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Press Release

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DB Corp Limited (DBCL), India's largest print media company and home to flagship newspapers Dainik Bhaskar, Divya Bhaskar, Divya Marathi and Saurashtra Samachar, today announced its financial results for the quarter and nine months ended December 31, 2018. The highlights of the Company's operational and financial performance are as follows:

Performance highlights for Qtr 3 FY 19 Consolidated -All Comparisons with Qtr 3 FY 18

- ⤴ **Advertising Revenues reported growth of 13% YOY to Rs. 4813 million in current period from Rs. 4261 million**
- ⤴ **Circulation Revenue has increased 3% YoY to Rs. 1301 million from Rs. 1262 million**
- ⤴ **Total Revenue has grown by 11% to Rs. 6616 million in current period from Rs.5965 million**
- ⤴ **EBIDTA Stands at Rs. 1417 million (margin of 21.4%), against EBIDTA of Rs. 1434 million on the back of strategic cost rationalisation measures and despite high newsprint rates**
- ⤴ **PAT stands at Rs. 756 million (PAT Margin 11.4%), against Rs. 781 million (PAT Margin 13%)**
- ⤴ **Radio business: Reports stellar performance**
 - **Advertising revenues expanded by 39% YOY to Rs. 465 million in Q3 of current period, against Rs. 334 million in Q3 of last fiscal.**
 - **EBIDTA grew 2x YOY to Rs. 202 million (EBIDTA margin of 43%) from Rs. 96 million (EBIDTA margin of 29%); margin expansion of 1400 bps**
 - **PAT grew by ~3x YOY to Rs 112 million from Rs. 42 million last year**
- ⤴ **Digital business – Gaining traction**
 - **Turns EBITDA positive on the back of renewed focus on business profitability**
 - **Revenue for the quarter stood at Rs. 141 million as against Rs. 154 million for Q3 FY 18.**

Performance highlights for YTD December 9 Months FY 2018-19 - Consolidated

- ⤴ **Advertising Revenues reported growth of 7.5% YOY to Rs. 13494 million in current period from Rs. 12557 million in 9M of last fiscal.**
- ⤴ **Total Revenue reported growth of 7% at Rs. 18883 million in current period from Rs. 17675 million in 9M last fiscal.**
- ⤴ **Circulation Revenue has increased 6.3% YoY to Rs. 3964 million from Rs. 3729 million, primarily volume driven.**
- ⤴ **EBIDTA stands at Rs. 4142 million (margin of 22%) against EBIDTA of Rs. 4824 million, in 9M FY 2018; after considering forex loss of Rs. 54 million**
- ⤴ **PAT stands at Rs. 2194 million (PAT Margin 12%), against Rs. 2669 million (PAT Margin 15%), in 9M of last year; after considering forex loss of Rs. 62 million**

- ⤴ **Radio business: Advertising revenues expanded by 17% YOY to Rs. 1159 million in 9M of current period, against Rs. 993 million last fiscal.**
- ⤴ **Radio business EBIDTA grew by 60% YOY to Rs. 393 million from Rs. 245 million**
- ⤴ **Radio Business PAT grew by 102% YOY to Rs 197 million from Rs. 98 million**
- ⤴ **Digital business revenue stands at Rs. 387 million from Rs. 398 million**

Key developments and initiatives

- **India's largest circulated newspaper & newspaper group: Dainik Bhaskar & Dainik Bhaskar Group became India's largest circulated newspaper as per Audit Bureau of Circulation Jan-Jun'18.**
- **As per ABC Jan-June '18, for the first time, Dainik Bhaskar became the largest newspaper in Rajasthan with 15.94 Lacs copies.**
- **Editorial focus continues to be supported by three pillars:** Knowledge, Idea based journalism, Differentiator with news presentation in a manner that compels knowledge to be the most integral and binding factor of every reader's daily life.
 - **Key campaigns during quarter: State election focussed initiatives:**
 - Special election jacket with in-depth election analysis during election days in states of Madhya Pradesh, Chhattisgarh and Rajasthan
 - Special ground reports through pioneer journalists
 - Election ground reports through Dainik Bhaskar editors in these three states
 - **For the very first time: A special edition in Gujarat was launched on the inauguration of the Statue of Unity of Sardar Vallabh Bhai Patel. A panorama poster of Sardar Vallabh Bhai Patel was published in an edition of Divya Bhaskar which was a unique 4 full page fold of the entire statue, measuring almost 4.4 feet. The effort was immensely appreciated by readers across India.**
- **Radio business delivers strong growth across key parameters - Clear strategic roadmap in place for growth, programming / content plan for strengthening audience and advertiser connect.** Phase 3 stations already EBIDTA positive. Profitability achieved on the back of strong inventory management, programme profile, strong cost efficiencies and growing popularity.
- **Digital business charts clear way-forward:** embarking multiple noteworthy initiatives aimed at further strengthening loyal user base through organic ie. brand and search traffic and efficient monetisation. Very stringent cost optimisation and change in content approach continue to add value to business.

Commenting on the performance for Q3 FY 2018-19, Mr. Sudhir Agarwal, Managing Director, DB Corp Ltd said, *“Our performance this quarter is a culmination of dedicated strategic efforts made across all our businesses spanning print, digital and radio. Over the last few quarters our focus has been on the execution of our circulation strategy across India supported by strong reader engagement and product enrichment initiatives. We have undertaken several initiatives to unlock their potential that will help us monetise our inherent, strong brand strengths through leveraging our loyal digital user base, our hyper local presence across radio and programming strength through content. The impact of these efforts have already started to emerge and will reflect in the coming months.*

At an industry level, the government's ad rate hike is a welcome move for all players and will provide a strong impetus for growth. Structurally, India continues to be one of the world's fastest growing economies. Decline in crude oil prices and rationalization of GST rates will help trigger a revival momentum in consumption. Across India, content consumption is growing at a brisk pace across mediums and given our legacy and competitive aggression, we are totally committed to expand our capabilities to deliver growth and shareholder value.”

Q3 FY 2018-19 financial results highlights: (comparisons with Q3' FY 18 & Q2' FY19)
(Rs. Mn)

Heads	Qtr 3 FY 18	Qtr 3 FY 19	YOY Growth	Qtr 2 FY 19	QOQ Growth
Print Advertisement	3,774	4208	11.5%	3641	15.6%
Radio Advertisement	334	465	39.3%	377	23.5%
Digital Advertisement	154	141	-8.0%	120	18.0%
Print Circulation Rev	1262	1301	3.1%	1318	-1.3%
Other Operational Revenue	442	503	13.6%	424	18.6%
Consol Total Income	5965	6616	10.9%	5874	12.6%
Print EBIDTA	1382	1198	-13.3%	864	38.7%
Radio EBIDTA	96	202	109.4%	120	68.3%
Consol EBIDTA	1434	1417	-1.2%	977	45.0%

◆ **Print-Mature Business EBIDTA margin stand at 26%**

An analysis and break-up of Mature and Emerging Business financials on a quarterly basis is given below. We classify emerging business as those which are below 4 years of age or profitable since last 4 quarters, whichever is earlier.

Q3 FY 19

(Rs. Mn)

Particulars	Mature Editions	*Emerging Editions	Radio Business	Internet Business	DBCL Standalone
Total Revenues	5680	332	465	140	6616
EBIDTA before Expansion	1463	(186)	202	27	1506
EBIDTA Margin	26%	(56%)	43%	20%	23%
EBIDTA after Expansion	1390	(203)	202	27	1417
EBIDTA Margin	24%	(61%)	43%	20%	21%

* Emerging Business, includes Bihar small part of Maharashtra & Surat Hindi edition, besides Mobile App & E-real Estate Business

➤ **Strategic areas of focus and key updates:**

❖ **Editorial strategy:** In addition to election centric key events, other noteworthy editorial activities include:

- **Bihar** – Launched “5 Saal, 5 Sawaal” marking the 5th anniversary of DB Patna edition [19th January]. 5 potent focus areas include – Education, Health, Business, Migration & Traffic. Objective was to address challenging areas in Bihar affecting common people.
- **Punjab** – Undertook aggressive campaign against drug addiction which were appreciated by people and Govt. of Punjab who adopted the campaign in the form of hoarding & drug rehab centres.
- **Other special issues in 2018:** 150th year of Gandhi Jayanti in Gujarat, Diwali special jacket, Yaadein 2018 Special Issue, New year 2019 Special jacket “Nav Varsh Bhaskar” and special issue on *Umeedain* 2019

- **Special columns by eminent writers** across themes ranging from mythology, satire, foreign affairs, book reviews, health – life science etc.
- **Marathi Literature Festival 2018: The third edition of Marathi Literature Festival was organized from 23rd to 25th November'18 at Aurangabad, Maharashtra.**
 - Fest organized under the aegis of Divya Marathi, with the aim of bringing a platform to people who have challenged the status-quo, pushed back boundaries to bring fresh, dynamic, objective thoughts and voices through fearless self-expression. The fest encouraged diversity as the sessions were in English, Hindi and Marathi.
 - The first 'Marathi Literature Festival' was held in 2016 at Nasik. After two consecutive years of success and great response, the 2018 'Marathi Literature Festival' was organized with a total of 31 sessions, 11 workshops and 3 musical nights graced by the presence of eminent literary personalities.

❖ **Digital strategy: Digital business charts clear way forward, oriented towards growth and monetisation**

- www.Dainikbhaskar.com the largest Hindi News Website continues to secure the No. 1 spot in Hindi News
- www.Divyabhaskar.com continues to remain #1 Gujarati website
- Digital business embarking on several noteworthy initiatives aimed at strengthening loyal user base by enhancing organic traffic ie. brand and search traffic and suitable monetisation.
 - The Dainik Bhaskar brand enjoys very strong and loyal e-paper user base. **First in the industry to introduce paywall** Divya Bhaskar introduced in July 2018, Dainik Bhaskar in Sept 2018 to leverage the Bhaskar brand value.
 - **Changed content approach** to utilise techniques and processes followed in print editions that has enhanced sharpness in editorial processes. Presently focusing on knowledge & research based in-depth, unique content.
 - **Change in traffic acquisition and marketing approach to leverage the brand:** Earlier focus was on digital marketing to acquire social traffic. Current approach is to enhance traffic organically through search and brand-based traffic rather than social networking sites.
 - **Creation of dedicated marketing teams to leverage capabilities in hyper local markets**, similar to print edition marketing strategy. Aim is to construct efficient local teams specialised according to verticals to chase local sales and strong relationships with current and potential advertisers.
 - **Stringent cost optimisation:** Aimed at identifying and removing inefficiencies from system to focus only on value addition to business.
 - **16 million app downloads for Dainik Bhaskar and Divya Bhaskar with a 36% growth over December 2018.**
 - **Launched “Dainik Bhaskar+” App**– a new app set to revolutionize news consumption in Hindi speaking markets: Only Hindi APP offering credible Digital content to users.
 - The new app is Artificial Intelligence driven and an amalgamation of exciting features.
 - Offers exclusive & premium content from TIME, New York Times & Howard Business Review) in Hindi language.
 - With success of Dainik Bhaskar Plus APP launch, team leveraging key learnings for success of Divya Bhaskar Plus APP.
 - Homeonline: continues to add to the digital strength:
 - Since launch in August 2016, has emerged as one of the most popular real estate sites in Bhopal, Raipur, Indore, Jaipur and Ahmedabad.
 - In Apr 2018 - Dec 2018 served more than ~0.9 Million home seeking users online, connecting ~80K home seekers with property owners/builders/agents in Bhopal, Raipur, Indore, Jaipur and Ahmedabad.

- More than ~85K Properties and ~1100+ projects were made available to home seekers in Bhopal, Raipur, Indore, Jaipur and Ahmedabad.
- During Apr - Dec 2018 Homeonline recorded about 1.9 million Sessions.

❖ **Radio strategy:** Largest player in Rest of Maharashtra & continues to be No. 1 in Chandigarh / Haryana / Punjab / Rajasthan / Madhya Pradesh & Chhattisgarh

- **While 13 acquired stations have already reported profitability, the focus is on further growth and efficient monetisation of competitive strengths. Clear programming road map and plan in place to develop stronger audience connect and business partnerships through innovative on-ground activations.**
- **Strong activations through new, fun-filled, engagement-led event properties:**
 - **MYFM becomes official Radio partner for Gujarat Fortune Giants - Pro Kabaddi League:** As part of the partnership MYFM hosted a series of on-air and on-ground activities across various platforms. Content was primarily driven by three stations in Gujarat, namely Ahmedabad, Surat and Rajkot.
 - MY FM played a major role in voter turnout through radio show 'Salaam Jaipur' with discussions with prominent personalities and talked about the impact of voting, voting countdown, promos and bytes of chief election officer to encourage voting..
 - **MY FM launches "Mahabharata: The Greatest Epic Ever Told":** MY FM launched "Mahabharat", the biggest ever radio drama in the history of Radio. Casting of drama included Eminent Bollywood celebrities and was packaged to be contemporary and striking a strong connect with the youth. With choicest 100 episodes, Mahabharat was played on all the stations of MY FM for six months and was narrated by Vijay Raaz.
 - **MY FM's Ek Aur Awards with Vipul Goyal:** EK Aur Awards 2018 rewarded the most interesting events, newsmakers of 2018 and exceptionally unique events that occurred during the year.
- **MY FM acknowledged for content and activation:**
 - **ACEF Asian Leadership Awards 2018 for Excellence in Branding & Marketing:**
 - Silver: Capability Award - Most Admired Brand Activation Campaign for MY FM K Rangrezz
 - Silver: Capability Award - Most Admired B2B Marketing Campaign: Just Because It Fits, Doesn't Mean It Works Campaign.

❖ **Awards and recognitions:**

- Dainik Bhaskar Group wins Platinum at MarCom awards 2018: DB Corp. Annual Report 'Leveraging Opportunities - FY18 wins Platinum award under the category' Annual Report'
- IPRCCA Awards- Gold for 'Mitti Ke Ganesh' in Continuous Campaign
- 2 Summit Awards:
 - Silver for Jeeto 15 Crore in Integrated Campaign, Consumer.
 - 'Leader' for Maharashtra Swatantra Vrittpatra Campaign in 360 degree/complete branding campaign
- 4 PRSI Awards
 - Gold for Ujjain- The Eternal City in Special/Prestigious Publication Category.
 - Silver for Marathi Literature Festival 2017 in Event Management Category.
 - Silver for Mitti K Ganesh in Best Public Awareness Program Category.
 - Bronze for Jeeto 15 Crore in Best Communication Campaign (External Public) Category
- 3 ABCI Awards for Sankalan, Ujjain- The Eternal City and Mitti Ke Ganesh.
- 11 ACEF Asian Leadership Awards

- 5 Gold
 - Excellence in Consumer Insight - Market Research : Maharashtra Swatantra Vrittpatra
 - Excellence in Corporate Reputation: Jeeto 15 Crore
 - Brand Loyalty Marketing Campaign : Jeeto 15 Crore
 - Most Admired B2C Marketing: Dainik Bhaskar
 - Best use of Newspaper: Jeeto 15 Crore
- 5 Silver
 - Best use of Data & Research : Maharashtra Swatantra Vrittpatra
 - Best use of OOH Media : Jeeto 15 Crore- Van Promotion
 - Most Admired Campaign for Brand Revitalization : Jeeto 15 Crore
 - Best Rural activation for Sales Volume: Jeeto 15 Crore- Van Promotion
 - Most admired activity for community uplifting: Kota Live Positive
- 1 Bronze
 - Marketing Performance Measurement: : Jeeto 15 Crore

About DB Corp Ltd

DB Corp Ltd. is India's largest print media company that publishes 5 newspapers with Dainik Bhaskar 46 editions, Divya Bhaskar 9 editions & Divya Marathi 6 editions with 220 sub-editions in 3 multiple languages (Hindi, Gujarati and Marathi) across 12 states in India. Our flagship newspapers Dainik Bhaskar (in Hindi) established in 1958, Divya Bhaskar and Saurashtra Samachar (in Gujarati) and Divya Marathi (in Marathi) have a total readership of 5.9 crores, making us the most widely read newspaper group in India with presence in Madhya Pradesh, Chhattisgarh, Rajasthan, Haryana, Punjab, Chandigarh, Himachal Pradesh, Delhi, Gujarat, Maharashtra, Bihar and Jharkhand. Our other noteworthy newspaper brands are Saurashtra Samachar and DB Star. DBCL is the only media conglomerate that enjoys a leadership position in multiple states, in multiple languages and is a dominant player in its all major markets. The company's other business interests also span the radio segment through the brand "94.3 MY FM" Radio station with presence in 7 states and 30 cities. Its growing digital business is led by 9 portals for rapidly expanding digital audiences, and 4 actively downloaded mobile applications.

For further information please visit www.bhaskarnet.com or contact:

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