

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: NETWORK18	SCRIP CODE: 532798

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 **Network18 Media & Investments Limited**



Ratnesh Rukhariyar
Group Company Secretary

Encl : As above

Network18 Media & Investments Limited

(CIN - L65910MH1996PLC280969)

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EARNINGS RELEASE: Q1 2020-21

Mumbai, 22nd July, 2020 – Network18 Media & Investments 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. Consolidated PAT improved YoY led by a decline in finance costs.**

	Q1FY21	Q1FY20	Growth
Consolidated Operating Revenue (Rs Cr)	807	1,245	-35%
Consolidated Operating EBITDA (Rs Cr)	27	46	-41%

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. As a result, consolidated PAT saw an improvement YoY, despite the dip in revenue.

- **Digital remained a growth area across both News and Entertainment portfolios**, with increased engagement witnessed in properties having strong brands. Flagship news portal News18.com grew traffic >50%, being at the intersection of news content, vernacular language and digital medium. #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.
- **Digital-only subscription a nascent growth area:** Rising subscriptions for premium products indicate an increased willingness to pay for compelling content propositions. MoneyControl Pro, the subscription product of industry-leading financial news portal MoneyControl, has garnered more than 2.5 lakh users within 15 months of launch, making it the fastest growing app in its category. 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.
- **Network18 digital is #2 in digital news / information category, has ~172 mn unique visitors**
 - With limited economic activity during lockdown most of the advertisers and agencies dialled-down their ad spends, leading to a 12% revenue dip in Digital News (MoneyControl, News18.com and FirstPost). However, digital-focused categories like OTT, Edu-tech, Brokerages, Fintech that benefitted during lockdown accelerated ad-spends.
 - Digital losses reduced sharply YoY led by focus on core properties and cost optimizations.

Mr. Adil Zainulbhai, Chairman of Network18, 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%
D) Digital, Print, Others & Intercompany elim.	31	48	-35%
E) Network18 Consolidated	807	1,245	-35%

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%
D) Digital, Print, Others & Intercompany elim.	-17	-31	NM
E) Network18 Consolidated	27	46	-41%

@ IBN Lokmat is a 50:50 JV and hence is not included here 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

■ Network18 - Broadcasting

Network18's listed subsidiary 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.

■ Digital News

- Network18 Digital News is a clear #2 player in News/Information category with ~169 mn unique visitors across all devices.
- **MoneyControl**
 - Moneycontrol has consolidated its position as India's leading business and finance destination in the digital landscape. Its app continues to remain best-in-class, with industry leading monthly active users (MAUs) and engagement; and achieved highest lifetime installs and MAU this quarter of over 5Mn; making it a clear leader.
 - As the world is advancing towards modern technology and artificial intelligence, Moneycontrol has launched AI based tools which help investors to get answers to most common questions about company financials and stock performance.
 - Moneycontrol users now can not only track markets, but also trade in stocks. MoneyControl in association with Smallcase has integrated broker aggregator platform, so irrespective of user having trading account with any broker, he can access the same from Moneycontrol Site/App.
 - Moneycontrol pro (MC subscription offering) continued its growth momentum with subscriber base crossing over 2.5 lakh in just over a year of its launch. This signals a greater demand for premium content & features offered on the Moneycontrol Pro platform. Non MC Pro subscription products also seeing significant traction. All these initiatives have helped in building a robust subscription business for Moneycontrol
- **News 18.com**
 - With over 150 mn average monthly users, News18.com (English+ Languages) is now a strong #2 player in general news category; much ahead of the incumbents such as NDTV and India today and gradually closing the gap with the leader.
 - News18 Languages is the #2 Vernacular News Destination; on an aggregated basis it beat the likes of Aaj tak, Amar Ujala etc. It continues to see strong growth in viewership with Industry leading engagement on its site
- **CNBCTV18.com**
 - CNBC with its extensive business news coverage has grown its traffic by ~3x over last quarter.

All traffic information as per latest available Comscore data.

■ Digital Commerce

○ BookMyShow

- The platform is facing pressure due to shuttering of cinema halls and event venues amidst the COVID-19 lockdown. The company is optimising costs across the board to mitigate the impact.

■ Network 18 - Print

Under its publishing division, Network18 operates 3 leading niche magazines -- 'Overdrive', 'Better Photography' and 'Better Interiors', along with prestigious business magazine 'Forbes India'.

Network18 Media & Investments 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	934	1,687	1,438	6,186
	Goods and Services Tax included in above	127	223	193	829
	Revenue from Operations	807	1,464	1,245	5,357
	Other Income	9	(1)	1	35
	Total Income	816	1,463	1,246	5,392
2	Expenses				
	Cost of Materials Consumed	0	0	1	3
	Operational Costs	297	716	574	2,418
	Marketing, Distribution and Promotional Expense	172	171	252	898
	Employee Benefits Expense	223	248	272	1,032
	Finance Costs	53	54	63	236
	Depreciation and Amortisation Expense	39	40	46	175
	Other Expenses	88	104	100	389
	Total Expenses	872	1,333	1,308	5,151
3	Profit/ (Loss) Before Share of Profit/ (Loss) of Associates and Joint Ventures, Exceptional Items and Tax (1 - 2)	(56)	130	(62)	241
4	Share of Profit/ (Loss) of Associates and Joint Ventures	(2)	(35)	(11)	(48)
5	Profit/ (Loss) Before Exceptional Items and Tax (3 + 4)	(58)	95	(73)	193
6	Exceptional Items	-	-	50	50
7	Profit/ (Loss) Before Tax (5 - 6)	(58)	95	(123)	143
8	Tax Expense				
	Current Tax	3	35	5	86
	Deferred Tax	-	1	-	1
	Total Tax Expense	3	36	5	87
9	Profit/ (Loss) for the Period/ Year (7 - 8)	(61)	59	(128)	56
10	Other Comprehensive Income				
	(i) Items that will not be reclassified to Profit or Loss	2	(36)	(18)	(64)
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss	-	-	-	-
	(iii) Items that will be reclassified to Profit or Loss	1	1	(1)	2
	Total Other Comprehensive Income	3	(35)	(19)	(62)
11	Total Comprehensive Income for the Period/ Year (9 + 10)	(58)	24	(147)	(6)
	Profit/ (Loss) for the Period/ Year attributable to:				
	(a) Owners of the Company	(62)	(43)	(141)	(237)
	(b) Non-Controlling Interest	1	102	13	293
	Other Comprehensive Income attributable to:				
	(a) Owners of the Company	(1)	(33)	(19)	(58)
	(b) Non-Controlling Interest	4	(2)	0	(4)
	Total Comprehensive Income attributable to:				
	(a) Owners of the Company	(63)	(76)	(160)	(295)
	(b) Non-Controlling Interest	5	100	13	289

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

INVESTOR COMMUNICATION:

Network18'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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Further information on the company is available on its website www.nw18.com

Network 18

