



Date: - July 11, 2019

The Corporate Relationship Department
The National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G-Block,
Bandra Kurla Complex
Bandra (E),
Mumbai-400 051
NSE Trading Symbol- DEN

The Corporate Relationship Department
BSE Limited
15th Floor, Phiroze JeeJeebhoy Towers
Dalal Street, Mumbai-400 001
Scrip Code-533137

Sub: - Investors' Presentation

Dear Sir,

Please find enclosed Investors' Presentation on Unaudited Financial Results for the quarter ended June 30, 2019 for your records.

Thanking you,

Yours faithfully
For Den Networks Limited

Jatin Mahajan
Company Secretary
M. No.- F6887

DEN Networks Limited

CIN: L92490DL2007PLC165673

Registered Office: 236, Okhla Industrial Estate, Phase-III, New Delhi - 110 020

Landline: +91 11 40522200 || Facsimile: +91 11 40522203 || E-mail: den@denonline.in || www.dennetworks.com



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.

Index



| S. No | Particulars |
|-------|-------------------------------------|
| 1. | Business Overview |
| 2. | Financial Highlights |
| 3. | Cable TV - Industry Updates |
| 4. | Cable TV- Financial Highlights |
| 5. | Broadband- Financial Highlights |
| 6. | Consolidated- Financials Highlights |



Business Overview



Business Overview



Den Cable

Den Cable



Den Broadband

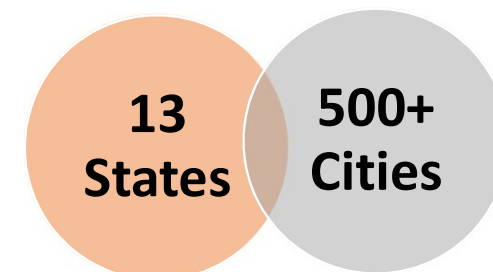
Den Broadband

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

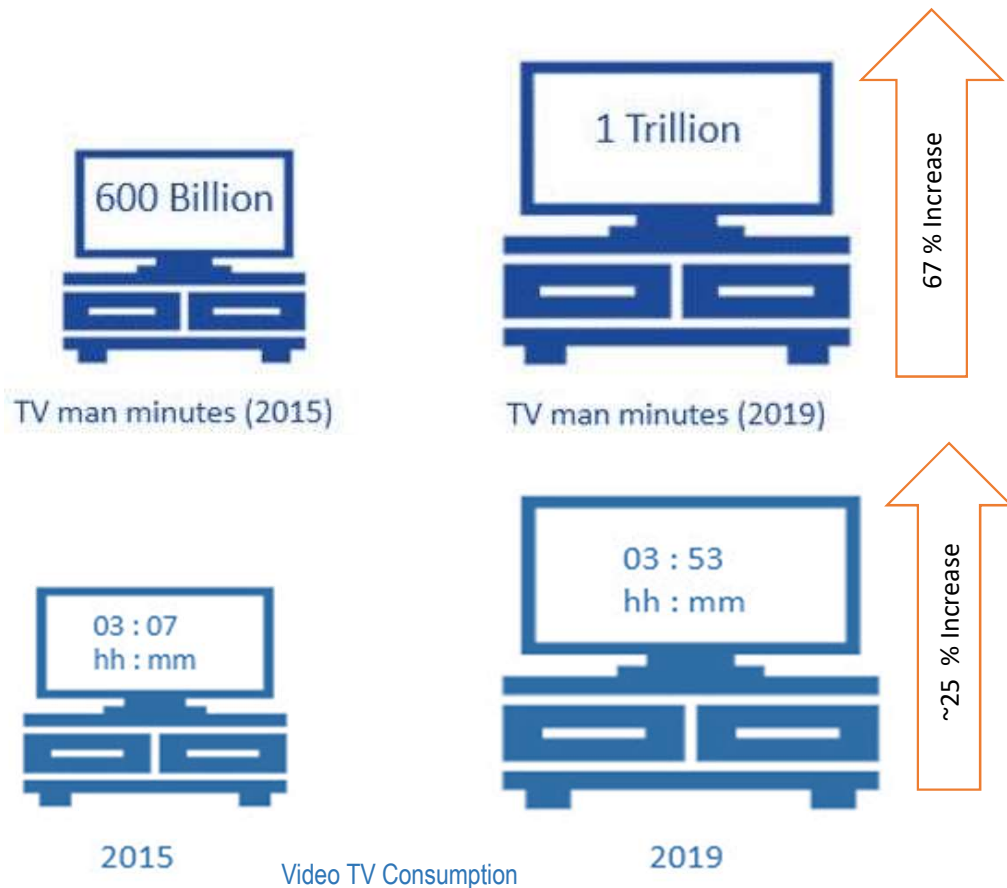


| INR Crore | | Cable | Broadband | Consolidated |
|--------------------------------------|-------|-------|-----------|--------------|
| Subscription Revenue | 1Q'20 | 171 | 18 | 189 |
| | 4Q'19 | 159 | 17 | 176 |
| | 1Q'19 | 170 | 16 | 186 |
| Revenues | 1Q'20 | 295 | 18 | 313 |
| | 4Q'19 | 257 | 18 | 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



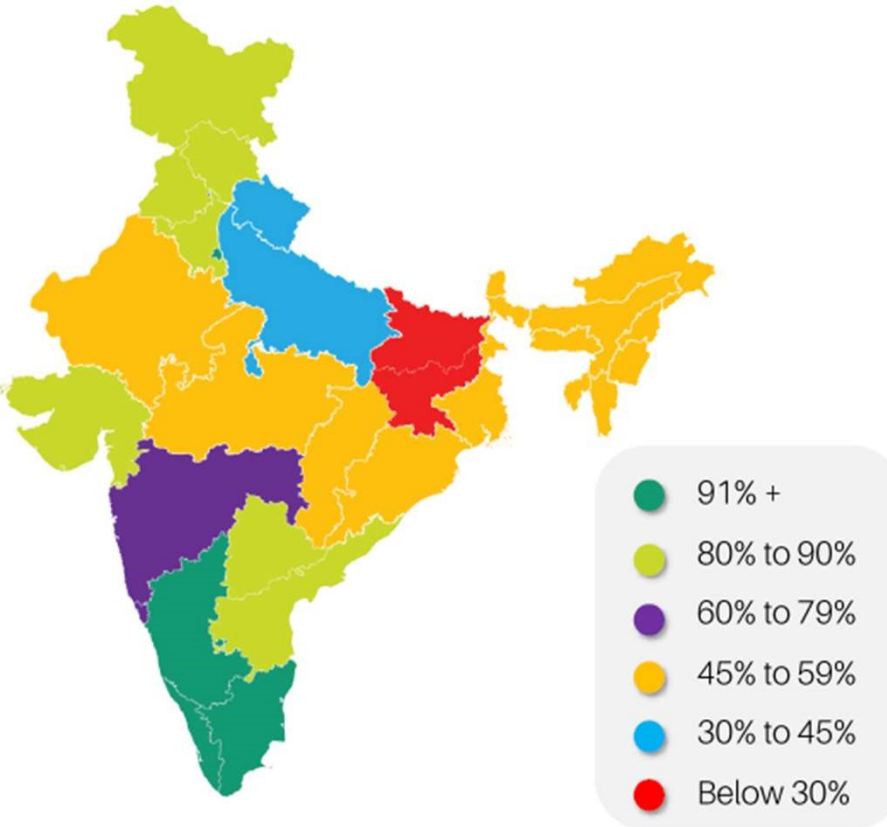
- Growth of Linear television by 67% from 600 billion in 2015 to 1 Trillion man minutes in 2019.
- TV is the biggest medium with daily-tune ins of 613 million.
- The video consumption on TV has increased to 3 hours 53 minutes in 2019 from 3 hours 7 minutes in 2015. Indians are spending 45 more time watching 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



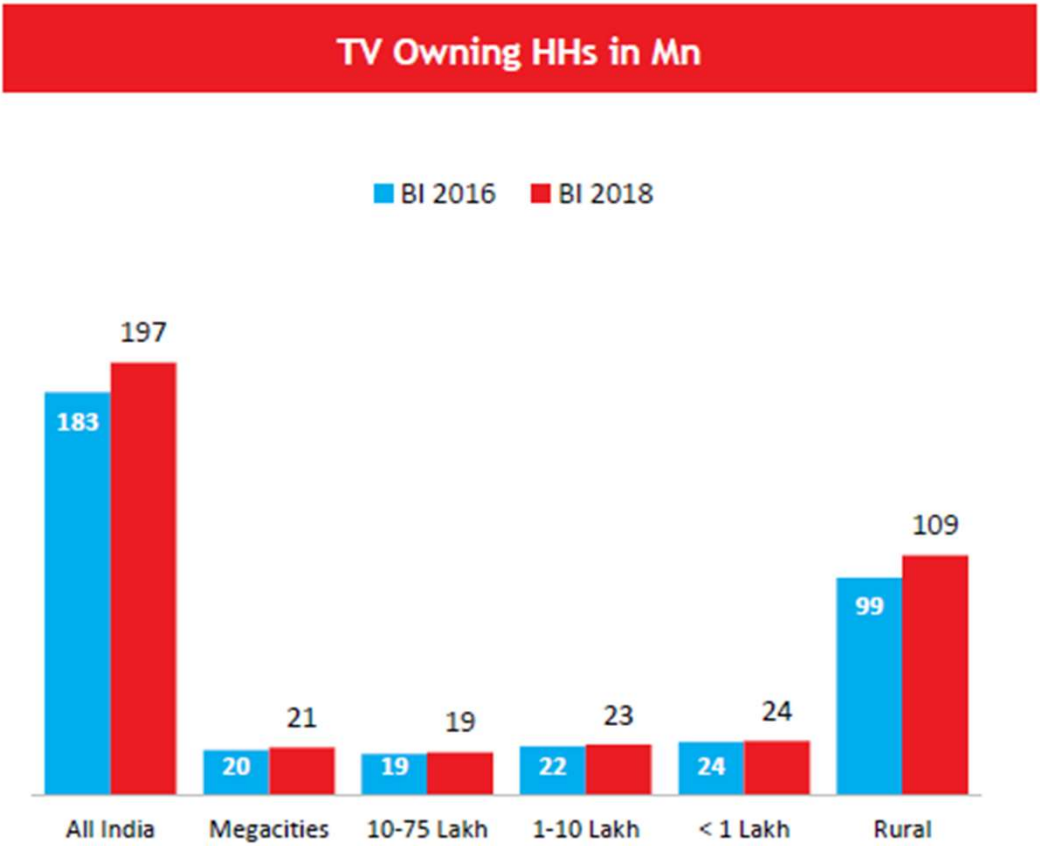
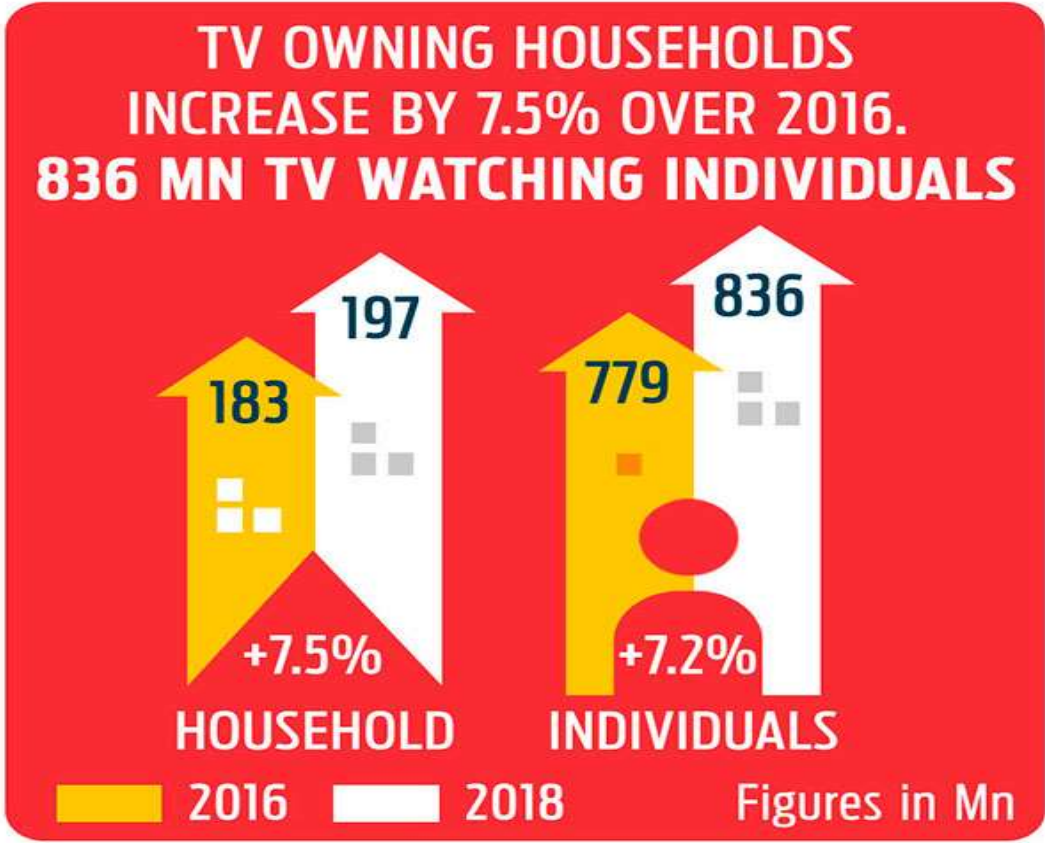
2018



- 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 |

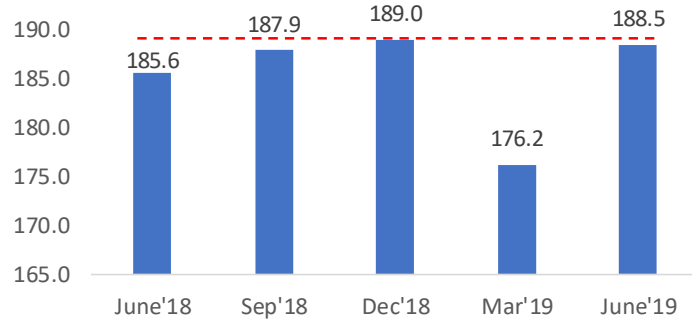
* Short term maturities of borrowings have been excluded in current ratio for comparison purpose.

Note: Previous figures have been reclassified wherever necessary

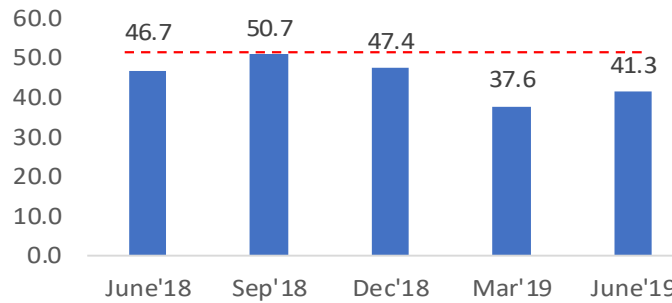
Consolidated Financials-KPI's



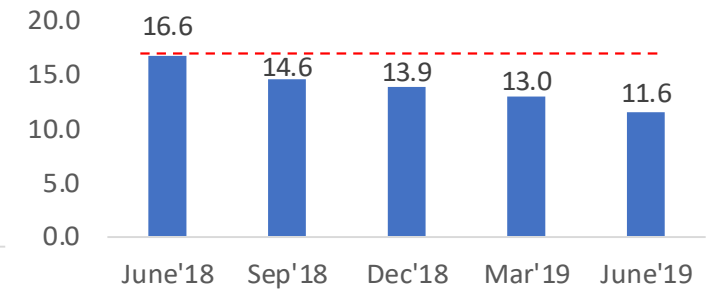
Subscription Revenue



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

Jatin Mahajan

InvestorRelations@DenOnline.in

+91 11 4052 2200

DEN Networks Ltd.

(CIN No. L92490DL2007PLC165673)