swisscom

Analyst & investor presentation

Q2 2023 results

03 August 2023

Agenda

- **Introduction**
  Louis Schmid, Head of Investor Relations
- **1 Highlights**
  Christoph Aeschlimann, CEO
- **2 Business review**
  Christoph Aeschlimann, CEO
- **3 Financial results**
  Eugen Stermetz, CFO
- **Q&A**
- **Appendix**

Highlights

Q2 achievements

Another successful quarter

Positive EBITDA development.

FY 2023 guidance reiterated

Telco service revenue evolution as anticipated.

Focus on value

Successful IT transaction.

Position as a leading IT service provider in Switzerland further strengthened

The most sustainable Telco world-wide.

Win of sustainability award for the 3rd time in a row[1]

Fastweb with 10 years of continued growth.

Q2 with +115k RGUs, +4% revenue and +2% underlying EBITDA

Strong credit ratings.

After Moody's upgrade to A1 in Q1, S&P affirmed the A rating and revised the outlook from stable to positive in Q2

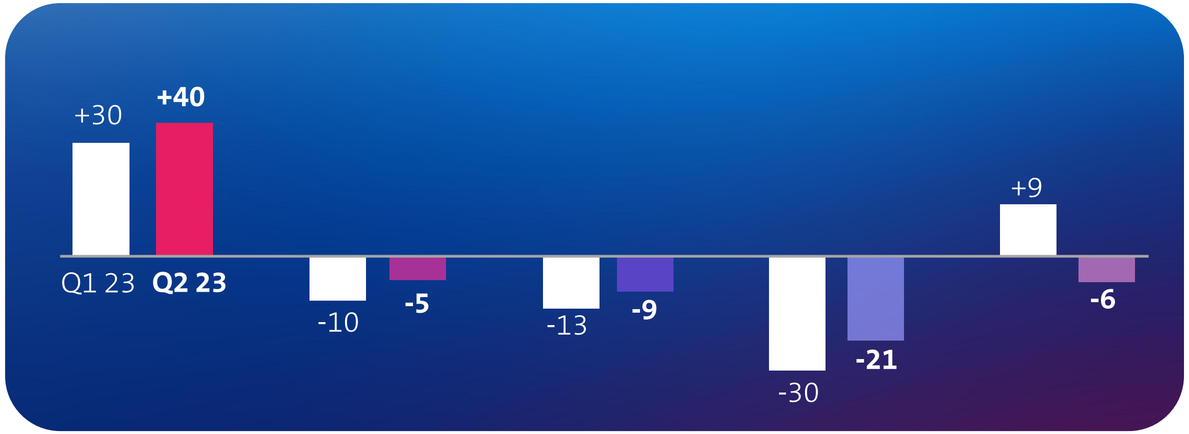
1) World Finance magazine

Q2 market performance

Satisfying with growing mobile and broadly stable fixed RGU base in Switzerland and Italy

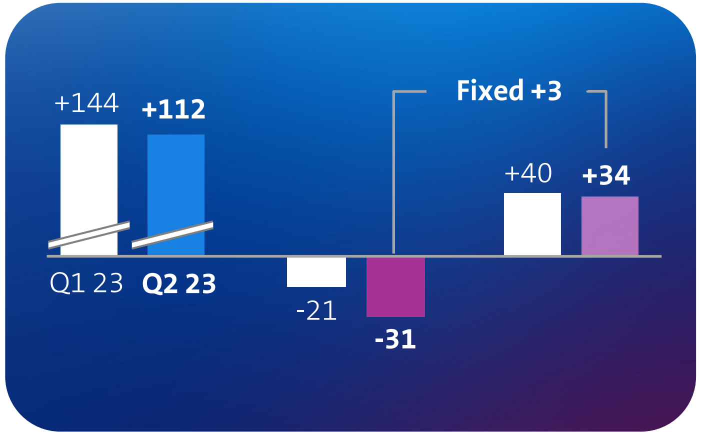
Swisscom Switzerland

Net adds
reported in k



	Postpaid	Broadband	TV	Fixed voice	Wholesale
RGUs in k	5'216	2'012	1'549	1'271	682
Market share [1]	54%	49%	39%		

Fastweb



	Mobile	Broadband	Wholesale
RGUs in k	3'343	2'631	532
Market share [1]	4%	16%	

1) As per 31.03.2023

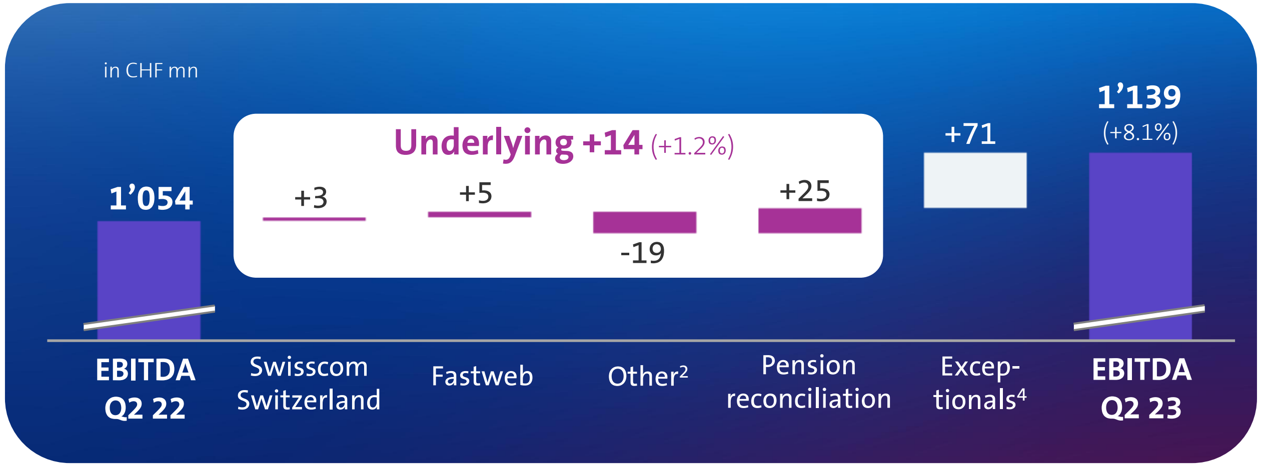
Q2 financial performance

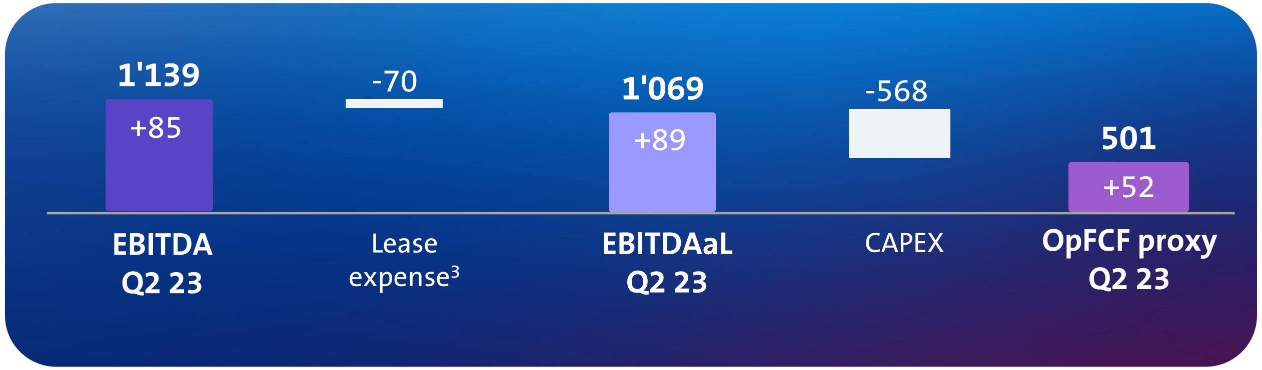
Positive EBITDA development

Overview of key financials

in CHF mn	Q2 2023	H1 2023
Revenue	2'703 (-0.4% YOY)	5'450 (-0.3% YOY)
EBITDA	1'139 (+8.1% YOY)	2'303 (+5.1% YOY)
Net income	406 (+20.1% YOY)	848 (+8.0% YOY)
CAPEX	568 (+7.0% YOY)	1'113 (+5.7% YOY)
Net debt [1]		8'108 (-5.0% YOY)

EBITDA and OpFCF proxy development





1) Including lease liabilities of CHF 1'891mn, net debt w/o lease liabilities: CHF 6'217mn
2) Includes Other operating segments and intersegment elimination group level
3) Consists of depreciation right of use assets excluding IRU of CHF -61mn and interest expense leases of CHF -9mn
4) Adjustments of provisions for regulatory litigations (2022: CHF -82mn, 2023: CHF -3mn net) and currency effects (CHF -8mn)

Business review

Swisscom's business priorities in a nutshell

Successful development thanks to consequent execution along strategic objectives

Invest in NPS leadership in Switzerland.

Crucial to stabilise Telco service revenue development

Deliver on Telco cost savings.

Key to maintain EBITDA margin of Swisscom Switzerland

Grow IT service revenue.

As a leading IT service provider in Switzerland

Achieve profitable growth in Italy.

Through scaling-up 5G mobile, growing in ICT and maximising infrastructure monetisation

Swisscom Switzerland B2C - Value matters and pays off

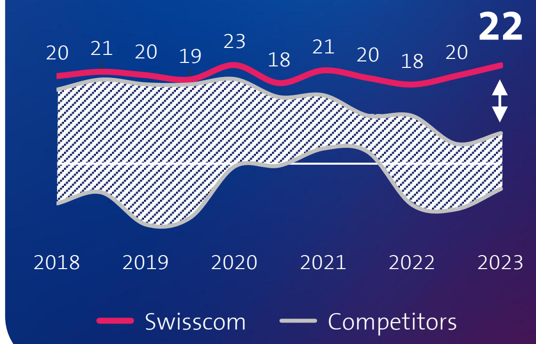
No general price increase[1] until YE 2024 in favour of price/value perception

Clear NPS market leader across most metrics

#1 position extended

All-time high on network & service

P/V perception key challenge



Constantly invest in product innovation

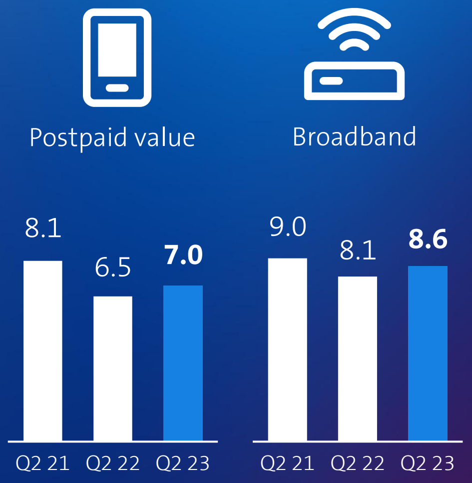
Key for value perception and brand

- blue
- TV XL
- Low end mobile
- Kids mobile/watch
- Multiroom max

Swisscom customers with high loyalty

Churn at comparably low levels

Annualised churn rate in %



1) This applies to the current blue Mobile products (prepaid and postpaid), Internet, TV and fixed network subscriptions and to all second and third-party brands and customers with basic service products.

Swisscom Switzerland B2C - Maintain strong market position

Successful with flagship offering blue and 2nd brand wingo

blue penetration

Flagship share constantly increasing

Postpaid value

48%
Q2 23

+6.6pp YOY

Broadband

80%
Q2 23

+2.3pp YOY

FMC HH penetration

Reaching a plateau

Postpaid value[1]

49%
Q2 23

-1.5pp YOY

Broadband[2]

65%
Q2 23

+0.8pp YOY

2nd/3rd brands share

Successful multi-brand approach

Postpaid value

30%
Q2 23

+4.6pp YOY

Broadband

8%
Q2 23

+1.8pp YOY

RGU base H1 23

Satisfying development

Postpaid

3'313

+144k YOY

Broadband

1'724

-9k YOY

TV

1'483

-30k YOY

1) FMC share of postpaid value HHs (1'126k converged HHs, out of total HHs (2'288k, all brands) with at least 1 postpaid value subscription), -1.5pp YOY,
2) FMC share of BB HHs (1'126k converged HHs, out of total BB connections (1'724k, all brands)) +0.8pp YOY

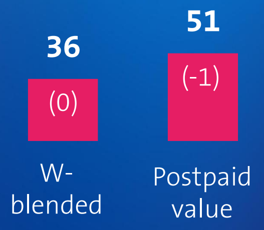
Swisscom Switzerland B2C - Continuously drive ARPU optimisation

Focus on value

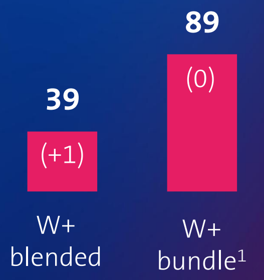
Defend ARPU levels sustainably

Brand shift impacts postpaid value

Wireless Q2 23



Wireline Q2 23



Selective tuning of offerings

Including price adjustments

- Higher setup fee
- Fee for bill payments in shops
- Simply digital option deactivated
- Multiroom Max

Smart promotional behaviour

Only price follower if necessary

- Less main brand discounts (in particular mobile)
- Further reduction of device gifting promos
- Counter promos with wingo ...
- ... but on a higher pricing level

Drive cross-/upselling opportunities further

Focus of main brand go-to-market

- blue benefit for convergence
- blue benefit for family/HHs
- Convergence also for Kids mobile
- Upgrade deals

1) BB + TV + fixed voice

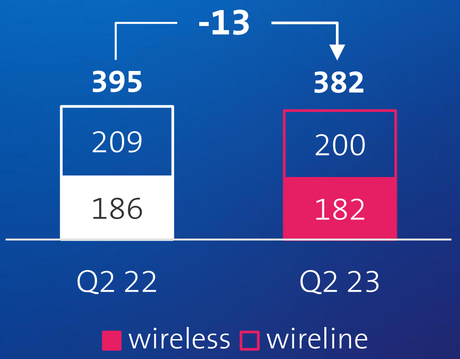
Swisscom Switzerland B2B - Successful in dynamic environment

Swisscom's position as a leading IT service provider in Switzerland further strengthened

Telco service business as anticipated

Revenue
in CHF mn

- **In line with Q1** (CHF -12mn), **confirming FY expectation** (approximatively CHF -50mn)
- Evolution **primarily pricing impacted**: Q2 ARPUP[1] at CHF 50 (CHF -2 YOY, CHF -1 vs Q1)

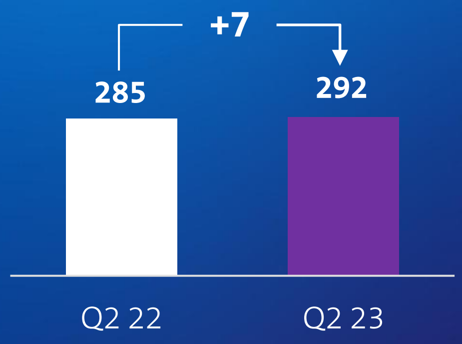


- **OneB2B** transformation on track: new digitally-enabled portfolio **Enterprise Mobile** launched
- **Wireless RGU base up**: +15k in Q2

IT business continuously growing

Revenue
in CHF mn

- **Growth confirmed** thanks to strong position and unique differentiation
- **Development 2023** impacted by delayed customer orders and talent shortages



- Constantly **expand capabilities in software business**
- **Acquisition of Axept**, one of the leading integration and operating partners for Swiss ERP[2] software Abacus

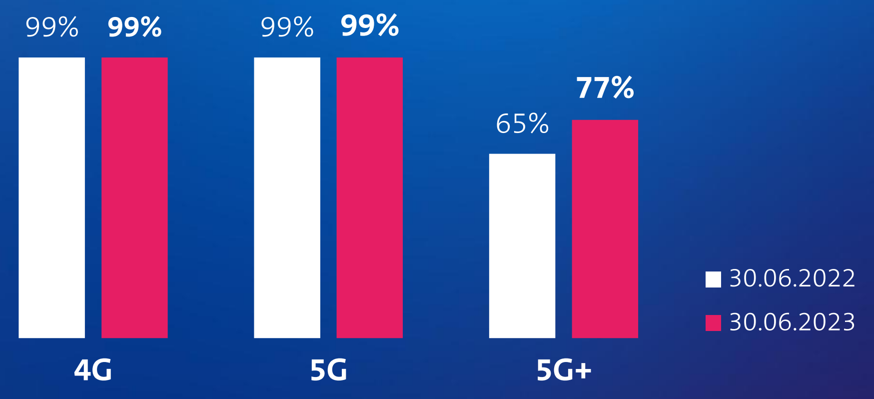
1) Average revenue per underlying product, 2) Enterprise Resource Planning

Swisscom Switzerland Networks - Keep competitive edge

Coverage and service reliability of next generation networks increasing thanks to constant high investments

Wireless

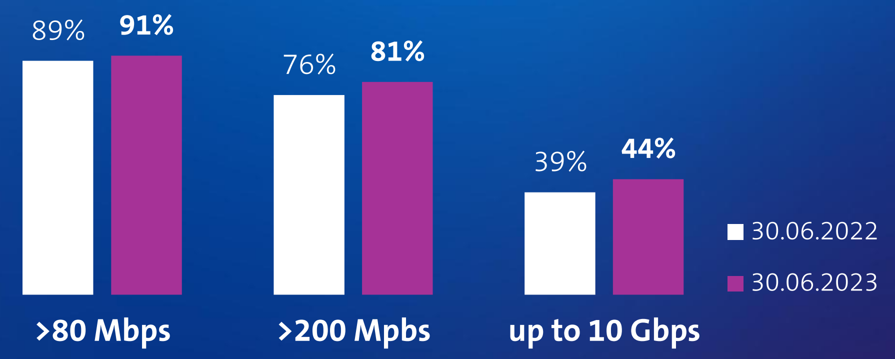
Pop coverage



- **Successful 5G+ coverage** extension: **+12pp** over last 12 months. Landmark decision by Federal court in Q1 stimulates 5G+ rollout positively
- **First power-saving feature successfully installed** on mobile network and contributing to the sustainability goals

Wireline

HH coverage [1]



- As per end of June **2.4mn HHs with up to 10 Gbps speed** (+5pp YOY). Unchanged FTTH coverage **target 2025 (c. 55%)** and ambition 2030 (70-80%)
- **New dual core network successfully activated** and ready for service migration

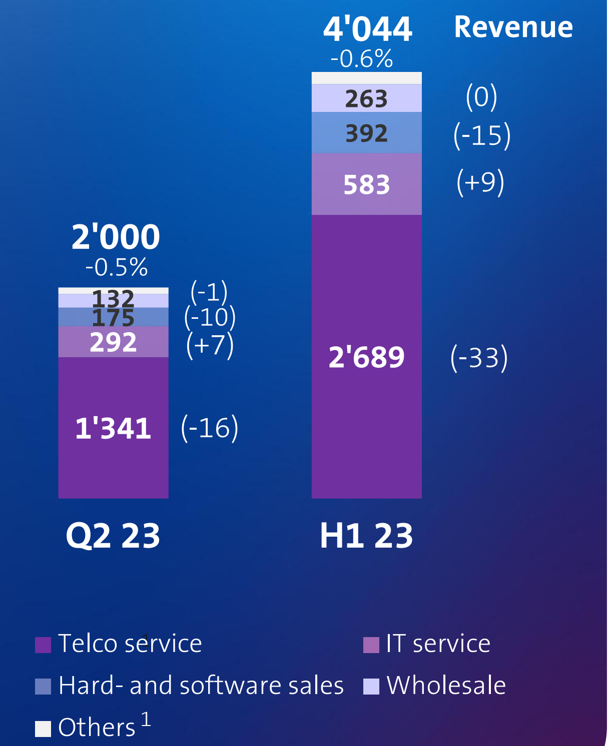
1) Ratio of total 5.45mn HHs in Switzerland

Swisscom Switzerland Financials

Underlying EBITDA improved and OpFCF proxy up despite higher investments

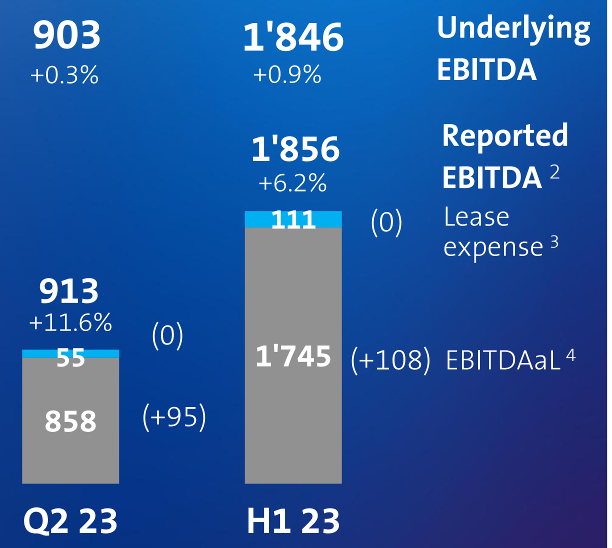
Revenue

in CHF mn (YOY)



EBITDA

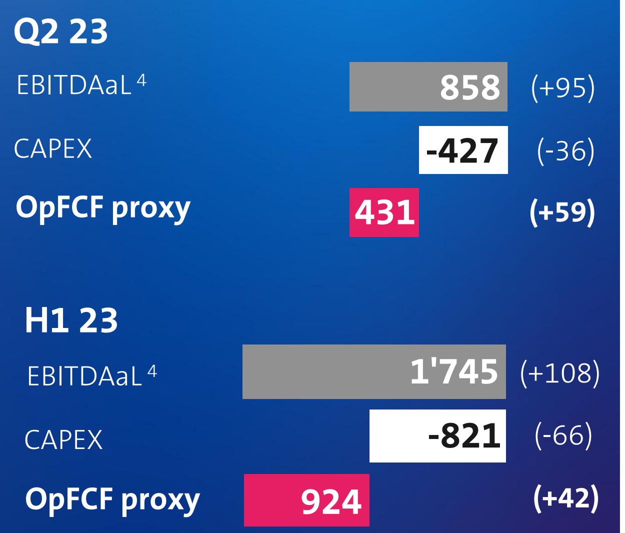
in CHF mn (YOY)



- **Underlying EBITDA up thanks to cost savings** overcompensating Telco service revenue decline
- **Reported increase affected by regulatory provisions in Q2 2022 and Q2 2023**[2]

OpFCF proxy

in CHF mn (YOY)



- **Higher OpFCF proxy in Q2** thanks to EBITDAaL (CHF +95mn) overcompensating **ongoing high investments in Switzerland**

1) Q2 23: CHF 60mn (CHF +9mn YOY), H1 23: CHF 117mn (CHF +16mn YOY), 2) Reported Q2 and H1 EBITDA change include exceptional impact of CHF +92mn (CHF +82mn from provisions for regulatory litigations in Q2 2022, CHF +10mn from release of regulatory provisions in Q2 2023), 3) Consists of depreciation right of use assets and interest expense leases within scope of IFRS 16, 4) EBITDA after lease expense

Fastweb - Successful Q2

Enhancing value in UBB Consumer and growing in Mobile, Enterprise and Wholesale

10 years of continued growth.

Q2 growing across all metrics: +115k RGUs, +4% revenue and +2% underlying EBITDA

Consumer UBB and mobile customer base growing.

UBB penetration further up while margins preserved. Mobile: 2nd best market performer on MNP balance, growing c. +20% YOY

Strong Enterprise orderbook: +6% YOY.

Top line increasing thanks to attractive offerings in 5G mobile, connectivity and IT/security services

Wholesale with 532k access lines.

New customers stimulating growth: Iliad, Enel , Sky and Virgin Fibra

Unique network proposition with increasing coverage.

UBB footprint[3]: >93% of HHs and companies. 5G with 69% pop coverage. Fastweb leads Italian mobile speed ranking[1]

Distinctive ESG positioning further strengthened.

Continuously spread digital skills in Italy: FDA[2] reached c. 120k participants. Fastweb awarded as Europe's climate leader[4]

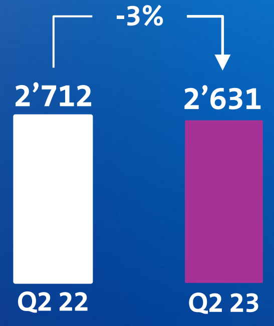
1) Ookla Speedtest H1 2023, 2) Fastweb Digital Academy, 3) Fixed connections with ≥100 Mbps speed, 4) Source: FT & Statista

Fastweb Consumer - Grow mobile base with attractive offerings

Continuous value maximisation within broadband customer base

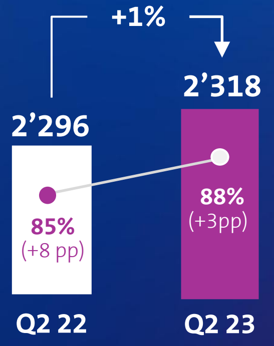
Broadband

BB subs in k (YOY)



- Focus on value strategy: pricing increased to defend margin while churn improved by -9% YOY thanks to AI driven customer processes and network quality

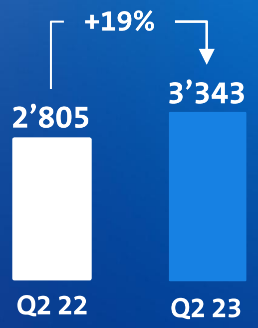
UBB subs (k) and **penetration** (YOY)



- Growing UBB subs base YOY and penetration (+3pp)
- 99% of gross adds are UBB subs (+5pp YOY)

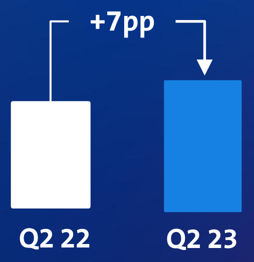
Mobile

Mobile subs in k (YOY)

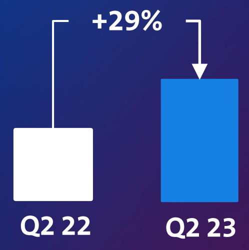


- Outstanding growth: +538k YOY, o/w +112k in Q2
- Awarded by Ookla as Italian fastest mobile network in Q1 and Q2

Mobile-only subs
(YOY)

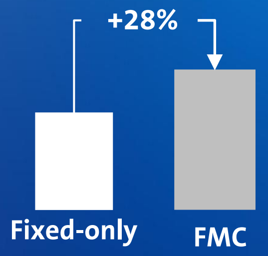


Data usage
(customer/month, YOY)

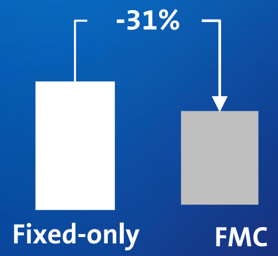


FM convergence

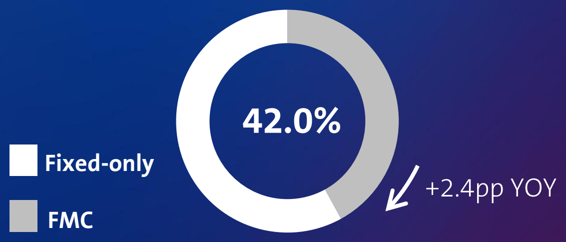
ARPU uplift
in Q2 23



Churn benefit
in Q2 23



FMC penetration
within BB customer base

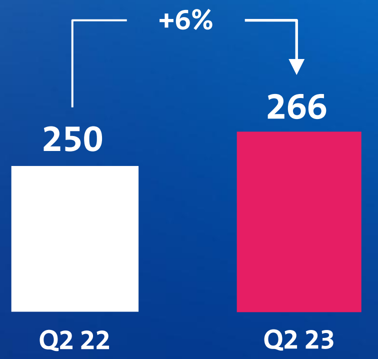


Fastweb B2B and Wholesale - Keep on growing

Successful execution of recent customer deals

Enterprise

Revenue in EUR mn (YOY)



- Growth of +6% YOY **driven by large accounts** and **PA sector**

Newly added customers:

- **IKEA** for connectivity
- **ENI** for security
- **Boehringer** for 5G mobile

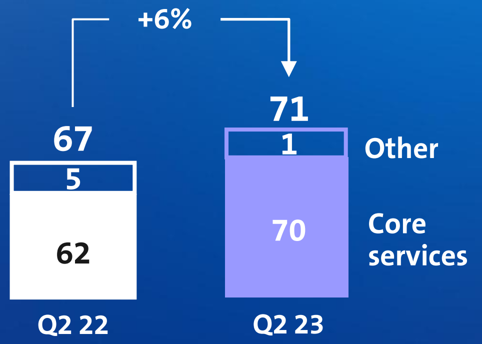
New Enterprise contracts

5G Mobile, Connectivity and Security main growth drivers

Boehringer Ingelheim	IKEA	eni
5G Mobile	**Connectivity**	**ICT /Security**

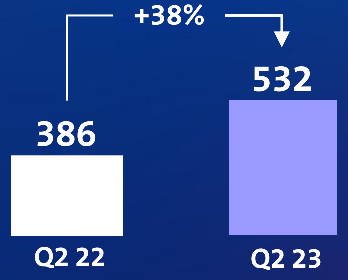
Wholesale

Revenue in EUR mn [1] (YOY)



- **Core services:** growth of +13% YOY driven by increasing number of wholesale lines
- **Other** (with low marginality): decreased EUR -4mn YOY

Wholesale lines (k)



- **YOY +146k, t/o Q2 with+34k new connections** driven by Sky, Windtre and other new customers

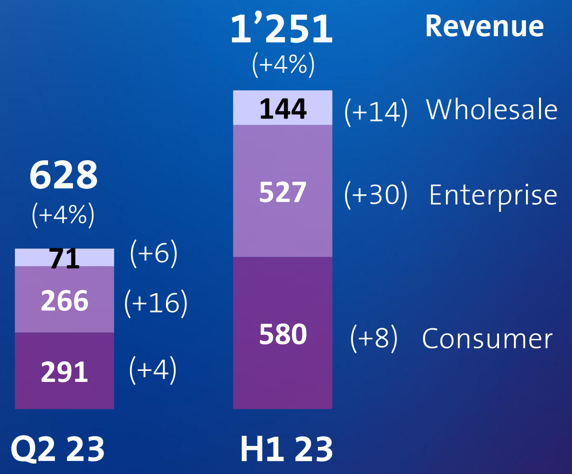
1) Including intersegment revenues

Fastweb Financials

Underlying results as expected

Revenue

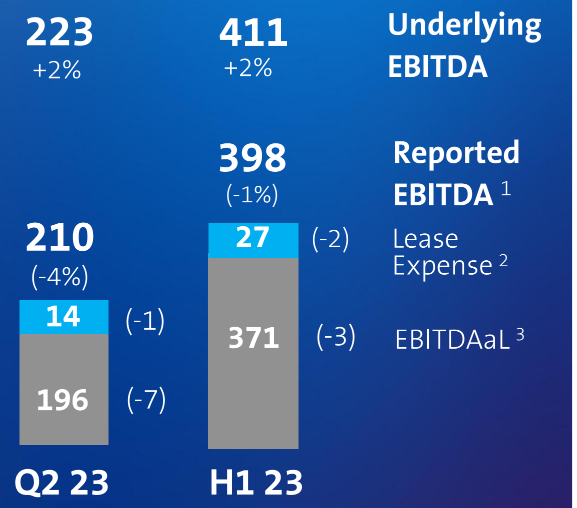
in EUR mn (YOY)



- Q2 and H1 revenues up by +4%, driven by Consumer Mobile (+19%), Wholesale (+13% on core) and Enterprise (+6%)
- Consumer prices raised throughout H1 2023

EBITDA

in EUR mn (YOY)



- Underlying EBITDA growth in line with FY expectation (+2-3%)
- Reported EBITDA impacted by provisions for regulatory litigations (EUR -13mn) in connection with a recent court decision on 4-weeks billing

OpFCF proxy

in EUR mn (YOY)

- CAPEX flat, as anticipated
- H1 OpFCF proxy stable despite impact from regulatory provisions in Q2
- Underlying OpFCF proxy increased by EUR + 12mn in H1

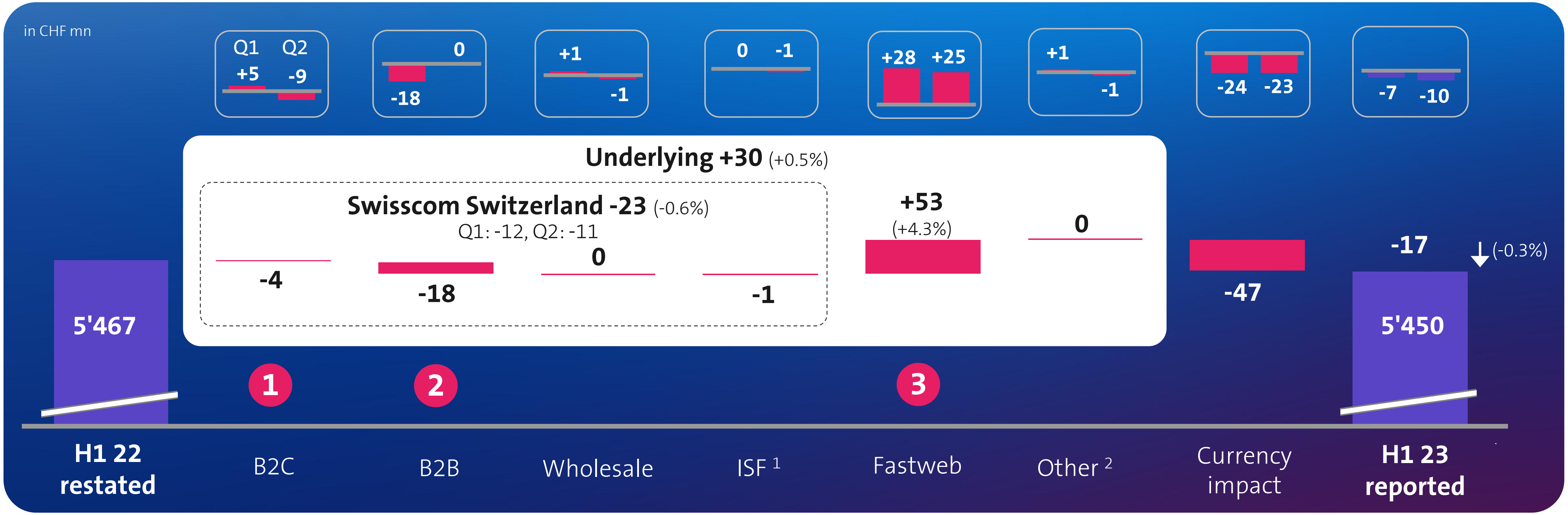
1) Reported Q2 and H1 EBITDA change include exceptional impact of EUR -13mn from provisions for regulatory litigations in Q2 2023,
2) Consists of depreciation right of use assets and interest expense leases within scope of IFRS 16, 3) EBITDA after lease expense

3

Financial results

Group revenue

Underlying top line positive thanks to growing Fastweb



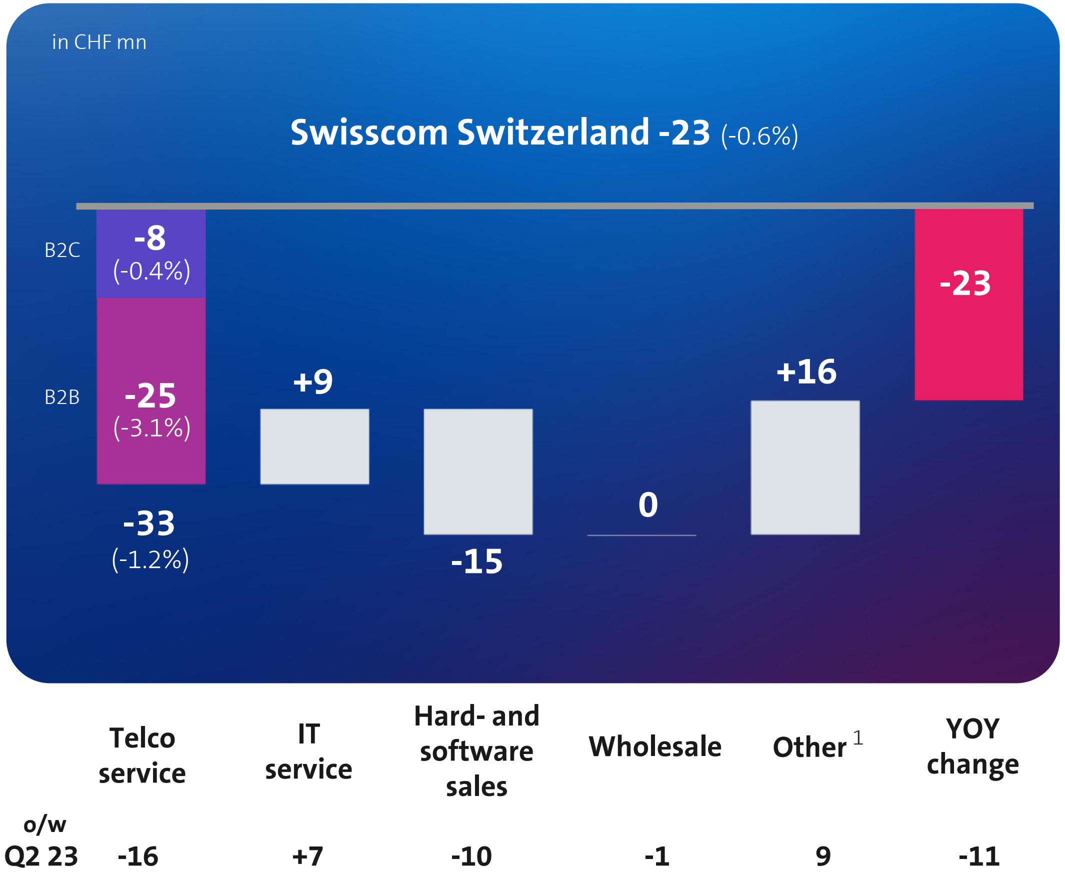
1. Q2 with lower hard- and software sales (CHF -15mn), partly compensated by other revenue (CHF +9mn, primarily cinema revenues and IFRS15 reconciliation effects). Telco service revenue (CHF -3mn) nearly stable
2. Q2 stable thanks to IT service revenue (CHF +7mn) and higher hard- and software sales compensating decrease in Telco service revenue (CHF -13mn, primarily price pressure)
3. Q2 top line growth driven by all segments: Consumer (CHF +4mn), Enterprise (CHF +16mn) and Wholesale (CHF +5mn)

1) Infrastructure & Support Functions, including intersegment revenue, 2) Other operating segments and Intersegment elimination

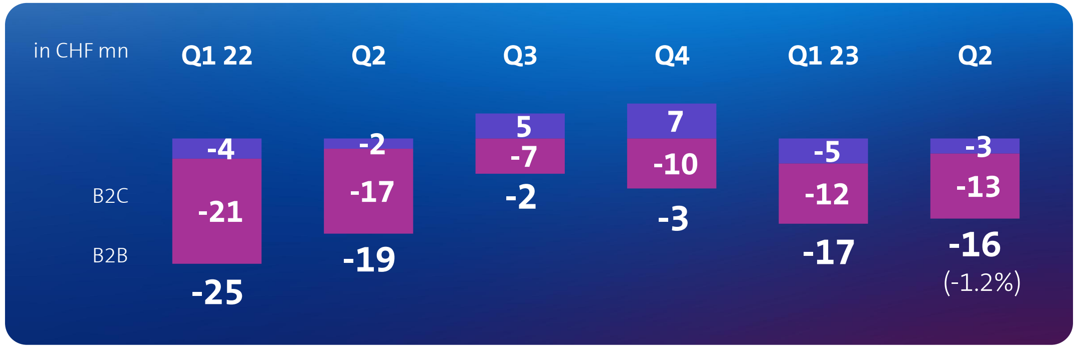
Swisscom Switzerland revenue

Flattish top line development. Telco service revenue evolution as anticipated

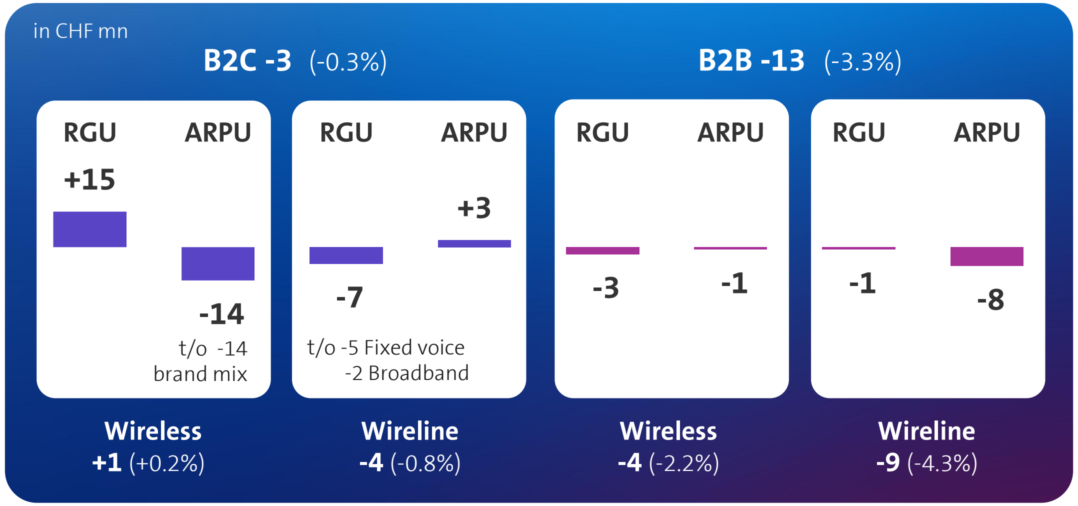
H1 23 revenue changes by business drivers



Telco service revenue evolution



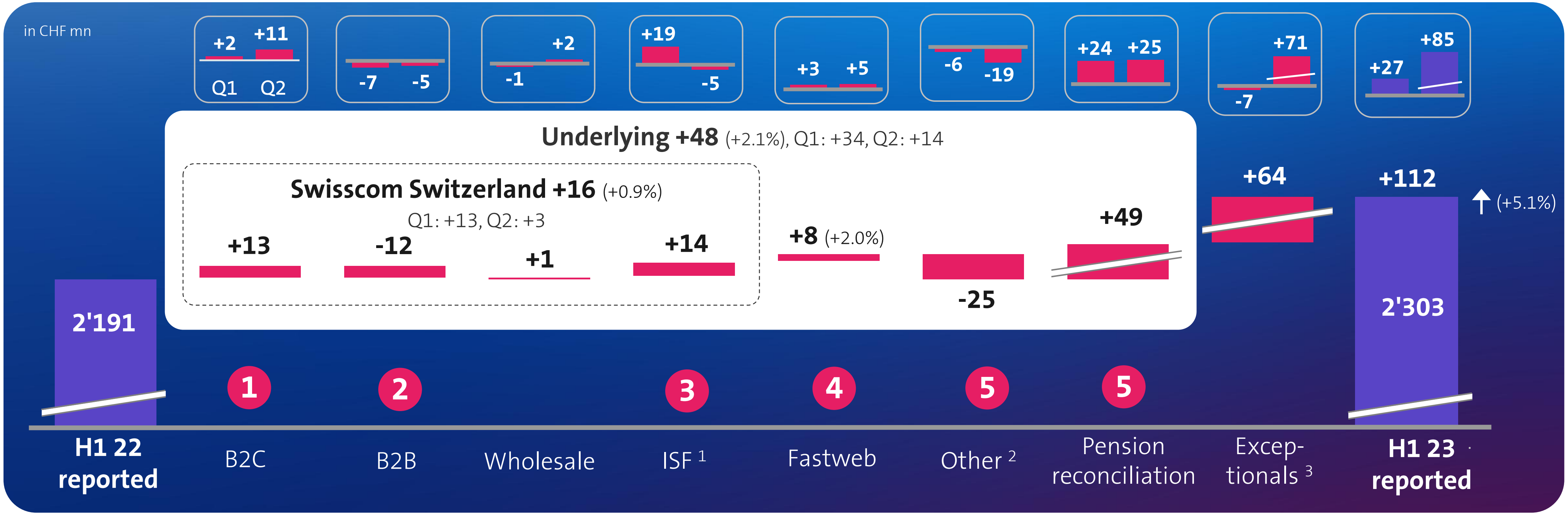
Q2 23 Telco service revenue changes



1) Including intersegment revenue, YOY change driven by higher cinema revenues CHF +7mn (o/w Q2 CHF +2mn) and IFRS15 reconciliation effects due to promotions CHF +12mn (o/w Q2 CHF +8mn)

Group EBITDA

Swisscom Switzerland and Fastweb with higher underlying contributions

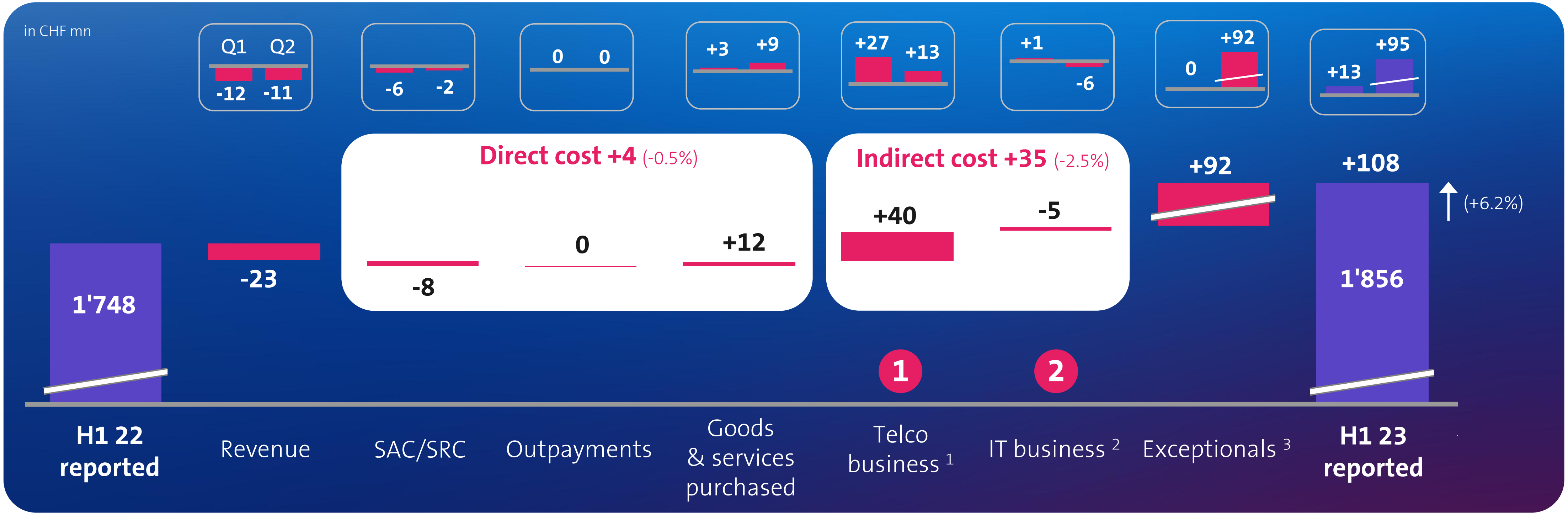


1. Q2 positive primarily thanks to improved indirect cost base (CHF +16mn)
2. Q2 impacted by Telco service revenue (CHF -13mn, as expected) and growing IT business
3. Q2 impacted by salary increase (higher workforce expenses) and seasonally lower cost savings
4. Higher EBITDA thanks to top line growth and support from operational excellence initiatives
5. Q2 impacted by one-time charges in relation with customer projects
6. Lower operating pension cost due to higher IFRS discount rate. Estimated FY impact of CHF +90mn

1) Including intersegment elimination Swisscom Switzerland, 2) Includes Other operating segments, intersegment elimination group level, 3) Provisions for regulatory litigations (Q2 22: CHF -82mn, Q2 23: CHF -3mn net), currency impact (Q1: CHF -7mn, Q2:23: CHF -8mn)

Swisscom Switzerland EBITDA

Indirect cost base further reduced thanks to operational excellence



1. Q2: level of cost reduction lower as negotiated salary increase (+2.6%) impacts indirect cost from Q2 onwards

2. IT cost base development alongside with higher IT service revenue

1) Capacity costs and other operating expenses of Telco business, 2) Capacity costs and other operating expenses of IT business, 3) Provisions for regulatory litigations (Q2 22: CHF -82mn, Q2 23: CHF +10mn release)

Capital expenditures

Continued high investments in the next generation networks and digitalisation of Switzerland

CAPEX overview

in CHF mn	Q2 23	H1 23
Group CAPEX	568 (+37, +7.0% YOY)	1'113 (+60, +5.7% YOY)
Swisscom Switzerland	427 (+36, +9.2% YOY)	821 (+66, +8.7% YOY)
Fastweb [1]	141 (-2, -1.4% YOY)	293 (-13, -4.2% YOY)
Other [2]	0	-1

CAPEX Swisscom Switzerland H1 23

Wireless CHF 137mn (CHF +3mn YOY)

- Due to ongoing **5G+ coverage extension** CAPEX at prior's year level

Fibre CHF 193mn (CHF -20mn YOY)

- Fibre CAPEX slightly lower due to completion of FTTS rollout in 2022. **FTTH spendings went up** this year (CHF +62mn YOY)

Backbone & transport infra CHF 311mn (CHF +68mn YOY)

- Higher expenditures due to **extra license fees** (e.g., Cloud) this year and **seasonal lower spendings in prior year**

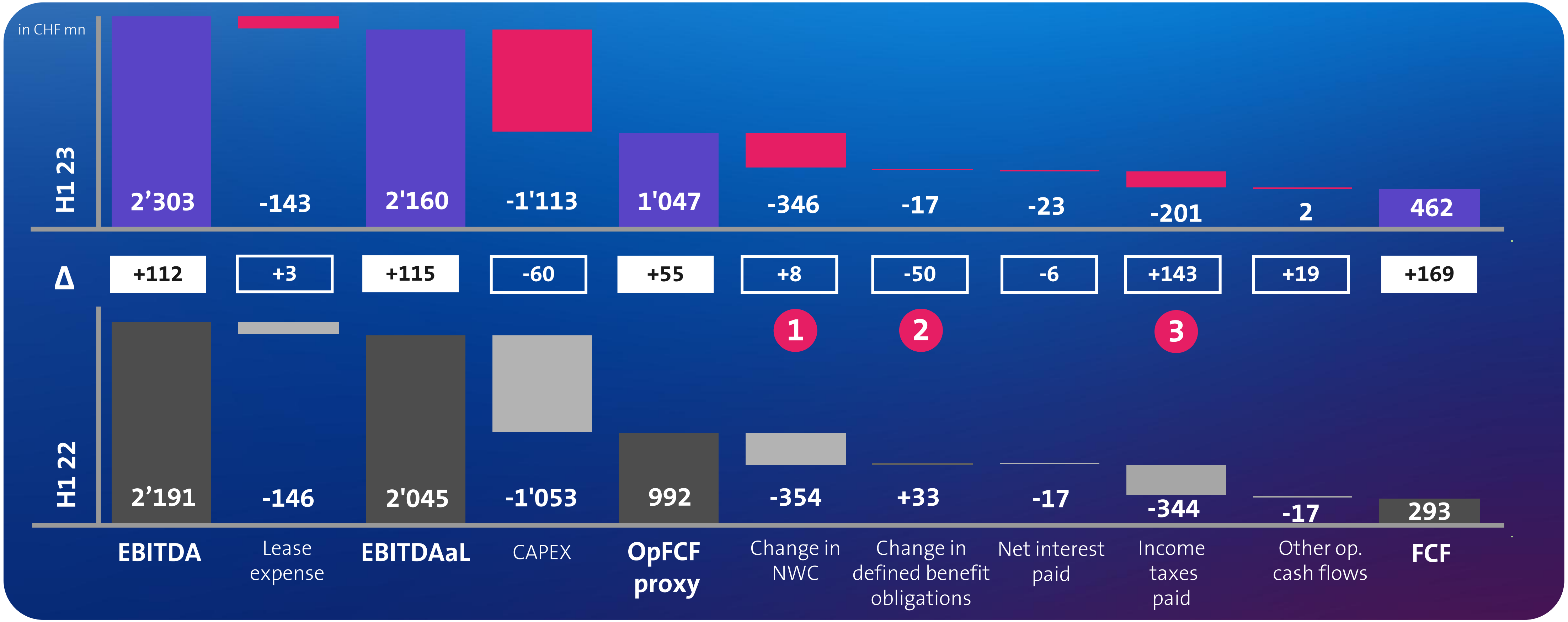
IT & others CHF 180mn (CHF +15mn YOY)

- Slightly **higher IT investments** to push digitalisation, drive customer experience and increase efficiency further

1) In local currency H1 23: EUR 297mn, YOY -0.7% (H1 22: EUR 299mn), 2) Including intersegment elimination

Free cash flow

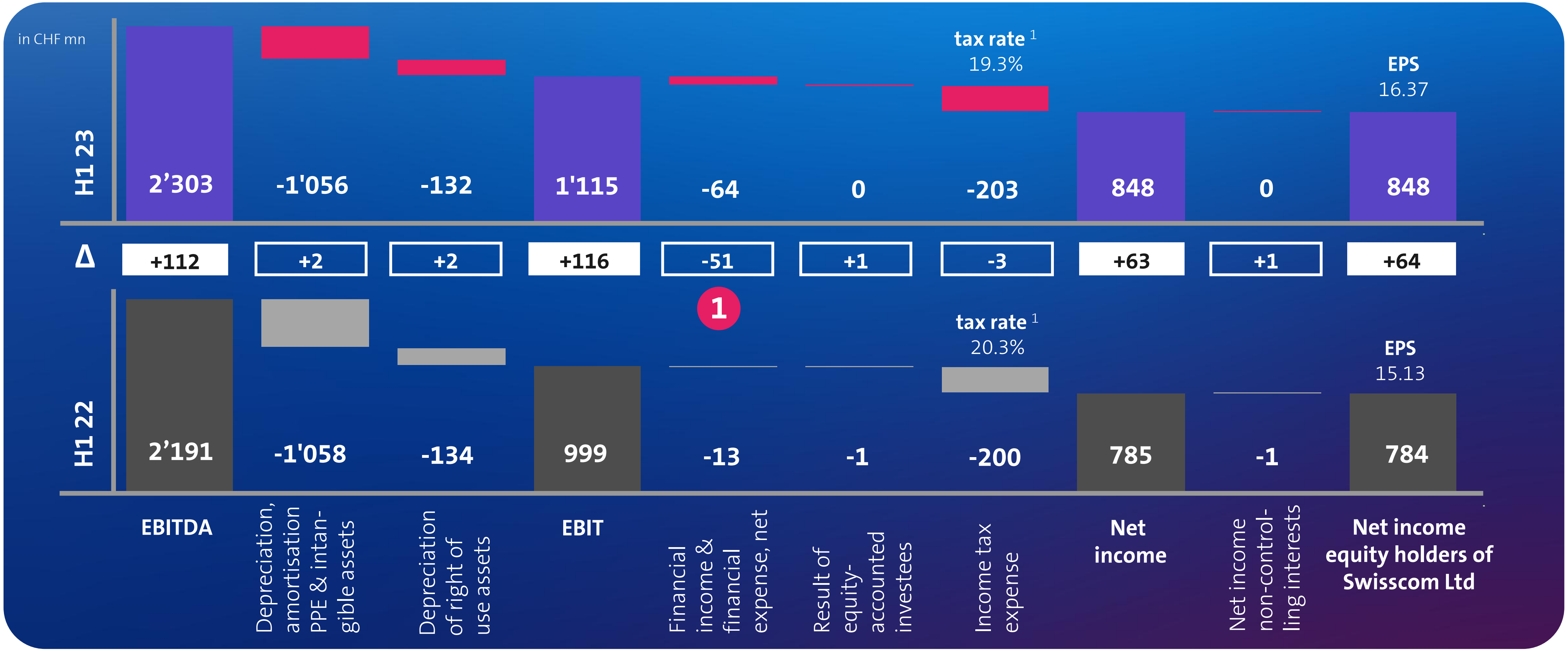
High tax payments in 2022 primarily explain FCF improvement this year



1. YOY almost stable. H1 2023 with lower trade payables and higher prepayments (primarily for maintenance). Q1 2022 impacted by extraordinary settlement payments in connection with regulatory litigations (settled in Q4 2021)
2. Higher discount rate for IFRS pension liabilities with no impact on company contributions to pension fund (see appendix)
3. In 2022 tax payments higher due to a different payment schedule. 2023 with a more ordinary course

Net income

EPS increase (+8%) thanks to EBITDA growth overcompensating lower financial result



1 H1 2022 positively impacted by change in fair value of interest rate swaps

1) Tax rate H1 23: Tax expenses of CHF 203mn / EBT of CHF 1'051mn = 19.3%, tax rate H1 22: Tax expenses of CHF 200mn / EBT of CHF 985mn = 20.3%

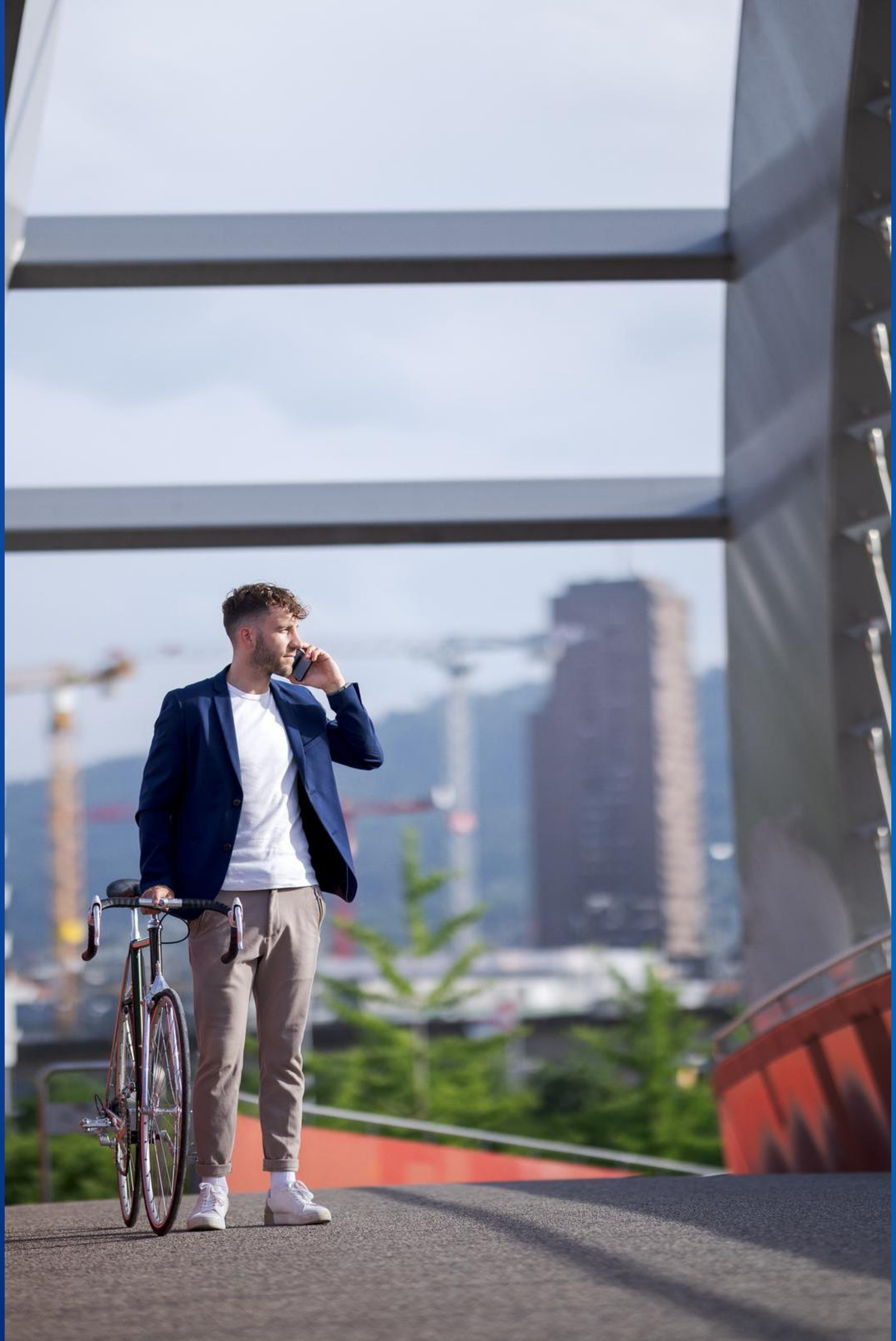
FY 2023 guidance

Confirmed

in CHF bn	2022	Splits into:	2023 outlook[4]	Splits into:
Revenue	11.051[1]	CHF 8.6bn for Switzerland[3] EUR 2.5bn for Fastweb	**11.1-11.2**	CHF ~8.6bn for Switzerland EUR 2.5-2.6bn for Fastweb
EBITDA[2]	4.406	CHF 3.5bn for Switzerland EUR 0.9bn for Fastweb	**4.6-4.7**	CHF 3.7-3.8bn for Switzerland EUR ~0.9bn for Fastweb
CAPEX	2.309	CHF 1.7bn 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 2024)

1) Restated, 2) EBITDAaL 2022: CHF 4.1bn, EBITDAaL guidance 2023: CHF ~4.3-4.4bn, 3) Swisscom Group without Fastweb,
4) For consolidation purposes, CHF/EUR of 1.00 has been used (vs. 1.00 for FY 2022)



Q&A

Appendix

Key financials

Underlying revenue and EBITDA

in CHF mn

	2022					2023				Change			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	**2'754**	**2'713**	**2'712**	**2'872**	**11'051**	**2'747**	**2'703**			**-7**	**-10**		
Currency effect						24	23			+24	+23		
Underlying										**+17**	**+13**		
EBITDA	**1'137**	**1'054**	**1'150**	**1'065**	**4'406**	**1'164**	**1'139**			**+27**	**+85**		
Provisions for regulatory litigations		82		75	157		3				-79		
Restructuring cost				-5	-5								
Adjustments		82		70	152		3			+0	-79		
Adjusted	**1'137**	**1'136**	**1'150**	**1'135**	**4'558**	**1'164**	**1'142**			**+27**	**+6**		
Currency effect						7	8			+7	+8		
Exceptionals (adjustments + currency effect)										+7	-71		
Underlying										**+34**	**+14**		

1) CHF/EUR exchange rate for Q1 2023 of 0.995 and for H1 2023 of 0.988 (vs. 1.034 for Q1 2022 and 1.026 for H1 2022)

Residential Customers

Segment reporting as per 30.06.2023

Flattish H1 revenue (-0.2%). Nearly stable Telco service revenue and lower hard- and software sales compensated by higher cinema revenues and IFRS15 reconciliation effects (due to promotions).

Telco service revenue nearly stable (-0.4%): shift in brand mix mostly compensated by increase in postpaid subs.

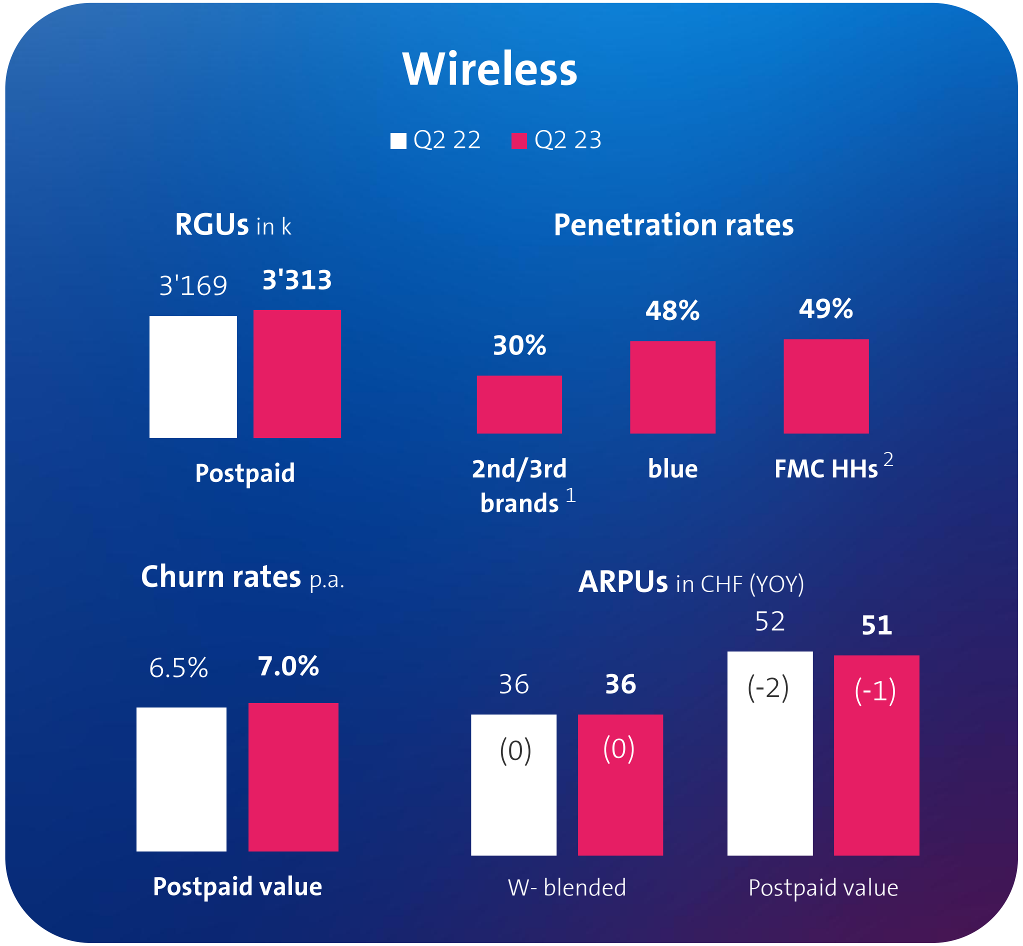
H1 EBITDA increased by +0.9% primarily thanks to improved indirect cost base.

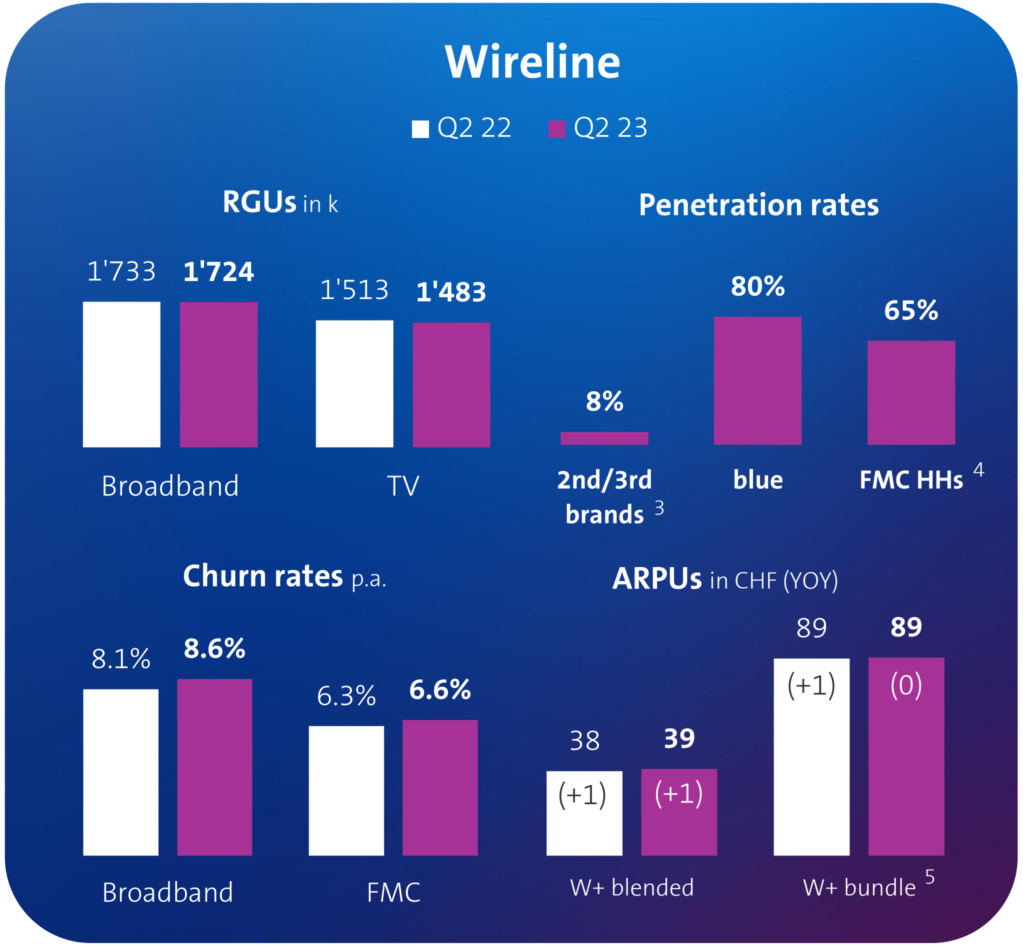
in MCHF	Q2 2023	Q2/Q2	30.06.2023	YOY
Revenue [1]	1'099	-0.8%	2'235	-0.2%
Direct costs	-199	-2.0%	-429	1.4%
Indirect costs [2]	-159	-9.1%	-317	-6.8%
EBITDA	741	1.5%	1'489	0.9%
EBITDA as % of revenue	*67.4%*		*66.6%*	
Lease expense	-10	11.1%	-20	5.3%
EBITDAaL	731	1.4%	1'469	0.8%
CAPEX	-8	-33.3%	-15	-11.8%
OpFCF proxy	723	2.0%	1'454	1.0%
Number of employees (FTE)	-54		2'532	-6.8%
Postpaid subs (k)	+25		3'313	4.5%
Prepaid subs (k)	-22		979	-11.4%
Wireless subs (k)	+3		4'292	0.4%
ARPU wireless in CHF	36	0.0%	36	0.0%
Broadband subs (k)	-3		1'724	-0.5%
TV subs (k)	-8		1'483	-2.0%
Fixed voice subs (k)	-17		1'041	-7.1%

1) incl. intersegment revenues
2) incl. own work capitalised and other income

Residential Customers

Overview of Q2 operational KPIs





1) Postpaid value share of 2nd and 3rd brands +4.6pp YOY, 2) FMC share of postpaid value HHs (1'126k converged HHs, out of total HHs (2'288k, all brands) with at least 1 postpaid value subscription), -1.5pp YOY, 3) BB share of 2nd and 3rd brands, +1.8pp YOY, 4) FMC share of BB HHs (1'126k converged HHs, out of total BB connections (1'724k, all brands)) +0.8pp YOY, 5) BB + TV + fixed voice

Business Customers

Segment reporting as per 30.06.2023

H1 revenue decreased (-1.4%), driven by Telco service revenue (CHF -25mn, primarily price pressure). Higher IT service revenue (CHF +9mn) over-compensates lower hard- and software sales (CHF -4mn).

H1 EBITDA slightly down (-1.7%). Decrease of Telco service revenue partly compensated by lower OPEX.

in MCHF	Q2 2023	Q2/Q2	30.06.2023	YOY
Revenue [1]	**763**	**-0.4%**	**1'535**	**-1.4%**
Direct costs	-177	-1.1%	-358	-3.5%
Indirect costs [2]	-252	1.6%	-498	0.6%
EBITDA	**334**	**-1.5%**	**679**	**-1.7%**
EBITDA as % of revenue	*43.8%*		*44.2%*	
Lease expense	-7	-12.5%	-15	0.0%
EBITDAaL	327	-1.2%	664	-1.8%
CAPEX	-12	50.0%	-23	4.5%
OpFCF proxy	315	-2.5%	641	-2.0%
Number of employees (FTE)	+191		5'403	3.4%
Wireless subs (k)	+15		1'903	1.1%
ARPU wireless in CHF	28	-3.4%	28	-3.4%
Broadband subs (k)	-2		288	-1.7%
TV subs (k)	-1		66	-4.3%
Fixed voice subs (k)	-4		230	-7.3%

1) incl. intersegment revenues
2) incl. own work capitalised and other income

Wholesale

Segment reporting as per 30.06.2023

H1 revenue nearly stable (+0.4%). Higher revenue from wholesale services compensated by lower revenue from termination and inbound roaming.

Indirect costs and EBITDA impacted by a release of regulatory provisions of net CHF 10mn in Q2 2023.

Excluding the exceptional effect, H1 EBITDA increased by +0.6%.

in MCHF	Q2 2023	Q2/Q2	30.06.2023	YOY
Revenue [1]	136	0.0%	270	0.4%
Direct costs	-55	-1.8%	-104	0.0%
Indirect costs [2]	5	n.m.	-	-100.0%
EBITDA	86	16.2%	166	7.1%
EBITDA as % of revenue	*63.2%*		*61.5%*	
Lease expense	-		-	
EBITDAaL	86	16.2%	166	7.1%
CAPEX	-		-	
OpFCF proxy	86		166	7.1%
Number of employees (FTE)	-2		80	-3.6%
Wholesale lines (k)	-6		682	-1.4%

1) incl. intersegment revenues
2) incl. own work capitalised and other income

Infrastructure & Support Functions

Segment reporting as per 30.06.2023

H1 indirect costs and H1 EBITDA improved substantially due to an increase of regulatory provisions (CHF 82mn) in prior year.

Excluding the exceptional effect, H1 EBITDA improved by +3.0%.

in MCHF	Q2 2023	Q2/Q2	30.06.2023	YOY
Revenue [1]	19	5.6%	38	5.6%
Direct costs	-2	0.0%	-4	0.0%
Indirect costs [2]	-264	-22.8%	-512	-15.7%
EBITDA	-247	-24.2%	-478	-16.9%
Lease expense	-38	-2.6%	-76	-1.3%
EBITDAaL	-285	-21.9%	-554	-15.0%
CAPEX	-407	9.4%	-783	9.2%
OpFCF proxy	-692	-6.1%	-1'337	-2.3%
Number of employees (FTE)	+78		5'039	2.8%

1) incl. intersegment revenues
2) incl. own work capitalised and other income

Fastweb

Segment reporting as per 30.06.2023

Consumer revenue up in H1 by +1.4%, mainly as a result of the increasing wireless customer base.

Enterprise revenue up in H1 (+6.0%) primarily thanks to higher contributions from public administration.

Wholesale revenue increased in H1 (+10.8%) as well, driven by higher number of wholesale lines (+37.8%).

Reported EBITDA impacted by an increase of provisions for regulatory litigations (EUR -13mn) in connection with a recent court decision on 4-weeks billing.

Excluding that provision, Q2 and H1 EBITDA up +2% thanks to top line growth and operational excellence.

in MEUR	Q2 2023	Q2/Q2	30.06.2023	YOY
Consumer	291	1.4%	580	1.4%
Enterprise	266	6.4%	527	6.0%
Wholesale [1)]	71	6.0%	144	10.8%
Revenue [1)]	**628**	**4.0%**	**1'251**	**4.3%**
Direct costs	-234	10.4%	-474	14.2%
Indirect costs [2)]	-184	5.7%	-379	-0.5%
EBITDA	**210**	**-3.7%**	**398**	**-1.2%**
EBITDA as % of revenue	*33.4%*		*31.8%*	
Lease expense	-14	-6.7%	-27	-6.9%
EBITDAaL	196	-3.4%	371	-0.8%
CAPEX	-144	1.4%	-297	-0.7%
OpFCF proxy	52	-14.8%	74	-1.3%
Number of employees (FTE)	+30		3'117	8.2%
Wireless subs (k)	+112		3'343	19.2%
Broadband subs (k)	-31		2'631	-3.0%
Wholesale lines (k)	+34		532	37.8%
In consolidated Swisscom accounts				
EBITDA in MCHF	207	-6.8%	393	-4.8%
CAPEX in MCHF	-141	-1.4%	-293	-4.2%

1) incl. intersegment revenues

2) incl. own work capitalised and other income

Other

Segment reporting as per 30.06.2023

H1 net revenue on level of prior year.

H1 EBITDA down (-33.7%), mainly due to one-time charges in relation with customer projects in Q2 2023 and a lower contribution of localsearch.

in MCHF	Q2 2023	Q2/Q2	30.06.2023	YOY
External revenue	104	-1.9%	204	-1.0%
Revenue [1]	258	-0.4%	501	0.2%
Direct costs	-21	10.5%	-40	17.6%
Indirect costs [2]	-216	8.5%	-406	6.0%
EBITDA	21	-48.8%	55	-33.7%
EBITDA as % of revenue	*8.1%*		*11.0%*	
Lease expense	-3	50.0%	-5	0.0%
EBITDAaL	18	-53.8%	50	-35.9%
CAPEX	-10	25.0%	-18	28.6%
OpFCF proxy	8	-74.2%	32	-50.0%
Number of employees (FTE)	+2		3'326	2.0%

1) incl. intersegment revenues
2) incl. own work capitalised and other income

Pension cost and cash payments

Higher discount rate for IFRS pension liabilities impacts EBITDA 2023 but not cash payments

in CHF mn	H1 22	H1 23	reported YOY	FY 22	estimate FY 23	estimate YOY
Segments' pension cost	138	137	-1	273	273	0
Pension reconciliation	30	-19	-49	53	-37	-90
Operating pension cost (EBITDA)	**168**	**118**	**-50**	**326**	**236**	**-90**
Net interest (financial result)	0	-2	-1	-1	-5	0
Total pension cost (P&L)	**168**	**116**	**-52**	**325**	**231**	**-90**
Company contributions (cash payments)	**135**	**135**	**0**	**277**	**273**	**-4**

Operating pension cost

- Costs highly sensitive to changes of discount rate
- Operating pension cost FY 2023 CHF -90mn lower compared to FY 2022 because of higher discount rate

Cash payments

- Cash contributions not based on IFRS
- No impact of higher interest on cash contributions
- FY 2023 estimate: company contributions (cash payments) > operating pension cost

Cautionary statement
regarding forward looking statements

- "This communication contains statements that constitute "forward-looking statements". In this communication, such forward-looking statements include, without limitation, statements relating to our financial condition, results of operations and business and certain of our strategic plans and objectives.
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Investor contact

Louis Schmid, Head of Investor Relations
louis.schmid@swisscom.com
+41 58 221 62 79

www.swisscom.ch/ir