



# 2023

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**Interim Report**  
January–March

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**swisscom**

# KPIs

In CHF million, except where indicated	31.03.2023	31.03.2022	Change	
<b>Revenue and results<sup>1</sup></b>				
Revenue	2,747	2,754	-0.3%	
Operating income before depreciation and amortisation (EBITDA)	1,164	1,137	2.4%	
EBITDA as % of revenue	42.4	41.3		
EBITDA after lease expense (EBITDAaL)	1,091	1,065	2.4%	
Operating income (EBIT)	573	549	4.4%	
Net income	442	447	-1.1%	
Earnings per share	8.53	8.63	-1.2%	
<b>Balance sheet and cash flows<sup>1</sup></b>				
Equity	11,695	11,260	3.9%	
Equity ratio	46.1	45.2		
Capital expenditure	545	522	4.4%	
Operating free cash flow proxy	546	543	0.6%	
Free cash flow	209	63	231.7%	
Net debt	7,171	7,680	-6.6%	
<b>Operational data</b>				
Fixed telephony access lines in Switzerland	in thousand	1,292	1,399	-7.6%
Broadband access lines retail in Switzerland	in thousand	2,017	2,030	-0.6%
TV access lines in Switzerland	in thousand	1,558	1,586	-1.8%
Mobile access lines in Switzerland	in thousand	6,177	6,151	0.4%
Access lines wholesale in Switzerland	in thousand	688	703	-2.1%
Broadband access lines retail in Italy	in thousand	2,662	2,731	-2.5%
Broadband access lines wholesale in Italy	in thousand	498	363	37.2%
Mobile access lines in Italy	in thousand	3,231	2,649	22.0%
<b>Swisscom share</b>				
Number of issued shares	in thousand	51,802	51,802	–%
Market capitalisation		30,211	28,750	5.1%
Closing price	CHF	583.20	555.00	5.1%
<b>Employees</b>				
Full-time equivalent employees	number	19,252	19,009	1.3%
Average number of full-time equivalent employees	number	19,219	18,989	1.2%

<sup>1</sup> Swisscom uses various alternative performance measures. The definitions and the reconciliation to the values in accordance with IFRS are set out in the interim report on pages 21 and 22.

# Financial review

## Summary

Group revenue decreased by 0.3% year-on-year to CHF 2,747 million. Operating income before depreciation and amortisation (EBITDA) rose by 2.4% to CHF 1,164 million. The reported revenue and EBITDA development was influenced by the performance of the euro (EUR) as a result of the substantial share held by Fastweb. The EUR average exchange rate fell by 3.7% in the first quarter of 2023 compared to the same quarter in the previous year. This resulted in negative exchange differences on Group revenue of CHF 24 million and on EBITDA of CHF 7 million. Based on a constant EUR exchange rate, revenue in the first quarter of 2023 rose by 0.6% or CHF 17 million. Swisscom Switzerland's revenue fell slightly by 0.6%. Fastweb achieved an increase in revenue of 4.7% (in EUR). In Other Operating Segments, revenue increased by 0.8%. Based on a constant EUR exchange rate, EBITDA increased by 3.0% or CHF 34 million. Swisscom Switzerland contributed to this with CHF 13 million and Fastweb with CHF 3 million. Other Operating Segments recorded a decrease of CHF 8 million. The largest effect on Group EBITDA resulted from the reconciliation of pension costs. Because the interest rate relevant for IFRS measurement has increased, the IFRS pension costs for the full year 2023 will decrease by around CHF 90 million compared to the previous year. The positive reconciliation effect in the first quarter of 2023 was CHF 24 million. The consolidated net income remained almost stable compared to the previous year at CHF 442 million (-1.1%). The higher operating income was offset by a deterioration in the financial result.

Swisscom's capital expenditure was again substantial at CHF 545 million. This was 4.4% higher than in the previous year and related primarily to network infrastructure in the Swiss core business (+8.2%) and at the Italian subsidiary Fastweb (-2.5% in EUR). The operating free cash flow proxy remained almost stable compared to the previous year at CHF 546 million (+0.6%); the higher EBITDA was compensated for by the increase in capital expenditure. Free cash flow increased by CHF 146 million to CHF 209 million mainly due to lower income tax payments. Net debt decreased by 6.6% to CHF 7,171 million year-on-year. The number of Swisscom employees increased by 1.3% to 19,252 FTEs. In Switzerland, headcount decreased by 1.5% to 15,755 FTEs.

The financial outlook for the 2023 financial year remains unchanged. Swisscom expects revenue of CHF 11.1 to 11.2 billion, EBITDA of CHF 4.6 to 4.7 billion and capital expenditure of around CHF 2.3 billion for 2023. Subject to achieving its targets, Swisscom will propose payment of an unchanged dividend of CHF 22 per share for the 2023 financial year at the 2024 Annual General Meeting.

## Segment results

In CHF million	31.03.2023	31.03.2022	Change
<b>Revenue<sup>1</sup></b>			
Residential Customers	1,136	1,131	0.4%
Business Customers	772	791	−2.4%
Wholesale	134	133	0.8%
Infrastructure & Support Functions	19	18	5.6%
Intersegment elimination	(17)	(17)	−%
<b>Swisscom Switzerland</b>	<b>2,044</b>	<b>2,056</b>	<b>−0.6%</b>
Fastweb	619	615	0.7%
Other Operating Segments	243	241	0.8%
Intersegment elimination	(159)	(158)	0.6%
<b>Total revenue</b>	<b>2,747</b>	<b>2,754</b>	<b>−0.3%</b>
<b>Operating income before depreciation and amortisation (EBITDA)<sup>1</sup></b>			
Residential Customers	748	746	0.3%
Business Customers	345	352	−2.0%
Wholesale	80	81	−1.2%
Infrastructure & Support Functions	(231)	(249)	−7.2%
Intersegment elimination	1	–	−%
<b>Swisscom Switzerland</b>	<b>943</b>	<b>930</b>	<b>1.4%</b>
Fastweb	187	191	−2.1%
Other Operating Segments	34	42	−19.0%
Reconciliation pension cost <sup>2</sup>	9	(15)	−%
Intersegment elimination	(9)	(11)	−18.2%
<b>Total EBITDA</b>	<b>1,164</b>	<b>1,137</b>	<b>2.4%</b>

<sup>1</sup> Swisscom has changed the revenue recognition for roaming contracts with minimum guarantees as of 1 January 2023 and made adjustments to the financial management. The previous year's figures have been adjusted accordingly. For further information, see notes 1 and 2 to the interim financial statements.

<sup>2</sup> Operating income of segments includes ordinary employer contributions as pension fund expense. The difference to the pension cost according to IAS 19 is recognised as a reconciliation item.

Swisscom's reporting focuses on the operating divisions Swisscom Switzerland and Fastweb. The other business divisions are grouped together under Other Operating Segments. Swisscom Switzerland comprises the customer segments Residential Customers, Business Customers and Wholesale, along with the Infrastructure & Support Functions business division. Fastweb is a telecommunications provider for residential and business customers in Italy. Other Operating Segments primarily comprises the Digital Business division, Swisscom Broadcast Ltd (radio transmitters) and calex Ltd (network construction and maintenance).

The Infrastructure & Support Functions business division does not charge any network costs or management fees to other segments for its services. The remaining services between the segments are charged at market prices. Network costs in Switzerland are budgeted, monitored and controlled by the Infrastructure & Support Functions segment, which is managed as a cost centre. For this reason, no revenue is credited to the Infrastructure & Support Functions segment within the segment reporting, with the exception of the rental and administration of buildings and vehicles. The results of the Residential Customers, Business Customers and Wholesale segments thus correspond to a contribution margin before network costs.

## Swisscom Switzerland

In CHF million, except where indicated

	31.03.2023	31.03.2022	Change
<b>Revenue and operating income before depreciation and amortisation (EBITDA)</b>			
Telecoms services	1,348	1,365	-1.2%
IT services	291	289	0.7%
Merchandise	217	222	-2.3%
Wholesale	131	130	0.8%
Revenue other	42	35	20.0%
<b>External revenue</b>	<b>2,029</b>	<b>2,041</b>	<b>-0.6%</b>
Intersegment revenue	15	15	-%
<b>Revenue</b>	<b>2,044</b>	<b>2,056</b>	<b>-0.6%</b>
Direct costs	(423)	(420)	0.7%
Indirect costs	(678)	(706)	-4.0%
<b>Operating expense</b>	<b>(1,101)</b>	<b>(1,126)</b>	<b>-2.2%</b>
<b>EBITDA</b>	<b>943</b>	<b>930</b>	<b>1.4%</b>
Margin as % of revenue	46.1	45.2	
<b>Operating free cash flow proxy</b>			
EBITDA	943	930	1.4%
Lease expense	(56)	(56)	-%
<b>EBITDA after lease expense (EBITDAaL)</b>	<b>887</b>	<b>874</b>	<b>1.5%</b>
Capital expenditure	(394)	(364)	8.2%
<b>Operating free cash flow proxy</b>	<b>493</b>	<b>510</b>	<b>-3.3%</b>
<b>Operational data in thousand and headcount</b>			
Fixed telephony access lines	1,292	1,399	-7.6%
Broadband access lines retail	2,017	2,030	-0.6%
TV access lines	1,558	1,586	-1.8%
Mobile access lines	6,177	6,151	0.4%
Access lines wholesale	688	703	-2.1%
Full-time equivalent employees	12,841	12,999	-1.2%

Swisscom Switzerland's revenue decreased slightly by 0.6% or CHF 12 million to CHF 2,044 million. Revenue from telecoms services decreased by 1.2% or CHF 17 million to CHF 1,348 million. Of the decrease, CHF 12 million (-3.0%) is attributable to the Business Customers segment, while revenue from telecoms services in the Residential Customers segment remained almost stable at CHF 960 million (-0.5%). In contrast, revenue from IT services increased slightly by 0.7% to CHF 291 million. Market saturation is reflected in fewer connections and declining subscriber bases for broadband retail (-0.6%) and TV (-1.8%). Fixed network telephony (-7.6%) is significantly affected by its substitution with mobile telephony. In mobile telephony, the number of subscribers increased slightly (+0.4%), while the customer structure changed due to an increase in postpaid lines (+161,000) and a similarly strong decrease in prepaid connections (-135,000). The share of secondary and third-party brands in the Residential Customers segment rose from 24% to 29%.

The operating expense decreased by 2.2% or CHF 25 million. Direct costs remained almost stable. The costs for subscriber acquisition and retention increased, while the costs for purchasing services and merchandise decreased. Indirect costs fell by CHF 28 million (-4.0%). In telecommunications, cost savings of CHF 27 million were realised through efficiency improvement measures and optimised network maintenance. In the area of IT services, indirect costs remained stable. Headcount fell by 1.2% to 12,841 FTEs. Operating profit before depreciation and amortisation (EBITDA) increased by 1.5% or CHF 13 million to CHF 943 million. The decline in revenue from telecoms services was more than compensated for thanks to ongoing cost-cutting measures.

Capital expenditure increased by 8.2% or CHF 30 million to CHF 394 million mainly due to transport networks. Swisscom plans to increase fibre-optic coverage (FTTH) to around 55% by the end of 2025, and to 70–80% by 2030.

## Fastweb

In EUR million, except where indicated	31.03.2023	31.03.2022	Change
<b>Revenue and operating income before depreciation and amortisation (EBITDA)</b>			
Residential Customers	289	285	1.4%
Corporate Business	261	247	5.7%
Wholesale	71	62	14.5%
<b>External revenue</b>	<b>621</b>	<b>594</b>	<b>4.5%</b>
Intersegment revenue	2	1	100.0%
<b>Revenue</b>	<b>623</b>	<b>595</b>	<b>4.7%</b>
Operating expense	(435)	(410)	6.1%
<b>EBITDA</b>	<b>188</b>	<b>185</b>	<b>1.6%</b>
Margin as % of revenue	30.2	31.1	
<b>Operating free cash flow proxy</b>			
EBITDA	188	185	1.6%
Lease expense	(13)	(14)	-7.1%
<b>EBITDA after lease expense (EBITDAaL)</b>	<b>175</b>	<b>171</b>	<b>2.3%</b>
Capital expenditure	(153)	(157)	-2.5%
<b>Operating free cash flow proxy</b>	<b>22</b>	<b>14</b>	<b>57.1%</b>
<b>Operational data in thousand and headcount</b>			
Broadband access lines retail	2,662	2,731	-2.5%
Broadband access lines wholesale	498	363	37.2%
Mobile access lines	3,231	2,649	22.0%
Full-time equivalent employees	3,087	2,737	12.8%

Fastweb's revenue rose year-on-year by 4.7% or EUR 28 million to EUR 623 million. Competition remained fierce. The customer base in the fixed-network business (end-customer and wholesale) grew by 2.1% to 3.16 million. While this fell by 2.5% to 2.66 million in the end-customer business as a result of the value strategy pursued by Fastweb and because of the challenging market environment, the number of ultra-fast broadband connections provided by Fastweb to other operators rose to 498,000 (+37.2%). Among end customers, the share of ultra-fast broadband connections increased by 4 percentage points to 87%. The number of mobile access lines increased by 582,000 (+22.0%) to 3.2 million, with bundled offerings continuing to play an important role here. 41% of broadband customers used a bundled offering combining fixed network and mobile. Revenue from residential customers increased by 1.4% or EUR 4 million to EUR 289 million, mainly as a result of the greater mobile customer base. Revenue from business customers increased by 5.7% or EUR 14 million to EUR 261 million, driven by the strong market position in the area of public administration. Revenue from wholesale business increased by 14.5% or EUR 9 million to EUR 71 million due to the higher number of subscribers.

Operating expenses increased by EUR 25 million (+6.1%). Driven by revenue growth, the operating result before depreciation and amortisation (EBITDA) increased by EUR 3 million (+1.6%). Capital expenditure fell by 2.5% to EUR 153 million due to a decrease in customer-driven investment. Headcount increased by 12.8% or 350 FTEs to 3,087 FTEs as the company took on external staff and the growth created a need for more personnel.

## Other Operating Segments

In CHF million, except where indicated	31.03.2023	31.03.2022	Change
<b>Revenue and operating income before depreciation and amortisation (EBITDA)</b>			
External revenue	100	100	–%
Intersegment revenue	143	141	1.4%
<b>Revenue</b>	<b>243</b>	<b>241</b>	<b>0.8%</b>
Operating expense	(209)	(199)	5.0%
<b>EBITDA</b>	<b>34</b>	<b>42</b>	<b>–19.0%</b>
Margin as % of revenue	14.0	17.4	
<b>Operating free cash flow proxy</b>			
EBITDA	34	42	–19.0%
Lease expense	(2)	(3)	–33.3%
<b>EBITDA after lease expense (EBITDAaL)</b>	<b>32</b>	<b>39</b>	<b>–17.9%</b>
Capital expenditure	(8)	(6)	33.3%
<b>Operating free cash flow proxy</b>	<b>24</b>	<b>33</b>	<b>–27.3%</b>
<b>Headcount</b>			
Full-time equivalent employees	3,324	3,273	1.6%

Revenue in Other Operating Segments remained almost stable year-on-year at CHF 243 million (+0.8%). Due to higher costs, the operating result before depreciation and amortisation (EBITDA) decreased by 19% or CHF 8 million to CHF 34 million, and the profit margin shrank accordingly to 14.0% (prior year: 17.4%). Headcount increased by 1.6% or 51 FTEs to 3,324 FTEs, partly as the result of an acquisition.

## Depreciation and amortisation, non-operating results

In CHF million, except where indicated	31.03.2023	31.03.2022	Change
<b>Operating income before depreciation and amortisation (EBITDA)</b>	<b>1,164</b>	<b>1,137</b>	<b>2.4%</b>
Depreciation and amortisation of property, plant and equipment and intangible assets	(525)	(522)	0.6%
Depreciation of right-of-use assets	(66)	(66)	–%
<b>Operating income (EBIT)</b>	<b>573</b>	<b>549</b>	<b>4.4%</b>
Net interest expense on financial assets and liabilities	(14)	(15)	–6.7%
Interest expense on lease liabilities	(12)	(11)	9.1%
Other financial result	(4)	28	–%
Result of equity-accounted investees	–	(1)	–100.0%
<b>Income before income taxes</b>	<b>543</b>	<b>550</b>	<b>–1.3%</b>
Income tax expense	(101)	(103)	–1.9%
<b>Net income</b>	<b>442</b>	<b>447</b>	<b>–1.1%</b>
Attributable to equity holders of Swisscom Ltd	442	447	–1.1%
Attributable to non-controlling interests	–	–	–%
Earnings per share (in CHF)	8.53	8.63	–1.2%

Net income remained almost stable at CHF 442 million (–1.1%). The higher operating income was offset by the deterioration in the financial result. The financial result decreased mainly due to positive effects of CHF 34 million from the valuation of interest rate swaps at market value in the previous year. The income tax expense was CHF 101 million (prior year: CHF 103 million), corresponding to an effective income tax rate of 18.6% (prior year: 18.7%).

## Cash flows

In CHF million	31.03.2023	31.03.2022	Change
Operating income before depreciation and amortisation (EBITDA)	1,164	1,137	27
Lease expense	(73)	(72)	(1)
<b>EBITDA after lease expense (EBITDAaL)</b>	<b>1,091</b>	<b>1,065</b>	<b>26</b>
Capital expenditure	(545)	(522)	(23)
<b>Operating free cash flow proxy</b>	<b>546</b>	<b>543</b>	<b>3</b>
Change in net working capital	(244)	(264)	20
Change in defined benefit obligations	(8)	16	(24)
Net interest payments on financial assets and liabilities	(12)	(11)	(1)
Income taxes paid	(65)	(189)	124
Other operating cash flows	(8)	(32)	24
<b>Free cash flow</b>	<b>209</b>	<b>63</b>	<b>146</b>
Net expenditures for company acquisitions and disposals	–	(63)	63
Other changes <sup>1</sup>	(6)	26	(32)
<b>Decrease in net debt</b>	<b>203</b>	<b>26</b>	<b>177</b>

<sup>1</sup> Includes foreign currency effects, fair value adjustments and non-cash changes in net debt positions.

The operating free cash flow proxy of CHF 546 million is at the same level as the previous year (+0.6%). Free cash flow increased by CHF 146 million to CHF 209 million mainly due to lower income tax payments. The decrease in income tax payments is due to the different payment due dates during the year. No expenses were incurred for company acquisitions and disposals in the first quarter of 2023. The first quarter of 2022 mainly includes the expenses for the acquisition of companies of the MTF Group.

## Net asset position

In CHF million, except where indicated	31.03.2023	31.12.2022	Change
Property, plant and equipment	10,885	10,811	0.7%
Intangible assets	1,759	1,741	1.0%
Goodwill	5,180	5,172	0.2%
Right-of-use assets	2,002	1,992	0.5%
Trade receivables	2,208	2,255	–2.1%
Receivables from finance leases	109	131	–16.8%
Trade payables	(1,616)	(1,674)	–3.5%
Provisions	(1,193)	(1,159)	2.9%
Deferred gain on sale and leaseback of real estate	(84)	(85)	–1.2%
Other operating assets and liabilities, net	(5)	(218)	–97.7%
<b>Net operating assets</b>	<b>19,245</b>	<b>18,966</b>	<b>1.5%</b>
Net debt	(7,171)	(7,374)	–2.8%
Defined benefit assets and obligations, net	(11)	(11)	–%
Income tax assets and liabilities, net	(865)	(829)	4.3%
Equity-accounted investees and other financial assets	497	419	18.6%
<b>Equity</b>	<b>11,695</b>	<b>11,171</b>	<b>4.7%</b>
Equity ratio in %	46.1	45.4	

Net operating assets were higher at CHF 19.2 billion (+1.5%) compared with year-end 2022. The 4.7% increase in equity to CHF 11.7 billion corresponds to the net income for the first quarter of 2023. The equity ratio rose from 45.4% to 46.1% compared to the end of 2022. On 28 March 2023, the Annual General Meeting of Swisscom Ltd approved the payment of an unchanged dividend of CHF 22 gross per share. A total dividend amount of CHF 1,140 million was paid out on 3 April 2023.



## Net debt

Net debt consists of financial liabilities and lease liabilities less cash and cash equivalents, listed debt instruments and derivative financial instruments.

In CHF million	31.03.2023	31.12.2022
Debenture bonds	5,119	4,886
Bank loans	474	512
Private placements	322	322
Other financial liabilities	279	282
Lease liabilities	1,887	1,911
<b>Total financial liabilities</b>	<b>8,081</b>	<b>7,913</b>
Cash and cash equivalents	(513)	(121)
Other financial assets	(397)	(418)
<b>Net debt</b>	<b>7,171</b>	<b>7,374</b>

In the first quarter of 2023, Swisscom raised a green bond of CHF 150 million with a coupon of 1.875% and a maturity of 7.5 years, as well as a privately placed bond of CHF 50 million with a coupon of 2.19% and a maturity of 30 years.

In recent years, Swisscom has taken advantage of favourable capital market conditions with a view to optimising the interest and maturity structure of the Group's financial liabilities. As at 31 March 2023, the average interest rate on financial liabilities was 1.1%, the average residual term to maturity was 5.7 years, and the share of fixed-interest-bearing financial liabilities was 89%. Swisscom also has two lines of credit totalling CHF 2.2 billion, which have not been used.

## Outlook

Key figures or as noted	2022	2023 outlook <sup>4</sup>
<b>Revenue</b>		
<b>Swisscom Group</b>	<b>CHF 11,051 million <sup>1</sup></b>	<b>CHF 11.1–11.2 bn</b>
Switzerland <sup>3</sup>	CHF 8,558 million	~ CHF 8.6 bn
Fastweb	EUR 2,482 million	EUR 2.5–2.6 bn
<b>Operating income before depreciation and amortisation (EBITDA)</b>		
<b>Swisscom Group</b>	<b>CHF 4,406 million</b>	<b>CHF 4.6–4.7 bn <sup>2</sup></b>
Switzerland <sup>3</sup>	CHF 3,549 million	CHF 3.7–3.8 bn
Fastweb	EUR 854 million	~ EUR 0.9 bn
<b>Capital expenditure</b>		
<b>Swisscom Group</b>	<b>CHF 2,309 million</b>	<b>~ CHF 2.3 bn</b>
Switzerland <sup>3</sup>	CHF 1,690 million	~ CHF 1.7 bn
Fastweb	EUR 616 million	~ EUR 0.6 bn

<sup>1</sup> Restated. For further information, see note 1 to the interim financial statements.

<sup>2</sup> EBITDA after lease expense (EBITDAaL) 2022: CHF 4,120 mn; EBITDAaL guidance 2023: CHF 4.3 bn–4.4 bn

<sup>3</sup> Swisscom w/o Fastweb

<sup>4</sup> Exchange rate CHF/EUR 1.00 (2022: CHF/EUR 1.00)

The financial outlook for the 2023 financial year remains unchanged. Swisscom expects revenue of CHF 11.1 to 11.2 billion, EBITDA of around CHF 4.6 to 4.7 billion and capital expenditure of around CHF 2.3 billion for 2023. Subject to achieving its targets, Swisscom will propose payment of an unchanged dividend of CHF 22 per share for the 2023 financial year at the 2024 Annual General Meeting.

# Consolidated interim financial statements

## Consolidated statement of comprehensive income (unaudited)

In CHF million, except for per share amounts	Note	1.01.–31.03.2023	1.01.–31.03.2022
<b>Income statement</b>			
<b>Revenue</b>	2	<b>2,747</b>	<b>2,754</b>
Direct costs	3	(661)	(629)
Personnel expense	3	(680)	(697)
Other operating expense	3	(406)	(437)
Capitalised self-constructed assets and other income	3	164	146
<b>Operating income before depreciation and amortisation</b>		<b>1,164</b>	<b>1,137</b>
Depreciation and amortisation of property, plant and equipment and intangible assets		(525)	(522)
Depreciation of right-of-use assets		(66)	(66)
<b>Operating income</b>		<b>573</b>	<b>549</b>
Financial income	6	8	37
Financial expense	6	(38)	(35)
Result of equity-accounted investees		–	(1)
<b>Income before income taxes</b>		<b>543</b>	<b>550</b>
Income tax expense		(101)	(103)
<b>Net income</b>		<b>442</b>	<b>447</b>
<b>Other comprehensive income</b>			
Actuarial gains and losses from defined benefit pension plans		(7)	13
Change in fair value of equity instruments		62	2
<b>Items that will not be reclassified to income statement</b>		<b>55</b>	<b>15</b>
Foreign currency translation adjustments of foreign subsidiaries		24	(12)
Change in cash flow hedges		3	2
<b>Items that are or may be reclassified subsequently to income statement</b>		<b>27</b>	<b>(10)</b>
<b>Other comprehensive income</b>		<b>82</b>	<b>5</b>
<b>Comprehensive income</b>			
Net income		442	447
Other comprehensive income		82	5
<b>Comprehensive income</b>		<b>524</b>	<b>452</b>
<b>Share of net income and comprehensive income</b>			
Equity holders of Swisscom Ltd		442	447
Non-controlling interests		–	–
<b>Net income</b>		<b>442</b>	<b>447</b>
Equity holders of Swisscom Ltd		524	452
Non-controlling interests		–	–
<b>Comprehensive income</b>		<b>524</b>	<b>452</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (in CHF)		8.53	8.63

## Consolidated balance sheet (unaudited)

In CHF million	Note	31.03.2023	31.12.2022
<b>Assets</b>			
Cash and cash equivalents		513	121
Trade receivables	7	2,208	2,255
Receivables from finance leases		27	53
Other operating assets	7	1,588	1,353
Other financial assets		68	64
Current income tax assets		6	2
<b>Total current assets</b>		<b>4,410</b>	<b>3,848</b>
Property, plant and equipment		10,885	10,811
Intangible assets		1,759	1,741
Goodwill		5,180	5,172
Right-of-use assets		2,002	1,992
Equity-accounted investees		27	26
Receivables from finance leases		82	78
Other financial assets		799	747
Defined benefit assets		11	11
Deferred tax assets		190	194
<b>Total non-current assets</b>		<b>20,935</b>	<b>20,772</b>
<b>Total assets</b>		<b>25,345</b>	<b>24,620</b>
<b>Liabilities and equity</b>			
Financial liabilities	5	517	547
Lease liabilities		224	232
Trade payables	7	1,616	1,674
Other operating liabilities	7	1,593	1,571
Provisions	8	134	88
Current income tax liabilities		212	194
<b>Total current liabilities</b>		<b>4,296</b>	<b>4,306</b>
Financial liabilities	5	5,677	5,455
Lease liabilities		1,663	1,679
Defined benefit obligations		22	22
Provisions	8	1,059	1,071
Deferred gain on sale and leaseback of real estate		84	85
Deferred tax liabilities		849	831
<b>Total non-current liabilities</b>		<b>9,354</b>	<b>9,143</b>
<b>Total liabilities</b>		<b>13,650</b>	<b>13,449</b>
Share capital		52	52
Capital reserves		136	136
Retained earnings		13,439	12,942
Foreign currency translation adjustments		(1,936)	(1,960)
Hedging reserves		1	(2)
<b>Equity attributable to equity-holders of Swisscom Ltd</b>		<b>11,692</b>	<b>11,168</b>
Non-controlling interests		3	3
<b>Total equity</b>		<b>11,695</b>	<b>11,171</b>
<b>Total liabilities and equity</b>		<b>25,345</b>	<b>24,620</b>

## Consolidated statement of cash flows (unaudited)

In CHF million	Note	31.03.2023	31.03.2022
Net income		442	447
Income tax expense		101	103
Result of equity-accounted investees		–	1
Financial income	6	(8)	(37)
Financial expense	6	38	35
Depreciation and amortisation of property, plant and equipment and intangible assets		525	522
Depreciation of right-of-use assets		66	66
Gain on sale of property, plant and equipment		(1)	–
Revenue from finance leases		(19)	(18)
Proceeds from finance leases receivables		42	7
Change in deferred gain from the sale and leaseback of real estate		(1)	(1)
Change in operating assets and liabilities	7	(228)	(244)
Change in provisions		(15)	(19)
Change in defined benefit obligations		(8)	16
Interest received		1	1
Interest payments for financial liabilities		(13)	(12)
Interest payments for lease liabilities		(12)	(11)
Income taxes paid		(65)	(189)
<b>Cash flow from operating activities</b>		<b>845</b>	<b>667</b>
Purchase of property, plant and equipment and intangible assets		(541)	(519)
Sale of property, plant and equipment and intangible assets		3	1
Acquisition of subsidiaries, net of cash and cash equivalents acquired		(2)	(62)
Proceeds from sale of subsidiaries, net of cash and cash equivalents acquired		3	–
Expenditure for equity-accounted investees		(1)	(1)
Purchase of other financial assets		(2)	(36)
Proceeds from other financial assets		11	3
Other cash flows from investing activities		(1)	(1)
<b>Cash flow used in investing activities</b>		<b>(530)</b>	<b>(615)</b>
Issuance of financial liabilities	5	208	2
Repayment of financial liabilities	5	(36)	(32)
Repayment of lease liabilities		(98)	(86)
Other cash flows from financing activities		1	(3)
<b>Cash flow from (cash flow used in) financing activities</b>		<b>75</b>	<b>(119)</b>
<b>Net increase (net decrease) in cash and cash equivalents</b>		<b>390</b>	<b>(67)</b>
Cash and cash equivalents at 1 January		121	401
Foreign currency translation adjustments in respect of cash and cash equivalents		2	(1)
<b>Cash and cash equivalents at the end of financial period</b>		<b>513</b>	<b>333</b>

## Consolidated statement of changes in equity (unaudited)

In CHF million	Share capital	Capital reserves	Retained earnings	Foreign currency translation adjustments	Hedge reserves	Equity attributable to equity holders of Swisscom	Non-controlling interests	Total equity
<b>Balance at 1 January 2022</b>	<b>52</b>	<b>136</b>	<b>12,485</b>	<b>(1,864)</b>	<b>2</b>	<b>10,811</b>	<b>2</b>	<b>10,813</b>
Net income	–	–	447	–	–	447	–	447
Other comprehensive income	–	–	15	(12)	2	5	–	5
<b>Comprehensive income</b>	<b>–</b>	<b>–</b>	<b>462</b>	<b>(12)</b>	<b>2</b>	<b>452</b>	<b>–</b>	<b>452</b>
Other changes	–	–	(4)	–	–	(4)	(1)	(5)
<b>Balance at 31 March 2022</b>	<b>52</b>	<b>136</b>	<b>12,943</b>	<b>(1,876)</b>	<b>4</b>	<b>11,259</b>	<b>1</b>	<b>11,260</b>
<b>Balance at 1 January 2023</b>	<b>52</b>	<b>136</b>	<b>12,942</b>	<b>(1,960)</b>	<b>(2)</b>	<b>11,168</b>	<b>3</b>	<b>11,171</b>
Net income	–	–	442	–	–	442	–	442
Other comprehensive income	–	–	55	24	3	82	–	82
<b>Comprehensive income</b>	<b>–</b>	<b>–</b>	<b>497</b>	<b>24</b>	<b>3</b>	<b>524</b>	<b>–</b>	<b>524</b>
Other changes	–	–	–	–	–	–	–	–
<b>Balance at 31 March 2023</b>	<b>52</b>	<b>136</b>	<b>13,439</b>	<b>(1,936)</b>	<b>1</b>	<b>11,692</b>	<b>3</b>	<b>11,695</b>

# Notes to the interim financial statements

## About this report

### General disclosures

The Swisscom Group (hereinafter referred to as 'Swisscom') provides telecommunications services, and is active primarily in Switzerland and Italy. The unaudited consolidated financial statements as at 31 March 2023 cover Swisscom Ltd, as parent company, and its subsidiaries. Swisscom Ltd is a public limited company with special status under Swiss law and has its registered office in Ittigen (Berne). Its address is: Swisscom Ltd, Alte Tiefenastrasse 6, 3048 Worblaufen. Swisscom is listed on the SIX Swiss Exchange. The number of issued shares is unchanged from the prior year and totals 51,801,943. The shares have a nominal value of CHF 1 and are fully paid-up. Each share entitles the holder to one vote. The majority shareholder of Swisscom Ltd is the Swiss Confederation ('Confederation'). The Confederation is obligated by current law to hold the majority of the capital and voting rights. The Board of Directors of Swisscom approved the issuance of these consolidated interim financial statements on 3 May 2023. As of this date, no material events after the reporting date have occurred.

### Basis of preparation

The consolidated interim financial statements for the three months to 31 March 2023 were prepared in accordance with International Accounting Standard 'IAS 34 Interim Financial Reporting' and should be read in conjunction with the consolidated financial statements for the financial year ended 31 December 2022.

In preparing the consolidated interim financial statements, management is required to make accounting estimates and assumptions. Adjustments are made for changes in estimates and assumptions during the reporting period in which the original estimates and assumptions changed.

Swisscom operates in business areas where the provision of services is not subject to any major seasonal or cyclical fluctuations during the financial year. Income taxes are calculated on the basis of an estimate of the expected income tax rate for the full year. For the consolidated interim financial statements, a CHF/EUR exchange rate of 0.997 was used as the closing rate (31 December 2022: CHF/EUR 0.985) and 0.995 as the average rate for the period (prior year: CHF/EUR 1.034).

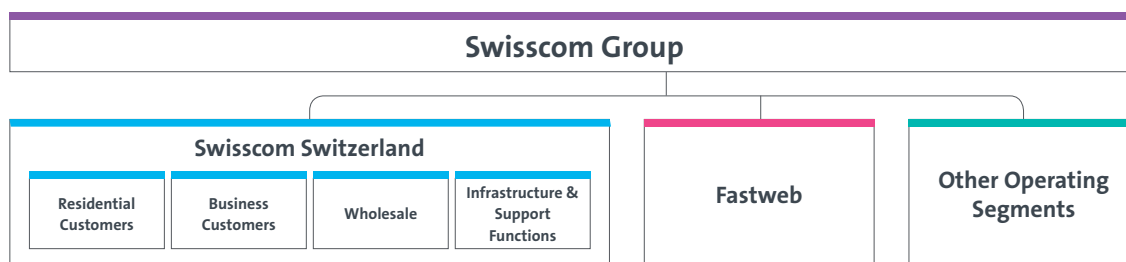
## 1 Accounting policies

The consolidated interim financial statements were prepared in accordance with the accounting policies described in the 2022 consolidated financial statements and the amendments described below.

As of 1 January 2023, Swisscom adopted various amendments to the existing International Financial Reporting Standards (IFRS) and interpretations, none of which have a material impact on the results or the financial position of the Group. From 2023 Swisscom will now take into account other factors, such as market conditions and other entity-specific factors, in addition to contractually agreed prices, when determining the fair value for revenue and cost recognition of individual roaming contracts that contain minimum guarantees. The prior year's comparatives have been restated accordingly. The change reduced revenue and direct costs for the first quarter of 2022 by CHF 14 million in each case (CHF 61 million each for the full year).

## 2 Segment information

### General disclosures



Reporting is divided into the segments Residential Customers, Business Customers, Wholesale and Infrastructure & Support Functions, which are grouped under Swisscom Switzerland, as well as Fastweb and Other Operating Segments.

For its services, the Infrastructure & Support Functions segment does not charge any network costs or management fees to other segments. All other services between the segments are charged at market prices. The results of the Residential Customers, Business Customers and Wholesale segments thus correspond to a contribution margin before network costs.

Segment expense encompasses the direct and indirect costs, which include personnel expense, other operating costs less capitalised costs of self-constructed assets and other income. Pension cost includes ordinary employer contributions. The difference between the ordinary employer contributions and the pension cost as provided for under IAS 19 is reported in the column 'Eliminations'. In the first three months of 2023, the Eliminations segment result includes income of CHF 9 million (prior year: expenses of CHF 15 million) as a pension cost reconciliation item in accordance with IAS 19.

Leases between the segments are not recognised in the balance sheet in accordance with IFRS 16. The reported lease expense of the segments comprises depreciation and interest on leases excluding depreciation of indefeasible rights of use (IRU) of CHF 5 million (prior year: CHF 5 million) and the accounting for the rental of buildings between segments. The lease expense of assets of low value is presented as direct costs.

Capital expenditure consists of the purchase of property, plant and equipment and intangible assets and payments for indefeasible rights of use (IRU). In general, IRUs are paid in full at the beginning of the use and are classified as leases under IFRS 16. From an economic point of view, IRU payments will be considered as capital expenditure in the segment information. Capital expenditure in the first three months of 2023 includes IRU payments of CHF 4 million (prior year: CHF 3 million).

### Changes in segment reporting

Swisscom has reallocated various areas within Swisscom Switzerland to the segments as of 1 January 2023. The adjustments lead to cost shifts between the segments of Swisscom Switzerland. The changes have no effect on the reporting of revenue. The previous year's figures for Swisscom Switzerland were adjusted as follows:

In CHF million	Reported	Adjustment	Restated
<b>Operating income before depreciation and amortisation (EBITDA) Swisscom Switzerland</b>			
<b>Financial year 2022</b>			
Residential Customers	2,975	4	2,979
Business Customers	1,384	(3)	1,381
Wholesale	291	(2)	289
Infrastructure & Support Functions	(1,166)	1	(1,165)
Intersegment elimination	(1)	–	(1)
<b>EBITDA Swisscom Switzerland</b>	<b>3,483</b>	<b>–</b>	<b>3,483</b>

## Segment information 2023

1.01.–31.03.2023, in CHF million	Swisscom Switzerland	Fastweb	Other Operating Segments	Elimination	Total
Residential customers	1,132	288	–	–	1,420
Business customers	766	260	100	–	1,126
Wholesale customers	131	70	–	–	201
<b>External revenue</b>	<b>2,029</b>	<b>618</b>	<b>100</b>	<b>–</b>	<b>2,747</b>
Intersegment revenue	15	1	143	(159)	–
<b>Revenue</b>	<b>2,044</b>	<b>619</b>	<b>243</b>	<b>(159)</b>	<b>2,747</b>
Direct costs	(423)	(239)	(19)	20	(661)
Indirect costs	(678)	(193)	(190)	139	(922)
<b>Operating income before depreciation and amortisation (EBITDA)</b>	<b>943</b>	<b>187</b>	<b>34</b>	<b>–</b>	<b>1,164</b>
Depreciation and amortisation of property, plant and equipment and intangible assets					(525)
Depreciation of right-of-use assets					(66)
<b>Operating income (EBIT)</b>					<b>573</b>
Financial income					8
Financial expense					(38)
Result of equity-accounted investees					–
<b>Income before income taxes</b>					<b>543</b>
Income tax expense					(101)
<b>Net income</b>					<b>442</b>
EBITDA	943	187	34	–	1,164
Lease expense	(56)	(14)	(2)	(1)	(73)
<b>EBITDA after lease expense (EBITDAaL)</b>	<b>887</b>	<b>173</b>	<b>32</b>	<b>(1)</b>	<b>1,091</b>
Capital expenditure	(394)	(152)	(8)	9	(545)
<b>Operating free cash flow proxy</b>	<b>493</b>	<b>21</b>	<b>24</b>	<b>8</b>	<b>546</b>

## Segment information Swisscom Switzerland 2023

1.01.–31.03.2023, in CHF million	Residential Customers	Business Customers	Wholesale	Infrastructure & Support Functions	Elimination	Total Swisscom Switzerland
Fixed-line	499	206	–	–	–	705
Mobile	461	182	–	–	–	643
<b>Telecom services</b>	<b>960</b>	<b>388</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,348</b>
IT services	–	291	–	–	–	291
Merchandise	135	82	–	–	–	217
Wholesale	–	–	131	–	–	131
Revenue other	37	–	–	5	–	42
<b>External revenue</b>	<b>1,132</b>	<b>761</b>	<b>131</b>	<b>5</b>	<b>–</b>	<b>2,029</b>
Intersegment revenue	4	11	3	14	(17)	15
<b>Revenue</b>	<b>1,136</b>	<b>772</b>	<b>134</b>	<b>19</b>	<b>(17)</b>	<b>2,044</b>
Direct costs	(230)	(181)	(49)	(2)	39	(423)
Indirect costs	(158)	(246)	(5)	(248)	(21)	(678)
<b>Operating income before depreciation and amortisation (EBITDA)</b>	<b>748</b>	<b>345</b>	<b>80</b>	<b>(231)</b>	<b>1</b>	<b>943</b>
Capital expenditure	(7)	(11)	–	(376)	–	(394)



## Segment information 2022

1.01.–31.03.2022, in CHF million, restated	Swisscom Switzerland	Fastweb	Other Operating Segments	Elimination	Total
Residential customers	1,127	295	–	–	1,422
Business customers	779	255	100	–	1,134
Wholesale customers	135	63	–	–	198
<b>External revenue</b>	<b>2,041</b>	<b>613</b>	<b>100</b>	<b>–</b>	<b>2,754</b>
Intersegment revenue	15	2	141	(158)	–
<b>Revenue</b>	<b>2,056</b>	<b>615</b>	<b>241</b>	<b>(158)</b>	<b>2,754</b>
Direct costs	(420)	(210)	(15)	16	(629)
Indirect costs	(706)	(214)	(184)	116	(988)
<b>Operating income before depreciation and amortisation (EBITDA)</b>	<b>930</b>	<b>191</b>	<b>42</b>	<b>(26)</b>	<b>1,137</b>
Depreciation and amortisation of property, plant and equipment and intangible assets					(522)
Depreciation of right-of-use assets					(66)
<b>Operating income (EBIT)</b>					<b>549</b>
Financial income					37
Financial expense					(35)
Result of equity-accounted investees					(1)
<b>Income before income taxes</b>					<b>550</b>
Income tax expense					(103)
<b>Net income</b>					<b>447</b>
EBITDA	930	191	42	(26)	1,137
Lease expense	(56)	(14)	(3)	1	(72)
<b>EBITDA after lease expense (EBITDAaL)</b>	<b>874</b>	<b>177</b>	<b>39</b>	<b>(25)</b>	<b>1,065</b>
Capital expenditure	(364)	(163)	(6)	11	(522)
<b>Operating free cash flow proxy</b>	<b>510</b>	<b>14</b>	<b>33</b>	<b>(14)</b>	<b>543</b>

## Segment information Swisscom Switzerland 2022

1.01.–31.03.2022, in CHF million, restated	Residential Customers	Business Customers	Wholesale	Infrastructure & Support Functions	Elimination	Total Swisscom Switzerland
Fixed-line	505	212	–	–	–	717
Mobile	460	188	–	–	–	648
<b>Telecom services</b>	<b>965</b>	<b>400</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,365</b>
IT services	–	289	–	–	–	289
Merchandise	132	90	–	–	–	222
Wholesale	–	–	130	–	–	130
Revenue other	30	–	–	5	–	35
<b>External revenue</b>	<b>1,127</b>	<b>779</b>	<b>130</b>	<b>5</b>	<b>–</b>	<b>2,041</b>
Intersegment revenue	4	12	3	13	(17)	15
<b>Revenue</b>	<b>1,131</b>	<b>791</b>	<b>133</b>	<b>18</b>	<b>(17)</b>	<b>2,056</b>
Direct costs	(220)	(192)	(48)	(2)	42	(420)
Indirect costs	(165)	(247)	(4)	(265)	(25)	(706)
<b>Operating income before depreciation and amortisation (EBITDA)</b>	<b>746</b>	<b>352</b>	<b>81</b>	<b>(249)</b>	<b>–</b>	<b>930</b>
Capital expenditure	(5)	(14)	–	(345)	–	(364)

### 3 Operating costs

#### Direct costs

In CHF million	1.01.–31.03.2023	1.01.–31.03.2022
Customer premises equipment and merchandise	260	242
Services purchased	179	177
Costs to obtain a contract	50	44
Costs to fulfill a contract	21	22
Network access costs of swiss subsidiaries	49	48
Network access costs of foreign subsidiaries	102	96
<b>Total direct costs</b>	<b>661</b>	<b>629</b>

#### Indirect costs

In CHF million	1.01.–31.03.2023	1.01.–31.03.2022
Salary and social security expenses	662	683
Other personnel expense	18	14
<b>Total personnel expense</b>	<b>680</b>	<b>697</b>
Information technology cost	62	64
Maintenance expense	50	66
Energy costs	37	36
Advertising and selling expenses	38	49
Consultancy expenses and freelance workforce	24	29
Call centre services purchased	32	34
Administration expense	12	12
Allowances for receivables and contract assets	17	16
Miscellaneous operating expenses	134	131
<b>Total other operating expense</b>	<b>406</b>	<b>437</b>
Capitalised self-constructed tangible and intangible assets	(132)	(117)
Own work for capitalised contract costs	(12)	(16)
Gain on sale of property, plant and equipment	(1)	–
Miscellaneous income	(19)	(13)
<b>Total capitalised self-constructed assets and other income</b>	<b>(164)</b>	<b>(146)</b>
<b>Total indirect costs</b>	<b>922</b>	<b>988</b>

Capitalised self-constructed tangible and intangible assets include personnel costs for the manufacturing of technical installations, the construction of network infrastructure and the development of software for internal use.

### 4 Dividends

On 28 March 2023, the Annual General Meeting of Swisscom Ltd approved the payment of an unchanged gross dividend of CHF 22 per share. A total dividend amount of CHF 1,140 million was paid out on 3 April 2023.

## 5 Financial liabilities

In CHF million	Carrying amount 1.01.2023	Issuance	Repayment	Other changes <sup>1</sup>	Carrying amount 31.03.2023	Fair Value
Bank loans	512	–	(36)	(2)	474	474
Debenture bonds	4,886	200	–	33	5,119	4,768
Private placements	322	–	–	–	322	304
Derivative financial instruments	129	–	–	(12)	117	117
Other financial liabilities	153	8	–	1	162	157
<b>Total financial liabilities</b>	<b>6,002</b>	<b>208</b>	<b>(36)</b>	<b>20</b>	<b>6,194</b>	<b>5,820</b>

1 Interest expense, interest payments, non-cash changes and foreign currency translation adjustments.

In the first quarter of 2023, Swisscom raised a green bond of CHF 150 million with a coupon of 1.875% and a maturity of 7.5 years, as well as a privately placed bond of CHF 50 million with a coupon of 2.19% and a maturity of 30 years. The funds received were used to repay existing debt.

Swisscom has two confirmed lines of credit amounting to CHF 1,000 million maturing in 2027 and CHF 1,200 million maturing in 2028. As of 31 March 2023, none of these lines of credit had been drawn down, as in the prior year.

## 6 Financial result

In CHF million	1.01.–31.03.2023	1.01.–31.03.2022
Interest income on financial assets	2	1
Change in fair value of interest rate swaps	–	34
Foreign exchange gains	1	–
Other financial income	5	2
<b>Total financial income</b>	<b>8</b>	<b>37</b>
Interest expense on financial liabilities	(16)	(16)
Interest expense on lease liabilities	(12)	(11)
Change in fair value of interest rate swaps	(2)	–
Other financial expense	(8)	(8)
<b>Total financial expense</b>	<b>(38)</b>	<b>(35)</b>
<b>Financial income and financial expense, net</b>	<b>(30)</b>	<b>2</b>
Interest expense on lease liabilities	(12)	(11)
Net interest expense on financial assets and liabilities	(14)	(15)

## 7 Net current operating assets

Operating assets and liabilities changed as follows in the first three months of 2023:

In CHF million	1.01.2023	Operational changes	Other changes <sup>1</sup>	31.03.2023
Trade receivables	2,255	(55)	8	2,208
Other operating assets	1,353	229	6	1,588
Trade payables	(1,674)	67	(9)	(1,616)
Other operating liabilities	(1,571)	(13)	(9)	(1,593)
<b>Total operating assets and liabilities, net</b>	<b>363</b>	<b>228</b>	<b>(4)</b>	<b>587</b>

1 Foreign currency translation and adjustments from acquisition and sale of subsidiaries.

## Other operating assets and liabilities

In CHF million	31.03.2023	31.12.2022
<b>Other operating assets</b>		
Contract assets	174	178
Contract costs	281	278
Inventories	193	162
Prepaid expenses	650	514
Other operating assets	290	221
<b>Total other operating assets</b>	<b>1,588</b>	<b>1,353</b>
<b>Other operating liabilities</b>		
Contract liabilities	1,028	1,084
Accruals for variable performance-related bonus	179	149
Other operating liabilities	386	338
<b>Total other operating liabilities</b>	<b>1,593</b>	<b>1,571</b>

## 8 Provisions and contingent liabilities

### Provisions

Provisions changed as follows in the first three months of 2023:

In CHF million	Dismantlement and restoration costs	Regulatory and competition law proceedings	Termination benefits	Others	Total
<b>Balance at 1 January 2023</b>	<b>658</b>	<b>283</b>	<b>31</b>	<b>187</b>	<b>1,159</b>
Additions to provisions	–	1	–	6	7
Adjustments recorded under property, plant and equipment	43	–	–	–	43
Present-value adjustments	3	2	–	–	5
Release of unused provisions	–	–	–	(1)	(1)
Use of provisions	(5)	–	(4)	(11)	(20)
<b>Balance at 31 March 2023</b>	<b>699</b>	<b>286</b>	<b>27</b>	<b>181</b>	<b>1,193</b>
Thereof current provisions	–	51	22	61	134
Thereof non-current provisions	699	235	5	120	1,059

### Contingent liabilities for regulatory and competition law proceedings

With regard to the contingent liabilities reported in the 2022 consolidated financial statements in connection with regulatory and antitrust proceedings, Swisscom is of the opinion that an outflow of resources is unlikely and has therefore, as before, not recognised any provisions for this in the consolidated financial statements as at 31 March 2023.

# Alternative performance measures

Swisscom uses key indicators defined in the International Financial Reporting Standards (IFRS) throughout its entire financial reporting, as well as selected alternative performance measures (APMs). These alternative measures provide useful information on the Group's financial situation and are used for financial management and control purposes. As these measures are not defined under IFRS, the calculation may differ from the published APMs of other companies. For this reason, comparability across companies may be limited. The key alternative performance measures used at Swisscom for the interim financial reporting as at 31 March 2023 are defined as follows:

Key performance measure	Swisscom definition
<b>Adjustments</b>	Significant items that, due to their exceptional nature, cannot be considered part of the Swisscom Group's ongoing performance, such as termination benefits and significant positions in connection with legal cases or other non-recurring items. In addition, the application of changes in the IFRS accounting principles and standards can have an impact on comparability with the previous year if these principles are not applied retrospectively.
<b>At constant exchange rates</b>	Key performance measures considering currency effects (figures for 2023 are translated at the 2022 exchange rate to calculate the currency effect).
<b>Operating income before depreciation and amortisation (EBITDA)</b>	Operating income before depreciation, amortisation and impairment losses of property, intangible assets and right-of-use assets, financial expense and financial income, result of equity-accounted investees and income tax expense.
<b>Operating income (EBIT)</b>	Operating income before financial expense and financial income, result of equity-accounted investees and income tax expense.
<b>Capital expenditure</b>	Purchase of property, plant and equipment and intangible assets and payments for indefeasible rights of use (IRU) which are classified as leases under IFRS 16. In general, IRUs are paid in full at the beginning of use.
<b>Operating free cash flow proxy</b>	Operating income before depreciation and amortisation (EBITDA) less investments in property, plant and equipment and intangible assets as well as payments for network access rights (IRU) and leasing expenses. Leasing expenses include interest expenses on leasing liabilities and depreciation of rights of use excluding depreciation of rights of use for network access (IRU) as well as impairments of rights of use.
<b>Free cash flow</b>	Cash flows from operating and investing activities excl. cash flows from the purchase and sale of subsidiaries and purchase of and proceeds from equity-accounted investees and other financial assets.
<b>Net debt</b>	Financial liabilities and lease liabilities less cash and cash equivalents, listed debt instruments and derivative financial instruments.

## Reconciliation of alternative performance measures

In CHF million	1.01.–31.03.2023	1.01.–31.03.2022	Change reported	Change at constant exchange rates
<b>Revenue</b>				
Revenue	2,747	2,754	-0.3%	0.6%
<b>Operating income before depreciation and amortisation (EBITDA)</b>				
EBITDA	1,164	1,137	2.4%	3.0%
<b>Capital expenditure</b>				
Capital expenditure in property, plant and equipment and intangible assets	541	519	4.2%	5.4%
Payments for indefeasible rights of use (IRU)	4	3	33.3%	
<b>Capital expenditure</b>	<b>545</b>	<b>522</b>	<b>4.4%</b>	<b>5.6%</b>

In CHF million	1.01.–31.03.2023	1.01.–31.03.2022	Change reported
<b>Operating free cash flow proxy</b>			
Cash flow from operating activities	845	667	178
Capital expenditure	(545)	(522)	(23)
Depreciation of right-of-use assets	(66)	(66)	–
Depreciation of indefeasible rights of use (IRU)	5	5	–
Proceeds from finance lease receivables	(42)	(7)	(35)
Change in deferred gain from the sale and leaseback of real estate	1	1	–
Change in operating assets and liabilities	228	244	(16)
Change in provisions	15	19	(4)
Change in defined benefit obligations	8	(16)	24
Gain on sale of property, plant and equipment	1	–	1
Revenue from finance leases	19	18	1
Interest received	(1)	(1)	–
Interest payments for financial liabilities	13	12	1
Income taxes paid	65	189	(124)
<b>Operating free cash flow proxy</b>	<b>546</b>	<b>543</b>	<b>3</b>
<b>Free cash flow</b>			
Cash flow from operating activities	845	667	178
Cash flow used in investing activities	(530)	(615)	85
Repayment of lease liabilities	(98)	(86)	(12)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(3)	62	(65)
Expenditure for equity-accounted investees	1	1	–
Purchase of other financial assets	2	36	(34)
Proceeds from other financial assets	(11)	(3)	(8)
Other cash flows from financing activities	3	1	2
<b>Free cash flow</b>	<b>209</b>	<b>63</b>	<b>146</b>

# Further Information

## Share information

### Swisscom share performance indicators

31.12.2022–31.03.2023	SIX Swiss Exchange
Closing price as at 31 December 2022, in CHF <sup>1</sup>	506.60
Closing price as at 31 March 2023, in CHF <sup>1</sup>	583.20
Year high in CHF <sup>1</sup>	594.80
Year low in CHF <sup>1</sup>	509.80
Total volume of traded shares	3,272,668
Total turnover in CHF million	5,803.36
Daily average of traded shares	90,678
Daily average in CHF million	51.14

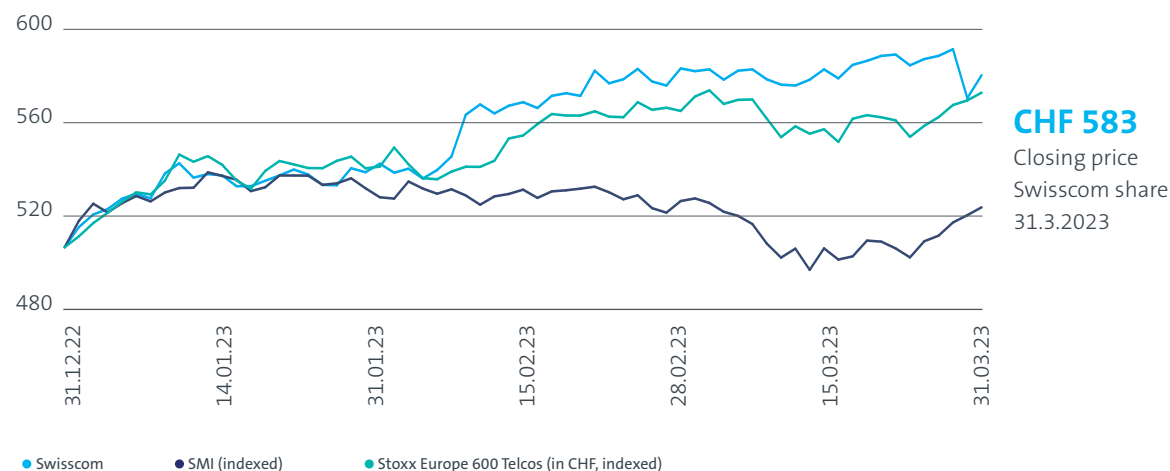
Source: Bloomberg

<sup>1</sup> paid prices

## Share performance

### Share performance since 1 January 2023

in CHF



## Financial calendar

- 03 August 2023 2023 Second-Quarter Results
- 02 November 2023 2023 Third-Quarter Results
- 09 February 2024 Publication of 2023 Annual Results and Annual Report

## Stock exchanges

Swisscom shares are listed on the SIX Swiss Exchange under the symbol SCMN (Securities No. 874251). In the United States, they are traded in the form of American Depositary Receipts (ADR) at a ratio of 1:10 (Over The Counter, Level 1) under the symbol SCMWY (Pink Sheet No. 69769).

## Quarterly review 2022 and 2023

In CHF million, except where indicated	1. quarter	2. quarter	3. quarter	4. quarter	2022	1. quarter	2. quarter	3. quarter	4. quarter	2023
<b>Income statement</b>										
<b>Revenue</b>	<b>2,754</b>	<b>2,713</b>	<b>2,712</b>	<b>2,872</b>	<b>11,051</b>	<b>2,747</b>				<b>2,747</b>
Direct costs	(629)	(616)	(661)	(720)	(2,626)	(661)				(661)
Personnel expense	(697)	(676)	(650)	(682)	(2,705)	(680)				(680)
Other operating expense	(437)	(565)	(404)	(576)	(1,982)	(406)				(406)
Capitalised self-constructed assets and other income	146	198	153	171	668	164				164
<b>Operating income (EBITDA)</b>	<b>1,137</b>	<b>1,054</b>	<b>1,150</b>	<b>1,065</b>	<b>4,406</b>	<b>1,164</b>				<b>1,164</b>
Depreciation and amortisation	(522)	(536)	(525)	(521)	(2,104)	(525)				(525)
Depreciation of right-of-use assets	(66)	(68)	(67)	(61)	(262)	(66)				(66)
<b>Operating income (EBIT)</b>	<b>549</b>	<b>450</b>	<b>558</b>	<b>483</b>	<b>2,040</b>	<b>573</b>				<b>573</b>
Net interest expenses on financial assets and liabilities	(15)	(18)	(13)	(11)	(57)	(14)				(14)
Interest expense on lease liabilities	(11)	(11)	(11)	(11)	(44)	(12)				(12)
Other financial result	28	14	(10)	(3)	29	(4)				(4)
Equity-accounted investees	(1)	–	(1)	(3)	(5)	–				–
<b>Income before income taxes</b>	<b>550</b>	<b>435</b>	<b>523</b>	<b>455</b>	<b>1,963</b>	<b>543</b>				<b>543</b>
Income tax expense	(103)	(97)	(94)	(66)	(360)	(101)				(101)
<b>Net income</b>	<b>447</b>	<b>338</b>	<b>429</b>	<b>389</b>	<b>1,603</b>	<b>442</b>				<b>442</b>
Attributable to equity holders of Swisscom Ltd	447	337	429	389	1,602	442				442
Attributable to non-controlling interests	–	1	–	–	1	–				–
Earnings per share (in CHF)	8.63	6.51	8.28	7.51	30.93	8.53				8.53
<b>Revenue</b>										
Swisscom Switzerland	2,056	2,011	2,039	2,103	8,209	2,044				2,044
Fastweb	615	615	588	675	2,493	619				619
Other Operating Segments	241	259	259	279	1,038	243				243
Intersegment elimination	(158)	(172)	(174)	(185)	(689)	(159)				(159)
<b>Total revenue</b>	<b>2,754</b>	<b>2,713</b>	<b>2,712</b>	<b>2,872</b>	<b>11,051</b>	<b>2,747</b>				<b>2,747</b>
<b>Operating income before depreciation and amortisation (EBITDA)</b>										
Swisscom Switzerland	930	818	917	818	3,483	943				943
Fastweb	191	222	220	224	857	187				187
Other Operating Segments	42	41	39	38	160	34				34
Reconciliation pension cost	(15)	(15)	(15)	(8)	(53)	9				9
Intersegment elimination	(11)	(12)	(11)	(7)	(41)	(9)				(9)
<b>Total EBITDA</b>	<b>1,137</b>	<b>1,054</b>	<b>1,150</b>	<b>1,065</b>	<b>4,406</b>	<b>1,164</b>				<b>1,164</b>
<b>Capital expenditure</b>										
Swisscom Switzerland	364	391	406	537	1,698	394				394
Fastweb	163	143	147	166	619	152				152
Other Operating Segments	6	8	8	12	34	8				8
Intersegment elimination	(11)	(11)	(13)	(7)	(42)	(9)				(9)
<b>Total capital expenditure</b>	<b>522</b>	<b>531</b>	<b>548</b>	<b>708</b>	<b>2,309</b>	<b>545</b>				<b>545</b>



In CHF million, except where indicated	1. quarter	2. quarter	3. quarter	4. quarter	2022	1. quarter	2. quarter	3. quarter	4. quarter	2023
<b>Operating free cash flow proxy</b>										
Operating income (EBITDA)	1,137	1,054	1,150	1,065	4,406	1,164				1,164
Lease expense	(72)	(74)	(73)	(67)	(286)	(73)				(73)
<b>EBITDA after lease expense (EBITDAaL)</b>	<b>1,065</b>	<b>980</b>	<b>1,077</b>	<b>998</b>	<b>4,120</b>	<b>1,091</b>				<b>1,091</b>
Capital expenditure	(522)	(531)	(548)	(708)	(2,309)	(545)				(545)
<b>Operating free cash flow proxy</b>	<b>543</b>	<b>449</b>	<b>529</b>	<b>290</b>	<b>1,811</b>	<b>546</b>				<b>546</b>
<b>Free cash flow</b>										
Free cash flow	63	230	687	369	1,349	209				209
<b>Net debt</b>										
Net debt	7,680	8,538	7,704	7,374	7,374	7,171				7,171
<b>Full-time equivalent employees</b>										
Swisscom Switzerland	12,999	12,927	12,870	12,822	12,822	12,841				12,841
Fastweb	2,737	2,880	2,915	3,039	3,039	3,087				3,087
Other Operating Segments	3,273	3,260	3,248	3,296	3,296	3,324				3,324
<b>Total FTEs</b>	<b>19,009</b>	<b>19,067</b>	<b>19,033</b>	<b>19,157</b>	<b>19,157</b>	<b>19,252</b>				<b>19,252</b>
<b>Information by geographical regions</b>										
Revenue in Switzerland	2,141	2,100	2,126	2,199	8,566	2,129				2,129
Revenue in other countries	613	613	586	673	2,485	618				618
<b>Total revenue</b>	<b>2,754</b>	<b>2,713</b>	<b>2,712</b>	<b>2,872</b>	<b>11,051</b>	<b>2,747</b>				<b>2,747</b>
Operating income (EBITDA) Switzerland	941	829	925	839	3,534	975				975
Operating income (EBITDA) other countries	196	225	225	226	872	189				189
<b>Total EBITDA</b>	<b>1,137</b>	<b>1,054</b>	<b>1,150</b>	<b>1,065</b>	<b>4,406</b>	<b>1,164</b>				<b>1,164</b>
Capital expenditure in Switzerland	359	387	401	541	1,688	392				392
Capital expenditure in other countries	163	144	148	166	621	153				153
<b>Total capital expenditure</b>	<b>522</b>	<b>531</b>	<b>549</b>	<b>707</b>	<b>2,309</b>	<b>545</b>				<b>545</b>
Headcount in Switzerland	15,987	15,874	15,786	15,750	15,750	15,755				15,755
Headcount in other countries	3,022	3,193	3,247	3,407	3,407	3,497				3,497
<b>Total headcount (ful-time equivalent)</b>	<b>19,009</b>	<b>19,067</b>	<b>19,033</b>	<b>19,157</b>	<b>19,157</b>	<b>19,252</b>				<b>19,252</b>
<b>Fastweb, in EUR million</b>										
Residential Customers	285	287	284	289	1,145	289				289
Corporate Business	247	250	239	279	1,015	261				261
Wholesale	62	64	78	111	315	71				71
<b>External revenue</b>	<b>594</b>	<b>601</b>	<b>601</b>	<b>679</b>	<b>2,475</b>	<b>621</b>				<b>621</b>
Intersegment revenue	1	3	2	1	7	2				2
<b>Revenue</b>	<b>595</b>	<b>604</b>	<b>603</b>	<b>680</b>	<b>2,482</b>	<b>623</b>				<b>623</b>
<b>Operating income (EBITDA)</b>	<b>185</b>	<b>218</b>	<b>225</b>	<b>226</b>	<b>854</b>	<b>188</b>				<b>188</b>
Margin as % of revenue	31.1	36.1	37.3	33.2	34.4	30.2				30.2
Lease expense	(14)	(15)	(14)	(14)	(57)	(13)				(13)
<b>EBITDA after lease expense (EBITDAaL)</b>	<b>171</b>	<b>203</b>	<b>211</b>	<b>212</b>	<b>797</b>	<b>175</b>				<b>175</b>
Capital expenditure	(157)	(142)	(150)	(167)	(616)	(153)				(153)
<b>Operating free cash flow proxy</b>	<b>14</b>	<b>61</b>	<b>61</b>	<b>45</b>	<b>181</b>	<b>22</b>				<b>22</b>
Broadband access lines in thousand	2,731	2,712	2,696	2,683	2,683	2,662				2,662
Broadband access lines wholesale in thousand	363	386	418	458	458	498				498
Mobile access lines in thousand	2,649	2,805	2,937	3,087	3,087	3,231				3,231

In CHF million, except where indicated	1. quarter	2. quarter	3. quarter	4. quarter	2022	1. quarter	2. quarter	3. quarter	4. quarter	2023
<b>Swisscom Switzerland Revenue and results</b>										
Residential Customers	965	962	970	964	3,861	960				960
Business Customers	400	395	399	394	1,588	388				388
<b>Revenue telecoms services</b>	<b>1,365</b>	<b>1,357</b>	<b>1,369</b>	<b>1,358</b>	<b>5,449</b>	<b>1,348</b>				<b>1,348</b>
IT services	289	285	281	297	1,152	291				291
Merchandise	222	185	204	249	860	217				217
Wholesale	130	133	142	135	540	131				131
Revenue other	35	34	29	50	148	42				42
<b>External revenue</b>	<b>2,041</b>	<b>1,994</b>	<b>2,025</b>	<b>2,089</b>	<b>8,149</b>	<b>2,029</b>				<b>2,029</b>
Intersegment revenue	15	17	14	14	60	15				15
<b>Revenue</b>	<b>2,056</b>	<b>2,011</b>	<b>2,039</b>	<b>2,103</b>	<b>8,209</b>	<b>2,044</b>				<b>2,044</b>
Residential Customers	1,131	1,108	1,131	1,157	4,527	1,136				1,136
Business Customers	791	766	764	808	3,129	772				772
Wholesale	133	136	144	138	551	134				134
Infrastructure & Support Functions	18	18	18	17	71	19				19
Intersegment elimination	(17)	(17)	(18)	(17)	(69)	(17)				(17)
<b>Revenue</b>	<b>2,056</b>	<b>2,011</b>	<b>2,039</b>	<b>2,103</b>	<b>8,209</b>	<b>2,044</b>				<b>2,044</b>
Residential Customers	746	730	757	746	2,979	748				748
Business Customers	352	339	360	330	1,381	345				345
Wholesale	81	74	54	80	289	80				80
Infrastructure & Support Functions	(249)	(326)	(254)	(336)	(1,165)	(231)				(231)
Intersegment elimination	–	1	–	(2)	(1)	1				1
<b>EBITDA</b>	<b>930</b>	<b>818</b>	<b>917</b>	<b>818</b>	<b>3,483</b>	<b>943</b>				<b>943</b>
Margin as % of revenue	45.2	40.7	45.0	38.9	42.4	46.1				46.1
Lease expense	(56)	(55)	(56)	(51)	(218)	(56)				(56)
<b>EBITDA after lease expense (EBITDAaL)</b>	<b>874</b>	<b>763</b>	<b>861</b>	<b>767</b>	<b>3,265</b>	<b>887</b>				<b>887</b>
Capital expenditure	(364)	(391)	(406)	(537)	(1,698)	(394)				(394)
<b>Operating free cash flow proxy</b>	<b>510</b>	<b>372</b>	<b>455</b>	<b>230</b>	<b>1,567</b>	<b>493</b>				<b>493</b>
<b>Operational data in thousand</b>										
Residential Customers	1,139	1,121	1,103	1,082	1,082	1,058				1,058
Business Customers	260	248	248	240	240	234				234
<b>Fixed telephony access lines</b>	<b>1,399</b>	<b>1,369</b>	<b>1,351</b>	<b>1,322</b>	<b>1,322</b>	<b>1,292</b>				<b>1,292</b>
Residential Customers	1,736	1,733	1,734	1,736	1,736	1,727				1,727
Business Customers	294	293	293	291	291	290				290
<b>Broadband access lines retail</b>	<b>2,030</b>	<b>2,026</b>	<b>2,027</b>	<b>2,027</b>	<b>2,027</b>	<b>2,017</b>				<b>2,017</b>
Residential Customers	1,517	1,513	1,508	1,503	1,503	1,491				1,491
Business Customers	69	69	68	68	68	67				67
<b>TV access lines</b>	<b>1,586</b>	<b>1,582</b>	<b>1,576</b>	<b>1,571</b>	<b>1,571</b>	<b>1,558</b>				<b>1,558</b>
Postpaid Residential Customers	3,136	3,169	3,226	3,275	3,275	3,288				3,288
Postpaid Business Customers	1,879	1,883	1,874	1,871	1,871	1,888				1,888
<b>Mobile access lines Postpaid</b>	<b>5,015</b>	<b>5,052</b>	<b>5,100</b>	<b>5,146</b>	<b>5,146</b>	<b>5,176</b>				<b>5,176</b>
Prepaid Residential Customers	1,136	1,105	1,066	1,027	1,027	1,001				1,001
<b>Mobile access lines</b>	<b>6,151</b>	<b>6,157</b>	<b>6,166</b>	<b>6,173</b>	<b>6,173</b>	<b>6,177</b>				<b>6,177</b>
Broadband access lines wholesale	703	692	691	679	679	688				688

## Forward-looking statements

This Interim Report is published in German and English. The German version is binding.

This interim report contains forward-looking statements. In this Interim Report, such forward-looking statements include, without limitation, statements relating to our financial position, results of operations and business and certain of our strategic plans and objectives.

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

Readers are cautioned not to put undue reliance on forward-looking statements, which speak only of the date of this communication.

Swisscom disclaims any intention or obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.