

Q2 2019 Roadshow presentation

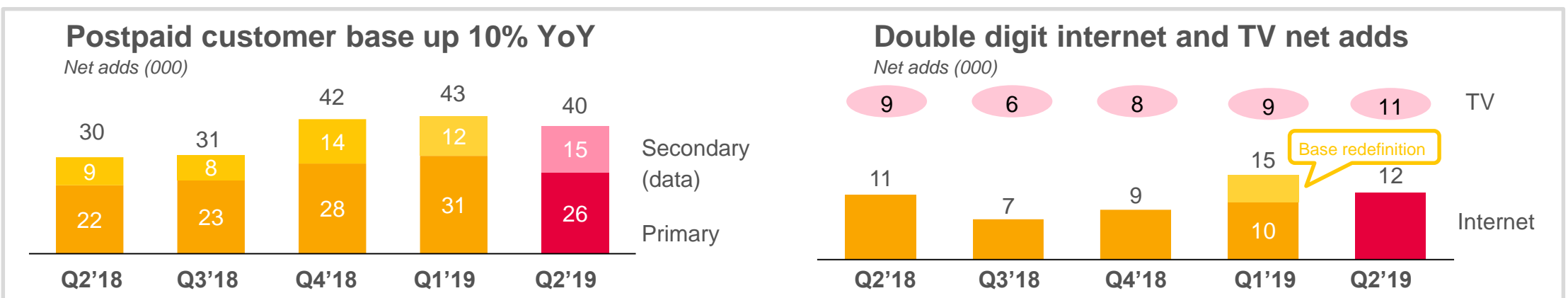
September 2019

Q2'19 update

FY'19 guidance range tightened at high end to adj. EBITDA CHF 618 – 628m¹⁾

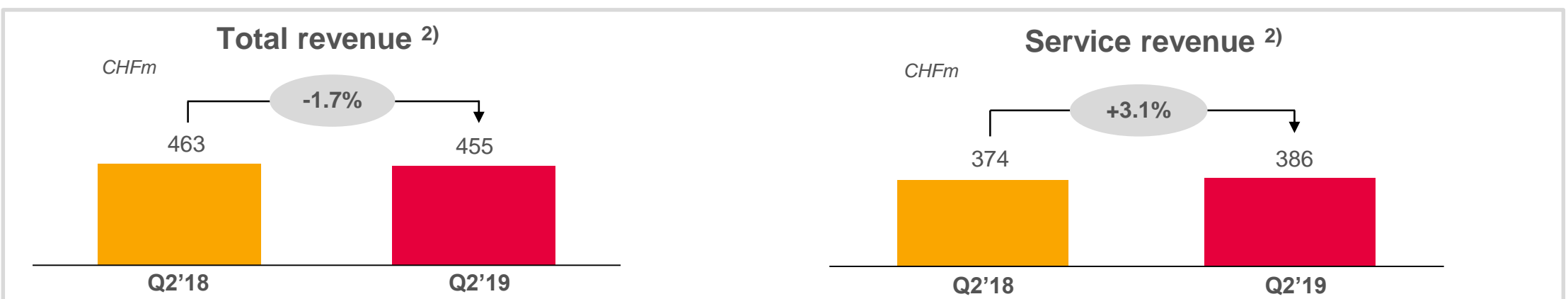
Customers

- Strong subscriber **growth** in mobile postpaid, internet and TV
- 5G coverage in 262 cities/villages by mid August 2019



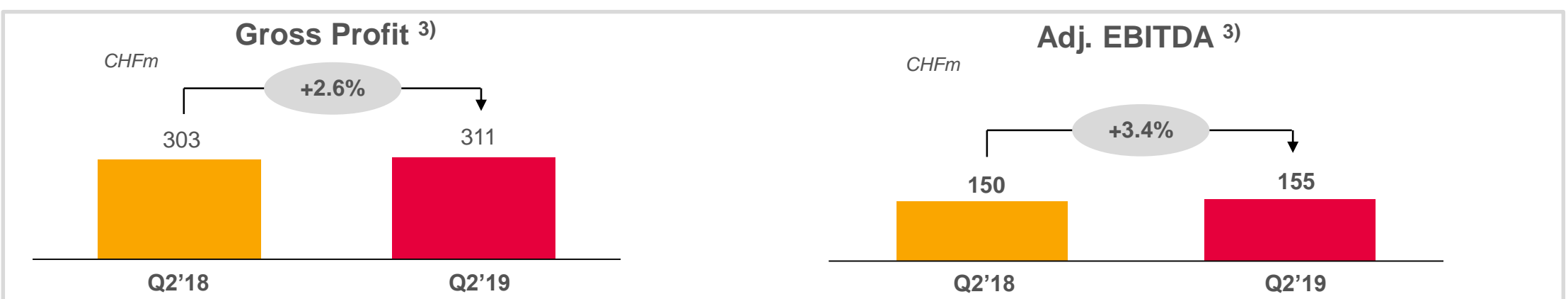
Revenue

- Continued service revenue **growth** driven by customer momentum
- Ongoing service revenue diversification in terms of product category and customer segments



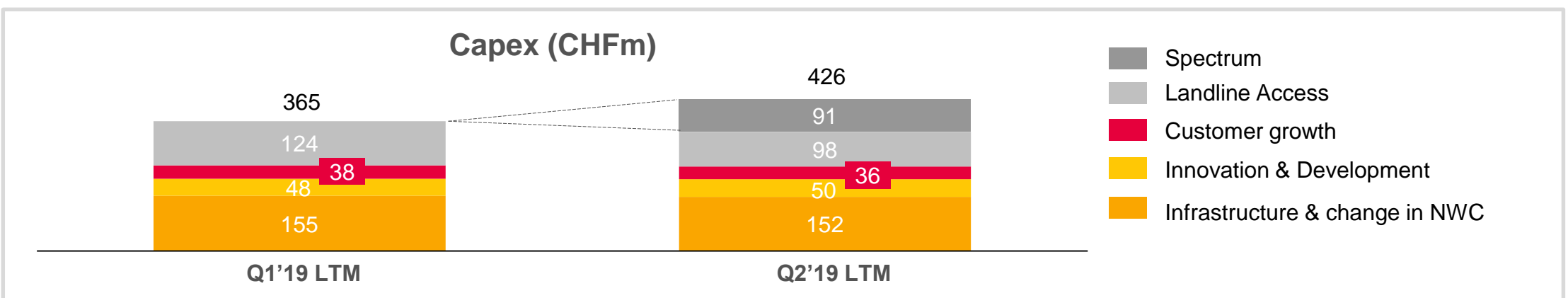
Profitability

- Adj. EBITDA **up +3.4%** yoy mainly driven by service revenue growth and B2B segment
- GP growth partly reinvested into operational momentum



Cash Flow

- Equity FCF **as expected**; impacted by spectrum and landline access payments



¹⁾ Guidance excluding IFRS 16 impact. Expected to impact adj. EBITDA positively by CHF40-45m in FY'19 ²⁾ Service revenue is total revenue excluding hubbing and mobile hardware revenue, which are low-margin ³⁾ Incl. IFRS 16: Q2 GP +2.6%, adj EBITDA +10.3%

New Sunrise – Transforming the Swiss telecoms market

-
- 1 Converged customer base and scale**
 - ✓ The acquisition of UPC Switzerland creates a fully-converged challenger nationwide with scale – a stronger and more valuable Sunrise
 - ✓ Ability to provide fully-convergent fixed, mobile, internet and TV solutions to B2C and B2B customers

 - 2 Switzerland's best high-speed broadband infrastructure**
 - ✓ Following the acquisition, Sunrise will have a leading high-speed broadband infrastructure in Switzerland
 - ✓ Up to 90% of Swiss households will be covered with either fibre, cable or 5G in the Gbit/s range through Sunrise's own network

 - 3 Synergies and market share opportunity**
 - ✓ Significant expected cost and revenue synergies resulting from the acquisition, with an expected NPV of ~CHF3.1bn
 - ✓ Sunrise shareholders retain >60% of expected synergies
 - ✓ Winning new customers and market share through a combination of attractive offerings coupled with Sunrise quality standards

 - 4 Driving innovation**
 - ✓ Providing innovative and combined offers for all segments as well as leading Swiss entertainment offer with attractive TV content
 - ✓ Own infrastructure and the connection of fixed and mobile network allows for innovative and better offers also in the B2B space

 - 5 Accretive to FCF / share with identified long-term returns**
 - ✓ Expected to be equity FCF / share accretive by year 1 (before integration costs and including full amount of expected synergies)
 - ✓ Returns from the Transaction are expected to exceed the weighted average cost of capital of UPC Switzerland by year 3

UPC H1 in-line with Liberty's turnaround plan

Ahead of Sunrise expectations leading to CHF 10 - 15m higher FY'19 OpFCF expectation

Turnaround plan on track

- RGU net adds, revenue, OCF targets achieved
- Success in major investments in UPC TV, 1 Gbps and digitisation
- RGU losses continue to slow down while customer ARPU continues to grow
- Continued strong momentum in mobile base

Successful TV transformation

- Roll out of UPC TV progressing well, in line with Liberty's expectation for >50% of video base by FY'19 ¹⁾
- 190k TV boxes deployed by July 2019 ¹⁾
- Best-in-class TV experience with clear signs of improvements: **NPS significantly higher than legacy TV platform**

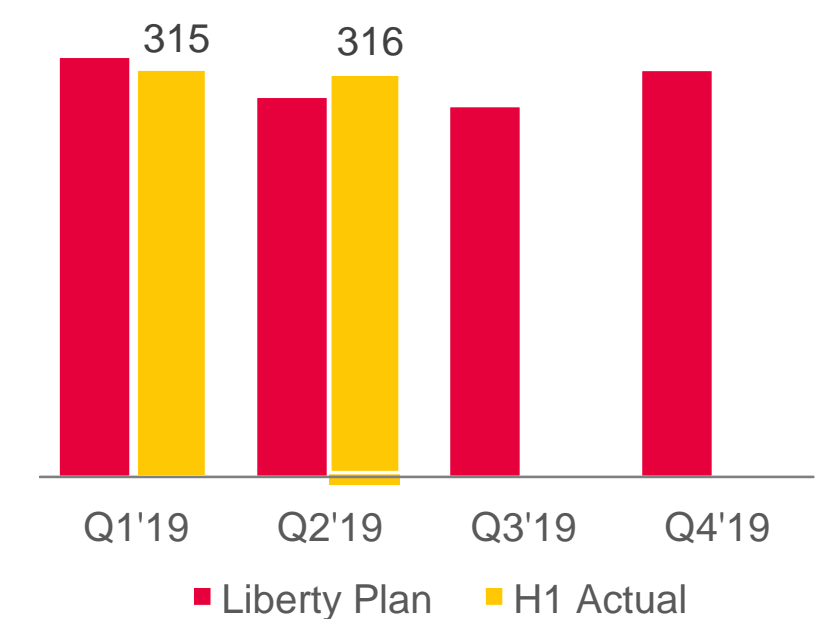
Increasing fixed-mobile convergence

- Increase in convergent customers: **16% customers subscribe to convergent offerings (4pp increase YoY) ¹⁾**
- Convergence driving churn benefits resulting in slow down of fixed RGU losses (-28k in Q2'19 vs. -43k in Q1'19)
- Mobile subs net adds of +14k in Q2'19 (Q1: +13k), resulting in ~170k mobile customer base ¹⁾

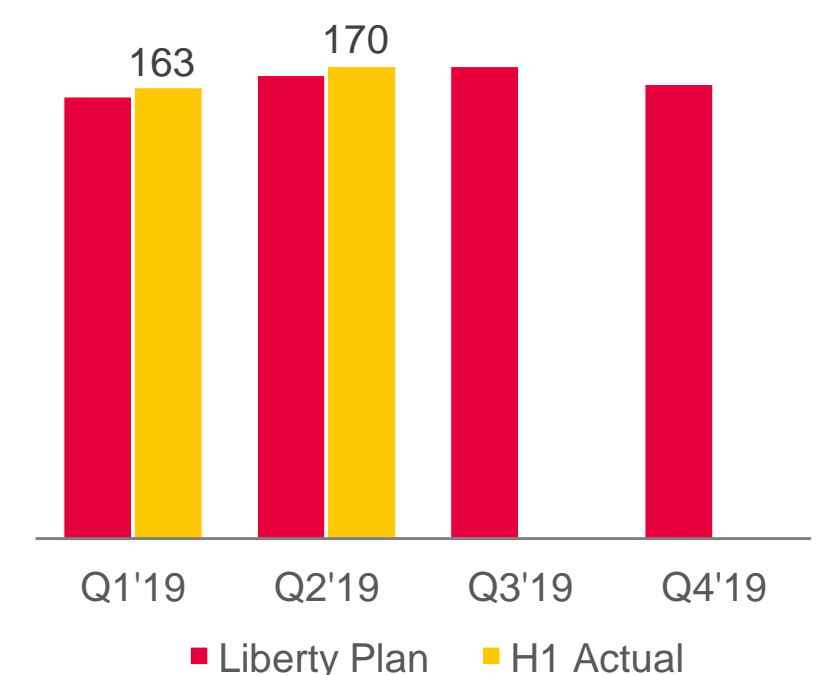
Improved network quality

- Plan to roll-out 1 Gbps internet product with DOCSIS 3.1 on track, expected to launch in Q4'19
- Maximum internet speed reached of 600 Mbps, with UPC customers already experiencing average of >250 Mbps ¹⁾
- Investment expected to contribute to EBITDA stabilisation

UPC Switzerland revenue (CHFm) ²⁾



UPC Switzerland OCF (CHFm) ²⁾

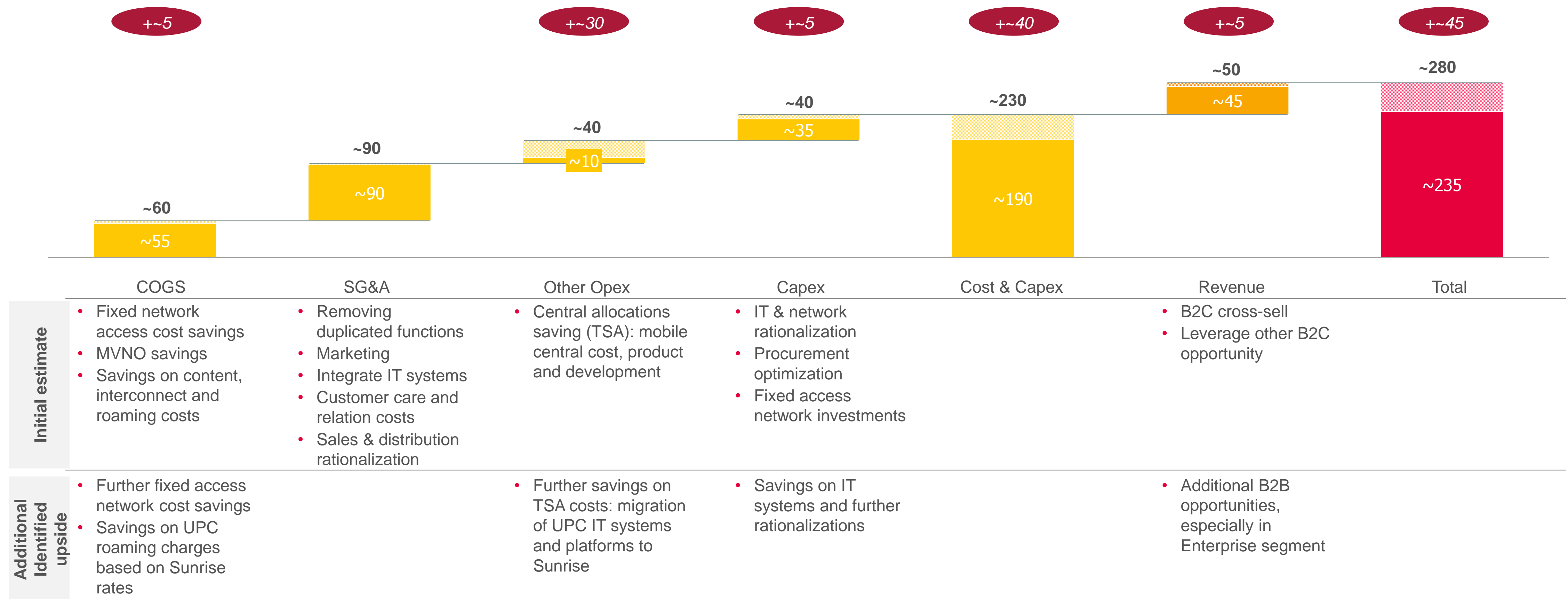


1) As per Liberty Global Q2'19 results presentation, p. 8 & 9

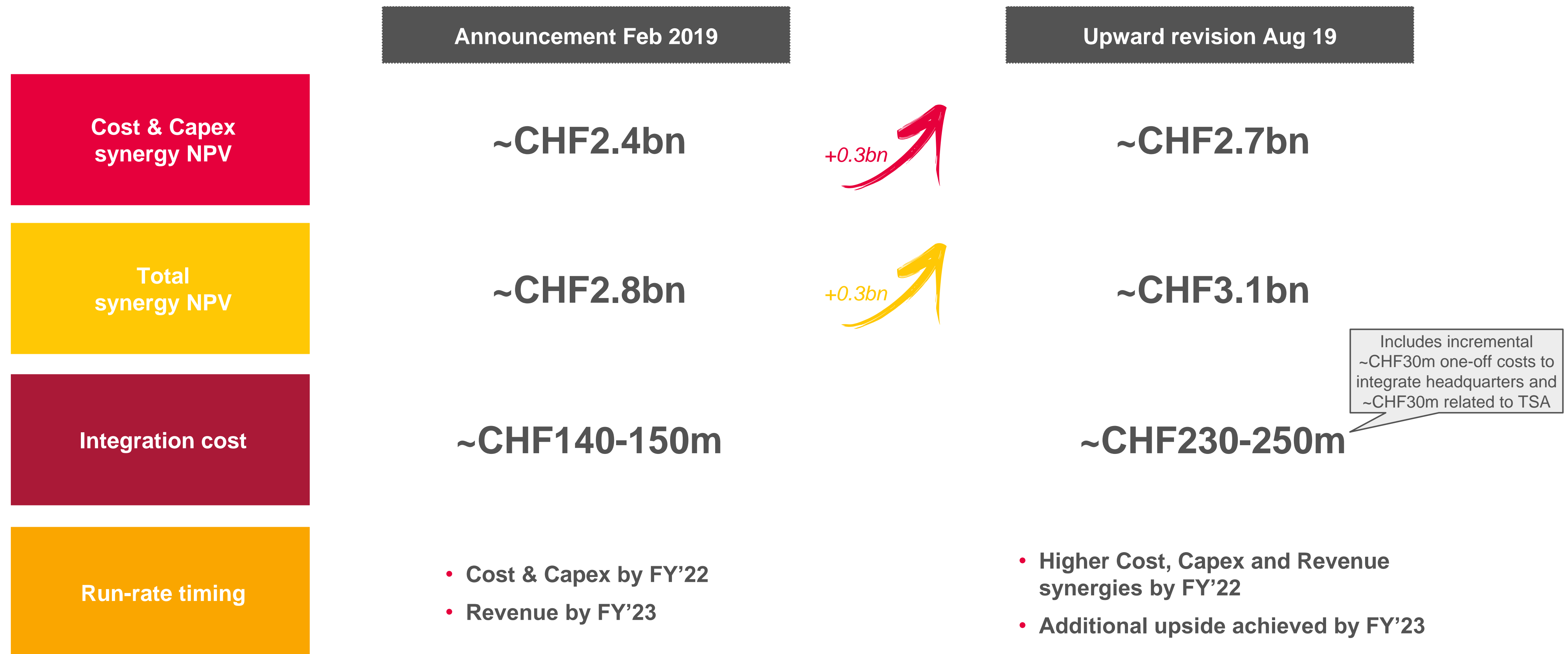
2) Content costs and partner wholesale revenues from MySports channel are higher in Q1 and Q4, due to the relative weighting of Winter sports such as Ice Hockey

Revised expected cost, capex and revenue synergies estimated at ~CHF280m run-rate in 2023

Run-rate synergy estimates (CHFm)



Revised expected total run-rate synergies resulting in a CHF0.3bn increase in NPV to CHF3.1bn



Attractive valuation compared to precedents

Favourable multiples relative to precedent convergence transactions even when based on trough FY'19 financials and more so when considering low Swiss interest and tax rates

EV / EBITDA¹⁾ – UPC Switzerland

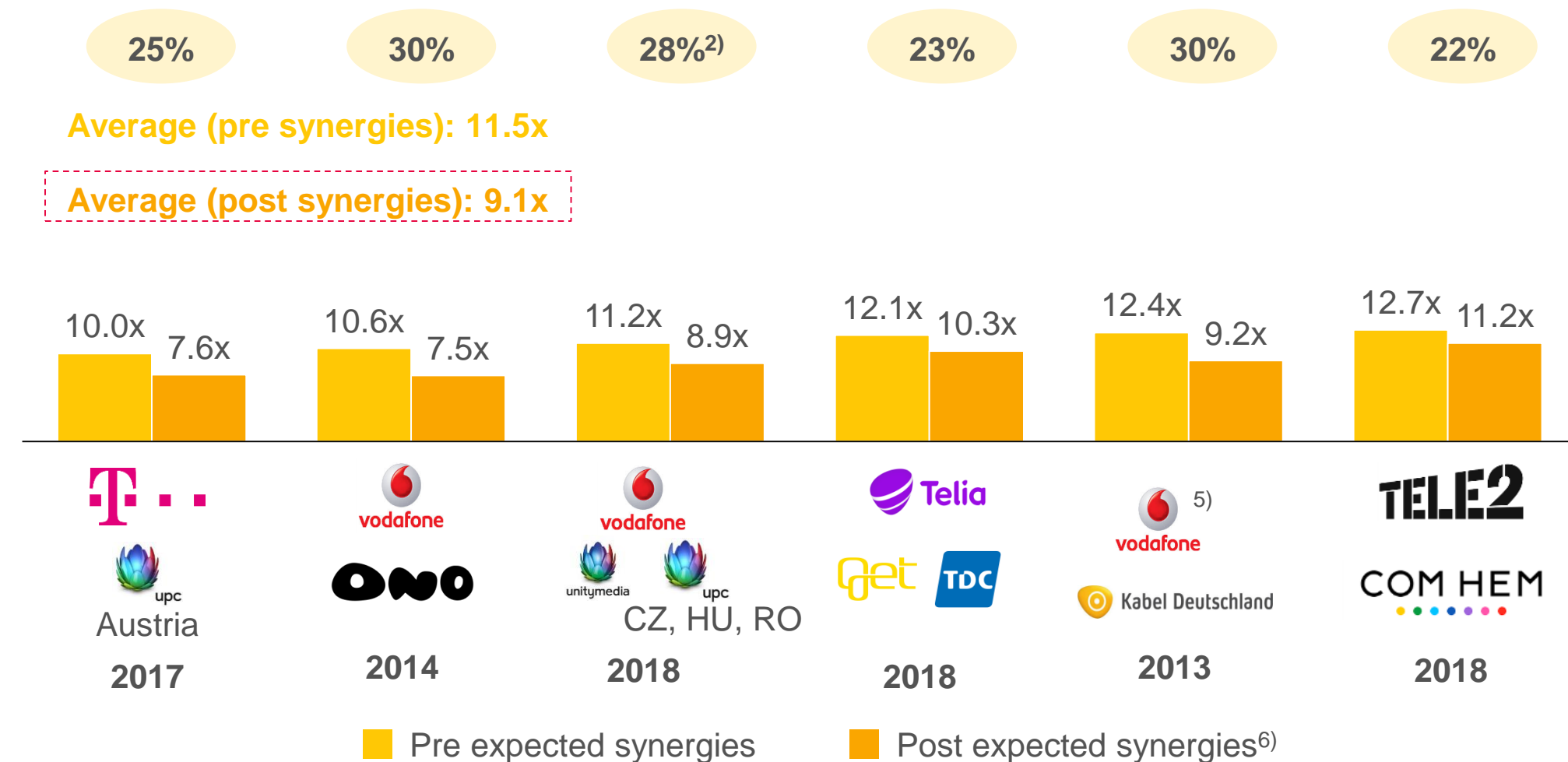


■ Pre expected synergies ■ Post expected synergies⁶⁾ ■ Post expected synergies/CH-adjusted⁹⁾

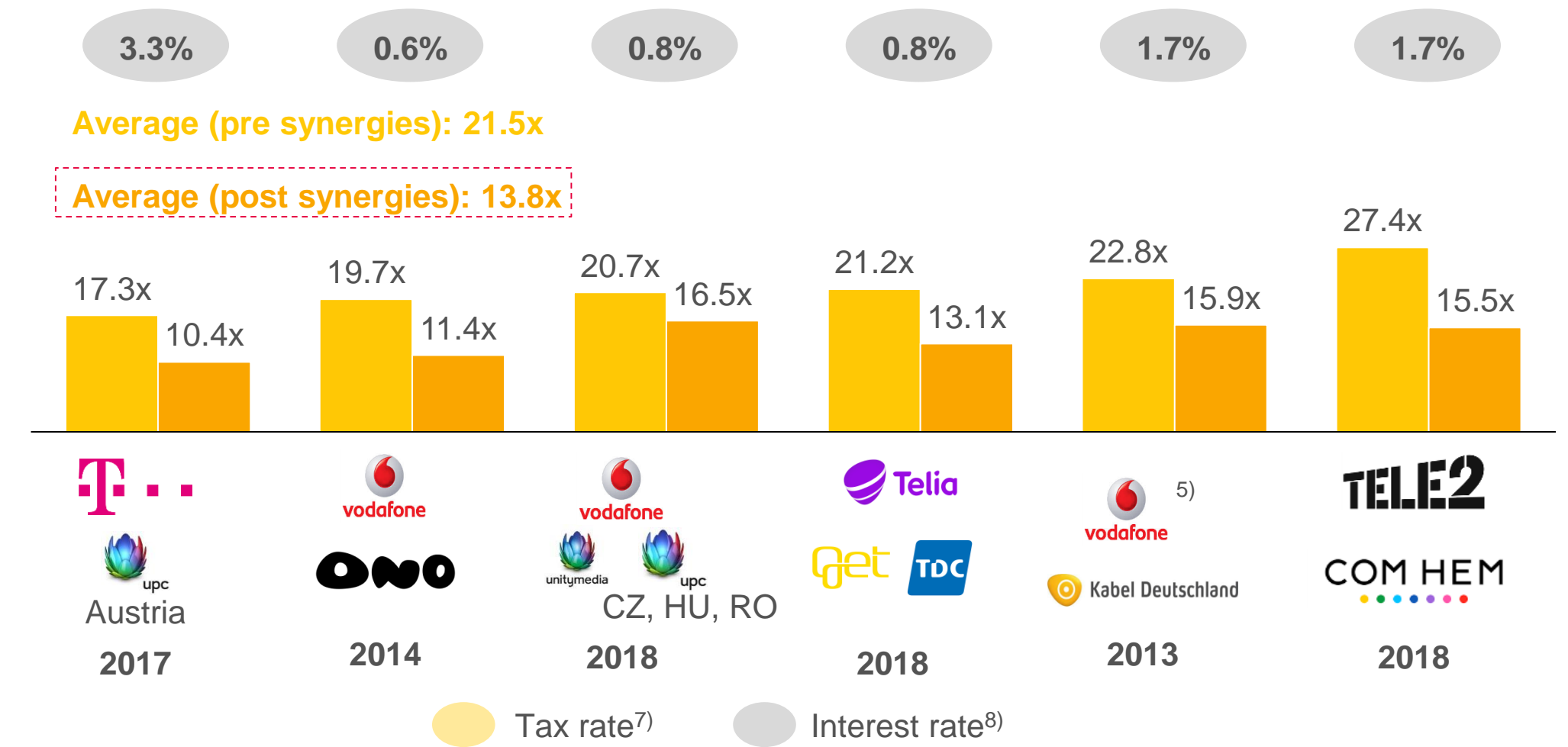
EV / OpFCF¹⁾ – UPC Switzerland



LTM EV / EBITDA¹⁾ - Precedents



LTM EV / OpFCF¹⁾ - Precedents



1) Based on publicly announced figures for last twelve months prior to announcement of transaction
 2) Blended tax rate of Germany, Hungary, Romania and Czech Republic, weighted on respective EBITDA
 3) Assuming SEK450m of Opex and Capex synergies split into 83% Opex and 17% Capex as per allocation from other precedent transactions
 4) Assuming announced run-rate opex & capex synergies of EUR300m to be fully allocated to opex synergies
 5) Based on fiscal year-end number as per Mar-13

6) Post run-rate opex synergies for EV / EBITDA and cost & capex synergies for EV / OpFCF, excluding revenues synergies and integration costs
 7) As per KPMG annual tax survey for the respective countries and year of announcement
 8) Based on prevailing local 10y government bond yields for the respective countries of the target at the time of announcement
 9) Assuming 2x premium on EV/EBITDA and 3x premium on EV/OpFCF (based on Sunrise and Swisscom average vs WE PTT average including Proximus, DT, KPN, Orange, Telekom Italia and Telefonica)
 Source: Company filings and public announcements

Appendix



Sunrise Board concludes UPC transaction in the best interest of all shareholders

Purchase price

- ✓ Lowest cable M&A multiples paid in recent years when adjusting for synergies and Swiss tax and interest: ~6x adj. EBITDA, ~7x adj. OpFCF for 2018 and ~6.5x adj. EBITDA, ~9.5x adj. OpFCF for 2019E
- ✓ Valuation supported by an independent fairness opinion to the Board. Additional fairness opinion from ValueTrust supporting UPC Switzerland valuation and the financial terms of the transaction
- ✓ Expected to be equity FCF / share accretive by year 1 (before integration costs and including full amount of expected synergies)
- ✓ Returns from the Transaction are expected to exceed the weighted average cost of capital of UPC Switzerland by year 3

Synergy and value creation

- ✓ >60% of increased expected synergies to be retained by Sunrise shareholders – compares favourably to other cable transactions
- ✓ Significant annual run rate cost, capex and revenue synergies of CHF280m, with an expected NPV of ~CHF3.1bn

Financing mix and capital structure

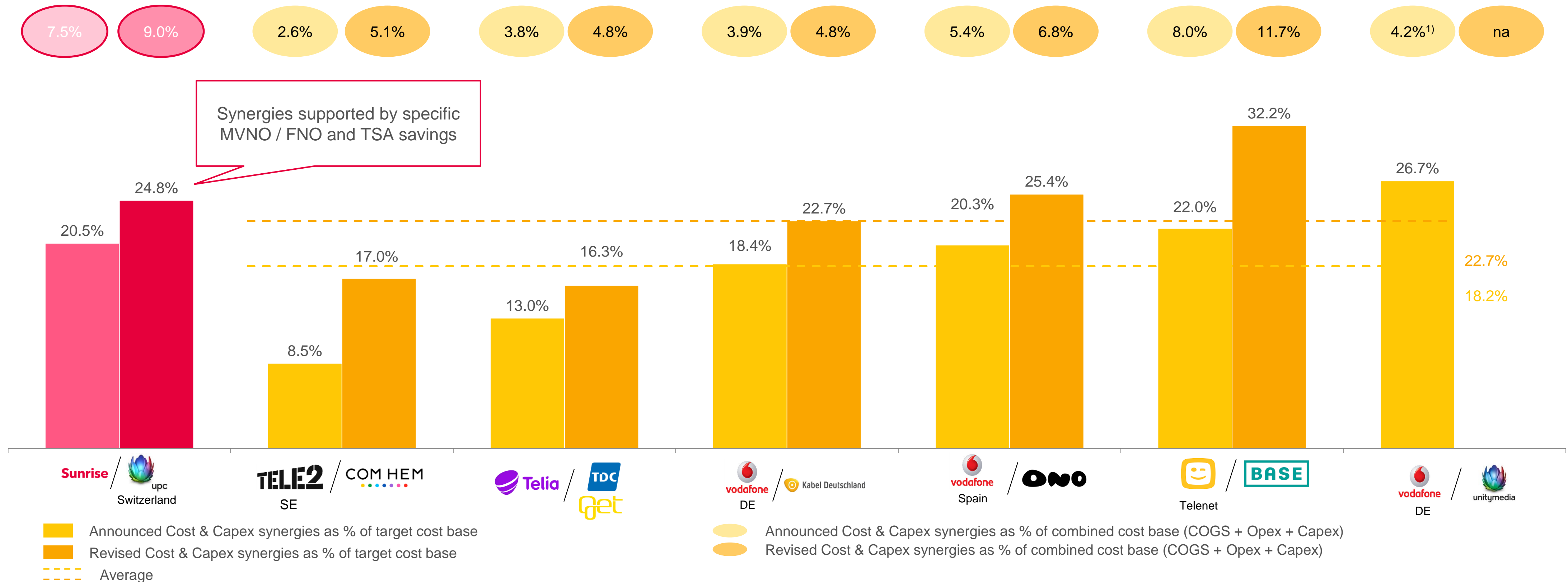
- ✓ Committed to maintaining a prudent capital structure and progressive dividend policy
- ✓ Open to considering a reasonably higher starting leverage in context of higher synergies and better than expected UPC performance
- ✓ Sunrise Board supported a reduction of rights issue size by CHF1bn with the introduction of an equity linked instrument
- ✓ Pro forma capital structure is cost-effective and has flexible covenants
- ✓ Sunrise decided at announcement to take over the UPC debt and avoid taking market risk and paying significant financing fees

Sunrise and its Board believe that the UPC transaction represents a transformative strategic opportunity and remain committed to maintaining an open existing dialogue with shareholders regarding the transaction

Synergies supported by industry benchmarks

UPC Switzerland MVNO and TSA charges plus Sunrise fixed access costs underpin saving opportunity

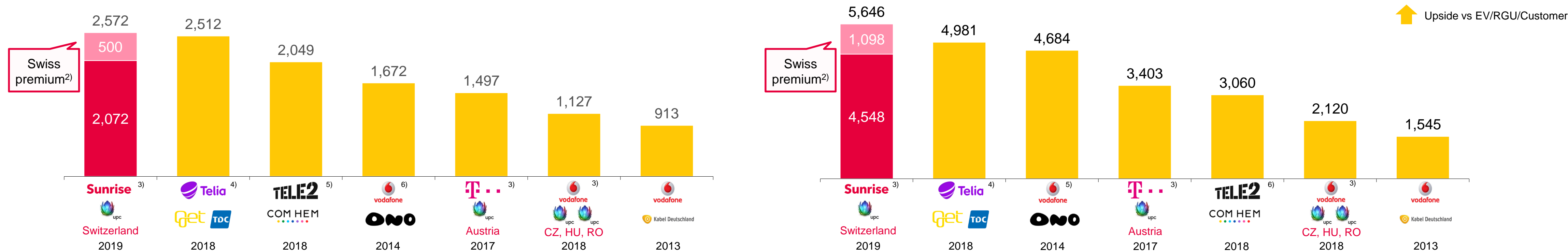
Cost & Capex synergies as % of combined cost base (COGS + Opex + Capex)



1) Vodafone DE figures calendarized to Dec-17 for comparability with Unitymedia. Synergies, costs and capex generated outside of the German perimeter are excluded
 Source: Company information

EV / RGU and EV / Customer multiples clearly justified by UPC Switzerland's higher value Swiss customers while EBITDA and OpFCF metrics compares even more favourably

OpFCF / RGU (CHF) <small>RGU = Individual service subscriber</small>								Average	OpFCF / Customer (CHF) <small>Customer = Unique Customer Relationship, irrespective of # of services used</small>								Average
Sunrise / UPC Switzerland	1.5x	1.6x	1.7x	n/a	3.0x	4.8x	2.5x	Sunrise / UPC Switzerland	1.6x	1.3x	n/a	2.4x	3.5x	6.2x	3.0x		
160	110	99	97	n/a	53	33	+0.7x	351	218	271	n/a	148	100	56	+1.0x		
EBITDA / RGU (CHF)								Average	EBITDA / Customer (CHF)								Average
Sunrise / UPC Switzerland	1.3x	1.6x	1.6x	1.6x	2.6x	3.5x	2.0x	Sunrise/UPC Switzerland	1.4x	1.3x	1.6x	2.4x	3.0x	4.6x	2.4x		
260	207	162	158	158	100	74	+0.2x	571	411	442	358	241	189	125	+0.4x		
Revenue / RGU (CHF)								Average	Revenue / Customer (CHF)								Average
Sunrise / UPC Switzerland	1.1x	1.3x	1.4x	2.2x	3.0x	3.4x	2.1x	Sunrise/UPC Switzerland	1.2x	1.1x	2.2x	2.0x	3.4x	4.4x	2.4x		
529	479	396	371	236	179	156	+0.3x	1,161	949	1,040	537	592	337	264	+0.4x		
EV / RGU (CHF)								Average	EV / Customer (CHF)								Average
Sunrise / UPC Switzerland	1.0x	1.3x	1.5x	1.7x	2.3x	2.8x	1.8x	Sunrise / UPC Switzerland	1.1x	1.2x	1.7x	1.8x	2.7x	3.7x	2.0x		



Note: RGUs and customers exclude B2B customers; RGU and customer data as of LTM of announcement date reported in respective transaction presentations; All non-CHF denominated metrics have been converted using appropriate FX as at announcement date

1) Cable BB ARPU. ARPU for VOD / LGI transaction only taking into account Germany;

2) Assuming 2x premium on EV / EBITDA and 3x premium on EV / OpFCF (based on trading comparables and impact Swiss interest and tax rates);

3) RGU defined as Total RGUs + Mobile subscribers, Customers defined as cable customer relationships;

4) RGU defined as Get RGUs + TDC RGUs, Customer defined as homes connected;

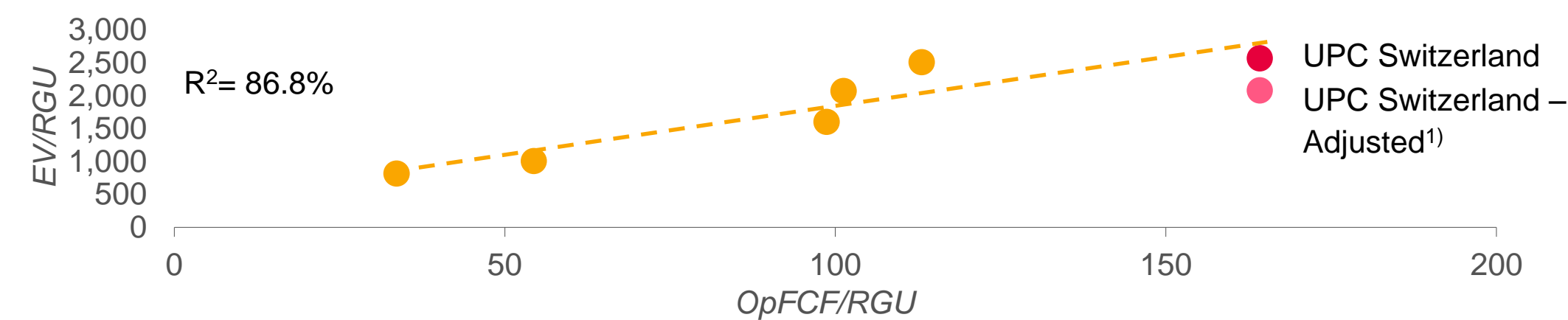
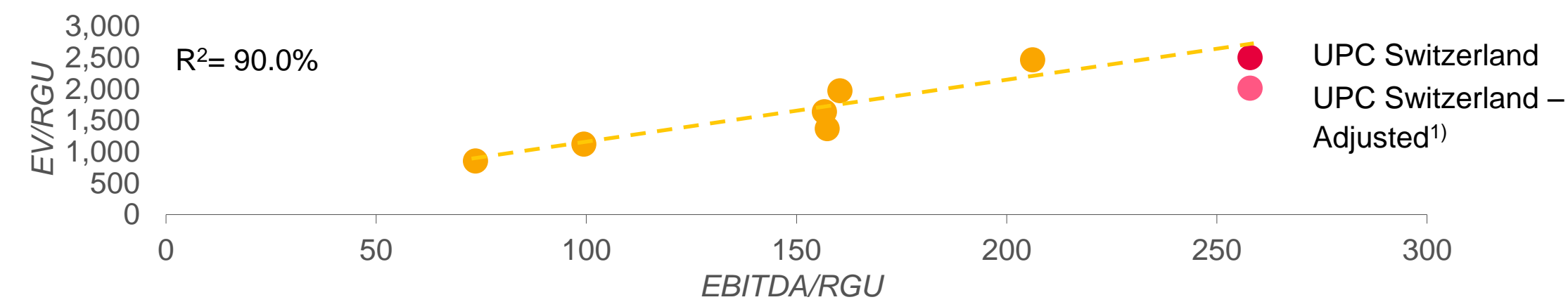
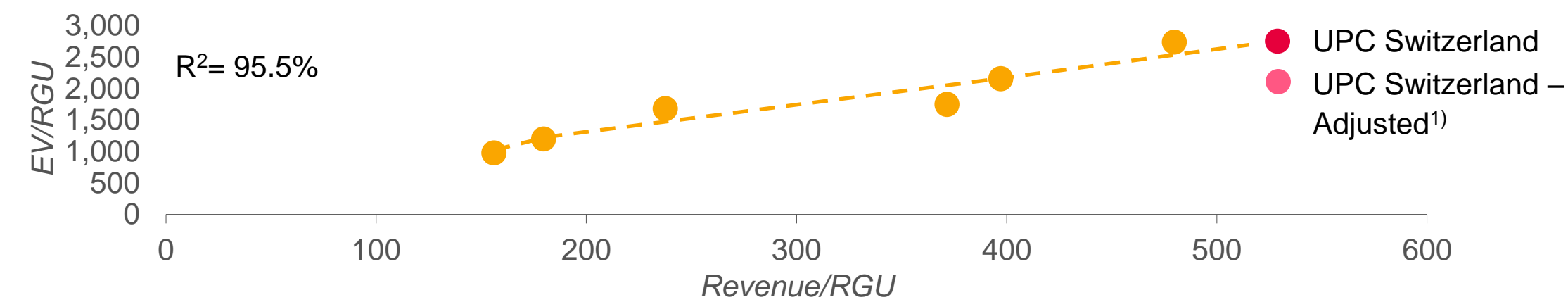
5) Segment Com Hem + Segment Boxer;

6) RGU includes Telephony, Broadband, TV and Mobile

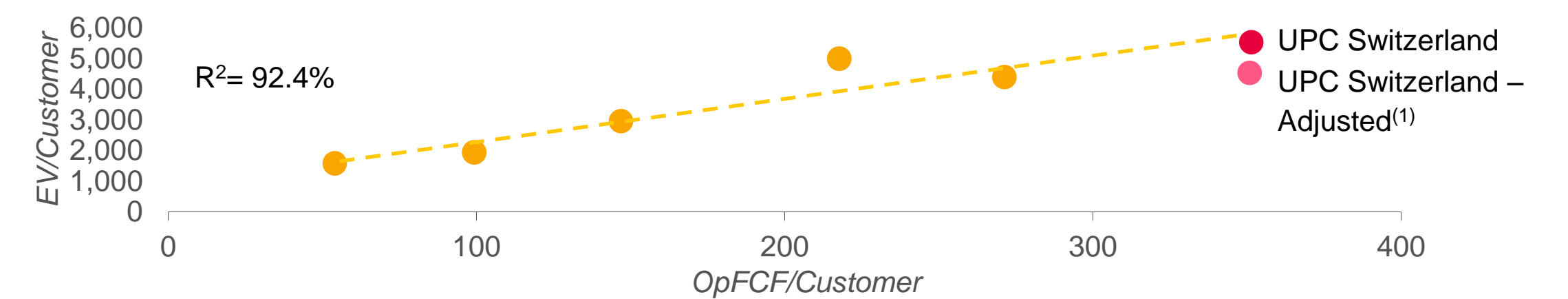
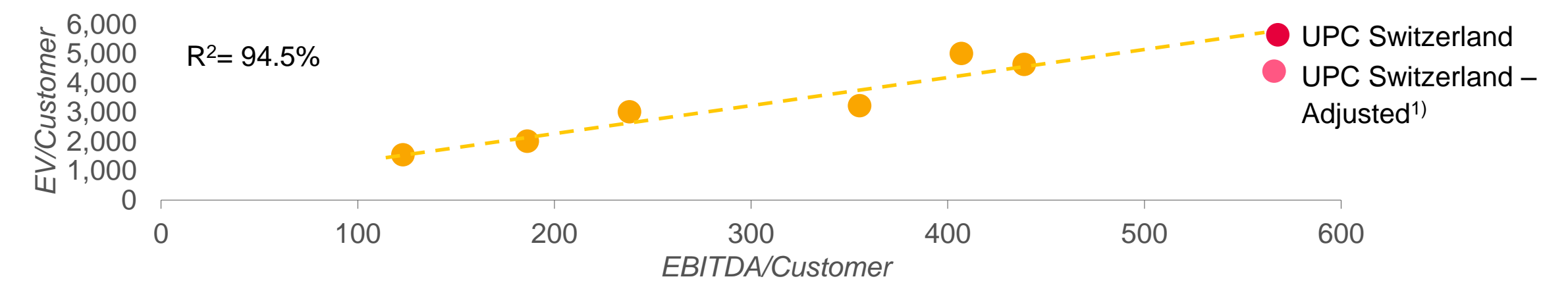
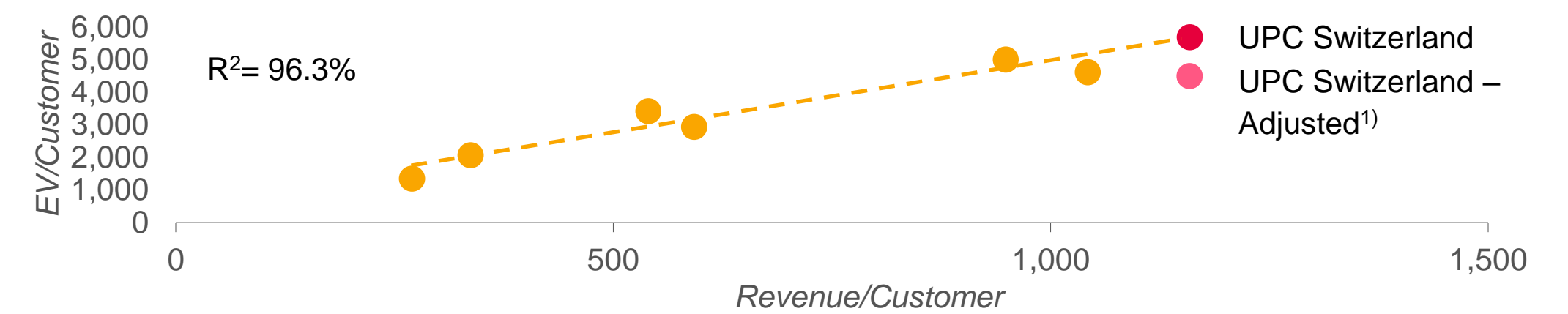
Source: Company filings and press release, Factset, Ampere analysis

UPC's EV / RGU and EV / Customer are in line with precedents based on customer value and at a discount when adjusting for the Swiss premium

Regression against EV / RGU



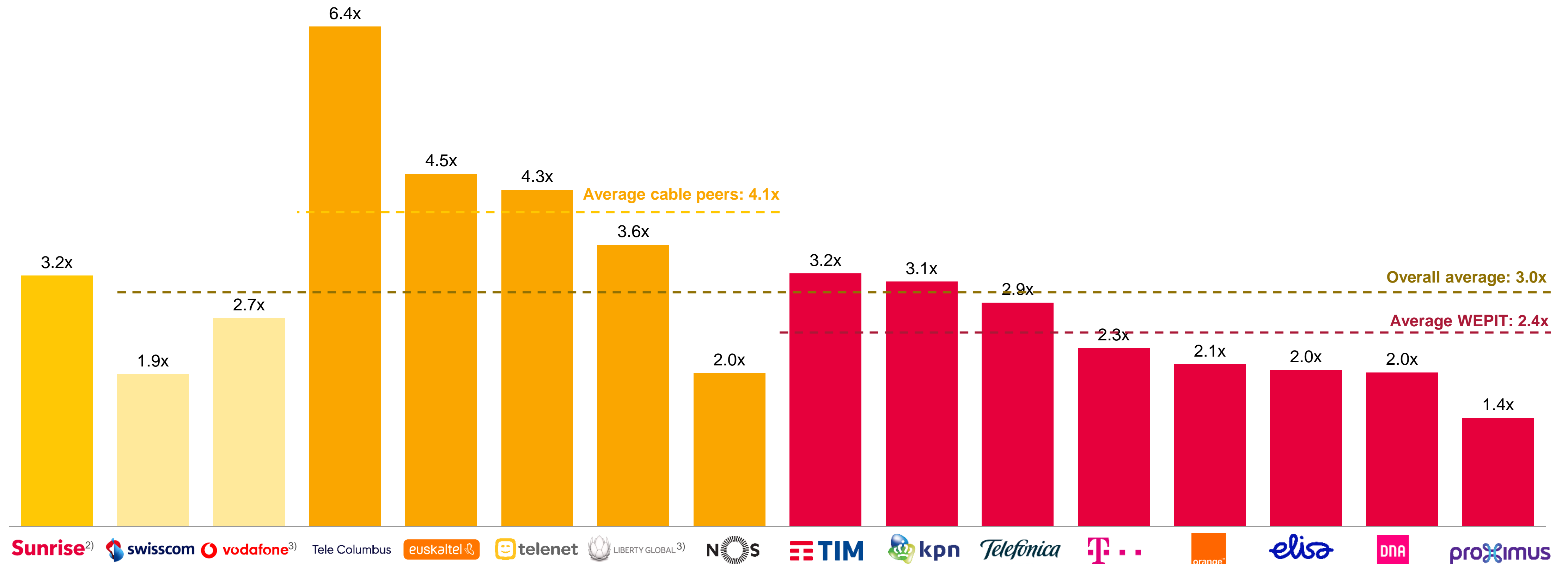
Regression against EV / Customer



1) UPC Switzerland adjusted EV based on assumption of 2x premium on EV/EBITDA and 3x premium on EV/OpFCF

Leverage of listed European Telecom peers

Net debt¹⁾ / EBITDA LTM



1) Net debt as of latest financial reporting
 2) Based on LTM Jun-19 EBITDA and CHF4.1bn Rights Issue size
 3) Adjusted by Vodafone net cash proceeds / cash payment of USD11.3bn
 Source: Latest financial reports; FactSet as of 08-Aug-2019

Disclaimer

- The information contained in this investor presentation has not been independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness, reasonableness or correctness of the information or opinions contained herein. None of Sunrise Communications Group AG, Deutsche Bank, UBS, their respective subsidiaries or any of their respective employees, advisers, representatives or affiliates shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this investor presentation. The information contained in this investor presentation is provided as of the date of this investor presentation and is subject to change without notice.
- Statements made in this investor presentation may include forward-looking statements. These statements may be identified by the fact that they use words such as "anticipate", "estimate", "should", "expect", "guidance", "project", "intend", "plan", "believe", and/or other words and terms of similar meaning in connection with, among other things, any discussion of results of operations, financial condition, liquidity, prospects, growth, strategies or developments in the industry in which we operate. Such statements are based on management's current intentions, expectations or beliefs and involve inherent risks, assumptions and uncertainties, including factors that could delay, divert or change any of them. Forward-looking statements contained in this investor presentation regarding trends or current activities should not be taken as a representation that such trends or activities will continue in the future. Actual outcomes, results and other future events may differ materially from those expressed or implied by the statements contained herein and may result from, among other things, changes in economic, business, competitive, technological, strategic or regulatory factors and other factors affecting the business and operations of the company. Neither Sunrise Communications Group AG, Deutsche Bank, UBS, nor any of their respective affiliates is under any obligation, and each such entity expressly disclaims any such obligation, to update, revise or amend any forward-looking statements, whether as a result of new information, future events or otherwise. The information contained in this presentation is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this presentation or its accuracy, fairness or completeness. You should also not place undue reliance on any such forward-looking statements, which speak only as of the date of this investor presentation. It should be noted that past performance is not a guide to future performance.
- This document is not an offer to sell or a solicitation of offers to purchase or subscribe for shares. This document is not a prospectus within the meaning of Article 652a of the Swiss Code of Obligations, nor is it a listing prospectus as defined in the listing rules of the SIX Swiss Exchange AG or a prospectus under any other applicable laws. Copies of this document may not be sent to jurisdictions, or distributed in or sent from jurisdictions, in which this is barred or prohibited by law. The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy, in any jurisdiction in which such offer or solicitation would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any jurisdiction. A decision to invest in securities of Sunrise Communications Group AG should be based exclusively on the issue and listing prospectus, if and when published, to be prepared by Sunrise Communications Group AG for such purpose (the "Prospectus"). Investors are furthermore advised to consult their bank or financial advisor before making any investment decision.
- The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy, in any jurisdiction in which such offer or solicitation would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any jurisdiction.
- This announcement is not for distribution, directly or indirectly, in or into the United States (including its territories and dependencies, any state of the United States and the District of Columbia), Canada, Japan, Australia or any jurisdiction into which the same would be unlawful. This announcement does not constitute or form a part of any offer or solicitation to purchase, subscribe for or otherwise acquire securities in the United States, Canada, Japan, Australia or any jurisdiction in which such an offer or solicitation is unlawful. Sunrise Communications Group AG shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. Subject to certain exceptions, the Sunrise Communications Group AG shares are being offered and sold only outside the United States in accordance with Regulation S under the Securities Act. There will be no public offer of these securities in the United States.
- The information contained herein does not constitute an offer of securities to the public in the United Kingdom. No prospectus offering securities to the public will be published in the United Kingdom.
- In the United Kingdom, this document is only being distributed to and is only directed at (i) investment professionals falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (ii) high net worth entities falling within article 49 of the Order or (iii) other persons to whom it may lawfully be communicated, (all such persons together being referred to as "relevant persons"). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.
- Any offer of securities to the public that may be deemed to be made pursuant to this communication in any EEA member state is only addressed to qualified investors in that member state within the meaning of the Regulation (EU) 2017/1129 and such other persons as this document may be addressed on legal grounds, and no person that is not a relevant person or a qualified investor may act or rely on this document or any of its contents.