

# SITI Networks Limited

## Consolidated Financial Results Q2 FY18

Investor Release

3rd November 2017

**New Delhi, India; 3<sup>rd</sup> November 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 Second Quarter ended September 30, 2017.

***SITI delivers stellar revenue growth: H1 Revenue at INR727 Crores, up 30% YoY; H1 Subscription revenue up 44%; H1 Broadband revenue up 15%; H1 Operating EBITDA jumps 122% to INR49 Crores; ~25% of DOCSIS Broadband base transitioned to advanced rental plans***

### H1 FY18 Highlights

- Revenue at INR727 Crores; up 30% YoY
- Revenue, ex activation at INR598 Crores; up 23% YoY
- Subscription Revenue at INR375 Crores; up 44% YoY
- Broadband Revenue at INR51 Crores ; up 15% YoY
- EBITDA at INR178 Crores; up 84% YoY
- EBITDA, ex activation at INR49 Crores; up 122% YoY

### Q2 FY18 Highlights

- Revenue, ex activation at INR312 Crores; up 9% QoQ & 26% YoY
- Subscription Revenue at INR205 Crores; up 21% QoQ & 52% YoY
- Broadband Revenue at INR25 Crores ; up 2% YoY
- EBITDA at INR71 Crores; up 43% YoY
- EBITDA, ex activation at INR27 Crores; up 21% QoQ & 136% YoY
- Added 0.7 mn Video customers
- Broadband Subscriber Base at 2.38 Lakh

### Income Statement ( Ind AS, INR Crores)

	Period Ended	
	H1 FY 2018	H1 FY 2017
<b>Total Revenue (Including activation)</b>	<b>727</b>	<b>578</b>
Total Expenditure	549	481
<b>EBITDA</b>	<b>178</b>	<b>97</b>
Finance cost	70	58
Depreciation	152	112
<b>PBT</b>	<b>(44)</b>	<b>(73)</b>

Revenue Streams * (INR Crores)	H1 FY 2018	H1 FY 2017	Growth
Subscription	375	262	43.6%
Carriage	148	148	-0.1%
Activation	129	75	72.2%
Broadband	51	45	15.4%

\*On Net Billing Basis

### Income Statement (As per Ind AS)

(INR Crores)

	Quarter Ended		
	Q2 FY 2018	Q1 FY 2018	Q2 FY 2017
<b>Total Revenue (Including activation)</b>	<b>356</b>	<b>371</b>	<b>291</b>
Total Expenditure	285	264	242
<b>EBITDA</b>	<b>71</b>	<b>107</b>	<b>50</b>
Finance cost	37	33	28
Depreciation	79	73	57
<b>PBT</b>	<b>(46)</b>	<b>2</b>	<b>(35)</b>

Revenue Streams * (INR Million)	Q2 FY 2018	Q1 FY 2018	Q2 FY 2017	QoQ Growth	YoY Growth
Subscription	205	170	135	20.8%	52.0%
Carriage	71	77	76	-7.3%	-6.2%
Activation	44	85	38	-48.0%	15.3%
Broadband	25	26	25	-1.2%	2.2%

\*On Net Billing Basis

Operational Metrics	Quarter Ended	
	Q2 FY 2018	Q1 FY 2018
Cable Universe (Mn)	13.2	13.2
Active Video Subscribers (Mn)	11.1	10.6
Digital Subscribers added (Mn)	0.7	1.6
HD Subscribers ('000s)	254	220
Broadband Home Passes (Lakhs)	16.2	16.2
Broadband Subscribers (Lakhs)	2.38	2.40

### Operational Highlights

- **Video**

- Added 0.7 mn digital cable customers in West Bengal, Assam, Jharkhand, Gujarat, Andhra Pradesh and Telengana, primarily in Phase 4 areas
- Prepaid migration on track with 1.24 million subscribers brought under its ambit by 30<sup>th</sup> September 2017; Overall collection efficiency at 93% in H1FY18

- Ongoing realignment of operational expenses in process to ensure more efficient utilization and cost optimization of resources to improve recurring cashflows
- **Broadband**
  - About 55%-60% of acquisitions are now coming on longer duration plans. Currently, ~25% of DOCSIS base has been transitioned to advanced rental plans to improve customer stickiness. DOCSIS ARPU stands at INR613 whereas new Acquisition ARPU is at INR718; EOC ARPU at INR440
  - Launched Nagpur on 1<sup>st</sup> November on DOCSIS Technology with 72,000 home passes
- **Others**
  - Consolidated Gross Debt at INR1,395 Crores & Net Debt at INR1,276 Crores

While commenting on the results, **Mr. Rajesh Sethi, Chief Business Transformation Officer , SITI Networks** mentioned that

*“SITI displayed strong growth in Video as Q2 subscription income jumped 21% QoQ and 52% YoY with overall collection efficiency improving to 93% for H1FY18. We continue to improve monetization levels and leverage our customer base in Phase 3&4 territories.*

*An emphasis on cost optimization and instilling a lean culture is expected to drive efficiencies across the board and further aid the bottomline. At the same time, an organizational restructuring is underway to evolve SITI into a more nimble and effective organization. The above levers were demonstrated in the strong 21% QoQ increase in Q2 Operating EBITDA to INR27 Crores*

*In Broadband, focus on further enhancement of service levels to retain customers and new geographies expansion is expected to drive growth alongwith overall improvement in the pricing environment”*

## 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 33,000 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

**Ankit Saint**

E- mail: [ankit.saint@siti.esselgroup.com](mailto:ankit.saint@siti.esselgroup.com)

Phone: +91 0120 4526754; +91 9999766109

## Conference Call

On the 6<sup>th</sup> November 2017 for the Q2FY18 Results



### SITI Networks Limited

On 3<sup>rd</sup> November 2017, SITI Networks Limited (BSE: 532795, NSE: SITINET EQ) is due to announce its unaudited Financial Results for the Second Quarter and First Half 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.sitinet.com](http://www.sitinet.com)

To discuss the performance of the Company, a conference call has been scheduled on 6<sup>th</sup> November 2017

We take pleasure in inviting you to a discussion with the Senior Management of SITI Networks

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:** 6<sup>th</sup> November 2017

**Time:** 11:30 AM (India Time); 02:00 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

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**Conference Code:**

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