



# **FINANCIAL AND MARKET PERFORMANCE OF AGORA GROUP IN 3Q2018**

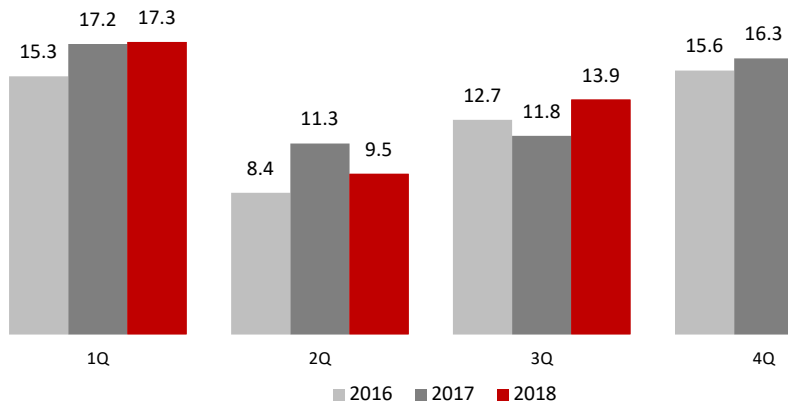
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November 9th, 2018

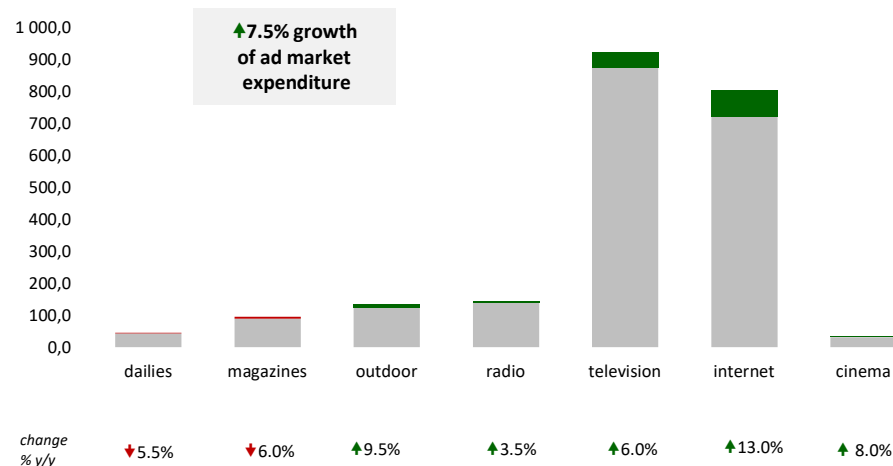
	<b>Market environment</b>	<b>3.</b>
	<b>Estimates of the Polish advertising market in 2018</b>	<b>4.</b>
	<b>Financial results of Agora Group</b>	<b>5.</b>
	<b>Results and development activities of the Agora's business segments</b>	<b>6.</b>
	<b>Summary and prospects</b>	<b>12.</b>
	<b>Appendix</b>	<b>13.</b>

# MARKET ENVIRONMENT: GROWTH OF CINEMA ATTENDANCE AND ADVERTISING EXPENDITURE

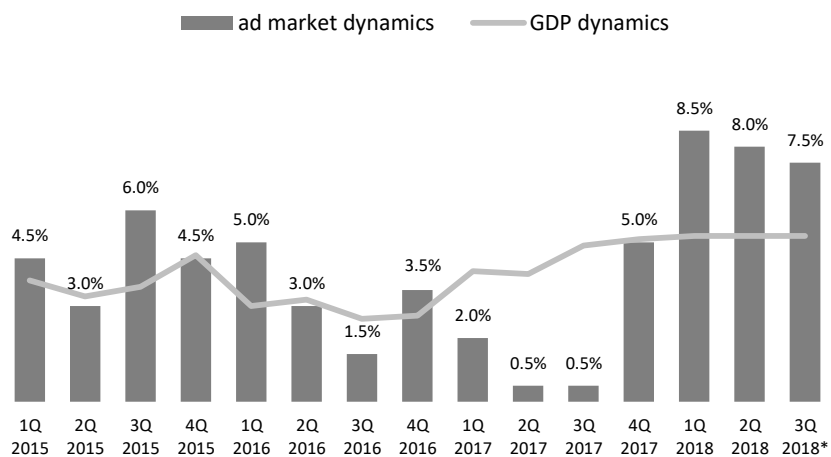
Polish cinema attendance [in mln tickets sold]



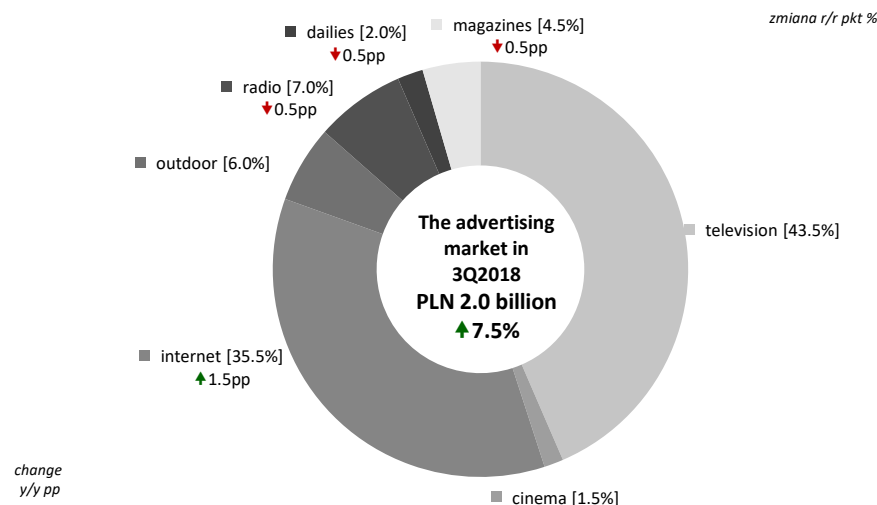
Dynamics of ad spend in 3Q2018 [in million PLN]



Dynamics of the advertising market in Poland and GDP

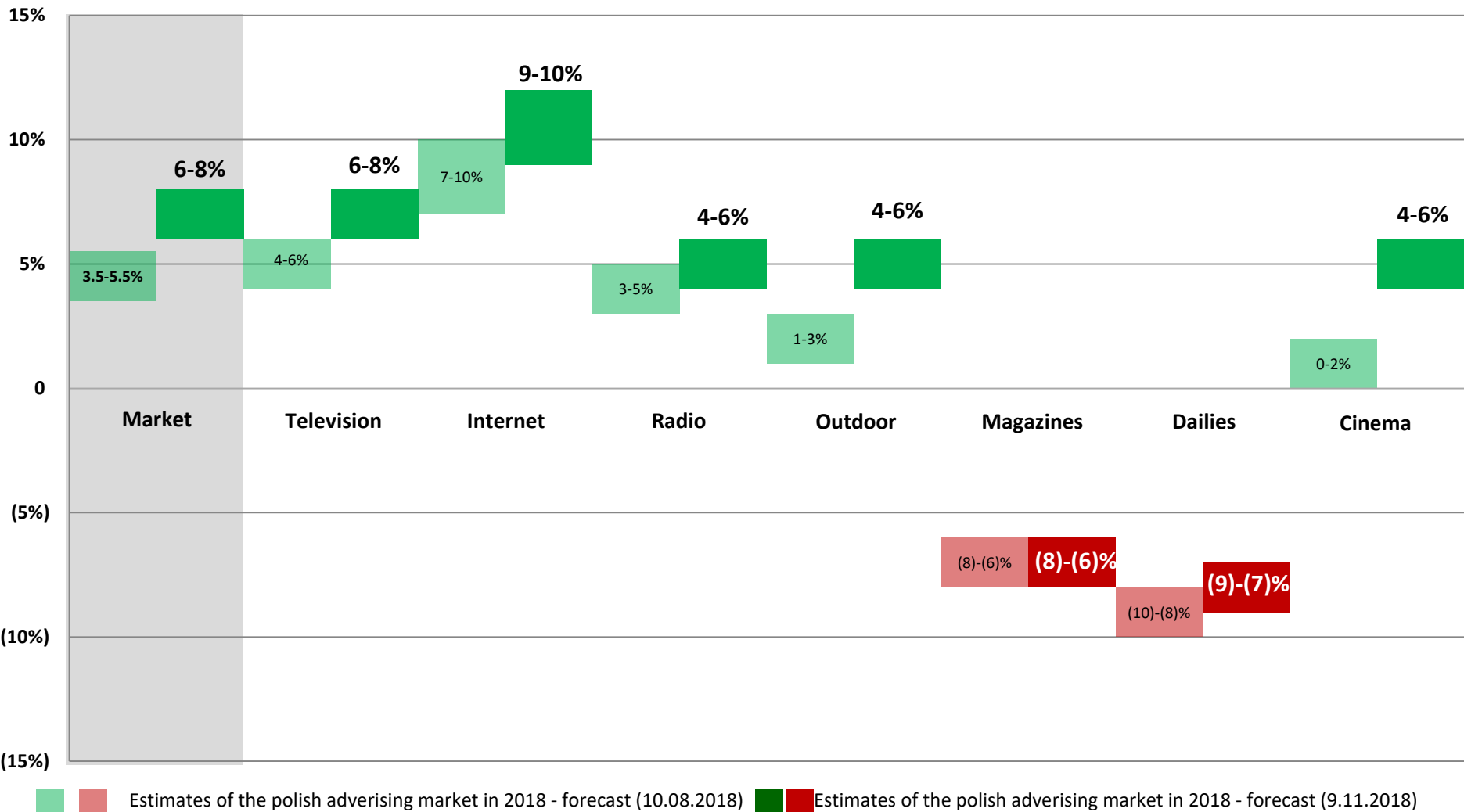


Structure of the ad market in 3Q2018 [% share]



Source: ad spend estimates by: Agora (press based on Kantar Media and Agora's monitoring, radio based on Kantar Media), IGRZ (outdoor - since January 2014, the number of entities reporting their revenues to IGRZ declined), Starcom (TV, cinema, Internet). Internet - comprises revenues from e-mail marketing, display, search engine marketing, revenues from video advertising and mobile advertising since 1Q2015. TV estimates include regular ad broadcast and sponsoring with product placement, exclude teleshopping and other advertising. The presented data is comparable; data refer to advertisements and announcements in six media (press, radio, television, outdoor advertising, internet, cinema), Central Statistical Office.  
\* Estimate GDP in 2Q2018.

# UPDATE - ESTIMATES OF THE POLISH ADVERTISING MARKET IN 2018



Source: ad spend estimates by: Agora (press based on Kantar Media and Agora's monitoring, radio based on Kantar Media), IGRZ (outdoor - since January 2014, the number of entities reporting their revenues to IGRZ declined), Starlink (TV, cinema, Internet), Internet - comprise revenues from e-mail marketing, display, search engine marketing and revenues from video advertising. TV estimates include regular ad broadcast and sponsoring with product placement, exclude teleshopping and other advertising.

# FINANCIAL RESULTS OF THE GROUP IN 3Q2018

## GROWTH OF REVENUES FROM CINEMA OPERATIONS AND ADVERTISING SALES

<i>in PLN mln</i>	3Q2018	3Q2017	% y/y change	1-3Q2018	1-3Q2017	% y/y change
<b>Total sales net<sup>1</sup></b>	<b>258.8</b>	<b>251.4</b>	<b>2.9%</b>	<b>795.1</b>	<b>835.1</b>	<b>(4.8%)</b>
Advertising sales	122.3	119.6	2.3%	389.3	381.8	2.0%
Ticket sales	55.0	47.6	15.5%	156.2	155.6	0.4%
Copy sales	29.4	31.7	(7.3%)	94.9	99.8	(4.9%)
Printing services	21.1	18.7	12.8%	58.9	58.4	0.9%
Concession sales	16.4	18.4	(10.9%)	48.5	77.3	(37.3%)
Other	14.6	15.4	(5.2%)	47.3	62.2	(24.0%)
<b>Operating cost net:</b>	<b>(262.9)</b>	<b>(260.5)</b>	<b>0.9%</b>	<b>(808.9)</b>	<b>(833.9)</b>	<b>(3.0%)</b>
External services	(102.4)	(96.5)	6.1%	(311.4)	(308.4)	1.0%
Staff cost	(76.8)	(77.1)	(0.4%)	(241.4)	(240.4)	0.4%
Raw materials, energy and consumables	(37.8)	(36.8)	2.7%	(110.8)	(131.1)	(15.5%)
D&A	(21.1)	(24.6)	(14.2%)	(64.9)	(74.6)	(13.0%)
Promotion and marketing	(15.2)	(15.7)	(3.2%)	(44.3)	(52.2)	(15.1%)
Cost of restructuring <sup>2</sup>	-	-	-	(3.6)	-	-
Gain on sale of property <sup>3</sup>	-	-	-	13.9	-	-
<b>Operating result - EBIT</b>	<b>(4.1)</b>	<b>(9.1)</b>	<b>54.9%</b>	<b>(13.8)</b>	<b>1.2</b>	<b>-</b>
<i>EBIT margin (EBIT/Sales)</i>	<i>(1.6%)</i>	<i>(3.6%)</i>	<i>2.0pp</i>	<i>(1.7%)</i>	<i>0.1%</i>	<i>(1.8pp)</i>
<b>EBITDA<sup>4</sup></b>	<b>17.0</b>	<b>15.5</b>	<b>9.7%</b>	<b>50.9</b>	<b>75.8</b>	<b>(32.8%)</b>
<i>EBITDA margin (EBITDA/Sales)</i>	<i>6.6%</i>	<i>6.2%</i>	<i>0.4pp</i>	<i>6.4%</i>	<i>9.1%</i>	<i>(2.7pp)</i>
<b>Operating cost excl. impairments<sup>5</sup></b>	<b>(262.9)</b>	<b>(260.5)</b>	<b>0.9%</b>	<b>(789.0)</b>	<b>(833.9)</b>	<b>(5.4%)</b>
<b>EBIT excl. impairments<sup>5</sup></b>	<b>(4.1)</b>	<b>(9.1)</b>	<b>54.9%</b>	<b>6.1</b>	<b>1.2</b>	<b>408.3%</b>
<b>EBITDA excl. impairments<sup>5</sup></b>	<b>17.0</b>	<b>15.5</b>	<b>9.7%</b>	<b>70.8</b>	<b>75.8</b>	<b>(6.6%)</b>
<b>Net profit/(loss) excl. impairments<sup>5</sup></b>	<b>(2.8)</b>	<b>(1.6)</b>	<b>(75.0%)</b>	<b>27.0</b>	<b>(7.0)</b>	<b>-</b>

### 3Q2018 vs. 3Q2017

- ▲ yoy growth of Agora Group's revenues, mainly as a result of: higher attendance in cinemas which translated to higher yoy revenues from ticket sales and concession sales, as well as higher advertising revenue
- ▲ yoy increase of advertising sales in Internet and Outdoor segments, with lower yoy inflows in Press, Radio, as well as Movies and Books segments
- ▼ lower yoy revenues from copy sales, mainly due to lower copy sales in press segment as a result of lower number of copies sold by *Gazeta Wyborcza*, lower yoy number of dual priced editions of the daily, as well as lower yoy number of press titles in portfolio
- ▼ lower yoy revenues from printing services due to lower volume of orders
- ▼ drop of revenues from the other sales, mainly due to lower yoy inflows from other sales in Internet segment, in cinemas and from film activity
- ▲ yoy growth of operating costs in Movies and Books, Outdoor and Internet segments
- ▲ yoy growth of external services is a result of higher yoy costs of film copy purchase in Movies and Books segment, as well as higher cost of advertising space rental in Internet and Outdoor segments
- ▲ yoy growth of raw materials, energy and consumables costs due to higher prices of newsprint despite lower volume of orders in Print segment as well as lower volume of Company's main press titles
- ▼ lower yoy D&A cost, mainly in Print, as well as in Movies and Books segment and in Company's supporting divisions
- ▼ lower yoy staff cost due to the reduction in this cost position noted in Press, Internet and Radio segments
- ▼ lower yoy promotion and marketing costs due to lower yoy marketing expenses in cinemas, as well as in Internet and Outdoor segments

Source: consolidated financial statements according to IFRS, 3Q2018;

<sup>1</sup> particular sales positions, apart from ticket and concession sales in cinemas and printing services, include sales of Publishing House division and film activities (functioning within the Movies and Books segment), described in details in point IV.A in this report;

<sup>2</sup> includes costs related to group lay-offs executed in Print segment in the first quarter of 2018 and costs of restructuring in Magazines division in the second quarter of 2018;

<sup>3</sup> thus item includes the gain achieved by Agora S.A. on sale of properties located in Gdansk and Warsaw in the first quarter of 2018;

<sup>4</sup> the performance measure "EBITDA" is defined as EBIT increased by depreciation and amortization and impairment losses of property, plant and equipment and intangible assets. The amount of impairment losses included in the calculation of EBITDA in the first three quarters of 2018 amounted to PLN 0.2 million. Detailed information on definitions of financial ratios are presented in the Notes to part IV of this MD&A;

<sup>5</sup> the amount excludes an impairment for receivables from Ruch S.A. and restructuring provision.

# MOVIES AND BOOKS: GROWTH OF REVENUES AND FINANCIAL RESULTS

## 3Q2018 vs. 3Q2017

in PLN mln	3Q2018	3Q2017	% y/y change	1-3Q2018	1-3Q2017	% y/y change
<b>Total sales, incl.:</b>	<b>95.3</b>	<b>87.7</b>	<b>8.7%</b>	<b>278.1</b>	<b>293.5</b>	<b>(5.2%)</b>
Ticket sales	55.1	47.7	15.5%	156.4	155.8	0.4%
Concession sales	21.1	18.7	12.8%	58.9	58.4	0.9%
Advertising revenue <sup>1</sup>	7.8	9.3	(16.1%)	19.8	23.4	(15.4%)
Film activities revenue <sup>1,2</sup>	1.7	2.0	(15.0%)	8.8	23.5	(62.6%)
Agora Publishing House revenue	7.7	7.5	2.7%	28.0	24.3	15.2%
<b>Operating cost<sup>3</sup></b>	<b>(88.1)</b>	<b>(84.9)</b>	<b>3.8%</b>	<b>(264.1)</b>	<b>(272.1)</b>	<b>(2.9%)</b>
<b>EBIT</b>	<b>7.2</b>	<b>2.8</b>	<b>157.1%</b>	<b>14.0</b>	<b>21.4</b>	<b>(34.6%)</b>
EBIT margin	7.6%	3.2%	4.4pp	5.0%	7.3%	(2.3pp)
<b>EBITDA<sup>3</sup></b>	<b>14.9</b>	<b>10.8</b>	<b>38.0%</b>	<b>36.8</b>	<b>45.7</b>	<b>(19.5%)</b>
EBITDA margin	15.6%	12.3%	3.3pp	13.2%	15.6%	(2.4pp)

- ▲ yoy growth of revenue mainly due to higher cinema attendance translating into yoy growth in tickets sales and concession sales
- ▼ lower yoy revenue from advertising sales in Helios cinemas as a result of decreased scale of advertising campaigns settled in the form of barter
- ▼ lower yoy total revenue from film co-production and distribution due to lower yoy attendance at movies introduced to cinemas by NEXT FILM
- ▲ higher yoy revenue of Agora Publishing House, mainly as a result of sales of music in digital form
- ▲ higher yoy cost of external services related to higher yoy cost of film copy purchase
- ▲ higher yoy cost of raw materials, energy and consumables due to higher yoy concession sales
- ▲ higher yoy staff cost due to a higher headcount as a result of increased number of Helios cinemas and an increase in the minimum hourly wage from PLN 13.0 to PLN 13.7, as well as initiation of operations in food business
- ▲ higher yoy cost of Agora Publishing House due to higher yoy sales and additional printing of popular titles



**45** cinemas  
**253** screens  
**50 000** seats

Helios Forum Gdańsk with prestigious international distinction from Celluloidjunkie.com. The industry portal recognised the new Helios facility for i.a. its original design, ultra-modern multimedia forms, including the outstanding LED screens on the walls and ceilings, as well as comfortable Helios Dream screening rooms



**4 premieres by NEXT FILM in 2H2018**



**Food business**  
Papa Diego (PD) i Van Dog (VD)



Location	Opening
Katowice Libero (PD)	4Q2018
Gdańsk Forum (PD)	4Q2018
Poznań Posnania (PD)	4Q2018
Warszawa Młociny (PD, VD)	1Q2019
Koneser Warszawa (PD, VD)	1Q2019
Łódź Manufaktura (PD)	3Q2019

Source: consolidated financial statements according to IFRS, 3Q2018;

<sup>1</sup>the amounts do not include revenues and total cost of cross-promotion of Agora's different media (only the direct variable cost of campaigns carried out on advertising panels) if such a promotion was executed without prior reservation;

<sup>2</sup>the amounts comprise mainly the revenues from co-production and distribution of films;

<sup>3</sup>the amounts include D&A cost in Agora's Publishing House division, which in the three quarters of 2018 amounted to PLN 0.6 million, and to PLN 0.1 million in the third quarter of 2018 (in the comparable period of 2017 it amounted to PLN 0.6 million and PLN 0.2 million, respectively).

# PRESS: NEGATIVE MARKET TRENDS AND DECREASE IN PORTFOLIO OF TITLES

in PLN mln	3Q2018	3Q2017	% y/y change	1-3Q2018	1-3Q2017	% y/y change
<b>Total sales<sup>3</sup></b>	<b>51.5</b>	<b>55.2</b>	<b>(6.7%)</b>	<b>155.9</b>	<b>170.6</b>	<b>(8.6%)</b>
Copy sales	25.7	27.7	(7.2%)	78.0	85.2	(8.5%)
incl. <i>Gazeta Wyborcza</i>	21.8	22.7	(4.0%)	66.4	70.1	(5.3%)
incl. Magazines	2.0	2.9	(31.0%)	6.0	8.8	(31.8%)
Advertising revenue <sup>1,2</sup>	23.8	26.0	(8.5%)	73.6	81.9	(10.1%)
incl. <i>Gazeta Wyborcza</i> <sup>6</sup>	19.3	19.8	(2.5%)	58.6	63.1	(7.1%)
incl. Magazines	3.5	5.2	(32.7%)	11.5	15.3	(24.8%)
<b>Total operating cost<sup>3,4</sup></b>	<b>(52.3)</b>	<b>(53.1)</b>	<b>(1.5%)</b>	<b>(177.8)</b>	<b>(167.0)</b>	<b>6.5%</b>
<b>EBIT</b>	<b>(0.8)</b>	<b>2.1</b>	<b>-</b>	<b>(21.9)</b>	<b>3.6</b>	<b>-</b>
EBIT margin	(1.6%)	3.8%	(5.4pp)	(14.0%)	2.1%	(16.1pp)
<b>EBITDA</b>	<b>(0.5)</b>	<b>2.4</b>	<b>-</b>	<b>(20.9)</b>	<b>4.7</b>	<b>-</b>
EBITDA margin	(1.0%)	4.3%	(5.3pp)	(13.4%)	2.8%	(16.2pp)
<b>Operating cost excl. impairments<sup>5</sup></b>	<b>(52.3)</b>	<b>(53.1)</b>	<b>(1.5%)</b>	<b>(159.3)</b>	<b>(167.0)</b>	<b>(4.6%)</b>
<b>EBIT excl. impairments<sup>5</sup></b>	<b>(0.8)</b>	<b>2.1</b>	<b>-</b>	<b>(3.4)</b>	<b>3.6</b>	<b>-</b>
<b>EBITDA excl. impairments<sup>5</sup></b>	<b>(0.5)</b>	<b>2.4</b>	<b>-</b>	<b>(2.4)</b>	<b>4.7</b>	<b>-</b>

### 3Q2018 vs. 3Q2017

- ▼ yoy decline of the segment's revenue due to lower yoy advertising sales and copy sales
- ▼ yoy decline of advertising revenue mainly in *Gazeta Wyborcza* and in monthlies due to discontinuation of publishing of selected titles
- ▼ lower yoy copy sales revenues resulting from lower yoy number of sold paper copies of *Gazeta Wyborcza* and monthlies (Magazines division), due to lower yoy number of dual priced editions of the daily, discontinuation of publication of selected titles; at the same time revenues from digital subscriptions of *Gazeta Wyborcza* grew yoy
- ▲ higher yoy promotion and marketing expenditure related primarily to the organisation of a series of music festivals
- ▼ lower yoy cost of raw materials, energy and consumables, as well as print services due to lower yoy printed volume of *Gazeta Wyborcza* and discontinuation of publishing of the titles: *Magnolia*, *Dom&Wnętrze* and the sales of *Świat Motocykli*
- ▼ lower yoy staff cost as a result of lower number of employees

## Gazeta Wyborcza's price increase



Issue	New price in PLN [since 2.11.2018]	Previous price in PLN
Monday	4.99	4.49
Tuesday	3.99	3.99
Wednesday	3.49	2.99
Thursday	3.49	2.99
Friday	4.99 / 3.99	4.49 / 3.99
Saturday	5.49	4.99

## Structural changes in the Press segment

**Gazeta Wyborcza division enlarged with:**

- 4 magazines: *Avanti*, *Logo*, *Kuchnia* and *Opiekun*
- Agora Custom Publishing – offers comprehensive custom publishing service – content offering development, graphic design, print and distribution

Discontinuation of: *Cztery Kąty*, *Ładny Dom*, *Dziecko* and *Niezbędnik ogrodnika* from October 2018 issues



Source: consolidated financial statements according to IFRS, 3Q2018;  
<sup>1</sup> the amounts do not include revenues and total cost of cross-promotion of different media between the Agora Group segments (only direct variable cost of campaigns carried out on advertising panels) if such promotion is executed without prior reservation;  
<sup>2</sup> the data include inflows from the sales of advertising on the websites: Wyborcza.pl, Wyborcza.biz, Wysokieobcasy.pl as well as on the local websites;  
<sup>3</sup> the data include transfer of magazines' websites from the Magazines division in the Press segment to the Internet segment. The presentation of data for the corresponding periods of time was adjusted accordingly;  
<sup>4</sup> the data include the allocated costs of office space occupied by the segment. The presentation of data for the corresponding periods of 2017 was adjusted accordingly;  
<sup>5</sup> the amount excludes an impairment for receivables from Ruch S.A. and restructuring provision;  
<sup>6</sup> the data includes advertising revenues in Gazeta Wyborcza's paper editions as well as advertisements published on Wyborcza.pl, Wyborcza.biz, Wysokieobcasy.pl and local websites. The comparative data for 2017 have been restated accordingly.

# OUTDOOR: GROWTH OF REVENUES AND IMPROVEMENT OF FINANCIAL RESULTS

<i>in PLN mln</i>	3Q2018	3Q2017	% y/y change	1-3Q2018	1-3Q2017	% y/y change
<b>Total sales, incl:</b>	<b>37.3</b>	<b>34.2</b>	<b>9.1%</b>	<b>120.5</b>	<b>114.7</b>	<b>5.1%</b>
advertising revenue <sup>1</sup>	36.9	33.8	9.2%	119.3	113.0	5.6%
<b>Total operating cost</b>	<b>(35.2)</b>	<b>(32.9)</b>	<b>7.0%</b>	<b>(104.3)</b>	<b>(95.6)</b>	<b>9.1%</b>
<b>EBIT</b>	<b>2.1</b>	<b>1.3</b>	<b>61.5%</b>	<b>16.2</b>	<b>19.1</b>	<b>(15.2%)</b>
<i>EBIT margin</i>	5.6%	3.8%	1.8pp	13.4%	16.7%	(3.3pp)
<b>EBITDA</b>	<b>7.0</b>	<b>6.0</b>	<b>16.7%</b>	<b>30.8</b>	<b>32.3</b>	<b>(4.6%)</b>
<i>EBITDA margin</i>	18.8%	17.5%	1.3pp	25.6%	28.2%	(2.6pp)

## 3Q2018 vs. 3Q2017

- yoy growth of revenue as a result of campaigns carried out on Premium Citylight, Digital and City Transport panels
- yoy growth of system maintenance cost due to higher yoy cost of space rental and the development of digital panel offer
- yoy growth of campaign execution cost due to higher volume of printed posters and higher number of advertising campaigns executed in public transport means
- yoy growth of staff costs due to higher variable component of remuneration (better execution of sales targets)
- yoy growth in D&A costs resulting from the execution of contracts for construction of bus/tram shelters in Warsaw and Cracow

Environmentally friendly solutions for cities: green bus shelters and advertising pillars powered by solar energy

Combining offline and online with smart DOOH solutions

New digital Citilights and Cityscreens in the offer

AMS won tender for lease of 35 two sided Citylights in Wroclaw



ams LIDER REKLAMY OOH



Source: consolidated financial statements according to IFRS, 3Q2018;

<sup>1</sup>the amounts do not include revenues, direct and variable cost of cross-promotion of Agora's other media on AMS panels if such promotion was executed without prior reservation.



in PLN mln	3Q2018	3Q2017	% y/y change	1-3Q2018	1-3Q2017	% y/y change
<b>Total sales<sup>2</sup>, incl.:</b>	<b>39.8</b>	<b>37.4</b>	<b>6.4%</b>	<b>126.5</b>	<b>118.4</b>	<b>6.8%</b>
advertising revenue <sup>1,2</sup>	34.6	30.7	12.7%	110.2	97.3	13.3%
<b>Total operating cost<sup>3</sup></b>	<b>(35.6)</b>	<b>(35.0)</b>	<b>1.7%</b>	<b>(113.8)</b>	<b>(109.8)</b>	<b>3.6%</b>
<b>EBIT</b>	<b>4.2</b>	<b>2.4</b>	<b>75.0%</b>	<b>12.7</b>	<b>8.6</b>	<b>47.7%</b>
EBIT margin	10.6%	6.4%	4.2pp	10.0%	7.3%	2.7pp
<b>EBITDA</b>	<b>5.5</b>	<b>3.6</b>	<b>52.8%</b>	<b>16.3</b>	<b>12.3</b>	<b>32.5%</b>
EBITDA margin	13.8%	9.6%	4.2pp	12.9%	10.4%	2.5pp

### 3Q2018 vs. 3Q2017

- ▲ yoy growth of the segment's revenues resulting mainly from higher yoy advertising income, inter alia in Yieldbird
- ▲ yoy growth of operating cost mainly due to higher yoy external services cost, as well as D&A cost
- ▲ higher yoy cost of external services resulting mainly from higher cost of fees for advertising space acquired by Yieldbird
- ▼ lower yoy staff cost mainly as an effect of a lower number of full-time employees and a reduced number of services based on civil-law contracts

## Agora's presence in B2B segment



**Yieldbird** specializes in optimization of revenues from programmatic advertising. The company consistently increases its scale of operation and develops innovative services. Currently it is in a final phase of testing its new product in SaaS model, which will enter the company's regular offer in 2019.

**Online Technologies HR** develops high-tech ATS app offered to employers and recruitment agencies in SaaS model. HRlink.pl allows to run an effective recruitment process, automating multiposting of recruitment ads and easy management of candidates data base.

Yieldbird and Online Technologies HR (HRlink.pl) among the 50 fastest growing technology companies in Central Europe according to Deloitte. Over 2014-2017, Yieldbird revenues increased by 616% and HRlink.pl revenues increased by 466%.

**Hash.fm** offers influencer marketing services: prepares and executes advertising campaigns, creates and implements strategies of long term cooperation with internet influencers and offers advisory and training services.

**ROI Hunter** is a provider of marketing platform enabling companies from e-commerce sector to promote and sell their products through Facebook and Google thanks to advanced tools for creation advertising campaigns and data analyses.



Source: consolidated financial statements according to IFRS, 3Q2018;

<sup>1</sup> the amounts do not include total revenues and cost of cross-promotion of Agora's different media (only direct variable cost of campaigns carried out on advertising panels) if such promotion is executed without prior reservation, as well as exclude the inter-company sales between Agora's Internet Department, Trader.com (Polska) Sp. z o.o., Yieldbird Sp. z o.o., Sir Local Sp. z o.o., GoldenLine Sp. z o.o. and Optimizers Sp. z o.o.;

<sup>2</sup> the data include transfer of magazines' websites from the Magazines division in the Press segment to the Internet segment, as well as reassignment of incomes from e-commerce transactions from other revenues to advertising revenues. The presentation of data for the corresponding period of 2017 was adjusted accordingly;

<sup>3</sup> the data include the allocated costs of office space occupied by the Agora's Internet Department. The presentation of data for the corresponding period of 2017 was adjusted accordingly.

## Summary of the transaction

**2** rounds of financing\*

**24%** in share capital

**EUR 4.4 million**

Sources of revenues

The commission depends on the client's advertising budget

Business model



Operating in B2B sector, interesting for Agora



Strategic partner of Google and Facebook



Advanced technological solution

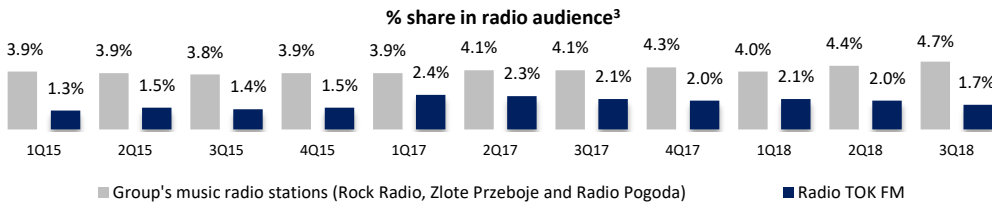


Cooperation with more than 250 e-commerce companies

Source: own data;  
\* I round – 2H2018  
II round – 2H2019

## RADIO: UNDER PRESSURE OF TEMPORARY DECREASE IN REVENUE

in PLN mln	3Q2018	3Q2017	y/y % change	1-3Q018	1-3Q2017	y/y % change
<b>Total sales, incl.:</b>	<b>22.7</b>	<b>24.2</b>	<b>(6.2%)</b>	<b>77.9</b>	<b>77.9</b>	<b>-</b>
radio advertising revenue <sup>1,2</sup>	19.0	20.9	(9.1%)	65.9	65.8	0.2%
<b>Total operating cost<sup>2</sup></b>	<b>(20.9)</b>	<b>(21.6)</b>	<b>(3.2%)</b>	<b>(68.0)</b>	<b>(70.2)</b>	<b>(3.1%)</b>
<b>EBIT</b>	<b>1.8</b>	<b>2.6</b>	<b>(30.8%)</b>	<b>9.9</b>	<b>7.7</b>	<b>28.6%</b>
EBIT margin	7.9%	10.7%	(2.8pp)	12.7%	9.9%	2.8pp
<b>EBITDA</b>	<b>2.8</b>	<b>3.5</b>	<b>(20.0%)</b>	<b>12.9</b>	<b>10.3</b>	<b>25.2%</b>
EBITDA margin	12.3%	14.5%	(2.2pp)	16.6%	13.2%	3.4pp



## PRINT: DECREASE IN OPERATING COST

in PLN mln	3Q2018	3Q2017	% y/y change	1-3Q2018	1-3Q2017	% y/y change
<b>Total sales, incl.:</b>	<b>18.4</b>	<b>20.4</b>	<b>(9.8%)</b>	<b>54.5</b>	<b>83.0</b>	<b>(34.3%)</b>
printing services <sup>4</sup>	16.4	18.4	(10.9%)	48.5	77.3	(37.3%)
<b>Total operating cost</b>	<b>(20.6)</b>	<b>(24.3)</b>	<b>(15.2%)</b>	<b>(58.9)</b>	<b>(90.6)</b>	<b>(35.0%)</b>
<b>EBIT</b>	<b>(2.2)</b>	<b>(3.9)</b>	<b>43.6%</b>	<b>(4.4)</b>	<b>(7.6)</b>	<b>42.1%</b>
EBIT margin	(12.0%)	(19.1%)	7.1pp	(8.1%)	(9.2%)	(1.1pp)
<b>EBITDA</b>	<b>(0.8)</b>	<b>1.3</b>	<b>-</b>	<b>0.8</b>	<b>8.4</b>	<b>(90.5%)</b>
EBITDA margin	(4.3%)	6.4%	(10.7pp)	1.5%	10.1%	(8.6pp)
<b>Operating cost excl. impairments<sup>5</sup></b>	<b>(20.6)</b>	<b>(24.3)</b>	<b>(15.2%)</b>	<b>(57.5)</b>	<b>(90.6)</b>	<b>(36.5%)</b>
<b>EBIT excl. impairments<sup>5</sup></b>	<b>(2.2)</b>	<b>(3.9)</b>	<b>43.6%</b>	<b>(3.0)</b>	<b>(7.6)</b>	<b>60.5%</b>
<b>EBITDA excl. imapirments<sup>5</sup></b>	<b>(0.8)</b>	<b>1.3</b>	<b>-</b>	<b>2.2</b>	<b>8.4</b>	<b>(73.8%)</b>

Source: consolidated financial statements according to IFRS, 3Q2018;

<sup>1</sup> advertising revenues include revenues from brokerage services of proprietary and third-party air time;

<sup>2</sup> the amounts do not include revenues and total cost of cross-promotion of Agora's different media (only the direct variable cost of campaigns carried out on advertising panels) if such a promotion was executed without prior reservation.

<sup>3</sup> audience market data referred herein are based on Radio Track surveys, carried out by MillwardBrown SMG/KRC (all places, all days and all quarter) in whole population and in the age group of 15+, from July to September (sample for 2017: 20,965; sample for 2018: 20,984), from January to September (sample for 2017: 62,526; for 2018: 62,501);

<sup>4</sup> revenues from services rendered for external customers.

<sup>5</sup> the amount excludes an impairment for receivables from Ruch S.A. and restructuring provision.

### 3Q2018 vs. 3Q2017

- ▼ yoy decrease of revenues due to lower yoy sales of airtime in radio stations of Agora Radio Group and lower yoy revenues from brokerage services for third party radio stations
- ▼ lower yoy cost of external services due to lower yoy cost of sales of air time in third party radio stations and brokerage services for Helios cinemas
- ▲ higher yoy cost of promotion and marketing due to higher yoy outlays for promotion of Radio Złote Przeboje



### 3Q2018 vs. 3Q2017

- ▼ yoy decrease in revenue due to lower yoy volume of orders, mainly in coldset technology
- ▼ yoy drop in operating cost as a results of lower volume of production, despite higher yoy prices of newsprint
- ▼ lower yoy D&A cost due to the impairment of segment's fixed assets in 2017





## KEY BUSINESS SEGMENTS

- ▶ **PROMISING PROSPECTS FOR ADVERTISING MARKET EXPENDITURE IN 4Q2018**
- ▶ **OPENING OF THE FIRST HELIOS MULTIPLEX IN WARSAW 2018/2019**
- ▶ **INTERESTING REPERTOIRE AND GOOD ATTENDANCE PROSPECTS IN POLISH CINEMAS IN 4Q2018**
- ▶ **UNCERTAIN SITUATION ON PRESS DISTRIBUTION MARKET**
- ▶ **NEGATIVE TRENDS ON PRESS MARKET**

## FURTHER EXECUTION OF STRATEGIC GOALS

- ▶ **NEW ACQUISITION IN B2B SEGMENT**
- ▶ **DEVELOPMENT OF HELIOS NETWORK AND ITS PREMIUM CONCEPT: HELIOS DREAM SCREENING ROOMS**
- ▶ **OPENINGS OF THE FIRST EATERIES IN SHOPPING MALLS UNDER PAPA DIEGO BRAND**



	<b>Movies with the largest attendance potential in 4Q2018</b>	<b>14.</b>
	<b>Development of Helios cinema network</b>	<b>15.</b>

**4Q2018**

**TITLE**

**OCTOBER**

HOTEL TRANSYLVANIA 3

FIRST MAN

THE GIRL IN THE SPIDER'S WEB

HALLOWEEN

**NOVEMBER**

BOHEMIAN RHAPSODY

PLANETA SINGLI 2

MIŁOŚĆ JEST WSZYSTKIM

A STAR IS BORN

THE NUTCRACKER AND THE FOUR ...

FANTASTIC BEASTS: THE CRIMES OF ...

**DECEMBER**

GRINCH

MORTAL ENGINES

SECOND ACT

MARRY POPPINS RETURNS

AQUAMAN

SPIDER-MAN UNIVERSUM



MORTAL ENGINES - MOST AWAITED PREMIERE IN 4Q2018



PLANETA SINGLI IN 2016 SOLD 1.9 MILLION TICKETS



HOTEL TRANSYLVANIA 2 IN 2015 SOLD 1.1 MILLION TICKETS

City	Katowice	Warszawa	Piła	Legionowo	Pabianice	Żory
Date of opening	4Q2018	2018/2019	2019	2019	2019	2020
Screens	8	8	4	4	4	4
Seats	1120	900	700	600	600	650
Cinema No.	46.	47.	48.	49.	50.	51.



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