

# DB Corp Ltd. Investor Presentation



October 2013

**दैनिक भास्कर**  
समूह

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

**VALUES  
PILLARS**

CREDIBILITY & INTEGRITY  
EMPOWERED TALENT

INNOVATIVE & ENTREPRENEURIAL  
INNOVATIVE PRODUCTS & PROCESSES

RESPECT & APPRECIATION  
ETHICAL GOVERNANCE

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

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



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**VALUES  
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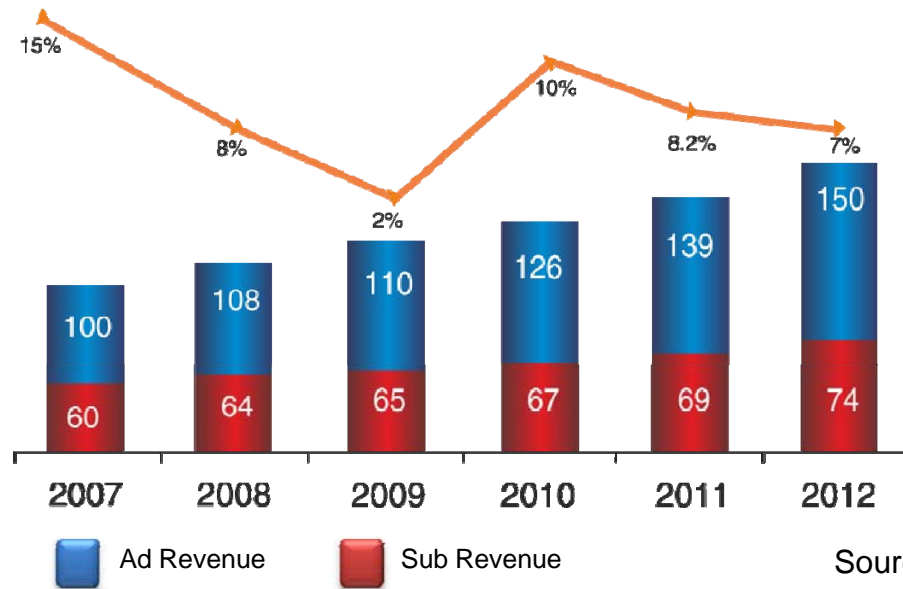
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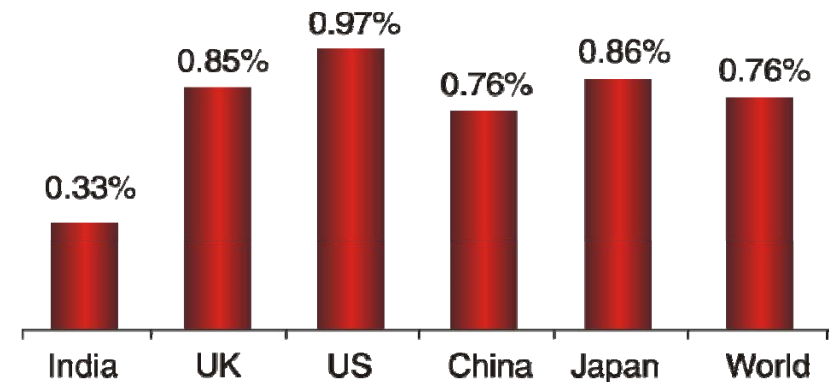
RESPECT & APPRECIATION  
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# Indian Media Sector

Print Industry Revenues (Rs bn)



Media Spend as % of GDP



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

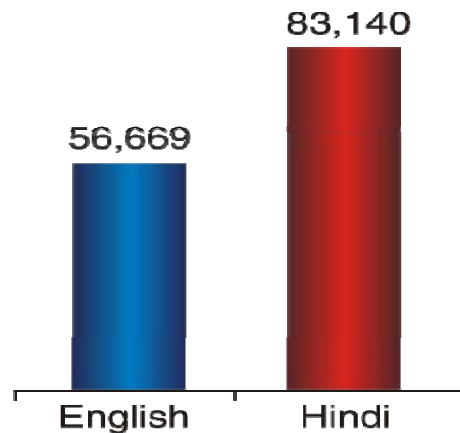
- M&E industry size was Rs 821 bn in 2012, which grew by 13% over 2011. Expected CAGR growth is 15% till 2017.
- Indian Ad spend is expected to grow at a CAGR of 14% till 2017.
- Print Media Ad pie continues to hold largest % of overall Ad pie at 46% and is expected to maintain lead with expected CAGR growth of 13% till 2017, for Regional Print.

Source: FICCI-KPMG Report 2013

# REGIONAL PRINT GROWING FASTER WITH INCREASING LITERACY LEVEL

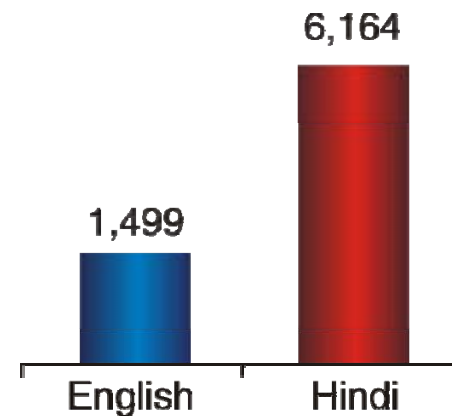
## Can Read Population (in '000)

(Growth From 2007 – 2012)



## Newspaper Reach (in '000)

(Growth From 2007 – 2012)



- Literate population of India has grown to 656259 (in '000) from 537117 (in '000) in last 5 years from 2007 to 2012.

Source: IRS Q3 '12



# A LEADING MEDIA COMPANY OF INDIA



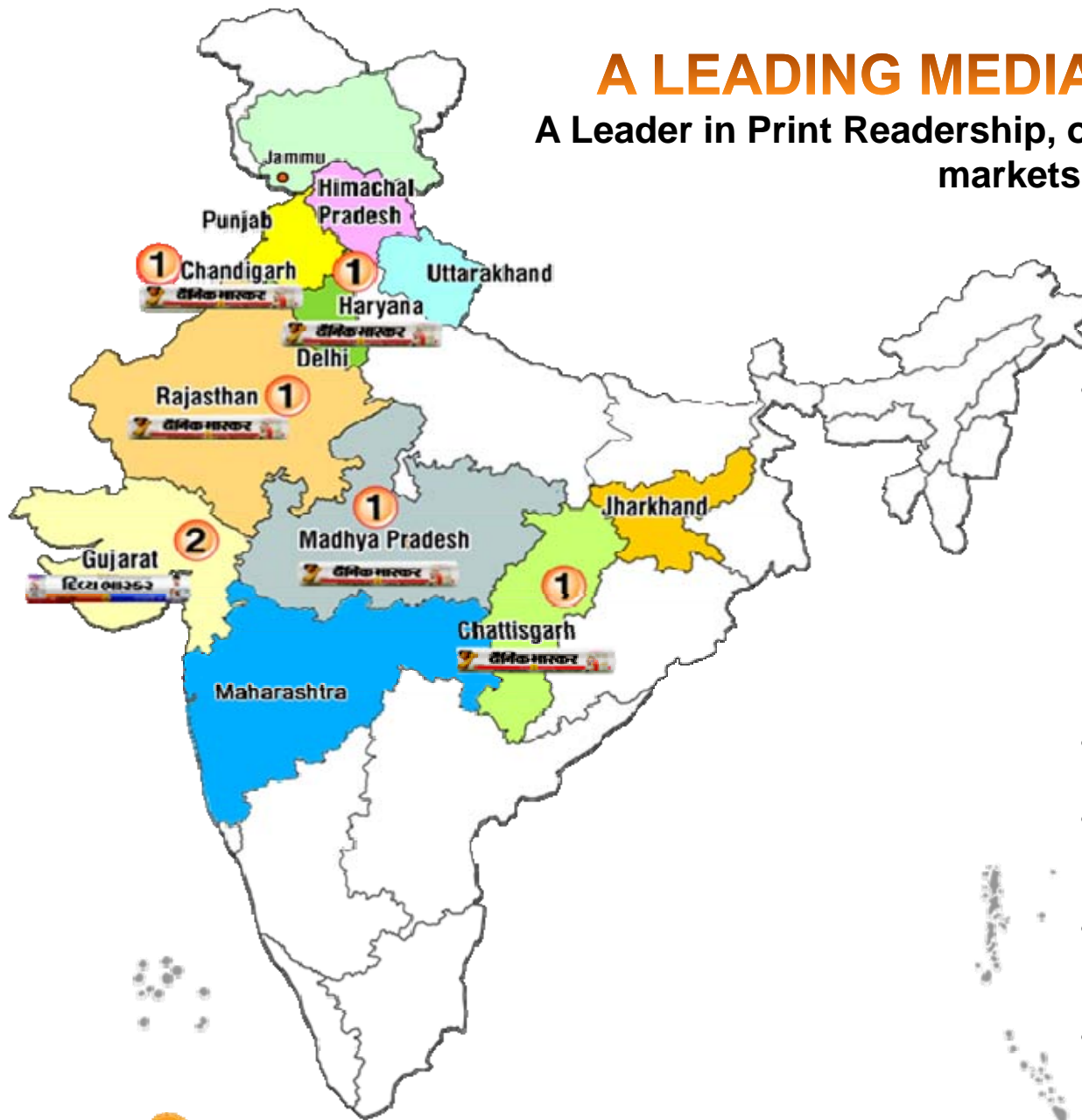
# MAJOR BUSINESS BRANDS

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

	<b>Hindi Newspaper</b>	<b>11 States, 36 Editions</b>
	<b>Gujarati Newspaper</b>	<b>2 States, 7 Editions</b>
	<b>Marathi Newspaper</b>	<b>1 State, 7 Editions</b>
	<b>Hindi Business Newspaper</b>	<b>6 States, 8 Editions</b>
	<b>FM Radio Network</b>	<b>7 States, 17 Stations</b>
	<b>Digital &amp; Mobile Platform</b>	<b>Web Portals, SMS Services</b>

# 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, Himachal Pradesh, Uttarakhnad, Jharkhand, Jammu & Kashmir & Delhi

## Focus on Revenue Market Share - in Multiple language

- Hindi, Gujarati, Marathi and English
- 38% Urban population resides in Bhaskar Markets
- 36% of India's total consumption is concentrated in Bhaskar Markets.
- Newspaper readership penetration is only 30%

# CONSISTENT TRACK RECORD OF GROWTH

1997

2013

State 01



13 States

Editions 05



66 Editions

Language 01



04 Languages

Readership (MN) 3.2



19.8 Readership (MN)



# FOCUSED ON GROWING MEDIA OPPORTUNITIES IN INDIA

-REGIONAL MARKETS



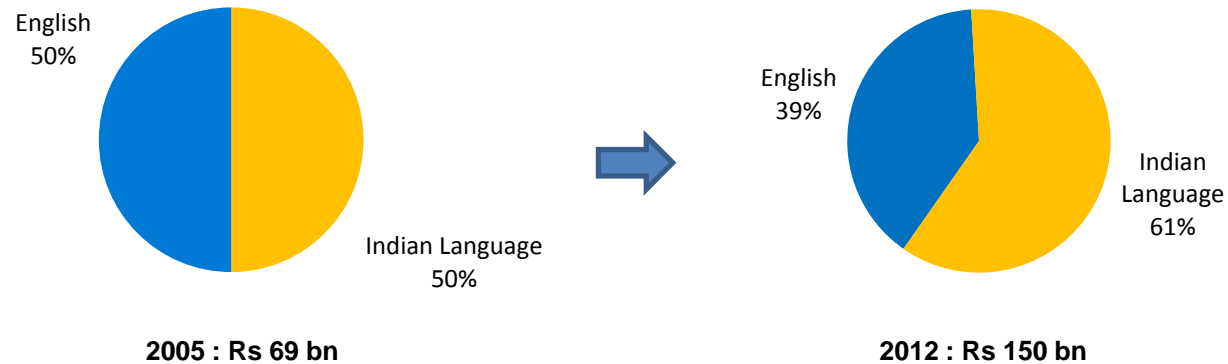
## CONSUMPTION GROWTH IS HIGHER IN TIER II & TIER III CITIES

GROWTH 2008 VS. 2012	METROS	TIER II	TIER III
Consumer Durables Ownership (Air Conditioner)	69%	135%	131%
Consumer Durables Ownership (Electric Geyser)	28%	85%	59%
IT & Communication Products	69%	116%	105%
Automobile (Ownership)	40%	83%	66%
FMCG Product Purchases	17%	42%	30%

Source: IRS Q3 '12

# CONSUMPTION GROWTH LEAD TO ADVERTISEMENT GROWTH IN TIER II & TIER III CITIES

## Indian Language gaining share of ad-pie

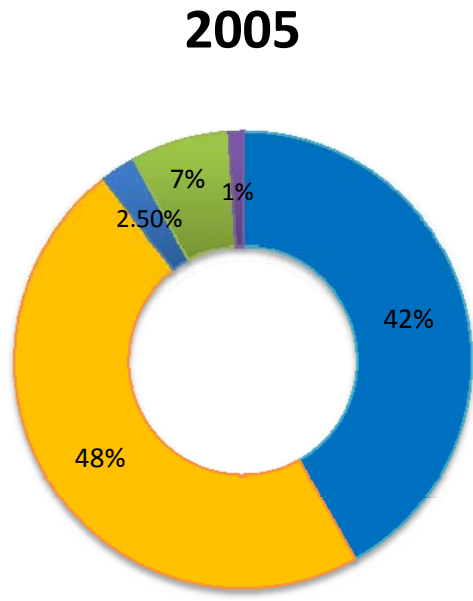


## Hindi Started getting the Premium(On Value Basis)



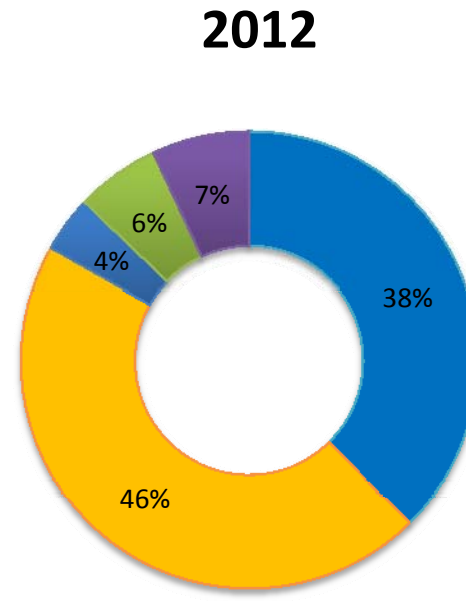
Source: FICCI KPMG Report , IRS , TAM Adex

# AND PRINT MAINTAINS THE LARGEST SHARE OF Ad PIE IN MEDIA...



2005- Rs. 130.4 bn

- Television
- Print
- Radio
- OOH
- Online

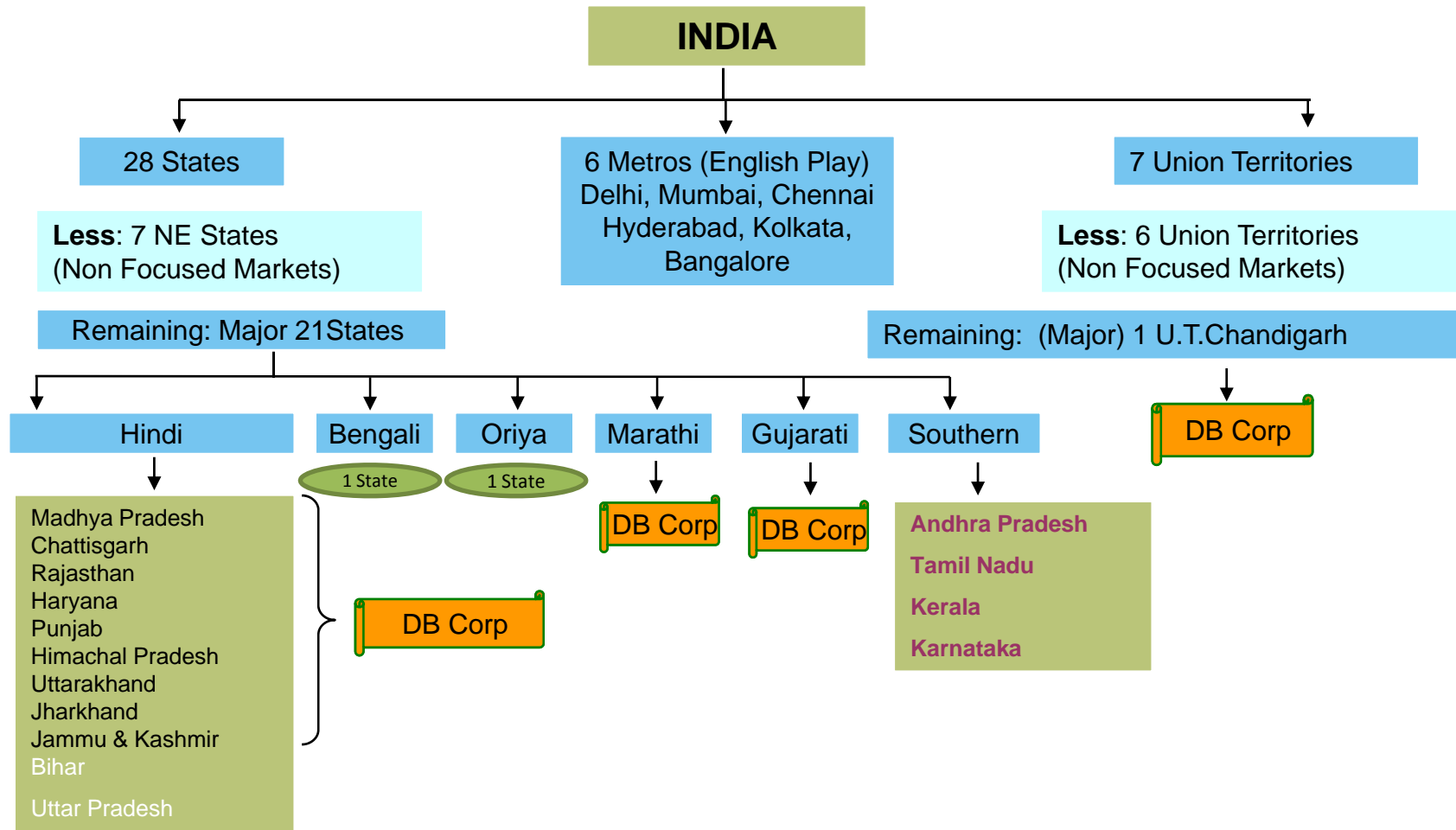


2012- Rs. 327 bn

- Television
- Print
- Radio
- OOH
- Online

Source: FICCI KPMG Report , 2013

# STRATEGIC FOOTPRINT IN INDIA



Source: Indian Govt Web site



# DIVERSE, SUSTAINABLE BUSINESS MODEL



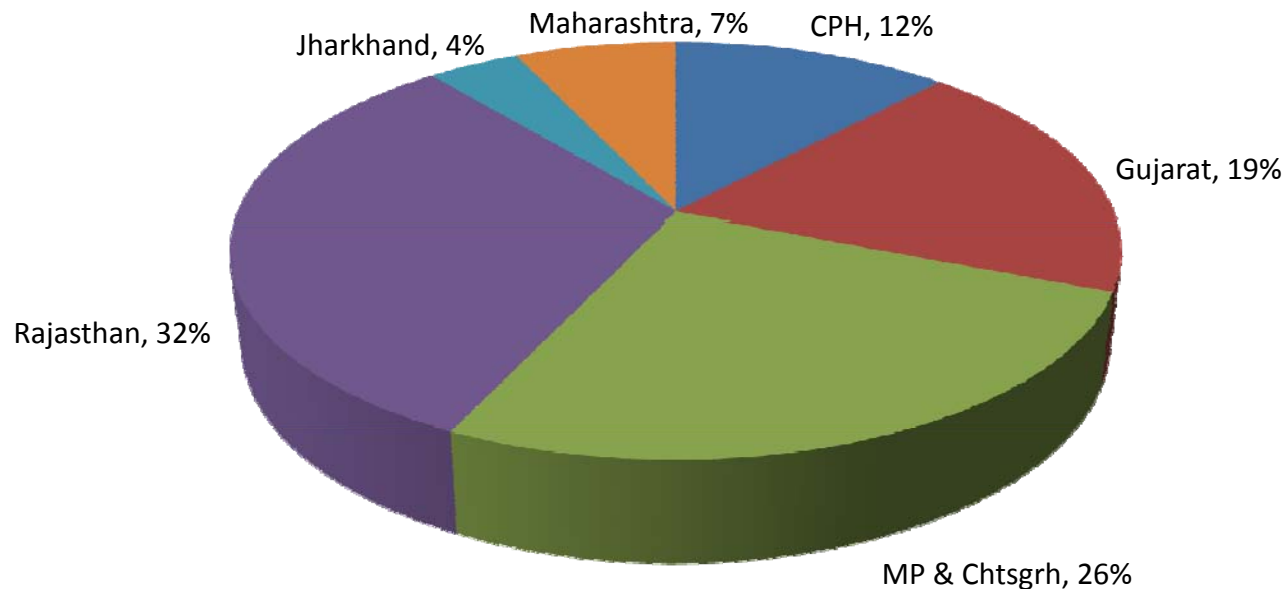
# SUSTAINABLE & IMPREGNABLE BUSINESS MODEL

## UNIFORMLY DISTRIBUTED EBIDTA FROM OUR DIVERSIFIED MARKETS

Our business in Madhya Pradesh, Chhattisgarh, Rajasthan, Gujarat, Haryana, Punjab, Chandigarh etc. equally contributes towards top-line, bottom-line & our readership, thus reducing the dependability on any one single market

## EVEN DISTRIBUTION OF OUR 19.8 MN AVERAGE DAILY READERS

Readership – IRS12 Q4



■ CPH

■ Gujarat

■ MP & Chtsgrh

■ Rajasthan

■ Jharkhand

■ Maharashtra

CPH – Chandigarh, Punjab & Haryana

# D B CORP LTD. EXPANSION JOURNEY CONTINUES – SUCCESSFUL MAHARASHTRA LAUNCH ....

so far 7 editions from  
Aurangabad, Nashik,  
Jalgaon, Ahmednagar,  
Solapur, Akola &  
Amravati...



# AND WE ONCE AGAIN PROVED OUR SUCCESSFUL LAUNCH STRATEGY IN A NEW LANGUAGE MARKET

Maharashtra, Aurangabad  
May 2011



IMRB Survey in Sep'11

Divya Marathi Over All leader & leader in SEC AB

Average Issue Readership Estimates	AIR Base	SEC			SEC AB % of Total Reader Base
		A	B	AB	
Divya Marathi	342	28	58	86	25%
Lokmat	273	15	39	54	20%
Daily Sakal	65	4	8	12	18%

Figs in '000

*The affluent truly appreciates quality content of Divya Marathi*

AIR: Average Issue Readership

SEC: Socio Economic Class

IMRB: Indian Market Research Bureau

# CONSISTENT LEADERS FROM THEN TILL NOW...

Average Issue Readership in '000s

<b>Jaipur</b>	<b>IRS 12 Q4</b>
Dainik Bhaskar	1040
Nearest Competitor	792

<b>Chandigarh/ Haryana</b>	<b>IRS 12 Q4</b>
Dainik Bhaskar	1455
Nearest Competitor	1108

<b>Ahmedabad</b>	<b>IRS 12 Q4</b>
Divya Bhaskar	1097
Nearest Competitor	848

<b>Amritsar</b>	<b>IRS 12 Q4</b>
Dainik Bhaskar	144
Nearest Competitor	106

<b>Jalandhar</b>	<b>IRS 12 Q4</b>
Dainik Bhaskar	138
Nearest Competitor	118

## Ranchi-IMRB Survey

## Aurangabad-IMRB Survey- August 2011

IRS : Indian Readership Survey  
IMRB: Indian Market Research Bureau

## IMRB Survey

<b>Ranchi</b>	<b>AIR</b>
Dainik Bhaskar	165
Nearest Competitor	184

<b>Aurangabad</b>	<b>AIR</b>
Dainik Divya Marathi	176
Nearest Competitor	270



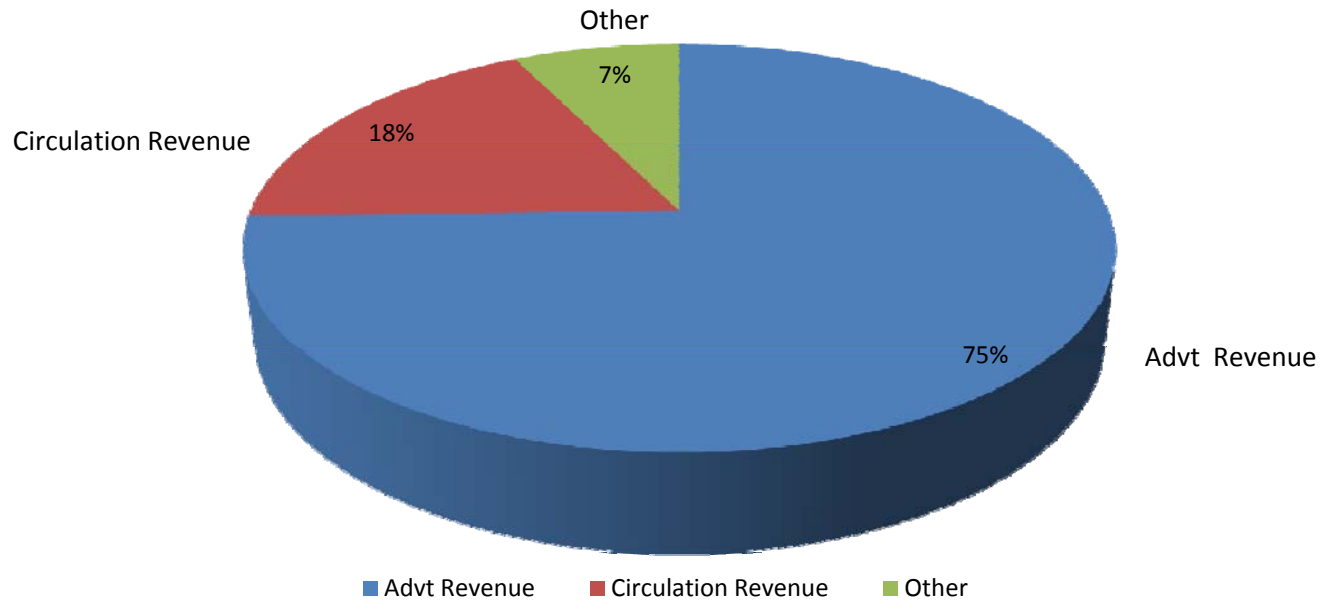
# CONSOLIDATED FINANCIAL HIGHLIGHTS

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



# ADVERTISEMENT & CIRCULATION DRIVEN REVENUE GROWTH

## Revenue Breakdown Q1 FY14

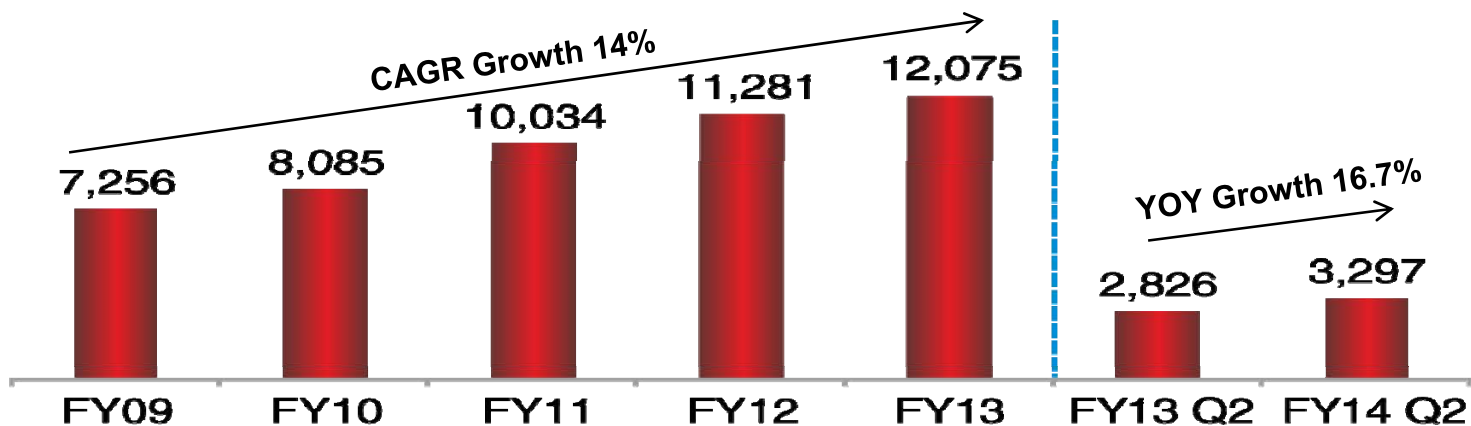


### Revenue Growth Drivers

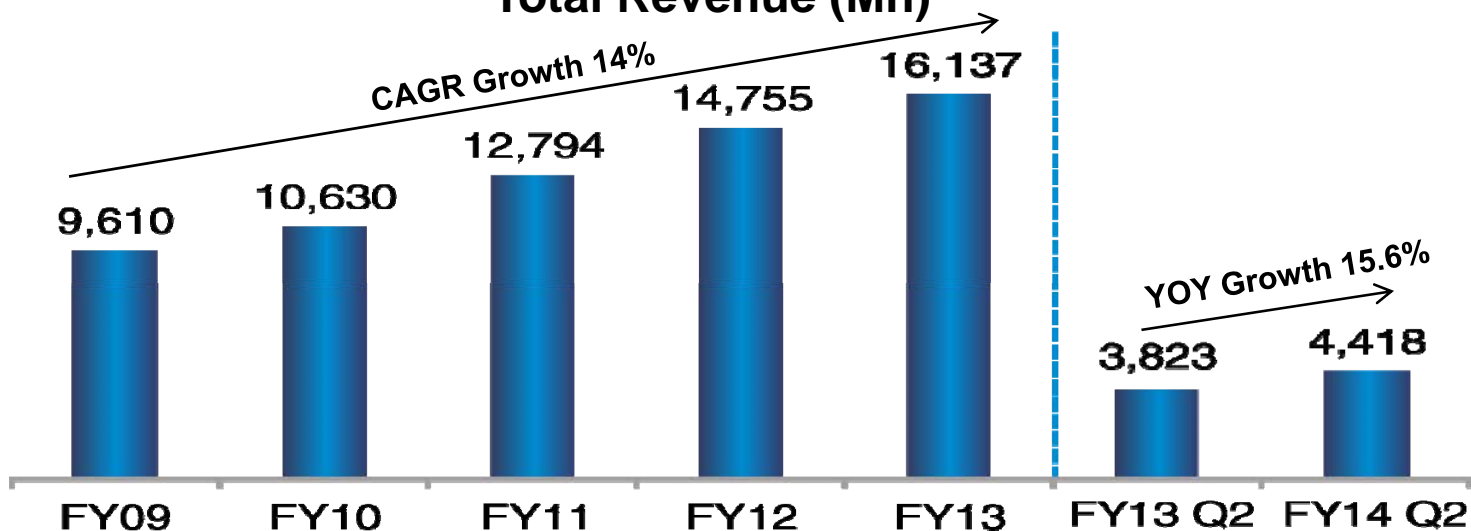
- Upward revision of ad rates at national and local level
- Driving growth through Retail Advertisers
- Improved Circulation, in Existing and Newer Markets and better price realization
- Further consolidation in existing markets and expansion into new territories

# ROBUST ADVERTISEMENT & REVENUE GROWTH

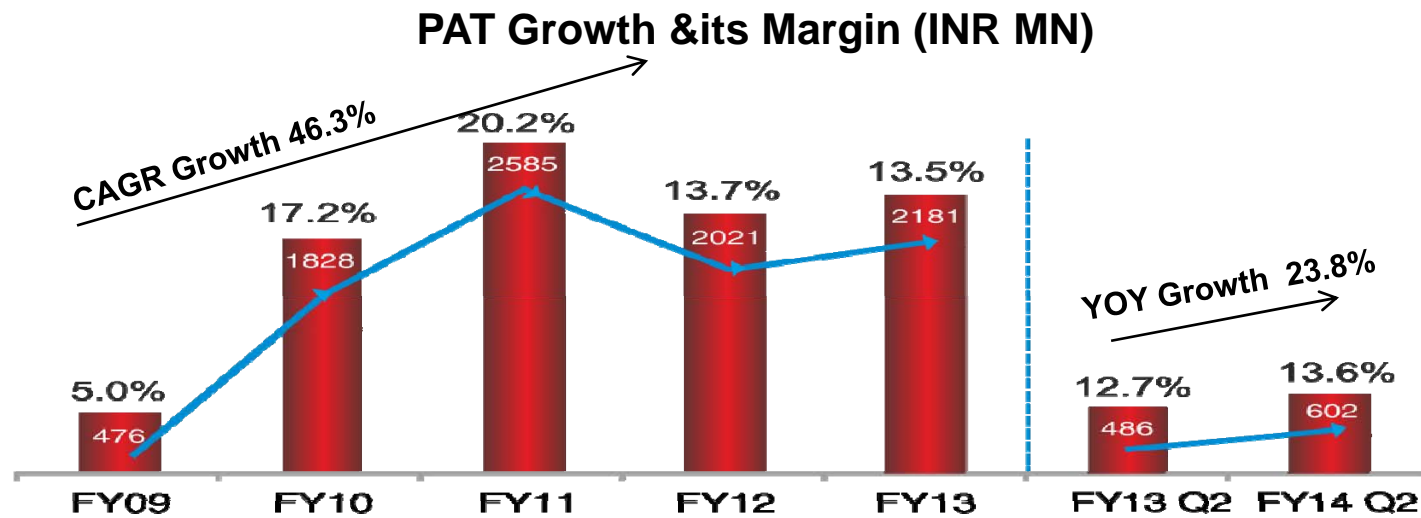
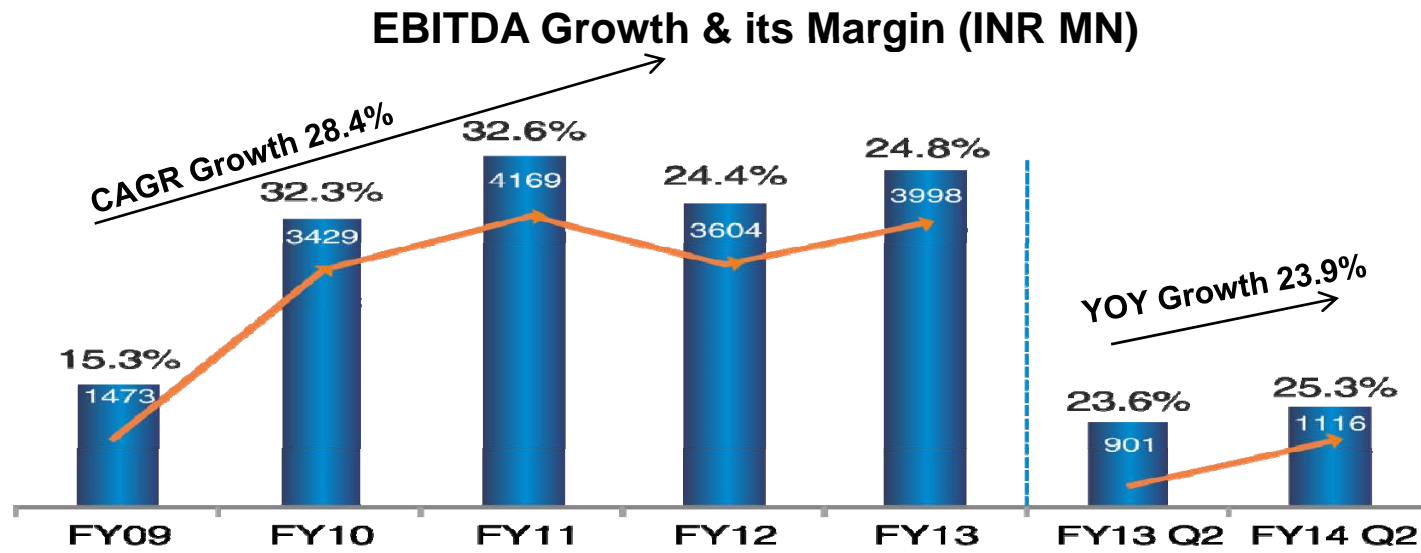
## Advertisement Revenue (Mn)



## Total Revenue (Mn)



# PROPELLING OVERALL MARGIN EXPANSION



# HEALTHY OPERATING PROFIT IN OUR MATURE MARKET

Rs MN

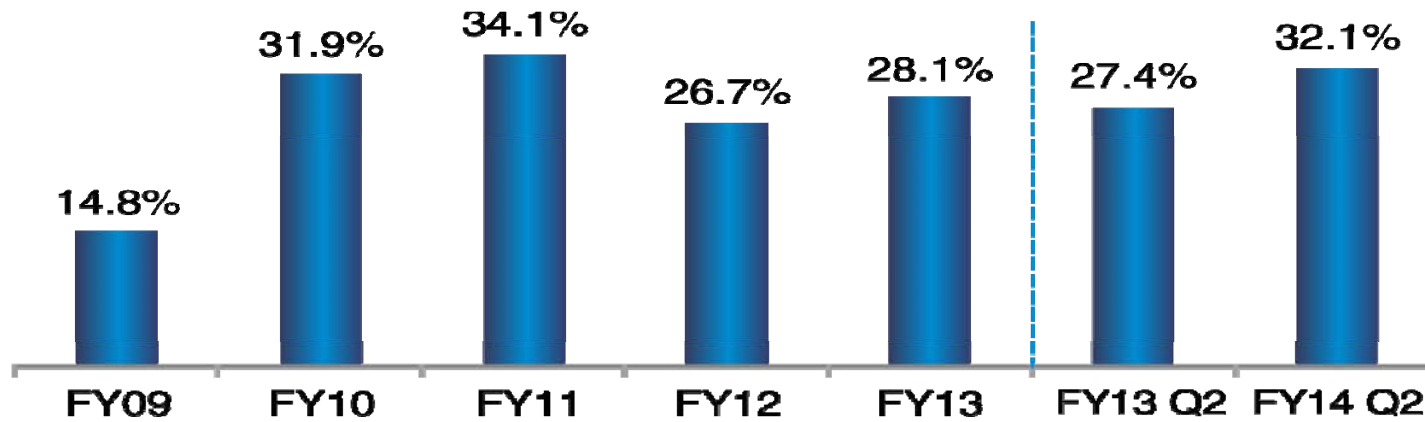
Particulars	YTD (FY 11-12)			YTD (FY 12-13)			Q2 (FY 12-13)			Q2 (FY 13-14)		
	Matured	Emerging	DBCL Standalone	Matured	Emerging	DBCL Standalone	Matured	Emerging	DBCL Standalone	Matured	Emerging	DBCL Standalone
Topline	12736	1243	13979	13365	1758	15123	3135	453	3741	3834	371	4380
EBIDTA(Before pre-opex)	4247	(635)	3612	3986	(344)	3642	928	(98)	876	1173	(76)	1154
EBIDTA(After pre-opex)	4246	(767)	3479	3986	(357)	3629	928	(99)	875	1173	(96)	1134
EBIDTA %	33.3%	(61.7%)	24.9%	29.8%	(20.3%)	24%	29.6%	(21.9%)	23.4%	31%	(26%)	26%

\*Emerging Editions: Editions which are less than 4 years old

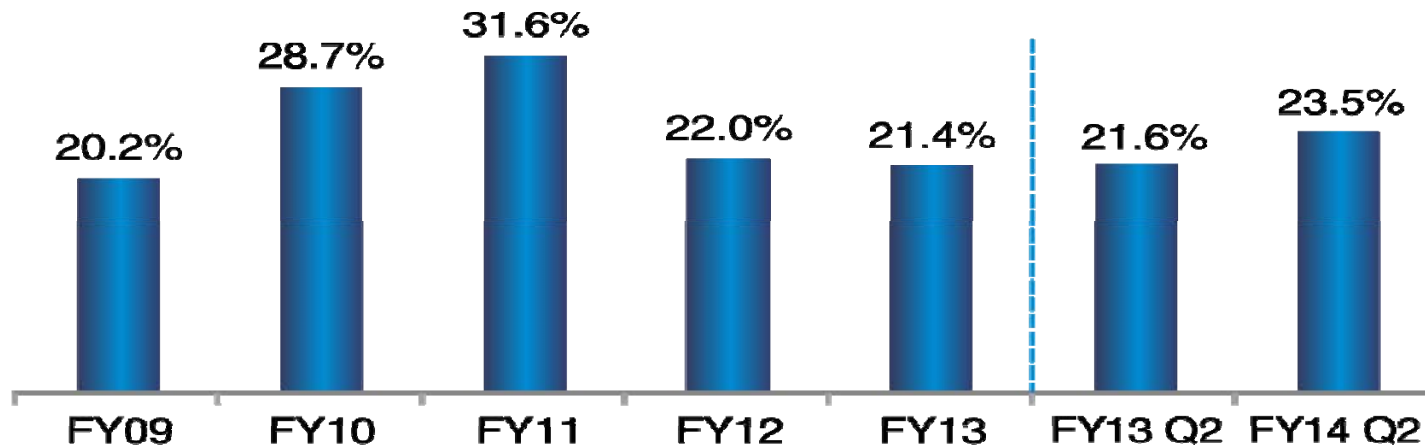


# STRONG FOCUS ON ROCE & RONW

## Return on Capital Employed (ROCE)



## Return on Net Worth (RONW)



# FINANCIAL SUMMARY

Particulars (INR million)	Year Ended				Quarter ended		
	March-10	March-11	March-12	March-13	Sept-12	Sept-13	Growth %
Advertising Income	8086	10034	11281	12075	2826	3297	16.7%
Circulation Revenue	2118	2144	2422	2823	700	796	13.7%
Total Income	10630	12794	14755	16137	3823	4418	15.6%
Newsprint	(3279)	(3838)	(5080)	(5446)	(1330)	(1505)	13.1%
Other Operating Expenditure	(3922)	(4786)	(6071)	(6693)	(1592)	(1798)	13.0%
Total Expenditure	(7200)	(8624)	(11151)	(12138)	(2985)	(3165)	6.1%
EBITDA	3429	4170	3604	3998	901	1116	23.9%
EBITDA Margin	32.3%	32.6%	24.4%	24.8%	23.56%	25.25%	
Net Profit	1828	2587	2021	2181	486	602	23.8%
Net Worth	6361	8289	9177	10214	10119	11590	
Secured Long Term Gross Loan	2394	1745	1328	1098	1175	1139	
Cash & Bank Balance	1926	1727	1896	1279	1433	1112	
Secured Working Capital Loan	573	337	577	299	781	311	
Total Secured Gross Debt	2966	2082	1905	1396	1956	1450	
Net Block (Fixed)	6475	7091	8224	8383	8341	8490	
ROCE	31.9%	35.1%	27.0%	28.1%	27.4%	32.1%	
RONW	28.7%	31.2%	22.0%	21.4%	21.6%	23.5%	

## GROWTH OPPORTUNITIES - RADIO



- Launched in 2006, now operates from 17 stations in 7 states, namely M.P., C.G., Punjab, Gujarat, Rajasthan, Chandigarh, Maharashtra
- Our Radio Business has attained PAT in record less than 4 years time, from the time of operations of all 17 stations.
- Strong Advertisement revenue of Rs. 175 million with growth of 14% in Qtr 2 FY'14 on YOY Basis.
- Achieved EBIDTA of Rs. 56 million (margin of 32%) and PAT margin of 11% in Q2 FY'14
- Strong Competitive advantage because of knowledge of consumers & advertisers, in these markets

## GROWTH OPPORTUNITIES – DIGITAL MEDIA

- Digital Business has shown an impressive growth of 1950% in last 3 years .
- Our Unique Visitors have grown to 10 million per month, thus registering growth of 1650% in last 3 years.
- Collective page views stands at 369 million per month.
- [www.dainikbhaskar.com](http://www.dainikbhaskar.com) has become largest Hindi language website with 163 million page views, registering growth of 2700% in last 3 years.
- [www.divyabhaskar.com](http://www.divyabhaskar.com) has become largest Gujarati language website with 67 million page views, thus registering growth of 1100% in last 3 years.
- Our Revenue growth is impressive 26% in Q2 FY14 YOY and we have been maintaining good growth momentum in our Digital revenue.

# BOARD OF DIRECTORS

**Ramesh Chandra Agarwal**

- Chairman - 44 years of experience
- Served as Chairman of FICCI of the MP region

**Sudhir Agarwal**

- Managing Director of DBCL
- 27 years of experience in the publishing and newspaper business

**Girish Agarwaal**

- 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**

- 13 years of experience in the publishing business
- Heads entire Production, IT and Technology for DBCL

**Piyush Pandey\***

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

**Kailash Chandra Chowdhary\***

- Previously the Chairman & Executive Director at Central Bank of India and Chairman & Managing Director of Vijaya Bank

**Ashwani Kumar Singhal\***

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

**Harish Bijoor\***

- A member of the planning group sub-committee of the Union Planning Commission of India

*\* denotes Independent Directors.*



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*THANK YOU*



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