

DISH TV INDIA LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED SEPTEMBER 30, 2019

BUILDING ON ITS STRENGTHS

251 THOUSAND NET ADDS IN H1; H2 EXPECTED TO BE MUCH STRONGER

SUBSCRIPTION REVENUES OF Rs. 7,920 MILLION

OPERATING REVENUES OF Rs. 8,932 MILLION

EBITDA OF Rs. 5,205 MILLION

EBITDA MARGIN AT 58.3 %

2Q FY20 Highlights

- ❖ 42 thousand net subscriber additions during the quarter. Closing net subscriber base of 23.94 million.
- ❖ Subscription revenues of Rs. 7,920 million
- ❖ Operating revenues of Rs. 8,932 million
- ❖ EBITDA of Rs. 5,205 million
- ❖ EBITDA margin at 58.3%

NOIDA, India; November 14, 2019 - Dish TV India Limited (BSE: 532839, NSE: DISHTV, LSE: DTVL) today reported second quarter fiscal 2020 consolidated unaudited subscription revenues of Rs. 7,920 million and operating revenues of Rs. 8,932 million. EBITDA for the quarter stood at Rs. 5,205 million.

With programming cost becoming a pass-through item in the New Tariff Regime, subscription and operating revenues for the quarter are not comparable with the corresponding period last year.

The Board of Directors in its meeting held today, has approved and taken on record the unaudited consolidated financial results of Dish TV India Limited and its subsidiaries for the quarter ended September 30, 2019.

Building on its Strengths

The seasonally weak second quarter came bundled with other external challenges this time. Slowing subscriber additions due to a not so robust macro-economic environment, price undercutting by peers, along with heavy rains and flooding in many parts of the country made subscriber acquisitions and retention a challenging task. Dish TV India Limited however chose to be resilient making the best of every opportunity coming its way.

The Company, notwithstanding any of these, added 42 thousand subscribers at a net level during the second quarter. Churn, though higher, was on expected lines. Total net subscriber base at the end of the quarter was 23.94 million.

“Setting aside the price undercutting resorted to by some peers in parts of the country, Dish TV India maintained a fine balance between subscriber acquisition and the cost of such acquisition. The Company intentionally avoided adding extremely value conscious subscribers,” said Mr. Anil Dua, Group CEO, Dish TV India Limited.

Financial performance during the quarter was a mixed bag with the EBITDA margin strengthening further while absolute revenues and EBITDA remained on the softer side.

Subscription revenues for the quarter stood at Rs. 7,920 million. Prolonged monsoon resulted in recharge delays impacting subscription revenues for the quarter. The absence of big ticket sporting events like the Cricket World Cup also impacted subscription revenues and churn reported during the second quarter, as compared to the previous quarter.

EBITDA for the quarter was Rs. 5,205 million with a strong EBITDA margin of 58.3%. H1 FY20 EBITDA added up to Rs. 10,565 million.

A temporarily dried-up credit line, due to factors beyond the operational performance of the Company, led to an increase in payables. Payable days are expected to be normalized by the end of the fiscal.

Widening the portfolio of offering for its subscribers, Dish TV India launched its much awaited Smart Connected Devices comprising of the *Dish SMRT Hub* Android set-top box and *Dish SMRT Kit* - a voice enabled dongle with an Amazon Alexa powered remote across 20 carefully selected locations in the country. The Company registered an encouraging response for both the next generation products and aims to address a 5 million market for the *Dish SMRT Kit* along with virtually the entire market of broadband connected houses with the *Dish SMRT Hub*.

During the quarter, Dish TV’s OTT platform, *Watcho*, won the ‘Best Content in an Influencer Marketing Campaign’ award for the original comedy show ‘Vote The Hell’, under the best co-created content category. The company intends to carve out a niche for itself in the fast growing OTT space and is aiming to launch select original web series in the coming months on its OTT platform.

As the government lays out the next round of measures for the economy, shifting focus to fueling demand and consumption, consumer optimism and willingness to spend should soon come back to normal. The onset of festivals at the end of the second quarter gave an early indication of normalcy in the coming months.

“The Company, in a bid to elevate the festive fervour, launched special combos and exciting offers catering to the needs of customers across various segments. The new festive packages have been designed keeping in mind the diverse choice of content across various segments and should further strengthen our base across the country,” added, Mr. Dua

Consultation Paper on New Tariff Order Related Issues

The intent and objective of the New Tariff Order, apart from providing a level playing field for all stakeholders in the television space, was to provide choice to the consumers. Amongst other issues, the New Tariff Order aimed at removing the anomaly related to indirect forcing of unwanted channels to consumers instead of providing a choice of ala-carte.

TRAI's recent floatation of a Consultation Paper on Tariff Related Issues for Broadcasting and Cable Services seems to take stock of the real world implementation of the Tariff Order and the glaring issues that have continued to exist in the New Regime.

Dish TV India welcomed the Authority for undertaking this exercise and while submitting its response to the Consultation hoped for a linkage between the prices of bouquets and its constituent channels as provided in one of the clauses of the Tariff Order.

The Company strongly believes that the Regulation should be implemented in entirety and subscribers should not end up paying for unwanted channels.

Mr. Jawahar Goel, CMD, Dish TV India Limited, said, "It is evident that even in the New Regime, there has been a propensity to push low rated channels into bouquets with the objective of increasing the viewership of high rated channels. If the Regulation gets implemented in entirety, there would be better pricing that would ensure wider consumption of channels. Content would be subject to subscriber's filtration and as a distributor we would only be procuring popular content that sells."

Dish Smart Connected Devices

With an aim to enhancing the TV viewing experience and strengthening its product portfolio, Dish TV India launched a range of smart connected devices recently.

The Company launched Dish SMRT Hub, an Android TV 9.0 powered hybrid HD set top box at an offer price of Rs. 3,999 for new and Rs. 2,499 for existing subscribers. The set-top-box can convert an ordinary TV into an Android powered smart-TV to enable online content, games and smart services through the Google Play Store. Built-in Chromecast allows users to stream content from any device directly on the big screen without any lag.

Available with native support for video content OTT platforms, the Integrated Google Assistant converts this box into a smart home hub, enabling users to control their smart homes with a single remote and do a lot more with their TV.

Dish TV India also launched Dish SMRT Kit, with built-in Amazon ALEXA at an introductory price of Rs. 1,199. The device is the first ever Alexa enabled device for a DTH platform in India and can transform an existing Dish TV set-top-box into an Alexa enabled connected box to access popular OTT apps, 30,000 plus Alexa Skills and smart home functionalities.

For its d2h customers, Dish TV India launched a voice enabled search and information access skill for Amazon Alexa. The d2h skill will allow subscribers to use voice commands through Alexa to surf a wide range of content, get up-to-date information of their d2h account, set reminders for their favorite programs, get recommendations on trending programs, do basic trouble shooting and a lot more through Alexa enabled devices.

The Company also launched ‘d2h Magic’ streaming device for its d2h subscribers with an introductory price of Rs. 399 and a nominal subscription price of Rs. 25 plus taxes per month post three months of free preview period. It will allow customers to access digital video streaming and OTT apps on their existing d2h set-top-box.

Commenting on the launch of connected devices, Mr. Anil Dua, said, “We are delighted with the launch of the most advanced Android powered set-top-box and the Alexa built-in smart kit for our existing as well as potential customers. These devices eliminate the hassle of switching between linear TV and OTT Apps by effectively combining the two through a single entertainment device. With the launch of these devices, Dish TV India now has the best range of connected devices, apps and services in the industry enabling it to give more choice, quality and value to its customers.”

“We plan to make it big in the connected devices space by leveraging our distribution strength and operational efficiencies,” added Mr. Dua.

Active Services for Building New Revenue Streams

Dish TV India Limited, launched a new value added service ‘Shorts TV Active’ in partnership with ShortsTV, the world’s only TV channel dedicated to short movies. With the launch of this new service, customers can now enjoy uncluttered ad-free HD films packed with 10,000+ premium movie titles. The service is available at a nominal subscription price of Rs.59 plus taxes per month.

The company also introduced regional value added services in the form of ‘Punjabi Active’ and ‘Telugu Active’ for its Punjabi and Telugu speaking viewers. Both services offer unique and engaging content including chat shows of top celebrities, behind-the-scenes of new movies, action and comedy scenes, chat shows and songs on both Dish TV and d2h platform.

Dish TV India intends to leverage these value added services to drive incremental growth in revenues.

Condensed Quarterly Statement of Operations

The table below shows the condensed consolidated statement of operations for Dish TV India Limited for the second quarter ended September 30, 2019 compared to the quarter ended September 30, 2018:

Rs. million	Quarter ended	Quarter ended	% Change
	Sept. 2019	Sept. 2018	Y-o-Y
Subscription revenues	7,920	14,536	(45.5)
Operating revenues	8,932	15,943	(44.0)
Expenditure	3,727	10,537	(64.6)
EBITDA	5,205	5,406	(3.7)
Other income	36	147	(75.5)
Depreciation	3,687	3,675	0.3
Financial expenses	1,382	1,592	(13.1)

Profit / (Loss) before exceptional items & tax	171	286	(40.2)
Exceptional items	-	-	-
Profit / (Loss) before tax	171	286	(40.2)
Tax expense:			
- Current tax	(165)	125	-
- Current tax -prior years	-	-	-
- Deferred tax	1,300	(36)	-
- Deferred Tax -prior years	-	-	-
Profit / (Loss) for the period	(964)	197	-

Note: 1) Numbers in the table may not add up due to rounding-off.
2) Previous year figures have been regrouped wherever necessary.

Revenues

Dish TV's operating revenues include subscription revenues, additional marketing, promotional fees & bandwidth charges, advertisement income and other income. The table below shows each as a percentage of operating revenues:

Rs. million	Quarter ended	% of	Quarter ended	% of	% change
	Sept 2019	Revenue	Sept 2018	Revenue	Y-o-Y
Subscription revenues	7,920	88.7	14,536	91.2	(45.5)
Additional marketing, promotional fee and bandwidth charges	339	3.8	373	2.3	(9.4)
Advertisement income	355	4.0	226	1.4	57.2
Other income	319	3.6	807	5.1	(60.5)
Total revenues	8,932	100.0	15,943	100.0	(44.0)

Note: 1) Numbers in the table may not add up due to rounding-off.
2) Previous year figures have been regrouped wherever necessary.

Expenditure

Dish TV's primary expenses include cost of goods and services, personnel cost and other expenses. The table below shows each as a percentage of operating revenues:

Rs. million	Quarter ended	% of	Quarter ended	% of	% change
	Sept. 2019	Revenue	Sept. 2018	Revenue	Y-o-Y
Cost of goods & services	1,940	21.7	8,672	54.4	(77.6)
Personnel cost	440	4.9	626	3.9	(29.7)
Other expenses (Including S&D exp.)	1,346	15.1	1,238	7.8	8.7

Total expenses	3,727	41.7	10,537	66.1	(64.6)
-----------------------	-------	------	--------	------	--------

Note: 1) Numbers in the table may not add up due to rounding-off.
2) Previous year figures have been regrouped wherever necessary.

Condensed Balance Sheet

The table below shows the consolidated balance sheet as on September 30, 2019 and March 31, 2019:

Rs. million	As on Sept. 30, 2019 (Unaudited)	As on March 31, 2019 (Audited)
Equity and liabilities		
Equity		
(a) Equity share capital	1,841	1,841
(b) Other equity	51,859	53,059
(c) Non-controlling interest	(419)	(346)
Liabilities		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	8,250	12,393
(ii) Other financial liabilities	17	-
(b) Provisions	267	273
(c) Other non-current liabilities	333	363
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	7,383	6,914
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	3	22
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,320	13,877
(iii) Other financial liabilities	12,274	14,584
(b) Other current liabilities	7,463	7,867
(c) Provisions	34,388	32,609
(d) Current tax liabilities (net)	229	227
Total Equity & Liabilities	1,40,208	1,43,683
Assets		
(1) Non-current assets		
(a) Property, plant & equipment	31,437	33,489
(b) Capital work in progress	7,370	7,666

(c) Right of use assets	259	-
(d) Goodwill	47,324	47,325
(e) Other intangible assets	20,828	21,538
(f) Financial assets		
(i) Investments	0	0
(ii) Loans	106	113
(iii) Other financial assets	73	122
(g) Deferred tax assets (net)	8,374	9,965
(h) Current tax assets (net)	1,117	1,226
(i) Other non-current assets	1,515	1,798
(2) Current assets		
(a) Inventories	235	247
(b) Financial assets		
(i) Investments	-	-
(ii) Trade receivables	1,473	1,406
(iii) Cash and cash equivalents	697	927
(iv) Other bank balances	671	780
(v) Loans	175	120
(vi) Other financial assets	13,075	10,567
(c) Other current assets	5,479	6,396
Total assets	1,40,208	1,43,683

Note: 1) Numbers in the table may not add up due to rounding-off.
2) Previous year figures have been regrouped wherever necessary.



Footnotes:

- 1) This Earnings Release contains consolidated unaudited results that are prepared as per Indian Accounting Standards (Ind-AS).

Caution Concerning Forward-Looking Statements:

This document includes certain forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause Dish TV's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Dish TV's present & future business strategies and the environment in which Dish TV will operate in the future. Among the important factors that could cause Dish TV's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the condition of and changes in India's political and economic status, government policies, applicable laws, the Indian media and entertainment sectors, and international and domestic events having a bearing on Dish TV's business and the media and entertainment sectors, particularly in regard to the progress of changes in those sectors' regulatory regimes, and such other factors beyond Dish TV's control. Dish TV India Limited is under no obligation to and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

About Dish TV India Limited:

Dish TV India Limited is India's leading direct-to-home (DTH) Company with a subscriber base of more than 23.94 million. Dish TV India Limited owns multiple individual brands like Dish TV, Zing and d2h under its umbrella. The company benefits from multiple satellite platforms including SES-8, GSAT-15 and ST-2 and has a bandwidth capacity of 1278 MHz, the largest held by any DTH player in the country. Dish TV India Limited has on its platform more than 700 channels & services including 31 audio channels and 71 HD channels & services. The Company has a vast distribution network of over 3,600 distributors & around 399,000 dealers that span across 9,400 towns in the country. Dish TV India Limited is connected with its pan-India customer base through call-centres that are spread across 22 cities and are equipped to handle customer queries 24X7 in 12 different languages. For more information on the Company, please visit www.dishtv.in