



Cyfrowy Polsat IR Newsletter

28 October – 3 November 2019



N E T I A

Rpkom.pl
24 October 2019

Orange and Nokia start testing 5G in Lublin

by ZIU

Orange Polska informed about start of 5G tests in Lublin. The tests are carried out in a network of 10 base stations operating in the 3.4-3.6 GHz frequency band and using 80 MHz bandwidth. According to Orange, the bandwidth enables data transfer rates of up to 800 Mbps. The tests are carried out in cooperation with Nokia and will continue till year end.

Lublin tests are yet another case of 5G tests in Poland. T-Mobile Polska informed recently of launching an indoor system in Cracow (in cooperation with Nokia). Both Orange and T-Mobile are testing 5G in Warsaw (in cooperation with Huawei and Ericsson, respectively). Play carries out tests in Torun (with Huawei), and in cooperation with Ericsson the company intends to build 5G infrastructure at the stadium owned by Legia football club in Warsaw.

Wirtualnemedial.pl
29 October 2019

"Polskie 5G" ("Polish 5G") company has been established. An MoU has been signed by the government and the operators

by KM

Commercial mobile operators, the state-owned telecom operator Exatel and the Polish Development Fund (PFR) signed a memorandum of understanding regarding analysis of the concept of establishing #Polskie5G (Polish 5G) – a wholesale operator of a nationwide wireless 5G network, operating in the 700 MHz frequency band.

The project is intended to enable reduction of the cost of telecommunication infrastructure roll out, consequently leading to affordable service pricing. The priorities listed in the memorandum also include assurance of the infrastructure supporting the development of digital economy and ensuring high level of cyber security.

Wirtualnemedi.pl
29 October 2019

Orange: revenues and profits up. 979 thousand of TV service customers

by KM

In Q3 2019 Orange Polska posted PLN 946 million of EBITDA including leasing costs (EBITDAaL) (+22.4% YoY). The achieved result is the outcome of growth of the company's revenues, faster than expected reduction of indirect operating costs as well as the profits from sale of real estate. EBITDAaL, when adjusted to account for the last of the aforementioned factors, increased by 7.1% YoY in Q3 2019 and by 1.2% YoY for 9 months of 2019.

The generated revenue amounted PLN 2.9 bn (+ 4.3% YoY). The achieved result is mainly owed to growing revenues from convergent services (+19% YoY) as well as to the revenues from IT and integration services.

At the end of September the number of customers using fiber-optic lines was 473 thousand (+39 thousand QoQ and +46% YoY). The number of residential customers using Orange Love convergent services increased to 1.33 million (+13% YoY), with Orange Love users accounting for 61% of the residential customer base using Orange home Internet service (55% a year earlier).

The operator's TV services were used by 979 thousand customers, including 495 thousand IPTV customers and 484 thousand DTH customers.

In Q3 Orange's net adds for its mobile telephony service were 176 thousand and at the end of September the EOP base of SIMs that the company operated was 15.14 million. The operator's average monthly revenue per mobile offer (ARPO) increased by PLN 0.2 in Q3, reaching PLN 20.3.

Bankier.pl
29 October 2019

Orange Polska wants to reduce its investments in fiber-optic lines after 2020

by kuc/ana

Source: PAP Biznes

CEO of Orange Polska informed that after 2020 the operator plans to reduce its investments in the fiber-optic network (at present the FO network penetration is 12%). The reasons include the need to secure funds for 5G capex as well as the intention to resume dividend payouts in the future (the most recent dividend payment, in the amount of PLN 0.25 per share, took place in 2016).

The strategy of Orange Polska is to extend fiber-optic network coverage to 5 million households in the period 2017-2020. At the end of September there were ca. 4 million households within the fiber-optic network's coverage footprint.

Rpkom.pl
30 October 2019

Netia's results in Q3 2019: TV services led to slower decline of the number of services

by Urszula Zielińska

In Q3 2019 Netia generated PLN 319.4 million of revenue while posting PLN 26.5 million of operating profit, PLN 120 million of EBITDA and net profit in the amount of PLN 21.1 (acc. to IFRS16). Compared to the results from a year earlier, the revenue declined by 6.2%. However, when calculated according to IAS17, the operating profit, EBITDA and the net profit increased in year-on-year perspective.

Average monthly revenue per customer (ARPU) was PLN 56, while in the case of newly acquired customers, ARPU increased to nearly 59 monthly in 2019, up from PLN 52, with one of the reasons being the extension of the company's offer of access via fiber-optic lines (the offers with transfer rates of up to 1 Gbps).

In Q3 2019 Netia recorded slower pace of loss of services (RGUs). During the earlier quarters the operator was losing a dozen or so thousand RGUs quarterly, in Q3 2019 it lost only 2.4 thousand RGUs while continuing to obtain revenue from around 1.87 million RGUs.

At the end of September the number of pay TV services was 233.6 thousand (+7.7 thousand QoQ), the broadband Internet access services numbered 590.5 thousand (-4 thousand QoQ), the number of mobile services was 147 thousand (- 0.2 thousand QoQ) and voice services stood at 904.5 thousand (-6.6 thousand. QoQ).

Parkiet
31 October 2019

Netia sees the effects of being part of Polsat Group

by Urszula Zielińska

According to Netia's Management Board, the positive trends which became visible in the company's Q3 results (including better EBITDA growth dynamics) are the outcome of the operator's cooperation with its main shareholder - Cyfrowy Polsat.

The telecom did not disclose the estimates related to the potential synergies which could be achieved in the long-term but it has quoted examples of some initiatives contributing to the positive result. These include such areas of cooperation as maintenance by Netia of the Plus' fiber-optic network (generating additional revenue for Netia), migration of Netia's customers to Polkomtel's network, growing share of voice service users who use Plus's MW links instead of Orange's network. Netia also intends to replace the set-top boxes used for pay TV services (Netia Player) with Cyfrowy Polsat's devices (Evobox), with the replacement process starting in Q2 2020.

The operator has sustained the planned date of completion of network upgrade as 2020. This year's related capex is expected to be ca. PLN 90 million.

Current report
30/2019
30 October 2019

Taking initial steps by Cyfrowy Polsat S.A. in connection with potential acquisition of new financing in the form of an additional tranche of loan facility and/or new issuance of bonds

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby informs that on October 30, 2019 it adopted a resolution on taking initial steps in connection with potential acquisition of additional debt financing. The Company's intent is to assess possibilities of acquiring financing in form of an additional tranche of loan under the Second Amendment and Restatement Deed on which the Company reported in its Current Report No. 9/2018 dated March 2, 2018, denominated in PLN, in the amount of up to PLN 1,000,000,000.00 (one billion zloty) (the "New Loan"), or the issuance of bonds, denominated in PLN, in the nominal value of up to PLN 1,000,000,000.00 (one billion zloty) (the "New Bonds"). The Company contemplates the acquisition of both or one of the above mentioned sources of financing depending on market conditions and further decisions of the Management Board.

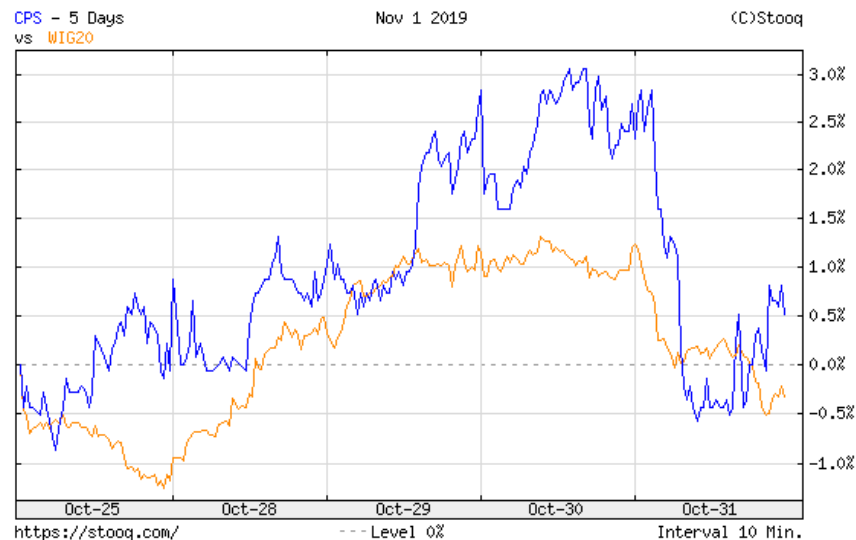
The actions initiated by the Company on October 30, 2019 shall be aimed at evaluating the possible financial and contractual conditions concerning the acquisition of the New Loan as well as evaluating the present market demand for the New Bonds and proposing potential conditions and a timetable of issuance of the New Bonds that would enable the Management Board to take a decision whether to obtain financing in form of the New Loan or the establishment of a program of issuance of bonds under which the New Bonds would have been issued (the "Program"). The Company's intent is to acquire financing in form of the New Loan or the issuance of the New Bonds under the Program by the end of the first quarter of 2020, subject to a possibility of obtaining desired financial and contractual conditions concerning the acquisition of the New Loan or the occurrence of suitable conditions on debt securities market.

The final decision concerning the acquisition of financing in form of the New Loan or the establishment of the Program and its terms shall be taken at the stage of adopting a relevant resolution by the Company's Management Board, about which the Company shall inform in a separate current report.

Cyfrowy Polsat shares



Data	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2019-10-28	27.94	27.50	27.80	0.94	5.59
2019-10-29	28.32	27.68	28.28	1.73	15.14
2019-10-30	28.48	27.98	28.30	0.07	6.06
2019-10-31	28.38	27.38	27.70	- 2.12	14.61
2019-11-01	-	-	-	-	-



Investor's calendar



24 October – 7 November 2019	Closed period prior to the publication of Q3 2019 results
7 November 2019	<p>Publication of the quarterly report for Q3 2019 <i>Schedule of publication (CET):</i></p> <p>7.00 am Publishing Q3 2019 report in ESPI (WSE's publishing system) 8.00 am Publishing Q3 2019 report and additional materials on our website: http://www.grupapolsat.pl/en/arc/results</p> <p>10.00 am Meeting with investors and analysts (InterContinental Hotel, conference rooms: Aida and La Boheme, 2nd floor, Emilii Plater 49, Warsaw) 4:30 pm Conference call with investors and analysts</p> <p><i>Details of conference call:</i></p> <p>Date: 7th November 2019 Time: 4.30 pm (Warsaw), 3.30 pm (London), 10.30 am (New York) Phone numbers: +44 207 194 3759 (international) 22 583 9021 (Poland) Conference ID: 38769563#</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 HERE and then log in as a participant by providing your name. The PIN code is not required to log in.</p> <p>From 8th November 2019 the mp3 recording of the conference call will be available on Cyfrowy Polsat's website at http://www.grupapolsat.pl/en/investor-relations/presentations.</p>
11 - 12 November 2019	Goldman Sachs Eleventh Annual CEEMEA One-on-One Conference, London