

# SITI Networks Limited

## Consolidated Financial Results Q1 FY18

Investor Release

11th August 2017

**New Delhi, India; 11<sup>th</sup> August 2017:** The Board of Directors of SITI Networks Limited (SITINET) (BSE: 532795, NSE: SITINET) in its meeting held today, has taken on record the Unaudited Consolidated Financial Results of the company for the First Quarter ended June 30, 2017.

***SITI delivers solid revenue growth: Total Revenue up 35%; Subscription revenue up 35%; Broadband revenue up 32%; EBITDA jumps 126% to INR107 Crores; PBT turnaround at INR1.6 Crores; Added a record 1.6 mn digital cable customers; Significant improvement in Broadband Exit ARPUs at INR650-690/ month***

### Q1 FY18 Highlights

- Revenue at INR371 Crores; up 10% QoQ & 35% YoY
- Subscription Revenue at INR170 Crores; up 6% QoQ & 35% YoY
- Broadband Revenue at INR26 Crores ; up 32% YoY
- Carriage Revenue at INR77 Crores ; up 6% YoY
- EBITDA at INR107 Crores; up 54% QoQ & 126% YoY
- PBT at INR1.6 Crores
- Robust addition of 1.6 mn Video customers
- Broadband Subscriber Base at 2.40 Lakh

Income Statement *(As per Ind AS )	(INR Million)		
	Quarter Ended		
	Q1 FY 2018	Q4 FY 2017	Q1 FY 2017
<b>Total Revenue (Including activation)</b>	<b>3,711</b>	<b>3,378</b>	<b>2,739</b>
Total Expenditure	2,639	2,683	2,265
<b>EBITDA</b>	<b>1,072</b>	<b>694</b>	<b>474</b>
Finance cost	331	338	297
Depreciation	726	667	547
<b>PBT</b>	<b>16</b>	<b>(311)</b>	<b>(370)</b>

\*On Net Billing Basis

Revenue Streams (INR Million)	Q1	Q4	Q1	QoQ	YoY
	FY 2018	FY 2017	FY 2017	Growth	Growth
Subscription	1,700	1,600	1263	6.2%	34.6%
Carriage	765	798	720	-4.1%	6.3%
Activation	849	484	366	75.2%	131.7%
Broadband	258	266	195	-2.9%	32.2%

Operational Metrics	Quarter Ended	
	Q1 FY 2018	Q4 FY 2017
Cable Universe (Mn)	13.2	13.2
Video Subscribers (Mn)	11.6	10.0
Digital Subscribers added (Mn)	1.6	0.8
HD Subscribers ('000s)	220	160
Broadband Home Passess (Lakhs)	16.2	16.1
Broadband Subscribers (Lakhs)	2.40	2.28

## **Operational Highlights**

- **Video**

- Added 1.6 mn digital cable customers in West Bengal, Haryana, Andhra Pradesh and Telengana, primarily in Phase 4 areas
- Prepaid migration on track with 1.16 million subscribers across 134 locations brought under its ambit by August 2017

- **Broadband**

- As a strategy we increased focus on higher 'Lock-in' plans in Q1. About 40% of our acquisitions are now coming on longer duration plans. We are targeting to take this figure to 50%+ in Q2. This will lead to better long term value for the customer, reduced churn and increased customer stickability; Significant increase in average plan speed and data consumed to create a sharp value story for customers vs 4G as well. We are seeing resultant sharp increase in customer data consumption, indicating a higher involvement with the services.
- DOCSIS ARPUs continue to move up steadily and June Exit ARPUs were in the INR650-690 range, across locations, on the back of upselling to better value plans and focus on discretionary customers. New acquisition ARPU in July was around INR750/ Subscriber, which is significantly higher than the base ARPU

- **Others**

- Consolidated Gross Debt at INR1,335 Crores & Net Debt at INR1,221 Crores

While commenting on the results, **Mr. Sidharth Balakrishna, Executive Director , SITI Networks** mentioned that

*“SITI continues to hold a strong position in the market with record customer additions. We are well positioned to monetize this base from Q2 onwards and maintain a strong growth trajectory*

*In Broadband, we will selectively expand our offerings and drive increased customer focus.*

*We are also making significant efforts to strengthen processes and optimise costs going forward, while also enhancing customer offerings. This along with a focus on certain revenue streams could potentially provide upsides going forward”*

## About SITI Networks Limited

SITI Networks Limited (Formerly known as “SITI Cable Network Limited”) is a part of the Essel Group, which is one of India's leading business houses with a diverse portfolio of assets in media, packaging, entertainment, technology-enabled services, infrastructure development and education.

SITI Networks Limited is one of India's largest Multi System Operator (MSO). With 15 digital head ends and a network of more than 32,500 Kms of optical fibre and coaxial cable, it provides its cable services in India's ~580 Locations and adjoining areas, reaching out to over 13.2 million viewers.

SITI Networks deploys State-of-the-art technology for delivering multiple TV signals to enhance consumer viewing experience. Its product range includes Digital & Analogue Cable Television, Broadband and Local Television Channels. SITI Networks has been providing services in analogue and digital mode, armed with technical capability to provide features like Video on Demand, Pay per View, Over-The-Top content (OTT), Electronic Programming Guide (EPG) and Gaming through a Set Top Box (STB). All products are marketed under SITI brand name.

**Note: This earnings release contains consolidated results that are audited and prepared as per Indian Accounting Standards (Ind-AS).**

## Caution Concerning Forward-Looking Statements

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs, and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. SITI Networks Limited is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

## Key Contact - Investor Relations

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## Conference Call

On the 16<sup>th</sup> August 2017 for the Q1FY18 Results



### **SITI Networks Limited**

On 11<sup>th</sup> August 2017, SITI Networks Limited (BSE: 532795, NSE: SITINET EQ) is due to announce its unaudited Financial Results for the First Quarter of Fiscal Year 2018

After the conclusion of the Board Meeting and duly informing the Stock Exchanges the results would be made available on the Company's website: [www.sitinetworks.com](http://www.sitinetworks.com)

To discuss the performance of the Company, a conference call has been scheduled on 16<sup>th</sup> August 2017

We take pleasure in inviting you to a discussion with Mr. Sidharth Balakrishna: Whole Time Director, SITI Networks, along with other members of the Senior Management team.

We invite you to join the call and look forward to your participation. Early registration is encouraged. The operator will provide instructions on asking the question before and during the call.

Best Regards,

**Ankit Saint**

**Date:** 16<sup>th</sup> August 2017

**Time:** 11:00 AM (India Time); 01:30 PM (HK/SG Time)

**Call Leader:** Ankit Saint

**Call in Numbers (India):**

Primary Access Toll Number: +91 22 3960 0626

Secondary Access Toll Number: +91 22 6746 5846

**Local Access Number**

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**Conference Code:**

Please ask the operator for the "SITI NETWORKS" result call.