

Den Networks Ltd.



# FY / Q4'17 Results Investor Presentation

May' 23, 2017

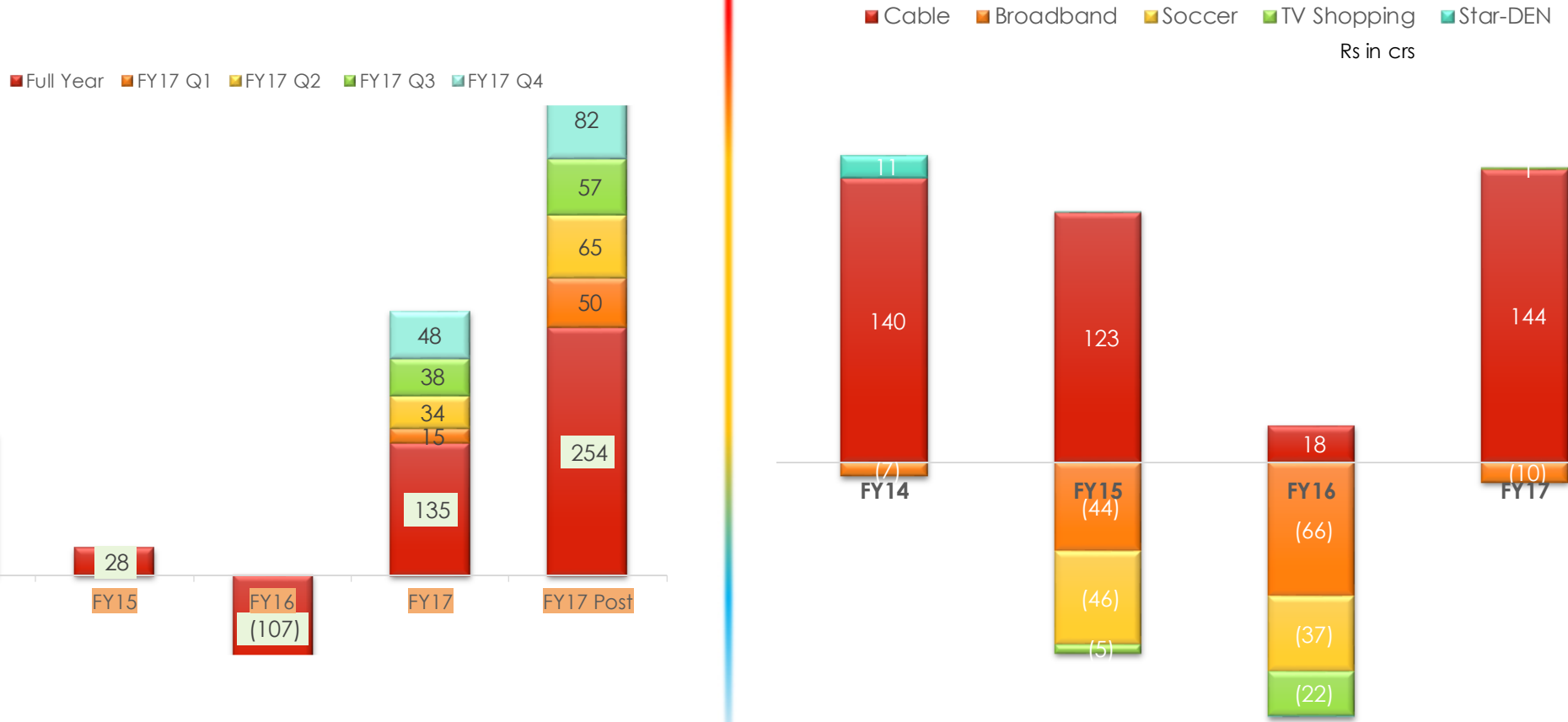


# FY17 - key highlights



- ✓ Consolidated FY EBITDA CY at Rs 254 cr ; Q4 at Rs. 81 cr. - On Post activation basis.
- ✓ Consolidated FY17 EBITDA (pre- Activation) at Rs 135 crs - PY EBITDA – (-) Rs 107 cr.
- ✓ Cable EBITDA at Rs 144 cr Vs Rs 18 cr in previous year. Cable subscription revenue grows 33% vs PY. Q4 collection efficiency at 96%.
- ✓ Broadband EBITDA for FY17 at (-) Rs 10 crs Vs (-) Rs 66 crs in FY16 ; breakeven performance in second half ; Broadband revenues grow 100% vs PY.
- ✓ Net debt at Rs. 181 crores as at Mar'17
- ✓ Soccer – further disinvestment of 25%. Den owns 20% currently.
- ✓ Pioneering initiative to launch OTT app / Gaming services
- ✓ New TRAI Order positive for MSOs'- delays expected in implementation
- ✓ GST neutral for DEN

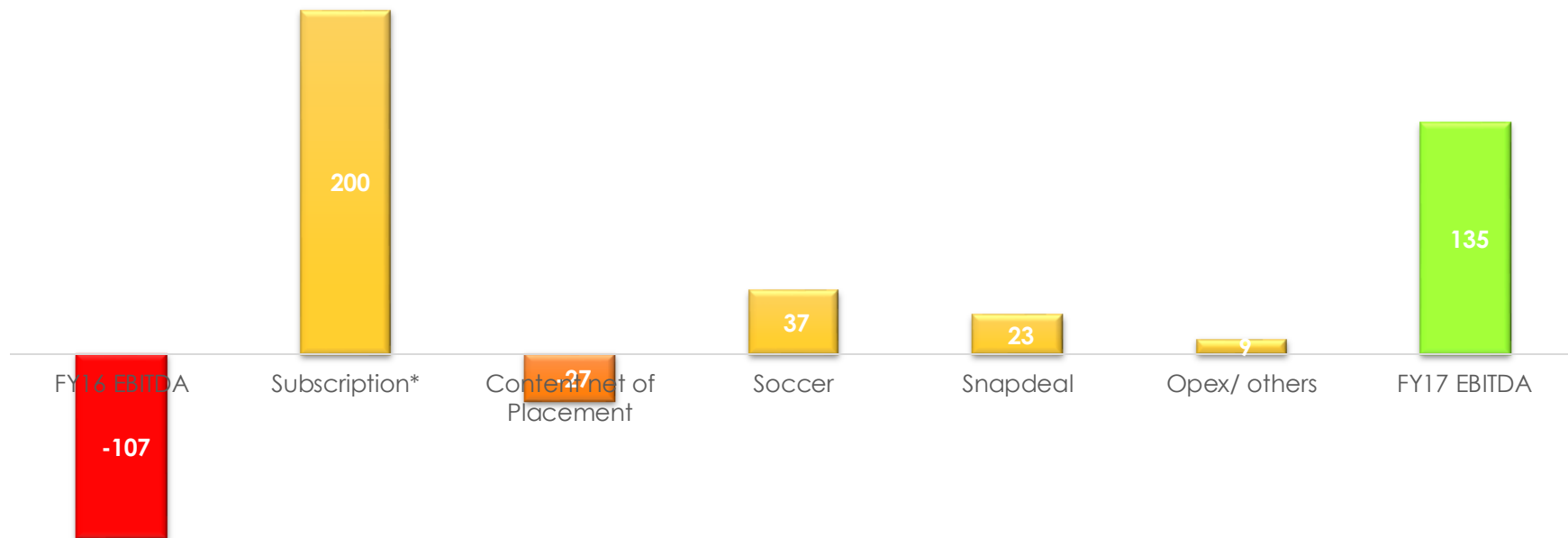
# Yearly Consolidated EBITDA Pre Activation trend



# FY'17 – Consol. EBITDA Pre activation (IGaap)



Rs in crs



Rs 241 crs Turnaround



# Consolidated Income Statement : Full Year (IGaap)

		INR Crore		
		Cable	Broadband	Consolidated*
Subscriber Revenue	FY17	646	81	727
	FY16	487	40	527
	Gr%	33%	105%	38%
Revenue (Pre Activation)	FY17	1,074	81	1,176
	FY16	951	40	1,025
	Gr%	13%	105%	15%
EBITDA (Pre Activation)	FY17	144	(10)	135
	FY16	18	(66)	(107)
EBITDA (Post Activation)	FY17	262	(9)	254
	FY16	251	(65)	126

\* Includes Soccer , Distribution and Macro commerce business

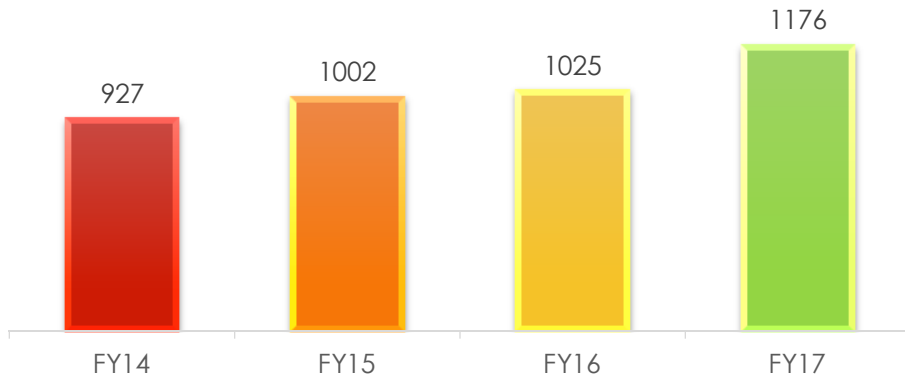
# Consolidated Income Statement : Quarterly (IGaap)

		INR Crore		
		Cable	Broadband	Consolidated*
Subscription Revenue	4Q'17	189	22	210
	3Q'17	172	21	194
	4Q'16	134	15	149
Revenues (Pre Activation)	4Q'17	302	22	331
	3Q'17	276	21	303
	4Q'16	242	15	265
EBITDA (Pre Activation)	4Q'17	45	1	48
	3Q'17	40	0	38
	4Q'16	15	(12)	(5)
EBITDA (Post Activation)	4Q'17	78	1	81
	3Q'17	59	0	57
	4Q'16	119	(12)	99

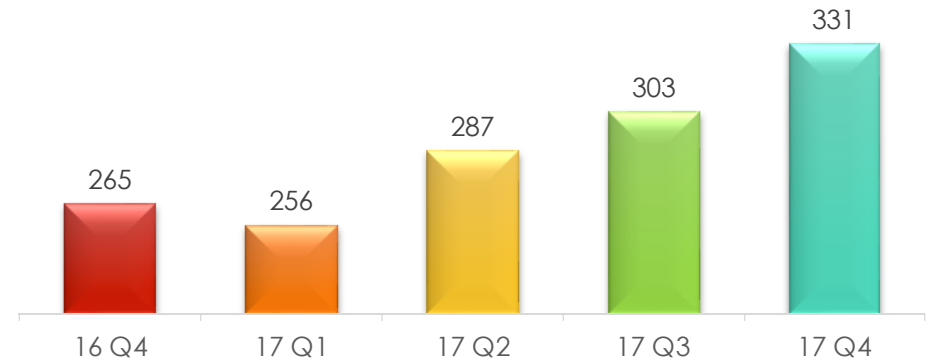
\* Includes Soccer , Distribution and Macro commerce

# Consol Highlights - I Gaap

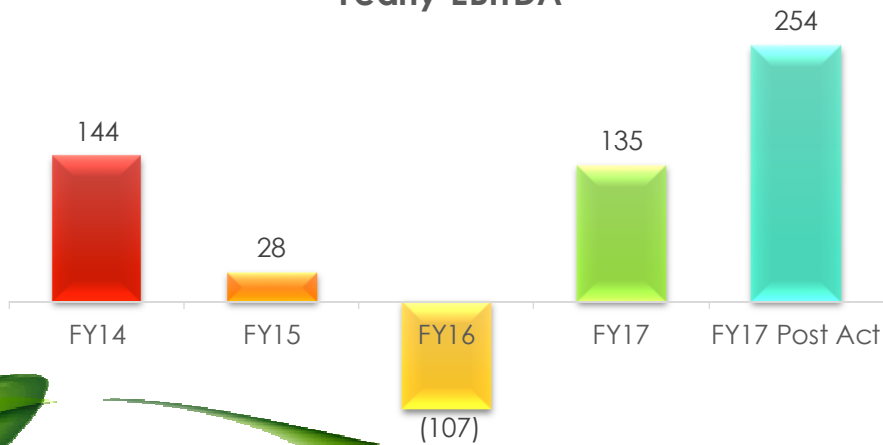
### Yearly Revenue



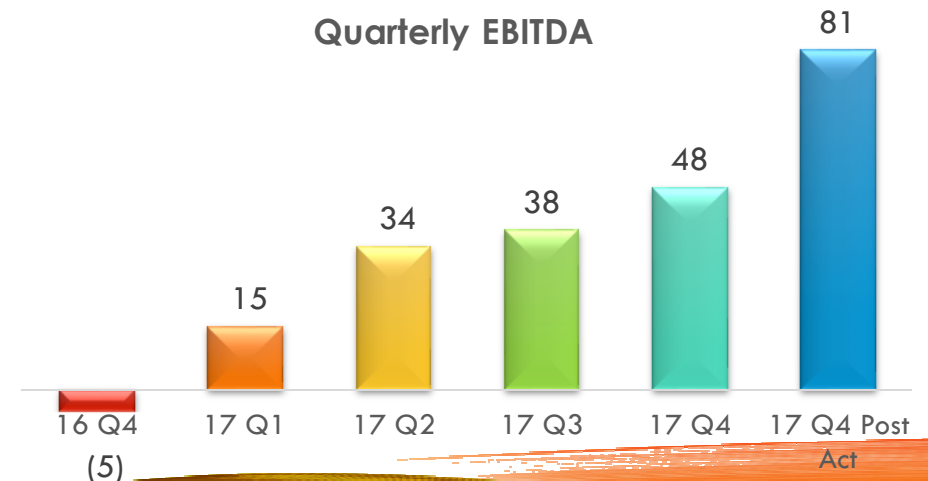
### Quarterly Revenue



### Yearly EBITDA

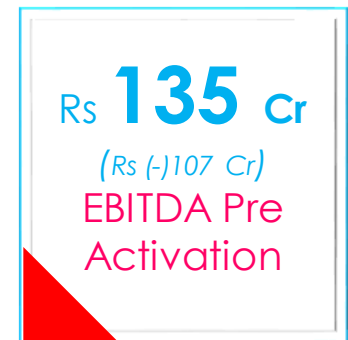


### Quarterly EBITDA

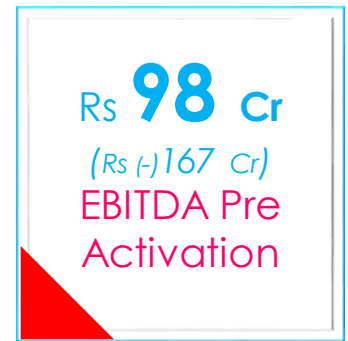


# Consol FY'17 Highlights as per Ind. AS & IGaap

- IGaap



- Ind. AS



Numbers in Brackets represent FY'16





# Consolidated Income Statement (IGaap)

	INR Crore								
	4Q'17	3Q'17	4Q'16	Quarterly Gr%		FY17 YTD P12	FY16 YTD P12	Gr%	
				Q-o-Q (Gr%)	Y-o-Y (Var%)				
Subscription- Cable	189	172	134	10%	40%	646	487	33%	
Subscription - Broadband	22	21	15	1%	44%	81	40	104%	
Placement	99	97	97	2%	3%	390	436	-11%	
TV Shop Revenue	7	5	4	34%	63%	21	14	51%	
Other Operating Income	14	7	15	118%	-2%	38	48	-22%	
<b>Total Income Pre Activation</b>	<b>331</b>	<b>303</b>	<b>265</b>	<b>9%</b>	<b>25%</b>	<b>1,176</b>	<b>1,025</b>	<b>15%</b>	
Activation	34	19	104	75%	-68%	119	233	-49%	
<b>Total Income Post Activation</b>	<b>365</b>	<b>322</b>	<b>370</b>	<b>13%</b>	<b>-1%</b>	<b>1,296</b>	<b>1,259</b>	<b>3%</b>	
Content Costs	129	125	105	3%	22%	492	510	-4%	
Personnel Costs	36	36	37	1%	-3%	135	138	-2%	
Other Opex	100	97	108	4%	-7%	373	437	-15%	
Provision for doubtful debts	18	8	20	137%	-8%	41	47	-13%	
<b>Total Expenditure</b>	<b>283</b>	<b>265</b>	<b>270</b>	<b>7%</b>	<b>5%</b>	<b>1,042</b>	<b>1,132</b>	<b>-8%</b>	
<b>EBITDA Pre activation</b>	<b>48</b>	<b>38</b>	<b>(5)</b>	<b>26%</b>	<b>1053%</b>	<b>135</b>	<b>(107)</b>	<b>226%</b>	
EBITDA pre activation %	14%	13%	-2%			11%	-10%		
<b>EBITDA Post Activation</b>	<b>81</b>	<b>57</b>	<b>99</b>	<b>42%</b>	<b>-18%</b>	<b>254</b>	<b>126</b>	<b>101%</b>	
EBITDA post activation %	22%	18%	27%			20%	10%		
Treasury Income	14	14	10	0%	42%	43	67	-35%	
Dep & Amort	83	76	72	9%	15%	305	231	32%	
Finance Costs	14	23	26	-38%	-44%	73	85	-14%	
<b>Profit Before Tax (PBT)</b>	<b>(2)</b>	<b>(28)</b>	<b>11</b>	<b>-92%</b>	<b>120%</b>	<b>(81)</b>	<b>(122)</b>	<b>34%</b>	
Exceptional Items	31	(0)	65			31	65	-53%	
Share in (loss)/ profit of associates	-	(1)		-100%	0%	(6)	-		
Provisions for Tax	13	11	22	20%	-41%	31	43	-26%	
Minority Interest	7	2	10	228%	-35%	21	31	-34%	
<b>Net Income</b>	<b>(52)</b>	<b>(42)</b>	<b>(85)</b>	<b>-25%</b>	<b>39%</b>	<b>(169)</b>	<b>(261)</b>	<b>35%</b>	

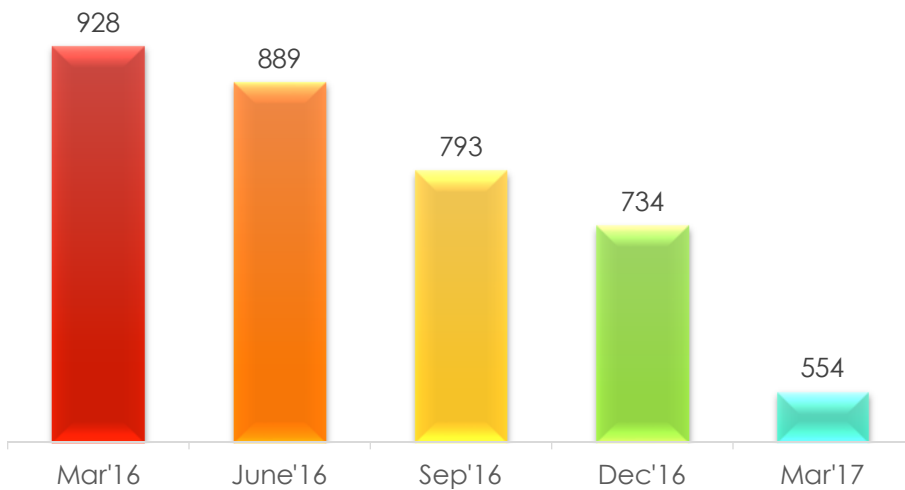


# Consolidated Income Statement (Ind. AS)

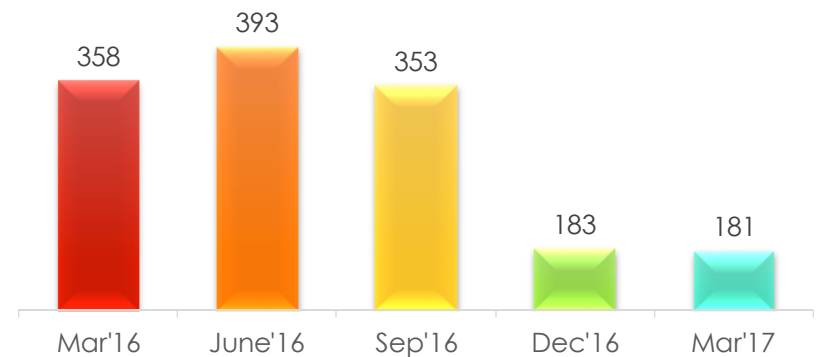
	Actuals			Quarterly Gr%		INR Crores		Gr%
	4Q'17	3Q'17	4Q'16	Q-o-Q (Gr%)	Y-o-Y (Var%)	FY17 YTD P12	FY16 YTD P12	YTD P12
Subscription- Cable	157	144	118	9%	33%	544	404	35%
Subscription - Broadband	22	21	15	1%	44%	81	40	104%
Placement	89	89	81	0%	9%	351	371	-6%
TV Shop	7	5	-	34%	0%	21	-	0%
Other Operating Income	24	17	36	42%	-33%	79	78	2%
<b>Total Income Pre Activation</b>	<b>299</b>	<b>277</b>	<b>250</b>	<b>8%</b>	<b>19%</b>	<b>1,076</b>	<b>893</b>	<b>21%</b>
Activation	23	22	17	7%	39%	85	55	56%
<b>Total Income Post Activation</b>	<b>322</b>	<b>298</b>	<b>267</b>	<b>8%</b>	<b>21%</b>	<b>1,161</b>	<b>948</b>	<b>23%</b>
Content Costs	123	119	109	3%	13%	473	473	0%
Personnel Costs	32	32	31	0%	4%	123	123	0%
Other Opex	92	89	108	3%	-15%	345	392	-12%
Provision for doubtful debts	14	8	14	77%	-3%	37	37	0%
IND . As Adjustment			34	0%	-100%	-	34	-100%
<b>Total Expenditure</b>	<b>261</b>	<b>248</b>	<b>296</b>	<b>5%</b>	<b>-12%</b>	<b>978</b>	<b>1,060</b>	<b>-8%</b>
<b>EBITDA Pre activation</b>	<b>38</b>	<b>29</b>	<b>-46</b>	<b>30%</b>	<b>-182%</b>	<b>98</b>	<b>(167)</b>	<b>159%</b>
<i>EBITDA pre activation %</i>	13%	10%	-18%			9%	-19%	
<b>EBITDA Post Activation</b>	<b>61</b>	<b>51</b>	<b>-29</b>	<b>20%</b>	<b>-307%</b>	<b>183</b>	<b>(112)</b>	<b>263%</b>
<i>EBITDA post activation %</i>	19%	17%	-11%			16%	-12%	
Treasury Income	7	12	10	-45%	-34%	36	58	-37%
Dep & Amort	74	69	65	8%	15%	278	206	35%
Finance Costs	9	20	23	-54%	-59%	65	79	-18%
<b>Profit Before Tax (PBT)</b>	<b>(16)</b>	<b>(27)</b>	<b>-107</b>	<b>-39%</b>	<b>-85%</b>	<b>-122</b>	<b>(339)</b>	<b>64%</b>
Exceptional Items	31	(0)	64			31	65	
Share in (loss)/ profit of associates	3	(3)	1	-185%	252%	-3	(6)	-48%
Provisions for Tax	17	8	39	103%	-56%	33	22	49%
Minority Interest share	4	6	-13	-28%	-134%	21	0	5851%
<b>Net Income after MI</b>	<b>-65</b>	<b>-44</b>	<b>-196</b>	<b>47%</b>	<b>-67%</b>	<b>(210)</b>	<b>(431)</b>	<b>51%</b>

# Consol Debt position (IGaap)

**Gross Debt  
(Rs in crs)**



**Net Debt  
(Rs in crs)**



# Consolidated Balance Sheet (Ind. AS)



INR Crore	Ind. AS		
	Mar'17	Mar'16	Mar'15
Share Capital	194	178	178
Reserves & Surplus	718	792	1,213
<b>Networth</b>	<b>912</b>	<b>970</b>	<b>1,391</b>
Minority Interest	90	71	79
Short & Long Term Debt	522	869	989
Deffered Revennue (Activation)	508	497	318
Trade Payables	331	287	209
Other Liabilities	146	243	119
<b>Total Equity &amp; Liabilities</b>	<b>2,509</b>	<b>2,935</b>	<b>3,104</b>
Fixed Assets, Net	1,142	1,225	996
Capital work-in-progress	45	129	104
Goodwill on consolidation	247	249	263
<b>Fixed Assets</b>	<b>1,435</b>	<b>1,603</b>	<b>1,364</b>
Non - Current Investment	74	74	114
Trade receivables	240	263	279
Cash and Cash Equivalentents	353	550	928
Loans	70	73	37
Other Assets	337	373	381
<b>Total Assets</b>	<b>2,509</b>	<b>2,935</b>	<b>3,104</b>

# Cable Business

## FY17 Q4–Segment Highlights (IGaap) (Cable)

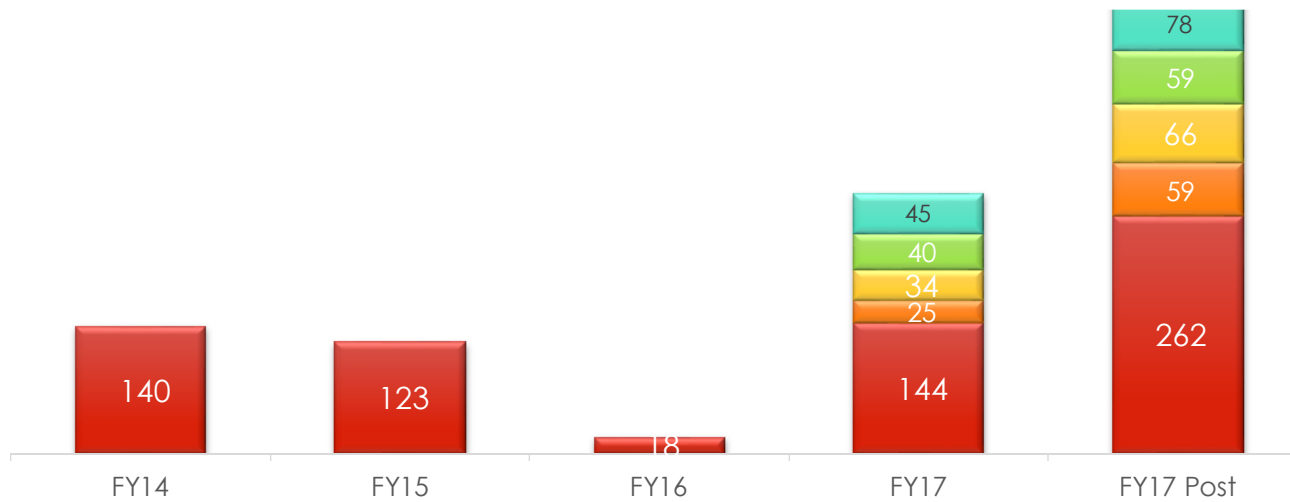
- ✓ Approx. 2.8 lacs boxes deployed in Phase 3 & 4, Total Digital subscriber base 10.5 mn
- ✓ 33% growth in Subscription revenue in FY17 vs FY16
- ✓ EBITDA :
  - Pre- Activation Q4 : Rs 45 crs Vs Rs 15 crs Q4'16
  - Post – Activation Q4 : Rs 81 crs
- ✓ Full Year Phase wise EBITDA (pre- activation)
  - ✓ DAS 1 : FY17 : 30 % Vs FY16 : 23%
  - ✓ DAS 2 : FY17 : 18 % Vs FY16 : 11 %
  - ✓ DAS 3 : FY17 : (-) 2% Vs FY16 : (-) 30%
- ✓ Subscription Collection efficiency : 96%



# Cable Yearly EBITDA Pre Activation trend

■ EBITDA Pre Act ■ FY17 Q1 ■ FY17 Q2 ■ FY17 Q3 ■ FY17 Q4

Rs in crs



# Cable Income Statement (IGaap)



	Actuals			Quarterly Gr%		FY17 YTD P12		FY16 YTD P12	Gr%
	4Q'17	3Q'17	4Q'16	Q-o-Q	Y-o-Y			YTD P12	
	INR Crore								
Subscription	189	172	134	10%	40%	646	487	33%	
Placement	99	97	95	2%	4%	390	435	-10%	
Activation	34	19	104	76%	-68%	118	232	-49%	
Other Operating Income	14	6	12	117%	14%	37	29	29%	
<b>Total Income post activation</b>	<b>336</b>	<b>295</b>	<b>346</b>	<b>14%</b>	<b>-3%</b>	<b>1,192</b>	<b>1,183</b>	<b>1%</b>	
<b>Total Income pre activation</b>	<b>302</b>	<b>276</b>	<b>242</b>	<b>9%</b>	<b>25%</b>	<b>1,074</b>	<b>951</b>	<b>13%</b>	
Content Costs	129	124	105	3%	23%	490	508	-3%	
Personnel Costs	32	30	28	7%	12%	114	105	8%	
Other Opex	80	75	74	7%	7%	286	272	5%	
Provision for doubtful debts	18	8	19	137%	-8%	41	47	-13%	
<b>Total Expenditure</b>	<b>258</b>	<b>236</b>	<b>227</b>	<b>9%</b>	<b>14%</b>	<b>931</b>	<b>932</b>	<b>0%</b>	
<b>EBITDA Pre activation</b>	<b>45</b>	<b>40</b>	<b>15</b>	<b>12%</b>	<b>197%</b>	<b>144</b>	<b>18</b>	<b>676%</b>	
<i>EBITDA pre activation %</i>	15%	14%	6%			13%	2%		
<b>EBITDA Post Activation</b>	<b>78</b>	<b>59</b>	<b>119</b>	<b>33%</b>	<b>-34%</b>	<b>262</b>	<b>251</b>	<b>4%</b>	
<i>EBITDA post activation %</i>	23%	20%	34%	16%		22%	21%		
Treasury Income	14	11	9	29%	54%	40	65	-39%	
Dep & Amort	73	68	68	7%	8%	277	218	27%	
Finance Costs	13	23	22	-41%	-41%	71	75	-6%	
<b>Profit Before Tax (PBT)</b>	<b>5</b>	<b>(21)</b>	<b>38</b>	<b>-124%</b>	<b>-86%</b>	<b>(46)</b>	<b>23</b>	<b>298%</b>	
Exceptional Items	30	(1)	107	-2605%	-72%	29	107	-73%	
Provisions for Tax	13	11	22	18%	-42%	31	43	-26%	
Minority Interest	7	2	10	228%	-35%	21	31	-34%	
<b>Net Income</b>	<b>(44)</b>	<b>(33)</b>	<b>(101)</b>	<b>36%</b>	<b>56%</b>	<b>(127)</b>	<b>(157)</b>	<b>-19%</b>	



# Cable Income Statement (Ind. AS)

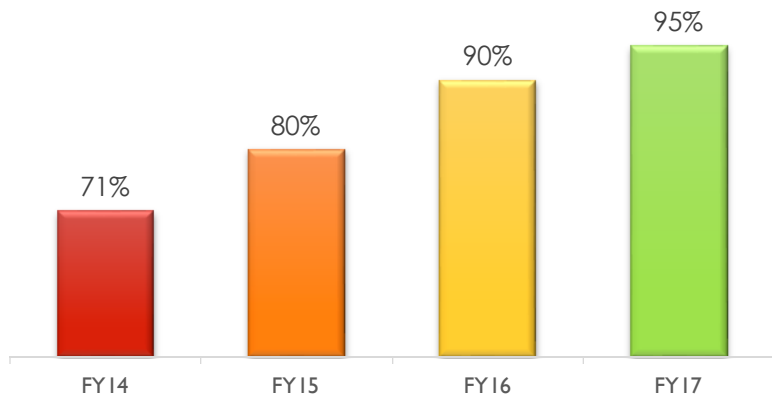


	Quarterly			Gr%	FY17 YTD P12		FY16 YTD P12		NR Crore
	4Q'17	3Q'17	4Q'16		Gr%			Gr%	YTD
Subscription	157	144	118	9%	544	404			35%
Placement	89	89	81	0%	351	371			-6%
Activation	23	21	16	10%	85	54			59%
Other Operating Income	24	17	35	41%	79	62			27%
<b>Total Income post activation</b>	<b>293</b>	<b>272</b>	<b>250</b>	<b>8%</b>	<b>1,059</b>	<b>891</b>			<b>19%</b>
<b>Total Income pre activation</b>	<b>270</b>	<b>250</b>	<b>234</b>	<b>8%</b>	<b>974</b>	<b>838</b>			<b>16%</b>
Content Costs	123	119	109	3%	471	473			0%
Personnel Costs	27	26	24	1%	101	96			5%
Other Opex	71	66	84	7%	257	260			-1%
Provision for doubtful debts	14	8	14	76%	37	37			-2%
IND . As Adjustment			34		-	34			
<b>Total Expenditure</b>	<b>234</b>	<b>219</b>	<b>265</b>	<b>7%</b>	<b>866</b>	<b>900</b>			<b>-4%</b>
<b>EBITDA Pre activation</b>	<b>36</b>	<b>31</b>	<b>(31)</b>	<b>15%</b>	<b>108</b>	<b>(63)</b>			<b>NA</b>
<i>EBITDA pre activation %</i>	13%	12%	-13%		11%	-7%			
<b>EBITDA Post Activation</b>	<b>59</b>	<b>52</b>	<b>(15)</b>	<b>13%</b>	<b>193</b>	<b>(9)</b>			<b>NA</b>
<i>EBITDA post activation %</i>	20%	19%	-6%		18%	-1%			
Treasury Income	7	12	10	-45%	36	58			-38%
Dep & Amort	65	62	61	5%	249	193			29%
Finance Costs	8	20	26	-59%	63	76			-17%
<b>Profit Before Tax (PBT)</b>	<b>(7)</b>	<b>(17)</b>	<b>(92)</b>	<b>59%</b>	<b>(82)</b>	<b>(220)</b>			<b>63%</b>
Exceptional Items	29	(0)	107		29	107			-73%
Share in (loss)/ profit of associates	10	(5)	(7)	NA	7	(6)			NA
Provisions for Tax	17	8	39	101%	33	22			48%
Minority Interest	5	6	(13)	-27%	21	0			NA
<b>Net Income</b>	<b>(47)</b>	<b>(36)</b>	<b>(232)</b>	<b>-30%</b>	<b>(158)</b>	<b>(356)</b>			<b>56%</b>

# FY'17 – Highlights (Cable results- I Gaap)

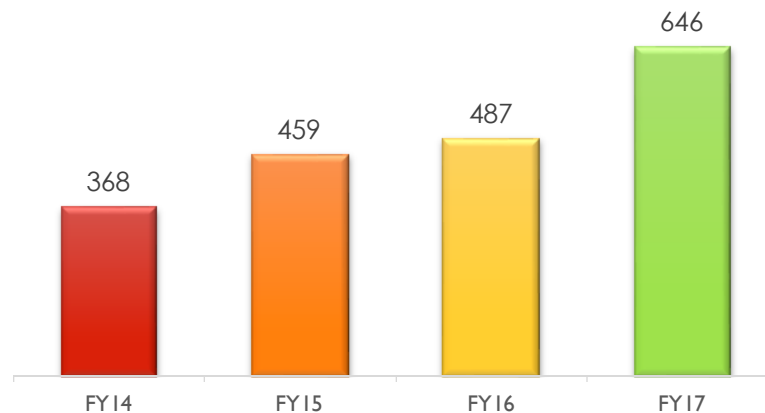


Collection Efficiency



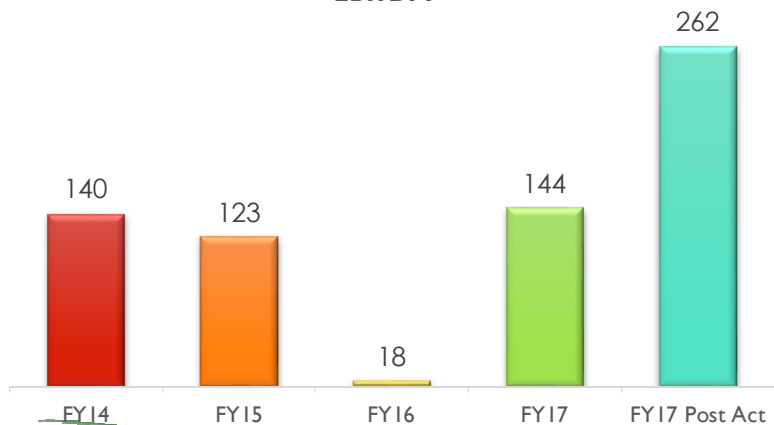
Subscription Revenue<sup>1</sup>

Rs in crs

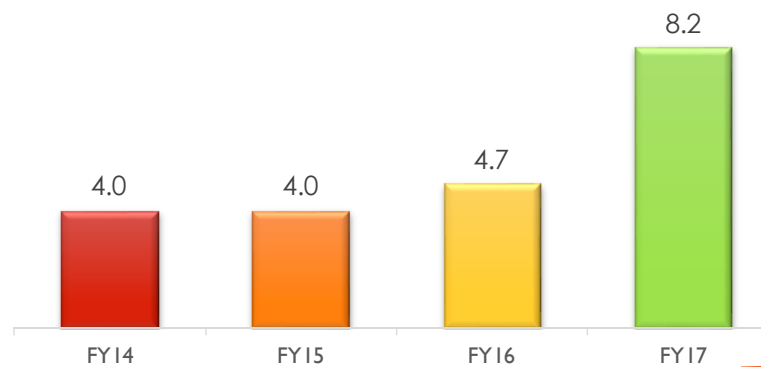


Rs in crs

EBITDA<sup>2</sup>



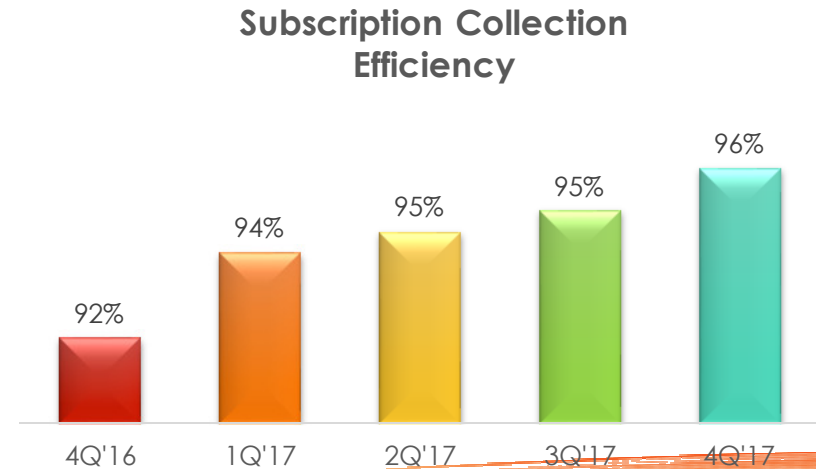
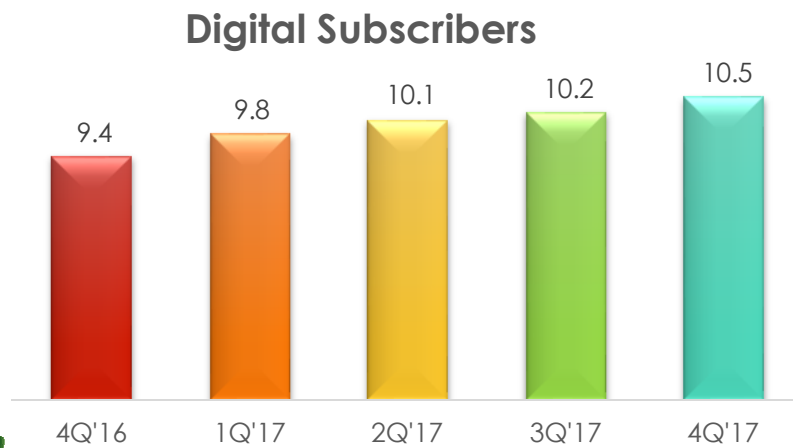
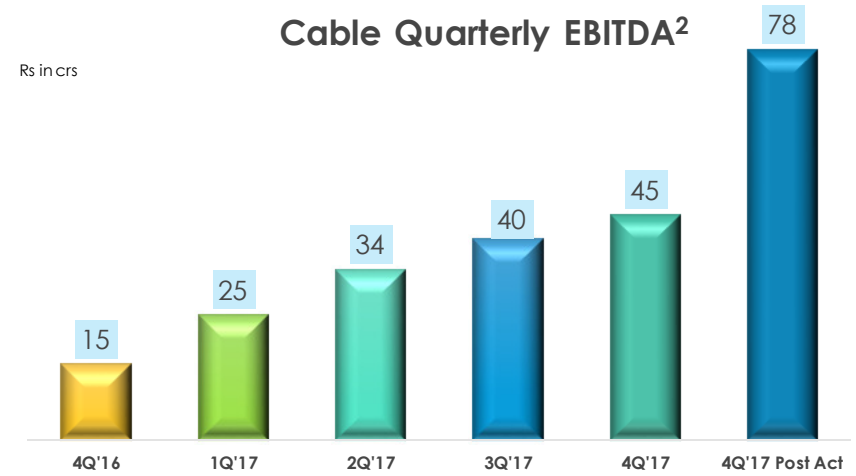
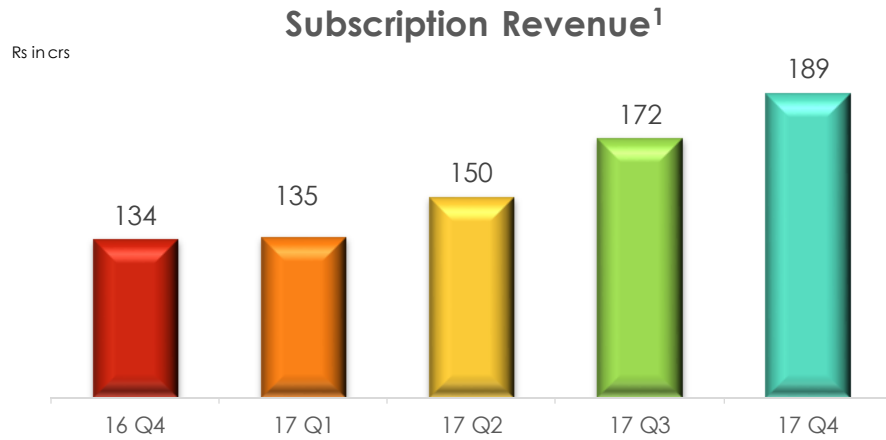
Billed Subscribers (in mn)



<sup>2</sup> Pre activation

<sup>1</sup> Net of Tax & LCO commission & are avg. for the qtr

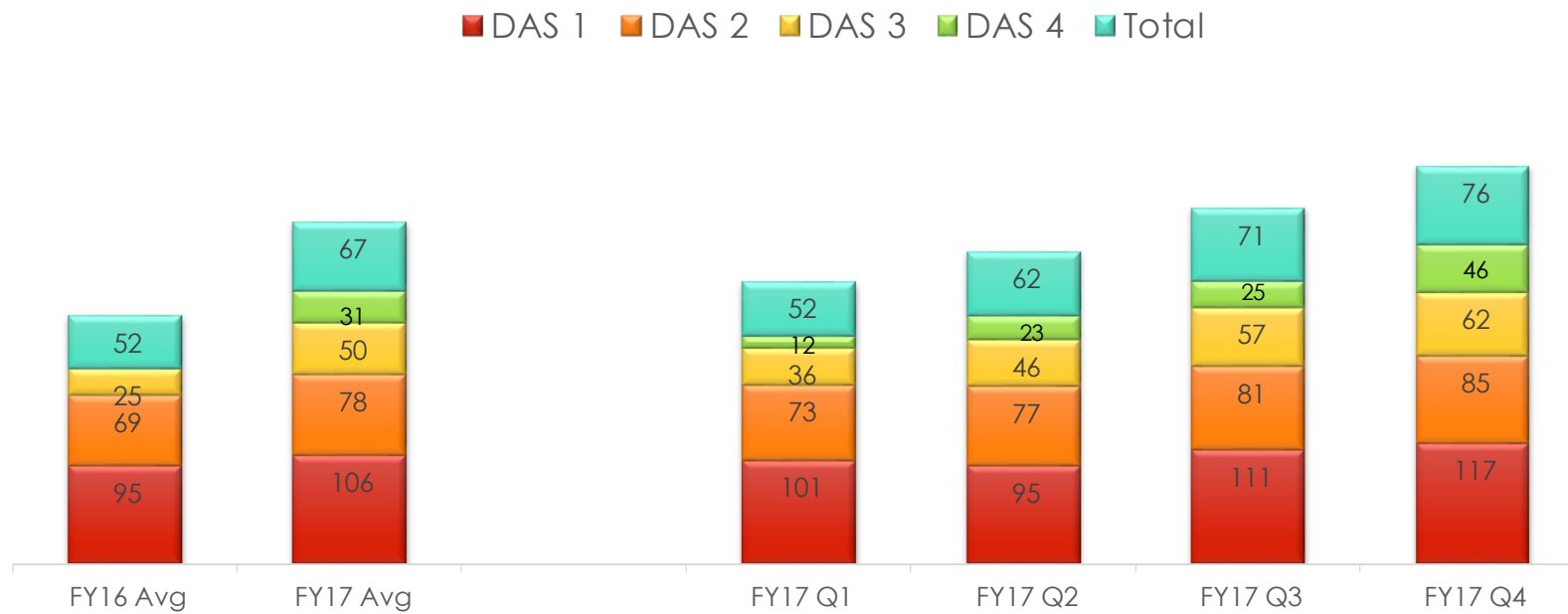
# Q4 - Cable Highlights



<sup>1</sup>Net of Tax and LCO commission and are average for the quarter

<sup>2</sup>Pre activation

# Phase wise Per Box Subscription Revenue - I Gaap

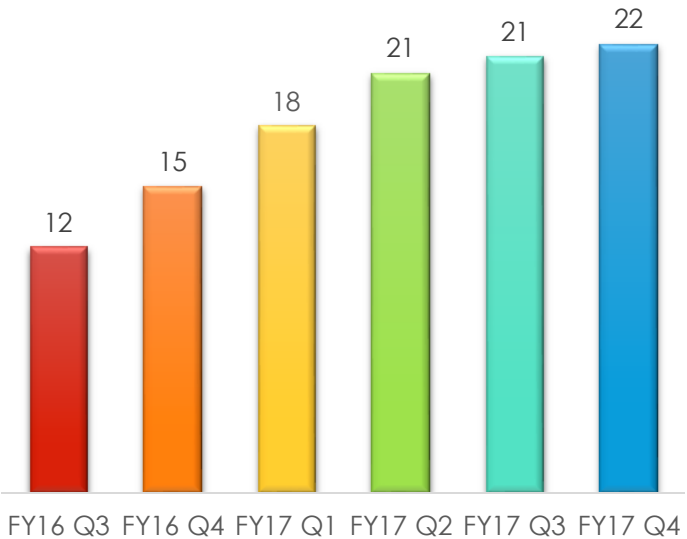


Assumed 4 mn boxes for calculating DAS % Collection rate per box

# Broadband

# 4Q'17 – Highlights (Broadband Results)

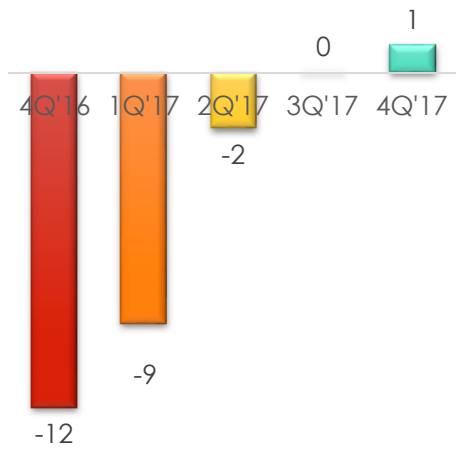
**Quarterly Revenue\***  
(in crs)



**No of Gross Subscribers ('000)**



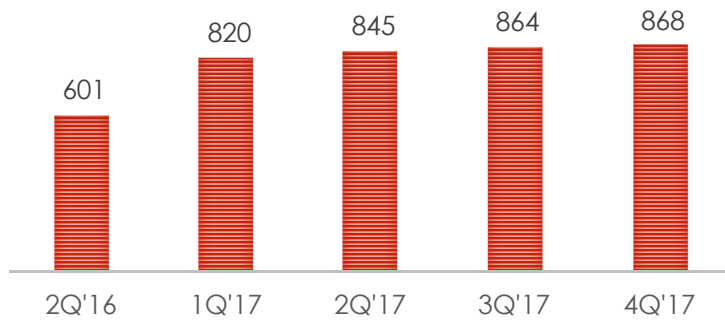
**Quarterly EBITDA \***  
(Rs in crs)



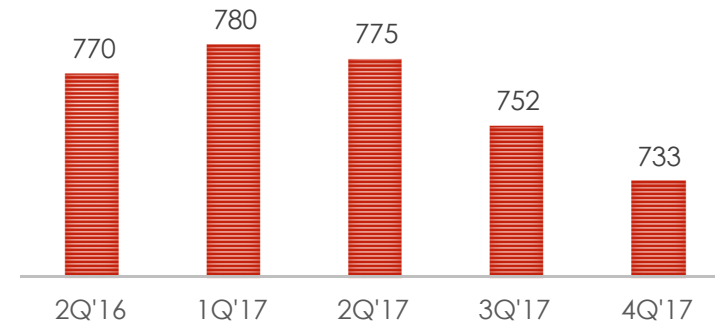
\*Pre- Activation

# Broadband Highlights

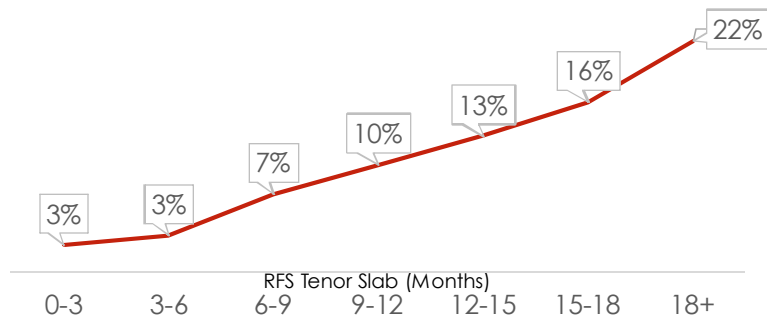
Homes Passed ('000)



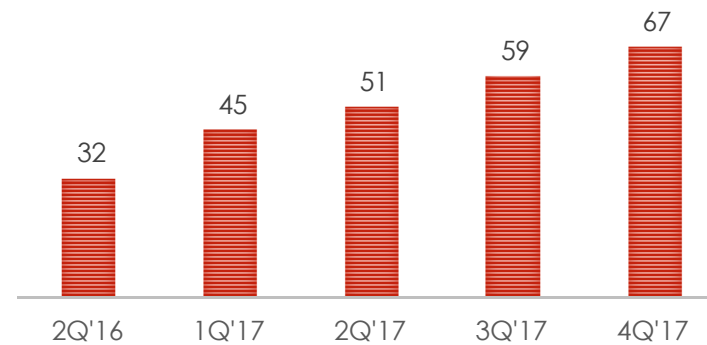
ARPU



Cohort Analysis



Avg. monthly Consumption (in GB / Household)



# Broadband Income Statement



				Quarterly Gr%		Actuals		FY
	4Q'17	3Q'17	4Q'16	Q-o-Q (Gr%)	Y-o-Y (Var%)	FY17 YTD P12	FY16 YTD P12	Gr%
	INR Crores							
Total income (Pre Activation)	22	21	15	1%	45%	81	40	105%
Activation	0	0	0	-31%	-57%	1	1	-17%
Total income (Post Activation)	22	21	15	1%	43%	82	41	102%
Personnel Costs	3	4	5	-26%	-49%	15	25	-39%
Other Opex	17	17	22	0%	-20%	75	81	-7%
Provision for doubtful debts	0	0	(0)	157%	-227%	0	0	625%
Total Expenditure	20	21	27	-3%	-25%	91	106	-14%
<b>EBITDA (Post Activation)</b>	<b>1</b>	<b>0</b>	<b>(12)</b>	<b>233%</b>	<b>112%</b>	<b>(9)</b>	<b>(65)</b>	<b>86%</b>
EBITDA %	7%	2%	-77%			-11%	-161%	
<b>EBITDA (Pre Activation)</b>	<b>1</b>	<b>0</b>	<b>(12)</b>	<b>426%</b>	<b>111%</b>	<b>(10)</b>	<b>(66)</b>	<b>85%</b>
EBITDA %	6%	1%	-81%			-12%	-167%	
Dep & Amort	9	7	4	26%	128%	28	13	121%
Finance Costs	0.67	0	1	55%	-19%	2	3	-39%
<b>Profit Before Tax (PBT)</b>	<b>(9)</b>	<b>(7)</b>	<b>(17)</b>	<b>16%</b>	<b>49%</b>	<b>(39)</b>	<b>(81)</b>	<b>52%</b>
Exceptional item	1			0%	0%	1	-	0%
<b>Net Income</b>	<b>(10)</b>	<b>(7)</b>	<b>(17)</b>	<b>34%</b>	<b>41%</b>	<b>(40)</b>	<b>(81)</b>	<b>51%</b>



# TV Commerce

## TV Commerce P&L

	INR Crore						
	Actuals			Actuals		Change	
	4Q'17	3Q'17	4Q'16	FY17 YTD	FY16 YTD	Y-o-Y	Q-o-Q
<b>Revenues</b>	<b>7</b>	<b>5</b>	<b>4</b>	<b>26</b>	<b>14</b>	<b>3</b>	<b>2</b>
Content Costs	1	1	1	3	3	(0)	(0)
Personnel Costs	1	2	2	7	4	(0)	(1)
Other Opex	3	5	9	15	29	(5)	(1)
<b>EBITDA</b>	<b>2</b>	<b>(2)</b>	<b>(7)</b>	<b>1</b>	<b>(22)</b>	<b>8</b>	<b>4</b>
Dep & Amort	0	0	1	1	1	(0)	(0)
Finance Costs	0	0	-	0	-	0	0
<b>Profit After Tax (PAT)</b>	<b>1</b>	<b>(2)</b>	<b>(7)</b>	<b>(1)</b>	<b>(23)</b>	<b>8</b>	<b>4</b>

From FY17 Q2 onwards TV Commerce results has been consolidated , in FY17 Q1 it was considered as Associate



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