



Cyfrowy Polsat IR Newsletter

12 – 18 October 2020



Parkiet
12 October 2020

5G consultations will start this year

by Urszula Zielińska

In an interview for “Parkiet” business daily Jacek Oko, the current President of the Office of Electronic Communications (UKE), in the office since 18 September 2020, said that before the end of the year he would present the vision of UKE’s activities in the coming years.

Moreover, in October UKE plans to present, to the Cyber-Security Council, the guidelines to be observed by the winners of the 5G auction.

According to UKE’s plans, the 5G auction (which is understood as start of the consultations) is expected to be announced still this year.

Apart from the cyber-security-related issues, it is the changes of coverage-related parameters what are discussed in connection with the 5G auction so that they account not only for the coverage but also offer a guarantee of relevant service level. UKE President confirmed that the planned 5G auction would be related to the band C only.

As regards the free 800 MHz spectrum (at the beginning of 2019 Sferia, a Cyfrowy Polsat Group company, did not decide to seek license extension for this frequency band), the process of naming a new operator for this spectrum will probably be delayed till 2022, i.e. once the distribution of the band C spectrum is completed.

While answering the question about the possibility of creating one 5G network with the involvement of the state, using the spectrum from 700 MHz band, UKE President considered the idea interesting.

Telko.in
12 October 2020

26 GHz band needed not earlier than 2 years from now

by Łukasz Dec

The Office of Electronic Communications published the results of the consultations on the use of the 26 GHz band.

In the opinion of the operators who participated in the consultations, allocation of spectrum from the 26 GHz frequency band should take place not sooner than in the years 2022 – 2023, i.e. only once bigger availability of end-user devices operating in this frequency band is expected.

Despite different opinions regarding the ways of spectrum distribution (e.g. Orange postulates nationwide spectrum reservations, while T-Mobile supports awarding of spectrum without any selection procedures, based on local demand, with a simultaneous guarantee of spectrum availability for the remaining operators), the operators have agreed that the 26 GHz frequency band will have either “insular” nature, i.e. it will be used in the places of increased mobile traffic (e.g. in factories), or it will be used as wireless local loop technology.

Biznes.interia.pl
12 October 2020

Cyfrowy Polsat maintained BB+ rating with positive outlook

by: bb

S&P maintained Cyfrowy Polsat’s rating at BB+ with positive outlook.

“We could raise the rating if Cyfrowy’s revenue and EBITDA increased modestly, resulting in adjusted debt to EBITDA declining sustainably below 3.0x and free operating cash flow (FOCF) to debt approaching 15%,” points out S&P.

Accomplishment of the mid-term debt reduction target could, in the agency’s opinion, be slowed down in the nearest future because of e.g. acquisitions.

The agency stresses that in spite of a momentary decline of revenue from advertising, Cyfrowy Polsat shows resilience to COVID-19 pandemics. *“During the second quarter of 2020 advertising and sponsorship revenue declined 34.5% year on year. The company is already seeing strong recovery in this segment and we expect that the decline will be limited to 10% for the full year,”* as S&P analysts say, stressing that the company will continue to generate strong free cash flows.

“We have noted that capital expenditures of Cyfrowy Polsat are smaller than in the case of majority of its European peers (18% on the average). This, combined with relatively stable adjusted EBITDA margins for the years 2019-2021, should lead to solid free cash flow to debt of 14%-15%, or an EBITDA (after capex and lease payments)-to-sales-ratio of slightly more than 20%,” write the S&P analysts in their study. They also point out that potential sale by Cyfrowy Polsat of part of its mobile telecommunication infrastructure, and the impact that this would have on the bottom line, are uncertain at the moment.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2020-10-12	27.76	27.14	27.26	- 0.58	9.03
2020-10-13	27.36	26.70	26.70	- 2.05	7.75
2020-10-14	26.96	25.94	26.54	- 0.60	15.24
2020-10-15	26.42	25.16	25.50	- 3.92	18.81
2020-10-16	25.66	25.20	25.36	- 0.55	7.87



Investor's calendar



22 October 2020	Dividend payout - 1st tranche
27 October – 10 November 2020	Closed period prior to the publication of Q3 2020 results
10 November 2020	Quarterly report for Q3 2020
1 – 4 December 2020	WOOD's Winter Wonderland EME Conference December 2020 Prague (online, or in the flesh)
11 January 2021	Dividend payout - 2nd tranche