

**CMP: INR 29**  
**Outlook : Positive**

**Stock Info**

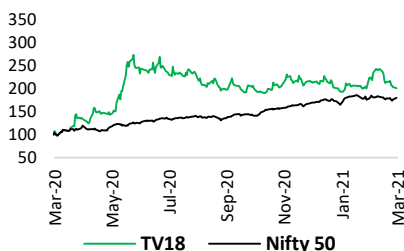
BSE	532800
NSE	TV18BRDCST
Bloomberg	TV18:IN
Reuters	TVEB.BO
Sector	Media & Ent.
Face Value (INR)	2
Equity Capital (INR cr)	343
Mkt Cap (INR cr)	4973
52w H/L (INR)	41 / 14
Avg Yearly Volume (in 000')	7276

**Shareholding Pattern %**

(As on December, 2020)

Promoters	60.40
FII	12.21
DII	8.93
Others	26.78

**TV18 Vs Nifty**



**Peer Comparison TTM basis (Dec 20)**

INR in cr	TV18	Sun TV	Zee Ent.
Revenue	4575	3132	7715
EBITDA	770	2025	470
EBITDAM (%)	16.8	64.7	6.1
PAT	367	1309	-242
PATM (%)	8.0	41.8	-3.1
EPS (Rs)	2.2	32.6	-2.5
PE(x)	13.2	14.2	NA
ROE(%)*	10.4%	24.7%	5.8%
D/E(x)*	0.5	0.0	0.1

Source: ACE Equity

\*as on FY20

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TV18 Broadcast Limited is the broadcast arm of media conglomerate Network18 Media & Investments Ltd. TV18 operates the news channels in 13 regional news channels under the brand, News18. TV18 also operates a 51:49 JV with Viacom Inc. which has a portfolio of entertainment and various regional entertainment channels under the brand, including various HD feeds of entertainment channels.

**Management Meet Highlights:**

- Advertising growth is much stronger than our expectations and has surprised us. Base impact is lower for next 2 quarters.
- Subscriber growth is visible in near term.
- Would continue to invest in regional foray. Have lost some market share but likely to recoup with innovative programming.
- Digital Advertising can go parallel with TV advertising. Actually some subscribers may opt for both platforms. In long term digital advertising would do better.
- In OTT space, focus is on subscriber gain and company has gained decent subscribers for VOOT programming.
- Some unique programming has done well and win accolades also.
- Lot of TV subscribers are watching it on digital space also.
- Some quarters can be heavy due to programs like Big Boss. However, there is no major impact due to regular program in non-fiction genre.
- Advertising in regional segments would grow faster than national advertising. Cannot afford to miss key market.
- On the business news channels, continue to remain leader across the genre with the competitors.
- Not much impact of BARC (Broadcast Audience Research Council) ban on news rating.
- Cross-selling opportunity available across the segments.
- Margins are likely to remain between 15-20 pc across the segments as per our understanding.
- Company can post healthy revenue growth going forward across the segments.
- There is no progress about merger between group companies as of now. Our view is recent stake sale in Den & Hathway is a pre cursor to merger.
- Have seen pick up in margins to pre covid also.
- With pick up in digitalisation, company has seen lower carriage fees as net distribution income witnessed smart growth in last few years.
- Some of the cost efficiencies would remain post Covid also.

**Outlook :** We maintain positive view on TV18 and key triggers are likely to be revival in advertising growth, lower losses in regional foray, higher net distribution income, pick up in margins. The only negative is uncertainty about merger. Maintain positive outlook on the stock.

**Consolidated Financials**

INR in cr	FY20	9MFY21	FY21E	FY22E	FY23E
Revenue	5175	3150	4771	5536	5736
EBITDA	703	529	747	952	926
EBITDAM (%)	13.6%	16.8%	15.7%	17.2%	16.1%
PAT	409	450	565	655	628
PATM (%)	7.9%	14.3%	11.8%	11.8%	10.9%
EPS	1.4	2.6	4.0	5.0	4.0
PE(x)	20.6	11.2	7.3	5.8	7.3

Source: Arihant Research, Company Filings

E=Bloomberg estimates

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**Stock Rating Scale**

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

**Absolute Return****Research Analyst  
Registration No.****Contact****Website****Email Id**

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