

# 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.

# Investment rationale

## Strategic partnerships to fuel growth

Partnership with Amazon Prime Video, Amazon Alexa, ShortsTV, Zee5, Hungama Play, Voot, Sony Liv, Alt Balaji and many more

## Annuity business

Annuity business with significant Free Cash Flow potential

## Multiple product offerings

Portfolio of offerings; DTH service, smart connected devices, OTT platform – tapping on new growth opportunities

## Leading distribution platform in India

Amongst both cable TV and DTH players

## Supremacy in markets

Largely buffered from alternate technologies with supremacy in tier-2 and rural areas

## Growth

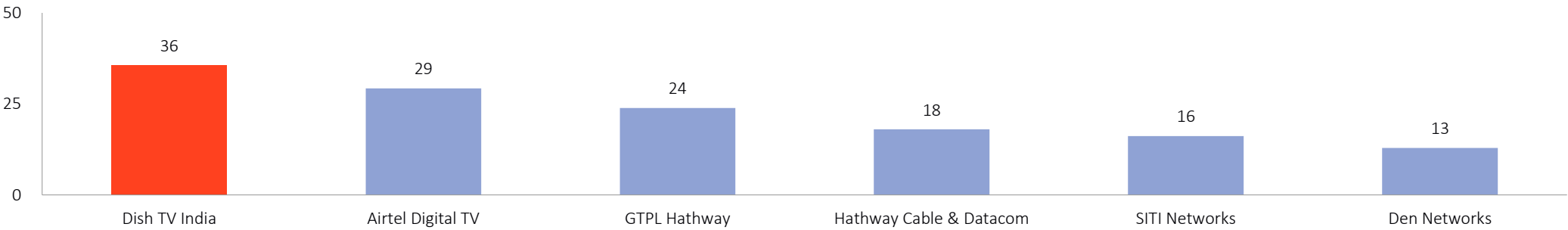
On course to deliver healthy growth and margins



# Leading distribution platform

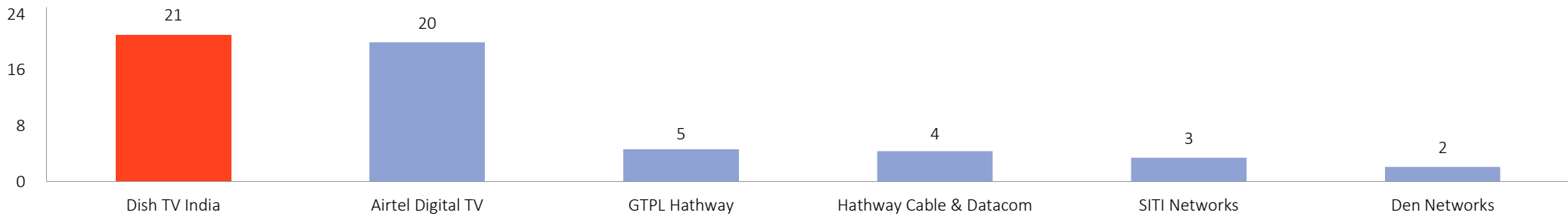
## Total Revenues (Rs Bn.)

Year ending 31 March 2020

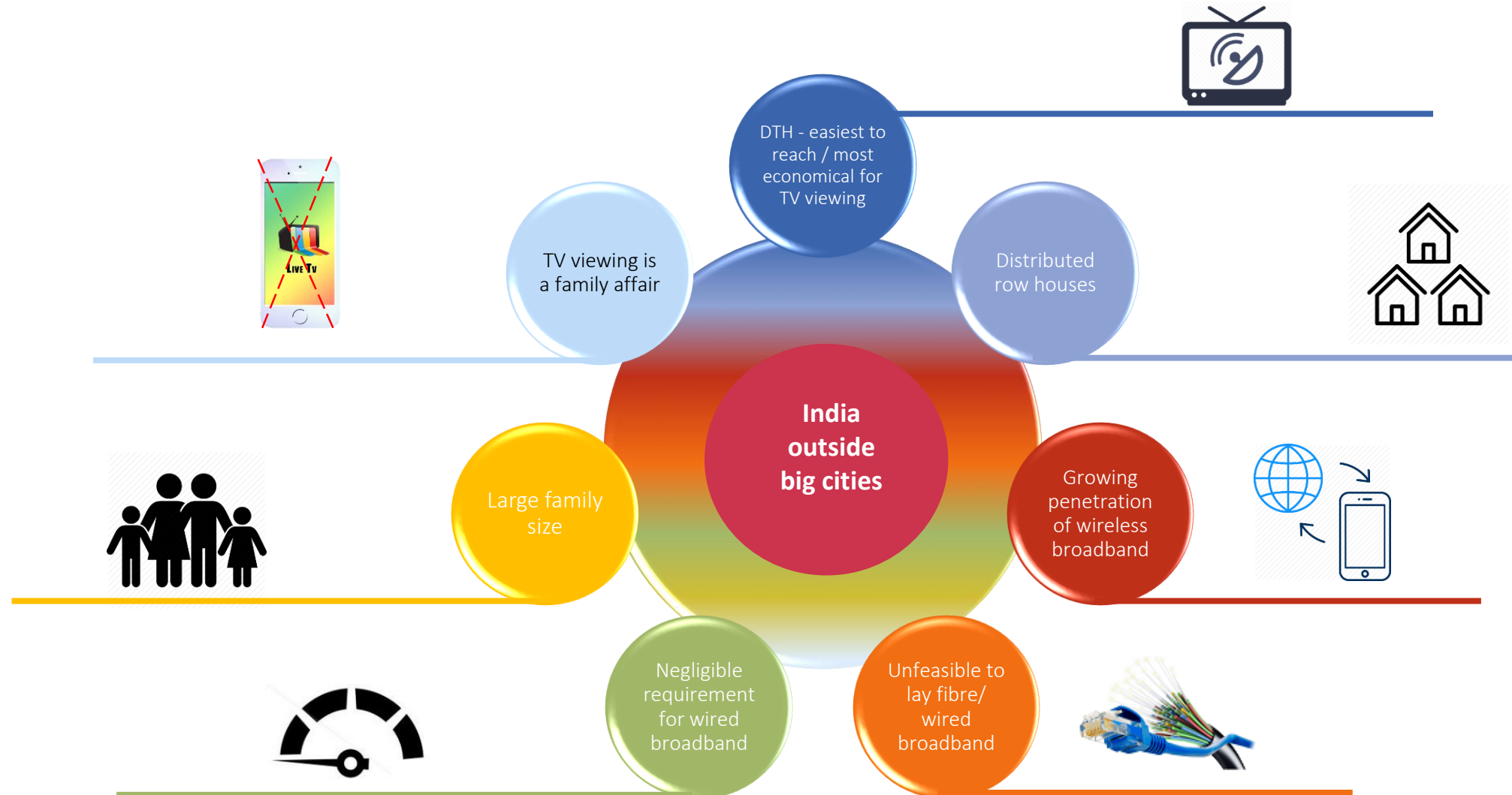


## EBITDA (Rs Bn.)

Year ending 31 March 2020



# Supremacy in tier-2 and rural areas



*Dish TV India has majority of its subscribers outside big cities, in tier-2 and rural areas*

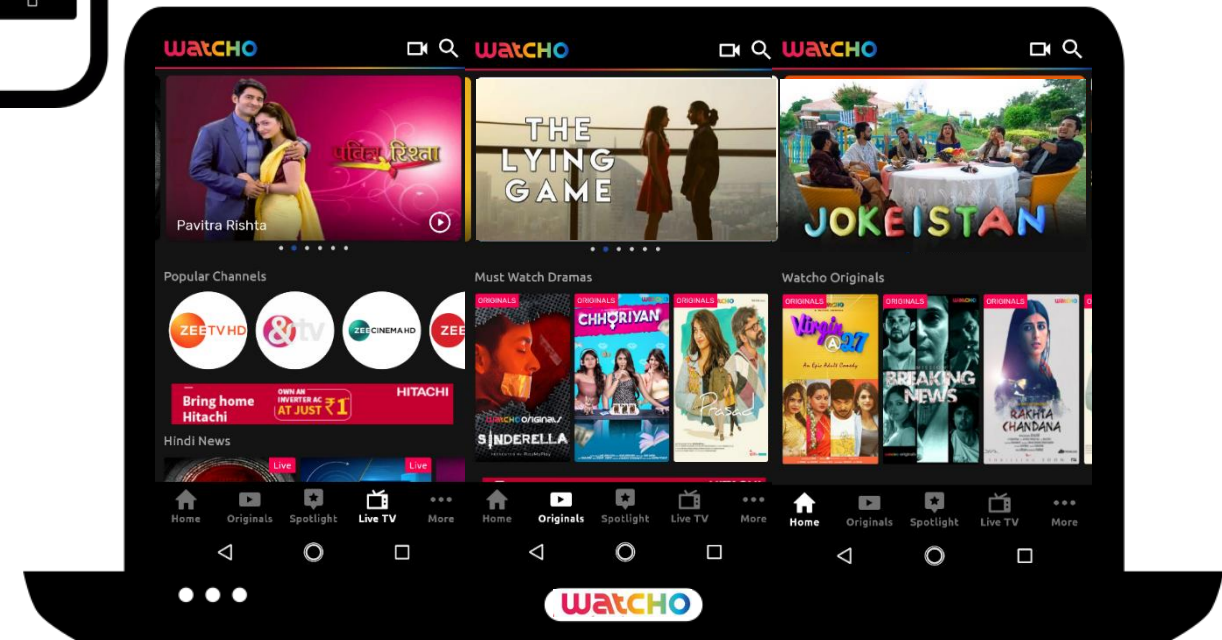


## Personalized TV experience everywhere

- The first OTT service to feature user generated content allowing users to create and upload their own content
- Focused on short format storytelling - apt for digital consumption
- 22 original shows and 1000+ hours of library content including movies and short films
- Content availability across various genres including but not limited to; Drama, Comedy, Thriller, Romance, Food, Fashion and Poetry



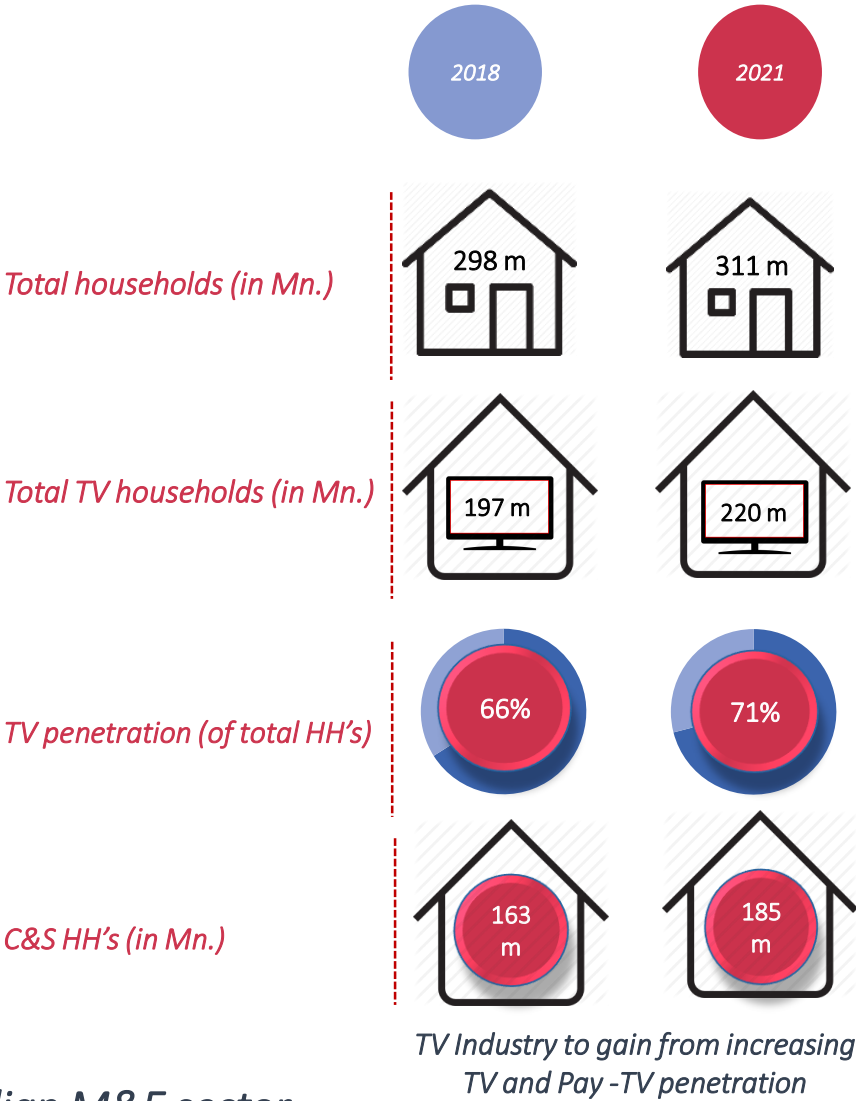
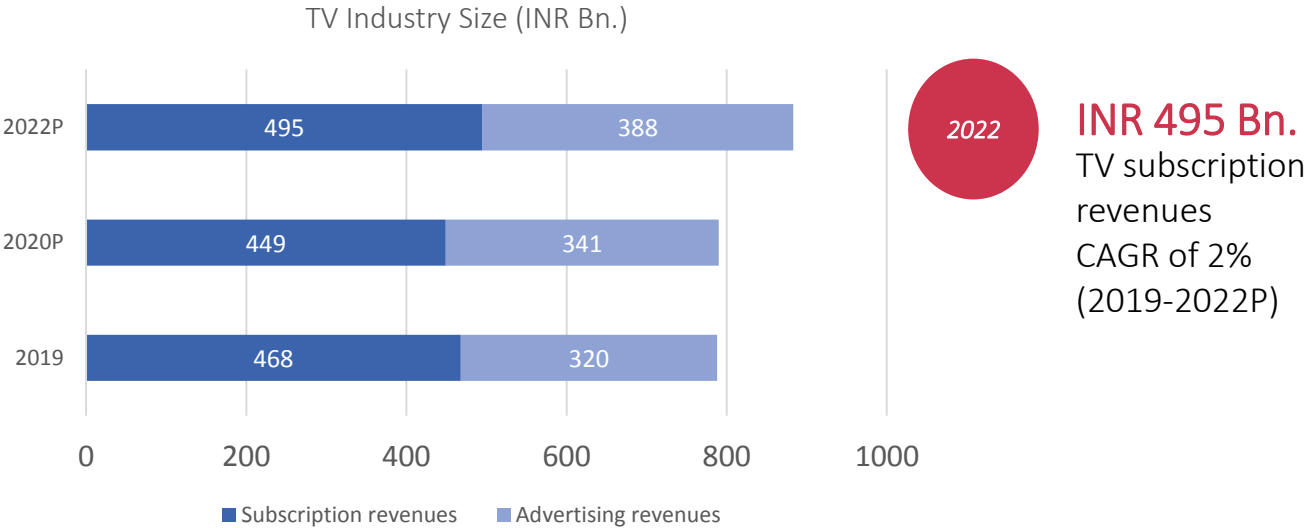
5 MILLION  
— HAPPY USERS —  
& Growing



# Indian TV Industry

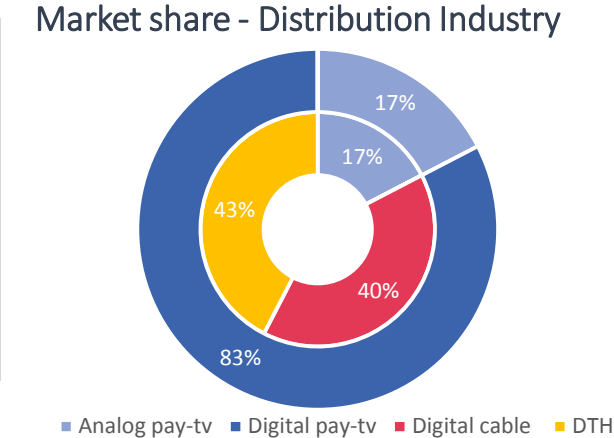


# The Indian TV industry



Broadcasting Industry

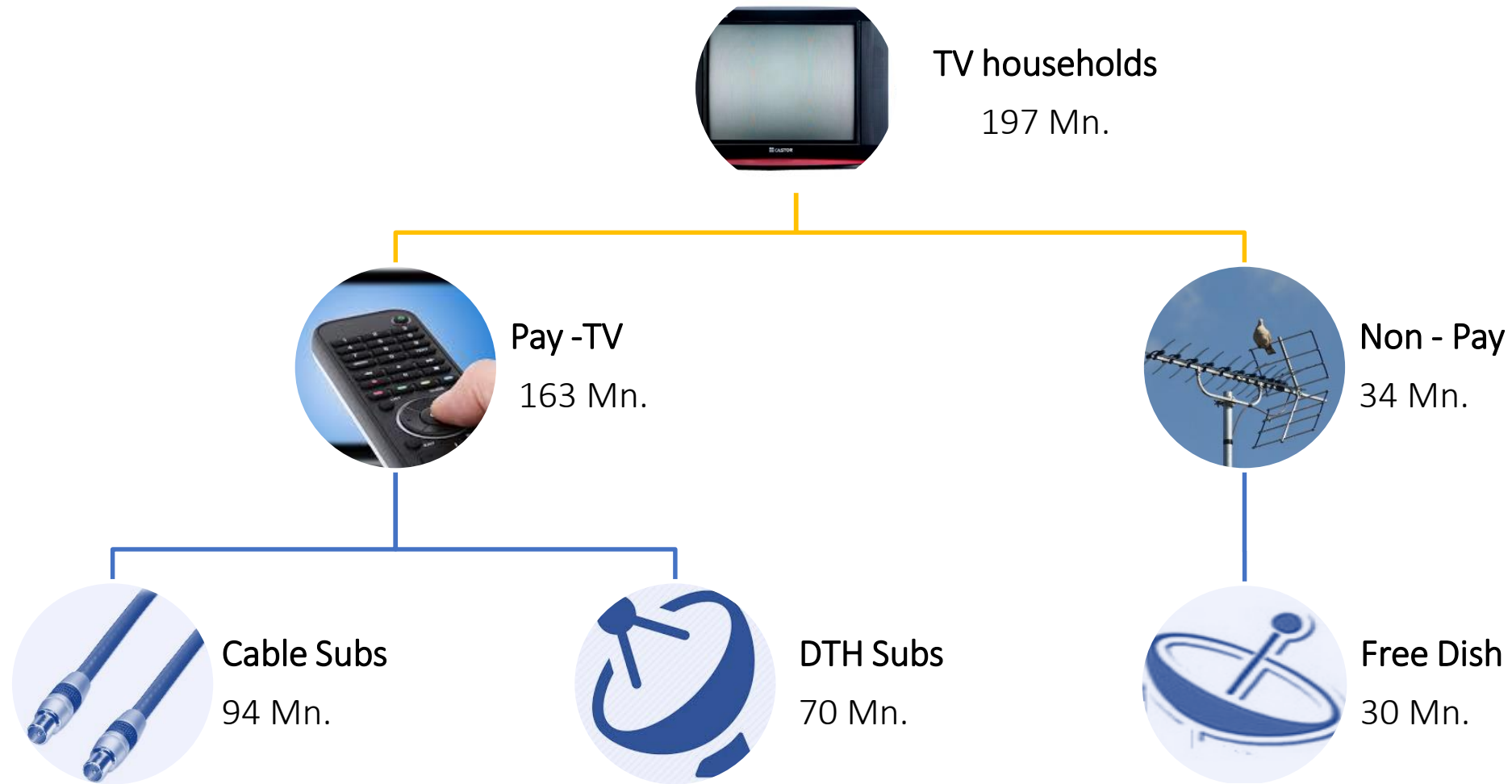
Multiple broadcasters, having 332 pay channels, 586 FTA channels, producing content in more than 15 languages



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

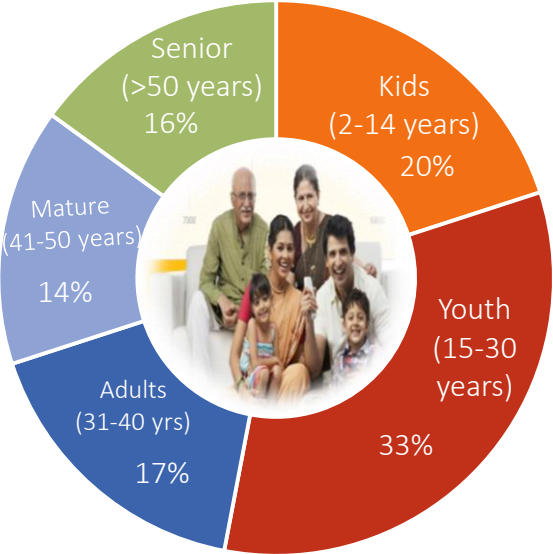
Source: TV industry size: FICCI-E&Y 2020; Households: BARC India Universe Update 2018; Distribution Industry: MPA Report 2018 & DTH: TRAI Dec. 2019 ; Pay & FTA channels :TRAI Dec. 2019

# TV viewing HHs - Pay & FTA

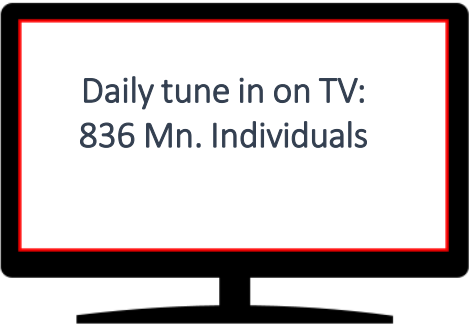
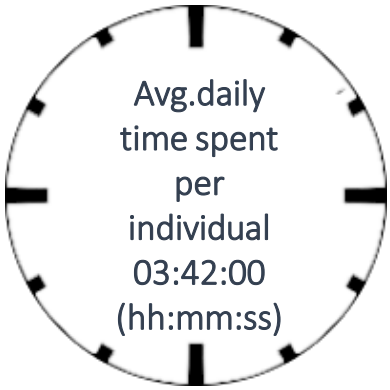


# TV viewing in India

Share of TV viewership universe across age groups

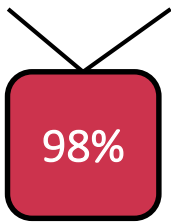


TV continues to remain the most popular form of entertainment

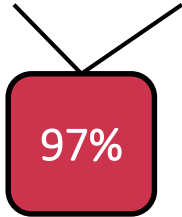


93% of all video content consumption happens through linear TV

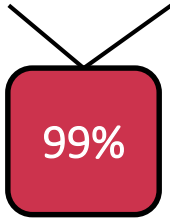
Percentage of single TV households



All India



Urban

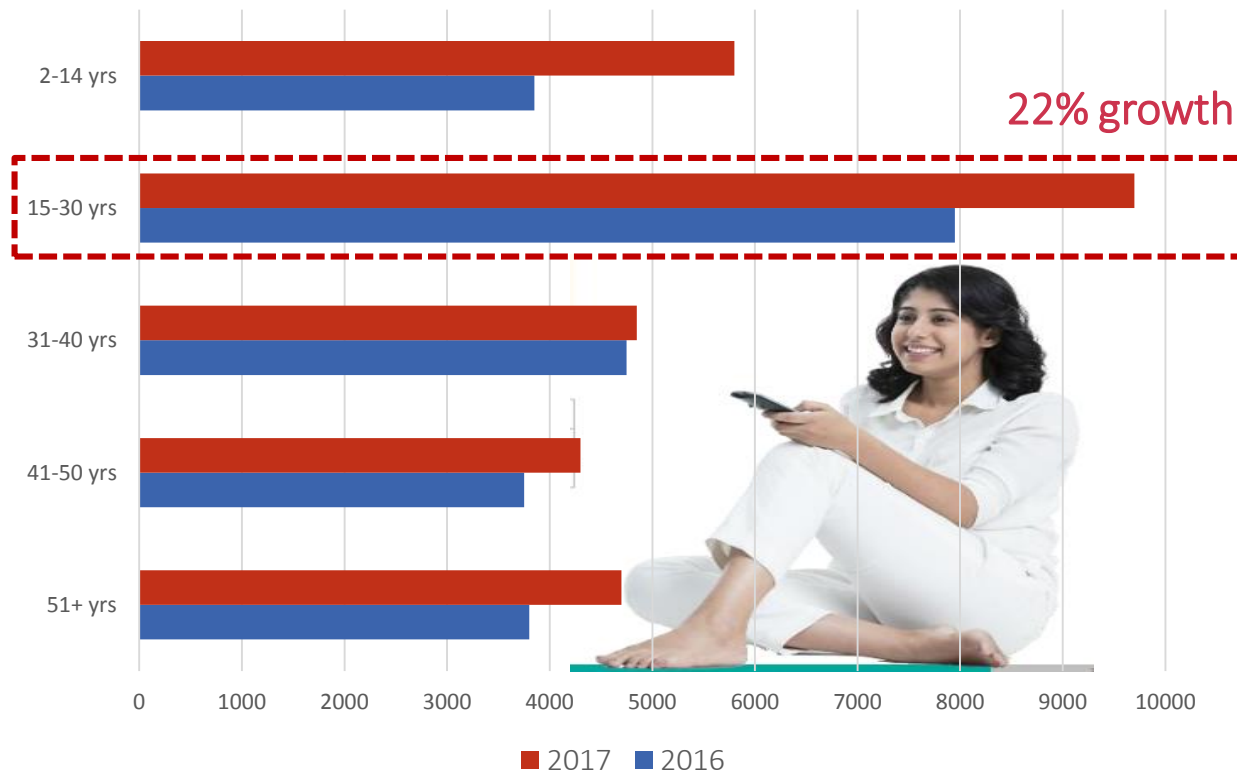


Rural

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

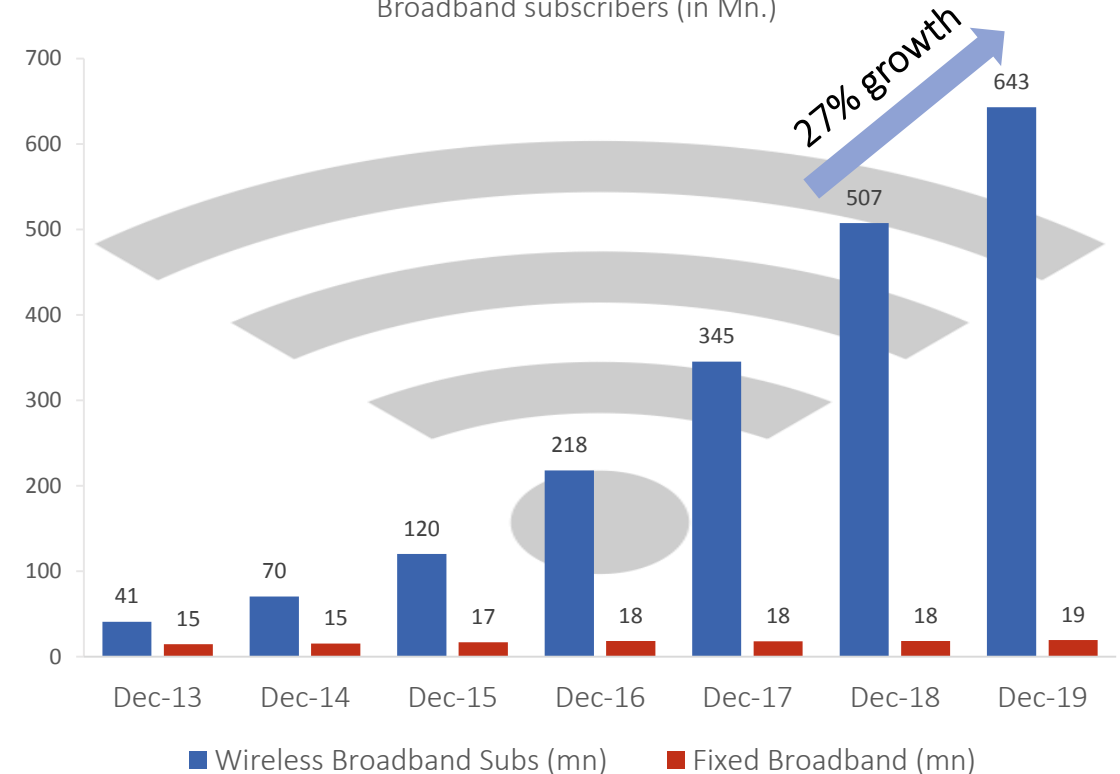
# Popular across age groups despite rising internet penetration

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



All India internet penetration- 54%

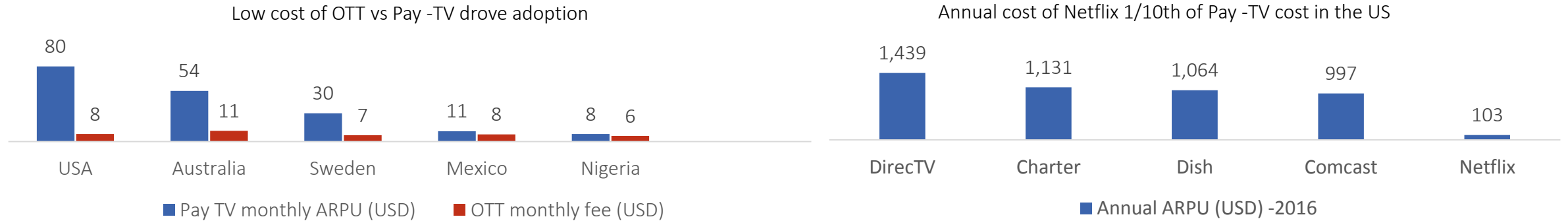
Broadband subscribers (in Mn.)



*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*

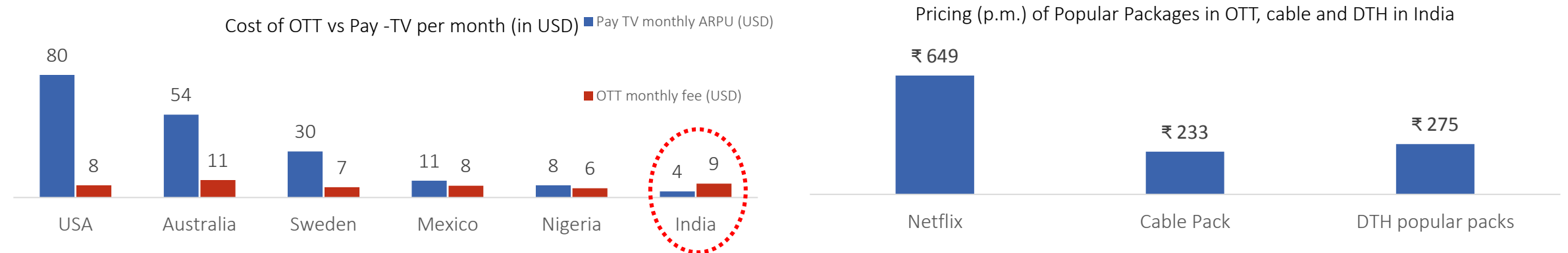
# Emergence of OTT

## The global OTT phenomenon



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

## The India exception

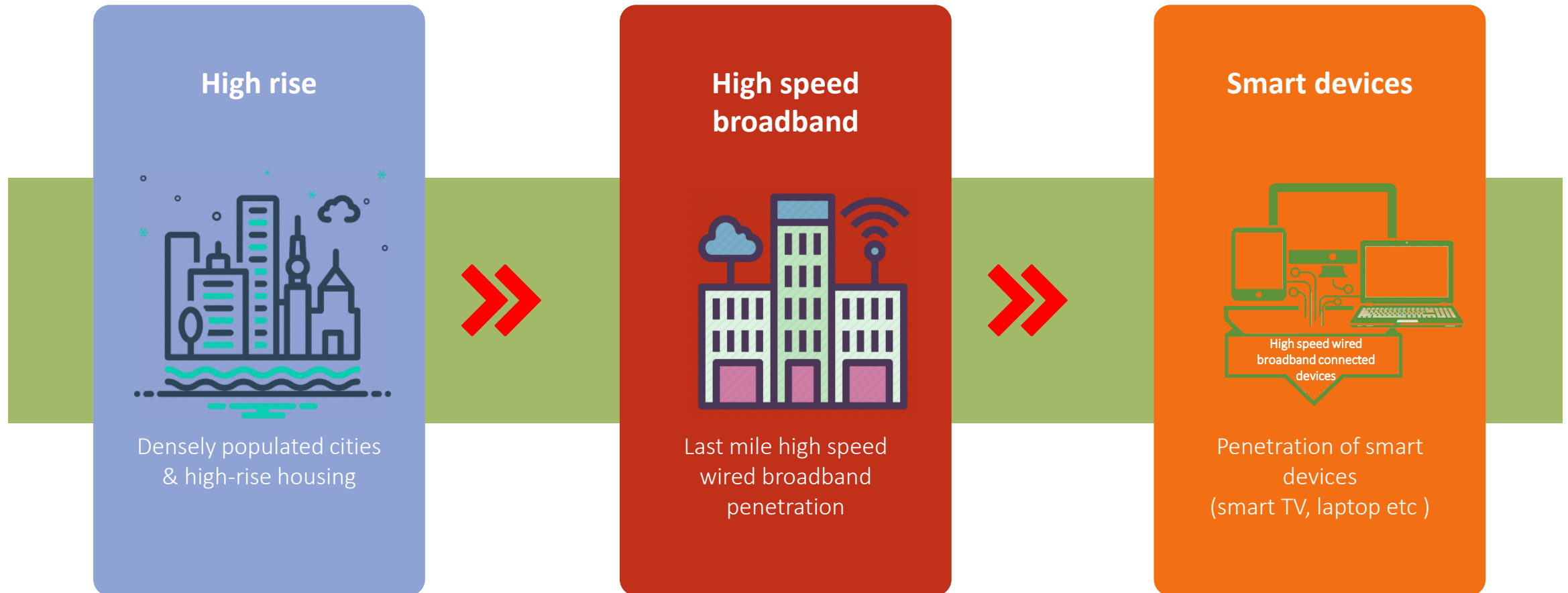


India is an exception to the global OTT phenomenon, with higher cost of OTT vs Pay-TV

# **IPTV as an offering**


















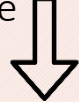









# IPTV

## 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*

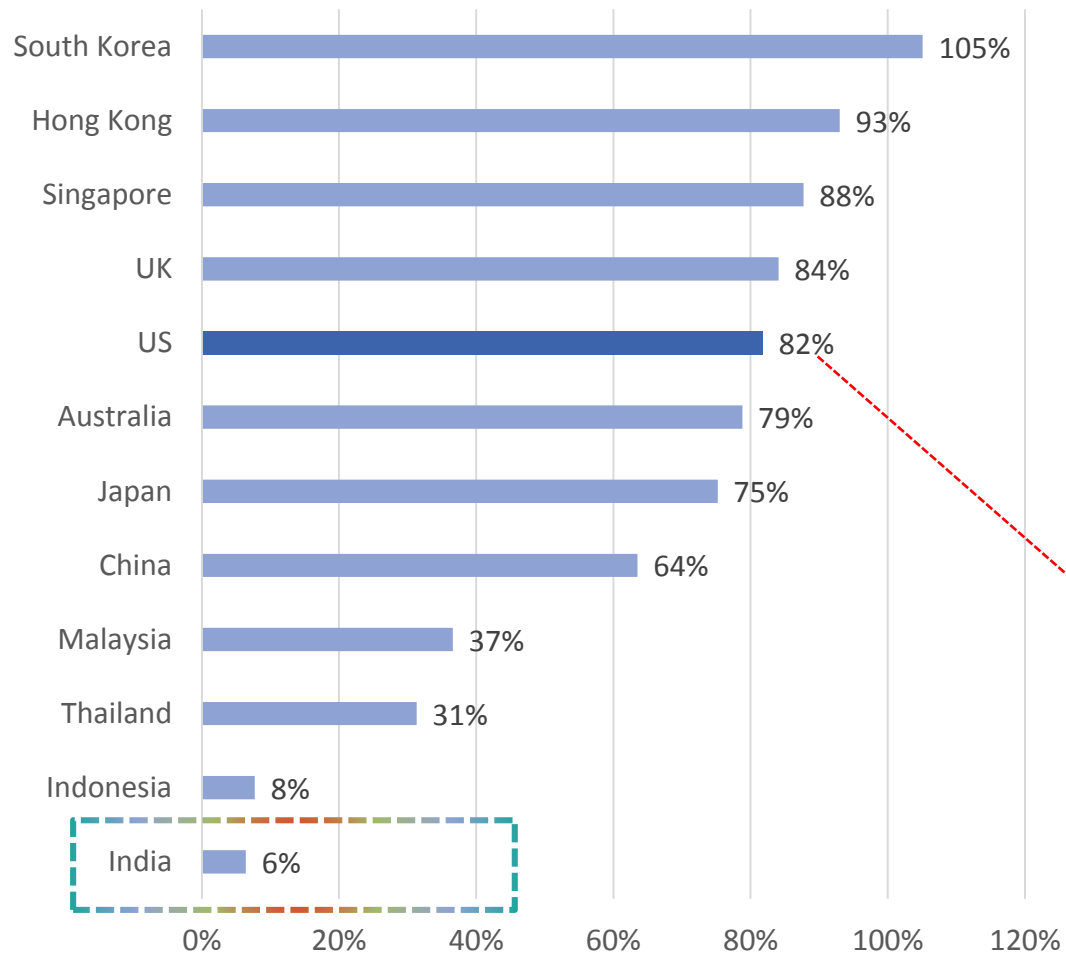
## Winning IPTV subscribers. Is it as easy as gaining telecom customers?

		Telecom		IPTV	
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	

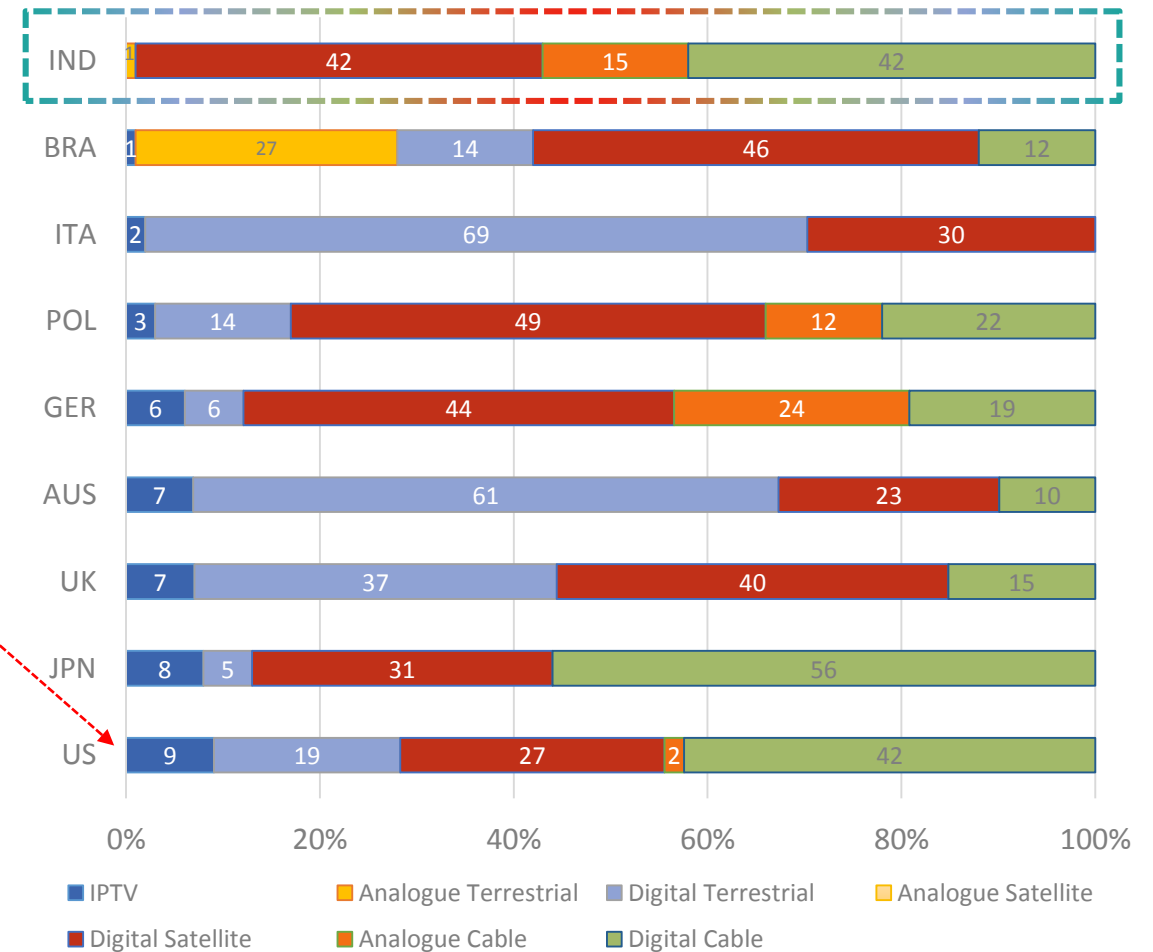


# Global fixed broadband penetration & TV platform take-up

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)

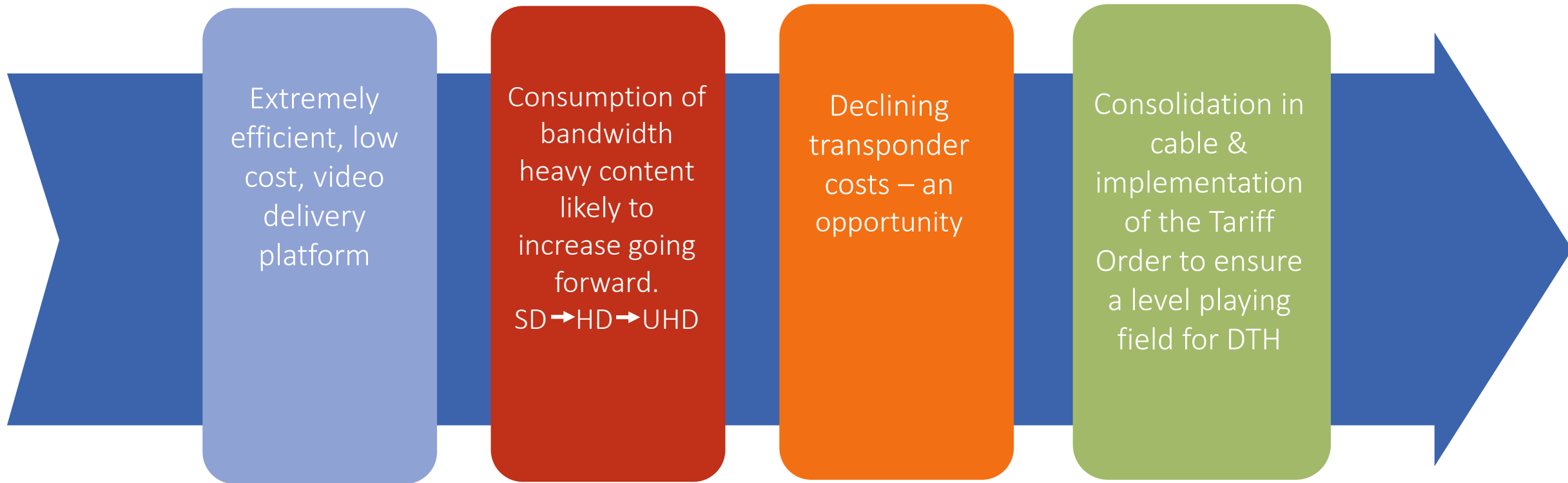
- However, in reality, DTH emerged stronger than ever before post the event:

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%

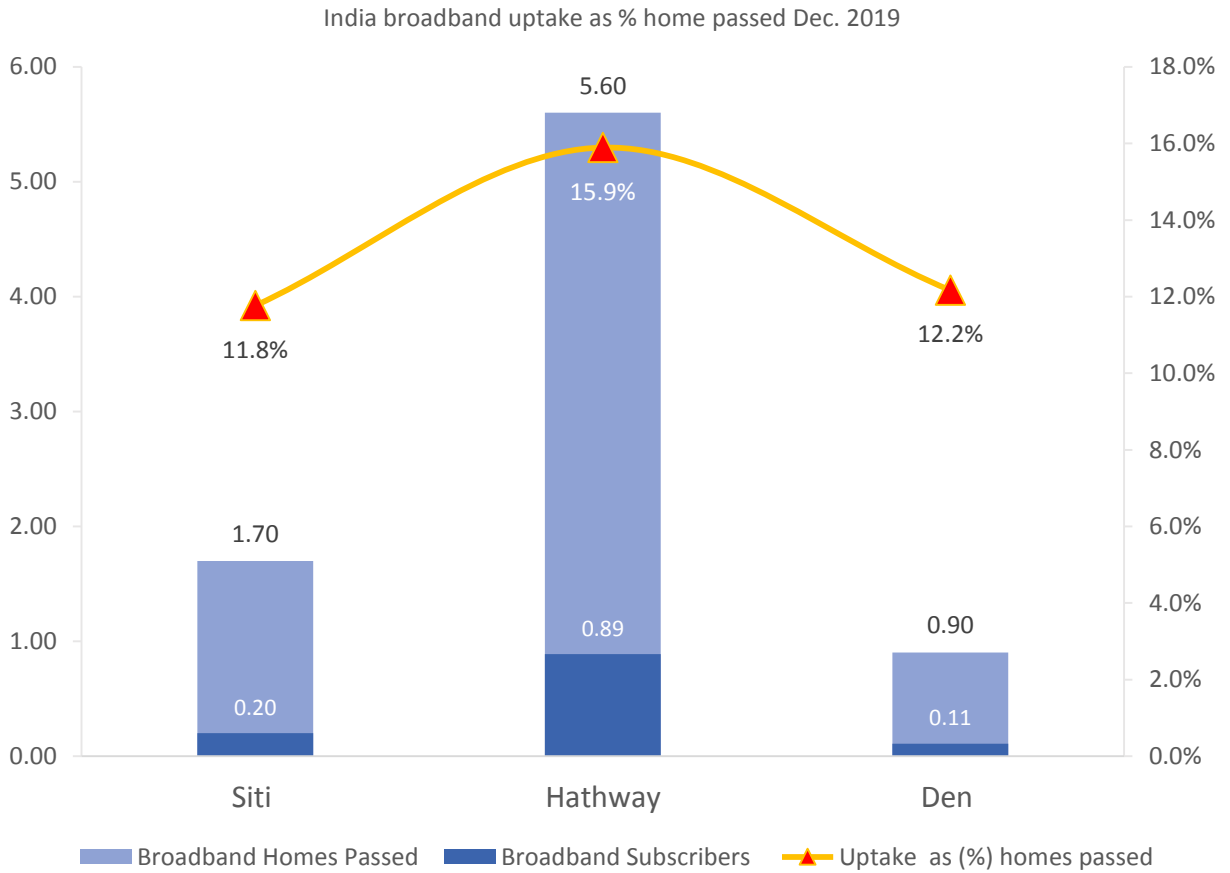
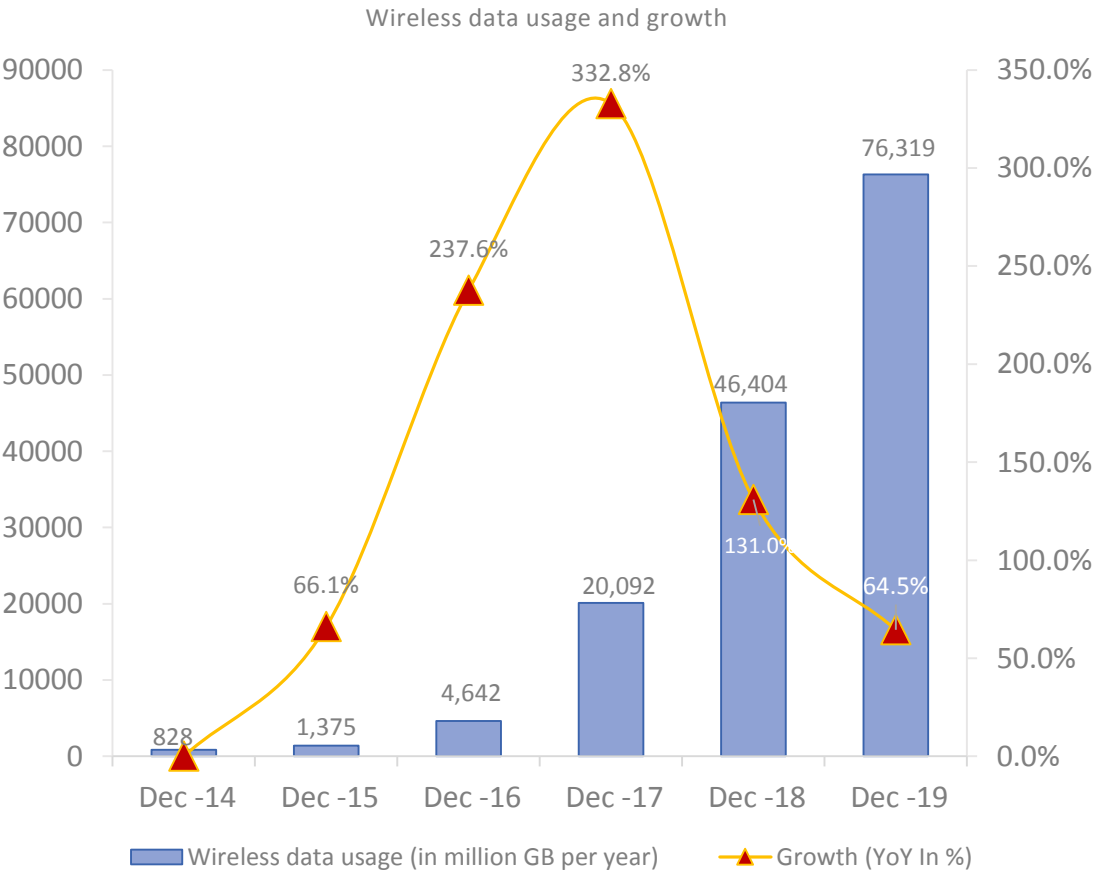
### *IPTV as a threat to DTH – An oversimplification of market thesis*

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







# 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!*

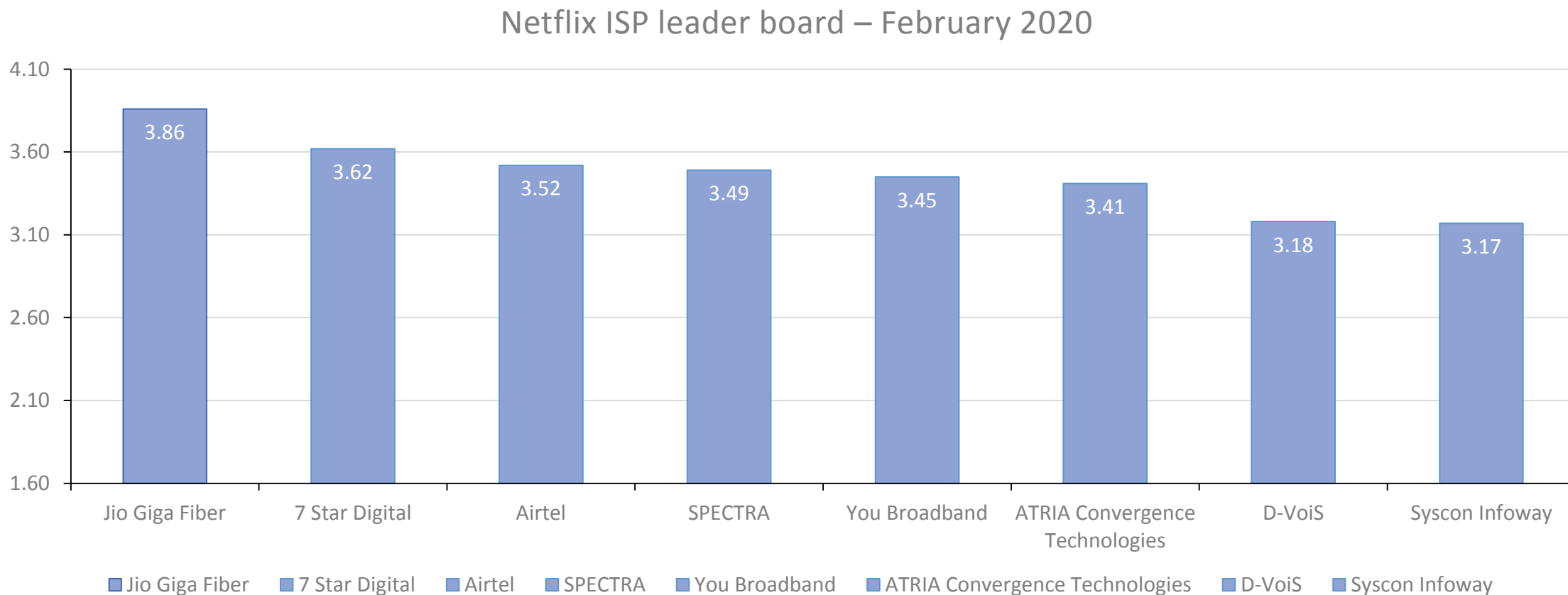
FTTH	Value addition to consumer experience
High speed 	There are no specific applications which need 1Gbps connectivity and till these applications evolve customers would not necessarily jump onto the Very High Speed broadband.
Data volume 	Marginal utility of data is negligible
Bundling of data 	Virtual 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 \$4 , 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.*

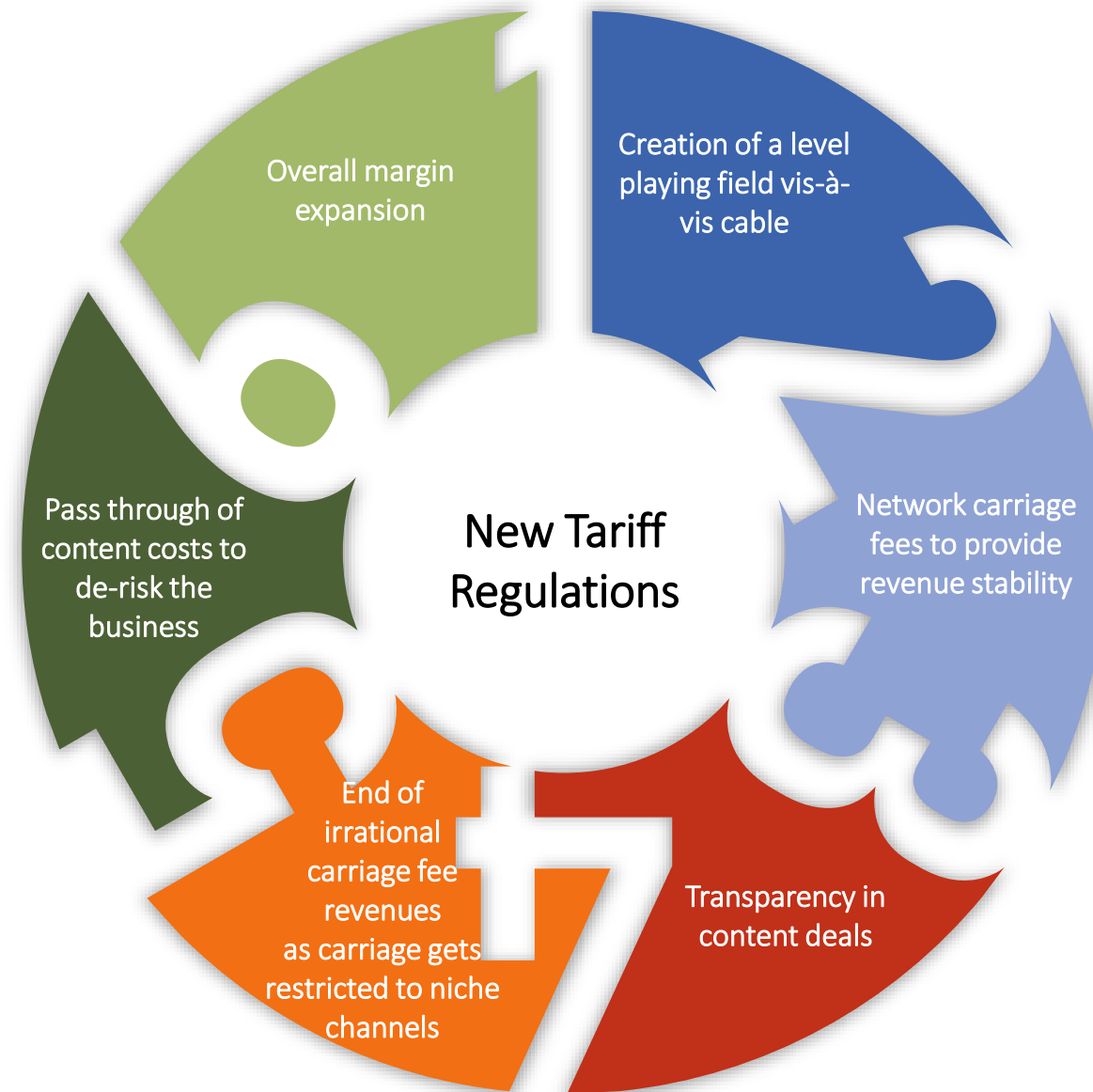
# Impact of changes in environment on DTH: FTTH

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



*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





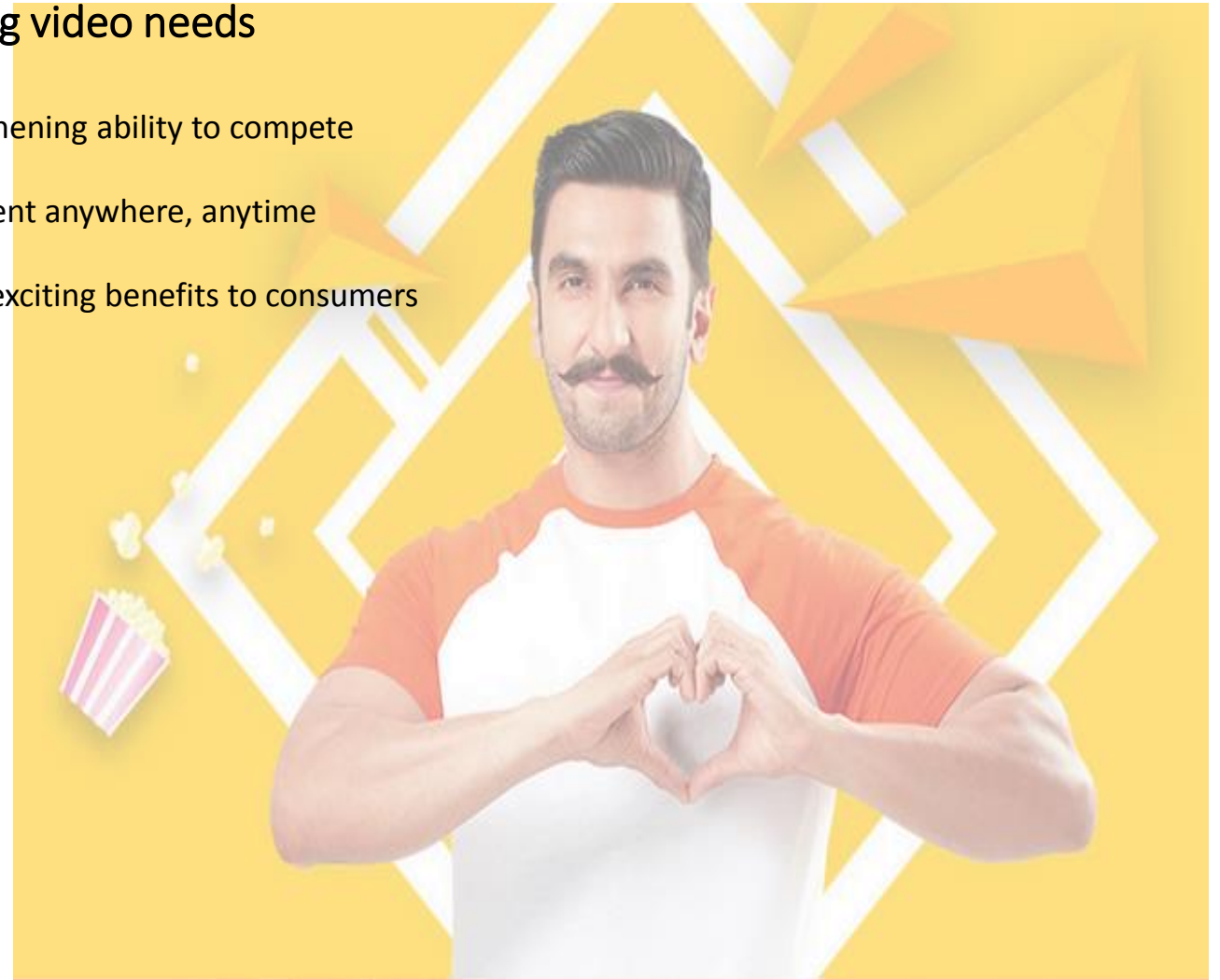
# Roadmap

## 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 large subscriber base for competing benefits
- Overall margin expansion
- Solid and regular free cash flows



# New customer centric 'Dish Combos'



Bharat Combo  
@ Rs. 161\*



Swagat  
@ Rs. 225\*



Super Family  
@ Rs. 277\*



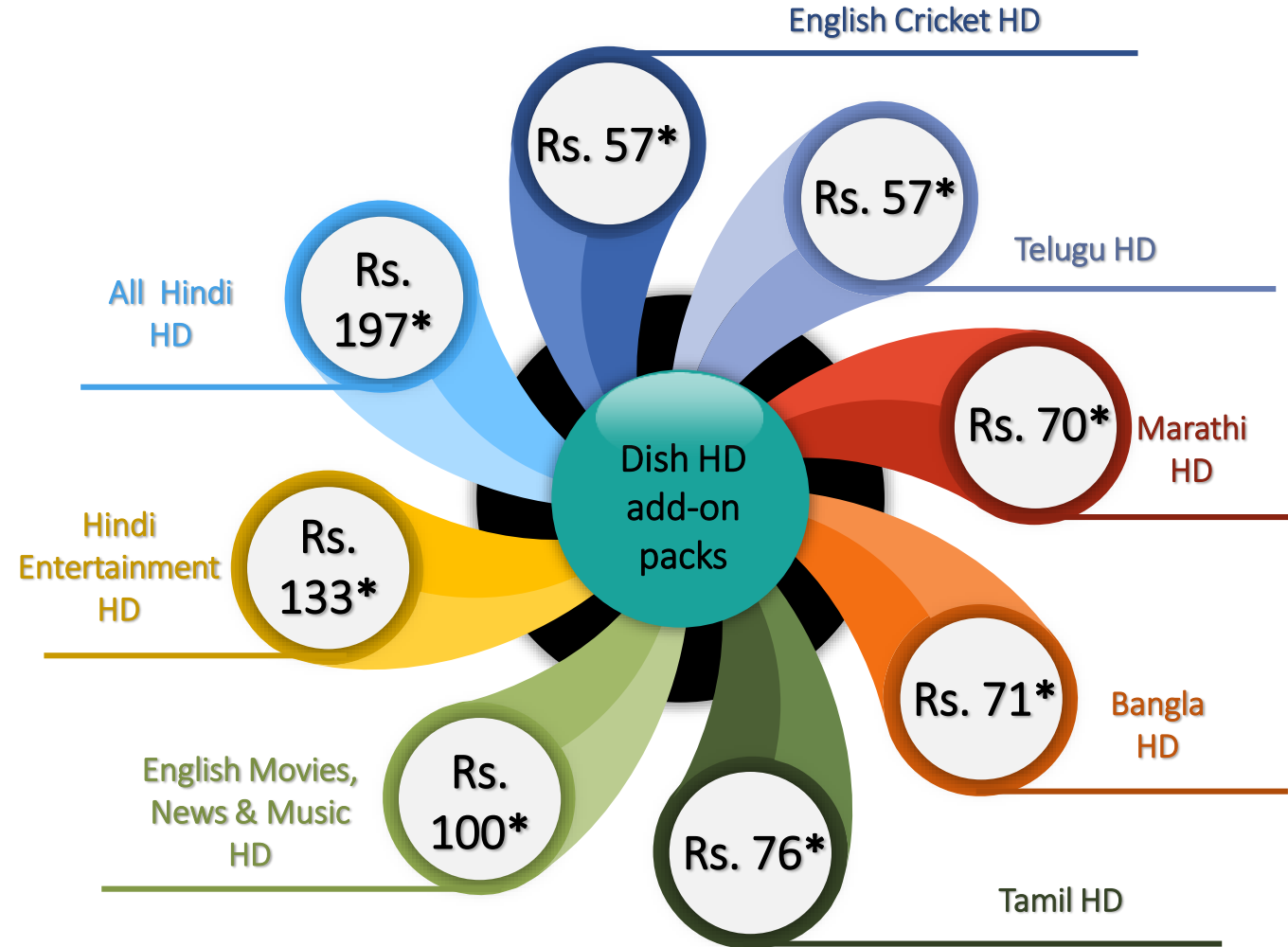
Maxi Sports  
@ Rs. 307\*



Super Sports  
@ Rs. 385\*



Titanium  
@ Rs. 440\*



# Our core values

**KEEP  
GROWING.  
STAY  
GROUNDED.**

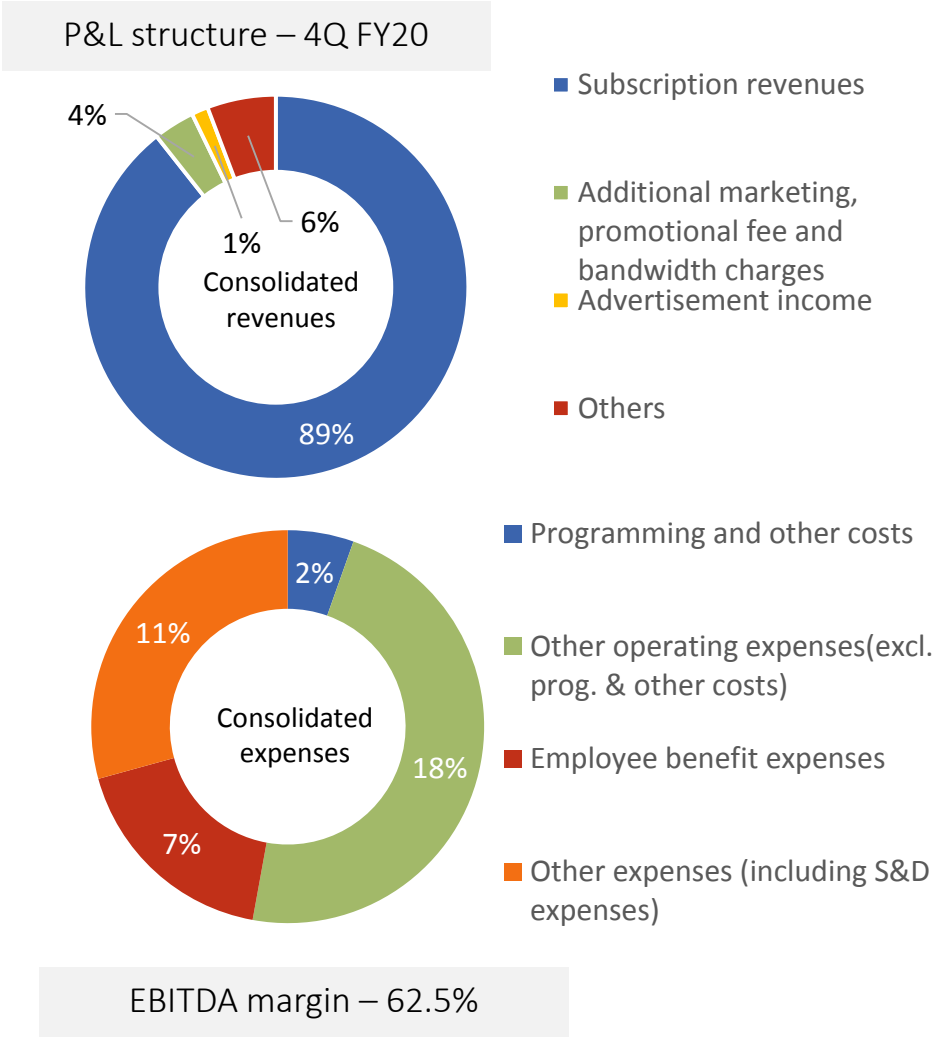
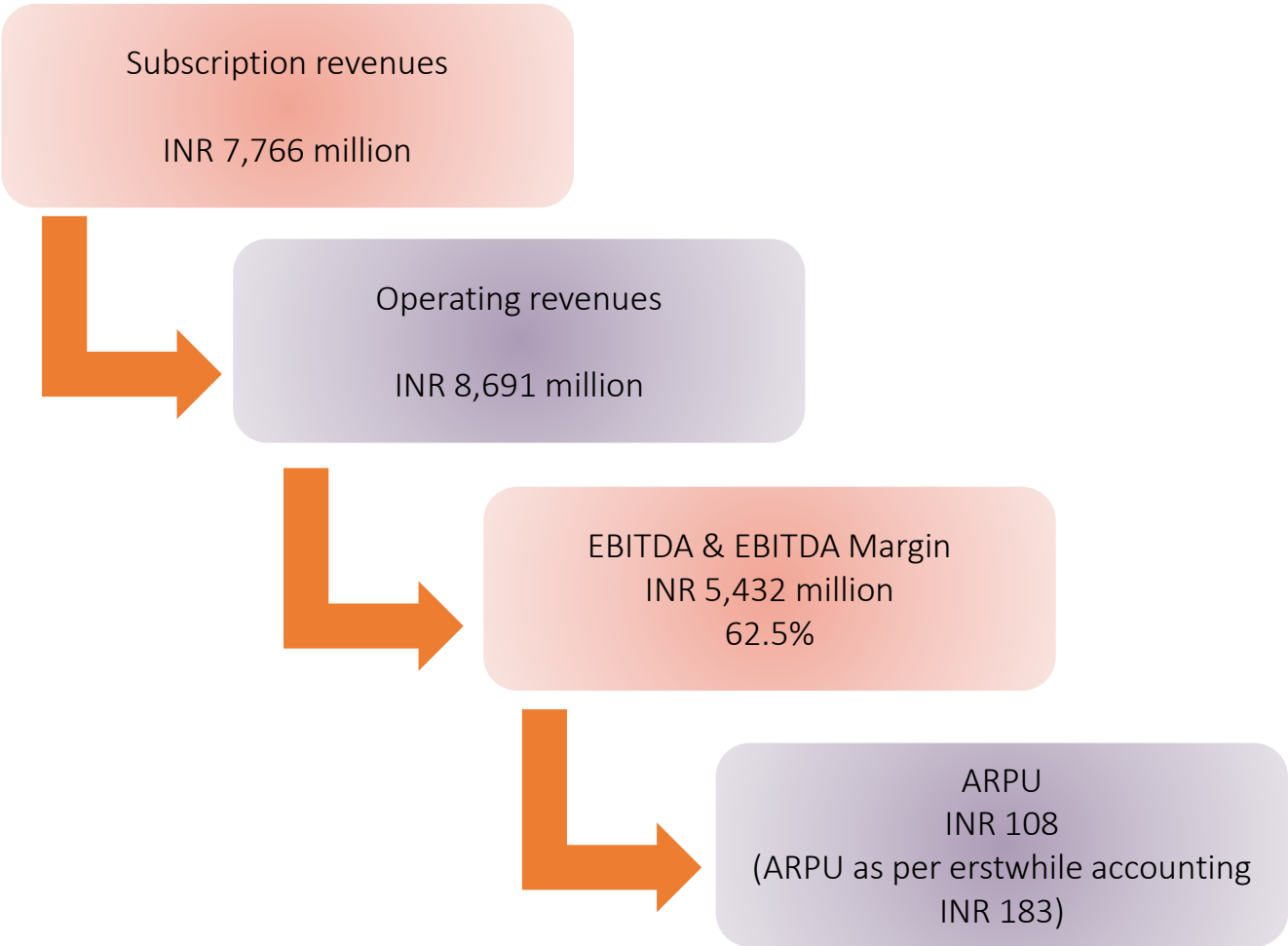
Values that make us extraordinary together



OUR CORE VALUES

# Financials

# Quarterly performance metrics



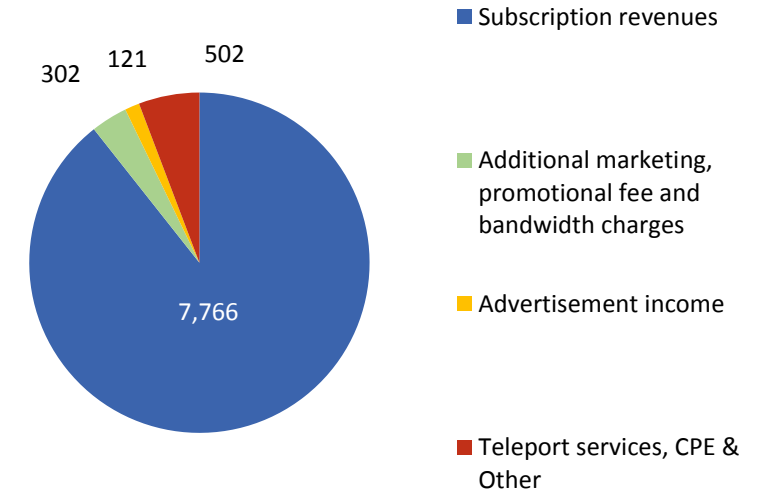


# Summarized consolidated P&L - Quarterly

4QFY 2020 vs. 4QFY 2019

INR Million	Quarter ended Mar. 2020	Quarter ended Mar. 2019
Operating revenues	8,691	13,987
Expenditure	3,258	9,838
<b>EBITDA</b>	<b>5,432</b>	<b>4,150</b>
<b>EBITDA margin (%)</b>	<b>62.5</b>	<b>29.7</b>
Other income	30	96
Depreciation	3,474	3,593
Finance cost	1,433	1,476
Exceptional items	19,155	15,625
<b>Profit / (Loss) before tax</b>	<b>(18,600)</b>	<b>(16,449)</b>
Tax expense:		
- Current Tax	-	(125)
- Current Tax-prior years	-	-
- Deferred Tax	(4,037)	(2,764)
- Deferred Tax- prior years	-	54
<b>Net Profit / (Loss) for the period</b>	<b>(14,562)</b>	<b>(13,613)</b>

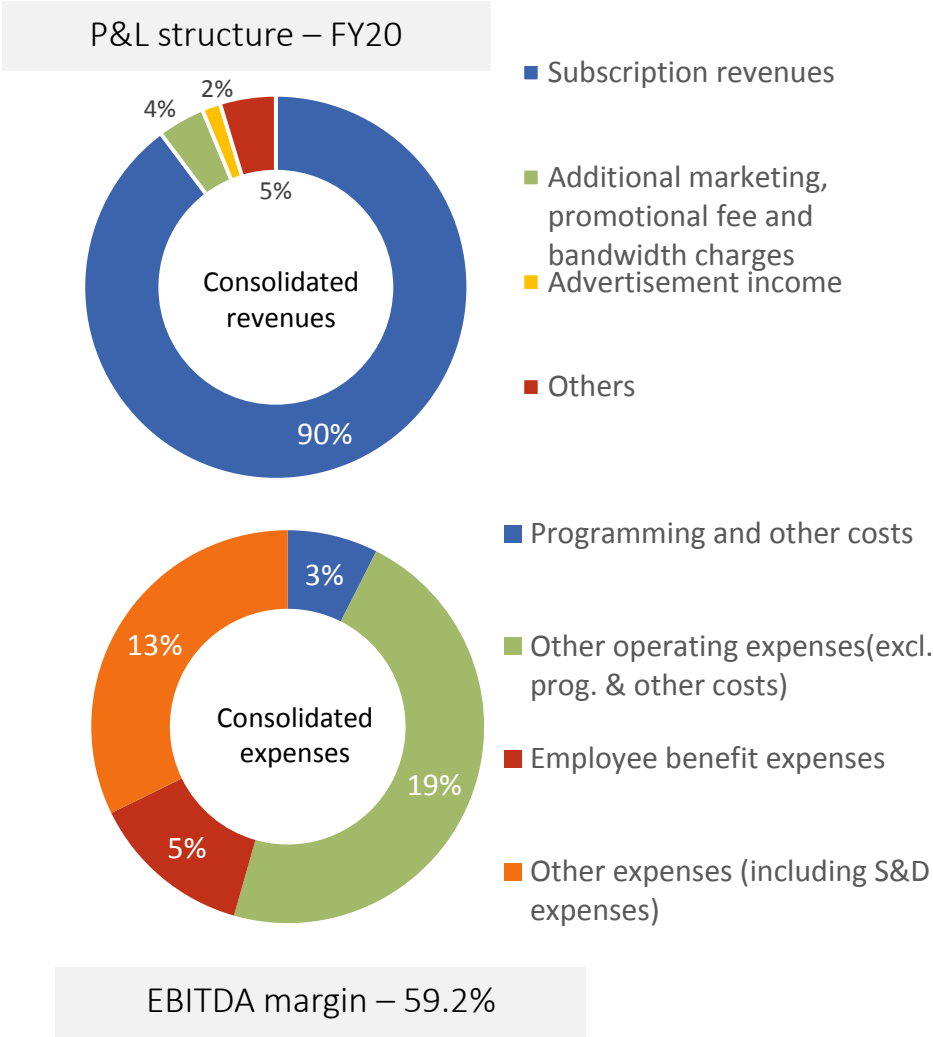
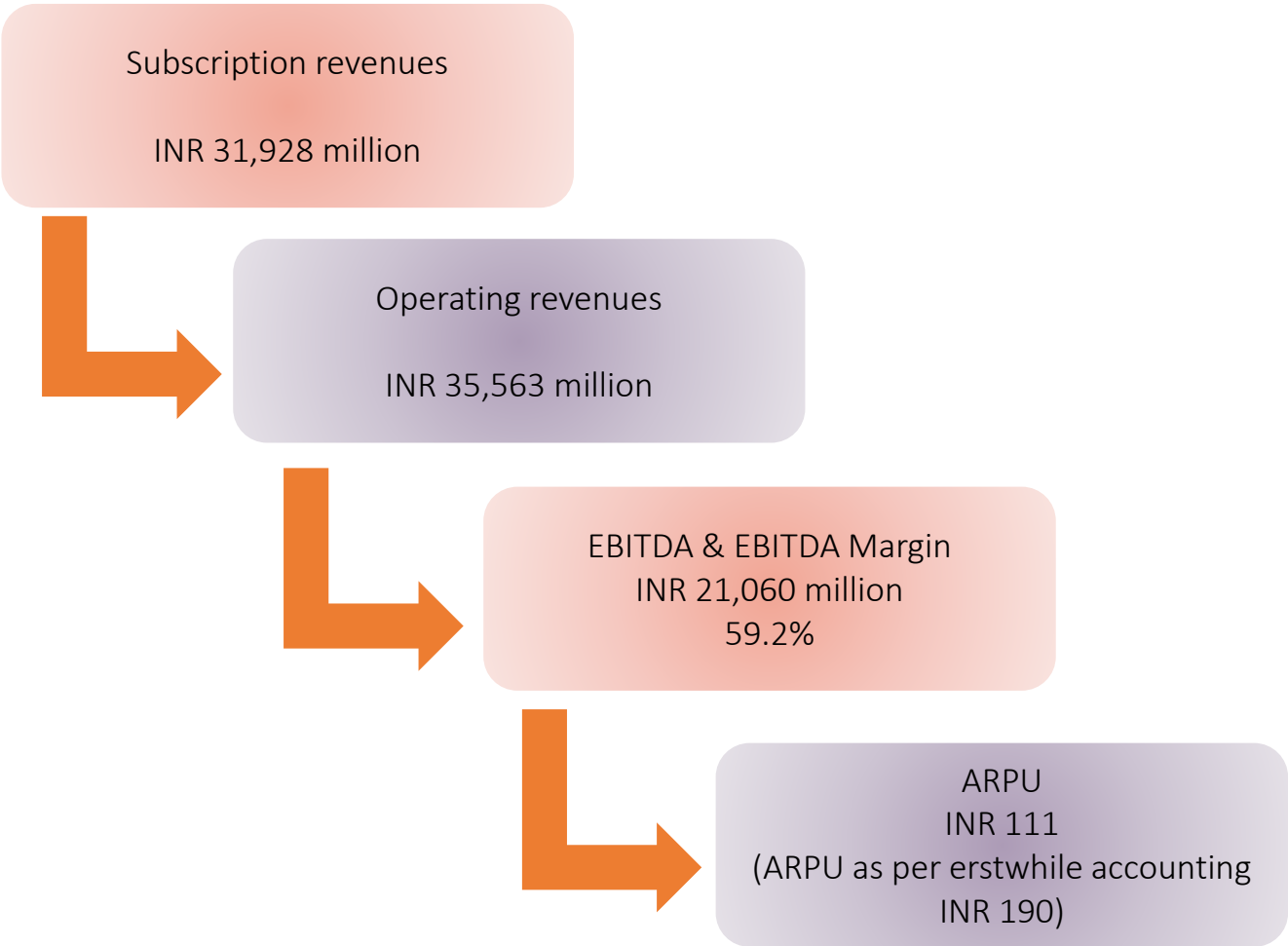
Operating revenues break-up  
(Rs. mn)



4QFY 2020

Owing to the netting-off of programming costs 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 as per erstwhile regime, revenue from operations as per consolidated results for the quarter ended 31 Mar. 2020 would have been Rs 14,055 mn and operating expenses would have been Rs 7,622 mn.

# Annual performance metrics

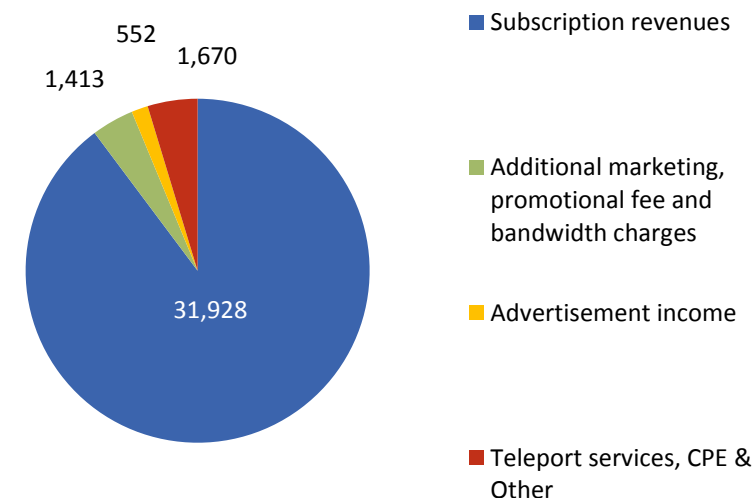




# Summarized consolidated P&L- Annual

FY 2020 vs. FY 2019	Year ended Mar. – 2020	Year ended Mar. – 2019
<b>INR Million</b>		
Operating revenues	35,563	61,661
Expenditure	14,504	41,218
<b>EBITDA</b>	<b>21,060</b>	<b>20,443</b>
<b>EBITDA margin (%)</b>	<b>59.2</b>	<b>33.2</b>
Other income	136	521
Depreciation	14,262	14,409
Financial expenses	5,652	6,286
Exceptional items	19,155	15,625
<b>Profit / (Loss) before tax</b>	<b>(17,873)</b>	<b>(15,357)</b>
Current Tax	-	284
Current Tax-prior period	-	92
Deferred Tax	(1,325)	(4,099)
Deferred Tax- prior period	-	-
<b>Net Profit / (Loss) for the period</b>	<b>(16,548)</b>	<b>(11,634)</b>

Operating revenues break-up  
(INR Mn.)



FY 2020

Owing to the netting-off of programming cost from revenues, to better reflect the New Tariff Regime, operating revenues for the year are not comparable with the corresponding fiscal last year. Had the Company continued to account for revenues and costs as per erstwhile regime, revenue from operations as per consolidated results for the year ended 31 Mar. 2020 would have been Rs 58,077 mn and operating expenses would have been Rs 32,638 mn.

# Consolidated Balance Sheet

INR Million	March 2020 (Audited)
<b>Equity and liabilities</b>	
Equity	
(a) Equity share capital	1,841
(b) Other equity	36,657
Equity attributable to owners of Holding Company	38,498
(c) Non-controlling interest	(521)
Liabilities	
(1) Non-current liabilities	
(a) Financial liabilities	
(i) Borrowings	5,604
(ii) Other financial liabilities	18
(b) Provisions	259
(c) Other non-current liabilities	318
(2) Current liabilities	
(a) Financial liabilities	
(i) Borrowings	4,370
(ii) Trade payables	
Total outstanding dues of micro enterprises and small enterprises	11
Total outstanding dues of creditors other than micro & small enterprises	12,900
(iii) Other financial liabilities	10,772
(b) Other current liabilities	8,056
(c) Provisions	35,802
<b>Total equity &amp; liabilities</b>	<b>1,16,088</b>

INR Million	March 2020 (Audited)
<b>Assets</b>	
(1) Non-current assets	
(a) Property, plant & equipment	28,488
(b) Capital work in progress	6,227
(c) Goodwill	28,170
(d) Other intangible assets	20,155
(e) Intangible assets under development	5,250
(f) Financial assets	
(i) Investments	-
(ii) Loans	108
(iii) Other financial assets	4
(g) Deferred tax assets (net)	11,478
(h) Current tax assets (net)	990
(i) Other non-current assets	8,382
(2) Current assets	
(a) Inventories	220
(b) Financial assets	
(i) Investments	-
(ii) Trade receivables	868
(iii) Cash and cash equivalents	1,127
(iv) Bank balances	335
(v) Loans	161
(vi) Other financial assets	13
(c) Other current assets	4,111
<b>Total assets</b>	<b>1,16,088</b>

**Thanks**