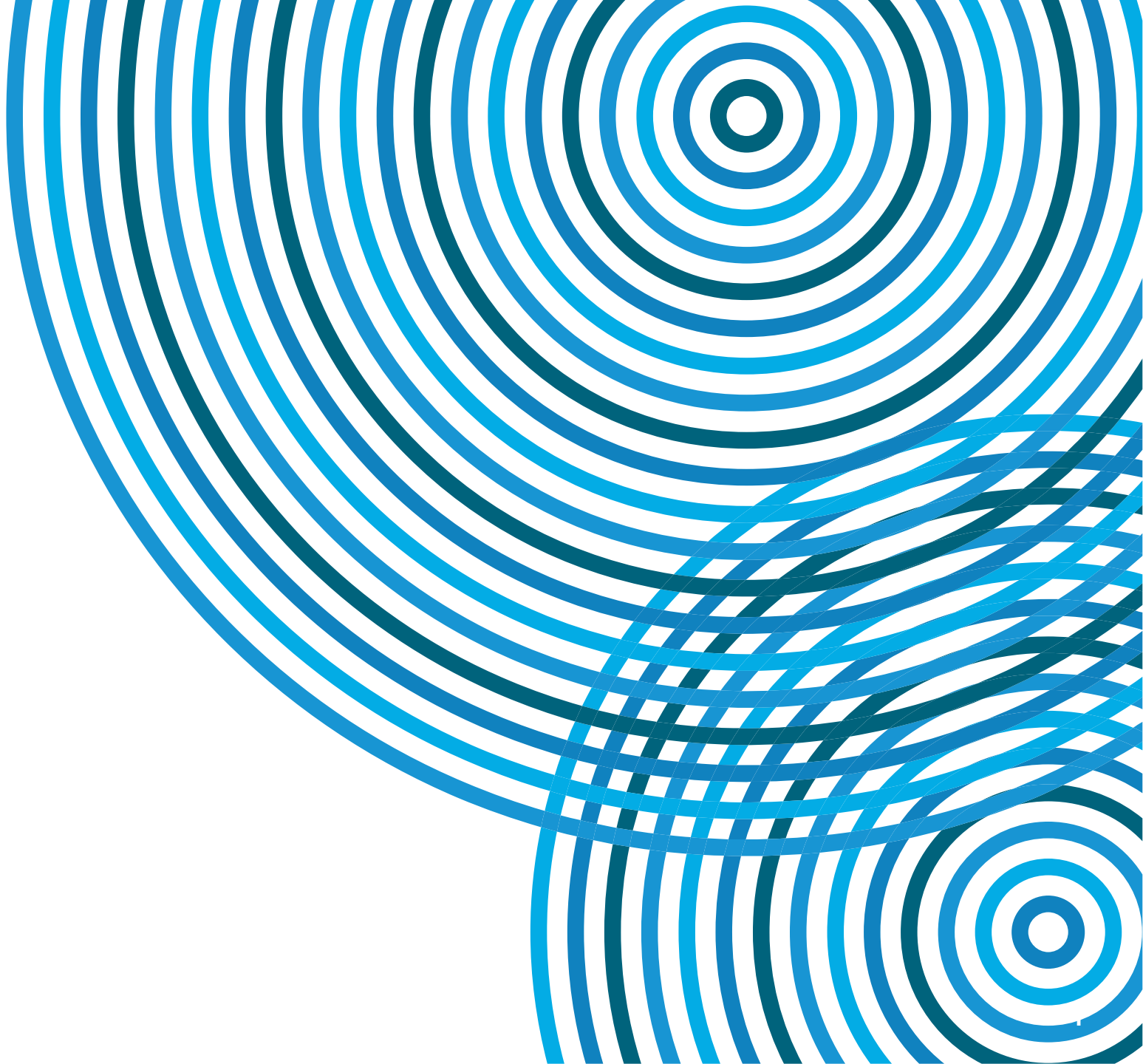


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Press review

PAP Biznes, 19 June 2023

by Ewa Pogodzińska

Orange Polska targets low single-digit group EBITDAaL growth in 2023 (interview)

Orange Polska is targeting low single-digit EBITDAaL growth in 2023 rather than stabilizing the figure, Jacek Kunicki, board member for finance, told PAP Biznes in an interview. He added that as part of the inflation clauses, the company will introduce 4% service price increases for several thousand fixed Internet customers with indefinite contracts starting in mid-July. This year, the launch of the clauses will not apply to customers of the company's other services. According to Kunicki, the number of customers subject to the clauses in the future will depend on when customers' contracts end and whether they decide to renew that contract or remain on the existing one. Orange Polska will be able to valorize such a contract once a year to keep prices linked to market prices.

According to Orange Polska's board member, high inflation remains a challenge for the industry.

"Inflation is a challenge for the entire market. We see it in the cost of electricity, leases that are indexed automatically to inflation and the rising minimum wage, among other things. Likewise, we are all wondering how long higher inflation will be with us," – he said.

Kunicki maintained that there is no rush when it comes to the fate of Orange Polska's tower infrastructure.

Press review

PAP Biznes, 21 June 2023

by epo/ osz

High inflation and rising costs worsen operators' condition and force revision of investment plans – PIKE

Due to high inflation and significant cost increases, 80% of surveyed telecom operators have experienced a deterioration in their financial condition, and 70% indicate that they need to revise their investment plans or have already made adjustments in a 1-3 year horizon and point to the risk of lowering the quality and competitiveness of services, according to a report commissioned by the Polish Chamber of Electronic Communications (PIKE).

"We have created the most competitive and diverse media and telecommunications market in Poland, with the best price/quality ratio. As an industry, we see the need for urgent dialogue with regulators to implement tools to operate in a high-inflation environment to develop offerings and protect consumers in a sustainable way. The market has built an artificial dam, taking all the impact of rising costs, and the lack of regulatory predictability is particularly painful for businesses in the current economic environment," said Jerzy Straszewski, PIKE president, quoted in the press release.

According to the report "The impact of the macroeconomic situation on telecommunications operators in Poland," prepared by Arthur D. Little and commissioned by PIKE, in 2018-22 inflation increased by 26%, energy prices by 160%, wage costs by 40%, and financing costs by more than 400%. The dollar and euro exchange rates, which are the currencies of settlement for equipment, content and a range of business-critical services, skyrocketed between Q1'18 and Q4'22 by 30% (USD) and 12% (Euro). At the same time, telecom prices remained unchanged during the period, and rising costs were not offset by revenue per user - ARPU from TV services fell by about 10%, and from fixed internet increased by 8%, significantly below inflation growth.

Press review

Rzeczpospolita, 22 June 2023

by Urszula Zielińska

Ericsson cut forecasts for mobile networks

5G services have driven revenue growth for telecoms over the past two years, according to transmitter provider Ericsson Group in a new edition of the Ericsson Mobility Report.

The report's authors have cut expectations for 2028 for Central and Eastern European countries. They still believe that the region did not see an increase in activated mobile services in 2022 and will not see an increase within five years. Now they are even predicting a decline from 570 million mobile services last year to 560 million at the end of 2028, with the loss evident in services based on 4G technology. 5G technology, on the other hand, with the increase in infrastructure coverage and the popularization of 5G-enabled devices, is expected to gain 225 million users in this part of Europe within five years. In December 2022, it had 5 million of them. Western Europe, on the other hand, had 69 million.

According to Ericsson, Europe is lagging behind in terms of 5G popularization. The reason is delayed auctions and frequency allocations. However, it will catch up with other parts of the world.

Ericsson argues that it is due to 5G that operators, whose data is the basis for the report's conclusions, have seen a total of 7% revenue growth in the last two years (2021-2022) (an average of 3.5% per year).

A service that is expected to gain in popularity thanks to 5G is radio internet for the home. By 2028, the number of users of such a solution worldwide is expected to triple and reach 300 million. In Poland, 5G for the home is offered by three of the four largest operators. The exception is Orange Polska.



Press review

Puls Biznesu, 23 June 2023

by Marcel Zatoński

5G auction launched

The long-awaited auction of frequencies from the so-called C-band, worth at least PLN 1.8 billion, has finally formally kicked off. The auction will begin in September.

Telecoms will bid for four blocks in the C-band (3.4-3.8 GHz) frequencies, to be used to build a mobile broadband network using 5G technology. The asking price for one block is PLN 450 million.

“We will accept initial bids until August 8. We will then formally evaluate the bids and hold a trial auction. These stages will take less than 40 days. We anticipate that the actual auction will take about 30 days, and the entire procedure will take about 150,” Jacek Oko, president of the Office of Electronic Communications (UKE), said at Thursday's press conference.

Each of the telecoms willing to participate in the auction must pay a deposit of PLN 182 million before August 8. Operators are so far restrained in commenting on the terms of the auction.

„We are currently analyzing the published auction documentation in its final form,” reports Ewa Sankowska-Sieniek of Play.

Representatives of the other companies had similar comments on the matter. At the consultation stage, Polkomtel, the Plus network operator, made the most comments. In its view, the coverage obligations stipulated in the auction conditions were inadequate and impossible to implement with the bandwidth made available by the state.

UKE accepted some of the industry's comments. Among other things, the width of the offered frequency blocks was expanded from 80 to 100 MHz (with no change in the asking price) and investment obligations were reduced. Operators will be required to deploy at least 3,800 base stations within four years, instead of three as previously expected. They are to provide high-speed mobile network coverage to 90 rather than 95% of the country – excluding areas near the eastern border. The expected network capacity has also been reduced from 100 to 95 Mbps.

“This change will allow operators to obtain EU subsidies for network coverage of digitally excluded areas,” Jacek Oko explained.



Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2023-06-19	17.52	16.98	17.16	0.67	5.185
2023-06-20	17.29	16.95	17.02	-0.85	5.638
2023-06-21	17.20	16.55	16.55	-2.73	7.412
2023-06-22	16.89	16.45	16.72	1.00	5.190
2023-06-23	16.95	16.36	16.36	-2.15	5.095



Investor's calendar

Date	Event
29 June 2023	CPS: Annual General Meeting
3 – 16 August 2023	Closed period prior to the publication of H1 2023 results
16 August 2023	Consolidated semi-annual report for the 1st half of 2023
9 – 11 October 2023	The Finest CEElection Investor Conference 2023 - ERSTE, Vienna
26 October – 8 November 2023	Closed period prior to the publication of Q3 2023 results
8 November 2023	Quarterly report for Q3 2023