S&P Global
Ratings

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Swisscom AG

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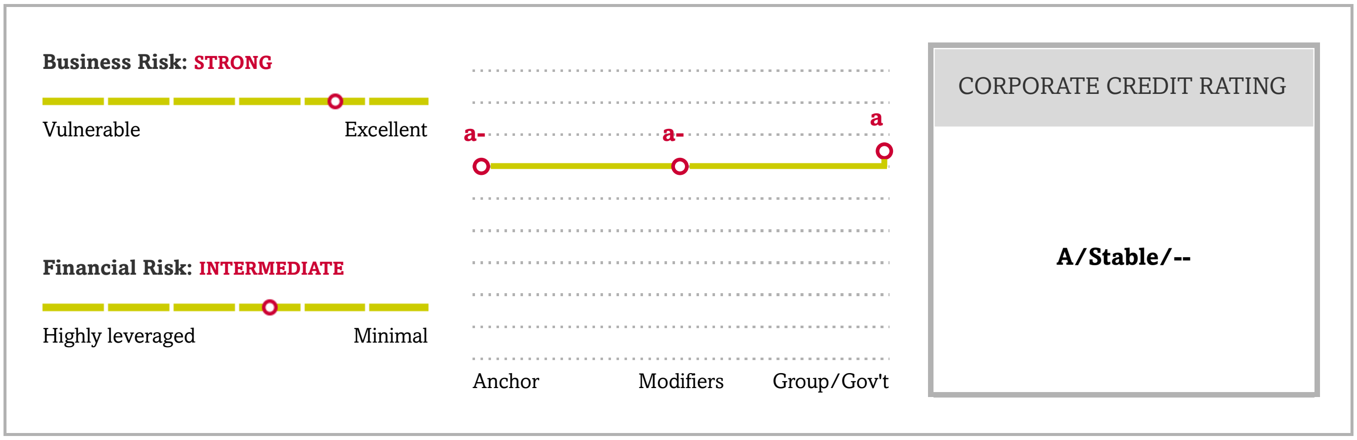
Swisscom AG



Rationale

Business Risk: Strong

- Leading position in fixed and mobile markets in Switzerland, a wealthy, quality-conscious service area, with a 53% retail market share in fixed broadband, and 60% in mobile.
- High-quality fixed and mobile networks, with 27% fiber-to-the-home (FTTH) and 99% fourth-generation mobile population coverage.
- Favorable regulation compared with European peers.
- Intense competition in fixed and mobile, increasing on the back of fixed-mobile convergence offers from competitors Sunrise and Salt.
- High capital expenditure (capex) of 19%-21%, excluding spectrum, in our forecast to maintain and upgrade the high-quality network.
- Limited growth prospects in the mature and saturated domestic telecom market.
- Service area confined to Switzerland and Italy.

Financial Risk: Intermediate

- S&P Global Ratings-adjusted debt to EBITDA of maximum 2.5x and funds from operations (FFO) to debt of at least 35% in our forecast for 2018-2020.
- Conservative and predictable financial policy, targeting net debt to EBITDA, as defined by Swisscom, of around 1.9x.
- Predictable, if somewhat inflexible, dividend policy.
- Significant capex constrain free operating cash flow (FOCF) to 14%-17% of adjusted debt (before spectrum payments).

Outlook: Stable

The stable outlook on telecommunications operator Swisscom AG reflects S&P Global Ratings' view that the company will defend its market positions in the business-to-consumer (B2C) and business-to-business (B2B) segments of the Swiss telecom market against increasing competition without unduly compromising on pricing. We also expect Swisscom will cushion the ongoing declines of domestic service revenues with cost savings. We think this will allow Swisscom to maintain adjusted debt to EBITDA at no higher than 2.5x and adjusted FFO to debt at more than 35% over 2018-2019. In addition, we expect the Swiss government will retain its majority ownership of Swisscom for the foreseeable future.

Downside scenario

We could lower the rating if more intense competition, including from fixed-to-mobile convergence products, compounded by the structural decline of the landline voice business, led to stronger pressure on service revenues and EBITDA than we currently expect, and if Swisscom fails to offset this through continuous cost optimization. We could also lower the rating if adjusted debt to EBITDA were to deteriorate to sustainably above 2.5x and FFO to debt sustainably below 35%. Alternatively, the privatization of the company could lead to a one-notch downgrade to align the rating with its stand-alone credit profile, but we think the risk of this occurring is slim.

Upside scenario

We could raise our rating on Swisscom if stable competitive conditions supported sustainable improvements in the trajectory of domestic service revenue and EBITDA, enabling Swisscom to strengthen its adjusted debt-to-EBITDA ratio to below 2.0x on a sustainable basis. This strengthening would also require the group to revise its financial policy to be even more conservative, which we think is unlikely at this stage.

Our Base-Case Scenario

We expect that Swisscom's credit metrics for the next few years will be determined by its conservative financial policy, and its ability to contain EBITDA pressure emanating from decreasing telecom service revenues in the domestic market.

Assumptions

- Swiss real GDP growth of 2.3% in 2018 and 1.7% in 2019, up from 1.0% in 2017, and unemployment rates of 2.9%-3.0% during this period, down from 3.2% in 2017. Although there is a limited link between business cycles and spending on telecom services, we think these robust macroeconomic fundamentals are conducive to up-selling of higher-value broadband, mobile, and TV bundles in B2C and additional services and solutions in B2B.
- In Switzerland, flattish mobile subscription numbers and only very modest growth in broadband line numbers. We project Swisscom's mobile and broadband retail subscriber market shares to decrease modestly longer-term.
- Fastweb likely to gain further market share in mobile in the near term, and grow in line or slightly ahead of the Italian broadband market.
- Switzerland: Revenue declines of 2.5%-3.5% in 2018 and 1%-2% in 2019, after a decline of about 2% in 2017, owing to price pressure for connectivity services, structural decline of the fixed voice segment, and lower roaming revenues, partly counterbalanced by growth of ICT services for business customers.
- Italy: Mid-single-digit revenue growth in euros at Fastweb in 2018, excluding the impact of "4-weeks billing", and low-single-digit growth in 2019, based on solid growth in consumer broadband subscriptions, strong growth in Fastweb's mobile virtual network operator (MVNO) product, and some expansion in B2B.
- Modestly decreasing adjusted EBITDA margins of 36.5%-37.5% in 2018 and 2019, compared with 37.5% in 2017, due to the decline of high-margin domestic service revenues and some margin dilution from information and communications technology (ICT) services, which cost savings in Switzerland only partly compensate. We also forecast some margin erosion at Fastweb due strong growth of lower-margin mobile revenues.
- A Swiss franc (CHF)50 million reduction in EBITDA in 2018 from the application of IFRS15. We expect this to be partly offset by positive effects from an

Key Metrics

	2017A	**2018E**	**2019E**
Revenues (bil. CHF)	11.7	11.5-11.7	11.4-11.6
EBITDA margin (%)	37.5	36.5-37.5	36.0-37.5
Capex to sales (%)*	20.3	19-21	19-21
Debt to EBITDA (x)	2.2	2.1-2.3	2.1-2.3
FFO to debt (%)	39.6	39-40	39-41
FOCF to debt (%)	17.8	11-14	14-17
FOCF to debt (%)*	17.8	14-17	14-17

All data adjusted by S&P Global Ratings. FFO--Funds from operations. FOCF--Free operating cash flow, defined as cash flow from operations after investments in property, plant, and equipment, and intangible assets. *Excluding spectrum. CHF-- Swiss franc. A--Actual. E--Estimate.

annual average euro/Swiss franc exchange rate of about 1.16 compared with 1.11 in 2017.

- Capex of 19%-21% of revenues in 2018–2019, excluding our assumed spectrum outlay in 2018, after about 20% in 2017, owing in particular to the group's high-speed broadband rollout in Switzerland and Italy.
- Stable dividend payouts of CHF22 per share in 2018, as announced by Swisscom, and at the same level in 2019, resulting in total annual distributions of CHF1.14 billion.

Company Description

Swisscom AG is the leading telecommunications operator in Switzerland, offering fixed and mobile telephony, broadband and TV services for residential and business customers, as well as ICT solutions for businesses. Swisscom also owns 100% of Italian fixed-line operator Fastweb. In addition to fixed-line broadband, voice, and TV services, Fastweb provides mobile telephony services as a MVNO. As of March 2018, Swisscom served about 6.6 million mobile, 2.0 million retail broadband, and 1.5 million TV subscribers in Switzerland, as well as 2.5 million broadband and 1.2 million mobile subscribers in Italy. The largest shareholder, with a 51% stake, is the federal government of the Swiss Confederation.

Business Risk: Strong

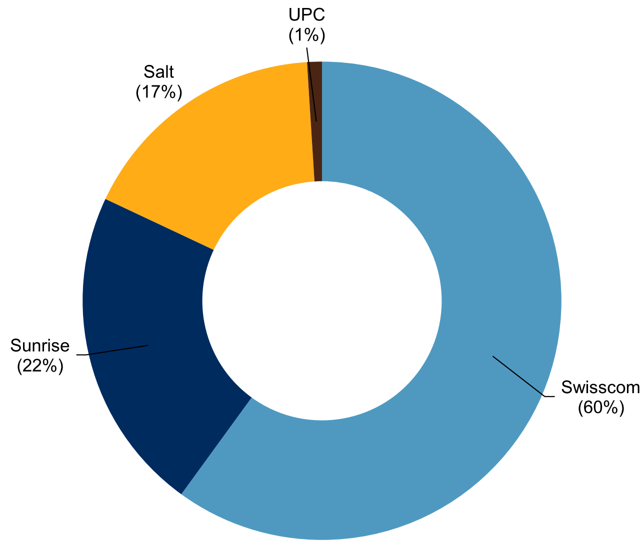
Our view of Swisscom's business risk benefits from a strong market position in Switzerland, well-maintained fixed and mobile networks, and light regulation, balanced by increasingly intense competition in mobile and fixed broadband, limited growth prospects in the saturated domestic telecom market, and the need for continually high investments in its networks.

Leading telecommunication provider in an increasingly competitive Swiss market

A key factor in our assessment of Swisscom's business risk is the company's strong market positions across both business and residential customer segments in Switzerland. As of March 2018, Swisscom's market share of mobile subscriptions was about 60%, well ahead of competitors Sunrise and Salt (see chart 1).

Chart 1

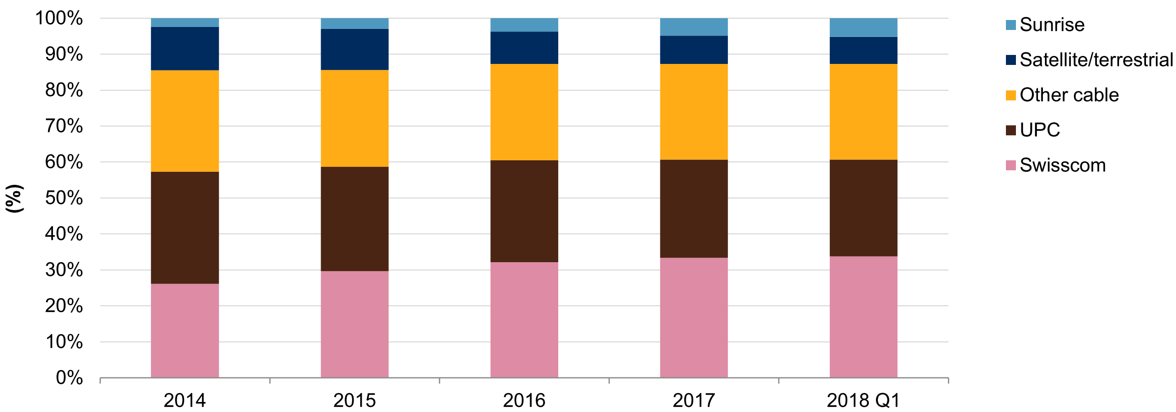
Swisscom Leads The Mobile Market In Switzerland



As of the year-end 2017, the company held 53% of the market for retail broadband connections, down from 54% in 2016 (all figures according to Swisscom), followed by cable operator UPC with 20%. In addition, Swisscom has successfully used its Internet-protocol-TV (IPTV) offering to increase its market share in TV services in the past few years to about 34% by March 2018, according to group estimates, at the expense of UPC with 27%, other cable operators, and terrestrial and satellite TV.

Chart 2

Swisscom Leads The TV Market In Switzerland

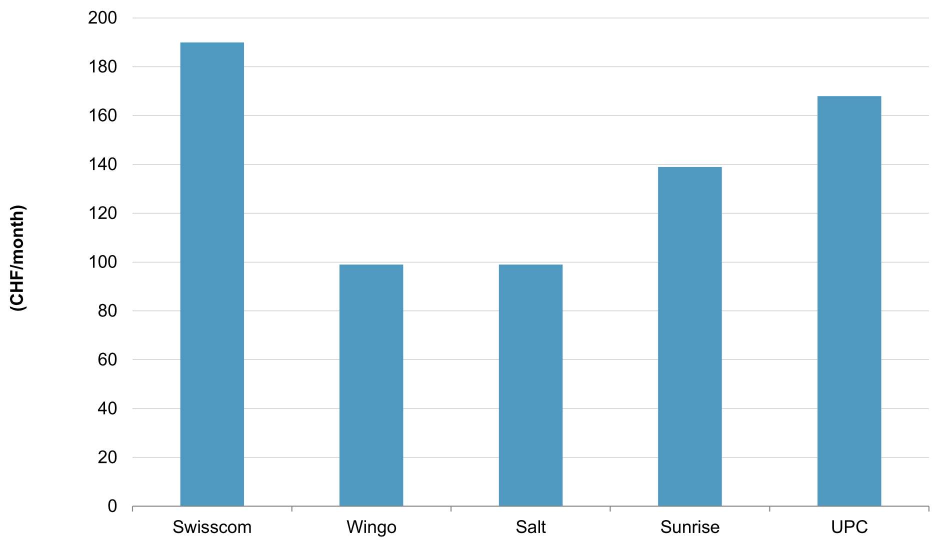


Source: Swisscom, First Quarter 2018 Earnings Presentation.

We generally view conditions in the Swiss telecom market as fairly benign compared with other European markets, as it is home to a wealthy customer base with a strong focus on quality, supporting favorable pricing. However, the market is highly saturated, with a fixed-line broadband penetration rate of about 46% of the population, the highest in Europe as of June 2017 (OECD data). Against this backdrop, we think that competition in the mobile segment has increased in the last few years, and is also becoming more intense in fixed broadband and TV. This is partly due to competitive fixed-mobile convergence offers by Sunrise, which, according to our estimates, held about 11% broadband market share at the end of 2017 (No. 3 after UPC with about 20% market share). Sunrise has also expanded its TV market share to about 5% in 2017 since its entry in 2012. We expect competition will be further reinforced by fixed-line and convergence products from Salt launched in the first quarter of 2018. Salt's triple- and quad-play offerings are priced at significant discounts to Swisscom's existing products (see chart 3), and we expect attractively priced bundles will constrain pricing in the overall market and force Swisscom to offer higher discounts or serve more customers through no frills brands such as Wingo in the long term.

Chart 3

Prices On Comparable 4P Bundles Per Operator



Source: Companies' websites. 4P offers include following minimum services: (1) Unlimited mobile voice and highspeed broadband in Switzerland; (2) 100 Mbit broadband; (3) 150 TV channels and replay/recording function; (4) Unlimited domestic fixed-voice calls. Wingo offer excluding unlimited fixed-voice calls as such a product is not available. UPC includes 10GB of mobile data.

Although we think that competition will weigh on revenue and EBITDA, we believe the impact will be incremental, and Swisscom will be able to avert significant erosion of pricing and market shares. This is because we think that price sensitivity in Switzerland will remain lower than in other markets, and we expect Swisscom to defend some price premium by harnessing its strong brand, and focus on the premium segment, continuous enhancements of product features and breadth, and fostering retention with bundled offers. We also note that Sunrise and Salt lack meaningful own fixed networks and rely on access to third-party infrastructure.

Swisscom faces revenue pressure in fixed voice due to the structural decline of this segment that is progressing more rapidly than in other European countries. As of March 31, 2018, Swisscom operated about 2 million fixed telephony lines, down by about 31% compared with four years ago.

High-quality fixed-line and mobile networks

In our view, Swisscom's market position is supported by its high-quality fixed-line and mobile networks. By the first quarter of 2018, Swisscom was able to offer broadband download speeds of at least 80 megabits per second (Mbps) to about 57% of all Swiss residential and business premises, and download speeds of at least 200 Mbps to 29% of premises. By 2021, the group aims to cover 75% of homes and businesses with 200 Mbps, and 90% with 80 Mbps. Also, although Swisscom employs a mix of network technologies, it covers about 27% of premises with FTTH, currently the fastest fixed-line technology. Main competing infrastructure for fixed broadband is the network of cable TV operator UPC (53% household coverage by our estimate) and the network of Swiss Fiber Network, a joint-venture of Swiss utility companies. In mobile, Swisscom currently covers 99% of the Swiss population with fourth-generation mobile networks, and 80% have access to 4.5G with speeds of up to 300 Mbps. However Swisscom's competitors have reached similar coverage levels, with nearly 100% population coverage reported by Sunrise and 97% by Salt. Swisscom's network infrastructure and upgrade plans require continued substantial investments, resulting in capex of about 19%-21% of revenues in 2015-2017, and we expect annual capex to remain at that level for the next three years.

Favorable regulation in Switzerland

We expect the regulatory environment in Switzerland to remain relatively benign compared with other European markets. For example, unlike other incumbent operators in EU countries, Swisscom is not subject to access and price regulation for its high-speed broadband network. Although a review of Swiss telecom legislation is under way, we do not expect a significant tightening of regulatory oversight, and the new legislation is unlikely to come into force before 2020.

Fastweb grows in a competitive Italian market

We continue to view operating trends at Swisscom's Italian subsidiary Fastweb as increasingly robust, balancing our assessment that economic and market conditions in Italy are less benign than those in Switzerland. Fastweb benefits from ongoing investments in its fiber network, the lack of competition from cable operators, and growth in Italy's fixed broadband penetration. It has therefore been able to expand its broadband subscriber base by more than 4% each year during 2014-2017, and now ranks second with a market share of 16%, about the same as Wind, and behind Telecom Italia with 49% (data for end-2017 and according to Swisscom). By end-2018, Fastweb expects to be able to serve about 29% of Italian households and business sites with download speeds of 200 Mbps or more based on its own FTTH and fiber-to-the street network. By 2020, the company aims to offer 50% of Italian households and businesses speeds of at least 200 Mbps. Part of the rollout will be achieved through a joint venture with Telecom Italia, which is designed to increase FTTH coverage to 5 million households and businesses compared with 2 million currently on Fastweb's own network. In addition to Fastweb's fixed-line offering, the company launched a full MVNO offering in 2017, based on Telecom Italia's network. As of March 2018, Fastweb had already gained about 1.2 million mobile customers.

We acknowledge that plans by Italian utility Enel SpA to roll out FTTH (under the joint venture Open Fiber) for several million homes could intensify competition in areas where networks overlap. As of end-2017, Swisscom estimates that Open Fiber covered about 1.8 million premises with FTTH, but it aims to connect about 19 million homes and businesses with fiber by 2027 (68% coverage). Also, we expect that the entry of Iliad S.A. in the Italian market will increase competitive pressure on mobile, although we still see potential for market share gains through upselling to Fastweb's broadband customers.

Peer comparison

We view Swisscom's business risk profile as stronger than that of Sunrise, based on Swisscom's ownership of its high-quality nationwide fixed network, significantly higher market shares in fixed-line and mobile, and its stronger brand perception that enables the company to charge premium prices.

Table 1

Swisscom AG -- Peer Comparison

Industry Sector: Diversified Telecom

	Swisscom AG	Sunrise Communications Holdings S.A.	Telia Company AB	Proximus S.A.
Rating as of June 6, 2018	A/Stable/--	BBB-/Stable/--	A-/Negative/A-2	A/Stable/A-1
	--Fiscal year ended Dec. 31, 2017--			
(Mil. CHF)				
Revenues	11,662.0	1,854.2	9,510.9	6,789.3
EBITDA	4,368.0	687.7	3,472.5	2,166.0
Funds from operations (FFO)	3,795.3	545.1	2,863.8	1,805.8
Net income from cont. oper.	1,570.0	504.8	938.3	610.8
Cash flow from operations	4,076.3	604.6	3,027.0	1,771.9
Capital expenditures	2,373.0	306.8	1,937.0	1,157.3
Free operating cash flow	1,703.3	297.8	1,090.0	614.6
Discretionary cash flow	555.3	148.0	(43.8)	6.1
Cash and short-term investments	603.0	272.5	1,859.6	395.5
Debt	9,595.1	1,919.7	7,247.9	3,369.8
Equity	7,645.0	1,510.3	13,444.7	3,525.7
Adjusted ratios				
EBITDA margin (%)	37.5	37.1	36.6	32.0
Return on capital (%)	11.6	5.5	7.9	14.5
EBITDA interest coverage (x)	18.6	7.6	7.5	22.2
FFO cash int. cov. (X)	21.7	13.3	12.6	33.2
Debt/EBITDA (x)	2.2	2.8	2.1	1.6
FFO/debt (%)	39.6	28.4	39.6	53.7
Cash flow from operations/debt (%)	42.5	31.5	41.8	52.7
Free operating cash flow/debt (%)	17.8	15.5	15.1	18.3
Discretionary cash flow/debt (%)	5.8	7.7	(0.5)	0.3

Financial Risk: Intermediate

Our assessment of Swisscom's financial risk largely reflects the group's conservative and predictable financial policy, which targets a net debt-to-EBITDA ratio of about 1.9x, as per the group's definition, compared with 1.7x at year-end 2017 (which was about 0.5x lower than our calculation of adjusted debt to EBITDA). Equally, we perceive Swisscom's dividend policy as fairly predictable, underpinned by a track record of constant payouts of about CHF1.1 billion per year since 2011. That said, we consider that the group's declared objective to pursue stable dividends may somewhat limit its willingness to reduce distributions, if necessary. We expect that Swisscom's financial policies will support adjusted debt to EBITDA of 2.0x-2.3x and adjusted FFO to debt of 39%-42% in the next three years. At the same time, we think Swisscom's FOCF will remain depressed by the need for continued network investments, and is unlikely to improve to 20% of adjusted debt in the next three years.

Financial summary

Table 2

Swisscom AG -- Financial Summary

Industry Sector: Diversified Telecom

	--Fiscal year ended Dec. 31--				
(Mil. CHF)	**2017**	**2016**	**2015**	**2014**	**2013**
Revenues	11,662.0	11,643.0	11,678.0	11,703.0	11,434.0
EBITDA	4,368.0	4,406.0	4,462.5	4,580.5	4,469.0
Funds from operations (FFO)	3,795.3	3,816.7	3,909.1	3,904.6	3,831.5
Net income from continuing operations	1,570.0	1,604.0	1,361.0	1,694.0	1,685.0
Cash flow from operations	4,076.3	3,822.7	3,731.1	3,639.6	3,984.5
Capital expenditures	2,373.0	2,410.0	2,419.0	2,448.0	2,430.0
Free operating cash flow	1,703.3	1,412.7	1,312.1	1,191.6	1,554.5
Discretionary cash flow	555.3	264.7	165.1	35.6	400.5
Cash and short-term investments	603.0	506.0	409.0	342.0	883.0
Debt	9,595.1	10,468.6	11,824.2	11,406.0	9,690.2
Equity	7,645.0	6,522.0	5,242.0	5,457.0	6,002.0
Adjusted ratios					
EBITDA margin (%)	37.5	37.8	38.2	39.1	39.1
Return on capital (%)	11.6	12.3	13.3	14.5	14.7
EBITDA interest coverage (x)	18.6	14.5	15.7	14.9	12.9
FFO cash int. cov. (x)	21.7	21.7	20.2	16.4	15.6
Debt/EBITDA (x)	2.2	2.4	2.6	2.5	2.2
FFO/debt (%)	39.6	36.5	33.1	34.2	39.5
Cash flow from operations/debt (%)	42.5	36.5	31.6	31.9	41.1
Free operating cash flow/debt (%)	17.8	13.5	11.1	10.4	16.0
Discretionary cash flow/debt (%)	5.8	2.5	1.4	0.3	4.1

Liquidity: Adequate

We assess Swisscom's liquidity as adequate because we expect that liquidity sources will cover uses by about 1.3x over the 12 months from April 1, 2018. We also think that the company has sound relationships with banks and a high standing in the credit markets, as demonstrated by a long track record of issuance using a variety of instruments and in different currencies.

Principal Liquidity Sources	Principal Liquidity Uses
As of April 1, 2018, principal liquidity sources over the ensuing 12 months include: • About CHF800 million in cash balances and short-term financial investments. • Two undrawn committed unsecured revolving credit facilities of CHF1 billion each, due August 2020 and March 2022, respectively. • Annual FFO of about CHF3.6 billion-CHF 3.9 billion. • About CHF580 million of inflows from the issuance of a €500 million bond in April 2018.	Principal liquidity uses over the same period include: • Capex, including spectrum, of about CHF2.5 billion-CHF2.7 billion. • Maturities of debt and finance leases of about CHF1.6 billion. • About CHF1.14 billion in dividends. • Up to CHF 250 million for the potential exercise of a put option held by minority shareholders in search.ch

Debt maturities

As of April 1, 2018*:

- 2018: CHF1,492 million
- 2019: CHF349 million
- 2020: CHF869 million
- 2021: CHF589 million
- 2022: CHF500 million
- 2023: CHF250 million
- Thereafter: CHF3,358 million

*Includes bank loans, bonds, and private placements.

Covenant Analysis

Change-of-control clauses exist in Swisscom's bank loans, bonds, and private placements. The bank loans would be due for immediate repayment if the stake of the Swiss government in Swisscom were to fall below one-third, or if another shareholder were to take control of the group. Bondholders would be entitled to sell the bonds if another shareholder gained a majority share in Swisscom and at the same time, the long-term issuer credit rating on the group fell below 'BBB-'. Under one of its credit agreements, Swisscom is subject to a maintenance covenant relating to net debt to EBITDA. We forecast ample headroom of more than 50% under this covenant over the next two years.

Government Influence

Our rating on Swisscom incorporates one notch of uplift reflecting our view that Swisscom is likely to receive some degree of timely support from the Swiss government in the event of financial distress. The Swiss government has control of Swisscom through its 51% ownership stake, and we believe it values Swisscom's role as the most important provider of connectivity services for the Swiss economy. We therefore think that it has sufficient incentives to extend support to avert major disruptions to Swisscom's operations, as well as potential repercussion for its own reputation, emanating from financial distress at the company.

Ratings Score Snapshot

Corporate Credit Rating

A/Stable/--

Business risk: Strong

- **Country risk:** Very low
- **Industry risk:** Intermediate
- **Competitive position:** Strong

Financial risk: Intermediate

- **Cash flow/Leverage:** Intermediate

Anchor: a-

Modifiers

- **Diversification/Portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Strong (no impact)
- **Comparable rating analysis:** Neutral (no impact)

Stand-alone credit profile : a-

- **Related government rating:** AAA
- **Likelihood of government support:** Moderate (+1 notch from SACP)

Issue Ratings--Subordination Risk Analysis

We rate the senior unsecured debt issued by Swisscom AG at the same level as the issuer credit rating. This is because, out of about CHF8.4 billion of reported debt for the group on March 31, 2018, secured debt and unsecured third-party liabilities at Swisscom's subsidiaries accounted for less than 5% of total debt. Therefore, we assess that subordination risk for group-level creditors is limited.

Reconciliation

We reduce EBITDA, FFO, and cash from operations in 2017 by CHF102 million in one-time income and cash inflow following a successful out-of-court settlement in Italy. Other adjustments mainly relate to our standard adjustments for operating leases, unfunded defined-benefit postretirement obligations, asset retirement obligations, share-based compensation expense, gains/losses on disposals of property, plant, and equipment, and capitalized interest. In calculating surplus cash, we add to CHF525 million of cash and cash equivalents CHF213 million of noncurrent deposits and debt securities which we consider sufficiently liquid.

Table 3

Reconciliation Of Swisscom AG Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. CHF)

	--Fiscal year ended Dec. 31, 2017--							
Swisscom AG reported amounts								
	Debt	**Shareholders' equity**	**EBITDA**	**Operating income**	**Interest expense**	**EBITDA**	**Cash flow from operations**	**Capital expenditures**
Reported	8,286.0	7,656.0	4,295.0	2,131.0	160.0	4,295.0	4,091.0	2,378.0
S&P Global Ratings' adjustments								
Interest expense (reported)	--	--	--	--	--	(160.0)	--	--
Interest income (reported)	--	--	--	--	--	11.0	--	--
Current tax expense (reported)	--	--	--	--	--	(369.0)	--	--
Operating leases	767.5	--	170.0	51.1	51.1	118.9	118.9	--
Postretirement benefit obligations/deferred compensation	862.0	--	5.0	5.0	11.0	2.6	(33.4)	--
Surplus cash	(738.0)	--	--	--	--	--	--	--
Capitalized interest	--	--	--	--	5.0	(5.0)	(5.0)	(5.0)
Share-based compensation expense	--	--	2.0	--	--	2.0	--	--
Dividends received from equity investments	--	--	20.0	--	--	20.0	--	--
Asset retirement obligations	477.6	--	--	--	8.0	3.8	6.8	--
Non-operating income (expense)	--	--	--	4.0	--	--	--	--
Non-controlling Interest/Minority interest	--	(11.0)	--	--	--	--	--	--
Debt - Derivatives	(60.0)	--	--	--	--	--	--	--
EBITDA - Gain/(Loss) on disposals of PP&E	--	--	(22.0)	(22.0)	--	(22.0)	--	--

Table 3

Reconciliation Of Swisscom AG Reported Amounts With S&P Global Ratings' Adjusted Amounts (Mil. CHF) (cont.)								
EBITDA - Settlement (litigation/insurance) costs	--	--	(102.0)	(102.0)	--	(102.0)	--	--
OCF - Other	--	--	--	--	--	--	(102.0)	--
Total adjustments	1,309.1	(11.0)	73.0	(63.9)	75.1	(499.7)	(14.7)	(5.0)
S&P Global Ratings' adjusted amounts								
	Debt	**Equity**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from operations**	**Cash flow from operations**	**Capital expenditures**
Adjusted	9,595.1	7,645.0	4,368.0	2,067.1	235.1	3,795.3	4,076.3	2,373.0

Related Criteria

- Criteria - Corporates - General: Reflecting Subordination Risk In Corporate Issue Ratings, Sept. 21, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria - Corporates - Industrials: Key Credit Factors For The Telecommunications And Cable Industry, June 22, 2014
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Research Update: Sunrise Communications Holdings Upgraded To 'BBB-' On Deleveraging And Solid Performance; Outlook Stable, May 11, 2018
- Research Update: Swiss Matterhorn Telecom Holding Upgraded To 'B+' On Improved Credit Quality; Outlook Stable, March 29, 2018

Business And Financial Risk Matrix

Business Risk Profile	Financial Risk Profile					
	Minimal	Modest	**Intermediate**	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	**a-/bbb+**	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

Ratings Detail (As Of June 6, 2018)

Swisscom AG	
Corporate Credit Rating	A/Stable/--
Senior Unsecured	A
Corporate Credit Ratings History	
30-Jun-2009	A/Stable/--
12-Mar-2007	A-/Stable/--

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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