



July 22, 2020

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G-Block Bandra-Kurla Complex,
Bandra (E) Mumbai – 400 051

BSE Limited
P J Towers
Dalal Street
Mumbai – 400 001

Trading Symbol: **TV18BRDCST**

SCRIP CODE: **532800**

**Sub: Investors' Update - Unaudited Financial Results (Standalone and Consolidated)
for the quarter ended June 30, 2020**

Dear Sirs,

In continuation of our letter of today's date on the above subject, we send herewith a copy of the Investors' Update on the aforesaid financial results released by the Company in this regard.

The Investors' Update will also be available on the Company's website, www.nw18.com.

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For **TV18 Broadcast Limited**

Ratnesh Rukhariyar
Company Secretary

Encl. As Above

TV18 Broadcast Limited

(CIN – L74300MH2005PLC281753)

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A listed subsidiary of Network18

EARNINGS RELEASE: Q1 2020-21

Mumbai, 22nd July, 2020 – TV18 Broadcast Limited today announced its results for the quarter ended 30th June 2020.

Summary Consolidated Financials

- **COVID-19 linked clampdown on spending by advertisers dragged ad-revenues sharply, especially on Entertainment. However, TV subscription revenue remained resilient, and Digital subscriptions have accelerated. The business strategy and operating methodology were re-engineered amidst a strategic review to address the current challenging environment.**
- **The cost base was comprehensively reset across verticals, as the organisation embraced tech-solutions and a leaner, nimbler approach. Operating EBITDA dipped on account of the revenue drag. However, aggressive and broad-based cost-controls across business verticals limited the fall.**

	Q1FY21	Q1FY20	Growth
Consolidated Operating Revenue (Rs Cr)	776	1,198	-35%
Consolidated Operating EBITDA (Rs Cr)	44	77	-43%

Highlights for the quarter

- **Peak impact of COVID-19 absorbed through the quarter:** Viewership in both TV and Digital media rose substantially during the lockdown, but advertising revenue was impacted as the pandemic affected consumption across advertiser categories. While News was relatively better off due to a surge in viewership, General Entertainment suffered due to no original content being produced during the lockdown and nil movie releases. Resilience in TV subscription and Digital syndication revenue partly blunted the impact, limiting the fall in Operating Revenue to 35% YoY.
- **Linear TV subscription revenue remained resilient, 6% YoY growth in Q1:** The broadcast industry was able to deliver uninterrupted services despite logistical challenges posed by the lockdown. While some rationing was witnessed (Eg: TV connections in offices, etc), subscriptions have held strong in general. This underscores the strong pull of our brands, the salience of our varied content bouquet, and our strong distribution partnerships across cable and telcos.
- **Green shoots visible in June, consumption tailwinds and likely stickiness a positive:** Easing of lockdown towards the end of the quarter has shown promising results with many advertisers returning to the roster, especially in News. Content production for National and Regional General Entertainment Channels (GECs) has also resumed recently, and will ramp-up in phases. Digital advertising continues to gain ground, led by growing acceptance by advertisers, targetability of audiences, and ROI measurement. The rise in TV and Digital media consumption augurs well for revival in advertising inflows.
- **Broad-based cost controls have been implemented across business lines,** including renegotiation of contracts and reining-in all discretionary expenses. Considering macro-headwinds and a new way of working necessitated by the lockdown, all verticals worked towards resetting their business respective cost-base. Both News and Entertainment verticals remained in the green despite Q1 being a seasonally weak quarter as well. News genre saw viewership

nearly double on TV and a marked spike in Digital engagement as well; which helped further reduce the need for marketing and placement costs. Entertainment programming costs were sharply lower due to re-runs being aired, providing a hedge to the ad-revenue fall.

- **Digital remained a growth area across both News and Entertainment portfolios**, with increased engagement witnessed in properties having strong brands. #2 broadcaster-OTT app VOOT saw an increase in consumption of digital-exclusive content, as catchup of TV content took a backseat due to re-runs being aired. CNBCTV18.com saw a 3x QoQ growth in engagement.
- **Digital-only subscription a nascent growth area:** Rising subscriptions for premium products indicate an increased willingness to pay for compelling content propositions. VOOT had progressed to a Freemium model through the launch of VOOT Select in March. The paid premium section ramped-up through the lockdown period despite limitations on quantum of fresh content, led by the quality of web-exclusive originals like 'Asur' (rated 8.5 on IMDB) and the latest season of franchises like Shark Tank (launched on Digital before TV).
- **News bouquet (20 channels) was #1 by reach;** had 9.1% News viewership market-share.
 - COVID 19 has fundamentally changed the manner in which editorial functions - both in terms of internal operations as well as the reportage. As a substantial chunk of personnel are forced to work from home, the company employed a variety of tech-solutions to increase the efficiency; several of which were used for the first time in the newsroom.
 - Concerted attempt to reset the business in the new normal led to substantial cost-savings, which have blunted the impact of the revenue-drag on the bottomline.
- **Entertainment bouquet (Viacom18's 34 channels + AETN18's 4 infotainment channels) had a 9.2% share of TV entertainment.**
 - A complete lack of fresh content on pay-GECs (both National and Regional) due to the lockdown impacted their viewership, while state-owned and Free-To-Air channels gained. Mythological series and some reality shows were the primary offerings on Colors, which helped regain its top-3 rank. Colors was the last channel in the category to go off-air with original programming and is the first to resume original shows on air. The return of re-run GECs on Freedish helped re-gain lost ground, and monetization should follow.
 - Investments to the tune of Rs 16 Cr in digital subscription-offerings (Voot Select and Kids) and regional movie channels (Kannada, Gujarati and Bengali Cinema) were made during Q1. A tight leash was maintained on all non-remunerative costs. EBITDA includes impact from initiatives launched more than a year ago but are in gestation, including Voot and Colors Tamil.

Mr. Adil Zainulbhai, Chairman of TV18, said: *"The quarter that went by was the most challenging period that the industry has witnessed in many decades. That we are emerging on the other side bears testimony to our ability to question and modify established ways of operating, realign priorities and maintain focus, all while keeping our workforce safe and our audiences engaged. Our staff and employees undertook a heroic effort to adjust to the challenges posed by the pandemic, and kept our channels and properties running. We are proud of the personnel that kept the show going amidst trying circumstances, especially for the News18 network that provided peerless coverage and relevant campaigns during the pandemic. As we resume original content production in Entertainment amidst tight protocols, we wish to thank our audiences who have stood by us over the years. Growing TV and Digital media consumption, a nimbler business strategy and further-strengthened core brands in our portfolio.....we believe this is indeed the new normal."*

Financials for the quarter and financial year

OPERATING REVENUES (Rs Cr)	Q1FY21	Q1FY20	Growth
A) News (TV18 Standalone) @	230	298	-23%
B) Entertainment (Viacom18+AETN18+Indiacast) *	546	899	-39%
C) TV18 Consolidated	776	1,198	-35%
includes: Subscription	450	424	6%

OPERATING EBITDA (Rs Cr)	Q1FY21	Q1FY20	Growth
A) News (TV18 Standalone) @	4	20	-82%
B) Entertainment (Viacom18+AETN18+Indiacast) *	41	57	-29%
C) TV18 Consolidated	44	77	-43%

@ IBN Lokmat is a 50:50 JV and hence not consolidated as per Ind-AS accounting.

* Viacom18 and AETN18 are 51% entertainment subsidiaries of TV18, while distribution-arm Indiacast is a 50:50 JV of TV18 and Viacom18. TV18's 24.5% minority stake in Telugu entertainment associate Eenadu TV (Ramoji Rao group) is not included here.

➤ Business Performance

TV18 owns and operates the broadest network of channels – 58 in India spanning news and entertainment. One in every 2 Indians is a consumer of our broadcast content. We also cater to the Indian diaspora globally through 16 international channels.

- **News – National & Regional** (20 domestic channels)
 - TV18 is the biggest News network in India by reach. The bouquet has the largest number of news channels in India, and reached an **industry-leading 560 mn viewers in Q1**.
 - **CNBC TV18 maintained #1 rank in the English Business News genre** with 68.8% market share in Q1 FY21.
 - CNBC Awaaz continues to be dominant in the Hindi Business News genre with 53.89% market share.
 - News18 India held a 9.5% market share in HSM (Hindi speaking markets) in the highly competitive Hindi News genre.
 - **CNN News18 raised its share to 13.2% & ranked #4** in Q1 FY21.
 - Our Regional News cluster has the highest reach (371 mn viewers in Q1) and viewership in the country amongst regional news peers. News18 Rajasthan, News18 Bihar and UP/Uttarakhand rank #2 in their respective regions.
- **Entertainment – National, Regional & Digital** (34 domestic channels)
 - Flagship Hindi GEC Colors had a 13.8% share amongst pay-GECs in Q1. The lack of original content was countered by revival of iconic mythological shows and reality series from the library and home-shot snippets by popular characters from daily soaps. **DD classics “Mahabharat” and “Om Namah Shivaay” were also acquired to keep audiences engaged during prime-time, and helped the channel regain its top-3 ranking.** Airing of Original/Fresh episodes is already underway, with reality tent-pole Khatron Ke Khiladi having started on 27th June and fiction series Shakti and Barrister Babu from 6th July; and has ramped up for other key shows from 13th July.
 - From 10th June, **re-run Hindi GEC Rishtey and Hindi movie channel Rishtey Cineplex made a return to the DD Freedish distribution platform after a year’s hiatus** With the NTO implementation having settled, this will help regain ad-revenues in the rural and mid-tier market segment as well as network viewership share.
 - Nick continues to reign as #1 in the Kids genre, with a 17.2% share of genre viewership. Sonic is at #3, with a 10.3% share. **Between Nick, Sonic and Nick Jr, our Kids portfolio commanded a 32% market-share**, with a leadership in 16 out of 20 category slots.

- **In English entertainment genre, Viacom18 channels continue to occupy the top positions**, with their combined viewership shares at 64%. VH1 and Comedy Central rank #1 (38%) and #2 (19%) respectively; while Colors Infinity has a ~7% share.
- **MTV Beats has a 15.5% viewership share**, and ranks #3 in a crowded category.
- Voot, Viacom18's Over The Top (OTT) exclusive digital video destination continues to chart its success path in an intense competitive environment. **Voot Select, the freemium offering was launched in Mar-20**, which further drove up the platform's appeal and engagement levels.
 - Healthy trends in subscription were witnessed, with more than 2/3rd users opting for yearly packages.
 - Ramped up through high quality originals like Asur, Marzi and The Raikar case.
 - Launch of Shark Tank Season 11 (Before TV), America's Got Talent Season 15, Twilight Zone Season 2 & Arsenal TV (fledgling Sports offering) helped fill in for lack of TV catch-up content
 - Resumption of Roadies (Before TV) and Khatron Ke Khiladi brought back the TV content lovers to Voot Select.
- **Our Kannada GEC portfolio held ~20% viewership share** (Colors Kannada 15% + Colors Super 5%). Original programming resumed from 1st June onwards.
- Colors Bangla Cinema has been added to strengthen the Bangla portfolio, in a similar manner to Kannada and Gujarati genres.
- **Infotainment – Factual entertainment & Lifestyle (4 channels)**
 - History TV18 ranks #2 in the Factual entertainment genre, with an overall market share of 24.5%.
 - FYI TV18's market share remained the #1 Lifestyle channel with a 56.6% market share in All India. **The channel has been shuttered from 5th July as part of a portfolio review, since its dominant leadership position was not translating into adequate monetisation due to genre-pressures.**

All viewership data is from BARC, in the respective genres.

TV18 Broadcast Limited

Reported Consolidated Financial Performance for the Quarter ended 30th June, 2020

(₹ in crore, except per share data)

Particulars	Quarter Ended			Year Ended (Audited)
	30 th Jun'20	31 st Mar'20	30 th Jun'19	31 st Mar'20
1 Income				
Value of Sales and Services	899	1,644	1,386	5,985
Goods and Services Tax included in above	123	219	188	810
Revenue from Operations	776	1,425	1,198	5,175
Other Income	12	4	33	82
Total Income	788	1,429	1,231	5,257
2 Expenses				
Operational Costs	289	710	556	2,368
Marketing, Distribution and Promotional Expense	167	165	241	866
Employee Benefits Expense	193	218	235	893
Finance Costs	31	33	36	142
Depreciation and Amortisation Expense	37	38	43	166
Other Expenses	82	91	89	344
Total Expenses	799	1,255	1,200	4,779
3 Profit/ (Loss) Before Share of Profit of Associate and Joint Venture, Exceptional Items and Tax (1 - 2)	(11)	174	31	478
Share of Profit of Associate and Joint Venture	15	2	12	39
5 Profit/ (Loss) Before Exceptional Items and Tax (3 + 4)	4	176	43	517
Exceptional Items	-	-	15	15
7 Profit/ (Loss) Before Tax (5 - 6)	4	176	28	502
8 Tax Expense				
Current Tax	2	34	5	85
Deferred Tax	-	-	-	-
Total Tax Expense	2	34	5	85
9 Profit/ (Loss) for the Period/ Year (7 - 8)	2	142	23	417
10 Other Comprehensive Income				
(i) Items that will not be reclassified to Profit or Loss	6	(4)	0	(8)
(ii) Income Tax relating to items that will not be reclassified to Profit or Loss	-	-	0	0
(iii) Items that will be reclassified to Profit or Loss	0	0	0	0
Total Other Comprehensive Income	6	(4)	0	(8)
11 Total Comprehensive Income for the Period/ Year (9 + 10)	8	138	23	409
Profit/ (Loss) for the Period/ Year attributable to:				
(a) Owners of the Company	1	78	18	243
(b) Non-Controlling Interest	1	64	5	174
Other Comprehensive Income attributable to:				
(a) Owners of the Company	4	(4)	0	(7)
(b) Non-Controlling Interest	2	0	0	(1)
Total Comprehensive Income attributable to:				
(a) Owners of the Company	5	74	18	236
(b) Non-Controlling Interest	3	64	5	173

TV18 Broadcast Limited

Reported Standalone Financial Performance for the Quarter ended 30th June 2020

(₹ in Crore)

	Quarter Ended			Year Ended (Audited)
	30 th Jun'20	31 st Mar'20	30 th Jun'19	31 st Mar'20
1 INCOME				
Value of Sales and Services	270	354	350	1,351
Goods and Services Tax included in above	40	52	52	201
REVENUE FROM OPERATIONS	230	302	298	1,150
Other Income	8	7	25	62
Total Income	238	309	323	1,212
2 EXPENSES				
Operational Costs	29	63	41	181
Marketing, Distribution and Promotional Expense	61	52	86	280
Employee Benefits Expense	95	98	107	408
Finance Costs	15	14	18	65
Depreciation and Amortisation Expense	14	14	14	58
Other Expenses	41	53	44	183
Total Expenses	255	294	310	1,175
3 Profit/ (Loss) Before Exceptional Items (1 - 2)	(17)	15	13	37
4 Exceptional Items	-	-	11	11
5 Profit/ (Loss) Before Tax (3 - 4)	(17)	15	2	26
6 Tax Expense				
Current Tax	-	4	0	4
Deferred Tax	-	-	-	-
TOTAL TAX EXPENSES	-	4	0	4
7 Profit/ (Loss) for the Period/ Year (5 - 6)	(17)	11	2	22
8 OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to Profit or Loss	2	(5)	-	(7)
9 Total Comprehensive Income for the Period/ Year (7 + 8)	(15)	6	2	15

INVESTOR COMMUNICATION:

TV18's ongoing investor communication endeavors to adopt best international practices and the quarterly investor updates are designed to regularly provide detailed information to investors. Each update covers information pertaining to the reporting period under review. If you would like to get a sequential and continued perspective on the company this report should be read along with the updates sent out earlier. The previous updates can be accessed on request from the contact persons mentioned below, or from the company's website www.nw18.com. This update covers the company's financial performance for Q1 FY21.

For further information on business and operations, please contact:

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TV18 Broadcast Limited

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Further information on the company is available on its website www.nw18.com

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