



HT Media Ltd

(NSE: HTMEDIA; BSE: 532662)

Q2 FY2016 Earnings Presentation

October 28, 2015

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Conference Dial-In Numbers (October 29, 2015 at 11:00am IST)	
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Management Commentary

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

“Our performance this quarter has been satisfactory despite subdued economic activity and tepid markets.

Our English publications saw a growth in revenue even after factoring in a base effect, and this was driven by growth in both HT Mumbai and Mint. Hindustan continues to demonstrate remarkable resilience and saw high growth rates. We successfully acquired the stations of our choice in the Phase- III FM auctions. The digital business grew in terms of revenue and saw a fall in losses.

We are excited by the opportunities on offer, the prospects of our various businesses and are confident of executing on our plans in the coming months.”

Highlights – Q2 FY2016 vs. Q2 FY2015

- Total Revenue increased by 8.8% to Rs. 6,472 million.
- Advertising Revenue grew by 6.7%; Circulation Revenues grew by 5.2% vs. last year.
- EBITDA was up by 2.2% at Rs. 1,083 million; decline in EBITDA margins to 16.7% from 17.8%.
- PAT was lower by (8.7%) at Rs. 480 million; PAT margins of 7.4% lower vs. 8.8% last year.
- Strong balance sheet position with Net Cash of Rs. 11,369 million.
- EPS for the quarter stood at Rs. 1.56 as compared to Rs. 1.89 in the last year.

Financial Highlights

Q2 FY16 (y-o-y and q-o-q) and H1 FY16 (y-o-y)

Rs. million	Q2		y-o-y Growth (%)	Q2		Q1 FY2016	q-o-q Growth (%)	H1		y-o-y Growth (%)
	FY2016	FY2015		FY2016	FY2016			FY2016	FY2015	
Advertising Revenues	4,742	4,444	6.7%	4,742	4,675		1.4%	9,418	8,898	5.8%
Circulation Revenues	754	717	5.2%	754	729		3.3%	1,483	1,403	5.7%
Other Revenues	976	787	24.0%	976	748		30.5%	1,724	1,506	14.5%
Total Revenues	6,472	5,948	8.8%	6,472	6,153		5.2%	12,624	11,806	6.9%
Consumption of Raw Materials	1,790	1,894	-5.5%	1,790	1,771		1.1%	3,561	3,751	-5.1%
Employee Cost	1,436	1,160	23.8%	1,436	1,379		4.1%	2,815	2,412	16.7%
EBITDA	1,083	1,060	2.2%	1,083	850		27.4%	1,933	2,074	-6.8%
<i>Margin (%)</i>	<i>16.7%</i>	<i>17.8%</i>		<i>16.7%</i>	<i>13.8%</i>			<i>15.3%</i>	<i>17.6%</i>	
Profit after Tax (PAT)	480	526	-8.7%	480	357		34.6%	837	946	-11.6%
<i>Margin (%)</i>	<i>7.4%</i>	<i>8.8%</i>		<i>7.4%</i>	<i>5.8%</i>			<i>6.6%</i>	<i>8.0%</i>	
Basic EPS (Rs.)	1.56	1.89	-17.5%	1.56	1.07		45.8%	2.64	3.29	-19.7%

Operational Highlights

HTML has the second largest read newspapers in English, Hindi and Business Daily segments
- 2014 IRS Results

	<u>2014 IRS Readership</u>	<u>2013 IRS Readership</u>
HT ¹ - All India	4.52 million	4.34 million
HT Delhi NCR	2.30 million	2.27 million
HT Mumbai	1.44 million	1.36 million
Mint ²	0.30 million	0.27 million
Hindustan (HH) - All India	14.75 million	14.25 million
HH UP & UT	8.09 million	7.63 million
HH Bihar	4.38 million	4.27 million
HH Jharkhand	1.31 million	1.40 million
HH Delhi NCR	1.07 million	1.06 million

¹Hindustan Times; ²Mint:Business Daily

Digital business continues to grow robustly

- 36% increase in revenue from Digital segment to Rs. 339 million from Rs. 249 million in the same quarter last year.
- Shine.com registered revenue growth of ~41.3% in Q2'FY16 vs. Q2 last year.
- HT Mobile registered a revenue growth of ~61.4% in Q2'FY16 vs. Q2 last year.

Radio business progressing at a steady pace

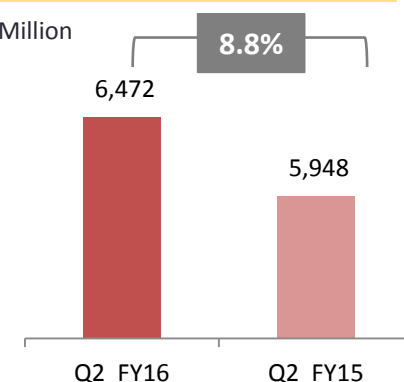
- 20.5% increase in reported revenue to Rs. 293 million in Q2'FY16 from Rs. 244 million in Q2 last year driven by advertising revenue growth.
- EBITDA grew by 31.3% to Rs. 124 million from Rs. 95 million; Margins at 35% vs. 35.7% during same period last year.
- Excluding, one-time impact of Chennai radio station consolidation wef 1st April'14, normalised YoY revenue growth is ~10% and EBITDA margins have grown to 40%. Loss on consolidation of Chennai radio station at EBITDA & PAT level is (Rs. 8.4 million) and (Rs. 44.7 million) respectively.

Financial Overview – All comparisons are y-o-y

1 Revenue

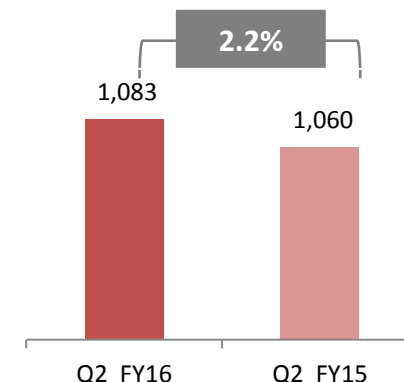
- Total revenue up 8.8% at Rs. 6,472 million from Rs. 5,948 million :
 - 6.7% increase in advertising revenue to Rs. 4,742 million from Rs. 4,444 million primarily due to increase in advertising volumes.
 - 5.2% increase in circulation revenue to Rs. 754 million from Rs. 717 million largely due to higher circulation.

* Rs. Million



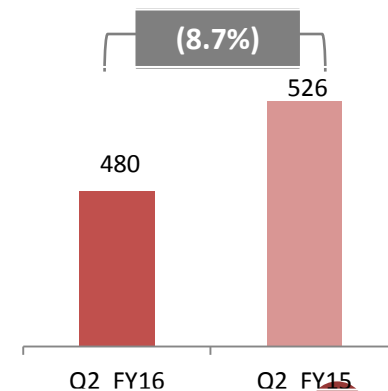
2 EBITDA Margin

- EBITDA 2.2% higher than last year at Rs. 1,083 million from Rs. 1,060 million primarily due to :
 - Increase in topline and decline in raw material costs by 5.5%, being partially offset by
 - (23.8%) increase in employee costs to Rs. 1,436 million on account of new hiring and increments impact; and,
 - (17.7%) increase in selling, general & admin expenses.



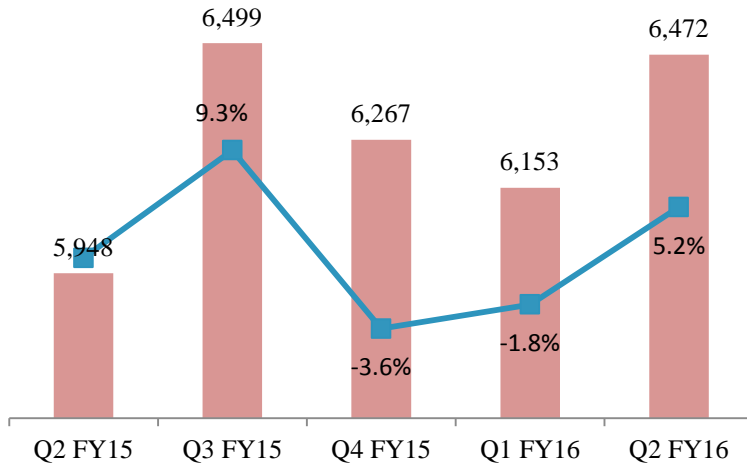
3 Profit After Tax

- PAT down by (8.7%) to Rs. 480 million from Rs. 526 million primarily due to depreciation charge related to Chennai radio station asset base, higher tax & increase in minority interest due to higher Hindustan profits.

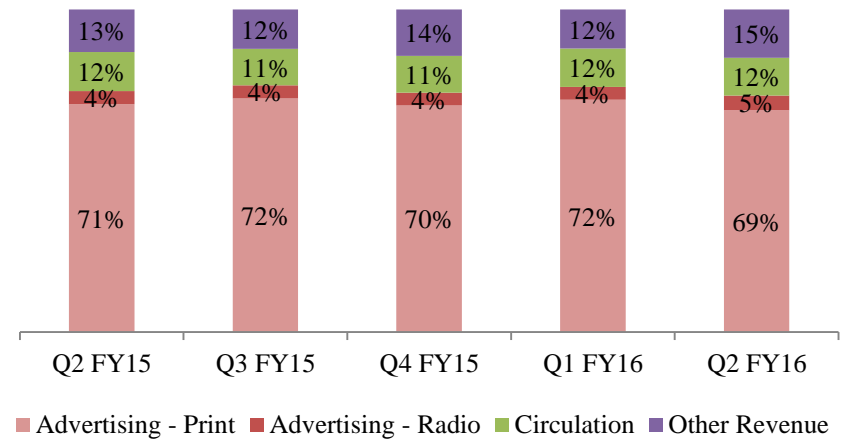


Financial Overview – Quarterly

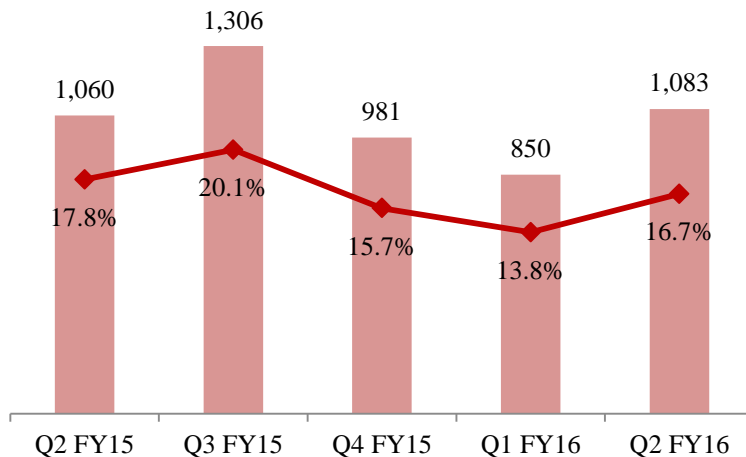
Revenue (Rs. Million) and Growth (%)



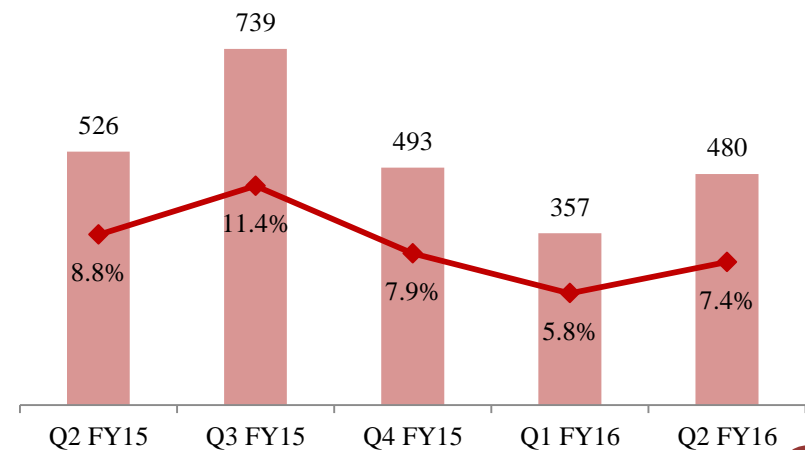
Revenue Breakdown (%)



EBITDA (Rs. Million) and Margin (%)



PAT (Rs. Million) and Margin (%)



Financial Overview (Consolidated Income statement)



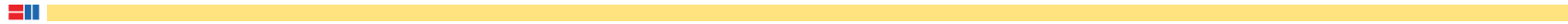
Particulars <i>(Rs. in millions, except EPS data)</i>	Three months ended			Half-Year ended		
	30.09.2015 (Un- audited)	30.09.2014 (Un- audited)	Shift (%)	30.09.2015 (Audited)	30.09.2014 (Audited)	Shift (%)
Net Sales / Income from operations	5,958	5,501	8%	11,784	10,906	8%
Other Operating Income	58	108	-46%	104	167	-38%
Total Income from operations	6,016	5,609	7%	11,887	11,073	7%
Other income	456	339	35%	737	733	1%
Total Income	6,472	5,948	9%	12,624	11,806	7%
(Increase)/Decrease in Inventory	4	(0)		(3)	(1)	
Consumption of Raw Materials	1,790	1,894	-5%	3,561	3,751	-5%
Employees Cost	1,436	1,160	24%	2,815	2,412	17%
Other Expenditure	2,160	1,834	18%	4,318	3,571	21%
Total Expenditure	5,389	4,888	10%	10,692	9,732	10%
EBITDA	1,083	1,060	2%	1,933	2,074	-7%
Margin (%)	16.7%	17.8%		15.3%	17.6%	
Depreciation	272	250	9%	500	524	-4%
Interest & finance charges	125	125	0%	219	272	-20%
Profit before tax	686	685	0%	1,213	1,278	-5%
Margin (%)	10.6%	11.5%		9.6%	10.8%	
Tax Expense	206	159	29%	377	332	13%
Profit after tax	480	526	-9%	837	946	-12%
Margin (%)	7.4%	8.8%		6.6%	8.0%	
Minority interest - (Profit) / Loss	(116)	(81)		(223)	(168)	
Net Income	364	439	-17%	614	766	-20%
Margin (%)	5.6%	7.4%		4.9%	6.5%	
EPS (non annualised)	1.56	1.89		2.64	3.29	

Financial Overview (Consolidated Balance Sheet)



Consolidated Statement of Assets and Liabilities (Rs. in millions)	As at 30.09.2015 (Un-audited)	As at 31.03.2015 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	461	461
(b) Reserves and surplus	19,152	18,563
Sub-total - Shareholders' funds	19,613	19,024
2 Minority interest	2,123	1,923
3 Non-current liabilities		
(a) Long-term borrowings	549	676
(b) Deferred tax liabilities (net)	364	363
(c) Other long-term liabilities and provisions	77	84
Sub-total - Non-current liabilities	990	1,123
4 Current liabilities		
(a) Short-term borrowings	8,768	2,765
(b) Trade payables	4,918	4,844
(c) Other current liabilities and provisions	3,956	4,242
Sub-total - Current liabilities	17,642	11,851
TOTAL - EQUITY AND LIABILITIES	40,369	33,920
B ASSETS		
1 Non-current assets		
(a) Fixed assets incl. Goodwill	7,554	7,421
(b) Non-current investments	7,910	11,811
(c) Other non-current assets incl. Loans & Advances	2,978	2,578
Sub-total - Non-current assets	18,442	21,811
2 Current assets		
(a) Current investments	7,739	2,076
(b) Inventories	1,655	1,527
(c) Trade receivables	3,577	3,120
(d) Cash and cash equivalents	4,084	1,916
(f) Other current assets incl. Loans & Advances	4,871	3,471
Sub-total - Current assets	21,926	12,109
TOTAL - ASSETS	40,369	33,920

Key Ratios	H1'16	FY15	FY 14	FY 13
RoCE	9.0%	12.4%	14.8%	12.1%
RoE	6.4%	9.9%	12.4%	11.0%
Debtor days	51	48	46	49



Strategic Focus

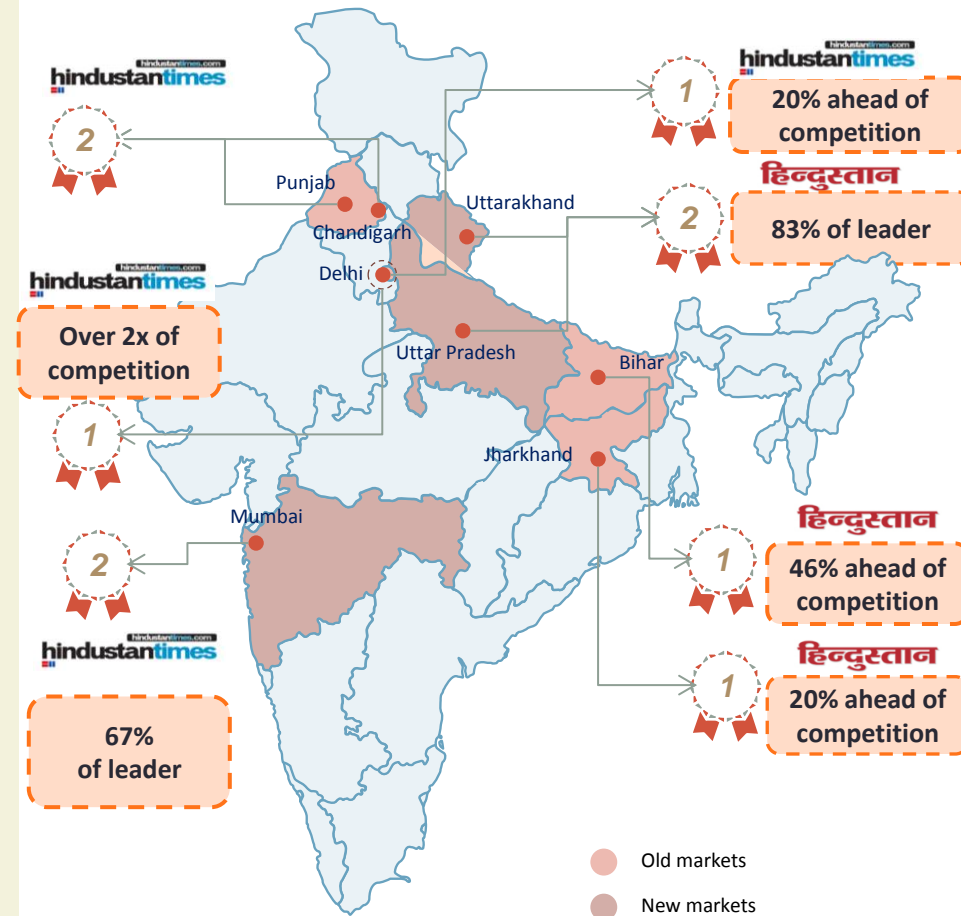
Near Term Outlook

- Operationalize new Radio stations acquired in Phase-III auctions.
- Improve profitability of Digital segment by focusing on growing revenue exponentially.
- Leverage the strong balance sheet (net cash of Rs. 11,369 million) to fund expansion.

Company Background

- HTML is one of the leading print media companies engaged in the printing and publishing of ‘Hindustan Times’, ‘Hindustan’ (thru its subsidiary) and ‘Mint’, the second largest newspaper dailies of India based on total readership in English, Hindi and Business segments respectively.
- ‘Hindustan Times’ was started in 1924 and has a more than 85-year history as one of India’s leading newspapers.
- The Company has four FM radio stations - “Fever 104” in Delhi, Mumbai, Bengaluru and Kolkata. Post Phase-III auctions wherein we have won 10 stations and acquisition of a station in Chennai, we will have radio footprint across 6 metro markets and in all key towns of UP.
- The Company also operates a job portal in the internet space, called www.Shine.com. This is in addition to the existing websites livemint.com and hindustantimes.com.
- HT Media also publishes two Hindi magazines Nandan and Kadambini through its subsidiary Hindustan Media Ventures Limited.

Market Leadership Positions



Pan-India content distribution footprint across traditional (Print and Radio) and new-age digital channels (e.g. Internet and Mobile)





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

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