



# HT MEDIA GROUP

## Q3 FY 2017-18

### Consolidated Financial Results

# Cautionary Statements

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*Certain statements in this presentation may be forward-looking statements.*

*Such forward looking statements are subject to risks and uncertainties like regulatory changes, local political and economic developments, technological risks and many other factors that could cause our actual results to differ materially from those contained in the relevant forward-looking statements.*

*HT Media Group will not, in any way, be 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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# Chairperson's Message

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

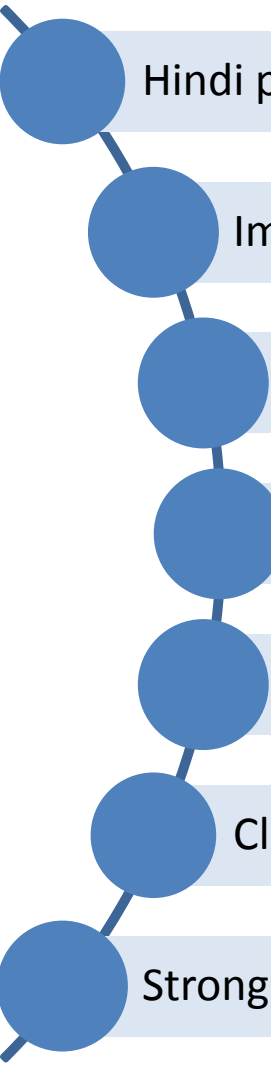
*“The pressure on revenue has continued in our print business. While our English business has declined marginally, our Hindi business has reported growth. The cost rationalisation initiative we undertook last year continues to deliver good results with benefits visible across all cost items. Our radio business continues to grow, albeit in the single digits, but amidst an industry-wide slowdown. Both our new and existing radio stations posted revenue growth even as profit margins in the business continue to improve.*

*There are some signs of an upcoming recovery as evidenced by advertising revenue picking up in the second half of the quarter. With the teething issues around GST resolved, we expect growth in the coming financial year.”*

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# **CONSOLIDATED PERFORMANCE**

# Highlights of the Quarter



Hindi print business back on the path of ad revenue growth

Improved yields in both Hindi and English newspapers

One time benefit from profit on sale of property of Rs 31 cr

Cost restructuring initiatives have yielded result with benefits apparent in all line items

Achieved profit growth in Radio business along with top line improvement

Clocked growth in Earnings per Share on the back of margin improvement

Strong balance sheet position

# Financial Summary

(Rs Cr)	Q3'17	Q3'18	Change	%
Operating Revenue	650	625	-25	-4%
Operating EBITDA	110	135	24	22%
Op EBITDA margin (%)	17%	22%		
PAT	91	124	33	36%
PAT margin (%)	13%	18%		
EPS (Rs per Share)	3.9	5.3	1.4	36%
Net Cash*	997	1,222	225	23%

\*As at 31<sup>st</sup> Dec

**Growth in operating profit along with margin expansion and improvement in shareholder returns amid revenue softness**

# Key Drivers

- + In print, few sectors such as FMCG and Luxury have started showing growth in Ad spend
  - + Strong margin performance in both new and existing radio stations
  - + Newsprint prices remained flat on the back of favourable exchange rates
  - + Reduction in raw material cost on account of optimized pagination
  - + Realized benefits of Cost Restructuring initiative
- Decline in overall market volumes
  - Muted ad spend in big categories such as Government, Retail, Automobiles, Banking & Finance and Education
  - Cover price realisation impacted due to competitive actions in UP & Bihar

**Sharp focus on cost even as revenue growth impacted by depressed macroeconomic, regulatory and competitive actions**



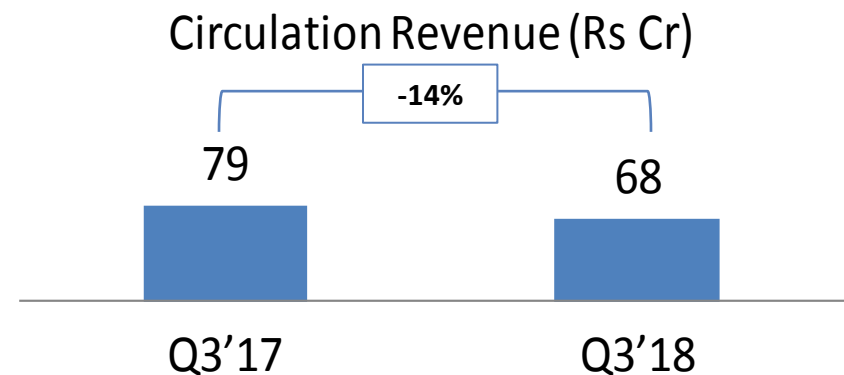
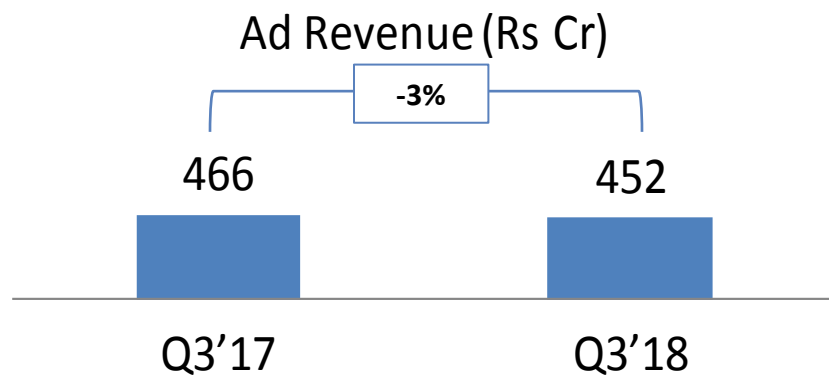
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# **BUSINESS UNIT PERFORMANCE**

## FINANCIAL PERFORMANCE

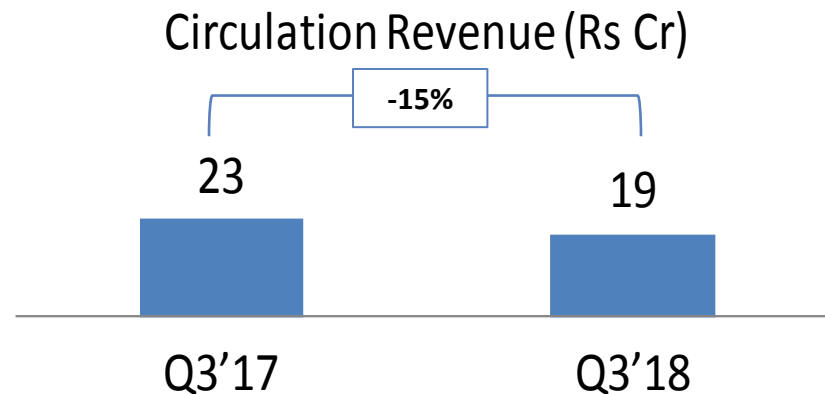
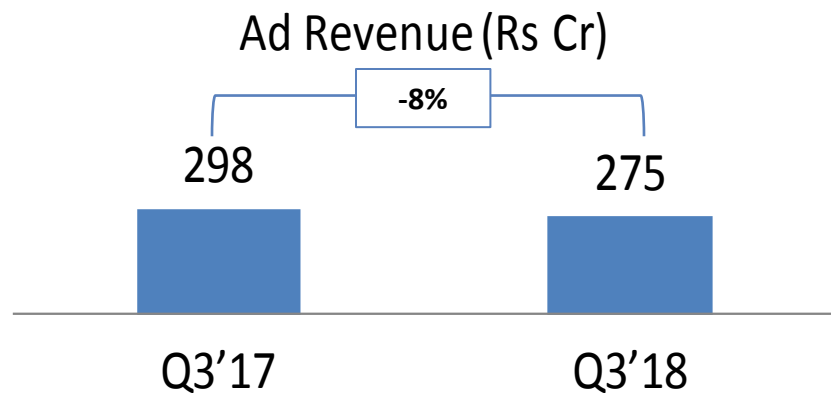
(Rs Cr)	Q3'17	Q3'18	Change	%
Revenue	561	529	-32	-6%
EBIT	65	115	50	77%
EBIT margin (%)	12%	22%		

## REVENUE BREAKUP



**Operational profit growth amid revenue softness due to strong cost performance**

## REVENUE BREAKUP



## REVENUE DRIVERS

- + Increase in ad spends for FMCG, Entertainment and Luxury segment
- + Delivered improvement in yield
- Impact of GST playing out across sectors
- Muted ad spend in Government and Retail. RERA impact in Real Estate.
- Softness in circulation revenue due to reduction in unproductive copies and shift of copies from line to subscription

## KEY BUSINESS PRIORITIES

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Maintain copy leadership

Target higher wallet share in key markets

Continue to offer superior product offerings

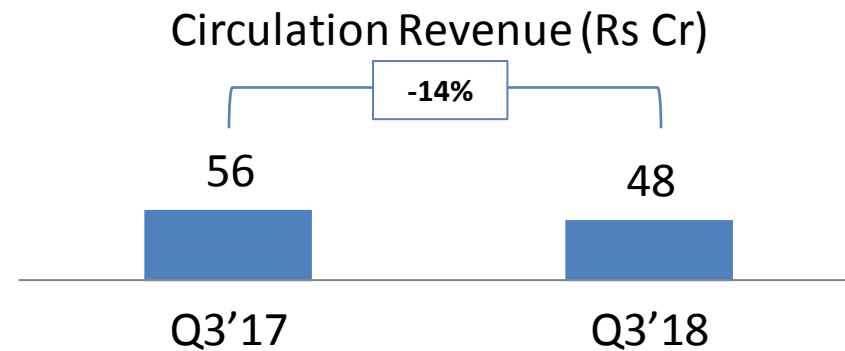
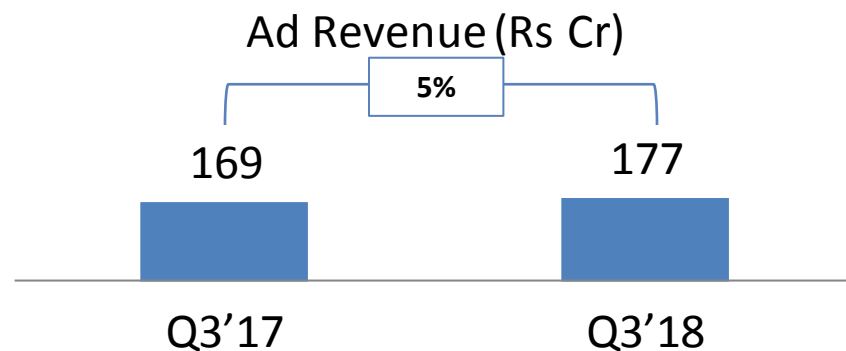
Customized customer centric solutions

(Rs Cr)	Q3'17	Q3'18	Change	%
Operating Revenue	230	230	0	0%
Operating EBITDA	41	58	17	42%
Op EBITDA margin (%)	18%	25%		
PAT	44	49	5	12%
PAT margin (%)	17%	20%		
EPS (Rs per Share)	6.0	6.7	0.7	12%
Net Cash*	762	965	203	27%

- Q3'17 includes 9 months HTDS impact, hence not strictly comparable
- PAT includes impact of profit on sale of HTDSL investment

\*As at 31<sup>st</sup> Dec

## REVENUE BREAKUP



## REVENUE DRIVERS

- + Ad revenue growth driven by increase in yield and volume
- + Strong performance in FMCG and Retail segment. Classified business have also grown.
- + Continued investment in copies
- Lower cover price realization due to competitive actions in UP and Bihar

## KEY BUSINESS PRIORITIES

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Focus on initiatives to augment market volumes

Better cover price realization

Persistent investment into copies in core markets

Better monetization of copies through higher yield

Continue to focus on cost management

## FINANCIAL PERFORMANCE

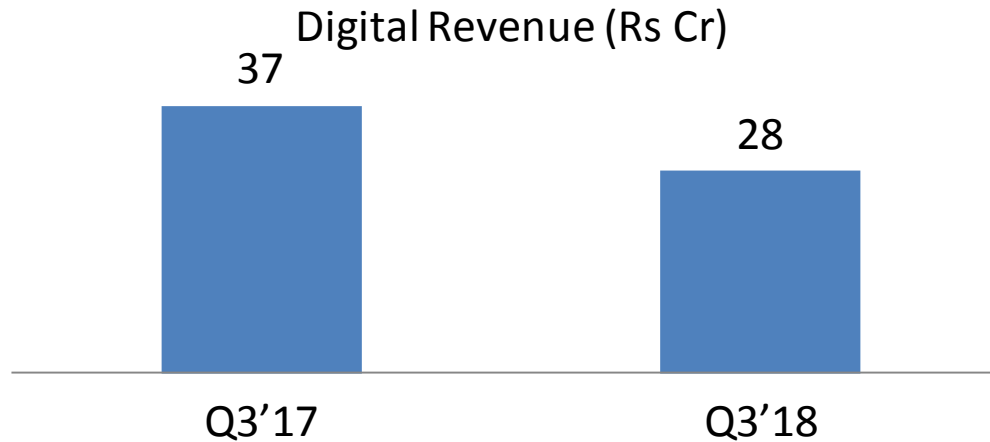
(Rs Cr)	Q3'17	Q3'18	Change	%
Revenue	45	47	2	5%
EBITDA	13	19	6	45%
EBITDA margin (%)	30%	41%		
EBIT	5	10	5	92%
EBIT margin (%)	12%	22%		

## PERFORMANCE DRIVERS

- + Top line for new and existing stations continue on growth path largely led by yield improvement
- + Margin expansion on the back of yield growth and continued focus on cost



## REVENUE



## PERFORMANCE DRIVERS

- + Digital content business continues on growth trajectory
- Shine Revenues have been soft

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# OUTLOOK

# OUTLOOK

With green shoots visible in ad spends across sectors and receding impact of GST, we expect better financial performance going into next fiscal.

## NEAR TERM PRIORITIES

### Market Position

- Improve leadership position in core markets

### Profitability

- Better monetization of copies
- Maintain cost focus to improve profitability

### Radio

- Drive profitable growth of newly launched radio stations

### Digital

- Focus on profitable growth for digital segment

### Others

- Continue Strong cash flow generation

# Q&A

Dial-in number for Q&A : +91 22 3960 0570

**HT Media Ltd**  
(CIN: L22121DL2002PLC117874)


Hindustan Times House,  
2nd Floor, 18-20, Kasturba Gandhi Marg  
New Delhi – 110001, India

Anna Abraham

Amit Madaan

Sankalp Raghuvanshi

 [IR@hindustantimes.com](mailto:IR@hindustantimes.com)


 +91 11 6656 1605



Saket Somani

Ankul Adlakha

 [htmedia@churchgatepartners.com](mailto:htmedia@churchgatepartners.com)

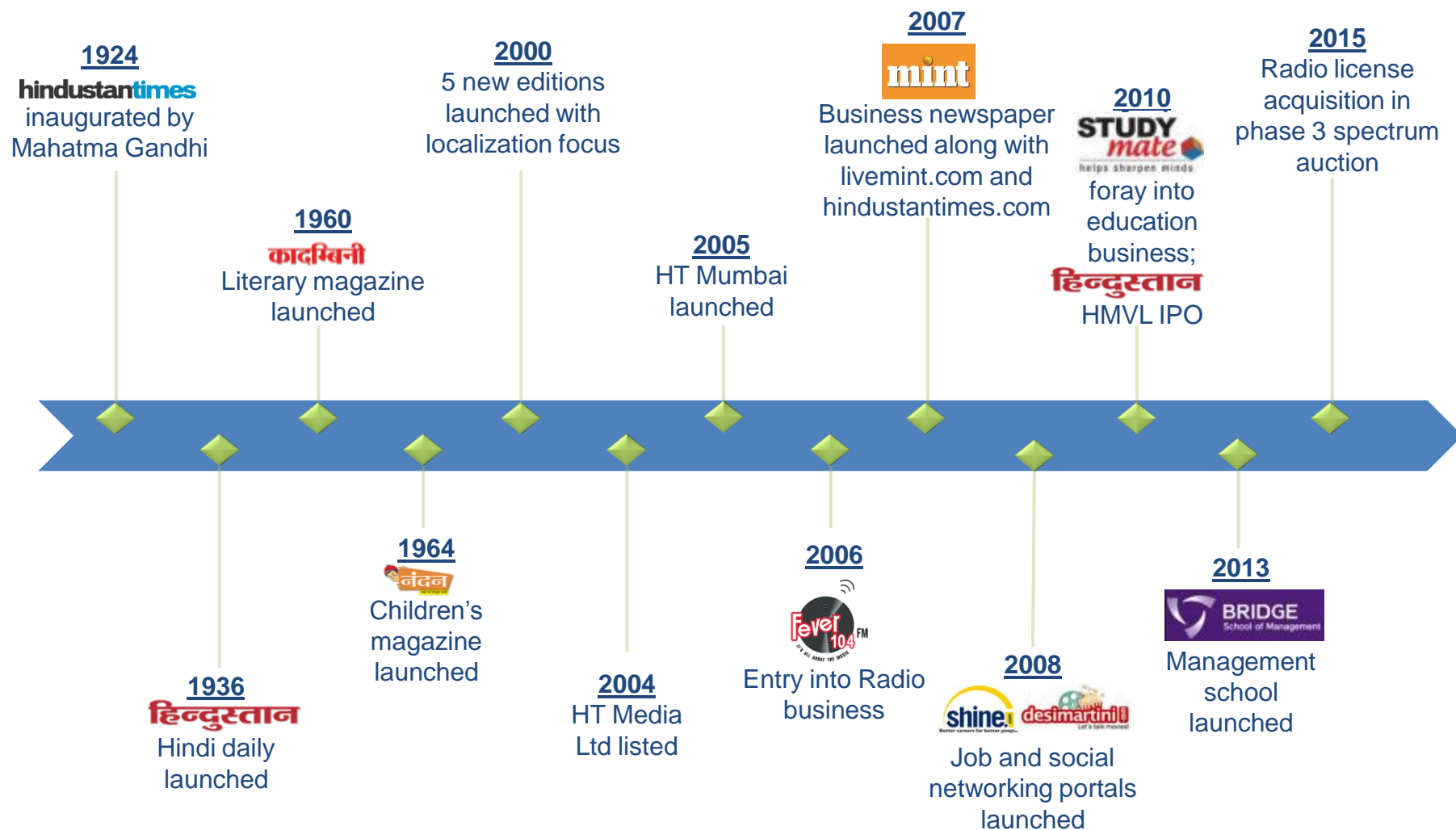
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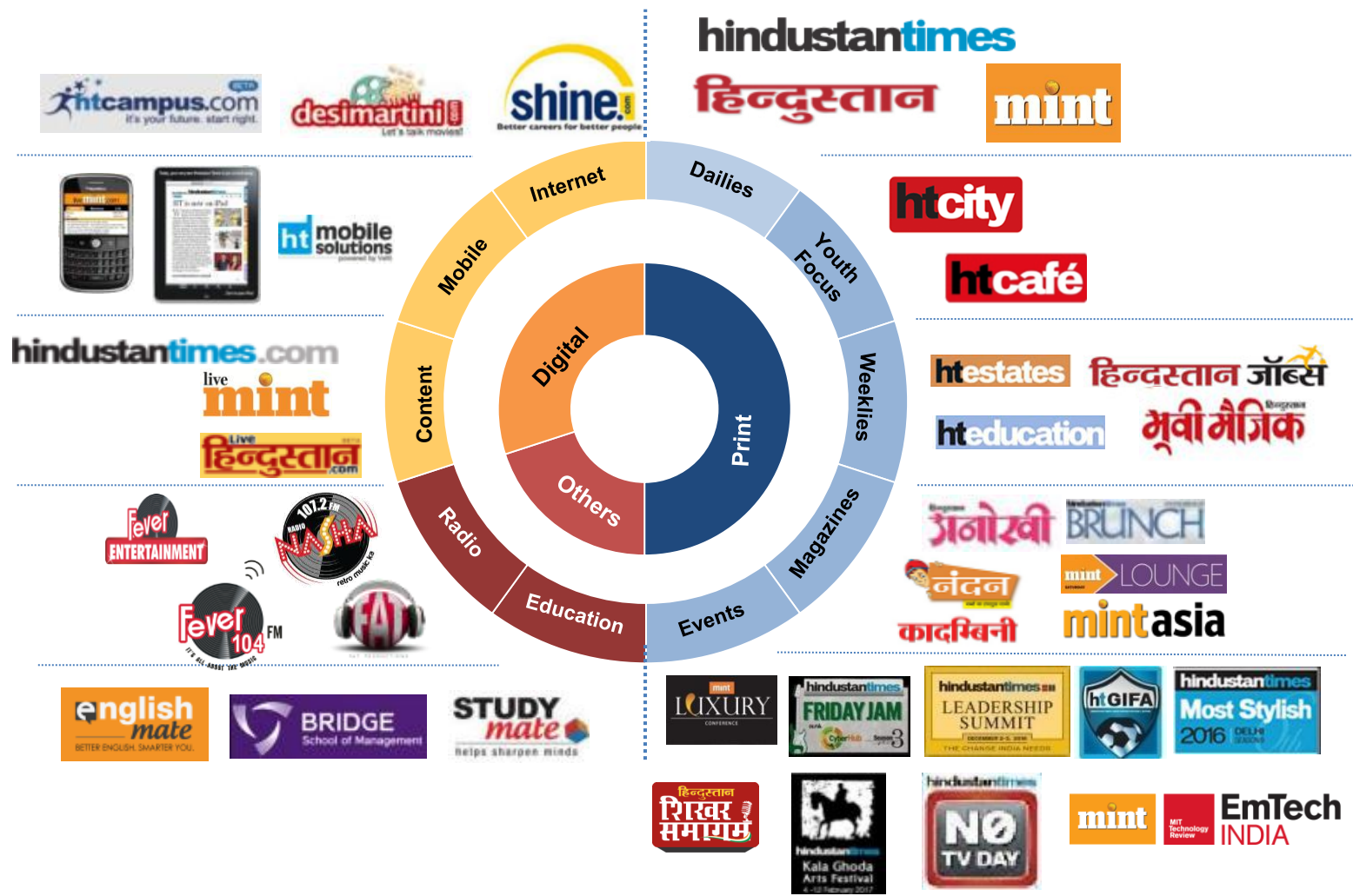
# **ANNEXURES**

# The HT Story – Enriching and Empowering India



Our evolution is marked by building lasting and trustworthy businesses in print, radio, digital and education sectors

# Strong Brand Portfolio across Segments



Pan-India content distribution footprint across traditional and new age channels



# Consolidated P&L – HT Media Ltd

Rs Crs (Except for EPS)	Q3'17	Q3'18	YoY Growth (%)	Q2'18	Q3'18	Seq Growth (%)	YTD'17	YTD'18	YTD Growth (%)
<b>Operating Revenue</b>	<b>650</b>	<b>625</b>	<b>-4%</b>	<b>561</b>	<b>625</b>	<b>12%</b>	<b>1,867</b>	<b>1,785</b>	<b>-4%</b>
Raw Materials & change in inventory	179	168	-6%	159	168	6%	538	492	-8%
Employee Cost	145	130	-10%	122	130	7%	446	383	-14%
Other expenses	216	193	-11%	175	193	10%	658	591	-10%
<b>Operating EBITDA</b>	<b>110</b>	<b>135</b>	<b>22%</b>	<b>105</b>	<b>135</b>	<b>29%</b>	<b>225</b>	<b>319</b>	<b>42%</b>
Margin (%)	17%	22%	5%	19%	22%	3%	12%	18%	6%
Other Income	55	64	17%	44	64	48%	181	161	-11%
<b>EBITDA</b>	<b>165</b>	<b>199</b>	<b>20%</b>	<b>148</b>	<b>199</b>	<b>34%</b>	<b>406</b>	<b>480</b>	<b>18%</b>
Margin (%)	23%	29%	5%	25%	29%	4%	20%	25%	5%
<b>Net Profit after Tax (PAT)</b>	<b>91</b>	<b>124</b>	<b>36%</b>	<b>66</b>	<b>124</b>	<b>88%</b>	<b>145</b>	<b>232</b>	<b>60%</b>
Margin (%)	13%	18%	5%	11%	18%	7%	7%	12%	5%
<b>Basic EPS (Rs.)</b>	<b>3.9</b>	<b>5.3</b>	<b>36%</b>	<b>2.8</b>	<b>5.3</b>	<b>88%</b>	<b>6.2</b>	<b>10.0</b>	<b>60%</b>