

Press release

Renens, 26.11.2020

Salt – 2020 Q3 financial results

- Best quarter in six years in mobile with +21,800 postpaid net adds and strong momentum in Fiber
- Underlying operating revenue growth offset by decrease in roaming revenue due to COVID-19; Operating Revenue (excl. Incoming) down 2.0%; EBITDA up 0.4% ⁽¹⁾
- Strong Free Cash Flow of CHF 54.4m generated
- One of Europe's fastest 5G networks, reaching 4.5 Gbps downlink speed, now open for all customers
- Salt committed to ambition of increasing FTTH footprint with financial investors
- Exclusive partnership with Sony Interactive Entertainment to offer PlayStation 5 package

Q3'20 Key Financials – Continued Organic Growth Impacted by COVID-19

CHF m	9m'20	9m'19	YoY	Tower Rebased YoY (1)	Q3 2020	Q3 2019	YoY	Tower Rebased YoY (1)
Operating Revenue, excl. Incoming	626.9	630.2	-0.5%	-1.3%	212.3	217.0	-2.2%	-2.0%
Incoming Revenue	52.1	46.8	+11.3%	+11.3%	16.3	15.8	+3.5%	+3.5%
Equipment Revenue	70.2	88.5	-20.7%	-20.7%	30.6	32.5	-5.9%	-5.9%
Total Revenue	749.2	765.5	-2.1%	-2.8%	259.2	265.4	-2.3%	-2.1%
Adjusted EBITDA	320.6	331.8	-3.4%	+1.6%	114.9	114.7	+0.2%	3.4%
as % of Revenue	42.8%	43.3%			44.3%	43.2%		
EBITDA	315.0	329.7	-4.5%	+0.6%	111.7	115.1	-3.0%	+0.4%
as % of Revenue	42.0%	43.1%			43.1%	43.4%		
Cash Capex	(131.8)	(130.4)			(54.1)	(30.3)		
Free Cash Flow (excl. Spectrum)	189.7	134.1			54.4	72.7		
Free Cash Flow	189.7	39.6			54.4	(21.8)		

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

(1) Excluding the impact of the Tower deal. Estimated impact in 9m'20 on revenue +CHF3.9m and EBITDA CHF (21.3)m. Estimated impact in Q3'20 on revenue CHF(1.3)m and EBITDA CHF(8.5)m

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Underlying growth from increasing customer base offset by COVID-19 effect on roaming

Salt continues its growth trend with an increase of 21,800 to 1,286,600 postpaid mobile customers by the end of September, coupled with a strong momentum in Salt Home.

While the Q3 financial results are negatively impacted by the decrease in Roaming revenue due to the COVID-19 impact on travel, the underlying business growth remained strong, supported by commercial momentum on fixed-line and improving trends in core mobile B-to-C and B-to-B segments.

The company has now been reporting 21 consecutive quarters of positive postpaid net adds in its core brand, reporting the highest number in net adds for the quarter in 6 years. The B-to-B segment perpetuates its positive momentum and reported a net increase of subscribers for the 5th quarter in a row.

On a like-for-like basis, Operating Revenue (excl. Incoming) in Q3 was down 2.0% YoY and EBITDA up 0.4% YoY, resulting in an EBITDA margin of 43.1%.

On a reported basis, i.e. including the effect from the Tower sales and from COVID-19, Operating Revenue (excl. Incoming) in Q3 was down 2.2% to 212.3m and EBITDA decreased by 3.0% to 111.7m.

Salt also continued its strong cash generation in Q3 with a Free Cash Flow of CHF 54.4m.

Pascal Grieder, CEO, commented the results *" Covid-19 has posed great challenges to all of us this year. Nevertheless, we have consistently pursued our strategy and further improved our products and services. In Q3, we experienced a strong and healthy core business momentum, with continued subscriber growth and improvements in financials in all three strategic segments: mobile B-to-C, Home and B-to-B. This growth is very encouraging and makes me confident for the future."*

Growth Platform strengthened

While independent tests repeatedly confirm the excellent quality of the Salt mobile network, the company continues to invest in improving its products and services to provide customers premium quality at an affordable price.

During the quarter, the rollout of the B-to-B dedicated customer portal "My Business Account" was continued. First customer feedbacks are highly positive, confirming the need for an intuitive, easy-to-use and time-saving platform. The operator considers its B-to-B customer self-care solution as the best currently available in the Swiss market.

The operator also launched 5G services, which are now available for all Salt price plans (Postpaid, PrePay and Surf). The service is currently provided free of charge to all customers, until the end of the first quarter 2021. Today, Salt's 5G network is among the fastest in Europe, reaching 4.5 Gbps downlink speed ⁽²⁾.

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Moreover, Salt remains committed to its ambition of significantly increasing its FTTH footprint. Salt is currently exploring opportunities to pursue a FTTH build out in collaboration with financial investors.

Exclusive Partnership with Sony Interactive Entertainment

In November 2020, Salt launched an exclusive PlayStation Gaming package, in partnership with Sony Interactive Entertainment. New customers are provided with the brand-new PlayStation 5 and a two-year PlayStation Plus subscription. Salt Mobile customers get the exclusive PlayStation Gaming package for free when subscribing to Salt's Swiss Young mobile price plan or any other rate plan with a higher monthly fee. New Salt Home customers are provided with the same package for CHF 20 per month during 24 months on top of the normal Salt Home monthly fee of CHF 49.95.

- (1) Like for like excluding the Tower sale effect
- (2) Measures based on Salt spectrum allocation (80MHz) and using 8 commercial handsets connected together

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About Salt: Salt is a Swiss telecommunications provider which owns and operates an extensive, high-quality mobile telecommunications network. 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 data transmission rates of up to 10 Gbit/s. Salt Fiber can be combined in a gainful way with Salt's powerful Plus flat rate subscriptions - a revolutionary and straight forward portfolio.

Salt in figures: 1,286,600 postpaid customers (as of 30.09.2020), 103 Salt Stores and 4G coverage of 99% of Switzerland's population.