



HT Media Ltd

(NSE: HTMEDIA; BSE: 532662)

Q2 FY2017 Earnings Presentation

November 2, 2016

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Conference Dial-In Numbers (November 3, 2016 at 10:30am IST)	
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Management Commentary

Commenting on the results and performance, **Mrs. Shobhana Bhartia, Chairperson and Editorial Director, HT Media** said:

“Our revenue growth in the quarter was flat, reflecting overall weakness in print media, especially English language publications. The high base effect of 2015’s Bihar elections on the Hindi business further depressed revenue growth.

We are looking forward to a better second half, powered by the festive season, a good monsoon, implementation of the Seventh Pay Commission’s recommendations, and the upcoming elections in Uttar Pradesh.

Our radio business continues to out-perform; we have completed the roll-out of our Phase III stations, which have all gotten off to a good start. Our digital businesses continue to grow and reduce losses.”

Highlights – Q2 FY2017 vs. Q2 FY2016

- Total Revenue increased by 5.2% to Rs. 6,802 million.
- Advertising Revenue de-grew by (2%); Circulation Revenues grew by 2.4% vs. last year.
- EBITDA was up by 15.1% at Rs. 1,285 million; EBITDA margins at 18.9% vs. 17.3% last year.
- PAT de-grew by (0.8%) to Rs. 512 million; PAT margins of 7.5%.
- Strong balance sheet position with Net Cash of Rs. 8,576 million.
- EPS for the quarter stood at Rs. 1.33 as compared to Rs. 1.58 in the same period last year.

Financial Highlights

Q2 FY17 (y-o-y and q-o-q) and H1 FY17 (y-o-y)

Rs. million	Q2			Q1			H1		
	FY2017	FY2016	y-o-y Growth (%)	FY2017	FY2016	q-o-q Growth (%)	FY2017	FY2016	y-o-y Growth (%)
Advertising Revenues	4,660	4,755	-2.0%	4,660	4,839	-3.7%	9,500	9,438	0.7%
Circulation Revenues	756	738	2.4%	756	772	-2.1%	1,528	1,468	4.1%
Other Revenues	1,386	974	42.2%	1,386	1,013	36.8%	2,399	1,723	39.2%
Total Revenues	6,802	6,468	5.2%	6,802	6,624	2.7%	13,427	12,629	6.3%
Consumption of Raw Materials	1,780	1,790	-0.5%	1,780	1,807	-1.5%	3,587	3,561	0.7%
Employee Cost	1,528	1,427	7.1%	1,528	1,489	2.6%	3,016	2,795	7.9%
Other expenses	2,208	2,132	3.6%	2,208	2,211	-0.1%	4,419	4,287	3.1%
EBITDA	1,285	1,116	15.1%	1,285	1,121	14.7%	2,405	1,989	20.9%
<i>Margin (%)</i>	<i>18.9%</i>	<i>17.3%</i>		<i>18.9%</i>	<i>16.9%</i>		<i>17.9%</i>	<i>15.8%</i>	
Profit after Tax (PAT)	512	516	-0.8%	512	393	30.3%	904	900	0.5%
<i>Margin (%)</i>	<i>7.5%</i>	<i>8.0%</i>		<i>7.5%</i>	<i>5.9%</i>		<i>6.7%</i>	<i>7.1%</i>	
Basic EPS (Rs.)	1.33	1.58	-16.0%	1.33	0.96	38.0%	2.29	2.65	-13.4%

All financials are basis IndAS

Operational Highlights

HTML has the second largest read newspapers in English, Hindi and Business Daily segments
- 2014 IRS Results

	<u>2014 IRS Readership</u>	<u>2013 IRS Readership</u>
HT ¹ - All India	4.52 million	4.34 million
HT Delhi NCR	2.30 million	2.27 million
HT Mumbai	1.44 million	1.36 million
Mint ²	0.30 million	0.27 million
Hindustan (HH) - All India	14.75 million	14.25 million
HH UP & UT	8.09 million	7.63 million
HH Bihar	4.38 million	4.27 million
HH Jharkhand	1.31 million	1.40 million
HH Delhi NCR	1.07 million	1.06 million

¹Hindustan Times; ²Mint:Business Daily

Digital business continues to grow

- 9.8% increase in revenue from Digital segment to Rs. 373 million from Rs. 339 million in the same quarter last year.
- Shine.com registered revenue growth of ~40% in Q2'FY17 vs. same period last year.
- HT Mobile Solutions witnessed a soft quarter registering a revenue de-growth of ~(25%) in Q2'FY17 vs. same period last year.

Radio business doing well with launch of New stations

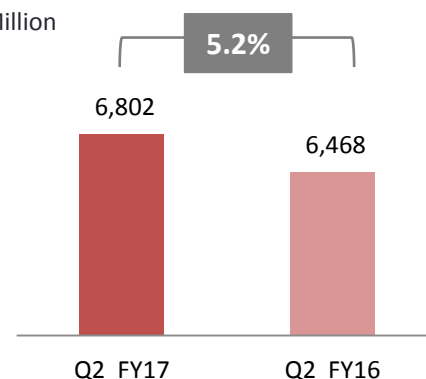
- 23.1% increase in reported revenue to Rs. 361 million in Q2'FY17 from Rs. 293 million in same period last year driven by new radio station launches.
- Radio EBITDA at Rs. 68 million with margins at 18.8% vs. 28.1% during same period last year. Dilution in margins attributed to new radio stations launch related expenses and impact of higher license fee costs.

Financial Overview – All comparisons are y-o-y

1 Revenue

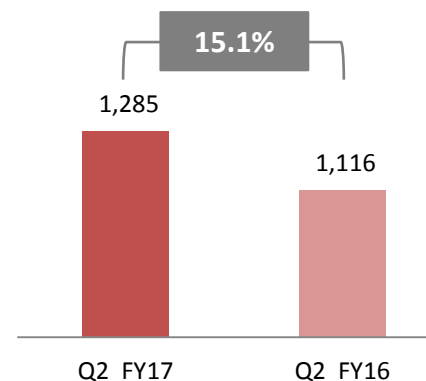
* Rs. Million

- Total revenue up by 5.2% at Rs. 6,802 million from Rs. 6,468 million :
 - (2%) decrease in advertising revenue to Rs. 4,660 million from Rs. 4,755 million primarily due to de-growth in Print Ad revenues partially offset by growth in Radio Ad revenues
 - 2.4% increase in circulation revenue to Rs. 756 million from Rs. 738 million
 - 42.2% increase in other income due to MTM gains from fair valuation of investments and increase in Shine revenue



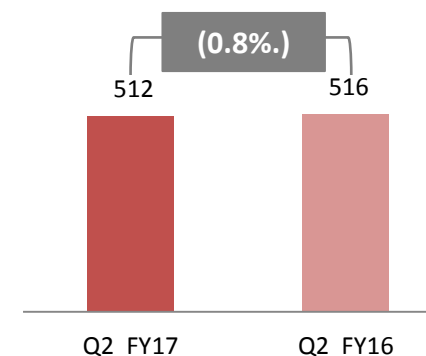
2 EBITDA

- EBITDA 15.1% higher than last year at Rs. 1,285 million from Rs. 1,116 million primarily due to :
 - Increase in other income and 0.5% decrease in Raw material costs (on account of decrease in no. of copies) being off-set by;
 - (7.1%) increase in employee costs (impact of new hiring & increments) and (3.6%) increase in Other expenses.



3 Profit After Tax

- PAT down by (0.8%) at Rs. 512 million from Rs. 516 million primarily due to higher EBITDA being off-set by higher amortization and interest costs for new radio stations.



Financial Overview – P&L

Particulars <i>(Rs. in millions, except EPS data)</i>	Three months ended			Six months ended		
	30.09.2016	30.09.2015*	Shift (%)	30.09.2016	30.09.2015*	Shift (%)
Net Sales / Income from operations	5,962	5,953	0%	12,054	11,787	2%
Other Operating Income	61	58	5%	115	104	11%
Total Income from operations	6,022	6,011	0%	12,169	11,891	2%
Other income	780	457	71%	1,258	738	70%
Total Income	6,802	6,468	5%	13,427	12,629	6%
(Increase)/Decrease in Inventory	2	4		(1)	(3)	
Consumption of Raw Materials	1,780	1,790	-1%	3,587	3,561	1%
Employees Cost	1,528	1,427	7%	3,016	2,795	8%
Other Expenditure	2,208	2,132	4%	4,419	4,287	3%
Total Expenditure	5,518	5,352	3%	11,021	10,640	4%
EBITDA	1,285	1,116	15%	2,405	1,989	21%
Margin (%)	18.9%	17.3%		17.9%	15.8%	
Depreciation & Amortisation	304	269	13%	599	495	21%
Interest & finance charges	245	123	100%	492	218	126%
Profit before tax	736	724	2%	1,315	1,277	3%
Margin (%)	10.8%	11.2%		9.8%	10.1%	
Tax Expense	224	208	8%	410	377	9%
Profit after tax	512	516	-1%	904	900	0%
Margin (%)	7.5%	8.0%		6.7%	7.1%	
Share of profit/ (loss) of associates	(62)	(32)		(106)	(62)	
Minority interest - (Profit) / Loss	(140)	(115)		(265)	(222)	
Net Income	309	368	-16%	533	616	-13%
Margin (%)	4.5%	5.7%		4.0%	4.9%	
EPS (non annualised)	1.33	1.58		2.29	2.65	

* Not subjected to Limited review

Financial Overview – Balance Sheet

Particulars (Rs. in millions)	As at 30.09.2016
A ASSETS	
1 Non- current assets	
Property, plant and equipment incl. CWIP	6,265
Investment property	3,123
Intangible assets	4,844
Financial assets	11,973
Other non-current assets incl. Income Tax Assets	632
Total non-current assets	26,837
2 Current assets	
Inventories	1,947
Financial assets	14,756
Other current assets	1,288
Total current assets	17,991
Total assets	44,828
B EQUITY AND LIABILITIES	
1 Equity	
Equity share capital	461
Other equity	20,745
1A Total equity	21,206
1B NON CONTROLLING INTEREST	2,578
2 Liabilities	
2A Non-current liabilities	
Borrowings	233
Deferred tax liabilities (Net) and Provisions	300
Other non-current liabilities	15
Total non-current liabilities	548
2B Current liabilities	
Financial liabilities	15,936
Other current liabilities	3,994
Provisions and Income tax liabilities (net)	567
Total current liabilities	20,496
Total equity and liabilities	44,828

Key Ratios	FY15	FY16	H1 FY16	H1 FY17
RoCE	12.4%	11.5%	9.0%	10.5%
RoE	9.9%	8.5%	6.4%	5.1%
Debtor days	48	50	51	58



Strategic Focus

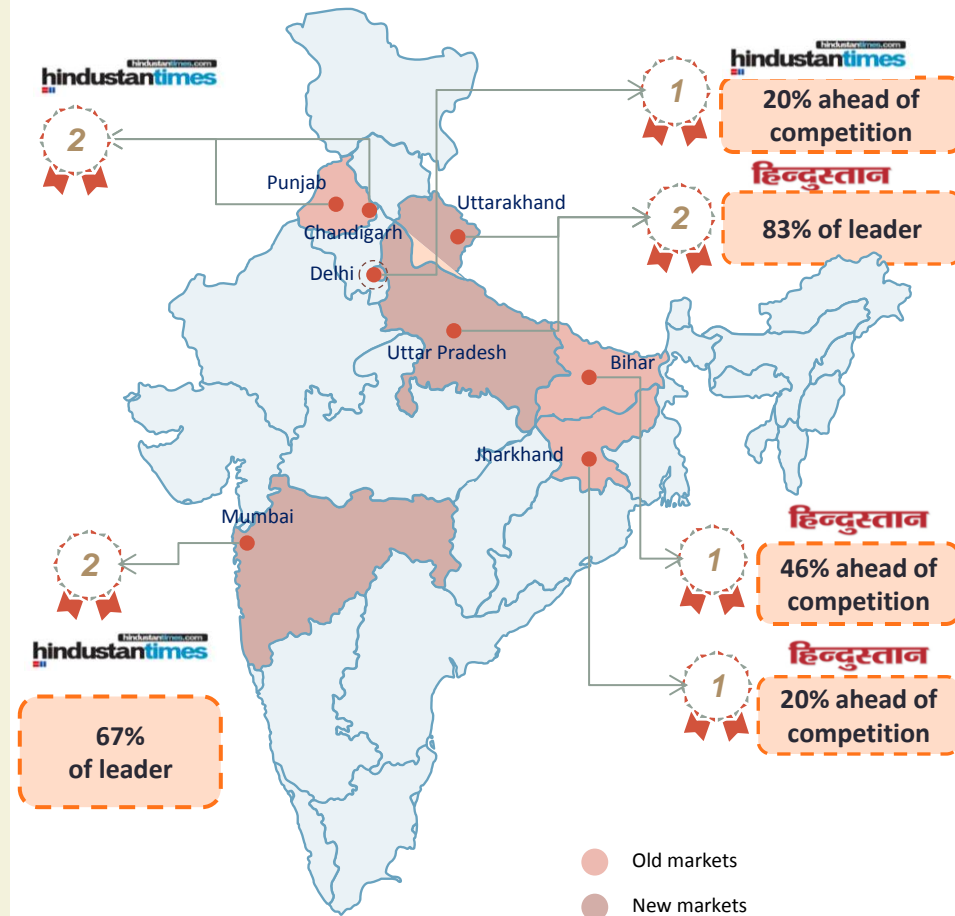
Near Term Outlook

- Regain revenue growth in Print business.
- Drive revenue and profitability of newly launched Radio stations.
- Improve Digital footprint by executing on our digital strategy and aim to grow revenue in this space

Company Background

- HT Media is one of the leading print media companies engaged in the printing and publishing of ‘Hindustan Times’, ‘Hindustan’ (thru its subsidiary) and ‘Mint’, the second largest newspaper dailies of India based on total readership in English, Hindi and Business segments respectively.
- ‘Hindustan Times’ was started in 1924 and has a more than 85-year history as one of India’s leading newspapers.
- The Company has 15 operational FM radio stations - “Fever” in Delhi, Mumbai, Bengaluru, Chennai, Kolkata, Hyderabad and UP and “Radio Nasha” in Delhi and Mumbai.
- The Company also operates a job portal in the internet space, called www.Shine.com. This is in addition to the existing websites livemint.com and hindustantimes.com.
- HT Media also publishes two Hindi magazines Nandan and Kadambini through its subsidiary Hindustan Media Ventures Limited.

Market Leadership Positions



Pan-India content distribution footprint across traditional (Print and Radio) and new-age digital channels (e.g. Internet and Mobile)





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. HT Media 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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