



Cyfrowy Polsat IR Newsletter

9 – 15 November 2020



Stockwatch.pl
10 November 2020

Shareholders of Canal+ Polska call off the IPO

by Daniel Pačkowski

Canal+ Polska will not debut on the Warsaw Stock Exchange. TVN Media and Liberty Global Ventures Holding, that is the selling shareholders, have jointly decided to call off the planned IPO.

The decision was motivated by the recently observed volatility of financial markets. In a press release the shareholders informed that they intended to come back to the IPO plan once the situation on the financial markets becomes more favorable.

The IPO of Canal+ Polska included shares accounting for not more than 49% of the company's share capital. The maximum price was set at PLN 60 per share while the value of the IPO was expected to be up to PLN 1.3 billion.

Wirtualnemedia.pl
13 November 2020

French football league will be back in Polish TV. Eleven Sports and Canal+ will show the matches

by tw

Eleven Sports (a Cyfrowy Polsat Group company) has purchased, as the main broadcaster, the rights to show the French Ligue 1 football matches starting from the nearest match day till the end of the 2023/24 season. In addition, Eleven Sports signed an agreement with Canal+ Polska which will enable Canal+ to broadcast the matches on the basis of a sub-license.

The agreement states that each of the broadcasters may air any matches of its choice. Eleven Sports has announced that for each match day it will be covering several most interesting matches while also showing the highlights of all Ligue 1 matches. The French league matches were earlier broadcast in Poland by Eleven Sports in the years 2015-2018.

In addition, both broadcasters share the rights to show the Spanish league matches. The agreement is valid till the middle of next year.

In mid-2021 Eleven Sports and Canal+ Polska will in turn stop broadcasting the German League matches. The rights to the coverage of Bundesliga matches during the next four seasons have been acquired by the Scandinavian NENT Group. NENT plans to broadcast the matches while using its Viaplay Internet platform, charging a monthly access fee of PLN 34.

Parkiet.com
13 November 2020

Several years of the solar boom

by Barbara Oksińska

According to Kearney consulting firm, the power generated by the solar systems installed in Poland is expected to increase to 3.1 GW by the end of 2020, i.e. by around 140% as compared to 1.3 GW a year earlier. The increase is mainly associated with the growing development of private home systems whose number is expected to reach around 300 thousand by year-end.

According to Kearney's estimates, the share of photovoltaic systems' power in the total power of Polish power plants will be ca. 6.3% in 2020 while the power generated by wind power plants installed on land will account for 19.2%, with the conventional power plants generating 70.6% of total power capacity.

Kearney's experts expect that by 2030 the installed power of photovoltaic systems will reach ca. 22.7 GW, following growth by 1.9 GW on average per year. Development of photovoltaic systems is supported by the subsidies offered to prosumers, for example by "Mój Prąd" (My Electricity) program, a system of rebates, i.e. the possibility of storing the electrical power in the electrical grid, as well as by RES auctions for photovoltaic farms.

2020 is expected to be a record-year in the segment of micro-installations. In further years, in the period till 2029–2030, we will see gradual cooling down of this segment, to a level of 0.7 GW of power added annually in the form of new installations. Kearney's experts estimate that the total number of roof-installed prosumer micro-systems could reach as many as nearly 1.8 million by 2030, which is equal to a nearly fivefold growth as compared to 2020.

At the same time the experts expect visible growth on the market of photovoltaic farms. Years 2022-2023 should be the period of their fastest growth during which one may expect as much as 1.9 GW of power being added by the newly installed systems each year. Decrease of the growth dynamics of new photovoltaic farms is expected after the year 2023, with the growth decreasing down to 0.5-0.6 GW per year in the years 2026-2030. The smaller growth dynamics will be the outcome of the competition coming from the off-shore and, potentially, land-based wind farms. Nonetheless, in the opinion of Kearney's experts the growth trend should continue on the market for at least the next few years.

Press release
9 November 2020

Plus is building a nationwide 5G network in Poland

The true 5G network coverage offered by Plus will be available to over 11 million inhabitants of Poland

Plus is rolling out a 5G network in all present and former provincial capitals and their neighboring areas. Over 150 cities and towns with a total population of more than 11 million will be within the coverage footprint of Plus's 5G network operating in 2600 MHz TDD frequency band. Thanks to this the inhabitants of these areas will gain access to the most advanced, superfast and reliable 5G Internet access service.

As a confirmation of its earlier announcements, Plus continues the roll-out of the fastest 5G network

The first in Poland 5G network, using the spectrum from the 2.6 GHz TDD frequency band, was launched with the use of 100 transceivers in 7 cities in May 2020. It offers data transfer speeds of up to 600 Mbps. The observations gathered from several months of user experience and the best results that were achieved during 5G speed tests, as compared to other operators, have resulted in the decision to expand the Plus 5G network coverage. The 7 cities, where 5G services are currently available, will be joined by further 150 cities and towns so that the fastest 5G Internet access service in Poland will be available to more than 11 million people.

"We offer the fastest 5G Internet access network in Poland. We are interested in providing access to this network to the possibly biggest number of Polish citizens in the shortest possible time," says Jacek Felczykowski, a Management Board Member of Cyfrowy Polsat and Polkomtel, the operator of Plus network. "Similarly as 10 years ago, when we were the first operator in Poland to launch the LTE network, also now we want to be first in providing access to the true 5G services to millions of Poland's inhabitants."

Plus 5G network roll-out – 11 million people and over 150 cities and towns within 5G network coverage in 2021

In 2021 Plus plans to offer 5G services using more than 1700 base stations in all present and former provincial capitals, as well as in many other towns and places.

Thus, next year more than 11 million people will be able to enjoy the services of the fastest in Poland 5G 2600 MHz TDD network.

More than 700 base stations and 5 million people living within the coverage area already in November 2020

According to the plan, by the end of November there should be over 700 base stations on air, assuring access to 5G technology to 5 million people.

The current list of the cities where Plus's 5G services are offered, i.e. Warsaw, Lodz, Gdansk, Katowice, Poznan, Szczecin and Wroclaw, will be extended to include the inhabitants of other cities of the Silesian urban area, the Tri-City area (Gdansk-Sopot-Gdynia), Cracow, Bydgoszcz, Czestochowa, Olsztyn, Kielce, Radom, Torun, Zielona Gora, Opole, Gorzow Wielkopolski, and many more.

Further technologies and frequencies

Plus is also working on the development of 5G technology while using further radio frequencies and technologies. This will enable Plus to strengthen its position as the 5G technology leader in Poland in the future and offer the services to even more customers in even a bigger number of locations. We will keep you updated about our further decisions and actions in this area.

About the 5G 2600 MHz TDD technology

Plus's 5G network is rolled out while using state-of-the-art infrastructure supplied by Nokia and Ericsson. Plus is the only operator on Polish market to have allocated a dedicated 2600 MHz frequency band using TDD technology for 5G operations, thus increasing the network's throughput. The solution used for 5G network roll-out by the operator of Plus network is the world's most advanced technology. The TDD communications technology enables data transmission while using one common chunk of spectrum for alternating in time downlink/uplink data transmission.

In the future, as 5G network develops, the use of the current 2600 MHz frequency band will assure better geographical coverage than when using only the spectrum from the 3400-3800 MHz frequency band, and it will enable the operator to maintain its competitive edge during further stages of 5G network roll out, by offering the possibility of carrier aggregation.

Equipment portfolio

The portfolio of the devices which support 5G technology is also expanded successively. The offer of terminals includes both, the flagship models as well as the mid-range devices - in November the offer will include around 20 smartphones and routers. This will increase the popularity of 5G services and make them available to a wide group of customers.

Press release
10 November 2020

Cyfrowy Polsat Group sums up its performance in Q3 2020

Roll-out of the nationwide 5G network, more members of our smartDOM loyalty scheme and more contract services, further acquisitions

In spite of the state of epidemic, which continued in Q3, Cyfrowy Polsat Group closed the third quarter with results which exceeded the analysts' expectations

Major events included the roll-out of the nationwide 5G network, using the spectrum from 2600 MHz frequency band and TDD technology, with a plan to provide network coverage over a territory inhabited by 11 million people, commencement of the review of the strategic options related to potential sale of the Group's telecommunication infrastructure, acquisition of 100% of shares in the broadcaster of Fokus TV and Nowa TV channels, as well as quick integration of Interia.pl web portal with Polsat Group.

The Group's revenues exceeded PLN 3 billion, adjusted EBITDA reached PLN 1.1 billion while net profit increased to PLN 345 million. The Group also started the process of pay-out of a record high dividend in the total amount of PLN 640 million.

At the same time Zygmunt Solorz and the Group became involved in the struggle against the epidemic by, among others, donating nearly PLN 50 million to support the society, the healthcare system as well as the Group's customers, viewers and employees.

"We are a Polish company and it was extremely important for us to engage – in the difficult times of the pandemics – in providing aid to the healthcare institutions and the society. Jointly with our main shareholder, Zygmunt Solorz, we have already donated several dozen million zloty to that cause," says Miroslaw Błaszczyk, the CEO of Cyfrowy Polsat and Polkomtel, the operator company of Plus mobile network.

"Due to the nature and the diversity of our operations, our business has proven resilient to the current situation. At the same time, during the third quarter of the year we were able to rebuild the performance of our media segment which was hit hardest by the spring lockdown," says Miroslaw Błaszczyk. "With a stable financial situation and while thinking about further development of the Group, we carried out big investment projects. We acquired Interia Group, while Fokus TV and Nowa TV channels were added to TV Polsat's portfolio. We have also launched sale of solar energy solutions under ESOLEO brand and thanks to intensive roll out of our 5G network as many as 11 million of Poland's inhabitants will be within the network's coverage area already next year."

Plus has made the decision to go forward with nationwide roll-out of the 5G network. In May 2020 Plus launched the first in Poland 5G network while using the spectrum from 2600 MHz TDD frequency band and 700 transceivers in 7 cities across Poland. The network supports Internet speeds of up to 600 Mbps. Several months of observations of user experience and the best results achieved during the 5G speed tests, as confronted with other operators, led to the decision to expand network coverage. The existing 7 cities will be joined by more than 150 cities and towns, resulting in **as many as 11 million people being able to enjoy the services of the fastest in Poland 5G network**.

Acquisition of Interia.pl Group was followed by a fast integration of the portal within the Polsat Group's structure. The strategic investment is aimed at enabling **Polsat Group to take an important position in the Internet** –

to strengthen the Group's foothold in the dynamically growing online advertising market and form an additional channel for distribution and monetization of the content produced by the Group as well as to provide a perfect channel for communicating with its existing and future customers. Starting from 1 October the advertising operations of Interia.pl Group are fully supported by Polsat Media, while the web portal's advertising unit has been merged with Polsat Media. The process of integration of Polsat's and Interia's news services has been implemented and also the integration of the sports and entertainment segments has commenced.

Polsat Group has also started **operations on the solar power market**. In July it added photovoltaic systems to its offer under the new ESOLEO brand. ESOLEO offer means numerous benefits: lower electricity bills, equipment from renowned manufacturers, comprehensive support in handling all the related formalities, preparation of a system's design, assistance in obtaining a loan with no upfront payment required, fast installation and an opportunity to enjoy the available subsidies. Information on ESOLEO offer can be obtained nationwide in over 1000 Plus and Cyfrowy Polsat points of sale and customer service as well as on www.esoleo.pl website and also by calling a dedicated 222 136 222 information line.

"In Q3 2020 we continued our strategic investment in Interia Group and we assumed control over Fokus TV and Nowa TV channels. Moreover, we successfully continued to pursue our multiplay strategy. The number of members of our smartDOM flagship loyalty program increased by 100 thousand. It was yet another quarter of strong growth of the number of provided contract services – by nearly 600 thousand year-on-year. Thanks to this the total number of contract services exceeded 15 million. Once again we have been able to reduce the churn ratio – down to 6.1%, which is indicative of the high satisfaction of our customers with the quality of the services that we provide," **comments Maciej Stec, the Vice-President of the Management Board responsible for strategy in Cyfrowy Polsat and Polkomtel.**

“After a difficult second quarter, in the third quarter we saw a rebound on the TV advertising market, just as we expected. All our flagship shows were back on-air in autumn while the programming costs have been adjusted to the condition of the advertising market. Our main channel was the audience leader in the commercial viewer group while the results of the entire Group reached the top level of our strategic assumptions, coming close to 25%. We noted positive advertising revenue dynamics as contrasted with the market which was slightly in the red,” **sums up Stanisław Janowski, the CEO of TV Polsat.**

“Following the acquisition of Interia Group, we took the leading position on the Internet publishers market. The number of page views of all of Polsat Group web services increased tenfold year-on-year, to 1.5 billion. A nearly twofold growth of the number of unique users, to 18.5 million, has in turn put us among the top three online publishers. The extremely efficient process of integration of Interia within the Polsat Group’s organizational structure is worthwhile noting, while our teams, who made it happen, deserve gratitude. I am convinced that our cooperation with Interia will continue to be as efficient as it has been to-date,” **adds Stanisław Janowski.**

Polsat Group’s financial performance exceeded market expectations

Polsat Group’s revenue increased in Q3 to over PLN 3 billion, adjusted EBITDA reached PLN 1.1 billion while the net profit increased to PLN 345 million. In October the Group started the payout of a record-high dividend in the total amount of PLN 640 million.

“In the spite of the continuing epidemics, the quarter was very good for us from the point of view of financial results while our performance clearly exceeded the market analysts’ expectations. The factors having positive impact on the performance of B2C and B2B segments included such items as stabilization of retail revenue and good sales of equipment. Distinct rebound on the advertising market and consolidation of Interia’s results contributed to the growth of revenue in the media segment. Very strong financial performance of this segment as a whole has compensated for the loss at EBITDA level that we noted in spring. Smaller number of on-going sports events, compared to the autumn of 2019, as well as our prudent approach to investments in the autumn programming schedule were reflected by the 40% growth of EBITDA,” **says Katarzyna Ostap-Tomann, a Management Board Member responsible for finance at Cyfrowy Polsat and Polkomtel.**

“I am glad that our strategy works and the Group is successful thanks to which we can offer compensation to our shareholders while at the same time caring for our further development, which is expressed by our entry into the online segment and by our very ambitious plans related to rolling out a nationwide 5G network,” **sums up Mirosław Błaszczuk.**

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2020-11-09	28.00	26.56	27.34	1.41	33.77
2020-11-10	28.16	27.02	27.54	0.73	21.11
2020-11-11	-	-	-	-	-
2020-11-12	27.72	26.88	27.40	-0.51	37.31
2020-11-13	27.40	26.68	26.86	-1.97	10.45



Investor's calendar



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