

DISH TV INDIA LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2020

HARNESSING THE DIGITAL EDGE

1Q FY21 OPERATING REVENUES OF Rs. 8,356 MILLION

EBITDA OF Rs. 5,514 MILLION, UP 2.9 % Y-o-Y DESPITE A HIGH BASE EFFECT

ALL-TIME HIGH EBITDA MARGIN OF 66%

PAT OF Rs. 745 MILLION

1Q FY21 Highlights

- ❖ Operating revenues of Rs. 8,356 million
- ❖ Subscription revenues of Rs. 7,915 million
- ❖ EBITDA of Rs. 5,514 million
- ❖ EBITDA margin at 66.0%
- ❖ PAT of Rs. 745 million

NOIDA, India; September 02, 2020 - Dish TV India Limited (BSE: 532839, NSE: DISHTV, LSE: DTVL) today reported first quarter fiscal 2021 unaudited consolidated subscription revenues of Rs. 7,915 million and operating revenues of Rs. 8,356 million. EBITDA for the quarter stood at Rs. 5,514 million, up 1.5% Q-o-Q and 2.9% Y-o-Y. EBITDA margin was at an all-time high of 66.0%, up 350 bps Q-o-Q and 810 bps Y-o-Y.

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 June 30, 2020.

Harnessing the Digital Edge

For many, the spread of COVID-19 could have been even more catastrophic had it not been for technology.

With a virtually end-to-end digital infrastructure, Dish TV India Limited was reasonably well placed to make way through the challenges thrown by the pandemic. Thanks to consistent investment in digital technology and resources over the years, Dish TV India's business was running throughout the countrywide lockdown. Harnessing its digital edge, Dish TV India successfully and well in time developed an in-house app to enable its call-centre agents to switch to work-from-home. The step was extremely critical to ensure that subscribers don't miss out on their television programmes and that the revenue and retention function of call-centres was not hampered.

The DTH Company leveraged its technological edge to help its distributors and customers move to a fully digital recharge mode. Aided by Do-it-Yourself tools, AI-enabled chatbots and on-screen guides, contactless home-delivery/installation of consumer premises equipment, online recharge and contactless service experience became a reality in the shortest possible time.

Using the right tools, employees were able to connect and collaborate with both internal and external stakeholders, thus giving real time feedback and formulating reports.

Renewals and recharges using digital mediums constituted bulk of the subscriptions received by the Company. Unified Payments Interface (UPI) and e-wallets witnessed further growth in their popularity during the quarter, becoming the preferred digital payment mode for subscribers.

Going digital whole hog also accelerated the maturity of Dish TV's OTT app, 'Watcho'. The in-house OTT platform not only leveraged its inventory of indigenous web series to launch multiple new originals but also established itself as an important connection between the DTH platform and its subscribers.

Mr. Anil Dua, Group CEO, Dish TV India Limited, said, "We believe that subscribers who download 'Watcho' are generally stickier on the DTH platform than those who haven't tried the app yet. From just a million plus subscribers in January 2020, Watcho crossed the 10 million+ members mark in August this year and we hope to double this number very soon. Our plan to make 'Watcho' a platform offering multi-lingual content should certainly help boost the count."

Performance during the Quarter

Overall, the Company continued to reach out to new subscribers while staying connected with its existing subscriber base some of whom demonstrated an erratic recharge behaviour due to the struggles linked to the current situation. Acknowledging the stress in the consuming class, Dish TV devised and extended pay-later schemes that gave a three day credit to eligible subscribers, deducting the amount from their next recharge. Re-connection charges were also waived off during the initial period of the lockdown.

Unlike the initial phase of the lockdown, revenues during the quarter were impacted due to a higher overall churn. In addition, the Y-o-Y decline in revenues was also due to a high base effect considering the plenty of cricket and general elections related coverage on television during the first quarter of last year.

Mr. Anil Dua, said, "We intensified our online subscriber engagement campaigns during the quarter while also continuing to keep costs under check in these uncertain times. I am glad that we could achieve a 2.9% Y-o-Y growth in EBITDA despite a challenging environment. I am thankful to every employee at Dish TV India for rising to the occasion and delivering their best. I would also like to thank our business partners, distributors and service associates for seamlessly adopting and implementing the new COVID-19 driven SOPs in the shortest possible time."

Operating revenues for the quarter were Rs. 8,356 million. EBITDA at Rs. 5,514 million was up 1.5% Q-o-Q and 2.9% Y-o-Y. EBITDA margin was at 66.0%, up 350 bps Q-o-Q and 810 bps Y-o-Y. Profit after tax was Rs. 745 million as against a loss of Rs.354 million last year.

Dish TV India continued to deleverage during the quarter by meeting its debt obligations. The closing debt at the end of the first quarter was Rs. 14,742 million, down from Rs. 18,175 million in the preceding quarter.

In a recent development CARE Ratings Limited, basis the operational and financial performance of the Company amongst others, upgraded the ratings for Dish TV India's short term bank facilities to 'CARE A4' from 'CARE D'.

NTO 2.0

The Telecom Regulatory Authority of India, on January 1, 2020, had notified The Tariff (Second Amendment) Order, 2020, commonly referred to as NTO 2.0 to come into force on March 1, 2020.

The Tariff Order is pending Appeals before certain High Courts and its implementation is dependent on the outcome of the said Appeals.

Dish TV India in the meanwhile has already implemented the Order to the extent it was possible pending implementation by broadcasters.

Innovations and More

Dish TV India Limited launched 'DIA' (d2h Intelligent Assistant) chatbot using the latest AI enabled technology during the quarter. 'DIA' became a single-window service query platform for d2h subscribers during the lockdown and continues to effectively handle multiple customer queries post that as well. The chatbot is designed to process user requests and queries 24x7 and is enabled with a highly sophisticated machine learning system that provides accurate and personalized customer service through a constant process of self-evolution and learning.

Dish TV India had announced media and entertainment (M&E) industry's first hackathon way back in 2018 and had vowed to come back with a bigger and better version seeing its success and value addition back then.

During the quarter, Dish TV announced and successfully held the second edition of India's largest M&E industry hackathon, the 'Dish-a-thon 2020'. This time, due to the pandemic, the 48 hours long hackathon was held online and young innovators/disruptors/startups/students and developers across India were invited to come up with innovative ideas for a better TV/entertainment experience. Participants were given an opportunity to interact with industry experts and work with designated mentors to seek guidance and encouragement. 949 teams with more than 1500 participants showcased their technical prowess with the winning teams offering solutions for enhancing user experience, automation using AI and ML and increasing user engagement with the platform.

The Year Ahead

The COVID-19 linked disruption is certain to show up in the future performance of companies across sectors. However, with the basic importance of television in most households, the going should be easier for the TV distribution industry including for Dish TV India Limited.

Mr. Jawahar Goel, CMD, Dish TV India Limited, said, "With extreme unpredictability all around, we are more cautious than ever before. Expecting lack of consumer confidence, we are ready with leaner more value driven packs that should come in handy to take-on the free platform as well. We however expect the consumer sentiment to be more upbeat with the commencement of the cricketing season at the end of the second quarter and remain at elevated levels all through the traditionally strong third quarter."

Dish TV India in the meanwhile looks forward to productively channelize its strengths and keep innovating for a better customer experience.

Condensed Quarterly Statement of Operations

The table below shows the condensed consolidated statement of operations for Dish TV India Limited for the first quarter ended June 30, 2020 compared to the quarter ended June 30, 2019:

Rs. million	Quarter ended	Quarter ended	% Change
	June 2020	June 2019	Y-o-Y
Subscription revenues	7,915	8,261	(4.2)
Operating revenues	8,356	9,263	(9.8)
Expenditure	2,842	3,902	(27.2)
EBITDA	5,514	5,360	2.9
Other income	149	46	222.8
Depreciation	3,420	3,629	(5.8)
Financial expenses	1,216	1,468	(17.1)
Profit / (Loss) before exceptional items & tax	1,027	310	231.3
Exceptional items	-	-	-
Profit / (Loss) before tax	1,027	310	231.3
Tax expense:			
- Current tax	-	165	-
- Current tax -prior years	(47)	-	-
- Deferred tax	328	499	(34.3)
- Deferred Tax -prior years	-	-	-
Profit / (Loss) for the period	745	(354)	-

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 fee & 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
	June 2020	Revenue	June 2019	Revenue	Y-o-Y
Subscription revenues	7,915	94.7	8,261	89.2	(4.2)
Additional marketing, promotional fee and bandwidth charges	231	2.8	470	5.0	(50.9)
Advertisement income	31	0.4	197	2.2	(84.1)

Other income	178	2.1	336	3.6	(47.0)
Total revenues	8,356	100.0	9,263	100.0	(9.8)

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
	June 2020	Revenue	June 2019	Revenue	Y-o-Y
Cost of goods & services	1,797	21.5	2,333	25.2	(23.0)
Personnel cost	328	3.9	448	4.8	(26.9)
Other expenses (Including S&D exp.)	717	8.6	1,121	12.1	(36.0)
Total expenses	2,842	34.0	3,902	42.1	(27.2)

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 1260 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 75 HD channels & services. The Company has a vast distribution network of over 3,800 distributors & around 350,000 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