



Cyfrowy Polsat IR Newsletter

10 – 16 February 2020



N E T I A

Biznes.pap.pl
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Netia's network with the data transfer speed up to 1 Gbps reaches over 1.4 million households

By kuc/ ana/

The upgraded Netia's network with data transfer speed up to 1 Gbps reaches over 1.4 million households, informed Tomasz Dakowski a Member of the Management Board, while stating that due to the dynamics of the investment process, the company "had already moved passed" the biggest growth of the network coverage. Since 2016 Netia has carried out an investment into the fiber-optic network which should consume the total of PLN 418 million. Under the network upgrade, Netia intends to cover 2.55 million of households with the fiber-optic network with 1 Gbps data transfer speed. The operator plans to complete the work related to the network upgrade by the end of the first quarter of 2020 at the latest, and the investment shall be finally settled by the end of 2020.

On Friday, the company informed about a new offer of bundled services. A bundle for PLN 60 will be the basic package offered to customers; currently the main offer of the Company is the package for PLN 50 per month. However, a new, more expensive basic package will include two additional services. Similar changes have been introduced to the remaining packages with higher data transfer rates and bigger number of TV channels.

Dakowski informed that the company was currently providing Internet access services to 380-400 thousand retail customers on its own network, while simultaneously half of them also use television services offered by the company.

Netia considers an acquisition of the part of network which has remained after the merger of Vectra and Multimedia Polska.

Dakowski added that Netia did not intend to participate in the fourth contest of the "Universal access to fast Internet" under the Digital Poland Operational Program – the goal of which is to support the construction of networks ensuring the data transfer of at least 30 Mbps. However, the company is interested in access to the networks which were built under previous editions of the contest.

Based on the statements made by Dakowski, Netia is currently analyzing a possibility of extending its offer with the sale of mobile phones, which should extend the package of services of Netia Mobile brand. At the moment, 145 thousand customers use mobile services offered by Netia.

Rzeczpospolita
12 February 2020

T-Mobile to present a new strategy

By Urszula Zielińska

In a few weeks, the operator will reveal its plan for next years. So far, the operator presented the status of work on the commercial 5G network. They are waiting for smartphones.

During the Tuesday's presentation, the CEO of T-Mobile Polska. Andreas Maierhofer, talked about three new matters: a new advertising campaign, a contract offer extended with a possibility of returning the service and device within 30 days from the date of purchase and plans in the area of 5G technology.

"We do not announce a commercial start of 5G, because it makes no sense now. We will wait until terminal equipment, routers and smartphones are broadly available. We believe this will happen around April – May", said Andreas Maierhofer.

T-Mobile would like to first offer 5G services in the band which they already own: 2100 MHz. Currently the telecom has 800 base stations upgraded to 5G. In the first half of this year this number should grow to 1600. At the beginning, the 5G network of T-Mobile will operate in 5 cities: Warsaw, Wrocław, Katowice, Gdańsk and Kraków.

During the interview with Rzeczpospolita daily, Maierhofer admitted that he would soon present a new strategy, but warned that one should not expect the change of the main direction of development of the telecom by 180 degrees. He assured that the telecom was not interested in acquisition of UPC. He stated that the price increases introduced in 2019 did not exhaust the needs of the sector. "As of now, we do not have specific plans for introducing increased pricing, but the situation is dynamic. I would not necessarily associate such increases directly with 5G", he said.

Rzeczpospolita
13 February 2020

Orange Polska with PLN 186 million of net loss in Q4 2019

By Urszula Zielińska

During the entire 2019, Orange Polska recorded the growth of revenue by 2.9 % to the level of PLN 11.4bn. It was the first year since 13 years that the group managed to improve their sales revenues. The results improved in the following lines: Orange Love subscribes, the sale of smartphones and other equipment (each item generated PLN 1.55bn of revenue) and IT services and integration driven by the acquisition of Bluesoft. The last item grew by nearly 30% up to PLN 803m.

In the entire 2019, EBITDAal result of Orange amounted to PLN 3bn, by 7% more than last year. The sale of real estate in the first three quarters, with the profit in the range of PLN 271m, had a positive impact on the above mentioned results.

The company announced that starting this year, the sale of assets will not be added to the EBITDAal result and capital expenditures.

It was stated that in the forthcoming years, Orange might sell the property worth PLN 1bn.

The operating results of Orange for the entire 2019 amounted to PLN 416m, with PLN 91m of net profit.

The Management Board maintained its view that it would not recommend a dividend payout this year. “We intend to keep a fast pace of investment into fiber-optic network, and besides the 5G auction will take place soon,” said Nowoński.

At the end of December 2019, Orange Polska serviced 15 284 000 SIM cards (up by 144 thousand within three months, half of which due to M2M solutions). The number of contract cards increased to 10 237 000 (by 109 thousand.), and the number of prepaid cards increased by 35 thousand to 5 047 000.

The number of customers of Orange Love convergent packages in B2C segment amounted to 1 369 000, following the growth by 38 thousand in the Q4. Whereas, including business customers the number of customers of convergent services of Orange reached nearly 1.7m.

Convergent customers belong to a group in which the growth of the monthly access fee is visible. In Q4 2019, ARPO in the residential customers segment amounted to PLN 102.8, by PLN 0.9 more than a year before.

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Orange Polska supports a limitation of one frequency block per operator under the forthcoming 5G auction

By kuc/ ana/

Orange Polska supports maintaining of the limitation one frequency block per operator during the forthcoming auction of 5G frequency, informed the CEO, Jean-Francois Fallacher.

In January, during the interview with Rzeczpospolita daily, Fallacher informed that Orange Polska would consider the purchase of two frequency blocks in 3.4-3.8 GHz band, should such possibility appear.

"In the interview I said that 'if there is a possibility to purchase two blocks, we would consider this'. Of course, we do not support the option that operators should have a possibility to purchase two blocks. We are great supporters of the solution that we and other companies should have a possibility of acquiring one block each during the auction. We have received the terms of the auction during the second round of consultations organized by UKE (Office of Electronic Communications). In this second round of consultations, the presented terms still assume a possibility of acquiring one block of frequency – we are very happy about it," said CEO during telephone conference.

The Minister of Digital Affairs, Marek Zagórski, informed during the interview with the Polish Press Agency at the end of January, that the Ministry applied to UKE for considering the amendment of the recommended terms of the auction for 3.4-3.8 GHz frequency. The Ministry would like to make it possible to purchase more than one block by one capital group. As he explained, such a change could increase the competitiveness of the process, thus increasing the proceedings for the state budget. After this information, three mobile operators: Polkomtel, Play and T-Mobile Polska in their press releases informed that they were against changing the limit of one block per operator during the auction.

Parkiet
13 February 2020

Vectra will listen to the Competition and Consumer Protection Office (UOKiK)

By Urszula Zielińska

Vectra may lose more services, than one could have initially assumed. This is a result of explanations of the Competition and Consumer Protection Office (UOKiK) regarding one of the terms of the consent for acquisition of the Multimedia Polska cable television.

The said term envisages that in 13 cities, the subscriber of the cable TV group should have a possibility to leave the group and move to another operator without incurring any costs. The decision issued by UOKiK states that such a possibility should be offered to the subscribers of TV services or Internet access services. Whereas the cable TV subscribers often use a package of two or three services.

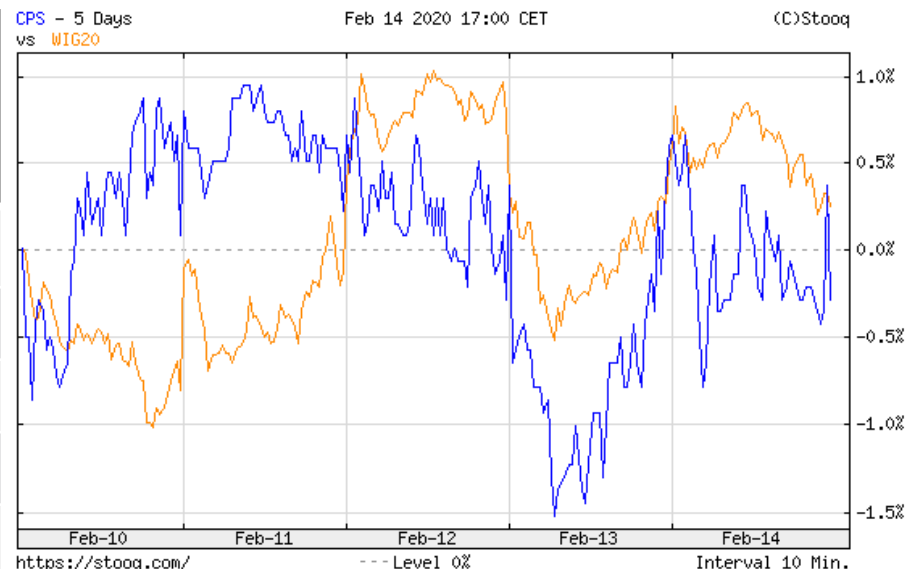
According to the position presented by UOKiK "Vectra will have to make it possible for all subscribers of Vectra, including those of Multimedia, in a given city, to change the provider of pay TV or broadband Internet access services without incurring any fees. This means that if at least one of the services which have been offered to the subscriber so far is the pay TV service or Internet access service, then the subscriber has the right to change the operator".

Vectra agrees with the decision of UOKiK and plans to execute it according to the possible, more detailed instructions of the Office.

Cyfrowy Polsat shares



Data	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2020-02-10	27.84	27.30	27.60	0.07	6.85
2020-02-11	27.84	27.64	27.64	0.14	9.36
2020-02-12	27.82	27.50	27.50	-0.51	9.14
2020-02-13	27.74	27.14	27.74	0.87	6.53
2020-02-14	27.82	27.36	27.50	-0.87	9.25



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
16 – 17 March 2020	PKO BP: CEE Capital Markets Conference - London 2020
25 – 26 March 2020	WOOD's 2020 EME NYC Conference
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