

July 16, 2019

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

BSE Limited
Department of Corporate Services- Listing
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, 2019

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**



Deepak Gupta
Company Secretary

Encl. As Above



A listed subsidiary of Network18

EARNINGS RELEASE: Q1 2019-20

Mumbai, 16th July, 2019 – TV18 Broadcast Limited today announced its results for the Quarter ended 30th June 2019.

Summary Consolidated Financials

Q1FY20 revenues grew 10% YoY amidst a weak advertising environment, led by election advertising and strong growth in subscription income post implementation of new tariff order (NTO). EBITDA jumped sharply on operating leverage accentuated by cost controls.

	Q1FY20	Q1FY19	Growth
Consolidated Operating Revenue (Rs Cr)	1,198	1,088	10%
Consolidated Operating EBITDA (Rs Cr)	77	39	96%

Highlights for the quarter

- **The ad-environment has been tepid**, led by advertisers paring spends amidst weak markets/macro/regulatory flux, and concentration of advertising around sports. However, news broadcasting benefitted from election-related advertising during the quarter. We expect the environment to pivot as we head into the festive season.
- **New Tariff Order (NTO) implementation pains have smoothed** as the value-chain adjusts to the new regime, and our subscription income has received a boost. Nevertheless, some flux in distribution and viewership is lingering, which we expect to taper away in the near term. As consumers make their pack/channel choices, we believe that strong content propositions and distinctive brands will continue to gain traction. Our bouquet is well-placed to benefit, through leading channels and improved distribution tie-ups.
- **Shift of Free-to-Air (FTA) Hindi general entertainment channels** out of the DD Freedish platform and conversion to Pay has impacted viewership (and consequently ad-monetisation) for those channels. All top 4 broadcasters have faced a drop of 2-5% viewership and consequent revenues. Similarly, viewership share for our Hindi news channel (as well as some others) which have chosen to be Pay has been impacted, versus peers which have chosen to be FTA. We continue to maintain portfolio ranks vs even FTA peers, despite being a pay network.
- **News bouquet (20 channels) maintained its #1 position.** TV18's Q1 viewership share in news was 10.1%, up from 9.3% post NTO implementation.
 - **Election ad-spends and subscription boost drove revenue:** General news revenues were buoyed by election related advertising, especially in Hindi. Business news revenue growth has continued to face genre pressures due to weak markets.
 - **Sharp turnaround in EBITDA:** Overall, from an EBITDA loss last year, Q1FY20 has seen a major leap in profitability. This has been driven by election-advertising as well as continued reduction in Regional News gestation losses, on operating leverage as well as cost controls.

- **Entertainment bouquet (Viacom18’s 32 channels + AETN18’s 4 infotainment channels) is #3 amongst national players:** TV18’s entertainment Q1 viewership share was 9.1%. Post NTO and shift from Freedish, aggregate entertainment viewership share of top 4 broadcasters has fallen by ~9% to ~55%. Major events driving Sports viewership have also contributed to this decline during Q1.
 - Entertainment revenue rose 5% amidst weakness in overall ad-spends and a sharp reduction in ad-revenue of channels shifted from FTA to Pay. Niche genres witnessed robust growth, underscoring our strength in Kids and Youth genres, and the virtues of a full portfolio offering.
 - Regional entertainment channels in Marathi, Gujarati and Kannada movies gained strength. Following up on the launch of regional movie channel Colors Kannada Cinema last quarter, we launched Colors Gujarati Cinema to further cement our portfolio leadership in these regions, and sweat our movie library better.
 - Improved subscription income and cost controls raised EBITDA 40% YoY: Operating loss of new initiatives (regional movie channels and VOOT expansions) was Rs 11 Cr for Q1. Adjusting for these, BAU EBITDA was Rs 68 Cr, up 66% YoY. BAU margins for Entertainment grew to 7.5% from 4.8% in Q1FY19.

Mr. Adil Zainulbhai, Chairman of TV18, said: “Our channel brands have witnessed a strong uptake in the new tariff regime which places the consumer even more at the center of the broadcasting business model. Class-leading value, genre-defining content and a pipe-agnostic approach are the tenets which we believe will continue to propel our portfolio forward.”

Financials for the quarter

OPERATING REVENUES (Rs Cr)	Q1FY20	Q1FY19	Growth
A) News (TV18 Standalone) @	298	232	29%
B) Entertainment (Viacom18+AETN18+Indiacast) *	899	857	5%
C) TV18 Consolidated	1,198	1,088	10%
includes: Subscription	424	286	48%

OPERATING EBITDA (Rs Cr) #	Q1FY20	Q1FY19	Growth
A) News (TV18 Standalone) @	20	-1	NM
B) Entertainment (Viacom18+AETN18+Indiacast) *	57	41	40%
C) TV18 Consolidated	77	39	96%

@ 100% subsidiaries of TV18 were merged into the parent as per scheme of arrangement effective from 1st Apr 2016, which came into force from 1st Dec 2018. Q1FY19 financials are restated here for comparability.

* 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.

Accounting Standard IndAS 116 on Lease Accounting has been implemented w.e.f. 1st April 2019 and the Interest cost and Depreciation during the period is higher while operating costs are lower by similar amount.

Business Performance

TV18 owns and operates the broadest network of channels – 56 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 terms of market share as well as reach. The bouquet has the largest number of news channels in India, and reached an industry-leading 539 mn viewers in Q1.
 - CNBC TV18 maintained #1 rank in the English Business News genre with 51.3% market share in Q1 FY20. During market hours (Weekdays, 8 AM to 4 PM) CNBC TV18 maintained an even higher share of 60%.
 - CNBC Awaaz continued its clear leadership in the Hindi Business News genre with 68% market share.
 - News18 India garnered a 12% market share in HSM. Its performance in mega-cities was even better, with a genre-share of 13.7%, ranking #3.
 - CNN News18 garnered 19.2% market share & ranked #3 in Q1 FY20.
 - Our Regional News cluster has the highest reach (429 mn viewers in Q1) and viewership in the country amongst regional news peers. News18 Rajasthan and UP/Uttarakhand continued their #1 and #2 rank in their respective regions.
- **Entertainment – National, Regional & Digital** (32 domestic channels)
 - Flagship GEC Colors was #3 pay-GEC in Urban HSM, **with a ~16.4% viewership share**. Viewership share across all GECs in Urban+Rural was 12%. ‘Naagin Season 3’, continues to be the #1 fiction show across Hindi GECs. Key shows launched include Dance Deewane S2 and Kawach S2.
 - **Colors Cineplex launched on 1st Mar 2019** after shifting FTA channel Rishtey Cineplex from Freedish, as a full-fledged premium pay Hindi movie channel. The channel is under ramp-up and has a 3.5% viewership share, and premiered 11 new movies (world trade premieres) during the quarter.
 - Nick continues to reign as #1 in the Kids genre, with 18.8% share of viewership. **Between Nick, Sonic and Nick Jr, our Kids portfolio commanded a 33% market-share**, clearly ahead of peers.
 - **In English entertainment genre, Viacom18 channels continue to occupy the top positions**, with their combined viewership shares rising to 57%. Comedy Central and VH1 rank #1 (27%) and #2 (24%) respectively; while Colors Infinity has a ~6% share to rank #3.
 - MTV is the #1 Youth channel with a 38% viewership share.

- **MTV Beats has a 15% viewership share**, and ranks #4 in a crowded category. The channel continues to remain on DD Freedish, as a 24x7 Bollywood music property which has captured the minds of urban and rural India alike.
 - VOOT, Viacom18's Over The Top (OTT) exclusive digital video destination has seen gross downloads rise to ~150mn. Its **average daily viewership of 45+ minutes is the highest amongst broadcaster-OTT apps.**
 - Launched Feet Up with the Stars 2 which garnered 20 Mn views
 - Launched Voot Original 'Fuh Se Fantasy' which garnered 45 Mn+ views
 - Voot Kids, a multi-faceted watch-play-and-learn destination aimed at Kids, was soft-launched in June'19. It's available on Google Playstore and will be soon available on App Store.
 - **Colors maintained its top position in Kannada market with 37% viewership share** (Colors Kannnda 27% + Colors Super 10%).
 - Colors Kannada Cinema was launched in late-Q2 to solidify our existing leadership, and is #2 with 22% share in Kannada movie genre.
 - Colors Marathi maintained its #2 rank in the genre, with viewership share jumping to 24% from 18% last quarter. Bigg Boss Marathi S2 was launched in May'19.
 - Colors Tamil is ramping up programming during the year, as it steadily overcomes distribution challenges which have kept its viewership share <5%.
 - Viacom18 Motion Pictures released movies R.A.W (Romeo, Akbar, Walter) and Kaagar (Marathi).
- **Infotainment – Factual entertainment & Lifestyle** (4 channels)
- History TV18 has an overall market share of 16% (urban India share is higher at 18%) and ranks 2nd in the Factual genre. History TV18 HD ranks #1 in the Factual HD genre with a market share of 27%.
 - FYI TV18 has a market share of 49% in All India and is the #1 Lifestyle channel.

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

TV18 Broadcast Limited

Reported Standalone Financial Performance for the Quarter ended 30th June, 2019

(₹ in crore)

Particulars	Quarter ended			Year ended (Audited)
	30 th June'19	31 st Mar'19	30 th June'18	31 st Mar'19
1 Income				
Value of sales and services	350	338	272	1,266
Goods and Services Tax included in above	52	50	40	187
Revenue from operations	298	288	232	1,079
Other Income	25	14	(2)	14
Total Income	323	302	230	1,093
2 Expenses				
Operational costs	41	57	41	207
Marketing, distribution and promotional expense	86	47	44	180
Employee benefits expense	107	109	102	416
Finance costs	18	16	9	52
Depreciation and amortisation expense	14	11	10	42
Other expenses	44	44	46	184
Total Expenses	310	284	252	1,081
3 Profit/ (Loss) before exception items (1 - 2)	13	18	(22)	12
4 Exceptional items	11	-	-	-
5 Profit/ (Loss) before tax (3 - 4)	2	18	(22)	12
6 Tax Expense				
Current tax	0	-	5	(76)
Deferred Tax	-	-	-	3
Total Tax expenses	0	-	5	(73)
7 Profit/ (Loss) for the period (5 - 6)	2	18	(27)	85
8 Other Comprehensive Income				
Items that will not be reclassified to profit or loss	-	-	1	(9)
9 Total Comprehensive Income for the period (7 + 8)	2	18	(26)	76

The National Company Law Tribunal, Mumbai Bench, has approved the Scheme of Merger by Absorption ("the Scheme") for the merger of the Company's direct/ indirect wholly owned subsidiaries, namely, Equator Trading Enterprises Private Limited, Panorama Television Private Limited, RVT Media Private Limited and ibn18 (Mauritius) Limited ("transferor Companies") into the Company with appointed date as 1st April, 2016. The Scheme has become effective on 1st December, 2018. The merger has been accounted in accordance with Appendix C of Ind AS 103 'Business Combinations' and accordingly, results of all the prior periods have been restated by including results of the transferor companies from the beginning of the previous year i.e. 1st April 2017. The effect of tax expense consequent to the aforesaid merger has been given during the quarter and year ended 31st December, 2018.

TV18 Broadcast Limited

Reported Consolidated Financial Performance for the Quarter ended 30th June, 2019

(₹ in crore)

	Particulars	Quarter ended			Year ended (Audited)
		30 th Jun'19	31 st Mar'19	30 th Jun'18	31 st Mar'19
1	Income				
	Value of sales and services	1,386	1,361	1,264	5,723
	Goods and Services Tax included in above	188	180	176	780
	Revenue from operations	1,198	1,181	1,088	4,943
	Other income	33	15	8	35
	Total Income	1,231	1,196	1,096	4,978
2	Expenses				
	Operational costs	556	608	511	2,440
	Marketing, distribution and promotional expense	241	215	184	826
	Employee benefits expense	235	234	240	955
	Finance costs	36	29	18	101
	Depreciation and amortisation expense	43	34	33	132
	Other expenses	89	73	114	408
	Total Expenses	1,200	1,193	1,100	4,862
3	Profit/ (loss) before share of profit of associate and joint ventures, exceptional items and tax (1 - 2)	31	3	(4)	116
4	Share of profit of associate and joint ventures	12	10	7	36
5	Profit/ (loss) before exceptional items and tax (3 + 4)	43	13	3	152
6	Exceptional items	15	-	-	-
7	Profit/ (loss) before Tax (5 - 6)	28	13	3	152
8	Tax expense				
	Current tax	5	(19)	11	(61)
	Deferred tax	-	2	(1)	3
	Total tax expense	5	(17)	10	(58)
9	Profit/ (loss) for the period / year (7 - 8)	23	30	(7)	210
10	Other Comprehensive Income				
	(i) Items that will not be reclassified to profit or loss	0	0	1	(9)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	0	0	0
	(iii) Items that will be reclassified to profit or loss	0	0	0	0
	Total Other Comprehensive Income	0	0	1	(9)
11	Total Comprehensive Income for the period/ year (9 + 10)	23	30	(6)	201
	Profit/ (loss) for the period/ year attributable to:				
	(a) Owners of the Company	18	28	(13)	167
	(b) Non-controlling interest	5	2	6	43
	Other comprehensive income attributable to:				
	(a) Owners of the Company	0	0	1	(9)
	(b) Non-controlling interest	0	0	0	0
	Total comprehensive income attributable to:				
	(a) Owners of the Company	18	28	(12)	158
	(b) Non-controlling interest	5	2	6	43

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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 FY20.

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

TV18

