

DISH TV INDIA LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2021

RISING TO THE CHALLENGES

4Q FY21 OPERATING REVENUES of Rs. 7,517 MILLION

EBITDA of Rs. 4,260 MILLION

FY21 OPERATING REVENUES of Rs. 32,494 MILLION

EBITDA of Rs. 20,170 MILLION

EBITDA MARGIN at 62.1%

4Q FY21 Highlights

- ❖ Operating revenues of Rs. 7,517 million
- ❖ Subscription revenues of Rs. 6,852 million
- ❖ EBITDA of Rs. 4,260 million

FY21 Highlights

- ❖ Operating revenues of Rs. 32,494 million
- ❖ Subscription revenues of Rs. 29,874 million
- ❖ EBITDA of Rs. 20,170 million
- ❖ EBITDA margin at 62.1%
- ❖ Profit before exceptional items and tax of Rs. 823 million

NOIDA, India; June 30, 2021 - Dish TV India Limited (BSE: 532839, NSE: DISHTV, LSE: DTVL) today reported fourth quarter fiscal 2021 audited consolidated subscription revenues of Rs. 6,852 million and operating revenues of Rs. 7,517 million. EBITDA for the quarter was Rs. 4,260 million. Net loss was Rs. 14,153 million as against a loss of Rs. 14,562 million in the same quarter last year.

The Board of Directors in its meeting held today, has approved and taken on record the audited consolidated financial results of Dish TV India Limited and its subsidiaries for the quarter ended March 31, 2021.

Rising to the Challenges

The tragic highs and deceptive lows of the pandemic kept businesses on the edge throughout FY21. Every activity that produced value was segregated into two - essential and non-essential. Those falling under essential were no-doubt better off, but lockdowns spared no one.

Large television distribution platforms like Dish TV India Limited, despite being an essential service, faced a pressing problem. The problem to keep running when everything else was shut. Fresh content from broadcasters, hardware import, local assembly lines, distributors, dealers, markets, call centres and all offices of the Company, everything was closed.

It was time for the Company to leverage its existing digital infrastructure and take it to the next level to keep going during the pandemic.

Mr. Anil Dua, Group CEO, Dish TV India Limited, said, “Dish TV India had been advancing its digital technology over the years but what the pandemic made us do was never really envisaged by anybody. The challenge was to do a fast track implementation of digital processes that may or may not have come to the drawing board even several years down the line. Effectively, the pandemic rushed the need to innovate. Be it Artificial Intelligence for resolving customer complaints, enabling work-from home for customer care agents and employees, developing set-top-boxes and other key accessories in India, moving trade partners to a fully digital recharge mode or upgrading our OTT platform, ‘Watcho,’ we rose to the challenges thrown by the trying year while touching new highs in EBITDA margins.”

The later part of the fourth quarter saw re-emergence of urban to rural migration, amongst migrant workers, due to spike in Covid infections in cities. As it is, sporadic lockdowns during the course of the year had left many in the aspiring class with reduced disposable incomes while taking a toll on overall consumer confidence. Subscriber churn, thus remained on the higher side during the quarter and full year.

The Company continued to utilize its internal cash flows for capital expenditure and debt repayments. Restricted capital expenditure limited new subscriber additions.

Overall, low subscriber additions and a high churn resulted in a net reduction in subscriber base.

Mr. Jawahar Goel, CMD, Dish TV India Limited, said, “Thanks to all the stakeholders of Dish TV, the Company has so far been able to rise to the challenges thrown by the pandemic. The year gone by was difficult but has left us stronger with all the innovations and process improvements in place. However, with continuing uncertainties, we maintain a cautious stand. A strong balance sheet boosts confidence in such tough times and our focus on paying down debt and other liabilities is in that direction only.”

On fresh Covid induced restrictions and their impact on the current fiscal, Mr. Anil Dua, said, “An increase in subscriber churn, possibly to free to air platforms, due to continuing economic hardship amongst the vulnerable sections of the population cannot be ruled out. We however remain optimistic about the virtually perpetual relevance of television and believe that a revival in discretionary spending, due to economic activity normalizing going forward, will improve business revenues.”

Financials

Operating revenues for the quarter and full year were Rs. 7,517 million and Rs. 32,494 million respectively. Corresponding EBITDA was Rs. 4,260 million and Rs. 20,170 million. EBITDA margin for

the quarter and full year was at 56.7% and 62.1% respectively. Profit before exceptional items and tax for the quarter and full year was Rs. (1,993) million and Rs. 823 million respectively.

The Goodwill acquired pursuant to merger of the Company with erstwhile Videocon d2H Limited is periodically tested for impairment to ensure that it is carried at no more than its recoverable amount. Impairment testing of goodwill allocated to the d2h cash generating unit (CGU) was performed at the balance sheet date and an impairment loss amounting to Rs. 5,790 million was recognised in respect of d2h CGU. In addition an impairment loss of Rs. 2,008 million was recognized on Trademark/Brand.

Net loss for the quarter and full year was Rs. 14,153 million and Rs. 11,899 million respectively.

The Company paid upwards of Rs. 2,130 million towards debt during the quarter thus reducing its overall leverage to Rs. 8,099 million at the end of fiscal 2021 as compared to Rs. 18,175 million at the close of fiscal 2020.

‘Watcho’ - Keeping Pace with Tomorrow

Content streaming on OTT platforms, to quiet an extent, has become a staple along with television viewing in most urban and upper tier homes. Dish TV India’s home grown OTT platform - ‘Watcho,’ has helped the Company strengthen its bond with the millennials in such homes. The platform, unlike other OTT’s, focuses on short format content and has been steadily building a niche for itself.

‘Watcho,’ has seen tremendous growth in its viewers since the beginning of the pandemic last year and has emerged as a fresh new platform for them.

Available across screens - Android and iOS devices, Dish SMRT devices, d2h Magic devices, Fire TV stick and on its dedicated website, ‘Watcho’ provides over 50 original shows and more than 800 hours of engaging content across diverse genres and in multiple Indian languages. It is a unique platform that not only enables consumption of content but also Live TV for Dish TV and d2h subscribers. The platform recently launched a user generated content offering called ‘Watcho Swag’ that provides a platform for content creation, learning and showcasing talent.

Early during the quarter, ‘Watcho’ crossed the milestone of 15 million user base. Soon thereafter, on April 7, 2021, ‘Watcho’ crossed yet another landmark of 25 million viewers.

The platform witnessed an explosive growth, recording 25 million plus viewers from just over 1 million users in January 2020.

Speaking on the achievement, Mr. Anil Dua, said, “We are thrilled to achieve the 25 million milestone in such a short span of time. At Dish TV India, it has always been our endeavor to meet the entertainment needs of all our subscribers all the time. ‘Watcho,’ is a step in that direction and delivers a seamless, streaming entertainment experience to viewers through future ready technology and diverse content.”

Looking Back - Notification of New DTH Guidelines

The year saw the long pending matter on the renewal/issue of license to Dish TV India Limited for providing Direct-to-Home (DTH) broadcasting services in India getting resolved.

The Union Cabinet on December 23, 2020 had approved the proposal for revision of the guidelines for obtaining license for providing DTH broadcasting services in India.

Dish TV India Limited received the in principle approval of the Ministry of Information and Broadcasting, for grant of provisional license for providing DTH broadcasting services in India, with effect from April 1, 2021 for a period of 20 years.

Dish TV India's DTH license was valid up to December 31, 2019, and the Company had duly filed the requisite applications for extension of the DTH license. Subsequently, on June 25, 2020, the Company had received interim extension of the DTH license from the Ministry with a validity till March 31, 2021, or till the date of notification of 'New DTH guidelines,' whichever is earlier.

The revised guidelines, amongst other features, provide for the issue of a DTH license for a period of 20 years as against the present 10 years. Further, the license period may be renewed by 10 years at a time. The Cabinet revised the license fees from 10% of Gross Revenues (GR) to 8% of Adjusted Gross Revenues (AGR) with AGR being calculated by deduction of Goods and Services Tax from GR. Further, license fee will be collected on a quarterly basis in lieu of the present annual basis. Also, the cap of 49% Foreign Direct Investment (FDI) in the existing DTH guidelines shall be aligned with the extant Government policy on FDI (100%).

Fund Raising

Keeping in mind the requirement for funds in the Company the Board of Directors of Dish TV India Limited, on February 17, 2021, had considered and approved a proposal for raising of funds.

The Board had considered various options for fund raising and had granted in principal approval to explore and initiate the process of fund-raising through permissible modes and issue of permissible securities, for an amount up to Rs. 1,000 crores, in one or more tranches, in accordance with applicable laws.

The Board had constituted a 'Fund Raising Committee' for recommending, taking actions and monitoring in the matters of raising funds and related matters thereof.

The 'Fund Raising Committee,' constituted by the Board, had been actively working and evaluating different modes of fund raising since then.

The Board of Directors of the Company at their meeting held on June 21, 2021 considered the recommendations of the 'Fund Raising Committee' and subject to receipt of necessary approvals, approved the fund raising of up to Rs. 1,000 crores through Rights Issue of equity shares.

Further, the Board authorized the 'Fund Raising Committee' to proceed with Rights Issue forthwith, and decide the other terms and conditions of the Rights Issue including setting the record date, appointment of intermediaries as may be required, finalization of the Letter of Offer and other related matters.

Condensed Quarterly Statement of Operations

The table below shows the condensed consolidated statement of operations for Dish TV India Limited for the fourth quarter ended March 31, 2021 compared to the quarter ended March 31, 2020:

Rs. million	Quarter ended	Quarter ended	% Change
	March 2021	March 2020	Y-o-Y
Subscription revenues	6,852	7,766	(11.8)
Operating revenues	7,517	8,691	(13.5)
Expenditure	3,257	3,258	0.0
EBITDA	4,260	5,432	(21.6)
Other income	35	30	19.3
Depreciation	5,364	3,473	54.4
Financial expenses	925	1,433	(35.5)
Profit / (Loss) before exceptional items & tax	(1,993)	555	-
Exceptional items	7,798	19,155	(59.3)
Profit / (Loss) before tax	(9,791)	(18,600)	(47.4)
Tax expense:			
- Current tax	-	-	-
- Current tax -prior years	-	-	-
- Deferred tax	4,361	(4,037)	-
- Deferred Tax -prior years	-	-	-
Profit / (Loss) for the period	(14,152)	(14,562)	(2.8)

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
	March 2021	Revenue	March 2020	Revenue	Y-o-Y
Subscription revenues	6,852	91.1	7,766	89.4	(11.8)
Additional marketing, promotional fee and bandwidth charges	362	4.8	570	6.6	(36.5)
Advertisement income	129	1.7	121	1.4	7.1
Other income	174	2.3	234	2.7	(25.7)
Total revenues	7,517	100.0	8,691	100.0	(13.5)

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
	March 2021	Revenue	March 2020	Revenue	Y-o-Y
Cost of goods & services	1,638	21.8	1,724	19.8	(5.0)
Personnel cost	453	6.0	581	6.7	(22.0)
Other expenses (Including S&D exp.)	1,166	15.5	953	11.0	22.4
Total expenses	3,257	43.3	3,258	37.5	0.0

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

Condensed Annual Statement of Operations

The table below shows the condensed consolidated statement of operations for Dish TV India Limited for FY 2021 compared to FY 2020:

Rs. million	FY 2021	FY 2020	% Change
			Y-o-Y
Subscription revenues	29,874	31,928	(6.4)
Operating revenues	32,494	35,563	(8.6)
Expenditure	12,324	14,504	(15.0)
EBITDA	20,170	21,060	(4.2)
Other income	156	136	14.6
Depreciation	15,319	14,262	7.4
Financial expenses	4,184	5,652	(26.0)
Profit / (Loss) before exceptional items & tax	823	1,282	(35.8)
Exceptional items	7,798	19,155	(59.3)
Profit / (Loss) before tax	(6,975)	(17,873)	(61.0)
Tax expense:			
- Current tax	-	-	-
- Current tax -prior years	(47)	-	-
- Deferred tax	4,970	(1,325)	-
- Deferred Tax -prior years	-	-	-
Profit / (Loss) for the period	(11,899)	(16,548)	(28.1)

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	Year ended	% of	Year ended	% of	% change
	March 2021	Revenue	March 2020	Revenue	Y-o-Y
Subscription revenues	29,874	91.9	31,928	89.8	(6.4)
Additional marketing, promotional fee and bandwidth charges	1,521	4.7	1,922	5.4	(20.9)
Advertisement income	340	1.0	552	1.5	(38.4)
Other income	759	2.3	1,161	3.3	(34.6)
Total revenues	32,494	100.0	35,563	100.0	(8.6)

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	Year ended	% of	Year ended	% of	% change
	March 2021	Revenue	March 2020	Revenue	Y-o-Y
Cost of goods & services	7,087	21.8	7,907	22.2	(10.4)
Personnel cost	1,530	4.7	1,931	5.4	(20.8)
Other expenses (Including S&D exp.)	3,707	11.4	4,665	13.1	(20.5)
Total expenses	12,324	37.9	14,504	40.8	(15.0)

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

Condensed Balance Sheet

The table below shows the consolidated balance sheet as on March 31, 2021 compared to March 31, 2020:

Rs. Million	FY 2021 (Audited)	FY 2020 (Audited)
Equity and liabilities		
Equity		
(a) Equity share capital	1,841	1,841
(b) Other equity	25,028	36,657
(c) Non-controlling interest	(590)	(521)

Liabilities		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,686	5,604
(ii) Other financial liabilities	18	18
(b) Provisions	252	259
(c) Other non-current liabilities	117	318
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	2,145	4,370
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	54	11
Total outstanding dues of creditors other than micro enterprises and small enterprises	11,870	12,900
(iii) Other financial liabilities	5,871	10,772
(b) Other current liabilities	5,865	8,056
(c) Provisions	37,444	35,802
Liabilities directly associated with assets classified as held for sale	246	-
Total Equity & Liabilities	92,848	116,088
Assets		
(1) Non-current assets		
(a) Property, plant & equipment	20,916	28,488
(b) Capital work in progress	3,953	6,227
(c) Goodwill	22,380	28,170
(d) Other intangible assets	16,766	20,155
(e) Intangible assets under development	5,520	5,250
(f) Financial assets		
(i) Investments	-	-
(ii) Loans	71	108
(iii) Other financial assets	33	4
(g) Deferred tax assets (net)	6,502	11,478
(h) Current tax assets (net)	964	990
(i) Other non-current assets	8,373	8,382
(2) Current assets		
(a) Inventories	212	220
(b) Financial assets:		
(i) Investments	-	-
(ii) Trade receivables	930	868
(iii) Cash and cash equivalents	940	1,127
(iv) Other bank balances	615	335
(v) Loans	187	161

(vi) Other financial assets	11	13
(c) Other current assets	4,386	4,111
Assets classified as held for sale	89	-
Total assets	92,848	116,088

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 audited 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 1134 MHz, the largest held by any DTH player in the country. Dish TV India Limited has on its platform more than 595 channels & services including 31 audio channels and 79 HD channels & services. The Company has a vast distribution network of over 3,100 distributors & around 303,000 dealers that span across 9,300 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