

DB Corp Ltd.

Investor Presentation



November 2015

दैनिक भास्कर
समूह

TO BE THE LARGEST AND MOST ADMIRER MEDIA BRAND ENABLING SOCIO-ECONOMIC CHANGE

**VALUES
PILLARS**

CREDIBILITY & INTEGRITY
EMPOWERED TALENT

INNOVATIVE & ENTREPRENEURIAL
INNOVATIVE PRODUCTS & PROCESSES

RESPECT & APPRECIATION
ETHICAL GOVERNANCE

Disclaimer

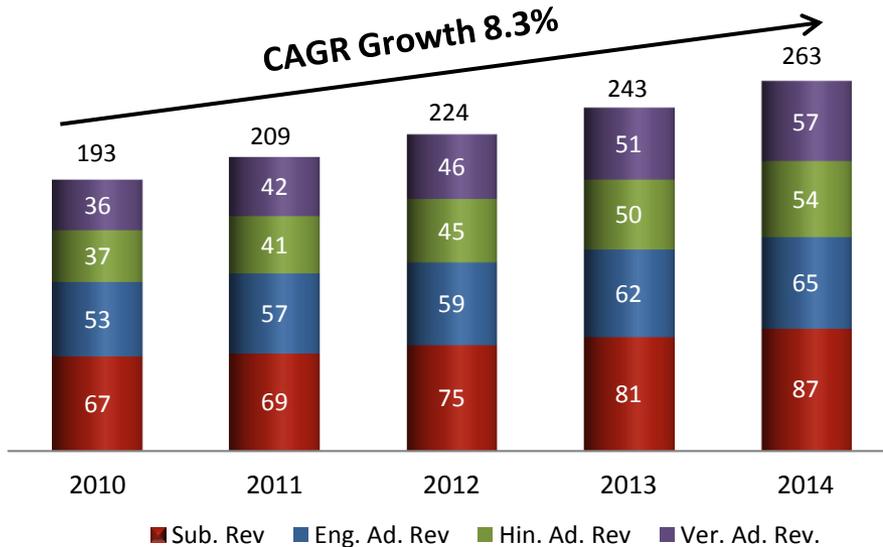
Some of the statements made in this presentation are forward-looking statements and are based on the current beliefs, assumptions, expectations, estimates, objectives and projections of the directors and management of Dainik Bhaskar Group (DB Corp Ltd.) about its business and the industry and markets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

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

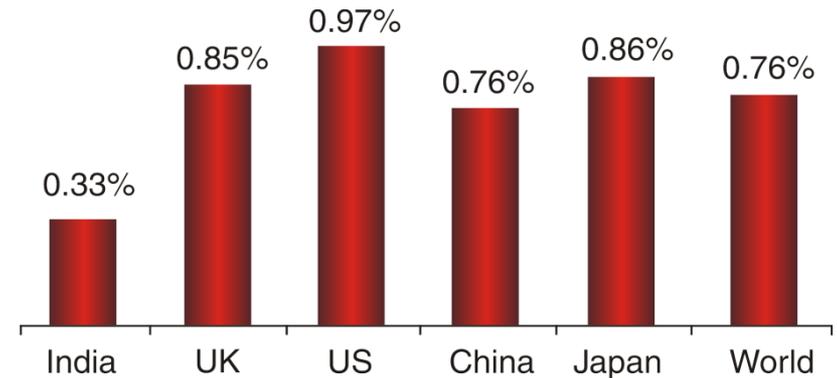
These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Company and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecast in the forward-looking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

Indian Media Sector

Print Industry Revenues (Rs bn)



Media Spend as % of GDP



- M&E industry size was Rs 1026 bn in 2014, which grew by 11.7% over 2013. Expected CAGR growth is 13.9% till 2019.
- Indian Ad spend is expected to grow at a CAGR of 14.5% till 2019.
- Print Media Ad pie continues to hold largest % of overall Ad pie at 43% and is expected to maintain lead with expected CAGR growth of 10 % till 2019, for Regional Print.

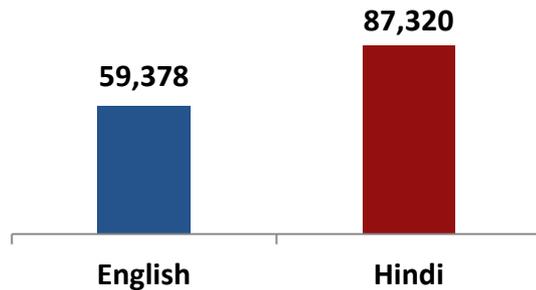
Source: FICCI-KPMG Report 2015

Source: Worldwide Media & Mktg. Forecasts, Group M, Summer 2011

REGIONAL PRINT GROWING FASTER WITH INCREASING LITERACY LEVEL

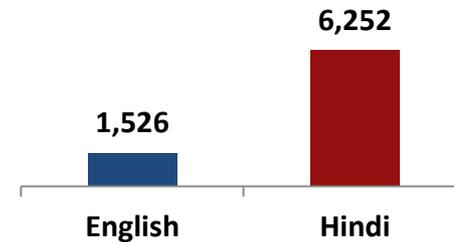
Can Read Population (in '000)

(Growth From 2007 – 2012)

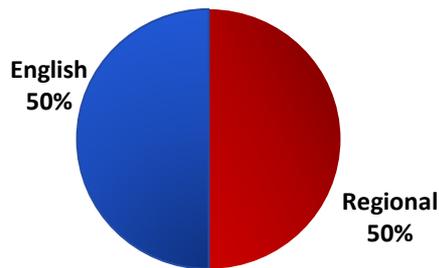


Newspaper Reach (in '000)

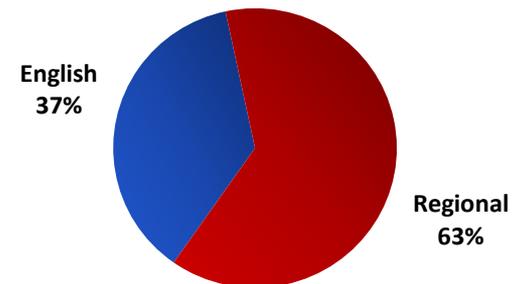
(Growth From 2007 – 2012)



Indian Language gaining share of ad-pie



2005 : Rs 69 bn



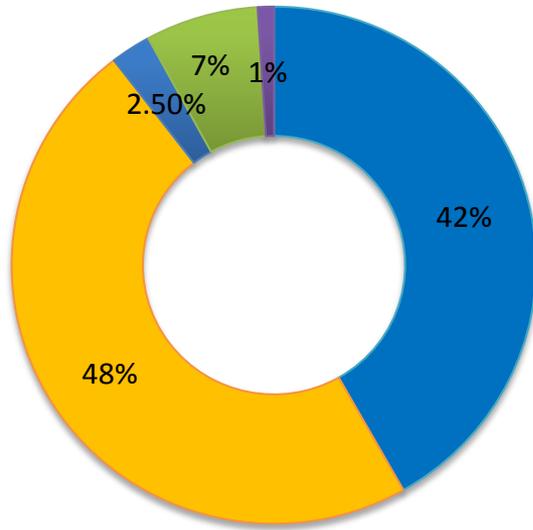
2014 : Rs 176 bn

Source: IRS Q4 '12

Source: FICCI KPMG Report 2015

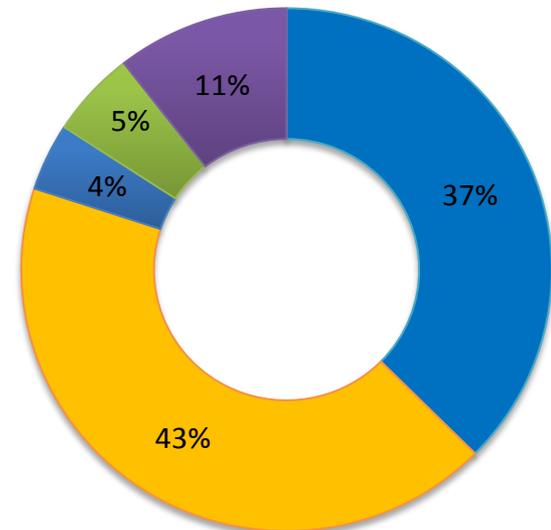
PRINT MAINTAINS LARGEST Ad-PIE - REGIONAL PRINT WITNESS HIGHER GROWTH

2005



2005- Rs. 130.4 bn

2014



2014- Rs. 414 bn

- Television
- Print
- Radio
- OOH
- Online

Source: FICCI KPMG Report 2015

A LEADING MEDIA COMPANY OF INDIA

MAJOR BUSINESS BRANDS

Around 44.2 MN Total Readership & 19.8 MN Daily readers in India's fastest growing markets

	Hindi Newspaper	12 States, 40 Editions
	Gujarati Newspaper	2 States, 7 Editions
	Marathi Newspaper	1 State, 7 Editions
	FM Radio Network	7 States, 17 Stations
	Digital & Mobile	Digital & Mobile Service

A LEADING MEDIA COMPANY OF INDIA

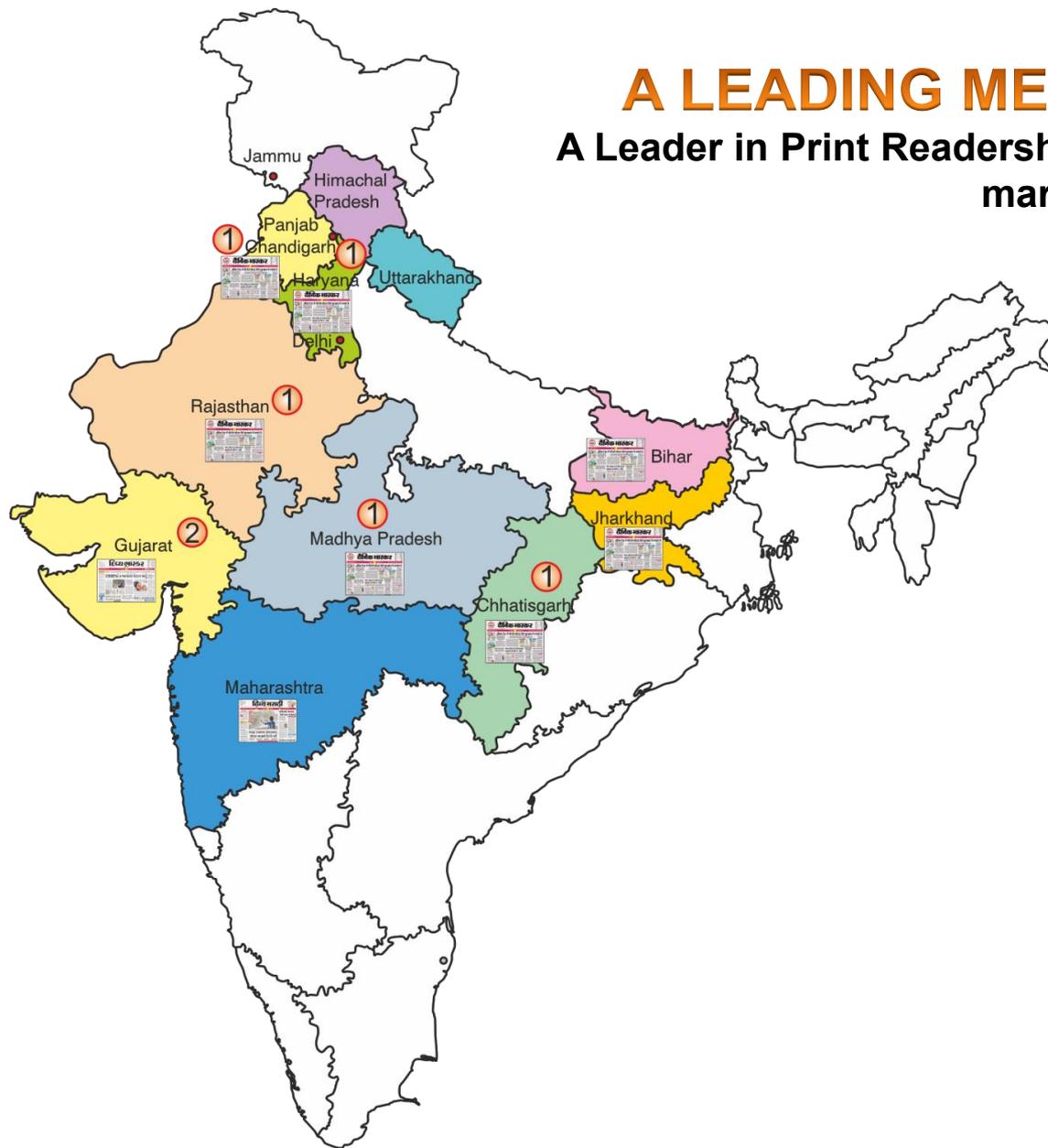
A Leader in Print Readership, operating in the highest growth markets in India

Leadership in Multiple States – Emerging Tier II & III Cities

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

Focus on Revenue Market Share – in Multiple language

- Hindi, Gujarati, Marathi and English
- 49% Urban population resides in Bhaskar Markets
- 50% of India's total consumption is concentrated in Bhaskar Markets.
- Newspaper readership penetration is only 30%



CONSISTENT TRACK RECORD OF GROWTH

1996

2015

State **01** → **14** States

Hindi Editions **05** → **40** Hindi Editions

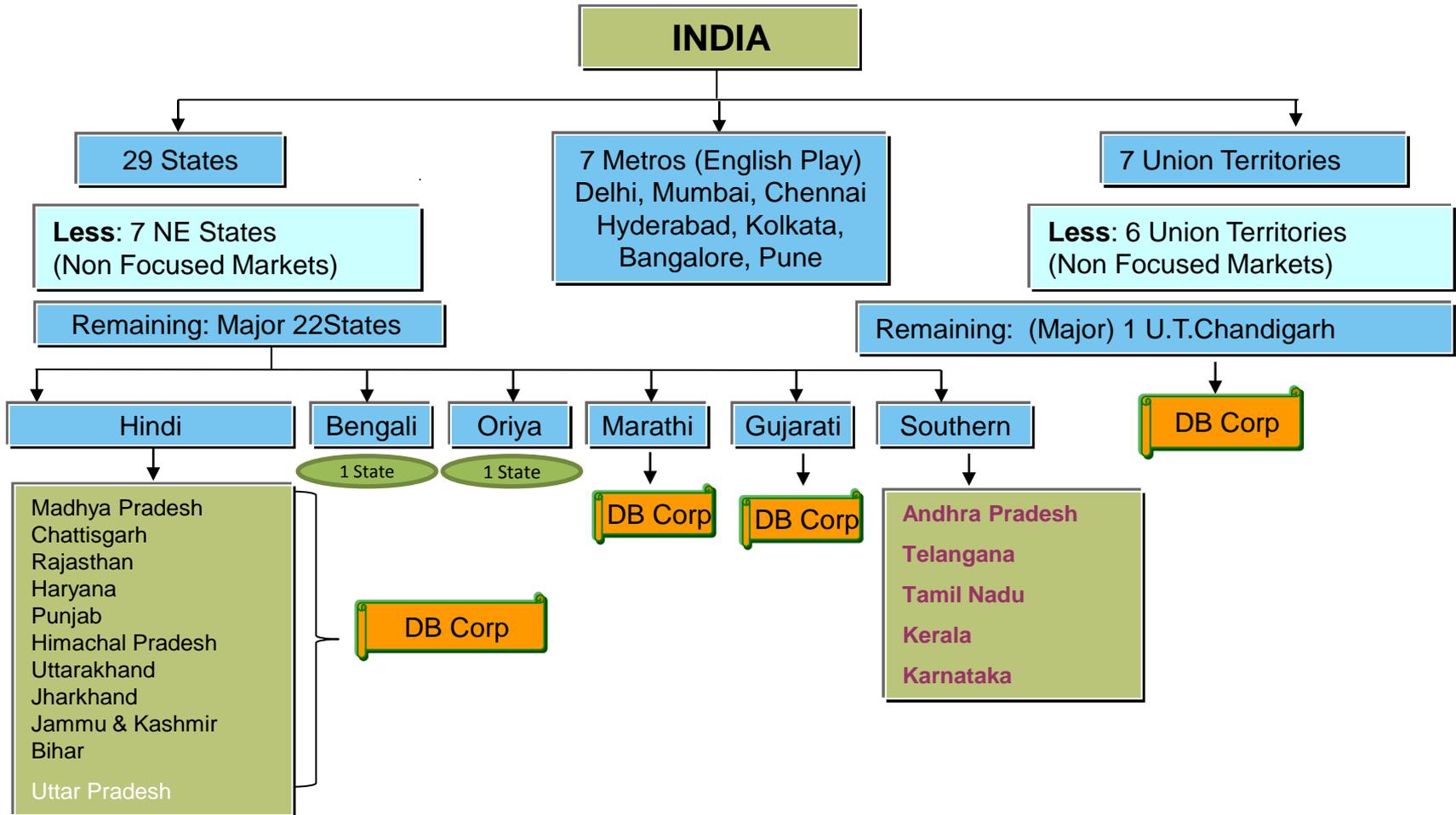
Gujarati Edition **00** → **07** Gujarati Editions

Marathi Edition **00** → **07** Marathi Editions

Languages **01** → **04** Languages

Readership (MN) **3.2** → **19.8** Readership (MN)

STRATEGIC FOOTPRINT IN INDIA

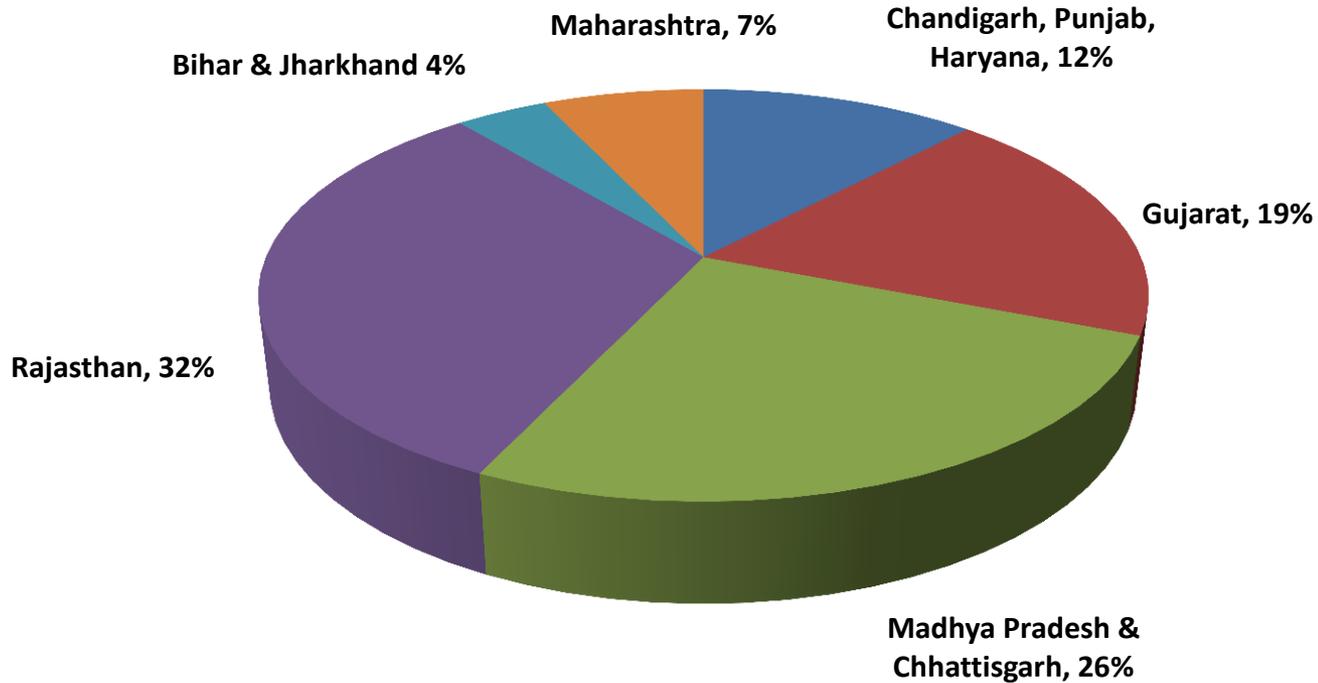


Source: Indian Govt Web site

DIVERSE SUSTAINABLE BUSINESS MODEL

EVEN DISTRIBUTION OF OUR 19.8 MN AVERAGE DAILY READERS

Readership – IRS12 Q4



CURRENT FOCUS

CIRCULATION DRIVE

- Dominant & leading player in Madhya Pradesh , Chhattisgarh , Haryana, Urban Rajasthan, major markets of Gujarat and Punjab. Our focus is to further improve our lead
- Rural Rajasthan, Rural Punjab and overall turnaround of Gujarat is current focus area
- Post experiencing huge success & acceptance of the product in already launched cities, focus on gradual expansion of 'Divya Marathi' into rural Maharashtra
- Strengthen Jharkhand and Bihar with other Bihar city Bhagalpur, Gaya and Muzaffarpur launches to further strengthen overall offering of the combined Bihar and Jharkhand market
- Best contents and enriched product has created strong bond with the readers, due to which despite of increase in cover prices our copies have increased in our legacy markets.

AD SALES

- Sale of all our States, independently, in national market to improve the yield and establish sales on merit
- Overall yield improvements across all our markets

CURRENT FOCUS.....

EDITORIAL

- Monday – “No Negative Monday” initiative – first such experiment in Indian Journalism
- Sunday – Jacket Content Concept
- City Bhaskar – For youth and women readership
- New National Editorial Structure to focus on development of rural editions
- Tie up with renowned publications like TIME Magazine, Harvard Business Review, New York Times, etc. for providing world class global content.
- High quality reviews and opinion-led articles contributed by eminent authors and journalists

STRONG BRAND FOCUS

- Dainik Bhaskar has embarked on a Brand Building exercise. To continually add value to its TG, we have identified the four core brand values- Trendsetter, Result Orientation, Analytical and Connected.
- To establish the new Brand tag line and the Brand promise, we are currently working on a Brand Campaign which has been launched recently.

*SUSTAINED & RELENTLESS FOCUS
ON
NON-PRINT MEDIA STRATEGY.....*





GROWTH OPPORTUNITIES - RADIO

- Launched in 2006, now operates from 17 stations in 7 states, namely Madhya Pradesh, Chhattisgarh, Punjab, Gujarat, Rajasthan, Chandigarh, Maharashtra
- Leading radio station in majority of 17 markets.
- Our Radio Business has achieved EBITDA breakeven in record 2.5 years time, from the time of operations of all 17 stations.
- Strong Advertisement revenue of Rs. 240 million with growth of 5% for the Q2 FY16 on YOY Basis.
- Achieved EBITDA of Rs. 80 million and PAT of Rs. 39 million for the Q2 FY16.
- Acquired 14 frequencies successfully in the Phase III auctions, consolidating its presence in line with strategy to be the market leader in 'Unmetro' geographies where DBCL has a significant print media footprint
- Allowance of News Content will put us in beneficial position due to already developed infrastructure and synergy with the print medium.

DB DIGITAL GROWTH OPPORTUNITIES – DIGITAL MEDIA

- Our online presence is in Hindi, Gujarati and Marathi, which account for around 70% of India's regional language audience - as well as in English.
- **Significant progress in growth of UV & PV**, continues to report consistent phenomenal surge in Page Views (PV) & Unique Visitors (UV) in last one year. UV has increased to 40 million from 14 million in last one year.
- www.dainikbhaskar.com continues to be the #1 Hindi news site, as well as #1 website in Hindi on the Internet.
- www.divyabhaskar.com is the #1 Gujarati news site, as well as the #1 website in Gujarati on Internet.
- Our Revenue growth is impressive 82% in Q2 FY16 YOY to Rs. 114 mn. from Rs. 63 mn. of last year.
- Focus on Market Expansion: Launching comprehensive destination for larger content need like Bollywood, business & women.

DB DIGITAL **GROWTH OPPORTUNITIES – DIGITAL MEDIA...**

- DBCL launched new titles/ properties Bollywoodbhaskar.com , Dainikbhaskar.com/UP & Moneybhaskar.com, Fashion101.in, Jeevanmantra.in and DBCric.com .
- DBCL is among the few independent digital media organization in country with editorial force of 250 people and total strength of 400+, operating with independent infrastructure, content and sales team.

Video Strategy:

- Introduced video bulletin; that enables the users to see and hear the news.
- With its launch we have crossed around 10 mn video views; which has also helped us to cross the language barrier, and tap the English reader who are also watching Hindi video.

Mobile Strategy:

- DBCL is fully in place with its mobile strategy aiming to be 'One-stop destination', we believe mobile app and increasing numbers of smart phone owners will fuel growth of digital business for us.
- DBCL app downloads for Dainik Bhaskar and Divya Bhaskar are over 4mn.

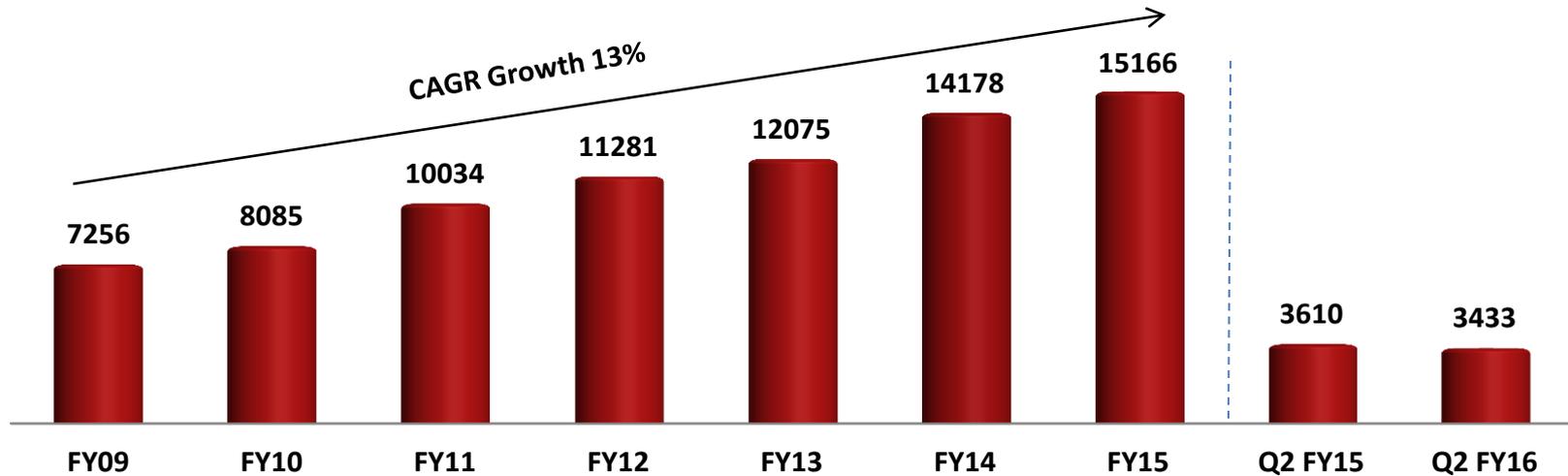
CONSOLIDATED FINANCIAL HIGHLIGHTS

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

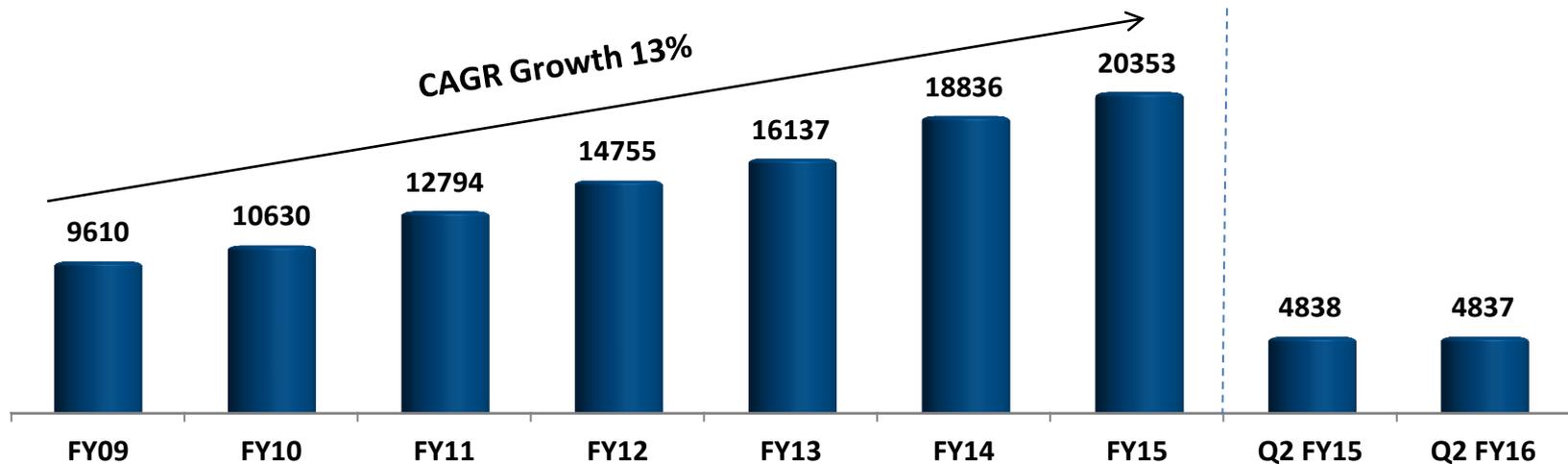


ROBUST ADVERTISEMENT & REVENUE GROWTH

Advertisement Revenue (Mn)

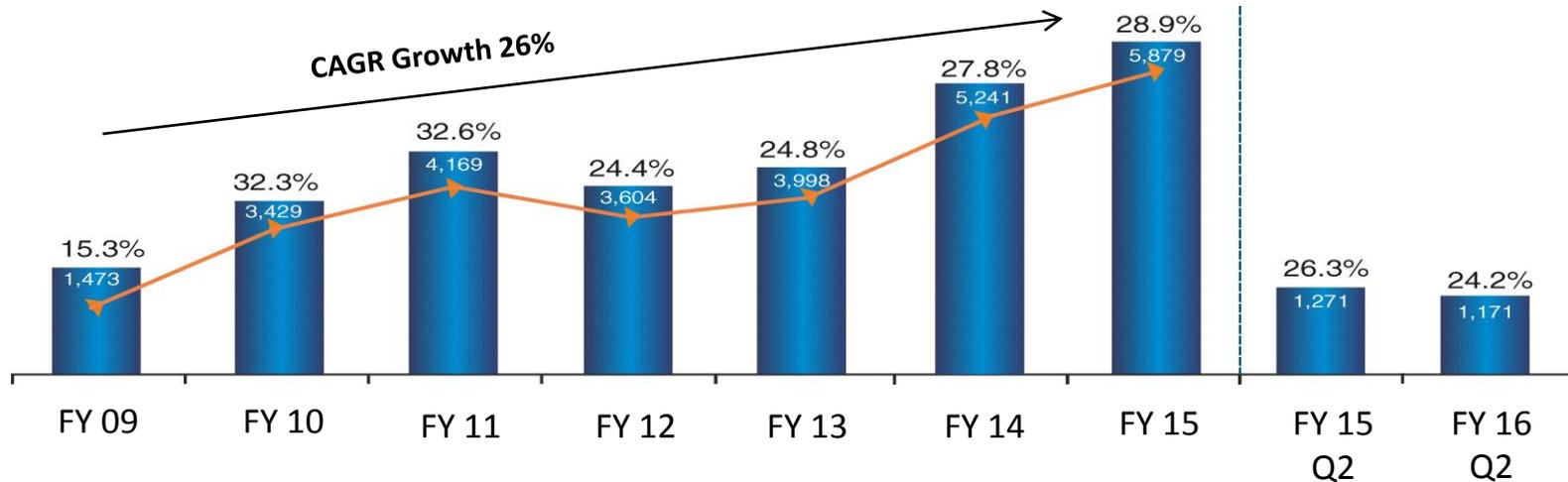


Total Revenue (Mn)

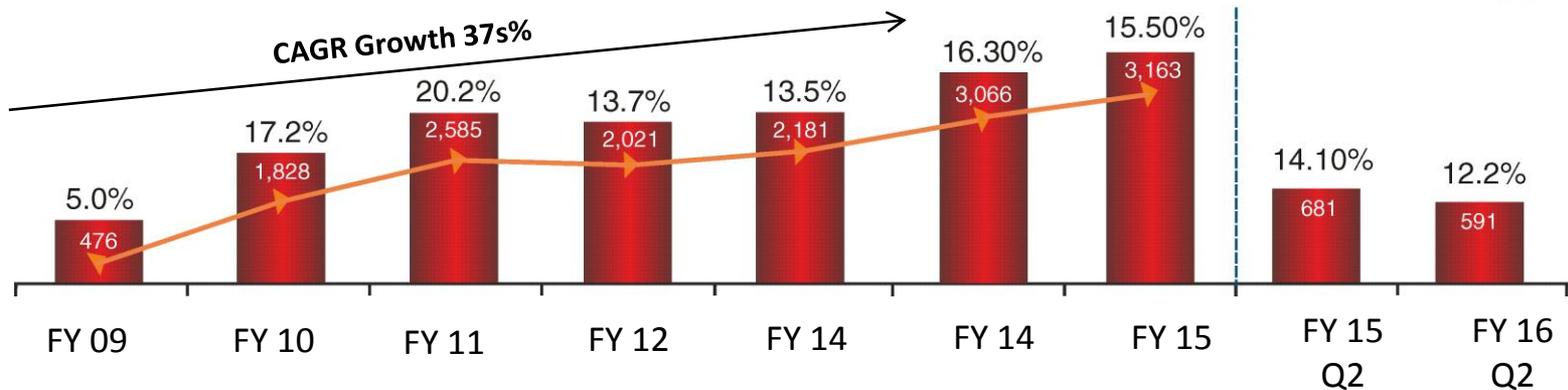


PROPELLING OVERALL MARGIN EXPANSION

EBITDA Growth & its Margin (INR MN)



PAT Growth & its Margin (INR MN)



HEALTHY OPERATING PROFIT IN OUR MATURE MARKET

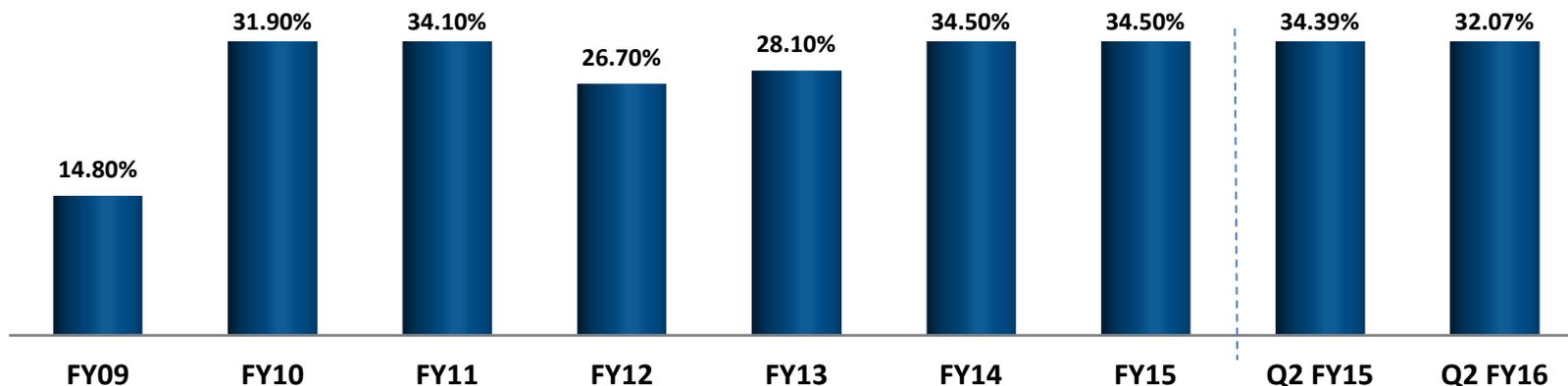
Rs MN

Particulars	FY 13-14			FY 14-15			Q2 (FY 14-15)			Q2 (FY 15-16)		
	Matured	Emerging Business	DBCL	Matured	Emerging Business	DBCL	Matured	Emerging Business	DBCL	Matured	Emerging Business	DBCL
Topline	16220	1653	18801	16417	2666	20347	3979	566	4836	4043	452	4834
EBIDTA(Before pre-opex)	5317	(219)	5348	5804	(277)	5888	1267	(72)	1271	1264	(89)	1208
EBIDTA(After pre-opex)	5317	(332)	5235	5804	(280)	5885	1267	(72)	1271	1264	(117)	1180
EBIDTA %	32.80%	(20.10)	27.80%	35%	(10.5%)	29%	31.80%	(12.7%)	26.30%	31.3%	(25.9%)	24.6%

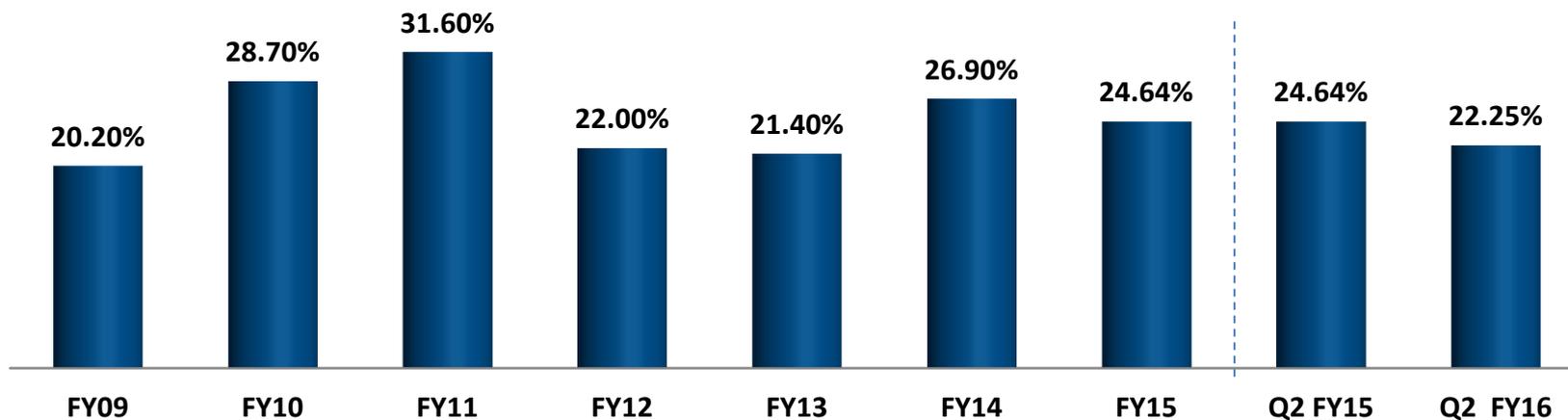
Emerging Business - Editions below 4 years of age also includes Mobile App & E-Real estate website business

STRONG FOCUS ON ROCE & RONW

Return on Capital Employed (ROCE)



Return on Net Worth (RONW)



FINANCIAL SUMMARY

Particulars (INR million)	Year Ended				Quarter Ended		
	12-Mar	13-Mar	14-Mar	15-Mar	Q2 FY15	Q2 FY16	Growth %
Advertising Income	11281	12075	14178	15166	3610	3433	(4.9%)
Circulation Revenue	2422	2823	3235	3755	915	1057	15.5%
Total Income	14755	16137	18836	20353	4838	4837	0.0%
Newsprint	(5070)	(5446)	(6323)	(6479)	(1612)	(1495)	(7.3%)
Other Operating Expenditure	(6071)	(6693)	(7272)	(7959)	(1956)	(2171)	11.0%
Total Expenditure	(11151)	(12138)	(13595)	(14474)	(3567)	(3666)	2.8%
EBITDA	3604	3998	5241	5879	1271	1171	(7.9%)
EBITDA Margin	24.40%	24.80%	27.80%	28.89%	26.27%	24.20%	
Net Profit	2021	2181	3066	3163	681	591	(13.2%)
Net Worth	9177	10214	11405	12836	12837	14110	
Secured Long Term Gross Loan	1328	1098	969	758	874	663	
Cash & Bank Balance	1896	1279	1135	1782	1312	1038	
Secured Working Capital Loan	577	299	362	477	123	618	
Total Secured Gross Debt	1905	1396	1331	1235	997	1281	
Net Block (Fixed)	8224	8383	8526	8203	8364	8801	
ROCE	26.70%	28.10%	34.50%	34.50%	34.40%	32.10%	
RONW	22.00%	21.40%	26.90%	24.64%	24.60%	22.20%	

BOARD OF DIRECTORS

Ramesh Chandra Agarwal	<ul style="list-style-type: none"> Chairman - 44 years of experience Served as Chairman of FICCI of the MP region
Sudhir Agarwal	<ul style="list-style-type: none"> Managing Director of DBCL 27 years of experience in the publishing and newspaper business
Girish Agarwaal	<ul style="list-style-type: none"> 19 years of experience. Won the E&Y 'Young Entrepreneur of the Year 2006 ' Award distinction of being the youngest chairman of Indian Newspaper Society for MP region
Pawan Agarwal	<ul style="list-style-type: none"> 13 years of experience in the publishing business Heads entire Production, IT and Technology for DBCL
Piyush Pandey*	<ul style="list-style-type: none"> Executive Chairman of Ogilvy & Mather Pvt. Limited, India
Kailash Chandra Chowdhary*	<ul style="list-style-type: none"> Previously the Chairman & Executive Director at Central Bank of India and Chairman & Managing Director of Vijaya Bank
Harish Bijoor*	<ul style="list-style-type: none"> A member of the planning group sub-committee of the Union Planning Commission of India
Ashwani Kumar Singhal*	<ul style="list-style-type: none"> Vice-President of BIR Brussels, the International Authority in Non- Ferrous Metals

* denotes Independent Directors.

THANK YOU