swisscom

Analyst & investor presentation

Q2 2022 results

4 August 2022

Agenda

Introduction	Louis Schmid, IR
1. Highlights	Christoph Aeschlimann, CEO
2. Business review	Christoph Aeschlimann, CEO
3. Financial results	Eugen Stermetz, CFO
Questions & answers	all
Appendix	

Highlights

Q2 highlights

Solid underlying Q2 EBITDA
CHF -1mn YOY

Management transition complete
New CEO as per 1st of June, unchanged strategic priorities 2022

Successful blue launch
4'416k subs as per Q2
(51% B2C RGU penetration)

Credit ratings confirmed
S&P and Moody's reiterated A ratings for Swisscom

swisscom

Strongest brand of Switzerland
Rewarded by Brand Finance [1]

Industry leader in sustainability
Again #1 Telco worldwide [2]

Solutions growing
Q2 with +6.6% revenue increase

Fastweb
Another quarter of revenue and EBITDA growth

FY guidance 2022: unchanged

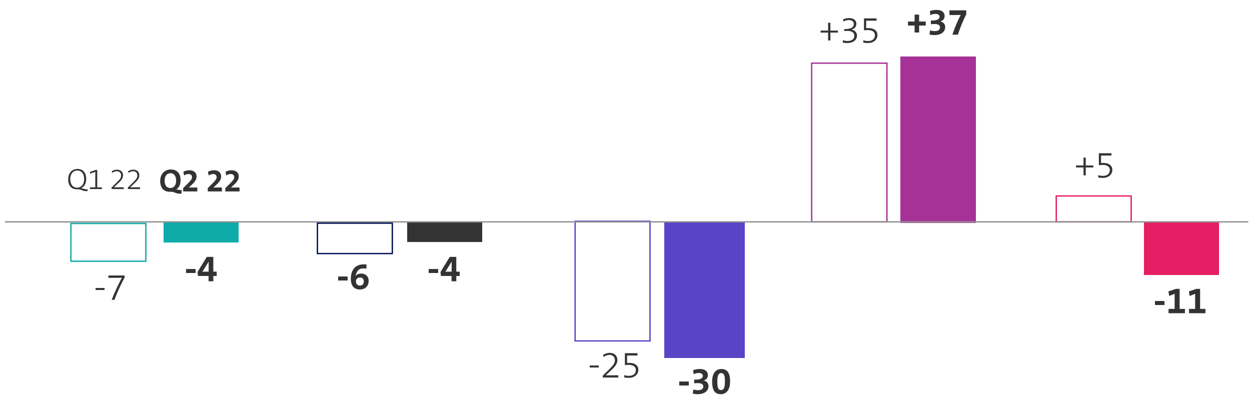
1) Source: Brand Finance Switzerland 50, May 2022,
2) Source: World Finance Magazine, June 2022

Q2 market performance

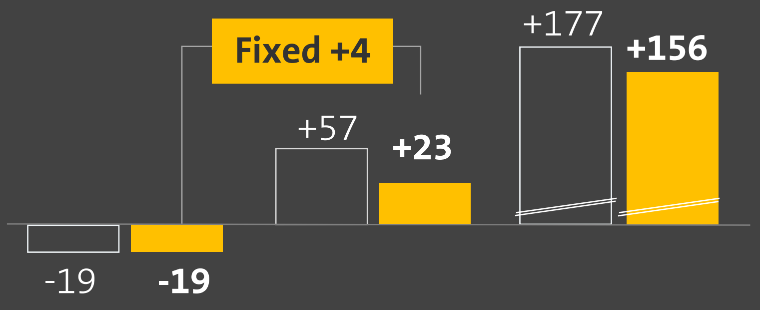
Satisfying operational results in Switzerland and Italy

Swisscom Switzerland

Net adds
reported in k



Fastweb



	Broadband	TV	Fixed voice	Postpaid	Wholesale	Broadband (Fastweb)	Wholesale (Fastweb)	Mobile (Fastweb)
RGUs in k	2'026	1'582	1'369	5'052	692	2'712	386	2'805
Converged B2C share [1]	45%			40%		40%		
Market share [2]	50%	39%		55%		16%		3%

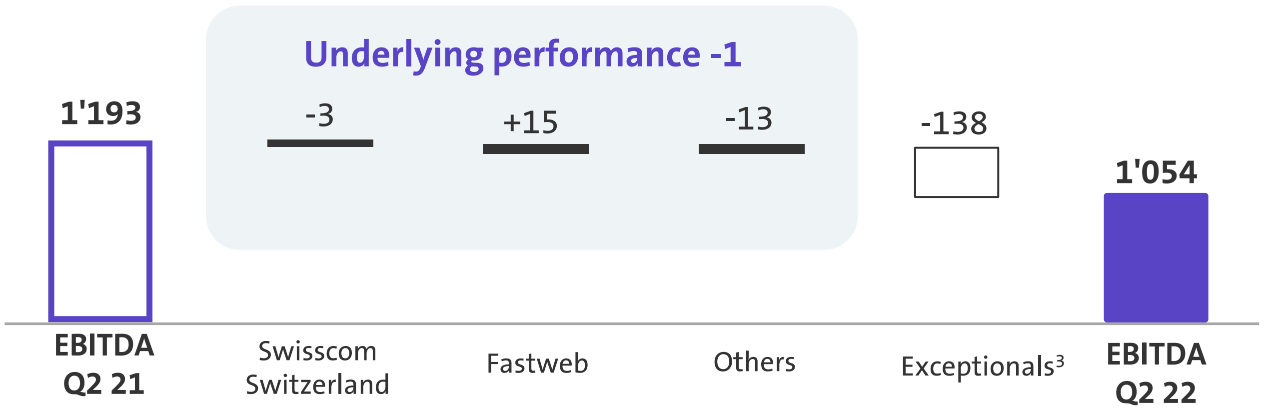
1) Subs with FMC benefit
2) Market share as per 31.3.2022

Q2 financial performance

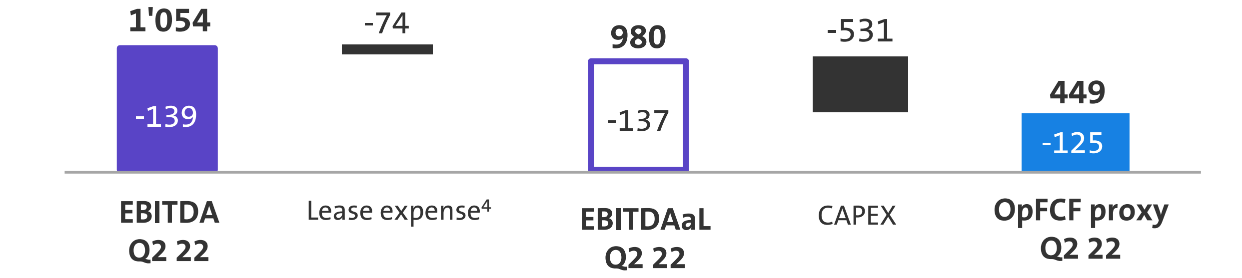
Reported EBITDA extraordinarily impacted, underlying EBITDA with a solid development

in CHF mn	Q2 2022	H1 2022
Net revenue	**2'726** (-1.9% YOY)	**5'494** (-1.6% YOY)
EBITDA	**1'054** (-11.7% YOY)	**2'191** (-5.4% YOY)
Net income reported / comparable [1]	**338** (-17.2% YOY) / (+13.5% YOY)	**785** (-25.0% YOY) / (+8.2%)
CAPEX	**531** (-2.2% YOY)	**1'053** (-2.8% YOY)
Net debt [2]		**8'538** (-0.4% YOY)

Q2 EBITDA development in CHF mn and YOY changes



Q2 OpFCF proxy development in CHF mn



1) Comparable net income considers for H1 2021 exceptionals (adjustments of pension cost (CHF +60mn) and provision for regulatory litigations (CHF -22mn)) and one-off gains of CHF +207mn (CHF +38mn from sale of BICS and CHF +169mn from transfer of 20% stake in FlashFiber to FiberCop) and for H1 2022 exceptionals (adjustments of provision for regulatory litigations of CHF -82mn), excluding tax effects
2) Including lease liabilities of CHF 1'943mn, net debt w/o lease liabilities: CHF 6'595mn
3) Q2 with YOY effects from lower pension cost (2021: CHF +60mn), adjustments of provisions for regulatory litigations (2021: CHF -22mn, 2022: CHF -82mn) and currency effects (CHF -18mn)
4) Consists of depreciation right of use assets excluding IRU of CHF -63mn and interest expense leases of CHF -11mn

Business Review

Swisscom priorities 2022

Unchanged under new leadership

1 **Defend market shares in Switzerland** through differentiation and **expand market position in Italy** through an ambitious growth plan

2 **Push digital momentum** (digital shift, digital first proposition) and **further develop Fastweb** into 'infrastructured OTT"

3 **Consequent execution on efficiency measures.** Continuous focus on costs

4 **Find solutions supported by regulation and politics.** Including optimising and implementing best net strategy

5 **Manage transformation successfully.** 'Level up' in Switzerland and 'Tu sei futuro' at Fastweb

Swisscom invests in next-generation networks and sustainability

Be ready for tomorrow

Continuous investments in UBB extension

Wireless
pop coverage

5G+	5G
65%	99%
(+3pp YTD)	

Wireline
HH coverage

1-10 Gbps[1]	>200 Mbps
39%	76%
(+2pp YTD)	(+4pp YTD)

COMCO investigation pending

- Talks with COMCO (to find an agreement) ongoing
- Range of possible outcomes for fibre-optic rollout 2022-2025 unchanged[2]
- **Decision expected until YE 2022**

1) Of which 6% not marketable due to COMCO's precautionary measures,
2) As presented at the FY analyst presentation on 3 Feb 2022

Committed to sustainability

1 million mobile devices collected
Swisscom's Mobile Aid program realised a new milestone since its launch in 2012. Benefits are both for circular economy and our charity program SOS Children's village

30% increase in online education
Swisscom's online media competence program increased its coverage by +30% YTD

Leading in Telco industry
The World Finance magazine awarded Swisscom again as the world's most sustainable telecommunications provider

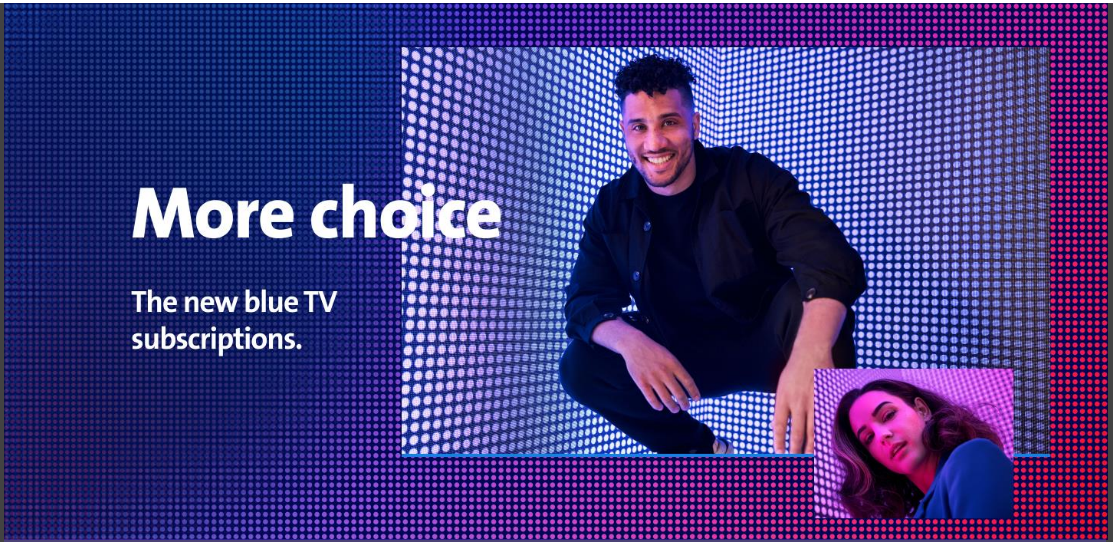
WORLD FINANCE
MOST SUSTAINABLE COMPANY IN THE TELECOMMUNICATION INDUSTRY
2022
SWISSCOM

Swisscom blue – better, simpler, more attractive

New and innovative B2C portfolio to strengthen position within growing segment of digital natives

Rationale for new B2C portfolio ...

- Shape the Swiss B2C market with **product innovation**
- **Match digital customer needs and wishes**
- Stick to our **premium and quality** principles
- **Strengthen** Swisscom's differentiation and leading **market position** further, especially within digital natives



The future is now – Swisscom blue

- **Better** and more value for many customers
- **Simpler** with unprecedented ease-of-use 're-thinking' telco experience
- **Attractive** - digital self-service advantage for digital savvy customers, convergence advantage for households
- Great proposition sells by what it is - **promotional intensity reduced**

Swisscom blue - strong performance

New portfolio succeeds in balancing value creation and attracting new customers

Swisscom blue tariffs in a nutshell

	S	M	L
Mobile	unlimited CH up to 100 Mbps **CHF 69.90**	unlimited EU up to 1Gbps **CHF 79.90**	unlimited EU up to 2Gbps **CHF 99.90**
Internet	up to 100Mbps **CHF 64.90**	up to 1Gbps **CHF 79.90**	up to 10Gbps **CHF 89.90**
TV	30h replay **CHF 14.90**	7d replay 250h recording blue Play **CHF 24.90**	7d replay 2000h recording blue Play **CHF 34.90**
Security & Service	Internet Security Identity Security **CHF 9.90**	Internet Security Identity Security My Service myCloud **CHF 19.90**	

Extra benefits for each plan

- FMC bundling for CHF 20
- HH/family bundling for CHF 30 (for 4 extra mobile subs/HH)
- Simply digital for CHF 10

Operational performance after launch on 23 May

- In total, **4'416k blue subs** as per end of Q2, representing 51% of total B2C RGU base, driven by pro-active **shift of inOne contract base**
  - 1.4mn BB subs (c. 95% of inOne BB subs)
  - 1.2mn mobile subs (c. 65% of inOne postpaid value subs)
- **More than satisfying performance ...**
  - Good sales momentum and churn at all-time low
  - Simply digital benefit mainly attracting young digital natives
  - Limited optimisation in existing customer base
  - Up-selling to new high-end tariff mobile L
- **Promotional focus on 2nd and 3rd brands, less on 1st brand**

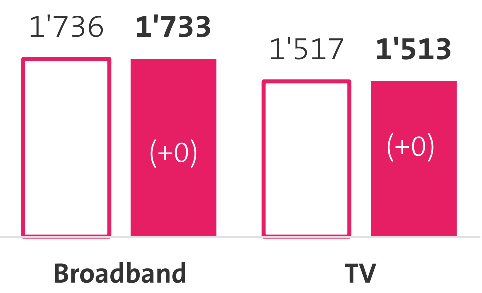
B2C operational performance

Positive KPI momentum with RGUs up, churn rates down and ARPUs +/- constant

Wireline

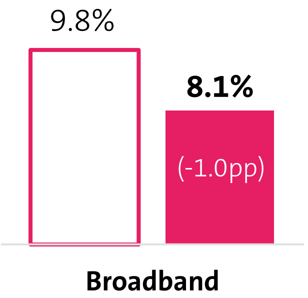
□ Q1 22 ■ Q2 22

RGUs in k (YOY)

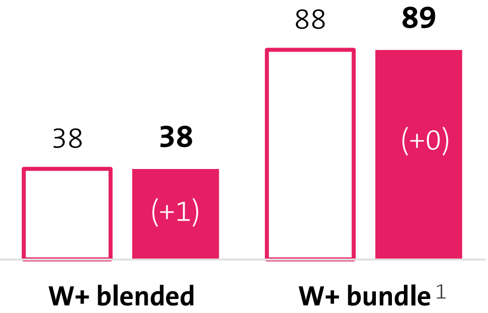


- RGU base **stable**
- BB share of **2nd/3rd brands: 6%** (+1pp YOY)
- **78% blue penetration**

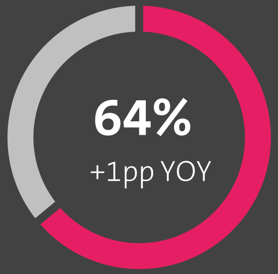
Churn rate p.a. (YOY)



ARPUs in CHF (YOY)



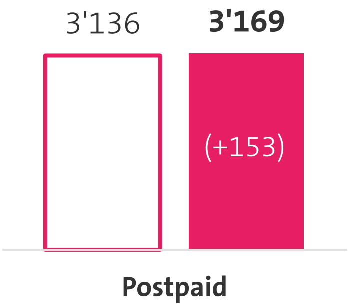
FM converged broadband HHs [2]



Wireless

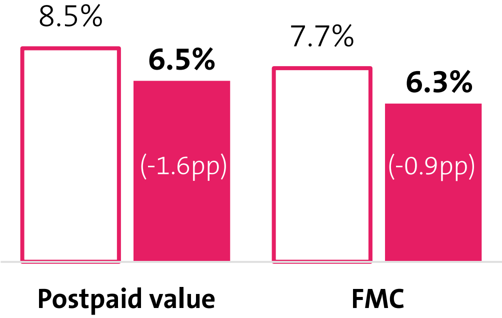
□ Q1 22 ■ Q2 22

RGUs in k (YOY)

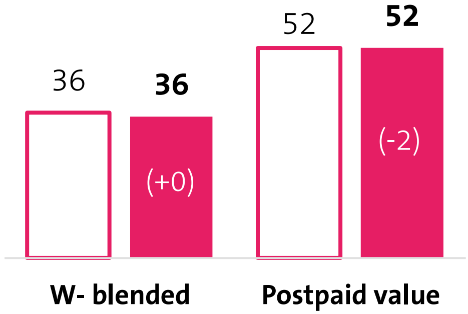


- **Growing** RGU base
- Postpaid value share of **2nd/3rd brands: 25%** (+5pp YOY)
- **42% blue** and 23% inOne **penetration**

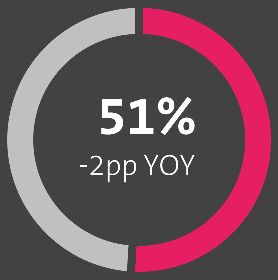
Churn rates p.a. (YOY)



ARPUs in CHF (YOY)



FM converged postpaid value HHs [3]

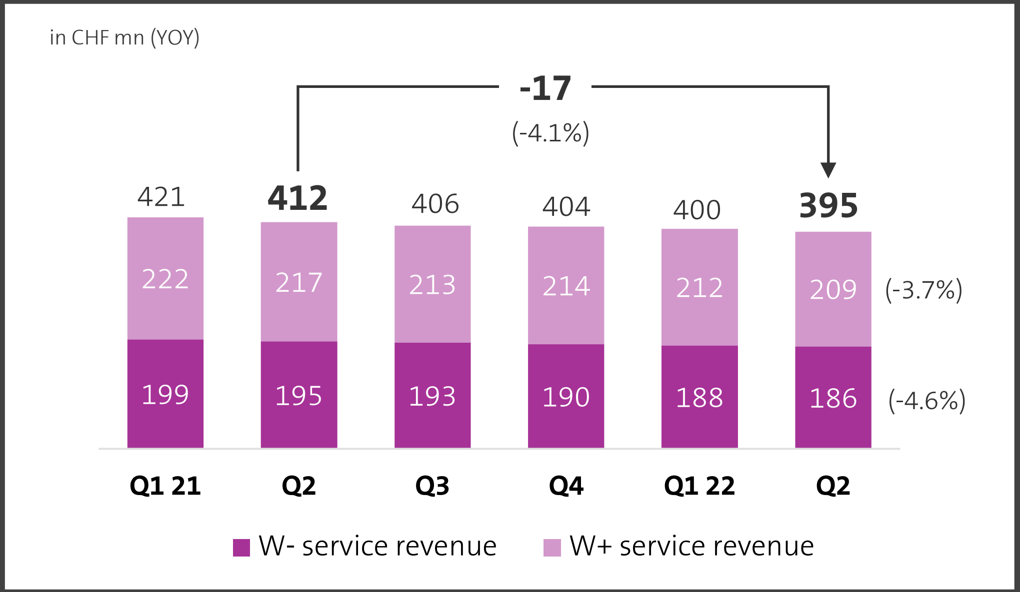


1) BB + TV + fixed voice, 2) 1'117k converged HHs of total BB connections (1'733k, all brands),
3) 1'117k converged HHs of total HHs with at least 1 postpaid value subscription (2'202k, all brands)

Solutions revenue growth overcompensates service revenue decline

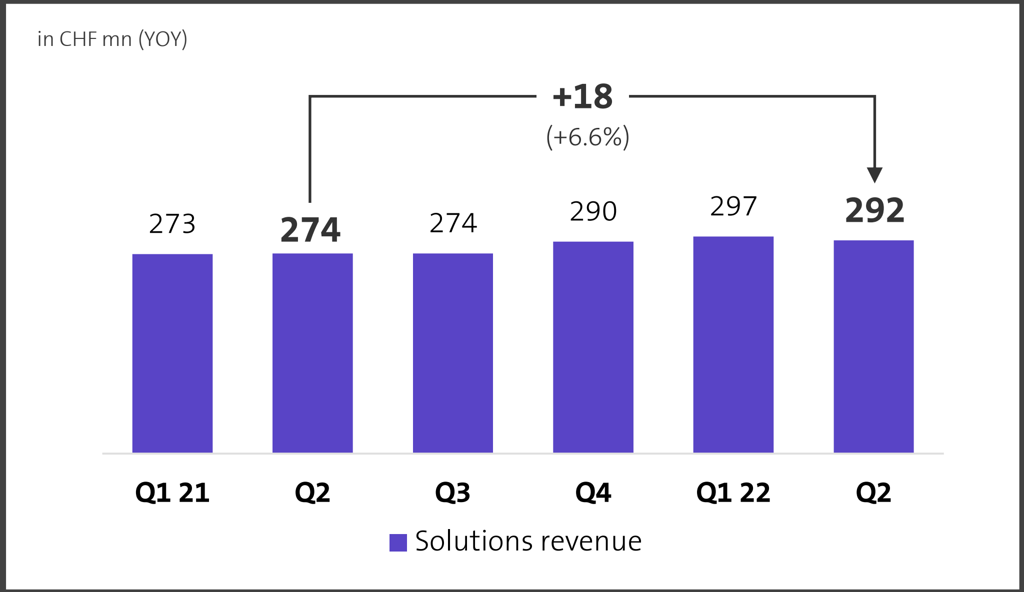
B2B trends unchanged

Defend leading Telco position



- **RGU basis almost stable** (-9k YOY)
- **W- ARPU** in Q2: **CHF 29**, decline (CHF -2 YOY) driven by unchanged **price pressure**
- **W+ revenue** 2022 impacted by lower Covid-19 tailwind and price pressure

Continuous growth in IT Solutions



Growing thanks to permanent ICT portfolio extension

- Constantly developing strategic partnerships in **Cloud**
- **Workplace & UCC** with new offerings
- **Business Application** benefits from JLS acquisition
- Webtiser acquisition stimulates **SAP** business
- Innovative initiatives and service launches in **Security**

Security Services with increasing relevance for B2B customers

Swisscom invests constantly in its Security capabilities to take advantage from market opportunities

Security - a core competence of Swisscom

Detection & Response

Identify & Protect

- 300+ security specialists
- Long-standing experience
- Early threat visibility thanks to own infrastructure
- >1'000 corporate customers
- Strong local presence
- Coverage of most relevant Security standards
- Strong drive for innovation (with a dedicated Cyber Security team in Silicon Valley)

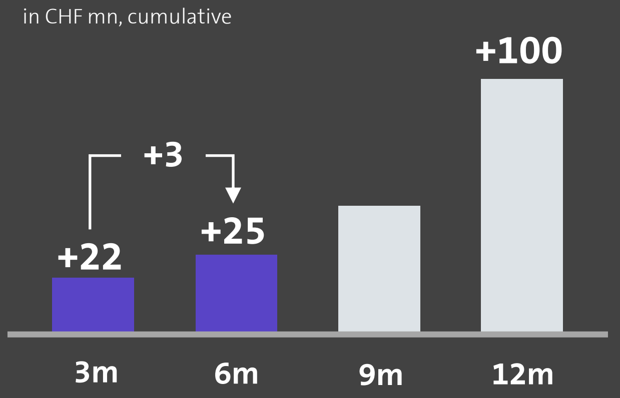
Leading in Security consulting, system integration and managed services[1]

1) According to ISG Provider Lens

Operational excellence update and results

Swisscom manages its indirect Telco costs with a long-term and sustainable approach

Telco cost savings 2022



- **On track to achieve FY ambition of CHF 100mn** Telco-related cost savings
- **Q2 slightly softer but as expected,** primarily due to marketing expenses in relation to the blue launch
- **Q4** with a **stronger** contribution due to the profile of the current initiatives

Numerous initiatives up and running

Push digital sales and care through the new blue portfolio, its self-service app features and digital assistant 'Sam'

Optimise operations with smart E2E monitoring

Transform majority of **workload to cloud-native**

Consolidate and modernise network and IT platforms

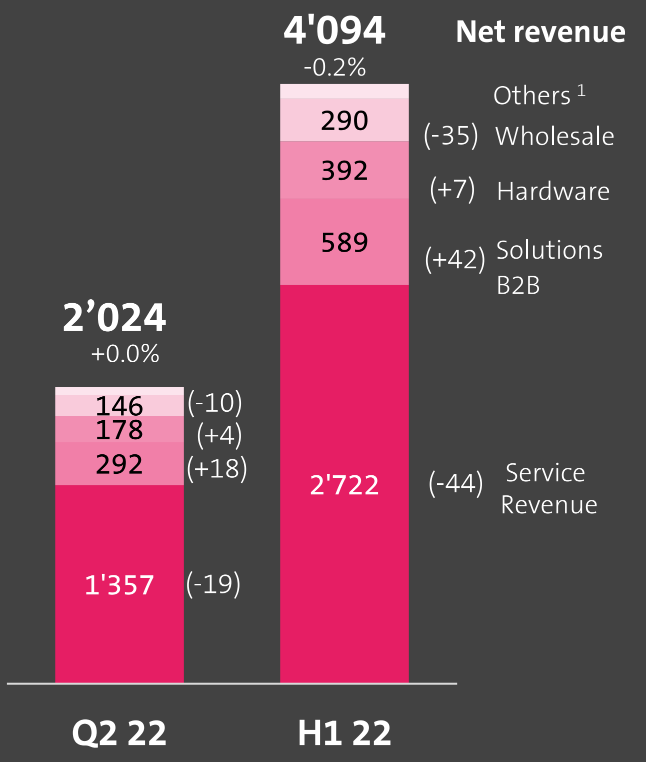
Increase efficiency in support and HQ functions

Drive process automation to the next level

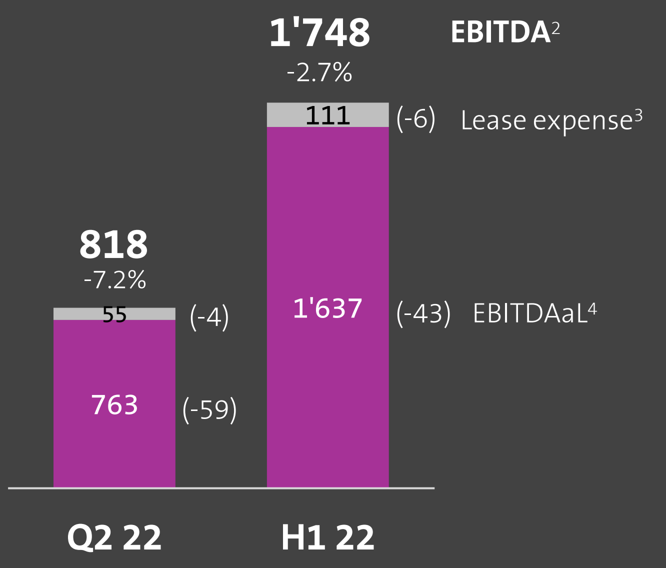
Swisscom Switzerland: financial results

Solid underlying Q2 financials with stable net revenue and EBITDA (CHF 900mn, -0.3% YOY)

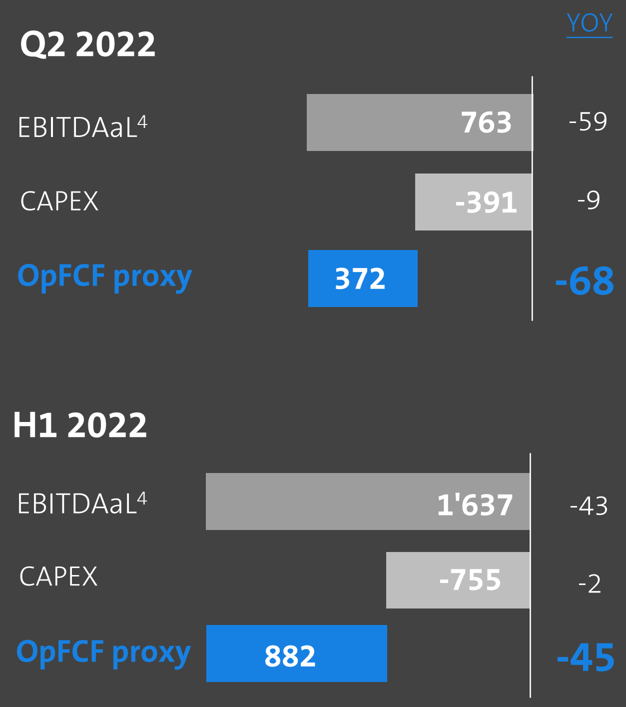
Net revenue in CHF mn (YOY)



EBITDA in CHF mn (YOY)



OpFCF proxy in CHF mn



1) Q2 22: CHF 51mn (CHF +8mn YOY), H1 22: CHF 101mn (CHF +21mn YOY), 2) Reported H1 EBITDA includes exceptional Q2 effects of CHF -82mn (CHF -60mn YOY), underlying Q2 EBITDA sums up to CHF 900mn (-0.3% YOY), 3) Consists of depreciation of right-of-use assets and interest expense leases, 4) EBITDA minus lease expense

Fastweb executes successfully on strategic priorities 2022

Preserving value in UBB Consumer while growing in Mobile, Enterprise and Wholesale

Q2 total net adds: +160k

- Fixed: +4k
- Mobile +156k

Consumer

- **Broadband**
  - Reached 2.3mn UBB subs (+7% YOY)
  - 85% UBB penetration (+8pp YOY)
- **Mobile**
  - Confirmed 2nd best market performer

Enterprise

- **Telco**
  - 7 lots won (out of 16 for NRRP[1]) on connected schools & health, for EUR >210mn (5 years)
- **ICT**
  - Awarded in CONSIP[2] tenders for Cyber Security for a total contract value of EUR 602mn (2 years)

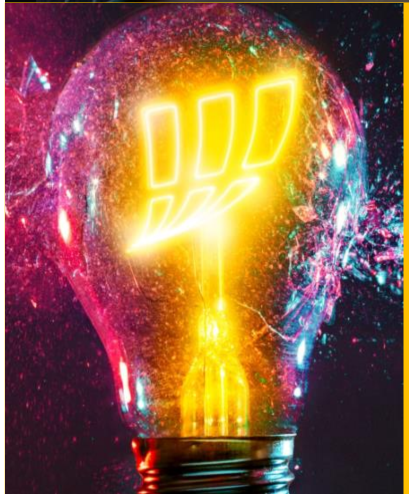
1) National resilience and recovery plan, 2) CONSIP: Vehicle through which PA acquires services,
3) Source: IlSole24Ore and Statista

Wholesale

- RGU base steadily **growing to 386k** (+103% YOY)
- Growth driven by Sky and Windtre, plus other acquired customers

Sustainability

- Official opening of STEP Futurability District
- Fastweb among the companies nominated as leader in sustainability ranking 2022[3]



Network

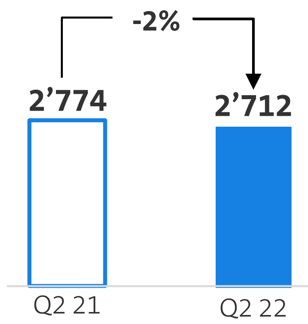
- **Data centre:** new Tier4 in East Milan. Fastweb's 5th data centre (3 Tier4)
- **5G FWA:** expansion continues: 2.7mn HH coverage (+0.6mn vs Q1)
- **5G Mobile:** outdoor coverage on own 5G network: 61% (+6pp vs Q1)

Fastweb: Consumer performance

Positive Q2 operational results with UBB (+23k) and Mobile (+156k) customer base strongly growing

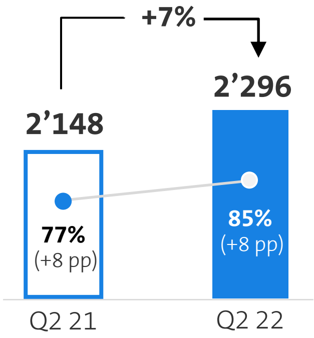
Fixed

Broadband subs in k (YOY change)



- BB subs are slightly negative as expected as the focus still remains on value customers
- UBB subs increase: +23k in Q2

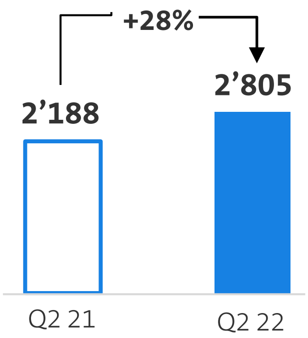
UBB subs (k) and **penetration** (YOY change)



- UBB base up to 2.3mn (+7% YOY)
- Penetration stands at 85% (+8pp YOY)
- 94% of gross adds are UBB subs

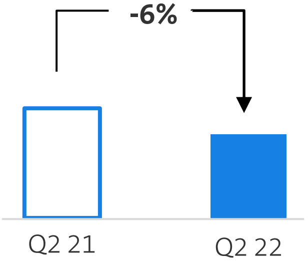
Mobile

Mobile subs in k (YOY change)

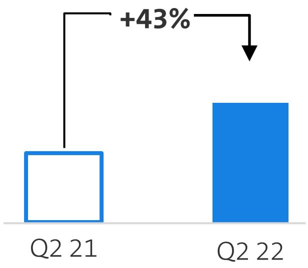


- Solid YOY growth driven by attractive offerings:
  - +156k in Q2
  - +28% YOY
- Confirmed 2nd best market performer in Italy

Churn (YOY)

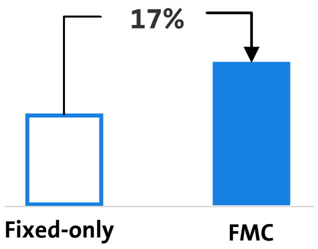


Data usage (GB/customer/month)

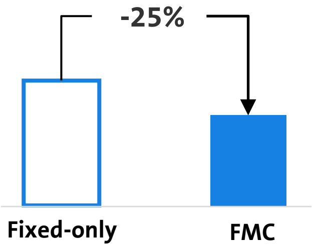


ARPU, churn, FMC penetration

ARPU uplift (EUR/month, YOY)

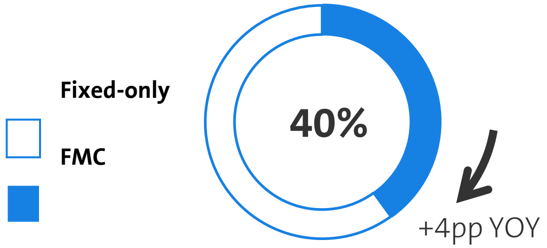


Churn benefit (YOY)



- Overall churn improving (-6% YOY)

FMC penetration within BB customer base

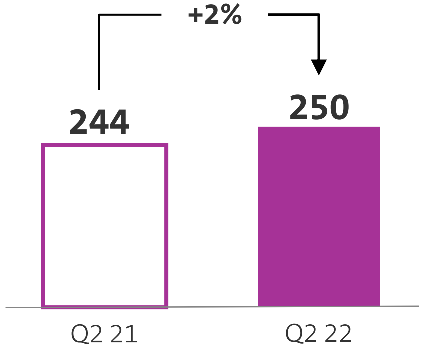


Fastweb: Enterprise and Wholesale performance

Confirmed growth on Enterprise and Wholesale Core Services revenues

Enterprise

Revenues in EUR mn (YOY)



- +2% YOY **driven by private and public admin (PA) sector**
- **EU fund**:
  - Won 7 lots on connected schools & health for EUR >210mn (5 years)
  - Fastweb/Aruba national cloud infrastructure solution ranked first, technically and commercially
- **Won CONSIP framework agreements**:
  - renewal on Digital and Telco serv. (EUR 585mn, up to 3 years)
  - Security serv. (EUR 602mn, 2 years)

New contracts

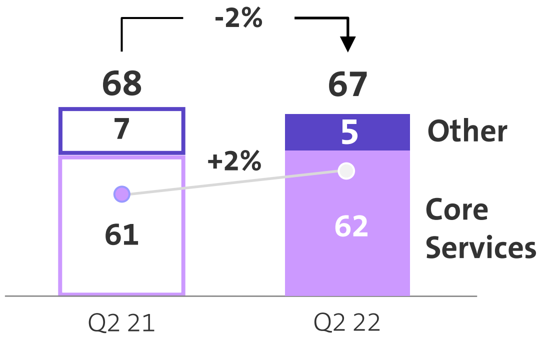
5G Mobile, Connectivity and Security main growth drivers

Lactalis	Rai Way	Mondadori
5G Mobile Enterprise	Connectivity	ICT /Security

1) CONSIP: Vehicle through which PA acquires services

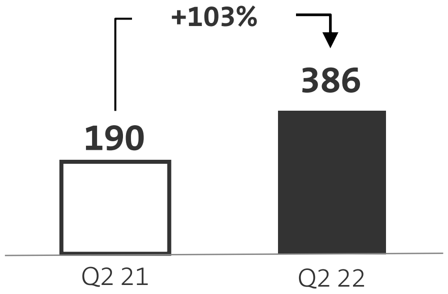
Wholesale

Revenues[2] in EUR mn (YOY)



- **Core Services: growing (+2% YOY)** thanks to higher # of wholesale lines
- **Other** (with low marginality): EUR -2mn YOY, due to FlashFiber project ended in FY '21

Wholesale lines (k)



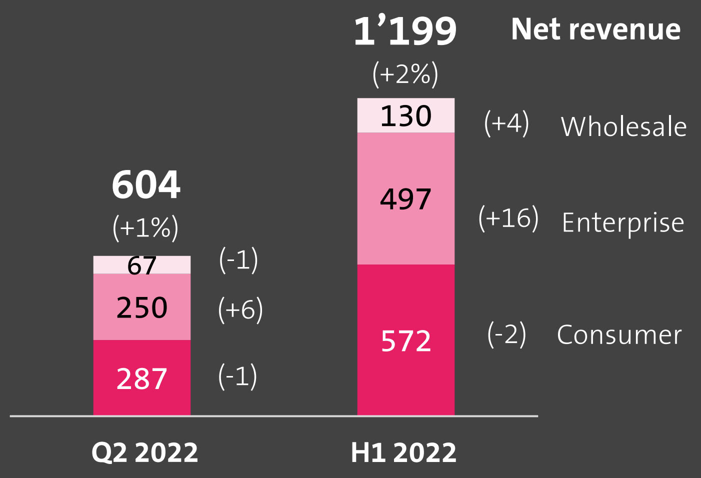
- **+23k new connections** in Q2 2022
- **Q2 extraordinarily impacted** by one-off migration activity of Tiscali

2) Including intercompany revenues

Fastweb: financial results

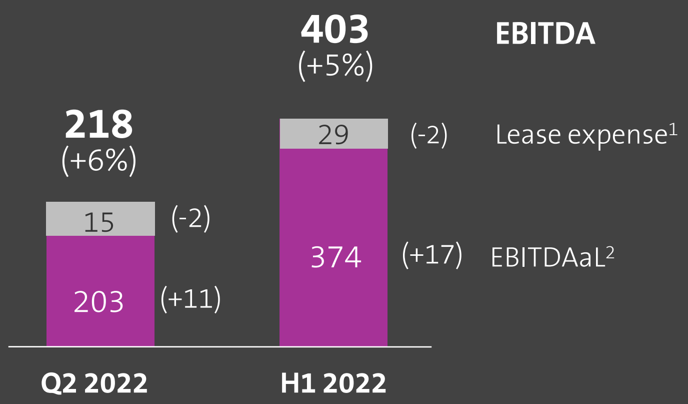
Outlook FY 2022: top-line expected +3% YOY and EBITDA +5% YOY

Net revenue in EUR mn (YOY)



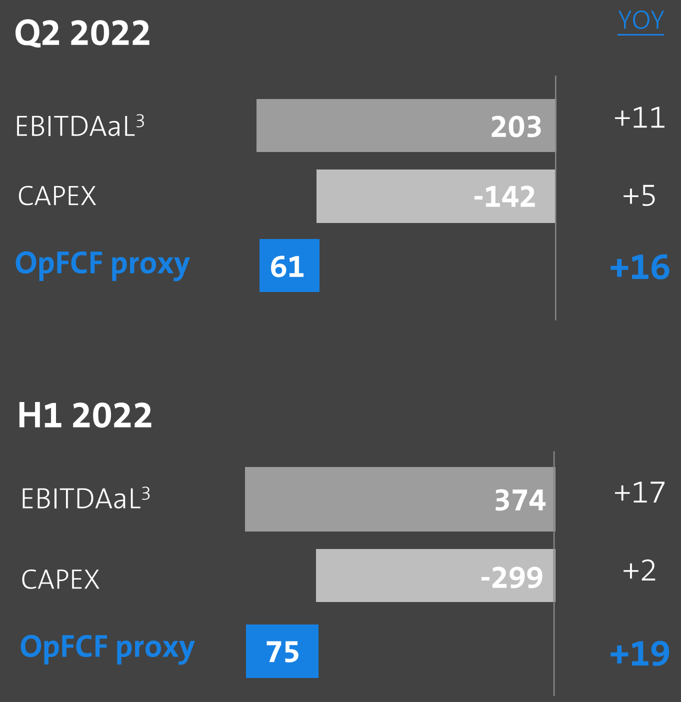
- **H1 up +2% YOY**, driven by **Enterprise** (+3% YOY), **Wholesale** (+3% YOY, w/o low margin FlashFiber project in 2021: +15% YOY or EUR +17mn) and **Consumer Mobile** (+17% YOY)
- H2 revenue expected to increase, securing +3% FY growth YOY (vs +5% initial guidance)

EBITDA in EUR mn (YOY)



- **EBITDA** positively impacted by contribution from regulatory litigations (comparable to Q3 2021)
- **Q2 EBITDAaL growth** of +6% YOY

OpFCF proxy in EUR mn

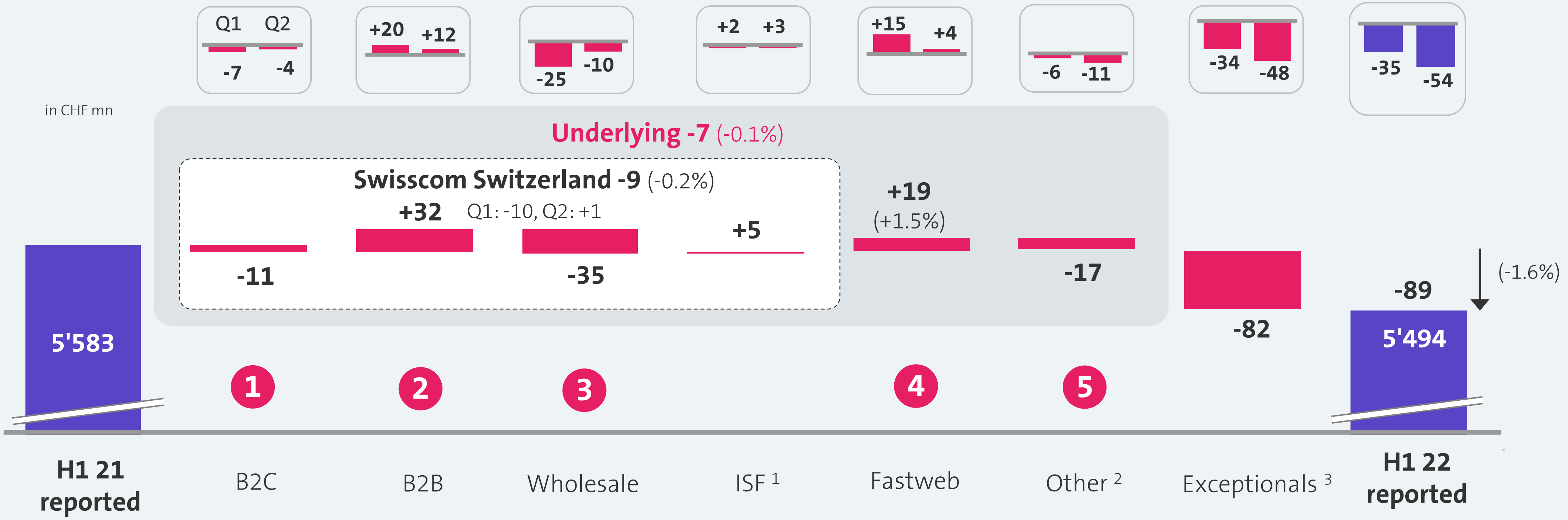


1) Consists of depreciation right of use assets and interest expense leases with scope of IFRS 16, 2) EBITDA after lease expense

Financial results

Group revenue and changes by segments

Robust underlying development with Swisscom Switzerland slightly down and Fastweb up



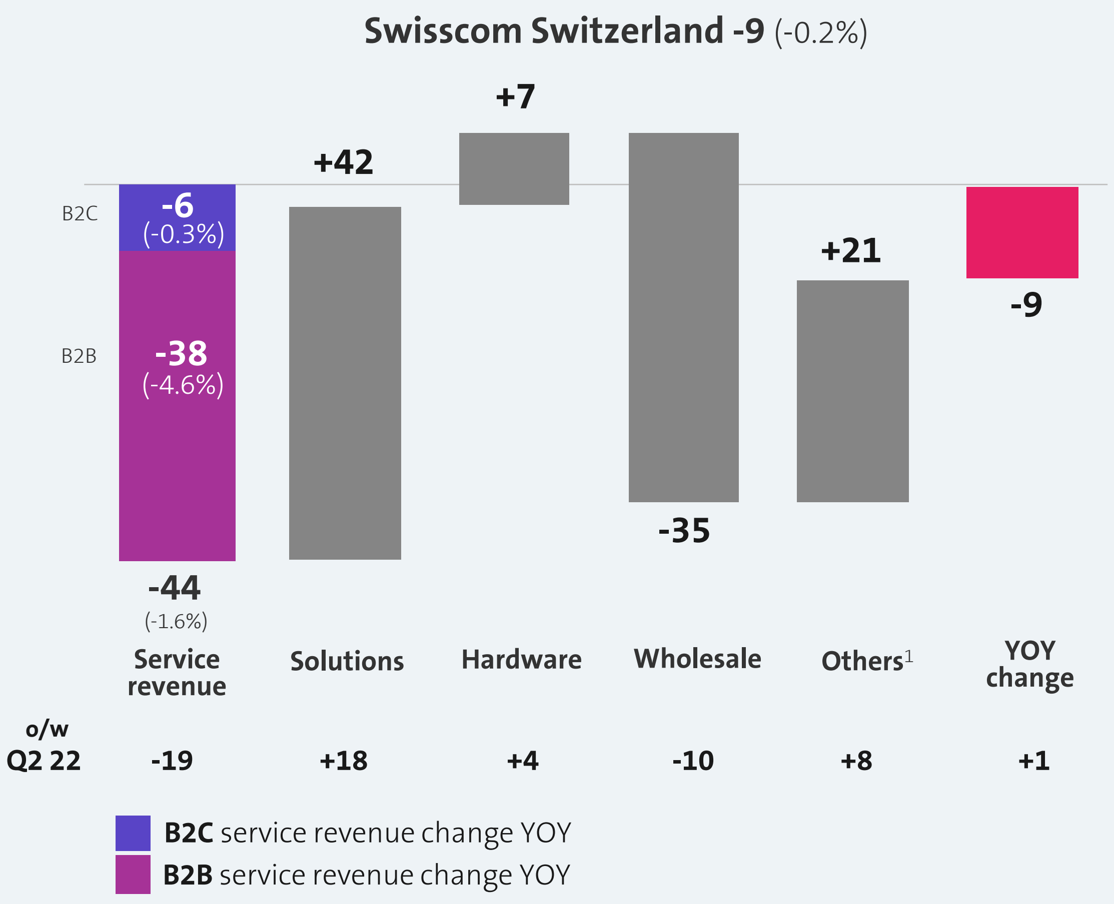
1. Q2 with moderate service revenue decline (CHF -2mn) and lower hardware sales of CHF -7mn, mostly compensated by cinema revenue
2. Q2 service revenue decline (CHF -17mn) over-compensated by growth in Solutions (CHF +18mn, t/o CHF +8mn non-organic) and higher hardware sales (CHF +12mn)
3. Q2 lower primarily due to MVNO loss (CHF -10mn). Q2 with higher inbound roaming revenues (CHF +7mn, vs Q1 CHF -14mn), compensated by seasonally lower backhaul volumes
4. Q2 up thanks to Enterprise growth (CHF +6mn). Wholesale (CHF -1mn) and Consumer (CHF -1mn, impacted by pressure in BB) slightly down
5. Negative mainly due to disposal of local.fr at YE 2021

1) Infrastructure & Support Functions, including intersegment revenue, 2) Other operating segments and intersegment elimination, 3) H1 2022 consists of currency effects of CHF -82mn

Swisscom Switzerland: revenue changes and service revenue dynamics

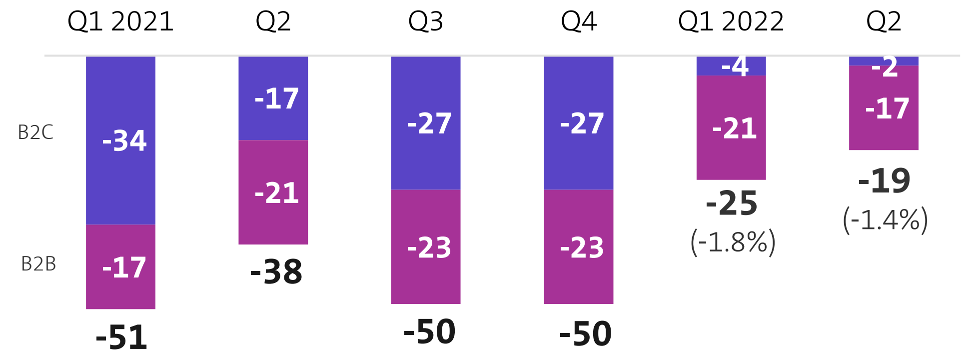
Stable top line evolution (H1 -0.2% YOY) with Q2 revenue dynamics being in line with Q1

H1 22 revenue changes by business drivers in CHF mn

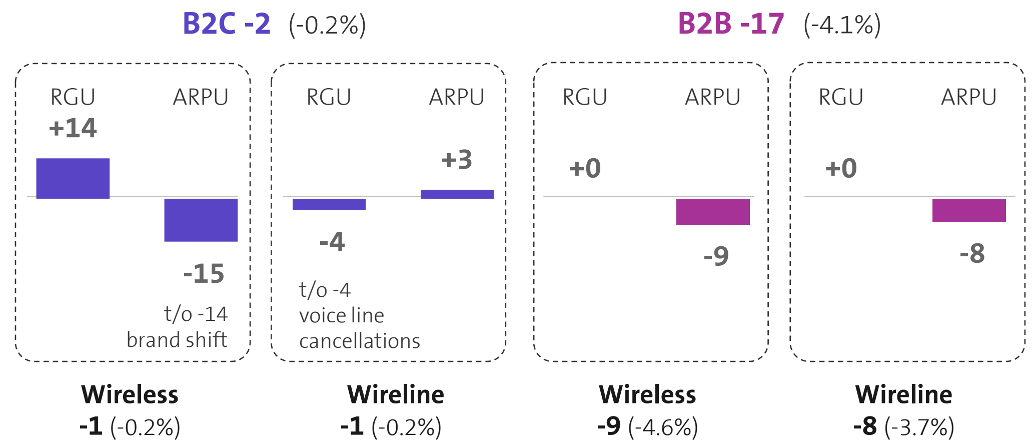


1) Including intersegment revenue

Service revenue evolution and Q2 22 changes in CHF mn

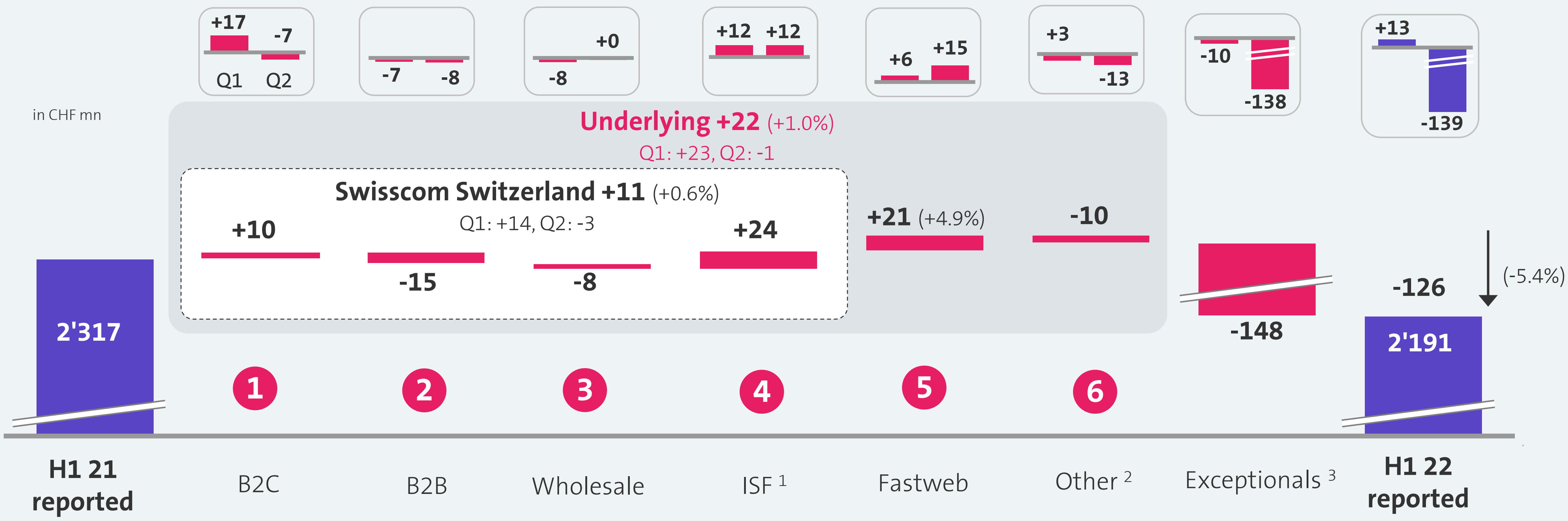


Q2 22 changes by RGU and ARPU



Group EBITDA and changes by segments

Strong underlying performance

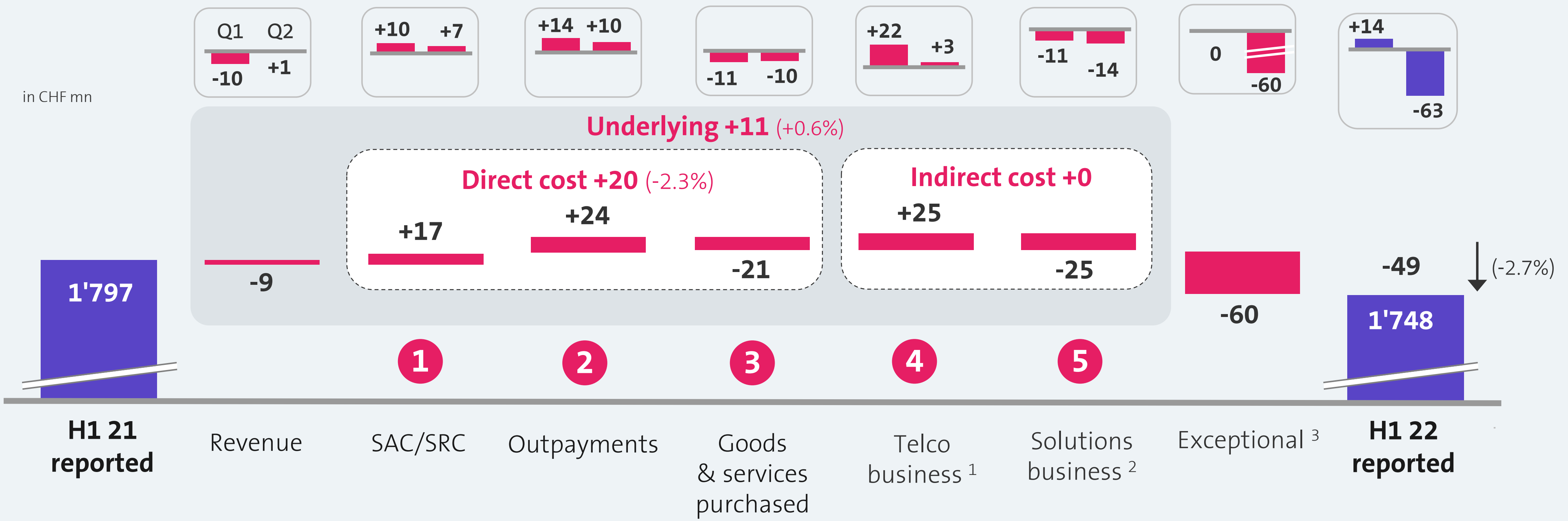


1. Q2 impacted by higher marketing costs (blue launch)
2. Q2 similar to Q1: decrease in service revenue partially compensated by growth in Solutions (with lower marginality)
3. Q2 flat: impact from MVNO loss compensated by higher inbound roaming revenues and lower outpayments
4. Q2 improved thanks to continuous cost initiatives
5. EBITDA up by +4.9%, positively impacted by contributions from regulatory litigations (as considered in FY guidance +5%, comparable to Q3 2021)
6. Q2 with weaker seasonal contributions from cablex

1) Including intersegment elimination Swisscom Switzerland, 2) Including Other operating segments and intersegment elimination Group level,
3) H1 2021 with effects from lower pension cost (Q2: CHF +60mn) and adjustments of provisions for regulatory litigations (Q2: CHF -22mn), H1 2022 with effects from adjustments of provisions for regulatory litigations (Q2: CHF -82mn) and currency effects (Q1: CHF -10mn, Q2: CHF -18mn)

EBITDA Swisscom Switzerland with OPEX changes and dynamics

Underlying EBITDA up (CHF +11mn YOY) thanks to lower direct cost and indirect Telco costs



1. Positive H1 evolution driven by lower retention measures in wireless due to softer market intensity and limited HW availability
2. H1: lower outpayments as lower avg. unit fees for roaming overcompensate volume increase
3. Q2 with similar trends to Q1: higher cost in B2B (CHF -7mn, t/o non-organic CHF -12mn) overcompensates lower expenses in B2C (due to softer promotional activities and some device bottlenecks)
4. Q2 savings at a lower level due to higher marketing cost (blue launch) and seasonal effects (as guided in Q1). On track to achieve FY ambition of CHF +100mn savings in Telco-related costs
5. Slightly higher costs in Q2 to support Solutions growth

1) Capacity costs and other operating expenses of the Telco business, 2) Capacity costs and other operating expenses of the Solutions business,
3) Adjustments of provisions for regulatory litigations (Q2 21: CHF -22mn and Q2 22: CHF -82mn)

Capital expenditures

Slightly lower CAPEX (CHF -30mn YOY) primarily due to weaker EUR/CHF exchange rate, otherwise flat

in CHF mn	Q2 22	H1 22
Group CAPEX	531 (-12, -2.2% YOY)	1'053 (-30, -2.8% YOY)
Swisscom Switzerland	391 (+9, +2.4% YOY)	755 (+2, +0.3% YOY)
Fastweb [1]	143 (-19, -11.7% YOY)	306 (-24, -7.3% YOY)
Other	-3	-8

1) In local currency H1 22: EUR 299mn (-0.7% YOY)

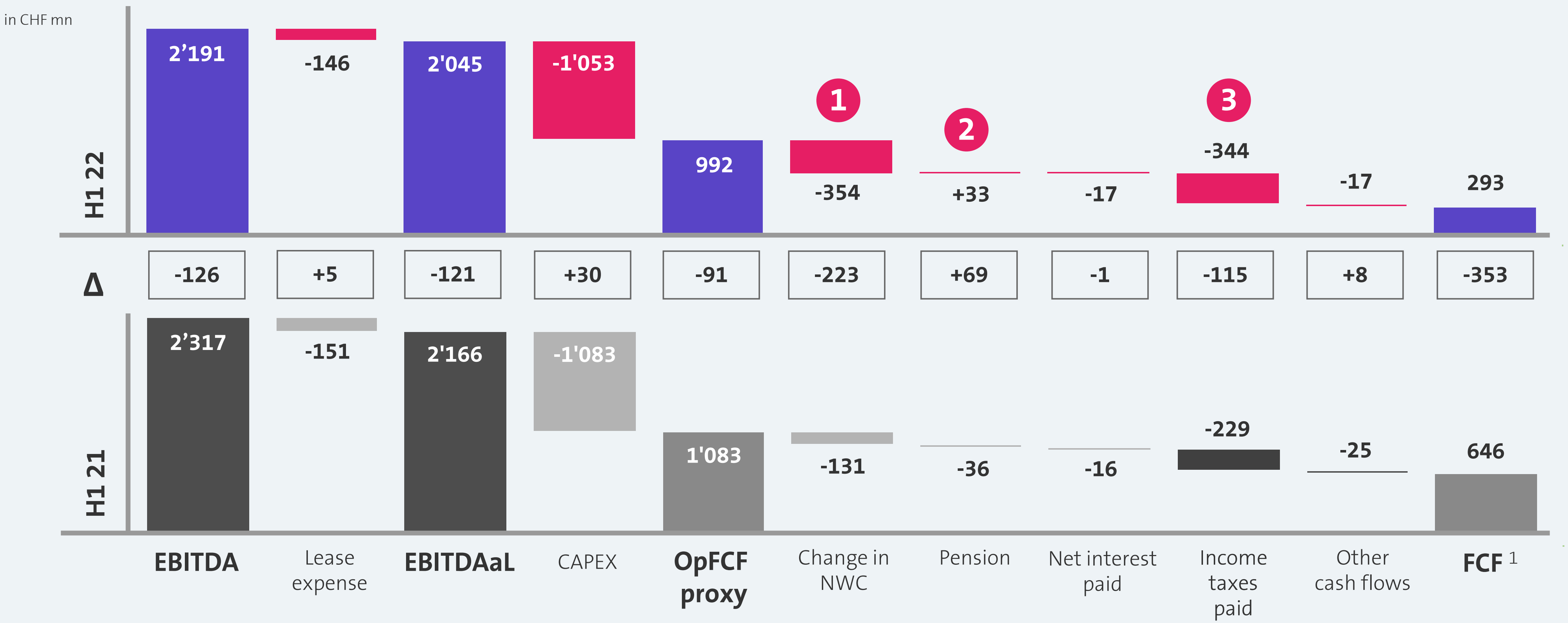
Swisscom Switzerland H1 2022

Wireless **CHF 137mn** -19% YOY	**Fibre (FTTx)** **CHF 216mn** -13% YOY
IT systems, CP equipment and other **CHF 165mn** +7% YOY	**Access, backbone & transport infrastructure** **CHF 237mn** +30% YOY

- **Swisscom Switzerland**: almost flat YOY, lower fibre envelope due to FTTS completion in 2022, W- lower due to backlog of pending building permissions, higher backbone and access investments because of renewals
- **Fastweb**: ongoing high network investments, in local currency YOY nearly unchanged

Free cash flow

FCF down (CHF -353mn YOY) due to extraordinary NWC effects and higher tax payments

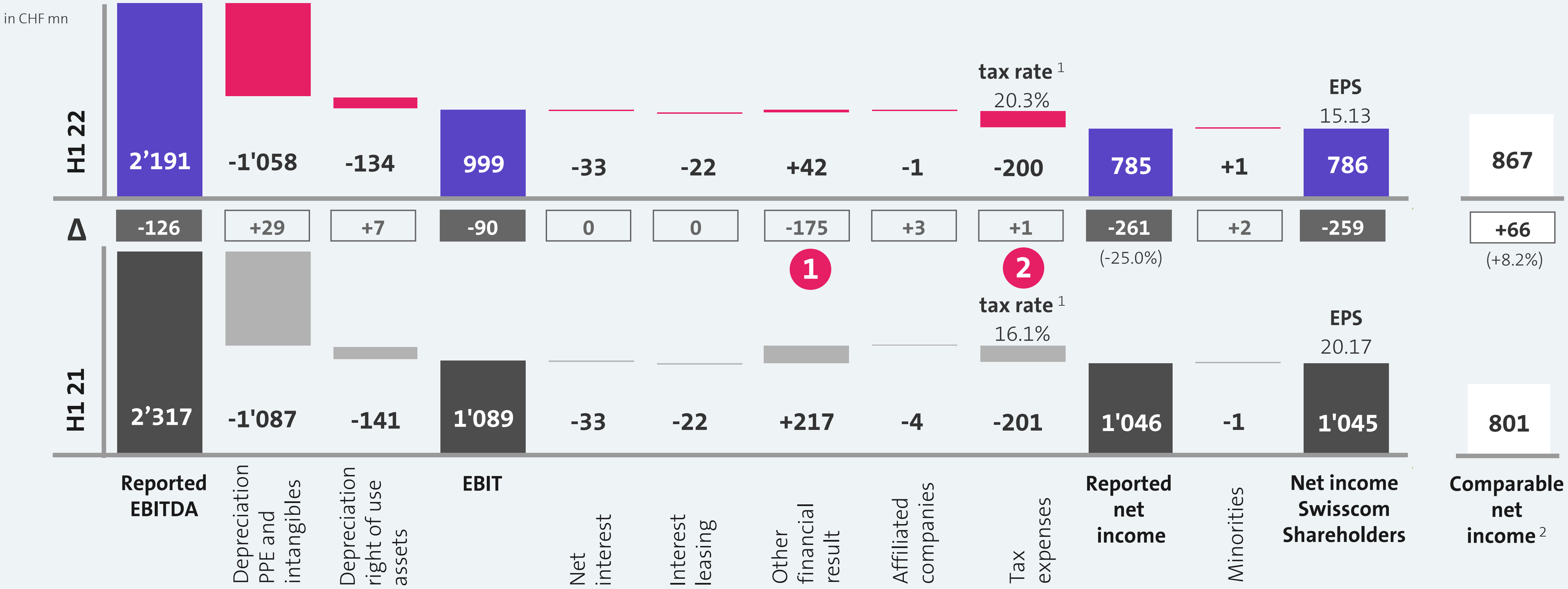


1. H1 2022 extraordinarily impacted by prepayments (for maintenance contracts and licenses) and payments in connection with regulatory litigations (settled in Q4 2021). In Q2 2022 change of NWC slightly improved (CHF -90mn vs. Q2 2021: CHF -110mn)
2. In prior year negative one-off effect from pension plan amendment in Q2 2021 (of CHF -60mn)
3. Higher in H1 22 due to a different payment schedule compared to 2021

1) FCF excluding M&A effects (H1 22 CHF –65mn, H1 21 CHF +108mn)

Net income

Reported net income impacted by one-off effects in EBITDA and financial result



1 In 2021 other financial result positively impacted by one-off gains of CHF 38mn from sale of BICS and CHF 169mn from transfer of 20% stake in FlashFiber to FiberCop. H1 2022 positively impacted by change in fair value of interest rate swaps (CHF +44mn YOY)

2 Tax rate 2021 lower as a result of BICS sale and the FiberCop transaction

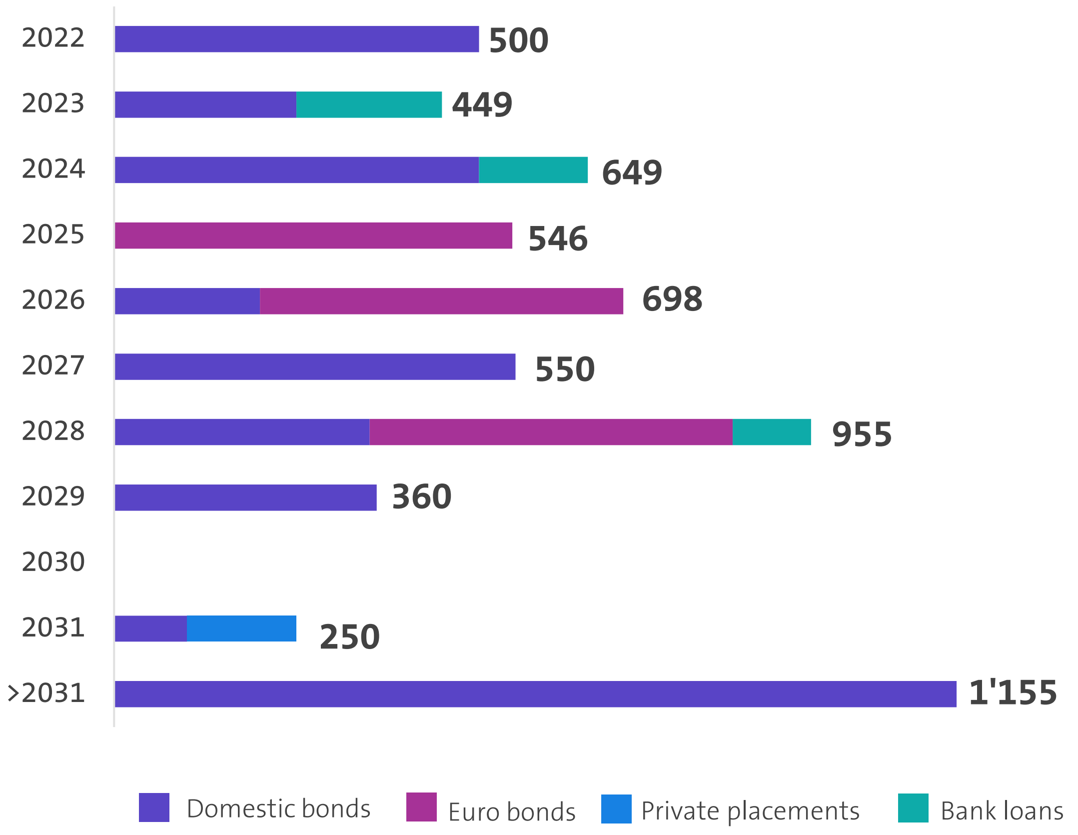
1) Tax rate H1 22: tax expenses of CHF 200mn / EBT of CHF 985mn = 20.3%, tax rate H1 21: tax expenses of CHF 201mn / EBT of CHF 1'247mn = 16.1%, 2) Comparable net income considers for H1 2021 exceptionals (adjustments of pension cost (CHF +60mn) and provision for regulatory litigations (CHF -22mn)) and one-off gains of CHF +207mn (CHF +38mn from sale of BICS and CHF +169mn from transfer of 20% stake in FlashFiber to FiberCop) and for H1 2022 exceptionals (adjustments of provision for regulatory litigations of CHF -82mn), excluding tax effects

Well balanced and diversified maturity profile

Swisscom well positioned against interest rate increases thanks to its high fixed portion and long duration

Debt maturity profile as per Q2 2022 [1)]

in CHF mn



Debt mix

→ floating portion temporarily increased (+12pp vs Q1 2022) due to dividend payment in Q2

- **Ø interest rate of 0.81%**
- **Ø duration of 4.9 years**
- **CHF 2.2bn** (unused) committed credit lines

Ratings

S&P Global Ratings: **A stable**

Moody's: **A2 stable**

1) Excl. short-term money market borrowings

Guidance FY 2022 confirmed

Net revenue of CHF 11.1-11.2bn, EBITDA of CHF ~4.4bn and CAPEX of CHF ~2.3bn

in CHF bn	2021 reported	Splits into:	2022 outlook[3]	Splits into:
Revenue	**11.183**	CHF 8.6bn for Switzerland[2] EUR 2.4bn for Fastweb	**11.1-11.2**	CHF 8.5-8.6bn for Switzerland EUR ~2.5bn for Fastweb
EBITDA[1]	**4.478**	CHF 3.6bn for Switzerland EUR 0.8bn for Fastweb	**~4.4**	CHF ~3.5bn for Switzerland EUR 0.8-0.9bn for Fastweb[4]
CAPEX	**2.286**	CHF 1.6bn for Switzerland EUR 0.6bn for Fastweb	**~2.3**	CHF ~1.7bn for Switzerland EUR ~0.6bn for Fastweb

Upon meeting its targets, Swisscom plans to propose
again a dividend of CHF 22/share (payable in 2023)

1) EBITDAaL 2021: CHF 4.2bn, EBITDAaL guidance 2022: CHF ~4.1bn
2) Swisscom Group without Fastweb
3) For consolidation purposes, CHF/EUR of 1.04 has been used (vs. 1.08 for fiscal year 2021)
4) +5% YOY

Questions & answers

Appendix

Key financials

Reported and underlying revenue and EBITDA

in CHF mn	2021					2022				Change Q/Q			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue, reported	**2'803**	**2'780**	**2'760**	**2'840**	**11'183**	**2'768**	**2'726**			**-35**	**-54**		
Currency effect						34	48			+34	+48		
Underlying change										**-1**	**-6**		
EBITDA, reported	**1'124**	**1'193**	**1'148**	**1'013**	**4'478**	**1'137**	**1'054**			**+13**	**-139**		
Provisions for regulatory litigations		22	30		52		82				+60		
Adjustment pension cost		-60			-60						+60		
Restructuring cost				14	14								
Currency effect						10	18			+10	+18		
Underlying change										**+23**	**-1**		

Residential Customers

Segment reporting as per 30.06.2022

Net revenue decreased driven by service revenue and hardware sales.

Service revenue with moderate decrease (-0.3%): primarily brand shift driven.

EBITDA increased by +0.7%: revenue decrease compensated by lower cost for handsets purchased and lower subscriber acquisition and retention costs.

	Q2 2022	Q2/Q2	30.06.2022	YoY
Net revenue in MCHF [1)]	**1'108**	**-0.4%**	**2'239**	**-0.4%**
Direct costs in MCHF	-203	-4.2%	-423	-6.0%
Indirect costs in MCHF [2)]	-176	7.3%	-342	2.1%
EBITDA in MCHF	**729**	**-1.0%**	**1'474**	**0.7%**
EBITDA in %	*65.8%*		*65.8%*	
Depreciation & amortisation in MCHF	-16	23.1%	-30	11.1%
Lease expense in MCHF	-9	-10.0%	-19	-5.0%
Segment result in MCHF	**704**	-1.3%	**1'425**	0.6%
CAPEX in MCHF	-12	100.0%	-17	88.9%
FTE's	-53		2'771	-6.6%
Broadband lines in '000 [3)]	-3		1'733	0.0%
Voice lines in '000 [3)]	-18		1'121	-5.6%
Wireless customers Prepaid in '000	-31		1'105	-14.8%
Wireless customers Postpaid in '000 [3)]	+33		3'169	5.1%
Blended wireless ARPU in CHF	36	0.0%	36	0.0%
TV subs in '000 [3)]	-4		1'513	0.0%

1) incl. intersegment revenues
2) incl. capitalised costs and other income
3) sum of single play and bundles

Business Customers

Segment reporting as per 30.06.2022

Net revenue increased (+2.2%), thanks to higher Solutions revenue (+7.7%) and hardware sales (+24.4%), additionally supported by non-organic growth resulting from the MTF acquisition.

On the other hand, service revenue decreased (-4.6%) due to ongoing price pressure.

EBITDA slightly down (-2.1%), as the decline in high margin service revenue could not fully be compensated by growth in Solutions.

	Q2 2022	Q2/Q2	30.06.2022	YoY
Net revenue in MCHF [1]	**766**	**1.9%**	**1'557**	**2.2%**
Direct costs in MCHF	-179	4.7%	-371	7.2%
Indirect costs in MCHF [2]	-247	6.0%	-493	5.1%
EBITDA in MCHF	**340**	**-2.3%**	**693**	**-2.1%**
EBITDA in %	*44.4%*		*44.5%*	
Depreciation & amortisation in MCHF	-18	5.9%	-36	5.9%
Lease expense in MCHF	-8	0.0%	-15	-6.3%
Segment result in MCHF	**314**	-2.8%	**642**	-2.4%
CAPEX in MCHF	-8	-27.3%	-22	4.8%
FTE's	-24		5'183	3.5%
Broadband lines in '000	-1		293	-0.3%
Voice lines in '000	-12		248	-12.4%
Wireless customers in '000	+4		1'883	1.5%
Blended wireless ARPU in CHF	29	-6.5%	29	-6.5%
TV subs in '000	+0		69	0.0%

1) incl. intersegment revenues
2) incl. capitalised costs and other income

Wholesale

Segment reporting as per 30.06.2022

Revenue from external customers down by -10.8%, mainly due to MVNO loss. H1 inbound roaming also down (CHF -7mn), despite a recovery in Q2.

Wholesale lines in Q2 with a decrease (-11 k), but with limited revenue impact.

EBITDA down -4.9% YOY (CHF -8mn) primarily driven by the MVNO loss.

	Q2 2022	Q2/Q2	30.06.2022	YoY
External revenue in MCHF	146	-6.4%	290	-10.8%
Intersegment revenue in MCHF	3	50.0%	6	50.0%
Net revenue in MCHF	**149**	**-5.7%**	**296**	**-10.0%**
Direct costs in MCHF	-69	-13.8%	-131	-16.0%
Indirect costs in MCHF [1)]	-5	66.7%	-9	0.0%
EBITDA in MCHF	**75**	**0.0%**	**156**	**-4.9%**
EBITDA in %	*50.3%*		*52.7%*	
Depreciation & amortisation in MCHF	-		-	
Lease expense in MCHF	-		-	
Segment result in MCHF	**75**	0.0%	**156**	-4.9%
CAPEX in MCHF	-		-	
FTE's	+2		76	2.7%
Wholesale lines in '000	-11		692	0.4%

1) incl. capitalised costs and other income

Infrastructure & Support Functions

Segment reporting as per 30.06.2022

EBITDA deteriorated by 6.9% (CHF -37mn). H1 2021 and 2022 were affected by adjustments of provisions for regulatory litigations. On a comparable basis, contribution margin improved by 4.3% following the ongoing cost reduction program.

Workforce expenses (net of capitalized costs) decreased by -8.9% (CHF 29mn) as the insourcing program led to a higher contribution of activated cost.

	Q2 2022	Q2/Q2	30.06.2022	YoY
Net revenue in MCHF	**18**	**-10.0%**	**36**	**-7.7%**
Direct costs in MCHF	-2	100.0%	-4	33.3%
Workforce expenses in MCHF[1)]	-140	-8.5%	-298	-8.9%
Maintenance in MCHF	-49	-12.5%	-98	-8.4%
IT expenses in MCHF	-33	-2.9%	-65	-1.5%
Other OPEX in MCHF	-182	58.3%	-267	29.0%
Other indirect costs in MCHF	-264	28.8%	-430	13.2%
Other income in MCHF	61	0.0%	120	-9.1%
Other indirect costs and income in MCHF	-203	41.0%	-310	25.0%
Indirect costs in MCHF[2)]	-343	15.5%	-608	5.7%
EBITDA in MCHF	**-327**	**17.6%**	**-576**	**6.9%**
Depreciation & amortisation in MCHF	-345	-2.8%	-681	-2.3%
Lease expense in MCHF	-39	-2.5%	-77	-3.8%
Segment result in MCHF	**-711**	5.6%	**-1'334**	1.4%
CAPEX in MCHF	-372	1.9%	-717	-0.8%
FTE's	+3		4'897	1.6%

1) incl. capitalised costs
2) incl. intersegment indirect costs

Fastweb

Segment reporting as per 30.06.2022

Consumer revenue on level of prior year, thanks to growth in mobile compensating impact from increased competition in BB.

Enterprise revenue up by +3.3% as primarily revenue from public administration (PA) sector increased.

Wholesale revenue increased (+3.2%) as well, driven by increasing number of wholesale lines.

EBITDA up by +4.9% YOY thanks to top line growth and positive contribution from regulatory litigations.

	Q2 2022	Q2/Q2	30.06.2022	YoY
Consumer revenue in MEUR	287	-0.3%	572	-0.3%
Enterprise revenue in MEUR	250	2.5%	497	3.3%
Wholesale revenue in MEUR [1)]	67	-1.5%	130	3.2%
Net revenue in MEUR [1)]	**604**	**0.7%**	**1'199**	**1.5%**
OPEX in MEUR [2)]	-386	-2.3%	-796	-0.1%
EBITDA in MEUR	**218**	**6.3%**	**403**	**4.9%**
EBITDA margin in %	*36.1%*		*33.6%*	
Depreciation& amortisation in MEUR	-152	3.4%	-299	2.0%
Lease expense in MEUR	-15	15.4%	-29	7.4%
Segment result in MEUR	**51**	13.3%	**75**	17.2%
CAPEX in MEUR	-142	-3.4%	-299	-0.7%
FTE's	+143		2'880	4.7%
BB customers in '000	-19		2'712	-2.2%
Wireless customers in '000	+156		2'805	28.2%
Wholesale ultra broadband lines in '000	+23		386	103.2%
In consolidated Swisscom accounts				
EBITDA in MCHF	222	-1.3%	413	-1.7%
CAPEX in MCHF	-143	-11.7%	-306	-7.3%

1) incl. revenues to Swisscom companies

2) incl. capitalised costs and other income

Other

Segment reporting as per 30.06.2022

Net revenue slightly lower YOY due to the disposal of local.fr at YE 2021.

H1 EBITDA on level of prior year.

Declining number of FTE YOY driven by sale of local.fr at YE 2021.

	Q2 2022	Q2/Q2	30.06.2022	YoY
External revenue in MCHF	106	-5.4%	206	-4.6%
Net revenue in MCHF 1)	**259**	**-2.3%**	**500**	**-1.0%**
OPEX in MCHF 2)	-218	0.9%	-417	-1.2%
EBITDA in MCHF	**41**	**-16.3%**	**83**	**0.0%**
EBITDA margin in %	*15.8%*		*16.6%*	
Depreciation & amortisation in MCHF	-12	-14.3%	-23	-14.8%
Lease expense in MCHF	-2	-33.3%	-5	-16.7%
Segment result in MCHF	**27**	-15.6%	**55**	10.0%
CAPEX in MCHF	-8	-20.0%	-14	-26.3%
FTE's	-13		3'260	-6.7%

1) incl. intersegment revenues
2) incl. capitalised costs and other income

Pension plan

Reported costs and outlook – company contributions (cash payments) stable

in CHF mn	H1 21 reported	H1 22 reported	FY 21 reported	FY 22 estimate	Change 22/23	FY 23 estimate
Operating pension cost	162	168	320	335	-70	265
Plan amendments (one-off cost reduction)	-60	-	-60	-	-	-
Net pension cost (EBITDA)	**102**	**168**	**260**	**335**	**-70**	**265**
Net interest (financial result)	1	-	1	1	-	1
Total pension cost (P&L)	**103**	**168**	**261**	**336**	**-70**	**266**
Company contributions (cash payments)	**138**	**135**	**269**	**265**	**-**	**265**
Pension cost (EBITDA) less cash payments	**-36**	**33**	**-9**	**70**	**-70**	**-**

Operating pension cost

- Positive effect of plan amendment CHF 60mn included in H1 2021 (negative cost)
- Costs highly sensitive to changes of discount rate
- Based on current market interest rates estimated operating pension cost FY 2023 CHF -70mn lower compared to FY 2022

Cash payments

- Cash contributions not based on IFRS
- Estimated increase in interest rate 2023 has no impact on cash payments
- 2023 Estimate: company contributions (cash payments) = operating pension cost

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