



# Cyfrowy Polsat IR Newsletter

17 – 23 February 2020



N E T I A

Wirtualnemedi.pl  
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**In 3 years' time 20 percent of UPC Poland customers will be using the operator's mobile services. "We want to play a role in market consolidation"**

*By jk*

Robert Redeleanu, the CEO of UPC Polska, has summed up the results for 2019 and presented the operator's plans for 2020.

The major achievements include faster growth of customer base, compared to 2018, launch of mobile services, as well as development of broadband internet access (the average data transfer rate enjoyed by UPC Polska customers increased to 250 Mbps).

At the end of 2019 the services offered by UPC Polska were used by 1.48 million customers, with the total number of individual services used by the operator's customers (RGUs) reaching 3.17 million. Internet access was used by 1.23 million subscribers (+58.1 thousand yoy), digital TV – 1.07 million customers (+26 thousand yoy), while fixed-line voice services were used by 674 thousand customers (+ 22.1 thousand yoy).

Revenues decreased from USD 440.7 million in 2018 to USD 425.7 million in 2019 (in Polish zloty the revenues increased from PLN 1.59 billion to PLN 1.63 billion, respectively).

2020 will be the year of innovations for the company.

UPC Polska intends to strengthen the segment of mobile services. In the timeframe of three years 20% of the operator's customers will be using its mobile services.

Likewise, convergent services (which combine mobile and fixed-line technologies) are expected to be used by 20% of the households which the company serves. While fighting for new subscribers, this year the operator will offer new hardware (including a new set-top box as well as Wi-Fi boosters with in-home roaming function).

Moreover, UPC Polska intends to expand its fiber-optic network and increase the area where Internet access is provided at the speed of 1 Gbps.

In December 2019 the company signed a wholesale agreement (Bitstream Access), which has enabled it to offer its services via Inea network. In 2020 the operator intends to sign similar agreements with Orange and Nexera.

UPC Polska would also like to play a role in the process of market consolidation.

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## Record-breaking penalties charged by the anti-trust authority

by Elżbieta Rutkowska

In 2018 the sum of all the penalties charged by Office of Competition and Consumer Protection was PLN 19.1 million. Now the values a significant portion of individual penalties exceed that amount.

The industries that the regulator focused on include TV and telecommunications. Proceedings are currently in progress as regards the amounts (the balances) which remain on prepaid cards upon expiry of validity periods of these cards. The proceedings are carried out against T-Mobile, Orange, Play and ITI Neovision (Polkomtel has already been penalized with an amount of roughly PLN 20 million for not repaying the unused funds to customers).

Polish IT and Telecommunications Chamber, which is an industry organization, stated that the penalty charged to Polkomtel (Cyfrowy Polsat Group) “was indicative of profound lack of understanding on the part of the UOKiK President of how the prepaid services model actually operates.” The Chamber also stressed that prepaid cards had operated without any problems for two decades now and that the objections which are formulated now put in question the correctness and further operation of such prepaid services as gift coupons and gift cards.

In the opinion of Polish IT and Telecommunications Chamber the way that the proceedings have been conducted by UOKiK so far “creates justified doubts as to whether the most recent decisions issued by UOKiK President have the purpose of fulfilling the competition authority’s main goal, or whether, to a far greater degree, they serve a fiscal purpose (the penalties are paid to State Treasury), independently of whether a given party violated the valid law, or not.”

UOKiK responded that its penalization policy was transparent. As regards the penalty charged to Polkomtel, the authority counted on “Polkomtel coming up with a proposal of provision which would improve the consumers’ position, allowing the operator to avoid the penalty”.

If Cyfrowy Polsat Group was forced to pay all the penalties charged to it by the Office of Competition and Consumer Protection during the past two years, the total amount to be paid would reach nearly PLN 106 million.

**Telko.in**  
18 February 2020

## **Entire Inea network is available to T-Mobile**

*By Marek Jaślan*

T-Mobile Polska signed an agreement with Inea which has enabled it to gain access to Inea's fiber-optic network. Thanks to the agreement, T-Mobile Polska will expand the reach of its fixed-line services by 300 thousand households in Wielkopolska (Poznan) region. In December 2019 the two operators signed an agreement for access to Inea's network in the areas which were covered by the second Digital Poland Operational Programme contest.

Now T-Mobile will be able to provide its services based on the whole fiber-optic network owned by Inea.

Service is launch is planned for March 2020.

In the past T-Mobile signed similar agreements with Orange and Nexera and it has been selling its FTTH services while relying on the two partners' network infrastructures since the summer of 2019.

**Parkiet**  
19 February 2020

## **Cisco's forecasts for 5G in Poland**

*By Urszula Zielińska*

According to the forecasts published in "Cisco Annual Report 2018-2023," the number of 5G service connections in Poland in three years from now will be 1.9 million, or 2% of all mobile activations.

Thus Cisco is forecasting that over the period of three years the number of mobile network activations will increase from the current level of 52 million to 95 million. The growth is mainly the result of the expectation that there will exist increasing numbers of connected devices, such as intelligent speakers, washing machines, refrigerators, lamps, etc.

The ratio of the number of connected devices per person is expected to increase from 3.3 in 2018 to 5.7. The number of devices connected via mobile Internet access is expected to be 2.5 per person on the average.

The report's authors forecast that 4G (LTE) networks will be handling 62% of all mobile calls in Poland in 2023 (versus 54% in 2018).

3G and lower generation networks will continue to operate in the country, however their share in mobile traffic handling will decrease to 24.5% (from 44.2% in 2018).

Puls Biznesu  
19 February 2020

## Though it shrank in size, T-Mobile has improved its profitability

By Marcel Zatoński

In 2019 T-Mobile Polska posted PLN 6.385 bn in revenue (-1.8% yoy) and PLN 1.645 bn of adjusted EBITDA (+0.9% yoy – growth has been reported for the first time in 5 years).

The factors which had negative impact on the company's revenues included the data center fire as well as withdrawal from wholesale of end-user devices – an item which generated high revenues but with low margins. The revenue from mobile services alone increased to nearly PLN 4 bn (+3% yoy). The operator also recorded growth in the ICT segment.

At the end of 2019, T-Mobile had 10.95 million customers, including 7.5 million postpaid subscribers.

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## One-fifth of Poland's population plans to replace cable services with video streaming. Most of them would not like to pay more than PLN 29 monthly for such services

By ps

Office of Electronic Communications (UKE) has just published the results of a consumer survey regarding use of pay TV and VOD services in Poland. The survey was conducted in November 2019 by means of CAPI method and covered 1.6 thousand respondents.

According to the survey, 19.4% of cable or satellite pay TV users were contemplating total withdrawal from use of traditional (linear) TV services in favor of Internet video streaming services.

Subscription price is the decisive factor when choosing the provider of video streaming services (52%). Further factors include flexibility of the offer (38.4%), offered content (35.3%) and contract duration (32%).

New users of video streaming platforms are not willing to pay more than PLN 29 monthly for the services (42.3%). However only 15.1% of respondents who are already using pay TV would decide to buy an additional video subscription.

Video streaming service users use their subscriptions for 1.8 hours daily and 12.7 hours weekly on the average. The mostly watch movies (73.4 %) and TV series (61.1%). The programs they watch least frequently are TV shows (6.4%) and current affairs programs (5.4%). 40% of those surveyed do not plan to change the way they receive TV in the coming year.

# Cyfrowy Polsat shares



Data	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2020-02-17	27.98	27.54	27.92	1.53	3.30
2020-02-18	28.20	27.52	28.18	0.93	6.52
2020-02-19	29.00	28.04	28.72	1.92	42.38
2020-02-20	28.86	28.34	28.44	-0.97	7.42
2020-02-21	28.72	28.10	28.58	0.49	9.86



# 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

