

TVN

Media

19 Mar 2014



Poland

COMPANY DESCRIPTION

TVN SA is a Poland-based media group. The Company owns and operates ten television channels - three free to air (FTA) channels: TVN, its principal channel for broadcasting entertainment, news and affairs programs, TVN 7 and TTV, as well as seven thematic pay channels: TVN 24, TVN Style, TVN Turbo, TVN CNBC, TVN Meteo, ITVN and local NTL Radomsko. Additionally, the Company operates TVN Player (VoD), TVN Media (advertising sales house), Teleshopping Mango 24 (a teleshopping channel) and also holds interests in Grupa Onet.pl SA. The Company's major shareholder is International Investments Holdings SA, based in Luxembourg. The broadcaster was co-founded by Polish businessmen Mariusz Walter and Jan Wejchert in 1997.

Main Shareholders: ITI Group (51.0%)
ING OFE. (8.09%)

INCOME STATEMENT

PLN mil	2009	2010	2011	2012	2013
Sales	2,115	2,491	1,718	1,584	1,555
Cost of Goods & Services	1,128	775.3	782.4	760.2	734.3
Gross Profit	986.8	1,715.4	935.7	824.0	820.2
Staff Cost	195.5	256.2	160.2	156.0	156.0
Other Cost	272.5	771.6	160.1	202.7	291.9
EBITDA	518.8	687.7	615.4	465.3	372.4
Depreciation	182.7	102.3	112.8	81.8	75.2
EBIT	336.1	585.4	502.6	383.5	297.2
Financing Cost	198.3	286.0	343.5	366.7	536.5
Extraordinary Cost	-243.0	-19.6	296.9	-250.9	30.4
Pre-Tax Profit	380.8	318.9	-137.9	267.8	-269.8
Tax	34.6	59.9	-48.0	-252.3	-62.9
Minorities	-74.7	3.1	0.0	-15.8	-9.1
Net Profit	420.8	42.8	-317.4	486.1	-197.8
Dividends	194.0	105.8	34.4	220.1	

	2009	2010	2011	2012	2013
EBITDA Margin	24.5%	27.6%	35.8%	29.4%	24.0%
EBIT Margin	15.9%	23.5%	29.3%	24.2%	19.1%
Net Margin	19.9%	1.7%	-18.5%	30.7%	-12.7%

CASH FLOW

PLN mil	2009	2010	2011	2012	2013
Net Profit	420.8	42.8	-317.4	486.1	-197.8
Depreciation	182.7	102.3	112.8	81.8	75.2
Non-Cash Items	-346.8	417.0	224.9	-308.1	780.0
Change in Working Capital	83.4	-58.0	118.4	65.5	-61.4
Total Cash From Operations	340.1	504.1	138.8	325.2	596.1
Capital Expenditures	-298.0	-236.4	-160.6	-316.1	-71.1
Other	-860.2	-467.5	-140.0	189.2	-49.3
Total Cash From Investing	-562.3	-231.1	20.6	505.3	21.7
Dividends Paid	-194.0	105.8	-13.7	-34.4	-220.1
Issuance Of Shares	-61.9	19.9	16.2	0.0	0.0
Issuance Of Debt	529.0	-300.1	2.1	-1,173.1	-307.0
Total Cash From Financing	273.0	-174.4	4.6	-1,208	-527.0
NET CHANGE IN CASH	50.8	98.6	163.9	-377.0	90.8

REVENUES & PROFITS (PLN mil)



BALANCE SHEET

PLN mil	2009	2010	2011	2012	2013
Property, Plant & Equipment	798.8	763.0	340.3	414.5	393.0
Non-Current Assets	3,721	3,632	2,291	2,946	2,841
Inventories	230.7	247.0	0.0	0.0	0.0
Receivables	308.5	323.8	376.4	317.2	341.9
Cash & Cash Equivalents	381.7	480.3	592.1	308.6	398.5
Current Assets	1,263	1,559	2,821	2,020	1,058
Total Assets	4,983	5,191	5,112	4,966	3,899
Shareholders' Equity	1,285	1,239	923	1,359	957
Liabilities	3,698	3,953	4,188	3,607	2,942
Non-Current Liabilities	3,023	3,261	3,478	3,204	2,520
Long-Term Debt	2,633	3,075	3,295	3,152	2,489
Current Liabilities	675.5	691.6	710.0	403.3	421.8
Short-Term Debt	22.0	38.4	42.8	48.2	33.4
Trade Payables	266.0	239.6	163.6	170.0	133.2

RATIOS & OTHER

	2009	2010	2011	2012	2013
Gross Margin	46.7%	68.9%	54.5%	52.0%	52.8%
Net Debt/EBITDA	4.4	3.8	4.5	6.2	5.7
Cost of Financing	9.5%	9.9%	10.6%	11.2%	18.8%
Payout Ratio	46%	247%	-11%	45%	
FX TO USD (Average)	3.12	3.02	2.96	3.25	
FX TO EUR (Average)	4.33	3.99	4.12	4.18	
Shares Outstanding (Average)	341.3	341.3	343.3	343.9	344.3
Share Price, Year-End PLN	14.15	16.94	10.20	9.92	14.70
Market Capitalisation (USD mil)	1,692	1,978	1,017	1,103	
Enterprise Value (USD mil)	2,486	2,868	1,815	2,037	
EV/EBITDA	14.9	12.6	8.7	14.2	
P/E	11.5	136.9	Neg.	7.0	Neg.
P/BV	3.8	4.7	3.8	2.5	5.3

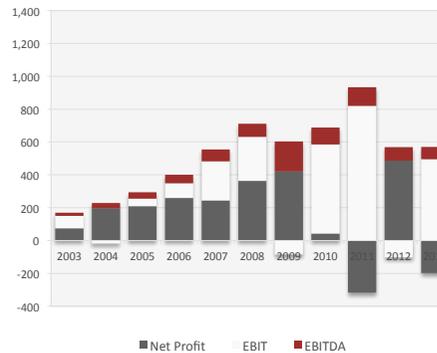
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end



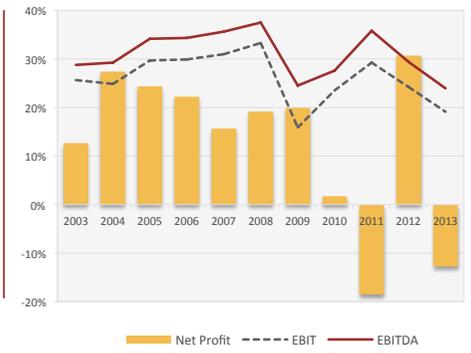
www.HelgiAnalytics.com

Financials

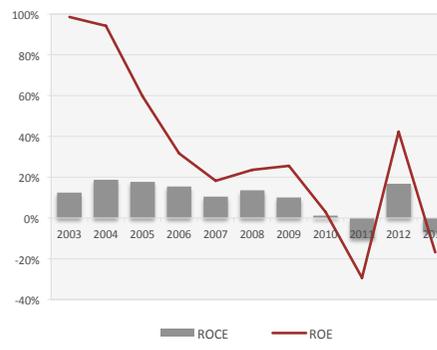
FROM EBITDA TO NET PROFIT PLN mil



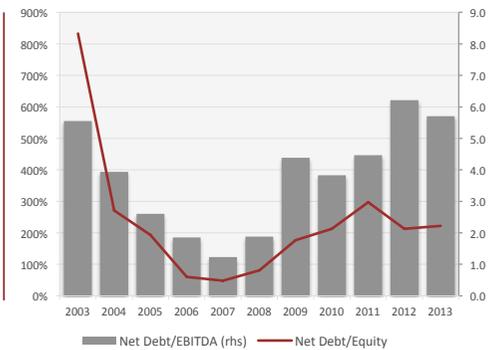
PROFIT MARGIN



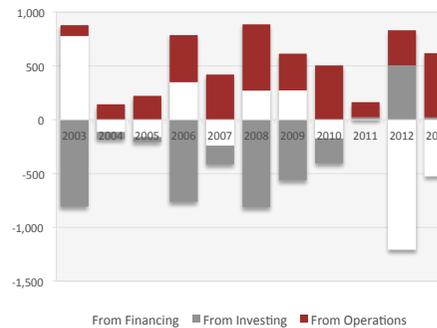
ROE & ROCE



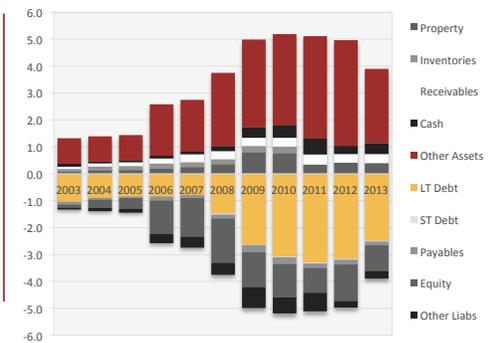
INDEBTEDNESS



CASH FLOW SUMMARY PLN mil



BALANCE SHEET STRUCTURE (PLN bil)



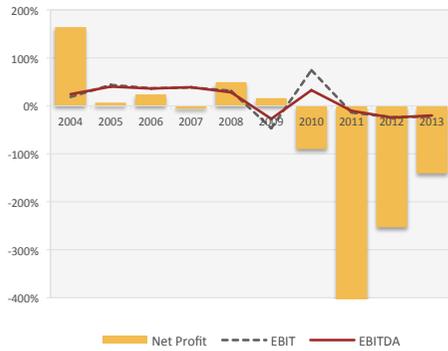
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end



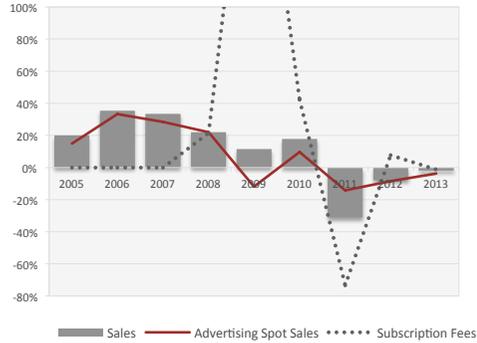
www.HelgiAnalytics.com

Momentum

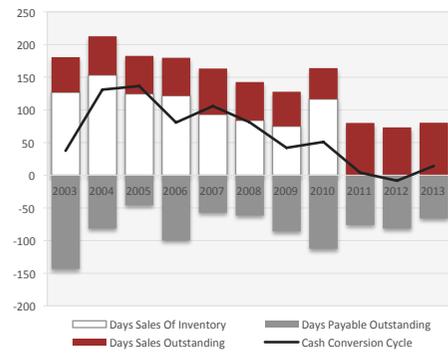
PROFIT GROWTH



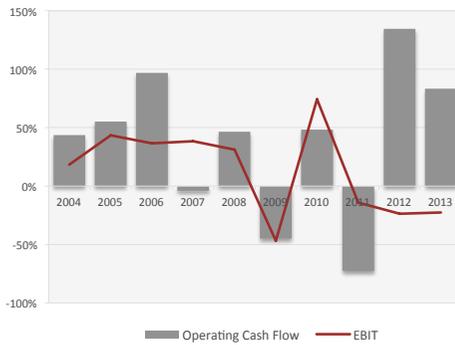
SALES GROWTH



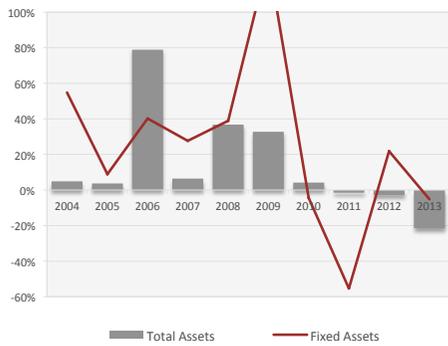
CASH CONVERSION CYCLE (days)



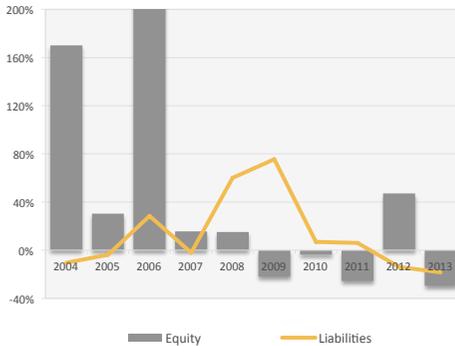
OPERATING CASH FLOW GROWTH



ASSET GROWTH



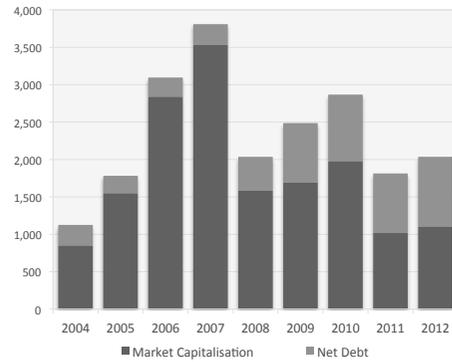
EQUITY & LIABILITIES GROWTH



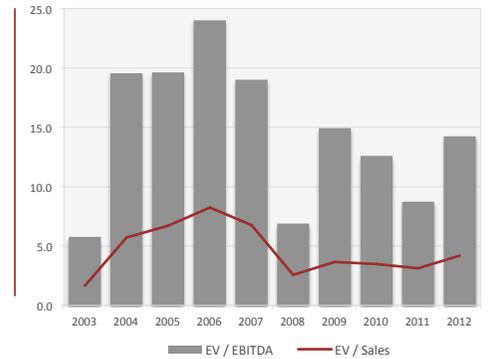
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

Valuation

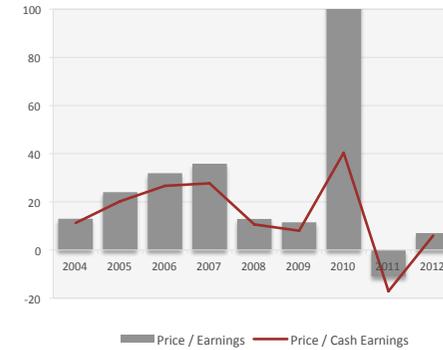
MARKET CAPITALISATION & NET DEBT (USD mil)



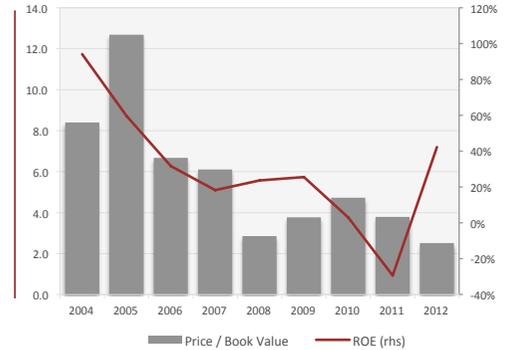
ENTERPRICE VALUE (EV)



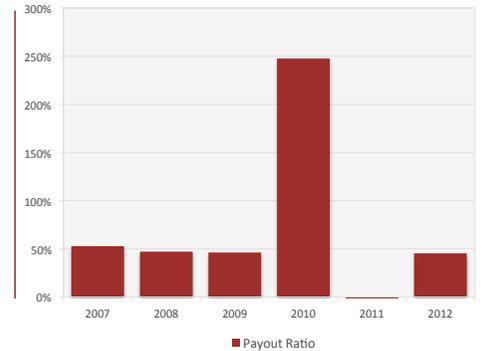
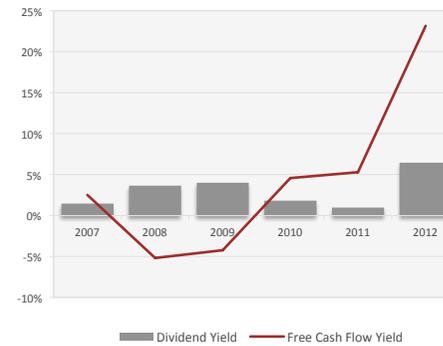
PRICE TO EARNINGS & CASH EARNINGS



PRICE TO BOOK VALUE



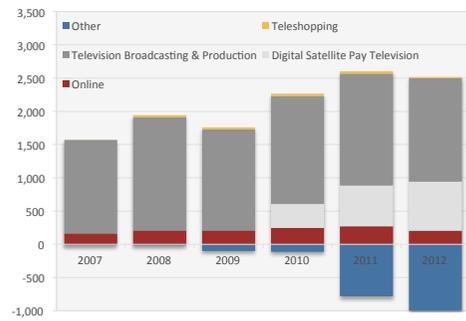
FREE CASH FLOW & DIVIDEND YIELD



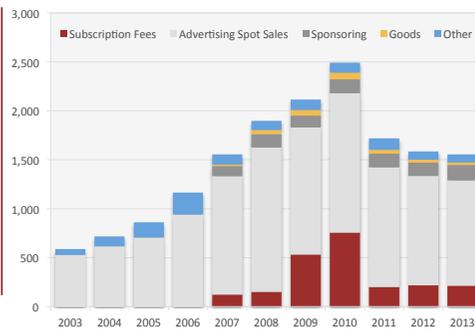
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

Business Specifics

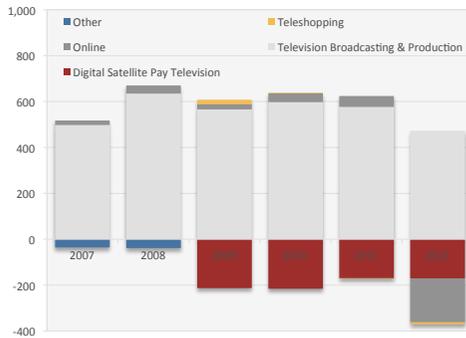
SALES BREAKDOWN BY SEGMENTS (PLN mil)



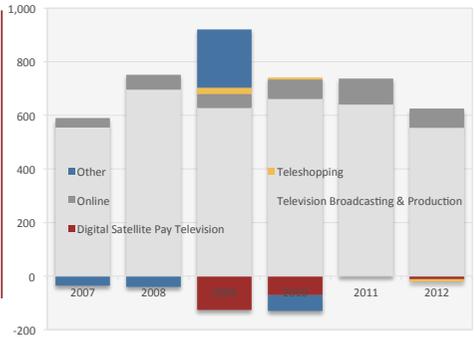
SALES BY TYPE (PLN mil)



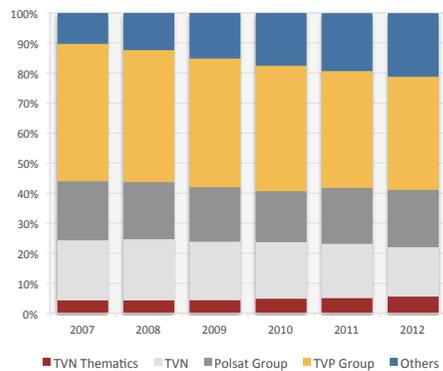
EBIT (PLN mil)



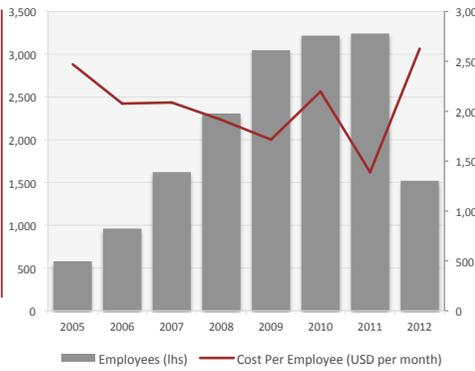
EBITDA (PLN mil)



POLAND'S NATIONWIDE PEAK TIME AUDIENCE SHARE

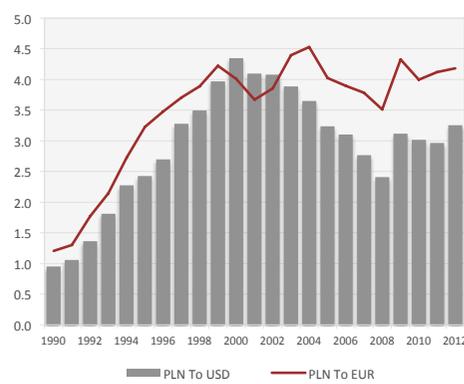


TVN'S WORKFORCE

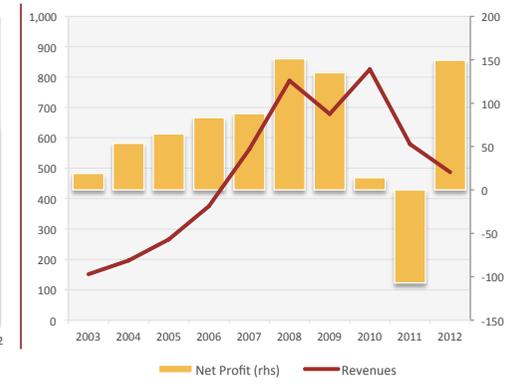


Financials (USD)

FX TO USD & EUR



REVENUES & PROFITS (USD mil)



INCOME STATEMENT

USD mil	2008	2009	2010	2011	2012
Sales	788.0	678.8	825.4	579.5	486.8
Cost of Goods & Services	348.7	362.1	256.9	263.9	233.6
Gross Profit	439.4	316.7	568.5	315.6	253.2
Staff Cost	53.0	62.7	84.9	54.0	47.9
Other Cost	90.9	87.4	255.7	54.0	62.3
EBITDA	295.5	166.5	227.9	207.6	143.0
Depreciation	33.0	58.6	33.9	38.0	25.1
EBIT	262.4	107.9	194.0	169.5	117.9
Financing Cost	46.8	63.6	94.8	115.9	112.7
Extraordinary Cost	29.7	-78.0	-6.5	100.2	-77.1
Pre-Tax Profit	185.9	122.2	105.7	-46.5	82.3
Tax	34.8	11.1	19.8	-16.2	-77.5
Minorities	0.0	-24.0	1.0	0.0	-4.9
Net Profit	151.0	135.1	14.2	-107.0	149.4
Dividends	71.1	62.3	35.1	11.6	67.6

BALANCE SHEET

USD mil	2008	2009	2010	2011	2012
Property, Plant & Equipment	117.0	278.9	257.9	98.8	134.0
Non-Current Assets	859.8	1,299	1,228	665.4	952.2
Inventories	64.9	80.5	83.5	0.0	0.0
Receivables	103.0	107.7	109.4	109.3	102.5
Cash & Cash Equivalents	62.3	133.2	162.3	172.0	99.7
Current Assets	404.8	440.9	526.9	819.3	653.1
Total Assets	1,265	1,740	1,754	1,485	1,605
Long-Term Debt	493.2	919.2	1,039.1	957.0	1,018.7
Non-Current Liabilities	551.8	1,055.4	1,102.1	1,010.3	1,035.6
Short-Term Debt	19.0	7.7	13.0	12.4	15.6
Trade Payables	47.8	92.9	81.0	47.5	54.9
Current Liabilities	157.8	235.8	233.7	206.2	130.4
Liabilities	709.6	1,291	1,336	1,216	1,166
Minority Interest	0.0	-125.6	0.0	-0.2	-5.3
Equity	554.9	448.7	418.6	268.2	439.3

EBITDA Margin	37.5%	24.5%	27.6%	35.8%	29.4%
EBIT Margin	33.3%	15.9%	23.5%	29.3%	24.2%
Net Margin	19.2%	19.9%	1.7%	-18.5%	30.7%

ROE	23.6%	25.6%	3.0%	-29.3%	42.3%
ROCE	13.5%	10.0%	1.2%	-9.8%	16.8%
Net Debt/Equity	81.1%	176.9%	212.6%	297.3%	212.7%

CASH FLOW

USD mil	2008	2009	2010	2011	2012
Net Profit	151.0	135.1	14.2	-107.0	149.4
Depreciation	33.0	58.6	33.9	38.0	25.1
Non-Cash Items	66.8	-111.3	138.2	75.9	-94.7
Change in Working Capital	4.7	26.8	-19.2	40.0	20.1
Total Cash From Operations	255.6	109.1	167.0	46.8	99.9
Capital Expenditures	-56.4	-95.6	-78.4	-54.2	-97.1
Other	-394.2	-276.1	-154.9	-47.2	58.1
Total Cash From Investing	-337.8	-180.4	-76.6	7.0	155.3
Dividends Paid	-71.1	-62.3	35.1	-4.6	-10.6
Issuance Of Shares	-6.6	-19.9	6.6	5.5	0.0
Issuance Of Debt	190.5	169.8	-99.5	0.7	-360.5
Total Cash From Financing	112.8	87.6	-57.8	1.5	-371.1
NET CHANGE IN CASH	30.5	16.3	32.7	55.3	-115.8

RATIOS & OTHER

	2009	2010	2011	2012	2013
Gross Margin	46.7%	68.9%	54.5%	52.0%	52.8%
Net Debt/EBITDA	4.4	3.8	4.5	6.2	5.7
Cost of Financing	9.5%	9.9%	10.6%	11.2%	18.8%
Payout Ratio	46%	247%	-11%	45%	
FX TO USD (Average)	3.12	3.02	2.96	3.25	
FX TO EUR (Average)	4.33	3.99	4.12	4.18	
Shares Outstanding (Average)	341	341	343	344	344
Share Price, Year-End PLN	14.2	16.9	10.2	9.9	14.7
Market Capitalisation (USD mil)	1,692	1,978	1,017	1,103	
Enterprise Value (USD mil)	2,486	2,868	1,815	2,037	
EV/EBITDA	14.9	12.6	8.7	14.2	
P/E	11.5	136.9	Neg.	7.0	Neg.
P/BV	3.8	4.7	3.8	2.5	5.3

Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

ABOUT HELGI ANALYTICS

Helgi Analytics is a consulting company based in the Czech Republic. The company mainly provides consultancy in the area of financial services and real estate and focuses primarily on the region of Central and Eastern Europe.

Helgi Analytics also runs a web application called Helgi Library, which is a database/library offering data and analyses on more than 95% of the world's economy and population. The Library aims to bring interesting statistical data and analyses to a wide audience under affordable conditions. If you wish to get more details, please visit www.helgilibrary.com or contact us at info@helgianalytics.com.

Helgi Analytics

Eliasova 38, Prague 6
160 00, Czech Republic
www.helgianalytics.com

DISCLAIMER

© 2013, HELGI ANALYTICS LTD. ALL RIGHTS RESERVED. All information contained herein is protected by Copyright Law and no such information may be copied or otherwise reproduced, in whole or in part, in any form or manner, by any Person or Company without Helgi Analytics' prior written consent. All information contained herein is obtained by Helgi Analytics from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical error, as well as other factors, however, all information contained herein is provided without warranty of any kind. Under no circumstances is Helgi Analytics under any liability to any person or entity for any loss or damage caused by any error, or other circumstance or contingency within or beyond the control of Helgi Analytics or any of its directors, employees, or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication, or delivery of any such information, or any direct or indirect damages whatsoever. The financial reporting, analysis, projections, observations, and other information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell, or hold any securities.