

27 January 2025

IR Newsletter 3/2025



Press review

Rzeczpospolita, 20 January 2025

by Urszula Zielińska

PIE report: telecoms merger in Poland to the detriment of users

The Polish Economic Institute (PIE) has published a new report on the telecommunications market, analysing the European Commission's 2024 proposals and reports by Enric Letta and Mario Draghi. PIE warns against supporting telecoms consolidation, arguing that this could be detrimental to consumers.

Mario Draghi, former head of the European Central Bank, suggests that consolidation could increase EU competitiveness.

PIE, in its report *'The European Telecommunications Market - Challenges in Times of Transformation'*, warns that a reduction in the number of operators in Poland could lead to higher prices and reduced investment. The report stresses that consolidation decisions taken outside Poland may not take into account local conditions.

PIE notes that the value of the European telecoms market is growing more slowly than in the US, and that telecoms revenue growth is being constrained by pricing policies.

Press review

Parkiet.com, 23 January 2025

by Urszula Zielińska

The battle for 5G frequencies in Poland is approaching. The administration is counting on Ukraine

27 January is the deadline for the submission of initial bids in the 5G frequency auction for the 700 and 800 MHz bands. The Office of Electronic Communications presented the status and work plan for reducing interference in the 700 MHz band resulting from activity in Ukraine. The first stage of tuning TV transmitters in Ukraine near the border with Poland is expected to reduce interference by 60%. This work is expected to be completed in the first quarter of 2025. The second phase of work is scheduled for late 2025/early 2026.

According to UKE, the interference only affects the border area and only at the border with Ukraine. As reported, the Belarusian side has already made the necessary changes and Russia *'neither in the past nor currently declares to launch TV transmitters in this band in the Königsberg region'*.

Five blocks in the 700 MHz band and one 800 MHz block have been allocated for allocation in the auction. Operators able to demonstrate investment in telecommunications infrastructure and who already own frequencies for mobile Internet in Poland can apply for up to two frequency blocks.

Press review

Wirtualnemedi.pl, 24 January 2025

by Adrian Gąbka

Orange services on the network of a company linked to Play and UPC Polska

Polski Światłowod Otwarty (PŚO) and Orange Polska have entered into an agreement under which Orange can offer its fibre-optic Internet and IPTV services on the PŚO-owned FTTH network.

PŚO has provided Orange with FTTH (Fiber To The Home, optical fibre brought directly to the user's home) coverage for nearly 600,000 households. Currently, Orange is able to offer its services via the PŚO network to an area of approximately 40,000 households, and in the future it intends to extend its coverage to more than 120,000 households.

In April 2023, Play sold half of the fibre optics of the acquired UPC Polska cable network to the French company Plug Finco Sàrl. In addition to Orange Polska, T-Mobile Polska, Plus and Netia, among others, have signed agreements to use the PŚO infrastructure.

Recent events

Press news, 27 January 2025

S&P Global Ratings maintains Cyfrowy Polsat's credit rating at BB with a stable perspective

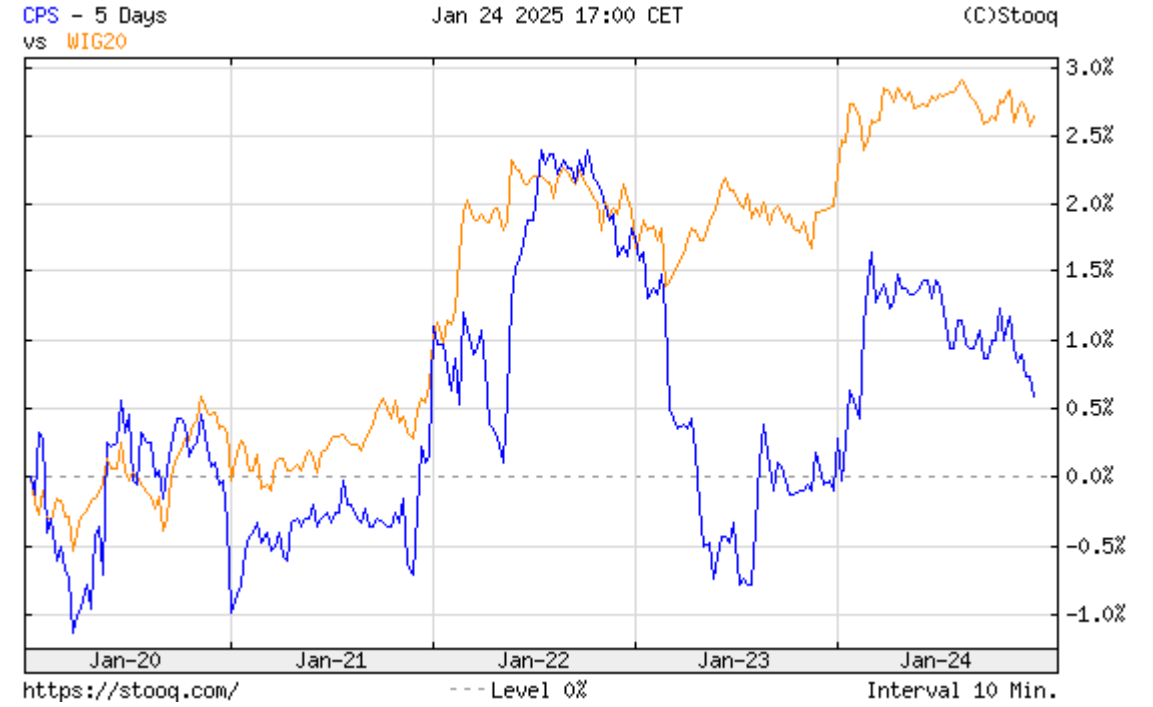
Following the annual review, the rating agency S&P Global Ratings has maintained the credit rating of Polsat Plus Group at the BB level with a stable outlook. In the published report, S&P forecasts stable operating performance for the Group over the next two years and predicts that the leverage (net debt to EBITDA), adjusted according to S&P's methodology, will be around 4x.

S&P expects the Group's revenue to grow at a rate of 3% to 4% annually in 2025-2026 with a lower EBITDA margin, due to expected higher costs, mainly associated with the development of the 5G network, content, and salaries. Concurrently, in its report S&P highlights the development of the green energy segment in alignment with strategic assumptions, as well as the contribution of the new operating segment to the Group's results. S&P forecasts that the Group will generate positive free cash flows (FOCF), partly due to lower than previously anticipated total capital expenditures. As a result, S&P-adjusted leverage is expected to remain at about 4x EBITDA in 2025-2026, which is in the midpoint of the rating leverage range. Additionally, S&P assessed that the Group's liquidity is adequate and headroom under financial covenants is sufficient.

The agency foresees the possibility of raising the Group's rating, if the S&P-adjusted net leverage decreases below 3.5x and the free operating cash flow (FOCF) to debt ratio sustainably increases to above 5%. On the other hand, the triggers for lowering the Group's rating would be an increase in the S&P-adjusted net debt to EBITDA above 4.5x or sustainable negative values of the Group's FOCF to debt ratio while this ratio in the TMT business remains sustainably below 5%

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2025-01-20	14.78	14.50	14.63	0.34	10.39
2025-01-21	14.70	14.50	14.63	0.03	6.63
2025-01-22	15.03	14.63	14.92	1.98	8.72
2025-01-23	14.93	14.51	14.63	- 1.91	11.63
2025-01-24	14.91	14.65	14.75	0.79	6.36



Investor's calendar

Date

Event

23 January 2025

Trigon Top Picks 2025, Warsaw

18 – 19 March 2025

CEE Capital Markets Conference - PKO BP, London