



Q3 2020 results

Analyst and investor presentation

29 October 2020





Agenda

Introduction

Louis Schmid, IR

1. Highlights

Urs Schaeppi, CEO

2. Business review

Urs Schaeppi, CEO

3. Financial results

Mario Rossi, CFO

4. Q&A

all

Appendix



1. Highlights



Q3 in a nutshell

Another successful quarter

Q3 financials positive:
ahead of street expectations



Global Winner:
fastest mobile upload speed experience

OPENSIGNAL



Ranked # 1 in ESG
out of 197 telecoms



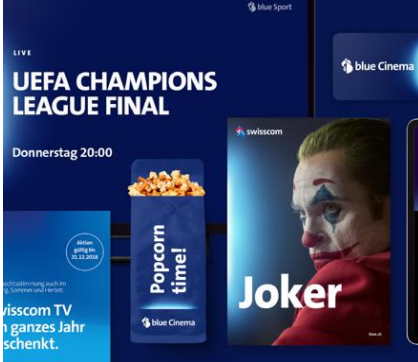
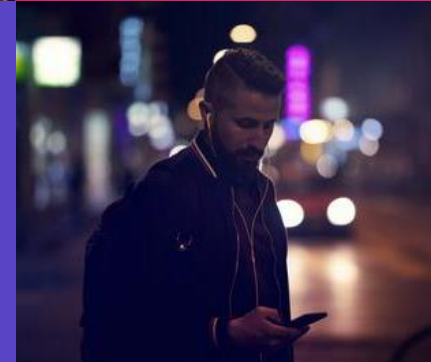
FY guidance confirmed:

Net revenue CHF ~11.0bn,
EBITDA CHF ~4.3bn
CAPEX CHF ~2.3bn

Swisscom Switzerland with **solid indirect cost savings** (CHF -88mn YOY)



Fastweb purchases 70% of **7Layers** to strengthen its ICT in cybersecurity services

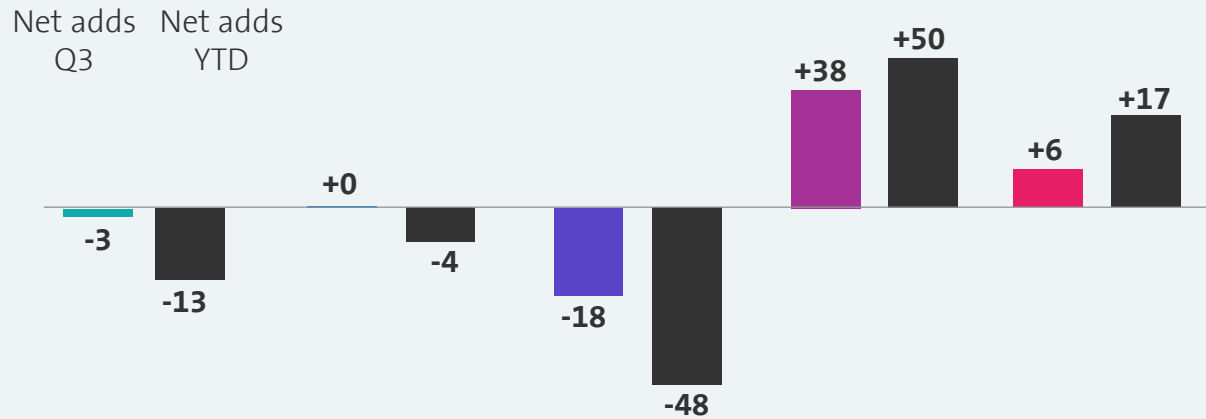




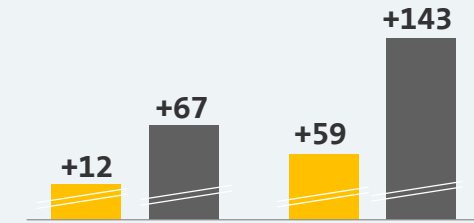
Q3 market (share) performance

Positive: Switzerland with stable BB/TV and growing postpaid/wholesale RGU base. Italy with RGU growth

Swisscom Switzerland (RGUs in k)



Fastweb (RGUs in k)



	Broadband	TV	Fixed voice	Postpaid	Wholesale	Broadband	Mobile
RGUs in k	2'045	1'551	1'546	4'821	602	2'704	1'889
Converged B2C share	46%			41%		34%	
Market share ¹⁾	53%	37%		58%		16%	2%

1) as per 30.06.2020

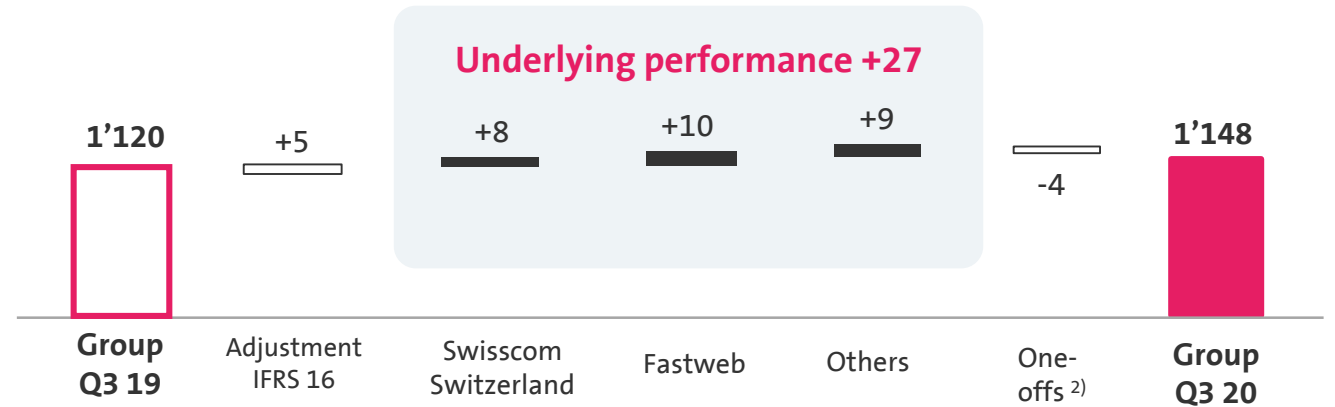


Q3 financial performance

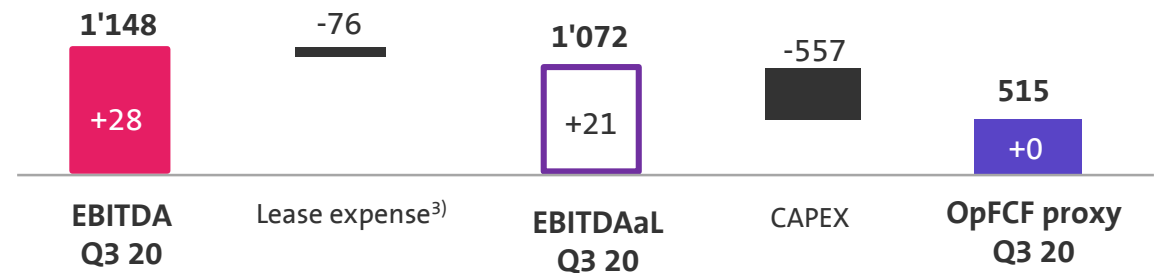
EBITDA up thanks to successful cost management in Switzerland and Fastweb growth

	<u>Q3 2020</u>	<u>9M 2020</u>
Net revenue	CHF 2'758 mn (-1.3% YoY)	CHF 8'201 mn (-3.0% YoY)
Net income	CHF 430 mn (+7.2% YoY)	CHF 1'166 mn (-1.3% YoY)
CAPEX	CHF 557 mn (+3.9% YoY)	CHF 1'632 mn (-0.3% YoY) ⁴⁾
Net debt¹⁾		CHF 8'622 mn (-3.5% YoY)
Leverage		2.0x (stable YoY)

EBITDA development in CHF mn and YOY changes



OpFCF proxy development in CHF mn



1) including lease liabilities of CHF 1'997mn, 2) consists of FX impact of CHF -4mn, 3) consists of depreciation right of use assets excluding IRU of CHF -70mn and interest expense leases of CHF -6mn, 4) YOY change excluding prior year spectrum CAPEX of CHF 196mn



2. Business Review



En route with 2020 key success factors ...

... to deliver another successful business year

Maximise core in Switzerland

- **Invest** sustainably in **leading network position**
- **Drive innovation** to achieve outstanding customer experience today and tomorrow
- **Value and convergence focus in B2C** through strong differentiation
- Transform B2B to reach next level of **Solutions growth**

Bring Fastweb to the next growth level

- Become an **'infrastructure-based' OTT**
- Achieve **market share growth** across all segments



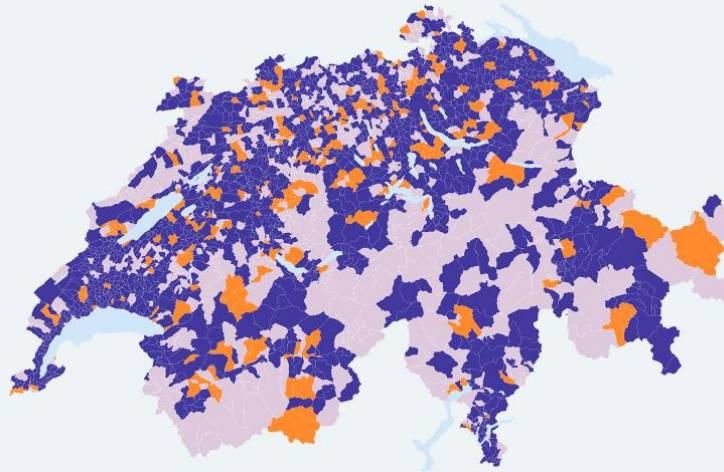


The best fully converged network of Switzerland ...

... by continuously investing and smartly combining different technologies

Making Switzerland highspeed ready ...

- **UBB rollout on track** to achieve 2025 targets of 50-60% with 1-10 Gbps and ~90% with 200-500 Mbps



■ Highspeed Internet available: 1421 communities
 ■ Highspeed Internet under construction: 347 communities
 ■ Highspeed Internet planned: 434 communities

- Swisscom with **successful NG.PON technology** field tests **enabling download speeds of 50 Gbps** by upgrading existing optical line termination

... and cementing network leadership

	Global Winner	Swiss Global Leaders	Swiss High Performers
Video Experience		Swisscom (77.9 points*)	
Voice App Experience			Swisscom (81.6 points*) Salt (81.5 points*)
Download Speed Experience			Swisscom (49.7 Mbps) Sunrise (33.9 Mbps) Salt (33.2 Mbps)
Upload Speed Experience	Swisscom (18.2 Mbps)	Salt (14.2 Mbps) Sunrise (13.1 Mbps)	

Source: Opensignal Research 'Global Mobile Network Experience Awards 2020', Sept. 2020
* of total 100 possible score points

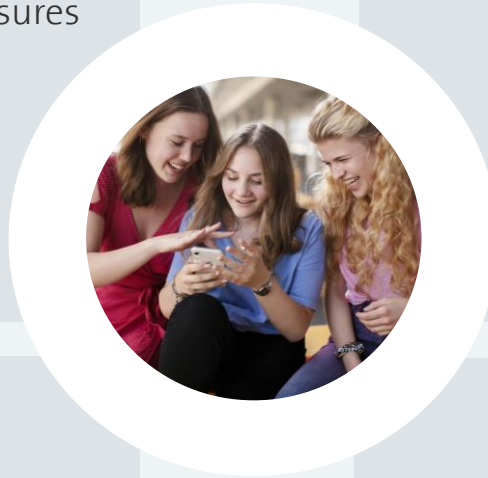
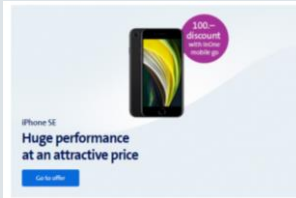


Unchanged competitive intensity weighs on B2C market dynamics

Swisscom with different commercial and innovative activities in Q3 to defend its market position

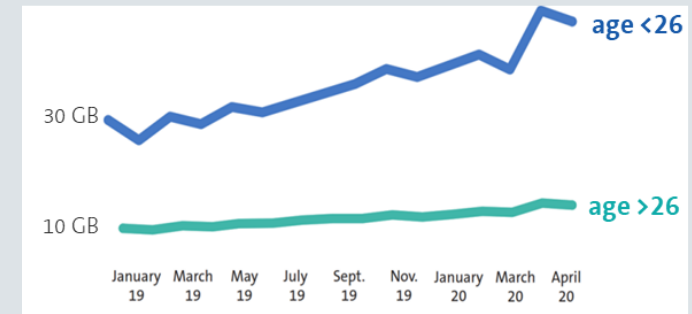
B2C ramping up commercial activities in Q3

- Pre-to-Post push
- Local FTTx campaigns
- Intensified direct marketing
- Proactive retention and customer loyalty measures
- Selective promotions



Adaption of mobile offerings for people under 30

- More data: up to 3x more data
- More speed: flat-rate users surf up to 20x faster



Wingo boost for more growth

- Now available in 120 mobilezone shops
- Broader portfolio
- Answering aggressive offers to defend market shares



Switzerland sees blue

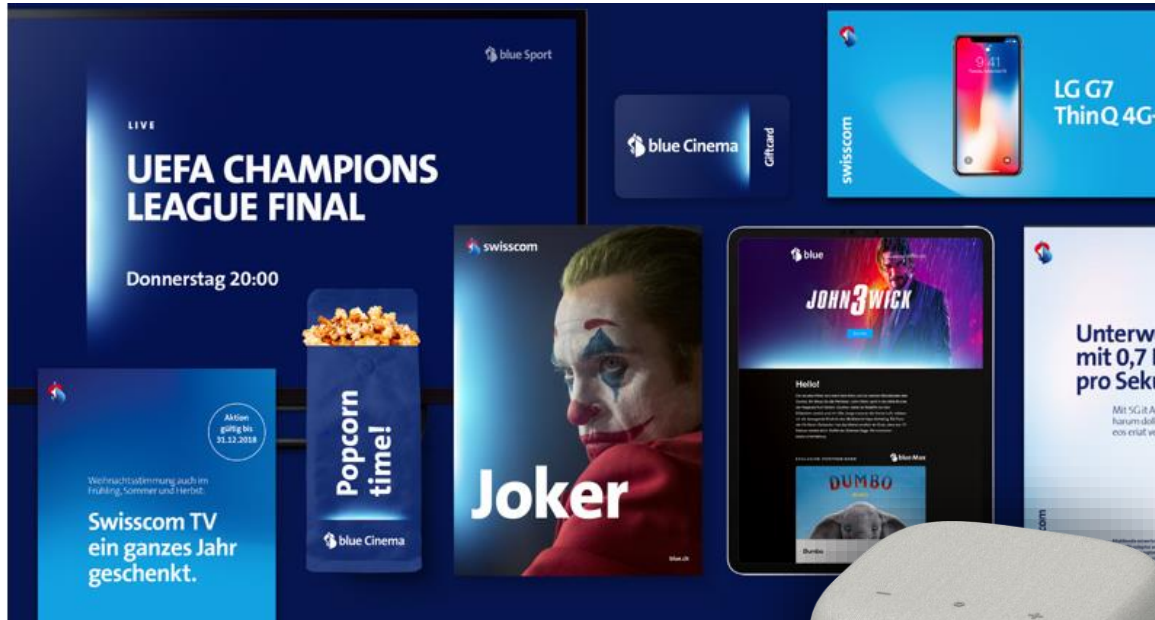
- One name for Swisscom's entertainment services





Blue brings all our entertainment offers together

Inspire customers throughout Switzerland with one unique entertainment brand – anytime and anywhere



blue TV



blue +



blue News



blue Cinema

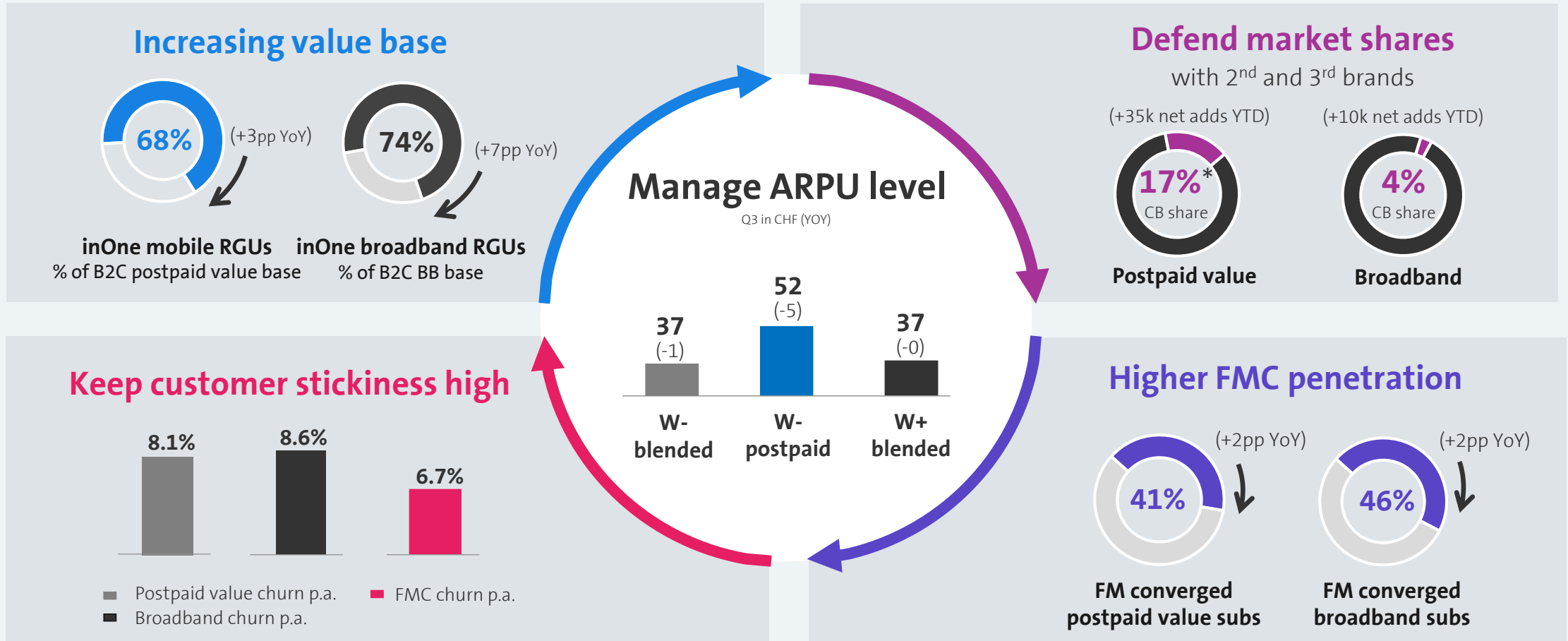


- **Better perception** with one consistent entertainment brand enabling **better cross- and up-selling**
- **New OTT proposition: Smart TV App** for Samsung, blue TV Air (250 channels, 30h Replay, 60h Recording at CHF 10) and distribution of Pay TV content on other operator boxes to **increase Swisscom's market share further**
- **Exclusive sports content**, now including UPC MySports and renewed content rights for LaLiga Santander (as of 2021)
- **New fictional content pack “blue Max”** at competitive pricing CHF 19.90 bringing latest movies on demand and replaces legacy products
- Twitch, the **leading streaming platform for live gaming and eSports** now available on a Swiss TV platform



Operational KPIs of B2C as per Q3

Unchanged ARPU trends: wireline stable, wireless eroding due to convergence, customer mix change and roaming



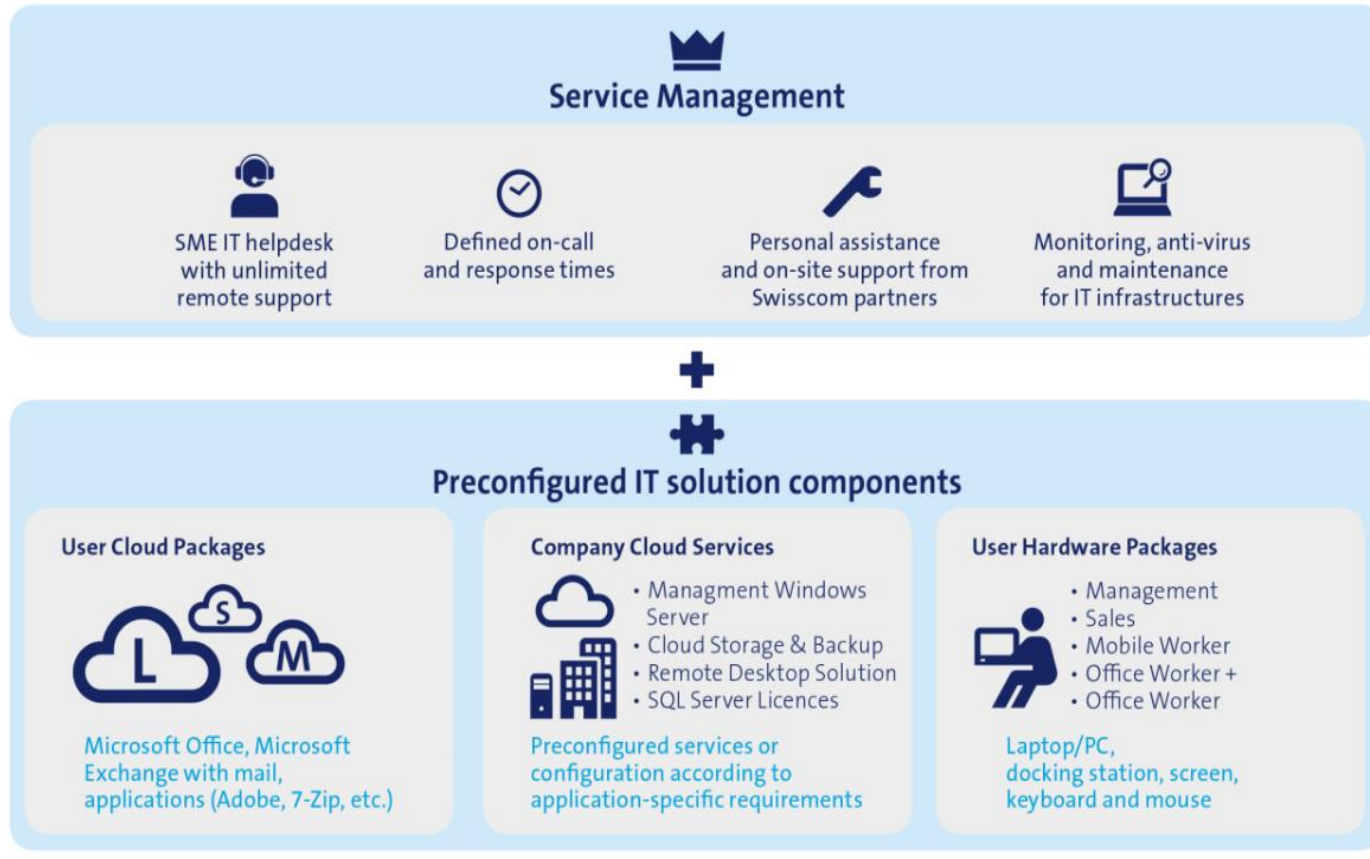
* Postpaid value share of 2nd/3rd brands as per 30.9.19: 16%



Lever Swisscom's strong market position in SME by extending its ICT offerings

Microsoft Azure enhances Swisscom's own cloud portfolio for SMEs

The ICT portfolio for SMEs ...



... serving all customers needs

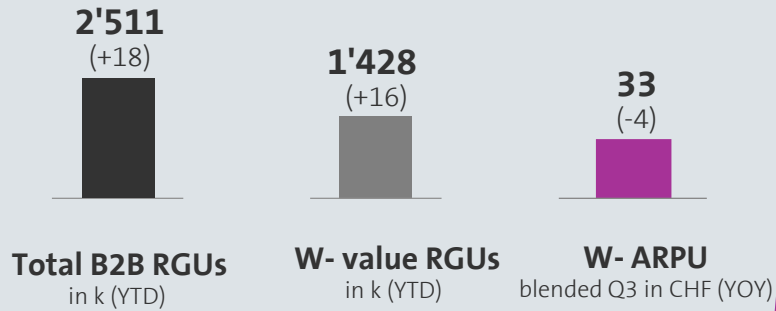
- **One-stop shop** with a complete and perfectly tailored package
- **Integrated all-in-one solution from a single source**
- **Customised Cloud outsourcing** depending on customers demand
- **Local support** providing appropriate technical expertise and advice
- **Transparent costs** enabling SMEs to plan their outgoings with no need for own investments



Solutions with ongoing growing top-line

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

Maximise service revenue

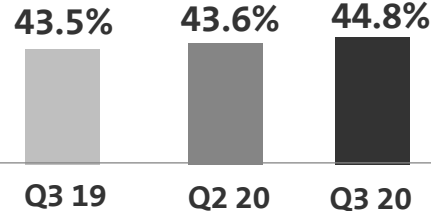


Develop Security and Cloud services

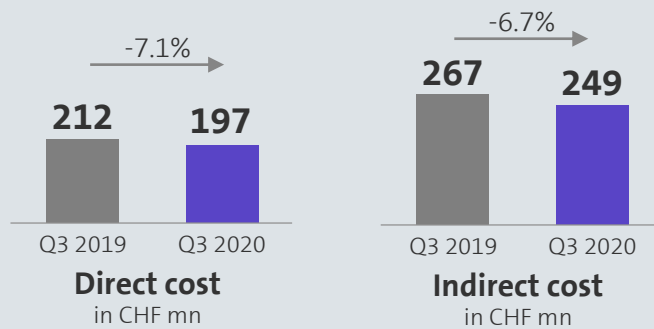
- Managed E2E detection and response delivering better cyber security to companies
- Federal government trusts **high-security portal 'SwissTrustRoom'** for the exchange of sensitive information. Swisscom won WTO bid
- **Cloud Solutions** with higher demand



Retain EBITDA margin



Optimise cost base further



Solutions with growing net revenue

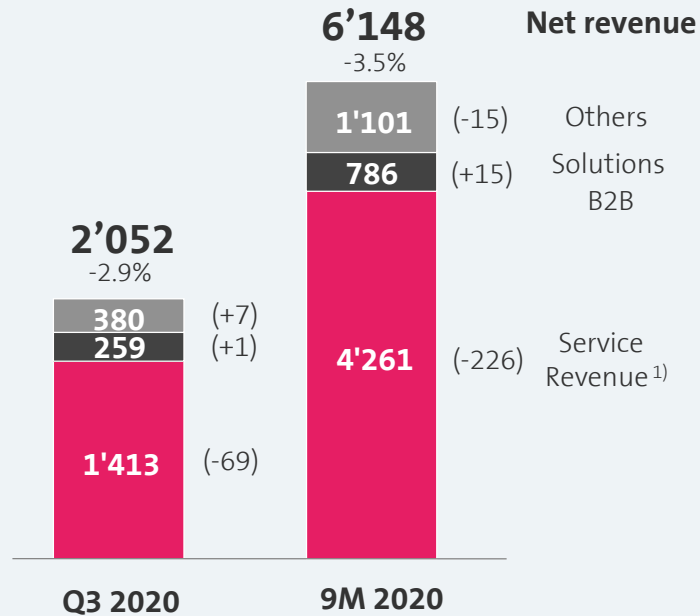




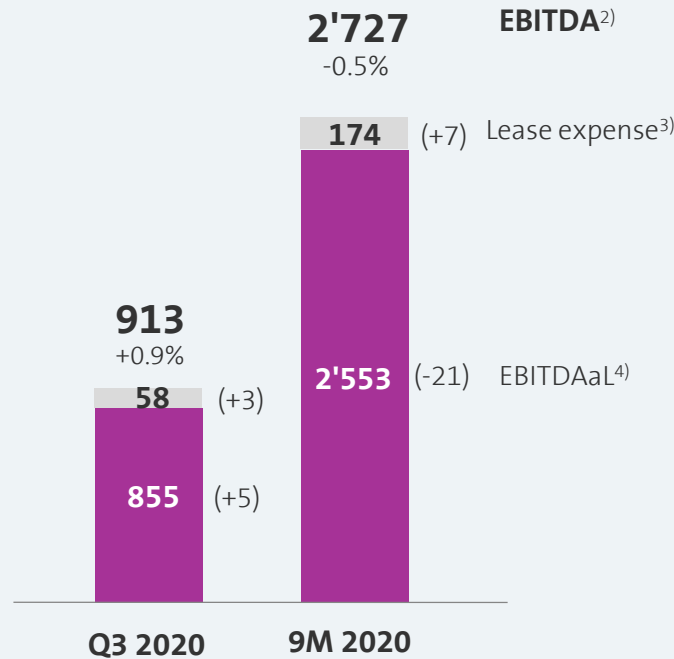
Financial performance of Swisscom Switzerland

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

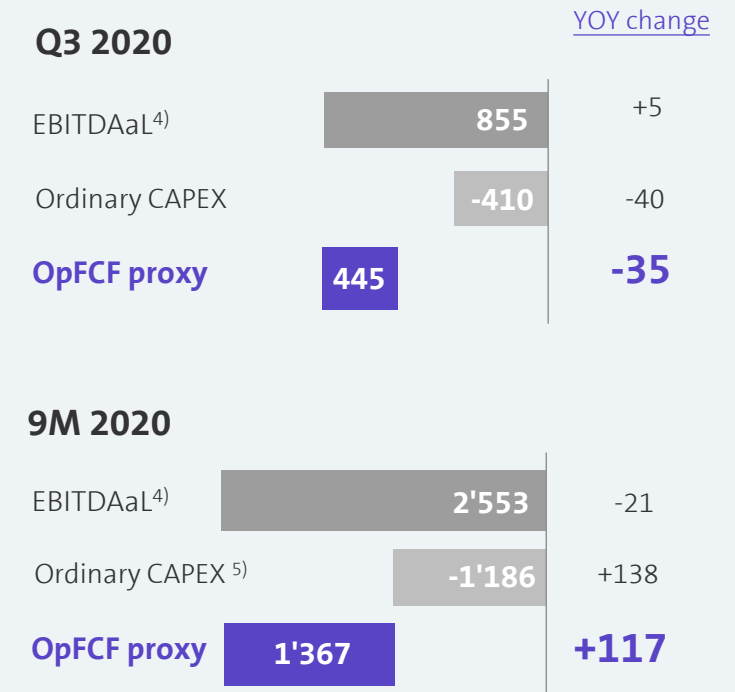
Net revenue in CHF mn (YOY changes)



EBITDA in CHF mn (YOY changes)



OpFCF proxy in CHF mn



1) 9M with outbound roaming (Covid-19) impacts of CHF -47mn (Q1 CHF -5mn, Q2 CHF -22mn, Q3 CHF -20mn), 2) reported EBITDA, 3) consists of depreciation right of use assets and interest expense leases, 4) EBITDA minus lease expense, 5) reported figures

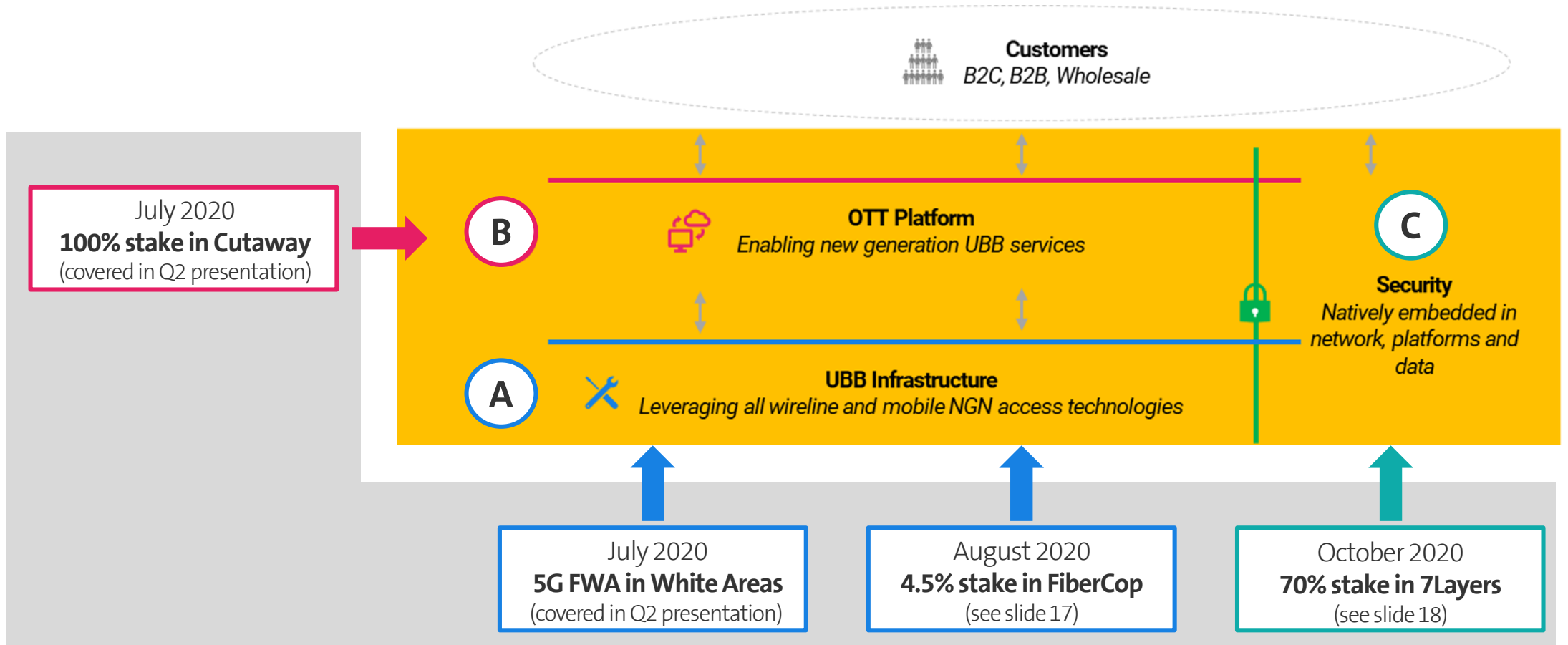


“Infrastructure-OTT” strategy confirmed and accelerated with dedicated initiatives

Building sustainable growth through differentiation

Strategic initiatives

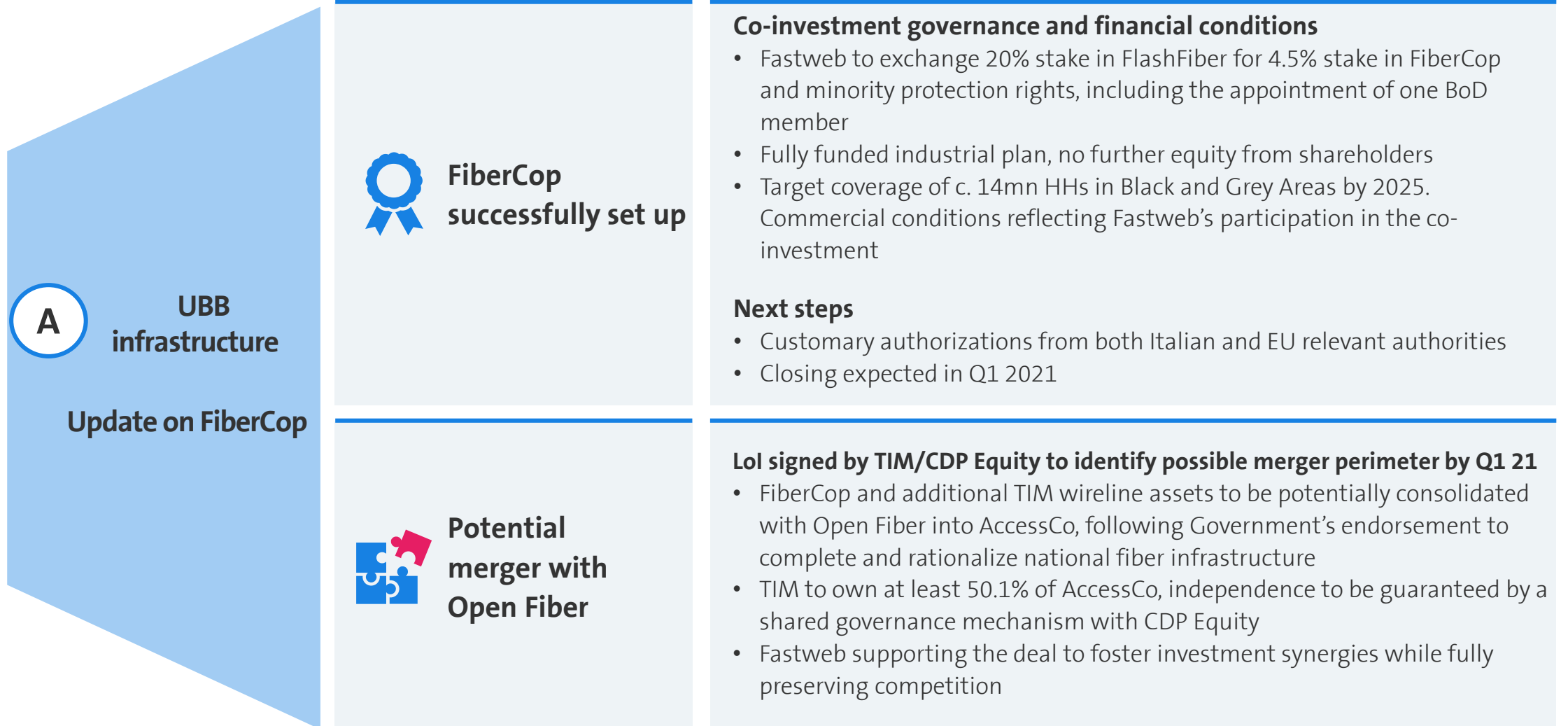
Fastweb strategy is to become an ‘infrastructure-based OTT’





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

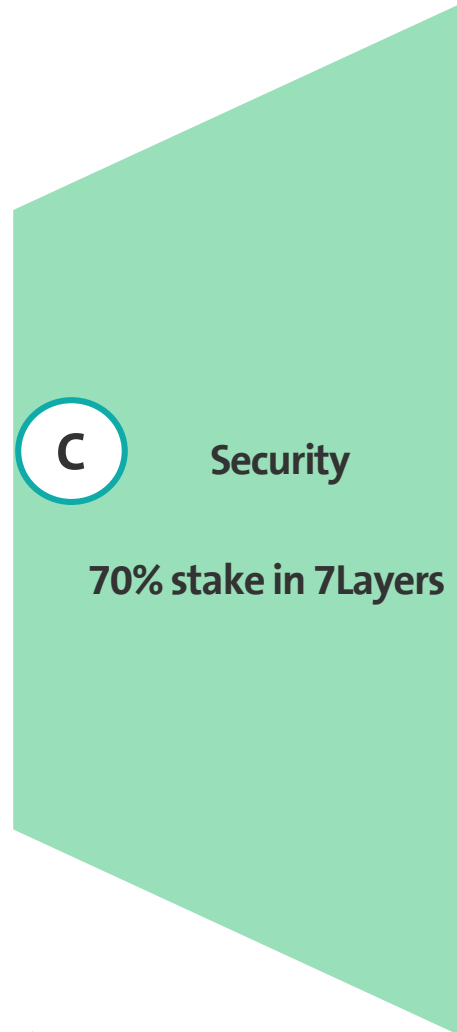
TIM and CDP Equity signed a Lol to identify a possible merger perimeter FiberCop/Open Fiber by Q1 2021





Acquisition of 70% stake in 7Layers

Increasing capability to develop standardized solutions and scalable security service platforms



Market trends

Telco and ICT markets for Enterprise customers increasingly integrated

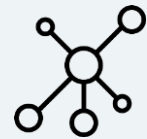
- Wireline telco services EUR 1.3bn in 2019, -4% CAGR 2019-2023¹
- Mobile telco services EUR 0.9bn in 2019, -1% CAGR 2019-2023¹
- ICT Security VAS EUR 1.1bn in 2019, +6% CAGR 2019-2023¹



Fastweb positioning

Uniquely positioned to leverage telco business to scale up security VAS

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



Synergies

7Layers

- Strong asset portfolio
 - 30 highly skilled professionals
 - Portfolio focused on high margin solutions (Managed Detection and Response)
 - Established customer base in the Executive B2B segment
 - Recognised brand, national reach
 - Exclusive partnerships with strategic security vendors
- Featuring in the Financial Times “FT1000” Europe’s Fastest Growing Companies

Synergies

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

¹Source: Ernst & Young, 2019

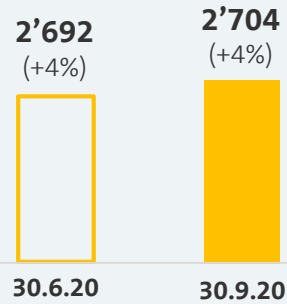


Consumer performance

Strong market performance confirmed also in Q3

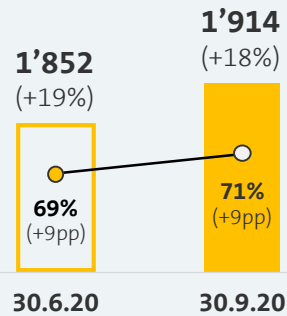
Fixed

Broadband subs in k (YoY change)



- Steady customer base growth

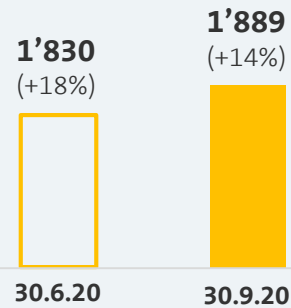
UBB subs (k) and penetration (YoY change)



- UBB penetration increased 9pp YoY
- 89% of gross adds were UBB

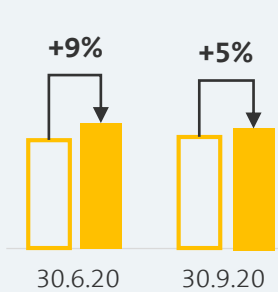
Mobile

Mobile subs in k (YoY change)

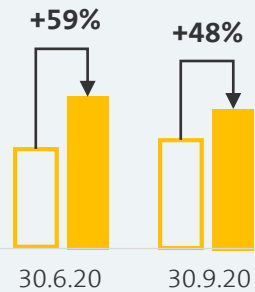


- 14% CB growth YoY
- +59k net adds in Q3

ARPU (EUR/month, YoY)

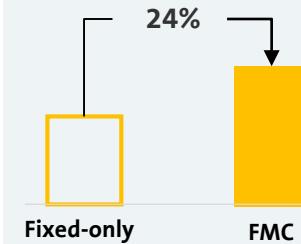


Data usage (Gbit/customer/month)

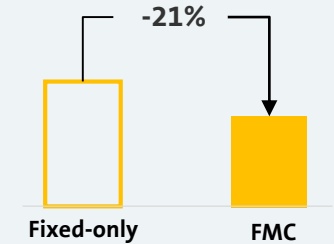


ARPU uplift, churn benefit & NPS

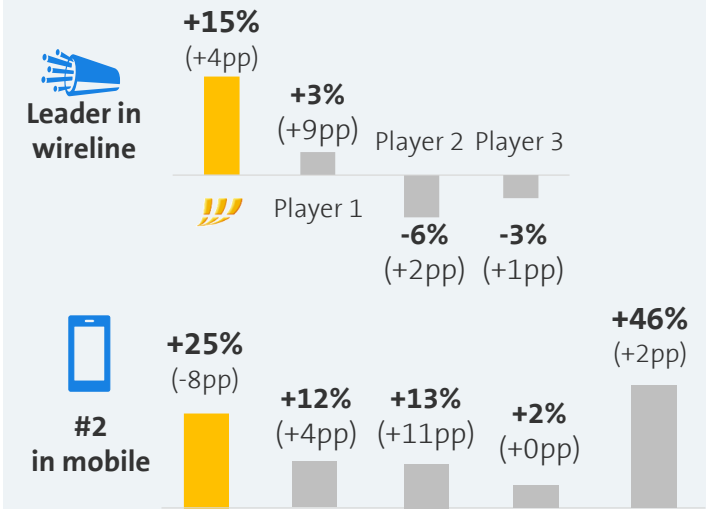
ARPU uplift (EUR/month, YoY)



Churn benefit (YoY)



NPS (YoY change)¹



1) NPS survey performed by an independent third party, 3Q 2019 and 3Q 2020

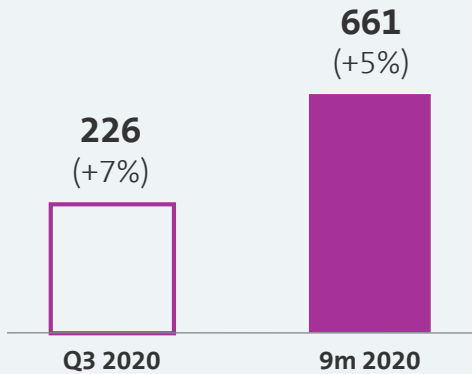


B2B performance

Growth confirmed in Enterprise and in Wholesale

Enterprise

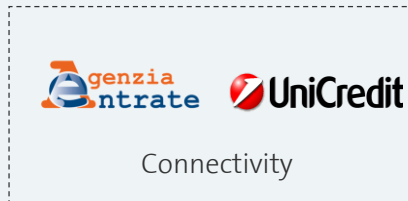
Revenues in EUR mn (YoY)



- +7% YoY revenues growth driven by Private and PA sector
- No Covid-19 impact on business generation and cash-in

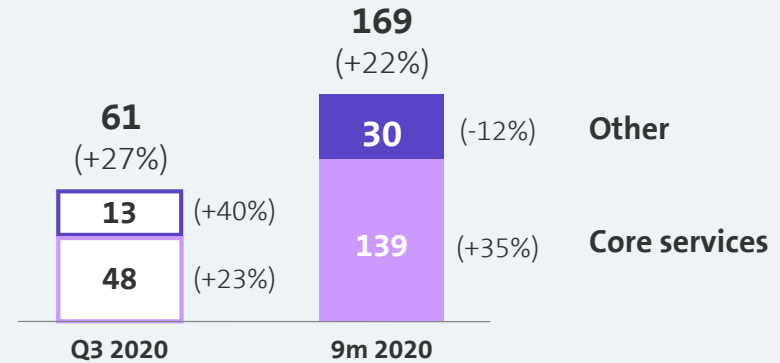
New contracts

Connectivity and security main growth drivers

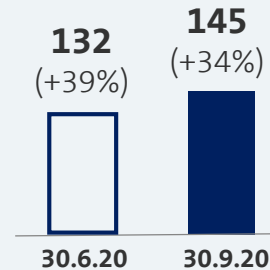


Wholesale

Revenues in EUR mn¹ (YoY)



Wholesale lines (k)



- **Core services:** revenues growing 23% YoY thanks to strong orderbook trend
- **Other:** revenues increasing 40% YoY due to Cutaway acquisition
- **Wholesale lines:** +34% YoY growth driven by execution of new agreements (Tiscali and W3)

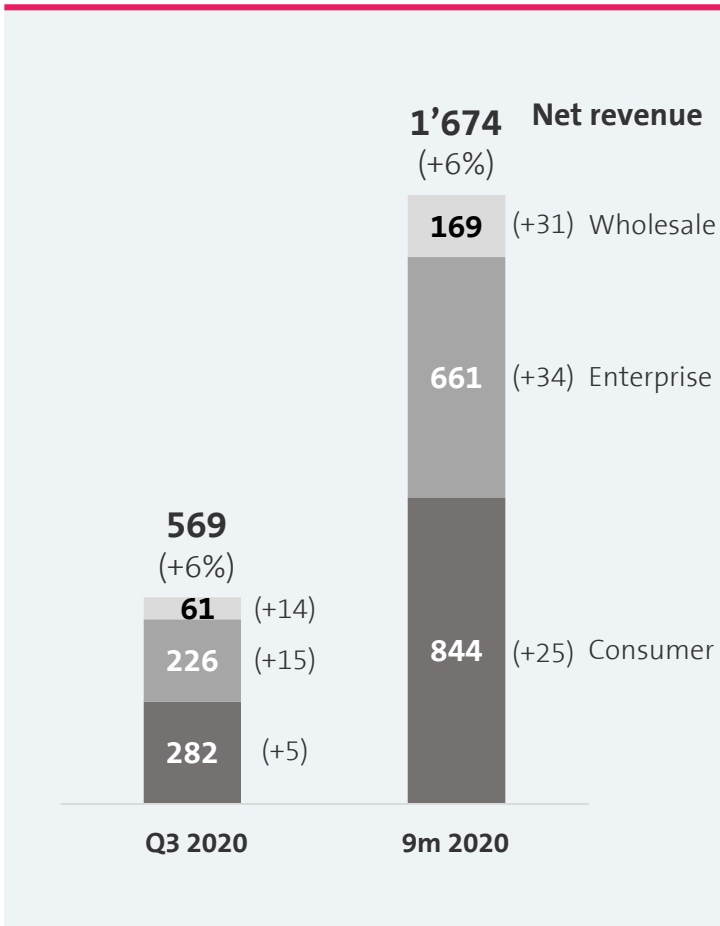
¹Incl. intercompany revenues



Financial performance of Fastweb

Performance in line with guidance

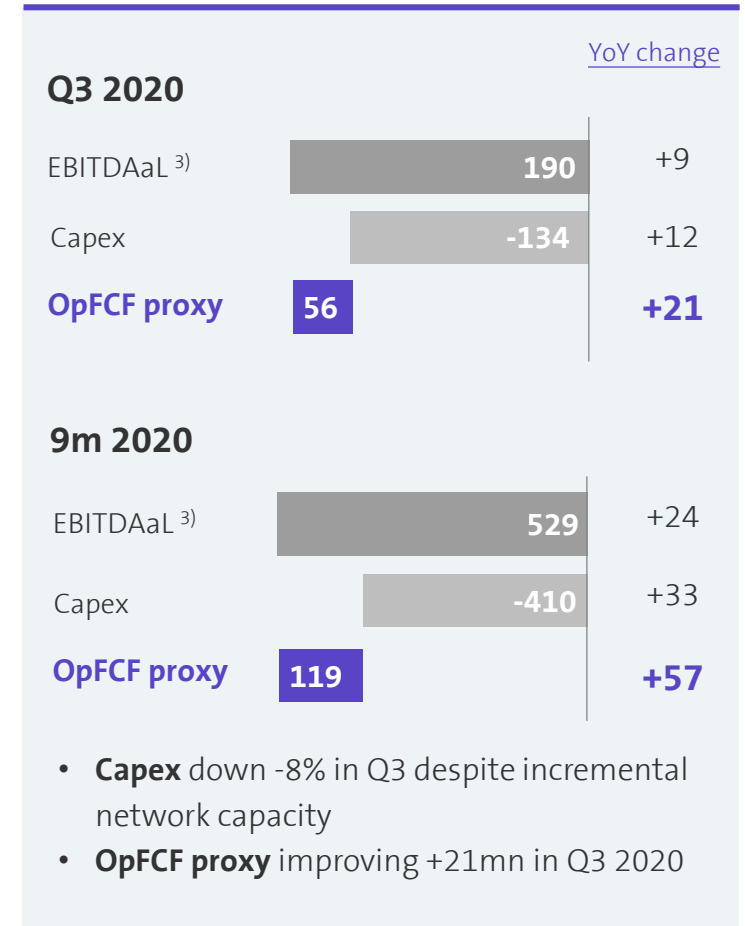
Net revenue in EUR mn (YoY)



EBITDA in EUR mn (YoY)



OpFCF proxy in EUR mn (YoY)



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

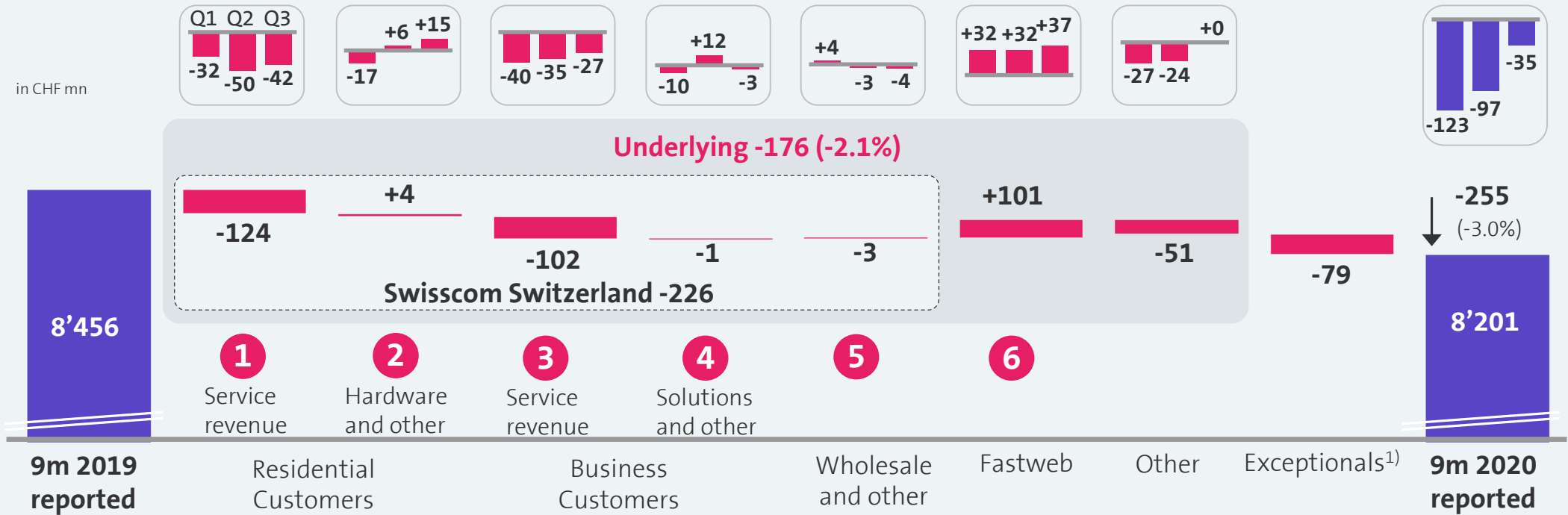


3. Financial Results



Group revenue and changes by segments

Swisscom Switzerland with extraordinary roaming impacts due to Covid-19. Fastweb's top-line up by CHF +101mn



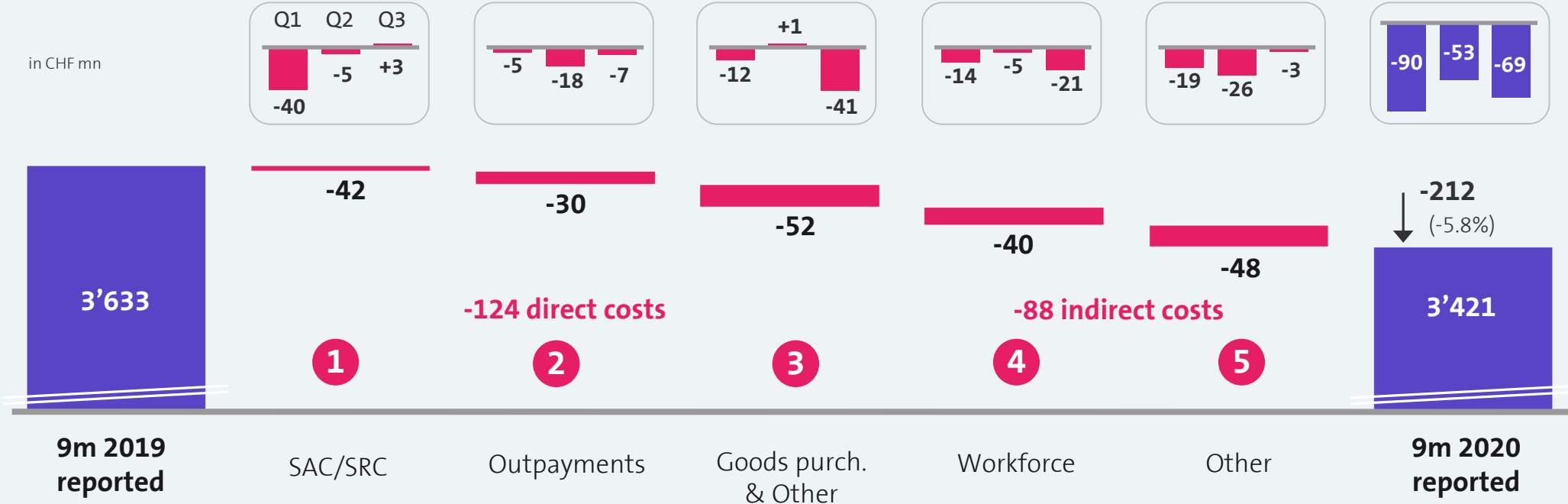
- 1** High promotional activities and ongoing brand shifts led to pressure on service revenue. Acceleration in Q2 and Q3 mainly due to lower (outbound) roaming volume driven by Covid-19 situation (9m CHF -20mn)
- 2** Q1 negative due to device decoupling, Q2 and Q3 positive as IFRS15 revenue adjustments slow down

- 3** Price pressure in wireless and wireline. Covid-19 led to lower(outbound) roaming revenues (9m CHF -27mn)
- 4** Solutions with 9m growth CHF +15mn (cloud services and banking) partly compensated by lower hardware sales
- 5** Increase in MVNO and UBB services compensated by lower inbound roaming due to Covid-19 (9m CHF -26mn)
- 6** All segments with positive evolution



OPEX Swisscom Switzerland and YOY changes

Operational excellence initiatives with expected impacts lowering indirect costs on a recurring basis



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

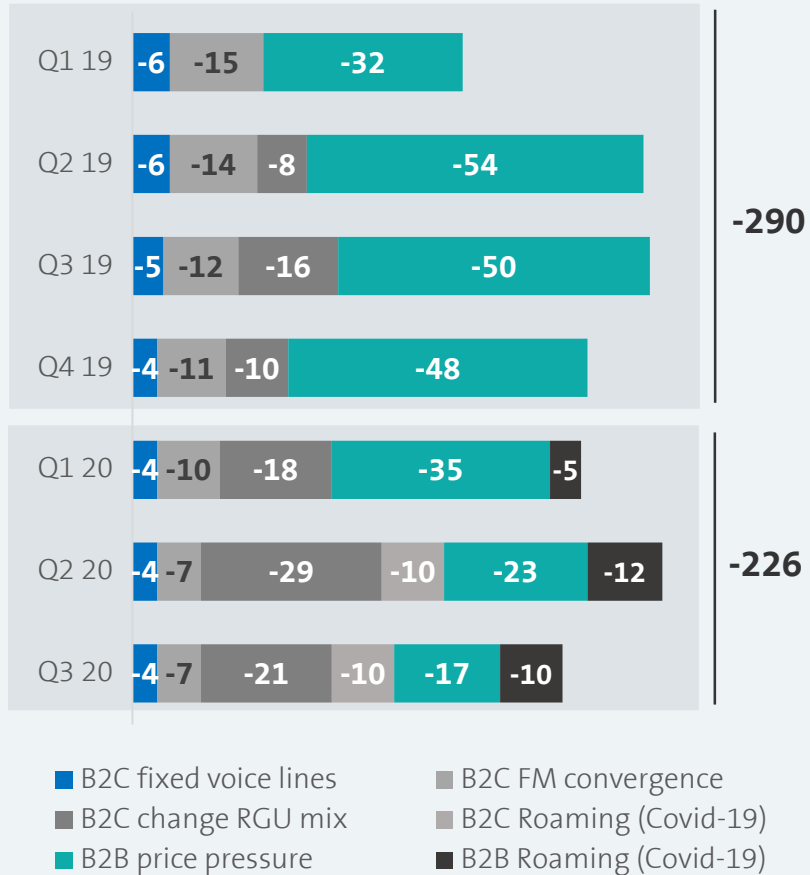
- 3 Q3 decrease driven by lower OPEX for sport events, for assurance and in B2B
- 4 Operational excellence leads to an FTE reduction at Swisscom Switzerland of -539 YoY (o/w -436 in 9m 2020)
- 5 Lower costs for marketing communication, customer care and IT



EBITDA Swisscom Switzerland: YOY dynamics

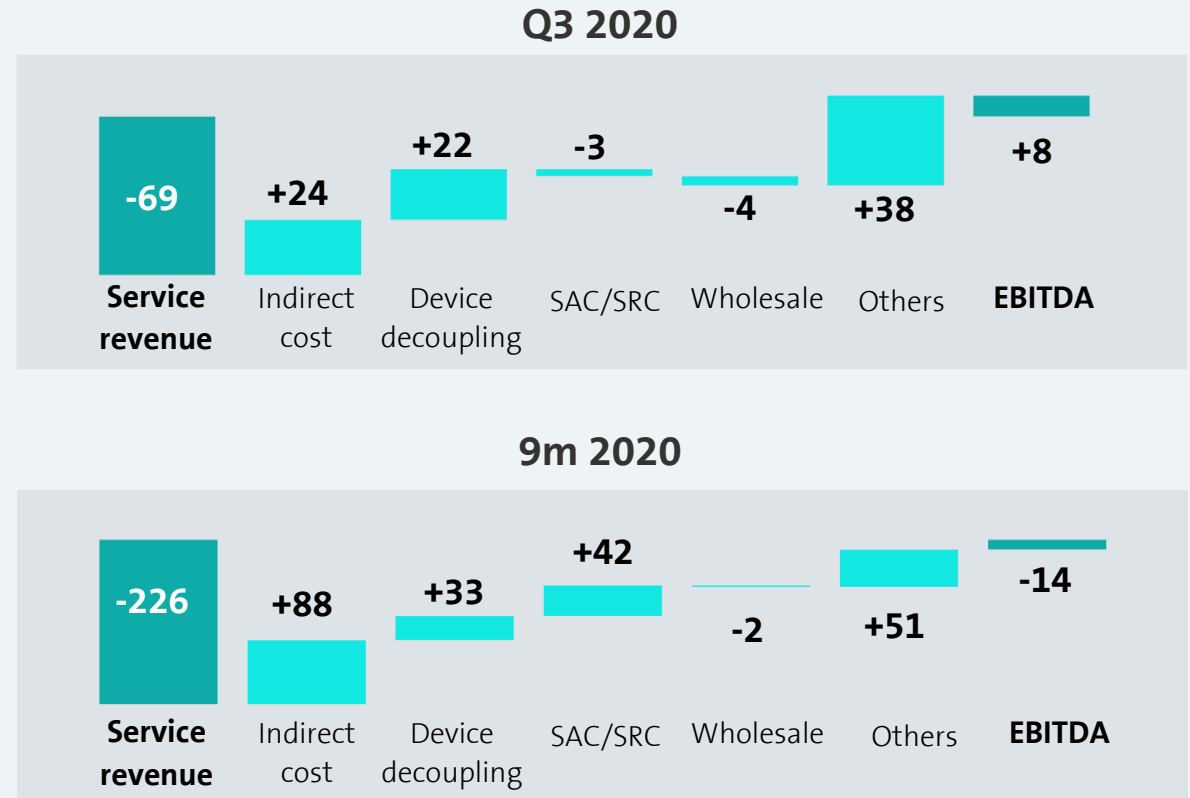
YOY changes fully in line with expectations

Service revenue YOY changes in CHF mn



EBITDA dynamics

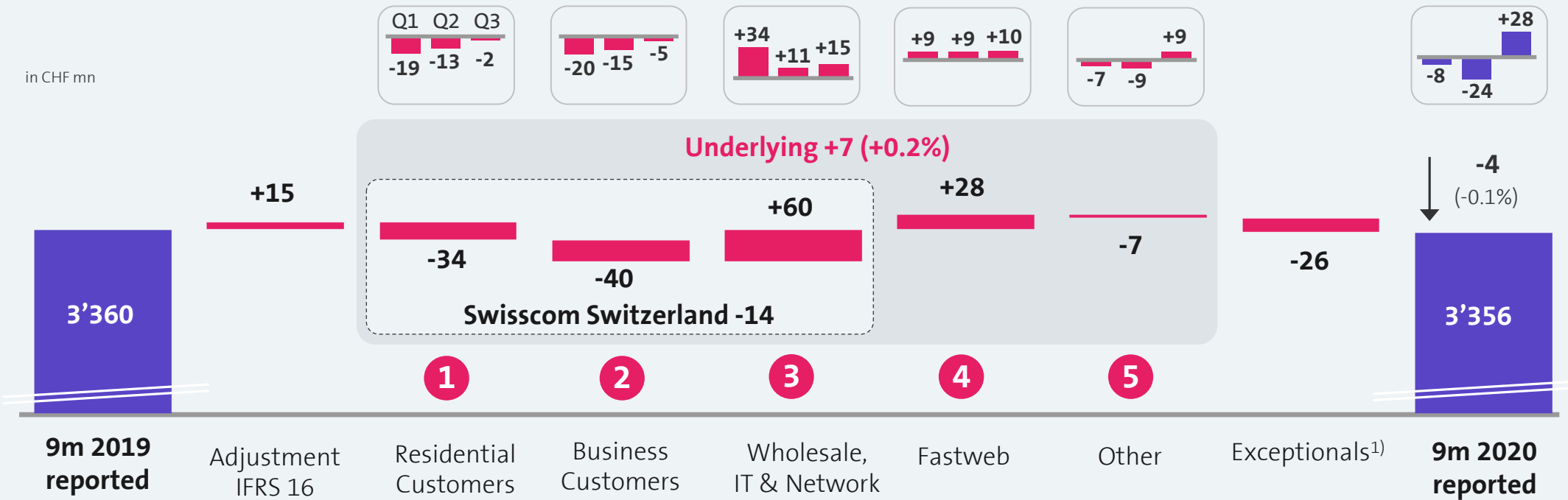
YOY changes in CHF mn





Group EBITDA and changes by segments

Satisfying 9m underlying results thanks to strong cost management in Switzerland and growing Fastweb



- 1** Q3 with improved result due to lower OPEX for sport events as football season has started later and assurance (Covid-19)
- 2** EBITDA of Q3 almost flat thanks to improved profitability in Telco and Solutions business

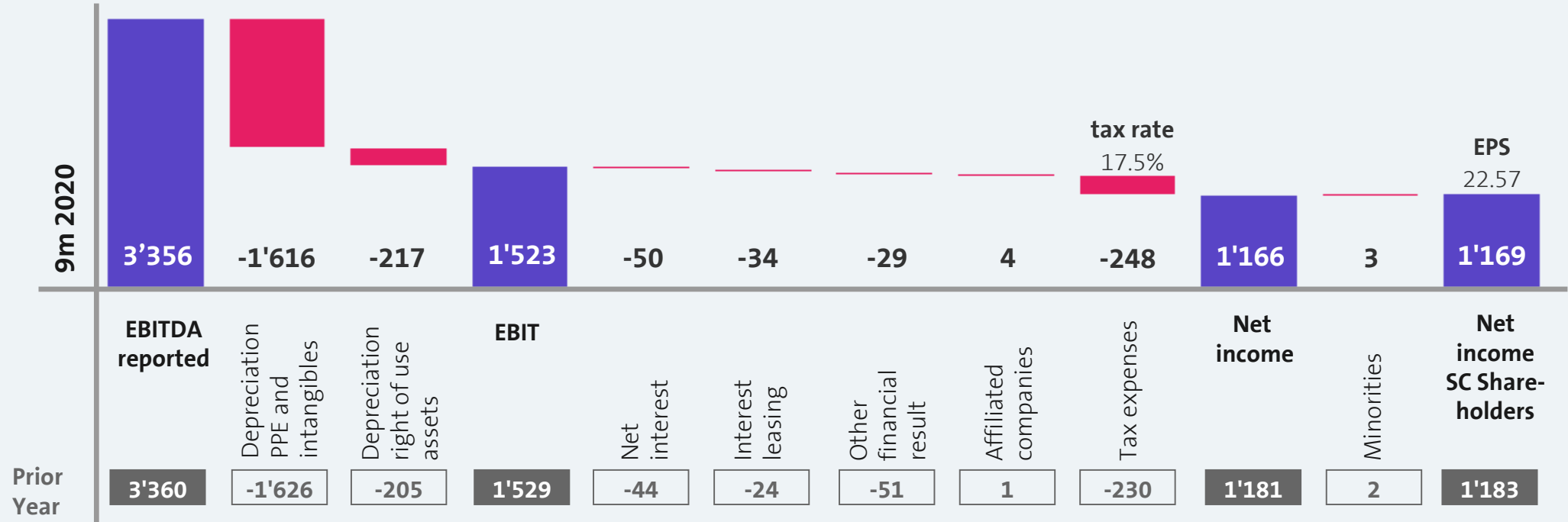
- 3** Increase is supported by lower cost for IT and support functions. Lower contribution in Q2 and Q3 due to decrease of roaming inbound revenue (Covid-19)
- 4** Increase driven by revenue growth in all segments
- 5** Q1-Q2 lower primarily due to Swisscom Broadcast, Directories and Billag. Q3 improved as mandate loss of Billag phases out



Net income

Net income on level of previous year

in CHF mn





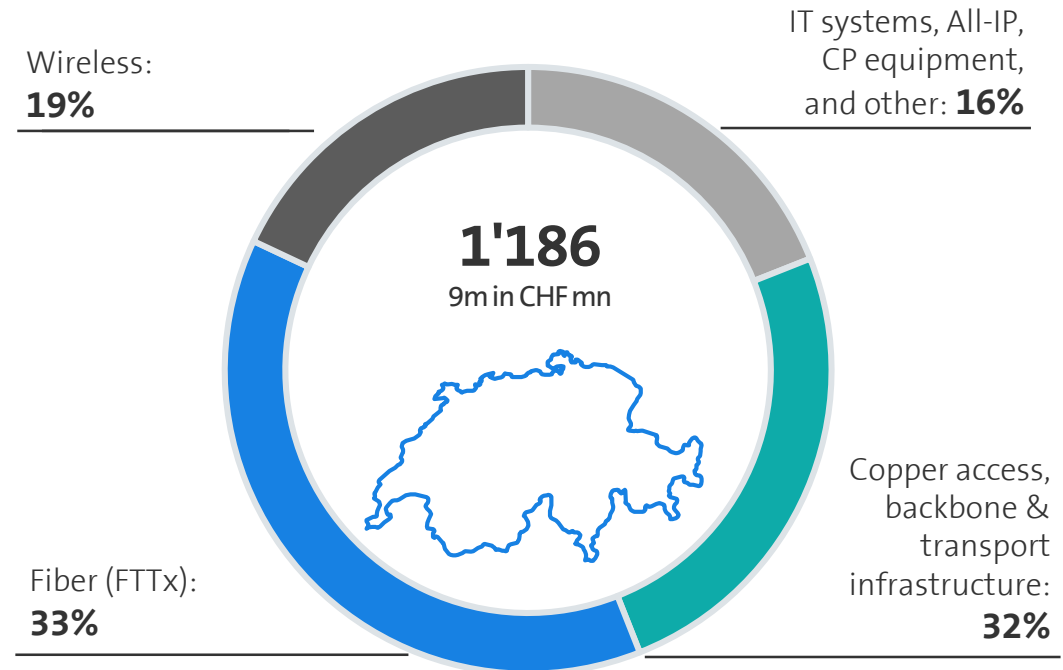
Capital expenditures

Continuous network investments to improve customer experience further

	<u>Q3 2020</u>	<u>9m 2020</u>
Group CAPEX ¹⁾	CHF 557 mn (+3.9% YoY)	CHF 1'632 mn (-0.3% YoY)
Swisscom Switzerland ¹⁾	CHF 410 mn (+10.8% YoY)	CHF 1'186 mn (+5.1% YoY)
Fastweb ²⁾	CHF 145 mn (-9.4% YoY)	CHF 439 mn (-11.3% YoY)
Other	CHF 2 mn (Q3 19: CHF 6mn)	CHF 7 mn (9M 19: CHF 14mn)

1) Excluding prior year spectrum CAPEX of CHF 196mn

2) In local currency in Q3 2019: EUR 146mn, in Q3 2020: EUR 134mn, 9m 2019: EUR 443mn, in 9m 2020: EUR 410mn

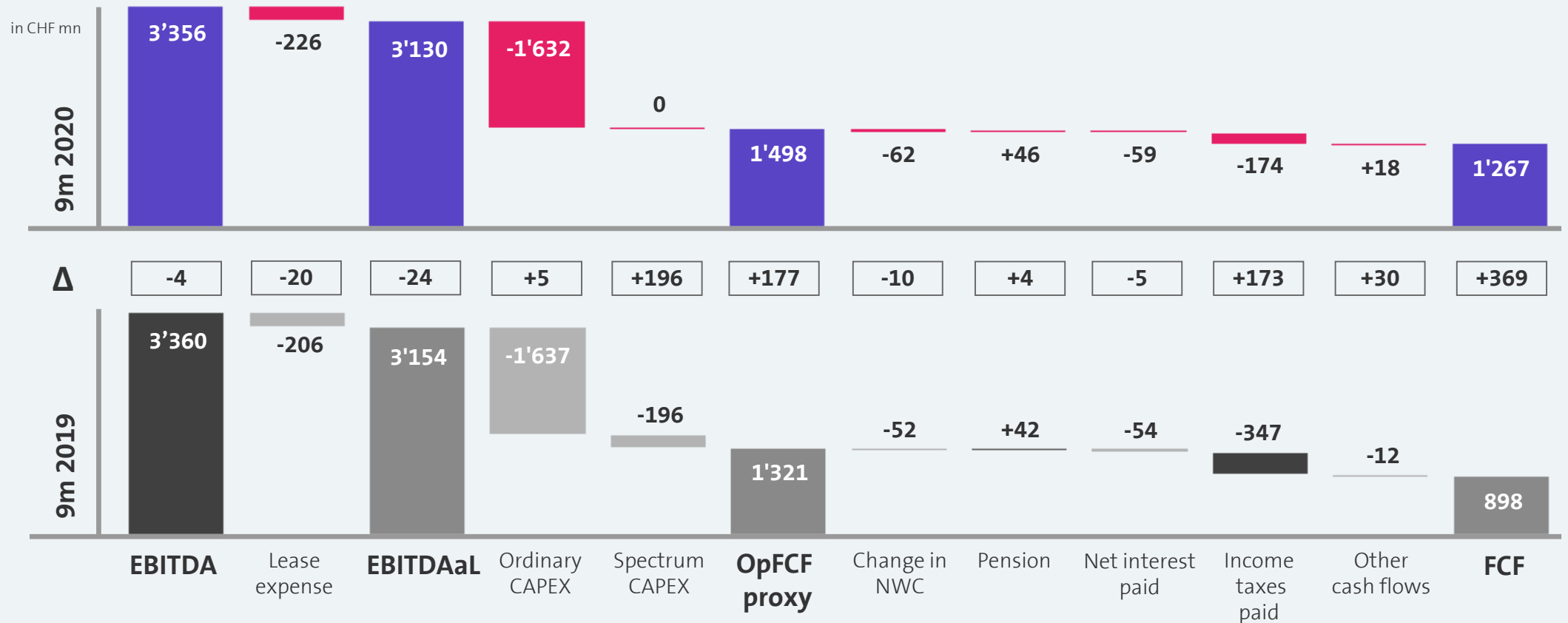


- FTTx rollout and upgrading of mobile network in Switzerland, slightly higher compared to prior year
- Ongoing investments in network infrastructures keep Fastweb's CAPEX on a high level, but lower compared to previous year



Free cash flow

FCF without spectrum CAPEX up by CHF 173mn YoY driven by different phasing in tax payments



- OpFCF proxy without investments in 5G spectrum licences YoY slightly lighter due to lower EBITDAaL (CHF -24mn)
- Higher net working capital compared to YE 2019 mainly as a result of lower trade payables
- Tax payments CHF 173mn lower than previous year due to different payment schedules in 2020



FY 2020 guidance reiterated

Net revenue of CHF ~11.0bn, EBITDA of CHF ~4.3bn and CAPEX of CHF ~2.3bn

in CHF bn	2019 reported	2020 outlook ³
Revenue	11.453	~ 11.0
EBITDA¹	4.358	~ 4.3
CAPEX²	2.438	~ 2.3

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

1 EBITDAaL 2020 outlook for Swisscom: CHF ~4.0bn

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

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



4. Questions & Answers



Appendix



Key financials

Reported and underlying revenue and EBITDA

in CHF mn

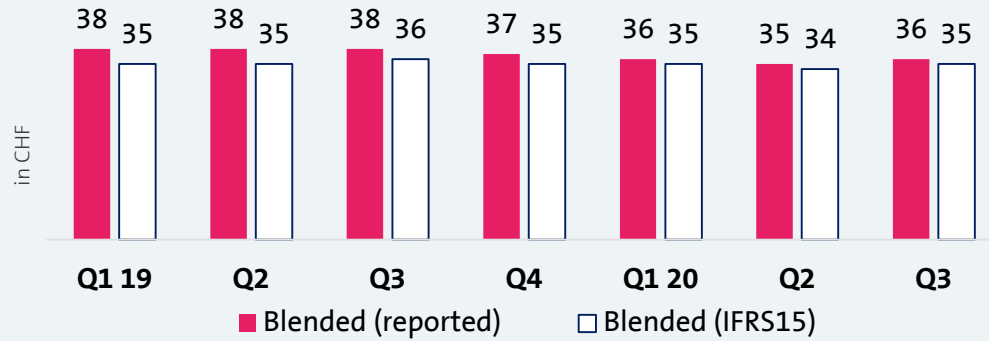
	2019					2020					Change Q/Q, FY				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Revenue, reported	2'860	2'803	2'793	2'997	11'453	2'737	2'706	2'758			-123	-97	-35		
Currency effect						33	35	11			+33	+35	+11		
Underlying change											-90	-62	-24		
EBITDA, reported	1'119	1'121	1'120	998	4'358	1'111	1'097	1'148			-8	-24	+28		
Adjustment effect IFRS16	5	5	5	-15	0						-5	-5	-5		
Restructuring				56	56										
Currency effect						10	12	4			+10	+12	+4		
Underlying change											-3	-17	+27		



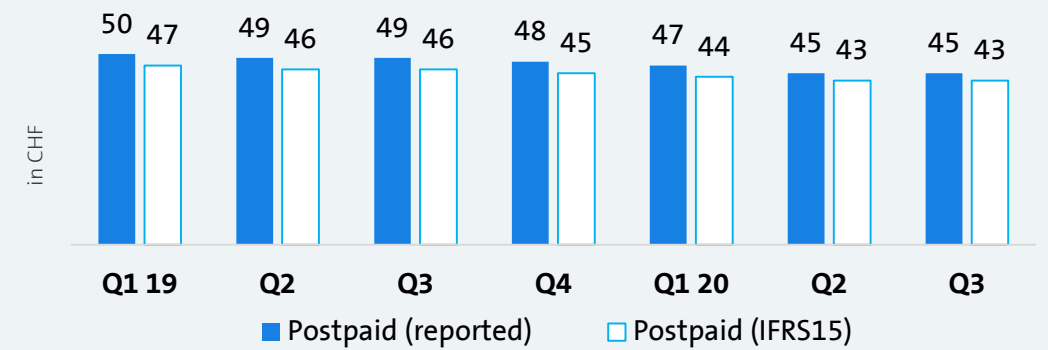
Swisscom Switzerland

Wireless ARPU and IFRS15 adjustments

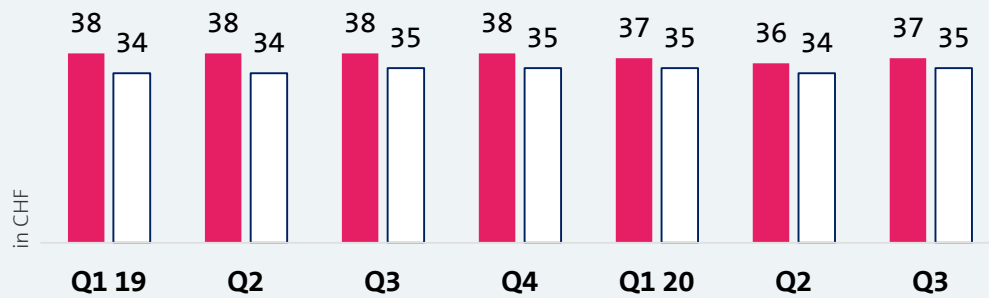
Swisscom Switzerland



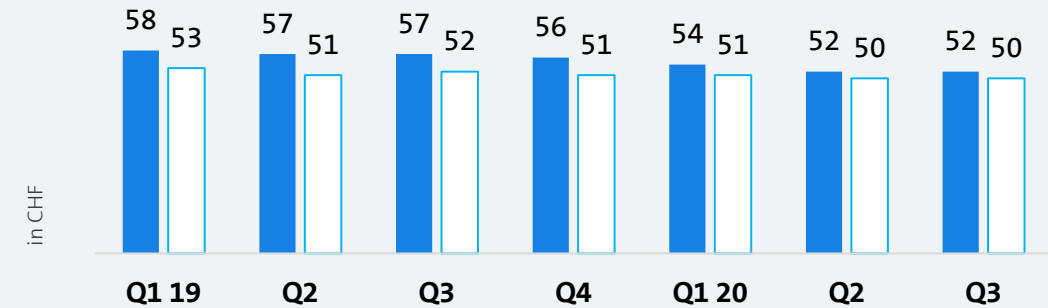
Swisscom Switzerland



Residential Customers



Residential Customers





Residential Customers

Segment reporting as per 30.09.2020

Net revenue decreased driven by lower service revenue.

Service revenue decreased (-3.4%) due to higher discount volumes (inOne), brand shift and lower roaming volumes (Covid-19).

Contribution margin 2 decreased by 1.6%. Q3 with an improved result due to lower OPEX for sport events as football season has started later (Covid-19) and for logistics

	Q3 2020	Q3/Q3	30.09.2020	YoY
Net revenue in MCHF ¹⁾	1'139	-2.2%	3'378	-3.4%
Direct costs in MCHF	-267	-10.4%	-750	-8.5%
Indirect costs in MCHF ²⁾	-188	3.9%	-557	-2.5%
Contribution margin 2 in MCHF	684	-0.3%	2'071	-1.6%
<i>Contribution margin 2 in %</i>	<i>60.1%</i>		<i>61.3%</i>	
Depreciation & amortisation in MCHF	-15	-21.1%	-55	-21.4%
Lease expense in MCHF	-11	-15.4%	-33	-10.8%
Segment result in MCHF	658	0.6%	1'983	-0.8%
CAPEX in MCHF	-7	40.0%	-19	18.8%
FTE's	-63		3'137	-7.3%
Broadband lines in '000 ³⁾	-3		1'747	-0.1%
Voice lines in '000 ³⁾	-19		1'257	-4.6%
Wireless customers Prepaid in '000	-49		1'432	-10.8%
Wireless customers Postpaid in '000 ³⁾	+29		2'962	1.9%
Blended wireless ARPU in CHF	37	-2.6%	37	-2.6%
TV subs in '000 ³⁾	-1		1'486	0.6%

1) incl. intersegment revenues

2) incl. capitalised costs and other income

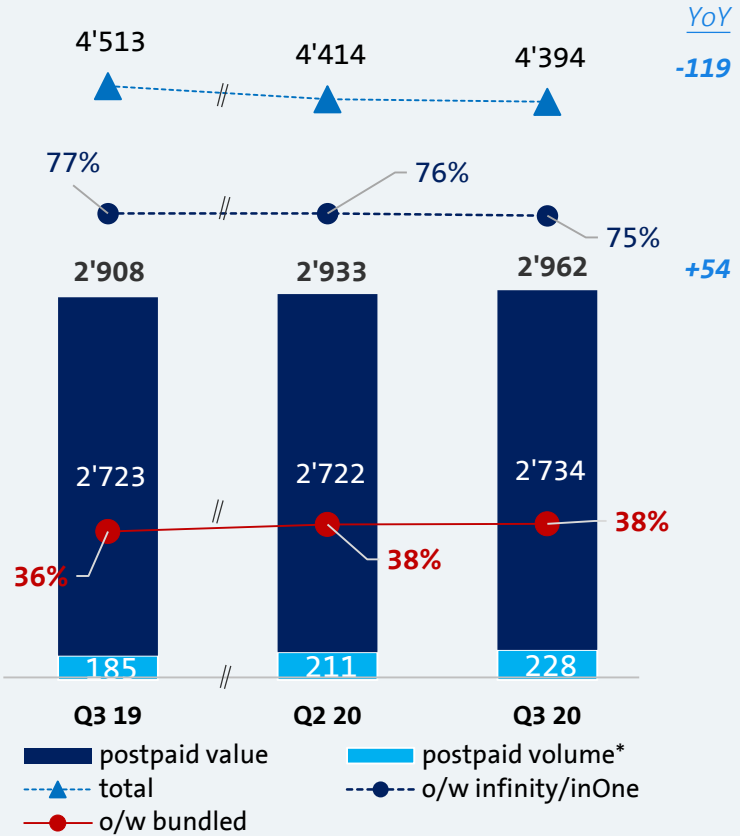
3) sum of single play and bundles



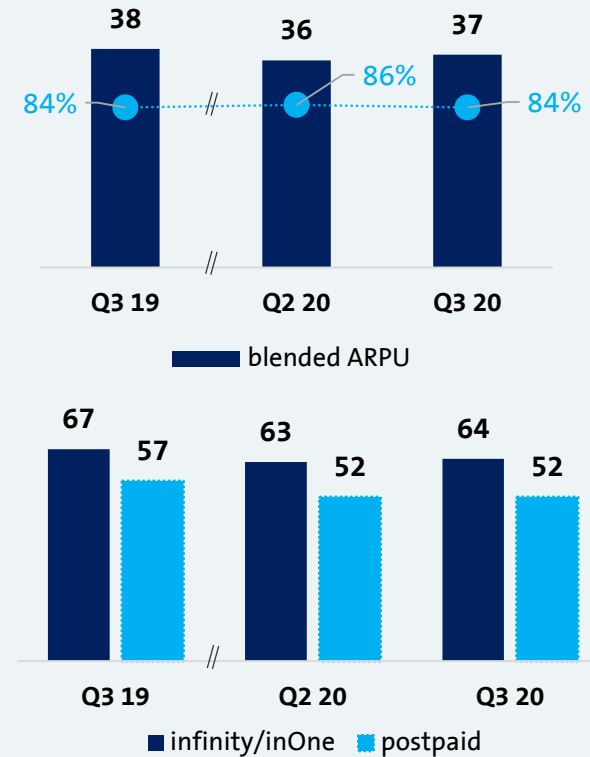
Residential Customers

Wireless performance

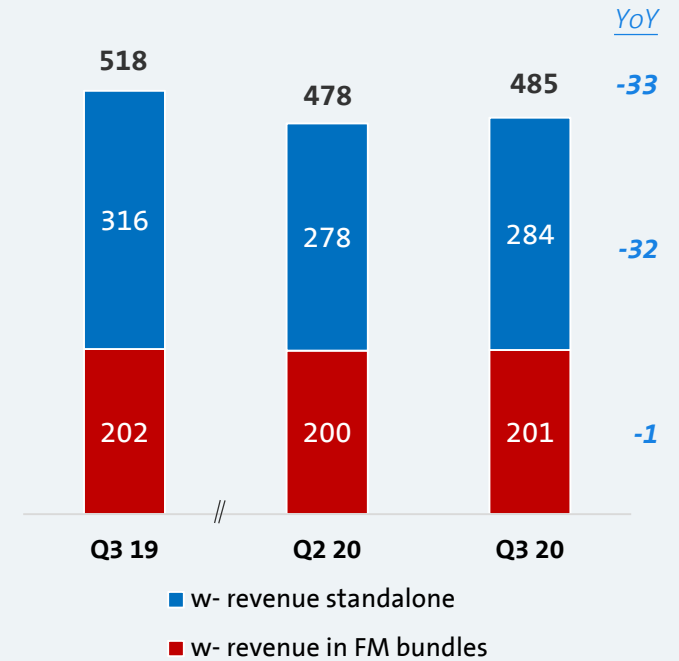
Subscriptions (in k)



ARPU (in CHF)



Service Revenue (in CHF mn)



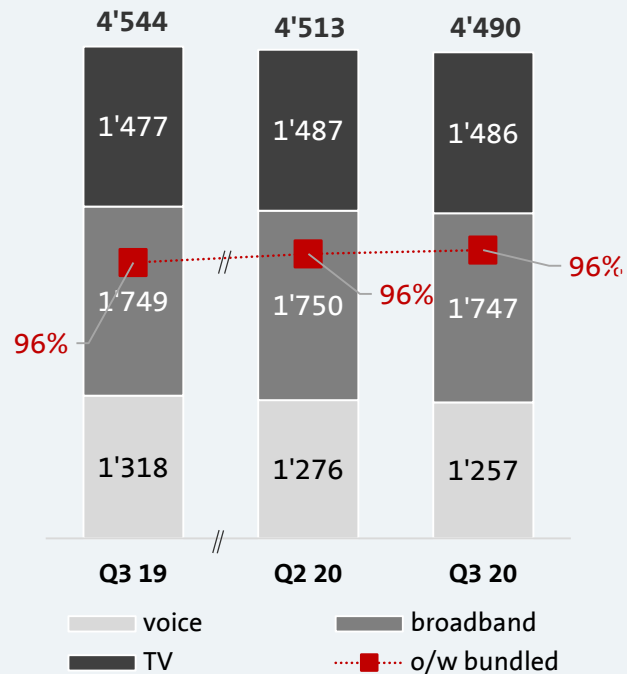
* consists of data and multi SIM cards



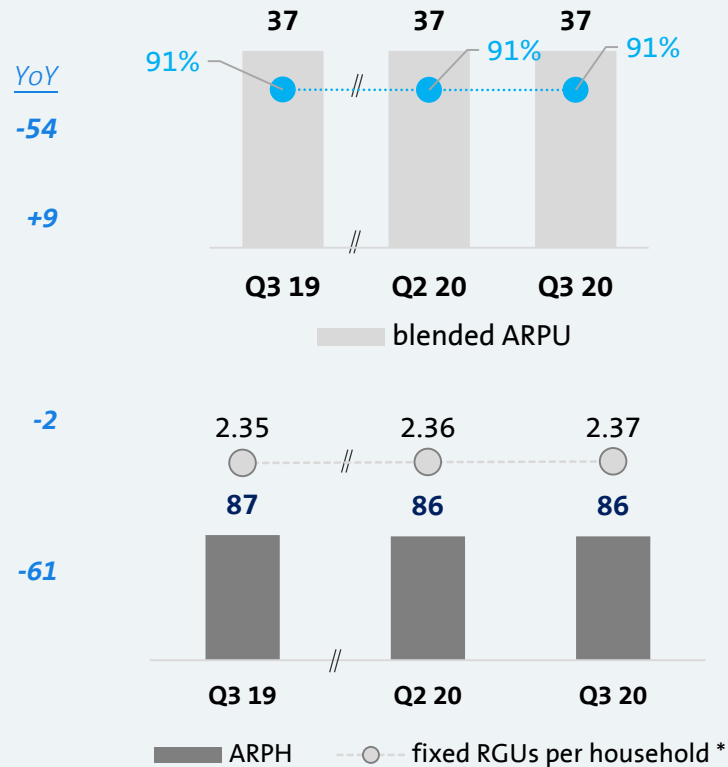
Residential Customers

Wireline performance

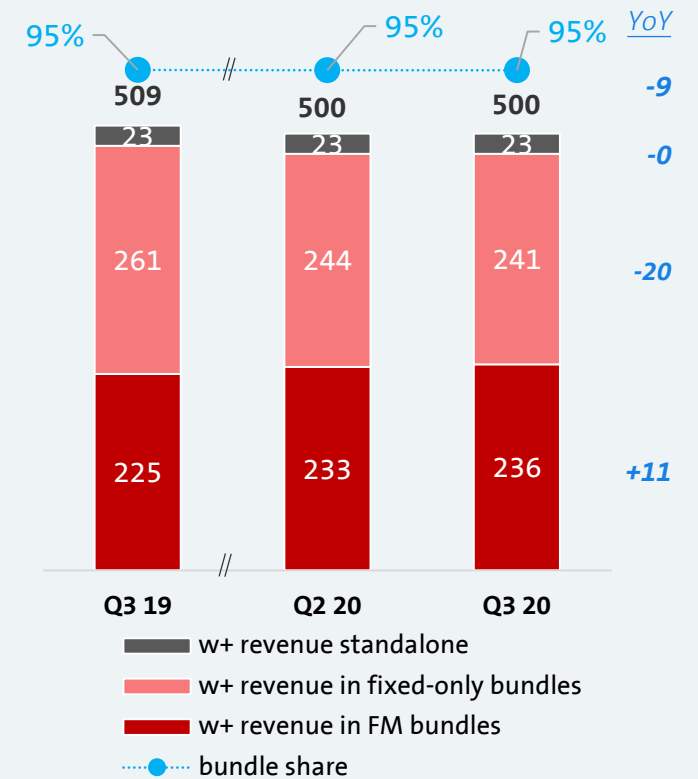
Subscriptions (in k)



ARPU and ARPH (in CHF)



Service Revenue (in CHF mn)

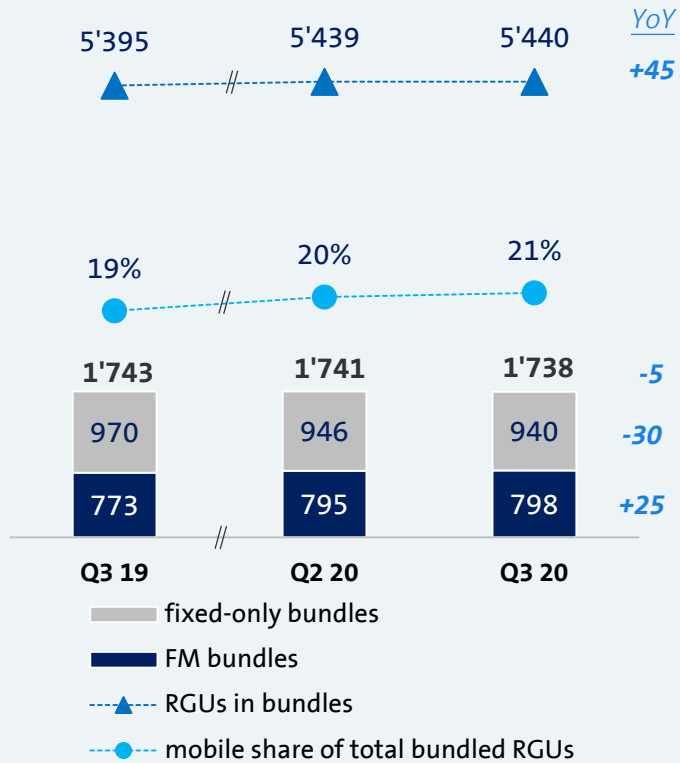




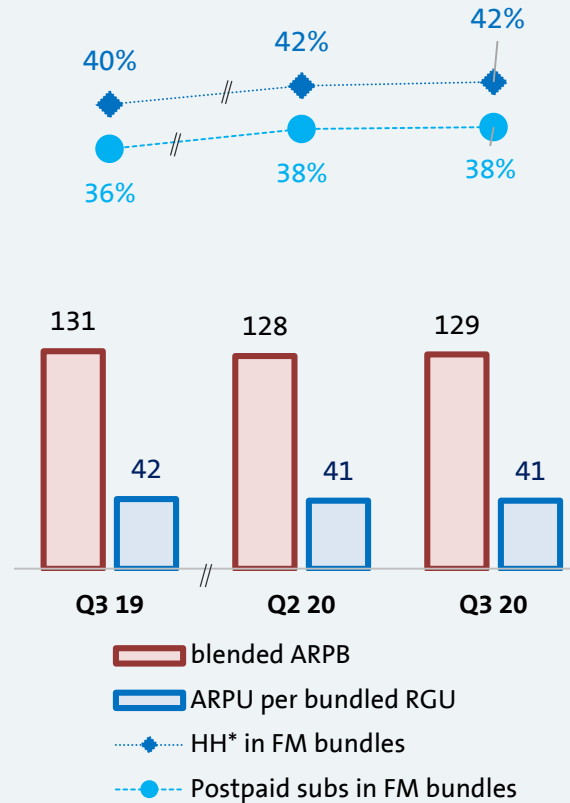
Residential Customers

Performance of fixed and FM bundles

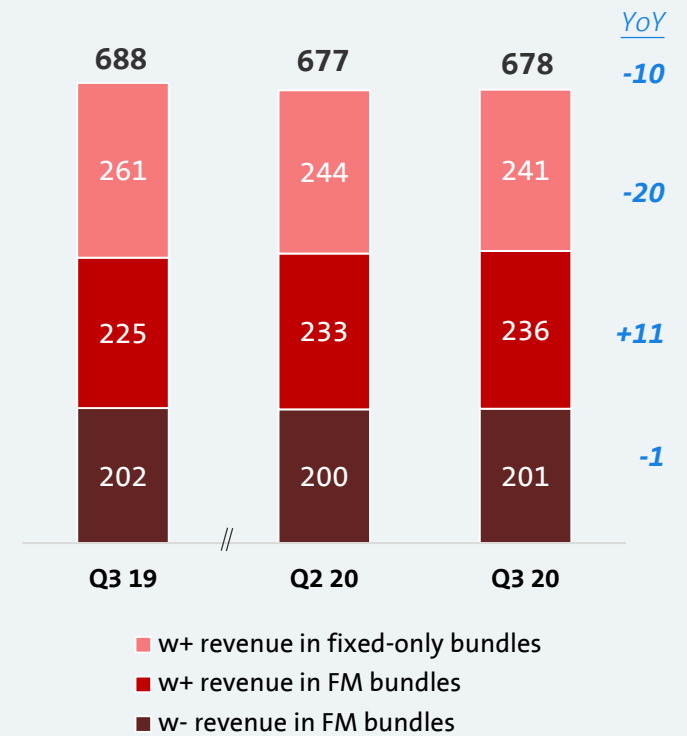
Subscriptions and Bundles (in k)



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



Service Revenue (in CHF mn)













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



More data, more speed – now for everyone under 30

Swisscom is adapting its subscription offers for young people

	 inOne mobile go young	 inOne mobile basic young	 Swiss mobile flat young	 Swiss mobile light young	 inOne mobile basic	 Swiss mobile light plus
	inOne mobile go young	inOne mobile basic young	Swiss mobile flat young	Swiss mobile light young	inOne mobile basic	Swiss mobile light plus
Telephony	Unlimited within Switzerland, EU/Western Europe	Unlimited within Switzerland, EU/Western Europe	Unlimited within Switzerland	Unlimited calls in the Swisscom mobile and fixed networks Calls to other networks 0.40/min	Unlimited within Switzerland, EU/Western Europe	Unlimited calls in the Swisscom mobile and fixed networks Calls to other networks 0.40/min
Internet	Unlimited within Switzerland, EU/Western Europe	4 GB  within Switzerland, EU/Western Europe	Unlimited within Switzerland	1.5 GB  within Switzerland	3 GB  within Switzerland, EU/Western Europe	1.5 GB  within Switzerland
Surfspeed (max.)	Premium Speed  up to 2 Gbit/s	Basic Speed 50 Mbit/s	Plus Speed  100 Mbit/s	Basic Speed 50 Mbit/s	Basic Speed 50 Mbit/s	Basic Speed 50 Mbit/s
Price per month	70.– 60.– for 1st and 2nd subscription 40.– for 3rd–5th subscription in the same household with the inOne benefit	40.–	60.–	25.–	50.–	30.–



Business Customers

Segment reporting as per 30.09.2020

Net revenue down -4.6%, decrease in service revenue (-7.3%) due to price erosion and lower roaming volume (Covid-19).

On the other hand, solutions revenue went up 1.9% (cloud services, banking).

Hardware sales instead did not reach prior year volumes.

Contribution margin 2 in Q3 nearly flat as the profitability in the telco and solutions business improved.

	Q3 2020	Q3/Q3	30.09.2020	YoY
Net revenue in MCHF ¹⁾	757	-4.2%	2'314	-4.6%
Direct costs in MCHF	-197	-7.1%	-598	-8.4%
Indirect costs in MCHF ²⁾	-221	-5.6%	-702	-2.4%
Contribution margin 2 in MCHF	339	-1.5%	1'014	-3.8%
<i>Contribution margin 2 in %</i>	<i>44.8%</i>		<i>43.8%</i>	
Depreciation & amortisation in MCHF	-19	-9.5%	-57	-8.1%
Lease expense in MCHF	-8	14.3%	-25	13.6%
Segment result in MCHF	312	-1.3%	932	-3.9%
CAPEX in MCHF	-10	-9.1%	-27	-20.6%
FTE's	+22		4'905	-5.0%
Broadband lines in '000	+0		298	-2.3%
Voice lines in '000	+1		289	-11.1%
Wireless customers in '000	+9		1'859	0.8%
Blended wireless ARPU in CHF	33	-10.8%	34	-8.1%
TV subs in '000	+1		65	3.2%

1) incl. intersegment revenues

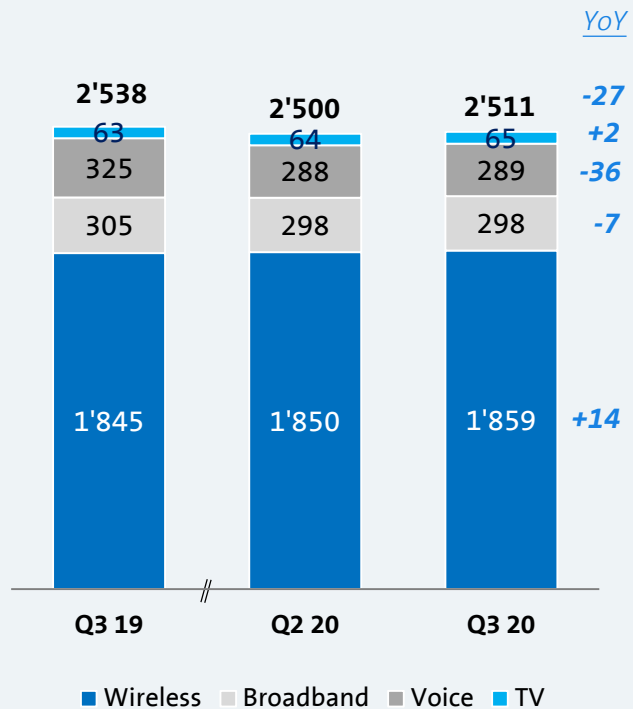
2) incl. capitalised costs and other income



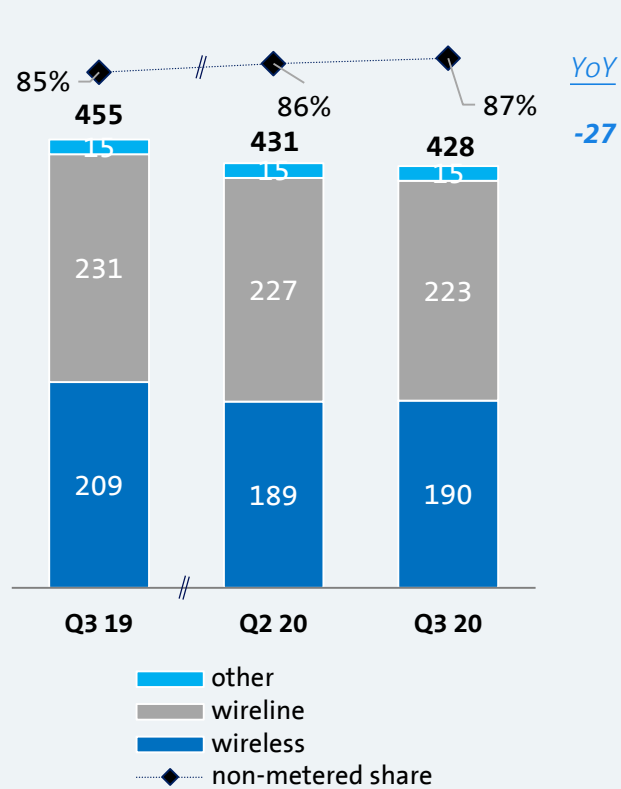
Business Customers

Subs and revenue performance

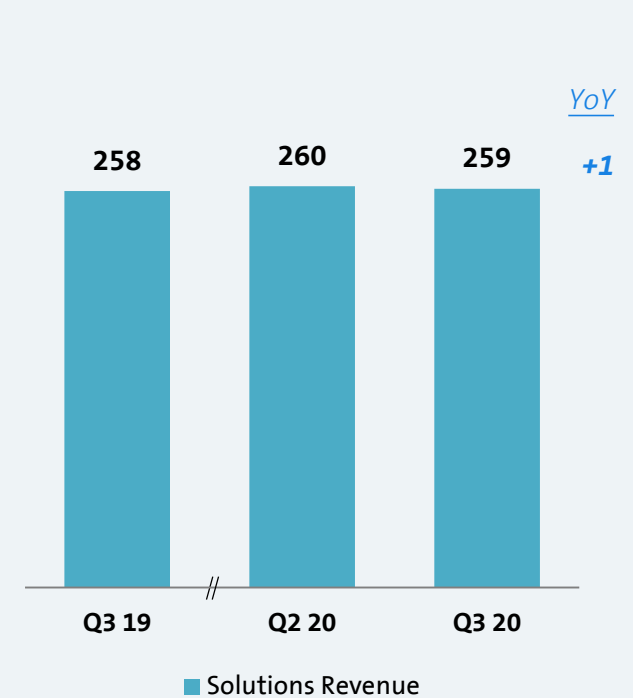
Subscriptions (in k)



Service Revenue (in CHF mn)



Solutions Revenue (in CHF mn)



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



Wholesale

Segment reporting as per 30.09.2020

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

Contribution margin 2 flat YoY.

	Q3 2020	Q3/Q3	30.09.2020	YoY
External revenue in MCHF	168	-0.6%	490	0.2%
Intersegment revenue in MCHF	110	-5.2%	237	-8.8%
Net revenue in MCHF	278	-2.5%	727	-2.9%
Direct costs in MCHF	-140	-2.8%	-324	-6.1%
Indirect costs in MCHF ¹⁾	-4	33.3%	-12	9.1%
Contribution margin 2 in MCHF	134	-2.9%	391	-0.5%
<i>Contribution margin 2 in %</i>	<i>48.2%</i>		<i>53.8%</i>	
Depreciation & amortisation in MCHF	-		-	
Lease expense in MCHF	-		-	
Segment result in MCHF	134	-2.9%	391	-0.5%
CAPEX in MCHF	-		-	
FTE's	+1		85	2.4%
Full access lines in '000	-4		59	-21.3%
BB (wholesale) lines in '000	+10		543	6.7%

1) incl. capitalised costs and other income



IT, Network and Infrastructure

Segment reporting as per 30.09.2020

Contribution margin 2 improved by 7.6% supported by lower cost for IT and other OPEX.

	Q3 2020	Q3/Q3	30.09.2020	YoY
Net revenue in MCHF	21	0.0%	64	-1.5%
Direct costs in MCHF	-3	50.0%	-9	12.5%
Workforce expenses in MCHF	-189	-0.5%	-597	0.0%
Maintenance in MCHF	-51	-7.3%	-147	0.0%
IT expenses in MCHF	-36	-12.2%	-107	-11.6%
Other OPEX in MCHF	-100	-4.8%	-285	-11.5%
Indirect costs in MCHF	-376	-3.8%	-1'136	-4.3%
Capitalised costs and other income in MCHF	115	6.5%	332	4.1%
Contribution margin 2 in MCHF	-243	-8.0%	-749	-7.6%
Depreciation & amortisation in MCHF	-340	3.0%	-1'028	1.9%
Lease expense in MCHF	-39	11.4%	-116	7.4%
Segment result in MCHF	-622	-1.1%	-1'893	-1.8%
CAPEX in MCHF	-393	11.3%	-1'140	-10.5%
FTE's	+51		4'492	-0.8%



Fastweb

Segment reporting as per 30.09.2020

Consumer revenue up by 3.1% YoY driven by the increase in customer base.

Enterprise revenue up by 5.4% as revenues with the private sector and public administrations increased.

Wholesale revenue increased as well.

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

	Q3 2020	Q3/Q3	30.09.2020	YoY
Consumer revenue in MEUR	282	1.8%	844	3.1%
Enterprise revenue in MEUR	226	7.1%	661	5.4%
Wholesale revenue in MEUR ¹⁾	61	29.8%	169	22.5%
Net revenue in MEUR ¹⁾	569	6.4%	1'674	5.7%
OPEX in MEUR ²⁾	-366	7.3%	-1'106	6.2%
EBITDA in MEUR	203	4.6%	568	4.6%
<i>EBITDA margin in %</i>	35.7%		33.9%	
Depreciation& amortisation in MEUR	-146	3.5%	-432	4.1%
Lease expense in MEUR	-13	0.0%	-39	2.6%
Segment result in MEUR	44	10.0%	97	7.8%
CAPEX in MEUR	-134	-8.2%	-410	-7.4%
FTE's	+29		2'634	6.8%
BB customers in '000	+12		2'704	3.6%
Wireless customers in '000	+59		1'889	13.6%
In consolidated Swisscom accounts				
EBITDA in MCHF	219	2.8%	608	0.3%
CAPEX in MCHF	-145	-9.4%	-439	-11.3%

1) incl. revenues to Swisscom companies

2) incl. capitalised costs and other income



Other

Segment reporting as per 30.09.2020

External revenue down by 14.1% YoY, as Cablex and Broadcast report lower revenue in 2020.

At Cablex relative high external revenue in prior year due to a customer project.

	Q3 2020	Q3/Q3	30.09.2020	YoY
External revenue in MCHF	114	-2.6%	329	-14.1%
Net revenue in MCHF ¹⁾	269	2.7%	759	-5.4%
OPEX in MCHF ²⁾	-213	-1.4%	-621	-5.6%
EBITDA in MCHF	56	21.7%	138	-4.2%
<i>EBITDA margin in %</i>	20.8%		18.2%	
Depreciation & amortisation in MCHF	-16	6.7%	-45	-10.0%
Lease expense in MCHF	-3	50.0%	-9	0.0%
Segment result in MCHF	37	27.6%	84	-1.2%
CAPEX in MCHF	-12	-7.7%	-30	-6.3%
FTE's	-7		3'560	-2.9%

1) incl. intersegment revenues

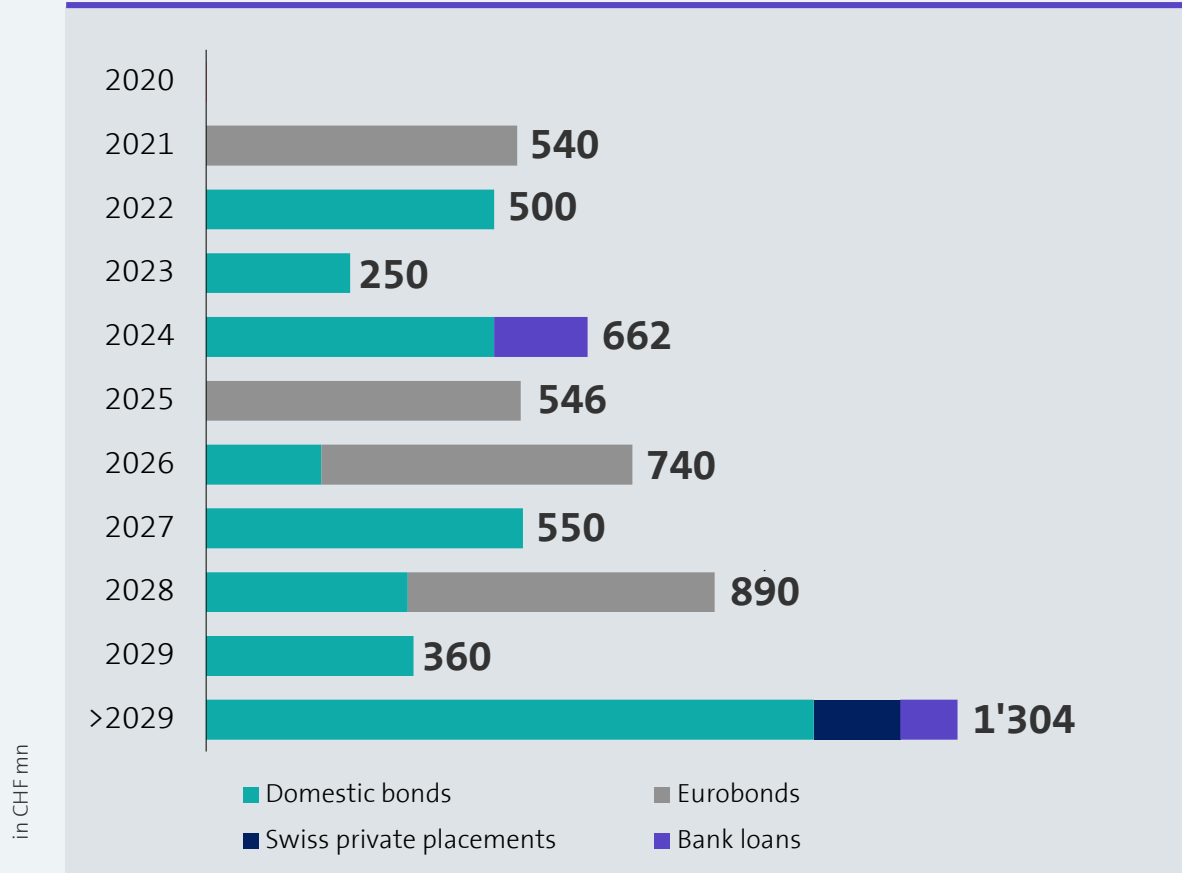
2) incl. capitalised costs and other income



Well balanced and diversified maturity profile

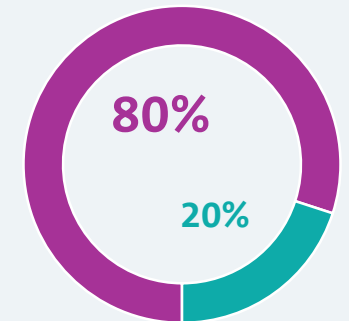
Swisscom committed to single A rating

Debt maturity profile as per Q3 2020¹⁾



- Successful placement of a Swiss domestic bond of **CHF 100mn** with a **duration** of **11 years** and a **coupon** of **0.13%**
- First Eurobond of EUR 500mn paid back in September
- Ø interest rate of **0.85%**
- Debt portfolio actively managed: **duration** of **5.54 years**
- Unused **CHF 2bn** committed credit lines

Debt portfolio mix
fixed vs. floating





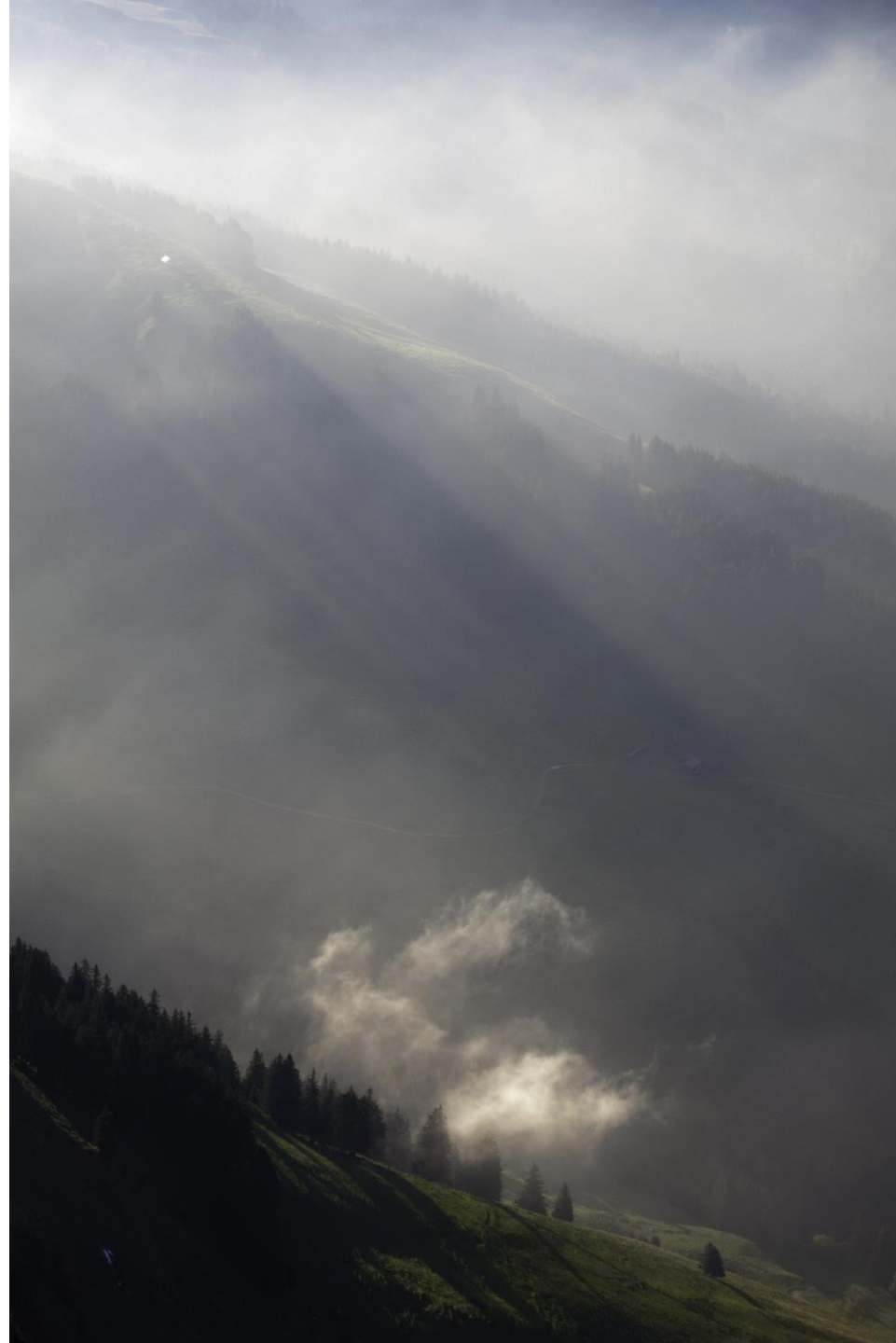
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