

# DB Corp Ltd. Investor Presentation

February 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

# A LEADING MEDIA COMPANY OF INDIA



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# MAJOR BUSINESS BRANDS AND THEIR FACTS

Around 19.8 MN 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, 5 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



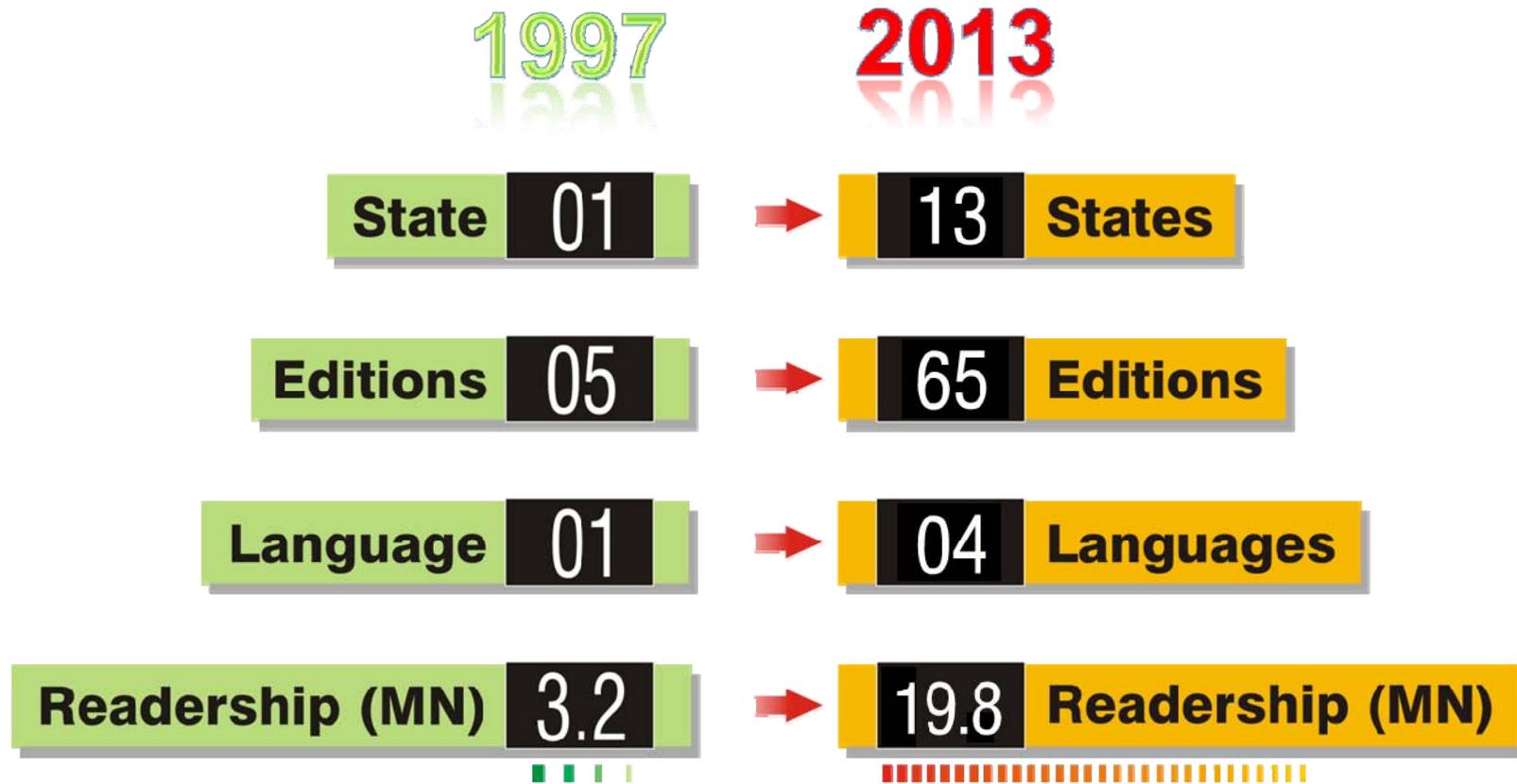
## Multiple States – Emerging Tier II & III Cities

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

## Focus on Revenue Market Share - in Multiple language

- Hindi, Gujarati, Marathi and English
- 38% Urban population of India resides in Bhaskar Markets (excluding Delhi & Mumbai)
- 36% of India's total consumption based on Market Potential Value (MPV) is concentrated in Bhaskar Markets

# CONSISTENT TRACK RECORD OF GROWTH

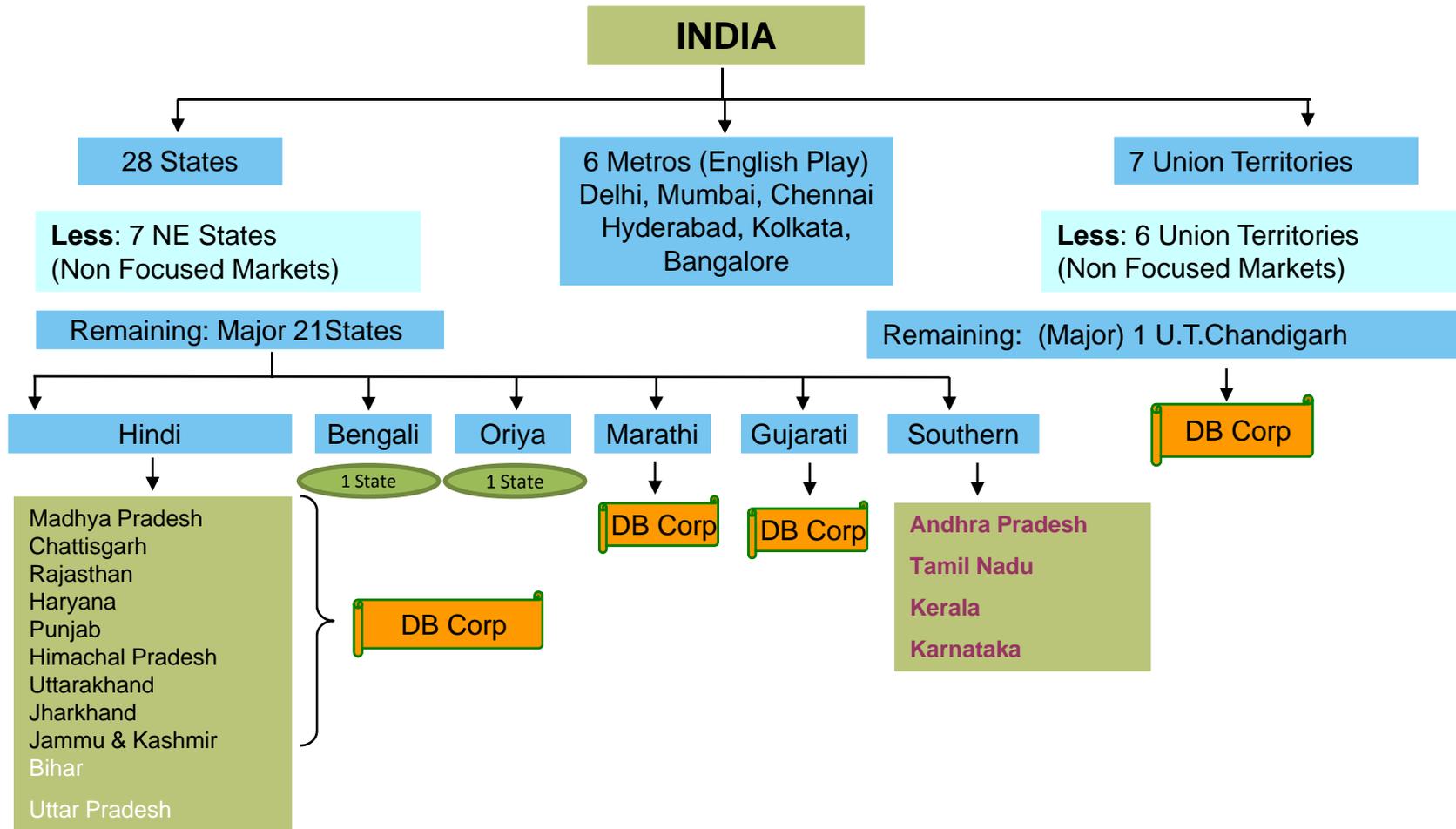


# FOCUSED ON GROWING MEDIA OPPORTUNITIES IN INDIA

**-REGIONAL MARKETS**



# STRATEGIC FOOTPRINT IN INDIA



Source: Indian Govt Web site

# INDIA'S URBAN CENTURY

- The 21st century is set to become India's 'urban century'
- More people will live in cities and towns than in the countryside for the first time in its history
- In 1991, India had 23 cities with a million or more people. A decade later, it had 35. Currently the same is 53 cities as per census 2011.
- The major growth is happening in small and mid-sized towns.
- Literacy Rate , Purchasing Power & ambitions are growing in Tier II and III cities, hence, language media is still to grow.

Source : Goldman Sachs

# Regional Print Play

## Future Outlook in India



# FOCUSED ON GROWING MEDIA OPPORTUNITIES IN INDIA

## REGIONAL MARKETS

- Tier II & III cities are catalysts of growth in India, Regional Newspapers dominate the market
- SEC A & B Population is growing faster in Tier II & III Cities
- Around 27% of Literate population of India, currently read newspaper, leaving wide gap for readership growth, for future

	CAGR 06-11
<b>SEC A (Upper Class)</b>	
Metro : (4 Million + above towns)	10%
Tier II + III Towns*	24%
<b>SEC B (Upper Middle Class)</b>	
Metro : (4 Million + above towns)	14%
Tier II + III Towns*	18%

All India	SEC A	SEC B
<b>AED</b> (Any English Daily Reach)	28%	9%
<b>ALD</b> (Any Language Daily Reach)	58%	50%

\*Tier I: Population > 4 Mn

Tier II : 1 Mn < Population < 4 Mn

Tier III : Population < 1 Mn

Source: IRS Q3 2011

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

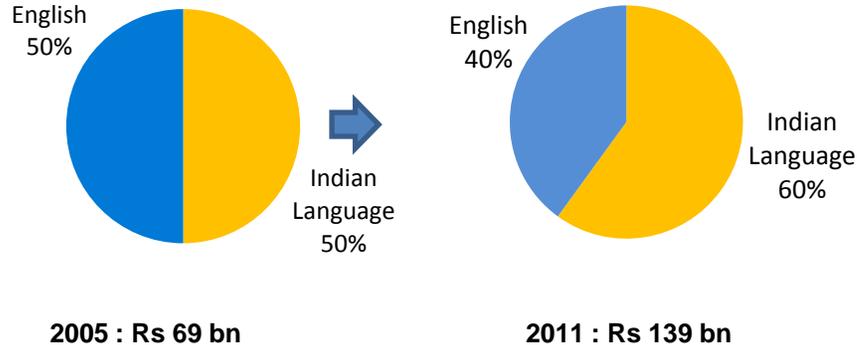
Growth 2008 vs 2011	Metros	Tier II	Tier III
Consumer Durables Ownership (Air Conditioners)	46%	104%	96%
IT & Communication Products Ownership	20%	66%	44%
Automobile Ownership (4 Wheelers)	27%	61%	58%
FMCG Product Purchases	10%	17%	15%

Source: IRS Q3 '11

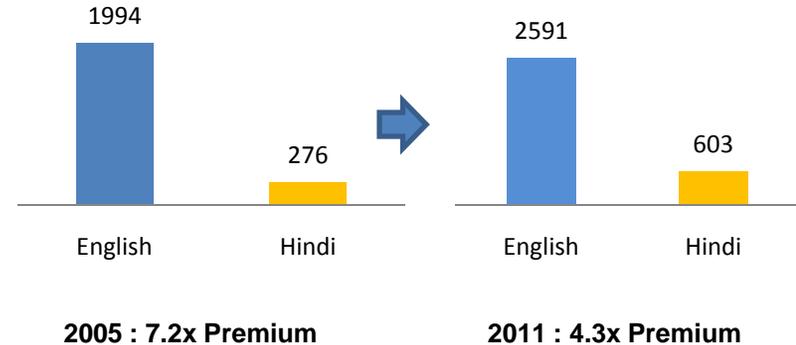
## CONSUMPTION GROWTH WILL LEAD TO ADVERTISEMENT GROWTH IN TIER II & TIER III CITIES

- The Per Capita Income is growing faster in Tier II & III cities.
- The Players with readership domination, in the major markets, will get benefitted, in long term, due to resultant Advertisement growth
- ‘Regional Language Newspaper to play a vital role’ – Group M Report

### Indian Language gaining share of ad-pie



### Premium of English declining (On Value Basis)



Source: FICCI KPMG Report , IRS , TAM Adex

## KUTs PROVIDE THE TALKING POINTS!

- ✓BMW dealer in Jaipur sold 30 cars in 3 months
- ✓115 Mercedes booked in a day in Aurangabad
- ✓Punjab - 1400 Mercedes cars, 450 in Ludhiana
- ✓Coimbatore – Audi, Porsche sold 35 cars in 2009
- ✓Surat - 11 Mercedes (27 l - 3 c) sold in a month
- ✓50% of high end TVs are sold outside metros
- ✓TAG Heuer - 35 units, Rs. 2 lakhs each, in 3 months in Guwahati
- ✓Ludhiana 2<sup>nd</sup> to Delhi for Rs 1 crore+ watch
- ✓Cochin - fastest growing for small boats and yachts (2008-09)

Source: India Today 7<sup>th</sup> Jan'10; TeamBHP.com, 8<sup>th</sup> April'10; Business Today 16<sup>th</sup> Mar'10; E&Y

KUTs : Key Urban Towns

# DIVERSE, SUSTAINABLE BUSINESS MODEL



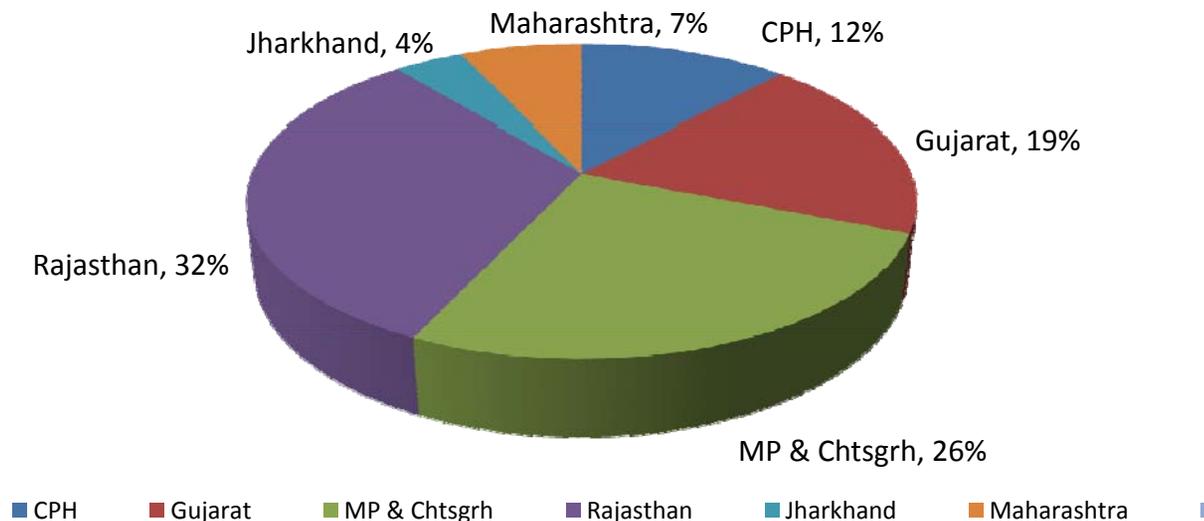
# SUSTAINABLE BUSINESS MODEL

## UNIFORMLY DISTRIBUTED EBIDTA FROM OUR DIVERSIFIED MARKETS

Our business in Madhya Pradesh, Chhattisgarh, Rajasthan, Gujarat, Haryana, Punjab, Chandigarh etc. individually contributes towards the EBIDTA, thus reducing the dependability on any one single market

## EVEN DISTRIBUTION OF OUR 19.8 MN AVERAGE DAILY READERS

### Readership – IRS 12 Q3



CPH – Chandigarh, Punjab & Haryana

# *D B Corp Ltd. Expansion Journey Continues – Successful Jharkhand & Maharashtra Launch*



# And we once again proved in a totally different market

Ranchi Jharkhand ,  
22 August 2010



## IMRB Survey

**Dainik Bhaskar  
leader in SEC AB**

Average Issue Readership Estimates	AIR Base	SEC			SEC AB % of Total Reader Base
		A	B	AB	
Prabhat Khabar	303	60	58	118	39%
Dainik Bhaskar	270	66	62	128	47%
Hindustan	168	45	36	81	47%
Dainik Jagran	92	14	17	31	34%

Figs in '000

**The affluent truly appreciates quality content of Dainik Bhaskar**

AIR: Average Issue Readership

SEC: Socio Economic Class

IMRB: Indian Market Research Bureau

**D B Corp Ltd.**

**Maharashtra Launch ...**

**1<sup>st</sup> Edition from Aurangabad,**

**2<sup>nd</sup> Edition from Nashik,**

**3<sup>rd</sup> Edition from Jalgaon**

**4<sup>th</sup> Edition from Ahmednagar and**

**5<sup>th</sup> Edition from Solapur...**



# 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 Q3</b>
<b>Dainik Bhaskar</b>	<b>1088</b>
Nearest Competitor	785

<b>Chandigarh/ Haryana</b>	<b>IRS 12 Q3</b>
<b>Dainik Bhaskar</b>	<b>1475</b>
Nearest Competitor	1034

<b>Ahmedabad</b>	<b>IRS 12 Q3</b>
<b>Divya Bhaskar</b>	<b>1114</b>
Nearest Competitor	863

<b>Amritsar</b>	<b>IRS 12 Q3</b>
<b>Dainik Bhaskar</b>	<b>136</b>
Nearest Competitor	112

<b>Jalandhar</b>	<b>IRS 12 Q3</b>
<b>Dainik Bhaskar</b>	<b>137</b>
Nearest Competitor	115

**IMRB Survey**

<b>Ranchi</b>	<b>AIR</b>
<b>Dainik Bhaskar</b>	<b>270</b>
Nearest Competitor	303

<b>Aurangabad</b>	<b>AIR</b>
<b>Dainik Divya Marathi</b>	<b>342</b>
Nearest Competitor	273

**Ranchi-IMRB Survey**

**Aurangabad-IMRB Survey-  
August 2011**

IRS : Indian Readership Survey  
IMRB: Indian Market Research Bureau

## 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. 191 million with growth of 21.7% in Qtr 3 FY'13 on YOY Basis.
- Achieved EBIDTA of Rs. 73.1 million (margin of 38.3%) and PAT margin of 24.5% in Q3 FY'13
- Strong Competitive advantage because of knowledge of consumers & advertisers, in these markets

## GROWTH OPPORTUNITIES – Digital Media

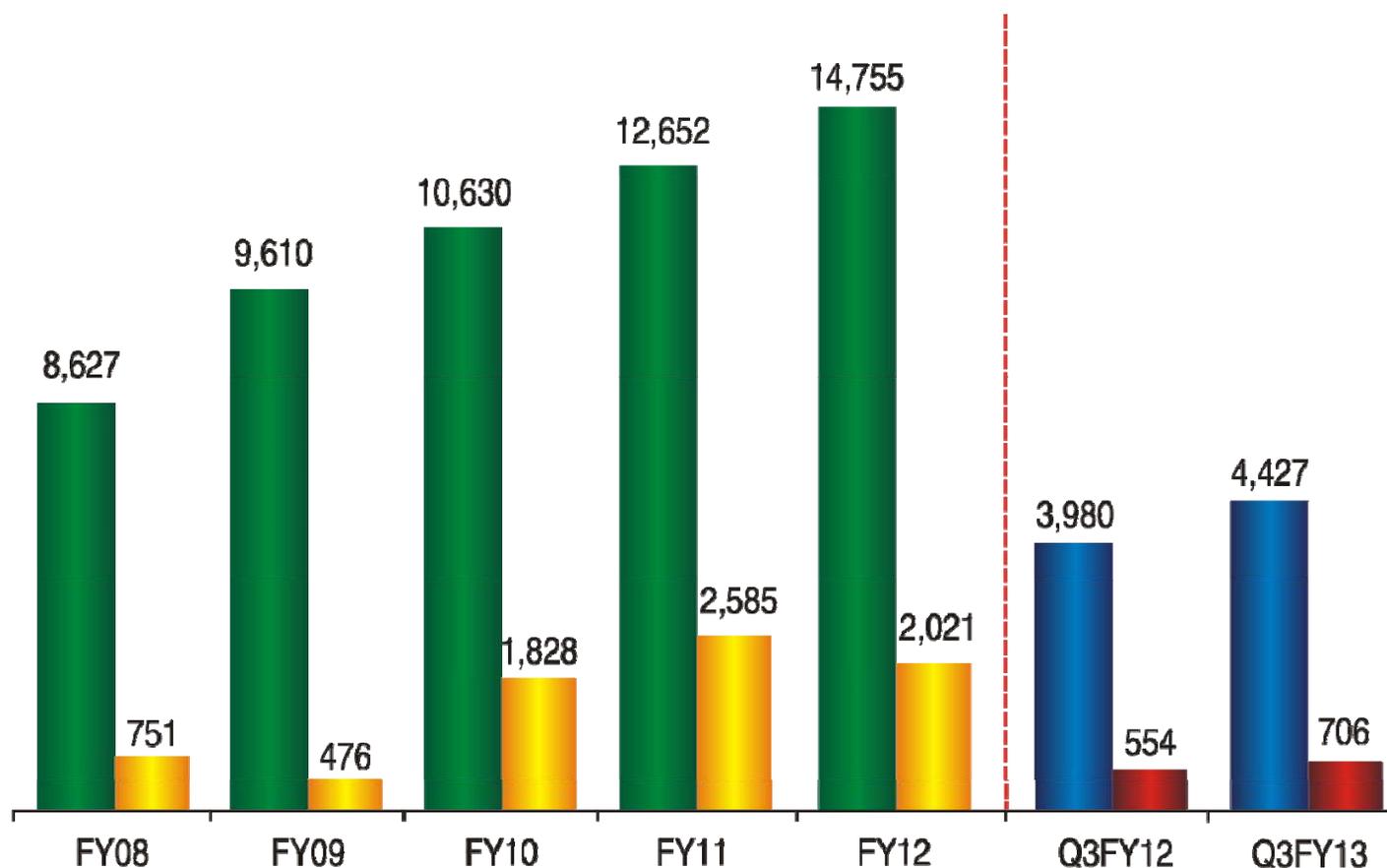
- Digital Business has shown an impressive growth of 1950% in last 3 years .
- Our Unique Visitors have grown to 10 million per month, thus registering growth of 1650% in last 3 years.
- Collective page views stands at 250 million per month.
- [www.dainikbhaskar.com](http://www.dainikbhaskar.com) has 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 100% in Qtr 3 YOY and we have been maintaining good growth momentum in our Digital revenue.

# CONSOLIDATED FINANCIAL HIGHLIGHTS

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



# CONSISTENT TRACK RECORD OF PROFITABILITY



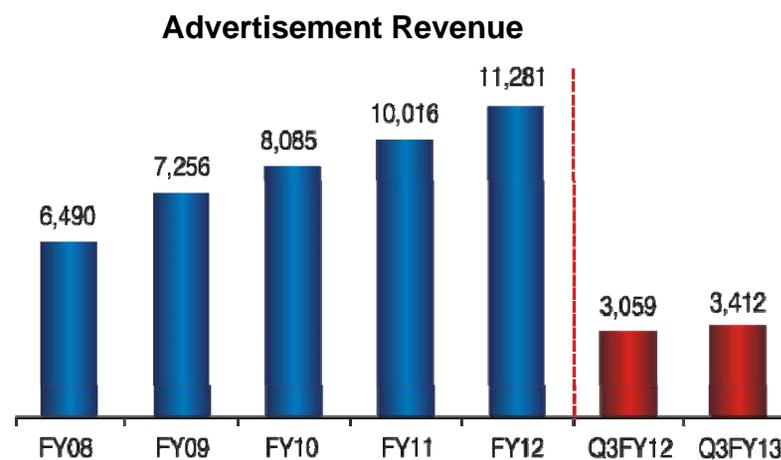
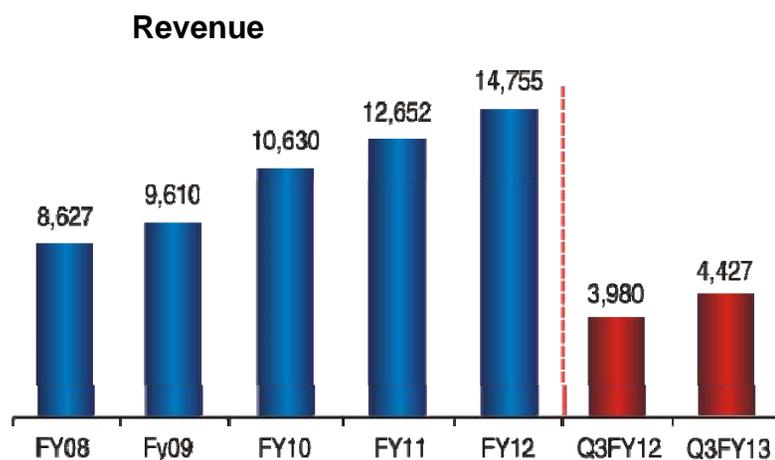
■ Revenues (INR MN) 
 ■ PAT (INR MN) 
 ■ Revenues (INR MN) 
 ■ PAT (INR MN)

# HEALTHY OPERATING PROFIT IN OUR MATURE MARKET

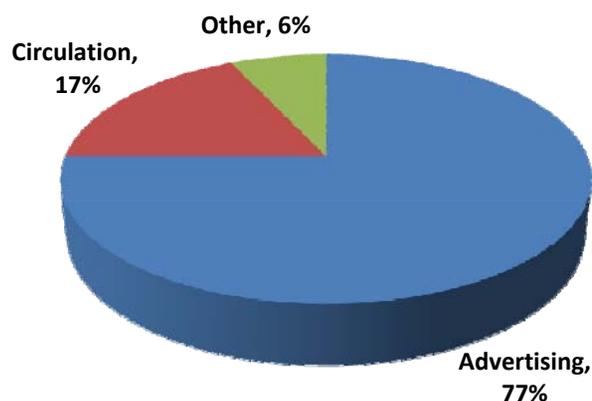
Particulars	QTR 3 (FY 11-12)			QTR 3 (FY 12-13)			YTD DEC (FY 11-12)			YTD DEC (FY 12-13)		
	Matured	Emerging	DBCL Standalone	Matured	Emerging	DBCL Standalone	Matured	Emerging	DBCL Standalone	Matured	Emerging	DBCL Standalone
Topline	3381	376	3914	3698	497	4386	9651	897	10955	9995	1391	11869
EBIDTA(Before pre-opex)	1141	(144)	1041	1227	(56.5)	1245	3323	(450)	2945	3087	(266)	2970
EBIDTA(After pre-opex)	1141	(165)	1019	1227	(56.5)	1245	3323	(570)	2825	3087	(277)	2957
EBIDTA %	34%	(44%)	26%	33.2%	(11.4%)	28.4%	34.4%	(63.5%)	25.8%	31%	(20%)	25%

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

# ROBUST REVENUE GROWTH



**Revenue Breakdown Qtr. 3'FY13**

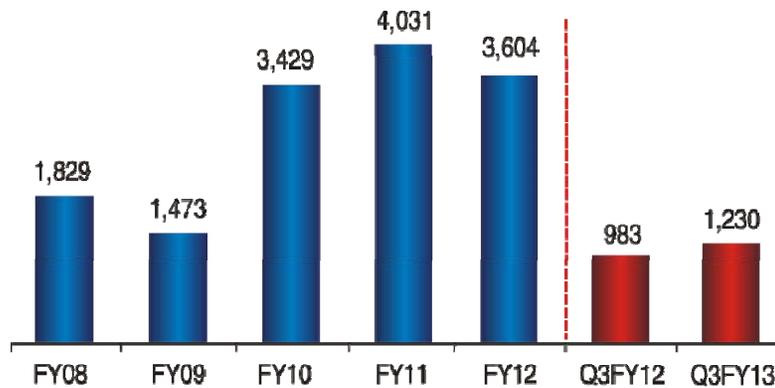


**Revenue Growth Drivers**

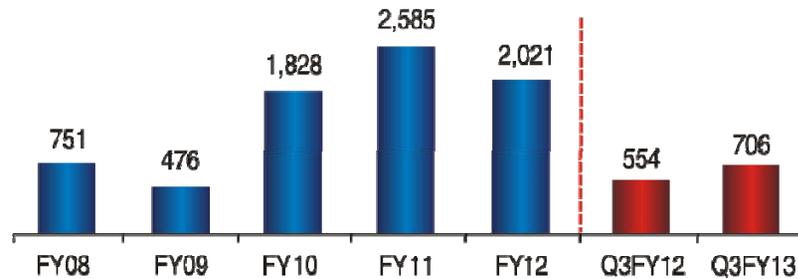
- Upward revision of ad rates at national and local level
- Driving growth through Retail Advertisers
- Improved Circulation, in Existing and Newer Markets and better price realization
- Further consolidation in existing markets and expansion into new territories

# PROPELLING OVERALL MARGIN EXPANSION

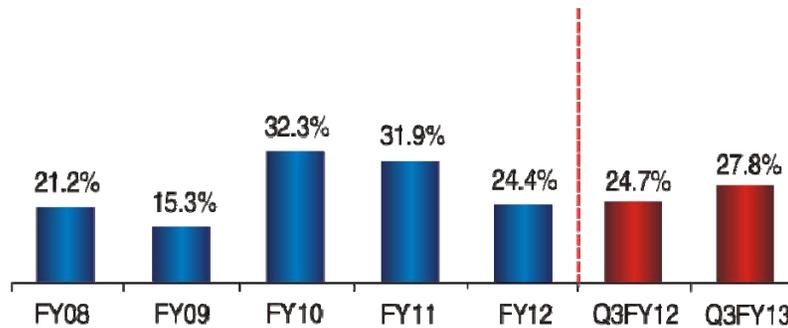
**EBITDA Growth  
(INR MN)**



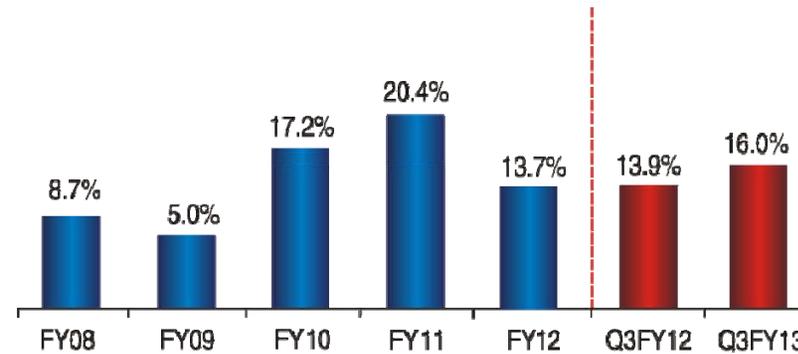
**PAT Growth  
(INR MN)**



**EBIDTA Margin**

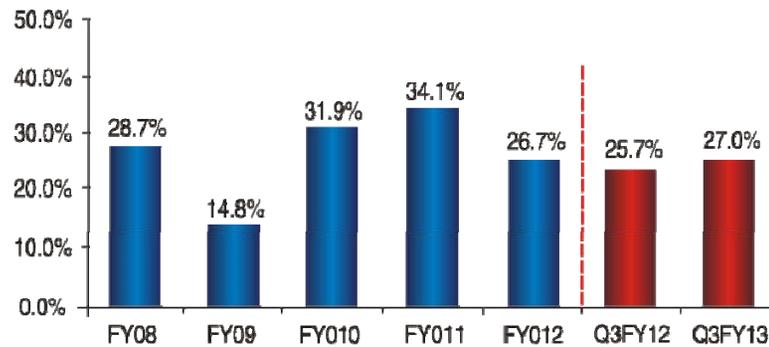


**PAT Margins (Net Margin)**

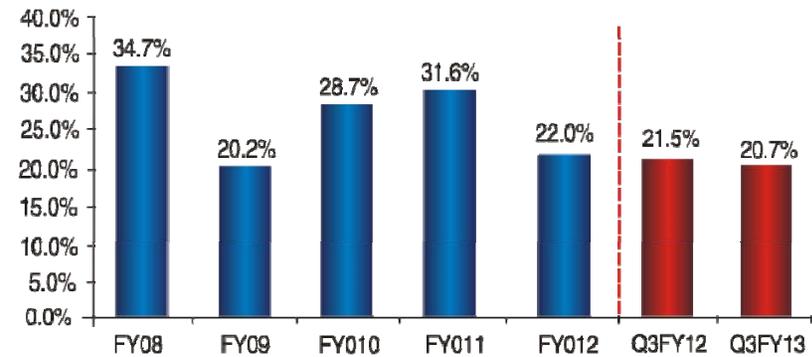


# STRONG FOCUS ON ROCE

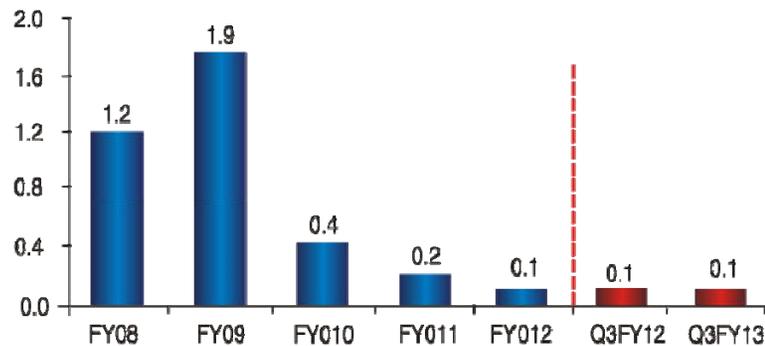
Return on Capital Employed (ROCE)



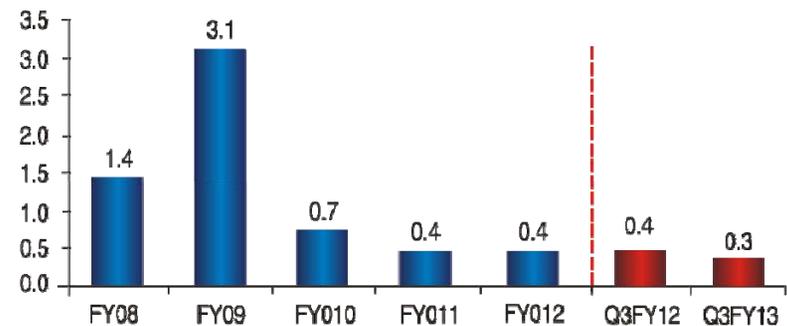
Return on Net Worth (RONW)



Debt to Equity

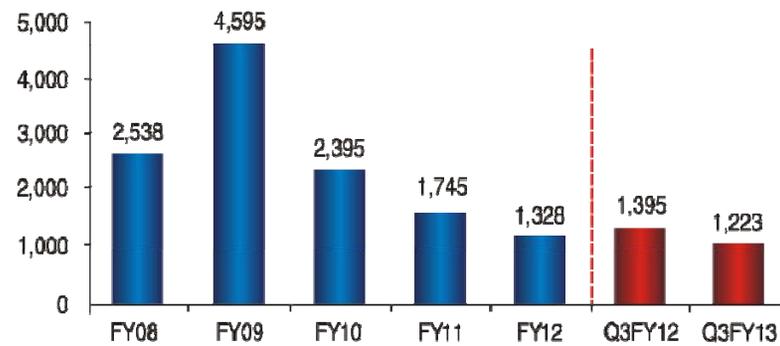


Debt to EBIDTA

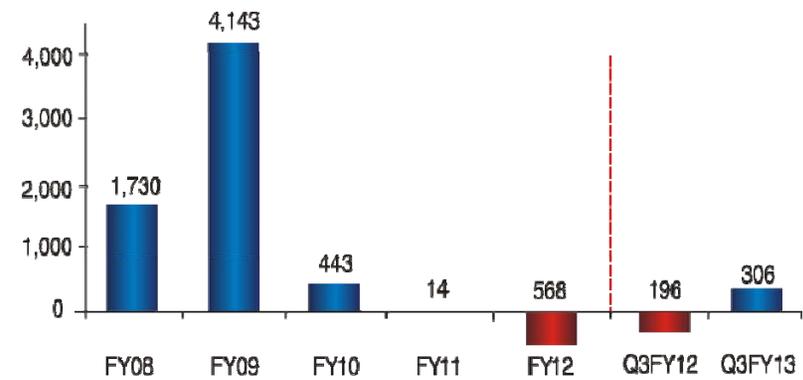


# CONTINUOUS REDUCTION IN DEBT

**Gross Debt (INR MN)**



**Net Debt (INR MN)**



# FINANCIAL SUMMARY

Particulars (INR million)	Year Ended				Quarter ended		
	March-09	March-10	March-11	March-12	December-11	December-12	Growth %
Advertising Income	7256	8086	10034	11281	3059	3412	11.5%
Circulation Revenue	2009	2118	2144	2422	632	731	15.7%
Total Income	9610	10630	12794	14755	3980	4427	11.2%
Newsprint	(4,075)	(3,279)	(3,838)	(5,080)	(1,350)	(1,447)	7.2%
Other Operating Expenditure	(4,062)	(3,922)	(4,786)	(6,071)	(1,647)	(1,750)	6.3%
Total Expenditure	(8,137)	(7,200)	(8,624)	(11,151)	(2,997)	(3,197)	6.7%
EBITDA	1473	3429	4170	3604	983	1230	25.1%
EBITDA Margin	15.3%	32.3%	32.6%	24.4%	24.7%	27.8%	
Net Profit	476	1828	2587	2021	554	706	27.6%
Net Worth	2360	6361	8289	9177	9404	10408	
Secured Long Term Gross Loan	4595	2394	1745	1328	1395	1223	
Cash & Bank Balance	452	1926	1727	1896	1591	917	
Secured Working Capital Loan	817	573	337	577	761	450	
Total Secured Gross Debt	5412	2966	2082	1905	2156	1673	
Net Block (Fixed)	6471	6475	7091	8224	8195	8653	
ROCE	15.0%	31.9%	35.1%	27.0%	25.7%	27%	
RONW	20.0%	28.7%	31.2%	22.0%	21.5%	20.7%	

# BOARD OF DIRECTORS

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

\* denotes Independent Directors.

*THANK YOU*



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