Q2 2024 results

Investor & analyst presentation

31 July 2024

Agenda

Introduction
Louis Schmid, Head of Investor Relations Swisscom

1. Achievements
Christoph Aeschlimann, CEO Swisscom

2. Business update - Switzerland and Italy
Christoph Aeschlimann, CEO Swisscom

3. Transaction update - Vodafone Italia
Eugen Stermetz, CFO Swisscom

4. Financial results
Eugen Stermetz, CFO Swisscom

Questions & answers

Appendix

Achievements

Christoph Aeschlimann
CEO Swisscom

Highlights

Steady development in Switzerland and solid performance in Italy

1
2
3
4

Q2 financials on track
to achieve FY guidance

- **Q2 top line up** (+1.8% YOY), driven by Fastweb
- **EBITDA in line with Q2 consensus**[1]
- **Underlying EBITDA and OpFCF with improved development** in Q2
- **FY guidance confirmed**

✓

Unchanged business trends
in Switzerland

- **Slightly better Telco service revenue evolution**, thanks to successful ARPU stimulation
- **IT top line further growing**, AI and cloud offerings extended
- **FTTH roll-out in a full swing**
- New InsurTech portfolio well received by the market

✓

Successful with Fastweb
in Italy

- **Fastweb Energia** with a strong 1st operational quarter
- **Launch of SuperPod-/AI-based cloud services** and **1st Italian LLM**[2]
- **Wholesale: strong momentum**
- **Attractive sale of 4.5% stake in FiberCop** for EUR 439mn[3]

✓

Acquisition of Vodafone Italia
and merging with Fastweb

- Transaction **financing** of EUR 8.1bn **successfully completed**
- Unconditional **approval by Golden Power** and **COMCO**[4]
- **No** Vodafone **shareholder vote** required[5]
- **Walter Renna** designated **CEO of NewCo**
- Transaction **on track**

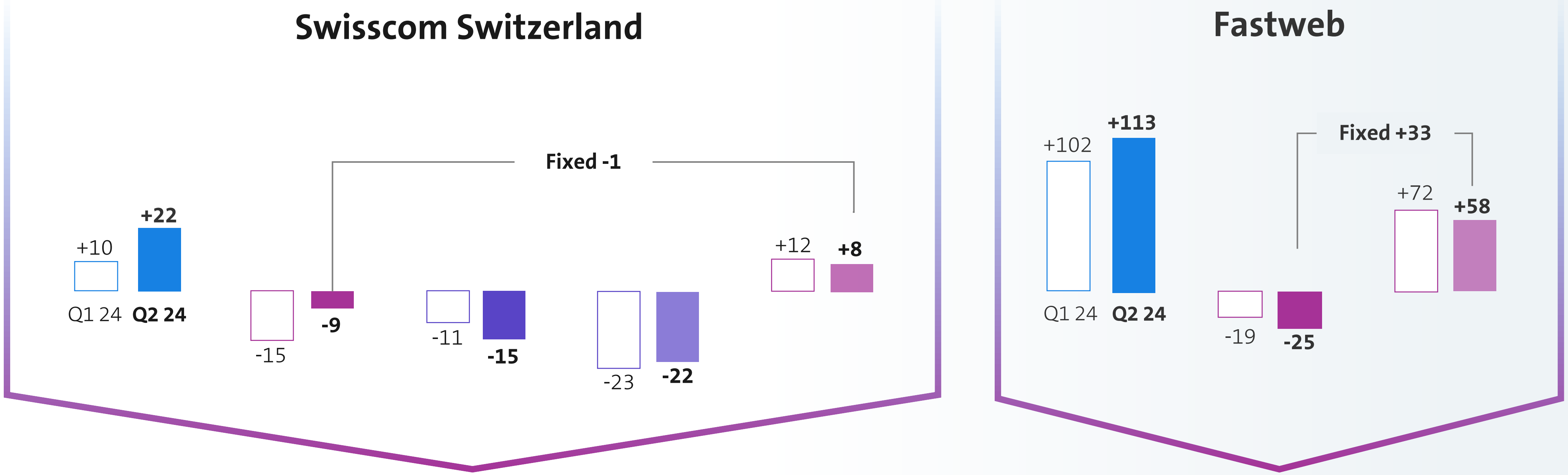
✓

1) Analyst consensus Q2 2024 published as of 8 July 2024 by Swisscom IR, see www.swisscom.ch/ir, 2) Large Language Model, 3) Closing in July 24, 4) Italian Presidency of the Council of Ministers (Golden Power), Swiss Competition Commission (COMCO), 5) Due to changes in UK listing rules (as per 29 Jul 24)

Operational performance

Largely stable RGU base in Switzerland and continuously growing in Italy

Net adds
in k



RGUs in k / Market share[2] (YOY)

	Swisscom Switzerland					Fastweb		
	Postpaid	Broadband	TV[1]	Fixed voice	Wholesale	Mobile	Broadband	Wholesale
RGUs (in k)	5'382	1'982	1'511	1'181	712	3’724	2’557	778
Market share[2] (YOY)	53% *(-0.9pp)*	48% *(-1.0pp)*	39% *(-0.1pp)*			5.1% *(+0.6pp)*	15.3% *(-0.3pp)*	

1) RGUs without OTT subs, 2) As per 31.03.2024

Financial results

Satisfying Q2 financials, reaffirming FY guidance

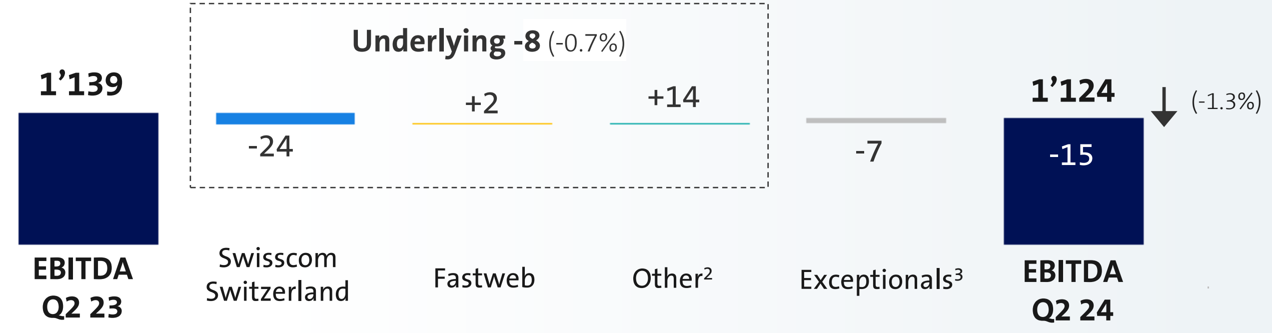
Overview of key figures

in CHF mn, YOY

	Q2 24	H1 24
Revenue	**2'751** (+1.8%)	**5'454** (+0.1%)
EBITDA	**1'124** (-1.3%)	**2'279** (-1.0%)
Net income	**381** (-6.2%)	**836** (-1.4%)
CAPEX	**563** (-0.9%)	**1'157** (+4.0%)
Net debt [1]		**7'919** (-2.3%)

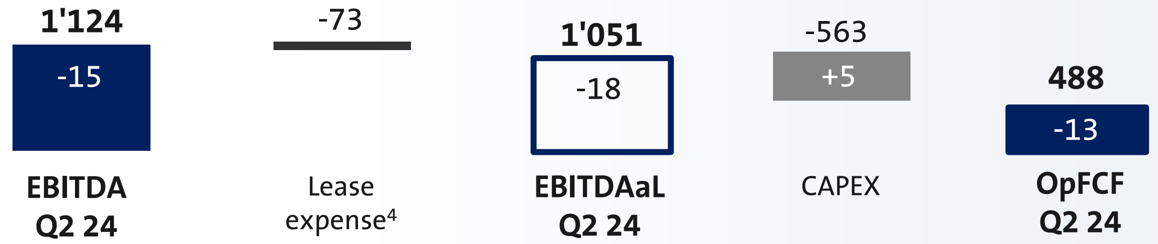
Q2 24 EBITDA development

in CHF mn, YOY



Q2 24 OpFCF development

in CHF mn



1) Including lease liabilities, 2) Includes Other operating segments, intersegment elimination group level and pension reconciliation, 3) Includes currency impact (CHF -3mn), regulatory litigations (CHF +3mn), transaction cost Vodafone Italia (CHF -7mn), 4) Consists of depreciation right of use assets excluding IRU of CHF -61mn and interest expense leases of CHF -12mn

Business update - Switzerland and Italy

Christoph Aeschlimann
CEO Swisscom

Swisscom's strategic priorities for 2024 and beyond

For Switzerland and Italy

Delight customers

Create unique customer experience

- Strong brand play and quality positioning
- High customer lifetime loyalty
- Leading network proposition

Innovate for growth

Deliver digital products and services of the future

- New business propositions beyond the core
- Innovative ICT solutions
- Future-proof networks
- New opportunities in wholesale market

Achieve more with less

Achieve more with less

- High efficiency
- Simplified IT
- Process standardization
- Sales and service excellence

Perform together

Develop ourselves and our collaboration

- Performance culture
- Skill transformation
- Diversity and talents
- Effective organisation forms

B2C Telco - Ongoing strong value commitment key

ARPU stabilisation measures kicking in

Create unique customer experience every day ...

Keep strong value orientation

Value-oriented play with best-in-class offerings key

- **Even more attractive roaming** packages with more free data and lowest call prices in the market[1]
- **Biggest offering for football fans secured**: Swisscom with broadcasting rights for Swiss football leagues until 2029/30
- **Continuous investment in Swisscom's excellent brand position**: new partner of Swiss national football team

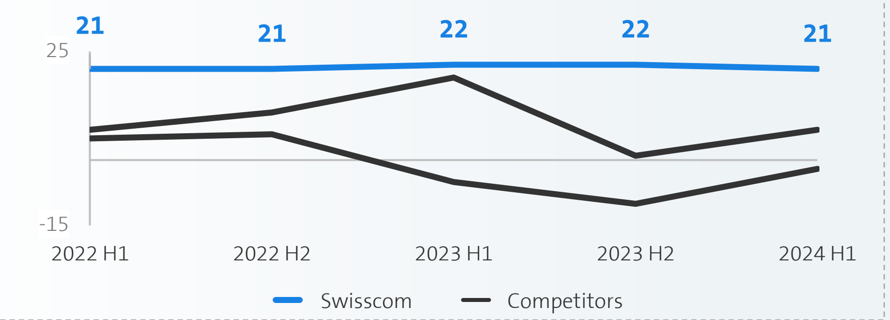
Focus on sustainable ARPU evolution

Effective implementation of ARPU stabilisation measures across all brands

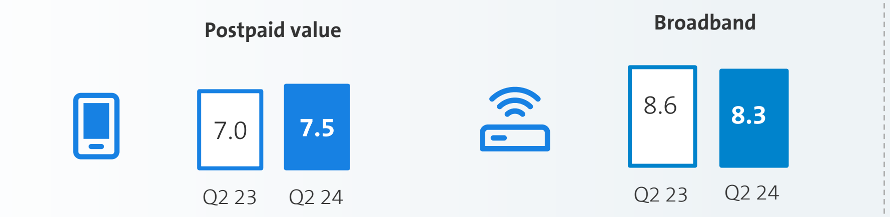
- **Upsell to enhanced state-of the-art offerings**, and simultaneous phase-out of outdated products
  - **blue TV multiroom Max** option for multi-device usage
  - **bluewin mail portfolio redesigned** with more storage and new functionalities
  - **new wingo offerings** for digital natives
- Further **selective price adjustments** for add-ons

... to delight customers, stimulate loyalty and keep ARPUs stable

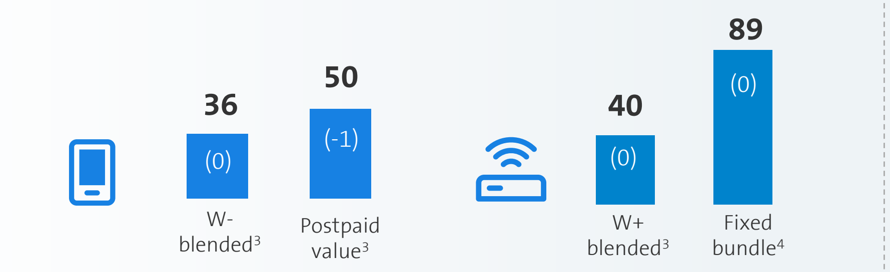
NPS development[2] (2022-2024)



Churn rate in % p.a.



ARPU Q2 2024 in CHF (YOY)



1) E.g. international calls in postpaid >80% cheaper than competitors' offerings, 2) Value deviations to previous publications due to new study design introduced in 2024 (online instead of per telephone), historical data available starting with 2022, 3) Across all brands, 4) Own brand bundle (BB + TV + fixed voice)

B2C Telco - Defending customer base in a challenging Telco environment

... and growing beyond core

1
2
3
4

Boost smart promotions and innovate for new growth ...

Preserve market leadership position

Stimulate RGU performance with smart and visible promotions

- **Stable RGU base in own brand**, supported by smart promotions
- **Several 2nd/3rd brands' measures implemented**
  - wingo offerings within **Summer Black Friday campaign**
  - Coop Mobile in combination with **Coop Trophy loyalty program**
- **Push sales** through more visible advertising (shops and online) and increase convenience (e.g. wingo with free hotline for new subs)

Grow beyond core

Switch-on insurance with well perceived new offerings

- **New InsurTech portfolio** positively received by the market and **further extended**
- **blue Cinema footprint expanded**, 1st presence in Western part of Switzerland going live in Q1 2025

sure.

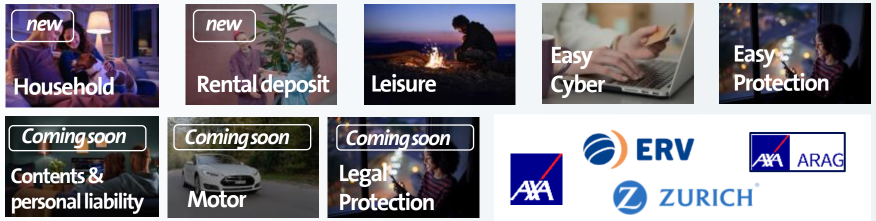
blue Cinema

... to stimulate RGUs and expand beyond core

RGU base
Q2 2024
in k (YOY)

	Postpaid	Broadband
RGU base	3'396 (+74)	1'703 (-21)
2nd/3rd brand	32% (+2pp)[1]	10% (+2pp)

InsurTech
portfolio & partnerships



blue Cinema
geographic focus

1) Share of postpaid value

B2B Telco and IT - Continuously execute value strategy

... to strengthen premium positioning and tap into new revenue streams

Ongoing development of offerings and services essential ...

Delight customers

Enhance Telco offerings with additional services to strengthen premium proposition and push cross-selling

- **Launch of SCION[1] GATE**: extension of SCION secure access for remote users through a reselling model to accelerate market penetration

Grow IT

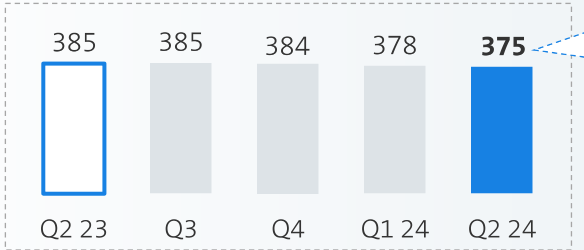
Develop innovative IT services to enhance leading market position and benefit from growth opportunities

- **Cloud Security Governance** ensures adherence to compliance regulations and security configurations of cloud resources
- **Cloud Security Protection** identifies security risks in cloud workloads in real time and initiates security measures

- **Swiss AI platform**, 1st NVIDIA SuperPod system in Switzerland, modular one-stop shop AI solutions platform with guaranteed data storage in Switzerland
- **Launch of Swisscom Sign** for start-ups, SMEs, associations and foundations

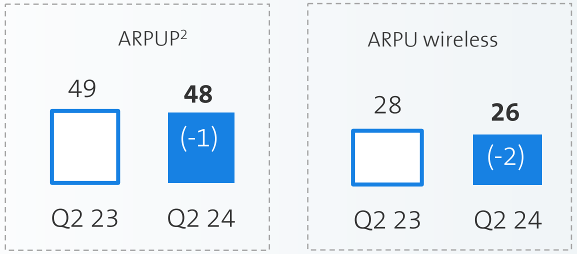
... to compete more effectively in Telco and achieve growth in IT

Telco service revenue in CHF mn

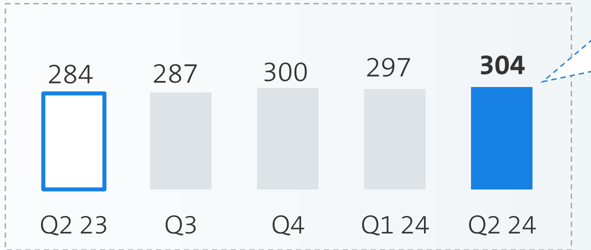


-2.6% YOY due to price pressure in mobile and fixed

ARPUs in CHF (YOY)



IT service revenue in CHF mn



+7.0% YOY driven by cloud, security and platform business and by M&A (Axept, Camptocamp)

1) SCION (Scalability, Control and Isolation On Next-generation networks) is a secure and reliable inter-domain routing protocol, designed from inception to enhance network control and transparency for communicating parties,
2) Average revenue per underlying product (w- and w+)

Networks and IT - Consistently enhance network leadership in Switzerland

Acceleration of FTTH rollout and further innovation in the mobile transport network

Further drive the next generation connectivity...

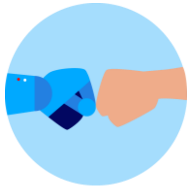
Provide best coverage and service quality

Mobile: further expansion of 5G+

- **5G+ coverage up** by +6pp
- **Rollout on track**, despite stricter regulatory requirements[1]

FTTH rollout in full swing

- **Rollout accelerated 2x** vs H1 2023[2] while keeping highest quality standards with AI-driven tools
- **COMCO decision on P2MP FTTH architecture appealed** to the Federal Administrative Court



Best network quality

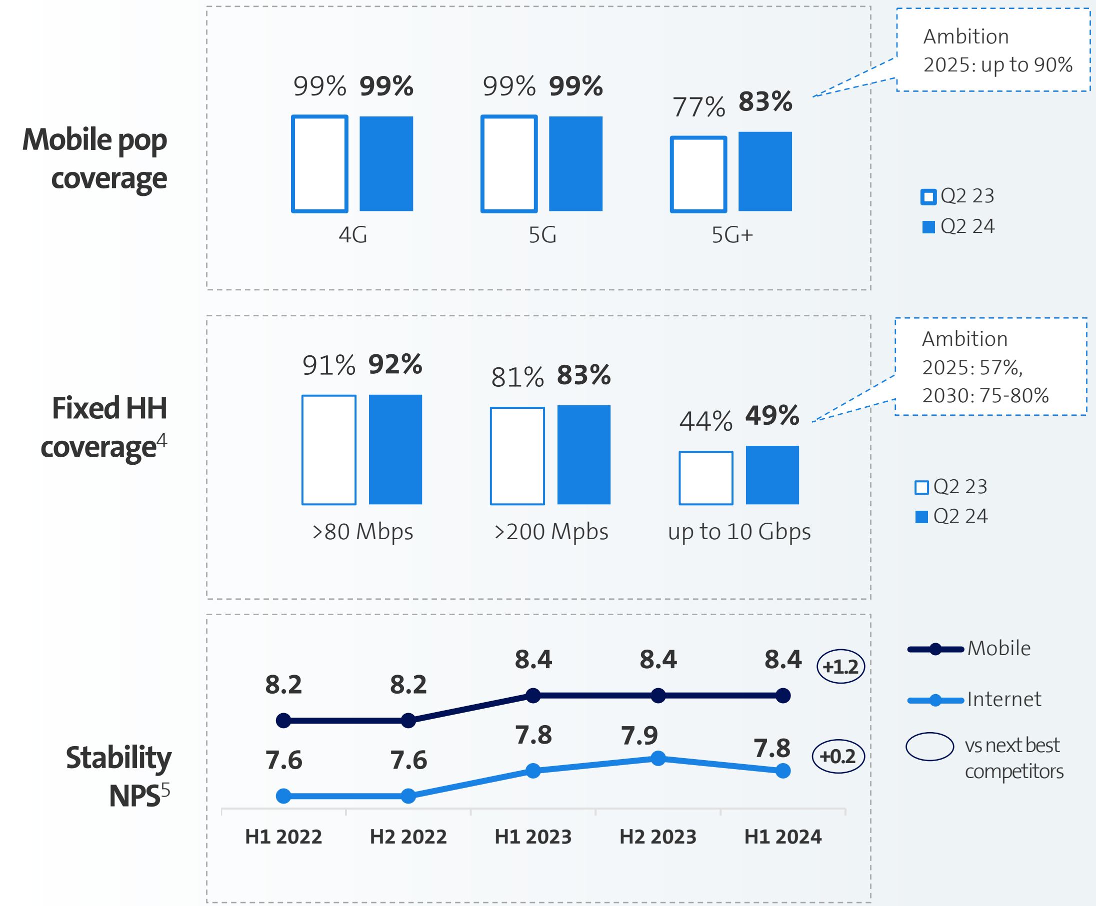
- Highly appreciated by our customers with a **lead in Stability NPS**

Drive innovation

Network and IT enhancement through innovation

- Crucial milestone in **network transformation: mobile transport network successfully migrated** to the future highly-resilient and efficient converged[3] transport network, saving 100MWh of energy p.a.
- **Cyber-attacks** during the Ukraine peace conference (+20%) **successfully detected and repelled**

... to delight customers with best coverage and service quality



1) Federal court decision on the obligatory approval of the correction factors for adaptive antennas, 2) In terms of number of new homes passed H1 2024 vs. H1 2023, 3) Transport network for all the traffic (fixed, mobile, voice, data) replacing the existing legacy transport networks till 2028, 4) Ratio of total 5.45mn HHs in Switzerland, 5) Max score: 10

Telco - Achieving more with less remains a top priority

Continuously strive for Telco cost savings to balance out Telco service revenue erosion

Implementing innovative tools ...

Smart Customer Interaction

Digital push for sales and service excellence

- **Launch of (Gen)AI-driven LLM-based**[1] **chat bot - one of the first in Europe**, using both, natural language understanding and system integration for higher solution rates
- **Scale-up of innovative shop formats** (e.g. pop-up shops and shopolinos), leveraging digital assistance
- Further **reduction of contact centre workload** due to digital push, automation and stability

Drive internal efficiency

Internal AI-driven tools scaled to the entire Swisscom

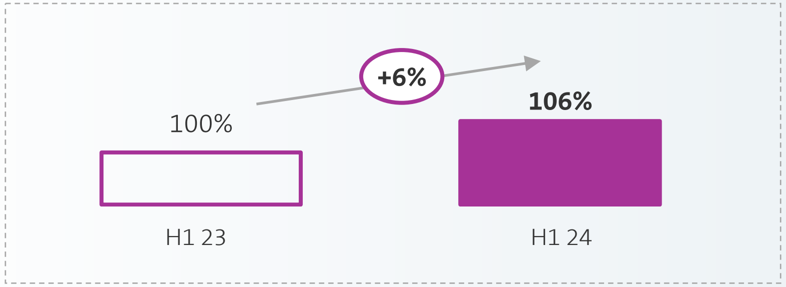
- **Swisscom GPT already used by** 9k employees for improving their daily work efficiency

5 years DevOps Centres

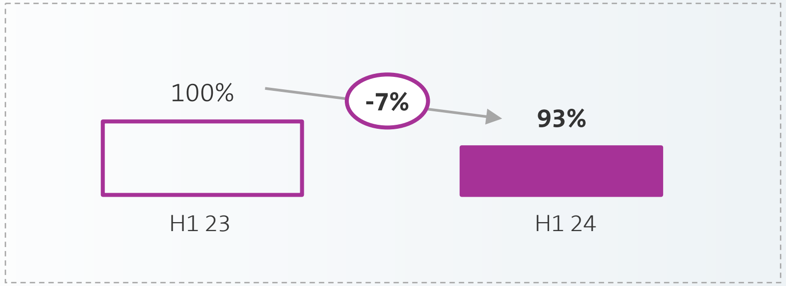
- **Insourcing of know-how further scaled,** towards **more efficiency and independency** in the IT talent war environment

... to drive the digital push

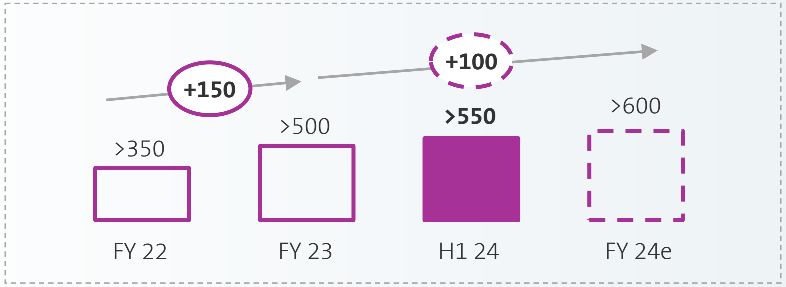
eCare[2]
indexed



Contact centre workload
indexed



DevOps centres
(# FTEs)



1) Large Language Model, 2) Portion of the tickets resolved via online channels

Fastweb B2C - Ongoing quality orientation in Telco and push beyond core services

Focus on growing convergency economics and tailoring services to HHs through AI

Boost customer value through unique products and sales ...

Maximise value in Telco

Further value differentiation thanks to AI

- ... in **customer management process** to boost loyalty and customer lifetime value
- ... in **customer care** with the aim of optimising the interaction process and driving NPS up

New distribution channels for digital natives

- **Launch** of convenient and secure **e-shop**
- **Enhanced e-SIM availability** via online channels

Push mobile growth

- **Mobile network awarded** as fastest for the 4th time[1]
- **Fastweb 2nd best in MNP**, gap to market leader reduced[2]

Grow beyond core

Strong 1st operational quarter of Fastweb Energia

- **Successful start**, with a disruptive G2M offer (fixed monthly tariffs, 100% certified renewable energy[3]) mainly targeting core customer base to increase customer value and with **registrations ahead of expectations**

... leading to improved FMC economics and higher customer loyalty

RGUs in k (YOY)

- Mobile (Q2 2024): **3'724** (+11.4%)
- Broadband (Q2 2024): **2'557** (-2.8%); **90.4% UBB** (+2.3pp)
- UBB: **2'312** (-0.3%); **2'323** (+0.2%)[4]

FMC economics in % (YOY)

- FMC in % (YOY), Broadband (Q2 2024): **43,4%**[5] (+1.4pp)
- **ARPU uplift** YOY: **+27.5%**
- **Churn benefit** YOY: **-17.9%**

Energy convergency economics

- Convergence on Energy Customer Base[6] in % (Q2 2024): **81%**
- **ARPU uplift** YOY: **+45%**

1) Ookla June 2024, 2) Source: MNP Platform, 3) Certified through a guarantee of origin by GSE, according to ARERA Arg/elt 104/2011 resolution, 4) Q2 24 impacted by a technical reclassification of 11k customers (from UBB to copper technologies), net of impact: +0.2% YOY, 5) FMC share of BB HHs (1'110k converged HHs, out of total 2'557k BB connections), 6) Percentage of Customer Base with Energy and Telco services vs customer base with Energy-only service

Fastweb B2B and Wholesale - Good market momentum

... thanks to innovative IT services, reliable connectivity and high-quality access services

IT services and UBB business drive to...

Scale up IT and AI position

B2B with strong market performance

- **Top line growth** driven by IT services (primarily **cloud** and **cybersecurity**) with lower margin contributions
- ICT portfolio further enhanced
  - **'NEXXT AI factory'** SuperComputer in operation, allowing to offer Cloud AI services
  - '**Fastweb MIIA**'[1] released: 1st version of Italian LLM
  - **Partnership for MIIA** with primary editors and content providers

Push Wholesale

Scope enhancement of Wholesale offering

- **New strategic partnership with EOLO**[2]: project entered the implementation phase to provide the complete service by YE 24

Provide best access

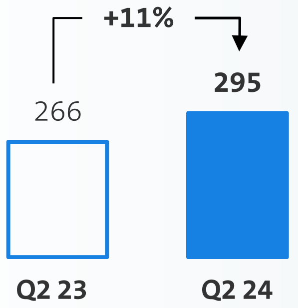
Continuous extension of FTTH footprint

- **FY target of FTTH**[3] **extension** already achieved: 39%
- **Attractive sale of 4.5% FiberCop stake**, long-term MSA with NetCo confirmed (at unchanged wholesale conditions)

... growing top line of B2B and wholesale core services

B2B

Revenue
in EUR mn

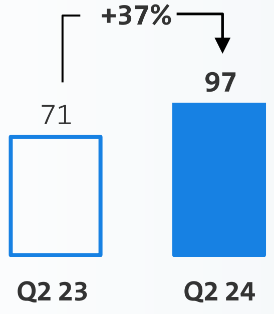


New contracts

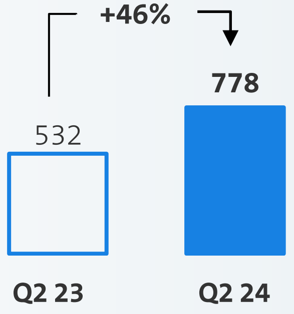
eni	5G Mobile
Carabinieri	ICT / Security
Thetis	Connectivity

Wholesale

Revenue
in EUR mn



UBB lines
in k



1) MIIA = Modello Intaliano Intelligenza Artificiale (Italian AI model), 2)New strategic agreement to serve Fasteweb wholesale customers in white areas with EOLO's 5G FWA (while bringing in Fastweb's 26 GHz band frequencies) and to sell Fastweb's wholesale UBB services to EOLO customers, 3) Up to 2.5 Gbps, via FiberCop and other 3rd parties

Transaction update - Vodafone Italia

Eugen Stermetz
CFO Swisscom

A unique opportunity to create a leading converged challenger in Italy

Completion of transaction on track

Transaction strengthens Swisscom's profile in Italy

Unique opportunity in Italy

Acquisition of Vodafone Italia
- 100%
- EUR 8.0bn (EV)

Compelling strategic rationale
- Scale
- Convergence
- Infrastructure
- Benefits for customers and Italy

Substantial value creation
- Highly tangible synergies
- Dividend increase
- Clear deleveraging path

Signing – 15 Mar 24

Mar 24 – May 24 – Jul 24 – *outstanding* – **Expected closing** Q1 25

Closing updates

Post-announcement rating opinions (Mar 24)
Outlook for A ratings confirmed
S&P Global
Moody's

Golden Power approval (May 24)
Italian Presidency of the Council of Ministers approves transaction unconditionally

Transaction financing successfully completed (May 24)
Total funding of EUR 8.1bn secured

COMCO approval (Jul 24)
The Swiss Competition commission cleared the transaction unconditionally

UK listing rules change (Jul 24)
No Vodafone shareholder vote required for closing

CEO appointment (Jul 24)
Walter Renna, Fastweb CEO, appointed as designated CEO of NewCo

Further regulatory and other customary approvals (outstanding)
Italy
- Italian Competition Authority (ICA)
- Italian Telco Regulation (AGCOM)
- Ministry of Enterprises and Made in Italy (MIMIT)

EU
- EU Foreign Subsidies Regulation (FSR)

Final financing structure fully secured

Well ahead of closing

Financing details …

Successful transaction financing

New debt of EUR 8.1bn raised

- **Syndicated bank term loan of EUR 3bn**[1]
  - 3y maturity
  - 5y maturity
- **Swiss Domestic bond of CHF 1.1bn**
  - CHF 315mn, 1.65%, 6.25y
  - CHF 455mn, 1.80%, 10.25y
  - CHF 375mn, 2.00%, 15.5y
- **EURO bond of EUR 4bn**[2]
  - EUR 0.5bn, 3.50%, 2y
  - EUR 0.5bn, 3.50%, 4.25y
  - EUR 1.25bn, 3.50%, 7.5y
  - EUR 1bn, 3.625%, 12.5y
  - EUR 0.75bn, 3.875%, 20y

Replacing bridge loan of EUR 5.1bn[3]

Committed credit lines to increase at closing

- To **CHF 2.9bn** (CHF +0.7bn)

Financing implications

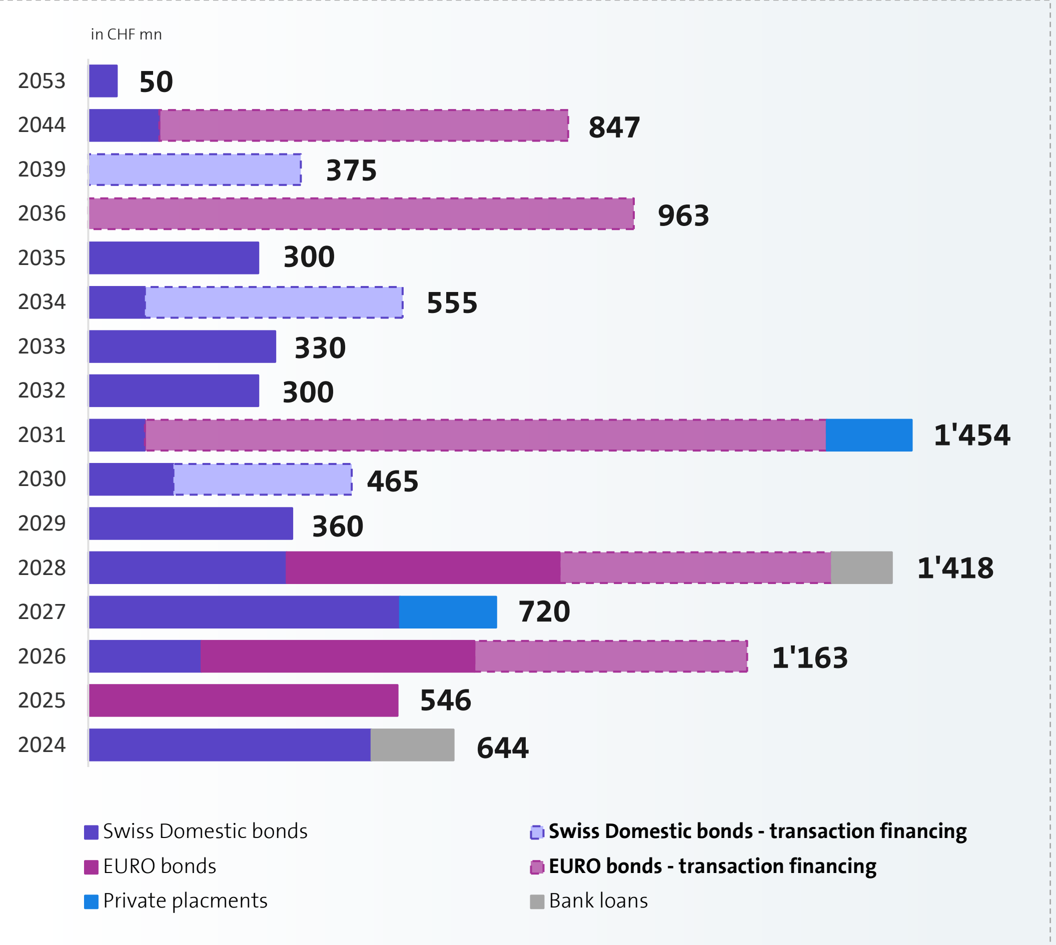
Transaction financing costs

- Incremental interest expenses of CHF <250mn p.a.
- **Until closing largely compensated by investment proceeds**

Debt portfolio facts (as per 30 June 2024)

- **Ø interest rate of 2.13%**
- **Ø duration of 6.38 years**

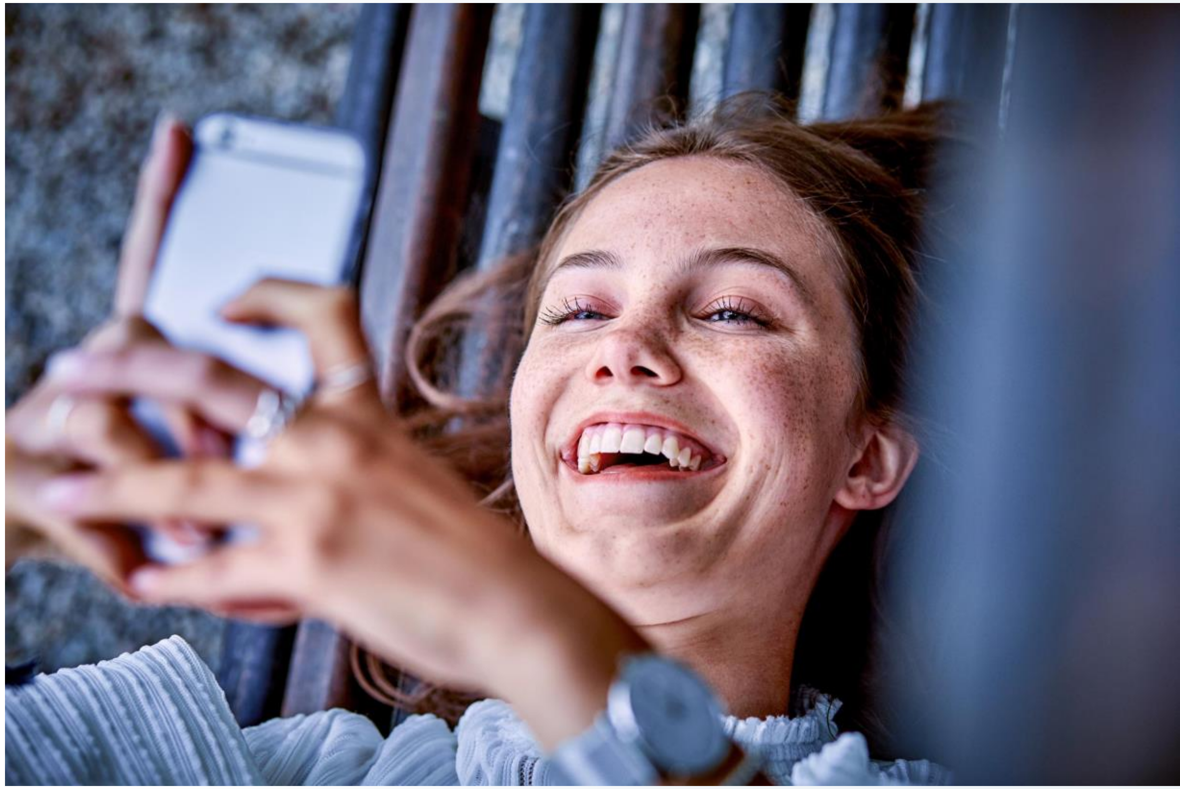
… and implications for the financial profile (as per 30 June 2024)[4]



1) To be drawn at closing, 2) Fixed rate notes under EUR 10bn EURO Medium Term Note Programme,
3) Previously entered into by Swisscom to provide funding for the acquisition of Vodafone Italia, 4) Excl. short-term money market borrowings and syndicated bank term loans (to be drawn at closing)

Financial results

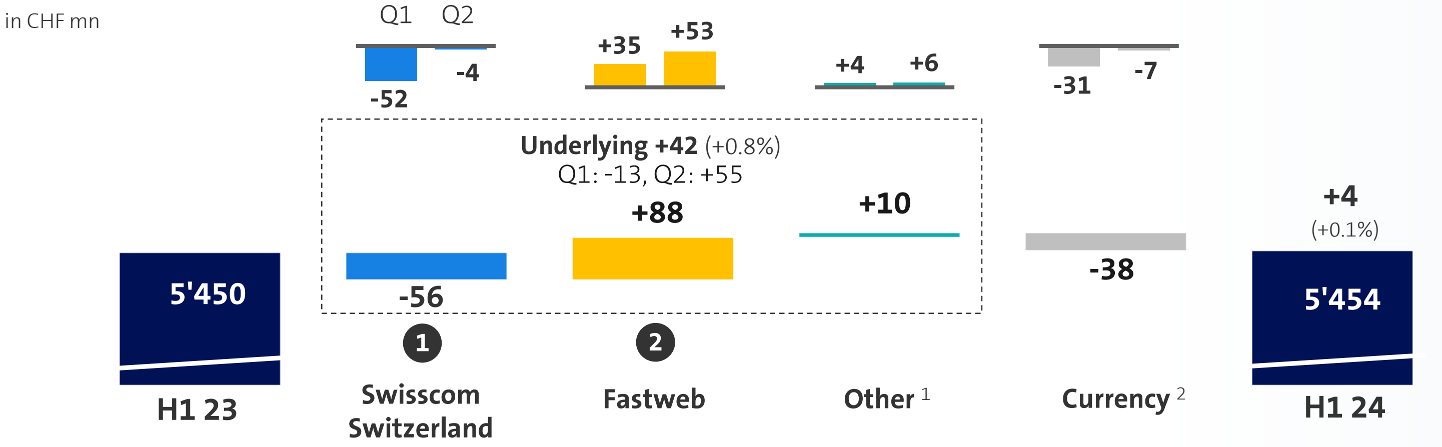
Eugen Stermetz
CFO Swisscom



Group revenue and EBITDA

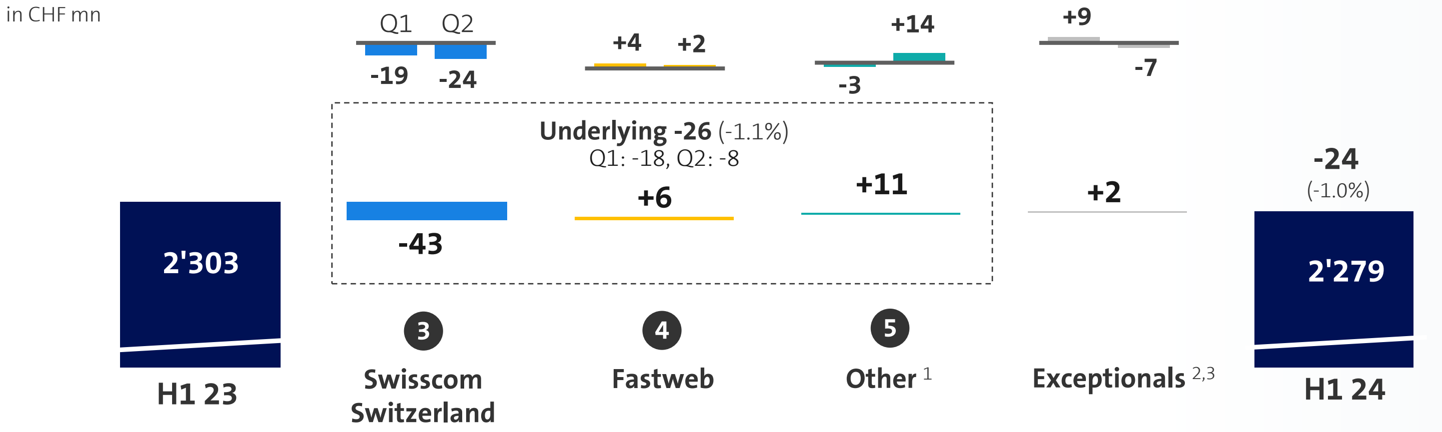
Underlying development slightly improved in Q2, both top line and EBITDA

Revenue



1. Q2 almost flat thanks to higher IT service revenue and hard- and software sales mostly compensating lower Telco service and wholesale revenue
2. Top line growth driven by B2B (primarily IT service revenue and hardware sales, both with low marginality) and Wholesale

EBITDA



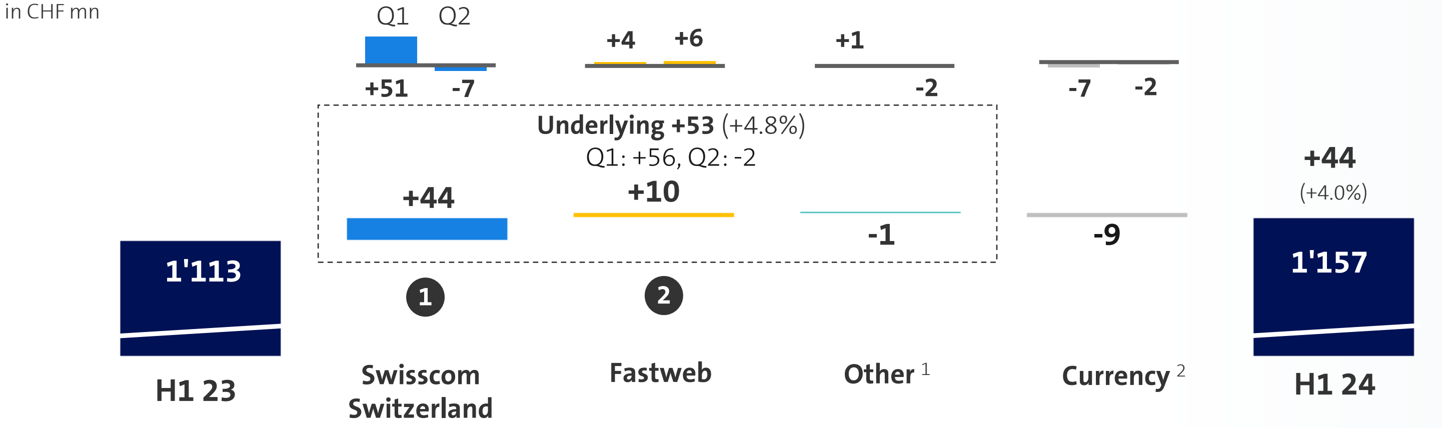
3. Q2 decline due to lower Telco service revenue and weather-related extra cost offsetting expected indirect cost savings
4. EBITDA growth driven by Wholesale business (more UBB access lines sold)
5. Q2 23 impact of one-time charges in relation with customer projects overcompensates higher pension cost (due to lower IFRS discount rate) this year

1) Includes other operating segments, pension reconciliation, intersegment elimination group level, 2) CHF/EUR exchange rate for H1 2024 0.9593 (vs. H1 2023 0.9879),
3) Regulatory litigations @Swisscom Switzerland (Q2 23: CHF +10mn, Q1 24: CHF +24mnm), transaction cost Vodafone Italia (Q1 24: CHF -6mn, Q2 24: CHF -7mn), regulatory litigations @Fastweb (Q2 23: CHF -13mn), currency effect (Q1 24: CHF -9mn, Q2 24: CHF -3mn)

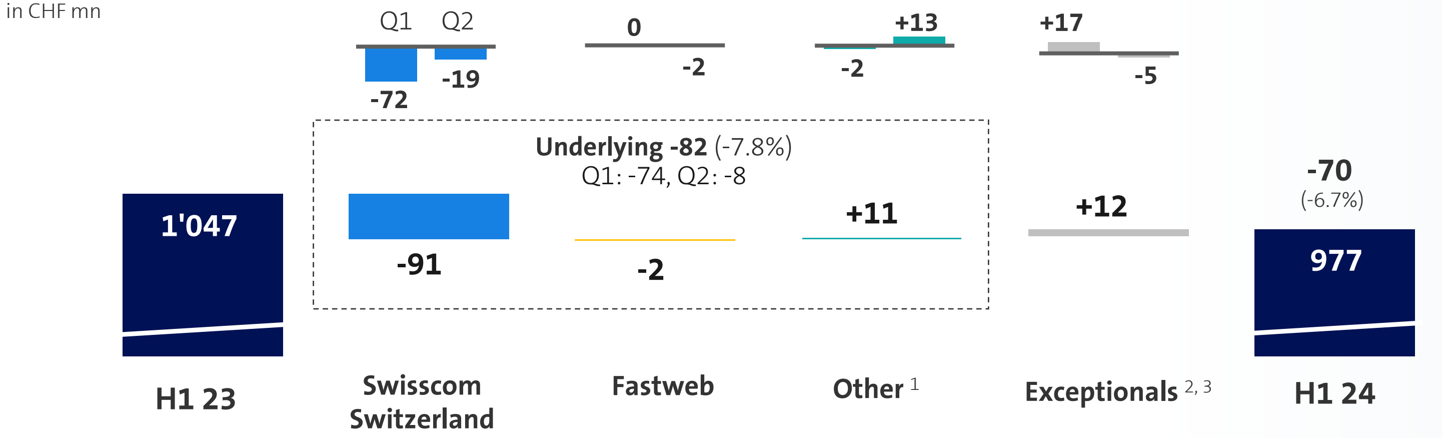
Group CAPEX and OpFCF

Q2 with improved underlying OpFCF, Q1 impacted by seasonally higher CAPEX

CAPEX



OpFCF



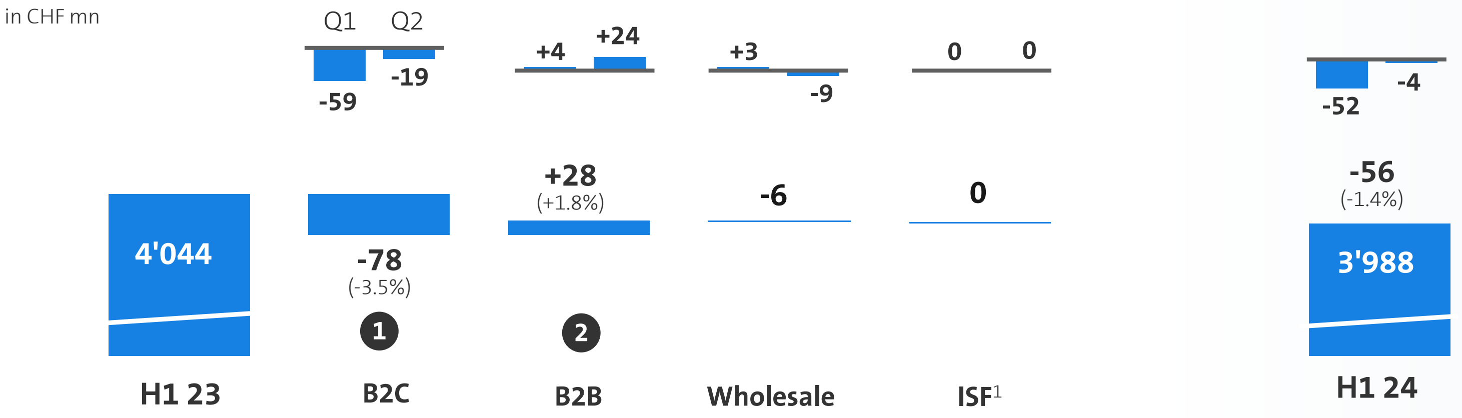
1. Q2 with normal spend, Q1 higher because of extra investments in mobile core network and previous year with lower FTTH CAPEX due to P2P switch
2. Marginally higher due to IT and customer-driven CAPEX

1) Includes Other operating segments, pension reconciliation, intersegment elimination group level, 2) CHF/EUR exchange rate for H1 2024 0.9593 (vs. H1 2023 0.9879),
3) Regulatory litigations @Swisscom Switzerland (Q2 23: CHF +10mn, Q1 24: CHF +24mn), transaction cost Vodafone Italia (Q1 24: CHF -6mn, Q2 24: CHF -7mn), regulatory litigations @Fastweb (Q2 23: CHF +13mn), currency (CHF -2mn)

Swisscom Switzerland revenue and EBITDA changes by segments

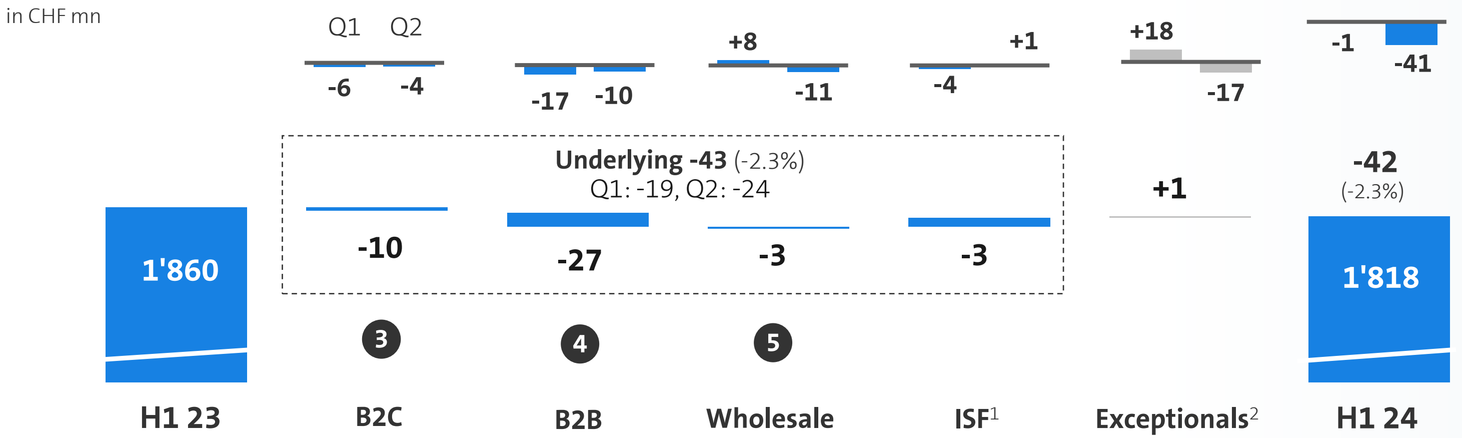
Q2 with flat revenue contribution and unchanged development of underlying EBITDA

Revenue



1. Decrease in Q2 slowed down to CHF -19mn consisting of lower Telco service revenue (CHF -14mn), hard- and software (CHF +3mn) and other revenue (CHF -8mn)
2. Telco service revenue of Q2 (CHF -10mn) overcompensated by low-margin IT service revenue growth (CHF +20mn) and higher hard- and software sales (CHF +17mn)

EBITDA



3. Decrease in Telco service revenue (CHF -14mn) mostly compensated by lower SAC/SRC (CHF +5mn) and indirect cost savings (CHF +4mn)
4. Lower Telco service revenue (CHF -10mn), profitability in IT business on prior year level
5. Q2 with seasonally lower revenues from leased lines (CHF -5mn) and inbound roaming (CHF -5mn), and YOY stable outpayments (vs. Q1 with a benefit of CHF +6mn)

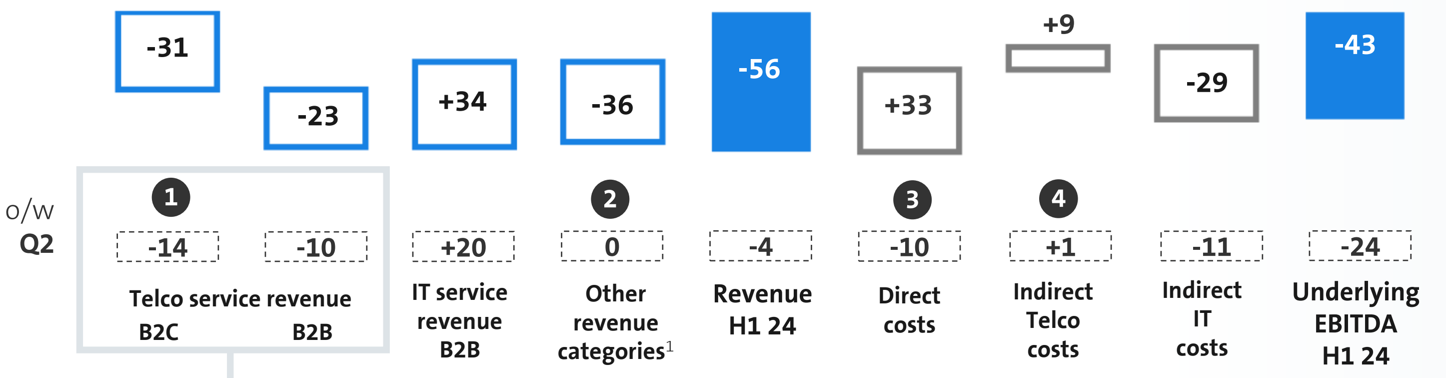
1) Infrastructure & Support Functions, including intersegment elimination,
2) Regulatory litigations (Q2 23: CHF +10mn, Q1 24: CHF +24mn), transaction cost Vodafone Italia (Q1 24: CHF -6mn, Q2 24: CHF -7mn)

Swisscom Switzerland revenue and underlying EBITDA changes by business drivers

Q2 with better Telco service revenue evolution but light Telco cost savings, and with unchanged FY outlook

Revenue and EBITDA

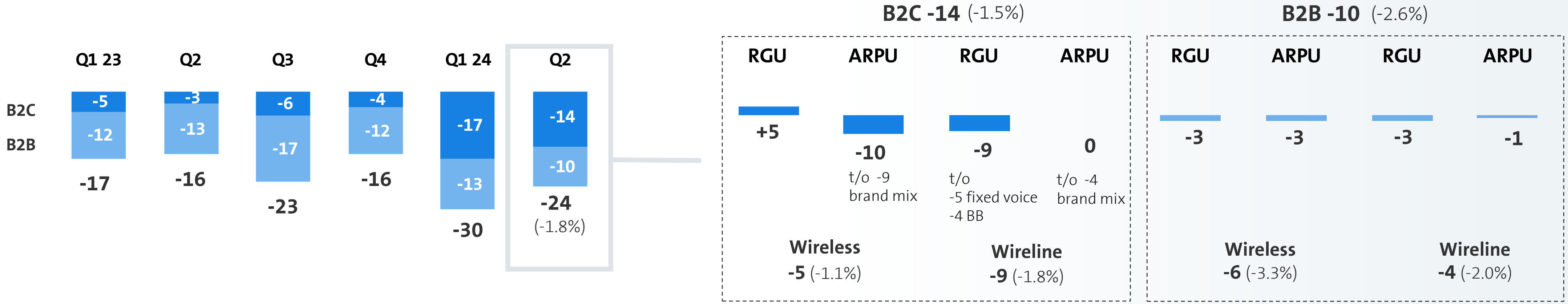
H1 YOY, in CHF mn



1. Weaker YOY primarily due to 2nd/3rd brand shift (CHF -13mn), higher VAT (CHF -4mn) and lower BB subs base (CHF -4mn), partially compensated by ARPU measures supporting initial FY outlook
2. Q2 with stable B2C smartphones sales and higher B2B hard- and software sales (CHF +17mn), mostly compensated by wholesale (CHF -9mn)
3. Higher cost for goods and services purchased (CHF -17mn) alongside with higher revenue from hard- and software sales, SAC/SRC lower
4. Q2 light as extra cost due to weather-related incidents (higher customer care volume and cost for network maintenance) offset expected savings. FY outlook unchanged

Telco service revenue

YOY, in CHF mn

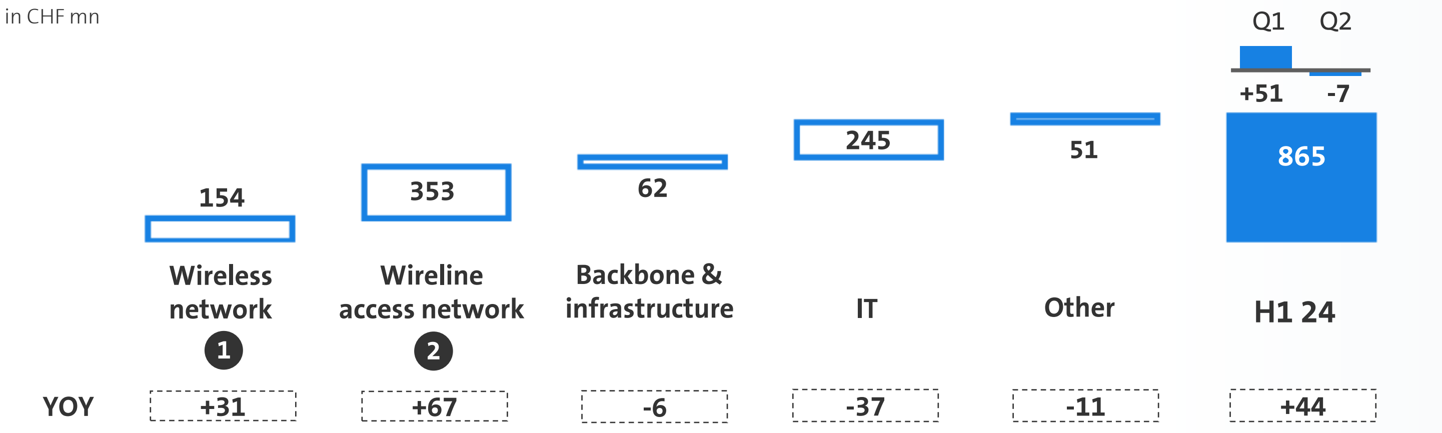


1) Includes hard- and software revenue, wholesale revenue and other revenue (consists of cinema business and IFRS 15 reconciliation)

Swisscom Switzerland CAPEX and OpFCF

Lower OpFCF contribution in H1, driven by higher investments in Q1 and softer EBITDA in Q2

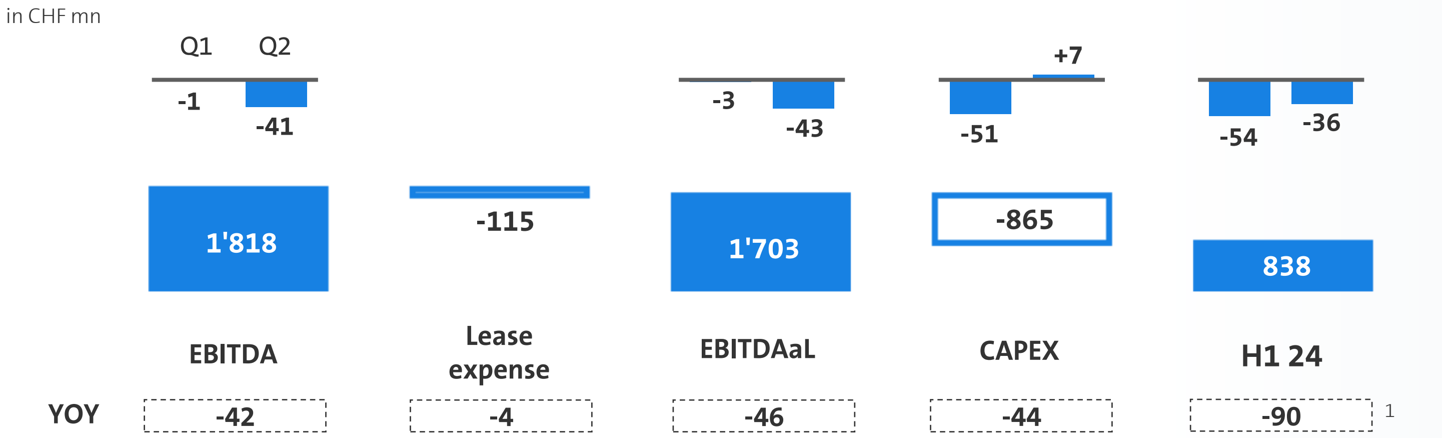
CAPEX



1 Higher investments in mobile core network

2 FTTH CAPEX up to ordinary level, previous year affected by P2P switch (H1 24 with CHF 249mn vs. H1 23 with CHF 193mn)

OpFCF

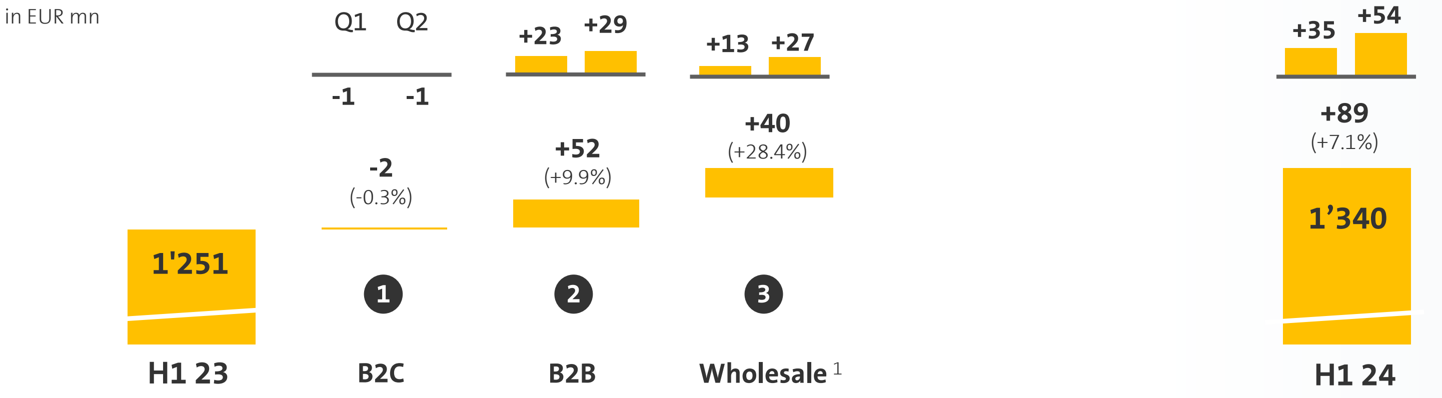


1) YOY reported = CHF -90mn, YOY adjusted by exceptionals (regulatory litigations (Q2 23: CHF +10mn, Q1 24: CHF +24mn), transaction cost Vodafone Italia (Q1 24: CHF -6mn, Q2 24: CHF -7mn)) = CHF -91mn

Fastweb revenue and EBITDA changes by segments

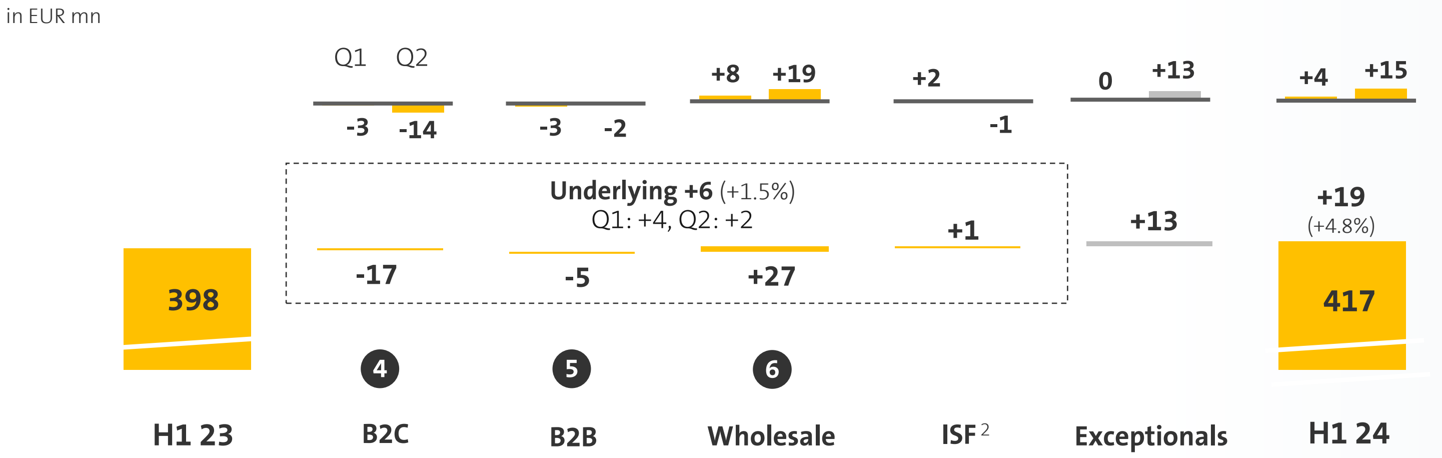
EBITDA increase thanks to growing Wholesale contributions

Revenue



1. Competitive pressure in wireline mostly offset by mobile growth (with +381k subs YOY)
2. Top line growth driven by project-related IT business and ICT services, primarily cloud and cyber security
3. Further acceleration of growth in Q2 2024, driven by UBB (+246k sold access lines YOY) and IRU businesses

EBITDA



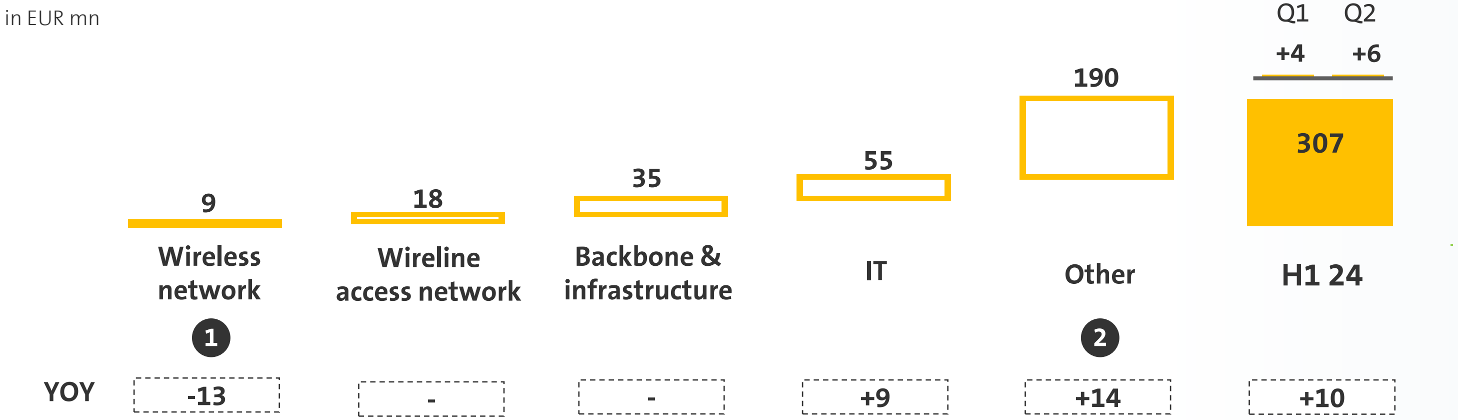
4. Q2 softer due to the revenue mix change leading to higher mobile cost and increased cost for customer operations related to quality increase leading to superior NPS
5. Lower EBITDA, despite higher revenues, due to increasing weight of IT business with lower marginality and higher indirect cost (mainly personnel costs for higher FTEs to sustain growth)
6. Q2 growth driven by UBB and IRU businesses

1) Includes intersegment revenue, 2) Infrastructure and Support Functions

Fastweb CAPEX and OpFCF

OpFCF evolution in line with expectations

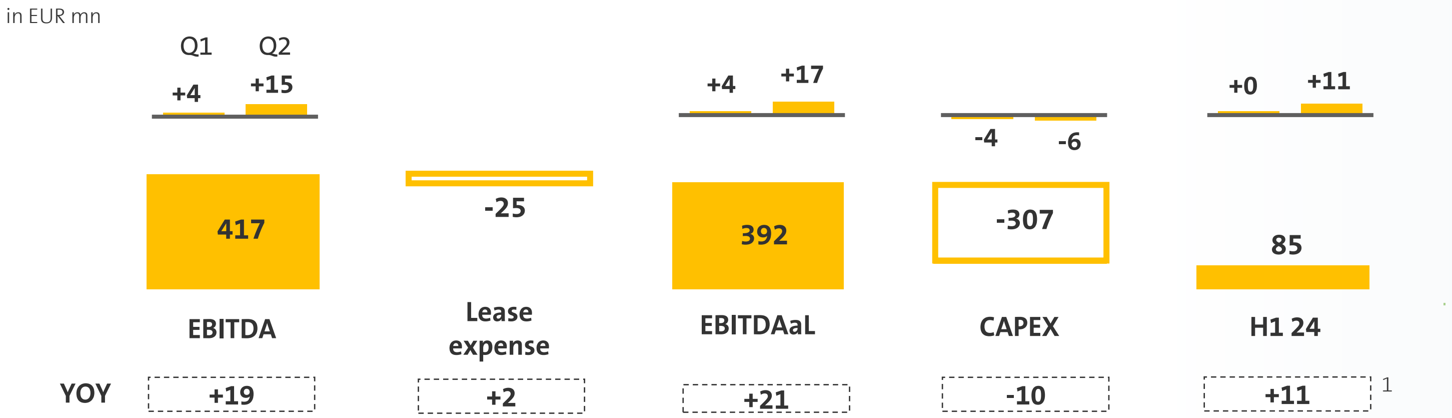
CAPEX



1 Lower expenditure due to changed FWA strategy, stopping rollout of a dedicated FWA network outside FTTH reach

2 Increase in customer driven CAPEX

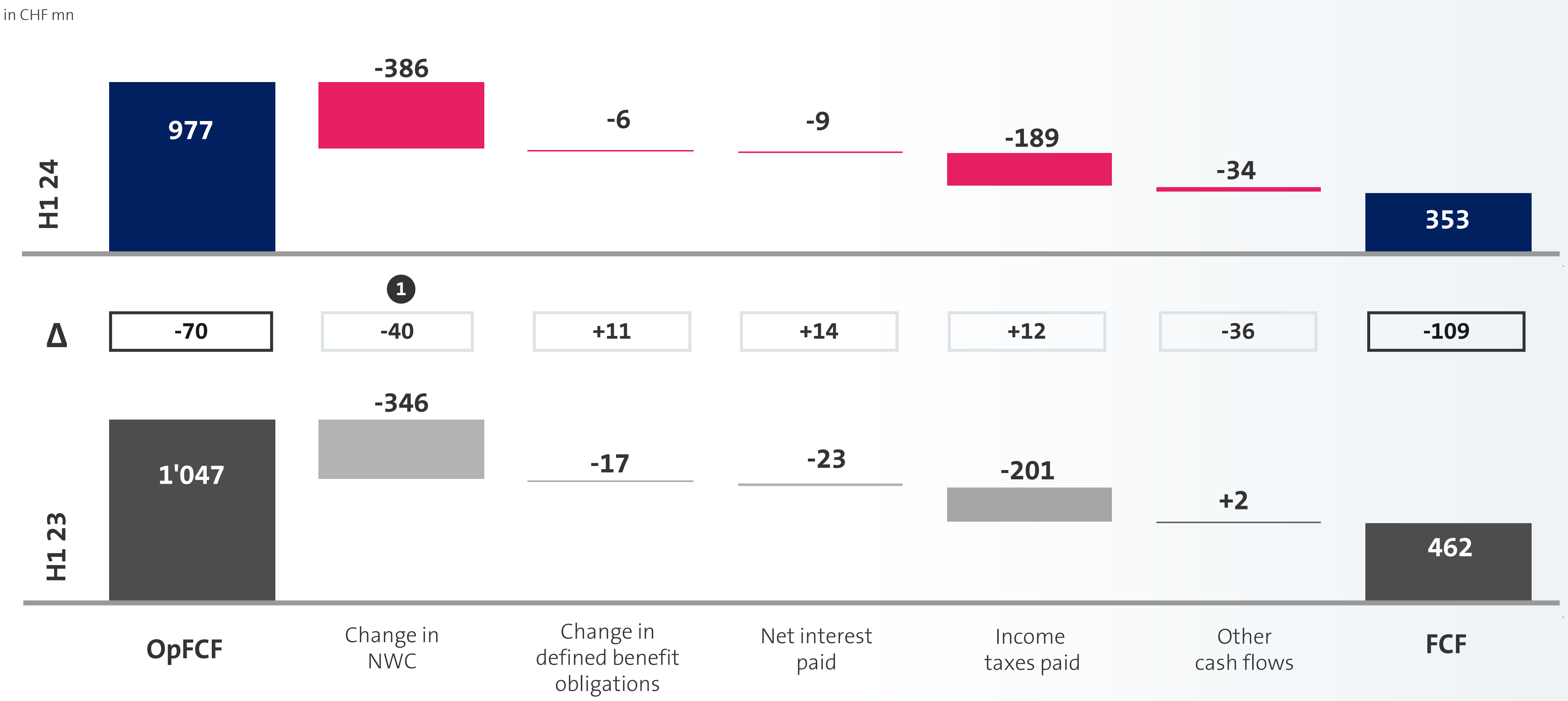
OpFCF



1) YOY reported = EUR +11mn, YOY adjusted by exceptionals (regulatory litigations of EUR -13mn, in connection with a court decision on 4-weeks billing in Q2 2023) = -2mn

Group free cash flow

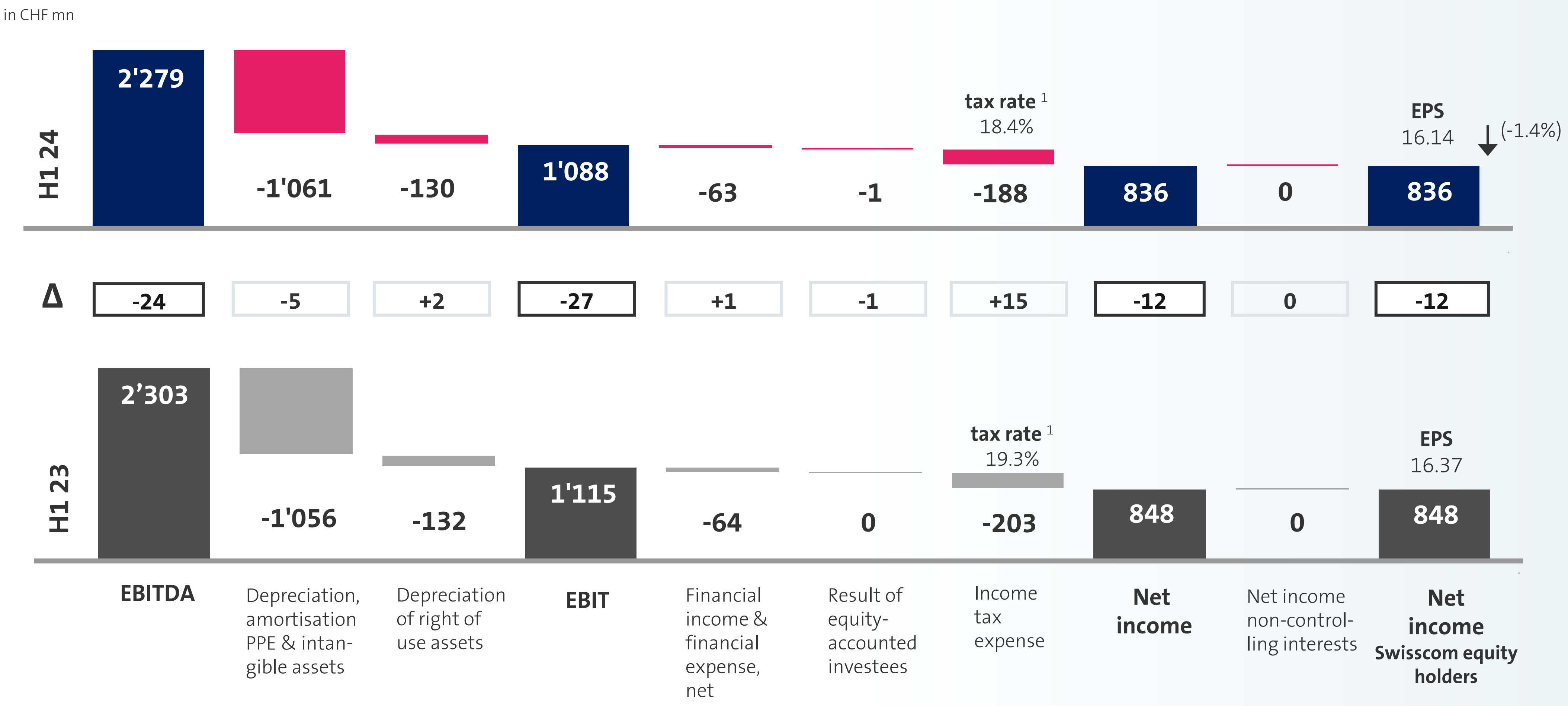
Free cash flow affected by softer OpFCF contribution and weaker NWC development



1 YOY seasonally higher payments for IT/network services

Group net income

Net income slightly softer driven by lower EBITDA partly compensated by income tax expense



1) Tax rate H1 24: tax expenses of CHF 188mn / EBT of CHF 1'024mn = 18.4%, tax rate H1 23: tax expenses of CHF 203mn / EBT of CHF 1'051mn = 19.3%

Group guidance FY 2024

Confirmed

in CHF bn	2023 reported	splits into:	2024 outlook[3]	splits into:
Revenue	11.072	CHF 8.5bn for Switzerland[2] EUR 2.6bn for Fastweb	~11.0	CHF ~8.5bn for Switzerland EUR ~2.6-2.7bn for Fastweb
EBITDA[1]	4.622	CHF 3.8bn for Switzerland[4] EUR 0.8bn for Fastweb[5]	4.5-4.6	CHF ~3.7bn for Switzerland EUR ~0.9bn for Fastweb
CAPEX	2.292	CHF 1.7bn for Switzerland EUR 0.6bn for Fastweb	~2.3	CHF ~1.7bn for Switzerland EUR ~0.6bn for Fastweb

Upon meeting its targets, Swisscom plans to propose again,
a dividend of CHF 22/share (payable in 2025)

1) EBITDAaL 2023: CHF 4.334bn, EBITDAaL guidance 2024: CHF ~4.2-4.3bn, 2) Swisscom Group without Fastweb,
3) For consolidation purposes, CHF/EUR of 0.93 has been used (vs 0.97 for FY 2023),
4) CHF 3.78bn for Switzerland when adjusted by exceptionals, 5) EUR 0.87bn for Fastweb when adjusted by exceptionals

Questions & Answers

Appendix

Key financials

Underlying revenue and EBITDA

in CHF mn	2023					2024				YOY			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	**2'747**	**2'703**	**2'752**	**2'870**	**11'072**	**2'703**	**2'751**			**-44**	**+48**		
Currency effect [1]						31	7			+31	+7		
Underlying										**-13**	**+55**		
EBITDA	**1'164**	**1'139**	**1'174**	**1'145**	**4'622**	**1'155**	**1'124**			**-9**	**-15**		
Regulatory litigations		3		-54	-51	-24	0			-24	-3		
Transaction cost Vodafone Italia						6	7			+6	+7		
Restructuring cost				7	7								
FWA strategy change				60	60								
Adjustments		3		13	16	-18	7			-18	+4		
EBITDA adjusted	**1'164**	**1'142**	**1'174**	**1'158**	**4'638**	**1'137**	**1'131**			**-27**	**-11**		
Currency effect [1]						9	3			+9	+3		
Underlying										**-18**	**-8**		

1) CHF/EUR exchange rate for Q1 2024 of 0.9478 and for H1 2024 of 0.9593 (vs. 0.9950 for Q1 2023 and 0.9879 for H1 2023)

Swisscom Switzerland - Residential Customers

Segment reporting as per 30.06.2024

Revenue decreased due to softer Telco service revenue and lower hardware sales (in Q1 less smartphones sold, Q2 stable).

Telco service revenue weaker YOY (CHF -31mn, -1.6%) due to higher VAT of CHF -8mn, lower BB subs base and brand mix.

EBITDA decreased by CHF -10mn, -0.7%: decrease in Telco service revenue mostly compensated by cost savings (indirect cost CHF +15mn and lower SAC/SRC).

in MCHF	Q2 2024	Q2/Q2	30.06.2024	YOY
Revenue [1)]	**1'079**	**-1.8%**	**2'157**	**-3.5%**
Direct costs	-186	-6.1%	-374	-12.6%
Indirect costs [2)]	-149	-2.6%	-291	-4.9%
EBITDA	**744**	**-0.5%**	**1'492**	**-0.7%**
EBITDA as % of revenue	*69.0%*		*69.2%*	
Lease expense	-10	0.0%	-20	0.0%
EBITDAaL	734	-0.5%	1'472	-0.7%
CAPEX	-7	-12.5%	-13	-13.3%
OpFCF proxy	727	-0.4%	1'459	-0.5%
Number of employees (FTE)	-44		2'480	-1.2%
Postpaid subs (k)	+17		3'396	2.2%
Prepaid subs (k)	-21		888	-9.3%
Wireless subs (k)	-4		4'284	-0.4%
ARPU wireless in CHF	36	0.0%	36	0.0%
Broadband subs (k)	-6		1'703	-1.2%
TV subs (k)	-14		1'448	-2.4%
Fixed voice subs (k)	-19		969	-6.9%

1) incl. intersegment revenues

2) incl. own work capitalised and other income

Residential Customers

Q2 2024 operational KPIs

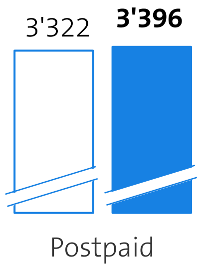
Wireless

Wireline

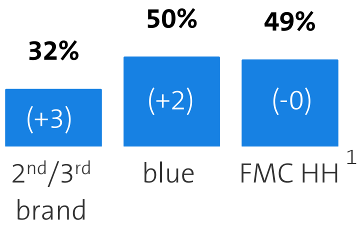
Q2 23 Q2 24

Wireless

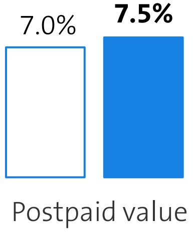
RGUs in k



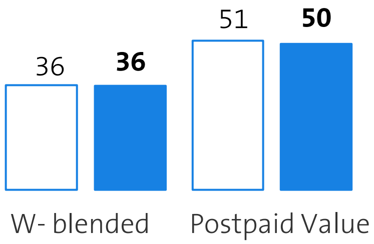
Penetration rates
Postpaid value (YOY, pp)



Churn rates p.a.

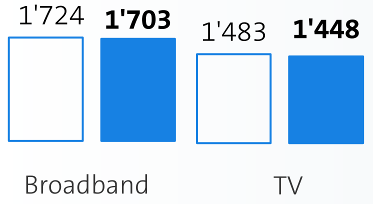


ARPUs
in CHF (YOY)

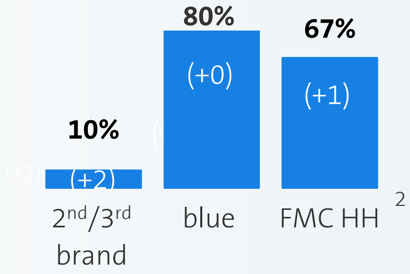


Wireline

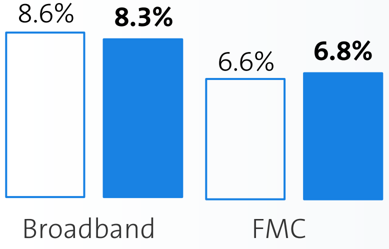
RGUs in k



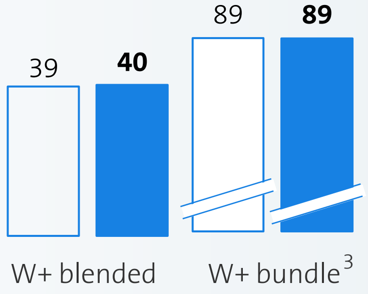
Penetration rates
Broadband (YOY, pp)



Churn rates p.a.



ARPUs
in CHF (YOY)



1) FMC share of postpaid value HHs (1'133k converged HHs, out of total HHs (2'325k, all brands) with at least 1 postpaid value subscription),
2) FMC share of BB HHs (1'133k converged HHs, out of total BB connections (1'704k, all brands), 3) own brand bundle (BB + TV + fixed voice)

Swisscom Switzerland - Business Customers

Segment reporting as per 30.06.2024

Revenue increased (+2.0%). Lower Telco service revenue (CHF -23mn) compensated by low-margin IT service revenue (CHF +34mn) and hardware and software sales (CHF +19mn).

EBITDA decreased (-4.0%) driven by lower Telco service revenue and slightly weaker profitability in IT business.

in MCHF	Q2 2024	Q2/Q2	30.06.2024	YOY
Revenue [1)]	**785**	**3.3%**	**1'558**	**2.0%**
Direct costs	-189	11.2%	-367	7.3%
Indirect costs [2)]	-276	6.2%	-546	6.2%
EBITDA	**320**	**-3.0%**	**645**	**-4.0%**
EBITDA as % of revenue	*40.8%*		*41.4%*	
Lease expense	-7	0.0%	-15	0.0%
EBITDAaL	313	-3.1%	630	-4.1%
CAPEX	-8	-46.7%	-21	-25.0%
OpFCF proxy	305	-1.0%	609	-3.2%
Number of employees (FTE)	-21		5'564	3.0%
Wireless subs (k)	+5		1'986	1.4%
ARPU wireless in CHF	26	-7.1%	26	-7.1%
Broadband subs (k)	-3		279	-3.1%
TV subs (k)	-1		63	-4.5%
Fixed voice subs (k)	-3		212	-7.8%

1) incl. intersegment revenues
2) incl. own work capitalised and other income

Swisscom Switzerland - Wholesale

Segment reporting as per 30.06.2024

Revenue weaker (-2.6%). Lower revenue from inbound roaming and wholesale services.

EBITDA down (-4.8%). EBITDA change was impacted by releases of regulatory provisions (Q2 23: +10mn, Q1 24: CHF +5mn). On an adjusted basis, EBITDA decreased by -1.9%.

in MCHF	Q2 2024	Q2/Q2	30.06.2024	YOY
Revenue [1]	**126**	**-6.7%**	**262**	**-2.6%**
Direct costs	-56	1.8%	-100	-3.8%
Indirect costs [2]	-5	n.m.	-4	n.m.
EBITDA	**65**	**-24.4%**	**158**	**-4.8%**
EBITDA as % of revenue	*51.6%*		*60.3%*	
Lease expense	-		-	
EBITDAaL	65	-24.4%	158	-4.8%
CAPEX	-		-	
OpFCF proxy	65		158	-4.8%
Number of employees (FTE)	-1		82	2.5%
Wholesale lines (k)	+8		712	4.4%

1) incl. intersegment revenues
2) incl. own work capitalised and other income

Swisscom Switzerland - Infrastructure & Support Functions

Segment reporting as per 30.06.2024

Reported EBITDA decreased by 0.6% primarily thanks exceptional items (regulatory litigations CHF +19mn, transaction cost Vodafone Italia CHF -13mn).

On an adjusted basis, EBITDA improved by 0.6%, extra cost due to weather related incidents did offset expected savings.

in MCHF	Q2 2024	Q2/Q2	30.06.2024	YOY
Revenue [1)]	**19**	**0.0%**	**38**	**0.0%**
Direct costs	-	-	-	-
Indirect costs [2)]	-275	3.0%	-515	-0.6%
EBITDA	**-256**	**3.2%**	**-477**	**-0.6%**
Lease expense	-40	5.3%	-80	5.3%
EBITDAaL	-296	3.5%	-557	0.2%
CAPEX	-404	0.0%	-830	6.7%
OpFCF proxy	-700	1.4%	-1'387	4.0%
Number of employees (FTE)	+38		5'235	3.3%

1) incl. intersegment revenues
2) incl. own work capitalised and other income

Fastweb

Segment reporting as per 30.06.2024

Residential customers revenue almost on prior year level (-0.3%). Decrease in wireline compensated by increasing wireless customer base.

Business customers revenue up by +9.9% due to increasing IT service revenue.

Wholesale revenue increased (+27.1%) as well, driven by higher number of wholesale lines (+46.2%) and IRU business.

EBITDA of prior year impacted by a provision for regulatory litigations (EUR 13mn).

Excluding that provision, EBITDA up by +1.5% driven by top line growth.

in MEUR	Q2 2024	Q2/Q2	30.06.2024	YOY
Residential customers	290	-0.3%	578	-0.3%
Business customers	295	10.9%	579	9.9%
Wholesale [1)]	97	36.6%	183	27.1%
Revenue [1)]	**682**	**8.6%**	**1'340**	**7.1%**
Direct costs	-328	16.3%	-648	13.3%
Indirect costs [2)]	-129	-5.1%	-275	-2.1%
EBITDA	**225**	**7.1%**	**417**	**4.8%**
EBITDA as % of revenue	*33.0%*		*31.1%*	
Lease expense	-12	-14.3%	-25	-7.4%
EBITDAaL	213	8.7%	392	5.7%
CAPEX	-150	4.2%	-307	3.4%
OpFCF proxy	63	21.2%	85	14.9%
Number of employees (FTE)	+26		3'251	4.3%
Wireless subs (k)	+113		3'724	11.4%
Broadband subs (k)	-25		2'557	-2.8%
Wholesale lines (k)	+58		778	46.2%
In consolidated Swisscom accounts				
EBITDA in MCHF	218	5.8%	400	1.8%
CAPEX in MCHF	-145	2.8%	-294	0.3%

1) incl. intersegment revenues

2) incl. own work capitalised and other income

Other

Segment reporting as per 30.06.2024

Revenue up by +8.5% thanks to higher revenue at cablex.

EBITDA up by +39.2% due to higher revenue and one-time charges in prior year in relation with customer projects.

in MCHF	Q2 2024	Q2/Q2	30.06.2024	YOY
External revenue	109	4.8%	213	4.9%
Revenue [1)]	**285**	**11.8%**	**537**	**8.5%**
Direct costs	-19	-5.0%	-37	-5.1%
Indirect costs [2)]	-228	5.6%	-429	5.9%
EBITDA	**38**	**100.0%**	**71**	**39.2%**
EBITDA as % of revenue	*13.3%*		*13.2%*	
Lease expense	-2	-33.3%	-5	0.0%
EBITDAaL	36	125.0%	66	43.5%
CAPEX	-9	-10.0%	-17	-5.6%
OpFCF proxy	27	350.0%	49	75.0%
Number of employees (FTE)	-9		3'324	0.2%

1) incl. intersegment revenues
2) incl. own work capitalised and other income

Pension cost and cash payments

Net pension cost impacted by discount rate, but company contributions (cash) stable

in CHF mn	H1 23	H1 24	*reported* YOY	FY 23	*estimate* FY 24	*estimate* YOY
Segments' pension cost	137	139	2	273	279	6
Pension reconciliation	-19	-9	10	-37	-22	15
Operating pension cost (EBITDA)	**118**	**130**	**12**	**236**	**257**	**21**
Net interest (financial result)	-2	-2	0	-5	-5	0
Total pension cost (P&L)	**116**	**128**	**12**	**231**	**252**	**21**
Company contributions (cash payments)	**135**	**136**	**1**	**267**	**273**	**6**
Pension cost (EBITDA) less cash payments	-17	-6	11	-31	-16	15

Operating pension cost

- Costs highly sensitive to changes of discount rate
- Operating pension cost for FY 24 expected to be CHF +21mn (t/o CHF 15mn pension reconciliation) higher compared to FY 23 because of lower discount rate

Cash payments

- Cash contributions not based on IFRS
- No impact of interest rate on cash contributions
- FY 2024 estimate: company contributions (in cash) at stable level

Cautionary statement
regarding forward looking statements

- "This communication contains statements that constitute "forward-looking statements". In this communication, such forward-looking statements include, without limitation, statements relating to our financial condition, results of operations and business and certain of our strategic plans and objectives.
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Investor contact

Louis Schmid
Head Investor Relations
louis.schmid@swisscom.com
+41 58 221 62 79

Anastasia Henkel
Investor Relations Manager
anastasia.henkel@swisscom.com
+41 58 221 40 80