



Cyfrowy Polsat IR Newsletter

17 – 22 March 2020



N E T I A

Wirtualnemedia.pl
17 March 2020

Over half of Internet users use paid VoD services. Netflix is the most popular one

by bcz

According to IRCenter's survey "The Media of Tomorrow – Multiscreening6," which concerns use of multiscreen video in Poland, as many as 80% of viewers use various devices simultaneously while watching video content. 43% of Internet users watch the content several times daily in TV, 36% on a smartphone, 22% on a laptop and 13% on a desktop computer.

Pay TV is used by 63% of Polish Internet users. The most frequently selected provider of multimedia content is Cyfrowy Polsat (with a 38% share), who has recently strengthened its position as the leader. Canal+ is the choice of 21% of users while Orange is selected by 18%.

According to the survey, in 2019 as many as 54% of Polish Internet users had accounts on paid VoD services. Netflix was the most popular platform (a 50% share), followed by YouTube (47%) and CDA (36%).

Puls Biznesu
18 March 2020

People who are in quarantine are hanging on their phones a lot

by Marcel Zatoński

As indicated by operators' data, coronavirus and restricted mobility have led to growth of the traffic in the telecommunication networks.

Orange Polska and T-Mobile Polska informed that their voice traffic grew by ca. 50%, while web traffic increased by ca. 20% (a weekend-to-weekend comparison).

Play, in turn, noted growth of voice calls by ca. 30% and of data transfer by ca. 40% daily.

Cyfrowy Polsat did not quote any statistics but assured that its infrastructure is ready to handle transmission "also in atypical and extraordinary situations". The company informed of both, growth of voice and data traffic. Also as regards the TV services that are offered by Polsat TV channels and Ipla service, one could observe growing interest in e.g. news content and news channels. The representatives of Netia (a Cyfrowy Polsat Group company) have not observed any significant changes in network traffic patterns. They noted growth of data transmission traffic by a dozen or so percent during business hours, which is generated by users working from home. This traffic is still several times smaller than the average traffic during the evening peak. At the same time, the data traffic generated by corporate clients decreased. The incoming traffic to Netia's fixed-line network from mobile networks as well as

the traffic within the fixed-line network itself have grown substantially.

Telecoms assure that they have no problems with the operation of their networks.

The operators are introducing promotional offers and temporarily providing access to additional channels to customers, including news channels and children's channels.

Bankier
18 March 2020

Cyfrowy Polsat is a front-runner for Interia acquisition

by kuc/ana

The Management Board of Telewizja Polsat (Cyfrowy Polsat Group) has decided to make a bid in the process of sale of member companies of Interia Group. The sellers are Bauer Media Invest and Bauer Polen Invest.

In the opinion of analysts, Cyfrowy Polsat has a bigger chance of acquiring Interia than Agora or Wirtualna Polska. According to them the transaction could create essential synergies.

Konrad Książopolski of Haitong Bank believes that Interia, the no. 3 Internet portal in Poland, could fit with Cyfrowy Polsat's business model. The acquisition would extend the scope of Cyfrowy Polsat Group's operations to include web advertising, i.e. the fastest growing segment in the advertising business. One of the potential synergies could be the ability to offer access to Polsat's extensive TV content library via Interia website.

In the opinion of the Haitong Bank's analyst, in spite of recent decline of stock market value, a strategic investor wishing to acquire Interia would have to pay an equivalent of 15-20x the company's earnings, which in 2018 amounted to PLN 22 million.

"Assuming that Interia's results have not changed substantially, this could mean the potential equity value in this transaction of PLN 350-450 million," as the analyst stated.

Cyfrowy Polsat's decision has been also evaluated positively by Paweł Szpigiel, an analyst of mBank's Brokerage House.

"We see big potential for synergies between Interia.pl and Polsat Group who is a major producer of information and entertainment content in Poland," wrote Szpigiel.

In the opinion of mBank Brokerage House's analyst, potential acquisition of Interia by Cyfrowy Polsat would have initiated further consolidation of the industry. *"Looking at the example of the German Prosieben, we assume further growth of Cyfrowy Polsat in the areas of web advertising and e-commerce,"* added Szpigiel. He is also of the opinion that Cyfrowy Polsat has bigger chances of acquiring Interia than Wirtualna Polska or Agora, the two companies which are also mentioned in the media as the parties potentially interested in acquiring the portal.

Parkiet

21 March 2020

Will the virus harm the telecoms' forecasts?

by Urszula Zielińska

In the opinion of experts, Covid-19 should translate into the development of digital economy, including stronger demand for telecommunication services.

In the opinion of Piotr Mieczkowski, the Managing Director of Digital Poland foundation, digital economy sees both, positive and negative factors. According to him the threats include disruptions in the hardware delivery chain, difficulties with installing and implementing services. The opportunities include growth of network traffic and demand for higher quality links as well as secure communication channels.

So far telecoms have not published any current reports informing of the impact that Covid-19 has had on their results.

According to Play spokesperson, there are no specific reasons to modify the forecast for 2020 that the company published in February 2020.

According to the spokesperson of Orange Polska, the company will surely address the current situation in its quarterly report for Q1 2020.

Press release
18 March 2020

Cyfrowy Polsat's actions with regard to the Coronavirus COVID-19 situation

Cyfrowy Polsat's overarching goal in the current situation is to take care of the health and security of our Customers, Contractors and Employees.

We are also aware that the continuity of operations of our network and critical infrastructure is crucial for activities of both our company as well as many firms, institutions and public administration. Additionally, we are responsible for ensuring millions of Poles a possibility of daily communication and, currently on top of that, also a possibility of work and education. Polsat TV and its information channels play now one of key roles in providing our society with the complete and reliable information about the present developments.

Due to the above, we have undertaken a number of measures aimed at minimalizing the risk for our Clients, Contractors and Employees as well as ensuring the continuity of operations of our Group companies. All of this allows us to state that the continuity of our operations is secured, both in terms of the provision of our services and with regard to the fulfillment of our obligations.

Since the first information about the virus has appeared, the Management Boards of our Companies took a series of decisions and actions according to the recommendations of the World Health Organization (WHO), the Ministry of Health, the Chief Sanitary Inspectorate, the National Institute of Public Health - National Institute of Hygiene, the National Healthcare Fund and other bodies of state administration.

Simultaneously, since last week we have introduced the following principles:

- remote working for our Employees, recommendations to stay at home, limit direct interpersonal relations or switch to rotate working with regard to teams which are not able to work remotely;
- limiting business meetings with Customers, Suppliers, external Contractors and switching to other forms of relations, e.g., tele- and videoconferencing, as well as cancelling domestic and foreign business trips;
- limiting internal business meetings and mobility inside buildings;
- disseminating and distributing information concerning the coronavirus, both with regard to the preventive measures and in case of suspicion of infection, including the current reports of, among others, the Ministry of Health, the Chief Sanitary Inspectorate, the National Institute of Public Health - National Institute of Hygiene;

- installing dispensers with disinfectants in commonly available places in the Companies' offices, disinfection of the equipment, cars and other tools used in daily work;
- implementing appropriate procedures and installing disinfectants in our points of sale.

Moreover, on an ongoing basis we monitor the situation, watch the actions and recommendations of the state administration and react to each new information.

We believe that thanks to the above mentioned steps we will guide our Companies through this undoubtedly difficult time while keeping the highest standards.

Press release
19 March 2020

New bonuses from Plus network and Cyfrowy Polsat within the #zostanwdomu (#stayathome) action

As part of #zostanwdomu (#stayathome) social action, Polsat Group offers further bonuses encouraging people to stay home. The operator of Plus network is increasing, free of charge, the data transfer rates offered in its fixed-line Internet access service and stops billing mobile Internet users for data transmission when accessing TIDAL music service. In addition, Plus customers who have so far not used TIDAL may now enjoy access to the service for free for 90 days.

The following bonuses are offered by Plus and Cyfrowy Polsat as part of #zostanwdomu action:

- Fixed-line Internet access using HFC, ETTH, PON technologies will be accelerated to a maximum speed of even as much as 1 Gbps.
- No charges will be billed for data transmission for the users of TIDAL music service.
- Two channels will be added to IPLA Plus package for the customers of Plus network and Cyfrowy Polsat, namely Disney Channel and FOX.
- Additional channels will be offered as an element of the "open window" policy for the subscribers using DTH satellite TV and IPTV cable TV from Cyfrowy Polsat.

Starting from March 20, customers using Plus's fixed-line Internet access, offered in HFC, ETTH, PON technologies, may enjoy maximum data transfer rates offered by the service regardless of the offer they have. The maximum data speed, permitted by the available technology, will be as much as 1 Gbps. The bonus is offered for 30 days.

Recent events



One can do it manually, by resetting the device, or wait for the automatic update. Customers enjoying higher data speeds in connection with Plus Światłowód (Plus Fiber-optic) service will be advised of the upgrade of parameters by e-mail.

The operator also prepared a special offer for music fans using TIDAL. Listening to favorite songs via TIDAL will not be consuming users' data bundles. The bonus will be offered from March 20, for 30 days for the time being. As part of #zostanwdomu action, TIDAL prepared a new module of its application called "W domu" ("At home"). The module includes, in one location, the playlists for various home activities, such as remote work, playing with children or training. Additionally, the people who would like to start using TIDAL via Plus are offered the opportunity of enjoying access to the service for free for 90 days. Once the free period has ended, the service will cost PLN 19.99 per 30 days, however a relevant notification will be sent to a user by SMS two days before the end of the free period. The promotion is addressed to customers using prepaid, MIX and postpaid offers

In addition for more than a week now all Plus and Cyfrowy Polsat customers, who have been using IPLA Plus package for free, have been offered access to two additional channels. In its standard version IPLA Plus package includes five channels: Polsat News HD, Polsat News 2, Polsat Play HD, Superstacja and Polsat Cafe HD. Two further channels have been added in connection with #zostanwdomu action, namely Disney Channel for kids and FOX channel for older audiences. Similarly as in the case of TIDAL, no fees for data transmission are charged for using IPLA via Plus network.

As regards the subscribers of satellite and cable TV services using IPTV technology offered by Cyfrowy Polsat, starting from the Mini HD package up customers 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

"By adding new bonus elements to our offer without charging additional fees, we are supporting #zostanwdomu action. We hope that the additions to our offer will not only translate into improved comfort of going about one's daily activities, such as remote work or virtual classes, but will also offer access to diverse forms of multimedia entertainment, making one's leisure time pleasant. We continuously work on new solutions which will make it easier for our customers to cope with the new reality," **explains Piotr Szymanowski, Deputy Director of Marketing Strategy Department at Cyfrowy Polsat and Polkomtel.**

Further decisions regarding extension of the current offer and introduction of new bonuses will depend on the development of epidemiological situation in the country.



Cyfrowy Polsat shares



Data	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2020-03-17	24.24	21.90	22.46	3.31	40.15
2020-03-18	23.30	22.14	23.20	3.29	46.24
2020-03-19	24.74	22.54	24.38	5.09	23.02
2020-03-20	24.80	23.98	24.40	0.08	34.98



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

