

# DB Corp Ltd. Investor Presentation



May 2014

**दैनिक भास्कर**  
समूह

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

**VALUES  
PILLARS**

CREDIBILITY & INTEGRITY  
EMPOWERED TALENT

INNOVATIVE & ENTREPRENEURIAL  
INNOVATIVE PRODUCTS & PROCESSES

RESPECT & APPRECIATION  
ETHICAL GOVERNANCE

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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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**VALUES  
PILLARS**

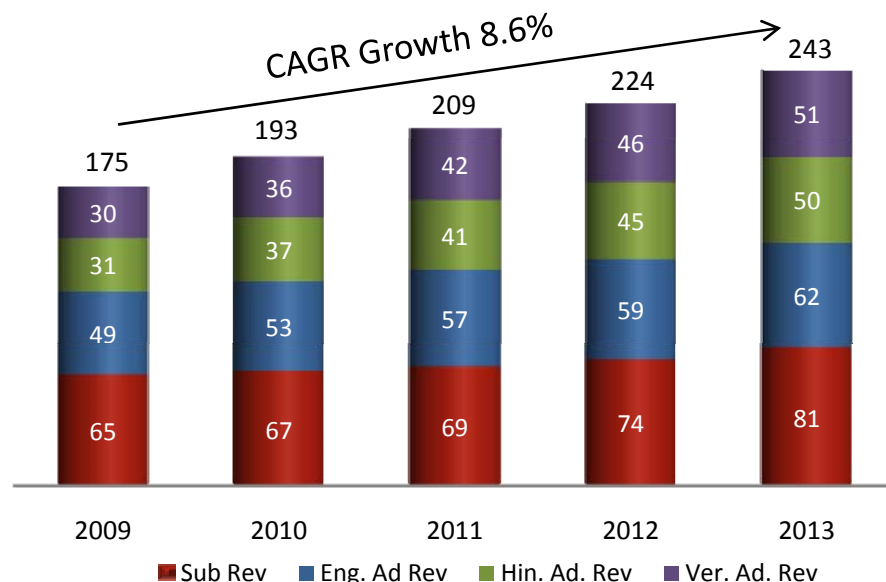
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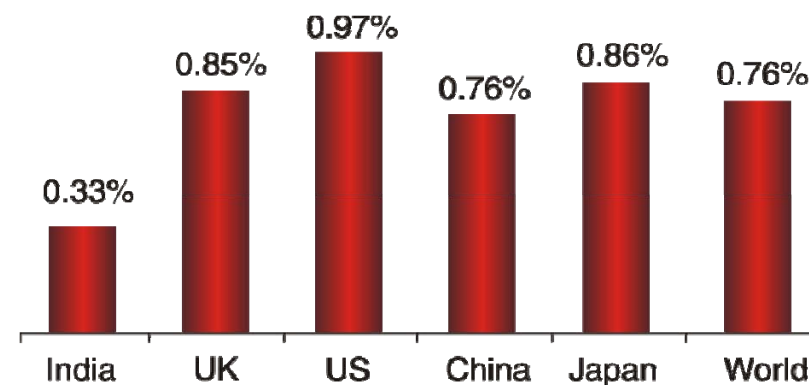
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# Indian Media Sector

Print Industry Revenues (Rs bn)



Media Spend as % of GDP



- M&E industry size was Rs 918 bn in 2013, which grew by 11.8% over 2012. Expected CAGR growth is 14.2% till 2018.
- Indian Ad spend is expected to grow at a CAGR of 14% till 2018.
- Print Media Ad pie continues to hold largest % of overall Ad pie at 45% and is expected to maintain lead with expected CAGR growth of 11.1% till 2018, for Regional Print.

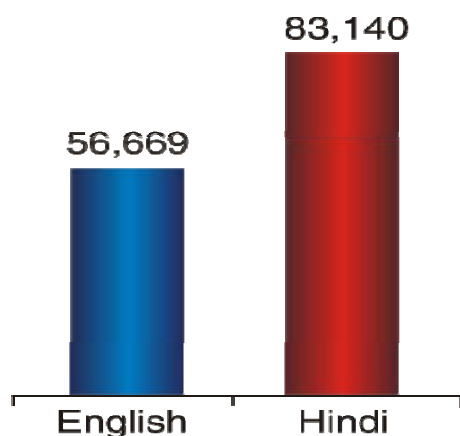
Source: FICCI-KPMG Report 2014

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

## REGIONAL PRINT GROWING FASTER WITH INCREASING LITERACY LEVEL

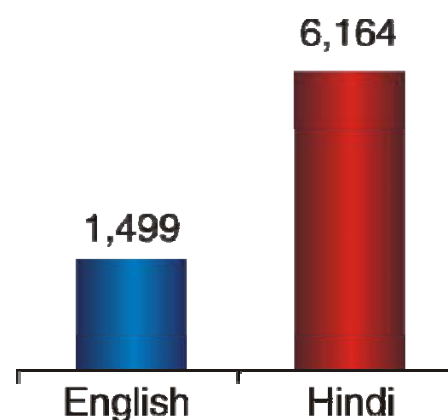
### Can Read Population (in '000)

(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>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



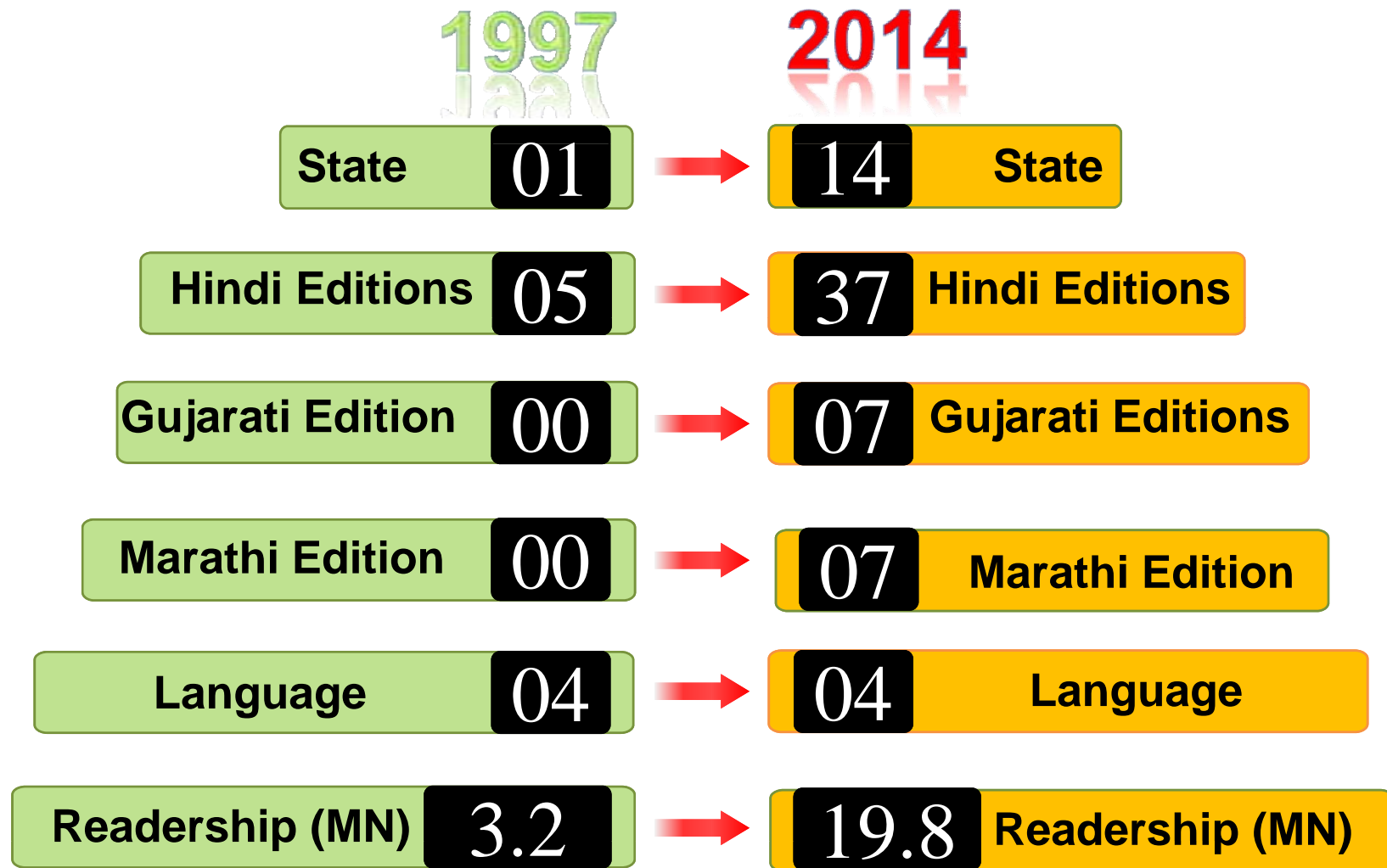
## Leadership in Multiple States – Emerging Tier II & III Cities

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

## Focus on Revenue Market Share - in Multiple language

- Hindi, Gujarati, Marathi and English
- 49% Urban population resides in Bhaskar Markets
- 50% of India's total consumption is concentrated in Bhaskar Markets.
- Newspaper readership penetration is only 30%

# CONSISTENT TRACK RECORD OF GROWTH





# FOCUSED ON GROWING MEDIA OPPORTUNITIES IN INDIA

-REGIONAL MARKETS

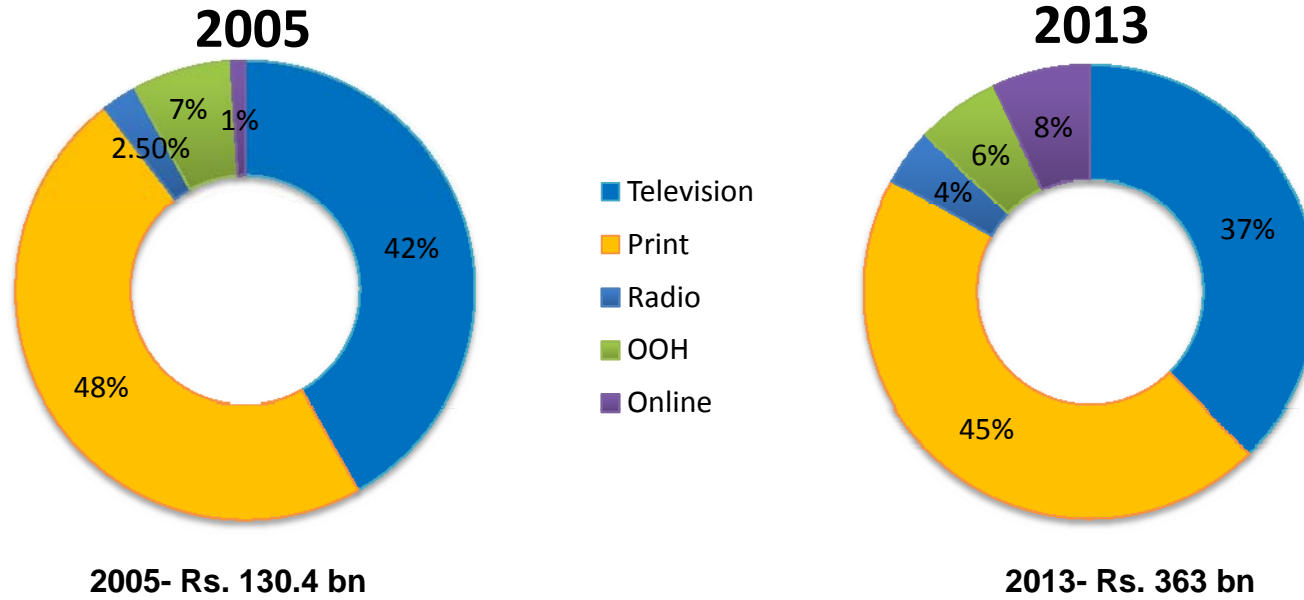


## CONSUMPTION GROWTH IS HIGHER IN TIER II & TIER III CITIES

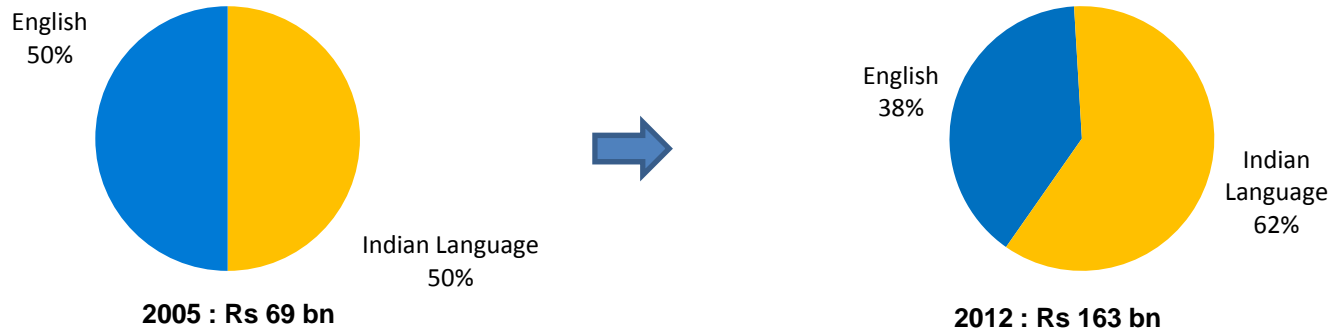
GROWTH 2008 VS. 2012	METROS	TIER II	TIER III
Consumer Durables Ownership (Air Conditioner)	69%	135%	131%
Consumer Durables Ownership (Electric Geyser)	28%	85%	59%
IT & Communication Products	69%	116%	105%
Automobile (Ownership)	40%	83%	66%
FMCG Product Purchases	17%	42%	30%

Source: IRS Q3 '12

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

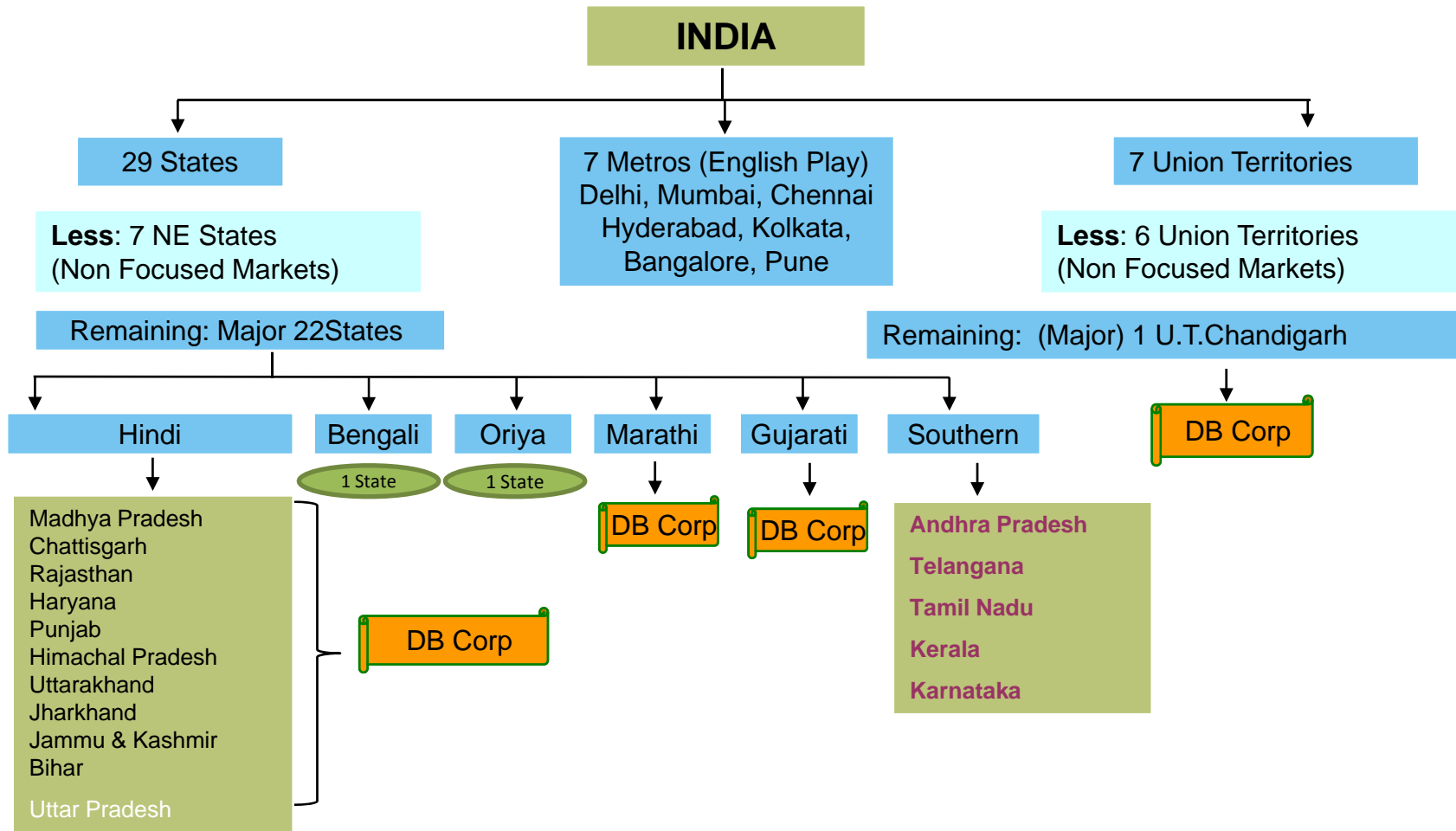


Indian Language gaining share of ad-pie



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

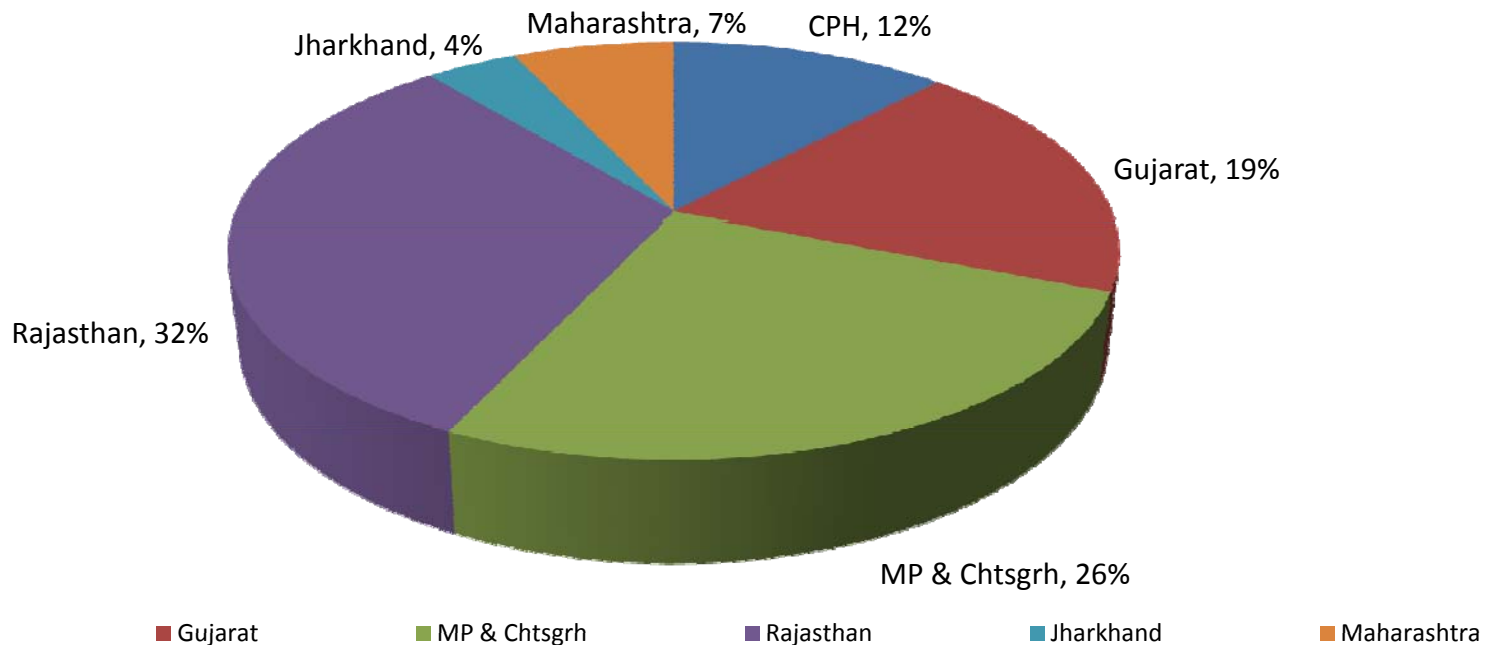
Our business in Madhya

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 – 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>
Dainik Bhaskar	1040
Nearest Competitor	792
<b>Chandigarh/ Haryana</b>	<b>IRS 12 Q4</b>
Dainik Bhaskar	1455
Nearest Competitor	1108
<b>Ahmedabad</b>	<b>IRS 12 Q4</b>
Divya Bhaskar	1097
Nearest Competitor	848
<b>Amritsar</b>	<b>IRS 12 Q4</b>
Dainik Bhaskar	144
Nearest Competitor	106
<b>Jalandhar</b>	<b>IRS 12 Q4</b>
Dainik Bhaskar	138
Nearest Competitor	118
<b>Ranchi</b>	<b>AIR</b>
Dainik Bhaskar	165
Nearest Competitor	184
<b>Aurangabad</b>	<b>AIR</b>
Dainik Divya Marathi	176
Nearest Competitor	270

IRS : Indian Readership Survey

# ***SUSTAINED & RELENTLESS FOCUS ON NON- PRINT MEDIA STRATEGY.....***



[dainikbhaskar.com](http://dainikbhaskar.com)  
[divyabhaskar.com](http://divyabhaskar.com)  
[dailybhaskar.com](http://dailybhaskar.com)  
[divyamarathi.com](http://divyamarathi.com)



## GROWTH OPPORTUNITIES – DIGITAL MEDIA

- Our online presence is in Hindi, Gujarati and Marathi, which account for 75% of India's regional language audience - as well as in English.
- Digital Business has shown an impressive growth of 44% YOY in Pageviews, for FY14.
- **Noteworthy progress in growth of UV & PV**, our Unique Visitors have grown to 9.1 million. Collective page views stands at 314 million per month.
- [www.dainikbhaskar.com](http://www.dainikbhaskar.com) has become largest Hindi language website with 196 million page views, registering growth of 39% YOY.
- [www.divyabhaskar.com](http://www.divyabhaskar.com) has become largest Gujarati language website with 94 million page views, thus registering growth of 36% YOY.

## GROWTH OPPORTUNITIES – DIGITAL MEDIA...

- Our Revenue growth is impressive 95% in Q4 FY14 YOY and we have been maintaining good growth momentum of 51% YOY in FY14 in our Digital revenue.
- Focus on Market Expansion: Launching comprehensive destination for larger content need like Bollywood, business, women
- DBCL launched three new titles/ properties  
Bollywoodbhaskar.com, Businessbhaskar.com & Dainikbhaskar.com/UP.

### **Mobile Strategy:**

- DBCL is fully in place with its mobile strategy, it has introduced its apps' for smart phones for dainikbhaskar.com and divyabhaskar.com in 2014.
- Dainikbhaskar.com's WAP-enabled site has registered remarkable growth of 75% in [unique visitors] in Q4 FY2014 over Q3 FY2014.



## GROWTH OPPORTUNITIES - RADIO

- Launched in 2006, now operates from 17 stations in 7 states, namely M.P., C.G., Punjab, Gujarat, Rajasthan, Chandigarh, Maharashtra
- Leading radio station in majority of 17 markets.
- 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. 801 million with growth of 19.2% in FY'14 on YOY Basis.
- Achieved EBIDTA of Rs. 318 million (margin of 40%) and PAT of Rs. 104 million (margin of 17.5%) in FY'14
- **In Phase III**, Healthy prospective delta in our existing print markets with avenue of almost 280 new radio stations.

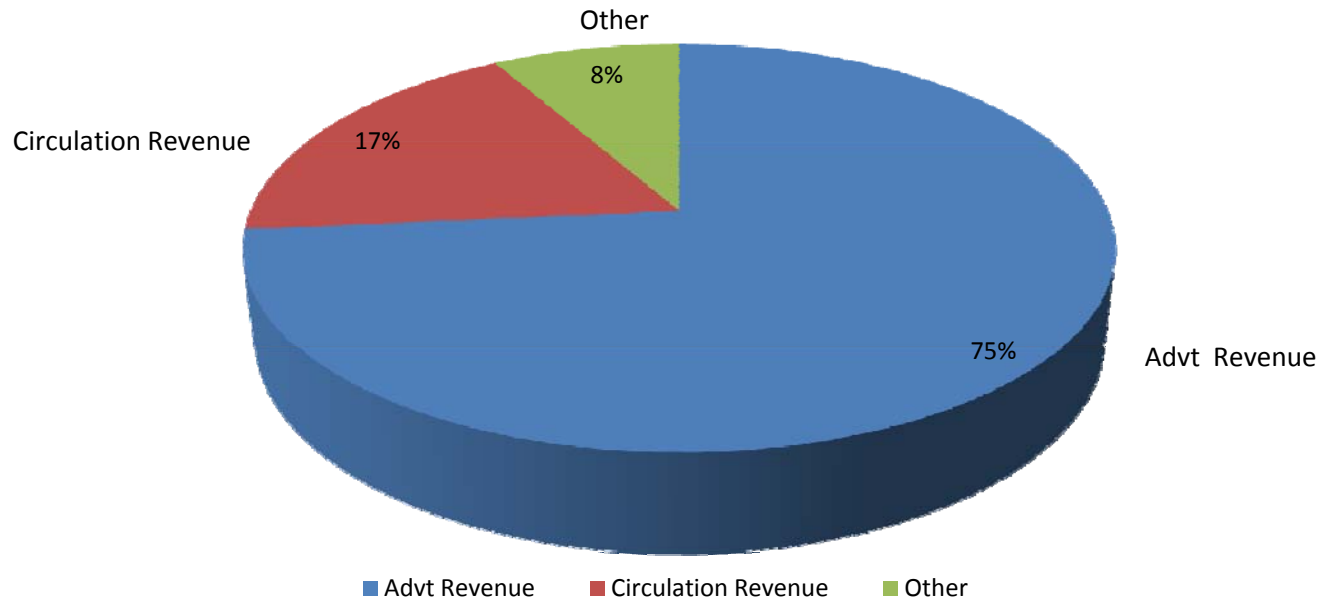
# CONSOLIDATED FINANCIAL HIGHLIGHTS

- *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 FY14

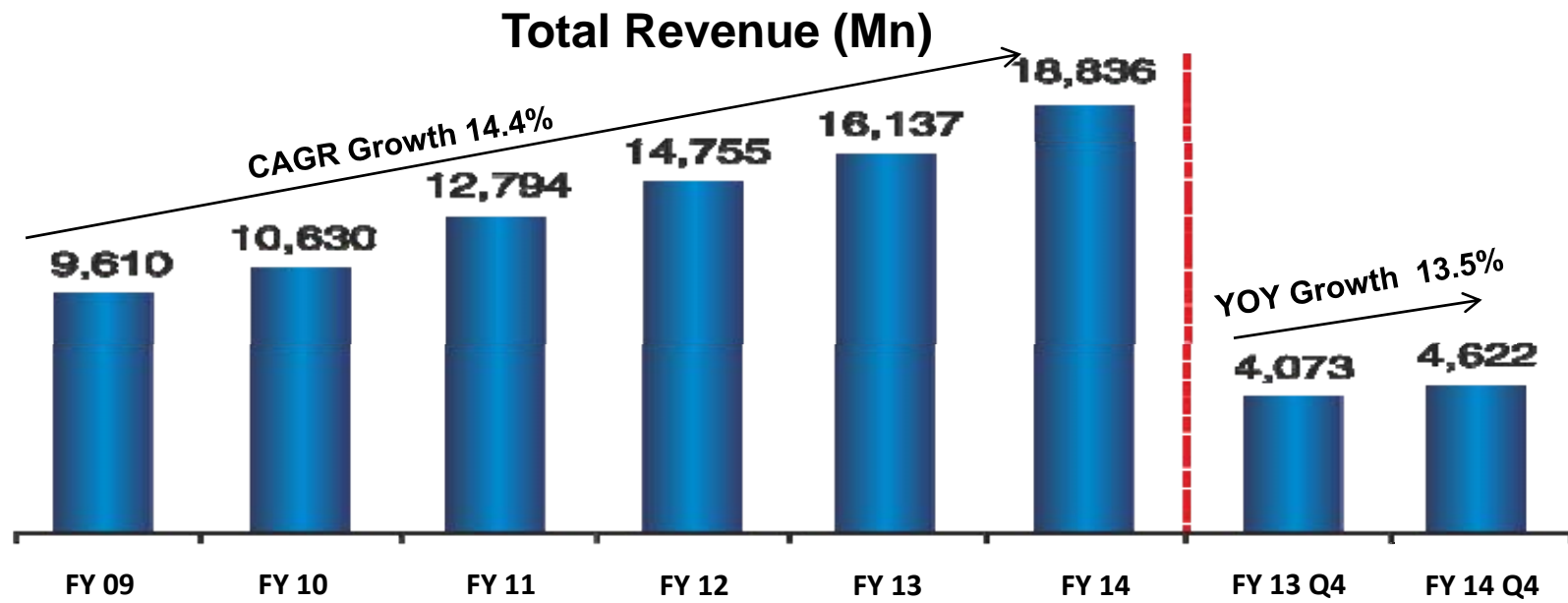
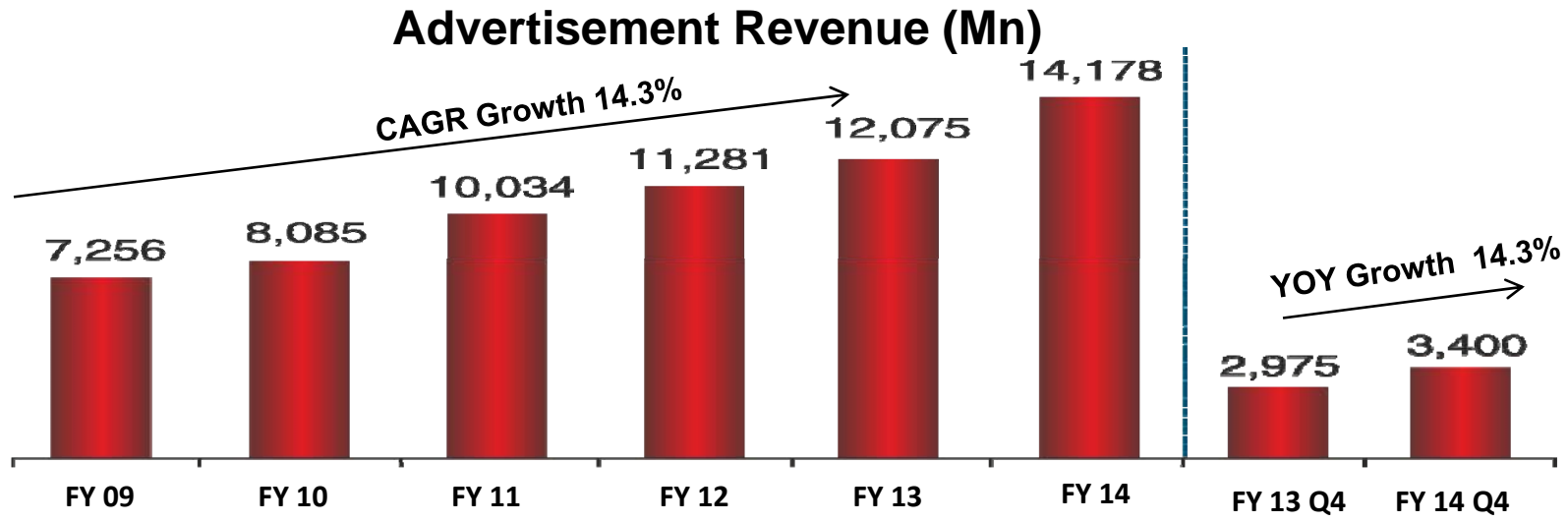


## Revenue Growth Drivers

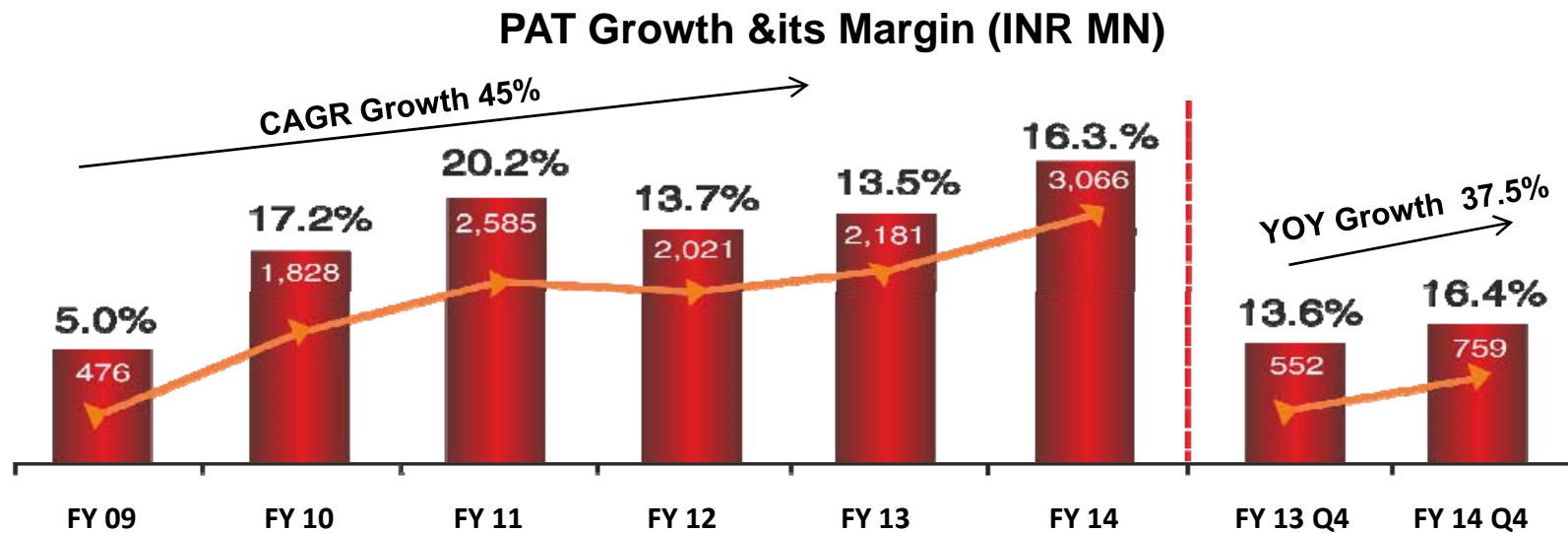
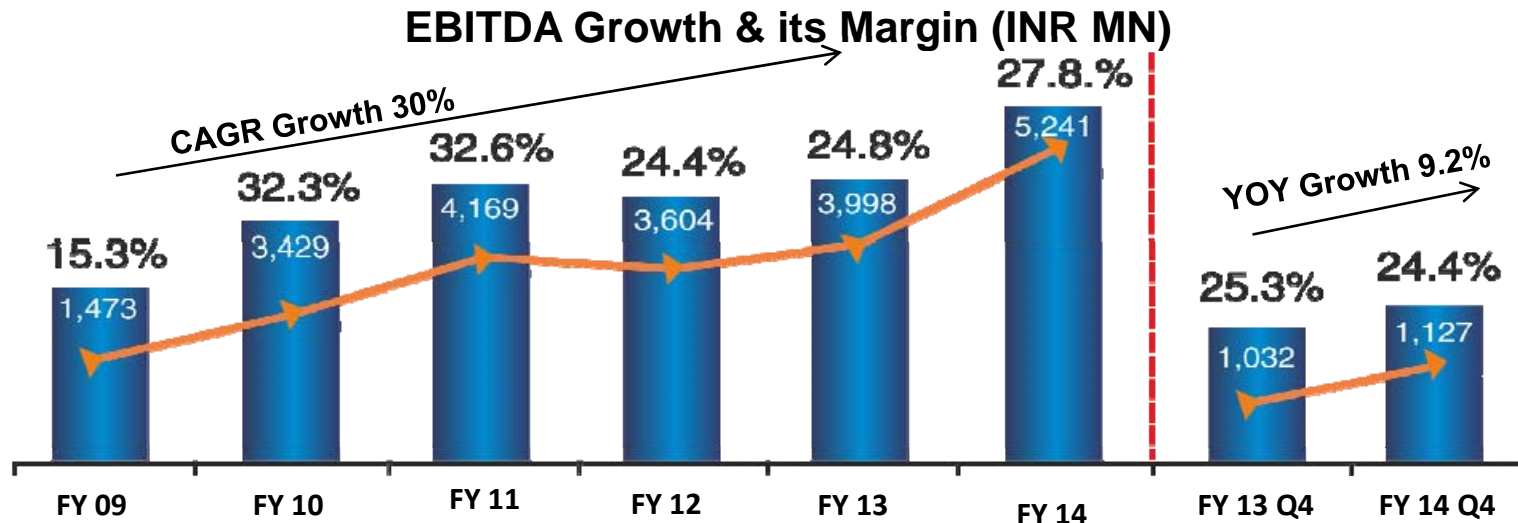
- Upward revision of ad rates at national and local level
- Driving growth through Retail Advertisers
- Improved Circulation, in Existing and Newer Markets and better price realization
- Further consolidation in existing markets and expansion into new territories



# ROBUST ADVERTISEMENT & REVENUE GROWTH



# PROPELLING OVERALL MARGIN EXPANSION



# HEALTHY OPERATING PROFIT IN OUR MATURE MARKET

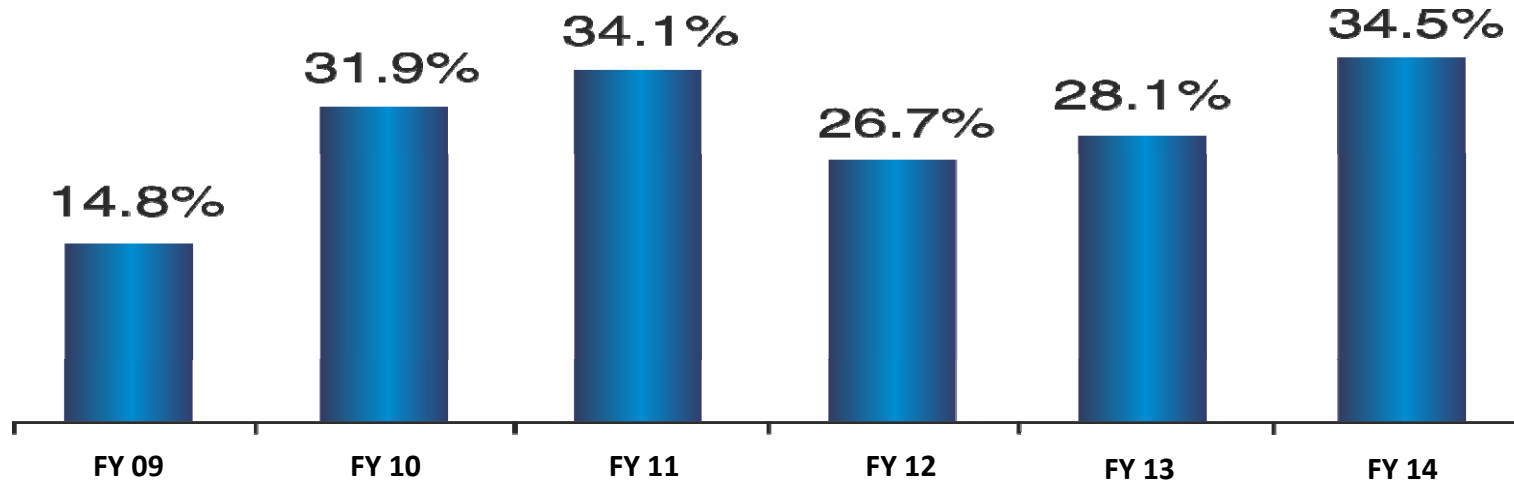
Rs MN

Particulars	Q4 (FY 12-13)			Q4 (FY 13-14)			FY 12-13			FY 13-14		
	Matured	Emerging	DBCL Standalone	Matured	Emerging	DBCL Standalone	Matured	Emerging	DBCL Standalone	Matured	Emerging	DBCL Standalone
Topline	3520	377	4082	3914	455	4712	13591	1773	16036	16220	1653	18801
EBIDTA(Before pre-opex)	1085	(58)	1097	1166	(84)	1112	4212	(328)	4128	5317	(219)	5348
EBIDTA(After pre-opex)	1085	(58)	1097	1166	(124)	1072	4212	(341)	4115	5317	(332)	5235
EBIDTA %	30.8%	(15.4%)	26.9%	29.8%	(27.2%)	22.8%	31.0%	(19.3%)	25.7%	32.8%	(20.1%)	27.8%

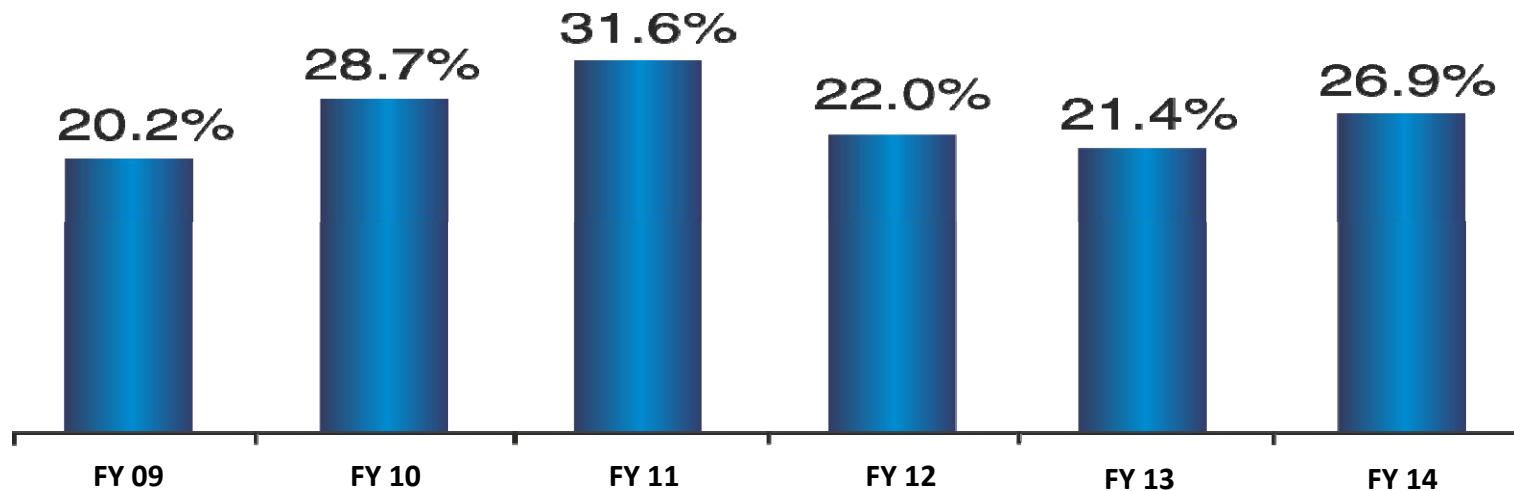
\*Emerging Editions: Editions which are less than 4 years old

# 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-11	March-12	March-13	March-14	Q4 FY13	Q4 FY14	Growth %
Advertising Income	10030	11281	12075	14178	2975	3400	14.3%
Circulation Revenue	2144	2422	2823	3235	733	839	14.4%
Total Income	12794	14755	16137	18836	4073	4622	13.5%
Newsprint	(3838)	(5070)	(5446)	(6323)	(1337)	(1675)	25.3%
Other Operating Expenditure	(4786)	(6071)	(6693)	(7272)	(1074)	(1821)	6.8%
Total Expenditure	(8625)	(11151)	(12138)	(13595)	(3041)	(3496)	14.9%
EBITDA	4169	3604	3998	5241	1032	1127	9.2%
EBITDA Margin	32.6%	24.4%	24.8%	27.8%	25.3%	24.4%	
Net Profit	2587	2021	2181	3066	552	759	37.4%
Net Worth	8289	9177	10214	11405	10214	11405	
Secured Long Term Gross Loan	1745	1328	1098	969	1098	969	
Cash & Bank Balance	1727	1896	1279	1135	1279	1135	
Secured Working Capital Loan	337	577	299	362	299	362	
Total Secured Gross Debt	2082	1905	1396	1331	1396	1331	
Net Block (Fixed)	7091	8224	8383	8526	8383	8526	
ROCE	35.1%	27.0%	28.1%	34.5%	28.1%	34.5%	
RONW	31.2%	22.0%	21.4%	26.9%	21.4%	26.9%	



# 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 Agarwal

- 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.



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*THANK YOU*



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