

Press release

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Full Year Results 2023: Another Remarkable Year for Salt with Record Number of Mobile Postpaid Net Adds and Strong Financial Performance Outpacing the Market

Accelerated Growth Across All Business Pillars – More than 1.6 million Mobile Postpaid and over 223,000 Broadband (Salt Home) Subscribers reached - Further Increase in Operating Revenue and EBITDA – “Outstanding” Rating for Mobile Network Quality in Connect Test – FTTH Reach Expanded – Strategic Partnership with Swiss Post successfully launched

- 2023 was another very successful year for Salt sustaining exceptional momentum across all three business pillars; mobile postpaid subscribers in B2C and B2B surged by 119,600 to more than 1.6 million, and broadband subscribers passed the 200,000 mark to achieve 223,000 at the end of the year
- In 2023, Salt again outpaced the market, both in terms of revenue and EBITDA growth with Operating Revenue up by 4.0% and EBITDA up by 4.7% and maintained its strong Free Cash Flow conversion with Free Cash Flow amounting to CHF 293.4 million
- Salt’s unwavering commitment to excellence was recognized earning accolades for product, service, and network quality: “outstanding” mobile network quality in Connect test, best performing broadband internet access by Nperf, best universal provider for residential customers for the third time in a row and for the first time also for large corporates in the Bilanz rating
- FTTH footprint further increased, and sales network expanded with attractive locations
- Strategic partnership with Swiss Post to introduce Post Mobile successfully launched, yielding promising first results
- Credit rating upgrade to 'BB-', successful placement of senior secured notes in the amount of CHF 100 million in July 2023 and successful syndication of a EUR 150 million term loan facility in January 2024
- Committed to sustain momentum and to deliver the best price for value to Swiss consumers and enterprises

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Q4'23 Key Financials

CHF m	FY2023	FY2022	YoY	Q4 2023	Q4 2022	YoY
Operating Revenue	932.4	896.7	+4.0%	242.1	227.0	+6.6%
Equipment Revenue	184.3	176.6	+4.4%	55.7	51.1	+9.0%
Total Revenue	1116.7	1073.3	+4.0%	297.7	278.1	+7.1%
Adjusted EBITDA	577.1	551.9	+4.6%	146.4	140.3	+4.3%
<i>as % of Revenue</i>	51.7%	51.4%		49.2%	50.5%	
EBITDA	572.6	546.9	+4.7%	145.5	138.8	+4.8%
<i>as % of Revenue</i>	51.3%	51.0%		48.9%	49.9%	
Cash Capex	(210.1)	(204.6)		(53.0)	(54.0)	
Free Cash Flow	293.4	280.7		58.4	68.4	

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

Q4: Sustained Subscriber Growth and Strong Financial Performance

In Q4, Salt maintained its growth trajectory across all three business pillars. Mobile postpaid subscribers in B2C and B2B across all brands grew by 27,400, resulting in an increase of the customer base by 119,600 to 1,602,800 subscribers in 2023, marking yet another record year. Broadband subscribers (Salt Home, including ultrafast internet, TV and fixed telephony) passed the 200,000 mark in April 2023 and reached 223,000 by the end of the year which means Salt was again the number 1 in broadband subscriber growth in Switzerland.

In Q4, Operating Revenue was up 6.6% yoy to CHF 242.1 million driven by robust subscriber growth, the LycaMobile partnership starting in May 2023 and the moderate price increase in mobile to offset cost inflation effective as of September 2023. EBITDA was up by 4.8% to CHF 145.5 million (2022: CHF 138.8 million), reflecting higher commercial expenses and an increase in FTE to support growth, cost inflation, and performance-related bonus accruals. The EBITDA margin stood at 48.9% (Q4 2022: 49.9%). With total investments of CHF 53.0 million (Q4 2022: CHF 54.0 million), Free Cash Flow amounted to CHF 58.4 million (Q4 2022: CHF 68.4 million).

For the full year, Salt reported an increase in Operating Revenue of 4.0% to CHF 932.4 million and in EBITDA of 4.7% to CHF 572.6 million, resulting in an EBITDA margin of 51.3% (2022: 51.0%). With total investments of CHF 210.1 million Free Cash Flow came in at CHF 293.4 million (2022: CHF 280.7 million).

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Max Nunziata, CEO at Salt, commented: *“2023 was another record year for Salt marked by significant achievements. Customer growth continued in an increasingly competitive market, which underlines the strength of our positioning as the smart choice offering excellent quality at affordable prices. With the expansion of our sales network, the partnership with Swiss Post, and the growing FTTH footprint, we are poised to reach more and more customers with our attractive offers.”*

Reaffirmation of Best Customer Proposition

In 2023, Salt again received top marks for its products, service and network quality in various independent industry tests and customer surveys:

- “Outstanding” mobile network (Connect)
- “Outstanding” rating and best regional provider in fixed net broadband (Connect)
- Best universal provider for residential customers (Bilanz), for the third time in a row
- Best universal provider for large corporates (Bilanz)
- Preferred national mobile provider for SME (PME Magazine)
- Best performing fixed net broadband internet access (Nperf), unbeaten since launch in 2018

Network and Service Quality Further Enhanced

Salt continued to invest in the quality of its network and service to maintain its high level and further improve its offering. Since the launch of its broadband product, Salt has offered the best performance thanks to its unique technology, as the Nperf test confirmed again this year. At the same time, Salt committed to not increase current prices for Salt Home starting at CHF 39.95 (CHF 49.95 without mobile subscription) until at least June 2026 despite inflation. Salt's mobile network achieved an "outstanding" rating in the Connect test for the first time, rewarding the efforts and investments made over the last few years. The fact that Salt was able to increase its Net Promoter Score by 12 percentage points over the year is further evidence of its constant customer focus and improvement in service quality. On the back of these credentials, Swiss Post opted for a strategic partnership with Salt to launch the new "Post Mobile" offering in February 2024. The MVNO LycaMobile also switched to the Salt network in May 2023, and the GoMo offering aimed at a young, digitally savvy audience was made even more attractive. Salt was also the first European Mobile Network Operator to announce a forthcoming Direct-to-Cell satellite service in partnership with SpaceX's Starlink which will allow to offer 100% geographical outdoor connectivity throughout Switzerland. Salt is collaborating with Swiss regulators and those from neighbouring countries to obtain the necessary approvals ahead of launching the service.

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Expansion of FTTH Reach and Sales Network

With the expansion of the nationwide FTTH network, Salt is also continuously extending its footprint and reaching more customers. In Q4 2023, Salt Home's unique internet fiber technology was made available in various municipalities across the country, like Delémont/Delsberg (JU), Glarus (GL), Herzogenbuchsee (BE), Würenlos (AG), among others. The fiber-based broadband offering is currently accessible to two million households. By the end of 2025, it will be around three million.

Distribution capacity is also being expanded. In addition to the very popular digital sales channels, Salt is also enhancing its stores network, allowing for a very personal customer service. In the last four years, Salt has opened 20 new stores. In 2023, several stores in attractive locations were added, including a prime location in the heart of Lucerne, bringing the number of stores to 108 as at March 2024. In 2024, two additional flagship stores will be opened in top locations in Geneva and Zurich.

Rating Upgrade

Salt's consistent business performance in recent years also had a positive impact on financing. 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. In addition, Salt successfully secured in January 2024 a EUR 150 million term loan facility as an incremental facility under its existing senior facilities agreement. Combined, these two financial instruments now fully address the upcoming maturity in September 2024.

Enhanced Sustainability Focus and Reporting

In 2023, Salt strengthened its effort by appointing a dedicated manager for ESG. Salt is completing its transition to PHEV for the eligible population in the fields of Project Management, Technology and Sales, and is further endorsing circular economy practices through its Buy-Back and Refurbished Equipment program. The adoption of social responsibility and sustainability policies, alongside enhanced data protection measures, underscore Salt's pledge to ethical practices and transparency.

Committed to Sustain Momentum and Deliver Best Value for Money

Salt's strategy of offering Swiss consumers and enterprises high-quality telecommunications services at attractive rates has proven to be very successful in recent years. With its strong customer focus, excellent products, the expansion of partnerships and increasing FTTH reach, there is further growth potential in the coming years that Salt intends to consistently exploit.

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Max Nunziata, CEO: *"As a proven challenger in the Swiss market, we are determined to offer the best value for money in all customer segments. We are also the smart choice for businesses from small to large. Our team is engaged and focused on delivering this promise every day."*

About Salt

Salt stands for innovation in Mobile, Internet and TV. The company offers premium products in the Swiss telecommunications market, at attractive prices. An outstanding mobile network (Connect, 2024), the country's best performing internet connection (Nperf, 2023), 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), outstanding mobile network (Connect, 2024), best performing internet connection (Nperf, 2023), 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 1,100 employees and serves 1,602,800 postpaid mobile and more than 223,000 broadband customers across Switzerland. Salt currently offers 99.9% population mobile coverage.

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