

Launch of CarpathiaSat joint venture

4iG has announced a joint venture to launch and operate Hungary's first geostationary satellite for commercial, governmental and scientific research, CarpathiaSat Hungarian Space Telecommunications Corporation (CarpathiaSat). 4iG will own 51% of CarpathiaSat, with Antenna Hungária, the state-owned telecoms and broadcasting company, owning 44% and New Space Industries, an investment vehicle, holding the remaining 5%. CarpathiaSat will have the right to operate geostationary satellites for a period of 20 years from 2024, following expiry of the current 20 year lease. The launch and operation of Hungary's first satellite for broadcasting, internet and telephone services and data transmission broadens 4iG's footprint and progresses its strategy to become the leading IT services company in Hungary and CEE.

Year end	Revenue (HUFbn)	PBT* (HUFbn)	Adjusted EPS* (HUF)	DPS (HUF)	P/E (x)	Yield (%)
12/18	14.0	0.2	1.1	0.0	N/M	N/A
12/19	41.1	3.3	31.1	22.0	21.1	3.4
12/20e	49.1	3.4	31.1	22.0	21.1	3.4
12/21e	58.9	4.8	43.9	31.0	14.9	4.7

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Following expiry of the current contract in 2024, CarpathiaSat has been established to launch and operate Hungary's first geostationary communications satellite as a public/private joint venture. CarpathiaSat has been established with registered capital of HUF5m and capital reserves of HUF365m (c €1.25m), with the three shareholders contributing pro rata to their shareholdings.

Antenna Hungária (Antenna) is a national terrestrial television and radio broadcasting company, with interests in wireless business telecommunications. The group provides satellite data services that optimized for the specific applications and business needs of its partners. Since 2014, Antenna has been providing uplink and content distribution services for satellite programs. Antenna builds, monitors and operates telecommunications networks, employing VSAT (Very Small Aperture Terminal) satellite technology.

New Space Industries Zrt. was established in April 2019 by Dr. István Sárhegyi and Space Oddity Kft. New Space Industries has reportedly been working on preparations for the launch of the satellite for two years.

IT services

18 August 2020

Price HUF655

Market cap HUF60.1bn

HUF348.9/€

Net cash (HUFbn) at end Q120 0.2

Shares in issue 91.7m

Free float 36.1%

Code 4iG

Primary exchange Budapest

Secondary exchange N/A

Share price performance



Business description

4iG is one of the leading IT services and systems integrators in Hungary, working with public sector clients, large corporates and SMEs. Management is focused on becoming the market leader in Hungary by FY22 as well as targeting expansion in Central and Eastern Europe.

Next events

H120 results 28 August 2020

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