



Q2 2020 results

Analyst and investor presentation

13 August 2020



Agenda

Introduction

Louis Schmid, IR

1. Highlights

Urs Schaeppi, CEO

2. Business review

Urs Schaeppi, CEO

3. Financial results

Mario Rossi, CFO

4. Q&A

all

Appendix



1. Highlights



Q2 in a nutshell

Overall solid results thanks to strong execution along Swisscom's strategic settings



Several wins for
**best mobile
network**
in Switzerland



**Satisfying
Swiss business**
despite
lower roaming volume
but with positive NPS
and Solutions business



**1st green bond
in €**
issued by a listed Swiss
company



**Resilient
operations**
during
Covid-19 pandemic



**Fastweb:
favorable results
and further
strategic moves**



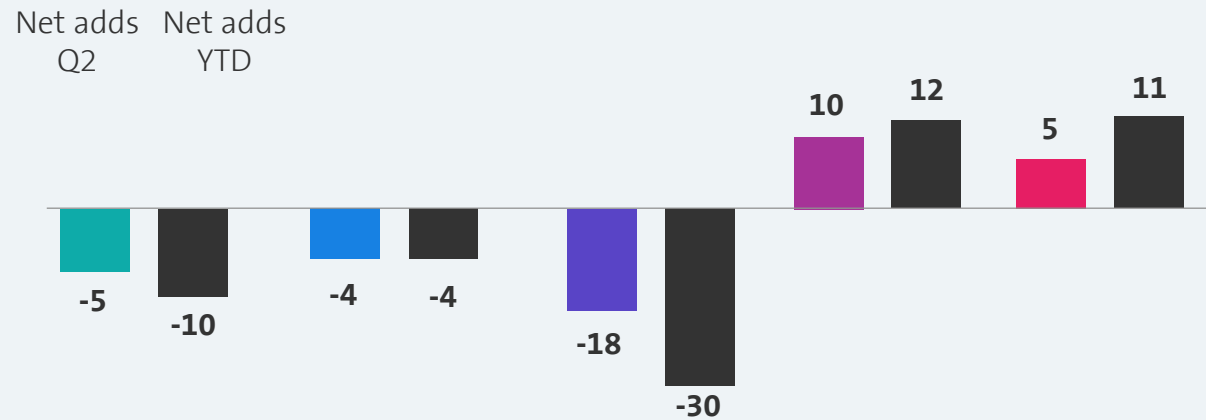
**Strong execution
in
cost savings**
(CHF -64mn in H1).
**EBITDA outlook
confirmed**



Q2 market (share) performance

Switzerland positive in postpaid and wholesale compensating BB decline. Fastweb customer base growing

Swisscom Switzerland (RGUs in k)



Broadband

TV

Fixed voice

Postpaid

Wholesale

RGUs in k

2'048

1'551

1'564

4'783

596

Converged B2C share

45%

37%

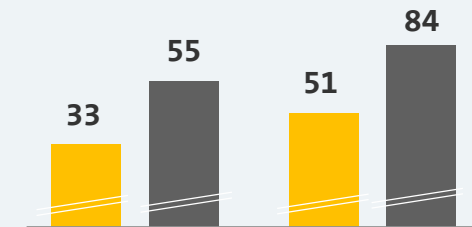
Market share ¹⁾

53%

37%

58%

Fastweb (RGUs in k)



Broadband

Mobile

2'692

1'830

33%

16%

2%

¹⁾ as per 31.03.2020

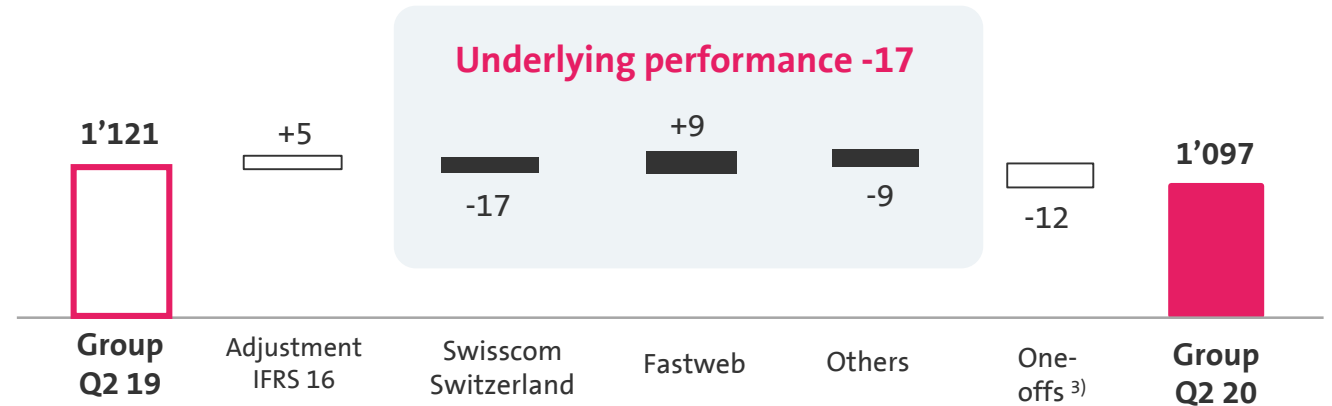


Q2 financial performance

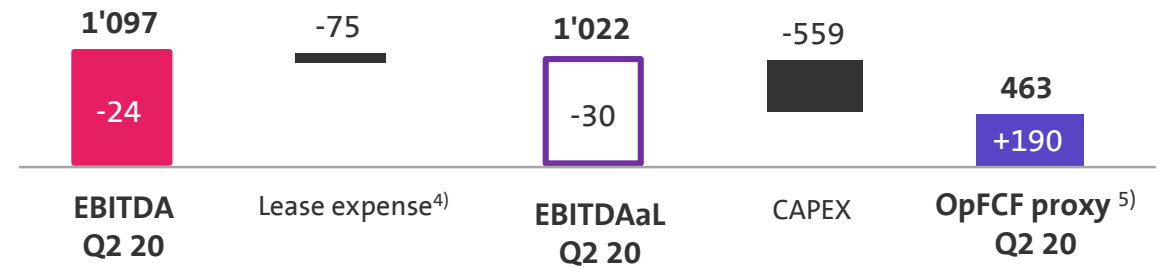
Satisfying EBITDA development thanks to successful cost reduction in Switzerland and Fastweb growth

	<u>Q2 2020</u>	<u>H1 2020</u>
Net revenue	CHF 2'706 mn (-3.5% YoY)	CHF 5'443 mn (-3.9% YoY)
Net income	CHF 342 mn (-13.9% YoY)	CHF 736 mn (-5.6% YoY)
CAPEX	CHF 559 mn (-28.2% YoY)	CHF 1'075 mn (-17.1% YoY)
Net debt¹⁾		CHF 9'129 mn (-4.3% YoY)
Leverage²⁾		2.1x (stable YoY)

EBITDA development in CHF mn and YOY changes



OpFCF proxy development in CHF mn



1) including lease liabilities of CHF 1'958mn 2) 1.8x IFRS16 adjusted, 3) consists of FX impact of CHF -12mn, 4) consists of depreciation right of use assets excluding IRU of CHF -64mn and interest expense leases of CHF -11mn, 5) YOY change in OpFCF proxy of CHF -6mn when excluding prior year spectrum CAPEX of CHF 196mn



2. Business Review



Satisfying network performance and business resilience during Covid-19 pandemic

Continuously back to (new) normality

Workaday normalising

- Working from home well perceived
- Swisscom staff partially back in offices with safety concept
- Individual responsibility in social distancing and hygiene measures

Network performing

- Sufficient network capacities to manage 1.6x calls and 1.3x data traffic
- Outages independent from Covid-19 situation (random cases)

No CAPEX delays

- Construction activities in Switzerland and Italy on usual level
- H1 2020 investments in line with FY guidance of CHF 2.3bn



Swiss business resilient

- B2C: easing of interventions positive for shop frequencies, low churn ratios, NPS encouraging
 - B2B with limited business effects (so far):
W- down and Solutions steady

Lower roaming volume

- Less travelling impacts roaming volume and top-line negatively and outpayments positively

Fastweb on track

- Positive momentum in fixed
- Mobile with lighter subs growth
- Bad debt situation under control
- Higher demand for ICT Solutions



Covid-19 food for thoughts

Underlying trends for telecom operators and ICT industry unchanged but positively stimulated

Trends we expect will accelerate post Covid-19

Digital transformation

- New digital services on the rise
- Higher data observation and protection
- Move to a cashless society
- Channel mix changing

New customer needs and behaviours

- Online first
- Increasing care of hygienic measures
- Rising importance of home market

Revision of cost base

- Working from home a reliable alternative
- Optimising office spaces and travel/rental costs
- Use digital chances more aggressively

Industry revival

- Reputation up thanks to ability to operate in crisis
- Reliable infra, the backbone of society

Short-term opportunities for Swisscom



As **employer**

- Hybrid working modes
- Office space optimisation
- Less travelling (costs)



In **B2C**

- Video conferencing
- Entertainment-on-demand
- Data-based services (e.g. OTT)
- E-learning



In **B2B**

- Collaboration solutions
- Video conferences
- UBB connections for SMEs
- Cloud and security services



Future-proof networks essential to deliver superior customer experience

It all matters: capacity, speed, coverage and best technology (mix)

The w-network leader in Switzerland

- Winner of all network tests in H1 2020

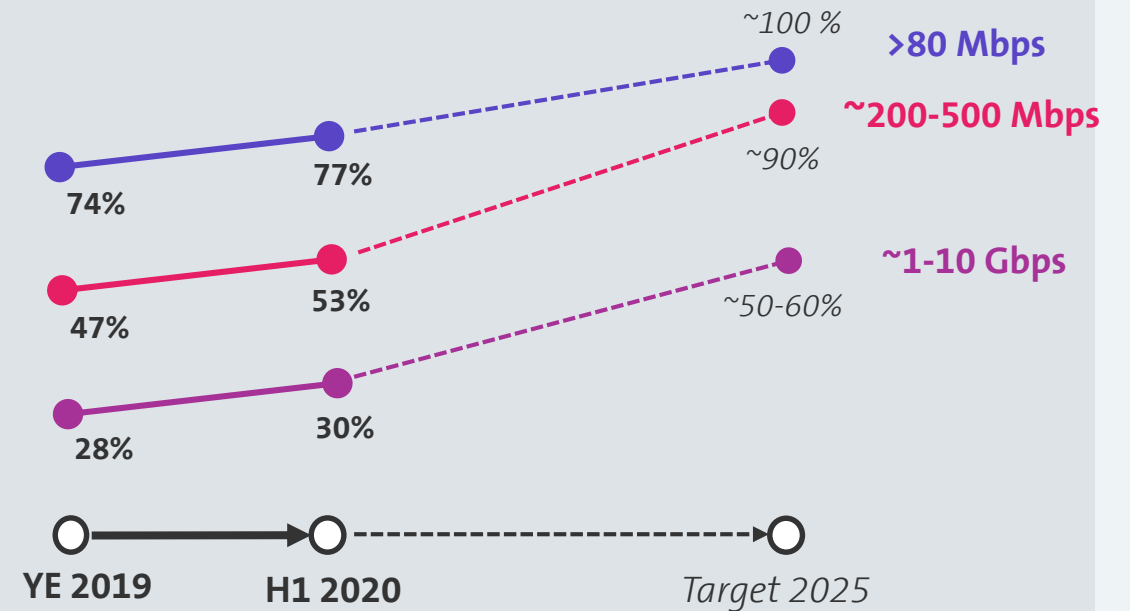


- Swisscom mobile phone network **among the top three in Europe***
- Swisscom provides **up to 1 Gbps of 5G to 90%** of the Swiss population
- Constantly expanding 5G+** network to provide **speeds of up to 2 Gbps**



Fibre push progressing well

- 70% of all municipalities UBB equipped**
- Rollout on track** according to 2025 plan



* Source: Connect EU network test H1 2020

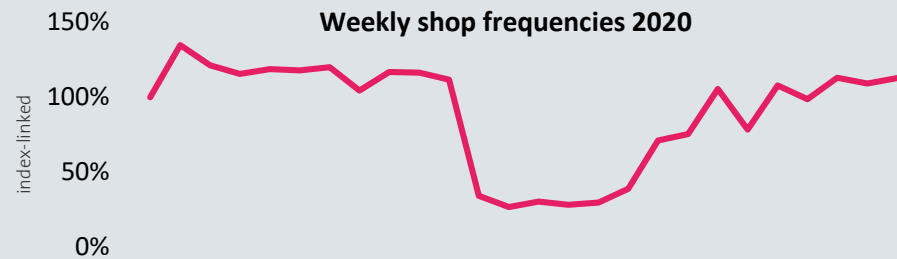


B2C market and commercial update as per Q2

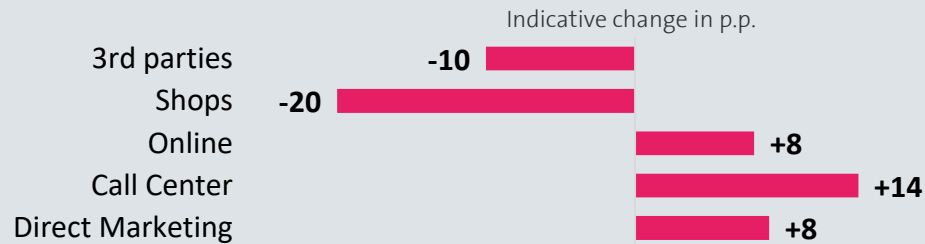
Swisscom well positioned to defend leading market position despite Covid-19 situation and high competition

Market shape extra-ordinary and competitive

- Lock-down impacted **market volume** ...



- ... and **share of distribution channels**



- Q2 with unchanged **intense competition**

Ready to benefit from market recovery in H2

- New marketing campaign 'ready'** initiated



- Boost **inOne (FM)** offerings and attack through **selective promotions**

- Clear **service champion**: **1st place** 8th time in a row



- Product offerings extended**

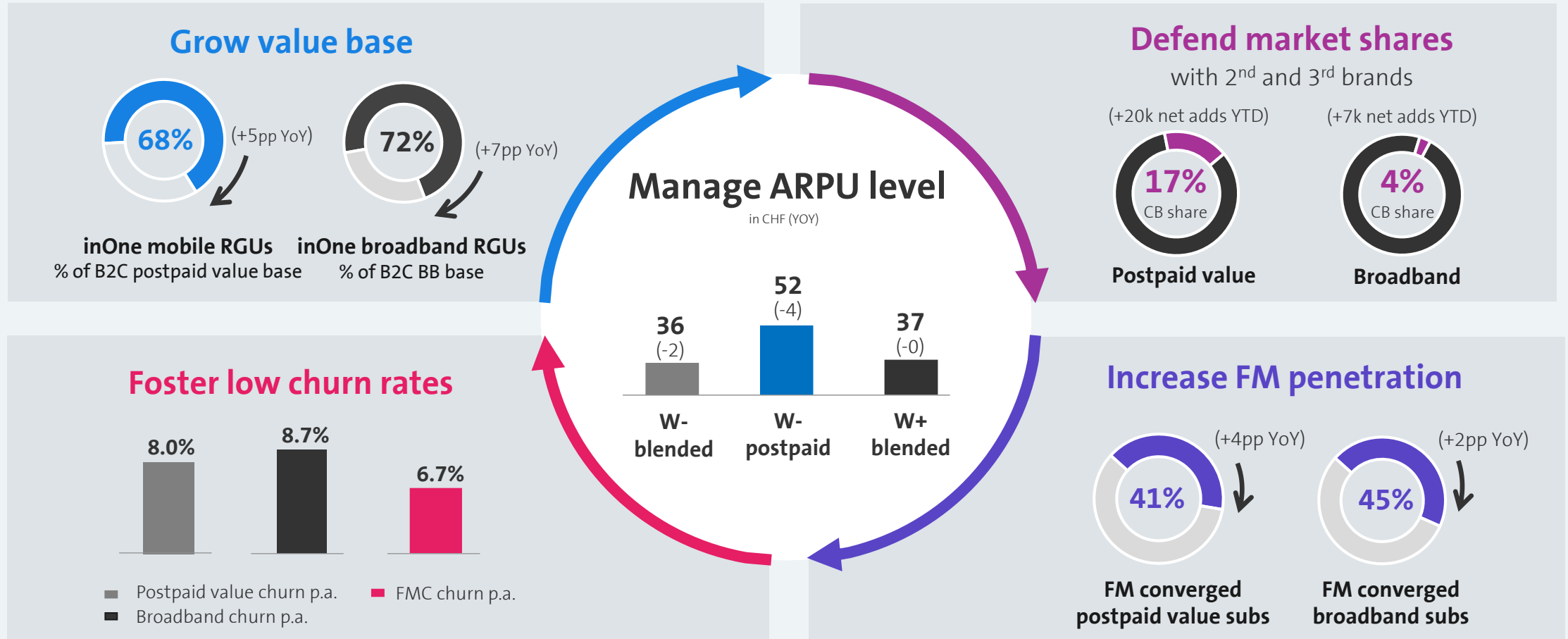
- 2nd-hand smartphones
- New smart life products available
- MySports on Swisscom TV
- New MyService Portfolio





Operational KPIs of B2C as per Q2

Ongoing shift to SIM-only subscriptions with increasing FM share and cementing low churn rates

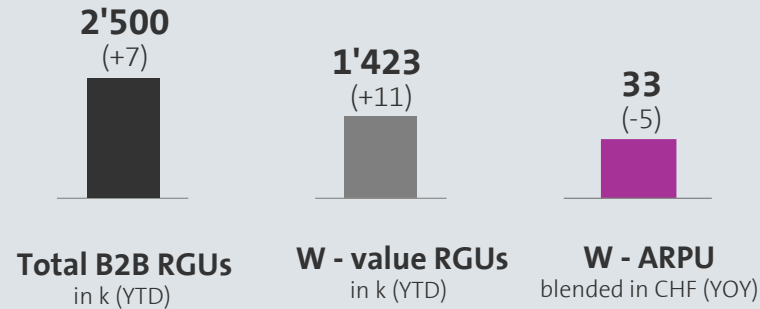




Solutions growing thanks to continuous extension of ICT capabilities

EBITDA margins higher thanks to consequent cost reductions compensating service revenue pressure

Maximise service revenue



ICT position further strengthened

New SME services

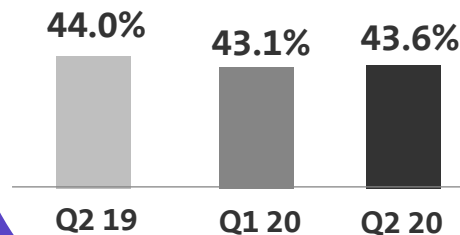
- ICT assessment solution
- My Service Business



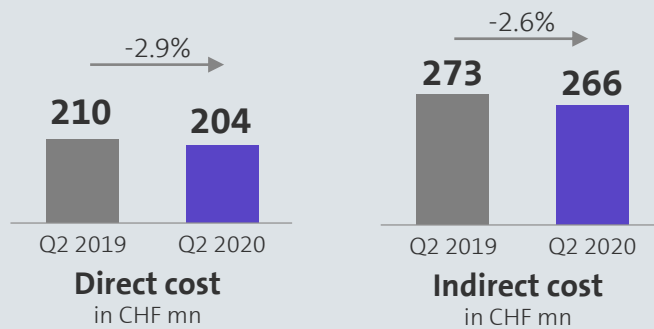
New banking businesses

- Millennium Banque Privée
- Cantonal banks of Aargau and Basel

Retain EBITDA margin

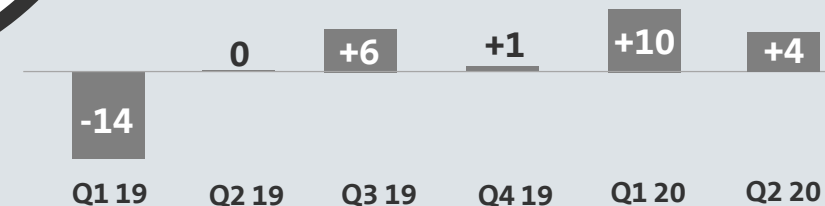


Reduce cost base



YOY evolution of Solutions revenue

in CHF mn

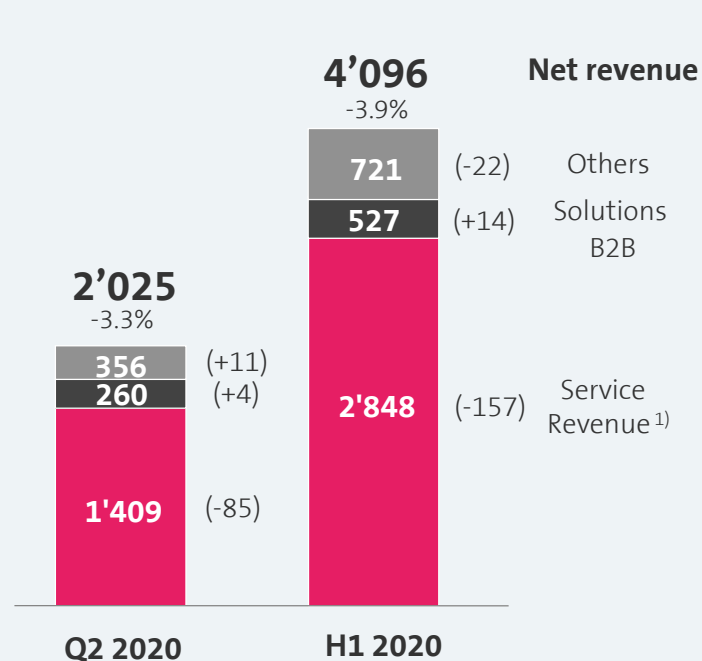




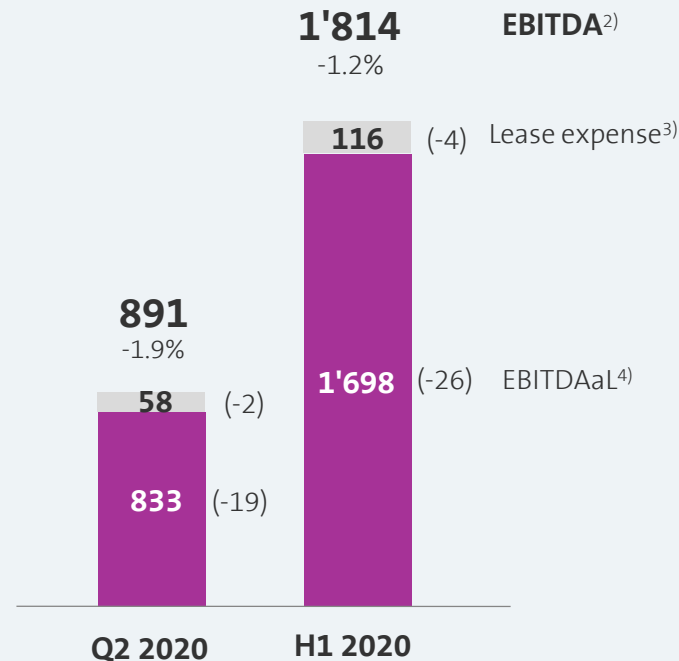
Financial performance of Swisscom Switzerland

Cost savings nearly compensate top-line decline. OpFCF proxy in line with FY expectation

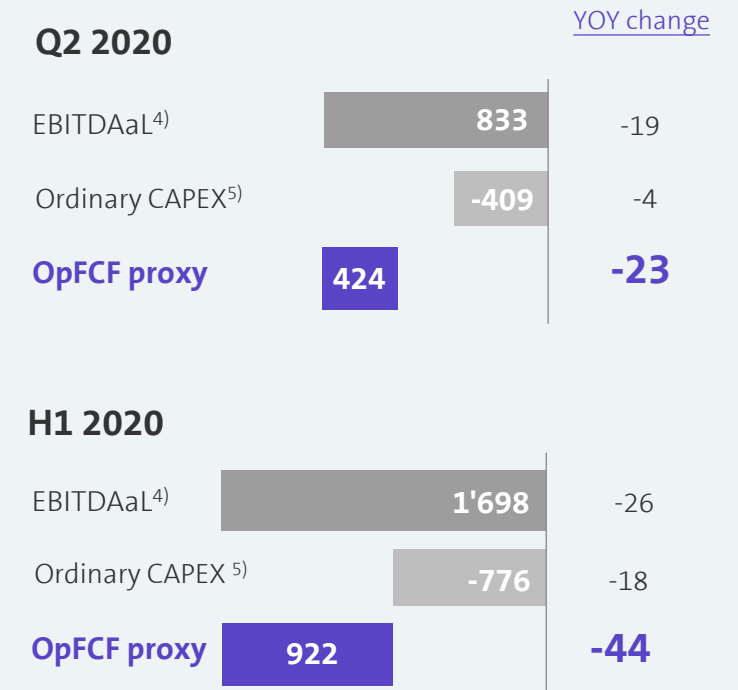
Net revenue in CHF mn (YOY changes)



EBITDA in CHF mn (YOY changes)



OpFCF proxy in CHF mn



1) H1 with outbound roaming (Covid-19) impacts of CHF -27mn (Q1 CHF -5mn, Q2 CHF -22mn), 2) reported EBITDA, 3) consists of depreciation right of use assets and interest expense leases, 4) EBITDA minus lease expense, 5) Q2 2019 excluding spectrum expenses of CHF 196mn



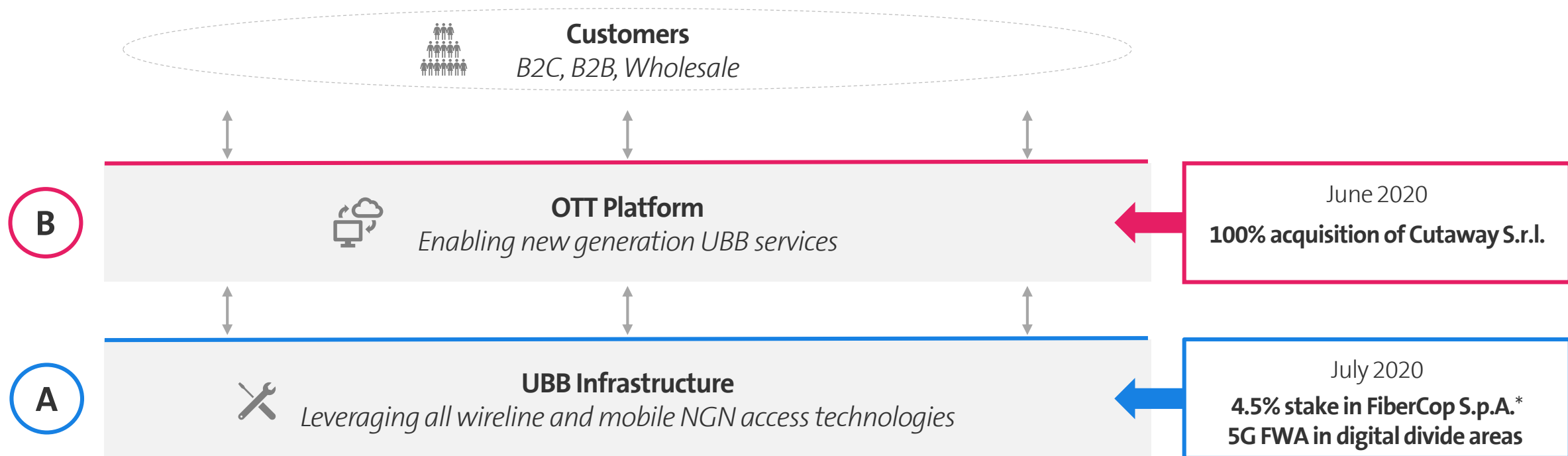
Several new initiatives will accelerate the execution of Fastweb's strategy

Building sustainable growth through differentiation

Fastweb strategy is to become an 'infrastructure-based OTT'

New strategic initiatives

Coupling OTTs service capabilities with NGN infrastructure



* agreement towards the creation of a single Italian network pending (KKR extended its binding offer to 31 Aug)



Stake in FiberCop will enhance Fastweb's financial, industrial and strategic positioning

Fastweb welcomes Government's interest and is constructively taking part in the discussions to reach a strategic agreement for the future of digital transformation in Italy with the widest possible participation by 31 August

A UBB Infrastructure

4.5% stake
in FiberCop



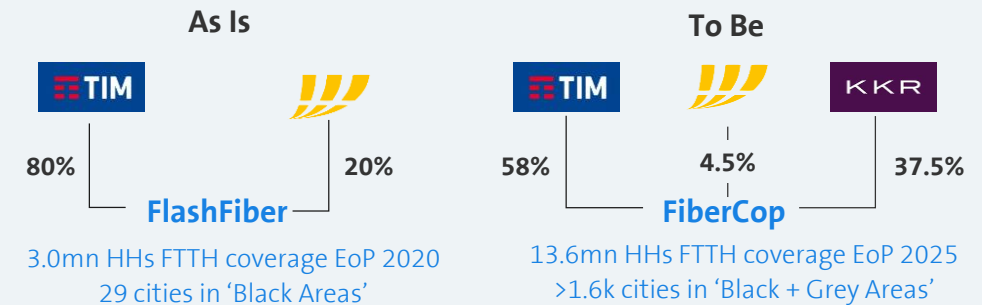
Deal perimeter

before request of Italian Government to work on the creation of a single network for Italy



Value accretive transaction

100% FlashFiber merged into FiberCop



FiberCop to become an extension of FlashFiber into a nationwide co-investment vehicle participated by two leading infrastructure competitors and a strong financial partner. FiberCop to own 100% of TIM's secondary network from day one to finance investments

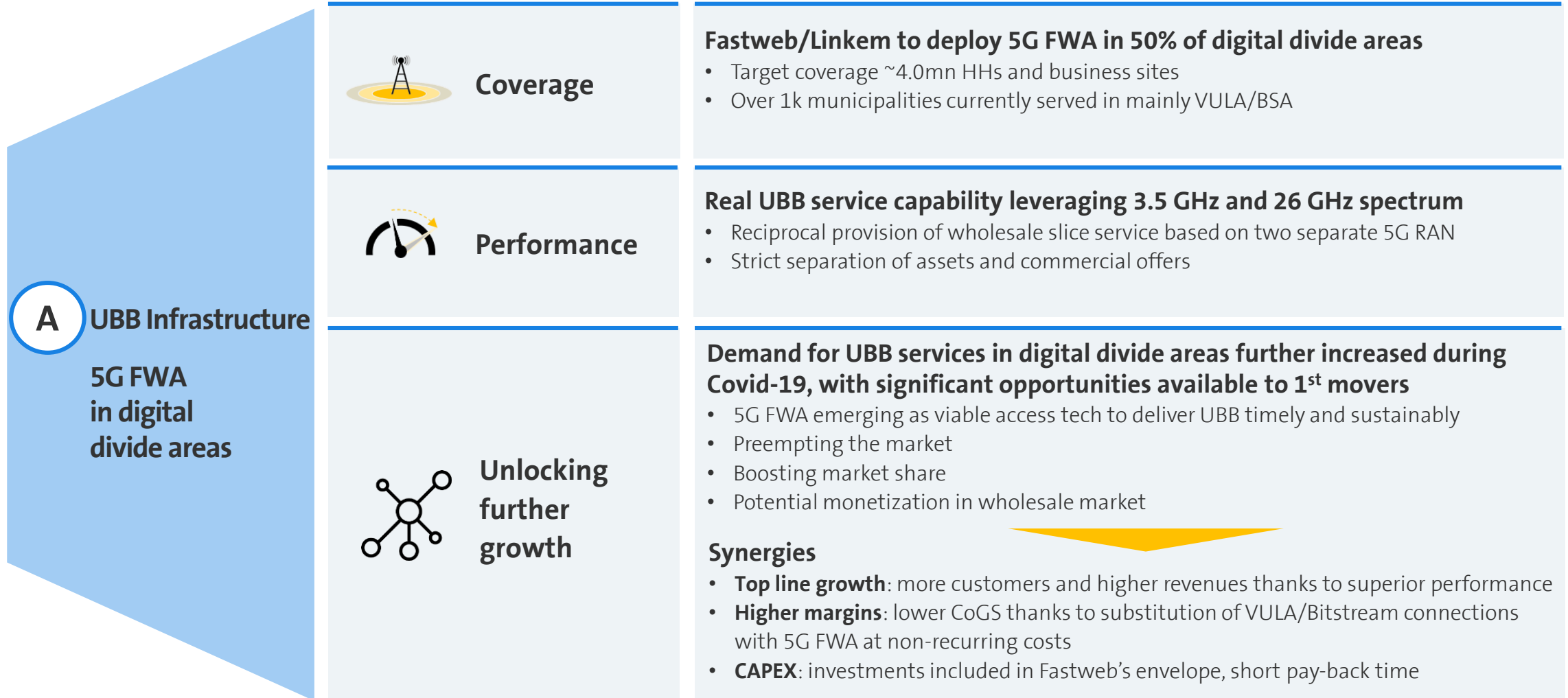
Financial, industrial and strategic benefits

- Crystallizing the value of our stake in FlashFiber
- Access to financial (dividend) streams of FiberCop
- Commercial conditions reflecting Fastweb's participation in the co-investment
- Progressively moving customers in 'Black Areas' from copper to fibre: higher sales/lower churn more than offsetting higher recurring/one-off costs (leveraging own 5G FWA footprint in 'Grey Areas')



5G FWA deployment in digital divide areas will position Fastweb as first mover on UBB

Extending the strategic and efficiency advantages secured by own infrastructure





Cutaway will expand Fastweb's capability to provide E2E Cloud solutions

Increasing ICT market penetration and margins

B

OTT Platform

**100% stake
in Cutaway**



Market trends

Telco and ICT markets increasingly integrated

- Wireline telco services EUR 1.3bn in 2019, -4% CAGR 2019-2023¹
- Mobile telco services EUR 0.9bn in 2019, -1% CAGR 2019-2023¹
- ICT VAS EUR 1.5bn in 2019, +6% CAGR 2019-2023¹



Fastweb positioning

Uniquely positioned to leverage telco business to scale-up ICT VAS sales thus securing future growth

- >50% market share in telco data services
- Low single-digit market share in ICT VAS



Synergies from Cutaway integration

Acquisition of 100% of shares, company to be merged into Fastweb

- Strong asset portfolio
 - i. 100 highly skilled professionals
 - ii. Data center/IaaS/SAP integration capabilities
 - iii. Established customer base in executive/top B2B segment, national reach
- Scalability of service platforms

Synergies

- **Top line growth:** capability to address higher volumes of commercial opportunities
- **Higher margins:** enhanced ICT portfolio -> lower dependency from 3rd parties' solutions

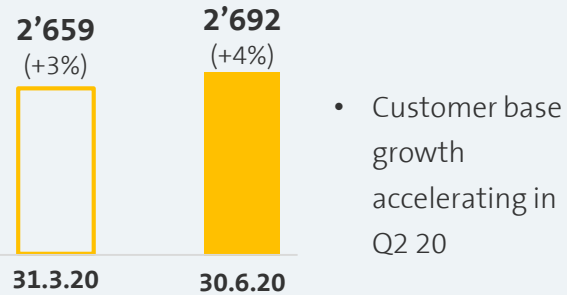


Consumer performance

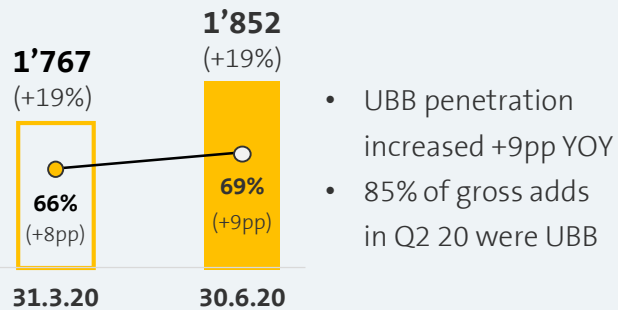
On track towards a fully UBB and convergent customer base despite Covid-19

Fixed

Broadband subs in k (YOY change)

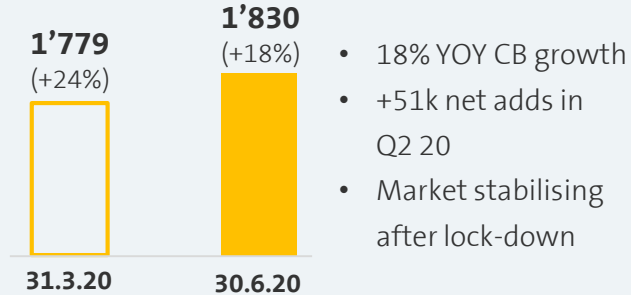


UBB subs (k) and penetration (YOY change)

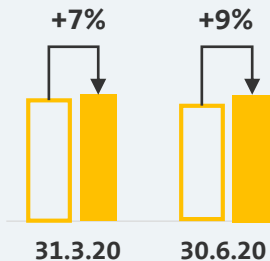


Mobile

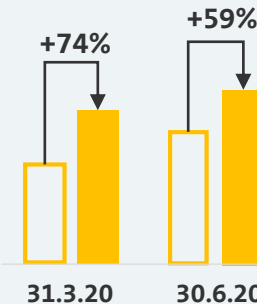
Mobile subs in k (YOY change)



ARPU (EUR/month, YOY)

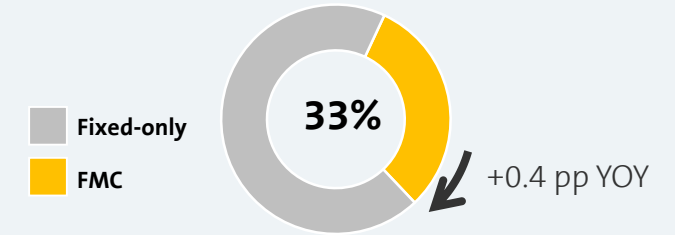


Data usage (Gbit/customer/month)

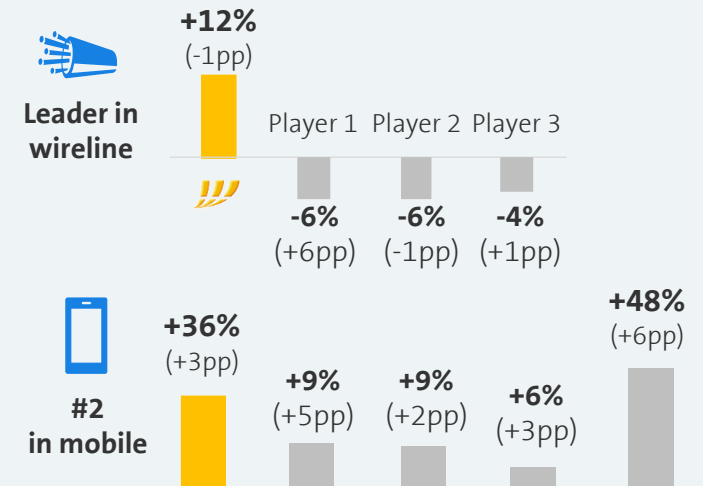


FMC penetration and NPS

FMC penetration as of 30.6.20



NPS (YoY change)¹



1) NPS surveys performed by an independent third party, average 2019 and average 1H 2020 data

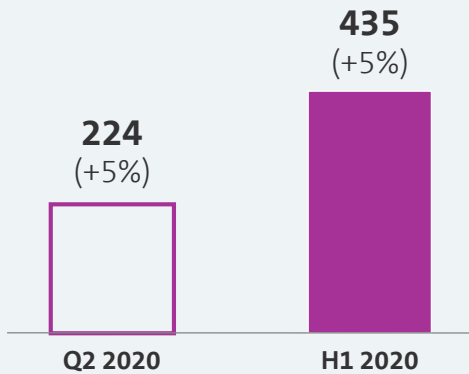


B2B performance

Growth confirmed in Enterprise and in Wholesale core business

Enterprise

Revenues in EUR mn (YOY)



- No Covid-19 impact on business generation and cash-in

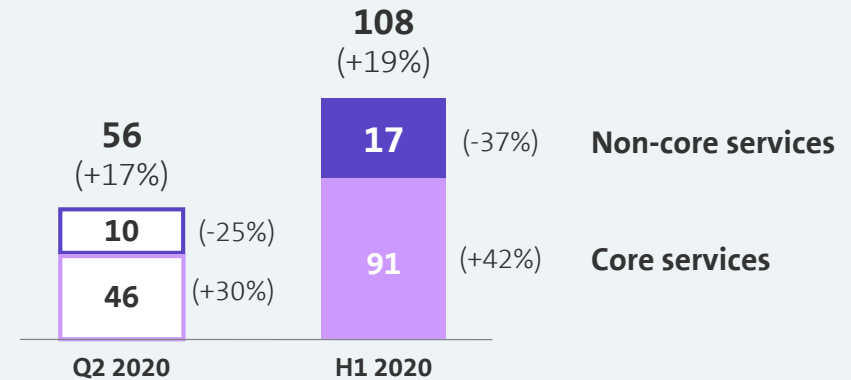
New contracts

Public administration driving the growth with telco and VAS services

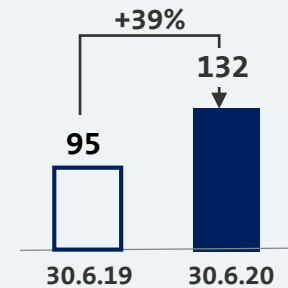


Wholesale

Revenues in EUR mn¹ (YOY)



Wholesale lines (k)



- **Core services:** 1H revenues growing +42% YoY with strong orderbook trend
- **Non-core services:** H1 revenues declining -37% YOY due to progressive phase-out of low-margin infra projects
- **Wholesale lines:** +39% YOY growth driven by execution of new agreements (Tiscali and W3)

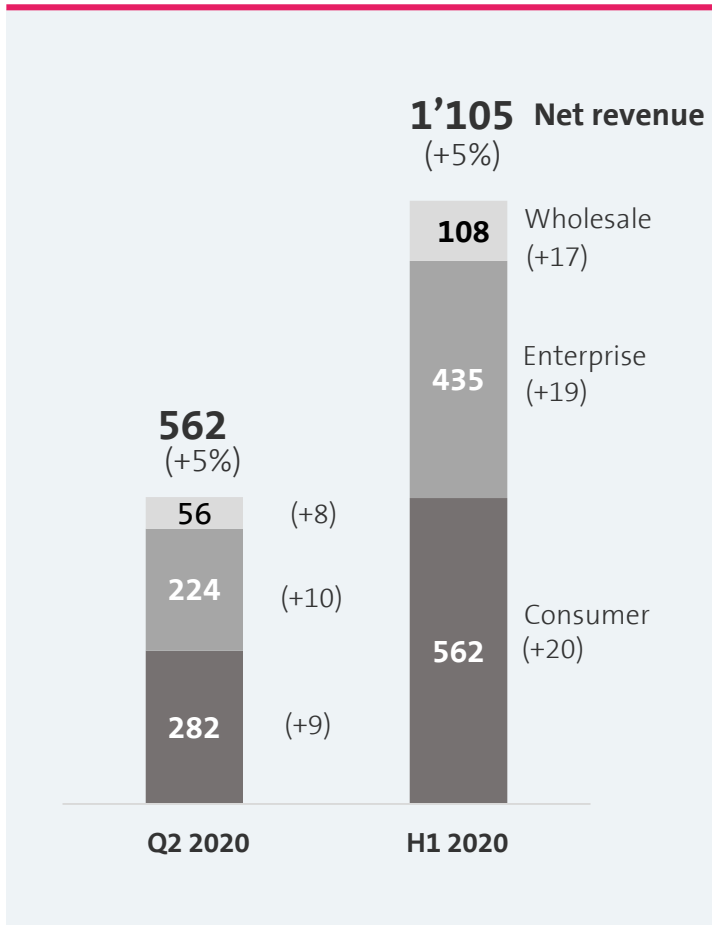
¹Incl. intercompany revenues



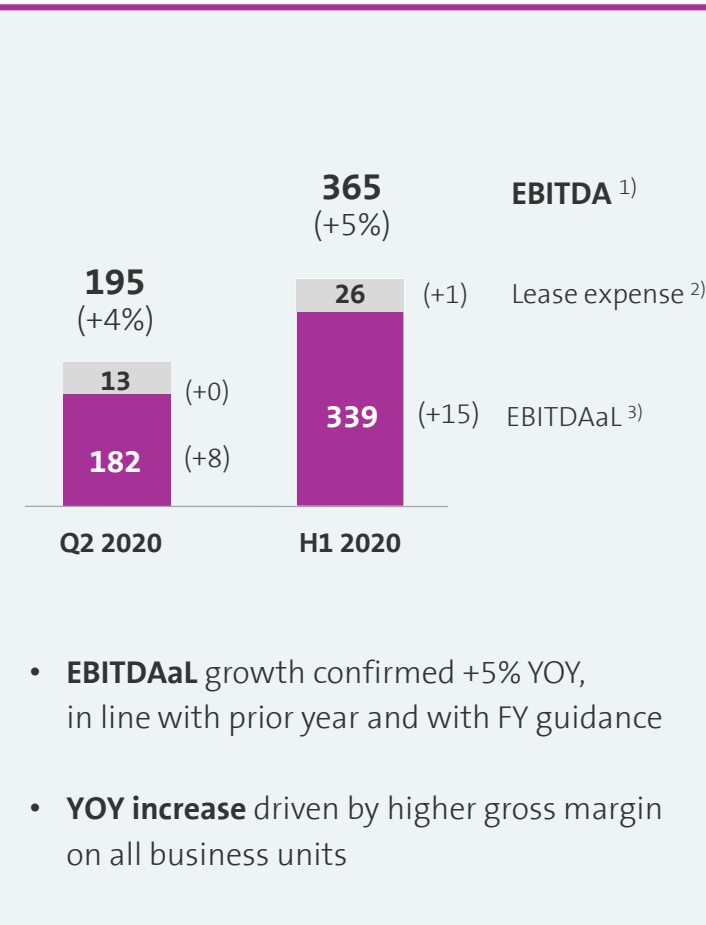
Financial performance of Fastweb

Performance in line with guidance

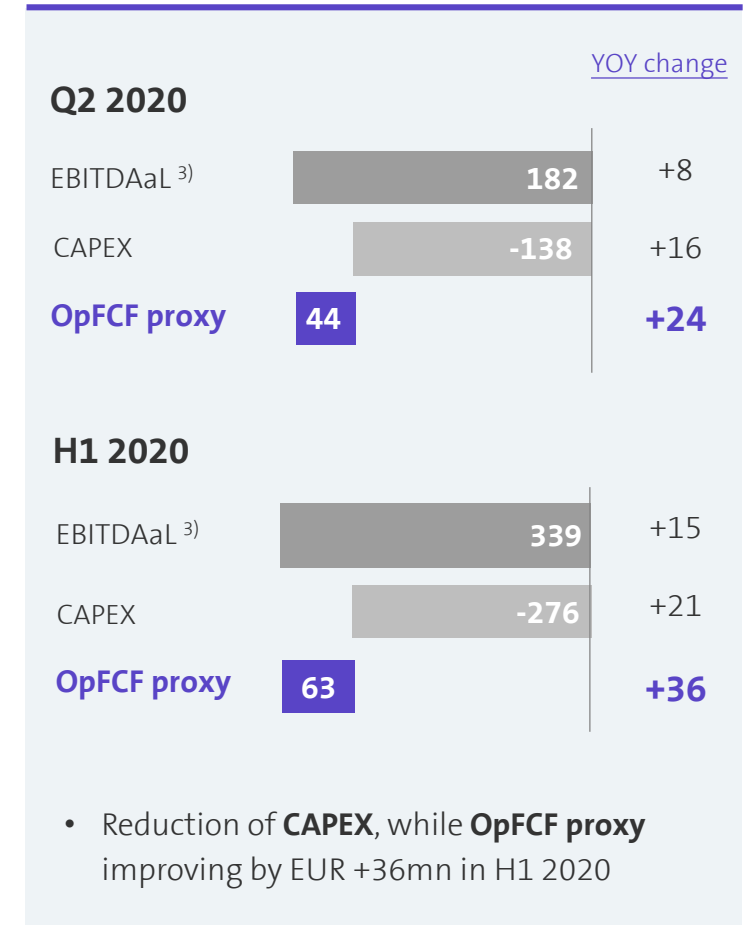
Net revenue in EUR mn (YOY)



EBITDA in EUR mn (YOY)



OpFCF proxy in EUR mn (YOY)



1) Reported EBITDA, 2) Consists of depreciation right of use assets and interest expense leases, 3) EBITDA minus lease expense

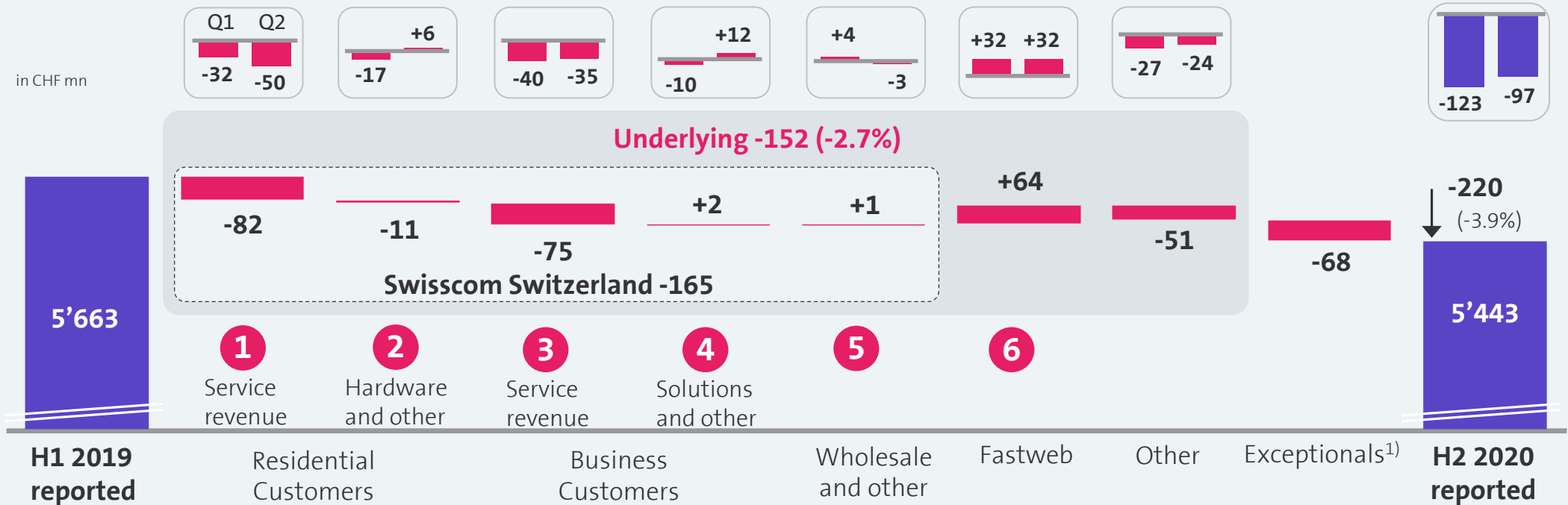


3. Financial Results



Group revenue and changes by segments

Swisscom Switzerland with extraordinary roaming impacts due to Covid-19



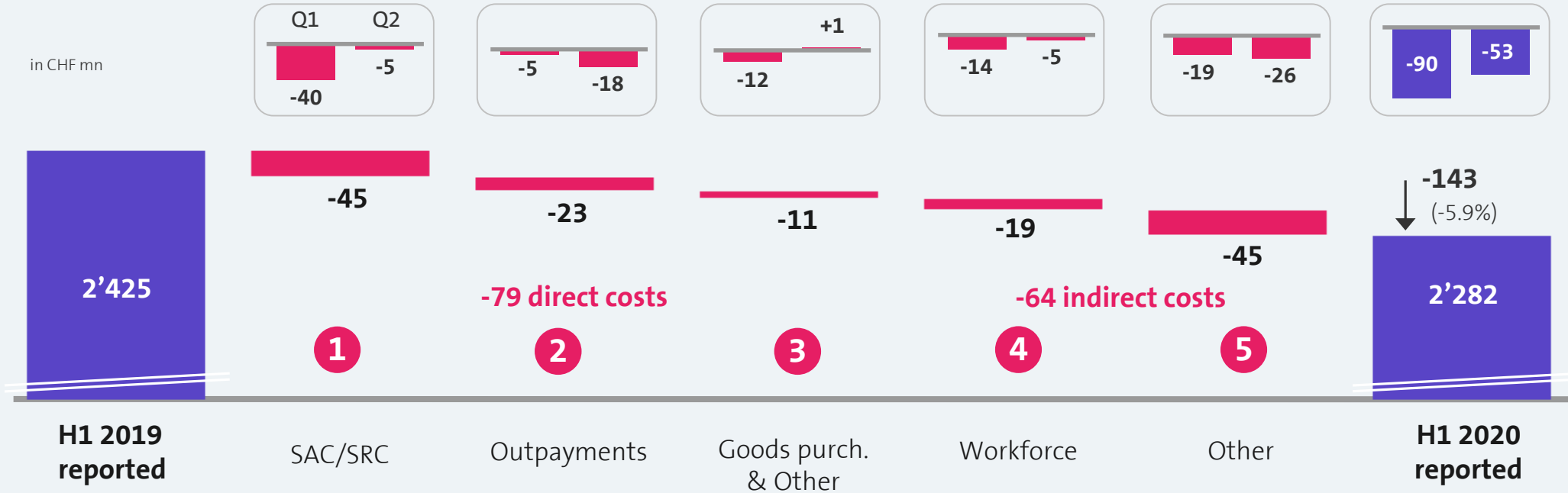
- 1 High promotional activities and ongoing brand shifts lead to pressure on service revenue. Q2 acceleration mainly due to lower roaming volume driven by Covid-19 situation (H1 CHF -10mn)
- 2 Q1 negative due to device decoupling, Q2 positive as IFRS15 revenue adjustment slows down
- 3 Price pressure in wireless and wireline. Covid-19 led to lower roaming revenues (H1 CHF -17mn)
- 4 Solutions with growth CHF +14mn (cloud services and banking) partly compensated by lower hardware sales
- 5 Increase in MVNO and UBB services compensated by lower inbound roaming due to Covid-19 (H1 CHF -14mn)
- 6 Consumer, Enterprise and Wholesale with positive evolution

1) Consists of currency impacts (CHF -68mn)



OPEX Swisscom Switzerland and YOY changes

Operational excellence initiatives with expected impacts lowering OPEX on a recurring basis



- 1** Lower retention and acquisition costs primarily for wireless
- 2** Mostly impacted by lower roaming outpayments (Q2 with lower volume due to Covid-19)

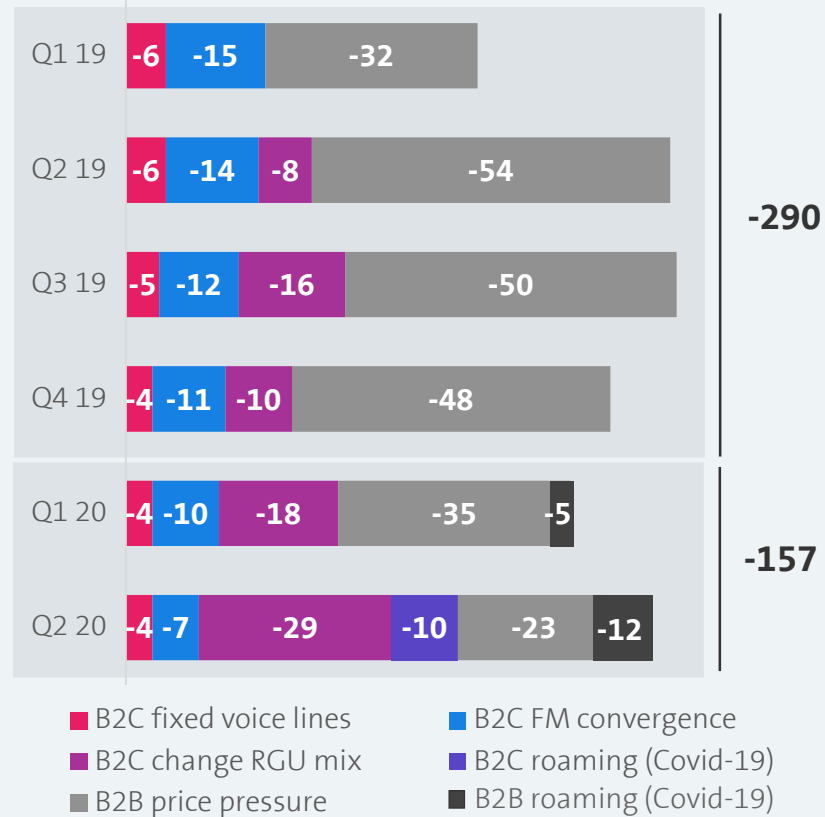
- 3** Decrease driven by lower hardware sales in customer projects
- 4** Operational excellence leads to an FTE reduction at Swisscom Switzerland of -663 YoY (o/w -447 in H1 2020)
- 5** Lower costs for marketing communication, customer care and IT



EBITDA Swisscom Switzerland: YOY dynamics

YOY changes fully in line with expectations

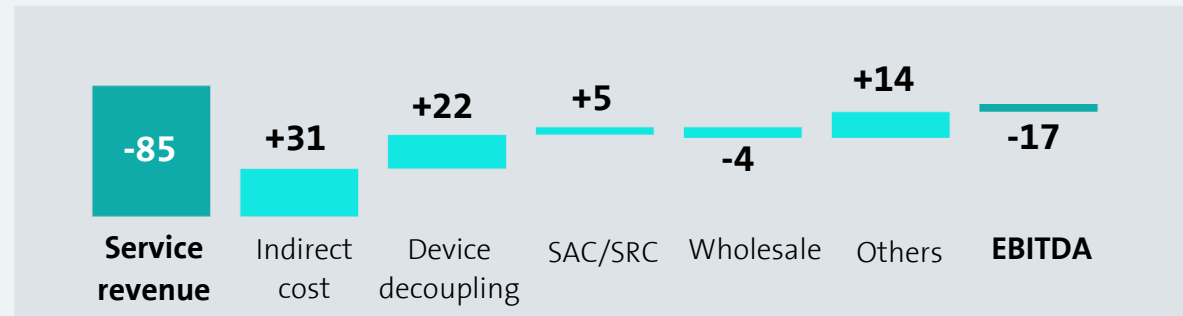
Service revenue YOY changes in CHF mn



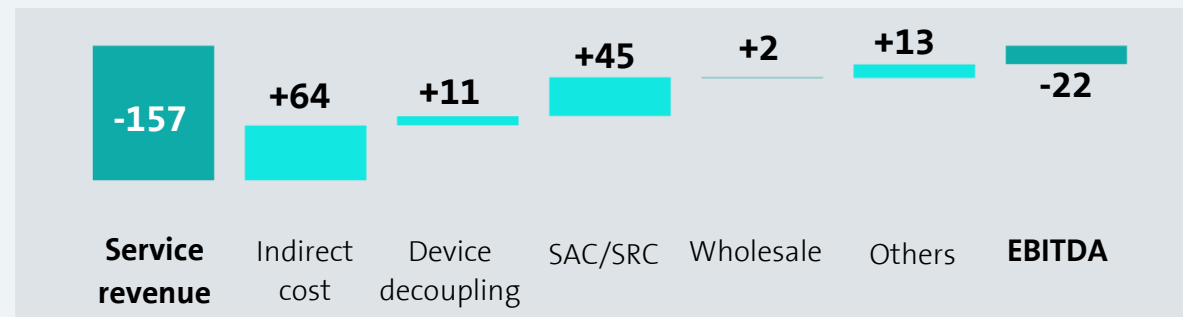
EBITDA dynamics

YOY changes in CHF mn

Q2 2020



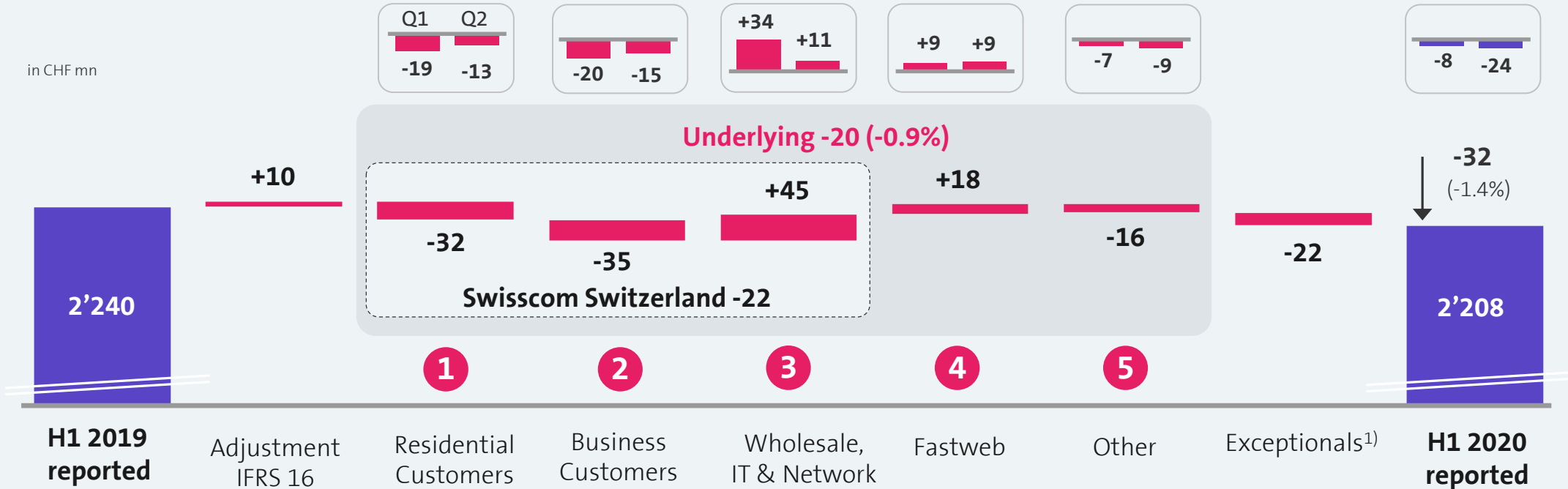
H1 2020





Group EBITDA and changes by segments

Underlying performance almost flat thanks to strong cost savings in Switzerland and growing Fastweb



- 1 Lower OPEX partly compensate service revenue pressure
- 2 Price pressure in the Telco business partly compensated by improved profitability in the Solutions business
- 3 Increase is supported by lower cost for IT and support functions. Lower contribution in Q2 due to decrease of roaming inbound revenue (Covid-19)
- 4 Increase driven by revenue growth in all segments
- 5 Lower EBITDA primarily due to Swisscom Broadcast, Swisscom Directories, Billag (mandate loss still affecting)

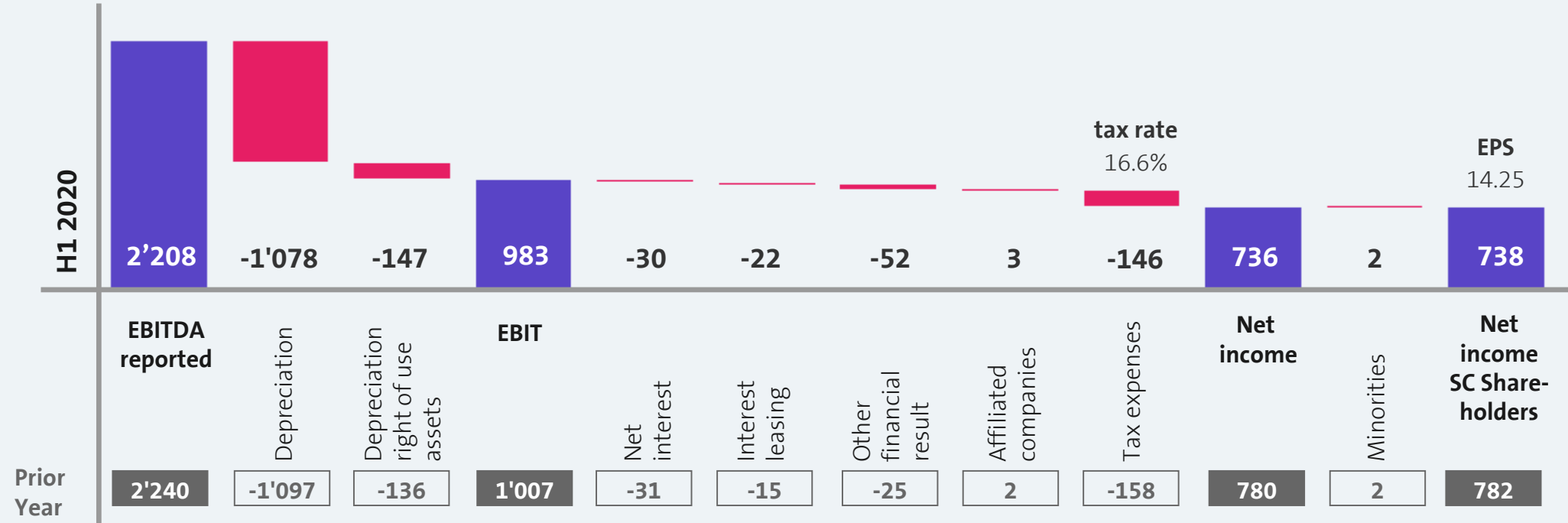
1) Consists of currency impacts (CHF -22mn)



Net income

Net income down by -6% YOY driven by lower EBITDA

in CHF mn





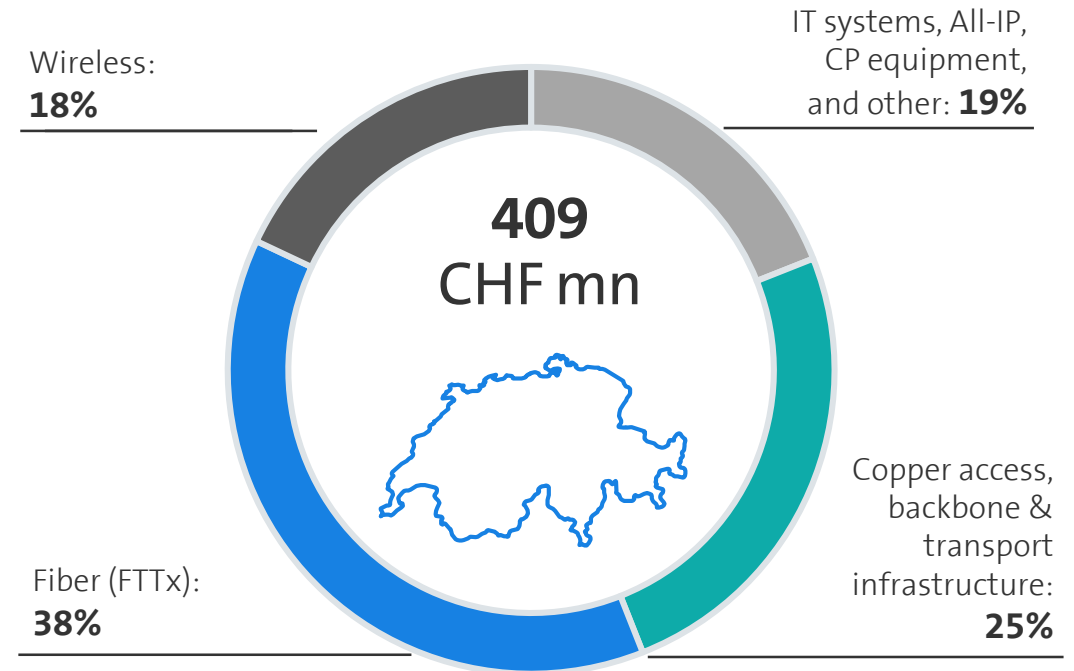
Capital expenditures

Network continuously improving for customer experience

	<u>Q2 2020</u>	<u>H1 2020</u>
Group CAPEX¹⁾	CHF 559 mn (-4.1% YoY)	CHF 1'075 mn (-2.4% YoY)
Swisscom Switzerland	CHF 409 mn (+1.0% YoY)	CHF 776 mn (+2.4% YoY)
Fastweb²⁾	CHF 146 mn (-16.1% YoY)	CHF 294 mn (-12.2% YoY)
Other	CHF 4 mn (Q2 19: CHF 4mn)	CHF 5 mn (H1 19: CHF 8mn)

1) Excluding prior year spectrum CAPEX of CHF 196mn

2) in local currency in Q2 2019: EUR 154mn, in Q2 2020: EUR 138mn,
H1 2019: EUR 297mn, in H1 2020: EUR 276mn

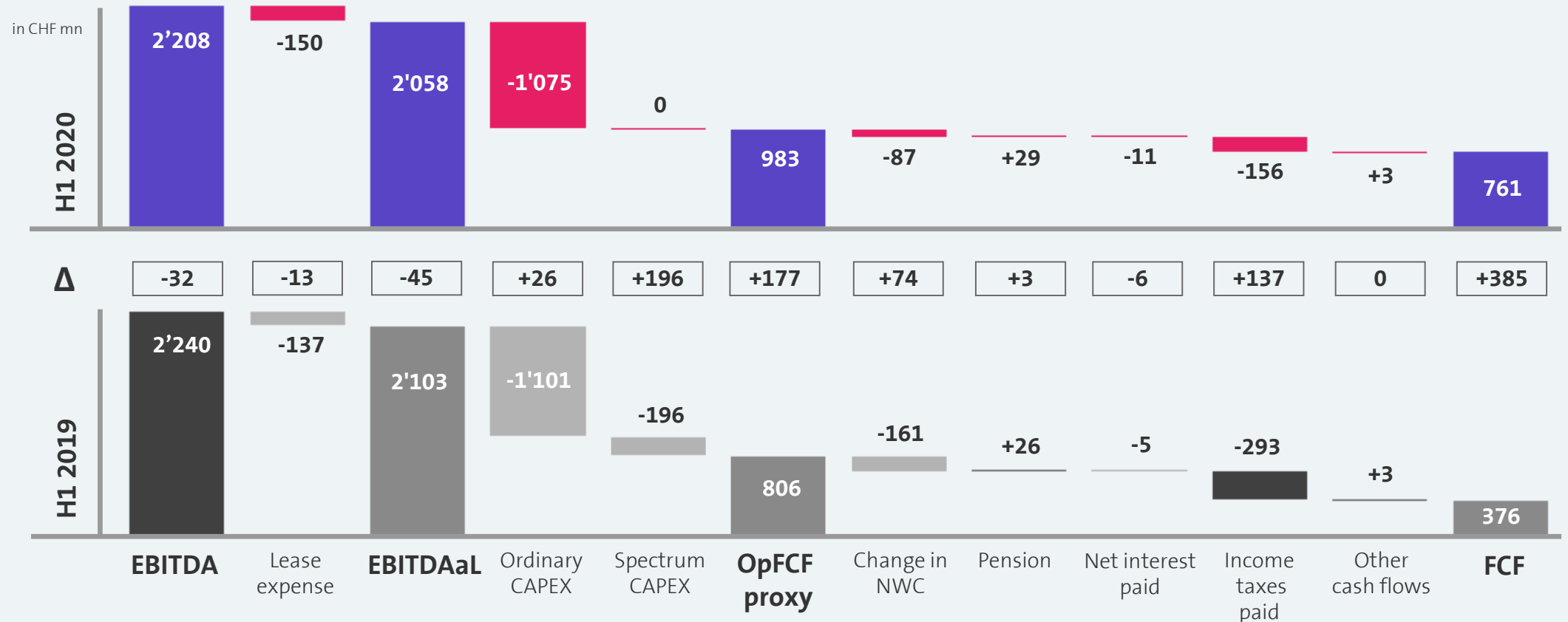


- Continuous roll-out of wireline infrastructure and upgrading of mobile network in Switzerland, YOY stable
- Ongoing investments in network infrastructures keep Fastweb's CAPEX on a high level, but slightly lower compared to previous year



Free cash flow

FCF without spectrum CAPEX up by CHF 189mn YOY driven by different phasing in tax payments



- OpFCF proxy without investments in 5G spectrum licences YOY slightly lighter due to lower EBITDAaL (CHF -45mn)
- Higher net working capital compared to YE 2019 mainly as a result of lower trade payables
- Tax payments CHF 137mn lower than previous year due to different payment schedules in 2020



Successful placement of EUR 500mn green bond

Funds allocation with clear focus on energy efficiency and network development

- The inaugural green bond placement **underscores Swisscom's continued commitment to the environment**
- **The green bond of EUR 500mn has a coupon of 0.375% and a maturity of 8.5 years**
- **1st green EUR bond** for Swisscom and from a Swiss corporate overall



The Challenge: Exponential growth in data traffic and **Energy efficiency** **Decouple** of networks has to keep up



The Chance: Networks enable **services** that **allow customers** to **avoid CO₂**; CO₂ savings compensate for networks' emissions **Enable**



The Chore: Everyday **operations** can be **optimized constantly**, and **energy consumption** and **CO₂ emissions** are being reduced **Reduce**

- **Sustainability strategy 2025** with clear and **ambitious objectives** for "people", "environment" and "Switzerland"
- Together with our customers, we plan to **reduce net CO₂ output by 450k tonnes** in 2025
- We plan to **increase energy efficiency by another 25%**. CO₂ targets are **aligned** with the **1.5°C target** based on the Science Based Targets Initiative



2020



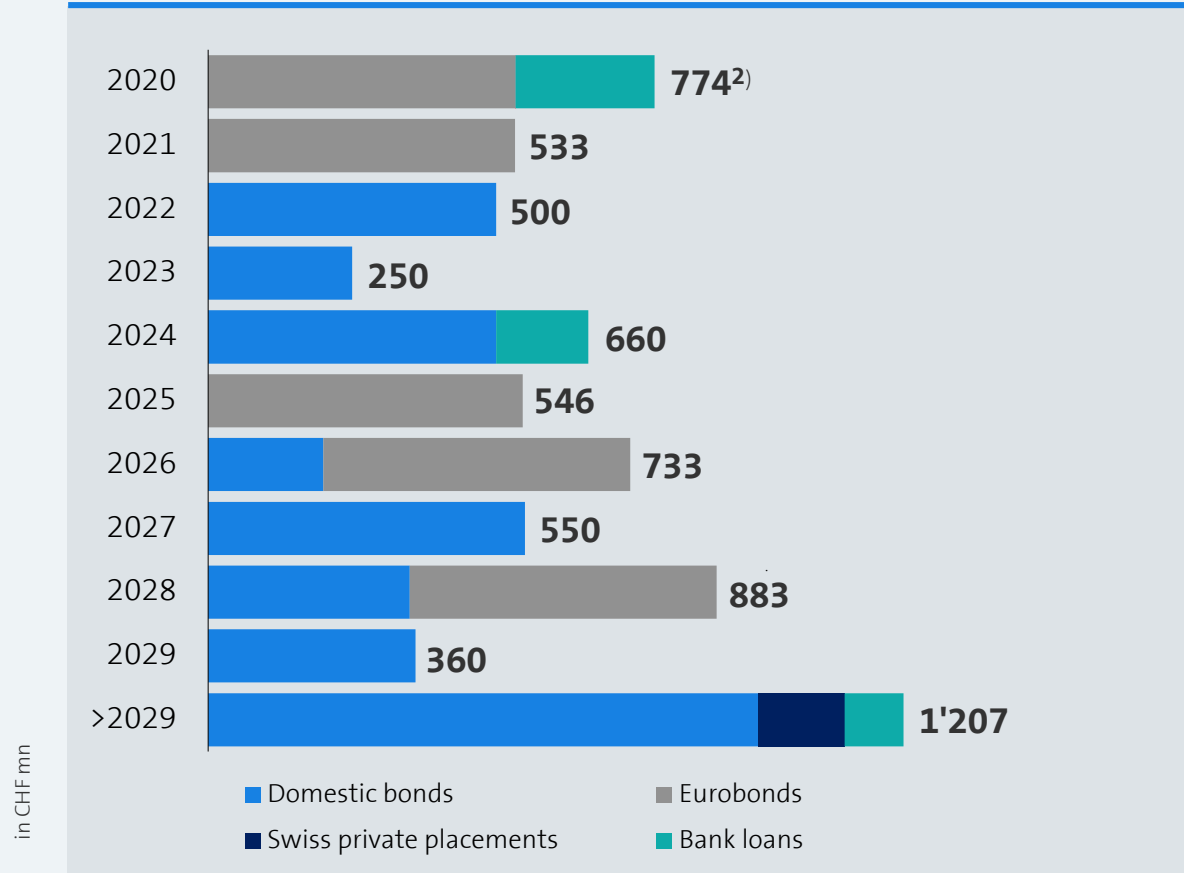
2025



Well balanced maturity profile besides ample liquidity

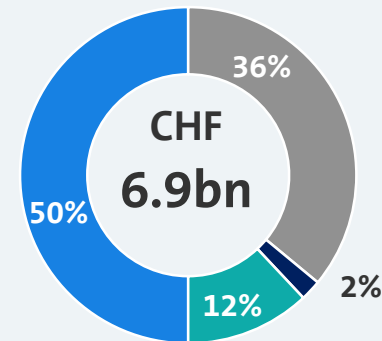
Swisscom with one of the strongest ratings in EU Telco landscape

Debt maturity profile as per Q2 2020¹⁾

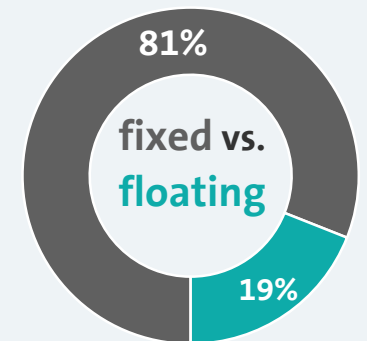


- Ø interest rate of **0.99%**
- Debt portfolio actively managed: **duration of 5.45 years**
- **CHF 2bn** committed credit lines still unused
- Stable credit ratings:
 - S&P: **A stable**
 - Moody's: **A2 stable**

Nominal debt by type



Debt portfolio mix



1) excl. short-term money market borrowings, 2) fully refinanced as of June 30, 2020



FY 2020 guidance

EBITDA of CHF 4.3bn and CAPEX of CHF 2.3bn confirmed, top-line adjusted by CHF -0.1bn due to Covid-19

in CHF bn	2019 reported	2020 outlook ³
Revenue	11.453	~ 11.0
EBITDA ¹	4.358	~ 4.3
CAPEX ²	2.438	~ 2.3

Upon meeting its targets,
Swisscom plans to propose again a dividend of CHF 22/share (payable in 2021)

1 EBITDAaL 2020 outlook for Swisscom: CHF ~4.0bn

2 2019 figure includes cost for additional (5G) spectrum in Switzerland of CHF 196mn

3 For consolidation purposes, CHF/EUR of 1.07 has been used (vs. 1.11 for fiscal year 2019)



4. Questions & Answers



Appendix



Key financials

Reported and underlying revenue and EBITDA

in CHF mn

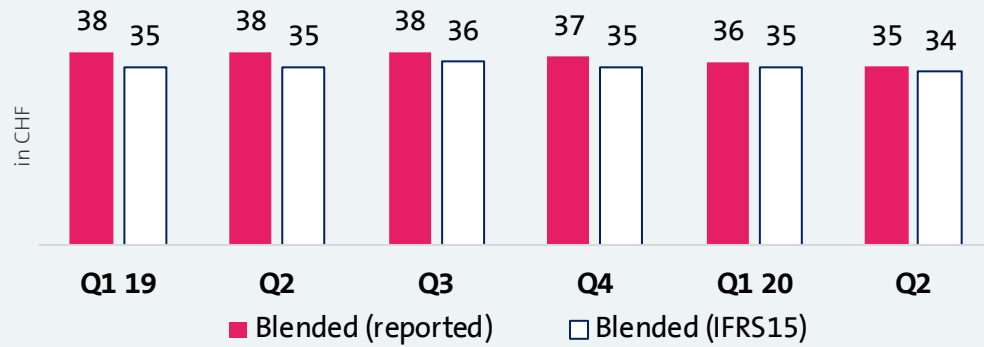
	2019					2020					Change Q/Q, FY				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Revenue, reported	2'860	2'803	2'793	2'997	11'453	2'737	2'706				-123	-97			
Currency effect						33	35				+33	+35			
Underlying change											-90	-62			
EBITDA, reported	1'119	1'121	1'120	998	4'358	1'111	1'097				-8	-24			
Adjustment effect IFRS16	5	5	5	-15	0						-5	-5			
Restructuring				56	56										
Currency effect						10	12				+10	+12			
Underlying change											-3	-17			



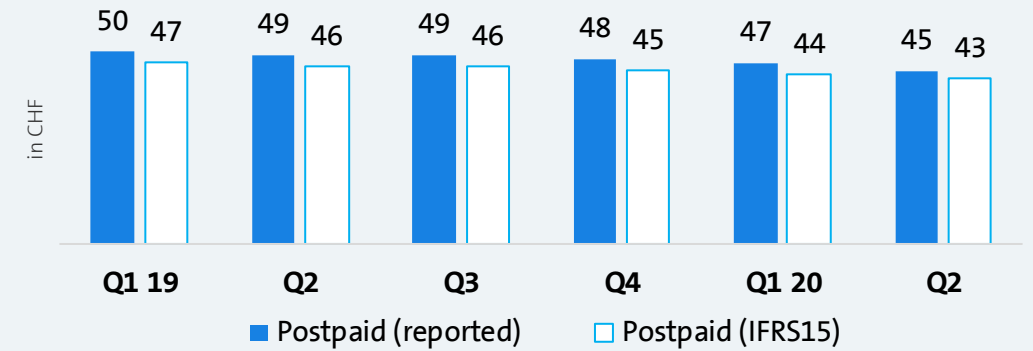
Swisscom Switzerland

Wireless ARPU and IFRS15 adjustments

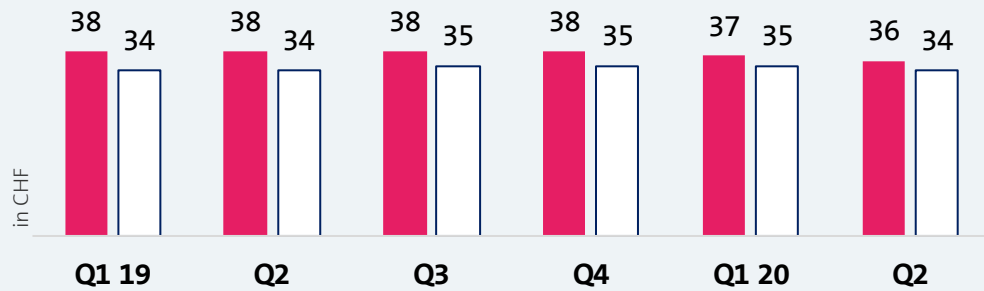
Swisscom Switzerland



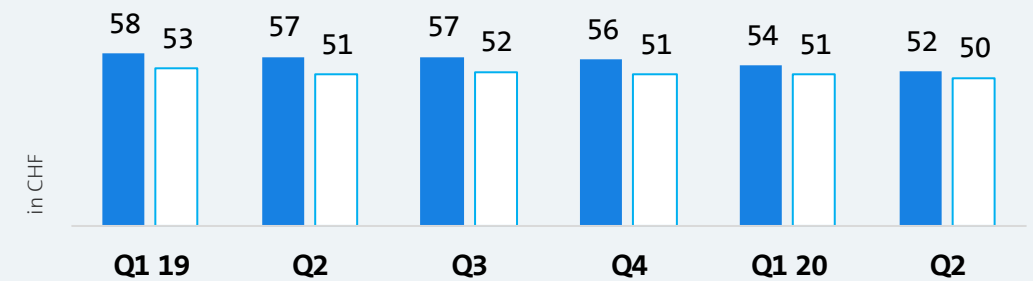
Swisscom Switzerland



Residential Customers



Residential Customers





Residential Customers

Segment reporting as per 30.06.2020

Net revenue decreased driven by a lower service revenue.

Service revenue decreased (-4.0%) due to higher discount volumes (inOne), brand shift and lower roaming volumes (Covid-19).

Contribution margin 2 decreased by 2.3%. Lower Service revenue was partly compensated by lower SAC/SRC and lower indirect cost (marketing, customer care and field services).

	Q2 2020	Q2/Q2	30.06.2020	YoY
Net revenue in MCHF ¹⁾	1'101	-3.5%	2'239	-3.9%
Direct costs in MCHF	-234	-6.0%	-483	-7.5%
Indirect costs in MCHF ²⁾	-183	-6.2%	-369	-5.4%
Contribution margin 2 in MCHF	684	-1.9%	1'387	-2.3%
<i>Contribution margin 2 in %</i>	<i>62.1%</i>		<i>61.9%</i>	
Depreciation & amortisation in MCHF	-24	-7.7%	-40	-21.6%
Lease expense in MCHF	-11	0.0%	-22	-8.3%
Segment result in MCHF	649	-1.7%	1'325	-1.4%
CAPEX in MCHF	-7	-12.5%	-12	9.1%
FTE's	-54		3'200	-5.7%
Broadband lines in '000 ³⁾	-4		1'750	0.5%
Voice lines in '000 ³⁾	-15		1'276	-4.3%
Wireless customers Prepaid in '000	-45		1'481	-10.0%
Wireless customers Postpaid in '000 ³⁾	+2		2'933	2.1%
Blended wireless ARPU in CHF	36	-5.3%	37	-2.6%
TV subs in '000 ³⁾	-4		1'487	1.4%

1) incl. intersegment revenues

2) incl. capitalised costs and other income

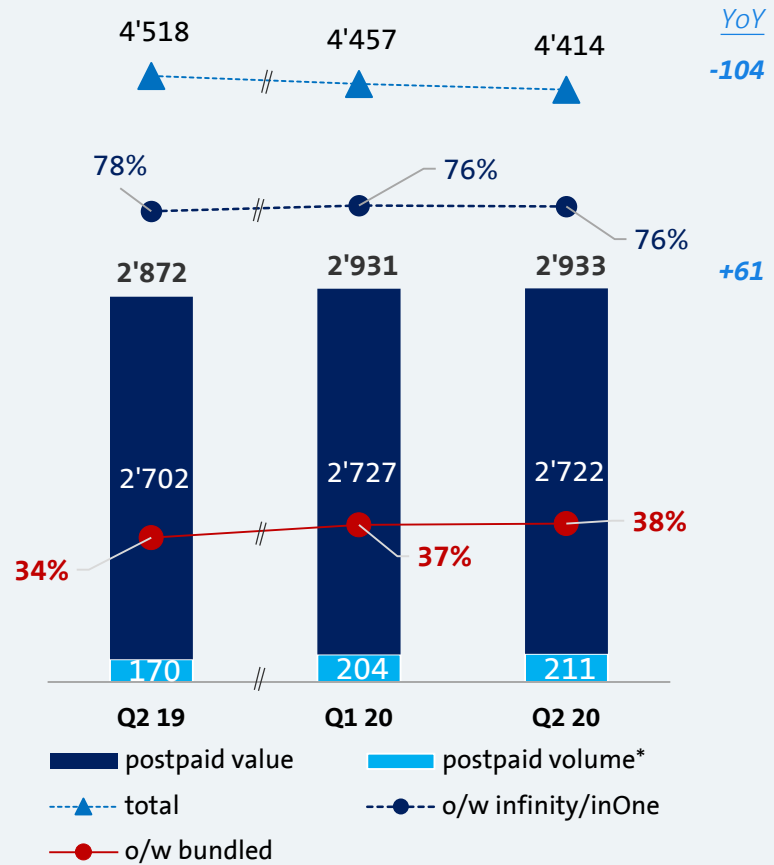
3) sum of single play and bundles



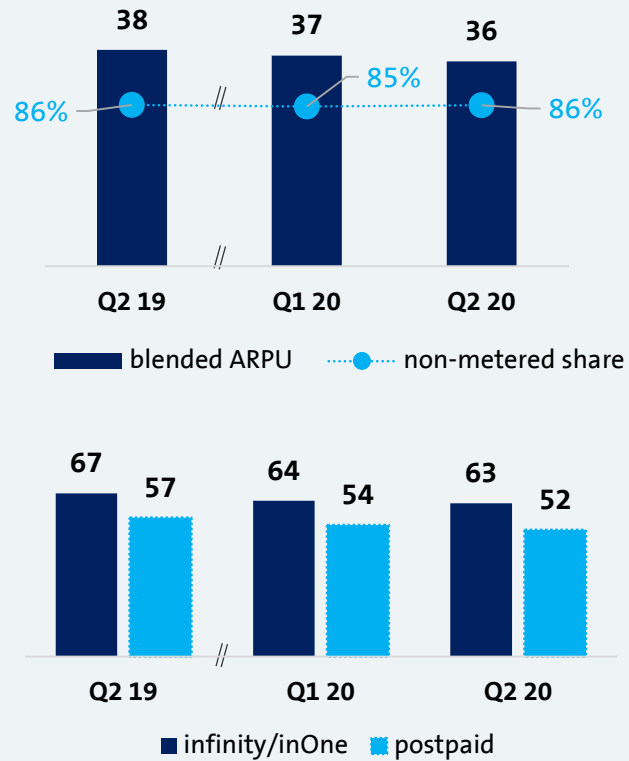
Residential Customers

Wireless performance

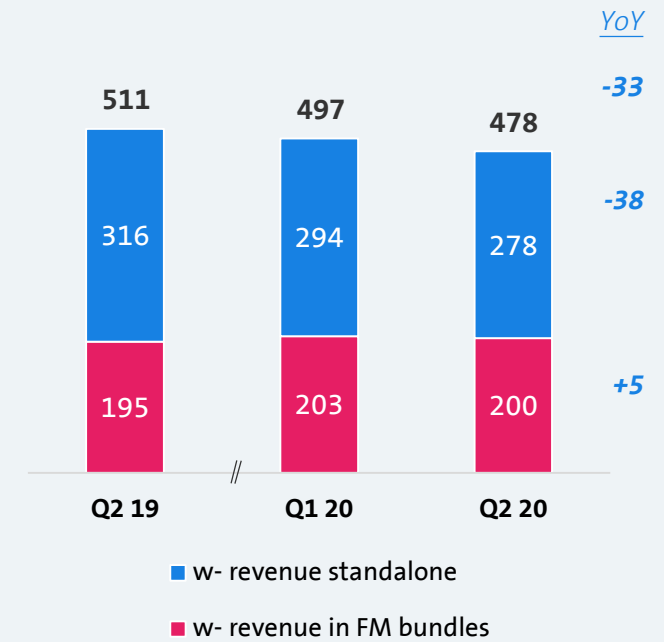
Subscriptions (in k)



ARPU (in CHF)



Service Revenue (in CHF mn)

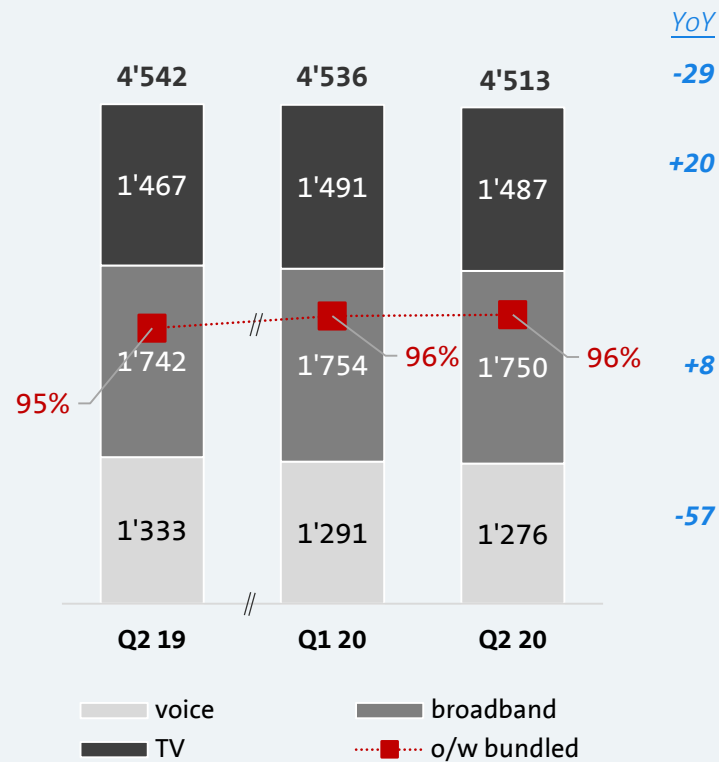




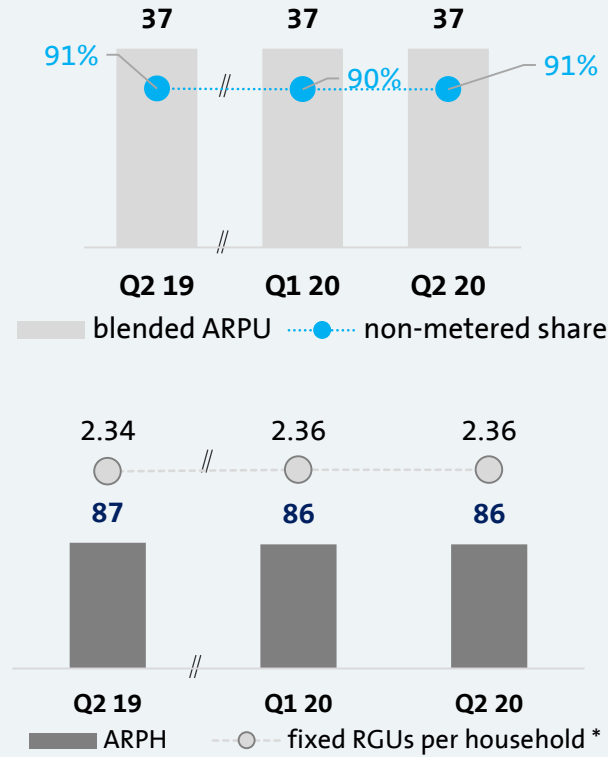
Residential Customers

Wireline performance

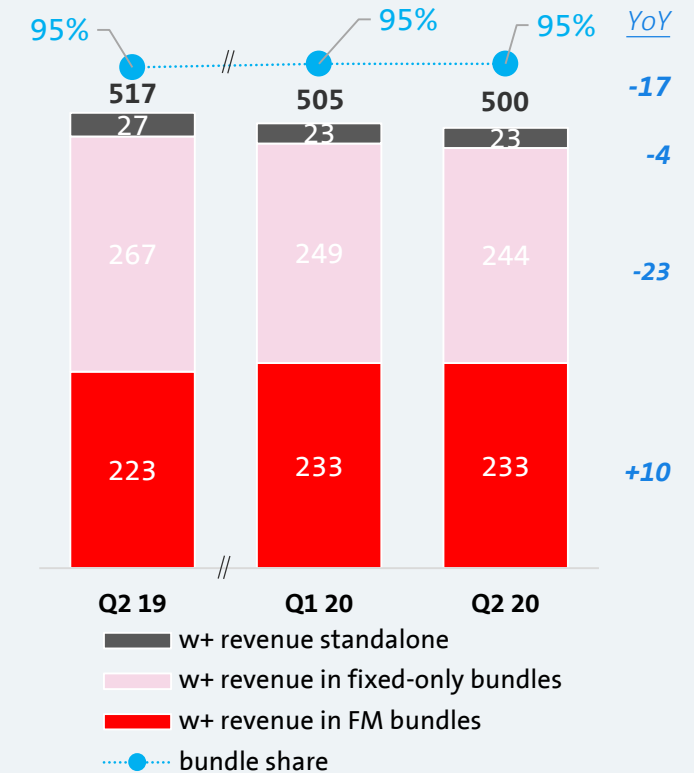
Subscriptions (in k)



ARPU and ARPH (in CHF)



Service Revenue (in CHF mn)



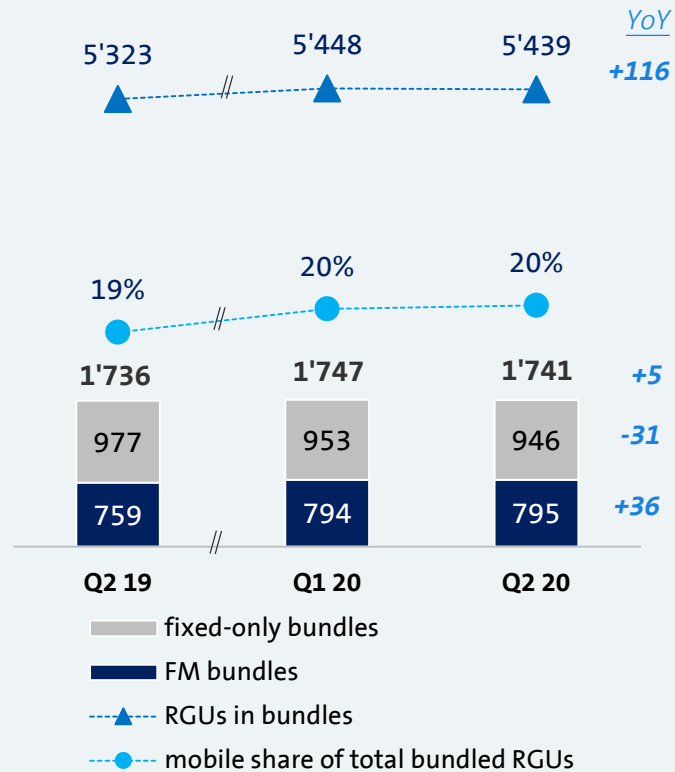
* HH = total broadband subscriptions + [total 1P voice subs – total 1P broadband subs]



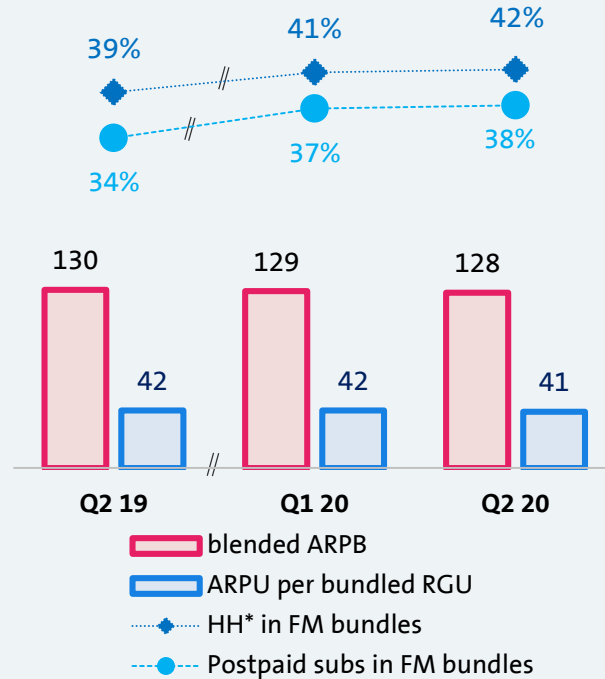
Residential Customers

Performance of fixed and FM bundles

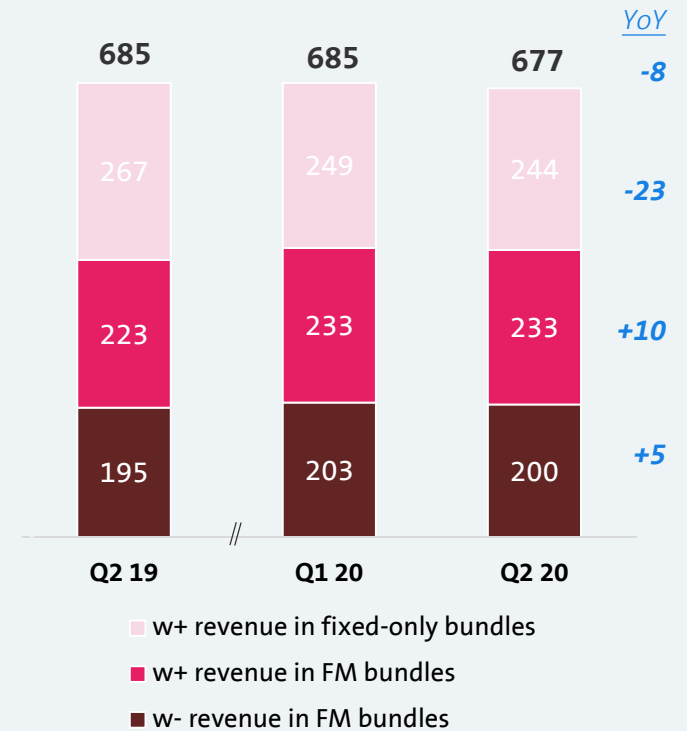
Subscriptions and Bundles (in k)



ARPB/U (in CHF) and FM penetration (in %)



Service Revenue (in CHF mn)



* HH = total broadband subscriptions + [total 1P voice subs – total 1P broadband subs]



Business Customers

Segment reporting as per 30.06.2020

Net revenue down -4.8%, decrease in service revenue (-8.0%) due to price erosion and lower roaming volume (Covid-19).

On the other hand, solutions revenue went up 2.7% (cloud services, banking).

Hardware sales instead did not reach prior year volumes.

Contribution margin 2 decreased by 4.9%, decrease in the service revenue partly compensated by the improved contribution of the solutions business.

	Q2 2020	Q2/Q2	30.06.2020	YoY
Net revenue in MCHF ¹⁾	778	-3.2%	1'557	-4.8%
Direct costs in MCHF	-204	-2.9%	-401	-9.1%
Indirect costs in MCHF ²⁾	-235	-2.1%	-481	-0.8%
Contribution margin 2 in MCHF	339	-4.2%	675	-4.9%
<i>Contribution margin 2 in %</i>	<i>43.6%</i>		<i>43.4%</i>	
Depreciation & amortisation in MCHF	-18	-10.0%	-38	-7.3%
Lease expense in MCHF	-9	12.5%	-17	13.3%
Segment result in MCHF	312	-4.3%	620	-5.2%
CAPEX in MCHF	-8	-33.3%	-17	-26.1%
FTE's	-95		4'883	-6.2%
Broadband lines in '000	-1		298	-3.2%
Voice lines in '000	-3		288	-17.7%
Wireless customers in '000	+8		1'850	0.0%
Blended wireless ARPU in CHF	33	-13.2%	34	-10.5%

1) incl. intersegment revenues

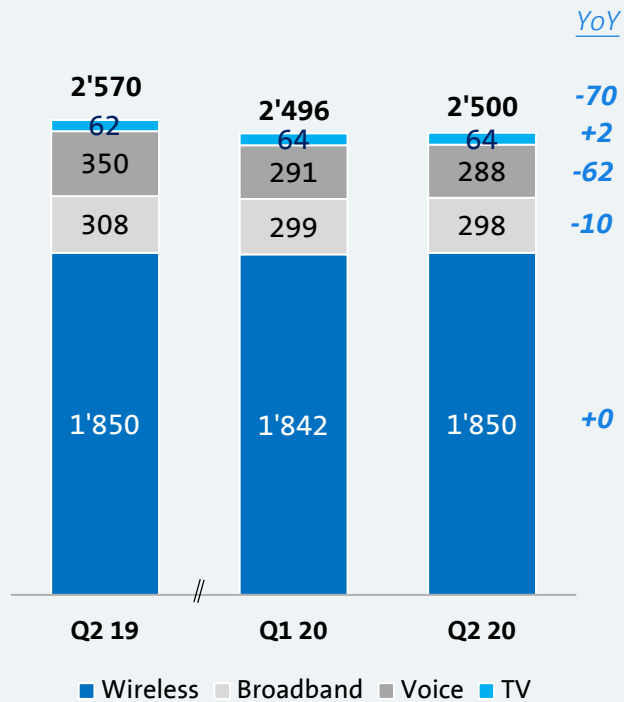
2) incl. capitalised costs and other income



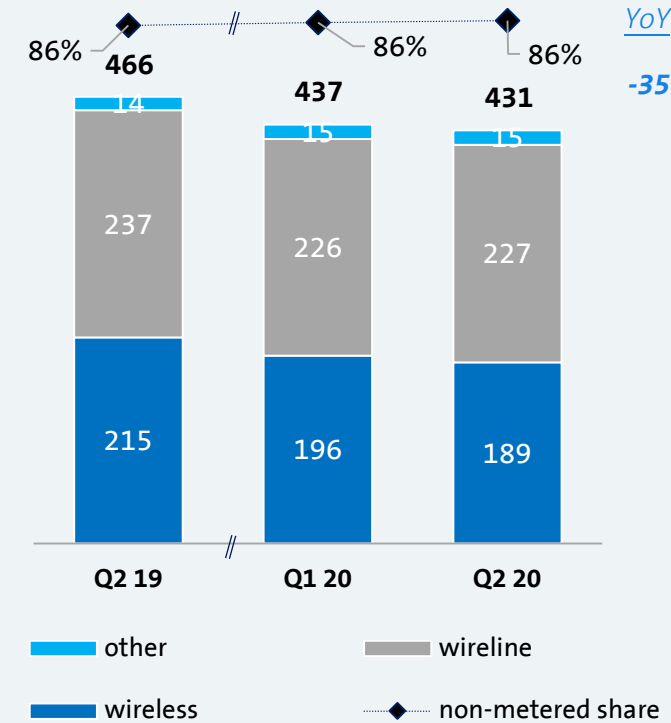
Business Customers

Subs and revenue performance

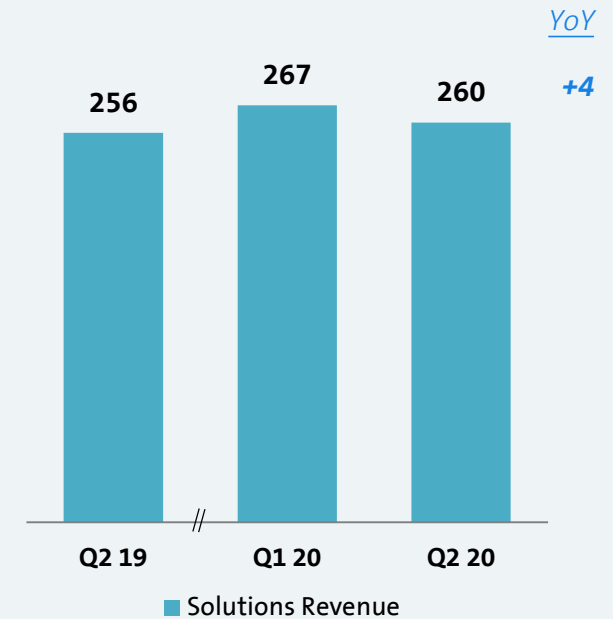
Subscriptions (in k)



Service Revenue (in CHF mn)



Solutions Revenue (in CHF mn)



* Consists of revenues from vertical businesses, digital solutions, cloud and network services and other solutions



Wholesale

Segment reporting as per 30.06.2020

Revenue from external customers up by 0.6%. Higher revenue from MVNO services as well as for connectivity services were mostly compensated by lower inbound roaming (Covid-19).

Contribution margin 2 flat YoY.

	Q2 2020	Q2/Q2	30.06.2020	YoY
External revenue in MCHF	158	-2.5%	322	0.6%
Intersegment revenue in MCHF	66	-18.5%	127	-11.8%
Net revenue in MCHF	224	-7.8%	449	-3.2%
Direct costs in MCHF	-95	-13.6%	-184	-8.5%
Indirect costs in MCHF ¹⁾	-4	0.0%	-8	0.0%
Contribution margin 2 in MCHF	125	-3.1%	257	0.8%
<i>Contribution margin 2 in %</i>	<i>55.8%</i>		<i>57.2%</i>	
Depreciation & amortisation in MCHF	-		-	
Lease expense in MCHF	-		-	
Segment result in MCHF	125	-3.1%	257	0.8%
CAPEX in MCHF	-		-	
FTE's	+1		84	1.2%
Full access lines in '000	-3		63	-20.3%
BB (wholesale) lines in '000	+8		533	6.2%

1) incl. capitalised costs and other income



IT, Network and Infrastructure

Segment reporting as per 30.06.2020

Contribution margin 2
improved by 7.5% driven by
lower IT-cost.

	Q2 2020	Q2/Q2	30.06.2020	YoY
Net revenue in MCHF	21	0.0%	43	-2.3%
Direct costs in MCHF	-3	0.0%	-6	0.0%
Workforce expenses in MCHF	-200	3.1%	-408	0.2%
Maintenance in MCHF	-50	0.0%	-96	4.3%
IT expenses in MCHF	-38	-2.6%	-71	-11.3%
Other OPEX in MCHF	-96	-13.5%	-185	-14.7%
Indirect costs in MCHF	-384	-2.5%	-760	-4.5%
Capitalised costs and other income in MCHF	107	2.9%	217	2.8%
Contribution margin 2 in MCHF	-259	-4.8%	-506	-7.5%
Depreciation & amortisation in MCHF	-347	0.9%	-688	1.3%
Lease expense in MCHF	-38	2.7%	-77	5.5%
Segment result in MCHF	-644	-1.4%	-1'271	-2.2%
CAPEX in MCHF	-394	-32.3%	-747	-18.9%
FTE's	-57		4'441	-3.2%



Consumer revenue up by 3.7% YoY driven by the increase in customer base.

Enterprise revenue up by 4.6% as revenues with the private sector and public administrations increased.

Wholesale revenue increased as well.

EBITDA up by 4.6% YoY driven by the revenue increase.

	Q2 2020	Q2/Q2	30.06.2020	YoY
Consumer revenue in MEUR	282	3.3%	562	3.7%
Enterprise revenue in MEUR	224	4.7%	435	4.6%
Wholesale revenue in MEUR ¹⁾	56	16.7%	108	18.7%
Net revenue in MEUR ¹⁾	562	5.0%	1'105	5.3%
OPEX in MEUR ²⁾	-367	5.5%	-740	5.7%
EBITDA in MEUR	195	4.3%	365	4.6%
<i>EBITDA margin in %</i>	<i>34.7%</i>		<i>33.0%</i>	
Depreciation& amortisation in MEUR	-142	5.2%	-286	4.4%
Lease expense in MEUR	-13	0.0%	-26	4.0%
Segment result in MEUR	40	2.6%	53	6.0%
CAPEX in MEUR	-138	-10.4%	-276	-7.1%
FTE's	+90		2'605	6.3%
BB customers in '000	+33		2'692	3.5%
Wireless customers in '000	+51		1'830	18.1%
In consolidated Swisscom accounts				
EBITDA in MCHF	208	-1.4%	389	-1.0%
CAPEX in MCHF	-146	-16.1%	-294	-12.2%

1) incl. revenues to Swisscom companies

2) incl. capitalised costs and other income



Other

Segment reporting as per 30.06.2020

External revenue down by 19% YoY, as Cablex and Broadcast report lower revenues. Revenue for external customers at Cablex was in prior year relatively high due to a customer project.

Furthermore, the close-down of Billag has yet an impact in Q1.

	Q2 2020	Q2/Q2	30.06.2020	YoY
External revenue in MCHF	106	-17.2%	215	-19.2%
Net revenue in MCHF ¹⁾	247	-10.2%	490	-9.3%
OPEX in MCHF ²⁾	-207	-8.8%	-408	-7.7%
EBITDA in MCHF	40	-16.7%	82	-16.3%
<i>EBITDA margin in %</i>	<i>16.2%</i>		<i>16.7%</i>	
Depreciation & amortisation in MCHF	-14	-17.6%	-29	-17.1%
Lease expense in MCHF	-3	-25.0%	-6	-14.3%
Segment result in MCHF	23	-14.8%	47	-16.1%
CAPEX in MCHF	-11	0.0%	-18	-5.3%
FTE's	-16		3'567	-1.8%

1) incl. intersegment revenues

2) incl. capitalised costs and other income



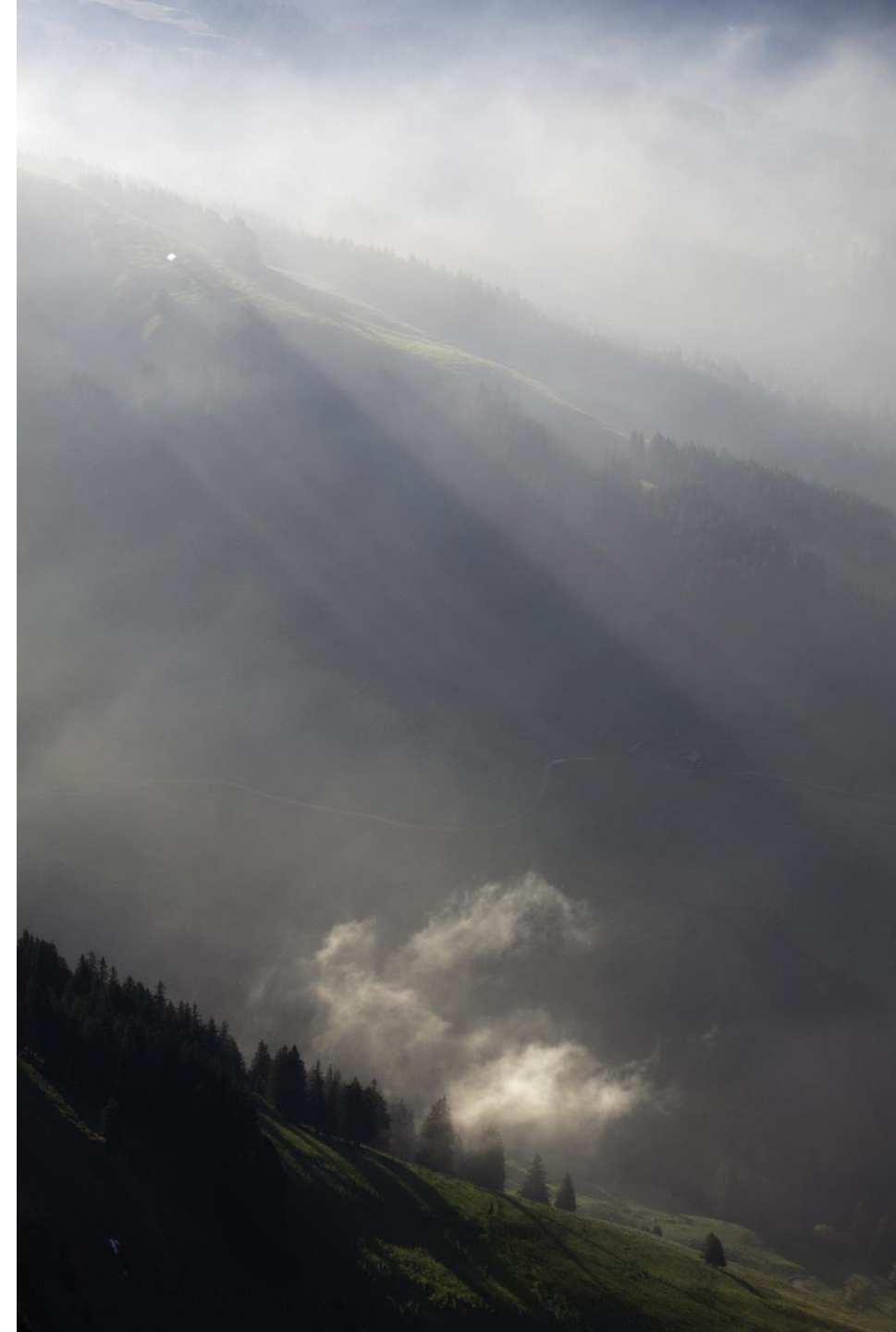
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