



# Financial results

## Q1'21

13 May 2021

Cyfrowy Polsat S.A. Capital Group



N E T I A



# Disclaimer



This presentation may include forward-looking statements, understood as all statements (other than statements of historical facts) regarding our financial results, business strategy, plans and objectives pertaining to our future operations (including development plans related to our products and services). Such forward-looking statements do not constitute a guarantee of future performance and involve risks and uncertainties which may affect the fulfilment of these expectations, as by their nature they are subject to many factors, risks and uncertainties. The actual results may be materially different from those expressed or implied by such forward-looking statements. Even if our financial results, business strategy, plans and objectives pertaining to our future operations are consistent with the forward-looking statements included herein, this does not necessarily mean that these statements will be true for subsequent periods. These forward-looking statements express our position only as at the date of this presentation.

We expressly disclaim any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained herein in order to reflect any change in our expectations, change of circumstances on which any such statement is based or any event that occurred after the date of this presentation.



# Agenda

---



1. Key events in Q1'21
2. Operating results
3. Financial results
4. Summary and Q&A



N E T I A



# 1. Key events in Q1'21

A horizontal bar with a gradient from orange on the left to green on the right, positioned below the title.

Mirosław Błaszczuk

*President of the Management Board, Cyfrowy Polsat*

# Key events in Q1'21



We are in the process of preparation for the finalization of the innovative transaction concerning the sale of active and passive infrastructure with Cellnex Telecom



In line with our promise we are dynamically rolling out the first true 5G network – already 12 milion inhabitants of Poland are within the coverage of 5G from Plus!



We have extended broadcasting rights to the UEFA Champions League for another 3 seasons



We have signed a conditional agreement to acquire a 10% stake in eobuwie.pl – a dynamically growing company that operates on the prospective e-commerce market

## 2. Operating results

A horizontal bar with a gradient from orange on the left to green on the right, positioned below the section header.

## 2.1 Media segment: TV and online

Stanisław Janowski

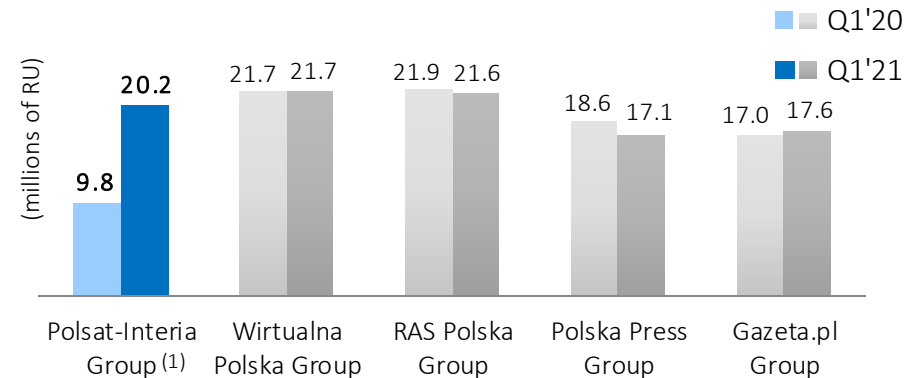
*President of the Management Board, Telewizja Polsat*

# The number of users of our Internet portals has exceeded 20 million

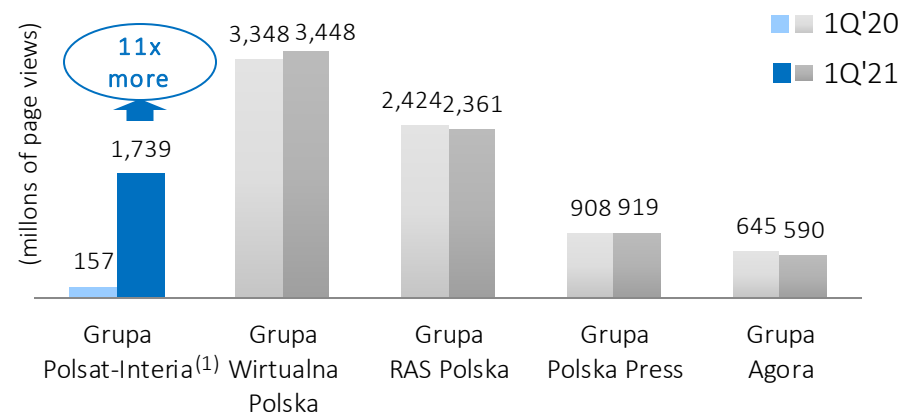


- We are a leading Internet publisher in Poland thanks to the acquisition of Interia
- Our leading position in the online media: 20.2m users and 1.7bn page views enable us to effectively pursue the synergies that we have announced

### Average monthly number of users



### Average monthly number of page views



Source: Q1'20 – Gemius/PBI, Q1'21 – Mediapanel, number of users – real users (RU) indicator

Note: (1) data for 2020 for Cyfrowy Polsat



N

E

T

I

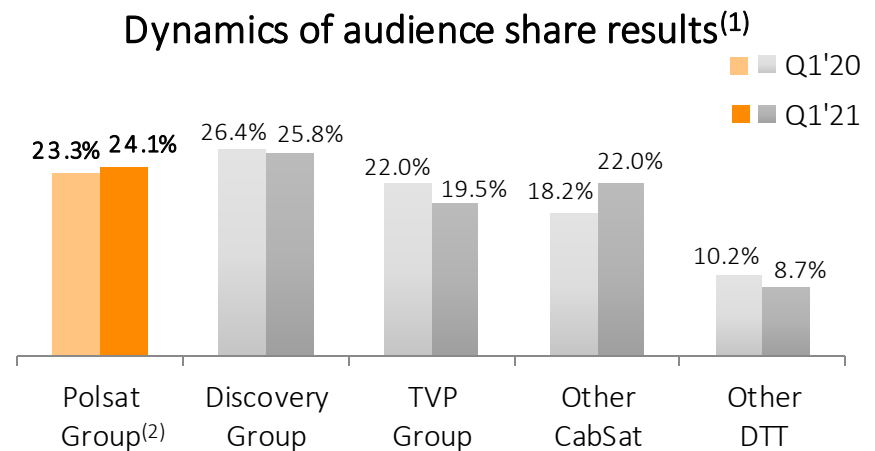
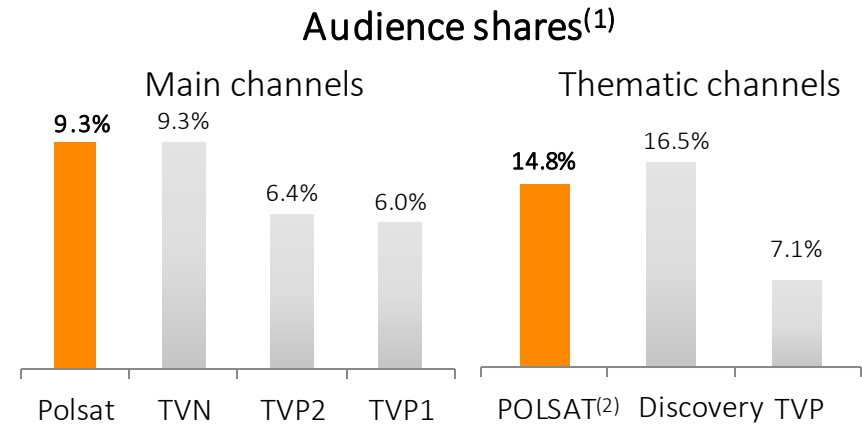
A





# Viewership of our channels in Q1'21

- Polsat Group and its main TV channel among the audience leaders in the commercial group



Source: NAM, All 16-49, all day, SHR%, including Live+2<sup>(1)</sup>, internal analysis

Note: (1) Audience shares include both live broadcasting and broadcasting during 2 consecutive days (i.e. Time Shifted Viewing)

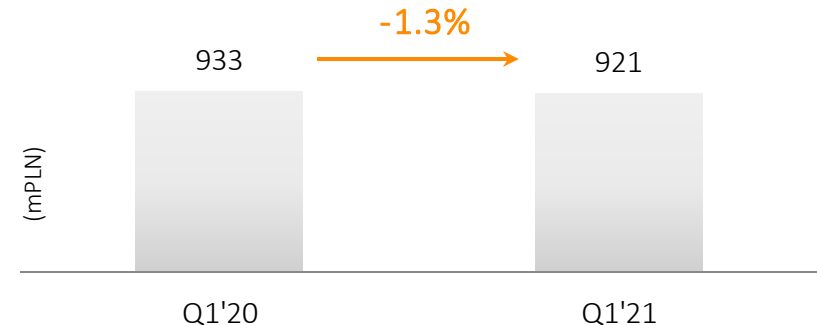
(2) Excluding partnership channels: Polsat Viasat Explore, Polsat Viasat Nature, Polsat Viasat History, JimJam, CI Polsat, Polsat Comedy Central Extra

# Position on the advertising market in Q1'21

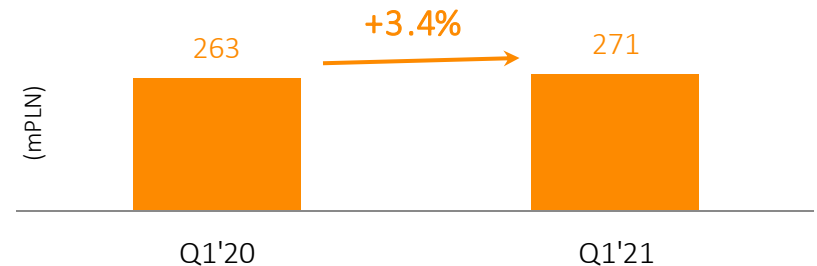


- The dynamics of advertising and sponsorship revenues of TV Polsat Group above market trend
- As a result, our share in the TV advertising and sponsorship market increased to 29.5%

Market expenditures on TV advertising and sponsorship



Revenue from advertising and sponsorship of TV Polsat Group<sup>(1)</sup>



Source: Publicis Groupe, preliminary data, spot advertising and sponsorship; TV Polsat; internal analysis

Note: (1) Revenue from advertising and sponsorship of TV Polsat Group according to Publicis Groupe definition



N

E

T

I

A



## 2.2 B2C and B2B services segment

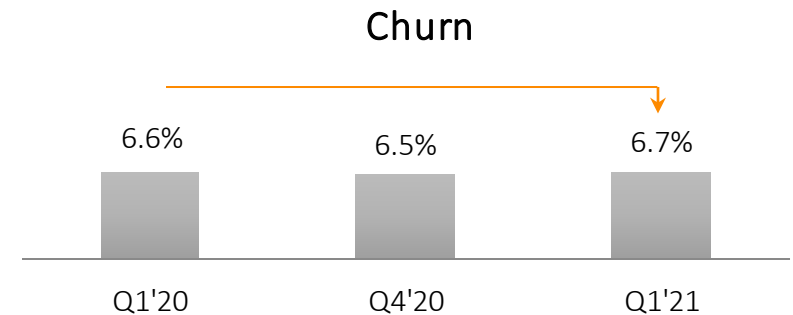
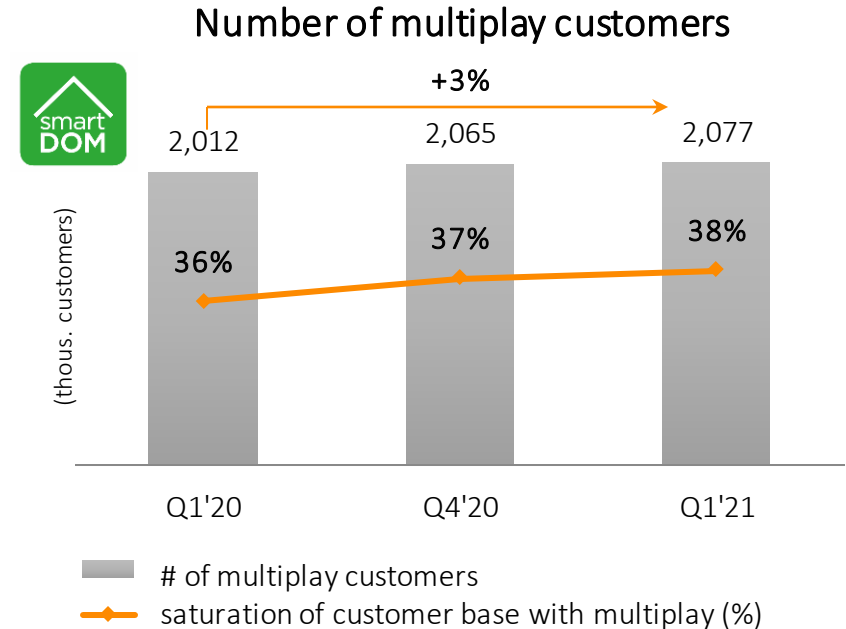
Maciej Stec

*Vice President of the Management Board, Cyfrowy Polsat*

# Over 2 million customers of our multiplay offer



- Consistent implementation of our multiplay strategy results in a stable increase in the number of customers with bundled services by 65K YoY
- The number of RGUs owned by these customers increased to 6.41m
- Consistently low churn – mainly due to our multiplay strategy



N

E

T

I

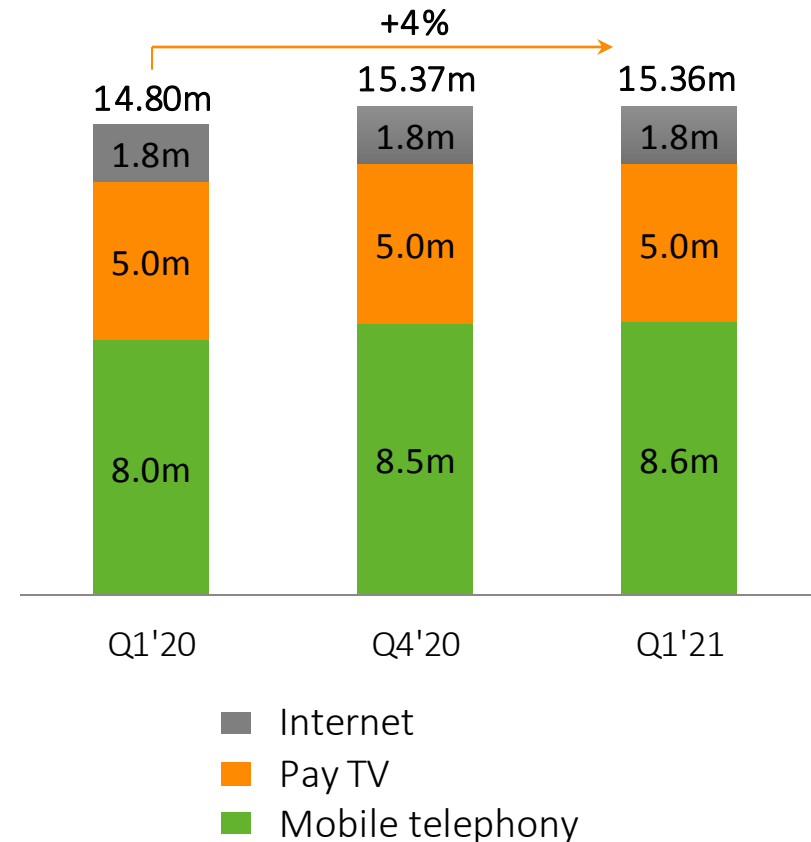
A



# Our customers use an increasing number of contract services



- Increase in the number of contract services by 561K YoY
- Dynamic growth of voice services was driven by the successful implementation of our strategy of cross-selling and focusing on customer satisfaction



N

E

T

I

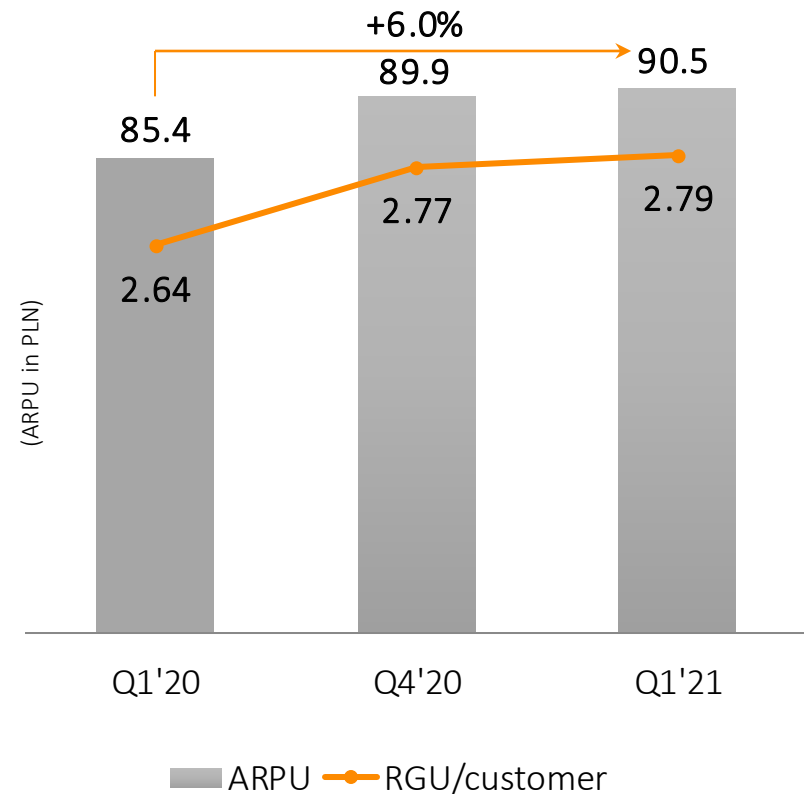
A



# Growth of ARPU thanks to the consistent implementation of our multiplay strategy



- 6.0% YoY increase in ARPU resulting from the consistent building of the value of the existing customer base and an increase in revenues from high demand for entertainment (PPV) during the COVID-19 epidemic
- Effective upselling of products under our multiplay strategy continues to be reflected in the growing RGU saturation per customer ratio



N

E

T

I

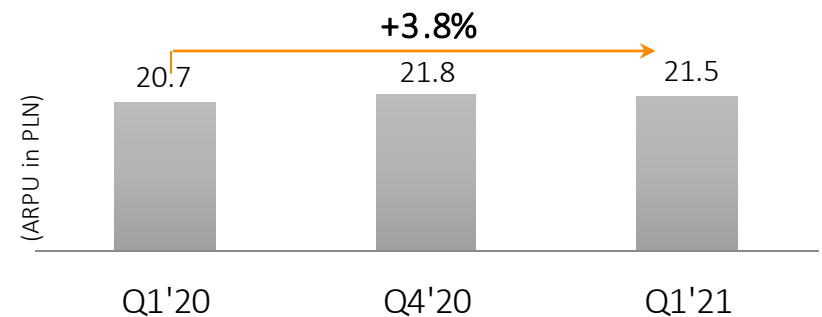
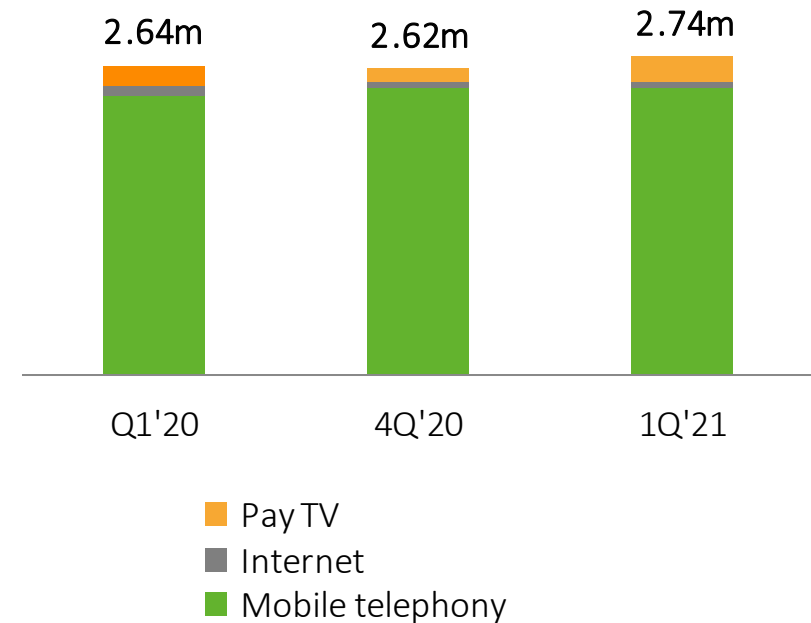
A



# Dynamic growth of ARPU and prepaid services base



- Very good sales of voice services and pay tv translates positively into the scale of the prepaid services base
- Increase in the ARPU level as a result of an increase in revenues from content and telecommunications services



N

E

T

I

A



# 3. Financial results

A horizontal bar with a gradient from orange on the left to green on the right, positioned below the title.

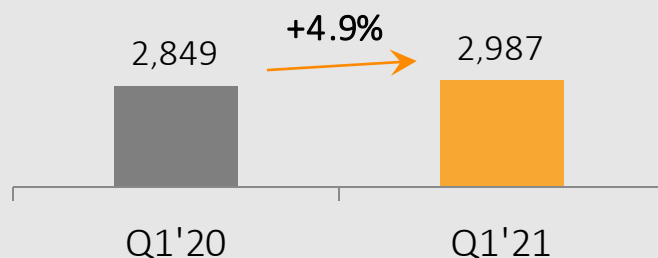
Katarzyna Ostap-Tomann  
*CFO, Cyfrowy Polsat*



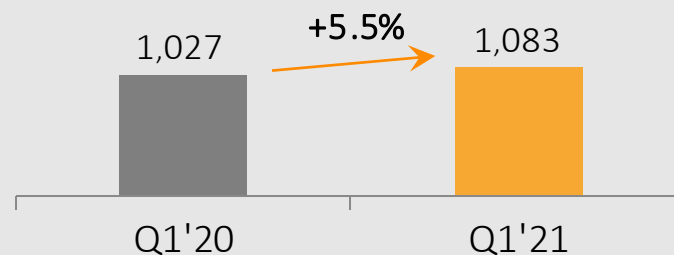
# Results of the Group in Q1'21



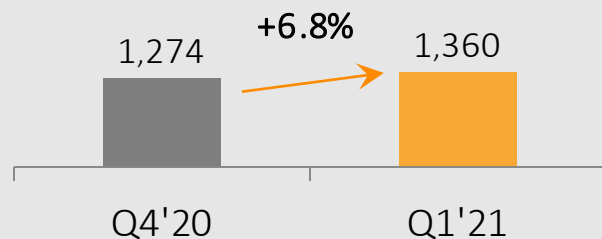
## revenue



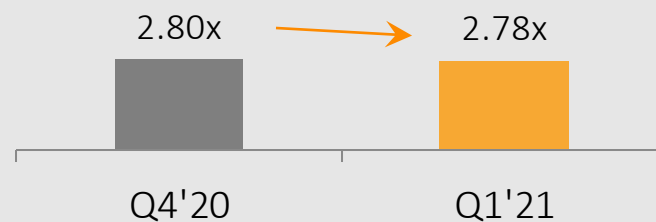
## EBITDA



## LTM FCF



## net debt/EBITDA LTM



Source: Consolidated financial statements for the 3-month period ended 31 March 2021 and internal analyses



N

E

T

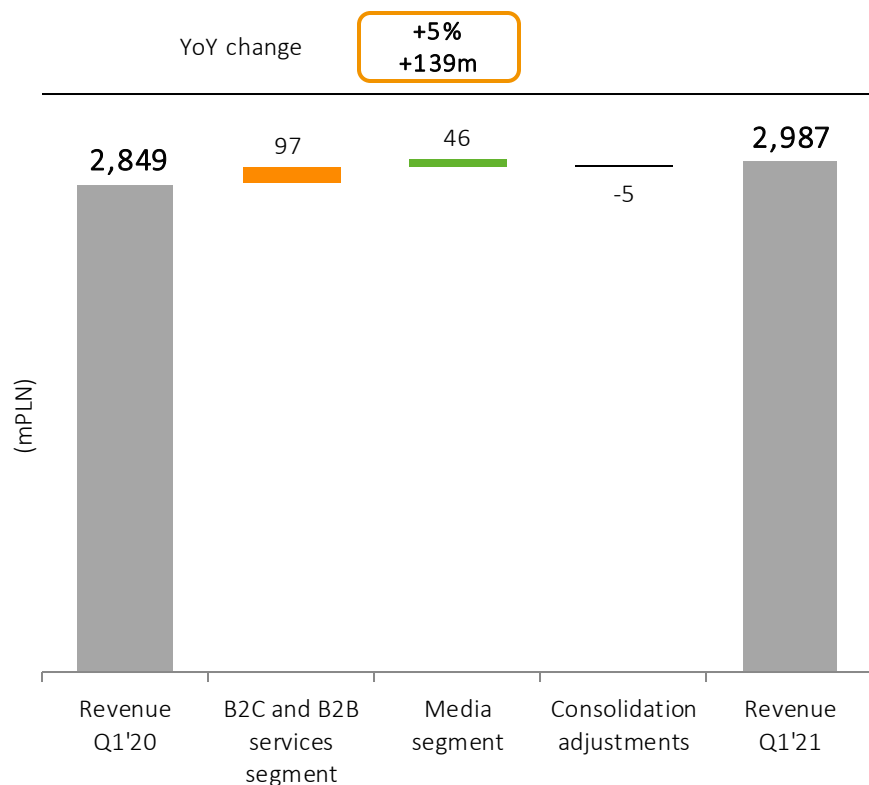
I

A

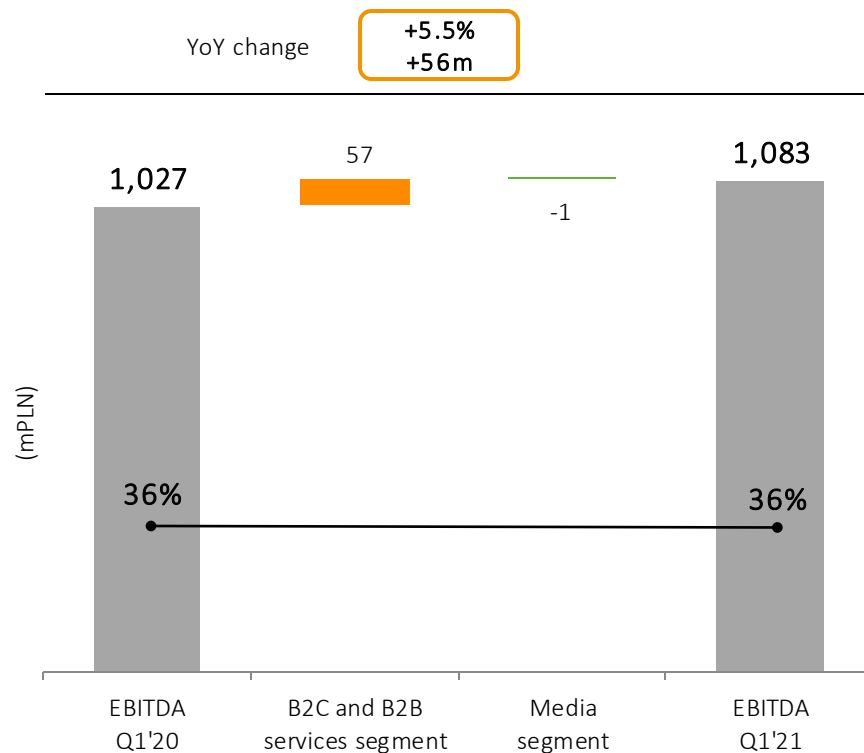


# Revenue and EBITDA – change drivers

## Revenue



## EBITDA



● — ● Marża EBITDA

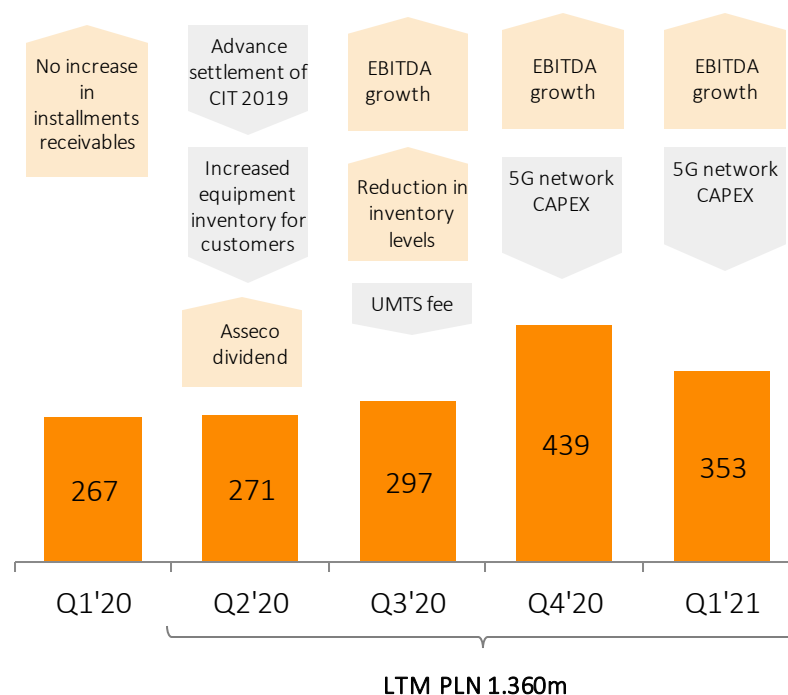
Source: Consolidated financial statements for the 3-month period ended 31 March 2021 and internal analyses

# Growing operating CF finances fast roll-out of 5G network

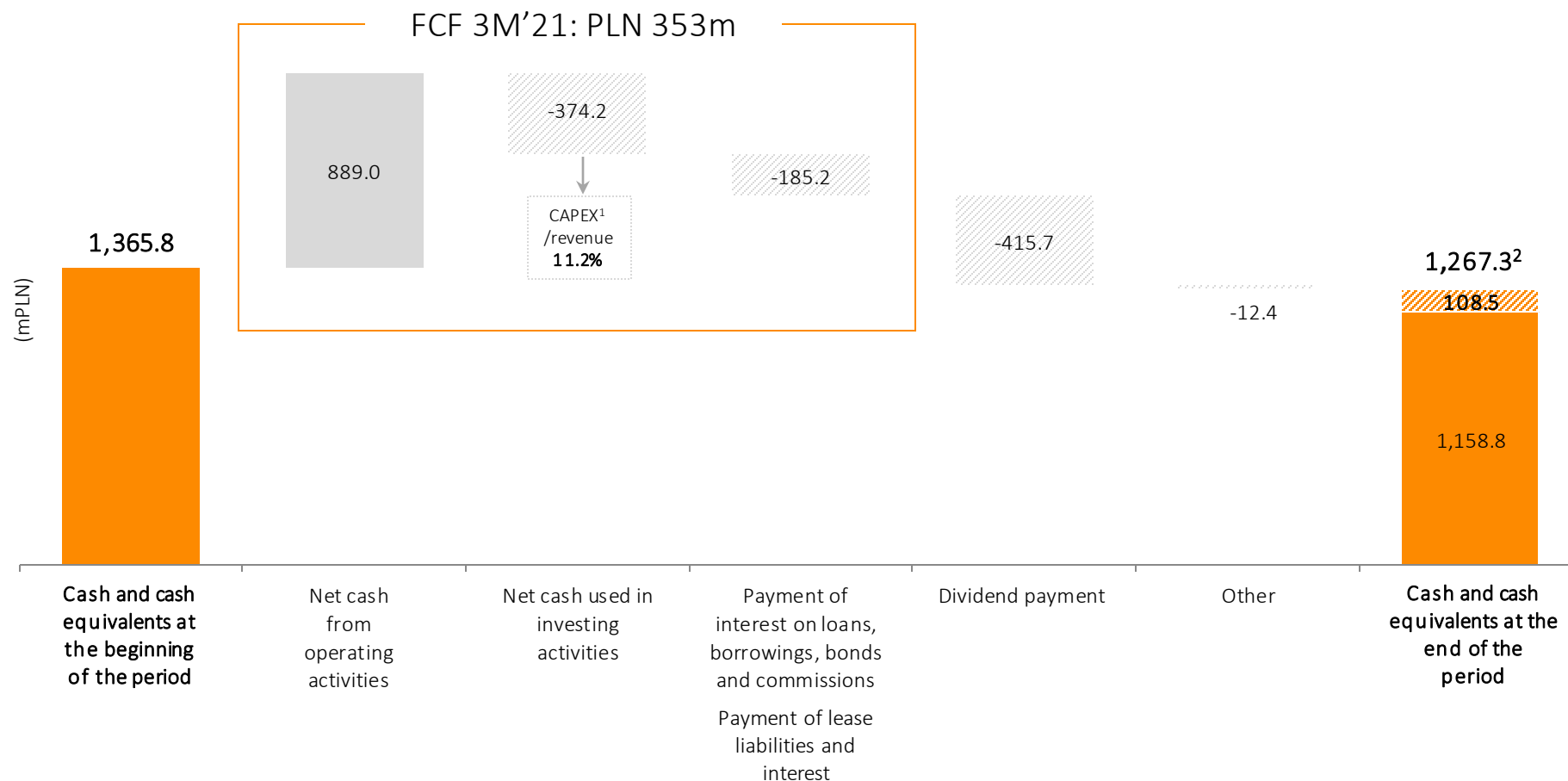


mPLN	Q1'21
Net cash from operating activities	889
Net cash used in investing activities	-374
Payment of interest on loans, borrowings, bonds and commissions	-55
Payment of lease liabilities and interest	-130
<b>FCF after interest</b>	<b>330</b>
420 MHz license	22
Acquisition projects	1
<b>Adjusted FCF after interest</b>	<b>353</b>

## Adjusted FCF after interest



# High FCF and the payment of the second tranche of dividend result in a stable level of cash



Source: Consolidated financial statements for the 3-month period ended 31 March 2021 and internal analyses

Note: (1) Expenses on the acquisition of property, plant and equipment and intangible assets

(2) Incl. funds recognized as assets held for sale



N

E

T

I

A

interia

# The Group's debt

mPLN	Carrying amount as at 31 March 2021
SFA (Tranche A and B)	9,309
Revolving Credit Facility (RCF)	335
Series B and C Bonds	1,998
Leasing and other <sup>1</sup>	1,545
<b>Gross debt</b>	<b>13,187</b>
Cash and cash equivalents <sup>2</sup>	(1,267)
<b>Net debt</b>	<b>11,920</b>
EBITDA LTM <sup>3</sup>	4,294
<b>Total net debt / EBITDA LTM</b>	<b>2.78x</b>
Weighted average interest cost <sup>4</sup>	1.8%

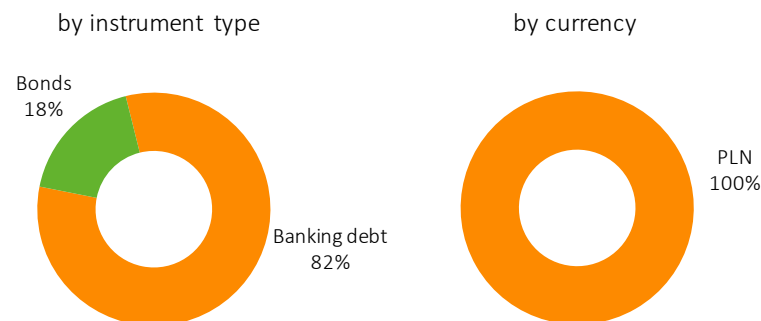
<sup>1</sup> This item includes lease liabilities which were recognized separately as part of the liabilities held for sale.

<sup>2</sup> This item comprises cash and cash equivalents, including restricted cash, as well as short-term deposits. Also includes cash and cash equivalents presented in the balance sheet as assets held for sale.

<sup>3</sup> In accordance with the requirement of the SFA, the EBITDA LTM calculation is based on adjusted EBITDA for the second, third and fourth quarter of 2020, i.e., without COVID19 related costs, including donations.

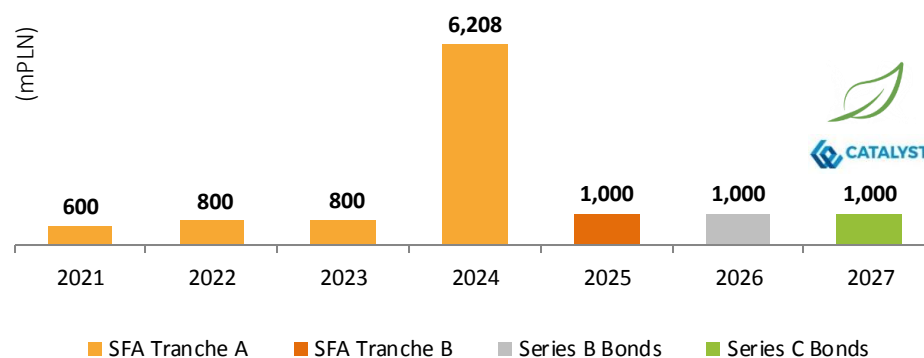
<sup>4</sup> Prospective average weighted interest cost of the SFA (including the Revolving Credit Facility) and the Series B and Series C Bonds, excluding hedging instruments, as at March 31, 2021 assuming WIBOR 1M of 0.18% and WIBOR 6M of 0.25%.

## Debt structure<sup>4</sup>



## Debt maturing profile<sup>4</sup>

As at 31 March 2021



Source: Consolidated financial statements for the 3-month period ended 31 March 2021 and internal analyses

## 4. Summary and Q&A

A horizontal bar with a gradient from orange on the left to green on the right, positioned below the section header.

Mirosław Błaszczuk

*President of the Management Board, Cyfrowy Polsat*

# Summary



Excellent results of our strategy aimed at building loyalty and value of our customers: almost 2.1 million multiplay customers / 561 thous. new services / ARPU growth by over PLN 5 up to PLN 90.5 / stable, low churn of 6.7%



We offer the fastest, the widest and the best 5G in Poland.  
We already cover 12 million inhabitants of Poland and we are still rolling-out!



We are in the process of preparation for the finalization of the innovative transaction concerning the sale of active and passive infrastructure with Cellnex Telecom in order to be able to build our 5G even faster



Continued dynamic growth of revenues and EBITDA of Polsat Group allow us to execute planned technological and content investments

## 5. Additional information





## 5.1 Financial results Q1'21

# Results of the segment of B2C and B2B services



mPLN	Q1'21	YoY change
Revenue	2,551	4%
Operating costs <sup>(1)</sup>	1,618	2%
EBITDA	937	6%
EBITDA margin	36.7%	0.8pp

- Healthy condition of contract and prepaid ARPU translates into increasing growth of retail revenues
- As a result we achieved another quarter of significant increase in EBITDA in the B2C and B2B services segment

Source: Consolidated financial statements for the 3-month period ended 31 March 2021 and internal analyses

Note: (1) Costs exclude depreciation, amortization, impairment and liquidation



# Results of the media segment



mPLN	Q1'21	YoY change
Revenue	507	10%
Operating costs <sup>(1)</sup>	362	16%
EBITDA	146	-1%
EBITDA margin	28.8%	-3.1pp

- Stable beginning of the year on the TV ad market combined with the consolidation of Interia.pl results translates into an increase in revenues of the media segment
- As a result we achieved a stable EBITDA result despite higher investments in the spring programming schedule and a greater number of sports events on Telewizja Polsat channels

Source: Consolidated financial statements for the 3-month period ended 31 March 2021 and internal analyses

Note: (1) Costs exclude depreciation, amortization, impairment and liquidation



N

E

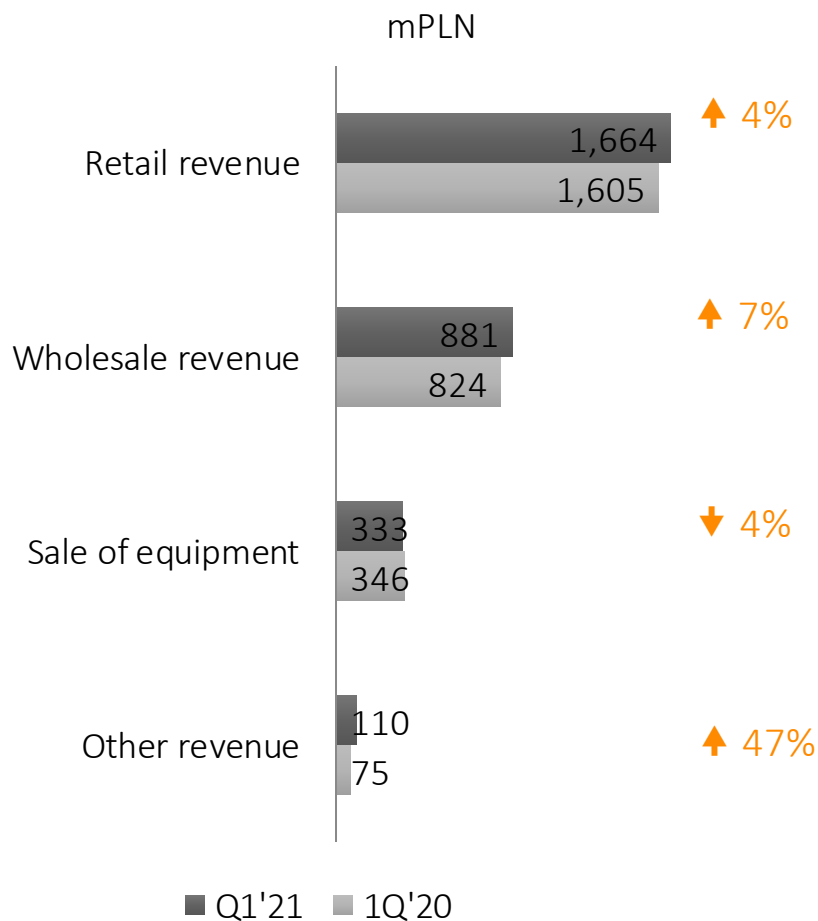
T

I

A

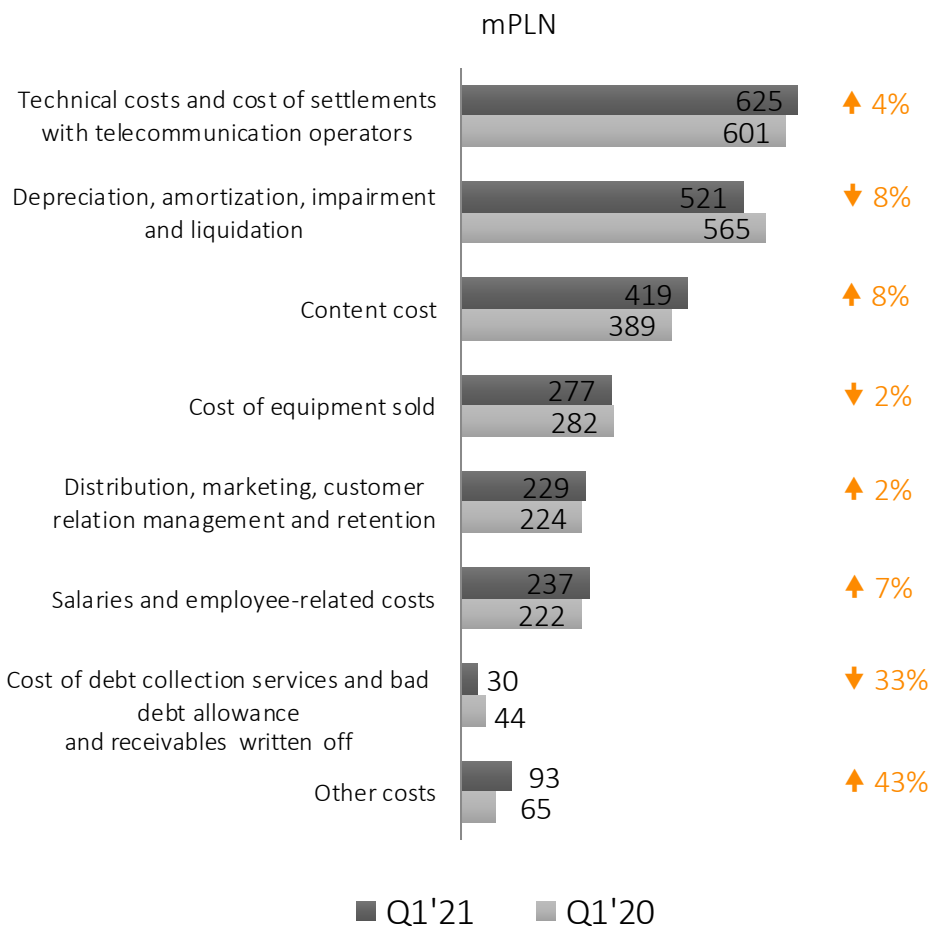


# Revenue structure



- Increase in **retail revenue** mainly as a result of the successful execution of our strategy aimed at building customer value and also due to high sales of our pay TV services, which has been reflected in high dynamics of ARPU growth from both contract and prepaid customers.
- Higher **wholesale revenues** as a result of an increase in advertising revenue, associated mainly with the consolidation of Interia Group results from July 2020 and higher revenue from TV advertising and sponsoring, further supported by higher interconnect revenue, resulting from the growth of voice traffic volumes during the COVID-19 epidemic.
- The increase in **other revenue** mostly due to the consolidation of revenues of Esoleo, our subsidiary that sells photovoltaic installations to individual customers and to the B2B sector.

# Operating costs structure



- Higher **technical costs and cost of settlements with telecommunication operators** mainly on the back of the introduction from January 2021 of a new capacity fee, which translates into higher electricity costs, as well as due to higher interconnect costs and the consolidation of Interia Group and TV Spektrum costs.
- Lower **depreciation, amortization, impairment and liquidation costs** mainly due to the ceased recognition of depreciation, starting from March 2021, of assets held for sale in connection with the planned disposal of our subsidiary Polkomtel Infrastruktura.
- Increase in **content cost** mainly as a result of higher amortization of sports rights and higher cost of own production due to broadcasting a higher number of sports events than in the corresponding period of 2020.
- Higher **other costs** mainly as a result of the recognition of costs associated with operations on the photovoltaic market.

# Glossary



## RGU (Revenue Generating Unit)

Single, active service of pay TV, Internet Access or mobile telephony provided in contract or prepaid model.

## Customer

Natural person, legal entity or an organizational unit without legal personality who has at least one active service provided in a **contract model**.

## Contract ARPU

Average monthly revenue per **Customer** generated in a given settlement period (including interconnect revenue).

## Prepaid ARPU

Average monthly revenue per **prepaid RGU** generated in a given settlement period (including interconnect revenue).

## Churn

Termination of the contract with **Customer** by means of the termination notice, collections or other activities resulting in the situation that after termination of the contract the Customer does not have any active service provided in the contract model.

Churn rate presents the relation of the number of customers for whom the last service has been deactivated (by means of the termination notice as well as deactivation as a result of collection activities or other reasons) within the last 12 months to the annual average number of customers in this 12-month period.

## Usage definition (90-day for prepaid RGU)

Number of reported RGUs of prepaid services of mobile telephony and Internet access refers to the number of SIM cards which received or answered calls, sent or received SMS/MMS or used data transmission services within the last 90 days. In the case of free of charge Internet access services provided by Aero 2, the Internet prepaid RGUs were calculated based on only those SIM cards, which used data transmission services under paid packages within the last 90 days.



# Contact

## Investor Relations

Konstruktorska 4  
02-673 Warsaw

Phone: +48 (22) 426 85 62 / +48 (22) 356 65 20/ +48 (22) 337 93 14  
Email: [ir@cyfrowypolsat.pl](mailto:ir@cyfrowypolsat.pl)

[www.grupapolsat.pl](http://www.grupapolsat.pl)



N E T I A

