



Cyfrowy Polsat IR Newsletter

16 – 22 October 2017



Parkiet
17 October 2017

Roaming decreases profits

by ziu

Marcin Nowak, analyst at Ipopema, estimates that EBITDA of three listed mobile networks decreased by ca. PLN 135m due to the introduction of the “roam like at home” (RLAH) regulation.

According to experts analyzing listed telecoms, RLAH - an EU regulation in force since 15 June, in fact forcing telecoms to give up profits from roaming services in the EU - is the main factor negatively impacting the results of these companies in the preceding quarter.

The average of forecasts of brokerage houses indicates that revenues of Orange Polska in Q3 2017 amounted to PLN 2.82bn, that is 1.2% less YoY, EBITDA – PLN 764m (down by 8% YoY), and the net profit may have decreased by one fifth – to nearly PLN 29m.

Dominik Niszczyński from Raiffeisen Centrobank estimates that roaming was responsible for two thirds of the fall in Orange’s EBITDA. Furthermore, he expects that it was the last quarter in which the telecom showed a decrease. Paweł Puchalski, head of analysts at DM BZ WBK, did not provide actual figures, but emphasized that the introduced regulation will have a negative impact on the results of both Orange and other telecoms. Ivan Kim from VTB Capital believes that the Orange’s results were lower than a year before due to two reasons: roaming costs and discounts for customers buying convergent packages.

Rzeczpospolita
18 October 2017

We want to invest more

Interview with Frans-Willem de Kloet, CEO of UPC Polska by Magdalena Lemańska

“The telecommunication sector faces challenges related to the growing demand for increasingly faster Internet access as well as global competition,” says Frans-Willem de Kloet, CEO of UPC Polska, in an interview for Rzeczpospolita daily.

He believes that investments in the development of infrastructure based on fibre optic technology are the only way to meet these challenges.

In the years 2013-2017, Liberty Global – the owner of UPC, invested a total of EUR 14.8bn in Europe while UPC’s investments in Poland amounted to EUR 408m.

Rzeczpospolita
18 October 2017

“Our strategy, both global and local, is very ambitious: we would like to invest more. Looking from this perspective, it is quite clear how important it is for regulators to have a good understanding of the conditions on the ever changing market and challenges facing the business, so that in order to protect the position of consumers they create market conditions supporting further investments and stimulating competitiveness which – in such a sector as telecommunication – requires a constant growth of investments, and such investments require a bigger scale,” emphasizes the CEO of UPC Polska.

When asked about a potential capital alliance with one of the biggest operators, the CEO of UPC said that the company was constantly analyzing further possibilities of development, however there is nothing to announce in this respect at the moment. As regards non-capital partnerships, UPC is working on introducing a mobile offer in the MVNO model based on the wholesale telecommunication services agreement with Play.

UPC’s CEO sees an opportunity for the company in the role of an operator accumulating access to various OTT services in one place. UPC is continuing talks with Netflix regarding the implementation of their services on its platform.

Parkiet
19 October 2017

Access deficit payments for universal services are coming in slowly *by ziu*

Orange Polska, which in the years 2006-2011 (still under the name of TP SA) was the operator of the so-called universal service (USO), has a chance of receiving greater compensation for costs incurred on this account. The Office of Electronic Communication (UKE) granted the company access deficit payments in the amount of PLN 137m, whereas TP SA had applied for a total of PLN 1.1bn.

The court ruling issued in 2014 forced UKE to increase the access deficit payment for 2007 from PLN 1.27m to slightly over PLN 47m. In order for this amount to be credited to the telecom’s bank account, UKE still needs to prepare a list of operators who are to contribute to this payment. The regulator has already prepared such a list for the said amount of PLN 1.27m, indicating 95 companies, including listed companies: Netia, Play (which was just starting its operations back then), and companies belonging to Cyfrowy Polsat Group and Orange Polska (because it acquired PTK Centertel) as well as Orange Business Services.

wirtualnemedia.pl
19 October 2017

Polsat is the best perceived television in Poland. TVP also loses against TVN

by pr

TV Polsat is the best perceived television station among stations covered by the CBOS (Public Opinion Research Centre) survey.

70% of respondents had positive opinions about its operations (up by 3 percentage points since April 2017), whereas only 12% had negative views. TVN is perceived slightly less positively, its operations are endorsed by 65% of respondents, and criticized by 18%.

The lowest endorsement rating was recorded by the public broadcaster - 57% of people are satisfied with the operations of TVP, while 27% constituted dissatisfied respondents (down by 4 percentage points).

According to the survey, the assessment of television broadcasters is clearly affected by political views and political party preferences of the respondents. As emphasized by CBOS, the assessment of television broadcasters surveyed by the research center has remained relatively stable since April 2017.

Parkiet
20 October 2017

It is UPC's turn now

by ziu

"The competition on the paid television and fixed Internet access markets will decrease in 15 cities in Poland, if UPC Polska takes over Multimedia Polska," claims the Competition and Consumer Protection Office (UOKiK). As per announcement of the CEO, Marek Niechciał, UOKiK announced on Thursday that it had serious reservations regarding the transaction.

This does not mean that the acquisition worth PLN 3bn will not be finalized. UPC has two weeks to provide its response. The transaction was announced in October 2016 and in November last year UPC submitted a relevant application to UOKiK. Both Liberty Global, the owner of UPC, as well as Multimedia assumed that the transaction will be finalized by the end of 2018.

Other operators, including e.g. Netia, are waiting to see whether the transaction is concluded and on what terms. It could buy part of the cable operators' networks or use them based on wholesale agreements.

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2017-10-16	25.70	25.38	25.69	0.55%	12.58
2017-10-17	25.80	25.22	25.30	-1.52%	8.21
2017-10-18	25.49	25.00	25.00	-1.19%	12.19
2017-10-19	25.33	24.50	24.50	-2.00%	12.89
2017-10-20	24.99	24.42	24.42	-0.33%	4.93



Investor's calendar



26 October – 9 November 2017

Closed period prior to the publication of Q3 2017 results

9 November 2017

Publication of the quarterly report for Q3 2017