



## Hindustan Media Ventures Ltd

(NSE: HMVL; BSE: 533217)

Q4 FY2017 Earnings Presentation  
May 18, 2017

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Conference Dial-In Numbers (19 <sup>th</sup> May, 2017 at 3:30 pm IST)	
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# Financial Highlights

## Management Commentary

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

*“Last financial year was tough for not just your company, but the media industry as a whole. A short-term economic slowdown in the second half of the year put paid to any hopes of a recovery and hit advertising spends across sectors. Still, despite subdued revenue growth, our profitability increased on the back of stable newsprint prices and wide-ranging cost management initiatives.*

*We see early signs of recovery in the new year. Our strong fundamentals are complemented by the overall bright prospects for regional language print media where readership and advertiser-interest continue to grow. A faster revival in economic growth will stimulate growth in advertising spends and help us deliver value to all stakeholders.”*

## Highlights – FY2017 vs. FY2016

- Total Revenue higher by 4.8% at INR 10,253 million; crossed INR 10,000 million mark.
- Advertising revenue increased by 0.7%; Circulation revenue increased by 4.6%
- EBITDA higher by 6.1% at INR 2,976 million; EBITDA margins at 29% vs. 28.7% last year.
- Profit after tax at INR 1,895 million; Net Profit margins at 18.5%.
- Strong balance sheet position continues with healthy cash flows.
- EPS for the year stood at INR 25.82 vs. Rs. 24.35 last year.
- Dividend for the year approved by Board at Rs. 1.20 per share.

# Financial Highlights

## Q4 FY17 (y-o-y and q-o-q) and FY17 vs. FY16 (y-o-y)

Rs. million	Q4		y-o-y	Q4		Q3	q-o-q	Full Year		y-o-y
	FY2017	FY2016	Growth (%)	FY2017	FY2017	FY2017	Growth (%)	FY2017	FY2016	Growth (%)
Advertising Revenues	1,745	1,694	3.0%	1,745	1,688	3.4%	6,912	6,861	0.7%	
Circulation Revenues	552	523	5.5%	552	561	-1.5%	2,213	2,117	4.6%	
Other Revenues	212	244	-12.8%	212	269	-21.1%	1,128	810	39.2%	
<b>Total Revenues</b>	<b>2,510</b>	<b>2,461</b>	<b>2.0%</b>	<b>2,510</b>	<b>2,518</b>	<b>-0.3%</b>	<b>10,253</b>	<b>9,788</b>	<b>4.8%</b>	
Consumption of Raw Materials	813	868	-6.3%	813	859	-5.3%	3,493	3,465	0.8%	
Employee Cost	248	329	-24.6%	248	64	286.2%	939	1,221	-23.1%	
Other expenses	709	552	28.4%	709	970	-27.0%	2,845	2,297	23.9%	
<b>EBITDA</b>	<b>740</b>	<b>712</b>	<b>3.9%</b>	<b>740</b>	<b>625</b>	<b>18.4%</b>	<b>2,976</b>	<b>2,806</b>	<b>6.1%</b>	
<i>Margin (%)</i>	<i>29.5%</i>	<i>28.9%</i>		<i>29.5%</i>	<i>24.8%</i>		<i>29.0%</i>	<i>28.7%</i>		
<b>Profit After Tax (PAT)*</b>	<b>424</b>	<b>445</b>	<b>-4.8%</b>	<b>424</b>	<b>438</b>	<b>-3.4%</b>	<b>1,895</b>	<b>1,787</b>	<b>6.0%</b>	
<i>Margin (%)</i>	<i>16.9%</i>	<i>18.1%</i>		<i>16.9%</i>	<i>17.4%</i>		<i>18.5%</i>	<i>18.3%</i>		
<b>Basic EPS (Rs.)</b>	<b>5.77</b>	<b>6.06</b>	<b>-4.8%</b>	<b>5.77</b>	<b>5.97</b>	<b>-3.4%</b>	<b>25.82</b>	<b>24.35</b>	<b>6.0%</b>	

All financials are basis IndAS

Q4'FY17 and overall FY17 financials are post HTDSL carve-out and thus, not comparable with same period last year.

Q3'17 included one-time impact of HTDSL carve-out for the period Apr-Dec'2016 (9 months) and hence, not comparable with Q4'17.

\* Profit after tax is post share in loss of associate (HTDSL) to the tune of (INR 41million) for FY17.

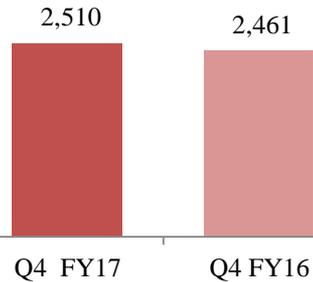
# Financial Overview –Quarterly (y-o-y)



## 1 Revenue

\* Rs. Million

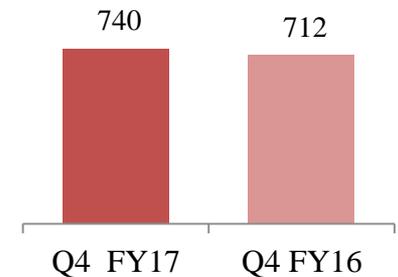
2.0%



- Total revenue up by 2.0% at Rs. 2,510 million from Rs. 2,461 million :
  - 3% increase in advertising revenue to Rs. 1,745 million from Rs. 1,694 million led by improvement in ad yields.
  - 5.5% increase in circulation revenue to Rs. 552 million from Rs. 523 million due to higher circulation and higher realization per copy.

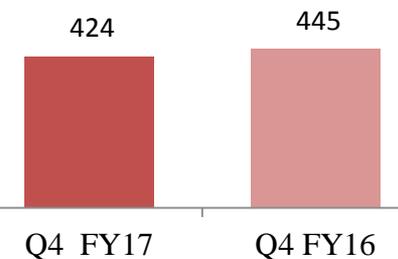
## 2 EBITDA margin

3.9%



- EBITDA increased by 3.9% to Rs. 740 million from Rs. 712 million primarily due to
  - growth in advertising & circulation revenues coupled with 6.3% decrease in raw material costs and savings accruing from various cost rationalization initiatives.
- EBITDA margins marginally higher at 29.5% vs. 28.9% in the same period last year

(4.8%)



## 3 Profit After Tax

- PAT excluding share in loss of associate is higher by 4.3% and margins at 18.5% vs. 18.1% last year.

# Financial Overview –Annual

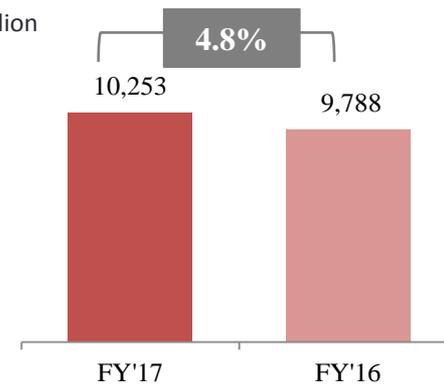


## Revenue

\* Rs. Million

1

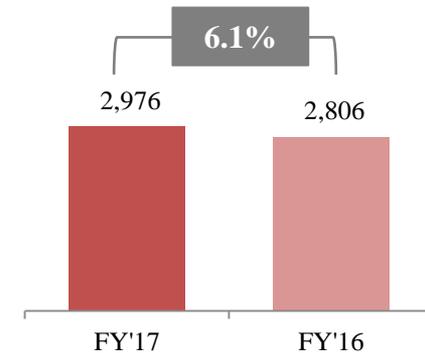
- Total revenue up by 4.8% at Rs. 10,253 million from Rs. 9,788 million :
  - 0.7% increase in advertising revenue to Rs. 6,912 million from Rs. 6,861 million lead by improvement in ad yields.
  - 4.6% increase in circulation revenue to Rs. 2,213 million from Rs. 2,117 million due to higher circulation and higher realization per copy.
  - 39.2% increase in other income due to income accruing from investments.



## EBITDA margin

2

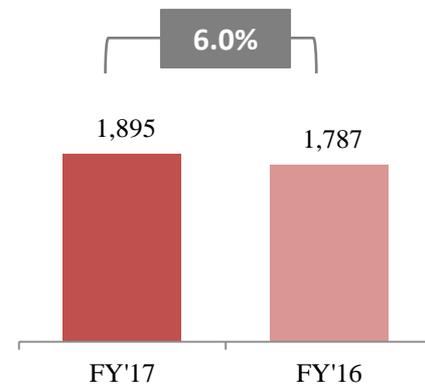
- EBITDA increased by 6.1% to Rs. 2,976 million from Rs. 2,806 million primarily due to
  - growth in advertising & circulation revenues coupled with savings accruing from various cost rationalization initiatives.
- EBITDA margins at 29% vs. 28.7% last year.



## Profit After Tax

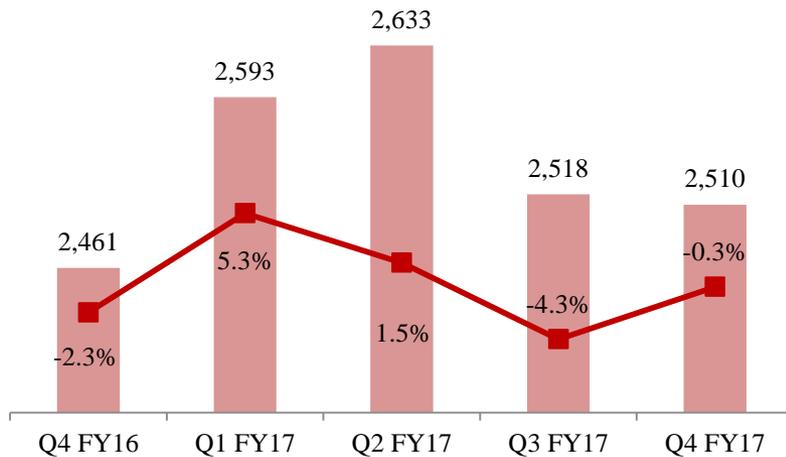
3

- PAT excluding share in loss of associate is higher by 8.3% and margins at 18.9% vs. 18.3% last year.

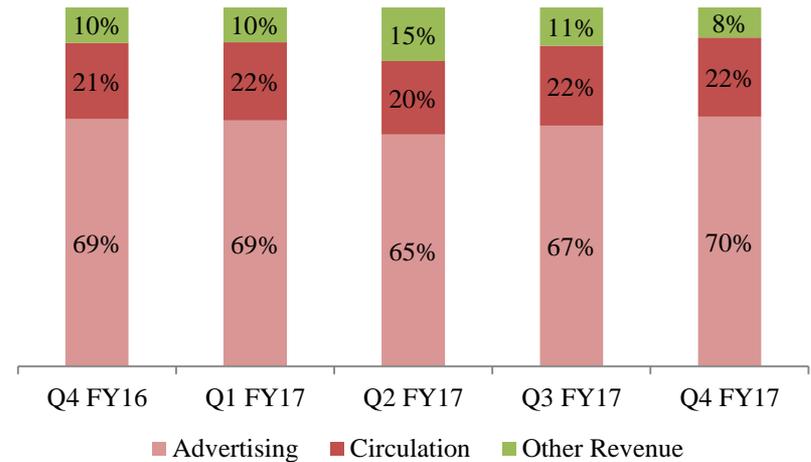


# Financial Overview- Quarterly

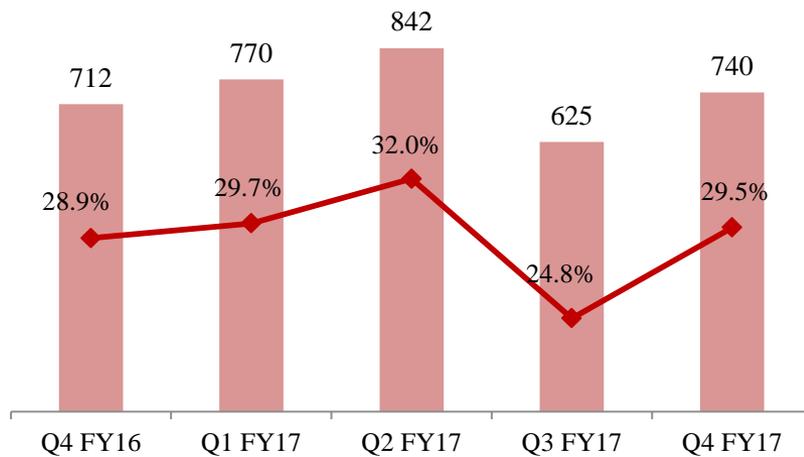
## Revenue (Rs. Million) and Growth (%)



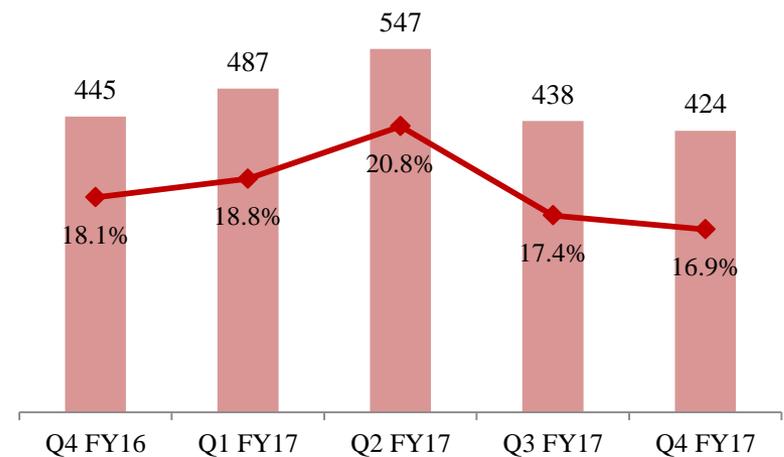
## Revenue Breakdown



## EBITDA (Rs. Million) and Margin (%)



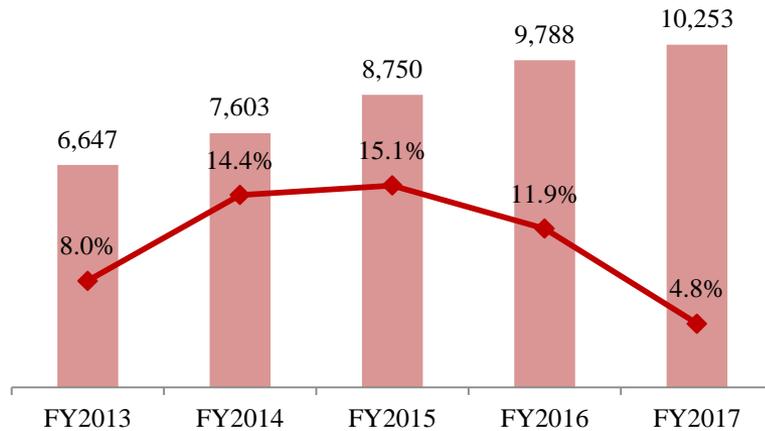
## PAT (Rs. Million) and Margin (%)



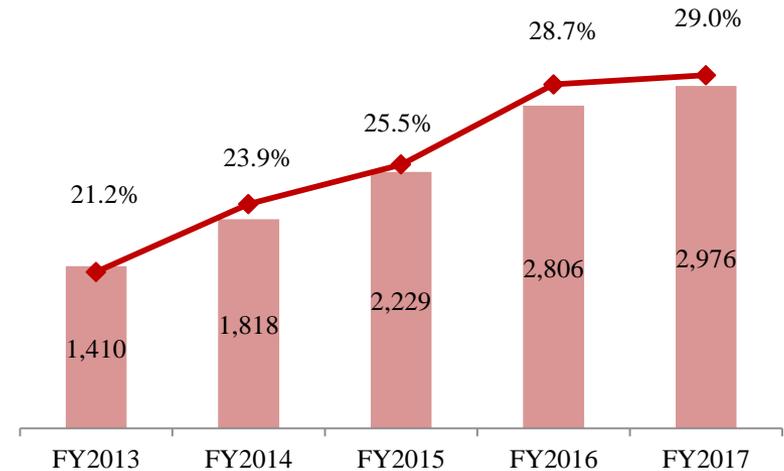
Q3'17 included one-time impact of HTDSL carve-out for the period Apr-Dec'2016 (9 months) and hence, not comparable with Q4'17.

# Financial Overview – Annual

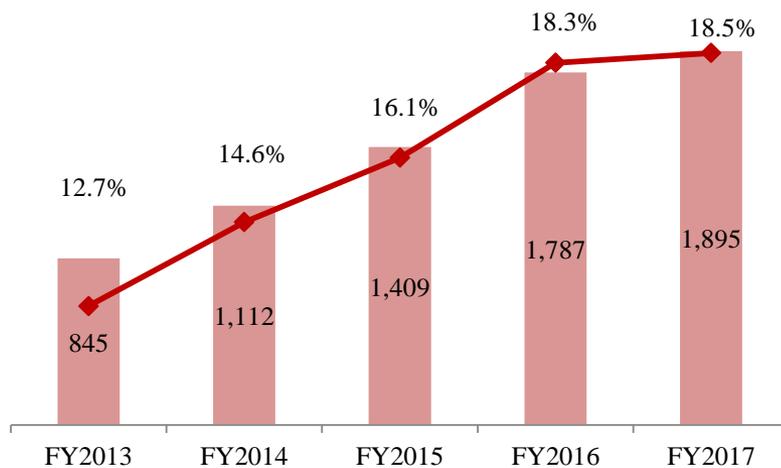
## Revenue (Rs. Million) and Growth (%)



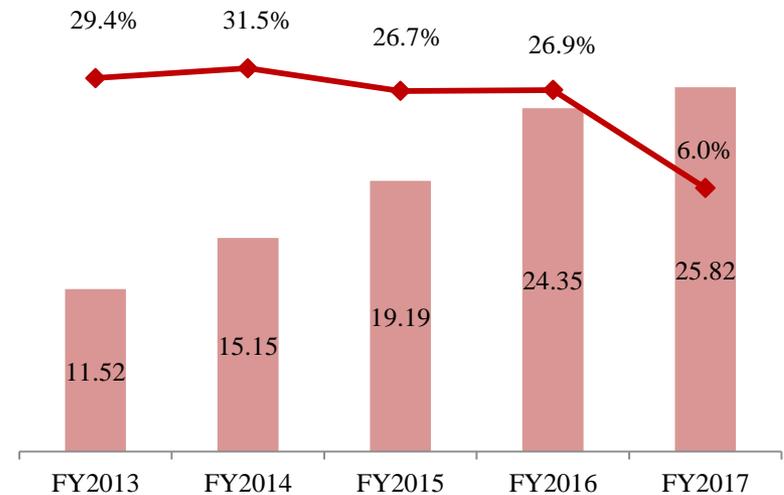
## EBITDA (Rs. Million) and Margin (%)



## PAT (Rs. Million) and Margin (%)



## EPS (Rs.) and Growth (%)



FY16 and FY17 financials are based on IndAS

# Financial Overview: P&L



Particulars (Rs. in millions, except EPS data)	Three months ended			Year Ended		
	31.03.2017	31.03.2016	Shift (%)	31.03.2017	31.03.2016	Shift (%)
Net Sales / Income from operations	2,315	2,238	3.4%	9,212	9,058	1.7%
Other Operating Income	28	33	-16.2%	121	119	1.8%
<b>Total Income from operations</b>	<b>2,343</b>	<b>2,272</b>	<b>3.1%</b>	<b>9,333</b>	<b>9,177</b>	<b>1.7%</b>
Other income	167	189	-11.9%	921	611	50.7%
<b>Total Income</b>	<b>2,510</b>	<b>2,461</b>	<b>2.0%</b>	<b>10,253</b>	<b>9,788</b>	<b>4.8%</b>
Consumption of Raw Materials	813	863	-5.8%	3,494	3,465	0.9%
(Increase)/Decrease in Inventory	0	6		(2)	(0)	
Employees Cost	248	329	-24.6%	939	1,221	-23.1%
Other Expenditure	709	552	28.4%	2,845	2,297	23.9%
<b>Total Expenditure</b>	<b>1,770</b>	<b>1,749</b>	<b>1.2%</b>	<b>7,277</b>	<b>6,982</b>	<b>4.2%</b>
<b>EBITDA</b>	<b>740</b>	<b>712</b>	<b>3.9%</b>	<b>2,976</b>	<b>2,806</b>	<b>6.1%</b>
<b>Margin (%)</b>	<b>29.5%</b>	<b>28.9%</b>		<b>29.0%</b>	<b>28.7%</b>	
Depreciation & Amortisation	50	61	-17.5%	202	225	-10.2%
<b>EBIT</b>	<b>689</b>	<b>651</b>	<b>5.9%</b>	<b>2,774</b>	<b>2,581</b>	<b>7.5%</b>
<b>Margin (%)</b>	<b>27.5%</b>	<b>26.4%</b>		<b>27.1%</b>	<b>26.4%</b>	
Interest & finance charges	34	27	25.2%	161	113	42.5%
<b>Profit before tax</b>	<b>655</b>	<b>624</b>	<b>5.1%</b>	<b>2,612</b>	<b>2,467</b>	<b>5.9%</b>
<b>Margin (%)</b>	<b>26.1%</b>	<b>25.3%</b>		<b>25.5%</b>	<b>25.2%</b>	
Tax Expense	191	178	6.8%	676	680	-0.5%
<b>Profit after tax</b>	<b>464</b>	<b>445</b>	<b>4.3%</b>	<b>1,936</b>	<b>1,787</b>	<b>8.3%</b>
<b>Margin (%)</b>	<b>18.5%</b>	<b>18.1%</b>		<b>18.9%</b>	<b>18.3%</b>	
Share of profit/ (loss) of Associate	(41)	-		(41)	-	
<b>Net Income</b>	<b>424</b>	<b>445</b>	<b>-4.8%</b>	<b>1,895</b>	<b>1,787</b>	<b>6.0%</b>
<b>Margin (%)</b>	<b>16.9%</b>	<b>18.1%</b>		<b>18.5%</b>	<b>18.3%</b>	
<b>EPS</b>	<b>5.77</b>	<b>6.06</b>	<b>-4.8%</b>	<b>25.82</b>	<b>24.35</b>	<b>6.0%</b>

# Financial Overview- Balance Sheet



Particulars (Rs. in millions)	As at 31.03.2017 (Audited)	As at 31.03.2016 (Audited)
<b>A ASSETS</b>		
<b>1 Non- current assets</b>		
Property, plant and equipment	1,735	1,798
Investment property	62	33
Intangible assets	694	694
Investment in an associate (equity)	704	-
Financial assets	8,198	5,832
Income Tax Assets (net)	-	9
Other non-current assets	31	17
<b>Total non-current assets</b>	<b>11,424</b>	<b>8,382</b>
<b>2 Current assets</b>		
Inventories	471	482
Financial assets	2,699	3,789
Other current assets	79	181
<b>Total current assets</b>	<b>3,249</b>	<b>4,452</b>
<b>Total assets</b>	<b>14,672</b>	<b>12,834</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
Equity share capital	734	734
Other equity	10,934	8,373
<b>Total equity</b>	<b>11,668</b>	<b>9,107</b>
<b>2 Liabilities</b>		
<b>2A Non-current liabilities</b>		
Deferred tax liabilities (Net)	249	163
<b>Total non-current liabilities</b>	<b>249</b>	<b>163</b>
<b>2B Current liabilities</b>		
Financial liabilities	2,470	3,476
Other current liabilities	209	197
Provisions	29	45
Income tax liabilities (net)	49	43
<b>Total current liabilities</b>	<b>2,756</b>	<b>3,564</b>
<b>Total equity and liabilities</b>	<b>14,672</b>	<b>12,834</b>

Key Ratios	FY 14	FY15	FY16	FY17
RoCE	20.6%	22.1%	22.7%	19.5%
RoE	19.9%	20.9%	19.5%	16.2%
Debtor Days	42	44	44	45

# Dividend Declaration



## Board recommends dividend of 12%

- The Board of Directors at their meeting on May 18, 2017 have recommended a dividend of Rs. 1.20 per equity share of Rs. 10 each; translating to 12% of face value.
- Dividend for the year amounted to Rs. 88.1 million (excluding Dividend Distribution Tax)

# Near-term Outlook



## Strategic Focus

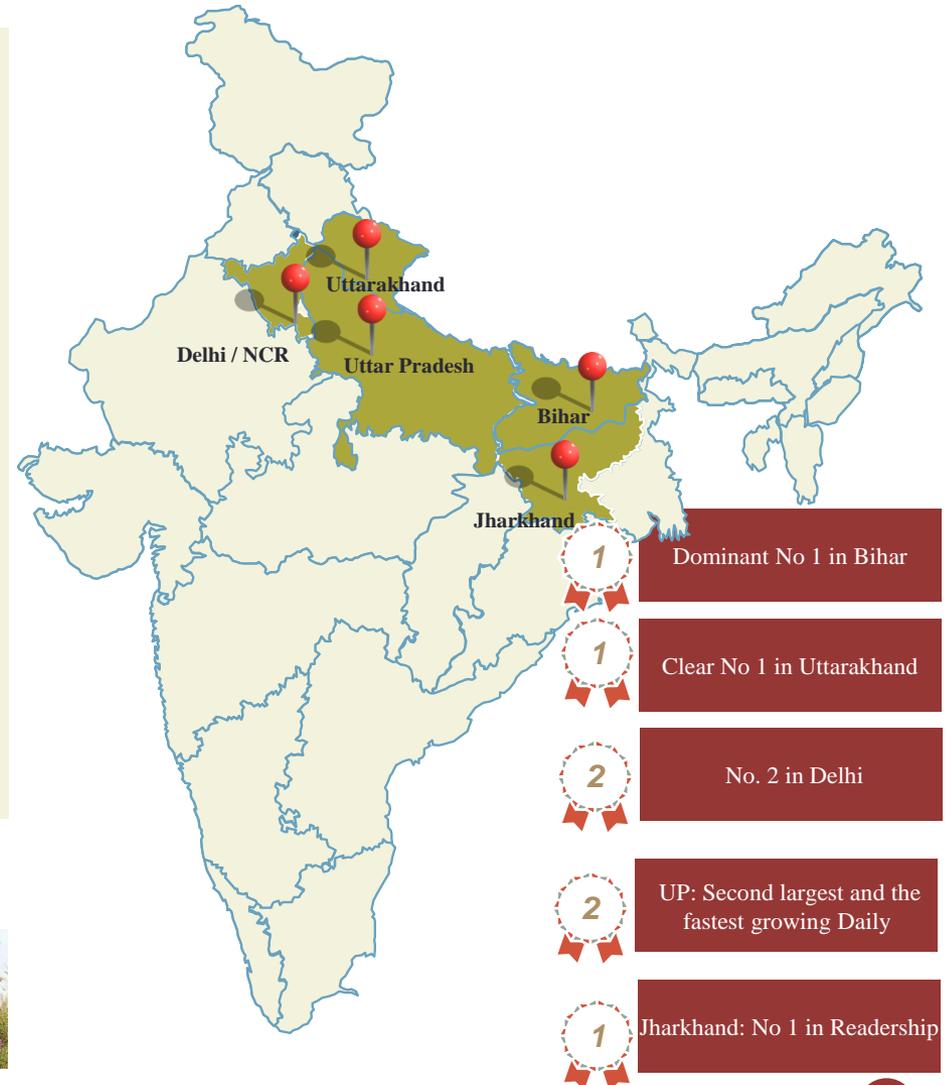
- Preparing to drive both volume and yields as signs of early recovery become visible.
- Continue to build copies in core markets to deepen our presence; Optimize cover prices.
- Tight control on costs to improve productivity.

# 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 2<sup>nd</sup> position in Delhi and UP
- The Company also operates the website [www.livehindustan.com](http://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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