial results

# Group revenue and changes by segments

Stable underlying top line: Swisscom Switzerland -0.5% YOY, Fastweb +2.4% YOY



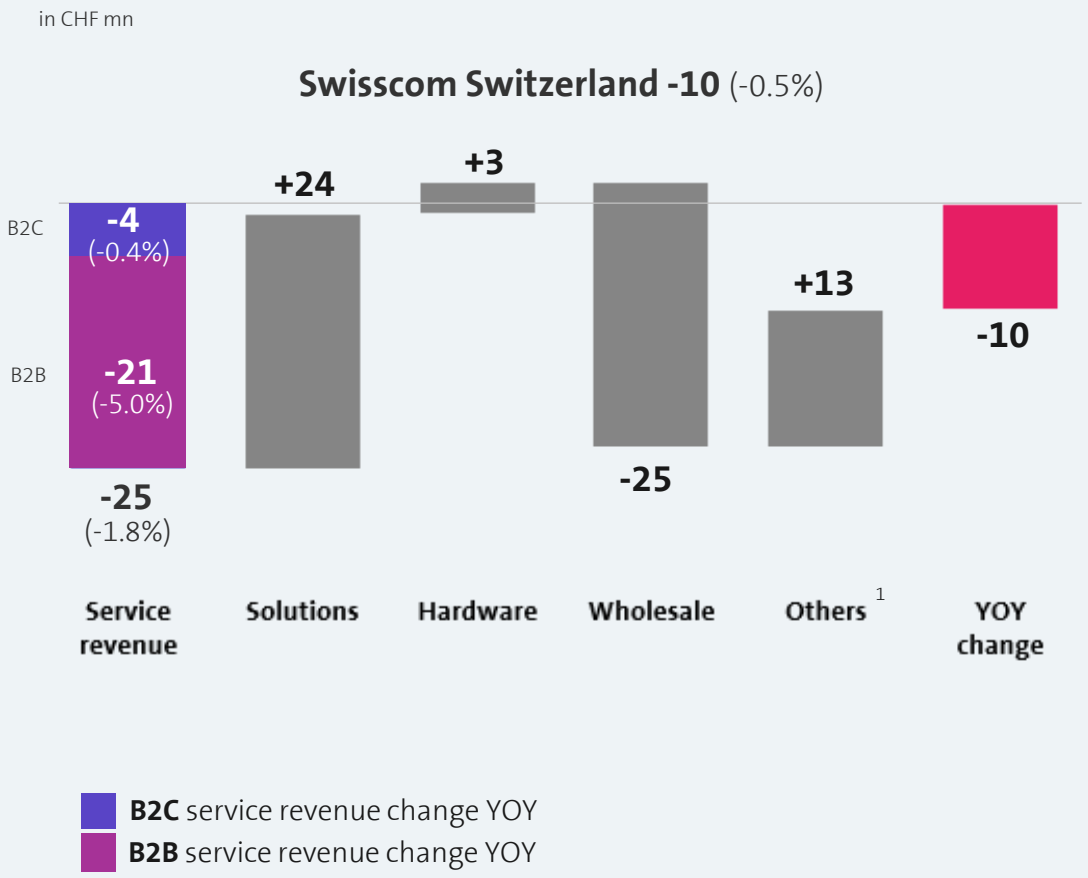

1. Decline primarily due to lower HW sales (CHF -15mn, driven by promotional activities and device availability). Service revenue only marginally down (CHF -4mn) and other revenues up (CHF +12mn, primarily thanks to blue cinema)
2. Service revenue decline (CHF -21mn primarily due to price pressure) overcompensated by CHF +24mn from Solutions (o/w organic CHF +14mn) and hardware sales (CHF +18mn)
3. Revenue lower YOY due to MVNO loss (as from Q3 2021) and lower inbound roaming (CHF -14mn, due to price effects), partly compensated by BBCS growth
4. Top line of Fastweb up (CHF +15mn): Enterprise (CHF +10mn) and Wholesale (CHF +6mn) overcompensate lower contribution from the Consumer segment (CHF -1mn)

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

# Swisscom Switzerland revenue changes and service revenue dynamics

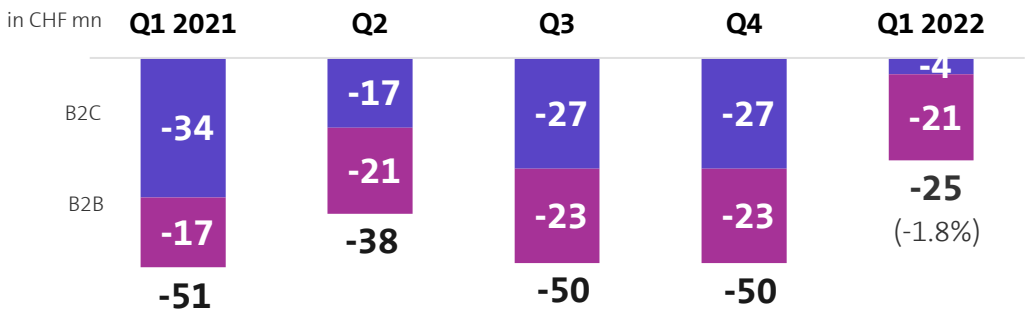
Top line almost stable YOY mainly thanks to better B2C service revenue evolution in Q1

## Q1 22 revenue changes by business drivers

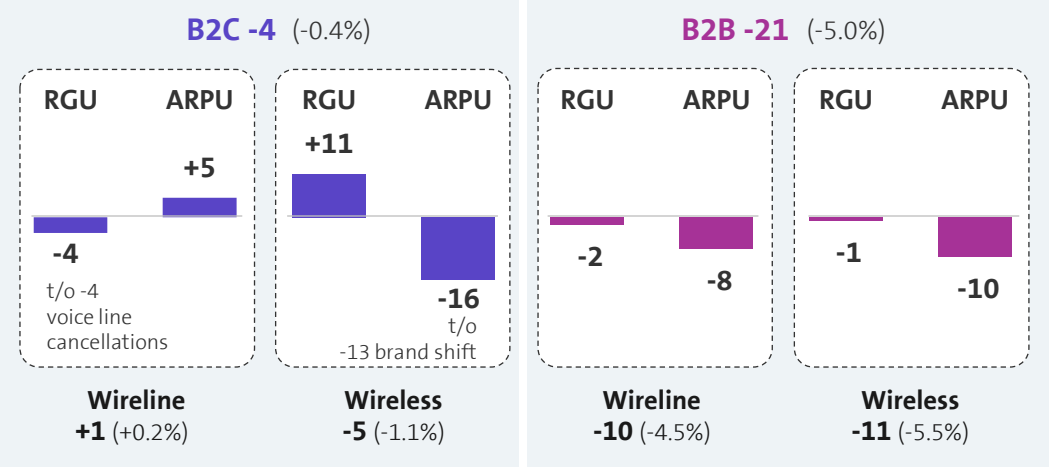



1) Including intersegment revenue

## Service revenue evolution and Q1 22 changes

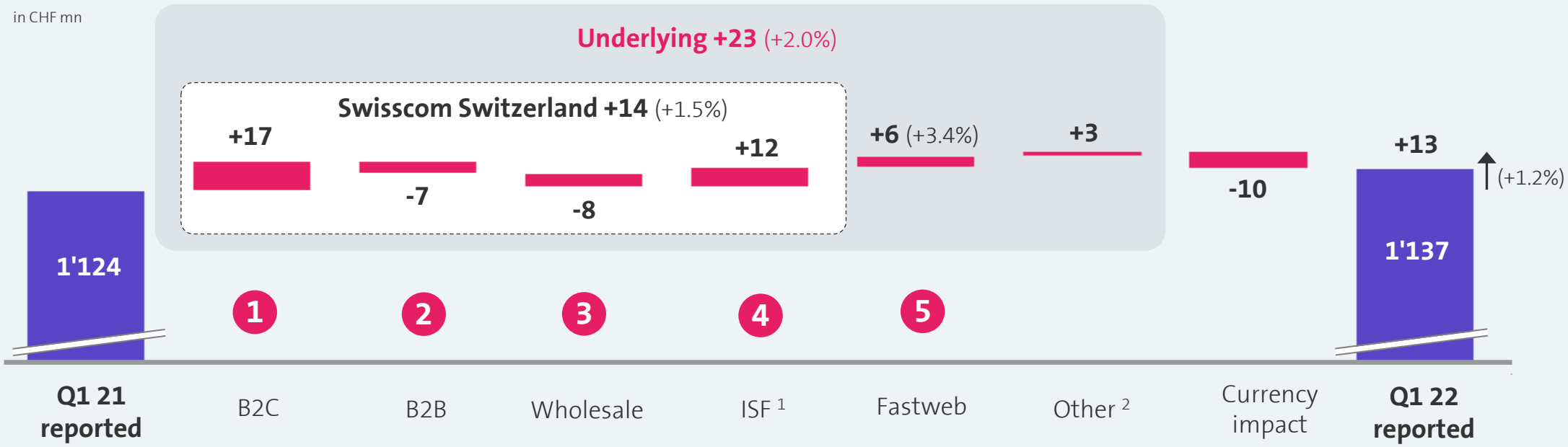



## Q1 22 changes by RGU and ARPU



# Group EBITDA and changes by segments

## Strong underlying performance

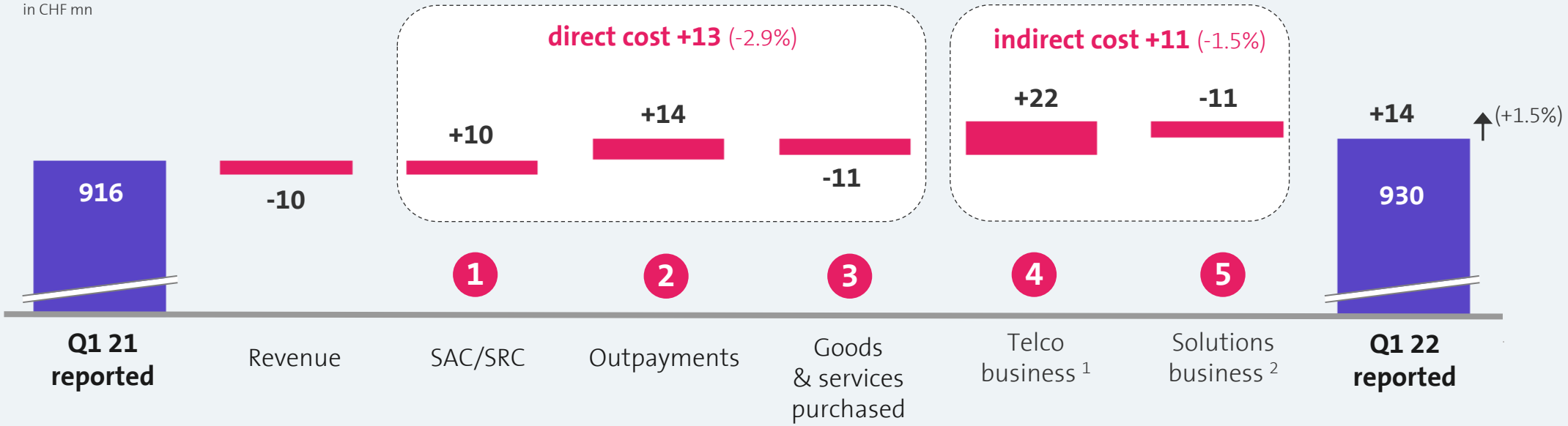



1. Revenue decline (CHF -7mn) overcompensated by lower SAC/SRC, lower hardware cost and improved indirect cost base (CHF +5mn)
2. Decrease in service revenue partially compensated by growth in Solutions and cost savings in the Telco business
3. Decrease mainly impacted by MVNO loss (as from Q3 2021)
4. Increase primarily due to lower workforce expenses and lower cost for maintenance
5. Revenue increase leads to +3.4% EBITDA growth

1) Including intersegment elimination Swisscom Switzerland
2) Includes Other operating segments, pension reconciliation, intersegment elimination group level

# EBITDA Swisscom Switzerland with OPEX changes and dynamics

## Operational excellence initiatives with expected savings on Telco-related costs




1. Positive impact primarily mobile driven (lower retention measures due to softer market intensity and limited HW availability)
2. Roaming with lower unit fees
3. Higher cost for goods and services purchased in B2B (CHF -19mn, t/o non-organic CHF -10mn) overcompensates lower expenses in B2C (due to softer promotional activities and some device bottlenecks)
4. Cost decline mostly due to lower capacity cost
5. Higher costs to support growth in Solutions

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

# Capital expenditures

Continuous investments in the infrastructure of the future

| in CHF mn | Q1 21 | Δ | Q1 22 |
|---|---|---|---|
| Group CAPEX | 540 | -18 | 522 (-3.3% YOY) |
| Swisscom Switzerland | 371 | -7 | 364 (-1.9% YOY) |
| Fastweb [1] | 168 | -5 | 163 (-3.0% YOY) |
| Other | 1 | | -5 |

1) In local currency Q1 22: EUR 157mn (+1.9% YOY)

## Swisscom Switzerland

**Wireless**
**CHF 69mn**
-14% YOY

**Fibre (FTTx)**
**CHF 99mn**
-20% YOY

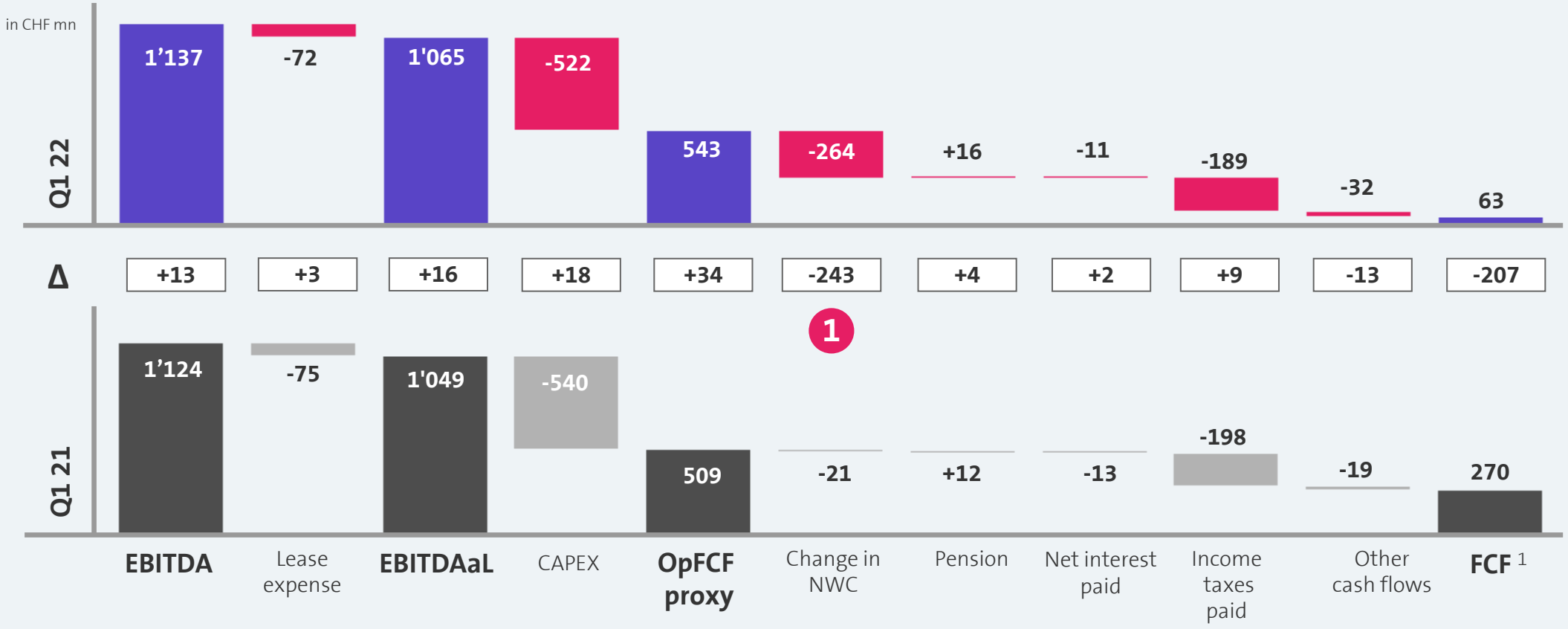
**IT systems, All-IP, CP equipment and other**
**CHF 83mn**
+8% YOY

**Access, backbone & transport infrastructure**
**CHF 113mn**
+26% YOY

- **Swisscom Switzerland**: overall nearly flat YOY: fibre envelope lower primarily due to FTTS completion in 2022, higher backbone and access investments because of new backbone and increased construction work
- **Fastweb**: YOY unchanged high due to ongoing network investments

# Free cash flow

OpFCF proxy up (CHF +34mn YOY) but FCF down (CHF -207mn YOY) due to extra-ordinary NWC effects



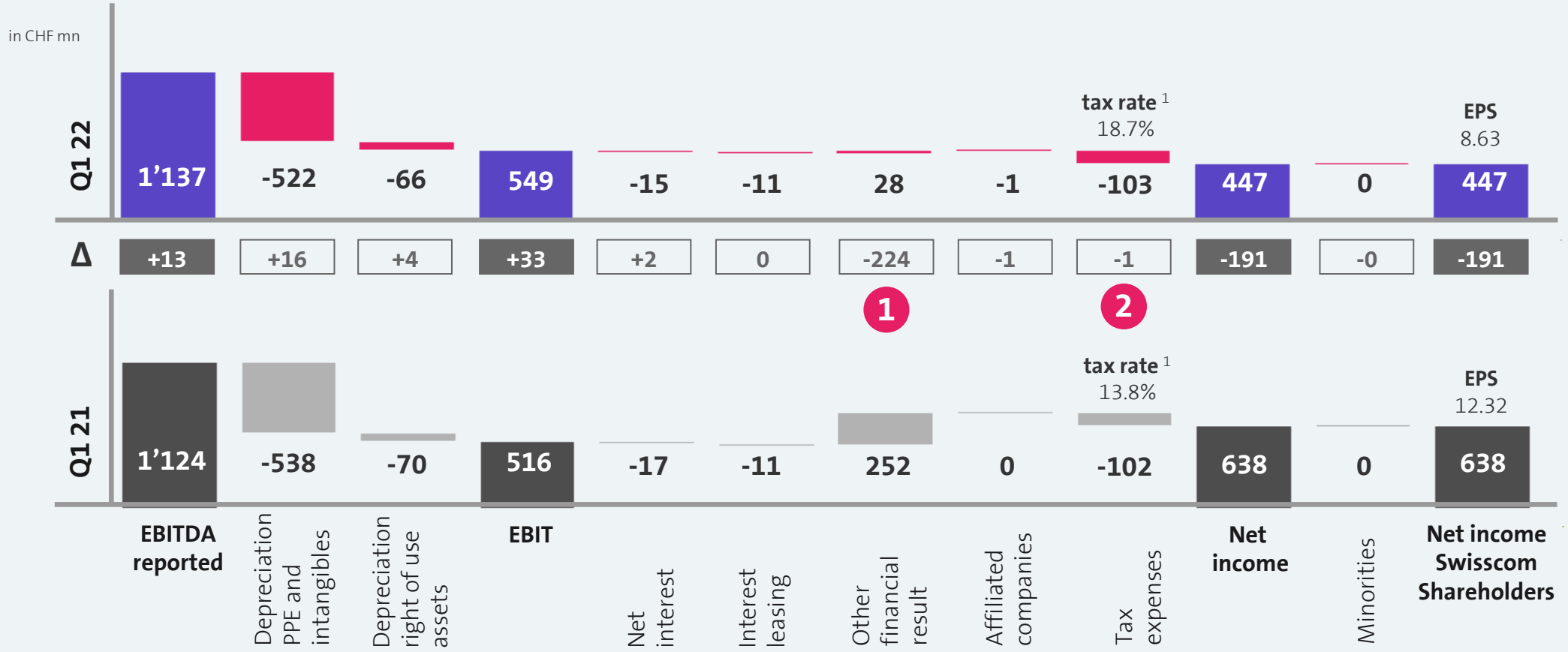

1 Q1 2022 extraordinarily impacted by prepayments and settlement payments in connection with regulatory litigations (settled in Q4 2021)



1) FCF before M&A effects (Q1 21 CHF +115mn, Q1 22 CHF -63mn)

# Net income

EBIT up (CHF +33mn YOY). However, EPS down due to one-off impacts of CHF +207mn in prior year



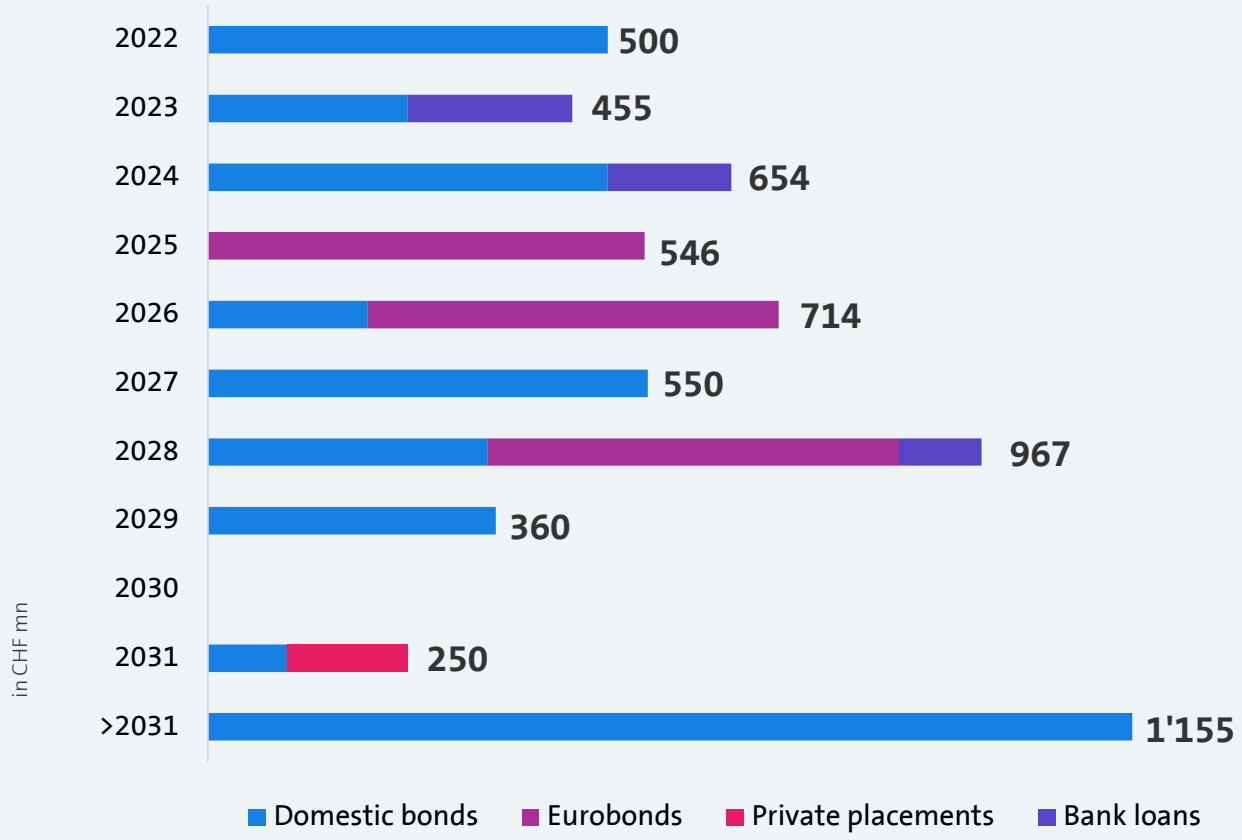

1. In prior year other financial result positively impacted by one-off gains of CHF 38mn from sale of BICS (with 22.4% Swisscom stake) and CHF 169mn from transfer of 20% stake in FlashFiber to FiberCop (measured at fair value)
2. Tax rate in prior year lower as a result of BICS sale and the FiberCop transaction

1) Tax rate Q1 22: Tax expenses of CHF 103mn / EBT of CHF 550mn = 18.7%, tax rate Q1 21: Tax expenses of CHF 102mn / EBT of CHF 740mn = 13.8%

# Well balanced and diversified maturity profile

Successful rating reviews in Q1 underpinning A credit ratings

## Debt maturity profile as per Q1 2022 [1)]




- Portfolio mix: Fix **88%** vs floating **12%**
- ∅ interest rate of **0.9%**
- ∅ duration of **5.9 years**
- **CHF 2.2bn** committed credit lines still unused
- Swisscom with **one of the strongest ratings in EU Telco landscape**
- **Committed to strong credit ratings**

S&P Global Ratings **A stable**

MOODY'S **A2 stable**

1) Excl. short-term money market borrowings

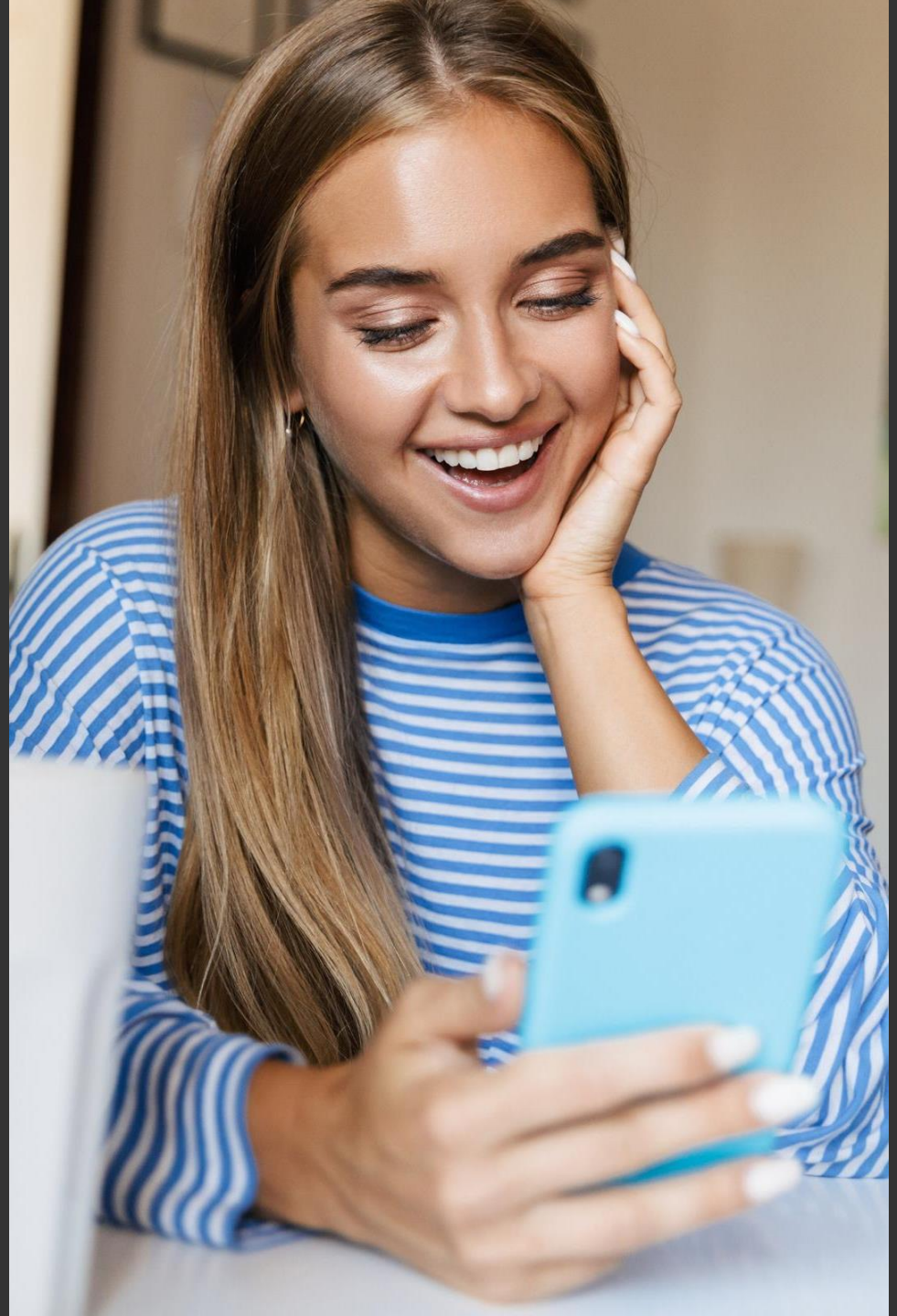
# Guidance FY 2022 confirmed

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

| in CHF bn | 2021 reported | Splits into: | 2022 outlook [3] | Splits into: |
|---|---|---|---|---|
| **Revenue** | **11.183** | CHF 8.6bn for Switzerland [2]<br>EUR 2.4bn for Fastweb | **11.1-11.2** | CHF 8.5-8.6bn for Switzerland<br>EUR ~2.5bn for Fastweb [4] |
| **EBITDA** [1] | **4.478** | CHF 3.6bn for Switzerland<br>EUR 0.8bn for Fastweb | **~4.4** | CHF ~3.5bn for Switzerland<br>EUR 0.8-0.9bn for Fastweb [4] |
| **CAPEX** | **2.286** | CHF 1.6bn for Switzerland<br>EUR 0.6bn for Fastweb | **~2.3** | CHF ~1.7bn for Switzerland<br>EUR ~0.6bn for Fastweb |

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

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



# Questions & answers

# Appendix

# Key financials

## Reported and underlying revenue and EBITDA

| in CHF mn | 2021 | | | | | 2022 | | | | Change Q/Q | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | FY | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| **Revenue, reported** | **2'803** | **2'780** | **2'760** | **2'840** | **11'183** | **2'768** | | | | **-35** | | | |
| Currency effect | | | | | | 34 | | | | +34 | | | |
| **Underlying change** | | | | | | | | | | **-1** | | | |
| | | | | | | | | | | | | | |
| **EBITDA, reported** | **1'124** | **1'193** | **1'148** | **1'013** | **4'478** | **1'137** | | | | **+13** | | | |
| Provisions for regulatory litigations | | 22 | 30 | | 52 | | | | | | | | |
| Adjustment pension cost | | -60 | | | -60 | | | | | | | | |
| Restructuring cost | | | | 14 | 14 | | | | | | | | |
| Currency effect | | | | | | 10 | | | | +10 | | | |
| **Underlying change** | | | | | | | | | | **+23** | | | |

# Residential Customers

Segment reporting as per 31.03.2022

Net revenue decreased driven by lower hardware sales and service revenue.

Service revenue with moderate decrease (-0.4%): brand shift mostly compensated by increase in postpaid subs.

EBITDA increased by +2.3%: revenue decrease compensated by lower cost for handsets purchased and lower indirect costs.

| | 31.03.2022 | YoY |
|---|---|---|
| **Net revenue in MCHF [1)]** | **1'131** | **-0.5%** |
| Direct costs in MCHF | -220 | -7.6% |
| Indirect costs in MCHF [2)] | -166 | -2.9% |
| **EBITDA in MCHF** | **745** | **2.3%** |
| *EBITDA in %* | *65.9%* | |
| Depreciation & amortisation in MCHF | -14 | 0.0% |
| Lease expense in MCHF | -10 | 0.0% |
| **Segment result in MCHF** | **721** | 2.4% |
| CAPEX in MCHF | -5 | 66.7% |
| FTE's | 2'824 | -6.6% |
| | | |
| Broadband lines in '000 [3)] | 1'736 | 0.2% |
| Voice lines in '000 [3)] | 1'139 | -5.6% |
| Wireless customers Prepaid in '000 | 1'136 | -14.2% |
| Wireless customers Postpaid in '000 [3)] | 3'136 | 4.9% |
| Blended wireless ARPU in CHF | 36 | 0.0% |
| TV subs in '000 [3)] | 1'517 | 0.3% |

1) incl. intersegment revenues
2) incl. capitalised costs and other income
3) sum of single play and bundles

# Business Customers

Segment reporting as per 31.03.2022

Net revenue increased (+2.6%), thanks to higher Solutions revenue (+8.8%) and hardware sales (+26.2%), additionally supported by non-organic growth resulting from the MTF-acquisition.

On the other hand, service revenue decreased (-5.0%) due to price erosion.

EBITDA slightly down (-1.9%), as the decline in high margin service revenue could not fully be compensated by growth in Solutions.

| | 31.03.2022 | YoY |
|---|---|---|
| **Net revenue in MCHF [1)]** | **791** | **2.6%** |
| Direct costs in MCHF | -192 | 9.7% |
| Indirect costs in MCHF [2)] | -246 | 4.2% |
| **EBITDA in MCHF** | **353** | **-1.9%** |
| *EBITDA in %* | *44.6%* | |
| Depreciation & amortisation in MCHF | -18 | 5.9% |
| Lease expense in MCHF | -7 | -12.5% |
| **Segment result in MCHF** | **328** | -2.1% |
| CAPEX in MCHF | -14 | 40.0% |
| FTE's | 5'207 | 5.5% |
| | | |
| Broadband lines in '000 | 294 | -0.3% |
| Voice lines in '000 | 260 | -8.5% |
| Wireless customers in '000 | 1'879 | 0.9% |
| Blended wireless ARPU in CHF | 29 | -9.4% |
| TV subs in '000 | 69 | 0.0% |

1) incl. intersegment revenues
2) incl. capitalised costs and other income

# Wholesale

Segment reporting as per 31.03.2022

Revenue from external customers down by -14.8%. due to MVNO loss and lower inbound roaming (CHF -14mn), partly compensated by growth in wholesale lines.

EBITDA down -9% YOY (CHF -8mn) primarily driven by the MVNO loss.

| | 31.03.2022 | YoY |
|---|---|---|
| External revenue in MCHF | 144 | -14.8% |
| Intersegment revenue in MCHF | 3 | 50.0% |
| **Net revenue in MCHF** | **147** | **-14.0%** |
| Direct costs in MCHF | -62 | -18.4% |
| Indirect costs in MCHF [1)] | -4 | -33.3% |
| **EBITDA in MCHF** | **81** | **-9.0%** |
| *EBITDA in %* | *55.1%* | |
| Depreciation & amortisation in MCHF | - | |
| Lease expense in MCHF | - | |
| **Segment result in MCHF** | **81** | -9.0% |
| CAPEX in MCHF | - | |
| FTE's | 74 | 2.8% |
| | | |
| Wholesale lines in '000 | 703 | 3.8% |

1) incl. capitalised costs and other income

# Infrastructure & Support Functions

Segment reporting as per 31.03.2022

EBITDA improved by +4.6% (CHF +12mn) due to lower workforce expenses and lower cost for maintenance.

Workforce expenses (net of capitalized costs) decreased by -9.2% (CHF 16mn) as the insourcing program led to a higher contribution of activated cost.

| | 31.03.2022 | YoY |
|---|---|---|
| **Net revenue in MCHF** | **18** | **-5.3%** |
| Direct costs in MCHF | -2 | 0.0% |
| Workforce expenses in MCHF[1)] | -158 | -9.2% |
| Maintenance in MCHF | -49 | -3.9% |
| IT expenses in MCHF | -32 | 0.0% |
| Other OPEX in MCHF | -85 | -7.6% |
| Other indirect costs in MCHF | -166 | -5.1% |
| Other income in MCHF | 59 | -16.9% |
| Other indirect costs and income in MCHF | -107 | 2.9% |
| Indirect costs in MCHF[2)] | -265 | -4.7% |
| **EBITDA in MCHF** | **-249** | **-4.6%** |
| Depreciation & amortisation in MCHF | -336 | -1.8% |
| Lease expense in MCHF | -38 | -5.0% |
| **Segment result in MCHF** | **-623** | -3.1% |
| CAPEX in MCHF | -345 | -3.6% |
| FTE's | 4'894 | 2.0% |

1) incl. capitalised costs
2) incl. intersegment indirect costs

# Fastweb

## Segment reporting as per 31.03.2022

Consumer revenue on level of prior year impacted by strong competition.

Enterprise revenue up by +4.2% as primarily public administration increased.

Wholesale revenue increased (+8.6%) as well, driven by increasing number of wholesale lines.

EBITDA up by +3.4% YOY driven by the top line increase.

| | 31.03.2022 | YoY |
|---|---|---|
| Consumer revenue in MEUR | 285 | -0.3% |
| Enterprise revenue in MEUR | 247 | 4.2% |
| Wholesale revenue in MEUR [1] | 63 | 8.6% |
| **Net revenue in MEUR [1]** | **595** | **2.4%** |
| OPEX in MEUR [2] | -410 | 2.0% |
| **EBITDA in MEUR** | **185** | **3.4%** |
| *EBITDA margin in %* | *31.1%* | |
| Depreciation& amortisation in MEUR | -147 | 0.7% |
| Lease expense in MEUR | -14 | 0.0% |
| **Segment result in MEUR** | **24** | 26.3% |
| CAPEX in MEUR | -157 | 1.9% |
| FTE's | 2'737 | 0.1% |
| BB customers in '000 | 2'731 | -1.2% |
| Wireless customers in '000 | 2'649 | 28.2% |
| Wholesale ultra broadband lines in '000 | 363 | 137.3% |
| **In consolidated Swisscom accounts** | | |
| EBITDA in MCHF | 191 | -2.1% |
| CAPEX in MCHF | -163 | -3.0% |

1) incl. revenues to Swisscom companies

2) incl. capitalised costs and other income

# Other

Segment reporting as per 31.03.2022

Net revenue on level of prior year.

EBITDA up by +24% YOY, driven by decreasing OPEX.

| | 31.03.2022 | YoY |
|---|---|---|
| External revenue in MCHF | 100 | -3.8% |
| **Net revenue in MCHF [1)]** | **241** | **0.4%** |
| OPEX in MCHF [2)] | -199 | -3.4% |
| **EBITDA in MCHF** | **42** | **23.5%** |
| *EBITDA margin in %* | *17.4%* | |
| Depreciation & amortisation in MCHF | -11 | -15.4% |
| Lease expense in MCHF | -3 | 0.0% |
| **Segment result in MCHF** | **28** | 55.6% |
| CAPEX in MCHF | -6 | -33.3% |
| FTE's | 3'273 | -6.9% |

1) incl. intersegment revenues
2) incl. capitalised costs and other income

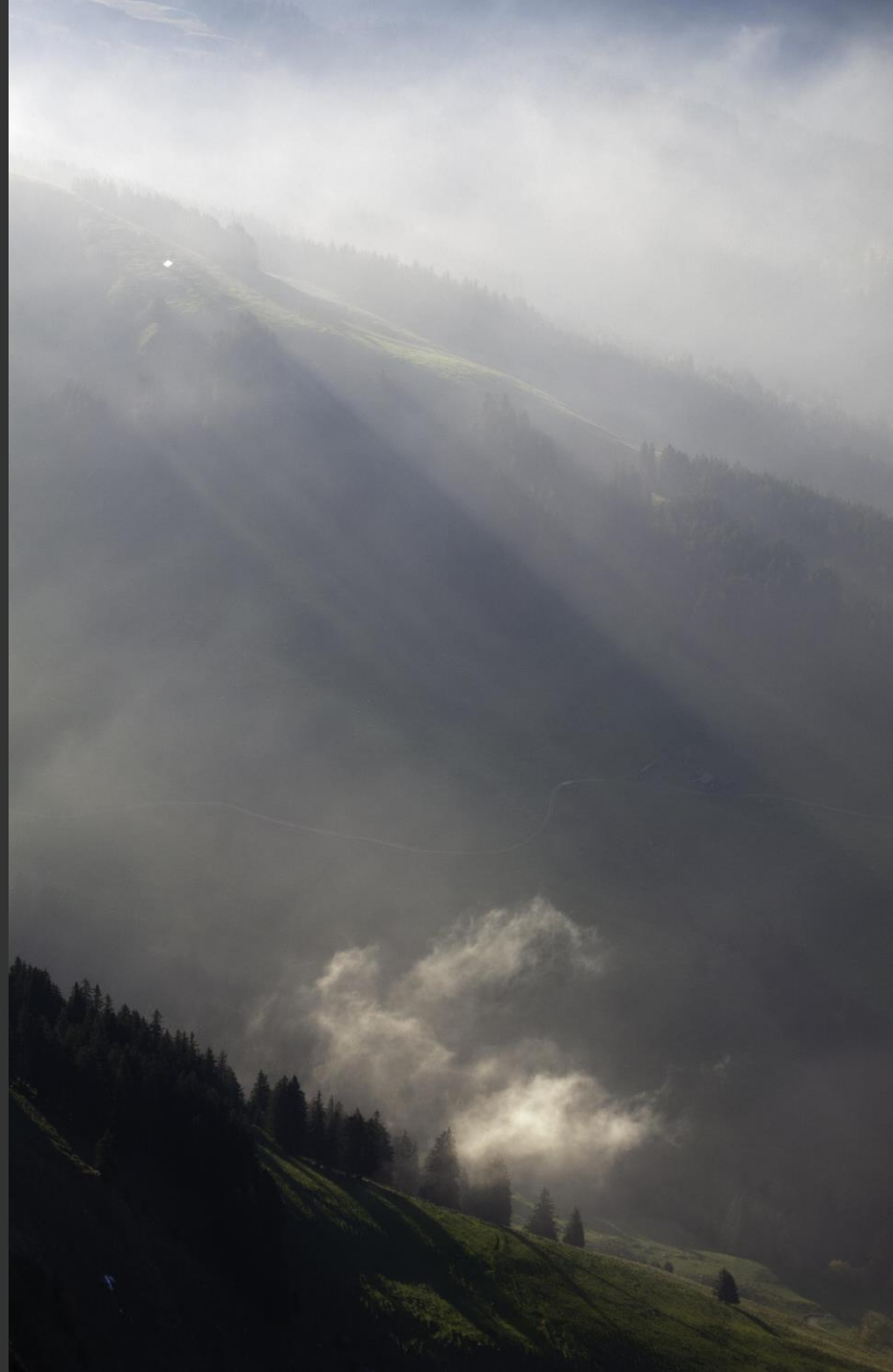
# Investor contact

**Louis Schmid**
Head Investor Relations

louis.schmid@swisscom.com
+41 58 221 62 79

**Tamara Hackl**
Investor Relations Manager

tamara.hackl@swisscom.com
+41 58 221 12 79



# Cautionary statement

## Regarding forward looking statements

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