



# SITI Networks Limited

*Q3FY20 Investor Presentation*

Formerly known as SITI Cable Network Limited  
BSE : 532795 | NSE : SITINET | Bloomberg : SCNL:IN | Reuters : SITI.NS  
[www.sitinetworks.com](http://www.sitinetworks.com)



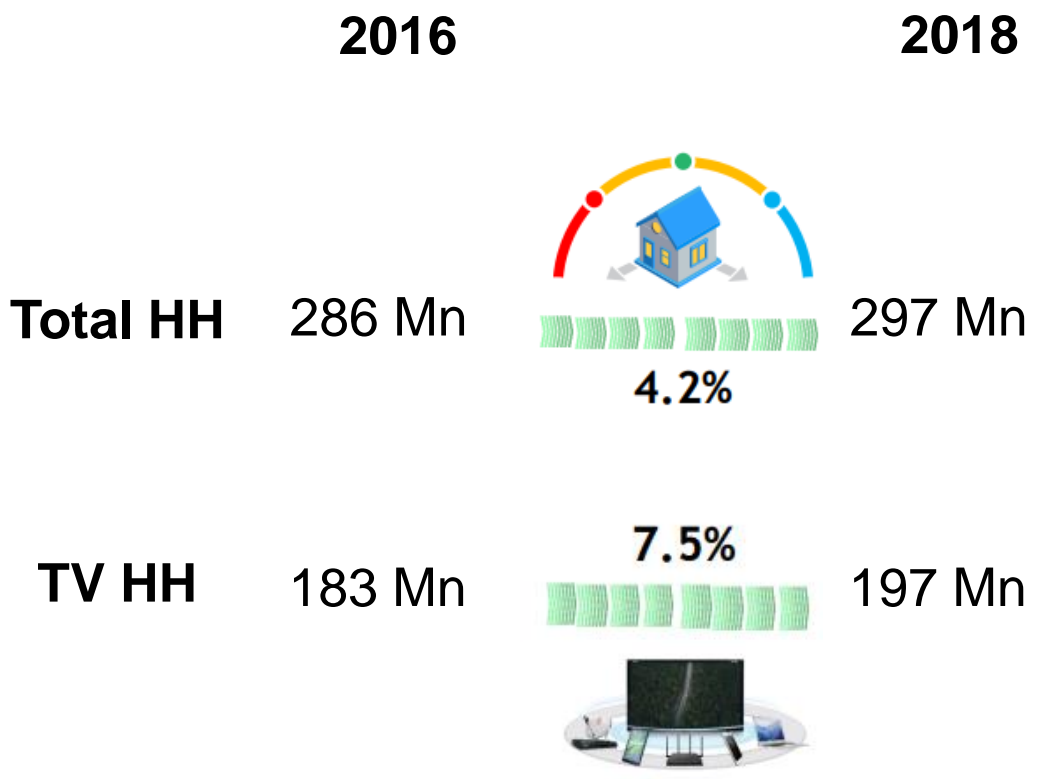
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Some of the statements made in this presentation are forward-looking statements and are based on the current beliefs, assumptions, expectations, estimates, objectives and projections of the directors and management of SITI Networks Limited (SITI Networks) about its business and the industry and markets in which it operates. These forward-looking statements include, without limitation, statements relating to revenues and earnings. The words “believe”, “anticipate”, “expect”, “estimate”, “intend”, “project” and similar expressions are also intended to identify forward looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Company and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecast in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks. SITI Networks does not undertake to update these forward-looking statements to reflect events or circumstances that may arise after publication.

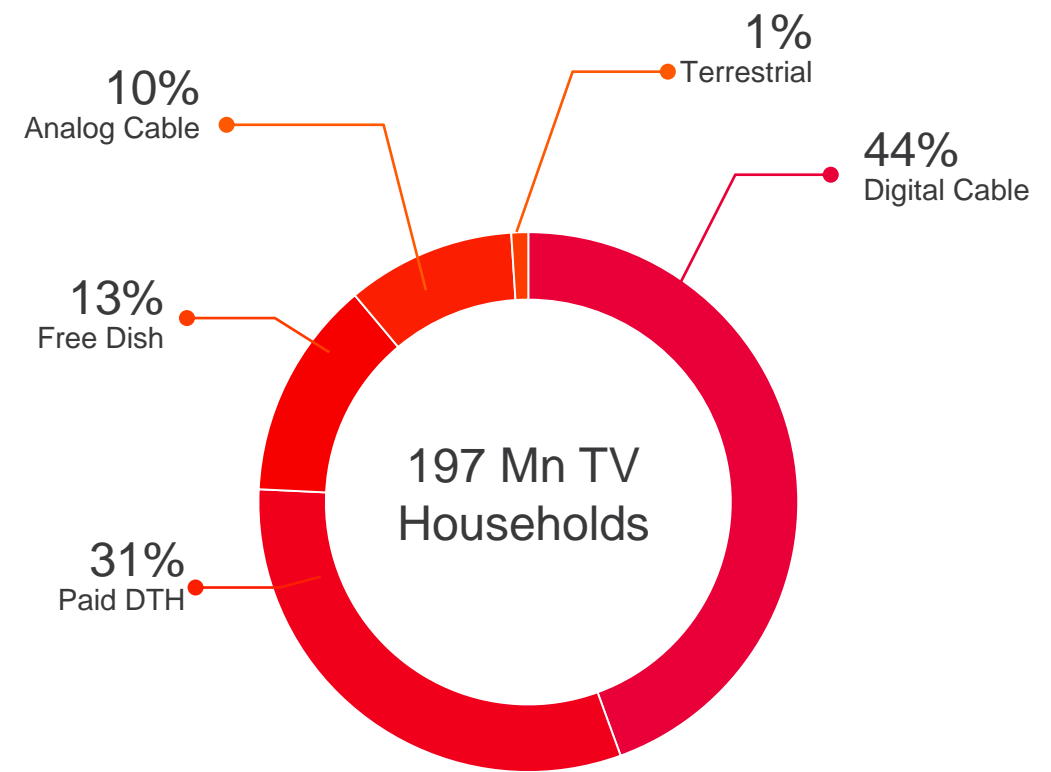
# Industry Overview

# India C &S Market Overview

## TV Households are Growing Faster than the Universe



Penetration of TV HH has gone up from 64% in 2016 to 66% in 2018

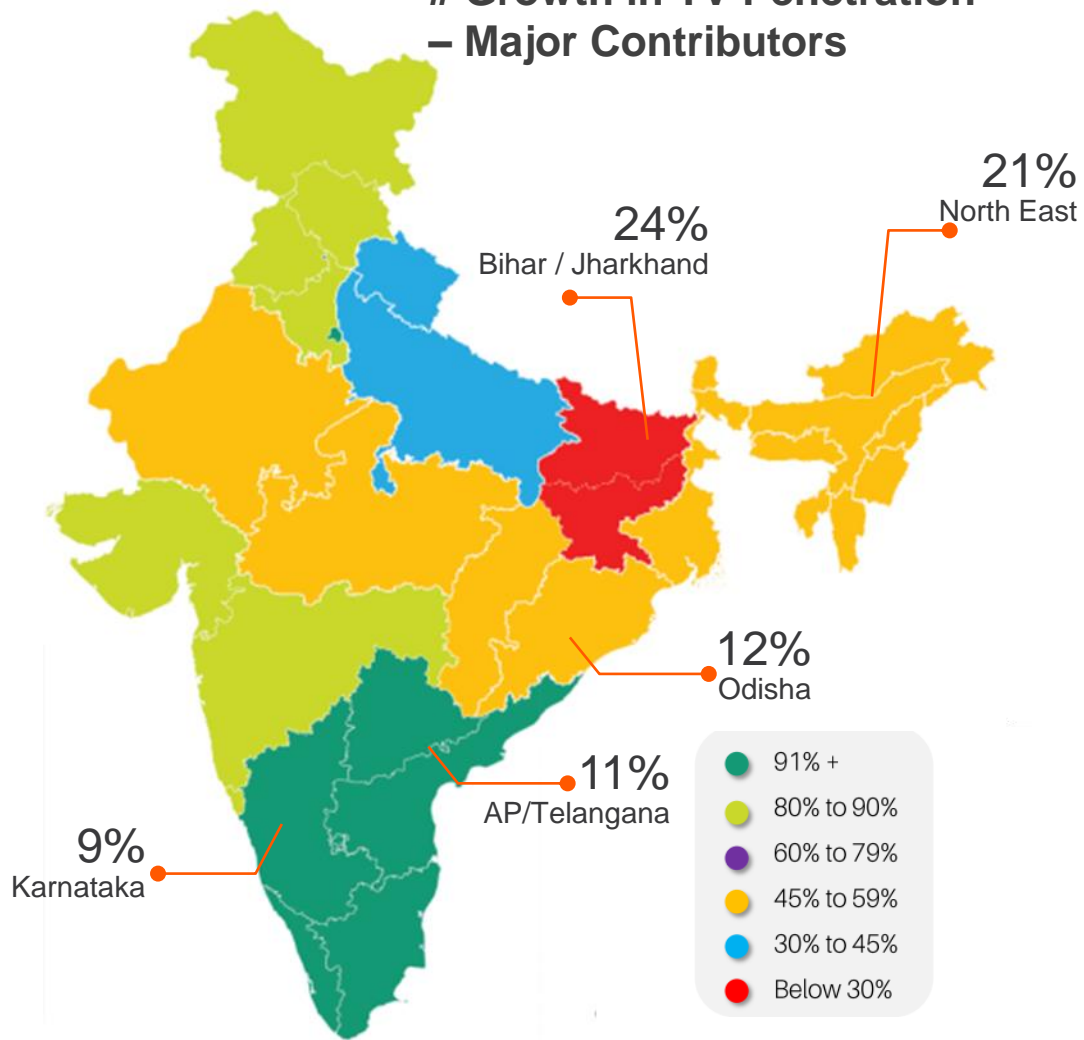


Cable (Digital + Analog) controls 54% of India's TV market

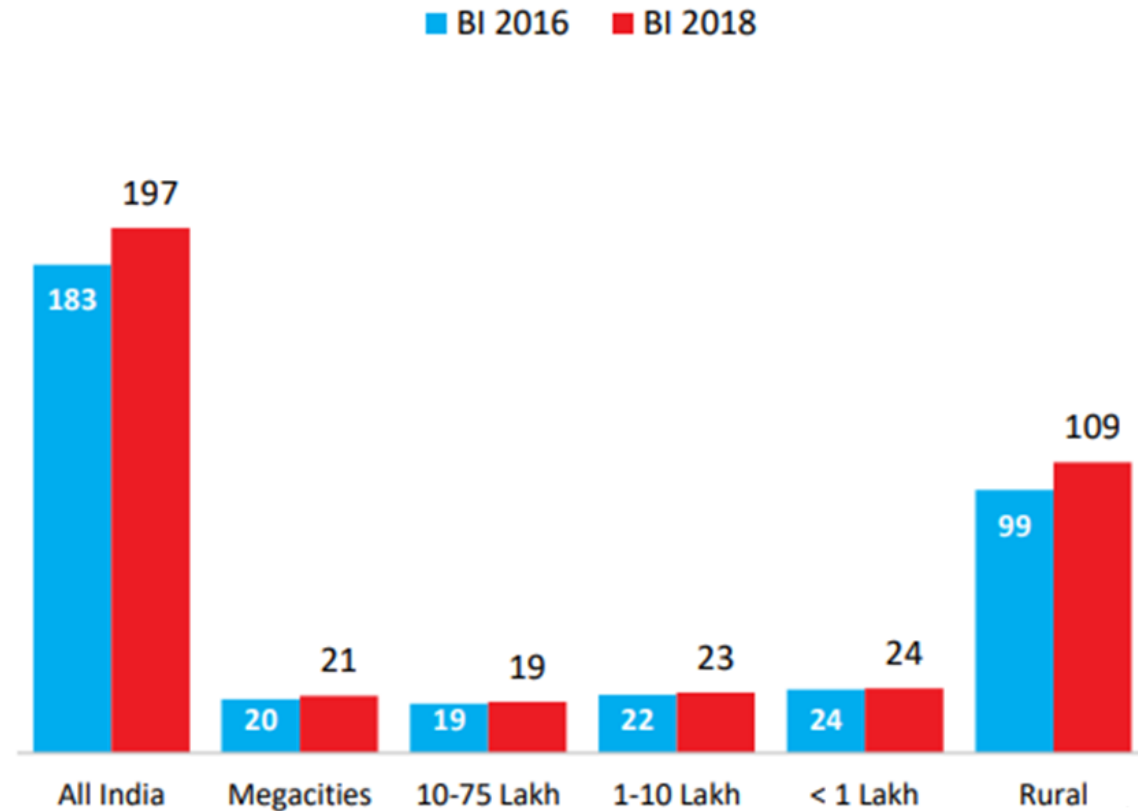
# TV Homes Penetration

Maximum Growth in East & South India | Small Towns & Rural are key drivers of Growth

# Growth in TV Penetration – Major Contributors



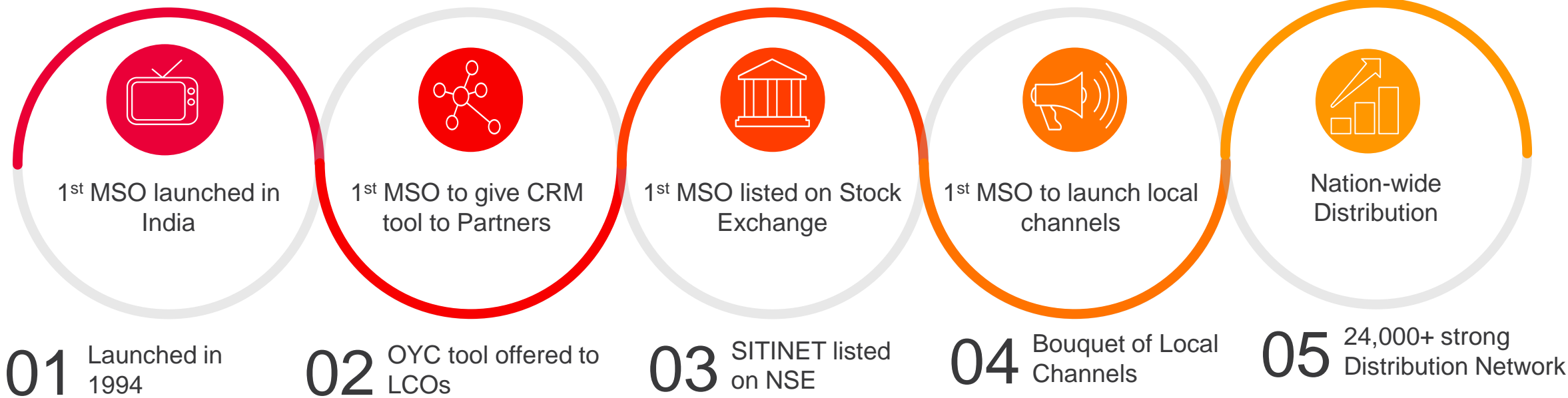
# TV Owing HH (Millions)



Most Growth in TV Penetration in DAS Phase 3 & 4 areas

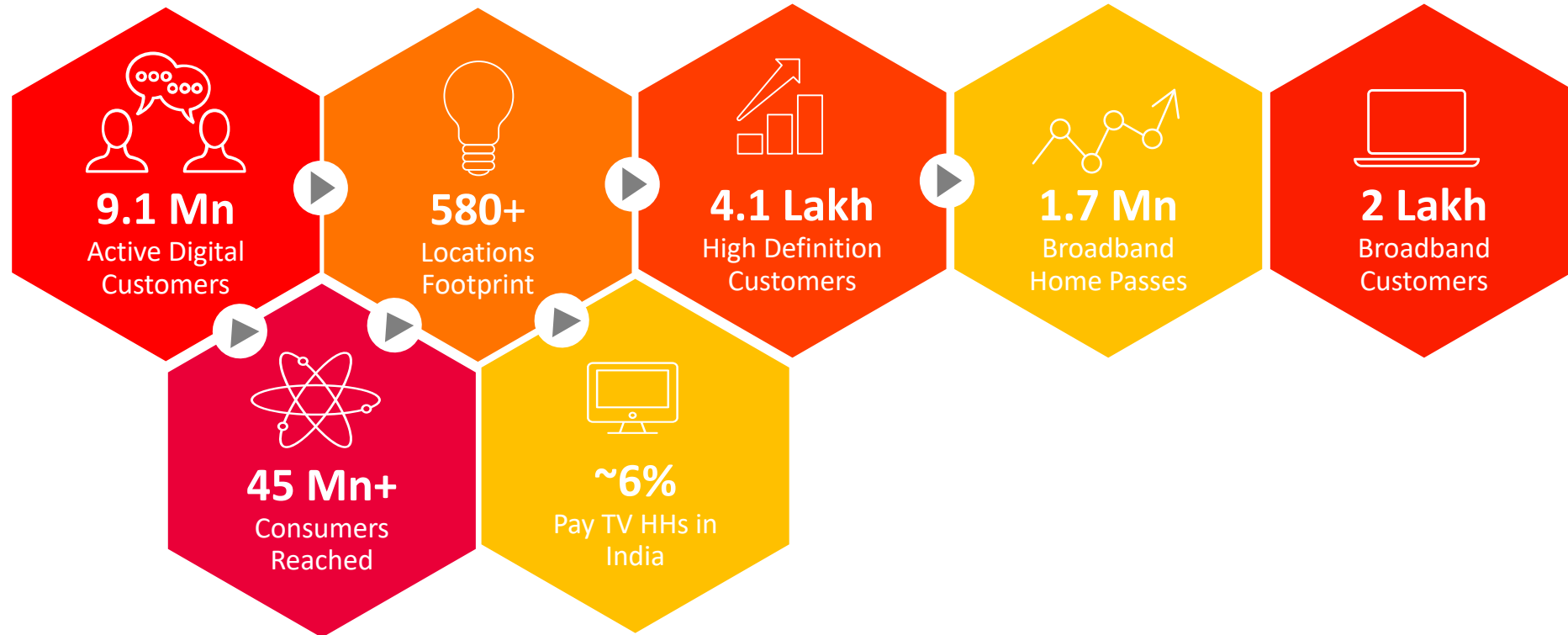
# SITI Networks

India's Leading Digital TV Network



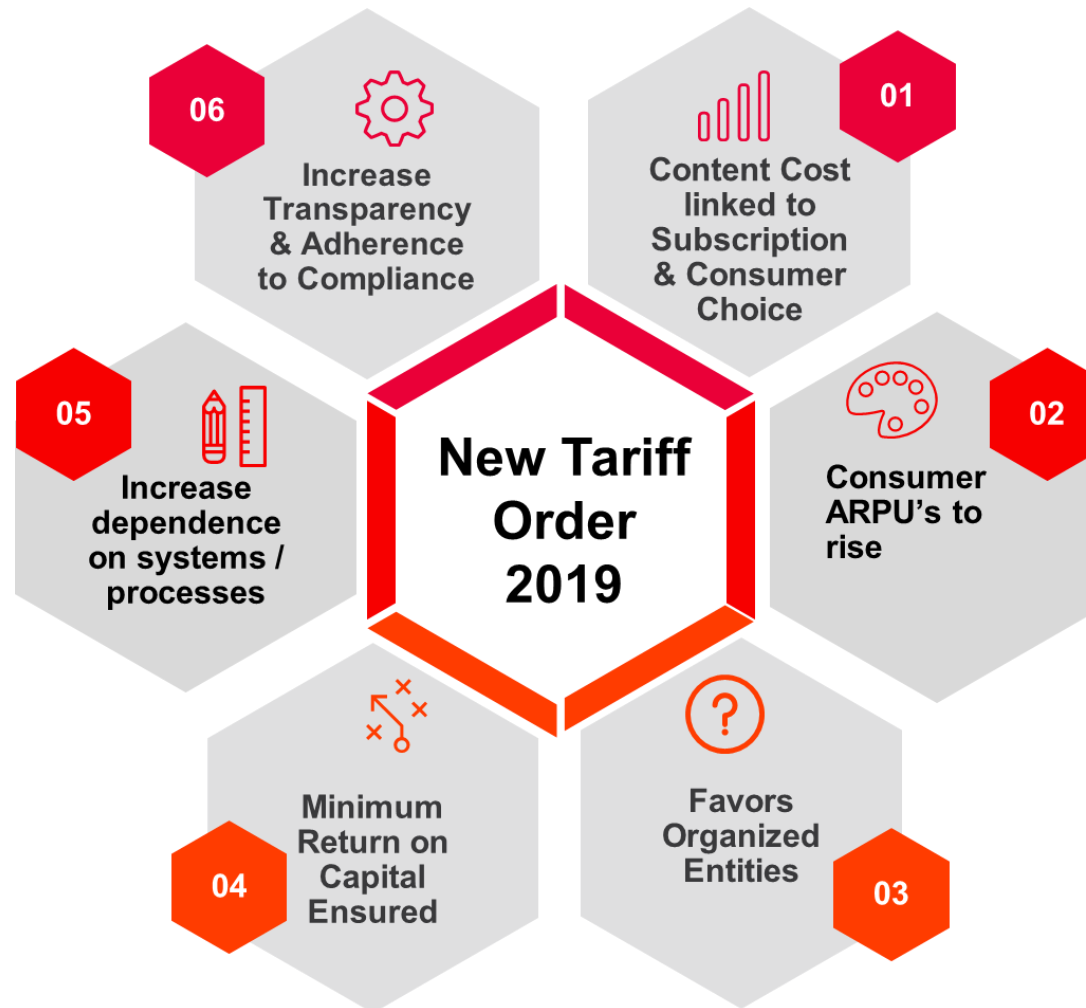
# SITI Networks

India's Leading Multi-System Operator



# New Tariff Order implemented in Mar'19

## Key features of Tariff Order



Implementation of the network distribution model shifted the balance of power in favour of DPOs



# Modification in New Tariff Order – Jan'20

Brought welcome changes, giving more power to DPOs



## Twin Condition

- MRP of channels in a bouquet can't be more than 1.5x of Broadcaster bouquet price i.e. max 33% discount
- Channels in a bouquet can't be more than 3x the average channel price of that bouquet

## Capping on Channel pricing

- Capping of Rs 12 for Pay Channels to be part of Broadcaster Bouquet.
- Currently this capping is at Rs 19

## Simplified NCF Structure

- Simplified 2 slabs:
  - Up to 200 channels – Rs 130 + tax
  - More than 200 channels – Rs 160 + tax

## Addressed Multi-TV Homes

- NCF on Multi-TV is capped at 40% of the NCF
- Definition of Multi-TV : Any HH having more than one STB in the name of same person

### **Key Takeaways :**

- **Number of Broadcaster bouquets will be reduced leading to ease in selection and less load on DPO's system**
- **It is estimated that tail-end Pay channels will turn FTA leading to Placement/ Carriage opportunity**
- **With Pricing capping, now making DPO packs with ala-carte will become attractive proposition for DPOs**
- **Potential Revenue upside from LCNs – as it has been freed from carriage / penetration commitments**

# Company Overview



NETWORKS

# ZINDAGI <sup>KA</sup> NETWORK

- India's **Leading Digital TV Network**
- Present in **19+** States & UT across India
- Footprint across **580+** locations
- Delivering content to **45 Mn+** consumers 24/7

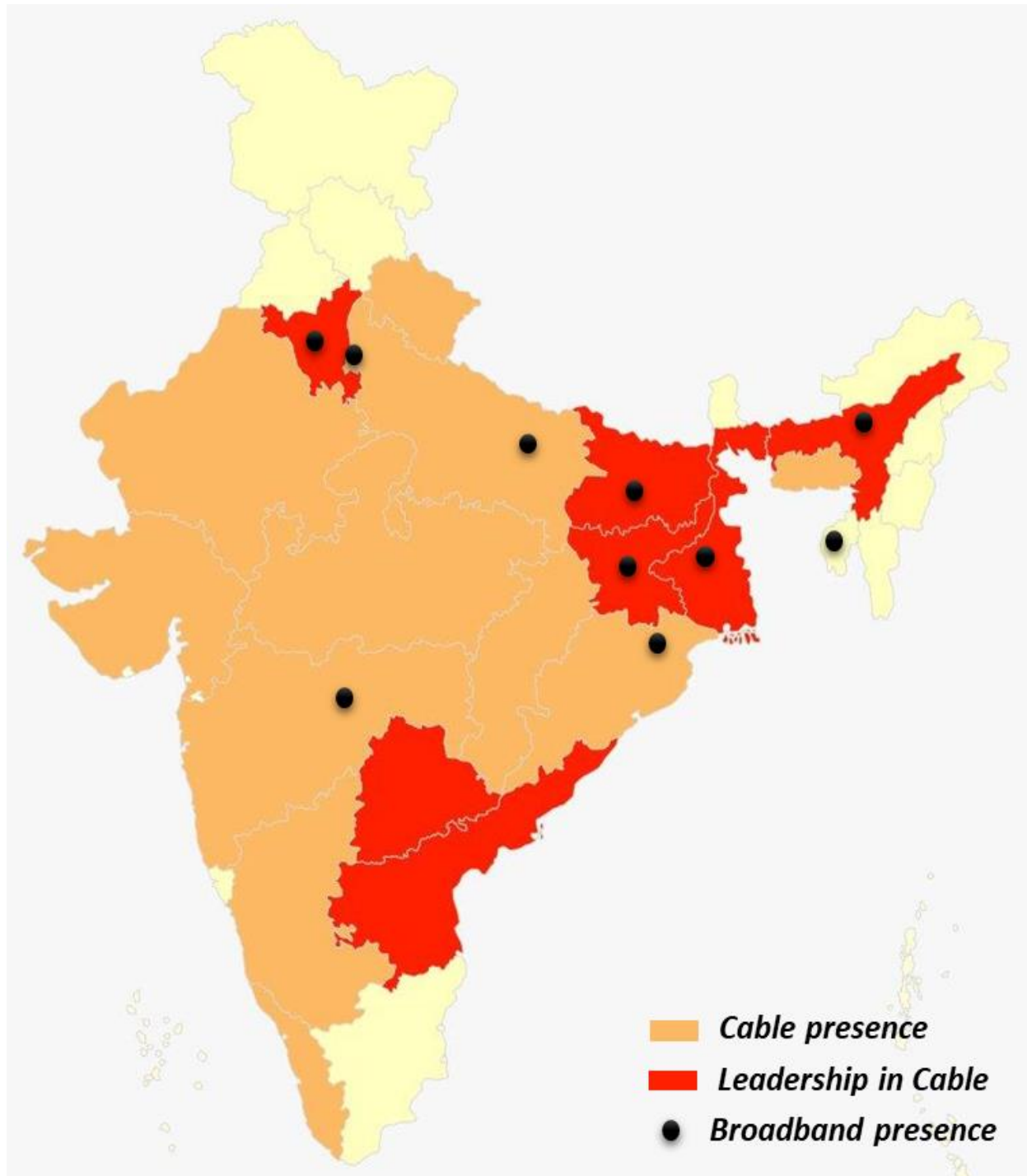




India's Largest MSO  
trusted by over

**24000**

Distribution Partners



# SITI Networks

## Competitive Advantage



01

India's largest MSO  
Presence across 800 locations

Country-wide Access

02

Using latest MPEG4 STBs  
Broadband through Hybrid (DOCSIS 2/3 & GPON) Network

Superior Technology

03

OYC Subscriber Management System  
Conax CAS  
SAP Based systems  
Uniform commercial policies

Systems and Processes

04

In discussion with various service providers for creating value adds for SITI base

Strategic Alliances

05

Professional Management  
Lean and Agile Organizational Structure  
Value unlocking: Consolidating MSOs

Efficient Execution

# Promoter Group

## Corporate Structure



- Launched in 1926, the Parent Group (“Essel Group”) completed 90 years recently; One of India's leading business houses, with a dominant vertically integrated presence in Media and entertainment
- Leading producer, aggregator and distributor of Indian programming across the world; 250,000+ hours of original Content
- Present in 171 countries, a reach of ~1.3bn+ viewers; Compelling bouquet of 75 Channels



Essel Infrastructure

Education: Zee Learn Limited

Theme Parks: Essel World and Waterpark

Precious Metals: Shirpur Gold Refinery

Healthy Lifestyle & Wellness

**ZEE**  
Entertainment

India's Leading General TV Entertainment Network

**ZEE**  
Media Corp Ltd.

Strong presence in National & Regional News Genre

**Dish**  
TV

Asia's largest DTH provider after merger with Videocon D2H

**SITI**  
Networks

One of India's leading National MSOs

**DNA**  
Online Media

English broadsheet daily with presence in major cities

Content

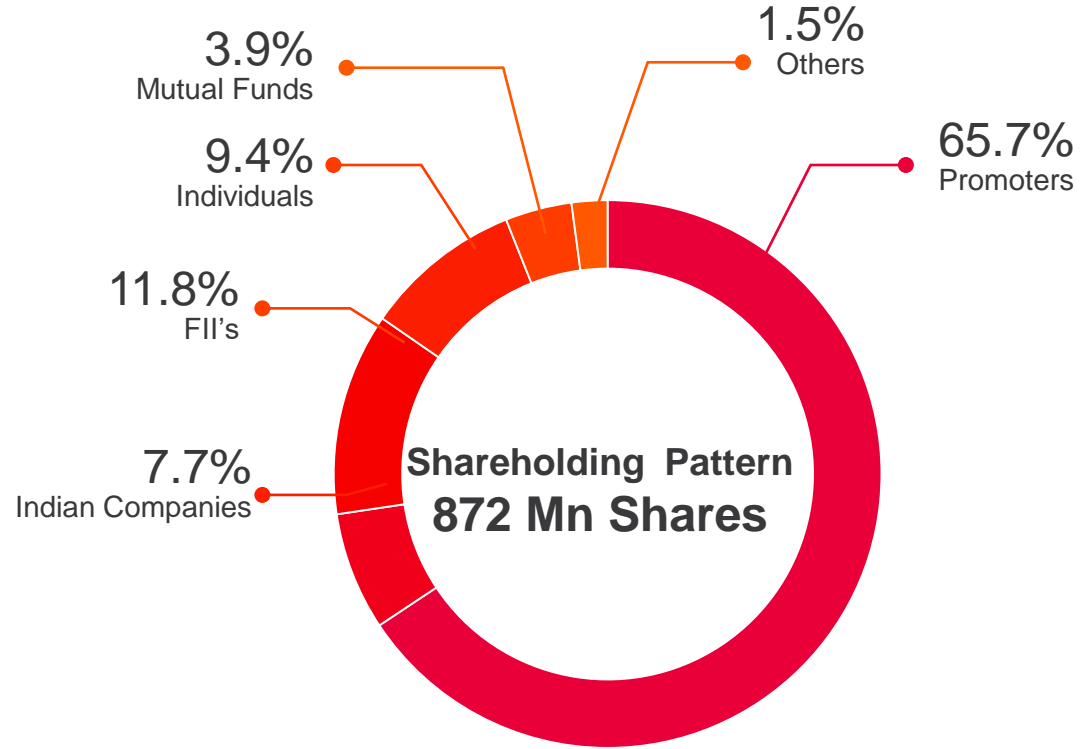
Distribution

Online Media

Other Business'

# SITI Networks

Sizeable Free Float & Institutional Ownership



## Key Investors

Foreign Institutions		
Domestic Institutions		<b>PRICOMM MEDIA DISTRIBUTION</b>

# Technology Infrastructure

## Video & Broadband

- 10 Digital Headends; Intra-city OFC and Coax Network of ~33,000 Kms covering ~ 800 locations
- Transport of Digital CATV signals on 1.2 Gbps links across the country; ~500 IP Points
- Hybrid (DOCSIS+ GPON) Technology to offer Cable Broadband services

Digital Headends	Modems	STB's	Chipsets	Servers	CAS, SMS, EPG	Connectivity
  	   	  	 	  	  	    



# Financials & Operating Metrics

# SITI Networks Declares Strong Results



- Operating EBITDA leaps **1.24x y-o-y** to **Rs.2,676 Mn**
- Operating EBITDA Margin jumps **1.1x y-o-y** to **22%**
- Subscription Revenue surges **19.5% y-o-y** to **Rs.8,687 Mn**
- Total Revenue<sup>1</sup> rises **12.7% y-o-y** to **Rs. 12,189 Mn**
- Digital Subscriber ARPU leaps **1.79x y-o-y** to **Rs.128**

OPERATING EBITDA  
SURGES **1.24X**  
TO  
**Rs. 2,676 Mn.**



**ZINDAGI** KA **NETWORK**

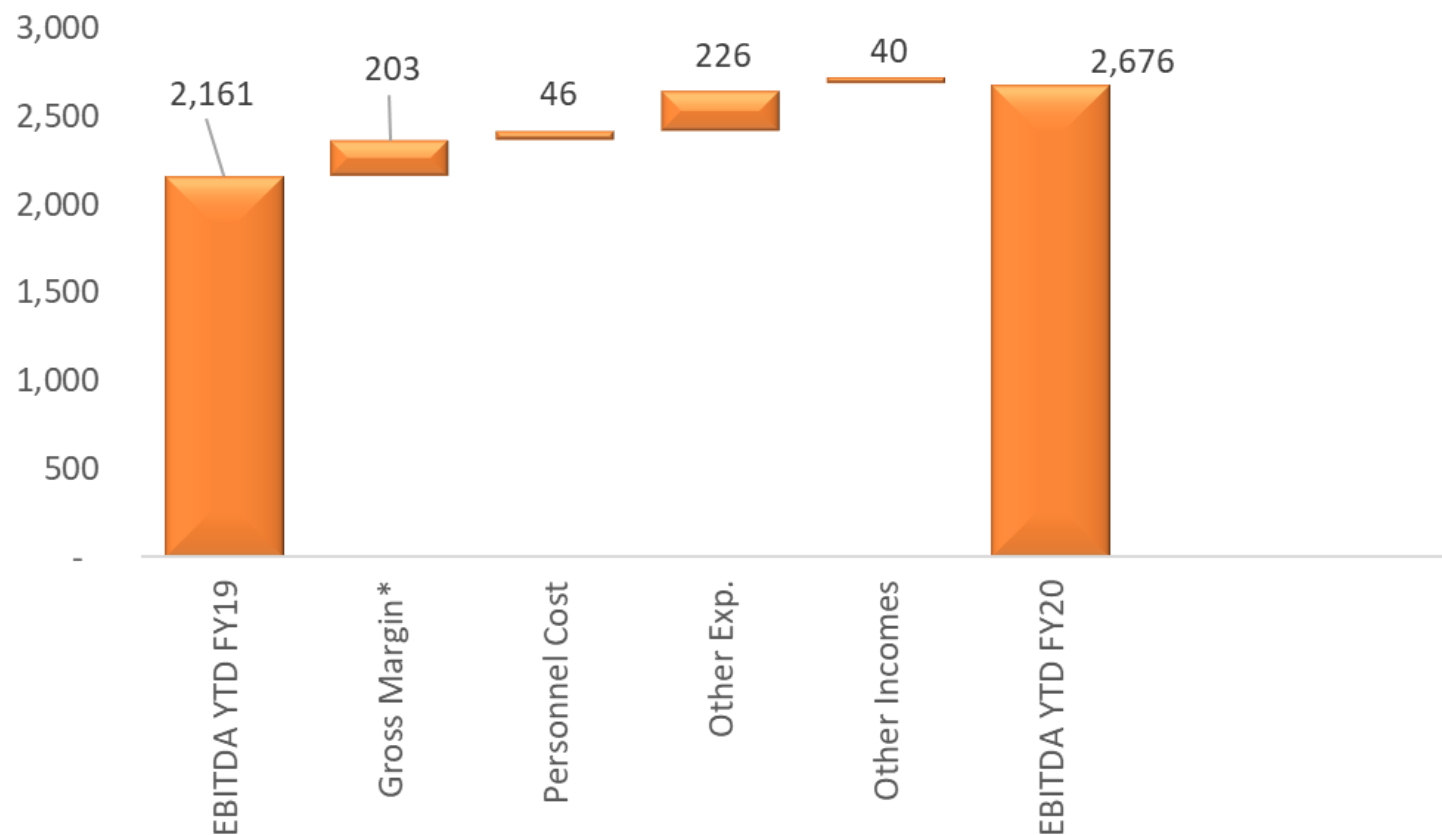
OPERATING EBITDA MARGINS  
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**ZINDAGI** KA **NETWORK**

# Exceeded Expectation in YTD Dec' FY20 vs YTD Dec' FY19

## Consolidated- Waterfall Analysis



- Gross Margin = Subscription + Carriage - Pay Channel – Marketing Cost
- Gross Margin:
  - Rate variance (+Rs 1861 Mn)
  - Vol/Other Variance (-Rs 1,658 Mn)

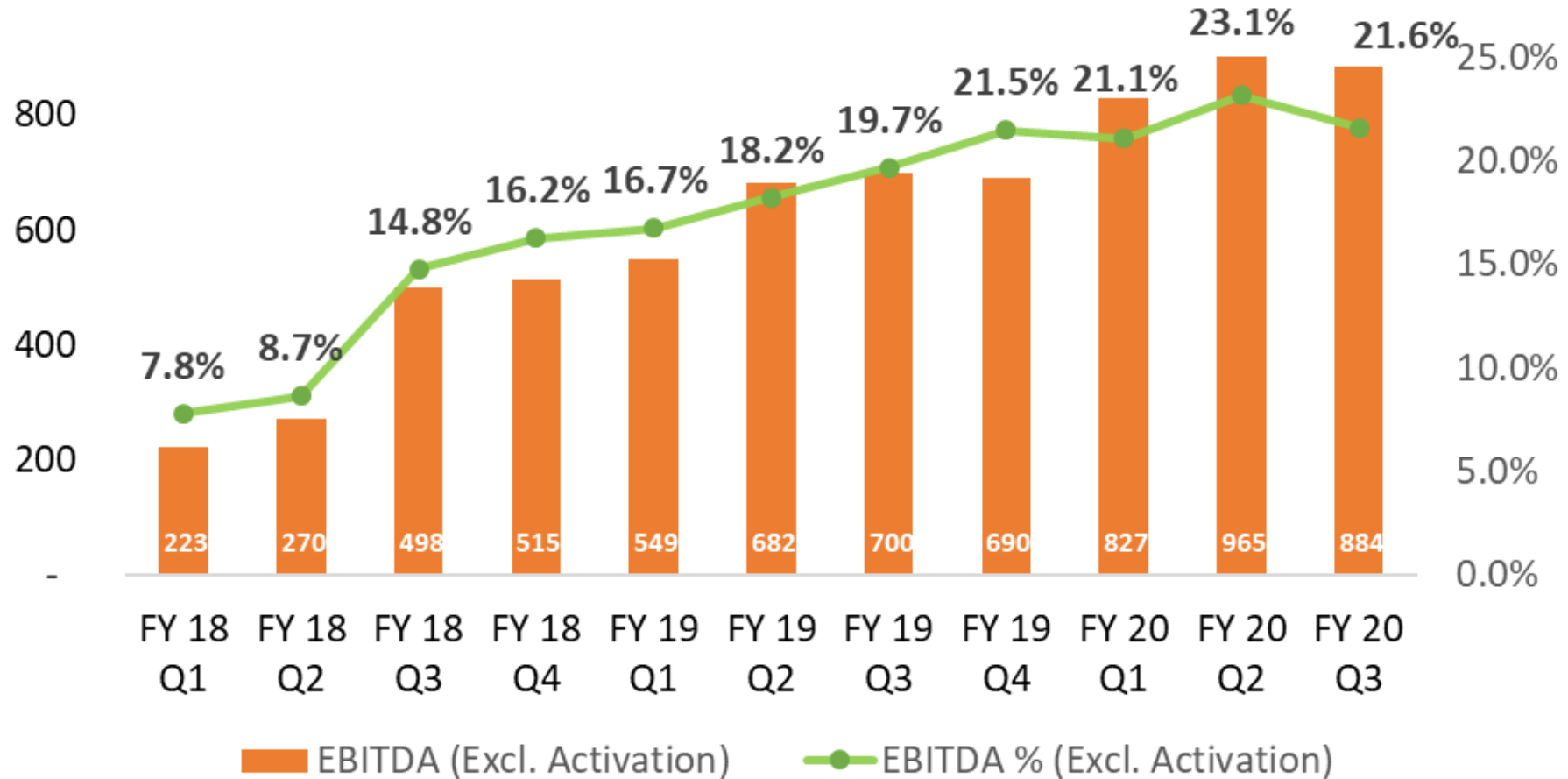


# Business Performance

Q-o-Q Basis



### Operating EBITDA Margin Trend



**ZINDAGI**<sup>KA</sup>  
**NETWORK**



**ZINDAGI**<sup>KA</sup>  
**NETWORK**



**ZINDAGI**<sup>KA</sup>  
**NETWORK**



# Thank You

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