

## Press release

Renens, 28.11.2019

### Salt – 2019 Q3 financial results

- Good momentum in mobile (+15'400 postpaid net adds) and fiber
- Total revenue (excl. incoming) up by +7.1% YoY (on a like-for-like basis)
- EBITDA up +2.9% YoY (on a like-for-like basis)
- Free Cash Flow excl. Spectrum of CHF 72.7m (down from CHF 94.5m YoY)
- Successful refinancing and tower sale lower annual interest expense by CHF 22m and improve maturity
- Salt elected test winner in universal provider category in BILANZ telecom rating

CHF m	9m'19	9m'18	YoY	Rebased YoY (1)	Q3 2019	Q3 2018	YoY	Rebased YoY (1)
Operating Revenue, excl. Incoming	630.2	635.2	-0.8%	+3.5%	217.0	215.8	+0.6%	+5.6%
Incoming Revenue	46.8	57.0	-17.9%	-16.1%	15.8	19.0	-16.9%	-14.8%
Equipment Revenue	88.5	82.6	+7.1%	+7.1%	32.5	27.6	+18.1%	+18.1%
Total Revenue	765.5	774.9	-1.2%	+2.4%	265.4	262.4	+1.1%	+5.5%
Total Revenue excl. Incoming	718.7	717.9	+0.1%	+3.9%	249.6	243.4	+2.6%	+7.1%
Adjusted EBITDA	331.8	366.4	-9.4%	-1.8%	114.7	127.0	-9.7%	+1.1%
as % of Revenue	43.3%	47.3%			43.2%	48.4%		
EBITDA	329.7	360.2	-8.5%	-0.6%	115.1	125.4	-8.2%	+2.9%
as % of Revenue	43.1%	46.5%			43.4%	47.8%		
				-7.2% bef. Tower effect				-4.5% bef. Tower effect
Cash Capex excl. Spectrum	(129.7)	(127.2)			(30.2)	(39.0)		
Free Cash Flow excl. Spectrum	134.1	153.5			72.7	94.5		

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 9m'19 on revenue CHF27.6m and EBITDA CHF28.4m. Estimated impact in Q3 on revenue CHF10.9m and EBITDA CHF13.6m

## **Good momentum in mobile and fiber**

In Q3, postpaid mobile customers increased by 15,400 to 1,244,500 customers. Net losses from earlier Coop Mobile customers phased out.

Total revenue (excl. incoming) was up 2.6% year over year (YoY) to CHF 249.6m and EBITDA decreased by 8.2% YoY to CHF 115.1m. Besides structural effects from Coop, UPC and the tower sale, overall decline was driven by increased acquisition and retention costs in mobile and fiber as well as investments into operations to support commercial growth.

On a like-for-like basis (excluding Coop, UPC and tower sale) total revenue (excl. incoming) in the quarter was up by 7.1% YoY and EBITDA by 2.9% YoY.

Free Cash Flow (excl. spectrum investment) decreased to CHF 72.7m from CHF 94.5m in the same period last year with Cash Capex (excl. spectrum investment) of CHF 30.2m supporting the company's growth.

On the back of a strong operational performance, Salt issued CHF 1.45bn of new secured debt to reduce interest expense and improve maturity. Proceeds from the refinancing and the tower sale were used to refinance and lower overall financial debt, resulting in a reduction of annual interest expenses by CHF 22m, and to distribute a dividend to shareholders.

## **Successful value for money strategy**

In Q3, Salt again received several awards for its products and services. The support hotline of the Salt Fiber product was top rated in the yearly survey by the "Connect" magazine. Furthermore, Salt was the winner among universal providers for private customers in the annual customer feedback based telecommunication rating by Swiss business magazine BILANZ.

Efforts and investments into the B2B segment are bearing fruits too: during the quarter Salt reported positive net adds on the back of the operator's new and disruptive B2B proposition and was voted number one mobile communication provider for SMEs by PME Magazine, a business magazine for small and medium-sized enterprises in the French-speaking part of Switzerland.

**Pascal Grieder, CEO**, commented the Q3 results: *" We are making good progress in implementing our strategy to provide the best price in the premium segment. We were able to significantly increase the number of our mobile customers. Salt Fiber is enjoying healthy demand and is contributing to the strong financial results. We have also turned the corner in the B-2-B business, where we have delivered positive net adds and still see ample room for growth. "*

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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 an gainful way with Salt's powerful Plus flat rate subscriptions - a revolutionary and straight forward portfolio.

Salt in figures: 1,244,500 postpaid customers (as of 30.09.2019), 103 Salt Stores and 4G coverage of 99% of Switzerland's population.