

Press release

Renens, 24.11.2023

Q3 2023 Financial Results

Sustained Subscriber Growth Across All Segments – Further Increase in Operating Revenue and EBITDA – Top Marks in Bilanz Rating and Connect Broadband Test – Expanding Growth Platform with Increasing FTTH Reach and Growing Sales Network – Credit Rating Upgrade

- Continued momentum in subscriber growth in Q3 with 32'100 postpaid mobile net adds, another strong quarter in Salt Home and a record performance in B-to-B over nine months
- Strong Q3 financial performance with Operating Revenue up 3.1% year-on-year to CHF 240.4 million and EBITDA up 4.2% year-on-year to CHF 149.4 million; 12 consecutive quarters of growth in postpaid service revenue
- Salt named Best Universal Provider for residential customers for the third time in a row and for the first time also for large corporates in Bilanz rating and confirmed top position in Connect broadband test
- Salt expands footprint and growth potential by rapidly increasing its FTTH reach and adding stores in attractive locations
- Credit rating upgrade to 'BB-' and successful placement of senior secured notes in the amount of CHF 100 million

Q3'23 Key Financials

CHF m	9m'2023	9m'2022	YoY	Q3 2023	Q3 2022	YoY
Operating Revenue	690.4	669.6	+3.1%	240.4	233.1	+3.1%
Equipment Revenue	128.6	125.5	+2.5%	40.2	41.8	-3.8%
Total Revenue	819.0	795.2	+3.0%	280.7	275.0	+2.1%
Adjusted EBITDA	430.7	411.6	+4.7%	150.7	144.5	+4.3%
<i>as % of Revenue</i>	52.6%	51.8%		53.7%	52.6%	
EBITDA	427.1	408.0	+4.7%	149.4	143.3	+4.2%
<i>as % of Revenue</i>	52.1%	51.3%		53.2%	52.1%	
Cash Capex	(157.1)	(150.6)		(40.0)	(37.1)	
Free Cash Flow	234.9	212.2		106.5	106.3	

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

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Record Net Adds in Mobile Subscribers Year-To-Date and Strong Financial Performance

Salt reports another strong quarter in terms of customer growth and financial performance. In Q3, Salt added 32'100 postpaid mobile subscribers, setting a new record with a total of 92,200 net additions for the first nine months, an increase of 27% compared to the same period last year. Growth was supported by another strong quarter in B-to-B adding to a record performance over nine months. By leveraging the enhanced FTTH footprint, Salt also continued its growth momentum in Home.

Operating Revenue increased by 3.1% YoY to CHF 240.4 million, supported by continued growth in all three segments and by the price increase in mobile offsetting inflation beginning of September. This led to an increase in EBITDA of 4.2% to CHF 149.4 million. With total investments of CHF 40.0 million (Q3 22: CHF 37.1 million), Free Cash Flow amounted to CHF 106.5 million (Q3 22: CHF 106.3 million).

Max Nunziata, CEO at Salt, commented: *“We are very proud of being the fastest-growing national Swiss telecom operator while upholding profitability. The outstanding growth underlines the attractiveness of our solutions to B-to-B as well as B-to-C customers and underscores the potential for further growth. We will continue to invest in our product offerings and services to sustain our growth journey.”*

Top Ratings in Bilanz Telecom Rating & Connect Broadband Test

In August, Salt was recognized as the Best Universal Provider for residential and corporate customers in the Bilanz telecom rating. While it marked the third consecutive year of Salt's top rating for residential customers, it was the first win in the large corporates category. These top rankings underscore Salt's unique combination of high-quality services at attractive prices. In September, Salt won the Connect broadband test achieving an outstanding score of 987 out of 1000 points. Notably, Salt outperformed all other providers in data download and upload speeds, reaffirming that Salt's fiber-based offering provides the best performance at an attractive price.

Expanding Sales Network and FTTH Reach

Salt is committed not only to enhancing its network, product offerings and service quality but also to expanding its sales network and FTTH reach. In addition to the online channels and call centers, Salt stores continue to be a pivotal channel for interacting with its subscribers and offering personalized solutions. In September, Salt continued to expand its stores network with the opening of its latest store in a prime location in the heart of Lucerne.

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On the FTTH front, Salt Home is now accessible to 2 million Swiss households. Salt continues to extend its fiber reach every month in collaboration with its partners. In Q3, Salt Home's unique internet technology has been made available in the following communities:

Charmey (FR), Ebnet-Kappel (SG), Flims (GR), Grossaffoltern (BE), Lyss (BE), Subingen/Horriwil (SO), Romont (FR), Villorsonnens (FR), Wattwil (SG)

Rating Upgrade and Successful Placement of Senior Secured Notes

The consistently solid business performance in recent years has led to credit rating upgrades. In July, 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. Mid-July, Matterhorn Telecom then successfully placed senior secured notes in the amount of CHF 100 million.

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), winner regional fixed-network providers with "outstanding" rating (connect, 2023), 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 1,575,400 postpaid mobile and more than 200,000 broadband customers across Switzerland. Salt currently offers 99.9% population mobile coverage.

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