

Press release

Renens, 25.03.2021

Salt – 2020 Full-year results

Strong results in a challenging year – continued growth momentum with highest net adds in years in Mobile, Home and B-to-B – independent tests confirm excellent performance of mobile network and fixed internet connection

- Accelerated growth momentum in 2020: +19'900 mobile postpaid net adds in Q4 and strong momentum in Salt Home with best year since product launch
- Underlying operating revenue growth offset by decrease in roaming revenue due to COVID-19; in 2020, operating revenue was CHF 914.7m down 0.2%; Q4: CHF 235.7m, up 0.5% ⁽¹⁾
- Stable EBITDA in 2020 despite COVID-19 impact of CHF 413.7m; Q4: CHF 98.7m, down 1.8% ⁽¹⁾
- Excellent independent test results in Mobile and Home with fastest broadband connection in the world according to Ookla Speedtest
- Positive momentum on customer satisfaction with biggest increase in Mobile net promoter score (NPS), as well as highest NPS overall in Home, according to STAMP report by Exane BNP Paribas Research
- Marc Furrer, former President of the Federal Communications Commission and Director of the Federal Office of Communications, to be appointed Chairman of the Board

Full Year and Q4 Key Financials

CHF m	FY20	FY19	YoY	Tower Rebased YoY (1)	Q4 2020	Q4 2019	YoY	Tower Rebased YoY (1)
Operating Revenue	914.7	906.3	+0.9%	-0.2%	235.7	229.3	+2.8%	+0.5%
Equipment Revenue	96.7	116.5	-17.0%	-17.0%	26.5	28.0	-5.3%	-5.3%
Total Revenue	1011.4	1022.8	-1.1%	-2.1%	262.2	257.3	+1.9%	-0.1%
Adjusted EBITDA	420.8	432.5	-2.7%	+0.7%	100.2	100.8	-0.6%	-2.3%
as % of Revenue	41.6%	42.3%			38.2%	39.2%		
EBITDA	413.7	428.4	-3.4%	+0.0%	98.7	98.7	+0.1%	-1.8%
as % of Revenue	40.9%	41.9%			37.7%	38.3%		
Cash Capex	(188.5)	(166.2)			(56.6)	(35.9)		
Free Cash Flow (excl. Spectrum)	227.9	215.8			38.2	81.7		
Free Cash Flow	227.9	121.3			38.2	81.7		

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

(1) Excluding the impact of the Tower deal. Estimated impact in FY20 on revenue +CHF8.0m and EBITDA CHF(27.4)m. Estimated impact in Q4'20 on revenue +CHF4.1m and EBITDA CHF(6.0)m

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Highest net adds in years and strong financial results

The company was able to maintain both revenue and EBITDA growth before COVID-19 effects. In the fourth quarter, Salt reported strong results and continued its growth trend.

In Mobile, an increase of 19'900 to 1,306,400 postpaid mobile customers was realized and the company has been able to report 22 consecutive quarters of positive postpaid net adds in its core brand. This led to the highest yearly net adds within the last three years, with accelerated growth in the second half of the year. As a result of increasing customer satisfaction, the churn rate was the lowest within the last ten years.

In Home, the company achieved a significant increase of its customer base during the year and successfully passed the 100k subscriptions mark in June 2020. In 2020, Salt Home attracted the highest number of net adds since the product has been launched.

In B-to-B, the positive momentum could be accelerated; the highest net adds in the last 10 years as well as positive net adds for the sixth quarter in a row could be registered.

On a like-for-like basis, operating revenue in Q4 was up 0.5% YoY to 235.7 and EBITDA down by 1.8 % YoY to 98.7m. In 2020, operating revenue was down 0.2% to CHF 914.7m due to COVID-19 negative effect and EBITDA stable to CHF 413.7m.

On a reported basis, i.e. including the effect from the Tower sales and from COVID-19, operating revenue in 2020 was up 0.9% and EBITDA down 3.4%.

Salt maintained its strong cash generation throughout the year. Free cash flow in Q4 was CHF 38.2m resulting in a free cash flow for 2020 of CHF 227.9m.

Pascal Grieder, CEO, commented the results *"As we look back on the unprecedented events of 2020, we can be proud of what we have achieved. Our strategy to offer the best price in the premium segment continues to bear fruit: despite negative effects from COVID-19, we were able to accelerate growth in 2020 in all our three business segments. In 2021, we will continue to invest in our network and in our service quality to further improve the customer experience in all our products."*

Mobile: best value for money proposition

In 2020, several independent tests repeatedly confirmed the excellent quality of the Salt mobile network. Salt was able to improve its Connect mobile network test score for the 3rd consecutive year in a row, with +81 points in three years. The company continues to invest in improving its products and services to provide customers premium quality at an affordable price. Throughout the year, the company has put a strong focus on improving customer service and continued to systematically identify and eliminate pain-points in its customer journey, which led to an unprecedented Year-on-Year increase of first call resolutions.

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As a result, the evolution of customer satisfaction (NPS) was the most positive in the market, as evidenced by the outcomes of the STAMP 2021 report, which was published in March by Exane BNP Paribas Research. In terms of absolute NPS, Salt is now on eye level with key competitors.

The 5G rollout progressed throughout the year and services were made available to customers in late August 2020. Salt expects that with the lifting of the moratoria in cantons and municipalities and the clarification of the regulatory framework the 5G rollout in Switzerland can be accelerated, in order to give Swiss consumers full access to the benefits of this technology and further improve the excellent network service quality.

Home: fastest fixed internet in the world and market leader in customer perception

The pandemic has massively increased the importance of internet usage at home. With Salt Home customers could benefit from a stable and reliable home office experience, at any time. According to the Speedtest by Ookla*, Salt Home provides the fastest broadband connection worldwide and offers the best internet performance in terms of latency, up- and download in Switzerland according to Nperf. On top, the product was positioned as market leader in customer perception in the STAMP 2021 report. As part of the continuous improvement of the product, Salt has refreshed the user experience of the TV app, reshaped the pay TV packages and introduced new channels.

With the launch of its fixed-wireless-access solution Salt Gigabox in January this year, the company also remains committed to its ambition of significantly increasing the product's reach. Salt Home is now available to more than 2 million households. Salt Gigabox offers an alternative to a fiber based connection using the Salt 5G and 4G+ mobile network. The company is currently also exploring further opportunities to pursue the FTTH build out in collaboration with financial investors.

In 2021, Salt has introduced a new Wi-Fi 6 certified box for its Salt Home FTTH product. The box comes with a reduced size and a casing made from recycled plastic, designed to significantly reduce its carbon footprint

B-to-B: successful transformation and accelerated growth

The B-to-B business transformation is well underway with dedicated commercial campaigns, continued strengthening of the team as well as significant product enhancements, including the launch of a state-of-the-art self-care portal in fall 2020. As a result, Salt's B-to-B business has enjoyed an accelerating growth momentum throughout 2020.

Marc Furrer to be appointed new Chairman

Marc Furrer is proposed to be appointed Member and Chairman of the Board of Directors at the Annual General Meeting in May 2021. The longstanding President of the Federal Communications Commission (2005 to 2016) and first Director of the Federal Office of Communications (1992 to 2005) will replace Xavier Niel, who will remain a member of the Board of Directors.

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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: 1,306,400 postpaid customers (as of 31.12.2020), 105 Salt Stores and 4G coverage of 99% of Switzerland's population.