



Cyfrowy Polsat IR Newsletter

10 – 16 June 2019



N E T I A

Wirtualnemedia.pl
10 June 2019

Linear TV viewers are getting old, young people are moving VOD

by *Nikola Bochyńska*

The National Broadcasting Council (KRRiT) has just published the report of its activity in 2018.

According to the report, the average time of watching linear TV decreased slightly last year – down to 4 hours and 17 minutes daily (-1.5 minutes yoy). The downward trend started in 2015 but has slowed down thanks to increasingly extensive offer of available programs.

In spite of the growing, in recent years, popularity of terrestrial TV, 63% of households in Poland still use pay satellite or cable TV services, often sold as packaged with Internet access.

Nearly half of linear TV viewers are people aged 55+. Outflow of viewers aged 10-29 (13% of the audience in 2018) is associated with their presence in the new media world, including their use of VoD (video on demand) services. The market of VoD services continues to grow – at the beginning of 2018 the services were used by 28% of the households which had access to the Internet.

Movies and series are the most willingly watched proposals. More than half of the viewers watch news programs as well as cabarets and concerts, while one-third use the service to watch several episodes of a given series at a time (the so-called binge-watching).

Dziennik Gazeta
Prawna
10 June 2019

Five zloty more for a phone service - so there is not going to be any war

By *Elżbieta Rutkowska, Rafał Hirsch*

Play and Orange have announced an increase of pricing in the tariff plans they offer. A subscriber wishing to upgrade a handset or increase the range of services used while extending a contract will have to pay slightly more now than to-date. The price increase will not be high, though. Play and Orange introduced new rates, which are by PLN 5 higher, while at the same time offering bigger range of services (including higher mobile data transfer limits).

T-Mobile and Plus have not announced any price hikes yet. T-Mobile has been underscoring for quite a long time that it intends to compete for customers by offering better quality services and customer support, rather than lower prices. Plus, in turn, has recently expanded the scope of services offered in its most expensive subscription (costing PLN 70 per month).

Parkiet
14 June 2019

Cyfrowy Polsat at the top, Play achieves pay back *by ZIU*

Last week the price of Cyfrowy Polsat shares beat the historic record high (PLN 30.3). Other telecoms were also gaining on the Warsaw Stock Exchange. In the opinion of analysts the end of the price war on the telecom market is possible, which translates into better recommendations and higher valuation of the companies from that industry.

Recent increase of the company's rating by Moody's, from Ba2 to Ba1, could be yet another stimulus for Cyfrowy Polsat share prices (the outlook has changed from positive to stable). Moody's appreciated such efforts of the company as its deleveraging and the announced reduction of the Net debt/EBITDA ratio down to 1.75x.

Current report 19/2019

11 June 2019

Moody's upgraded Cyfrowy Polsat Group's rating

The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) informs that on June 11, 2019 Moody's Investors Service (“**Moody's**”) upgraded the corporate family rating (“CFR”) of Cyfrowy Polsat Group (the “**Group**”) from Ba2 to Ba1, changing the rating outlook from positive to stable.

In its justification Moody's stated that the rating upgrade reflects in particular: (1) the strengthening of the Group's key credit metrics over the last two years; (2) its market leading positions in pay TV, online video, and fixed and mobile telephony and broadband services; (3) the benefits of being an integrated media and telecommunications group with a fully convergent commercial proposition; (4) its public commitment to reach a net debt/EBITDA leverage of 1.75x over the medium term; and (5) strong and stable free cash flow generation.

Moreover, the Group's credit rating also reflects: (1) a stable operational performance despite strong GDP growth in Poland amid market dynamics that are more challenging in the mobile telecom segment than in the pay TV market; (2) the expectation of a resumption in dividends this year; (3) the Group's concentration in Poland, a very competitive market; and (4) Moody's expectation of a slowdown in GDP growth in 2019 and 2020 coupled with rising cost inflation.

In Moody's opinion, positive rating pressure is unlikely in the medium term given the Group's small scale relative to similarly-rated peers, its concentration in Poland, and its current financial policy that targets net debt/EBITDA of 1.75x. However, overtime, positive pressure could emerge if the Group demonstrates sustained revenue, EBITDA and margin improvement, and continues reducing debt. On the other hand, negative rating pressure could be exerted as a result of a material weakening of its operating performance or increased debt levels above certain levels of indicators defined by Moody's.

The rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

Cyfrowy Polsat shares



Data	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2019-06-10	28.68	27.72	28.04	- 1.06	8.21
2019-06-11	28.46	27.54	28.20	0.57	15.95
2019-06-12	28.88	28.00	28.88	2.41	28.56
2019-06-13	30.30	28.80	29.96	3.74	28.18
2019-06-14	29.94	28.58	29.64	- 1.07	19.62



Investor's calendar



25 June 2019	Annual General Meeting of Cyfrowy Polsat S.A.
15 – 29 August 2019	Closed period prior to the publication of H1 2019 results
29 August 2019	Consolidated semi-annual report for the 1st half of 2019
24 October – 7 November 2019	Closed period prior to the publication of Q3 2019 results
7 November 2019	Quarterly report for Q3 2019