



# HT Media Ltd

(NSE: HTMEDIA; BSE: 532662)

## Q4 FY2017 Earnings Presentation

May 19, 2017

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Conference Dial-In Numbers (19 <sup>th</sup> May, 2017 at 5:00pm)	
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## Management Commentary

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

*“Last financial year was a mixed one for print media. It began slowly, held forth the promise of better things to come during the festive season, but then lapsed into a short-term economic slowdown. The result was a decline in advertising across categories and regions. Both our English and Hindi business were hit, although we were cushioned to some extent by a wide-ranging cost restructuring exercise that we embarked upon early in the year. The full benefits of this exercise will accrue over this financial year.*

*Our new businesses continue to do well. Our new radio stations are up, and generating revenue, and the entire radio business has grown operating profits. Our digital businesses continue to grow.*

*This year has started on a good note and we are beginning to see early signs of a recovery. Given our portfolio and efficient cost structures, we believe we are well poised to take advantage of this across both traditional and new media. Our emphasis on product quality, cost management, and excellence in execution will ensure that we create maximum value for all stakeholders.”*

## Highlights – FY2017 vs. FY2016

- Total Revenue at INR 26,816 million.
- Advertising Revenue de-grew by (3.5%); Circulation Revenues grew by 1.6% vs. last year.
- EBITDA was up by 10.2% at INR 5,278 million; EBITDA margins at 19.7% vs. 18% last year.
- PAT down by (1.9%) at INR 1,703 million; PAT margins at 6.3%.
- Strong balance sheet position with healthy cash flows.
- EPS for the quarter stood at INR 7.31 as compared to INR 7.45 last year.
- Dividend for the year approved by Board at Rs. 0.40 per share.

# Financial Highlights

## Q4 FY17 (y-o-y and q-o-q) and FY17 vs. FY16 (y-o-y)

INR million	Q4 y-o-y			Q4 Q3 q-o-q			Full Year y-o-y		
	FY2017	FY2016	Growth (%)	FY2017	FY2017	Growth (%)	FY2017	FY2016	Growth (%)
Advertising Revenues	4,518	4,966	-9.0%	4,518	5,113	-11.6%	19,131	19,825	-3.5%
Circulation Revenues	728	757	-3.8%	728	786	-7.4%	3,042	2,994	1.6%
Other Revenues	1,096	1,131	-3.1%	1,096	1,149	-4.6%	4,643	3,758	23.6%
<b>Total Revenues</b>	<b>6,341</b>	<b>6,854</b>	<b>-7.5%</b>	<b>6,341</b>	<b>7,048</b>	<b>-10.0%</b>	<b>26,816</b>	<b>26,577</b>	<b>0.9%</b>
Raw Materials & change in inventory	1,589	1,770	-10.3%	1,589	1,789	-11.2%	6,964	7,229	-3.7%
Employee Cost	1,371	1,259	8.9%	1,371	1,448	-5.4%	5,835	5,487	6.3%
Other expenses	2,163	2,520	-14.2%	2,163	2,157	0.3%	8,739	9,071	-3.7%
<b>EBITDA</b>	<b>1,219</b>	<b>1,305</b>	<b>-6.5%</b>	<b>1,219</b>	<b>1,653</b>	<b>-26.2%</b>	<b>5,278</b>	<b>4,789</b>	<b>10.2%</b>
Margin (%)	19.2%	19.0%		19.2%	23.5%		19.7%	18.0%	
<b>Profit after Tax (PAT)</b>	<b>255</b>	<b>431</b>	<b>-40.8%</b>	<b>255</b>	<b>914</b>	<b>-72.0%</b>	<b>1,703</b>	<b>1,735</b>	<b>-1.9%</b>
Margin (%)	4.0%	6.3%		4.0%	13.0%		6.3%	6.5%	
<b>Basic EPS (Rs.)</b>	<b>1.10</b>	<b>1.85</b>	<b>-40.8%</b>	<b>1.10</b>	<b>3.93</b>	<b>-72.0%</b>	<b>7.31</b>	<b>7.45</b>	<b>-1.9%</b>

All financials are basis IndAS

## Lower losses in the Digital segment

- Overall revenues from Digital segment crossed the INR 1,500 million mark registering a growth of ~8% vs. last year was led by growth in Shine.com and Digital Content which witnessed healthy revenue growth of ~30% & ~28% respectively.
- Losses in the digital segment also came down substantially to (INR 389 million) vs. (INR 653 million) last year.

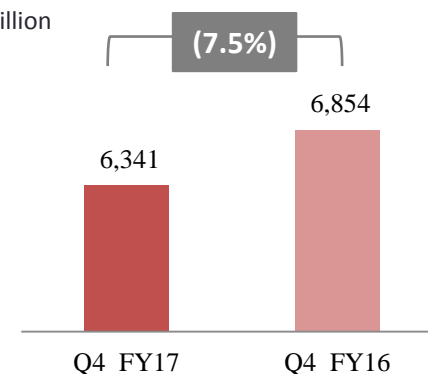
## Radio business doing well with launch of New stations

- 35.7% increase in reported revenue to INR 1,587 million in FY17 from INR 1,170 million in same period last year largely driven by new radio station launches.
- Radio EBITDA at INR 399 million is higher than last year by 37.8%, margins maintained at 25%.

# Financial Overview – Quarterly

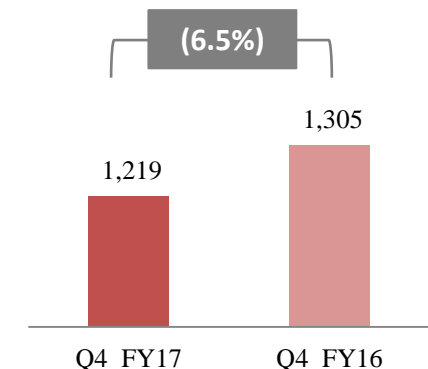
## Revenue

\* INR Million



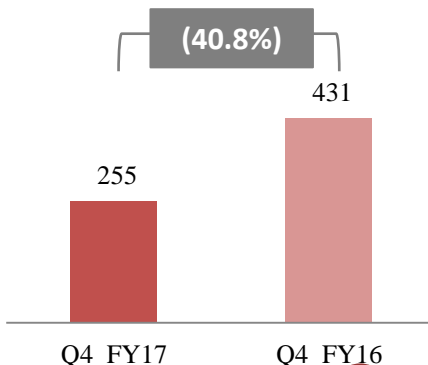
- Total revenue down by (7.5%) at INR 6,341 million from INR 6,854 million :
  - (9%) decrease in advertising revenue to INR 4,518 million from INR 4,966 million primarily due to de-growth in Print Ad revenues being partially offset by growth in Radio Ad revenues
  - (3.8%) decrease in circulation revenue to INR 728 million from INR 757 million
  - (3.1%) decrease in other revenue due to lower income on investments.

## EBITDA



- EBITDA lower than last year by (6.5%) at INR 1,219 million from INR 1,305 million primarily due to :
  - De-growing topline coupled with increase in employee cost by 8.9% being partially off-set by ,
  - 10.3% decrease in Raw material costs (on account of lower pagination) and 14.2% decrease in SG&A expenses (lower marketing expenses).

## Profit After Tax



- PAT down by (40.8%) at INR 255 million from INR 431 million primarily due to lower EBITDA coupled with higher amortization and interest costs for new radio stations.

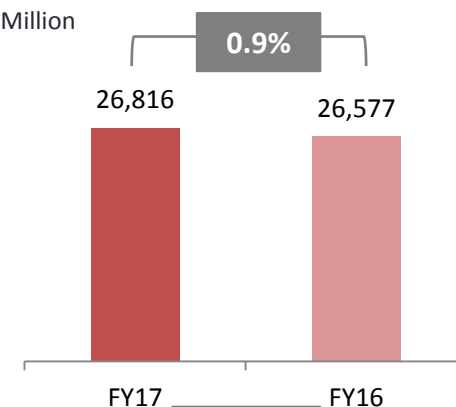
# Financial Overview – Annual

## Revenue

\* INR Million

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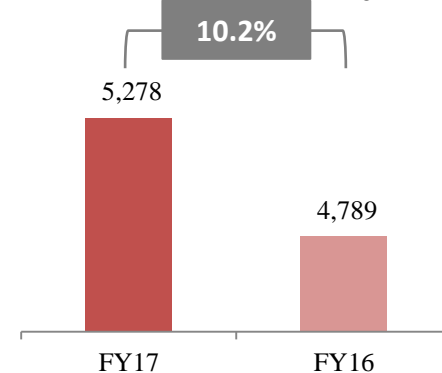
- Total revenue up by 0.9% at INR 26,816 million from INR 26,577 million :
  - (3.5%) decrease in advertising revenue to INR 19,131 from INR 19,825 million primarily due to de-growth in Print Ad revenues being partially offset by growth in Radio revenues
  - 1.6% increase in circulation revenue to INR 3,042 million from INR 2,994 million
  - 23.6% increase in other revenue due to higher income accruing from investments.



## EBITDA

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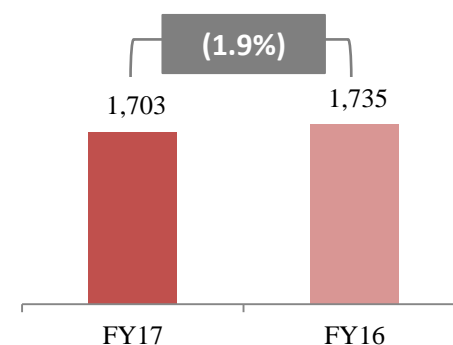
- EBITDA 10.2% higher than last year at INR 5,278 million from INR 4,789 million primarily due to :
  - Increase in other revenues coupled with 3.7% decrease in Raw material costs (on account of lower pagination) and 3.7% decrease in SG&A expenses (lower marketing spends) being partially off-set by,
  - Higher employee costs by 6.3%



## Profit After Tax

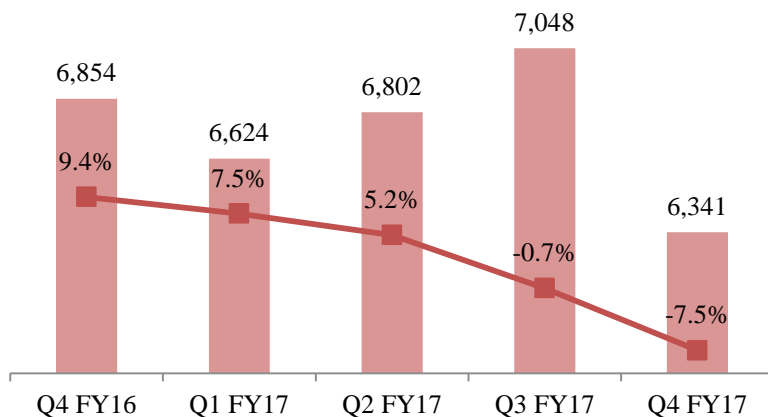
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- PAT down by (1.9%) at INR 1,703 million from INR 1,735 million owed to higher amortization and interest costs for new radio stations.

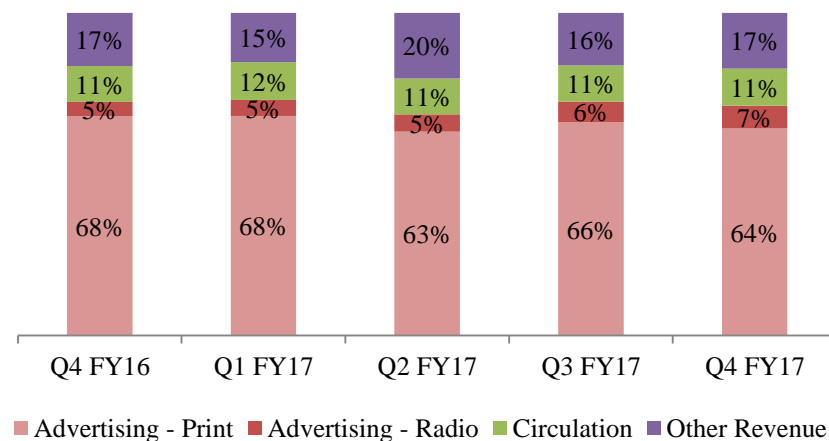


# Financial Overview – Quarterly

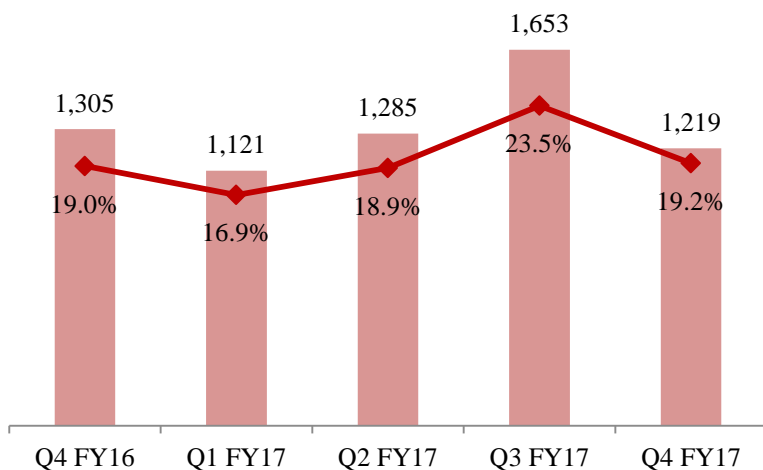
## Revenue (Rs. Million) and Growth (%)



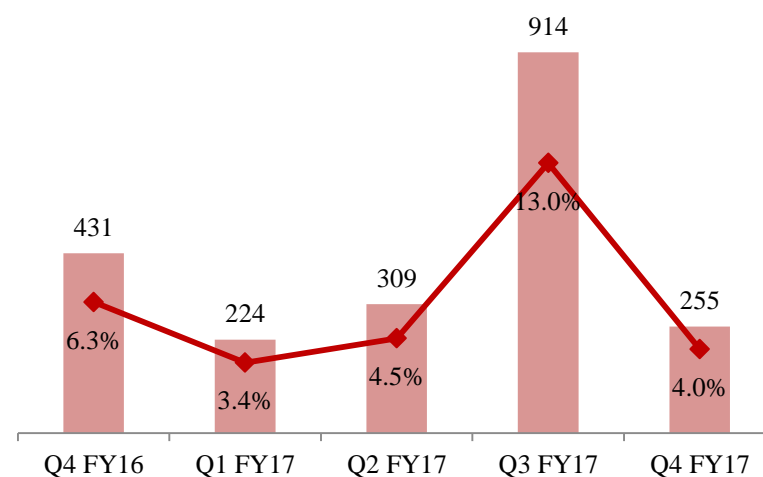
## Revenue Breakdown (%)



## EBITDA (Rs. Million) and Margin (%)

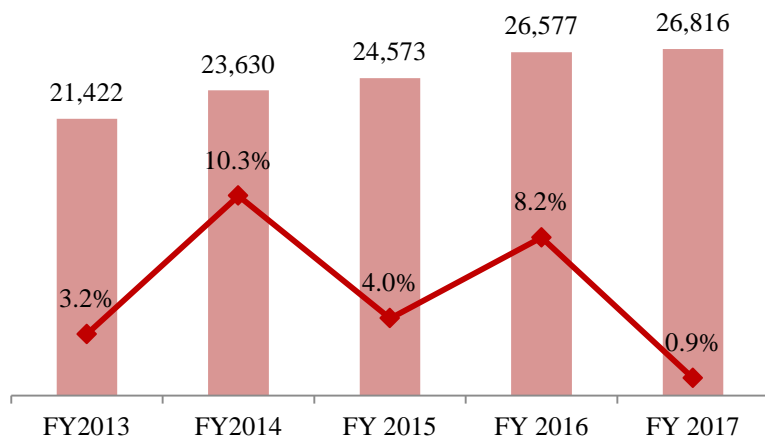


## PAT (Rs. Million) and Margin (%)

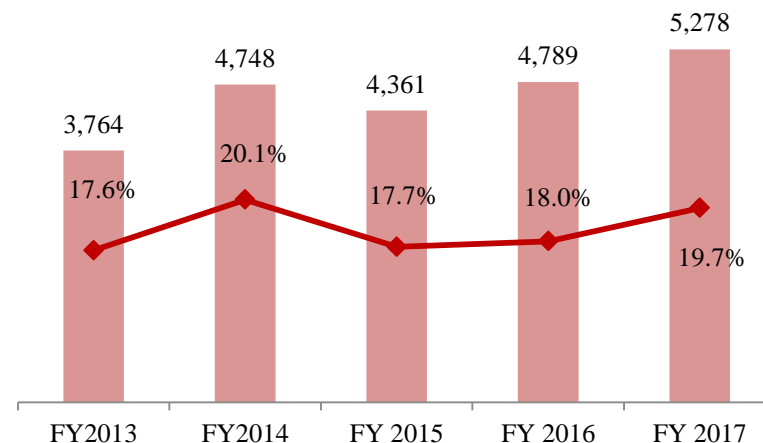


# Financial Overview – Annual

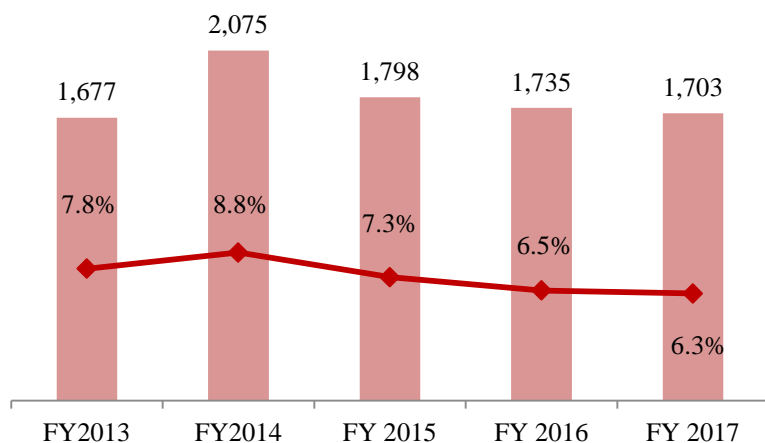
## Revenue (Rs. Million) and Growth (%)



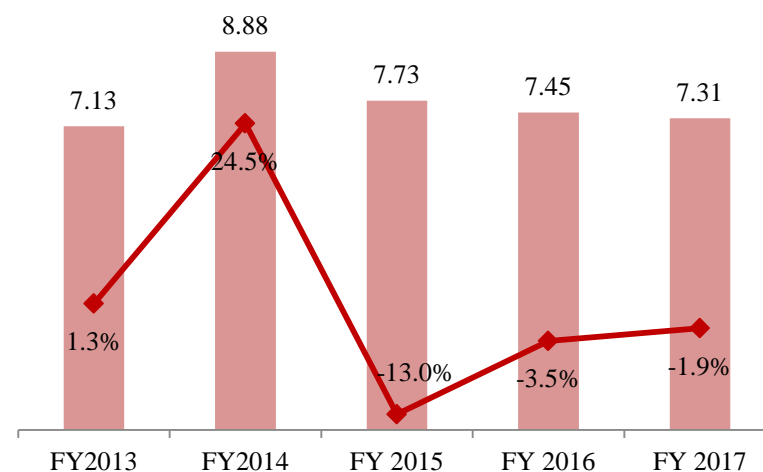
## EBITDA (Rs. Million) and Margin (%)



## PAT (Rs. Million) and Margin (%)



## EPS (Rs.) and Growth (%)



FY16 & FY17 financials are basis IndAS

# Financial Overview – P&L

Particulars <i>(In INR millions, except EPS data)</i>	Three Months Ended			Year Ended		
	31.03.2017* Audited	31.03.2016 Audited	Shift (%)	31.03.2017 Audited	31.03.2016 Audited	Shift (%)
Income from operations	5,853	6,316	-7.3%	24,521	25,015	-2.0%
Other income	488	538	-9.2%	2,295	1,562	46.9%
<b>Total Income</b>	<b>6,341</b>	<b>6,854</b>	<b>-7.5%</b>	<b>26,816</b>	<b>26,577</b>	<b>0.9%</b>
Consumption of Raw Materials	1,588	1,759	-9.7%	6,965	7,230	-3.7%
(Increase)/Decrease in Inventory	1	11		(1)	(0)	
Employees Cost	1,371	1,259	8.9%	5,835	5,487	6.3%
Other Expenditure	2,163	2,520	-14.2%	8,739	9,071	-3.7%
<b>Total Expenditure</b>	<b>5,122</b>	<b>5,549</b>	<b>-7.7%</b>	<b>21,538</b>	<b>21,788</b>	<b>-1.1%</b>
<b>EBITDA</b>	<b>1,219</b>	<b>1,305</b>	<b>-6.5%</b>	<b>5,278</b>	<b>4,789</b>	<b>10.2%</b>
<b>Margin (%)</b>	<b>19.2%</b>	<b>19.0%</b>		<b>19.7%</b>	<b>18.0%</b>	
Depreciation & Amortisation	337	287	17.4%	1,248	1,022	22.1%
Interest & finance charges	218	201	8.6%	951	626	51.9%
<b>Profit before tax</b>	<b>664</b>	<b>817</b>	<b>-18.7%</b>	<b>3,079</b>	<b>3,141</b>	<b>-2.0%</b>
<b>Margin (%)</b>	<b>10.5%</b>	<b>11.9%</b>		<b>11.5%</b>	<b>11.8%</b>	
Tax Expense	225	232	-3.1%	671	803	-16.4%
<b>Profit after tax</b>	<b>440</b>	<b>585</b>	<b>-24.8%</b>	<b>2,407</b>	<b>2,337</b>	<b>3.0%</b>
<b>Margin (%)</b>	<b>6.9%</b>	<b>8.5%</b>		<b>9.0%</b>	<b>8.8%</b>	
Share of profit/ (loss) of associates	(74)	(39)	90.0%	(217)	(143)	52.1%
Minority interest - (Profit) / Loss	110	115	-3.8%	488	460	6.1%
<b>Net Income</b>	<b>256</b>	<b>431</b>	<b>-40.8%</b>	<b>1,703</b>	<b>1,735</b>	<b>-1.9%</b>
<b>Margin (%)</b>	<b>4.0%</b>	<b>6.3%</b>		<b>6.3%</b>	<b>6.5%</b>	
<b>EPS</b>	<b>1.10</b>	<b>1.85</b>	<b>-40.8%</b>	<b>7.31</b>	<b>7.45</b>	<b>-1.9%</b>

# Financial Overview – Balance sheet

Particulars (Rs. in millions)	As at 31.03.2017 (Audited)	As at 31.03.2016 (Audited)
<b>A ASSETS</b>		
<b>1 Non- current assets</b>		
Property, plant and equipment incl. CWIP	6,452	6,960
Investment property	3,419	3,092
Goodwill on Consolidation	253	54
Intangible assets	4,588	3,225
Investment in associate and a joint venture (equity)	23	109
Financial assets	20,392	12,075
Other non-current assets incl. DTA & IT Assets	1,059	2,661
<b>Total non-current assets</b>	<b>36,185</b>	<b>28,175</b>
<b>2 Current assets</b>		
Inventories	1,546	1,616
Financial assets	7,709	12,774
Other current assets	516	647
<b>Total current assets</b>	<b>9,771</b>	<b>15,038</b>
<b>Total assets</b>	<b>45,957</b>	<b>43,213</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
Equity share capital	461	461
Other equity	21,858	20,356
<b>1A Total equity</b>	<b>22,319</b>	<b>20,817</b>
<b>1B NON CONTROLLING INTEREST</b>	<b>3,000</b>	<b>2,343</b>
<b>2 Liabilities</b>		
<b>2A Non-current liabilities</b>		
Financial liabilities	170	393
Deferred tax liabilities (Net), Provisions	425	236
Other non-current liabilities	184	179
<b>Total non-current liabilities</b>	<b>779</b>	<b>809</b>
<b>2B Current liabilities</b>		
Financial liabilities	15,664	15,608
Other current liabilities	3,802	3,094
Provisions and Income tax liabilities (net)	394	541
<b>Total current liabilities</b>	<b>19,859</b>	<b>19,243</b>
<b>Total equity and liabilities</b>	<b>45,957</b>	<b>43,213</b>

Key Ratios	FY 14	FY15	FY16	FY17
RoCE	14.8%	12.4%	11.1%	11.9%
RoE	12.4%	9.8%	8.3%	7.5%
Debtor Days	46	48	50	52

# Dividend Declaration

## Board recommends dividend of 20%

- The Board of Directors at their meeting on May 19, 2017 have recommended a dividend of Rs. 0.40 per equity share of Rs. 2 each; translating to 20% of face value
- Dividend for the year amounted to Rs. 93.1 million (excluding Dividend Distribution Tax)



## Strategic Focus

- Regain revenue growth in Print business:
  - Focus on yield-led growth
  - Tight control on costs to improve productivity
- Continue to 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.

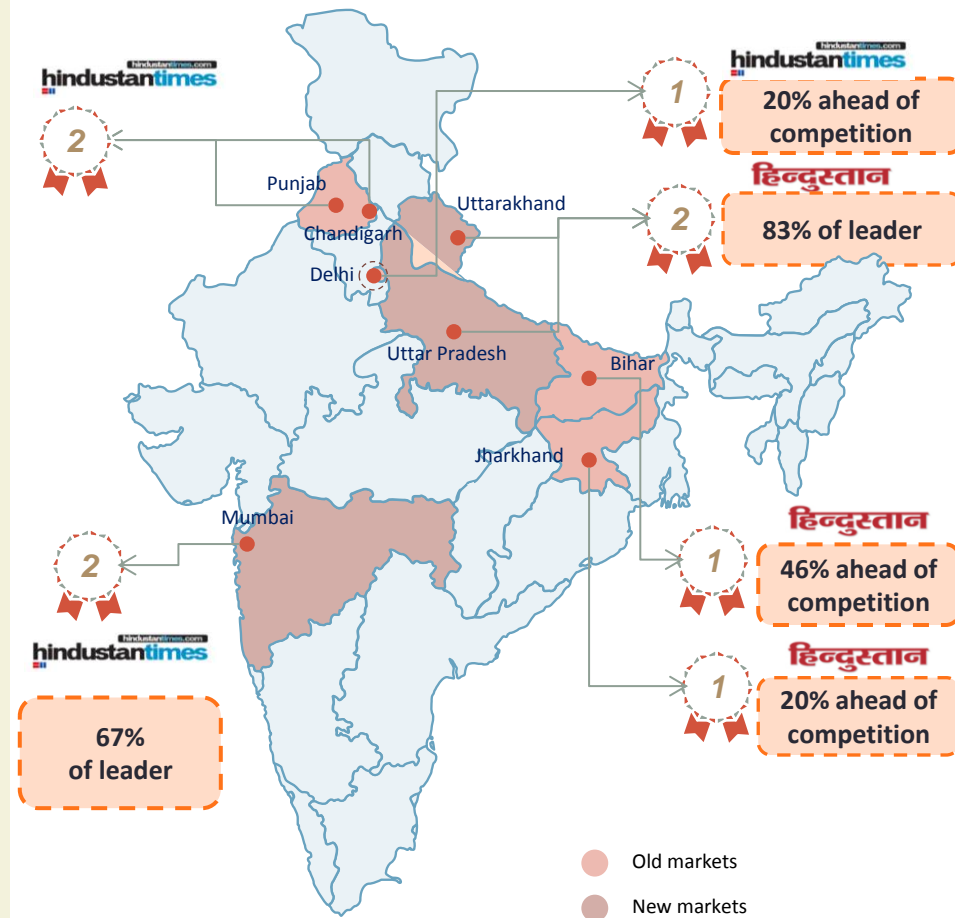
# HT Media: At a Glance



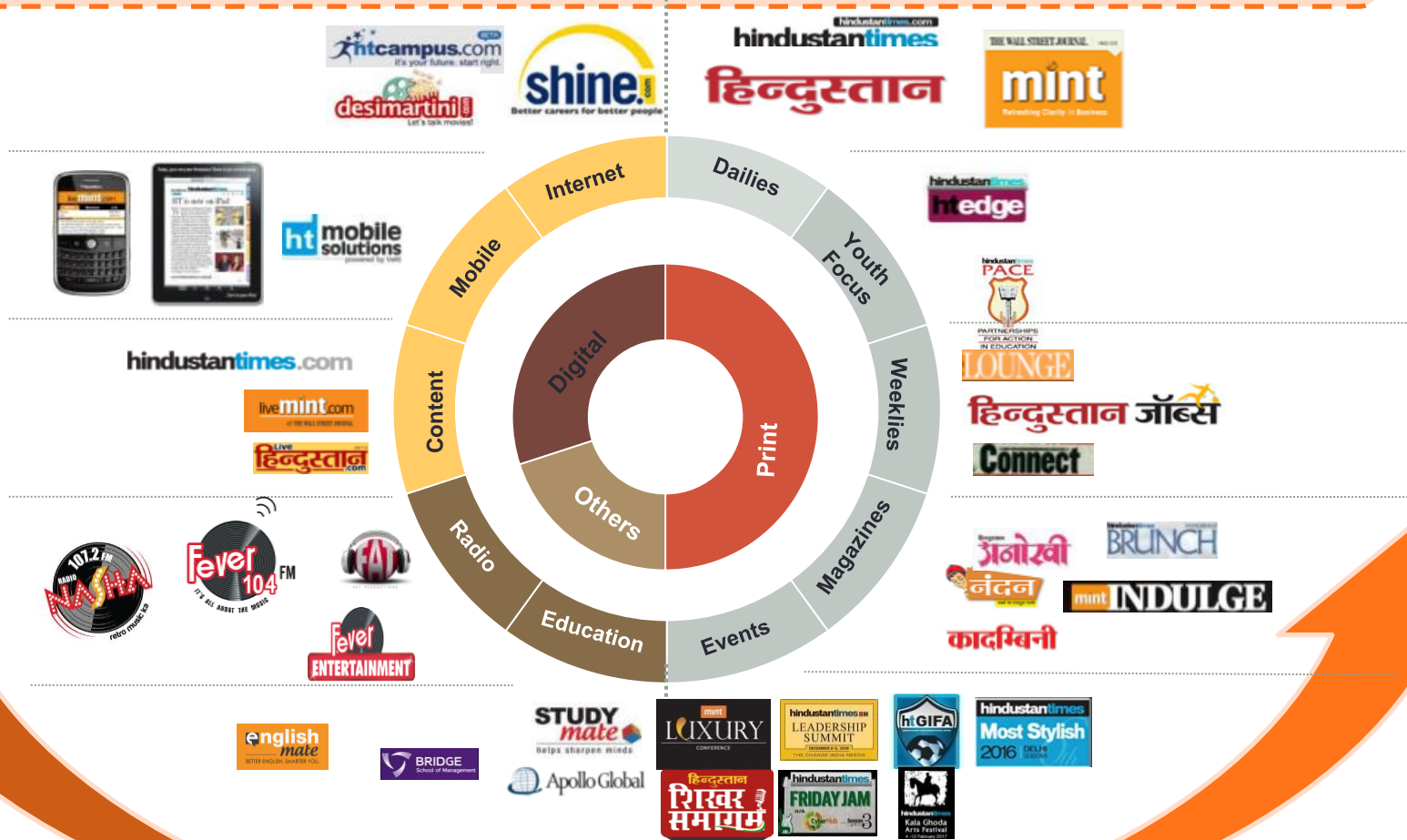
## Company Background

- 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](http://www.Shine.com). This is in addition to the existing websites [livemint.com](http://livemint.com), [hindustantimes.com](http://hindustantimes.com) and [desimartini.com](http://desimartini.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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