

SITI Networks Limited

Q4FY20 Investor Presentation

Disclaimer

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ZINDAGI KA NETWORK



Company Overview



NETWORKS

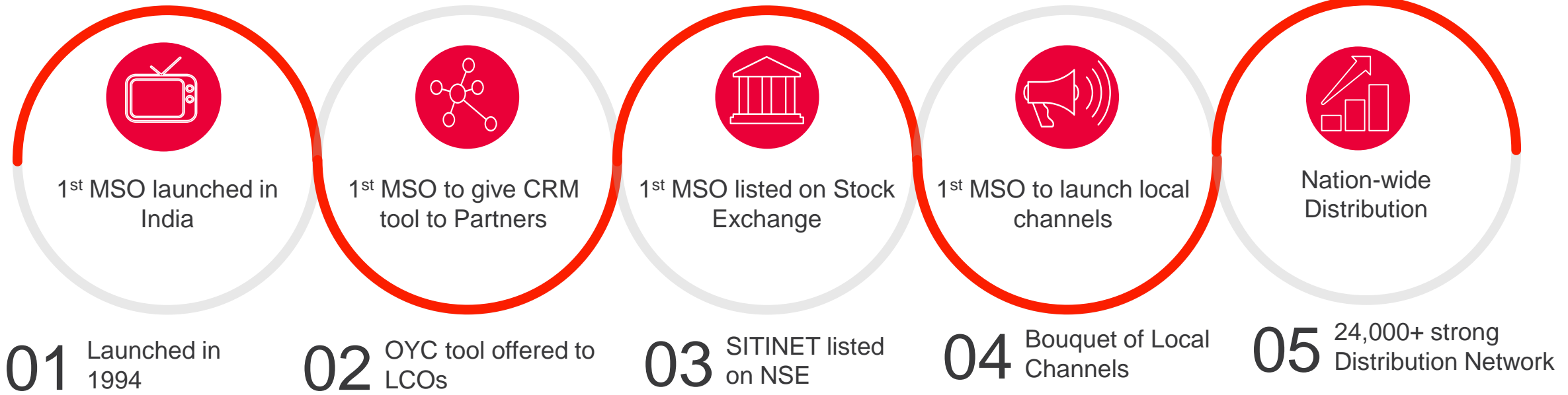
ZINDAGI ^{KA} NETWORK

- India's **Leading Digital TV Network**
- Present in **20+** States across India
- Footprint across **249+** districts **~800** locations
- Delivering content to consumers 24/7



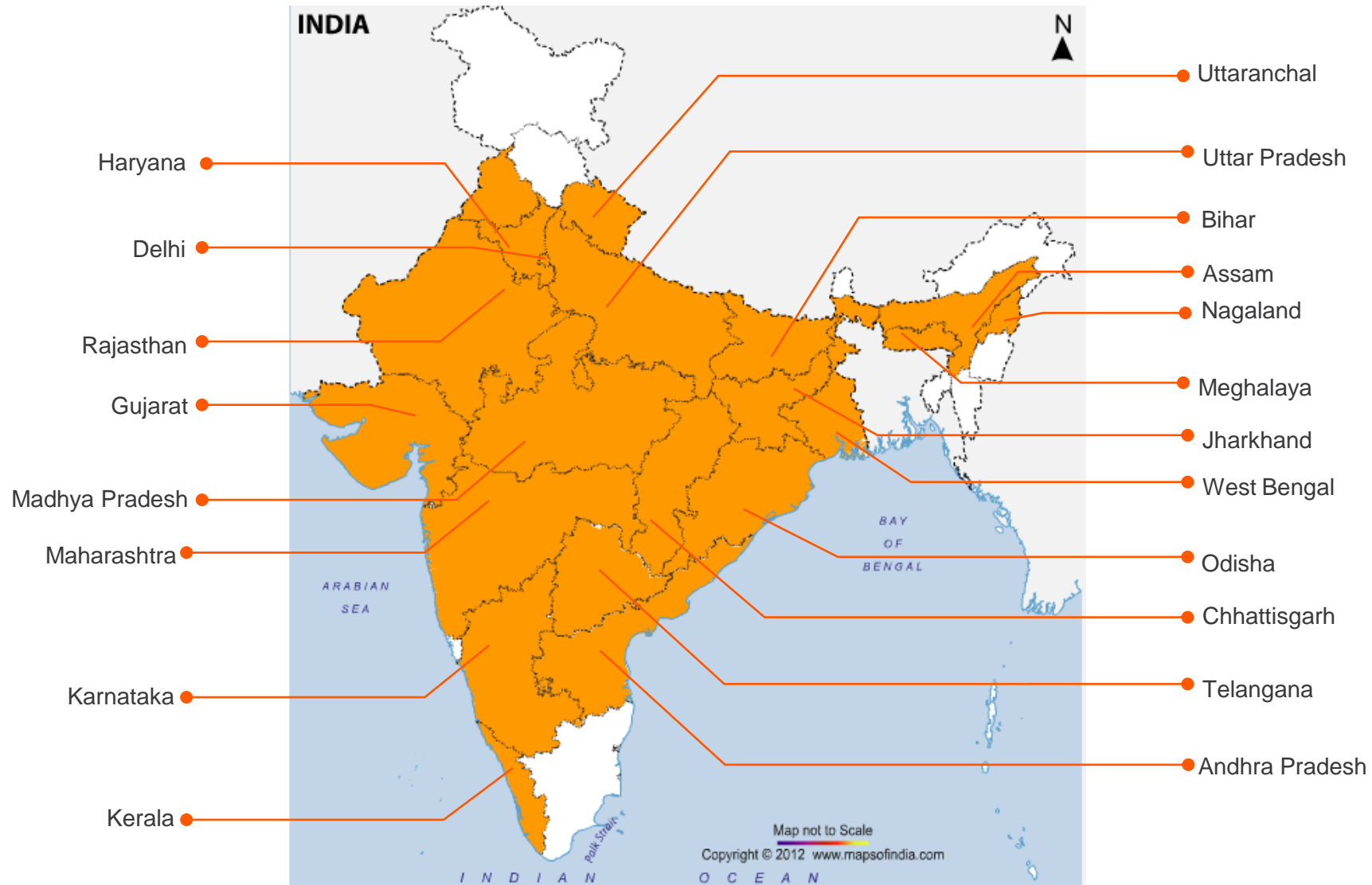
SITI Networks

India's Leading Digital TV Network



SITI Networks

Present across ~800 locations



SITI Networks

Competitive Advantage



01

India's largest MSO
Presence across 800 locations

Country-wide Access

02

Using latest MPEG4 STBs
Broadband through Hybrid (DOCSIS 2/3 & GPON) Network

Superior Technology

03

OYC Subscriber Management System
Conax CAS
SAP Based systems
Uniform commercial policies

Systems and Processes

04

In discussion with various service providers for creating value adds for SITI base

Strategic Alliances

05

Professional Management
Lean and Agile Organizational Structure
Value unlocking: Consolidating MSOs

Efficient Execution

Promoter Group

Corporate Structure



- Launched in 1926, the Parent Group (“Essel Group”) completed 90 years recently; One of India's leading business houses, with a dominant vertically integrated presence in Media and entertainment
- Leading producer, aggregator and distributor of Indian programming across the world; 250,000+ hours of original Content
- Group Market Cap (Listed entities under the Parent Group): ~USD 4.92 Bn
- Present in 171 countries, a reach of ~1.3bn+ viewers; Compelling bouquet of 75 Channels



Essel Infrastructure

Education: Zee Learn Limited

Theme Parks: Essel World and Waterpark

Precious Metals: Shirpur Gold Refinery

Healthy Lifestyle & Wellness

ZEE
Entertainment

India's Leading General TV Entertainment Network

ZEE
Media Corp Ltd.

Strong presence in National & Regional News Genre

Dish
TV

Asia's largest DTH provider after merger with Videocon D2H

SITI
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One of India's leading National MSOs

DNA
Newspaper

English broadsheet daily with presence in major cities

Content

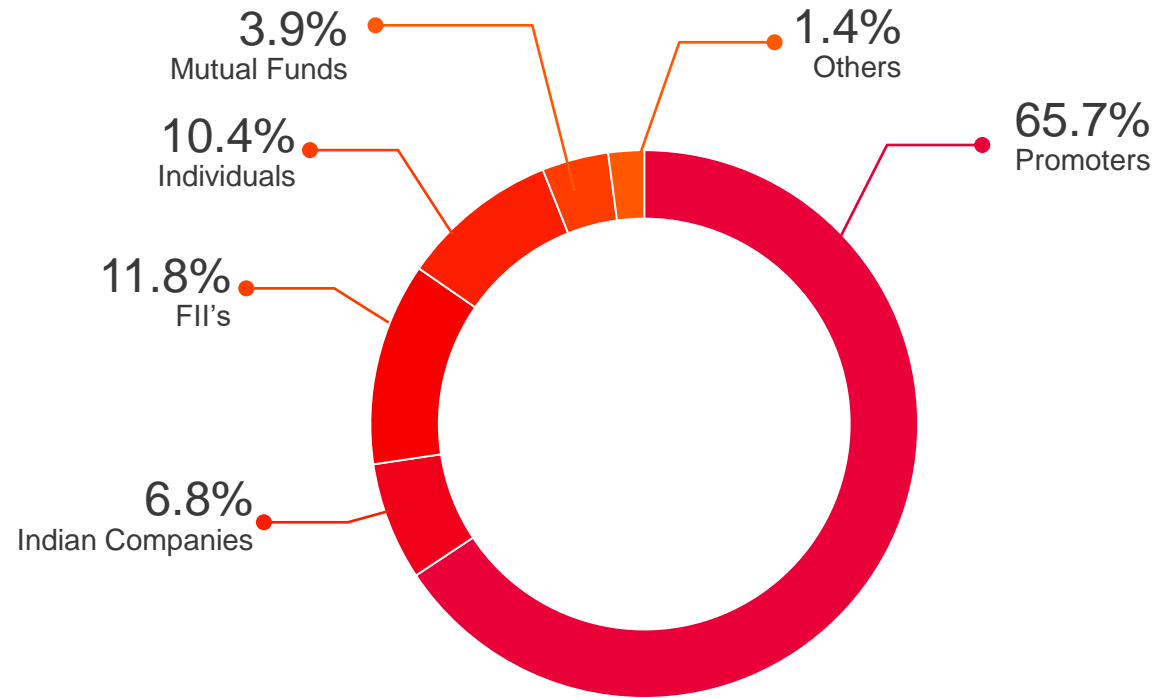
Distribution

Online Media

Other Business'

SITI Networks

Sizeable Free Float & Institutional Ownership



Shareholding Pattern
872 Mn Shares

As of 31 Mar 2020

Others include HUF, Clearing Members, banks, trusts and NRIs



Technology Infrastructure

Video & Broadband

- 10 Digital Headends; Intra-city OFC and Coax Network of ~33,000 Kms covering ~ 800 locations
- Transport of Digital CATV signals on 1.2 Gbps links across the country; ~500 IP Points
- Hybrid (DOCSIS+ GPON) Technology to offer Cable Broadband services

Digital Headends	Modems	STB's	Chipsets	Servers	CAS, SMS, EPG	Connectivity
  	   	  	 	  	  	    

Modification in New Tariff Order – Jan'20

Brought welcome changes, giving more power to DPOs



Twin Condition

- MRP of channels in a bouquet can't be more than 1.5x of Broadcaster bouquet price i.e. max 33% discount
- Channels in a bouquet can't be more than 3x the average channel price of that bouquet

Capping on Channel pricing

- Capping of Rs 12 for Pay Channels to be part of Broadcaster Bouquet.
- Currently this capping is at Rs 19

Simplified NCF Structure

- Simplified 2 slabs:
 - Up to 200 channels – Rs 130 + tax
 - More than 200 channels – Rs 160 + tax

Addressed Multi-TV Homes

- NCF on Multi-TV is capped at 40% of the NCF
- Definition of Multi-TV : Any HH having more than one STB in the name of same person

Key Takeaways :

- Number of Broadcaster bouquets will be reduced leading to ease in selection and less load on DPO's system
- It is estimated that tail-end Pay channels will turn FTA leading to Placement/ Carriage opportunity
- With Pricing capping, now making DPO packs with ala-carte will become attractive proposition for DPOs
- Potential Revenue upside from LCNs – as it has been freed from carriage / penetration commitments

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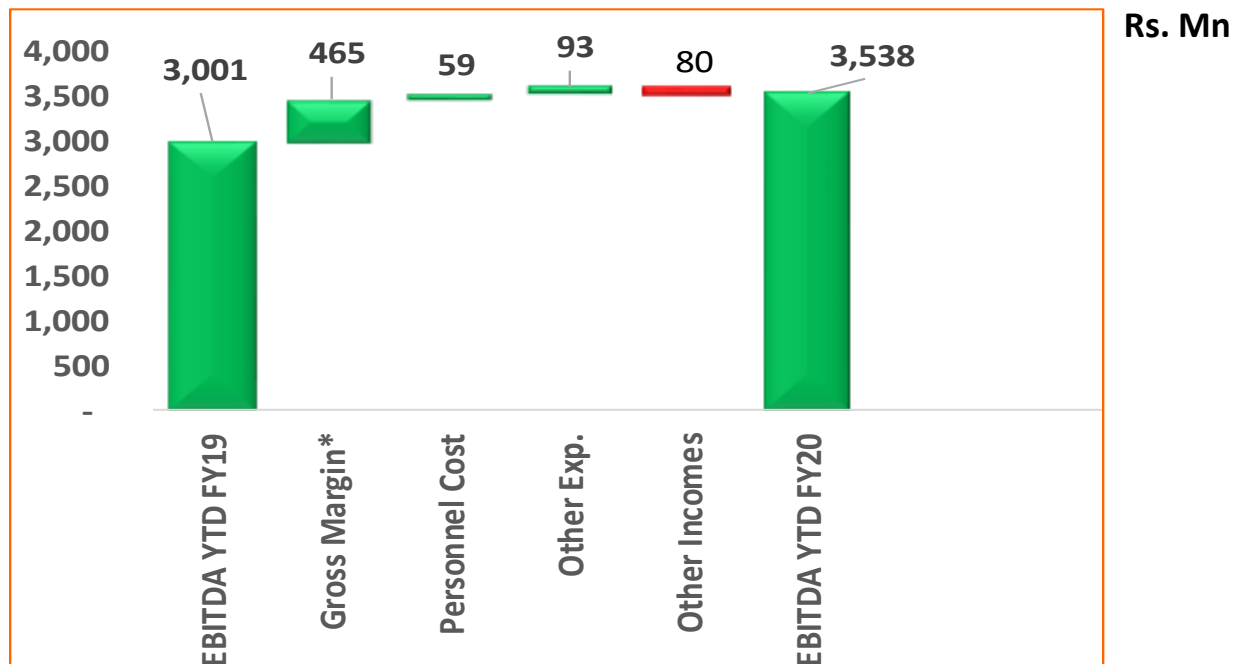
Financial Overview

SITI Networks Declares Strong Results



- Operating EBITDA leaps **1.18x y-o-y** to **Rs.3,538 Mn**
- Operating EBITDA Margin jumps **1.02x y-o-y** to **21.6%**
- Total Revenue¹ rises **15.3% y-o-y** to **Rs. 16,354 Mn**
- Subscription Revenue surges **21.3% y-o-y** to **Rs. 11,567 Mn**
- Subscription ARPU leaps **1.74x y-o-y** to **Rs.128**

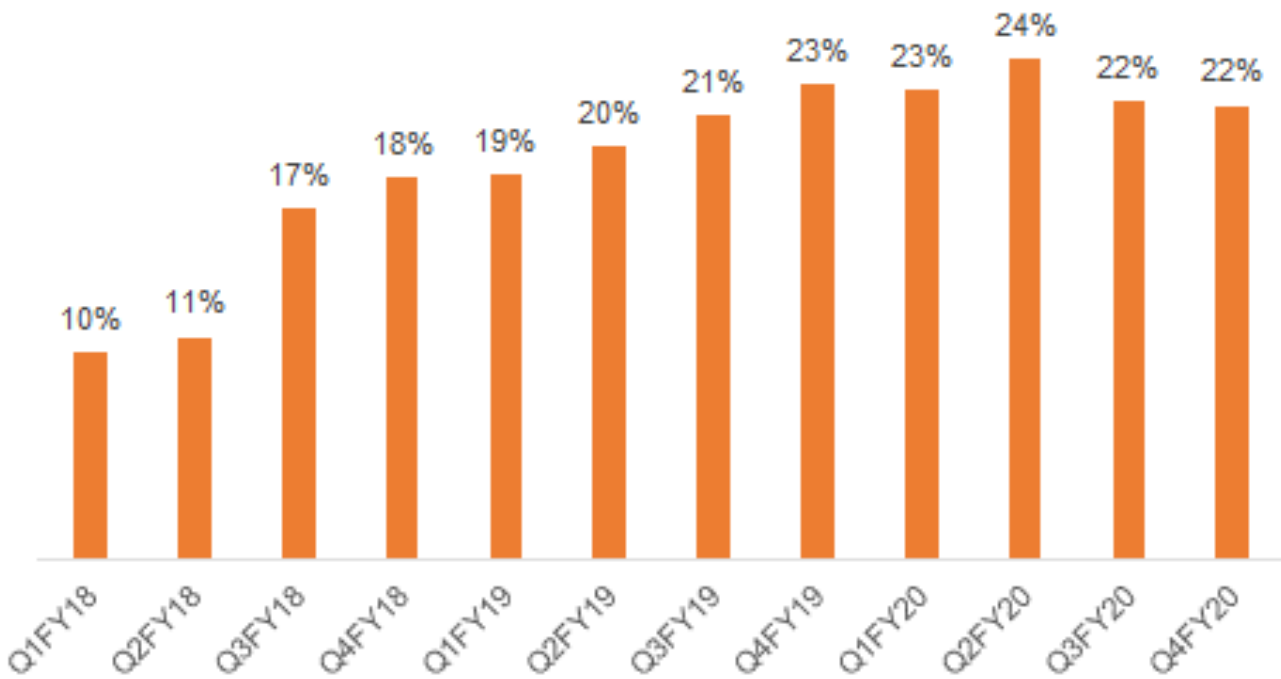
Exceeded Expectation in FY 20 vs FY19 Consolidated Waterfall Analysis



- Gross Margin = Subscription + Placement/Marketing Income - Pay Channel – Marketing Cost
- Gross Margin:
 - Rate variance (+Rs 2,431 Mn)
 - Vol/Other Variance (-Rs 1,966 Mn)

Operating EBITDA Margin Trends

Video



Operating EBITDA Margins have seen a consolidation in Q4FY20 and have remained largely stable



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Thank You

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