



# Cyfrowy Polsat IR Newsletter

4 – 10 September 2017



**Dziennik Gazeta Prawna**  
**5 September 2017**

## **Orange is investing and unwilling to share profits**

*by Elżbieta Rutkowska*

Orange Polska presented its strategy for the next three years called “Orange.one”, according to which the company will spend approx. PLN 2bn for development purposes every year (approx. PLN 6bn in total). A substantial part of these expenditures should contribute to the roll-out of the fiber optic network – ca. PLN 2.8bn. One of the strategic goals of the telecom is to cover over 5 million households with fiber optic access by the end of 2020. Orange also aims at a 5-, 6-fold increase of the number of customers of fiber optic services (currently the company has 140K customers) and the acquisition of 0.3-0.6m of new customers of TV services (792K customers at the moment).

As regards business customers, the strategy assumes achieving a 55% share of convergent customers among small and medium enterprises (currently 24%) and 0.6m of additional customers of mobile voice services. At the end of the 1st half of 2017 the company had 2.4m customers in this segment.

Orange would like to stabilize its turnover by 2019, and achieve growth in subsequent years. EBITDA is supposed to start growing a year earlier. At the same time, the telecom confirmed that the adjusted EBITDA for 2017 should fall within the range from PLN 2.8 to 3bn. Expenses should drop by 12 – 15% by 2020.

The issue of dividend has not been addressed in the strategy, however the telecom’s management informed that the dividend would be paid out in 2020 at the earliest. Investors were not impressed by the telecom’s strategy. On 4 September 2017 Orange’s share price fell by 7.9% to PLN 5.62

**Polska Agencja Prasowa**  
**6 September 2017**

## **Orange finalized the acquisition of Multimedia Polska Energia**

*by seb/ osz/*

Orange Polska and Tokida Investments concluded a final agreement for the sale of 100% shares in Multimedia Polska Energia – the company informed in a market filing.

At the end of July, Orange informed that it had signed a conditional purchase agreement with Tokida Investments for the purchase of 100% of shares of Multimedia Polska Energia. The purchase price was set at PLN 37m and was supposed to be adjusted for working capital and cash positions as of the date of closure of the transaction in Multimedia Polska Energia. Multimedia Polska Energia sells electricity to business and individual recipients and services ca. 75K customers.

Puls Biznesu

7 September 2017

## Analysts are migrating to Play

by Marcel Zatoński

After positive recommendations issued for Play by four brokerage houses of banks involved in the IPO, the chorus of supporters was joined by analysts observing the company from the sidelines. Play's share price on WSE fluctuates around the IPO price, however most analysts value the mobile operator much higher.

Recently, positive recommendations have been issued by Wood & Company, DM BOŚ, Haitong Bank and VTB Capital, which values Play most — the target price according to this brokerage house amounts to PLN 45. According to experts, growth of revenue and EBITDA, as well as high dividend yield constitute factors in favor of an investment in Play.

In the opinion of Sobiesław Pająk from DM BOŚ, a potential entry to the mobile market by UPC, the biggest player on the cable TV market (owned by Liberty Global), is the biggest risk factor for Play.

*“As compared to Orange and Polkomtel, Play has limited possibilities for service bundling. In the long-term its competitive position is weaker than other operators’, who are able to deliver service bundles consisting of more than two services. This may become particularly troublesome in the situation of a capital alliance between T-Mobile Polska and UPC. However, Play fits the cable business of UPC just the same, thus depending on the decision of UPC and Play’s shareholders, a fundamental change of market forces may turn out to be positive in the end,”* believes Sobiesław Pająk.

According to Ondrej Cabejsk, an analyst at Berenberg, Play and T-Mobile may have to solve the prisoner’s dilemma already next year, to avoid remaining the last purely mobile player on the market.

Press release  
6 September, 2017

## TV Polsat marks 25 years of satellite broadcasting with new capacity at Poland's leading video neighbourhood

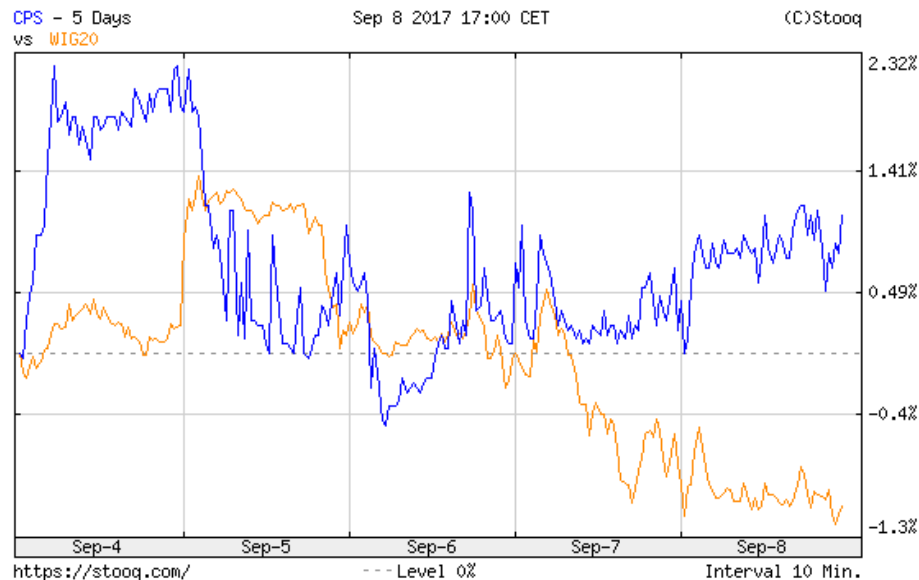
Cyfrowy Polsat Group, Poland's leading media and telecommunications group signed today a long-term contract with Eutelsat Communications (NYSE Euronext Paris: ETL) for the lease of several satellite transponders. The agreement covers the extension of the hitherto capacity lease and its expansion at the HOTBIRD video position. This new contract for capacity at Poland's most popular video neighbourhood consolidates a collaboration that began 25 years ago with the launch of Polsat, Poland's first commercial channel, on a Eutelsat satellite.

The new contract adds 33 MHz to the capacity already used at the HOTBIRD position by Cyfrowy Polsat, Poland's largest satellite platform and pay TV operator and TV Polsat, the leading commercial broadcaster in Poland. The new capacity will support the continued expansion of digital entertainment services and raise the bar for better image quality.

# Cyfrowy Polsat shares



Date	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2017-09-04	26.80	26.05	26.71	0.00%	10.9
2017-09-05	26.80	26.13	26.46	-0.94%	9.0
2017-09-06	26.59	26.03	26.21	-0.94%	13.8
2017-09-07	26.53	26.21	26.24	0.11%	9.5
2017-09-08	26.55	26.15	26.48	0.91%	13.8



# Investor's calendar



11 – 12 September 2017	14th Emerging Europe Investment Conference - Pekao Investment Banking
11 October 2017	Erste Group Investor Conference 2017 in Stegersbach
16 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

