

dishtv

d2h

**STRONGER  
AHEAD**



# Dish TV India Limited

## Investor Presentation

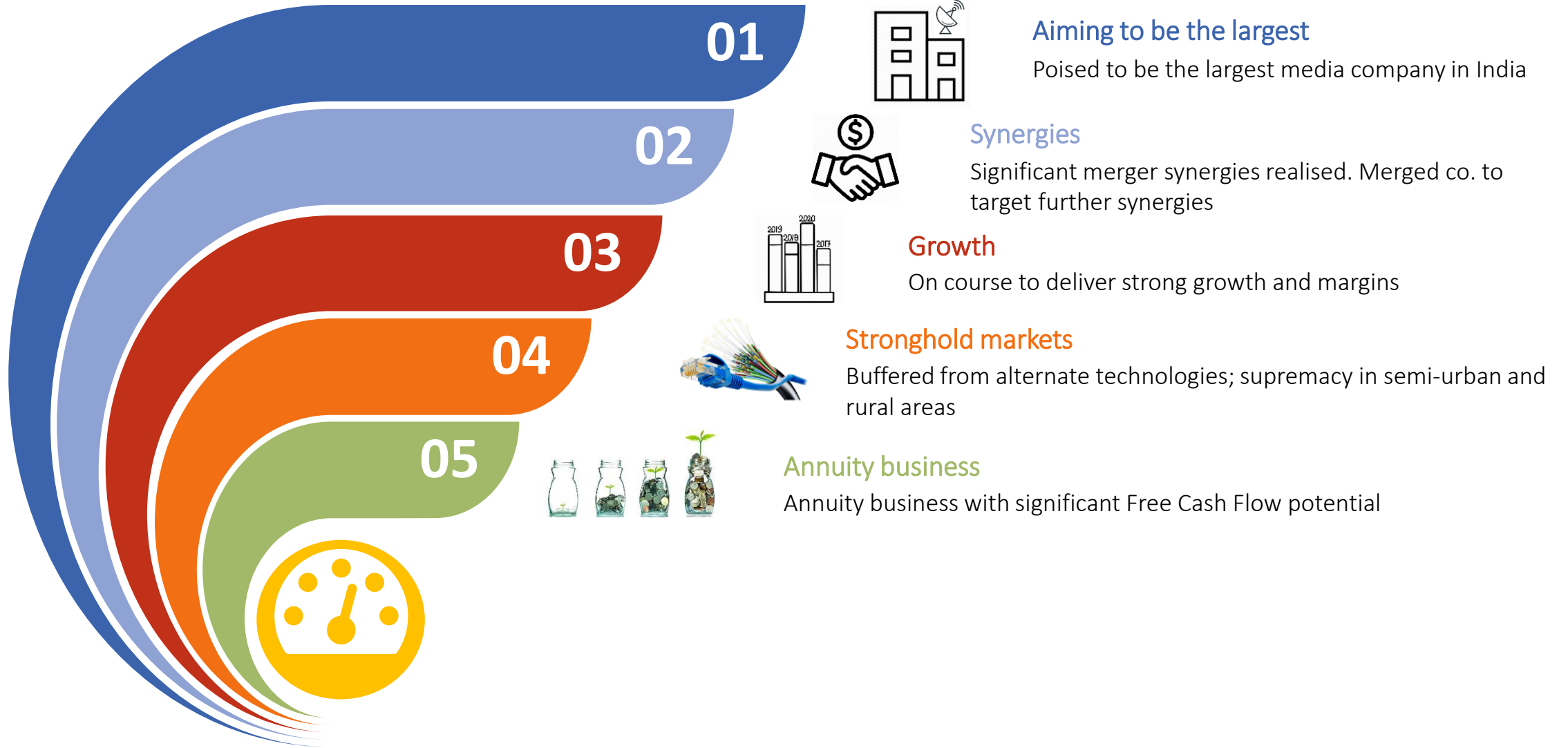
Stock Code: BSE - 532839 NSE- DISHTV LSE: DTVL

## 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 Dish TV India Limited 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.

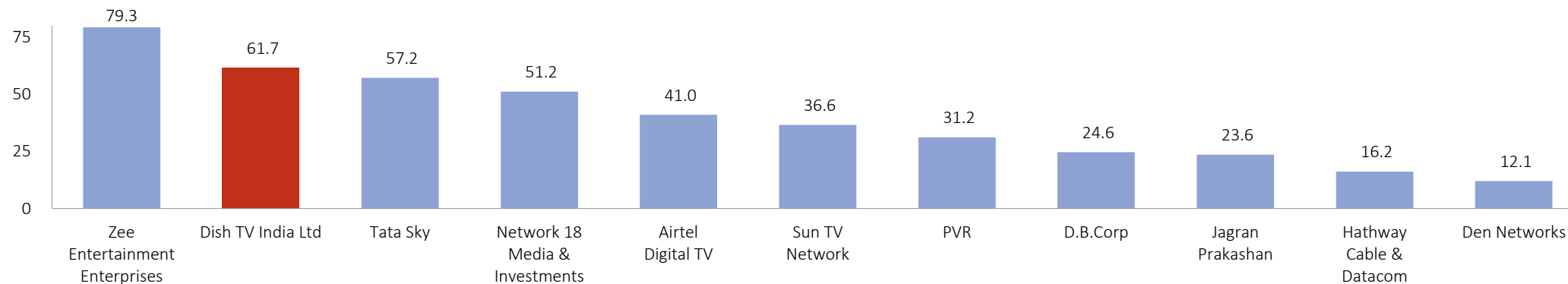
Consequently, actual results could differ materially from those expressed or forecast in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks. Dish TV India Limited does not undertake to update these forward-looking statements to reflect events or circumstances that may arise after publication.



# Poised to be the largest media company in India

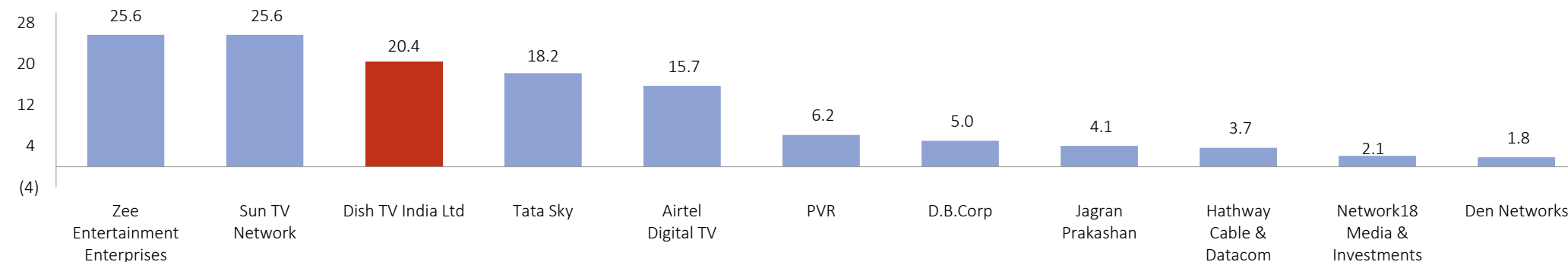
## Total Revenues (Rs Bn.)

Year ending 31 March 2019



## EBITDA (Rs Bn.)

Year ending 31 March 2019



# Supremacy amongst semi-urban and rural consumers

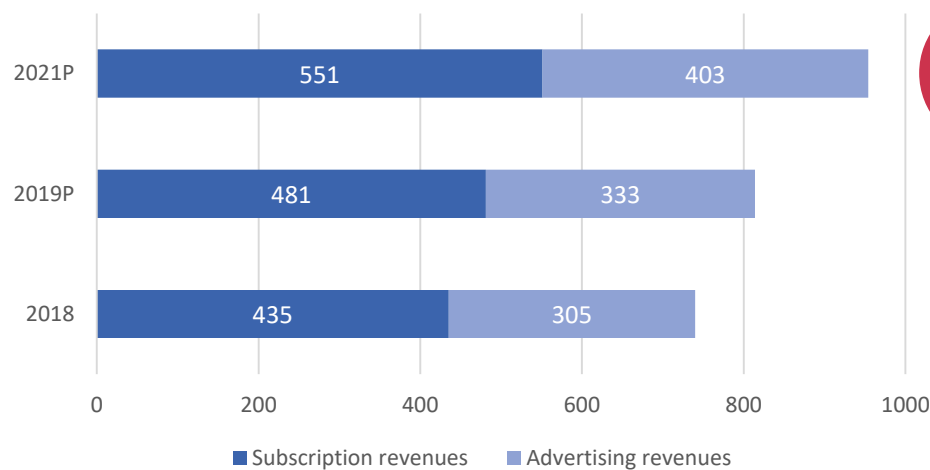


*Dish TV India has majority of its subscribers outside top-towns and cities*

# Indian TV Industry

# The Indian TV industry

TV Industry Size (INR Bn.)



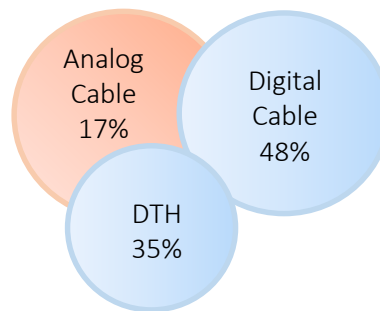
2021

**INR 551 Bn.**  
TV subscription revenues  
CAGR of 9%  
(2018-2021P)

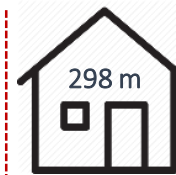
## Broadcasting Industry

Multiple broadcasters, having 328 pay channels, 574 FTA channels, producing content in more than 15 languages

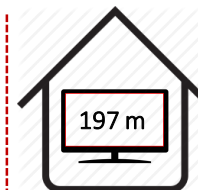
## Market share - Distribution Industry



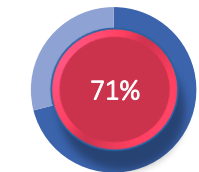
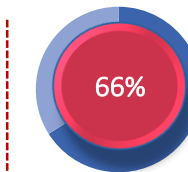
Total households (in Mn.)



Total TV households (in Mn.)



TV penetration (of total HH's)



C&S HH's (in Mn.)

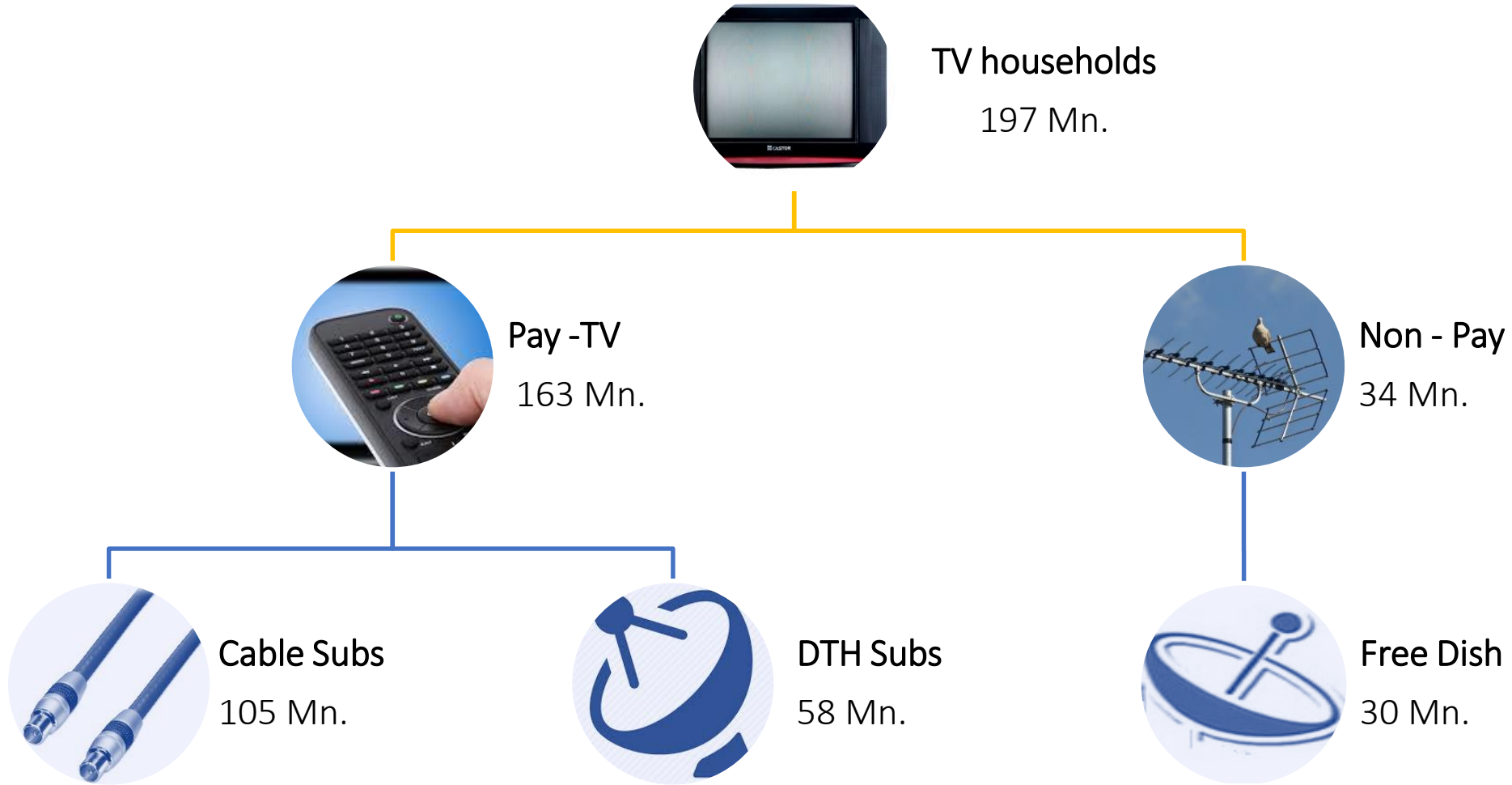


TV Industry to gain from increasing TV and Pay-TV penetration 8

Television will maintain pole position as the largest segment within the Indian M&E sector

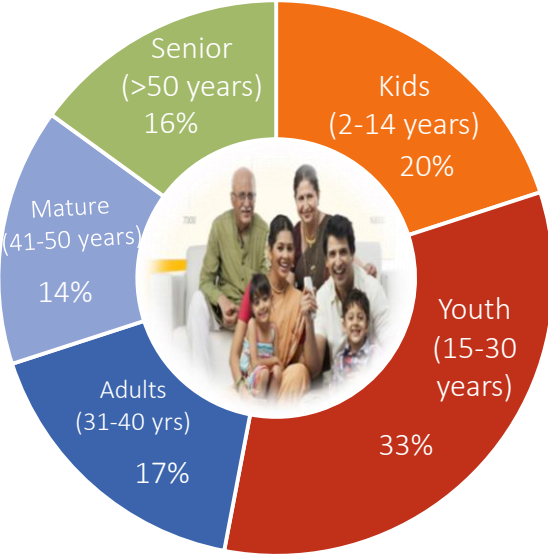


# TV viewing HHs - Pay & FTA



# TV viewing in India

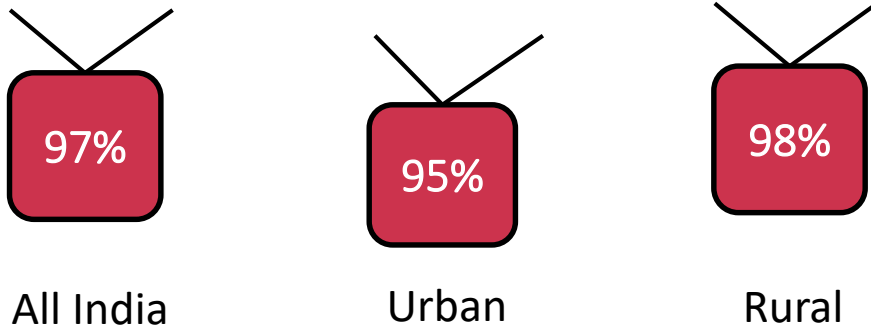
Share of TV viewership universe across age groups



TV continues to remain the most popular form of entertainment



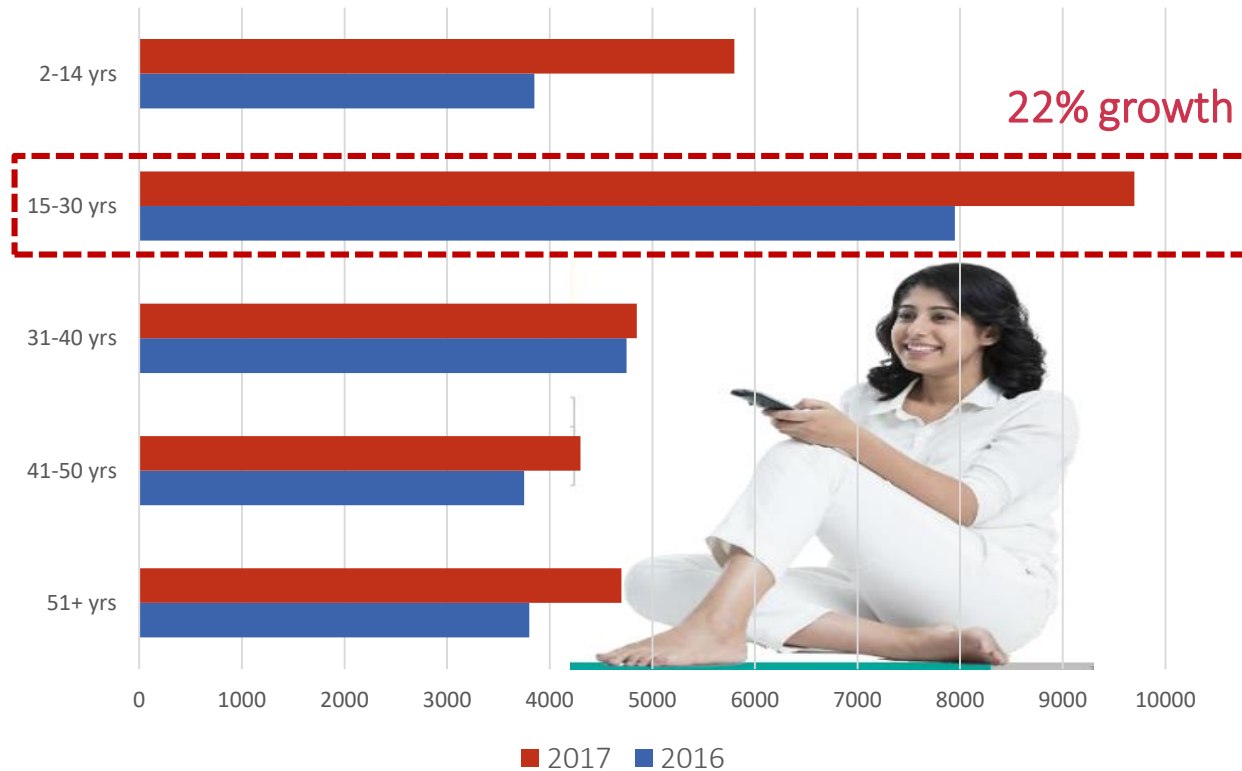
Percentage of single TV households



*77% large and affluent joint families have single TV's, implying co-viewing as a consumption pattern*

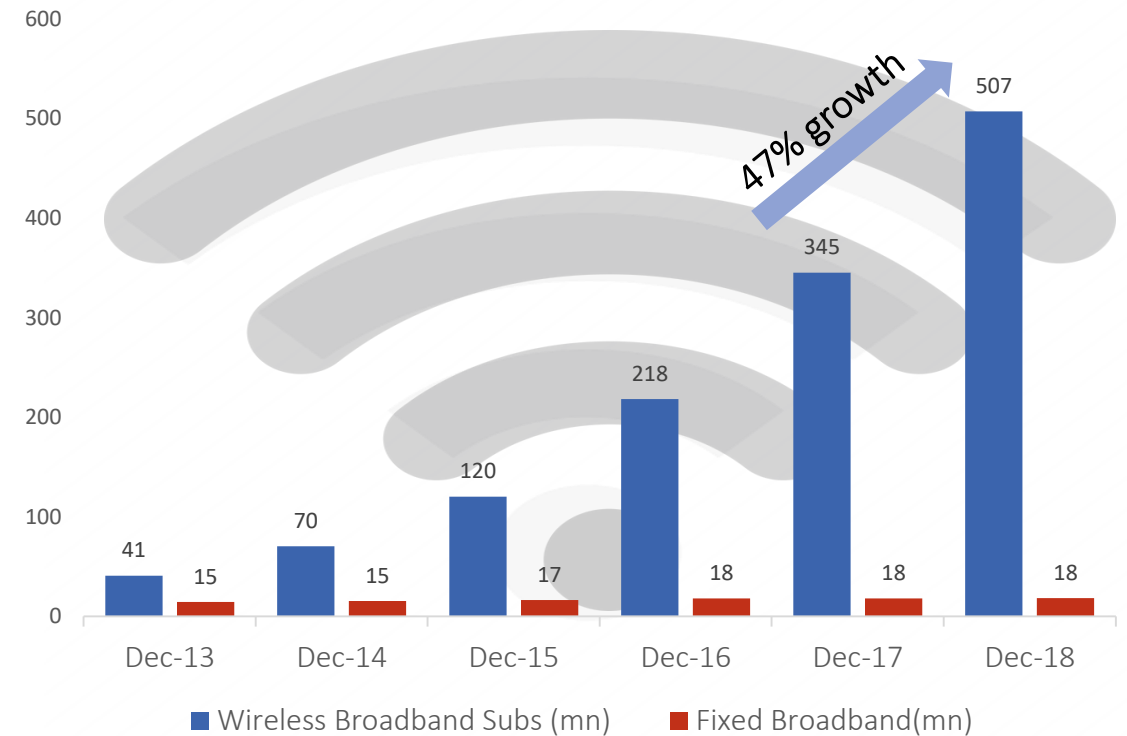
# Popular across age groups despite rising internet penetration

Share of TV viewership universe by age groups  
(in Mn. impressions)



All India internet penetration- 48%

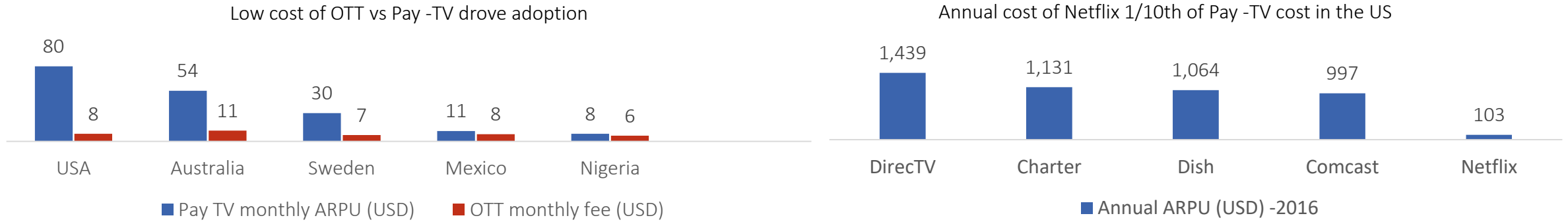
Broadband subscribers (in Mn.)



*Contrary to popular perception, the youth contributes a massive 33% share of TV viewership, and has seen a growth of 22% in impressions over the year*

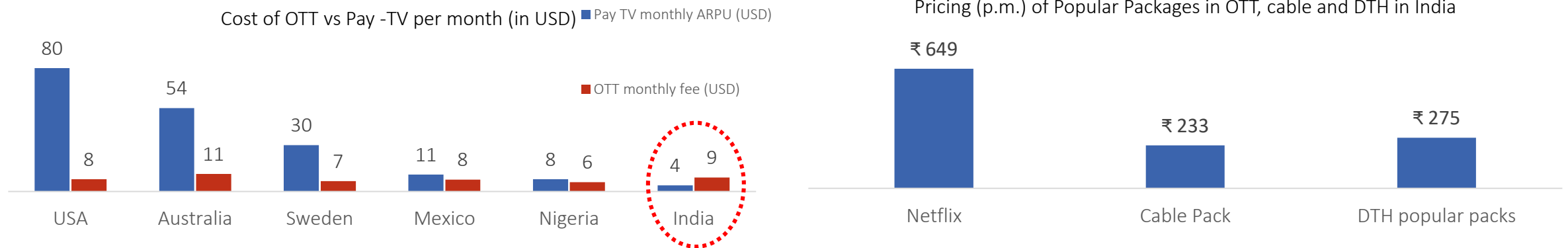
# Emergence of OTT

## The global OTT phenomenon



Low OTT costs compared to traditional Pay-TV platforms, led to higher adoption of OTT content globally

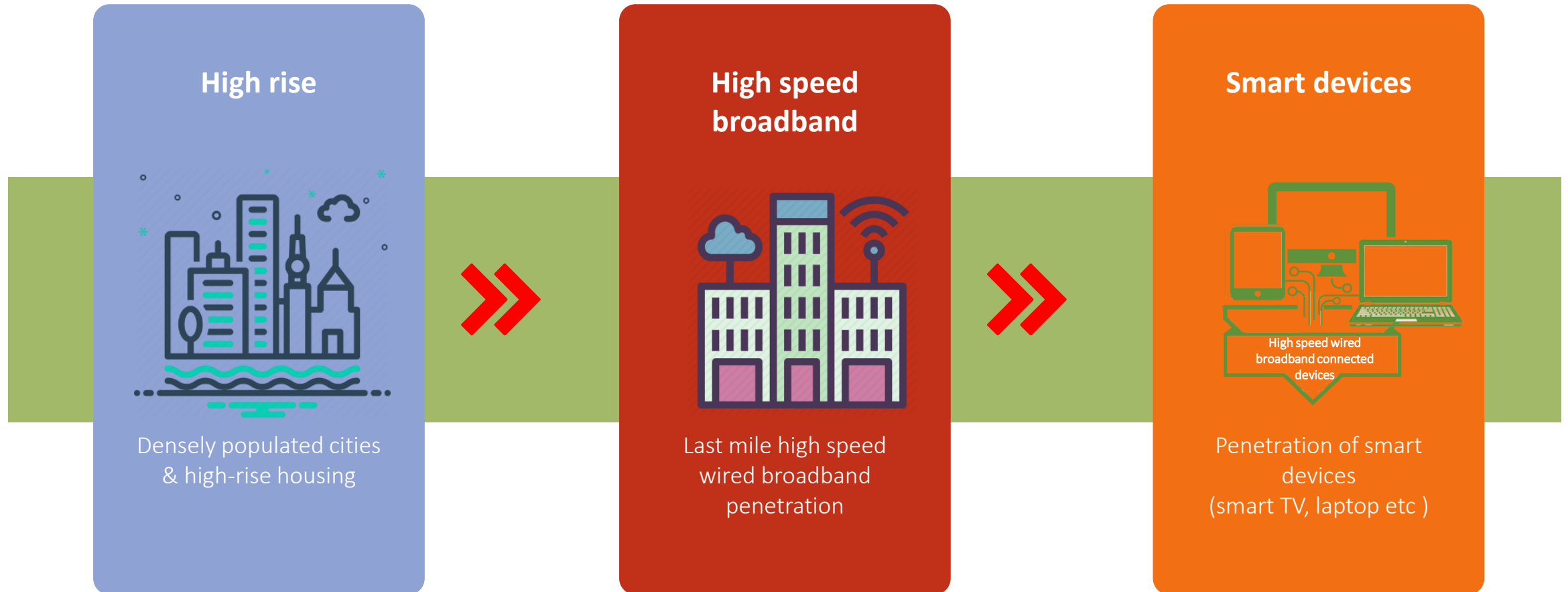
## The India exception



India is an exception to the global OTT phenomenon, with higher cost of OTT vs Pay-TV

# IPTV




















## Typical IPTV ecosystem



*IPTV - use of internet to deliver TV programs and videos that are either live or on demand to high-rise housing and densely populated metro cities*

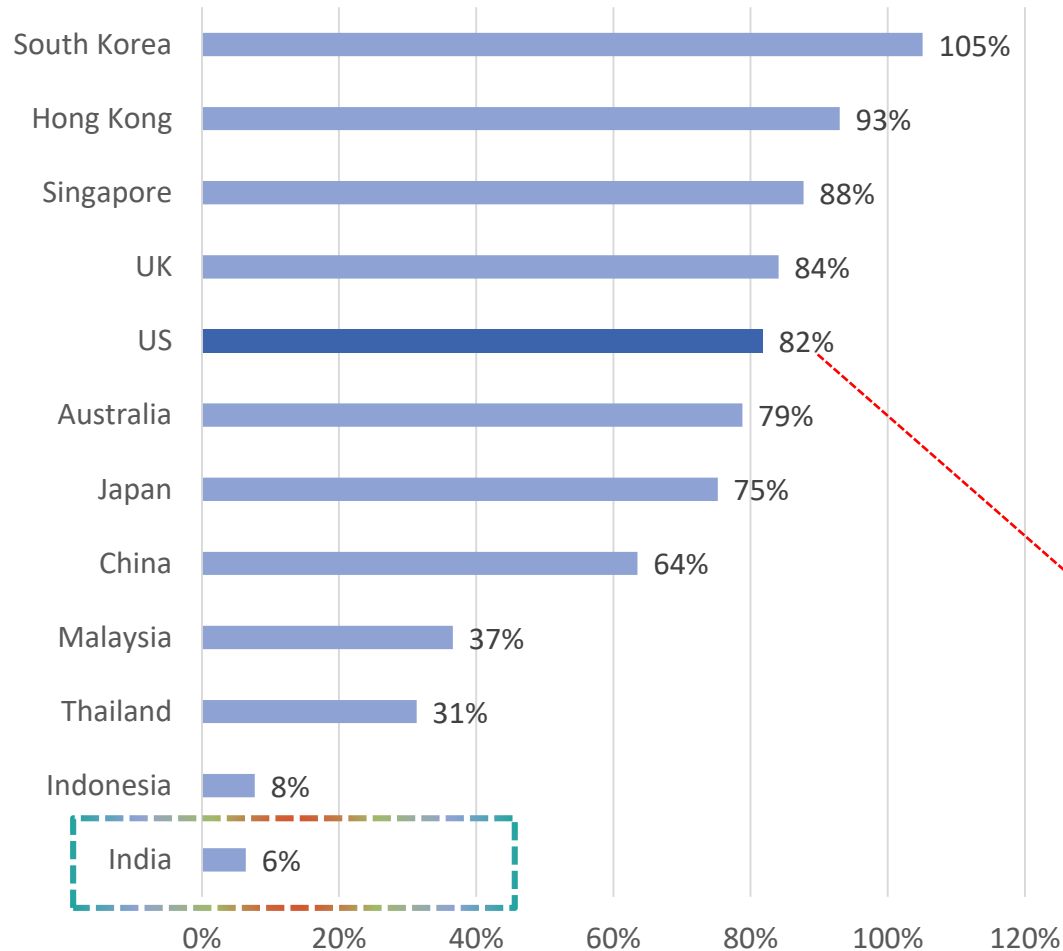
# IPTV - Reality check

*Winning IPTV subscribers. Is it as easy as gaining telecom customers?*

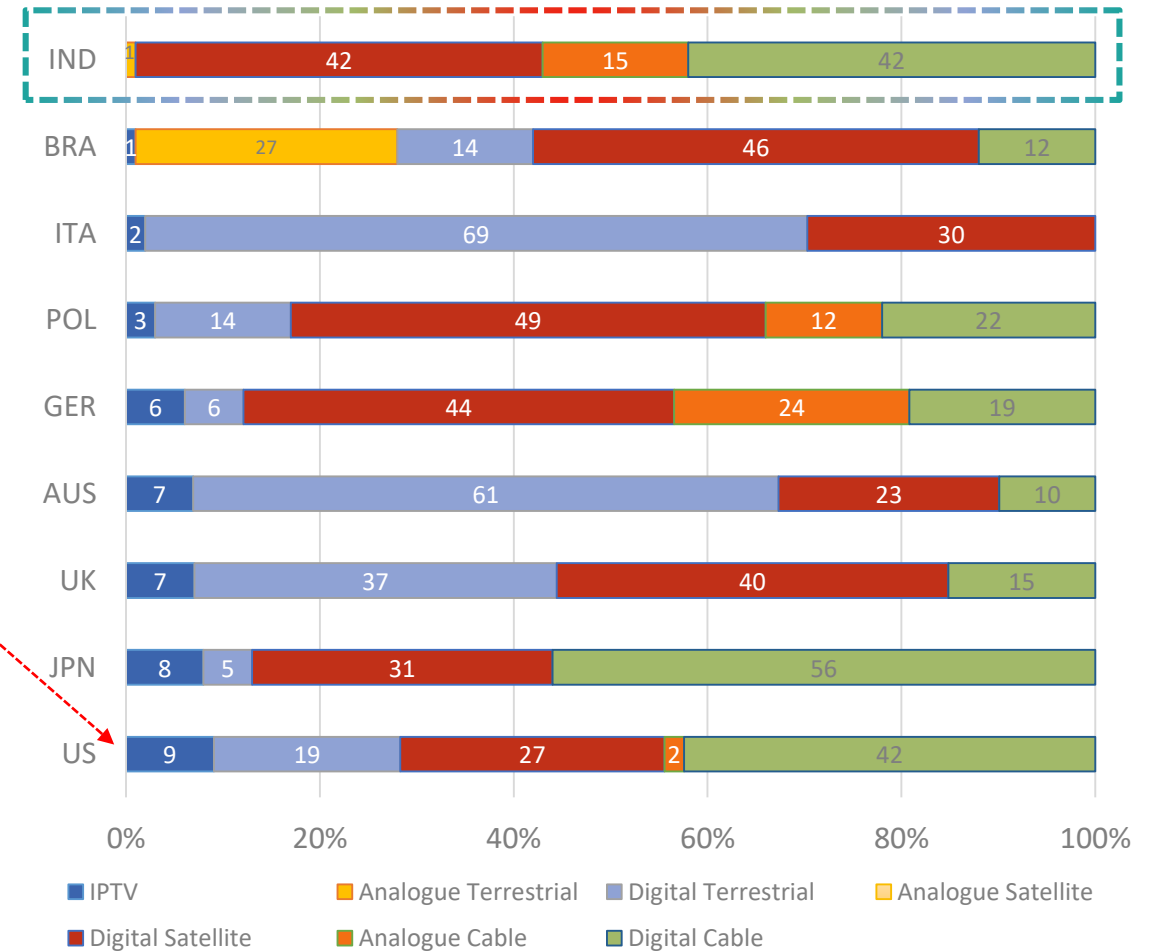
		<b>Telecom</b>		<b>IPTV</b>	
Capex requirement		Low	↓	Front loaded	↑
Physical Infrastructure requirement		Low	↓	High	↑
Ground Task force		Negligible	↓	Huge	↑
Overall cost of delivery		Low	↓	Extremely high per home	↑
Distribution/reaching the last mile		Through local shops/ retail stores		Through existing operators having access to homes	
Pricing		High existing data and voice costs supported aggressive undercutting by new entrant	↑	Traditional C&S prices are too low to be susceptible to undercutting	↓
Consumer experience/ novelty in offering as compared to existing service		Free voice and cheap data		Nil ( change in pipes only)	
Potential reach of new technology		Pan India		Densely populated tier 1 cities	
Potential consumers		Data starved & aspiring mobile customers		Select consumers having extremely high data requirements	

# Global fixed broadband penetration & TV platform take-up

Fixed Broadband penetration as a % of Household



TV platform take-up as proportion of TV homes (%)



# IPTV as an offering – An oversimplification of market thesis

*IPTV as a threat to DTH – An oversimplification of market thesis! Have we seen this before?*

- Mandatory digitization of analog cable signals (Digital Addressable Systems), started in 2012, was perceived to be a threat to DTH
- DTH had the following advantages over Analog:

Value proposition		DTH		Analog	
Video Quality		Digital		Analog	
Number of channels		Higher		Lower	
Pick and choose channels		Available		Not available	
HD channels	<b>HD</b>	Available		Not available	

- DAS, on the other hand, had the potential to even out all these advantages as follows:

Value proposition		DTH		DAS	
Video Quality		Digital		Digital	
Number of channels		High		High	
Pick and choose channels		Available		Available	
HD channels	<b>HD</b>	Available		Available	



## IPTV as an offering – An oversimplification .. (continued)

- However, in reality, DTH emerged stronger than ever before post the event:

Subscribers (in Mn.)	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net new additions by DTH	7.3	4.1	3.6	3.9	3.0	3.5	4.5	1.9	3.6
Net new additions by Cable	2.6	2.0	1.9	1.7	1.6	1.4	1.3	1.2	1.1
% of new additions by DTH	74%	67%	66%	70%	65%	72%	78%	62%	77%
% of new additions by Cable	26%	33%	34%	30%	35%	28%	22%	38%	23%

### *IPTV as a threat to DTH – An oversimplification of market thesis*

Value proposition	DTH	IPTV	Threat impact
Video quality	Digital	Digital	Nil
Number of channels	High	High	Nil
Cost of connection	~ less than 40% of IPTV	~3X of DTH	Nil
Cost of video	Fixed per month	Fixed per month	Nil
Running cost	Nil	Function of data consumed	Nil

Event	Value proposition	Perception	Impact
Analog to digital conversion	High content quality - analog to digital	Very high threat to DTH	DTH emerged as the biggest gainer post digitization
IPTV adoption	None	Very high threat to DTH	No major impact in foreseeable future



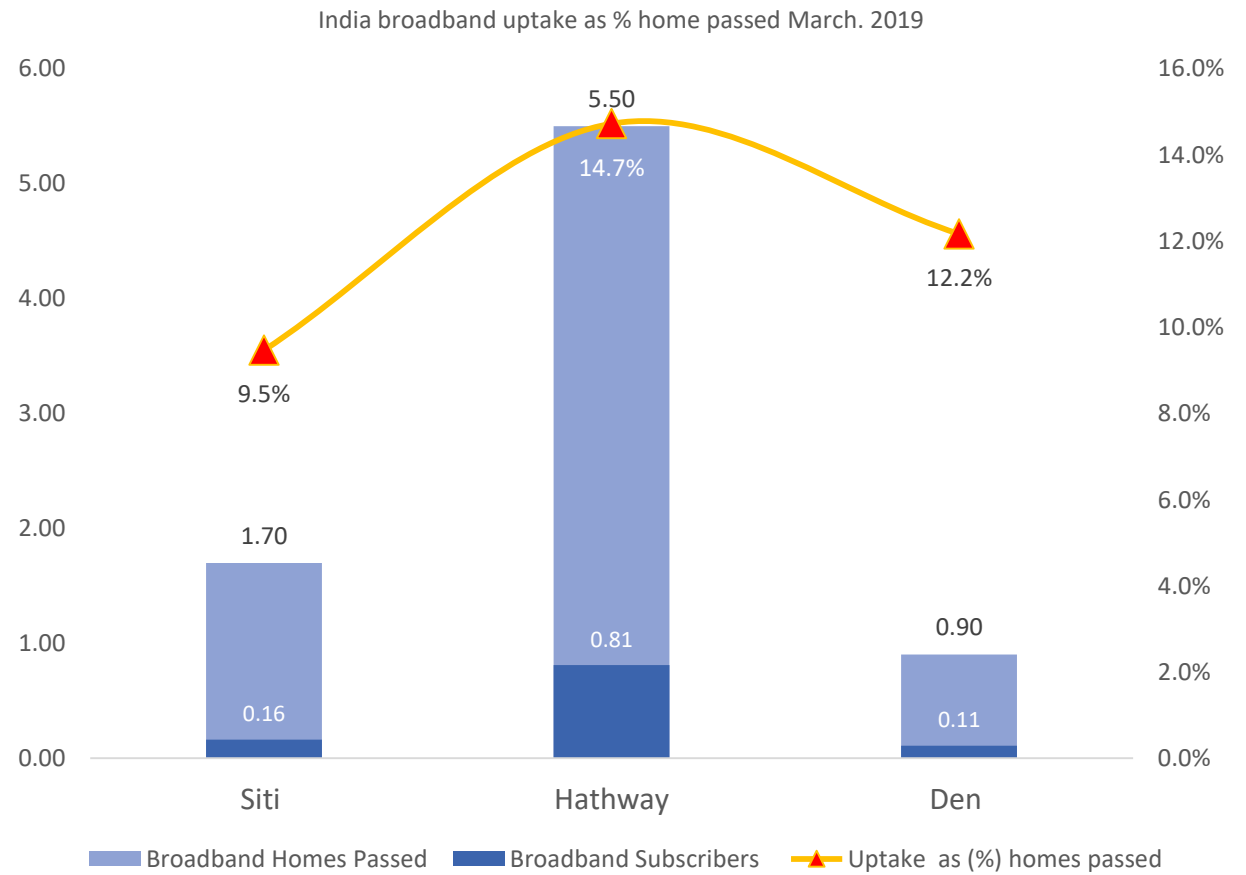
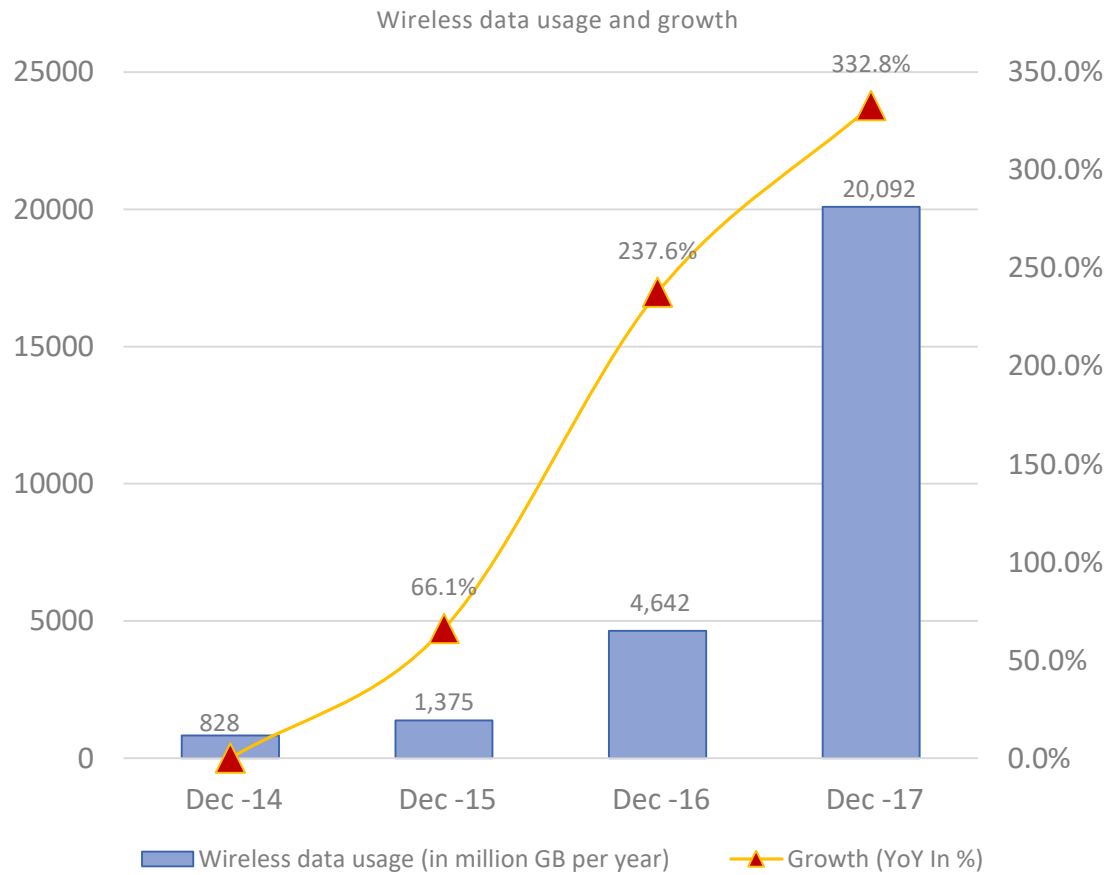
Extremely efficient, low cost, video delivery platform

Consumption of bandwidth heavy content likely to increase going forward.  
SD → HD → UHD

Declining transponder costs – an opportunity

Consolidation in cable & implementation of the Tariff Order to ensure a level playing field for DTH





# Impact of changes in environment on DTH: mobility/fixed line



*Exponential growth in data consumption on mobile has restricted the need for fixed line data*

# Impact of changes in environment on DTH: FTTH

## *Fibre not a game changer!*

FTTH	Value addition to consumer experience
High speed 	There are no specific applications which need 1Gbps connectivity and till these applications evolve customers would not necessarily jump onto the Very High Speed broadband.
Data volume 	Marginal utility of data is negligible
Bundling of data 	Virtual Data Service Providers or VDSP would be an equally effective substitute to services like FTTH which promise bundled data. Existing last mile service providers like DTH companies would become VDSP's to offer data benefits to existing subscribers in partnership with their respective mobile service providers on revenue share basis. A win-win for both! Exponential growth in data consumption on mobile has restricted the need for data through fixed line
Price 	FTTH also requires corresponding ONTs and Routers/ Wi-Fi devices at home, which add significantly to the costs. These costs cannot be justified if the applications used do not have a need to use 1000 Mbps. Thus price to the end consumer would never be lower than wireless data.

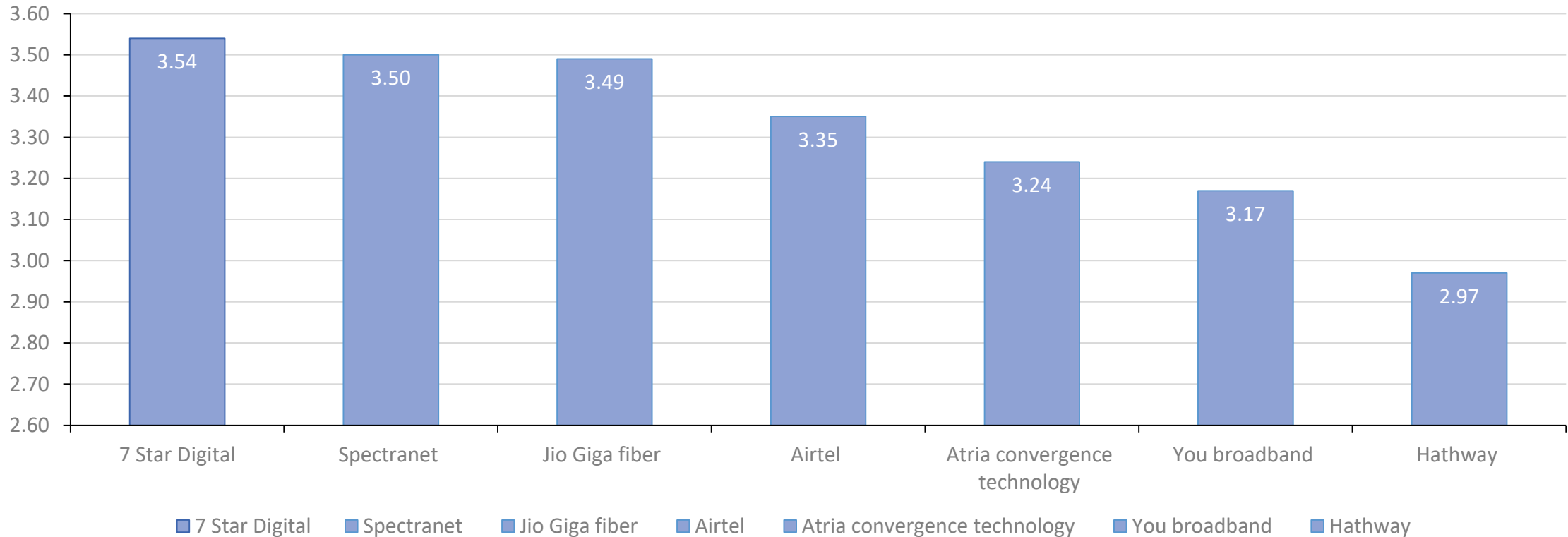
*With ARPU's at \$3 , the DTH industry is not ripe for price disruption. IPTV through FTTH would also not offer any incremental benefit to the consumer thus restricting scope for any disruption.*

*Global FTTH adoption trends show it has not been disruptive in any of the markets in US or EU, nor has it grown at extraordinary rates having run into a series of hurdles.*

## Impact of changes in environment on DTH: FTTH

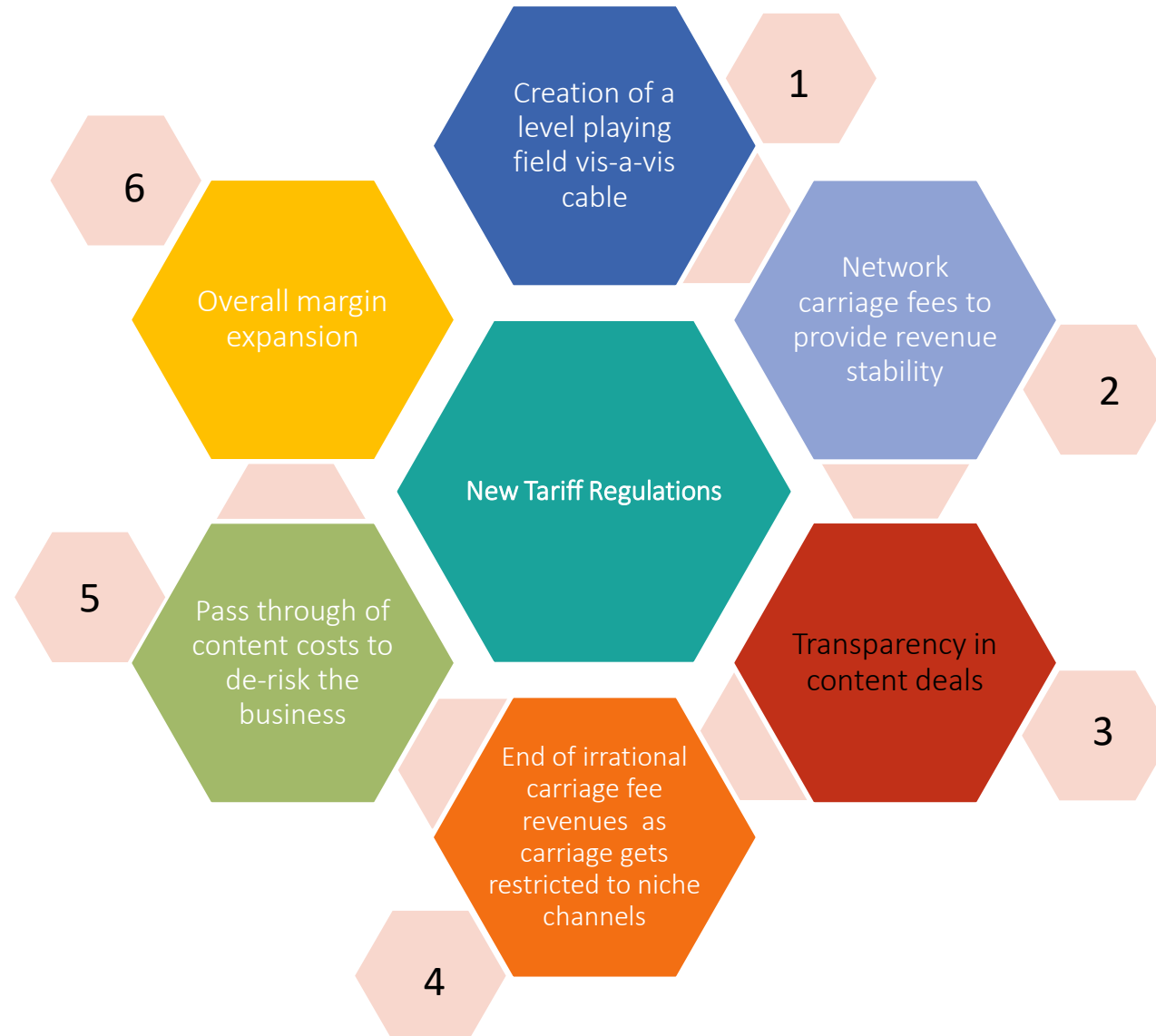
*Fibre not a game changer .. even when compared to existing fixed line broadband*

Netflix ISP leader board – June 2019



*Global FTTH adoption trends show it has not been disruptive in any of the markets in US or EU, nor has it grown at extraordinary rates having run into a series of hurdles.*

# Impact of changes in environment on DTH: New Tariff Regime



# Roadmap

## Short Term

In million		FY2019 A	FY 2020 Est.	Growth YoY Est.
Capex		Rs. 8,500	Rs. 6,500 – 6,750	Dn 23.5% to 20.6% YoY
Net adds		0.7	0.8	Up 14.3% YoY
EBITDA		Rs. 20,443	Rs. 22,500 - Rs. 23,000	Up 10.1% to 12.5% YoY



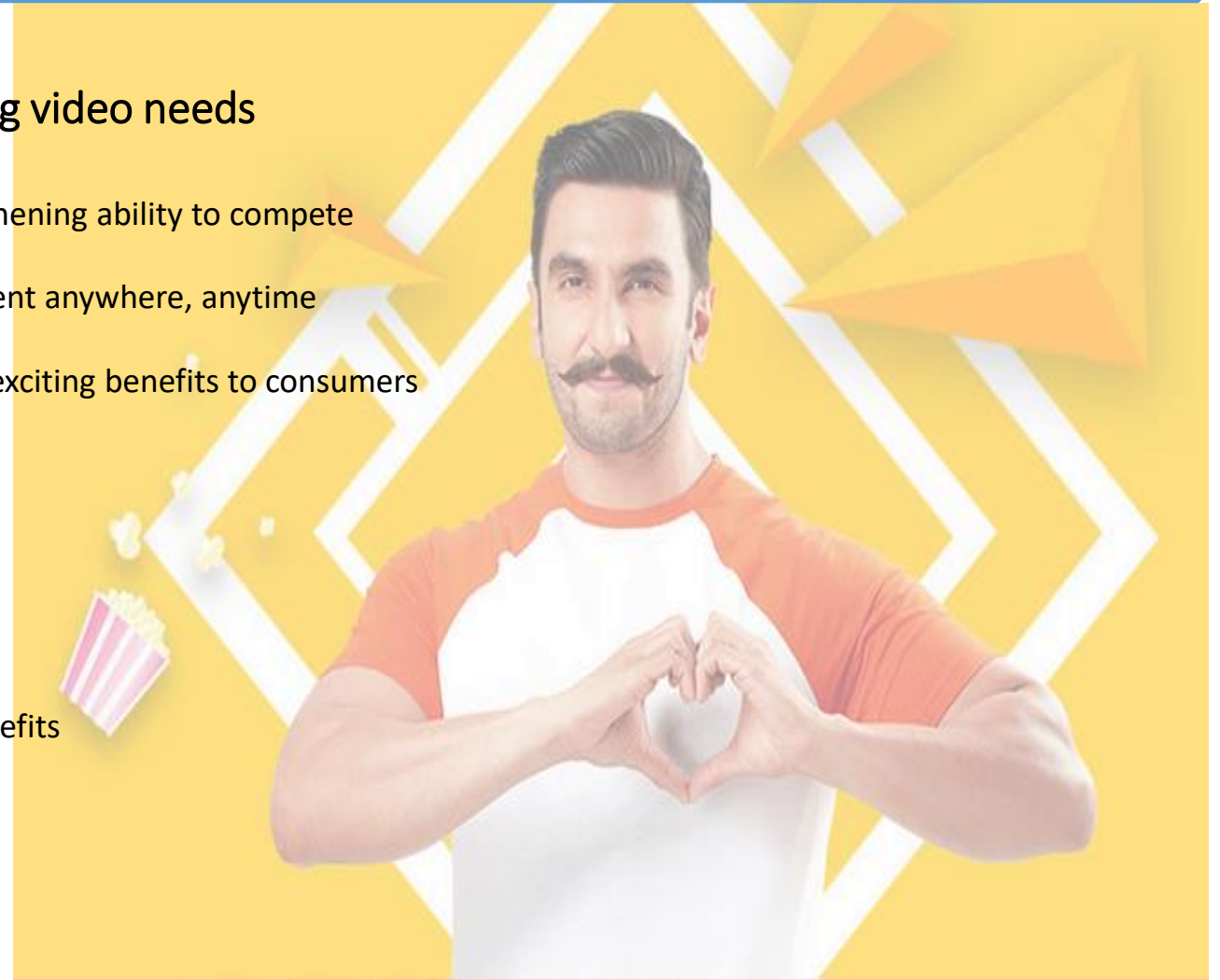
## Medium Term

### FY 2020-2021 – Well positioned to address evolving video needs

- Constant increase in content throughput and capacity; strengthening ability to compete
- Technological innovations to enable subscribers to watch content anywhere, anytime
- VDSP – Partnering with telcos and broadband players to offer exciting benefits to consumers
- Emerging as a stronger alternative to bundled offerings

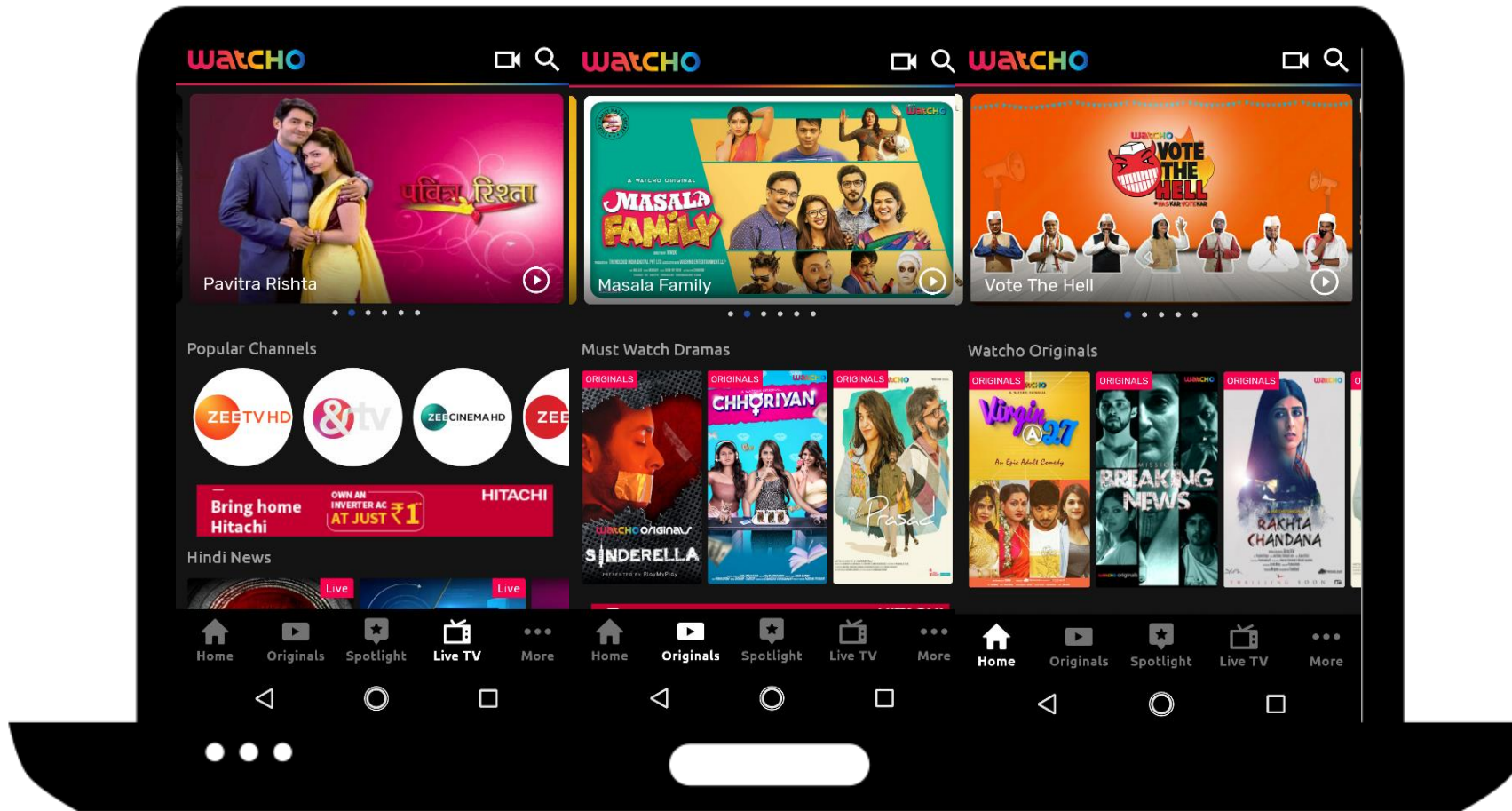
### FY 2022 – Established and unrivalled

- Leveraging the 23.9 million plus subscribers for competing benefits
- Overall margin expansion
- Solid and regular free cash flows



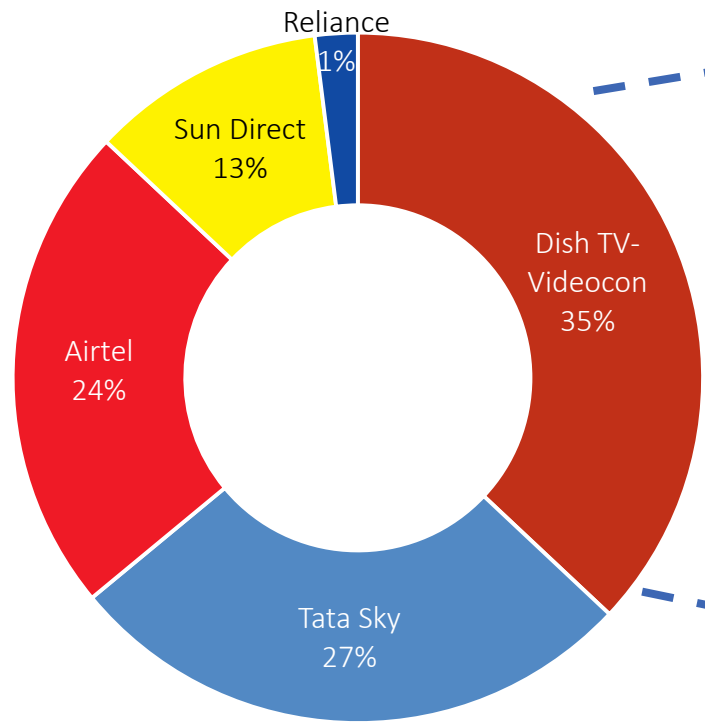
# Stay connected on the go - WATCHO

Personalized TV experience everywhere

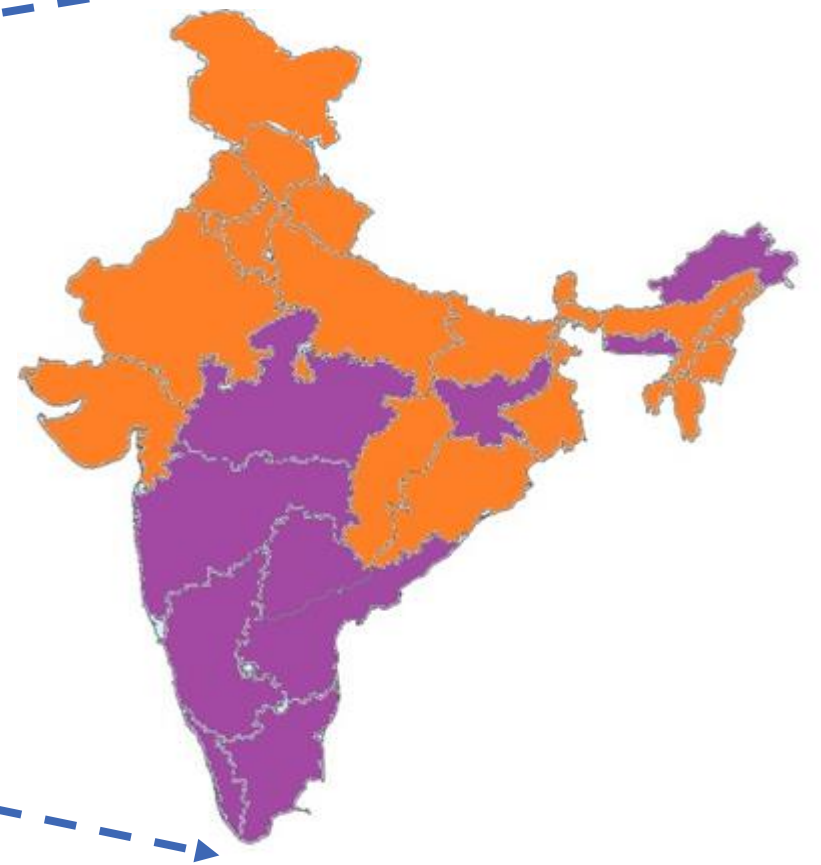


# Consolidation to lead to further value creation

Market Share (% of net subscribers)



*A combined entity with a significant presence across India*



*Higher market share of the combined entity to create synergies*

# New customer centric 'Dish Combos'



**Bharat Combo**  
@ Rs. 140\*



**Bharat Cricket**  
@ Rs. 157\*



**Swagat** @ Rs. 223\*



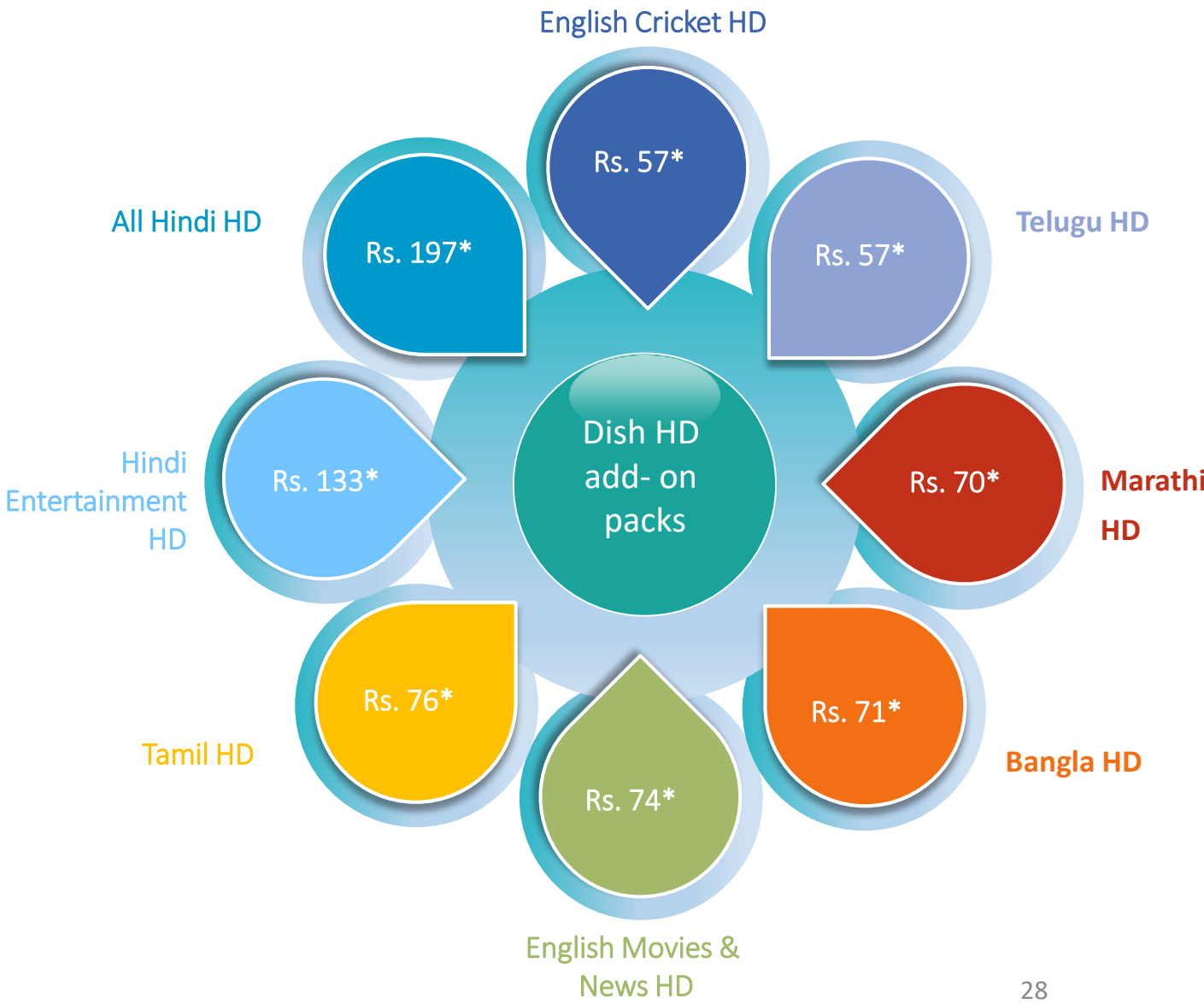
**Super Family** @  
Rs. 275\*



**Maxi Sports** @  
Rs. 326\*



**Super Sports**  
@ Rs. 386\*



\* Exclusive of taxes

# Our core values



**KEEP  
GROWING.  
STAY  
GROUNDED.**

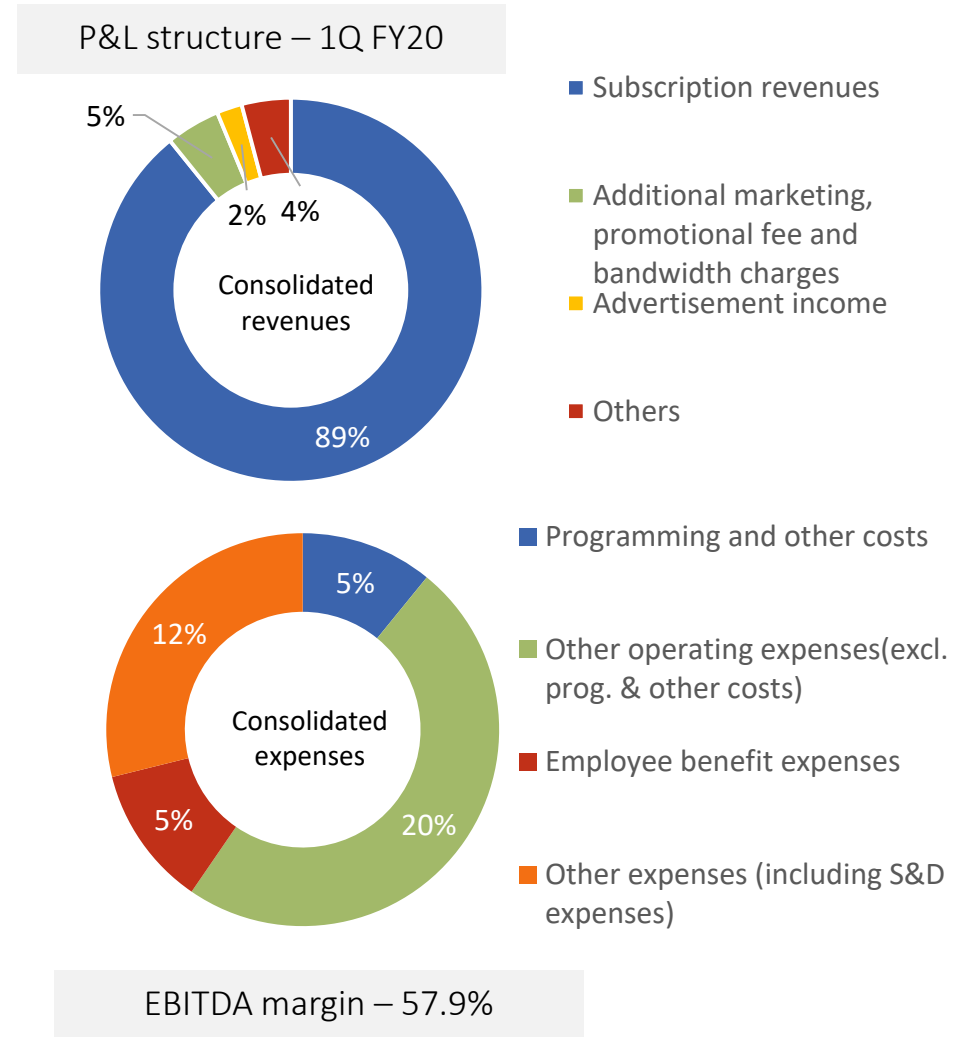
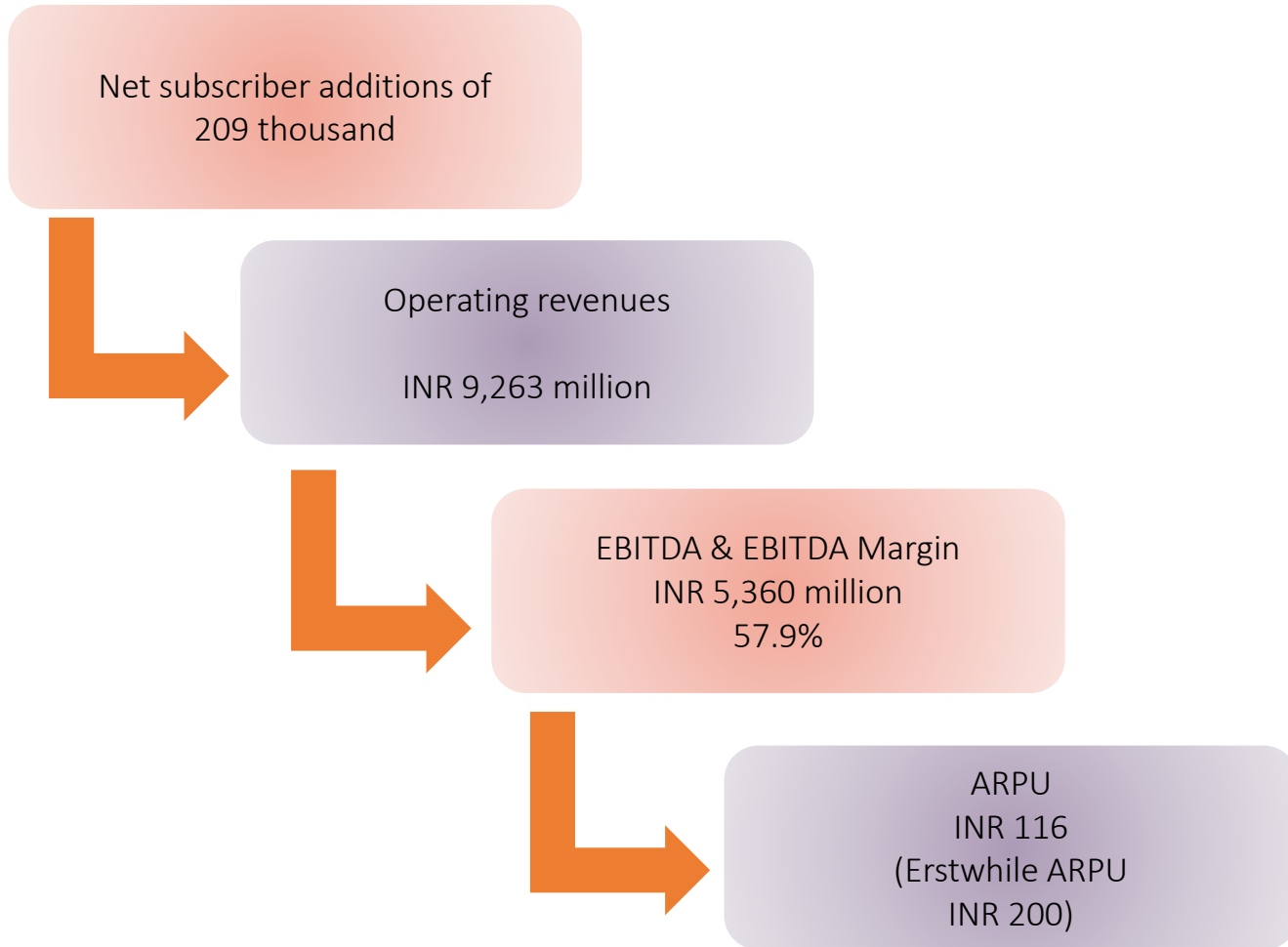
Values that make us extraordinary together



OUR CORE VALUES

# Financials

# Quarterly performance metrics

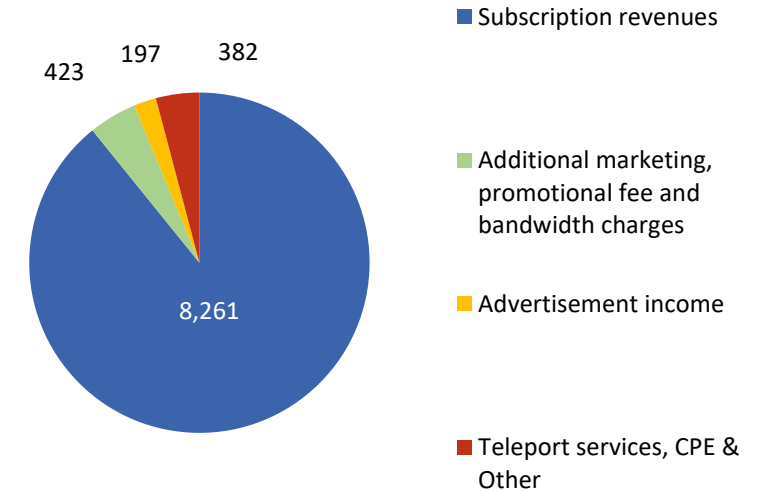


# Summarized Consolidated P&L - Quarterly

1QFY 2020 vs. 1QFY 2019

INR Million	Quarter ended June 2019	Quarter ended June 2018
Operating revenues	9,263	16,556
Expenditure	3,902	10,989
<b>EBITDA</b>	<b>5,360</b>	<b>5,568</b>
<b>EBITDA margin (%)</b>	<b>57.9</b>	<b>33.6</b>
Other income	46	157
Depreciation	3,629	3,608
Finance cost	1,468	1,775
Exceptional items	-	-
<b>Profit / (Loss) before tax</b>	<b>310</b>	<b>342</b>
Tax expense:		
- Current Tax	165	104
- Current Tax-prior years	-	-
- Deferred Tax	499	(18)
- Deferred Tax- prior years	-	-
<b>Net Profit / (Loss) for the period</b>	<b>(354)</b>	<b>255</b>

Operating revenues break-up  
(Rs. mn)

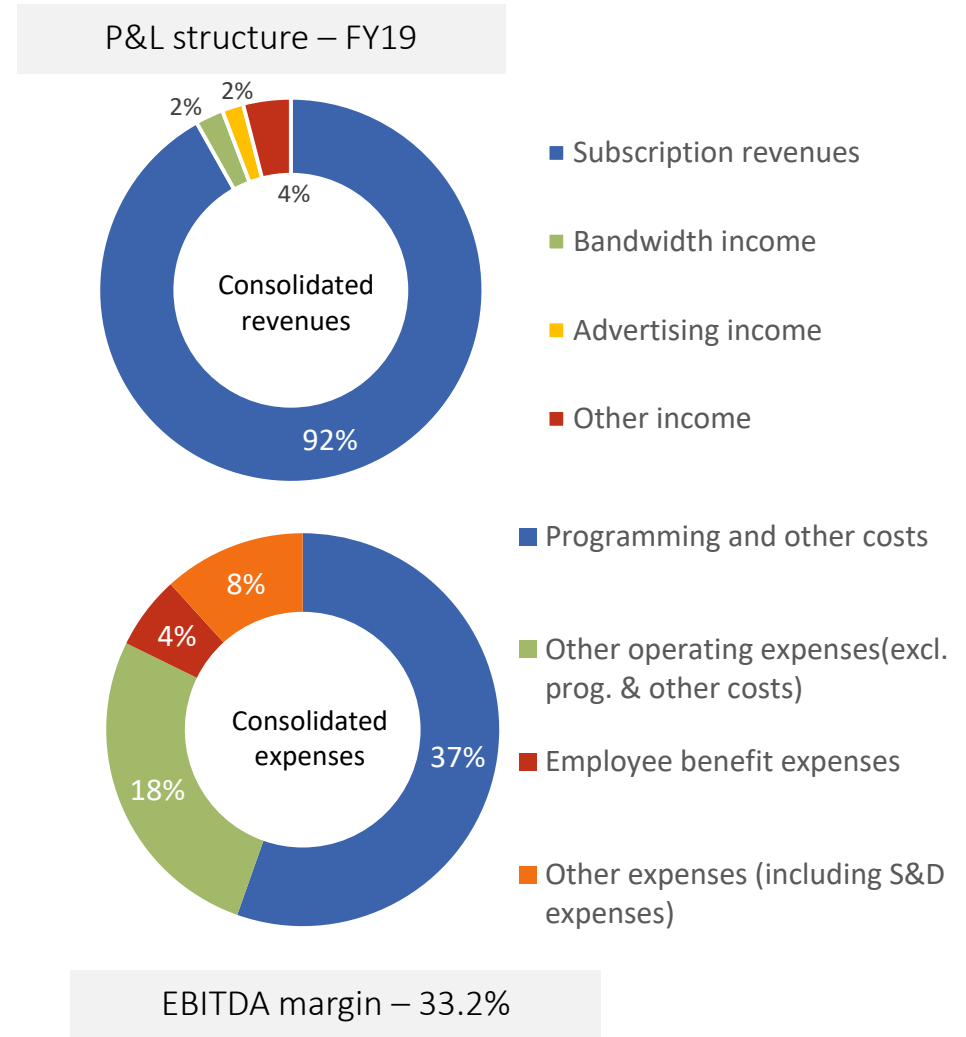
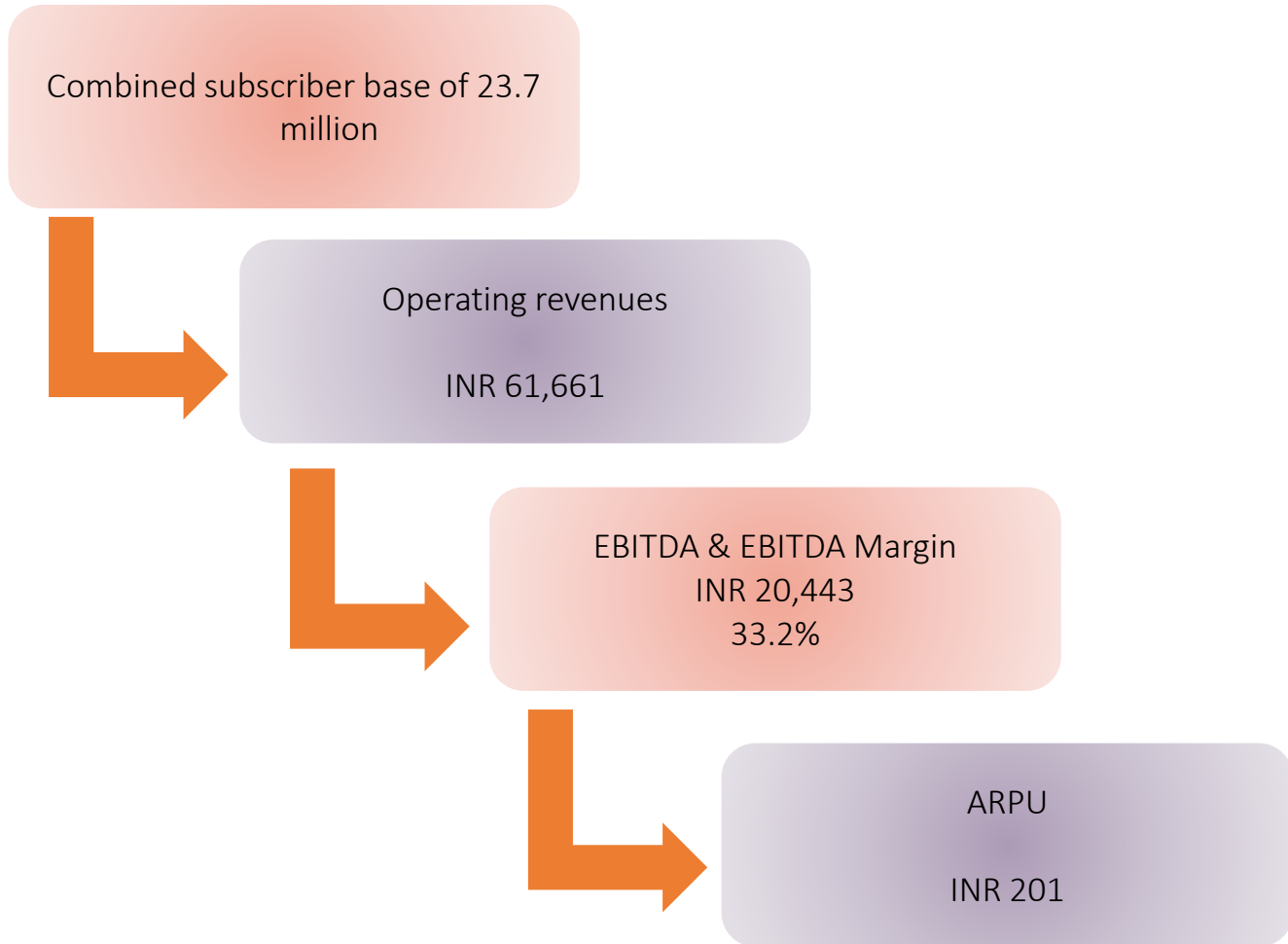


1QFY 2020

Owing to the netting off of programming cost from revenues, to better reflect the New Tariff Regime, operating revenues for the quarter are not comparable with the corresponding period last year. Had the Company continued to account for revenues and costs in terms with the erstwhile regime, revenue from operations as per standalone and consolidated results for the quarter ended 30 June 2019 would have been higher by Rs 6,019 mn, operating expenses would have been higher by Rs 6,620 mn and net profits would have been lower by Rs 472 mn.



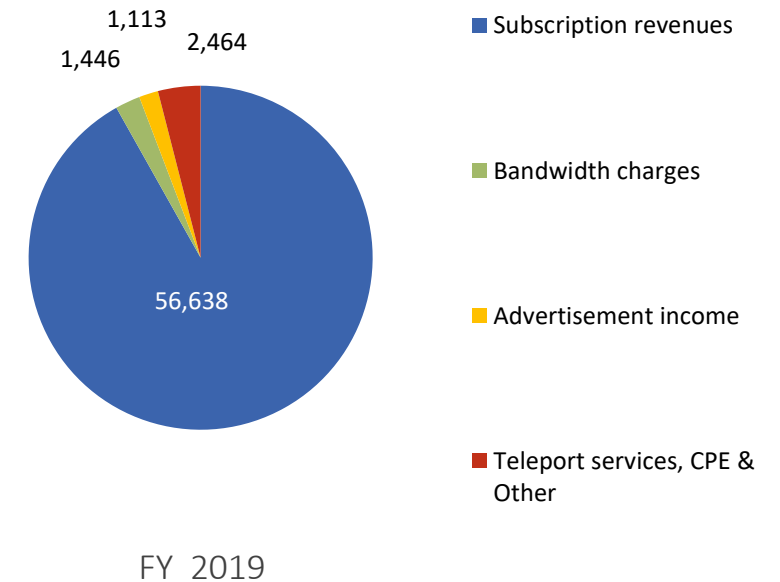
# Annual performance metrics



# Summarized Consolidated P&L- Annual

FY 2019 vs. FY 2018	Year ended Mar. – 2019	Year ended Mar. – 2018
<b>INR Million</b>		
Operating revenues	61,661	46,342
Expenditure	41,218	33,181
<b>EBITDA</b>	<b>20,443</b>	<b>13,160</b>
<b>EBITDA margin (%)</b>	<b>33.2</b>	<b>28.4</b>
Other income	521	542
Depreciation	14,409	10,717
Financial expenses	6,286	3,964
Exceptional items	15,624	-
<b>Profit / (Loss) before tax</b>	<b>(15,357)</b>	<b>(979)</b>
Current Tax	284	53
Current Tax-prior period	92	(30)
Deferred Tax	(4,099)	(166)
Deferred Tax- prior period	0	13
<b>Net Profit / (Loss) for the period</b>	<b>(11,634)</b>	<b>(849)</b>

Operating revenues break-up  
(INR Mn.)



# Consolidated Balance Sheet

INR Million	March 2019 (Audited)
<b>Equity and liabilities</b>	
Equity	
(a) Equity share capital	1,841
(b) Other equity	53,087
Equity attributable to owners of Holding Company	54,928
(c) Non-controlling interest	(346)
Liabilities	
(1) Non-current liabilities	
(a) Financial liabilities	
(i) Borrowings	12,393
(ii) Other financial liabilities	-
(b) Provisions	273
(c) Other non-current liabilities	363
(2) Current liabilities	
(a) Financial liabilities	
(i) Borrowings	6,914
(ii) Trade payables	
Total outstanding dues of micro enterprises and small enterprises	22
Total outstanding dues of creditors other than micro & small enterprises	13,877
(iii) Other financial liabilities	14,584
(b) Other current liabilities	7,867
(c) Provisions	32,609
(d) Current tax liabilities (net)	227
<b>Total Equity &amp; Liabilities</b>	<b>1,43,711</b>

INR Million	March 2019 (Audited)
<b>Assets</b>	
(1) Non-current assets	
(a) Property, plant & equipment	33,489
(b) Capital work in progress	7,666
(c) Goodwill	47,325
(d) Other intangible assets	21,538
(e) Financial assets	
(i) Investments	0
(ii) Loans	113
(iii) Other financial assets	122
(f) Deferred tax assets (net)	9,993
(g) Current tax assets (net)	1,226
(h) Other non-current assets	1,798
 (2) Current assets	
(a) Inventories	247
(b) Financial assets	
(i) Investments	-
(ii) Trade receivables	1,406
(iii) Cash and cash equivalents	927
(iv) Bank balances	780
(v) Loans	120
(vi) Other financial assets	10,567
(c) Other current assets	6,396
<b>Total assets</b>	<b>1,43,711</b>

**Thank You**