HT Media Group Q4 FY22 Earnings Conference Call

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Amit Madaan: Good morning ladies and gentleman. I am Amit Madaan from the Investor Relations team at HT Media Group. I would like to welcome you all to our Q4FY22 and FY21-22 earnings webinar.

Kindly note that all participants will be in a listen only mode and there will be an opportunity for all, to ask questions, once the presentation concludes. Now, I hand over the call to Ms Anna Abraham, Head - Investor Relations. Thank you and over to you Anna.

Anna Abraham: Thank you, Amit. A very good morning to everyone. On behalf of HT Media Group, I welcome you all to our earnings webinar to discuss the financial results of the quarter and the full year FY2021-22. On the call with me today are Mr. Piyush Gupta, Group CFO; Mr. Sandeep Gulati, CFO of Hindustan Media Ventures Limited; Mr. Pervez Bajan, Group Controller; and members of my Investor Relations team.

The financial result of Hindustan Media Ventures Limited was declared last Thursday, the 26th and the result of HT Media Limited was released last Friday on the 27th. I hope all of you had an opportunity to go through the results. We will be discussing the highlights of the same on today's call. Kindly note that our remarks will track for the presentation on the Zoom webinar. This presentation, along with the financial statement, is available on stock exchanges and the Investor Relations section of our websites.

I'm now on Slide 2 of our presentation, which has captured the disclaimer regarding forward-looking statements. This is on your screens right now. As per practice, we do not provide specific revenue or earnings guidance and I request you to keep in mind the above guidance with regard to all the discussions that happen during the course of the call today.

Moving on to Slide 3. The next slide gives our Chairperson's comments on the performance of the company for the quarter and I quote;

"In the last financial year, economic and commercial activities remained volatile on account of a multitude of external factors. In the first part of the year, the second wave of the pandemic affected lives, livelihoods and businesses. As the wave subsided, business activity picked up and was supported in the third quarter of the financial year by the annual festive season. However, the last quarter of the year saw some disruption on account of the third wave of COVID-19 caused by the Omicron variant; geopolitical factors such as Russia's invasion of Ukraine, which resulted in high inflation; and a sharp rise in commodity prices.

Against this backdrop, advertising revenue from our Print and Radio businesses in the last quarter have grown over last year, owing to sustained efforts of our teams and gradual improvement in the business environment. Circulation revenues too are on an upswing. Digital revenue grew handsomely. The full year saw good growth in revenue across businesses and higher operating profit margins. In the current financial year, we hope to build on the momentum we saw last year and do even better across businesses. The external environment does pose some challenges, and we will be monitoring and adapting to these as events unfold. As always, we remain committed to providing incredible and engaging news, information and entertainment content to our audiences."

Moving on to Slide 4. This slide captures the agenda for today. We will begin the performance update with comments on our consolidated financials for the fourth quarter and full year, which will be followed by detailed remarks on our Print, Digital and Radio businesses. We will open for Q&A after the presentation concludes. With this, I hand over the call to the Group CFO, Mr. Piyush Gupta.

Piyush Gupta: Thank you, Anna, and good morning, everyone. Welcome to our results call. I am on Slide 6, the consolidated financial summary.

As you can see, on a full year basis, our total revenues grew 26% to Rs. 1,678 crores and our EBITDA grew to Rs. 204 crores, a growth of 127%. Improvement in EBITDA with a 12% margin compared to 7% in FY21 despite impact of multiple COVID waves during the fiscal and also the escalated newsprint prices, which we will be speaking about subsequently.

However, in the second half of the year, we had a better performance with EBITDA coming at Rs. 164 crores versus the first half of Rs. 40 crores. Consolidated PAT, as you can see was at Rs. 19 crores in FY22 versus Rs. 65 crores loss last year, which is an improvement of Rs. 84 crores, and the cash position remains strong within the Group.

Moving on. If I drill down on the business unit performance and we first look at the Print performance. On a full year basis, the Print revenues grew 33% to Rs. 950 crores from Rs. 717 crores last year. Circulation revenues also saw a handsome increase of 17% to Rs. 211 crores. As a consequence, operating revenue grew 33% to Rs. 1,269 crores with operating EBITDA at Rs. 120 crores with a 9% margin. For Q4FY22, EBITDA was at last year's level, this despite higher newsprint prices is a commendable achievement because the newsprint prices have grown substantially since the second quarter of the fiscal.

Moving on. If you have a deeper look into our English Print media business, our Ad revenues on a quarterly basis have grown 12% YoY. And on a full year basis, have grown 46% YoY. Our Circulation revenues on a quarterly basis have grown 122% YoY, and our full year growth is 130% YoY. If we drill it down, certain categories such as Real Estate, Banking & Finance FMCG, Education and Entertainment grew; while Retail, Industrial and E-commerce remained subdued.

If we have the same look at our Hindi Print business, our quarterly Ad revenues grew 1% Y-o-Y. On a full year basis, they grew 20% YoY. Our Circulation revenue grew 3% on a quarterly basis and 7% on a full year basis. These numbers are all YoY. At a category level, categories such as Retail, Banking & Finance, Health & Fitness grew; while Auto, FMCG and Education remained subdued.

Our Radio performance, the full year Radio revenue grew to Rs. 101 crores at 37% growth YoY; and regarding operating EBITDA, we were able to curtail our losses to Rs. 15 crores as against loss of Rs. 62 crores last year. Operating EBITDA loss has been substantially reduced. And this is the second consecutive quarter where we managed to turn in EBITDA breakeven to a marginal EBITDA profit sequentially.

Moving on to our last segment, our Digital performance. As you can see, our operating revenues have grown quite substantially at 47% to Rs. 132 crores with operating EBITDA coming at virtually breakeven and full year EBITDA is around the breakeven levels. With that, we come to the end of the presentation. And I hand it back to the Moderator.

Moderator: Thank you Piyush, we will now begin the Q&A session. To ask a question the participant can use the raise hand option on Zoom. Before asking, please introduce yourself. Please restrict to two questions per participant, so that we're able to address questions from all participants. We will wait for a couple of seconds, while the question queue assembles.

Moderator: The first question is from Mr. Pawan Tarodia, please unmute yourself and ask your question.

Pawan Tarodia: My question is regarding HMVL. We have seen almost a similar level of cash in this year as well. But for last 2-3 years, I don't see any plans for better utilization of that cash, like it's just giving some interest income, but that is also fluctuating. Any concrete plans on utilization of that cash?

Piyush Gupta: Thank you Pawan for the question. So, there are 2 parts to your question. First of all, interest income, it's not a little bit of interest income. It's a reasonably well-governed treasury. So, if you look at the details of the interest income, it's a substantial 10% post-tax kind of yield that cash is earning. However, having said that, as you are aware, in HMVL, we are already incubating our HT Labs business. This business is still at a nascent stage, but very soon, we will be coming to the market and highlighting the various things that we are deploying this cash on to build all the businesses and properties that are future facing. There is a clear plan to utilize this cash but as you know, HMVL right now has a substantial amount of cash on the balance sheet. But we will not unnecessarily do things which we shouldn't be doing with this cash, but we'll be investing this cash to create businesses for future and you'll be soon hearing from us.

Moderator: The next question is from the line of Mr. Anurag Poddar.

Anurag Poddar: Piyush, I have one question with respect to the Digital business. So, from what I understand, there was a plan by the company to merge all these group assets like Digicontent and the Radio business and all those which are separately listed. So, what are the plans over there? And secondly, there was a sharp growth, so what led to that sharp up-growth? Or maybe we are looking at something bigger into that because the competitors are doing large investments into that.

Piyush Gupta: Anurag, just tell me the second part of the question. First part, I've understood.

Anurag Poddar: What are the growth plans for the Digital business?

Piyush Gupta: First, on the scheme of reorganization that we had proposed, which unfortunately because the shareholders did not accede to, couldn't go ahead. Now, we definitely still believe that we have to again put down some scheme, which is acceptable to the shareholders. Because the whole thought process was that we have to put a lot of growth capital into our digital companies and our radio business, which is now again coming back from a COVID overhang. And hence, we had proposed the scheme. The investors have at this point in time, not acceded to the scheme. So we will have to come back with a new plan and you will hear from us, but we definitely want to do that in the larger interest of all the shareholders, majority and minority.

As far as the Digital businesses are concerned, as I just was articulating earlier, that we are investing in our labs business in HMVL, and these are all digital businesses, which are future-facing businesses. They are at various stages of construction, and we have done a soft launch of some of these businesses. I don't want to specifically call them out at this point in time. But sooner rather than later, we will be taking these products to market, and we are already testing the monetization of these products. So, a substantial investment will happen behind these digital products which will create a sustainable revenue stream and hence, they'll be all accretive from a shareholder perspective. But it will take some time. We've been at it for some time. I hope that answers your question.

Anurag Poddar: I have a follow-up on this. Does that mean maybe you would rework the plans on that merger again? Because that's a time-consuming business, right? Approvals from NCLT and all.

Piyush Gupta: It is a very time-consuming thing, Anurag. Actually, I feel slightly sad that the shareholders did not bless this whole scheme, but we will have to have some scheme whereby we can drive the synergies between our legacy media businesses and the new businesses that we are creating and we will sell the messages again to the shareholder. But as you know, under the SEBI process, the shareholders will have to bless this thing. Otherwise, it will not go forward.

Anurag Poddar: Okay. So what business is HT Media in, with the Digital business? And what is difference in what DigiContent does and what is here? Because for a layman you cannot make out even on the product side.

Piyush Gupta: On the product side, let me try to paint a big picture. On the Digicontent, most of our news media products on digital platform reside in Digicontent Limited, which have historically been there. Whereas in HT Media, there are online recruitment, online entertainment products and we did the acquisition of VCCircle, which is the publication in the VC and PE stage and the new companies, fundraising and so on and so forth. However, we are now incubating a lot of businesses in this part of the business, not in Digicontent. And hence, at some point in time, we would like to integrate and kind of take this whole piece to the market forward.

The new businesses that we are incubating are not in the news space. So, there will be new businesses and they will be creating an independent revenue stream. That's broadly how our digital business has panned out.

Moderator: The next question is from the line of Mr. Sumit Poddar.

Sumit Poddar: What is the outlook for advertisement revenues? And similarly, on the raw material side, how would you look at the newsprint cost?

Piyush Gupta: Sumit, had you asked me this question at the end of December, just after we had exited the festive season, I would have said that our outlook on the Ad revenues is very bullish, and we saw that happening. But then Omicron came in January. And right now, we are all talking about inflation and Central Bank taking actions and so on and so forth. So as far as the outlook on revenue is concerned, I would say it's still good. We have already built our plans, and we are going for a growth plan. But only after let's say, this first quarter, we will get a clearer picture depending on the macroeconomic situation. So that's the outlook on the revenue. As far as the outlook on the raw material cost is concerned, unfortunately, the outlook is slightly weak at this point in time. This commodity cycle on newsprint that we have seen has already hit a peak, which has never been witnessed before. And the geopolitical factors are definitely not helping.

So, I believe this commodity cycle is a slightly extended cycle. Though we've been able to do some smart contracts and build up the inventory slightly ahead of time. To have as much benefit to the P&L, but that can only shift it by about a quarter. So, I personally believe the newsprint situation is going to continue on an escalated level for another couple of quarters before it peaks out and starts coming down. Look, eventually, it cannot stay there, and it cannot fall off the cliff very quickly, but I think it will be escalated for another couple of quarters.

Sumit Poddar: I was asking whether the customers are holding back on the spending? Or is it that they are yet to come back in full swing?

Piyush Gupta: Well, Sumit, I would say you'll have to go a little deeper. I mean, category by category right now, as you see in the start-up world, things are changing very rapidly. So that part of the business is slowing down. There are some other parts of the businesses as I was articulating in my slide earlier, which are holding back, and there are some segments which are going ahead. So, I think overall, it's a mixed bag, but I would say, given the macro situation, there's a little bit of pressure on advertisement, but I believe more clarity will emerge after the first quarter of this fiscal.

Moderator: The next question is from the line of Mr. Yash.

Yash: One question is with regards to HMVL. The new age business, which you are talking about, the Digital business, is this lying in HMVL now? Because we are seeing you have started giving segment separate unallocated amount worth Rs. 55 crores, if I'm not wrong. So, is it that this investment now lies in HMVL?

Piyush Gupta: Yes. So, I think my colleague, Anna, would like to speak about it. The simple answer is yes. But, Anna, please go ahead.

Anna Abraham: Yes. we have reported a segment called Digital. That revenues are part HT Media division and subsidiaries of HT Media. There is the New Businesses that we talked about incubating and that definitely lies in Hindustan Media Ventures Limited and is part of the unallocated segment there.

Yash: And in your investor presentation, this unallocated segment goes where -- is it separate?

Anna Abraham: It is separate. This is unallocated. So, we only talk about Print, Radio and Digital in the investor presentation. Unallocated we do not talk about, because till the incubation is at such a stage where there isn't an established business model, which we separately start tracking and reporting, it remains in unallocated. So, it's not covered as part of the presentation, it will be part of the total revenue, but not part of the business wise.

Yash: Any revenue in Q4 from those businesses?

Anna Abraham: No.

Piyush Gupta: So that's the point which I was making. We have still not taken those products to the market. We are still in a testing stage once they are taken into the market and the monetization starts, we will be bringing them into a segment, so you'll get more clarity on this.

Yash: Okay. And second question is your Print business, last year, when you had reported Print business Q4 and full year, we were having operating EBITDA of Rs. -6 Crore. And now this time when you have reported the last year number, it is Rs. 126 crores. There is a very huge gap. It is almost like Rs. 130 crores. So, what has shifted between this report and earlier report.

Piyush Gupta: Hold on, I'm a little confused, Anna would you like to respond. I don't have that detail.

Yash: Last year's investor presentation FY '21, you reported operating EBITDA of Print as Rs. -6 crore. And now this year the previous year number, it is showing print EBITDA at Rs.126 crore. So, there is Rs. 130 crore we have moved out. Some expenses might have moved out because revenue looks similar, it seems some expense has got moved out to the tune. Can throw some light on what is that Rs. 130 crores we have moved out.

Piyush Gupta: I'll have to look at it. I'm seeing in the current investor presentation; the comparable last year number is Rs. 126 crores, but you're saying in the last year presentation, that was Rs. -6 crore. So, let me come back to you. I really have to check that one. We will put in a note to you.

Yash: Thank you, all the best.

Moderator: The next question is from the line of Mr. Mehul.

Mehul: Pleasure to connect with you again. Actually, I have one question and one observation to make. You shared that regarding Digicontent and HT Digital media stream, you will have to go back to the shareholder with a better proposal. Now my observation is that if you go back and look at what commentary you gave 2-3 years ago, while demerging these businesses, okay? The shareholders supported the proposal then to demerge, taking your word at face value on why you want to demerge. So that these businesses are in focus, that there was strategic intent in this direction that these businesses should sustain themselves they would on their own generate enough return to justify the demerger correct?

Piyush Gupta: Yes.

Mehul: Now that the shareholders have voted against the resolution to merge these businesses, I think there needs to be a rethink on why? It is not that in your proposal, you gave us a few shares lesser or few shares more that shareholders will vote for or against the proposal. Management commentary needs to be consistent. When you are demerging or merging a business, there's to be a 10-year, 20-year outlook because businesses can't deliver in 2 years or 3 years. The other thing is that you will lose trust, on Digicontent, you have amortized some close to Rs 210-220 crores. Amortization is over. The book value is wiped out and now you want to add that lower sort of apparent intrinsic value, you want to merge it with media. Obviously, shareholders are not going to pass it. So, I think before you come up with a better proposal to merge again, I would say, 2-3 years, build trust and then go back to the shareholders. I would urge the Board to win our confidence back. It is just an observation and suggestion.

Piyush Gupta: No, no, I think that's a great point. So, let me just add to that. And you're absolutely right. 3-4 years ago, when we had gone to the shareholders, we had said why we want to demerge and we had given a certain commentary and the shareholders agreed with us. They blessed the whole thing and it went ahead. Just look at the last 3-4 years performance of Digicontent Limited, I think we have lived up to what we have said. The business metrics all are pointing upward. However, there are 2 or 3 things that you'll have to understand and bear with me. One is the reality on the ground because this business is having such a strong tailwind, and COVID has only accelerated the tailwind. We, today, have an opportunity to grow these businesses much faster than what we are currently managing to grow. However, there is a lot of financial resources required for that. DCL on a stand-alone basis, does not have that kind of financial resources. To the best of our ability, we borrowed those resources from our sister concern, HT media, but that's a publicly traded company and they are minority shareholders also in that. So, I don't think this is a question of trust. I think what we saw, we've already done. As a matter of fact, what's happening is much bigger than what we had anticipated. And hence, we have an inner desire of doubling down on the initiative.

Why do you think we are incubating all these other businesses in HMVL? We are incubating all these other businesses in HMVL in spite of having a pure play digital company because we don't have those kinds of resources. Hence, we decided to go back to the shareholders and ask for those resources. Now, I will interface with all the shareholders again. Tell them what the reality is, numbers are bearing me out. Obviously, I can speak to you about what our outlook of the future market on Digital is. But you, as a consumer of various digital products in your personal capacity, your professional capacity already know that the digital has been reset basis COVID. And today, we have a golden opportunity because we've got a business, which is already showing a lot of promise in the last 3 years to double down, but we don't have the resources. We can postpone this journey. DCL is already a cash-generating company, basis the size they have, they can go incrementally, that's not a problem. But if you have to really double down, where do you get those resources from. That was really the underlying commentary and that's what we went to the shareholders saying, that look, the consumer preferences have changed post COVID very sharply, today all the consumers who are only legacy media consumers are asking for bundled products. There are finite amount of resources in DCL. If we merged this whole stuff, look, that's the whole reason.

I think if the shareholders want to take a little bit longer view this will be a win-win situation. But of course, if we have not told the story well, we are willing to tell it again, but I think that is the only story that we have.

Mehul: But the optics are terrible. If you see after amortizing Rs. 210 crores, shareholders taking all the pain on Digicontent for almost 3 years. Now you merge it at a ratio also that is bad. All the shareholders who have trusted you and hung on to the share for 3 years after the demerger, it looks very bad. It appears as if it was just done to take Rs. 210 crores out of Digicontent. So anyhow, you rethink about.

Piyush Gupta: Look, I understand your point. Look, if it's only about the swap ratio, those valuers that we got, the bankers who kind of put the fairness opinion, I mean, we will call them back again. At the end of the day, we will take the shareholders also along with us. But please understand the minority shareholders sitting on both sides. So, it's not that we want to kind of play with that ratio. That was never the intent. Why should that be the intent? I mean from a majority shareholder point of view, it's mirror shareholding, right? So, there is no inert desire, but the whole point was, can we have enough resources to take this business from 1x to try to take it to 5x rather than going from 1x to 1.5x to 2x and 2.5x. There is no other reason. I mean, the swap ratios, whatever they be, will come out of the valuation exercise. Honestly, that's the only intent that we have. But anyway, I will engage with you, I will be coming down to Bombay and we'll be talking to all the shareholders.

Mehul: No, no problem. Well, my best wishes on whatever you decide and hope both companies have a bright future.

Piyush Gupta: Thank you, I really appreciate.

Mehul: Yes. Another question I had was, you said that on treasury-wise, you all make PBT close to 10%. And therefore, you are justifying cash in your hands. Now I think HT Media and Hindustan, I think for 2 - 3 years now, you have not paid any dividend. So, the Board is making a statement that money is better off in the hands of the company. Now even if you go back to 2017 for Hindustan Media, HMVL, and you make INR 193 crores of net profit. Your return on equity is going to be only 11%, 12%. So, is this money better off in your hands at 10%, 11%, 12% of return on equity?

We're just trying to rethink, you don't want to do a buyback because you might reach the threshold. You don't want to give the money back to shareholders. So where is the shareholder going to earn money from? Market is not rewarding you. So, either you delist the company, and give us value or you give us dividend and give value back to the shareholder. Some proposal has to be there to think of the minority shareholders. So, I would request the Board to rethink on giving a token dividend. Let some money come back to the shareholder because at this rate, your equity will keep getting bloated. The return on equity will never look good. Market will never value it. Some thought is required on the capital that the company is holding back.

Piyush Gupta: I think your point on dividend has been made. As I've said in the past, I will take it forward to the Board. But what I can tell you at this point in time, we have a plan to make substantial commitments of capital in HMVL behind these future-facing businesses. But there is enough cash, and I take your point. I will again put it in front of Board.

Moderator: The next question is from the line of Mr. Hari.

Hari: Yes. My questions are regarding the news aggregators, they're getting much higher valuations than us, like is there any strategy to get into that space like news aggregation? And the other question is regarding online Ad share, which we are losing from the past due to this online space. Is there any strategy to claw back some market share?

Piyush Gupta: First, on the aggregators, the news aggregation business, Hari, I'd like to say you should wait for some time. We have some businesses that we are thinking. I can't exactly say whether they will be in the news aggregation segment. And I absolutely understand that the market is rewarding or giving them a very high valuation. Obviously, we would also like to have very high valuation. Hence, we are incubating new businesses.

As far as losing share on the online space. Look, I mean I don't know how you calculated that number. But on the online digital news medium, worldwide, the regulators are having a look at the big companies like Google and Facebook, including our own regulators. Of course, we are participating in those conversations. How that goes forward is really up to the regulators and the legislators. But we are engaging with both Google and Facebook on one side and regulators on the other to have a fair share which has not been coming back to the OEMs like us and was being taken by these big companies. So, we are engaging with the government and see what does happen in that area.

Moderator: The next question is from the line of Mr. Yash.

Yash: Can you throw some light on this Ad against Equity business of yours. It seems now a lot of investment, again, is happening from HMVL. Can you throw some light how we are structuring the ad against equity business?

Piyush Gupta: Thank you very much. I think it's a fair question. Yes, it's not like a lot of investments are now again happening from HMVL. For the last couple of years, we have been doing this entire business from HMVL only. Earlier 5 - 7 years ago, we used to do this business from HTML only and for the last couple of years, we are doing only from HMVL. How they are structured is very simple. Think of it as a classical investment arrangement that we have, except just replace cash with ad space. So, we are doing the classical valuation in private or public companies. Public is, of course, much simpler than private company. We are putting our productive covenants and our rights package to protect our rights. We are then going into long-term deals with these potential advertisers who are either not advertising on any of our properties or whose market share is much less trying to get that whole thing up. After the diligence is done, we are getting into the shareholders' agreement, we are signing off the agreement including the ad agreement and then the advertisement begins for the next 3-4 years. And then obviously, the overall overarching thing is, that we are hopefully expecting to have a decent IRR on our investment. So, it's a classical investment model, happening only through HMVL, and all our platforms are available to these advertisers, the ones where we go in and invest. And hence, we are extending our market share with these either new advertisers or with existing advertisers, we're taking up our market share. That's the underlying philosophy. Does that clarify your question?

Yash: Yes. But one more question, we are seeing there is a very big hit, which is coming under OCI i.e. other comprehensive income and then you have this forfeiture income, which you keep on showing now it is almost to the tune of Rs. 56 crores. That means what, these deals are not worth and then you decide to forfeit.

Piyush Gupta: Not exactly. Look, accounting runs in a slightly different way. There are multiple lines in the P&L and balance sheet that gets impacted for accounting. So where does the forfeiture income come from? There are contractual obligations on the counterparty to use certain level of advertisement within phased manner. These are 5-year agreements. There are some terms. So, if a particular counterparty does not use certain level of advertising, that advertising is liable to be forfeited and there's a conversation which happens here.

Now on the other side, this whole piece around OCI, typically comes when we exercise our various options. We use different instruments to invest. It could be a convertible instrument; the valuations could be marked to the next round of fundraising. So, there's a certain way in which accounting kicks in when you convert CCPS to, let's say, equity and those things go into different lines. So, don't think that these investments are worthless and hence, we are taking a charge there. But that's the way the accounting works.

The only thing is we are waiting for the liquidity event right now. Once we have a line of sight that the liquidity event will happen in the next 6 months or 1 year, we would like to convert our right to invest into pure equity so that we can get an exit and hence certain accounting lines get impacted. It doesn't mean at all that these investments are worthless at all.

Yash: So Piyush, out of the ad revenue that you have, how much of this revenue is coming from ad against equity percentage-wise, if you can give rough figures?

Piyush Gupta: Less than 10%.

Moderator: The next question is from the line of Mr. Vishal Bagadia

Vishal Bagadia: Sir, if you could share the realization per copy for English and Hindi for the fourth quarter as well as the full financial year.

Piyush Gupta: Vishal, it's competitively sensitive data. I can only tell you that the realization per copy for the fourth quarter and indeed for the full year is on an uptick. Not just us but the industry as a whole is passing on some part of the increased input prices to the readers. But I wouldn't like to speak out that number because it's a competitively very sensitive thing.

Vishal Bagadia: Yes, no problem, Sir. And, on the near term, are we seeing that the prices would go up or would remain to similar levels as of now?

Piyush Gupta: Are you talking about realization or are you talking about newsprint prices?

Vishal: Newsprint prices.

Piyush Gupta: Vishal, I was telling to a fellow participant here. We believe, given the confluence of multiple things at this point in time, the macro situation and the geopolitical situation that this commodity cycle will remain escalated at least for the next couple of quarters. So, we believe that the pain will continue for the next 2 quarters. After that, it should stabilize and start coming down.

Moderator: The next question is from the line of Mr. Hari.

Hari: Sir, due to COVID, the physical readership has gone down a lot. Is there any company specific strategy to increase the physical readership again?

Piyush Gupta: Yes, that's a good question, So, if you break down this whole pandemic after the first day, which was really in 2020, the copies itself came down very sharply. And as you know, the readership is a derived number out of the number of copies. Right now, at a broad level between English and Hindi, our copies are already tracking to between 70% to 80% of the pre-COVID levels depending upon which particular edition, which particular city or town etc. Readership is therefore tracking back.

We are in a situation where we are gradually building up our copies. So, I don't think readership per copy has gone down. What happened is the copies itself went down and hence the readership went down. I believe now this year, we will be covering that delta which has remained from a pre-COVID level. A substantial part of that would be covered this year, and the leadership will also hopefully come to a pre-COVID level or near by the pre-COVID level by the end of this fiscal.

Moderator: Thank you, all. With this, we come to the end of the Q&A session. If you have any further queries, please reach out to the Investor Relations team. Our contact details are given in the investor presentation and are also mentioned on our websites. I now hand over to Piyush for closing remarks.

Piyush Gupta: Thanks to all the investors for participating in today's call. As you can see, in these trying times, we've got decently good numbers across all our platforms, and we have growth plans, and we plan to come to you every quarter to showcase our performance, which we believe will be on the growth curve. Thank you for all your support, and we look forward to seeing you in the next quarter. Till then, remain safe and all the best to everyone. Thank you so much.

Note: This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.