



DB Corp Ltd

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Q1FY22 Earnings Conference Call Transcript

August 13, 2021

Moderator: Ladies and gentlemen, good day and welcome to DB Corp Limited Q1 FY2022 Earnings Conference Call. As a reminder, all participant lines will be in the listen only mode and 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 Miss. Hina Agarwal. Thank you and over to you, Miss. Hina!

Hina Agarwal: Thank you and good evening to everyone. We welcome you to the DB Corp Limited Q1 FY2022 post Earnings Call. We have with us today the 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 Finance and Account, Mr. Lalit Jain – CGM Finance and Account and Mr. Prasoon Kumar Pandey – Head investor in Media Relations who will represent DB Corp Limited on the call. They will be sharing the key operating and financial highlights for the quarter ended June 30, 2021, 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 websites of the stock exchanges and company’s investor website. We trust you have been able to go through the same. Now I invite Mr. Pawan Agarwal to share his outlook on DB Corp’s performance for the quarter. Thank you and over to you Sir!

Pawan Agarwal: Thank you Hina and good evening to everyone. Hope all of you and your families are healthy and safe. We will begin the call by highlighting the key financial performance for the quarter ended June 30, 2021, followed by operational updates during the quarter. Economic activities accelerated in the third and fourth quarters of FY2021, but the second wave of COVID-19 offered a new set of challenges with the localized lockdowns. While the financial impact on the operations was not as severe as the previous year it certainly slowed the return to normalcy. Throughout this period, the Dainik Bhaskar group demonstrated extraordinary resilience. Company's well-calibrated editorial and circulation strategies contributed to mitigating disruption. Additionally, our cost optimization effort contributed to limiting the impact of disruption during these tough times.

Consolidated advertising revenues stood at Rs.1713 million in Q1 FY2022, while circulation revenues stood at Rs.1106 million and the total revenues came in at Rs.3080 million. Consolidated EBITDA stood at Rs.51 million aided by efficient cost control measures and despite large investment in the digital business for future growth. We have reported a net loss of Rs.223 million in Q1 FY2022 after interest and depreciation and tax. On the digital front, we continue to invest in our digital businesses which has expanded substantially at a steady sustainable pace over the last year and we continue to provide the best in world class news experience on our digital app with no advertisement at all even during COVID. We are pleased to report that we have largely achieved our goal of becoming the number one Hindi and Gujarati news app and we intend to increase our lead even further in the months ahead, according to the recent Comscore report, attributable to high quality content development and a highly personalized product experience. Our unwavering commitment to deliver the best customer experience has been critical and maintaining and improving user retention in our key markets as well as aid us achieve a long-term growth and monetization goals. Dainik Bhaskar Group Radio business continues to maintain a leadership position in all significant markets. Our advertising revenue for the quarter stood at Rs.156 million with an EBITDA loss of 2.5 million in Q1 FY2022. I would now request Mr. Girish Agarwal to update us on the operational front.

Girish Agarwal:

Thank you Pawan. Good evening everybody and I hope that everybody continues to stay safe and healthy. Let me first of all touch upon the recent CBDT officials visit to our offices across various locations to inspect our book of accounts. They arrived on the early morning 5:25 a.m. on July 22, 2021 and stayed in our premises for seven days. They were analyzing our books and we will continue to lend our full support to those officials. Following the conclusion of the investigation, we shall update the exchanges and the market once we receive all the information from the department in writing and then we will be able to communicate back to all of you and the stock exchanges.

Coming to business, resurgence of COVID-19 posed a new set of challenges for the industry. To address the surge, all state governments implemented lockdown and restricted mobility and activity. This suddenly has slowed the economic recovery prompting market sentiments to become cautious. With the number of cases decreasing and states doing a calibrated removal of restrictions, the economy has begun on the path of recovery. The pent-up demand from the lockdown imposed in the second wave coupled and the government's stimulus packages likely to generate a stronger economic rebound. Additionally, with the festival season approaching in the second half of 2021, we shall see renaissance in the print advertising with brands across the industry investing heavily in the most credible medium to reach out to the audience.

On the editorial front, we continue to take a strong journalistic approach, very strong I would say, while keeping the readers at the forefront of all our efforts. During the pandemic, our editorial teams remained true to its core ideologies of courageous and honest journalism providing our readers with unbiased courageous and truthful reporting. Here I would like to mention that all our journalists those who reported COVID on the ground they actually risked their lives for our

readers to ensure that the truth should come out and the actual fact on the ground should be known to the world, and I am really thankful to all of them. Our innate commitment towards responsible journalism has not only strengthen our readers connect but has also helped us getting the recognition of India's most admired, respected and read newspaper while also making a footprint on the global landscape. You would be aware that most of the international newspapers mentioned the reports of Dainik Bhaskar and Divya Bhaskar in their editorial pages. We will continue to implement our reader-centric strategy and expand knowledge by delving into various issues that give critical information to our readers. We believe that our reader-centric editorial strategy will continue to bolster our standing in the market in which we operate, resulting in increased advertising spending also.

On the circulation front, while Dainik Bhaskar's well-calibrated circulation strategy continued and contributed to the spectacular recovery of the circulation following the first wave and I am happy to say that the second wave was not that tragic in terms of circulation, we are almost there. However, we further need to focus to see how we can achieve the pre-COVID level faster. On the advertising front, the economy is witnessing a broad-based rebound as our country recovered from the second wave of COVID-19. We are experiencing a faster recovery in non-metro towns and cities especially in our markets. As a result, the demand for print advertising space is witnessing an upsurge. Advertisers are increasingly turning to the print media which is certainly the most credible medium. Our recent exclusive advertising deal with various clients in automobile sectors and FMCG sectors are the testaments of our strong presence and outstanding journalism practices, also to attract the readers and in turn the advertisers. With phased unlocking, the company registered a month-on-month improvement in advertising revenue from April to June and to July. We are seeing an uptake in the advertising spend across major categories. As a sense of optimism increases in the economy and with the forthcoming festival season, we anticipate advertising spend to further improve.

Our cost optimization drive continues to aid in improving the margins I would say in the current situation in saving the margins actually. Despite the COVID second wave which led disruption in advertising and all that, the print business made an EBITDA in Q1 of Rs.381 million which is a margin of 13% EBITDA while if I compare it to the Q1 of FY2021 it was certainly a much worse scenario at that time and I hope that going forward this will further improve and show hockey stick kind of recovery. I would like to reiterate that despite the difficult economic environment we continue to outperform the print sector in terms of advertising and circulation owing to our reader-centric approach, our journalism excellence, product innovation, and well thought-out implemented circulation strategy. Going forward, we intend to further solidify our market position by providing compelling values to our readers as well as advertisers. This is all from our side. My colleagues and I will now be happy to respond to your questions. Thank you.

Moderator:

Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press "*" and "1" on the touchtone telephone. An operator will take your name and announce your turn in the question queue. Participants are requested to only use

handsets while asking a question. Ladies and gentlemen we will wait for a moment while the question queue assembles. The first question is from the line of Himanshu Upadhyay from PGIM. Please go ahead.

Himanshu Upadhyay: Good afternoon. What we see is the readership has come back or it is very nearly back, it has not decreased in Q1 versus Q4. From hereon, what would be the path for advertisement growth and what is happening on ground in terms of intensity of competition, pricing on advertisement side if you can elaborate, and what are the current number of pages we are doing versus let us say in the Q1 of FY2020, can you give some idea on what is happening?

Girish Agarwal: As you rightly mentioned that the circulation has not been disturbed much because of the second wave of COVID, but I would say it actually delayed some process of growth to further go back to the pre-COVID level. What we are planning to achieve in the Q2 of this year to back to the level earlier I think that will now get pushed up by another maybe two quarters, let us hope that should come back faster. From the advertising revenue perspective, January, February, and March were good enough. Suddenly in the mid of April, this whole COVID thing started coming again, so the May got again washed out, came down to almost 25% of May 2019 level. I am actually going to compare the entire year for 2019-2020 rather than 2020-2021 because 2021 was a very uncertain year. There is no point feeling happy that I was higher in the May of last year. I would actually compare from May 2019. We went down to as low as 27% of May 2019, but June came up to almost 40% to 42%. I am happy to say in July month we were able to achieve almost 75% of July 2019, that is a good indication and things are moving in the right direction. I am happy to say that it is not only one or two categories that are coming back, most of the categories are coming back whether it is automobiles or education or FMCG or real estate, especially education which got actually shifted because education which was planned to be in the months of April, May, June because of COVID now it is happening in the months of July and August, because the results are coming late and examinations are happening late and all that. Let us hope that this whole talk of delta variant happening and the third wave and all that should not happen, so that our festival season which is happening in the months of September, October, and November stays intact.

Himanshu Upadhyay: What we hear from various people is that the demand generally seems to be very strong across the companies, this is what we keep on hearing. Even if we take 2019 April, May, June, our FY2020 was on a slow moving downside trajectory only in the economy. This slowdown was slowly and steadily taking place. Do you think we can get back to that level and how much time should it take?

Girish Agarwal: As I mentioned to you, this July we are at 75% of July 2019 and as we have already done 13 days of August it looks very promising. So I hope if it continues like this, we are already back in the 2019-2020 level right now, we are keeping the fingers crossed.

Himanshu Upadhyay: My only point was because 2019 also was a difficult year or a down year only, it was economically slow down year. My next question was the radio business, what is happening on

the radio business because that remains a weak link for us, are we seeing improvement on that business also, just your thoughts on that business?

Girish Agarwal: In radio, in Q1 we did just about 60% of last year, but we are again seeing a very sharp recovery in the month of July and August in radio as well, and when we are comparing with our peers in the national market I am happy to share with you that in Q1 we grew about 94% compared to last year Q1, all the other peers were roughly about 43% to 44%, so we had a robust Q1 compared to the overall market. We are seeing a good recovery in July.

Himanshu Upadhyay: One last question from my side, are the yields down only versus March, April, May, June of 2019, advertisement yield I would say for both radio and newspaper or they are back to the normal levels?

Girish Agarwal: They are almost back to normal I would say.

Moderator: Thank you. The next question is from the line of Shivam Saxena from ICICI Bank. Please go ahead.

Shivam Saxena: My question is have you taken you power price hike because raw material prices have increased substantially, so any plan to take price hike or have you taken?

Girish Agarwal: If you compare our Q1 of this year and Q1 of last year, we have taken 8.5% price hike in the last one year's time and if you compared Q4 and Q1 we have taken a 2% price hike.

Shivam Saxena: Okay. Is it sufficient to cover the raw material cost because the paper prices have increased sharply, if you see in the last six months the raw material prices have increased sharply, so are you able to maintain the margins based on this price hike or are you going to take further price hike in the future?

Girish Agarwal: As of now certainly this is not covering the price hike which has happened in the newsprint sector, but there is a limit which we can pass in on to our readers. As of now, this is what we have done. We have certainly some margin head room to increase the price furthermore, but we are yet to take a call on that.

Shivam Saxena: Okay, and any government advertisement coming on because elections are due, is that coming on your print media?

Girish Agarwal: As of now, the Punjab government elections, UP government elections are going to happen in Q3 or Q4, we will see at that point. As of now, no, we are not getting any major government advertising. In fact, our government advertising of a few states is already on hold.

Shivam Saxena: Okay, any specific reason for that?

Girish Agarwal: No, we have been talking to those departments. They have stopped releasing the ads to us. We are talking to them, but we do not know the reason.

Moderator: Thank you. The next question is from the line of Anish J from Banyan Capital. Please go ahead.

Anish J: Good evening Sir and thank you for the opportunity to speak to you. In terms of circulation, we have done quite well. We have been able to maintain our revenues, but if you compare it to the pre-COVID I believe we are still 10% to 15% short. The question is that how important is it for the circulation revenues to go back to 100%, for our advertising revenues also to go back to the pre-COVID levels, how are they two correlated to each other from advertisers perspective?

Girish Agarwal: In certain markets they are for example where we can have more domination. I am not actually comparing the number in my mind that if I achieve this, I will achieve this. I am using that number that if today I have increased my market share in terms of circulation in Jaipur, in Ahmedabad, in Patna, in Indore, in Bhopal and all these markets. If I gain more circulation, then certainly my lead will increase much more over my competition and also what we have noticed in the last one year's time due to the amazing editorial work done by our team that the time spent by our reader with our newspaper has gone up. It is also very useful for the advertisers.

Anish J: All right. My second question is in terms of the recovery of our revenues and also thinking from our customer segment perspective, there are two things which have happened. One is some of the customers that were important for us in the past there has been decline in their spending in the last one-and-a-half years, and also there has been a shift, I mean if you see digital revenue has grown less during the COVID time, so what is your reading about coming back to our pre-COVID levels in terms of the shift of the different sectors which will get us back over there and how much would we have permanently lost from the digital space? If you could help us understand how we will take back to the pre-COVID levels especially in terms of the sectors which will get us back?

Girish Agarwal: In certain sectors it is difficult to quantify that how much we have lost to some other vehicle or medium, but what we can certainly see the sectors which will help us to come back are certainly automobiles, education, and real estate. These are the few sectors which will certainly help us to come back because these sectors are bouncing back very strongly, they are growing actually. When these sectors grow we will be able to grow along with them.

Anish J: Just one followup question if I can, you mentioned you have gained a lot of prominence as a print media after COVID because of more trust on what we publish, so if you could help us understand whether these automobile, education, real estate which you mentioned, you are expecting higher spends from these advertisers going forward versus let us say one-and-a-half years back or you think that more number of sectors will open up so there will be more opening up of the segments or the sectors which will drive us back, is it more deepening with the existing sectors or more broadening that is going to get us back?

- Girish Agarwal:** I would say both. For example, a particular automobile client if he is advertising with me in my markets now because of my much more credibility and involvement with the readers, his spend with me will grow, his market share with me will increase which we are noticing also. There are a couple of clients those who are now doing very strong market share with us that is one. Second thing, there would be a couple of customers in particular category those who are not earlier focusing with us, now they are looking at us also.
- Moderator:** Thank you. The next question is from the line of Rahul from RN Associates. Please go ahead.
- Rahul:** Good evening Sir. Thanks for the opportunity. I have two questions. Can you please tell us more about exclusive deals with Skoda Kushaq which you had mentioned in your investor presentation and second one is about newsprint prices for Q1 and going forward?
- Girish Agarwal:** These two deals which we had mentioned in our press release, we have actually done a few more deals like these. Basically these are the advertisers those who came onboard during the COVID times also and signed a deal with us which showed that they were looking at the market from a market leader perspective and it shows us in those markets. That is about the confidence of our brand which helps us attract more brands. The same thing happened in other few categories also and we are thankful to them, and we are very happy that they got the desired result and that is the reason they are back and there are many more those who are with us now.
- Rahul:** Any specific amount of deal which you have cracked for two years or three years that those clients will be with you?
- Girish Agarwal:** All these deals are quarterly deals. In this environment, everybody is looking at a month and a quarter. So, no advertiser will sign a two-year deal with anybody because of the uncertainties around, but this builds up the whole confidence.
- Rahul:** Thank you. How about newsprint prices for this quarter and going forward what is your outlook?
- Girish Agarwal:** Let me give you the numbers. The newsprint rate in Q1 last year was Rs.35,000 to Rs.36,000 per tonne. This year, our rate is almost Rs.41,000. There has been almost 15% increase in the newsprint rates for us. Surprisingly the Indian newsprint rate has increased much sharper than the imported. Simply reason why because we have the stock of the imported with us. We have forward agreement with the imported with us. While the Indian guys have increased the price by almost 35% for the impact on us while in imported though the impact is there but since we had a forward buying in the stock the impact is not that sharp. We are analyzing the market trends right now, there has been an increase in newsprint price all across. The imported newsprint price people are talking about almost 700 USD per tonne going forward. Even the Indian newspaper society has also indicated that kind of prices going forward and the reasons are very clear that there is a huge shortage of the raw materials. Even the raw material prices have gone up, like the newspaper waste which we used to sell the domestic household earlier which was at Rs.13 to

Rs.14 per kg today that has gone up to almost Rs.27 to Rs.29 per kg. Due to all these reasons and also the high marine freight due to the limited container and vessel space availability, there is increased demand from China for packaging and other products of the paper, so all these things are actually impacting the overall increase in the newsprint pricing. What we believe is that the current price what we have in the next quarter what we can see in the Q2 there will be at least 2% to 3% increase in the prices.

Rahul: Okay, it will be somewhere around Rs.43,000 to Rs.40,000, is that what you are saying?

Girish Agarwal: No, Rs.43,000 to Rs.44,000 becomes almost 8% to 10%, it will be 2% to 3% over the next quarter and let us hope that from Q3 the prices start moving down because the raw material prices should come down, the availability of the vessels will increase, and that all should give some benefit going forward.

Moderator: Thank you. The next question is from the line of Yogesh K from B&K Securities. Please go ahead.

Yogesh K: Thanks for the opportunity. I understand the emerging businesses now comprise mainly of digital business. There I see a cost base, between revenue and EBITDA, it is something like 37 Crores for the quarter. How should we look at this cost related to digital business? I would presume that there would be some amount of nonlinearity and this may not increase incrementally or at least it would increase in line with the revenue, does that understand right?

Girish Agarwal: This cost of digital as you know we have got some huge benefits in the last one to one-and-a-half years' time. Whereas in the Comscore only we have shown a growth of almost 7.5 times in terms of our app. Our entire focus is on app because going forward looking at the mobility around and if you want to monetize it in some way it has to be through app. It cannot be through the web. So, we are very happy with the response what we are getting on our app and that is what the investment what we are doing. As you have noticed that I would encourage you to download our app at Dainik Bhaskar.app and you will see the amazing experience of users there because we do not have any advertising there. Because of that this cost base what we have taken, I think this cost base will not go much higher, but this process will continue for a couple of quarters more.

Yogesh K: Secondly on the revenue side, there are two aspects to this. Regarding the monetization on our app and we take note of what you have said in the earlier calls regarding the focus is right now on the leadership and on increasing the user experience, but on the other side we have been reading about the deals with Google and Facebook, is there any update regarding that?

Girish Agarwal: We are in talk with all these players to see how we can do some win-win situation, but it has to be win-win, so we are waiting for that win-win to happen. It may take some more time.

Yogesh K: Any sort of broad guidance for any indication of when we could see the revenues scaling up and losses declining substantially in the digital business?

Girish Agarwal: To be very honest as we had indicated to you in earlier quarters also I think this is the time for us to do some steady investment in digital in terms of gaining more and more number of downloads, more number of people coming on to our app on a daily basis, and all that, so that is our focus. Revenue model is very simple since we are not taking any advertising, so maybe a couple of players as we mentioned with you could sign some deal with us for the news sharing and all that, and it could be app monetizing by the readers, and that would certainly take some more time.

Yogesh K: Okay, thanks for this. A bit of followup regarding the previous question regarding the newsprint prices, given the extent of volatility if I got it right, the spot prices have gone up by 35% in the domestic market, you are quite comfortable that increase for us will not be more than 50% in the coming quarters or there could be a risk based on the volatility in the market?

Girish Agarwal: For Q2 we know the number which we have mentioned to you. For Q3 frankly speaking we do not have much of a clarity because the international freight and the vessel availability then the local value which is the wastepaper which goes in recycling for the news print, all are pretty volatile right now. I would suggest let us not take assumption for the Q3 right now.

Moderator: Thank you. The next question is from the line of Yash R from JP Associates. Please go ahead.

Yash R: Thank you Sir for the opportunity. My first question is with regards to the ad revenue that we have, the recovery that we had as compared to May 2019, could you also please help us with the PO recovery percentage that we have against the peak COVID level? This is my first question and the second would be regarding the pagination, have we increased the pagination or are we seeing that there is going to be an increase during the festival season obviously, if you can help us with the percentage as well? The third is with regards to the other operating revenue that we are seeing in the financials. There seems to be some sort of an increase in that, could you also please help us with it?

Girish Agarwal: Let me go with the first question of PO. It is currently at around 42,50,000 copies which is a decline of almost 6% over the Q4, because in Q4 we were on the path to recovery. We were almost at 45 to 46 lakh copies, but because of the second wave of COVID again the trains stopped, buses stopped, markets were shut, offices were shut, around 6% loss of the copies came in, but we are hopeful that we should recover immediately in this quarter and then from the next quarter we need to get in to go back to our earlier numbers. Our peak number in FY2020 was almost 55 lakh copies. We need to see these levels, long way to go if we are touching the peak number, but if I look at the pre-COVID number we were at around almost 47 to 48 lakh copies, so we need to achieve that also.

Yash R: With regards to the pagination?

- Girish Agarwal:** Pagination is a straightway function of the number of advertising comes in your paper. For example, in the current quarter our pagination is around 16 pages. If I compare that with the pagination of FY2021 Q4 and Q3, it is certainly down because of COVID, the advertising was less and all that, but going forward in the months of July, August and September and next quarter the pagination will be back to much higher number. Like last week our Muzaffarpur edition did 120 pages. Jodhpur did an issue of almost 100 pages. Today is Bhopal anniversary, so between today and tomorrow they are doing almost 50 to 60 pages average everyday. So, pagination is all an issue of the advertising.
- Yash R:** Okay, what about the other operating revenues that we are seeing?
- Girish Agarwal:** That is the increase in job work and wastage revenue sale besides interest on the FDR actually. The other operation income is of increased job work income, wastage sale income and the interest on FDR from Q1 because the FDR amount has gone up and it is because of that.
- Yash R:** That would be other income right. I am talking about the revenues from operations apart from circulation and ad revenues?
- Girish Agarwal:** I will have to get back with details on that. That must be the sale of certain wastepaper and other things and all that, and some job work of the printing what they do.
- Yash R:** Okay, and the salaries we are seeing an uptake. I remember you had mentioned in the last quarterly results during the last call that it should be around about the level that we are seeing now. So are we seeing this on account of the salaries getting reinstated?
- Girish Agarwal:** Where is the uptake? Help me understand the number. Let me read the number for you. The personnel cost for Q1 of this year is at Rs.881 million. If I look at the number of the Q4, it was Rs.1061 million, so from Q4 to Q1 there is a decline of 17%.
- Yash R:** Correct, the uptake was in Q4 and you had mentioned that was on account of salaries that were being paid.
- Girish Agarwal:** Yes, if you are comparing with the Q4 of 2020?
- Yash R:** Yes.
- Girish Agarwal:** That was uptake of just 1.7% to be precise.
- Yash R:** Now are seeing a downtrend on account of?
- Girish Agarwal:** Because the number of people has gone down. We have automated a lot of processes.

- Moderator:** Thank you. The next question is from the line of Himanshu Upadhyay from PGIM. Please go ahead.
- Himanshu Upadhyay:** Two questions I have. One is what is happening in the local market? We are seeing a lot of people running into losses, the large players in the newspaper. The smaller would be into further losses only and with the months of lockdowns and bad economy do you think your positioning with advertisers has improved and what is the scope to increase the circulation copy in the current environment, can you elaborate on these two things?
- Girish Agarwal:** Sure, as you had rightly mentioned that in most of the markets the larger publications are the ones those who are able to survive and manage and thrive in the last few years I would say not only the last one-and-a-half years I am talking about if you look at the last five year or seven year trajectory, the smaller publications are actually anyway getting out of the business. Coming to gaining the market share, yes, it is certainly helping us. We have been able to gain the market share from the circulation as well as the advertising perspective also in most of the markets, which will certainly help us going forward also.
- Himanshu Upadhyay:** In a market let us say Rajasthan type of market what would be the market share of the top three Hindi newspaper in advertisement versus others? Is there also a pie in which the smaller players have sufficient advertisement revenue or do you think it is just marginal and it will not impact us even if they go out, just to understand?
- Girish Agarwal:** If I look at the circulation data and the Indian leadership survey data, in Rajasthan largely there are only two players, Dainik Bhaskar and Rajasthan Patrika. Almost 90% of the market is distributed among these two publications and market share from the circulation perspective if you look at overall Rajasthan it is almost at par. From the readership perspective, if you look at the urban market, we are ahead of Patrika. The moment you look at Jaipur we had a least of almost 50% over our competition and in further segment the lead keeps increasing. Similarly, on the advertising front this reflects accordingly.
- Himanshu Upadhyay:** Okay, even if small players go away the increase in the advertisement may not be that much, let us say Rajasthan and Gujarat would be let us say top three with 90% market share totally?
- Girish Agarwal:** Generally speaking in most of the markets there are only two players except in a few markets there could be a third player also worthwhile.
- Himanshu Upadhyay:** Okay, and in one of the comments you stated that the government agencies are not giving advertisement, it seems that they are not giving advertisement to you.
- Girish Agarwal:** Yes, they are not releasing their advertising to our newspaper.
- Himanshu Upadhyay:** So, they are giving to other newspapers but not giving to us, this is what you are trying to say?

Girish Agarwal: Yes.

Himanshu Upadhyay: Is it particularly one or two states or is it some districts or what is happening?

Girish Agarwal: In a few states.

Moderator: Thank you. The next question is from the line of Jayesh Jain from Edelweiss. Please go ahead.

Jayesh Jain: I actually wanted to understand how the pricing is looking and how the discounting has been not just on a quarterly basis but if we compare to 2018 where we had the peak EBITDA margins, is the pricing has trended upwards or it has gone down, can you throw some colour on that? I know it differs city to state paper wise, but can you just give a broad understanding of how the prices have trended in the last few years?

Girish Agarwal: I would say the pricing from 2018-2019 and 2019-2020 were almost stable, but in the year 2021 prices went down because of COVID. Within 2021 also I would say prices went down drastically in Q1 and Q2, did the correction in Q3 and Q4 was okay. In this year which is 2021-2022, the Q1 prices again went down because of the second wave of COVID. Right now from July things are looking slightly better. To be very honest it will be too premature for me to comment if the pricing are back to pre-COVID number because we ourselves do not know how the market is going to behave for the advertisers. Let us see some steady opening up of the market, some response, and then suddenly we can talk about the prices.

Jayesh Jain: But currently how much behind it will be let us say 2019 or pre-COVID level?

Girish Agarwal: 15% to 20%.

Jayesh Jain: Just to have a better understanding, if some advertiser has to do a digital marketing and looking for the same coverage let us say 10 km as assumption, how different it would be with digital pricing than newspaper pricing?

Girish Agarwal: Frankly speaking you cannot really compare those two because what are you buying in digital and what are you buying in print are two different things. For example, in digital are you looking at the banner, you are looking at what, so the two really cannot be compared exactly. There is no parameter right now with us to say this compared to this, this is the difference.

Moderator: Thank you. The next question is from the line of Shivam Saxena from ICICI Bank. Please go ahead.

Shivam Saxena: Thank you for taking my question. I just wanted to know how your digital medium is competing with the physical copies? Any competition within that?

- Girish Agarwal:** I would say rather than big competition it is actually complimenting. What happens is in the morning you read my paper and during the day you are able to keep yourself updated through my app, especially for example if you are a reader in Jaipur City and you are traveling for two days time, earlier for those two days you were totally missing my paper, now because of my app you can download my e-paper and see the newspaper. I think that is an advantage. I would not take it as a competition, I would take it as a compliment working together.
- Shivam Saxena:** Any charges you are taking for downloading the paper?
- Girish Agarwal:** Not now, that is the whole objective going forward.
- Shivam Saxena:** Okay, and any plans of launching advertisement on your digital medium?
- Girish Agarwal:** Right now no plans, but let us see how it unfolds going forward.
- Shivam Saxena:** How many app downloads till date?
- Girish Agarwal:** We took this liberty from all of you couple of quarters back that please allow us not to give out the numbers considering the competition around and you were all kind enough to say yes for a couple of quarters you can do that, so please give us the time again. I would say that as per the Comscore report we have shown a growth of 7.5 times in the last one-and-a-half years.
- Moderator:** Thank you. Due to time constraint that was the last question for today. I would now like to hand the conference over to the management for closing comments.
- Pawan Agarwal:** I thank you very much for your participation and time on this earnings call. I hope that we have responded to your queries adequately today. We will be happy to be of assistance through our Investor Relation Department headed by Mr. Prasoon Pandey for any further enquiries. Take care everyone and stay safe. Thank you.
- Moderator:** Thank you. On behalf of DB Corp Limited that concludes this conference call. Thank you for joining us. You may now disconnect your lines.