



SITI Networks Limited

Q1FY20 Investor Presentation

Formerly known as SITI Cable Network Limited
BSE : 532795 | NSE : SITINET | Bloomberg : SCNL:IN | Reuters : SITI.NS
www.sitinetworks.com



Disclaimer

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SITI Networks Declares Strong Q1FY20 Results



- Operating EBITDA leaps **1.5x** y-o-y to **Rs.841 Mn**
- Operating EBITDA Margins jumps **1.3x** y-o-y to **21.4%**
- Subscription Revenue surges **36.4%** y-o-y & **29%** q-o-q to **Rs.2,932 Mn**
- Total Revenue¹ rises **19.6%** y-o-y to **Rs.3,925 Mn**
- Digital Subscriber ARPU leaps **2x** y-o-y & **1.5x** q-o-q to **Rs.125**



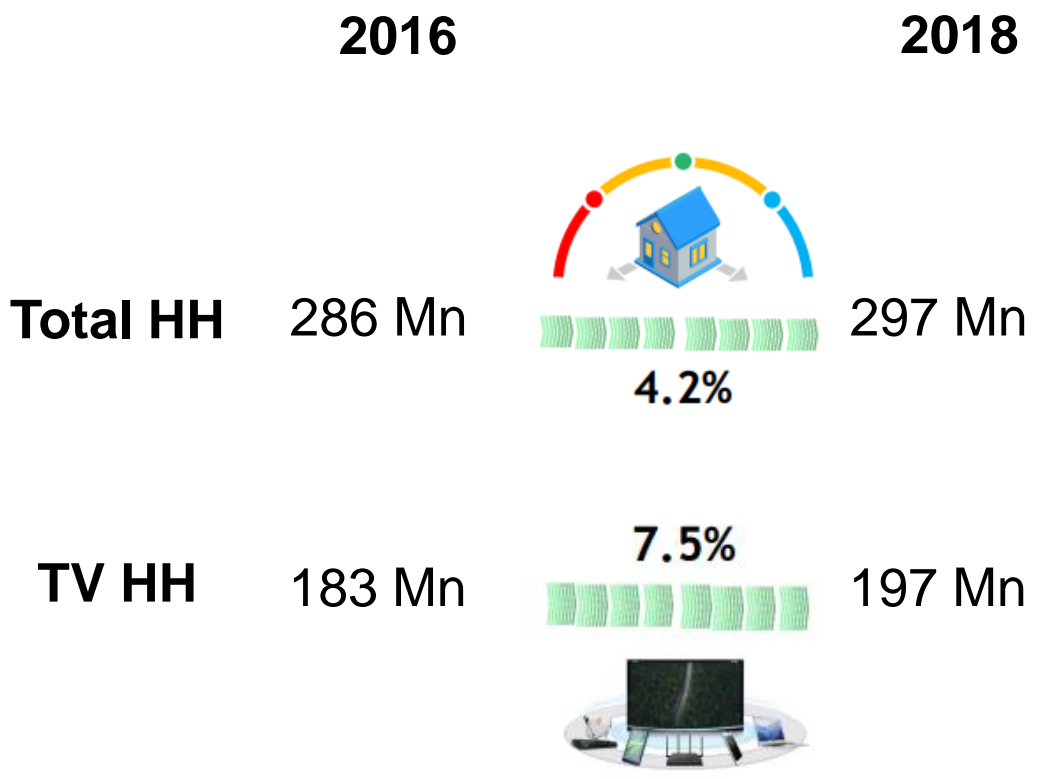
1. Excluding Activation

ZINDAGI KA **NETWORK**

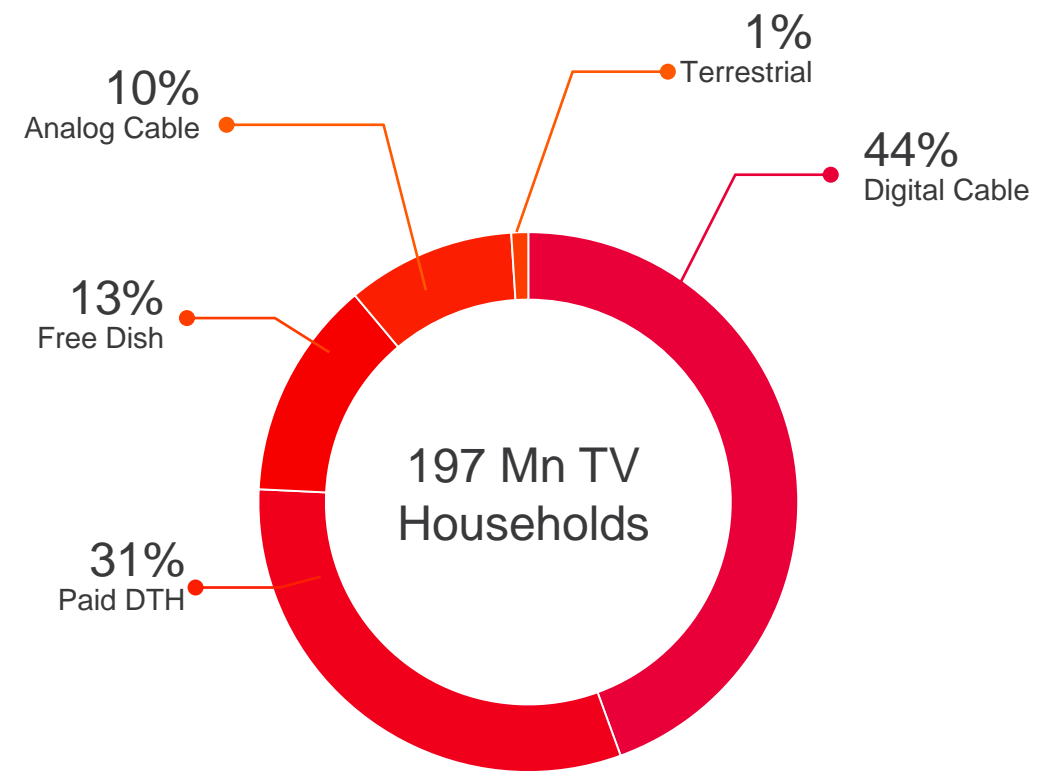
Industry Overview

India C &S Market Overview

TV Households are Growing Faster than the Universe



Penetration of TV HH has gone up from 64% in 2016 to 66% in 2018

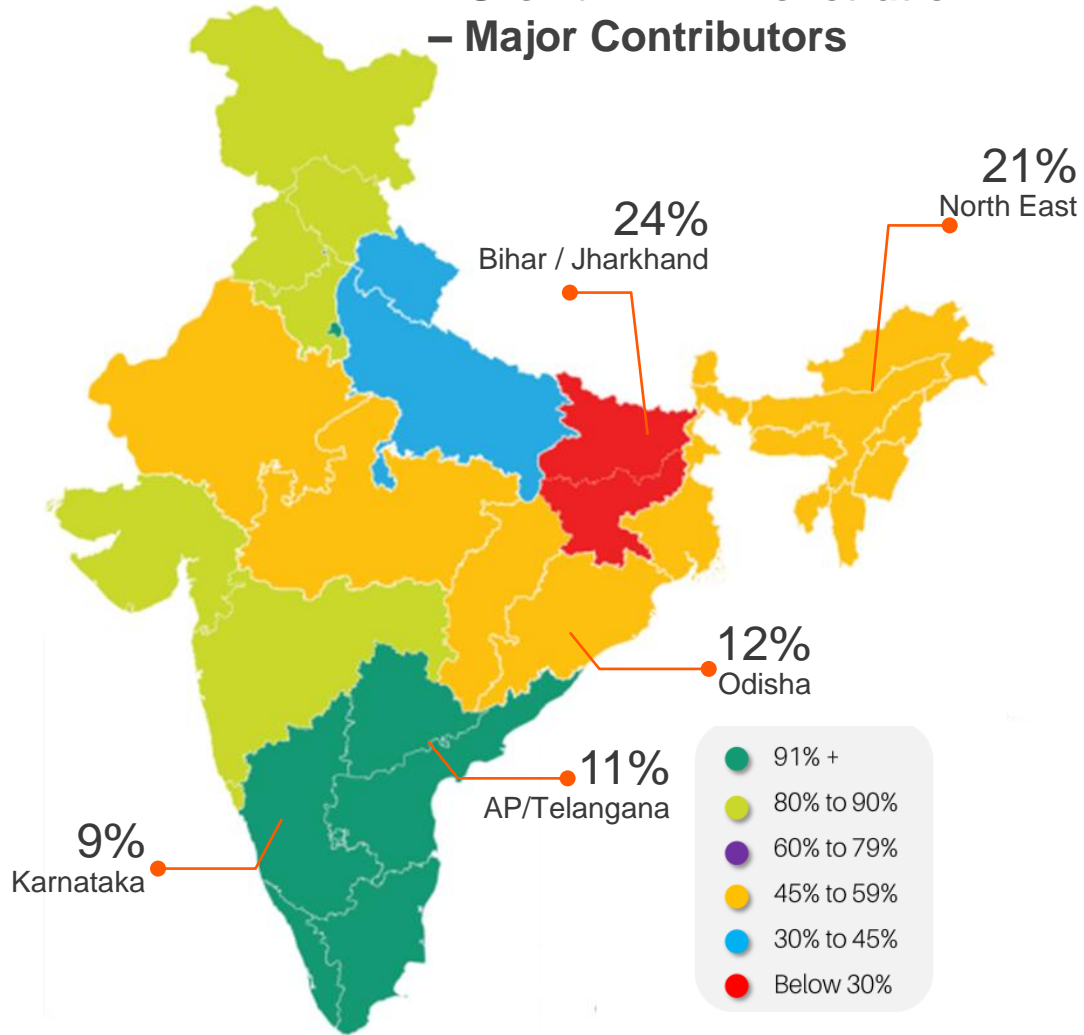


Cable (Digital + Analog) controls 54% of India's TV market

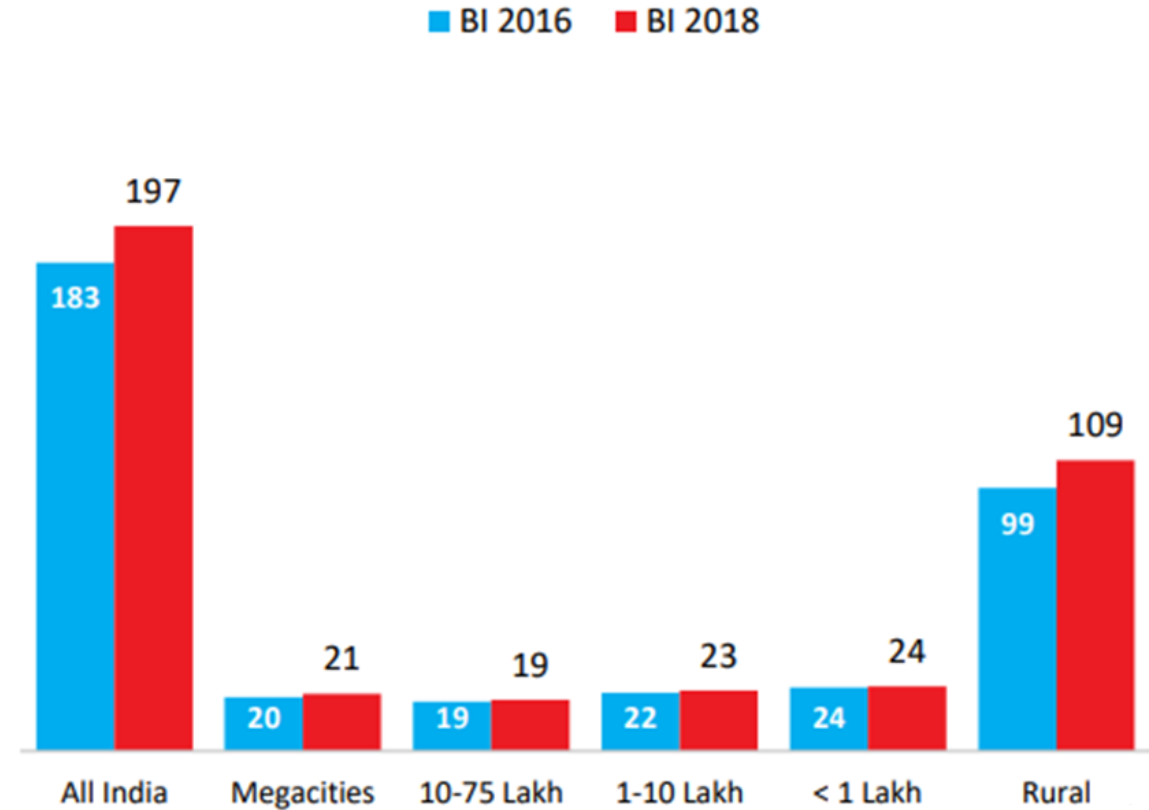
TV Homes Penetration

Maximum Growth in East & South India | Small Towns & Rural are key drivers of Growth

Growth in TV Penetration – Major Contributors



TV Owing HH (Millions)



Most Growth in TV Penetration in DAS Phase 3 & 4 areas

SITI Networks

Well Positioned to Benefit from Tariff Order

Subscription

- Subscribers pay Phase neutral Minimum Rental of INR130 for 100 FTA SD channels; Can take additional FTA channels in bundles of 25 channels for INR20 each
- **True A-La-Carte:** Discounts on Bouquets restricted to 15% of A-La-Carte price of Pay channels
- HD Channels priced at ≤ 3 SD Price or Maximum price of Genre
- Broadcasters to provide 20% distribution fee for collection and remittance of subscription

Carriage

- Marketing & placement fee retained
- Carriage capped @ 20 paisa & @ 40 paisa / subscriber/ channel/ month for SD & HD Channels respectively
 - $\geq 5\%$ to $< 10\%$ - 75% of Base to be charged.
 - $\geq 10\%$ to $< 15\%$ - 50% of Base to be charged.
 - $\geq 15\%$ to $< 20\%$ - 25% of Base to be charged.
 - $\geq 20\%$ - No Carriage Fee to be charged



Implementation of the network distribution model will shift the balance of power in favour of DPOs

Company Overview



NETWORKS

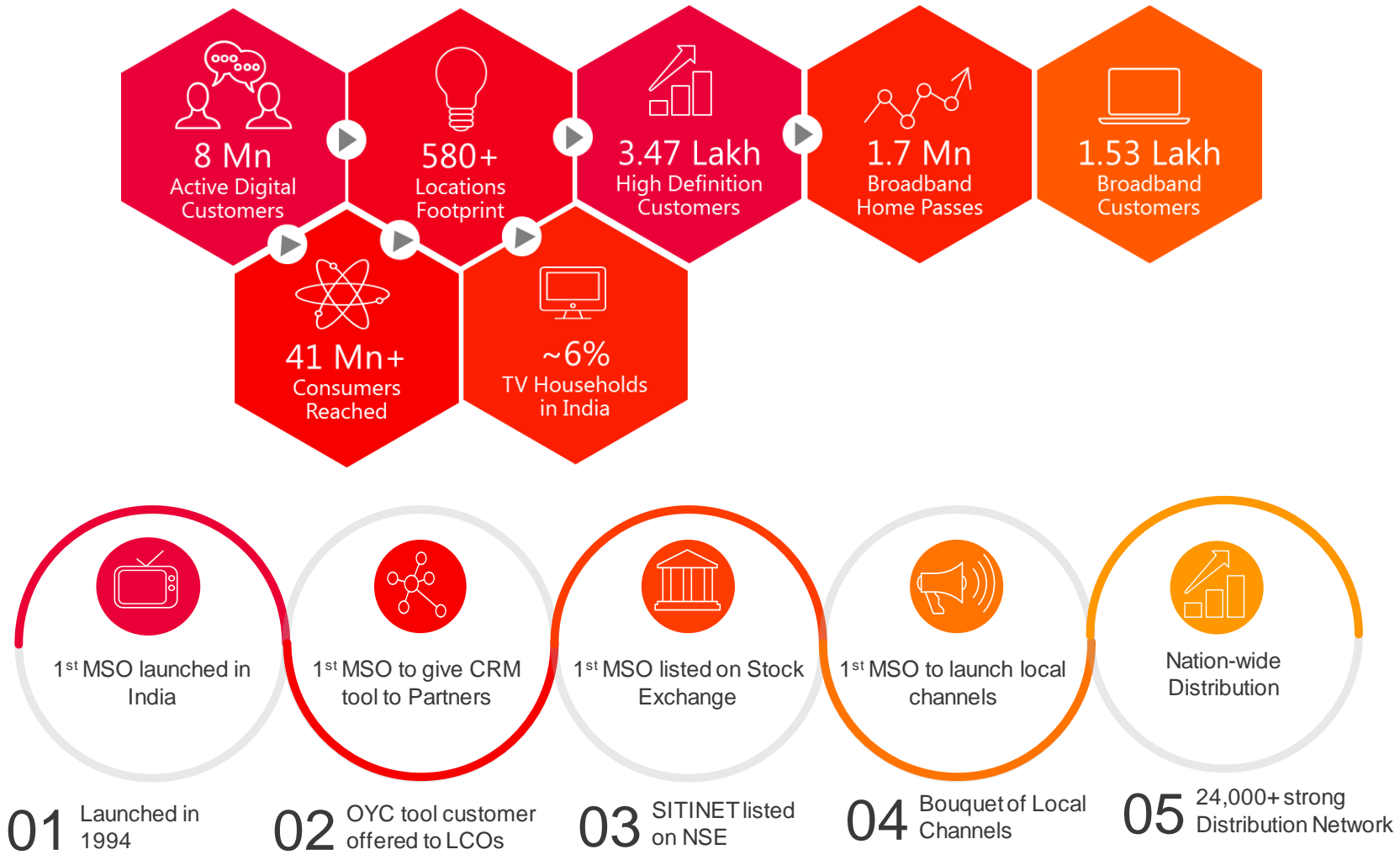
ZINDAGI ^{KA} NETWORK

- India's **Leading Digital TV Network**
- Present in **21+** States & UT across India
- Footprint across **580+** locations
- Delivering content to consumers 24/7



SITI Networks

India's Leading Digital TV Network



01 Launched in 1994

02 OYC tool customer offered to LCOs

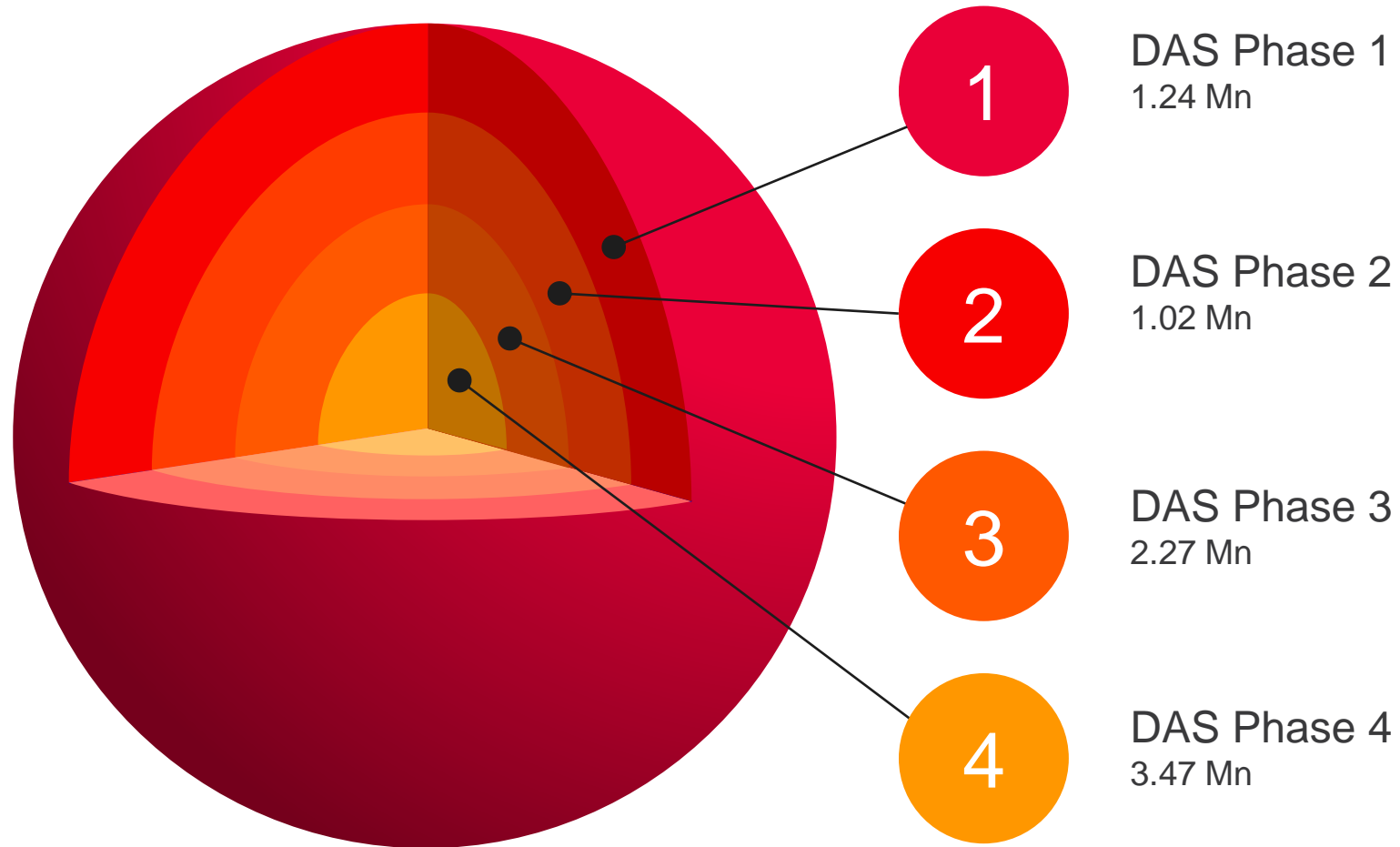
03 SITINET listed on NSE

04 Bouquet of Local Channels

05 24,000+ strong Distribution Network

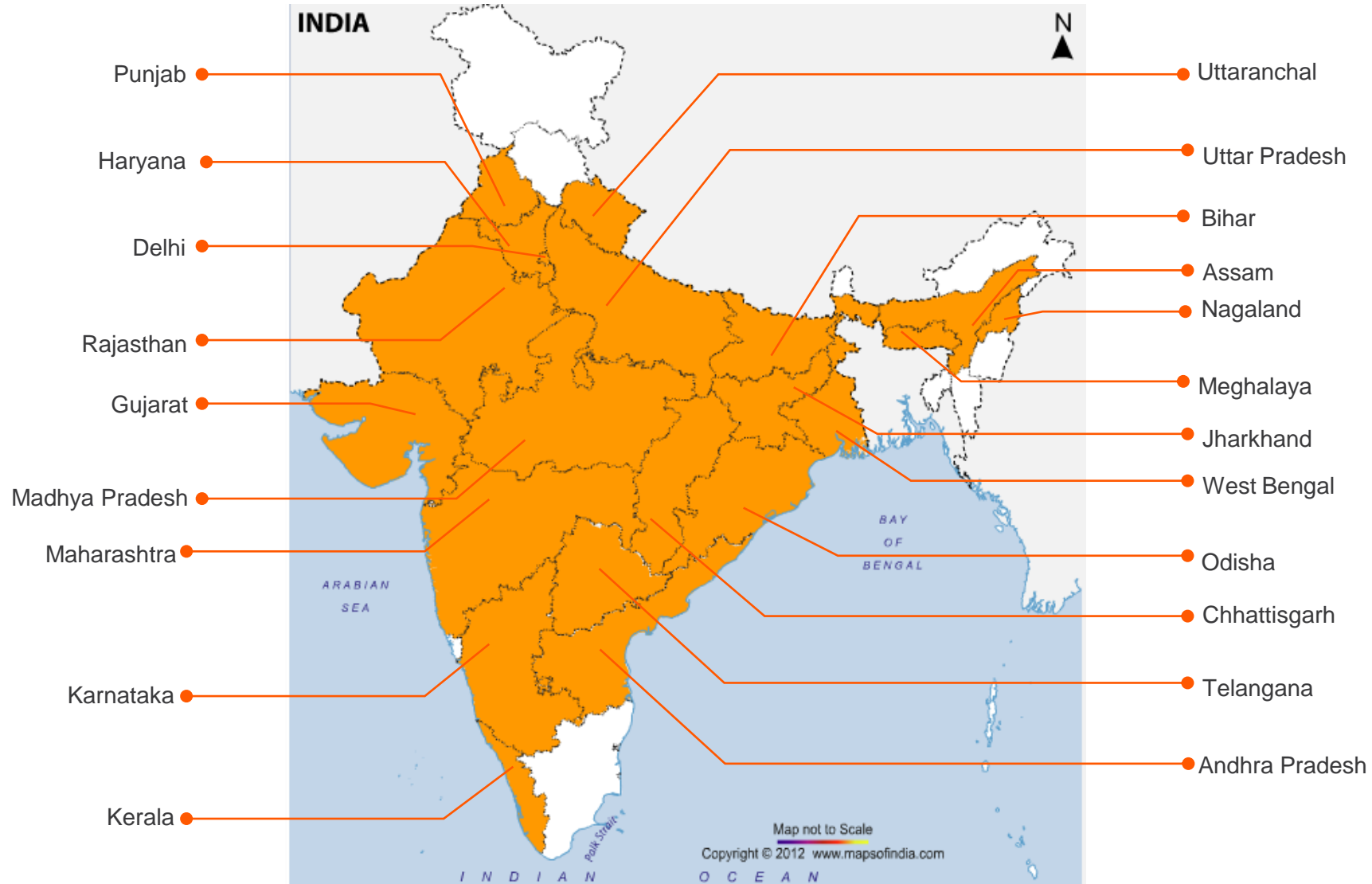
SITI Networks

8 Mn Happy Households across the country



SITI Networks

Present across 580+ locations



SITI Networks

Competitive Advantage



01

India's largest MSO
Presence across 580 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

Robust corporate governance & compliance
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): ~USD6.19 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
Networks

One of India's leading National MSOs

DNA
Newspaper

English broadsheet daily with presence in major cities

Content

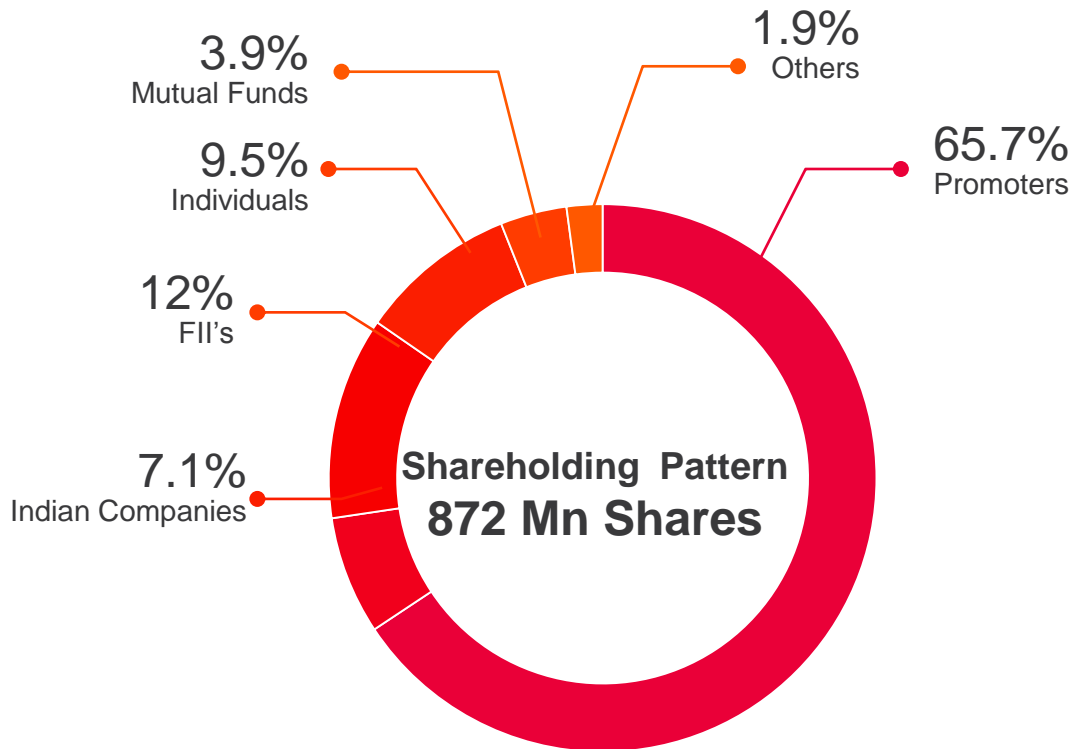
Distribution

Print

Other Business'

SITI Networks

Sizeable Free Float & Institutional Ownership







Key Investors

Foreign Institutions	 	
Domestic Institutions		

Technology Infrastructure

Video & Broadband

- 10 Digital Headends; Intra-city OFC and Coax Network of ~33,000 Kms covering ~ 580 locations
- Transport of Digital CATV signals on 1.2 Gbps links across the country; ~350 IP Points
- Hybrid (DOCSIS+ GPON) Technology to offer Cable Broadband services

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

Financials & Operating Metrics

Exceeded Expectation on Q1 FY20 Key Financial Metrics

Key Performance Indicators

Subscription revenue for Q1 FY20 at **Rs 2,932 mn**

Operational expenses for Q1 FY20 at **Rs 3,084 mn**

EBITDA Margin (Excl. Activation) improved **@ 21.4%**

Q1 FY 20 Subscription Collection Efficiency at **104%**

Blended ARPU at **Rs 125 (Excl Taxes)**

EBITDA (Excl. Activation) for Q1 FY20 at **Rs 841 mn**

Vs Q1 FY19

~36.4% increase in Q1 FY 20
(2,932mn vs 2,149 mn)

Expenses up by 12.8% in Q1
FY20 (3,084 mn vs 2,733 mn)

Q1 FY20 margin **Up by 1.3x**
(21.4% vs 16.7%)

Improved Collection efficiency
(104% vs 90% in Q1 FY 19)

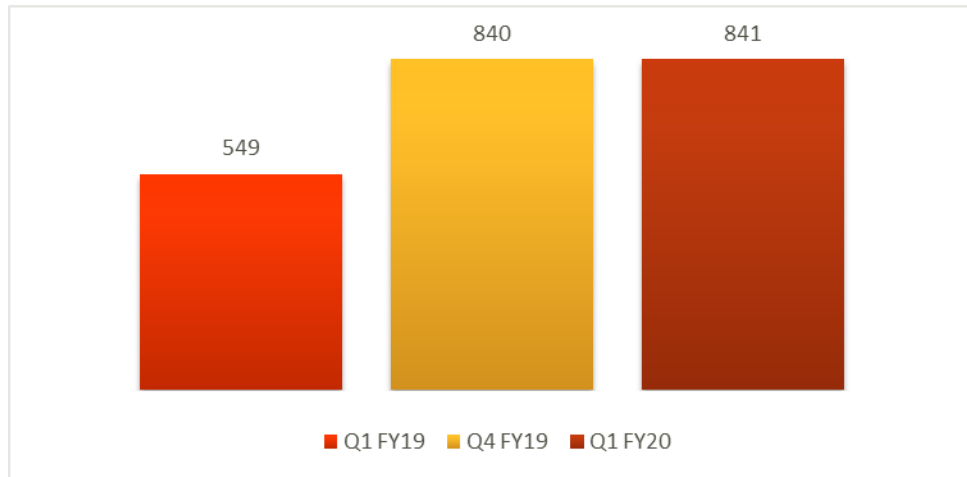
~2x increase in ARPU
(Rs 125 vs Rs 62.6)

1.5 x increase in Q1 FY20
EBITDA (841 mn vs 549 mn)

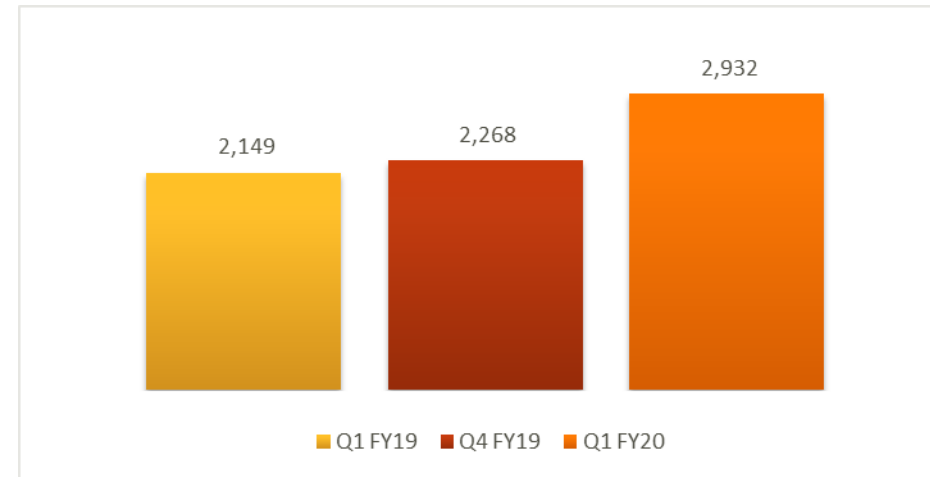
Q1 FY20

Robust Performance

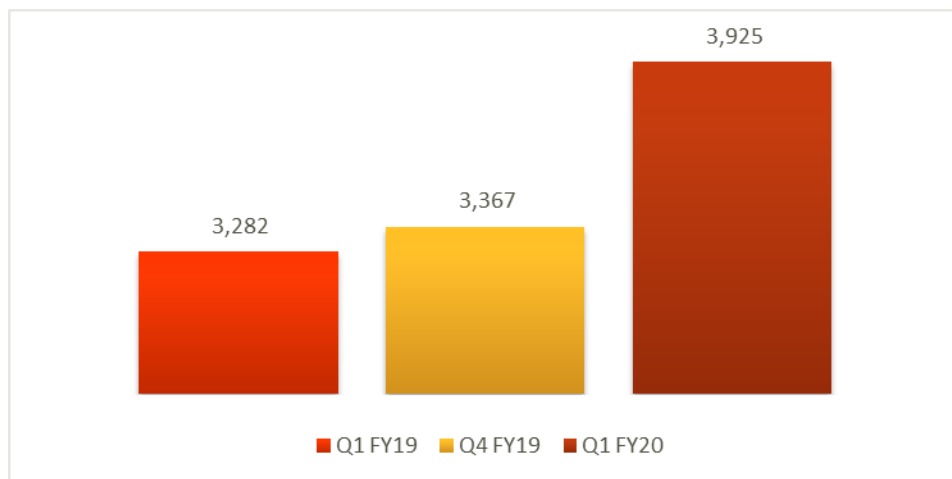
1.5x y-o-y Jump in Operating EBITDA



36.4% Y-o-Y & 29% Q-o-Q rise in Subs. Revenue



19.6% Y-o-Y Jump in Total Revenue¹

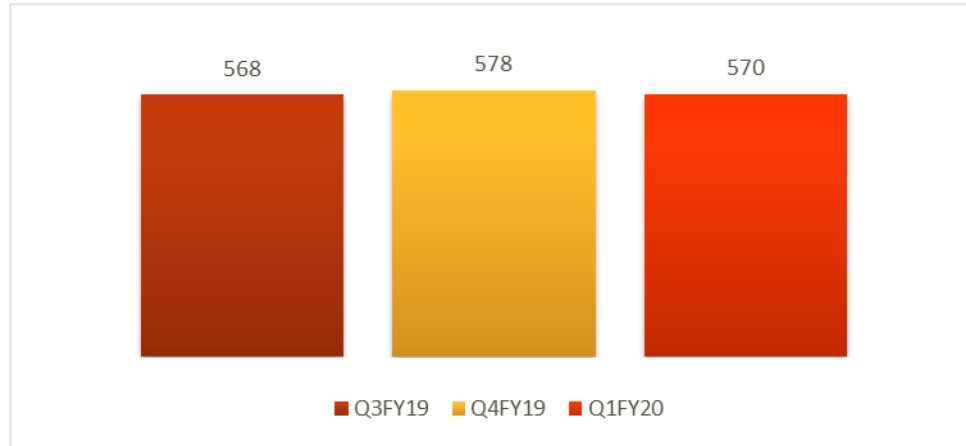


- Q1 FY20 Consolidated Revenues at Rs. 3,946 Mn
- Operating EBITDA Margins expanded 1.3x Y-o-Y to 21.4%

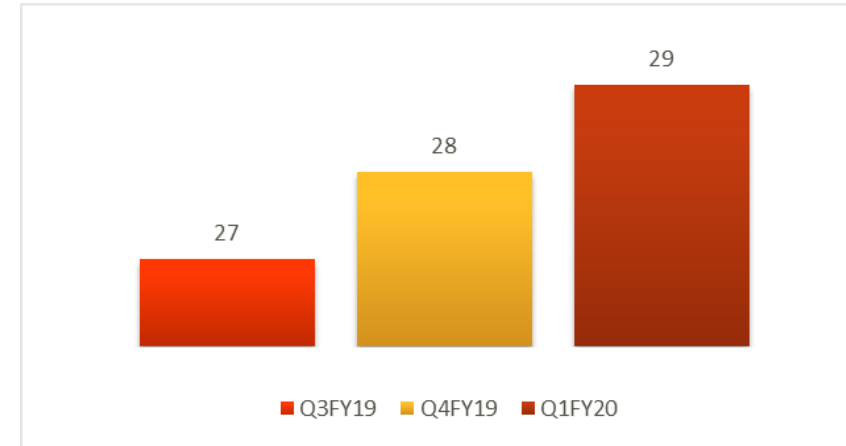
Q1 FY20 : Broadband Business

Stable performance

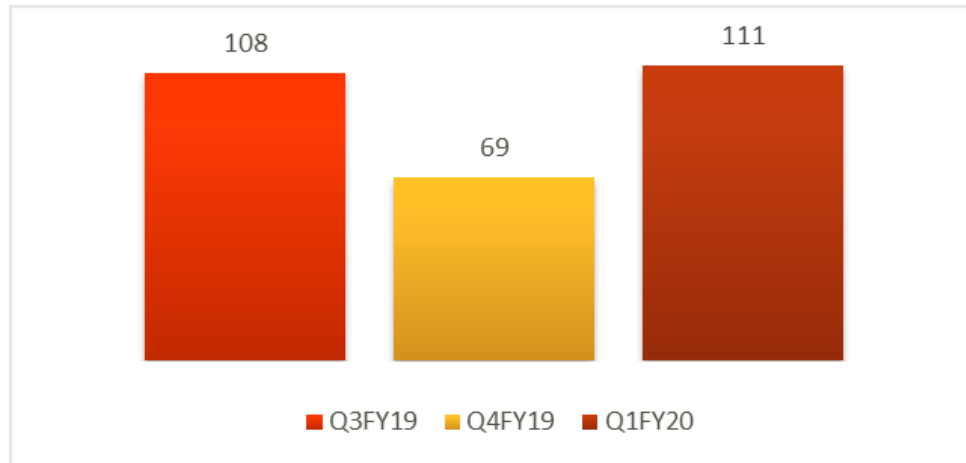
ARPU has been relatively stable (INR)



Average Speed per Customer is steady (MBPS)



Average Data Consumption has increased (GB/sub/month)



- Net Broadband base at 1.53 Lakhs
- Blended Broadband ARPU was steady at Rs.478
- ~29% of the DOCSIS base currently on long-term lock-in plans

Note: All metrics are for DOCSIS base unless otherwise stated

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Thank You

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