

Den Networks Ltd.

Q2'17 Results Investor Presentation

December 14, 2016



FY17 Q2 key highlights

- *Focus on core business – cable/ Broadband*
- *Turnaround in Cable / Consolidated EBITDA – Broadband and TV shop Breaks even*
- *Strong performance in DAS 3 digital – 5 m - Monetisation @ 55 incl. tax*
- *Broadband – long term plan – WIP*
- *DEN – OTT – under test, formal launch soon*
- *Divestment of another 25% in Soccer business*



2Q'17 –Highlights (IGaap)

- Consolidated Revenue (Pre activation) growth
 - For the Quarter : 12% Vs. Q1 ; 18% Vs. PY Q2
 - Half Year (FY17 H1) : 10% Vs. PY H1
- Consolidated EBITDA (Pre Activation) :
 - For the Quarter - Rs 34 cr. Vs. Rs 15 cr in Q1 ; Rs (-) 39 cr PY Q2
 - Half Year: Rs 49 cr Vs. Rs (-) 58 cr PY H1
- Cable subscription revenue growth - 12% Vs. Q1 with digital base at 10.1m (Phase 3 : 5.1m)
- Broadband –
 - 140 k Subscribers, Homes passed 845k.
 - Sep'16 month EBITDA Breaks even

¹As per I Gaap

Consolidated Income Statement: Quarterly (IGaap)



INR Crore

		Cable	Broadband	TV Commerce ¹	Consolidate d*
Revenues (Pre Activation)	2Q'17	258	21	8	287
	1Q'17	238	18	5	256
	2Q'16	231	8	3	244
Opex (incl. personnel cost)	2Q'17	97	22	6	125
	1Q'17	87	27	5	114
	2Q'16	91	29	7	136
EBITDA (Pre Activation)	2Q'17	34	(2)	1	34
	1Q'17	25	(9)	(0)	15
	2Q'16	(5)	(21)	(4)	(39)

¹ 100% shown above for comparative purposes, though only FY17 Q2 has been consolidated

* Includes Soccer



Consolidated Income Statement: Half Yearly (IGaap)

INR Crore

		Cable	Broadband	TV Commerce ¹	Consolidated*
Revenues (Pre Activation)	1H'17	496	38	13	542
	1H'16	473	13	5	494
	Gr%	5%	194%	164%	10%
Opex (incl. personnel cost)	1H'17	184	49	6	240
	1H'16	185	51	13	262
	Gr%	0%	-4%	-53%	-9%
EBITDA (Pre Activation)	1H'17	59	(11)	1	49
	1H'16	(2)	(38)	(9)	(59)
	Gr%		70%		184%
PBT	1H'17	(30)	(23)	1	(52)
	1H'16	(49)	(44)	(9)	(113)
	Gr%	39%	48%		54%

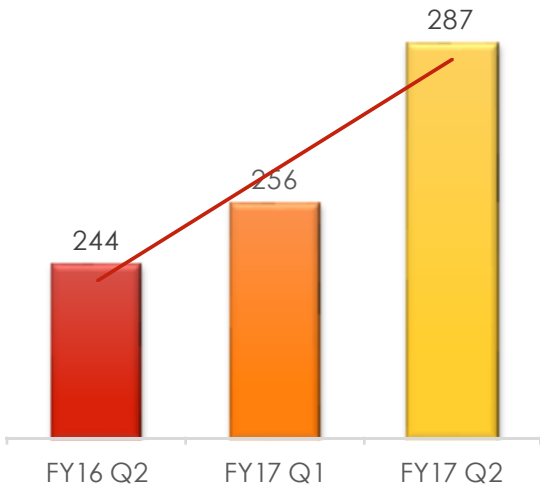
¹ 100% shown above for comparative purposes, though only FY17 Q2 has been consolidated

* Includes Soccer

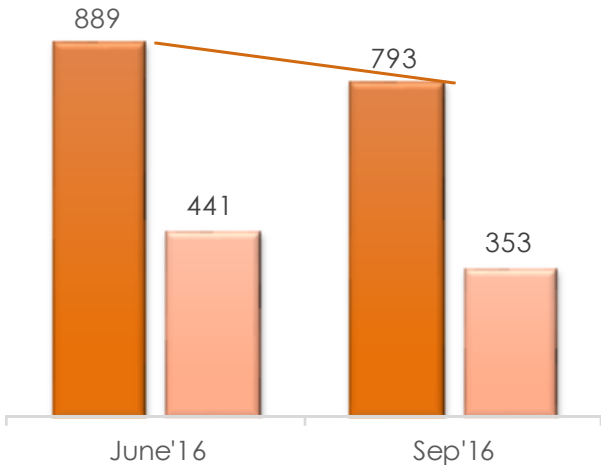
2Q'17 – Consol Highlights (IGaap)



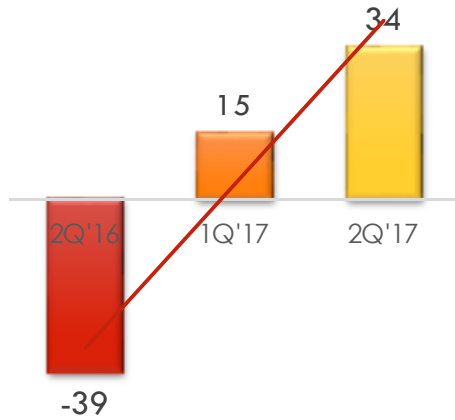
Consol. Revenue*
(Rs in crs)



Gross & Net Debt
(Rs in crs)



Consol Quarterly EBITDA* (Rs in crs)



*pre activation



Consolidated Income Statement (IGaap)

	2Q'17			1Q'17			2Q'16			INR Crore		Quarterly Gr%		Gr%	
	2Q'17	1Q'17	2Q'16	Q-o-Q (Gr%)	Y-o-Y (Var%)	1H'17	1H'16	Half Yearly	Q-o-Q (Gr%)	Y-o-Y (Var%)	1H'17	1H'16	Half Yearly		
Subscription- Cable	150	135	115	12%	31%	285	234	22%							
Subscription - Broadband	21	18	8	16%	156%	38	13	193%							
Placement	97	97	111	0%	-12%	194	229	-15%							
TV Shop Revenue	8	-	3		156%	8	5	66%							
Other Operating Income	11	6	7	64%	47%	17	14	23%							
Total Income Pre Activation	287	256	244	12%	18%	542	494	10%							
Activation	32	35	27	-9%	17%	66	42	56%							
Total Income Post Activation	318	290	271	10%	17%	609	537	13%							
Content Costs	120	118	137	2%	-12%	238	273	-13%							
Personnel Costs	35	28	35	28%	2%	63	69	-9%							
Other Opex	90	87	102	4%	-11%	177	193	-8%							
Provision for doubtful debts	8	8	9	-3%	-13%	16	18	-13%							
Total Expenditure	253	240	282	5%	-10%	493	553	-11%							
EBITDA Pre activation	34	15	(39)	120%	187%	49	(58)	184%							
<i>EBITDA pre activation %</i>	13%	7%	-18%			10%	-13%								
Treasury Income	7	9	19	-27%	-64%	16	45	-65%							
Dep & Amort	73	73	52	-1%	39%	146	103	43%							
Finance Costs	12	23	21	-48%	-42%	36	40	-10%							
Profit Before Tax (PBT)	(13)	(38)	(66)	-65%	-80%	(51)	(113)	55%							
Exceptional Items	0	-				0	-								
Share in (loss)/ profit of associates	(4)	(0)		2386%	0%	(4)	-								
Provisions for Tax	(1)	9	5	-112%	-121%	8	9	-7%							
Minority Interest	7	5	4	30%	83%	12	6	105%							
Net Income	(23)	(52)	(75)	-56%	-70%	(75)	(127)	41%							



Consolidated Income Statement (Ind. AS)

	Quarterly			Quarterly Gr%		INR Crore		Gr%
	2Q'17	1Q'17	2Q'16	Q-o-Q (Gr%)	Y-o-Y (Var%)	1H'17	1H'16	Half Yearly
Subscription- Cable	132	111	93	19%	42%	244	191	28%
Subscription - Broadband	21	18	8	16%	156%	38	13	194%
Placement	86	87	98	-1%	-13%	173	201	-14%
TV Shop Revenue	8					8	-	
Other Operating Income	21	17	14	19%	44%	38	24	61%
Total Income Pre Activation	268	233	214	15%	25%	501	428	17%
Activation	5	36	2	-87%	161%	41	23	77%
Total Income Post Activation	272	269	215	1%	26%	541	451	20%
Content Costs	118	112	128	5%	-8%	231	249	-7%
Personnel Costs*	34	25	33	35%	2%	58	64	-9%
Other Opex*	84	81	88	4%	-4%	165	167	-1%
Provision for doubtful debts	8	7	7	11%	16%	15	15	0%
Total Expenditure	244	225	256	8%	-4%	469	495	-5%
EBITDA Pre activation	23	8	(42)	205%	156%	31	(67)	147%
EBITDA pre activation %	9%	4%	-20%			7%	-17%	
Treasury Income	8	10	18	-22%	-58%	17	35	-51%
Dep & Amort	68	66	47	3%	45%	134	91	47%
Finance Costs	13	22	20	-42%	-36%	35	37	-6%
Profit Before Tax (PBT)	(45)	(35)	(89)	28%	-49%	(80)	(137)	41%
Exceptional Items	0					0	-	
Share in (loss)/ profit of associates	(1)	(1)	(11)	-19%	-90%	(2)	(11)	-78%
Provisions for Tax	(1)	8	(6)	-113%	-80%	7	(5)	-254%
Minority Interest	3	7	5	-51%	-30%	10	6	73%
Net Income	(48)	(52)	(99)	-6%	-51%	(100)	(149)	33%

*Personnel cost and Opex growth partly led by Snap deal Opex and personnel cost of Rs 6 crs

Consolidated Balance Sheet (Ind. AS)



	INR Crore		
	Sep'16	June'16	Mar'16
Share Capital	178	178	178
Reserves & Surplus ¹	937	1,058	1,033
Networth	1,115	1,236	1,210
Minority Interest	96	101	86
Short & Long Term Debt	753	852	894
Trade Payables	363	314	323
Other Liabilities	726	526	683
Total Equity & Liabilities	3,053	3,030	3,197
Fixed Assets, Net	1,199	1,210	1,225
Capital work-in-progress	56	93	129
Goodwill on consolidation	266	249	249
Fixed Assets	1,521	1,551	1,603
Long term Loans and Advances	207	167	185
Trade receivables	432	426	391
Cash and Cash Equivalents*	418	434	521
Short - term Loans and Advances	141	129	154
Other Assets	335	323	343
Total Assets	3,053	3,030	3,197

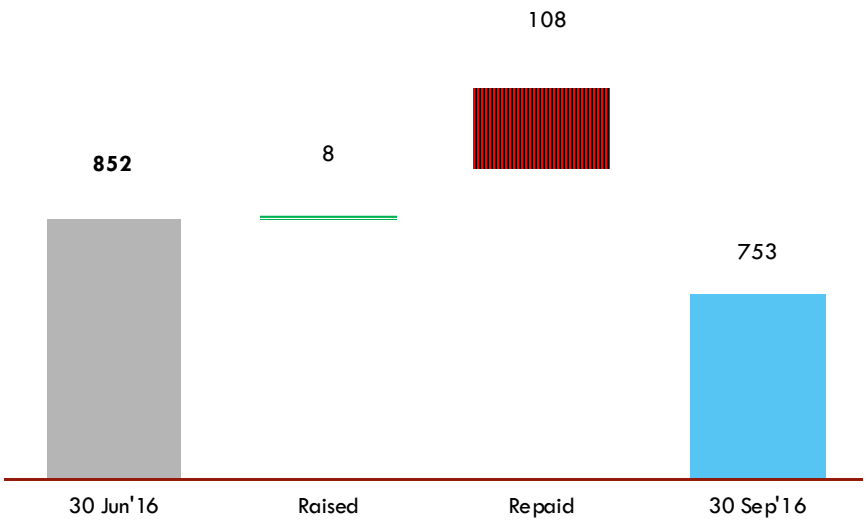
Other non-current assets movement now re-classified to Other assets, earlier shown under cash and cash equivalents

*Includes Rs 234 Cr under lien for credit facilities

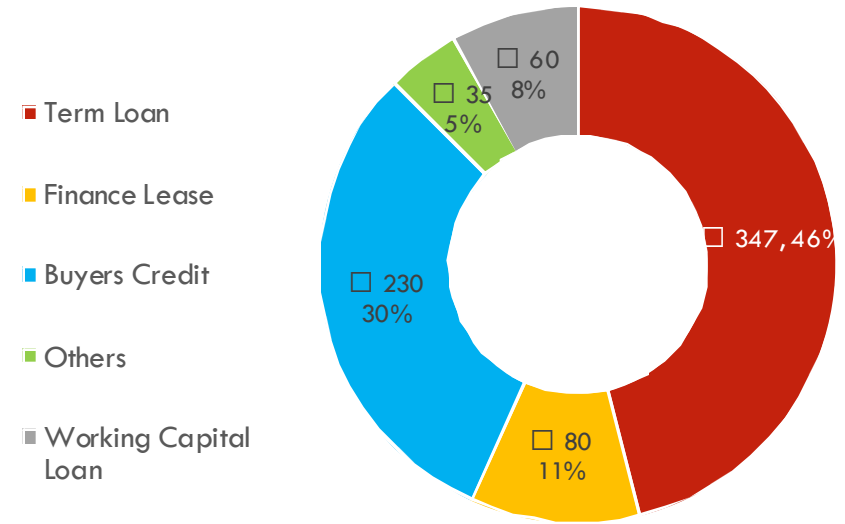
Consolidated Debt Position (Ind. AS)



Gross Debt (INR Crore)



2Q'17 Debt Breakup (INR Cr)





Cable Business



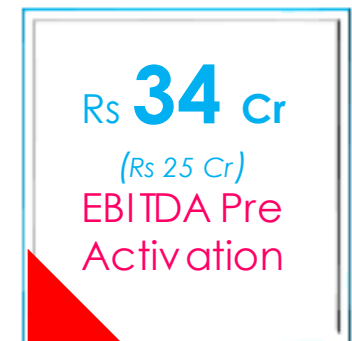
FY17 Q2–Segment Highlights (IGaap) (Cable)

- Pre activation EBITDA :
 - Q2 : Rs 34 cr growth 38% Vs. Q1
 - Half Year : Rs 59 cr Vs. Rs (-) 2 cr in PY H1
- Overall Collection efficiency for the quarter at 95% Vs. 94% in Q1 and 89% in PY Q2
- DAS 1/2 EBITDA pre activation at 24% Vs. 22 % in FY17 Q1
- 266k boxes deployed in Phase 3/4
- Subscription revenue growth - 12% Vs. Q1 with digital base at 10.1m (Phase 3 : 5.1m)

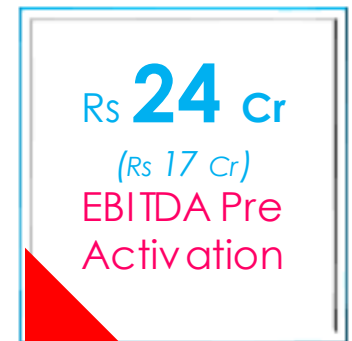
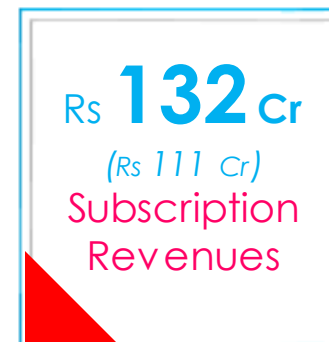


Cable 2Q'17 Highlights as per Ind. AS & I Gaap

- I Gaap



- Ind. AS

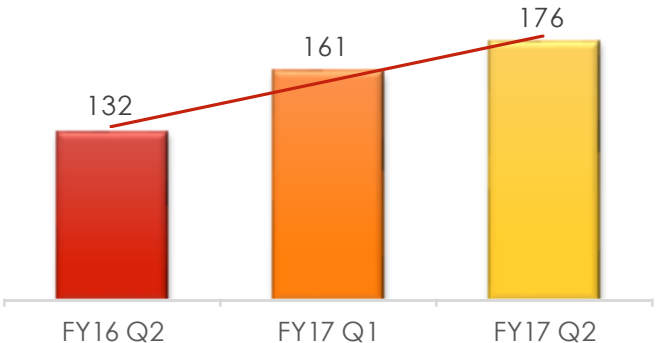


Numbers in Brackets represent 1Q'17

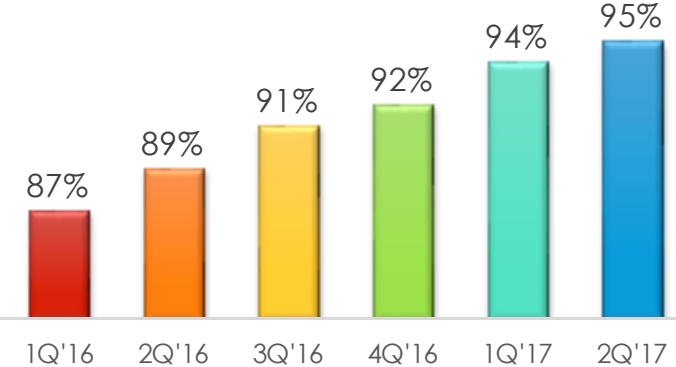
2Q'17 – Highlights (Cable results I Gaap)



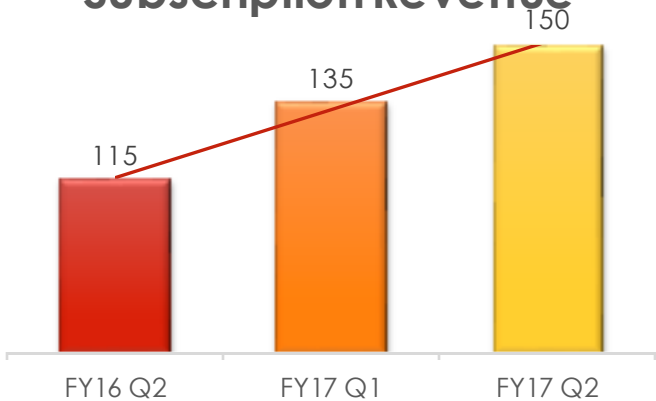
Billing incl. taxes



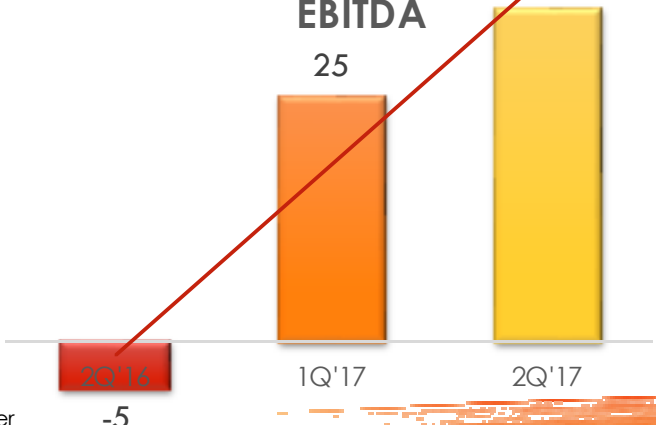
Subscription Collection Efficiency



Subscription Revenue



Cable Quarterly EBITDA



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

²Pre activation

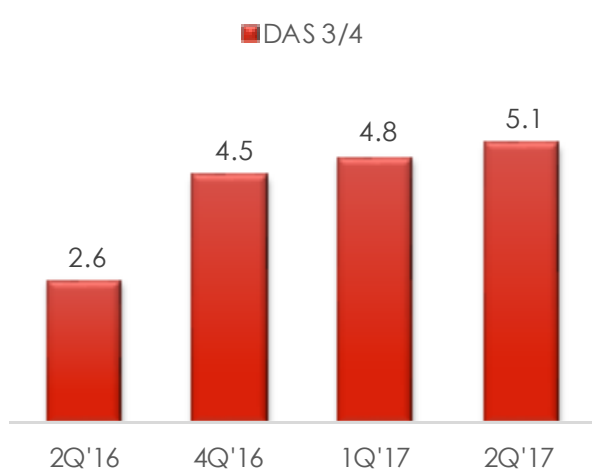
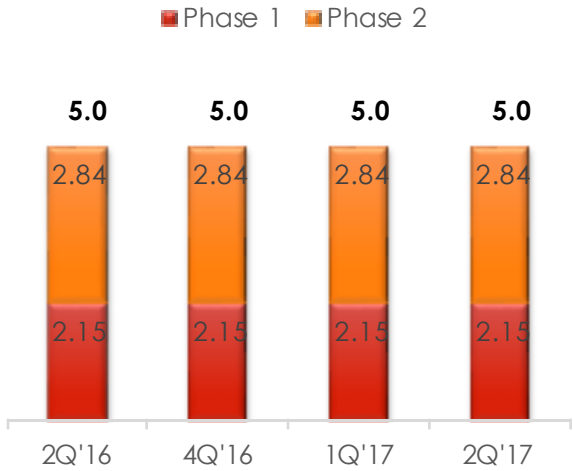
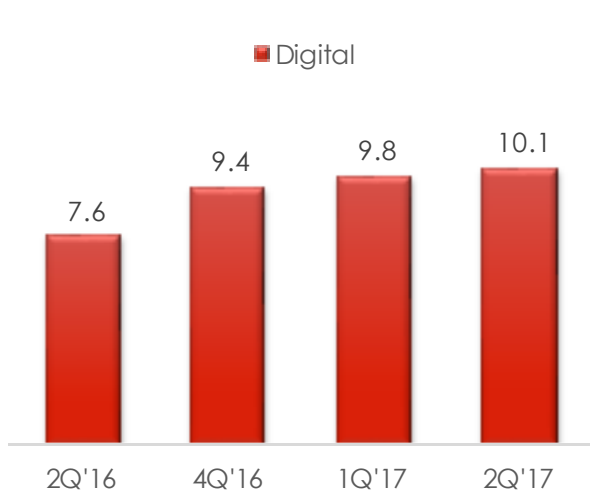
Cable Subscribers – 13M



Total (Million STBs)

DAS 1 and 2 Markets (Million STBs)

DAS 3 and 4 Markets - (Million STBs)





Cable Income Statement (IGaap)

INR Crore				Quarterly Gr%				Gr%
	2Q'17	1Q'17	2Q'16	Y-o-Y	Q-o-Q	1H'17	1H'16	Half Yearly
Subscription	150	135	115	31%	12%	285	234	22%
Placement	97	97	111	-12%	0%	194	229	-15%
Activation	31	34	27	15%	-9%	65	42	55%
Other Operating Income	10	6	6	79%	64%	17	10	66%
Total Income post activation	289	272	259	12%	6%	561	515	9%
Total Income pre activation	258	238	231	11%	8%	496	473	5%
Content Costs	119	118	136	-13%	1%	237	272	-13%
Personnel Costs	29	23	26	11%	25%	52	52	0%
Other Opex	68	64	65	5%	6%	132	133	-1%
Provision for doubtful debts	8	8	9	-14%	-5%	16	18	-13%
Total Expenditure	223	213	236	-5%	5%	437	475	-8%
EBITDA Pre activation	34	25	(5)	826%	38%	59	(2)	2793%
<i>EBITDA pre activation %</i>	13%	10%	-2%			12%	0%	
Treasury Income	7	9	18	-64%	-27%	16	45	-65%
Dep & Amort	66	69	50	33%	-3%	135	98	38%
Finance Costs	12	23	19	-37%	-47%	35	36	-1%
Profit Before Tax (PBT)	(6)	(23)	(28)	78%	-74%	(30)	(49)	39%
Exceptional Items	0	-		0%	0%			0%
Provisions for Tax	(1)	9	5	-119%	-111%	8	9	-4%
Minority Interest	7	5	4	83%	30%	12	6	105%
Net Income	(12)	(38)	(37)	68%	-68%	(50)	(63)	-21%



Cable Income Statement (Ind. AS)

INR Core				Quarterly Gr%				Gr%
	2Q'17	1Q'17	2Q'16	Y-o-Y	Q-o-Q	1H'17	1H'16	Half Yearly
Subscription	132	111	93	42%	19%	244	191	28%
Placement	86	87	98	-13%	-1%	173	201	-14%
Activation	5	36	2	157%	-87%	40	23	76%
Other Operating Income	20	17	14	44%	19%	38	23	66%
Total Income post activation	243	251	207	17%	-3%	494	437	13%
Total Income pre activation	239	215	206	16%	11%	454	414	10%
Content Costs	117	112	128	-8%	4%	230	249	-8%
Personnel Costs	27	21	25	9%	32%	48	50	-3%
Other Opex	62	58	58	7%	8%	120	120	0%
Provision for doubtful debts	8	7	7	13%	9%	15	15	-1%
Total Expenditure	215	198	219	-2%	8%	413	434	-5%
EBITDA Pre activation	24	17	(13)	287%	40%	41	(20)	308%
<i>EBITDA pre activation %</i>	10%	8%	-6%			9%	-5%	
Treasury Income	8	10	18	-58%	-22%	17	35	-51%
Dep & Amort	61	61	44	39%	0%	123	86	42%
Finance Costs	13	22	18	-30%	-42%	35	33	4%
Profit Before Tax (PBT)	(38)	(21)	(55)	32%	84%	(58)	(81)	28%
Share in (loss)/ profit of associates	3	(1)	(1)	-649%	-340%	2	(1)	-311%
Provisions for Tax	(1)	9	(6)	-82%	-112%	8	(5)	-263%
Minority Interest	3	7	5	-30%	-51%	10	6	73%
Net Income	(37)	(37)	(55)	32%	1%	(74)	(83)	-11%



Boomband



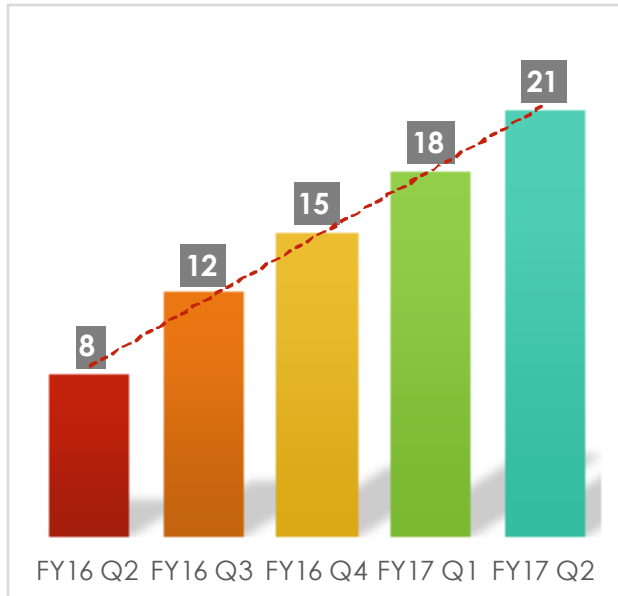
FY17 Q2– Segment Highlights (Boomband)

- Sep'16 monthly EBITDA - Breaks even
- Focussed effort towards profitability paying off:
 - Q2 EBITDA at Rs (-) 2cr. Vs. Rs (-) 9cr in Q1.
 - FY17 H1 EBITDA loss at Rs (-) 11 crs Vs. Rs (-) 38 crs loss in FY16 H1
- Added ~25k Subscribers in Q2;
- Total sub base at 140k, Homes passed at 845K
- Q-o-Q Revenue growth - 16% with revenue at Rs 21 crs for the quarter
- ARPU for the quarter at Rs 775

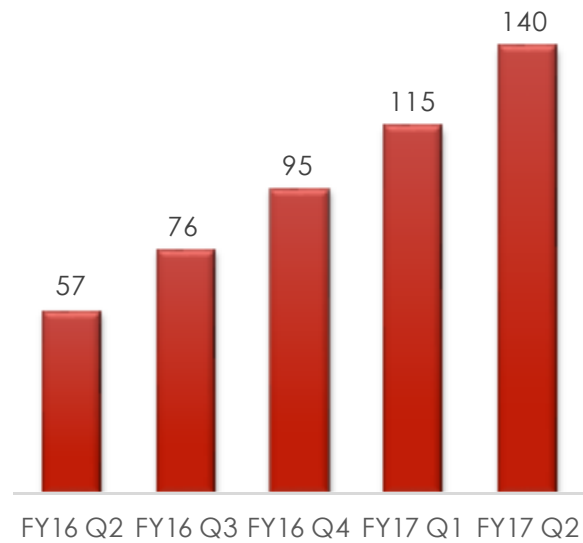
2Q'17 – Highlights (*Boomband Results*)



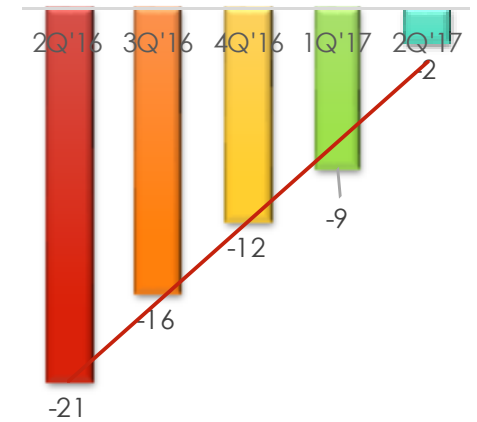
Quarterly Revenue
(in crs)



No of Subscribers
(‘000)



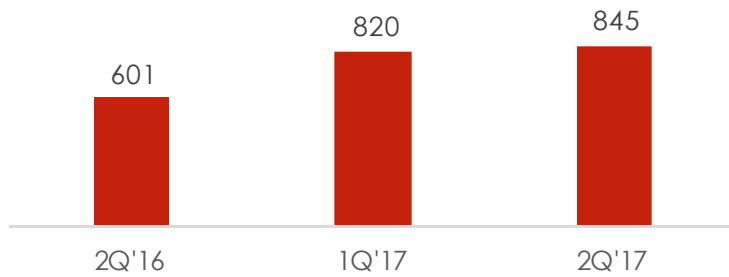
Quarterly EBITDA*
(Rs in crs)



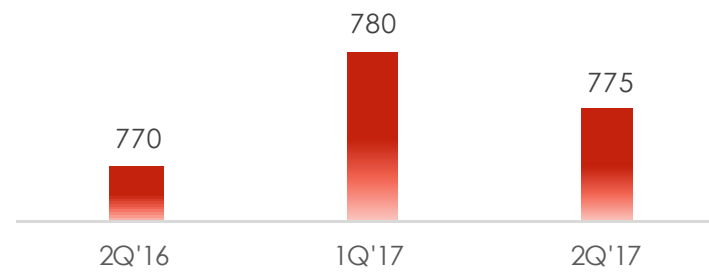
Broadband Highlights



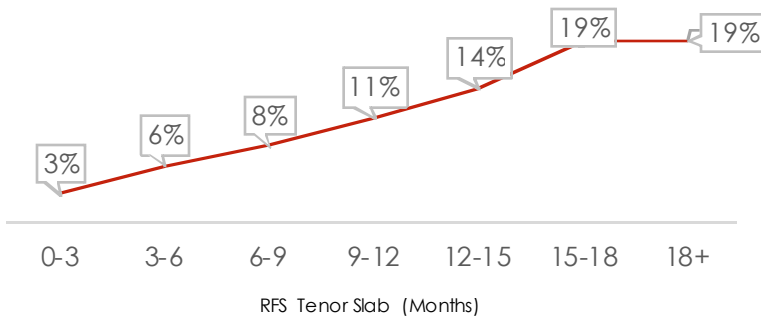
Homes Passed ('000)



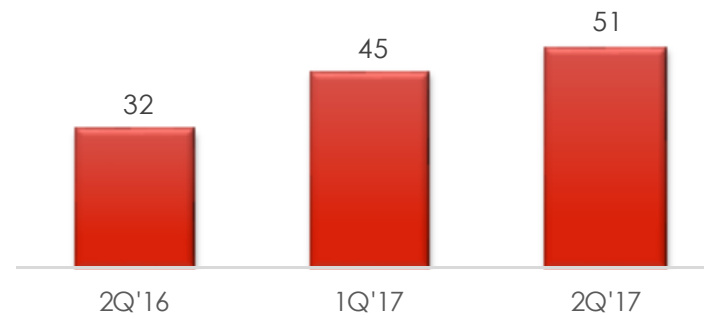
ARPU



Cohort Analysis



Average Consumption in GB per Household





Boomband Income Statement

	Actuals			INR Crore		Gr% Q-o-Q %
	2Q'17	1Q'17	2Q'16	1H'17	1H'16	
Subscription	21	18	8	38	13	16%
Other Operating Income	0	0	0	0	0	629%
Revenues (Pre Activation)	21	18	8	38	13	16%
Activation	0	0	0	0	0	2%
Revenues (Post Activation)	21	18	8	38	13	16%
Personnel Costs	4	4	8	9	14	0%
Other Opex	18	23	21	41	37	-21%
Provision for doubtful debts	0	-0	-0	0	-	
EBITDA (Pre Activation)	(2)	(9)	(21)	(11)	(38)	80%
EBITDA %	-9%	-54%	-255%	-30%	-295%	
Treasury Income	0	0	-	0	-	-21%
Dep & Amort	6	5	3	11	5	-32%
Finance Costs	0	1	1	1	1	70%
Profit Before Tax (PBT)	(8)	(15)	(24)	(23)	(44)	43%
Taxes	(0)	(0)	(0)	-0	-0	23%
Profit After Tax (PAT)	(8)	(15)	(24)	(23)	(44)	43%



TV Commerce



TV Commerce P&L

	Actuals			INR Crore	
	2Q'17	1Q'17	2Q'16	H1 FY17	H1 FY16
Revenues	8	10	7	18	10
Content Costs	1	1	1	2	2
Personnel Costs	2	3	2	5	3
Other Opex	4	6	12	10	22
Provision for doubtful debts	0	-	-	0	-
EBITDA	1	(1)	(9)	1	(17)
Dep & Amort	0	0	0	0	0
Finance Costs	0	-	-	0	-
Profit Before Tax (PBT)	1	(1)	(9)	0	(18)
Taxes	-	-	-	-	-
Profit After Tax (PAT)	1	(1)	(9)	0	(18)

100% shown above for comparative purposes, though only FY17 Q2 has been consolidated



Forward Looking Statements

This presentation may contain “forward-looking statements” which are statements that refer to expectations and plans for the future and include, without limitation, statements regarding Den’s future results of operations, financial condition or business prospects as well as other statements based on projections, estimates and assumptions. In some cases, these statements can be identified by terms such as “expect,” “intend,” “plan,” “believe,” “estimate,” “may,” “will,” “should” and comparable words (including the negative of such words). These forward-looking statements, reflect the current expectations and plans of the directors and management of Den, which may not materialize or may change. Many risks, uncertainties and other factors, some of which are unpredictable and beyond Den’s control, could affect the matters discussed in these forward-looking statements. These factors include, without limitation, economic and business conditions globally and in the countries where we operate, Den’s ability to predict and respond quickly to market developments, consumer demand, pricing trends and competition; changes in applicable laws and regulations (including applicable tax and tariff rates). Any variance from the expectations or plans on which these forward-looking statements are based could cause Den’s actual results or actions to differ materially from those expressed or implied in these statements. These forward-looking statements are not guarantees of future performance and you are cautioned not to place undue reliance on these statements. Den undertakes no obligation to update any forward-looking statements in this presentation, whether as a result of new information or any subsequent change, development or event. All forward-looking statements in this presentation are qualified by reference to this paragraph.



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