

D B Corp Ltd. Investor Presentation

September 2017



India's Largest Newspaper Group | 12 States | 64 Editions | 4 Languages

VALUES – Trendsetting | Result-oriented | Analytical | Connected

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.

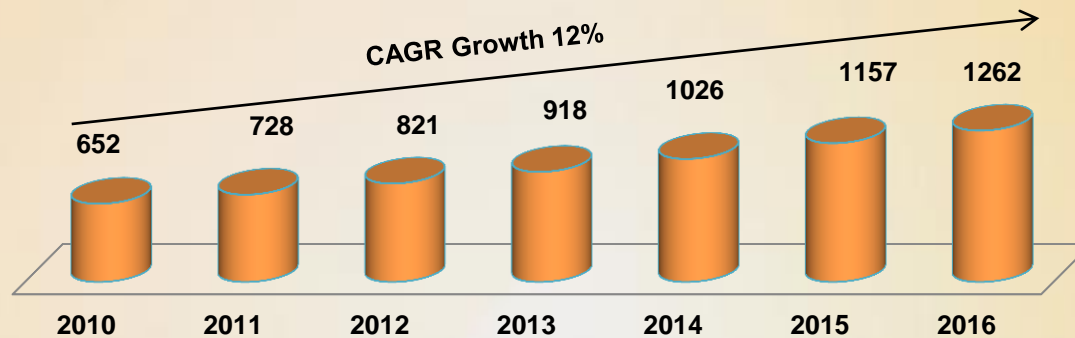
These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Company and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecast in the forward-looking 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.



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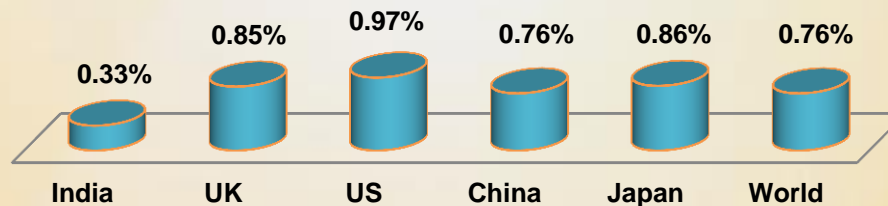
Indian Media & Entertainment Industry

Media Sector – Strong & Consistent Growth (INR bn)



- M&E industry size was Rs. 1262 bn in 2016, which grew by 9% over 2015.
- Expected CAGR growth is 14% till 2021.

Media Spend as % of GDP



- It is still lower than global peers
- Reflective of sizeable / huge potential

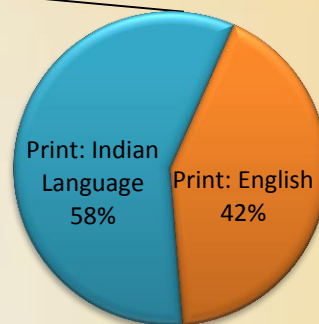
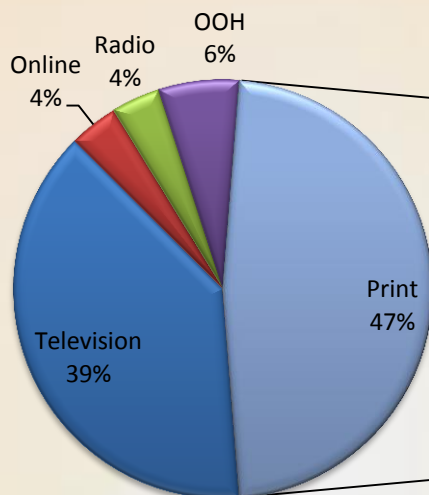
Source: FICCI-KPMG Report 2017 | Worldwide Media & Mktg. Forecasts, Group M, Summer 2011



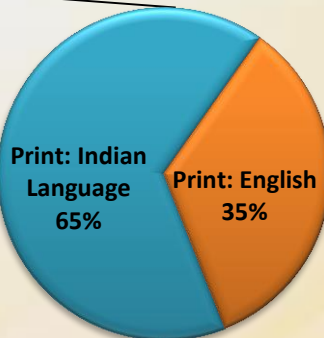
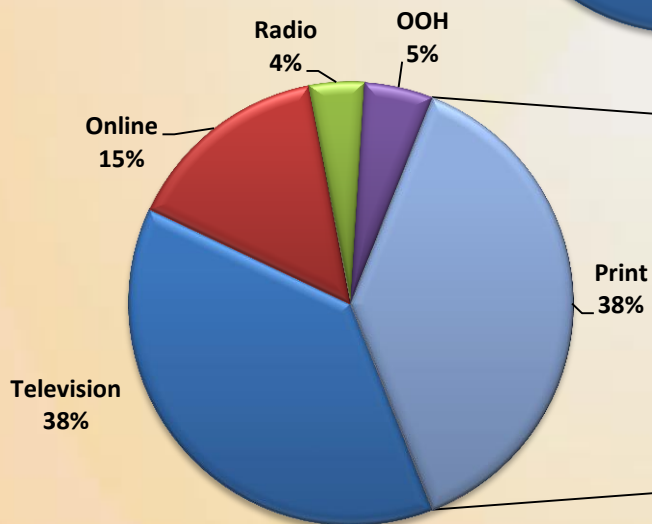
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VALUES – Trendsetting | Result-oriented | Analytical | Connected

Print Maintains Largest Ad-pie – Language Print Witnesses Higher Growth



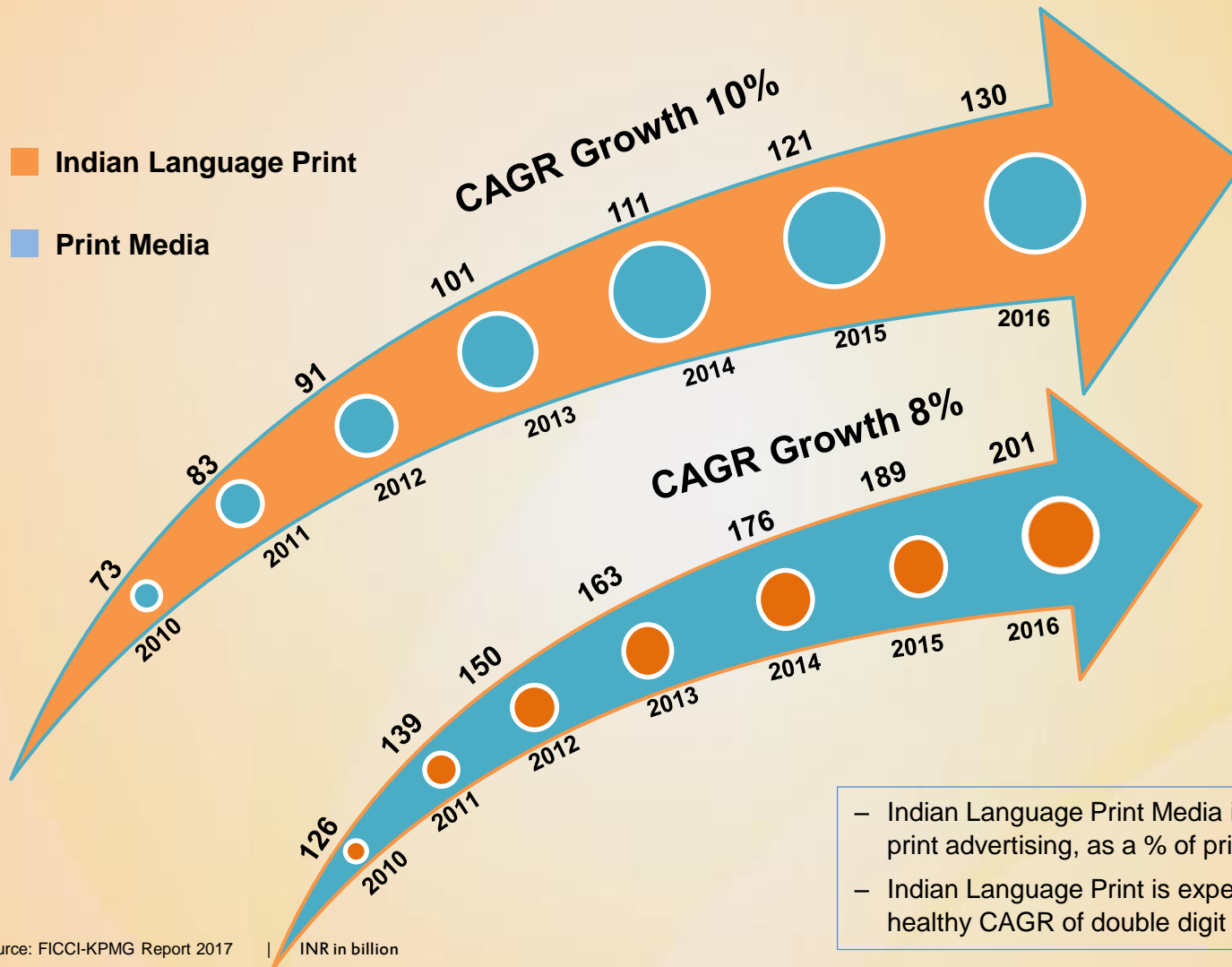
➡ 2010 – Rs. 265.5 bn



➡ 2016 – Rs. 528.2 bn

Source: FICCI-KPMG Report 2017

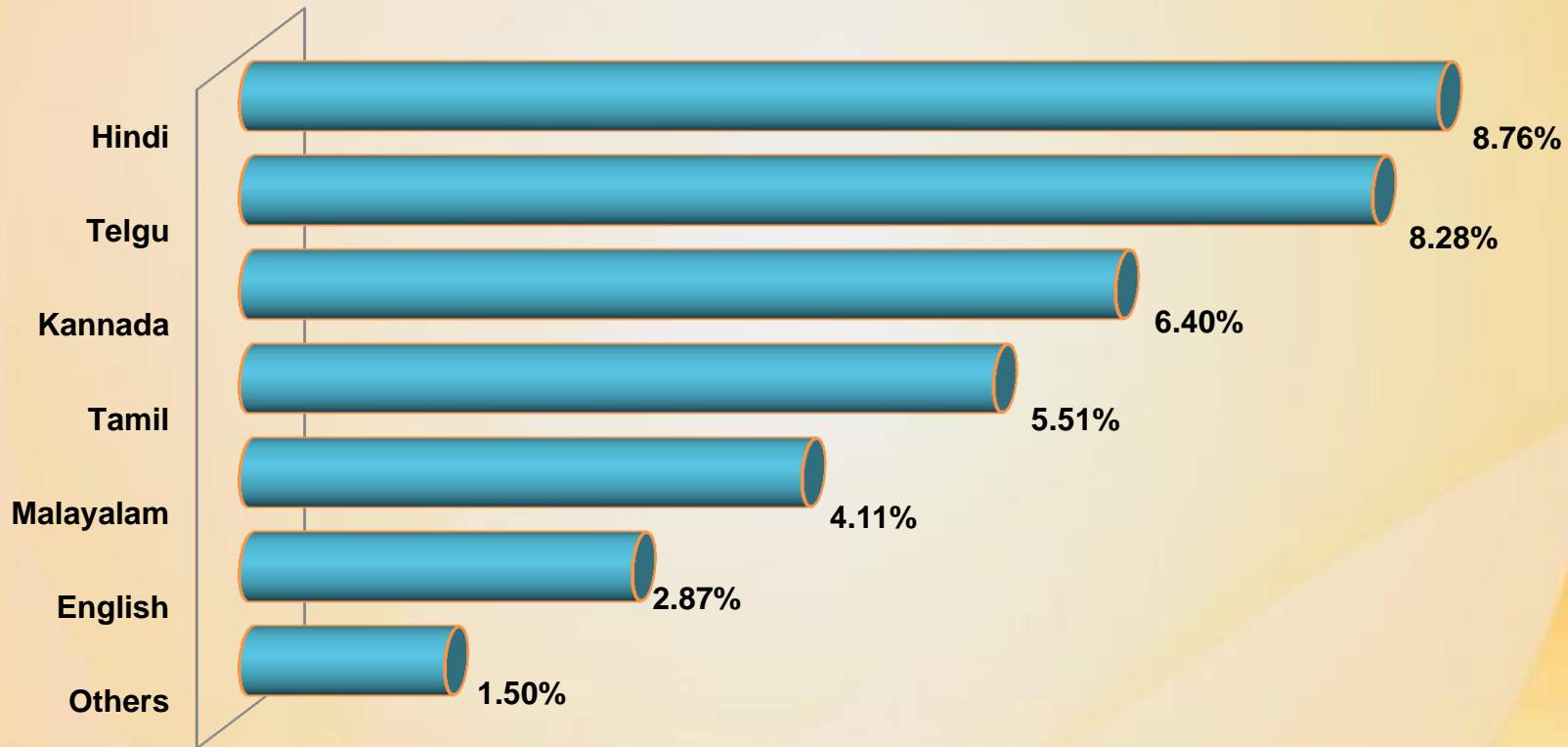
Print & Indian Language Advertising Revenue



- Indian Language Print Media is Largest component of print advertising, as a % of print ad pie at 65%;
- Indian Language Print is expected to maintain a healthy CAGR of double digit for next 4 – 5 years.

Consistent High % Growth of Indian Newspapers

- Print is growing at an incredible **4.87% CAGR** over a 10 year period from 2006 to 2016.
- Absolute copies per day increased by **2.37 cr** to **6.28 cr** in **2016** from 3.91 cr copies in 2006.



Source: Audit Bureau of Circulation Press Release dated 8th May 2017

D B Corp Ltd - The Largest Print Media Company In India

Major Business Brands



Hindi Newspaper

11 States, 43 Editions



Gujarati Newspaper

2 States, 9 Editions



Marathi Newspaper

1 State, 6 Editions



FM Radio Network

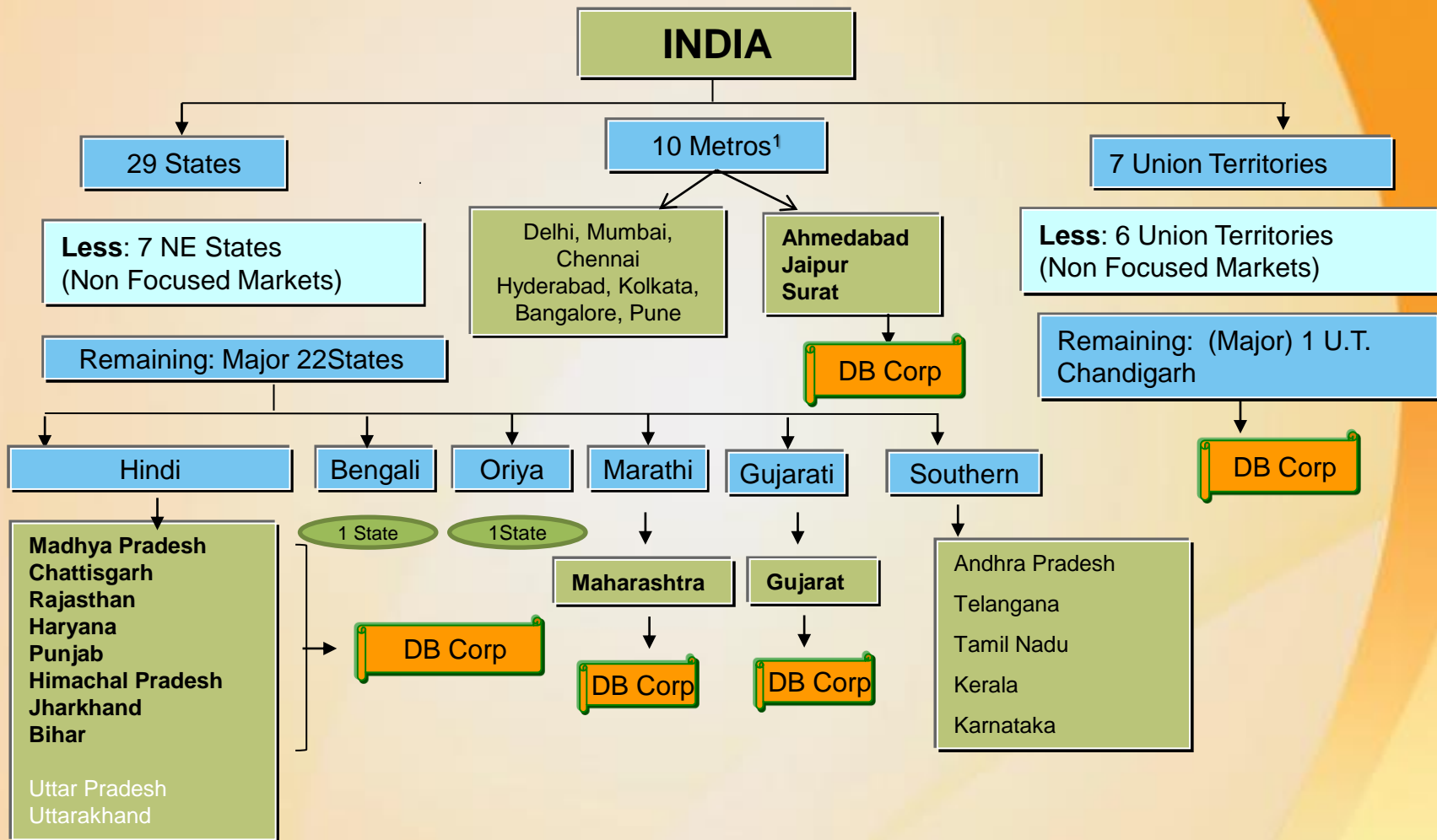
7 States, 30 Stations



Digital & Mobile

13 Portals & 2 Apps

Presence Across Fast Growing Markets



1. Source: EY's Report – India's growth paradigm

Focused on Largest Revenue Markets of India

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



Source: Indian Govt. Web site

Map not to scale

Leadership in Multiple States – Emerging Tier II & III Cities

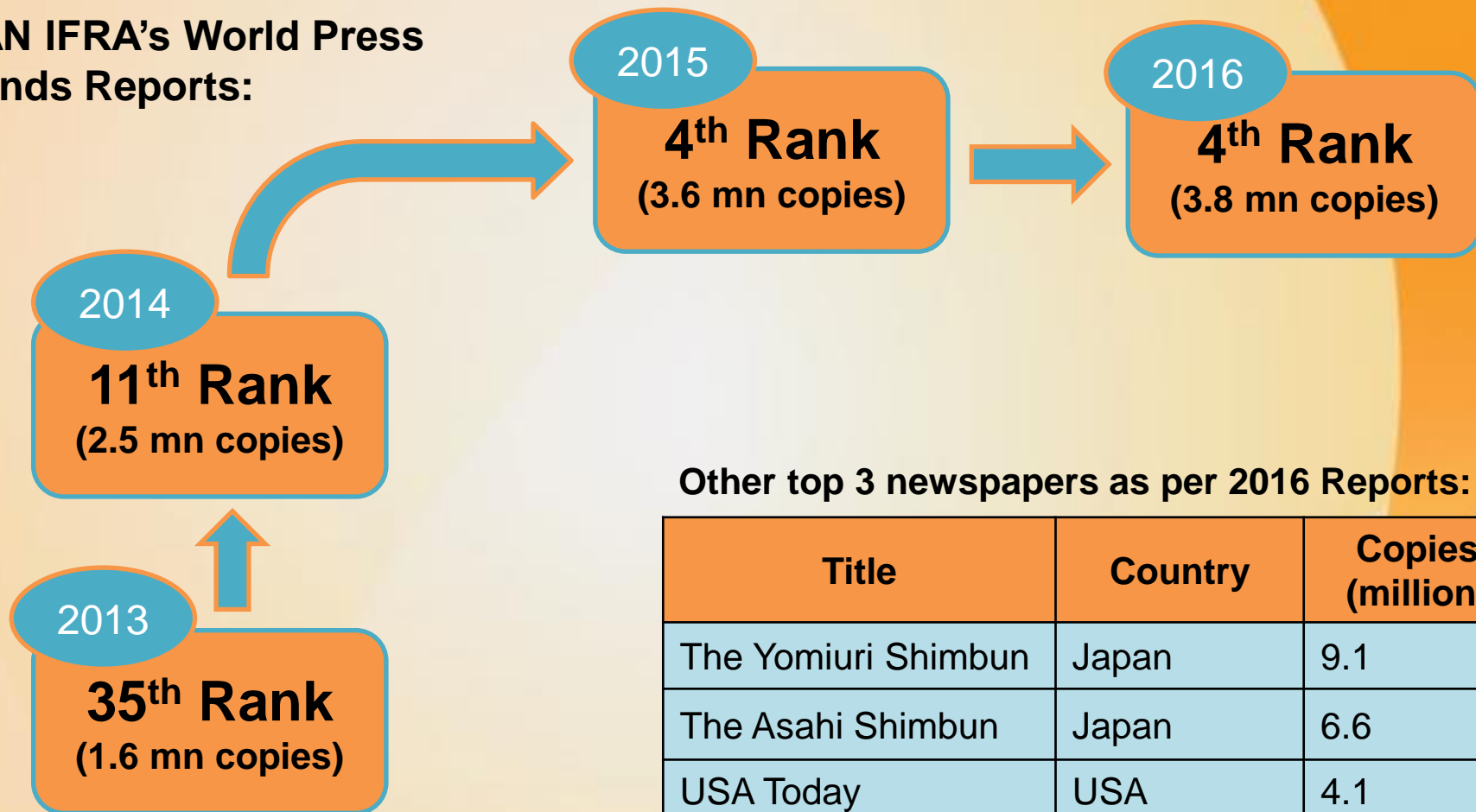
- Madhya Pradesh, Chhattisgarh, Rajasthan, Gujarat, Haryana, Punjab, Chandigarh, Maharashtra, Himachal Pradesh, Jharkhand, Bihar & Delhi

Focus on Revenue Market Share – in Multiple language

- Hindi, Gujarati, Marathi and English
- 49% Urban population resides in our Markets
- 51% of India's total consumption is concentrated in our Markets.
- D B Corp Ltd steadily gaining ground in new and emerging urban clusters. Besides eight large metros, 42 new and emerging urban clusters have transformed into consumption hubs.
- We already expanded presence to about 50% of these new consumption clusters
- Newspaper readership penetration is only 30% of “Can Read” population

'Dainik Bhaskar' Newspaper Is World's 4th Largest Circulated Newspaper

WAN IFRA's World Press Trends Reports:



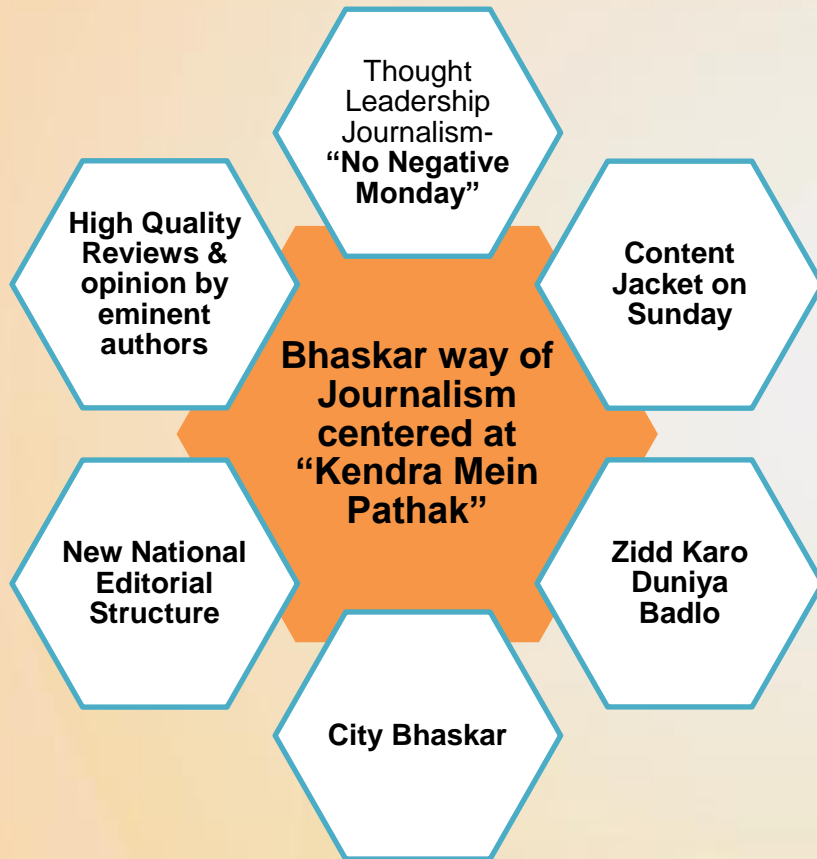
Other top 3 newspapers as per 2016 Reports:

Title	Country	Copies (million)
The Yomiuri Shimbun	Japan	9.1
The Asahi Shimbun	Japan	6.6
USA Today	USA	4.1

Source : WAN IFRA -World Association of Newspapers and News Publishers Report 2013, 2014, 2015 & 2016.

Strategic Focus Area - Editorial Strategy

Innovative reader engagement initiatives



CONTENT STRATEGIES

=

Knowledge enhancement for reader

+

Product differentiation towards growth

Content associations with: Harvard Business Review, TIME Magazine, New York Times, The Economist etc. are established for providing global world class content.

Major Initiatives introduced during Q1 FY 2018:

- *Aha Zindagi* to include broader lifestyle aspects;
- *Khushi* with positive light hearted news, exclusive interviews, in-depth news, etc.; and
- Satellite editions now to include 'technology' and 'humour' segments.

Circulation Strategy – Proven Track Record

1. **15% CAGR Growth:** For 5 years, from FY 2011-12 to FY 2016-17 is 15% largely driven by yield in our core legacy markets.
2. **Dainik Bhaskar becomes the nation's largest circulated Multi-Edition Daily as per Press In India Report 2015-16 prepared by Registrar of Newspapers of India (RNI) released by Mr. Venkaiah Naidu, Hon. Minister for Information and Broadcasting, Government of India.**
3. **Current Focus:**
 - Increasing market share in Gujarat, Rajasthan & Punjab.
 - Open up new geographies in Bihar and strengthen Bihar & Jharkhand penetration and readership.
 - Further strengthen the dominance in Madhya Pradesh, Chhattisgarh & Haryana markets.
 - Continue to invest in technology to further up the relevance and speed to market.
 - Continue to evaluate the expansion proposition in Maharashtra with 'Dainik Divya Marathi'
 - **High quality content & enriched product-continue to create a strong bond with readers, leading to growth in readership despite increase in its cover price.**

Expansion Strategy – Digital Business



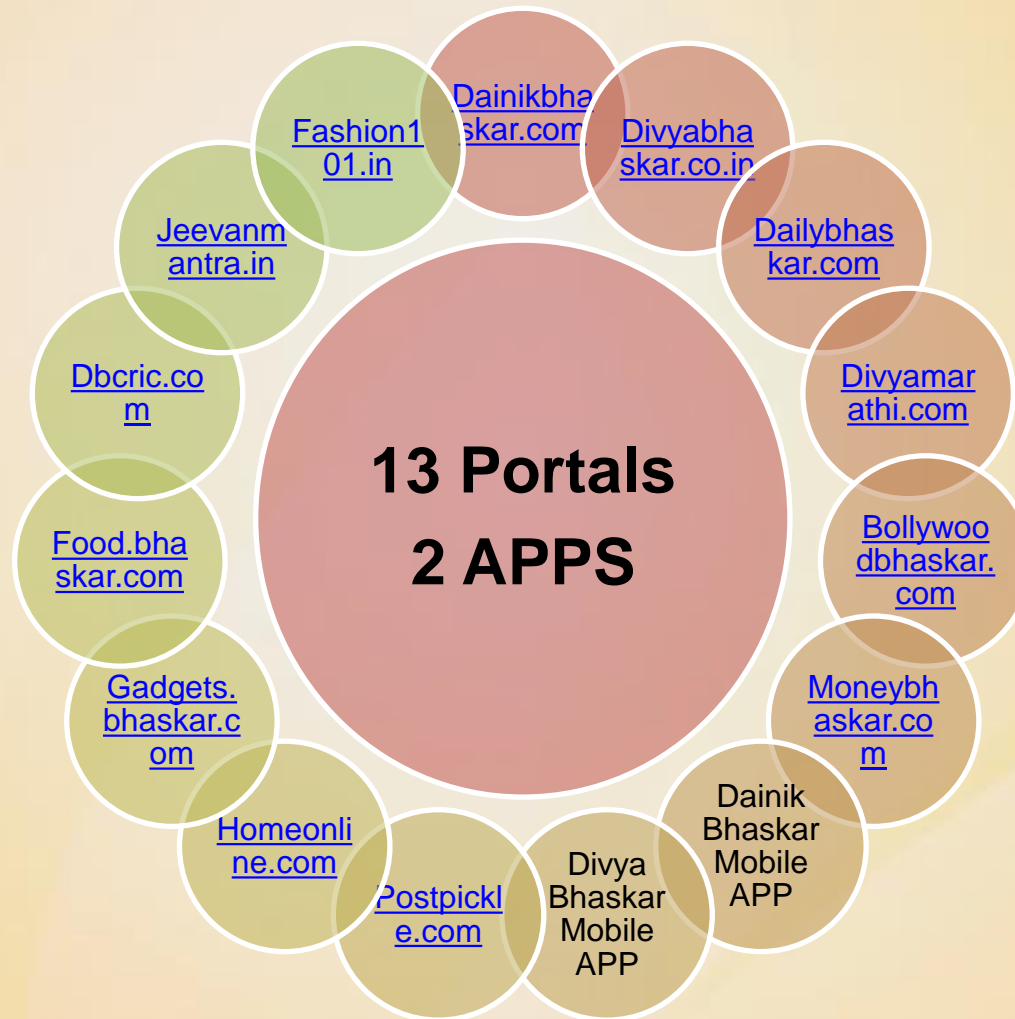
DB Digital strategy emphasis in Hindi, Gujarati and Marathi - 3 of the top 5 regional languages, occupies 65% of Language space of India

PILLARS OF DIGITAL EXISTENCE

- Offering bouquet of content – special teams for hyper- localized news in religion, business, news bulletins, fashion, bollywood, money, real estate and finance.
- Leveraging real time updates on the website, utilize print news network and creating exclusive content in digital properties.
- Building engagement with mobile audiences with short format content.
- The editorial strength for only digital division is 300+ journalists.
- Continuous optimization of sites for speed, better user experience & engagement by increasing page depth and maximizing the ROI to advertisers



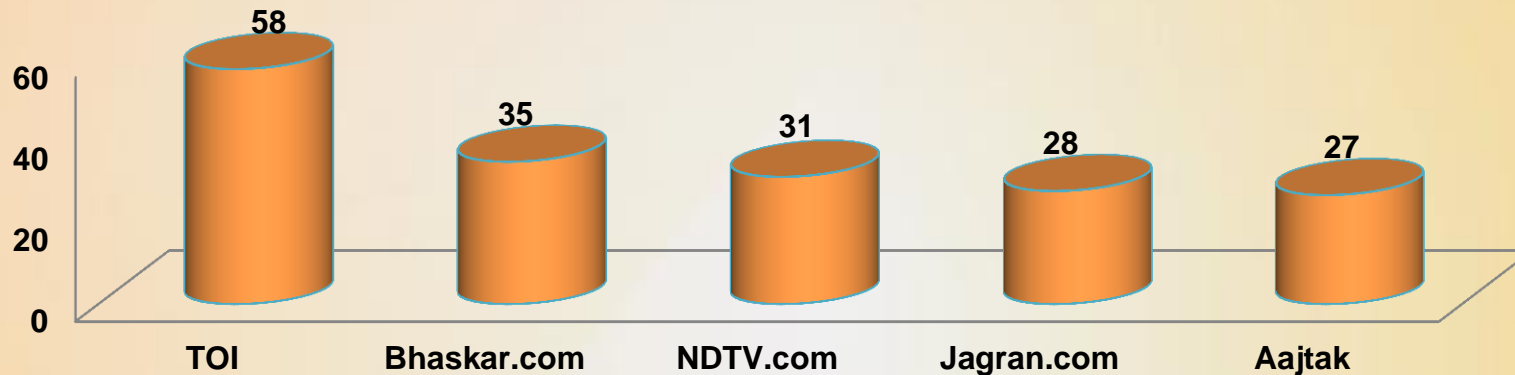
Focused, Strong Brands For Growing Digital Audiences



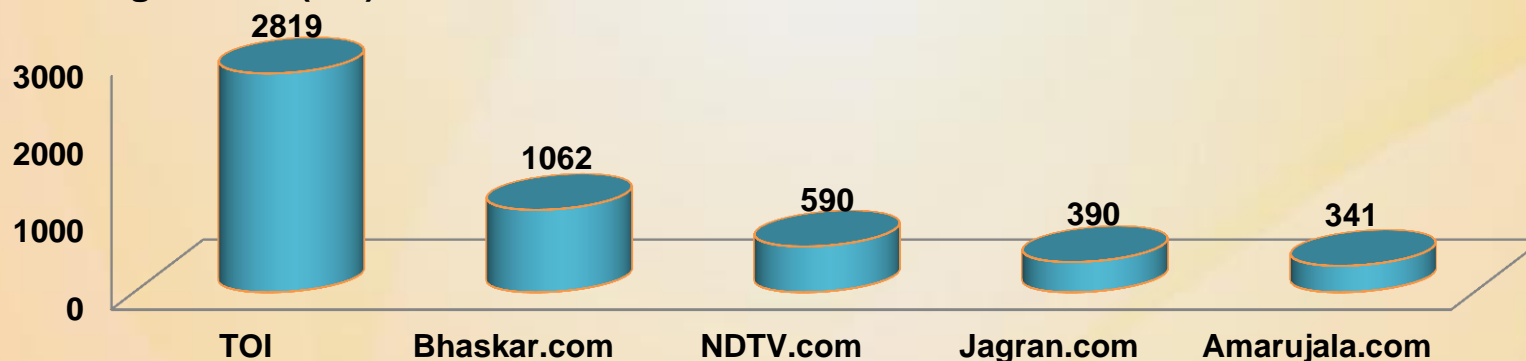
The New Game Changer: dainikbhaskar.com Is India's 2nd Largest News Destination

Comscore News & Information – March 2017

Unique Visitors (Mn) Individual Sites



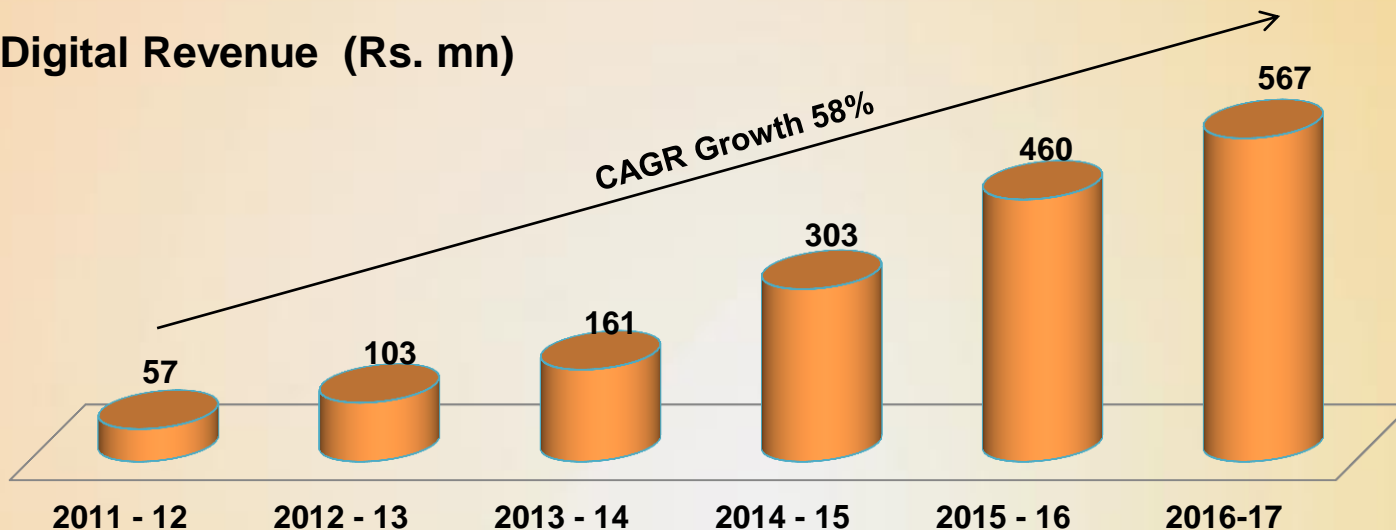
Page Views (Mn) Individual Sites



Source: Comscore March 17

Digital Snapshot

- Digital Revenue (Rs. mn)



- www.bhaskar.com - No. 1 Hindi News website and also the Hindi Language website on internet.
- www.divyabhaskar.com - No. 1 Gujarati News website and also the Gujarati Language website on internet.
- Digital Media Unique Visitors (UV) has risen to 85.6 million* and Page Views (PV) to 1.9 billion* for the month of June'17.
- More than 9.9 mn app downloads for Dainik Bhaskar & Divya Bhaskar

*Source: Google Analytics June 17

Digital Way Forward



Expansion Strategy – Radio Business



Introduction:

- Launched in 2006, 94.3 MY FM operates from 30 stations in 7 states
- 94.3 MY FM continues to be no.1. in markets of Madhya Pradesh, Chhattisgarh and Rajasthan and largest network in Chandigarh, Punjab and Haryana.

Post Phase 3 Radio Auctions:

- Consolidating presence in line with strategy to be market leader in “Unmetro” geographies with strong DBCL presence.
- With the 13 New frequencies acquired, during the Phase III Radio auctions, 94.3 MY FM to be:
 - Biggest player in Rest of Maharashtra with 10 frequencies including Nagpur
 - Biggest player in Chandigarh / Haryana/ Punjab with 4 frequencies
 - Biggest Player in Rajasthan with 6 frequencies
 - Strengthened Gujarat with presence in Rajkot

MY FM new launches:

- Of the 13 New Acquired frequencies, 94.3 MY FM has launched all stations in cities of Hisar, Karnal, Rajkot, Aurangabad, Ahmednagar, Nanded, Sangli, Jalgaon, Nashik, Solapur, Dhule, Bikaner and Akola.
- Introduced several new content programs as part of *Ab Har Kaan Sunega* campaign aligned to audience preferences distilled from *Aap Ki Marzi* survey undertaken at pre-launch stage

Current Initiatives



Launched 13 new stations with a distinct content strategy of customer centric approach for – music, humour, language and RJ mix.

Activities

Sabse Badi Patangbaaz, Jiyo Dil Se Awards, Entrepreneur Awards, Ek Pyala Khushi, Paison Ka Ped, Dawat-e-music and many more.

10 year celebration

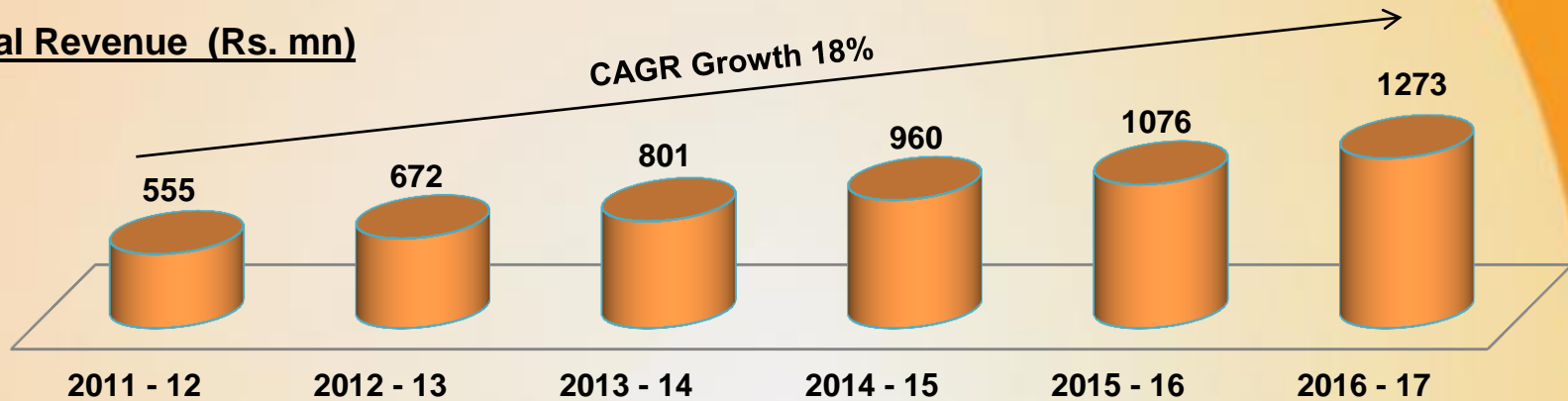
Chandigarh (Dus Da Jashan)
Ahmedabad (Jalsavad)

Offering in house musical jingle production in Hindi, English, Marathi, Punjabi and Gujarati

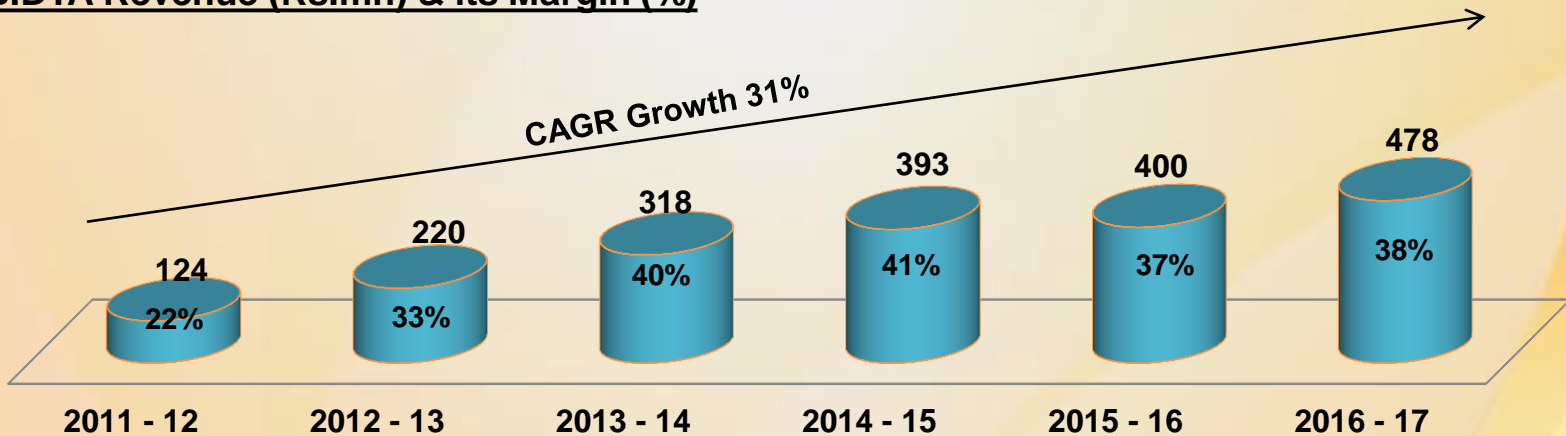
Historical Outperformance Track Record



Total Revenue (Rs. mn)



EBIDTA Revenue (Rs.mn) & its Margin (%)



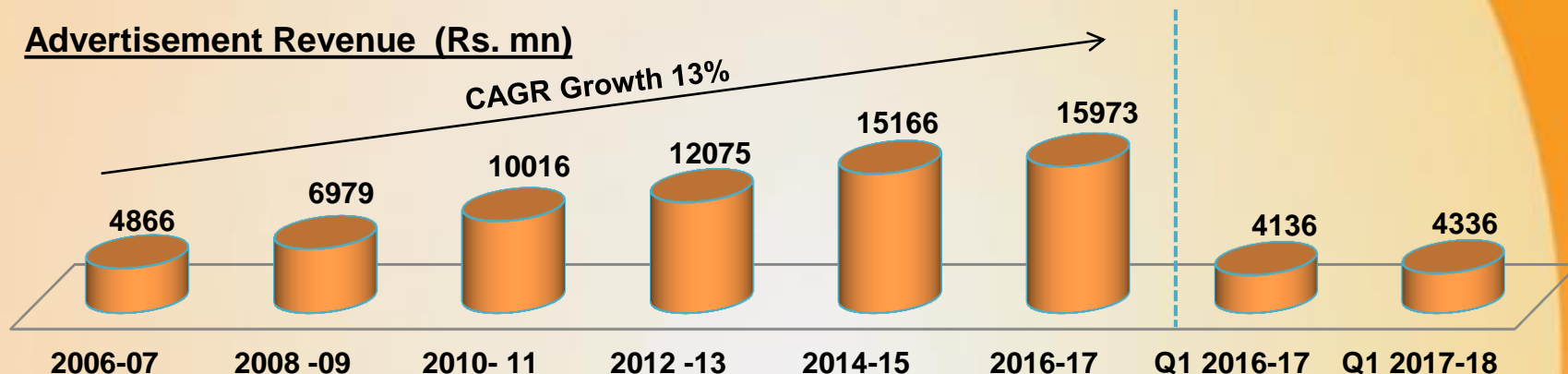
Robust Growth in Profits
Strong Focus on ROCE & RONW
Low Debt Exposure
High Net worth & Strong Balance Sheet



Proven Track Record of Topline & Bottom Line Growth... (contd.)

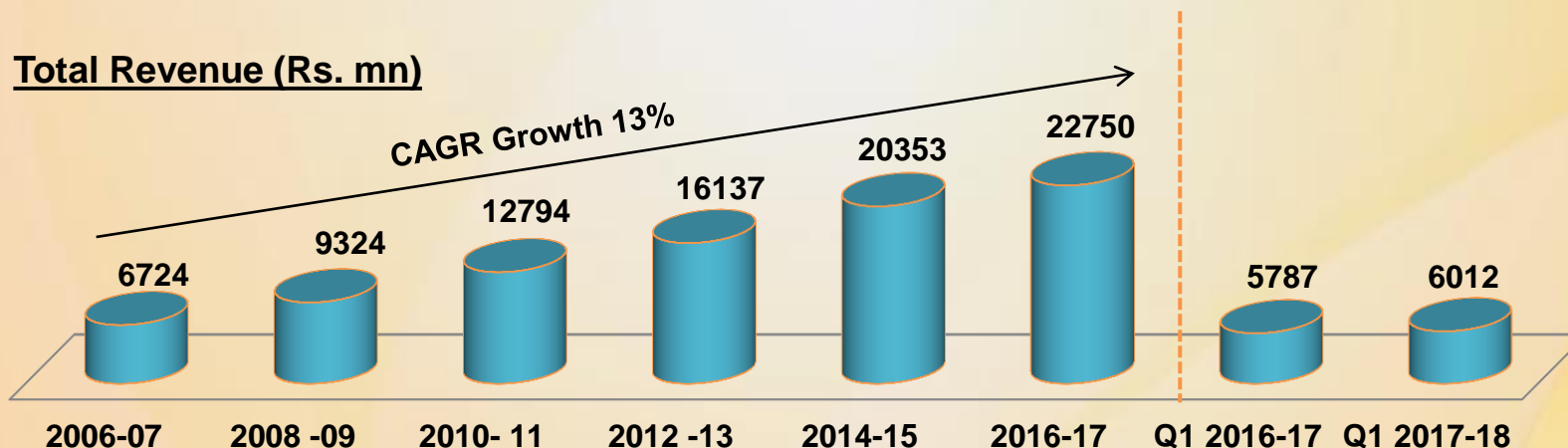
Advertisement Revenue (Rs. mn)

CAGR Growth 13%



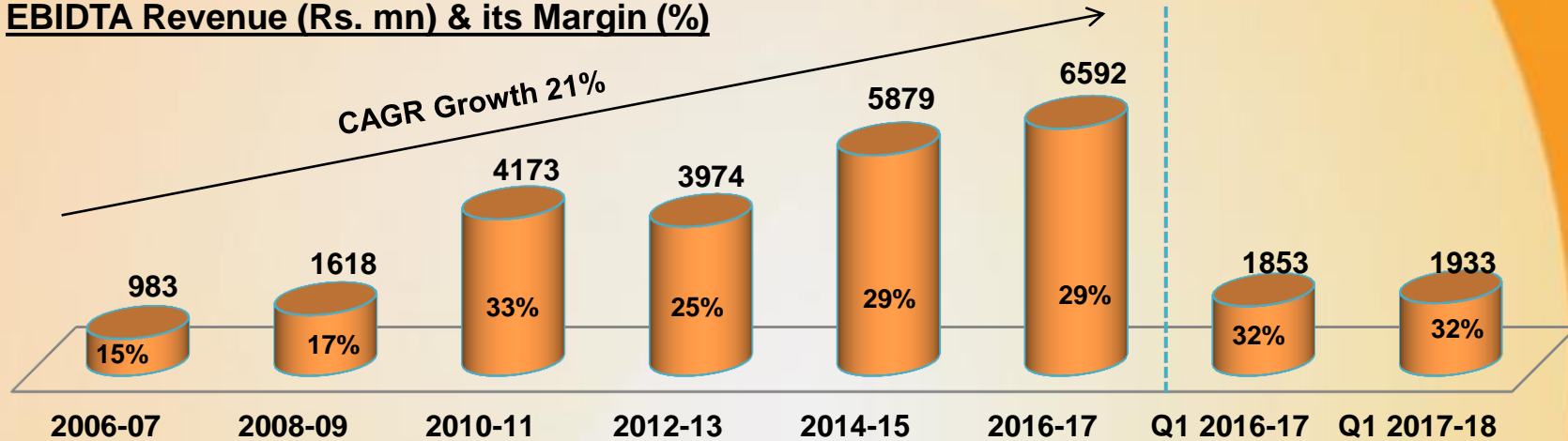
Total Revenue (Rs. mn)

CAGR Growth 13%

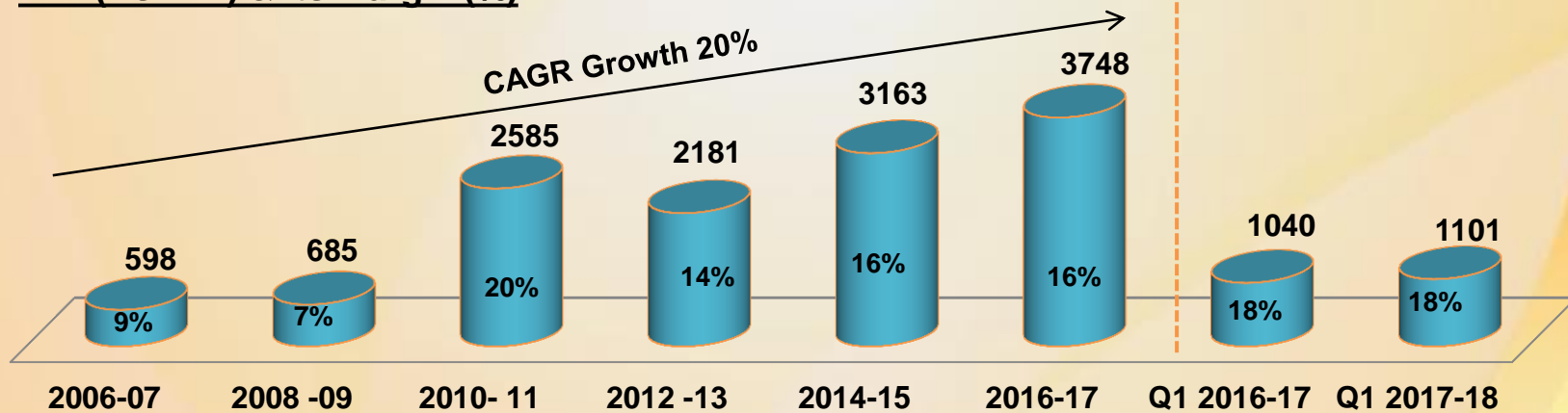


Proven Track Record of Topline & Bottom Line Growth

EBIDTA Revenue (Rs. mn) & its Margin (%)



PAT (Rs. mn) & its Margin (%)



Healthy Operating Profit In Our Mature Market

Rs MN

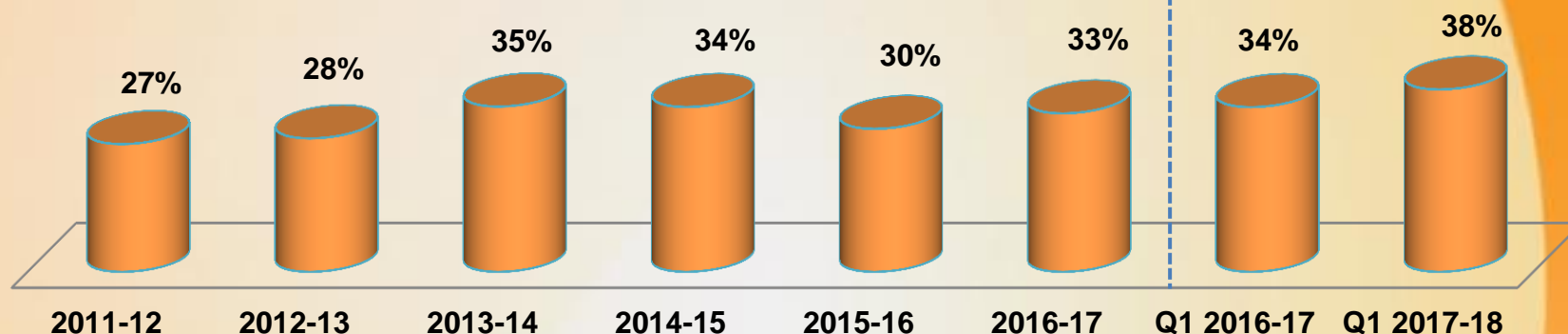
Particulars	Q1 (FY16-17)			Q1 (FY17-18)			Annual (FY 15-16)			Annual (FY 16-17)		
	Matured Print / Radio / Digital	Emerging Business*	DBCL Standalone	Matured Print / Radio / Digital	Emerging Business*	DBCL Standalone	Matured Print / Radio / Digital	Emerging Business*	DBCL Standalone	Matured Print / Radio / Digital	Emerging Business*	DBCL Standalone
Topline	5590	155	5745	5819	194	6012	18907	1882	20789	22080	666	22746
EBIDTA(Before pre-opex)	1915	(52)	1863	1997	(62)	1935	5999	(280)	5719	6875	(259)	6616
EBIDTA(After pre-opex)	1915	(52)	1863	1997	(62)	1935	5999	(338)	5661	6875	(259)	6616
EBIDTA %	34.3%	(33.4%)	32.4%	34.3%	(32.1%)	32.2%	31.7%	(18.0%)	27.2%	31.1%	(38.9%)	29.1%

*Emerging Business – Editions below 4 years of age also includes Mobile app Downloading business, E real estate and dedicated website business.

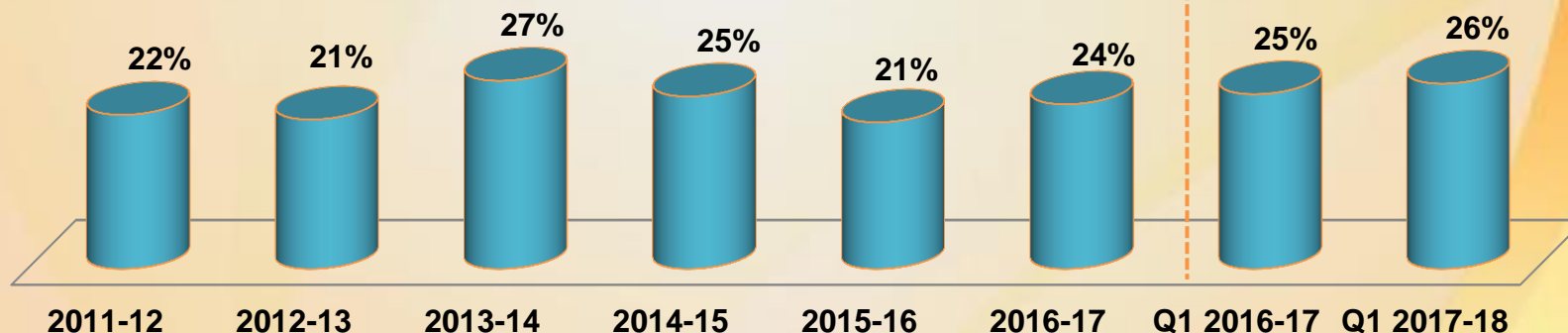


Strong Balance Sheet & Financial Ratios

Return on Capital Employed



Return on Net Worth



Financial Summary

				Quarter Ended		
Particulars (INR million)	15-Mar	16-Mar	17-Mar	Q1 FY17	Q1 FY18	Growth %
Advertising Income	15166	14812	15973	4136	4336	4.84%
Circulation Revenue	3755	4356	4814	1176	1234	4.93%
Total Income	20353	20783	22750	5787	6012	3.89%
Newsprint	(6479)	(6186)	(6609)	(1600)	(1708)	6.75%
Personnel Cost	(3457)	(3909)	(4286)	(1061)	(1091)	2.83%
Other Operating Expenditure	(4537)	(5049)	(5263)	(1273)	(1281)	0.63%
Total Expenditure	(14474)	(15145)	(16158)	(3934)	(4079)	3.69%
EBITDA	5879	5590	6592	1853	1933	4.32%
EBITDA Margin	28.89%	26.96%	28.97%	32.02%	32.15%	
Net Profit	3163	2921	3748	1040	1101	5.87%
Net Worth	12836	13945	15930	15008	17047	
Secured Long Term Gross Loan	758	536	262	546	261	
Cash & Bank Balance	1782	926	1754	1109	1880	
Secured Working Capital Loan	477	631	288	126	142	
Total Secured Gross Debt	1235	1167	550	672	403	
Net Block (Fixed)	8203	9128	8833	9000	9006	
ROCE	34.45%	29.88%	33.10%	34.42%	38.11%	
RONW	24.65%	20.94%	23.53%	24.97%	26.48%	



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Board Of Directors

Sudhir Agarwal
Managing Director

- 27 years of experience in the publishing and newspaper business
- responsible for its long-term vision, business planning and performance monitoring

Pawan Agarwal
Deputy Managing Director

- 13 years of experience in the publishing business
- Heads entire Production, IT and Strategy dept. , with the Radio & Digital business

Girish Agarwal
Non-Executive Director

- 20 years of experience. Awarded “Outstanding Entrepreneur” trophy at APEA
- provides direction to the marketing strategy and related operations of the Group

Piyush Pandey*

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

Harish Bijoor*

- Brand-thinker and practitioner operating out of Bengaluru, India

Ashwani Kumar Singhal*

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

Naveen Kumar Kshatriya*

- 40 years of international experience with Unilever and BP Castrol at senior most position at UK, Middle East, Singapore and Hong Kong.

Anupriya Acharya*

- Post Graduate from IIT – Roorkee, was Zenith Optimedia's Group CEO and now CEO of Publicis Media India

* denotes Independent Directors



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THANK YOU

For more information, please visit our website www.bhaskarnet.com



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