

October 27, 2020

National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G-Block Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051	BSE Limited P J Towers Dalal Street Mumbai – 400 001
Trading Symbol: NETWORK18	SCRIP CODE: 532798

Sub: Investors' Update – Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2020

Dear Sirs,

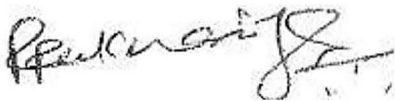
In continuation of our letter of today's date on the above subject, we send herewith a copy of the Investors' Update on the aforesaid financial results released by the Company in this regard.

The Investors' Update will also be available on the Company's website, www.nw18.com.

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For **Network18 Media & Investments Limited**



Ratnesh Rukhariyar
Group Company Secretary

Encl : As above

Network18 Media & Investments Limited

(CIN - L65910MH1996PLC280969)

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EARNINGS RELEASE: Q2 2020-21

Mumbai, 27th October, 2020 – Network18 Media & Investments Limited today announced its results for the quarter and half year ended 30th September 2020.

Summary Consolidated Financials

	Q2FY21	Q2FY20	Growth	H1FY21	H1FY20	Growth
Consolidated Operating Revenue (Rs Cr)	1,061	1,174	-10%	1,868	2,419	-23%
Consolidated Operating EBITDA (Rs Cr)	166	77	114%	193	124	56%
<i>Operating EBITDA margin</i>	15.6%	6.6%		10.3%	5.1%	

Highlights for the quarter

- ❖ **Q2 EBITDA more than doubled YoY, as revenues are firmly on the road to a full recovery**
 - Step-jump in EBITDA margins for both News and Entertainment to healthy levels
 - Digital business swung into profitability on sharp ad-growth and rising subscription revenue
 - H1 Operating margins highest in 4 years despite COVID drag; continue to improve YoY

- ❖ **Ad-revenues rebounded as economic activity restarted on tapering of lockdowns.**
 - News business' advertising fully recovered, as viewership has settled at a higher level
 - Entertainment recovery near-complete; YoY ad-revenue dip reduced to single-digits now
 - Digital surging ahead on strong traffic trends for flagship properties

- ❖ **Subscription revenues resilient; domestic subscription revenue continues to rise.**
 - TV connections in commercial establishments and some low-end connections saw a temporary dip due to the pandemic; but multi-TV home connections have picked up.
 - Distribution tie-ups continued to expand and give our channel portfolio unparalleled reach across TV & Digital. International subscription witnessed pandemic-related stress.

- ❖ **Cost controls implemented since last financial year and accelerated during the pandemic**
 - Broad-based cost controls have been implemented across business lines, including renegotiation of contracts and reining-in all discretionary expenses.
 - While we continue to review cost-structures on an ongoing basis, concerted efforts to re-base them in the new normal have driven efficiencies through the system.
 - Working capital optimization, a tight leash on debt, and softer interest rates have resulted in major savings in finance costs, boosting profitability

- ❖ **Media consumption has settled at a higher plane as COVID impact recedes:**
 - TV viewership had spiked to ~1.5x of its usual levels as the pandemic forced a stringent lockdown; which has now settled at ~1.1x as the economy gets unlocked. Digital media engagement too has received a smart fillip, across both News and Entertainment.
 - News genre has reverted to contributing ~8% of TV viewership, vs >15% during lockdown. Pay-TV has clawed back its share from free-to-air channels, as entertainment programming is back in full-swing.
 - An increased propensity to pay for content has been witnessed as well.
 - We believe that consumers habits have changed in favour of media consumption in general, and that TV and Digital will both continue to grow in tandem.

- ❖ **Organisational resilience, innovation and agility has enabled the business to deliver despite COVID-related logistical and financial challenges**
 - All the businesses continued to Work from home but for the most critical of technical and operational staff
 - Decentralised operations and backup hubs ensured no interruption of operations
 - Stringent safety protocols, daily self-monitoring and remote-care of entire staff, and medical support from parent group

Mr. Adil Zainulbhai, Chairman of Network18, said: *“The group businesses have recovered from the impact of the COVID-19 pandemic to a very large degree. This has been achieved through a multi-pronged approach of ensuring business continuity through rejigging processes, innovatively reviving alternative revenue streams, and focusing on aligning content distribution strategy with market opportunity. Our proactive measures on cost-control have resulted in much-improved profitability across all our lines of business even compared to the pre-pandemic situation, despite certain market segments still suffering from pressures due to the Coronavirus. We continue to invest into all our businesses and in particular Digital with an aim to make our flagship properties the most compelling value propositions for viewers. As we head into festive season, the underlying trends on both viewership and monetization are supportive, and we are emerging stronger than ever.”*

Business summary

- **News bouquet (20 channels) was #1 by reach;** had 8.7% News viewership market-share.
 - News viewership remains robust and has settled at a higher plane post lockdown relaxations. Both display advertising and alternative revenue streams like events/IP monetization have contributed to a full-revival in our ad-revenue.
 - Our news network is entirely pay and we have reduced our dependence on free-platforms, unlike most of our peers that have free-to-air leverage which has increased. We remain focussed on providing the most timely and accurate information and balanced perspectives to viewers across India staying away from hyperbole.
 - News is a high operating leverage business. Operating margins improved substantially even with flattish YoY revenues as a result of cost controls.

- **Entertainment bouquet (Vicom18's 34 channels + AETN18's 2 infotainment channels)** share of TV entertainment rose to 10.7% from a low of ~9.1% in Q1.
 - Entertainment viewership revived, led by ramp-up of original content production and telecast which had been shuttered during lockdown. Re-launch of 2 channels on the DD Freedish platform has also helped grow viewership. As we head into festive season, ad-monetization is fast catching-up, with increased volumes of advertising leading to improving yields as well. Hindi General Entertainment has fully revived as national advertising has ramped-up; while Regional entertainment is following with a lag.
 - EBITDA includes impact from initiatives launched more than a year ago but are in gestation, mainly Colors Tamil and Voot. Investments into digital content creation and acquisition for Voot Select continue to be made.

- **Network18 digital is #2 in digital news / information category, has ~157 mn unique visitors**
 - Flagship properties MoneyControl and News18.com have gained in reach and ranking during the past quarter. Digital News revenues grew 38% YoY as advertising has grown sharply. Favourable genre dynamics (news content with vernacular strength on digital medium), and our differentiated value-propositions have improved monetization even amidst competition. Digital News business has swung into profitability, as it has gained scale and shed non-remunerative costs.
 - Voot witnessed a significant improvement in MAUs as fresh content resumed. It enjoys the most loyal audience amongst broadcaster-OTTs, with average daily time spent per viewer of ~52 minutes. Voot Select originals like "Gone Case" continued to match the standards set by "Asur" and "Marzi", being rated 8.3 on IMDB. The scale-up of the advertising-led section is driving a reduction in gestation losses.

Financials for the quarter and half year

OPERATING REVENUES (Rs Cr)	Q2FY21	Q2FY20	Growth	H1FY21	H1FY20	Growth
A) News (TV18 Standalone) @	254	262	-3%	484	560	-14%
B) Entertainment (Viacom18+AETN18+Indiacast) *	759	865	-12%	1,305	1,764	-26%
C) TV18 Consolidated	1,013	1,127	-10%	1,789	2,325	-23%
includes: Subscription	444	461	-4%	893	885	1%
includes: Film production/distribution	9	45	-80%	14	105	-87%
D) Digital, Print, Others & Intercompany elim.	48	47	3%	79	94	-16%
E) Network18 Consolidated	1,061	1,174	-10%	1,868	2,419	-23%

OPERATING EBITDA (Rs Cr)	Q2FY21	Q2FY20	Growth	H1FY21	H1FY20	Growth
A) News (TV18 Standalone) @	32	7	361%	35	27	30%
B) Entertainment (Viacom18+AETN18+Indiacast) *	133	98	35%	174	155	12%
C) TV18 Consolidated	164	105	56%	209	183	14%
D) Digital, Print, Others & Intercompany elim.	1	-28	NM	-16	-59	NM
E) Network18 Consolidated	166	77	114%	193	124	56%

@ IBN Lokmat is a 50:50 JV and hence is not included here as per Ind-AS accounting.

* Viacom18 and AETN18 are 51% entertainment subsidiaries of TV18, while distribution-arm Indiacast is a 50:50 JV of TV18 and Viacom18. TV18's 24.5% minority stake in Telugu entertainment associate Eenadu TV (Ramoji Rao group) is not included here.

Operational performance highlights

■ Network18 - Broadcasting

Network18's listed subsidiary TV18 owns and operates the broadest network of channels – 56 in India spanning news and entertainment. One in every 2 Indians is a consumer of our broadcast content. We also cater to the Indian diaspora globally through 16 international channels.

○ News (20 domestic channels)

TV18 is the biggest News network in India by reach. The bouquet has the largest number of news channels in India, and reached an **industry-leading 510 mn viewers in Q2**.

Financial performance

	Q2FY21	Q2FY20	Growth	H1FY21	H1FY20	Growth
Op. Revenue (Rs Cr)	254	262	-3%	484	560	-14%
Op. Expense (Rs Cr)	222	255	-13%	449	533	-16%
Op. EBITDA (Rs Cr)	32	7	361%	35	27	30%
<i>Operating EBITDA margin</i>	<i>12.5%</i>	<i>2.6%</i>		<i>7.3%</i>	<i>4.8%</i>	

- **CNBC TV18 maintained #1 rank in the English Business News genre** with 68.9% market share in Q2 FY21.
- CNBC Awaaz continues to be dominant in the Hindi Business News genre with 53.2% market share.
- News18 India held a 9.5% market share in HSM (Hindi speaking markets) in the highly competitive Hindi News genre.
- **CNN News18 raised its share to 13.4% & ranked #3 in Q2 FY21.**
- Our Regional News cluster has the highest reach (325 mn viewers in Q2) and viewership in the country amongst regional news peers. **6 of our regional news channels are in the top 3 in their respective geographies.**
- CNBCTV18.com grew its engagement levels, and broke even during the quarter.

○ Entertainment & Infotainment – TV & Digital (36 domestic channels)

Viacom18 is the #3 entertainment broadcaster in the country by viewership. Its full-portfolio offering across National, Regional, Niche and Digital diversifies revenue streams and makes it future-ready.

Financial performance

	Q2FY21	Q2FY20	Growth	H1FY21	H1FY20	Growth
Op. Revenue (Rs Cr)	759	865	-12%	1,305	1,764	-26%
Op. Expense (Rs Cr)	626	767	-18%	1,131	1,609	-30%
Op. EBITDA (Rs Cr)	133	98	35%	174	155	12%
<i>Operating EBITDA margin</i>	<i>17.5%</i>	<i>11.4%</i>		<i>13.3%</i>	<i>8.8%</i>	

- Flagship Hindi GEC **Colors was the #3 pay-GEC with an increased share of 15.1%** during Q2; and was the #2 channel in all-day primetime. Colors launched Naagin 5 in August'20, which featured within the Top-10 fiction show list of the genre since launch week itself. With Choti Sardaarni, Shakti, Barrister Babu and Naagin 5, **Colors has 4 shows in the Top-10 fiction show list of the category.**
- From 10th June, **re-run Hindi GEC Rishtey and Hindi movie channel Rishtey Cineplex made a return to the DD Freedish distribution platform after a year's hiatus.** This has helped regain ad-revenues in the rural and mid-tier market segment as well as network viewership share. Rishtey Cineplex has vaulted to the #2 rank in the FTA Hindi movie space. Pay Hindi movie channel Colors Cineplex continues to ramp-up and offer a compelling value proposition to pay-viewers through World Television premieres and film festivals.
- Nick continues to reign as #1 in the Kids genre, with a 15.5% share of genre viewership. Sonic is at #2, with a 10.8% share. **Between Nick, Sonic and Nick Jr, our Kids portfolio commanded a 32% market-share,** with a leadership in 14 out of 20 category slots.
- **In English entertainment genre, Viacom18 channels continue to occupy the top positions,** with their combined viewership shares at 64%. VH1 and Comedy Central rank #1 (51%) and #2 (32%) respectively; while Colors Infinity has a ~8% share.
- **MTV Beats viewership share rose to 18.2%,** and it ranks #2 in a crowded category.
- Voot, Viacom18's Over The Top (OTT) exclusive digital video destination continues to chart its success path in an intense competitive environment. The platform witnessed a significant improvement in MAUs as fresh content resumed. Voot enjoys the most loyal audience amongst OTTs, with average daily time spent per viewer of 52 minutes.
- **Voot Select, the freemium offering was launched in Mar-20,** which further drove up the platform's appeal and engagement levels.
 - 'The Gone Game', fifth thriller original mini-series shot entirely during lockdown was launched in August'20 and received an IMDb rating of 8.3
 - Original 'Crackdown' launched in September'20 opened to rave reviews
 - Live streamed 'Carabao Cup' – English Football Tournament.
- Our Kannada GEC portfolio held ~22% viewership share (Colors Kannada 19% + Colors Super 3%).
- History TV18 ranks #2 in the Factual entertainment genre, with an overall market share of 25.3%.

All viewership data is from BARC, in the respective genres.

■ Digital News

Financial performance

	Q2FY21	Q2FY20	Growth	H1FY21	H1FY20	Growth
Op. Revenue (Rs Cr)	48	34	38%	77	73	5%
Op. Expense (Rs Cr)	45	59	-24%	86	123	-30%
Op. EBITDA (Rs Cr)	3	-24	NM	-9	-50	NM
Operating EBITDA margin	5.9%	-70.5%		-11.7%	-68.2%	

Network18 Digital News is a clear #2 player in News/Information category.

○ MoneyControl

- Moneycontrol has consolidated its position as India's leading business and finance destination in the digital landscape. With product enhancements (AI based tools, stock investments through smallcase, loan-comparators, insightful research, etc) on both its website and app, engagement has continued to grow; leading to improved monetization. Its app continues to remain best-in-class, with industry leading monthly active users (MAUs) and engagement.
- Moneycontrol pro (MC subscription offering) continued its growth momentum signalling a greater demand for premium content & features.

○ News 18.com

- News18 with its coverage across 13 languages is India's second largest digital news platform with over 118 mn average monthly users
- **News18.com (English+ Languages) is now a strong #2 player in general news category;** much ahead of the incumbents such as NDTV and India today
- News18 Languages is the #2 Vernacular News Destination; on an aggregated basis it beat the likes of Aaj tak, Amar Ujala etc. It continues to see strong growth in viewership with Industry leading engagement on its site

○ FirstPost

- Firstpost improved its traffic through focus on its core genre, Opinions. It launched three new editorial segments: FP Conversations, Globetrotter (a subscription-only foreign policy newsletter) and its special IPL page. It also bolstered its social media presence, launching video shows, podcasts and live interactive sessions.

All traffic information as per latest available Comscore data.

■ Digital Commerce**○ BookMyShow**

- The platform is facing pressure due to shuttering of cinema halls and event venues amidst the COVID-19 lockdown. The company is optimising costs across the board to mitigate the impact. Recent government directives to allow re-opening of cinema-halls with maximum 50% occupancy are a major positive.

■ Network 18 - Print

- Under its publishing division, Network18 operates 2 leading niche magazines -- 'Overdrive' and 'Better Photography', along with prestigious business magazine 'Forbes India'.

Network18 Media & Investments Limited
Reported Consolidated Financial Performance for the Quarter and Half-year ended 30th September 2020

(₹ in crore)

	Particulars	Quarter Ended			Half Year ended		Year Ended (Audited)
		30 th Sep'20	30 th Jun'20	30 th Sep'19	30 th Sep'20	30 th Sep'19	31 st Mar'20
1	Income						
	Value of Sales and Services	1,234	934	1,359	2,168	2,798	6,186
	Goods and Services Tax included in above	173	127	185	300	379	829
	Revenue from Operations	1,061	807	1,174	1,868	2,419	5,357
	Other Income	12	9	18	21	19	35
	Total Income	1,073	816	1,192	1,889	2,438	5,392
2	Expenses						
	Cost of Materials Consumed	1	0	0	1	1	3
	Operational Costs	394	297	491	691	1,065	2,418
	Marketing, Distribution and Promotional Expense	217	172	245	389	497	898
	Employee Benefits Expense	198	223	268	420	540	1,032
	Finance Costs	44	53	62	97	125	236
	Depreciation and Amortisation Expense	38	39	47	77	93	175
	Other Expenses	85	88	92	173	192	389
	Total Expenses	977	872	1,205	1,848	2,513	5,151
3	Profit/ (Loss) Before Share of Profit/ (Loss) of Associates and Joint Ventures, Exceptional Items and Tax (1 - 2)	96	(56)	(13)	41	(75)	241
4	Share of Profit/ (Loss) of Associates and Joint	(7)	(2)	(2)	(10)	(12)	(48)
5	Profit/ (Loss) Before Exceptional Items and Tax (3 + 4)	89	(58)	(15)	31	(87)	193
6	Exceptional Items	-	-	-	-	50	50
7	Profit/ (Loss) Before Tax (5 - 6)	89	(58)	(15)	31	(137)	143
8	Tax Expense						
	Current Tax	21	3	10	24	15	86
	Deferred Tax	-	-	-	-	-	1
	Total Tax Expense	21	3	10	24	15	87
9	Profit/ (Loss) for the Period/ Year (7 - 8)	68	(61)	(25)	7	(152)	56
10	Other Comprehensive Income						
	(i) Items that will not be reclassified to Profit or Loss	(2)	2	5	0	(12)	(64)
	(ii) Items that will be reclassified to Profit or Loss	0	1	1	1	(1)	2
	Total Other Comprehensive Income for the Period/ Year	(2)	3	6	1	(13)	(62)
11	Total Comprehensive Income for the Period/ Year (9 + 10)	66	(58)	(19)	8	(165)	(6)
	Profit/ (Loss) for the Period/ Year attributable to:						
	(a) Owners of the Company	(9)	(62)	(59)	(72)	(200)	(237)
	(b) Non-Controlling Interest	77	1	34	79	48	293
	Other Comprehensive Income attributable to:						
	(a) Owners of the Company	(1)	(1)	7	(2)	(12)	(58)
	(b) Non-Controlling Interest	(1)	4	(1)	3	(1)	(4)
	Total Comprehensive Income attributable to:						
	(a) Owners of the Company	(10)	(63)	(52)	(74)	(212)	(295)
	(b) Non-Controlling Interest	76	5	33	82	47	289

TV18 Broadcast Limited

Reported Consolidated Financial Performance for the Quarter and Half-year ended 30th September 2020 (₹ in crore)

Particulars	Quarter Ended			Half Year ended		Year Ended (Audited)
	30 th Sep'20	30 th Jun'20	30 th Sep'19	30 th Sep'20	30 th Sep'19	31 st Mar'20
1 Income						
Value of Sales and Services	1,181	899	1,307	2,080	2,693	5,985
Goods and Services Tax included in above	168	123	180	291	368	810
Revenue from Operations	1,013	776	1,127	1,789	2,325	5,175
Other Income	18	12	24	30	56	82
Total Income	1,031	788	1,151	1,819	2,381	5,257
2 Expenses						
Operational Costs	387	289	473	676	1,029	2,368
Marketing, Distribution and Promotional Expense	211	167	237	378	478	866
Employee Benefits Expense	171	193	230	365	465	893
Finance Costs	26	31	38	57	74	142
Depreciation and Amortisation Expense	36	37	44	73	88	166
Other Expenses	79	82	82	161	170	344
Total Expenses	910	799	1,104	1,710	2,304	4,779
3 Profit/ (Loss) Before Share of Profit of Associate and Joint Venture, Exceptional Items and Tax (1 -	121	(11)	47	109	77	478
Share of Profit of Associate and Joint Venture	14	15	9	29	22	39
5 Profit/ (Loss) Before Exceptional Items and Tax	135	4	56	138	99	517
Exceptional Items	-	-	-	-	15	15
7 Profit/ (Loss) Before Tax (5 - 6)	135	4	56	138	84	502
8 Tax Expense						
Current Tax	20	2	10	21	14	85
Deferred Tax	-	-	-	-	-	-
Total Tax Expense	20	2	10	21	14	85
9 Profit/ (Loss) for the Period/ Year (7 - 8)	115	2	46	117	70	417
10 Other Comprehensive Income						
(i) Items that will not be reclassified to Profit or Loss	(2)	6	(2)	4	(3)	(8)
(ii) Items that will be reclassified to Profit or Loss	0	0	0	0	0	0
Total Other Comprehensive Income for the	(2)	6	(2)	4	(3)	(8)
11 Total Comprehensive Income for the Period/ Year	113	8	44	121	67	409
Profit/ (Loss) for the Period/ Year attributable to:						
(a) Owners of the Company	75	1	23	76	42	243
(b) Non-Controlling Interest	40	1	23	41	28	174
Other Comprehensive Income attributable to:						
(a) Owners of the Company	(1)	4	(2)	3	(3)	(7)
(b) Non-Controlling Interest	(1)	2	0	1	0	(1)
Total Comprehensive Income attributable to:						
(a) Owners of the Company	74	5	21	79	39	236
(b) Non-Controlling Interest	39	3	23	42	28	173

INVESTOR COMMUNICATION:

Network18's ongoing investor communication endeavors to adopt best international practices and the quarterly investor updates are designed to regularly provide detailed information to investors. Each update covers information pertaining to the reporting period under review. If you would like to get a sequential and continued perspective on the company this report should be read along with the updates sent out earlier. The previous updates can be accessed on request from the contact persons mentioned below, or from the company's website www.nw18.com. This update covers the company's financial performance for Q2 FY21.

For further information on business and operations, please contact:

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Further information on the company is available on its website www.nw18.com

Network 18

