



Hindustan Media Ventures Ltd

(NSE: HMVL; BSE: 533217)

Q2 FY2017 Earnings Presentation
November 1, 2016

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Conference Dial-In Numbers (1 st November, 2016 at 4:00 pm IST)	
Local Access Number	Primary +91 22 3960 0611 Secondary +91 22 6746 5831 The numbers listed above are universally accessible from all networks and all countries
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Financial Highlights

Management Commentary

Commenting on the results and performance, **Mrs. Shobhana Bhartia, Chairperson, Hindustan Media Ventures Limited** said:

“The company witnessed a lesser than usual revenue growth on account of continuing sluggishness in macro-economic environment, seasonal slowdown in advertising due to lack of any festivities and high base effect of Bihar elections. Subdued top-line coupled with firmness in newsprint prices resulted in lower operating leverage and a negative impact on margins.

However, we expect the second half of the year to be better on the back of festival season, good monsoon, implementation of the Seventh Pay Commission recommendations and Uttar Pradesh elections. This gives us confidence of continuing on our growth trajectory for the year.

Uttar Pradesh and Uttarakhand continue to grow for us and we are consolidating our dominant position in Bihar & Jharkhand.”

Highlights – Q2 FY2017 vs. Q2 FY2016

- Total Revenue increased by 7.4 % to Rs. 2,633 million
- Advertising revenue increased by 0.9%; Circulation revenue increased by 2.9%
- EBITDA increased by 18.1% to Rs. 842 million; EBITDA margins higher at 32.0 %
- Profit after tax increased by 20.9% to Rs. 547 million; Net Profit margins at 20.8%
- Strong balance sheet position with Net Cash of Rs. 6,999 million
- EPS for the quarter stood at Rs. 7.45 as compared to Rs. 6.16 in the last year

Financial Highlights

Q2 FY17 (y-o-y and q-o-q) and H1 FY17 (y-o-y)

Rs. million	Q2		y-o-y	Q2		Q1	q-o-q	H1		H1	y-o-y
	FY2017	FY2016	Growth (%)	FY2017	FY2017	FY2017	Growth (%)	FY2017	FY2016	Growth (%)	
Advertising Revenues	1,701	1,685	0.9%	1,701	1,777	-4.2%		3,478	3,350	3.8%	
Circulation Revenues	538	522	2.9%	538	563	-4.4%		1,101	1,056	4.2%	
Other Revenues	393	244	61.0%	393	253	55.2%		647	402	61.0%	
Total Revenues	2,633	2,452	7.4%	2,633	2,593	1.5%		5,225	4,808	8.7%	
Consumption of Raw Materials	883	858	3.0%	883	939	-5.9%		1,822	1,706	6.8%	
Employee Cost	324	295	9.7%	324	302	7.2%		627	582	7.7%	
Other expenses	583	582	0.1%	583	584	-0.2%		1,166	1,148	1.6%	
EBITDA	842	713	18.1%	842	770	9.4%		1,612	1,374	17.3%	
<i>Margin (%)</i>	<i>32.0%</i>	<i>29.1%</i>		<i>32.0%</i>	<i>29.7%</i>			<i>30.8%</i>	<i>28.6%</i>		
Profit After Tax (PAT)	547	452	20.9%	547	487	12.2%		1,034	869	19.0%	
<i>Margin (%)</i>	<i>20.8%</i>	<i>18.4%</i>		<i>20.8%</i>	<i>18.8%</i>			<i>19.8%</i>	<i>18.1%</i>		
Basic EPS (Rs.)	7.45	6.16	20.9%	7.45	6.64	12.2%		14.08	11.84	19.0%	

All financials are basis IndAS

Hindustan is the second largest Hindi Daily: 2014 IRS Results

	<u>2014 IRS Readership</u>	<u>2013 IRS Readership</u>
All India	14.75 million	14.25 million
UP	7.6 million	7.2 million
Uttarakhand	0.53 million	0.43 million
Bihar	4.38 million	4.27 million
Jharkhand	1.31 million	1.40 million
Delhi NCR	1.07 million	1.06 million

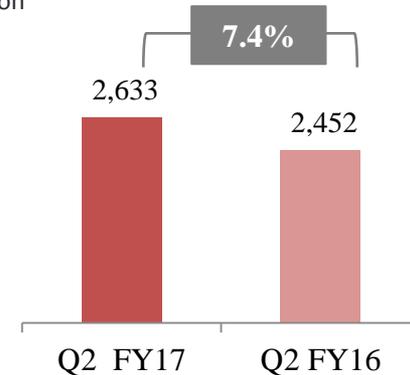
Financial Overview – All comparisons are y-o-y

* Rs. Million

1

Revenue

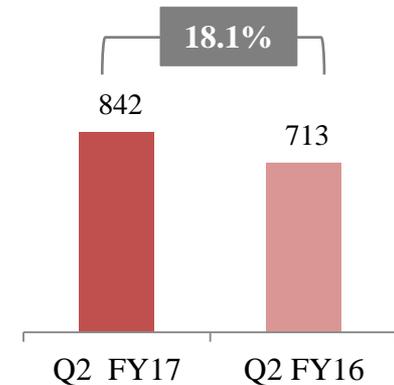
- Total revenue up by 7.4% at Rs. 2,633 million from Rs. 2,452 million :
 - 0.9% increase in advertising revenue to Rs. 1,701 million from Rs. 1,685 million primarily due to increase in advertising volumes.
 - 2.9% increase in circulation revenue to Rs. 538 million from Rs. 522 million due to higher circulation.
 - 61.0 % increase in other revenues primarily due to increase in interest income



2

EBITDA margin

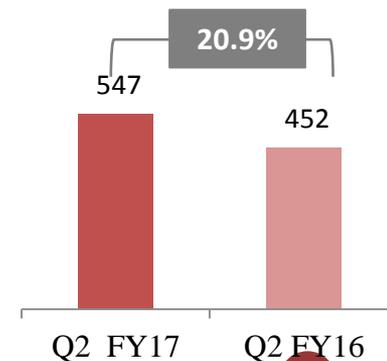
- EBITDA increased by 18.1 % to Rs. 842 million from Rs. 713 million primarily due to
 - Increase in other income & operating revenue being partially off-set by;
 - 3% increase in Raw material costs attributed to increase in no. of copies as well as increase in newsprint prices and;
 - 9.7% increase in employee costs (impact of new hiring & increments)



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Profit After Tax

- PAT increased by 20.9% to Rs. 547 million from Rs. 452 million primarily due to improvement in EBITDA.



Financial Overview: P&L

Particulars (Rs. in millions, except EPS data)	Three months ended			Six months ended		
	30.09.2016	30.09.2015*	Shift (%)	30.09.2016	30.09.2015*	Shift (%)
Net Sales / Income from operations	2,263	2,228	2%	4,624	4,445	4%
Other Operating Income	32	34	-6%	63	57	12%
Total Income from operations	2,295	2,262	1%	4,687	4,502	4%
Other income	338	190	78%	538	306	76%
Total Income	2,633	2,452	7%	5,225	4,808	9%
(Increase)/Decrease in Inventory	1	4		(1)	(2)	
Consumption of Raw Materials	883	858	3%	1,822	1,706	7%
Employees Cost	324	295	10%	627	582	8%
Other Expenditure	583	582	0%	1,167	1,148	2%
Total Expenditure	1,791	1,739	3%	3,614	3,433	5%
EBITDA	842	713	18%	1,612	1,374	17%
Margin (%)	32.0%	29.1%		30.8%	28.6%	
Depreciation & Amortisation	52	53	-3%	102	108	-6%
EBIT	790	660	20%	1,510	1,266	19%
Margin (%)	30.0%	26.9%		28.9%	26.3%	
Interest & finance charges	41	30	37%	88	59	49%
Profit before tax	749	630	19%	1,422	1,207	18%
Margin (%)	28.4%	25.7%		27.2%	25.1%	
Tax Expense	202	178	14%	388	338	15%
Net Income	547	452	21%	1,034	869	19%
Margin (%)	20.8%	18.4%		19.8%	18.1%	
EPS (non annualized)	7.45	6.16	21%	14.08	11.84	19%

Financial Overview: Balance Sheet



Particulars	As at 30.09.2016
A ASSETS	
1 Non-current assets	
Property, plant and equipment	1,712
Capital work in progress	16
Investment property	41
Intangible assets	693
Financial assets	6,989
Other non-current assets	56
Total non-current assets	9,451
2 Current assets	
Inventories	568
Financial assets	3,233
Other current assets	259
Total current assets	4,060
Total assets	13,511
B EQUITY AND LIABILITIES	
1 Equity	
Equity share capital	734
Other equity	9,291
Total equity	10,024
2 Liabilities	
2A Non-current liabilities	
Deferred tax liabilities (Net)	207
Total non-current liabilities	207
2B Current liabilities	
Financial liabilities	2,538
Other current liabilities	554
Provisions	64
Income tax liabilities (net)	124
Total current liabilities	3,280
Total equity and liabilities	13,511

Key Ratios	FY 14	FY15	FY16	H1 FY17
RoCE	21%	22%	23%	23%
RoE	20%	21%	22%	22%
Debtor Days	43	45	45	52

Financial Overview



Strategic Focus

Near Term Outlook

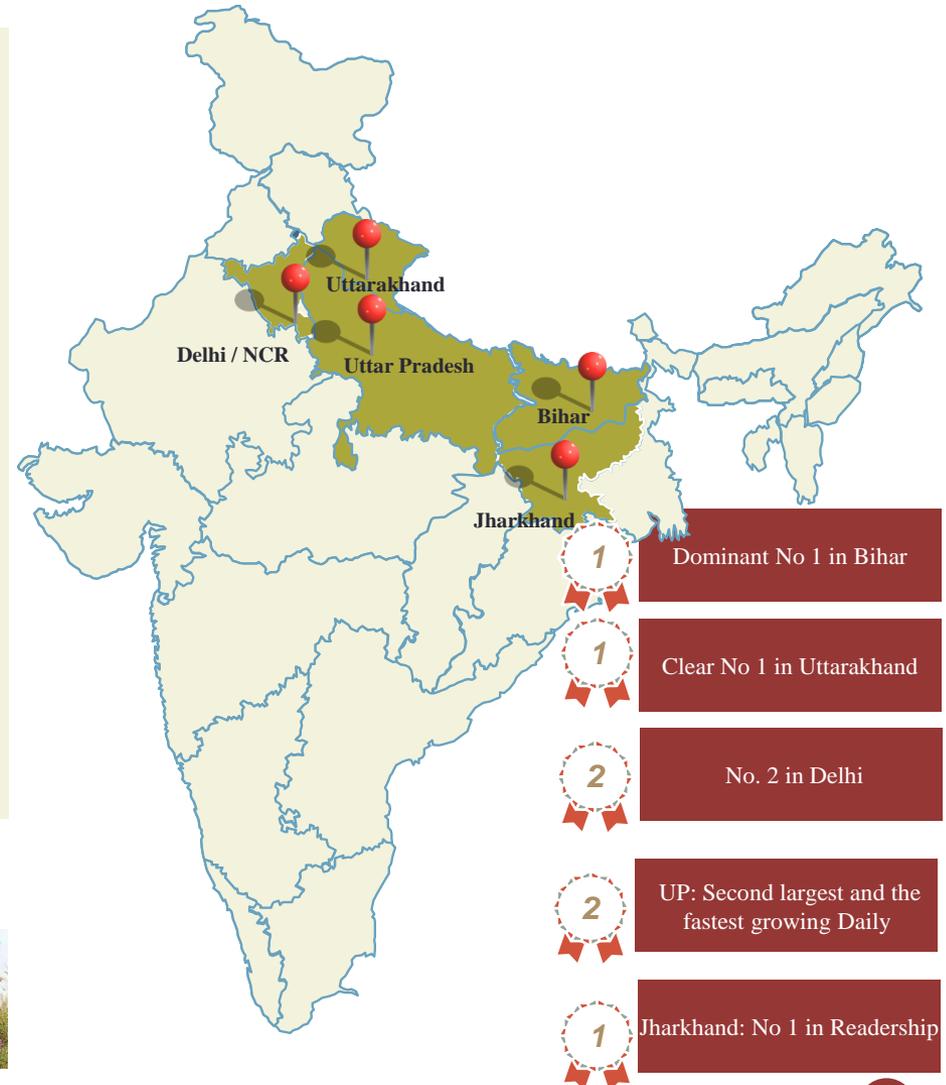
- Continue driving both volume and yield growth across geographies in the upcoming festival season.
- Uttar Pradesh to continue increased traction due to State elections and growth potential.
- Strong balance sheet (net cash of Rs. 6,999 million) capable of funding expansion.

Hindustan Media Ventures: At a Glance

Company Background

- HMVL is one of the leading print media companies engaged in the printing and publishing of ‘Hindustan’, the second largest newspaper daily of India based on total readership. Also publishes two Hindi magazines ‘Nandan’ and ‘Kadambini’
- ‘Hindustan’ was first published in 1936 amidst the freedom movement, and has been one of India’s eminent newspapers for over 70 years. HMVL was listed on the BSE & NSE in 2010
- ‘Hindustan’ has a strong regional presence and enjoys a leadership position in Bihar, Jharkhand and Uttarakhand whilst consolidating its 2nd position in Delhi and UP
- The Company also operates the website www.livehindustan.com, which complements the newspaper and focuses on providing news in Hindi with regional content

Market Leadership Positions





Safe Harbour

Certain statements in this document may be forward-looking. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. Hindustan Media Ventures Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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