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01<sup>st</sup> August, 2024

**BSE Limited**

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**Mumbai - 400 001**

**National Stock Exchange of India Limited**

Exchange Plaza, C-1, Block G,  
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**Mumbai - 400 051**

**Scrip Code: 532662**

**Trading Symbol: HTMEDIA**

**Sub: Transcript of Conference Call for Analysts and Investors on the Un-Audited Financial Results of the Company for the quarter ended on 30<sup>th</sup> June, 2024**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the enclosed transcript of Conference Call for Analysts and Investors held on Friday, 26<sup>th</sup> July, 2024 in respect of the Un-Audited Financial Results of the Company for the quarter ended on 30<sup>th</sup> June, 2024.

The transcript of the Call is also available on the Company's website at:

<https://www.htmedia.in/investor-relations>

You are requested to take the above information on record.

Thanking you,

Yours faithfully,  
**For HT Media Limited**

**(Manhar Kapoor)**  
**Group General Counsel & Company Secretary**  
**Encl: As above**

## HT Media Group: Q1 FY25 Earnings Conference Call

July 26, 2024

**Management:**

**Mr. Piyush Gupta:** Group CFO - HT Media Ltd.

**Ms. Anna Abraham:** CFO - Hindustan Media Ventures Ltd. and  
Head, Investor Relations - HT Media Group

**Mr. Pervez Bajan:** Group Controller - HT Media Ltd.

Aaditya Mulani:

Good afternoon ladies and gentlemen. This is Aaditya Mulani from the HT Media Group. I would like to welcome you all to our Q1 financial year FY2024-25 earnings webinar.

As a reminder, all the participants will be in 'listen only' mode. After we are through with the presentation, there will be an opportunity for you to ask questions.

I now hand over to Ms. Anna Abraham – CFO, Hindustan Media Ventures Ltd. and Head, Investor Relations, HT Media Group. Thank you, and over to you Anna.

Anna Abraham:

Thank you, Aaditya. Good afternoon, everyone. Thank you for joining the earnings webinar on the first quarter results of the Company. Joining me for the call today is Mr. Piyush Gupta, Group CFO; Mr. Pervez Bajan, Group Controller; and the Investor Relations team.

The results of Hindustan Media Ventures Limited were announced yesterday, July 25<sup>th</sup> and those of HT Media Limited were released earlier today. We will during the course of this webinar discuss these results. Our comments during this webinar will follow the presentation slides. These slides and the financial statements are accessible on stock exchanges and on the Investor Relations page of our websites.

Before we proceed, I would like to bring your attention to the disclaimer related to forward-looking statements. Kindly keep this in mind as we move during the course of the call. In line with our usual practice, we do not issue specific guidance on revenue or earnings.

The current slide gives our Chairperson's comments on the performance of the Company for the quarter, and I quote:

*“Overall revenue saw a decline as compared to the same period last year as National elections and the enforcement of the model code of conduct impacted government advertising volumes in the quarter. But our focused efforts on cost management and operational efficiency helped mitigate the impact on profitability.*

*Print advertising and circulation revenue saw a measured decline, affecting profitability; Radio posted growth in revenue over a year*

*ago, but reported marginal losses; and the Digital business saw considerable upside in revenue on a y-o-y as well as q-o-q basis and better sequential profitability, albeit with ongoing investments in OTTplay.*

*The Company's focus remains on improving profitability in core businesses by driving topline growth as well as on growing new digital businesses aided by measured investments in the medium term. At this juncture, our strong market presence across media platforms and robust liquidity position remain a source of strength and competitive advantage in the dynamic media landscape.*

*Now more than ever, we remain committed to serving all our customers and stakeholders with integrity and transparency. Your continued support and trust are integral to our success. Our unwavering focus remains on providing credible and insightful news and engaging entertainment.”*

End of quote.

The agenda today will cover the financial performance in the quarter, focusing on the consolidated financials and thereafter, the businesswise results. After the presentation, we'll open for a Q&A session.

With this, now I hand over the call to Mr. Piyush Gupta.

Piyush Gupta:

Thank you, Anna. Good afternoon, friends. We will be tracking the presentation here. So first we will look at the consolidated financial summary. As you can see on your chart, overall revenue decline impacted profitability for the reported quarter. Company continues to maintain a robust net cash position.

If you look at the number versus the same period last year, revenues down by 4% at INR 427 crore. EBITDA is at INR 7 crores with a margin of 2%. PBT came at a negative INR 36 crore, and net cash remains robust at INR 858 crore.

Moving on, now we look at the business unit performance. Coming to Print. Print segment operating revenue dipped for the quarter as both advertising and circulation revenue saw a decline. Operating profitability is near break-even, with benefit in newsprint cost offsetting impact of drop in revenue.

If you look at the numbers, the revenues are down 10%, which as my colleague pointed out, was primarily the impact of the model code of conduct in the first quarter. Circulation revenues were down marginally at INR 55 crores, hence operating revenues stood at about INR 299 crores with a break-even margin.

A quick look at English, we saw government led revenue decline in this quarter, with key commercial sectors seeing a YoY growth and a drop in circulation revenue on the back of lower copies. So, on advertising revenue, it came at INR 117 crores versus INR 130 crores same period last year, which is a 10% decline and versus the sequential quarter that's a sharpish drop of 26% because in the previous quarter, there was a run-up to the election whereas the model code of conduct impacted the current quarter.

On the right side of the chart, as we look at the circulation revenue, which is virtually flat at about INR 15 crores. And on a sequential basis, they were flat again, as against about INR 16 crore.

Moving on to Hindi, the government led revenue declined this quarter, whereas on a sequential basis, the segment has seen a YoY growth on the commercial side. Circulation revenue dropped YoY, and remained flat sequentially. If we look at the numbers, there's an 11% decline YoY in the first quarter on advertising revenue of INR 102 crores, whereas versus the immediately preceding quarter, that's a 24% decline. On the circulation revenue, it's a 10% decline YoY and a flat number on a sequential basis.

Moving on to Radio, for the reported quarter, there's a marginal YoY growth in operating revenue with the operating EBITDA at break-even, if you look at the numbers, operating revenue is virtually flat at INR 36 crores with a break-even EBITDA.

And on the Digital side, digital revenue increased on an annual as well as sequential basis owing to the topline improvement in key businesses. Continuing loss on account of OTTplay. However, losses are lower than the sequential quarter. If you look at the numbers, operating revenue came at INR 47 crore, which is a 31% YoY jump and the operating EBITDA at minus INR 25 crore.

With this, we come to the end of the presentation and we would go for questions and answers.

Aaditya Mulani: Thank you, Piyush.

We will now begin the Q&A session. You can click on the “Raise Hand” option, which will enable the moderator to unmute you for posing your query. Please introduce yourself before posing your query, and kindly restrict to a maximum of 2 questions per participant, so that we may be able to address questions from all participants. We will wait for a few moments while the question queue assembles.

The first question is from the line of Mehul Pathak. Please introduce yourself and ask your question.

Mr. Mehul, you will have to unmute yourself.

Mehul Pathak: Hello Piyush, Anna, hope you are doing well.

Piyush Gupta: Doing very well Mehul, hope you are doing well as well.

Mehul Pathak: Yes, till you declared the results today. Ok, I have two questions. The first one is related to both HT Media and Hindustan. D B Corp has come up with the results and declared a profit which is higher by 49%. The top line is up close to 7% - 8%. There is an increase in advertising revenue for them. Jagran and others have not come up with the results. Also, if you see Jagran has returned INR 1,660 crore rupees to their shareholders in the last four years.

So, we are not in a sector where the sector is in distress. In 2018, our net worth was INR 2,550 crores. With today's results, it should have come down to below INR 1,650 crores. So, INR 900 crores already lost. We are on our way, in maybe in 10 years, net worth will get wiped out at this rate.

So internally, is there any thought on when you will call a May Day? Mutual funds have already shipped out long time ago. Many of us, die-hard shareholders of HT Media are hanging on. So, I just wanted to know, when will you call a May Day? When the net worth becomes INR 500 crores, INR 800 crores?

Piyush Gupta:

Yeah. Well, Mehul, so I wouldn't exactly characterize it like that. I think the big difference between Bhaskar, whose results are out and you are absolutely right, stellar set of numbers. I think you've been attending our call and you've been engaged with the Company for a very long time. You absolutely understand that the Company is creating businesses which will create a sustainable long-term value as you know.

Now, I am talking at a Group level, also, at HMVL because you touched upon Bhaskar. Most of the investments which are now going ahead are going on in OTTplay and that we have explained in a multiple number of calls.

Now, that business, as I explained earlier in the Digital segment, of course, the numbers are very small, but it has shown some early proof of life. Now, as a concept, given the proliferation of OTTs and given that households have now hopefully got accustomed to it, this will be a unique proposition, in which we will have an early-mover advantage.

So, most of our efforts are going to creating that business. So, returning the money versus creating the business which can create sustainable long-term advantage for the shareholders is what we have been trying. Now, in the Print business, of course, Bhaskar operates primarily in the markets whereby it has either a monopoly or duopoly position. The markets are quite rich from that perspective.

We of course, are in a highly competitive market, and we are doing to the best of our ability. But I wouldn't call it a situation where we need to call 'May Day'. The balance sheet is adequately capitalized. The Company is ambitious in the sense that it's trying to create businesses for tomorrow, now. Only time will tell, but we are definitely hopeful if we are putting the money behind those businesses that these businesses will create value for all shareholders, majority and minority.

Anna Abraham:

And if I may add, the net worth still remains around INR 2,000 crores at a consolidated level. And while their Q1 results are not out, we have the full-year results of the last financial year and which shows that within our direct competitive markets, we've done as well as the other player.

Yes, DB has done substantially well, but in a different market. So, I think, once the results of Q1 for the other player are also out, we will see. So, it's not like we've been continuously underperforming in our markets. We've been performing in our markets. The result have been good.

The positive news in this quarter is also that the commercial categories have all grown. We have been able to improve our pricing also. So, while government volumes were not there for certain reasons and not fully compensated by political party revenues, the fact that commercial has fired and the pricing has moved, will hold us in better stead. So, from a core business proposition point of view, there's nothing which is so drastic which has happened which requires a 'May Day'.

Mehul Pathak:

But if you keep losing INR 150 crores every year, INR 100 crores to INR 150 crores, it will one day show up. Mutual funds are not there. No new people are coming into the stock, so the writing is on the wall. If the current state of affairs continue, writing is there on the wall.

Piyush Gupta:

Mehul, I totally take your point, but nothing here shows that we will keep on losing INR 150 crore. I don't think you should take that assumption. Though we don't give forward guidance, et cetera, but I'm very hopeful given now how the Print business and I'm now talking about only the core business, how that is poised, we will definitely not lose money this year. I mean at a cash level I am talking.

Mehul Pathak:

Okay. My next question is on Digicontent. Is it okay to ask the question in this forum?

Piyush Gupta:

Not exactly. This is not a Digicontent call. Mehul, we can discuss that offline.



Mehul Pathak: No, because Digicontent's company secretary does not respond to e-mails. The shares were not trading for a long time. We were placed on dynamic surveillance, and I asked a few questions. I also sought a call and nobody responded. I even copied HT Media e-mail ID, and I did not hear back from there also.

Piyush Gupta: Okay, fair enough. So, Mehul, why don't you just resend that same mail. We will ensure that you get a response.

Mehul Pathak: Okay. Because see, Piyush, when I look at HT Media, Digicontent, et cetera, my question is, in terms of behavior of the management, a lot of things are not looking nice. For example, at Digicontent, at the quarterly results, the Board meets only for 25 minutes. Here is a Company that has not shared a rupee with the shareholders and almost the same Board, people are there in both the companies.

Now, it has control at the family level. And 25 minutes. You have not given a rupee to the shareholders in all these years, and you finish a Board meeting in 25 minutes. What are you reviewing? What exactly are you reviewing, I don't know. So, I just thought I should share my sentiment in terms of observation, what is visible.

Piyush Gupta: Well, fair enough. So, let me answer them one by one. At Digicontent level, there's still a big loan which is outstanding. And that loan, of course, part of it has been paid back, but the entire loan still has not have been paid back. So that pretty much is on returning the money to the shareholders.

In terms of the Board meeting, I don't know why you said 25 minutes. This is the UFR for the first quarter and between the Audit Committee and the Board meeting, I think it takes easily about an hour. But I don't think time is a variable which decides and there are no common shareholders. There is, of course, one common shareholder, but at the family level, of course, the shareholders are common. But in terms of independent directors, there is a brand-new set of independent directors in Digicontent. It's not like it has common shareholders and they don't review anything. Everything is reviewed, and the Board meeting, including audit committee lasts for definitely more than one hour even in the quarterly results, forget about the annual results, which is much longer.

- Anna Abraham: Coming to the surveillance measure, Mehul, that is not a measure that has anything to do with the Company. It is the stock exchanges prerogative to put these measures on. And as a follow-up to your mail, we had checked with the Company's secretary, and we were advised that it has been already conveyed to you.
- Piyush Gupta: But correct me. If I'm not wrong, Mehul has the Digicontent stock, which I saw about two days ago, I haven't seen it today. Hasn't that gone up by about 50% in the last two months.
- Mehul Pathak: No, it has gone up maybe, but with respect to the surveillance, Anna, I had asked questions. Firstly, why are we in dynamics surveillance?
- Anna Abraham: We cannot comment on it Mehul. That's something which has to do with stock exchanges. They do not disclose either to us or anybody. So, it is stock exchanges' prerogative to put certain stocks on a surveillance.
- Mehul Pathak: No, but isn't the management concerned that you have been put on dynamic surveillance. You'd have your hypothetical reasons to address them also, isn't it?
- Piyush Gupta: Mehul, the first time these ASM and GSM measures were done, which was about a year ago. And then we checked with the stock exchange and my understanding, you can correct me if I'm wrong because you're a market participant. I was given to understand, it has nothing to do with what the company is doing. But at any given point in time, more than 800 to 900 companies are on ASM/GSM. So, it is not like the moment you come on ASM/GSM, that's some red ink throw on your balance sheet.
- Mehul Pathak: Yes, but if I'm the promoter of the Company and I care for my shareholders, will I not be losing a night's sleep that the share is not

trading? And will I not communicate something? There is no communication at all.

Piyush Gupta: Mehul, we can discuss this offline, but at this point in time I don't agree with you on this account because I'm feeling very well for the shareholders as the stock price indeed has moved up the last two months and the way it has moved.

Mehul Pathak: The volumes are very thin, Piyush. It's okay.

Piyush Gupta: I know, but that is the liquidity in that Company

Mehul Pathak: Okay. Thank you very much. All the best for the coming quarters and hope to see things looking up or at least please sell some non-core assets. That is my request to the board.

Piyush Gupta: Thanks for your wishes, Mehul. We'll do the best we can.

Aaditya Mulani: The next question is from the line of Mehul Parikh. Please introduce yourself and ask your question.

Mehul Parikh: Yeah, good evening Piyush and Anna. I have one question I had asked this, and you have clarified, but I'm just seeking more clarification that if I had taken a one-year subscription of say INR 1,000 on OTTplay, would that reflect INR 250 in the current quarter or would it reflect as full INR 1,000 in the current quarter?

Piyush Gupta: INR 250 in the current quarter.

Mehul Parikh: So that means this INR 9 crore revenue that we have reported on OTTplay in HMVL, that is a quarter of the annual subscription, right?

Anna Abraham: Yes.

Piyush Gupta: That is the quarterly pro rata component of the annual subscription.

Mehul Parikh: Perfect. Thank you very much. That's it.

Anna Abraham: However, to clarify, it's not just that we have annual subscriptions. We have various periodic subscriptions as well.

Mehul Parikh: Yeah. That I understand. The principle remains the same.

Aaditya Mulani: The next question is from the line of Hari S. Please introduce yourself and ask questions.

Mr. Hari, you will have to unmute yourself.

Hari S: Yeah. Two questions, Sir. I recollect one of the earlier conference calls a couple of years back. We had discussion on this ad revenue. And that time it was like, because of elections, so our ad revenue has increased actually. And we discussed that elections are a one-off event that may not happen regularly. But now the Company is saying because of the elections our ad revenues have gone down.

Piyush Gupta: Yes. So, Hari, that's a very dynamic situation. Let me explain that a little bit more in detail. So, two things happen whenever the Union elections or the state elections for state in which the publication is present happens. You know when the elections are announced in that state, there are two trends which happens

There is one called government revenue, which obviously once the model code of conduct comes into play, that stops. Now, this is what we call the DAVP revenue, which is basically the government's releases which come in the publication.

However, the thread that you're referring to is the political revenue or the party related revenue which comes. Now, what you're talking about, in that particular year, we got a lot of political revenue. But unfortunately, in this year, the government revenue of course stopped after the Election Commission imposed the model code of conduct. But the political revenue didn't come.

So, what happens in such a situation is, the government revenue, of course, went down, which had to go down, but the political revenue, which more than overcompensated for that particular year, did not come. So hence the elections this time were actually a net negative rather than being a net positive.

Anna Abraham:

Also, to add, actually, as Piyush said, some of the benefits of the election, which we generally see, actually pre-dates the election. So, Q4 saw a lot of benefits from the election revenue because as a run up to the election, there was a lot of heightened spending. And which then, of course, with a code of conduct, it dried up.

So, in this instance, because the elections happened in the beginning of the quarter, most of the benefits towards the run up of the election happened in the previous quarter.

Piyush Gupta:

So that's the dynamics, Hari. I hope we've been able to answer your question.

Hari S:

Okay. And the other thing is regarding ad revenue. Can't we increase the ad revenue share tremendously to get out of this loop of low revenues into operating losses? And can't the Company try aggressively by disproportionately growing ad revenue?

Piyush Gupta:

No, that's absolutely the plan, Hari. And I think my colleague did allude towards that. So, there are two levers. Of course, there is a

volume of advertising that comes in the publication and then there is the ad pricing. At this point in time, we are working very aggressively to work on the ad pricing. Although the volumes are already back, the pricing is something which is under pressure.

So, we are working very aggressively trying to take up the ad pricing. And as you can understand, pricing by nature comes to the bottom line and we have seen some early success in the first quarter and that's the point.

When Anna said that the commercial segment has worked out, but the government revenue is the part which has eluded us in this particular quarter. So, if our pricing sticks and the program goes as per plan, you will see ad revenue performing better and better in the second quarter and the third quarter because that is the plan which is already under motion.

Hari S: Thank you. And the final question, sir, regarding this OTTplay. Can we out-license to other companies in other countries, is there any option of that? Is this an exclusively new product or is it available all over the world, sir?

Piyush Gupta: No. So, the current content rights do not allow us to take it beyond the country's border. So, this is a Pan India product at this point in time and we cannot air this content outside the Republic of India.

Hari S: The technology behind it, can't we out-license it, sir?

Piyush Gupta: No, we can do the technology, but the content which is running on the technology is licensed for India. Technology can be, but the content can't be.

Hari S: Okay, fine sir. That answers. Thank you very much.

Aaditya Mulani: The next question is from the line of Kavish Parekh. Please introduce yourself and ask questions.

Kavish Parekh: Hi Sir, thanks for the opportunity. This is Kavish Parikh from B&K. So, two questions. Firstly, on the core Print business. How does the newsprint trajectory look at this point? So, what was the average newsprint cost this quarter and how do we expect it to pan out over the coming quarters? And secondly, on the advertising revenue, so what has really kept the ad revenue part under pressure.

As discussed earlier, our competitor has reported high single-digit growth led by a mix of high volumes as well as higher value. I understand that markets are different, but what will help us record growth here? So, are we in a position to improve yields?

Piyush Gupta: Yeah. So, Kavish, let me just give a highlight and then I'll pass it on to Anna. Look, at the competitor question, let me just paint a picture for you. In both the states where our competitor has a pole position, they're part of a duopoly, whereas our Hindi publication has a pole position in Bihar but is in the first three as far as the UP and Uttarakhand markets are concerned.

As far as English is concerned, we are definitely at duopoly in Delhi. And let's say a competitor in Maharashtra in the city of Bombay. Now, that competitive position has a huge bearing on pricing, which brings me to the second part, which I was just explaining to the earlier participant.

Pricing is something that as a program we are working on very aggressively, and we've seen some early results in the first quarter. The volumes are back, the pricing is under pressure. So that's what we are working on. And if that pricing piece sticks, you will see better revenue performance.

And as far as this quarter is concerned, if you just equate the government revenues, which obviously came down by about 25% to 30% because of the model code of conduct, you can see that the resultant revenue will already be up. But that's a high-level picture. I'll just pass it on to Anna.

Anna Abraham: Yeah. So, in the relevant markets for us, we have seen industry volumes come down by 12%. So, in the market that we are in, both English and Hindi, the market volumes have also come down by 12% percent, largely all led by the government piece. Commercial is holding and therefore, as Piyush was mentioning the market also matters. In the markets we are in, the industry volume is also down.

So that is to kind of add to that point. And on newsprint, we are at on consolidated basis at about INR 48,000 per ton. We are seeing some pressure on pricing given all the disruptions in the market from a global supply chain logistics perspective.

However, Q2 also, we expect to be at this level with probably a marginal increase because we have visibility to that. But right now, we are not seeing the newsprint prices easing. It will probably increase a little bit till the situation is settled. But next quarter we are not expecting a major shift from these levels.

Kavish Parekh: Right. Thanks for that. Just as a follow up, what's the contribution of government ads for us, both in election periods or say Q4 FY24 versus Q1 FY25?

Anna Abraham: About 20 to 25% is broadly the government contribution.

Piyush Gupta: But in the fourth quarter, to your point, that was much higher, but I'm talking about both the government ads and the political ads put together because fourth quarter was the run up to the elections and the first quarter is when the model code of conduct came in. So, it will be slightly higher in the fourth quarter and slightly lower in the first quarter.

Kavish Parekh: Right. Got it. And on the newsprint, the follow up is that what level of inventory do we hold? Is it for a period of, say, three to four months?

Piyush Gupta: Yes, something like that.



- Kavish Parekh: All right. Thank you for that. That was it from my side. Thanks.
- Piyush Gupta: Thank you.
- Aaditya Mulani: The next question is from the line of Ketan Athavale. Please introduce yourself and ask your question.
- Ketan Athavale: Hello Sir, I am Ketan Athavale from Robo Capital. Sir, I wanted to know, by when can we breakeven in the Digital business?
- Anna Abraham: In Digital business, largely the losses are only pertaining to OTTplay. The rest of the businesses are mostly at breakeven or are marginally profitable. So, for OTTplay, this is only the second year of the business in its current state of operations, and therefore, a little too early to get profitability. Having said that, we have said that as revenue scales up and our scale builds, the loss would have significantly reduced for this year as compared to last year. But we will not be looking at profitability, at least this year for sure.
- Ketan Athavale: Okay. And do we have any updates on NOTEF guidelines for radio?
- Anna Abraham: Not at this point in time.
- Piyush Gupta: Well, I think that's an industry issue, and we've been along with the industry, making representations to the ministry. So, we are hoping that they will be notified pretty soon. But as I say, it's not done till it is done. So, we are all waiting for that at the industry level. And once they happen, that will be hugely beneficial to the Company.
- Ketan Athavale: Okay. Thank you.

Aaditya Mulani:

Thank you all. With this, we come to the end of the Q&A session. If you have any further queries, please reach out to the Investor Relations team. Our contact details are given in the investor presentation and are also mentioned on our websites. I now hand over to Piyush for closing remarks

Piyush Gupta:

Thank you, dear friends, for joining Q1 FY25 call. We really hope to bring out a better set of numbers as we go forward, though I have given you and explained the reason which is primarily the government revenue or the absence of that in this quarter. And I wish you all the very best and a happy weekend. And we'll look forward to talking to you, addressing you in the next quarter. Thank you.

*Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.*