



DEN Networks Limited

Investor Update

Q1 FY19-20

11 July'19



Disclaimer



The information in the presentation may contain “forward-looking statements” which are statements that refer to expectations and plans for the future and include, without limitation, statements regarding DEN’s future results of operations, financial condition or business prospects as well as other statements based on projections, estimates and assumptions. In some cases, these statements can be identified by terms such as “expect,” “intend,” “plan,” “believe,” “estimate,” “may,” “will,” “should” and comparable words (including the negative of such words). These forward-looking statements, reflect the current expectations and plans of the directors and management of DEN, which may not materialize or may change.

These forward-looking statements are not guarantees of future performance and you are cautioned not to place undue reliance on these statements. DEN undertakes no obligation to update any forward-looking statements, whether as a result of new information or any subsequent change, development or event. All forward-looking statements in above are qualified by reference to this paragraph.

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Business Overview



Business Overview



Den Cable

Den Cable



Den Broadband

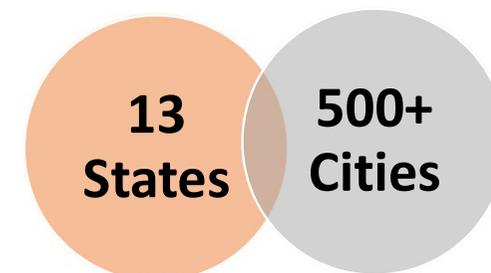
Den Broadband

Business Overview



Cable Business

- ❖ Incorporated in 2007 and headquartered in New Delhi, Den Networks is a leading Cable TV Distribution company in the country with a wide gamut of services including Cable TV and Broadband.
- ❖ DEN's Cable & Broadband operations covers over **500+ cities/towns** across **13 key states** (Uttar Pradesh, Karnataka, Maharashtra, Gujarat, Rajasthan, Haryana, Kerala, West Bengal, Jharkhand, Bihar, Madhya Pradesh and Uttarakhand) in India.
- ❖ DEN has been recognized as "**Most trusted brand in Cable TV Industry**", TRA Research, June'2019



Broadband Business

- ❖ DEN Broadband Private Limited was incorporated on 5 December 2011 under the Companies Act 1956. The Company is having its registered office at 236, Okhla Industrial Area, Phase III, New Delhi - 110020.
- ❖ The Company is a category "A" ISP (**ISP-IT License No. 820-990/2007-LR dated 2008**) and wholly owned subsidiary of DEN Networks Limited. ISP business ("Broadband") of the DEN Networks Limited has been transferred into DEN Broadband Private Limited effective from 1st of April 2016 (Demerger Order – 15th of Sep'17).
- ❖ We have currently enabled Fixed Broadband services across 47 Cities/Towns in India.

Financial Highlights



Financial Highlights: Q1FY20



**Consolidated Subscription at
Rs. 189 Cr**

Growth

Q1FY20 vs Q4FY19: 7%
Q1FY20 vs Q1FY19: 2%

**Consolidated Revenue at
Rs.313 Cr**

Growth

Q1FY20 vs Q4FY19: 14%
Q1FY20 vs Q1FY19: (0.3%)

**Consolidated EBITDA at
Rs.41 Cr**

Growth

Q1FY20 vs Q4FY19: 10%
Q1FY20 vs Q1FY19: (11%)

Consolidated (Cable & BB) P&L : Quarterly Summary

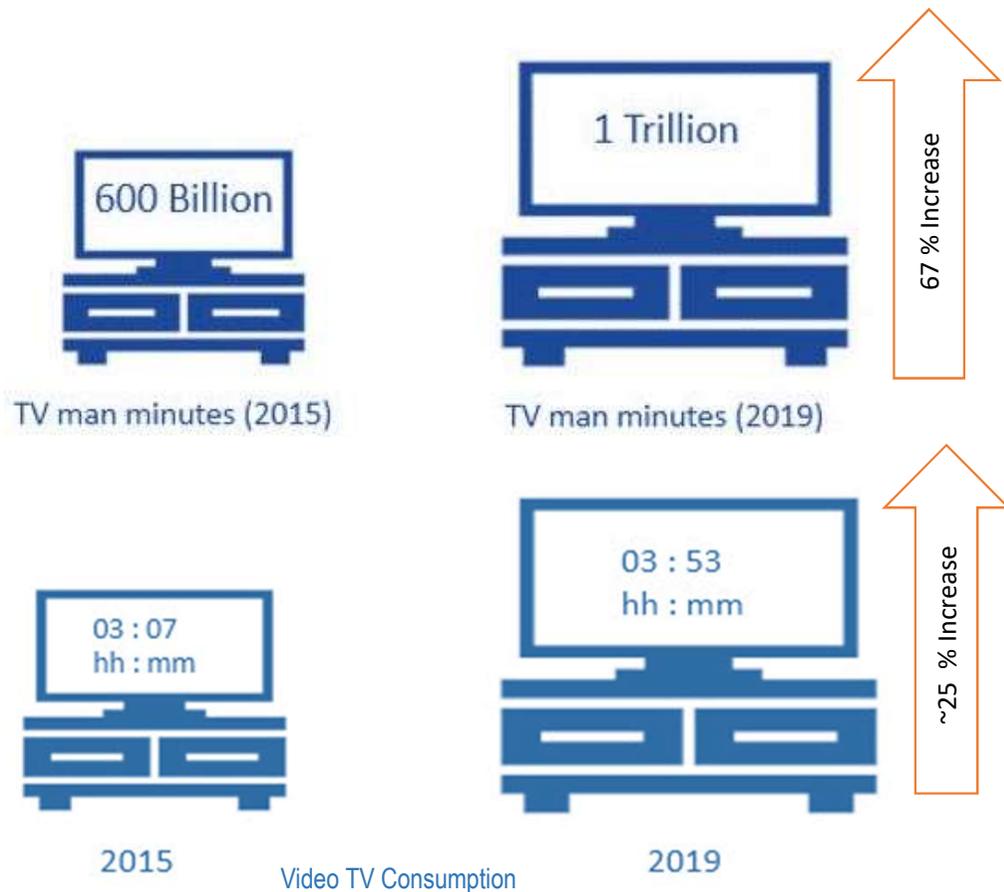


INR Crore		Cable	Broadband	Consolidated
Subscription Revenue	1Q'20	171	18	189
	4Q'19	159	17	176
	1Q'19	170	16	186
Revenues	1Q'20	295	18	313
	4Q'19	257	18	275
	1Q'19	299	16	314
EBITDA (Before exceptional Items)	1Q'20	41	1	41
	4Q'19	37	1	38
	1Q'19	48	(1)	47
PAT (After exceptional Items)	1Q'20	20	(5)	14
	4Q'19	(193)	(20)	(213)
	1Q'19	(19)	(9)	(28)

Cable TV-Industry Updates



Linear television consumption growth



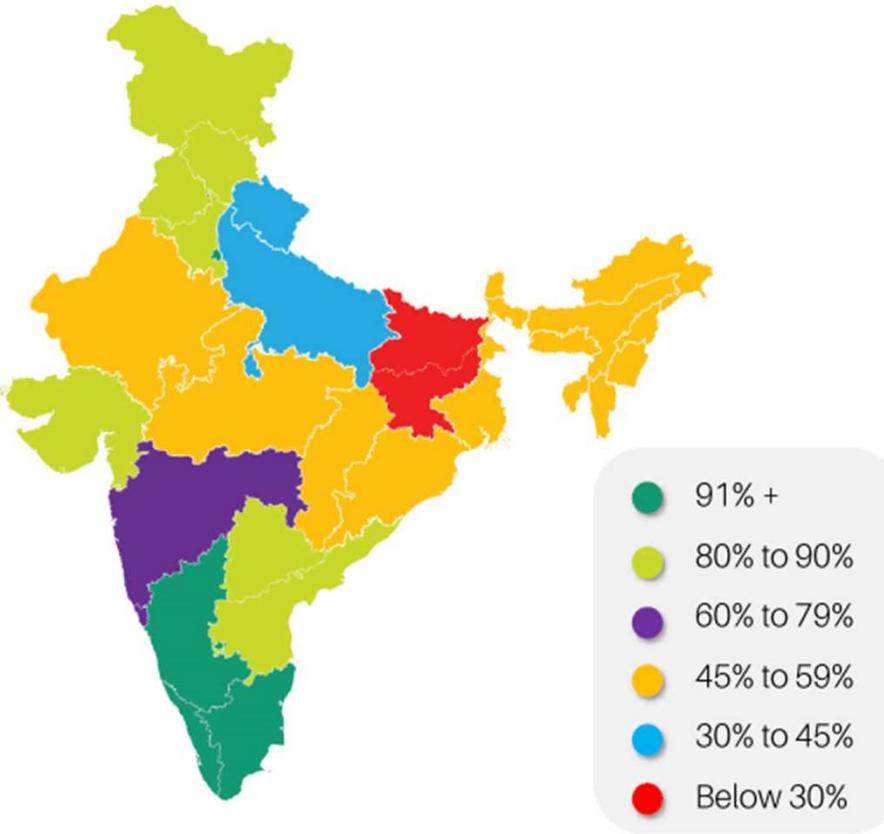
- Growth of Linear television by 67% from 600 billion in 2015 to 1 Trillion man minutes in 2019.
- TV is the biggest medium with daily-tune ins of 613 million.
- The video consumption on TV has increased to 3 hours 53 minutes in 2019 from 3 hours 7 minutes in 2015. Indians are spending 45 more time watching TV.
- Consumption of Regional content has witnessed exponential growth. Bengali (144%) and Bhojpuri (139%) being the highest growth contributors followed by Odia (100%), Gujarati (92%), Marathi (75%), and Kannada (58%).

BARC (Television post)

TV penetration on the rise



2016



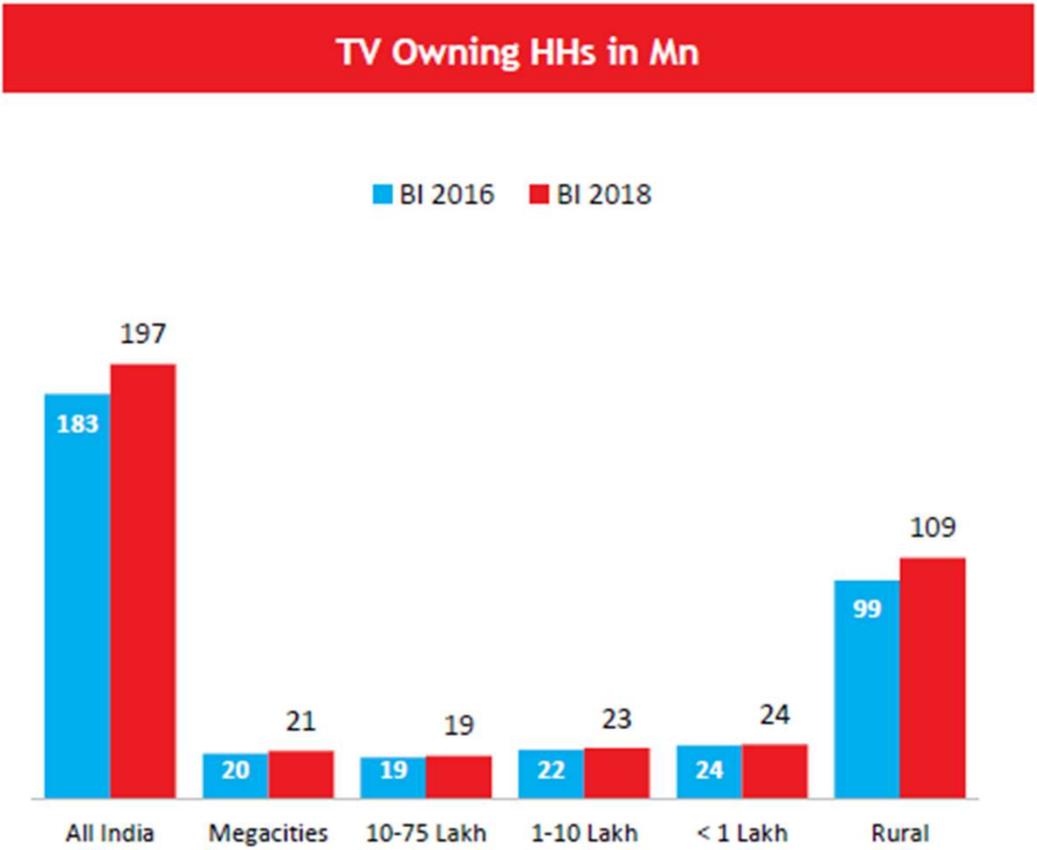
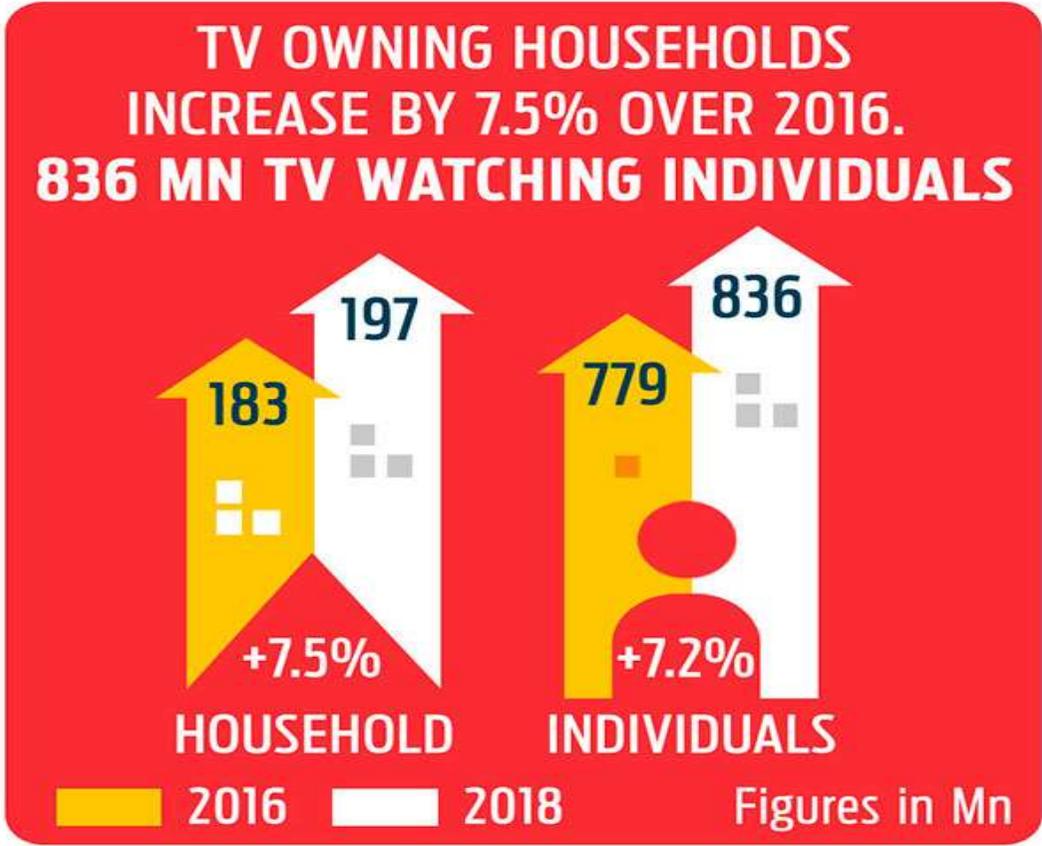
2018



- TV homes has increased across all state groups
- TV Penetration has increased to 66% in 2018 as compared to 64% in 2016 and still has significant headroom for growth.
- TV viewership continues to increase across age group with a 22 percent average growth rate in 2017.

BARC India, Universe Update (July 2018), KPMG Report

Small towns and rural areas are key drivers of growth.



BARC India, Universe Update (July 2018)

Cable TV – Financial Highlights



Cable Business Financial Highlights



Particulars (INR Cr)	1Q'20	4Q'19	1Q'19	Quarterly Growth %	
				Q-o-Q	Y-o-Y
Subscription	171	159	170	8%	1%
Placement	97	66	85	48%	15%
Other Operating Income	4	7	20	(50%)	(82%)
Activation Revenues	23	25	24	(7%)	(3%)
Revenue	295	257	299	15%	(1%)
Content Costs	159	126	150	27%	6%
Personnel Costs	21	23	20	(11%)	1%
Other Opex	64	66	70	(4%)	(9%)
Provision for doubtful debts	11	5	10	122%	7%
Total Cost	255	220	251	16%	1%
EBITDA	41	37	48	10%	(15%)
<i>EBITDA %</i>	<i>14%</i>	<i>14%</i>	<i>16%</i>	<i>- %</i>	<i>- %</i>
Dep & Amort	52	48	56	7%	(7%)
Finance Costs	18	13	16	35%	11%
Other Income	51	26	9	97%	n.m
Share in (loss)/ profit of associates	1	1	(1)	(10%)	n.m
PBT	23	3	(16)	n.m	n.m
Exceptional Items	0	194	0	n.m	n.m
Provisions for Tax	4	2	3	83%	11%
PAT	20	(193)	(19)	n.m	n.m

Broadband-Financial Highlights



Broadband Business Financial Highlights



Particulars (INR Cr)	1Q'20	4Q'19	1Q'19	Quarterly Growth %	
				Q-o-Q	Y-o-Y
Revenue	18	18	16	1%	15%
Personnel Costs	2	2	3	8%	(22%)
Other Opex	15	15	14	(0%)	10%
Total Cost	17	17	17	1%	4%
EBITDA	1	1	(1)	22%	n.m
<i>EBITDA %</i>	<i>4%</i>	<i>3%</i>	<i>(6%)</i>		
Dep & Amort	6	4	7	63%	(14%)
PBT	(5)	(3)	(9)	72%	(39%)
Exceptional Items	0	17	0	<i>n.m</i>	<i>n.m</i>
PAT	(5)	(20)	(9)	n.m	n.m

Consolidated Financial Highlights



Consolidated Financial Highlights



Particulars (INR Cr)	1Q'20	4Q'19	1Q'19	Quarterly Growth %	
				Q-o-Q	Y-o-Y
Subscription	189	176	186	7%	2%
Placement	97	66	85	48%	15%
Other Operating Income	4	7	20	(44%)	(80%)
Activation Revenues	23	26	24	(9%)	(3%)
Revenue	313	275	314	14%	(0%)
Content Costs	159	126	150	27%	6%
Personnel Costs	23	25	23	(9%)	(2%)
Other Opex	79	81	84	(3%)	(6%)
Provision for doubtful debts	11	5	10	120%	7%
Total Cost	272	237	268	15%	2%
EBITDA	41	38	47	10%	(11%)
<i>EBITDA %</i>	<i>13%</i>	<i>14%</i>	<i>15%</i>		
Dep & Amort	58	52	63	11%	(8%)
Finance Costs	18	13	17	36%	6%
Other Income	51	26	9	<i>n.m</i>	<i>n.m</i>
Share in (loss)/ profit of associates	1	1	(1)	(10%)	<i>n.m</i>
PBT	18	(0)	(24)	<i>n.m</i>	<i>n.m</i>
Exceptional Items	0	211	0	<i>n.m</i>	<i>n.m</i>
Provisions for Tax	4	2	3	<i>n.m</i>	<i>n.m</i>
PAT	14	(213)	(28)	<i>n.m</i>	<i>n.m</i>

Consolidated Balance sheet



INR Crore	30.06.2019	31.03.2019
Share Capital	477	477
Reserves & Surplus	2,073	2,069
Networth	2,550	2,546
Minority Interest	88	78
Short & Long Term Debt	404	482
Deffered Revenue	367	355
Trade Payables	215	264
Other Liabilities	266	231
Total Equity & Liabilities	3,890	3,956
Fixed Assets, Net	727	772
Capital work-in-progress	14	19
Goodwill on consolidation	162	162
Fixed Assets	903	953
Non - Current Investment	69	68
Trade receivables	202	226
Cash and Cash Equivalents	2,328	2,296
Other Assets	387	413
Total Assets	3,890	3,956

Key metrics (Annualised)

INR Crore	30.06.2019	31.03.2019
Gross Debt (Rs in crs)	404	482
Net Debt (Rs in crs)	(1924)	(1814)
Debt/Equity	0.15	0.18
Current ratio*	4.60	4.67

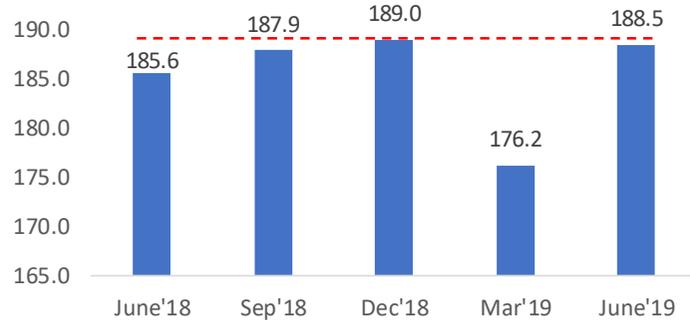
* Short term maturities of borrowings have been excluded in current ratio for comparison purpose.

Note: Previous figures have been reclassified wherever necessary

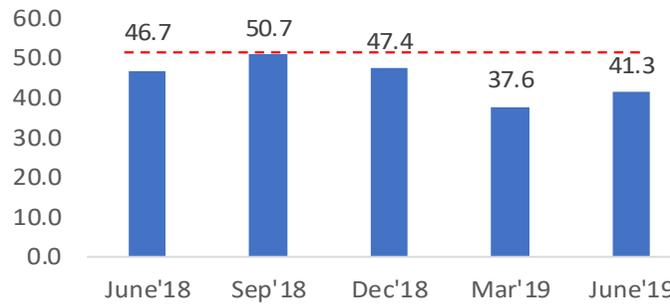
Consolidated Financials-KPI's



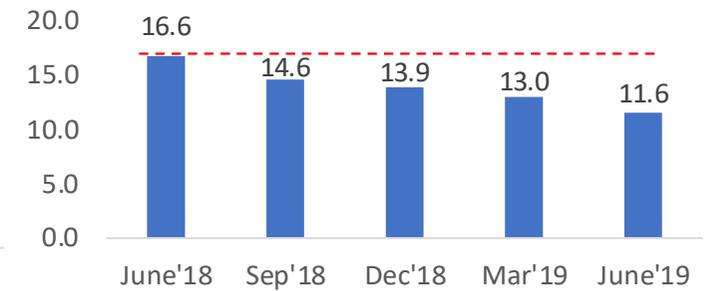
Subscription Revenue



EBITDA



Finance cost*



*June'19 has been adjusted for one time write off of processing fees for like for like analysis.

Improvement in subscription, Increased by 7% over previous quarter and 2% over previous quarter in the preceding year.

EBITDA has Increased by 10% over previous quarter and (11%) over previous quarter in the preceding year.

Reduction in Finance cost over last 2 quarters mainly due to improved credit rating and to prepayments of Loans



DEN has been recognized as
Most Trusted Brand in Cable
TV Industry”
TRA Research, 2019

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