

Salt – 2021 full year results

Strong performance – Growth and financial results for 2021 significantly above market – Best customer proposition confirmed – Well on track to become a fully convergent national telecom player

- Successful year for Salt with strong performance in all three segments in 2021; highest number of net adds since 2016 in B2C mobile and since 2010 in B2B with an increase of 66,700 to 1,373,200 mobile postpaid subscribers; number 1 in subscriber growth in Home segment
- Salt significantly outpaced the market in terms of revenue growth in 2021 with Operating Revenue up 4.7% to CHF 943.5 million and adjusted EBITDA up 5.4% to CHF 443.4 million
- In Q4, Salt recorded continued customer wins in all segments with subscriber growth of 14,200 in B2C mobile and B2B and strong momentum in Home segment; Q4 Operating Revenue up 5.4% to CHF 242.8 million and adjusted EBITDA up 7.7% to CHF 108.0 million
- Top product, service and network ratings achieved in 2021: best fixed Internet performances in 2021 (nPerf), best service hotline for mobile and home (connect), best universal provider for consumers (BILANZ), best mobile provider for SMEs (PME Magazine)
- Further service and product improvements throughout the year; new eco-friendly Fiber Box X6, state-of-the-art Wi-Fi Box, upgraded e-shop, self-service platform for retail customers and new SOHO businesses Salt Mobile PRO portfolio
- Salt well underway to become a fully convergent national telecom player by leveraging the expanding FTTH footprint

Press release

Q4'21 Key Financials

CHF m	FY21	FY20	YoY	Q4 2021	Q4 2020	YoY
Operating Revenue	943.5	901.3	+4.7%	242.8	230.3	+5.4%
Equipment Revenue	103.9	110.1	-5.7%	29.6	32.0	-7.5%
Total Revenue	1047.4	1011.4	+3.6%	272.3	262.2	+3.9%
Adjusted EBITDA	443.4	420.8	+5.4%	108.0	100.2	+7.7%
<i>as % of Revenue</i>	42.3%	41.6%		39.6%	38.2%	
EBITDA	436.5	413.7	+5.5%	106.1	98.7	+7.4%
<i>as % of Revenue</i>	41.7%	40.9%		38.9%	37.7%	
Cash Capex	(184.0)	(188.7)		(39.7)	(56.6)	
Free Cash Flow	207.8	227.9		63.1	38.2	

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

Continued subscriber momentum and above-market revenue growth

In Q4 2021, Salt continued its growth trend in all three business areas, i.e., B2C mobile, B2B and Home. Mobile postpaid subscribers across all brands grew by 14,200 in Q4 resulting in an increase of the customer base by 66,700 in 2021 to 1,373,200 total subscribers for the financial year. In 2021, Salt recorded the highest number of net adds since 2016 in B2C and since 2010 in B2B and was number 1 in terms of subscriber growth in broadband.

Based on this positive subscriber momentum, Salt reports financial results for Q4 significantly above market average with an increase in Operating Revenue of 5.4% YoY to CHF 242.8 million, supported by continued growth in broadband and mobile service revenue as well as recovering roaming revenue. This resulted in an EBITDA increase of 7.4% to 106.1 million, and an EBITDA margin of 38.9%. Free cash flow for Q4 amounted to CHF 63.1 million. For the full year 2021, Salt reports an increase of Operating Revenue of 4.7% to CHF 943.5 million and an EBITDA increase of 5.5% to CHF 436.5 million resulting in an EBITDA margin of 41.7%. Free cash flow generated in 2021 stood at CHF 207.8 million.

Pascal Grieder, CEO, commented: "2021 was a very successful year for Salt. Despite strong competitive pressure, we were not only able to win additional customers but also to report excellent financial results. This success is the result of our relentless efforts to do everything we can to offer our retail and business customers the best proposition in the market as proven with our unmatched ultra-fast broadband product and our unbeaten mobile offer for business customers. The progress we have made in recent years is outstanding, and I would like to thank all our employees for their great contribution."

Press release

Best customer proposition confirmed

In 2021 again, various independent tests confirmed Salt's excellent product, service and network quality:

- Best universal provider for retail customers (BILANZ)
- Best mobile provider for SME among mobile network operators (PME magazine)
- Best bundle solution for TV fans (PCtipp)
- Best value for money for offerings including internet with at least 100Mbit/s, TV with 7-day replay and a mobile subscription with a Swiss flat rate (dschungelkompass.ch)
- Best fixed Internet performances in 2021(nPerf)
- Best broadband and mobile service hotlines in the DACH (Germany, Austria, Switzerland) region (connect)
- "very good" mobile network with further improved ratings (connect)

Impactful investments further improve customer experience

To continue to achieve these excellent results and to improve them even further, Salt continuously invests in the customer experience and permanently improves products, network and services, particularly on the basis of customer feedback. During the year, the e-shop and the self-service platform for retail customers were modernized and a new Salt Home Fiber Box X6, which offers highest speeds and stable high-quality wireless-LAN connection in an eco-friendly format, was made available. Furthermore, a new B2B portfolio was launched; Salt Mobile PRO provides SOHO businesses first-class service and first-class network quality at economy rates.

Carbon footprint significantly reduced and roadmap in place to become net zero on scopes 1 and 2 by 2025

An important part of Salt's strategic development also relates to sustainability. The focus of the activities is the company's contribution to reducing carbon emissions with the intention to comply with the Science Based Targets Initiative and the Paris Agreement. In 2021, Salt reduced scopes 1 and 2 carbon emissions by 38%. and the company is committed to become net zero on scopes 1 and 2 by 2025. In this context, Salt's main offices and in-house data center are supplied with 100% electricity from renewable sources since 1 January 2021, and the company is in the process of transitioning its vehicle fleet to plug-in hybrid electric vehicles. Other measures include, the offering of refurbished devices, or the invitation to customers to repair, resell or recycle their mobile devices with dedicated partner programs.

Press release

Continued implementation of successful growth strategy

The well-invested nationwide mobile and fixed networks, the continued improvements in product and service quality together with Salt's ambition to offer the best price for customers in each category provide an excellent basis for continued growth and to become a fully convergent truly national telecom player.

In mobile B2C, Salt will continue to follow its successful multi-brand strategy. Just recently, Salt has strengthened its brand portfolio with the successful launch of the purely digital offer GoMo. With Salt Home, Salt sees a great opportunity to significantly grow its current in-footprint market share by leveraging the expanding FTTH footprint as well as its fixed wireless access solution. In B2B, Salt has just started to exploit the huge potential in the market and will put further emphasis on this segment by expanding its mobile product portfolio and developing new offerings to address customer needs. This growth will be financed from operating cash flows. After a thorough analysis of the financing needs and the financing options, the company has decided to currently refrain from alternative financing options, including an IPO.

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About Salt: Salt stands for innovation and the best price for premium products in the Swiss telecommunications market. An excellent mobile network, the country's fastest Internet connection (Nperf, 2021 Barometer of fixed internet connections in Switzerland), attractive prices and customer-focused service ensure an outstanding customer experience. Based in Renens (VD), Salt has two additional offices in Biel and Zurich and serves its private and business customers, online and in over 100 Salt Stores throughout Switzerland. The company employs around 1,000 employees across Switzerland.

Salt in figures: 1,373,200 postpaid customers (as of 31.12.2021), 103 Salt Stores and 4G coverage of 99% of Switzerland's population.