



Cyfrowy Polsat IR Newsletter

5 – 12 November 2018



N E T I A

Telko.in
5 November 2018

1.6 thousand people have tested UKE's Internet access quality control tool

by Marek Jaślan

Office of Electronic Communication (UKE) informed of having completed the trial of the mechanism for monitoring the quality of Internet access. Following the final verification and certification of the mechanism by UKE, consumers will be offered a free tool for comparing the quality of the Internet access provided to them vs. the terms stated in their contracts.

The tool enables verification of such parameters as uplink and downlink data transfer rates, latency and jitter in fixed-line Internet access services. The application offers reliable measurements as it accounts for the conditions in which a measurement is conducted, including the CPU load, the type of the network interface card, presence of active VPN links, intensity of the generated traffic, the number of devices connected to a user's LAN at home.

V-Speed is the company which has been selected to provide the solution.

Telko.in
8 November 2018

Multimedia will not be acquired by Vectra!

by Łukasz Dec

Multimedia Polska issued a statement informing of withdrawal from a preliminarily agreed transaction of sale of 100% of the company's shares to Vectra S.A. Vectra was awaiting approval for the transaction by the Office of Competition and Consumer Protection.

Multimedia informed that the period for which Vectra was granted exclusivity for negotiating the key terms of the deal and for entering into a preliminary agreement has ended and the company decided not to prolong the exclusivity period and withdraw from the anticipated transaction.

**Dziennik Gazeta
Prawna**
8 November 2018

TV moving into the unknown

by Elżbieta Rutkowska

The preparatory consultations, related to the spectrum for 5G technology, ended with a conclusion that by June 30, 2020 the 23 terrestrial TV services will have to release the 700 MHz bandwidth they occupy now. The change affects majority of free-to-air TV stations that can be watched while using a standard aerial (including the biggest TV stations, such as TVP1, TVP2, Polsat, TVN).

According to preliminary estimates, during the first stage, associated with releasing the 700 MHz frequencies, the cost of modification of the transmission network could be ca. PLN 80 million. For the time being it is unclear how the operation will be financed.

Another issue could be smaller coverage footprint of the signal broadcasted while using the new frequencies.

Representatives of respective TV stations pointed to the fact that frequency refarming will require a good plan which should be developed by UKE jointly with the broadcasters who are using the spectrum now.

Money.pl
8 November 2018

T-Mobile Polska: Revenues increased by 5.5% y/y, while adjusted EBITDA grew by 11.5% in Q3

T-Mobile Polska published its results for Q3 2018. Revenues amounted to PLN 1,688 million (+ 5.5% y/y), while EBITDA reached PLN 418 million (+ 11.5% y/y). At the end of Q3 2018 the operator was serving 10.693 million customers (+84 thousand q/q), including over 7.1 million contract customers and over 3.5 million prepaid customers. Churn ratio for contract customers decreased to 0.8%.

The company continues its efforts aimed at transforming from a mobile operator to a fully convergent telecom company. It has concluded two contracts, with Orange and Nexera cable operator, offering it access to the fiber-optic networks operated by these two companies.

Telko.in

12 November 2018

Play less affected by Roam-like-at-home in Q3

by Łukasz Dec

Play Communications, the owner of Play network operator, has published its results for Q3 2018. Revenues reached PLN 1.707 billion (-0.8% y/y), EBITDA amounted PLN 544 million (+9.7% y/y), with operating income (EBIT) of PLN 346 million (+11.1% y/y) and net income of PLN 190 million (+1.5% y/y).

Adjusted EBITDA decreased by 1.7% y/y in Q3 2018 as a result of growing cost of national roaming, which is connected with entering into an agreement with a second partner as well as with the cost of network roll out and the cost of new projects (which include TV services).

The nominal number of SIM cards was 15.023 million (-0.1% y/y), including 9.771 million postpaid cards (+0.6% y/y) and 5.252 million prepaid cards (-1.4% y/y).

Press release
8 November 2018

Cyfrowy Polsat Group sums up its results for Q3: over 14 million contract services, churn rate at a record low level and very good sales results of Polsat Sport Premium channels featuring UEFA Champions League matches

Cyfrowy Polsat Group closed Q 3 2018 with very good operating results in both segments, and delivered strong financial results which reflect a healthy condition of the business. Furthermore, the Group exceeded 14 million contract services provided to its customers and thanks to the consistent multiplay strategy the churn rate was at the record low level. The Group has started monetizing the rights to the UEFA Champions League and generated very good sales results of the Polsat Sport Premium packages.

Major financial results for Q3 2018:

revenue: PLN 2.735bn (growth by 16.3% YoY)	EBITDA: PLN 920m (growth by 13.4% YoY)
Net profit: PLN 227.1m	EBITDA margin: 33.6%
Free cash flow for the 12-month period: 1.509bn	Total net debt /EBITDA LTM ratio: 2.83x

“This was yet another quarter which gave us many reasons to be satisfied. A consistent pursuit of the development strategy in the area of multiplay offers brings very positive results. We already provide over 14 million contract services, 30% of the Group’s customers use bundled offers, and thanks to this we had a record low level of churn, which amounted to only 7.9% per year. Furthermore, we already see the first effects of strategic activities initiated after adding Netia to the Group’s portfolio”, says Tobias Solorz, the CEO of Cyfrowy Polsat S.A. and Polkomtel Sp. z o.o. “We have started a multi-level monetization of the broadcasting rights to UEFA Champions League and Europa League matches, and the sale of the package including Polsat Sport Premium channels is at a very good level. Traditionally, we have prepared attractive offers for Christmas, which were made available to all our customers yesterday.”

“The third quarter of this year is at the same time the first quarter of full consolidation of financial results of Netia and Eleven Sports Network. We have achieved strong financial results which reflect a healthy business condition of the Group and exceeds the average figures from analysts’ forecasts. This is due to very good sales results in both segments and consistent implementation of the multiplay strategy. At the same time, adding new TV channels, including premium sport channels, to the wholesale offer had a positive impact on the results of the TV broadcasting and production segment in this quarter. Free cash flows remaining at a high level offer comfort in the pursuit of our business strategy, investment plans and enable us to regularly repay our debt”, says Katarzyna Ostap-Tomann, a Management Board Member responsible for finance at Cyfrowy Polsat S.A., Polkomtel Sp. z o.o., Telewizja Polsat Sp. z o.o.

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Cyfrowy Polsat shares



Data	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2018-11-05	21.92	21.58	21.76	0.09	8.17
2018-11-06	21.86	21.20	21.40	-1.65	12.07
2018-11-07	22.00	21.20	21.80	1.87	19.02
2018-11-08	22.62	22.02	22.58	3.58	14.17
2018-11-09	22.72	22.12	22.72	0.62	7.26
2018-11-12	-	-	-	-	-



Investor's calendar



12 – 13 November 2018	Goldman Sachs Tenth Annual CEEMEA One-on-One Conference, London
27 – 28 November 2018	UBS, Global Emerging Markets One-on-One Conference, New York
4 – 5 December 2018	WOOD's Winter Wonderland – EME Conference in Prague

