



## “DB Corp Limited Q1 FY24 Earnings Conference Call”

July 20, 2023

**Moderator:**

Ladies and gentlemen, good day, and welcome to the DB Corp Limited Q1FY24 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 star then zero on a touchtone phone. Please note that this conference is being recorded.

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. Lalit Jain, Chief Financial Officer; Mr. Mushtaq Ali, Vice President F&A and Mr. Prasoon Kumar Pandey, Head- Investor and Media Relations, who will represent DB Corp Limited on the call.

The management will be sharing the key operating and financial highlights for the quarter ended June 30, 2023, followed by a question-and-answer session. Please note 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 Exchange and the company's Investors section. Trust, you have been able to go through the same. I now hand the conference over to Mr. Pawan Agarwal. Thank you, and over to you, sir.

**Pawan Agarwal:**

Thank you very much, everyone, and very good evening to everyone, and thank you for joining the Q1 FY 2024, DB Corp's Earnings Conference Call. We will begin the call by highlighting the key financial performance for the quarter ended June 30, 2023, followed by key operational updates. We are delighted to announce that we have delivered an impressive performance in the first quarter setting a strong foundation for the

commencement of the new financial year.

This all-around remarkable growth was on the back of robust ad growth across all segments and cost optimization. In quarter one, FY 2024, consolidated ad revenue grew 17.2% Y-o-Y to INR3,946 million from INR3,368 million in Q1 FY 2023, on the back of increased ad spend. Circulation revenue grew by 4% to INR1,199 million as against INR1,156 million of Q1 FY 2023. Total revenue grew by 15% Y-o-Y to INR5,736 million as against INR4,994 million in Q1 FY 2023. EBITDA grew by 84% Y-o-Y to INR1,359 million versus INR738 million in Q1 FY 2023 on account of impressive revenue growth as well as continued cost control, including softening of newsprint prices.

During Q1FY 2024, newsprint prices maintained a downward trajectory and we expect this trend to continue. We are pleased to report that our average cost for newsprint has decreased from the previous high of INR Rs 63,500 per metric ton in quarter 2 FY 2023 to around INR Rs 56,600 per metric ton in Q1 FY 2024. This reduction in cost provides us with a favourable position and enhances our financial outlook for the future. EBITDA margin expanded by an impressive 900 basis points to 24% from 15% in Q1 FY 2023. PAT for the quarter grew by 154% to INR Rs 788 million versus INR Rs 310 million in Q1 FY 2023.

Overall, it has been a very encouraging quarter, and we remain committed to delivering high-quality content and engaging experiences through our print publications, ensuring that our readers continue to find value in Dainik Bhaskar.

Moving on to our digital business, which has been a key focus area and an important vertical in terms of future growth for our business. The company has been working hard to increase its loyal monthly active user base across its applications. Our teams continue to work on the digital app to improve the engagement with users and this is helping overall retention of our readers across all formats.

Coming to the Radio division, in Q1 FY 2024 Revenues grew by 16.2% to INR Rs 372 million versus INR Rs 320 million last year. EBITDA grew by 23% to INR Rs 115 million versus INR Rs 94 million. Through our ongoing initiatives at MY FM, we are working towards building planned visibility, delivering compelling content and which will ultimately drive revenue growth. We remain dedicated to providing the best possible experience for our listeners as well as advertisers as we continue to evolve and thrive in the ever-changing media landscape.

With this, I would now request Mr. Girish Agarwal to update us on the operations. Over to you Girishji.

**Girish Agarwal:**

Thank you, Pawan, and good evening, everybody, and thank you for joining us on this call. We are pleased to conclude the first quarter of fiscal 2024 with an outstanding performance by our team. Notably, the Indian newspapers industry is witnessing a significant upswing in

advertising across various segments. Reputed agencies such as CRISIL peg this growth at about 15% to 17%. Our strong performance reaffirms our position as a key player in the Indian print media industry, and we are excited about the opportunities that lie ahead.

It is worthwhile to share here that our print business has registered a growth of strong 24% Y-o-Y for last 5 quarters, if I have to see this year, Q1 and the 4 quarters of last year, then this Y-o-Y -- quarter-on-quarter growth is around 24%. Advertisers, including education, real estate, government, jewellery and health have remained steadfast in their preference to use print as their preferred medium.

In fact, I would like to mention here that during COVID, in the 2 years' time, we were hearing some comments about some advertising, especially real estate and education shifting to digital, but I'm happy to share with you that both these categories have shown a very good growth with us in the last 4 quarters.

Furthermore, I'm pleased to share that the Auto Sector advertising is experiencing recovery and we anticipate growth in the forthcoming quarters also. The print media continues to hold value for new age digital sectors also. Lastly, on the cost front, as we have been highlighting, there are tailwinds being created in the form of, A) savings from our cost optimization measures and most importantly, B) benefit from softening of newsprint prices. This favourable trend is expected to yield furthermore significant benefits in the forthcoming quarters also.

As Pawan has just said that newsprint prices have further up and down. And especially, if you look at the price range, which were earlier at 60-plus has gone down to 56, so I think there is a sizable benefit that has come to us and we expect the same to continue in the upcoming quarters also. This is all from our side and me and my colleagues and I would be very happy to respond to your queries now. Thank you very much.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin question-and-answer session. The first question is from the line of Pritesh Chheda from Lucky Investments.

**Pritesh Chheda:** I have two questions. One, what was your outlook on the print ad growth for the current fiscal year and next, if you can share that? And my second question is, what is the progress as an industry about the payment -- about the content to be charged through the global apps like Google or Meta -- where I'm seeing globally a couple of countries have actually passed a few bills with regards to that. So, any update there would be very helpful.

**Girish Agarwal:** Sure. So, coming to your first question about the growth in the advertising. As I mentioned to you, growth in last 5 quarters have been around 24% Y-o-Y. So, if you remember in the Q1 of last year, the number was 99%, but that was because the year before was COVID year. But in Q2 it was 27%; in Q3, 4%; Q4 was 16% and Q1 of this year has been a 15% growth. So, considering this trend, I would expect it to further improve going forward.

Coming to your second question on the social platforms paying for the news content.

Industry has already gone to Competition Commission of India. They have heard all of us and they are in the process of evaluating the petition. And I'm sure they will soon come out with some positive results.

**Pritesh Chheda:** So, so far, we are not being paid for the content, right?

**Girish Agarwal:** We have not been paid for content as such, but we have got some kind of remuneration coming from some of the platforms on various other things which we are doing with it.

**Pritesh Chheda:** Okay. Is it the recent revenue generation or it has always been there?

**Girish Agarwal:** No, it's a recent, in last 2, 3 quarters it started.

**Pritesh Chheda:** And can you quantify that?

**Girish Agarwal:** If you remember, sir, we took the liberty of asking all our investors to allow us not to disclose the digital numbers for some more time. Under that, I would request to allow us.

**Pritesh Chheda:** No problem. Thank you very much.

**Moderator:** The next question is from the line of Himanshu Upadhyay from O3 PMS.

**Himanshu Upadhyay:** Congratulations on good set of numbers. See, my question was on the circulation revenue, which is 4% growth, 3.7% Y-o-Y. Can you give some breakup in how much was the growth because of pricing and what was the volume growth rate? Because I think the new revenue, which would be coming to you on the digital because you were doing that subscription experimentation also. So that will come into circulation. So, you may not be getting the right impression that on 3.7%. So, can you give on the base newspaper?

**Girish Agarwal:** Just to let you know that in the Q1 last year, the circulation number was 41.89 lacs, and this year, it is 42.16 lacs, so there has been almost 1% growth in terms of circulation. That's number one. Number 2 in the cover price from last year, 4.76/-, we have gone up to 4.84/-. That is another almost 2% growth there. So, the 4% growth, which has said come in circulation, 3% has come directly from here on.

**Himanshu Upadhyay:** Okay. And secondly, we had stated that last year when the prices were increasing, still it was time for us to raise advertisement pricing, okay? Especially on the newspaper side, okay. But do you think now the time is coming where we can take back the prices what we would have reduced COVID after that.

**Girish Agarwal:** Yes, it's a very good question, and we, as an organization, are trying our best, and we are seeing certain results also by taking those discounts. Largely, we have taken the discounts back, but I'm saying furthermore, how can we improve the yield, so we all are working towards it.

**Himanshu Upadhyay:** And in one more thing, the Radio also has done pretty well for us, okay? And the 16%

growth in the radio advertisement what we are seeing, is it just occupancy because there was scope to improve the occupancy also.

**Girish Agarwal:** Largely radio growth has come from the occupancy, they have not been able to improve the yield. But in the coming quarter, they are working on it.

**Himanshu Upadhyay:** And what would be the current utilization in occupancy?

**Girish Agarwal:** I don't have it of hand sir, we can provide that offline.

**Himanshu Upadhyay:** And just context on the larger thing, okay? Some of the sectors like consumption, okay? What we are seeing is a slowdown, okay, in some of these sectors, our rural is still not doing very much. How are you seeing the business is? Especially FMCG and some of these sectors, are you seeing that advertisement increase. And one important sector for us was Autos, which was not doing well because new models were not coming up.

**Girish Agarwal:** As you rightly mentioned, since the rural sector is slightly weak or not that strong, the FMCG advertising with us is slightly soft, it's not improving. So there are a few segments which still need to be ramped up.

**Himanshu Upadhyay:** In autos, we have seen a lot of new models come up, in last few...

**Girish Agarwal:** Autos we have shown a growth of almost 30% in this quarter. We believe this will continue in the coming quarters because of the new launches.

**Himanshu Upadhyay:** Okay. Because it was nowhere in the press release. So, I was just thinking, how is it doing. Yes. Thank you.

**Moderator:** We'll move on to the next question. That is from the line of Riya from Aequitas Investments.

**Riya:** Congratulations, good set of number. I have a couple of questions. So, I was just taking the paper price trend. So, import prices have fallen much more than the domestic prices. So, do we have the fungibility of increasing import portion for our newsprint?

**Girish Agarwal:** Generally, what happens is Indian newspaper manufacturers follow the trend of the imported newsprint. Once imported newsprint has gone down, from next quarter, you will see Indian newsprint also will be reducing their prices. So, there's no need to shift the consumption pattern because they will also come to the same terms.

**Riya:** Okay. And what will be your current blended prices of paper?

**Girish Agarwal:** This quarter, we have done INR56,600 per ton.

**Riya:** We've seen continued further trend of reduction.

- Girish Agarwal:** We expect maybe should go down in the next quarter.
- Riya:** Okay. My second question would be with regards to the government has some new pricing policy, which was supposed to happen? Where are we on that?
- Girish Agarwal:** Actually, you're asking a wrong person because I have no clue what they are doing. But as of now, from our side, nothing has been done. They have not announced anything to us yet, but I'm sure they must be working on it.
- Riya:** Okay. And what is the government revenue for the current advertisement? What is the kind of growth we are seeing?
- Girish Agarwal:** Our government growth is much higher because if you remember last year, for some reason, certain governments were not advertising with us. And this year, all of them are advertising. So that's the reason why we see this supported growth in the government revenue. But I'm sure from next quarter onwards, that should get annualized number.
- Riya:** So, are we back to the time where we didn't have issues, similar revenue in government?
- Girish Agarwal:** Yes.
- Riya:** And as far as auto, are we back to pre-COVID levels.
- Girish Agarwal:** So, auto is growing. As I mentioned, 30% growth in this quarter, but I think auto has a long way to go.
- Riya:** Okay. And my last question would be as mentioned in the press release, there's an increase in cover prices in Maharashtra, Bihar, are we going forward seeing any trend of increase in cover price in other geographies?
- Girish Agarwal:** Frankly, speaking, no, because your cover price is already almost INR Rs 4.84, maybe INR0.03, INR0.04, INR0.05 margin because of Maharashtra and Bihar come in, but nothing more.
- Riya:** Okay. So whatever going forward will be volume growth, which would be 1% to 2%?
- Girish Agarwal:** Yes.
- Riya:** And in terms of digital, I have a question regarding the MAUs. In March, our total Dainik Bhaskar group at 14.2 million users. However, the slight decline to 13.4 million. If I just check the trend last January 2022, that was 17.2 million. So why are you seeing a decrease in trend?
- Girish Agarwal:** For two reasons. As you remember, last time, we mentioned to you that we are doing certain experiment on monetization in various pockets, number one. Number two, we are also ensuring that during this experiment, we are not doing any kind of promotions and as

such because we want to grow and check the number based on 100% organic growth. So that's the reason, slight number here and there, what's the difference you're seeing.

**Riya:** And our experimentation revenue goes in a normal circulation advertisement?

**Girish Agarwal:** Yes.

**Riya:** That's it from my side.

**Moderator:** Thank you. The next question is from the line of Pradyumna Choudhary from JM Financial.

**Pradyumna Choudhary:** Congratulations on a great set of numbers. So, my question was primarily more on the newsprint prices side, more on the structural side, not really what is not an even near term. So, what I'm trying to understand is what factors determine the newsprint prices? And how volatile like we've seen they've been quite volatile over the years. So, what really determines the volatility and longer term what do you see in terms of outlook for the newsprint prices?

**Girish Agarwal:** As you would understand, newsprint is like a commodity, though it is produced by limited mills, limited buyers but yet directing as a commodity. No one has a control over it and there are multiple factors affecting it. What we saw last year, the dollar price impacting, the Russia-Ukraine war impacting it, the sea freight going up impacting it. So as of now, what we are saying that all these things are softening down. So hence, the benefit is coming to us.

Now going forward, there could be further benefit coming because of some other reasons of some consumption in some other countries going down or some new mill coming up or the mills those who are making the brown paper shifting into white paper. So, there are multiple factors.

**Pradyumna Choudhary:** But, sir, like if we remove this last couple of years, usually over a longer term, what are the major factors which determine the volatility? And also internationally, which countries supply the newsprint to India, the most, like which are the major contributors?

**Girish Agarwal:** So, Russia is one country, Canada is another country which supplies. Europe Austria and Spain also does it a little bit, so I think it all depends on which company or which mill operating in which country has got more capacity. As you know, most of the newsprint mills have the option to convert into the brown paper also for the packaging industry. At the same time, depending on the demand from their local market also. So, I think if you see last 10 years' trend, we cannot say that one country particular mill in that country, continue to supply that kind of quantity. It depends on various internal and external factors.

**Pradyumna Choudhary:** Okay. And the volatility part, apart from last couple of years that the freight and everything was an issue, the war was an issue. Usually, over the longer term, what other factors determine the newsprint prices? I think in FY19, again, the prices have risen a lot. So back then, what was the reason?

**Girish Agarwal:** So largely what we know has been explained to you. But I think I'll be very happy to engage in our conversation with you on this offline to discuss this topic at more length.

**Pradyumna Choudhary:** All right. All the best.

**Moderator:** The next question is from the line of Riken Ramesh Gopani from Capri Global.

**Riken Ramesh Gopani:** Congratulations for a great set of results. I wanted to firstly understand on the ad growth outlook that you shared. So basically, this quarter, you've seen a 15% plus kind of a growth in the ad revenues. So, you see they have been improving because I think one of the other participant has also asked that the consumption is not necessarily showing any very strong trends as of now.

So, what's your prognosis of the on-ground demand outlook. Of course, sectors like government and so on are showing growth that are unique to us. But otherwise, what's your sense of the overall outlook in terms of demand, if you could maybe elaborate a little better on the advertising piece.

**Girish Agarwal:** So, what is happening in large three state of our Madhya Pradesh, Rajasthan and Chhattisgarh, there are state assembly election happening in November of this year. So, because of that, all these state governments are ensuring there are a lot of activities happening on the ground. They are offering a lot of benefits to the people of their state and at the same time, doing a lot of capex also.

Now because of that, obviously, there is a disposable money increase in the market and the consumption of real estate, education, automobile has gone up in these states. That's what we are noticing. And I think that's the reason why advertisers are advertising and taking the share.

**Riken Ramesh Gopani:** Understood. So, in each of these core segments, which is real estate, education, auto, where is it that you are seeing now your overall business growing about past peak and where is significant scope for improvement compared to where you have seen the peak revenues in the past?

**Girish Agarwal:** I think automobile, FMCG, real estate are the categories where we believe that there's enough scope for improvement furthermore.

**Riken Ramesh Gopani:** Okay. It's broadly and government also is sort of now back to its peak levels in the past? Or it's still quite some time from there?

**Girish Agarwal:** Yes.

**Riken Ramesh Gopani:** It's there. Okay. So broadly, what I can understand or is fair to assume that overall, at least the trajectory looks either improving or the way you've panned out in the current quarter? Is that a fair assessment of the outlook and growth?



- Girish Agarwal:** I would agree with you.
- Riken Ramesh Gopani:** Got it. Just one more question that I have, which is on the case related to revenues from the global apps, so if you could throw some more light in terms of where the current cases, what could be the time frame within which any outcome might be reasonable to expect? And specifically, from Google, what revenues would we be generating from players like Google today? If you could talk about that?
- Girish Agarwal:** The case is with the competition commission of India and it will not be prudent on my part to do any kind of comment on that in terms of timing and all that because it is subjudice. Coming to the second point of yours about the revenues of Google and all that, yes, we are getting some kind of revenue from them, for different experiment, what we are doing in terms of advertising and other things with them.
- As we requested earlier that on the digital front, we have requested all of you to allow us not to disclose the specific number for digital for some time, and you all had agreed at that time. So, I would request the same again.
- Riken Ramesh Gopani:** All right, sir. Thank you so much for the answers.
- Moderator:** The next question is from the line of Anuj Sharma from M3 Investments.
- Anuj Sharma:** A few data points. One is what would be the contribution from top five segments? And what would be the growth on each of them versus last year?
- Girish Agarwal:** Our top five segments remain the same largely which is education, government, response, real estate, automobile, FMCG. These are the top 5 - 6 segments, those who stay with us, and this segment largely contributes almost 65 - 70%, I would say, of the total revenue.
- Anuj Sharma:** Okay. Is it possible to get individual breakup between these segments?
- Girish Agarwal:** We generally avoid this for the competitive purpose. I hope you'll appreciate that.
- Anuj Sharma:** Sure. Second question is our ad revenues and congratulations we have done well. what would be the breakup between volume and pricing? So, is it ad to edit or the volumes which have increased or it is predominantly the pricing, which have given us on this benefit?
- Girish Agarwal:** Sir, as of now, I would say, is almost 80 - 90% volume and 10% only as the yield improvement. Our effort is that going forward, we should focus more on yield also.
- Anuj Sharma:** All right. And in terms of scope of volume, since it's in our control, that could expand, that is elastic, right? The volumes could be elastic?
- Girish Agarwal:** Absolutely. Just to give you an example, our number of pages in this quarter are 20.82 while last year, it was 18.84. So, we increased the number of pages because we had more volumes and it was viable for us to carry.

- Anuj Sharma:** Okay. What would be the ad-to-edit ratio right now?
- Girish Agarwal:** Ad-to-edit ratio, we maintained to the same number, sir, which is 70-30 largely.
- Anuj Sharma:** Okay. See, one of the objectives of our earlier pre-COVID was circulation volume growth. And largely, our growth is now coming from pricing. But do we still have ambition to have circulation volume growth? Or we are largely content with the current circulation levels? Some outlook over there will be helpful.
- Girish Agarwal:** We are very, very, very ambitious to grow the circulation. And our entire circulation sales team is reputed day in and day out for that only. And I promise you, in the coming quarters, you will see some advantages.
- Anuj Sharma:** Okay. And lastly, on the app or the digital strategy, I do appreciate that you do not want to share financial numbers. But would there be some milestones which are not financial based or maybe some strategies which have worked, it will be helpful for us to understand where we are in the map and how long -- and this is not financially, but some understanding will be interesting.
- Girish Agarwal:** Give us some more time, sir. And I can only tell you, your company, your team is really working day in and again, very hard on that, and we are creating milestones, which you all will be proud of.
- Anuj Sharma:** Okay. I'm sure. But lastly, is it a financial milestone we are waiting for to disclose more details? Or is it so some more time would be years or a few quarters, that also will be helpful because I think it could go on for longer. So, any milestone that will be helpful or is it a financial milestone or a circulation base which you are waiting for?
- Girish Agarwal:** We shall keep all your suggestions in mind, and we shall revert back to you at some appropriate time, sir.
- Anuj Sharma:** All right. Thank you.
- Moderator:** The next question is from the line of Yash R from B&K Securities.
- Yash R:** Congratulations on a good set of numbers. Just a couple of questions. I was going to consolidated financials, and I can see that versus previous quarter, there is a slight reduction in the employee costs. What would that be attributed to?
- Girish Agarwal:** Utilization because of technologies.
- Yash R:** No, I'm saying in the previous quarter, it was around Rs 103 crores, the employee benefit expense. And this quarter is at around Rs 100 crores, so there is a slight drop. What would that be for?
- Girish Agarwal:** That is insignificant, frankly speaking, maybe some special incentive must be given in that

number, and it's not a substantial number.

**Yash R:** Okay. And I could see that this time, we had mentioned that the EBITDA for print has increased by around 93%. But where are we on the margins? for the print business for this quarter?

**Girish Agarwal:** Print business margin is at 26%, sir.

**Yash R:** 26%. And what about the EBITDA number that we are quoting?

**Girish Agarwal:** Sir, our consolidated EBITDA, which has been given out is Rs 135.9 crores, which is a 24% margin, and the print margin is 26%.

**Yash R:** And how much out of this thing? Rs 136 would be for the print?

**Girish Agarwal:** We don't disclose segment.

**Yash R:** All right.

**Moderator:** The next question is from the line of Rishikesh Oza from Robo Capital.

**Rishikesh Oza:** Sir, would it be fair to say that the current quarter margin should only go up for the rest of the year given that newsprint prices are expected to go down further?

**Girish Agarwal:** I can assure you that your company and each and every person working for the company is working towards it.

**Rishikesh Oza:** Okay. Also, sir, any sense that you could give on the revenue growth that you've been looking for this full year FY24?

**Girish Agarwal:** I mentioned earlier in the call that in the last 4 quarters, we have grown by almost 24% YoY. If you see the 5 quarters, even if I take out the first quarter, which was 99% growth, then also the growth has been pretty good so I think we'll maintain those numbers.

**Rishikesh Oza:** Okay. So, are we looking at a 20% plus growth for this full year?

**Girish Agarwal:** We have done 99% in the Q1. In Q2, we did 27%. In Q3, we did 4%. In Q4, we did 16%. And in this quarter, we have done 15%. So, we are working hard to work the same and how can we improve from here.

**Rishikesh Oza:** Okay. Also, sir, my next question is regarding the yield. So, compared to the pre-COVID yield, what yields are we doing currently?

**Girish Agarwal:** Sir, I can only say that we are not too far from the pre covid yield, but therefore hard to see how we can cross that also, first of all, to achieve that number and then cross it.

**Rishikesh Oza:** Okay. That was helpful.

- Moderator:** The next question is from the line of Tushar Sarda from Athena Investments.
- Tushar Sarda:** I wanted to understand your strategy on digital. While you have said that you will not disclose number, what you trying to do in digital in terms of getting users and on monetization kind of thing. How do you make the user stake? How do you attract them? If you can elaborate a little bit on that, that would be very helpful.
- Girish Agarwal:** Sir, our strategy in digital is to acquire more and more customers, those who can come start their day with us, stay with us during the whole day, get the entire news update from us. And at some appropriate time, they should also willing to pay for it. That's the strategy sir.
- Tushar Sarda:** No, that I understand, but if you can elaborate on specific that you're doing to attract the user and to make them stick with you. For example, New York Times came out with this crossword separate section and then people start playing crossword and then go to the paper kind of thing. So, if you have some model in mind, some for your own strategy. If you can elaborate, it would be very helpful to understand what we're exactly trying?
- Girish Agarwal:** Sir, we took the liberty from all of you that we will not be disclosing anything about the digital for some time in terms of competitive space around, and you all kindly agreed for that.
- Tushar Sarda:** Thank you.
- Moderator:** Thank you. The next question is from the line of Naman Dhanuka, an Investor.
- Naman Dhanuka:** Congratulations on great set of operational numbers. Could you just help me with the cash and equivalents that you have currently on the books.
- Girish Agarwal:** Rs 648 crores is the cash bank and mutual fund investment put together in the company.
- Naman Dhanuka:** And operationally, the company has been doing very well. But if you could just help me understand the capital allocation strategy. So, we have been given our regular dividend payout. The last buyback, the company did was 5 years ago at Rs 340 a share. That was a Rs 300 crores buyback. And the company has clearly demonstrated that this created a lot of value. So, any plan on buyback?
- Girish Agarwal:** Sir, our payout ratio for the last year was 63%. We gave Rs 6 dividend. And today, also Board was considered enough to announce an interim dividend of Rs 3. So, if you look at our payout strategy over a period of last 10 years also, you will find the numbers in the same trajectory there. So that's what we will continue to do so.
- Naman Dhanuka:** Thanks. No, but still, this is a substantial amount of cash to hold considering you don't have any major capex or anything coming about.
- Girish Agarwal:** I will certainly pass on your observation to the board in the next meeting, sir.

- Naman Dhanuka:** Thank you.
- Moderator:** The next question is from the line of Riken Ramesh Gopani from Capri Global.
- Riken Ramesh Gopani:** Thank you for allowing the follow-on question. Just one question that I had is on the operational efficiencies that we have brought in, if you could throw some light on, if you look at the overall other expenditures also on a Y-o-Y basis, they have actually grown very low end, I'm assuming there must be some efforts that you have put into drive some cost savings here. If you could elaborate a little bit more on that? And how could this shape up for the period going forward?
- Girish Agarwal:** Sir, our most of the operational cost, as we remember, in the last 3 - 4 years, we did that. I'm very glad to say that most of the cost savings, what we did during COVID has almost kind of became permanent. Nothing was done as a knee-jerk reaction or a short term as such. Most of them is a permanent cost saving.
- But at the same time, since the organization has to run, people has to grow in the organization and the market cost of every operating thing is going up. So that's the cost impact, which will come to us also. For example, company has announced the increment for the sales our entire employee cost will go up from first of July.
- So, the revision which is going to happen. So that will come on to us, and some regular cost improvement or cost increase will happen. But at the same time, we are continuing to see that where all we can further bring down the cost so that we are able to marginalize both.
- Riken Ramesh Gopani:** Right. Got it. And just lastly, in terms of the other income, which you've reported, I think total other income in the quarter of about Rs 19 crores. So given the cash level, it looks like a relatively high -- so what all would be there are you driving -- because this has also grown pretty strongly if you could elaborate a little bit on this.
- Girish Agarwal:** This would be, sir, some FD income actually and paper waste sale and all that, and a little bit of event income.
- Riken Ramesh Gopani:** Okay. So, this is like a more do you think it's a sustainable number on a quarterly basis because you used to do Rs 7 - 8 crores last year kind of as a recurring number, and that's grown pretty sharply, it's only driven by the amount of money that is there in FD is there any other?
- Girish Agarwal:** We have some event income, sir, this also includes the job work done by the company. As you know, most of our printing plants are doing a job work during the day, wastage sale and all that. So that's the number, sir.
- Riken Ramesh Gopani:** Sir, any outlook you could share on this as to is this a more sustainable number? Or how should we look at it?

- Girish Agarwal:** Frankly speaking, this is a wastage. Generally, what happened wastage, we pile up and we sell it in like depending on when the market rate is good to sell. So, this is not a very significant number, hence and plus, this is not a kind of a revenue source for us. This is like a by product. So, to be very honest, we don't forecast this as a number for growth and all.
- Riken Ramesh Gopani:** Thank you.
- Moderator:** We'll move to on the next question. That is from the line of Ananya Khanna from Alpha Alternatives.
- Ananya Khanna:** Congratulations on a wonderful quarter.
- Girish Agarwal:** Thank you.
- Ananya Khanna:** So, you have an established digital segment along with a well-established print one. Isn't that largely cannibalistic? Like is there a certain kind of rationale that we have been missing? And also how is the presence of the two verticals under the same umbrella impact your segment wise profit in growth figures as well as the overall revenue valuation model. Could you talk a little bit about that?
- Girish Agarwal:** I can only explain to you there's nothing called cannibalization here. People read paper in the morning and then they go to the app to keep them abreast during the day. Because a lot of happening during the day. So, we don't see this as a cannibalization at all. And yes, and the organization is working parallelly on both the growth - print as well as the digital.
- Ananya Khanna:** All right. And what would be your per unit realisation for both the verticals, if you don't mind sharing?
- Girish Agarwal:** We actually took the liberty from investors not to disclose any digital number till the time we reach some size and you all had agreed to do that.
- Ananya Khanna:** All right, understandable, Thank you.
- Moderator:** Thank you. Ladies and gentlemen, due to time constraints, that was the last question. I now hand the conference over to the management for the closing comments.
- Pawan Agarwal:** Thank you, everyone, for your participation and time on this earnings call today. I hope we have responded to your queries and we'll always be happy to be of assistance through our Investor Relations department headed by Mr. Prasoon Kumar Pandey, for all your further queries. Thank you and have a great evening.
- Girish Agarwal:** Thank you very much.
- Moderator:** Thank you, members of the management team. Ladies and gentlemen, on behalf of DB Corp Limited, that concludes this conference call. We thank you for joining us, and you may now disconnect your lines. Thank you.