



2024

Interim Report
January–June

swisscom

KPIs

In CHF million, except where indicated		30.06.2024	30.06.2023	Change
Revenue and results ¹				
Revenue		5,454	5,450	0.1%
Operating income before depreciation and amortisation (EBITDA)		2,279	2,303	−1.0%
EBITDA as % of revenue	%	41.8	42.3	
EBITDA after lease expense (EBITDAaL)		2,134	2,160	−1.2%
Operating income (EBIT)		1,088	1,115	−2.4%
Net income		836	848	−1.4%
Earnings per share	CHF	16.14	16.37	−1.4%
Balance sheet and cash flows ¹				
Equity		11,579	10,927	6.0%
Equity ratio	%	39.1	43.9	
Capital expenditure		1,157	1,113	4.0%
Operating free cash flow		977	1,047	−6.7%
Free cash flow		353	462	−23.6%
Net debt		7,919	8,108	−2.3%
Operational data				
Fixed telephony access lines in Switzerland	in thousand	1,181	1,271	−7.1%
Broadband access lines retail in Switzerland	in thousand	1,982	2,012	−1.5%
TV access lines in Switzerland	in thousand	1,511	1,549	−2.5%
Mobile access lines in Switzerland	in thousand	6,270	6,259	0.2%
Access lines wholesale in Switzerland	in thousand	712	682	4.4%
Broadband access lines retail in Italy	in thousand	2,557	2,631	−2.8%
Broadband access lines wholesale in Italy	in thousand	778	532	46.2%
Mobile access lines in Italy	in thousand	3,724	3,343	11.4%
Swisscom share				
Number of issued shares	in thousand	51,802	51,802	−%
Market capitalisation		26,186	28,895	−9.4%
Closing price at end of period	CHF	505.50	557.80	−9.4%
Employees				
Full-time equivalent employees	number	19,936	19,497	2.3%
Average number of full-time equivalent employees	number	19,900	19,283	3.2%

¹ Swisscom uses various alternative performance measures. The definitions and the reconciliation to the values in accordance with IFRS are set out in the interim report on pages 26 and 27.

Financial review

Summary

Group revenue remained virtually stable year-on-year at CHF 5,454 million (+0.1%). Operating income before depreciation and amortisation (EBITDA) fell by 1.0% to CHF 2,279 million. The reported revenue and EBITDA development was influenced by the performance of the euro (EUR) as a result of the substantial share attributable to the Italian subsidiary Fastweb. The EUR average exchange rate fell by 2.9% in the first half of 2024 compared to the same period of the previous year. This resulted in negative exchange differences on Group revenue of CHF 38 million and on EBITDA of CHF 12 million. Based on a constant EUR exchange rate, revenue in the first half of 2024 rose by 0.8% or CHF 42 million. Swisscom Switzerland's revenue fell by 1.4%. Fastweb achieved an increase in revenue of 7.1% (in EUR).

EBITDA development was influenced not only by currency effects, but also by non-recurring items related to litigation in the amount of CHF 24 million (CHF –3 million in the previous year). On the other hand, non-recurring costs of CHF 13 million, which had an impact on EBITDA, were incurred in connection with preparations for the takeover of Vodafone Italia. Without these non-recurring items and with a constant EUR exchange rate, this resulted in a drop in EBITDA of CHF 26 million (–1.1%). CHF 43 million (–2.3%) of this drop is attributable to Swisscom Switzerland. Fastweb, on the other hand, reported an increase of CHF 6 million (+1.5%). Consolidated net income fell slightly by 1.4% year-on-year to total CHF 836 million. The lower operating income was offset by lower tax expense.

The Group's capital expenditure rose by 4.0% in a year-on-year comparison to CHF 1,157 million. Capital expenditure in the Swiss core business rose by 5.4%, and by 3.4% at Fastweb (in EUR). Operating free cash flow fell by CHF 70 million or 6.7% year-on-year to CHF 977 million due to lower EBITDA and increased capital expenditure. Free cash flow declined by CHF 109 million year-on-year to CHF 353 million, due to the drop in operating free cash flow and the deterioration in net working capital. Net debt decreased by 2.3% to CHF 7,919 million year-on-year. The number of Swisscom employees increased by 2.3% to 19,936 FTEs. In Switzerland, headcount increased by 0.7% to 16,044 FTEs as a result of company acquisitions.

The financial outlook for the 2024 financial year remains unchanged. Swisscom expects revenue of around CHF 11.0 billion, EBITDA of CHF 4.5–4.6 billion and capital expenditure of around CHF 2.3 billion. Subject to achieving its targets, Swisscom plans to propose payment of an unchanged attractive dividend of CHF 22 per share for the 2024 financial year at the 2025 Annual General Meeting.

Segment results

In CHF million	2 nd quarter 2024	2 nd quarter 2023	Change	1 st half-year 2024	1 st half-year 2023	Change
Revenue¹						
Residential Customers	1,079	1,099	–1.8%	2,157	2,236	–3.5%
Business Customers	785	760	3.3%	1,558	1,528	2.0%
Wholesale	126	135	–6.7%	262	269	–2.6%
Infrastructure & Support Functions	19	19	–%	38	38	–%
Intersegment elimination	(14)	(14)	–%	(27)	(27)	–%
Swisscom Switzerland	1,995	1,999	–0.2%	3,988	4,044	–1.4%
Fastweb	663	617	7.5%	1,286	1,236	4.0%
Other Operating Segments	285	255	11.8%	537	495	8.5%
Intersegment elimination	(192)	(168)	14.3%	(357)	(325)	9.8%
Total revenue	2,751	2,703	1.8%	5,454	5,450	0.1%
Operating income before depreciation and amortisation (EBITDA)¹						
Residential Customers	744	748	–0.5%	1,492	1,502	–0.7%
Business Customers	320	330	–3.0%	645	672	–4.0%
Wholesale	65	86	–24.4%	158	166	–4.8%
Infrastructure & Support Functions	(256)	(248)	3.2%	(477)	(480)	–0.6%
Intersegment elimination	1	(1)	–%	–	–	–%
Swisscom Switzerland	874	915	–4.5%	1,818	1,860	–2.3%
Fastweb	218	206	5.8%	400	393	1.8%
Other Operating Segments	38	19	100.0%	71	51	39.2%
Reconciliation pension cost ²	5	10	–%	9	19	–%
Intersegment elimination	(11)	(11)	–%	(19)	(20)	–5.0%
Total EBITDA	1,124	1,139	–1.3%	2,279	2,303	–1.0%

1 As of 1 January 2024 Swisscom has made adjustments to the financial management. The previous year's figures have been adjusted accordingly. For further information, see note 2 to the interim financial statements.

2 Operating income of segments includes ordinary employer contributions as pension fund expense. The difference to the pension cost according to IAS 19 is recognised as a reconciliation item.

Swisscom's reporting focuses on the operating divisions Swisscom Switzerland and Fastweb. The other business divisions are grouped together under Other Operating Segments. Swisscom Switzerland comprises the customer segments Residential Customers, Business Customers and Wholesale, along with the Infrastructure & Support Functions business division. Fastweb is a telecommunications provider for residential and business customers in Italy. Other Operating Segments primarily comprises Swisscom Directories Ltd (localsearch), Swisscom Broadcast Ltd (radio transmitters) and cablex Ltd (network construction and maintenance).

The Infrastructure & Support Functions business division does not charge any network costs or management fees to other segments for its services. The remaining services between the segments are charged at market prices. Network costs in Switzerland are budgeted, monitored and controlled by the Infrastructure & Support Functions segment, which is managed as a cost centre. For this reason, no revenue is credited to the Infrastructure & Support Functions segment within the segment reporting, with the exception of the rental and administration of buildings and vehicles. The results of the Residential Customers, Business Customers and Wholesale segments thus correspond to a contribution margin before network costs.

Swisscom Switzerland

In CHF million, except where indicated	2 nd quarter 2024	2 nd quarter 2023	Change	1 st half-year 2024	1 st half-year 2023	Change
Revenue and operating income before depreciation and amortisation (EBITDA)						
Telecom services	1,324	1,348	-1.8%	2,648	2,702	-2.0%
IT services	304	284	7.0%	601	567	6.0%
Merchandise	195	175	11.4%	382	392	-2.6%
Wholesale	123	132	-6.8%	257	263	-2.3%
Revenue other	35	45	-22.2%	70	90	-22.2%
External revenue	1,981	1,984	-0.2%	3,958	4,014	-1.4%
Intersegment revenue	14	15	-6.7%	30	30	-%
Revenue	1,995	1,999	-0.2%	3,988	4,044	-1.4%
Direct costs	(402)	(392)	2.6%	(782)	(815)	-4.0%
Indirect costs	(719)	(692)	3.9%	(1,388)	(1,369)	1.4%
Operating expense	(1,121)	(1,084)	3.4%	(2,170)	(2,184)	-0.6%
EBITDA	874	915	-4.5%	1,818	1,860	-2.3%
Margin as % of revenue	43.8	45.8		45.6	46.0	
Operating free cash flow						
EBITDA	874	915	-4.5%	1,818	1,860	-2.3%
Lease expense	(57)	(55)	3.6%	(115)	(111)	3.6%
EBITDA after lease expense (EBITDAal)	817	860	-5.0%	1,703	1,749	-2.6%
Capital expenditure	(420)	(427)	-1.6%	(865)	(821)	5.4%
Operating free cash flow	397	433	-8.3%	838	928	-9.7%
Operational data in thousand and headcount						
Fixed telephony access lines				1,181	1,271	-7.1%
Broadband access lines retail				1,982	2,012	-1.5%
TV access lines				1,511	1,549	-2.5%
Mobile access lines				6,270	6,259	0.2%
Access lines wholesale				712	682	4.4%
Full-time equivalent employees				13,361	13,061	2.3%

Swisscom Switzerland's revenue decreased by 1.4% or CHF 56 million to CHF 3,988 million. Revenue from telecoms services decreased by 2.0% or CHF 54 million to CHF 2,648 million. Of this decline, CHF 31 million (-1.6%) was attributable to the Residential Customers segment and CHF 23 million (-3.0%) to the Business Customers segment. Revenue from merchandise dipped by CHF 10 million or 2.6% to CHF 382 million. Of this decline, CHF 29 million (-12.4%) was attributable to the Residential Customers segment due to the lower number of smartphones sold. The Business Customers segment reported an increase of CHF 19 million (+11.9%) due to customer projects. Revenue from IT services rose by 6.0% to CHF 601 million. In an intense market environment, there was a reduction in the number of connections for broadband (-1.5%) and TV (-2.5%), while the number of connections for mobile telephony increased slightly (+0.2%). In mobile communications, the customer structure changed due to an increase in postpaid lines (+102,000) and a similarly pronounced decrease in prepaid lines (-91,000). The share of secondary and third-party brands in the Residential Customers segment rose from 30% to 32%. The number of connections for fixed network telephony dropped (-7.1%) as a result of its substitution with mobile telephony.

The operating expense decreased by 0.6% or CHF 14 million. Direct costs fell by CHF 33 million or 4.0%. There was a drop in both the cost of purchasing merchandise, and subscriber acquisition and customer loyalty costs. Indirect costs rose by CHF 19 million (+1.4%), or by CHF 20 million if non-recurring items are left out of the equation. In telecommunications, cost savings of CHF 9 million were realised through efficiency improvement measures. By contrast, indirect costs in the area of IT services fell by CHF 29 million. Headcount increased by 2.3% year-on-year to 13,361 FTEs as a result of company acquisitions. Operating income before depreciation and amortisation (EBITDA) decreased by 2.3% or CHF 42 million to CHF 1,818 million. The cost-cutting measures partly compensated for the decline in revenue from telecoms services. A non-recurring item in the previous year also contributed to the drop in EBITDA. In the first half of 2023, provisions for legal proceedings in the amount of CHF 10 million (net) were reversed with an effect on EBITDA in the Wholesale segment. Capital expenditure increased by 5.4% or CHF 44 million to CHF 865 million mainly due to measures to step up the expansion of the access network with optical fibre and greater investment in the mobile network. Swisscom plans to increase fibre-optic coverage (FTTH) to around 57% by the end of 2025, and to 75-80% by the end of 2030.

Fastweb

In EUR million, except where indicated	2 nd quarter 2024	2 nd quarter 2023	Change	1 st half-year 2024	1 st half-year 2023	Change
Revenue and operating income before depreciation and amortisation (EBITDA)						
Residential customers	290	291	−0.3%	578	580	−0.3%
Corporate customers	295	266	10.9%	579	527	9.9%
Wholesale	97	70	38.6%	181	141	28.4%
External revenue	682	627	8.8%	1,338	1,248	7.2%
Intersegment revenue	—	1	−100.0%	2	3	−33.3%
Revenue	682	628	8.6%	1,340	1,251	7.1%
Direct costs	(328)	(282)	16.3%	(648)	(572)	13.3%
Indirect costs	(129)	(136)	−5.1%	(275)	(281)	−2.1%
Operating expense	(457)	(418)	9.3%	(923)	(853)	8.2%
EBITDA	225	210	7.1%	417	398	4.8%
Margin as % of revenue	33.0	33.4		31.1	31.8	
Operating free cash flow						
EBITDA	225	210	7.1%	417	398	4.8%
Lease expense	(12)	(14)	−14.3%	(25)	(27)	−7.4%
EBITDA after lease expense (EBITDAaL)	213	196	8.7%	392	371	5.7%
Capital expenditure	(150)	(144)	4.2%	(307)	(297)	3.4%
Operating free cash flow	63	52	21.2%	85	74	14.9%
Operational data in thousand and headcount						
Broadband access lines retail				2,557	2,631	−2.8%
Broadband access lines wholesale				778	532	46.2%
Mobile access lines				3,724	3,343	11.4%
Full-time equivalent employees				3,251	3,117	4.3%

Fastweb's revenue rose year-on-year by 7.1% or EUR 89 million to EUR 1,340 million. Competition remained fierce. The customer base in the fixed-network business (retail and wholesale) grew by 5.4% overall to 3.34 million. While the customer base in the retail segment fell by 2.8% to 2.56 million due to the challenging market environment, the number of ultra-fast broadband connections provided by Fastweb to other operators (wholesale business) rose to 778,000 (+46.2%). Among retail customers, the share of ultra-fast broadband connections increased by 2 percentage points to 90%. The number of mobile access lines increased by 381,000 (+11.4%) to 3.72 million, with bundled offerings continuing to play an important role here. 43% of broadband customers used a bundled offering combining fixed network and mobile. Revenue from residential customers was almost unchanged year-on-year at EUR 578 million (−0.3%). The lower revenue in the fixed-network business was offset by an increase in the mobile communications segment due, with its larger customer base. Revenue from business customers increased by 9.9% or EUR 52 million to EUR 579 million, driven by the higher revenue from IT services. Revenue from wholesale business increased by 28.4% or EUR 40 million to EUR 181 million due to growth in broadband connections.

Operating expenses increased by EUR 70 million (+8.2%). Operating expenses in the previous year had been influenced by the recognition of provisions for legal proceedings in the first half of 2023 in the amount of EUR 13 million. Excluding this effect, operating expenses rose by EUR 83 million (+9.9%) and operating income before depreciation and amortisation (EBITDA) by EUR 6 million (+1.5%) due to revenue growth. Capital expenditure increased by 3.4% to EUR 307 million due to an increase in customer-driven investment. Headcount increased by 4.3% or 134 FTEs to 3,251 FTEs as the company took on external staff and the growth created a need for more personnel.

Other Operating Segments

In CHF million, except where indicated	2 nd quarter 2024	2 nd quarter 2023	Change	1 st half-year 2024	1 st half-year 2023	Change
Revenue and operating income before depreciation and amortisation (EBITDA)						
External revenue	109	104	4.8%	213	203	4.9%
Intersegment revenue	176	151	16.6%	324	292	11.0%
Revenue	285	255	11.8%	537	495	8.5%
Operating expense	(247)	(236)	4.7%	(466)	(444)	5.0%
EBITDA	38	19	100.0%	71	51	39.2%
Margin as % of revenue	13.3	7.5		13.2	10.3	
Operating free cash flow						
EBITDA	38	19	100.0%	71	51	39.2%
Lease expense	(2)	(3)	−33.3%	(5)	(5)	−%
EBITDA after lease expense (EBITDAaL)	36	16	125.0%	66	46	43.5%
Capital expenditure	(9)	(10)	−10.0%	(17)	(18)	−5.6%
Operating free cash flow	27	6	350.0%	49	28	75.0%
Headcount						
Full-time equivalent employees				3,324	3,319	0.2%

Revenue in Other Operating Segments was up by 8.5% or CHF 42 million year-on-year to CHF 537 million, due primarily to higher revenue for cablex construction services. Operating income before depreciation and amortisation (EBITDA) was up by 39.2% or CHF 20 million to CHF 71 million due to one-off charges in connection with customer projects in the prior-year period. The profit margin rose to 13.2% (previous year: 10.3%). Headcount was at 3,324 full-time equivalents, almost on a par with the previous year (+0.2%).

Depreciation and amortisation, non-operating results

In CHF million, except where indicated	2 nd quarter 2024	2 nd quarter 2023	Change	1 st half-year 2024	1 st half-year 2023	Change
Operating income before depreciation and amortisation (EBITDA)	1,124	1,139	–1.3%	2,279	2,303	–1.0%
Depreciation and amortisation of property, plant and equipment and intangible assets	(539)	(531)	1.5%	(1,061)	(1,056)	0.5%
Depreciation of right-of-use assets	(65)	(66)	–1.5%	(130)	(132)	–1.5%
Operating income (EBIT)	520	542	–4.1%	1,088	1,115	–2.4%
Net interest expense on financial assets and liabilities	(21)	(19)	10.5%	(36)	(33)	9.1%
Interest expense on lease liabilities	(12)	(9)	33.3%	(24)	(21)	14.3%
Other financial result	(16)	(6)	–%	(3)	(10)	–%
Result of equity-accounted investees	(1)	–	–%	(1)	–	
Income before income taxes	470	508	–7.5%	1,024	1,051	–2.6%
Income tax expense	(89)	(102)	–12.7%	(188)	(203)	–7.4%
Net income	381	406	–6.2%	836	848	–1.4%
Attributable to equity holders of Swisscom Ltd	381	406	–6.2%	836	848	–1.4%
Attributable to non-controlling interests	–	–		–	–	
Earnings per share (in CHF)	7.35	7.84	–6.3%	16.14	16.37	–1.4%

Net income fell slightly by CHF –12 million (–1.4%) to CHF 836 million. The lower operating income (CHF –27 million) was offset by an improvement in the financial result (CHF +1 million) and lower tax expense (CHF +15 million). The income tax expense was CHF 188 million (prior year: CHF 203 million), corresponding to an effective income tax rate of 18.4% (prior year: 19.3%).

Cash flows

In CHF million	1 st half-year 2024	1 st half-year 2023	Change
Operating income before depreciation and amortisation (EBITDA)	2,279	2,303	(24)
Lease expense	(145)	(143)	(2)
EBITDA after lease expense (EBITDAaL)	2,134	2,160	(26)
Capital expenditure	(1,157)	(1,113)	(44)
Operating free cash flow	977	1,047	(70)
Change in net working capital	(386)	(346)	(40)
Change in net defined benefit liabilities	(6)	(17)	11
Net interest payments on financial assets and liabilities	(9)	(23)	14
Income taxes paid	(189)	(201)	12
Other operating cash flows	(34)	2	(36)
Free cash flow	353	462	(109)
Net expenditures for company acquisitions and disposals	(10)	(56)	46
Dividends paid to equity holders of Swisscom Ltd	(1,140)	(1,140)	–
Other changes ¹	(51)	–	(51)
Increase in net debt	(848)	(734)	(114)

1 Includes foreign currency effects, fair value adjustments and non-cash changes in net debt positions.

Operating free cash flow fell by CHF 70 million to CHF 977 million due to higher capital expenditure and lower EBITDA. Net working capital grew by CHF 386 million compared with the end of 2023 (prior year: increase of CHF 346 million). As a result, free cash flow fell by CHF 109 million to CHF 353 million. An unchanged dividend per share of CHF 22 was paid in the second quarter of 2024, representing a total dividend payment of CHF 1,140 million.

Net asset position

In CHF million, except where indicated	30.06.2024	31.12.2023	Change
Property, plant and equipment	11,275	11,059	216
Intangible assets	1,742	1,737	5
Goodwill	5,195	5,172	23
Right-of-use assets	1,982	1,972	10
Trade receivables	2,131	2,143	(12)
Receivables from finance leases	136	130	6
Trade payables	(1,509)	(1,611)	102
Provisions	(1,245)	(1,263)	18
Deferred gain on sale and leaseback of real estate	(79)	(81)	2
Other operating assets and liabilities, net	116	(141)	257
Net operating assets	19,744	19,117	627
Net debt	(7,919)	(7,071)	(848)
Defined benefit assets and liabilities, net	(9)	(10)	1
Income tax assets and liabilities, net	(883)	(875)	(8)
Equity-accounted investees and other financial assets	646	461	185
Equity	11,579	11,622	(43)
Equity ratio in %	39.1	47.0	

Net operating assets were higher at CHF 19.7 billion (+3.3%) compared with year-end 2023. Equity decreased by 0.4% to CHF 11.6 billion. Net income of CHF 836 million was offset by the dividend payment of CHF 1,140 million. On 27 March 2024, the Annual General Meeting of Swisscom Ltd approved the payment of an unchanged dividend of CHF 22 gross per share. A total dividend amount of CHF 1,140 million was paid out on 2 April 2024. The equity ratio fell from 47.0% to 39.1% versus the end of 2023.

Net debt

Net debt consists of financial liabilities and lease liabilities less cash and cash equivalents, listed debt instruments and derivative financial instruments.

In CHF million	30.06.2024	31.12.2023	Change
Debenture bonds	9,844	4,789	5,055
Bank loans	266	267	(1)
Private placements	323	322	1
Other financial liabilities	282	287	(5)
Lease liabilities	1,900	1,915	(15)
Total financial liabilities and lease liabilities	12,615	7,580	5,035
Cash and cash equivalents	(4,312)	(148)	(4,164)
Other financial assets	(384)	(361)	(23)
Net debt	7,919	7,071	848

As at 30 June 2024, the average interest expense on financial liabilities was 2.13%, the average residual term to maturity was 6.4 years, and the share of fixed-interest-bearing financial liabilities was 92%. Swisscom also has two lines of credit totalling CHF 2.2 billion, which have not been used.

In March 2024, Swisscom signed a contract to acquire Vodafone Italia for EUR 8.0 billion. The transaction is scheduled to complete in the first quarter of 2025. Swisscom finalised its transaction financing in the second quarter of 2024. This comprises the issue of domestic Swiss bonds totalling CHF 1.1 billion, eurobonds of EUR 4.0 billion and a syndicated bank loan in the amount of EUR 3.0 billion. The bonds were issued in May 2024. The funds raised from the bond issues were either used to repay existing debt or were invested in current financial assets with a term of up to three months. Current financial assets are recognised as cash and cash equivalents in Swisscom's consolidated financial statements. For further information, see note 5 to the interim financial statements.

Outlook

Key figures or as noted	2023 reported	2024 outlook ⁴
Revenue		
Swisscom Group	CHF 11,072 million ¹	~ CHF 11.0 billion
Switzerland ³	CHF 8,511 million	~ CHF 8.5 billion
Fastweb	EUR 2,633 million	EUR 2.6–2.7 billion
Operating income before depreciation and amortisation (EBITDA)		
Swisscom Group	CHF 4,622 million	CHF 4.5–4.6 billion ²
Switzerland ³	CHF 3,846 million	~ CHF 3.7 billion
Fastweb	EUR 798 million	~ EUR 0.9 billion
Capital expenditure		
Swisscom Group	CHF 2,292 million	~ CHF 2.3 billion
Switzerland ³	CHF 1,686 million	~ CHF 1.7 billion
Fastweb	EUR 623 million	~ EUR 0.6 billion

1 Restated. For further information, see note 1 to the interim financial statements.

2 EBITDA after lease expense (EBITDAaL) 2023: CHF 4,334 million; EBITDaL guidance 2024: CHF 4.2–4.3 billion

3 Swisscom w/o Fastweb.

4 Exchange rate CHF/EUR 0.93 (2023: CHF/EUR 0.973).

The financial outlook for the 2024 financial year remains unchanged. Swisscom expects revenue of around CHF 11.0 billion, EBITDA of around CHF 4.5 to 4.6 billion and capital expenditure of around CHF 2.3 billion. Subject to achievement of its targets, Swisscom plans to propose payment of an unchanged dividend of CHF 22 per share for the 2024 financial year at the 2025 Annual General Meeting.

Consolidated interim financial statements

Consolidated statement of comprehensive income (unaudited)

In CHF million, except for per share amounts	Note	2 nd quarter 2024	2 nd quarter 2023	1 st half-year 2024	1 st half-year 2023
Income statement					
Revenue	2	2,751	2,703	5,454	5,450
Direct costs	3	(727)	(674)	(1,412)	(1,384)
Personnel expense	3	(701)	(670)	(1,404)	(1,350)
Other operating expense	3	(379)	(414)	(741)	(771)
Capitalised self-constructed assets and other income	3	180	194	382	358
Operating income before depreciation and amortisation		1,124	1,139	2,279	2,303
Depreciation and amortisation of property, plant and equipment and intangible assets		(539)	(531)	(1,061)	(1,056)
Depreciation of right-of-use assets		(65)	(66)	(130)	(132)
Operating income		520	542	1,088	1,115
Financial income	6	12	3	35	11
Financial expense	6	(61)	(37)	(98)	(75)
Result of equity-accounted investees		(1)	–	(1)	–
Income before income taxes		470	508	1,024	1,051
Income tax expense		(89)	(102)	(188)	(203)
Net income		381	406	836	848
Other comprehensive income					
Actuarial gains and losses from defined benefit pension plans		(5)	(8)	(7)	(15)
Change in fair value of equity instruments		183	13	172	75
Items that will not be reclassified to income statement		178	5	165	60
Foreign currency translation adjustments of foreign subsidiaries		(29)	(37)	78	(13)
Change in cash flow hedges		7	(2)	19	1
Items that are or may be reclassified subsequently to income statement		(22)	(39)	97	(12)
Other comprehensive income		156	(34)	262	48
Comprehensive income					
Net income		381	406	836	848
Other comprehensive income		156	(34)	262	48
Comprehensive income		537	372	1,098	896
Share of net income and comprehensive income					
Equity holders of Swisscom Ltd		381	406	836	848
Non-controlling interests		–	–	–	–
Net income		381	406	836	848
Equity holders of Swisscom Ltd		537	372	1,098	896
Non-controlling interests		–	–	–	–
Comprehensive income		537	372	1,098	896
Earnings per share					
Basic and diluted earnings per share (in CHF)		7.35	7.84	16.14	16.37

Consolidated balance sheet (unaudited)

In CHF million	Note	30.06.2024	31.12.2023
Assets			
Cash and cash equivalents		4,312	148
Trade receivables	7	2,131	2,143
Receivables from finance leases		50	46
Other operating assets	7	1,558	1,323
Other financial assets		477	50
Current income tax assets		4	1
Non-current assets held for sale		7	7
Total current assets		8,539	3,718
Property, plant and equipment		11,275	11,059
Intangible assets		1,742	1,737
Goodwill		5,195	5,172
Right-of-use assets		1,982	1,972
Equity-accounted investees		25	27
Receivables from finance leases		86	84
Other financial assets		528	745
Net defined benefit assets		11	11
Deferred tax assets		208	225
Total non-current assets		21,052	21,032
Total assets		29,591	24,750
Liabilities and equity			
Financial liabilities	5	711	718
Lease liabilities		226	227
Trade payables	7	1,509	1,611
Other operating liabilities	7	1,449	1,471
Provisions	8	107	115
Current income tax liabilities		185	203
Total current liabilities		4,187	4,345
Financial liabilities	5	10,004	4,947
Lease liabilities		1,674	1,688
Net defined benefit liabilities		20	21
Provisions	8	1,138	1,148
Deferred gain on sale and leaseback of real estate		79	81
Deferred tax liabilities		910	898
Total non-current liabilities		13,825	8,783
Total liabilities		18,012	13,128
Share capital		52	52
Capital reserves		136	136
Retained earnings		13,389	13,529
Foreign currency translation adjustments		(2,008)	(2,086)
Hedge reserves		7	(12)
Equity attributable to equity-holders of Swisscom Ltd		11,576	11,619
Non-controlling interests		3	3
Total equity		11,579	11,622
Total liabilities and equity		29,591	24,750

Consolidated statement of cash flows (unaudited)

In CHF million	Note	1.01.–30.06.2024	1.01.–30.06.2023
Net income		836	848
Income tax expense		188	203
Result of equity-accounted investees		1	–
Financial income	6	(35)	(11)
Financial expense	6	98	75
Depreciation and amortisation of property, plant and equipment and intangible assets		1,061	1,056
Depreciation of right-of-use assets		130	132
Gain on sale of property, plant and equipment		(4)	(4)
Loss on sale of property, plant and equipment		–	1
Expense for share-based payments		1	1
Revenue from finance leases		(42)	(37)
Proceeds from finance lease receivables		38	74
Change in deferred gain from the sale and leaseback of real estate		(2)	(2)
Change in operating assets and liabilities	7	(348)	(332)
Change in provisions		(36)	(12)
Change in net defined benefit liabilities		(6)	(17)
Interest received		13	2
Interest payments on financial liabilities		(22)	(25)
Interest payments on lease liabilities		(24)	(21)
Dividends received		1	1
Income taxes paid		(189)	(201)
Cash flow from operating activities		1,659	1,731
Purchase of property, plant and equipment and intangible assets		(1,150)	(1,104)
Sale of property, plant and equipment and intangible assets		6	6
Acquisition of subsidiaries, net of cash and cash equivalents acquired		(10)	(58)
Proceeds from sale of subsidiaries, net of cash and cash equivalents acquired		–	3
Expenditure for equity-accounted investees		–	(1)
Purchase of other financial assets		(4)	(13)
Proceeds from other financial assets		12	16
Other cash flows from investing activities		(9)	(6)
Cash flow used in investing activities		(1,155)	(1,157)
Issuance of financial liabilities	5	5,075	988
Repayment of financial liabilities	5	(23)	(250)
Repayment of lease liabilities		(153)	(163)
Dividends paid to equity holders of Swisscom Ltd		(1,140)	(1,140)
Dividends paid to non-controlling interests		–	(1)
Other cash flows from financing activities		1	(2)
Cash inflow (outflow) from financing activities		3,760	(568)
Net increase in cash and cash equivalents		4,264	6
Cash and cash equivalents at 1 January		148	121
Foreign currency translation adjustments in respect of cash and cash equivalents		(100)	(1)
Cash and cash equivalents at the end of financial period		4,312	126

Consolidated statement of changes in equity (unaudited)

In CHF million	Share capital	Capital reserves	Retained earnings	Foreign currency translation adjustments	Hedge reserves	Equity attributable to equity holders of Swisscom	Non-controlling interests	Total equity
Balance at 1 January 2023	52	136	12,942	(1,960)	(2)	11,168	3	11,171
Net income	–	–	848	–	–	848	–	848
Other comprehensive income	–	–	60	(13)	1	48	–	48
Comprehensive income	–	–	908	(13)	1	896	–	896
Dividends paid	–	–	(1,140)	–	–	(1,140)	–	(1,140)
Other changes	–	–	–	–	–	–	–	–
Balance at 30 June 2023	52	136	12,710	(1,973)	(1)	10,924	3	10,927
Balance at 1 January 2024	52	136	13,529	(2,086)	(12)	11,619	3	11,622
Net income	–	–	836	–	–	836	–	836
Other comprehensive income	–	–	165	78	19	262	–	262
Comprehensive income	–	–	1,001	78	19	1,098	–	1,098
Dividends paid	–	–	(1,140)	–	–	(1,140)	–	(1,140)
Other changes	–	–	(1)	–	–	(1)	–	(1)
Balance at 30 June 2024	52	136	13,389	(2,008)	7	11,576	3	11,579

Notes to the interim financial statements

About this report

General disclosures

The Swisscom Group (hereinafter referred to as 'Swisscom') provides telecommunications services, and is active primarily in Switzerland and Italy. The unaudited consolidated financial statements as at 30 June 2024 cover Swisscom Ltd, as parent company, and its subsidiaries. Swisscom Ltd is a public limited company with special status under Swiss law and has its registered office in Ittigen (Bern). The address is: Swisscom Ltd, Alte Tiefenastrasse 6, 3048 Worblaufen. Swisscom is listed on the SIX Swiss Exchange. The number of issued shares is unchanged from the prior year and totals 51,801,943. The shares have a nominal value of CHF 1 and are fully paid-up. Each share entitles the holder to one vote. The majority shareholder of Swisscom Ltd is the Swiss Confederation ('Confederation'). The Confederation is obligated by current law to hold the majority of the capital and voting rights. The Board of Directors of Swisscom approved the issuance of these consolidated interim financial statements on 30 July 2024. To date, no material events after the reporting date have occurred.

Basis of preparation

The consolidated interim financial statements for the six months to 30 June 2024 have been prepared in accordance with International Accounting Standard 'IAS 34 Interim Financial Reporting' and should be read in conjunction with the consolidated financial statements for the financial year ending 31 December 2023.

In preparing the consolidated interim financial statements, management is required to make accounting estimates and assumptions. Adjustments are made for changes in estimates and assumptions during the reporting period in which the original estimates and assumptions changed.

Swisscom operates in business areas where the provision of services is not subject to any major seasonal or cyclical fluctuations during the financial year. Income taxes are calculated on the basis of an estimate of the expected income tax rate for the full year. For the consolidated interim financial statements, a CHF/EUR exchange rate of 0.963 was used as the closing rate (31 December 2023: CHF/EUR 0.926) and 0.959 as the average rate for the period (prior year: CHF/EUR 0.988).

1 Accounting policies

As of 1 January 2024, Swisscom adopted various amendments to the existing International Financial Reporting Standards (IFRS) and interpretations, none of which have a material impact on the results or the financial position of the Group.

Swisscom reviewed the classification and presentation of direct and indirect costs. The review resulted in the introduction of changes, primarily to the way purchased network services are classified and presented, from 2024 onwards. This improves the presentation of operating expenses for the financial management of Swisscom's operating units. The prior year's comparatives have been restated accordingly. The change increases direct costs, and reduces indirect costs, for the 2023 financial year by CHF 181 million in each case (H1 2023: CHF 96 million).

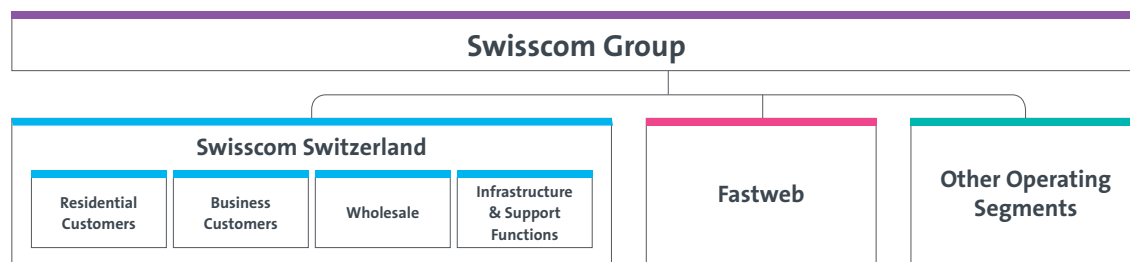
2 Segment information

Changes in segment reporting

With effect from 1 January 2024, Swisscom reallocated various divisions and central costs to the segments within Swisscom Switzerland. In addition, the TV-related Swisscom Broadcast operating division (Other Operating Segments) was shifted to the Residential Customers segment within Swisscom Switzerland. The prior year's figures were restated as follows:

In CHF million	Reported	Adjustment	Restated
Revenue			
Financial year 2023			
Residential Customers	4,502	3	4,505
Business Customers	3,098	(15)	3,083
Wholesale	542	(1)	541
Infrastructure & Support Functions	73	–	73
Intersegment elimination	(69)	14	(55)
Swisscom Switzerland	8,146	1	8,147
Fastweb	2,561	–	2,561
Other Operating Segments	1,075	(12)	1,063
Intersegment elimination	(710)	11	(699)
Total revenue	11,072	–	11,072
Operating income before depreciation and amortisation (EBITDA)			
Financial year 2023			
Residential Customers	2,979	28	3,007
Business Customers	1,358	(13)	1,345
Wholesale	326	(1)	325
Infrastructure & Support Functions	(963)	(6)	(969)
Intersegment elimination	1	–	1
Swisscom Switzerland	3,701	8	3,709
Fastweb	776	–	776
Other Operating Segments	153	(8)	145
Reconciliation pension cost	37	–	37
Intersegment elimination	(45)	–	(45)
Total EBITDA	4,622	–	4,622

General disclosures



Reporting is divided into the segments Residential Customers, Business Customers, Wholesale and Infrastructure & Support Functions, which are grouped under Swisscom Switzerland, as well as Fastweb and Other Operating Segments.

For its services, the Infrastructure & Support Functions segment does not charge any network costs or management fees to other segments. The remaining services between the segments are charged at market prices. The results of the Residential Customers, Business Customers and Wholesale segments thus correspond to a contribution margin before network costs.

Segment expense encompasses the direct and indirect costs, which include personnel expense, other operating costs less capitalised costs of self-constructed assets and other income. Pension cost includes ordinary employer contributions. The difference between the ordinary employer contributions and the pension cost as provided for under IAS 19 is reported in the column 'Eliminations'. In the first six months of 2024, the Eliminations segment result includes income of CHF 9 million (prior year: income of CHF 19 million) as a pension cost reconciliation item in accordance with IAS 19.

Leases between the segments are not recognised in the balance sheet in accordance with IFRS 16. The reported lease expense of the segments comprises depreciation and interest on right-of-use assets excluding depreciation on indefeasible rights of use (IRU) of CHF 9 million (prior year: CHF 10 million) as well as the accounting for the rental of buildings between segments. The lease expense of financial position, of low value is presented as direct costs.

Capital expenditure consists of the purchase of property, plant and equipment and intangible assets and payments for indefeasible rights of use (IRU). In general, IRUs are paid in full at the beginning of the use and are classified as leases under IFRS 16. From an economic point of view, IRU payments will be considered as capital expenditure in the segment information. Capital expenditure in the first six months of 2024 includes IRU payments of CHF 7 million (prior year: CHF 9 million).

Segment information 2024

1.01.–30.06.2024, in CHF million	Swisscom Switzerland	Fastweb	Other Operating Segments	Elimination	Total
Residential customers	2,150	555	–	–	2,705
Corporate customers	1,542	556	213	–	2,311
Wholesale customers	266	172	–	–	438
External revenue	3,958	1,283	213	–	5,454
Intersegment revenue	30	3	324	(357)	–
Revenue	3,988	1,286	537	(357)	5,454
Direct costs	(782)	(622)	(37)	29	(1,412)
Indirect costs	(1,388)	(264)	(429)	318	(1,763)
Operating income before depreciation and amortisation (EBITDA)	1,818	400	71	(10)	2,279
Depreciation and amortisation of property, plant and equipment and intangible assets					(1,061)
Depreciation of right-of-use assets					(130)
Operating income (EBIT)					1,088
Financial income					35
Financial expense					(98)
Result of equity-accounted investees					(1)
Income before income taxes					1,024
Income tax expense					(188)
Net income					836
EBITDA	1,818	400	71	(10)	2,279
Lease expense	(115)	(24)	(5)	(1)	(145)
EBITDA after lease expense (EBITDAaL)	1,703	376	66	(11)	2,134
Capital expenditure	(865)	(294)	(17)	19	(1,157)
Operating free cash flow	838	82	49	8	977

Segment information Swisscom Switzerland 2024

1.01.–30.06.2024, in CHF million	Residential Customers	Business Customers	Wholesale	Infrastructure & Support Functions	Elimination	Total Swisscom Switzerland
Fixed-line	980	399	–	–	–	1,379
Mobile	915	354	–	–	–	1,269
Telecom services	1,895	753	–	–	–	2,648
IT services	–	601	–	–	–	601
Merchandise	204	178	–	–	–	382
Wholesale	–	–	257	–	–	257
Revenue other	51	10	–	9	–	70
External revenue	2,150	1,542	257	9	–	3,958
Intersegment revenue	7	16	5	29	(27)	30
Revenue	2,157	1,558	262	38	(27)	3,988
Direct costs	(374)	(367)	(100)	–	59	(782)
Indirect costs	(291)	(546)	(4)	(515)	(32)	(1,388)
Operating income before depreciation and amortisation (EBITDA)	1,492	645	158	(477)	–	1,818
Capital expenditure	(13)	(21)	–	(830)	(1)	(865)

Segment information 2023

1.01.–30.06.2023, in CHF million, restated	Swisscom Switzerland	Fastweb	Other Operating Segments	Elimination	Total
Residential customers	2,228	573	–	–	2,801
Corporate customers	1,523	520	203	–	2,246
Wholesale customers	263	140	–	–	403
External revenue	4,014	1,233	203	–	5,450
Intersegment revenue	30	3	292	(325)	–
Revenue	4,044	1,236	495	(325)	5,450
Direct costs	(815)	(565)	(39)	35	(1,384)
Indirect costs	(1,369)	(278)	(405)	289	(1,763)
Operating income before depreciation and amortisation (EBITDA)	1,860	393	51	(1)	2,303
Depreciation and amortisation of property, plant and equipment and intangible assets					(1,056)
Depreciation of right-of-use assets					(132)
Operating income (EBIT)					1,115
Financial income					11
Financial expense					(75)
Result of equity-accounted investees					–
Income before income taxes					1,051
Income tax expense					(203)
Net income					848
EBITDA	1,860	393	51	(1)	2,303
Lease expense	(111)	(27)	(5)	–	(143)
EBITDA after lease expense (EBITDAaL)	1,749	366	46	(1)	2,160
Capital expenditure	(821)	(293)	(18)	19	(1,113)
Operating free cash flow	928	73	28	18	1,047

Segment information Swisscom Switzerland 2023

1.01.–30.06.2023, in CHF million, restated	Residential Customers	Business Customers	Wholesale	Infrastructure & Support Functions	Elimination	Total Swisscom Switzerland
Fixed-line	1,002	412	–	–	–	1,414
Mobile	924	364	–	–	–	1,288
Telecom services	1,926	776	–	–	–	2,702
IT services	–	567	–	–	–	567
Merchandise	233	159	–	–	–	392
Wholesale	–	–	263	–	–	263
Revenue other	69	12	–	9	–	90
External revenue	2,228	1,514	263	9	–	4,014
Intersegment revenue	8	14	6	29	(27)	30
Revenue	2,236	1,528	269	38	(27)	4,044
Direct costs	(428)	(342)	(104)	–	59	(815)
Indirect costs	(306)	(514)	1	(518)	(32)	(1,369)
Operating income before depreciation and amortisation (EBITDA)	1,502	672	166	(480)	–	1,860
Capital expenditure	(15)	(28)	–	(778)	–	(821)

3 Operating costs

Direct costs

In CHF million	1.01.–30.06.2024	1.01.–30.06.2023
Customer premises equipment and merchandise	450	480
Services purchased	343	293
Costs to obtain a contract	115	106
Costs to fulfill a contract	38	43
Network access costs of swiss subsidiaries	97	104
Network access costs of foreign subsidiaries	369	358
Total direct costs	1,412	1,384

Indirect costs

In CHF million	1.01.–30.06.2024	1.01.–30.06.2023
Salary and social security expenses	1,378	1,318
Other personnel expense	26	32
Total personnel expense	1,404	1,350
Information technology cost	143	138
Maintenance expense	122	121
Energy costs	81	75
Advertising and selling expenses	74	76
Consultancy expenses and freelance workforce	49	43
Call centre services purchased	57	61
Administration expense	16	16
Allowances for receivables and contract assets	25	35
Miscellaneous operating expenses	174	206
Total other operating expense	741	771
Capitalised self-constructed tangible and intangible assets	(301)	(261)
Own work for capitalised contract costs	(21)	(27)
Gain on sale of property, plant and equipment	(4)	(4)
Miscellaneous income	(56)	(66)
Total capitalised self-constructed assets and other income	(382)	(358)
Total indirect costs	1,763	1,763

Capitalised self-constructed tangible and intangible assets include personnel costs for the manufacture of technical installations, the construction of network infrastructure and the development of software for internal use.

4 Dividend

On 27 March 2024, the Annual General Meeting of Swisscom Ltd approved the payment of an unchanged gross dividend of CHF 22 per share. A total dividend amount of CHF 1,140 million was paid out on 4 April 2024.

5 Financial liabilities

In CHF million	Carrying amount 1.01.2024	Issuance	Repayment	Other changes ¹	Carrying amount 30.06.2024	Fair Value
Financial liabilities						
Bank loans	267	2	(23)	20	266	264
Debenture bonds	4,789	5,070	–	(15)	9,844	9,719
Private placements	322	–	–	1	323	319
Derivative financial instruments	136	–	–	(23)	113	113
Other financial liabilities	151	3	–	15	169	159
Total financial liabilities	5,665	5,075	(23)	(2)	10,715	10,574

¹ Interest expense, interest payments, non-cash changes and foreign currency translation adjustments.

In March 2024, Swisscom signed a contract to acquire Vodafone Italia for EUR 8.0 billion. The transaction is scheduled to complete in the first quarter of 2025. Swisscom finalised its transaction financing in the second quarter of 2024. This comprises the issue of domestic Swiss bonds totalling CHF 1.1 billion, eurobonds of EUR 4.0 billion and a syndicated bank loan in the amount of EUR 3.0 billion. Swisscom issued the bonds as follows in May 2024:

In CHF million or EUR million	Maturity years	Par value in currency	Nominal interest rate
Debenture bond in CHF	2024–2030	315	1,65%
Debenture bond in CHF	2024–2034	455	1,80%
Debenture bond in CHF	2024–2039	375	2,00%
Total debenture bonds in CHF		1,145	
Debenture bond in EUR	2024–2026	500	3,50%
Debenture bond in EUR	2024–2028	500	3,50%
Debenture bond in EUR	2024–2031	1,250	3,50%
Debenture bond in EUR	2024–2036	1,000	3,625%
Debenture bond in EUR	2024–2044	750	3,875%
Total debenture bonds in EUR		4,000	

The funds raised from the bond issues were either used to repay existing debt or were invested in current financial assets with a term of up to three months. Current financial assets are recognised as cash and cash equivalents in Swisscom's consolidated financial statements. If the transaction does not materialise, the bonds can be redeemed early at 101% of their nominal value. The syndicated bank loan totalling EUR 3.0 billion will be made available in two equal tranches with terms of three and five years respectively.

Swisscom also has two confirmed lines of credit amounting to CHF 1,000 million maturing in 2028 and CHF 1,200 million maturing in 2028. As of 30 June 2024, none of these lines of credit had been drawn down, as in the prior year.

6 Financial result

In CHF million	1.01.–30.06.2024	1.01.–30.06.2023
Interest income on financial assets	12	3
Foreign exchange gains	9	–
Interest and present-value adjustments on provisions	6	–
Other financial income	8	8
Total financial income	35	11
Interest expense on financial liabilities	(48)	(36)
Interest expense on lease liabilities	(24)	(21)
Foreign exchange losses	–	(1)
Interest and present-value adjustments on provisions	–	(5)
Other financial expense	(26)	(12)
Total financial expense	(98)	(75)
Financial income and financial expense, net	(63)	(64)
Interest expense on lease liabilities	(24)	(21)
Net interest expense on financial assets and liabilities	(36)	(33)

7 Net current operating assets

Operating assets and liabilities changed as follows in the first six months of 2024:

In CHF million	1.01.2024	Operational changes	Other changes ¹	30.06.2024
Trade receivables	2,143	(41)	29	2,131
Other operating assets	1,323	207	28	1,558
Trade payables	(1,611)	135	(33)	(1,509)
Other operating liabilities	(1,471)	47	(25)	(1,449)
Total operating assets and liabilities, net	384	348	(1)	731

1 Foreign currency translation and adjustments from acquisition and sale of subsidiaries.

Other operating assets and liabilities

In CHF million	30.06.2024	31.12.2023
Other operating assets		
Contract assets	196	174
Contract costs	269	268
Inventories	169	161
Prepaid expenses	637	528
Other operating assets	287	192
Total other operating assets	1,558	1,323
Other operating liabilities		
Contract liabilities	943	961
Accruals for variable performance-related bonus	70	146
Other operating liabilities	436	364
Total other operating liabilities	1,449	1,471

8 Provisions and contingent liabilities

Provisions

Provisions changed as follows in the first six months of 2024:

In CHF million	Dismantlement and restoration costs	Regulatory and competition law proceedings	Others	Total
Balance at 1 January 2024	866	200	197	1,263
Additions to provisions	–	9	10	19
Adjustments recognised under property, plant and equipment	21	–	–	21
Interest and present-value adjustments	5	(11)	–	(6)
Release of unused provisions	–	(22)	(5)	(27)
Use of provisions	(10)	–	(18)	(28)
Business combinations	–	–	1	1
Foreign currency translation	–	–	2	2
Balance at 30 June 2024	882	176	187	1,245
Thereof current provisions	–	37	70	107
Thereof non-current provisions	882	139	117	1,138

In accordance with the Telecommunications Act, Swisscom provides access services (incl. interconnection) to other telecommunications service providers in Switzerland. In previous years, several telecommunications service providers demanded ComCom reduce the prices charged to them by Swisscom for regulated network access services. The Competition Commission (COMCO) has also launched various investigations against Swisscom in the past.

In its investigation as to the invitation to tender for the corporate network of the Swiss Post in 2008, the Competition Commission (COMCO) reached the conclusion in November 2015 that Swisscom has a dominant position on the market for broadband access for business clients. COMCO imposed a penalty of CHF 8 million on grounds of conduct which was judged to be unlawful under competition law. In June 2021, the Federal Administrative Court largely confirmed COMCO's ruling and ordered Swisscom to pay a fine of CHF 7 million. Swisscom filed an appeal against this decision with the Federal Court. In its ruling published on 18 April 2024, the Federal Court concluded, in the final instance, that Swisscom had behaved correctly and repealed COMCO's penalty decision.

On 17 December 2020, COMCO opened an investigation into Swisscom's optical fibre network and ordered precautionary measures. Swisscom has filed an appeal against these precautionary measures. In its ruling of 2 November 2022, the Federal Court found that the precautionary measures ordered by the Competition Commission (which had previously been confirmed by the Federal Administrative Court) were not arbitrary and confirmed them as well. On 25 April 2024, COMCO published a penalty notice in the amount of CHF 18 million on grounds of conduct which was judged to be unlawful under competition law. Swisscom has appealed against the decision before the Federal Administrative Court.

In April 2013, COMCO opened an investigation against Swisscom under the Federal Cartel Act concerning the broadcasting of sporting events on pay TV. In May 2016, COMCO imposed a penalty of CHF 72 million on Swisscom in these proceedings. Swisscom filed an appeal against this ruling with the Federal Administrative Court. In June 2022, the Federal Administrative Court largely confirmed COMCO's ruling and ordered Swisscom to pay a fine of CHF 72 million. Swisscom paid the fine in the third quarter of 2022. Swisscom filed an appeal against this decision with the Federal Court. The Federal Court confirmed the fine of CHF 72 million in the final instance on 10 May 2024.

In the past, Swisscom recognised provisions for regulatory and antitrust proceedings on the basis of legal assessments. As a result of the reassessment of these proceedings, provisions of CHF 9 million were set up in the first six months of 2024 and provisions of CHF 33 million (incl. interest) were reversed. Any payments to be made will depend on the date on which legally binding decrees and decisions are issued, and could probably occur within five years.

Contingent liabilities for regulatory and competition law proceedings

With regard to the contingent liabilities reported in the 2023 consolidated financial statements in connection with regulatory and antitrust proceedings, Swisscom is of the opinion that an outflow of resources is unlikely and, as before, has therefore not recognised any provisions for this in the consolidated financial statements as at 30 June 2024.

9 Company acquisition of Vodafone Italia

In March 2024, Swisscom reached binding agreements with Vodafone Group Plc regarding the takeover of 100% of Vodafone Italia for a purchase price of EUR 8.0 billion (cash and debt-free). The company is then to be merged with Fastweb, Swisscom's subsidiary in Italy. 100% of the purchase price is covered by cash and will be financed using debt capital in full. The merger of Vodafone Italia and Fastweb is designed to bring together complementary, high-quality mobile communications and fixed telephone network infrastructures, skills and expertise in order to create a leading convergent provider in a market that offers growth opportunities. The completion of the transaction is subject to regulatory and other standard approvals. The transaction is expected to be completed in the first quarter of 2025. Further information on financing is provided in Note 5 to the interim financial statements.

10 Sale of shares in FiberCop

In June 2024, Fastweb signed a contract for the sale of its 4.5% stake in FiberCop to Optics Bidco S.A., a subsidiary of KKR. KKR is thus acquiring all FiberCop shares held by Fastweb for an amount of EUR 439 million (CHF 423 million). The transaction was completed in July 2024. In Swisscom's consolidated financial statements, FiberCop is recognised at fair value through other comprehensive income and reported under other financial assets. The difference of EUR 189 million (CHF 181 million) between the purchase price and the previous carrying amount was recognised as income in other comprehensive income in the second quarter of 2024.

Alternative performance measures

Swisscom uses key indicators defined in the International Financial Reporting Standards (IFRS) throughout its entire financial reporting, as well as selected alternative performance measures (APMs). These alternative measures provide useful information on the Group's financial situation and are used for financial management and control purposes. As these measures are not defined under IFRS, the calculation may differ from the published APMs of other companies. For this reason, comparability across companies may be limited. The key alternative performance measures used at Swisscom for the interim financial reporting as at 30 June 2024 are defined as follows:

Key performance measure	Swisscom definition
Adjustments	Significant items that, due to their exceptional nature, cannot be considered part of the Swisscom Group's ongoing performance, such as termination benefits and significant positions in connection with legal cases or other non-recurring items. In addition, the application of changes in the IFRS accounting principles and standards can have an impact on comparability with the previous year if these principles are not applied retrospectively.
At constant exchange rates	Key performance measures considering currency effects (figures for 2024 are translated at the 2023 exchange rate to calculate the currency effect).
Operating income before depreciation and amortisation (EBITDA)	Operating income before depreciation, amortisation and impairment losses of property, plant and equipment, intangible assets and right-of-use assets, financial expense and financial income, result of equity-accounted investees and income tax expense.
Operating income (EBIT)	Operating income before financial expense and financial income, result of equity accounted investees and income tax expense.
Capital expenditure	Purchase of property, plant and equipment and intangible assets and payments for indefeasible rights of use (IRU) which are classified as leases under IFRS 16. In general, IRUs are paid in full at the beginning of use.
Operating free cash flow	Operating income before depreciation and amortisation (EBITDA) less capital expenditure in property, plant and equipment, intangible assets and payments for indefeasible rights of use (IRU) and lease expense. Lease expense includes interest expense on lease liabilities and depreciation of rights of use excl. depreciation of indefeasible rights of use (IRU) and impairment losses on right-of-use assets.
Free cash flow	Cash flows from operating and investing activities excl. cash flows from the purchase and sale of subsidiaries and purchase of and proceeds from equity-accounted investees and other financial assets.
Net debt	Financial liabilities and lease liabilities less cash and cash equivalents, listed debt instruments and derivative financial instruments.

Reconciliation of alternative performance measures

In CHF million	1.01.–30.06.2024	1.01.–30.06.2023	Change reported	Change at constant exchange rates
Revenue				
Revenue	5,454	5,450	0.1%	0.8%
Operating income before depreciation and amortisation (EBITDA)				
EBITDA	2,279	2,303	–1.0%	–0.5%
Legal proceedings in Switzerland	(24)	(10)		
Additions of provisions for legal proceedings in Italy	–	13		
Transaction costs for company acquisitions	13	–		
EBITDA adjusted	2,268	2,306	–1.6%	–1.1%
Capital expenditure				
Capital expenditure in property, plant and equipment and intangible assets	1,150	1,104	4.2%	5.0%
Payments for indefeasible rights of use (IRU)	7	9	–22.2%	
Capital expenditure	1,157	1,113	4.0%	4.8%

In CHF million	1.01.–30.06.2024	1.01.–30.06.2023	Change reported
Operating free cash flow			
Cash flow from operating activities	1,659	1,731	(72)
Capital expenditure	(1,157)	(1,113)	(44)
Depreciation of right-of-use assets	(130)	(132)	2
Depreciation of indefeasible rights of use (IRU)	9	10	(1)
Change in deferred gain from the sale and leaseback of real estate	2	2	–
Change in operating assets and liabilities	348	332	16
Change in provisions	36	12	24
Change in net defined benefit liabilities	6	17	(11)
Gain on sale of property, plant and equipment	4	4	–
Loss on sale of property, plant and equipment	–	(1)	1
Expense for share-based payments	(1)	(1)	–
Revenue from finance leases	42	37	5
Proceeds from finance leases	(38)	(74)	36
Interest received	(13)	(2)	(11)
Interest payments on financial liabilities	22	25	(3)
Dividends received	(1)	(1)	–
Income taxes paid	189	201	(12)
Operating free cash flow	977	1,047	(70)
Free cash flow			
Cash flow from operating activities	1,659	1,731	(72)
Cash flow used in investing activities	(1,155)	(1,157)	2
Repayment of lease liabilities	(153)	(163)	10
Acquisition of subsidiaries, net of cash and cash equivalents acquired	10	58	(48)
Proceeds from equity-accounted investees	–	(3)	3
Expenditure for equity-accounted investees	–	1	(1)
Purchase of other financial assets	4	13	(9)
Proceeds from other financial assets	(12)	(16)	4
Other cash flows from financing activities	–	(2)	2
Free cash flow	353	462	(109)

Further information

Share information

Swisscom share performance indicators

31.12.2023–30.06.2024

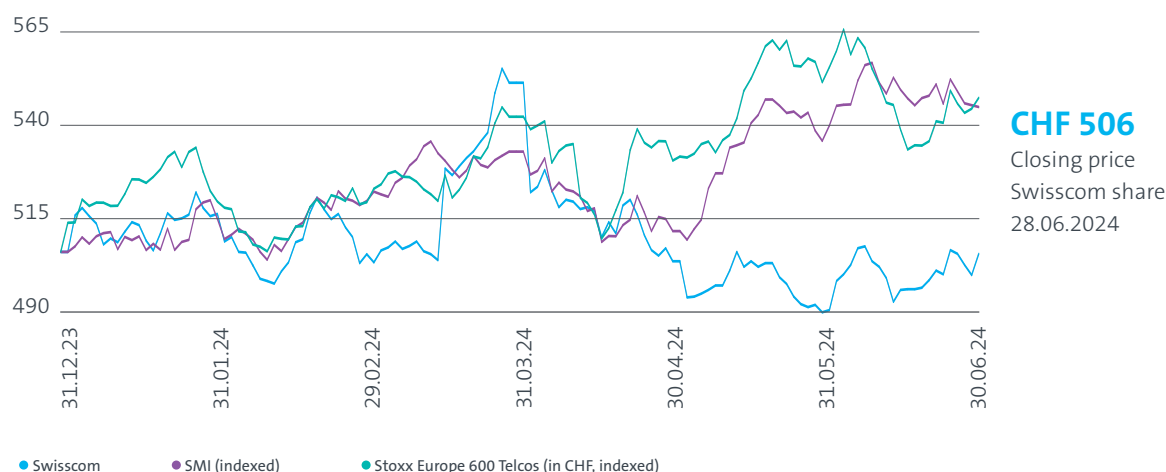
	SIX Swiss Exchange
Closing price as at 31 December 2023 in CHF ¹	506.00
Closing price as at 30 June 2024 in CHF ¹	505.50
Year high in CHF ¹	559.80
Year low in CHF ¹	486.80
Total volume of traded shares	11,497,056
Total turnover in CHF million	5,857.97
Daily average of traded shares	93,472
Daily average in CHF million	47.63

Source: Bloomberg

1 paid prices

Share performance

Share performance since 1 January 2024
in CHF



Financial calendar

- 31 October 2024 2024 Third-Quarter Results
- 13 February 2025 2024 Annual Results and Annual Report

Stock exchanges

Swisscom shares are listed on the SIX Swiss Exchange under the symbol SCMN (Securities No. 874251). In the United States, they are traded in the form of American Depositary Receipts (ADR) at a ratio of 1:10 (Over The Counter, Level 1) under the symbol SCMWY (Pink Sheet No. 69769).

Quarterly review 2023 and 2024

In CHF million, except where indicated	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	2023	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	2024
Income statement										
Revenue	2,747	2,703	2,752	2,870	11,072	2,703	2,751			5,454
Direct costs	(710)	(674)	(739)	(783)	(2,906)	(685)	(727)			(1,412)
Personnel expense	(680)	(670)	(634)	(696)	(2,680)	(703)	(701)			(1,404)
Other operating expense	(357)	(414)	(382)	(477)	(1,630)	(362)	(379)			(741)
Capitalised self-constructed assets and other income	164	194	177	231	766	202	180			382
Operating income (EBITDA)	1,164	1,139	1,174	1,145	4,622	1,155	1,124			2,279
Depreciation and amortisation	(525)	(531)	(510)	(560)	(2,126)	(522)	(539)			(1,061)
Depreciation of right-of-use assets	(66)	(66)	(65)	(94)	(291)	(65)	(65)			(130)
Operating income (EBIT)	573	542	599	491	2,205	568	520			1,088
Net interest expense on financial assets and liabilities	(14)	(19)	(18)	(16)	(67)	(15)	(21)			(36)
Interest expense on lease liabilities	(12)	(9)	(13)	(10)	(44)	(12)	(12)			(24)
Other financial result	(4)	(6)	2	(11)	(19)	13	(16)			(3)
Equity-accounted investees	–	–	–	–	–	–	(1)			(1)
Income before income taxes	543	508	570	454	2,075	554	470			1,024
Income tax expense	(101)	(102)	(108)	(53)	(364)	(99)	(89)			(188)
Net income	442	406	462	401	1,711	455	381			836
Attributable to equity holders of Swisscom Ltd	442	406	463	400	1,711	455	381			836
Attributable to non-controlling interests	–	–	(1)	1	–	–	–			–
Earnings per share (in CHF)	8.53	7.84	8.94	7.72	33.03	8.78	7.35			16.14
Revenue										
Swisscom Switzerland	2,045	1,999	2,023	2,080	8,147	1,993	1,995			3,988
Fastweb	619	617	637	688	2,561	623	663			1,286
Other Operating Segments	240	255	266	302	1,063	252	285			537
Intersegment elimination	(157)	(168)	(174)	(200)	(699)	(165)	(192)			(357)
Total revenue	2,747	2,703	2,752	2,870	11,072	2,703	2,751			5,454
Operating income before depreciation and amortisation (EBITDA)										
Swisscom Switzerland	945	915	913	936	3,709	944	874			1,818
Fastweb	187	206	221	162	776	182	218			400
Other Operating Segments	32	19	42	52	145	33	38			71
Reconciliation pension cost	9	10	9	9	37	4	5			9
Elimination	(9)	(11)	(11)	(14)	(45)	(8)	(11)			(19)
Total EBITDA	1,164	1,139	1,174	1,145	4,622	1,155	1,124			2,279
Capital expenditure										
Swisscom Switzerland	394	427	376	493	1,690	445	420			865
Fastweb	152	141	143	170	606	149	145			294
Other Operating Segments	8	10	10	12	40	8	9			17
Intersegment elimination	(9)	(10)	(12)	(13)	(44)	(8)	(11)			(19)
Total capital expenditure	545	568	517	662	2,292	594	563			1,157

In CHF million, except where indicated	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	2023	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	2024
Operating free cash flow										
Operating income (EBITDA)	1,164	1,139	1,174	1,145	4,622	1,155	1,124			2,279
Lease expense	(73)	(70)	(74)	(71)	(288)	(72)	(73)			(145)
EBITDA after lease expense (EBITDAaL)	1,091	1,069	1,100	1,074	4,334	1,083	1,051			2,134
Capital expenditure	(545)	(568)	(517)	(662)	(2,292)	(594)	(563)			(1,157)
Operating free cash flow	546	501	583	412	2,042	489	488			977
Free cash flow										
Free cash flow	209	253	575	443	1,480	198	155			353
Net debt										
Net debt	7,171	8,108	7,507	7,071	7,071	6,941	7,919			7,919
Full-time equivalent employees										
Swisscom Switzerland	12,848	13,061	13,218	13,263	13,263	13,389	13,361			13,361
Fastweb	3,087	3,117	3,146	3,157	3,157	3,225	3,251			3,251
Other Operating Segments	3,317	3,319	3,322	3,309	3,309	3,333	3,324			3,324
Total personnel expense	19,252	19,497	19,686	19,729	19,729	19,947	19,936			19,936
Information by geographical regions										
Revenue in Switzerland	2,129	2,088	2,116	2,183	8,516	2,079	2,088			4,167
Revenue in other countries	618	615	636	687	2,556	624	663			1,287
Total revenue	2,747	2,703	2,752	2,870	11,072	2,703	2,751			5,454
Operating income (EBITDA) in Switzerland	975	933	951	983	3,842	972	905			1,877
Operating income (EBITDA) in other countries	189	206	223	162	780	183	219			402
Total EBITDA	1,164	1,139	1,174	1,145	4,622	1,155	1,124			2,279
Capital expenditure in Switzerland	392	427	374	492	1,685	444	418			862
Capital expenditure in other countries	153	141	143	170	607	150	145			295
Total capital expenditure	545	568	517	662	2,292	594	563			1,157
Headcount in Switzerland	15,755	15,929	16,048	16,051	16,051	16,105	16,044			16,044
Headcount in other countries	3,497	3,568	3,638	3,678	3,678	3,842	3,892			3,892
Total headcount (full-time equivalent)	19,252	19,497	19,686	19,729	19,729	19,947	19,936			19,936
Fastweb, in EUR million										
Residential customers	289	291	289	294	1,163	288	290			578
Corporate customers	261	266	287	320	1,134	284	295			579
Wholesale	71	70	83	106	330	84	97			181
External revenue	621	627	659	720	2,627	656	682			1,338
Intersegment revenue	2	1	1	2	6	2	–			2
Revenue	623	628	660	722	2,633	658	682			1,340
Operating income (EBITDA)	188	210	229	171	798	192	225			417
Margin as % of revenue	30.2	33.4	34.7	23.7	30.3	29.2	33.0			31.1
Lease expense	(13)	(14)	(14)	(14)	(55)	(13)	(12)			(25)
EBITDA after lease expense (EBITDAaL)	175	196	215	157	743	179	213			392
Capital expenditure	(153)	(144)	(148)	(178)	(623)	(157)	(150)			(307)
Operating free cash flow	22	52	67	(21)	120	22	63			85
Broadband access lines in thousand	2,662	2,631	2,613	2,601	2,601	2,582	2,557			2,557
Broadband access lines wholesale in thousand	498	532	579	648	648	720	778			778
Mobile access lines in thousand	3,231	3,343	3,428	3,509	3,509	3,611	3,724			3,724

In CHF million, except where indicated	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	2023	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	2024
Swisscom Switzerland										
Revenue and results										
Residential Customers	963	963	967	963	3,856	946	949			1,895
Business Customers	391	385	385	384	1,545	378	375			753
Revenue telecom services	1,354	1,348	1,352	1,347	5,401	1,324	1,324			2,648
IT services	283	284	287	300	1,154	297	304			601
Merchandise	217	175	191	252	835	187	195			382
Wholesale	131	132	139	128	530	134	123			257
Revenue other	45	45	40	39	169	35	35			70
External revenue	2,030	1,984	2,009	2,066	8,089	1,977	1,981			3,958
Intersegment revenue	15	15	14	14	58	16	14			30
Revenue	2,045	1,999	2,023	2,080	8,147	1,993	1,995			3,988
Residential Customers	1,137	1,099	1,111	1,158	4,505	1,078	1,079			2,157
Business Customers	768	760	765	790	3,083	773	785			1,558
Wholesale	134	135	142	130	541	136	126			262
Infrastructure & Support Functions	19	19	19	16	73	19	19			38
Intersegment elimination	(13)	(14)	(14)	(14)	(55)	(13)	(14)			(27)
Revenue	2,045	1,999	2,023	2,080	8,147	1,993	1,995			3,988
Residential Customers	754	748	760	745	3,007	748	744			1,492
Business Customers	342	330	338	335	1,345	325	320			645
Wholesale	80	86	53	106	325	93	65			158
Infrastructure & Support Functions	(232)	(248)	(239)	(250)	(969)	(221)	(256)			(477)
Intersegment elimination	1	(1)	1	–	1	(1)	1			–
EBITDA	945	915	913	936	3,709	944	874			1,818
Margin as % of revenue	46.2	45.8	45.1	45.0	45.5	47.4	43.8			45.6
Lease expense	(56)	(55)	(58)	(56)	(225)	(58)	(57)			(115)
EBITDA after lease expense (EBITDAaL)	889	860	855	880	3,484	886	817			1,703
Capital expenditure	(394)	(427)	(376)	(493)	(1,690)	(445)	(420)			(865)
Operating free cash flow	495	433	479	387	1,794	441	397			838
Operational data in thousand										
Residential Customers	1,058	1,041	1,024	1,008	1,008	988	969			969
Business Customers	234	230	225	218	218	215	212			212
Fixed telephony access lines	1,292	1,271	1,249	1,226	1,226	1,203	1,181			1,181
Residential Customers	1,727	1,724	1,722	1,721	1,721	1,709	1,703			1,703
Business Customers	290	288	287	285	285	282	279			279
Broadband access lines retail	2,017	2,012	2,009	2,006	2,006	1,991	1,982			1,982
Residential Customers	1,491	1,483	1,475	1,472	1,472	1,462	1,448			1,448
Business Customers	67	66	66	65	65	64	63			63
TV access lines	1,558	1,549	1,541	1,537	1,537	1,526	1,511			1,511
Residential Customers	3,295	3,322	3,354	3,380	3,380	3,379	3,396			3,396
Business Customers	1,939	1,958	1,961	1,970	1,970	1,981	1,986			1,986
Mobile access lines Postpaid	5,234	5,280	5,315	5,350	5,350	5,360	5,382			5,382
Prepaid Residential Customers	1,001	979	949	927	927	909	888			888
Mobile access lines	6,235	6,259	6,264	6,277	6,277	6,269	6,270			6,270
Access lines wholesale	688	682	683	692	692	704	712			712

Forward-looking statements

This Interim Report is published in German and English. The German version is binding.

This interim report contains forward-looking statements. In this Interim Report, such forward-looking statements include, without limitation, statements relating to our financial position, results of operations and business and certain of our strategic plans and objectives.

Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors which are beyond Swisscom's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors detailed in Swisscom's and Fastweb's past and future filings and reports, including those filed with the U.S. Securities and Exchange Commission and in past and future filings, press releases, reports and other information posted on Swisscom Group Companies' websites.

Readers are cautioned not to put undue reliance on forward-looking statements, which speak only of the date of this communication.

Swisscom disclaims any intention or obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.