2019 at a glance
The Annual Report, Sustainability Report and 2019 at a glance together make up Swisscom’s reporting on 2019. The three publications are available online at: swisscom.ch/report2019

Concept of “Simply using opportunities”

In the city and in the country, at home and on the road—people everywhere in Switzerland can take advantage of the countless opportunities offered by the networked world. Swisscom wants to connect Switzerland and enable the Swiss public to benefit from the opportunities offered by digitalisation.

The pictures in the 2019 Annual Report show the diversity of digital needs and how easy it is for people to make use of the opportunities available to them.

A big thank-you to all who took time to pose for these photographs: Nina and Louis, 5th grade, Hagen primary school in Altdorf, Dominique Bausback, Malik Hashim, Claudia Lenzi, Nils Kessler, Patric and Tatjana Fischli with Anais, Laurence Brun from the Clinique de Genolier (Swiss Medical Network private clinic group) and Gérard Fornerod from Confiserie Fornerod.
2019 in review

Swisscom impressed the market with innovations in the TV and mobile communications segments and in subscriptions. Swisscom achieved a solid financial result. Group sales declined in line with expectations, while consolidated operating income before depreciation and amortisation (EBITDA) remained at the previous year’s level even despite the challenging environment. Our Italian subsidiary, Fastweb, continued to grow, making gains among both residential and business customers.

<table>
<thead>
<tr>
<th>Net revenue and results</th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue</td>
<td>11,453</td>
<td>11,714</td>
<td>−2.2%</td>
</tr>
<tr>
<td>Operating income before depreciation and amortisation (EBITDA)</td>
<td>4,358</td>
<td>4,213</td>
<td>3.4%</td>
</tr>
<tr>
<td>EBITDA as % of net revenue</td>
<td>38.1</td>
<td>36.0</td>
<td></td>
</tr>
<tr>
<td>Operating income (EBIT)</td>
<td>1,910</td>
<td>2,069</td>
<td>−7.7%</td>
</tr>
<tr>
<td>Net income</td>
<td>1,669</td>
<td>1,521</td>
<td>9.7%</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>CHF 32.28</td>
<td>CHF 29.48</td>
<td>9.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operational data at end of period</th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed telephony access lines in Switzerland in thousand</td>
<td>1,594</td>
<td>1,788</td>
<td>−10.9%</td>
</tr>
<tr>
<td>Broadband access lines retail in Switzerland in thousand</td>
<td>2,033</td>
<td>2,033</td>
<td>0.0%</td>
</tr>
<tr>
<td>Swisscom TV access lines in Switzerland in thousand</td>
<td>1,555</td>
<td>1,519</td>
<td>2.4%</td>
</tr>
<tr>
<td>Mobile access lines in Switzerland in thousand</td>
<td>6,333</td>
<td>6,370</td>
<td>−0.6%</td>
</tr>
<tr>
<td>Broadband access lines in Italy in thousand</td>
<td>2,637</td>
<td>2,547</td>
<td>3.5%</td>
</tr>
<tr>
<td>Mobile access lines in Italy in thousand</td>
<td>1,806</td>
<td>1,432</td>
<td>26.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employees</th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time equivalent employees at end of year in number</td>
<td>19,317</td>
<td>19,845</td>
<td>−2.7%</td>
</tr>
<tr>
<td>Average number of full-time equivalent employees in number</td>
<td>19,561</td>
<td>20,083</td>
<td>−2.6%</td>
</tr>
</tbody>
</table>

Number 1 confirmed in tests
Swisscom wins in
• the network test carried out by trade magazine connect for the tenth time in 2019, achieving the rank “phenomenal”;
• the mobile phone test carried out by the trade magazine CHIP for the fourth time in a row;
• the Ookla speed test for the fastest mobile network and the best coverage.

Swisscom TV with voice assistant
The voice assistant of the new Swisscom Box also controls smart home devices.

Even more protection for SMEs
SMEs can protect themselves efficiently against Cyber attacks and from data loss with the new overall Managed Security and Managed Backup solution.

5G in Switzerland
On 17 April 2019, Swisscom became the first provider in Europe to put its 5G network into operation.

inOne mobile
allows unlimited phone calls, surfing and texting in 39 countries within Europe.

Exclusive UEFA Champions League
Teleclub will also exclusively show all matches in the 2021/2022 season.

New partnership in Italy
Fastweb is working together with WindTre, and is thus expanding its mobile telephony offering.

138 years Publifon payphone
The last Swisscom telephone booth has started its journey to the Museum of Communication in Berne.
A year of innovations in a challenging market environment

Dear shareholders

In 2019, Swisscom made impressive use of the opportunities that are opening up for all of us thanks to digitisation. Our response to the ongoing challenging environment was, and will remain, new offerings and the expansion of our networks. Swisscom impressed the market with innovations in the TV and mobile communications segments and in subscriptions. Swisscom achieved a solid financial result.

Financial targets met

Swisscom generated net revenue of CHF 11,453 million in 2019. Consolidated operating income before depreciation and amortisation (EBITDA) was CHF 4,358 million and thus above the previous year; on an adjusted basis, EBITDA remained stable. Net income was CHF 1,669 million.

Swisscom is investing today in the networks of tomorrow

The Swiss market is saturated in the mobile communications and TV segments, while the number of broadband connections is remaining constant due to high market penetration. At the same time, data growth continues unabated. In mobile communications alone, the use of mobile data services has increased 40-fold in the last seven years. What is more, security requirements are constantly growing. We are meeting these challenges by consistently expanding and continuously developing our networks.

Swisscom makes over two thirds of the investments in the Swiss telecommunications infrastructure. In 2019, it invested around CHF 2.4 billion in network expansion, of which around CHF 1.8 billion in Switzerland.

Fastweb continues successful path in Italy

Fastweb grew again in 2019 and made gains among both residential and business customers. Overall, Fastweb increased its revenues to EUR 2,218 million (+5.4%). Operating income before interest, taxes, depreciation and amortisation (EBITDA) rose to EUR 750 million (+5.2% on an adjusted basis).

Sincerest thanks

Shaping the future as the market leader means constantly developing and taking advantage of the opportunities that present themselves. Together with our colleagues, we have had a successful year and have achieved a lot. For this, we would like to thank our employees. It is thanks to their commitment, knowledge and motivation that Swisscom has become what it is today: a reliable partner for our customers, a sound investment for our shareholders and a pioneer in the networking of a modern Switzerland. We would also like to thank you, our valued shareholders, for the trust and confidence you have in our company.

Yours sincerely

Hansueli Loosli
Chairman of the Board of Directors
Swisscom Ltd

Urs Schaeppi
CEO Swisscom Ltd
The Swisscom Academy trainers support everyone who wants to make their everyday life easier with the help of smartphones, tablets and Swisscom products.

580,000 participants have attended Swisscom Academy courses in 15 years.

With Thymio children learn how computers and robots work. The pupils playfully develop the skills needed for the digital world and to actively shape it.

Five school classes with 100 pupils from across five cantons are taking part in the pilot project called “Thymio goes to the mountains”.

media.skills
swisscom.ch/learning2019
Financial review

Swisscom’s reporting focuses on the three operating divisions Swisscom Switzerland, Fastweb and Other Operating Segments.

**Group**
Swisscom’s net revenue decreased by 2.2% to CHF 11,453 million. On the basis of constant exchange rates, it fell by 1.5%. The year-on-year development of operating income before depreciation and amortisation (EBITDA) is impacted by new requirements governing the financial reporting of leases (IFRS 16). At CHF 4,358 million, reported EBITDA was up by 3.4% or CHF 145 million, and was unchanged from the previous year on an adjusted basis and at constant exchange rates (+0.1%). Net income increased by 9.7% to CHF 1,669 million due to one-off effects in income tax expense.

**Other Operating Segments**
Other Operating Segments primarily comprises the Digital Business division, Swisscom Broadcast Ltd (radio transmitters) and cablex Ltd (network construction and maintenance).

The net revenue of the Other Operating Segments rose year-on-year by CHF 20 million or 2.2% to CHF 929 million. The increase was mainly due to higher revenue from construction services rendered by cablex.

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**Swisscom Switzerland**
Swisscom Switzerland comprises the customer segments Residential Customers, Enterprise Customers and Wholesale, as well as the IT, Network & Infrastructure division.

Net revenue for Swisscom Switzerland fell by CHF 243 million or 2.8% to CHF 8,563 million as a result of continuing price pressure and the decline in the number of connections in fixed-line telephony.

<table>
<thead>
<tr>
<th>Net revenue</th>
<th>EBITDA</th>
<th>Capital expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF 8.6 bn</td>
<td>CHF 3.5 bn</td>
<td>CHF 1.8 bn</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Broadband access lines retail</th>
<th>Mobile access lines</th>
<th>Full-time employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0 m</td>
<td>6.3 m</td>
<td>13,979 FTE</td>
</tr>
</tbody>
</table>

**Fastweb**
Fastweb is a telecommunications provider for residential and business customers in Italy. Fastweb’s net revenue rose by EUR 114 million or 5.4% year-on-year to EUR 2,218 million. Despite difficult market conditions, Fastweb’s broadband customer base grew by 90,000 or 3.5% to around 2.64 million in 2019. Fastweb is also growing in the fiercely competitive mobile telephony market.

<table>
<thead>
<tr>
<th>Net revenue</th>
<th>EBITDA</th>
<th>Capital expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 2.2 bn</td>
<td>EUR 0.8 bn</td>
<td>EUR 599 m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Broadband access lines</th>
<th>Mobile access lines</th>
<th>Full-time employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.6 m</td>
<td>1.8 m</td>
<td>2,456 FTE</td>
</tr>
</tbody>
</table>

swisscom.ch/financial-review2019
**Added value for shareholders**

Swisscom creates added value for its shareholders by rigorously implementing the strategy. This enabled it to meet its financial targets in 2019. Standard & Poor’s and Moody’s rate Swisscom as one of the best telecommunications companies in Europe.

**Swisscom share**

Swisscom’s market capitalisation as at 31 December 2019 amounted to CHF 26.6 billion (previous year: CHF 24.3 billion). The number of shares issued remained the same at 51.8 million. Par value per registered share is CHF 1. Each share entitles the holder to one vote. Voting rights can only be exercised if the shareholder is entered in the share register of Swisscom Ltd with voting rights. The Board of Directors may refuse to enter a shareholder with voting rights if such voting rights exceed 5% of the company’s share capital.

The Swiss Market Index (SMI) rose by 26.0% compared with the previous year. The Swisscom share price increased by 9.1% to CHF 512.60, outperforming the Stoxx Europe 600 Telecommunications Index (+0.4% in EUR). Average daily trading volume fell by 1.5% to 148,913 shares. The total trading volume of Swisscom shares in 2019 amounted to CHF 18.0 billion.

**Shareholder return**

On 8 April 2019, Swisscom paid out an ordinary dividend of CHF 22 per share. Based on the closing price at the end of 2018, this equates to a return of 4.7%. Taking into account the increase in the share price, the Swisscom share achieved a total shareholder return (TSR) of +14.3% in 2019. The TSR for the SMI was +30.2% and for the Stoxx Europe 600 Telecommunications Index +5.5% in EUR.

**Outlook 2020**

For 2020, Swisscom expects net revenue of around CHF 11.1 billion, EBITDA of around CHF 4.3 billion and capital expenditure of around CHF 2.3 billion. Due to strong competition and price pressure and the ongoing decline in the number of fixed-line telephone connections, Swisscom expects revenue to be lower without Fastweb. Fastweb’s revenue is expected to increase slightly from 2019. For Swisscom, excluding Fastweb, the decline in revenue cannot be fully compensated by cost savings. In contrast, an increase in EBITDA is anticipated for Fastweb on a like-for-like basis. Capital expenditure in Switzerland, excluding costs for acquiring additional mobile radio frequencies at auction, will be slightly less than in the previous year. Capital expenditure at Fastweb is expected to be lower. Subject to achieving its targets, Swisscom will propose payment of an unchanged, attractive dividend of CHF 22 per share for the 2020 financial year at the 2021 Annual General Meeting.

**Stock exchanges**

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

swisscom.ch/share-performance
Strong brands, best products and services

Swisscom constantly adapts the range of services and products it offers to its customers’ needs. Residential and business customers benefit from changes and improvements to inOne, Swisscom TV and other services.

The Swisscom brand brings together all products and services from the core business under a single roof. It offers guidance, is highly flexible and bridges the gap between the familiar and the new. The Swisscom brand not only stands for network, infrastructure, best experiences, entertainment, ICT and digitisation, but also contains a clear promise to customers: We enable them to make simple use of the opportunities of a networked future.

Swisscom also works with the secondary brand Wingo and the third-party brands Coop Mobile and M-Budget. Other brands in its portfolio are associated with other themes and business areas. The Swisscom Teleclub, Kitag and Cinetrade brands help to position the Group in the entertainment sector. Outside Switzerland, Swisscom’s main market is Italy, where it operates through its Fastweb subsidiary.

The strategic course set in the previous year left its mark on the year under review. The Swisscom promise and the adapted corporate design can now be experienced in all offerings, products and communication measures.

**Offerings for residential customers in Switzerland**

Swisscom has refined its successful inOne subscriptions. The modular structure enables customers to select the performance of individual components according to their needs. In addition to a broadband connection, inOne offers a choice of TV, fixed-line and mobile telephony.

The newly launched inOne mobile package allows unlimited phone calls, surfing and texting in 39 countries within Europe.

Swisscom TV has once again been made significantly more appealing. Thanks to a new user interface and improved integration of the various content providers, content can be found even more easily on Swisscom TV. The new Swisscom Box allows customers to operate Swisscom TV more easily than before using voice control and to control linked smart-home devices such as lamps.

**Offerings for business customers in Switzerland**

The digital transformation continues to be a key issue for companies and is changing their business processes and business models, customer experiences and working environments.

Swisscom works together with customers to develop future-oriented solutions, supported by one of the most comprehensive ICT portfolios in Switzerland. This includes cloud, outsourcing, workplace and Internet of Things (IoT) solutions. Mobile phone solutions for mobile working and communication, network solutions, location networking, business process optimisation, SAP solutions, security and authentication solutions, and comprehensive services tailored to the needs of banks round out the portfolio. In 2019, Swisscom extended its global cloud offering with Microsoft Azure and expanded security and IoT solutions.

**Standardised yet individual:** Swisscom offers small businesses a bundled package for Internet and telephony called “inOne SME”. Larger SMEs or those with more complex needs can use “Smart Business Connect”, an individualised communication solution with collaboration and networking features. Both offerings include integrated services such as Internet failure protection and can be supplemented with Swisscom TV, Swisscom TV Public or, most recently, Swisscom TV Host for hotels and residential care homes.

**Offerings in Italy**

In the residential-customer segment, Fastweb further strengthened its fixed-mobile convergent business and its go-to-market approach based on transparency and simplicity. The Swisscom subsidiary reinforced its leading position in customer satisfaction in fixed-network services, and also ranked first for mobile communications. Fastweb has supplemented its portfolio for residential customers with the “WOW Space” personal cloud service.

swisscom.ch/products2019
Hey Swisscom – the new Swisscom Box not only offers the best TV entertainment, it now also allows additional networked smart-home devices to be voice-controlled.

1.56 million customers have signed up to Switzerland’s most popular television service.

Even when on the move, no one has to miss their favourite programme or recordings – with TV Air, Swisscom TV is always with them.

Almost 650,000 customers watch Swisscom TV every month on their laptop, tablet or smartphone app.
Keeping up with the times and shaping the future

As rapidly as Swisscom’s environment is changing, the work content and the way in which our employees work are also evolving. To strengthen the company’s competitiveness and the employability of each individual, Swisscom invests in the professional development of its employees. New forms of cooperation and flexible working methods are what make Swisscom a leading ICT employer. At the end of 2019 Swisscom had 19,317 full-time equivalent employees (FTEs). Swisscom is also training around 900 apprentices in Switzerland.

The digital transformation is happening everywhere – it presents many opportunities, but also challenges employees and companies. To take advantage of the opportunities and to overcome the challenges requires motivated employees who use their individual skills and experience to inspire people in the networked world on a daily basis.

Swisscom offers a wide range of further training opportunities, enabling employees to develop their skills and strengthen their employability. In 2019, every Swisscom employee spent 3.3 days on learning, training and development activities.

Collective employment agreement (CEA)
Swisscom is committed to fostering constructive dialogue with its social partners (the syndicom union and the transfair staff association) as well as the employee associations (employee representatives in the various sectors). The CEA and the social plan, with their fair and jointly drafted provisions, are negotiated by Swisscom Ltd and its social partners and applicable to Swisscom Ltd’s employees.

The Swisscom CEA includes progressive employment conditions and benefits such as five days of further training per year, 18 weeks of maternity leave and three weeks of paternity leave. Furthermore, the CEA grants the social partners and employee representations rights of co-determination of varying degrees in the form of information, co-determination and co-decision.

Social plan
With the social plan, restructuring measures are designed to be socially acceptable and, where possible, redundancies are avoided. It sets out the benefits provided to employees covered by the CEA who are affected by redundancy. In addition, the social plan uses instruments to strengthen the employability of employees and retraining measures are initiated if there are signs of a job cut in the long term.

Remuneration
Competitive remuneration motivates highly qualified specialists and managers to work for Swisscom. Swisscom’s salary system comprises a basic salary, a variable performance-related component and bonuses. The basic salary is calculated on the basis of position, individual performance and the job market. The variable performance-related salary component is contingent on business performance as well as individual performance in the case of executive functions.

Employee satisfaction
The Pulse survey gives Swisscom employees an opportunity to respond twice a year to various questions relating to their personal work situation.

The response rate is increasing continuously: a total of 70% of employees participated in the two surveys in 2019 (2018: 67%). Some 90% of the employees participating said they were highly likely to recommend Swisscom as an employer. Swisscom’s ratings are generally higher than the comparative figures for the sector in the factors surveyed.

Diversity
The different perspectives, experiences, ideas and skills demonstrated by employees in the day-to-day tasks they work on together make Swisscom the successful and innovative company it is. To promote diversity, the company focuses on the factors of gender, inclusion, generations and language regions. In relation to gender, for example, Swisscom endeavours to make work compatible with family life. Flexible working models and the option of reducing working hours on an experimental basis are making part-time working more acceptable. With regard to inclusion, Swisscom is committed to making jobs available to people with physical or psychological impairments in order to integrate them into the workforce. The proportion of such posts increased from 0.93% in the previous year to 0.97% in 2019. Swisscom aims to earmark at least 1% of jobs for inclusive employment solutions.

swisscom.ch/employer2019
Stay well connected even in the most remote locations, and make sure that loved ones can be part of your life.

Swisscom is improving broadband connections in every municipality by steadily expanding the network and increasingly combining the performance of the fixed-line and mobile networks.

Share the most beautiful moments at any time – no matter when, where and with whom.

Each year, Swisscom invests around CHF 1.6 billion in its infrastructure in Switzerland.
Best infrastructure for Switzerland

Secure and efficient telecommunications networks are the backbone of modern Switzerland. Swisscom provides the best networks so that the Swiss can take advantage of the opportunities offered by the networked world. In order to continue to live up to this aspiration, Swisscom is massively expanding both its mobile and its fixed networks and in 2019 invested around CHF 1.8 bn in its infrastructure.

Swisscom is the largest network operator in Switzerland by far, in both fixed and mobile networks. Thanks to continuous investment, Switzerland has one of the best information and telecommunications infrastructures in the world. According to a study carried out by IHS (Broadband Coverage in Europe 2018), the availability of broadband in rural regions of Switzerland is almost twice as high as the EU average.

By the end of 2019, around 3.9 million (74%) of homes and offices were already benefiting from ultra-fast broadband exceeding 80 Mbps, with around 2.5 million of them even exceeding 200 Mbps.

Swisscom’s mobile network is one of the best by international standards. It currently supplies around 99% of the Swiss population with 4G, 3G and 2G coverage. 97% of the population currently has 4G+ with speeds of up to 300 Mbps, 72% 4G+ with speeds of up to 500 Mbps, and 27% 4G+ with speeds of up to 700 Mbps. More than 90% of the Swiss population can already benefit from a basic version of 5G.

Network expansion

Bandwidth requirements in the Swiss fixed and mobile telephone networks continue to grow. In order for Switzerland to maintain this high level of service provision, further investments in the networks are necessary. Swisscom therefore invests around CHF 1.6 billion annually in IT and infrastructure in Switzerland.

In the fixed network segment, Swisscom is continuing to expand ultra-fast broadband coverage with minimum bandwidths of 80 Mbps by 2021 and has set itself new expansion targets to be achieved by the end of 2025. In doing so, it is focusing on a mix of fibre-optic technologies and convergent approaches that intelligently combine different network technologies. Swisscom uses the term “fibre-optic technologies” to mean Fibre to the Home (FTTH) as well as network architectures in which copper cables are used in the last few metres of the connection, such as Fibre to the Curb (FTTC), Fibre to the Street (FTTS) and Fibre to the Building (FTTB). Optical fibre is getting ever closer to the customer.

By the end of 2021, some 90% of all homes and businesses will have a minimum bandwidth of 80 Mbps – with around 85% of connections achieving speeds of 100 Mbps or higher.

The expansion targets up to the end of 2025 will almost double FTTH coverage compared to 2019. This means that 50% to 60% of all households and businesses will have a bandwidth of up to 10 Gbps. At the same time, Swisscom will continue to modernise its existing network in the coming years, giving 30% to 40% of households and businesses access to a bandwidth of 300 to 500 Mbps.

Due to the constant increase in data volume and as a result of the stringent legal framework conditions, the mobile network needs to be expanded with new mobile telephony sites.

The expansion of the fifth generation of mobile communications (5G) will be a key topic for Swisscom in the coming years. In February 2019, the Swiss Confederation auctioned off the mobile phone licences for additional frequencies. Swisscom successfully participated in the auction and on 17 April 2019 became the first company in Switzerland and one of the first in the world to put its 5G network into operation.

Infrastructure in Italy

Coverage with next-generation access networks has grown significantly in Italy. By the end of 2019, 87% of households and businesses were connected to the ultra-fast broadband network. Fastweb has contributed significantly to this development by investing heavily in its network. Ultra-fast broadband (FTTH and FTTS) is available to eight million households and businesses – equivalent to 30% of the population. Over the next few years, Fastweb will continue to improve and expand its ultra-fast broadband coverage.

In 2019, Fastweb signed an agreement with WindTre for the construction of a nationwide 5G network, and received a mobile network operator licence from the Italian authorities.

swisscom.ch/infrastructure2019

Swisscom’s mobile data volume millions of gigabytes
Innovation for a secure future

Swisscom invests constantly in innovation, brings new products and services to market and optimises processes, thereby securing its long-term market position. Swisscom focuses its innovation activities on seven areas of innovation, which directly help the Group achieve its goals.

Network and infrastructure
The best infrastructure for Switzerland: Swisscom relies on a technology mix and is renewing all network components, from the core network to the connections. This will allow it to introduce new services quickly and be the first to make new developments available.

Mobile telephony
Swisscom has strongly driven the development of 5G. In November 2018, its connection of the first prototype of a 5G mobile handset with a 5G network was a world premiere. The first international 5G call was made to Australia in February 2019. In April 2019, Swisscom launched the first commercial 5G live network – the first mobile operator in Switzerland and one of the first operators worldwide to do so. That day, it also presented the first 5G mobile device commercially available in Europe.

Security
Security thanks to automation: Threats from the Internet are constantly growing in number and becoming increasingly intelligent.

Analytics and artificial intelligence
Artificial Intelligence (AI): Swisscom uses artificial intelligence to deliver an even better performance. It applies AI in customer service, in the detection of network faults and for making internal processes more efficient, to name just a few examples. Thanks to AI-based voice control, when customers call Swisscom’s hotline in the future they will reach the right agent faster.

Internet of Things (IoT)
The innovation potential of IoT accelerates lucrative business models, automated processes and the development of novel customer interactions and intelligent products.

First IoT overall solution: Swisscom has further expanded its IoT portfolio and positioned itself as a provider of system solutions in the Swiss market. In data-driven business, Swisscom assists companies in collecting and processing data and helps them to create added value and gain a competitive advantage.

Entertainment
Swisscom Box with Voice Assistant: The advanced Swisscom Box combines the content from streaming and classic television on one screen. The Voice Assistant makes it possible to operate Swisscom TV by voice command and to control the first smart-home applications.

Digital business
In the field of digital business, Swisscom supported developments within and beyond the company in 2019, for example by setting up and developing joint ventures with strategic partners.

Its subsidiary Swisscom Directories Ltd (loca search) helps SMEs achieve success in the digital world and to assert themselves on the market through digital marketing.

FinTech: Swisscom and Sygnum Bank AG plan to build a comprehensive ecosystem for digital assets. The core elements of this are the issue, safekeeping and access to liquidity and banking services.

Swisscom also wants to digitise documents on the basis of the blockchain infrastructure. In the future, it should be possible to digitally issue, verify, transfer and archive not only registers, but also contracts and certificates.

Digital Swisscom
The digital transformation is gaining momentum. Swisscom is adapting its forms of cooperation and structures accordingly. Swisscom therefore took further steps in 2019 to digitise its network, its workplaces and its processes.
“We prefer to spend our time exciting our customers with exclusive chocolate creations – we leave the technical work to the professionals.”
Confiserie Fornerod, Morges

Swisscom eases the burden on small and medium-sized companies with standardised and modular products for telephony and IT infrastructure. This allows SMEs to focus on their core business.

“Networking 21 clinics right now throughout Switzerland makes it easier for our 2,000 users to collaborate digitally. It is important for us to be able to rely on a strong partner when it comes to security as well.”
Clinique de Genolier, a private clinic of Swiss Medical Network

Business customers can count on comprehensive support from Swisscom, whether this is for telephony, workstation networking or integrated and secure IT solutions.
Strategy for success

Three strategic targets are anchored in Swisscom’s corporate strategy. This will secure Swisscom’s market position and enable customers to seize opportunities in the networked world.

Swisscom operates in a challenging environment: increasing connectivity, exponential growth in data, changing customer needs, the mounting importance of software, content, security and data protection, as well as technological progress, are challenging market participants. Digitisation is increasingly infiltrating all areas of life and leading to new, rapidly developing business models. The core business is characterised by fierce competition with high price pressure. The overall market for connectivity services is shrinking. Global Internet companies are using their economies of scale and expanding into local ICT markets for both residential and business customers.

Swisscom is a market, technology and innovation leader in Switzerland. Its goal is to maintain its position in its core business and occupy new growth areas. Three strategic targets are anchored in Swisscom’s corporate strategy: the best customer experience, operational excellence and new growth.

Best customer experience

Swisscom wants to inspire its customers by providing them with the best service at all times, regardless of their location — a high-performance, state-of-the-art IT and communications infrastructure is the backbone of this. Swisscom builds and operates networks that are second to none in terms of security, availability and performance. It is expanding its fixed telephone and mobile network infrastructure, enabling customers to enjoy the best experiences when utilising its offerings. Swisscom is systematically driving forward the expansion of 5G in Switzerland and has put Europe’s first 5G network into operation. The key to the success enjoyed by Swisscom is its relationships with its customers. Providing the best service and offering inspirational experiences across the board is the foundation of this.

Operational excellence

Due to fierce competition, revenues in the core business are still under pressure. Swisscom will offset reduced revenue through consistent cost management. The company also plans to further lower its cost base over the coming years to ensure its sustainable economic viability. This will allow Swisscom to free up funds for the exploration of new business opportunities and to make the investments necessary for success.

New growth

The market for telecommunications in Switzerland is becoming increasingly saturated, especially for broadband and TV. Swisscom expects further moderate volume growth in the post-paid segment of mobile telephony. Nevertheless, price pressure will remain high, such that Swisscom expects a slight drop in market revenue overall in the telecommunications market. In Italy, Swisscom anticipates further market growth, especially in the broadband area given that broadband penetration in Italy is relatively low.
Corporate Governance

Corporate governance is a fundamental component of Swisscom’s corporate policy. Swisscom is committed to practising effective and transparent corporate governance as part of its effort to deliver long-term value. The Board of Directors is responsible for the strategic and financial management of Swisscom. It monitors the company’s executive management, which it delegates to the CEO. The CEO is assisted by the members of the Group Executive Board to whom he has assigned duties.

Remuneration report

In 2019, the total remuneration paid to the Board of Directors was CHF 2.2 Mio. (prior year: CHF 2.3 Mio.). The remuneration paid to the Group Executive Board was CHF 7.5 Mio. (prior year: CHF 8.6), thereof CHF 1.76 Mio. to the CEO (prior year: CHF 1.83).

swisscom.ch/remunerationreport2019

Members of the Board of Directors as at 31.12.2019

Members of the Group Executive Board from 1.1.2020
Responsibility for the future

As part of its corporate sustainability strategy, Swisscom is committed to climate and environmental protection, social responsibility, ethics and sustainability.

For more than two decades, Swisscom has been committed to increasing sustainability. How do people keep up with rapid technological transformation? How do we counter the effects of climate change? How do we make Switzerland a more competitive country and a better place to live? To meet these challenges, Swisscom has developed three objectives, which it is pursuing as part of its Sustainability Strategy 2025:

More for Switzerland
Swisscom provides people and businesses in Switzerland with reliable ultra-fast broadband, thus making Switzerland a more competitive country and a better place to live.

Swisscom reached some significant milestones in 2019.

More for the people
Swisscom is helping two million people a year to develop their digital skills and is making improvements to working conditions and its supply chain, which will remain a focus until at least 2025.

More for the environment
Swisscom is working with its customers to reduce its CO₂ emissions by 450,000 tonnes. This corresponds to 1% of Switzerland’s greenhouse gas emissions.

Computational thinking
With the learning robot Thymio, children learn computational thinking as early as primary school—in a way that is both fun and in line with the curriculum. In 2019, a pilot was carried out involving five classes.

Computational thinking is a method of formulating problems and their solutions in such a way that both humans and machines can understand and execute them.

Fair supply chain
In 2019, Swisscom, through its partnership with JAC (Joint Audit Cooperation), audited the workplaces of 300,000 people and audited them for compliance with human rights and employment rights legislation as well as health protection.

More for the environment
Swisscom has increased its energy efficiency by 8.2%, which equates to the energy consumption of around 200 households.

Climate protection
Virtual conferences, energy-efficient data centres, intelligent uses of the Internet of Things: Swisscom customers saved 529,665 tonnes of CO₂ in 2019 thanks to the use of Swisscom services.

Circular economy
Old phones for children in need
Swisscom Mobile Aid gives old phones a second life. Since 2012, Swisscom has collected a total of 700,000 disused devices (86,000 of which in 2019), providing funding for around 3.5 million meals for children in need.

Internet for schools
Since 2002, Swisscom has provided all schools in Switzerland with free Internet access and numerous services. 4’935 schools are currently benefiting from this service.

In 2019, Swisscom trained 34’000 young people and 8’600 parents in how to use digital media sensibly.

More for Switzerland
Swisscom provides people and businesses in Switzerland with reliable ultra-fast broadband, thus making Switzerland a more competitive country and a better place to live.

Swisscom reached some significant milestones in 2019.

More for the people
Media skills
Over the last 15 years, Swisscom has supported 580,000 people in the safe and responsible usage of digital media — in the Swisscom Academy and in media courses in schools. In 2019, around 57,000 people attended training courses on how to use modern communications media.

More for the environment
Swisscom is working with its customers to reduce its CO₂ emissions by 450,000 tonnes. This corresponds to 1% of Switzerland’s greenhouse gas emissions.

Energy efficiency
The Swisscom network is 100% powered by renewable energies. Swisscom has developed a system that will cool mobile phone antennas about 80% more efficiently in future.

Swisscom has increased its energy efficiency by 8.2%, which represents an electricity savings equivalent to the consumption of 8,000 households (calculation based on four-person households).

On 4 November 2019, Swisscom put its largest solar installation to date into operation on the roof of its headquarters in Worblaufen. Around 2,300 solar panels provide an output of 730 kWp, which
Key dates

2020

6 February 2020
Publication of 2019 Annual Results and Annual Report

6 April 2020
Annual General Meeting in Zurich

8 April 2020
Ex-dividend date

14 April 2020
Dividend payment

30 April 2020
2020 First-Quarter Results

13 August 2020
2020 Second-Quarter Results

29 October 2020
2020 Third-Quarter Results

February 2021
Publication of 2020 Annual Results and Annual Report

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