

# D B Corp Ltd. Investor Presentation

August 2018



India's Largest Newspaper Group | 12 States | 66 Editions | 4 Languages

VALUES – Trendsetting | Result-oriented | Analytical | Connected

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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 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.

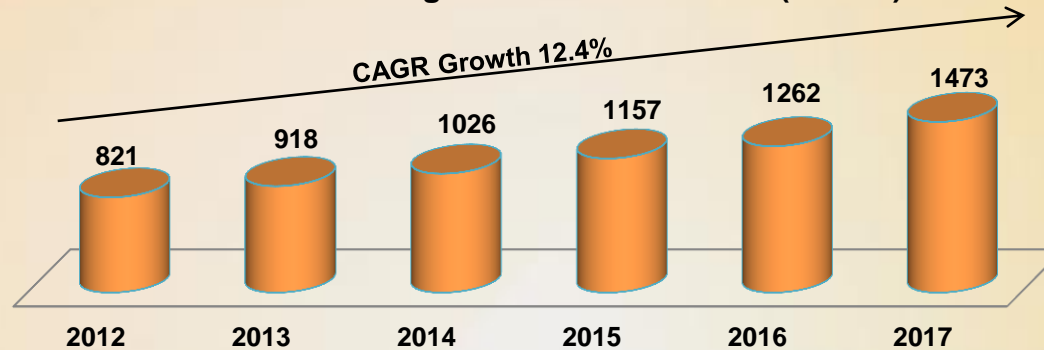
These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Company and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecast in the forward-looking 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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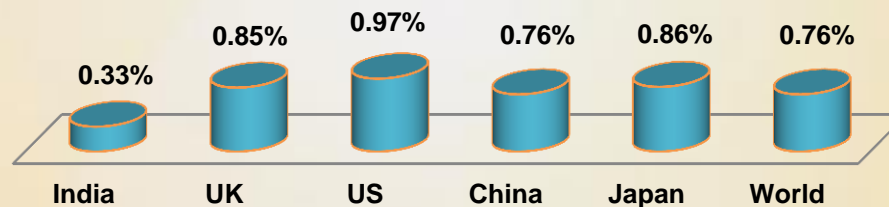
# Indian Media & Entertainment Industry

## Media Sector – Strong & Consistent Growth (INR bn)



- M&E industry size was Rs. 1473 bn in 2017, which grew by 17% over 2016.
- Expected CAGR growth is 11% till 2020.

## Media Spend as % of GDP



- It is still lower than global peers
- Reflective of sizeable / huge potential
- Media spend as % of GDP for India is expected to reach 0.43% of GDP in 2020, which is 0.41% of GDP for 2016

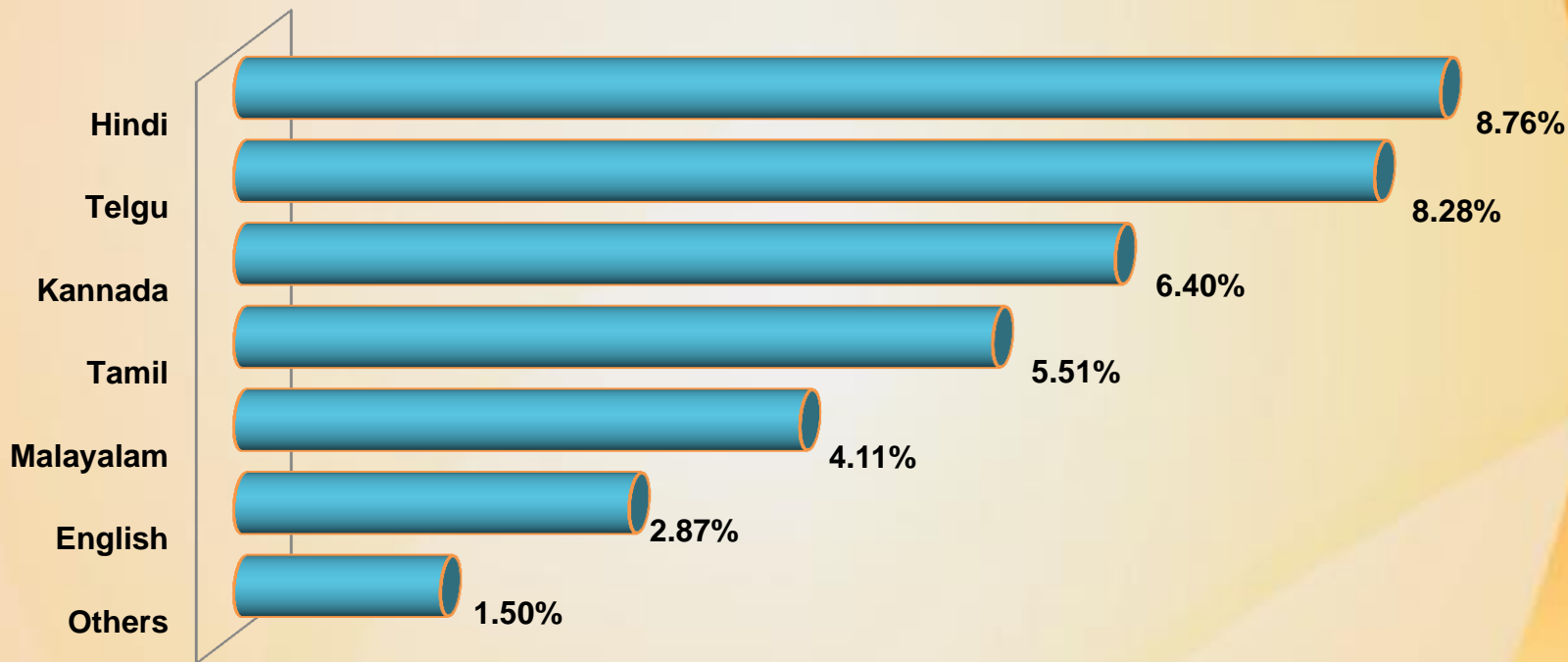
Source: FICCI-KPMG Report 2017 | FICCI-EY Report 2018 | Worldwide Media & Mktg. Forecasts, Group M, Summer 2011



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# Consistent Higher % Growth of Indian Language 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 8<sup>th</sup> May 2017

# Insights – Indian Readership Survey 2017

## Readership Base Expands

Dailies' Readership	Figs in Crores (12+ Years)		% CHANGE VS '14
	IRS 2014	IRS 2017	
Last 1 month	27.6	38.5	40%
Upto 7 days	24.3	30.6	26%
Upto 3 days	20.8	24.1	16%

Base: All languages, All India (U+R), 12+ Years

Source: MRUC Website - <http://mruc.net/uploads/posts/a27e6e912eedeab9ef944cc3315fba15.pdf>



# Readership Base Expands Across Demographic Age Groups

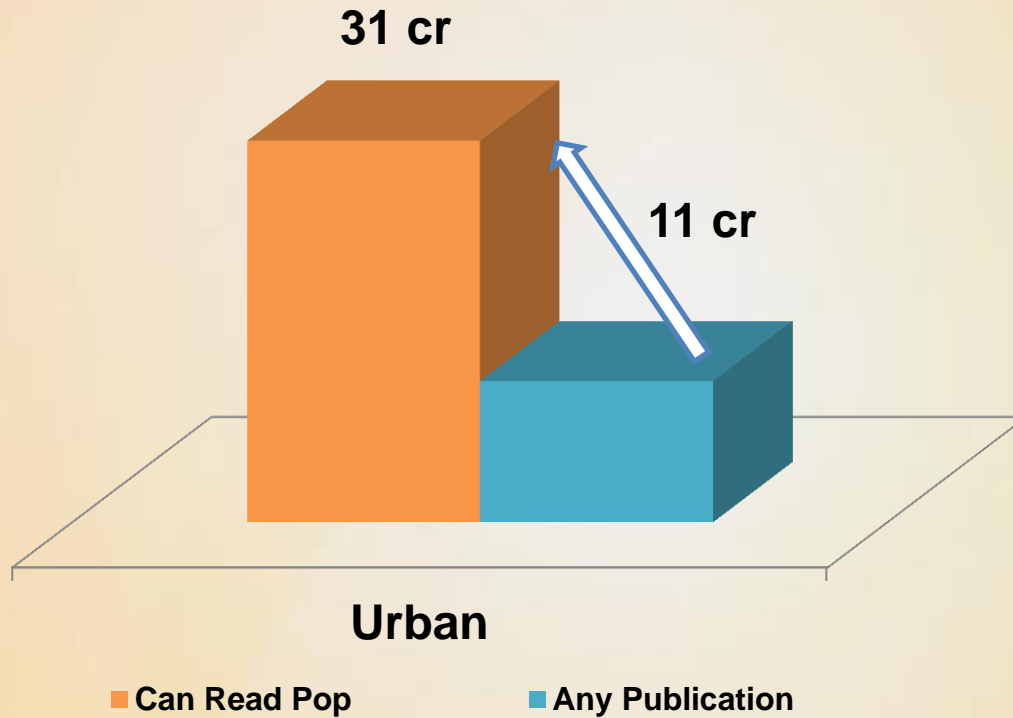
12 Years+	12 – 15 YRS		16 – 19 YRS		20 – 29 YRS		30 – 39 YRS		40 – 49 YRS		50+ YRS	
	2014	2017	2014	2017	2014	2017	2014	2017	2014	2017	2014	2017
<b>Dailies (hard copy) Read in Last 1 Month</b>	28%	42%	38%	50%	34%	42%	30%	38%	29%	37%	26%	30%

Note: respective NCCS or Age group = 100

Source: MRUC Website - <http://mruc.net/uploads/posts/a27e6e912eedeab9ef944cc3315fba15.pdf>

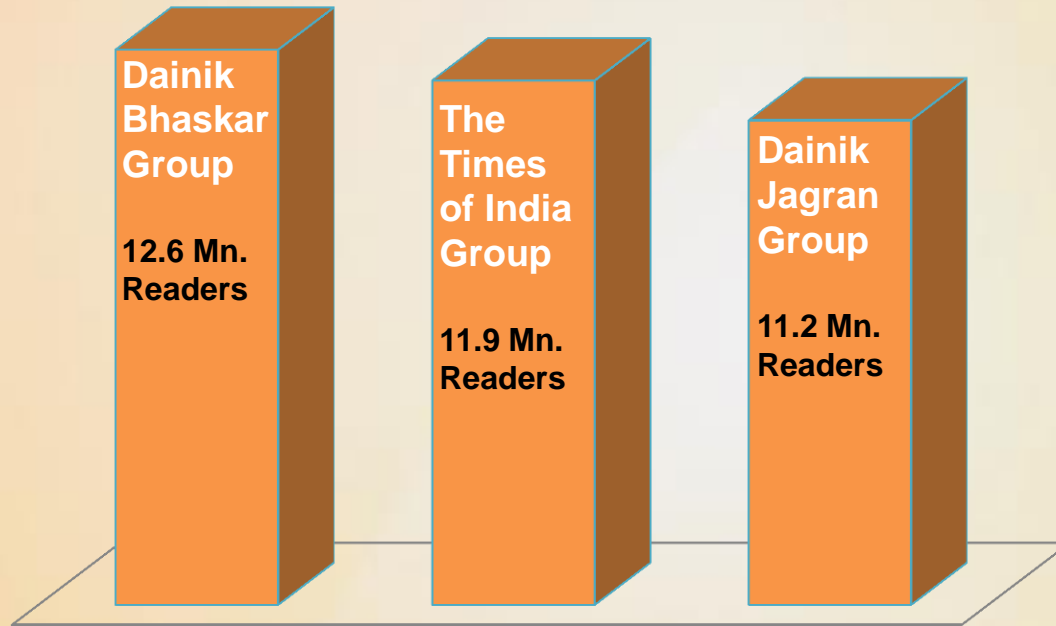


# Headroom for Print Growth



Source : IRS 2017

# 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





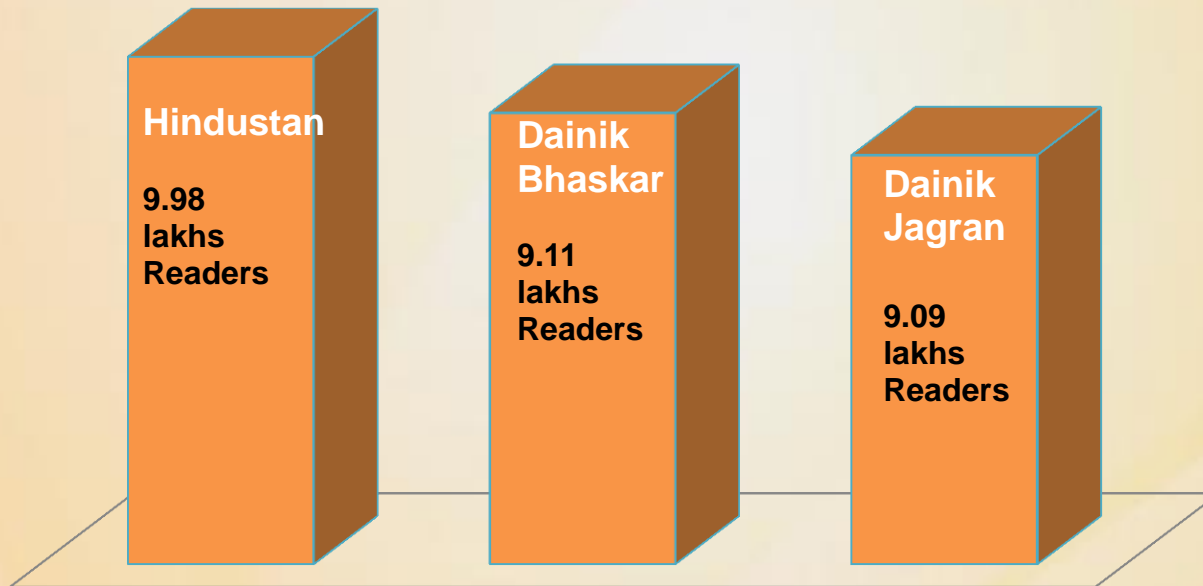
# DB Corp Markets

Madhya Pradesh	Dominant
Chhattisgarh	Dominant
Haryana	Dominant
Chandigarh	Dominant
Rajasthan	Dominant in Jaipur At par in overall Rajasthan now Investing to attain overall leadership
Gujarat	Leader in Ahmedabad Close No.2 overall
Bihar	Started investing last year Now Close No.2 Further investing in copies for overall leadership
Punjab	No.2 Currently, now routine growth
Maharashtra	Limited to Central Maharashtra Currently not expanding
Jharkhand	No.2 Currently not expanding

## And the outcome is...

As per Bihar Readership Survey, 2018 by Hansa Research –

- **Dainik Bhaskar ranks No. 2 in Bihar with 9.11 lakhs readers (AIR)**
- **Dainik Bhaskar ranks No. 1 in Patna with 5.07 lakhs readers (AIR)**



Source : Bihar Readership Survey Report 2018 – By Hansa Research Group | 2085 Sample Size | 13cities | 12+ Yrs age group | All NCCS Categories | Urban 1 Lakh+ towns

# Key Findings of Bihar Readership Survey

- Dainik Bhaskar is No. 2 newspaper with 9.11 lakh readers, with a marginal gap of 9.5%.
- Readership profile:
  - In terms of profile of readers Dainik Bhaskar attracts 72% affluent NCCS AB readers
  - Dainik Bhaskar is preferred by a more matured readership profile with average age of 35 years
  - Dainik Bhaskar has the highest women readership at 47% amongst peers
- Dainik Bhaskar has the highest proportion of readers with smartphones, motor cycles, refrigerators – in line with its higher NCCS AB readership
- Dainik Bhaskar at 81% has the highest primary readership (newspaper subscription-at home / at school / at office)
- Time spent on reading the news paper: Dainik Bhaskar reader spends on an average 28.4 minutes.

Source : Bihar Readership Survey Report 2018 – By Hansa Research Group | 2085 Sample Size | 13 cities | 12+ Yrs age group | All NCCS Categories | Urban 1 Lakh+ towns



# 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**

**9 Portals & 4 Apps**

# Current Focus - Editorial Direction

I  
Kendra Mein Pathak

II  
Knowledge Content to  
enrich the reader

III  
Idea based Journalism

IV  
Differentiator

# Why is our Editorial Superior?

Over the last year, we have invested in:

## **NNR : National News Room –**

- We have a dedicated robust structure which churns out national-international News of the Day after thoroughly passing through Knowledge sieve.
- NNR produces value-packed Business, Sports, Dosh-Videsh and back page of the paper.


## **NINR : National Ideation News Room –**

- Works centrally for Ideas. It brings out all Special and Different pages and sections of Dainik Bhaskar. Main focus is to provide Knowledge content most relevant to the Reader.
- **Like the Sunday Jacket - now in it's 7th year** which consists of Special reports, Investigation, Research-based stories, Interesting content making rich Sunday reading.
- Also works on our goal of making Bhaskar reader a Global Citizen, through exclusive tie-ups with world's greatest titles like Time magazine, The New York Times, The Economist, Harvard Business Review (HBR).



# Circulation Strategy – Proven Track Record

1. **13% CAGR Growth:** For 5 years, from FY 2012-13 to FY 2017-18 is 13% 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) and recently informed by the Honourable Union Information & Broadcasting Minister, Mr. Rajyavardhan Singh Rathore.
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 FY 2017-18.
  - Delivering excellent growth of around 12% from around 51 lakh copies/day in June 2017 to around 58 lakh copies/day as on June 2018, on increased cover price; mainly across markets of Bihar, Rajasthan and Gujarat.
  - **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.



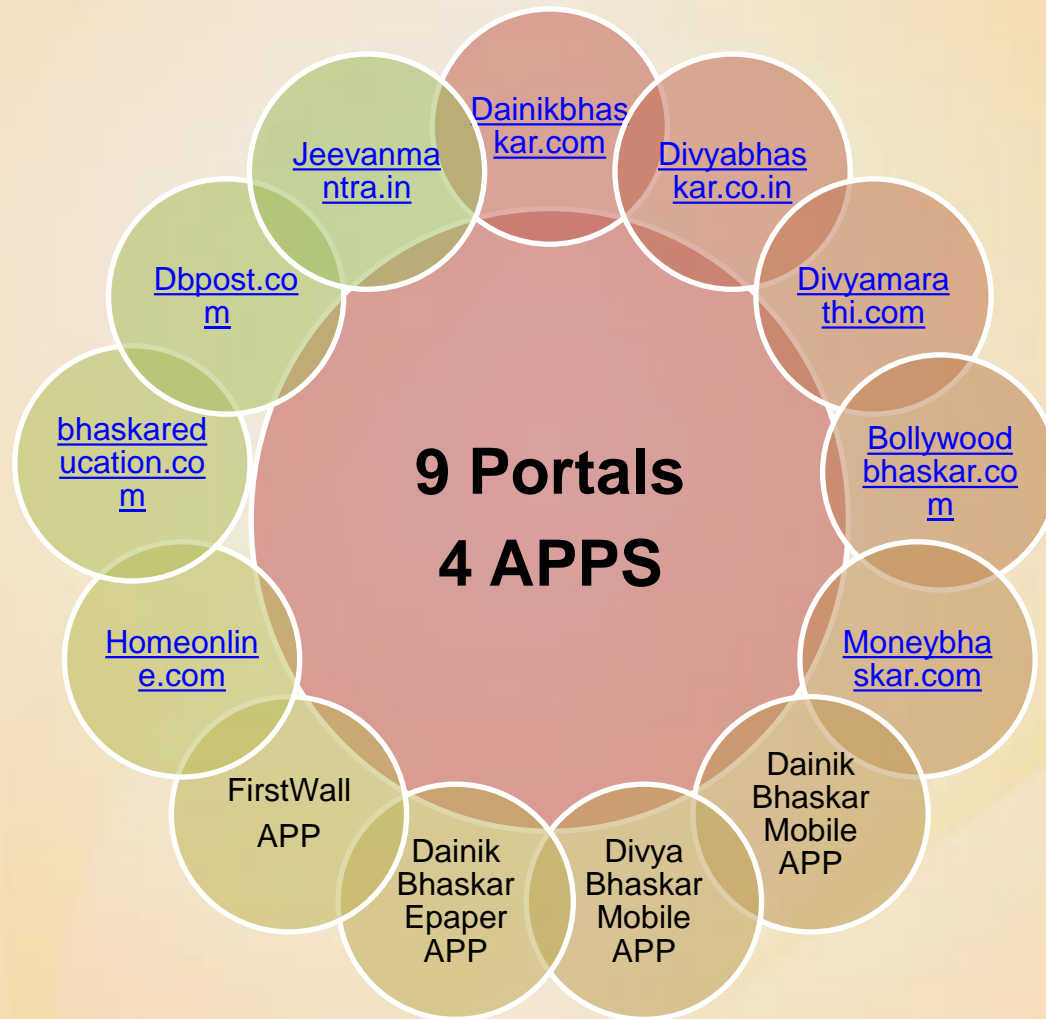
## Indian Language Internet Users are the **PRESENT** and the **FUTURE**

- 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

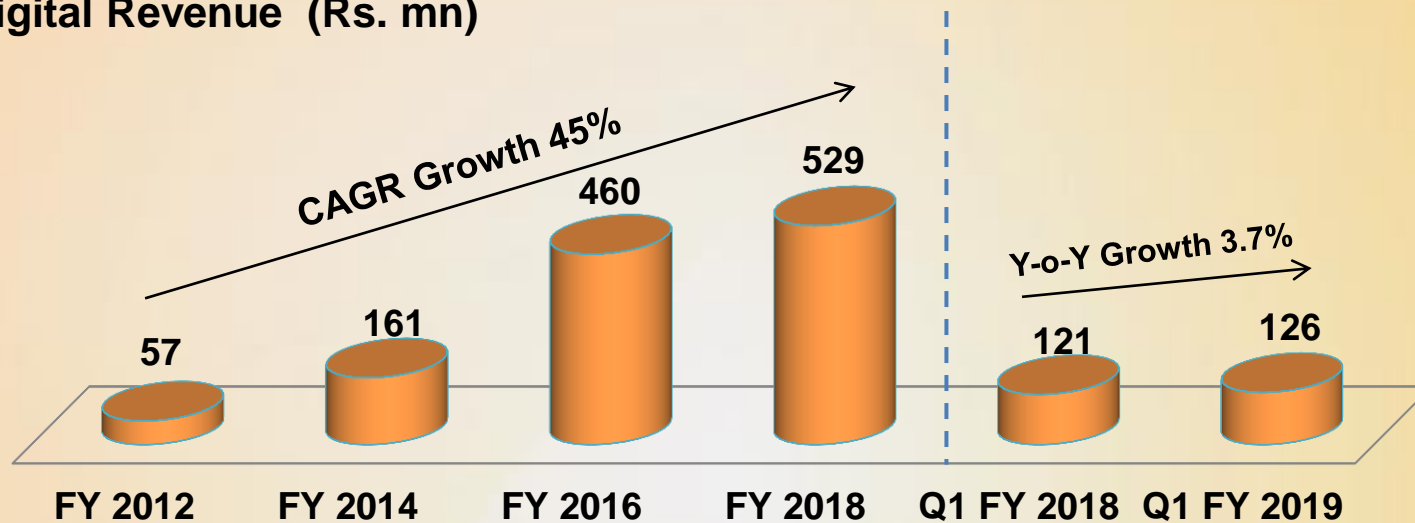


# Focused, Strong Brands For Digital Audiences



# Digital Snapshot

- Digital Revenue (Rs. mn)



- [www.bhaskar.com](http://www.bhaskar.com) - No. 1 Hindi News<sup>1</sup> website
- [www.divyabhaskar.com](http://www.divyabhaskar.com) - No. 1 Gujarati News<sup>1</sup> website.
  - Has re-launched itself as the global destination for Gujarati content with a new look and new appeal of different content spanning knowledge, spirituality, literature, empowering women, together with news coverage across the state & the globe.
- Mobile applications: 12.9 mn app downloads for Dainik Bhaskar & Divya Bhaskar<sup>2</sup>
- Dainik Bhaskar properties have highest eCPM in language market<sup>3</sup>
- Dainikbhaskar.com has highest Facebook interactions in Hindi newspaper sites<sup>4</sup>

Source: 1. Comscore Mar 2018 | 2. Google Play Store | 3. Google Report | 4. Crowd Tangle Intelligence report

# 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

# Key Achievement during Q1 FY 2019



## PHASE 3 STATIONS

turn profitable on the back of growing popularity and prudent cost controlling initiatives

## ACTIVATIONS

Engaging with audiences for stronger connect - Undertaken more than 95 activities.

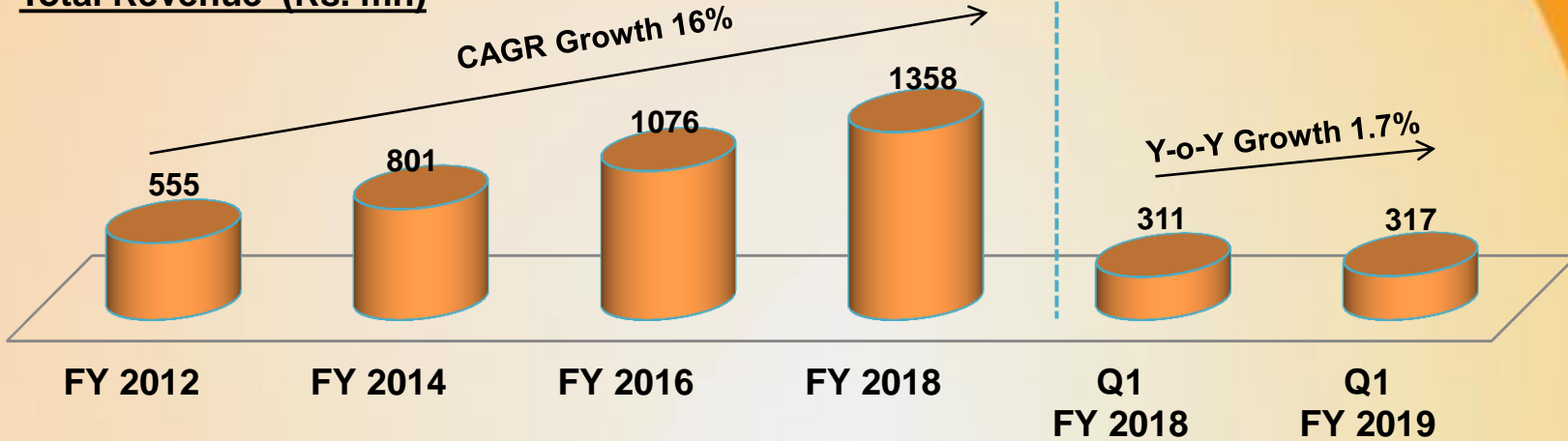
## MUSIC

played highest number of songs in terms of numbers & total music hour

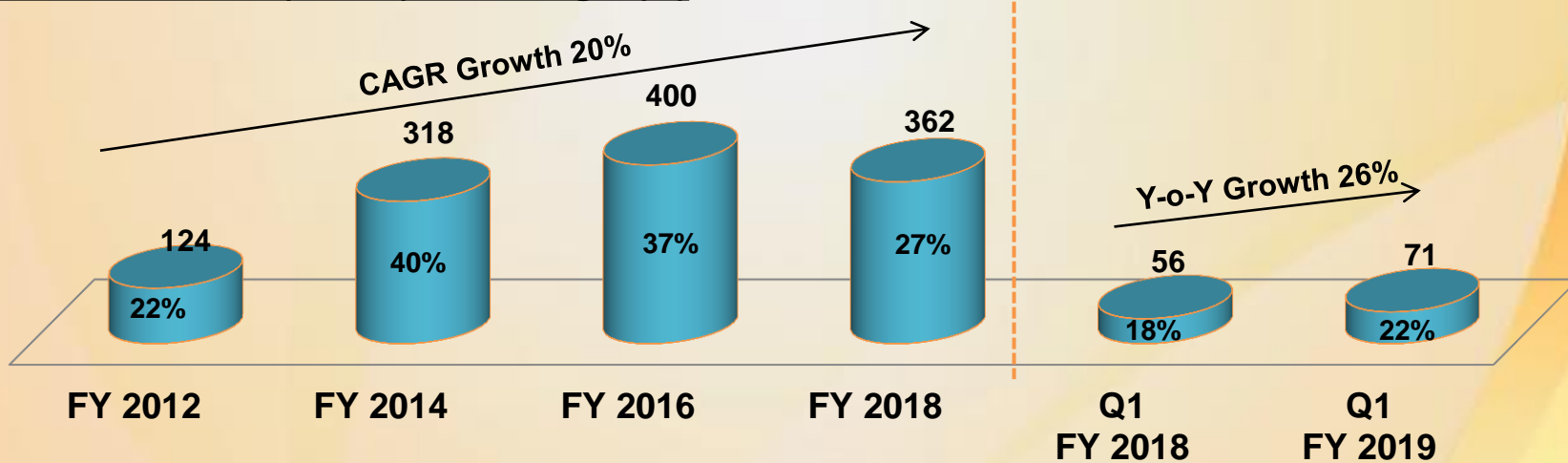
# Radio Snapshot



## Total Revenue (Rs. mn)



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

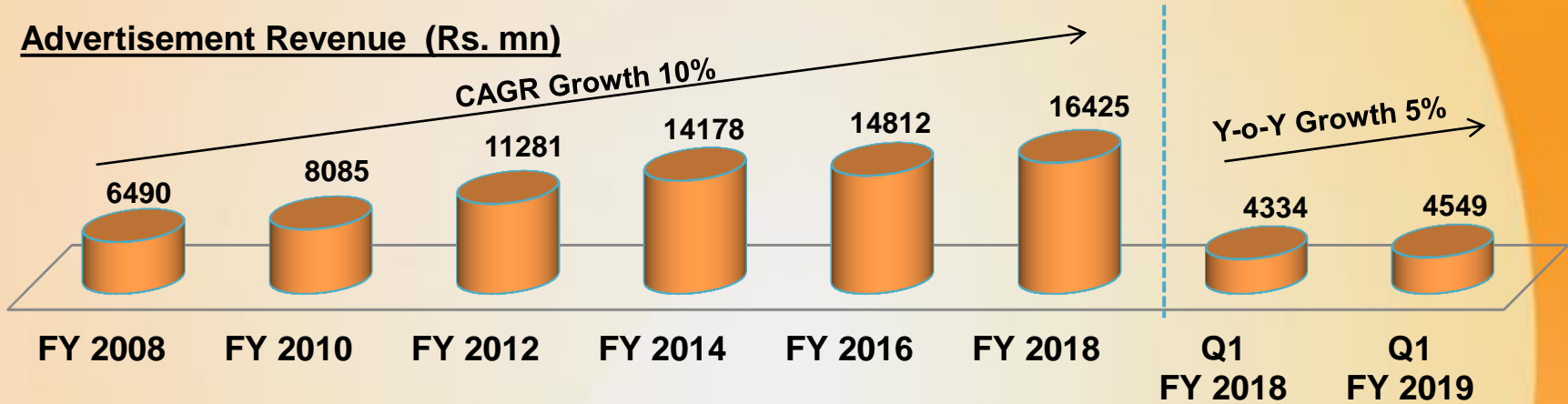


**Robust Growth in Profits**  
**Strong Focus on ROCE & RONW**  
**Low Debt Exposure**  
**High Net worth & Strong Balance Sheet**

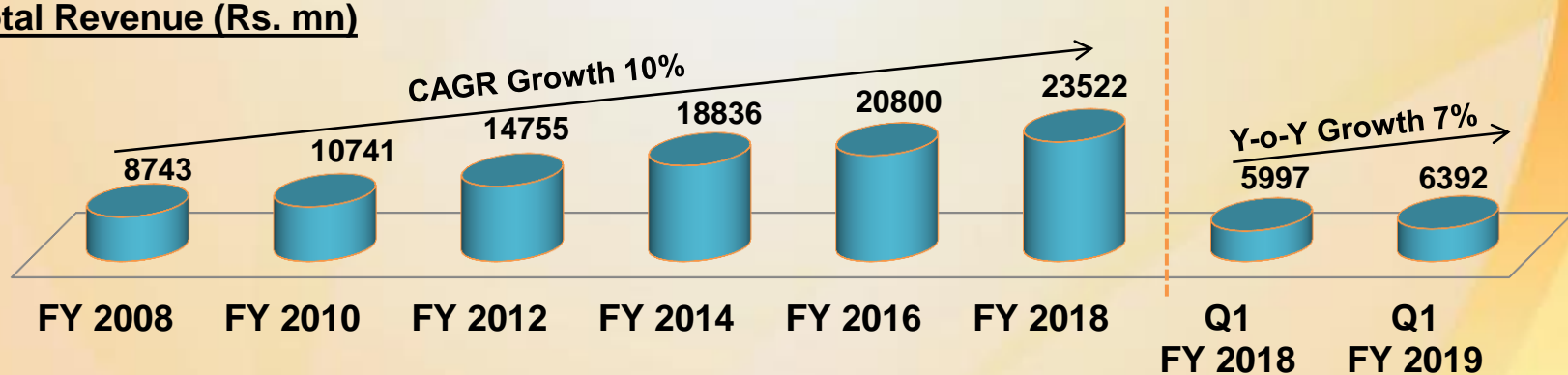


# Proven Track Record of Topline & Bottom Line Growth... (contd.)

## Advertisement Revenue (Rs. mn)

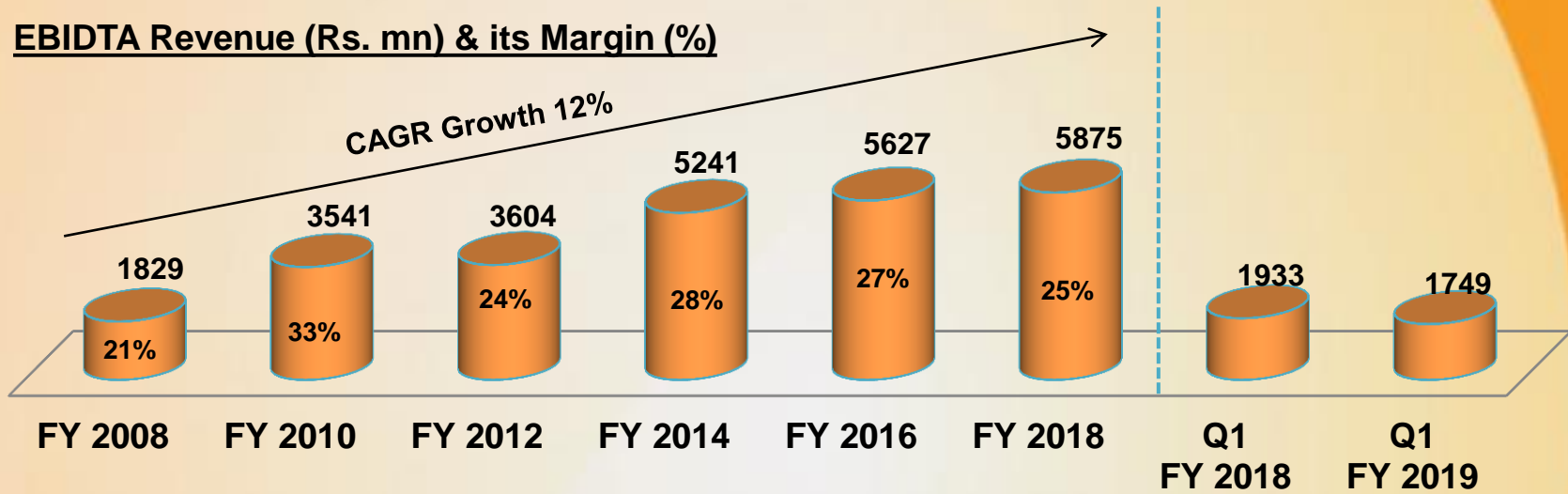


## Total Revenue (Rs. mn)

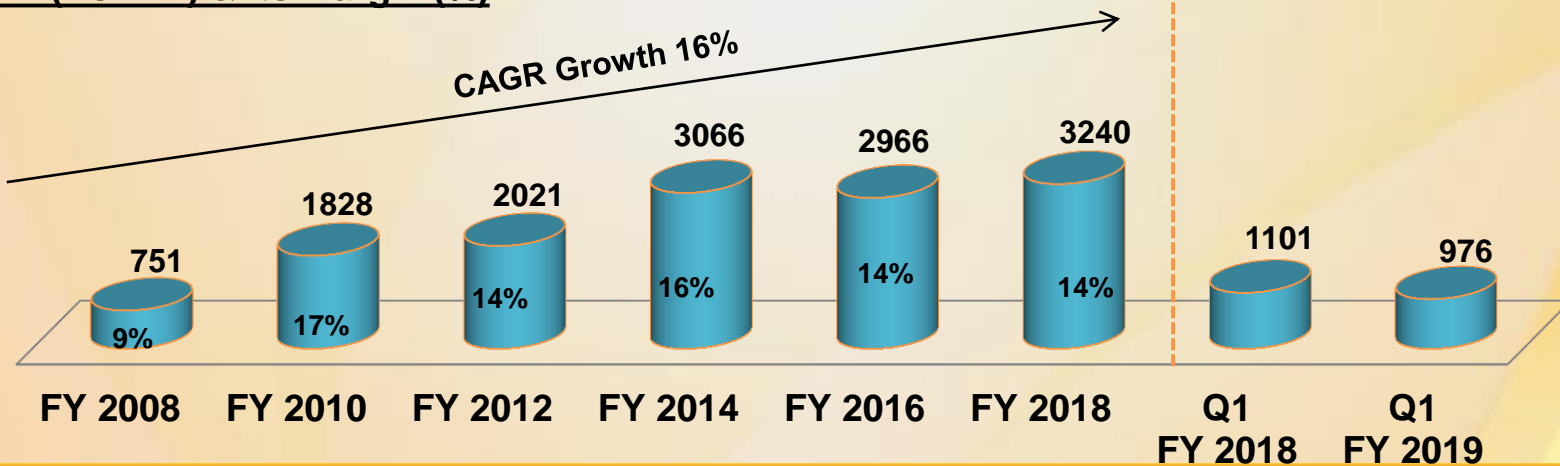


# Proven Track Record of Topline & Bottom Line Growth

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



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





# Healthy Operating Profit In Our Mature Market

Rs MN

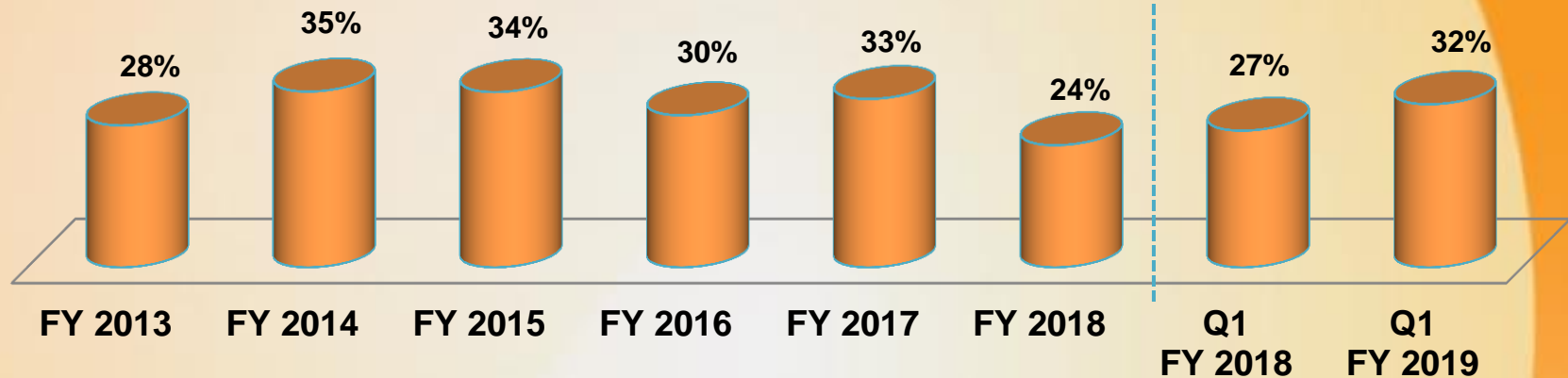
Particulars	Q1 (FY17-18)			Q1 (FY18-19)			Annual (FY 16-17)			Annual (FY 17-18)		
	Matured Print / Radio / Digital	Emerging Business*	DBCL Standalone	Matured Print / Radio / Digital	Emerging Business*	DBCL Standalone	Matured Print / Radio / Digital	Emerging Business*	DBCL Standalone	Matured Print / Radio / Digital	Emerging Business*	DBCL Standalone
Topline	5819	194	6012	6116	280	6392	22082	666	22746	22640	884	23524
EBIDTA (Before Pre - opex)	1997	(62)	1935	1986	(179)	1807	6875	(259)	6616	6473	(391)	6082
EBIDTA (After Pre – opex)	1997	(62)	1935	1930	(181)	1749	6875	(259)	6616	6473	(594)	5878
EBIDTA %	34.3%	(32.1%)	32.2%	31.6%	(64.8%)	27.4%	31.1%	(38.9%)	29.1%	28.6%	(67.2%)	25.0%

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

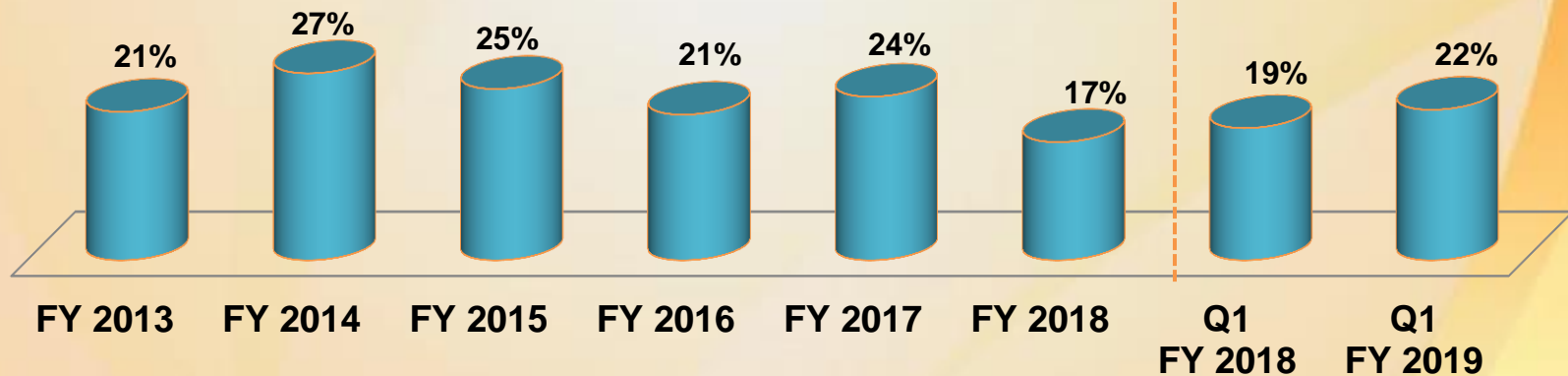


# Strong Balance Sheet & Financial Ratios

## Return on Capital Employed



## Return on Net Worth



# Financial Summary

Particulars (INR million)				Quarter Ended		
	16-Mar	17-Mar	18-Mar	Q1 FY18	Q1 FY19	Growth %
Advertising Income	14812	15973	16416	4334	4549	5.0%
Circulation Revenue	4356	4814	4981	1220	1345	10.3%
Total Income	20735	22750	23349	5997	6392	6.6%
Newsprint	(6186)	(6609)	(7307)	(1708)	(2181)	27.7%
Personnel Cost	(3909)	(4258)	(4364)	(1091)	(1072)	(1.7%)
Other Operating Expenditure	(5049)	(5291)	(5802)	(1265)	(1391)	10.0%
Total Expenditure	(15145)	(16158)	(17474)	(4063)	(4644)	14.3%
EBITDA	5590	6592	5875	1933	1749	(9.5%)
EBITDA Margin	27%	29%	25%	32%	27%	
Net Profit	2921	3748	3240	1101	976	(11.4%)
Net Worth	13945	15930	19291.3	17047	20275	
Secured Long Term Gross Loan	536	262	-	261	-	
Cash & Bank Balance	926	1754	3223	1880	3634	
Secured Working Capital Loan	631	288	301	142	259	
Total Secured Gross Debt	1167	550	301	403	259	
Net Block (Fixed)	9128	8833	9634	9006	9530	
ROCE	30%	33%	24%	27%	32%	
RONW	21%	24%	17%	19%	22%	



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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

- 23 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](http://www.bhaskarnet.com)



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