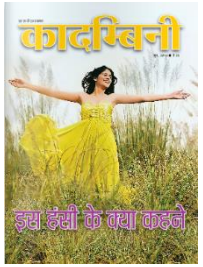


Hindustan Media Ventures Ltd

(NSE: HMVL; BSE: 533217)

Q4 FY2015 Earnings Presentation

May 14, 2015

Table of Contents

Particulars	Slide no
Financial Highlights	3
Operational Highlights	6
Financial Overview	7
About Us	15
Contact Us	16

Conference Dial-In Numbers (May 14, 2015 at 4:00 pm IST)	
Primary Number	**+91 22 6746 8356 / +91 22 3938 1079**
Local Access Number	**6000 1221/ 3940 3977**
The numbers listed above are universally accessible from all networks and all countries	
Toll Free Number	**USA:** 1 866 746 2133 **UK:** 0 808 101 1573 **Singapore:** 800 101 2045 **Hong Kong:** 800 964 448

Financial Highlights

Management Commentary

Commenting on the results and performance, **Mrs. Shobhana Bhartia, Chairperson, Hindustan Media Ventures Limited** said**:**

"We are pleased to report that we grew faster than the industry in terms of both revenue and profits. We did this despite an increase in our structural costs and a difficult operating environment.

The year also saw us cement our number two position in Uttar Pradesh and Delhi, even as we retained our leadership positions in Uttarakhand, Bihar and Jharkhand by a wide margin.

Our robust performance, coupled with expected improvement in the macroeconomic environment, gives us confidence that we will continue to outperform the market in the coming year.

Our established brand, increasing readership and a healthy balance sheet provide us with a strong grounding for the future".

Highlights – FY2015 vs. FY2014

- Total Revenue increased by 15% to Rs. 8,750 million
- Advertising revenue increased by 12.5%; Circulation revenue increased by 12.6%
- EBITDA increased by 23% to Rs. 2,229 million; EBITDA margins of 25.5%
- Profit after tax increased by 27% to Rs. 1,409 million; Net Profit margins were higher at 16.1%
- Strong balance sheet position with Net Cash of Rs. 5,431 Million
- EPS for the year stood at Rs. 19.19 as compared to Rs. 15.15 in the last year
- Dividend for the year approved by Board at Rs. 1.20 per share.

Financial Highlights - Annual

FY15 vs. 14 (Full year YoY)

Rs. million	FY2015	FY2014	*y-o-y Growth (%)*
Advertising Revenues	5,965	5,300	*12.5%*
Circulation Revenues	2,007	1,782	*12.6%*
Other Revenues	779	521	*49.5%*
Total Revenues	8,750	7,603	*15.1%*
Consumption of Raw Materials	3,374	3,004	*12.3%*
Employee Cost	1,068	866	*23.4%*
EBITDA	2,229	1,818	*22.6%*
Margin (%)	*25.5%*	*23.9%*	
Profit After Tax (PAT)	1,409	1,112	*26.7%*
Margin (%)	*16.1%*	*14.6%*	
Basic EPS (Rs.)	19.19	15.15	*26.7%*

Financial Highlights – Quarterly

Q4 FY15 (y-o-y and q-o-q)

Rs. million	Q4		*y-o-y Growth (%)*	Q4	Q3	*q-o-q Growth (%)*
	FY2015	**FY2014**		**FY2015**	**FY2015**	
Advertising Revenues	1,466	1,329	*10.3%*	1,466	1,522	*-3.7%*
Circulation Revenues	508	455	*11.7%*	508	510	*-0.2%*
Other Revenues	204	161	*26.7%*	204	198	*2.7%*
Total Revenues	2,178	1,945	*12.0%*	2,178	2,230	*-2.4%*
Consumption of Raw Materials	791	808	*-2.0%*	791	867	*-8.7%*
Employee Cost	265	217	*22.1%*	265	249	*6.6%*
EBITDA	601	441	*36.2%*	601	562	*7.0%*
Margin (%)	*27.6%*	*22.7%*		*27.6%*	*25.2%*	
Profit After Tax (PAT)	389	272	*43.1%*	389	366	*6.5%*
Margin (%)	*17.9%*	*14.0%*		*17.9%*	*16.4%*	
Basic EPS (Rs.)	5.31	3.71	*43.1%*	5.31	4.98	*6.5%*

Operational Highlights

Hindustan is the second largest Hindi Daily: 2014 IRS Results

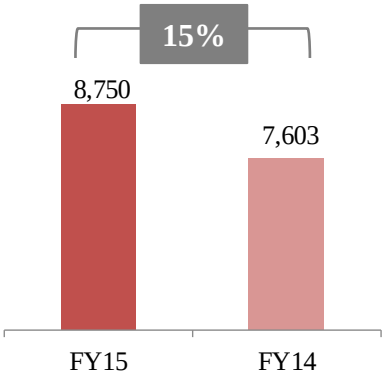
	2014 IRS Readership	2013 IRS Readership
All India	14.75 million	14.25 million
UP	7.6 million	7.2 million
Uttarakhand	0.53 million	0.43 million
Bihar	4.38 million	4.27 million
Jharkhand	1.31 million	1.40 million
Delhi NCR	1.07 million	1.06 million

Financial Overview – Annual

* Rs. Million

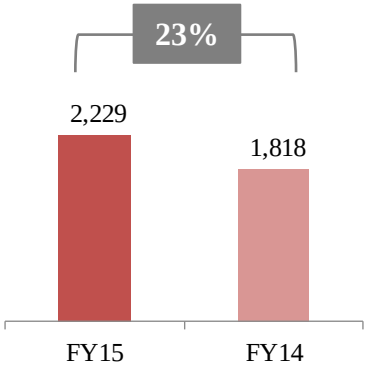
1 Revenue

- Total revenue up 15.1% at Rs. 8,750 million from Rs. 7,603 million :
  - 12.5% increase in advertising revenue to Rs. 5,965 million from Rs. 5,300 million due to increase in both advertising yields & volumes
  - 12.6% increase in circulation revenue to Rs. 2,007 million from Rs. 1,782 million led by both higher circulation and realization per copy



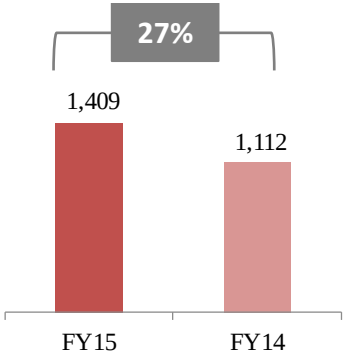
2 Operating Profit

- EBITDA increased by 22.6% to Rs. 2,229 million from Rs. 1,818 million primarily due to :
  - Growth in advertising and circulation revenues
- Growth partially offset by:
  - 12.3% increase in raw materials costs to Rs. 3,374 million from Rs. 3,004 million led by increase in both newsprint consumption & costs
  - 23.4% increase in employee costs to Rs. 1,068 million from Rs. 866 million due to impact of new hiring, increments and a charge for regulatory compliance



3 Profit After Tax

- PAT increased by 26.7% to Rs. 1,409 million from Rs. 1,112 million- owing to improvement in EBITDA coupled with drop in effective tax rate

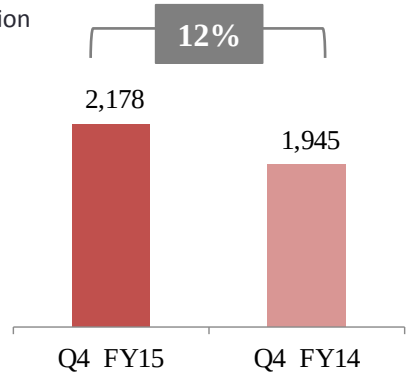


Financial Overview – Quarterly (y-o-y)

* Rs. Million

1 Revenue

- Total revenue up 12% at Rs. 2,178 million from Rs. 1,945 million :
  - 10.3% increase in advertising revenue to Rs. 1,466 million from Rs. 1,329 million primarily due to increase in both advertising yields & volumes
  - 11.7% increase in circulation revenue to Rs. 508 million from Rs. 455 million due to higher circulation and higher net realization per copy

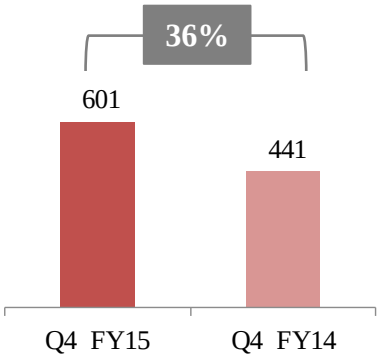


2 Operating Profit

- EBITDA increased by 36.2% to Rs. 601 million from Rs. 441 million primarily due to :
  - Growth in advertising and circulation revenues
  - 2% decrease in raw material costs (Decrease in newsprint costs partially offset by an increase in consumption)

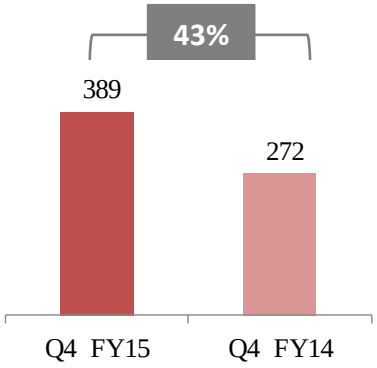
Partially offset by:

- 22.1% increase in employee costs to Rs. 265 million from Rs. 217 million due to impact of new hiring, increments and a charge for regulatory compliance



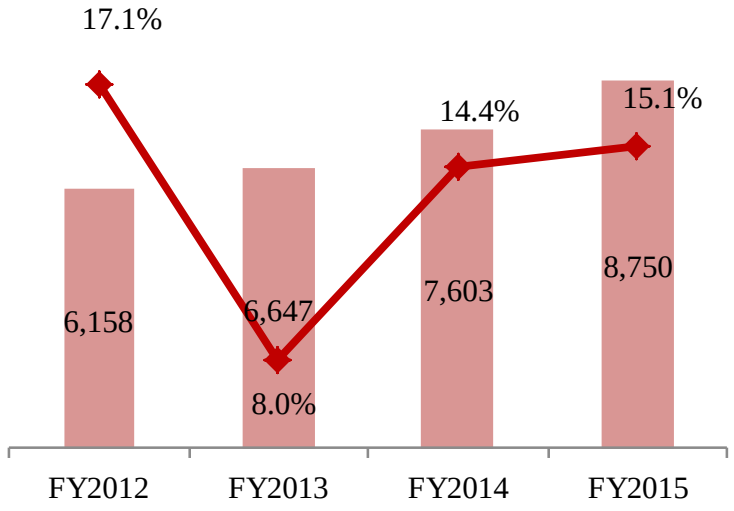
3 Profit After Tax

- PAT increased by 43.1% to Rs. 389 million from Rs. 272 million due to improvement in EBITDA coupled with lower effective tax rate

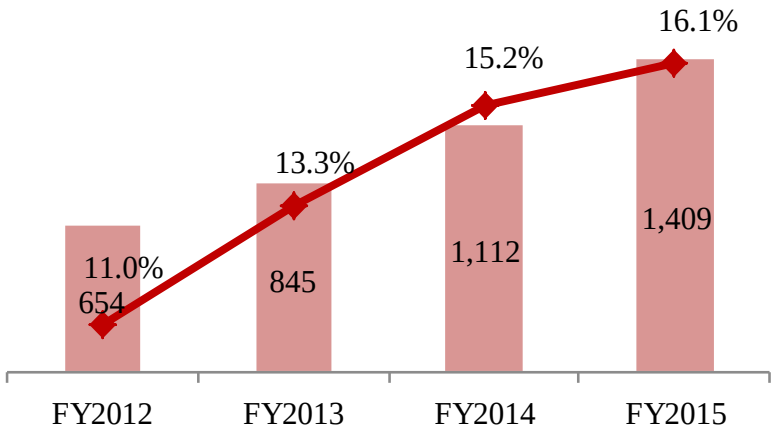


Financial Overview – Annual

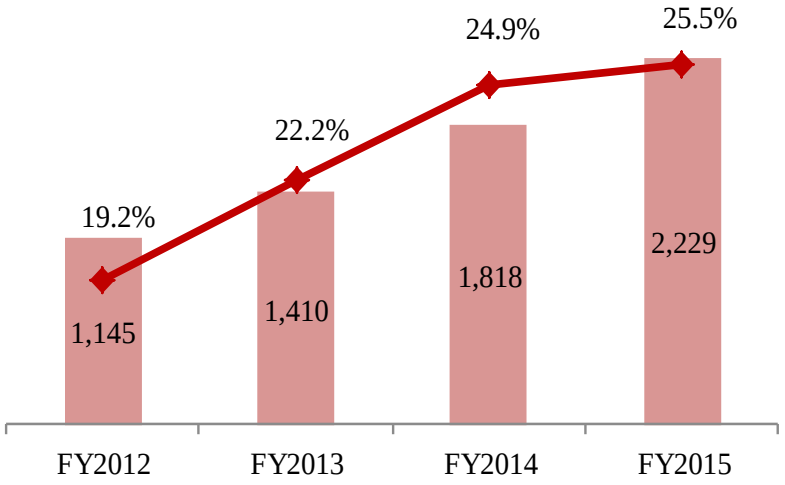
Revenue (Rs. Million) and Growth (%)



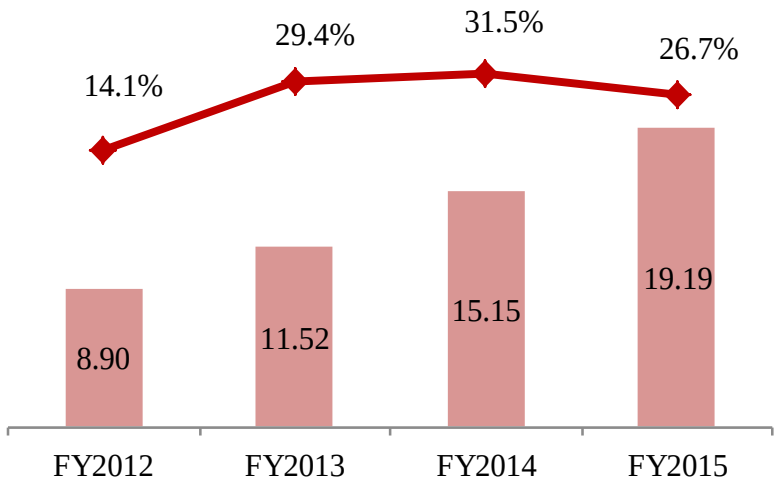
PAT (Rs. Million) and Margin (%)



EBITDA (Rs. Million) and Margin (%)

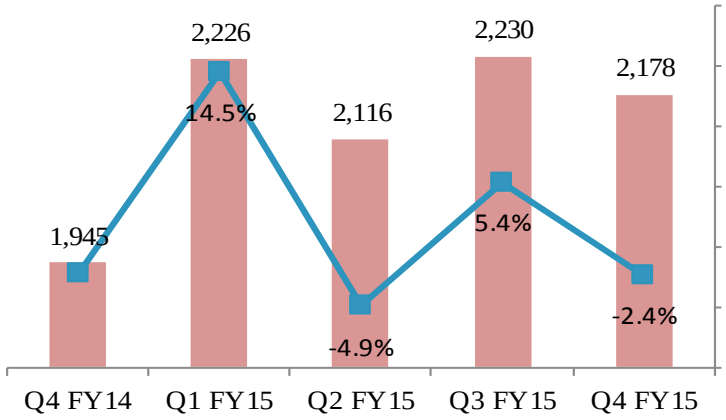


EPS (Rs,) and Growth (%)

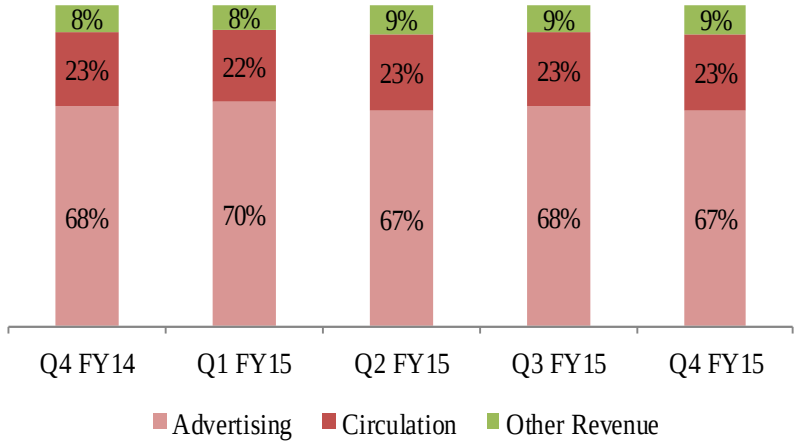


Financial Overview – Quarterly

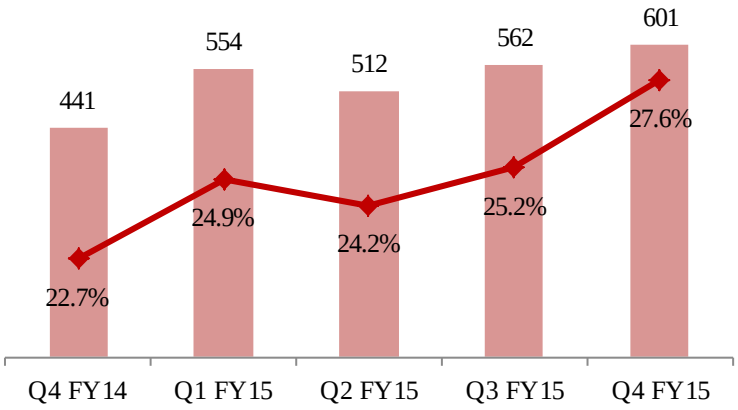
Revenue (Rs. Million) and Growth (%)



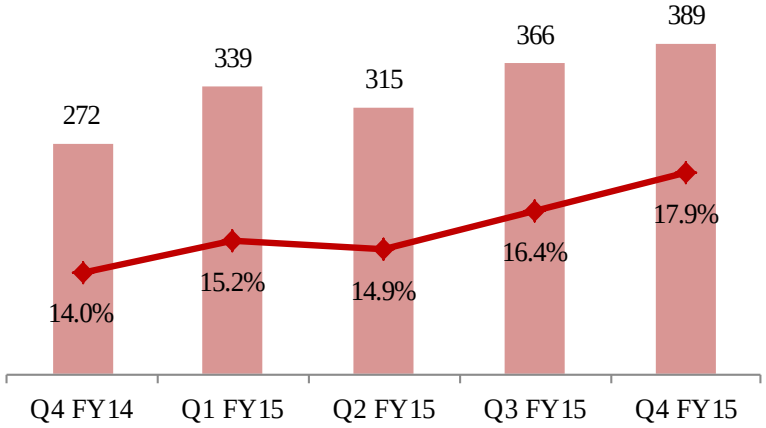
Revenue Breakdown



EBITDA (Rs. Million) and Margin (%)



PAT (Rs. Million) and Margin (%)



Financial Overview- P&L

(Rs. in millions, except EPS data)

Particulars	Three months ended			Year ended		
	31.03.2015 (Audited)	31.03.2014 (Audited)	Shift (%)	31.03.2015 (Audited)	31.03.2014 (Audited)	Shift (%)
Net Sales / Income from operations	1,993	1,807	10%	8,057	7,181	12%
Other Operating Income	28	32	-13%	128	116	10%
Total Income from operations	**2,021**	**1,839**	**10%**	**8,186**	**7,297**	**12%**
Other income	157	106	48%	564	306	85%
Total Income	**2,178**	**1,945**	**12%**	**8,750**	**7,603**	**15%**
(Increase)/Decrease in Inventory	1	(1)		2	1	
Consumption of Raw Materials	791	808	-2%	3,374	3,004	12%
Employees Cost	265	217	22%	1,068	866	23%
Other Expenditure	519	479	8%	2,077	1,914	9%
Total Expenditure	**1,576**	**1,503**	**5%**	**6,521**	**5,785**	**13%**
EBITDA	**601**	**441**	**36%**	**2,229**	**1,818**	**23%**
Margin (%)	***28%***	***23%***		***25%***	***24%***	
Depreciation	57	52	8%	243	216	13%
EBIT	**545**	**389**	**40%**	**1,986**	**1,603**	**24%**
Margin (%)	***25%***	***20%***		***23%***	***21%***	
Interest & finance charges	27	19	39%	105	57	85%
Profit before tax	**518**	**370**	**40%**	**1,881**	**1,546**	**22%**
Margin (%)	***24%***	***19%***		***21%***	***20%***	
Tax Expense	129	98	32%	472	434	9%
Profit after tax	**389**	**272**	**43%**	**1,409**	**1,112**	**27%**
Margin (%)	***18%***	***14%***		***16%***	***15%***	
Net Income	**389**	**272**	**43%**	**1,409**	**1,112**	**27%**
Margin (%)	***18%***	***14%***		***16%***	***15%***	
EPS (non annualized)	**5.31**	**3.71**	**43%**	**19.19**	**15.15**	**27%**

Financial Overview: Balance Sheet

Particulars	As at 31.03.2015 (Audited)	As at 31.03.2014 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	734	734
(b) Reserves and surplus	6,653	5,358
Sub-total - Shareholders' funds	**7,387**	**6,092**
2 Non-current liabilities		
(a) Deferred tax liabilities (net)	59	65
(c) Other long-term liabilities and provisions	1	0
Sub-total - Non-current liabilities	**59**	**65**
3 Current liabilities		
(a) Short-term borrowings	985	203
(b) Trade payables	972	762
(c) Other current liabilities and provisions	812	621
Sub-total - Current liabilities	**2,768**	**1,587**
TOTAL - EQUITY AND LIABILITIES	**10,214**	**7,744**
B ASSETS		
1 Non-current assets		
(a) Fixed assets	1,833	1,803
(b) Non-current investments	4,591	1,250
(d) Other non-current assets inc. Loans & Advances	555	317
Sub-total - Non-current assets	**6,979**	**3,370**
2 Current assets		
(a) Current investments	881	2,436
(b) Inventories	448	330
(c) Trade receivables	1,072	933
(d) Cash and cash equivalents	396	260
(f) Other current assets incl. Loans & Advances	438	415
Sub-total - Current assets	**3,235**	**4,373**
TOTAL - ASSETS	**10,214**	**7,744**

Rs. in millions

Key Ratios	FY15	FY 14	FY 13
RoCE	22.1%	20.6%	18.8%
RoE	20.9%	19.9%	17.9%
Debtor Days	45	43	45

Financial Overview

Board recommends dividend of 12%

- The Board of Directors at their meeting on May 14, 2015 have recommended a dividend of Rs. 1.20 per equity share of Rs. 10 each; translating to 12% of face value
- Dividend for the year amounted to Rs. 88.07 million (excluding Dividend Distribution Tax)

Financial Overview

Strategic Focus

Near Term Outlook

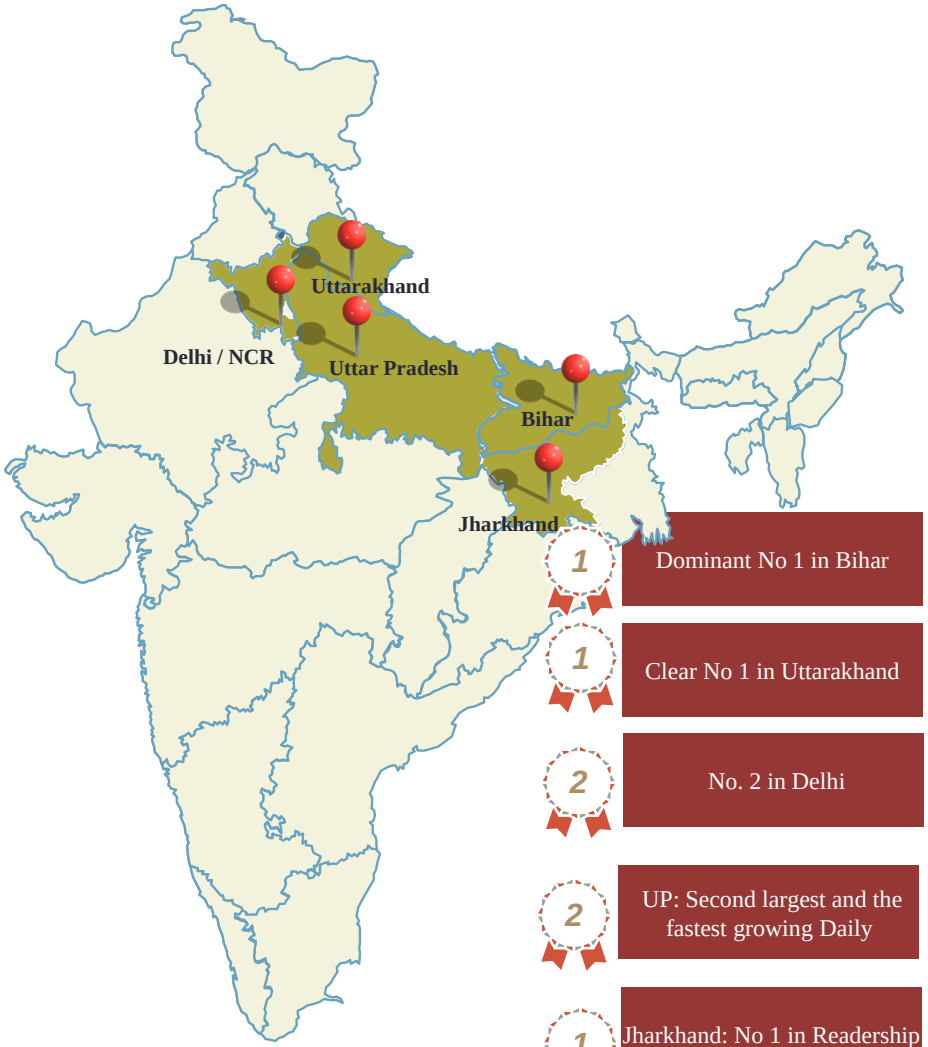
- Drive both volumes and yields across geographies on the back of strong IRS results.
- Focus shall be to increase local coverage and consolidate our position in the geographies of presence by improving reach.
- Strong balance sheet (net cash of Rs. 5,431 million) capable of funding its expansion

Hindustan Media Ventures: At a Glance

Company Background

- HMVL is one of the leading print media companies engaged in the printing and publishing of 'Hindustan', the second largest newspaper daily of India based on total readership. Also publishes two Hindi magazines 'Nandan' and 'Kadambini'
- 'Hindustan' was first published in 1936 amidst the freedom movement, and has been one of India's eminent newspapers for over 70 years. HMVL was listed on the BSE & NSE in 2010
- 'Hindustan' has a strong regional presence and enjoys a leadership position in Bihar, Jharkhand and Uttarakhand whilst consolidating its 2nd position in Delhi and UP
- The Company also operates the website www.livehindustan.com, which complements the newspaper and focuses on providing news in Hindi with regional content

Market Leadership Positions



- 1 — Dominant No 1 in Bihar
- 1 — Clear No 1 in Uttarakhand
- 2 — No. 2 in Delhi
- 2 — UP: Second largest and the fastest growing Daily
- 1 — Jharkhand: No 1 in Readership

* Basis Average Issue Readership (IRS 2014)

Safe Harbour

Certain statements in this document may be forward-looking. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. Hindustan Media Ventures Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Hindustan Media Ventures Ltd
(CIN: L21090BR1918PLC000013)

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

Vinay Mittal vinay.mittal@hindustantimes.com	+91 11 6656 1810	हिन्दुस्तान
Deepak Goyal deepak.goyal@hindustantimes.com Priyanka Harjai Priyanka.harjai@hindustantimes.com	*+91 124 431 0546* *+91 124 431 0588*	हिन्दुस्तान
Deepak Balwani Ankul Adlakha htmedia@churchgatepartnersindia.com	*+91 22 3953 7444*	Churchgate Partners