



Cyfrowy Polsat IR Newsletter

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N E T I A

Cyfrowa.rp.pl
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Orange's new strategy for the period till 2025: fiber-optic lines and masts to be spun off to dedicated companies

by Urszula Zielińska

Orange Group has presented its five-year strategy called "Engage 2025". The strategy assumes establishment of infrastructural companies in certain countries well as a holding company for mobile towers in Europe.

The Group intends to generate growth by developing the B2B segment, services on the African market and financial services (own bank).

Orange's telecommunication infrastructure remains a very important element of the business but the way it will be managed may change. As the Group's management views it, the existing operator model has reached its limits.

Orange announced that a holding company would be established to deal with mobile phone masts (the operator has a total of 40 thousand masts across Europe). Local companies, managing the masts in various countries (the so-called TowerCo's), are to be established. Such companies are expected to start their operations first in France and Spain – before the end of 2020.

The presentation showed that work is in progress in Poland on a FiberCo, which in the opinion of Cyfrowa.rp.pl portal could mean that in Poland Orange may spin off the fiber-optic lines to a dedicated company. At present Orange's mobile masts in Poland are owned by the company itself while their management is dealt with by an Orange Polska and T-Mobile joint-venture called Networks!. Orange Polska and T-Mobile share telecommunication masts and antennas (so-called RAN Sharing).

While talking about the benefits of the new approach to telecommunication masts, Orange mentioned that with time it could sell part of the shares in the holding company managing the towers as well as the masts in selected countries if a right opportunity emerged.

The telecom has declared that it will employ its existing infrastructure for launching the 5G network (including existing fiber-optic lines), without the need for constructing any additional masts. From 2021 onwards capital expenditures are expected to decrease and in 2023 they shall account for 15% of revenue (versus 17% this year).

The group forecasts savings at the level of EUR 1 billion. The EBITDAal (EBITDA after leases) for 2020 should be at the same level as for 2019 while from 2021 onwards it should be growing at the rate of 2%-3% annually. Organic cash flows (an item which does not include revenue from such operations as e.g. sale of real estate and which excludes the costs of spectrum reservation) are expected to be EUR 2 billion next year and grow to the level of EUR 4 billion in 2023. Poland and Romania, i.e. so-called “Europe” area, are expected to achieve mid-level revenue growth and strong EBITDAal figures.

The dividend in the coming years is expected at minimum EUR 0.7 per share.

Cyfrowa.rp.pl
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The government bets on ultra-fast Internet access

by Urszula Zielińska

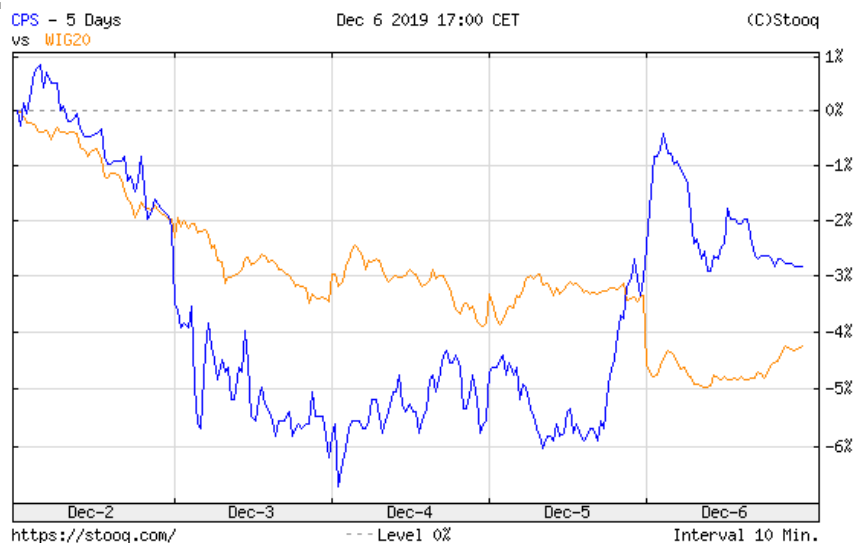
In accordance with the assumptions presented by the Ministry of Digital Affairs and the Office of Electronic Communications, by the end of 2020 as many as 64% of the households in Poland should be within the coverage footprint of broadband Internet access service offering data transfer of at least 100 Mbps. This would mean growth by around 10% compared to the status from the end of 2018 (based on data from DESI – Digital Economy and Society Index survey published as part of the European Commission’s report).

Moreover, the Ministry of Digital Affairs assumes that by the end of 2020 83% of Poles will be using Internet access (according to DESI, at the end of 2018 Internet users accounted for 75% of Poland’s population, while the EU average was 83%), with the e-services being used by 42% of Internet users.

Cyfrowy Polsat shares



Data	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2019-12-02	28.34	27.44	27.50	- 1.50	6.91
2019-12-03	27.36	26.36	26.36	- 4.15	16.69
2019-12-04	26.90	26.20	26.54	0.68	17.65
2019-12-05	27.38	26.22	27.24	2.64	13.56
2019-12-06	28.18	27.04	27.30	0.22	18.57



Investor's calendar



27 February – 12 March 2020	Closed period prior to the publication of 2019 results
12 March 2020	Annual report and consolidated annual report for 2019
30 April – 14 May 2020	Closed period prior to the publication of Q1 2020 results
14 May 2020	Quarterly report for Q1 2020
6 – 20 August 2020	Closed period prior to the publication of H1 2020 results
20 August 2020	Consolidated semi-annual report for the 1st half of 2020
27 October – 10 November 2020	Closed period prior to the publication of Q3 2020 results
10 November 2020	Quarterly report for Q3 2020