

HT Media Group Q3 FY24 Earnings Conference Call

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Management:

Mr. Piyush Gupta: CFO, HT Media Group

Ms. Anna Abraham: Head - Investor Relations, HT Media Group and
CFO, Hindustan Media Ventures Limited

Mr. Pervez Bajan: Controller, HT Media Group

Aaditya Mulani:

Good afternoon, ladies and gentlemen. This is Aaditya Mulani from the HT Media Group. I would like to welcome you all to our Q3 FY 2023-24 earnings webinar. As a reminder, all the 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 of Investor Relations, HT Media Group and Chief Financial Officer of Hindustan Media Ventures Limited. Thank you, and over to you Anna.

Anna Abraham:

Thank you, Aaditya. A very good afternoon to everyone. Welcome to the earnings webinar to discuss the financial results of HT Media Group for the third quarter FY 2023-24. Mr. Piyush Gupta, Group CFO; Mr. Pervez Bajan, Group Controller; and members of our Investor Relations team have joined me on the call today.

The financial results of Hindustan Media Ventures Limited were declared on Wednesday, 17th January. Results of HT Media Limited was released earlier today. We have captured the highlights of these results in the presentation on this Zoom webinar. This presentation along with the financial statements is available on the stock exchanges and the Investor Relations sections of our websites.

We will now start the presentation. Slide 2 captures a disclaimer regarding forward-looking statements. We do not as per practice, provide specific revenue or earnings guidance. Kindly keep that in mind as we have our discussions.

The slide gives our chairperson's comments on the performance of the company in the quarter, and I quote.

"The third quarter of the current fiscal year saw the festive season across the country, the Cricket World Cup, and also assembly elections in several states. As a result, overall business sentiment remained upbeat, supported by a moderating trend in general inflation and continuing rationalization in the prices of key commodities.

Your company saw sequential revenue growth and an increase in profitability across all primary verticals. On the back of stronger advertising revenues, our print business posted a sequential growth while the margins improved on both y-o-y and q-o-q, with newsprint prices normalizing further. Radio saw better traction in the FCT segment which resulted in sequential revenue and margin improvement. The Digital

business reported strong revenue growth, although investments in new business impact that vertical's margins.

With the national elections around the corner and the infra push, we believe consumer spending will pick up, and we are hopeful of capitalizing on the same. We remain cognizant of the ongoing global conflict and of sporadic attacks on global supply lines that could impact the overall business environment. Now, as always, we remain committed to our journalistic ethos and to being a singular destination for our audiences for credible and engaging news and entertainment.’’

This slide gives the key areas that we will cover today. We will begin the performance update with comments on our consolidated financials. This will be followed by performance highlights of each of the business verticals: Print, Radio, and Digital businesses. We will open our Q&A session after the conversation concludes. With this, I hand over the call to Mr. Piyush Gupta, Group CFO.

Piyush Gupta:

Thank you, Anna. So, we'll be tracking the presentation here. First, let's go to the consolidated performance. As you can see from the charts, our total revenue for the quarter came at INR 486 crores, which is flat versus the same period last year. Sequentially, however, there's a 14% growth in Q2 with INR 427 crores. This is primarily due to the shift in the festive season.

If you look at the EBITDA line, again, a flat number of INR 29 crores versus the same period last year with margins at 6%. PBT came in at a negative INR 22 crores, which is an improvement of INR 8 crores versus the same period last year. And net cash remains at a robust INR 754 crores.

In the key highlights, we have tracked that operating revenue saw uplift in Q3 due to the festive season; however, advertisement spends in festive was muted as compared to the previous year and to our expectations. EBITDA continues to improve given softening of newsprint rates and despite higher investment in the new business, which is OTTplay.

Moving on to business unit performance. If you look at the print performance, revenue was flat at INR 283 crores and a 16% growth sequentially over the prior quarter. Our circulation revenue, however, saw a marginal decline of 2%, which is predicated on the number of copies, the RPC still remains strong. Operating revenues, therefore, came at INR 363 crores, which is down 2% versus the prior quarter, they are up 12% versus

Q2 which was at INR 324 crores. Operating EBITDA came to INR 26 crores against negative INR 4 crores last year with margins at 7%.

In the key highlights, good sequential growth in ad revenue given the festive quarter and significant improvement in operating EBITDA and margins.

Drilling down a level further, if we look at our English print business, on the left side of this chart is the ad revenue. So, if we look at y-o-y growth at INR 158 crores, which is virtually flat versus the same period last year. Sequentially, it's up 20% at INR 158 crores. Circulation revenue on a y-o-y basis is 14% higher. Sequentially, it is flat.

If you look at Hindi, on the left-hand side, ad revenue on a y-o-y basis, again flat at about 1%, q-o-q basis, it's a 11% growth. Circulation revenue, however, on y-o-y and q-o-q is a decline of 7% and 6% primarily due to reduction of copies.

Radio has been a bit of a challenge in spite of our best efforts, Radio revenue has not come up to speed as much as we would have liked to. There is a marginal decline of 4% with revenues tracking to INR 40 crores, and operating EBITDA at INR 3 crores with a 7% margin as against 17% margin last year. Sequentially, of course, they were up 12%.

And finally, Digital, this is not Digicontent Limited, which is a separate company, but this is Digital, which includes all the logos on the top of the chart. , If you see, the operating revenue came at INR 39 crores, which is a 34% increase versus same period last year. However, operating EBITDA also expanded the loss by about INR 11 crores at minus INR 34 crores. So, these are the investments in OTTplay that we are having.

And with that we come to the end of the presentation. Over to you, Anna.

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 2 questions per participant, so that we may be able to address questions from all participants. We will wait for a few moments while the question queue assembles.

The first question is from the line of Mehul Parikh. Please unmute yourself and ask your question.

Mehul Parikh: My name is Mehul Parikh. I'm an individual shareholder of Hindustan Media Ventures Limited. My first question is that this INR 4 crores revenue that we are showing in Digital section of HMVL results, this is the – package generally is around at an average of INR 1,000 per annum. So, this is the full amount recorded or is it proportioned on a q-o-q basis?

Anna Abraham: It is a proportionate revenue. The recognition of revenue will be basis the duration of the package. Only as and when it gets utilized, we recognize while we, of course, collect the money upfront. That'll be sitting as part of deferred revenue.

Mehul Parikh: Okay. So, if we estimate those expenses to be around INR 3 odd crores towards marketing, we are practically spending 100% of the first year's revenue in marketing costs, is that right to assume?

Anna Abraham: No, the substantial portion of the costs would actually be in securing the arrangements on the content that we are offering.

Mehul Parikh: Okay.

Anna Abraham: And there will be also some acquisition costs. Marketing costs are very limited actually.

Mehul Parikh: Yes. So, this figure has jumped substantially. So, I just wanted to understand that this jump is essentially the acquisition cost, right?

Piyush Gupta: This jump is essentially the content cost. As you see, we already have 30 platforms around content, and this is what has gone up.

Anna Abraham: Similar to the revenue recognition, the content, the cost recognition also happens as we kind of, you know, sell the packages and it's not a flat line cost.

Mehul Parikh: Okay. So, it's on a per-subscriber basis?

Piyush Gupta: Yes.

Mehul Parikh: Okay. Thank you very much. That was all from my side.

Aaditya Mulani: The next question is from the line of Sakshee Chhabra. Please introduce yourself and ask your question.

Sakshee Chhabra: Hi, this is Sakshee here from Svan Investments. So, my first question was, I wanted to understand that the newsprint prices have already corrected

significantly. I just wanted to understand what is the trajectory going forward on the newsprint prices?

Piyush Gupta:

So Sakshee, hi, Piyush this side. So, newsprint prices, if you look on a y-o-y basis, have already corrected close to about 19% to 20%.

We believe that for the next couple of quarters, we will still see them sliding downwards. Of course, the wildcard at this point is the shipping costs, which my colleague was highlighting earlier on in the presentation. Given the complication in the Red Sea and the shipping lines, etcetera, that cost has escalated and that might impact adversely but, of course, shipping costs, is not very substantial cost. But, that might have some short-term implication. But I think as far as the commodity is concerned, the prices will remain soft and probably go down a little from here on in the next couple of quarters before they stabilize for good.

Sakshee Chhabra:

So, for another two to three quarters you'll see it decreasing further?

Piyush Gupta:

Yes. Though I am not predicting that how much the decrease will be, but we believe that trajectory will continue whether it will be 1% or 5% or 10% only time will tell. But I think, they are still to come down before they stabilize.

Sakshee Chhabra:

And what would be our quantum of imported newsprint?

Anna Abraham:

On a consolidated basis, it's about 30%.

Piyush Gupta:

Yes, but Sakshee that really doesn't make a difference. Indian domestic newsprint is priced in accordance with international newsprint. So, think of it as a pure commodity.

Sakshee Chhabra:

Okay, but no, I was asking because you said that the shipping cost you know would increase. So, for domestic newsprint the shipping cost would not be applicable, right?

Piyush Gupta:

No, it doesn't work like that. You have to compare the landed cost of imported and that's how the domestic supplier marks their output to.

Sakshee Chhabra:

Alright, Got it. Thank you so much. And my second question was on the Digital side if you could throw some light as to what we are going to be doing in the coming year.

Anna Abraham:

So, our main investment in the Digital space from an HT Group consolidated business is the OTTplay, which we have now taken to the market since beginning of this year. It's an aggregation play where we have a single user interface for the customer which gives them access to over 30

platforms at a very affordable pricing as well as with you know, recommendation engines and user interface planned by the customer's preference. So that's the proposition and that's our biggest bet in Digital at this point of time. But it's the first year of scale up of this business.

Piyush Gupta:

And if I may just add to what Anna said, given that we already have a big go-to-market in our newspaper business, the go-to-market in this whole business is what we call as physical and digital combined. That is phygital. So, you know acquisition cost to that extent should hopefully be not out of whack. And given that there is a market for consolidating OTTs and serving it to the end consumer at a very affordable price and not having a very big acquisition cost is the proposition. We've seen some early successes in the first year. Of course, that's where all our digital investments are going.

Sakshee Chhabra:

Okay, so you're trying to say that your customer base is the same for your Print and Digital?

Piyush Gupta:

No, not exactly. I mean, you know, it is one of the various channels. So, you know we are of course going through the digital channel, we are going through the OEM channels et cetera. But we have an inherent advantage of also having a newspaper channel. So, which is an add on.

Sakshee Chhabra:

Okay. All right. But you don't see any sort of cannibalization in this aspect?

Anna Abraham:

OTTplay is nothing to do with ad dollars. It is more of a subscription business for people wanting to consume a certain extent of content.

Sakshee Chhabra:

All right. Thank you so much.

Aaditya Mulani:

Thank you. Ladies and gentlemen, a reminder to all participants that you may use the raise hand option on your screen if you wish to ask a question.

The next question is from the line of Hari S. Please introduce yourself and ask your question.

Hari S.:

I am Hari, an individual investor. Regarding this other expenditure, can you throw some light on the increase in other expenditure? And this raw material cost has come down, but why isn't that shown up in the net profit figure? So, that's all. Thank you.

Anna Abraham:

So, we have been talking about the investment in the new business that we have undertaken. So, if you look at the segment results, you will see that there is a considerable investment in the new business which has impacted the operating EBITDA when you look at it overall. But if you look at the segment results and look at the core business, you will see there is

substantial improvement in the EBITDA margins, which we called out in our investor presentation also. And the cost of that new business largely gets reported in the other expense line with some components sitting in employee cost as well. And therefore, the entire increase that you're largely seeing is on account of the investments that's going into a new business from an expense point of view, otherwise for all core business, the expenses are well under control.

Hari S.: Fine, ma'am. And continuing on that, ma'am. Like by which year we can say the investment phase has completed for this new business. Like what is the deadline or anything?

Anna Abraham: This is the first year of having launched a new business, so it's very early to kind of put a deadline on this. Having said that, you know because it will scale, it will have to be scaled up a lot more before it gets profitable. But we are hopeful as a revenue scale up to start reducing the losses of this business.

Hari S.: Okay. Maybe while you're at it are you expecting it to be one year or two years, ma'am?

Anna Abraham: At this point of time, we can't give a specific date, but yes, it will have to start showing the ROI sooner than later.

Anna Abraham: That's all. Thank you very much.

Aaditya Mulani: Thank you. The next question is from the line of Kunal Tokas. Please introduce yourself and ask your question.

Kunal Tokas: Okay. Thank you, Sir. My first question was about this new business OTTplay. Can you put a quantum or how much investment you have put behind this business till date?

Anna Abraham: It is there as part of our segment results reporting because in HMVL the Digital segment that gets reported is of OTTplay. So, it's about around INR 70 crores of investment that's gone.

Kunal Tokas: And another question was about accounting, you said that in response to the previous question, you said that the major costs in the Digital segment were content related. So, are you expensing these costs or are you capitalizing these?

Piyush Gupta: So, let me answer this. All the costs on content and acquisition are always expensed. Nothing is capitalized here, but there's a certain accounting whereby it is expensed and trued up every quarter depending upon the number of subscriptions sold. So, in a one full year cycle, of course, the

entire cost will run through the P&L but will be trued up in all the four quarters. So, nothing is capitalized. Everything is expensed. The simple answer is that.

- Kunal Tokas: All right, sir, understood. Those were my two questions. Thank you.
- Aaditya Mulani: Thank you. The next question is from the line of Rishikesh Oza. Please introduce yourself and ask your question.
- Rishikesh Oza: Yes. Hi. Thank you for the opportunity. Rishikesh here from Robo Capital. So, my first question is with respect to the print business, our print business has posted 10% approx. EBIT margins after very long. I've just wanted to get a sense- Is this sustainable, and what's the room for improvement here?
- Anna Abraham: So, the fact that the print business margins was impacted by the escalated newsprint price, which we actually saw for a sustained period of time given quite a few of global incidents that has now come down, is prima facie the reason why the margins are improved. So, unless there are any such unexpected global events, we are not expecting newsprint to go back to any such levels that we saw in the last one, one-and-a-half years. Therefore, it is definitely sustainable. As Piyush was responding to one of the earlier queries and for another one or two quarters, we are expecting the newsprint rates to further soften before it stabilizes, and there is no expectation that it will really escalate like it did. So definitely, it is sustainable. In fact, if the revenue kicks in and growth coming in, margin should improve further from here on.
- Rishikesh Oza: Okay. Also, regarding the OTTplay, you said you're investing around INR 70 crores. How much more are we looking to invest? And what cash burn are we looking at in future years?
- Piyush Gupta: So, Hi Rishikesh, as my colleague was articulating, this is the first full year of OTT operation. Of course, we had launched the product in the year prior. Now we are tracking the various key metrics including the users, the activation, the content, the NPS codes and so on and so forth. But given the fact that we, you know we are tracking it very closely, we will give it some more time. We have not put an absolute rupee number at this point in time that this will be the absolute outside level of investment. But if we see that the traction is coming and there is that real demand in the market, we will play it accordingly.
- So, at this point in time, I am happy to say that we have seen those earlier theses play out, but of course as good as we thought- It's not. So, we are fine-tuning the engine. The product is complete. There are 30 platforms on our OTTplay. The sum of part of the price is not even half of what it would if you were to take them separately, and the customers are liking it. Now,

we will see in the next year how it plays out before we take a further call whether to scale it or the antithesis to that.

Rishikesh Oza: Okay. And one more question. We have a lot of liquidity investments on our balance sheet. What's the plan with the liquid investments that we have?

Piyush Gupta: This exactly is what's happening. I mean, you know, all the cash which is sitting on the balance sheet is being utilized for incubating our new businesses and supporting our existing business. As long as we can create a long-term sustainable value for the shareholders, we'll utilize the cash prudently.

Rishikesh Oza: Okay. So, I think that's around more than INR 1,000 crores of what liquid investments that we have on balance sheet of HMVL Standalone

Piyush Gupta: Yes, we have. OTTplay is also sitting in HMVL. As Anna highlighted, that INR 70 crores we've already expensed in the first 9 months. And then of course, we also have to, you know, do further investment. So, cash is being utilized there, so that's basically what the plan is.

Rishikesh Oza: Okay, but still that is a lot of cash that we have. So, do we have any other plans? Because not all would be going for OTTplay, right?

Anna Abraham: Just because we spend cash, it doesn't immediately ensure return, so we of course have to be cautious in how we deploy cash. We have taken a big bite in form of the investment in OTT and therefore we will not want to wait and see before we open multiple fronts like that. We will however be cognizant of having to build businesses and verticals which give an appropriate rate of interest.

Rishikesh Oza: Okay, got it, no problem. Thank you very much.

Aaditya Mulani: Thank you. The next question is from the line of Hari S. Please re-introduce yourself and ask your question.

Hari S: Yes, regarding this Radio, sir, there was expected to be a positive Government policy change regarding the Radio segment has this come out?

Piyush Gupta: Hari, we are all expecting that to come out soon, but not that we can state with any certainty, but I think given the elections are around the corner, I think it will be only after the national elections are done. But I believe the final policy is with the Government for final notification and I think that's going to take some time. We believe it will be after election, but if it happens before that, that will be wonderful.

- Hari S.: So it will be a wonderful policy for us, sir, or borderline policy?
- Piyush Gupta: It will be a wonderful policy for us, you know, because you have to understand at the time of auctioning right from 2007 when they did the Phase 1 they have charged on the basis of 2.5% of the final auction price or 4% of revenue which, incidentally, probably was the right thing to do at that point in time. But given that the sector has turned, and specifically after COVID, obviously the Government needs to understand that they need to support the sector.
- Hari S.: Okay. Thank you, sir.
- Aaditya Mulani: Thank you. The next question is from the line of Kunal Tokas. Please re-introduce yourself and ask your question.
- Kunal Tokas: Yes. I just forgot one question; it was about the OTTplay again. So, what I understand is that it is saying aggregator and you said that it is a very good proposition for the customers because it will provide access to various platforms at least in half the price.
- Piyush Gupta: Yes
- Kunal Tokas: So, my question was, while it might be a very good proposition for the customer, will it be an equally good proposition for the business? Because it seems like there are no differentiating factors stopping someone else from providing the same service, is there?
- Anna Abraham: So, we are not just buying various packages and just selling it as a bundle. There are other players in the markets doing that. However, what we are doing is a unified platform. What that means is it's a single login. It's not like any customer who buys OTTplay has to go to the individual 30 platform to log in. It's a single login to OTTplay which offers them content by genre across the platforms according to their preference. So, it's not that they need to engage with one of the providers versus the other.
- This proposition incidentally is not offered by anybody else. There is only one other player in this space. We are also looking from a customer base as we believe there's a lot of people who are still being serviced by cable and ISP providers who are beyond the big players in the market, that's also the customer target that we are going after in terms of servicing.
- So yes, we believe that we have a unique proposition. Bundling is easy. It has taken a lot of technological as well as product development to offer this. There is convenience, there is affordability, there's abundance of content, and there is, you know, personalization that happens across the platforms and packages that are available.

Kunal Tokas: So, any unique content released on any of these platforms will be immediately available on OTTplay?

Anna Abraham: Yes.

Kunal Tokas: All right. And anything stopping someone else from doing this aggregation as well, providing all of the content on a single platform?

Anna Abraham: One, is the aggregation per se and the other part is the distribution and the execution of reaching it to the customer. That also, as Piyush earlier explained, we believe our ability to access the physical and digital go-to-market model gives us a unique proposition. So, it's not just about aggregating, it is getting to the right customers in the right manner at the right acquisition cost, which makes this business profitable.

Kunal Tokas: Okay. And just a hypothetical question, have you looked at- maybe done some preliminary calculations about the NPV of each customer you'll get?

Piyush Gupta: What are you talking about? The lifetime value?

Kunal Tokas: Yes, sir, for each customer.

Piyush Gupta: Look, we can do a theoretical calculation of lifetime value at this point in time, but as you would appreciate that.

Kunal Tokas: It is just the first year.

Piyush Gupta: Yes, exactly. We need to get a few more readings before we kind of put a finger on that number. I understand most of these businesses are calculated in the lifetime value, but we don't want to mislead by picking up a number and saying the lifetime value is 5x of the cost of acquisition because at this point in time, we don't know.

At this point in time, we have been finessing the product so that the product is delighting the customer. At this time, we are trying to get the relevant content. Therefore, 30 platforms are there. At this time, we are trying to get the customer at the least possible cost, hence the newspaper circulation channel is helping. And at this point in time, we are basically creating the product. And now that we have a certain reading, I think the next year will give us a lot of readings basis, which all your questions will be answered.

Aaditya Mulani: Thank you. The next question is from the line of Yash R. Please introduce yourself and ask your question.

Yash R.: Hi, this is Yash R. I'm an analyst. I just wanted to know that the net cash use has gone down from Q2 INR 821 crores to INR 754 crores, while our

EBITDA has grown by INR 29 crores. That means we should have around INR 850 crores while we are at INR 750 crores. So, we have invested some INR 100 crores in cash?

Piyush Gupta:

Yes. So, look, I think as Anna was articulating earlier, the OTT investment so far is around INR 70 crores. And given that the newsprint prices are on a certain thing, there is a certain amount of cash which is tied up in working capital, which will unwind itself as we close in on 31st March. Because right now that the prices are coming down, we are more on the spot market rather than a forward, although there's no technically a forward market. But you know other cashes in working capital which will unwind itself. So come 31st March, this number is only going to improve inspite of us financing the investment in OTTplay.

Yash R.:

Yes, but OTTplay is already factored in the EBITDA, right? You said you are not capitalizing; it is all expense.

Piyush Gupta:

Everything is expensed.

Anna Abraham:

However, you are comparing it q-o-q, when the incremental spends on OTT is also increasing. And there is working capital investment which is both on the newsprint side and I would also say receivables to some extent because Q3 is a high quarter from a revenue perspective and the collections will happen over quarter.

Piyush Gupta:

So actually, most of the money is tied up in working capital, be it receivable or inventory. It will give a flip from now to 31st March and that cash will come back to the company.

Aaditya Mulani:

Thank you. The next question is from the line of Smiran Bhandari. Please introduce yourself and ask your question.

Smiran Bhandari:

Good afternoon. I'm Smiran Bhandari. I'm an individual investor. My question is regarding ad for equity. So, I believe there were some real estate investments in the Noida NCR region through ad for equity. So, what would be the quantum of those investments and are those investments now bearing fruit?

Piyush Gupta:

Well, Smiran, thank you for your question. But you know not just in Noida, Greater Noida, Indirapuram, but we've got a lot of investment in terms of line item. These will be adding to more than 100, 150 investments. So, I don't know which you're talking about because that's the business of AFE. And we've got various investments in Noida and Greater Noida area.

Smiran Bhandari:

Okay. So, what will be the total quantum amount of AFE and within that the real estate investments?

- Anna Abraham: Yes. So, the total quantum will be over INR 650 crores, of which about 60% is in real estate.
- Smiran Bhandari: Okay. And are we monetizing real estate investments?
- Anna Abraham: On a regular basis, last three years, we've been constantly monetizing quite a bit of our assets. It's reflecting in our cash flows also.
- Smiran Bhandari: Sorry, come again, on the real estate investments.
- Anna Abraham: So, we are about 60% of INR 645 crores, so roughly about odd INR 370 crores in real estate. And the 100 number Piyush said is in terms of the number of investments that we have.
- Smiran Bhandari: Okay. And how much of it is sitting in HMVL? And how much of it is in HT Media?
- Anna Abraham: About half of this INR 650 crores is sitting in HMVL.
- Piyush Gupta: Slightly more than half, let's say 60% in HMVL.
- Smiran Bhandari: Ideally, this should be considered as a part of financial investments, right?
- Piyush Gupta: Well, it is. I mean, look, I mean, it's nothing strategic in nature. These are financial investments, and as I was saying in the last three years, our monetization has increased and that's clearly an indication of what the market has been. If you're talking about real estate, you know where the real estate markets are. Given that opportunity, of course, we are getting the best IRR but by using these assets and I think it's a phenomenal space to be in. And given that we still have a substantial amount of book, I would say some of these investments are as close to cash and cash equivalent as they can be.
- Anna Abraham: However, there is of course the operating revenue, you know, that it brings in which of course is why we do AFE
- Piyush Gupta: Okay, got it. Thanks for that.
- Aaditya Mulani: Thank you. The next question is from the line of Kaustav Bubna. Please introduce yourself and ask your question.
- Kaustav Bubna: So, I'm from BMSPL. I have two questions. So firstly, your advertisement revenues have been flat. So, I just wanted to understand and on the print side, so just wanted to understand as general elections come, what are your aspirations on this front? Do you see growth coming over the next two or three quarters on a y-o-y basis?

- Anna Abraham: So, will elections give a flip? The answer is yes. So, we are hopeful that between Q4 and Q1 of this year we'll possibly do some better revenues than we typically see in such quarters otherwise, Q3 is always our highest revenue quarter. Having said that, while there will be a flip side to that spend, there is also the fact that the Government spends through DAVP comes under code of conduct and for two and a half months or roughly that, the spends on that front reduces. So, there is a net trade off etcetera that happens as well. But if the results are, you know to the market interest, the general markets, and the buoyancy, and the business sentiment being upbeat, we are hopeful that the revenue traction will be good.
- Kaustav Bubna: Okay, great. And my second question was on this Digital business, the new venture. So right now, I understand you're investing money into it, and it'll take some time for it to show results, but when it matures, I mean what type of margin business should this be at maturity?
- Anna Abraham: At a gross or EBITDA level?
- Kaustav Bubna: EBITDA.
- Anna Abraham: Yes. 15% to 20% margin ideally.
- Aaditya Mulani: Thank you. The next question is from the line of Sakshee Chhabra. Please re-introduce yourself and ask your question.
- Sakshee Chhabra: Thank you for the follow-up question. On the OTTplay, I just wanted to understand what our current subscriber base?
- Anna Abraham: This is slightly competitive sensitive information, so we won't be able to share that at this point of time.
- Sakshee Chhabra: Okay. And my second question on OTTplay was that when someone takes a subscription of this, can they view it on multiple screens like on the TV as well as on their mobile?
- Anna Abraham: Yes.
- Sakshee Chhabra: Thank you. That's all from my side.
- Aaditya Mulani: Thank you. The next question is from the line of Yash R. Please re-introduce yourself and ask your question.
- Yash R.: My question was regarding the ad against equity and property. What ratio of the ad revenue comes from the stream?
- Anna Abraham: This is again competitive sensitive information, so we won't be able to share the exact percentage.

- Yash R.: Okay. That's it. Thank you.
- Aaditya Mulani: 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: Thank you, Aaditya. Thank you everyone for joining us today for our investors' call. As you've seen that, you know, given the commodity prices and the festive season, we've had some traction which has come to the P&L. We sincerely believe that this journey will from here on continue given the elections, given the year end, and given the commodity price softening. With that, we hope to get even better results in the coming quarter. And we look forward to seeing you soon. Stay safe and a happy new year once again to all of you.

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