

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 5.0.

Daily September 26, 2025

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Eurotel	Buy	55.8	Neutral	Jakub K. Viscardi

Event: CFO outlook following 1H25 results release.

Following the Company's 1H25 financial results release, Eurotel's CFO Tomasz Basiński gave a *Parkiet* daily an interview.

Weaker standalone results despite a revenue growth

Tomasz Basiński emphasizes that standalone results of Eurotel and its key subsidiary provide a more reliable measure of the Group's performance. In this view, revenues increased by 26% yoy, while EBIT and net profit fell by 14% and 17%, respectively. CFO attributes the weaker results to declining profitability in the T-Mobile segment, caused by the ownership structure changes and a modification of the commission model, alongside rising rental and payroll costs. Additionally, the iDream segment struggles with a decline in transaction values and customer numbers which forces higher sales volumes in order to maintain margins.

Mixed results at Viamind and slowdown in e-commerce

A different situation occurred at subsidiary Viamind (operating Play stores). Despite a 27% revenue decline, its net profit increased by over PLN 2.4 million yoy. The e-commerce channel remains stable, though its growth momentum is slowing. Strong competition from network resellers continues to limit the ability to create a competitive offer.

Limitations in further network expansion

Eurotel faces obstacles in expanding its physical retail network, as most attractive locations for Apple stores and telecom operators are already taken. At the end of June, iDream operated 13 stores and the online shop iDream.pl. This segment generated over 80% of the Group's revenues in 1H25 (PLN 188 million, +35% yoy), although this growth was largely driven by new openings and tenders, typically realized at lower margins.

Dividend policy change and share buyback

For the first time, Eurotel did not pay a dividend, instead offering a share buyback at PLN 24 per share. The offer met with tepid reception. The management does not rule out further buyback programs if the market conditions allow.

Outlook and management stance

Mr. Basiński indicates that the trends observed in 1H25 are expected to continue in 2H25. He refrains from commenting directly on the "back to school" season, but admits there is strong customer interest in Apple's new products (iPhone 17 and the Air line). A new addition in Eurotel's offer is the sale of Orange Polska's fiber-optic Internet through the Canal+ network. However, the project is still at an early stage of development.

Expected impact: *Neutral, as the interview was released yesterday, during the market session. In spite of rising top and bottom lines in yoy terms, profitability remains under pressure. 4Q25 will be crucial for FY results, mainly because of the seasonality and reception of new iPhone models by consumers.*

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