

Financial results of Polsat Plus Group in Q3'24

PLNm	Q3'24	YoY change	Market consensus ¹⁾	Difference
Revenue, incl.:	3,580	3.6%	3,479	2.9%
- Retail revenue	1,817	3.6%		
- Wholesale revenue	764	-4.4%		
- Sale of equipment	457	2.4%		
- Energy revenue	359	32.0%		
- Other revenue	182	-0.5%		
Operating costs, incl.:	2,988	-5.6%		
- Technical costs and cost of settlements with telecommunication operators	870	3.8%		
- Depreciation, amortization, impairment and liquidation	303	-36.2%		
- Cost of equipment sold	365	5.0%		
- Content costs	415	-19.6%		
- Cost of energy sold, includes	262	2.8%		
- Depreciation	12	45.9%		
- Distribution, marketing, customer relation management and retention costs	264	2.3%		
- Salaries and employee-related costs	290	6.8%		
- Cost of debt collection services and bad debt allowance and receivables written off	28	-15.8%		
- Other costs, includes	190	12.2%		
- Depreciation	1	225.0%		
EBITDA excl. disposal of assets ²⁾	873	12.7%	845	3.3%
<i>EBITDA margin excl. disposal of assets ²⁾</i>	<i>24.4%</i>	<i>2.0pp</i>	<i>24.3%</i>	<i>0.1 pp</i>
EBITDA	886	-10.9%	857	3.4%
<i>EBITDA margin</i>	<i>24.8%</i>	<i>-4.0pp</i>	<i>24.6%</i>	<i>0.2 pp</i>
EBIT	570	11.5%	493	15.5%
Net profit	250	144.4%	216	15.6%

¹ Based on estimates prepared by: BM mBanku, BM BDM, DM BOŚ, DM PKO BP, ERSTE, Ipopema, Trigon, Pekao, Santander, Wood&Co

² EBITDA excluding in Q3'24 proceeds from the disposal of the third part of the IPv4 address package for PLN 13.6 million net of transaction costs

- **Polsat Plus Group revenues amounted to PLN 3,580m, an increase of PLN 124m (+3.6% YoY).** The level of total revenue was mainly influenced by:
 - Higher **retail revenue (+3.6% YoY)** as a result of the successful implementation of the multiplay strategy and building the value of B2C and B2B contract customers, which translated into an increase in ARPU per B2C contract customer of **+5.0% YoY** and per B2B customer of **4.0% YoY**;
 - Increase in **energy revenue** by **PLN 87m (+32.0% YoY)**, where revenue from sales of energy produced **increased by PLN 130m YoY to PLN 212m**, and revenue from resale of energy were **PLN 36m lower YoY** and amounted to **PLN 137m**. The growth of revenue from sales of energy produced was driven by an increase in installed capacity at the Group's wind farms and a change in the presentation of revenue related to the resale of energy by the B2C and B2B services segment.
- **Group costs decreased by PLN 177m (-5.6% YoY)** and amounted to **PLN 2,988m**. Their level was mainly influenced by the following factors:
 - Decrease in **content costs (-19.6% YoY)** mainly due to the recognition of lower sports licensing costs due to the lack of the UEFA Champions League broadcasting rights and lower internal production costs;
 - Lower **depreciation, amortization, impairment and liquidation costs (-36.2% YoY)**, primarily as a result of the completion of the amortization of retail customer relationships;
 - Increase in **technical costs and cost of settlements with telecommunication operators (+3.8% YoY)** mainly as a result of increased costs related to mobile network roll-out and higher network maintenance costs, remaining under inflationary pressure;
 - Higher **salaries and employee-related costs (+6.8% YoY)**, as a result of inflationary pressure on wages with a slight increase in average employment in the Group **(+1.0% YoY)**;
 - Increase in **other costs (+12.2% YoY)**, primarily as a result of the recognition of costs related to the lease of green hydrogen-powered buses to the city of Gdańsk.
- **Other operating income/(cost), net amounted to PLN -22.2m** and resulted primarily from the recognition of an impairment charge on inventories of photovoltaic modules held by Esoleo (PLN 30.0m), partially compensated by a gain on the disposal of the third tranche of the IPv4 address package (+PLN 13.6m net of transaction costs).
- **EBITDA excl. the disposal of assets³**, amounted to **PLN 873m (+12.7% YoY)**, with a margin of **24.4%**. The main reasons behind this increase include higher retail revenue accompanied by a decrease in content costs, and increasing contribution from the green energy segment.
- **Reported EBITDA** amounted to **PLN 886m (-10.9% YoY)**.
- **EBIT** amounted to **PLN 570m (+11.5% YoY)**.
- **Finance costs, net** decreased by **PLN 120m YoY (-30.2% YoY)** primarily due to the recognition of a positive non-cash valuation of the euro-denominated tranche of the SFA, while in the corresponding period the valuation of the euro-denominated tranche of the SFA had a negative non-cash impact on finance costs.
- **Net profit** of the Group amounted to **PLN 250m (PLN +148m YoY)**.
- **Adjusted FCF LTM after interest, excl. green energy capex** amounted to **PLN 1,103m (+230.8% vs. FY'23)** in Q3'24.
- In the **TMT⁴ space, CAPEX/revenue** ratio at **6.2%** in Q3'24. Capex in the green energy segment amounted to PLN 277m in Q3'24.

³ EBITDA excluding in Q3'24 proceeds from the disposal of the third part of the IPv4 address package for PLN 13.6 million net of transaction costs

⁴ Includes B2C and B2B services and media segments

- The main covenant – **net debt/EBITDA LTM** (excl. project financing⁵) at the level of **3.40x**.
- Net debt/EBITDA LTM incl. project financing at the level of **3.64x**.

⁵ Liabilities under loans and credits granted to PAK-PCE and investment loans granted to PAK-PCE subsidiaries (project companies) for certain investment projects related to the development of low and zero carbon energy sources

B2C and B2B services segment

	Q3'24	Q3'23	YoY change
B2C AND B2B SERVICES SEGMENT¹⁾			
Total number of B2C RGUs (EOP) [thous.], incl.:	13,129	13,054	0.6%
Pay TV	4,694	4,863	-3.5%
Mobile telephony	6,378	6,213	2.7%
Internet	2,057	1,978	4.0%
Number of B2C customers (EOP) [thous.]	5,747	5,820	-1.3%
ARPU per B2C customer [PLN]	77.2	73.5	5.0%
Churn in B2C subsegment	7.2%	7.5%	-0.3 pp
RGU saturation per one B2C customer	2.28	2.24	1.8%
PREPAID SERVICES			
Total number of RGUs (EOP) [thous.], incl.:	2,566	2,738	-6.3%
Pay TV	86	128	-32.8%
Mobile telephony	2,456	2,582	-4.9%
Internet	24	28	-14.3%
ARPU per prepaid RGU[PLN]	17.8	17.9	-0.6%
CONTRACT SERVICES FOR B2B CUSTOMERS			
Total number of B2B customers (EOP) [thous.]	68.3	68.8	-0.7%
ARPU per B2B customer [PLN]	1,514	1,456	4.0%
FINANCIAL RESULTS [PLNm]			
Revenue	2,682	2,645	1.4%
EBITDA excl. disposal of assets²⁾	636	658	-3.4%
CAPEX	181	152	19.2%

¹⁾ excl. low-margin Polsat Box Go Start package

²⁾ EBITDA excluding in Q3'24 proceeds from the disposal of the third part of the IPv4 address package for PLN 13.6 million net of transaction costs

Contract services for B2C customers:

- **B2C contract customer base at 5,747K (-1.3 % YoY).** The main reason behind the decrease was the declining popularity of the satellite technology as well as the continued process of merging contracts under one common contract for the household within our base.
- **Churn at a low level of 7.2%** per annum, mainly as a result of the high loyalty of our bundled service customers, which in turn is due to the successful implementation of our multiplay strategy.
- **ARPU per B2C contract customer at PLN 77.2 (+5.0% YoY)**, thanks to upselling and cross-selling additional products and services to our customer base as part of our multiplay offer and offering richer TV and telecom packages (more-for-more strategy).
- **B2C contract services base at 13,129K (+0.6%).**
 - The number of **mobile telephony RGUs** increased by **165K (+2.7%) YoY to 6,378K**;
 - The number of **Internet RGUs** amounted to **2,057K**, recording an increase of **79K (+4.0%) YoY**;
 - **Pay-TV services** amounted to **4,694K** and recorded a decrease of **169K (-3.5% YoY)**, mainly as a result of a lower number of provided satellite TV services, which is partially compensated by an increasing number of TV services offered in online technologies (IPTV/OTT).

- **2.49m customers**, i.e. 43% of the total base, use our **multiplay offering** and have a total of 7,599K services (+202K YoY).

Prepaid services:

- The **prepaid RGU base⁶⁾** amounted to **2,566K**, recording a decrease of 172K YoY (**-6.3%**). The main reasons of the decline were:
 - 126K less prepaid mobile services due to intensified competition in this market segment;
 - the growing popularity of data transmission in voice tariffs due to the disappearing differences in the size of data packages, which translates into a systematic decline in the number of dedicated mobile Internet services.
- **Prepaid ARPU⁶⁾** at a high and stable level of **PLN 17.8 (-0.6% YoY)**.

Contract services for B2B customers:

- Stable **contract B2B customers** base at **68.3K** (-0.7% YoY);
- **ARPU per B2B customer** increased to **PLN 1,514** per month (**+4.0% YoY**).

Financial results:

- Higher retail revenue and revenue from equipment sale was partially offset by pressure from regulatory sequential reduction of interconnect MTRs;
- Operating costs under control with continued pressure on network maintenance costs and costs of equipment sold;
- Segment EBITDA of **PLN 636m** in Q3'24 impacted by a write-down on inventories of photovoltaic modules (PLN -30m);
- Capex-light segment - **capex/revenue** ratio at **6.7%**.

⁶⁾ excl. low-margin Polsat Box Go Start package

Media segment: television and online

	Q3'24	Q3'23	YoY change
TELEVISION			
Audience share¹⁾, including:	21.71%	22.22%	-0.51 pp
POLSAT (main channel)	6.72%	7.16%	-0.44 pp
Other channels	14.99%	15.06%	0.07 pp
Advertising market share²⁾	27.6%	28.9%	-1.3 pp
Market expenditures on TV advertising and sponsorship ³⁾ [mPLN]	1,073	998	7.5%
Revenue from advertising and sponsorship of TV Polsat Group⁴⁾ [mPLN]	297	288	3.0%
ONLINE: POLSAT-INTERIA GROUP⁵⁾			
Average monthly number of users [millions]	19.4	20.5	-5.4%
Average monthly number of page views [millions]	1,805	1,944	-7.1%
FINANCIAL RESULTS [PLNm]			
Revenue	546	560	-2.5%
EBITDA	145	83	73.9%
CAPEX	18	31	41.2%

¹ NAM, All 16-59, all day, SHR%, including Live+2 (i.e. Time Shifted Viewing), and TV audience out of home (OOH), internal analyses

² Our estimates based on Publicis Groupe data

³ Publicis Groupe, preliminary data, spot advertising and sponsorship

⁴ Revenue from TV advertising and sponsorship of TV Polsat Group' channels

⁵ Mediapanel Gemius/PBI, number of users – real users (RU) indicator, number of page views – views indicator

Television

- **Revenue from advertising and sponsorship** of TV Polsat Group in Q3'24 **increased by 3.0% YoY**, to PLN 297m, while the TV advertising market recorded a 7.5% increase.
- As a result, our share in the TV advertising and sponsorship market was **27.6%** compared to 28.9% in Q3'23.
- We expect the TV advertising and sponsorship market to grow at a mid-single digit rate in 2024.
- EBITDA of the media segment increased to **PLN 145m (73.9% YoY)**, primarily as a result of lower content costs, in particular sports licenses due to the lack of the UEFA Champions League broadcasting rights and lower internal production costs.

Green energy segment

	Q3'24	Q3'23	YoY change
Total electricity generation (GWh), of which:	300.6	191.3	57.1%
Biomass	187.7	157.1	19.5%
Photovoltaics	31.8	27.9	14.0%
Wind farms	81.1	6.3	1,187.3%
Average price of sales of energy produced¹ [PLN/MWh]	593.8	748.2	-20.6%
FINANCIAL RESULTS [PLNm]			
Revenue, incl.:	316	272	16.1%
sale of own electricity	178	83	116.3%
energy resale	127	173	-26.4%
EBITDA	82	26	217.4%
CAPEX	277	302	-8.2%

¹ Calculated as the ratio of the green energy segment's generated revenue from the sale of own electricity and the volume of production

Energy production

- **Total volume of green electricity produced increased by 57.1% YoY** to reach **300.6 GWh**, incl.
 - 187.7 GWh (+19.5% YoY) from biomass;
 - 31.8 GWh (+14.0% YoY) from photovoltaics;
 - 81.1 GWh (+1,187.3 YoY) from wind farms.
- **Average price of sales of energy produced** was **PLN 593.8/MWh (-20.6% YoY)** in Q3'24, primarily as a result of lower market energy prices.
- **Revenue from energy sales in the green energy segment** (before consolidation eliminations) increased by **PLN 44m (+16.1%) YoY**, where revenue from the sales of energy produced increased by **PLN 96m YoY** to **PLN 178m** as a result of the expansion of production capacity while revenue from the resale of energy decreased by **PLN 46m YoY** to **PLN 127m**.
- **EBITDA** of the green energy segment increased to **PLN 82m (+217.4% YoY)**.
- Segment **capex** in Q3'24 at **PLN 277m**.

APPENDIX
Financial results of Polsat Plus Group's business segments

Q3'24 [PLN million]	B2C and B2B services	Media: TV and online	Real estate	Green energy	Consolidation adjustments	Total
Revenue	2,682	546	39	367	-53	3,580
YoY change	1%	-3%	-3%	-3%	-	3,6%
Operating costs¹⁾	2,008	401	27	286	-51	2,671
YoY change	1%	-16%	-18%	-18%	-	-0.2%
EBITDA excl. disposal of assets²⁾	636	145	10	82	-	873
YoY change	-3%	74%	14%	217%	-	12.7%
EBITDA margin excl. disposal of assets ²⁾	23.7%	26.5%	25.5%	22.4%	-	24.4%
YoY change	-1.2pp	11.7pp	3.8pp	15.5pp	-	2.0pp
EBITDA	650	145	10	82	-	886
YoY change	-26.0%	74%	14%	217%	-	-10.9%
EBITDA margin	24.2%	26.5%	25.5%	22,4%	-	24.8%
YoY change	9.0pp	11.7pp	3.8pp	15.5pp	-	4.0pp
CAPEX	181	18	4	277	-	480

¹ Costs excl. depreciation, amortization (incl. depreciation costs included in energy and buses production costs), impairment and liquidation

² EBITDA excluding gains on the disposal of the third tranche of the IPv4 address package for PLN 13.6m net of transaction costs

Note

Certain financial data contained in this document have been subject to rounding adjustments. Accordingly, certain numbers presented as the sum may not conform exactly to the arithmetical sum of their components or comparative references. For more detailed financial information, please refer to our financial statements available on our website <https://grupapolsatplus.pl/en/arc/results>