



Cyfrowy Polsat IR Newsletter

3 – 16 March 2020



N E T I A

Cyfrowa.rp.pl
5 March 2020

Data Centres have a new leader

By Urszula Zielińska

According to the estimations of an analytic company, Audytel, Cyfrowy Polsat Group had become the biggest player on the data processing market in Poland. Change of the leader is a result of the acquisition of the Axel Springer's facility in Cracow by Cyfrowy Polsat Group. The difference between the leader and a runner-up (ATM) is quite small and amounts to ca. 250 square meters.

In total the data centre operators in Poland have approximately 100 thousand square meters of space available, which is growing by one-fifth every year.

Telko.in
6 March 2020

UPC signed an agreement with Nexera for the use of its network

By Marek Jaślan

UPC Polska has signed an agreement with the fibre optic network operator, Nexera, based on which it will use wholesale services in the BSA model.

Nexera network, which was built under the Operational Programme Digital Poland (POPC), shall cover 670 thousand households and nearly 3 thousand schools and educational units by 2021.

Nexera has already signed similar agreements with Orange, T-Mobile Polska and local operators.

Cyfrowa.rp.pl
8 March 2020

5G Auction launched. How soon new mobile networks will be created

By Urszula Zielińska

The Office of Electronic Communications (“UKE”) announced an auction for the reservation of frequency in 3.6 GHz band for the needs of construction of the 5G network.

Initial offers shall be submitted by April 23rd, 2020. The Regulator intends to release the frequency reservation to the winning operator by the end of August 2020 at the latest.

UKE offers 4 blocks of 80 MHz each, and the minimum bidding price per block is PLN 450 million. The Regulator expects that the proceeds from the auction may reach a level of slightly over PLN 1.9 billion.

Investment requirements under the auction assume launching the total of 2.8 thousand 5G base stations by 2023.

So far, Orange Polska and T-Mobile Polska have expressed their intention to participate in the auction.

Rzeczpospolita
11 March 2020

Infrastructure should withstand the effects of virus

By Urszula Zielińska

According to the National Institute of Telecommunications, there is no risk of overloading telecommunication networks in connection with the mass transition to remote working by companies.

Most probably the structure of the traffic will change but not the overall volume – traffic in city centres will decrease, whereas the traffic on fixed lines in households will grow.

Children are the biggest unknown for the operation of data transmission networks, because of the closed school and educational establishments.

Parkiet
13 March 2020

Cyfrowy Polsat wants to maintain margins. It will enter mobile payments

By Urszula Zielińska

Cyfrowy Polsat has published its results for 2019, recording EBITDA at the level of ca. PLN 4.2 billion (according to IFRS 16) and the revenue in the amount of ca. PLN 11.6 billion.

In the opinion of Katarzyna Ostap-Tomann, Member for the Management Board of Cyfrowy Polsat responsible for finance, achieving of the stable EBITDA in 2020 will be a satisfying result. The Group has a diversified business model which is based mainly on subscriptions, which strengthens its resistance to external factors. Capital expenditures may amount, as usual, to ca. 11% of revenue.

In the opinion of Katarzyna Ostap-Tomann, high margins maintained in 2019 and high level of cash flows enable the Management Board to recommend dividend payment in accordance with the dividend policy adopted last year.

The main goals of Cyfrowy Polsat Group include construction of the 5G network based on its own frequency. The Group has already prepared ca. 70 transceivers in 5G technology operating on 2.6 GHz TDD band and is finalising the preparation of equipment offer. Whereas, it has not presented an opinion regarding the participation in the auction for frequency in 3.6 GHz band.

Rzeczpospolita
16 March 2020

“Open television windows” and more Internet

By Urszula Zielińska

A few paid TV stations and telecoms prepared special proposals for people staying at home in connection with coronavirus, offering additional services to the users. This way the companies support a prevention action encouraging Poles to stay home.

Pay TV providers launched the so-called open windows, thanks to which their customers may use, free-of-charge, a broader programming offer and premium content. Such proposals have been prepared, among others, by Cyfrowy Polsat Group, Orange Polska and Canal+. Whereas, the Player platform (Discovery Group) offers a monthly access to the starting package at the price of PLN 5.

Mobile operators also prepared special proposals. For instance, Orange Polska offers the free-of-charge increase of data transfer limit by 10 GB until the end of March, and Plus network (Cyfrowy Polsat Group) does not charge users of the IPLA online service for data transfer. Mobile operators also assure users that their networks are prepared to the increased traffic.

Press release
12 March 2020

Polsat Group sums up 2019 – 2 million customers of multiplay offer, new services, strategic cooperation with Asseco and construction of 5G network

2019 was another year for Polsat Group with very good operating and financial results. Most important events include: implementation of the „TV/Internet/Telephone. For everyone. Everywhere” concept, extending of the Premium sport offer, signing of a Joint Venture Agreement with Discovery and TVN with an intention to create a joint OTT platform aggregating Polish-language content, a strategic alliance with Asseco Poland and starting of the rollout of the first commercial 5G network. Already, as many as 2 million customers of the Group use multiply services, and the loyalty of our subscribers is growing – the churn rate was again at a record-low level of 6.4% annually. It was also a very good year in terms of financial results – the Group’s revenue reached nearly PLN 11.7 billion, EBITDA increased to PLN 4.2 billion, and net profit grew to the level of PLN 1.1 billion.

In January 2020 we acquired the 2-millionth customer of our multiplay offer:

- Consistent implementation of the strategy results in the stable growth of the number of customers – up by 197 thousand (11%) YoY, to the level of 1.99 million, or 35% of our contract customer base.
- The number of services (RGUs) used by this group of customers increased to 6.05 million.
- It was yet another quarter of at a record-low churn rate – it decreased by 1.2 percentage points, YoY, to just 6.4% in 12 months.

Strong growth of the number of contract services – up by 469 thousand (3%) YoY, to 14.73 million:

- Growth of the number of mobile services – by as many as 549 thousand (7.5%) YoY to 7.9 million in total, with positive impact of multiplay strategy and simple Plus tariffs which were launched in February 2018, supported by good sales results in the B2B segment (m2m);
- The total number of pay TV contract services was at a high level of 5 million.
- Stable base of Internet access services at ca. 1.8 million. In 2019 retail customers of Cyfrowy Polsat and Polkomtel transferred ca. 1.1 EB of data. Nearly 100% of Poles live within the coverage of the Group’s LTE network, with LTE Advanced coverage extending over an area inhabited by 82% of the country’s population.

Stable base of over 5.6 million contract customers:

- Growth of saturation of services per customer – up by 4.5% YoY;
- Each customer uses on average 2.61 of the Group’s services;
- Average revenue per contract customer (ARPU) increased by 1.9% YoY and reached PLN 85.6.

- Stable prepaid service base at the level of 2.7 million (YoY), with high ARPU which amounted to PLN 20.3.
- TV Polsat Group's revenue from TV advertising and sponsoring increased by 2.4% YoY in Q4 and reached the value of PLN 379 million, leading to an increase in the Group's share in the TV advertising market to 28.6%, while in 2019 it increased by 1.9% YoY to PLN 1.22 billion, thus ensuring the Group's share in the TV advertising market at the level of 28.0%.
- TV Polsat Group's channels maintained leading positions as regards audience share in the commercial viewer group, achieving the level of 24.2% (including 10.4% by Polsat's main channel and 13.8% by the theme channels) in Q4 2019 and of 24.3% (including 11.0% by Polsat's main channel and 13.3% by the theme channels) in the entire 2019.

In 2019, Polsat Group executed all planned activities, thanks to which its position on the pay TV, telecommunications and broadcasting and TV production markets has grown in strength.

"We have achieved a great success on the multiplay market. After nearly six years since its launch, the smartDOM program is the biggest program in Poland offering bundled services for households and families. More than 2 million customers have opted for this program and the total number of services owned by them exceeds 6 million. In total, we provide over 14.7 million contract services, and the churn rate decreased once again to the record-low level of 6.4% annually, which simultaneously proves that our customers are the most loyal ones," says Mirośław Błaszczyk, CEO of Cyfrowy Polsat S.A. and Polkomtel Sp. z o.o. "What is particularly pleasing is that Plus was the leader in number portability, being the most frequently chosen network by customers in Poland".

The Group has successfully completed the tests of 5G technology and started rolling out the first commercial 5G network in Poland, based on the 2600 MHz TDD frequency band. Furthermore, strategic cooperation with Asseco has been established, which will strengthen the Group in the area of IT, which is of key importance in the provision of state-of-the-art, high quality services using the cutting-edge technical solutions.

"In 2019, following our strategic concept: "Television/Internet/Telephone. For everyone. Everywhere" we consistently worked on the development of our services in such a way as to ensure that they are available to all Polish families, in a convenient way and in diverse technologies. We have introduced two new services available via the Internet – cable TV in IPTV technology and web TV with an OTT set-top box. Whereas thanks to the access to Netia's infrastructure we have started offering fixed broadband Internet access – also in fiber optic technology with speeds up to 1 Gbps – which reaches 2.7 million households across Poland," says Maciej Stec, Vice President of the Management Board responsible for Strategy at Cyfrowy Polsat S.A. and Polkomtel Sp. z o.o.

[More>>>](#)

Press release
13 March 2020

Plus network infrastructure is ready for the growing voice and Internet traffic

Plus's existing infrastructure is ready to handle the voice traffic, which has been growing recently, as well as the bigger volumes of data transferred over the network.

Polsat Group's technological resources enable us to maintain the high quality of the services we provide in the face of higher traffic volumes in the network.

The threats associated with the coronavirus epidemics, as well as the related change of people's daily habits, create a challenge for the economy and for the entire society.

Cyfrowy Polsat Group, of which the operator of Plus network is a member, is prepared for the growing number of voice calls and increased volumes of data traffic generated, among others, as a result of higher consumption of multimedia content or migration of their business processes by many companies to remote communication channels. In spite of the observed higher network usage, Plus customers need not worry – our network is technologically prepared for such challenges.

“Coronavirus epidemics has changed our daily lives. Remote work, closed schools, recommendations to stay home – all of these lead to higher traffic in the Internet. Thanks to the efficiently operating infrastructure of our network and use of state-of-the-art technologies in the process of its construction, we are ready for the bigger traffic generated by our users. We assure full functionality and quality of operation of our network to our customers,” **explains Miroslaw Błaszczyk, the President of the Management Board of Cyfrowy Polsat and Polkomtel, the operator of Plus network.**

Moreover Plus has taken additional actions to increase the capabilities of the network and of the provided services. Further service-related and technological solutions will be implemented on on-going basis, depending on the situation.

Cyfrowy Polsat, being the biggest media-and-telecommunications group in Poland, is also introducing services and products in response to its customers' needs.

Recent events



All Plus customers and Cyfrowy Polsat subscribers have free access to IPLA Plus package in IPLA web service. The package, which earlier included such channels as Polsat News HD, Polsat News 2, Polsat Play HD, Superstacja and Polsat Cafe HD, has seen addition, on promotional basis, of two new channels, namely Disney Channel for children and FOX channel for adults. Moreover, the package includes Polsat TV's favorite TV series and other programs, which are shown without commercials.

What is important, data transfer in Plus network for IPLA users is free.

All the subscribers to Cyfrowy Polsat's satellite TV (DTH) and cable IPTV services, from the Mini HD package up, may watch additional channels as part of the "open window" offer, i.e. Polsat Comedy Central Extra, FOX HD and Disney Channel. Sundance TV, Paramount Channel HD, AXN and AXN HD are available in the "open window" to the subscribers starting from Rodzinny HD package, Epic Drama is available from Familijny HD package up, while AXN Black, AXN White and AXN Spin are available starting from Familijny Max HD package.

Polsat Group is working on further solutions which will serve the society and the economy in the current circumstances.

Current report 5/2020 17 March 2020

Notification of a transaction on financial instruments issued by Cyfrowy Polsat S.A. received under article 19 of the MAR Regulation

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby informs that on March 16, 2020 it received a notification under article 19 of the MAR Regulation from Mr. Marek Kapuściński, a person discharging managerial responsibilities at the Company, regarding a transaction on financial instruments issued by the Company. The received notification is attached hitherto.

Attachment: [Marek Kapuściński Notification of a transaction.](#)

Current report 6/2020 17 March 2020

Notification of a transaction on financial instruments issued by Cyfrowy Polsat S.A. received under article 19 of the MAR Regulation

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby informs that on March 16, 2020 it received a notification under article 19 of the MAR Regulation from Mr. Aleksander Myszka, a person discharging managerial responsibilities at the Company, regarding a transaction on financial instruments issued by the Company. The received notification is attached hitherto.

Attachment: [Aleksander Myszka Notification of a transaction.](#)

Current report 7/2020 17 March 2020

Notification of a transaction on financial instruments issued by Cyfrowy Polsat S.A. received under article 19 of the MAR Regulation

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby informs that on March 17, 2020 it received a notification under article 19 of the MAR Regulation from Pigreto Limited seated in Limassol, Cyprus, a person closely associated with a person discharging managerial responsibilities at the Company, regarding a transaction on financial instruments issued by the Company. The received notification is attached hitherto.

Attachment: [Pigreto Ltd. Notification of a transaction.](#)

Current report 8/2020
17 March 2020

Disclosure of delayed inside information concerning the sale process of Interia Group companies

In reference to appearing media reports, the Management Board of Cyfrowy Polsat S.A., acting pursuant to Article 17 sections 1, 4 and 7 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 (“MAR”), provides the following delayed inside information concerning information obtained by the Management Board of Cyfrowy Polsat S.A. (the “Company”) of a decision made by the Management Board of the subsidiary Telewizja Polsat to submit an offer in the sale process of Interia Group companies (the “Transaction”) / (“Inside Information”).

The disclosure of the Inside Information was delayed on 16 March 2020 pursuant to Article 17 section 4 MAR. At the same time, the Company is of the opinion that the appearing media reports justify the obligation to immediately disclose the Inside Information pursuant to Article 17 section 7 MAR, i.e. if the confidentiality of the inside information is no longer ensured, and where media reports explicitly relate to inside information, where those media reports are sufficiently accurate to indicate that the confidentiality of that information is no longer ensured.

Contents of the delayed Inside Information:

“The Management Board of Cyfrowy Polsat S.A. (the “Company”; “Cyfrowy Polsat”) informs that on 16 March 2020 the Management Board of the Company obtained information regarding a decision made by the Management Board of the subsidiary Telewizja Polsat to submit an offer in the sale process of Interia Group companies.

The submission of said offer concerns a contemplated acquisition by Telewizja Polsat of 100% of shares in Grupa Interia.pl spółka z ograniczoną odpowiedzialnością with its registered office in Kraków (“GIGO”) as well as the rights and obligations of a limited partner of Grupa Interia.pl Media spółka z ograniczoną odpowiedzialnością spółka komandytowa with its registered office in Kraków (“GIKO”). An acquisition of these companies would result in acquiring exclusive control over Interia Group companies: GIGO, GIKO, Grupa Interia.pl spółka z ograniczoną odpowiedzialnością sp. k., Mobiem Polska sp. z o.o. and Mobiem Polska spółka z ograniczoną odpowiedzialnością sp. k. (jointly the “Interia Group”).

The Interia Group companies are being sold by Bauer Media Invest GmbH and Bauer Polen Invest GmbH (the “Sellers”). The selection of Telewizja Polsat’s offer will result in further negotiations concerning the intended acquisition of the Interia Group by Telewizja Polsat from the Sellers. The price and the final terms of the acquisition can be further negotiated.

The Company emphasizes that the negotiations are on an early stage and their outcome as well as the likelihood of their successful completion are still uncertain.

The Company will report on further steps undertaken in the process of the negotiations between Telewizja Polsat and the Sellers in separate current reports.

[More>>](#)

Cyfrowy Polsat shares



Data	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2020-03-03	26,28	25,22	26,24	4,04	19,53
2020-03-04	26,70	25,90	26,54	1,14	10,46
2020-03-05	26,84	25,22	25,74	- 3,01	17,30
2020-03-06	25,92	24,88	25,64	- 0,39	15,86
2020-03-09	25,00	23,70	23,96	- 6,55	15,49
2020-03-10	24,06	23,08	23,34	- 2,59	28,17
2020-03-11	23,34	23,34	23,34	0,00	0,00
2020-03-12	23,34	23,34	23,34	0,00	0,00
2020-03-13	22,10	19,89	20,20	- 13,45	41,57
2020-03-16	22,40	18,71	21,74	7,62	29,51



Investor's calendar



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

