



# Cyfrowy Polsat IR Newsletter

24 February – 2 March 2020



N E T I A

PAP Biznes  
24 February 2020

## Orange Polska increases prices of monthly subscriptions for companies

By *kuc/ana*

Orange Polska introduced a new offer of mobile services for companies. Prices of subscriptions now range from PLN 45 to PLN 100 per month (earlier from PLN 40 to PLN 70) and include bigger data packs and valued added services.

Prices of three monthly subscriptions are higher by PLN 5 than before (they amount to PLN 45, 60 and 75, respectively); a new most expensive package was introduced and it costs PLN 100.

The prices of packages include one, two or three value added services, respectively, for the subscriber to choose from (including, among others, technical service of the phone, a package for counteracting cyberattacks with the basic IT support, additional international calls, addition domestic data pack).

In May 2019, Orange Polska increased by PLN 5 the price of the cheapest package of mobile service in new offers for residential customers.

Money.pl  
18 February 2020

## Play generated PLN 166.4m of net profit, PLN 570.5m of the adjusted EBITDA in Q4 2019

Source: *ISBNews*

In Q4 2019 Play Communications recorded PLN 166.4m of the consolidated net profit (-17.7% YoY), PLN 570.5m of the adjusted EBITDA profit (+6.5% YoY) and PLN 1 799.9m of consolidated operating revenues (vs PLN 1 807.2m of revenues last year).

In the entire 2019 the operator generated PLN 866.9m of the consolidated net profit (as compared to PLN 744.6m of profit in 2018), PLN 2 436.1m of the adjusted EBITDA profit (+ 12.8% YoY) and PLN 7 040.8m of operating revenues (vs PLN 6 839.1m of revenues in 2018).

At the end of 2019 the number of reported customers amounted to 15.3m (+1.7% YoY), whereas the number of active customers reached the level of 12.9m (+2.2% YoY). The share of contract customers in the total customer base at the end of the last year was 65.5% (-0.2 percentage points YoY). Average ARPU amounted to PLN 33 in Q4 2019 (+1.7% YoY) and PLN 32.8 in the entire 2019 (+1.5% YoY).

Capital expenditures amounted to PLN 848m (+11.7% YoY) in 2019 and PLN 214m in Q4 2019 (-11.5% YoY) in connection with the rollout and modernization of the radio and backbone networks of Play, as well as capitalization of costs of end-user equipment for the broadband mobile Internet access and Play Now TV Box.

Telko.in

28 February 2020

## 2019 was the year of investments and acquisitions for Netia

By Marek Jaślan

In Q4 2019, Netia recorded 1% growth of revenues quarter to quarter, to the level of PLN 325m as a result of the growth of the number of TV and broadband Internet access RGUs in its own network.

Across 2019 the revenues equalled ca. PLN 1.3m (- 6% YoY), net profit reached the level of PLN 47.6m (vs PLN 64.8m a year before), and EBITDA profit (according to IAS 17) amounted to PLN 357m (-2% YoY) with the EBITDA margin maintained at the level over 27%. EBITDA profit consistent with the IFRS 16 was PLN 457m.

According to the operator, the decrease of revenue in 2019 was associated with the lower number of services sold (RGU) (-6% YoY), in particular including B2C services under the wholesale access based on the network of Orange Polska, continuing price pressure on fixed-line voice services and the decline of revenue on the termination market.

The share of revenue from the direct voice services of Netia decreased from 25% to 23%, whereas the share of revenue from data transmission increased (to 44%). Furthermore, the share of revenue from services provided on Netia's own network increased from 62% at the end of 2018 to 65% at the end of 2019.

The total number of services at the end of 2019 amounted to 1.8m. Operator – while trying to defend gross margins – focuses on services in its own network and on bundled services. The share of customers of Internet services in Netia's own network increased to 72% at the end of 2019, from 68% in the previous year.

Penetration of TV services in the Netia's own network is currently at the level of 61% of the base of broadband services.

What is important, upselling of TV services combined with the faster and faster Internet lines (up to 1 Gbps) support maintaining ARPU at the stable level of ca. PLN 56 per month.

The operator continues the process of network upgrade. Its goal is to deliver the broadband Internet access, irrespective of the access technology, with the throughput capacity not lower than 1 Gbps. In view of the above, capital expenditures in 2019 increased to PLN 352m, from PLN 300m a year before. Currently, as many as 1.4m of access lines of Netia Group allow for provision of services with the data transfer speed of up to 1 Gbps.

Revenues generated by Netia in Q4 2019 in the commercial B2B area amounted to PLN 177m (+2% quarter to quarter). The operator extends its product portfolio, with particular focus on cyber security, data centres, cloud computing services as well as services based on Wi-Fi technology and integrated communications.

At the turn of 2019 and 2020, Netia acquired two local cable TV operators in Kraków (ISTS) and Łomża (IST) for the total amount of ca. PLN 44m, thus increasing the coverage of its own access networks by approx. 85 thousand premises.

Furthermore, in Q1 2020 the operator acquired – for PLN 34m – the Ringier Axel Springer data centre in Kraków. This acquisition should strengthen the position of Netia in the area of the broadly understood ICT services in the southern Poland.

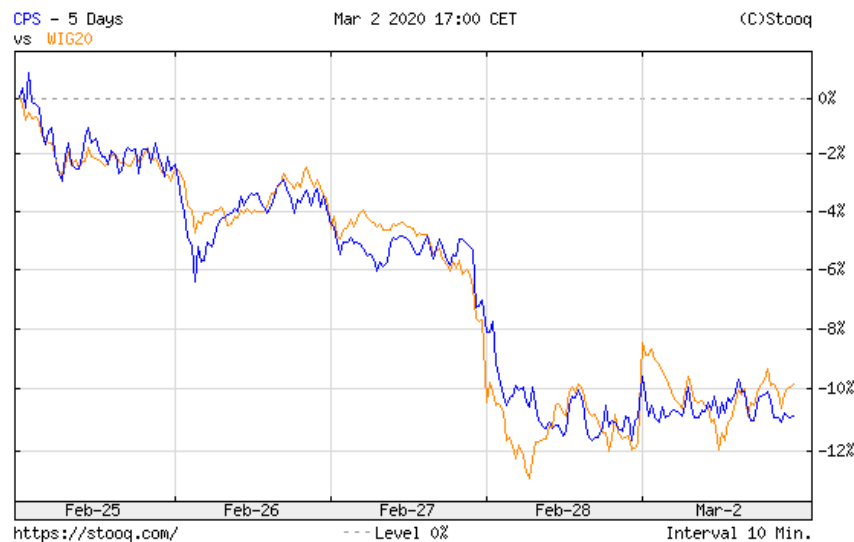
Netia confirmed that it was interested in subsequent acquisitions – both among smaller ISPs with good infrastructure as well as on the B2B market among companies with competence in ICT.

The Management Board of Netia also confirmed its interest in the purchase of Multimedia Polska networks in the cities in which, following the Multimedia's acquisition, Vectra will have to sell them. However, the Management Board made it clear that today there were still many uncertainties in this area.

# Cyfrowy Polsat shares



Data	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2020-02-24	28.58	27.84	28.50	- 0.28	13.44
2020-02-25	28.68	27.34	27.56	- 3.30	30.25
2020-02-26	27.86	26.48	27.18	- 1.38	20.39
2020-02-27	27.14	25.92	26.30	- 3.24	17.22
2020-02-28	26.34	24.96	25.20	- 4.18	32.86
2020-03-02	25.70	25.04	25.22	0.08	19.66



# Investor's calendar



27 February – 12 March 2020	Closed period prior to the publication of 2019 results
12 March 2020	<p><b>Publication of the quarterly report for 2019</b>  <i>Schedule of publication (CET):</i></p> <p>7.00 am Publishing 2019 report in ESPI (WSE's publishing system)</p> <p>8.00 am Publishing 2019 report and additional materials on our website:  <a href="http://www.grupapolsat.pl/en/arc/results">http://www.grupapolsat.pl/en/arc/results</a></p> <p>10.00 am Meeting with investors and analysts (Radisson Blu Centrum Hotel, conference room: Polonia 3, 1st floor Grzybowska 24, Warsaw)</p> <p>4:30 pm Conference call with investors and analysts</p> <p><i>Details of conference call:</i></p> <p>Date: 7th November 2019</p> <p>Time: 4.00 pm (Warsaw), 3.00 pm (London), 11.00 am (New York)</p> <p>Phone numbers: +44 207 194 3759 (international)                  22 583 9021 (Poland)</p> <p>Conference ID: 55609448#</p> <p>The conference call will be conducted in English.</p> <p>In an attempt to improve the quality of communication we have introduced the possibility to view our investors' presentation during the teleconference via a dedicated platform. In order to access the platform, please click <a href="#">HERE</a> and then log in as a participant by providing your name. The PIN code is not required to log in.</p> <p>From 13th March 2020 the mp3 recording of the conference call will be available on Cyfrowy Polsat's website at <a href="http://www.grupapolsat.pl/en/investor-relations/presentations">http://www.grupapolsat.pl/en/investor-relations/presentations</a>.</p>
16 – 17 March 2020	PKO BP: CEE Capital Markets Conference - London 2020