

Sunrise

Investor Overview

March 2020



Leading fully integrated challenger in Switzerland



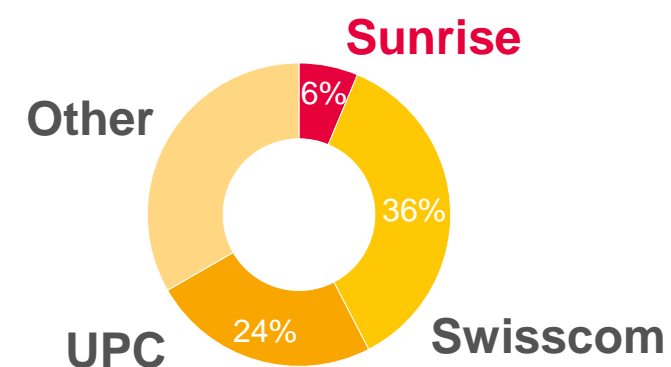
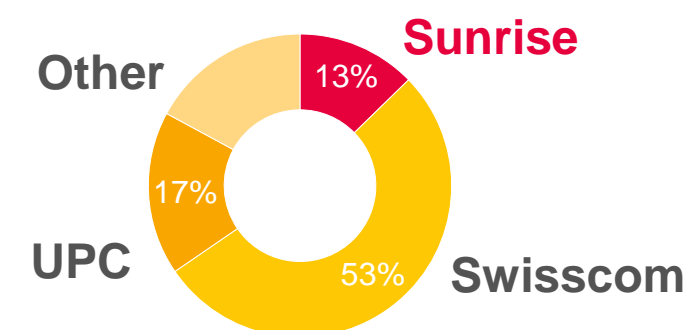
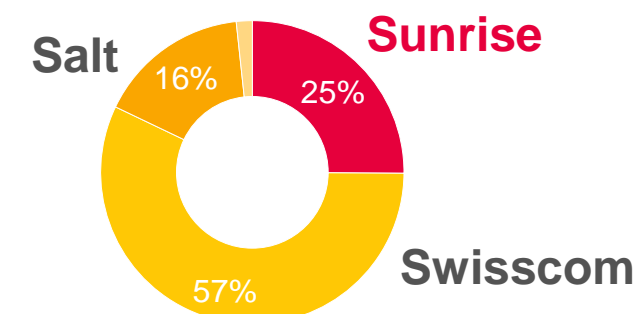
Sunrise in a nutshell

- Present in **quality focused** Swiss market
- Diversified company set-up:
 - Fully integrated player benefiting from **cross-selling** and convergence
 - Serving **residential** (71%), **business** (17%) and wholesale customers
 - Strong **multi-brand** portfolio
- Outstanding own mobile network; landline wholesale access across various technologies
- Listed at SIX with around CHF **3.6bn market cap** (75% free float) and CHF 5.4bn EV

**Fully integrated
Swiss telco provider**



Market share



**Leading
challenger**

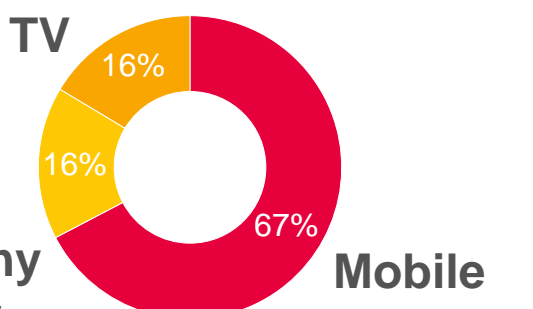


Financials 2019

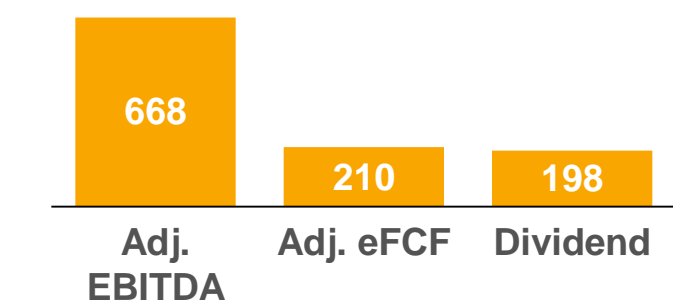
**Revenue
1.9bn**

Internet / TV

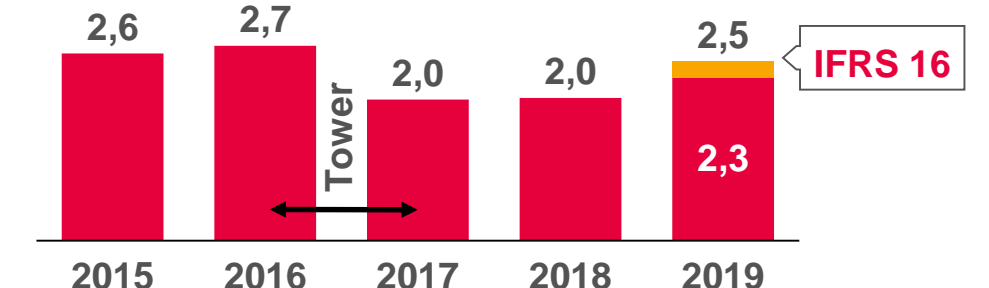
Landline telephony
Incl. 4% Hubbing, 6% Other



**EBITDA, eFCF,
dividend**



Leverage



**Solid
financials**

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Delivering EBITDA and dividend growth



Network
quality



Customer
interface

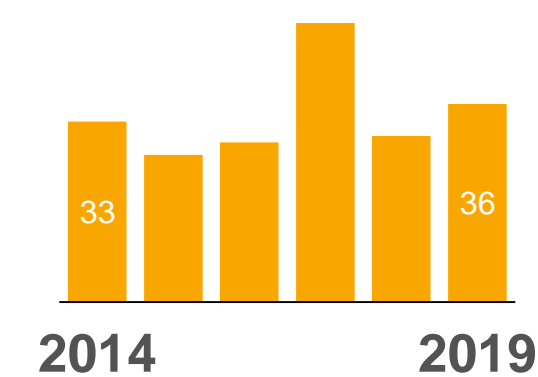
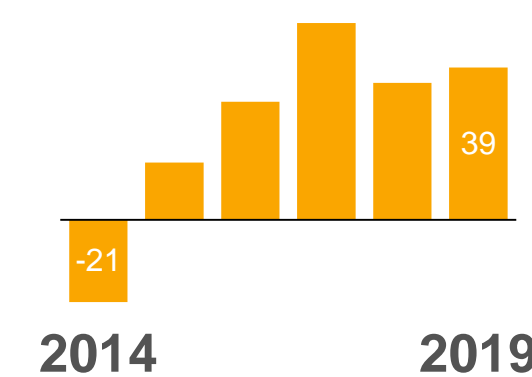
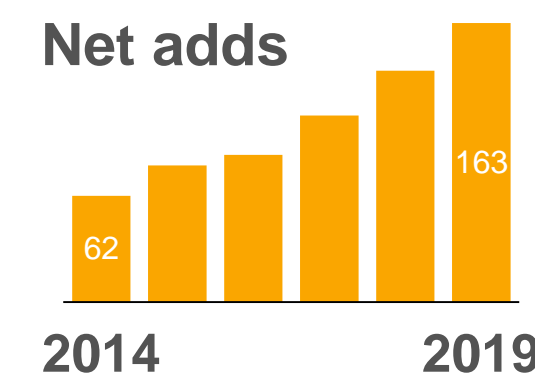


Innovation &
Convergence

Accelerated customer growth

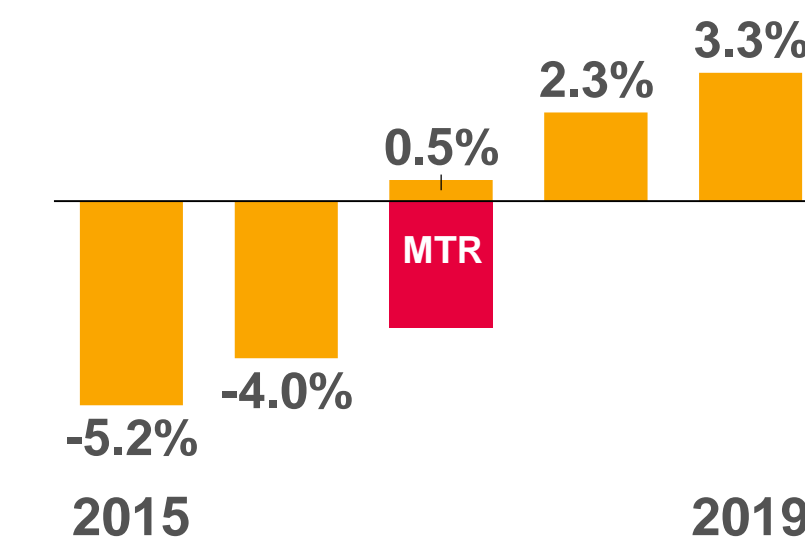


Net adds

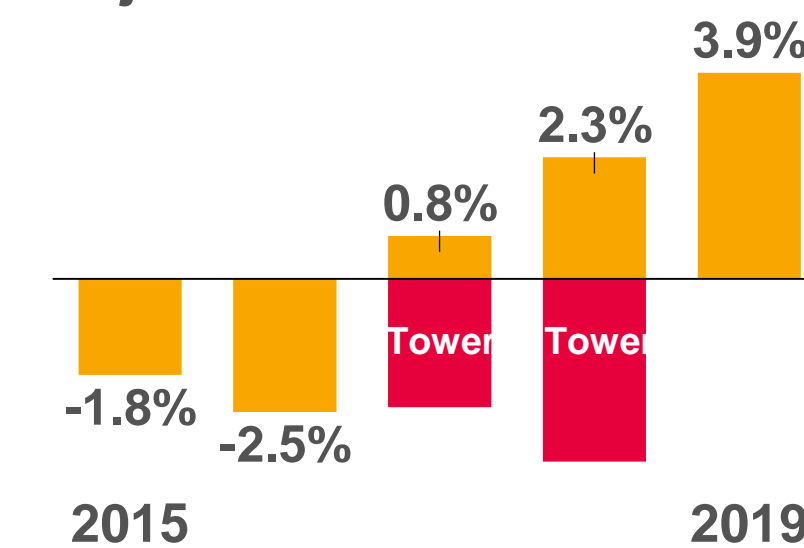


Accelerated financial growth

Service revenue

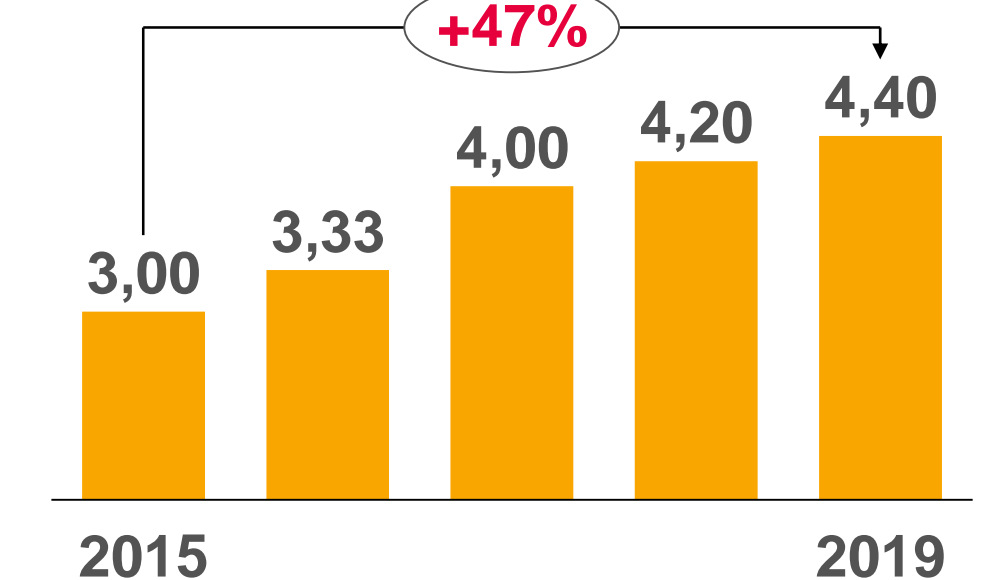


Adj. EBITDA



Attractive
dividend yield

DPS



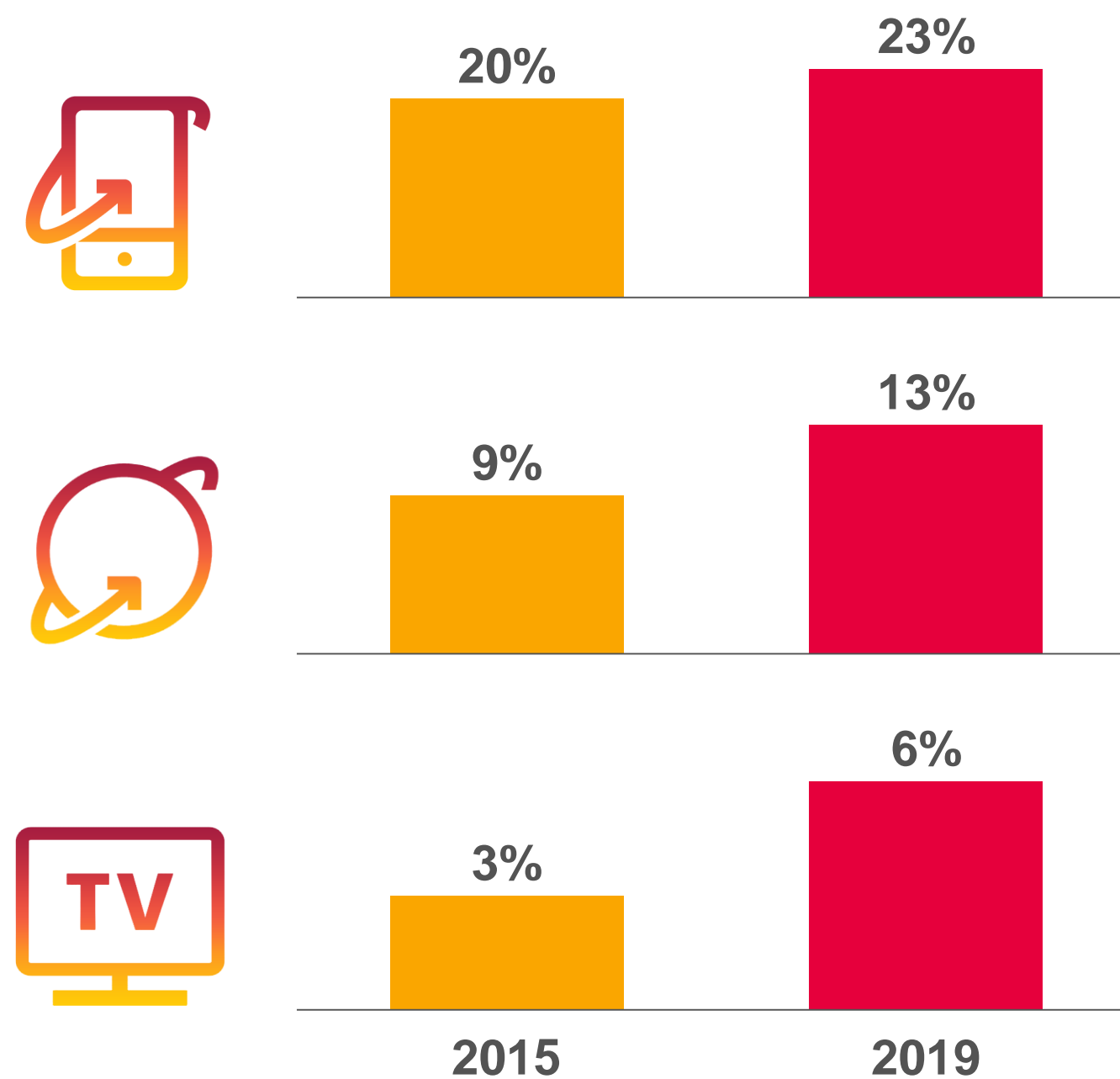
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Further growth potential ahead



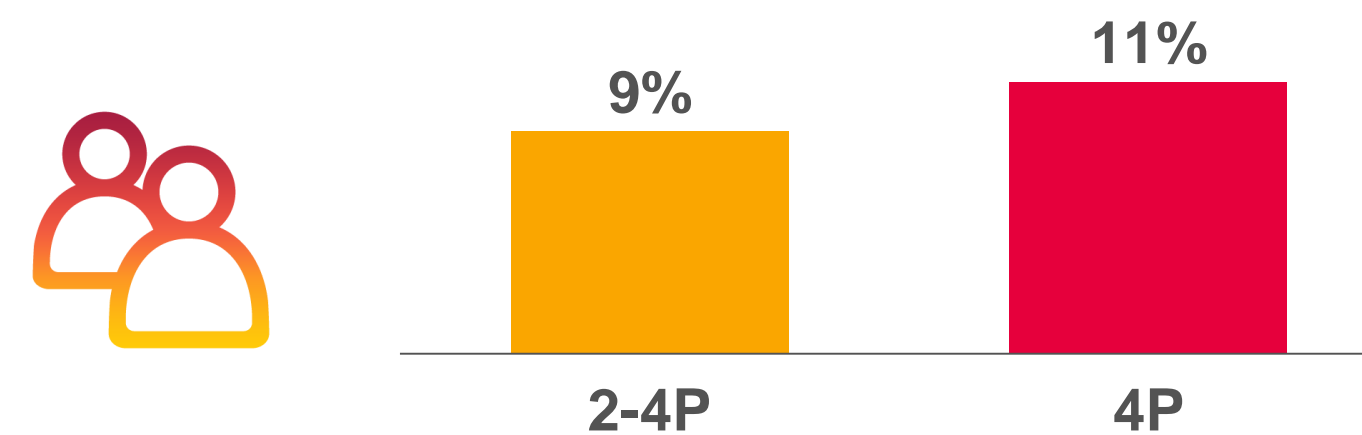
Market share

Sunrise market share

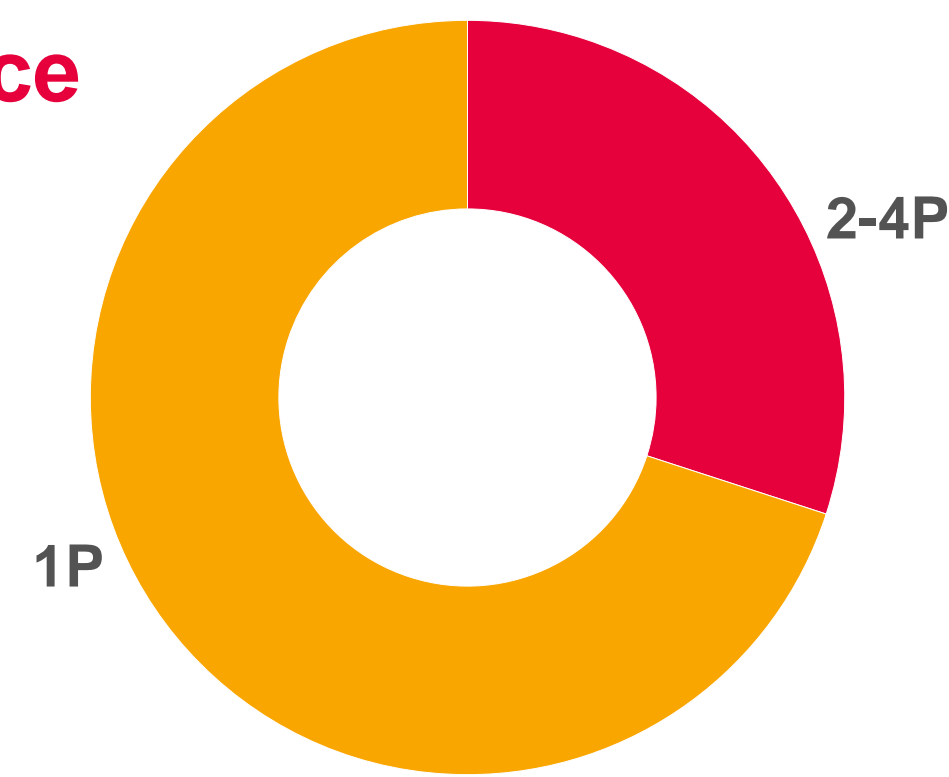


Cross selling

2019 growth

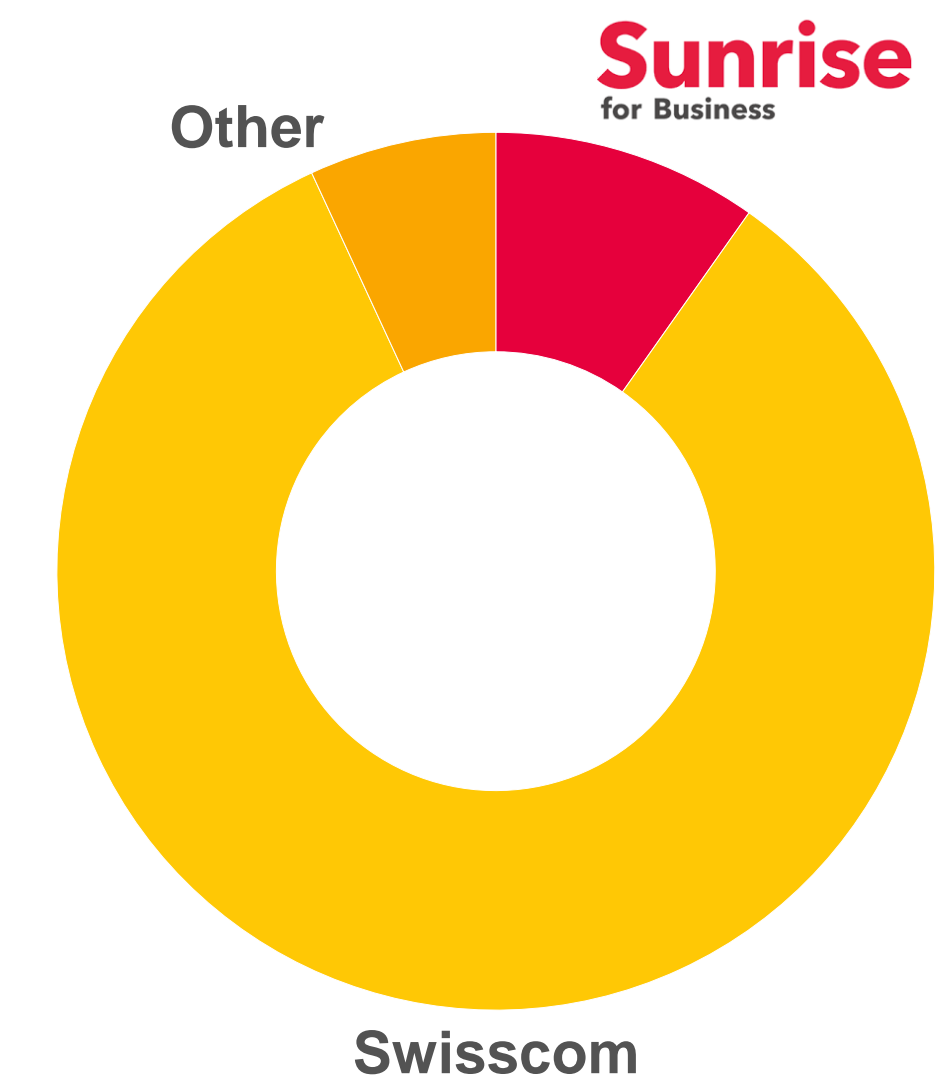


Convergence in base



Underrepresented in B2B

B2B market share



Financial outlook 2020



Higher revenue

- Service revenue growth driven by **B2B** and cont'd **customer momentum** in postpaid, internet, and TV
- Revenues of low-margin hardware and hubbing to remain volatile



Higher adj. EBITDA

- Use **GP upside** for growth investments
- **Efficiency program** will support adj. EBITDA growth to exceed GP growth



eFCF impacted by Capex

- Incremental 2020 network Capex largely financed by solid balance sheet, not impacting dividend policy
- 2021 Capex normalization to materially improve eFCF, fully covering 2021 dividend



2020 guidance

Revenue	CHF 1,875-1,915m
Adj. EBITDA	CHF 675-690m
Capex	CHF 410-450m



Dividend guidance

- **Annual 4-6% dividend growth 2018-21:** CHF 4.55-4.65 per share for 2020
- Long-term dividend policy: at least 65% of eFCF dividend payout; targeting 85% if net debt / adj. EBITDA is below 2.3x

Focus: strategic priorities



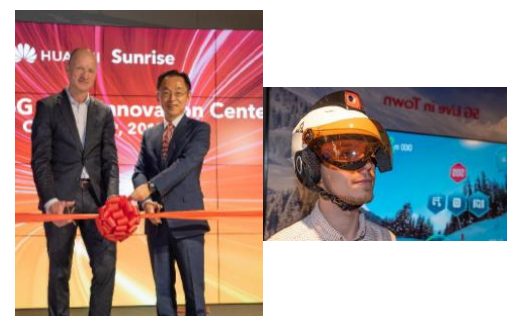
Network quality

- **Fastest & largest 5G** in CH (connect and RootMetrics); 5G in 426 cities/ towns; strong **spectrum** at favorable price
- First European 5G innovation center; 5G in smart manufacturing and farming; 4K game cloud app; security ops center
- Landline access via FTTH, xDSL and FWA

1. in 5G test



1. 5G innovation center



**European
5G leadership**



Customer interface

- **Leading NPS** and 'time to close' open feedbacks
- Ongoing shop refurbishment and openings, supporting highest score in DACH region in 'connect' shop test
- Awarded with 'Great Place to Work'; digital transformation on-track with increasing **online** channel share

NPS

Customer service	69
Shops	82

Connect shop test 2019

Sunrise	430
Swisscom	398
Salt	391

**Leading
customer interface**



Innovative converged products

- Launched **5G FWA** and handsets, among 1. operators in the world; Q4: extended availability of **TV OTT** to Samsung TV
- **B2B** launched unlimited mobile workplace; Q4: large 'Microsoft Teams' campaign, 5G indoor coverage as a service, won 'SRG SSR' and 'On' as new customers



**Drive
convergence**

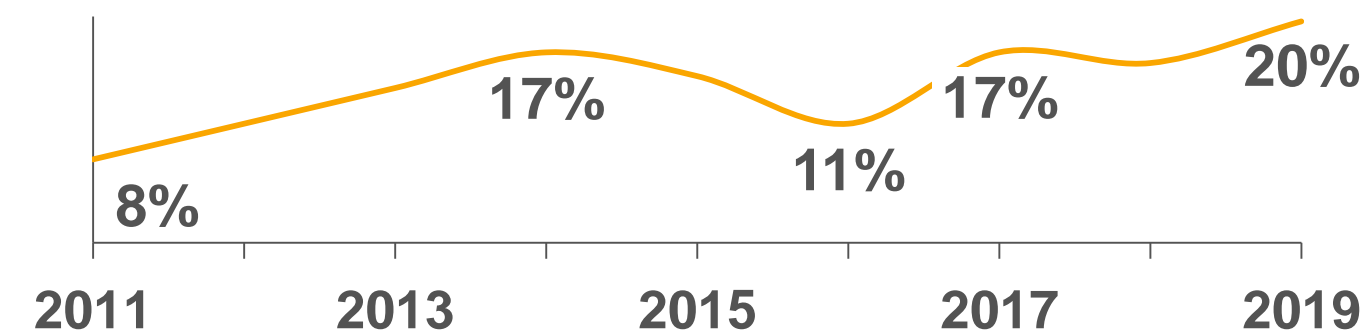
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Focus: mobile network quality

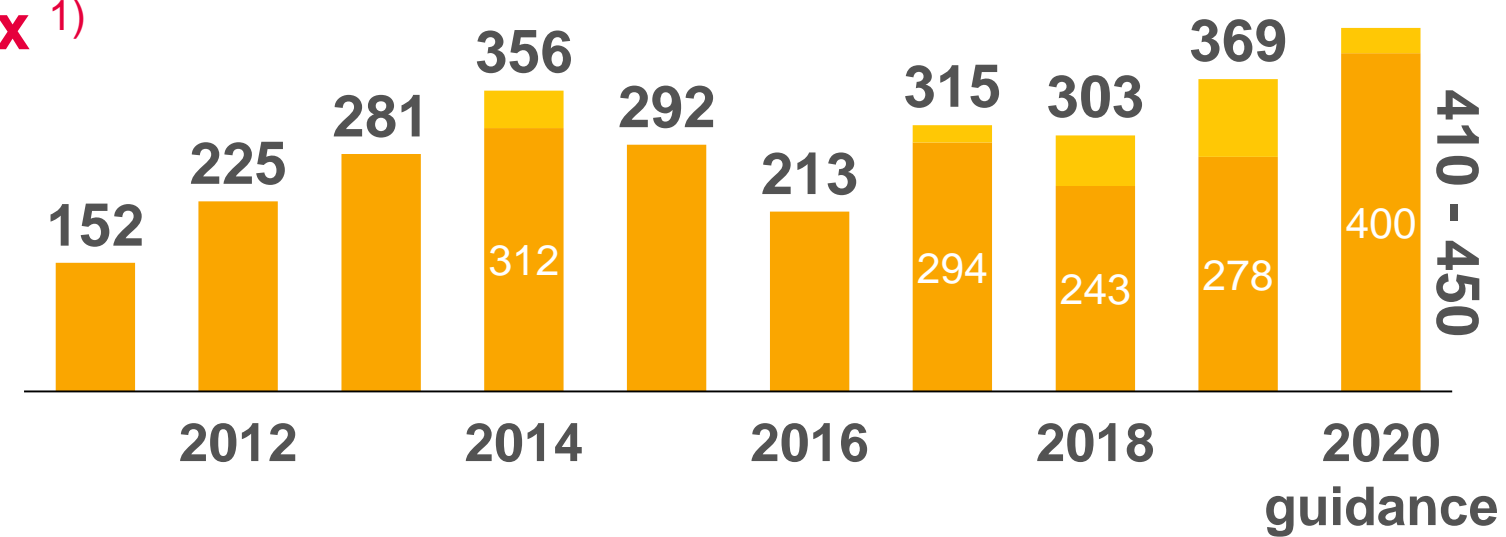


**Network investment
ramp-up**

Capex / revenue ¹⁾



Capex ¹⁾

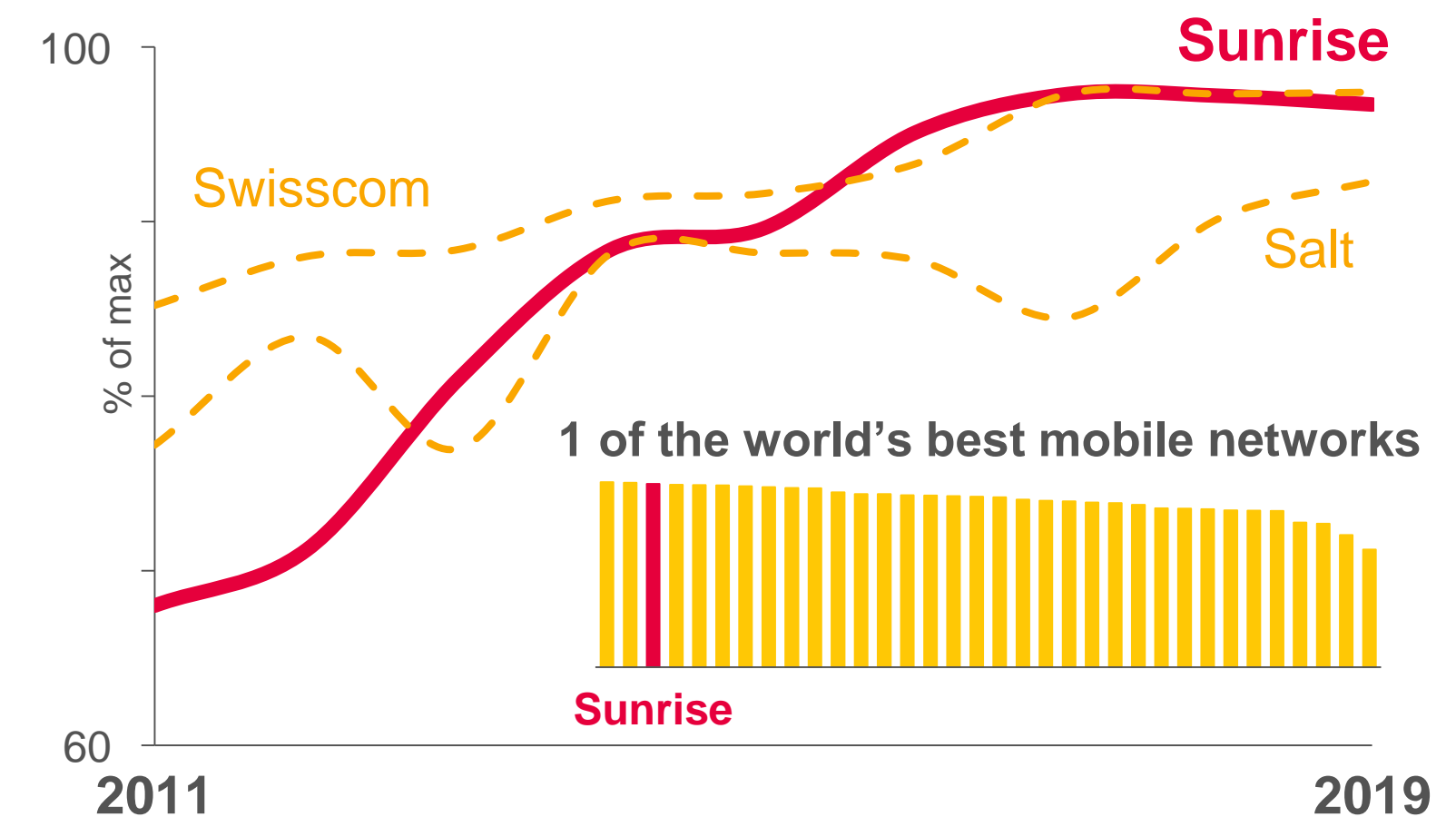


**2020 with accelerated
5G roll-out**



**Outstanding rated
network**

Connect network test ²⁾



**Strongest improvement since 2011
driving customer growth**

¹⁾ Excl. spectrum of CHF 91m in 2019 and CHF 482m spectrum investments phased-in over 2012 (CHF 289m), 2015 and 2016; Capex definition includes 'movements in not-yet-paid Capex invoices' as of 2015; ²⁾ Source: connect 1/2020; www.connect.de; Scores: Swisscom 974, Sunrise 967, Salt 923; Sunrise score vs. international peers see FY'19 results presentation

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Focus: landline access



Fiber

~30% coverage - target 50-60%

Utilities: In 2018, entered into 20 years agreement with utilities for access at defined scope of fiber lines ¹⁾; scope extended beyond 2018 due to business growth and allocation shifts from LLU, leading to incremental upfront Capex

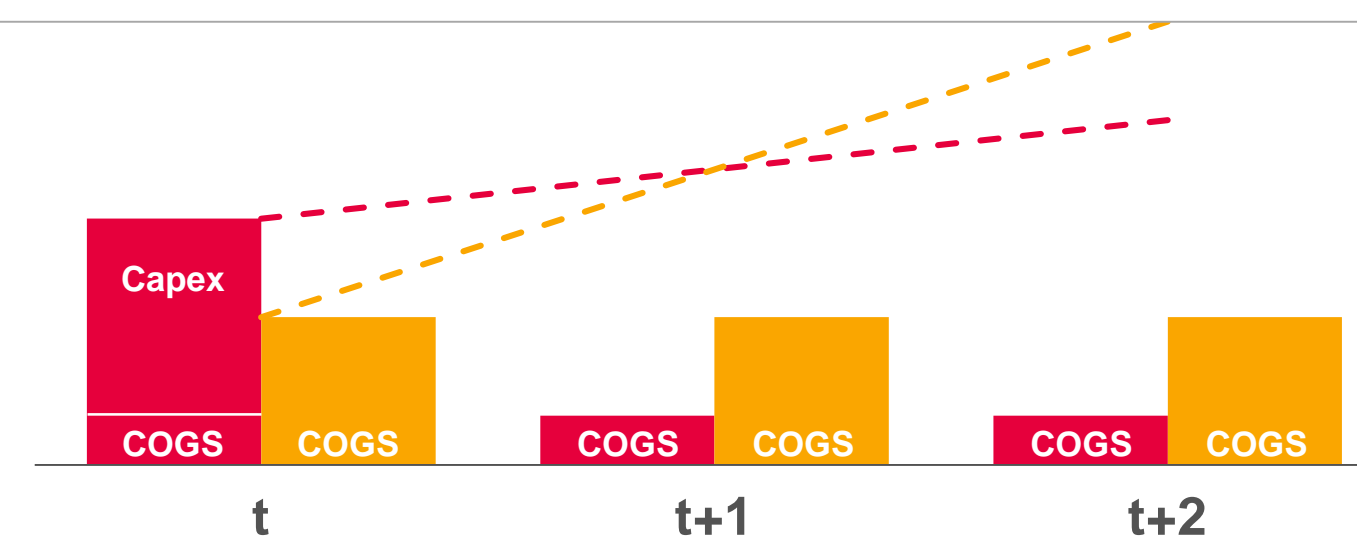
Swisscom: 2019-2022 fiber and xDSL access agreement ¹⁾



Illustration: 3 years example

Upfront models tend to have lower cumulated payments due to long-term commitment (volume & time) and discount factor

■ Upfront investment ■ Pure wholesale model ²⁾



FWA

Target coverage outside fiber area

- **5G** rollout expected to support use of fixed wireless access (FWA)
- Fixed wireless substitution; attractive margins as on own network



xDSL/Copper

- **~98% xDSL coverage** via 3.5 yrs agreement with Swisscom
- Own LLU only supporting ADSL technology (low speeds)
- Expected decreasing share as customers migrate to fiber or FWA

¹⁾ For utility deal see Q4'17 investor presentation p.19 (extension of initial scope beyond 2018; NPV accretive); for Swisscom deal see Q2'18 investor presentation p. 14

²⁾ Assuming unchanged customer number; COGS = Cost of goods sold (part of P&L); simplified

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