

Press release

Renens, 26.05.2023

1st Quarter 2023 Financial Results

Strong financial performance maintained and continued subscriber momentum – Salt now serves more than 1.5 million postpaid mobile and more than 200'000 broadband customers – Salt will become exclusive partner of Swiss Post to provide telecommunication services to Post customers as of 2024

- Continued good momentum in subscriber growth in Q1 with 32'500 postpaid mobile net adds with the best quarter in B-to-B for 10 years and another strong quarter in Salt Home
- Strong Q1 financial performance with Operating Revenue up 2.8% year-on-year to CHF 221.6 million and EBITDA up 4.4% to CHF 135.0 million
- Salt now achieves 99.9% mobile network coverage in Switzerland and has announced a groundbreaking agreement with SpaceX's Starlink to provide continuous coverage through satellite technology
- Salt Home celebrated its 5th anniversary by exceeding the 200'000-customer mark and the commitment not to increase prices until at least June 2026
- Salt continues to leverage the growing fiber footprint and adapted the agreement with Swisscom to the new Point-to-Point roll out topology which will ensure close to three million Swiss households will be able to benefit from Salt's top fiber connection by the end of 2025
- Salt has been chosen by Swiss Post to become the exclusive partner to provide telecommunication services to Post customers as of 2024; the partnership will strengthen Salt's multi-brand-strategy and provides further growth potential

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Q1'23 Key Financials

<i>CHF m</i>	Q1 2023	Q1 2022	YoY
Operating Revenue	221.6	215.6	+2.8%
Equipment Revenue	49.2	44.6	+10.2%
Total Revenue	270.7	260.2	+4.0%
Adjusted EBITDA	136.1	130.5	+4.3%
<i>as % of Revenue</i>	50.3%	50.1%	
EBITDA	135.0	129.3	+4.4%
<i>as % of Revenue</i>	49.9%	49.7%	
Cash Capex	(69.4)	(62.6)	
Free Cash Flow	50.1	47.8	

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

Good momentum in subscriber growth and strong financial performance

In Q1 2023, Salt continued its strong performance in terms of customer growth and financial results. Postpaid mobile subscribers increased by 32'500 to over 1.5 million and registered the best quarter in B-to-B for 10 years. Salt has continuously developed and expanded its B-to-B offer and services, and is providing its business customers with top quality at an unbeatable price. In addition, Salt celebrated the 5th anniversary of its revolutionary ultra-fast broadband offer Salt Home incl. Internet, TV and fixed telephony with another strong quarter. In May, Salt Home exceeded the 200'000-customer mark, and committed not to increase current prices starting from CHF 39.95¹ until at least June 2026.

Operating Revenue increased by 2.8% YoY to CHF 221.6 million supported by continued growth in all three segments. This led to an increase in EBITDA of 4.4% to CHF 135.0 million. With total investments of CHF 69.4 million, Free Cash Flow amounted to CHF 50.1 million (Q1 22: CHF 47.8 million).

¹ CHF 49.95 for customers without Salt mobile subscription

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Franck Bernard, CEO ad interim, commented: *“The results of the first quarter are another proof that Salt customers highly value our products and services. Salt boasts a strong growth platform with which it can achieve significantly more. More and more people in Switzerland realize that they get excellent quality and the best value for money with Salt, both in mobile and ultra-fast broadband.”*

Best performing and best rated fixed broadband connection

Salt’s broadband offer achieved the best overall rating from customers in the Connect test published in May. Salt not only came out on top in Switzerland but also achieved the best result of all providers in the DACH region. Salt has won three of four categories and is well ahead of the competition in terms of value for money. In the nPerf barometer published in January 2023, Salt’s broadband connection once again outperformed the competition on all criteria (download, upload and latency) for the third consecutive year.

World class network covering 99.9% of Switzerland

In February, Salt reached another milestone by announcing a mobile network coverage of 99.9% as a result of ongoing substantial investment in its mobile infrastructure. The excellent quality of its network has also been proven by the Connect Network Test published in December 2022 in which Salt achieved a “very good” rating and the highest score ever.

Coverage to be further enhanced by Starlink’s satellite technology

In March, Salt was the first European telecommunications provider to announce a groundbreaking agreement with SpaceX’s Starlink to provide continuous coverage through satellite technology. Salt and SpaceX will together provide mobile access beyond the limits of cellular networks extending its reach to remote or currently underserved areas. Starting in 2024 with text messages, the service will expand to include voice and data coverage in 2025.

Fast expanding fiber footprint provides further growth potential

The customer base of Salt’s fiber product, Salt Home, is growing at pace. Salt is keen to expand its fiber footprint to give more people the opportunity to enjoy its unique triple-play offer. Salt is working on this with various network partners and has recently restructured its agreement with Swisscom to adapt to Point-to-Point topology. This will ensure that close to three million Swiss households will be able to benefit from Salt’s ultra-fast fiber connection by the end of 2025.

Exclusive provider of telecommunication services to Post customers as of 2024

Salt has been chosen by Swiss Post to become the exclusive provider of telecommunication services to Post customers as of 2024. The two partners will work out the product range for postpaid and prepaid products in the coming months. The partnership is another proof of Salt’s customer focus, flexibility, and quality. It will strengthen Salt’s multi-brand strategy and provides further growth potential.

New CEO starting June 1

As earlier announced, Max Nunziata will take over as CEO as of June 1. Max has a proven track record from several leadership positions in various industries and geographies in both B-to-C and B-to-B markets. Max served as Chief Customer Experience Officer and then Chief Business Officer on the management board of Sunrise, and joins Salt from BonusCard, a leading provider of credit and prepaid cards at Cornèr Bank Group.

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About Salt

Salt stands for innovation offering attractive prices for premium products in the Swiss telecommunications market. An excellent mobile network, the country's best performing internet connection (nPerf, 2022), attractive prices and customer-focused service ensure an outstanding experience for its business and residential customers. The company's services as well as its fixed and mobile networks are repeatedly awarded: best broadband offer (connect, 2023) very good mobile network (connect, 2023), best performing internet connection (nPerf, 2022), best broadband tariff (SIQT, 2022), best universal provider for SME and residential customers (Bilanz, 2022), number one B-to-B mobile provider (SIQT, 2022).

Based in Renens (VD), Salt has two additional offices in Biel and Zurich. The company employs more than 1,000 employees and serves 1,516,400 postpaid mobile and more than 200'000 broadband customers across Switzerland. Salt currently offers 99.9% population coverage.

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