



Cyfrowy Polsat IR Newsletter

28 June - 4 July 2021



Biznes.pap.pl
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Orange Polska interested in acquisitions but these have not been included in its strategy for 2021-24

by epo/ana

“Orange Poland is interested in acquisitions but they are not included in the group’s strategy for the years 2021-2024 .Grow,” said the company’s CEO Julien Ducarroz during a conference call with the media. He noted that should opportunities emerge in the areas of B2B, ICT and big data, etc., then his plan was to strengthen the group.

When inquired whether the new strategy included any plans regarding telecommunication masts, Jacek Kunicki, the CFO of Orange Polska, said that the company was looking for ways to create more value for its shareholders from the assets it owns, and the masts are an obvious candidate here. However, he stressed that no direction had been chosen and no decisions had been made yet. He added that one of the variants that Orange Polska is contemplating is to participate in the Totem project, however he did not say when the relevant decisions regarding the towers could be expected.

Orange Polska is currently working on the FiberCo project (Światłowód Inwestycje) and expects to see the finalization of the joint-venture transaction with APG to whom it will sell a 50-percent stake in Światłowód Inwestycje for the amount of PLN 1.374 bn. It expects that in 2024 it will have 8 million households within the coverage area of its fiber-optic network. At present the Group’s fiber-optic network reaches 5.2 million households.

The CEO informed that the vendor for rolling out its 5G network and upgrade of the older generation networks had not been selected yet. He announced, though, the liquidation of the 3G network.

The company forecasts low, single-digit revenue growth and low, single-digit growth of EBITDAaL in its .Grow strategy for the years 2021-2024, which means an increase of this year’s EBITDAaL growth forecast. Capital expenditures in the new strategy will amount to PLN 1.7-1.9 bn annually. Orange Polska forecasts the net debt/EBITDAaL ratio to be in the 1.7-2.2x range in the long term in its strategy for the 2021-24 timeframe.

The new strategy assumes that the company will return to dividend payouts in 2022 at the base level of PLN 0.25 per share. The condition for dividend payout is for the net debt to EBITDAaL ratio not to exceed 2.1x (while accounting for the outcome of the 5G spectrum auction).

Ducarroz added that the group would continue headcount optimization.

Rzeczpospolita Biznes
Trendy
30 June 2021

ESOLEO – the energy of the future in a budget version

Interview with Krzysztof Dziaduszyński, Management Board Member of ESOLEO, company belonging to Cyfrowy Polsat Group

by Agnieszka Kluska

The pandemic is a period of dynamic development of ESOLEO which was once again rewarded in "Dobra Marka - Jakość, Zaufanie, Renoma" (Good Brand - Quality, Trust, Renown) contest. Krzysztof Dziaduszyński, Management Board Member of ESOLEO (Cyfrowy Polsat Group member) noted that membership in the Group obliges ESOLEO to maintain the Group's high quality standards for goods and services. *"Our distinctive feature is the close cooperation we have with the manufacturers of major components, the fact of employing experienced installers as well as the continuous development of our employees' skills. Thanks to this we are able to offer not only top quality photovoltaic systems, ensuring safety of our customers, but also to offer professional and comprehensive support,"* adds Dziaduszyński.

ESOLEO has created a system which can operate reliably for dozens of years. In addition, in cooperation with Polkomtel it has launched an offer which enables customers not to lose the energy which has been produced and transmitted to the electrical grid. *"In a majority of offers, a prosumer can recover maximum 80% of the energy that was transmitted to the grid – 20% of the produced energy is retained by the power company. When buying an ESOLEO system and migrating the power supply agreement to Plus, a customer may recover all of the energy that their system produced and transmitted to the power grid, thus maximizing the savings achieved,"* notes Krzysztof Dziaduszyński.

In the coming months ESOLEO has a plan of focusing on the market of micro-installations as well building of big industry-grade photovoltaic power plants. ESOLEO is currently implementing the final stage of one of the biggest projects of this type in Europe – a solar power plant in Brudzew local commune which will generate 70 MW of electricity.

Telko.in
1 July 2021

Play claims that in July it will surpass Plus in terms of 5G network coverage

by Marek Jaślan

The operator announced that it was completing another phase of intensive roll out of its 5G network by putting on air hundreds of new base stations. As a result, at the end of July 2021 there will be 2576 5G stations on-air, providing coverage over an area inhabited by 35 percent of Poland's population.

"Thanks to this Play will become the biggest 5G network in Poland," as the operator has communicated. The network will cover more than 700 towns and places. The operator also claims that Play's has an advantage of offering the biggest number of 5G-supporting devices of all Polish operators. Currently there 49 such devices in its offer.

Play informed that while rolling out its 5G network it was using the Dynamic Spectrum Sharing (DSS) solution (until the allocation of the C-band blocks). Thanks to this technology, Play will be implementing its 5G network while relying on spectrum resources that it owns in 2100 MHz frequency band.

The operator also assures that it is waiting for the announcement, by the Office of Electronic Communications, of the auction for the spectrum from the 3.6 GHz frequency band, which will be allocated for use by 5G networks (the so-called C-band), and that it is ready to continue investing in the development of its infrastructure.

Rzeczpospolita
2 July 2021

More expensive monthly access fees, faster Internet access and ... barely any 5G

by Urszula Zielińska

The pandemic year brought tangible revenue growth to operators, as shown by the most recent report published by the Office of Electronic Communications (UKE). According to UKE's estimates, the telecommunication market in Poland was worth PLN 40.8 bn in 2020 vs. PLN 39.6 bn in 2019 (+3% yoy).

Cellular services (mobile telephony) and Internet access (fixed-line and dedicated mobile access) have the biggest share in the telecommunication pie. Last year's revenue growth is to a great extent owed to mobile telephony. Mobile operators' revenues reached PLN 12.5 bn (+13.8% yoy). The pandemic did not make Poles buy more SIM cards but it made them pay higher amounts for postpaid services, as indicated by UKE's figures. Monthly access fees for mobile services increased by 20%. On the one hand, it could be the outcome of growing prices, and on the other – of the demand for more expensive offers, with bigger data bundles.

UKE recorded growth of the total number of SIMs by 1.9 million, to 54.1 million. The figure includes M2M cards whose number increased by 25.5%, to 4.8 million.

Bundled services is the no. 2 category in the operators' revenue mix. The telecoms' revenues on that account increased by 7.6%, to PLN 10.3 bn, last year, though the growth was smaller than in previous years.

The pay TV (DTH) market grew only slightly – up by PLN 200m during the year, reaching PLN 6.7bn. As has been noted by UKE, the number of users of this service has been decreasing from year to year. Last year there were 10.8 million users. Internet access is right behind pay TV. Last year we spent PLN 6.5 bn on Internet access, including PLN 4.5 bn on fixed-line Internet access (+5% yoy). Growth in this area was the outcome of a higher number of users of this type of Internet access (+5%). Their number increased to 8.2m. The amount spent on mobile Internet access (excluding subscriptions with bundled data) was PLN 2 bn, up by PLN 100m compared to 2019.

Investments in broadband Internet access led to growth of the share of households which use connections offering data speeds of minimum 100 Mbps. The share of such households increased to 28.3% in 2020, compared to 23.2% in 2019. UKE admits that Poland has not reached the level indicated in the European Digital Agenda - 50% of households. At the same time, UKE estimates that the development of high-speed Internet access accelerated due to the pandemic, resulting in nearly 59% of the country's inhabitants gaining access to connections offering data speeds of minimum 100 Mbps

UKE has no data on 5G network coverage in Poland, as can be gathered from the report. The related information was provided only by Polkomtel, the operator of Plus network, and by Orange Polska. The remaining two operators (Play and T-Mobile) stated that they did not have the target 5G network in place yet since they were providing their services while using the frequencies that were historically allocated to 4G networks.

Parkiet.com
2 July 2021

Fiber-optic wholesalers are taking off

by Urszula Zielińska

On Friday two telecom groups announced the launch of operations of wholesale operators of fiber-optic infrastructure. The two parties are Orange Polska and a local monopolist in the Poznan province – Inea Group.

Orange Polska officially informed of the launch of operations by its Światłowód Inwestycje fiber-optic company to which it contributed a network covering 672 thousand households, including 170 thousand households with connected subscribers. Światłowód Inwestycje will be expanding the coverage of the fiber-optic network by adding 1.7 million households (bringing the total number to 2.4 million). 50% of the shares in the company will be acquired from Orange Polska by APG, a Dutch investment group which manages pension funds. The group will pay around PLN 1.4 bn for the stake.

Inea informed in turn that it had changed its name to Fiberhost and it is under this new name that it will operate as an independent infrastructural operator who will also be involved in network roll-out and maintenance. By the end of 2022 it plans to expand the network to cover 1.3 million households.

The retail business, in turn, involving provision of 300 thousand services to households and companies has been placed in a separate, limited liability company (Inea Sp. z o.o.). Both of these companies are owned by Odin Holdings, and SPV registered in Luxembourg and controlled by the Australian investment fund Macquarie.

The intention behind dividing Inea into two parts was to increase the transparency and the independence of the company in the eyes of wholesale customers. The Group is even speaking about a trend of having wholesale and retail businesses being run by separate companies. Inea's CEO Michał Bartkowiak did not rule out the possibility of selling Inea's retail business in the long run.

Current report
no. 16/2021
30 June 2021

Decision to increase the amount dedicated to acquiring shares of Netia S.A.

In connection with current report no. 8/2021 of the company Cyfrowy Polsat S.A. (the “**Company**”) dated 15 April 2021, concerning the intention of the Company to continue acquiring shares of Netia S.A. with its registered office in Warsaw (“**Netia**”) by means of transactions concluded on the regulated market of the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.) or outside the regulated market, through Trigon Dom Maklerski S.A., the Management Board of the Company hereby informs that on 30 June 2021 it adopted a resolution to increase the amount dedicated to the continuation of acquiring of Netia shares in such a way that:

- the purchase price of 1 (one) Netia share shall not exceed PLN 7.00
- the total purchase price of all Netia shares remaining in the holding of minority shareholders of Netia shall not exceed PLN 604.1 million.

The acquiring of Netia shares may be effected within 12 months from the date of adoption of the resolution by the Company's Management Board.

On 30 June 2021 the Company's Supervisory Board adopted a resolution consenting to the above-mentioned actions.

Current report
no. 17/2021
1 July 2021

Preliminary information on the number of shares of Netia S.A. being the subject of sale offers submitted in response to the invitation announced by Cyfrowy Polsat S.A. to submit offers to sell shares of Netia S.A.

In connection with current report no. 8/2021 of the company Cyfrowy Polsat S.A. (the “**Company**”) dated 15 April 2021, concerning the decision of the Company to continue acquiring shares of Netia S.A. with its registered office in Warsaw (“**Netia**”) and current report no. 15/2021 dated 30 June 2021 concerning the decision to increase the amount dedicated to the continuation of acquiring of Netia shares, the Management Board of the Company hereby informs that on 1 July 2021 it obtained from Trigon Dom Maklerski S.A. (“**Trigon**”), acting as an intermediary in the execution of transactions of acquisitions of Netia shares, preliminary information that in response to the invitation announced by the Company to submit offers to sell shares (the “**Invitation**”) shareholders of Netia submitted offers to sell 78,903,980 (seventy eight million nine hundred three thousand nine hundred eighty) Netia shares. The final number of Netia shares being the subject of submitted sale offers is still being verified by Trigon and – should material differences arise - will be disclosed to the public upon the completion of the verification process in the form of a current report of the Company.

The expected date for the transfer of ownership of the Netia shares being the subject of sale offers submitted under the Invitation outside the regulated market and the settlement of the purchases of the abovementioned shares through the KDPW (The Central Securities Depository of Poland) is 6 July 2021.

Press release
29 June 2021

ELEVEN SPORTS renews Serie A TIM rights for three more years

ELEVEN SPORTS will continue to bring Serie A TIM LIVE and EXCLUSIVELY to fans in Poland until 2023/24, following the agreement of a new three year deal.

The agreement was brokered by Infront, Serie A's exclusive international media rights partner. In addition to serving up the best LIVE matchdays, ELEVEN SPORTS will bring fans the latest Serie A news and goals in their studio shows Eleven Gol Live and Eleven Gol.

ELEVEN SPORTS has held Serie A rights in Poland since it first launched in 2015 and the league has consistently drawn a dedicated audience - with Poland internationals Piotr Zieliński, Wojciech Szczęsny and Bartosz Bereszyński in action alongside the likes of Cristiano Ronaldo, Romelu Lukaku and Zlatan Ibrahimović.

Krzysztof Świergiel, Managing Director, ELEVEN SPORTS, Poland, said: *“Italian football has been at the heart of our programming at ELEVEN since we launched in 2015, and we’re excited to continue to be able to offer Serie A to our fans for the next three seasons. With some of Poland’s top players in action in Serie A and the league’s iconic clubs and rivalries, we’re looking forward to bringing more top class football to fans in the years ahead.”*

Guillaume Collard, ELEVEN Group Chief Rights Acquisition Officer, added: *“We were delighted to get this deal done and secure Serie A for ELEVEN’s Polish audience for another three years. The ELEVEN Group has a long history of collaboration with Serie A and this deal further strengthens our partnership.”*

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2021-06-28	30.64	30.10	30.26	-0.46	8.30
2021-06-29	30.54	30.02	30.08	-0.59	9.41
2021-06-30	30.52	29.94	29.94	-0.47	17.08
2021-07-01	30.58	29.94	30.40	1.54	17.29
2021-06-28	30.64	30.10	30.26	-0.46	8.30



Investor's calendar



4 – 18 August 2021	Closed period prior to the publication of H1 2021 results
18 August 2021	Consolidated semi-annual report for the 1st half of 2021
1 – 2 September 2021	Barclays Media and Telecom Conference, online
6 – 7 September 2021	18th Emerging Europe Investment Conference - Pekao, online
26 October – 9 November 2021	Closed period prior to the publication of Q3 2021 results
9 November 2021	Quarterly report for Q3 2021