



Cyfrowy Polsat IR Newsletter

13 – 19 August 2018



Rzeczpospolita
13 August 2018

Netia may increase its fiber-optic network roll out plans *by ZIU*

At a press conference presenting the company's results, Netia informed that it did not rule out increased investments into network roll-out. At present the company is pursuing a roll-out plan involving NGA standard network (offering transfer rates of at least 30 Mbps) and it intends to invest PLN 417 million to this end in the time frame till 2020.

According to the operator's representatives, the project's implementation is successful, slightly exceeding the assumed targets. The locations where the project is being implemented are seeing growth of the numbers of customers using Internet and TV services for which customers spend more money by buying new packages and using premium services.

Telko.in
August 13, 2018

Netia with a Champions League offer *by Marek Jaślan*

Netia has just announced an offer of service packages which include fiber-optic-based Internet access offering transfer rates of up to 900 mbps and access to TV services. These services will be available to both, new and existing customers.

The operator's offer includes a new TV package – Polsat Sport Premium, which will offer access to live broadcasts from all UEFA Champions League and Europa League matches. In the new promotion the Polsat Sport Premium package is included in the price of the TV service. Existing customers, who use TV services, will be able to buy the Polsat Sport Premium package for PLN 40 extra, or switch to one of the new promotions.

Rpkom.pl
16 August 2018

Play has reduced the forecast for 2018 and significantly cut the dividend

by Urszula Zielińska

In Q2 2018 Play generated PLN 1.688 billion of revenue (+3.6% y/y) and PLN 550.1 million of adjusted EBITDA (-8.1% y/y). If we were to exclude the transformation cost (the higher cost of national roaming and the cost of network roll out) as well as the impact of “Roam like at home” regulation and the cost of the start-ups, then the adjusted EBITDA for Q2 would have reached PLN 608 million.

At the end of June Play had 15.03 million SIMs (-141 thousand q/q), out of which 9.71 million were contract SIMs (+120 thousand q/q) and 5.32 million were prepaid SIMs (-262 thousand q/q).

The company also informed that in 2018 its revenues will grow by 2%-3%, with adjusted EBITDA at PLN 2.1-2.2 billion, CAPEX (cash) of PLN 800 million and free cash flow to equity (FCFE) of PLN 750-800 million.

At the same time the management board proposed that until the time the investments in own network are completed and the net debt to EBITDA ratio goes down to 2.5, the dividend should be 40%-50% FCFE. Afterwards EBITDA should return to the level of 65%-75% FCFE.

The newly set level of next year's dividend is by about 38% lower from the originally planned. The change of the assumptions underlying the dividend policy is associated with the plans for accelerated roll-out of base stations, aiming at their number reaching 7 thousand this year and 9 thousand by 2020. The telecom wants to accelerate debt repayment and reduce the net debt to EBITDA ratio from the current level of 3.2 down to 2.5.

The operator informed that it had been working on the new three-year strategy which it intends to present this November.

Parkiet
20 August 2018

The concept of one 5G network has already started to create divisions in the industry

by Urszula Zielińska

The Ministry of Digitization is analyzing the three variants of launching the 5G network in Poland: from a parallel roll-out of 5G networks by each of the four biggest mobile operators, through joint network roll out by all four telecoms, to establishing a national operator who would deal with 5G network roll-out and its operation at wholesale level. Such an operator would assure the relevant infrastructure along major transport routes and in one network layer in the cities.

The cost of 5G network roll out in Poland is estimated at PLN 11.35-20.3 billion. The operators are expected to invest from PLN 6.07 billion to PLN 8.37 billion in the years 2021-2025. The calculations do not include the cost of the radio spectrum to be used by 5G networks. Analysts expect that each operator will pay at least PLN 2 billion for the radio spectrum.

Moreover, the analysts are of the opinion that joint roll out of some 5G network elements by several companies could result in reduction of capital expenditures by 30% to 60%.

The Office of Electronic Communications is finalizing the process of obtaining the opinions from market players who are currently divided. P4 is backing the cooperation and the development of a joint concept while Orange and T-Mobile, who belong to international groups that offer them support and have pan-European network roll-out strategies, are opposed to this approach.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2018-08-13	22.68	22.30	22.32	-0.71	6.05
2018-08-14	22.68	22.16	22.60	1.25	6.48
2018-08-15	-	-	-	-	-
2018-08-16	22.44	21.86	21.90	-3.10	8.39
2018-08-17	22.28	21.92	22.00	0.46	9.36



Investor's calendar



9 – 23 August 2018	Closed period prior to the publication of H1 2018 results
23 August 2018	Consolidated semi-annual report for H1 2018
25 October – 8 November 2018	Closed period prior to the publication of Q3 2018 results
8 November 2018	Quarterly report for Q3 2018

