

January 14, 2020

National Stock Exchange of India
Limited, Listing Department,
Exchange Plaza, Plot No. C/1,
G-Block, Bandra-Kurla Complex,
Bandra (E), Mumbai-400051

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 and nine months ended December 31, 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: Q3 2019-20

Mumbai, 14th January, 2020 – TV18 Broadcast Limited today announced its results for the quarter and nine months ended 31st December 2019.

Summary Consolidated Financials

- ***Delivered strong performance as viewership share grew and business mix pivoted towards subscription and syndication, even amidst advertising weakness.***
- ***Flagship entertainment channel regained top ranking through success of marquee shows, and niches began to contribute positively to bottomline.***
- ***Monetization of content through partnerships and continued subscription revenue growth coupled with cost optimizations across verticals boosted profitability***

	Q3FY20	Q3FY19	Growth	9mFY20	9mFY19	Growth
Consolidated Operating Revenue (Rs Cr)	1,425	1,475	-3%	3,750	3,761	0%
Consolidated Operating EBITDA (Rs Cr)	281	115	145%	463	262	77%

Highlights for the quarter

- **Linear TV subscription benefits (B2C) continue to accrue; 40% YoY revenue growth in Q3:** Implementation of the NTO (New Tariff Order) has created a transparent and non-discriminatory B2C regime, which continues to boost our TV subscription revenue. Improved distribution tie-ups across cable and telcos have brought the consumer closer to our class-leading content bouquet at an affordable optimum price.
- **Monetization of content through digital partnerships (B2B) driving step-up in profitability:** In line with our strategy of being platform agnostic, the group stitched multiple partnerships with notable digital platforms for serving their users a discerning selection of our content.
- **Advertising recovered around festive season, but continued to remain under pressure:** The prevalent weakness in macro-environment and sluggish spending appetite by advertisers continued to drag ad-revenue down YoY for both News and Entertainment. Shift of channels from DD Freedish to Pay ecosystem continues to impact Hindi GEC ad-revenues for all the top broadcasters. Government initiatives to boost growth and a natural refresh-and-recalibration of ad-budgets should revive ad-growth as we head towards the new fiscal.
- **Digital-only subscription (B2C) being incubated as a growth driver for the future:** Kids edutainment product Voot Kids progressed to a commercial launch with promotional plans. Voot's freemium version with offerings like digital-exclusive and digital-first broadcast content as well as original content behind a pay-wall is slated to be launched soon.
- **News bouquet (20 channels) is #1 by reach and viewership market-share.**
 - TV18's Q3 average viewership share in news was 10.2%, down from 10.9% in Q2. The bouquet regained the #1 viewership ranking by the end of the quarter.
 - Q3 operating revenue for News was near-flat YoY. Headwinds for BFSI sector, weak government spends, and limited international advertising compared with last year dragged growth.

- **Entertainment bouquet (Viacom18's 32 channels + AETN18's 4 infotainment channels) is #3 amongst national players:** TV18 group's Q3 entertainment viewership share rose to 10.1%, vs 9.2% last quarter. Content partnerships, Subscription growth and substantial cost controls boosted EBITDA.
- Growth in annuity-style revenue filled in for the temporary dip in cyclical advertising revenue: Ex-film Entertainment revenue was flat YoY. Content monetization through partnership deals in both B2B and B2C helped offset the decline in broadcast advertising.
- In sync with the ad-environment, operating costs were streamlined. Both quantum and cost of programming were tweaked for efficiency, and focus was maintained on key shows. Success of marquee shows like Bigg Boss and Naagin pushed Colors back to the top of the charts.
- Continued investments in future growth engines: Investments to the tune of Rs 13 Cr in regional movie channels (Kannada and Gujarati Cinema) and subscription-offerings (VOOT Kids, Freemium & International) were made during Q3. 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: *“Our emphasis on delivering value to the consumer, expanding the partner ecosystem and raising profitability were the primary milestones during the past quarter. Amidst a difficult ad-environment and continued regulatory flux, the rise in rankings for flagship channels is a positive indicator for the future. We are constantly adjusting our programming and business model for the continual technology, consumer and regulatory changes in the business.”*

Financials for the quarter

OPERATING REVENUES (Rs Cr)	Q3FY20	Q3FY19	Growth	9mFY20	9mFY19	Growth
A) News (TV18 Standalone) @	288	290	-1%	849	791	7%
B) Entertainment (Viacom18+AETN18+Indiacast) *	1,137	1,184	-4%	2,901	2,970	-2%
C) TV18 Consolidated	1,425	1,475	-3%	3,750	3,761	0%
includes: Subscription	458	327	40%	1,343	937	43%

OPERATING EBITDA (Rs Cr) #	Q3FY20	Q3FY19	Growth	9mFY20	9mFY19	Growth
A) News (TV18 Standalone) @	36	47	-24%	63	61	2%
B) Entertainment (Viacom18+AETN18+Indiacast) *	245	68	262%	400	201	99%
C) TV18 Consolidated	281	115	145%	463	262	77%

@ 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 Nov 2018. 9mFY19 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 India by reach and market-share. The bouquet has the largest number of news channels in India, and reached an industry-leading 524 mn viewers in Q3.
 - **CNBC TV18 maintained #1 rank** in the English Business News genre with 69% market share in Q3 FY20. During market hours (Weekdays, 8 AM to 4 PM) CNBC TV18 maintained an even higher share of 71%.
 - CNBC Awaaz continued its clear leadership in the Hindi Business News genre with 61.5% market share.
 - **News18 India was the #2 channel in the highly competitive Hindi News genre**, with an 11.7% market share in HSM (Hindi speaking markets).
 - CNN News18 garnered 11.5% market share & ranked #4 in Q3 FY20.
 - Our Regional News cluster has the highest reach (423 mn viewers in Q3) and viewership in the country amongst regional news peers. **News18 Rajasthan maintained its clear leadership with 65% share.** News18 Bihar and UP/Uttarakhand continued their #2 rank in their respective regions.
- **Entertainment – National, Regional & Digital** (32 domestic channels)
 - Flagship GEC **Colors ended the quarter at the top of the urban GEC charts, led by launch of season 4 of marquee show ‘Naagin’.** The channel had a 17.2% urban viewership share for the quarter, up from ~15% in Q2. Viewership share across all GECs in Urban+Rural was 12.8%. The channel ranked #2 in weekend primetime. Non-fiction tentpole Bigg Boss 13 dominates slot leadership on weekdays. Naagin, Chhoti Sardarni and Shakti continue to feature in the top 10 fiction shows of the category.
 - Colors Rishtey climbed to #2 amongst repeat-programming pay-GECs.
 - **Colors Cineplex is under ramp-up** and viewership share has risen to 4.7% this quarter vs 4.1% in Q2. It launched on 1st Mar 2019 after shifting FTA channel Rishtey Cineplex from Freedish, as a full-fledged premium pay Hindi movie channel.
 - Nick continues to reign as #1 in the Kids genre, with an increased 21% share of genre viewership. Sonic is at #3, with a 10% share. **Between Nick, Sonic and Nick Jr, our Kids portfolio commanded a 34.3% market-share,** clearly much ahead of peers.

- **In English entertainment genre, Viacom18 channels continue to occupy the top positions**, with their combined viewership shares at 63%. Comedy Central and VH1 rank #1 (38%) and #2 (18%) respectively; while Colors Infinity has a ~7% share.
- MTV maintained its #1 Youth channel position with a 39% viewership share.
- **MTV Beats has a 14.4% viewership share**, and ranks #4 in a crowded category.
- Voot, Viacom18's Over The Top (OTT) exclusive digital video destination has seen gross downloads rise to ~185mn.
 - Its average daily viewership of 45+ minutes that is the highest amongst broadcaster-OTT apps. **Total watchtime in Nov-19 exceeded 8 bn mins, higher than 2 other leading broadcaster OTTs combined.**
 - Partnership ecosystem boosted with MX Player, Flipkart Videos, Airtel, Facebook, ShareIt and Youtube
 - Bigg Boss clocked 1Bn+ Views and nearly 30 Mn viewers
- **Our Kannada GEC portfolio was #2 in the region with 31% viewership share** (Colors Kannada 24% + Colors Super 7%).
- Colors Kannada Cinema was launched in late-Q2 to solidify our existing leadership, and is #2 with 20% share in Kannada movie genre.
- Colors Marathi maintained its strong #2 rank in the genre, with viewership share rising to 24%.
- Colors Tamil launched Kodeeswari – an All women game show (Tamil version of KBC) in Dec'19.
- Viacom18 Motion Pictures
 - Released 2 Hindi films Motichoor Chaknchoor and The Body
 - Released 2 Paramount films – the Ang Lee directed Sci-fi film 'Gemini Man' starring Will Smith and 'Playing with Fire' starring John Cena
 - Released the Studio's first Tamil film 'Thambi'
- **Infotainment – Factual entertainment & Lifestyle** (4 channels)
 - History TV18 overall market share rose to 15.8% (megacities share is higher at 18.5%) and ranks 2nd in the Factual entertainment genre.
 - FYI TV18 has a market share of 51.4% 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 & Nine months ended 31st December 2019 (₹ in Crore)

	Particulars	Quarter Ended			Nine Months Ended		Year Ended (Audited)
		31 Dec'19	30 Sep'19	31 Dec'18	31 Dec'19	31 Dec'18	31 Mar'19
1	Income						
	Value of Sales and Services	338	309	341	997	928	1,266
	Goods and Services Tax included in above	50	47	51	149	137	187
	Revenue from Operations	288	262	290	848	791	1,079
	Other Income	15	15	8	55	1	14
	Total Income	303	277	298	903	792	1,093
2	Expenses						
	Operational Costs	39	39	50	118	150	207
	Marketing, Distribution and Promotional Expense	71	71	44	228	132	180
	Employee Benefits Expense	97	106	103	310	307	416
	Finance Costs	15	17	16	51	36	52
	Depreciation and Amortisation Expense	15	15	11	44	32	42
	Other Expenses	46	40	46	130	141	184
	Total Expenses	283	288	270	881	798	1,081
3	Profit/ (Loss) Before Exceptional Items (1 - 2)	20	(11)	28	22	(6)	12
4	Exceptional Items	-	-	-	11	-	-
5	Profit/ (Loss) Before Tax (3 - 4)	20	(11)	28	11	(6)	12
6	Tax Expense						
	Current Tax	-	(1)	(87)	-	(76)	(76)
	Deferred Tax	-	-	3	-	3	3
	Total Tax Expense	-	(1)	(84)	-	(73)	(73)
7	Profit/ (Loss) for the Period/ Year (5 - 6)	20	(10)	112	11	67	85
8	Other Comprehensive Income						
	Items that will not be reclassified to Profit or Loss	(1)	(2)	(9)	(2)	(9)	(9)
9	Total Comprehensive Income for the Period/ Year (7 + 8)	19	(12)	103	9	58	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 November, 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 & Nine months ended 31st December 2019

(₹ in crore)

	Particulars	Quarter Ended			Nine Months Ended		Year Ended (Audited)
		31 st Dec'19	30 th Sep'19	31 st Dec'18	31 st Dec'19	31 st Dec'18	31 st Mar'19
1	Income						
	Value of Sales and Services	1,648	1,307	1,708	4,341	4,361	5,723
	Goods and Services Tax included in above	223	180	233	591	600	780
	Revenue from Operations	1,425	1,127	1,475	3,750	3,761	4,943
	Other Income	21	24	10	77	20	35
	Total Income	1,446	1,151	1,485	3,827	3,781	4,978
2	Expenses						
	Operational Costs	629	473	770	1,658	1,832	2,440
	Marketing, Distribution and Promotional Expense	223	237	235	700	612	826
	Employee Benefits Expense	210	230	243	675	721	955
	Finance Costs	35	38	30	109	71	101
	Depreciation and Amortisation Expense	40	44	33	128	98	132
	Other Expenses	83	82	112	253	334	408
	Total Expenses	1,220	1,104	1,423	3,523	3,668	4,862
3	Profit/ (Loss) Before Share of Profit of Associate and Joint Venture, Exceptional Items and Tax (1 - 2)	226	47	62	304	113	116
4	Share of Profit of Associate and Joint Venture	15	9	10	37	26	36
5	Profit/ (Loss) Before Exceptional Items and Tax (3 + 4)	241	56	72	341	139	152
6	Exceptional Items	-	-	-	15	-	-
7	Profit/ (Loss) Before Tax (5 - 6)	241	56	72	326	139	152
8	Tax Expense						
	Current Tax	36	10	(77)	51	(43)	(61)
	Deferred Tax	-	-	2	-	1	3
	Total Tax Expense	36	10	(75)	51	(42)	(58)
9	Profit/ (Loss) for the Period/ Year (7 - 8)	205	46	147	275	181	210
10	Other Comprehensive Income						
	(i) Items that will not be reclassified to Profit or Loss	(1)	(2)	(9)	(3)	(9)	(9)
	(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	0	0
	Total Other Comprehensive Income	(1)	(2)	(9)	(3)	(9)	(9)
11	Total Comprehensive Income for the Period/ Year (9 + 10)	204	44	138	272	172	201
	Profit/ (Loss) for the Period/ Year attributable to:						
	(a) Owners of the Company	122	23	134	164	139	167
	(b) Non-Controlling Interest	83	23	13	111	42	43
	Other Comprehensive Income attributable to:						
	(a) Owners of the Company	(1)	(2)	(9)	(3)	(9)	(9)
	(b) Non-Controlling Interest	0	0	0	0	0	0
	Total Comprehensive Income attributable to:						
	(a) Owners of the Company	121	21	125	161	130	158
	(b) Non-Controlling Interest	83	23	13	111	42	43

The National Company Law Tribunal, Mumbai Bench, has approved the Scheme of Merger by Absorption ("the Scheme") for the merger of direct/ indirect wholly owned subsidiaries of TV18 Broadcast Limited ("the Company"), namely, Equator Trading Enterprises Private Limited, Panorama Television Private Limited, RVT Media Private Limited and ibn18 (Mauritius) Limited into the Company with appointed date as 1st April, 2016. The Scheme has become effective on 1st November, 2018. The effect of tax expense consequent to the aforesaid merger has been given during the quarter and nine months ended 31st December, 2018.

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 Q3 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

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