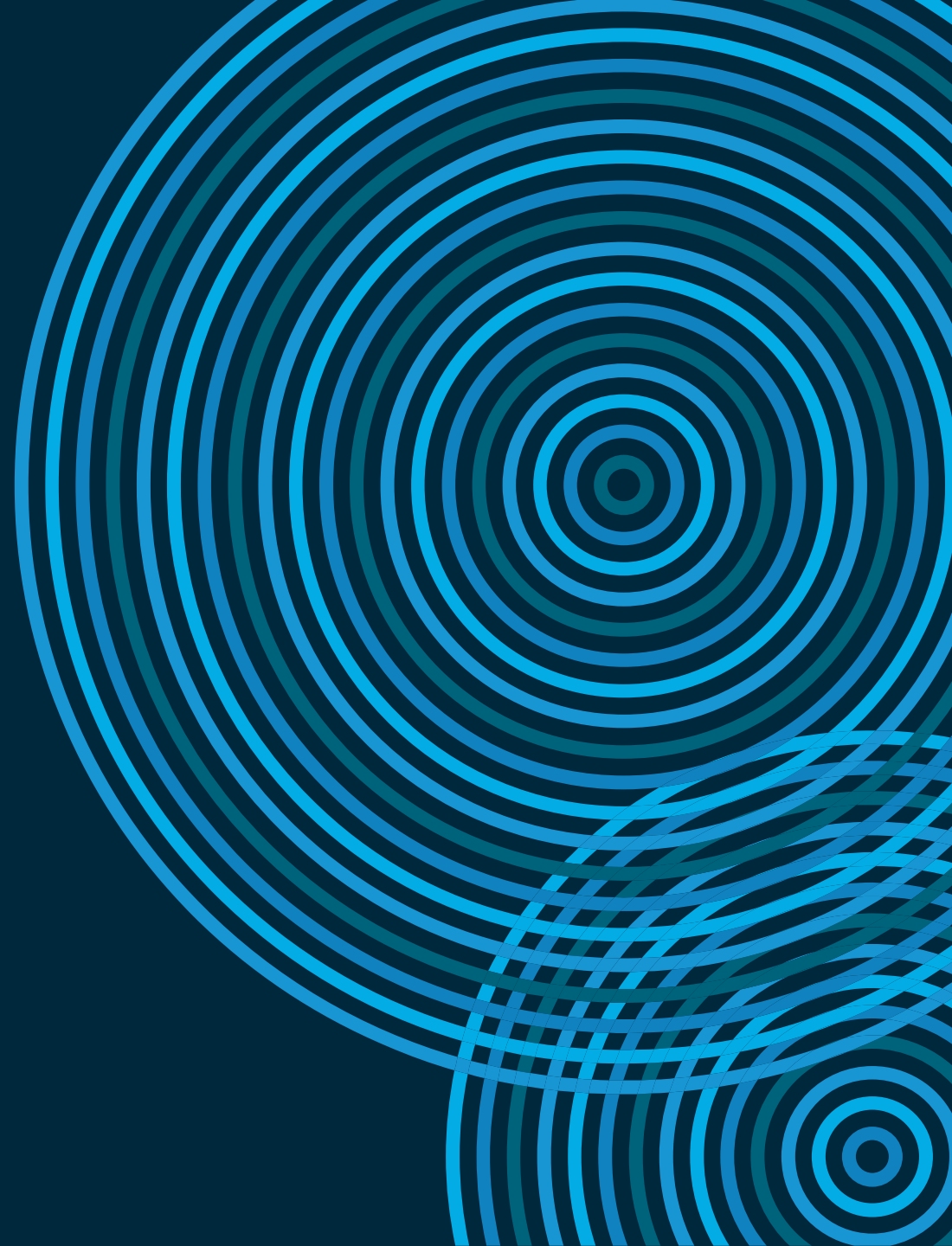


# Financial results Q1'24

23 May 2024



# 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.

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# Speakers



**MIROSŁAW BŁASZCZYK**  
PRESIDENT OF THE MGMT BOARD



**MACIEJ STEC**  
VICE-PRESIDENT FOR STRATEGY



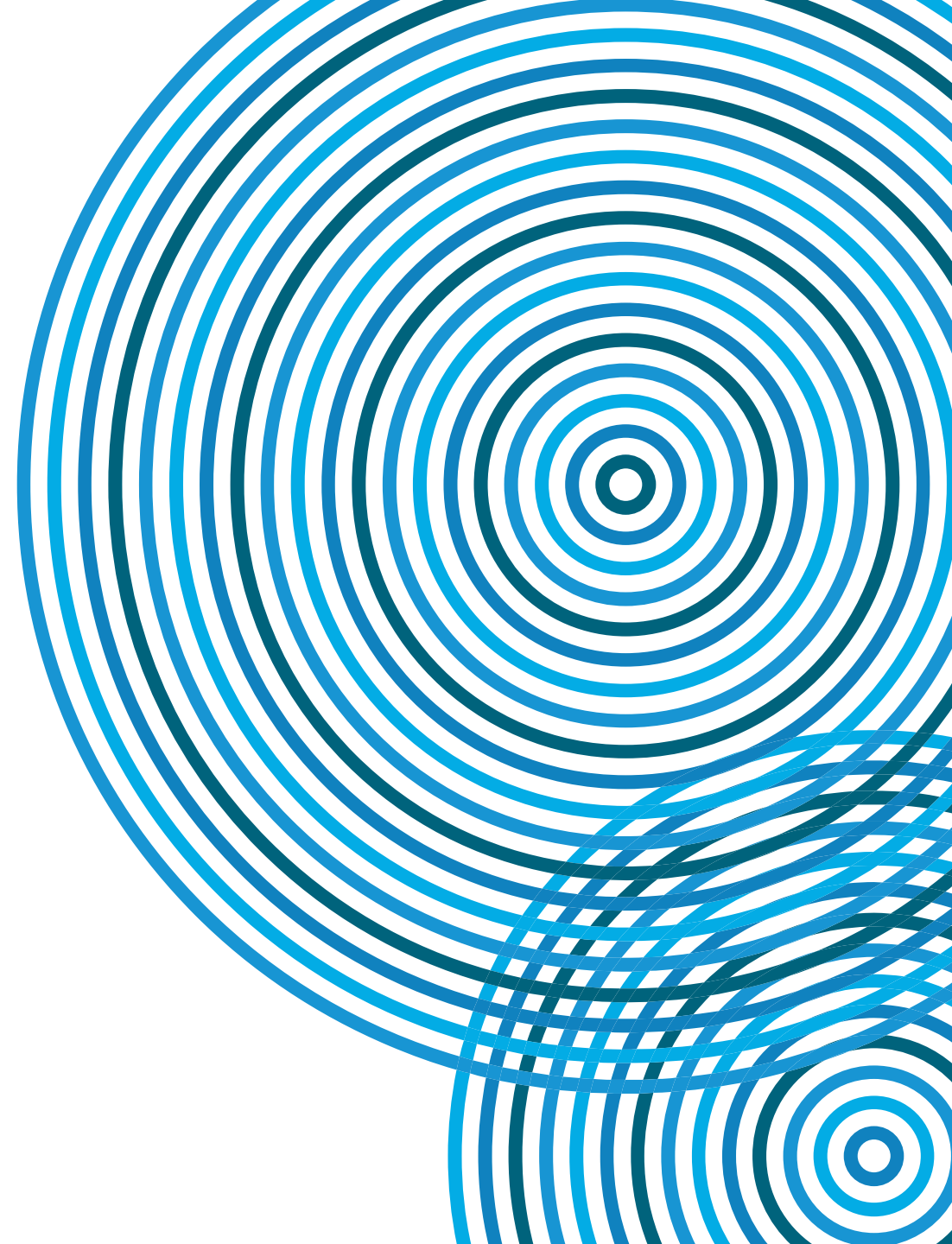
**KATARZYNA OSTAP-TOMANN**  
CFO, MEMBER OF THE MANAGEMENT  
BOARD FOR ESG



**PIOTR ŻAK**  
PRESIDENT, TELEWIZJA POLSAT

# Agenda

1. **Key events in Q1'24**
2. **Operating results**
3. **Financial results**
4. **Summary and Q&A**



# Key events in Q1'24



**Mirosław Błaszczuk**

*President of the Management Board, Cyfrowy Polsat*

# Key events in Q1'24

## B2C and B2B services segment

- ARPU is growing in all customer segments: B2C +4.5%, B2B +3.9% and prepaid +1.2%, and we maintain low churn
- We are increasing 5G network coverage – already 23 million people are within our 5G Plus network coverage and 6 million people are within our 5G Ultra network coverage
- We concluded a sales agreement to dispose of part of our IPv4 communications protocol address package for USD 56.1 million

## Media segment: TV and online

- Strong growth of our advertising revenue +8%
- Very good viewership figures for the spring programming schedule

## Green energy segment

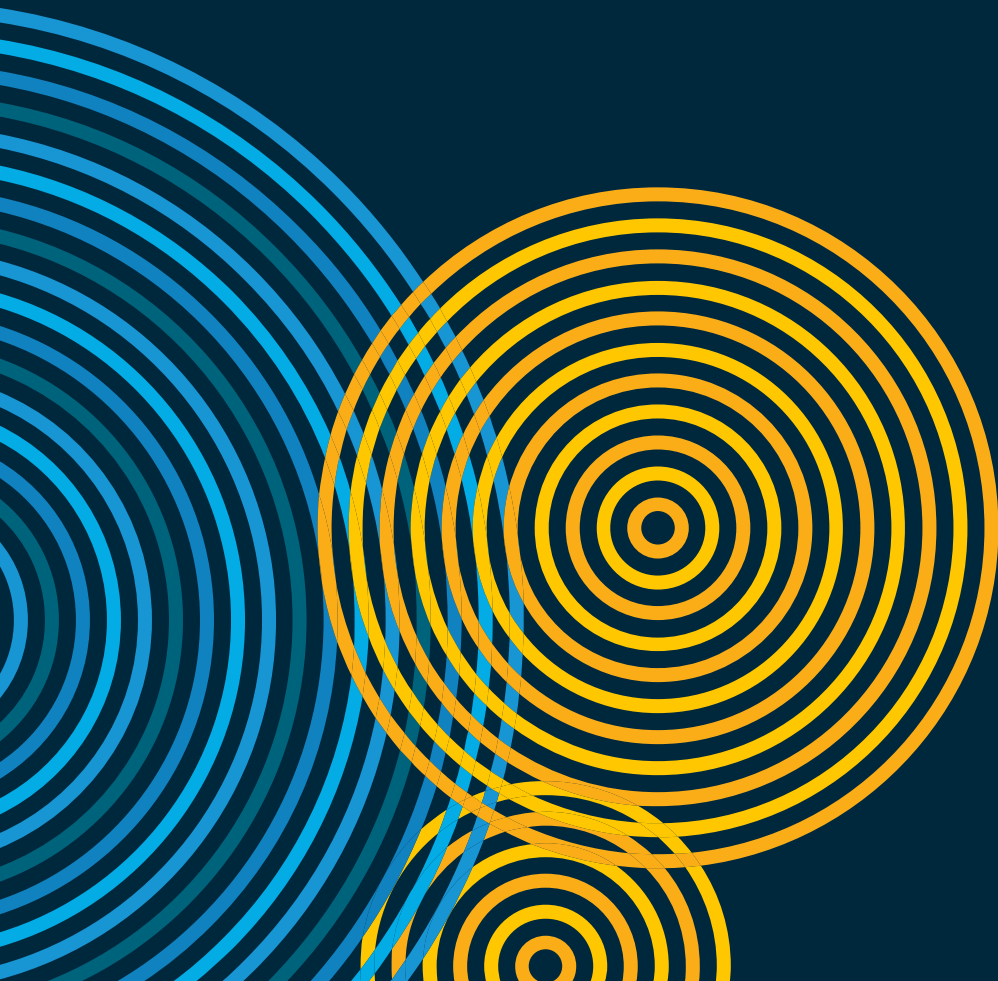
- PLN 47 million EBITDA of the green energy segment



# Operating results



# Media segment: TV and online



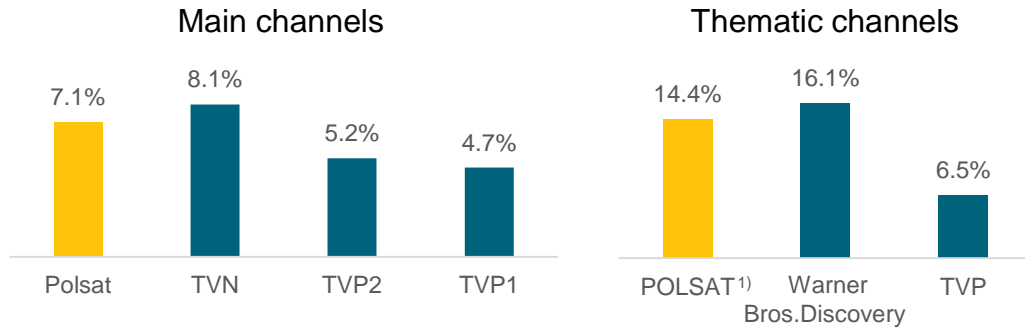
**Piotr Żak**

*President of the Management Board, Telewizja Polsat*

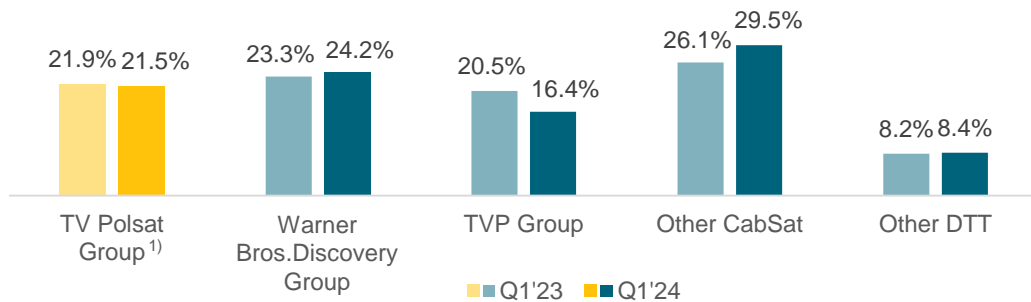


# Viewership and position in the advertising market in Q1'24

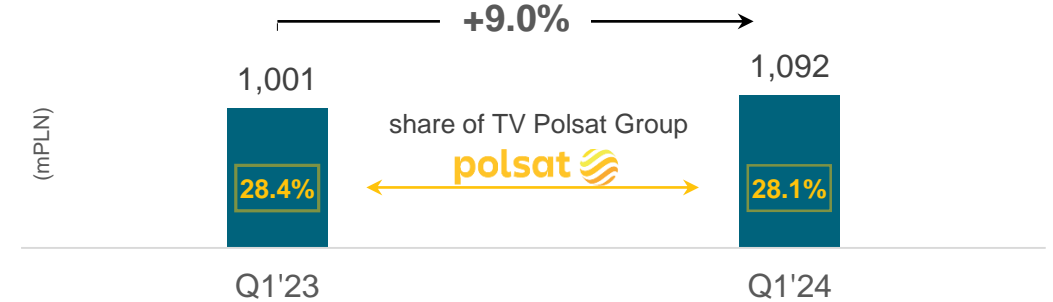
## Audience shares



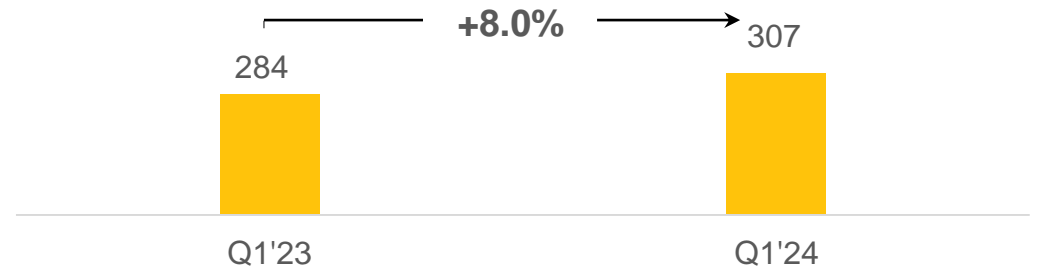
## Dynamics of audience share results



## Market expenditures on TV advertising and sponsorship



## Revenue from TV advertising and sponsorship of TV Polsat Group<sup>2)</sup>



Source: NAM, All 16-59, all day, SHR%, including Live+2 as well as TV audience out of home (OOH – out of home viewing), internal analyses; ad market: Publicis Groupe, preliminary data, spot advertising and sponsorship; TV Polsat Group: internal data

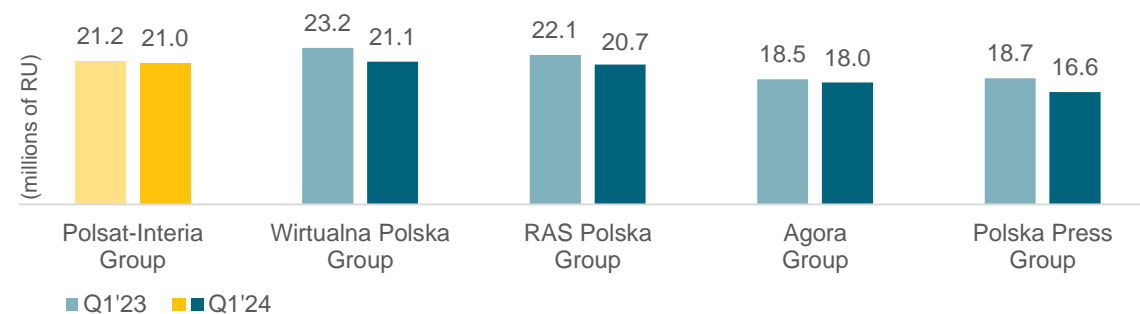
Note: (1) Excluding partnership channels

(2) Revenue from TV advertising and sponsorship of TV Polsat Group's channels

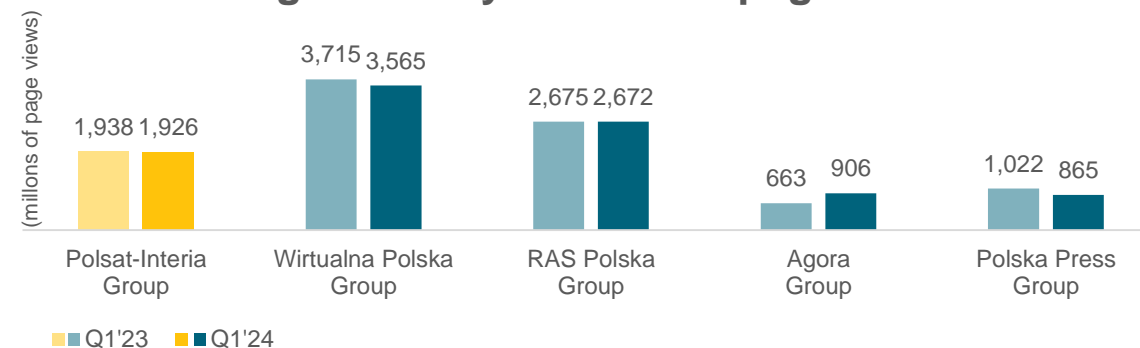
# We are effectively building our position in the market of Internet portals

- We have a very strong position in the online market
- Our leading position in the online media:
  - 21.0 m users
  - 1.9 bn page views

### Average monthly number of users



### Average monthly number of page views



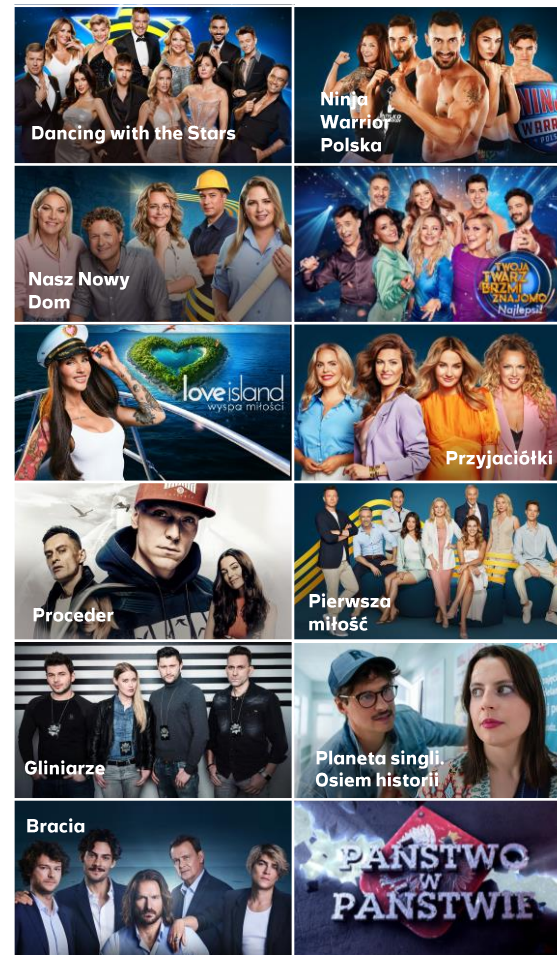
Source: Mediapanel, number of users – real users (RU) indicator, number of page views indicator

# Content – our strategy

## We focus on the creation of unique Polish content

### OUR CHANNELS


### UNIQUE PRODUCTIONS



### ACCESS ON ANY DEVICE

polsat box



polsat box | 4K lite



Download on the  
App Store

EXPLORE IT ON  
AppGallery

GET IT ON  
Google Play

# B2C and B2B services segment

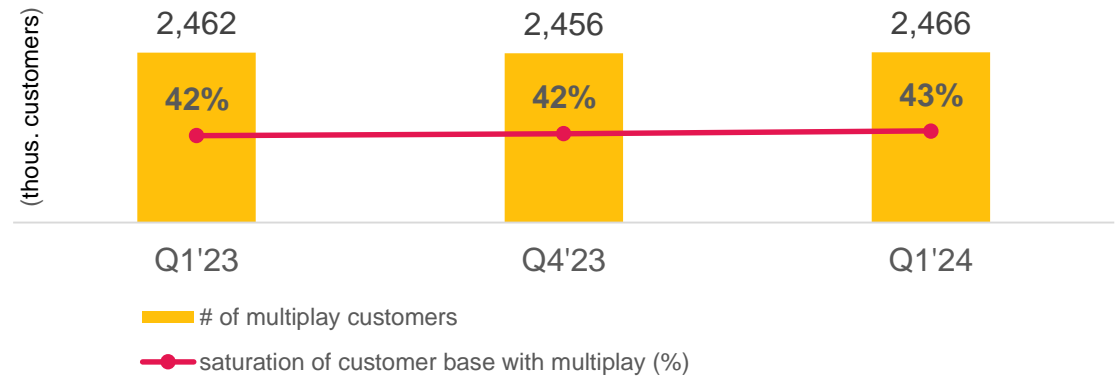


**Maciej Stec**  
*Vice President for Strategy, Cyfrowy Polsat*

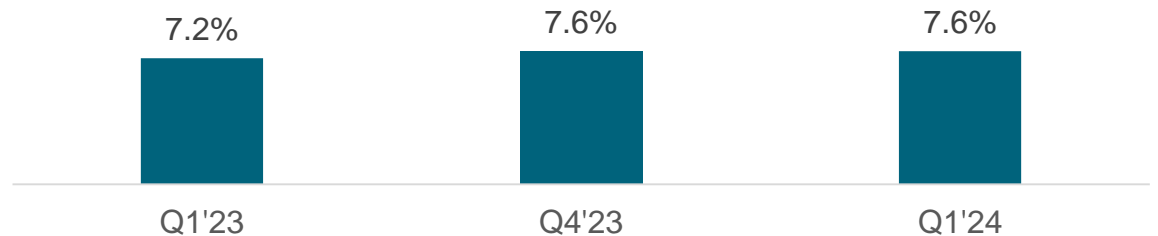
# Nearly 2.5 million customers use our multiplay offering

- High base of multiplay customers despite challenging market conditions
- As a result of the consistent implementation of the multiplay strategy, 2.47m of our customers use the multiplay offer – this represents 43% of our customer base
- The number of RGUs owned by these customers amounts to 7.47m
- Low churn – mainly due to our multiplay strategy

### Number of multiplay customers



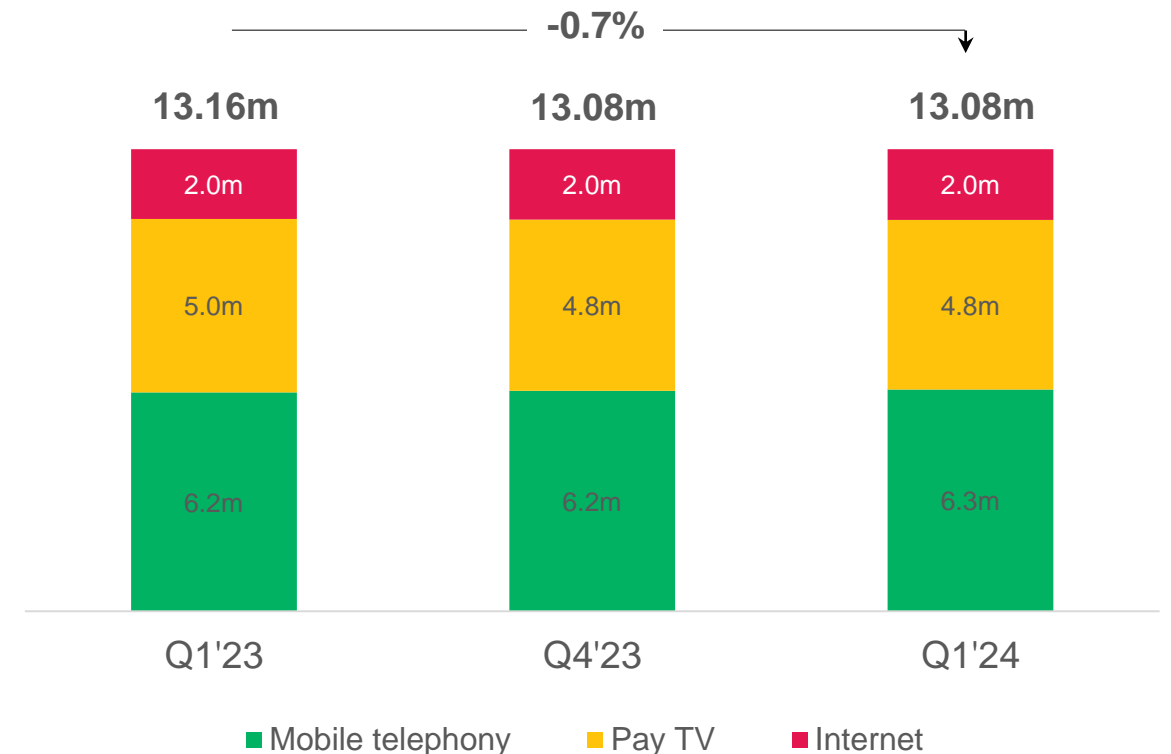
### Churn



# We provide over 13m contract services

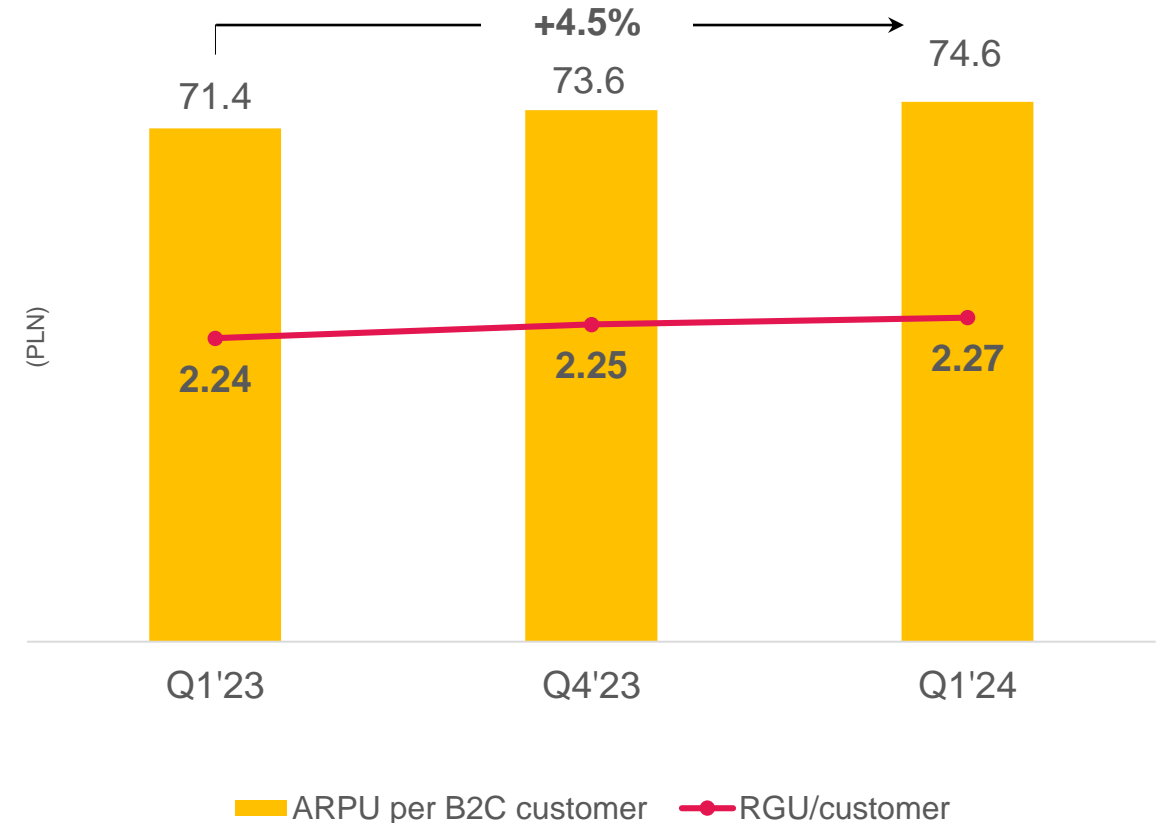
- High, stable number of mobile telephony and Internet access services
- The growing number of TV services provided in IPTV and OTT technologies partially offsets the decline in the pay-TV service base due to the price repositioning of our online video services

Number of RGUs in the B2C contract segment



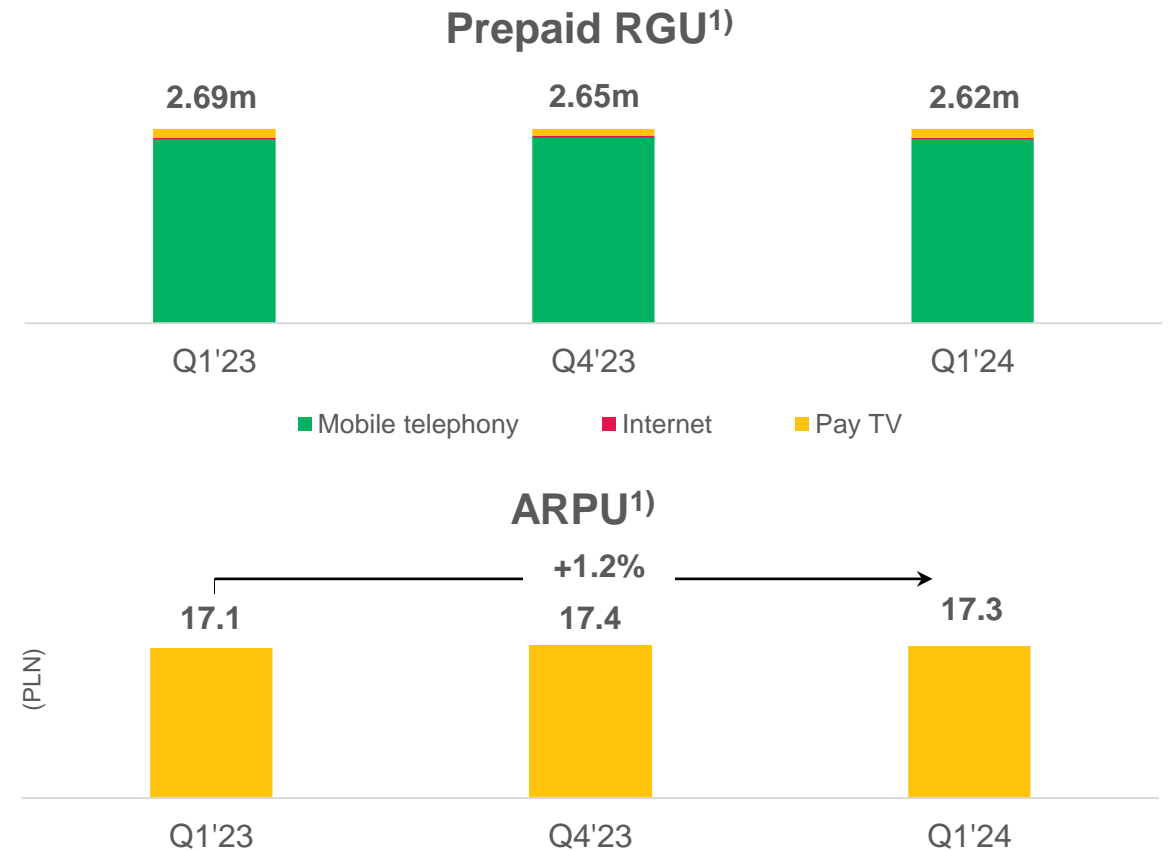
# ARPU growth in B2C thanks to the consistent implementation of our multiplay strategy and popularization of 5G tariffs

- 4.5% YoY increase in ARPU results from the consistent building of the value of the existing customer base
- Effective upselling of products as part of our multiplay strategy is reflected in the high RGU saturation per customer ratio



# High base and growing ARPU of prepaid services

- We maintain a high base of prepaid services at 2.6 million services
- ARPU growth of 1.2% YoY (after exclusion of low-margin promotional package in Polsat Box Go) in a highly competitive market

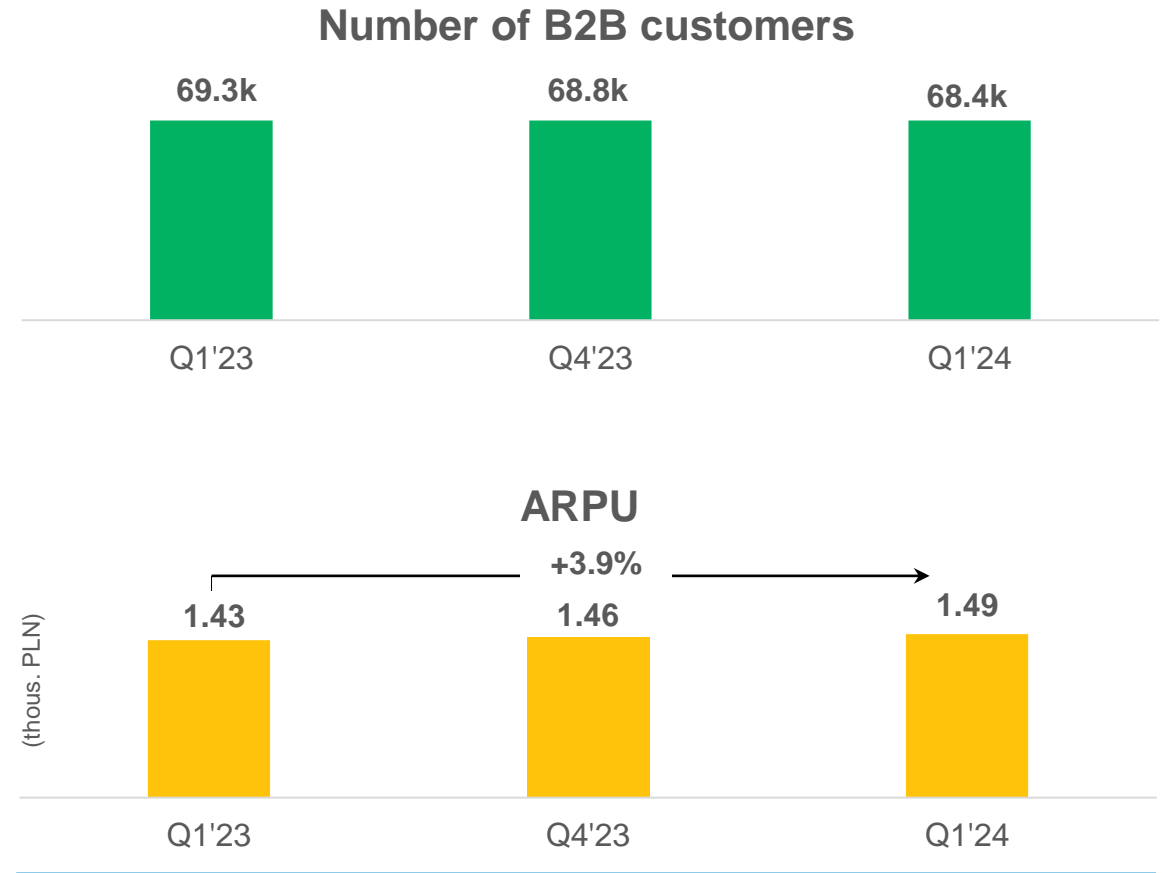


Note: (1) excl. low-margin Polsat Box Go Start package

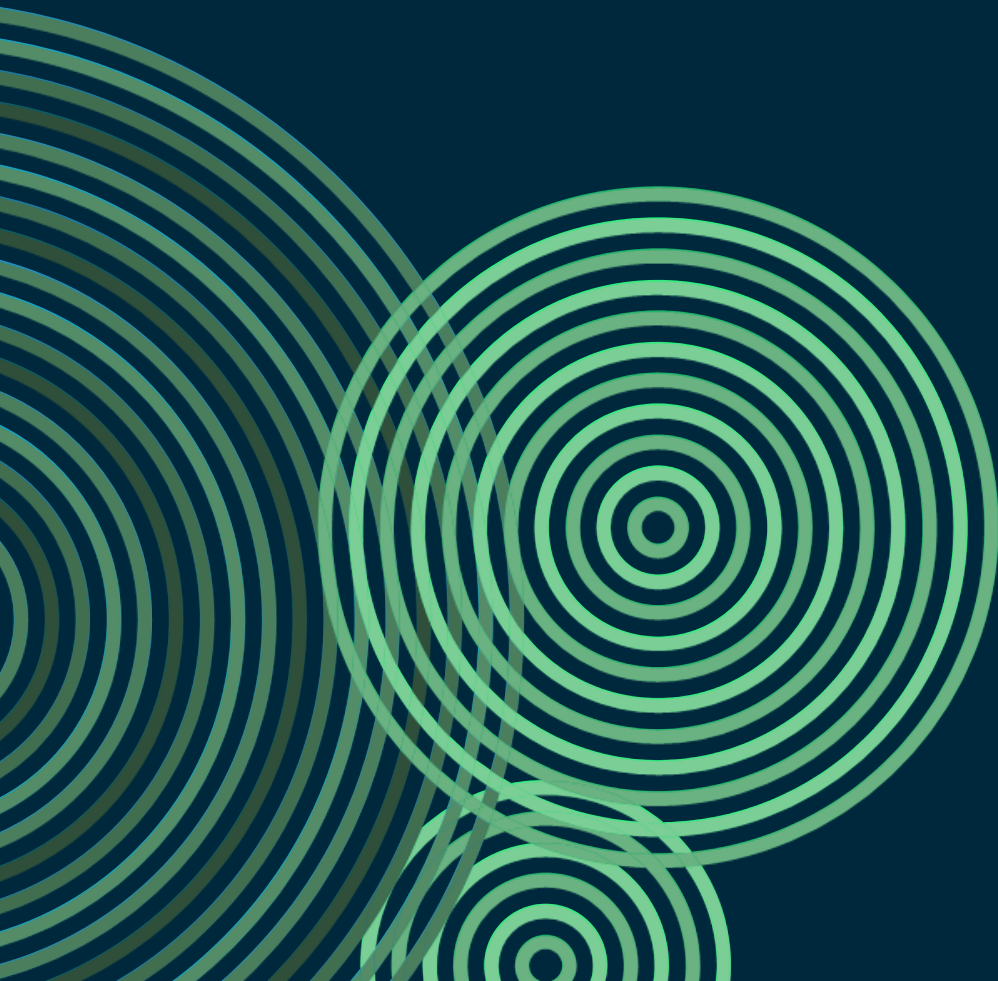


# High base and growing ARPU of B2B customers

- We provide services to over 68 thous. B2B customers, successfully maintaining the scale of this base
- The successively expanded offer of communication and ICT services enables us to increase ARPU from our B2B customers to nearly PLN 1.5 thous. monthly (+3.9% YoY)



# Green energy segment



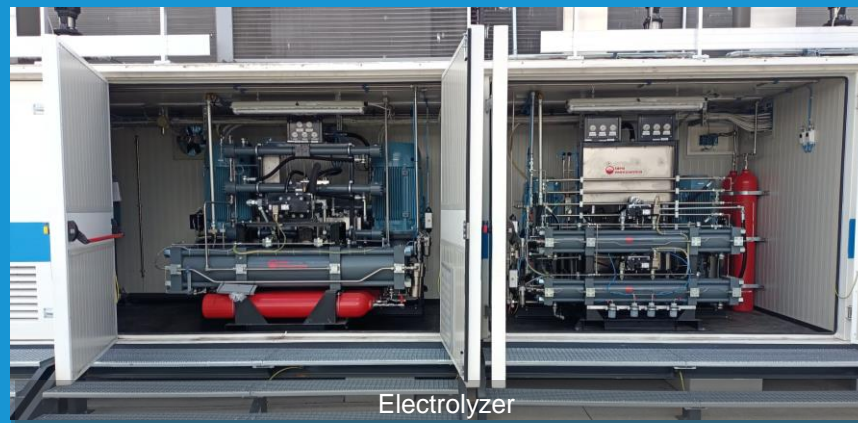
**Maciej Stec**  
*Vice President for Strategy, Cyfrowy Polsat*

# We want to become a leading producer of clean, green energy and green hydrogen

**Goal #1:**  
We want to become a leading producer of clean, green energy



**Goal #2:**  
We want to become a leading producer of green hydrogen



# We are dynamically implementing strategic initiatives related to the production of clean energy



## ENERGY FROM BIOMASS 100 MW

### → Block #1

Capacity: 55 MW  
Output: 350-400 GWh



### → Block #2

Capacity: 50 MW  
Output: 350-400 GWh



## SOLAR ENERGY >340 MW

### → Cambria/Brudzew

Capacity: 82.4 MWp / Output: 91 GWh  
**Operational**



### → Przykona (cooperation with ZE PAK)

Capacity: ca. 260 MWp / Output: ca. 250GWh  
Launch date: 15 months after securing all permits



## ON-SHORE WIND ENERGY >296 MW

### → Miłosław

Capacity: 9.6 MW / Output: 38 GWh  
**Operational**



### → Kazimierz Biskupi

Capacity: 17.5 MW / Output: 60 GWh  
**Operational**



### → Człuchów

Capacity: 72.6 MW / Output: 230 GWh  
**Operational**



### → Przyrów

Capacity: 50.4 MW / Output: 105 GWh  
Launch date: Q3'24



### → Drzeżewo

Capacity: 138.6 MW / Output: ca. 410 GWh  
Launch date: Q4'25



### → Dobra

Capacity: 7.8 MW / Output: 24 GWh  
Launch date: Q4'25



## ENERGY FROM WASTE PROCESSING

### → Rybnik

Signed letter of intent  
Launch date: 2026



XX% % of Capex spending progress (spent+contracted)

■ Spent  
▬ Contracted  
■ Remaining

Installed capacity in green energy: ca. 330 MW in 2024 and ca. 740 MW in 2026

# We are building a complete value chain of an economy based on green hydrogen



## GREEN HYDROGEN PRODUCTION

→ First 2.5 MW electrolyzer from Cummins

Launch date: **Q2 2024**  
Output: **1000 kg H<sub>2</sub> daily**

→ Purchase of a second electrolyzer from Cummins

Delivery: **2024**  
Output: **1000 kg H<sub>2</sub> daily**

→ We have developed a prototype of the first Polish 0.5 MW electrolyzer

Completion: **Q2 2024**  
Output: **200 kg H<sub>2</sub> daily**



## STORAGE AND TRANSPORT

→ Hydrogen trailer with capacity of 371 kg

In use

→ 7 hydrogen trailers with capacity of 1024 kg

In use

→ 2 hydrogen trailers with capacity of 1024 kg

Delivery: **Q2 2024**



## GREEN HYDROGEN DISTRIBUTION

→ H<sub>2</sub> refueling station in Warsaw and Rybnik

Operational

→ Construction of H<sub>2</sub> stations in Gdańsk and Gdynia

Launch date: **Q2 2024**

→ Construction of H<sub>2</sub> stations in Wrocław and Lublin

Launch date: **Q2/Q3 2024**

→ Mobile H<sub>2</sub> stations

- 2 in use
- 3 in delivery (Q2/Q3'24)



## PRODUCTS FOR END-USERS

→ Won tender for delivery of 26 NesoBuses to Chełm

Execution: **2025**

→ Delivery of 10 NesoBuses to Gdańsk

Execution: **Q3 2024**

→ Delivery of 20 NesoBuses to Rybnik

Finalized in **Q4 2023**

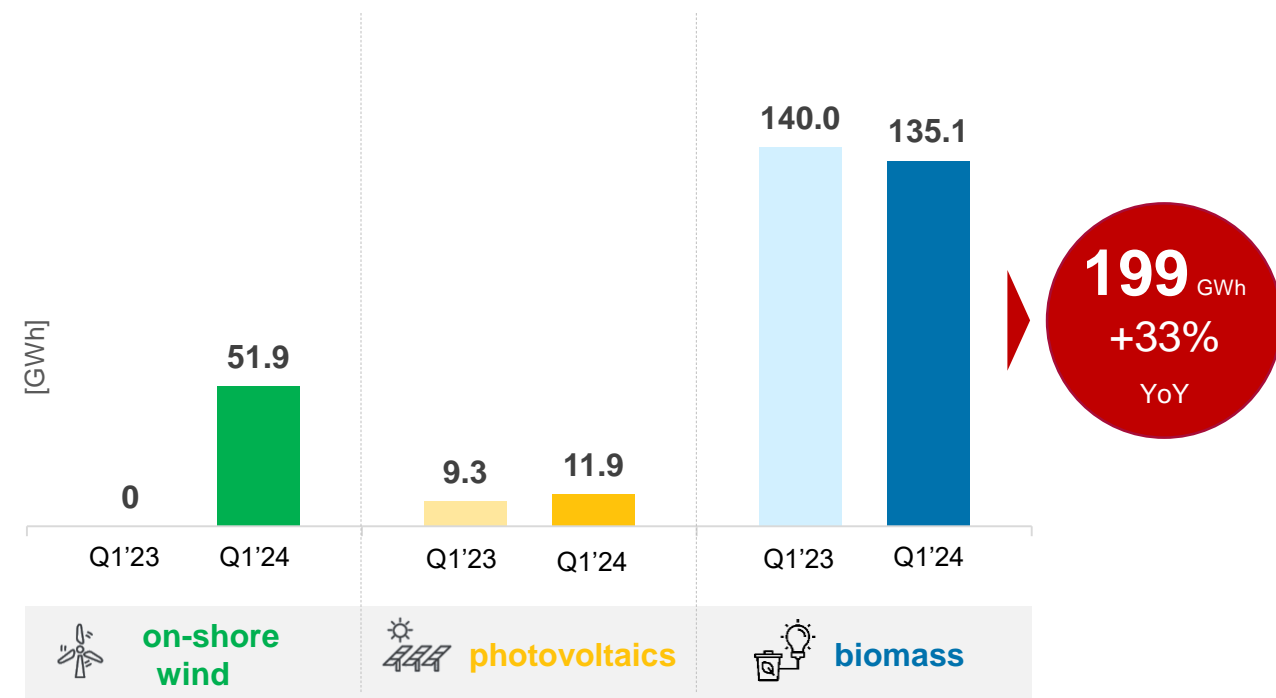


→ 150 H<sub>2</sub> cars are in use in Polsat Plus Group's car fleet

# We have started production from all energy sources under our *Strategy 2023+*

- In Q1'24, we produced 199 GWh of green energy: 135 GWh from biomass, 12 GWh from the sun and 52 GWh from wind
- Only in Q1'24 our **100 MW in wind generated 52 GWh of green energy**
- Turbine installation completed at the Przyrów farm ahead of schedule – another 50 MW that will be launched in Q3'24

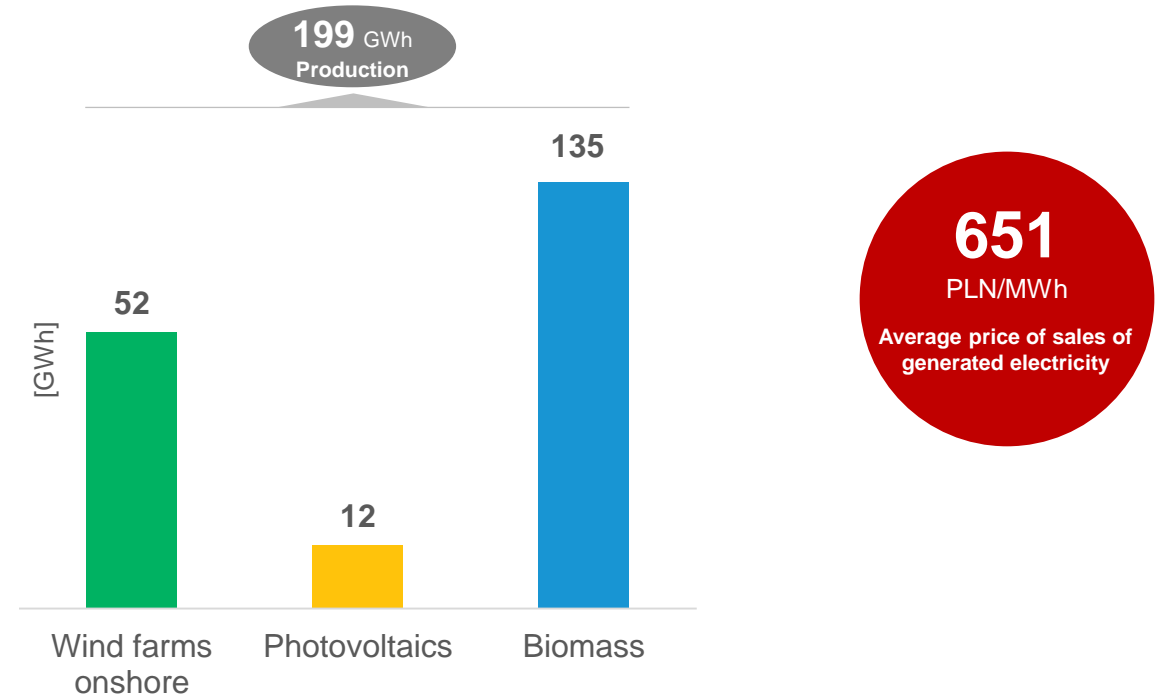
## Renewable energy production



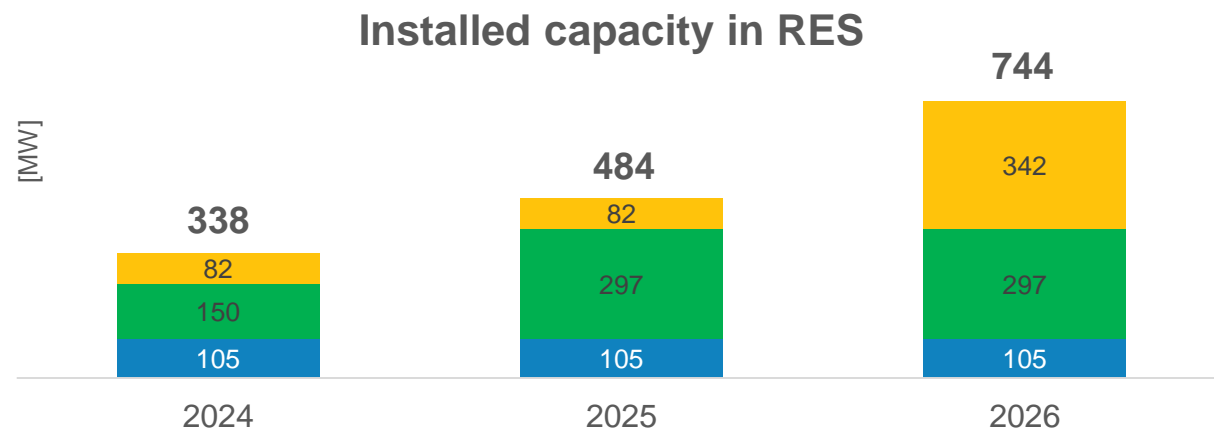
# We sold green energy for PLN 130 million in Q1'24 alone

- In Q1'24, we sold 199 GWh of produced electricity at an average price of PLN 651/MWh
- EBITDA of the green energy segment in Q1'24 at PLN 47m

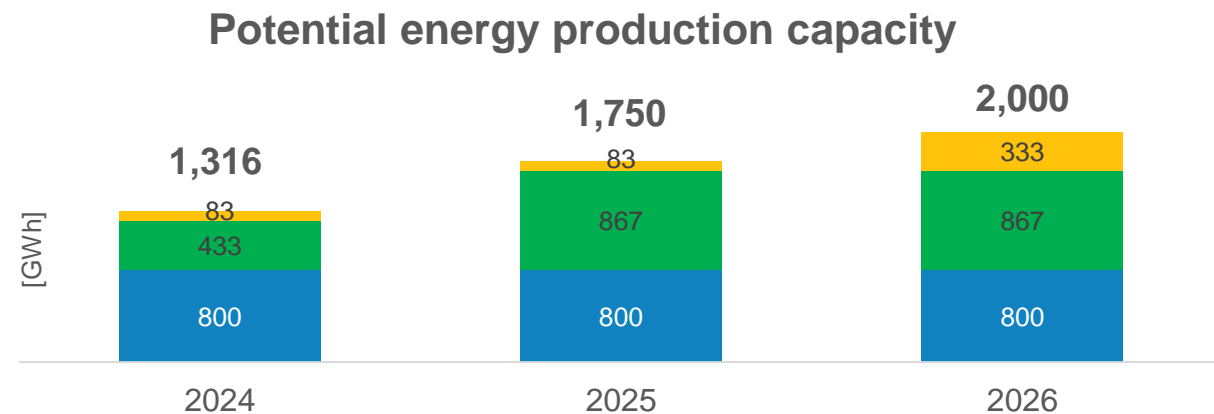
Average price of electric energy sold in Q1'24



# We are dynamically implementing our *Strategy 2023+* by increasing installed capacity in RES as planned



**+2.5x**  
RES installed  
capacity  
vs. 2023



**100%**  
implementation  
of *Strategy*  
2023+ in 2026

■ biomass   ■ on-shore wind   ■ photovoltaics



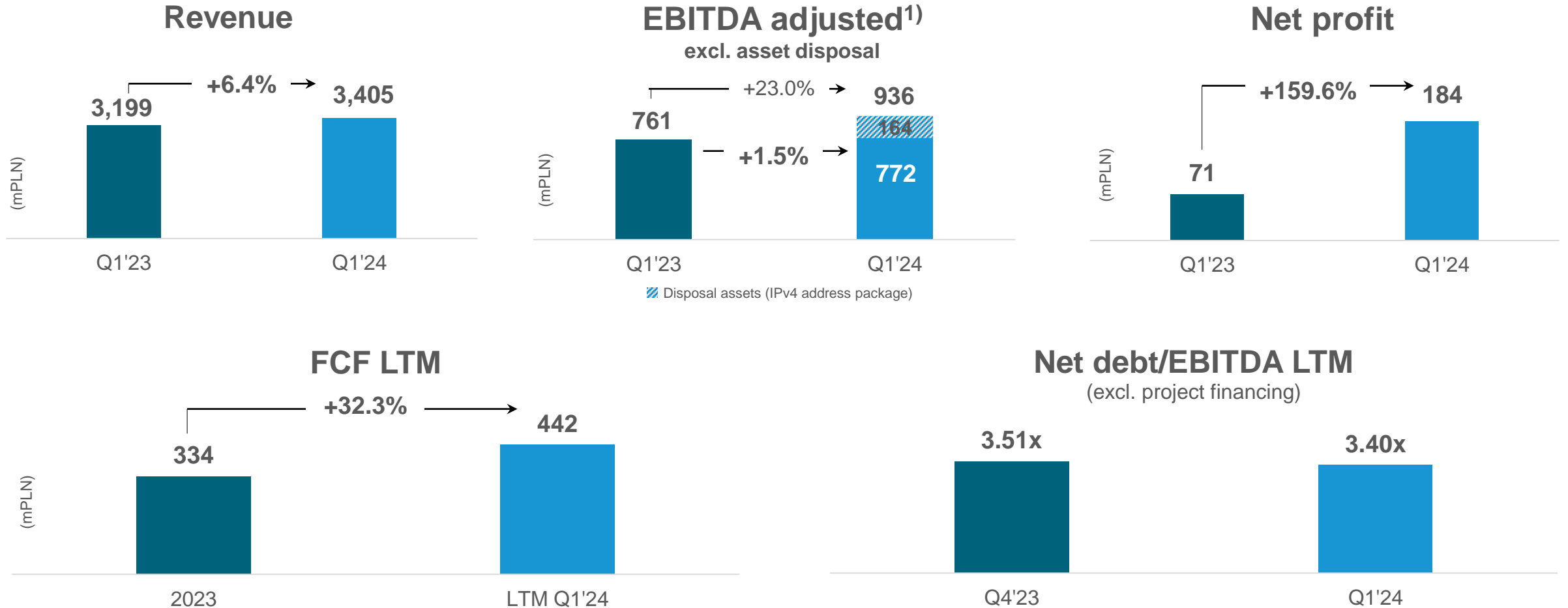
# Financial results



**Katarzyna Ostap-Tomann**

*CFO, Member of the Management Board for ESG, Cyfrowy Polsat*

# Results of the Group in Q1'24



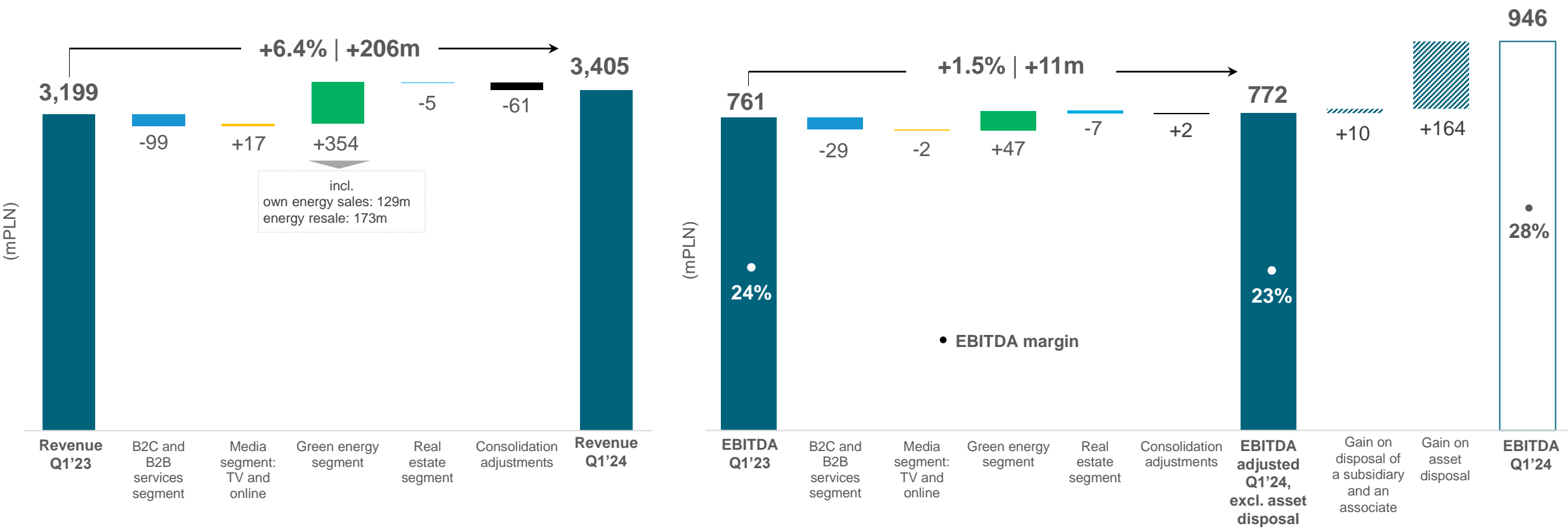
■ Disposal assets (IPv4 address package)

Note: (1) EBITDA excl. gain on disposal of a subsidiary and an associate in Q1'24 (PLN 10m)

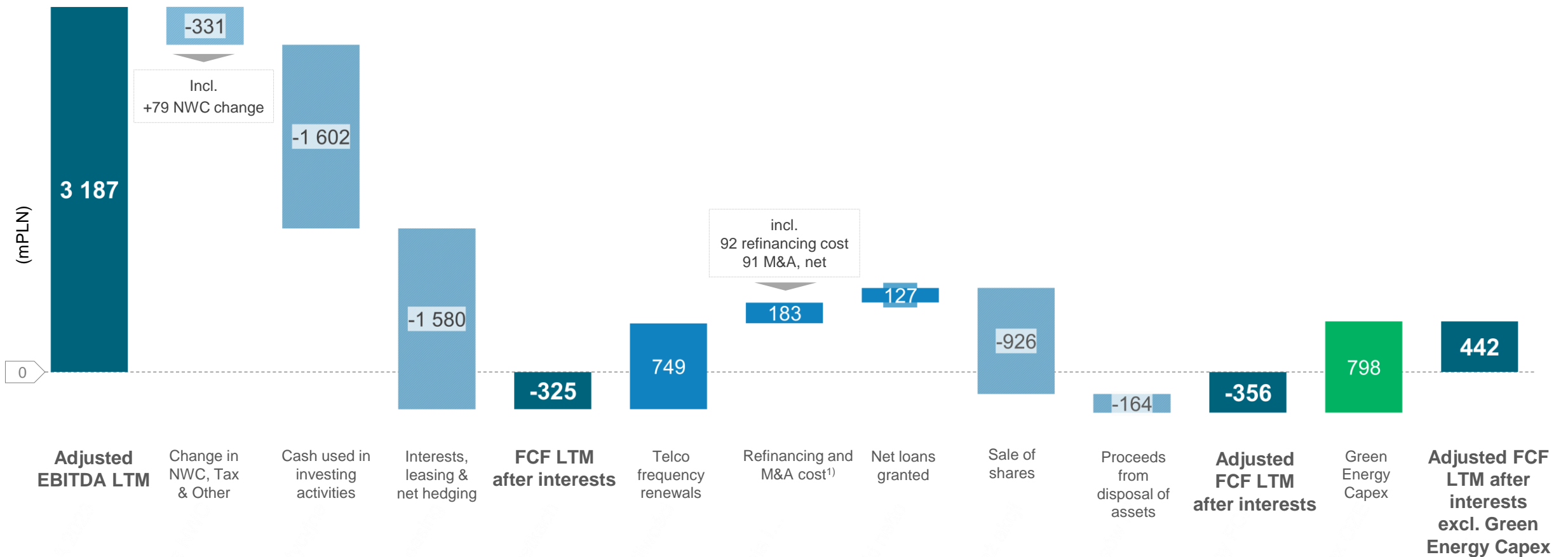
# Revenue and EBITDA – change drivers

## Revenue

## EBITDA



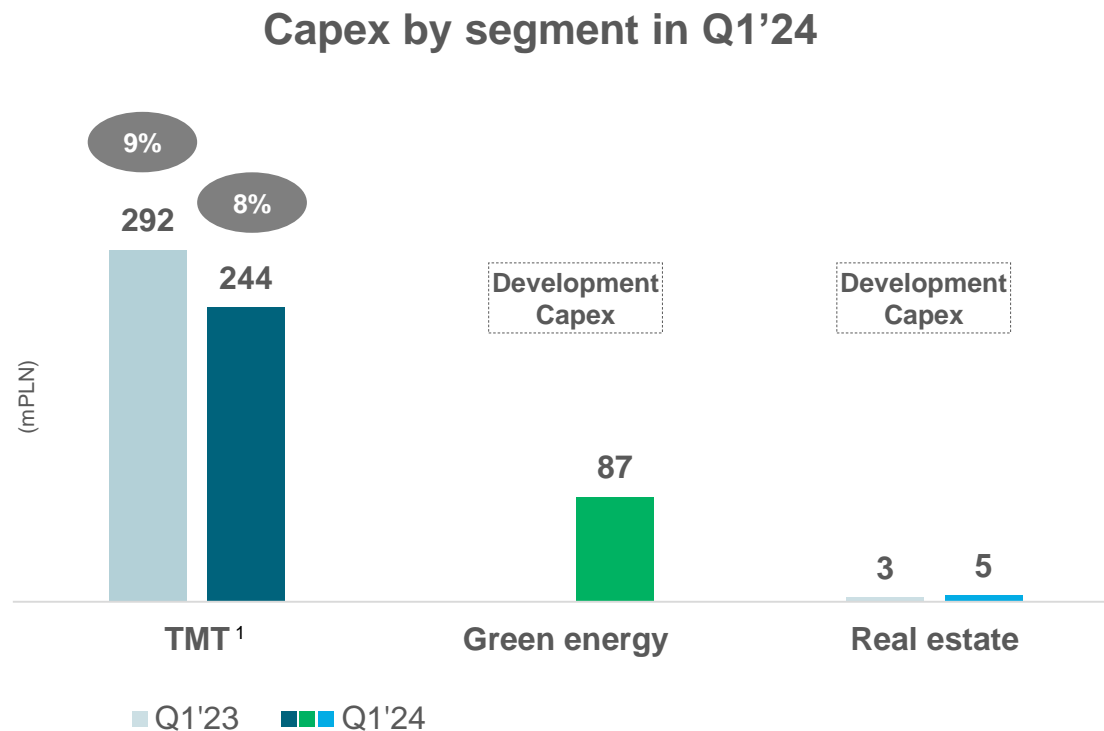
# FCF LTM impacted by high interest costs



Note: (1) Acquisition of subsidiaries, net of cash acquired

# Capex "under control": capex/revenue in TMT only 8%, high investments in profitable green energy segment

- In the TMT<sup>1)</sup> area, the capex/revenue ratio of the segment remains at c. 8%
- Increase in the Group's total capex is due to the recognition of capital expenditures in the green energy segment
- Investments in renewable energy sources require high front-loaded capital expenditures, however maintenance capex is low in the long-term



Note: (1) Includes B2C and B2B services segment and media segment

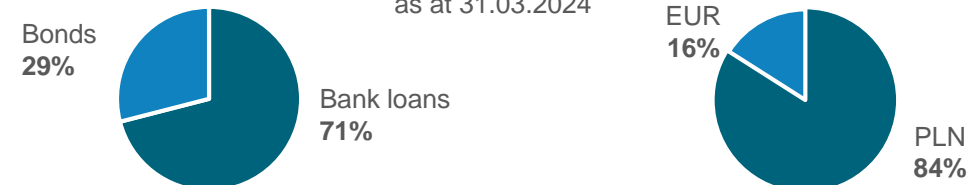
○ x% capex/revenue for the segment

# The Group's debt

mPLN	Balance value as at 31 March 2024
Loans and borrowings, including:	10,621
<i>loans and borrowings liabilities excl. project financing<sup>1)</sup></i>	9,361
<i>project financing liabilities</i>	1,259
Bonds	3,940
Leasing and other liabilities	639
<b>Gross debt</b>	<b>15,200</b>
Cash and cash equivalents <sup>2)</sup>	2,695
<b>Net debt</b>	<b>12,505</b>
EBITDA LTM <sup>3)</sup>	3,380
<b>Total net debt / EBITDA LTM</b>	<b>3.70x</b>
<b>Net debt to EBITDA LTM ratio excl. project financing<sup>4)</sup></b>	<b>3.40x</b>
Weighted average interest cost of loans and bonds <sup>5)</sup>	8.5%

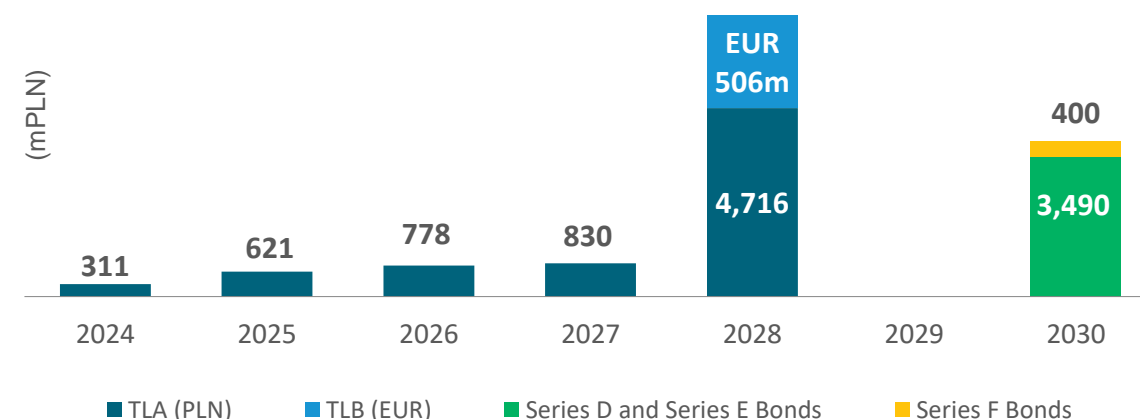
## Debt structure

(excl. project financing)  
as at 31.03.2024



## Debt maturing profile

(excl. project financing)  
as at 31.03.2024



# Summary & Q&A



**Mirosław Błaszczuk**  
*President of the Management Board, Cyfrowy Polsat*

# Summary

## B2C and B2B services segment

- We consistently implement the multiplay strategy, which translated into an increase in ARPU across all customer groups and an increase in retail revenue by 2.1%
- We are building the quality of our 5G and 5G Ultra network thanks to the unique 2.6 GHz TDD frequency, the aggregation of the 1.8 GHz, 2.1 GHz and 2.6 GHz TDD bands, and the new 3.6 GHz frequency

## Media segment: TV and online

- Strong position in terms of viewership
- Advertising revenue up by 8% on a very positive TV advertising market in Q1'24

## Green energy segment

- We produce green energy from all sources and in Q1'24 we have already generated 200GWh
- We recorded very good financial results of the new segment: PLN 130m in revenue from own energy sales, EBITDA of PLN 47m





# Q&A

# Additional information



# Results of the B2C and B2B services segment

mPLN	Q1'24	YoY change
Revenue	2,576	-4%
Operating costs <sup>1)</sup>	1,948	-3%
EBITDA excl. disposal of assets <sup>2)</sup>	634	-4%
EBITDA margin excl. disposal of assets <sup>2)</sup>	24.6%	-0.2pp
Capex	217	-19%

- Revenue under pressure from regulatory, successive reductions in interconnect MTR rates and lower equipment sales
- Decline in revenue partially compensated by increase in retail revenue by 2.1%
- Operating costs under control

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

(2) EBITDA excl. excl. disposal of assets (PLN 164m Q1'24)

# Results of the media segment: television and online

mPLN	Q1'24	YoY change
Revenue	585	3%
Operating costs <sup>1)</sup>	485	2%
EBITDA adjusted <sup>2)</sup>	91	-2%
EBITDA adjusted margin <sup>2)</sup>	15.5%	-0.8pp
Capex	26	18%

- Revenue under the positive impact of growing revenue from advertising, from cable/sat operators, with pressure from lower revenue from the sale of licenses and sublicenses
- Operating costs under control

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

(2) EBITDA excl. gain on disposal of a subsidiary and an associate in Q1'24 (PLN 10m)

# Results of the green energy segment

mPLN	Q1'24
Revenue	354
Operating costs <sup>1)</sup>	307
EBITDA	47
EBITDA margin	13.4%
Capex	87

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

- Consolidation of PAK-PCE Group results as of July 3, 2023
- Revenue supported by the launch of wind farms in Kazimierz Biskupi and Miłosław in Q3'23, and the technical commissioning in Człuchów in Q1'24
- Revenue from sale of generated electricity at PLN 129m<sup>2)</sup> in Q1'24
- Revenue from resale of electricity at PLN 173m<sup>2)</sup> in Q1'24

Note: (2) Before consolidation adjustments

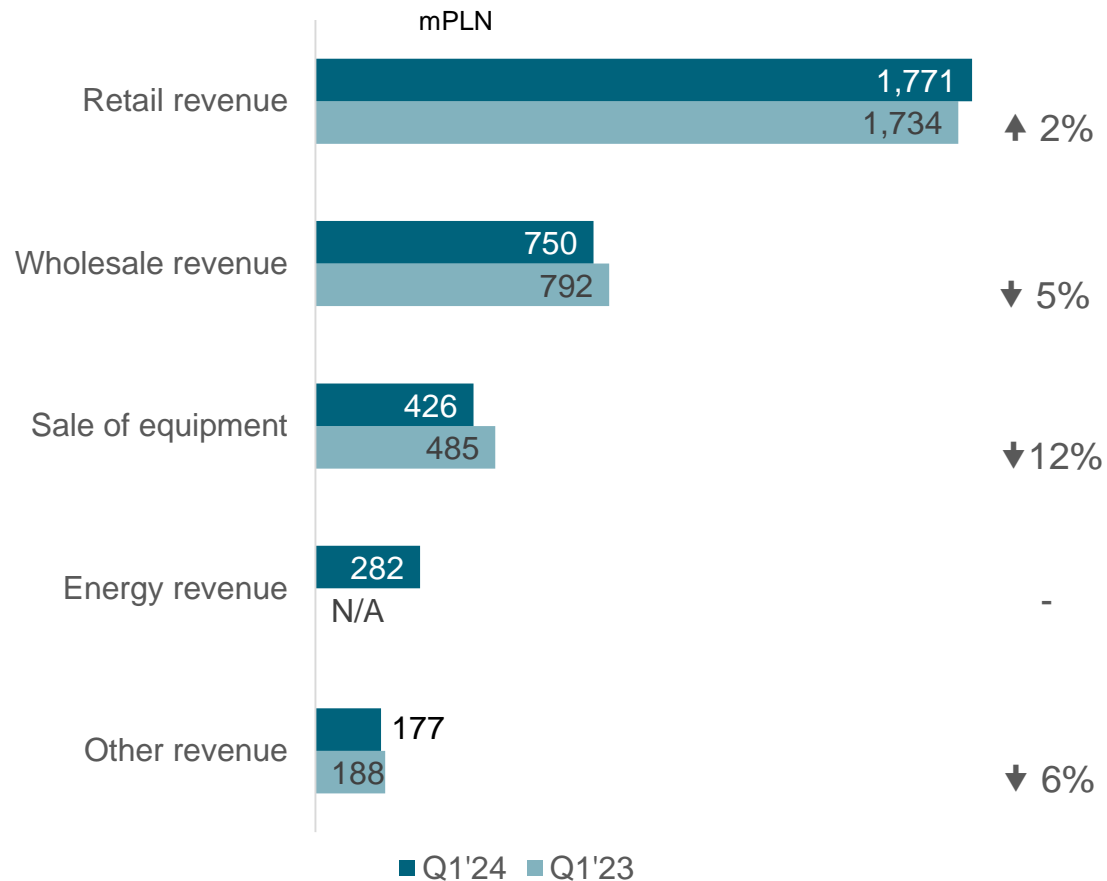
# Results of the real estate segment

mPLN	Q1'24	YoY change
Revenue	40	-10%
Operating costs <sup>1)</sup>	35	-10%
EBITDA	0	-96%
EBITDA margin	0.7%	-14.9pp
Capex	5	55%

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

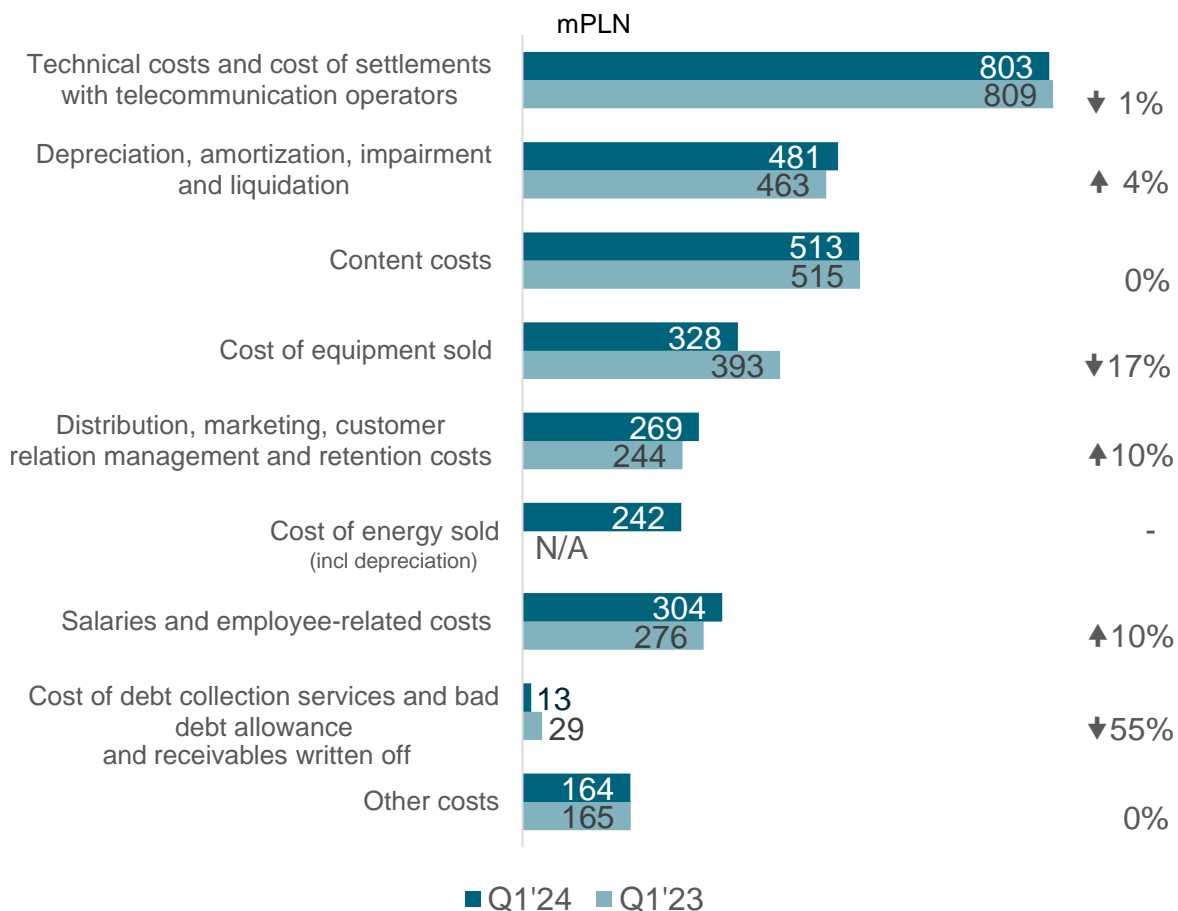
- The real estate segment mainly focuses on construction projects but it also includes sale, rental and management of own and leased property
- Recognition of revenue and costs related to the sale of apartments in the new residential project in Port Praski at Sierakowskiego 1 and Sierakowskiego 3 Str. upon release of the units (Q4'24/Q1'25)
- Further real estate development projects are planned in the mid-term

# Revenue structure



- Higher **retail revenue** primarily as a result the higher ARPU from contract B2C and B2B customers, as well as higher prepaid ARPU.
- Lower **wholesale revenue** mainly due to the recognition of lower interconnection revenue, resulting from the final regulatory reduction of MTR rates in January 2024, and lower revenue from the sale of TV sublicenses, which was partially compensated by an increase in advertising and sponsorship revenue.
- Lower **sale of equipment** mainly due to high sales volumes in Q1'23.
- In connection with the consolidation of PAK-PCE Group's results as of July 3, 2023, the Group recognized revenue from **sale of energy**, which include revenue from the sale of electricity from production and from resale of energy, revenue from the sale of heat and revenue from the sale of property rights, particularly certificates of origin.

# Operating costs structure



- Lower **cost of equipment sold** reflected lower sales volumes of equipment in Q1'24 and corresponds with lower revenue from the sale of equipment.
- Higher **distribution, marketing, customer relation management and retention costs** mainly due to the recognition of higher costs of call center and marketing activities in Q1'24.
- Recognition of **cost of energy sold** following the consolidation of PAK-PCE Group results.
- Increase in **salaries and employee-related costs** mainly due to the increased headcount and continuing inflationary pressure.
- Decrease of **cost of debt collection services and bad debt allowance and receivables written-off**, primarily due to a one-time revaluation of the total package of receivables according to a higher ratio, better collection rates and lower installment plan sales than in Q1'23.



# Glossary

## **RGU (Revenue Generating Unit)**

Single, active and retail revenue generating service of pay TV provided in all types of access technologies, mobile or fixed-line Internet access, or mobile telephony provided in the contract or prepaid model.

## **Customer**

A natural person, legal entity or an organizational unit without legal personality who has at least one active service provided in the contract model. A customer is identified by a unique national identification number (PESEL), tax identification number (NIP) or national business registry number (REGON).

## **ARPU per B2C/B2B customer**

Average monthly revenue per customer generated in a given settlement period.

## **ARPU per prepaid RGU**

Average monthly revenue per prepaid RGU generated in a given settlement period.

## **Churn**

Termination of the contract with a B2C customer by means of a termination notice, collections or other activities resulting in the situation that after the termination of the contract the customer does not have any active services 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 a 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.

# Investor Relations

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