

## Press release

Renens, 13.03.2019

## Salt – 2018 Full Year Results

**Solid growth and strong cash flow generation -  
Positioned for profitable growth through Salt Fiber, enhanced product portfolio,  
strengthened distribution and continued network investments**

- EBITDA of CHF 468.7m, up CHF 7.4m or 1.6% year on year
- Revenue excl. MTR of CHF 971.3m, up CHF 13.1m or 1.4% year on year
- EBITDA margin of 44.8%, up from 44.0% last year, and strong cash flow generation of CHF 228.9m
- CHF 586.7m total capital expenditure during the last two years, demonstrating continued investments into mobile and FTTH infrastructure

| <i>Salt Mobile excl. IFRS 15 and IAS 18, in CHF m</i> | FY 2018 | FY 2017 | YoY    | Q4 2018 | Q4 2017 | YoY    |
|---|---------|---------|--------|---------|---------|--------|
| Total Revenue, excl. Incoming                         | 971.3   | 958.1   | +1.4%  | 253.4   | 250.5   | +1.2%  |
| MTR Revenue   | 75.5    | 91.5    | -17.4% | 18.5    | 21.9    | -15.6% |
| Total Revenue   | 1'046.8 | 1'049.6 | -0.3%  | 271.9   | 272.4   | -0.2%  |
| Adjusted EBITDA <sup>1</sup>                          | 475.2   | 465.1   | +2.1%  | 108.9   | 109.9   | -0.9%  |
| as % of Revenue                                       | 45.4%   | 44.3%   |        | 40.0%   | 40.3%   |        |
| EBITDA <sup>1</sup>                                   | 468.7   | 461.3   | +1.6%  | 108.5   | 110.7   | -2.0%  |
| as % of Revenue                                       | 44.8%   | 44.0%   |        | 39.9%   | 40.6%   |        |
| Capex   | (205.2) | (381.5) |        | (71.5)  | (249.6) |        |
| Cash Capex, excl. Spectrum L.                         | (162.8) | (126.3) |        | (35.6)  | (33.1)  |        |
| Free Cash Flow, excl. Spectrum L.                     | 228.9   | 302.3   |        | 75.4    | 71.3    |        |
| Free Cash Flow <sup>2</sup>                           | 228.9   | 267.1   |        | 75.4    | 71.3    |        |

<sup>1</sup> Excluding the exceptional Pension adjustment of CHF 13.6m in December 2017

<sup>2</sup> Including the last instalment of the Spectrum License of CHF 35.2m paid in January 2017

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**Pascal Grieder, CEO of Salt** commented the 2018 results, *" While successfully keeping the growth momentum, we also reached an important milestone in the history of Salt in 2018: We launched the revolutionary Salt Fiber product and together with our world-class mobile network, we are now able to provide customers with the most outstanding experience both on mobile and fixed. We are proud to deliver innovative, high quality products and best value for money for private and business customers. "*

### **Growing customer base with churn at lowest levels**

Salt achieved strong financial results in 2018 and the commercial momentum was maintained, as the operator was able to increase handset market share and improve churn.

Mobile postpaid handset customers increased by +8,600 (-800 MBB) during the fourth quarter, on a like-for-like basis. In 2018, the company experienced a continued customer growth, with a total of 29'800 mobile postpaid net adds.

Full year postpaid churn of 17.3% is at its lowest level since 2015.

Improving revenue trends and strong profitability level allowed Salt to continue its significant investments into mobile and FTTH infrastructure.

Q4 Revenue excl. MTR was CHF 253.4m, up CHF 2.9m or 1.2% year on year. Total revenue, excl. MTR in 2018 was CHF 971.3m, up 1.4% year on year.

Q4 EBITDA was CHF 108.5m, down CHF 2.2m or 2.0% year on year. Full year EBITDA increased +1.6% YoY (excluding pension to CHF 468.7m) and maintains its leading EBITDA margin of 44.8%.

Total CapEx amounted to CHF 205 million in 2018 due to ongoing investments in network infrastructure and company growth.

### **Network investments continued**

On the network, Salt has received quality awards from Connect, OpenSignal as well as PCMagazin, reflecting the substantial investments Salt has made in the Swiss market. In January 2019, Salt successfully participated in the spectrum auction, which will enable the operator to further strengthen the mobile experience for its clients throughout 2019 and beyond. Nokia was chosen to perform the radio and mobile core network upgrades enabling Salt to move ahead full speed on 5G which will be commercially launched in the second half of the year.

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### **Accelerating growth in mobile**

An increase in service and proposition quality has led to improved customer perception of Salt in the market. This has been further fuelled by being the first in the market with a full “Europe unlimited” product in February and will be strengthened by a more comprehensive portfolio revamp in March 2019. In order to capitalize on this robust growth platform and to get closer to the customer, the distribution network was further strengthened, by entering a partnership with Mobilezone in September 2018, adding 119 sales points as well as by opening 15 additional Salt stores.

### **Continuous enhancements on Salt Fiber**

2018 saw the launch of the revolutionary Salt Fiber, disrupting the market with a full-fledged TV offer, unlimited fixed voice and a 10 GBps line at a fraction of the price of comparable products. In addition, last month, the 2018 nPerf Barometer for fixed internet connections, confirmed Salt Fiber as the fastest connection in Switzerland, and in summer the Salt Fiber customer service was rated the “Best Support Hotline” among broadband providers in the DACH area by German magazine Connect.

To further increase customer satisfaction, Salt Fiber operating processes were continuously improved and product content enhanced. Clients benefit from short set-up periods and additional TV content, making it the most attractive entertainment product in the market.

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About Salt: Salt is a Swiss telecommunications provider which owns and operates an extensive, high-quality mobile telecommunications network infrastructure. 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: 1,236,000 postpaid customers (as of 31.12.2018), 100 Salt Stores and 4G coverage of 98% of Switzerland’s population.