SITI Networks Limited
(Formerly known as SITI Cable Network Limited)
4th Floor, FC-19 & 20, Sector 16 A, Film City
Noida, Uttar Pradesh - 201301, India
Tel. : +91-120-4526700
Website : www.sitinetworks.com

Regd. Office shifted to Unit No. 38, 1st Floor, A wing Madhu Industrial Estate, P. B. Marg, Worli, Mumbai – 400 013

NETWORKS

August 9, 2018

To,

The General Manager
Corporate Relationship Department
BSE Limited
Phiroze Jeejeeboy Towers
Dalal Street, Fort,
Mumbai- 400 001
BSE Scrip Code: 532795

The Manager
Listing Department
National Stock Exchange of India limited
Plaza, 5th Floor, Plot no. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai- 400 051
NSE Scrip Symbol: SITINET

Kind Attn. : Corporate Relationship Department

Dear Sir,

Sub. : Investor Presentation on Financial Results

This is with reference to the conference call scheduled today i.e. August 9, 2018 at 3:00 p.m. to discuss performance of the Company.

In this regard, we are attaching herewith Investor Presentation on the Financial Results of the Company.

You are requested to kindly take the above on record.

Thanking you,

Yours truly,
For Siti Networks Limited
(Formerly known as Siti Cable Network Limited)

SITI NETWORKS LIMITED

Suresh Kumar
Company Secretary and Compliance Officer
Membership No. A 14390

SITI Networks Limited

Q1FY19 Investor Presentation

Formerly known as SITI Cable Network Limited
BSE : 532795 | NSE : SITINET | Bloomberg : SCNL:IN | Reuters : SITI.NS
www.sitinetworks.com

Disclaimer

Some of the statements made in this presentation are forward-looking statements and are based on the current beliefs, assumptions ,expectations, estimates, objectives and projections of the directors and management of SITI Networks Limited (SITI Networks) about its business and the industry and markets in which it operates. These forward-looking statements include, without limitation, statements relating to revenues and earnings. The words “believe”, “anticipate”, “expect”, “estimate”, “intend”, “project” and similar expressions are also intended to identify forward looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Company and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecast in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks. SITI Networks does not undertake to update these forward-looking statements to reflect events or circumstances that may arise after publication.

Operating EBITDA leaps 2.5X to Rs.549 Mn; Operating EBITDA Margins jumps 2.1X to 17%

Subscription Revenue surges 26% to Rs.2149 Mn over Q1FY18; Total Revenue[1] up 15% to Rs.3,282 Mn

ARPU rises 17% y-o-y; Collection efficiency surpasses 93% exit June'18; At 97% exit July'18

SITI reaches 11.7 Mn active digital subscriber base

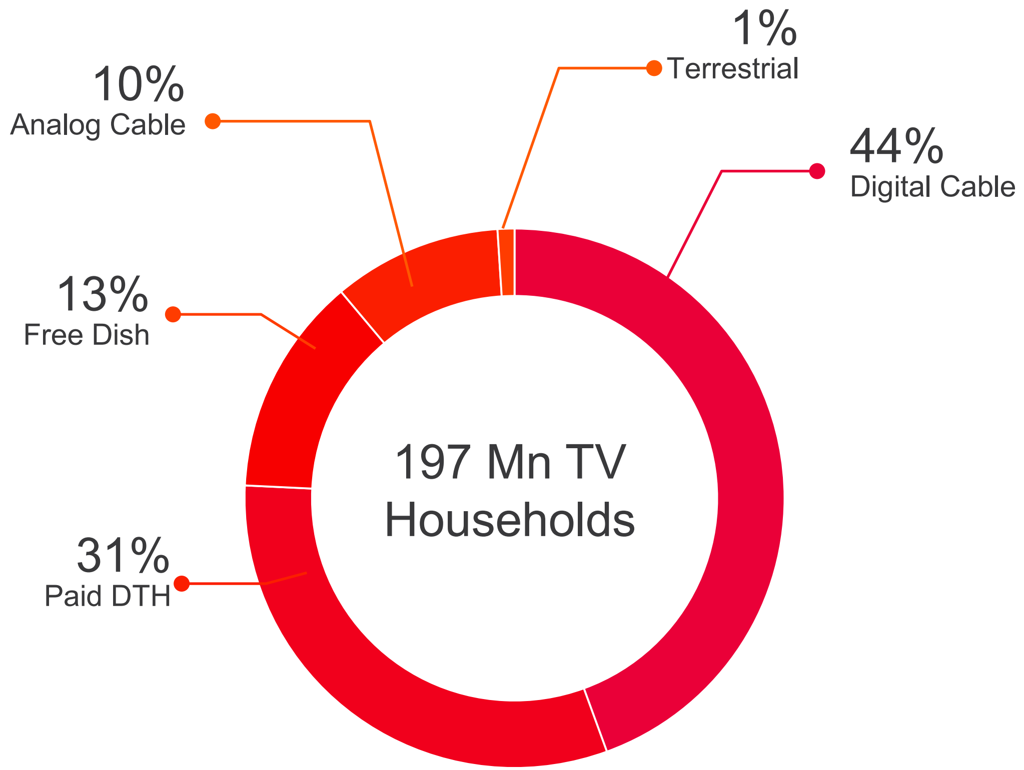
1. Excluding Activation

Industry Overview

India Market Overview

TV Households are Growing Faster than the Universe

	2016		2018
Total HH	286 Mn	4.2%	297 Mn
TV HH	183 Mn	7.5%	197 Mn



Penetration of TV HH has gone up from 64% in 2016 to 66% in 2018

Cable (Digital + Analog) controls 54% of India's TV market

Universe Update BARC India July 2018

Company Overview

SITI NETWORKS

ZINDAGI KA NETWORK

- *India's **Leading Digital TV Network***
- *Present in **22+** States & UT across India*
- *Footprint across **~580** locations*
- *Delivering content to **55 Mn+** consumers 24/7*

SITI Networks

India's Leading Digital Network

11.7 Mn Active Digital Customers

580+ Locations Footprint

3.56 Lakh High Definition Customers

1.7 Mn Broadband Home Passes

55 Mn+ Consumers Reached

~7% TV Households in India

2.5 Lakh Broadband Customers

1st MSO launched in India

1st MSO to give CRM tool to Partners

1st MSO listed on Stock Exchange

1st MSO to launch local channels

Nation-wide Distribution

01 Launched in 1994

02 OYC tool customer offered to LCOs

03 SITINET listed on NSE

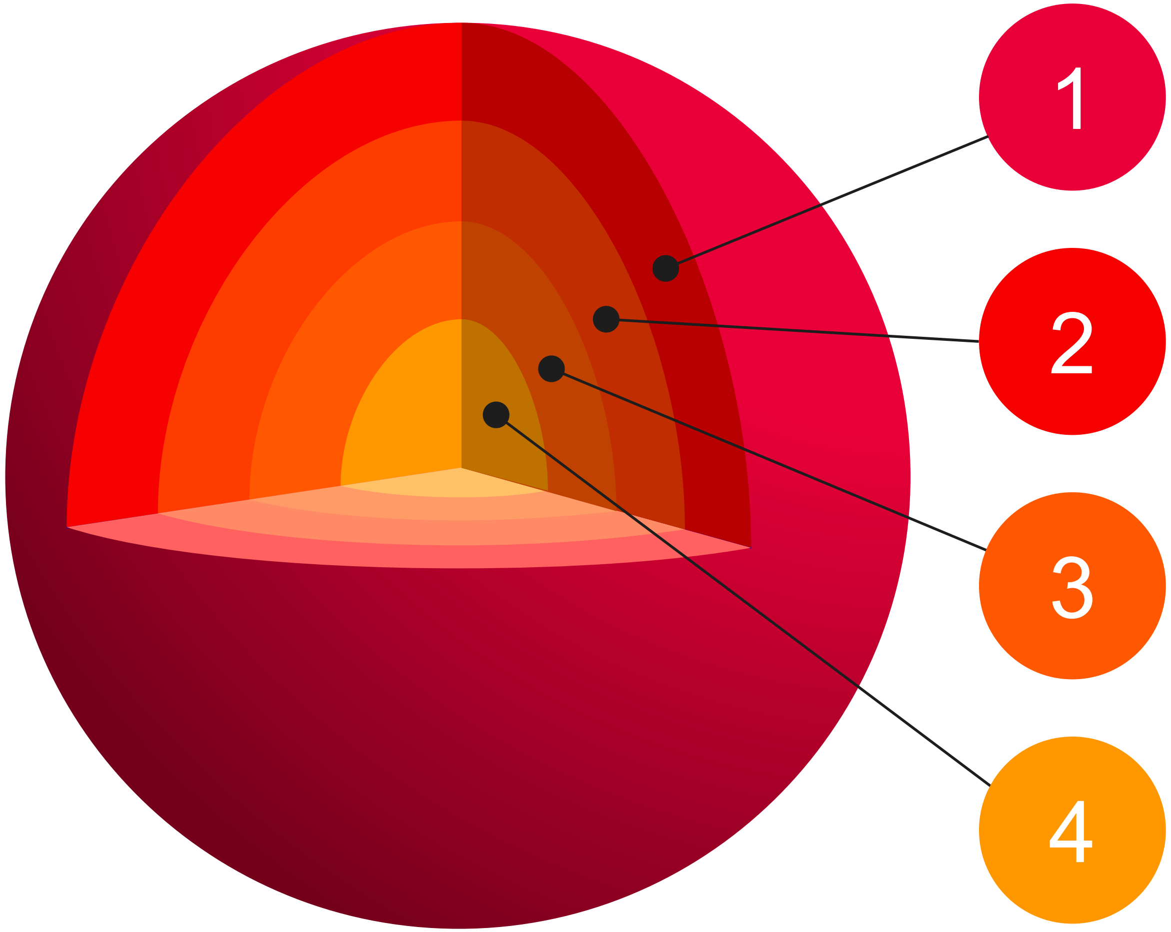
04 Bouquet of Local Channels

05 24,000+ strong Distribution Network

All metrics as of 30th June 2018

SITI Networks

11.7 Mn Happy Households across the country



DAS Phase 1
1.7 Mn

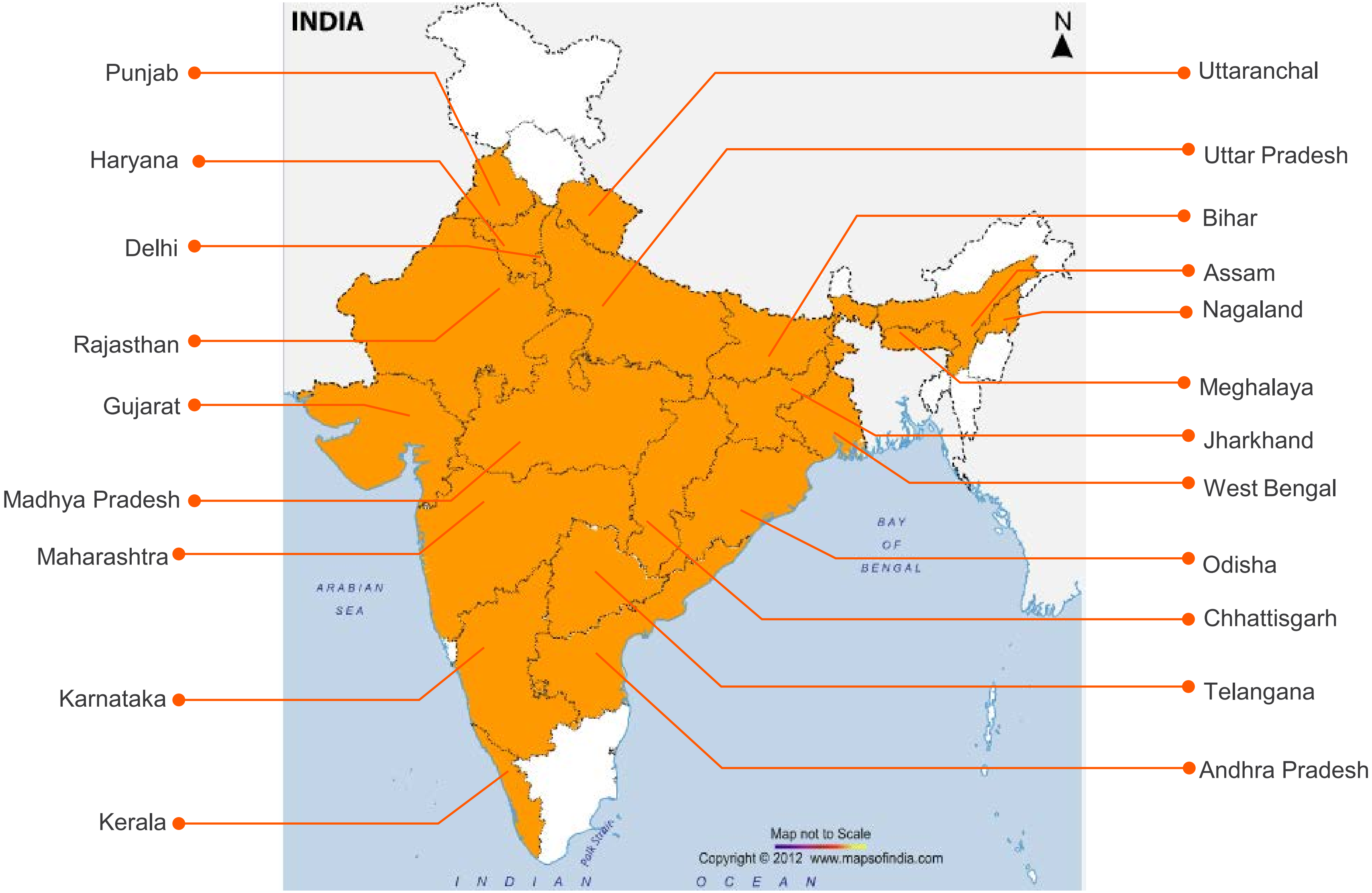
DAS Phase 2
1.5 Mn

DAS Phase 3
3.9 Mn

DAS Phase 4
4.7 Mn

SITI Networks

Present across 580+ locations



SITI Networks

On a Progressive Growth Path

1992
Cable business started by Promoters

2007
Implemented CAS in metros of Delhi, Mumbai and Kolkata; listed on the stock exchanges

2008
Initiated mass digitisation through HITS Services

2009
Right Issue of ₹4500 mn fully subscribed

2012
DAS implemented in Phase-1 Cities; Delhi, Mumbai & Kolkata

Broadband started in Eastern region on EOC Technology

2013
DAS implemented in Phase-2 Cities; achie 3 million digital subscribers base

Fund infusion of Rs.3240 mn by Promoters

2014
Broadband launched in Delhi on DOCSIS 2/ 3 Technology

Started providing 18 HD Channels; Achieved 4 million digital subscribers base

2015
Raised ₹ 2210 mn from the Secondary Market via QIP Route in February 2015

Digital Cable Subscribers base reached to 5.4 mn with cable universe of 10.5mn

2016
Achieved financial turnaround for the first time in its history; reported PAT of Rs. 9 Crores and PBT of Rs 22 Crores

Fund infusion of Rs 5300 mn by Promoters

Acquired majority stakes / entered into strategic partnerships with regional MSOs in Assam, Maharashtra, Gujarat and Odisha

2017
Chosen to be a constituent of the Morgan Stanley Capital International (MSCI) India Domestic & Global Small Cap Index

Started providing OTT services in partnership with Ditto TV; customer base at 60,000 subscribers

Extended broadband presence in 3 cities of Haryana namely Hissar, Karnal and Rohtak

Fund infusion of Rs 1500 mn by Promoters

2018
Re-Affirmed long-term rating of "A-" by ICRA (The outlook on the long-term rating is stable)

Seeded Industry-leading 3.1 mn STBs across Phase 3 & 4

Extended broadband business in Nagpur city of Maharashtra

SITI Networks
Competitive Advantage

01

India's largest MSO

Presence across 580 locations

Country-wide Access

02

Using latest MPEG4 STBs

Broadband through Hybrid (DOCSIS 2/3 & GPON) Network

Superior Technology

03

OYC Subscriber Management System

Conax CAS

SAP Based systems

Uniform commercial policies

Systems and Processes

04

In discussion with various OTT service providers for creating value adds for SITI base

Value unlocking: Will look to consolidate Industry

Strategic Alliances

05

Robust corporate governance & compliance

High Performance Culture driven by Committed and Focussed Employees

Lean and Agile Organizational Structure

Efficient Execution

Promoter Group
Corporate Structure

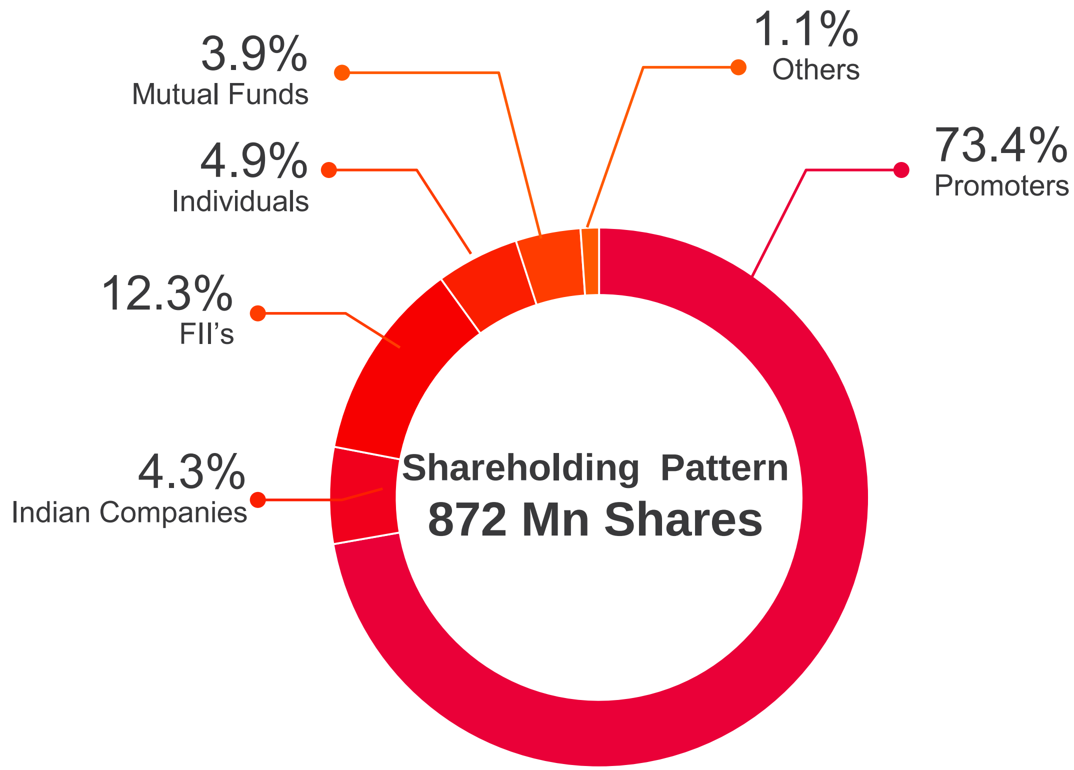
- Launched in 1926, the Parent Group ("Essel Group") completed 90 years recently; One of India's leading business houses, with a dominant vertically integrated presence in Media and entertainment
- Leading producer, aggregator and distributor of Indian programming across the world; 222,000+ hours of original Content
- Group Market Cap (Listed entities under the Parent Group): ~USD11.0 Bn
- Present in 171 countries, a reach of ~1bn+ viewers; Compelling bouquet of 75 Channels

Content		Distribution		Print	Other Business'
ZEE Entertainment	**ZEE** Media Corp Ltd.	**Dish** TV	**SITI** Networks	**DNA** Newspaper	Essel Infrastructure Education: Zee Learn Limited Packaging : Essel Propack Theme Parks: Essel World and Waterpark Precious Metals: Shirpur Gold Refinery Healthy Lifestyle & Wellness
India's Leading General TV Entertainment Network	Strong presence in National & Regional News Genre	Asia's largest DTH provider after merger with Videocon D2H	One of Indias leading National MSOs	English broadsheet daily with presence in major cities	

Exchange rate used USD1=INR67.50
Market cap as of 9th August 2018

SITI Networks

Sizeable Free Float & Institutional Ownership



Key Investors		
Foreign Institutions	MOON CAPITAL	Acacia Partners
	POSCO CAPITAL PARTNERS LTD	Dimensional
Domestic Institutions	HDFC MUTUAL FUND	ENAM
	JM FINANCIAL	

There has been fund infusion of INR6800 Mn by Promoters through OFCDs & Convertible Warrants in Last 2 years

As of 27th July 2018
Others include HUF, Clearing Members, banks, trusts and NRIs

Technology Infrastructure

Video & Broadband

NETWORKS

- 15 Digital Headends; Intra-city OFC and Coax Network of ~33,000 Kms covering ~ 580 locations
- Transport of Digital CATV signals on 1.2 Gbps links across the country; ~350 IP Points
- Hybrid (DOCSIS+ GPON) Technology to offer Cable Broadband services

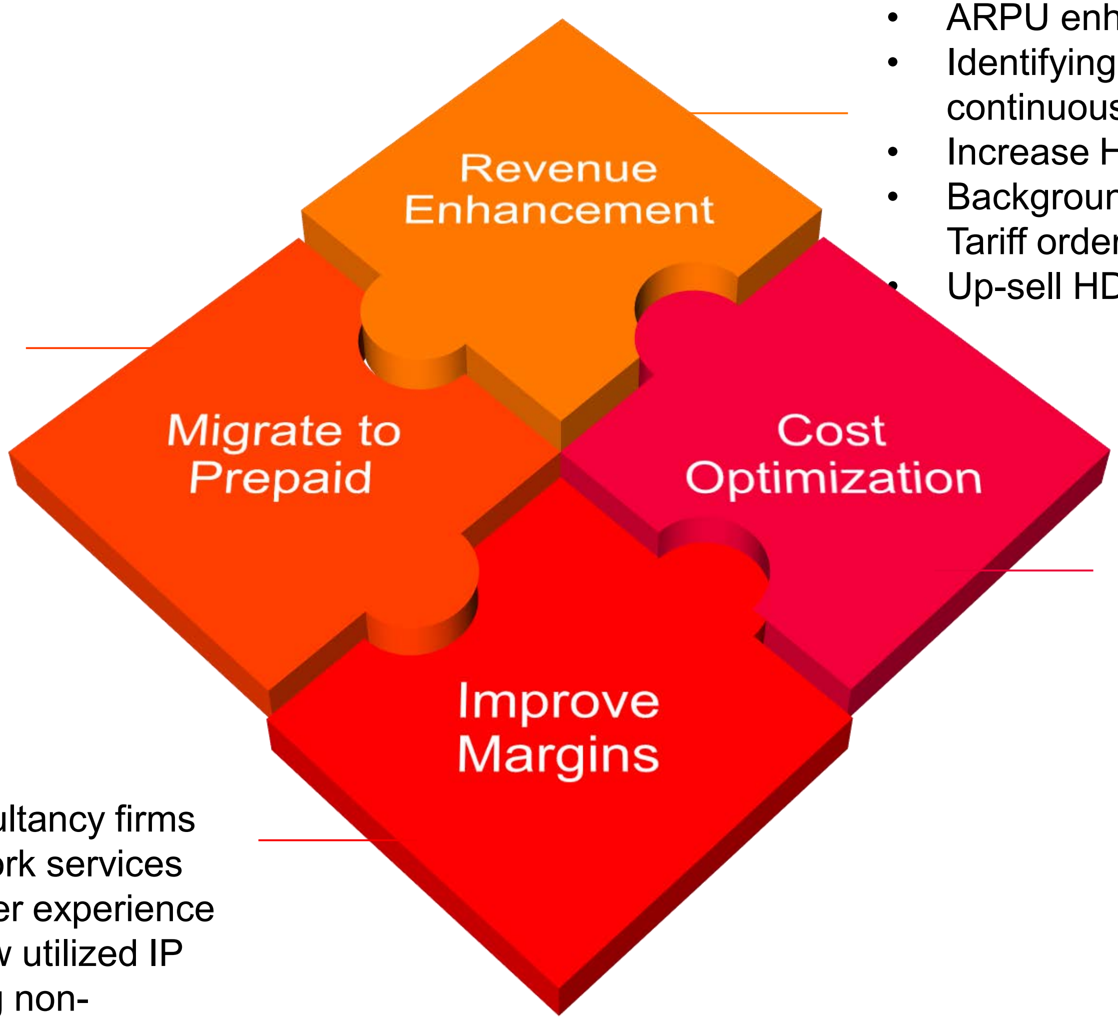
Digital Headends	Modems	STB's	Chipsets	Servers	CAS, SMS, EPG	Connectivity
ERICSSON	CISCO	CHANGHONG	Mstar	HCL INFOSYSTEMS	conax	airtel
harmonic	CHANGHONG	WOOJEON&HANDAN	ALi	DELL	ZT	RAILTEL
NOKIA Alcatel-Lucent	CASTLENET NEW KINPO GROUP	ARION TECHNOLOGY		hp	What's ON	Idea
	CASTPAL	JIUZHOU				TATA COMMUNICATIONS

Essel GROUP

Strategy

SITI Networks

Video Strategy



- ARPU enhancement across phases
- Identifying sweet spots to continuously add new customers
- Increase HD Subscriber base
- Background work to gear up for TRAI Tariff order is in progress
- Up-sell HD and OTT

- Increase Collection efficiency by further implementing Prepaid model

- Improve operational efficiencies and harness inbuilt leverage
- Fungible teams for Cable and Broadband
- Digitization of agreements and digital onboarding of new business associates

- Working with leading consultancy firms for outsourcing IT & Network services (MSP) for superior customer experience
- Improve extraction from low utilized IP based locations and exiting non-profitable ones

SITI Networks

Well Positioned to Benefit from Tariff Order

Revenue Model for DPO

Network Capacity Fee
- Up to Rs.130 for 100 SD Channels

Pay Channel Bouquet / **A-la-Carte Channels**
- DPO to offer Broadcaster Bouquets, DPO Bouquets, and all channels on A-la-carte
- DPO to declare Distributor Retail Price (DRP) with max discount 15% over sum of a-la-carte or MRP of Broadcaster Bouquet
- Broadcaster to pay minimum 20% of MRP as distribution fee. Max 15% of MRP as incentive

Carriage Fee
- As per regulation

New Tariff Order

01 Consumer ARPU's to rise

02 Content Cost linked to Subscription & Consumer Choice

03 Favors Organized Entities

04 Minimum Return on Capital Ensured

05 Increase Transparency & Adherence to Compliance

06 Increase dependence on systems / processes

Implementation of the network distribution model will shift the balance of power in favour of DPOs

Financials & Operating Metrics

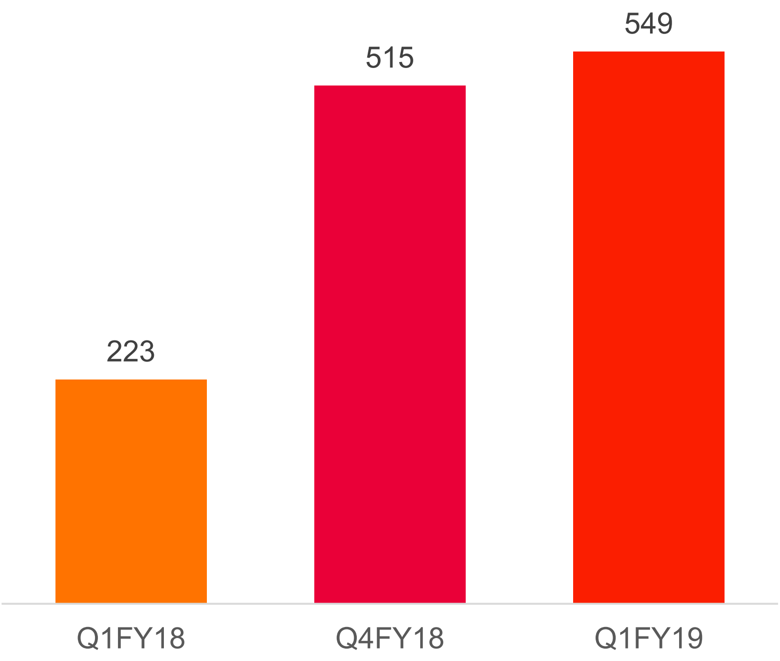
A strong start to FY19

Key Performance Indicators	Vs Q1 FY18
Subscription revenue for Q1 FY19 at **Rs 2,149 mn**	**26 % increase** in Q1 FY19 (2,149mn vs 1,701mn)
Operational expenses for FY18 at **Rs 2,733 mn**	**Negligible movement** in Q1 FY19 (2,733mn vs 2,639 mn)
EBITDA Margin (Excl. Activation) improved @ 16.7%	Q1 FY19 margin **Up by 2.1x** (16.7 % vs 7.8%)
Subscription Collection Efficiency at **93%** for June'18 Exit	Increase in efficiency (90% vs 83% for Q1 FY18)
ARPU at **Rs 74** (including taxes)	**~17% increase** in ARPU
EBITDA (Excl. Activation) for Q1 FY19 at Rs 549 mn	**2.5x increase in Q1 FY19 EBITDA (549 mn vs 223 mn)**

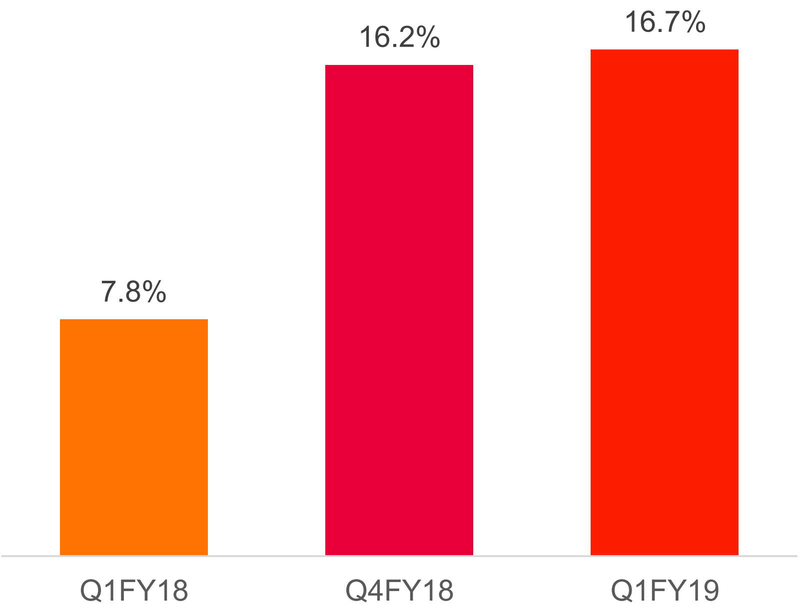
Q1 FY19

Robust Performance

2.5x Jump in Operating EBITDA



2.1 times leap in Operating EBITDA Margins

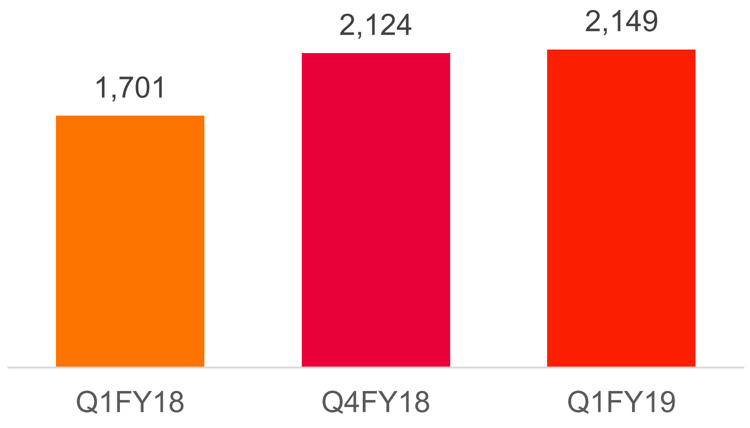


- Operating EBITDA jumps from INR223 mn to INR549 mn
- Operating EBITDA Margins expand by 892 bps at 16.7%

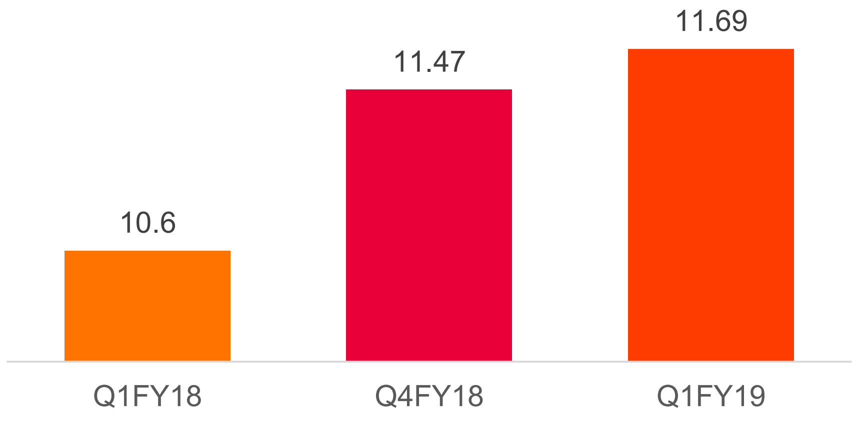
All Numbers in Rs. Mn unless mentioned other-wise

Q1 FY19 : Video Business
Surging Ahead

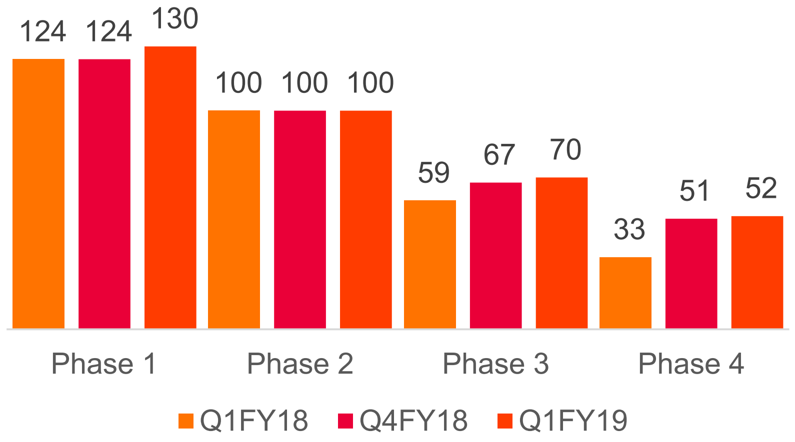
~26% Growth in Video Subscription



Customer Adds up by 220,000



Phase-wise ARPU (including tax) Increase



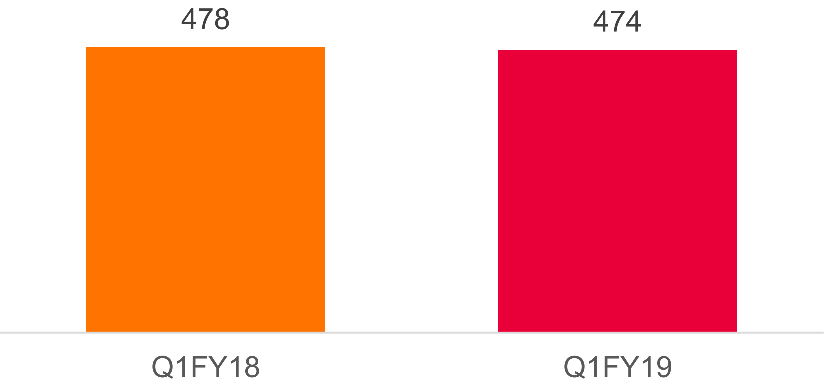
- ARPU increased strongly by 17% YoY
- Phase 3&4 ARPUs (73% of subscriber base) have increased 18% and 57% YoY
- Subscription collection efficiency at 90% in Q1FY19 (Exit June 18 at 93%, Closing July at 97%)
- Prepaid base at 26% in Non Eastern Markets

All Numbers in Rs. Mn unless mentioned other-wise

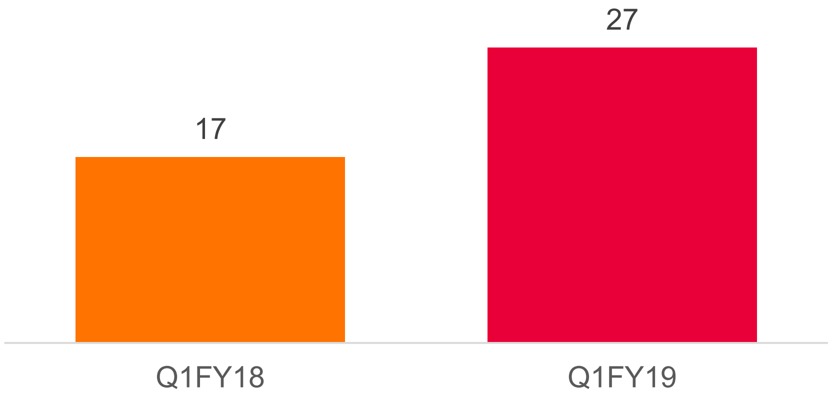
Q1 FY19 : Broadband Business

Consistent Improvement

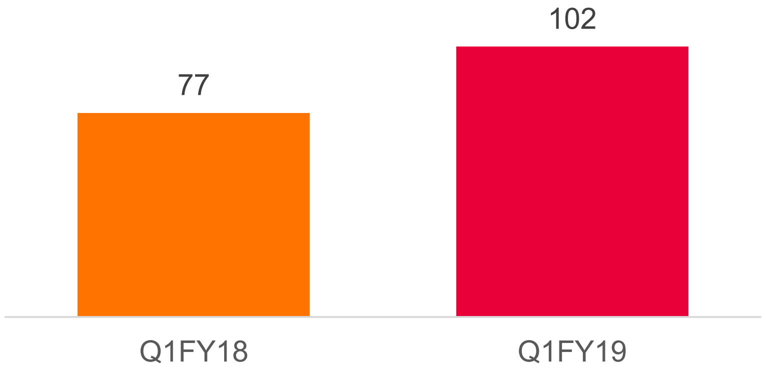
 # ARPU has been steady



 # Increase in Average Speed (Mbps) per DOCSIS Customer



 # Increase in DOCSIS Average Data (GB) Consumption



- Broadband base at 250,000
- Blended Broadband ARPU increased 3% Q-o-Q to Rs.474
- 32% of the DOCSIS base converted to long-term lock-in plans

Thank You

Ankit Saint
Investor Relations, SITI Networks Limited
+91-120-452-6754
Ankit.Saint@siti.esselgroup.com