



Date: September 6, 2018

To, BSE Limited The Corporate Relationship Department, P J Towers, Dalal Street, Mumbai - 400 001. BSE Security Code: 533162	To, National Stock Exchange of India Limited Listing Department "Exchange Plaza" Bandra Kurla Complex Bandra (E), Mumbai – 400 051 NSE Trading Symbol: HATHWAY
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**Subject: Intimation of Investor Presentation of the Company under Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

With reference to the captioned subject and pursuant to Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with paragraph A of Part A of Schedule III, please find enclosed the Investor Presentation of the Company. This information shall simultaneously be uploaded on the website of the Company i.e. [www.hathway.com](http://www.hathway.com)

This is for your information.

Thanking you,

**FOR HATHWAY CABLE AND DATACOM LIMITED**

**AJAY SINGH**

*Head Corporate Legal, Company Secretary and Chief Compliance Officer*

FCS: 5189



**Encl:** As Above

**Hathway Cable and Datacom Limited**

805/806, "Windsor", Off C.S.T. Road, Kalina, Santacruz (E), Mumbai - 400 098. Tel :+ 91 022 67742500 Fax : + 91 022 67742400

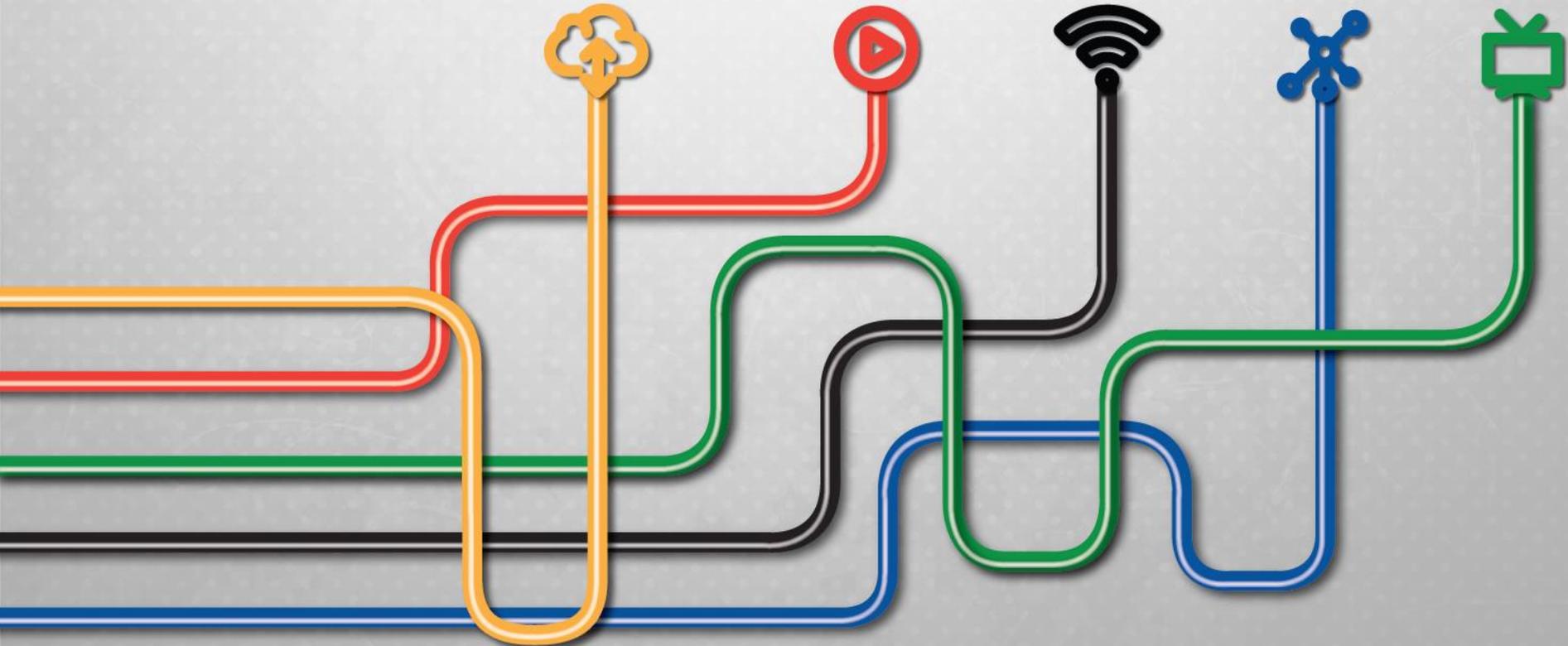
**Regd. Off.: "Rahejas", 4th Floor, Corner of Main Avenue & V.P. Road, Santacruz (W), Mumbai - 400 054.**

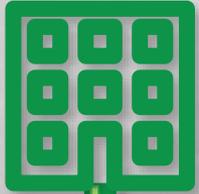
Tel :+ 91 022 26001306 Fax : + 91 022 26001307 Email : [info@hathway.net](mailto:info@hathway.net) Website : [www.hathway.com](http://www.hathway.com)

CIN No. L64204MH1959PLC011421

# Hathway Cable and Datacom Limited

## Investor Presentation – August 2018





# Company Overview

- Hathway Cable & Datacom Limited (Hathway) promoted by Raheja Group, is one of the largest Multi System Operator (MSO) & Cable Broadband service providers in India today.
- The company's vision is to be a single point access provider, bringing into the home and work place a converged world of information, entertainment and services.
- Hathway is listed on both the BSE and NSE exchanges and has a current market capitalisation of approximately INR 20.6 Bn as on 30<sup>th</sup> June, 2018.

**Consolidated Revenue\* (INR Mn) & EBITDA Margin (%)**



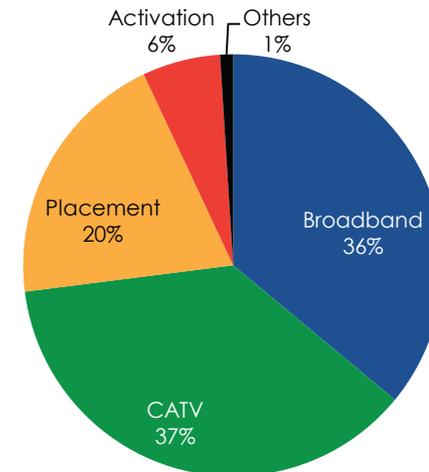
## Broadband

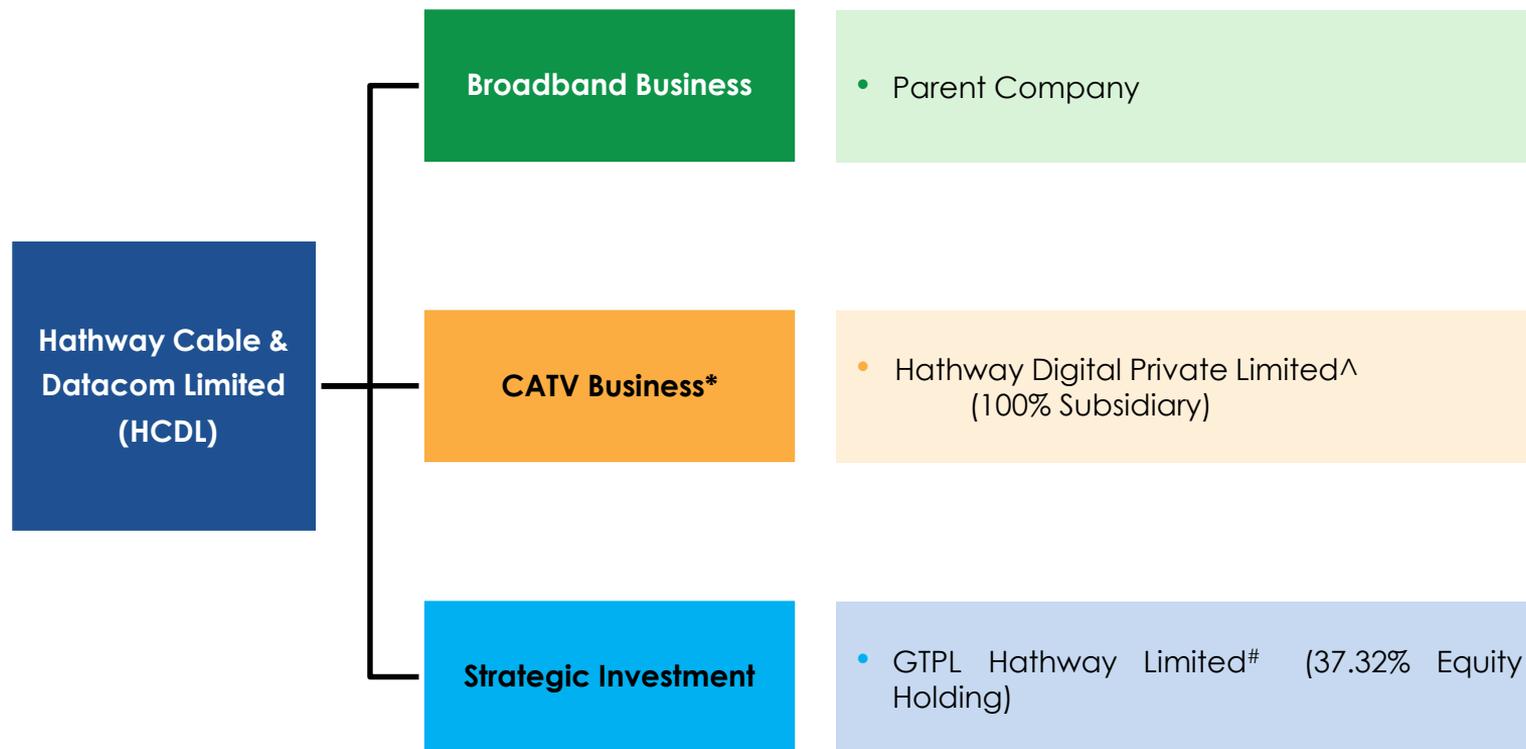
- Hathway holds a PAN India ISP license and is the first cable television services provider to offer broadband Internet services
- Approximately 5.5 Mn two-way broadband homes passed
- Total broadband Subscribers – 0.77 Mn
- High-speed cable broadband services across 16 cities (4 metros and 3 mini metros)
- More than 52% share of the total MSO cable broadband market in India

## Cable Television

- One of India's largest MSO, across various regions of the country and transmitting the same to LCOs or directly to subscribers
- Extensive network connecting 7.2 Mn digital cable subscribers / households
- 65% of Subscribers serve through Hathway Connect and 57% online payment made by LCO
- Offers cable television services across 350 cities and major towns
- 15 in-house channels and 10 Value Added Service (VAS) channels

**FY18 Operational Revenue Break-up**







## Objective

**Build Value for all stakeholders in the Value chain**

**Differentiated customer experience**



Trendsetter in broadband industry on speed, GBs, Price & Value For Money equation



Leverage broadband and Cable Television presence to give differentiated content, services and applications

**Investment for growth**



Increase broadband subscriber base by increasing penetration in existing geographies



Leverage Cable Television network for Broadband business for accelerating sub growth

**Transform costs**



Cost Leadership

- Shared services model
- Automation
- Centralization / outsourcing

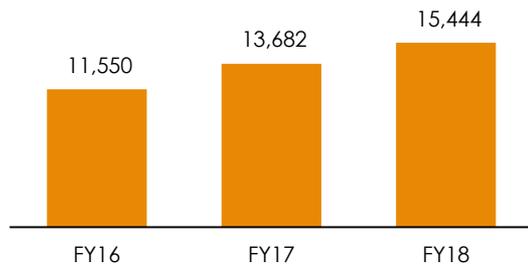


- Best in class consumer/LCO user interface in Cable Television industry
- New tariff order optimize content cost

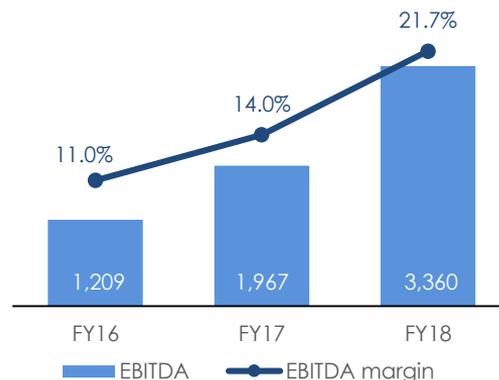
## □ FY18 performance (Consolidated)

- **Total Comprehensive Income (PAT)** : INR (1,052) Mn; **Losses reduced by 880 Mn Y-o-Y** (+46% Y-o-Y)
- **Total Income**: INR 15,444 Mn; **Increase by 1,762 Mn Y-o-Y**; Y-o-Y Growth: (+13%)
- **Operating EBITDA** : INR 3,360 Mn ; **Increase by 1,393 Mn Y-o-Y**, Y-o-Y Growth: (+70%)
- **EBITDA Margins** : 21.75%

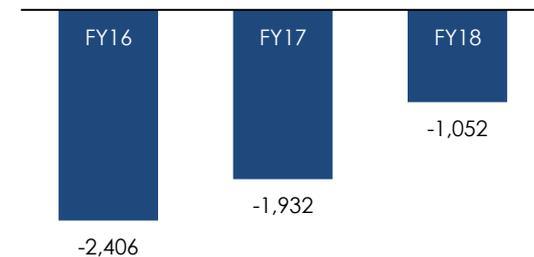
Consolidated Revenue (INR Mn)



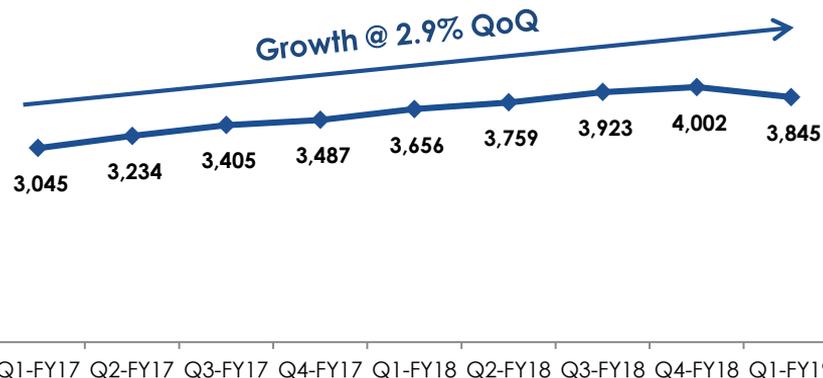
Consolidated Operating EBITDA & Margins (INR Mn)



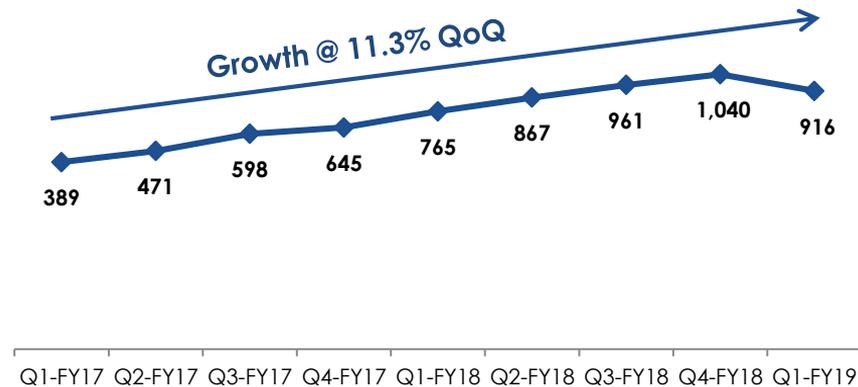
Consolidated Comprehensive Income (INR Mn)



## Comparable Revenue (INR in Mn)



## Comparable EBITDA (INR Mn)



Hathway Cable and Datacom Limited (HCDL) opts to disclose only the standalone results to the stock exchanges as mandated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations. In view of the transfer of CATV Biz to Hathway Digital Private Limited (HDPL), management of HCDL presented the above clubbed numbers of HCDL and HDPL merely to facilitate a high-level comparison of quarterly numbers to its board. The clubbed numbers of HCDL and HDPL are based on the standalone financial statements of each of HCDL and HDPL respectively. The numbers of HCDL have been reviewed by its audit committee and statutory auditors. The numbers of HDPL have been approved by its board. No material deviation is expected in the clubbed numbers.

## Broadband



**30%**

3 Year CAGR in  
Broadband  
Revenue

**INR 5,445 Mn**



**42%**

Operating  
EBITDA Margins

**INR 2,271 Mn**



**34%**

3 Year CAGR in  
Broadband  
Subscribers

**0.77 Mn**



**5.5 Mn**

Broadband homes  
passed and  
presence in 16 cities  
(4 metros and 3 mini  
metros)



**200 MBPS**

Maximum speed  
offered to its  
customers

**Average of 60 MBPS**



**Upto 1 TB**

Data offered  
with average  
consumption of

**105 GB**

## Cable TV



**23%**

3 Year CAGR in  
Subscription Revenue

**INR 5,733 Mn**



**7.2 Mn STBs**



**2/3<sup>rd</sup> Base**

Served through  
Hathway Connect  
57% Online Collection



**350+**

Presence in cities  
and major towns



**35,000 Kms**

Fiber cable  
Network



**235K**

HD  
Subscribers

## Board members

**Sridhar Gorthi**

*Chairman & Independent Director*

**Rajan Raheja**

*Non-executive Director*

**Akshay Raheja**

*Non-executive Director*

**Viren Raheja**

*Non-executive Director*

**Vinayak Aggarwal**

*Non-executive Director*

**Sasha Mirchandani**

*Independent Director*

**Devendra Shrotri**

*Independent Director*

**Ameeta Parpia**

*Independent Director*

**Rajan Gupta**

*Managing Director*

## Experienced management team with strong track record

**Rajan Gupta – Managing Director** – IIM Bangalore alumni with over 20 years of experience in blue chip companies. Worked with Asian Paints, Coca Cola and Tata Tele Services in leadership role.

**Sitendu Nagchaudhuri – CFO** – Is a Fellow Chartered Accountant by profession. He brings with him more than 27 years of diverse experience in the field of Corporate Finance, Commercial and Strategy Leadership with Fortune 500 MNCs & leading Indian enterprises in diverse sectors like Specialty Chemicals (Navin Fluorine International LTD, Akzo Nobel &I.C.I.); Oil & Gas (BP), Lubricants (Castrol), FMCG (Procter & Gamble) & Infrastructure (Kesoram Industries Ltd).

**Ajay Singh – Head-Legal, Company Secretary & Chief Compliance Officer** – A Company Secretary and MBA (Finance) with professional experience of 22 years across sectors like Telecom, ICT, Manufacturing and Real Estate and areas such as legal, secretarial, finance, treasury operations, project and risk management.

**Santanu Banerjee – CHRO** – with over 19 years, in the field of Human Resource, Organization Development, Learning & Administration with some of India's leading corporates in diverse sectors like Financial Services & Insurance (Exide Life, Birla Sunlife, & Aditya Birla Health Insurance); Retail (Future Group) & Manufacturing (Andrew Yule). Also has extensive experience to set up world class HR process & systems in large geographically spread corporates,

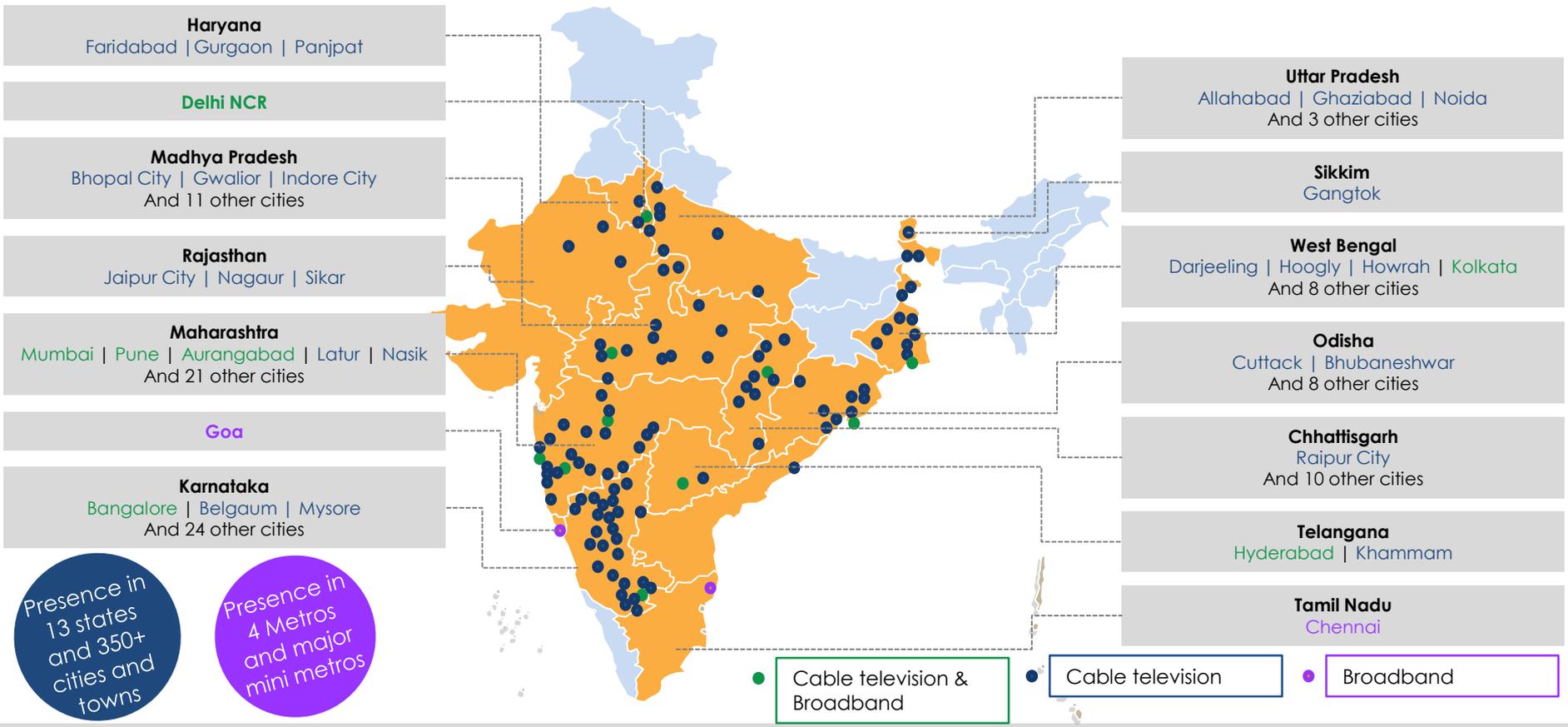
**Ruzbeh Jaorewalla - CTO, West & North** – Industry veteran with more than 30 years of experience specialising in setting up and managing headends and networks for Cable TV & Broadband. Actively involved in setting up the first dish antenna in the country for receiving satellite transmission for Cable TV networks. Earlier worked with Business India Television & Star TV.

**S.Naga Kishore - CTO, South & East** – B.E. in Electronics and Telecommunications and an MBA with extensive experience of over 25 years with organizations like Tata Teleservices Ltd, Idea cellular. Proficient in wireless, transmission and wire line technologies and diversified functions like planning, implementation, & operations.

**Vivekanand Tripathi – CIO** – Professional experience of 17 years with organizations like Infosys, Max Life, Aegon Life Insurance covering industries like IT and Insurance.

**Sarathy.KK – Chief Customer Service Head** – An MBA with professional experience of 24 years having worked in organisations like RPG Enterprises, Bharti Airtel, and Tata Teleservices, specialising in areas of Collections, Call Centre Management, Process Reengineering and Quality, using Six Sigma standards.

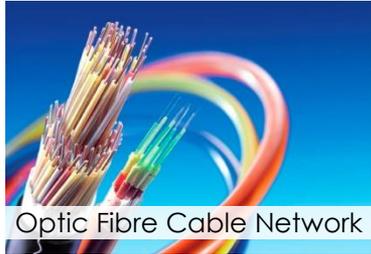
## Strong market share in important regional cable markets in India



Presence in 13 states and 350+ cities and towns

Presence in 4 Metros and major mini metros

## Advanced technology and equipment provided by leading technology vendors



Optic Fibre Cable Network

- Overground: 35,000 Kms
- Underground: 500 Kms
- Leased: 4,000 Kms



Digital Headends

- 6 Primary Headends and 7 Secondary Headends



GPON Technology

- Broadband speed upto 1 Gbps
- Passive Network (No Power)
- VoD, OTT capabilities

## Leading Technology Vendors

STBs (SD & HD)



Head-ends/  
Compression



Modems



GPON



CAS



NOC & OSS



ERP & Billing  
System



## Strong Market Share in regional cable markets in India

GUJARAT

**#1**  
MSO in Gujarat

**67%**  
Market Share

**~4.3 Mn**  
Box seeded

Cable television  
& Broadband  
services

KOLKATA & HOWRAH

**#2**  
MSO in Kolkata  
& Howrah

**24%**  
Market Share

**~2.2 Mn**  
Box seeded in  
West Bengal

Cable TV  
services

GPL Code  
NSE: GPL  
BSE: 540602

HCDL Holds  
37.3% stake in  
GPL

### Key Highlights

Q1-FY19

Present in 500+ towns across 11 states

Cable Subscriber Universe

8.9 Mn

Digital Cable Subscribers

7.6 Mn

In Phase III / IV areas

4.9 Mn

Broadband Homes Passed

1.5 Mn

Total Broadband Subscribers

0.3 Mn

### Key Financials (Ind-As) (INR in Mn)

FY17  
Conso

FY18  
Conso

Q1-FY19  
Conso

Revenue from  
Operations

INR 9,417

INR 11,134

INR 3,035

EBITDA

INR 2,404

INR 3,144

INR 841

Profit for the Year

INR 400

INR 614

INR 133

## Advanced technology and equipment provided by leading technology vendors



Optic Fibre Cable Network

- Overground: 20,000 KMs
- Underground: 1,500 KMs
- Leased: 5,500 KMs



Digital Headends

- 2 Primary Headends and 4 Secondary Headends



GPON Technology

- Broadband speed upto 1 Gbps
- Passive Network (No Power)
- VoD, OTT capabilities

## Leading Technology Vendors





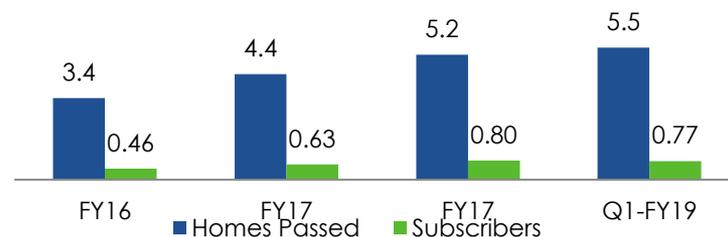
# **Broadband Business**

- Hathway holds a "Category-A" PAN India ISP license and was the first cable television services provider to offer broadband Internet services.
- The company is India's largest cable broadband services provider, with ~ 5.5 Mn two-way broadband enabled homes.
- Broadband subscribers comprise of domestic households and corporate subscribers.
- The Broadband segment is a completely B2C where Hathway manages the entire value chain – from marketing, sales, customer service, billing and collection, call centre and technical compliance.
- Hathway holds 52% market share of the total MSO cable broadband market in India.
- Hathway pioneered the launch of high-speed 50 MBPS plans in India, using DOCSIS-3.0 technology in partnership with CISCO and upto 200 MBPS plans using FTTH technology in partnership with ZTE.
- The Marketing campaign of Hathway led by "R Madhavan".

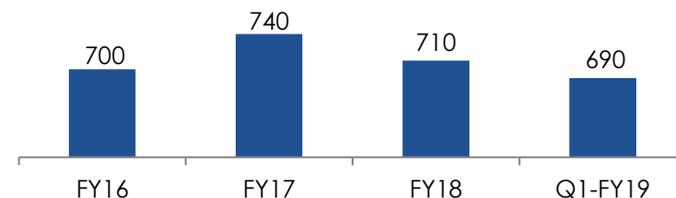
**Consolidated Broadband Revenue (INR Mn)**

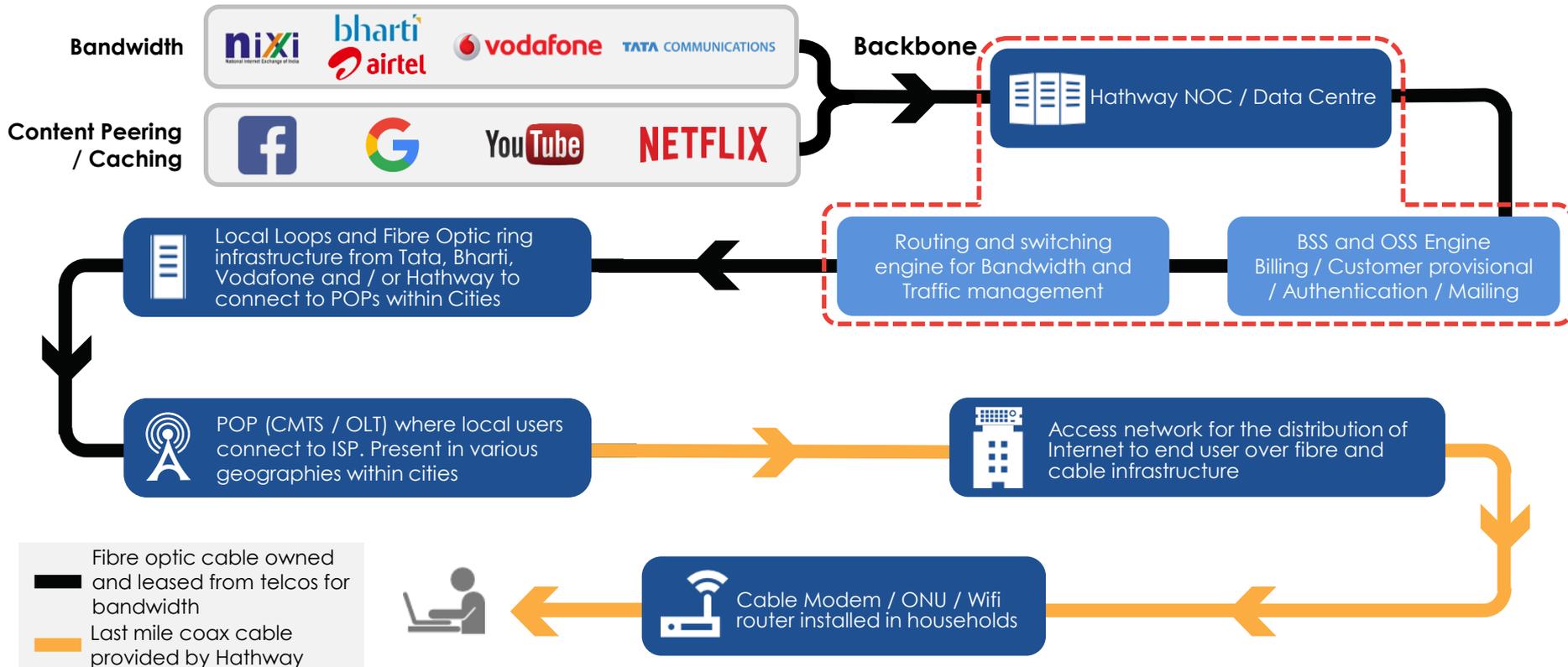


**Consolidated Homes Passed & Subscribers**



**Consolidated ARPU (INR)**





NAP – Network Access Point	POP – Point of Presence	CMTS - Cable Modem Termination System	NOC - Network Operations Centre
OLT – Optical Line Transmitter	ONU – Optical Node Unit	BSS – Business Support System	OSS – Operational Support System



## Technology / Infrastructure

- DOCSIS 3.0 and 3.1 – pioneers in launching high-speed 100 Mbps broadband.
- GPON Fibre to home – capability to offer speeds upto 1 Gbps
- 5.5 Mn “Home Pass” in major metros.
- Adoption of Oracle billing & revenue management system ERP and other customer interface.
- TCS has been appointed as System Integrator to automate various Processes and Improve Quality of Service.



## LCO partnership

- Excellent coordination between Broadband and Cable on ground teams, co-creating expansion plans.



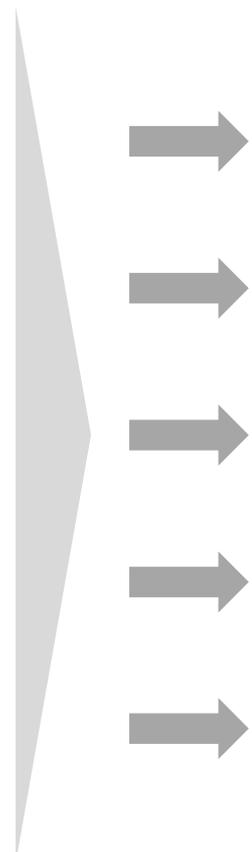
## Customer / Service

- R Madhavan as brand ambassador
- Partnering with various content providers, education portals and other lifestyle improvement players
- Self care app “Hathway Broadband” has been launched to provide customer to access their data usage pattern, billing cycle and make online payments
- In Partnership with Microsoft 1 TB cloud storage being given free to all yearly pay term consumers.



## Content Tie up

- Collaborative venture between Hathway and Yupp TV providing a host of customer centric services



## Final Output

Maximum speed is up to  
**300 Mbps**

Subscribers increased from  
**0.42 Mn** in 2013 to  
**0.77 Mn** in Q1-FY19

ARPU increased from  
**INR 350** in 2013 to  
**INR 690** in Q1-FY19

Monthly ARPU  
**>INR 710** from  
new subscribers

Average monthly usage  
per subscriber has  
increased from **30 Gb**  
in FY16 to **105 Gb** in  
Q1-FY19

- In last 12 months 0-20 GB consumers have gone down from 23% to 6% of customer base, This is both due to increase in data consumption as well as loss of this low usage segment to low price plans of mobility. On the other hand >80 GB consumers have increased from 24% to 54% of customer base. This realigned customer portfolio is extremely healthy for long term profitability.
- Average GB / consumer / month has increased to 105 GB in the month of June-18. Strong indicator of demand side potential of high speed wireline broadband.

## Subscriber Bifurcation in different usage buckets



Jun-17

Jun-18

■ 0-20 GB ■ 20-40 GB ■ 40-60 GB ■ 60-80 GB ■ >80 GB

## Revenue (INR)

Particulars	INR / Unit	%
Consumer Price	826	118%
GST	126	18%
<b>NET REVENUE</b>	<b>700</b>	<b>100%</b>

## Cost (INR)

Particulars	INR / Unit	%
<b>Break-up of Cost</b>		
Bandwidth and leaseline cost	63	9%
Commission	70	10%
Call centre and Network maintenance	21	3%
Marketing & Advertisement	21	3%
Fixed Cost	245	35%
<b>TOTAL COST</b>	<b>420</b>	<b>60%</b>

Particulars	INR / Unit	%
<b>EBITDA</b>	<b>280</b>	<b>40%</b>

## Investment per Subscriber (INR)

Particulars	INR / Unit
Cost per Home Pass	600
Penetration	20%
<b>Home Pass capex per subscriber</b>	<b>3,000</b>
Last mile Capex (Per subscriber)	1,500
CPE (Wi Fi Modem)	2,000
NOC Capex	1,600
<b>Capital Cost per subscriber</b>	<b>8,100</b>

**Payback period = ~29 months**

Capital cost/ EBITDA per unit

**Assumption:**  
Home pass capex per subscriber penetration is 20%

# Quarterly HCDL Income Statement



Income statement (INR Mn)	Q1-FY19	Q4-FY18	Q-o-Q Growth	Q1-FY18	Y-o-Y Growth	FY18
Subscription Broadband	1,298	1,457	(11)%	1,290	1%	5,445
<b>Total Income</b>	<b>1,298</b>	<b>1,457</b>	<b>(11)%</b>	<b>1,290</b>	<b>1%</b>	<b>5,445</b>
Employee Cost	120	111	8%	89	35%	419
Other Expenses	625	707	(12)%	708	(12)%	2,755
<b>Total Expenditure</b>	<b>745</b>	<b>818</b>	<b>(9)%</b>	<b>797</b>	<b>(7)%</b>	<b>3,174</b>
<b>Operating EBITDA</b>	<b>553</b>	<b>639</b>	<b>(14)%</b>	<b>493</b>	<b>12%</b>	<b>2,271</b>
<b>EBITDA %</b>	<b>43%</b>	<b>44%</b>	<b>(100) Bps</b>	<b>38%</b>	<b>500 Bps</b>	<b>42%</b>
Non Operational Income	17	35	(51)%	9	89%	120
Depreciation / Amortization	270	256	5%	226	19%	972
Forex (Gain)/ Loss	84	49	71%	4	NA	21
Finance Cost	242	234	4%	172	41%	784
<b>PAT before exceptional item</b>	<b>(26)</b>	<b>135</b>	<b>NA</b>	<b>100</b>	<b>NA</b>	<b>614</b>
Add: Exceptional Items - Profit on offloading of GTPL Shares	-	(9)	NA	171	NA	162
<b>PAT</b>	<b>(26)</b>	<b>126</b>	<b>NA</b>	<b>271</b>	<b>NA</b>	<b>776</b>
Other Comprehensive Income / (Loss) (Net of Tax)	(1)	9	NA	3	NA	13
<b>Total Comprehensive Income</b>	<b>(27)</b>	<b>135</b>	<b>NA</b>	<b>274</b>	<b>NA</b>	<b>789</b>

# HCDL Balance Sheet

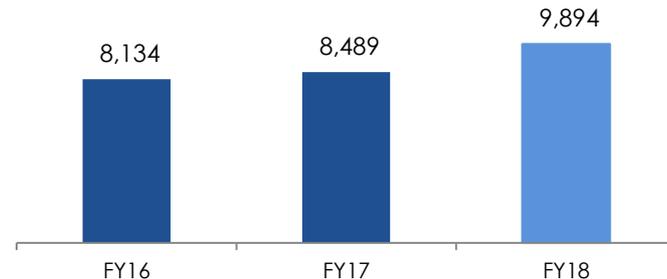
Statement of Assets and Liabilities (INR Mn)	Standalone		
	As on 31.03.18	As on 30.09.17	As on 31.03.17
<b>1.Shareholder's Funds</b>			
a. Equity Share Capital	1,661	1,661	1,661
b. Other Equity	8,878	8,528	8,089
<b>Sub Total – Shareholder's funds</b>	<b>10,539</b>	<b>10,189</b>	<b>9,750</b>
<b>2. Non-current liabilities</b>			
a. Borrowings	4,832	5,451	5,862
b. Other Financial and non-current Liabilities	104	176	192
<b>Sub Total – Non – current liabilities</b>	<b>4,936</b>	<b>5,627</b>	<b>6,054</b>
<b>3. Current liabilities</b>			
a. Trade Payables	484	383	465
b. Other Financial Liabilities	4,887	3,536	3,546
c. Provisions and other current Liabilities	915	1,360	1,199
<b>Sub Total – Current liabilities</b>	<b>6,286</b>	<b>5,279</b>	<b>5,210</b>
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>21,761</b>	<b>21,095</b>	<b>21,014</b>
<b>1. Non-current assets</b>			
a. Property, Plant, Equipment & Tangibles	7,982	7,456	6,886
b. Investments	10,897	10,897	8,332
c. Loans & other financial assets	432	324	290
d. Other non-current assets	884	634	670
<b>Sub Total – Non – current assets</b>	<b>20,195</b>	<b>19,311</b>	<b>16,178</b>
<b>2. Current assets</b>			
a. Inventories	156	208	201
b. Trade Receivables	303	318	242
c. Cash and Cash equivalents	45	23	138
d. Loans & other financial assets	663	532	3,492
e. Current Tax Assets (Net)	-	270	233
f. Other Current Assets	399	433	530
<b>Sub Total –Current assets</b>	<b>1,566</b>	<b>1,784</b>	<b>4,836</b>
<b>TOTAL - ASSETS</b>	<b>21,761</b>	<b>21,095</b>	<b>21,014</b>



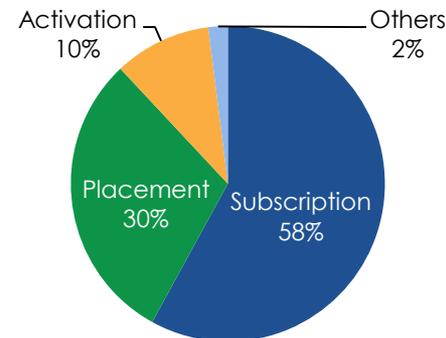
# Cable Television

- Hathway offers its cable television services across 350+ cities and major towns, operating in geographical regions which constitute important markets for advertisers and broadcasters.
- Hathway is one of India's largest Multi System Operator (MSO), operating on several head ends across various regions of the country and directly downloading content from broadcasters and transmitting the same to LCOs or directly to subscribers.
- Hathway has a total digital base of 7.2 Mn subscribers - out of this, the company has 0.35 Mn primary subscribers and remaining 6.9 Mn secondary subscribers managed through LCOs.
- It has been one of the early proponents and adopters of digitisation, and one of its early beneficiaries.
- The company also generates revenue through advertisement spots on In-House channels and various STB Properties.
- Hathway has won 17 awards including Best MSO of the year and Outstanding MSO providing "Technology and Service" under Distribution sector, by the Avishkar Media Group.

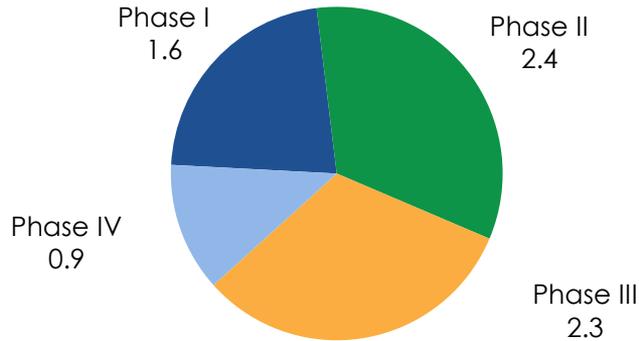
**Consolidated Total Cable television Revenue (INR Mn)**



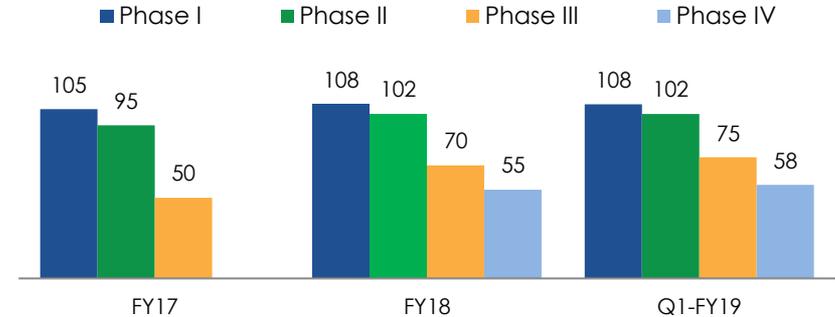
**Consolidated FY18 Total Cable television Revenue Breakup (INR Mn)**



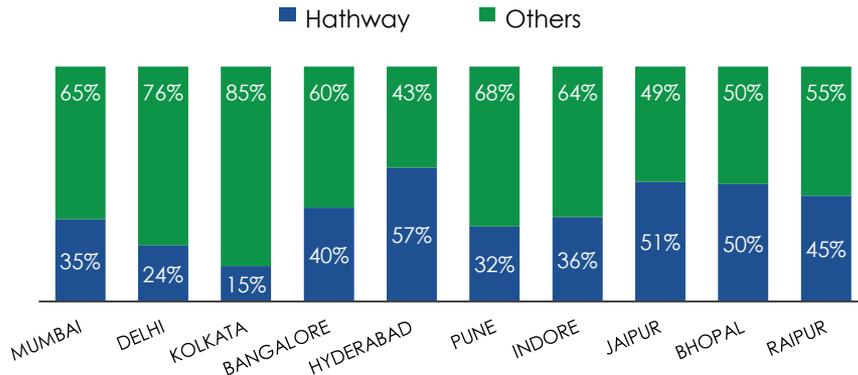
## Cable television STBs (Mn)



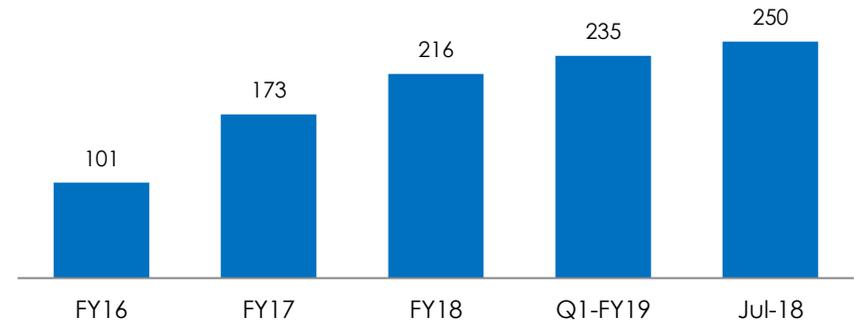
## Cable television Exit ARPU (INR)

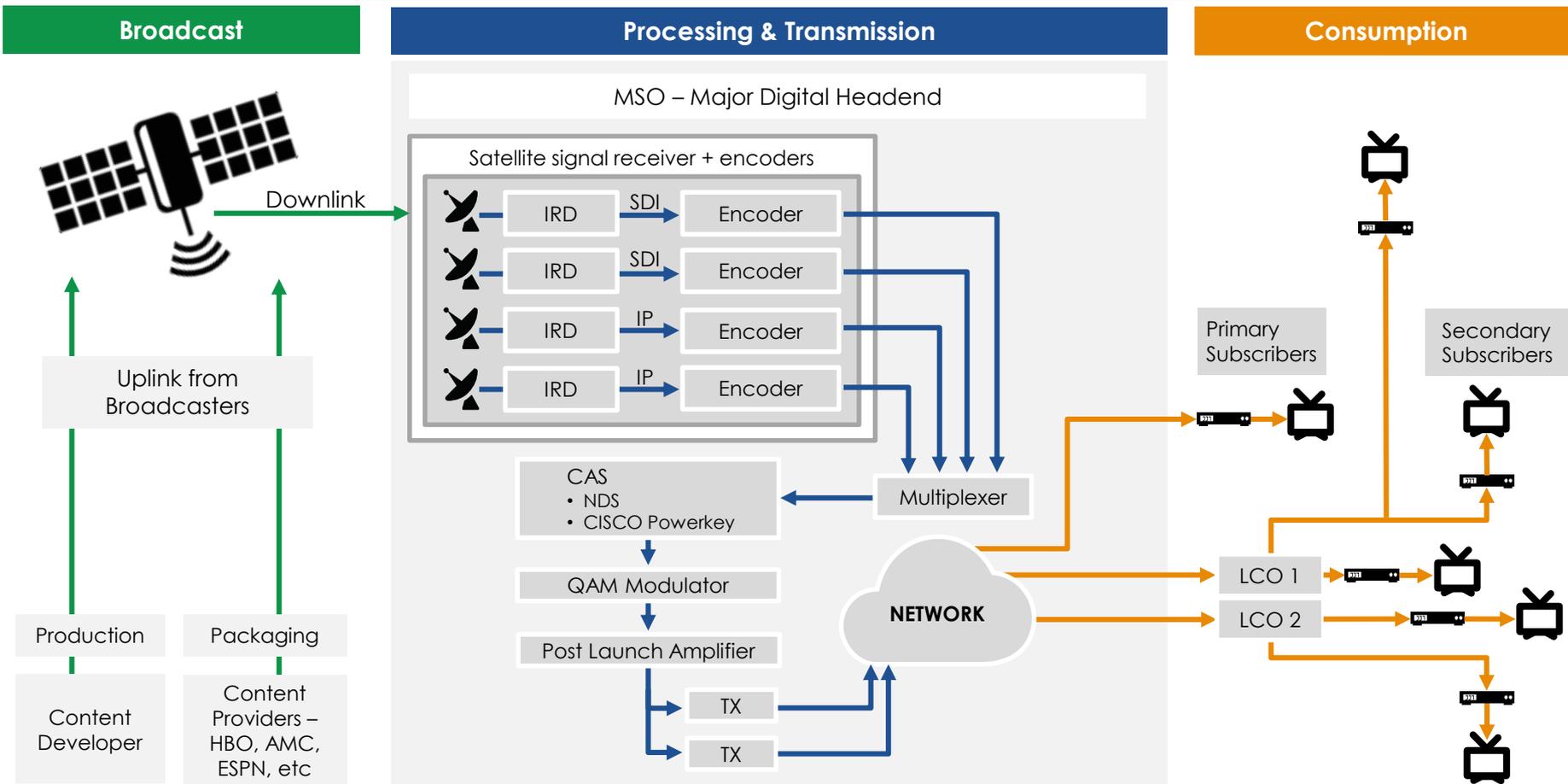


## Dominant Market Share in Key Geographies



## HD Subscribers ('000)







## Technology / Infrastructure

- Hathway Connect enables LCOs to manage their network independently & transparently.
- Subscribers can access their accounts on the Mobile app as well as web platform.
- Regional head-end base architecture provides feed from 6+ headends across the country.
- Centralized Conditional Access System (CAS) from CISCO (NDS) and STBs by Skyworth.
- TCS has been appointed as System Integrator to automate various Processes and Improve Quality of Service.



## LCO partnership

- Providing training and support to LCOs.
- Uniform commercial policies
- Strong relationships.



## Customer / Service

- Offering innovative packages as per regions served.
- Enhanced content offering
- 96+ HD channels. Highest in MSO & DTH platform,
- Pre-paid services for primary subscribers.
- Unique electronic programme guide (EPG).



## Hathway's Existing channel Portfolio

- | <u>In-house Channels</u> | <u>VAS Channels</u> |
|--------------------------|---------------------|
| • DJ Channel             | • Ibaadat           |
| • Hathway movies         | • Insync            |
| • Hathway entertainment  | • Comedywalas       |
|                          | • Yipee             |
| (12 other channels)      | (6 other channels)  |



## Final Output

Digital subscribers at  
**7.2 Mn** in 2017

**21%** YoY Annual Revenue growth of Cable television Subscription

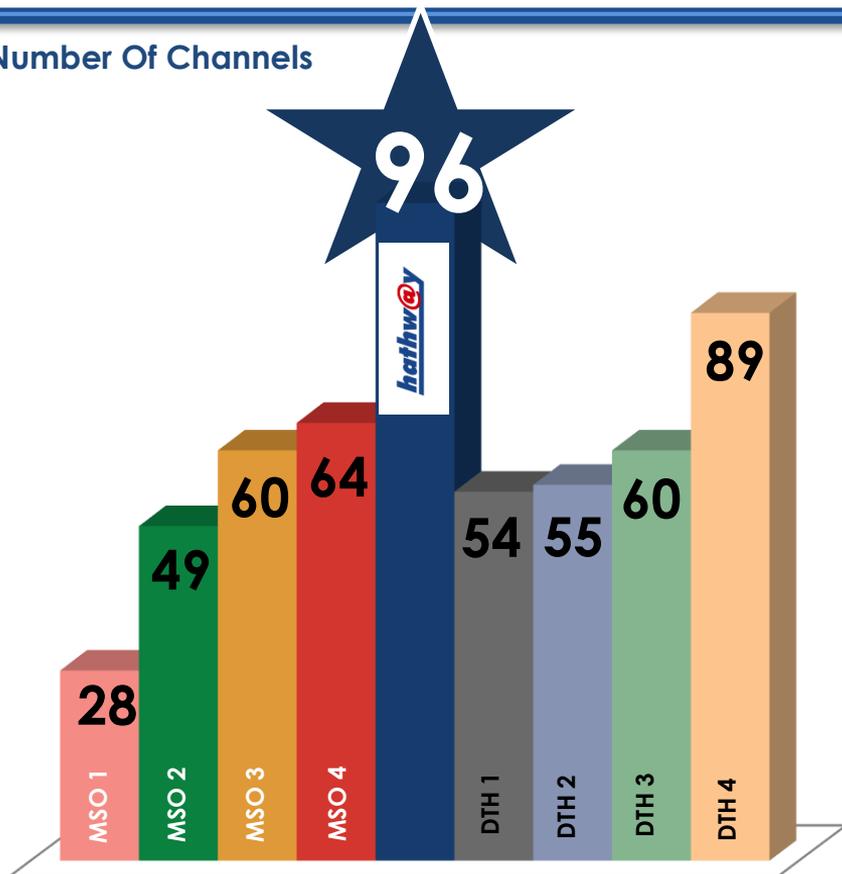
Primary Subscribers at  
**0.35 Mn** in 2017

**100%** Primary subscribers migrated to Prepaid category

**2/3rd** base on Hathway Connect & Online collection from Hathway Connect at **~57%** in Q1-FY19

# Hathway Offers the largest HD Bouquet

Number Of Channels



Distribution Platforms

## TRAI's new tariff order

- TRAI's proposed regulatory changes on tariff may drive structural change in the entire value chain (Broadcaster – Distributor – Consumer).
- **Broadcasters** with strong franchise will benefit from higher subscription and ad revenue.
- **Distributors'** business model will be largely de-risked, given stable revenue (distribution charge from consumers and content commission from broadcasters) and content cost becoming pass-through.
- **Content producers** will benefit, given broadcasters' increase thrust to create 'pull content' to attract viewers.

## Key impediments

- On-ground execution remains the herculean task of customizing channels for each subscriber, customised packaging will have to be done by distributors to ensure smooth transition.
- Revenue sharing arrangements between MSO-LCOs needs to be ironed out.
- Push-back from broadcasters may result in elongated legal tussles, delaying its implementation or may result in significant alteration to regulations.

**De-risked business model = Steady revenues from consumers / broadcasters + limited fixed overheads (content cost to be pass through) + higher bargaining power with broadcasters**

## Key Provisions

- Distributors can charge a maximum INR 130 (ex taxes) per sub per month as network capacity fee
- Maximum amount of INR 20 per sub per month for each additional lot of 25 SD FTA channels
- Broadcasters are permitted to offer a minimum of 20% distribution commission
- In case of arriving at a SIA, MSO and LCO share of service charges, network capacity fee and distribution fee shall be split in the ratio of 55:45

## Impact on MSO

- Allows for complete pass through of pay channel costs from broadcasters directly to end subscribers
- Network capacity fee is expected to contribute to distributor's revenue
- Mechanism in place to settle fee-share related disputes with LCOS

Particulars	Present	New Tariff order
<b>Content, Carriage &amp; Placement</b>	<p>Bundled Price for bouquet of channels with discount up to 90% on a-la-carte RIO Price of individual channels.</p> <p>Arbitrary increase in price of Content every year.</p> <p>Carriage &amp; Placement - Negotiated based on DPO market share &amp; market relevance for the broadcaster.</p>	<p>Channels will be offered at a-la-carte price (MRP) decided by Broadcaster, bouquet of channels will be sum total of a-la-carte price at nominal discount.</p> <p>DPO will get margin on MRP any increase in price will be passed on to consumer.</p> <p>Carriage payouts are prescribed.</p>
<b>Customer Price</b>	DPO decides Consumer Price, due to bundled deal, all channels are passed on the consumer with limited packages, resulting in wide variance in consumer price.	Consumer price prescribed as network access fees & Pay channel priced at MRP. This bring symmetry of consumer price across Platforms.
<b>Cost</b>	Bundled pricing results in limited packaging option. DPO can manage operation with basic SMS generally with couple of tariff plans.	Requires sophisticated SMS to manage high volume of al-a-carte choice to all subscribers. This may have cost implication to DPO who do not have required systems.
<b>Cost of Swap of a STB*</b>	Fixed cost model encourage subsidy on incremental STBs.	Variable cost model will be deterrent to subsidy on STBs.

# Quarterly HDPL Income Statement



Income statement (INR Mn)	Q1-FY19	Q4-FY18	Q-o-Q Growth	Q1-FY18	Y-o-Y Growth	FY18
Subscription CATV	1,576	1,526	3%	1,325	19%	5,734
Placement	752	748	1%	702	7%	2,971
Activation	176	227	(22)%	243	(28)%	964
Other operating income	43	44	(5)%	96	(56)%	225
<b>Total Income</b>	<b>2,547</b>	<b>2,545</b>	<b>NA</b>	<b>2,366</b>	<b>8%</b>	<b>9,894</b>
Pay Channel Cost	1,500	1,426	5%	1,352	11%	5,560
Employee Cost	79	61	30%	88	(10)%	326
Other Expenses	605	657	(8)%	652	(7)%	2,647
<b>Total Expenditure</b>	<b>2,184</b>	<b>2,144</b>	<b>2%</b>	<b>2,092</b>	<b>4%</b>	<b>8,533</b>
<b>EBITDA</b>	<b>363</b>	<b>401</b>	<b>(9)%</b>	<b>274</b>	<b>32%</b>	<b>1,361</b>
<b>EBITDA %</b>	<b>14%</b>	<b>16%</b>	<b>(200) Bps</b>	<b>12%</b>	<b>400 Bps</b>	<b>14%</b>



**Financials**

# FY18 Financial Highlights

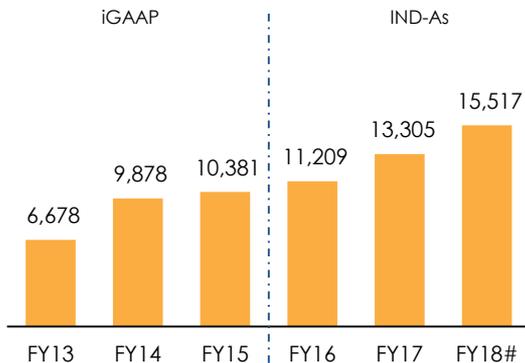


Income statement (INR Mn)	FY18	FY17	FY16	Y-o-Y
		Consolidated		
CATV Subscription	5,733	4,728	3,804	21%
Broadband Revenue	5,445	4,955	3,234	10%
Placement	2,977	2,725	3,220	9%
Activation	964	825	834	17%
Other Operating income	227	211	276	8%
Other Non operational income	98	238	182	(59)%
<b>Total income</b>	<b>15,444</b>	<b>13,682</b>	<b>11,550</b>	<b>13%</b>
Pay Channel Cost	5,693	4,717	4,336	21%
Employee Cost	770	932	862	(17)%
Other Expenses *	5,527	5,828	4,961	(5)%
<b>Total expenditure</b>	<b>11,990</b>	<b>11,477</b>	<b>10,159</b>	<b>5%</b>
<b>EBITDA</b>	<b>3,454</b>	<b>2,205</b>	<b>1,391</b>	<b>56%</b>
<b>EBITDA margin %</b>	<b>22.36%</b>	<b>16.12%</b>	<b>12.04%</b>	<b>624 Bps</b>
Depreciation	3,347	3,057	2,589	10%
Finance cost	1,528	1,108	898	38%
Exceptional items	53	7	174	NA
Share of Profit/(Loss) of Associates	391	29	(110)	NA
<b>PBT</b>	<b>(1,083)</b>	<b>(1,938)</b>	<b>(2,380)</b>	<b>NA</b>
Tax	(4)	(3)	(3)	NA
<b>PAT</b>	<b>(1,079)</b>	<b>(1,935)</b>	<b>(2,377)</b>	<b>NA</b>
<b>PAT margin %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NA</b>
Other comprehensive income/ (loss)	27	3	(29)	NA
<b>Total comprehensive income</b>	<b>(1,052)</b>	<b>(1,932)</b>	<b>(2,406)</b>	<b>NA</b>
EPS	(1.30)	(2.33)	(2.86)	NA

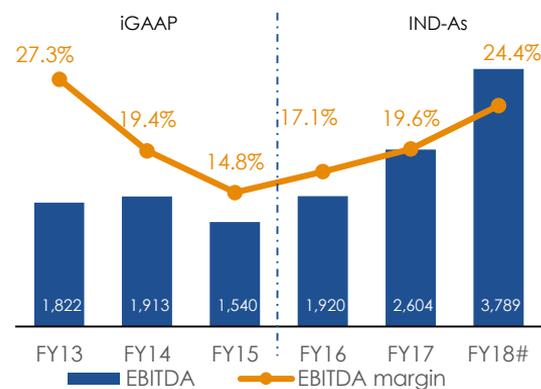
\* Other Expenses includes INR 21 Mn in FY18 on account foreign exchange loss

Statement of Assets and Liabilities (INR Mn)	Consolidated		
	FY18	FY17	FY16
<b>A. Equity and Liabilities</b>			
<b>1. Shareholder's Funds</b>			
a. Share Capital	1,661	1,661	1,661
b. Reserves and Surplus	6,263	7,267	9,227
<b>Sub Total – Shareholder's funds</b>	<b>7,924</b>	<b>8,928</b>	<b>10,888</b>
2. Minority Interest	(39)	9	12
<b>3. Current &amp; Non-current liabilities</b>			
a. Long-term and Short-term borrowings	10,076	10,650	11,727
b. Trade payables – Long & Short	1,620	1,763	1,777
c. Other Liabilities	13,113	12,787	9,144
<b>Sub Total – Current &amp; Non – current liabilities</b>	<b>24,809</b>	<b>25,200</b>	<b>22,648</b>
<b>TOTAL – EQUITY AND LIABILITIES</b>	<b>32,694</b>	<b>34,137</b>	<b>33,548</b>
<b>B. Assets</b>			
<b>1. Non-current assets</b>			
a. Fixed Assets	16,973	16,896	16,541
b. Goodwill and other intangible Asset	1,703	1,869	1,806
c. Long term loan and advances	292	207	245
d. Other non-current assets	8,190	8,716	9,217
<b>Sub Total – Non – current assets</b>	<b>27,158</b>	<b>27,688</b>	<b>27,809</b>
<b>2. Current assets</b>			
a. Trade Receivables	3,929	3,451	2,859
b. Cash and bank balances	316	509	416
c. Other current assets	1,291	2,489	2,464
<b>Sub Total –Current assets</b>	<b>5,536</b>	<b>6,449</b>	<b>5,739</b>
<b>TOTAL - ASSETS</b>	<b>32,694</b>	<b>34,137</b>	<b>33,548</b>

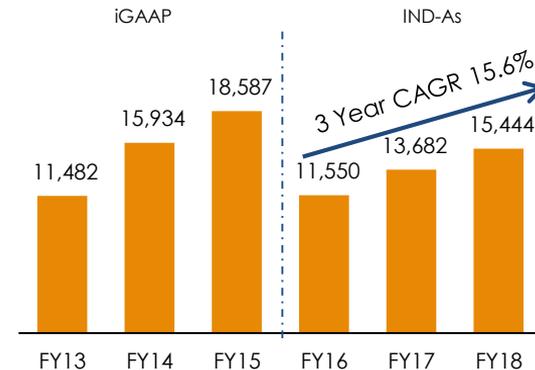
## Standalone Revenue (INR Mn)



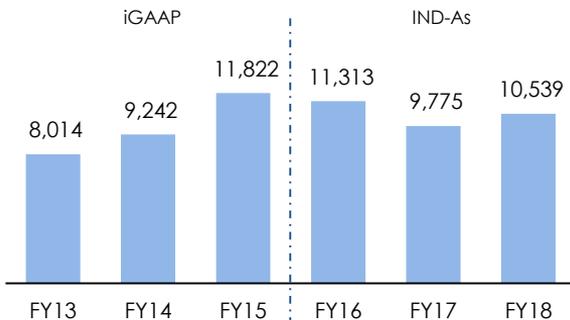
## Standalone EBITDA & Margins (INR Mn)



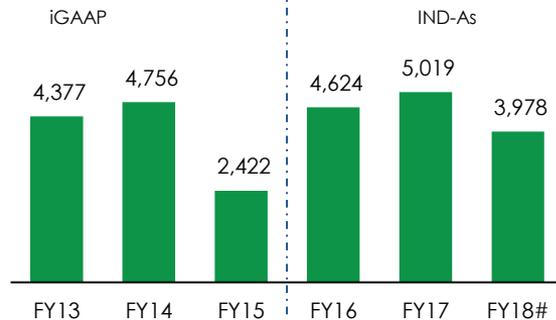
## Consolidated Revenue (INR Mn)



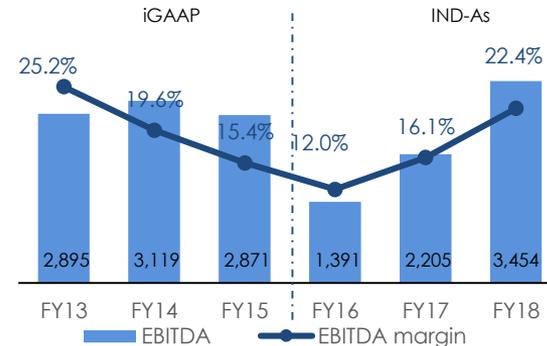
## Standalone Network (INR Mn)



## Standalone Gross Additions of FA (INR Mn)



## Consolidated EBITDA & Margins (INR Mn)



## Share Price Performance

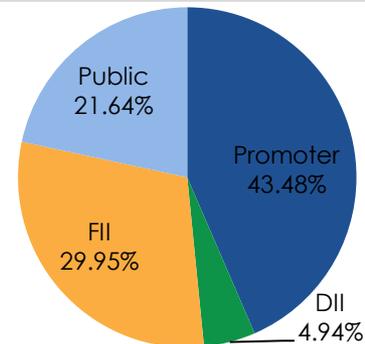


## Price Data (30<sup>th</sup> June, 2018)

INR

Face Value	2.0
Market Price	24.75
H/L (INR)	48.5/23.8
Market Cap (INR Mn)	20,555
Equity Shares Outstanding (Mn)	830.5

## Shareholding Pattern (30<sup>th</sup> June, 2018)



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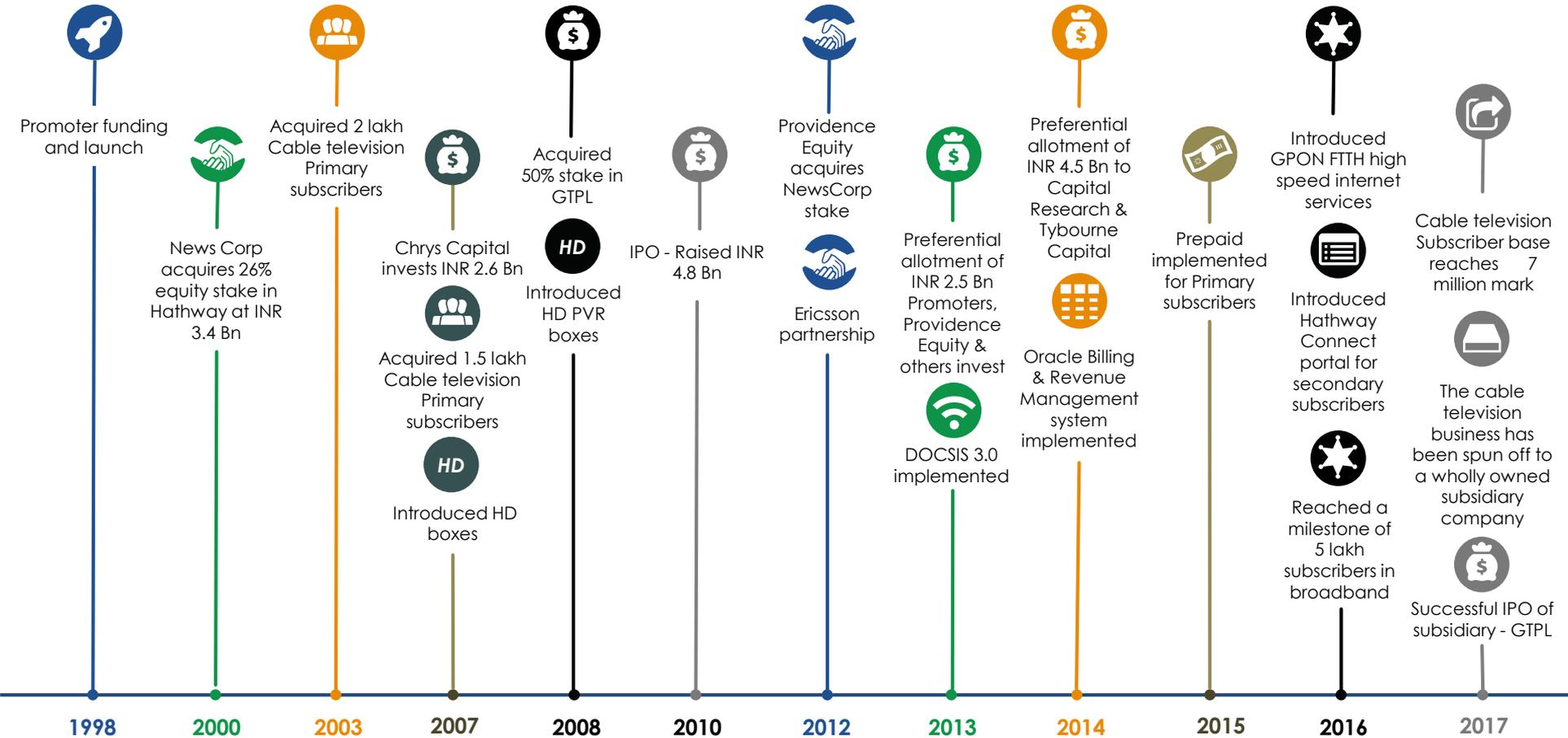
Email: [hathway@valoremadvisors.com](mailto:hathway@valoremadvisors.com)



**Thank You**

<b>APRU</b>	Average revenue per user
<b>CAS</b>	Conditional access system
<b>DTH</b>	Direct-to-home
<b>DVR</b>	Digital video recorder
<b>DTT</b>	Digital terrestrial TV
<b>xDSL</b>	Digital subscriber lines
<b>FTA</b>	Free-to-air TV
<b>FTTx</b>	Fiber-to-the-x, which refers to broadband network architecture that used optical fiber to provide last mile high-speed internet communication
<b>LCO</b>	Local cable operator
<b>MSO</b>	Multi-system cable operator
<b>OTT</b>	Over-the-top
<b>PPV</b>	Pay-per-view
<b>STB</b>	Set-top boxes
<b>SVOD</b>	Subscription-based video-on-demand, delivered via open (i.e. OTT) networks
<b>TVOD</b>	Transaction-based video-on-demand
<b>UHD</b>	Ultra-high definition TV
<b>VAS</b>	Value-added services
<b>VOD</b>	Video-on-demand

# Key Milestones



Year	8 Times	2011	2013	2015	2015	2016	2016	2016
Organized by	Indian Telly Awards	Star News Brand Excellence Awards	Euromoney	Aavishkar Media Group	Economic Times Best Tech Brand Award	Aavishkar Media Group	LACP Vision Awards	Aavishkar Media Group
Category	Quality Cable TV and Broadband Internet Services	Brand Excellence in Digital Products for Internet Services	Best Managed Media Companies in Asia	Most Outstanding MSO Broadband Service Provider And Best MSO of the Year	Contributing Significantly to the growth of Digital Cable Television in the country	Best MSO for Broadband Business And Most Outstanding National MSO	Silver Award for Excellence in Annual Report development in its Industry	Best MSO for Broadband Business
Award								