

October 15, 2019

**National Stock Exchange of India Limited
Listing Department
Exchange Plaza, Plot No. C/1,
G-Block Bandra-Kurla Complex,
Bandra (E) Mumbai – 400 051**

**BSE Limited
Department of Corporate Services-
Listing
P J Towers, Dalal Street
Mumbai – 400 001**

Trading Symbol: **TV18BRDCST**

SCRIP CODE: **532800**

Sub: Investors' Update - Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2019

Dear Sirs,

In continuation of our letter of today's date on the above subject, we send herewith a copy of the Investors' Update on the aforesaid financial results released by the Company in this regard.

The Investors' Update will also be available on the Company's website, www.nw18.com.

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For **TV18 Broadcast Limited**



**Deepak Gupta
Company Secretary**

Encl. As Above



A listed subsidiary of Network18

EARNINGS RELEASE: Q2 2019-20

Mumbai, 15th October, 2019 – TV18 Broadcast Limited today announced its results for the quarter and half year ended 30th September 2019.

Summary Consolidated Financials

- **Q2 Subscription revenue rose 43% YoY, advertising environment remained soft**
- **Cost optimizations boosted Q2 Entertainment EBITDA margins to 11.4% vs 9.9% last year**

	Q2FY20	Q2FY19	Growth	H1FY20	H1FY19	Growth
Consolidated Operating Revenue (Rs Cr)	1,127	1,198	-6%	2,325	2,287	2%
Consolidated Operating EBITDA (Rs Cr)	105	108	-3%	183	147	24%

Highlights for the quarter

- **Broadcast subscription tailwinds continue to benefit:** Our subscription income grew by 43% YoY in Q2, continuing the 48% growth YoY witnessed in Q1. The implementation of the new tariff order (NTO) has created a transparent and non-discriminatory B2C regime. Flux around the NTO has largely settled, though the cable segment continues to face some billing and reporting issues. Our domestic yields have improved, led by the strength of our bouquet as demonstrated by consumer choice for our channels and packs. Improved distribution tie-ups give our channel portfolio unparalleled reach across TV & Digital.
- **Green-shoots in late Q2 amidst general ad-weakness:** The advertising environment continued to remain tepid during much of the past quarter. Weak macro-economic trends dragged down consumer spends and depressed broader corporate appetite for above-the-line marketing activity. However, certain categories of new-economy advertisers were bright spots, and tailwinds in regional and digital consumption continued to attract attention. Ad-spends began to rise led by the advent of the festive season late in the quarter, and big-ticket programmes and events planned around the same. We are hopeful that Government policies aimed at stimulating demand shall aid the recovery as we head into H2.
- **News bouquet (20 channels) maintained its #1 position.** TV18's Q2 viewership share in news increased further to 10.9%, up from 10.1% in Q1 consolidating its leadership.
 - As election tailwinds witnessed in Q1 tapered off, Q2 operating revenue for News declined 2% YoY. Weakness in financial markets, lack of government ad-spending and limited international advertising compared with last year dragged growth.
 - Tight rein on costs kept Opex near-flat YoY. The News business remains firmly above break-even, as regional news bouquet continues to ramp-up and move towards profitability.
- **Entertainment bouquet (Viacom18's 32 channels + AETN18's 4 infotainment channels) is #3 amongst national players:** TV18's Q2 entertainment viewership share was 9.2%, vs 9.1% last quarter.
 - GECs impacted portfolio revenue growth; Digital picking up steam: Macro-weakness and shift of channels from DD Freedish to Pay ecosystem continues to drag ad-revenues of GECs for the entire industry. Pushing of some high-end content vs last year for better monetization (i.e. planned delay in the launch of Big Boss, shifting of IIFA awards to Q3, etc) makes the base not fully comparable.

- Improved subscription income and cost controls raised EBITDA 7% YoY: Sharp pullback in broadcast costs through optimizations raised EBITDA margins to 11.4% vs 9.9% in Q2FY19. This is despite investments to the tune of Rs 13 Cr in regional movie channels (Kannada and Gujarati Cinema) and paid-offerings (VOOT Kids & International). Excluding these, BAU margins improved to 12.9%. BAU margins include the impact of initiatives launched more than a year ago but are still in gestation, including Voot and Colors Tamil.
- **Digital-only subscription a nascent, high-growth area of impetus:** Voot, the primary OTT VOD platform for the group, shall soon be launching its freemium version with offerings like digital exclusive and digital-first broadcast content as well as original content behind a pay-wall. Kids edutainment product Voot Kids was soft-launched in Q1 with a niche and highly differentiated offering, and shall be progressing to commercial operations behind a pay-wall in this fiscal.

Mr. Adil Zainulbhai, Chairman of TV18, said: *“The advertising environment continues to remain challenging; however, positivity in subscription income and cost optimizations through tie-ups and tech deployments have filled-in the gap. Breadth of offerings remains our calling card, and the group continues to invest along the 2 identified axes of growth, Regional and Digital.”*

Financials for the quarter

OPERATING REVENUES (Rs Cr)	Q2FY20	Q2FY19	Growth	H1FY20	H1FY19	Growth
A) News (TV18 Standalone) @	262	269	-2%	560	500	12%
B) Entertainment (Viacom18+AETN18+Indiacast) *	865	929	-7%	1,764	1,786	-1%
C) TV18 Consolidated	1,127	1,198	-6%	2,325	2,287	2%
includes: Subscription	461	323	43%	885	609	45%

OPERATING EBITDA (Rs Cr) #	Q2FY20	Q2FY19	Growth	H1FY20	H1FY19	Growth
A) News (TV18 Standalone) @	7	16	-57%	27	14	88%
B) Entertainment (Viacom18+AETN18+Indiacast) *	98	92	7%	155	133	17%
C) TV18 Consolidated	105	108	-3%	183	147	24%

@ 100% subsidiaries of TV18 were merged into the parent as per scheme of arrangement effective from 1st Apr 2016, which came into force from 1st Nov 2018. H1FY19 financials are restated here for comparability.

* Viacom18 and AETN18 are 51% entertainment subsidiaries of TV18, while distribution-arm Indiacast is a 50:50 JV of TV18 and Viacom18. TV18's 24.5% minority stake in Telugu entertainment associate Eenadu TV (Ramoji Rao group) is not included here.

Accounting Standard IndAS 116 on Lease Accounting has been implemented w.e.f. 1st April 2019 and the Interest cost and Depreciation during the period is higher while operating costs are lower by similar amount.

Business Performance

TV18 owns and operates the broadest network of channels – 56 in India spanning news and entertainment. One in every 2 Indians is a consumer of our broadcast content. We also cater to the Indian diaspora globally through 16 international channels.

- **News – National & Regional** (20 domestic channels)
 - TV18 is the biggest News network in terms of market share as well as reach. The bouquet has the largest number of news channels in India, and reached an industry-leading 543 mn viewers in Q2.
 - CNBC TV18 maintained #1 rank in the English Business News genre with 54% market share in Q2 FY20. During market hours (Weekdays, 8 AM to 4 PM) CNBC TV18 maintained an even higher share of 59%.
 - CNBC Awaaz continued its clear leadership in the Hindi Business News genre with 64.8% market share.
 - News18 India garnered a 12.2% market share in HSM. Its performance in mega-cities was even better, with a genre-share of 13.2%, ranking #3.
 - CNN News18 garnered 13.8% market share & ranked #3 in Q2 FY20.
 - Our Regional News cluster has the highest reach (434 mn viewers in Q2) and viewership in the country amongst regional news peers. News18 Rajasthan maintained its clear leadership with 46% share. News18 Bihar and UP/Uttarakhand continued their #2 rank in their respective regions, while News18 MP/Chattisgarh rose to #2 position.
- **Entertainment – National, Regional & Digital** (32 domestic channels)
 - Flagship GEC **Colors has a 15.1% urban viewership share**. Viewership share across all GECs in Urban+Rural was 12%. The channel ranked #2 in weekend primetime. Season 13 of tentpole **Big Boss was launched in late Sep-19, boosting the channel's rank to #2 in pay-GECs in Week 40**.
 - **Colors Cineplex launched on 1st Mar 2019** after shifting FTA channel Rishtey Cineplex from Freedish, as a full-fledged premium pay Hindi movie channel. The channel is under ramp-up and viewership share has risen to 4.1%.
 - Nick continues to reign as #1 in the Kids genre, with an increased 20% share of genre viewership. Sonic also rose to #2, with an 11.1% share. **Between Nick, Sonic and Nick Jr, our Kids portfolio commanded a 34.5% market-share**, clearly much ahead of peers.
 - **In English entertainment genre, Viacom18 channels continue to occupy the top positions**, with their combined viewership shares at 48.5%. Comedy Central and VH1 rank #2 (22%) and #1 (22%) respectively; while Colors Infinity has a ~4% share.

- MTV is the #1 Youth channel with a 44% viewership share.
- **MTV Beats has a ~14% viewership share**, and ranks #4 in a crowded category. The channel continues to remain on DD Freedish, as a 24x7 Bollywood music property which has captured the minds of urban and rural India alike.
- Voot, Viacom18's Over The Top (OTT) exclusive digital video destination has seen gross downloads rise to ~170mn. Its **average daily viewership of 45+ minutes that is the highest amongst broadcaster-OTT apps.**
 - Launched 'Colors Telugu' on Voot as a digital-first channel. Released original show 'Feet Up with the Stars Telugu'
 - Bigg Boss S13 garnered 78 Mn views in just 10 days on Voot
- Voot Kids, a multi-faceted watch-play-and-learn destination aimed at Kids, was soft-launched in June'19.
- **Our Kannada GEC portfolio was #2 in the region with 32% viewership share** (Colors Kannada 23% + Colors Super 9%).
- Colors Kannada Cinema was launched in late-Q2 to solidify our existing leadership, and is #2 with 22% share in Kannada movie genre.
- Colors Marathi maintained its strong #2 rank in the genre, with viewership share at 22%. Bigg Boss Marathi S2 has garnered around 45% higher viewership as compared to previous season.
- Colors Tamil is ramping up programming during the year, as it steadily overcomes distribution challenges which have kept its viewership share <5%.
- Viacom18 Motion Pictures
 - i. **Andhadhun won the National Award for Best Hindi Film**, Best Adapted screenplay; Best Actor
 - ii. Padmaavat won National Awards for Best Choreography, Best Music Director and Best Male Playback Singer
 - iii. Andhadhun was released in South Korea in Aug'19 in over 90 screens
- **Infotainment – Factual entertainment & Lifestyle** (4 channels)
 - History TV18 has an overall market share of 14.4% (megacities share is higher at 17.6%) and ranks 2nd in the Factual entertainment genre.
 - FYI TV18 has a market share of 47.3% in All India and is the #1 Lifestyle channel.

All viewership data is from BARC, in the respective genres.

TV18 Broadcast Limited

Reported Standalone Financial Performance for the Quarter and Half year ended 30th September 2019

(₹ in crores)

	Particulars	Quarter ended			Half year ended		Year ended
		30 th Sep'19	30 th Jun'19	30 th Sep'18	30 th Sep'19	30 th Sep'18	31 st Mar'19
1	Income						
	Value of sales and services	309	350	315	659	587	1,266
	Goods and Services Tax included in above	47	52	46	99	86	187
	Revenue from operations	262	298	269	560	501	1,079
	Other Income	15	25	(6)	40	(7)	14
	Total Income	277	323	263	600	494	1,093
2	Expenses						
	Operational costs	39	41	59	79	100	207
	Marketing, distribution and promotional expense	71	86	44	157	88	180
	Employee benefits expense	106	107	102	214	204	416
	Finance costs	17	18	11	36	20	52
	Depreciation and amortisation expense	15	14	11	29	21	42
	Other expenses	40	44	48	84	95	184
	Total Expenses	288	310	275	598	528	1,081
3	Profit/ (Loss) before exceptional items (1 - 2)	(11)	13	(12)	2	(34)	12
4	Exceptional items	-	11	-	11	-	-
5	Profit/ (Loss) before tax (3 - 4)	(11)	2	(12)	(9)	(34)	12
6	Tax Expense						
	Current tax	(1)	0	6	-	11	(76)
	Deferred Tax	-	-	-	-	-	3
	Total Tax expenses	(1)	-	6	-	11	(73)
7	Profit/ (Loss) for the period/ year (5 - 6)	(10)	2	(18)	(9)	(45)	85
8	Other Comprehensive Income						
	Items that will not be reclassified to profit or loss	(1)	-	(1)	(2)	-	(9)
9	Total Comprehensive Income for the period/ year (7 + 8)	(12)	2	(19)	(10)	(45)	76

The National Company Law Tribunal, Mumbai Bench, has approved the Scheme of Merger by Absorption ("the Scheme") for the merger of the Company's direct/ indirect wholly owned subsidiaries, namely, Equator Trading Enterprises Private Limited, Panorama Television Private Limited, RVT Media Private Limited and ibn18 (Mauritius) Limited ("transferor Companies") into the Company with appointed date as 1st April, 2016. The Scheme has become effective on 1st November, 2018. The merger has been accounted in accordance with Appendix C of Ind AS 103 'Business Combinations' and accordingly, results of all the prior periods have been restated by including results of the transferor companies from the beginning of the previous year i.e. 1st April 2017. The effect of tax expense consequent to the aforesaid merger has been given during the quarter and year ended 31st December, 2018.

TV18 Broadcast Limited

Reported Consolidated Financial Performance for the Quarter and Half year ended 30th September 2019

(₹ in crore)

	Particulars	Quarter ended			Half Year ended		Year ended (Audited)
		30 th Sep'19	30 th Jun'19	30 th Sep'18	30 th Sep'19	30 th Sep'18	31 st Mar'19
1	Income						
	Value of sales and services	1,307	1,386	1,389	2,693	2,654	5,723
	Goods and Services Tax included in above	180	188	191	368	367	780
	Revenue from operations	1,127	1,198	1,198	2,325	2,287	4,943
	Other income	24	33	3	56	11	35
	Total Income	1,151	1,231	1,201	2,381	2,298	4,978
2	Expenses						
	Operational costs	473	556	551	1,029	1,062	2,440
	Marketing, distribution and promotional expense	237	241	193	478	377	826
	Employee benefits expense	230	235	238	465	479	955
	Finance costs	38	36	23	74	41	101
	Depreciation and amortisation expense	44	44	33	88	66	132
	Other expenses	82	89	108	170	222	408
	Total Expenses	1,104	1,201	1,146	2,304	2,247	4,862
3	Profit/ (loss) before share of profit of associate and joint ventures, exceptional items and tax (1 - 2)	47	30	55	77	51	116
4	Share of profit of associate and joint ventures	9	12	8	22	15	36
5	Profit/ (loss) before exceptional items and tax (3 + 4)	56	42	63	99	66	152
6	Exceptional items	-	15	-	15	-	-
7	Profit/ (loss) before Tax (5 - 6)	56	27	63	84	66	152
8	Tax expense						
	Current tax	10	4	23	14	34	(61)
	Deferred tax	-	-	-	-	(1)	3
	Total tax expense	10	4	23	14	33	(58)
9	Profit/ (loss) for the period / year (7 - 8)	46	23	40	70	33	210
10	Other Comprehensive Income						
	(i) Items that will not be reclassified to profit or loss	(2)	0	(1)	(3)	0	(9)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	0	0	0	0	0
	(iii) Items that will be reclassified to profit or loss	0	0	0	0	0	0
	Total Other Comprehensive Income	(2)	0	(1)	(3)	0	(9)
11	Total Comprehensive Income for the period/ year (9 + 10)	44	23	39	67	33	201
	Profit/ (loss) for the period/ year attributable to:						
	(a) Owners of the Company	23	18	16	42	4	167
	(b) Non-controlling interest	23	5	24	28	29	43
	Other comprehensive income attributable to:						
	(a) Owners of the Company	(2)	0	(1)	(3)	1	(9)
	(b) Non-controlling interest	0	0	0	0	(1)	0
	Total comprehensive income attributable to:						
	(a) Owners of the Company	21	18	15	39	5	158
	(b) Non-controlling interest	23	5	24	28	28	43

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INVESTOR COMMUNICATION:

TV18's ongoing investor communication endeavors to adopt best international practices and the quarterly investor updates are designed to regularly provide detailed information to investors. Each update covers information pertaining to the reporting period under review. If you would like to get a sequential and continued perspective on the company this report should be read along with the updates sent out earlier. The previous updates can be accessed on request from the contact persons mentioned below, or from the company's website www.nw18.com. This update covers the company's financial performance for Q2 FY20.

For further information on business and operations, please contact:

Abhishek Agarwal,

TV18 Broadcast Limited

E-mail: abhishek.agarwal@nw18.com

Further information on the company is available on its website www.nw18.com

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