

GTPL Hathway Limited

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Ref. No.: GTPL/SE/2022

April 15, 2022

BSE Limited

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Dalal Street,
Mumbai 400 001

National Stock Exchange of India Limited

Exchange Plaza,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400051

Scrip Code: **540602**

Trading Symbol: **GTPL**

Dear Sir/Madam,

Sub: Transcript of the Post Results Conference Call on the Audited Financial Results for the quarter and financial year ended March 31, 2022

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed herewith transcript of the Post Results Conference Call on the Audited Financial Results for the quarter and financial year ended March 31, 2022 held on Monday, April 11, 2022 at 4.00 p.m.

The same can also be accessed at the Company's website at www.gtpl.net.

Thanking you.

Yours faithfully,

For GTPL Hathway Limited

Hardik Sanghvi

Company Secretary & Compliance Officer

FCS: 7247

Encl: As above



“GTPL Hathway Limited Q4 FY2022 Earnings Conference Call”

April 11, 2022



ANALYST: MR. NAVAL SETH – EMKAY GLOBAL FINANCIAL SERVICES LIMITED

**MANAGEMENT: MR. ANIRUDHSINH JADEJA - PROMOTER & MANAGING DIRECTOR, GTPL HATHWAY LIMITED
MR. RAJAN GUPTA - CHAIRMAN & NON-EXECUTIVE DIRECTOR, GTPL HATHWAY LIMITED
MR. PIYUSH PANKAJ - BUSINESS HEAD - CATV & CHIEF STRATEGY OFFICER, GTPL HATHWAY LIMITED
MR. ANIL BOTHRA - CHIEF FINANCIAL OFFICER, GTPL HATHWAY LIMITED**

Moderator: Ladies and gentlemen, welcome to Q4 and FY2022 Results Conference Call of GTPPL Hathway hosted by Emkay Global Financial Services. We have with us today from the management Mr. Anirudhsinh Jadeja – Promoter and Managing Director, Mr. Rajan Gupta – Chairman and Non-Executive Director, Mr. Piyush Pankaj – Business Head (CATV) and Chief Strategy Officer and Mr. Anil Bothra – Chief Financial Officer.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions at the end of today’s presentation. Should you need assistance during the conference call please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Naval Seth from Emkay Global Financial Service. Thank you and over to you, Sir.

Naval Seth: Thank you Faizan. Good evening, everyone. I would like to welcome the management and thank them for this opportunity. I shall now hand over the call to the management for the opening remark, over to you Anu bhai for your opening remarks.

Anirudhsinh Jadeja: Thank you Navalji. Good evening everyone, a warm welcome to all of you to the conference call of GTPPL Hathway Limited to discuss the financial and operational performance of Q4 and annual FY22.

I hope you and your family are all keeping safe and I pray for their well-being.

I am glad to inform you that board has recommended a dividend of 40% per share for FY2022. With that, I hand over to Mr. Piyush Pankaj, who can take you through the business and financial aspects of the company.

Piyush Pankaj: Thank you Mr. Jadeja. Good evening everyone, I hope all of you are safe and healthy. As you are aware GTPPL Hathway is one of the few consistently profit-making cable TV and broadband company in India. I am happy to share with you that GTPPL Hathway has become the number 1 MSO in India as per TRAI’s performance indicators report.

In the last six years our CATV subscriber base has grown sharply by 2.3x to 8.40 million and for FY2022 it has grown by 5%. Our Broadband subscriber base has grown by 4.8x in last 6 years to 816k with an addition of 181k active subscribers in FY22. Some of our key achievements for FY22 includes: we are number one MSO in India, we are number one broadband player in Gujarat, we expanded our presence in four new states, and we continue to enjoy net debt free status in FY22.

Let me now share the performance highlights for quarter 4 FY22 and annual FY2022. In the CATV segment, our active subscribers stood at 8.40 million as on March 31, 2022. GTPPL'S digital CATV services reach around 1200 towns spread across 19 states in India. The company is expanding aggressively in Maharashtra, Andhra Pradesh, Telangana, Tamil Nadu, and the North Eastern states.

GTPPL CATV platform services own and operate 40 plus channels across multiple Genres. For FY22 we increased our active and paying subscriber base by 400k and 300k respectively. The CATV industry offers an underlying growth opportunity for an organized and seasoned player like GTPPL Hathway. Our CATV business expansion will gain momentum with organic and inorganic growth in the coming quarters.

The launch of GTPPL Genie, our hybrid android TV Setup Box offering, which bundles the convenience of live TV channels and OTT apps at attractive rates, will further help us capture valid share of our customer base. Increase in applications of internet and communication services, and increase in connectivity in urban and rural areas of India are expected to further consolidate our presence across India.

In the broadband segment we added 830k new home pass in FY22 taking the total home pass as on March 31, 2022 to 4.70 million. During the period GTPPL added 181k active subscribers. Taking the total active subscribers count to 816k as on March 31, 2022. The broadband ARPU for FY22 increased by Rs.5 Y-o-Y to Rs.450 per month as on March 31, 2022. The average data consumption per customers stands at 256 GB per month as on March 31, 2022 up by 21% Y-o-Y.

Let us now move to our financial performance. The consolidated results excluding EPC for annual during FY22 total revenue grew by 12% Y-o-Y to Rs.24,154 million. The CATV subscription revenue stood at Rs.10,753 million. The broadband revenue surged by 46% Y-o-Y to Rs.4,075 million led by healthy subscribers additions. EBITDA increased by 4% Y-o-Y to Rs.5,677 million.

For quarterly results during quarter 4 FY22 total revenue grew by 4% Y-o-Y Rs.6,209 million. The CATV subscription revenue stood at Rs.2,695 million, the broadband revenue increased by 34% Y-o-Y to Rs.1,098 million.

The consolidated results including EPC for annual during FY22 total revenue stood at Rs.24,567 million. EBITDA for FY22 stood at 5,701 million with a margin of 23%. PAT stood at Rs.2,006 million up by 6% Y-o-Y. For quarterly results during quarter 4 FY22 total

revenue stood at Rs.6,278 million, EBITDA stood at Rs.1,400 million with a margin of 22% and PAT stood at Rs.552 million.

The standalone results excluding EPC for annual during FY22 the revenue increased by 7% Y-o-Y to Rs.15,264 million. EBITDA of Rs.3,268 million with an EBITDA margin of 21%. The standalone results including EPC are for annual during FY22 revenue stood at Rs.15,677 million, EBITDA stood at Rs.3,292 million with an EBITDA margin of 21%. PAT for FY22 stood at Rs.1,380 million an increase of 4% Y-o-Y. This is all from my side. Thank you everyone for your attention.

We can now begin with the questions and answers session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Pratiksha Mehta from Aequitas Investments. Please go ahead.

Pratiksha Mehta: Good evening, Sir, Pratiksha here. My first question was on the new product that we have launched GTPL Genie. So what kind of self cannibalization do we expect in this product and if you could also explain about the strategy with geographies have we targeted this and how do we plan to scale this product up.

Piyush Pankaj: Cannibalization, it is not going to cannibalize our product because if my current subscriber is going into this product they are going to become more sticky and we are going to get more revenues. So the cannibalization is not there in this product we did it for attracting the new customers and upgrading our existing customers to this new product. Right now, we have launched it in the six states which is Gujarat, Rajasthan, Maharashtra, Goa, Andhra Pradesh, and Telangana. In the next phase we are going to increase it to all over India which is very soon by end of April, it is going to be all over India launch and the target is that we are going to target phase one and phase two cities first and then go into the phase three and phase four cities subsequently.

Pratiksha Mehta: Can you elaborate a little bit about the response of this product so far, how many of our existing users have upgraded to this, how many new users have we got, especially in our home markets like Gujarat and the like...

Piyush Pankaj: It is too early to give a trend on this, yes, we are getting lot of queries, the product is going out of shell very fast, which we are seeing. But right now giving any trend on this is a bit early for us. Let us wait for the next quarter, we will give you the right trend at that point of time, which will be more logical and more discernible for the analysts.

- Pratiksha Mehta:** All right and so this quarter we have seen some subscriber addition in the cable TV business. Does this include any inorganic growth here or this was purely organic.
- Piyush Pankaj:** Yes, it includes inorganic and organic, as we said after the NTO that the growth will come from inorganic and organic. The first year of NTO has gone into stabilizing the industry and everything and as we were getting ready for doing the acquisitions and going for inorganic, the COVID hits in March 2020 and we are not able to do any inorganic growth. So from this quarter we have started so this is inorganic and organic both.
- Pratiksha Mehta:** Do we have any pipeline for inorganic growth any budget that we have allocated or any other opportunities on dashboard.
- Piyush Pankaj:** Opportunities are there, we are evaluating those and as the more and more opportunity will come as we are seeing we will do the acquisitions at the appropriate time after all the evaluations and all and if you want we can take it offline, if you require any specific opportunities you want to talk about it.
- Pratiksha Mehta:** Perfect. Just one last question if you could give the Capex budget for the next year is that and if you could elaborate on that.
- Piyush Pankaj:** Yes, so this year we did the Capex of 363 Crores which includes 180 Crores of CATV Capex, and 183 Crores of broadband Capex. Next year we are keeping the target of 450 Crores for the capex on which around 180 Crores is going to be the cable Capex rest is going to be the broadband Capex.
- Pratiksha Mehta:** Alright, thanks a lot.
- Moderator:** Thank you. The next question is from the line of Dixit Doshi from White Stone Financial Advisors. Please go ahead.
- Dixit Doshi:** Thanks for the opportunity. Sir, my first question is regarding this new product GTPL Genie. So in our website I saw only this package pricing of Rs.460 where OTT plus only free-to-air channels are available. So for other let us say OTT plus a paid channel what is the package prices.
- Anirudhsinh Jadeja:** So that is also the other package prices with HD package also we have declared in the website. It is available, it is close to around Rs.650 plus tax. So three packages we have declared, one is with FTA, one is with the full Hindi pack, and one is with the full HD pack and the difference of pricing is around Rs.100 in each.

- Dixit Doshi:** Now coming to, so in this package, in the initial phase are we going to make any loss or reduction in the margin or the deals with the OTT players is such that we will not take any margin hit in this business.
- Piyush Pankaj:** No, We are going to maintain our EBITDA in this business also.
- Dixit Doshi:** Okay we are going to maintain our EBITDA, and this does not include the internet right they have to take separately.
- Piyush Pankaj:** So we have offers include broadband also, broadband, cable TV, and OTT also. So right now we have offered CATV plus OTT. The new products which is broadband plus OTT plus combining all together CATV plus broadband plus OTT which we are launching very soon.
- Dixit Doshi:** So that will be obviously higher package prices because broadband will also be included.
- Piyush Pankaj:** Yes, you are right.
- Dixit Doshi:** Now coming to this quarter results so if I see our segment-wise revenue and PBT breakup in both the cases like cable TV and internet there was margin reduction so any particular reason.
- Piyush Pankaj:** Few thing we have to consider that one is your activation revenue because that deferred revenue is going away on the Ind AS that is why you will see that the activation revenue has come down by around 34 Crores in the whole year and the second is your EPC revenue because EPC project was one time project which has been completed. So you will see that the EPC project revenue has come down and because of that you will see that there is some margin shrinkage on overall, but we are very hopeful that, that will come back as we go forward.
- Dixit Doshi:** No, so basically even excluding the EPC from Q3 to Q4 our activation revenue was also same, but still our profit has come down by almost 7%, 8% in cable TV.
- Piyush Pankaj:** Yes, there is some yearend adjustments which happen as you know as the annual comes then you have to go for some impairments of your investments and everything comes into the play that is onetime cost which has come into the play that is why you have seen a bit of shrinkage in the margin.
- Dixit Doshi:** And in terms of in broadband also revenue has gone up but our profitability has come down quarter-on-quarter.

- Piyush Pankaj:** Yes, so there are some one-time items which has come into play because of which the annual & quarter 4 results. So, if you compare year-to-year you will see that there is a growth in the broadband, good growth in the broadband but because of annual quarter 4 always you will see that trend that quarter 4 it comes down a bit because of annual provisions.
- Dixit Doshi:** Is it fair to assume that annual whatever the margins are there that margin are maintainable.
- Piyush Pankaj:** Yes, that margin will, it is going to grow now the margins as the situation is now normal the COVID is almost ended and all the economy and everything has become normal. So we are hopeful that the margin will grow from here on.
- Dixit Doshi:** Now my next question is in broadband business this year we have done a fantastic number so how do you see customer addition in FY23 as well is there any scope of further increase or we will be able to maintain this 180k per year.
- Piyush Pankaj:** Rajan Sir.
- Rajan Gupta:** Yes, Piyush, I will take forward this. So gentlemen essentially if you see last two years GTPL aggressive growth in broadband active base that has been led by bringing more and more fiber to home pass as well as increasing penetration. Having said that there are two more clear opportunities which are there, further increase in home pass penetration because as Piyush just gave figures we are still sub 20% in terms of penetration which means we can further increase with the increasing relevance of high speed fiber broadband there is a sill scope for increasing further penetration in the home pass by 7%, 8% there is a clear opportunity and parallely as you all know GTPL has had a large fiber project and now fiber has been taken to all district level towns and all the field level towns and now we have to launch broadband there so potentially frankly humungous we have just started it will all depend upon management ability to keep on doing more home pass and keep on increasing further penetration and also going to this next level downs and I think which current confidence level is very, very high and we of course have to ensure we keep on executing it the way we are done in last two years.
- Dixit Doshi:** And if I am not wrong this is what we have done in last two years is mainly through our own network and now we are also planning to do it through our partners also LCOs in the other state. So how do you see that also ramping up going forward?
- Piyush Pankaj:** The broadband through partners we have already launched and we are progressing well already we have make good road path in Andhra Pradesh, Telangana, Maharashtra, Bihar

and Jharkhand states and we are progressing well, we are hopeful that this segment B2B segment of broadband is going to add business, value and numbers all through in our broadband business and we are looking forward that we are going to get good numbers and expand all over India through this business model.

Dixit Doshi: One last bookkeeping question and then I will join back in the queue. So in this once we do it through partners broadband so we will be recording Rs.450 ARPU and then we will pay the share to the partner or we will record the revenue net of partners share.

Piyush Pankaj: No this is as you say accounting yes because GTPPL is going to do the billing to the customer so we are going to get 100% revenue and out of 100% whatever share we have to provide to the partners will share as a cost.

Moderator: Thank you. The next question is from the line of Amit Doshi from Care PMS. Please go ahead.

Amit Doshi: Yes, thank you. Sir, you mentioned this new product genie also has option of that internet service as well as the cable TV and OTT bundled. So just to understand so whenever this revenue through genie would come so what you would bifurcate in this segment of cable TV and internet separately or how would it account for in this segmented result that we see on a quarterly basis.

Piyush Pankaj: First we have to understand that GTPPL genie is the product which is the hybrid box which is a CATV product, which is CATV plus all embedded OTTs which we are providing which we have launched right now. The revenue of this all will come into the CATV business straight away we are going to launch as we mentioned that there is going to be a broadband plus OTT product where all the revenue will come into the broadband business and there is going to be the third product which is combination of CATV plus OTT plus broadband here CATV plus OTT will come into the CATV business and broadband will go into the broadband business.

Amit Doshi: Okay so second and third is yet to be launch the second part and the third part which you mentioned.

Piyush Pankaj: That is right, that is what I mentioned that, that we are going to launch very shortly.

Amit Doshi: And currently just if you were to tell you how many number of users there will be Genie users from whatever you have launched till date.

- Piyush Pankaj:** Right now it is very early as I said earlier also that we will give you all the trends in next quarter or we can touch offline also on this but we want to disclose all the trends next quarter. I will just give that we have seen the lot of queries and a lot off the shelf which is coming on the product is going after itself very fast and but the exact trends and all the analysis and all we would like to provide within the next quarter.
- Amit Doshi:** Okay fine. So second question is related to this earlier participant who was talking about margin so I think I also buy the point that the margin independent of excluding EPC project as well as not only quarter-on-quarter, year-on-year the margins have reduced now you mentioned during the discussion there is some sort of a one-time adjustment that was done in the internet segment so can you just slightly clarify what could that be and what kind of amounts that are involved so we kind of taken judgment as to what are the sustainable profitability figures the reason is because your 30% subscribers have increased and not only that the ARPU has also increased so logically the EBITDA of internet segments should have been far more higher so just trying to reconcile the difference.
- Piyush Pankaj:** So there is one time hit which we have taken on the insurance side as you know and that is more on the conservative accounting on as we are hopeful or we are very confident that the recovery will happen already we are in touch with the insurance company for doing that but as already around one and a half years has gone for recovery of that, that we apply for the recovery and for doing the conservative accounting we have taken the hit of insurance on that.
- Amit Doshi:** Can you quantify the amount.
- Piyush Pankaj:** 12 Crores is the amount in the broadband business.
- Amit Doshi:** So that is all taken in Q4 is it.
- Piyush Pankaj:** Yes, some in Q3, some in Q4, mostly in Q4.
- Amit Doshi:** Okay thank you and all the best.
- Moderator:** Thank you. The next question is from the line of Dixit Doshi from Whitestone Financial Advisors. Please go ahead.
- Dixit Doshi:** Thanks for the opportunity again. Sir, in our last con call you have mentioned that starting 1st April we may look at increasing our share against the MSO share in the cable TV business have we done that.

- Piyush Pankaj:** No Dixit. We are waiting for NTO-2 come as NTO-2 will come at that point of time as we might have to change the packages and all. So we are waiting for that as right now it is there that it can come in July or August as per we will try the last date given. So we are waiting for that earlier it was 1st April which has been extended to June right now I am expected to start in July or August for that.
- Dixit Doshi:** And just to understand it better so we have been talking this for last two, three years and then obviously the COVID has come and the NTO-1 has come but after two and a half years do you feel that we will be able to do that increase in the share or do you feel that LCOs might not like it because they are used to with the higher share so how do you see it.
- Piyush Pankaj:** No, we are confident that we can increase, yes, the increase has to happen with the changes in all the packages and if it is happening industry-wise it will help us.
- Dixit Doshi:** And last thing from my side any update on the AGR issue.
- Piyush Pankaj:** AGR issues Rajan Sir.
- Rajan Gupta:** No, Piyush I do not have any additional update as of now.
- Piyush Pankaj:** So right now AGR issues no update is there we are waiting for the dates of the court and one order has come for the Netmagic which is very positive for the whole industry that we are similar to what treatment has been given to the PSUs the same treatment has to be given to other players also but still we are waiting for the final order to come and which is going to help us, but it is a very positive development for the whole industry that the court has said that we have to be treated at par with the PSUs.
- Dixit Doshi:** Okay thank you that is it from my side. Thank you.
- Moderator:** Thank you. The next question is from the line of Gautami Desai from Chanakya Capital Services. Please go ahead.
- Gautami Desai:** In the past three or four quarters I think we have been saying that because of COVID we are losing some cable TV customer especially the commercial ones. So would you like to share some trend like are the same customers coming back or anything else you want to share in terms of trend that is one trend I want to know and another is also some trend on the broadband churn is it reducing, increasing how it has been so that is my one question and another question is that how is inflation treating you I mean how is inflation treating GTPPL in terms of are you facing the, it could be anything, it could be wage inflation or bandwidth cost, anything else that you feel it is happening on the inflations on to GTPPL.

Piyush Pankaj: Commercial customer as I said that around 7.5 lakhs we lost when the COVID started and around 4 lakhs has come back on that still we are seeing that trend that every quarter around 20k, 30k subscribers are coming back from that. The same subscriber which you are talking about that has gone that are coming but the rate of joining of customers is declining you can say as earlier it was higher now it is like 20k average for this quarter, last quarter it was 20-25 between that only. So that is the case in the commercial side, second you talk about the churn of broadband we have seen over the years that the churn has come down and the trend is showing that it is coming down as we are increasing more and more happy to get subscriber base we have seen that the churn is getting arrested it is not like earlier trends of 28%, 30%, now it has come down to around 20% somewhere. Rajan Sir can you take that the churn part.

Rajan Gupta: Yes, Piyush. So essentially I think there are two things happening as Piyush just mention is improvement of our service through launch of FTTH in most of the home pass as well as I think in general a lot of software upgradation the way call center operates the kind of support consumer is given on various other digital platform etc. But parallelly industry competition level does remain high and that is the reason whatever church you just told I mean that is also relatively high well it has come down from earlier. So I think churn because of customer proposition that has improved a lot but competition intensity in the market that is already quite high and that is there for quite some time and so that is where it is better from earlier but this is where we are.

Gautami Desai: And my next question on inflation.

Piyush Pankaj: Inflation I will say the general inflation is there in the admin cost or you can talk about salary employee cost and all they are there on operating costs we talk about bandwidth and all as more and more volume of bandwidth is required so we are negotiating well and bringing down the bandwidth cost a bit but as more volume is required so you will see there is an increase in the bandwidth cost of the overall in our P&L but if you talk about per GB cost it is coming down.

Gautami Desai: Okay fine thank you.

Moderator: Thank you. The next question is from the line of Miten Lathia from Fractal Capital Investments. Please go ahead.

Miten Lathia: I was wondering if we have broken out the geographical split of the 4.7 million home pass that we have on broadband.

- Piyush Pankaj:** Yes, so mostly it is in Gujarat which is say around 95% it is in Gujarat, 5% is on the six cities, which we mentioned every time that is Pune, Nagpur, Hyderabad, Jaipur, Patna and Varanasi.
- Miten Lathia:** Is it possible because now our broadband strategy is sort of also through partners is it possible for us to do some sort of a geographical split going forward on the broadband side that would be very useful.
- Piyush Pankaj:** Your point taken Miten as we progress we will start introducing geographical wise subscriber base.
- Miten Lathia:** Great and if you could just give some specifics about is the Q4 adjustment entries about debtors or is it about something else and which makes the Q4 number not comparable with the Q3 number.
- Piyush Pankaj:** It is insurance Miten
- Miten Lathia:** That is one time only, so normally on going forward on a Q4 also we should not have one offs right
- Piyush Pankaj:** Yes, that is right.
- Miten Lathia:** Great, wish you all the best. Thank you.
- Moderator:** Thank you. The next question is from the line of Hiten Boricha from Joindre Capital. Please go ahead.
- Hiten Boricha:** Good evening. Sir, most of my questions have already been answered. I have only one question. Are we giving any guidance on revenue and margins for the existing FY23.
- Piyush Pankaj:** The guidance is just that we are going to maintain our CAGR, 100 basis points here and there but we are going to maintain our CAGR in both revenue and EBITDA that's the way as we look forward to our aggressive growth in both the businesses in this financial year.
- Hiten Boricha:** Okay thank you Sir.
- Moderator:** Thank you. As there are no further the questions from the participants. I now have the conference over to Mr. Nachiket Kale from Orient Capital. Thank you and over to you, Sir.

Nachiket Kale: Hi! Good evening, thanks everybody for joining in on the call. We at Orient Capital are investor relations advisors to GTPL Hathway. I would like to thank everybody once again the management, the participants, the analysts, and the investors, and we look forward to having continuous engagement with all the market participants. For any queries, please feel free to contact myself or my colleague Bhavin Soni, our contact details are available on the presentation and again I would like to thank the management for their time and thank you everybody for being on the call.

Moderator: Thank you. Ladies and gentlemen, on behalf of Emkay Global Financial Services that concludes this conference call. Thank you for joining us and you may now disconnect your lines.