

2018 Financial Results

28 February 2019

Sunrise

Agenda

Summary

2018 Review

Q4 Financials

Outlook

Q&A

Summary

Entering growth mode in 2018, after
stabilization in 2017 – 5% higher
dividends proposed

Olaf Swantee
CEO

Summary

- **FY'18** confirms Sunrise's transformation into Switzerland's quality challenger
 - Growth investments paying off, leading to **strong customer growth**, market share gains, successful B2B transition, and organic adj. **EBITDA growth**
 - Amongst the world's leading mobile networks, with rating 'outstanding'
 - **5% dividend increase** proposed to AGM
- **Q4** with **strong trends**
 - Continued adj. EBITDA growth and highest postpaid net adds since 2010
 - B2B turnaround on-track, with large customer wins including 'Axpo' and Federal Office ITT
- **FY'19 guidance** with revenue and adj. EBITDA **growth**
 - Cash flow volatility due to spectrum and landline access investments, as highlighted previously
 - **Dividend policy confirmed** with 4-6% dividend progression in 2019, supported by normalized eFCF and reduced leverage after tower disposal
- Presentation based on numbers excl. IFRS 15 impact, except where indicated differently; IFRS 15 impact is CHF +0.4m (CHF +6.6m) on FY'18 revenue (adj. EBITDA)

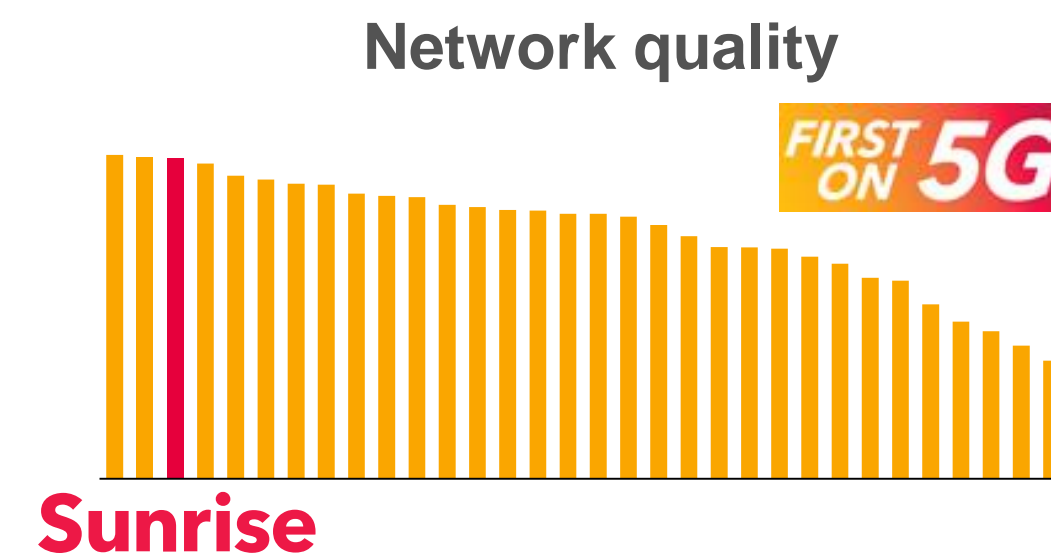
2018 Review

Growth investments driving market
share gains and EBITDA growth

Olaf Swantee
CEO

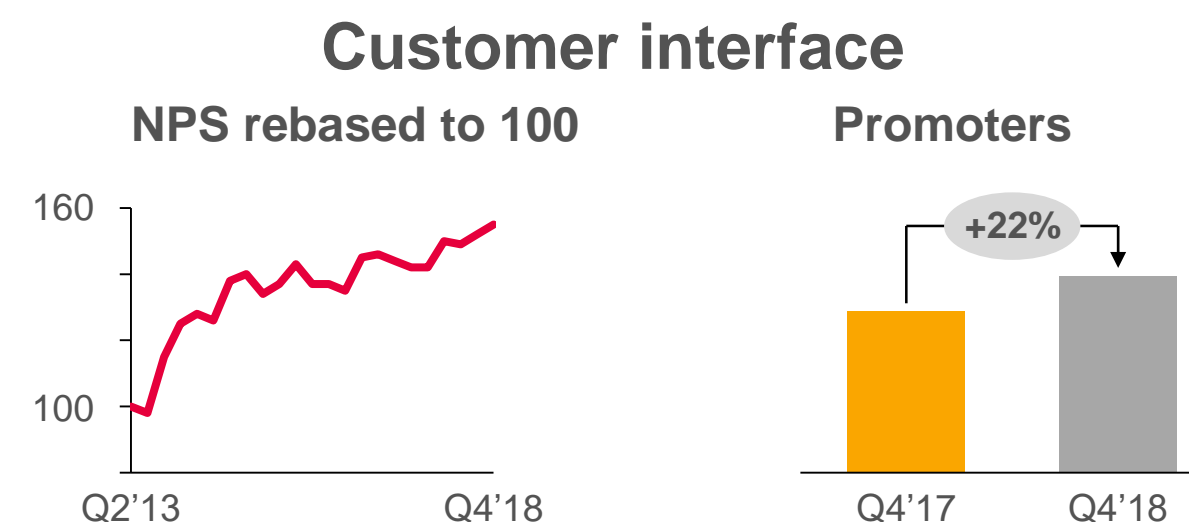
2018: Confirmed quality challenger position by cont'd growth investments ...

- Outstanding mobile network with leading **dropped call ratios**, 43Mbit/s average experienced **download speed**, and 99.9%/96.0% LTE population/geographic coverage covering 64% YoY data growth
- Acquired 5G spectrum
- Landline access via FTTH, xDSL, and MBB



1 of the world's best mobile networks ¹⁾

- **NPS** strongly up since introduction in 2013, evidenced by **No. 1** ranking of 'large providers' in BILANZ category 'Support' ²⁾
- Ongoing shop refurbishment and opening of new shops, supporting lead in 'connect' mobile shop test ³⁾
- Increasing **online** distribution channel share
- Improved **brand** KPIs including Top of Mind Awareness and Purchase Intention



Improving NPS ⁴⁾

- FY'18 with **balanced** mobile tariff refresh and 'more for more' in internet; refresh of Sunrise Young tariff in Q4
- Sunrise amongst **first** European telcos with mobile services on new Apple and Samsung Watch
- Recent Apple collaborations: 'smartphone recycling' and 'lifestyle packs'
- **B2B** with Q4 launch of 'Unlimited Mobile Workplace' product strategy

Innovative converged products

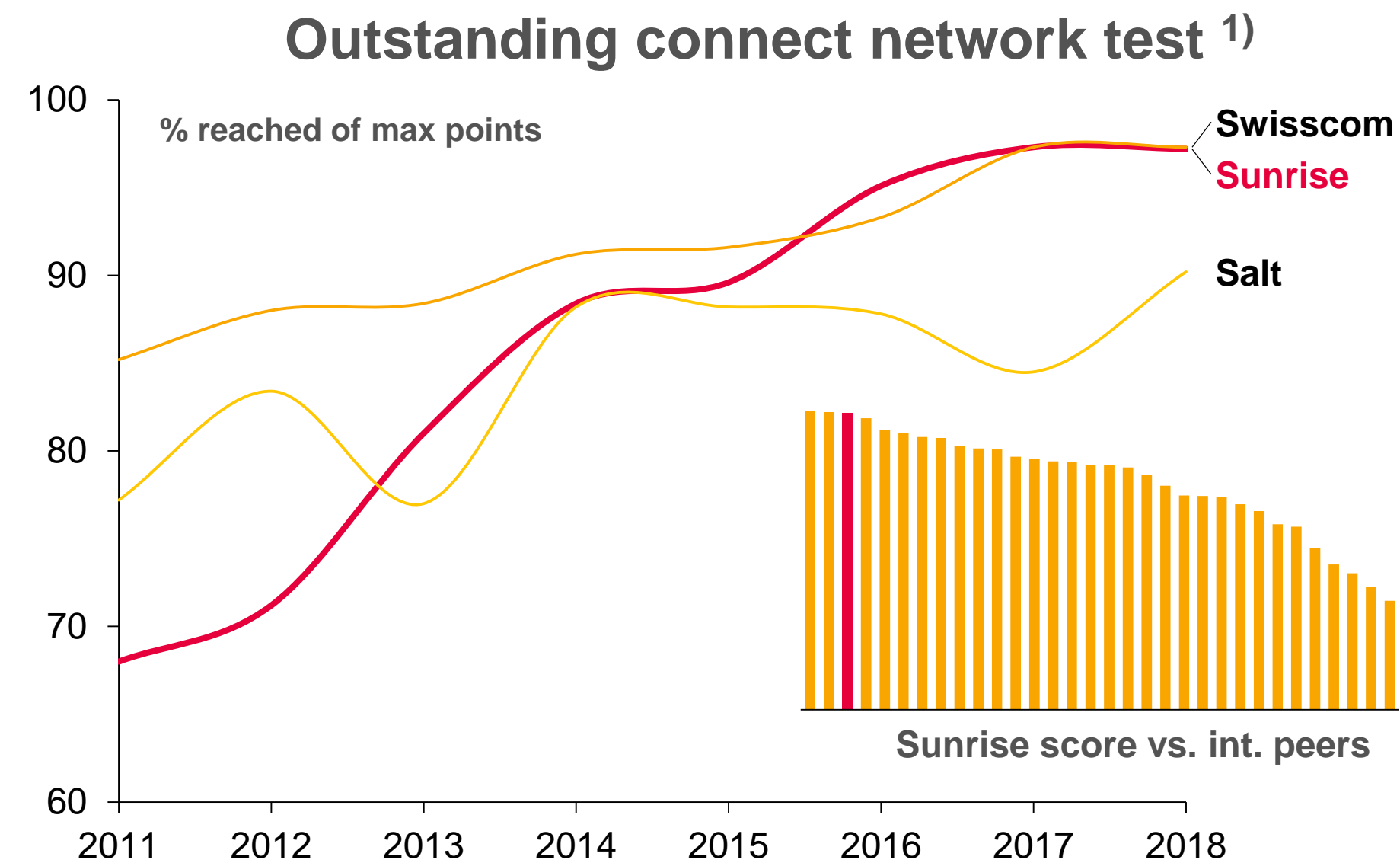
Sunrise ❤️ Freedom



Drive convergence

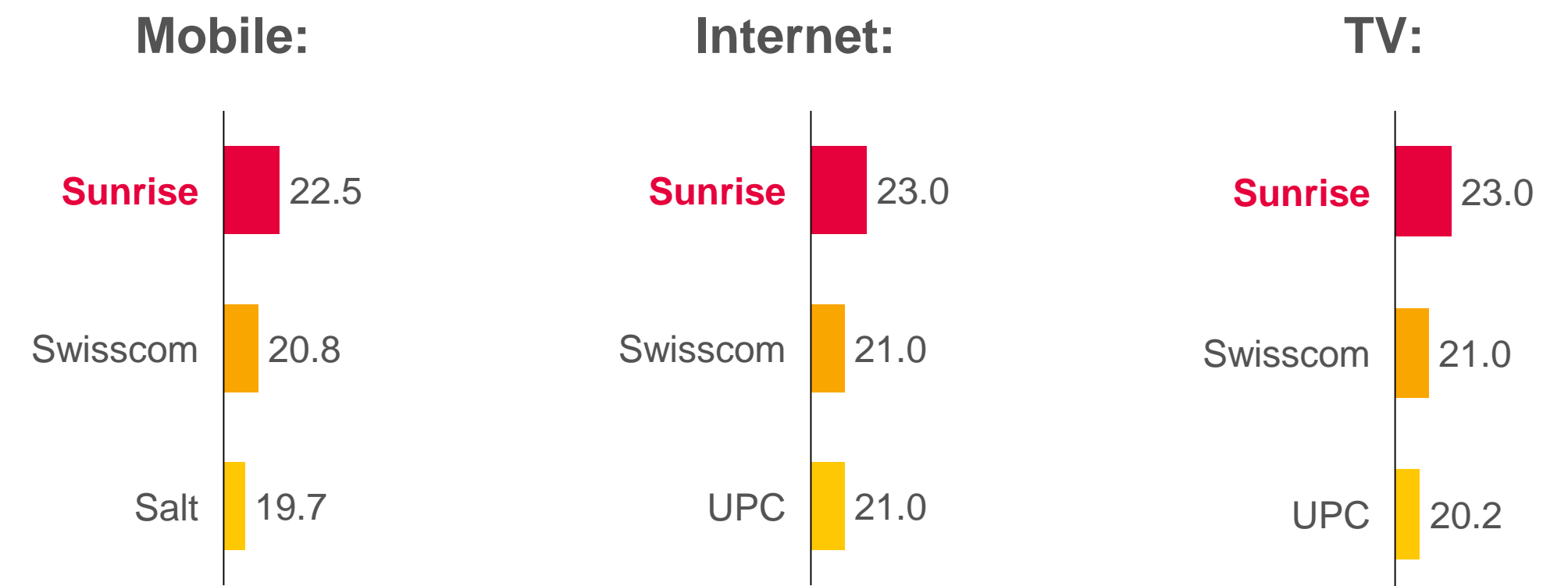
¹⁾ Source: www.connect.de and P3 (see appendix), ²⁾ Source: BILANZ 09 2018; referring to residential results; average rating across Mobile Telephony, TV, and Internet Service Provider except for Salt which is Mobile Telephony only in ranking, ³⁾ Source: Connect 07 2018 ⁴⁾ NPS (net promoter score) based on touchpoints (e.g. shops, call centers); Promoters focus on customer service only

... enabling one of the world's best mobile networks



- Sunrise provides one of the world's best mobile networks with a rating '**outstanding**' ¹⁾ for the third year in a row
- Leading subcategory 'voice' again and the drive test overall
- **43% improvement** since 2011 supported by investments into network quality

Strong BILANZ telecom ranking 2018 ²⁾



- Sunrise was once more rated the **best universal provider** for mobile, internet, TV and landline voice in residential and SME categories
- **9k telecom users participated** in independent annual survey published by magazine BILANZ

¹⁾ Source: connect 3/2019; www.connect.de; Scores: Swisscom 973, Sunrise 972, Salt 902; Sunrise score vs. international peers see appendix

²⁾ Residential results; Source: BILANZ 09 2018

... and a diversified landline access

Fiber

- ~30% fiber coverage
- Closed 20 years agreements with utilities and 3.5 years agreement with Swisscom
- **58% of internet net adds** via fiber in 2018



xDSL/Copper

- ~98% xDSL coverage via 3.5 years agreement with Swisscom
- Own LLU with above 600 PoPs
- Expected **decreasing share** as customers migrate to FTTH or MBB

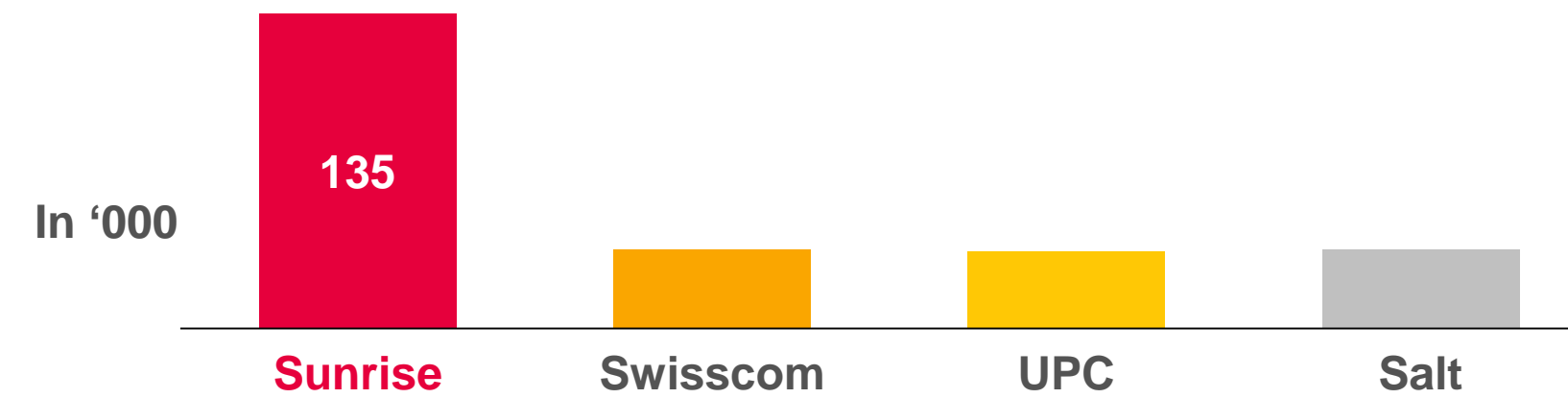
MBB



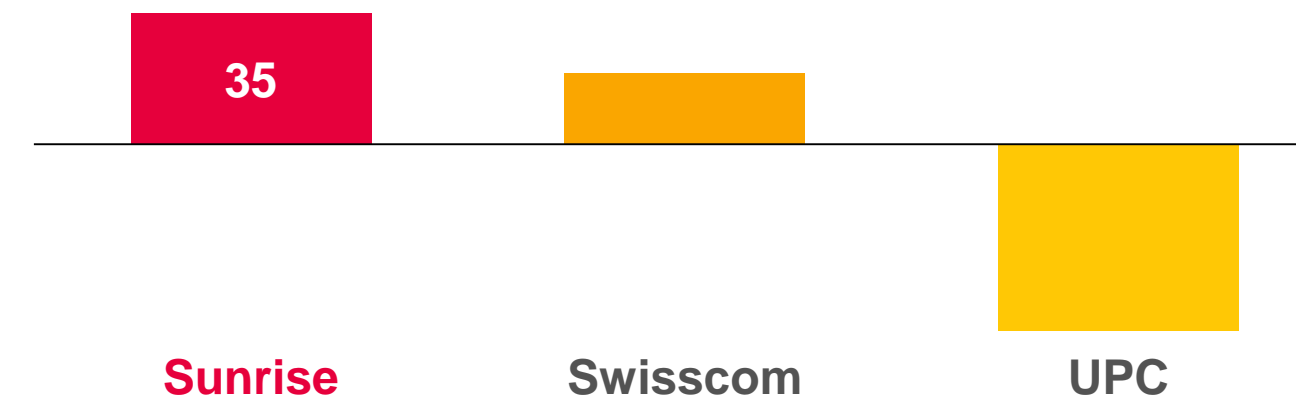
- **5G** roll-out expected to support use of mobile broadband (MBB)
- Fixed wireless **substitution** outside FTTH areas
- **Attractive** margins

... driving market share gains in 2018

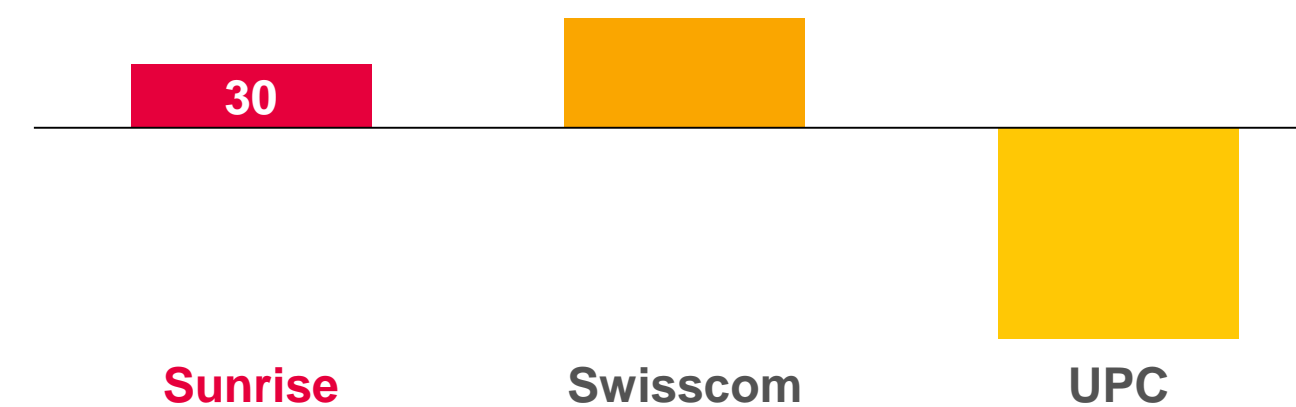
Mobile Postpaid net adds 2018 ¹⁾



Internet net adds 2018 ¹⁾



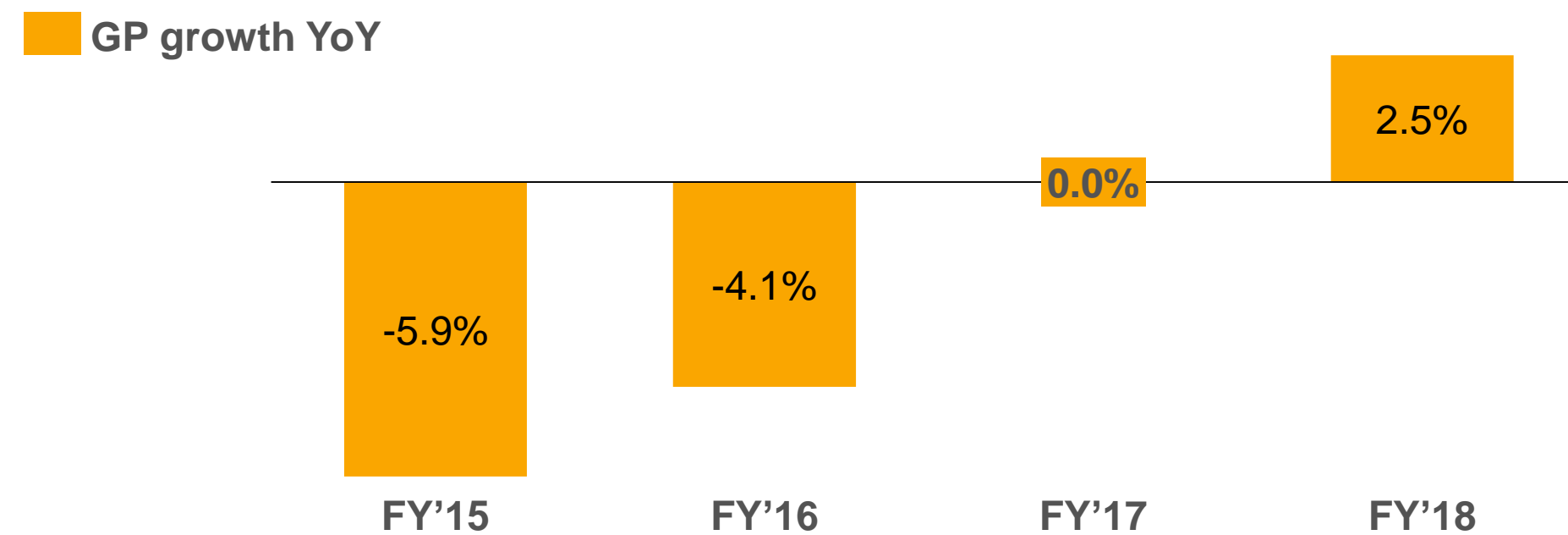
TV net adds 2018 ¹⁾



¹⁾ Salt: no internet/ TV net adds published by Salt; Salt and UPC net adds are based on actuals (Q1-Q3) and estimate (Q4)

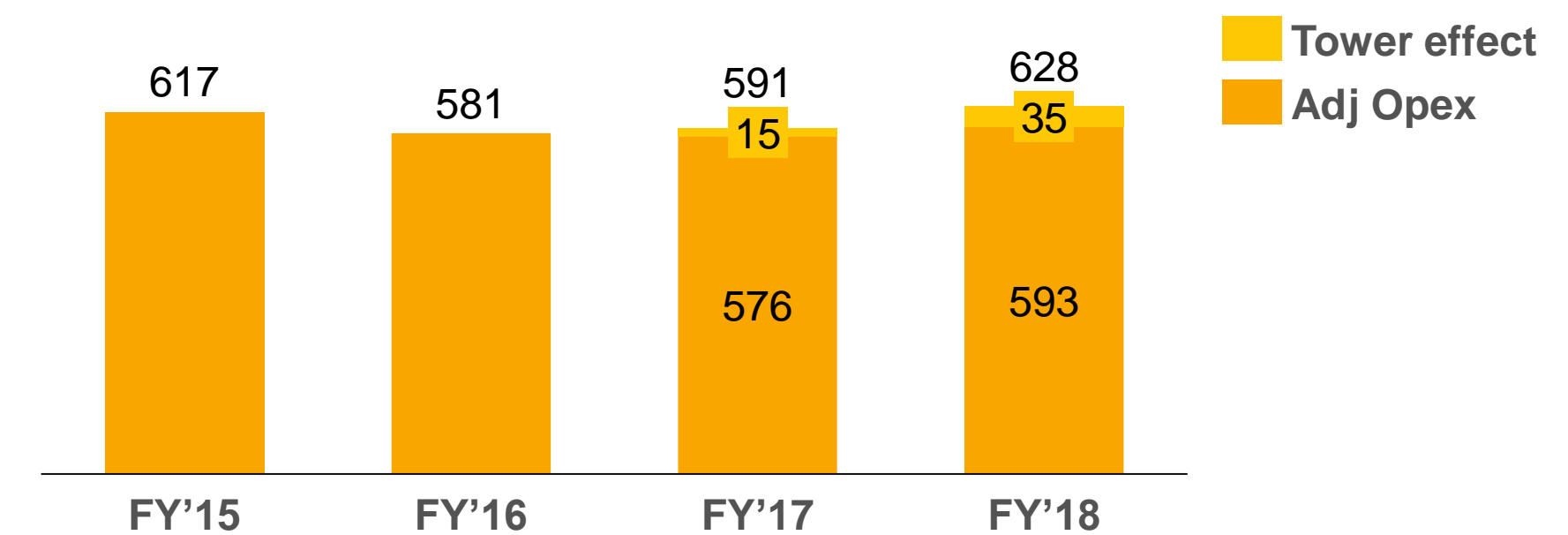
... leading to GP increase, partly reinvested into growth

Gross profit entering growth territory ¹⁾



- **Gross profit improved** to CHF 1,223m in FY'18
- Driven by customer growth and B2B momentum, now able to over compensate for lower ARPUs in landline voice and prepaid

Gross profit partly reinvested into growth



- **Adj. Opex up** like-for-like in FY'18
- Gross profit reinvested into operational momentum, such as commercial expenses and front line (e.g. shops, B2B staff, B2B support center)

¹⁾ FY15 YoY comparison impacted by introduction of Freedom' tariffs in Q2 2014 (no hardware subsidy any longer), which increased COGS and reduced OPEX

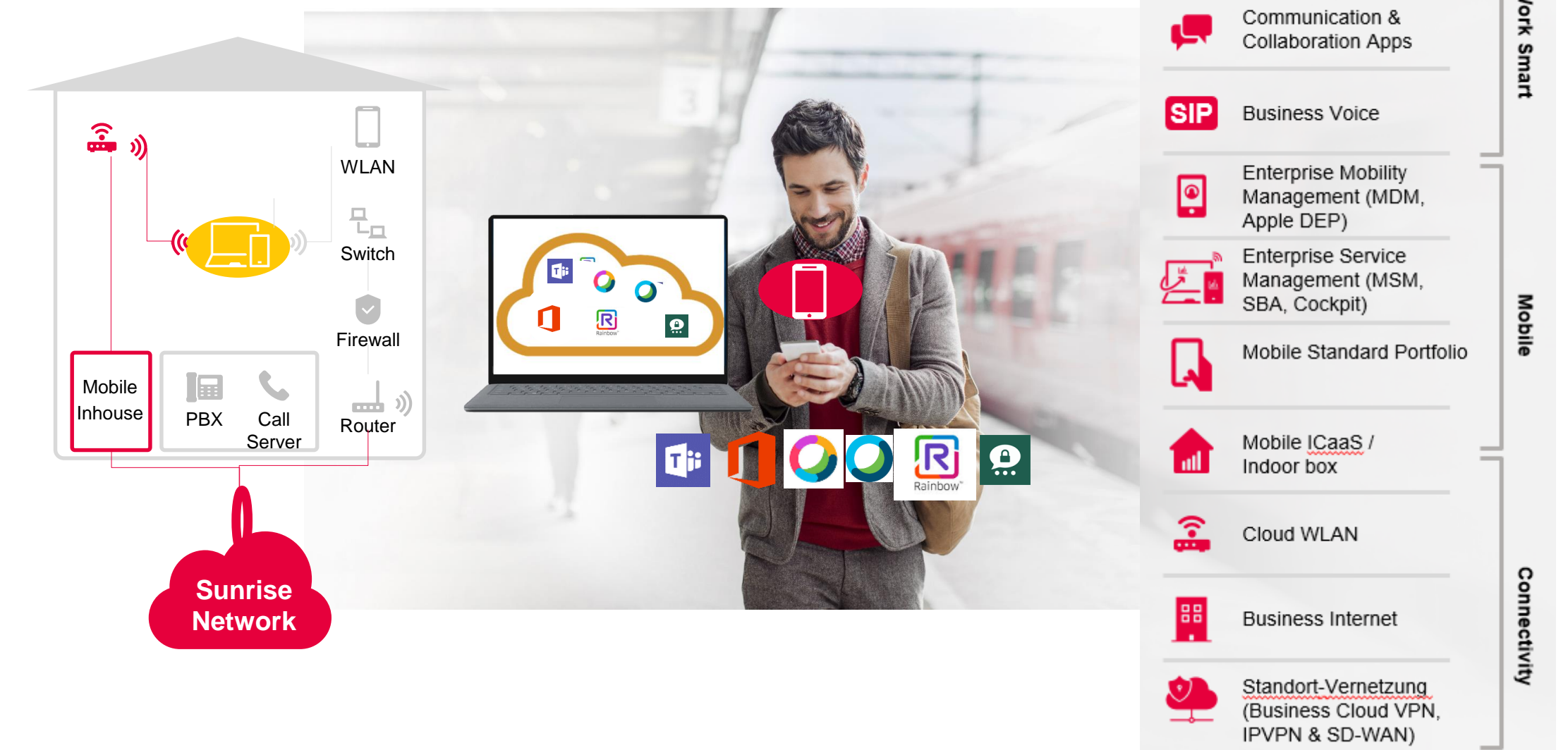
... to turn B2B into growth

Major B2B customer wins translated into positive GP momentum



- Positive momentum confirmed by **improving GP**
- Recent investments into sales force and support center to support momentum
- Q4 **customer wins**: Axpo and 'Federal Office of Information Technology, Systems and Telecommunication'

B2B product strategy refreshed in Q4'18



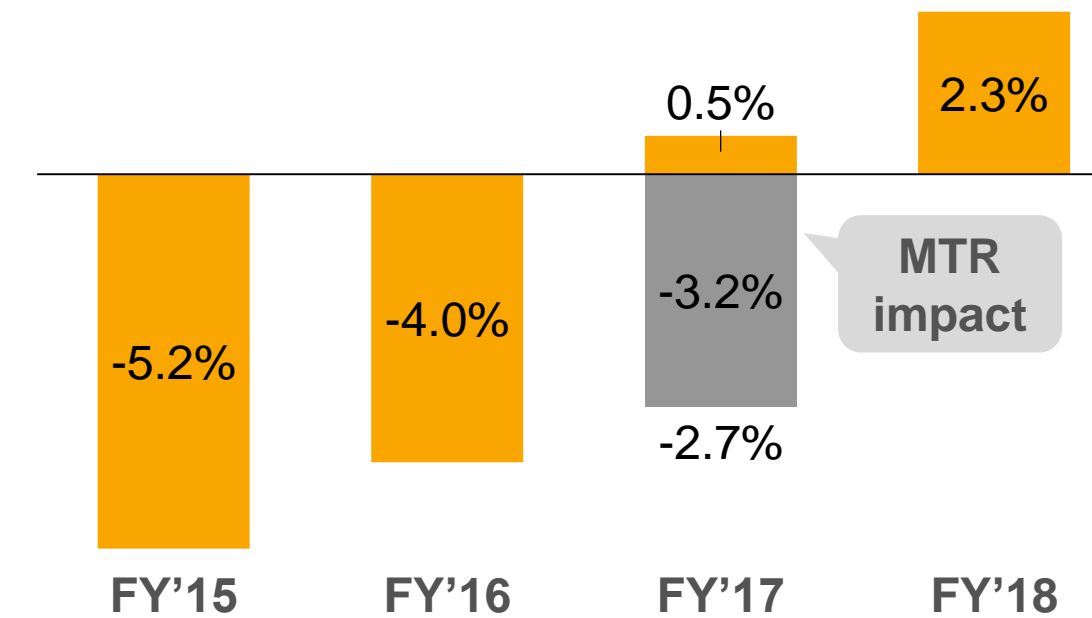
- Dedicated focus on **unlimited mobile workplace**
- Open ecosystem
- Product aggregation

Sunrise with EBITDA and dividend growth

Service revenue growth

1

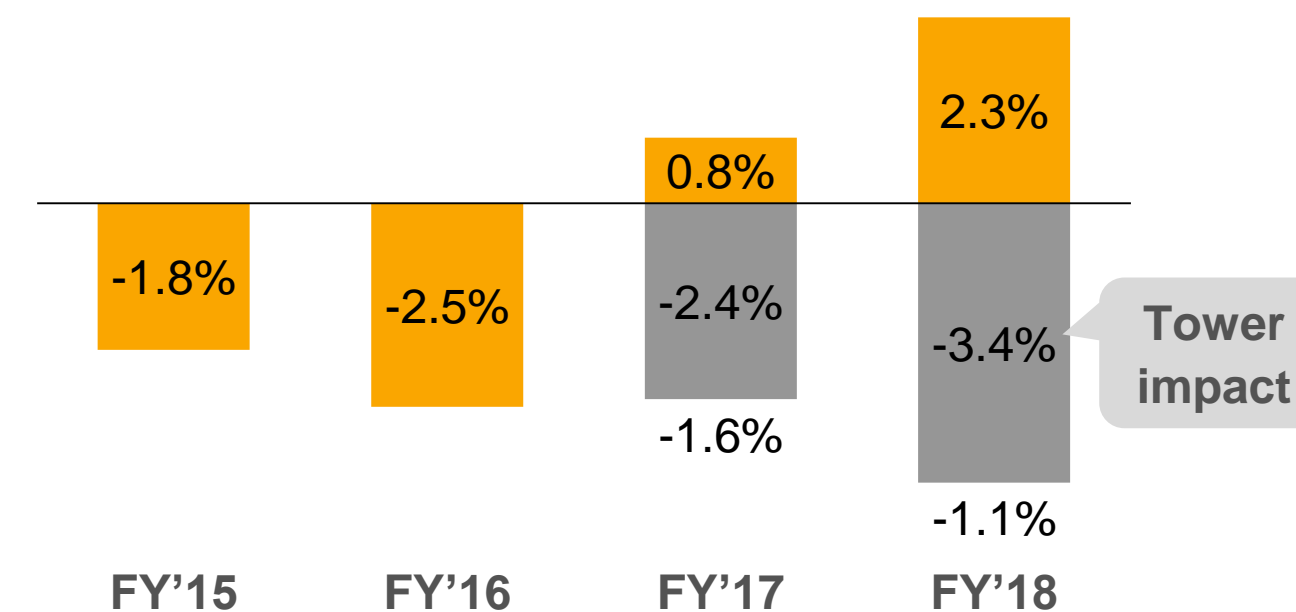
Strong B2B and customer **momentum** driven by growth investments, now able to over compensate for lower ARPUs



Adj. EBITDA growth

2

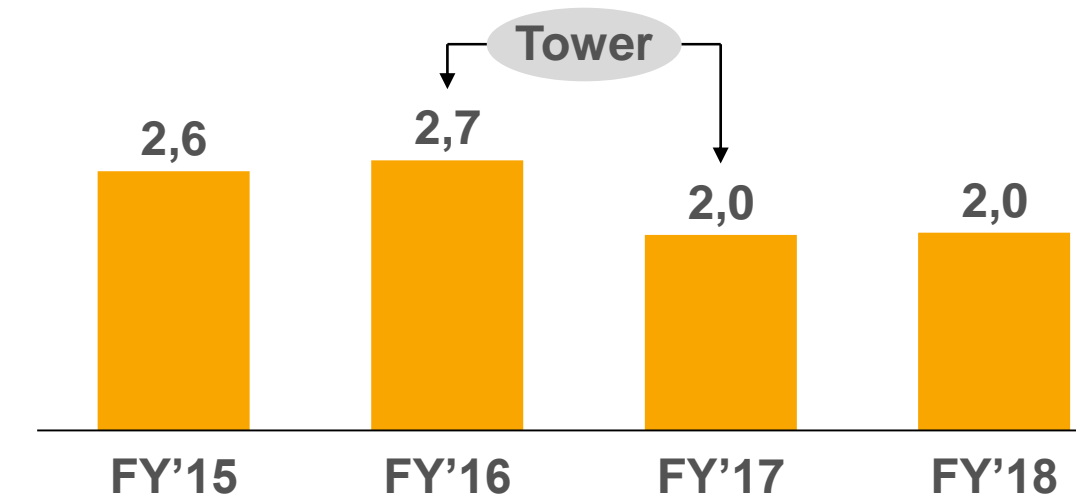
Reached organic **growth** with gross profit partly reinvested into key priorities



Leverage ratio stable

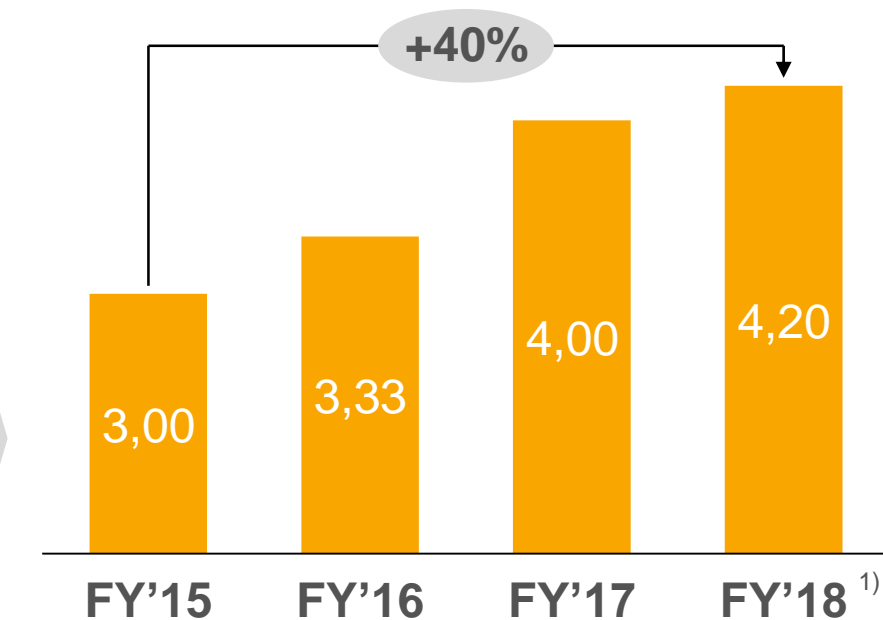
3

Net debt/adj. EBITDA stable



4

Dividend per share



¹⁾ Recommended by the BoD to the AGM

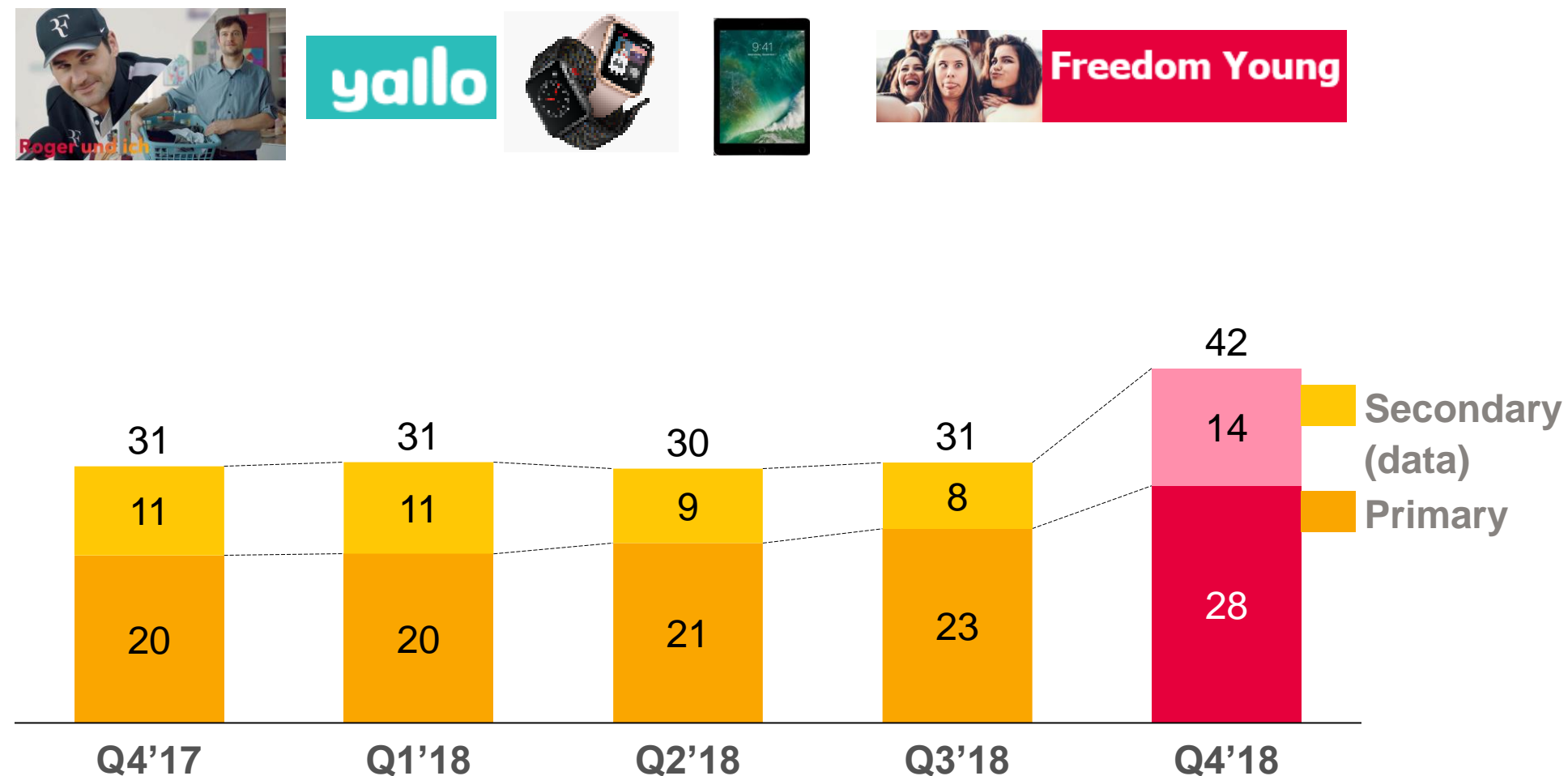
Q4 Financials

Adjusted EBITDA growth and highest
postpaid net adds since 2010

André Krause
CFO

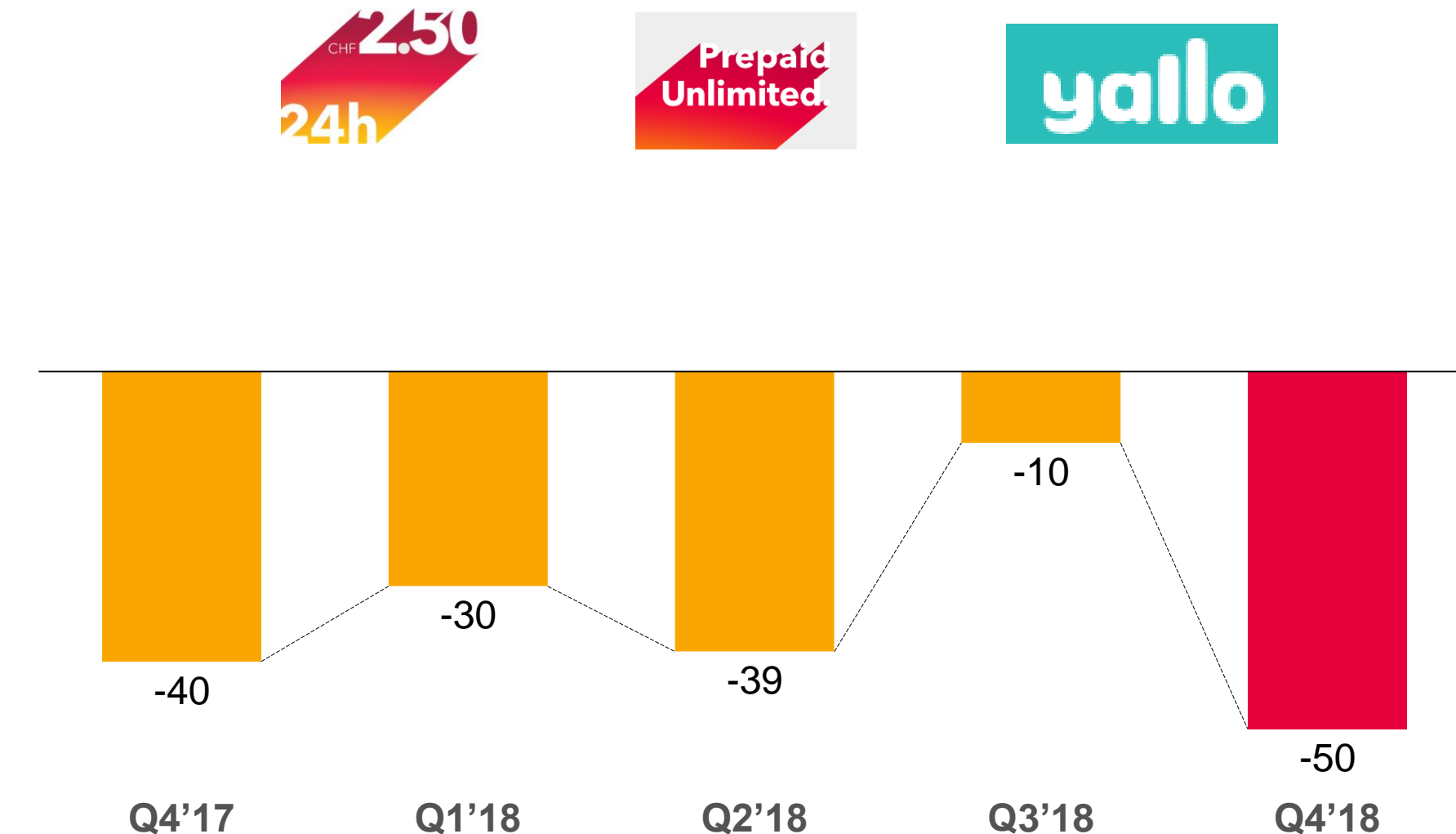
Strongest postpaid net adds since 2010

Postpaid mobile net adds ('000)



- **Postpaid** with strongest net adds since 2010, leading to 1.73m total subscriptions (+8.5% YoY)
- Primary SIMs driven by all segments, strong network quality, broad product offering with attractive price performance ratio, diversified distribution channels, as well as increased commercial and promotional intensity
- Secondary data SIMs supported by demand for mobile broadband and Apple Watch

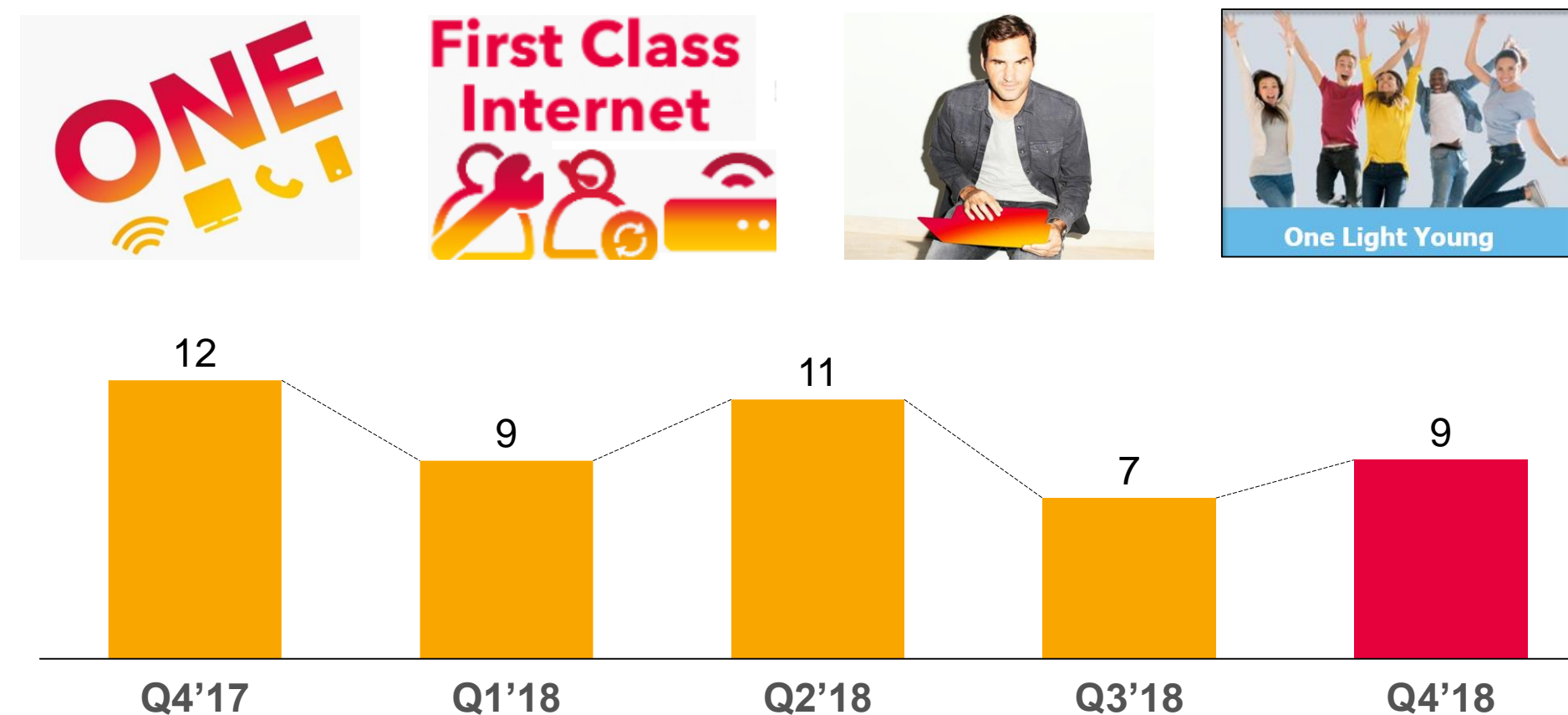
Prepaid mobile net adds ('000)



- **Prepaid** with ongoing pre- to postpaid migration, leading to 628k total subscriptions
- Q4 negatively impacted by seasonality as in previous years
- Sunrise brand solid; ethnic segment with pre- to postpaid migration and customer losses related to migration after reduction from two to one ethnic brand
- Focus on valuable customer in-take maintained

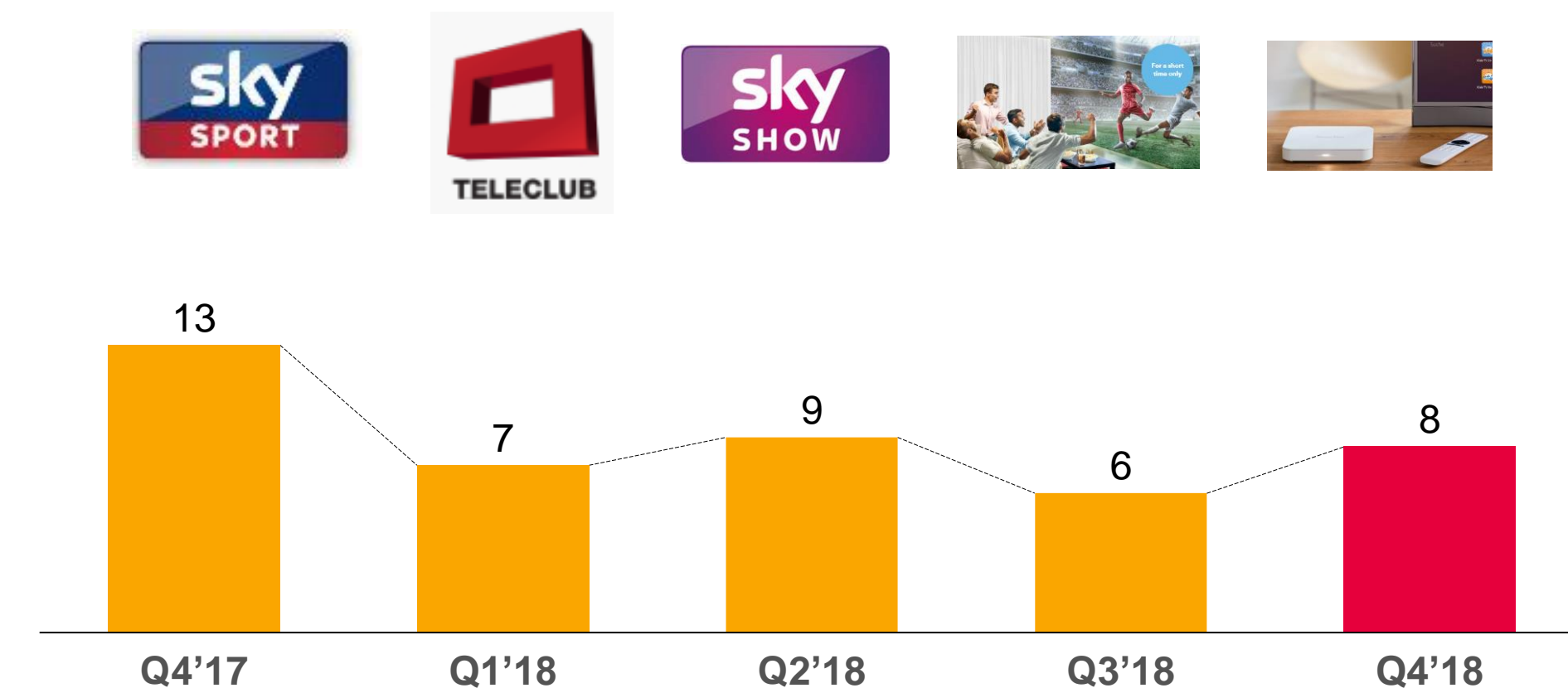
Growing internet and TV customer base

Internet net adds ('000)



- **Internet continues to grow customer base:** Sunrise now has 457k internet subscriptions
- Q4 with attractive B2B internet customer wins and new 3P offering for customers below 30 years old
- ~53% of Q4 internet net adds on fiber; increased online distribution channel share
- Converged tariff 'Sunrise ONE' supported growth
- Focus on service excellence including hassle-free switching

TV net adds ('000)



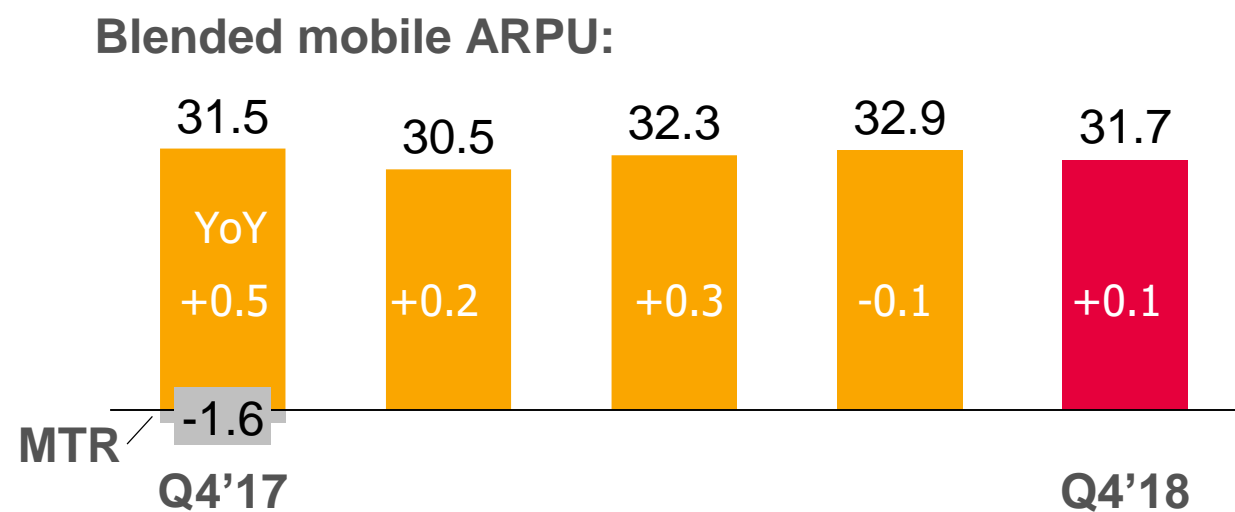
- **TV with solid growth:** Sunrise now has 244k TV subscriptions
- Supported by attractive Sunrise TV offering and improved TV sports content with Sky and Teleclub
- 19% YoY increase in 4P billed customer base

ARPU trends continuing

Blended mobile ARPU

(CHF, incl. IFRS 15 ¹⁾)

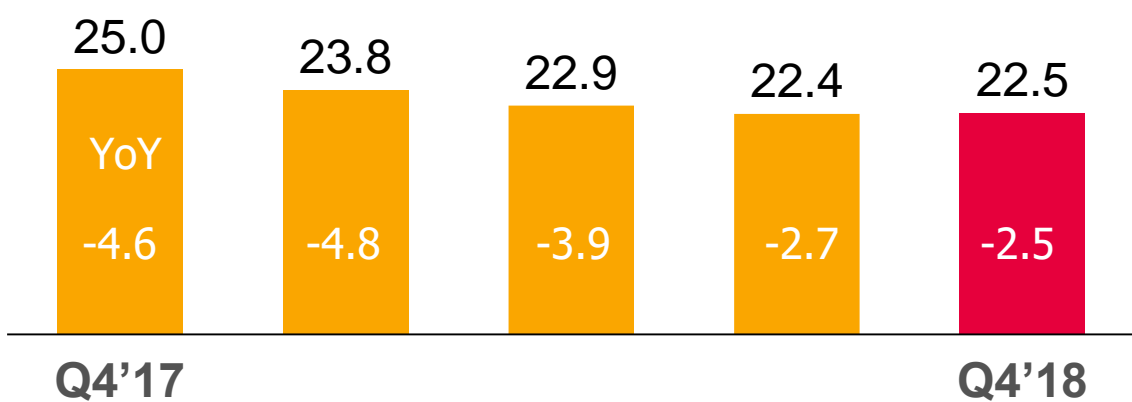
- **Blended mobile** ARPU stable YoY, as increasing postpaid subscriptions have higher ARPU than decreasing prepaid subscriptions
- **Postpaid** down CHF -1.5 YoY due to continued 2nd SIM dilution, MTR, and roaming; easing trend as Q3 (CHF -1.9 YoY) had roaming promos
- **Prepaid** decreased CHF -1.2 (Q3: CHF -1.1 YoY): high value prepaid customers migrating to postpaid and shift to OTT



Landline voice ARPU

(CHF, incl. IFRS 15)

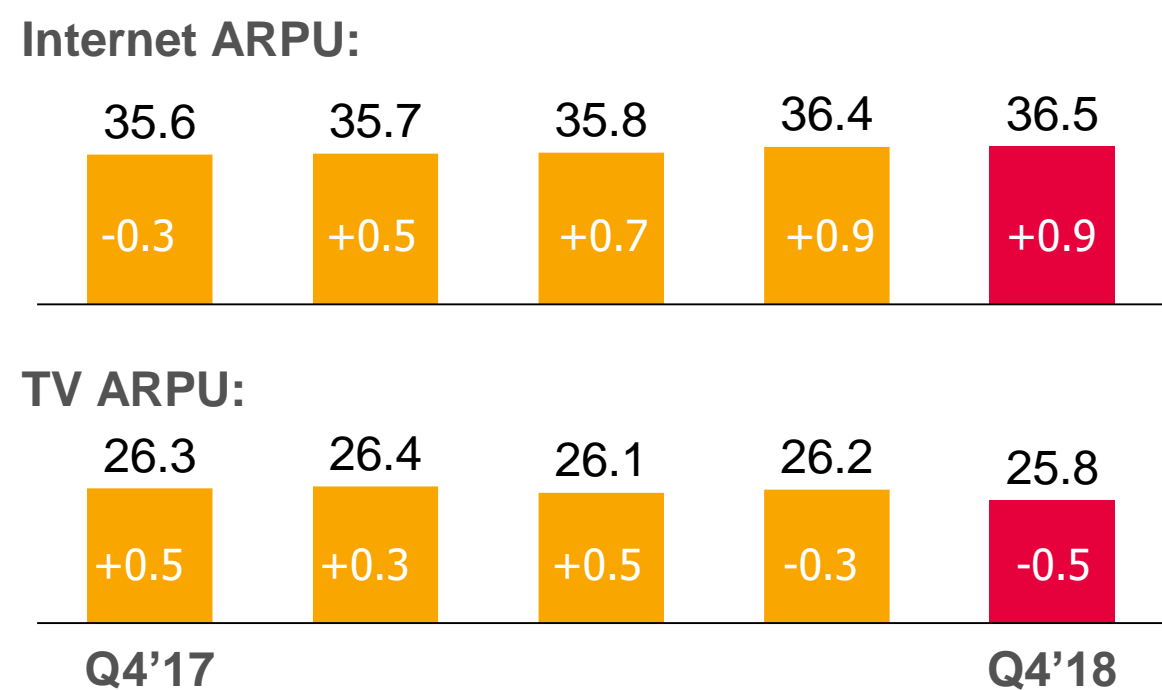
- **Landline voice** down CHF -2.5 YoY due to migration to flat rate packages and fixed to mobile/OTT migration resulting in reduced voice usage



Internet & TV ARPU

(CHF, incl. IFRS 15)

- **Internet & TV:** supported by 'more for more' move in Q3'18
- Trends also impacted by mix effects (e.g. Sunrise ONE) and promotions (TV)

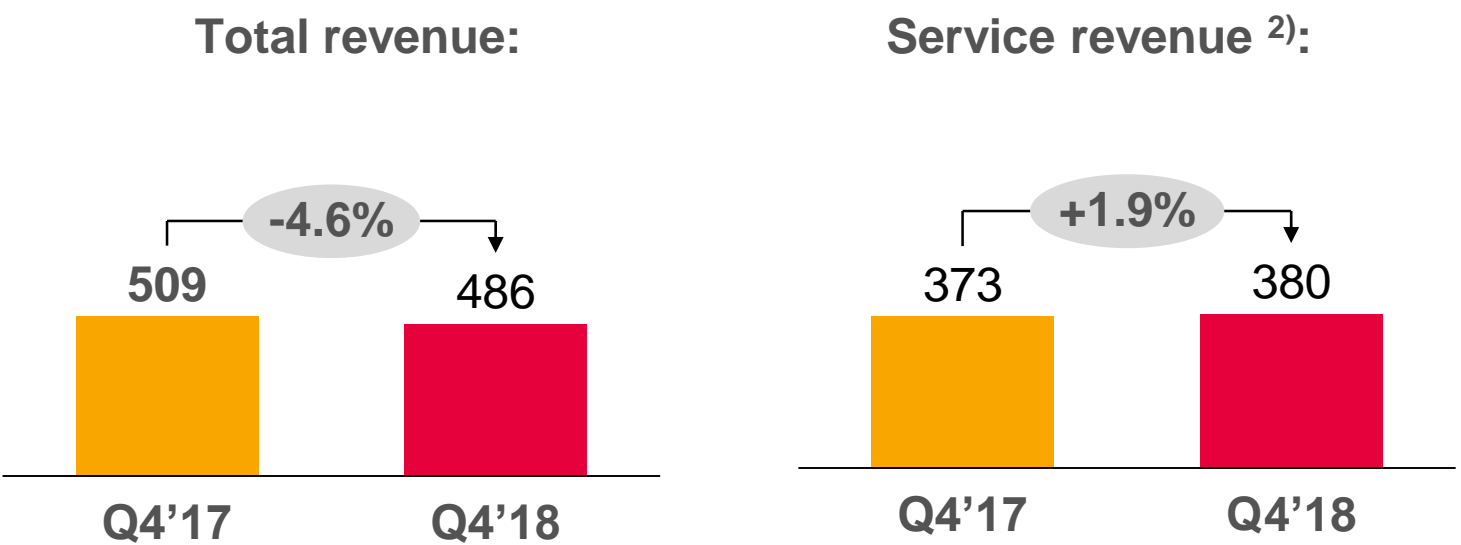


1) Q4'18 ARPUs excl. IFRS 15: Blended mobile CHF 31.8; landline voice CHF 22.5; internet CHF 36.4; TV CHF 25.5

Financial Overview Q4 *excl. IFRS 15* ¹⁾

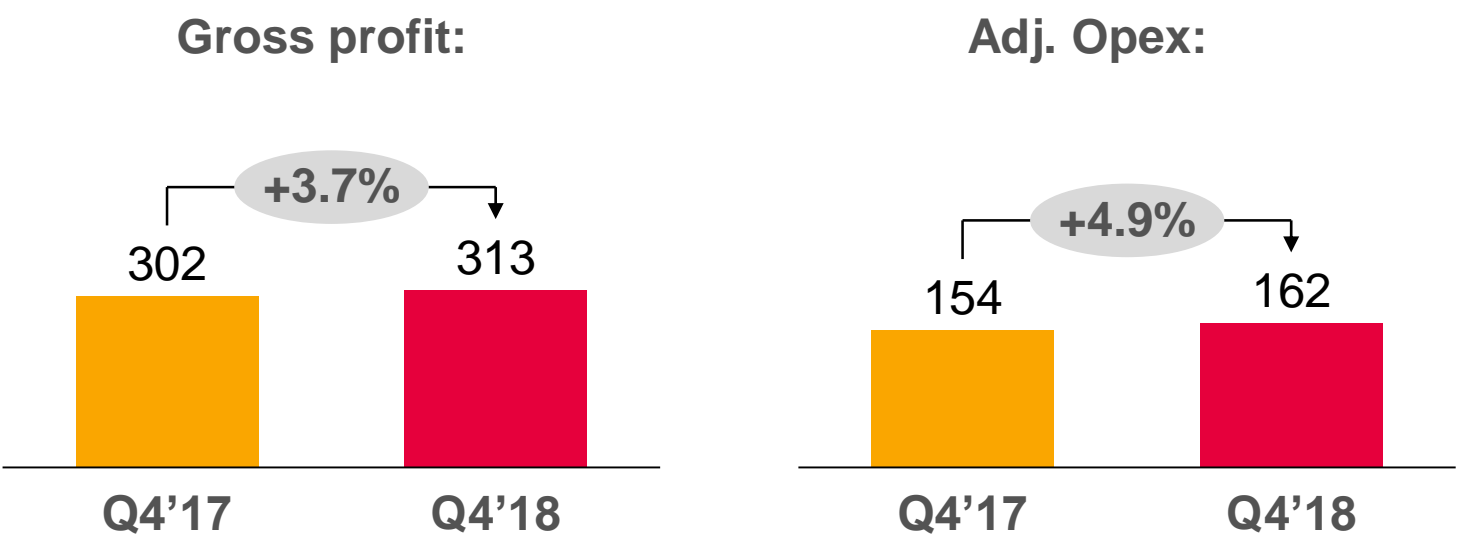
Revenue (CHFm)

- **Revenue down** -4.6% due to hardware and hubbing (both low margin)
- **Service revenue up** +1.9% driven by customer growth in postpaid and internet/TV; Q4 above Q3 run rate (+1.4% YoY), as latter was impacted by summer roaming promotions



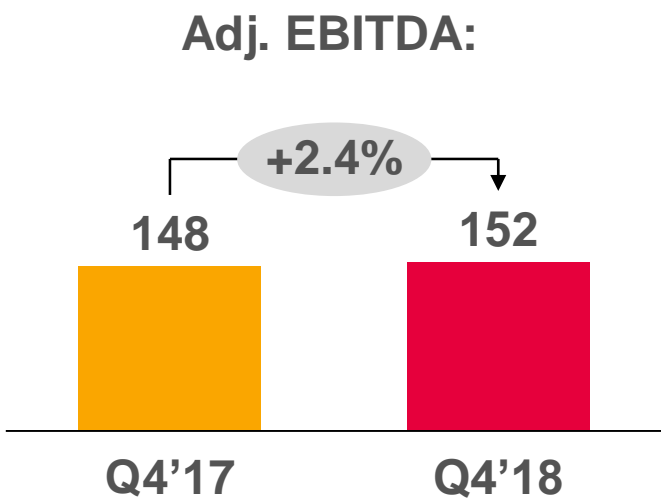
GP & adj. Opex (CHFm)

- **Gross profit growth** of +3.7% (Q3: +1.4%), driven by service revenue and service gross margin expansion
- Adj. Opex up +4.9% (Q3 tower adj.: +1.5%) due to growth expenses supporting momentum



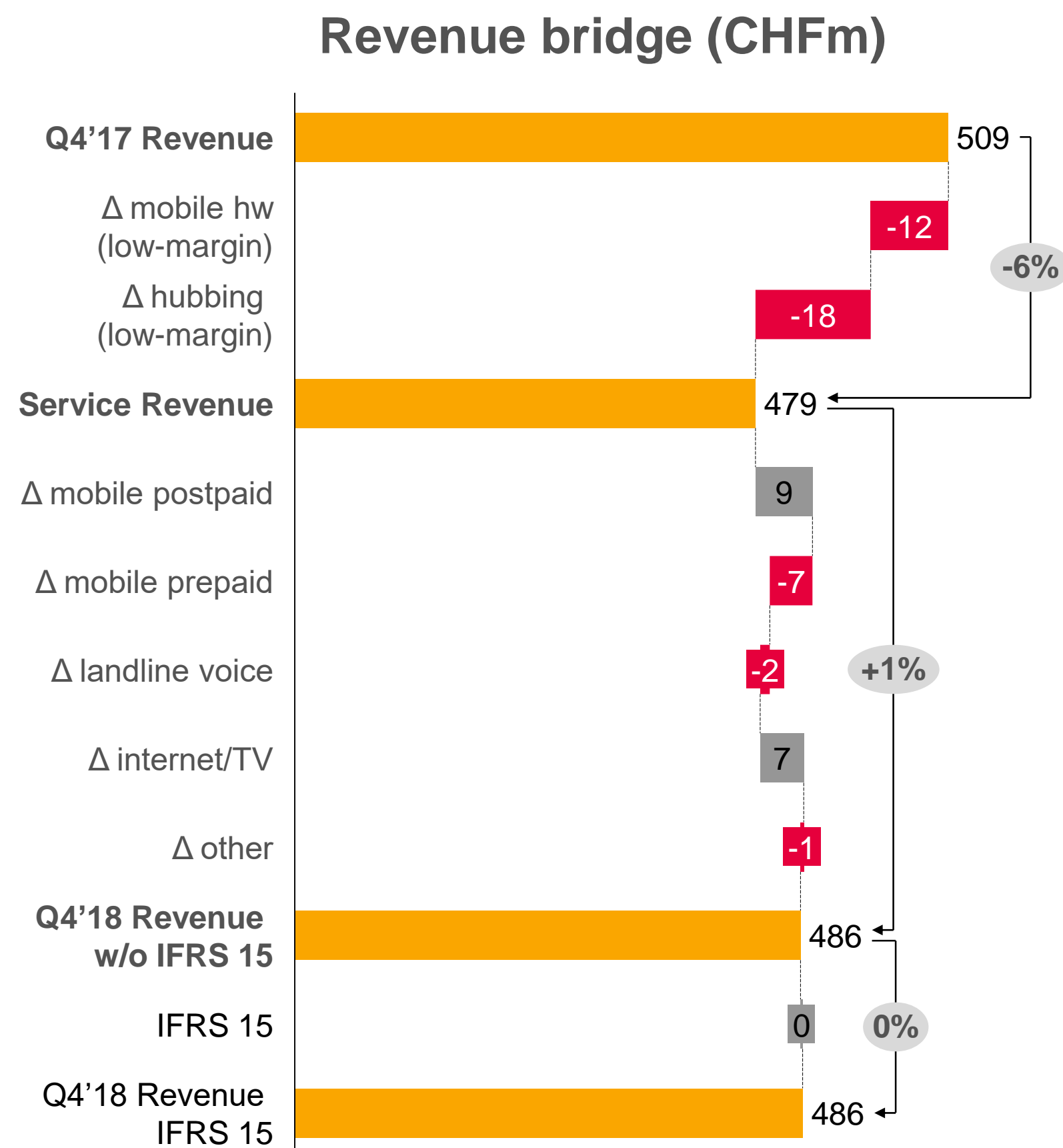
Adj. EBITDA (CHFm)

- **Adj. EBITDA up** +2.4% driven by gross profit
- Run rate above tower adj. Q3 (+1.3%) which was affected by summer roaming promotions



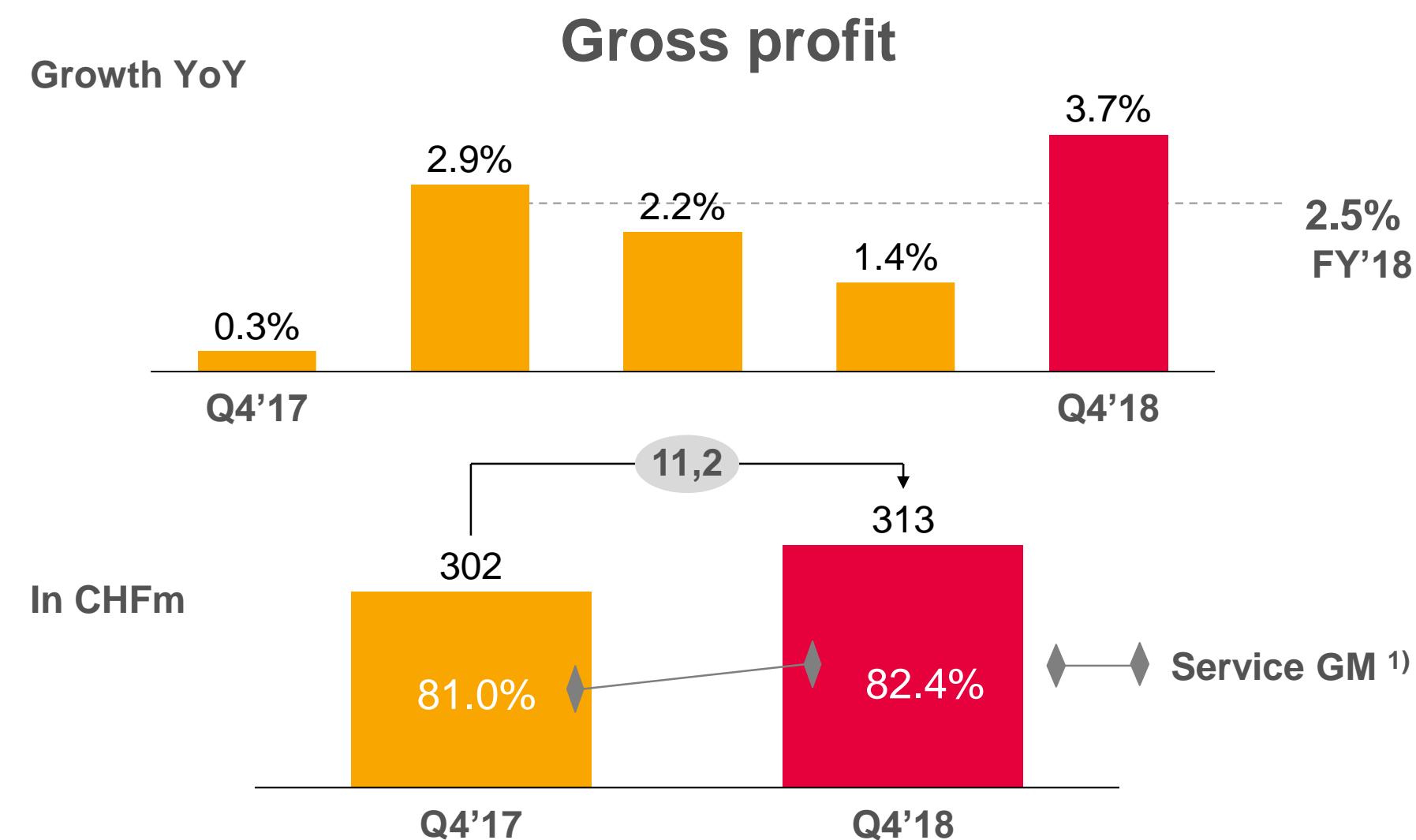
¹⁾ Incl. IFRS 15: Q4 revenue -4.6%, service revenue +1.8%; GP +3.4%, adj EBITDA +3.6%
²⁾ Service revenue is total revenue excluding hubbing and mobile hardware revenue, which are low margin

Service revenue growth driven by postpaid and internet/TV

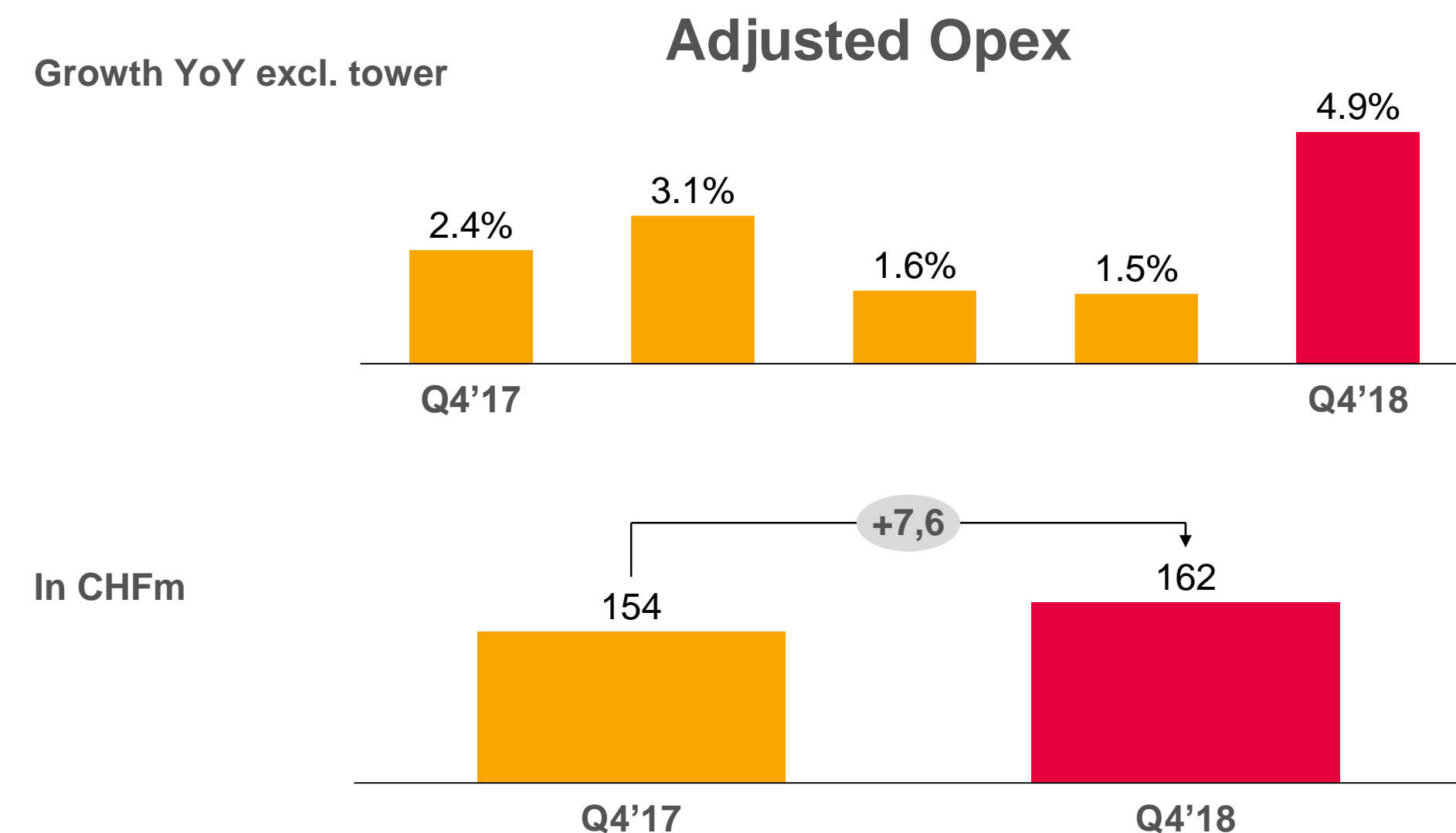


- **Mobile hardware:** depends on handset innovation, launches and pricing; variations across quarters lead to revenue volatility
- **Hubbing:** international trading business which is volatile by nature
- **Postpaid:** strong customer growth driven by investments into quality, offsetting lower ARPU
- **Prepaid:** pre- to postpaid migration and shift to OTT; prepaid accounting for ~4% of total revenue
- **Landline voice:** fixed to mobile substitution, migration to flat rates, and OTT; landline voice accounting for ~7% of total revenue
- **Internet/TV:** strong customer growth
- **Other:** includes lower-margin areas such as volatile B2B equipment sales and wholesale

GP growth partly reinvested into operational momentum



- **Gross profit** +3.7% in Q4, driven by service revenue growth and service GM expansion
- Service GM ¹⁾ up: Positive impacts of MTR, utility access deals, revenue mix, and a one-time effect coming from a roaming accounting change ²⁾

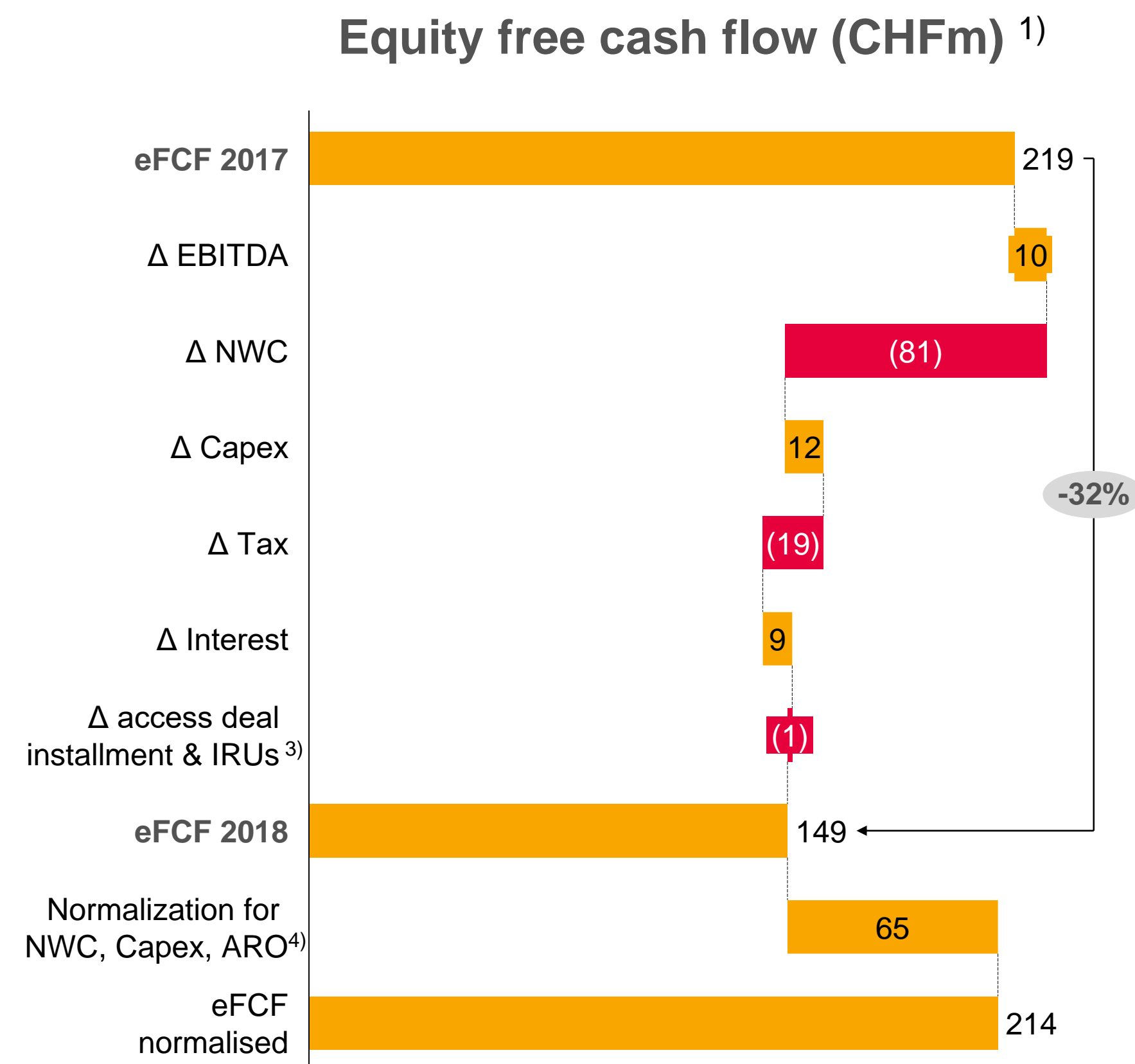


- Adj. **Opex up** to CHF 162m, extraordinary strong commercial success leading to strongest postpaid net adds since 2010
- Growth mainly driven by investments into operational momentum, such as marketing and front line (e.g. shops, B2B staff, B2B support center)

¹⁾ Service gross margin is calculated as total gross profit divided by service revenue (i.e. revenue excluding low-margin hardware and hubbing revenue)

²⁾ Sunrise updated its internal allocation key of roaming costs across quarters in 2018, which led to a positive impact on Q4'18 GM comparison YoY while it adversely affected Q3'18 GM comparison

Equity FCF down driven by non-recurring NWC effects



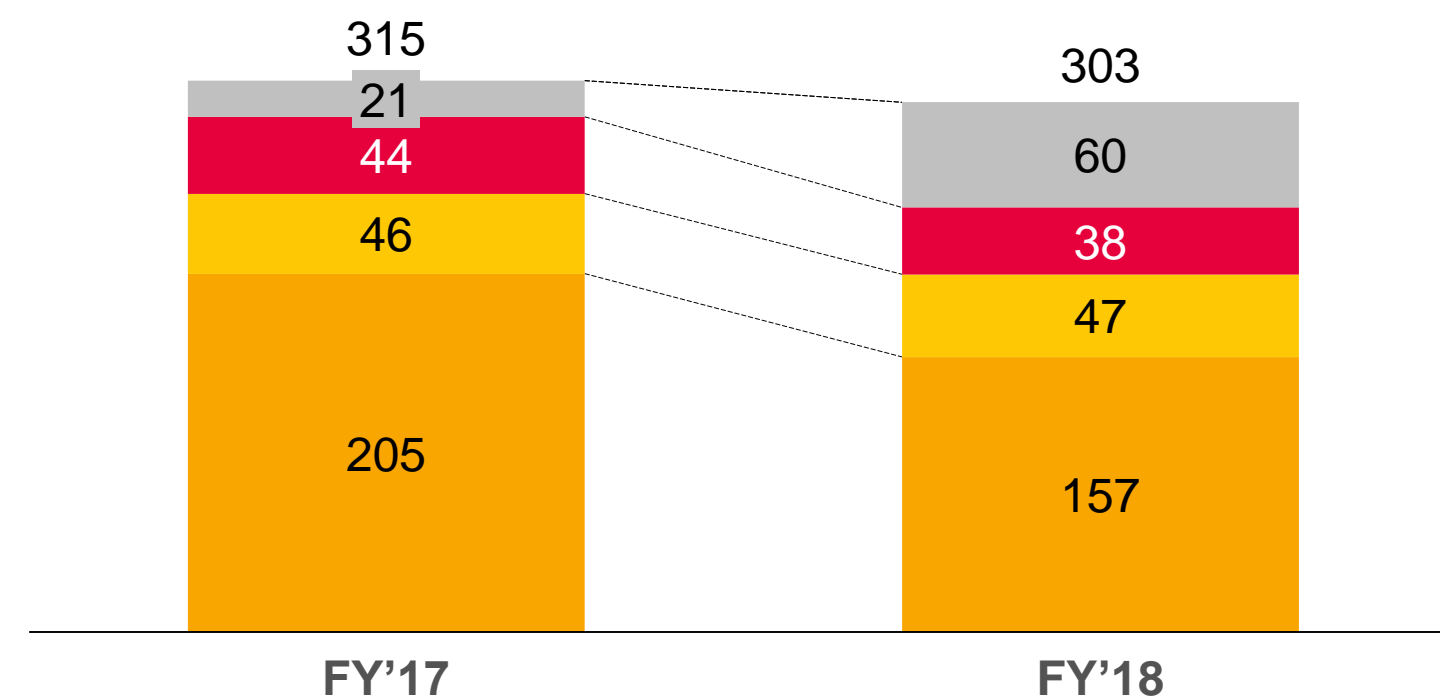
- **Reported EBITDA** up driven by organic growth, partly offset by higher network service fees after tower disposal
- **NWC:** Non-recurring positive effects last year (roaming discounts & tower disposal ²⁾) vs. expected non-recurring negative effects this year (reversal of roaming discounts & higher handset prices)
- **Capex** down despite utility upfront investments; 2017 Capex included reinvestments of tower proceeds
- **Tax** up as 2017 benefited from tax repayment for 2015 and lower tax payments for 2016 due to tax deductible impairment of investments
- **Interest expenses** down supported by debt refinancing in Q2 and reduced debt after tower disposal
- Proposed dividend of CHF 4.20 results in CHF 189m dividend pay-out, supported by normalized eFCF and reduced leverage after tower disposal

¹⁾ IFRS 15 has no impact on total eFCF as the impact on EBITDA is offset by the impact on NWC; EBITDA and NWC are based on IFRS 15 for 2018 and are without IFRS 15 for 2017

²⁾ Prepayment of expenses to Swiss Towers (CHF 25m) ³⁾ Also called "other financing activities" in IFRS report and in appendix ⁴⁾ Includes normalization for NWC (settlement of roaming discounts and higher handset prices), Capex (assuming linearized landline access fee payments to Swisscom and utilities), and reduction of asset retirement obligation (ARO)

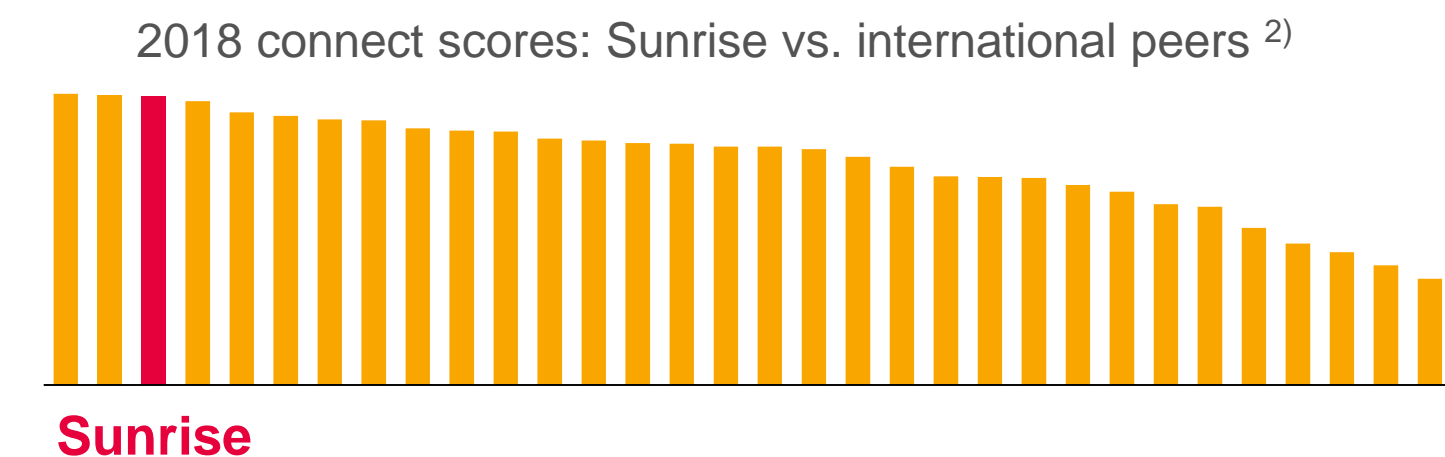
Growth investments driving momentum

Capex (CHFm)

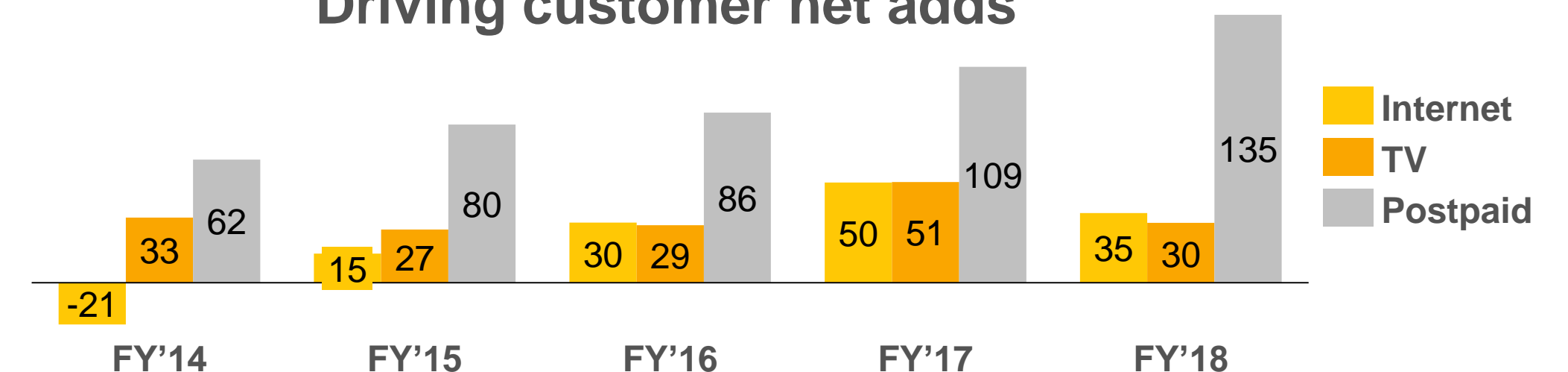


- **Landline access** includes upfront investment for landline access at utilities of CHF 60m in 2018 ¹⁾
- **Customer growth** mainly related to B2B customer project investments (incl. indoor coverage) and internet/TV growth (triggering capitalization of routers/set-top boxes)
- **Innovation & Development** investments to drive innovation, digitalization, and process improvements
- **Infrastructure** includes Capex into network, IT, shops and facility management; 2018 spent reduced after 2017 investments led to 95% LTE geographic coverage by YE'17; includes also change in Capex payables

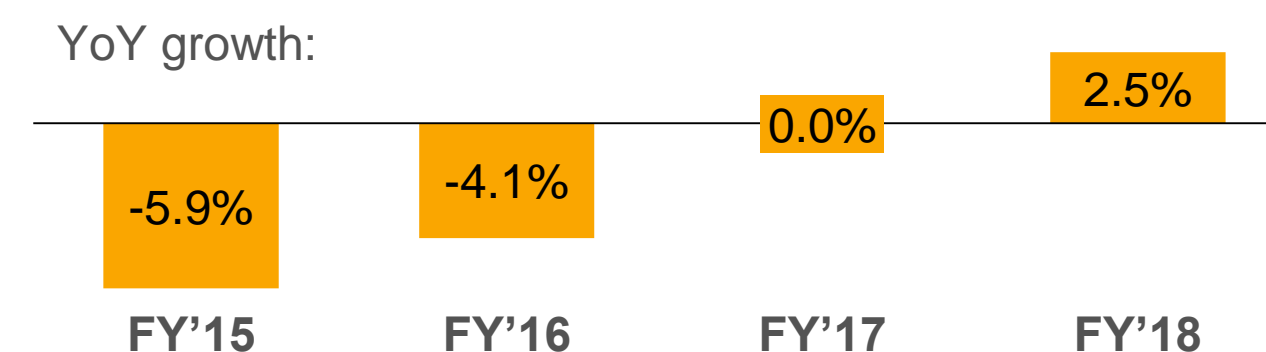
Top 3 international network quality



Driving customer net adds



Driving gross profit



¹⁾ See also investor presentation Q4'17 p.19 (extension of initial scope at utilities beyond 2018; NPV accretive)

²⁾ Source: www.connect.de and P3; see appendix

Outlook



Growing EBITDA and taking it to the next level with 5G

Olaf Swantee
CEO

2019 outlook

2018 achievements

Operational

- Market share gains confirmed Sunrise as the **quality** challenger; achieved balanced mobile tariff refresh despite competitive environment
- Amongst the world's leading mobile networks; first 5G trial networks launched
- Renewed **landline access** agreement with Swisscom; entered into LT agreements with utilities
- **B2B** transition on-track, including GP turnaround

Financial

- B2B and customer momentum led to revenue and **GP growth**, after stabilization in 2017
- Accelerated organic **EBITDA growth**, supported by reinvestments into operational momentum
- Leverage remained stable; refinanced debt
- 5% **dividend** increase proposed to AGM

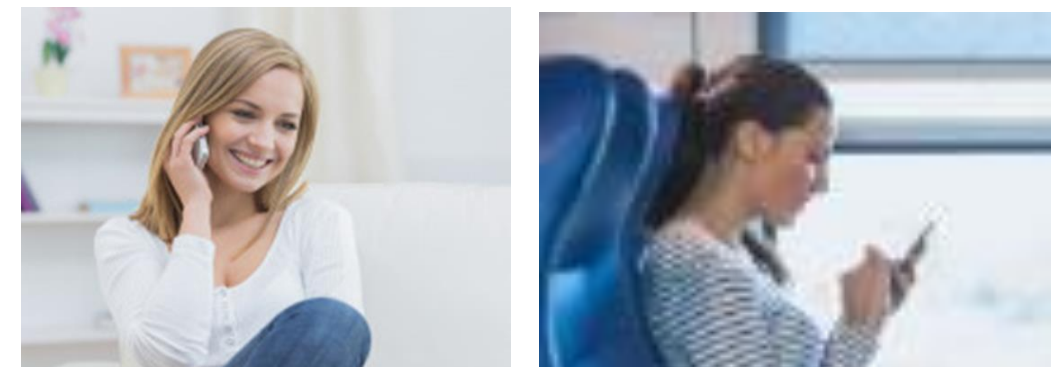
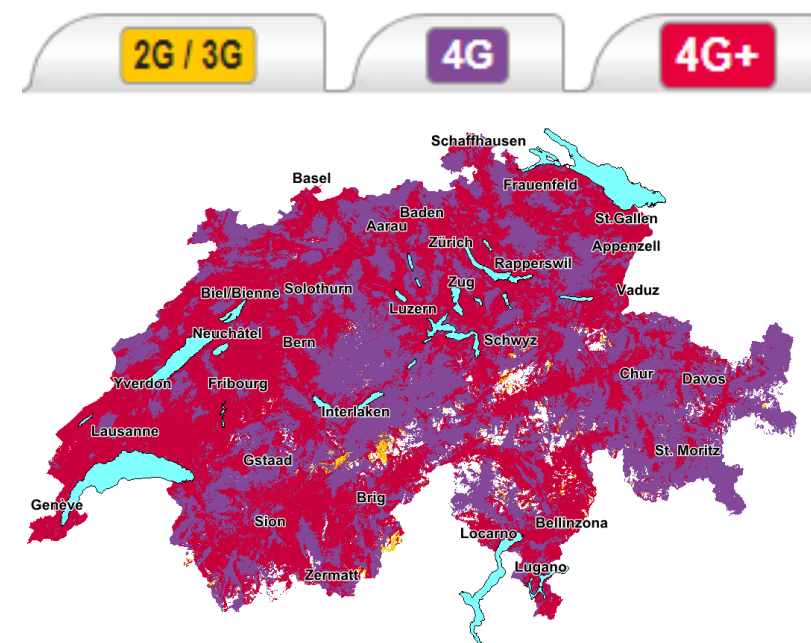
2019 objectives

- Use acquired spectrum to roll out **5G**
- Further diversify landline access via **MBB**, which has attractive margins as on own network
- Innovate and invest into network and service **quality**, to become the most loved telco in the eyes of our customers
- Confirm **B2B** momentum, supported by refreshed product strategy and testimonials of recent wins

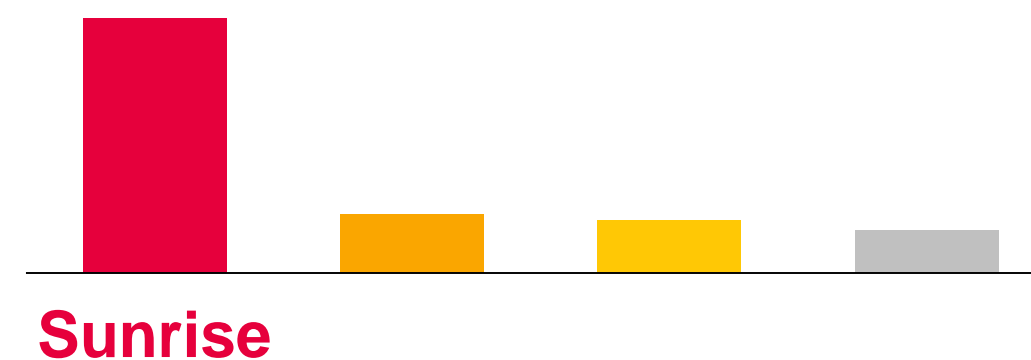
- Drive customer **momentum** by continued execution of 2018 achievements
- **Reinvest** GP and cost savings into operational momentum (commercial expenses, shops, B2B)
- Continue with **EBITDA growth**
- Spectrum and Swisscom landline access payments to create **eFCF volatility** in 2019

Taking it to the next level with 5G

4G leadership led to great momentum



Net adds 2018 postpaid



- **Record** breaking 96% 4G area coverage
- Solid base for 5G

- **Success** rate: VoLTE 99.9%, mobile internet 99.8%
- Download speed average >40 Mbit/s

- Solid market share **growth**

Continue success story with 5G



- **Dec 17:** speed record 5G demo
- **Jun 18:** 1st Swiss 5G trial live network
- **Nov 18:** 1st ski resort live with standardized 5G
- **31 Mar 19:** 5G in 150 cities /villages

Enhanced MBB Capacity



- Gigabytes in second: 5G with ~6x more capacity
- **Fixed wireless substitution** outside FTTH areas (MBB)
- ... and 4K/3D video, virtual reality, smart industry, autonom. cars, ...

Massive IoT Connectivity

Low Latency Ultra-High Reliability

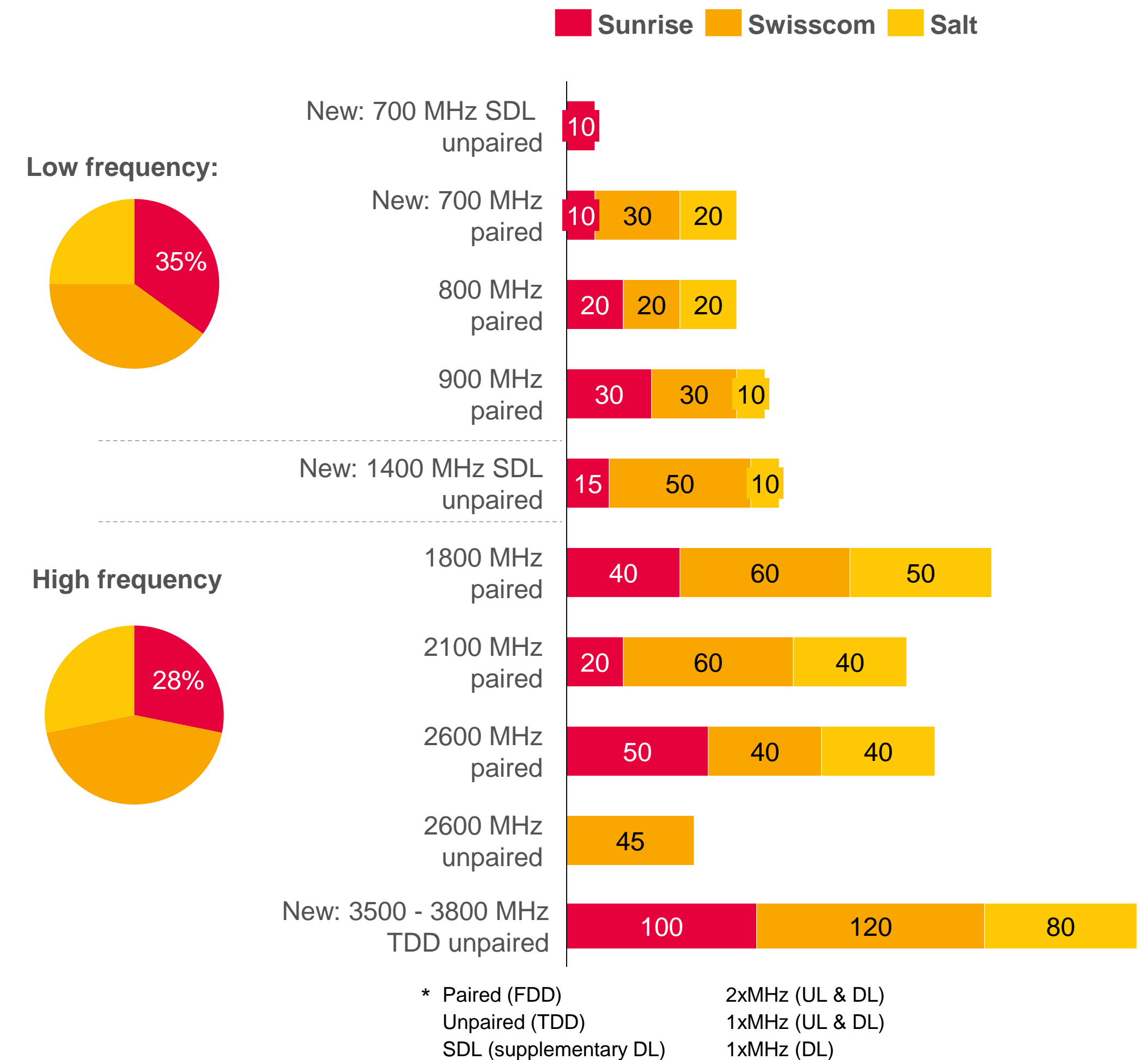
Sunrise is now optimally equipped to win 5G race



- New spectrum acquired for **favorable CHF 89m** ¹⁾ in Feb 19, leading to an excellent starting base for **5G**
- Complements existing spectrum: Sunrise now has spectrum above its mobile market shares in low and high frequencies
- New spectrum has **15 years** duration, while existing spectrum is valid until 2028
- 2018-20 progressive dividend guidance takes spectrum into account

¹⁾ Spectrum Capex guidance of CHF 91m includes CHF 2m additional capitalizable costs to obtain spectrum

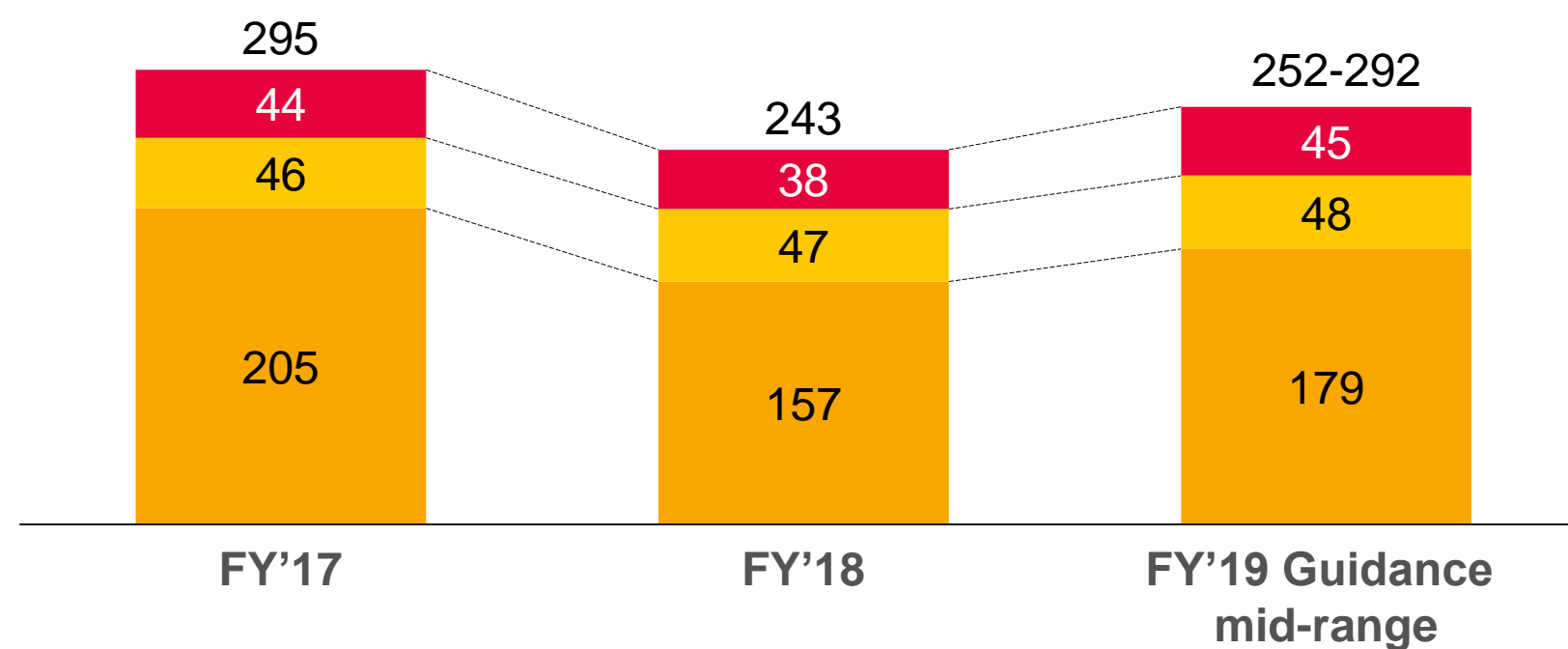
Spectrum in place (MHz)



5G financial impact

2019 Capex driven by accelerated 5G roll-out

CHFm; Capex excl. spectrum and landline access ¹⁾



- **Customer growth** mainly related to B2B customer project investments and internet/TV growth triggering capitalization of routers/set-top boxes; **5G** MBB set-top boxes currently more expensive as not yet standardised
- **Innovation & Development** investments to drive innovation, digitalization, and process improvements
- **Infrastructure** includes Capex into **5G** roll-out as well as into IT, shops and facility management

5G monetization

- Customer **momentum** driven by network leadership
- 5G smartphone customers will be charged an **extra fee**
- **Mobile broadband** (MBB) roll-out
- 5G to support refreshed **B2B** offering around unlimited mobile workplace
- 5G with more capacity and **efficiency**

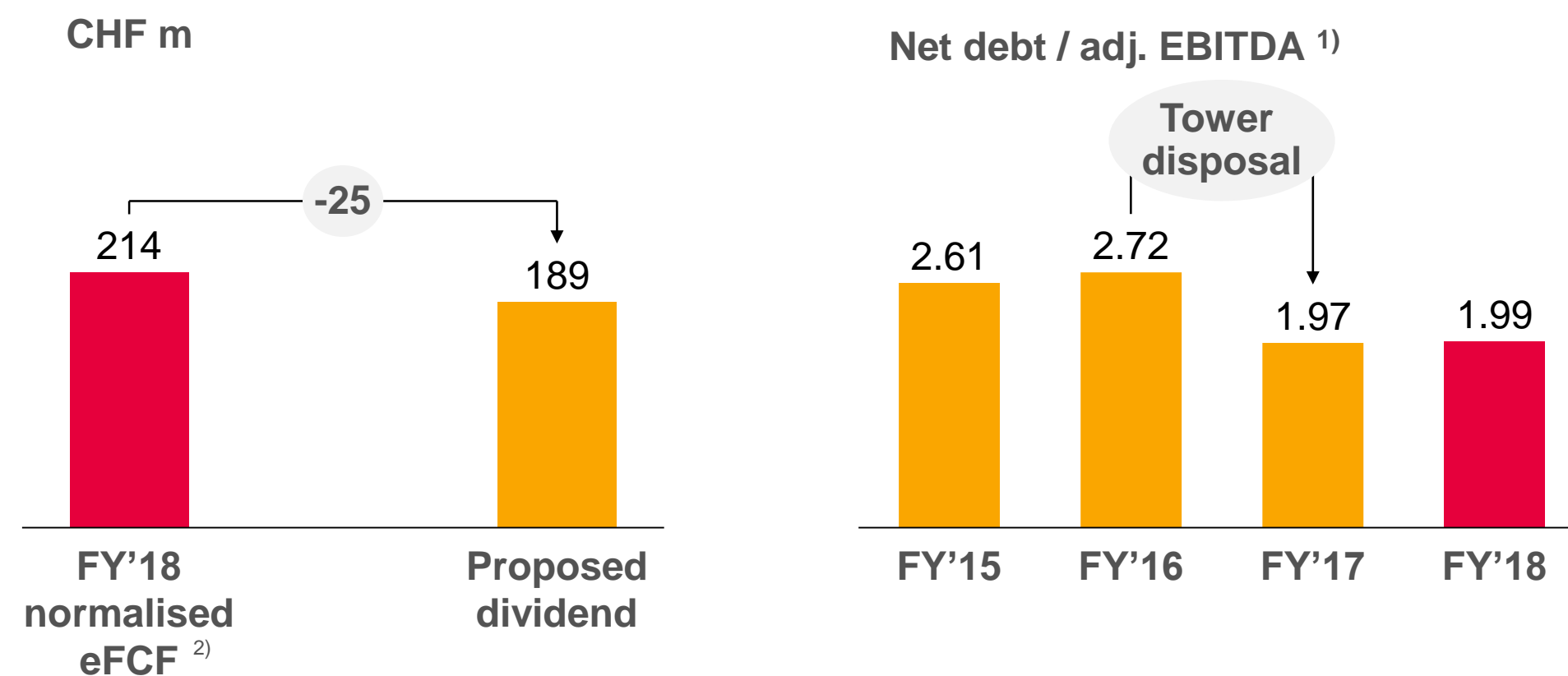
Focus on 5G MBB

- MBB attractive for rural areas where no FTTH; while strategic focus will remain on landline access deals in urban areas
- **MBB yields higher gross margin** as on own network instead of wholesale access
- Expect low-single digit CHFm **EBITDA contribution** from 5G MBB in 2020 to double in 2021; offsetting short-term 5G investments over time

¹⁾ FY'19 guidance: CHF 91m spectrum and CHF 77m upfront investments (CHF61m to Swisscom, CHF 16m to utilities) (see also investor presentation Q2'18 p.14 (Swisscom access renewal) and Q4'17 p.19 (extension of initial scope at utilities beyond 2018; NPV accretive))

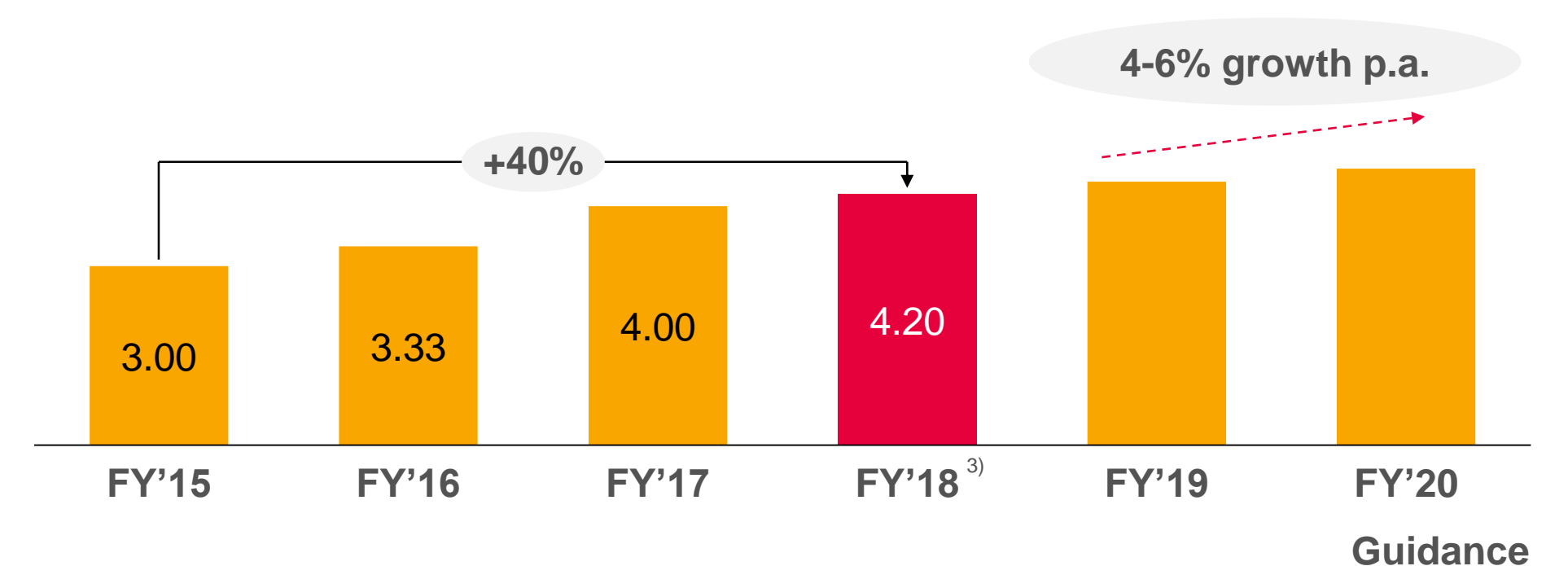
Dividends supported by normalised eFCF

Normalised eFCF and leverage ratio



- **Normalised eFCF** covering proposed dividend
- **Leverage ratio** stable YoY; higher organic adj. EBITDA offset by upfront investments
- Reduced leverage after tower disposal gives flexibility for strategic investments e.g. into landline access, spectrum and 5G, while still paying progressive dividends

Progressive dividends per share



- **Long-term dividend policy:** at least 65% of eFCF dividend pay-out; targeting 85% if net debt/adj. EBITDA is below 2.0x
- **Near-term dividend policy:** Targeting 4-6% dividend growth p.a. from 2018-20
 - To buffer investors for near-term cash flow volatility related to landline access and spectrum investments

¹⁾ EBITDA is based on IFRS 15 for 2018 and without IFRS 15 previously; 2017 leverage ratio is pro forma taking into account annualized network service fees related to tower disposal; ²⁾ see eFCF slide in Q4 section of this presentation ³⁾ Proposed dividend to AGM

Financial outlook 2019

Higher revenue

- Service revenue supported by **B2B** and cont'd **customer momentum** in mobile postpaid, internet, and TV
- Revenues of low-margin hardware and hubbing to remain volatile

Higher adj. EBITDA

- Use **GP upside** for **growth investments**
- While maintaining cost control

Near-term CF volatility

- **Spectrum** and **landline access** payments to create eFCF volatility
- **5G** roll-out to drive network quality and **MBB**
- 2018-20 dividend guidance supported by normalized eFCF and reduced leverage

FY'19 guidance ¹⁾

- Revenue CHF 1,860 - 1,900m
- Adj. EBITDA CHF 608 – 623m
- Capex CHF 420– 460m
 - Spectrum CHF 91m
 - Landline access CHF 77m
 - Base Capex CHF 252-292m

Dividend guidance confirmed

- **Dividends 2018-20:** 4-6% dividend growth p.a.: Upon meeting guidance a dividend of CHF 4.35-4.45 per share is expected to be proposed to the AGM
- **Confirm long-term dividend policy:** at least 65% of eFCF dividend pay-out; targeting 85% if net debt/adj. EBITDA is below 2.0x

¹⁾ Guidance is excluding IFRS 16 impact and including IFRS 15 impact, the latter is expected to have a low-single digit negative CHFm impact on adj. EBITDA YoY; Does not include extraordinary gain from sale of additional 133 towers to Swiss Towers AG in the range of CHF 20-25m in January 2019 (see IFRS report); Spectrum Capex includes CHF 2m additional capitalizable costs to obtain spectrum

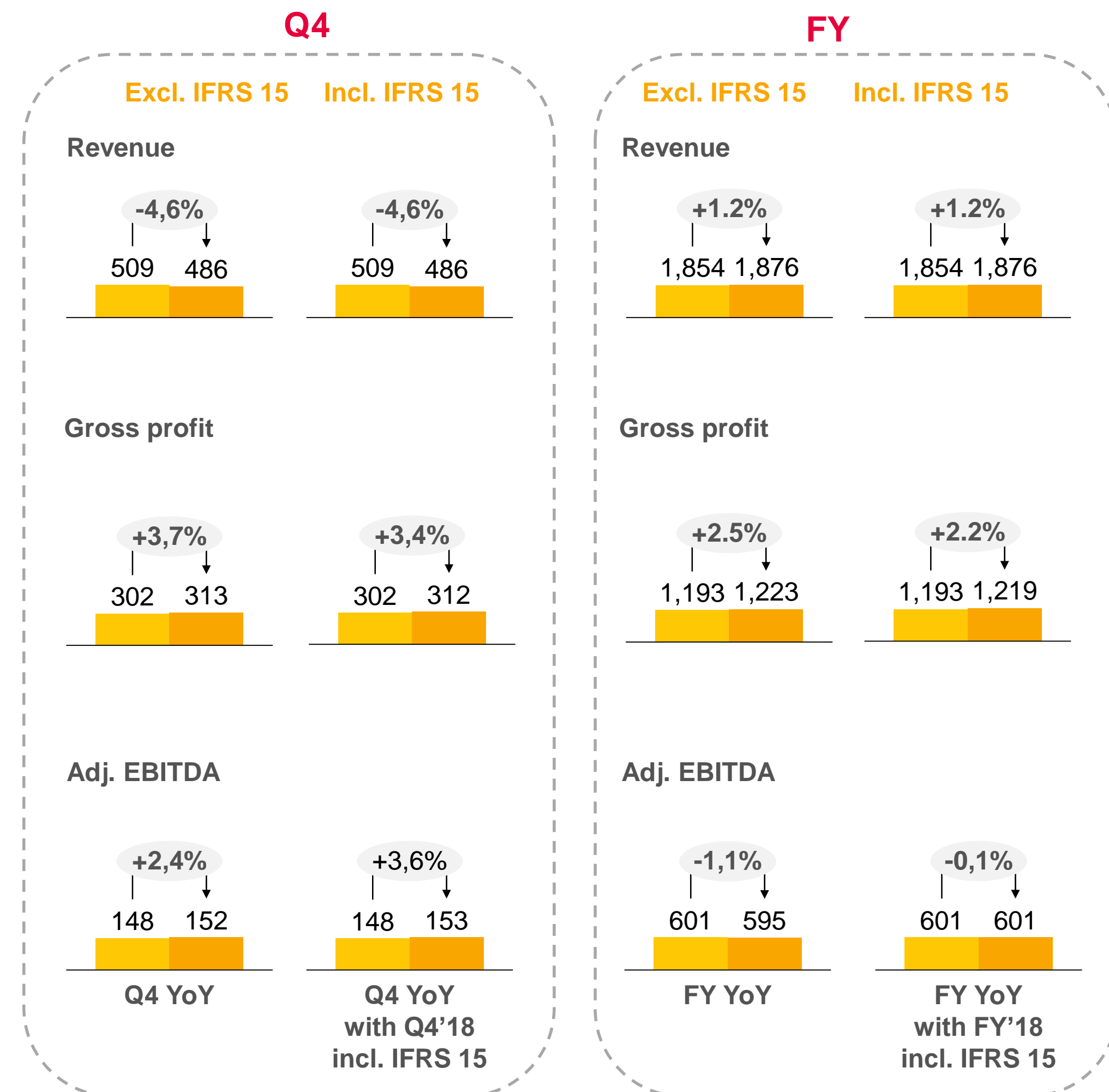
Q & A



Appendix

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IFRS 15 update



IFRS 15 impact

- At Sunrise, the 2018 impact of IFRS 15 is mainly related to the capitalization of costs to obtain a contract, resulting in a **positive Opex effect**
- The **2018 adj. EBITDA upside** from IFRS 15 was CHF +6.6m; in 2019 there is a low-single digit negative CHFm impact on adj. EBITDA YoY expected, followed by a low-to mid-single digit CHFm headwind beyond 2019

IFRS 15 reporting at Sunrise

- Q4/FY'18** in this presentation are based on numbers **excluding IFRS 15**, except where indicated differently
- IFRS report includes IFRS 15 for 2018; complementary it provides numbers under IAS 18 in the 'operational and financial review'

IFRS 16 update

IFRS 16 accounting standard

- Introduced as per Jan 2019, replacing previous standards (e.g. IAS 17); impact on:
- **P&L** lease recognition: reallocation from COGS (immaterial) and Opex to depreciation and interest expenses; will result in increase of EBITDA
- **BS** lease recognition: increase of assets ('right of use assets') and liabilities ('lease liability'); will result in increase of net debt
- **CFS**: No impact on total Cash Flow, but reallocations within Cash Flow Statement

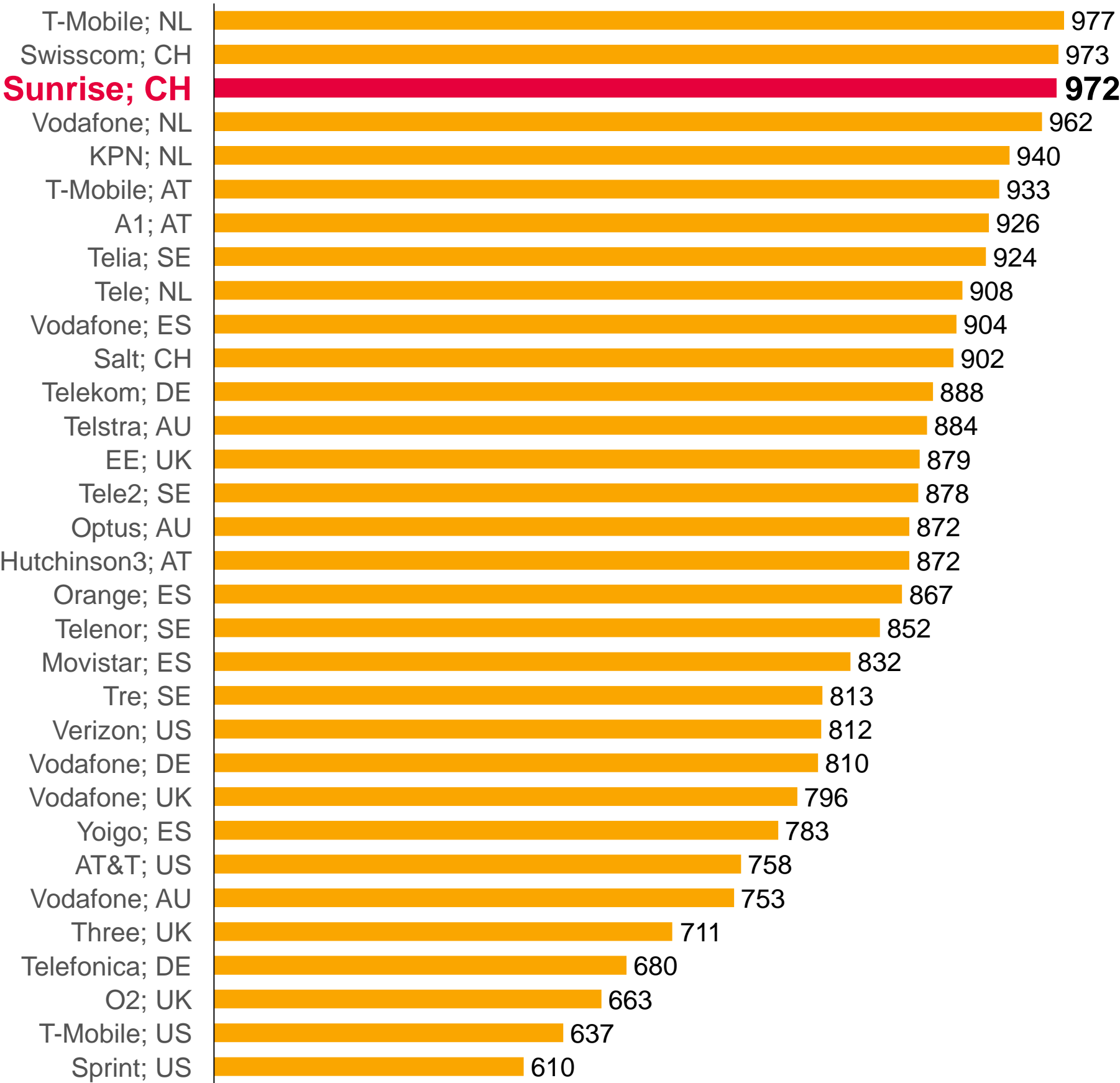
Impact on Sunrise ¹⁾

- **EBITDA**: CHF +40m to CHF +45m positive impact is expected in FY'19
- **Net debt**: A CHF 275-285m increase in net debt is expected as per beginning of 2019
- **Leverage**: Net debt/adj. EBITDA ratio is expected to rise by ~0.3x
- Sunrise will not restate 2018; in order to provide YoY comparability, Sunrise will disclose 2019 trends also under IAS 17

¹⁾ Indication based on the current progress of the implementation

Sunrise has one of the world's best mobile networks

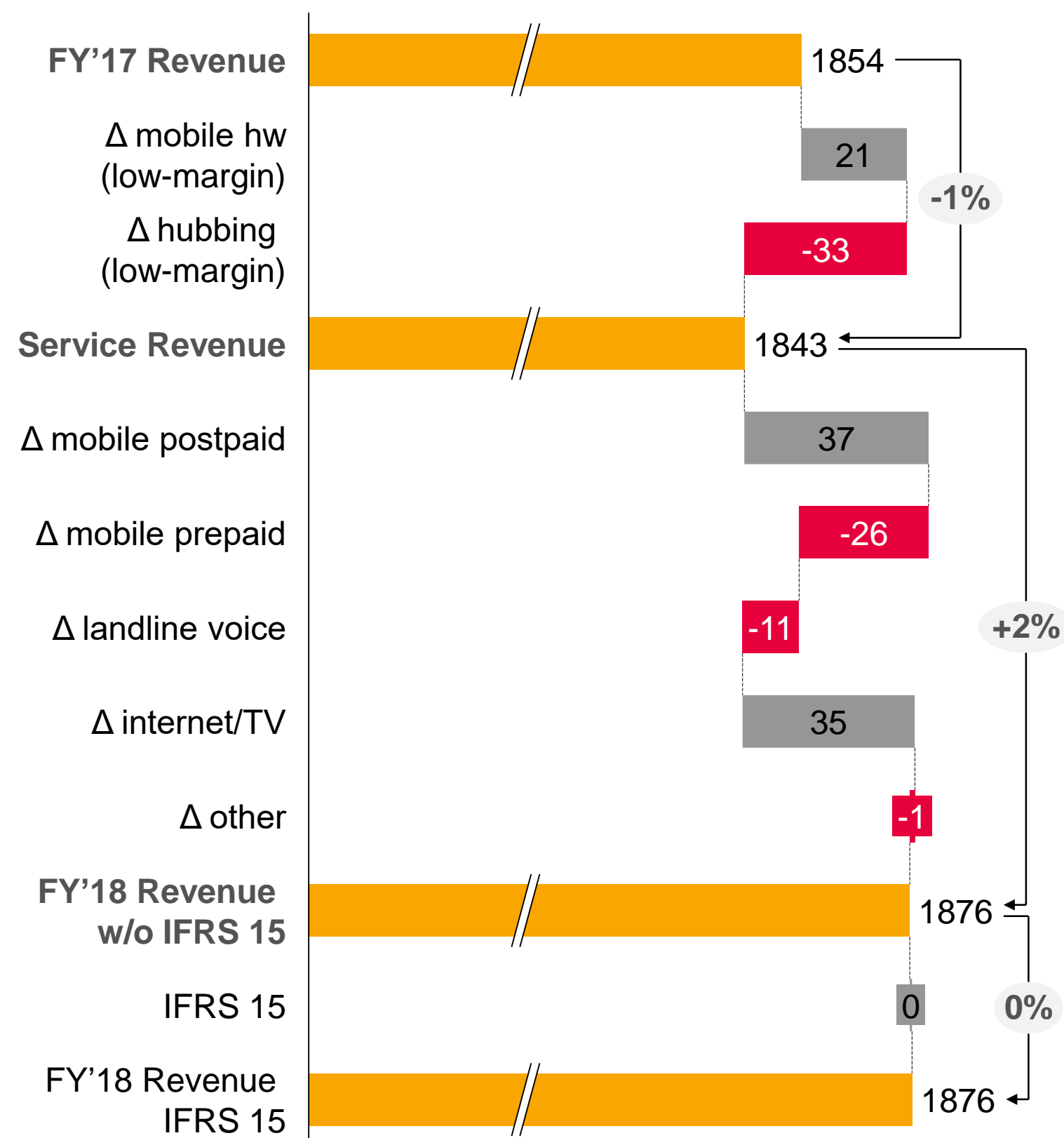
International mobile network quality 2018 ¹⁾



¹⁾ Source: connect 3/2019 and P3 (international comparison from <http://p3-networkanalytics.com/reports-by-country/> as per end of January 2019; Tests from 2018 except NL (2017))

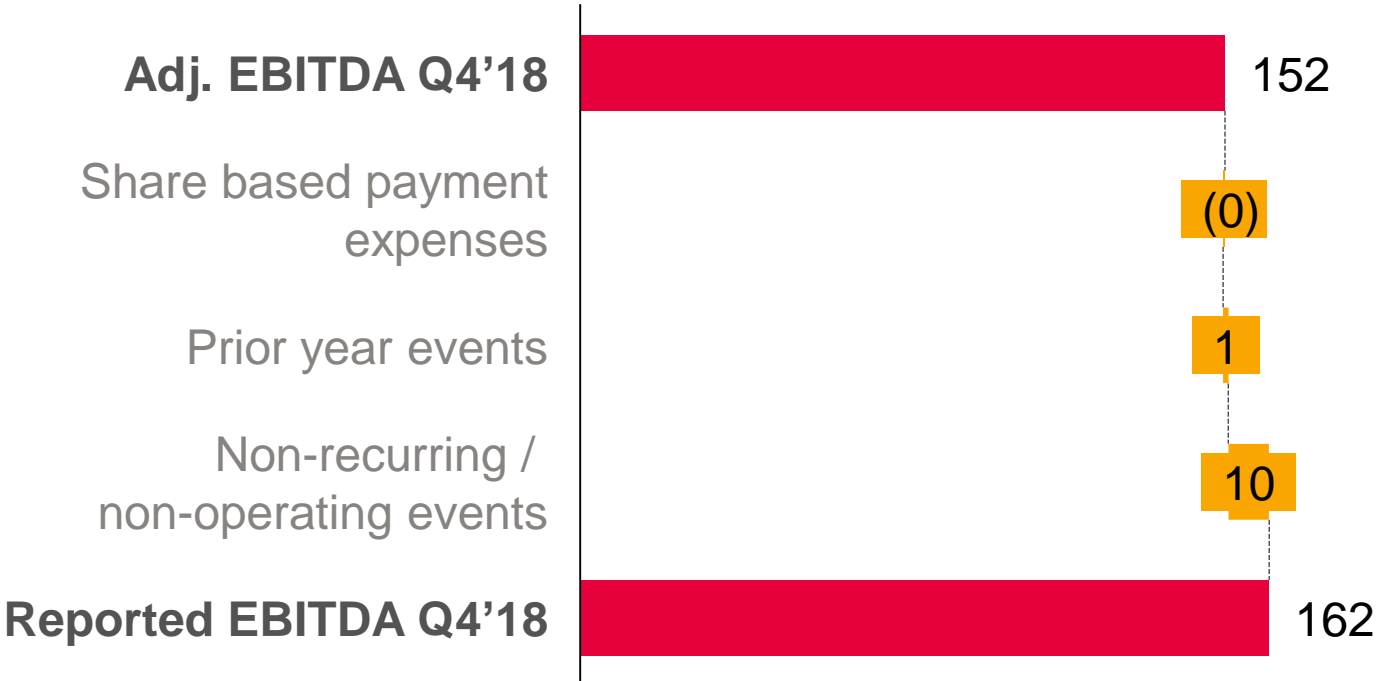
Revenue bridge FY'18

Revenue bridge (CHFm)



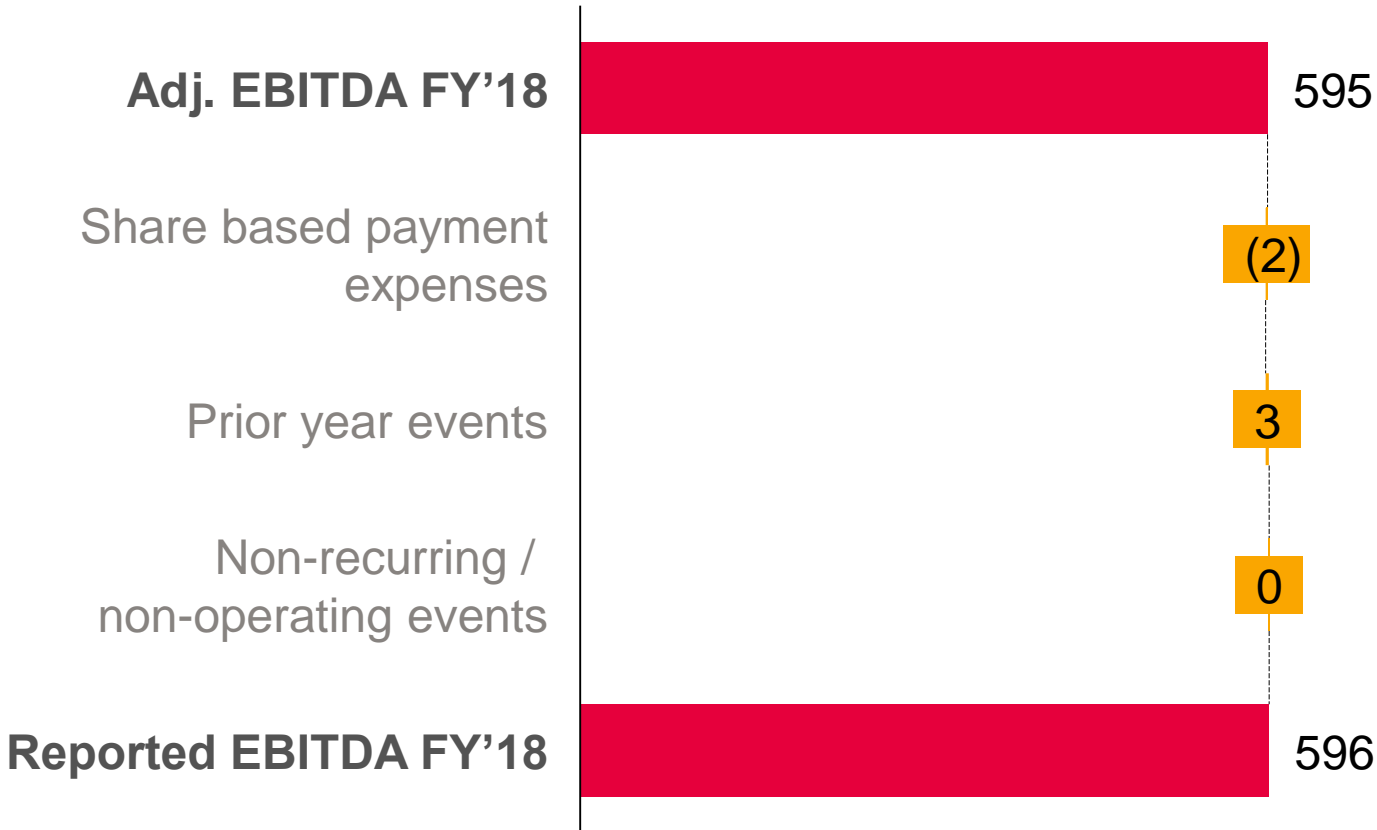
- **Mobile hardware:** depends on handset innovation, launches and pricing
- **Hubbing:** international trading business which is volatile by nature
- **Postpaid:** strong customer growth driven by investments into quality, offsetting lower ARPU
- **Prepaid:** pre- to postpaid migration and shift to OTT; prepaid accounting for ~4% of total revenue
- **Landline voice:** fixed to mobile substitution, migration to flat rates, and OTT; landline voice accounting for ~7% of total revenue
- **Internet/TV:** strong customer growth
- **Other:** includes lower-margin areas such as volatile B2B equipment sales and wholesale

Bridge adjusted to reported EBITDA



Q4 EBITDA bridge

- Share-based payment provisions for multi-year compensation plans
- Prior year related events mainly include adjustments of provisions/accruals based on newly available information
- Non-recurring / non-operating events mainly represent costs / income for one-time events, e.g. reduction of asset retirement obligation related to lower cost assumption (CHF +10.2m in Q4'18), advisory fees related to spectrum auction preparation, expenses related to head office relocation, and costs for early employee contract terminations



FY'18 EBITDA bridge

- Share-based payment provisions for multi-year compensation plans
- Prior year related events mainly include adjustments of provisions/accruals based on newly available information
- Non-recurring / non-operating events mainly represent costs / income for one-time events, e.g. reduction of asset retirement obligation related to lower cost assumption (CHF +10.2m in Q4'18), advisory fees related to spectrum auction preparation, expenses related to head office relocation, and costs for early employee contract terminations

Income Statement

P&L (CHFm)	2018 incl. IFRS 15	2018 excl. IFRS 15	2017 excl. IFRS 15
Mobile services	1'271	1'271	1'231
<i>thereof mobile postpaid</i>	802	805	768
<i>thereof mobile prepaid</i>	96	96	122
<i>thereof hardware</i>	279	277	256
Landline services	325	325	378
<i>thereof landline voice</i>	126	126	137
<i>thereof hubbing</i>	96	96	128
Landline internet & TV	280	279	245
Total revenue	1'876	1'876	1'854
<i>% YoY growth</i>	1.2%	1.2%	(2.2%)
Service revenue (total excl. hubbing & hardware)	1'501	1'503	1'470
<i>% YoY growth</i>	2.1%	2.3%	(2.7%)
COGS	(657)	(653)	(662)
Gross profit	1'219	1'223	1'193
<i>% YoY growth</i>	2.2%	2.5%	0.0%
<i>% margin</i>	65.0%	65.2%	64.3%
Opex	(617)	(627)	(600)
EBITDA	602	596	592
<i>% YoY growth</i>	1.7%	0.6%	(1.1%)
Adjusted EBITDA	601	595	601
<i>% YoY growth</i>	(0.1%)	(1.1%)	-1.6%
<i>% margin</i>	32.0%	31.7%	32.4%
<i>% margin (excluding hubbing revenues)</i>	33.8%	33.4%	34.8%
Depreciation and amortization	(426)	(426)	(428)
<i>% YoY growth</i>	0.6%	0.6%	6.8%
Operating income	177	170	164
Net financial items	(33)	(33)	(51)
Gain on disposal of subsidiary	-	-	420
Income taxes	(36)	(35)	(28)
Net income	107	102	505
Thereof (before tax impact):			
PPA effect	(127)	(127)	(133)
Additional information:			
Net income excl. gain on disposal of subsidiary	107	102	85
EPS excl. gain on disposal of subsidiary	2.37	2.37	1.89

Cash Flow Statement

Cash Flow (CHFm)	2018 incl. IFRS 15	2018 excl. IFRS 15	2017 excl. IFRS 15
EBITDA	602	596	592
Change in net working capital	(49)	(42)	32
Movement in pension and provisions	(9)	(9)	(1)
Interest paid	(30)	(30)	(39)
Corporate income and withholding tax paid	(50)	(50)	(31)
Cash flow from operating activities	464	464	553
Capex	(303)	(303)	(315)
% Capex-to-revenue	16.1%	16.2%	17.0%
Sale of PPE	10	10	450
Cash flow after investing activities	170	170	688
Repayment other financing items	(21)	(21)	(20)
Proceeds/(repayments) from debt, net	178	178	(458)
Payment of dividend	(180)	(180)	(150)
Total cash flow	147	147	60
Cash and cash equivalents as of BoP	272	272	214
Foreign currency impact on cash	2	2	(2)
Cash and cash equivalents as of Dec 31	421	421	272
Equity Free Cash Flow	2018 incl. IFRS 15	2018 excl. IFRS 15	2017 excl. IFRS 15
CHF million			
EBITDA	602	596	592
Change in net working capital	(49)	(42)	32
Interest paid	(30)	(30)	(39)
Corporate income and withholding tax paid	(50)	(50)	(31)
Capex	(303)	(303)	(315)
Other financing activities	(21)	(21)	(20)
Equity free cash flow	149	149	219

Leverage ratio

Net debt (CHFm)	December 31, 2018	September 30, 2018	December 31, 2017
Senior Secured Notes issued February 2015	0	0	500
Term loan B	1'410	1'410	910
Senior Secured Notes issued June 2018	200	200	0
Total cash-pay borrowings	1'610	1'610	1'410
Financial lease	5	5	9
Total debt	1'615	1'615	1'419
Cash & Cash Equivalents	(421)	(376)	(272)
Net debt	1'194	1'239	1'147
Net debt / pro forma adj. EBITDA ¹⁾	2.0x	2.1x	2.0x

¹⁾ Based on pro forma view until June 30 2018, taking into account annualized network service fees related to tower disposal

Sunrise

Have a sunny day



Sunrise

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