

DISH TV INDIA LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2019

A SOLID START TO THE FISCAL

1Q FY20 NET SUBSCRIBER ADDITIONS OF 209 THOUSAND

SUBSCRIPTION REVENUES OF Rs. 8,261 MILLION

OPERATING REVENUES OF Rs. 9,263 MILLION

EBITDA OF Rs. 5,360 MILLION

EBITDA MARGIN AT 57.9%

A New Era Begins with Programming Cost Becoming Pass-Through

1Q FY20 Highlights

- ❖ 209 thousand net subscriber additions during the quarter. Closing net subscriber base of 23.9 million.
- ❖ Subscription revenues of Rs. 8,261 million
- ❖ Operating revenues of Rs. 9,263 million
- ❖ EBITDA of Rs. 5,360 million
- ❖ EBITDA margin at 57.9%

NOIDA, India; July 30, 2019 - Dish TV India Limited (BSE: 532839, NSE: DISHTV, LSE: DTVL) today reported first quarter fiscal 2020 consolidated unaudited subscription revenues of Rs. 8,261 million and operating revenues of Rs. 9,263 million. EBITDA for the quarter stood at Rs. 5,360 million.

Owing to the netting off of programming cost from revenues, to better reflect the New Tariff Regime, subscription and operating revenues for the quarter are not comparable with the corresponding period last year.

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, 2019.

A Solid Start to the Fiscal

With the television and distribution industry finding its feet, the New Regulatory Regime seems to have finally stabilized. For Dish TV, a lackluster January and February 2019 followed by a turnaround in March had paved way for a solid start to fiscal 2020.

Building on the foundation set by the last month of the previous fiscal, the Company continued to add subscribers through the first quarter. Net additions for the quarter stood at 209 thousand.

Dish TV India maintained its dominance in the DTH market, with more than half of the net additions being High Definition subscribers. Economical yet more efficient HD boxes launched some time back continue to add value to the HD net adds. The Company bagged the 'Fastest Growing DTH Brand in HD Category' title for the second year in a row at the 10th BCS Ratna Awards, 2019, held at New Delhi. The annual event aims to recognize the contribution of different players in the Broadcasting and Cable Satellite industry.

In line with expectations, subscription revenues were strengthened due to an engrossing cricket season.

Leveraging the Cricket World Cup, the Company launched 'Predict & Win' contest for its subscribers. The contest was a huge hit and was one of the many initiatives taken during the quarter to win back and upgrade existing subscribers as well as enable new subscriber additions. All new & existing Dish TV & d2h subscribers were eligible for this contest.

Dish TV India also launched recharge offers that offered free-to-air movie and entertainment channels that were erstwhile available on DD Free Dish along with channels that showcased the entire Indian cricketing action.

The general elections too had TV viewership going up significantly which ultimately positively impacted the subscriber additions and revenues.

Mr. Jawahar Goel, CMD, Dish TV India Limited, said, "Positive contribution from the Cricket World Cup and elections no doubt strengthened the first quarter performance but due credit should also be given to the team for dexterously working through the challenges thrown by the New Tariff Regime. I am glad to say that the technological challenges experienced during the migration are now a thing of the past. Majority of our subscribers are well settled in their channel combinations and Dish TV India should continue to raise the bar both in terms of service delivery and financial performance in the coming quarters."

Dish TV India also introduced a first-of-its-kind value added service, 'Ayushman Active', to offer unique and engaging content to senior citizens on both brands; Dish TV and d2h. This is the first ever service dedicated to engage senior citizens with meaningful TV time and enables them to choose amongst nostalgic music, evergreen classic movies and knowledge on healthy living and wellness. The service is available at Rs. 40 per month and is expected to increase brand loyalty in large and joint family settings which constitute a significant percentage of the Indian family system.

The Company achieved an EBITDA margin of 57.9% under the New Tariff Regime.

Beginning of a New Era

Fiscal 2020 is going to be the first full year of the Tariff Order implementation and should witness its positive impact as well. Dish TV India strongly believes that the New Regulatory Regime will enable large distribution players like itself to emerge stronger than ever before.

Speaking on that, Mr. Anil Dua, Group CEO, Dish TV India Limited, said, “The Tariff Order has led to the beginning of a new era with programming cost becoming a pass-through expense. Apart from the accounting significance, the move indicates a massive shift from the traditional way of content negotiation. With the New Regime emphasizing the role of ala-carte, content would be subject to subscriber’s filtration. As a distributor, we would only be procuring content that sells while adding value through our packaging, quality of our service and new products.”

Unlike fiscal 2019 that saw the television industry struggle with challenges at the regulatory front, the current year is expected to be much more settled. The steep learning curve has ultimately brought players on a common ground which should be beneficial for the overall growth and expansion of all.

“A lot of hard work has been put in by all players, be it broadcasters, MSOs, LCOs or DTH platforms, to prepare for the New Regulatory Regime. The TRAI also went all out to ensure a smooth implementation of the Regulation and in the process has acquired significant data insight that should be leveraged to ensure better pricing and higher consumption of channels going forward.” said, Mr. Goel.

Macro Outlook and the Year Ahead

Government’s thrust on social spending and upliftment should improve consumer sentiment thus benefitting consumer sector companies like Dish TV India Limited.

At the same time, primary drivers of DTH like the ever increasing TV & multi-TV households and increasing urbanization should continuously fuel sustainable growth in the DTH space.

Moreover, potential tie-ups and innovations in the category should reinforce DTH progression going forward.

“Having jump-started the year, we find ourselves all set to leverage the possibility of multiple growth opportunities ahead. In the near term, operating efficiencies resulting from further realization of synergies due to the combination of Dish TV and d2h should continue to positively contribute to the business and financial performance of the Company,” said, Mr. Dua.

Watcho, the in-house OTT app of Dish TV India should continue to strengthen its presence in the OTT space thus becoming an effective retention and value addition tool.

The partnership between Watcho & ‘Kaltura’- a leading video technology provider, will enable seamless multiscreen presence for the app while enabling continuous learning on the content consumption habits of subscribers.

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, 2019 compared to the quarter ended June 30, 2018:

Rs. million	Quarter ended	Quarter ended	% Change
	June 2019	June 2018	Y-o-Y
Subscription revenues	8,261	14,893	(44.5)
Operating revenues	9,263	16,556	(44.1)
Expenditure	3,902	10,989	(64.5)
EBITDA	5,360	5,568	(3.7)
Other income	46	157	(70.6)
Depreciation	3,629	3,608	0.6
Financial expenses	1,468	1,775	(17.3)
Profit / (Loss) before exceptional items & tax	310	342	(9.3)
Exceptional items	-	-	-
Profit / (Loss) before tax	310	342	(9.3)
Tax expense:			
- Current tax	165	104	58.1
- Current tax -prior years	-	-	-
- Deferred tax	499	(18)	-
- Deferred Tax -prior years	-	-	-
Profit / (Loss) for the period	(354)	255	-

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	Quarter ended	% of	Quarter ended	% of	% change
	June 2019	Revenue	June 2018	Revenue	Y-o-Y
Subscription revenues	8,261	89.2	14,893	90.0	(44.5)
Additional marketing, promotional fee and bandwidth charges	423	4.6	387	2.3	9.3
Advertisement income	197	2.1	346	2.1	(43.1)
Other income	382	4.1	931	5.6	(58.9)
Total revenues	9,263	100.0	16,556	100.0	(44.1)

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 expense includes 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 2019	Revenue	June 2018	Revenue	Y-o-Y
Cost of goods & services	2,333	25.2	8,841	53.4	(73.6)
Personnel cost	448	4.8	577	3.5	(22.3)
Other expenses (Including S&D exp.)	1,121	12.1	1,570	9.5	(28.6)
Total expenses	3,902	42.1	10,989	66.4	(64.5)

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 largest direct-to-home (DTH) Company with a subscriber base of more than 23.9 million. Dish TV India Limited 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 1332 MHz, the largest held by any DTH player in the country. Dish TV India Limited has on its platform more than 701 channels & services including 31 audio channels and 71 HD channels & services. The Company has a vast distribution network of over 3,700 distributors & around 409,000 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