



Registered Office: DB Corp Ltd., Plot no 280, Sarkhej-Gandhinagar Highway, Near YMCA Club, Makarba, Ahmedabad (Gujarat) 380051

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 half year ended September 30, 2018. The highlights of the Company's operational and financial performance are as follows:

Performance highlights for Qtr 2 FY 2018-19 - Consolidated

⤴ **Strong ad revenue growth after adjusting impact of last year's festival season**

	Reported			Adjusted		
	Q2 FY18	Q2 FY19	%	Q2 FY18	Q2 FY19	%
Advt. Revenue (Consol)	3963	4132	4.3%	3534	4132	16.9%
Print Advt. Revenue	3502	3641	4.0%	3102	3641	17.4%
Radio Ad. Revenue	348	377	8.3%	319	377	18.0%

- ⤴ **Circulation Revenue has increased 5.6% YoY to Rs. 1318 million from Rs. 1248 million, primarily due to volume driven growth**
- ⤴ **Total Revenue has grown by 2.8% to Rs. 5875 million in current period from Rs.5713 million in Q2 last fiscal. On an adjusted basis, total revenue grew by 12.8% YOY to Rs. 5875 million from Rs. 5207 million, after adjusting for last fiscal one off items as well festival season billing**
- ⤴ **EBIDTA Stands at Rs. 977 million (margin of 17%), against EBIDTA of Rs. 1456 million, in Q2 FY18; after considering forex loss of Rs.58.4 million and circulation expansion strategy related non-recurring expenditure of Rs. 110 million**
- ⤴ **PAT stands at Rs. 462 million (PAT Margin 8%), against Rs. 787 million (PAT Margin 14%), in Q2 of last year; considering forex loss of Rs. 62 million and circulation expansion strategy related non-recurring expenditure of Rs. 110 million.**
- ⤴ **Radio business: Advertising revenues expanded by 8.4% YOY to Rs. 377 million in Q2 of current period, against Rs. 348 million in Q2 of last fiscal. On adjusted basis, Radio delivered growth of 18%, after adjusting for last fiscal's festival season billing.**
- ⤴ **Radio business EBIDTA grew by 30% YOY to Rs. 120 million from Rs. 92 million**
- ⤴ **Radio Business PAT grew by 47% YOY to Rs 58 million from Rs. 40 million last year**
- ⤴ **Digital business revenue grew by 5% YOY to Rs. 119 million from Rs. 114 million**

Performance highlights for H 1 FY 2018-19 - Consolidated

- ⤴ **Advertising Revenues** reported growth of 5% YOY to Rs. 8681 million in current period from Rs. 8297 million in H1 of last fiscal. On an adjusted basis Ad revenues reported 10% YOY growth (Rs.7868 million H1 FY 2018) after adjusting for last fiscal's festival season.
- ⤴ **Total Revenue** reported growth of 5% at Rs. 12267 million in current period from Rs. 11709 million in H1 last fiscal. Total revenue has registered 9.8% YOY growth (Rs.11173 million H1 FY 2018) after adjusting for last fiscal one off items and festival season billing.
- ⤴ **Circulation Revenue** has increased 8% YoY to Rs. 2664 million from Rs. 2467 million, primarily due to volume driven growth.
- ⤴ **EBIDTA** stands at Rs. 2725 million (margin of 22%) against EBIDTA of Rs. 3390 million, in H1 FY 2018; after considering forex loss of Rs. 83 million and circulation expansion strategy related non-recurring expenditure of Rs. 168 million. Adjusting for circulation expansion related one-offs and forex loss for last year and this year; EBIDTA stands at Rs. 2977 million against Rs. 3008 million in H1 of last year.
- ⤴ **PAT** stands at Rs. 1438 million (PAT Margin 12%), against Rs. 1888 million (PAT Margin 16%), in H1 of last year; after considering forex loss of Rs. 93 million and circulation expansion strategy related non-recurring expenditure of Rs. 168 million.
- ⤴ **Radio business: Advertising revenues** expanded by 5.2% YOY to Rs. 694 million in H1 of current period, against Rs. 659 million last fiscal. On adjusted basis, Radio delivered growth of 10%, after adjusting for last fiscal's festival season.
- ⤴ **Radio business EBIDTA** grew by 28% YOY to Rs. 191 million from Rs. 149 million
- ⤴ **Radio Business PAT** grew by 51% YOY to Rs 85 million from Rs. 56 million
- ⤴ **Digital business revenue** grew by 4.4% YOY to Rs. 245 million from Rs. 235 million

Key developments and initiatives

- **Circulation strategy continues to deliver results: focus on content innovation, reader engagement efforts and on-ground activation**
 - Dainik Bhaskar has emerged as the Number 2 newspaper in the state of Bihar, as per the commissioned Bihar Readership Survey Report July 2018 by Hansa Research. This success has been achieved within a short span of time since it initiated its circulation expansion drive in Bihar.
 - In addition, Dainik Bhaskar has also become the largest circulated paper in Rajasthan as per Audit Bureau of Circulations Jan-to-June 2018.
 - Over past five years [from FY 2012-13 to FY 2017-18] circulation revenue has delivered 13% CAGR growth
- **Launched “Dainik Bhaskar+” App**– a new app set to revolutionize news consumption in Hindi speaking markets: offers new-age features that resonate with the needs of the modern-day consumer, enhancing their experience of news consumption.
- **Significant Reduction in Pledge of Shares:** DB Corp Ltd has significantly reduced Pledge% of Shares through the restructuring of Loan against Pledge of Shares. Pledge of Shares for Promoters has reduced from 58.32% to 32.28%; i.e., reduction of 26%.
- **Radio Phase 3 stations become profitable:** Turned EBIDTA positive, following the complete commissioning of all 13 stations, acquired under batch 1 of Phase 3 during 2017. Profitability achieved on the back of strong inventory management, programme profile, prudent cost efficiencies and growing popularity.

- **Dainik Bhaskar's general interest, utility oriented content finds strong popularity amongst readers:** A collection of interesting, in-depth articles covering a variety of themes including mythology, science, technology, health, diet, art & culture, relationship, life management, food, nature, and more, written by experts in their specialized field has been offering readers complete utility oriented reading. The repository of content has found strong appeal amongst readers across tier 2, 3 towns and cities showcasing to them deeper sights into ordinary or common themes.
 - **Launch of new section Lifestyle Bhaskar:** Every Saturday, a dedicated page launched offering women related content on décor, fashion, beauty, health, lifestyle, etc.
 - **Aha Zindagi relaunched as Rasrang:** the new and fresh Rasrang now offers a weekly dose of delightful leisure reading anchored by a weekly exclusive column by prolific author Devdutt Pattanaik.
 - **Knowledge Bhaskar** continues to enthral readers with a dedicated section curated from some of the best content from the world wide web.

Commenting on the performance for Q2 FY 2018-19, Mr. Sudhir Agarwal, Managing Director, DB Corp Ltd said, *“Our circulation strategy implemented in recent times continues to deliver results that are also driven by the parallel execution of several growth-led initiatives undertaken across all our pillar divisions. The results of our efforts are visible through Dainik Bhaskar's progress in Bihar where in a short span of time, we have been able to build a second leadership position through strong on-ground execution. Dainik Bhaskar is also now the largest circulated paper in Rajasthan. The same operating philosophy is being aggressively implemented across all regions of our presence where our focus continues to remain on sharpening our organisational strengths, leading market expansion and driving excellence, enabling us to strive harder in a rapidly evolving and competitive media environment.*

As we progress we expect the consumption and demand cycle to stabilize. Crude volatility and currency led inflation seem to loom going ahead, but we will continue to manage our business dynamically while driving operational efficiencies. As our strategic campaigns play out well we look excitedly towards the second half of fiscal 2019, as we expand the frontiers of our vision, drive key areas of the business, act swiftly and efficiently on available opportunities, and address our customers' needs with our full range of capabilities.”

Q2 FY 2018-19 financial results highlights: (comparisons with Q2' FY 18 & Q1' FY19)

(Rs. Mn)

Heads	Qtr 2 FY 18	Qtr 2 FY 19	YOY Growth	Qtr 1 FY 19	QOQ Growth
Print Advertisement	3502	3641	4.0%	4110	(11.4%)
Radio Advertisement	348	377	8.4%	317	19.0%
Digital Advertisement	114	119	4.8%	126	(5.0%)
Print Circulation Rev	1248	1318	5.6%	1345	(2.0%)
Other Operational Revenue	502	424	(15.6%)	498	(14.9%)
Consol Total Income	5713	5875	2.8%	6392	(8.1%)
Print EBIDTA	1430	864	(39.6%)	1697	(49.1%)
Radio EBIDTA	92	120	29.8%	71	68.5%
Consol EBIDTA	1456	977	(32.9%)	1749	(44.1%)

◆ **Print-Mature Business EBIDTA margin stand at 22%**

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.

Q2 FY 19

Particulars	(Rs. Mn)				
	Mature Editions	*Emerging Editions	Radio Business	Internet Business	DBCL Standalone
Total Revenues	5091	289	377	117	5874
EBIDTA before Expansion	1114	(152)	120	4	1086
EBIDTA Margin	22%	(53%)	32%	3%	19%
EBIDTA after Expansion	1024	(171)	120	4	976
EBIDTA Margin	20%	(59%)	32%	3%	17%

* 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:** Continues exploring new avenues to engage meaningfully with readers through value creating initiatives.

- **A rich repository of diverse and engaging content across regular themes:**
Stimulating content that of general interest and yet utility oriented which finds strong popularity amongst readers:
 - A collection of interesting, in-depth articles covering a variety of themes including mythology, science, technology, health, diet, art & culture, relationship, life management, food, nature, and more, written by experts has been offering readers complete utility oriented reading.
 - The repository of content has found good appeal amongst readers across Tier 2, 3 towns and cities showcasing to them deeper sights into ordinary or common themes.
- **Knowledge Bhaskar continues to bring some of the best content from the world wide web through the week:**
 - **Tuesdays – Amit Itihas:** Offers readers knowledge focused on big events of history
 - **Wednesdays – People’s Power:** Offers complete knowledge on rights enjoyed by citizens explained through real life cases.
 - **Thursdays – Citizen Scheme:** Provides overview of various existing Government schemes to benefit citizens that are existing but relatively unknown.
 - **Fridays – Nivesh Ke Tips:** for the financial savvy and the new initiate, the page provides investment tips and explores a gamut of investment instruments.
 - **Tuesday to Friday – Sach toh yeh hai:** An interesting section that demystifies myths across various aspects of life.
- **Rasrang every Sunday:** brings new utility-led content every week, full of light, Sunday leisure reading highlighted by an exclusive column by renowned author Devdutt Pattanaik demystifying mystic mythology to present day, relatable and adaptable knowledge.

- **Launch of Lifestyle Bhaskar:** Every Saturday, a dedicated page offers women-related content covering themes appealing to professionals and housewives in Tier 2, 3 cities opening to them a wider window to the larger world through relevant subjects. The aim is to empower women on various issues and help them lead enriched lives.
- **All-India level political reporting campaign 'Mahabharat 365' surges ahead** – The initiative continues to gather huge readership appeal through new page properties:
 - Every Tuesday readers get to learn about interesting incidents from previous Lok Sabha elections in the history of India. Offers knowledge-based and interesting read.
 - Launch of a new property published every Thursday with interviews of leading stalwarts of Indian Media across print, TV etc. on Lok Sabha elections. A very well received offering.
- **Circulation expansion efforts delivering results: product stickiness, brand traction and trade agreements for deeper geographic expansion**
 - Dainik Bhaskar catapults to number 2 position in Bihar:
 - Dainik Bhaskar has emerged as the Number 2 newspaper in the state of Bihar. This success has been achieved within a short span of time, since it initiated its circulation expansion drive in Bihar
 - As per Bihar Readership Survey Report July 2018 by Hansa Research, Dainik Bhaskar is at Number 2 position with an average issue readership (AIR) of 9.11 lakhs
 - In Patna city, Dainik Bhaskar is at Number 1 position with AIR of 5.07 lakh readers.
 - Dainik Bhaskar is also the largest circulated paper in Rajasthan as per Audit Bureau of Circulations Jan-to-June 2018.
 - Over past five years [from FY 2012-13 to FY 2017-18] circulation revenue has delivered 13%

❖ **Digital strategy:**

- 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
 - Has re-launched itself as the global destination for Gujarati content with a new look and new appeal with content spanning knowledge, spirituality, literature, empowering women, together with news coverage across the state & the globe.
- New user friendly design of the Dainik Bhaskar site with better user experience, navigation and knowledge-based content reflected through stronger social media engagement:
 - Dainikbhaskar.com has highest social engagement (Facebook link interactions - 12.7 million) in newspaper sites (Source: Crowd Tangle Intelligence report).
 - 14.2 million app downloads for Dainik Bhaskar and Divya Bhaskar with a 30% growth over September 2017.
- **Key Achievements:**
 - Launched "Dainik Bhaskar+" App– a new app set to revolutionize news consumption in Hindi speaking markets:
 - Offers new-age features that resonate with the needs of the modern-day consumer, enhancing their experience of consuming news not merely by reading but also experiencing and engaging with it, through various formats. The new app is Artificial Intelligence driven an amalgamation of several exciting features such as Augmented Reality & 360-degree view, News Bots, Audio Bulletins, a personal assistant, Stay Fit, Live TV & Events, Voice-based search, City News, Internet Radio, and Live Blogs.

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

- **Strong activations through new, fun-filled, engagement-led event properties:**

- **MY FM's launched 'Tamara Bhai' led by a female character in Gujarat market:** the first female character-led humour property in Rajkot called Tamara Bhai. The humorous character features a young housewife deeply influenced by Whatsapp forwards, has created strong readership delight in Gujarat.
- **MY FM and Rajasthan Royals partnered during IPL season 2018:** MY FM was the official radio partner for the team. Planned an on-air festival of cricket with programming to help bring cricketing heroes to the listeners. From giving away match tickets and original merchandise, to organizing meet and greet with players, listeners got an opportunity to be a part of the Fan Army.
- **Launched new sparkler called as Filmon Ka Khiladi:** a unique, first of its kind witty, humorous film review, radio property presented in a two character format, based on questions and answers.

❖ **Awards and recognitions:**

- Dainik Bhaskar won WAN-INFRA South Asian Digital Media Awards 2018 in "Best Reader Revenue Initiative" category. This was the 4th award in a row for Autobot.
- MY FM awarded The Laadli Media and Advertising Awards in "Gender Sensitivity" category
- mCube Awards: Masters of Modern Marketing Awards 2018 for Rangrezz activity
 - Best Marketing campaign through BTL channels
 - Best BTL Campaign for a Media Entertainment Enterprise

❖ **CSR Initiatives:**

- **Mitti K Ganesh:** This campaign revolves around encouraging people to buy or make clay idols (Ganesh) for Ganesh Chaturth. Aimed at promoting idol immersion at home or in artificial ponds and use the remnants (soil) to plant saplings.
 - Dainik Bhaskar not only targeted families but also involved clay idol makers, clay idol vendors, pandal organizers and school students. Dainik Bhaskar also tied up with Nagar Nigam and other communities to arrange immersion facilities at various localities. 'Eco Friendly Pandal Awards' and 'Selfie with Ganesh' contest were organized as a reader engagement and social initiative.
- **Ek Ped Ek Zindagi:** to encourage people to plant trees.
 - Encouraged people to plant trees during major festivals and to commemorate each milestones of their life. Dainik Bhaskar distributed 2 Lakhs seeds packets across 22 cities and also organized 'DB Million Tree Challenge', wherein people were asked to share their photographs taken while planting trees to celebrate an important event of their life.

About DB Corp Ltd

DB Corp Ltd. is India's largest print media company that publishes 6 newspapers with Dainik Bhaskar 46 editions, Divya Bhaskar 9 editions & Divya Marathi 6 editions with 220 sub-editions in 4 multiple languages (Hindi, Gujarati, Marathi and English) 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, DB Star and DB Post. 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 5 actively downloaded mobile applications.

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

Mr. P.K. Pandey

Head – Investor Relations

Tel: +91-22-71981500

Email: prasoon@dbcop.in

Address for investor communication:

DB Corp Ltd.

G 3 A/ 4-6 Kamanwala Chamber

New Udyog Mandir – 2, Mogul Lane,

Mahim (W), Mumbai, 400016