VALSTRON

DEAL SNAPSHOT M&A

Swisscom / Vodafone Italia: Doubling down on Italy

ANNOUNCED 15 MARCH 2024 ZURICH VALSTRON.CH

swisscom × vodafone

EUR 8bn
Price, cash- and debt-free

100%
Debt-financed

EUR 600m
Annual synergies targeted from 2029

EUR 2.4bn
Combined EBITDA

01 Executive summary

01 Swisscom acquired 100% of Vodafone Italia for EUR 8 billion on a cash- and debt-free basis, paid in cash and fully financed with debt.

02 Combined with Fastweb, the business has around EUR 7.3 billion of revenue and EUR 2.4 billion of EBITDA, and targets annual synergies of about EUR 600 million from 2029.

03 The deal closed on 31 December 2024 after Italian approvals. The combined company operates as Fastweb + Vodafone.

02 Why it matters

Fastweb is strong in fixed broadband and Vodafone Italia in mobile. Together they form a converged operator that can sell fixed and mobile services as one bundle, and the second-largest telecoms provider in Italy behind TIM.

04 The transaction

Swisscom, via Fastweb ▸ EUR 8bn, cash ▸ Vodafone Group

Announced	15 March 2024
Seller	Vodafone Group
Price	EUR 8 billion, cash- and debt-free
Consideration	100% cash, fully debt-financed
Financing	CHF 1.15bn Swiss bonds, EUR 4bn Eurobonds, EUR 3bn bank loan
Bridge replaced	EUR 5.1 billion syndicated bridge loan
Approvals	Italian competition authority and ministry, December 2024

05 The assessment

LEVERAGE
Paying entirely with debt kept shareholders undiluted but raised leverage at a company valued for stable dividends. Financing closed ahead of schedule, with coupons of 3.5% to 3.875% on the euro bonds.

SYNERGIES
EUR 600 million a year is about a quarter of the combined EBITDA of EUR 2.4 billion. Delivering it matters more than the price paid.

RISKS
Italy's mobile market is intensely price-competitive, and networks and IT have to be combined. Around completion, Swisscom lowered its 2024 EBITDA guidance to CHF 4.3 to 4.4 billion.

WHAT TO WATCH
The synergy path to 2029, net debt reduction, and Fastweb + Vodafone's share of combined fixed and mobile customers.

SOURCES

1. Advanced Television, Swisscom to acquire Vodafone Italia, 15 March 2024
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3. swissinfo.ch, Swisscom completes takeover of Vodafone Italia, December 2024
4. RCR Wireless, Swisscom completes Vodafone Italia acquisition, 6 January 2025
5. TelecomTV, Italy has a new mobile leader: Fastweb + Vodafone

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