

D B Corp Ltd. Investor Presentation

February 2018



India's Largest Newspaper Group | 12 States | 67 Editions | 4 Languages

VALUES – Trendsetting | Result-oriented | Analytical | Connected

Disclaimer

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 Dainik Bhaskar Group (DB Corp Ltd.) 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.

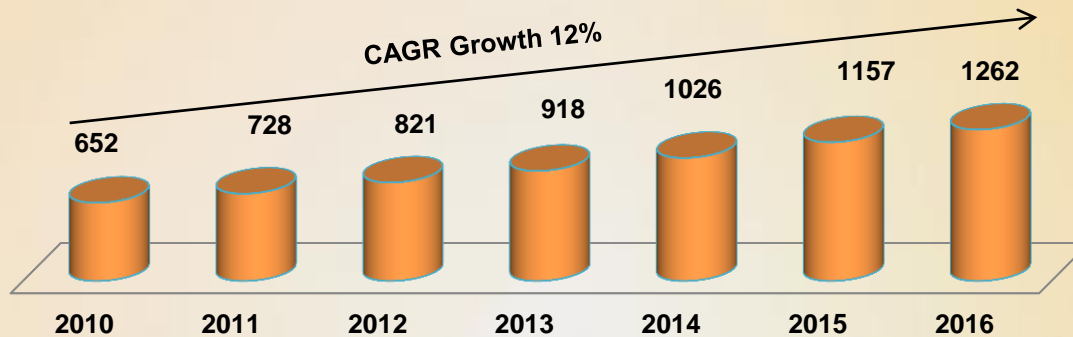
These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Company and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecast in the forward-looking 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. DB Corp Ltd. does not undertake to update these forward-looking statements to reflect events or circumstances that may arise after publication.



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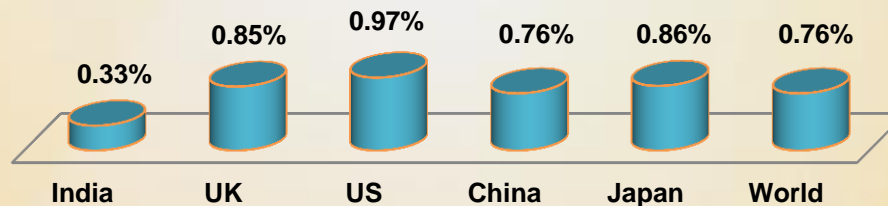
Indian Media & Entertainment Industry

Media Sector – Strong & Consistent Growth (INR bn)



- M&E industry size was Rs. 1262 bn in 2016, which grew by 9% over 2015.
- Expected CAGR growth is 14% till 2021.

Media Spend as % of GDP



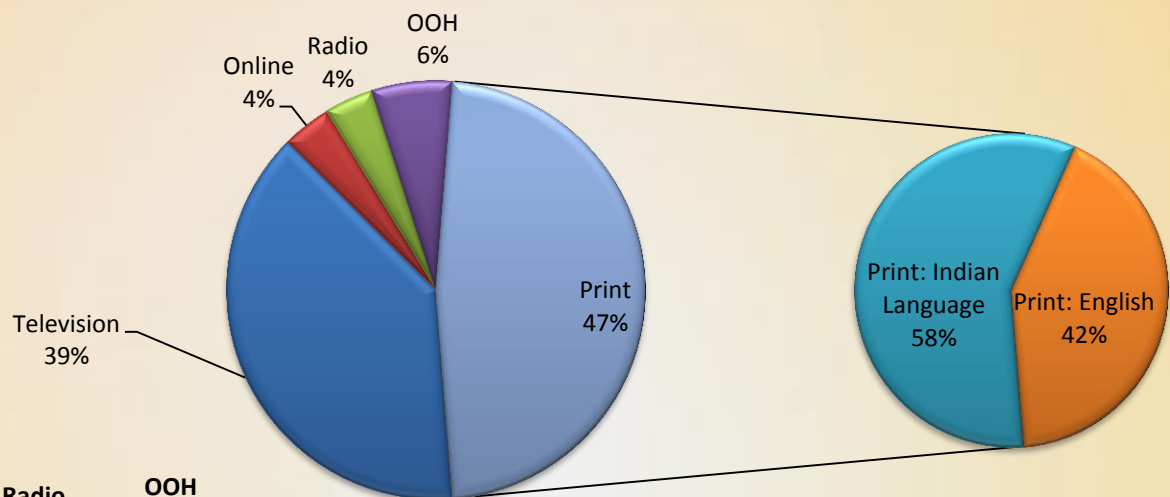
- It is still lower than global peers
- Reflective of sizeable / huge potential

Source: FICCI-KPMG Report 2017 | Worldwide Media & Mktg. Forecasts, Group M, Summer 2011

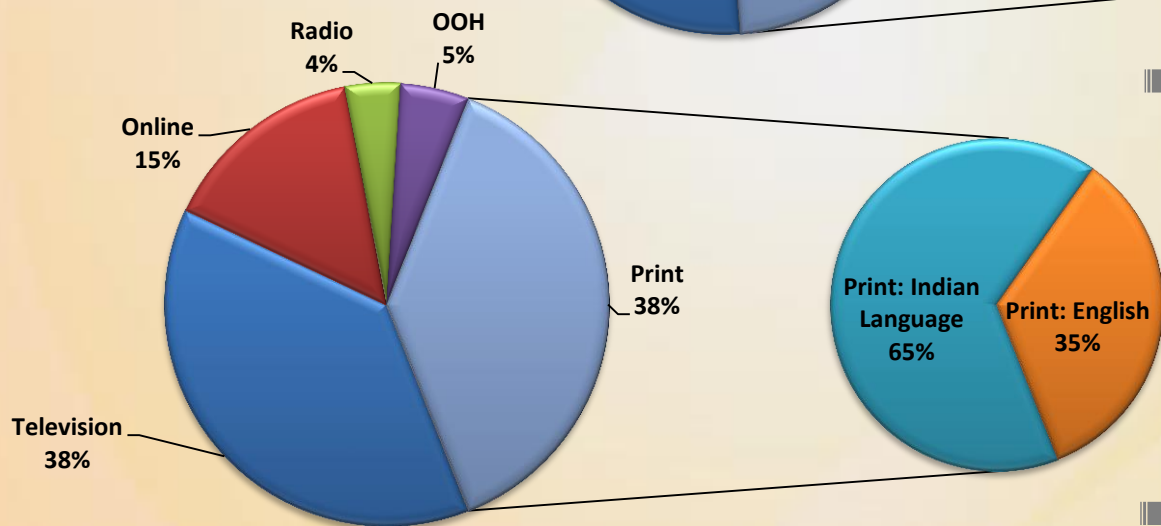


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Print Maintains Largest Ad-pie – Language Print Witnesses Higher Growth



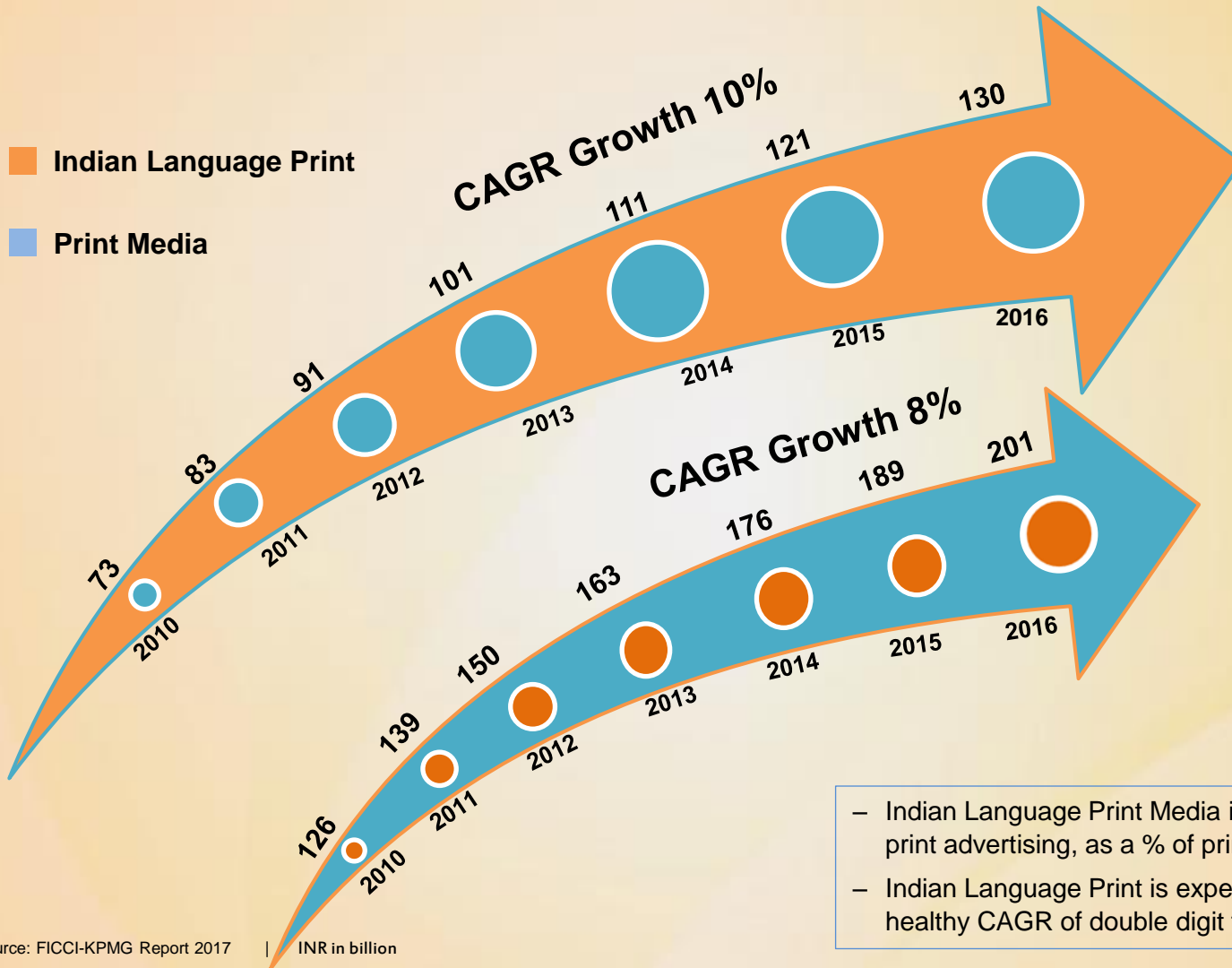
➔ 2010 – Rs. 265.5 bn



➔ 2016 – Rs. 528.2 bn

Source: FICCI-KPMG Report 2017

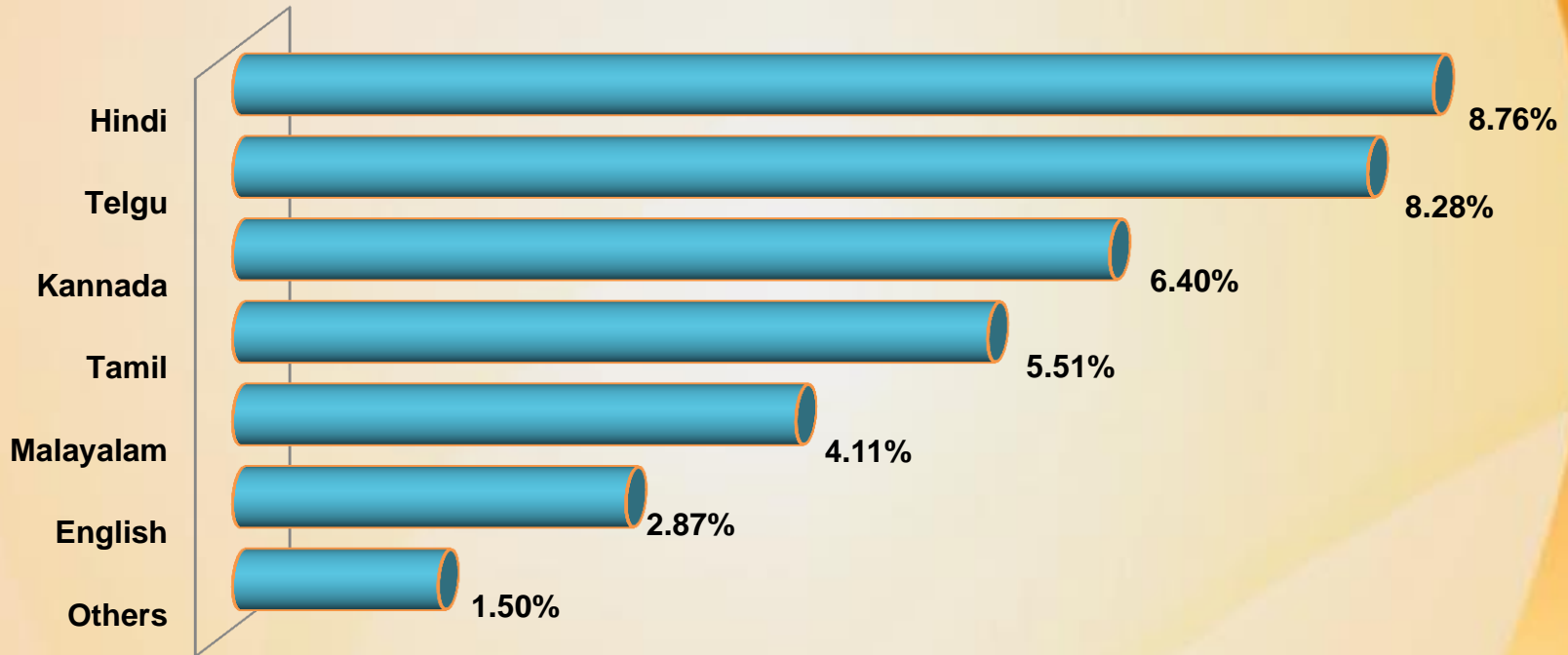
Print & Indian Language Advertising Revenue



- Indian Language Print Media is Largest component of print advertising, as a % of print ad pie at 65%;
- Indian Language Print is expected to maintain a healthy CAGR of double digit for next 4 – 5 years.

Consistent High % Growth of Indian Newspapers

- Print is growing at an incredible **4.87% CAGR** over a 10 year period from 2006 to 2016.
- Absolute Hindi copies per day increased by **1.39 cr** to **2.45 cr** in **2016** from **1.06 cr** copies in 2006.

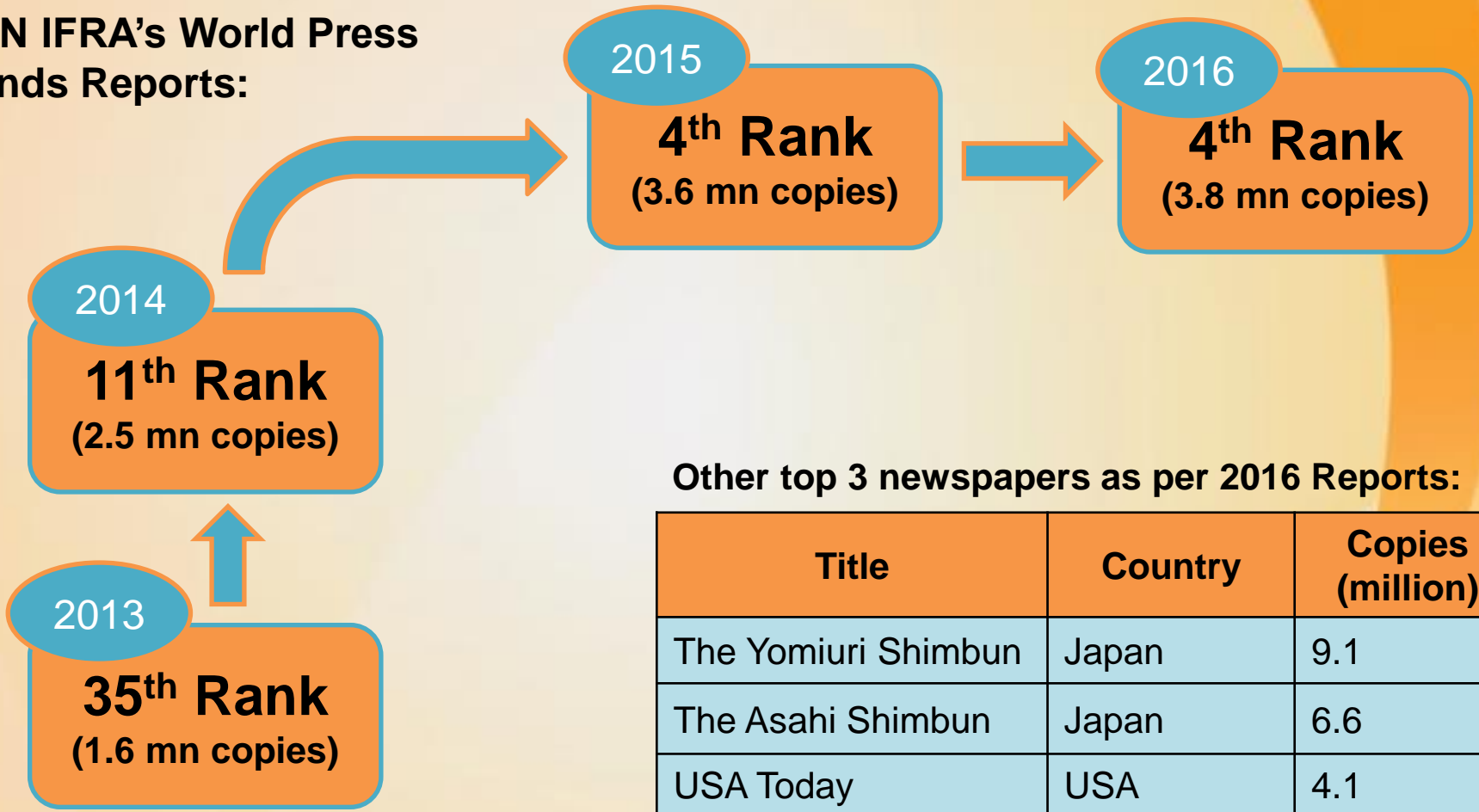


- Absolute copies per day increased by **2.37 cr** to **6.28 cr** in **2016** from **3.91 cr** copies in 2006.

Source: Audit Bureau of Circulation Press Release dated 8th May 2017

'Dainik Bhaskar' Newspaper Is World's 4th Largest Circulated Newspaper

WAN IFRA's World Press Trends Reports:

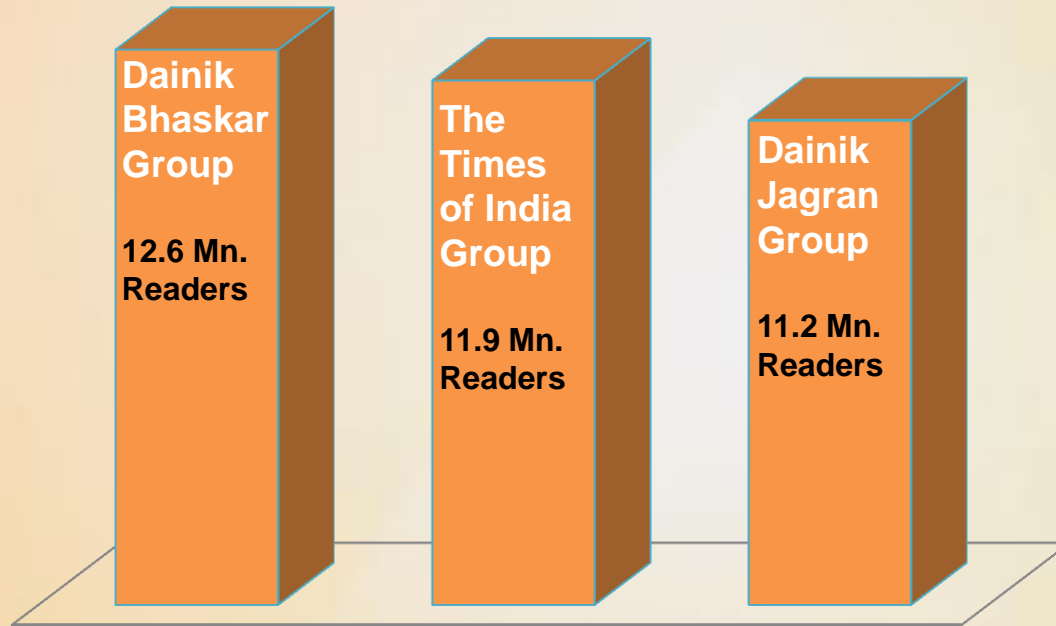


Other top 3 newspapers as per 2016 Reports:

Title	Country	Copies (million)
The Yomiuri Shimbun	Japan	9.1
The Asahi Shimbun	Japan	6.6
USA Today	USA	4.1

Source : WAN IFRA -World Association of Newspapers and News Publishers Report 2013, 2014, 2015 & 2016.

Dainik Bhaskar Group is Urban India's #1 Newspaper Group



Dainik Bhaskar Group : Dainik Bhaskar | Divya Bhaskar | Divya Marathi | Saurashtra Samachar

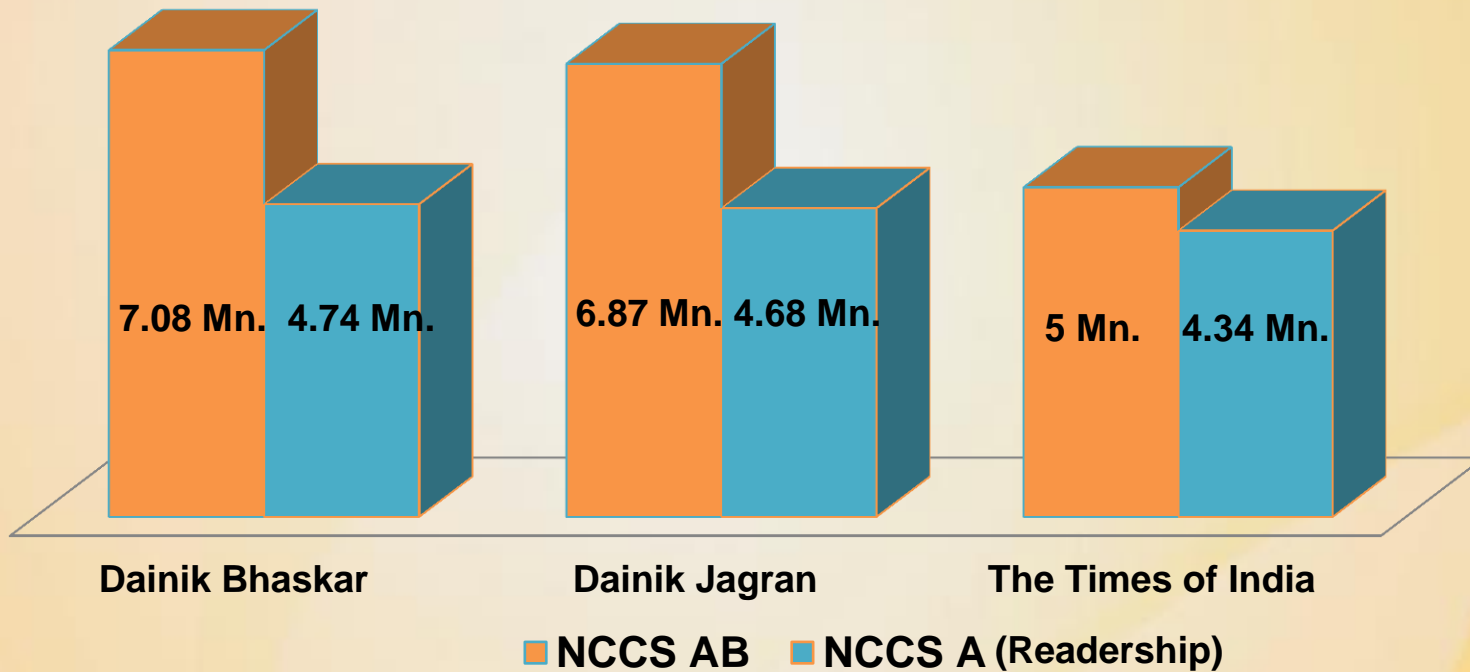
The Times of India Group: The Times of India | Vijaya Karnataka | Navbharat Times | Maharashtra Times | Ei Samay | Mumbai Mirror | Bangalore Mirror

Dainik Jagran Group : Dainik Jagran | Nai Dunia | Nav Dunia | Mid-day Gujarati | Mid-day English | Inquilab | Punjabi Jagran

Source : IRS 2017 AIR – URBAN | Excluding Financial Dailies



Dainik Bhaskar has the largest NCCS-AB and NCCS-A; readers in Urban India



Source : IRS 2017 AIR – URBAN

D B Corp Ltd - The Largest Print Media Company In India

Major Business Brands



Hindi Newspaper

11 States, 46 Editions



Gujarati Newspaper

2 States, 9 Editions



Marathi Newspaper

1 State, 6 Editions



FM Radio Network

7 States, 30 Stations

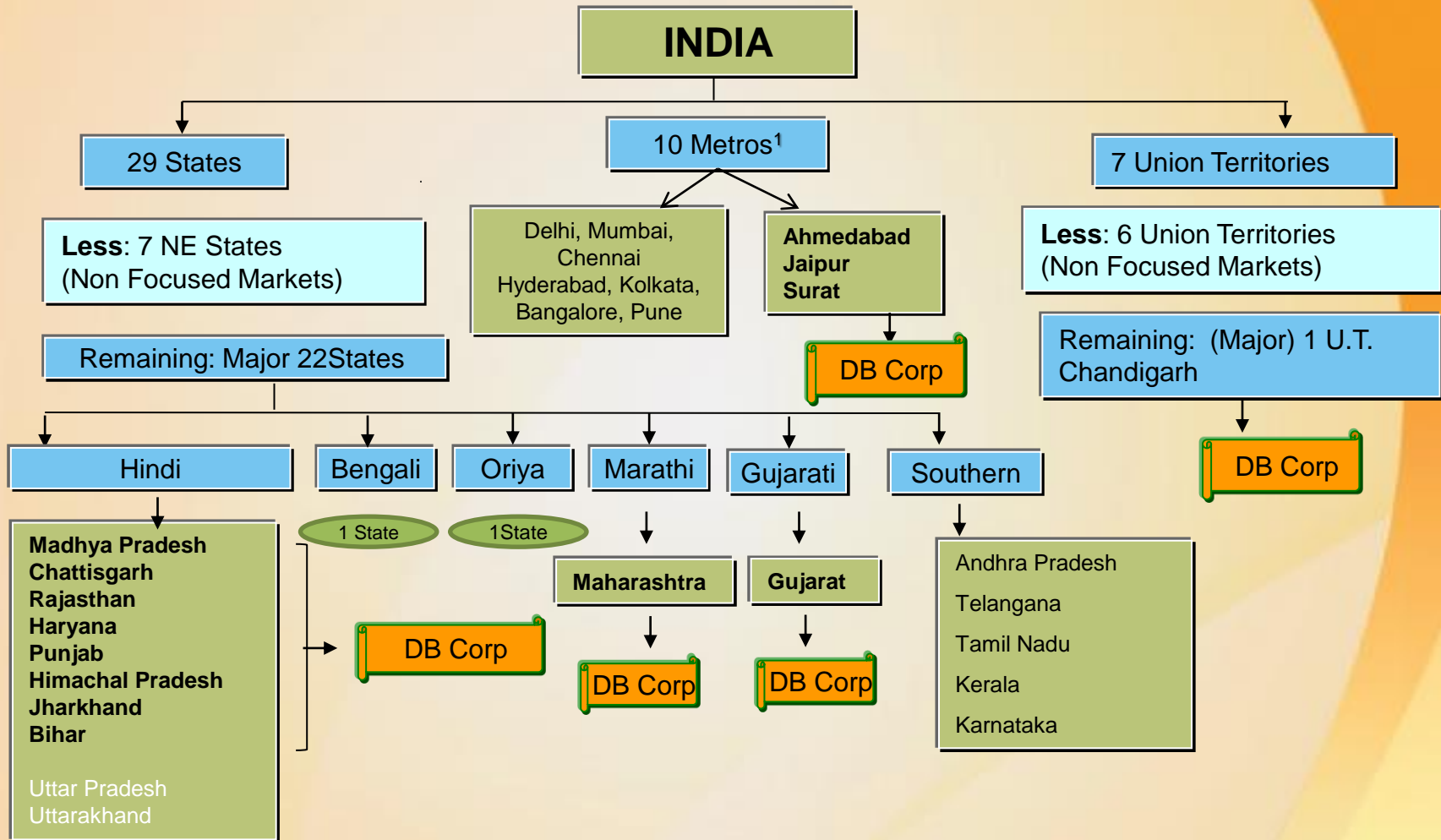


Digital & Mobile

13 Portals & 2 Apps



Presence Across Fast Growing Markets



1. Source: EY's Report – India's growth paradigm

Focused on Largest Revenue Markets 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, Jharkhand, Bihar & Delhi

Focus on Revenue Market Share – in Multiple language

- Hindi, Gujarati, Marathi and English
- 49% Urban population resides in our Markets
- 51% of India's total consumption is concentrated in our Markets.
- D B Corp Ltd steadily gaining ground in new and emerging urban clusters. Besides eight large metros, 42 new and emerging urban clusters have transformed into consumption hubs.
- We already expanded presence to about 50% of these new consumption clusters
- Newspaper readership penetration is only 30% of “Can Read” population

Key Developments / Initiatives and Current Focus Area



Strategic Focus Area - Editorial Strategy

Innovative reader engagement initiatives



CONTENT STRATEGIES

=

Knowledge enhancement for reader


+

Product differentiation towards growth

Content associations with: Harvard Business Review, TIME Magazine, New York Times, The Economist etc. are established for providing global world class content.

Circulation Strategy – Proven Track Record

1. **15% CAGR Growth:** For 5 years, from FY 2011-12 to FY 2016-17 is 15% largely driven by yield in our core legacy markets.
2. **Dainik Bhaskar newspaper continues to be the Nation's Largest Circulated Multi-Edition Daily** as per Press In India Report 2016-17 prepared by Registrar of Newspapers of India (RNI) released by Hon. Union Information & Broadcasting Minister, Mrs. Smriti Zubin Irani.
3. **Current Focus:**
 - Embarked on the biggest ever circulation enhancement journey in the history of the company with a target to substantially increase copies during current year.
 - Delivering excellent growth of 12% on a high base of circulation copies, on increased cover price; adding 6 lakhs copies during the period July'2017 at 50.41 lakh copies to December'2017 at 56.39 lakh copies. In Jan 2018, circulation reached to 57-lakh-copy/day mark.
 - **Bihar expansion drive:** The second phase of rest of Bihar launch has been completed. Dainik Bhaskar has expanded its reach to 38 districts of Bihar.
 - Key additions have come from existing markets of Gujarat, Rajasthan and MP.



Indian Language Internet Users are the **PRESENT** and the **FUTURE**

- The next wave of **200 Million internet users** will be **Indian language users**
- **60%** of the Indian Language internet users are Hindi
- **Indian Mobile Internet Users** form **90%** of the Indian internet users

*Source: Indian Language Internet Report - KPMG & Google, April'17

Transformation from CONTENT to PRODUCT organization

Recommendation - Best in the industry globally, leveraging big data and AI.

24% higher than any other competitive brand in the industry

Real-time Insights

In-house tool to empower the editorial with content performance and traffic, based on proprietary algo and used cases to help editorial focus on the right stories.

Social Decode

Special Feature that gives insights and analysis of the traffic coming from social platforms, what topics to focus, and what content to focus.

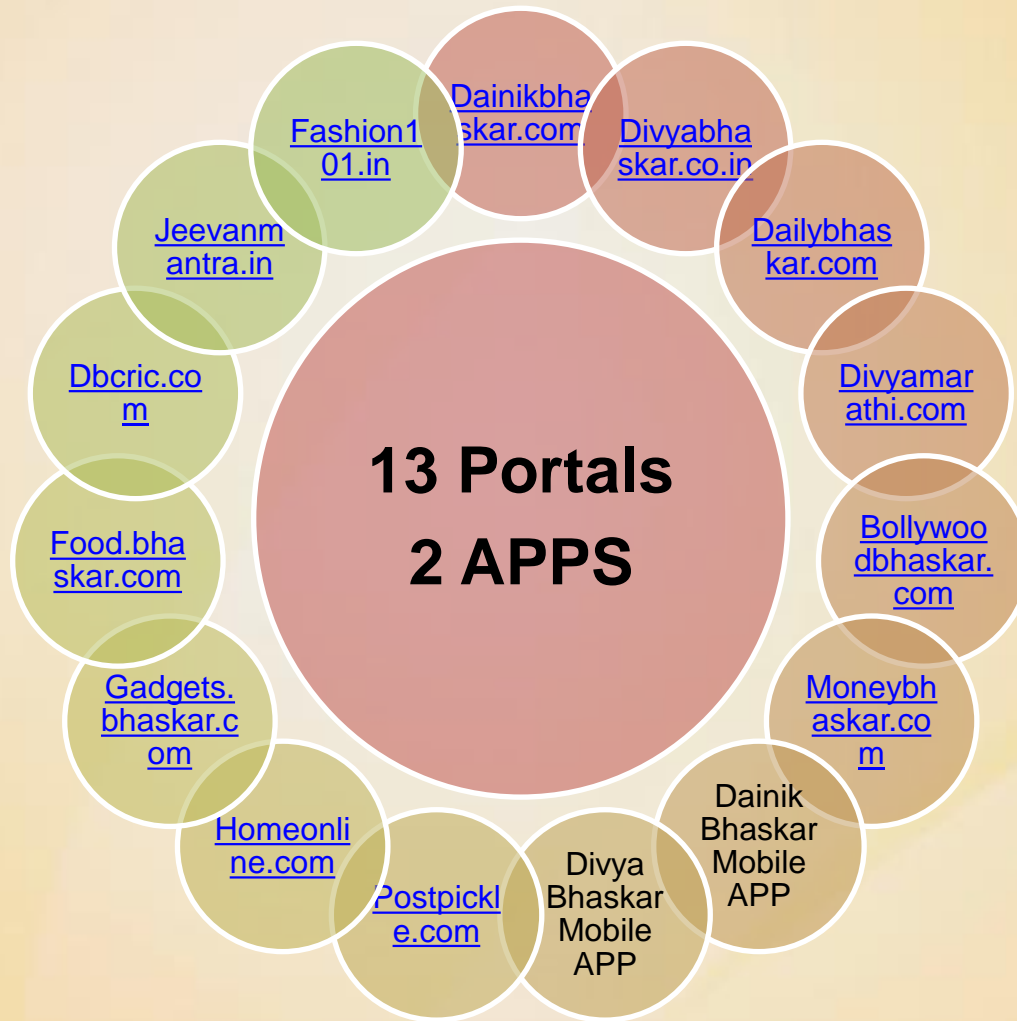
Predicting FB Post content

Interesting feature that can predict the potential content behaviour, reach and performance

Social Listening

Real time tracking of trending stories and industry updates, analysis and mapping of engagement level of content

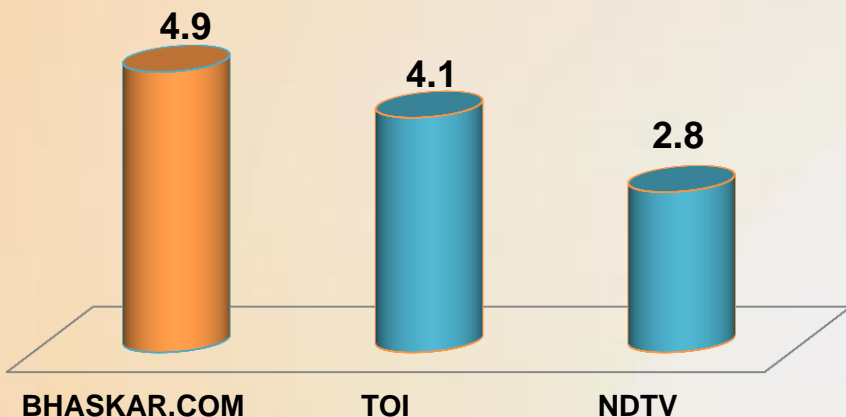
Focused, Strong Brands For Growing Digital Audiences



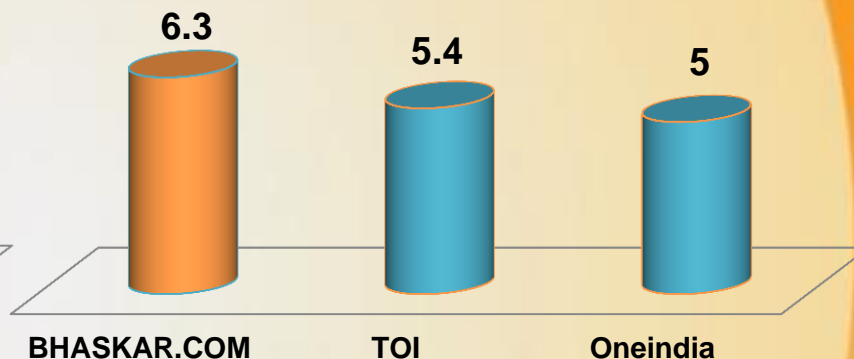
DainikBhaskar.com The Most Preferred News Destination in Mobile Website



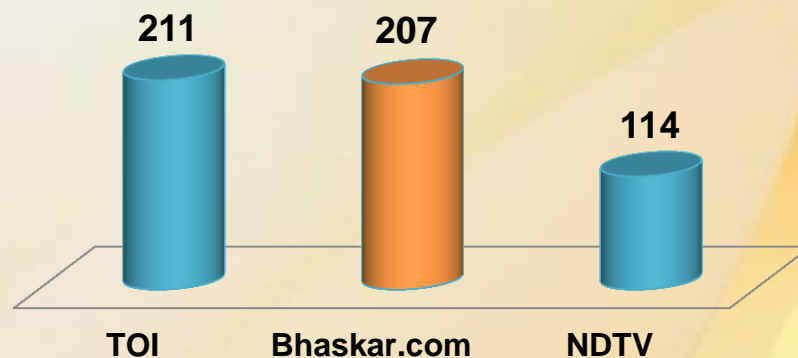
Avg Daily Unique Visitors (Mn)



User Frequency (Mn)



Total Visits (Mn)

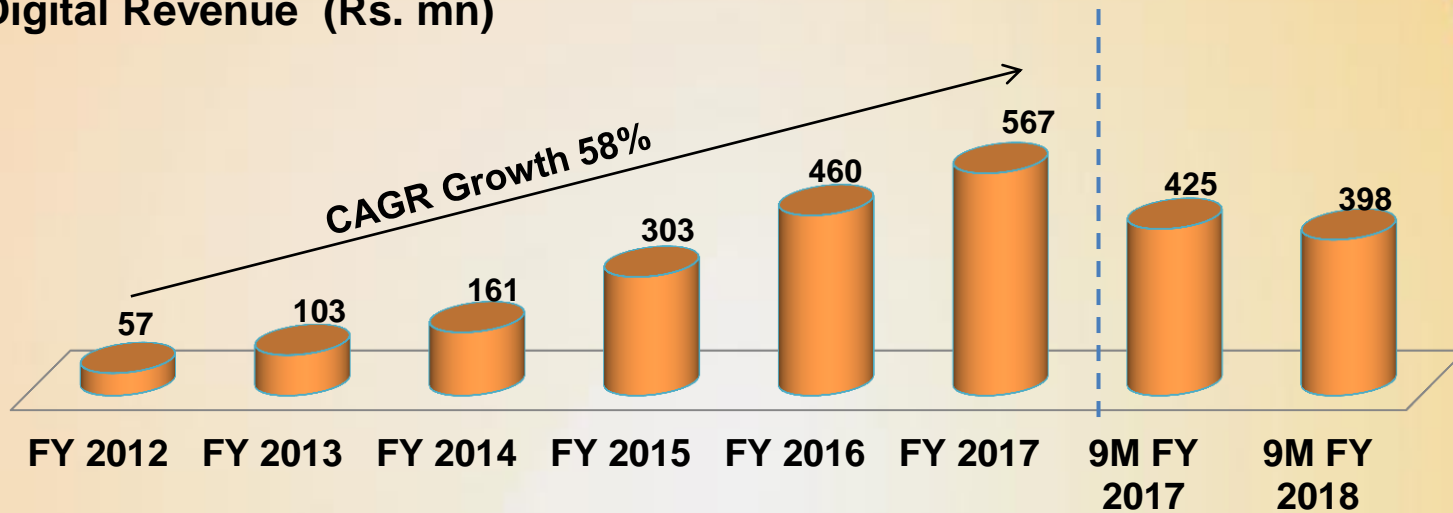


Source: Comscore News & Information – November 2017



Digital Snapshot

- Digital Revenue (Rs. mn)



- Unique Visitors (UV) for the month of Dec 2017 were 79.1 mn¹
- Page Views (PV) for the month of Dec 2017 were 1.3 bn¹
- Mobile applications: 11.8 mn app downloads for Dainik Bhaskar & Divya Bhaskar
- www.bhaskar.com - No. 1 Hindi News website and also The Most Preferred News Destination in Mobile Website².
- www.divyabhaskar.com - No. 1 Gujarati News² website.
- www.moneybhaskar.com - India's Largest Financial Website in Hindi²
- www.fashion101.in - India's Largest Multilingual Fashion Website

Source: 1. Google Analytics | 2. Comscore Nov 2017

Digital Way Forward

Digital is moving towards personalization
 Creating our product & future strategy based on Big Data analysis

Focus on Speed
 Zero buffering and ensuring hassle free reading experience

More Engagement
 To keep the readers hooked onto our platform through engaging content, innovative offerings

Creating more products
 Innovating the product offerings to support and strengthen editorial

Continue focus on content
 Quality and exclusivity will remain the key

Huge popularity in video consumption amongst all platforms
 Creating content & distribution strategy for taking a giant leap

Expansion Strategy – Radio Business



- Launched in 2006, 94.3 MY FM operates from 30 stations in 7 states
- 94.3 MY FM continues to be no.1. in markets of Madhya Pradesh, Chhattisgarh and Rajasthan and largest network in Chandigarh, Punjab and Haryana.
- Consolidating presence in line with strategy to be market leader in “Unmetro” geographies with strong DBCL presence.
- With the 13 New frequencies acquired, during the Phase III Radio auctions, 94.3 MY FM to be:
 - Biggest player in Rest of Maharashtra with 10 frequencies including Nagpur
 - Biggest player in Chandigarh / Haryana/ Punjab with 4 frequencies
 - Biggest Player in Rajasthan with 6 frequencies
 - Strengthened Gujarat with presence in Rajkot

Current Initiatives during Q3 FY 2018



MY FM Comedy Adda Indore & Nagpur : A bone tickling night with Vipul Goyal & Sandeep Sharma

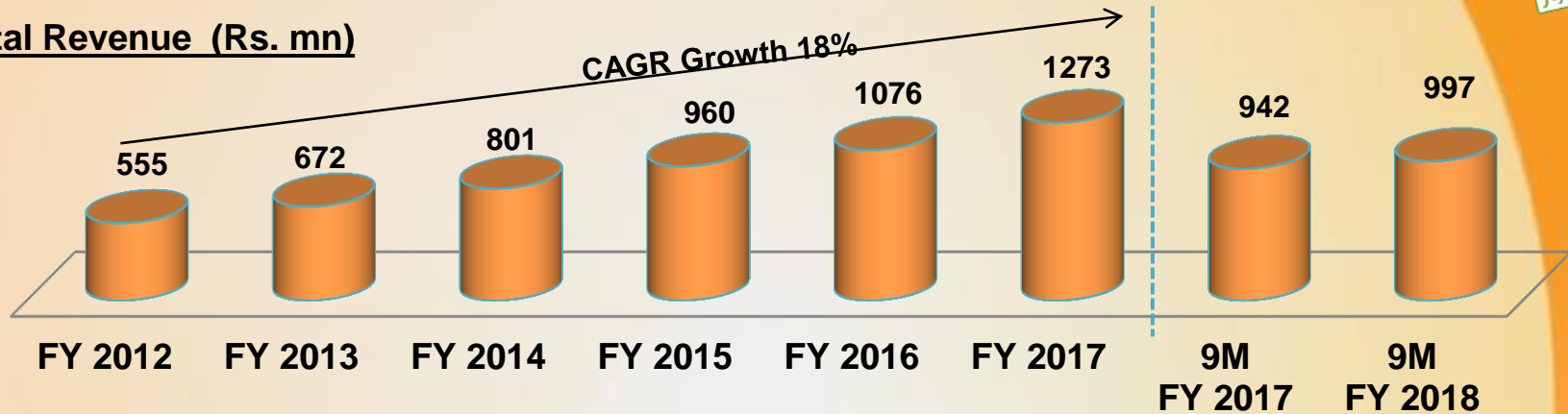
“MY FM ke Rangrezz” - activity flagged off on 14th Nov i.e. Children’s Day which was India’s largest painting competition

Helped kids with hearing impairment gifting hearing aids to 87 kids aged 6-8 years, listening to life music for the 1st time.

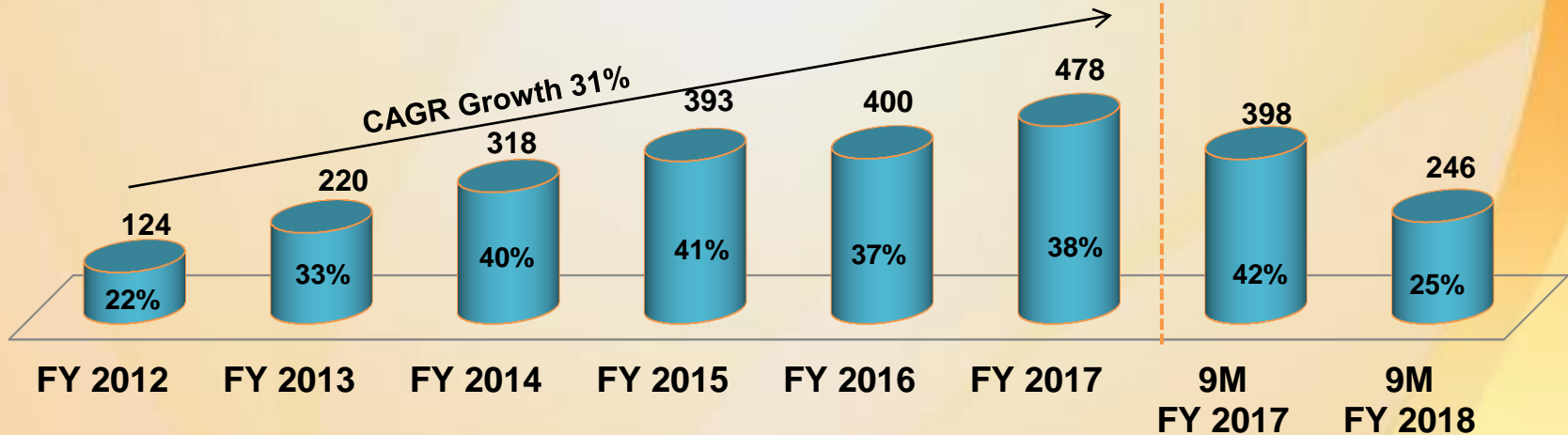
Historical Outperformance Track Record



Total Revenue (Rs. mn)



EBIDTA Revenue (Rs.mn) & its Margin (%)

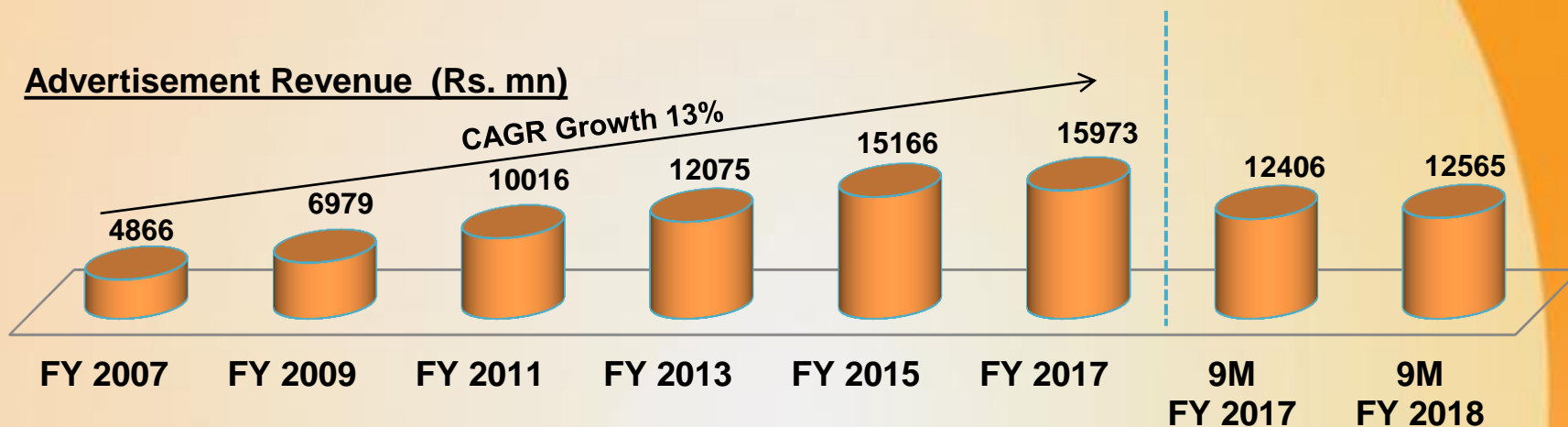


Robust Growth in Profits
Strong Focus on ROCE & RONW
Low Debt Exposure
High Net worth & Strong Balance Sheet

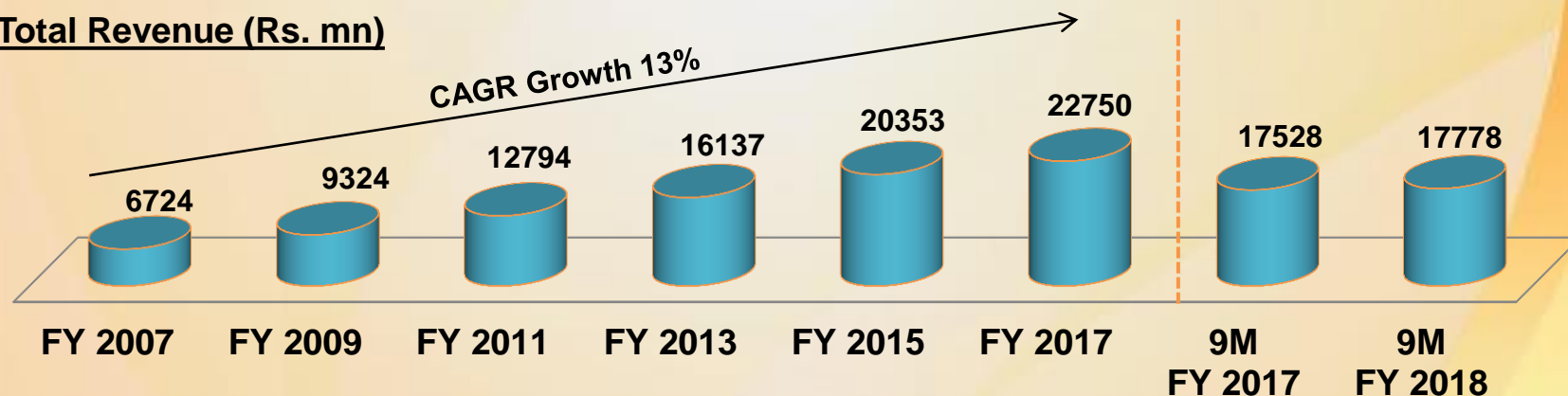


Proven Track Record of Topline & Bottom Line Growth... (contd.)

Advertisement Revenue (Rs. mn)

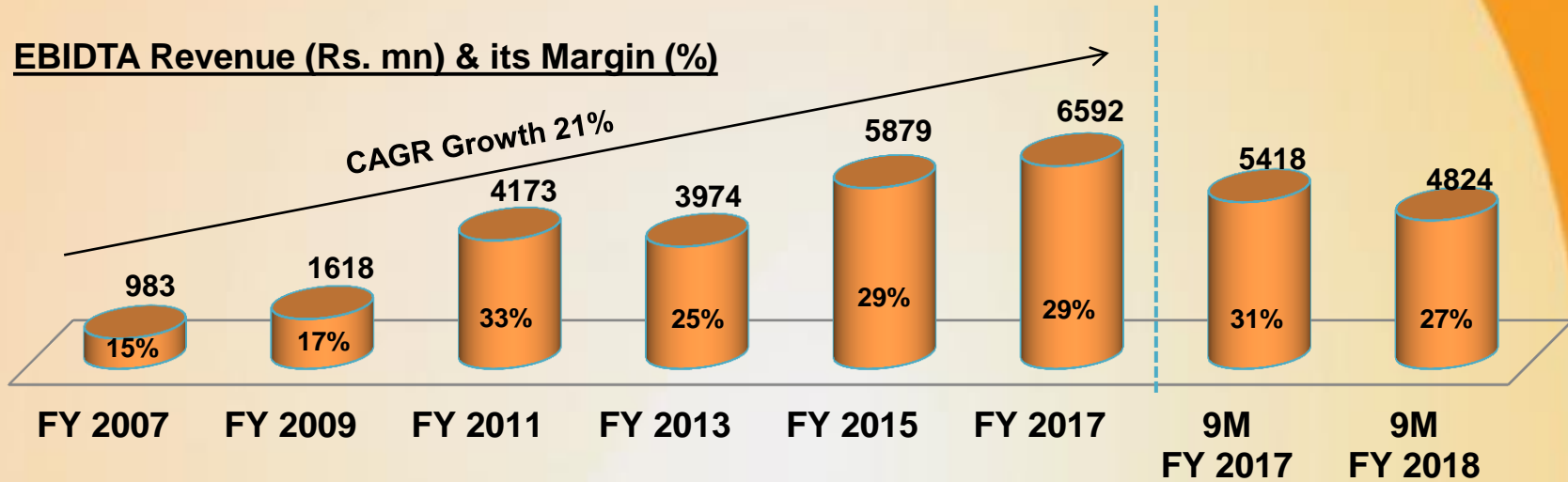


Total Revenue (Rs. mn)

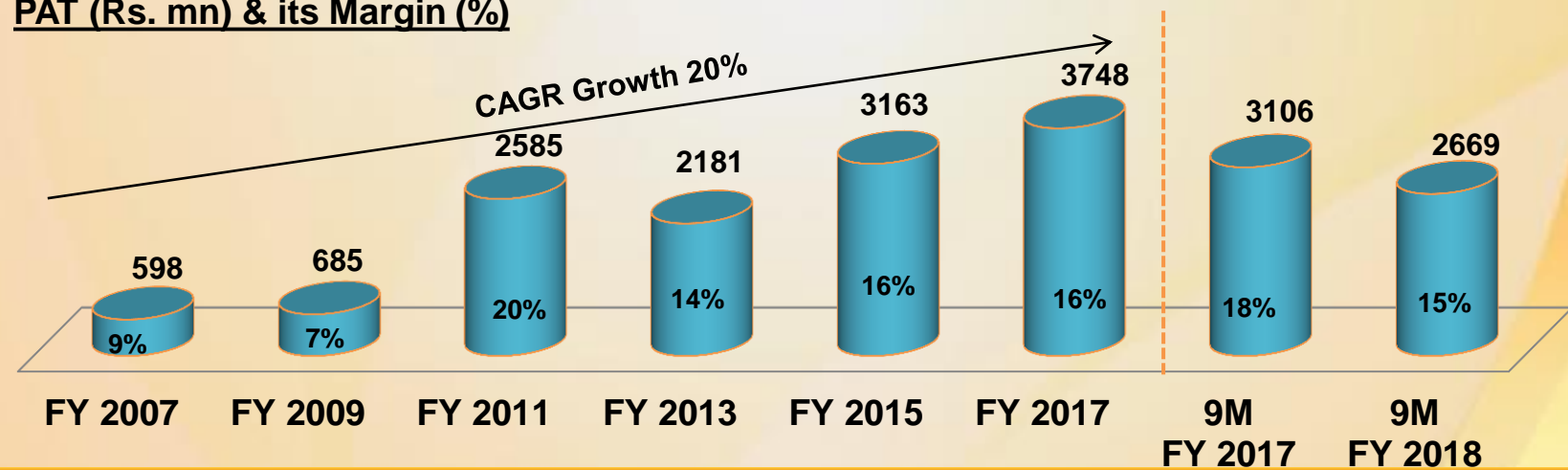


Proven Track Record of Topline & Bottom Line Growth

EBIDTA Revenue (Rs. mn) & its Margin (%)



PAT (Rs. mn) & its Margin (%)



Healthy Operating Profit In Our Mature Market

Rs MN

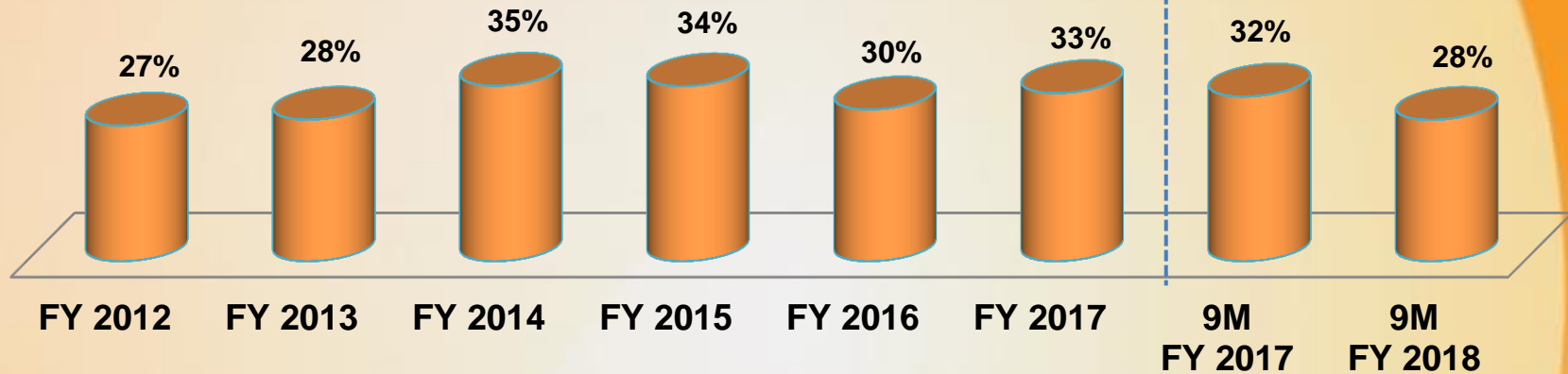
Particulars	Q3 (FY16-17)			Q3 (FY17-18)			Annual (FY 15-16)			Annual (FY 16-17)		
	Matured Print / Radio / Digital	Emerging Business*	DBCL Standalone	Matured Print / Radio / Digital	Emerging Business*	DBCL Standalone	Matured Print / Radio / Digital	Emerging Business*	DBCL Standalone	Matured Print / Radio / Digital	Emerging Business*	DBCL Standalone
Topline	6122	186	6308	5791	234	6025	18907	1882	20789	22082	666	22746
EBIDTA (Before New Expansion)	2080	(57)	2024	1594	(80)	1514	5999	(280)	5719	6875	(259)	6616
EBIDTA (After New expansion)	2080	(57)	2024	1594	(159)	1434	5999	(338)	5661	6875	(259)	6616
EBIDTA %	34.0%	(30.6%)	32.1%	27.5%	(68.1%)	23.8%	31.7%	(18.0%)	27.2%	31.1%	(38.9%)	29.1%

*Emerging Business – Editions below 4 years of age also includes Mobile app & E-real Estate Business

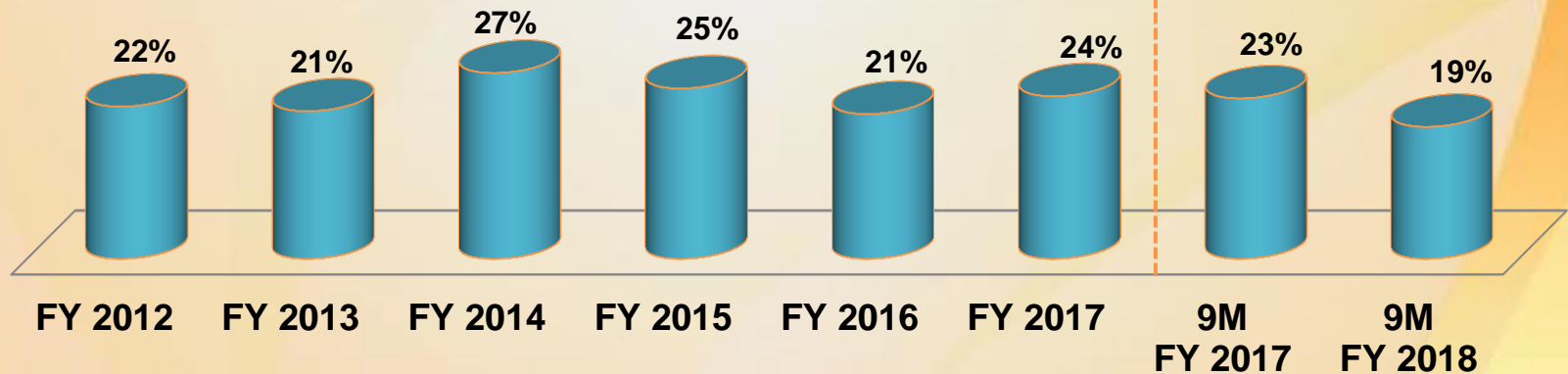


Strong Balance Sheet & Financial Ratios

Return on Capital Employed



Return on Net Worth



Financial Summary

Particulars (INR million)				Quarter Ended			Half Year Ended		
	15-Mar	16-Mar	17-Mar	Q3 FY17	Q3 FY18	Growth %	9M FY17	9M FY18	Growth %
Advertising Income	15166	14812	15973	4530	4263	(5.9%)	12406	12565	1.3%
Circulation Revenue	3755	4356	4814	1243	1319	6.1%	3597	3825	6.3%
Total Income	20353	20735	22750	6309	6025	(4.5%)	17528	17778	1.4%
Newsprint	(6479)	(6186)	(6609)	(1769)	(1879)	6.2%	(5003)	(5372)	7.4%
Personnel Cost	(3457)	(3909)	(4258)	(1079)	(1091)	1.1%	(3206)	(3270)	2.0%
Other Operating Expenditure	(4537)	(5049)	(5291)	(1442)	(1620)	12.3%	(3900)	(4312)	10.5%
Total Expenditure	(14474)	(15145)	(16158)	(4290)	(4590)	7.0%	(12109)	(12954)	7.0%
EBITDA	5879	5590	6592	2019	1434	(28.9%)	5418	4824	(11.0%)
EBITDA Margin	28.89%	26.96%	28.97%	32.00%	23.81%		30.91%	27.13%	
Net Profit	3163	2921	3748	1181	781	(33.9%)	3106	2669	(14.1%)
Net Worth	13405	13945	15930	16146	18633		16146	18633	
Secured Long Term Gross Loan	758	536	262	412	129		412	129	
Cash & Bank Balance	1782	926	1754	1489	2488		1489	2488	
Secured Working Capital Loan	477	631	288	285	200		285	200	
Total Secured Gross Debt	1236	1167	550	697	329		697	329	
Net Block (Fixed)	7982	9128	8833	8835	9402		8835	9402	
ROCE	34.45%	29.88%	33.10%	32.43%	27.84%		32.43%	27.84%	
RONW	24.65%	20.94%	23.53%	23.21%	19.10%		23.21%	19.10%	



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Board Of Directors

Sudhir Agarwal
Managing Director

- 27 years of experience in the publishing and newspaper business
- responsible for its long-term vision, business planning and performance monitoring

Pawan Agarwal
Deputy Managing Director

- 13 years of experience in the publishing business
- Heads entire Production, IT and Strategy dept. , with the Radio & Digital business

Girish Agarwaal
Non-Executive Director

- 20 years of experience. Awarded “Outstanding Entrepreneur” trophy at APEA
- provides direction to the marketing strategy and related operations of the Group

Piyush Pandey*

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

Harish Bijoor*

- Brand-thinker and practitioner operating out of Bengaluru, India

Ashwani Kumar Singhal*

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

Anupriya Acharya*

- Post Graduate from IIT – Roorkee, was Zenith Optimedia's Group CEO and now CEO of Publicis Media India

* denotes Independent Directors



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THANK YOU

For more information, please visit our website www.bhaskarnet.com



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