

PRESS RELEASE

Rotkreuz, 12 March 2021

## The mobilezone Group surpasses EBIT expectations

**Despite considerable restrictions owing to the pandemic, mobilezone has ended the year 2020 with sales amounting to CHF 1.2 billion and a net profit of CHF 34.5 million. This was the case even though business performance from March to the end of the year was subject to considerable strain owing to the measures for combating the coronavirus implemented in the market areas Switzerland, Austria and Germany. With an EBIT of CHF 44 million, mobilezone has surpassed both the EBIT goal of CHF 38 to 43 million communicated in May and the expectations.**

The mobilezone Group got off to a very good start to the year and up to mid-March was ranging in the low double digit range above previous year's results. This very gratifying development was abruptly interrupted by the first Corona lockdown in mid-March. This negatively impacted the EBIT by CHF 12 million in the first half year, and the EBIT was subject to an additional negative impact of CHF 4.8 million owing to the restructuring of the indirect sales business in Germany (offline), which has been completed in the meantime. The development of the Swiss retail business after the end of the first lockdown on 11 May in Switzerland and the reopening of all physical sales outlets was highly satisfactory. Markus Bernhard, CEO of the mobilezone group says: "In Switzerland, we have achieved the best results in our more than 20-year company history with an EBIT of just over CHF 31 million." After the eight-week lockdown interruption, we succeeded in continuing the good performance from the beginning of the year. This positive development continued despite declines in visitor frequencies in November and December of 20 percent, occasioned by the tightened measures related to the second Corona wave.

The contracts concluded in Germany using the company's own online platforms sparhandy.de and deinhandy.de experienced positive developments throughout the entire year, as expected, demonstrating growth in the middle single-digit range.

mobilezone concluded the final two steps towards consistent reorientation with the divestiture of the wholesale business in Germany at the end of January 2021 and of the repair business in Austria in December 2020. mobilezone Germany will concentrate on the strategic business fields "online" and "indirect B2B commerce".

Online sales amounted to CHF 370 million. Adjusted for the sales of the wholesale business sold, this corresponds to a 39 percent share of total sales. Germany accounts for 92 percent of online sales and Switzerland for 8 percent.

### Key figures at a glance

- Sales declined from CHF 1,324 million by CHF 86 million (6.5 percent) to CHF 1,238 million. After adjustments for currency effects, sales amounted to CHF 1,283 million, or 3.1 percent below those of the previous year.
- Thanks to an EBIT of CHF 44.0 million (previous year: CHF 59.6 million) and an EBIT margin of 3.6 percent (previous year: 4.5 percent), mobilezone succeeded in surpassing the communicated expectations, which were between CHF 38 million and 43 million.
- The net profit was CHF 34.5 million (previous year: CHF 44.4 million). After adjustments for currency effects, the net profit amounted to CHF 35.3 million.
- Earnings per share amounted to CHF 0.77 (previous year: CHF 1.04).
- Net debt amounted to CHF 120 million (previous year: CHF 131 million). The ratio of net debt to EBITDA was 2.22 (previous year: 1.93%).

### Segment Switzerland and Austria

- The Swiss retail and B2B business achieved the best results in company history at the EBIT level.
- Sales in Switzerland and Austria decreased from CHF 356 million to CHF 326 million, a difference of 8.5 percent.
- EBIT rose from CHF 26.5 million to CHF 31.2 million, corresponding to a return on sales of 9.6 percent (previous year: 7.4 percent).
- The Swiss retail business witnessed very positive developments after the lockdown in the months from March to May. With 335,000 contracts concluded (postpaid, Internet and TV), the previous year's figures were exceeded by nearly 2.8 percent when adjusted to account for the lockdown period (contracts: -32,000).
- Sales of sold services (data transfer, setting up smartphones and other services) in the shops amounted to CHF 2.8 million (previous year: CHF 3.0 million).
- Sales of accessories rose by 5.7 percent to CHF 21.5 million (previous year: CHF 20.4 million).
- In our B2B business, fleet management and mobility services were expanded to CHF 3.7 million (previous year: CHF 3.4 million).
- 21,000 smartphones were sold in the B2B online business (previous year: 16,500). This represented an increase of 27 percent.
- After the repairs business in Switzerland and Austria had achieved a total negative EBIT of CHF 1 million in the first half year, it managed to be in the black in the second half year with the result that a negative EBIT of only CHF 0.7 million resulted for the year.
- TalkTalk's sales were CHF 15.9 million (previous year: CHF 18.2 million) Mobile telephony did not fully compensate for the loss of sales among fixed-line customers. The share of sales of mobile customer rose to 75 percent (previous year: 70 percent). In the postpaid SIM cards segment, the number of customers was expanded to 31,300 (previous year: 26,800), which was an increase of 16.8 percent.
- The EBIT of TalkTalk was CHF 4.8 million (previous year: CHF 5.6 million) The EBIT margin remained stable at 30.4 percent.

### **Segment Germany**

- The two business fields "Online" and "indirect B2B commerce" developed very differently.
- Online business volumes increased by 4.6 percent to over 567,000 (previous year: 542,000) mobile phone contracts. Of these, 492,000 mobile phone contracts (previous year: 455,000) or 87 percent (previous year: 84 percent) were concluded via our own platforms.
- The measures for combating the pandemic resulted in closures of B2B partners' sales points with the result that 452,000 (previous year: 505,000) or 10.5 percent fewer mobile phone contracts were concluded "offline".
- Sales declined from CHF 976 million to CHF 916 million. The sales share of the wholesale business that was sold in January 2021 amounts to CHF 0.3 billion with a wholesale margin of 2.2 percent (previous year: CHF 0.4 billion/2.7 percent).
- EBIT fell from CHF 28.8 million to CHF 11.9 million. The decrease includes restructuring costs amounting to CHF 4.8 million.
- In total, over 1,019,000 "online" and "B2B trading" mobile phone contracts were concluded (previous year: 1,047,000) mobile phone contracts were concluded online and in B2B commerce.

By launching the next modules of our online platform in the form of a new Shoptech commerce solution for our brands sparhandy.de, deinhandy.de and handystar.de, in the first half of the year, mobilezone will be able to structure the online market for connectivity consumer electronics even more agilely and quickly and to market new offers in the product category "subscriptions without a smartphone".

In November, mobilezone launched a new platform called pricezilla.de that uses the new Shoptech architecture to market smartphones, tablets and accessories without a subscription. This multi-brand approach makes it possible to optimally develop all relevant connectivity consumer electronics customer segments.

### **Changes in the Board of Directors**

After acting as the Chairman of the Board of Directors for 12 years, Urs T Fischer will not stand for re-election again at the next General Meeting on 7 April 2021. Under his leadership, mobilezone developed a strong strategic position in the telecommunications industry in Switzerland and Germany in recent years. Both the sales as well as the earnings performance of the Group underwent a considerable increase in this period. The Board of Directors will propose Olaf Swantee, an expert in the European telecommunications industry, to the General Meeting as the new Chairman.

### **Changes in the Group management**

The Board of Directors appointed Jens Barth as Chief Digital Officer (CDO) and member of the Group Management as of 1 January 2021. Akin Erdem left the Group Management in the course of the sale of the wholesale business at the end of January 2021.

### **Dividend proposal to the General Meeting**

A dividend of CHF 0.56 per registered share will be proposed to the General Meeting on 7 April 2021. Half of the payout will come from balance sheet profits and half from capital contribution reserves, corresponding to a payout ratio of 73 percent.

### **Outlook 2021**

The EBIT goal communicated in May for the fiscal year 2021 and amounting to CHF 61 million to 66 million will be confirmed. mobilezone expects sales in the range of CHF 950 million with an EBIT margin of approximately 7 percent. The investments of CHF 12 million relate to the conclusion of modernising and renovating all shops in Switzerland according to a new, uniform design concept by 2022 and, in particular, the investments made in the online platforms in Germany and Switzerland. The repositioning of mobilezone was concluded with the sale of the wholesale business. The group is excellently positioned and is looking forward to positive further development.

The annual report for 2020, including the detailed financial statement pursuant to Swiss GAAP FER, can be accessed with immediate effect at <http://www.mobilezoneholding.ch/en/investors/reports.html>.

There will be a telephone conference for investors, the media and analysts this morning at 9.15. ([www.mobilezoneholding.ch/de/investoren/finanzkalender.html](http://www.mobilezoneholding.ch/de/investoren/finanzkalender.html))

### Key figures for 2020 for the mobilezone Group

Million CHF	2020	2019	2018	2017	2016
Net sales	1,237.7	1,324.0	1,195.6	1,171.6	1,087.9
Gross profit	177.3	180.1	156.8	149.8	144.0
<i>in % of the net sales</i>	14.3	13.6	13.1	12.8	13.2
EBIT	44.0	59.6	52.5	50.1	48.5
<i>in % of net sales</i>	3.6	4.5	4.4	4.3	4.5
Net profit	34.5	44.4	39.5	35.2	36.1
<i>in % of net sales</i>	2.8	3.4	3.3	3.0	3.3
Investments	13.3	10.0	10.4	10.9	9.8
Shareholders' equity without offsetting of goodwill	102.3	132.5	111.2	46.8	46.5
<i>in % of total assets</i>	23.6	26.1	25.1	13.7	19.1
Number of full-time employees	1,127	1,217	930	867	878
Shops in Switzerland	123	117	119	124	129

### **Contact for media representatives**

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### **About mobilezone**

Founded in 1999, mobilezone holding ag (ticker symbol SIX: MOZN) had sales of CHF 1,237 million and a net profit of CHF 34.5 million in the reporting year 2020, making it the leading independent Swiss and German telecommunications specialist.

The mobilezone Group employs around 1,200 employees at the locations in Rotkreuz, Urnäsch, Zweidlen, Berlin, Bochum, Cologne and Münster. Its product range includes a complete assortment of mobile phones and tariff plans for mobile and fixed-line telephony, digital TV and Internet from all providers. Providing independent consulting and services for private and business customers, providing repair services and supplying specialist retailers round out its product range. The services and products are provided online via various web portals and in over 120 shops of its own in Switzerland.

[www.mobilezoneholding.ch](http://www.mobilezoneholding.ch)

### **Agenda**

7 April 2021

Annual General Meeting 2021

20 August 2021

Disclosure of the half-year report for 2021