

## Press release

Renens, 28.05.2020

### Salt – 2020 Q1 Financial Results

**Strong momentum in core brand – continued positive trend in service revenue – ongoing transformation in B2B – reinforced second brand portfolio – best value proposition supported by continued investments and improvements in service and network quality**

- Continued positive trend in core brand with +7'000 mobile postpaid net adds in Q1
- Operating Revenue (excl. Incoming) of CHF 207.0m in Q1 2020, up +2.8%<sup>1</sup>
- EBITDA of CHF 102.3m in Q1, up +5.5%<sup>1</sup>
- Free cash flow of CHF 50.3m in Q1
- Salt mobile network rated very good by *PC Magazin & PCgo* as well as CHIP test
- Strengthened second brand portfolio with online launch of Das Abo and retail launch of Lidl Connect.
- Swiss Open Fiber: strategic partnership announced between Salt and Sunrise to create leading FTTH platform for ultrafast broadband services in Switzerland.
- Covid-19 situation: full services delivered ensuring business continuity; health & safety as a priority

#### Q1'20 Key Financials

CHF m	Q1'20	Q1'19	YoY	Rebased YoY (1)
Operating Revenue, excl. Incoming	207.0	202.6	+2.1%	+2.8%
Incoming Revenue	17.4	15.5	+12.2%	+12.2%
Equipment Revenue	20.8	27.5	-24.6%	-24.6%
<b>Total Revenue</b>	<b>245.1</b>	245.7	-0.2%	+0.3%
Adjusted EBITDA	103.2	105.4	-2.1%	+5.7%
as % of Revenue	42.1%	42.9%		
EBITDA	102.3	104.7	-2.3%	+5.5%
as % of Revenue	41.7%	42.6%		
Cash Capex	(43.6)	(54.1)		
Free Cash Flow	50.3	11.9		

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

<sup>1</sup> Excluding the impact of the Tower deal. Estimated impact on revenue CHF (1.4)m and EBITDA CHF (8.2)m

<sup>1</sup> On a like-for-like basis

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### **Growing customer base and solid financial performance in Q1**

Salt reported strong results and continued its growth trend with an increase of 7'000 to 1,257,100 postpaid mobile customers in Q1, coupled with a growing customer base in Salt Fiber. The company was able to register 19 consecutive quarters of positive postpaid net adds in its core brand and 3 quarters in a row in B2B.

On a like-for-like basis, Operating Revenue (excl. Incoming) in Q1 was up +2.8% YoY to CHF 207.0m and EBITDA increased by +5.5% YoY to CHF 102.3 m.

On a reported basis, i.e. including the effect from the Tower sales, Operating Revenue (excl. Incoming) in Q1 was up +2.1% and EBITDA decreased by -2.3%. Free cash flow in Q1 was CHF 50.3m.

### **Strengthening Growth Platform**

During Q1, Salt continued its transformation efforts in the B2B sector and strengthened its second brand portfolio with the online launch of Das Abo and the retail launch of Lidl Connect. The IT journals PC Magazin and PCgo rated Salt's mobile network as "very good" and the CHIP consumer portal classified Salt as "Achiever of the Year". For the second year in a row, Salt's fixed network was ranked #1 in the nPerf speed test.

**Pascal Grieder, CEO**, commented the results: *"We made a very good start to the year, with customer wins in all areas. When the Corona crisis emerged, we reacted quickly to ensure the health and safety of our customers and employees while ensuring business continuity. Our network easily withstood the additional load during the lockdown. All this shows that our strategy is bearing fruit and I am confident that we will emerge stronger from this challenging period."*

### **Swiss Open Fiber**

Salt and Sunrise announced their strategic partnership to create a leading fiber to the home ("FTTH") infrastructure for ultrafast broadband connectivity services on an open access basis across Switzerland. The rollout will be realized through the Joint Venture Swiss Open Fiber, co-owned by Salt and Sunrise and a prospective equity partner. In the coming 5-7 years, Swiss Open Fiber targets to reach 1.5 million of homes passed, for a total investment of up to CHF 3 billion, supporting undersupplied areas in Switzerland. While Salt and Sunrise will act as anchor tenants, the infrastructure will be open to all retail operators. Network rollout operations are expected to be initiated in the 4th quarter of 2020.

### **Covid-19 situation**

From the beginning of the outbreak and throughout the lockdown period, Salt's mobile and fixed networks demonstrated unrestricted capacity, delivering full services for all our customers and thus ensuring business continuity. Overall average traffic increased and stabilised at approx. +30% for voice and +15% for data. All required health & safety measures were implemented across the entire organisation. After partial lockdown, nearly all Salt Stores are open again since May 11<sup>th</sup>.

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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 ultrafast broadband solution called Salt Home, 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 data transmission rates of up to 10 Gbit/s. Salt Home can be combined in a gainful way with Salt's powerful mobile flat rate subscriptions.

Salt in figures: 1,257,100 postpaid customers (as of 31.03.2020), 103 Salt Stores and 4G coverage of 99% of Switzerland's population.