

D B Corp Ltd. Investor Presentation

November 2017



India's Largest Newspaper Group | 12 States | 66 Editions | 4 Languages

VALUES – Trendsetting | Result-oriented | Analytical | Connected

Disclaimer

Some of the statements made in this presentation are forward-looking statements and are based on the current beliefs, assumptions, expectations, estimates, objectives and projections of the directors and management of Dainik Bhaskar Group (DB Corp Ltd.) about its business and the industry and markets in which it operates.

These forward-looking statements include, without limitation, statements relating to revenues and earnings.

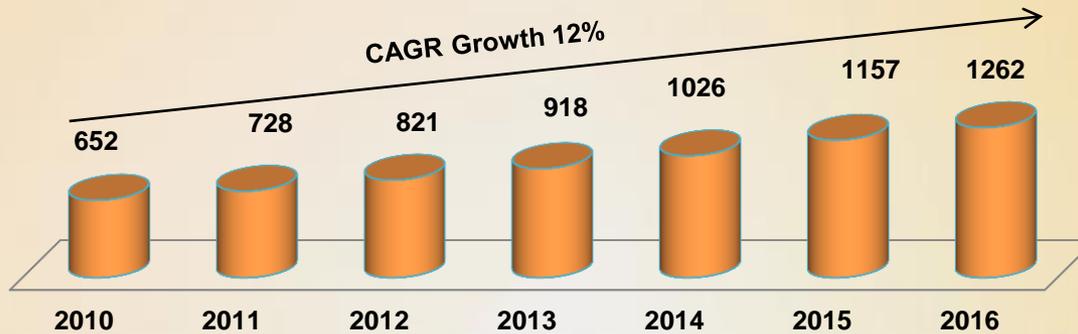
These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Company and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecast in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks. DB Corp Ltd. does not undertake to update these forward-looking statements to reflect events or circumstances that may arise after publication.



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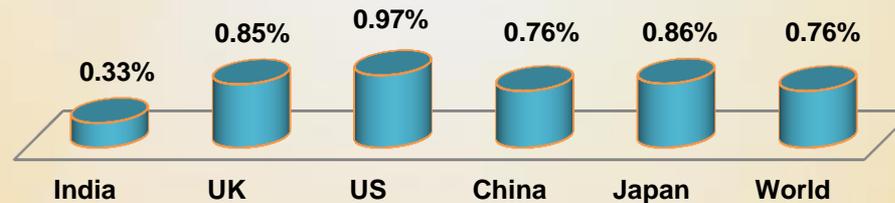
Indian Media & Entertainment Industry

Media Sector – Strong & Consistent Growth (INR bn)



- M&E industry size was Rs. 1262 bn in 2016, which grew by 9% over 2015.
- Expected CAGR growth is 14% till 2021.

Media Spend as % of GDP



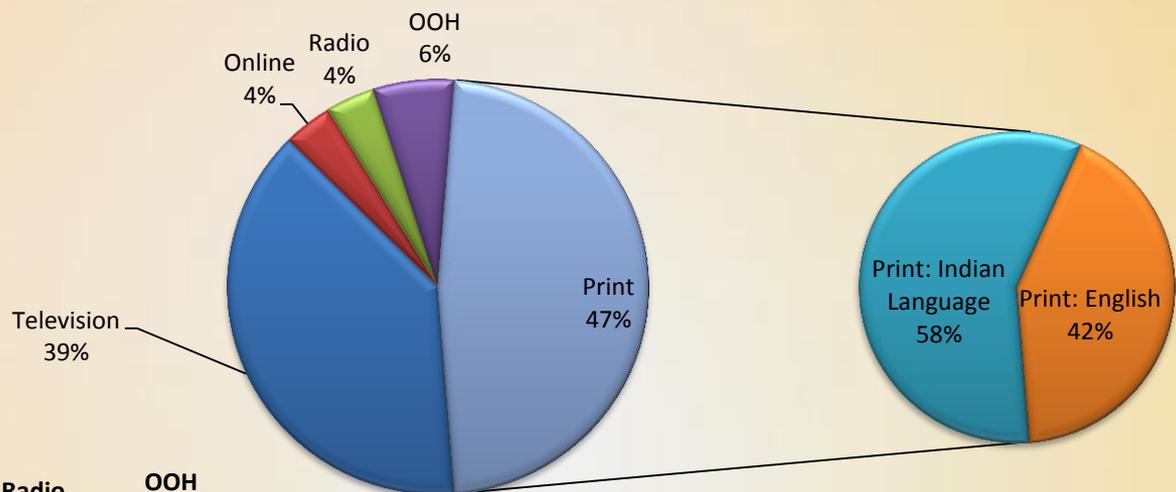
- It is still lower than global peers
- Reflective of sizeable / huge potential

Source: FICCI-KPMG Report 2017 | Worldwide Media & Mktg. Forecasts, Group M, Summer 2011

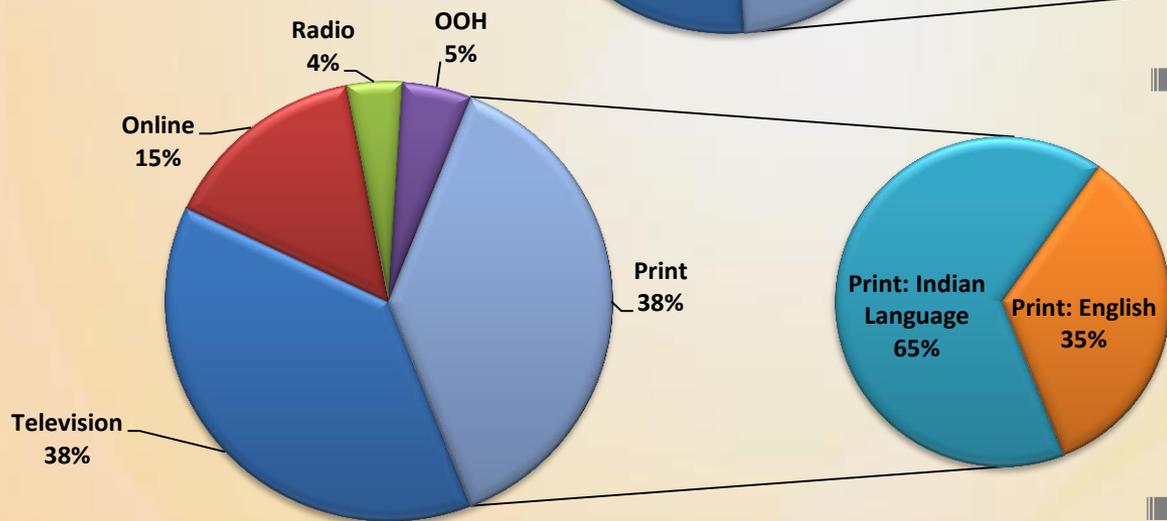


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Print Maintains Largest Ad-pie – Language Print Witnesses Higher Growth



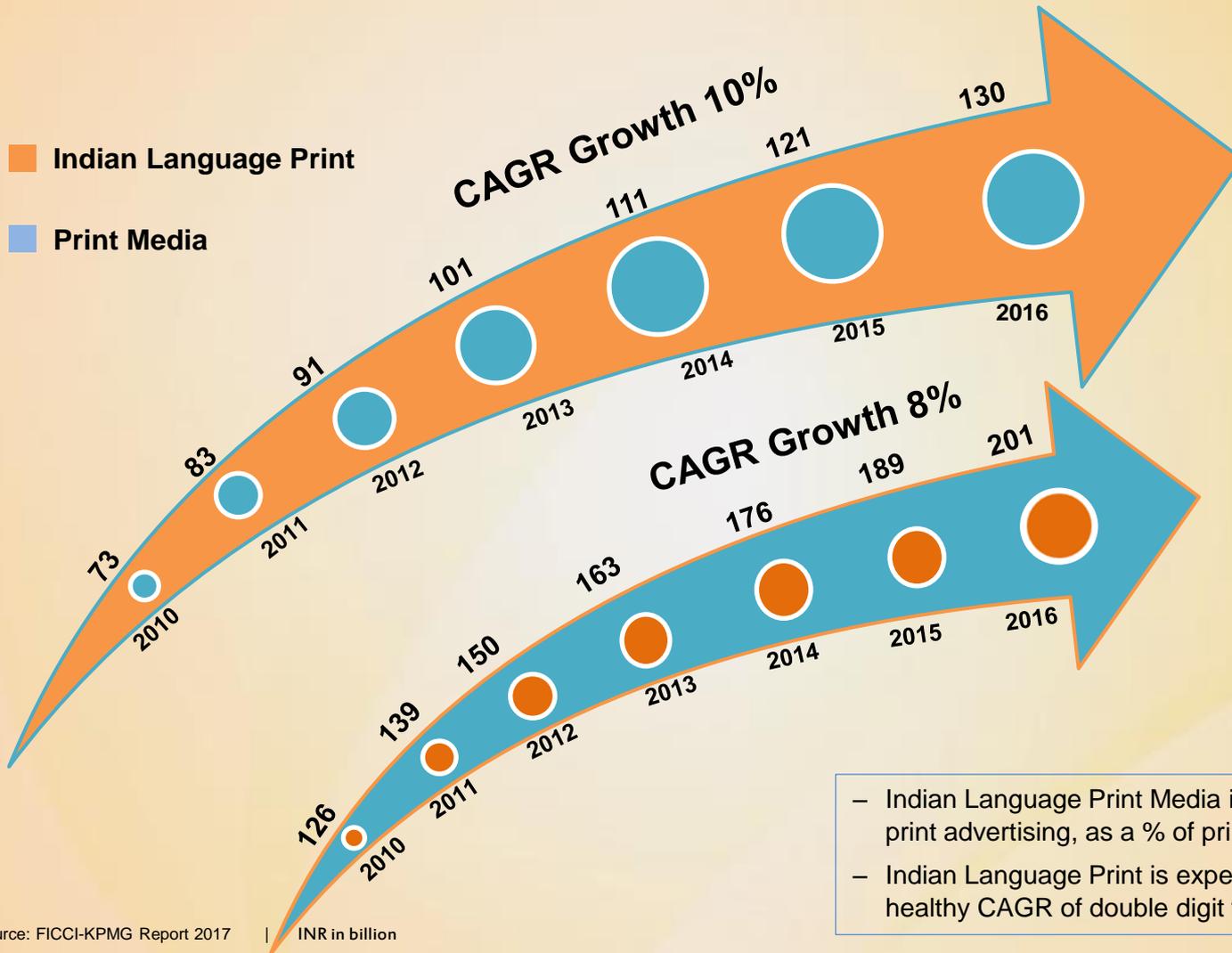
➔ 2010 – Rs. 265.5 bn



➔ 2016 – Rs. 528.2 bn

Source: FICCI-KPMG Report 2017

Print & Indian Language Advertising Revenue

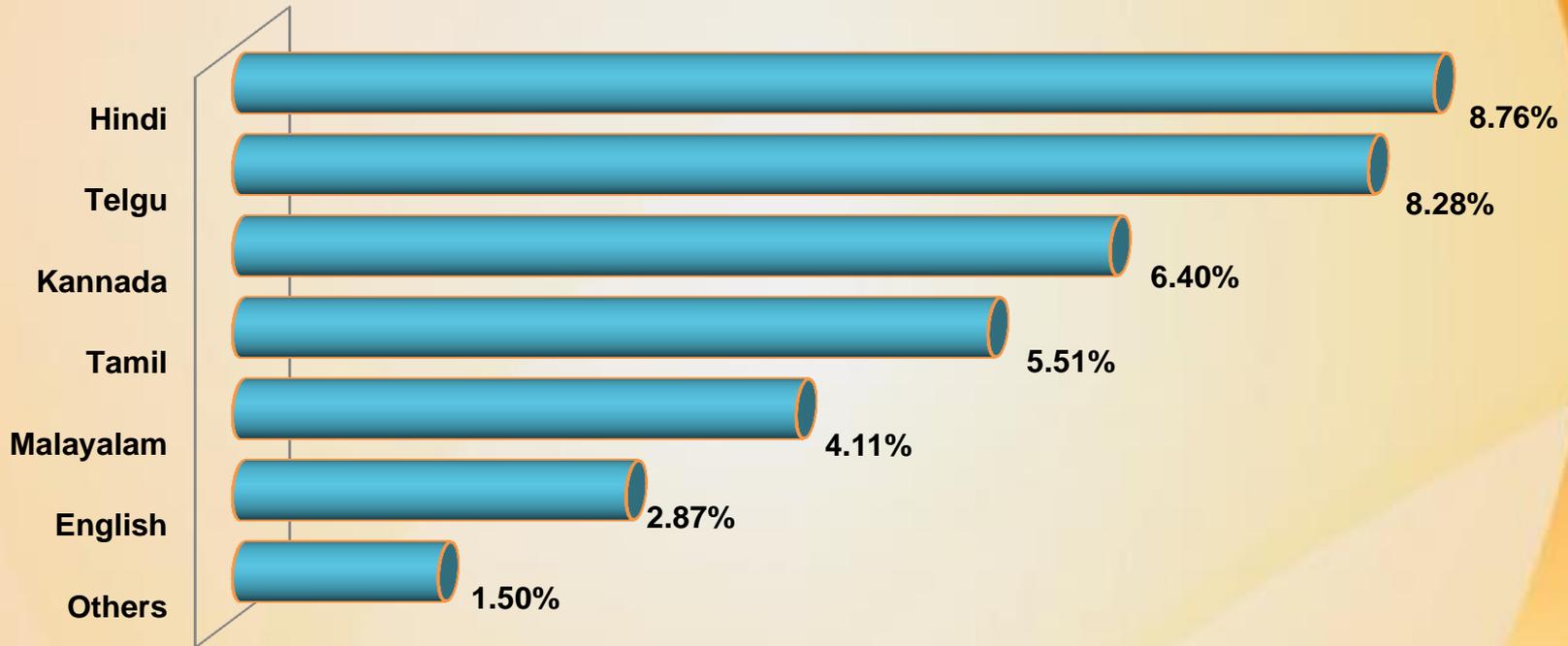


- Indian Language Print Media is Largest component of print advertising, as a % of print ad pie at 65%;
- Indian Language Print is expected to maintain a healthy CAGR of double digit for next 4 – 5 years.

Source: FICCI-KPMG Report 2017 | INR in billion

Consistent High % Growth of Indian Newspapers

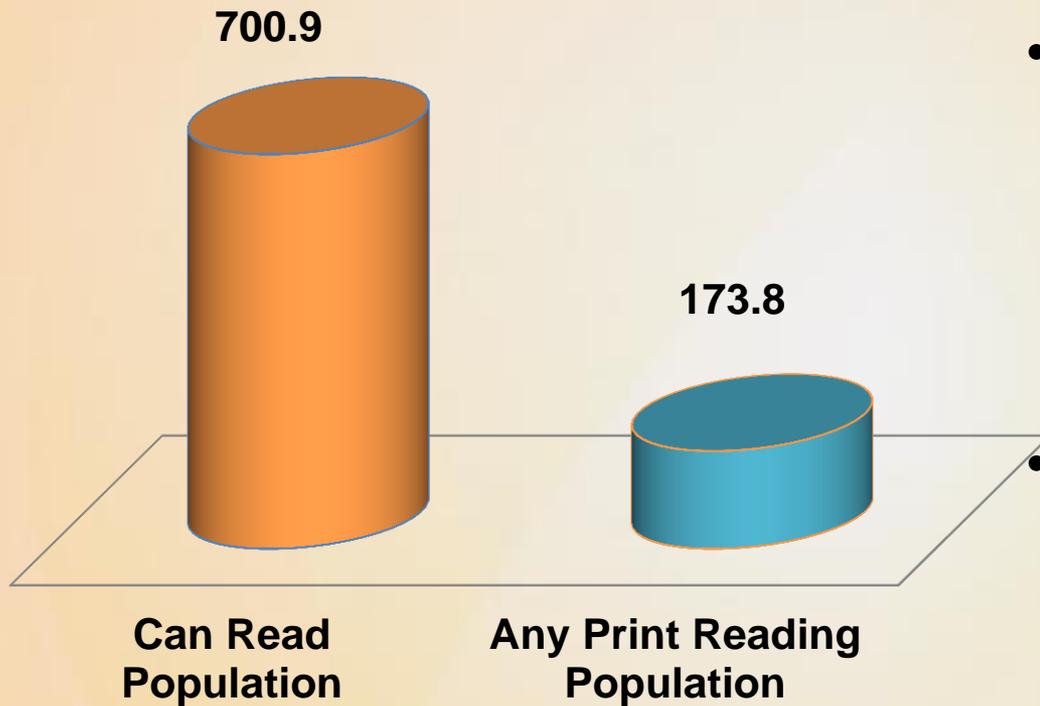
- Print is growing at an incredible **4.87% CAGR** over a 10 year period from 2006 to 2016.
- Absolute Hindi copies per day increased by **1.39 cr** to **2.45 cr** in **2016** from **1.06 cr** copies in 2006.



- Absolute copies per day increased by **2.37 cr** to **6.28 cr** in **2016** from **3.91 cr** copies in 2006.

Source: Audit Bureau of Circulation Press Release dated 8th May 2017

Huge Headroom For Print Growth



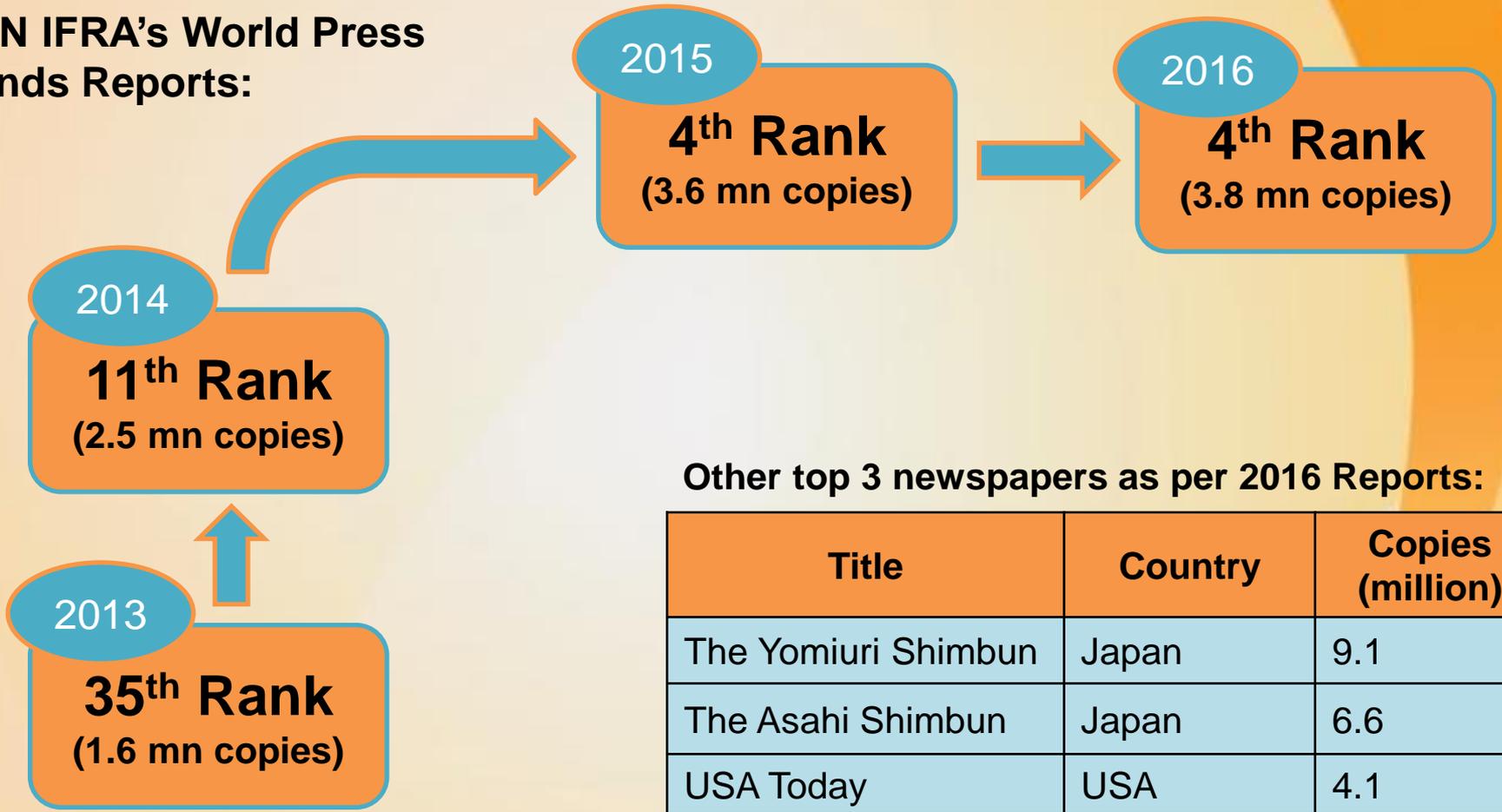
- Hindi garners to 40% share of the Average Issue Readership size of India
- Of 422 mn Hindi population size, newspaper penetration is only 16%

Source: IRS 2013

Figs in Millions

'Dainik Bhaskar' Newspaper Is World's 4th Largest Circulated Newspaper

WAN IFRA's World Press Trends Reports:



Other top 3 newspapers as per 2016 Reports:

| Title | Country | Copies (million) |
|---------------------|---------|------------------|
| The Yomiuri Shimbun | Japan | 9.1 |
| The Asahi Shimbun | Japan | 6.6 |
| USA Today | USA | 4.1 |

Source : WAN IFRA -World Association of Newspapers and News Publishers Report 2013, 2014, 2015 & 2016.

D B Corp Ltd - The Largest Print Media Company In India

Major Business Brands



Hindi Newspaper

11 States, 45 Editions



Gujarati Newspaper

2 States, 9 Editions



Marathi Newspaper

1 State, 6 Editions



FM Radio Network

7 States, 30 Stations

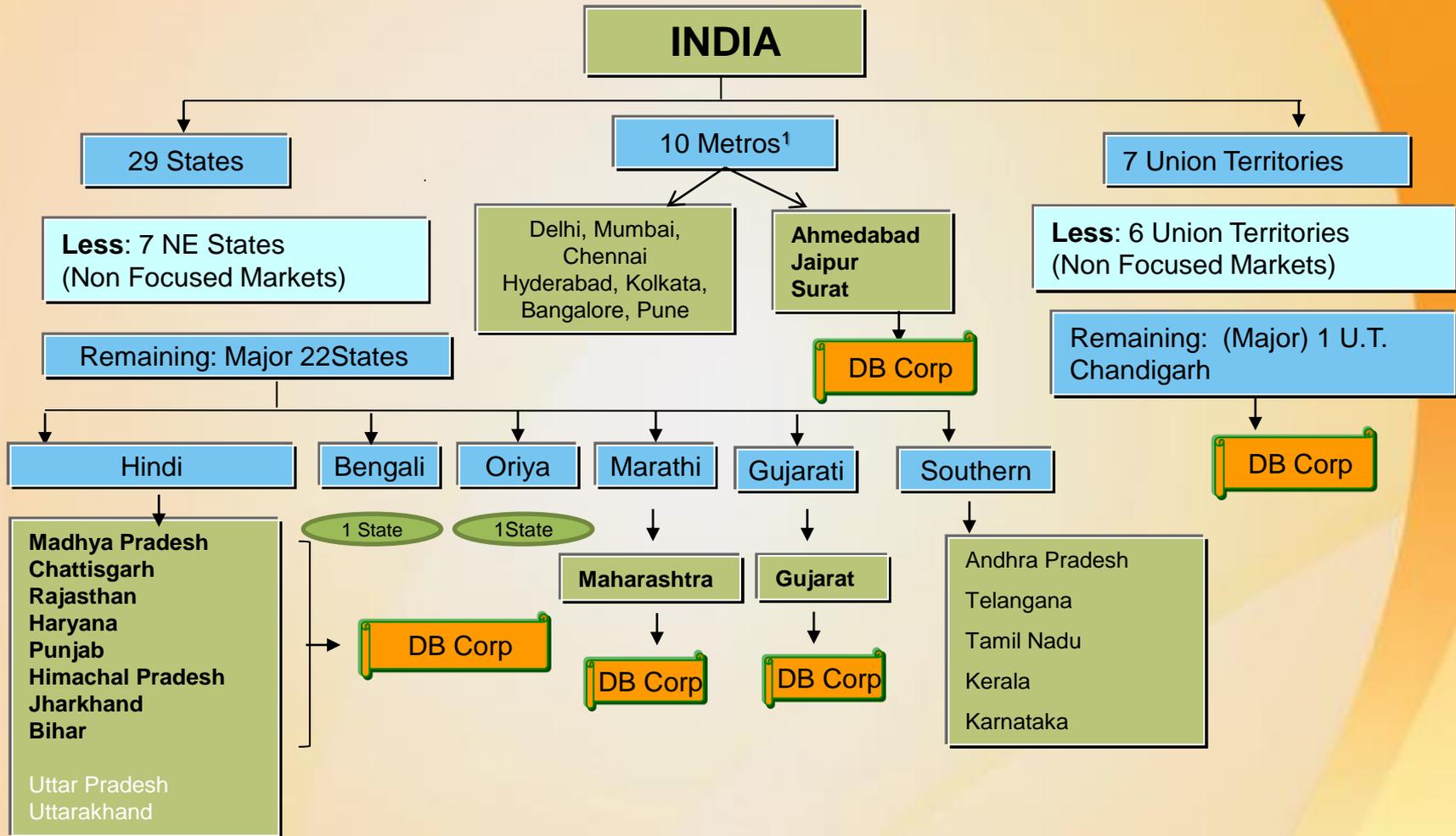


Digital & Mobile

13 Portals & 2 Apps



Presence Across Fast Growing Markets



1. Source: EY's Report – India's growth paradigm

Focused on Largest Revenue Markets of India

A Leader in Print Readership, operating in the highest growth markets in India



Leadership in Multiple States – Emerging Tier II & III Cities

- Madhya Pradesh, Chhattisgarh, Rajasthan, Gujarat, Haryana, Punjab, Chandigarh, Maharashtra, Himachal Pradesh, Jharkhand, Bihar & Delhi

Focus on Revenue Market Share – in Multiple language

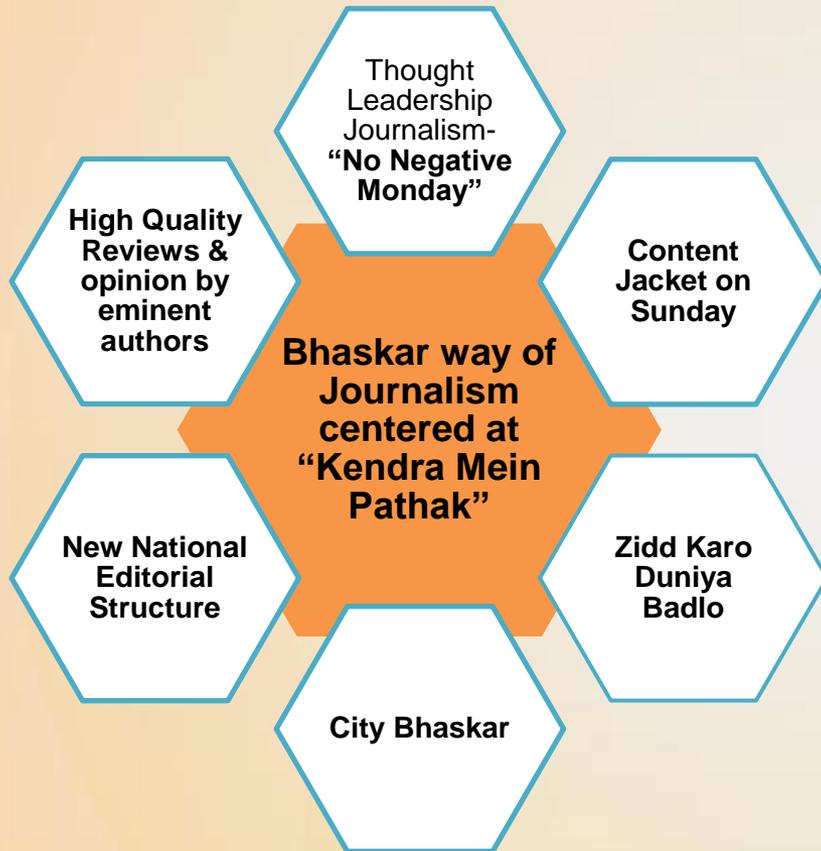
- Hindi, Gujarati, Marathi and English
- 49% Urban population resides in our Markets
- 51% of India's total consumption is concentrated in our Markets.
- D B Corp Ltd steadily gaining ground in new and emerging urban clusters. Besides eight large metros, 42 new and emerging urban clusters have transformed into consumption hubs.
- We already expanded presence to about 50% of these new consumption clusters
- Newspaper readership penetration is only 30% of “Can Read” population

Key Developments / Initiatives and Current Focus Area



Strategic Focus Area - Editorial Strategy

Innovative reader engagement initiatives



Content associations with: Harvard Business Review, TIME Magazine, New York Times, The Economist etc. are established for providing global world class content.

Major Initiatives introduced Q2 FY 2018:

- In second phase of product enhancement initiatives through launch of 'Knowledge Theme' - *Har zaroori khabar mein hoga aapke kaam ka knowledge.*
- Tie-up with Nat Geo and Discovery for 'Photo of the Week'
- Ensuring 'knowledge development' by strengthening human infrastructure: Institution of 'Knowledge advisory board' with eminent Indians and stalwarts across various disciplines

Circulation Strategy – Proven Track Record

1. **15% CAGR Growth**: For 5 years, from FY 2011-12 to FY 2016-17 is 15% largely driven by yield in our core legacy markets.
2. **Dainik Bhaskar becomes the nation's largest circulated Multi-Edition Daily as per Press In India Report 2015-16 prepared by Registrar of Newspapers of India (RNI) released by Mr. Venkaiah Naidu, Hon. Minister for Information and Broadcasting, Government of India.**
3. **Current Focus:**
 - Embarked on the biggest ever circulation enhancement journey in the history of the company with a target to substantially increase copies during current year.
 - Delivering excellent growth of 8% on a high base of circulation copies, along with cover price increase; adding 3.87 lakhs copies during the period July'2017 to September'2017.
 - Key additions have come from existing Priority 1 markets of Gujarat, Rajasthan and MP.
 - Second phase of Rest of Bihar launch being implemented in full swing: aim to completely launch new editions over next few months
 - Implemented “Jeeto 15 Crores” scheme for readers: The most unique and biggest industry initiative to drive reader engagement, recruitment and retention, which was rolled out in 180 cities across 10 states through a 360 degree media plan.





Unique users per month
(in million)



Sessions per month
(in million)

Source: Google Analytics



Indian Language Internet Users are the **PRESENT** and the **FUTURE**

- The next wave of **200 Million internet users** will be **Indian language users**
- **60%** of the Indian Language internet users are Hindi
- **Indian Mobile Internet Users** form **90%** of the Indian internet users

*Source: Indian Language Internet Report - KPMG & Google, April'17

Transformation from CONTENT to PRODUCT organization

Recommendation - Best in the industry globally, leveraging big data and AI.

24% higher than any other competitive brand in the industry

Real-time Insights

In-house tool to empower the editorial with content performance and traffic, based on proprietary algo and used cases to help editorial focus on the right stories.

Social Decode

Special Feature that gives insights and analysis of the traffic coming from social platforms, what topics to focus, and what content to focus.

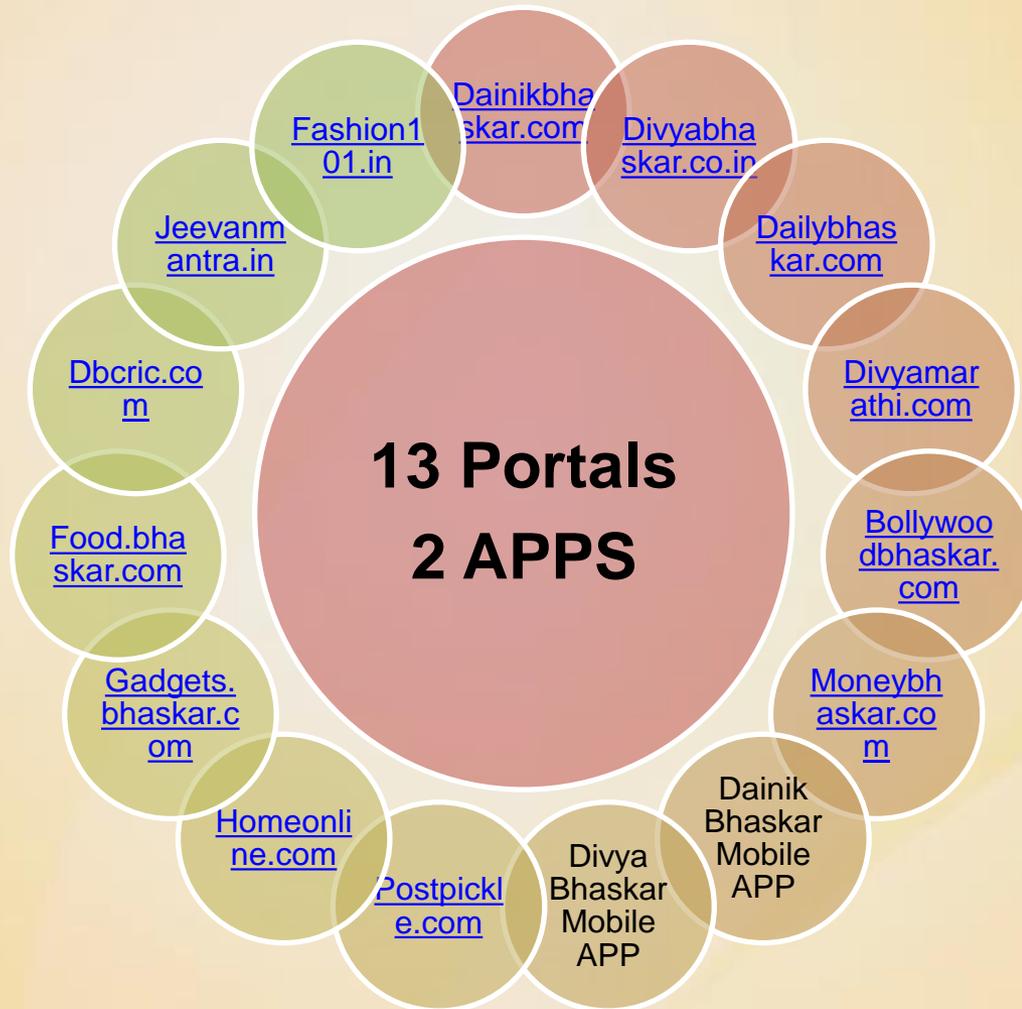
Predicting FB Post content

Interesting feature that can predict the potential content behaviour, reach and performance

Social Listening

Real time tracking of trending stories and industry updates, analysis and mapping of engagement level of content

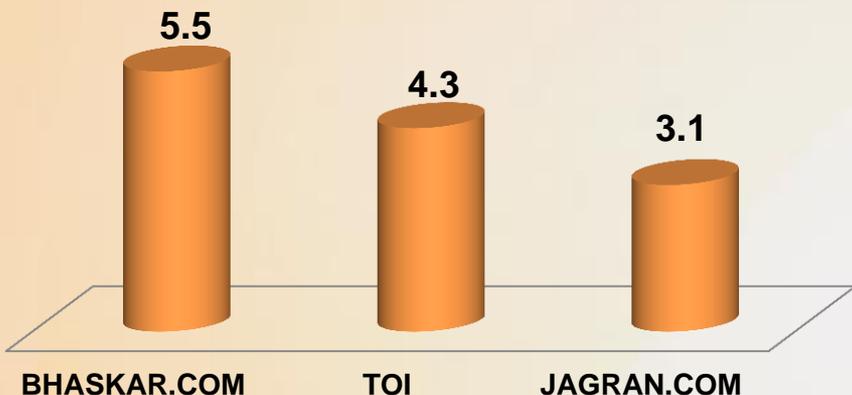
Focused, Strong Brands For Growing Digital Audiences



DainikBhaskar.com The Most Preferred News Destination in Mobile Website



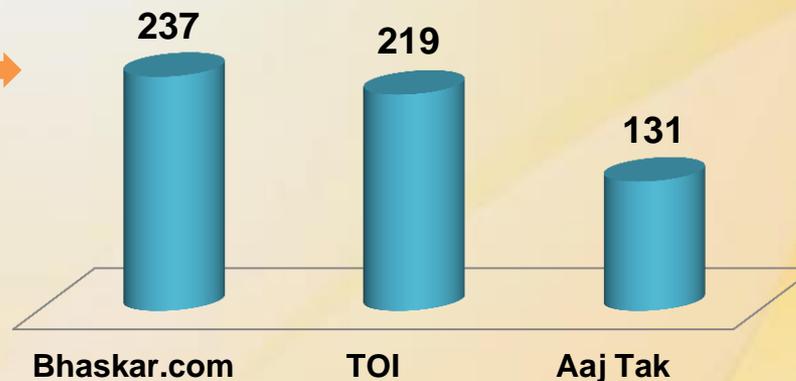
Avg Daily Unique Visitors (Mn)



User Frequency (Mn)



Total Visits (Mn) →

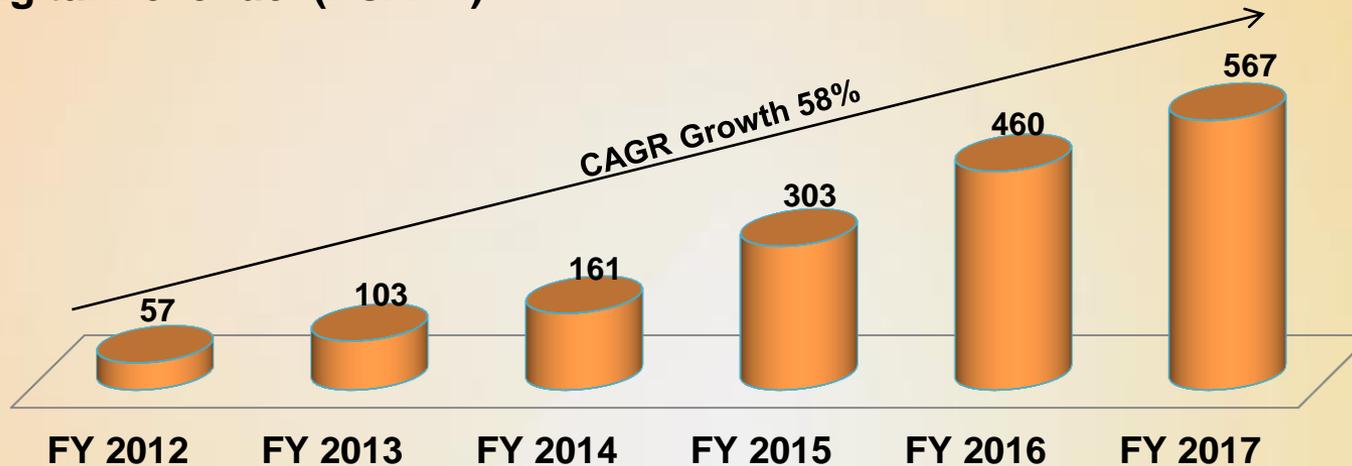


Source: Comscore News & Information – September 2017



Digital Snapshot

- Digital Revenue (Rs. mn)



- www.bhaskar.com - No. 1 Hindi News website and also The Most Preferred News Destination in Mobile Website.
- www.divyabhaskar.com - No. 1 Gujarati News website and The Undisputed Leader in Online Gujarati News Segment.
- www.moneybhaskar.com - India's Largest Financial Website in Hindi
- www.fashion101.in - India's Largest Multilingual Fashion Website
- 10.9 mn mobile app downloads for Dainik Bhaskar & Divya Bhaskar

*Source: Comscore News & Information – September 2017

Digital Way Forward

Digital is moving towards personalization
 Creating our product & future strategy based on Big Data analysis

Focus on Speed
 Zero buffering and ensuring hassle free reading experience

More Engagement
 To keep the readers hooked onto our platform through engaging content, innovative offerings

Creating more products
 Innovating the product offerings to support and strengthen editorial

Continue focus on content
 Quality and exclusivity will remain the key

Huge popularity in video consumption amongst all platforms
 Creating content & distribution strategy for taking a giant leap

Expansion Strategy – Radio Business



- Launched in 2006, 94.3 MY FM operates from 30 stations in 7 states
- 94.3 MY FM continues to be no.1. in markets of Madhya Pradesh, Chhattisgarh and Rajasthan and largest network in Chandigarh, Punjab and Haryana.
- Consolidating presence in line with strategy to be market leader in “Unmetro” geographies with strong DBCL presence.
- With the 13 New frequencies acquired, during the Phase III Radio auctions, 94.3 MY FM to be:
 - Biggest player in Rest of Maharashtra with 10 frequencies including Nagpur
 - Biggest player in Chandigarh / Haryana/ Punjab with 4 frequencies
 - Biggest Player in Rajasthan with 6 frequencies
 - Strengthened Gujarat with presence in Rajkot

Current Initiatives



Exclusive Music Partner for Bollywood movies (Harry met Sejal, Simran , Badshaho and Padmavati)

Ek Rakhi Fauji Ke Naam,
Silent Garbha & Goodness ka Group in Gujarat,
Ek Diya in Maharashtra
and many more.

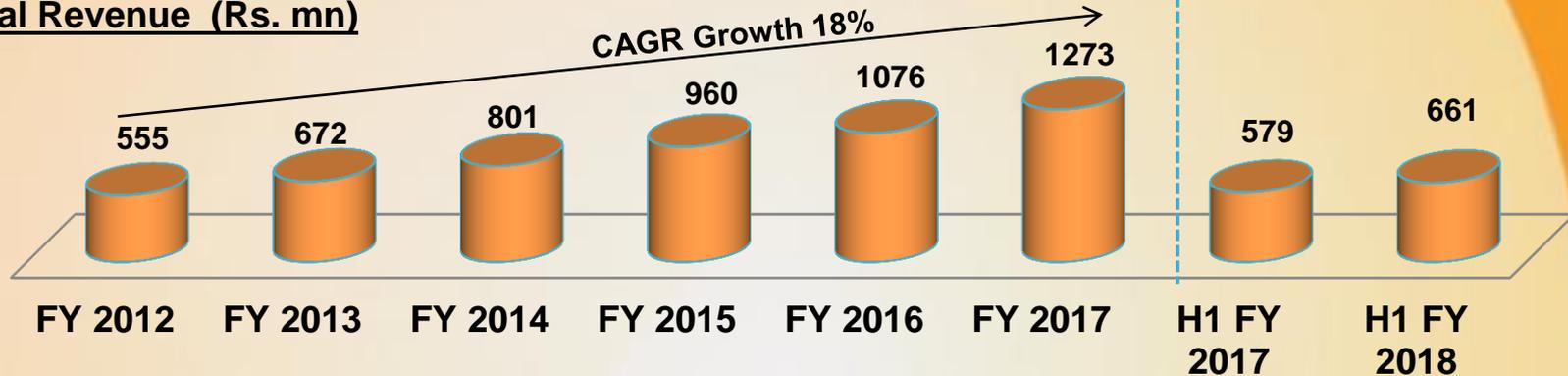
10 year celebration - Surat
(Jalsarath)
Paiso ka Ped in Nashik and
Aurangabad

Offering in house musical
jingle production in Hindi,
English, Marathi, Punjabi and
Gujarati

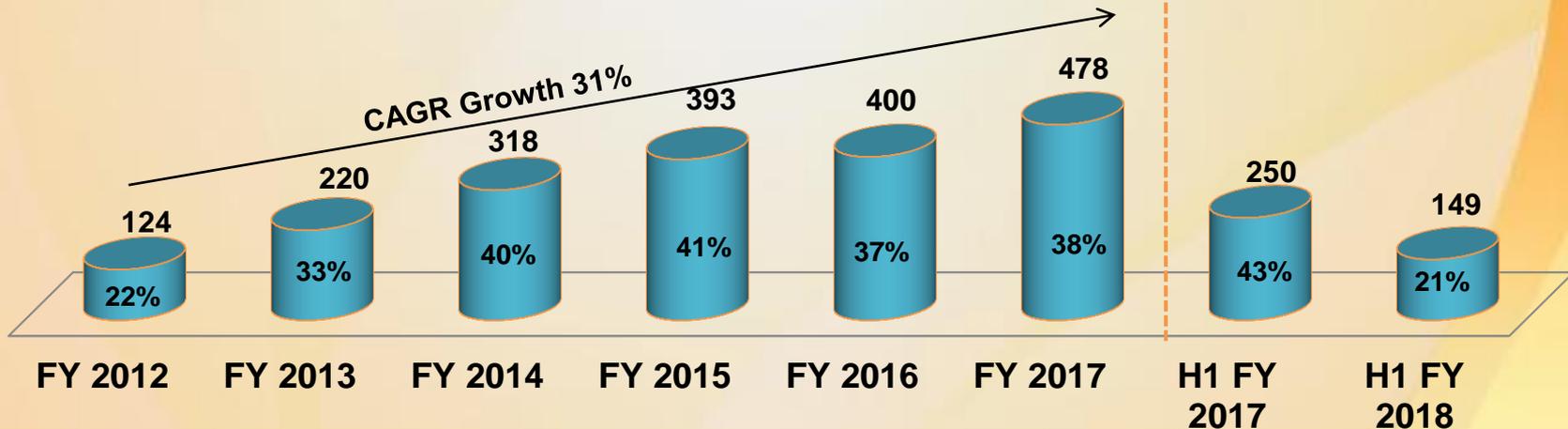
Historical Outperformance Track Record



Total Revenue (Rs. mn)



EBIDTA Revenue (Rs.mn) & its Margin (%)

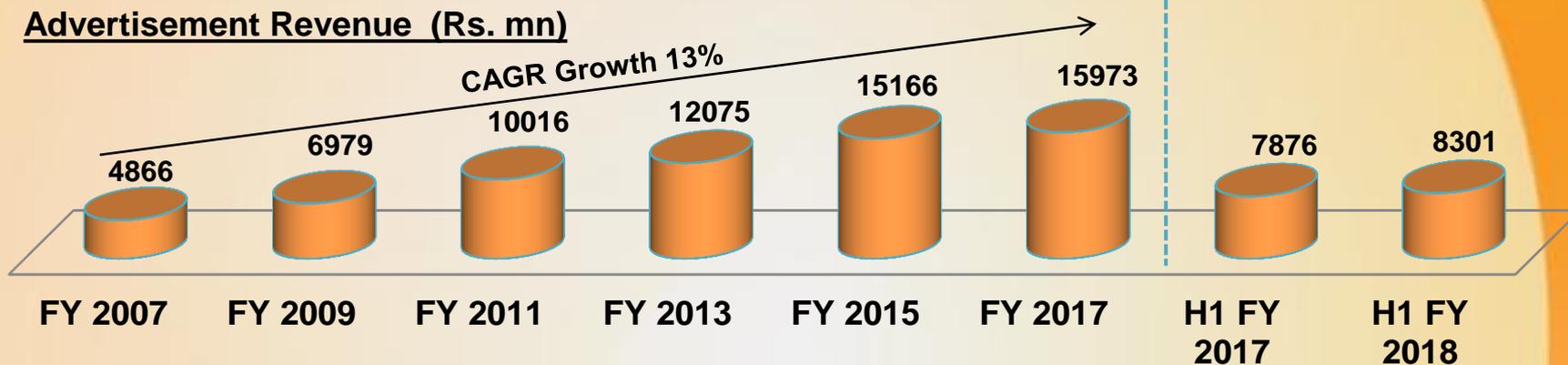


Robust Growth in Profits
Strong Focus on ROCE & RONW
Low Debt Exposure
High Net worth & Strong Balance Sheet

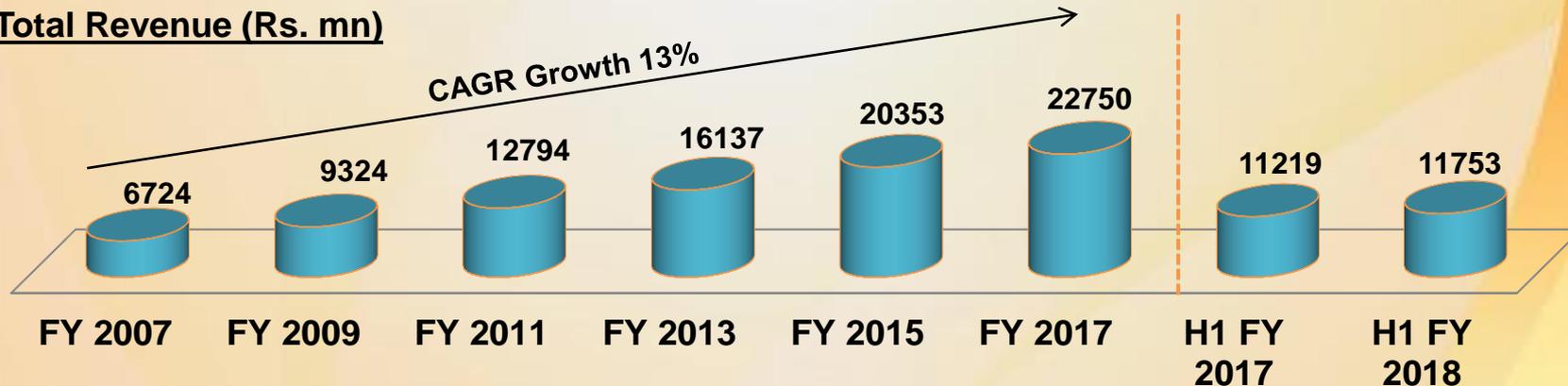


Proven Track Record of Topline & Bottom Line Growth... (contd.)

Advertisement Revenue (Rs. mn)

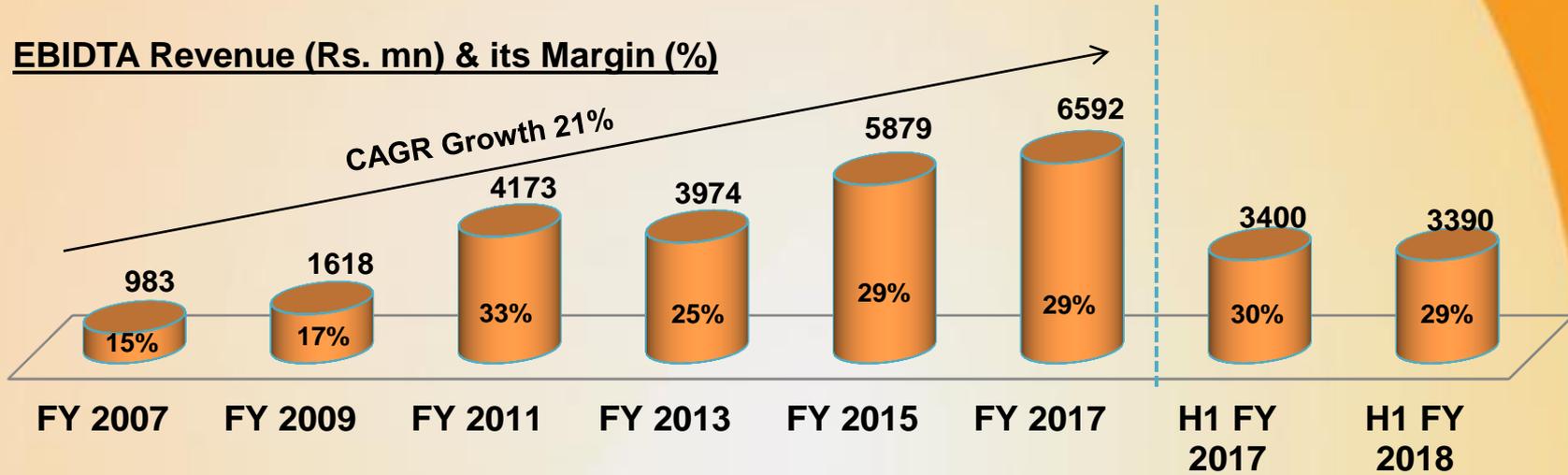


Total Revenue (Rs. mn)

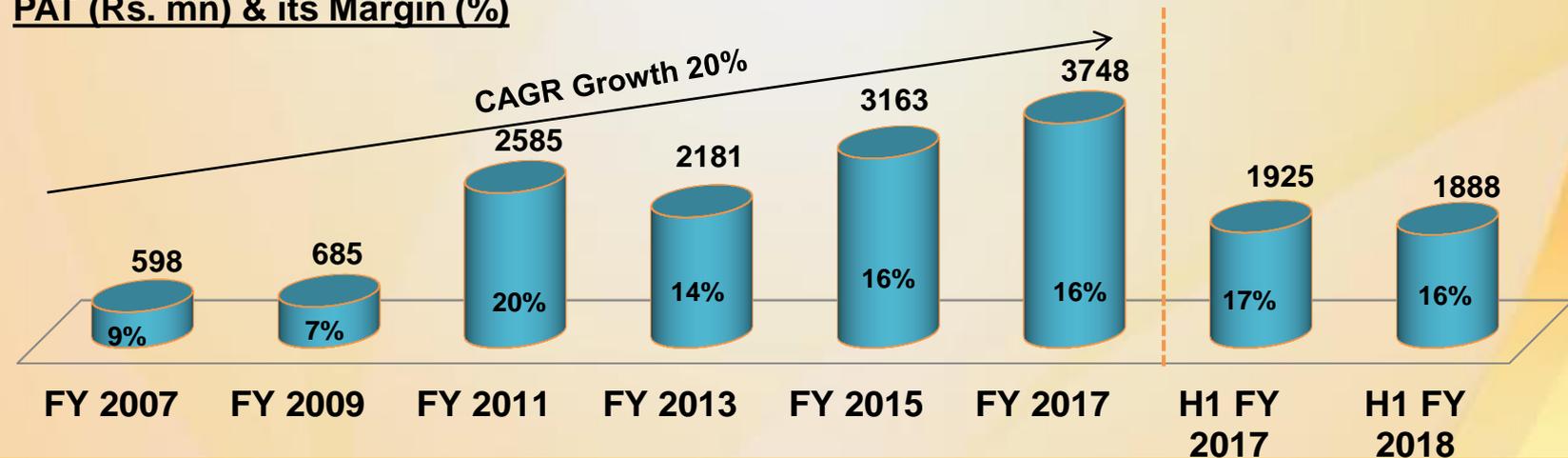


Proven Track Record of Topline & Bottom Line Growth

EBIDTA Revenue (Rs. mn) & its Margin (%)



PAT (Rs. mn) & its Margin (%)



Healthy Operating Profit In Our Mature Market

Rs MN

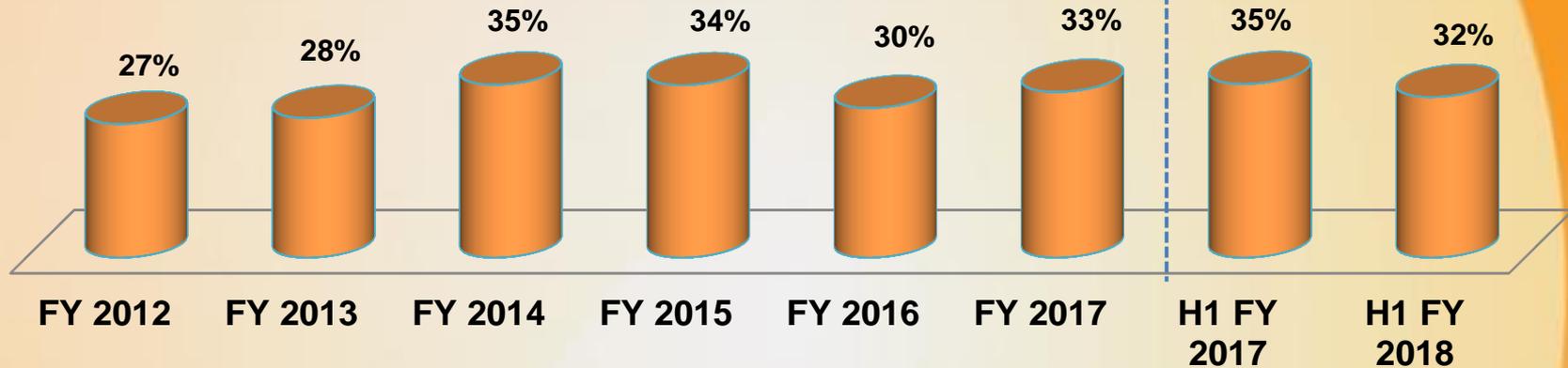
| Particulars | Q2 (FY16-17) | | | Q2 (FY17-18) | | | Annual (FY 15-16) | | | Annual (FY 16-17) | | |
|-------------------------------|---------------------------------|--------------------|-----------------|---------------------------------|--------------------|-----------------|---------------------------------|--------------------|-----------------|---------------------------------|--------------------|-----------------|
| | Matured Print / Radio / Digital | Emerging Business* | DBCL Standalone | Matured Print / Radio / Digital | Emerging Business* | DBCL Standalone | Matured Print / Radio / Digital | Emerging Business* | DBCL Standalone | Matured Print / Radio / Digital | Emerging Business* | DBCL Standalone |
| Topline | 5167 | 161 | 5329 | 5543 | 197 | 5740 | 18907 | 1882 | 20789 | 22080 | 666 | 22746 |
| EBIDTA (Before New Expansion) | 1626 | (70) | 1556 | 1590 | (64) | 1526 | 5999 | (280) | 5719 | 6875 | (259) | 6616 |
| EBIDTA (After New expansion) | 1626 | (70) | 1556 | 1590 | (134) | 1456 | 5999 | (338) | 5661 | 6875 | (259) | 6616 |
| EBIDTA % | 31.5% | (43.2%) | 29.2% | 28.7% | (67.8%) | 25.4% | 31.7% | (18.0%) | 27.2% | 31.1% | (38.9%) | 29.1% |

*Emerging Business – Editions below 4 years of age also includes Mobile app & E-real Estate Business

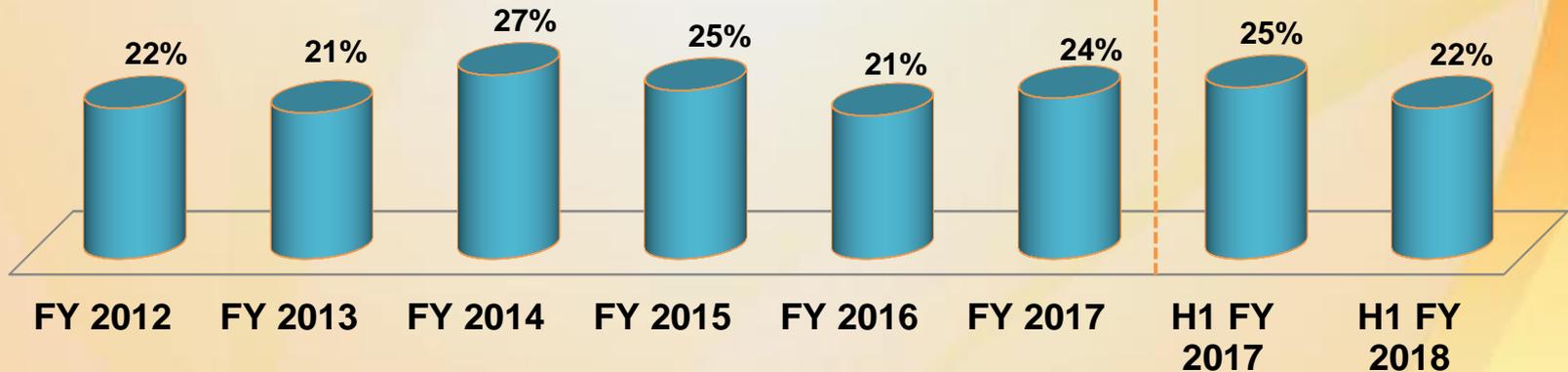


Strong Balance Sheet & Financial Ratios

Return on Capital Employed



Return on Net Worth



Financial Summary

| Particulars (INR million) | | | | Quarter Ended | | | Half Year Ended | | |
|------------------------------|---------|---------|---------|---------------|---------|----------|-----------------|---------|----------|
| | 15-Mar | 16-Mar | 17-Mar | Q2 FY17 | Q2 FY18 | Growth % | H1 FY17 | H1 FY18 | Growth % |
| Advertising Income | 15166 | 14812 | 15973 | 3740 | 3966 | 6.03% | 7876 | 8301 | 5.40% |
| Circulation Revenue | 3755 | 4356 | 4814 | 1179 | 1273 | 7.97% | 2354 | 2506 | 6.46% |
| Total Income | 20353 | 20783 | 22750 | 5432 | 5741 | 5.68% | 11219 | 11753 | 4.76% |
| Newsprint | (6479) | (6186) | (6609) | (1634) | (1786) | 9.30% | (3234) | (3493) | 8.01% |
| Personnel Cost | (3457) | (3909) | (4286) | (1067) | (1088) | 1.95% | (2128) | (2179) | 2.40% |
| Other Operating Expenditure | (4537) | (5049) | (5263) | (1184) | (1411) | 19.17% | (2457) | (2692) | 9.56% |
| Total Expenditure | (14474) | (15145) | (16158) | (3885) | (4284) | 10.27% | (7819) | (8363) | 6.96% |
| EBITDA | 5879 | 5590 | 6592 | 1547 | 1456 | (5.87%) | 3400 | 3390 | (0.30%) |
| EBITDA Margin | 28.89% | 26.96% | 28.97% | 28.48% | 25.37% | | 30.30% | 28.84% | |
| Net Profit | 3163 | 2921 | 3748 | 885 | 787 | (11.14%) | 1925 | 1888 | (1.92%) |
| Net Worth | 12836 | 13945 | 15930 | 14944 | 17845 | | 14944 | 17845 | |
| Secured Long Term Gross Loan | 758 | 536 | 262 | 404 | 132 | | 404 | 132 | |
| Cash & Bank Balance | 1782 | 926 | 1754 | 805 | 1785 | | 805 | 1785 | |
| Secured Working Capital Loan | 477 | 631 | 288 | 191 | 151 | | 191 | 151 | |
| Total Secured Gross Debt | 1235 | 1167 | 550 | 595 | 282 | | 595 | 282 | |
| Net Block (Fixed) | 8203 | 9128 | 8833 | 8952 | 9223 | | 8952 | 9223 | |
| ROCE | 34.45% | 29.88% | 33.10% | 34.68% | 32.09% | | 34.68% | 32.09% | |
| RONW | 24.65% | 20.94% | 23.53% | 25.08% | 22.04% | | 25.08% | 22.04% | |



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Board Of Directors

Sudhir Agarwal
Managing Director

- 27 years of experience in the publishing and newspaper business
- responsible for its long-term vision, business planning and performance monitoring

Pawan Agarwal
Deputy Managing Director

- 13 years of experience in the publishing business
- Heads entire Production, IT and Strategy dept. , with the Radio & Digital business

Girish Agarwaal
Non-Executive Director

- 20 years of experience. Awarded “Outstanding Entrepreneur” trophy at APEA
- provides direction to the marketing strategy and related operations of the Group

Piyush Pandey*

- Executive Chairman of Ogilvy & Mather Pvt. Limited, India

Harish Bijoor*

- Brand-thinker and practitioner operating out of Bengaluru, India

Ashwani Kumar Singhal*

- Vice-President of BIR Brussels, the International Authority in Non- Ferrous Metals

Anupriya Acharya*

- Post Graduate from IIT – Roorkee, was Zenith Optimedia's Group CEO and now CEO of Publicis Media India

* denotes Independent Directors



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THANK YOU

For more information, please visit our website www.bhaskarnet.com



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