



Date: - November 14, 2018

The Corporate Relationship Department
The National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G-Block,
Bandra Kurla Complex
Bandra (E),
Mumbai-400 051
NSE Trading Symbol- DEN

The Corporate Relationship Department
BSE Limited
15th Floor, Phiroze JeeJeebhoy Towers
Dalal Street, Mumbai-400 001
Scrip Code-533137

Sub: - Investors' Presentation

Dear Sir,

Please find enclosed Investors' Presentation for the quarter and half yearly ended September 30, 2018 for your record.

Thanking you,

Yours faithfully

For Den Networks Limited




Jatin Mahajan
Company Secretary
M. No.- F6887

DEN Networks Limited

CIN: L92490DL2007PLC165673

Registered Office: 236, Okhla Industrial Estate, Phase-III, New Delhi - 110 020

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Investor Update

Q2 FY 18-19

14th November 2018

Den Networks Ltd.



Comparable financial figures are for continued businesses only

Disclaimer

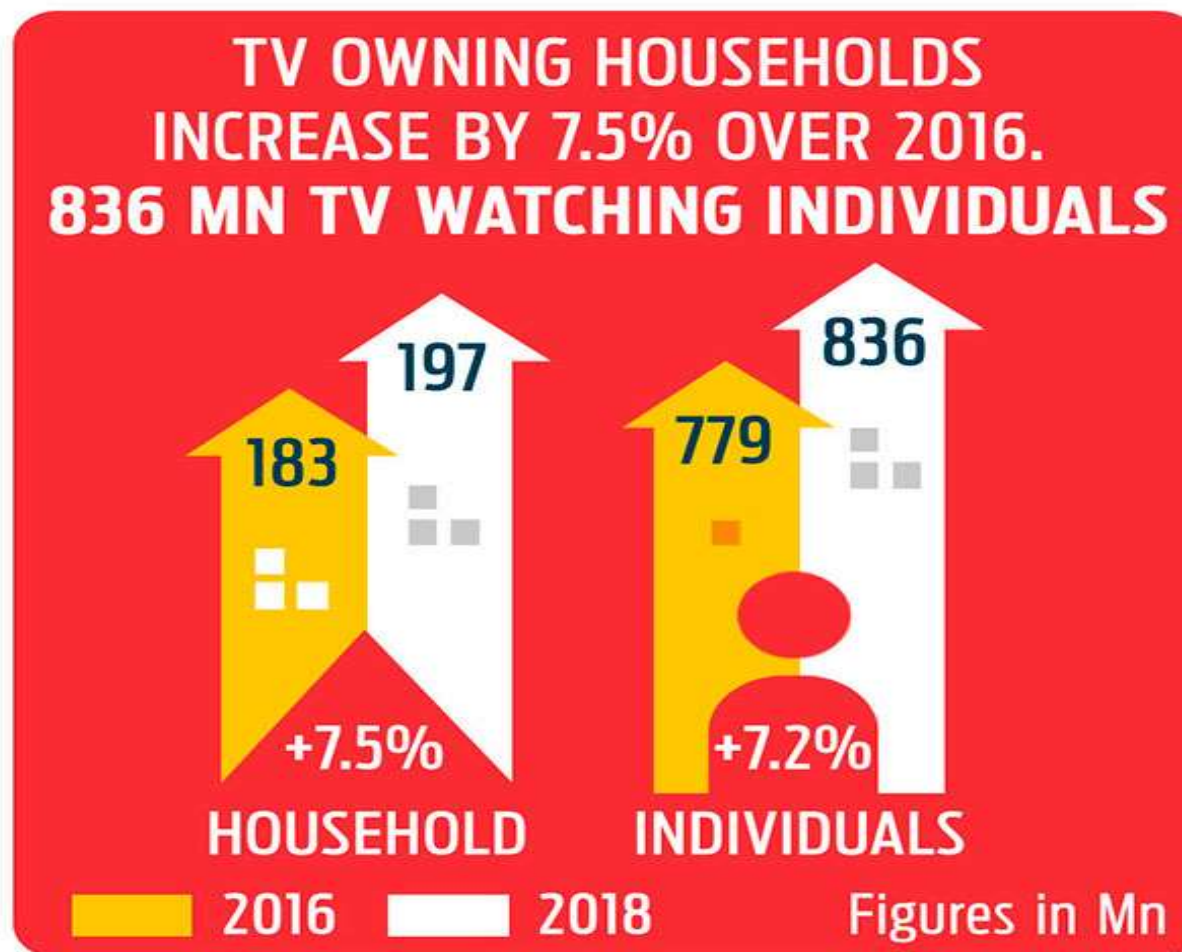


The information in the presentation may contain “forward-looking statements” which are statements that refer to expectations and plans for the future and include, without limitation, statements regarding Den's future results of operations, financial condition or business prospects as well as other statements 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.

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, whether as a result of new information or any subsequent change, development or event. All forward-looking statements in above are qualified by reference to this paragraph.

1. Cable TV
2. Fixed Line Broadband
3. DEN – Financial Snapshot for Q2 FY 18-19
4. Tariff order highlights

TV Viewership continues to grow



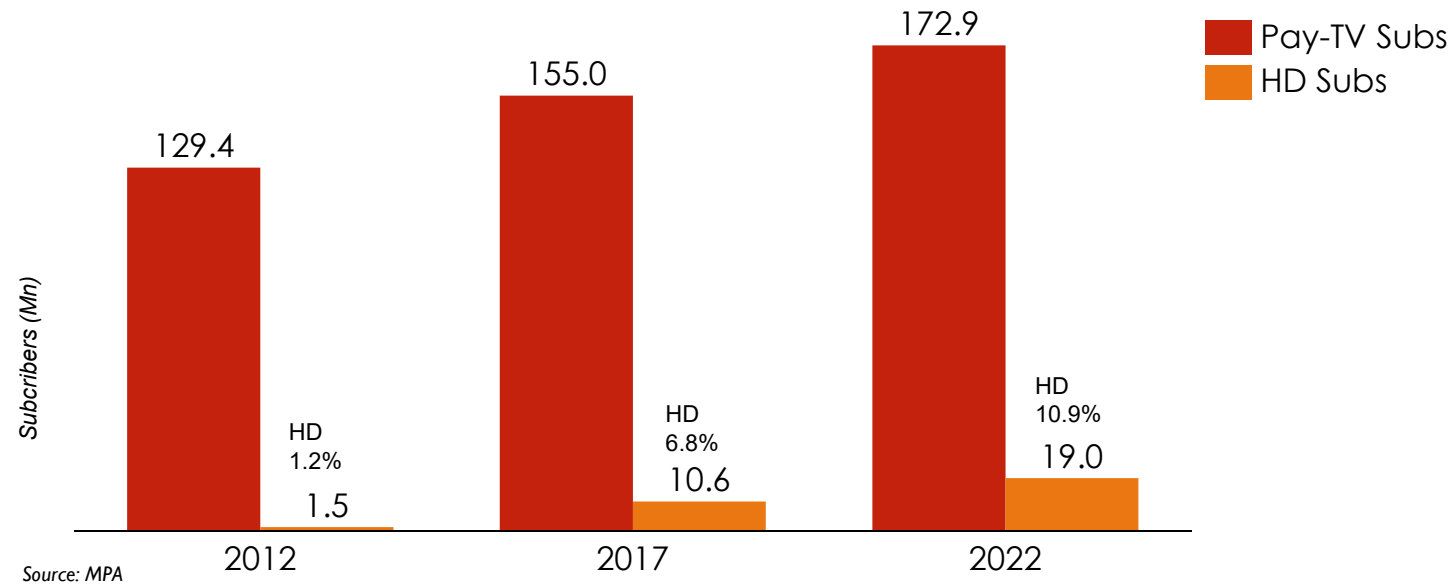
SOURCE 'BARC'S BROADCAST INDIA 2018 SURVEY'

Cable Monetisation has just started



- Cable Monetisation has just started – 2 years phenomenon post digitisation
- ARPU's continues to grow year on year across phases – Phase 3 realisations are moving towards Phase 2 ARPU's , Phase 2 realisations inching up to align with Phase 1 while Phase 1 ARPU's continues to trend upwards.
- ARPU (including Tax) at Q2 FY19 Vs Q1 FY19 - increased to Rs. 96 Vs. Rs 93 per Box

High Definition Boxes – Additional opportunity for monetisation



- **HD Subscribers are expected to reach ~11% of the total Pay-TV subscribers by Year 2022.**
- **Potential to generate additional revenue**
- **Cable HD deployment has just started**

■ TRAI Tariff Order – Finally a reality

- Apex court has dismissed the appeal filed by one of the major broadcasters, paving the way for the implementation of the TRAI tariff order.
- Broadcaster to fix MRP - **Content to become a pass through**
- Customer also gets the much needed flexibility – pay per choice
- Level playing field to emerge creating win-win for all the stakeholders

DEN – New initiatives undertaken to suit customer preferences



SD

- Improved compression
- Increase capacity
- VAS – Music, Radio, Games



HD

- Pan India Reach
- Normal HD + Smart HD with Wi Fi Dongle



DEN TV+

OTT - TV on Mobile handsets.



Nano GateWay

Enabling 2nd screen using cable TV signal



DEN Awarded the title of “The Best MSO” at “The Indian Telly: Technical, Trade & Programming Awards 2018”

Andriod Internet Box

Home Gate way for smart Homes



1. Cable TV

2. Fixed Line Broadband

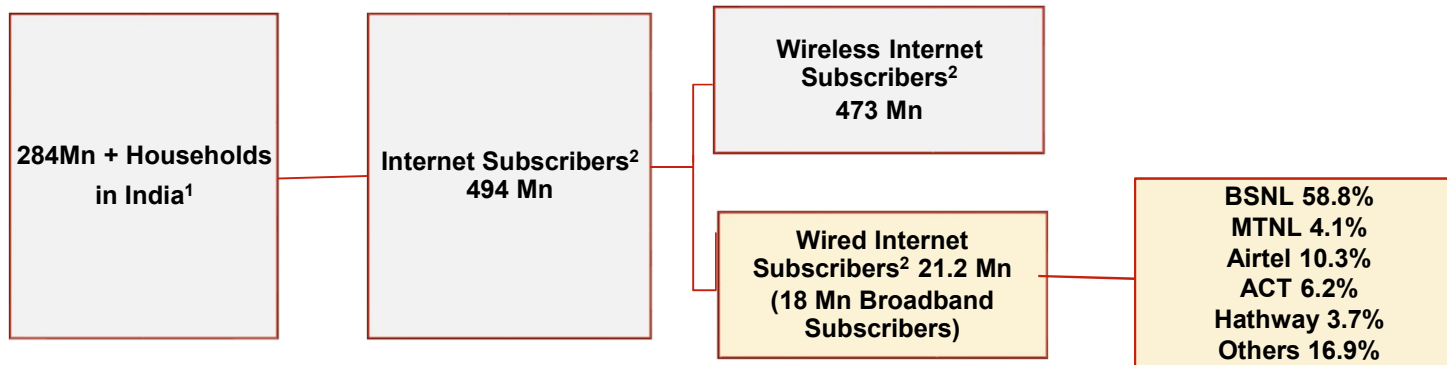
3. DEN – Financial Snapshot for Q1 FY 18-19

4. Tariff order highlights

India Fixed Line Broadband (FLBB) – Opportunity



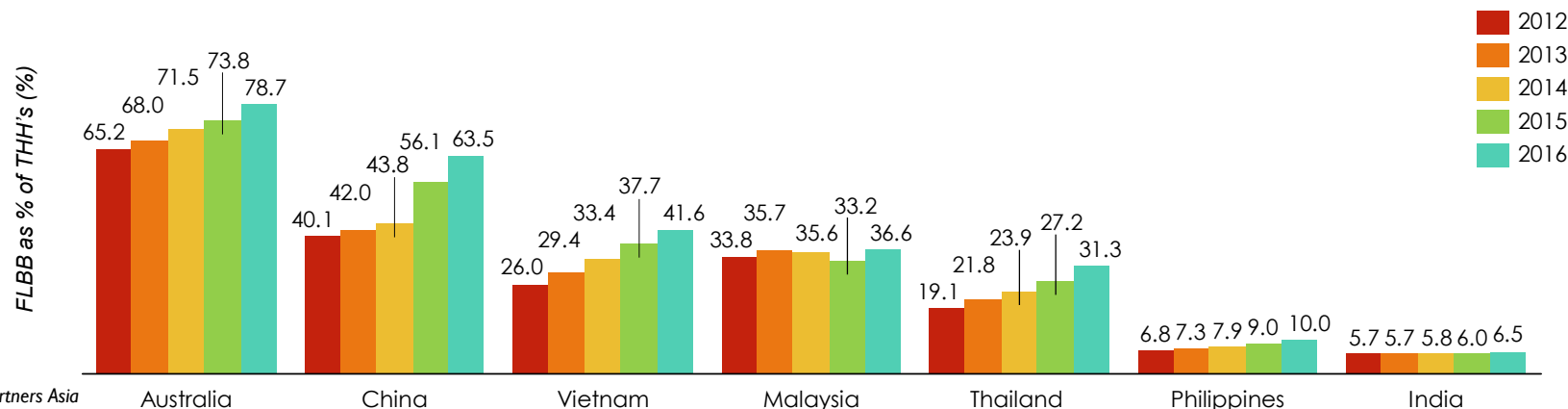
Only 18 Mn Indian households have FLBB connection, against this CATV already has 103.5 Mn HH's connected via existing cable/fibre



¹ Media Partners Asia

² TRAI Quarterly Performance Indicators Mar 2018

India FLBB lowest among peers in APAC, almost static over the years



Source: Media Partners Asia

Source: MPA

- 15X rise y-o-y in internet data traffic in Year 2017 - video content contributed ~65% of total mobile data traffic.
- Feb-18 Global ranking – India ranks 67th for FLBB (avg. speed of ~20 Mbps) and 109th for mobile internet download speed (avg. ~9 Mbps)
- FLBB vs. wireless – depends on the user requirements.
- FLBB high speed+ consumption solutions needed for office and home as the content/applications keep becoming heavier and denser.
- India FLBB penetration is expected to increase to 10.3% by year 2022

DEN – Fixed Line Broadband (FLBB) 100 Cities Plan



India FLBB Opportunity

DEN

- Existing own cable universe and tie-ups with LMO's
- Franchisee model leveraging on existing infrastructure (>80% already fibre) and resources – lower capex and operational costs
- Affordable technology – Metro Ethernet and GPON
- Centralized NOC + standardized technical solutions + customer support from DEN
- Prepaid collect model on B2C basis

LMO

- Target existing cable subscriber base
- Optimized capital costs – to be recovered from end-customer
- Lower operational cost – synergies on account of existing resources on the ground
- Profit sharing with DEN
- Additional income opportunity from broadband on top of the existing business model

Asset lite model with synergies from existing set-up = improved returns

Scalable to 100 cities in a year's time

Quality offering at affordable pricing = Unique Value proposition for the customer

■ Broadband – 100 Cities Update



of Cities Enabled

46 Cities

of Subscribers

12,584

Monthly ARPU

INR 580

Speed Offered

10 - 100 Mbps

**Average Data
Consumption**

90 GB



1. Cable TV

2. Fixed Line Broadband

3. DEN – Financial Snapshot for Q2 FY 18-19

4. Tariff order highlights

Consolidated (Cable & BB) P&L : Quarterly Summary



INR Crore

		Cable	Broadband	Consolidated	Gr%
Subscription Revenue	2Q'19	172	16	188	
	1Q'19	170	16	186	1%
	2Q'18	164	19	183	3%
Revenues	2Q'19	293	17	310	
	1Q'19	299	16	314	-1%
	2Q'18	308	20	328	-6%
EBITDA	2Q'19	50	0	50	
	1Q'19	48	(1)	47	8%
	2Q'18	83	(1)	82	-39%
PAT	2Q'19	(22)	(7)	(28)	
	1Q'19	(19)	(9)	(28)	
	2Q'18	10	(9)	1	

➤ Cable Subscription Collection efficiency for the quarter at 94% Vs 86% last quarter , improvement of 8 pts Q-o-Q

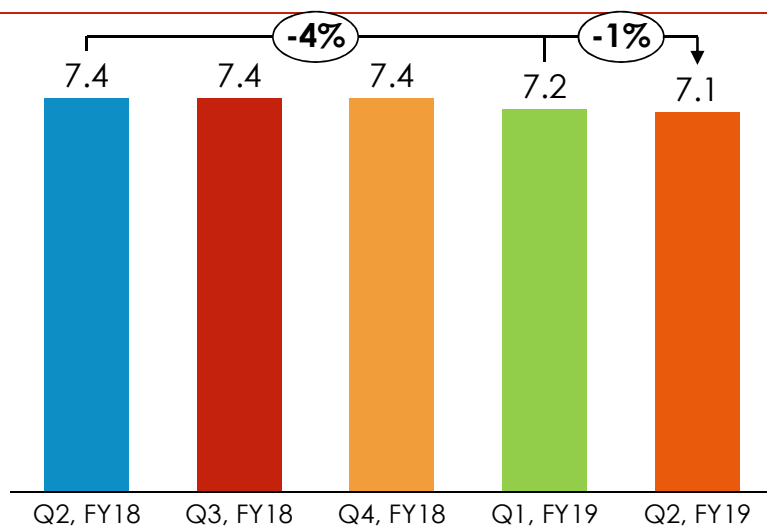
➤ **FY19 Q2 Cable EBITDA (Incl. Associates) at Rs 55 cr vs Rs 58 crs in Q1 FY19**



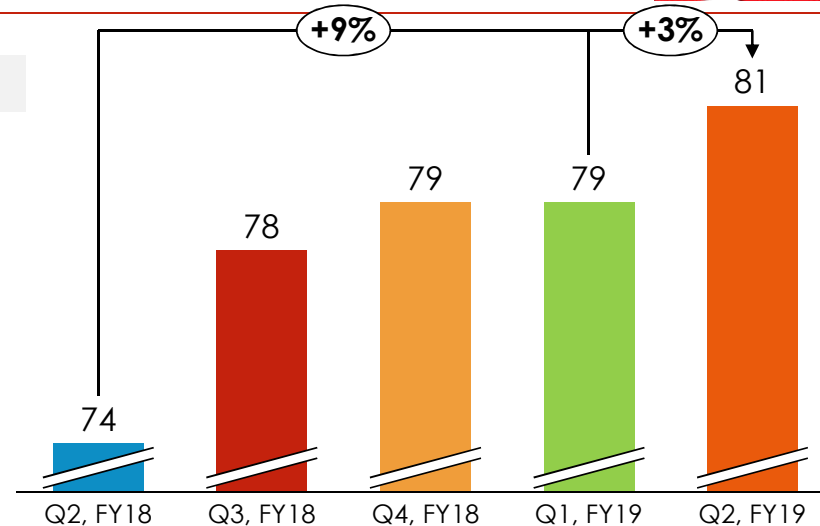
Cable KPIs: Quarterly

**Billed
Subscribers *
(mn)**

(*excludes
Associates
~ 1mn)

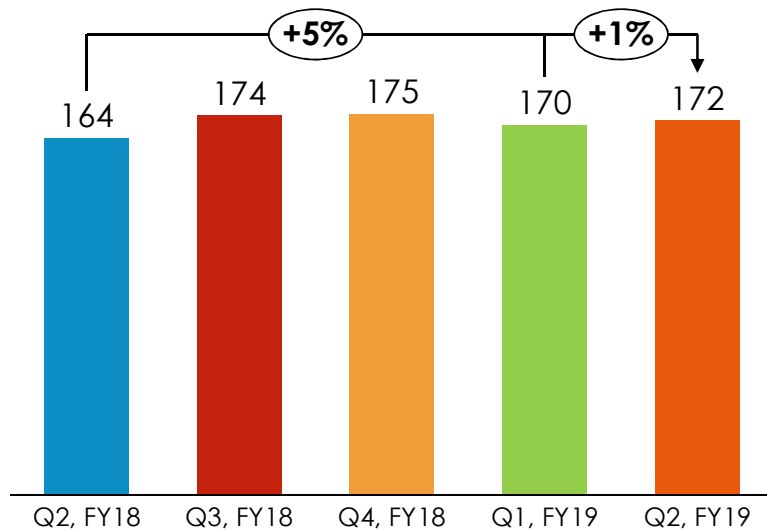


ARPU Rs.

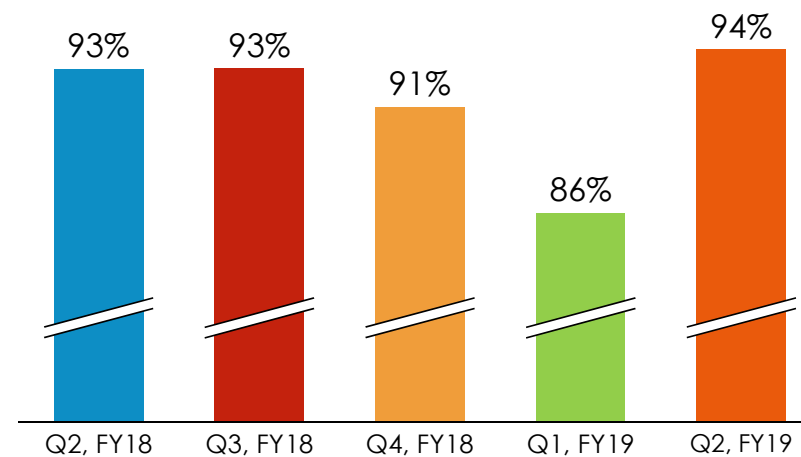


Subs. Rev

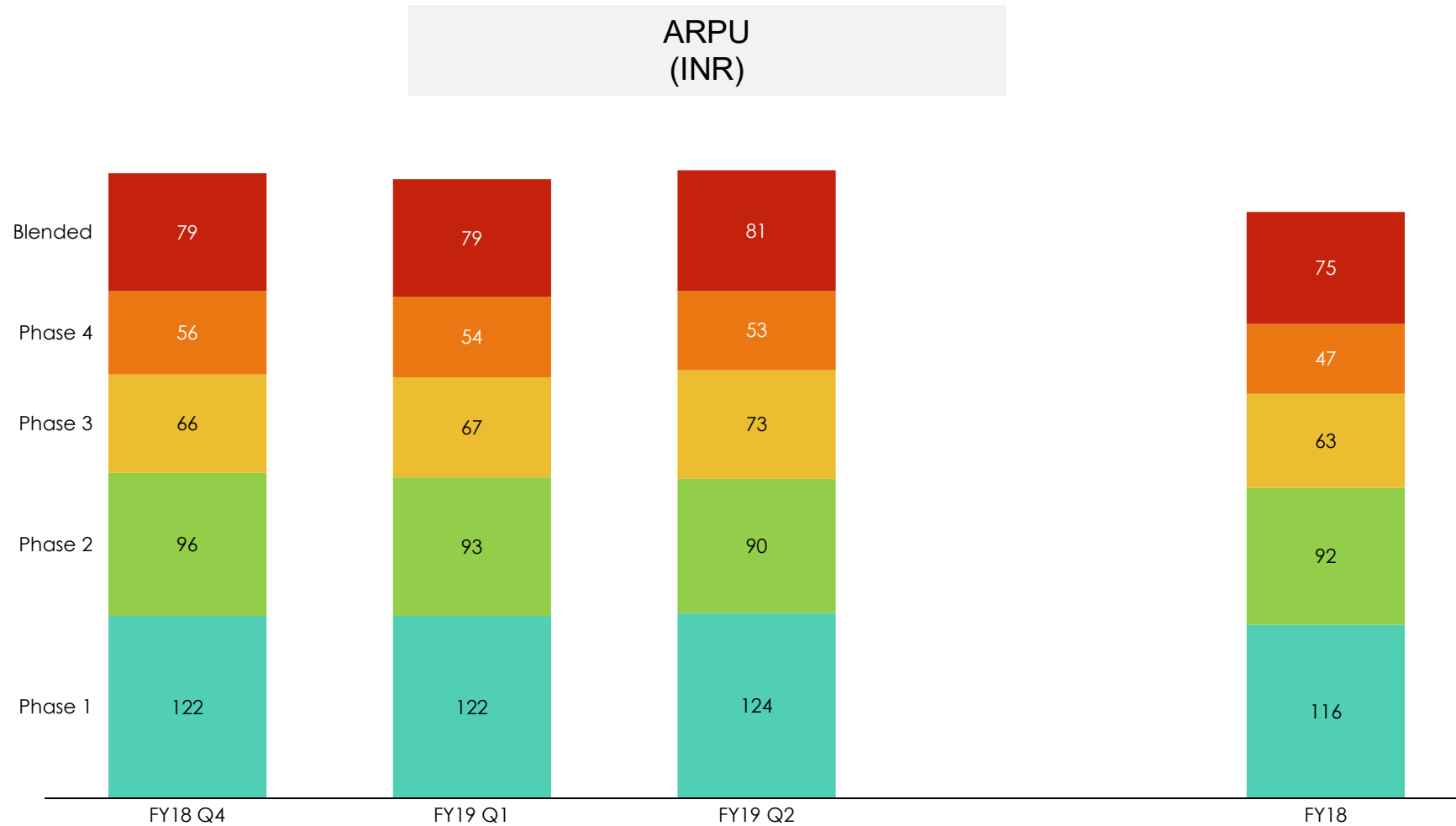
Rs in cr



Efficiency%



Cable ARPU Phase wise (Net of tax- Ind. AS)

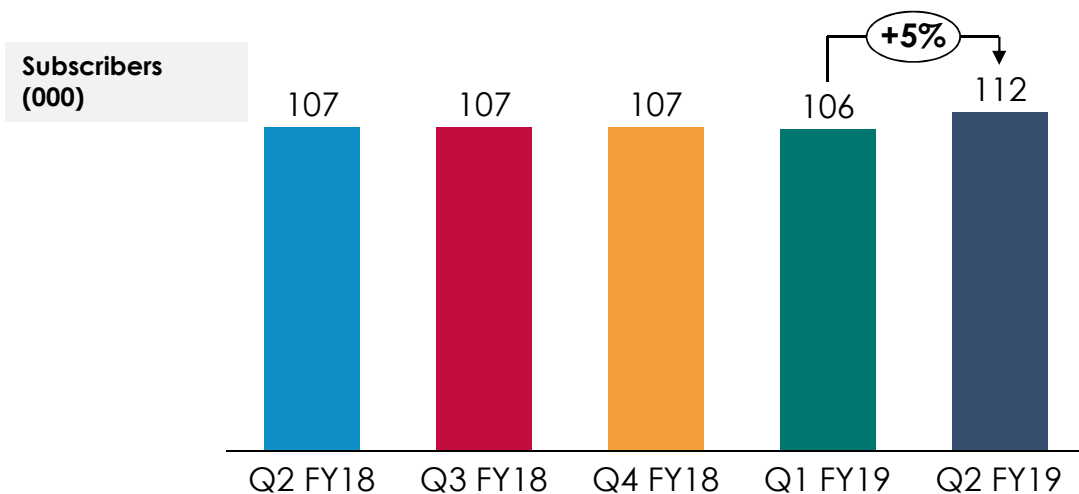
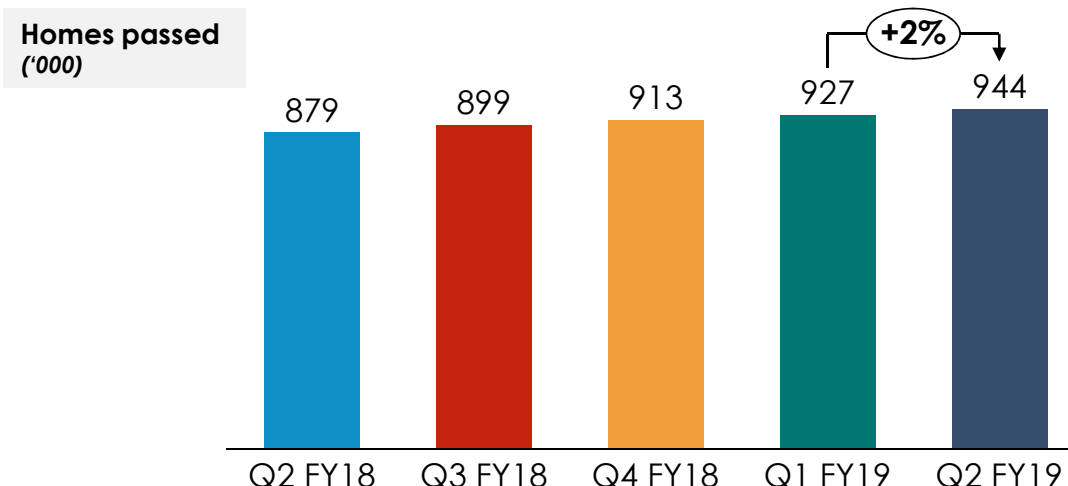
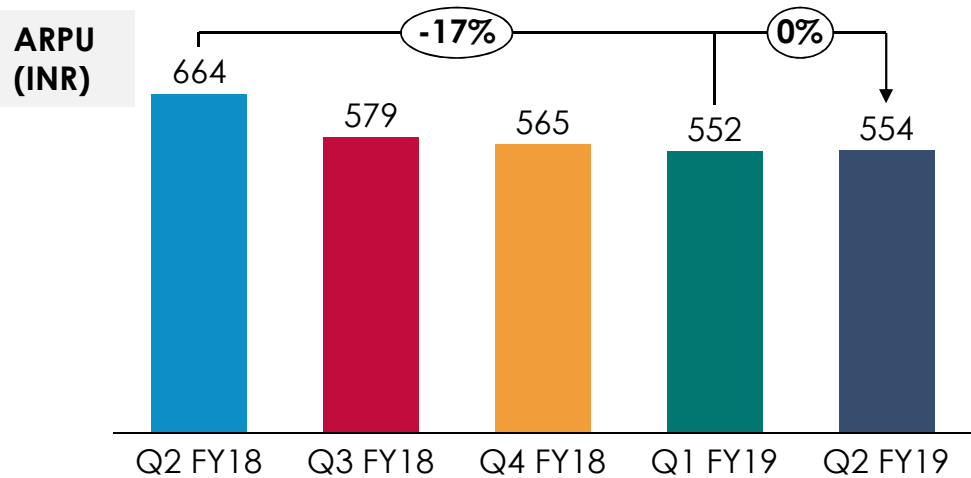


Cable Income Statement



	Actuals			Actuals		Growth %		
	2Q'19	1Q'19	2Q'18	FY19 H1	FY18 H1	Q-o-Q (Gr%)	Y-o-Y (Var%)	YTD (Gr%)
Subscription	172	170	164	342	318	1%	4%	7%
Placement	81	85	88	166	177	-4%	-7%	-6%
Activation	25	24	36	49	58	3%	-31%	-16%
Other Operating Income	16	20	20	35	46	-20%	-23%	-24%
Total Income post activation	294	299	308	592	600	-2%	-5%	-1%
Content Costs	148	150	132	298	263	-1%	12%	13%
Personnel Costs	21	20	24	42	52	5%	-12%	-19%
Other Opex	66	70	63	136	130	-6%	4%	5%
Provision for doubtful debts	8	10	6	18	12	-24%	41%	57%
Total Expenditure	243	251	226	494	456	-3%	8%	8%
EBITDA Post Activation	50	48	83	98	143	6%	-39%	-32%
EBITDA post activation %	17%	16%	27%	17%	24%			
Treasury Income	5	9	7	14	14	-38%	-18%	-1%
Dep & Amort	56	56	55	112	108	1%	3%	3%
Share in (loss)/ profit of associates	(3)	(1)	1	(4)	4			
Finance Costs	14	16	17	30	31	-11%	-17%	-4%
Profit Before Tax (PBT)	(18)	(16)	19	(34)	21			
Provisions for Tax	3	3	8	7	13			-50%
PAT	(21)	(19)	10	(40)	8			

Broadband ARPU (net of tax) & Subscribers development



Broadband Income statement



INR Crores

	Actuals					Growth %		
	2Q'19	1Q'19	2Q'18	FY19 H1	FY18 H1	Q-o-Q (Gr%)	Y-o-Y (Var%)	YTD (Gr%)
Total income	17	16	20	32	41	6%	-17%	-22%
Personnel Costs	2	3	3	5	7	-27%	-39%	-25%
Other Opex	14	13	17	28	35	5%	-19%	-20%
Total Expenditure	16	17	21	33	41	-2%	-22%	-21%
EBITDA	0	(1)	(1)	(1)	(0)			NA
EBITDA %	2%	-6%	-5%	-2%	0%			
Dep & Amort	7	7	8	14	17	-7%	-18%	-20%
Net Income	(7)	(9)	(9)	(15)	(17)			

Consolidated Income Statement



	Actuals- Quarterly			Actuals- YTD		Growth %		
	2Q'19	1Q'19	2Q'18	FY19 H1	FY18 H1	Q-o-Q (Gr%)	Y-o-Y (Var%)	YTD (Gr%)
Subscription- Cable	172	170	164	342	318	1%	4%	7%
Subscription - Broadband	16	16	19	32	40	5%	-14%	-20%
Placement	81	85	88	166	177	-4%	-7%	-6%
Other Operating Income	16	20	20	36	46	-20%	-23%	-23%
Total Income Pre Activation	285	290	291	575	581	-2%	-2%	-1%
Activation	25	24	37	49	60	3%	-32%	-18%
Total Income Post Activation	310	314	328	624	641	-1%	-6%	-3%
Content Costs	148	150	132	298	263	-1%	12%	13%
Personnel Costs	23	23	28	47	58	1%	-15%	-20%
Other Opex	80	84	81	164	164	-4%	-1%	0%
Provision for doubtful debts	8	11	6	18	12	-26%	41%	51%
Total Expenditure	260	268	246	527	498	-3%	5%	6%
EBITDA Post Activation	50	47	82	97	143	8%	-39%	-32%
<i>EBITDA post activation %</i>	16%	15%	25%	16%	22%			
Treasury Income	6	9	7	14	14	-37%	-17%	-1%
Dep & Amort	63	63	63	125	125	0%	0%	0%
Exceptional Items	-	-	-	-	0			
Share in (loss)/ profit of associates	(3)	(1)	1	-4	4			
Finance Costs	15	17	17	31	32	-12%	-15%	-1%
Profit Before Tax (PBT)	(25)	(24)	10	(49)	4			
Provisions for Tax	3	3	8	7	13	-2%	-61%	-50%
PAT	(28)	(28)	1	(56)	(9)			

Consol. Balance sheet



INR Crore	Sep'18	Mar'18
Share Capital	195	195
Reserves & Surplus	532	589
Networth	727	784
Minority Interest	101	104
Short & Long Term Debt	519	541
Deffered Revenue	433	472
Trade Payables	485	345
Other Liabilities	79	109
Total Equity & Liabilities	2,345	2,355
Fixed Assets, Net	959	1,021
Capital work-in-progress	28	50
Goodwill on consolidation	163	165
Fixed Assets	1,150	1,236
Non - Current Investment	70	74
Trade receivables	376	302
Cash and Cash Equivalents*	372	384
Other Assets	377	359
Total Assets	2,345	2,355

Gearing Ratio (Net)

0.18

0.17

Gross Debt (Rs in crs)

519

541

Net Debt (Rs in crs)

147

157

Subscription Sales O/s (Days)

85

73

*Includes Lien of Rs 127 crs

*DEN - “India’s Most
Attractive Cable TV Brand
– 2017”*

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