

HT Media Group Q4 & FY23 Earnings Conference Call

May 19, 2023

Management: **Mr. Piyush Gupta – Group CFO**
 Mr. Pervez Bajan – Group Controller
 Ms. Anna Abraham – Head, Investor Relations

Aaditya Mulani:

Good morning, ladies and gentlemen. This is Aaditya Mulani from the HT Media Group. I would like to welcome you all to our Q4 and full financial year 2023 earnings webinar.

As a reminder all participants will be in listen only mode. After we are through with the presentation, there will be an opportunity for you to ask questions. I now hand over to Ms. Anna Abraham – Head, Investor Relations. Thank you and over to you Anna.

Anna Abraham:

Thank you, Aaditya. A very good morning everyone. On the behalf of HT Media Group, I welcome you all to the earnings webinar to discuss the financial results of Q4 and full year FY23. On the call with me today are Mr. Piyush Gupta, Group CFO; Mr. Pervez Bajan, Group Controller; and members of our Investor Relations team.

I trust you have had opportunity to go through the financial results of Hindustan Media Ventures Limited declared this Tuesday and of HT Media Limited released yesterday. Kindly note that our remarks will track with the presentation on this Zoom webinar. This presentation, along with the financial statements, is available on stock exchanges and the Investor Relations section of our websites.

We start with the cautionary statement, kindly take this into consideration. As per practice, we do not provide specific revenue or earnings guidance.

Moving on to this slide, it gives our Chairperson's comments on the performance of the Company for the quarter and I quote.

“In the last fiscal, your Company witnessed a growth in its top-line, which came after two pandemic-impacted years that saw a broad industry-wide slowdown. As a whole, our businesses saw an improvement in the year, despite concerns arising from sustained input cost inflation and supply chain bottlenecks.

Geopolitical strife hampered supply lines across businesses and impacted raw material costs, especially in the first half of the year. The second half of the year witnessed a relatively subdued festive season on account of sluggish retail spending but the year ended with an uptick in business sentiment in our key segments and a slight softening in raw material prices.

On a full year basis, our Print business posted revenue growth on the back of an improvement in advertising as well as circulation revenue. The revenue of our Radio business has also seen robust growth owing to sustained strength in FCT and improvement in non-FCT performance. Our Digital business performance was at par and this business remains a key focus area for further innovation. Profitability, however remained subdued due to elevated input costs, led by newsprint, and business development expenses in the Digital business.

Indian OTT space is one of the fastest growing pillars of the Media & Entertainment industry. Hindustan Media Ventures Ltd. looks to tap this potential with the launch of OTTPlay.com, a platform which aggregates OTT content, with focus on abundance, convenience, personalisation and affordability.

In the current fiscal, we are focused on building on our growth momentum from last year as we navigate the larger macro environment as well as the evolving media ecosystem. As always, our endeavor is to be a source of credible news and engaging content for our audiences.”

Moving on to the agenda for the call today on Slide 4. We will begin with the performance update with the comments on our consolidated financials for Q4 and full year FY23. This will be followed by detailed remarks on our Print, Radio and Digital business. We will thereafter open for a Q&A session.

With that, I now hand over the call to Mr. Piyush Gupta.

Piyush Gupta:

Thank you Anna. Good morning, everyone, we'll be tracking the presentation here, as you can see on the first slide, we've got a consolidated financial summary. For Q4 FY23 our total revenue, stacked to INR 494 crores, as against INR 456 crores same period last year, growth of 8%. EBITDA is however, substantially down 75% primarily due to certain investments that we are making in OTTPlay and the elevated newsprint cost which have hampered us in this quarter. PBT margin, as a consequence, came to INR (34) crores against INR 10 crores earlier and net cash, however, still remains reasonably strong at INR 935 crores which is a decline of 14%.

On a full year basis. Our revenue stacked to INR 1,862 crores, which is a growth of 11%. EBITDA however, because of the same reason which plagued us in Q4 came in at INR 13 crores, which is a sharp decline. PBT, therefore, came at INR (156) crores and net cash at INR 935 crores which I have articulated earlier.

Now, if you go by business unit, we look at our Print business. On the Print business our ad revenues for the quarter came at INR 269 crores, a growth of 8%, with circulation revenue growing 12% at INR 60 crores. Operating revenue therefore at INR 374 crores, a 5% growth, and operating EBITDA declined by 65% to INR 15 crores.

On a full year basis. The Print ad revenue was INR 1,062 crores, which is a 12% growth and circulation revenue at INR 236 crores which is a 18% growth. Our operating revenue at INR 1,434 crores, which is 13% growth and operating EBITDA, came in at INR (2) crores.

Moving on, we break it into English and Hindi. On English, in Q4 FY23 our ad revenue grew 17% to INR 154 crores. On a full year basis, the growth was 15% at INR 588 crores. Circulation revenue at INR 16 crores, a growth of 64%, and for the full year it is nearly doubling itself from INR 28 crores to INR 54 crores. Moving on, now we track Hindi, for the quarter our ad revenue came flat at about INR 116 crores. On a y-o-y basis it was a growth of 8% at INR 474 crores. Circulation revenue again flat on a quarterly basis, on a full year basis there was a marginal increase of 5%.

Looking at our Radio business. Quarterly revenues came at INR 36 crores, which is an 18% increase. Operating EBITDA, however, came in negative as opposed to INR 1 crore in the same period last year. The full year, however, was a very different picture. The full year we saw our revenue soaring 42% at INR 144 crores, as against INR 101 crores earlier and operating EBITDA came at INR 6 crores.

Lastly, our Digital businesses in HT Media Group remained flat, with the top line of INR 32 crores and a bottom line of INR (22) crores in Q4 FY23. On a full year basis, again, it was flat at INR 133 crores, with the bottom line of INR (75) crores.

With this, we come to the end of the presentation and open up the session for Q&A.

Aaditya Mulani:

Thank you, Piyush. We will now begin the Q&A session. You can click on the 'raise hand' option which will enable the moderator to unmute you for posing your query. Please introduce yourself before posing your query and kindly restrict to a maximum of two questions per participant so that we may be able to address questions from all participants present. We will wait for a few moments while the question queue assembles.

Aaditya Mulani:

The first question is from the line of Ranga Prasad.

Ranga Prasad:

Good morning everyone, I am an investor from Hyderabad, my name is Ranga Prasad. At the outset let me say that I'm very disappointed with the financial performance of both HT Media and HMVL, particularly HT Media. Earlier, we were told that the poor performance was mainly due to a sharp increase in newsprint prices. But now there's been a sharp decrease in newsprint prices, also shipping costs have come down to 80%. In spite of all this, we are showing steep losses, both operationally as well as non-operating loss. I am shocked at the non-operating loss, INR 103 crores written-off this year due to write off in a subsidiary and impairment of intercorporate deposit. Would like some light to be shed on these write offs. While there has been some turnaround in the Print business, on the Digital media front and on the Radio front, we are seeing sharp losses. And until these turn-around, I don't see any possibility for the Company to show a rebound in profits. So, I would like you to give some roadmap, as to when we can expect some turnaround in these two segments also. I'm also surprised that in the Digital segment, we are showing a very small investment of about INR 13 crores, but the loss is about INR 76 crores. So, it looks as though we are showing all our expenses, as revenue loss, so shouldn't we be capitalizing some of these expenses as a capital item. Because we can expect a certain stream of revenues to flow in the later years, and I would like you to say something on that too. Anyway, I'm disappointed with the whole performance, I hope things will improve from now on. Thank you.

Piyush Gupta:

Thank you for the question Mr. Ranga Prasad. So much as you are disappointed, obviously we are looking for better results ourselves. But let

me give you a certain flavor of our results for the quarter, and indeed for the whole year. You specifically mentioned about English. As you are aware, our English newspapers primarily they are in Delhi, Bombay and Chandigarh and apart from that, we do have presence in some other cities. Now in places like Delhi and Bombay, though the newspaper prices, as I've already highlighted, are very escalated. You mentioned about shipping cost which has come down but you have to understand that this is not a real time impact which comes to the P&L right away, because there is some inventory which has to be built up for continuing operations. So, the impact of shipping cost, and of course, the commodity cost which has come down now, you will see in the subsequent quarters and that is absolutely a foregone conclusion but it doesn't happen on a real time. But however, apart from just the input cost, one of the other big problems that has been plaguing us is on our yields. You know the pricing that we had pre-Covid, if you talk about HT in big markets of Delhi and Bombay still has not come back. As a matter of fact, in places it is short by 20% - 25%. Now that's really what is hampering our revenue and taking away the operating leverage from the P&L. Now, as we embark on the next fiscal year and we've already completed now the month of May nearly. You know there's a big program on yield improvement that we have put in place, with which we are hoping to unlock the value and go back to our pre-Covid yields. The paper prices, of course, coming down, which you will see translating into EBITDA, and therefore PBT and PAT in the coming year. But with the revenue uptick you will see the profitably come back to a pre-Covid, at a very robust level. So, I will just stop there. There were further questions you had asked about the Digital segment. I will request, my colleague Anna Abraham to give you a color on those.

Anna Abraham:

I think there were two questions. One was on the impairment, and the other was on the Digital segment. First addressing the impairment question. The impairment actually is in the standalone results. Therefore, it is not impacting the Consolidated results at all. So that's the first point. And why does that happen, because over time on a consolidated basis, whatever has been the business performance of those underlying subsidiary has already got reflected. However, at a certain point of time, we also, on a standalone basis, have to take a fair valuation of the investments per se and subject to that, the impairment has been taken. The critical reason, you mentioned Radio is in losses, but you would have seen that Radio performance. Radio has been consistently, on a q-o-q, reporting very healthy revenue growth. For the full year also, it's north of 40%, and Radio has improved

substantially from the loss position of last year to a profitable position this year. In the current quarter there is a marginal loss on account of one-off spend that we have incurred for a particular consulting arrangement that we had undertaken. Otherwise, the underlying business itself is profitable. Having said that while there's been significant improvement in the Radio business because this was the one medium which was slow in recovery post Covid, but this year we've seen that recovery coming. We have seen volumes come back. However, like I said, the recovery was low,. It was delayed by a year, while it's a fixed license business, so from the accounting and the valuation point of view, given the discounting and the period to which it is gets discounted, we had to take some impairment. But, again I repeat, it is not impacting consolidated results. It is only on the standalone results.

Piyush Gupta:

If I may add on, Mr. Prasad, on Radio, your point is absolutely valid. Yes, we've taken an impairment in the standalone results, which is all consequent to our Radio performance. Though the Radio performance has substantially improved this quarter, and the growth is close to 40%. But given the fact, you know that impairment testings have to be done this quarter, there is a substantial impairment which has come. This is all on our Radio One business and you know, with this and the growth that we are seeing in Radio, we are very hopeful that this is the last time that we have seen this impairment, and from here on Radio will grow from strength to strength. So, I would like to give you comfort that Radio, I think has seen the worst of times, but you have to understand the background in which the FM Radio business across has been impacted. If you look at various other Radio operators, their profitability, indeed, has also been impacted. And you know this is one sector which is directly linked to the performance of various MSMEs and what Covid did to MSMEs, is taking a slightly longer time to recover. But we are very hopeful now that we have seen a 40% growth in this year. Next year we will again have a stupendous year, and a profitable year on our Radio segment.

Anna Abraham:

And the last question was on the Digital segment. The revenue that you're seeing is only of the businesses that we earlier had, and therefore that is why you are not seeing a substantial shift in revenue. The substantial increase in cost that you are seeing is now because of the fact that OTTPlay that we have launched as a new business line, and it is now being clubbed along with the Digital segment. You talked about capitalization, so we've been in various discussions over the last year talking about the fact that we

are incubating a few businesses, and that as when we are on a revenue monetization plan, we will start reporting it as a separate segment. So, this year, between all the experiments that we've had, we've launched OTTPlay and therefore the coming year is the year where we will start seeing the revenue monetization. In the current year the nature of the business and the arrangements do not allow us to take it in capitalization, and that's why we have transparently disclosed it as an operating cost.

Piyush Gupta:

So, now that we have, you know, classified that into our Digital segment, let me speak a little bit about OTTPlay.

This is a business that has been in beta stage for about 6 to 9 months. And now, since we've understood this space, we have decided to commercially launch this thing. What exactly is OTTPlay? As you understand OTT is one of the fastest growing sectors in the Indian media and entertainment industry, it is growing at somewhere between 18% to 20%, as against the other media properties which are growing anywhere between 10% to 15%. If you look at subscription video on demand, that side is expected to reach about INR 16,000 to INR 17,000 crores by 2026, and it is growing at a very healthy rate. With that we believe that all the demand drivers, the smartphones, the various peripheral devices, the smart TV, etc., being in play, broadband being available to the masses, and 5G being launched in India, this space is now ripe for aggregating. As you are already aware, that various spaces which have already been aggregated, you take a case of financial products, travel, food, various of these places have been aggregated and running a very successful business. However, OTT, which is growing at a very fast clip is ripe for aggregation. We've been working in this place for quite some time, and now that we have got the proof of concept, we are investing behind this function which is sitting in our Digital segment of the business and you will see results coming out in this year. That's basically what I wanted to say about OTT Play.

Let me also give you a few points, why we believe that OTTPlay will be successful. If you look from a consumer standpoint. Now, from a consumer standpoint, consumers are very frustrated that they have to navigate across multiple platforms to decide what to watch. I mean, it started in India about 10 years ago, but right now there is a proliferation of multiple platforms and customers are struggling there. The recommendations of individual platforms are largely irrelevant, because the customer's profiles are not carried across the platforms. So, the genres etc. are lost from one platform

to the other platform, and you know, with the subscription that people have to pay for individual platforms, it's a very costly proposition. We are trying to solve all these problems from a customer point of view by bundling multiple OTTs and serving him on a single login where his profile remains. You know the content that a particular customer wants to watch travels to him, and he gets a very economical price. There are also problems on the platform side that we are trying to solve here, I mean, for every platform the cost of content, the cost of acquiring customers, etc. is very expensive. Here, because we are into a media space, we are selling advertising, and we are selling subscription, we will optimize that particular piece and drive some value. So that's what we are trying to do with OTTPlay, and that is the expense that you are seeing in the P&L.

Ranga Prasad: Thank you very much for a very detailed explanation on the Digital side. Now, one thing that you've not yet addressed is the intercorporate deposit, written-off of about INR 51 crores. I hope it's a onetime only cost, and then we will not see any further impairment in these intercorporate deposits.

Anna Abraham: So, when I was addressing impairment, I was actually addressing both. Because both impairment in equity and impairment in corporate deposit is linked to the Radio business. So, the business gets valued, and whether we hold the investment in terms of equity or whether we hold it in terms of debt both will get corrected basis an underlying valuation. Therefore, it is that Radio impairment itself which has led to the impairment in the ICD as well.

Ranga Prasad: Thank you very much.

Aaditya Mulani: The next question is from the line of Piyush Bangar

Piyush Bangar: Hi, I am Piyuh Bangar from Vijit Global Securities Pvt Ltd. What is the newsprint price right now? And do you see any further fall in the prices?

Piyush Gupta: Currently, our newsprint prices are about INR 60,000 per metric tonne, and as we are looking out next year, we are already seeing softness happening, so we are very hopeful that these prices will come down about 10% to 15% from here on.

Anna Abraham: The INR 60,000 per metric tonne is what we are looking for the running quarter. We closed the Q4 at about INR 64,000 per metric tonne.

- Piyush Bangar: Okay, my second question is, what is the average price of newsprint in your inventory for this quarter, and as well as for the whole year?
- Anna Abraham: Okay, the consumption rate for the quarter is roughly at about INR 64,000 and in the next quarter we think it will come down by about 7%-8%.
- Piyush Bangar: Okay. So, I have another question. My next question is, can you provide the bifurcation of the other income heads along with the amount in FY23?
- Anna Abraham: So, the biggest component of this is the profits that we have made on sale of properties in the current year from the portfolio that we hold as part of our ad for property business. And that accounts for the major number here, as well as, because some of the holding properties, also saw MTM gains on that. So, the other income is primarily the MTM gains on financial instruments, and property that we hold.
- Piyush Bangar: So can you share the percentages of the share of profits from the property business?
- Anna Abraham: We couldn't get into such level of details, but it's broadly all on MTM gains on the investment that we hold.
- Piyush Bangar: Okay, thank you.
- Aaditya Mulani: The next question is from the line of Yash R.
- Yash R: Hi Piyush, good morning. So, I have a couple of questions. The first one is with regards to the employee cost that we are seeing in HMVL. It has gone down from INR 40 crores in the previous quarter to around INR 37 crores. So, what's the reason behind this, I mean it's around 7-8% change.
- Anna Abraham: You are looking at q-o-q or y-o-y?
- Yash R: No, I said q-o-q, it has gone down from INR 40 crores to around INR 37 crores.
- Anna Abraham: Yeah, there is a one-time reversal in this quarter, otherwise the employee cost is flat.

Yash R: Okay, what would that be, if you can let us know what exactly that is, because I think this has happened last year as well.

Piyush Gupta: Yes, let me just give you a color on this thing. Most of the employees have a part of fixed and variable, and depending on the performance within a certain group certain part of variable will be paid or will not be paid. So those true-ups happen typically at the period end. So, this is something, the magnitude of which might go up and down, depending on the performance, and hence the pay-ability of variable cost. But it will happen every year.

Yash R: Okay, my next question is with regards to the return that we are getting on investments, with the rates going up.

Piyush Gupta: I think that's a great question. You obviously sitting in the financial market, know that last year the RBI did indeed raise the repo rates by about 2.5%, and you know how the bond yields track, etc. So last year was a very tough year, and probably one of the tough years in the last decade that we have seen such a sharp gradient decrease. So, in that last year, our yields are approximately tracking the FD yields and we did not go beyond that. But as we step into this first quarter, we are already seeing the mean reversion happening, and you've seen the bond yields, of course we have churned our portfolio quite substantially, but you have to understand that you have to take care of the long term, short term capital gain etc. So, our treasury is now again having substantial MTM gains in the coming quarter. But last year we have tracked close to FDs only.

Yash R: And what about this year?

Piyush Gupta: The start has been very encouraging.

Yash R: No, I mean what's the number? If I can get that.

Piyush Gupta: Well the number you will find in the printed results, once we release it out. I mean treasury income is already sitting in there. But I think the math is easy to be done. But, as I said, it's close to the FD yields.

Yash R: For current year as well, or just previous year?

Piyush Gupta: Current year you are talking about FY24 aren't you.

- Yash R: No, I'm talking about it for FY23.
- Piyush Gupta: FY23 close to FD yields.
- Yash R: All right, thank you.
- Aaditya Mulani: The next question is from the line of Sakshee Chhabra.
- Sakshee Chhabra: Hi this Sakshee from Svan Investments. So, I wanted to just understand that what is the total expenditure we have done so far on OTTPlay and going forward in following years, what sort of expenditure will be incurred on that platform?
- Piyush Gupta: Well, as I was just articulating to one of the earlier participants earlier on, for the last 6-9 months, OTT play has been in a beta stage.
- Anna Abraham: So, most of the significant change that you're seeing in the cost line is on account of OTTPlay and as Piyush said, we're going to be investing behind this business quite a bit, but we don't give forward guidance on specific numbers. So, we won't be able to share what the numbers would be. But this is the investment of the future, and we'll be investing on that.
- Sakshee Chhabra: Okay. But in the previous year, can you quantify what was the total expenditure you would have done on this platform?
- Anna Abraham: We wouldn't want to get into specific details. Maybe you will just go by the trends on the spend variation, as we explained.
- Sakshee Chhabra: Okay, all right. Also, can you explain a little more to how the platform will work, like what would be your revenue drivers for this platform?
- Piyush Gupta: So, the way the platform is going to be, we are going to be bundling a substantial number of OTTs into a single login proprietary app called OTTPlay, which we have already tested for the last 6-9 months. We've already closed our content arrangements with quite a few major OTT platforms and some of the other conversations are in work at this point in time. We've already taken this product to market in some micro markets where we are already reaching out to customers who have either multiple OTTs or who currently who don't have OTTs and, still watching content, let's say, on a cable TV, and would like to get access. We are offering them

on a bite size as well as annual package. I mean monthly packages and annual packages where they can subscribe to OTTPlay, get access to 15-20 OTTs, and watch that content seamlessly across the platform without going into those platforms, for a subscription of course. So right now, the big effort that we are doing is taking the product to various end consumers. And that is what we are doing.

Sakshee Chhabra: Okay, and can you divulge as to what would be the price point that you would be launching this at?

Piyush Gupta: It is multiple price points. Actually, depending on users, because there are different set of users we are addressing, there are different channels that we are going through. So, a monthly OTTPlay subscription can range anywhere between, INR 200, and thereafter depending on where we are getting that user from. And so, it starts with INR 200 goes all the way up. But suffice to say, the whole will be much less than the sum of parts. If you have to get those OTTs by subscribing to them, here you will be paying a fraction of that.

Sakshee Chhabra: Right. I understand that, but in terms of the content, will you just be providing some part of the content that is available? Say, like, on Netflix or Amazon Prime? Or will they be able to get access to the entire sort of content that would have been available had they subscribed directly.

Piyush Gupta: So once the OTT is on a platform, and it's bundled into OTT Play, you will get access to the entire content on that particular OTT.

Sakshee Chhabra: Okay, thank you.

Aaditya Mulani: The next question is from the line of Naveen Jain.

Naveen Jain: Hi, I am Naveen from Florintree Advisors, Mumbai. I had a question on OTTPlay, which entity will this business sit in?

Piyush Gupta: It's sitting in HMVL.

Naveen Jain: Is it a subsidiary or it's part of your standalone HMVL entity?

Anna Abraham: Part of our standalone HMVL entity. It is a division of Hindustan Media Ventures Limited.

Naveen Jain: Okay, understood. Obviously, you are not sharing the exact amount of investment that you have done. But going by what we can understand about the trend, can we expect similar kind of investment in FY24, or given that, you'll be launching it in a major way this year, the expenses could be on a higher side.

Piyush Gupta: The expenses could be on a higher side, Naveen, but as it was in beta there is no revenue to back up the investment. So now, though the investments will be higher, but revenue will be substantially higher. So, investment to that extent will be mitigated. That's the point I was trying to say when I said it was in a beta stage, and now we are taking it to market after doing the proof of concept that we have finished now.

Naveen Jain: One thing was so, let's say something like, if I understand correctly. Sony Live or Zee5 is already on the platform. How does the arrangement work with them in terms of what do you pay them for aggregating the content on your platform? Is it like a revenue share out of the subscription income that you earn? Or is it some sort of a fixed commitment that you have? How will it work out?

Piyush Gupta: Naveen, the latter. There is no revenue share here. It's like a fixed commitment, but because these are deeply negotiated contracts, for a substantial period of time. There is a long-term contract on a fixed commitment that is done, and there is no revenue sharing built in here.

Naveen Jain: Okay, like when you say long term contract. What kind of, like 3 year or 5 year kind of contract is it?

Piyush Gupta: Well, look multiple OTTs, as I said, multiple negotiations are happening. Sony Live and Zee5 are already there on the platform, those two contracts also different. So, there are multiple agreements that we are doing which we believe will help our economic model, the way we are carving it out. But there is no standard design to a contract.

Naveen Jain: Okay, understood. And obviously, this is like a fixed commitment. So, it will be a fairly I mean this year, because last year we were hardly operational for 6 months or so. So, this year this all kind of fixed, the commitment will come in, whereas revenue will take time to build right. I mean. That is a fair way to think right.

Piyush Gupta: Well, yes and no. We are already in the market on the revenue side, as I said, you know we started this journey now, so investments will step up, but the revenue will step up as well. Maybe there's a lag of a month or two, but it's not going to hold on for 6 months or something like that, you know. A month here and month there can happen, but not more than that.

Naveen Jain: Okay, I understand. So, you know just once again, a further question on this. So, when I look at your app right as OTTPlay app, let's say a monthly subscription. One of the plans is about, let's say INR 299 per month and below that you are saying market prices, INR 3,607 per month. So effectively, you are saving INR 3,308 per month. So, when you say INR 3,607 per month, will you be basically adding up the monthly subscription of all these platforms which will be available to me effectively. Right?

Piyush Gupta: Yeah, that's the only way to do it right. So, if you have to access all those platforms on a subscription model. That is what you are saving. You are absolutely right.

Naveen Jain: Yeah, it seems like, great value. Okay, so on the Hindi Print side, so last year, on an overall basis, this seems to have been quite subdued. So, what is the outlook we have for the coming year?

Piyush Gupta: Well, let me answer that question in three parts, of course, the newsprint price of the commodity cycle coming off. I think we've all discussed, so that will obviously be good on the cost line. But on the revenue side, one big thing that happened, you know was, that a lot of copies got dropped during Covid and the race to build them up is a very slow, but a very hard-working model which we are on. So, this year we will be doing a major impetus on building back our copies. And the substantially good copies in the markets that we believe have a good revenue potential, and that journey we already are on, and the on the ad revenue, as I articulated earlier, our plan of trying to shore up our yields is definitely on. So those two drivers building up the copies and working on advertising yields are the two big factors that we will be driving this year.

Naveen Jain: Okay, so maybe a 10% kind of growth will be conservative, or you would be aiming for a higher number. I know you don't give exact guidance.

- Piyush Gupta: I would like to give that guidance. But, as I said, you know, building copies in a very competitive market and trying to push yields up, going close to the pre-Covid levels, I mean is a tough task. We are all at it now, will that yield be 10%, 5% or 20%. I would like to hazard a guess on that.
- Naveen Jain: Sure, Thank you so much.
- Aaditya Mulani: The next question is from the line of Yash R.
- Yash R: So, since we are on the topic of copies. Where are we on the recovery vs pre-Covid for our HT English and HMVL?
- Piyush Gupta: Okay. Let me, just, give you two trends that happened during Covid. Of course, when the copies were dropping, they were dropping across, but when the copies are building up, some copies will never come back. Some copies are coming back. Readers who were taking two copies are taking one copy, so they are exercising their choice there. And of course, you know, new readers are far and few in between. So, at this point in time, if I have to talk about copies between English and Hindi in print, versus the pre-covid, overall, we are 15% down versus the pre-covid number. And these are the copies that we are trying to build on.
- Yash R: Okay, and what about Hindi business? HMVL
- Anna Abraham: This is the overall number.
- Yash R: Okay. But I mean, English you said 85% of pre-Covid. So HMVL is also going to be at the same level?
- Piyush Gupta: Look. I mean, English is slightly sharper. So English copies are down 20% - 25%. Hindi copies are not so down, so on and so forth. But average number is about 15% - 17%.
- Yash R: Okay, and now, for example, Bombay being a good market, especially for English. What's the subscriber, base percentage, as to how many of the subscribers are on our annual subscription rather than on a daily basis.
- Piyush Gupta: Look in Bombay, most of our copies are on a subscription basis, which are long term subscriptions. Unlike Delhi, whereby, we have a lot of line copies as well. But if you have to understand the model, this model, which was,

let's say, till about 5-10 years ago pure line copy model, as we call it on a monthly subscription, is now gradually shifting across all publications all markets to be a subscription model. So, Bombay, I would say 60-70% of our copies, or slightly more than that are on subscription model. Delhi is lesser, but then the model is shifting towards subscription now. But the good news there is that subscription prices are now gradually inching up, because when the ad revenues came under pressure, all the publications, including ourselves, we have taken pricing action on the copies side and the subscription price side.

Yash R:

Okay, and what about Pune, we had launched some time back.

Piyush Gupta:

Well, so Pune is a bolt-on market to Bombay. So, Pune market serves the purpose for a Bombay advertiser, because those are very adjacent markets. So, Pune we don't look at as a standalone market at all.

Yash R:

Okay, just one more question which, with regards to new age Digital business that we had started reporting since last year by last year I mean FY22. There were quite a few initiatives that we were hearing about, some of them being NFT and something on content as well. So where are we on that?

Anna Abraham:

So, we have been talking about doing multiple initiatives. So yes, there is some bit on NFT, etc. and all of that. But those are all small at this point of time, and nothing is a real line of business. So, after all the experiments, the one major line that we are betting now on is on OTTPlay, which we are therefore investing behind as well.

Yash R:

Then those initiatives are still on the cards, right?

Piyush Gupta:

Well, look. You know those things on NFT, etc. that we had started reporting or telling about, were really experiments at that point in time. We were just testing out the proof of concept, but I think as a business segment it will be OTTPlay, and I don't think NFT is a business segment at all.

Yash R:

Okay, sure. Got it. Thank you.

Aaditya Mulani:

Thank you all. With this, we come to an 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 for joining the call, and I know it's been a very tough quarter, but as we just had a very good discussion around various levers of the business, which we think are all moving favorably, we should be in a position to report much more favorable quarters from here on. I wish you all the very best and thank you so much. Stay safe.

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