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Haitong Bank in a report from October 22 (08:00) upgrades Cyfrowy Polsat to BUY (FV PLN 28.7).

Valuation Methodology

We value Cyfrowy Polsat using a DCF and peer multiples. Using a DCF we arrive at PLN 28.2/sh while our peer valuation yields PLN 29.3/sh. Our final fair value is PLN 28.7/sh, implying 13% potential upside.

Risks to Fair Value

Weaker than expected delivery on capex and EBITDA synergies on Netia and Interia.pl acquisition.

Weaker than expected monetization of UEFA TV content.

Weaker than expected performance of SmartDOM offer.

Weaker than expected net adds due to increasing market competition

ARPU and margin dilution from bundling offer and price pressure on the market,.

Weaker than expected performance of the TV ad market.

Erosion of Polsat TV audience share.

Weaker than expected macro situation that could cut TV ad budgets.

IMPORTANT DISCLOSURES

Please find updated IMPORTANT DISCLOSURES at: <http://www.haitongib.com/en/what-we-do/research>