



Den Networks Ltd.

IQ'17 Results – Investor Presentation

14th Sep 2016



1Q'17 – Group Highlights as per Ind. AS

- IND AS implemented effective 1st April'16
- Consolidated Revenue (Post activation) growth: 14% Q1 - Y-o-Y – as per IND AS
- Consolidated EBITDA :
 - Post activation at Rs 44 cr. vs Rs -4 cr Y-o-Y
 - Pre activation – turns positive
- Cost saving initiatives – start to show results
- Total cable digital base: 9.8m ; Phase 3 – 4.8m.
- Broadband – 115 k Subscribers
- TV Shop – Achieves almost breakeven results.
- Net Debt – Rs 382 cr. (Gross Debt – Rs 852 crs) , gearing ratio 0.3

¹As per IGAAP



Cable

- Pre activation EBITDA continues to grow – both Q-o-Q and year ago basis.
- DAS 1 and 2 delivers – 22% EBITDA (Pre- activation)
- Overall Collection efficiency for the quarter at 94%.
- 330k boxes deployed in Phase 3
- All content deals negotiated with leading broadcasters

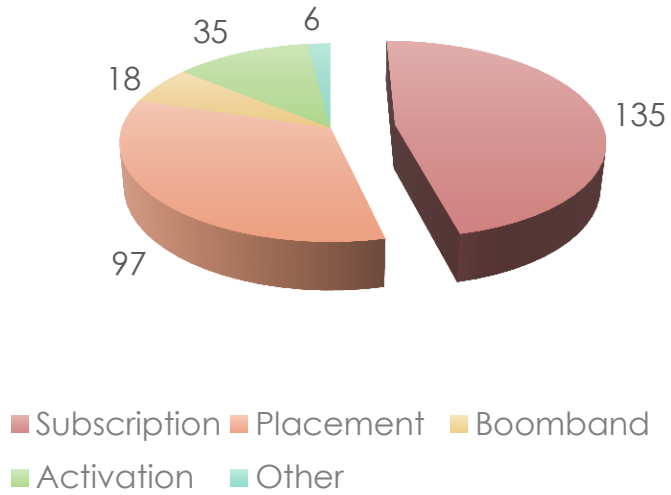
Broadband

- Focused effort towards profitability paying off: Q1 FY 17 EBITDA at -9cr. Vs -18cr in PY Q1.
- New sales channels working well.
- Added ~20k Subscribers in 1Q; Total sub base at 115k, Q-o-Q Revenue growth - 20%
- Total HPs reach approx. 820k
- Average ARPU continues at Rs.780

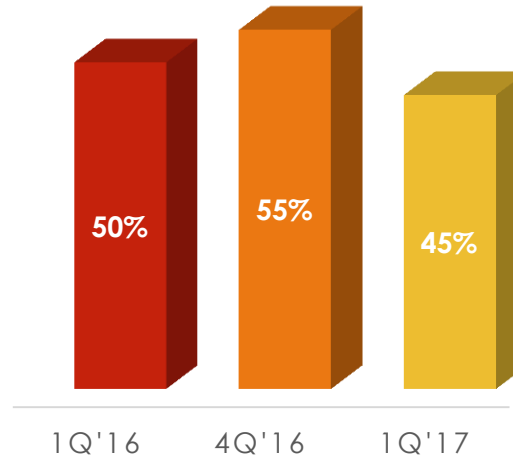
1Q'17 – Highlights as per I Gaap (Consol results)



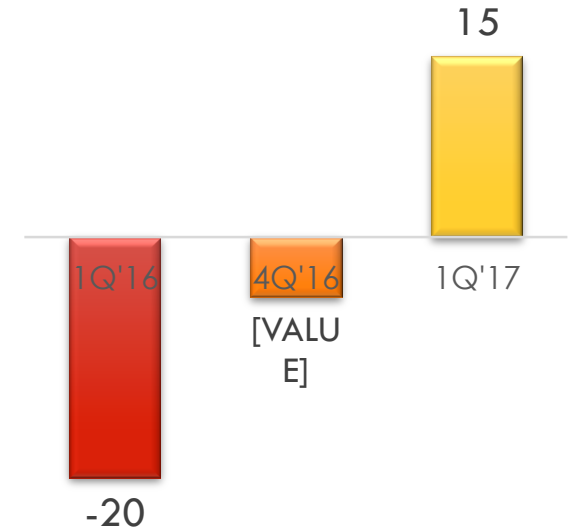
**Consol. Revenue Mix
FY17 Q1**



**Consol. Opex % to
Revenue***



**Consol Quarterly
EBITDA* (Rs in crs)**

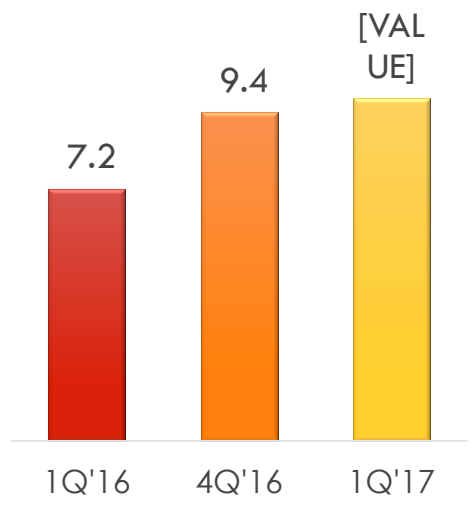


*pre activation

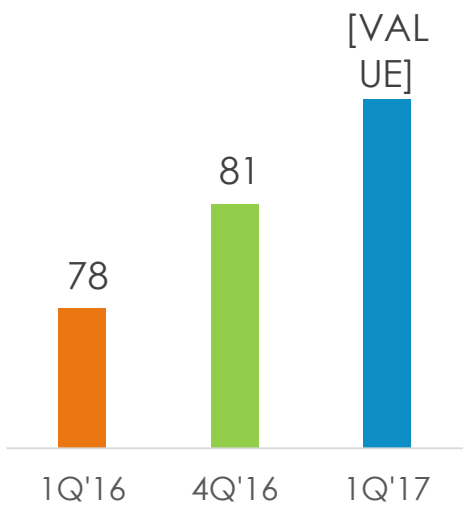
1Q'17 – Highlights as per I Gaap (Cable results)



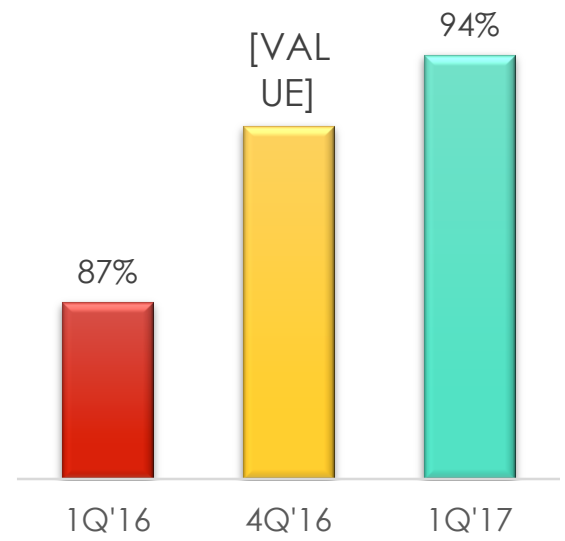
DAS Subscribers (Group) (in mn)



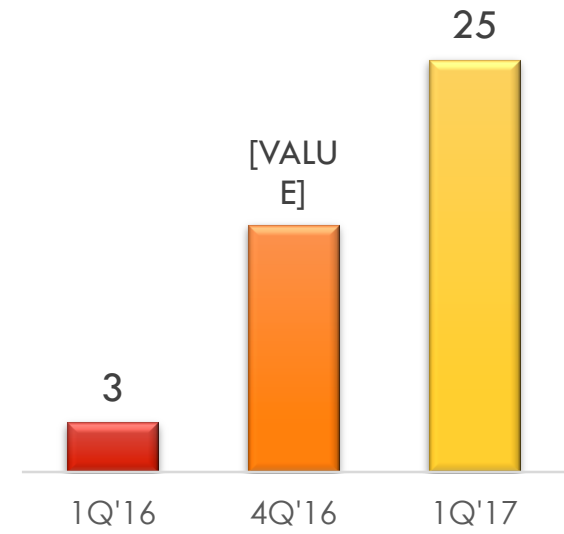
DAS 1/2 ARPU*



Total Subscr. Collect.* Efficiency



Quarterly EBITDA² (Rs in crs)



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

²Pre activation

Consolidated Income Statement Ind. AS and I Gaap



• Ind.AS

		INR Crore		
		Cable	Broadband	Consolidated*
Revenues (Post Activation)	1Q'17	251	18	269
	1Q'16	230	5	236
EBITDA (Post Activation)	1Q'17	53	(9)	44
	1Q'16	14	(18)	(4)
EBITDA (Pre Activation)	1Q'17	17	(9)	8
	1Q'16	(7)	(18)	(25)
PBT before exceptional items	1Q'17	(21)	(15)	(35)
	1Q'16	(26)	(20)	(48)

• I Gaap

		INR Crore		
		Cable	Broadband	Consolidated*
Revenues (Post Activation)	1Q'17	272	18	290
	4Q'16	346	15	370
	1Q'16	256	5	266
EBITDA (Post Activation)	1Q'17	59	(9)	50
	4Q'16	119	(12)	99
	1Q'16	18	(18)	(5)
EBITDA (Pre Activation)	1Q'17	25	(9)	15
	4Q'16	15	(12)	(5)
	1Q'16	3	(18)	(20)
PBT before exceptional items	1Q'17	(23)	(15)	(38)
	4Q'16	38	(17)	11
	1Q'16	(20)	(20)	(46)

* Includes Other business also in last year numbers

Consolidated Income Statement Ind. AS vs Indian GAAP



INR Crore						
	Consol - As per Indian AS			Consol - As per IGAAP		
	1Q'17	1Q'16	Gr%	1Q'17	4Q'16	1Q'16
Subscription- Cable	111	98	14%	135	134	120
Subscription - Broadband	18	5	255%	18	15	5
Placement	87	102	-15%	97	97	118
Activation	36	21	69%	35	104	15
Other Operating Income	17	9	86%	6	19	7
Total Income post activation	269	236	14%	290	370	266
Total Income pre activation	233	215	9%	256	265	250
Content Costs	112	121	-7%	118	105	136
Personnel Costs	25	31	-20%	28	37	34
Other Opex	81	79	2%	87	108	91
Provision for doubtful debts	7	8	-12%	8	20	9
Total Expenditure	225	240	-6%	240	270	270
EBITDA Pre activation	8	(25)	131%	15	(5)	(20)
EBITDA %	3%	-12%		6%	-2%	-8%
EBITDA Post Activation	44	(4)	1242%	50	99	(5)
EBITDA %	16%	-2%		17%	27%	-2%
Treasury Income	10	17	-44%	9	10	27
Dep & Amort	66	44	50%	73	72	50
Finance Costs	22	17	31%	23	26	18
Profit Before Tax (PBT)	(35)	(48)	26%	(38)	11	(46)
Exceptional Items	-	-	0%	-	65	-
Share in (loss)/ profit of associates	(1)	(0)	-200%	-	-	-
Provisions for Tax	8	1	727%	9	22	3
Minority Interest	7	1	524%	5	10	2
Net Income	(52)	(50)	-3%	(52)	(85)	(52)

Standalone Income Statement Ind.AS vs Indian GAAP



INR Crore

	As per Indian AS			As per Indian Gaap		
	1Q'17	1Q'16	Gr%	1Q'17	4Q'16	1Q'16
Subscription- Cable	69	44	55%	69	66	44
Subscription - Broadband	18	5	255%	18	15	5
Placement	81	90	-10%	81	95	90
Activation	27	16	66%	27	67	11
Other Operating Income	44	41	8%	44	137	41
Total Income post activation	239	197	21%	239	380	191
Total Income pre activation	212	181	17%	212	313	181
Content Costs	107	79	35%	107	136	79
Personnel Costs	19	24	-20%	19	21	23
Other Opex	103	116	-11%	103	175	116
Provision for doubtful debts	4	5	-28%	4	17	5
Total Expenditure	233	225	4%	233	350	224
EBITDA Pre activation	-22	(44)	51%	(21)	(37)	(43)
EBITDA %	-10%	-25%		-10%	-12%	-24%
EBITDA Post Activation	5	(28)	119%	6	30	(32)
EBITDA %	2%	-14%		2%	8%	-17%
Treasury Income	11	20	-47%	10	13	30
Dep & Amort	50	30	66%	50	50	30
Finance Costs	23	17	34%	22	24	17
Profit Before Tax (PBT)	(57)	(54)	-4%	(56)	(31)	(50)
Exceptional Items	-	-	0%	-	49	-
Provisions for Tax	(0)	(3)	-97%	(0)	2	(1)
Net Income	(57)	(52)	-10%	(56)	(82)	(49)

Consolidated Balance Sheet as per Ind. AS



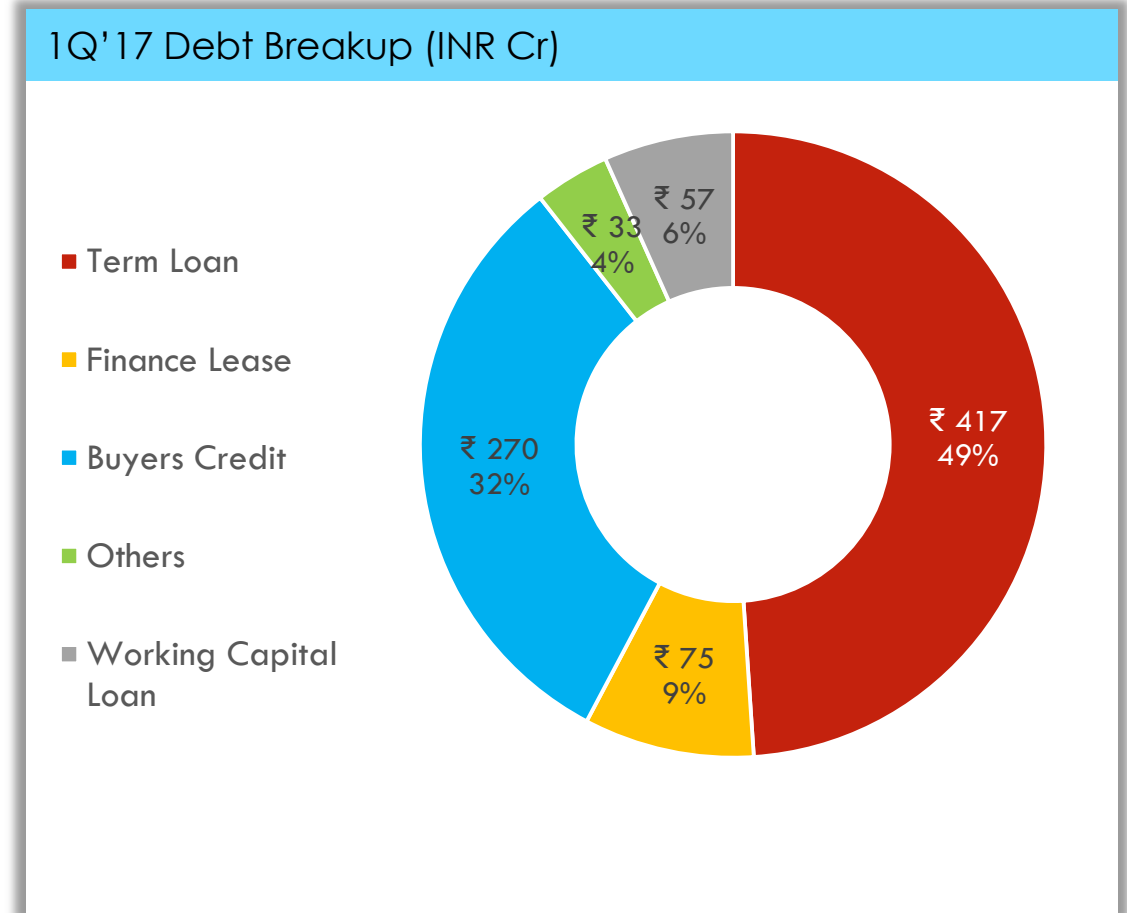
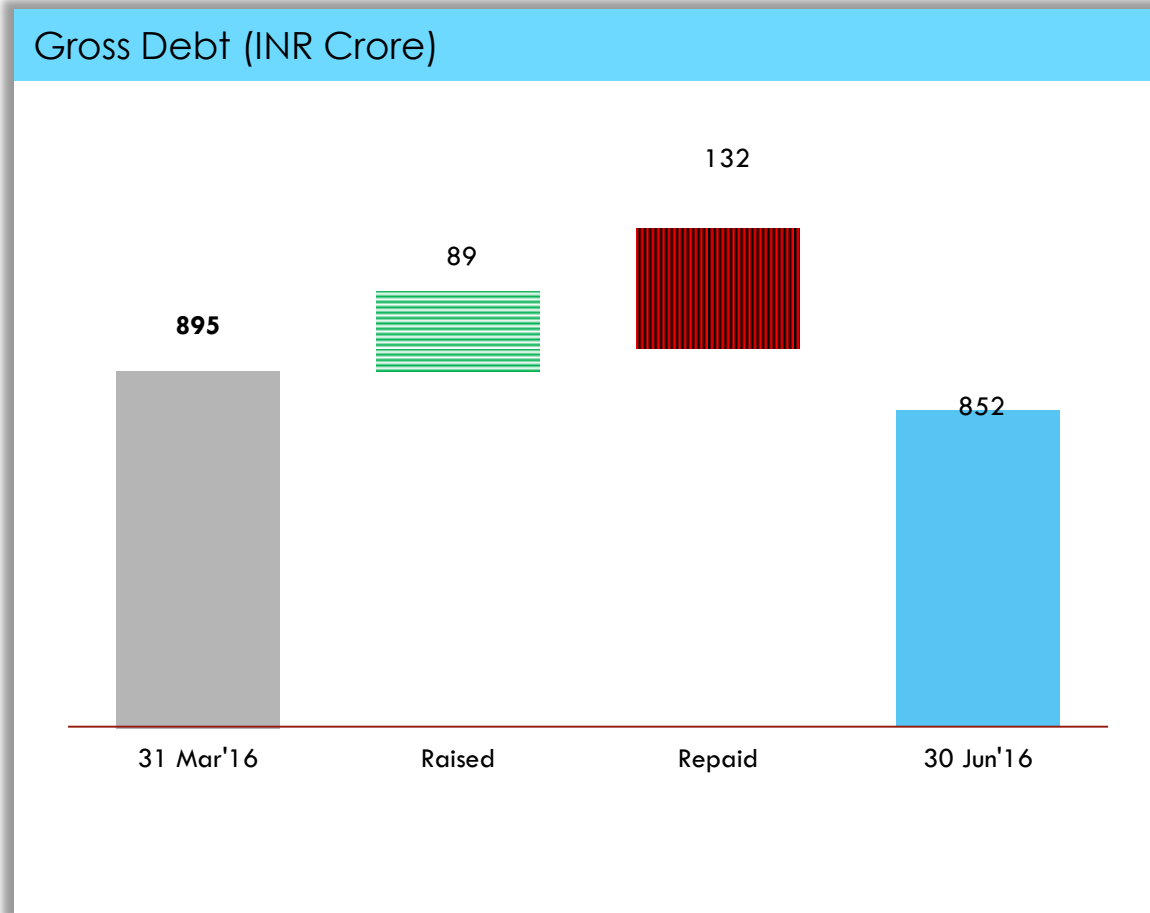
INR Crore

	June'16	Mar'16	June'15
Share Capital	178	178	178
Reserves & Surplus	1,058	1,110	1,387
Minority Interest	101	97	87
Networth	1,337	1,384	1,652
Short & Long Term Debt	852	895	930
Trade Payables	314	312	245
Other Liabilities	526	552	339
Total Equity & Liabilities	3,030	3,142	3,166
Fixed Assets, Net	1,210	1,225	1,014
Capital work-in-progress	93	129	98
Goodwill on consolidation	249	249	263
Fixed Assets	1,551	1,603	1,375
Trade receivables	426	391	425
Cash and Cash Equivalents	470	547	804
Other Assets	582	601	562
Total Assets	3,030	3,142	3,166

*Includes Rs 232 Cr under lien for credit facilities

Regrouped for Presentation Purposes

Consolidated Debt Position



Cable Business

Cable 1Q'17 Highlights as per Ind. AS & I Gaap

• Ind.AS

₹**215**cr
(₹209 cr)
Revenues
(Pre- Activation)

₹**17**cr
(₹-7 cr)
EBITDA
(Pre Activation)

₹**-21**cr
(₹-26 cr)
PBT

₹**-37** cr
(₹- 28 Cr)
PAT

• I Gaap

₹**238**cr
(₹242 cr)
Revenues
(Pre- Activation)

₹**25**cr
(₹ 15 cr)
EBITDA
(Pre Activation)

₹**-23**cr
(₹38 cr)
PBT

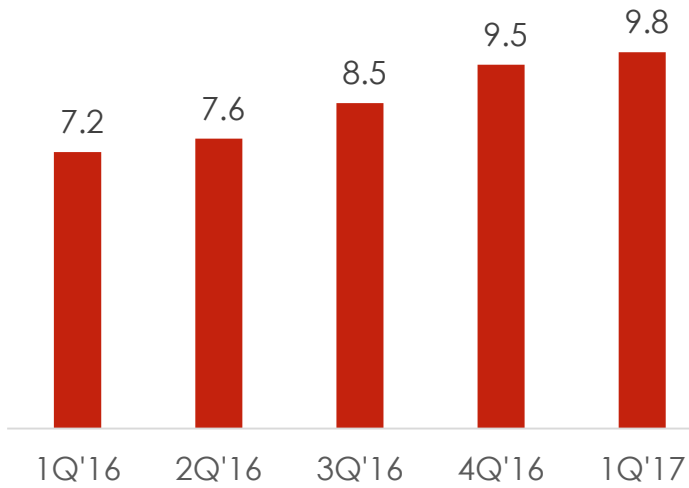
₹**-38** cr
(₹-101 cr)
PAT

Ind. AS : Numbers in Brackets represent 1Q'16
I Gaap : Numbers in Brackets represent 4Q'16

Cable Subscribers – 13M

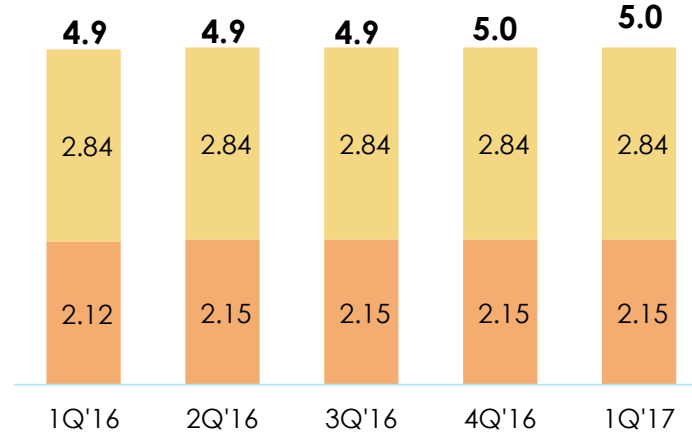


Total Digital Subscribers (Million)

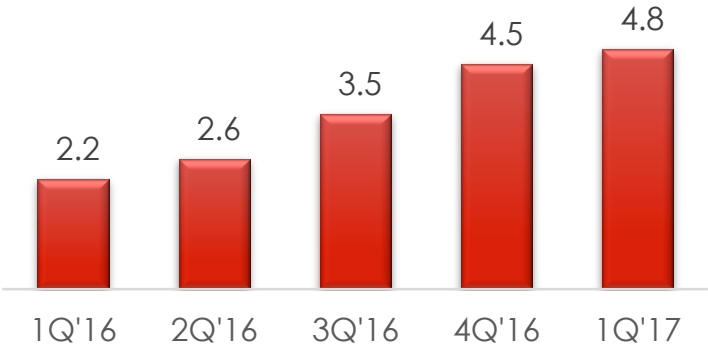


DAS 1 and 2 Markets (Million STBs)

Phase 1 Phase 2



DAS 3 and 4 Markets - (Million STBs)



excl. Associates , Boxes are :

- Phase ½ : 4.1 mn (Vs 5 mn in Indian Gaap)
- Phase ¾ : 4.5 mn (Vs 4.8 mn in Indian Gaap)

Cable Income Statement – Q1 FY17



INR Crore						
	Cable - As per Indian AS			Cable - As per Indian Gaap		
	1Q'17	1Q'16	Gr%	1Q'17	4Q'16	1Q'16
Subscription	111	98	14%	135	134	119
Placement	87	102	-15%	97	95	118
Activation	36	21	69%	34	104	15
Other Operating Income	17	9	103%	6	12	4
Total Income post activation	251	230	9%	272	346	256
Total Income pre activation	215	209	3%	238	242	241
Content Costs	112	121	-7%	118	105	136
Personnel Costs	21	24	-16%	23	28	26
Other Opex	58	62	-7%	64	74	68
Provision for doubtful debts	7	8	-12%	8	19	9
Total Expenditure	198	216	-8%	213	227	239
EBITDA Pre activation	17	-7	-346%	25	15	3
EBITDA %	8%	-3%		10%	6%	1%
EBITDA Post Activation	53	14	274%	59	119	18
EBITDA %	21%	6%		22%	34%	7%
Treasury Income	10	17	-44%	9	9	26
Dep & Amort	61	42	45%	69	68	48
Finance Costs	22	15	44%	23	22	16
Profit Before Tax (PBT)	(21)	(26)	-21%	(23)	38	(20)
Exceptional Items	-	-	0%	-	107	-
Share in (loss)/ profit of associates	(1)	(0)	341%	-	-	-
Provisions for Tax	9	1	688%	9	22	3
Minority Interest	7	1	524%	5	10	2
Net Income	(37)	(28)	30%	(38)	(101)	(26)

- ❑ Collection efficiency at 94%
- ❑ Content cost :contractual increase and some new areas coverage effective 1st April' 16
- ❑ Savings in Opex on q-o-q of ~ Rs 15 crs

Consol DAS 1/2 : Per Box Billing, *Net of Taxes* - I Gaap

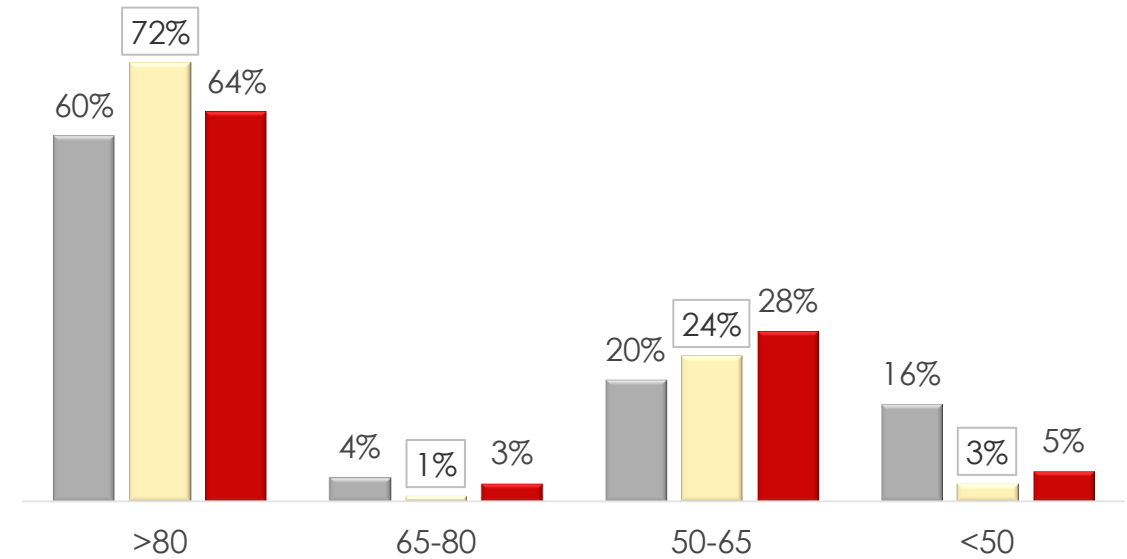
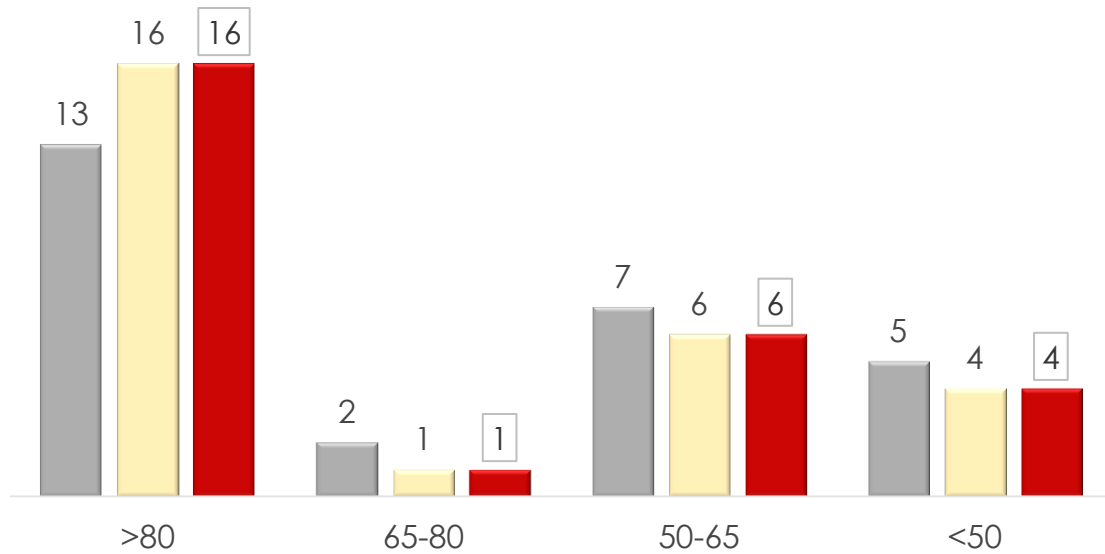


Number of Cities with Billing, *Net of Taxes*, Range

% of Paying DAS Subscribers with Billing, *Net of Taxes*, Range

■ 1Q'16 ■ 4Q'16 ■ 1Q'17

■ 1Q'16 ■ 4Q'16 ■ 1Q'17



Boomband

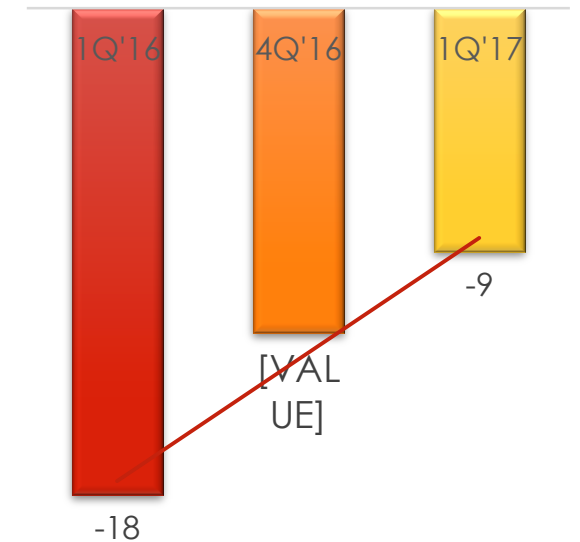
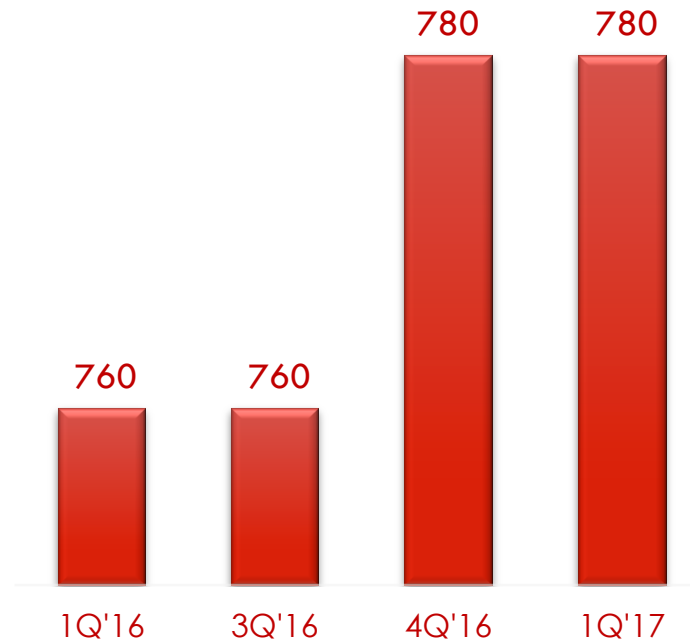
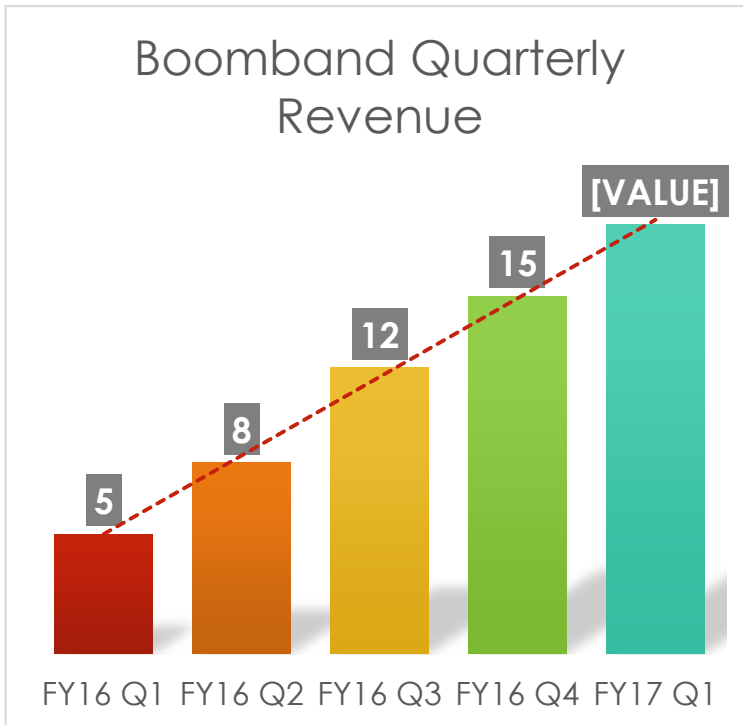
1Q'17 – Highlights (Boomband Results)



Quarterly Revenue (in crs)

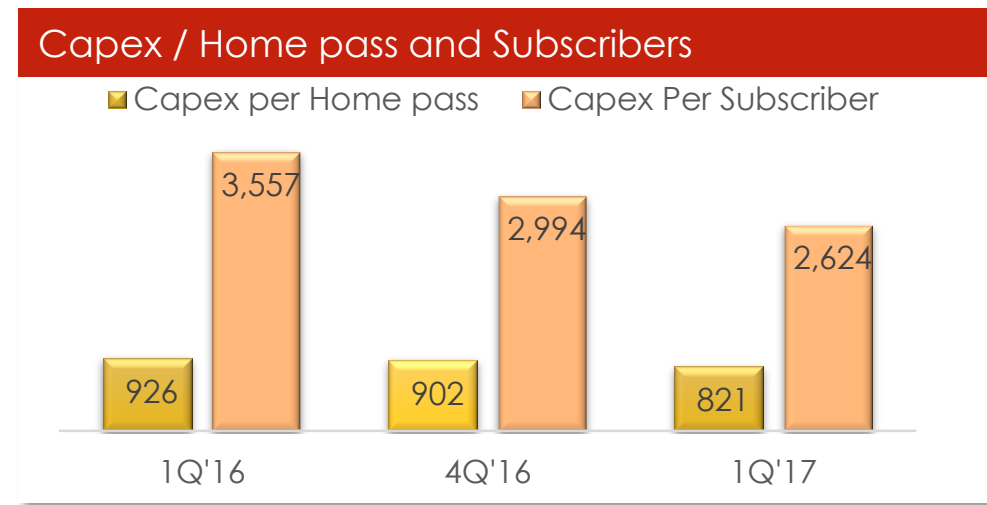
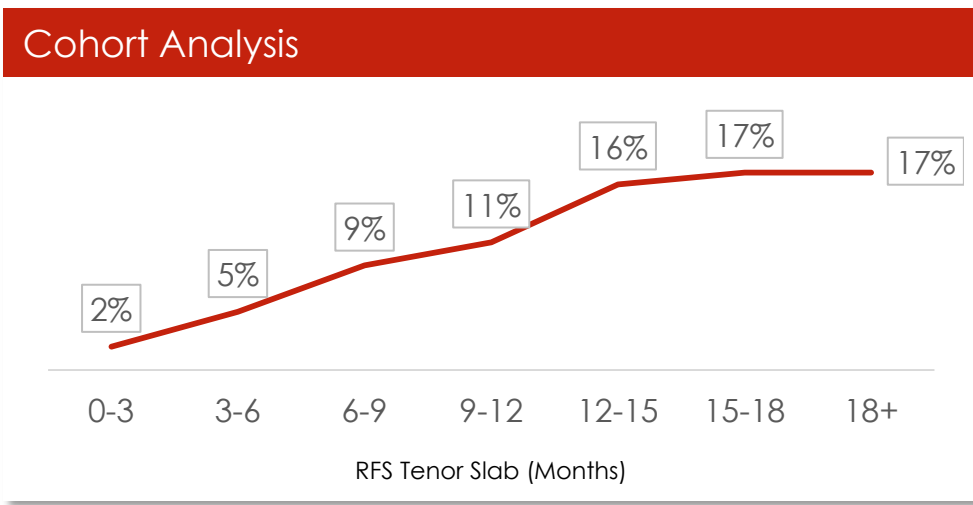
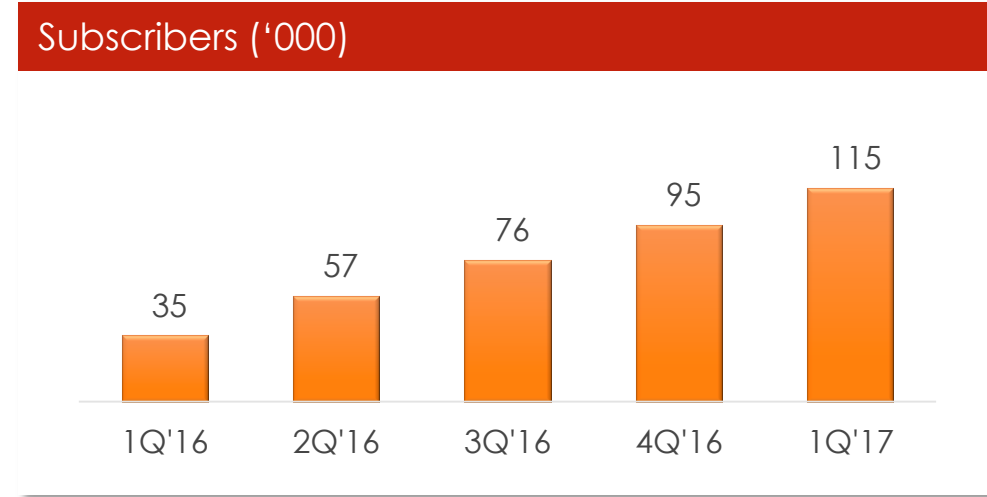
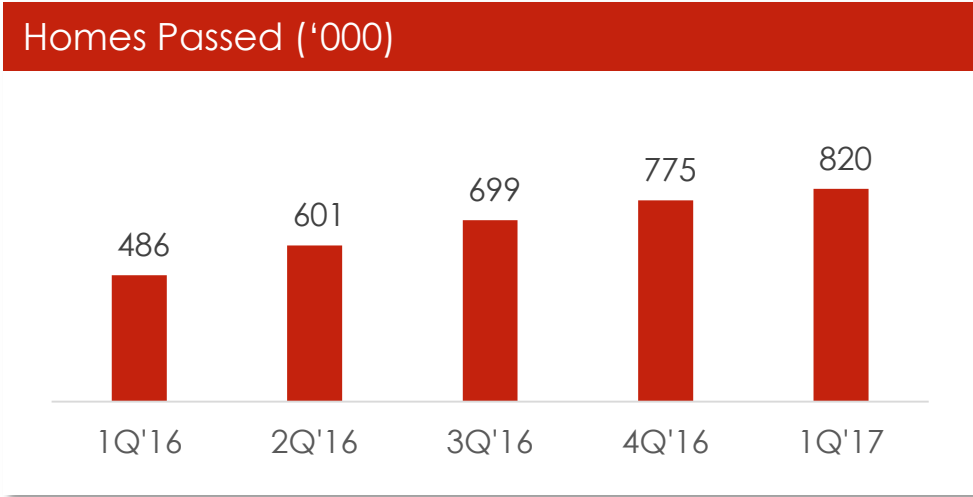
Quarterly ARPU ¹

Quarterly EBITDA* (Rs in crs)



¹ Basis Active subscribers

Broadband Highlights



¹ Basis Active subscribers

Boomband Income Statement



	Actuals			Actuals		INR Crore Abs Change	
	1Q'17	4Q'16	1Q'16	FY'16	FY'15	Y-o-Y	Q-o-Q
Subscription	18	15	5	40	8	13	3
Other Operating Income	0	0	0	0	0	-0	-0
Revenues (Pre Activation)	18	15	5	40	8	13	3
Activation	0	0	0	1	0	-0	-0
Revenues (Post Activation)	18	15	5	41	8	13	3
Personnel Costs	4	5	7	25	15	-2	-1
Other Opex	23	22	16	81	37	7	1
EBITDA (Post Activation)	(9)	(12)	(18)	(65)	(44)	8	2
EBITDA %	-52%	-77%	-339%	-161%	-543%		
EBITDA (Pre Activation)	(9)	(12)	(18)	(66)	(44)	8	3
EBITDA %	-54%	-81%	-358%	-167%	-553%		
Dep & Amort	5	4	2	13	3	3	1
Finance Costs	1	1	1	3	2	-0	-0
Profit Before Tax (PBT)	(15)	(17)	(20)	(81)	(49)	6	2
Taxes	(0)	-	-	-	-	-0	-0
Profit After Tax (PAT)	(15)	(17)	(20)	(81)	(49)	6	2

TV Commerce



TV Commerce P&L

INR Crore

	Actuals			Actuals		Change	
	1Q'17	4Q'16	1Q'16	FY'16	FY'15	Y-o-Y	Q-o-Q
Revenues	5	4	2	14	2	3	0
Content Costs	1	1	0	3	1	0	(0)
Personnel Costs	2	2	1	4	1	1	(0)
Other Opex	3	9	5	29	4	(2)	(6)
Provision for doubtful debts	-	0	-	0	-	-	(0)
EBITDA	(0)	(7)	(4)	-22	-5	4	6
Treasury Income	-	-	0	-	(0)	(0)	-
Dep & Amort	0	1	0	1	0	0	(1)
Profit Before Tax (PBT)	(0)	(7)	(4)	-23	-5	4	7
Taxes	-	-	-	-	-	-	-
Profit After Tax (PAT)	(0)	(7)	(4)	-23	-5	4	7

- DEN has increased its stake from 50% to 82.87% (In July 2016) in TV Shop and the business is going towards breakeven , current quarter EBITDA Rs -0.3 crs (i.e. 50% share) vs Rs - 7 crs last quarter
- TV Commerce is considered as an Associate for consolidation purposes

Shown as 50%



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