



DB Corp Limited

Q4 FY2022 Earnings Conference Call

May 13, 2022

Moderator

Good day ladies and gentlemen, and a very warm welcome to DB Corp Limited Q4 FY2022 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. I now hand the conference over to Ms. Amritha Pujari. Thank you and over to you Madam!

Amritha Poojari:

Thank you and good evening to everyone. We welcome you to the DB Corp Limited Q4 and full year ended FY2022 post earnings conference call. We have with us today senior management team of DB Corp Limited, Mr. Pawan Agarwal, Deputy Managing Director, Mr. Girish Agarwal, non-executive Director, Mr. P G Mishra Group CFO, Mr. Mushtaq Ali, Vice President, Mr. Lalit Jain, AVP and Mr. Prasun Kumar Pandey, Head Investor & Media Relations, who will represent DB Corp Limited on the call. We will be sharing the key operating and financial highlights for the quarter and full year ended March 31, 2022 followed by question-and-answer session. Before we begin, we would like to state that some of the statements made in today’s discussion may be forward looking in nature and may involve risks and uncertainties. Documents relating to the company’s financial performance have already been e-mailed to you and are available on the website of the stock exchanges and the company’s investors section. We trust you have been able to go through the same.

I now invite Mr. Pawan Agarwal to share his outlook on DB Corp performance for the quarter. Thank you and over to you Sir!

Pawan Agarwal:

Thank you very much Amrita and a good evening to everyone and thank you for joining the Q4 FY2022 DB Corp earnings conference call. We will begin the call by highlighting the key financial performance for the quarter and full year ended March 31, 2022, followed by key operational updates. In the year gone by, the Indian economy has bounced back impressively,

further Q4 also saw a lot of good traction even though it got slightly disturbed in the beginning by the third wave. For our sector also, we have seen good traction in both advertising and circulation; however, higher newsprint prices were a dampener. Consolidated full year advertising revenue grew by 17% to 11,827 million versus 10,084 million of FY2021. Circulation revenue recorded a growth of 10% to 4,558 million against 4,146 million of previous year. Various cost optimization efforts taken during the year has resulted in 1% growth of EBITDA to Rs.3,228 million versus 3,193 of previous year. This is despite substantial increase in the newsprint prices. Print business margin stood at 26% versus 25% of previous year. Consolidated PAT for the year stood at 1,426 million versus 1,414 million in FY2021.

Looking at the performance of Q4 FY2022 - our consolidated advertising revenues grew by almost 1.6% at Rs.3,134 million as against Rs.3,084 million in the previous year. Circulation revenues stood at Rs.1,152 million higher by 4.4% on a y-o-y basis and the total revenue came in at Rs.4,799 million higher by 4.3% on y-o-y basis. The operating profit stood at Rs.663 million. Print business margin stood at 24% as we continue to benefit from our overall cost control measures. Our consolidated PAT stood at Rs.245 million in Q4 FY2022. Going forward we believe that newsprint prices should settle back to normal in the next few quarters and we are also further working on this to contain the impact of rising news print prices.

Moving onto our digital business - we are scaling up our digital business by implementing a focused strategy of investment which continues to show strong growth on a sustainable basis. We have followed the approach of being a multimodal leader in the delivery of high-quality content and best news products for the Indian market both from a content as well as technology perspective. According to the latest Comscore results, the Dainik Bhaskar Group apps monthly active users has increased to more than 17 million in March 2022 when compared to just 2 million in January 2020. We have been consistently demonstrating remarkable growth in our active user base. We have also crossed the important milestone of achieving more than a million mark in daily average e-newspaper downloads. We also did a soft launch of a brand campaign with a tagline "Such kareeb se dikhta hai" which highlights the values and core offerings of Dainik Bhaskar, high quality trusted journalism with a large focus on local and in-depth news. The brand ambassador of the campaign was Mr. Pankaj Tripathi, an acclaimed Indian actor who has a very strong connect in our core market and with our brand values - local and trust.

Coming to the radio division, in the full year of FY2022 the revenues grew by 35% y-o-y to Rs.1,122 million. Volume growth gained momentum across sectors such as real state, FMCG, banking, state government, and lifestyle for the year. For the Q4 FY2022, the revenue from the radio division came in at Rs.303 million, higher by 9.2% on Y-o-Y basis. As we have taken a rate hike recently, we expect radio to perform well additionally also helped by the yield growth. With this I would now request Mr. Girish Agarwal to update us on the operation. Over to you!

Girish Agarwal:

Thank you Pawan and good evening, everybody and I hope everybody continues to remain safe and healthy. On the advertising front the year and the quarter has been very decent for us and we

are happy to share that in Q4 print advertising has fully recovered to 2019 levels excluding shortfall in government revenue and the election billing in 2019-2020 level. Even in the month of April this year, print advertising has registered a decent growth versus 2019. The reason I am comparing 2019 because last two years have been COVID impacted so it will be more fair to compare 2019 in terms of real growth otherwise the number looks higher but they may not be really higher. We have also undertaken the advertising rate hike effective this April itself which I am sure will further help us to ramp up some revenue. The newer sectors are looking for geo-controlled ad campaigns and new-age players looking to tap the non-metro market continues to come to us, given our wide reach and strong editorial integrity that resonate with our readers. This has helped us in delivering growth on these numbers. There is a paradigm shift happening in the way advertisers are looking at Indian language newspapers in Tier-2 and Tier-3 cities, which is certainly benefiting us. In a recently published article by Harvard Business Review, it was found that advertisers prefer traditional advertising mediums to capitalize on the consumer trust. I think this is very heartening to know that the most of the advertising categories are again looking at the traditional advertising as the premium medium for them. The study goes on to say that not only traditional advertising is delivering the best of eyeballs, but it is also headed for growth as advertisers prefer tangible ads which are much more effective and impactful.

On our financial performance and cost optimization, we continue to focus on sustainable cost optimization and therefore we will see resultant improvement in our margins going forward also. During the last financial year, we have saved around Rs.185 Crores in our print business operating costs and we had indicated to you that almost 50% of these savings are sustainable. I am happy to report that in FY2022 we were able to take this saving up to almost 80% of FY2021 cost saving. Resultantly the print business EBITDA margin for FY2022 stood strong at 26% with around 100 basis points growth over last year. High newsprint prices were overall dampener in the bottomline performance. We are pleased to inform that the domestic newsprint prices are showing signs of some softening and we are hopeful that this price hike era should be over now and we should get some relief going forward from the Q2 of FY2023. As per our earlier commitments shared with you in previous quarters, we are happy to share that our pledge of shares has become zero as on March 2022 and as on date also we are nil and this is our commitment to you that we will ensure that this stays zero.

That is all from our side and my colleagues and I would be happy to respond to your questions. Thank you very much.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Himanshu Upadhyay from O3 Capital. Please go ahead.

Himanshu Upadhyay: Good afternoon, I had a few questions so I was looking at the circulation revenue in Q4 FY2019 which was 127 Crores and currently we are around 115 Crores so still 10% of revenue remains down and we have increased the prices also by 6% to 7% is what we have stated, seems that the

overall loss of copy is still running in double digits, so what is the plan here and do we expect that they can come back some sense on that and how should we understand that the loss of copy is how significant?

Girish Agarwal: Let me give you the number. In Q4 FY2021 the copies were 45 lakhs and in Q4 FY2022 the copies are around 42.76 lakhs, so clearly two-and-a-half lakh copies, which is around 5% to 6% decline over the Q4FY2021. If I talk about the pre-COVID number also, there is loss of 10 - 12% loss of copies that have gone for two reasons, some of the households have actually stopped subscribing two papers or even one paper and the offices copies, railway station copies, bus stand copies, hotel copies that has been discontinued to a large extent. We are putting all our efforts to see how we can get those copies back, but frankly speaking the offices copies have not been able to start again, in some offices yes but largely no. In cost cutting also lot of offices stopped lot of things in the office and newspaper became one of that and the railway station again the disruption is there so we are hoping that comes back on track so we are able to start the copies there. I would assume that 10 - 12% copies actually looks like a permanent loss.

Himanshu Upadhyay: Similarly on the advertisement revenue part, so let's say the revenue in Q4 FY2019 for newspaper was Rs 374 Cr and Rs. 39 Cr for radio which has come down to Rs 289 Cr and 30 Cr respectively which is around 30% decline but is there any visibility that we can get back?

Girish Agarwal: Sure, let me give you the numbers in detail comparing 2019-2020, is that right?

Himanshu Upadhyay: No, I am saying 2019 because in 2019-2020 last two weeks were already shutdown okay so March 2020 so that is why I am comparing it with March Q4 FY2019.

Girish Agarwal: I do not have number of 2018-2019 right now with me I have 2019-2020 numbers that we are comparing right now with us. If I see the three big categories where we have seen a dent - one is the automobile category where there is almost 100 Crores dent in the automobile category. Very clearly in automobile category because of the four-wheeler and two-wheeler supply issue this category is hardly advertising not only with the print even in the other media also this category is not advertising because there is no inventory available with them, so this category I am very confident at the moment they have the supply issues getting over, they will come back to us, so that is really not much of worry for me this Rs.100 Crores. Another almost Rs.89 Crores is the loss from the government revenue. This number as you know we had some kind of issues with the government and our advertising in few states and the central government has been put on hold for a while so unless that is resolved so I think this Rs.90 Crores will be on a hold and this also includes some of the election billing which happened in the year of 2019-2020. Furthermore, lifestyle as a category has taken a dip of around 30 Crores. Barring these categories most of the categories are looking good in terms of education we are almost neutral, in terms of banking and finance we are on high side, in terms of jewelry we have shown a growth so other category seems to be controlled except for these three large categories.

- Himanshu Upadhyay:** This reduction is including for both radio and print and on FY2020 basis you are saying?
- Girish Agarwal:** Yes.
- Himanshu Upadhyay:** The only thing why I was comparing with FY2019 was because of shutdown there was significant drop already at that period of time and we had taken this price rise in double digits on the radio effective from February 15, 2022 mentioned in press release, but the traction in the revenue side does not seem to be that much on the radio side?
- Girish Agarwal:** What happens in a market, when you take a price hike you do not see growth happening from the next day itself because it is not a B2C product, it is a B2B like when I take a price hike in my newspaper I increase the price hike say from Monday and Monday onwards the consumers start seeing higher numbers but since in a B2B you have a long term contract, three months contract, four months contract and all that, so the effectiveness of that price does take some time to get implemented. Like in newspapers also recently Indian Newspaper Society has recommended a 20% increase in the advertising rates so based on that all of us have started writing to our advertisers that we need to take a hike on that. Some of them have said that okay we will agree next couple of months' time; some of them have already agreed for some percentage immediately, some of them are still discussing on that, so in a B2B category it does take some time especially in this competitive environment.
- Himanshu Upadhyay:** So, if we want to understand this 9% increase in radio advertisement Y-o-Y what would be the volume growth and pricing growth or where would be capacity utilization in Q4 FY2022 versus Q4 FY2021?
- Pawan Agarwal:** Right now, the largest growth would be from the volume and the capacity utilization is still at a reasonable level we are still less than 20 minutes an hour.
- Himanshu Upadhyay:** So less than 20 minutes it could be 70% to 80% or it is still further below that?
- Pawan Agarwal:** We actually call 10 minutes inventory as 100% out of 60 minutes we call it 10 minutes but now 20 minutes is a benchmark that we take so you can say about 70%.
- Himanshu Upadhyay:** So, 14 minutes you are saying effectively?
- Pawan Agarwal:** Yes 14 to 16 minutes.
- Himanshu Upadhyay:** One thing last then I will join back in the queue. See we have nearly 500 Crores of cash on the balance sheet but still the dividend was pretty low this year and what would be the thought process and what would be stopping you from paying dividends because now profitability has started getting better or seems because of once the advertisement revenue starts moving up so what is the thought process there?

- Girish Agarwal:** Let me reiterate the thought process of the dividend of the company. The company is very clear that the company wants to ensure that most of the earnings need to be paid out as dividend. In today's Board meeting Board has decided to pay Rs.3 as the final dividend which will be recommended to the AGM which will be happening in September month and around that time, we will also see what are the best ways to most tax efficient ways to distribute the benefits to the stakeholders.
- Himanshu Upadhyay:** But earlier we had stated that our focus would be always to have dividend payments so is there something else also you will be evaluating now?
- Girish Agarwal:** We stay with that only and we are finding out some more effective manners to distribute the profit.
- Himanshu Upadhyay:** Thank you. I will join back in the queue.
- Moderator:** Thank you. The next question is from the line of Swapna Kamat from Siddhesh Capital. Please go ahead
- Swapna Kamat:** I missed your initial comments so can you just elaborate on your digital strategy because apparently we are doing pretty well over there compared to other peers and also, we have hired the ex-CEO of NYT, he is on the advisory board so how are we looking at this whole piece and how will it contribute to our advertising revenues and is it already contributing or how will we monetize the whole thing?
- Pawan Agarwal:** As I said we are happy to share that our monthly active users from 2 million in January 2020 have reached a number of 17 million in this quarter so it is eight times increase in our monthly active users and then on those monthly activities we have also achieved 1 million average e-newspaper downloads, so there are few things that we are tracking. We are also the largest app on the Comscore as far as all other news brand are concerned and you asked whether this current advertising revenue has any contributions on digital so there is a very small contribution right now, but we have plans and we will keep sharing those with you. This year we are progressing on monetizing the app from subscription as well as from advertising. It will take some time. We will keep you updated on that.
- Swapna Kamat:** How much is the spent on this whole digital strategy where will it reflect in terms of the cost?
- Pawan Agarwal:** The spend whatever we are doing is very judicious call on the investment made in the digital segment and we took the liberty of requesting all of you to allow us not to disclose the exact number of the digital separately to you from the competitive purpose, so like this quarter we have done a massive campaign, advertising campaign on television so that is the reason you see our other cost has gone up significantly that is more because of the digital data, massive advertising campaign on television for attracting more people to come and download our app, but the costs are totally under control we are watching it on practically weekly and daily basis.

- Swapna Kamat:** Thank you. The next question is from the line of Akhil Hazari from Robocapital. Please go head.
- Akhil Hazari:** I just had a few questions you have mentioned in your press release that you have almost recovered most of the revenue as compared to Q4 FY2020 and in your last conference call it is mentioned that in FY2023 you want to cross the FY2020 numbers so I just want to know does that guidance still stand and in FY2024 would you be able to touch your FY2019 number?
- Girish Agarwal:** As I mentioned to you that if I look at the FY2019-20 number barring out these three categories in most of the other categories we are at par within a very single digit plus minus and I am very confident the automobile will come back in the next couple of months time their chip issues should get resolved and our other issues should also going forward get resolved and yes otherwise if I look at this year so far April has been a fantastic month. We got a very good growth in April and May, June also looks decent though there will be a slight shift of the education category business from the Q1 to Q2 because of the delayed results so all the results and the examination which used to happen in the month of April and May they are happening now in the month of June and July so there will be a shift in advertising, but when you look at the deals which we have signed up with the advertisers that is on a good base.
- Akhil Hazari:** Once the cost of materials, the newspaper price has come down you are expecting again the margins to become better and I just want any margin guidance that you give anything sustainable?
- Girish Agarwal:** We are at 26% margin right now and we certainly feel and hope that this should further go up from there.
- Akhil Hazari:** Fine great and could you just tell me the current debt of the company right now and what could be the finance cost going forward?
- Girish Agarwal:** We have a zero debt so finance cost is not reflected anywhere. It is like a 5 Crores interest per Qtr overall.
- Akhil Hazari:** The last question regarding in the last concall you had mentioned that a probe was on regarding the revenue that you are going to get from Google and you filed a complaint all the publishers have so I just want to know is there any update on the probe?
- Girish Agarwal:** Recently, Canada is also in the process of passing a bill where they are saying that the social platform will have to share the revenue with the news source so that is another optimism we have now for the Indian regulator to decide on that.
- Akhil Hazari:** What is the best possible outcome that can come from this?
- Girish Agarwal:** I am generally slightly ambitious guy on this so I am looking at much, much bigger number.

- Akhil Hazari:** If I can just squeeze last question regarding the other expenses in this quarter what is the major expense like the majority of the other expenses?
- Girish Agarwal:** The majority of other expenses is we did a massive advertising campaign for digital so the majority of this quarter cost is based on that.
- Akhil Hazari:** How much is this, the advertising campaign?
- Girish Agarwal:** I again request you that you all gave us the permission not to disclose the digital number separately hence we are not doing it.
- Akhil Hazari:** Fine. No problem. That's it from my side. Thank you, Sir.
- Moderator:** Thank you. The next question is from the line of Abhishek Salunke from V.E.C Investments. Please go ahead.
- Abhishek Salunke:** It is good to know that the business is back to almost pre-COVID level and if not for the cost of paper prices increasing, I think we would have looked at a much bigger number so what is your outlook on the cost of paper prices in fiscal 2023 you look at softening or going up?
- Girish Agarwal:** Unfortunately, if you look at the paper prices this quarter our average price is sitting at 48,000 per ton but this is because we already had some inventory and we also had some contract with us for the older rate. Current market rate this would be currently north of 60,000 plus so our worry is that in Q1 our cost has also jumped, but having said that because of the raw material availability now for the newsprint industry I think they are indicating the cost will go down going forward so we will have some impact coming in Q2 and Q3 as a reduction. Let us see by Q3 we will have a clear picture are we in the range of early 50,000 or higher of 50,000.
- Abhishek Salunke:** So, I am saying this higher cost of paper will lead to strain on margins in the first half of fiscal 2023 but you are expecting that by the second half of fiscal 2023 the margins will be like improving trajectory.
- Girish Agarwal:** I would say that in Q1 of this next financial year the margins will be subdued, but it will certainly improve in Q2 and Q3 going forward.
- Abhishek Salunke:** I think in the second half of fiscal 2023, we would also look at some part of revenue out of our digital app because it is growing tremendously and it is popular now, I am also one of the users of DB digital app and it is fantastic so I am hoping that from second half of 2023 we would look at some contributions from digital app, your comments.
- Girish Agarwal:** Certainly, yes and thank you for being our user.

- Abhishek Salunke:** Just last question DB Corp the market cap is around 1400 Crores as against that we have cash of 515 Crores liquid cash so we have done buyback in the past at around 340 bucks don't you think it makes sense for us to do a buyback at this price because it is kind of very undervalued compared to the business strategy that it gives us now what do you think?
- Girish Agarwal:** We will certainly take your suggestion to the Board and we would let them decide.
- Abhishek Salunke:** Thank you Girish. All the best.
- Moderator:** Thank you. The next question is from the line of Sidhant Mattha from B&K Securities. Please go ahead.
- Sidhant Mattha:** Good evening. Two questions, first question is regarding the costs so I missed your point on saying that you saved some cost so what cost savings are permanent in nature or something like that which will flow into FY2023 also?
- Girish Agarwal:** In 2021 we had done a saving of around 185 Crores over 2019-2020 out of that almost 150 Crores continued as saving for 2021-2022 also and we believe that almost 95 Crores will continue saving for this year going forward.
- Sidhant Mattha:** Secondly in some previous questions you answered about the EBITDA margins I missed that point.
- Girish Agarwal:** Our print EBITDA margin is 26% for full year of FY2022 and we believe we are working towards this that we should be able to improve this going forward.
- Sidhant Mattha:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Deepesh Kashyap from Equirus Securities. Please go ahead.
- Deepesh Kashyap:** Thanks for taking my questions. Sir you talked about the digital media campaign cost hike in this quarter so just want to understand since you are not giving the number whether that will be a one-off or that will continue going forward?
- Girish Agarwal:** See it all depends, the response what we have got from the market and we feel that this is further going to help us to take the numbers higher we would try to do something more but we believe that what we have done is good enough and will take on for some more time, we may not so it all depends based on the business requirement.
- Deepesh Kashyap:** So, any guidance on overall EBITDA margins. I understand you will say that print margins will improve but overall EBITDA margins of the company any thoughts on that?

- Girish Agarwal:** Our endeavor is to ensure that we go back to what we were doing earlier. Let us see how the newsprint plays and how the digital market plays out.
- Deepesh Kashyap:** That already is giving 26% margin but these external costs are bringing it down so like with these costs do you think 26% margin kind of a number is sustainable for FY2023?
- Girish Agarwal:** For the print business?
- Deepesh Kashyap:** No overall.
- Girish Agarwal:** Overall, let us see how it goes. I think digital also we are planning some monetization from the second quarter let us see how it does pan out, how the newsprint prices and all that. There are too many moving parts in this so allow us to wait and show you the quarter results going forward.
- Deepesh Kashyap:** If you can just remind us like this campaign, we are basically focusing on adding the monthly average users right, right now there is no revenue coming from the digital side you are not doing any advertising or anything like that on that?
- Girish Agarwal:** Absolutely.
- Deepesh Kashyap:** Got it so in the second half are you expecting to increase the subscription or advertising kind of a thing which I think you answered the previous question that you are looking for monetization?
- Girish Agarwal:** We are working on it about some advertising and all that and we shall update you when we are ready to roll it out.
- Deepesh Kashyap:** All right and you also talked about proposal of increasing the ad rate by 20% if I heard correctly so do you think this any rate hike is possible given the RM inflation that is hurting most of your clients?
- Girish Agarwal:** What we have done, we have sent a very humble request letter to all our clients explaining them our situation, explaining them our reach, explaining them the newsprint cost at the same time explaining them how effective we are and some of them have been kind enough to say okay we will give you the 5%, 7% increase immediately, some of them have been slightly tough nut so we are still working with them. Yes, it is a mixed basket.
- Deepesh Kashyap:** This is for the entire industry not specifically for DB Corp?
- Girish Agarwal:** No, no for entire industry. Some players are not even asking for the rate increase because they are not confident about themselves but some of us like we are really pushing hard,
- Deepesh Kashyap:** Got it and Sir lastly what led to the sharp improvement in the receivables is there a lesser proportion of the government revenue is that the case?

- Girish Agarwal:** Yes, Sir very much and also our team is working hard I think we must give it to them to recover the money.
- Deepesh Kashyap:** Got it. Anything where you can tell about the recurring trends how is it going in April and May, are there any improving trends compared to the last quarter?
- Girish Agarwal:** One interesting thing what we are noticing in advertising is the clients those who advertise in print they are actually now saying that yes, the effectiveness comes from the print and I will give you a very specific category example of real estate and another category is the e-commerce those who are with us and the other new apps those who are coming in, those who are advertising in print with us digital clients. Now all these clients are not looking for brands they are looking for direct response from the print so when a real estate client releases a jacket with us he wants a response by Saturday, Sunday to date itself because most of the site visit happens on Saturday and Sunday and these clients are coming back, signing the deal with the higher amount based on the 2019-2020 base also so that is very heartening to know that the business is moving in the right direction including the Jewelry client like there are two big national players one is Tanishq and one is TBZ apart from the local players in the market. All these guys are right now sitting at 20% plus growth with us so that is a very positive sign in the market.
- Deepesh Kashyap:** Lastly about the modeling perspective you said that the newsprint cost is currently around Rs.48,390 for this quarter it includes some inventory that you were holding for the lower price so what will be the increase in the newsprint cost for the Q1, what are the current prices that are going on?
- Girish Agarwal:** See if you go by the current price, it is almost \$1000 for imported and almost Rs.70,000, Rs.65,000 for the Indian but obviously that is not our price because we have some prior contracts done but there will be a mixed basket number, higher number certainly in Q1.
- Deepesh Kashyap:** Got it. Thank you and all the best.
- Moderator:** Thank you. The next question is from the line of Ruchita Gadge from i-Wealth. Please go ahead.
- Ruchita Gadge:** In FY2022 how much operating revenue was saved like in 2019-2020 you mentioned that you saved 180 Crores so in FY2022 how much was saved?
- Girish Agarwal:** Cost?
- Ruchita Gadge:** Yes, the cost.
- Girish Agarwal:** So not revenue the cost, as I mentioned to you in 2021, we were able to save Rs.185 Crores and the question was that is this 185 Crores sustainable going forward. Out of that 185 in the year 2021-2022 we were able to continue a saving of Rs.150 Crores going forward out of that 150 we believe 95 Crores will be further continued as a saving going forward.

- Ruchita Kadge:** Got it. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Himanshu Upadhyay from O3 Capital. Please go ahead.
- Himanshu Upadhyay:** My question was we had seen many weaker players would be finding much tougher to survive in this industry so is there any opportunity for inorganic acquisitions or something like that and we have also stopped going through organic means of growing so what are your views there?
- Girish Agarwal:** As you mentioned, the weaker player may be willing to sell out but the question is that do we want to acquire weaker players unless until they add any value to us there is no point for the sake of looking at them. Certainly, we are not looking at the weaker players to be taken up and as far as we are concerned on our organic thing so wherever in our markets of Rajasthan, Gujarat, Bihar, Madhya Pradesh we are further working on that to see how we can gain some more copies in these markets maybe in the newer areas or newer markets and all that within our geography.
- Himanshu Upadhyay:** So geographical expansion we are not thinking currently?
- Girish Agarwal:** Yes, we are not seeing any geographical expansion right now.
- Himanshu Upadhyay:** In the existing markets the organic growth what you are expecting will it be more from getting weaker players copies or you think the way the things are you will get those copies more?
- Girish Agarwal:** Yes, you are right there.
- Himanshu Upadhyay:** So, can you explain?
- Girish Agarwal:** In a particular market I am operating and there are two more publications operating now because of the overall cost issues they may have decided to weaken their product by using the inferior quality of newsprint or reduce the number of pages, reduce the number of editorial team operating with them for the cost cutting purposes in that case certainly my product would be a better product another product so I reach out to a reader and explain them the merits of my product and that helps him to take a call to go with the better product.
- Himanshu Upadhyay:** Would we like to increase number of sales people in sales and marketing people because if there is some scope to grow?
- Girish Agarwal:** Yes, if it is required, we will. Right now, we have not reduced any manpower in our sales and marketing but if required we will certainly increase them.
- Himanshu Upadhyay:** But we are not increasing currently?

- Girish Agarwal:** Not largely but maybe here and there few increases, market-wise keeps happening. For example, recently we have decided that two district markets in Madhya Pradesh we want to highlight and focus them on so we have increased the team over there.
- Himanshu Upadhyay:** Thank you from my side.
- Moderator:** Thank you. The next question is from the line of Swapna Kamat from Siddhesh Capital. Please go ahead.
- Swapna Kamat:** My question is on the advertising revenues. Now on the high base we have grown a little weak during the quarter but could you give us a little bit of outlook as to how we are seeing the coming year and is there pressure because of most of the corporates are facing inflationary pressures on their margins as well so are we seeing any pressure or is it because the real estate is sort of picking up so what is the trends that we are looking on the advertising revenue sites and you also mentioned that the digital monetizing part should also start looking better from the next year onwards so together could you give some ideas to how should we look at these advertising revenue going forward?
- Girish Agarwal:** Advertising revenue if I go segment wise then real estate is one segment which is looking brighter, education is also looking good, jewelry is looking fantastic, travel category looking very good, banking and finance is looking good, the category which I want them to improve drastically because they have gone drastically down are the automobile, lifestyle, and government, so if these three categories come back to their normal and with some growth over 2019-2020 we are in a good shape.
- Swapna Kamat:** What was the contribution to the overall revenues for FY2022 from government?
- Girish Agarwal:** Around 14%.
- Swapna Kamat:** Should we look at some double-digit kind of trajectory going ahead?
- Girish Agarwal:** Our teams are working very hard towards that. Sure, with the market numbers panning out the way we are looking at we should be there let us see.
- Swapna Kamat:** How are yields in terms of I have not tracked the data but how are the advertising yields?
- Girish Agarwal:** It has come back to pre-COVID level. Yield is not a major issue now, in certain categories certain players yes but largely yields are back.
- Swapna Kamat:** When we talk about this digital part of the business the existing you would have deep accounts with some of these real estates, etc., players so you are seeing some initial low hanging fruits wherein you can start monetizing them on the digital side as well?

- Girish Agarwal:** We have not yet decided the strategy for digital advertising and then may be rolling out in some months' time going forward.
- Swapna Kamat:** Thanks a lot.
- Moderate:** Thank you. Due to time constraints, we will take the last question from the line of Avinash Lingaraju an individual investor. Please go ahead.
- Avinash Lingaraju:** My question is around the copyright laws that was changed in the Europe, recently they have changed the copyright laws and that is going to impact the revenue sharing I just wanted to know your thoughts if there is something similar that you foresee happening in India or I know that there is some something that the competition commission is also looking into are these two things different or I just wanted to know your perspective on this?
- Girish Agarwal:** If I am understanding your question right you are saying that what happened in case of Europe and Australia wherein the social media platform was asked to share their revenue with the news sources is that you talking about?
- Avinash Lingaraju:** Also, I think they have amended the copyright laws to actually force Google and Facebook to actually share the revenue.
- Girish Agarwal:** In India they have not yet decided that how are they going to ask them to share their revenue the matter is still subjudice under calculation with the regulators so I may not be able to really comment on that, but yes most of the publishers in India strongly believe and rightly so that when we create news platform and if any other person is collaborating with us then we should also be sharing the revenue because there is a newsroom cost, there is a cost where every piece of news which is being generated, so suddenly whether it is Google or Facebook running the platform they should be rightfully sharing the revenue with us so that is the case we all are pleading in front of the regulators let us see how it comes out.
- Avinash Lingaraju:** Thank you.
- Moderator:** Thank you. I now hand the conference over to the management for their closing comments.
- Pawan Agarwal:** Thank you everyone for your participation and time on this earnings call today. I hope that we responded to your queries adequately today and we will always be happy to be of assistance to our investor relations department headed by Mr. Prasoon Kumar Pandey for all your further enquiries. Take care everyone and stay safe. Thank you. Have a good evening ahead.
- Moderator:** Thank you. On behalf of DB Corp Limited that concludes this conference call for today. Thank you all for joining us. You may now disconnect your lines.