

PRESS RELEASE

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mobilezone group again increases sales and net profit

In fiscal year 2019 mobilezone continued the success of previous years and achieved sales of CHF 1.3 billion and net profit of CHF 44.4 million. In addition to having been a successful year of positive business development, fiscal year 2019 was also a year of acquisitions of other companies.

mobilezone ends fiscal year 2019 successfully with sales totaling CHF 1.3 billion, EBIT of CHF 59.6 million, and net profit of CHF 44.4 million. As Markus Bernhard, CEO of mobilezone Group, said: "In our business in Switzerland we achieved the best operating result of the past five years, particularly at the point of sale. In Germany we concluded 542,000 mobile phone contracts online, thus more than tripling our sales, thanks to the acquisition of SH Telekommunikation Deutschland GmbH."

Key figures

- Net profit was increased by 12.3 percent to CHF 44.4 million (2018: CHF 39.5 million). After adjustments for currency effects, net profit was 13.9 percent higher than in the previous year.
- mobilezone achieved sales in the amount of CHF 1,324 million, which is an increase of 10.7 percent over the previous year's figure. After adjustments for currency effects, sales were 14.3 percent higher than in the previous year.
- With EBIT in the amount of CHF 59.6 million (2018: CHF 52.5 million) we met the previously announced expectations of between CHF 56 million and 61 million.
- Financial expenses rose by CHF 0.8 million and totaled CHF 3.8 million.
- In the reporting year earnings per share amounted to CHF 1.04 (2018: CHF 1.02). As of December, 31st, 2019, the mobilezone share price was CHF 10.86 compared to CHF 10.94 at the end of December 2018.
- As of December 31, 2019, mobilezone's balance sheet showed cash and cash equivalents totaling CHF 65.0 million (2018: CHF 92.4 million).
- The company's net debt amounted to CHF 130.9 million (2018: CHF 76.2 million). The ratio of net debt to EBITDA was 1.93 (2018: 1.31).
- At the end of the year, net current assets amounted to CHF 108.6 million (2018: CHF 150.2 million).
- In the individual financial statements of mobilezone holding ag shareholders' equity amounted to CHF 174.9 million (2018: CHF 136.5 million).

Acquisitions

In spring mobilezone Group drastically strengthened its business in Germany with the acquisition of SH Telekommunikation Deutschland GmbH (SH). Thanks to this acquisition, mobilezone Germany concludes more than a million mobile phone contracts per year. Half of these are sold via online platforms. The acquisition of SH has opened up new growth potential with attractive margin synergies for mobilezone. As a result of increasing the shareholdings in Mister Mobile GmbH from 45 percent to 100 percent, mobilezone owns the two leading portals in the indirect online business in Germany: the brands sparhandy.de and deinhandy.de. In Switzerland the company has significantly strengthened its corporate customer base with the acquisition of mobilIT AG and IT Business Services GmbH.

Segment Trade reports clear increase in profitability

The segment Trade includes activities in the company's branch network extending throughout Switzerland, in the online business, and in the B2B sector as well as the activities in Germany. Sales grew from CHF 1,099 million to CHF 1,249 million or by 13.6 percent. EBIT increased from CHF 43.3 million to CHF 52.2 million.

Both mobilezone's retail business in Switzerland and its Swiss B2B business showed a very positive development. Though external sales fell by 3.7 percent to CHF 273 million, operating profit grew by 40.5 percent to CHF 20.9 million. The strong growth in profitability is due to the increase in both services and the number of wireline contracts (Internet, TV, and fixed-line). Compared to the previous year, customer traffic in the mobilezone shops increased slightly, and the number of sales transactions rose. The further development of both the retail business in Switzerland and the business customer segment continues to be the company's top priority.

More than 542,000 mobile phone contracts were concluded in Germany, and 455,000 of these were concluded via the company's own platforms. Through B2B partners and other shops, an additional 505,000 mobile phone contracts were concluded. External sales grew by 19.6 percent to CHF 976 million; operating profit rose by 9.5 percent to CHF 32.1 million. The new modular online platform, which will be activated in late 2020, will allow mobilezone to respond more quickly to changes in the market and, for example, to sell accessories and devices without a contract online in Germany. Wholesale sales amounted to CHF 411 million (2018: CHF 537 million). The wholesale gross profit margin was 2.7 percent compared to 4.3 percent in the previous year. The drop in wholesale sales of CHF 126 million is offset by the first-time sales in the amount of CHF 272 million achieved by SH Telekommunikation Deutschland GmbH, mobilIT AG, and IT Business Services GmbH.

Segment Service Providing reports decline in sales and profitability

The segment Service Providing includes the company's own TalkTalk mobile and fixed-line offers as well as the repair business in Switzerland and Austria. Sales in the segment Service Providing declined from CHF 96 million to CHF 75 million, and EBIT fell by 21.5 percent to CHF 6.6 million (2018: CHF 8.4 million). The previous year's trend of declining volume and profitability in the repair business in Austria and Switzerland could not be stopped, and thus EBIT in the repair business fell by 67 percent to CHF 1.0 million (2018: CHF 3.0 million). In contrast, TalkTalk increased EBIT by 4.5 percent to CHF 5.6 million. Mobile customers' share in TalkTalk's total sales amounts to 69.9 percent (2018: 56.9 percent). In the postpaid area, the number of customers grew by 6.3 percent to 26,800 (2018: 25,200).

Changes in the Board of Directors

Christian Petit decided not to stand for re-election to the Board of Directors and to concentrate instead on his responsibilities as CEO of Romande Energie. At the General Meeting on April 8, 2020, the Board of Directors will propose Michael Haubrich as a new member of the Board of Directors. Michael Haubrich has in-depth experience in the retail business in Germany and has great expertise in e-commerce as well as in the financial sector.

Dividend proposal to the General Meeting

An unchanged dividend of CHF 0.60 per registered share will be proposed to the General Meeting on April 8, 2020. Half of the distribution will come out of available earnings, and half will come out of reserves from capital contributions, which corresponds to a distribution ratio of 61 percent.

Outlook for fiscal year 2020

mobilezone Group's goal for the next three years is to increase the EBIT margin annually by 0.2 percent from the current 4.5 percent to more than 5.1 percent. For fiscal year 2020 mobilezone expects a flat trend with EBIT falling between CHF 56 million and 61 million. In fiscal year 2019 mobilezone invested a total of CHF 10 million; in 2020 the company plans investments in the same amount. For the most part, the investments are connected with the remodeling of the shops in Switzerland and with ongoing investments in existing infrastructure. In particular, by 2023 all mobilezone shops in Switzerland will have been remodeled based on the new shop layout. In addition, in 2020 the company will invest in new platforms for the operation of sparhandy.de and deinhandy.de.

The 2019 annual report with the detailed financial statements prepared in accordance with Swiss GAAP FER is available immediately at www.mobilezoneholding.ch/en/investoren/berichte.html

A teleconference will be held today at 9.15 a.m. for investors, media, and analysts (www.mobilezoneholding.ch/en/investoren/finanzkalender.html).

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mobilezone Group 2019 Key figures

Million CHF	2019	2018	2017	2016	2015
Net sales	1 324.0	1 195.6	1 171.6	1 087.9	859.0
Gross profit	180.1	156.8	149.8	144.0	133.6
<i>as % of net sales</i>	<i>13.6</i>	<i>13.1</i>	<i>12.8</i>	<i>13.2</i>	<i>15.6</i>
EBIT *)	59.6	52.5	50.1	48.5	40.4
<i>as % of net sales</i>	<i>4.5</i>	<i>4.4</i>	<i>4.3</i>	<i>4.5</i>	<i>4.7</i>
Consolidated profit	44.4	39.5	35.2	36.1	30.8
<i>as % of net sales</i>	<i>3.4</i>	<i>3.3</i>	<i>3.0</i>	<i>3.3</i>	<i>3.6</i>
Investments	10.0	10.4	10.9	9.8	6.5
Shareholders' equity without offsetting of goodwill	132.5	111.2	46.8	46.5	47.1
<i>as % of total assets</i>	<i>26.1</i>	<i>25.1</i>	<i>13.7</i>	<i>19.1</i>	<i>21.3</i>
Number of full-time employees	1 217	930	867	878	918
Shops					
Switzerland	117	119	124	129	127
Germany	76	73	65	55	43

Trade

Million CHF	2019	2018	2017	2016	2015
Net sales	1 249.0	1 099.3	1 079.4	1 012.4	785.5
EBIT	52.2	43.3	37.0	40.6	27.8
Investments	9.1	9.0	8.9	7.7	4.6

Service Providing

Million CHF	2019	2018	2017	2016	2015
Net sales	75.0	96.3	92.2	75.5	73.6
EBIT	6.6	8.4	12.1	8.1	7.6
Investments	0.8	1.3	1.9	2.0	1.8

*CHF 0.8 million of the Group's EBIT (2018: CHF 0.8 million) and CHF 0.1 million investments (2018: CHF 0.1 million) are not allocated to any segment and remain in the holding company.

About mobilezone

Established in 1999, mobilezone holding ag (ticker symbol SIX: MOZN) achieved sales of CHF 1,324 million and a consolidated profit of CHF 44.4 million in fiscal year 2019 and is the leading independent telecom specialist in Switzerland and Germany.

Currently, mobilezone Group employs about 1,300 employees in its locations in Rotkreuz, Urnäsch, Zweidlen, Härkingen, Vienna, Obertshausen, Berlin, Cologne, Bochum, and Münster. The company offers the complete product line of mobile phones as well as subscription plans of all providers for mobile and fixed-line telephony, digital TV, and Internet. Independent consulting and services for individual and business customers and repair services as well as activities in the wholesale business and as supplier for specialist stores complete mobilezone's range of offerings. The services and products are offered in mobilezone's ca. 120 own shops in Switzerland, online via various web portals, as well as in ca. 80 Ashops in Germany (partner shops).

Calendar

April 8, 2020	2020 General Meeting
August 21, 2020	Publication of 2020 semi-annual report