



Dated: September 20, 2016

The Manager, Listing Department  
The National Stock Exchange of India  
Limited  
Exchange Plaza, Bandra Kurla  
Complex,  
Bandra (E) Mumbai-400 051

The General Manager,  
The Bombay Stock Exchange Limited  
Listing Department  
15<sup>th</sup> Floor, P J Tower,  
Dalal Street, Mumbai-400 001

**Sub: 1Q' 17 Results – Investor Presentation**


Dear Sir,

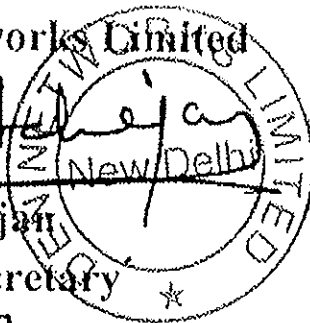
Please find enclosed the Investor Presentation of first Quarter ending June 30, 2016 for the FY 2016-17.

Thanking you,

Yours faithfully

For DEN Networks Limited

  
Jatin Mahajan  
Company Secretary  
FCs-6887



DEN Networks Limited

CIN: L92490DL2007PLC165673

Registered Office: 236, Okhla Industrial Estate, Phase III, New Delhi -110 020.

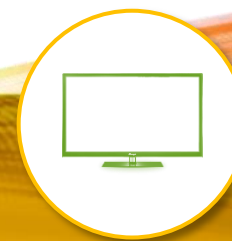
Landline: +91 11 40522200 | Fax: +91 11 40522203 | E-mail: den@denonline.in | www.dennetworks.com



Den Networks Ltd.

# 1Q'17 Results – Investor Presentation

14<sup>th</sup> Sep 2016



# 1Q'17 – Group Highlights as per Ind. AS

- IND AS implemented effective 1<sup>st</sup> April'16
- Consolidated Revenue (Post activation) growth: 14% Q1 - Y-o-Y – as per IND AS
- Consolidated EBITDA :
  - Post activation at Rs 44 cr. vs Rs -4 cr Y-o-Y
  - Pre activation – turns positive
- Cost saving initiatives – start to show results
- Total cable digital base: 9.8m ; Phase 3 – 4.8m.
- Broadband – 115 k Subscribers
- TV Shop – Achieves almost breakeven results.
- Net Debt – Rs 382 cr. (Gross Debt – Rs 852 crs) , gearing ratio 0.3

<sup>1</sup>As per IGAAP

## Cable

- Pre activation EBITDA continues to grow – both Q-o-Q and year ago basis.
- DAS 1 and 2 delivers – 22% EBITDA (Pre- activation)
- Overall Collection efficiency for the quarter at 94%.
- 330k boxes deployed in Phase 3
- All content deals negotiated with leading broadcasters

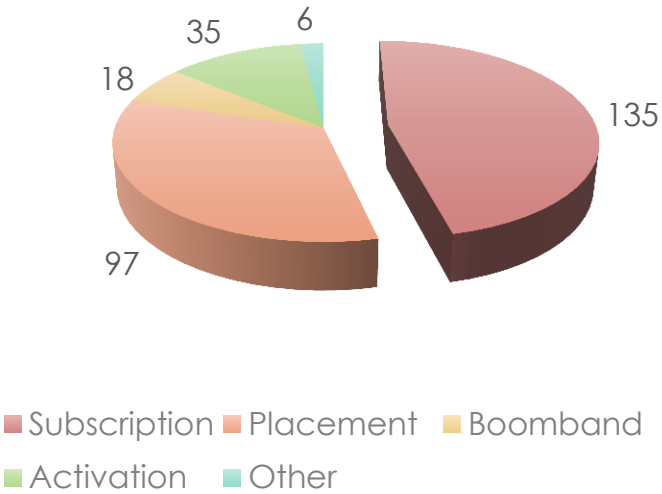
## Broadband

- Focussed effort towards profitability paying off: Q1 FY 17 EBITDA at -9cr. Vs -18cr in PY Q1.
- New sales channels working well.
- Added ~20k Subscribers in 1Q; Total sub base at 115k, Q-o-Q Revenue growth - 20%
- Total HPs reach approx. 820k
- Average ARPU continues at Rs.780

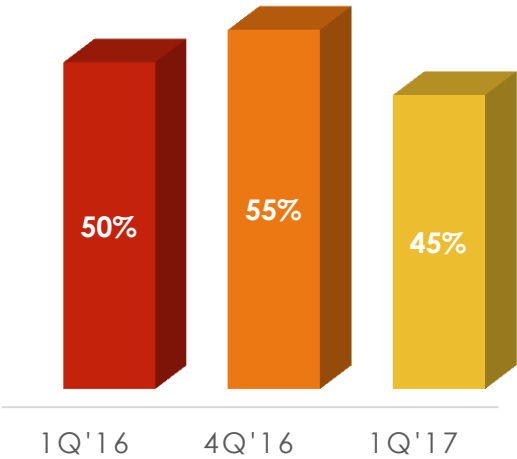
# 1 Q'17 – Highlights as per I Gaap (Consol results)



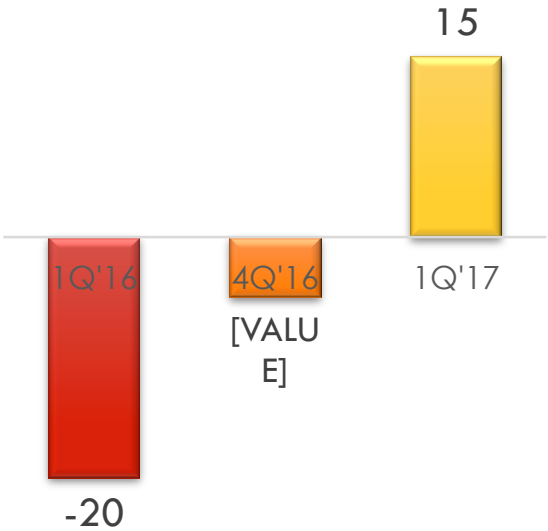
Consol. Revenue Mix  
FY17 Q1



Consol. Opex % to  
Revenue\*



Consol Quarterly  
EBITDA\* (Rs in crs)

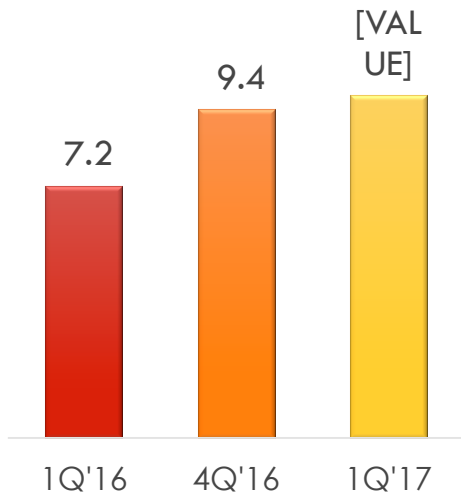


\*pre activation

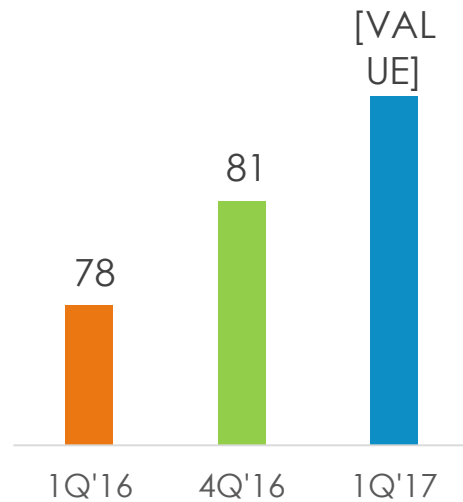
# 1Q'17 – Highlights as per I Gaap (Cable results)



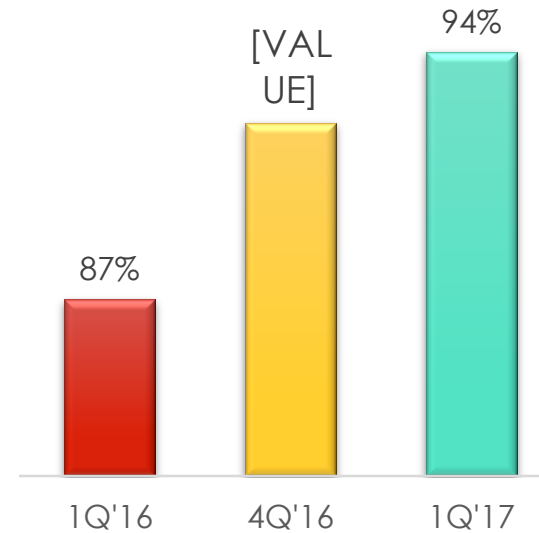
## DAS Subscribers (Group) (in mn)



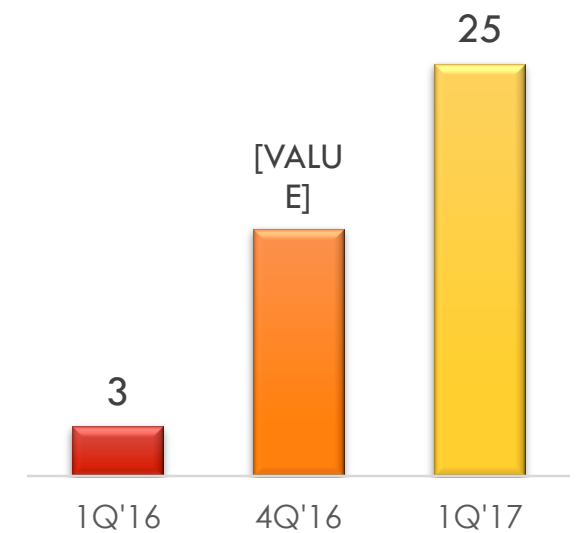
## DAS ½ ARPU\*



## Total Subscr. Collect.\* Efficiency



## Quarterly EBITDA<sup>2</sup> (Rs in crs)



\*Net of Tax and LCO commission and are average for the quarter

<sup>2</sup>Pre activation

# Consolidated Income Statement Ind. AS and I Gaap



## • Ind.AS

		INR Crore		
		Cable	Broadband	Consolidated*
Revenues (Post Activation)	1Q'17	251	18	269
	1Q'16	230	5	236
EBITDA (Post Activation)	1Q'17	53	(9)	44
	1Q'16	14	(18)	(4)
EBITDA (Pre Activation)	1Q'17	17	(9)	8
	1Q'16	(7)	(18)	(25)
PBT before exceptional items	1Q'17	(21)	(15)	(35)
	1Q'16	(26)	(20)	(48)

## • I Gaap

		INR Crore		
		Cable	Broadband	Consolidated*
Revenues (Post Activation)	1Q'17	272	18	290
	4Q'16	346	15	370
	1Q'16	256	5	266
EBITDA (Post Activation)	1Q'17	59	(9)	50
	4Q'16	119	(12)	99
	1Q'16	18	(18)	(5)
EBITDA (Pre Activation)	1Q'17	25	(9)	15
	4Q'16	15	(12)	(5)
	1Q'16	3	(18)	(20)
PBT before exceptional items	1Q'17	(23)	(15)	(38)
	4Q'16	38	(17)	11
	1Q'16	(20)	(20)	(46)

\* Includes Other business also in last year numbers

# Consolidated Income Statement Ind. AS vs Indian GAAP



INR Crore						
	Consol - As per Indian AS			Consol - As per IGAAP		
	1Q'17	1Q'16	Gr%	1Q'17	4Q'16	1Q'16
Subscription- Cable	111	98	14%	135	134	120
Subscription - Broadband	18	5	255%	18	15	5
Placement	87	102	-15%	97	97	118
Activation	36	21	69%	35	104	15
Other Operating Income	17	9	86%	6	19	7
<b>Total Income post activation</b>	<b>269</b>	<b>236</b>	<b>14%</b>	<b>290</b>	<b>370</b>	<b>266</b>
<b>Total Income pre activation</b>	<b>233</b>	<b>215</b>	<b>9%</b>	<b>256</b>	<b>265</b>	<b>250</b>
Content Costs	112	121	-7%	118	105	136
Personnel Costs	25	31	-20%	28	37	34
Other Opex	81	79	2%	87	108	91
Provision for doubtful debts	7	8	-12%	8	20	9
<b>Total Expenditure</b>	<b>225</b>	<b>240</b>	<b>-6%</b>	<b>240</b>	<b>270</b>	<b>270</b>
EBITDA Pre activation	8	(25)	131%	15	(5)	(20)
EBITDA %	3%	-12%		6%	-2%	-8%
EBITDA Post Activation	44	(4)	1242%	50	99	(5)
EBITDA %	16%	-2%		17%	27%	-2%
Treasury Income	10	17	-44%	9	10	27
Dep & Amort	66	44	50%	73	72	50
Finance Costs	22	17	31%	23	26	18
<b>Profit Before Tax (PBT)</b>	<b>(35)</b>	<b>(48)</b>	<b>26%</b>	<b>(38)</b>	<b>11</b>	<b>(46)</b>
Exceptional Items	-	-	0%	-	65	-
Share in (loss)/ profit of associates	(1)	(0)	-200%	-	-	-
Provisions for Tax	8	1	727%	9	22	3
Minority Interest	7	1	524%	5	10	2
<b>Net Income</b>	<b>(52)</b>	<b>(50)</b>	<b>-3%</b>	<b>(52)</b>	<b>(85)</b>	<b>(52)</b>



# Standalone Income Statement Ind.AS vs Indian GAAP



INR Crore

	As per Indian AS			As per Indian Gaap		
	1Q'17	1Q'16	Gr%	1Q'17	4Q'16	1Q'16
Subscription- Cable	69	44	55%	69	66	44
Subscription - Broadband	18	5	255%	18	15	5
Placement	81	90	-10%	81	95	90
Activation	27	16	66%	27	67	11
Other Operating Income	44	41	8%	44	137	41
<b>Total Income post activation</b>	<b>239</b>	<b>197</b>	<b>21%</b>	<b>239</b>	<b>380</b>	<b>191</b>
<b>Total Income pre activation</b>	<b>212</b>	<b>181</b>	<b>17%</b>	<b>212</b>	<b>313</b>	<b>181</b>
Content Costs	107	79	35%	107	136	79
Personnel Costs	19	24	-20%	19	21	23
Other Opex	103	116	-11%	103	175	116
Provision for doubtful debts	4	5	-28%	4	17	5
<b>Total Expenditure</b>	<b>233</b>	<b>225</b>	<b>4%</b>	<b>233</b>	<b>350</b>	<b>224</b>
<b>EBITDA Pre activation</b>	<b>-22</b>	<b>(44)</b>	<b>51%</b>	<b>(21)</b>	<b>(37)</b>	<b>(43)</b>
<b>EBITDA %</b>	<b>-10%</b>	<b>-25%</b>		<b>-10%</b>	<b>-12%</b>	<b>-24%</b>
<b>EBITDA Post Activation</b>	<b>5</b>	<b>(28)</b>	<b>119%</b>	<b>6</b>	<b>30</b>	<b>(32)</b>
<b>EBITDA %</b>	<b>2%</b>	<b>-14%</b>		<b>2%</b>	<b>8%</b>	<b>-17%</b>
Treasury Income	11	20	-47%	10	13	30
Dep & Amort	50	30	66%	50	50	30
Finance Costs	23	17	34%	22	24	17
<b>Profit Before Tax (PBT)</b>	<b>(57)</b>	<b>(54)</b>	<b>-4%</b>	<b>(56)</b>	<b>(31)</b>	<b>(50)</b>
Exceptional Items	-	-	0%	-	49	-
Provisions for Tax	(0)	(3)	-97%	(0)	2	(1)
<b>Net Income</b>	<b>(57)</b>	<b>(52)</b>	<b>-10%</b>	<b>(56)</b>	<b>(82)</b>	<b>(49)</b>

# Consolidated Balance Sheet as per Ind. AS



	INR Crore		
	June'16	Mar'16	June'15
Share Capital	178	178	178
Reserves & Surplus	1,058	1,110	1,387
Minority Interest	101	97	87
<b>Networth</b>	<b>1,337</b>	<b>1,384</b>	<b>1,652</b>
Short & Long Term Debt	852	895	930
Trade Payables	314	312	245
Other Liabilities	526	552	339
<b>Total Equity &amp; Liabilities</b>	<b>3,030</b>	<b>3,142</b>	<b>3,166</b>
Fixed Assets, Net	1,210	1,225	1,014
Capital work-in-progress	93	129	98
Goodwill on consolidation	249	249	263
<b>Fixed Assets</b>	<b>1,551</b>	<b>1,603</b>	<b>1,375</b>
Trade receivables	426	391	425
Cash and Cash Equivalents	470	547	804
Other Assets	582	601	562
<b>Total Assets</b>	<b>3,030</b>	<b>3,142</b>	<b>3,166</b>

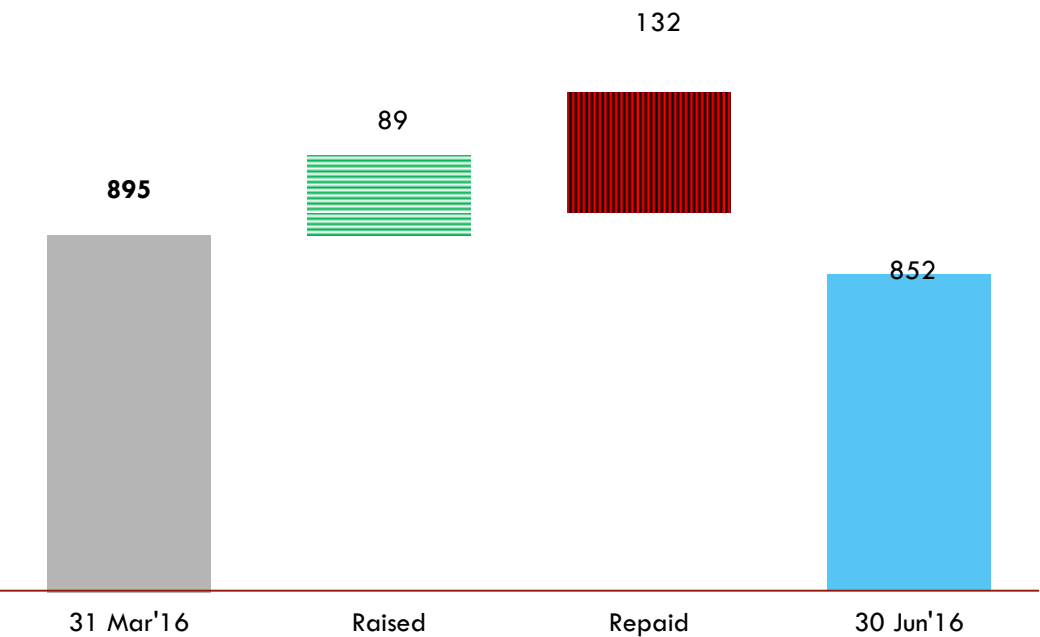
\*Includes Rs 232 Cr under lien for credit facilities

Regrouped for Presentation Purposes

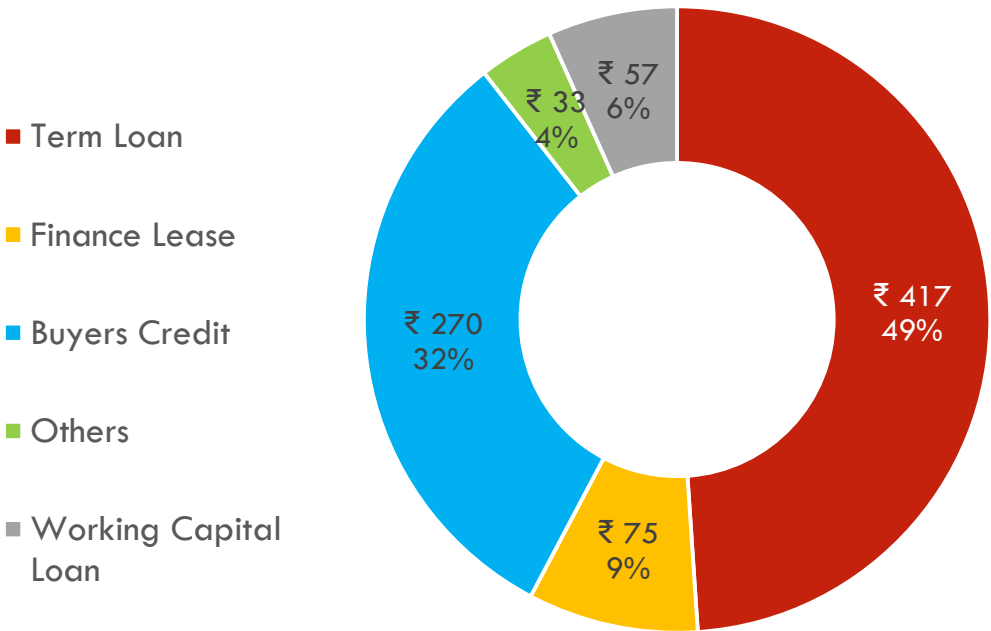
# Consolidated Debt Position



Gross Debt (INR Crore)



1Q'17 Debt Breakup (INR Cr)



# Cable Business

# Cable 1Q'17 Highlights as per Ind. AS & IGaap

## • Ind.AS

₹**215**Cr

(₹209 Cr)

Revenues

(Pre- Activation)

₹**17**Cr

(₹-7 Cr)

EBITDA

(Pre Activation)

₹**-21**Cr

(₹-26 Cr)

PBT

₹**-37** Cr

(₹- 28 Cr)

PAT

## • IGaap

₹**238**Cr

(₹242 Cr)

Revenues

(Pre- Activation)

₹**25**Cr

(₹ 15 Cr)

EBITDA

(Pre Activation)

₹**-23**Cr

(₹38 Cr)

PBT

₹**-38** Cr

(₹-101 Cr)

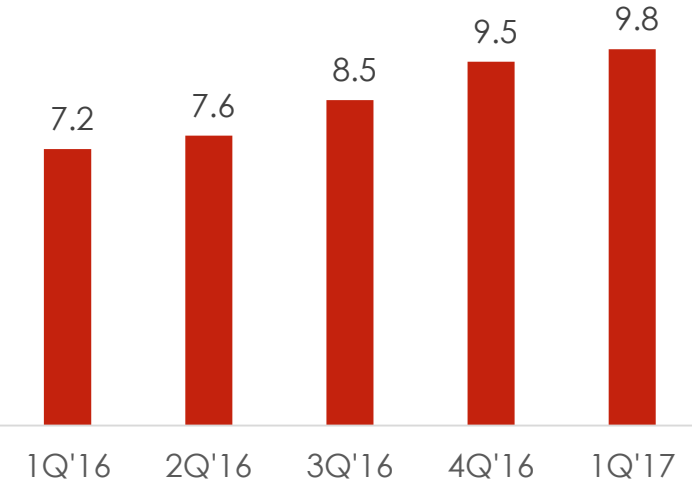
PAT

Ind. AS : Numbers in Brackets represent 1Q'16  
IGaap : Numbers in Brackets represent 4Q'16

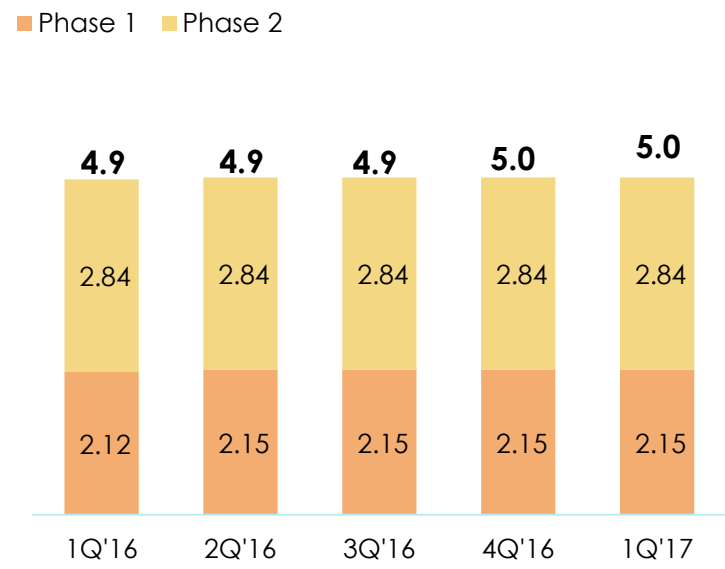
# Cable Subscribers – 13M



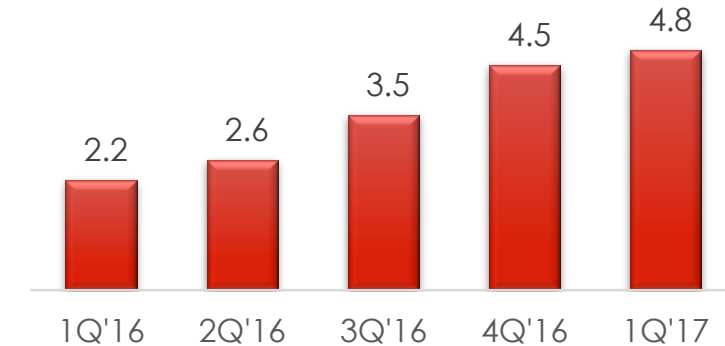
Total Digital Subscribers (Million)



DAS 1 and 2 Markets (Million STBs)



DAS 3 and 4 Markets - (Million STBs)



excl. Associates , Boxes are :

- ❑ Phase ½ : 4.1 mn (Vs 5 mn in Indian Gaap)
- ❑ Phase ¾ : 4.5 mn (Vs 4.8 mn in Indian Gaap)

# Cable Income Statement – Q1 FY17

INR Crore

	Cable - As per Indian AS			Cable - As per Indian Gaap		
	1Q'17	1Q'16	Gr%	1Q'17	4Q'16	1Q'16
Subscription	111	98	14%	135	134	119
Placement	87	102	-15%	97	95	118
Activation	36	21	69%	34	104	15
Other Operating Income	17	9	103%	6	12	4
<b>Total Income post activation</b>	<b>251</b>	<b>230</b>	<b>9%</b>	<b>272</b>	<b>346</b>	<b>256</b>
<b>Total Income pre activation</b>	<b>215</b>	<b>209</b>	<b>3%</b>	<b>238</b>	<b>242</b>	<b>241</b>
Content Costs	112	121	-7%	118	105	136
Personnel Costs	21	24	-16%	23	28	26
Other Opex	58	62	-7%	64	74	68
Provision for doubtful debts	7	8	-12%	8	19	9
<b>Total Expenditure</b>	<b>198</b>	<b>216</b>	<b>-8%</b>	<b>213</b>	<b>227</b>	<b>239</b>
EBITDA Pre activation	17	-7	-346%	25	15	3
EBITDA %	8%	-3%		10%	6%	1%
EBITDA Post Activation	53	14	274%	59	119	18
EBITDA %	21%	6%		22%	34%	7%
Treasury Income	10	17	-44%	9	9	26
Dep & Amort	61	42	45%	69	68	48
Finance Costs	22	15	44%	23	22	16
<b>Profit Before Tax (PBT)</b>	<b>(21)</b>	<b>(26)</b>	<b>-21%</b>	<b>(23)</b>	<b>38</b>	<b>(20)</b>
Exceptional Items	-	-	0%	-	107	-
Share in (loss)/ profit of associates	(1)	(0)	341%	-	-	-
Provisions for Tax	9	1	688%	9	22	3
Minority Interest	7	1	524%	5	10	2
<b>Net Income</b>	<b>(37)</b>	<b>(28)</b>	<b>30%</b>	<b>(38)</b>	<b>(101)</b>	<b>(26)</b>

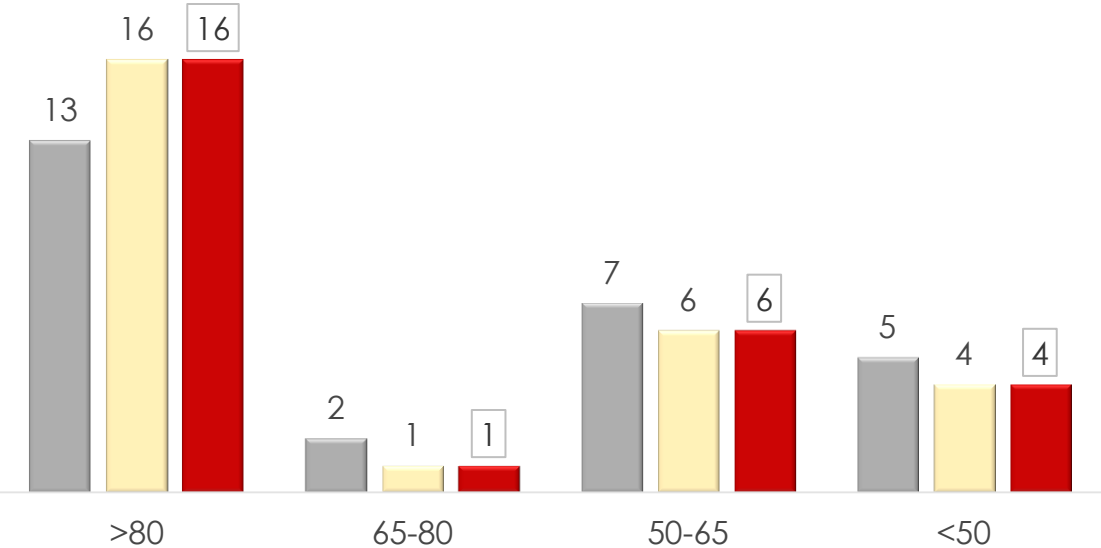
- ❑ Collection efficiency at 94%
- ❑ Content cost :contractual increase and some new areas coverage effective 1<sup>st</sup> April'16
- ❑ Savings in Opex on q-o-q of ~ Rs 15 crs

# Consol DAS 1/2 : Per Box Billing, *Net of Taxes* - I Gaap



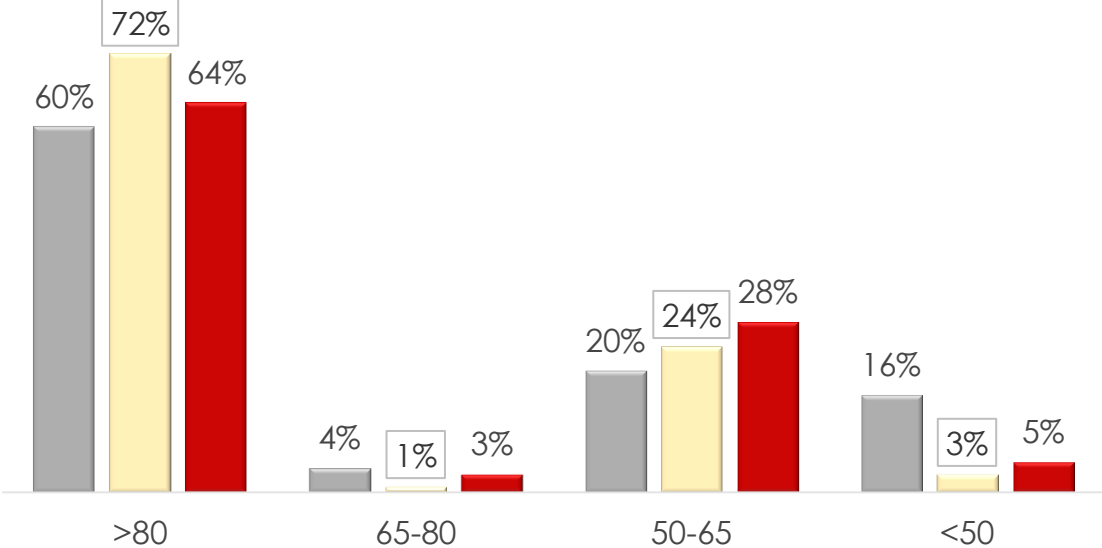
Number of Cities with Billing, *Net of Taxes*, Range

■ 1Q'16 ■ 4Q'16 ■ 1Q'17



% of Paying DAS Subscribers with Billing, *Net of Taxes*, Range

■ 1Q'16 ■ 4Q'16 ■ 1Q'17



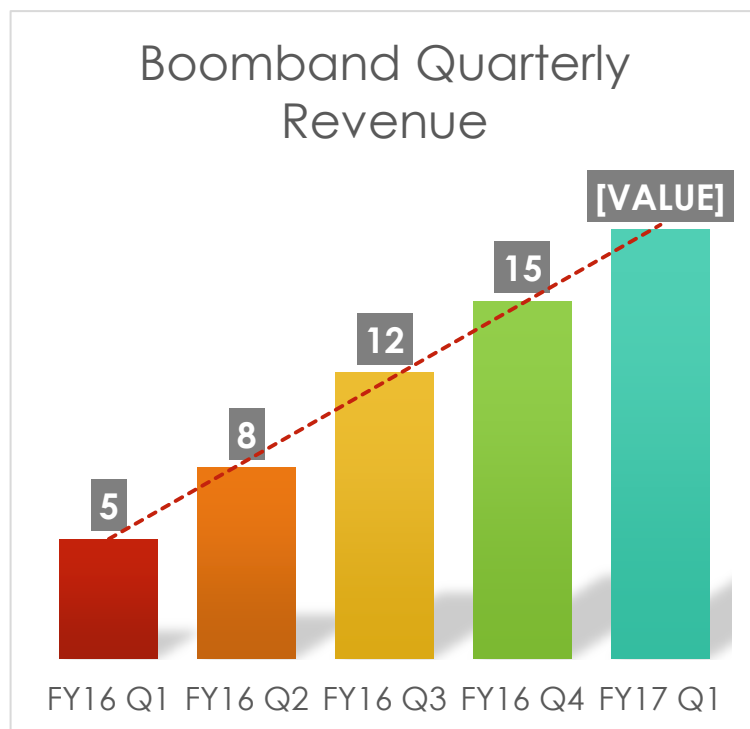


# Boomband

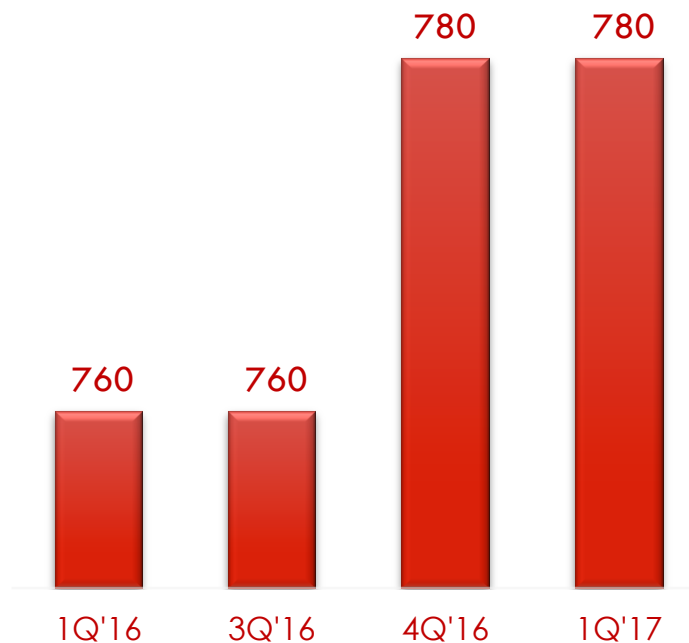
# 1Q'17 – Highlights (Boomband Results)



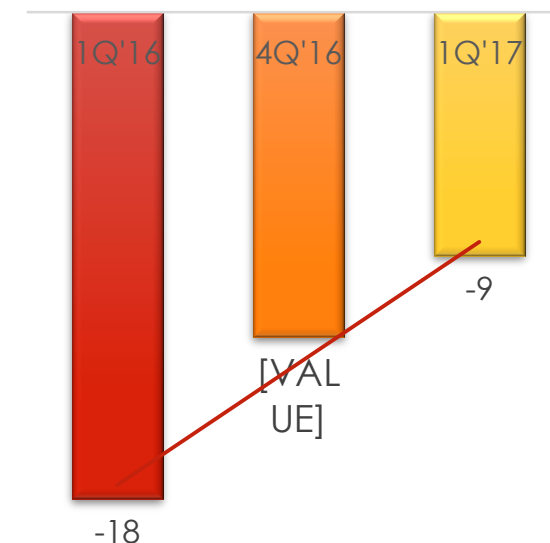
## Quarterly Revenue (in crs)



## Quarterly ARPU <sup>1</sup>



## Quarterly EBITDA\* (Rs in crs)

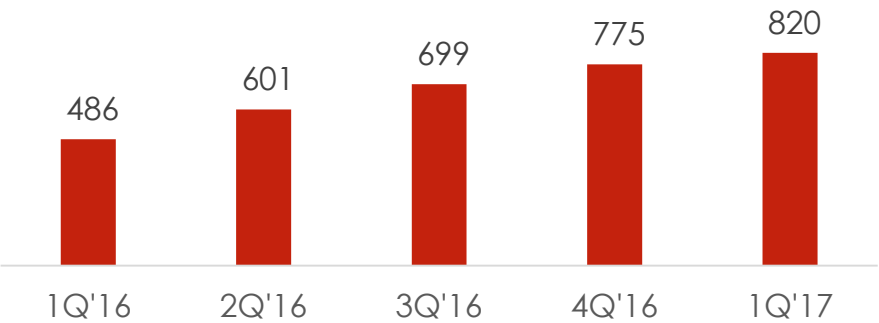


<sup>1</sup> Basis Active subscribers

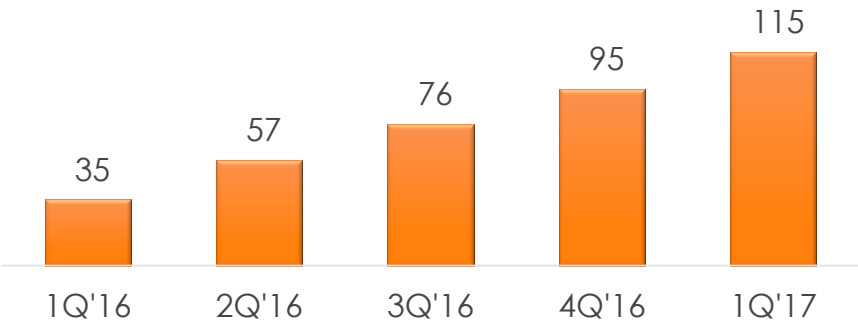
# Broadband Highlights



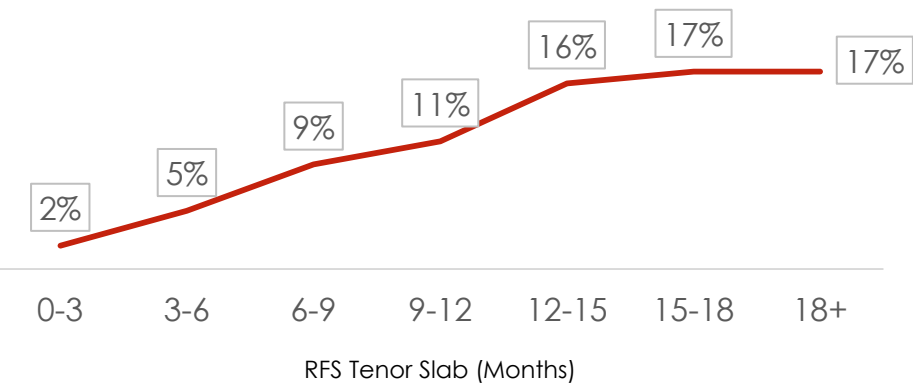
Homes Passed ('000)



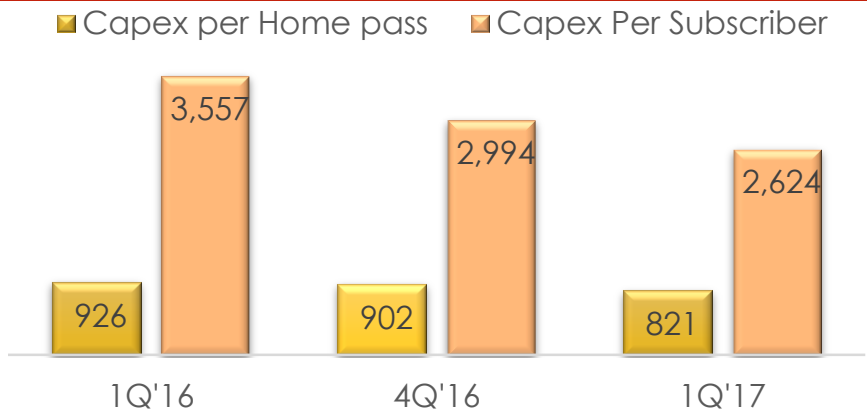
Subscribers ('000)



Cohort Analysis



Capex / Home pass and Subscribers



<sup>1</sup> Basis Active subscribers

# Boomband Income Statement



	Actuals			Actuals		INR Crore	
	1Q'17	4Q'16	1Q'16	FY'16	FY'15	Abs Change	
						Y-o-Y	Q-o-Q
Subscription	18	15	5	40	8	13	3
Other Operating Income	0	0	0	0	0	-0	-0
<b>Revenues (Pre Activation)</b>	<b>18</b>	<b>15</b>	<b>5</b>	<b>40</b>	<b>8</b>	<b>13</b>	<b>3</b>
Activation	0	0	0	1	0	-0	-0
<b>Revenues (Post Activation)</b>	<b>18</b>	<b>15</b>	<b>5</b>	<b>41</b>	<b>8</b>	<b>13</b>	<b>3</b>
Personnel Costs	4	5	7	25	15	-2	-1
Other Opex	23	22	16	81	37	7	1
<b>EBITDA (Post Activation)</b>	<b>(9)</b>	<b>(12)</b>	<b>(18)</b>	<b>(65)</b>	<b>(44)</b>	<b>8</b>	<b>2</b>
EBITDA %	-52%	-77%	-339%	-161%	-543%		
<b>EBITDA (Pre Activation)</b>	<b>(9)</b>	<b>(12)</b>	<b>(18)</b>	<b>(66)</b>	<b>(44)</b>	<b>8</b>	<b>3</b>
EBITDA %	-54%	-81%	-358%	-167%	-553%		
Dep & Amort	5	4	2	13	3	3	1
Finance Costs	1	1	1	3	2	-0	-0
<b>Profit Before Tax (PBT)</b>	<b>(15)</b>	<b>(17)</b>	<b>(20)</b>	<b>(81)</b>	<b>(49)</b>	<b>6</b>	<b>2</b>
Taxes	(0)	-	-	-	-	-0	-0
<b>Profit After Tax (PAT)</b>	<b>(15)</b>	<b>(17)</b>	<b>(20)</b>	<b>(81)</b>	<b>(49)</b>	<b>6</b>	<b>2</b>

# TV Commerce

# TV Commerce P&L

INR Crore

	Actuals			Actuals		Change	
	1Q'17	4Q'16	1Q'16	FY'16	FY'15	Y-o-Y	Q-o-Q
<b>Revenues</b>	<b>5</b>	<b>4</b>	<b>2</b>	<b>14</b>	<b>2</b>	<b>3</b>	<b>0</b>
Content Costs	1	1	0	3	1	0	(0)
Personnel Costs	2	2	1	4	1	1	(0)
Other Opex	3	9	5	29	4	(2)	(6)
Provision for doubtful debts	-	0	-	0	-	-	(0)
<b>EBITDA</b>	<b>(0)</b>	<b>(7)</b>	<b>(4)</b>	<b>-22</b>	<b>-5</b>	<b>4</b>	<b>6</b>
Treasury Income	-	-	0	-	(0)	(0)	-
Dep & Amort	0	1	0	1	0	0	(1)
<b>Profit Before Tax (PBT)</b>	<b>(0)</b>	<b>(7)</b>	<b>(4)</b>	<b>-23</b>	<b>-5</b>	<b>4</b>	<b>7</b>
Taxes	-	-	-	-	-	-	-
<b>Profit After Tax (PAT)</b>	<b>(0)</b>	<b>(7)</b>	<b>(4)</b>	<b>-23</b>	<b>-5</b>	<b>4</b>	<b>7</b>

- DEN has increased its stake from 50% to 82.87% (In July 2016) in TV Shop and the business is going towards breakeven , current quarter EBITDA Rs -0.3 crs (i.e. 50% share) vs Rs - 7 crs last quarter
- TV Commerce is considered as an Associate for consolidation purposes

Shown as 50%



## For Further Information Please Contact

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**DEN Networks Ltd.**

(CIN No. L92490DL2007PLC165673)

**Shogun Jain / Payal Dave**

[jshogun@sgapl.net](mailto:jshogun@sgapl.net) / [dpayal@sgapl.net](mailto:dpayal@sgapl.net)

**+91 77 3837 7756 / +91 98 1991 6314**

**Strategic Growth Advisors Pvt. Ltd.**

(CIN No. U74140MH2010PTC204285)