

# D B Corp Ltd. Investor Presentation

June 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.

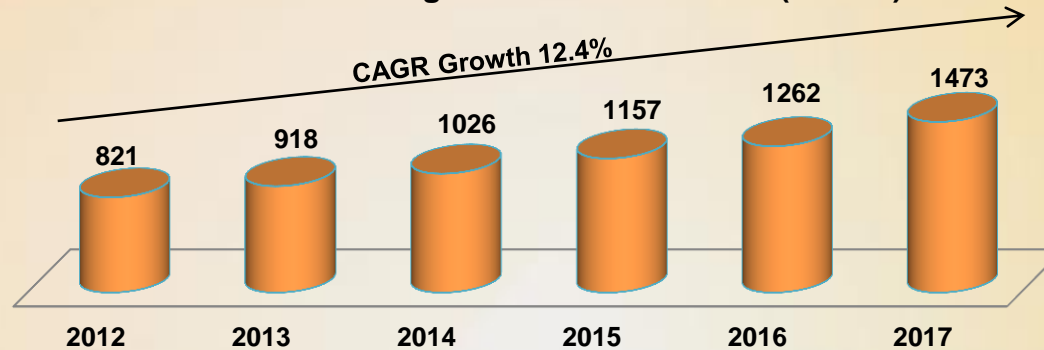
These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Company and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecast in the forward-looking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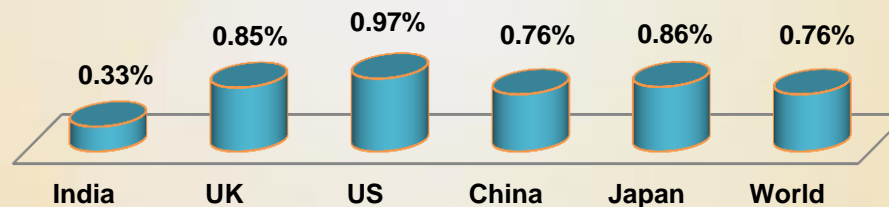
# Indian Media & Entertainment Industry

## 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



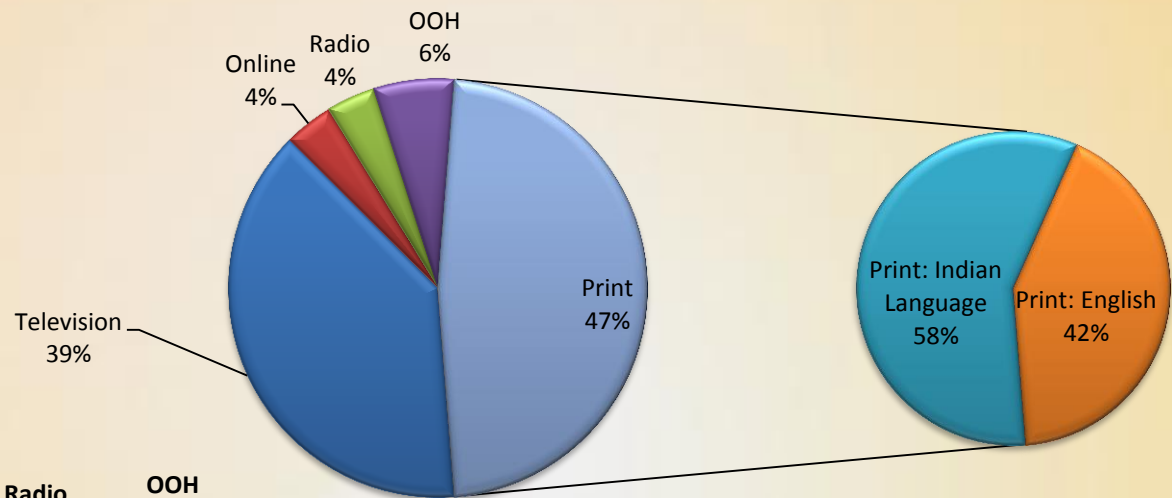
- It is still lower than global peers
- Reflective of sizeable / huge potential
- Media spend as % of GDP for India is expected to reach 0.43% of GDP in 2020, which is 0.41% of GDP for 2016

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

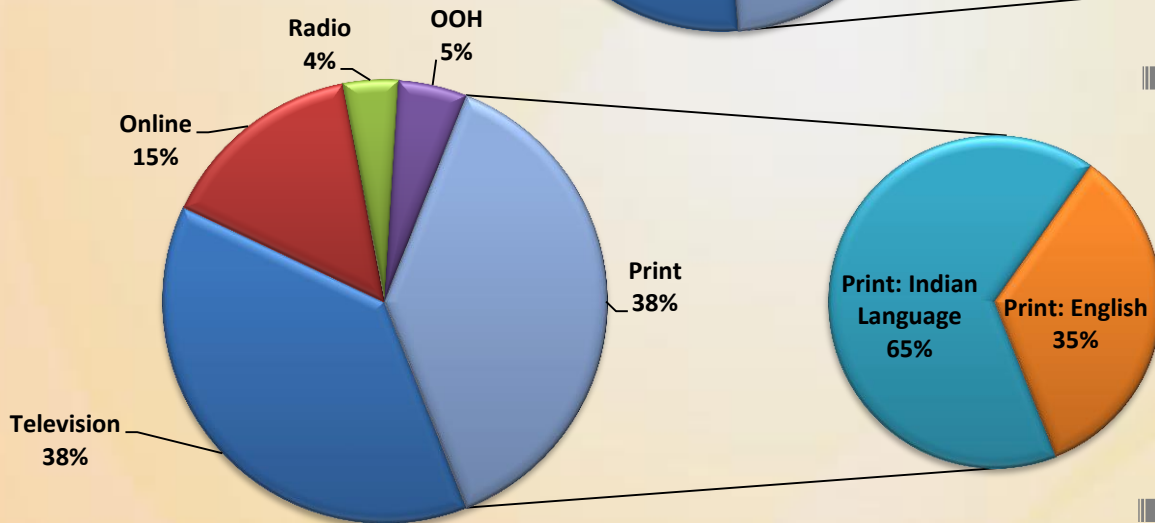


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# Print Maintains Largest Ad-pie – Language Print Witnesses Higher Growth



➔ 2010 – Rs. 265.5 bn

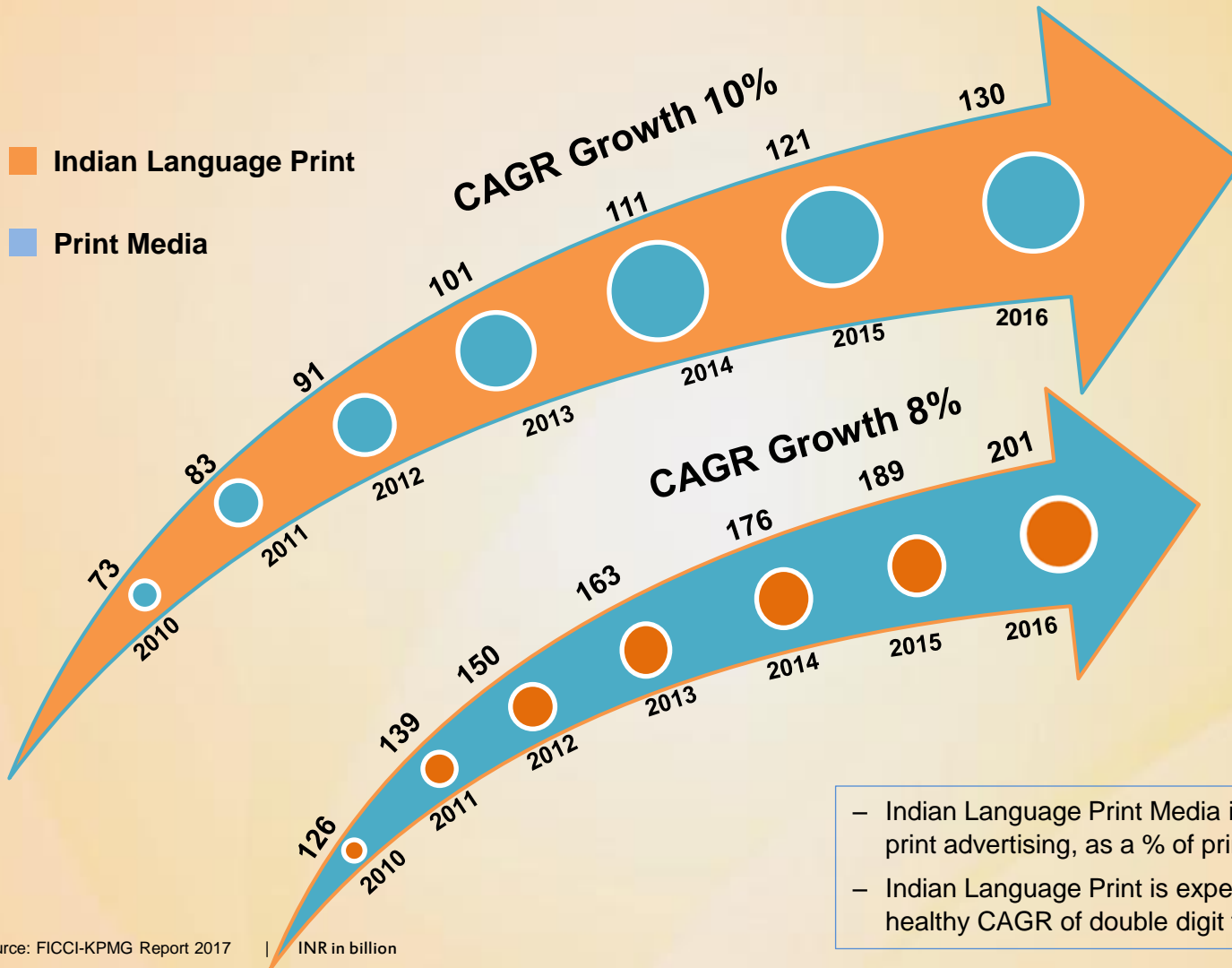


➔ 2016 – Rs. 528.2 bn

Source: FICCI-KPMG Report 2017



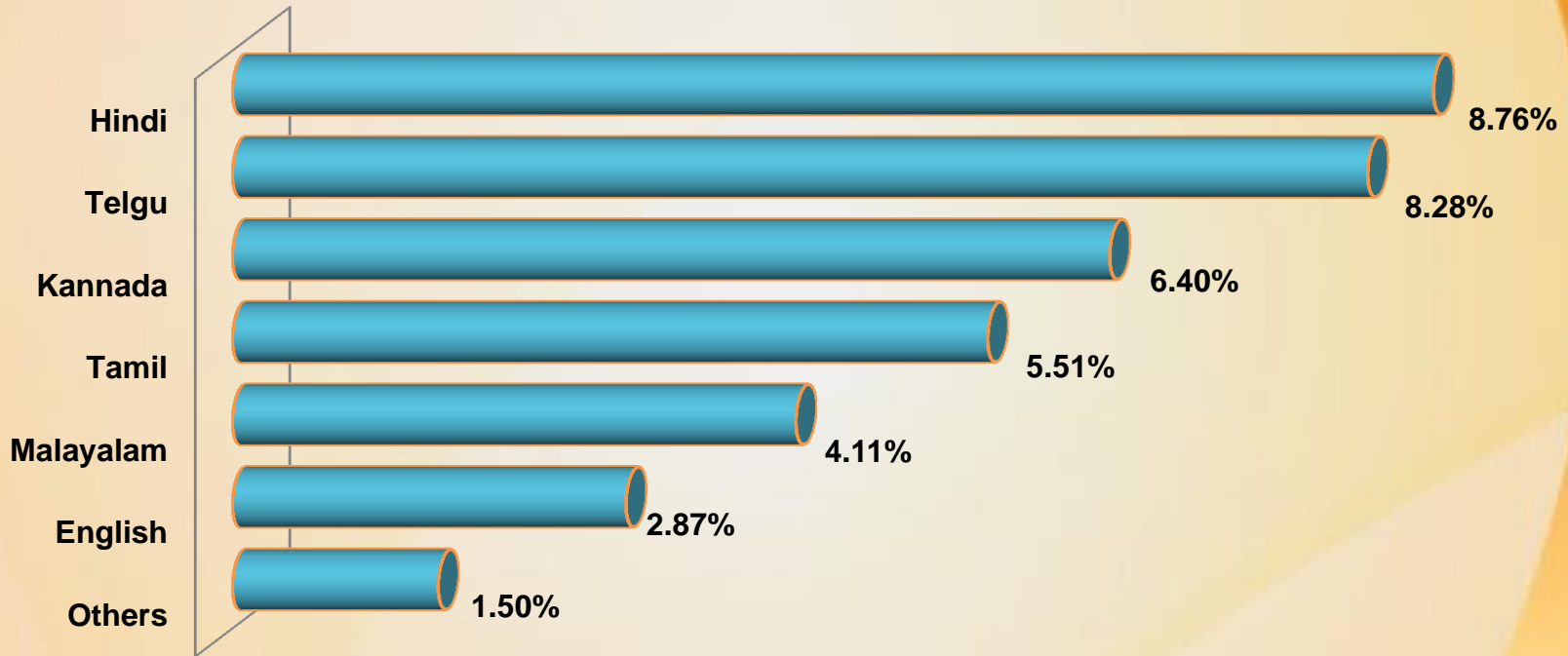
# Print & Indian Language Advertising Revenue



- 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 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>





# Growth Seen Across Language dailies

	LAST 1 MONTH READERSHIP	Figs in Crores (12 Years +)		% CHANGE VS '14
		IRS 2014	IRS 2017	
	<b>12 Years+ individuals</b>	<b>96.2</b>	<b>104.6</b>	<b>9%</b>
Indian Languages	Hindi	12.1	17.6	45%
	Marathi	2.6	3.4	31%
	Tamil	2.3	3.4	44%
	Telugu	1.5	2.5	63%
	Malayalam	2	2.4	19%
	Gujarati	1.6	2.3	45%
	Bengali	1.9	2.1	9%
	Kannada	1.3	1.8	37%
	Oriya	0.6	1.1	83%
	Punjabi	0.5	0.7	51%
	Urdu	0.1	0.2	53%
English Language	English	2.5	2.8	10%

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



# Dailies Added 11cr Readers, expanding readership base across consumer groups

Read in Last 1 Month	ALL INDIA		URBAN		RURAL	
	2014	2017	2014	2017	2014	2017
Dailies	31%	39%	47%	53%	22%	31%
Readers in Crores	29.5	40.7@	15.2	19.3	14.3	21.4
		+11 Cr		+4 Cr		+7 Cr

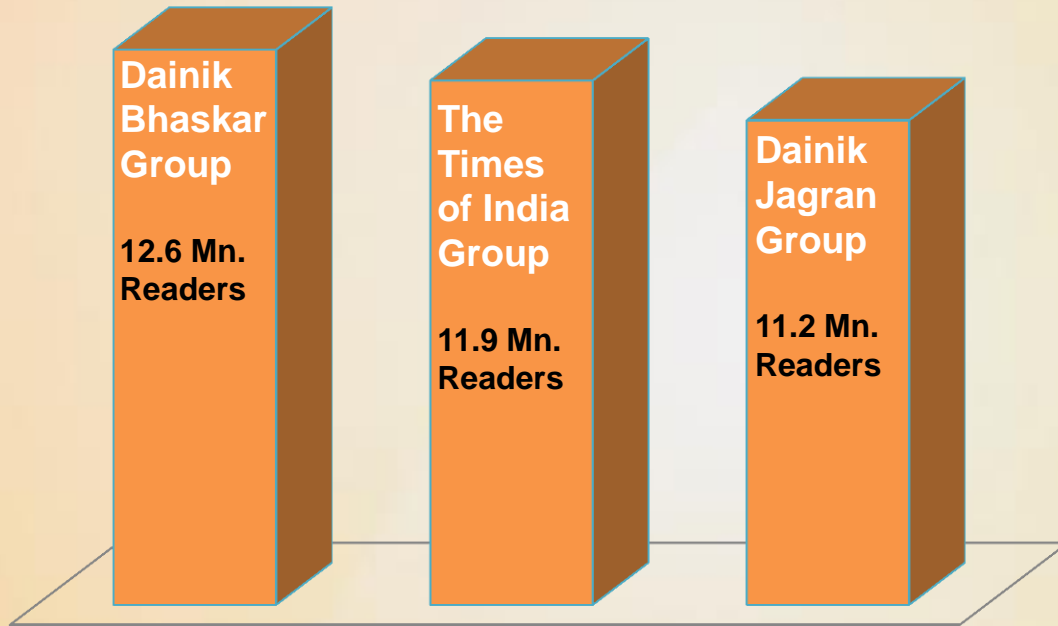
@ = includes readers for which mastheads were not fielded (smaller titles)

12 YEARS+	NCCS A		NCCS B		NCCS C		NCCS DE	
	2014	2017	2014	2017	2014	2017	2014	2017
Figs in % (12Years + )								
Dailies (hard copy) Read in Last 1 Month	72%	73%	51%	54%	33%	37%	15%	21%

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



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



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

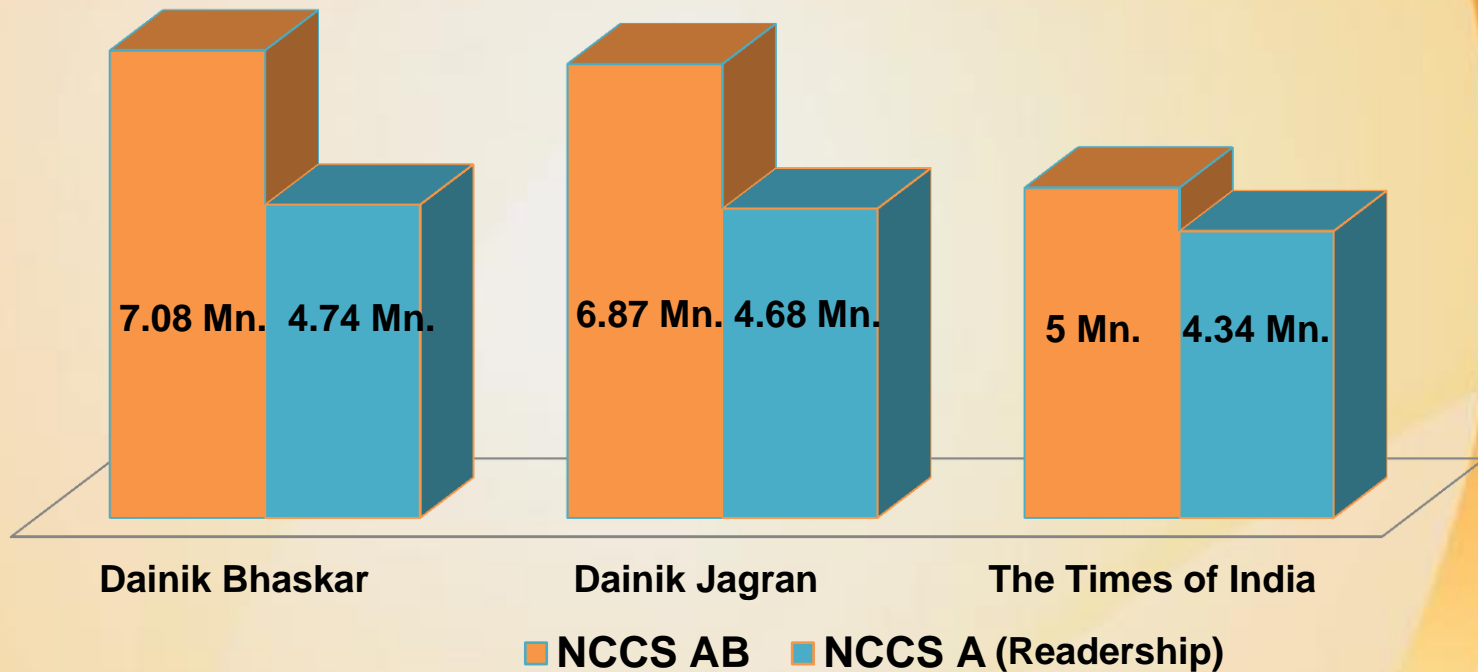
The Times of India Group: The Times of India | Vijaya Karnataka | Navbharat Times | Maharashtra Times | Ei Samay | Mumbai Mirror | Bangalore Mirror

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



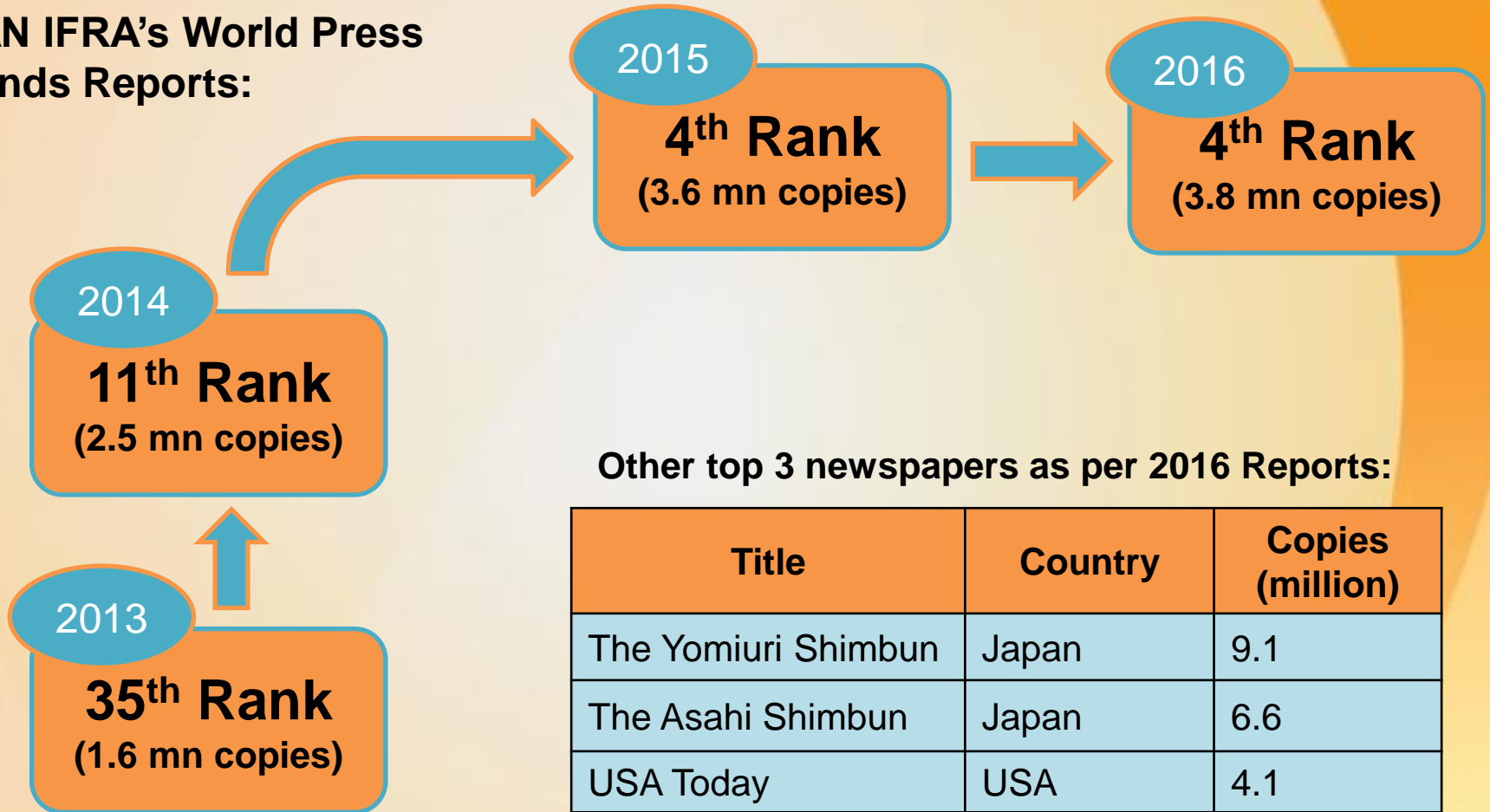
# Dainik Bhaskar has the largest NCCS-AB and NCCS-A; readers in Urban India



Source : IRS 2017 AIR – URBAN

# '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.



# 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**

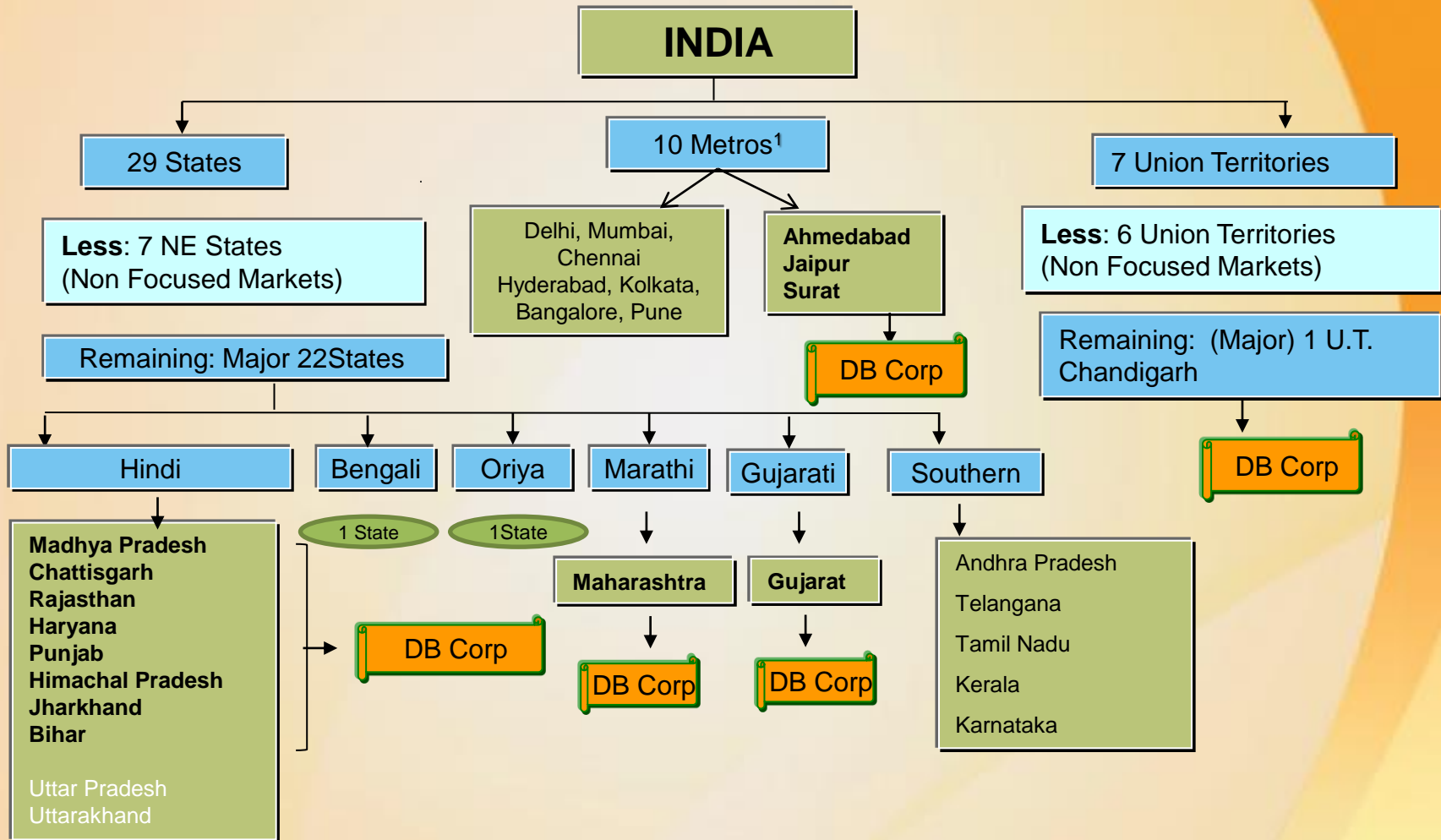
**7 States, 30 Stations**



**Digital & Mobile**

**11 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 35% of "Can Read" population

Source: Indian Govt. Web site | EY's Report – India's growth paradigm | IRS 2017 | Map not to scale

# 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 FY 2017-18.
  - Delivering excellent growth of around 14% on a high base of circulation copies, on increased cover price; reached to 57.9-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 markets of Gujarat, Rajasthan, Bihar and MP.



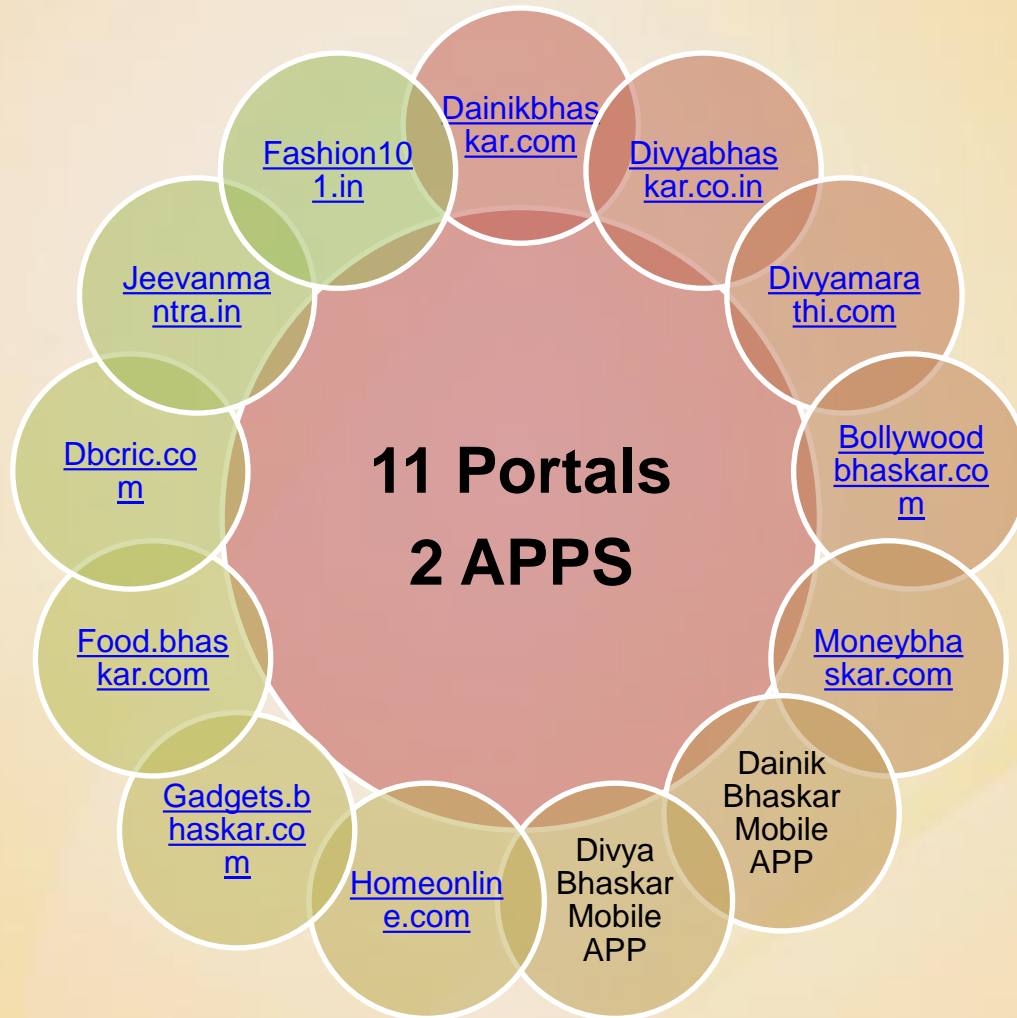


## Indian Language Internet Users are the **PRESENT** and the **FUTURE**

- 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

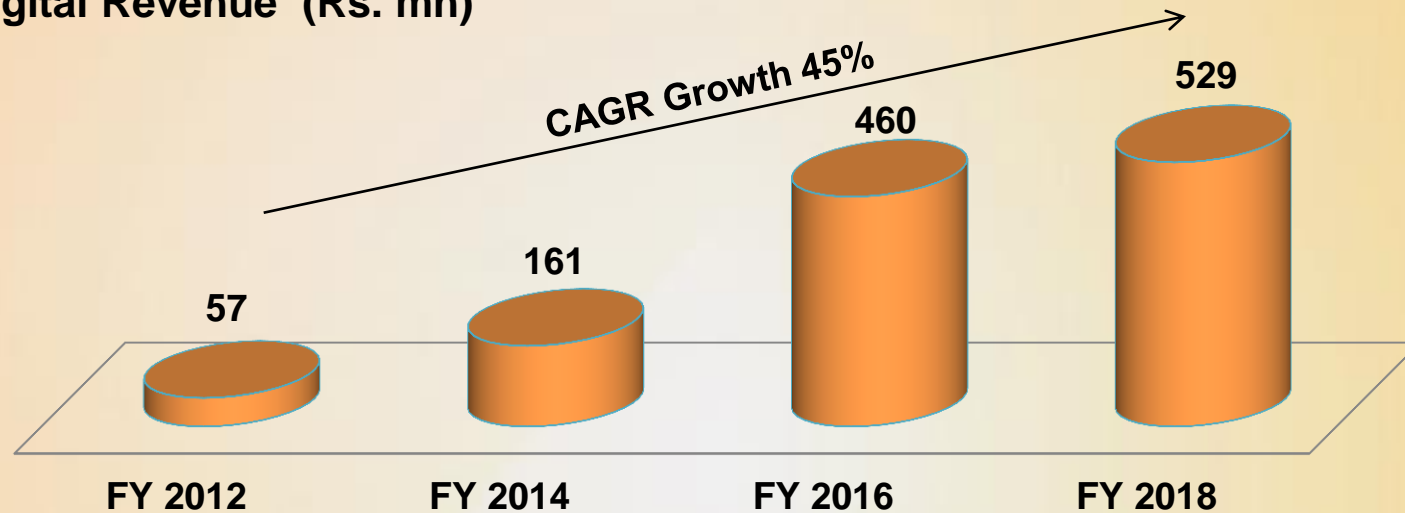
\*Source: Indian Language Internet Report - KPMG & Google, April'17

# Focused, Strong Brands For Digital Audiences



# Digital Snapshot

- Digital Revenue (Rs. mn)



- Unique Visitors (UV) for the month of Mar 2018 were 74.3 mn<sup>1</sup>
- Page Views (PV) for the month of Mar 2018 were 1.1 bn<sup>1</sup>
- Mobile applications: 12.3 mn app downloads for Dainik Bhaskar & Divya Bhaskar
- [www.bhaskar.com](http://www.bhaskar.com) - No. 1 Hindi News<sup>2</sup> website
- [www.divyabhaskar.com](http://www.divyabhaskar.com) - No. 1 Gujarati News<sup>2</sup> website

Source: 1. Google Analytics | 2. Comscore Mar 2018

# 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 Q4 FY 2018



Unique, high energy radio activation that resulted into stronger audience engagement:

**Launched Irshad Kamil Weekly Show** – band created 8 new songs for MY FM launched & unveiled first on show.

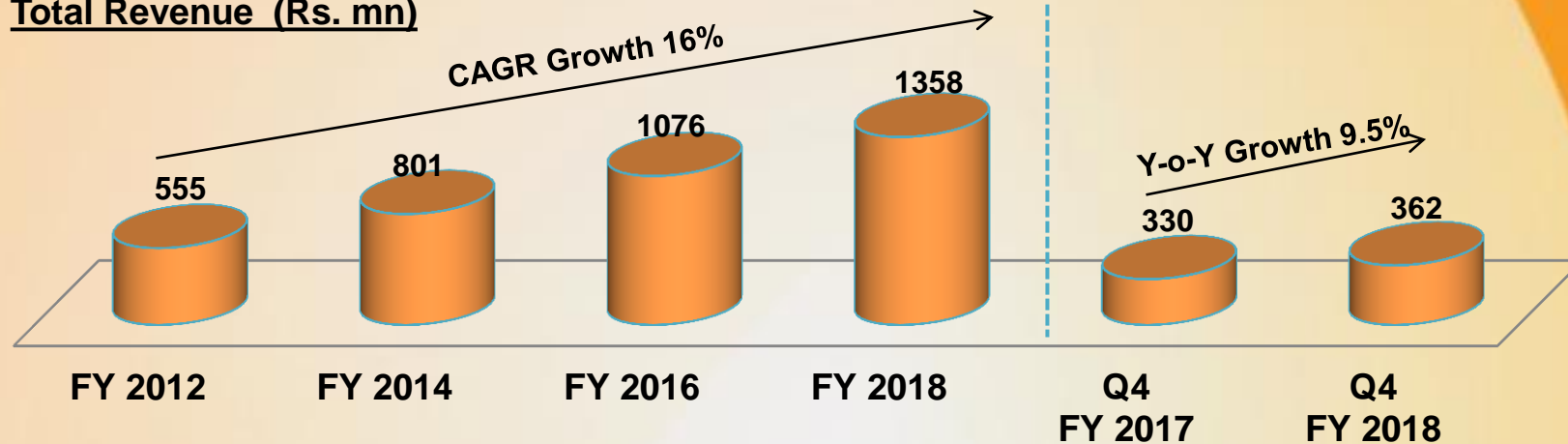
Taal Namah Shivay,  
Kisme Kitna Hai Dum (in Surat, Rajkot),  
Dil Wali Deewar (Rajkot, Aurangabad & Udaipur),  
Comedy Adda (Raipur, Nasik)

Jiyo dil se awards hosted at 21 stations and culminated at star studded ceremony in Nagpur

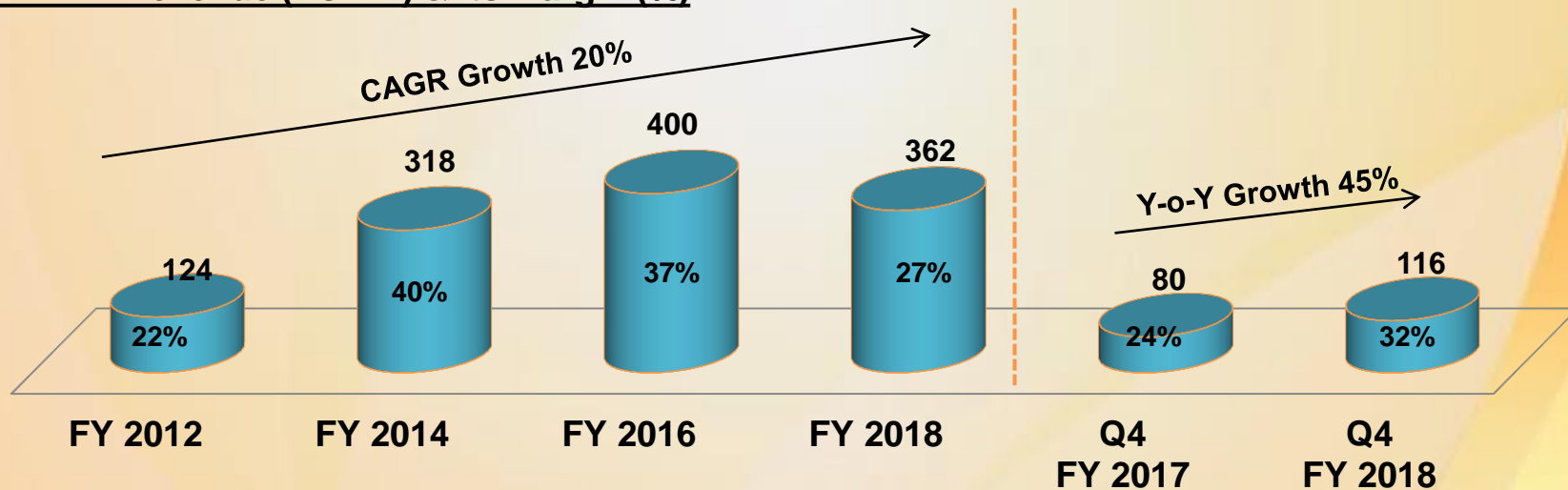
# Radio Snapshot



## Total Revenue (Rs. mn)



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

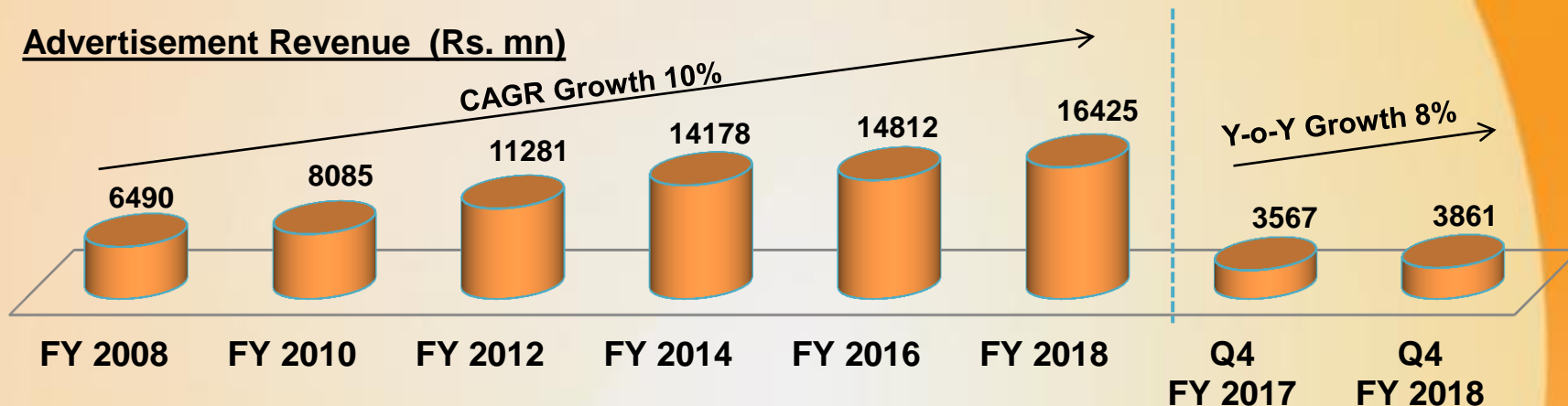


**Robust Growth in Profits**  
**Strong Focus on ROCE & RONW**  
**Low Debt Exposure**  
**High Net worth & Strong Balance Sheet**

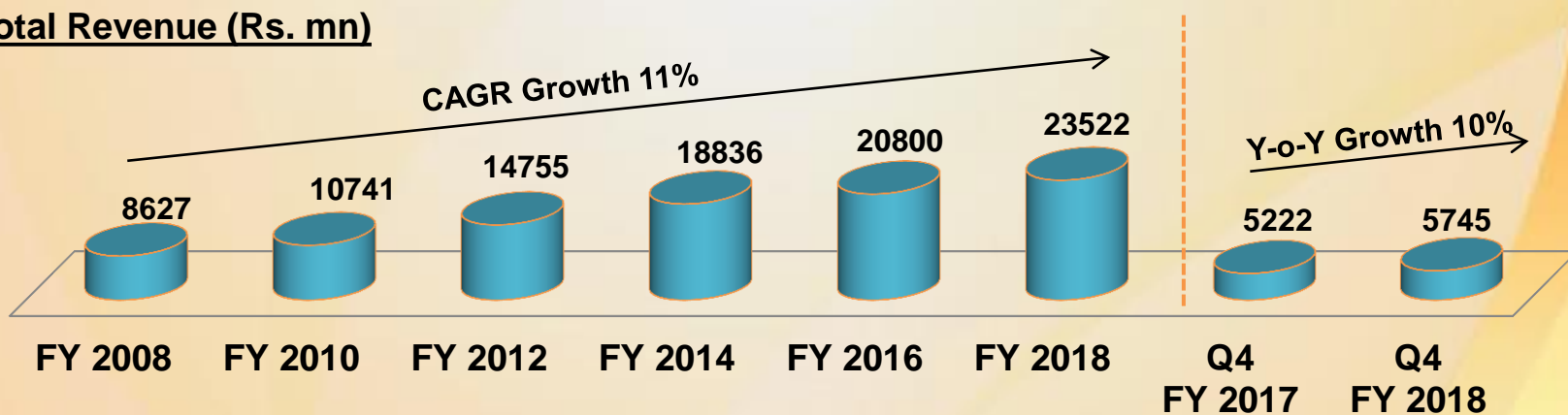


# Proven Track Record of Topline & Bottom Line Growth... (contd.)

## Advertisement Revenue (Rs. mn)

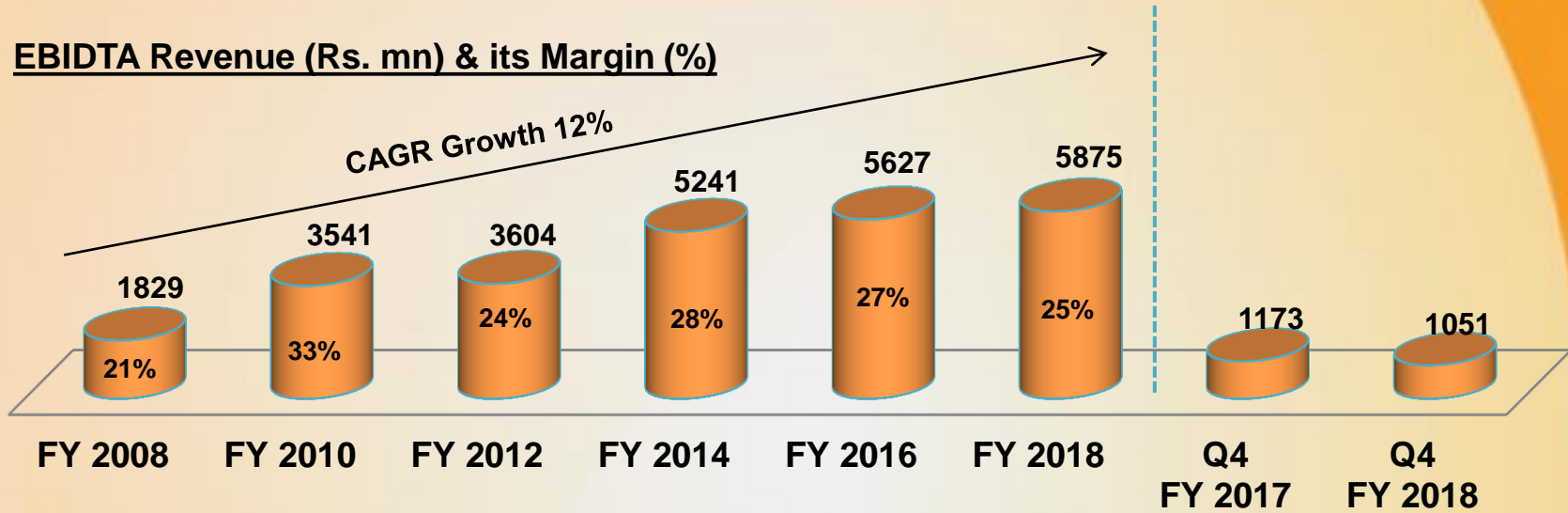


## Total Revenue (Rs. mn)

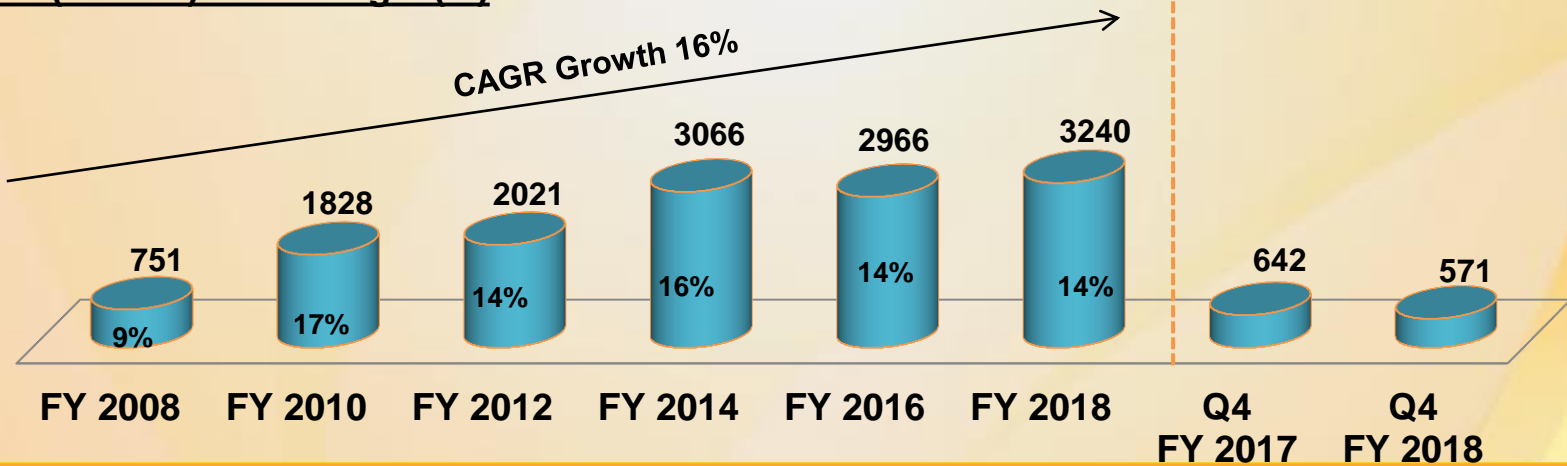


# Proven Track Record of Topline & Bottom Line Growth

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



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





# Healthy Operating Profit In Our Mature Market

Rs MN

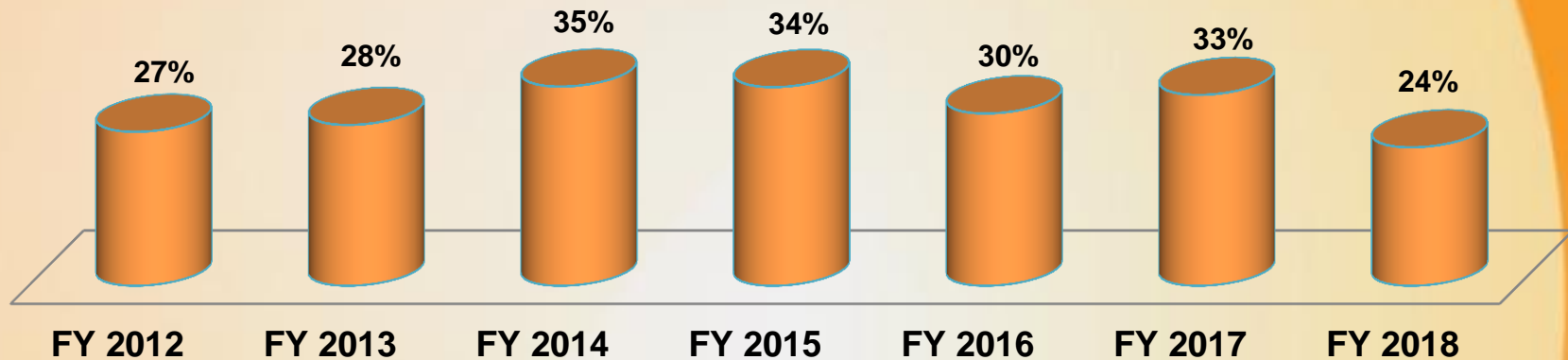
Particulars	Q4 (FY16-17)			Q4 (FY17-18)			Annual (FY 16-17)			Annual (FY 17-18)		
	Matured Print / Radio / Digital	Emerging Business*	DBCL Standalone	Matured Print / Radio / Digital	Emerging Business*	DBCL Standalone	Matured Print / Radio / Digital	Emerging Business*	DBCL Standalone	Matured Print / Radio / Digital	Emerging Business*	DBCL Standalone
Topline	5052	169	5220	5487	260	5746	22082	666	22746	22640	884	23524
EBIDTA (Before Pre - opex)	1249	(76)	1173	1293	(185)	1107	6875	(259)	6616	6473	(391)	6082
EBIDTA (After Pre – opex)	1249	(76)	1173	1293	(239)	1053	6875	(259)	6616	6473	(594)	5878
EBIDTA %	24.7%	(45.1%)	22.5%	23.6%	(92.2%)	18.3%	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

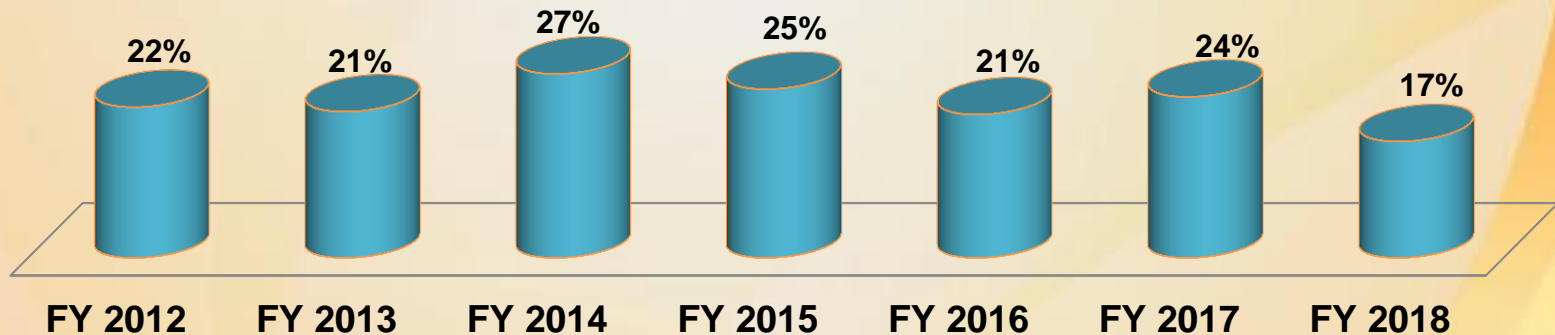


# Strong Balance Sheet & Financial Ratios

## Return on Capital Employed



## Return on Net Worth



# Financial Summary

Particulars (INR million)					Quarter Ended		
	15-Mar	16-Mar	17-Mar	18-Mar	Q4 FY17	Q4 FY18	Growth %
Advertising Income	15166	14812	15973	16425	3567	3861	8.2%
Circulation Revenue	3755	4356	4814	5145	1217	1320	8.5%
Total Income	20353	20735	22750	23522	5222	5745	10.0%
Newsprint	(6479)	(6186)	(6609)	(7307)	(1606)	(1935)	20.5%
Personnel Cost	(3457)	(3909)	(4258)	(4364)	(1052)	(1095)	4.1%
Other Operating Expenditure	(4537)	(5049)	(5291)	(5976)	(1391)	(1664)	19.6%
Total Expenditure	(14474)	(15145)	(16158)	(17647)	(4049)	(4694)	15.9%
EBITDA	5879	5590	6592	5875	1173	1051	(10.4%)
EBITDA Margin	28.89%	26.96%	28.97%	24.98%	22.46%	18.29%	
Net Profit	3163	2921	3748	3240	642	571	(11.1%)
Net Worth	13405	13945	15930	19291	15930	19291	
Secured Long Term Gross Loan	758	536	262	-	262	-	
Cash & Bank Balance	1782	926	1754	3223	1754	3223	
Secured Working Capital Loan	477	631	288	301	288	301	
Total Secured Gross Debt	1236	1167	550	301	550	301	
Net Block (Fixed)	7982	9128	8833	9634	8833	9634	
ROCE	34.45%	29.88%	33.10%	24.33%	33.10%	24.33%	
RONW	24.65%	20.94%	23.53%	16.79%	23.53%	16.79%	



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



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