



Cyfrowy Polsat IR Newsletter

August 21 – 27, 2017



Puls Biznesu
August 23, 2017

Play is earning less this year

by Marcel Zatoński

Q2 2017 results, which have been published by Play, are in line with the market's expectations and with the board's announcements made during the public offering a month ago.

From April to June the number of Play's active customers increased by 142 thousand, or 5.6%, while market share reached 28%.

Operating revenue was PLN 1.63 bn in Q2 and grew by 9.4% yoy thanks to the bigger number of active users and growing ARPU (average revenue per customer), as well as thanks to higher revenue from sale of equipment.

The company's operating profit was PLN 122 million in Q2, or 58% less than a year earlier while the net profit was PLN 39 million in the same period, down by 0.2 million yoy. During the entire first half of the year the company's net earnings amounted PLN 57.5 and were by two-thirds lower (than a year earlier). The operator's EBITDA for the first half of the year went down by 7.5%, to PLN 844.6 million. Upon deducting one-time events, EBITDA amounted PLN 1.16 bn. The one-time events included the cost of bonuses for employees and managers in connection with the public offering as well as more than two times higher payments to the owners (the Icelandic fund Novator and Greek Olympia), the cost of adjusting to the new regulations governing the prepaid segment as well as the cost of public offering.

What is more interesting, is what Play will show in the third quarter when the effect of the roaming regulations will become visible. In the mid- and long-term it is key how Play will deal with the growing competitive pressure, especially from T-Mobile who has been aggressively fighting for the market. It is also important how Play will respond to the convergent offers of other operators.

Puls Biznesu
August 25, 2017

The sun shines on Polsat

by Marcel Zatoński

In Q2 2017 Cyfrowy Polsat improved its revenues and profits though this year it did not have such a positive stimulus as last year when sales was strongly supported by UEFA EURO football championship.

“In the second quarter of the year we increased the saturation of our customer base with integrated services and the number of contract services grew strongly. We also increased the average revenue from postpaid subscribers while the churn ratio was low,” says Tobias Solorz, the CEO of Cyfrowy Polsat.

The Group’s Q2 revenue increased by 1.1% yoy, reaching PLN 2.47 bn, while EBITDA increased by 3.1%, to PLN 0.96 bn. The net profit for Q2 reached PLN 291 million, or one-fifth more than a year earlier.

“Cyfrowy Polsat’s results are aligned with the expectations. The company is generating a lot of cash, increasing its revenues and reducing its costs. Key indicators, such as net adds for postpaid, growth dynamics in SmartDOM program or the revenue per user look favorably. Falling churn demonstrates that thanks offering additional services Cyfrowy Polsat has been able to improve the loyalty of its customer base,”– says Konrad Książopolski, the head of analytics at Haitong Bank.

Play still demonstrates definitely the best revenue and profit dynamics on the market. Cyfrowy Polsat, as a Group, and Polkomtel individually are no. 2 in this area. T-Mobile, whose year-to-year results are flat, is now doing better. As market trends show, mobile operators are clearly outpacing fixed-line operators.

Press release
August 24, 2017

Cyfrowy Polsat sums up Q2 2017 - Further growth of contract services, growth of revenue and profitability

Cyfrowy Polsat Group posted very good operational results in all segments and recorded growth of financial results for Q2 2017. Most important recent events included the acquisition of exclusive rights to the coverage of the UEFA Champions League and UEFA Europa League matches in the years 2018-2021 in all content distribution channels as well as the payment of PLN 205 million of dividend. As a result of the consistent execution of its strategy, the Group's revenue increased in Q2 to PLN 2.470 bn, EBITDA grew to PLN 964 million while free cash flow reached PLN 1.770 bn in the 12-month period.

"The second quarter of the year was the time of consistent execution of our strategy across all business segments, which brought the expected effect in the form of very good operational results as well as growth of the Group's revenue and EBITDA," says Tobiasz Solorz, CEO of Cyfrowy Polsat S.A. and Polkomtel Sp. z o.o. *"As a media-and-telecommunications group, whose main goal is to effectively distribute multimedia content via all available channels, we have made a strategic decision to acquire exclusive rights to UEFA Champions League and UEFA Europa League for the years 2018-2021 for all fields of exploitation. Over the 3 years viewers will be able to watch in excess of 1000 matches only in Polsat channels and on Cyfrowy Polsat platform. For us it is an extremely important project which we have embarked on with thought of constant improvement of the quality of our offer as well as growth of customer satisfaction with all our services."*

It's been yet another very good quarter from the point of view of the whole Group's financial results which reflected the consistently executed strategy and effective cost control. We saw growth of the Group's revenue as well as of EBITDA and EBITDA margin. Stable and high free cash flow is once again worth noting. Thanks to this we could take all necessary business actions as well as regularly reduce the Group's debt. The Group's very good financial condition has once again enabled us to accelerate debt repayment while at the same time paying out the dividend for 2016 in the amount of PLN 205 million, in line with our dividend policy," sums up Katarzyna Ostap-Tomann., CFO of the Group.

[More>><http://www.grupapolsat.pl/en/archive/cyfrowy-polsat-sums-q2-2017-further-growth-contract-services-growth-revenue-and>](http://www.grupapolsat.pl/en/archive/cyfrowy-polsat-sums-q2-2017-further-growth-contract-services-growth-revenue-and)

Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2017-08-21	26.49	25.92	26.10	0.00%	5.67
2017-08-22	26.53	25.93	26.45	1.34%	6.79
2017-08-23	26.45	26.22	26.40	-0.19%	5.28
2017-08-24	27.12	26.77	27.10	2.65%	6.04
2017-08-25	27.13	26.50	26.60	-1.85%	5.22



Investor's calendar



September 5, 2017	Media & Entertainment - Haitong
September 6 – 7, 2017	Deutsche Bank 2017, 16th Global Emerging Markets One-on-One Conference
September 11 – 12, 2017	14th Emerging Europe Investment Conference - Pekao Investment Banking
October 11, 2017	Erste Group Investor Conference 2017 in Stegersbach
October 16 – November 9, 2017	Closed period prior to the publication of Q3 2017 results
November 9, 2017	Publication of the quarterly report for Q3 2017