



Q2 2019 results

Analyst and investor presentation
15 August 2019



Agenda

Introduction

Louis Schmid, IR

1. Highlights

Urs Schaeppi, CEO

2. Business review

Urs Schaeppi, CEO

3. Financial results

Mario Rossi, CFO

Q&A

all

Appendix



Q2 in a nutshell

#1 position in Switzerland successfully strengthened. Fastweb with stronger market position in Italy

Fastweb and Wind Tre announce **strategic agreement** for deployment of **nationwide state-of-the-art 5G network**



Cost savings progressing well

Acquisition of USP, a Swiss security specialist



Innovation drive honored with award for **'best 5G network development in Europe'**



Successful **new inOne mobile** with **+570k subs** since launch. Positive stimulation of FMC migration and churn



Several B2B product launches:

New mobile ID, mainframe as a service, Enterprise Mobile 2.0, enhanced cloud review service



5G CHF 196mn for 200 MHz new spectrum **paid**

Successful credit rating reviews



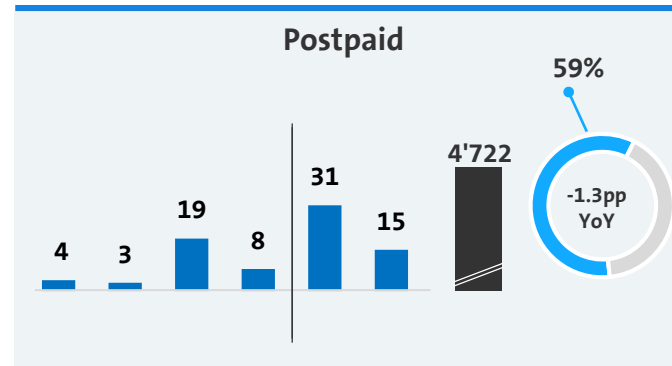
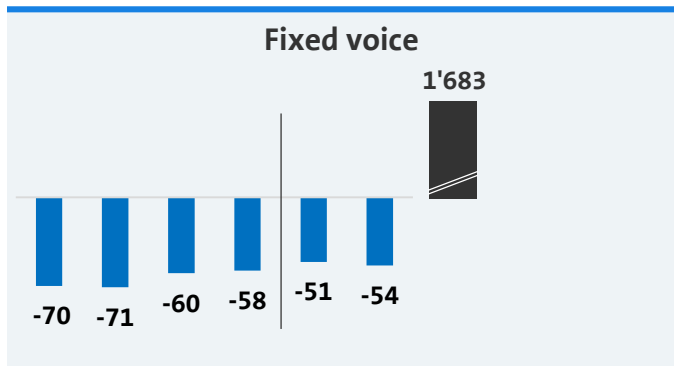
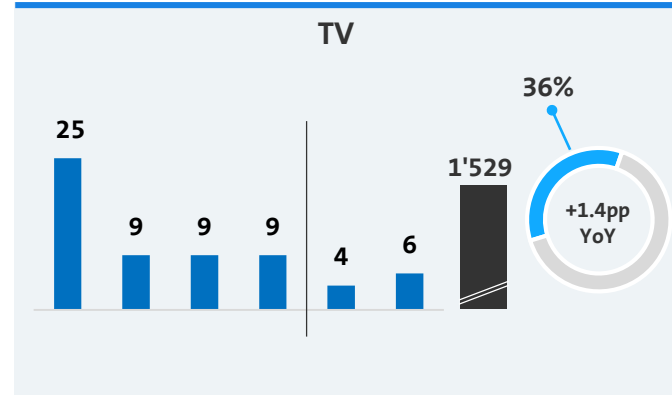
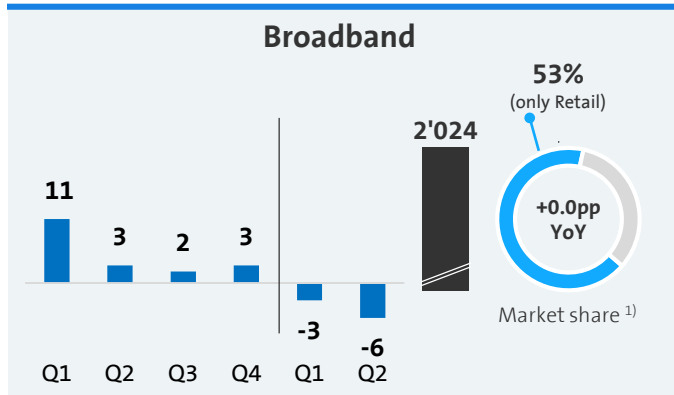
Swisscom with unchanged stable ratings



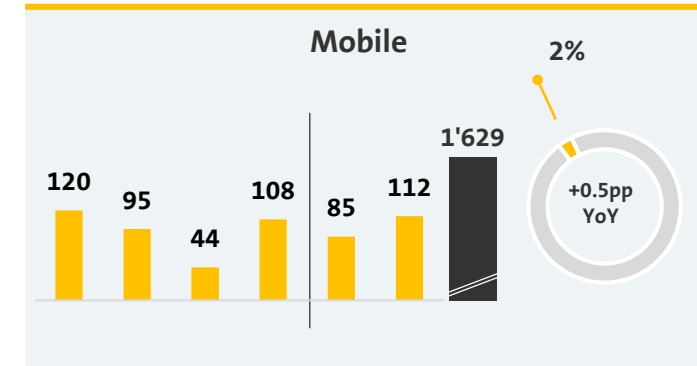
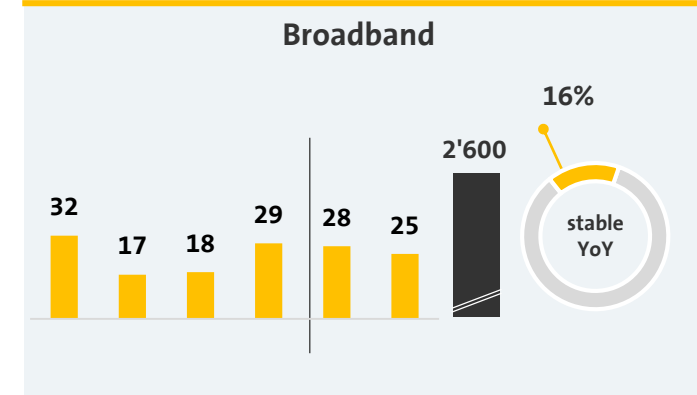
Market performance

Satisfying commercial results in challenging market environments: Switzerland +/- stable, Italy growing

Swisscom Switzerland (RGUs in k)



Fastweb (RGUs in k)



1) as per Q1 2019



Financial performance

Underlying H1 EBITDA up by CHF +11mn YoY. Overall on track to deliver FY guidance

Key figures in CHF mn

Reported figures (YOY change)	<u>Q2 19</u>	<u>H1 19</u>
Net revenue	2'803 (-117)	5'663 (-142)
EBITDA ¹⁾	1'121 (+36)	2'240 (+97)
CAPEX ²⁾	779 (+211)	1'297 (+228)
OpFCF proxy	273 (-244)	806 (-268)
Net income	397 (-11)	780 (-7)

Reconciliation of H1 EBITDA and OpFCF proxy in CHF mn

	<u>Q1/Q1</u>	<u>Q2/Q2</u>	
EBITDA H1 18			2'143
Reconciliation leases	+52	+47	+99
Swisscom Switzerland	-6	-24	
Fastweb	+11	+14	+11
Others	+10	+6	
One-offs ³⁾	-6	-7	-13
EBITDA H1 19			2'240

2'240	-137	-1'101	-196	806
EBITDA H1 19	Lease expense ⁴⁾	Ordinary CAPEX	Spectrum CAPEX	OpFCF proxy H1 19

1) including IFRS16 effects, 2) including spectrum CAPEX for new 5G licenses of CHF 196mn 3) consists of FX impact of CHF -13mn, 4) consists of depreciation right of use assets and interest expense leases



2019 business priorities

Execution fully aligned with strategy

Upgrade infrastructure access

1

Fibre and 5G, both in Switzerland and Italy

Push Fastweb to the next level of growth

Growth in all segments to improve FCF generation to Swisscom group

4

2

Stabilise top-line in Switzerland

Manage customer base efficiently to deliver maximum value generation and benefit from new business opportunities

Operational excellence key

Identify cost saving potentials to realise cost reductions of CHF >100mn

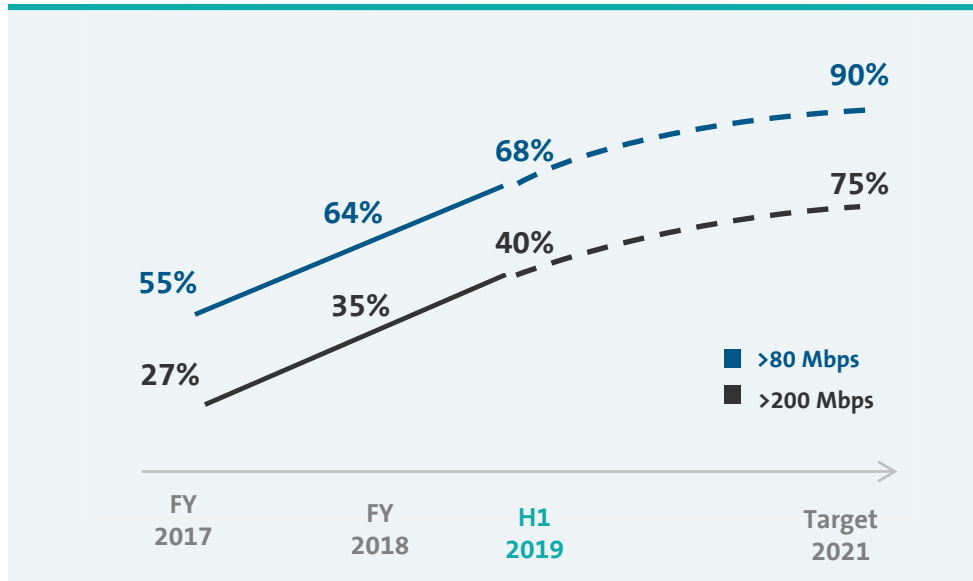




Network upgrades to cement long-term technology leadership

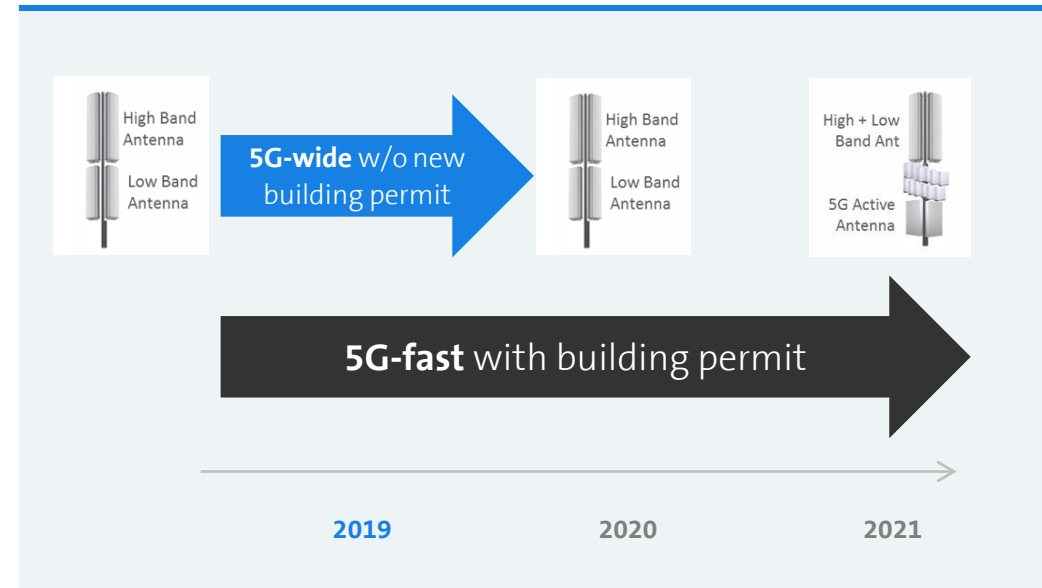
Swisscom continuously invests in fixed and wireless bandwidth to deliver best value for customers

Wireline network update: UBB coverage



- As per 30.6.2019 ~3mn FTTH or FTTS connections
- With current run rate of 2'000 HH/day and 300 communities/year UBB rollout on track to achieve 2021 targets

Wireless network update: 5G-wide and 5G-fast



- **5G-wide** on existing frequencies (without changing emission values or sending power), antennas and active components
- For **5G-fast** new antennas and enhanced active components to use new frequencies



Stimulate Swisscom's B2C competitiveness effectively ...

... to retain strong market shares and maximum value contributions from Swiss operations ...

Accelerate FMC migration

- **Ongoing interest in flagship inOne** increasing penetration
- **Positive loyalty effect** thanks to convergence advantage



+1'286k inOne subs

YOY, 2'573k customers with ϕ 1.96 RGUs

6% FM churn

~50% higher life-time value than 1P subscription

Push 2nd generation of inOne mobile

- **Strong momentum** thanks to better price/value perception
- Device decoupling with **positive SAC and SRC impacts**



+570k new inOne mobile subs

since launch,
>80% with device payments in instalments

CHF +80mn SAC/SRC savings

compensating top-line dilution from device decoupling

2nd/3rd brands growing in W-

- **Attack competitors** with multi-brand offerings
- **Defend** Swisscom's **mobile market shares** at today's level



12% share

of postpaid subs

>50% of postpaid net adds

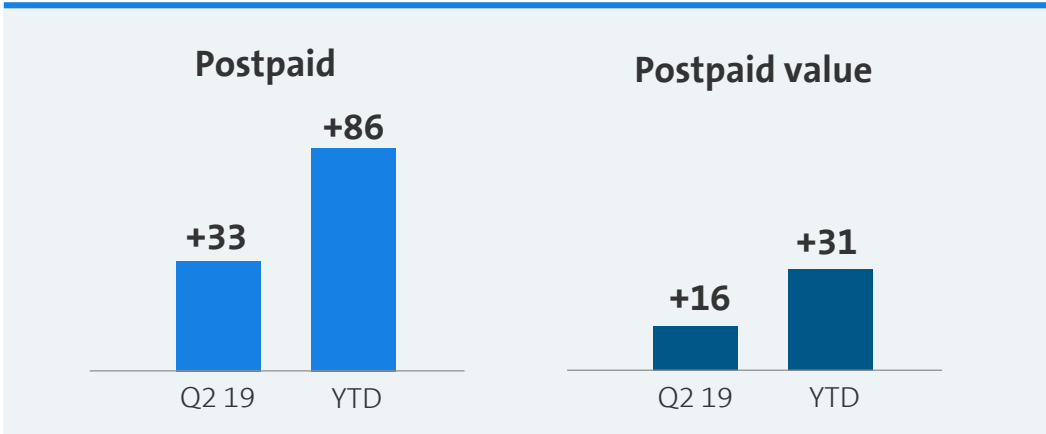
... but at some cost with wireless ARPU dilution fully accounted for in FY outlook



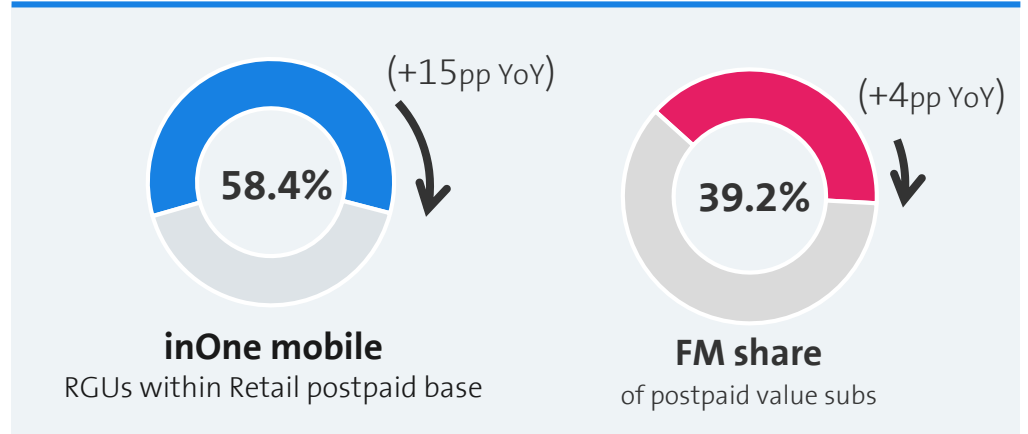
B2C with stable market position in wireless

Positive RGU and churn development. Lower ARPU as a result of FMC discounts and shift of RGU mix

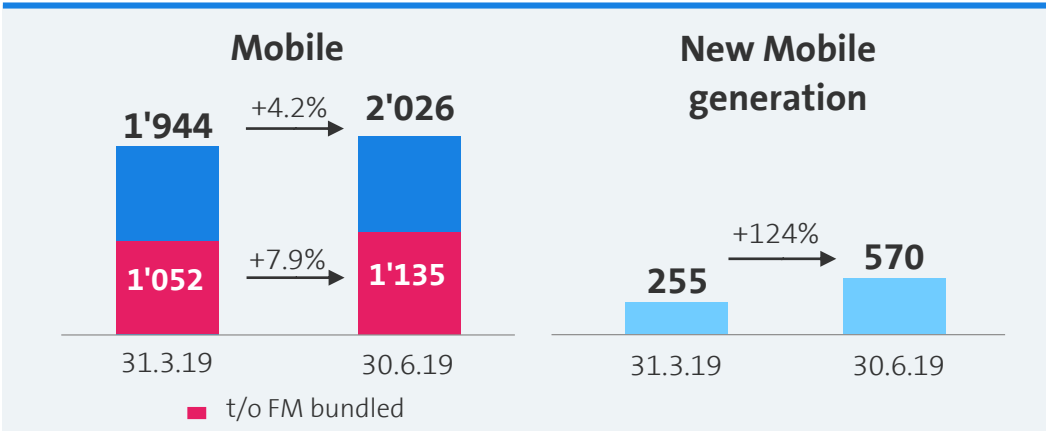
Wireless net adds in k



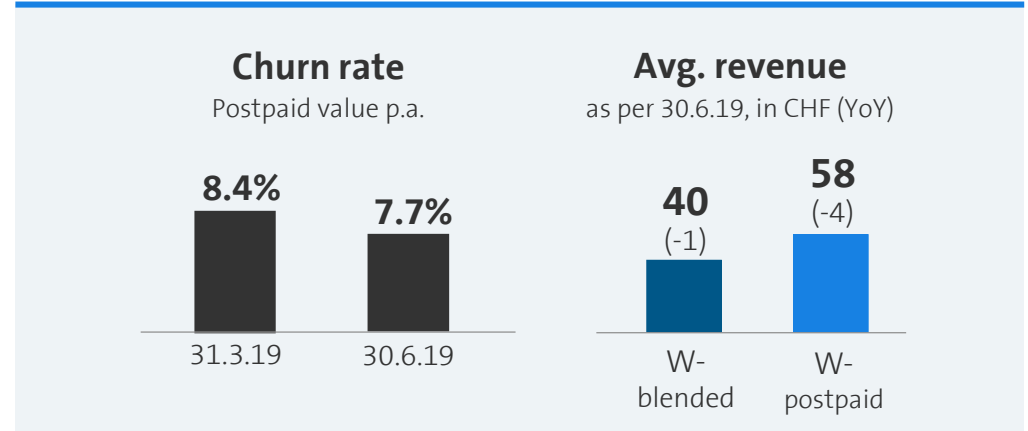
Penetration ratios as per 30.6.19



inOne subs in k



Churn and ARPU





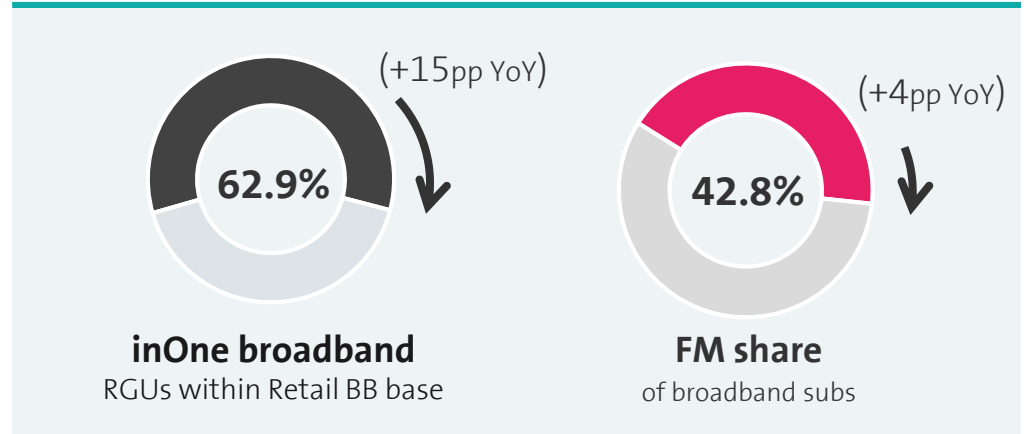
Respectable B2C performance in wireline with constant ARPU development

Mixed RGU trends in fixed: voice line cancellations improving, BB softer and TV growing

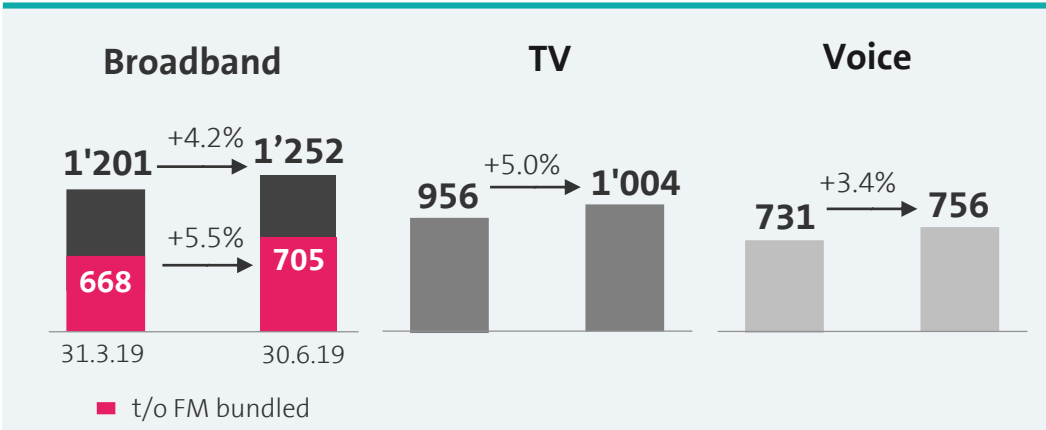
Wireline net adds in k



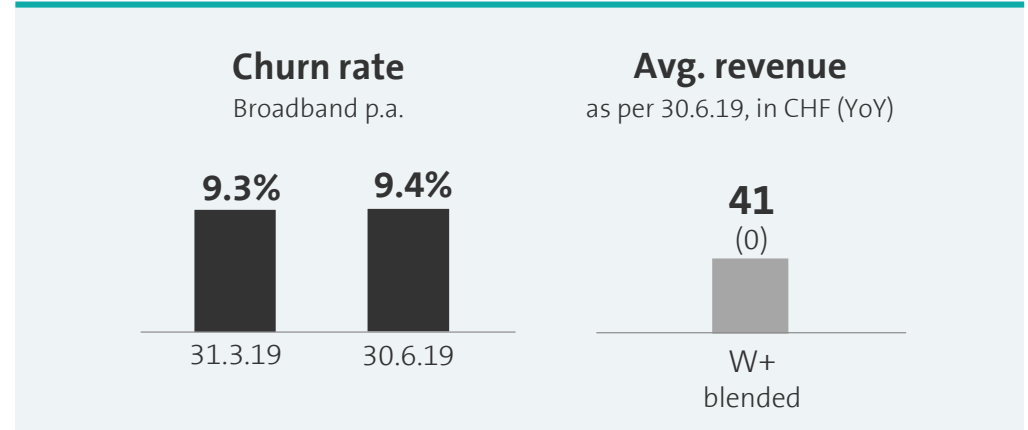
Penetration ratios as per 30.6.19



inOne subs in k



Churn and ARPU





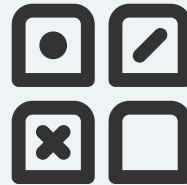
Challenging B2B environment: pressure on Telco and confidence in Solutions

Investing in experiences to stabilise service revenue and profit from growing ICT market in Switzerland

Offering renewals

Several B2B product launches

- **New mobile ID offering**
- **Mainframe as a service**
- **ENT Mobile 2.0:** security, availability and remote management of mobile devices
- Well-architected **cloud review service**



Security news

USP acquisition

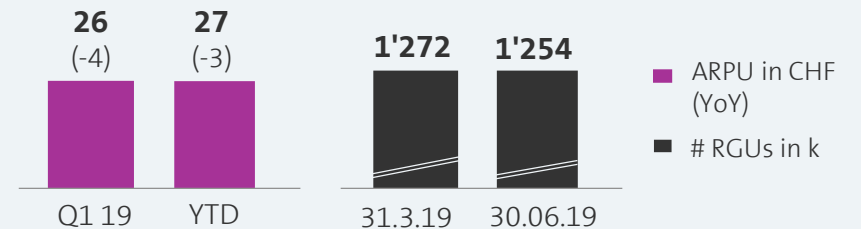
- Swiss company (~60 FTEs) with 25 years **cyber security** experience
- Essential transaction to **strengthen security proposition** and to **participate in future market growth**



Business dynamics

Unchanged tendencies in connectivity

- **Price pressure** driven by RFPs and competition
- **All IP** with volume and service consolidations
- **Wireless** market share slightly **smaller**



Positive Q2 signals in Solutions

- H2 **perspective unchanged optimistic**



Cloud Security
Digital Solutions



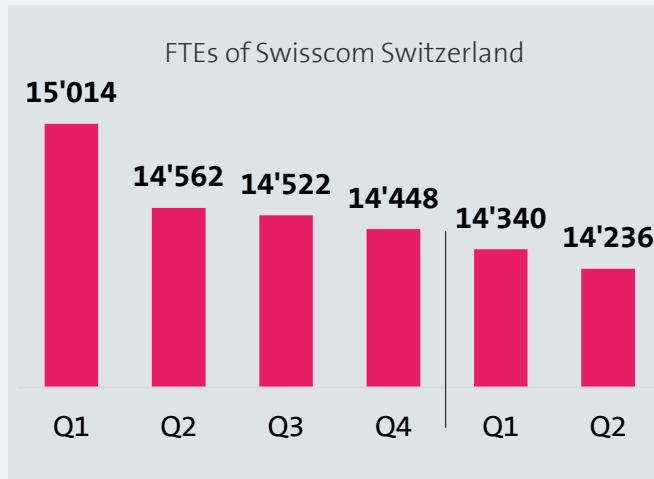
SAP Workplace
UCC



Cost achievements

Cost reduction efforts sustained to increase efficiency of Swiss operations

FTE development

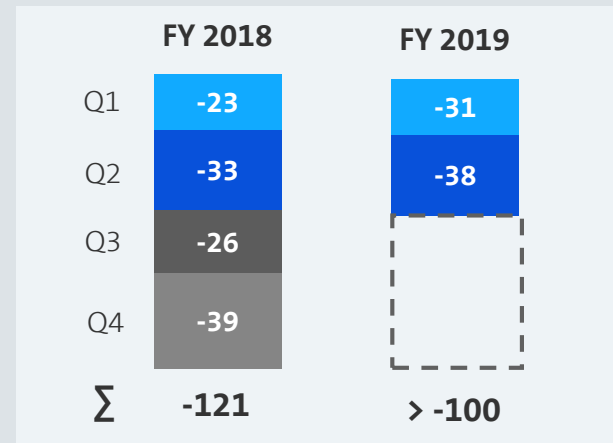


- Strategic cost initiatives reflected in FTE development
- **Service and quality level maintained**

Indirect cost development



(YoY changes in CHF mn)



- **Continuous optimisation** of cost base and **delivering on targets**
- On track to achieve cost target for 2019

New strategic initiatives



ONE B2B

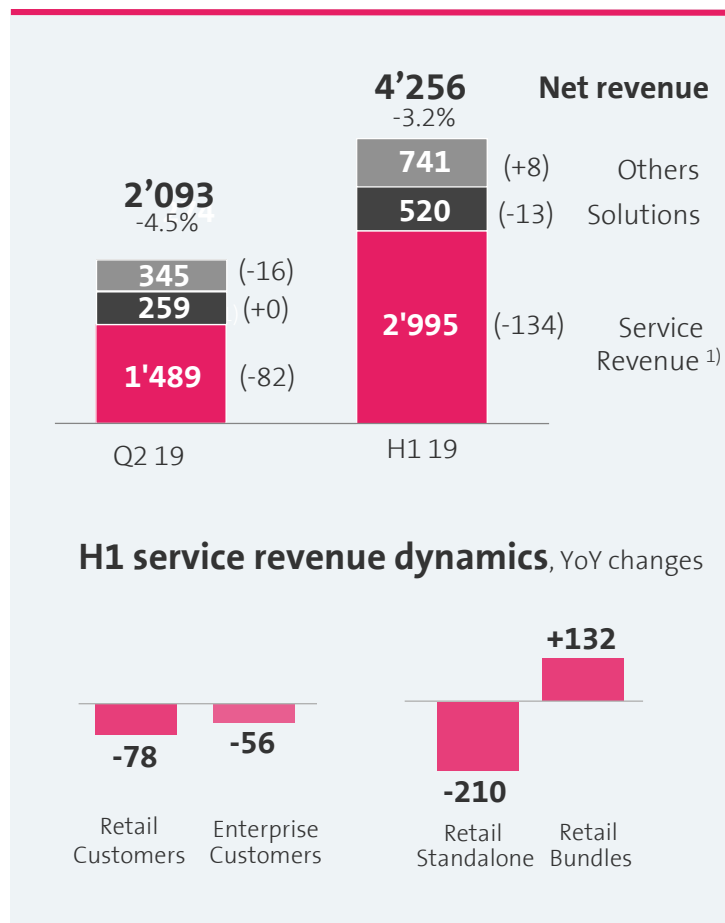
- **SME and Enterprise customers building one B2B segment**
- Push **standardised services, sales support and product portfolio**
- Stimulate growth in the SME business by **homogeneous partner management**
- New segment reporting as from 2020



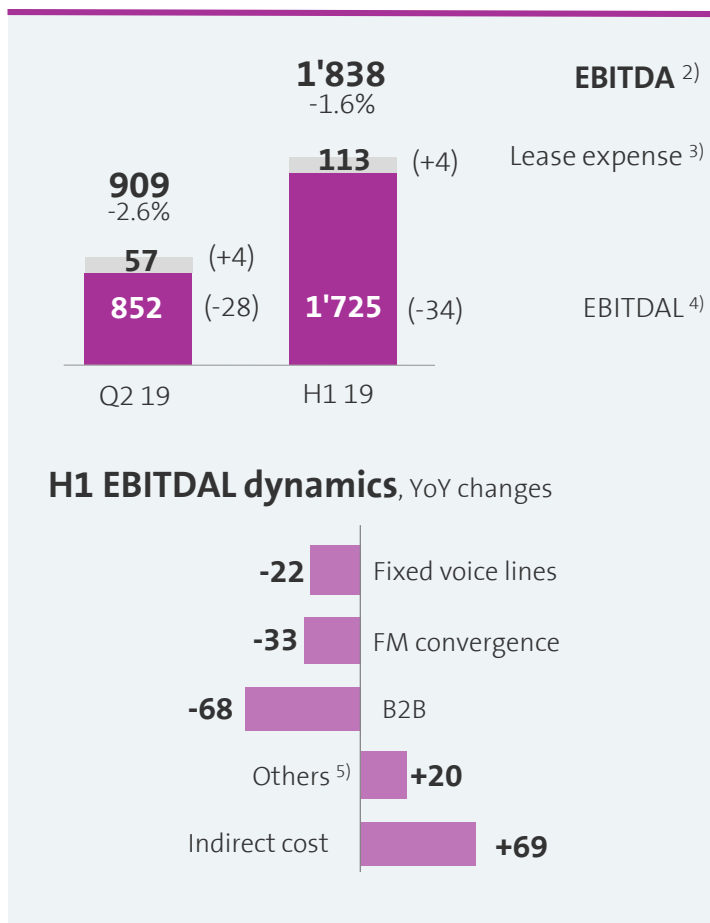
Financial performance of Swisscom Switzerland

Cost savings compensate top-line pressure. OpFCF proxy mainly impacted by CAPEX

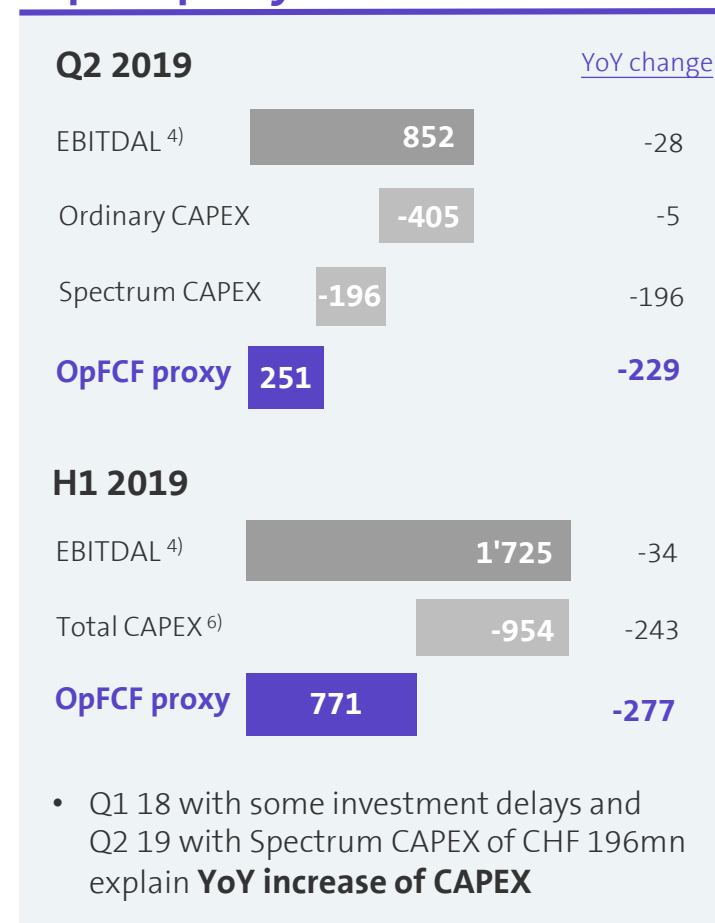
Net revenue in CHF mn (YoY changes)



EBITDA in CHF mn (YoY changes)



OpFCF proxy in CHF mn



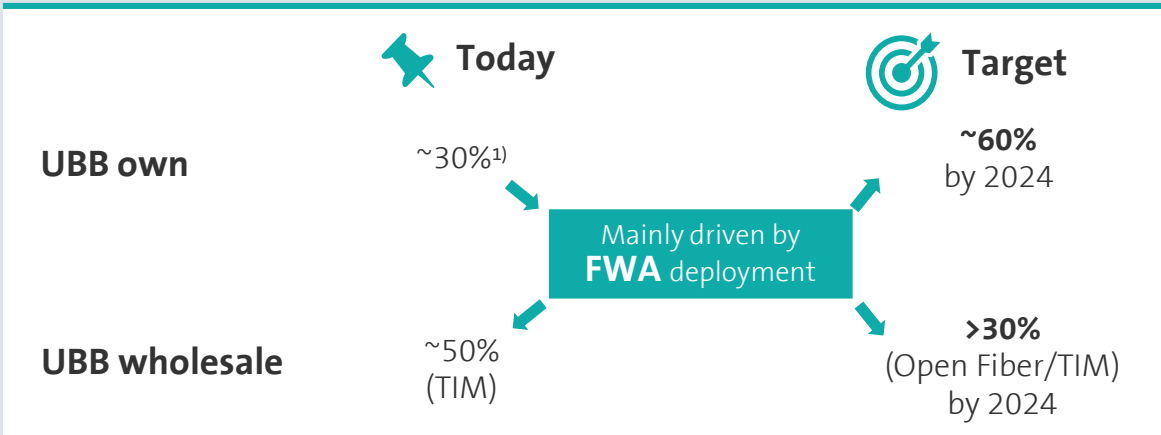
1) one-time customer-fidelity effects impacted Q1 2018 service revenue of Retail Customers with CHF -9mn and Enterprise Customers with CHF -2mn, 2) reported EBITDA, 3) consists of depreciation right of use assets and interest expense leases, 4) EBITDA minus lease expense, 5) primarily higher Wholesale revenues (from BBCCS, inbound roaming and MVNO) overcompensating Retail right-grading effects, 6) incl. cost for new 5G licenses of CHF 196mn



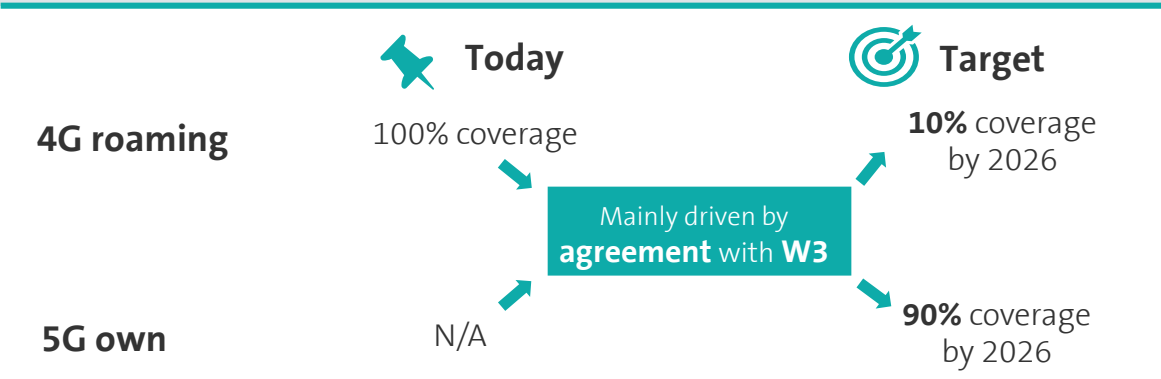
Fastweb: successfully executing strategy to become a leading 5G convergent player

Several network initiatives to differentiate and be sustainably competitive long-term

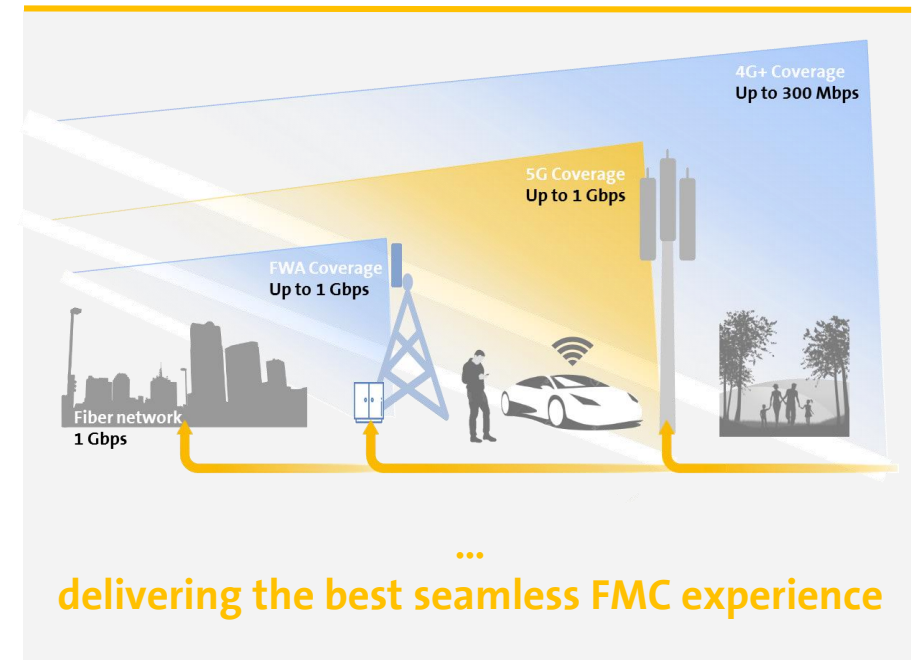
W+: doubling own footprint combining best UBB technologies



W-: from MVNO to MNO



Giga-connectivity at home, office and in mobility ...



1) Excluding 6mn FWA coverage acquired from Tiscali that is accounted in the footprint evolution to 2024



5G co-investing with Wind Tre represents the final step of Fastweb's FMC strategy

Four industrial streams optimizing the use of both companies' assets

5G co-investment



- Co-investment
- Combined 80 MHz 5G spectrum
- National macro sites coverage
- Small cells layer for densification
- One single physical infrastructure, two virtual slices

Mobile roaming



- Provision by Wind Tre of 4G roaming services to Fastweb
- Lower MVNO costs than today

Fibre back-hauling



- Provision by Fastweb of dark fibre connections to Wind Tre's BTS in selected areas
- New revenue stream
- Enabling 5G performance in terms of capacity and latency

UBB wholesale



- Provision by Fastweb of wholesale wireline UBB services to Wind Tre
- New revenue stream
- Tangible step to become a leading wholesale player

Implications



- **Achieve MNO-like cost structure**
- **FCF value-accretive from 2020 onwards**
(CAPEX expected stable at EUR ~0.6bn)



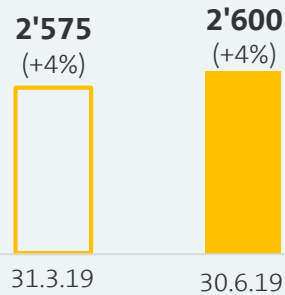


Consumer performance

On track towards a fully UBB and convergent customer base

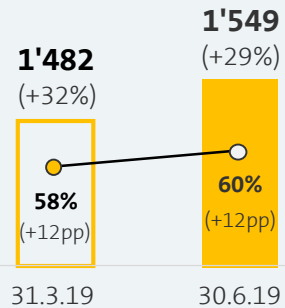
Fixed

Broadband subs in k (YoY change)



- Steady CB YoY growth at 4.0% ...
- ... despite persisting market pressure

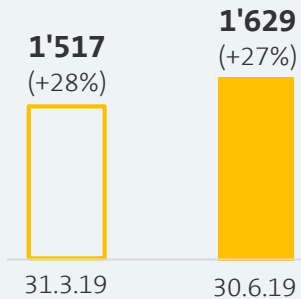
UBB subs (k) and penetration (YoY change)



- UBB penetration over CB +12pp YoY
- ~80% of new H1 2019 customers acquired on NGN

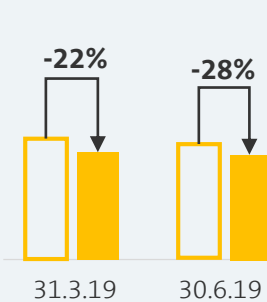
Mobile

Mobile subs in k (YoY change)

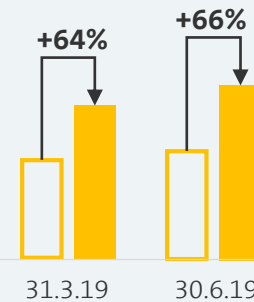


- 27% CB growth
- +112k mobile net adds in 2Q '19
- Market progressively stabilizing

Churn rate

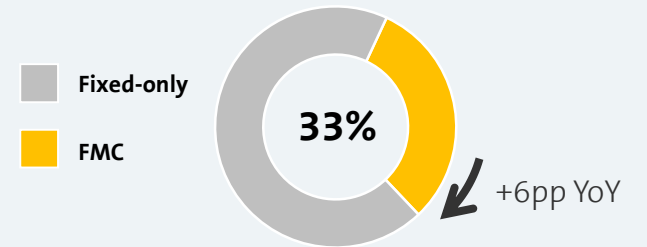


Data usage (Gbit/customer/month)

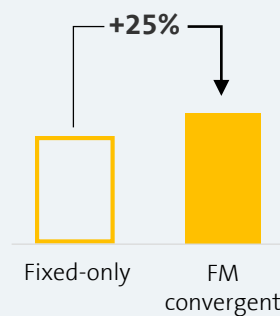


FM convergence as per 30.6.19

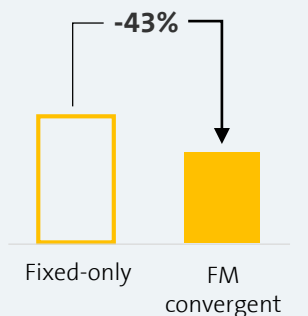
FMC penetration over fixed customer base



ARPU uplift (EUR/month, YoY)



Churn benefit (YoY)



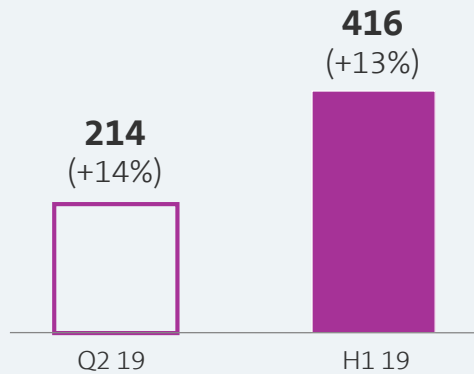


B2B performance

Healthy growth in Enterprise and in Wholesale core business

Enterprise

Revenues in EUR mn (YOY)



- **PA segment:** double-digit growth for the 6th consecutive quarter
- **Medium segment:** single-digit growth
- **Private:** stable

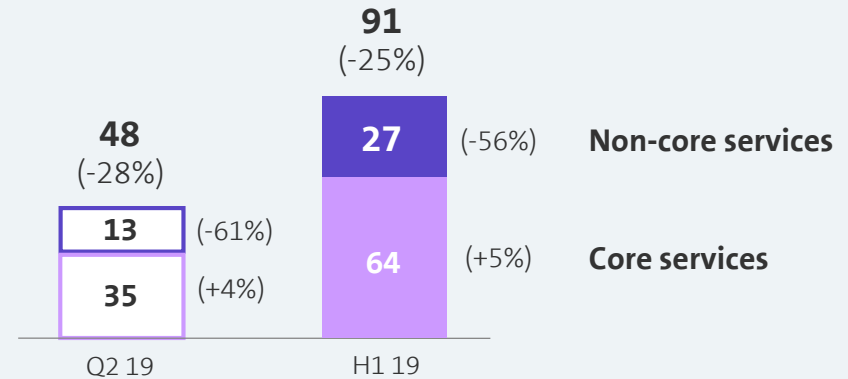
New contracts

- Banca d'Italia
- Italian Ministry of Culture and Tourism



Wholesale

Revenues in EUR mn¹ (YoY)



- **Core services:** Revenues growing +5% YoY in H1 and strong order book evolution due to increasing volumes of UBB wholesale lines (Tiscali)
- **Non-core services:** -56% YoY in H1 due to progressive phase out of low-margin infrastructure projects. Expected FY impact fully considered in top-line guidance

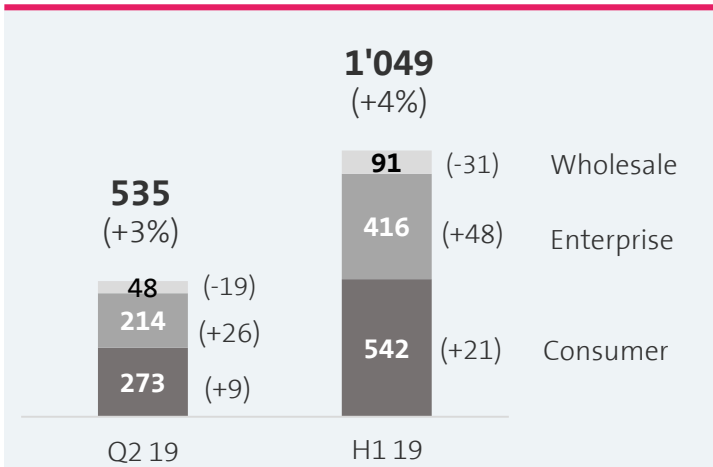
1) incl. intercompany revenues



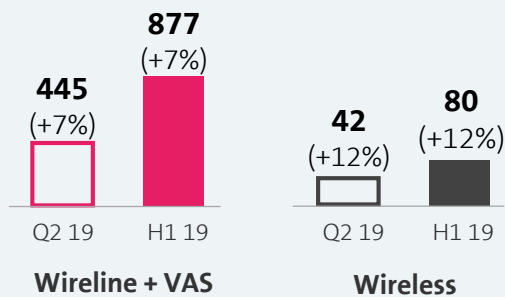
Financial performance of Fastweb

Solid performance in line with FY guidance

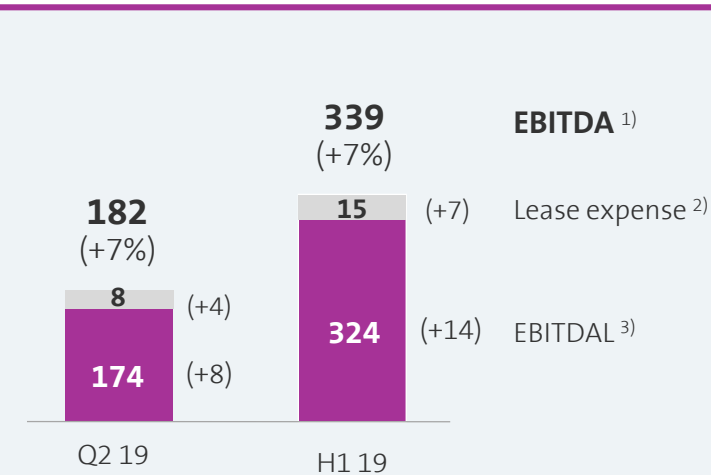
Net revenue in EUR mn (YoY)



Service revenue dynamics

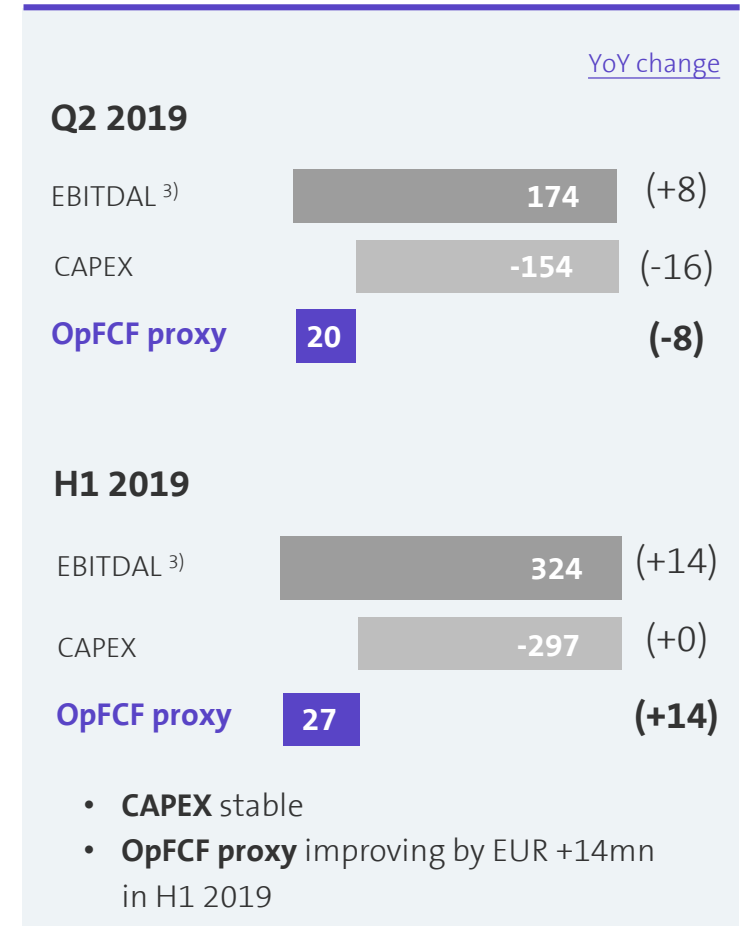


EBITDA in EUR mn (YoY)



- **EBITDA after lease** growth confirmed 5% YoY, in line with prior year and with FY 2019 guidance
- **YoY increase** due to increasing gross margin on all business units

OpFCF proxy in EUR mn (YoY)



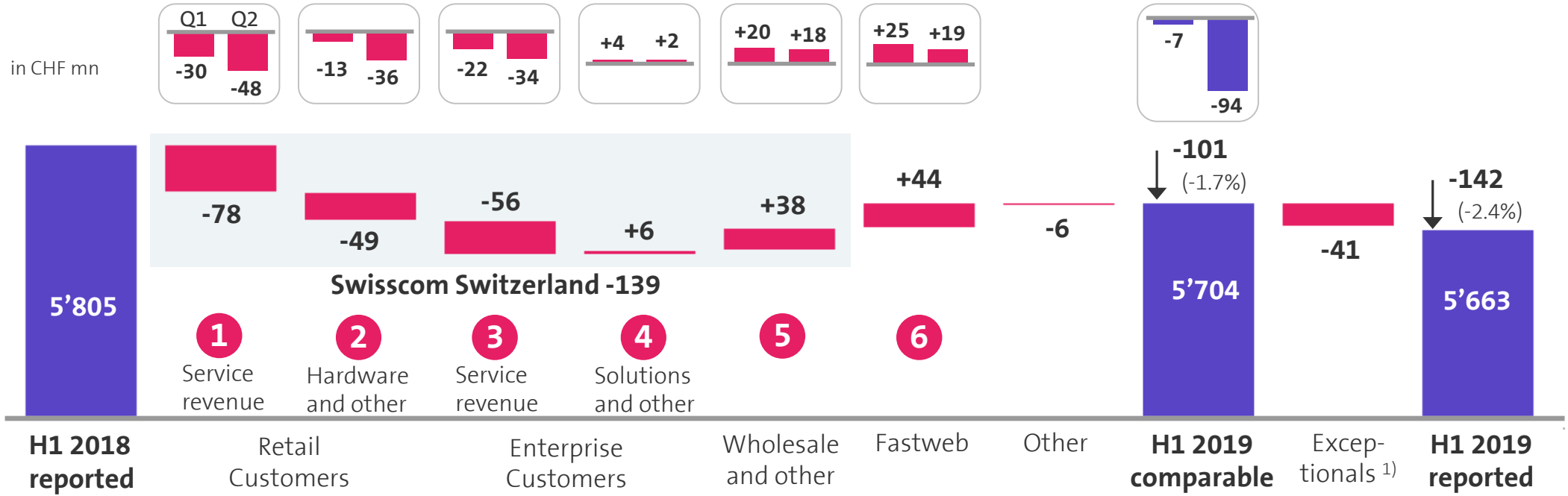
- **CAPEX** stable
- **OpFCF proxy** improving by EUR +14mn in H1 2019

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



Revenue breakdown by segments

Divergent top-line evolutions (with Switzerland down and Italy up) being in line with expectations



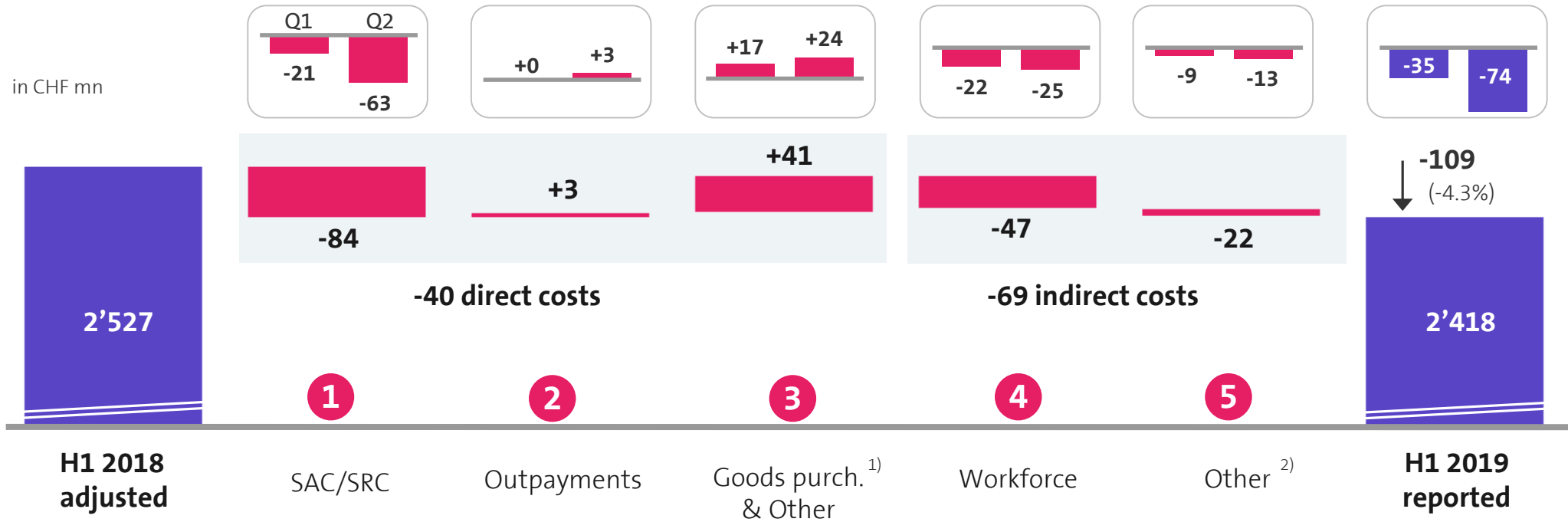
- 1** ↘ Decrease of voice access lines
 ↔ TV and BB with stable RGU base
 ↘ W- impacted by convergence and shift of RGU mix
- 2** Impact of CHF -56mn YoY from device decoupling in mobile tariffs (reconciliation IFRS 15), however compensated on EBITDA-level as wireless SAC/SRC are lower
- 3** ↘ Price pressure and high market intensity
 ↘ In addition All IP impacts
- 4** Solutions with slight decrease YoY (Q2 improving) due to banking, workplace and UCC. Hardware sales higher
- 5** Increase driven by higher BBCS, MVNO services and inbound roaming
- 6** All segments report a positive evolution

1) Consists of currency impacts (CHF -41mn)



OPEX of Swisscom Switzerland

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



- 1** Lower retention and acquisition cost primarily due to lower subsidies in conjunction with the device decoupling in mobile tariffs compensates negative impact on revenue reconciliation item IFRS 15
- 2** Higher roaming outpayments (volume driven) are mostly compensated by lower outpayments for mobile termination (lower rates)

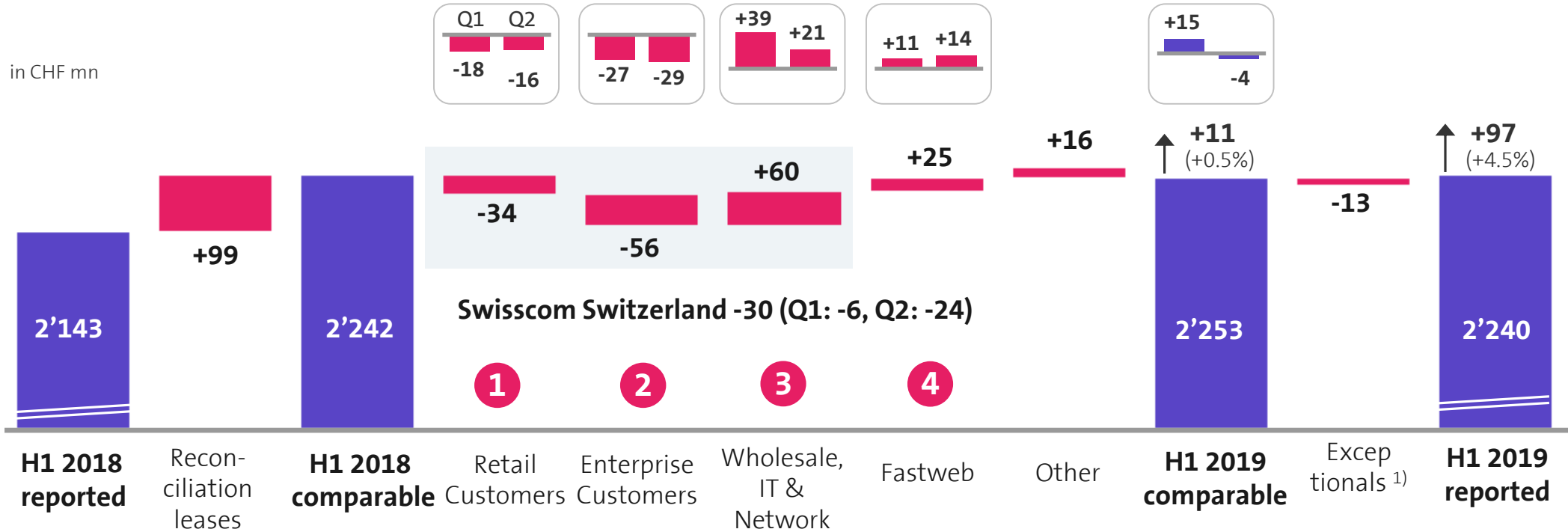
- 3** Increase driven by higher hardware sales in customer projects
- 4** Operational excellence leads to a FTE reduction at Swisscom Switzerland of -326 YoY (o/w -212 in H1)
- 5** Efficiency gains in IT operations

1) including activated initial cost for customer projects (CHF 11mn)
 2) excluding activated initial cost for customer projects (CHF 11mn)



EBITDA breakdown by segments

Cost saving initiatives partly compensate top-line erosion in Switzerland. Fastweb up YOY



1 Lower costs partly compensate lower service revenue. The device decoupling in mobile tariffs +/- neutral to EBITDA (as the negative impact on reconciliation revenue IFRS15 is compensated by lower wireless SAC/SRC)

2 Price pressure and structural effects in the connectivity business, Solutions business with lower volume also impacting contribution margin

3 H1 growth driven by higher revenue for wholesale services and lower indirect cost

4 Increase driven by revenue growth in the Consumer segment

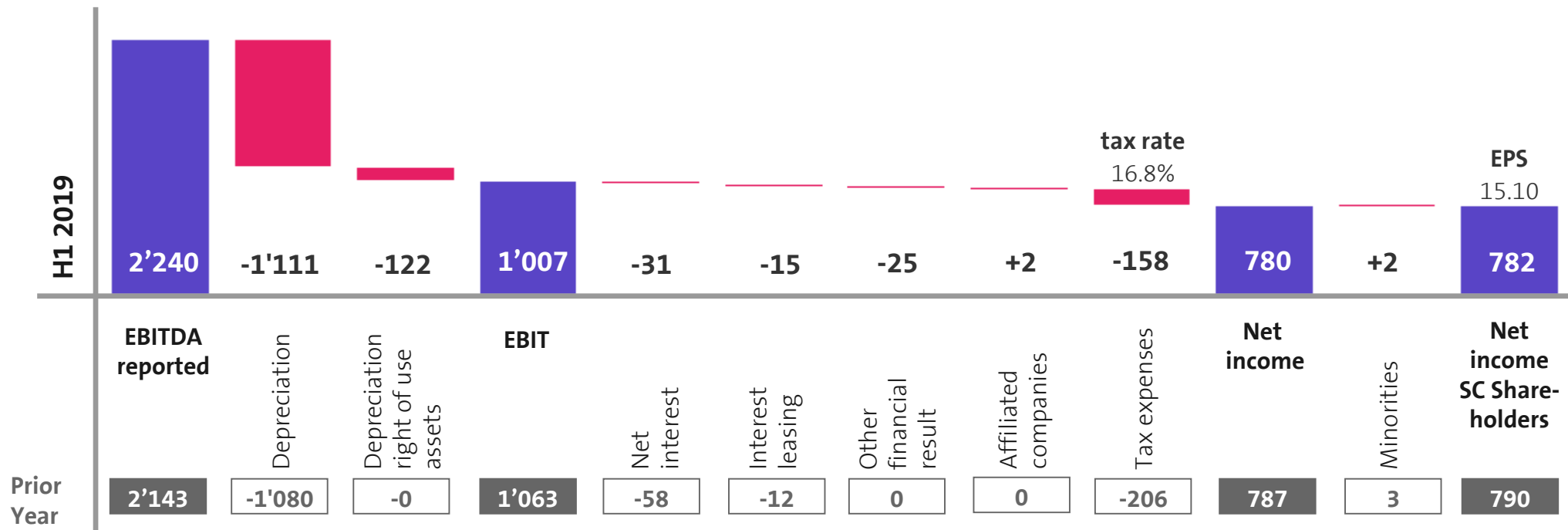
¹⁾ Consists of currency impacts (CHF -13mn)



Net income

Net income almost on previous year level

in CHF mn

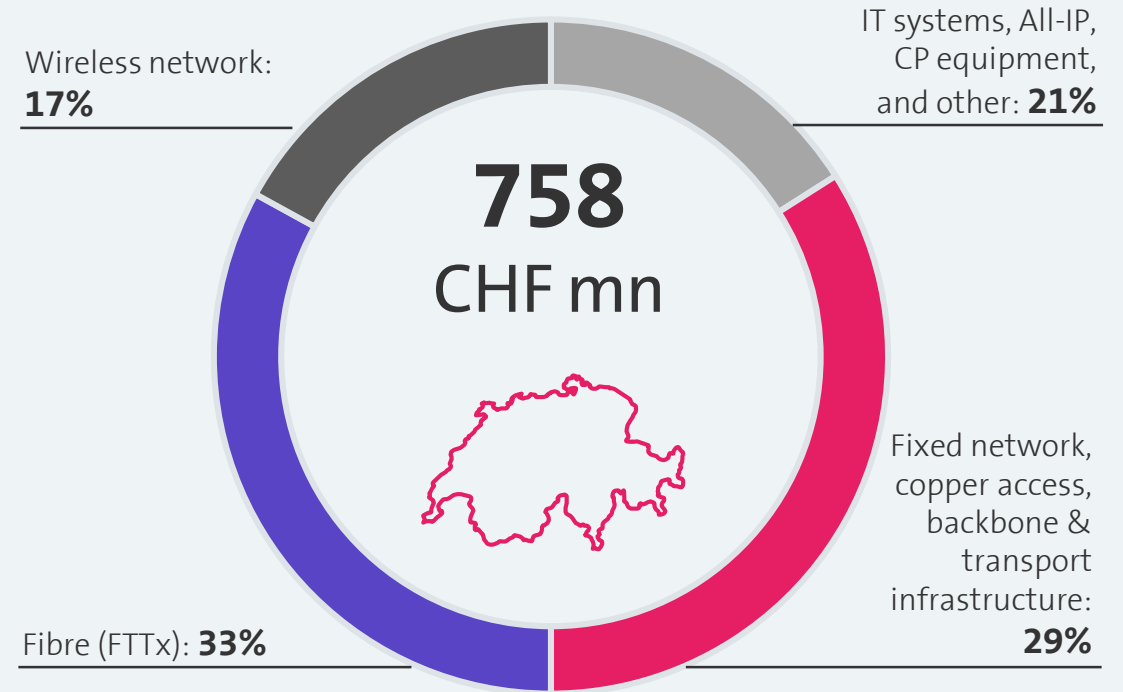
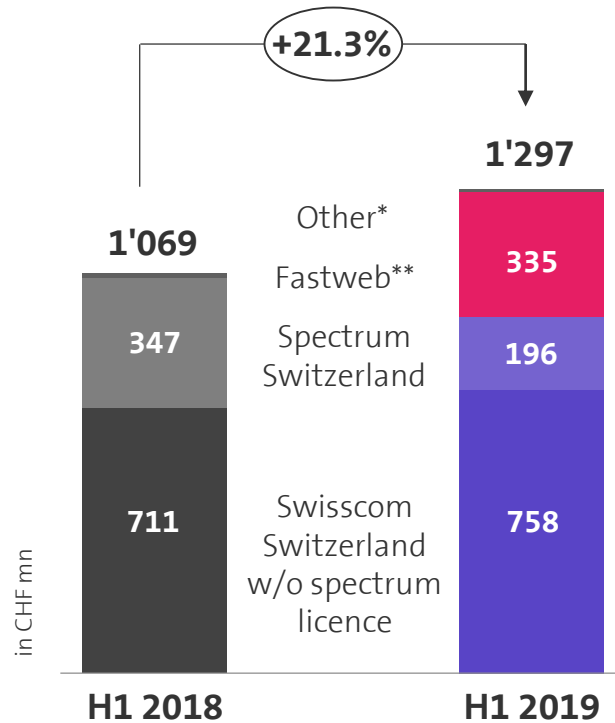


- Optimised debt portfolio leads to lower net interest expenses
- Other financial result down due to fair value adjustments of interest rate swaps
- H1 2019 tax expenses of CHF -158mn include an extra-ordinary (non-cash) impact of CHF +33mn from deferred tax liability adjustments due to a corporate tax reform in Switzerland



Capital expenditures

Network continuously improving for customer experience



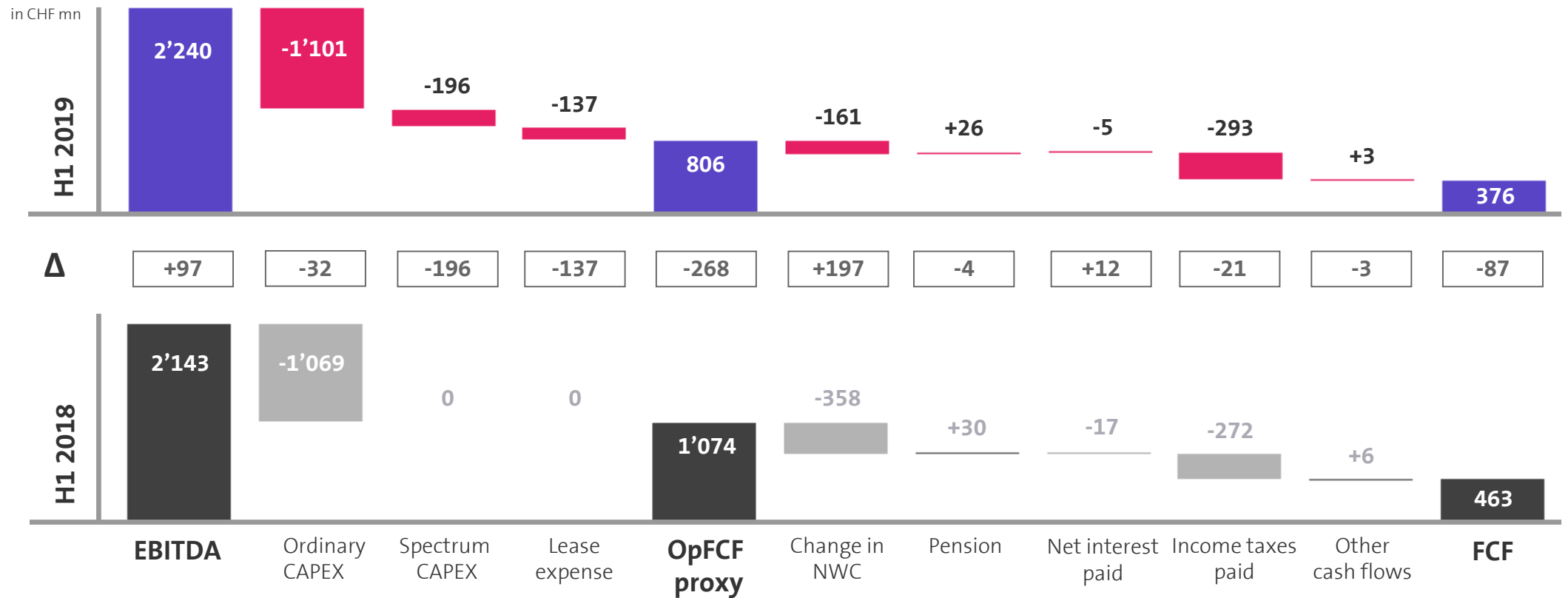
- CAPEX of Swisscom Switzerland driven by continuous fibre network roll out (higher volumes) and upgrading of mobile network
- In local currency Fastweb's CAPEX remains on a high level, ongoing investments in network infrastructures

* in H1 2018 CHF 11mn, in H1 2019 CHF 8mn, ** in local currency in H1 2018: EUR 297mn, in H1 2019: EUR 297mn



Free cash flow

Cost for new spectrum licenses impacts H1 free cash flow. Without CAPEX spectrum FCF up by +CHF 109mn YoY



- YoY decrease in OpFCF proxy of CHF -268mn primarily due to investments in new 5G spectrum licences (CHF -196mn)



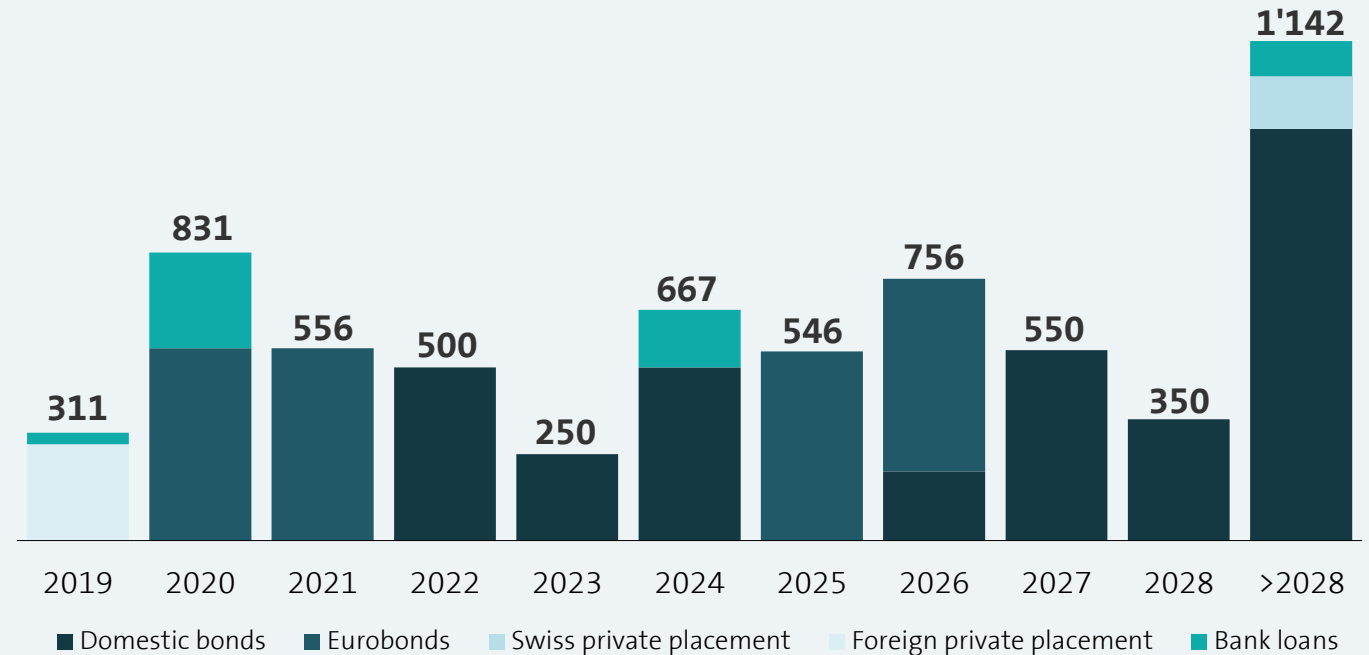
Swisscom's maturity profile as per 30.06.2019 *

Improvement of financing costs

- **Average interest rate** of debt portfolio further reduced to **0.85%**
- Debt portfolio actively managed and with a **duration** of **4.8 years**
- **Active management of interest rate risk** within well defined risk limits
- Debt portfolio **mix**:
 - **fix 68%**
 - **floating 32%**
- **Ratings unchanged**

Moody's
A2 Stable

S&P
A Stable



* excl. short-term money market borrowings



Guidance FY 2019

CAPEX guidance including spectrum costs of CHF 196mn, guidance on track

in bn	Swisscom Group without Fastweb	Fastweb ¹⁾	Swisscom Group
Revenue	CHF ~9.0	EUR >2.1	CHF ~11.4
EBITDA ²⁾	CHF <3.6	EUR >0.7	CHF >4.3
CAPEX (incl. extra cost of CHF 196mn for spectrum in Switzerland)	CHF ~1.8	EUR ~0.6	CHF ~2.5

1) for consolidation purposes: 1.13 CHF/EUR,

2) incl. IFRS16 impact of CHF ~200mn (t/o Fastweb with CHF ~20mn)

Upon meeting its targets, Swisscom plans to propose again a dividend of CHF 22/share (payable in 2020)



Questions & Answers



Appendix



Key financials

Reported and underlying revenue and EBITDA

in CHF mn

	2018				2019				Change Q/Q			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue, reported	2'885	2'920	2'884	3'025	2'860	2'803			-25	-117		
Currency effect					18	23			+18	+23		
Revenue, underlying change									-7	-94		
EBITDA, reported	1'058	1'185	1'088	982	1'119	1'121			+61	+36		
Reconciliation leases	52	47	51	57					-52	-47		
EBITDA, comparable	1'110	1'132	1'139	1'039	1'119	1'121			+9	-11		
Currency effect					6	7			+6	+7		
EBITDA, underlying change									+15	-4		



P&L statement with IFRS 16 reconciliation

Quarterly IAS 17 and IFRS 16 considerations

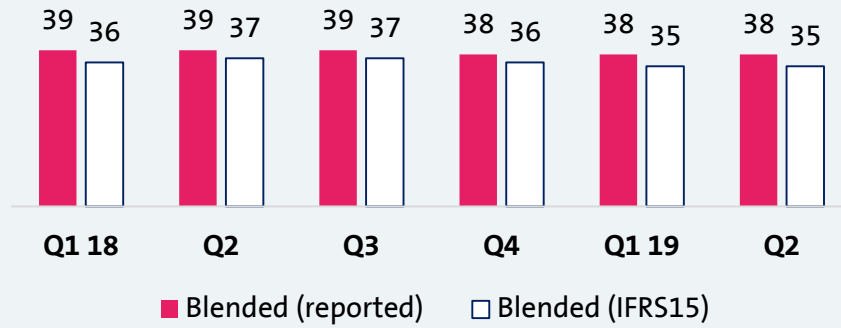
	Q1 18		Q1 19		Q2 18		Q2 19		H1 18		H1 19	
	reported	IAS 17	reported	IFRS 16	reported	IAS 17	reported	IFRS 16	reported	IAS 17	reported	IFRS 16
Net Revenue	2'885		2'860		2'920		2'803		5'805		5'663	
OPEX	-1'827	-52	-1'741		-1'835	-47	-1'682		-3'662	-99	-3'423	
EBITDA	1'058		1'119		1'085		1'121		2'143		2'240	
Depreciation	-540	-7	-554		-540	-9	-557		-1'080	-16	-1'111	
Depreciation right of use assets	0		-60	-60	0		-62	-62	0		-122	-122
EBIT	518		505		545		502		1'063		1'007	
Net Interest	-29		-15		-29		-16		-58		-31	
Interest Leasing	-6	-6	-8	-8	-6	-6	-7	-7	-12	-12	-15	-15
Other financial result	-6		3		6		-28		0		-25	
Affiliated companies	-2		2		2		0		0		2	
Taxes	-96		-104		-110		-54		-206		-158	
Net Income	379		383		408		397		787		780	
IAS 17/IFRS 16 impact		-65		-68		-62		-69		-127		-137



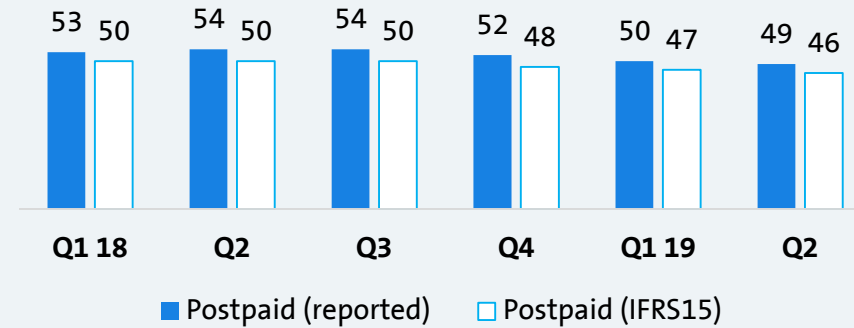
Swisscom Switzerland

Wireless ARPU and IFRS15 adjustments

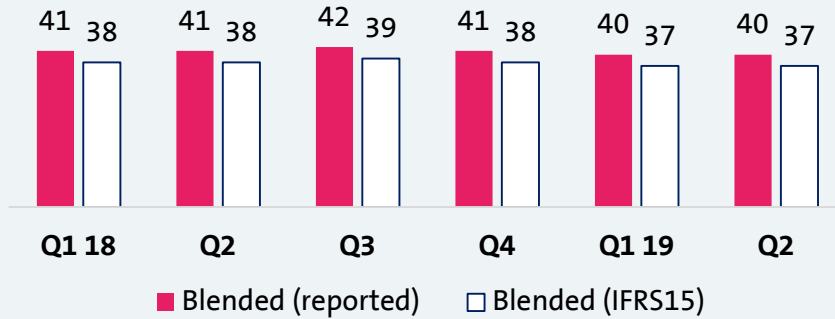
Swisscom Switzerland



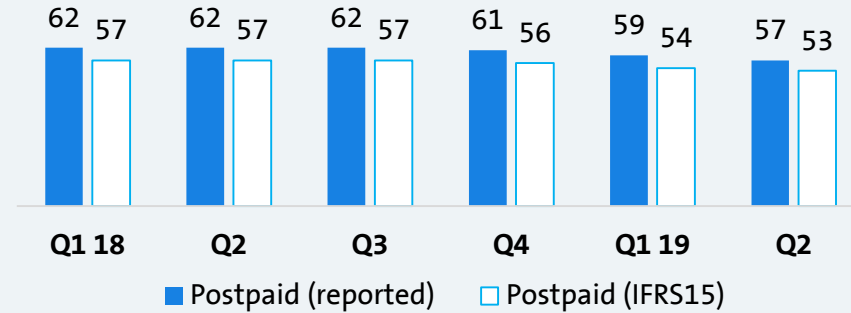
Swisscom Switzerland



Retail Customers



Retail Customers

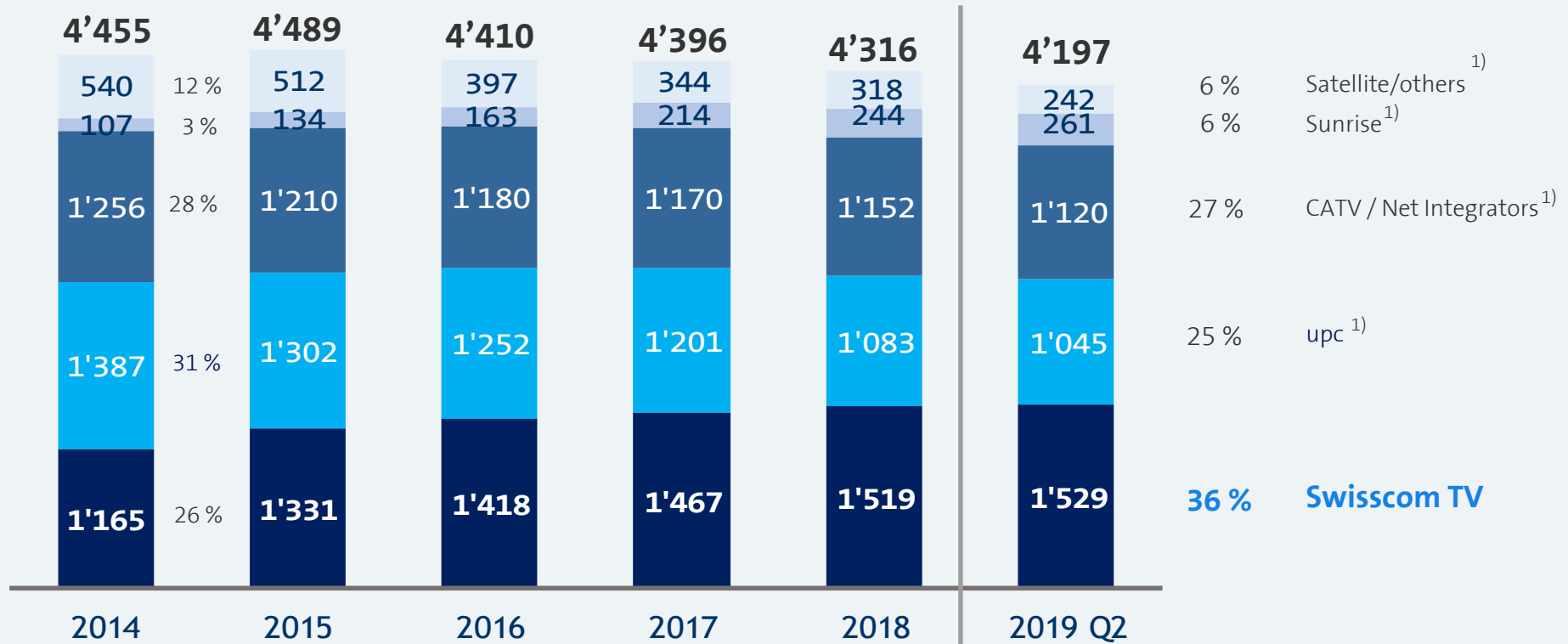




TV market in Switzerland

Swisscom #1 with 36% market share (+10pp since YE 2014)

Market subscriptions in k



1) Estimates for Q2 2019



Retail Customers

Segment reporting as per 30.06.2019

Net revenue decrease driven by lower service revenue.

Service revenue decreased (-3.0%) due to higher discount volumes (inOne), a decrease in access lines and lower roaming revenue.

Furthermore the device decoupling in mobile tariffs impacts net revenue (reconciliation IFRS 15) by -56mn YoY.

Contribution margin 2 decreased by 1.9%. Lower service revenue and negative impact from the revenue reconciliation IFRS 15 was largely compensated by lower SAC/SRC and lower indirect cost (mostly workforce).

	Q2 2019	Q2/Q2	30.06.2019	YoY
Net revenue in MCHF ¹⁾	1'384	-5.8%	2'818	-4.3%
Direct costs in MCHF	-276	-16.1%	-583	-10.4%
Indirect costs in MCHF ²⁾	-242	-6.2%	-485	-4.9%
Contribution margin 2 in MCHF	866	-1.8%	1'750	-1.9%
<i>Contribution margin 2 in %</i>	<i>62.6%</i>		<i>62.1%</i>	
Depreciation & amortisation in MCHF	-28	-28.2%	-56	-27.3%
Lease expense in MCHF	-13	18.2%	-26	4.0%
Segment result in MCHF	825	-0.8%	1'668	-0.8%
CAPEX in MCHF	-4	-66.7%	-10	-52.4%
FTE's	-68		5'133	-4.6%
Broadband lines in '000 ³⁾	-3		1'992	0.1%
Voice lines in '000 ³⁾	-37		1'564	-9.6%
Wireless customers Prepaid in '000	-25		1'646	-7.8%
Wireless customers Postpaid in '000 ³⁾	+33		3'468	2.6%
Blended wireless ARPU in CHF	40	-2.4%	40	-2.4%
TV subs in '000 ³⁾	+6		1'529	1.9%

1) incl. intersegment revenues

2) incl. capitalised costs and other income

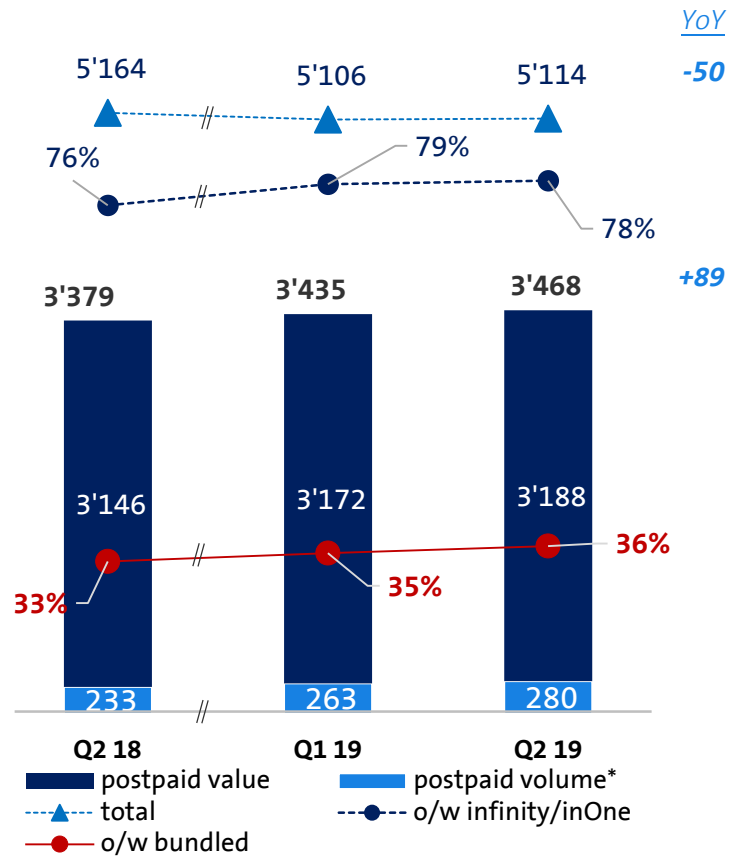
3) sum of single play and bundles



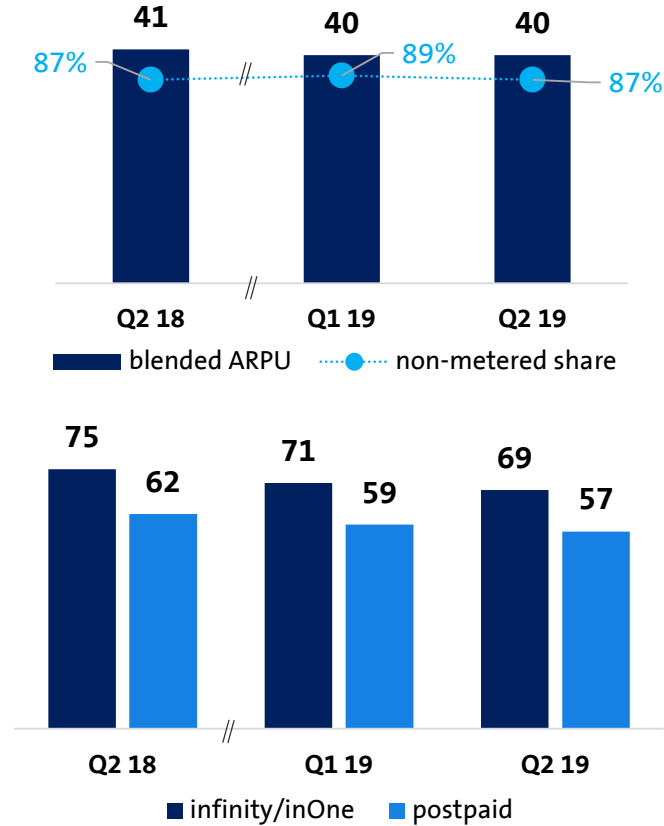
Retail Customers

Wireless performance

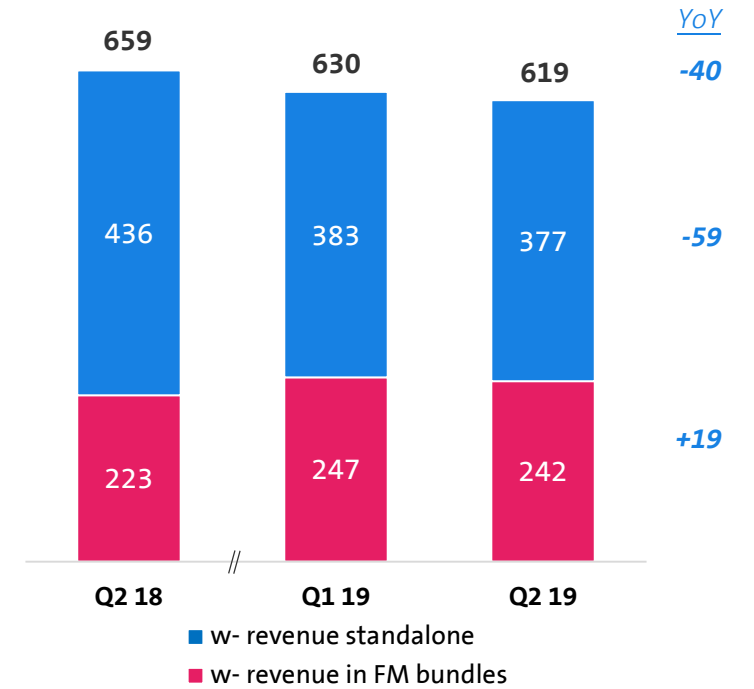
Subscriptions (in k)



ARPU (in CHF)



Service Revenue (in CHF mn)

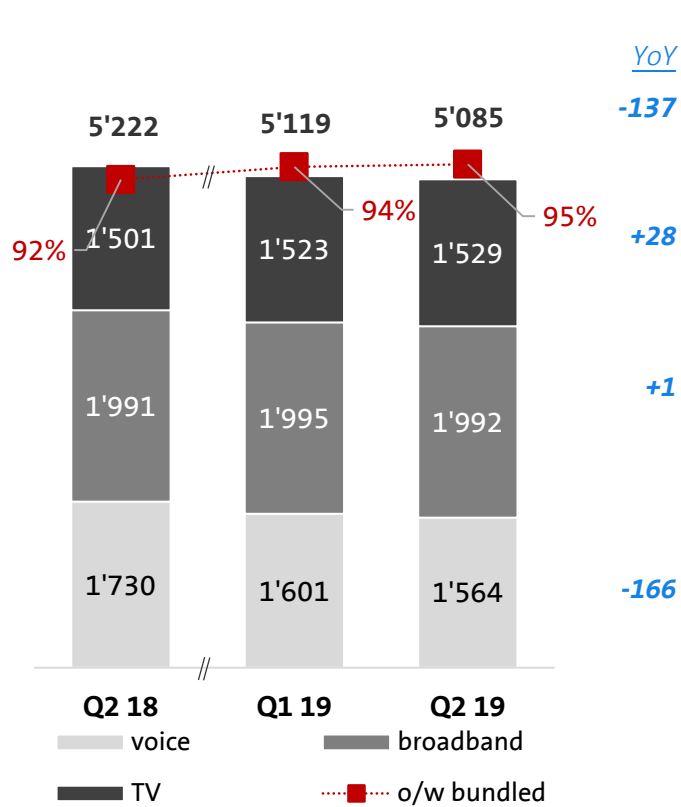




Retail Customers

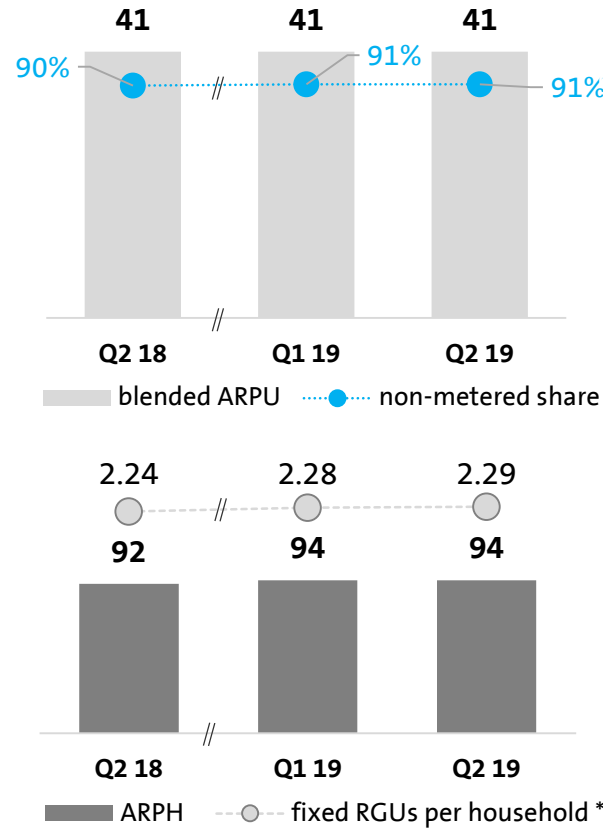
Wireline performance

Subscriptions (in k)

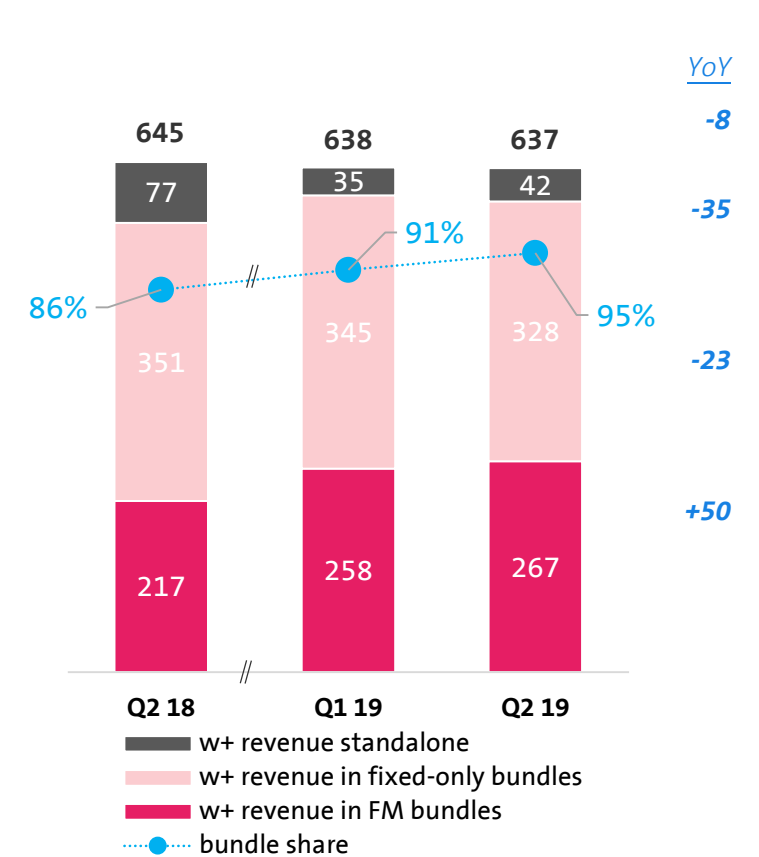


* HH = total broadband subscriptions + [total 1P voice subs – total 1P broadband subs]

ARPU and ARPH (in CHF)



Service Revenue (in CHF mn)

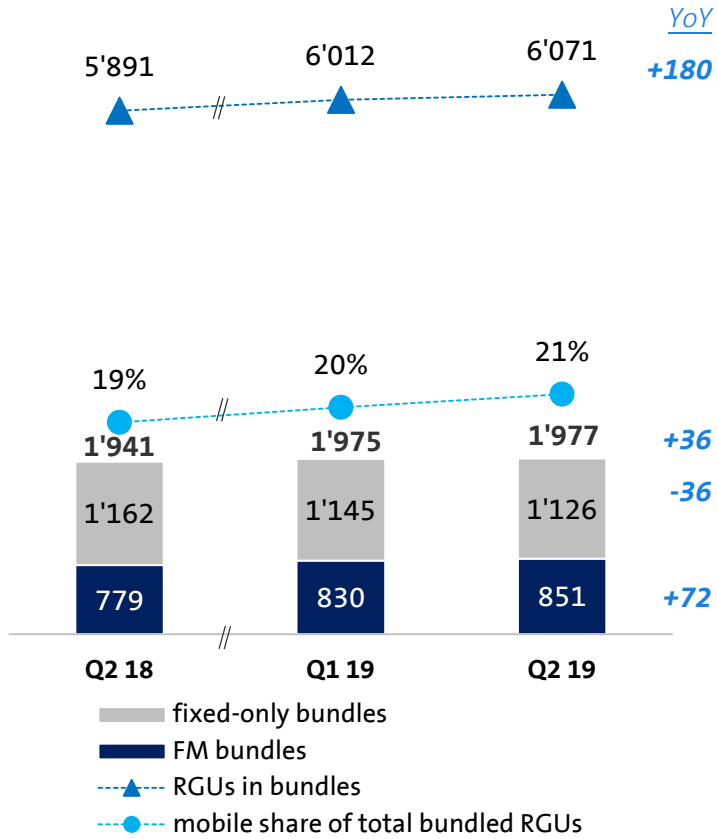




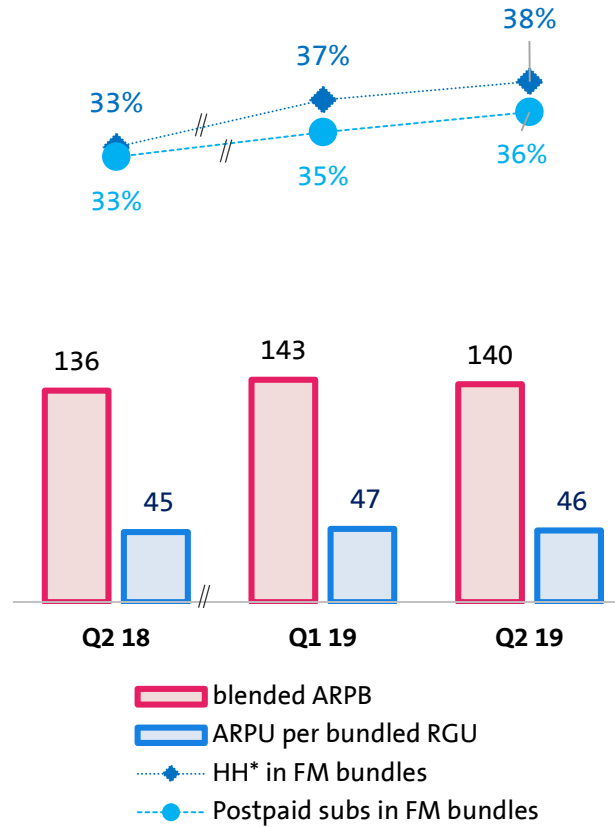
Retail Customers

Performance of fixed and FM bundles

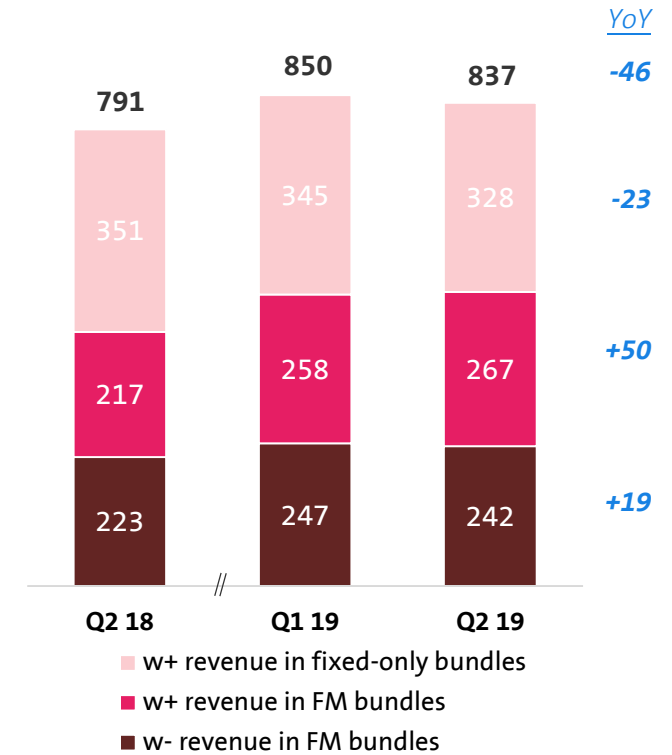
Subscriptions and Bundles (in k)



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]



Enterprise Customers

Segment reporting as per 30.06.2019

Net revenue down -4.0%, decrease in service revenue (-10.6%) due to price erosion and lower volume.

Solutions revenue down -2.7%, as volumes in workplace & UCC and banking decreased. Hardware sales partly compensate.

Contribution margin 2 down by 13.6%, driven by the revenue decrease.

	Q2 2019	Q2/Q2	30.06.2019	YoY
Net revenue in MCHF ¹⁾	570	-5.3%	1'163	-4.0%
Direct costs in MCHF	-194	7.8%	-397	8.2%
Indirect costs in MCHF ²⁾	-202	-7.8%	-411	-5.3%
Contribution margin 2 in MCHF	174	-14.3%	355	-13.6%
<i>Contribution margin 2 in %</i>	<i>30.5%</i>		<i>30.5%</i>	
Depreciation & amortisation in MCHF	-18	0.0%	-35	-2.8%
Lease expense in MCHF	-7	-22.2%	-14	-17.6%
Segment result in MCHF	149	-15.3%	306	-14.5%
CAPEX in MCHF	-10	-16.7%	-19	-5.0%
FTE's	+52		4'510	3.2%
Broadband lines in '000	-3		32	-13.5%
Voice lines in '000	-17		119	-32.4%
Wireless customers in '000	-18		1'254	-1.3%
Blended wireless ARPU in CHF	27	-12.9%	27	-10.0%

1) incl. intersegment revenues

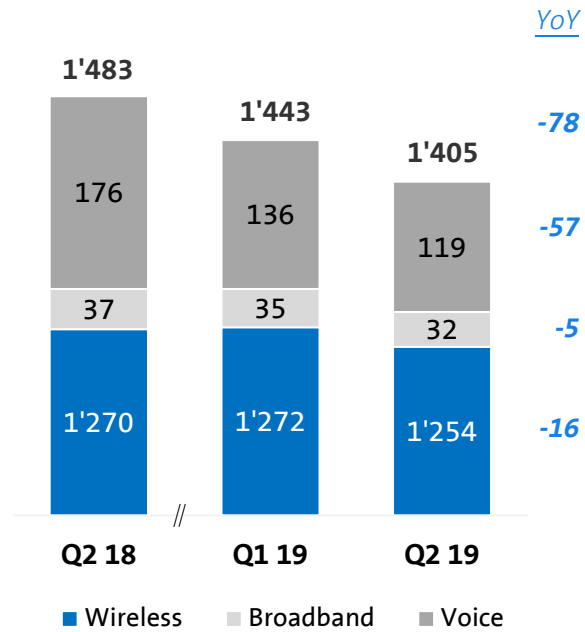
2) incl. capitalised costs and other income



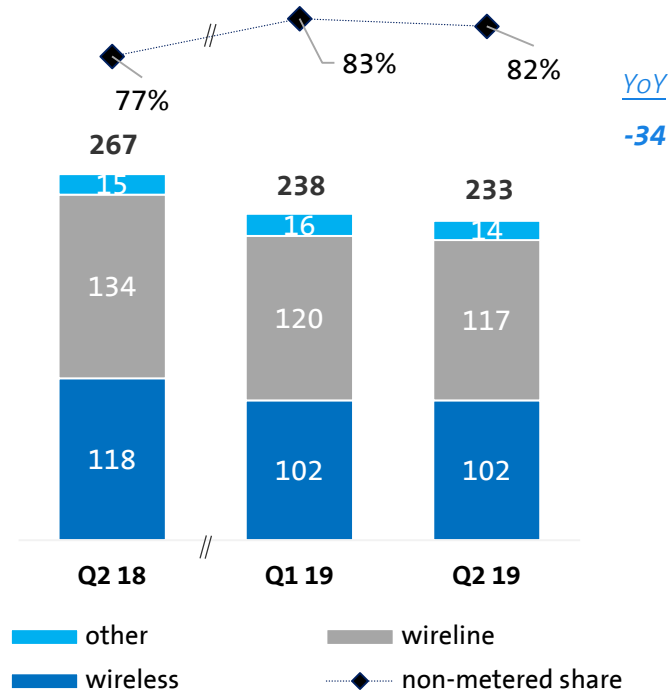
Enterprise Customers

Subs and revenue performance

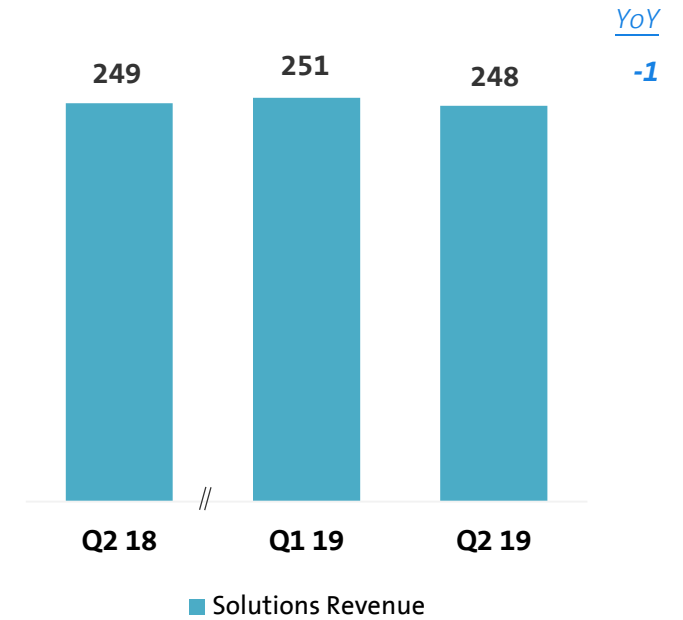
Subscriptions (in k)



Service Revenue (in CHF mn)



Solutions Revenue (in CHF mn)





Wholesale

Segment reporting as per 30.06.2019

Revenue from external customers up by 11.9%. Revenue for wholesale connectivity services as well as revenue for inbound roaming increased.

Contribution margin 2 increased driven by the revenue increase.

	Q2 2019	Q2/Q2	30.06.2019	YoY
External revenue in MCHF	162	11.7%	320	11.9%
Intersegment revenue in MCHF	81	3.8%	144	2.9%
Net revenue in MCHF	243	9.0%	464	8.9%
Direct costs in MCHF	-107	2.9%	-194	0.0%
Indirect costs in MCHF ¹⁾	-4	-20.0%	-8	-11.1%
Contribution margin 2 in MCHF	132	15.8%	262	17.5%
<i>Contribution margin 2 in %</i>	<i>54.3%</i>		<i>56.5%</i>	
Segment result in MCHF	132	15.8%	262	17.5%
CAPEX in MCHF	-		-	
FTE's	-1		85	0.0%
Full access lines in '000	-4		79	-16.8%
BB (wholesale) lines in '000	+10		502	8.7%

1) incl. capitalised costs and other income



IT, Network and Infrastructure

Segment reporting as per 30.06.2019

Contribution margin 2 improved by 4.0% driven by lower workforce expenses and IT efficiency gains.

Headcount decreased by 4.6%.

CAPEX including spectrum costs of CHF 196mn.

	Q2 2019	Q2/Q2	30.06.2019	YoY
Net revenue in MCHF	21	5.0%	44	10.0%
Direct costs in MCHF	-3	0.0%	-6	0.0%
Workforce expenses in MCHF	-191	-5.9%	-401	-5.0%
Maintenance in MCHF	-50	13.6%	-92	7.0%
IT expenses in MCHF	-40	-11.1%	-80	-11.1%
Other OPEX in MCHF	-116	2.7%	-228	0.9%
Indirect costs in MCHF	-397	-2.0%	-801	-2.8%
Capitalised costs and other income in MCHF	116	-4.9%	235	-2.1%
Contribution margin 2 in MCHF	-263	-1.1%	-528	-4.0%
Depreciation & amortisation in MCHF	-344	7.2%	-680	7.3%
Lease expense in MCHF	-37	12.1%	-73	9.0%
Segment result in MCHF	-644	3.9%	-1'281	2.4%
CAPEX in MCHF	-586	56.3%	-925	38.3%
FTE's	-87		4'508	-4.6%



Fastweb

Segment reporting as per 30.06.2019

Consumer revenue up by 4.0% YoY driven by the increase in customer base.

Enterprise revenue up by 13.0% driven by higher revenues with public administrations.

EBITDA up by 6.6% YoY driven by the revenue increase.

	Q2 2019	Q2/Q2	30.06.2019	YoY
Consumer revenue in MEUR	273	3.4%	542	4.0%
Enterprise revenue in MEUR	214	13.8%	416	13.0%
Wholesale revenue in MEUR ¹⁾	48	-28.4%	91	-25.4%
Net revenue in MEUR ¹⁾	535	3.1%	1'049	3.8%
OPEX in MEUR ²⁾	-353	1.1%	-710	2.5%
EBITDA in MEUR	182	7.1%	339	6.6%
<i>EBITDA margin in %</i>	<i>34.0%</i>		<i>32.3%</i>	
CAPEX in MEUR	-154	11.6%	-297	0.0%
FTE's	-7		2'451	-1.3%
BB customers in '000	+25		2'600	4.0%
Wireless customers in '000	+112		1'629	27.3%
In consolidated Swisscom accounts				
EBITDA in MCHF	206	3.5%	383	3.2%
CAPEX in MCHF	-174	7.4%	-335	-3.5%

1) incl. revenues to Swisscom companies

2) incl. capitalised costs and other income



Other

Segment reporting as per 30.06.2019

Net revenue up by 8.5% YoY driven by higher revenue at Cablex for construction services for external customers as well as for Swisscom Switzerland.

Close-down of Billag leads to decreasing external revenue.

FTE up by 2.9% YoY driven by the headcount increase at Cablex.

	Q2 2019	Q2/Q2	30.06.2019	YoY
External revenue in MCHF	128	-10.5%	266	-1.5%
Net revenue in MCHF ¹⁾	237	3.9%	462	8.5%
OPEX in MCHF ²⁾	-189	6.8%	-364	9.0%
EBITDA in MCHF	48	-5.9%	98	6.5%
<i>EBITDA margin in %</i>	<i>20.3%</i>		<i>21.2%</i>	
Depreciation & amortisation in MCHF	-17	13.3%	-35	16.7%
Lease expense in MCHF	-3	-25.0%	-6	-14.3%
Segment result in MCHF	28	-12.5%	57	3.6%
CAPEX in MCHF	-11	0.0%	-19	0.0%
FTE's	-36		2'663	2.9%

1) incl. intersegment revenues

2) incl. capitalised costs and other income



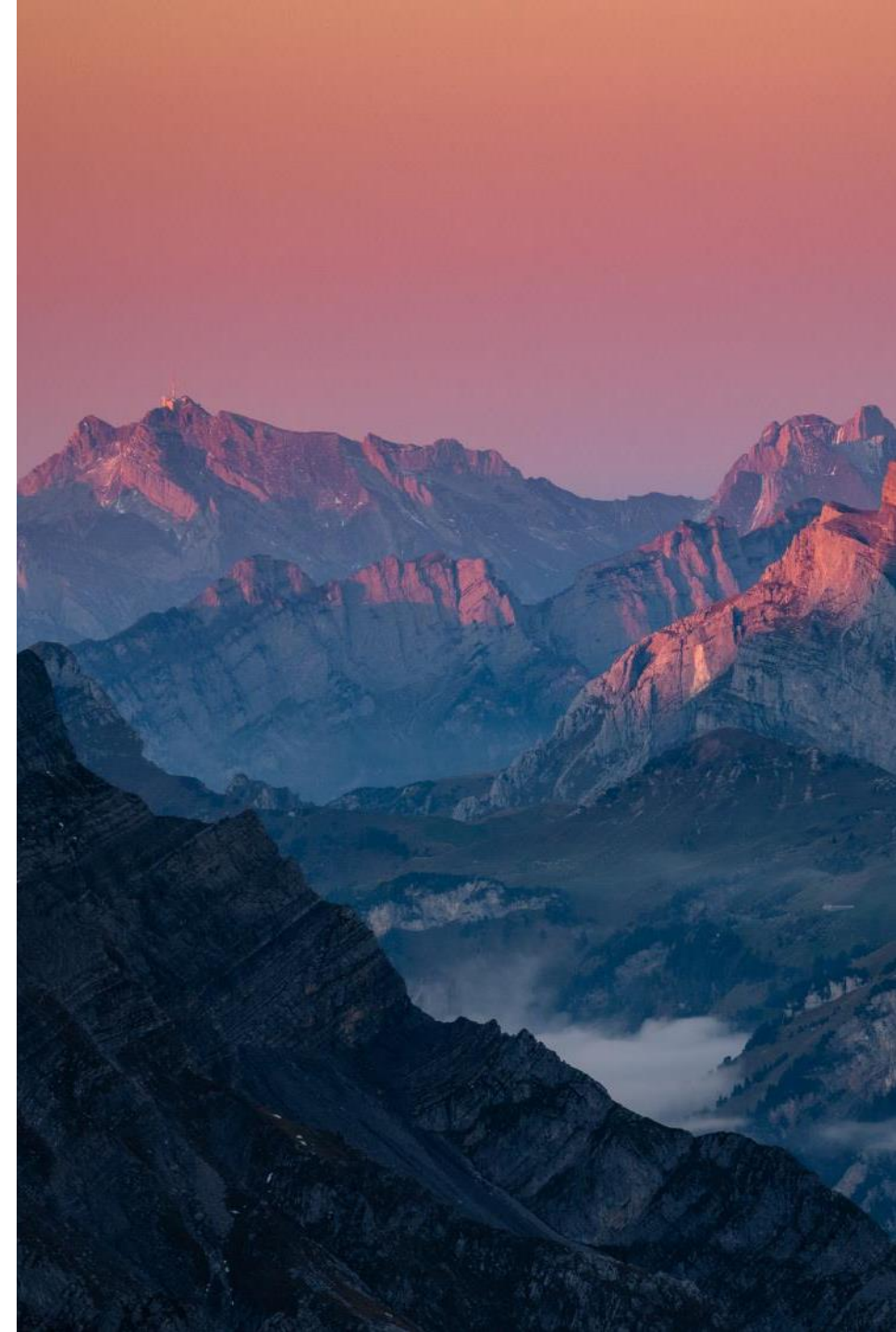
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