

# DB Corp Ltd. Investor Presentation

January 2014



TO BE THE LARGEST AND MOST ADMIRER MEDIA BRAND ENABLING SOCIO-ECONOMIC CHANGE

**VALUES  
PILLARS**

CREDIBILITY & INTEGRITY  
EMPOWERED TALENT

INNOVATIVE & ENTREPRENEURIAL  
INNOVATIVE PRODUCTS & PROCESSES

RESPECT & APPRECIATION  
ETHICAL GOVERNANCE

# Disclaimer

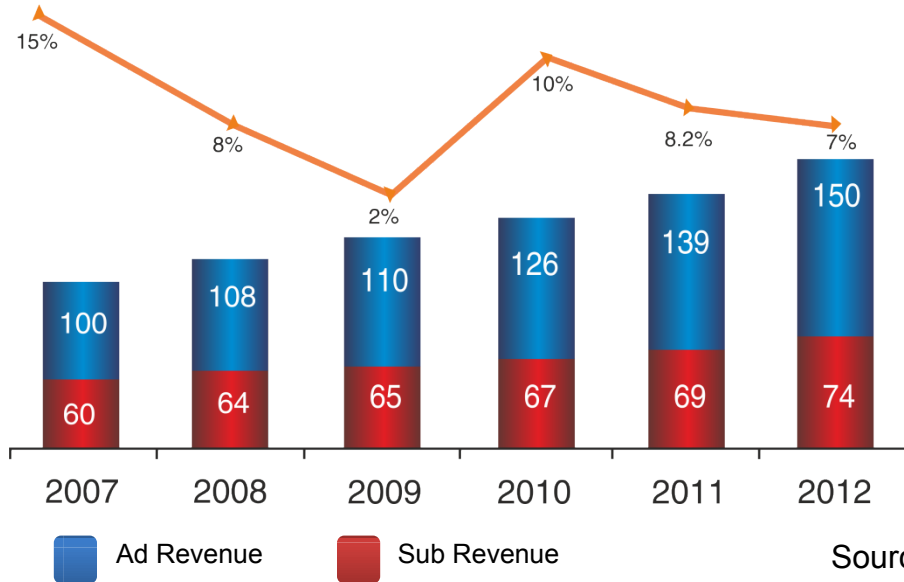
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These forward-looking statements include, without limitation, statements relating to revenues and earnings.

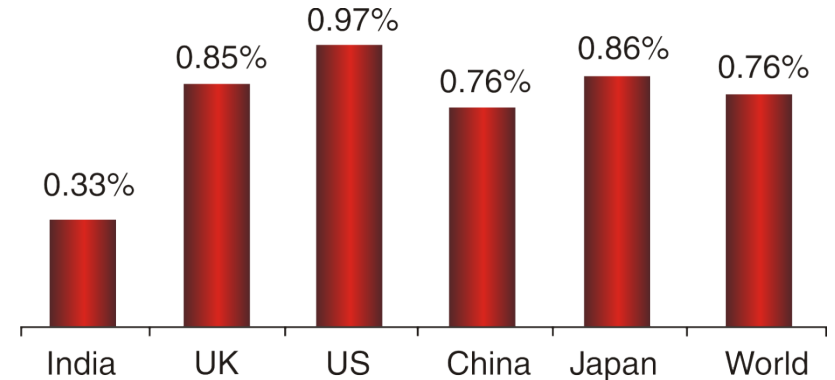
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# Indian Media Sector

Print Industry Revenues (Rs bn)



Media Spend as % of GDP



Source: Worldwide Media & Mktg. Forecasts, Group M, Summer 2011

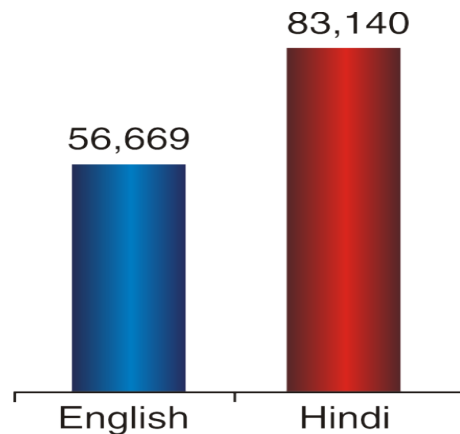
- M&E industry size was Rs 821 bn in 2012, which grew by 13% over 2011. Expected CAGR growth is 15% till 2017.
- Indian Ad spend is expected to grow at a CAGR of 14% till 2017.
- Print Media Ad pie continues to hold largest % of overall Ad pie at 46% and is expected to maintain lead with expected CAGR growth of 13% till 2017, for Regional Print.

Source: FICCI-KPMG Report 2013

# REGIONAL PRINT GROWING FASTER WITH INCREASING LITERACY LEVEL

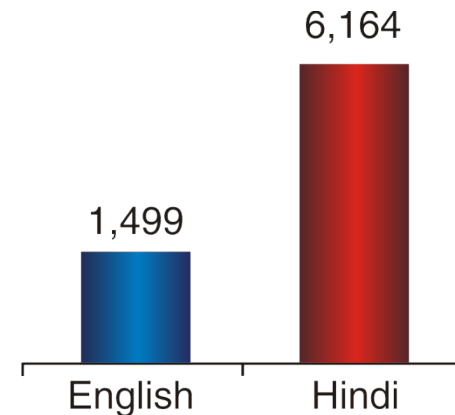
## Can Read Population (in '000)

(Growth From 2007 – 2012)



## Newspaper Reach (in '000)

(Growth From 2007 – 2012)



- Literate population of India has grown to 656259 (in '000) from 537117 (in '000) in last 5 years from 2007 to 2012.

Source: IRS Q3 '12



# A LEADING MEDIA COMPANY OF INDIA



# MAJOR BUSINESS BRANDS

Around 44.2 million Total Readership & 19.8 MN Daily readers in India's fastest growing markets

	<b>Hindi Newspaper</b>	<b>12 States, 37 Editions</b>
	<b>Gujarati Newspaper</b>	<b>2 States, 7 Editions</b>
	<b>Marathi Newspaper</b>	<b>1 State, 7 Editions</b>
	<b>Hindi Business Newspaper</b>	<b>6 States, 8 Editions</b>
	<b>FM Radio Network</b>	<b>7 States, 17 Stations</b>
	<b>Digital &amp; Mobile Platform</b>	<b>Web Portals, SMS Services</b>

# A LEADING MEDIA COMPANY OF INDIA

## A Leader in Print Readership, operating in the highest growth markets in India



### Leadership in Multiple States – Emerging Tier II & III Cities

- Madhya Pradesh, Chhattisgarh, Rajasthan, Gujarat, Haryana, Punjab, Chandigarh, Maharashtra, Himachal Pradesh, Uttarakhnad, Jharkhand, Bihar, Jammu & Kashmir & Delhi

### Focus on Revenue Market Share - in Multiple language

- Hindi, Gujarati, Marathi and English
- 38% Urban population resides in Bhaskar Markets
- 36% of India's total consumption is concentrated in Bhaskar Markets.
- Newspaper readership penetration is only 30%

# CONSISTENT TRACK RECORD OF GROWTH

1997

2014

State 01



14 States

Editions 05



67 Editions

Language 01



04 Languages

Readership (MN) 3.2



19.8 Readership (MN)



# FOCUSED ON GROWING MEDIA OPPORTUNITIES IN INDIA

## -REGIONAL MARKETS

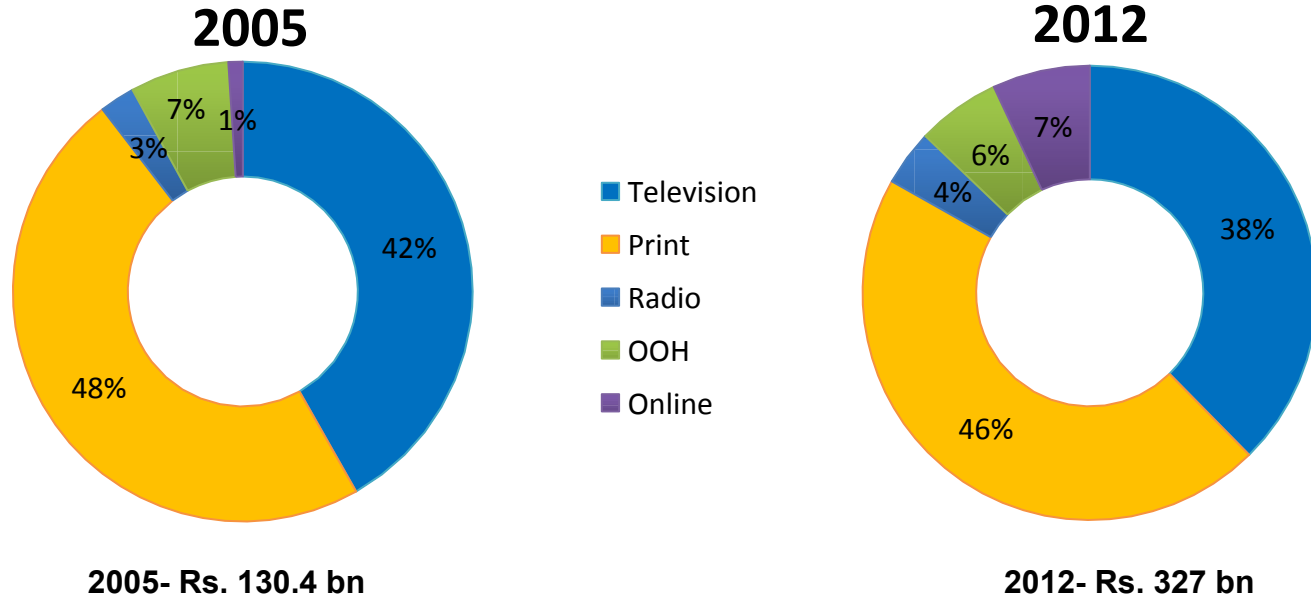


## CONSUMPTION GROWTH IS HIGHER IN TIER II & TIER III CITIES

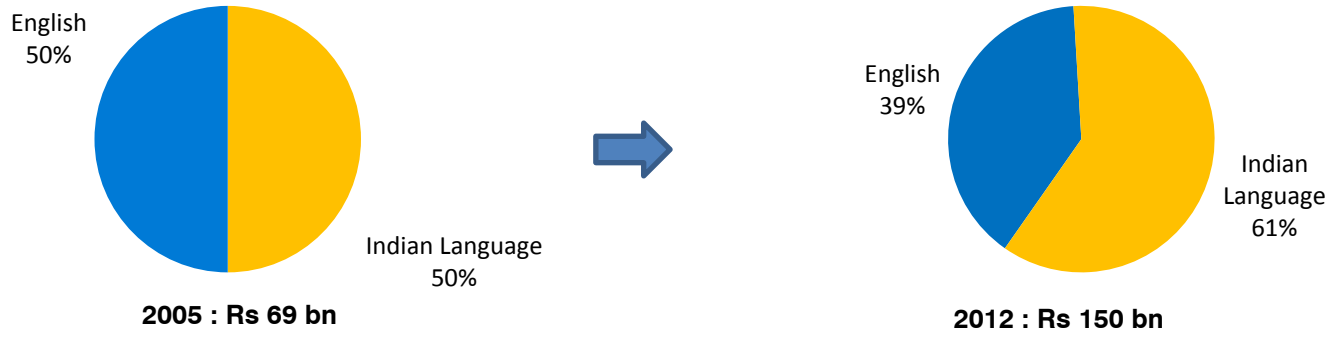
GROWTH 2008 VS. 2012	METROS	TIER II	TIER III
Consumer Durables Ownership (Air Conditioner)	69%	135%	131%
Consumer Durables Ownership (Electric Geyser)	28%	85%	59%
IT & Communication Products	69%	116%	105%
Automobile (Ownership)	40%	83%	66%
FMCG Product Purchases	17%	42%	30%

Source: IRS Q3 '12

# PRINT MAINTAINS LARGEST Ad-PIE - REGIONAL PRINT WITNESS HIGHER GROWTH

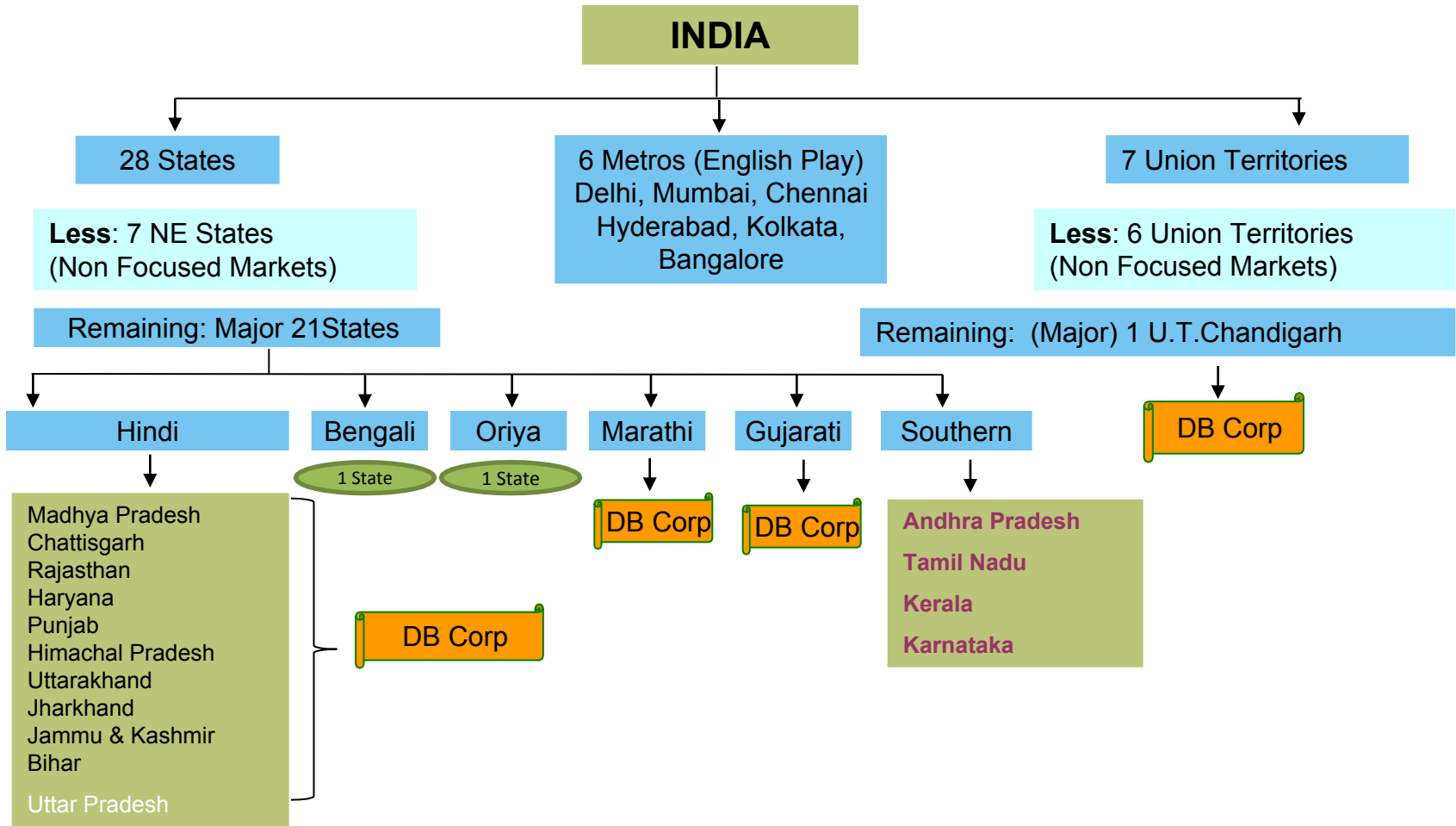


Indian Language gaining share of ad-pie



Source: FICCI KPMG Report , IRS , TAM Adex

# STRATEGIC FOOTPRINT IN INDIA



Source: Indian Govt Web site

# DIVERSE, SUSTAINABLE BUSINESS MODEL





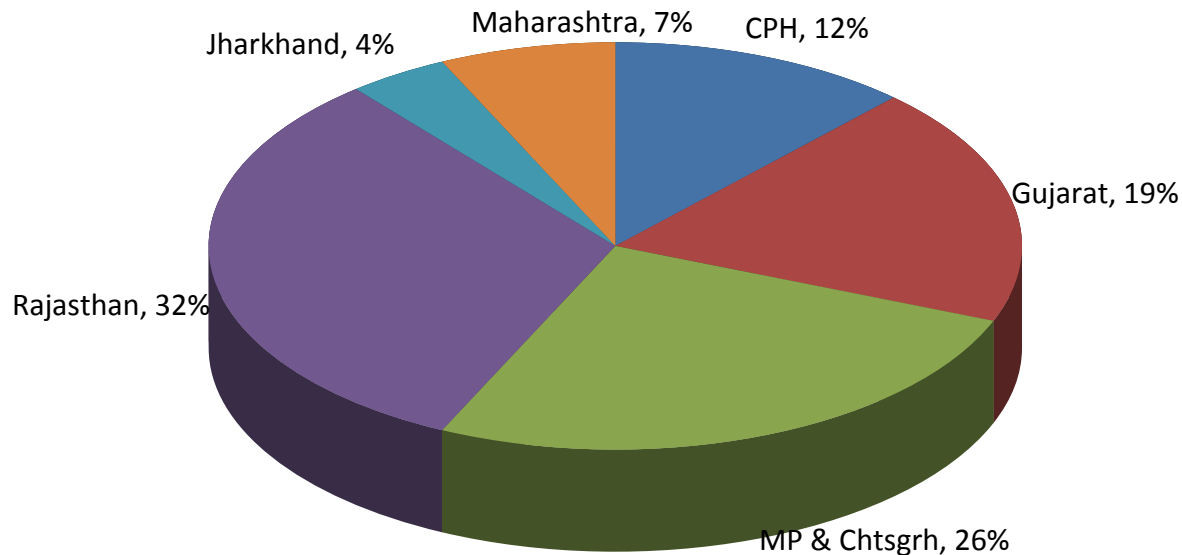
# SUSTAINABLE & IMPREGNABLE BUSINESS MODEL

## UNIFORMLY DISTRIBUTED EBIDTA FROM OUR DIVERSIFIED MARKETS

Our business in Madhya Pradesh, Chhattisgarh, Rajasthan, Gujarat, Haryana, Punjab, Chandigarh etc. equally contributes towards top-line, bottom-line & our readership, thus reducing the dependability on any one single market

## EVEN DISTRIBUTION OF OUR 19.8 MN AVERAGE DAILY READERS

Readership – IRS12 Q4



■ CPH

■ Gujarat

■ MP & Chtsgrh

■ Rajasthan

■ Jharkhand

CPH – Chandigarh, Punjab & Haryana

# D B CORP LTD. EXPANSION JOURNEY CONTINUES – SUCCESSFUL MAHARASHTRA LAUNCH ....

**so far 7 editions from  
Aurangabad, Nashik,  
Jalgaon, Ahmednagar,  
Solapur, Akola &  
Amravati...**



# AND WE ONCE AGAIN PROVED OUR SUCCESSFUL LAUNCH STRATEGY IN A NEW LANGUAGE MARKET

Maharashtra, Aurangabad  
May 2011



IRS Survey in Q4 12

Divya Marathi is a Formidable Player Overall & in SEC AB

Average Issue Readership Estimates	AIR Base	SEC			SEC AB % of Total Reader Base
		A	B	AB	
Divya Marathi	176	21	49	70	40%
Lokmat	270	21	52	73	27%
Daily Sakal	130	3	25	28	22%

Figs in '000

*The affluent truly appreciates quality content of Divya Marathi*

AIR: Average Issue Readership

SEC: Socio Economic Class

# CONSISTENT LEADERS FROM THEN TILL NOW...

Average Issue Readership in '000s

<b>Jaipur</b>	<b>IRS 12 Q4</b>
<b>Dainik Bhaskar</b>	<b>1040</b>
Nearest Competitor	792

<b>Chandigarh/ Haryana</b>	<b>IRS 12 Q4</b>
<b>Dainik Bhaskar</b>	<b>1455</b>
Nearest Competitor	1108

<b>Ahmedabad</b>	<b>IRS 12 Q4</b>
<b>Divya Bhaskar</b>	<b>1097</b>
Nearest Competitor	848

<b>Amritsar</b>	<b>IRS 12 Q4</b>
<b>Dainik Bhaskar</b>	<b>144</b>
Nearest Competitor	106

<b>Jalandhar</b>	<b>IRS 12 Q4</b>
<b>Dainik Bhaskar</b>	<b>138</b>
Nearest Competitor	118

## IMRB Survey

<b>Ranchi</b>	<b>AIR</b>
<b>Dainik Bhaskar</b>	<b>165</b>
Nearest Competitor	184

<b>Aurangabad</b>	<b>AIR</b>
<b>Dainik Divya Marathi</b>	<b>176</b>
Nearest Competitor	270

**Ranchi-IMRB Survey**

**Aurangabad-IMRB Survey-  
August 2011**

IRS : Indian Readership Survey  
IMRB: Indian Market Research Bureau

# GROWTH OPPORTUNITIES - RADIO



- Launched in 2006, now operates from 17 stations in 7 states, namely M.P., C.G., Punjab, Gujarat, Rajasthan, Chandigarh, Maharashtra
- Our Radio Business has attained PAT in record less than 4 years time, from the time of operations of all 17 stations.
- Strong Advertisement revenue of Rs. 239 million with growth of 25% in Qtr 3 FY'14 on YOY Basis.
- Achieved EBIDTA of Rs. 113 million (margin of 47%) and PAT margin of 24% in Q3 FY'14
- Strong Competitive advantage because of knowledge of consumers & advertisers, in these markets



# GROWTH OPPORTUNITIES – DIGITAL MEDIA

- Digital Business has shown an impressive growth of 1950% in last 3 years
- Our Unique Visitors have grown to 13 million per month, thus registering growth of 1650% in last 3 years.
- Collective page views stands at 385 million per month.
- [www.dainikbhaskar.com](http://www.dainikbhaskar.com) has become largest Hindi language website with 163 million page views, registering growth of 2700% in last 3 years.
- [www.divyabhaskar.com](http://www.divyabhaskar.com) has become largest Gujarati language website with 67 million page views, thus registering growth of 1100% in last 3 years.
- Our Revenue growth is impressive 67% in Q3 FY14 YOY and we have been maintaining good growth momentum in our Digital revenue.

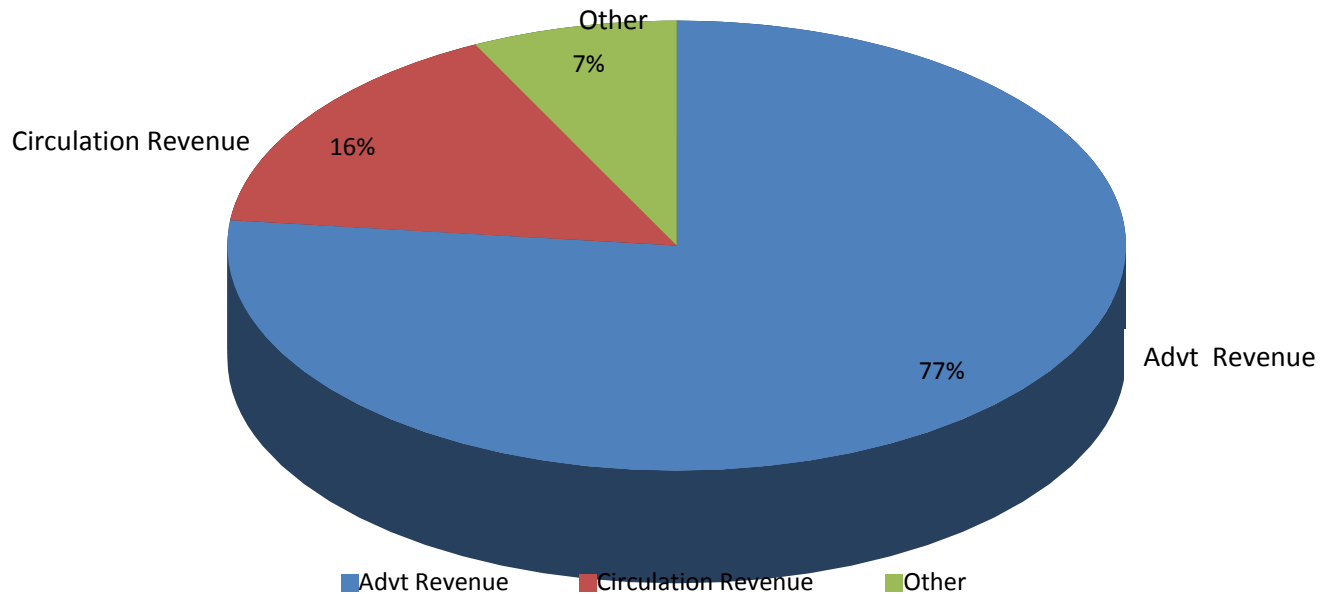
# CONSOLIDATED FINANCIAL HIGHLIGHTS

- Robust Growth in Profits
- Strong Focus on ROCE & RONW
- Low Debt Exposure, High Net worth & Strong Balance Sheet



# ADVERTISEMENT & CIRCULATION DRIVEN REVENUE GROWTH

## Revenue Breakdown Q3 FY14

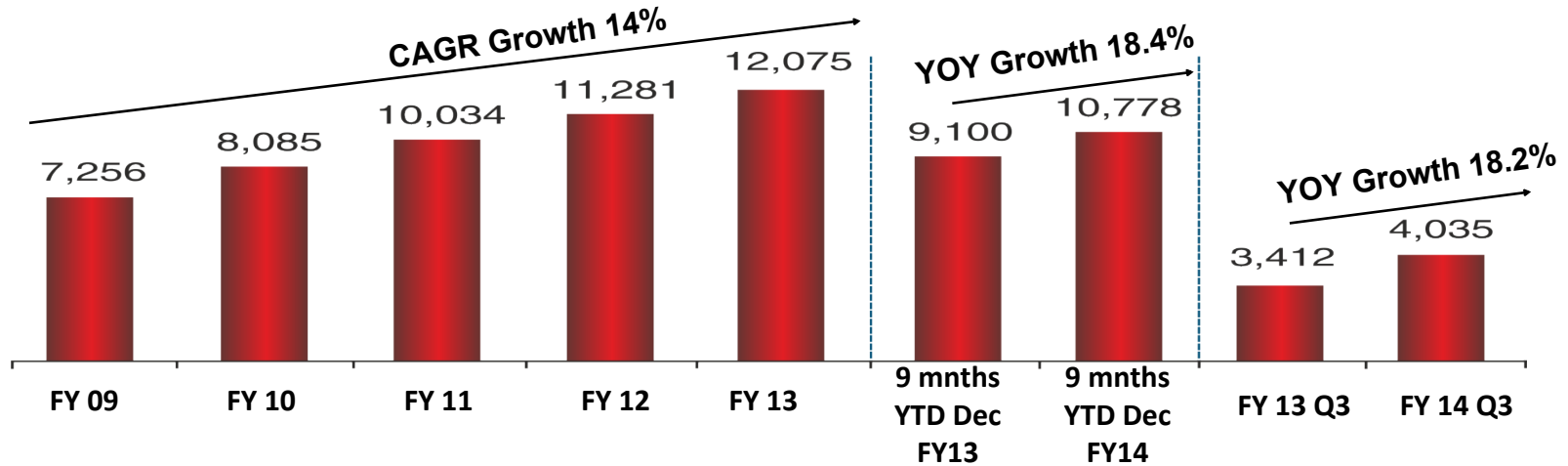


### Revenue Growth Drivers

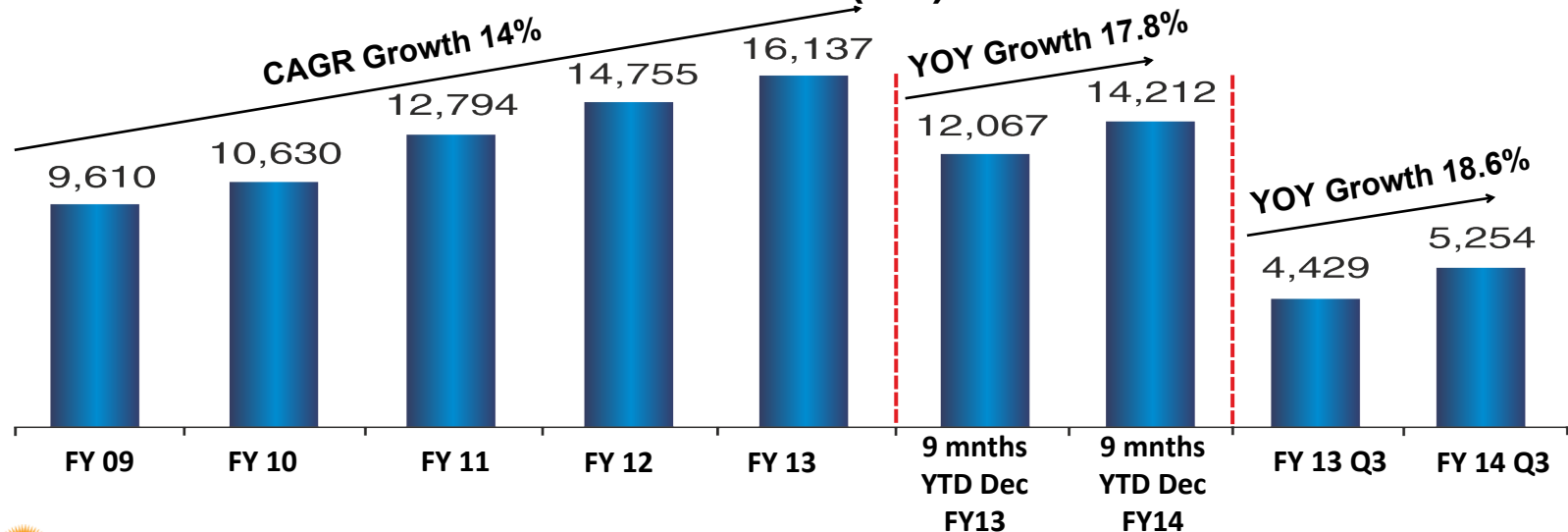
- Upward revision of ad rates at national and local level
- Driving growth through Retail Advertisers
- Improved Circulation, in Existing and Newer Markets and better price realization
- Further consolidation in existing markets and expansion into new territories

# ROBUST ADVERTISEMENT & REVENUE GROWTH

## Advertisement Revenue (Mn)

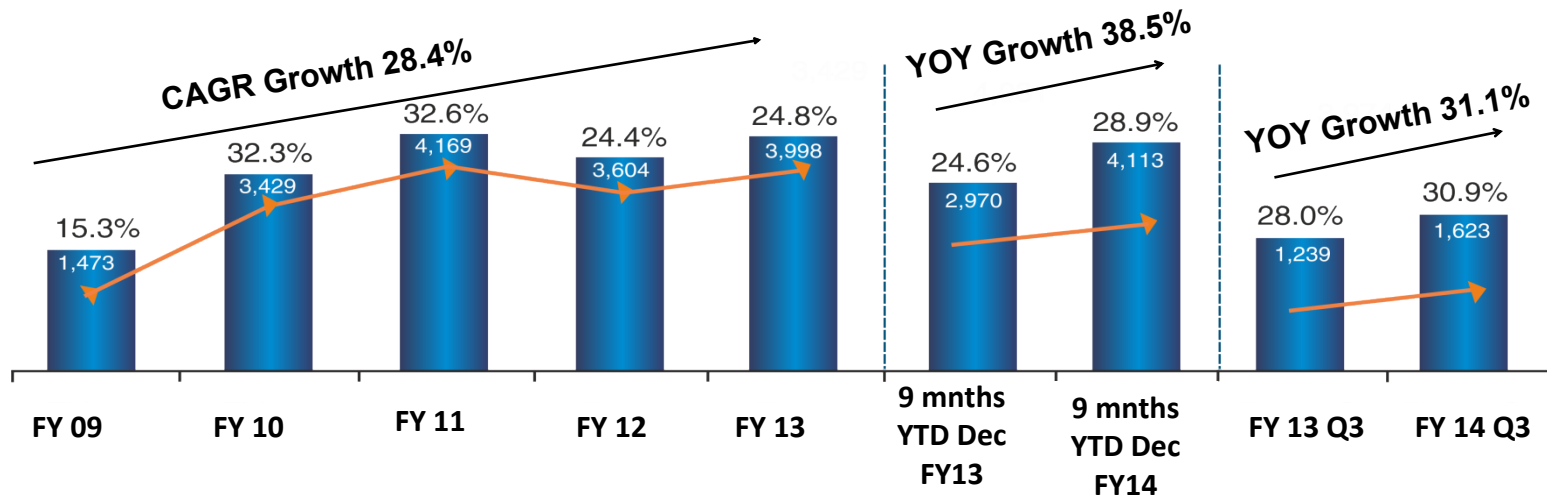


## Total Revenue (Mn)

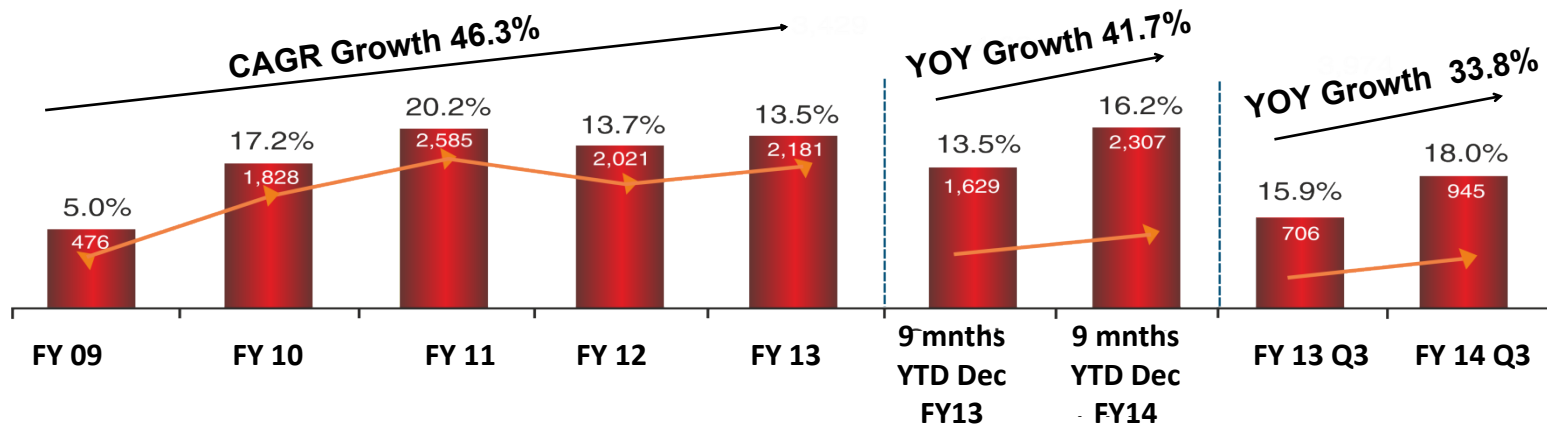


# PROPELLING OVERALL MARGIN EXPANSION

## EBITDA Growth & its Margin (INR MN)



## PAT Growth & its Margin (INR MN)





# HEALTHY OPERATING PROFIT IN OUR MATURE MARKET

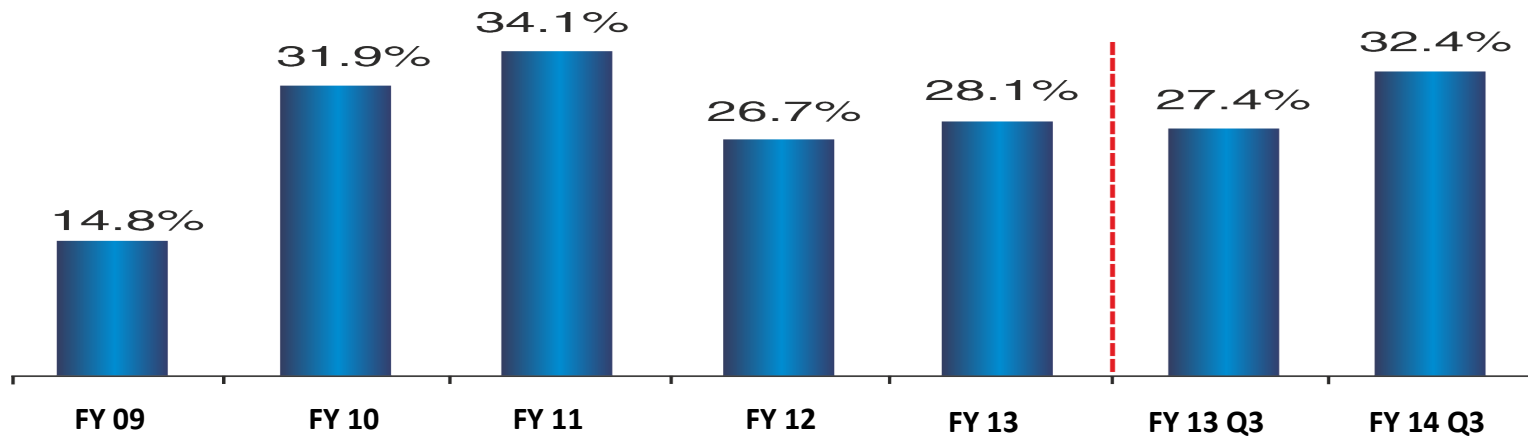
Rs MN

Particulars	YTD (FY 11-12)			YTD (FY 12-13)			9 mnths YTD Dec (FY 12-13)			9 mnths YTD Dec (FY 13-14)		
	Matured	Emerging	DBCL Standalone	Matured	Emerging	DBCL Standalone	Matured	Emerging	DBCL Standalone	Matured	Emerging	DBCL Standalone
Topline	12736	1243	13979	13365	1758	15123	10070	1396	11954	12306	1198	14088
EBIDTA(Before pre-opex)	4247	(635)	3612	3986	(344)	3642	3144	(265)	3031	4151	(135)	4236
EBIDTA(After pre-opex)	4246	(767)	3479	3986	(357)	3629	3144	(278)	3018	4151	(208)	4163
EBIDTA %	33.3%	(61.7%)	24.9%	29.8%	(20.3%)	24%	31.2%	(19.9%)	25.2%	33.7%	(17.4%)	29.5%

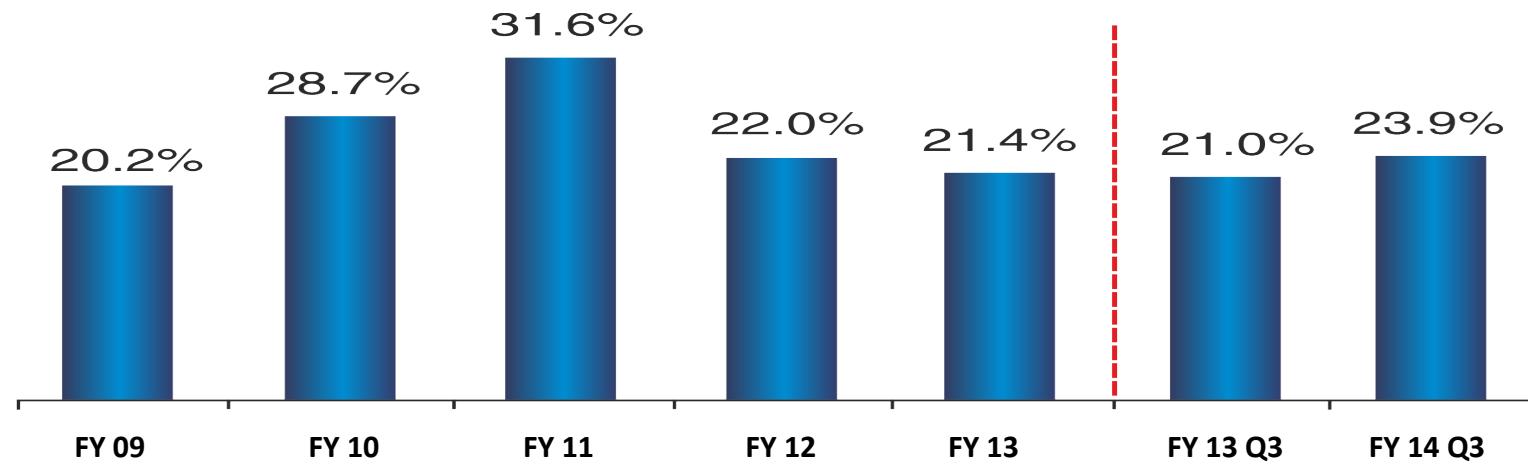
\*Emerging Editions: Editions which are less than 4 years old

# STRONG FOCUS ON ROCE & RONW

## Return on Capital Employed (ROCE)



## Return on Net Worth (RONW)



# FINANCIAL SUMMARY

Particulars (INR million)	Year Ended				Quarter ended		
	March-10	March-11	March-12	March-13	Dec-12	Dec-13	Growth %
Advertising Income	8086	10034	11281	12075	3412	4035	18.2%
Circulation Revenue	2118	2144	2422	2823	731	830	13.5%
Total Income	10630	12794	14755	16137	4429	5254	18.6%
Newsprint	(3279)	(3838)	(5080)	(5446)	(1447)	(1723)	19.1%
Other Operating Expenditure	(3922)	(4786)	(6071)	(6693)	(1744)	(1908)	9.4%
Total Expenditure	(7200)	(8624)	(11151)	(12138)	(3191)	(3631)	13.8%
EBITDA	3429	4170	3604	3998	1239	1623	31.1%
EBITDA Margin	32.3%	32.6%	24.4%	24.8%	27.97%	30.90%	
Net Profit	1828	2587	2021	2181	706	945	33.8%
Net Worth	6361	8289	9177	10214	10408	11901	
Secured Long Term Gross Loan	2394	1745	1328	1098	1223	1125	
Cash & Bank Balance	1926	1727	1896	1279	917	1232	
Secured Working Capital Loan	573	337	577	299	450	356	
Total Secured Gross Debt	2966	2082	1905	1396	1673	1481	
Net Block (Fixed)	6475	7091	8224	8383	8265	8930	
ROCE	31.9%	35.1%	27.0%	28.1%	27.4%	32.4%	
RONW	28.7%	31.2%	22.0%	21.4%	21.0%	23.9%	

# BOARD OF DIRECTORS

**Ramesh Chandra Agarwal**

- Chairman - 44 years of experience
- Served as Chairman of FICCI of the MP region

**Sudhir Agarwal**

- Managing Director of DBCL
- 27 years of experience in the publishing and newspaper business

**Girish Agarwaal**

- 19 years of experience. Won the E&Y 'Young Entrepreneur of the Year 2006 ' Award
- distinction of being the youngest chairman of Indian Newspaper Society for MP region

**Pawan Agarwal**

- 13 years of experience in the publishing business
- Heads entire Production, IT and Technology for DBCL

**Piyush Pandey\***

- Executive Chairman of Ogilvy & Mather Pvt. Limited, India

**Kailash Chandra Chowdhary\***

- Previously the Chairman & Executive Director at Central Bank of India and Chairman & Managing Director of Vijaya Bank

**Harish Bijoor\***

- A member of the planning group sub-committee of the Union Planning Commission of India

**Ashwani Kumar Singhal\***

- Vice-President of BIR Brussels, the International Authority in Non- Ferrous Metals

*\* denotes Independent Directors.*

# THANK YOU