

Den Networks Ltd.



FY / Q2'18 Results Investor Presentation

9th Nov, 2017



Consolidated P&L highlights

Rs in crs	Quarterly			Gr%	
	FY18 Q2	FY18 Q1	FY17 Q2	Q-o-Q	Y-o-Y
Revenue	328	313	264	5%	24%
Opex*	114	121	120	-6%	-5%
% Revenue	35%	39%	45%		
EBITDA	82	61	27	33%	200%
% Revenue	25%	20%	10%		
PAT	1	(10)	(42)		

Key Highlights :

- Strong Turnaround at PAT level , led by EBITDA growth
- Cost optimization measures yielding results
- Net debt as of Sep'17 at Rs 133 crs Vs Rs 123 crs as June'17
- Consolidated EBITDA at Rs. 95 crores (incl. Associates)

*excl. content cost

Cable P&L highlights

Rs in crs

	Quarterly			Gr%	
	FY18 Q2	FY18 Q1	FY17 Q2	FY18 Q2	FY18 Q1
Revenue	308	291	243	6%	27%
Opex*	93	100	97	-7%	-4%
% Revenue	30%	34%	40%		
EBITDA	83	61	29	37%	187%
% Revenue	27%	21%	12%		
PAT	10	(2)	(33)		

Key Highlights :

- EBITDA for the quarter at 27% of revenue
- FY18 H1 EBITDA at Rs 143 crs Vs Rs 82 crs in FY17
- Boxes deployed in Q2 2.5 lakhs ; Total digital base at 11 mn

*excl. content cost

Broadband P&L highlights

Rs in crs	Quarterly			Gr%	
	FY18 Q2	FY18 Q1	FY17 Q2	FY18 Q2	FY18 Q1
Revenue	20	21	21	-6%	-5%
Opex	21	20	22	2%	-8%
% Revenue	105%	96%	107%		
EBITDA	-1	1	-2	-225%	-39%
% Revenue	-5%	4%	-7%		
PAT	(9)	(8)	(8)		

Key Highlights :

- 10 New small towns - roll out commenced ; marginal impact on EBITDA
- Average data consumption at 78 GB/ month
- Gross additions 12k
- Focus on longer duration subscription plans resulting in better collections

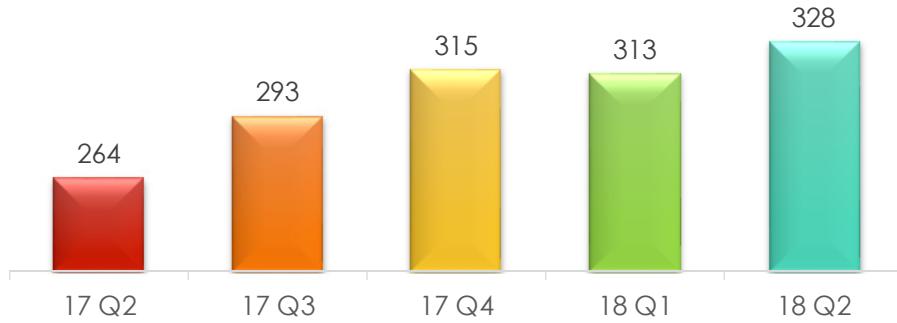
Healthy balance sheet

	Sep'17	June'17	Mar'17
Gearing Ratio (Net)	0.15	0.14	0.19
Net Debt to EBITDA	0.46	1.01	1.43
Subscription Sales O/s (Days)	78	74	70

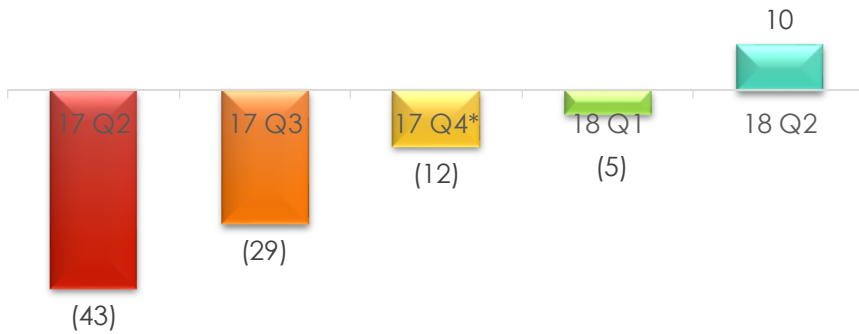
Consol (Ind. AS) Highlights

Rs in crs

Quarterly Revenue



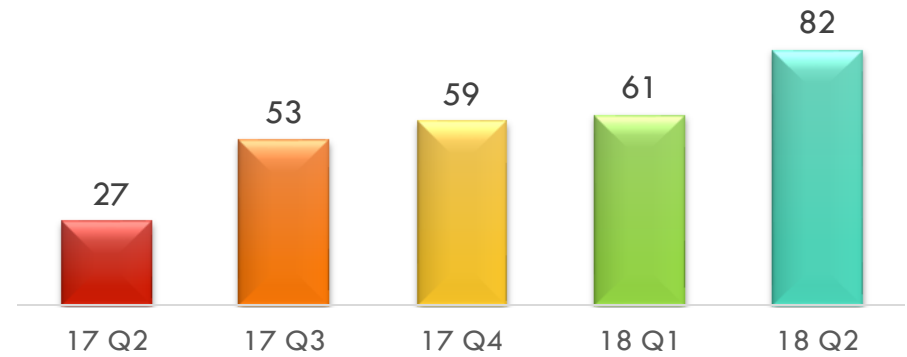
Quarterly PBT



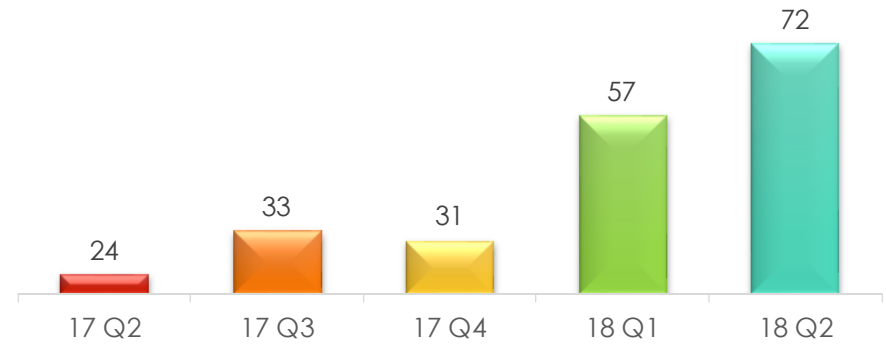
*Before exceptional item

Rs in crs

Quarterly EBITDA



Cash Generated

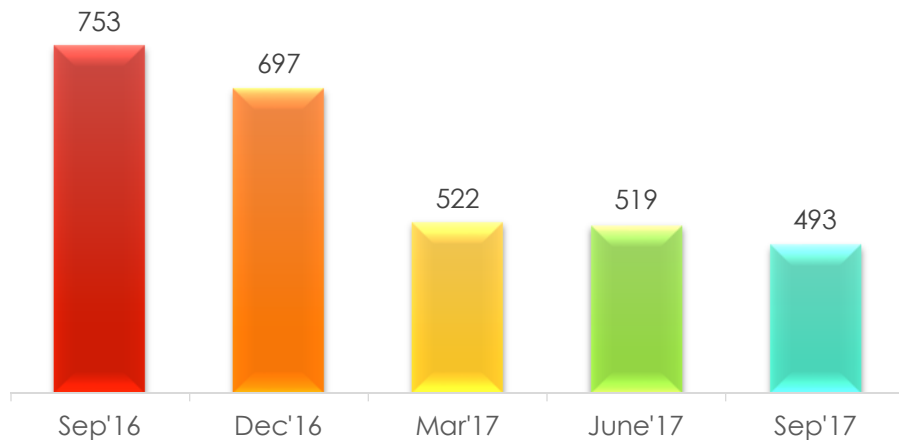




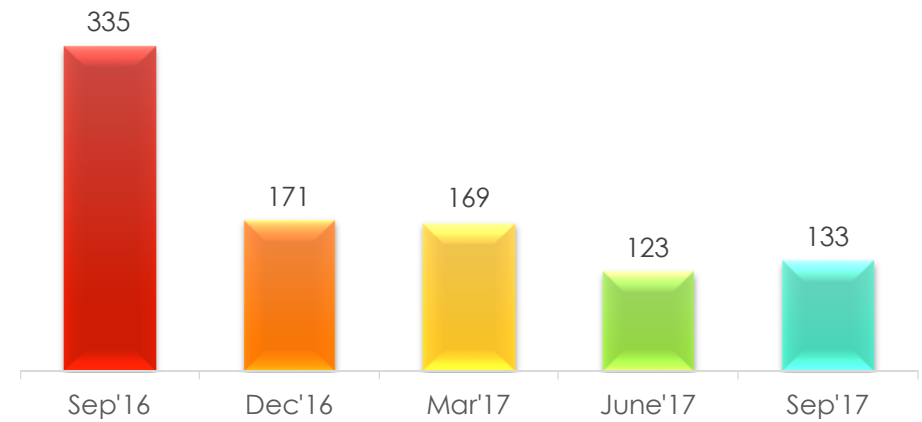
In crs

Consolidated Debt position (*Ind. AS*)

Gross Debt



Net Debt



Consol Balance sheet



INR Crore

Ind. AS

	Sep'17	Jun'17 (Post Roll-up)	Mar'17 (Post Roll-up)	Mar'17 (Reported)	Impact
Share Capital	195	194	194	194	-
Reserves & Surplus	605	609	620	718	98
Networth	800	802	813	912	98
Minority Interest	101	94	90	90	0
Short & Long Term Debt	493	519	522	522	-
Defferred Revenue	498	519	508	508	-
Trade Payables	382	343	330	333	2
Other Liabilities	145	185	144	145	1
Total Equity & Liabilities	2,419	2,463	2,407	2,509	102
Fixed Assets, Net	1,083	1,118	1,136	1,142	6
Capital work-in-progress	57	41	45	45	-
Goodwill on consolidation	163	162	162	247	85
Fixed Assets	1,303	1,320	1,344	1,435	91
Non - Current Investment	78	77	74	74	-
Trade receivables	321	281	235	240	6
Cash and Cash Equivalents*	360	396	353	353	-
Other Assets	357	388	401	407	5
Total Assets	2,419	2,463	2,407	2,509	102

*Includes Lien of Rs 122 crs

Consol Income Statement



INR Crores

	Actuals					Growth %		
	2Q'18	1Q'18	2Q'17	1H'18	1H'17	Q-o-Q (Gr%)	Y-o-Y (Var%)	Y-T-D (Gr%)
Subscription- Cable	164	154	132	318	244	7%	24%	31%
Subscription - Broadband	19	21	21	40	38	-10%	-8%	4%
Placement	88	89	86	177	173	-2%	2%	3%
Other Operating Income	20	26	21	46	38	-21%	-1%	22%
Activation	37	23	5	60	41	61%	629%	45%
Total Income Post Activation	328	313	264	641	534	5%	24%	20%
Content Costs	132	131	117	263	230	1%	13%	15%
Personnel Costs	28	31	32	58	56	-11%	-13%	4%
Other Opex	81	83	80	164	161	-3%	1%	2%
Provision for doubtful debts	6	7	8	12	15	-18%	-32%	-20%
Total Expenditure	246	251	237	498	462	-2%	4%	8%
EBITDA Post Activation	82	61	27	143	71	33%	200%	101%
<i>EBITDA post activation %</i>	25%	20%	10%	22%	13%			
Treasury Income	7	8	8	14	17	-14%	-12%	-16%
Dep & Amort	63	63	67	125	133	0%	-7%	-6%
Exceptional Items	0	0	0	0	0			
Share in (loss)/ profit of associates	1	3	2	4	1	-72%	NA	NA
Finance Costs	17	14	13	32	35	19%	33%	-11%
Profit Before Tax (PBT)	10	(5)	(43)	4	(79)	277%	122%	105%
Provisions for Tax	8	5	(1)	13	7	79%	-834%	78%
PAT	1	(10)	(42)	(9)	(86)	112%	103%	90%
Minority Interest share	6	5	3	12	10	20%	95%	18%
PAT attributable to Owners	(5)	(15)	(45)	(21)	(96)	67%	89%	79%

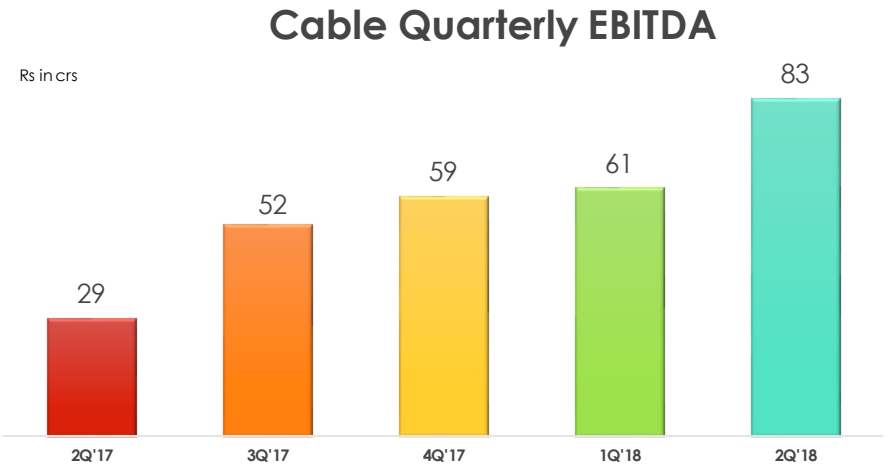
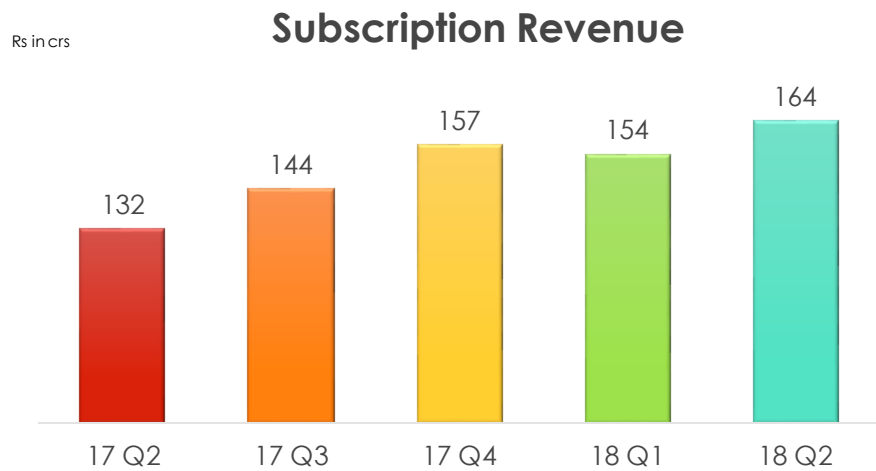
FY18 Q2 –Segment Highlights (Ind. AS)

Cable

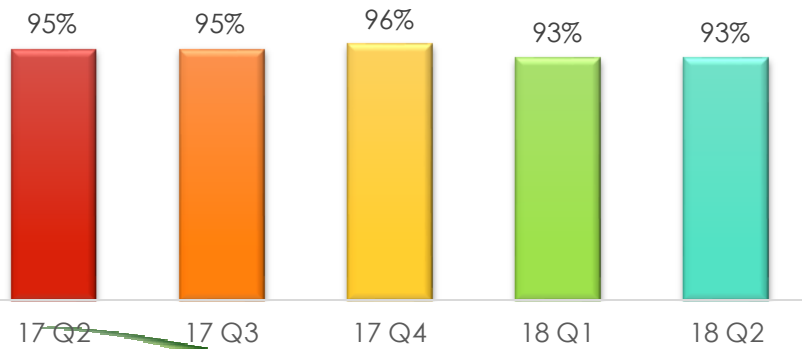
- EBITDA :
 - Q2 : 27% of Revenue
 - Quarter : FY18 Q2 at Rs 83 crs Vs Rs 61 crs in FY18 Q1 & Rs 29 crs in FY17 Q2
 - H1 : Rs 143 crs Vs Rs 82 crs in FY17 H1 (Gr% of 75%)
- Phase wise EBITDA % (pre- activation) :
 - DAS 1 : 30%
 - DAS 2 : 28%
 - DAS 3 : 5%
- Subscription Collection efficiency for the quarter at 93%
- Boxes deployed during the quarter 2.5 lakh
- Total* Digital subscriber base 11 mn

*Incl. Associates

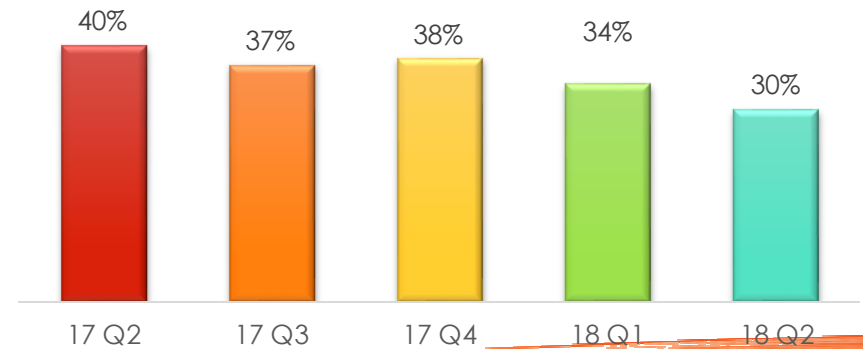
Cable Highlights (Ind. AS)



Subscription Collection efficiency



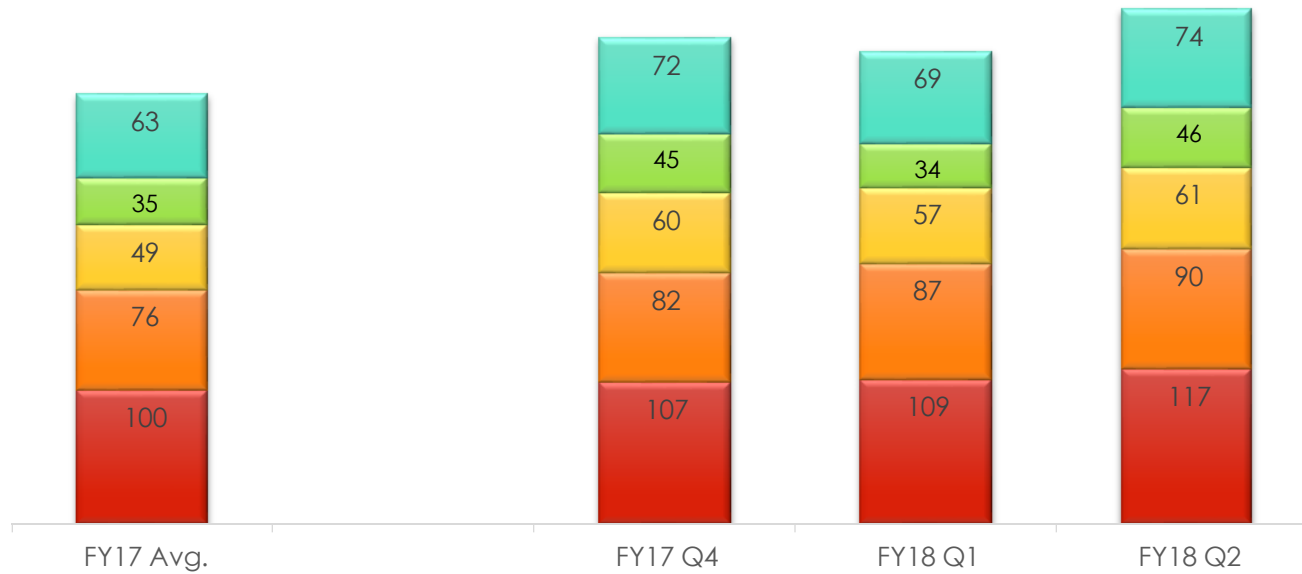
Opex* % Revenue



*excl. content cost

Phase wise Per Box Subscription Revenue – Ind. AS

■ DAS 1 ■ DAS 2 ■ DAS 3 ■ DAS 4 ■ Total



Cable Income Statement

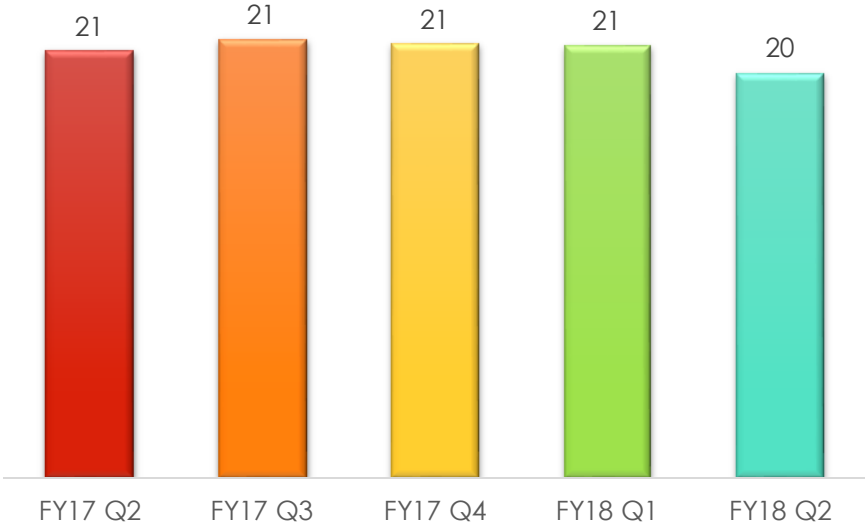
INR Crore

	Actuals					Growth %		
	2Q'18	1Q'18	2Q'17	1H'18	1H'17	Q-o-Q (Gr%)	Y-o-Y (Var%)	Y-T-D (Gr%)
Subscription	164	154	132	318	244	7%	24%	31%
Placement	88	89	86	177	173	-2%	2%	3%
Activation	36	23	5	58	40	58%	667%	45%
Other Operating Income	20	26	21	46	38	-21%	-1%	22%
Total Income post activation	308	291	243	600	495	6%	27%	21%
Content Costs	132	131	117	263	230	1%	13%	15%
Personnel Costs	24	28	27	52	48	-13%	-11%	8%
Other Opex	63	66	62	130	120	-5%	2%	8%
Provision for doubtful debts	6	6	8	12	15	-10%	-30%	-23%
Total Expenditure	226	231	215	456	413	-2%	5%	11%
EBITDA Post Activation	83	61	29	143	82	37%	187%	75%
<i>EBITDA post activation %</i>	27%	21%	12%	24%	17%			
Treasury Income	7	8	8	14	17	-13%	-12%	-17%
Dep & Amort	55	54	61	108	122	2%	-10%	-11%
Share in (loss)/ profit of associates	1	3	3	4	2	-72%	-74%	109%
Finance Costs	17	14	13	31	35	19%	34%	-9%
Profit Before Tax (PBT)	19	3	(34)	21	(56)	564%	154%	138%
Provisions for Tax	8	5	(1)	13	8	79%	NA	73%
PAT	10	(2)	(33)	8	(63)	649%	131%	113%
Minority Interest	6	5	3	12	10	20%	95%	18%
PAT attributable to Owners	4	(7)	(37)	(3)	(73)	154%	111%	96%

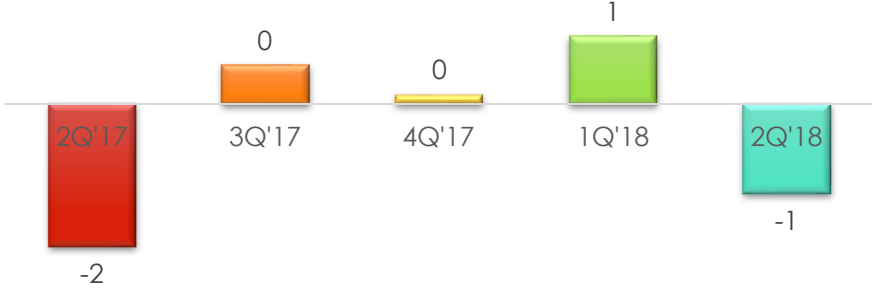
Broadband

2Q'18 – Highlights (Broadband Results)

Total Revenue
(in crs)



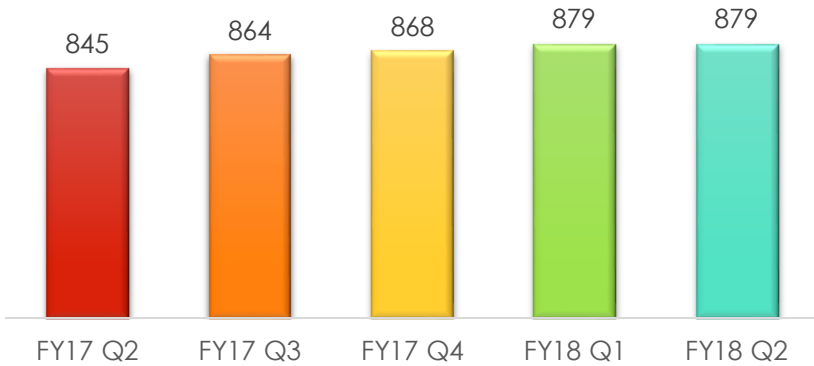
Total EBITDA
(in crs)



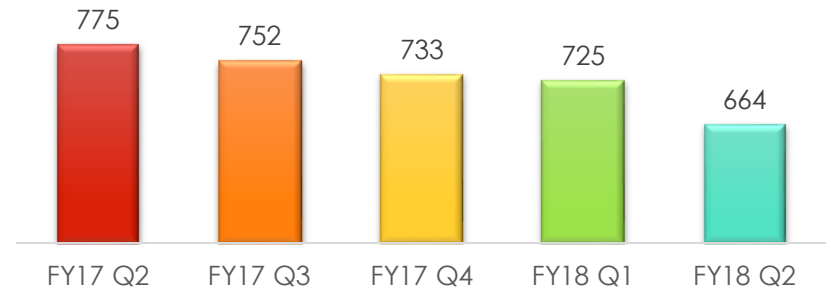
Broadband Highlights



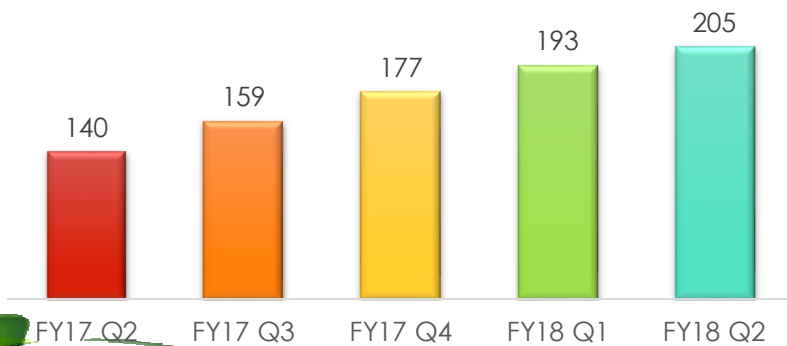
Homes passed ('000)



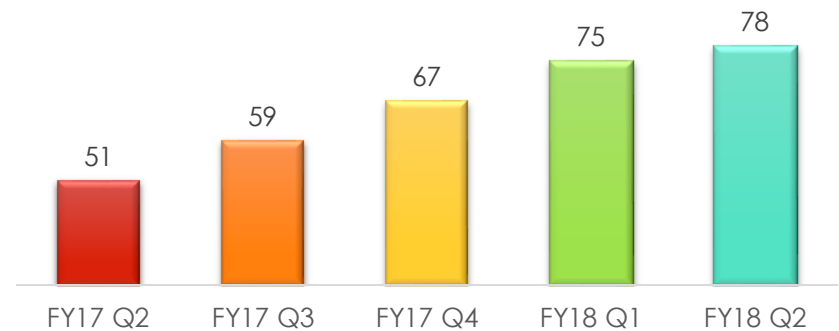
APRU (INR)



Subscribers



Avg consumption / Household (in GB)



Broadband Income Statement

INR Crores								
	Actuals					Growth %		
	2Q'18	1Q'18	2Q'17	1H'18	1H'17	Q-o-Q (Gr%)	Y-o-Y (Var%)	Y-T-D (Gr%)
Total income	20	21	21	41	39	-6%	-5%	5%
Personnel Costs	3	3	4	7	9	7%	-20%	-23%
Other Opex	17	17	18	35	41	1%	-4%	-15%
Total Expenditure	21	20	22	41	50	2%	-8%	-17%
EBITDA	(1)	1	(2)	(0)	(11)	NA	39%	NA
EBITDA %	-5%	4%	-7%	0%	-27%			
Dep & Amort	8	9	6	17	11	NA	24%	49%
Finance Costs	0	-	0	0	1	NA	-47%	-88%
Profit Before Tax (PBT)	(9)	(8)	(8)	(17)	(23)	-10%	-10%	24%



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