

Ad hoc announcement pursuant to Art. 53 LR/results for Q3 2024

Swisscom presents a healthy result and confirms outlook

- Revenue virtually stable, with operating income (EBITDA) and net income slightly down on the previous year
- Residential customers: best service in shops, the hotline and the app according to connect
- Business customers: growth in IT services
- Milestone reached in the expansion of the network: for the first time ever, Swisscom provides 50% of Swiss households and businesses with optical fibre (FTTH) and approximately 85% of the population with 5G+
- Fastweb expands its customer base and achieves revenue and EBITDA growth – the takeover of Vodafone Italia is on track

‘Swisscom remains on track with virtually stable revenue and solid operating income,’ comments CEO Christoph Aeschlimann with reference to the first nine months of 2024. ‘With our infrastructure and our products, we are operating at the highest level. This has been confirmed by the fact that we once again won the connect tests for best fixed network and best service. Fastweb continues to enjoy revenue and operating income growth in Italy. The takeover of Vodafone Italia is on schedule.’

Slightly lower revenue in Swiss core business, growth at Fastweb

Group revenue fell slightly by 0.4% to CHF 8,173 million, which translates to a minor increase of 0.3% at constant exchange rates. In the Swiss core business, revenue fell by 1.7% to CHF 5,966 million. Revenue from telecom services decreased by 1.9% to CHF 3,976 million. In contrast, revenue from IT services for business customers rose by 5.0% to CHF 897 million. The business in Italy continues to show positive development: the year-on-year revenue growth at Fastweb comes in at EUR 120 million (+6.3%).

Consolidated operating income before depreciation and amortisation (EBITDA) is down by 1.1% in a year-on-year comparison to CHF 3,438 million. Excluding non-recurring items and at constant exchange rates, the decrease comes to 0.9%. In the Swiss core business, the drop in revenue was partially offset by ongoing efficiency improvements, with EBITDA declining by 1.6% on a like-for-like basis. The comparable EBITDA at Fastweb was up by 1.3% (in EUR). Consolidated net income fell by 2.1% year-on-year to CHF 1,283 million.

Residential customers: more mobile access lines – new loyalty programme for existing customers

In mobile telephony, the number of connections increased by +0.2% to 6.28 million, while the customer structure changed due to an increase in postpaid lines (+102,000) and a decrease in prepaid connections (–87,000).

The number of Swisscom fixed-line broadband connections fell by 1.8% year-on-year to 1.97 million connections, with the number of TV connections dropping by 2.7% to 1.5 million.



Revenue from telecom services in the residential customer segment fell by 1.5% year-on-year to CHF 2,849 million. Among other things, the decline in revenue was due to the increase in VAT not being passed on to customers.

The 'Swisscom Benefits' loyalty programme launched in October offers existing customers with a broadband or mobile contract exciting offers, such as reduced-price tickets for the home matches of the Swiss national football team and other discounts.

Business customers: increased demand for IT services

The market for business customers remains dominated by price pressure and technological changes. Revenue from telecom services among business customers was down by 2.9% year-on-year to CHF 1,127 million. Swisscom has a strong position as a full-service provider and customer satisfaction is high. Demand for cloud, security, IoT and SAP solutions and business applications continued to grow. Revenue from IT services rose by 5.0% to CHF 897 million in the first nine months of 2024.

Network infrastructure: expansion for a digital Switzerland

Swisscom continuously invests in the quality, coverage and performance of its network infrastructure, consolidating its position at the cutting edge of technology. At CHF 1,731 million, investment across the Group was up on the level of the previous year (+6.2%).

Broadband expansion: Swisscom now provides half of Switzerland with FTTH – victory in connect's fixed network test

For the fourth time in a row, Swisscom wins the connect broadband and fixed network test with an 'outstanding' rating. Swisscom also reached a milestone in the expansion of the network and now provides 50% of Swiss households and businesses with optical fibre. By the end of 2025, fibre-optic coverage is expected to increase to 57%¹ and to 75–80% by the end of 2030. By then, the latest network technologies such as optical fibre and 5G mobile communications should be available in almost all municipalities. At the same time, Swisscom will gradually decommission the copper access network, which is around 150 years old, wherever optical fibre is available.

After 2030, Swisscom intends to further modernise the entire network: the complete decommissioning of the copper access network will enable electricity savings in the order of the annual consumption of a city with around 20,000 inhabitants (100 GWh).

Mobile network: approximately 85% 5G+ coverage

As at the end of September, Swisscom provided approximately 85% of the Swiss population with 5G+. As a result of the latest decisions by the Swiss Federal Supreme Court, even more modifications to existing mobile communications systems need to be assessed as part of regular building permit procedures, even if radio frequency radiation levels decrease. This has slowed down the further expansion of the network and delayed the use of new, efficient and low-emission technology.

¹ Built optical fibre connections



Fastweb increases customers, revenue and EBITDA – Electricity offerings for small businesses

Fastweb increased its revenue by 6.3% in local currency terms in the first nine months of the year. In the mobile communications sector, the number of connections was up by 11.3% on the previous year to 3.82 million. The customer base in the fixed-network business (retail and wholesale) grew overall by 5.9% to 3.38 million. Although this fell by 2.5% to 2.55 million in the retail business, the number of ultra-fast broadband connections that Fastweb provided to other operators rose to 832,000 (+43,7%). Bundled offerings continued to play an important role, with 44% of customers using a bundle of fixed network and mobile. Revenue from residential customers remained virtually stable at EUR 870 million (+0.1%). Revenue in the business customer segment grew by 8.5% to EUR 883 million. Wholesale also reporting higher revenue, with an increase of 21.9% to EUR 278 million.

Fastweb's overall revenue rose year-on-year to EUR 2'031 million (+6.3%). Operating income before depreciation and amortisation (EBITDA) on a comparable basis rose by EUR 8 million to EUR 648 million (+1.3%). Following its successful entry into the electricity market with the private customer offer Fastweb Energia in April, Fastweb has now launched a corresponding offer for small businesses.

Swisscom meets the requirements of the Paris Climate Agreement

According to the Net-Zero Tracker from US financial services provider MSCI, a mere 11% of listed companies around the world meet the requirements set out in the Paris Climate Agreement. The aim of this agreement is to keep the average rise in temperatures due to global warming to considerably lower than 2 degrees Celsius but limiting it to 1.5 degrees higher than in the pre-industrial era where possible. Together with five other Swiss SMI companies, Swisscom meets these ambitious requirements.

Financial outlook confirmed

Swisscom expects revenue of around CHF 11.0 billion, EBITDA of CHF 4.5–4.6 billion and capital expenditure of around CHF 2.3 billion for 2024. Subject to achieving its targets, Swisscom plans to propose payment of an unchanged attractive dividend of CHF 22 per share for the 2024 financial year at the 2025 Annual General Meeting.

Vodafone Italia transaction is on schedule

The EU Commission has approved the transaction in accordance with the Foreign Subsidies Regulation. All in all, the takeover of Vodafone Italia is on schedule.

The completion of the transaction is still subject to other regulatory approvals, including those of the Italian competition authority (Autorità Garante della Concorrenza e del Mercato), which announced on 11 September 2024 that it had initiated an in-depth examination (phase II) to investigate the takeover in line with the Italian merger control rules. Swisscom expects the transaction to be completed in the first quarter of 2025.

The key figures at a glance

| | 1.1.– 30.09.2024 | 1.1.– 30.09.2023 | Change (restated)* |
|---|-----------------------------|-----------------------------|-------------------------------|
| Revenue (in CHF million) | 8,173 | 8,202 | –0.4% (0.3%) |
| Operating income before depreciation and amortisation, EBITDA (in CHF million) | 3,438 | 3,477 | –1.1% (–0.9%) |
| Operating income EBIT (in CHF million) | 1,652 | 1,714 | –3.6% |
| Net income (in CHF million) | 1,283 | 1,310 | –2.1% |
| Retail broadband access lines in Switzerland (as at 30.09 in thousands) | 1,973 | 2,009 | –1.8% |
| blue TV connections in Switzerland (as at 30.09 in thousands) | 1,499 | 1,541 | –2.7% |
| Mobile access lines in Switzerland (as at 30.09 in thousands) | 6,279 | 6,264 | 0.2% |
| Fastweb broadband access lines (as at 30.09 in thousands) | 2,548 | 2,613 | –2.5% |
| Fastweb mobile access lines (as at 30.09 in thousands) | 3,816 | 3,428 | 11.3% |
| Capital expenditure (in CHF million) | 1,731 | 1,630 | 6.2% |
| Of which capital expenditure in Switzerland (in CHF million) | 1,298 | 1,193 | 8.8% |
| Group employees (FTEs as at 30.09) | 19,980 | 19,686 | 1.5% |
| Of which employees in Switzerland (FTEs as at 30.09) | 16,043 | 16,048 | 0.0% |

* on a like-for-like basis and at constant exchange rates

Swisscom uses various alternative performance measures. The definition and reconciliation of values in accordance with IFRS are set out in the Interim Report as at 30 September 2024.



swisscom

Press release

The detailed Interim Report:

<https://www.swisscom.ch/q3-report-2024>

Other documents:

<http://www.swisscom.ch/ir>

Bern, 31 October 2024

Disclaimer

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Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors that are beyond Swisscom's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors detailed in Swisscom's and Fastweb's past and future filings and reports, including those filed with the U.S. Securities and Exchange Commission and in past and future filings, press releases, reports and other information posted on Swisscom Group Companies' websites.

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