

Press release

Renens, 24.03.2020

Salt – 2019 Full-year results

Continued strong momentum in core brand – positive trend in service revenue throughout the year – B2B business revitalized – best value proposition supported by service quality improvements and continued investments in world-class network

- Continued positive trend in core brand with +5'600 mobile postpaid net adds in Q4 and strong momentum in Salt Fiber
- Operating Revenue (excl. incoming) of CHF 843.6m in 2019, up +3.9%¹; CHF 213.4m in Q4, up +5.0%¹
- EBITDA of CHF 428.4m in 2019, up 1.1%1; CHF 98.7m, in Q4 up +6.9%1
- Strong cash generation with free cash flow excl. Spectrum of CHF 215.8m for the year
- Continued investments in service quality and network led to various awards in independent tests (e.g. from Connect tests: winner hotline mobile, winner hotline fixed, very good network)
- Transformation of B2B business well underway
- Covid-19 situation: protection measures taken and fully operational with no capacity issues

Q4'19 Key Financials

CHF m	FY19	FY18	YoY	Rebased YoY (1)	Q4 2019	Q4 2018	YoY	Rebased YoY (1)
Operating Revenue, excl. Incoming	843.6	849.0	-0.6%	(+3.9%)	213.4	213.8	-0.1%	(+5.0%)
Incoming Revenue	62.7	75.5	-17.0%	-15.1%	15.9	18.5	-14.3%	-12.2%
Equipment Revenue	116.5	122.3	-4.7%	-4.7%	28.0	39.6	-29.3%	-29.3%
Total Revenue	1′022.8	1′046.8	-2.3%	+1.4%	257.3	271.9	-5.4%	-1.4%
Total Revenue excl. Incoming	960.1	971.3	-1.1%	+2.7%	241.5	253.4	-4.7%	-0.6%
Adjusted EBITDA	432.5	475.2	-9.0%	+0.5%	100.8	108.9	-7.4%	+8.6%
as % of Revenue	42.3%	45.4%			39.2%	40.0%		
EBITDA	428.4	468.7	-8.6%	(+1.1%)	98.7	108.5	-9.0%	(+6.9%)
as % of Revenue	41.9%	44.8%	-5.9% bef. Tower effect		(38.3%)	39.9%	-1.7% bef. Tower effect	
Cash Capex excl. Spectrum	(165.5)	(162.8)			(35.9)	(35.6)		
Free Cash Flow excl. Spectrum	215.8	228.9			81.7	75.4		

Note: Figures are presented at Salt level, excl. IFRS 15 and IFRS 16

1 Excluding the impact of the loss of UPC MVNO, Coop Exit and Tower effect. Estimated impact in FY19 on revenue CHF38.5m and EBITDA CHF45.0m. Estimated impact in Q4 on revenue CHF11.0m and EBITDA CHF16.7m

1

¹ On a like-for-like basis

Salt.

Press release

Growing customer base both in mobile and fiber

Salt reported strong results and continued its growth trend with an increase of 5,600 to 1,250,100 postpaid mobile customers in Q4, coupled with a growing customer base in Salt Fiber. The company was able to register 18 consecutive quarters of positive postpaid net adds in its core brand.

On a like-for like basis, service revenue showed a positive trend quarter on quarter and profitability was kept on a strong level. Operating Revenue (excl. incoming) in Q4 was up +5.0% YoY to 213.4m and EBITDA increased by +6.9 % YoY to 98.7m. In 2019, operating revenue (excl. incoming) was up +3.9% to CHF 843.6m and EBITDA 1.1% to CHF 428.4m resulting in a EBITDA margin of 41.9%.

On a reported basis, i.e. including the effect from UPC MVNO and Coop as well as the Tower sales, operating revenue (excl. incoming) in 2019 was down 0.6% and EBITDA decreased by 8.6%. The UPC MVNO and Coop impact will fade out in 2020.

Salt continued its strong cash generation throughout the year. Free cash flow (excl. spectrum investment) in Q4 was CHF 81.7m resulting in a free cash flow for 2019 of CHF 215.8m.

Pascal Grieder, CEO, commented the results "Our best price in the premium segment strategy is bearing fruits. We are striving to continuously invest in our network quality and enhance the mobile and fixed Internet experience for our customers. We are proud to be able to provide them with an excellent network quality at the best price".

Strengthening Growth Platform

To underpin its best customer service proposition in the market, Salt has taken targeted measures to improve the customer experience and further increase the quality of service. The company has further simplified its products and processes and systematically identified and eliminated painpoints in its customer journey. This has led to a reduced propensity to call and to a significant decrease in repeat callers. The transformation of the B2B business is well underway and resulted in positive net adds in the second half of 2019.

All these improvements are also reflected in the very good results in independent tests. Salt's mobile network was again rated "very good" with 923 of 1000 possible points in the Connect Mobile Network test and was awarded throughout the year "Best Hotline 2019" for mobile by Connect Magazine, as well as "Best Universal Provider for private customers" by BILANZ.

On top, Connect Magazine awarded the Salt Fiber support hotline as best in Switzerland in July 2019 and nPerf confirmed the product's pole position as fastest internet product on the market in February 2020. The product is now available for 1'500'000 households throughout Switzerland. The total footprint was increased by 200'000 households in the last 24-months.

Salt.

Press release

Dual network supplier strategy

Following its strategy of continuous investments in the network and in line with its usual dual supplier practices across the supply chain, Salt has entered into a partnership with Huawei for the supply of parts of its radio access equipment. This partnership will add to Salt's proven cooperation with Nokia in the networking infrastructure area and will enable Salt to continue the enormous progress in its network over the last two years. Huawei will provide Salt with radio access equipment to strengthen its 3G, 4G, and 5G networks in selected parts of Switzerland to ensure the best customer experience, complementing the Nokia rollout.

There will be no changes in maintenance and operations of the network, which will continue to be managed fully internally. No network supplier will have direct access to the Salt systems and operations of security critical network components will remain fully in-house.

The decision to move to a dual-vendor setup was taken to increase the robustness of Salt's network development plan, in light of the fast-moving technological evolution of 5G. In addition, it will provide Salt with a better position in managing network cost in the long term.

Covid-19 situation

The Covid-19 situation represents a major challenge for the economy and society. Salt has taken the necessary measures to protect the health of employees and customers and the large majority of employees work from home. In order to assist customers in this difficult situation, selected shops are open throughout Switzerland. Operations are stable and no capacity problems have been registered so far. As a contribution to overcoming this challenging situation, all Salt business customers can use unlimited data until the end of May at no additional cost. The impact of the pandemic on the business is not assessable yet, although Salt's business model and the existing customer base offer some protection.

Salt press office:

Viola Lebel PR & Communications Manager +41 78 787 68 60

media@salt.ch, salt.ch, facebook.com/Saltmobile, twitter.com/Saltmobile_DE (German) or twitter.com/Saltmobile_FR (French), youtube.com/saltswiss

About Salt: Salt is a Swiss telecommunications provider which owns and operates an extensive, high-quality mobile telecommunications network. With Start, Basic, Swiss, Europe, World, Young and Surf, Salt offers a comprehensive portfolio of personal, straightforward and efficient mobile flat rate subscriptions. At up to 1 Gbps and no extra costs, Salt customers can surf on the fastest available internet connection (4G+) – without any speed limitation. Salt's ultra-fast 4G+ network covers over 55% of the Swiss population and its 4G network covers even 99%. Thanks to its ultra-fast broadband solution called Salt Fiber, Salt provides a unique triple play service, which for the first time in Switzerland takes full

Thanks to its ultrafast broadband solution called Salt Fiber, Salt provides a unique triple play service, which for the first time in Switzerland takes full advantage of the optical fiber technology by means of symmetrical date transmission rates of up to 10 Gbit/s. Salt Fiber can be combined in an gainful way with Salt's powerful mobile flat rate subscriptions.

Salt in figures: 1,250,100 postpaid customers (as of 31.12.2019), 103 Salt Stores and 4G coverage of 99% of Switzerland's population.