



DISH TV INDIA LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED SEPTEMBER 30, 2018

ON TRACK FOR GROWTH

BOARD DECLARES INTERIM DIVIDEND

2Q FY19 NET SUBSCRIBER ADDITIONS OF 200 THOUSAND

OPERATING REVENUES OF Rs. 15,943 MILLION

H1 REVENUES OF RS. 32,499 MILLION; 48% OF ANNUAL GUIDANCE ACHIEVED

ARPU AT Rs. 207

EBITDA OF Rs. 5,406 MILLION

EBITDA MARGIN RISES TO 33.9%

PAT OF Rs. 197 MILLION

BALANCE SHEET STRENGTHENS FURTHER; AIMING TO BE DEBT FREE IN 2 YEARS

2Q FY19 Highlights

- ❖ 200 thousand net subscriber additions during the quarter. Closing net subscriber base of 23.5 million.
- ❖ Subscription revenues of Rs. 14,536 million
- ❖ Operating revenues of Rs. 15,943 million
- ❖ Average Revenue Per User (ARPU) of Rs. 207
- ❖ EBITDA of Rs. 5,406 million
- ❖ EBITDA margin at 33.9%
- ❖ PAT of Rs. 197 million

NOIDA, India; October 25, 2018 - Dish TV India Limited (BSE: 532839, NSE: DISHTV, LSE: DTVL) today reported second quarter fiscal 2019 consolidated subscription revenues of Rs. 14,536 million and operating revenues of Rs. 15,943 million. H1 FY19 subscription and operating revenues were Rs. 29,429 million and Rs. 32,499 million respectively. EBITDA for the quarter stood at Rs. 5,406 million. EBITDA margins were almost at an all time high at 33.9%.

On March 22, 2018, Videocon D2h Limited had merged with and into Dish TV India Limited with the appointed date of the merger being October 1, 2017. Financial numbers for 2Q FY19 are thus not comparable with the corresponding period last year(2Q FY18).

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 September 30, 2018.

On Track for Growth

While a solid 1Q FY19 formed the foundation for the 'year of change' that Dish TV India Limited considers FY19 to be, the otherwise seasonally weak and wet 2Q kept the Company on steady track for growth.

Phase 4 markets continued to be the bastions of growth as far as new subscriber additions are concerned. The 200 thousand net subscriber additions during the quarter, along with 300 thousand net additions in the first quarter, put the 1.3 million yearly, net addition target well within reach. This is considering that 40% of the subscriber additions typically come up in the festival, third quarter.

The 197 million TV owning households in the country are expected to grow to 220 million in the next 3 years thus providing solid, unrestricted organic growth for the TV industry. Considering that majority of these additions would come in from non-urban markets, Dish TV as a rural focused DTH player would continue to enjoy excellent growth in the years ahead. Subscribers from such non-frontline towns and cities today form a solid backbone for Dish TV's business.

Strong subscription revenues of Rs. 14,536 million saw a spill over impact of pack price hikes taken during the previous quarter. Lack of heavy-duty sporting events, like those in the immediately preceding quarter, however impacted further growth of subscription revenues on a sequential basis. Sports specific packages and related win-backs often tend to dilute post the event.

Quarterly ARPU at Rs. 207, though down sequentially due to factors mentioned above, was up a promising 3% from the fiscals opening ARPU at Rs. 201.

EBITDA for the quarter was Rs. 5,406 million with a strong EBITDA margin of 33.9%. H1 FY19 EBITDA added up to Rs. 10,974 million. The Company remains on track to achieve the 35% EBITDA margin guidance.

Investments in the TV Distribution Space

We have seen positive steps towards the highly fragmented cable industry getting organized. This may pave way for industry ARPU growth in the long run while it may take atleast 4-6 quarters aligning everybody in a 3 tiered industry structure. Moving from a B2B, to a customer centric B2C service delivery model will have its own set of challenges. Although the structure would emerge over time, consumers who would prefer watching television through fibre to the home would certainly incur massive costs, as compared to the traditional DTH/cable offering.

While internet is on the path to becoming a commodity, internet needs of a large majority of consumers are met through wireless mobile connections. The dwindling data prices of telcos have been the single largest reason for increasing internet penetration in the country. This is also

demonstrated by the fact that there is a less than 15% uptake for high speed broadband offered by large cable companies in the country. Gigabyte speeds come with a cost and are not a top priority when it comes to making a broadband purchase decision.

Talking about future competitive scenario in the TV distribution space, Mr. Jawahar Goel, CMD, Dish TV India Limited, said, “With limited takers for fibre or fixed line broadband, watching television through IPTV is going to be even scarce. Infact, post running an internal analysis, we see less than 1% of our subscriber base to be vulnerable to any kind of IPTV threat in the foreseeable future. Our competitive strength in the rural market ring fences our subscriber base almost completely.”

Worldwide, television consumers continue to stick to their DTH or satellite TV connections despite emerging options for watching TV. Not only is DTH the easiest to install, but is also the most economical medium for content delivery that can cover extremely large geographical locations in one go. DTH’s unchallenged advantage of reaching even the remotest of locations or toughest of terrains has made it the never-let-go platform for millions of TV lovers even in some of the most technologically advanced countries across the world. DTH is a long established medium and would continue to grow. In fact, CAGR for global pay satellite households is projected to outpace CAGR for global pay TV subscribers over 5 years, by as high as 50%.

“We remain extremely confident about our business and our strong financials give us the courage to compete against anyone in this space. That said, we continue to focus on growth with profitability keeping in mind our objective of maximizing shareholder returns while aggressively investing in the business,” added Mr. Goel.

Dish TV at an Inflection Point

With the successful completion and integration of a mega merger, Dish TV India Limited is in one of the most exciting times ever in the history of the Company.

The Company today entered the dividend paying club with the Board of Directors, post approving the Unaudited financial results of the Company for the quarter, suo motu, declaring the first ever dividend (interim) of Rs. 0.50 per equity share of Rs.1 each on the entire paid issued, subscribed and up equity share capital of the Company.

Working full steam to draw every bit of revenue, cost and financial synergies, the Company has achieved success in bringing together Sales, Service, Backend and Marketing operations thus saving millions of dollars in the process. Interest costs continued to decline post renegotiation of debt. Debt repayments were as per schedule and the Company aims to be debt free in two years.

Capex synergies remain on track and set top box cost negotiations should help achieve the Rs. 1,100 million estimated savings during the fiscal.

Talking about the current technological buzz, Mr. Anil Dua, Group CEO, Dish TV India Limited, said, “There is change but a lot of exaggeration as well. We acknowledge the new choices that the television consumer is getting exposed to but you can’t undermine the unique dynamics of India as a consuming nation. The television consumer likes flexibility but not at the cost of affordability. We still are a nation with 98% of the households having a single TV at home and with more than 79% CRTV’s. Our soon to be launched ‘SMRT Stick’ will be the ideal value for money offering for TV households to convert their CRTV’s into Smart TV’s and experience OTT content.”

Dish TV's soon to be launched OTT platform and Connected Box are two of the many initiatives in the pipeline that will position Dish TV at par with some other contemporary offerings that the present day urban television consumer is exploring.

“What would differentiate us from the crowd would be Dish TV's unique advantage of being able to offer content through both, the traditional and streaming medium thus enabling consumers to keep their TV viewing costs under check. Our confidence on the success of this hybrid offering stems from the fact that linear television offers what no OTT offering can, and not vice-versa. Unlike most competitors, our OTT offering would be a fair mix of original content, linear TV channels and catch-up content,” added Mr. Dua.

Dish TV's Connected Box would empower the new age consumer to watch both, streaming content as well as linear television using DTH technology, at cost effective prices thus offering them excellent value for money.

The TRAI Tariff Order

Dish TV remains optimistic of the TRAI Tariff Order seeing the light of the day soon.

The Company believes that if implemented in letter and spirit, the Order should be beneficial for the entire industry and should essentially lead to higher ARPUs for the industry going forward. It also sees the regulation to have the potential to minimize discriminatory pricing by ensuring a level playing field between cable and DTH platforms.

With The TRAI Tariff Order coming into force on July 3, 2018, the industry has a 180 day window to ensure its implementation on the ground unless it is held back by any Court in India.

Dish TV was the first in the industry to partially and voluntarily roll out the provisions of the Tariff Order by offering a-la-carte channels to its subscribers at affordable prices.

Dish Nahin Dishkiyaon

Dish TV India recently appointed Ranveer Singh, a leading film actor with an edgy and youthful attitude, as its new brand ambassador ahead of the festive season. A new campaign, designed to showcase the Dish TV brand in a completely new, bold avatar signaling a new phase in the brand's life cycle was also launched.

The brand TVC featuring Ranveer Singh, shows him in different situations with DishTV playing on his mind.

The product window talks of its upcoming SMRT Stick for streaming online videos, 5X HD Clarity and unlimited entertainment packs, suggesting how DishTV is adding fun and entertaining moments to the lives of its customers through innovative new products and services.

Mr. Anil Dua, Group CEO, Dish TV India Limited, said, “This festive season, the Dish TV brand entered a new phase. With growth momentum on our side, arising out of our existing initiatives and upcoming offerings, our new campaign firmly positioned DishTV as the preferred entertainment brand in the country.”

“We are delighted to have Ranveer Singh as the face of the brand DishTV. Ranveer’s vivacious and energetic personality resonates well with our new brand positioning and we are confident that his infectious energy will energize our audiences and invigorate our brand,” added Mr. Dua.

Active Services to Drive Revenues

During the quarter, Dish TV partnered with Shemaroo to bring ‘Bhojpuri Active’ service on the Dish TV and d2h platforms. Bhojpuri Active offers more than 200 movies and will premier a latest Bhojpuri movie every month.

The Company also launched ‘Fitness Active’ a Value Added Service in which fitness trainers from diverse fields of Yoga, Nutrition, Meditation, Martial Arts, Pilates etc will share their fitness tips with Dish TV’s viewers.

Post a free preview of 15 days, both these services would be available at Rs. 40 (plus taxes) per month.

The Company intends to continue to leverage Value Added Services to further boost its topline.

Condensed Quarterly Statement of Operations

The table below shows the condensed consolidated statement of operations for Dish TV India Limited for the second quarter ended september, 2018 compared to the quarter ended June, 2018 and quarter ended September, 2017:

| Rs. Million | Quarter ended Sept. 2018 | Quarter ended June 2018 | Quarter ended Sept. 2017 | % Change Q-o-Q | % Change Y-o-Y |
|--|-----------------------------|----------------------------|-----------------------------|-------------------|-------------------|
| Subscription revenues | 14,536 | 14,893 | 7,049 | (2.4) | 106.2 |
| Operating revenues | 15,943 | 16,556 | 7,486 | (3.7) | 113.0 |
| Expenditure | 10,537 | 10,989 | 5,325 | (4.1) | 97.9 |
| EBITDA | 5,406 | 5,568 | 2,161 | (2.9) | 150.2 |
| Other income | 147 | 157 | 77 | (6.7) | 90.5 |
| Depreciation | 3,675 | 3,608 | 1,899 | 1.9 | 93.6 |
| Financial expenses | 1,591 | 1,775 | 611 | (10.3) | 160.5 |
| Profit / (Loss) before exceptional items, tax and share of (Loss) in joint venture | 286 | 342 | (272) | (16.3) | - |
| Exceptional items | 0 | - | - | - | - |
| Profit / (Loss) before tax and share of (Loss) in joint venture | 286 | 342 | (272) | (16.3) | - |
| Tax expense: | | | | | |
| - Current tax | 125 | 104 | 289 | 19.5 | (56.9) |

| | | | | | |
|---|------|------|-------|--------|---|
| - Income tax - prior years | - | - | - | - | - |
| - Deferred tax | (36) | (18) | (383) | - | - |
| - Deferred Tax - prior years | - | - | - | - | - |
| Profit / (Loss) after tax and before share of (Loss) in joint venture | 197 | 255 | (179) | (22.6) | - |
| Share of (Loss) in joint venture | - | - | (0) | - | - |
| Net Profit/ (Loss) for the period | 197 | 255 | (179) | (22.6) | - |

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

Revenue

Dish TV's operating revenues include subscription revenues, advertisement income, bandwidth charges, and other income. The table below shows each as a percentage of operating revenue:

| Rs. Million | Quarter ended Sept. 2018 | % of Revenue | Quarter ended June 2018 | Quarter ended Sept. 2017 | % of Revenue | % change Q-o-Q | % change Y-o-Y |
|----------------------|--------------------------|--------------|-------------------------|--------------------------|--------------|----------------|----------------|
| Subscription revenue | 14,536 | 91.2 | 14,893 | 7,049 | 94.2 | (2.4) | 106.2 |
| Advertisement income | 226 | 1.4 | 346 | 120 | 1.6 | (34.8) | 87.4 |
| Bandwidth charges | 374 | 2.3 | 387 | 214 | 2.9 | (3.4) | 74.7 |
| Other income | 807 | 5.1 | 931 | 102 | 1.4 | (26.4) | - |
| Total revenue | 15,943 | 100.0 | 16,556 | 7,486 | 100.0 | (3.7) | 113.0 |

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 revenue:

| Rs. Million | Quarter ended Sept. 2018 | % of Revenue | Quarter ended June 2018 | Quarter ended Sept. 2017 | % of Revenue | % change Q-o-Q | % change Y-o-Y |
|-------------------------------------|--------------------------|--------------|-------------------------|--------------------------|--------------|----------------|----------------|
| Cost of goods & services | 8,672 | 54.4 | 8,841 | 3,921 | 52.4 | (1.9) | 121.2 |
| Personnel cost | 626 | 3.9 | 577 | 366 | 4.9 | 8.6 | 71.0 |
| Other expenses (Including S&D exp.) | 1,238 | 7.8 | 1,570 | 1,038 | 13.9 | (21.2) | 19.3 |
| Total expenses | 10,537 | 66.1 | 10,989 | 5,325 | 71.1 | (4.1) | 97.9 |

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 September 30, 2018:

| Rs. Million | As on Sept. 30, 2018 (Unaudited) | As on Mar. 31, 2018 (Audited) |
|--|--|-------------------------------------|
| Equity and liabilities | | |
| Equity | | |
| (a) Equity share capital | 1,841 | 1,841 |
| (b) Other equity | 66,008 | 65,700 |
| Equity attributable to owners of Holding Company | 67,849 | 67,541 |
| (c) Non-controlling interest | (277) | (181) |
| Liabilities | | |
| (1) Non-current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 20,139 | 17,949 |
| (ii) Other financial liabilities | 0 | 448 |
| (b) Provisions | 419 | 408 |
| (c) Other non-current liabilities | 557 | 1,214 |
| (2) Current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 2,334 | 4,532 |
| (ii) Trade payables | 10,631 | 6,702 |
| (iii) Other financial liabilities | 12,370 | 14,418 |
| (b) Other current liabilities | 21,290 | 10,802 |
| (c) Provisions | 30,058 | 27,886 |
| (d) Current tax liabilities (net) | 229 | 0 |
| Total Equity & Liabilities | 1,65,600 | 1,51,721 |
| Assets | | |
| (1) Non-current assets | | |
| (a) Property, plant & equipment | 34,615 | 36,338 |
| (b) Capital work in progress | 7,471 | 6,781 |
| (c) Goodwill | 62,754 | 62,754 |
| (d) Other intangible assets | 22,106 | 22,757 |
| (e) Financial assets | | |
| (i) Investments | 1,500 | 1,500 |
| (ii) Loans | 153 | 153 |
| (iii) Other financial assets | 94 | 233 |

| | | |
|---|-----------------|-----------------|
| (f) Deferred tax assets (net) | 6,080 | 6,026 |
| (g) Current tax assets (net) | 1,111 | 1,077 |
| (h) Other non-current assets | 2,210 | 1,931 |
| (2) Current assets | | |
| (a) Inventories | 467 | 380 |
| (b) Financial assets | | |
| (i) Investments | 0 | 0 |
| (ii) Trade receivables | 1,601 | 1,460 |
| (iii) Cash and cash equivalents | 1,082 | 3,020 |
| (iv) Bank balances other than (iii) above | 1,440 | 2,610 |
| (v) Loans | 73 | 65 |
| (vi) Other financial assets | 15,080 | 1,841 |
| (c) Other current assets | 7,762 | 2,794 |
| Total assets | 1,65,600 | 1,51,721 |

Corporate Development

While approving the Un-Audited Limited Reviewed financial results of the Company, the Board of Directors also, suo motu, took up for consideration and declared an interim dividend of Rs. 0.50 per equity share of Re. 1 each on the entire issued, subscribed and paid up equity share capital of the Company and for the purpose of this maiden interim dividend, November 6, 2018 has been fixed as the record date.



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 23.5 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 NSS-6, SES-8, GSAT-15 and ST-2 and has a bandwidth capacity of 1350 MHz, the largest held by any DTH player in the country. Dish TV India Limited has on its platform more than 709 channels & services including 31 audio channels and 70 HD channels & services. The Company has a vast distribution network of over 4,000 distributors & around 400,000 dealers that span across 9,450 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