

Press release

Renens, 23.08.2019

Salt – 2019 Q2 financial results

- Continued good momentum in core brand during Q2: +6'200 mobile postpaid net adds coupled with continuous positive ARPU YoY evolution during the last 4 quarters
- Strong Momentum in Fiber : over 50'000 subscribers at end of June'19
- Total revenue (excl. MTR) down by -1.1% YoY (+2.7% YoY excl. Coop and UPC) to CHF 238.9m
- EBITDA of CHF 109.9m down 10.0% YoY ; down 3.5% YOY excl. Coop and UPC driven by increased acquisitions and retentions in mobile as well as investments into operations to support commercial growth
- Reselling partnership with Lidl launched end of June 2019
- Tower disposal transaction closed on August 5th
- Combined Q2 Coop Mobile and UPC impact of CHF (9.6)m on Revenue and CHF (8.1)m on EBITDA. Net loss of -5'100 subscribers in Q2, now stabilized

Q2'19 Key Financials

CHF m	H1'19	H1'18	YoY	Rebased YoY (1)	Q2 2019	Q2 2018	YoY	Rebased YoY (1)
Operating Revenue, excl. Incoming	413.1	419.4	-1.5%	+2.4%	210.5	214.1	-1.7%	+2.6%
Incoming Revenue	31.0	38.0	-18.4%	-16.8%	15.6	19.0	-18.3%	-15.7%
Equipment Revenue	55.9	55.1	+1.5%	+1.5%	28.4	27.4	+3.6%	+3.6%
Total Revenue	500.1	512.5	-2.4%	+0.9%	254.5	260.6	-2.3%	+1.4%
<i>Total Revenue excl. Incoming</i>	<i>469.1</i>	<i>474.5</i>	<i>-1.1%</i>	<i>+2.3%</i>	<i>238.9</i>	<i>241.5</i>	<i>-1.1%</i>	<i>+2.7%</i>
Adjusted EBITDA	217.0	239.4	-9.3%	-3.3%	111.6	123.5	-9.6%	-3.2%
<i>as % of Revenue</i>	<i>43.4%</i>	<i>46.7%</i>			<i>43.9%</i>	<i>47.4%</i>		
EBITDA	214.6	234.8	-8.6%	-2.5%	109.9	122.0	-10.0%	-3.5%
<i>as % of Revenue</i>	<i>42.9%</i>	<i>45.8%</i>			<i>43.2%</i>	<i>46.8%</i>		
Capex excl. Spectrum	(71.5)	(99.1)			(34.6)	(47.4)		
Cash Capex	(99.4)	(88.3)			(45.3)	(36.3)		
Free Cash Flow	61.5	59.0			49.5	53.4		

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. Estimated impact in H1 on revenue CHF16.7m and EBITDA CHF14.8m. Estimated impact in Q2 on revenue CHF9.6m and EBITDA CHF8.1m

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Good momentum in core business

Salt reports good momentum in the underlying business; the postpaid mobile customer base stood at 1,229,000 customers, up 1,200 during the quarter, but up 6'200 excluding Coop Mobile customers. In parallel, the operator experiences a strong momentum with Salt Fiber; reaching over 50'000 subscribers at the end of H1.

Total revenue (excl. MTR) was down 1.1% year over year (YoY) to CHF 238.9m and EBITDA decreased by 10.0% YoY to CHF 109.9m driven by increased acquisitions and retentions in mobile and fiber as well as investments into operations to support commercial growth.

Excluding Coop Mobile and UPC impact total revenue (excl. MTR) was up 2.7% YoY and despite revenue trends, EBITDA down 3.5% YoY due to the aforementioned investments. The combined negative Q2 impact of Coop Mobile and UPC was CHF 9.6m on revenue and CHF 8.1m on EBITDA.

Pascal Grieder, CEO, commented the results " *During the quarter, we were able to keep the growth momentum in our mobile core brand and reached the 50'000 customer mark for our Salt Fiber product. In parallel, several recognitions have endorsed our product and service quality over the past months, confirming we truly deliver our customers world class quality in both mobile and fixed.* "

Successful value for money strategy

Following a successful strategy of offering customers the best price in the premium provider segment and further investing both in network and service quality, Salt was able to record 16 consecutive quarters of positive postpaid net adds in our core brand and 4 consecutive quarters with a positive outgoing postpaid ARPU evolution.

Over the past months, the Salt's excellent mobile network quality was reconfirmed in national benchmarks notably by 4GMark, OpenSignal and Ookla.

In parallel, Lidl Switzerland joined forces with Salt to enter the Swiss mobile phone business and launched Lidl Connect. Lidl Connect includes both a prepaid and postpaid offer and is dedicated to price sensitive customers who don't want to compromise on quality.

In the upcoming quarter, a particular focus will be placed on professional customers with the launch of a revised B2B mobile portfolio proposition.

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Salt Fiber, the top speed and service quality

Continuous improvements in service quality on Salt Fiber are bearing fruits; in June 2019, the product reached the number one spot at the Netflix ISP Speed Index, which measures which internet service provider offers the best primetime Netflix streaming experience while it was designated "Connect" test winner in the DACH region for its support hotline. Additionally, Salt Fiber was ranked fastest internet product on the market by nPerf in its Barometer of fixed internet connections.

The product is today available for a total of 1'450'000 households in Switzerland. Since the product launch in March 2018, 150'000 households have been added to the footprint.

Strategic Partnership with Cellnex

The Tower disposal transaction was closed on August 5th. The agreement will give Salt access to a national footprint in a capex efficient way. The majority of the proceeds from the tower sale will be used for debt repayment and investments in the business.

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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: 1,229,000 postpaid customers (as of 30.06.2019), 103 Salt Stores and 4G coverage of 99% of Switzerland's population.