

Press release

Renens, 25.08.2023

Q2 2023 Financial Results

Strong Financial Performance and Continued Momentum in Subscriber Growth Across All Segments: Mobile B-to-C, B-to-B and Home - Best Universal Provider for Residential and Corporate Customers According to Latest BILANZ Telecom Rating - Credit Rating Upgrade and Successful Placement of a CHF 100 Million Issue

- Continued subscriber growth momentum in in Q2 with 27,600 postpaid mobile net adds, another strong quarter in Salt Home and the best first half in B-to-B in 10 years
- Salt now serves more than 1.5 million postpaid mobile and more than 200,000 broadband subscribers
- Strong Q2 financial performance with Operating Revenue up 3.4% year-on-year to CHF 228.4 million and EBITDA up 5.4% year-on-year to CHF 142.7 million; 11 consecutive quarters of growth in postpaid service revenue
- New exclusive partnerships in B-to-C with Lycamobile, live since May 2023, and Swiss Post, live in early 2024
- Salt named as best universal telecom provider for residential and corporate customers in the latest BILANZ telecom rating and as best broadband provider in the latest Connect customer survey
- Credit rating upgrade to 'BB-' and successful placement of senior secured notes

Q2'23 Key Financials

CHF m	H1'2023	H1'2022	YoY	Q2 2023	Q2 2022	YoY
Operating Revenue	449.9	436.5	+3.1%	228.4	220.9	+3.4%
Equipment Revenue	88.4	83.7	+5.6%	39.2	39.1	+0.5%
Total Revenue	538.3	520.2	+3.5%	267.6	260.0	+2.9%
Adjusted EBITDA	280.0	267.1	+4.9%	143.9	136.6	+5.4%
<i>as % of Revenue</i>	52.0%	51.3%		53.8%	52.5%	
EBITDA	277.7	264.7	+4.9%	142.7	135.4	+5.4%
<i>as % of Revenue</i>	51.6%	50.9%		53.3%	52.1%	
Cash Capex	(117.1)	(113.6)		(47.7)	(51.0)	
Free Cash Flow	128.4	105.9		78.4	58.1	

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

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Strong continued momentum in subscriber growth and financial performance

In Q2 2023, Salt continued its strong performance in terms of customer growth and financial results. Salt increased postpaid mobile subscribers by 27,600, which resulted in an increase of 40% in net adds for the first half year. It added another strong quarter in Home and registered the best six months in B-to-B for 10 years. Salt now serves more than 1.5 million postpaid mobile subscribers and more than 200,000 broadband subscribers (Salt Home).

Operating Revenue increased by 3.4% YoY to CHF 228.4 million, supported by continued growth in all three segments. This led to an increase in EBITDA of 5.4% to CHF 142.7 million despite cost inflation and increased expenditure to support growth. With total investments of CHF 47.7 million (Q2 22: CHF 51.0 million), Free Cash Flow amounted to CHF 78.4 million (Q2 22: CHF 58.1 million).

Max Nunziata, the new CEO, commented: *“The steadily increasing number of subscribers and the resulting growth in revenues are testimony of Salt consistently offering great value at attractive prices. We will continue to invest in our network, our product offering and servicing to strengthen our market positioning across all segments.”*

Exclusive partnerships with Lycamobile and Swiss Post

Since May, Lycamobile customers have been using the Salt network. Also, in May, it was announced that Salt had been chosen by Swiss Post to become the exclusive partner to provide telecommunication services to Post customers as of 2024. Both partnerships are proof of Salt’s network and service quality. They will strengthen Salt’s multi-brand strategy and provide further growth potential. Furthermore, in B-to-B, Salt is growing continuously and has been able to win further notable customers. The range of services for SMEs and corporate customers is being expanded continuously.

Top ratings in BILANZ telecom rating and Connect customer survey

In the newly published BILANZ Telecom Rating 2023, Salt was named the best universal provider for residential and corporate customers. The top ranking is, in particular, a result of the unrivalled combination of high quality and attractive price. Already in May, Salt was confirmed to have the best broadband offer by the Connect survey among customers in Germany, Austria and Switzerland. Salt ranked #1 in the four categories: Hardware and Software, Customer Service, Brand/Provider, Network and has the most satisfied customers.

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Rating upgrade and successful placement of senior secured notes in the amount of CHF 100 million

The consistently solid business performance in recent years has led to credit rating upgrades. S&P Global Ratings has upgraded the long-term issuer credit and issue ratings on Matterhorn Telecom, the parent company of Salt, to 'BB-' from 'B+'. Fitch Ratings has assigned Matterhorn Telecom a first-time Long-Term Issue Default Rating of 'BB-' and a 'BB+' issue rating to its secured notes. In July, Matterhorn Telecom successfully placed senior secured notes in the amount of CHF 100 million. The CHF note marked the return of Salt to the Swiss institutional investors market. The proceeds will be used for refinancing purposes. Salt wishes to thank Goldman Sachs as sole underwriter and Swiss investors who have put their trust in the company.

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 universal provider for large companies and residential customers (Bilanz, 2023), best broadband offer (connect, 2023) very good mobile network (connect, 2023), best performing internet connection (nPerf, 2022), best broadband tariff (SIQT, 2022) and 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 1,543,200 postpaid mobile and more than 200,000 broadband customers across Switzerland. Salt currently offers 99.9% population mobile coverage.

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