



Cyfrowy Polsat IR Newsletter

13 - 19 May 2019



N E T I A

Rzeczpospolita
14 May 2019

Mobile services could get more expensive

by Urszula Zielińska

Orange has increased the price of its lowest mobile subscription for unlimited core mobile services and data transmission. The price increased by PLN 5 (from PLN 39.99 to PLN 45). The operator has explained its decision by changes in customer needs. The new offer includes a 50% bigger mobile data bundle, Music Pass service and an additional data bundle for families and couples.

At the same time the rates for international calls within the EU were reduced effective 15 May 2019.

Money.pl
14 May 2019

Play had PLN 213.6 million of net profit and EBIT of PLN 357.7 million in Q1 2019

by ISB News

Play recorded PLN 213.6 million of consolidated net profit for Q1 2019 (versus PLN 152.9 million in Q1 2018) and PLN 576 million of consolidated EBITDA (growth by 11.2% YoY).

Improved EBITDA is the outcome of lower roaming costs and higher prices of mobile terminals offered by the operator. Capital expenditures amounted PLN 238 million (+31.2% YoY), which was an outcome of intensive investments as well as the payments for the work completed in Q4 2018.

The operator had 12.7 million active customers (+2.3% YoY), with the share of contract customers reaching 66% (+2.8% YoY).

Parkiet
16 May 2019

Number of SIMs. Stabilization of mobile operators' customer bases is visible on the market in Q1 2019

by Urszula Zielińska

The four biggest Polish mobile operators served 52.9 million SIMs at the end of Q1 2019, which means that the number of SIMs increased by around 70 thousand quarter-to-quarter.

The high market saturation did not result in changes of the user bases of the biggest operators. Play continues to hold the no. 1 spot with over 15 million SIM cards (+16K QoQ), followed by Orange who has 14.84 million SIMs (+32K QoQ). Further spots are held by Cyfrowy Polsat, serving 12.25 million SIMs (-6K QoQ) and T-Mobile with 10.82 million SIMs (+36K QoQ).

Rzeczpospolita
16 May 2019

Only the Internet and cinemas saw growth of earnings from advertising

by Urszula Zielińska

In Q1 2019 the advertising spend in the Internet increased by 7.5% YoY, while in the case of cinemas the growth was 5% YoY. Advertising spend in other media was lower, with the biggest segment for advertising spend, i.e. TV, losing 3.1% YoY.

Maciej Stec, the Vice-President of Cyfrowy Polsat, stressed that during the first half of the past year the advertising market recorded significant growth thanks to the FIFA World Cup tournament in Russia. In 2019 Cyfrowy Polsat Group expects single-digit growth on the TV advertising market

General Director of Starcom media agency pointed out that Q1 2018 was the best quarter for the advertising market in 10 years. The total market grew by 8.6% during that period, with the TV advertising market growing by 9.6%. It would be very surprising if such a level was maintained.

Wirtualnedia.pl
16 May 2019

Cyfrowy Polsat CEO: For 15 years it's been said that TV will die. Content is the answer (part 1)

By NB

"There has been talk for 15 years now that TV is disappearing and that it will die soon. I oppose this theory. Television will be perceived and watched in a different way than now, but today preparing the [right] content is the key", said **Mirosław Błaszczuk, the CEO of the Cyfrowy Polsat Group** during a press conference presenting the company's results.

From April 2019 Tobias Solorz has been replaced by Mirosław Błaszczuk as the CEO of Cyfrowy Polsat. Mr. Błaszczuk was for many years the CEO of Polsat TV. The change was commented as an element of the succession plan which is being implemented in Zygmunt Solorz's capital group.

The new CEO of Cyfrowy Polsat made the first appearance at the press conference presenting the group's results for Q1 2019 during which he spoke with journalists and analysts.

As regards the question concerning the changes he planned in the company, Mr. Błaszczuk responded: *"I would like the Group to continue developing as it has done to-date. I would like us to have a clear strategy, a clear concept of what is most important and I would like us to provide to our customers the services that they expect. We think that during all these years that we have worked together such a strategy has been giving us good results. We just need to take care of the things we have achieved to-date",* stressed Mirosław Błaszczuk.

He added that while building the infrastructure, the company keeps in mind that it is the customers who are most important.

"We do this to make sure that our customers are able to use the TV and the Internet services in the best and the easiest way possible. This is our main task. (...) I think that in the coming years the cooperation between Polkomtel, Netia and Polsat TV will be developing very well", judges Mr. Błaszczuk.

According to Mr. Błaszczuk, *"at present the Group lacks nothing and content is the key to meeting customers' expectations".*

"At this point in time we have what we wanted to achieve. Our goal is to create a single device which would meet all of customers' expectations. Most important is what we have been saying about content. It is difficult to say today what will be our customers' expectations in three, five or seven years forward. Our goal is not to force customers to use specific devices but to open a window to the world for them", explained Cyfrowy Polsat's CEO.

(to be continued)

Source:

<https://www.wirtualnedia.pl/artykul/prezes-cyfrowego-polsatu-od-15-lat-mowi-sie-ze-telewizja-umrze-kluczem-content>

Wirtualnedia.pl
16 May 2019

Cyfrowy Polsat CEO: For 15 years it's been said that TV will die. Content is the answer (part 2)

By NB

The new CEO also addressed the issue of prophesizing that traditional TV will die, and of the threats posed by the growing number of Internet platforms.

"There has been talk for 15 years now that TV is disappearing and that it will die soon. I oppose this theory. Television will be perceived and watched in a different way than it is now, but today preparing the [right] content is the key. Viewers can search the Internet and find the offers that are of interest to them but it is our job to develop something, to prepare it and present to viewers in an accessible manner", noted Mr. Błaszczuk.

In his opinion we are not seeing the end of acquisitions by Cyfrowy Polsat. Last year the Group's acquisitions included Eleven Sports channels which have been added to its offer, and currently the Group has 33 TV stations (in addition SmartDOM program's development continues).

"Over the past 25 years we never said that we were at the end of the road. And we are not saying it today. We have ideas for the future but everything calls for in-depth analysis. We sharing with the market the things that we already know and we will continue providing information about our investment-related moves", as Mr. Błaszczuk told the journalists.

Source:

<https://www.wirtualnedia.pl/artykul/prezes-cyfrowego-polsatu-od-15-lat-mowi-sie-ze-telewizja-umrze-kluczem-content>

Recent events



Press release
14 May 2019

Summary of Q1 2019 results of Cyfrowy Polsat Group: over 500 thousand contract services more, EBITDA exceeding PLN 1 billion, launch of new offers, including fiber-optic Internet access and IPTV cable TV

Cyfrowy Polsat Group started 2019 very well – around 300 thousand more multiplay customers and in excess of 500 thousand additional contract services year-on-year, with churn again at a record low level of 7.2%. The Group's strong financial performance is confirmed by its EBITDA which, in accordance with the new accounting standards, exceeded PLN 1 billion. Net profit, in turn, was 25% higher than the average amount expected by stock exchange analysts. During Q1 2019 the Group launched new attractive offers to the market, including Fixed-line Internet Access from Plus and cable TV based on IPTV technology, along with the new EVOBOX IP set-top box. These moves added strength to the Group's multiplay strategy.

Adoption by the WSE Management Board of a resolution to suspend trading in series A bonds of the Company in the Alternative Trading System operated by the WSE within the Catalyst market in connection with the intention of their early redemption.

PLN million	Q1 2019
Revenue	2 792
EBITDA	1 038
EBITDA margin	37,2%

“We have a long-term vision of what our Group should be and how it should develop. Our mission is to create and deliver the most attractive TV content, telecommunication products and other services for households. We use latest technologies and take care that our products and customer care are top quality,” says Maciej Stec, Vice-President of the Management Board responsible for strategy at Cyfrowy Polsat S.A. and Polkomtel Sp. z o.o. “We have been consistently developing attractive services to meet expectations of our customers. Now we have opened ourselves to new markets – fixed-line Internet access and IPTV. We want the broad portfolio of our services to be available to all Poles and to all families. Our strategic idea for the coming years is: “Television – For Everyone. Everywhere. Internet – for Everyone. Everywhere. Phone – for Everyone. Everywhere.”

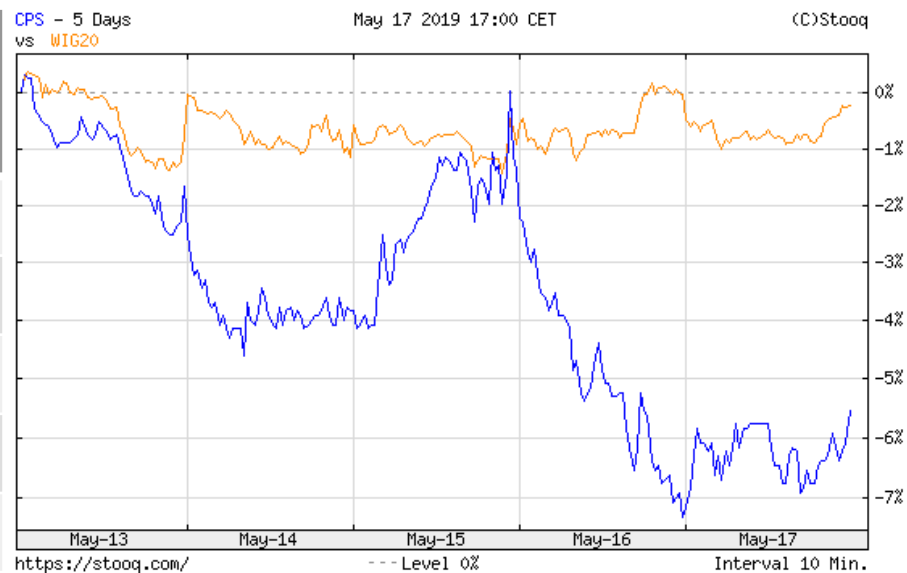
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Cyfrowy Polsat shares



Data	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2019-05-13	26.04	25.22	25.48	-1.39%	6.83
2019-05-14	25.26	24.70	24.92	-2.20%	12.88
2019-05-15	25.92	24.80	25.56	2.57%	6.54
2019-05-16	25.50	24.00	24.02	-6.03%	9.81
2019-05-17	24.52	24.02	24.48	1.92%	10.70



Investor's calendar



21 – 22 May 2019	Roadshow - Tallinn/Stockholm/Copenhagen
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

