

Den Networks Ltd.



Q3'17 Results Investor Presentation

January 23, 2017



FY17 Q3 key highlights

- *Strong growth in cable Subscription revenue- 15% Q-o-Q*
- *Profitability continues to improve , DAS 1 EBITDA 30%+*
- *Strong performance in DAS 3 digital : Monetisation @ 65 incl. taxes in Dec'16*
- *Broadband EBITDA breaks even for the full quarter despite telecom freebies*
- *Broadband – planning to launch in 15 to 20 new towns in next 6 to 9 months*



3Q'17 –Highlights (IGaap)

- Consolidated Revenue (Pre - activation)
 - For the quarter :Rs 303 crs ; Growth 6% vs Q2 ; 14% vs Q3'16
 - YTD : Rs 845 crs :Growth 11% vs P9'16
- Consolidated YTD EBITDA (post activation) at Rs 173 crs Vs Rs 27 crs in FY16
- Consolidated EBITDA (Pre - activation)
 - For the quarter :Rs 38 crs Vs.Rs 34 crs Q2 ; Rs (-) 43 crs Q3'16
 - YTD - Rs 87 crs Vs Rs (-)102 crs FY16
- Cable Subscription revenue growth 15% Q on Q(Rs172 crs Vs 150 crs) and 45% vs Q3'16 (Rs 119 crs)
- Broad band EBITDA break even for the full quarter
- Net Debt reduced to Rs 183 crs (Sep'16 Net Debt Rs 353 crs)

Consolidated Income Statement: Quarterly (IGaap)



		INR Crore			
		Cable	Broadband	TV Commerce ¹	Consolidated*
Revenues (Pre Activation)	3Q'17	276	21	5	303
	2Q'17	258	21	8	287
	3Q'16	236	12	4	266
Opex (incl. personnel cost)	3Q'17	104	21	7	132
	2Q'17	97	22	6	125
	3Q'16	90	27	10	168
EBITDA (Pre Activation)	3Q'17	40	0	(2)	38
	2Q'17	34	(2)	1	34
	3Q'16	6	(16)	(7)	(43)

* Includes Soccer



Consolidated Income Statement: Y-t-D (IGaap)

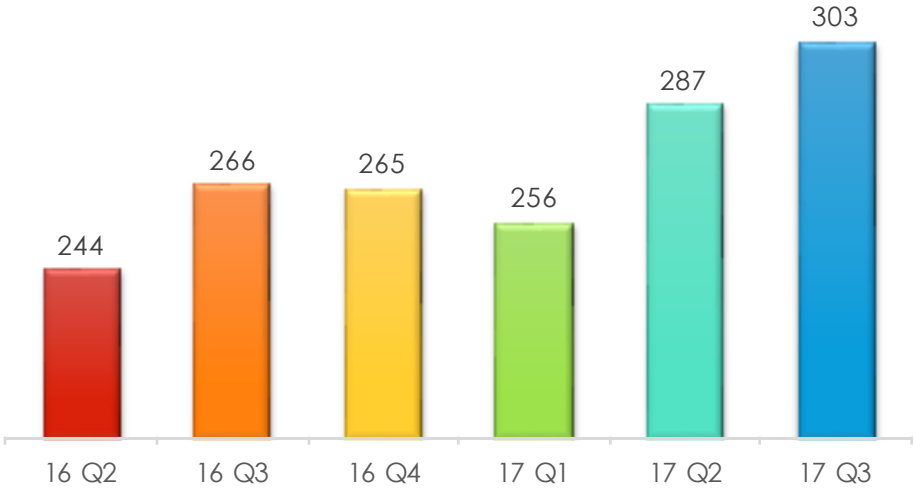
		INR Crore			
		Cable	Broadband	TV Commerce	Consolidated*
Revenue (Pre Activation)	FY17 YTD P9	772	60	14	845
	FY16 YTD P9	709	25	9	760
	Gr%	9%	141%	46%	11%
Opex (incl. personnel cost)	FY17 YTD P9	289	70	13	372
	FY16 YTD P9	275	79	23	430
	Gr%	5%	-11%	-44%	-13%
EBITDA (Pre Activation)	FY17 YTD P9	99	(11)	(1)	87
	FY16 YTD P9	4	(54)	(15)	(102)
	Gr%				186%

* Includes Soccer & Distribution business

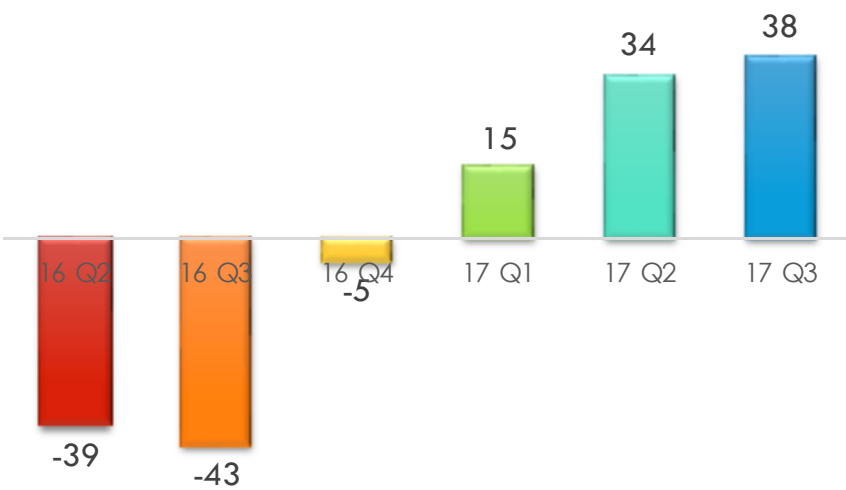
3Q'17 – Consol Highlights (I Gaap)



Consol. Revenue*
(Rs in crs)

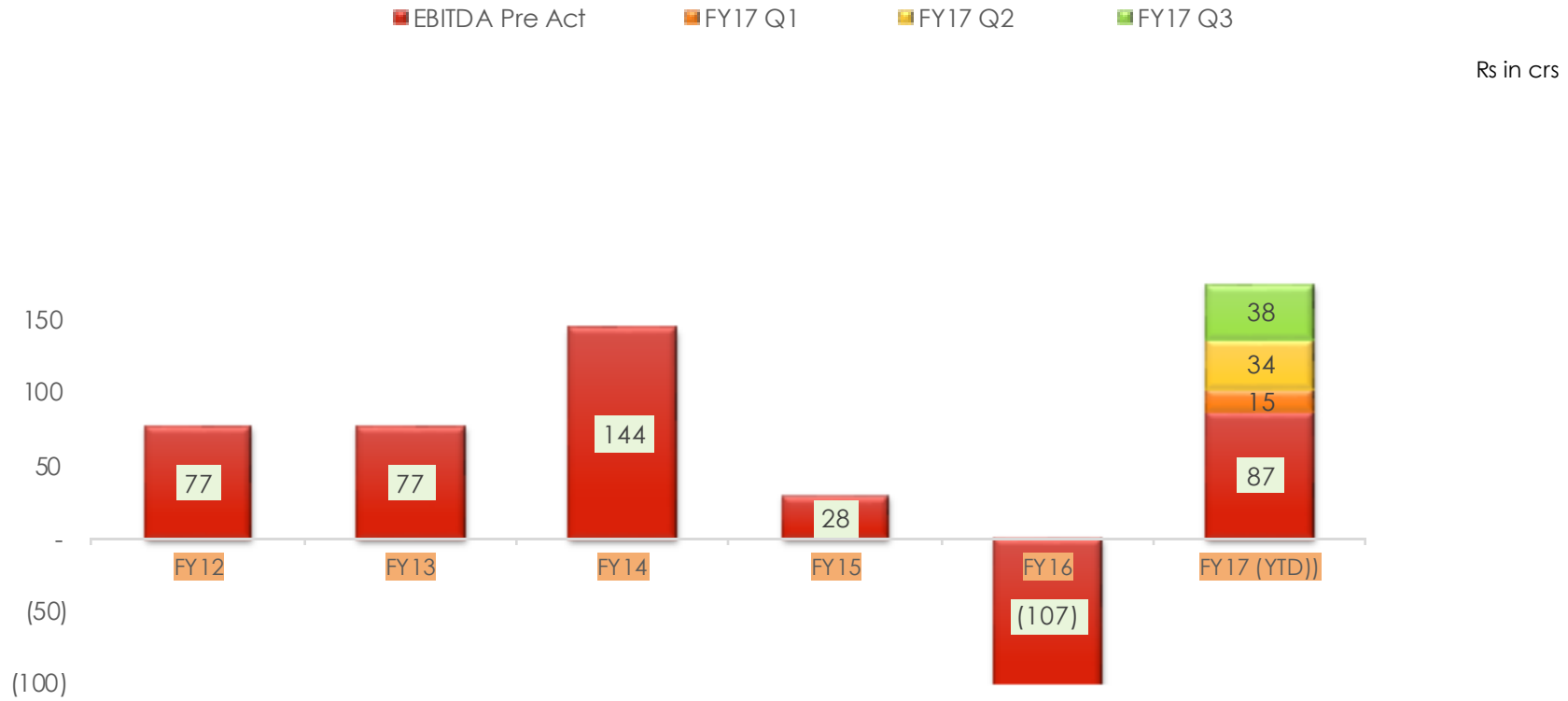


Consol Quarterly EBITDA* (Rs in crs)

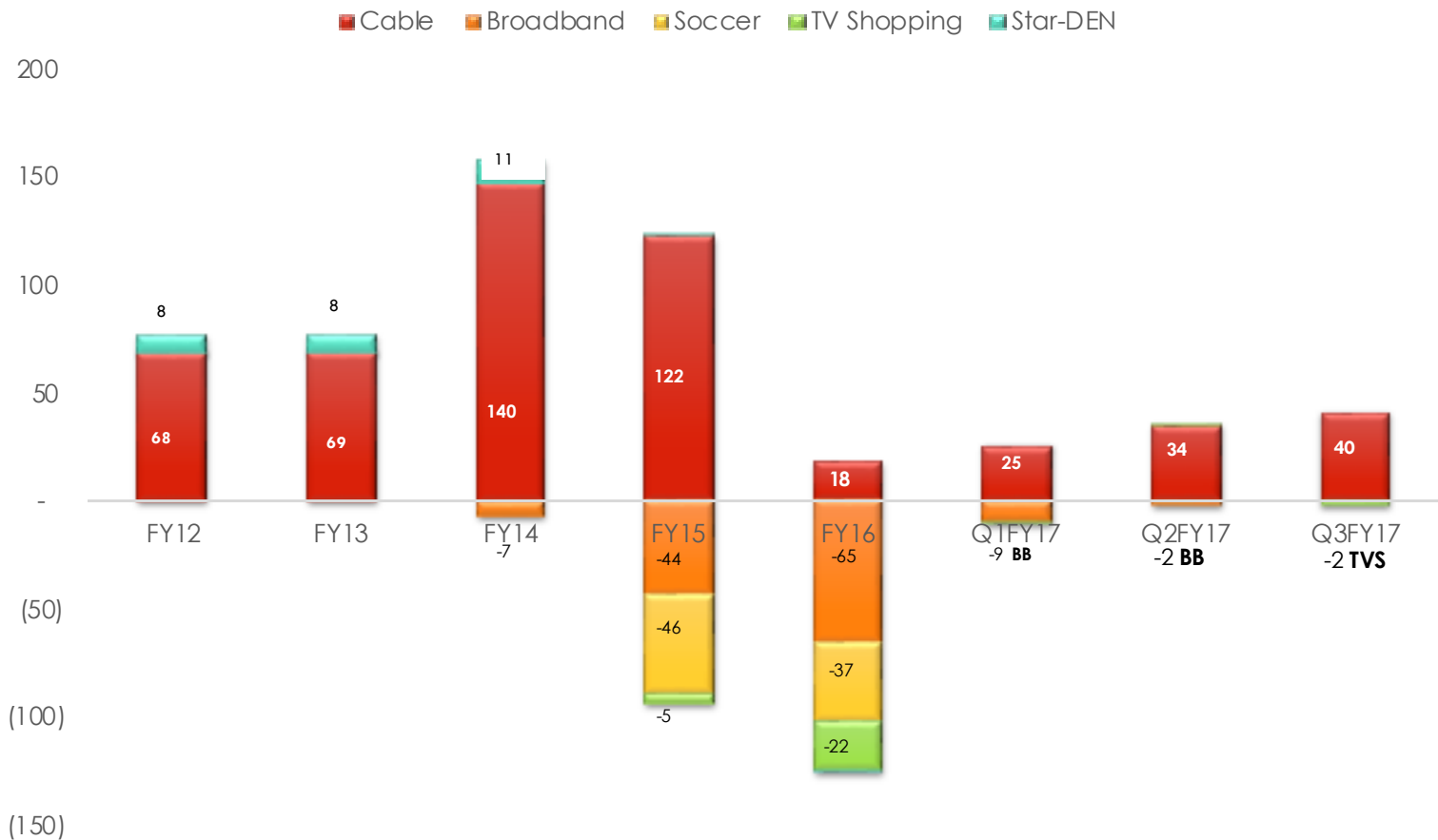


*pre activation

Consolidated EBITDA - Pre Activation trend



Consol EBITDA (Pre activation)- segment trend





Consolidated Income Statement (IGaap)

	INR Crore			Quarterly Gr%		FY17 YTD P9	FY16 YTD P9	Gr%
	3Q'17	2Q'17	3Q'16	Q-o-Q (Gr%)	Y-o-Y (Var%)			
Subscription - Cable	172	150	119	15%	45%	457	353	30%
Subscription - Broadband	21	21	12	4%	82%	59	25	141%
Placement	97	97	111	0%	-12%	291	340	-14%
TV Shop Revenue	5	8	4	-35%	23%	14	9	46%
Other Operating Income	7	11	20	-38%	-68%	23	34	-31%
Total Income Pre Activation	303	287	266	6%	14%	845	760	11%
Activation	19	32	86	-39%	-78%	86	129	-34%
Total Income Post Activation	322	318	352	1%	-9%	931	889	5%
Content Costs	125	120	132	4%	-5%	363	405	-10%
Personnel Costs	36	35	31	1%	15%	99	101	-2%
Other Opex	97	90	136	7%	-29%	273	329	-17%
Provision for doubtful debts	8	8	10	-1%	-22%	23	28	-16%
Total Expenditure	265	253	309	5%	-14%	758	862	-12%
EBITDA Pre activation	38	34	(43)	13%	188%	87	(102)	186%
EBITDA pre activation %	13%	13%	-24%			11%	-16%	
EBITDA Post Activation	57	65	43	-12%	33%	173	27	-537%
EBITDA post activation %	19%	23%	16%			20%	4%	
Treasury Income	14	7	12	107%	17%	29	57	-48%
Dep & Amort	76	73	56	4%	36%	222	159	40%
Finance Costs	23	12	20	87%	16%	59	59	-1%
Profit Before Tax (PBT)	(28)	(13)	(21)	113%	-33%	(79)	(134)	41%
Share in (loss)/ profit of associates	(1)	(4)		-65%	0%	(6)	-	
Provisions for Tax	11	(1)	12	-1082%	-14%	19	21	-11%
Minority Interest	2	7	15	-70%	-86%	14	21	-33%
Net Income	(42)	(23)	(48)	85%	13%	(117)	(175)	33%



Consolidated Income Statement (Ind. AS)

				Quarterly Gr%		INR Crore		Gr%
	3Q'17	2Q'17	3Q'16	Q-o-Q (Gr%)	Y-o-Y (Var%)	FY17 YTD P9	FY16 YTD P9	YTD P9
Subscription- Cable	144	132	96	9%	51%	388	287	35%
Subscription - Broadband	21	21	12	4%	82%	59	25	141%
Placement	89	86	89	4%	0%	262	290	-10%
TV Shop	5	8	0	-35%		14	0	
Other Operating Income	17	21	18	-17%	-6%	55	42	31%
Total Income Pre Activation	277	268	215	3%	29%	777	643	21%
Activation	22	5	15	350%	44%	62	38	64%
Total Income Post Activation	298	272	230	10%	30%	840	681	23%
Content Costs	119	118	116	1%	3%	350	365	-4%
Personnel Costs	32	34	28	-4%	16%	91	92	-1%
Other Opex	89	84	117	5%	-24%	253	284	-11%
Provision for doubtful debts	8	8	8	-3%	2%	23	23	1%
Total Expenditure	248	244	268	2%	-8%	717	764	-6%
EBITDA Pre activation	29	23	(54)	23%	154%	60	(121)	150%
EBITDA pre activation %	11%	9%	-27%			8%	-20%	
EBITDA Post Activation	51	28	(39)	79%	-230%	122	(83)	248%
EBITDA post activation %	18%	11%	-18%			16%	-13%	
Treasury Income	12	8	13	63%	-2%	30	48	-38%
Dep & Amort	69	68	50	2%	38%	203	141	44%
Finance Costs	20	13	19	58%	9%	56	56	-1%
Profit Before Tax (PBT)	(27)	(45)	(95)	-41%	72%	(107)	(232)	54%
Share in (loss)/ profit of associates	(3)	(1)	4	208%	-186%	(6)	(7)	-17%
Provisions for Tax	8	(1)	(13)	-842%	-167%	16	(17)	-191%
Minority Interest	6	3	8	91%	-21%	16	14	18%
Net Income	(45)	(48)	(87)	-8%	49%	(145)	(235)	38%

Consolidated Balance Sheet (Ind. AS)



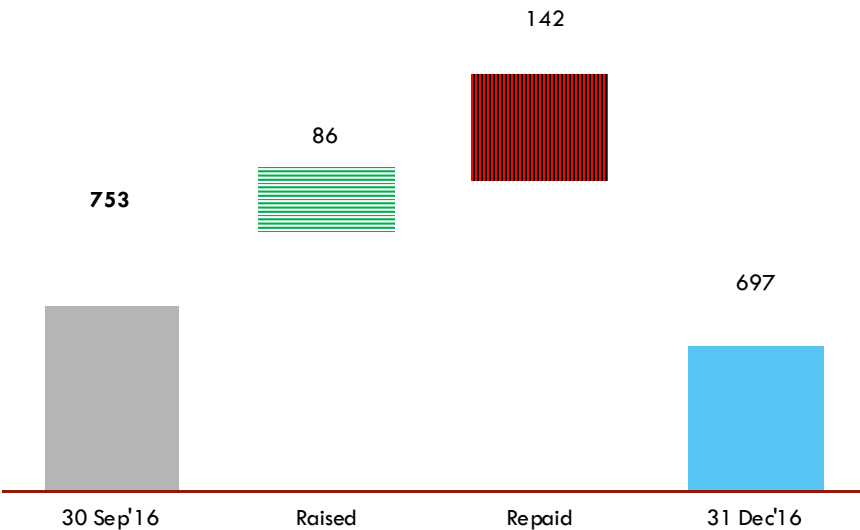
	Dec'16	Sep'16	June'16
Share Capital	194	178	178
Reserves & Surplus ¹	1,023	937	1,058
Networth	1,216	1,115	1,236
Minority Interest	102	96	101
Short & Long Term Debt	697	753	852
Trade Payables	386	363	314
Other Liabilities	691	726	526
Total Equity & Liabilities	3,092	3,053	3,030
Fixed Assets, Net	1,165	1,191	1,210
Capital work-in-progress	44	56	93
Goodwill on consolidation	266	274	249
Fixed Assets	1,474	1,521	1,551
Long term Loans and Advances	195	207	167
Trade receivables	409	432	426
Cash and Cash Equivalents*	525	418	434
Short - term Loans and Advances	154	141	129
Other Assets	335	335	323
Total Assets	3,092	3,053	3,030

*Includes Rs 256 Cr under lien for credit facilities

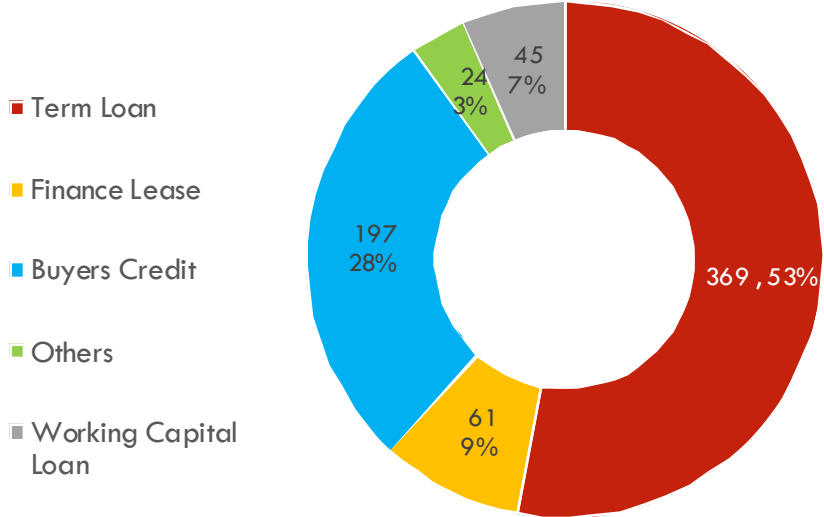
Consolidated Debt Position (Ind. AS)



Gross Debt (INR Crore)



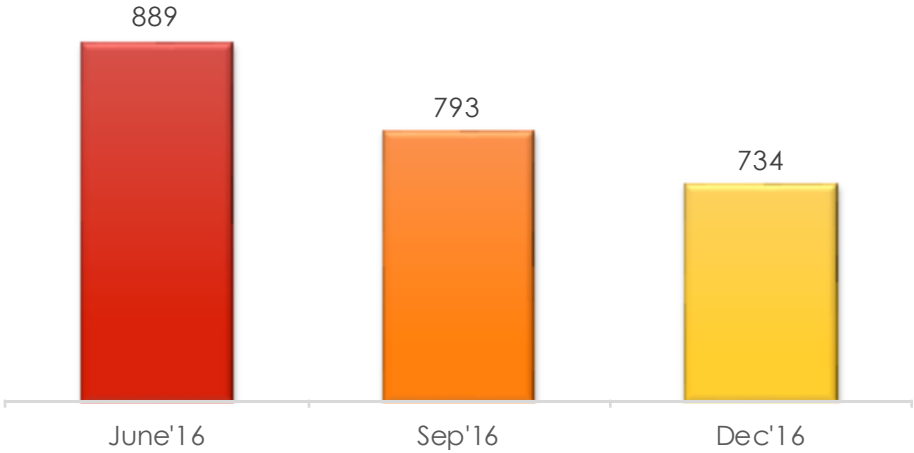
3Q'17 Debt Breakup (INR Cr)



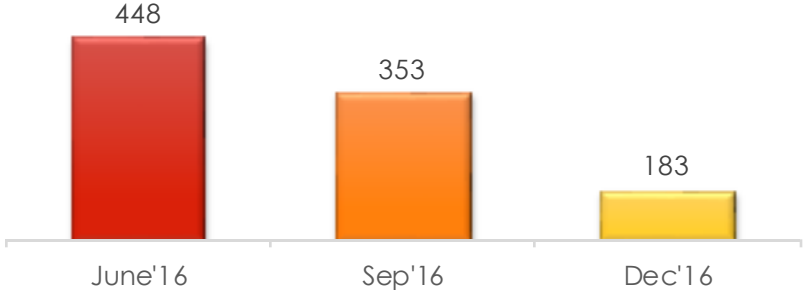
Consol Debt position (IGaap)



Gross Debt
(Rs in crs)



Net Debt
(Rs in crs)





Cable Business



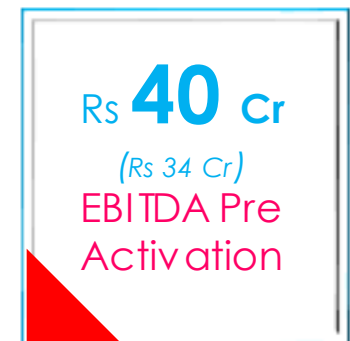
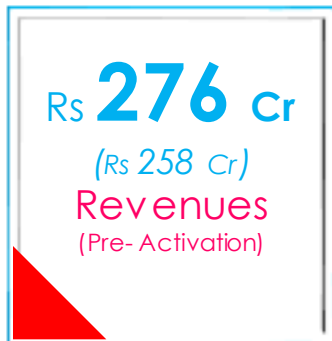
FY17 Q3–Segment Highlights (IGaap) (Cable)

- Pre activation EBITDA :
 - Q3 : Rs 40 crs 15 % growth QOQ ; Vs Rs 6 crs Q3'16
 - YTD P9: Rs 99 crs Vs. Rs 4 crs P9'16
- Cable YTD EBITDA Post activation at Rs 183 crs Vs Rs 132 crs
- Subscription Collection efficiency - 95%
- Phase wise EBITDA (pre- activation)
 - DAS 1 : at 30+%
 - DAS 2 : at 19%
 - DAS 3 : EBITDA break even
- Approx. 200k boxes deployed in Phase 3 & 4

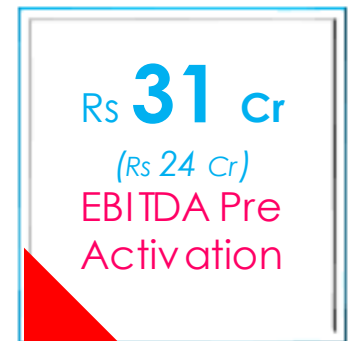


Cable 3Q'17 Highlights as per Ind. AS & I Gaap

• I Gaap



• Ind. AS

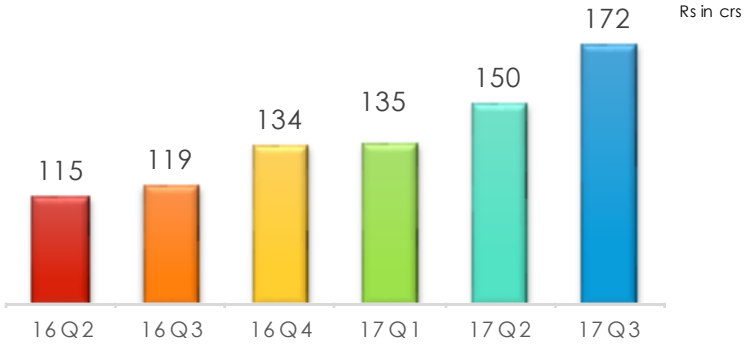


Numbers in Brackets represent 2Q'17

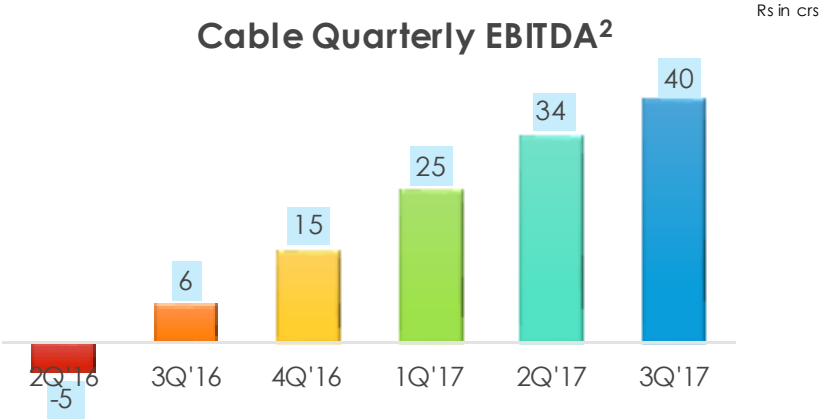
3Q'17 – Highlights (Cable results I Gaap)



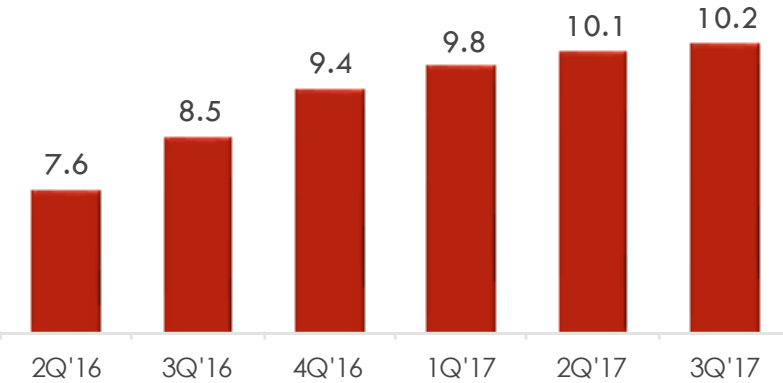
Subscription Revenue¹



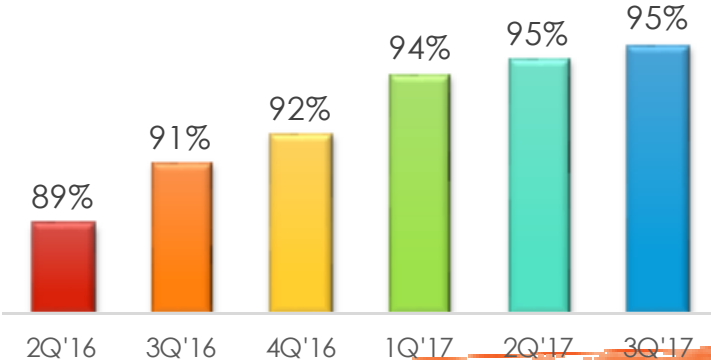
Cable Quarterly EBITDA²



Digital Subscribers



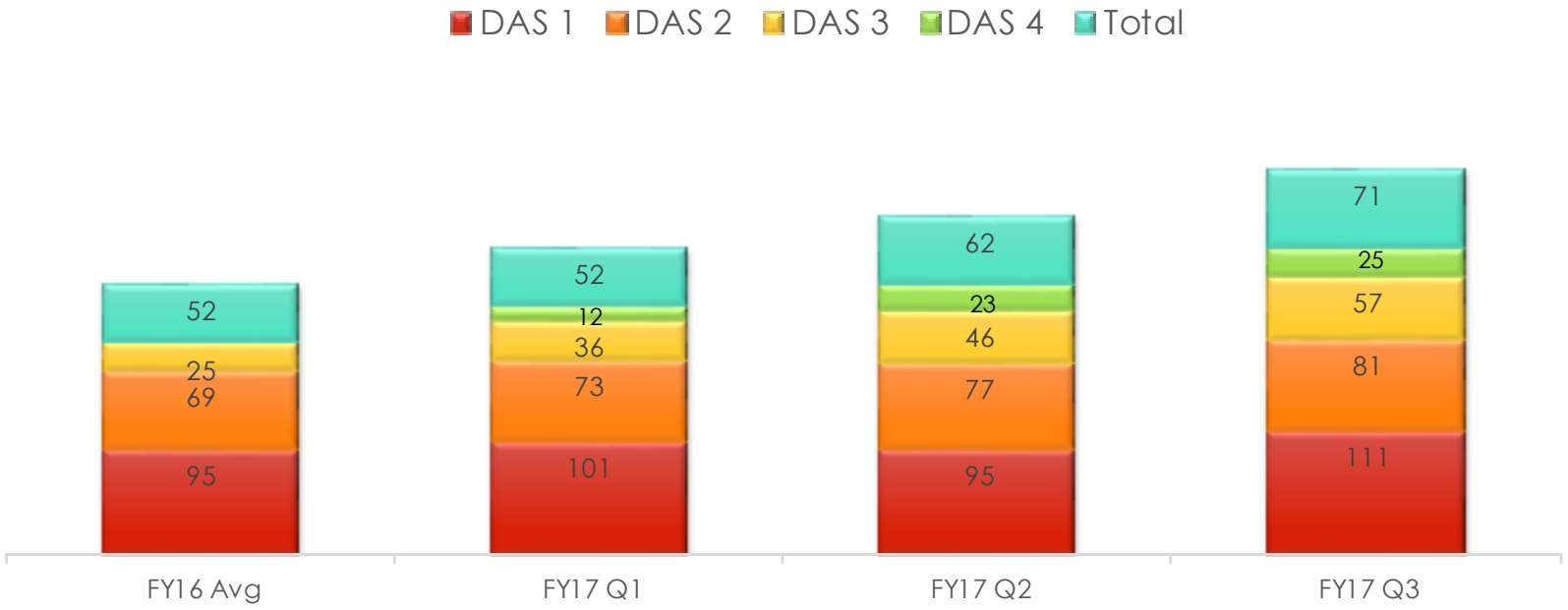
Subscription Collection Efficiency



¹Net of Tax and LCO commission and are average for the quarter

²Pre activation

Phase wise Per Box Subscription Revenue - I Gaap



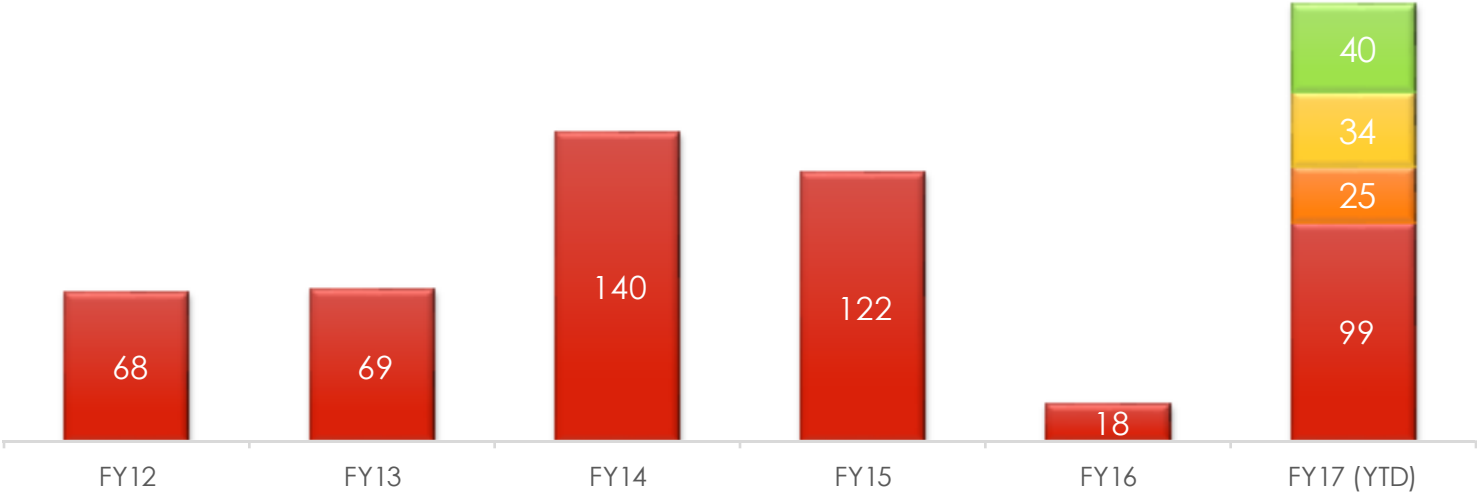
Assumed 4 mn boxes for calculating DAS % Collection rate per box

Cable EBITDA - Pre Activation trend



■ EBITDA Pre Act ■ FY17 Q1 ■ FY17 Q2 ■ FY17 Q3

Rs in crs



Cable Income Statement (IGaap)

	Actuals			Quarterly Gr%		FY17 YTD P9		FY16 YTD P9	Gr%
	3Q'17	2Q'17	3Q'16	Q-o-Q	Y-o-Y				YTD P9
	INR Crore								
Subscription	172	150	119	15%	45%	457	353		30%
Placement	97	97	111	0%	-12%	291	340		-14%
Activation	19	31	86	-39%	-78%	85	128		-34%
Other Operating Income	6	10	6	-38%	1%	23	17		41%
Total Income post activation	295	289	322	2%	-8%	856	837		2%
Total Income pre activation	276	258	236	7%	17%	772	709		9%
Content Costs	124	119	131	5%	-5%	361	403		-10%
Personnel Costs	30	29	25	2%	21%	82	77		7%
Other Opex	75	68	65	10%	14%	206	198		4%
Provision for doubtful debts	8	8	9	0%	-21%	23	27		-16%
Total Expenditure	236	223	230	6%	3%	673	705		-5%
EBITDA Pre activation	40	34	6	16%	596%	99	4		2677%
<i>EBITDA pre activation %</i>	14%	13%	2%			13%	1%		
EBITDA Post Activation	59	66	92	11%	-193%	183	132		39%
<i>EBITDA post activation %</i>	20%	23%	28%			21%	16%		
Treasury Income	11	7	12	60%	-9%	26	56		-53%
Dep & Amort	68	66	52	3%	31%	203	150		36%
Finance Costs	23	12	17	86%	31%	58	53		9%
Profit Before Tax (PBT)	(21)	(6)	34	249%	-163%	(51)	(15)		-249%
Provisions for Tax	11	(1)	12	-1161%	-14%	19	21		-10%
Minority Interest	2	7	15	-70%	-86%	14	21		-33%
Net Income	(33)	(12)	7	175%	-584%	(83)	(56)		47%

Cable Income Statement (Ind. AS)



	INR Crore							
				Quarterly Gr%				Gr%
	3Q'17	2Q'17	3Q'16	Y-o-Y	Q-o-Q	FY17 Y-t-D P9	FY16 Y-t-D P9	Y-t-D
Subscription	144	132	96	50%	9%	388	287	35%
Placement	89	86	89	0%	4%	262	290	-10%
Activation	21	5	15	43%	360%	62	38	63%
Other Operating Income	17	20	4	311%	-17%	55	27	104%
Total Income post activation	272	243	204	33%	12%	766	641	19%
Total Income pre activation	250	239	189	32%	5%	704	603	17%
Content Costs	119	117	116	2%	1%	348	365	-4%
Personnel Costs	26	27	22	18%	-3%	74	72	3%
Other Opex	66	62	55	20%	7%	186	176	6%
Provision for doubtful debts	8	8	7	5%	-3%	23	23	1%
Total Expenditure	219	215	201	9%	2%	632	635	0%
EBITDA Pre activation	31	24	(12)	361%	29%	72	(32)	327%
<i>EBITDA pre activation %</i>	12%	10%	-6%			10%	-5%	
EBITDA Post Activation	52	29	3	1623%	83%	134	6	2092%
<i>EBITDA post activation %</i>	19%	12%	1%			17%	1%	
Treasury Income	12	8	13	-2%	63%	30	48	-38%
Dep & Amort	62	61	46	33%	0%	184	133	39%
Finance Costs	20	13	16	23%	57%	55	50	10%
Profit Before Tax (PBT)	(17)	(38)	(47)	64%	-55%	(75)	(128)	41%
Share in (loss)/ profit of associates	(5)	3	5	-212%	-277%	(3)	4	-191%
Provisions for Tax	8	(1)	(13)	-167%	-898%	16	(17)	-193%
Minority Interest	6	3	8	-21%	91%	16	14	18%
Net Income	(36)	(37)	(38)	5%	-2%	(11)	(121)	-9%



Broadband



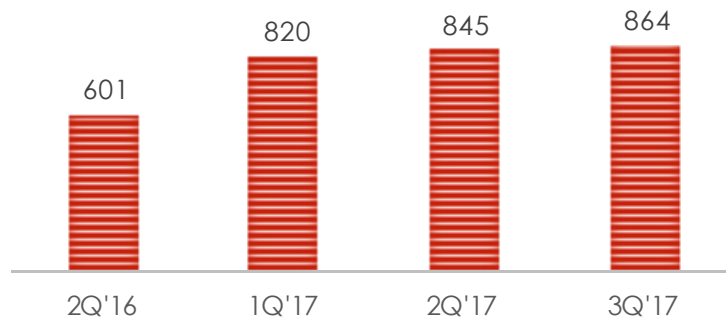
FY17 Q3– Segment Highlights (Broadband)

- EBITDA breaks even for the full quarter despite telecom launches/ freebies
- FY17 YTD P9 EBITDA loss at Rs (-) 11 crs Vs. Rs (-) 54 crs loss in FY 16 YTD P9
- Added ~20k Subscribers in Q3;
- Total sub base at 159k, Homes passed at 864K
- Y-o-Y Revenue growth 82% with revenue at Rs 21 crs for the quarter
- ARPU for the quarter at Rs 752
- Average Monthly Consumption is 59 GB per Household

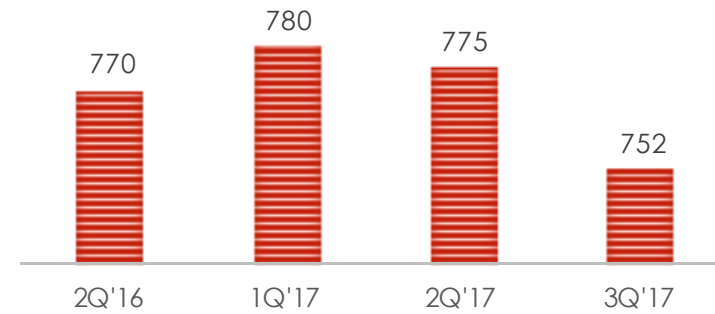
Broadband Highlights



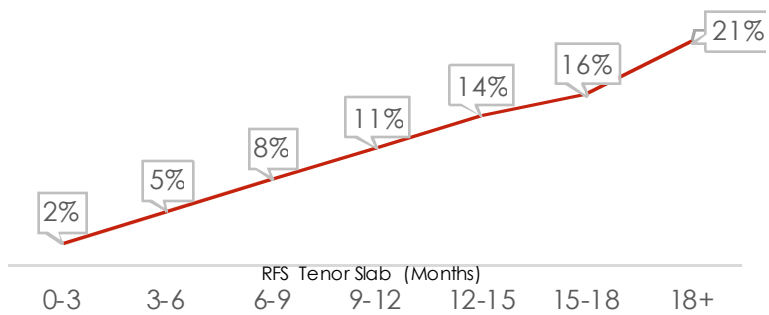
Homes Passed ('000)



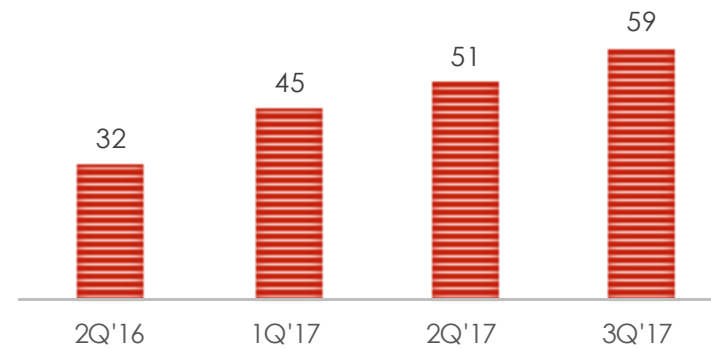
ARPU



Cohort Analysis



Avg. monthly Consumption (in GB / Household)



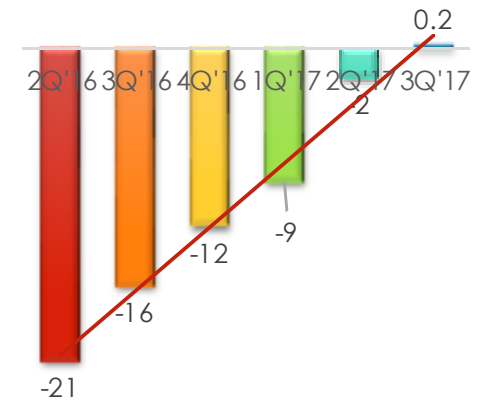
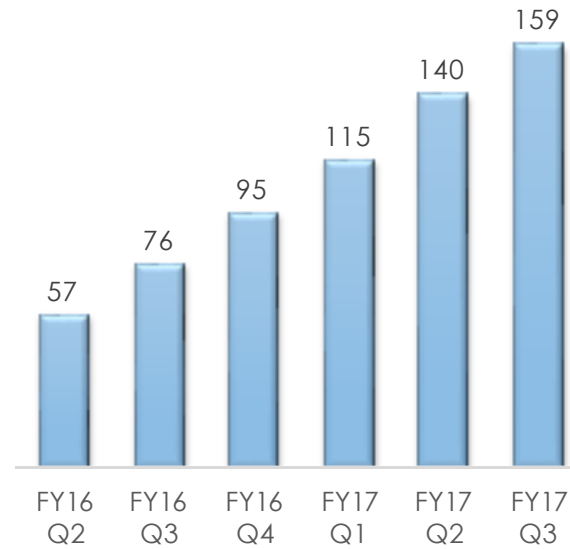
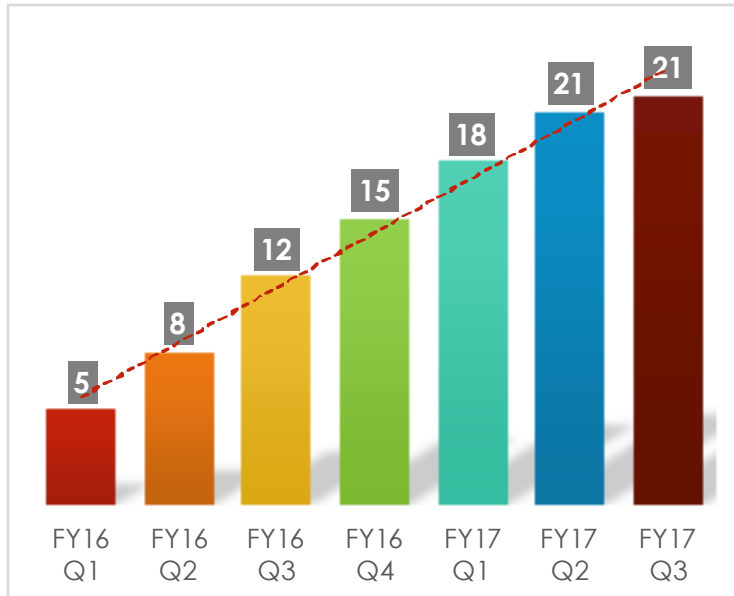
3Q'17 – Highlights (*Broadband Results*)



Quarterly Revenue
(in crs)

No of Subscribers
(‘000)

Quarterly EBITDA*
(Rs in crs)



*Pre activation

Broadband Income Statement



	Actuals			Actuals	
	3Q'17	2Q'17	3Q'16	FY17 YTD P9	FY16 YTD P9
Revenues (Pre Activation)	21.3	20.6	11.7	60	25
Activation	0.2	0.4	0.3	1	1
Revenues (Post Activation)	21.5	20.9	11.9	60	25
Personnel Costs	3.8	4.3	5.4	12	20
Other Opex	17.2	18.0	21.9	58	59
EBITDA (Pre Activation)	0.2	-1.9	-15.8	(11)	(54)
EBITDA %	1%	-9%	-136%	-19%	-220%
Dep & Amort	7.4	6.4	3.9	19	9
Finance Costs	0.4	0.2	0.7	1	2
Profit After Tax (PAT)	-7.4	-8.1	-20.2	(30)	(64)

INR Crore

Actuals

FY17 YTD P9 FY16 YTD P9



TV Commerce



TV Commerce P&L

	Actuals			Actuals		INR Crore	
	3Q'17	2Q'17	3Q'16	FY17 YTD	FY16 YTD	Change	
						Y-o-Y	Q-o-Q
Revenues	5	8	4	19	9	1	(3)
Content Costs	1	1	1	2	2	(0)	(0)
Personnel Costs	2	2	1	6	3	1	0
Other Opex	5	4	9	12	21	(5)	1
EBITDA	(2)	1	(7)	(1)	(15)	5	(4)
Dep & Amort	0	0	0	1	0	0	0
Finance Costs	0	0		0	-	0	0
Profit After Tax (PAT)	(2)	1	(7)	(2)	(16)	4	(4)

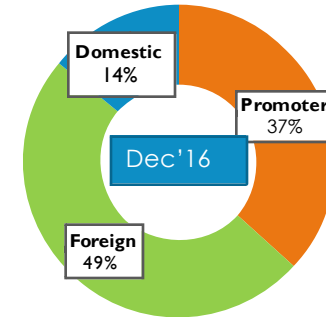
100% shown above, though only from FY17 Q2 TV Commerce has been consolidated



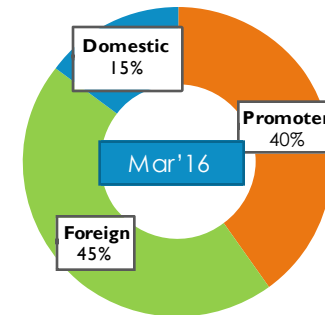
Share Holding Pattern (%)

TOP 10	Dec 31, 2016	Mar 31, 2016
Promoter & Promoter Group	36.8	40.1
Goldman Sachs Affiliates	24.5	17.8
Acacia Group	6.7	7.3
IL&FS Funds	6.9	7.5
Route one fund	3.2	3.5
Baron Emerging Markets Fund	1.9	2.1
The Spruce House Partnership	1.9	2.1
Emerging India Focus Funds	1.8	2.0
Vanguard Emerging Markets	1.1	0.9
Life Insurance Corporation of India	1.0	1.1
MSD India Fund	0.8	-

■ Promoters ■ Foreign ■ Domestic



■ Promoters ■ Foreign ■ Domestic





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(CIN No. U74140MH2010PTC204285)



Forward Looking Statements

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