

DISH TV INDIA LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED DECEMBER 31, 2019

STEADY PROGRESS DESPITE MACRO HEADWINDS

OPERATING REVENUES OF Rs. 8,678 MILLION

SUBSCRIPTION REVENUES OF Rs. 7,982 MILLION

EBITDA OF Rs. 5,056 MILLION

EBITDA MARGIN AT 58.3 %

3Q FY20 Highlights

- ❖ Subscription revenues of Rs. 7,982 million
- ❖ Operating revenues of Rs. 8,678 million
- ❖ EBITDA of Rs. 5,056 million
- ❖ EBITDA margin maintained at 58.3%

NOIDA, India; February 12, 2020 - Dish TV India Limited (BSE: 532839, NSE: DISHTV, LSE: DTVL) today reported third quarter fiscal 2020 consolidated unaudited subscription revenues of Rs. 7,982 million, up 0.8% Q-o-Q and operating revenues of Rs. 8,678 million. EBITDA for the quarter stood at Rs. 5,056 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 December 31, 2019.

Steady Progress despite Macro Headwinds

The eagerly awaited third quarter did not turn out to be the typical star performer of the fiscal this year. As consumer sentiment remained cautious amidst a not so robust macro economy, all businesses including the television industry found the going to be tough.

Television, one could argue, should not really take the brunt of weak economic indicators. True, but with subscription growth linked to higher demand for pay channels, growth in households opting for pay-tv, wider adoption of high-definition offerings and proliferation of multi-tv households, the propensity to spend on entertainment consumption does come into play.

In contrast to the typical festival seasonality, DTH industry saw a downturn in subscriber additions this quarter as compared to the previous quarter.

Dish TV India witnessed tapering subscriber acquisitions in the period post Diwali. This was despite a good start to the third quarter and an expectation that H2 of the fiscal should be much stronger than the modest first half.

Considering that the first half of the fiscal too was witness to a macroeconomic overhang, the third quarter faced the additional burden of complications arising on the cash flow front at the Company.

In the absence of fresh credit availability, due to reasons beyond its control, the Company had already been drawing on its internal cash accruals to fund essential capital expenditure for a significant period of time. A subsequent default in the payment of its short term loan amounting to Rs. 2,500 million led to a downgrade of its short-term banking facilities to 'CARE D' by Care Ratings Limited. The default, which was the result of a temporary cash shortfall further impacted the Company's aggressiveness to target available customers in the market.

Dish TV India Limited has since paid part of the overdue loan amount and is confident of clearing the balance overdue by the end of this month. Debt and interest payment obligations which fell due after the particular incident of non-service have also been fulfilled on time. Payments overdue to creditors are also being made as per the respective plan agreed with them.

"We are cautious but optimistic about improvement in our liquidity situation. We are in regular touch with lenders and hope to get alternate credit facilities to finance regular capex so as to normalize the utilization of cash flows towards debt repayment going forward," said, Mr. Anil Dua, Group CEO, Dish TV India Limited.

Putting aside any pessimism, Mr. Anil Dua, said, "I can see the silver lining clearly and that is the fact that we have an extremely strong subscriber base. Also, notwithstanding multiple video viewing platforms in the market today, television in its traditional form is not going anywhere. We continue to invest in the business with that belief. The result is that both Dish TV and d2h continue to be the preferred choice of pay-TV subscribers in their respective markets."

Realising that the short term may be riddled with macro-economic challenges, Dish TV India is focused on creating subscription packages that top the value for money quotient.

Total operating revenues for the quarter were Rs. 8,678 million. Subscription revenues Rs. 7,982 million, additional marketing, promotional and bandwidth fee Rs. 349 million and other operating income was Rs. 467 million.

EBITDA for the quarter was Rs. 5,056 million, with an EBITDA margin of 58.3 %.

NTO 2.0

The Telecom Regulatory Authority of India (TRAI) on January 1, 2020 made further amendments to the New Tariff Order (NTO) that had recently come into effect on February 1, 2019.

The Tariff (Second Amendment) Order, 2020, commonly referred to as NTO 2.0 has been notified to come into force on March 1, 2020.

As per the Regulator, issues such as discount structure on bouquet pricing, ceiling price of a channel for inclusion in a bouquet, number of channels in initial network carriage fees of Rs. 130, formation of bouquets by broadcasters/ distributors etc. have been considered and notified in NTO 2.0

The Order, however, has been challenged in different courts across the country and is yet to be heard.

Commenting on NTO 2.0, Mr. Jawahar Goel, CMD, Dish TV India Limited, said, “We would be watching the developments on the litigation front for now.”

Product Enhancements and Partnerships

Watcho, the OTT platform of Dish TV India, crossed the 1 million user milestone during the quarter. The Company expanded the footprint of *Watcho* on leading technology platforms like Amazon Fire TV Stick, Huawei App Store, Dish SMRT Hub and Dish SMRT Stick.

Mr. Anil Dua, said, “We are excited to present *Watcho* to a wider audience base. The platform has received a good reception since launch and growing demand to host it across platforms has been motivating us to make it better every day. We are confident that users will be delighted with the seamless experience of watching new-age and bite-sized video content of *Watcho* on the Amazon Fire TV stick, Huawei App Store, Dish SMRT Hub and the Dish SMRT Stick.”

In an endeavour to enable consumers to have a seamless TV & online viewing experience, Dish TV India launched ‘Orbit’, its new user interface (UI) for the recently launched SMRT & Magic range of connected products for both DishTV & d2h.

‘Orbit’ is packed with an array of exciting features which enable seamless user experience across the plethora of content from both traditional and online sources available on the platform.

Dish TV India collaborated with Tata Elxsi for carrying out the UX enhancements for its connected devices. The new interface will enhance content discovery, presentation, recommendation and navigation. It utilizes usage data and metadata in more intuitive and creative ways leveraging AI/ML capabilities of the platform including voice assistance.

Condensed Quarterly Statement of Operations

The table below shows the condensed consolidated statement of operations for Dish TV India Limited for the third quarter ended December 31, 2019 compared to the quarter ended December 31, 2018:

Rs. million	Quarter ended	Quarter ended	% Change
	Dec. 2019	Dec. 2018	Y-o-Y
Subscription revenues	7,982	14,126	(43.5)
Operating revenues	8,678	15,174	(42.8)
Expenditure	3,622	9,855	(63.2)
EBITDA	5,056	5,319	(5.0)
Other income	31	121	(74.4)

Depreciation	3,472	3,532	(1.7)
Financial expenses	1,369	1,444	(5.2)
Profit / (Loss) before exceptional items & tax	245	464	(47.1)
Exceptional items	-	-	-
Profit / (Loss) before tax	245	464	(47.1)
Tax expense:			
- Current tax	-	181	-
- Current tax -prior years	-	92	-
- Deferred tax	913	(1,281)	-
- Deferred Tax -prior years	-	(54)	-
Profit / (Loss) for the period	(668)	1,527	-

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
	Dec. 2019	Revenue	Dec. 2018	Revenue	Y-o-Y
Subscription revenues	7,982	92.0	14,126	93.1	(43.5)
Additional marketing, promotional fee and bandwidth charges	349	4.0	324	2.1	7.9
Advertisement income	(120)	(1.4)	300	2.0	-
Other income	467	5.4	425	2.8	9.9
Total revenues	8,678	100.0	15,174	100.0	(42.8)

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
	Dec. 2019	Revenue	Dec. 2018	Revenue	Y-o-Y

Cost of goods & services	1,910	22.0	8,145	53.7	(76.6)
Personnel cost	461	5.3	604	4.0	(23.6)
Other expenses (Including S&D exp.)	1,251	14.4	1,107	7.3	13.1
Total expenses	3,622	41.7	9,855	64.9	(63.2)

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



Footnotes:

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 and 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 3,700 distributors & around 400,000 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