

# D B Corp

BSE SENSEX  
32,246

S&P CNX  
9,966

**CMP: INR372**

**TP: INR450 (+21%)**

**Buy**

Motilal Oswal values your support in the Asiamoney Brokers Poll 2017 for India Research, Sales and Trading team. We [request your ballot](#).



Bloomberg	DBCL IN
Equity Shares (m)	183.4
M.Cap. (INR b) / (USD b)	66/1.0
52-Week Range (INR)	448 / 345
1, 6, 12 Rel. Per (%)	-6/-16/-25
Avg Val (INR m)	138
Free float (%)	30.1

## Financials & Valuation (INR Billion)

Y/E MAR	2017	2018E	2020E
Net Sales	22.4	24.4	26.5
EBITDA	6.4	7.2	8.1
Adj. Net Profit	3.7	4.4	5.1
Adj. EPS (INR)	20.4	23.7	27.6
Adj. EPS Gr. (%)	25.8	16.5	16.1
BV/Sh (INR)	86.7	97.4	109.8
RoE (%)	25.5	25.8	26.6
RoCE (%)	23.0	24.1	25.0
P/E (x)	18.4	15.8	13.6
P/BV (x)	4.3	3.9	3.4

Estimate change



TP change



Rating change



## In-line quarter; maintain estimates and target price

- Operational performance largely in-line:** DBCL's 1QFY18 EBITDA grew 3% YoY to INR1.86b, (largely in-line; our estimate: INR1.85b). Revenue grew 4% YoY to INR5.94b (in-line) as better than expected print ad revenue made up for the circulation disappointment. PAT grew 6% to INR1.1b (our estimate: INR1.12b).
- Ad growth healthier than expected:** Print ad revenue grew 4.5% YoY to INR3.9b (our estimate: INR3.85b), despite the high base of 1QFY17 (20% ad growth) and the impact of impending GST implementation on print ad industry. While HMVL saw flat ad revenue, DBCL's ad growth seems healthy. The ad growth run rate pre-GST (April and May) was 7.5-8%. We have modeled 9% CAGR in ad revenue over FY17-19.
- Circulation growth moderates, falls short of expectations:** Circulation revenue grew 5% YoY to INR1.23b (our estimate: INR1.27b). Growth was largely led by yield improvement in mature markets. The management intends to rev up circulation growth, given that the ad environment is improving. We have modeled 9% CAGR in circulation over FY17-19.
- Margins contract by 40bp; largely in-line:** Margins declined 40bp YoY to 31.4% (our estimate: 31.1%), despite higher-than-expected RM and SG&A costs. Lower-than-expected employee costs more than cushioned the spike in RM and SG&A expenses. RM costs grew 6.8% YoY (price-led) to INR1.71b (our estimate: INR1.69b), constituting 28.7% of revenue.
- Maintain Buy rating, target price:** We maintain our PAT estimates, which factor in 9% CAGR in ad/circulation revenue. DBCL trades at 15.8x FY18E and 13.6x FY19E EPS. Maintain **Buy**, with a target price of INR450 (16x FY19E EPS; 11% discount to average P/E of 18x since listing).

## Quarterly Performance

Y/E March	(INR Million)									
	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Sales	5,704	5,287	6,273	5,171	5,942	5,692	7,094	5,636	22,435	24,366
YoY (%)	20.5	10.6	7.1	0.6	4.2	7.7	13.1	9.0	9.4	8.6
Operating Expenses	3,892	3,782	4,290	4,049	4,079	4,204	4,527	4,321	16,013	17,131
EBITDA	1,812	1,505	1,982	1,122	1,863	1,488	2,567	1,315	6,422	7,235
YoY (%)	48.7	33.6	6.1	-1.7	2.8	-1.1	29.5	17.2	19.9	12.7
EBITDA margin (%)	31.8	28.5	31.6	21.7	31.4	26.1	36.2	23.3	28.6	29.7
Depreciation	211	216	218	218	220	225	227	224	863	896
Interest	34	6	30	5	16	9	9	9	74	43
Other Income	41	41	36	51	70	84	84	84	170	321
PBT	1,608	1,325	1,771	950	1,698	1,338	2,415	1,166	5,654	6,617
Tax	568	440	590	309	597	450	811	392	1,907	2,250
Effective Tax Rate (%)	35.3	33.2	33.3	32.5	35.1	33.6	33.6	33.6	33.7	34.0
PAT	1,040	885	1,181	641	1,101	889	1,604	774	3,747	4,367
Minority Interest	0	0	0	0	0	0	0	0	0	0
Adj PAT	1,040	885	1,181	641	1,101	889	1,604	774	3,747	4,367
YoY (%)	56.5	47.3	10.6	-0.2	5.9	0.4	35.8	20.7	25.9	16.6

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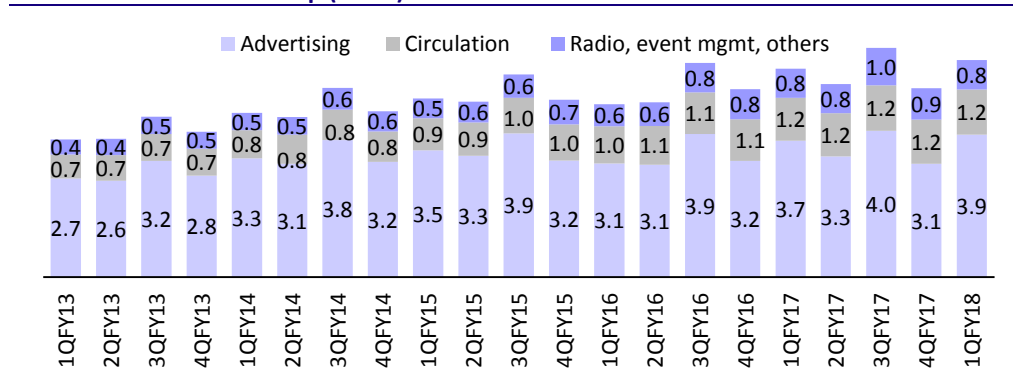
**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

Motilal Oswal research is available on [www.motilalosal.com/Institutional-Equities](http://www.motilalosal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**Print ad revenue up 4.5% YoY; Circulation up 5% YoY**

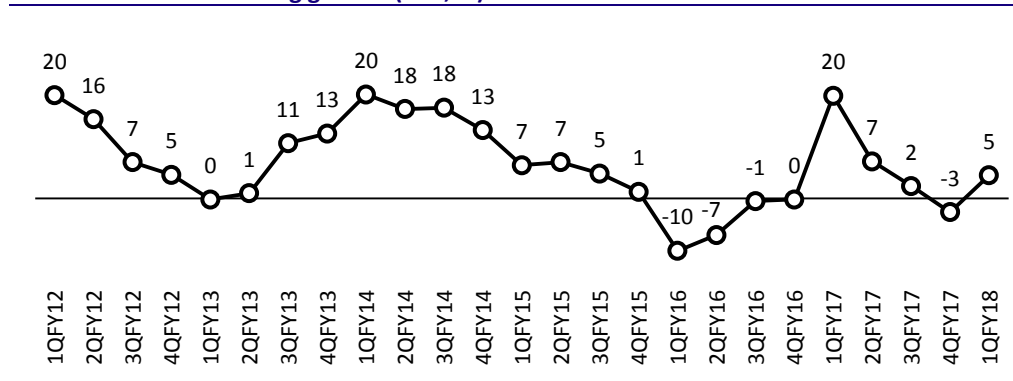
- Revenue grew 4% YoY to INR5.94b (in-line).
- Print advertisement revenue grew 4.5% YoY (1.5% above est: INR3.85b).
- Circulation revenue growth moderated to 5% YoY to INR1.23b (vs. est: INR1.27b). Growth was primarily yield driven, largely coming from Mature markets

**Exhibit 1: Revenue break-up (INR b)**



Source: Company, MOSL

**Exhibit 2: Print advertising growth (YoY, %)**

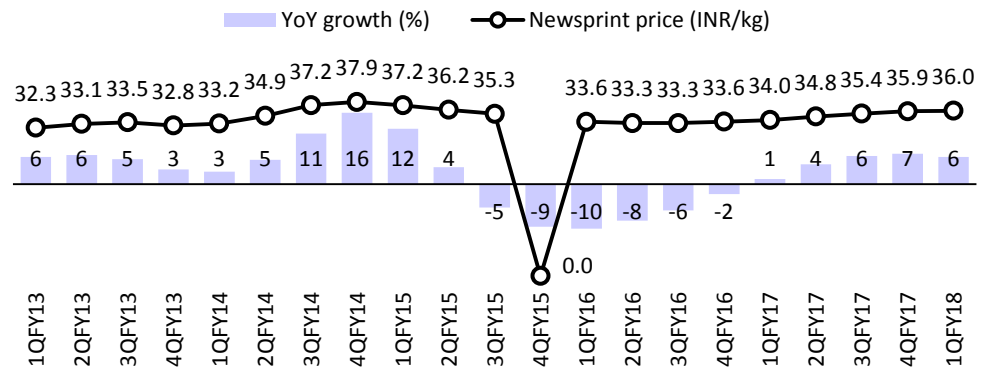


Source: Company, MOSL

**EBITDA margin largely flat YoY**

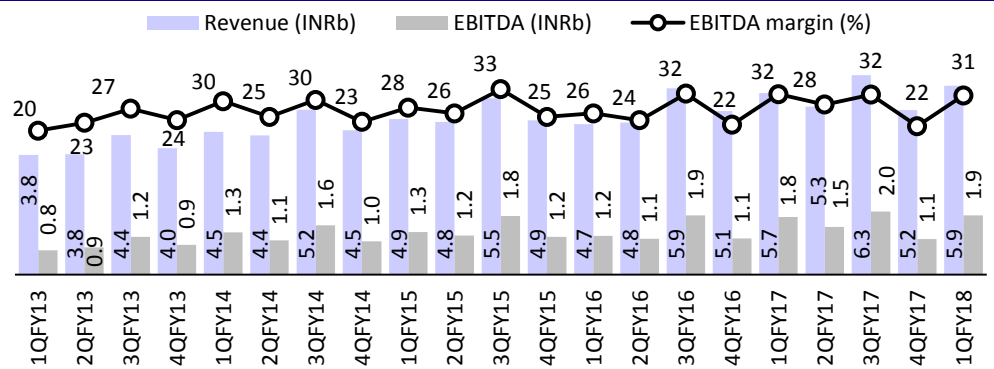
- EBITDA grew ~3% YoY to INR1.86b (largely in-line). EBITDA margin marginally declined 40bp YoY to 31.4% (vs est of 31.1%).
- RM costs grew 6.8% YoY to INR1.71b (vs est: INR1.69b);
- Employee costs increased 2% YoY to INR1.09b (vs. est: 1.15b).
- Newsprint price grew 6%/flat YoY/QoQ to ~INR35,988/ton.

**Exhibit 3: Newsprint price and YoY growth**



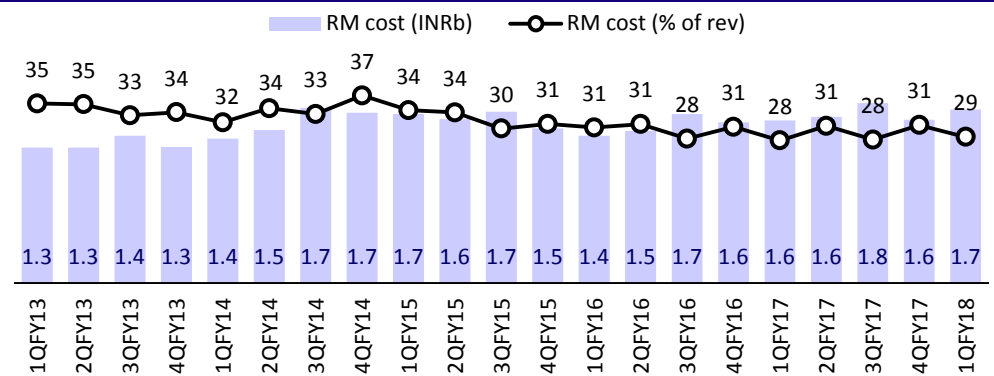
Source: Company, MOSL

**Exhibit 4: Revenue, EBITDA and EBITDA margin trend**



Source: Company, MOSL

**Exhibit 5: RM cost trend**



Source: Company, MOSL

**Emerging business EBITDA losses at 62m**

- Overall, Emerging business, including mobile app downloading and E real estate, reported EBITDA losses of INR62m vs EBITDA losses of INR76m in 4QFY17.
- Mature editions EBITDA margin stood at 37% in 1QFY18 vs 27% in 4QFY17.

**Exhibit 6: DB Corp: Revenue/EBITDA break-up of mature vs emerging editions (incl. other income)**

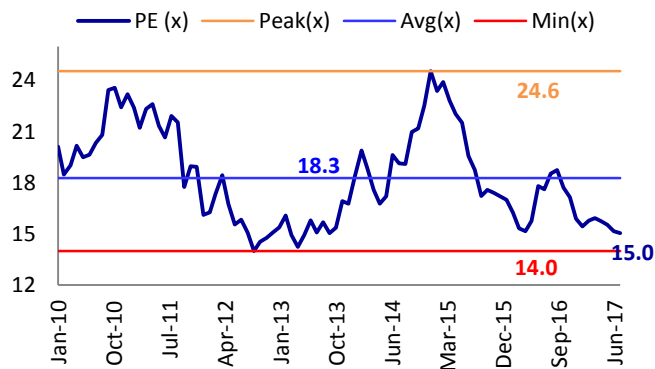
INR b	1QFY15	2QFY15	3QFY15	4QFY15	1QFY16	2QFY16	3QFY16	4QFY16	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18
<b>Revenue</b>	<b>4.72</b>	<b>4.55</b>	<b>5.22</b>	<b>4.60</b>	<b>4.49</b>	<b>4.50</b>	<b>5.46</b>	<b>4.85</b>	<b>5.34</b>	<b>4.89</b>	<b>5.75</b>	<b>4.75</b>	<b>5.58</b>
Mature Editions	4.18	3.98	4.59	3.67	4.11	4.04	4.89	4.37	5.19	4.73	5.56	4.58	5.39
Emerging Editions	0.54	0.57	0.64	0.93	0.39	0.45	0.57	0.48	0.16	0.16	0.19	0.17	0.19
<b>EBITDA</b>	<b>1.38</b>	<b>1.20</b>	<b>1.78</b>	<b>1.21</b>	<b>1.30</b>	<b>1.15</b>	<b>1.81</b>	<b>1.21</b>	<b>1.81</b>	<b>1.44</b>	<b>1.89</b>	<b>1.15</b>	<b>2.06</b>
Mature Editions	1.46	1.27	1.74	1.34	1.40	1.26	1.81	1.30	1.86	1.51	1.95	1.22	2.00
Emerging Editions	-0.08	-0.07	0.04	-0.13	-0.10	-0.12	0.00	-0.10	-0.05	-0.07	-0.06	-0.08	0.06
<b>Operating cost</b>	<b>3.34</b>	<b>3.35</b>	<b>3.44</b>	<b>3.39</b>	<b>3.20</b>	<b>3.35</b>	<b>3.65</b>	<b>3.64</b>	<b>3.53</b>	<b>3.45</b>	<b>3.86</b>	<b>3.60</b>	<b>3.52</b>
Mature Editions	2.72	2.71	2.85	2.33	2.71	2.78	3.08	3.07	3.32	3.22	3.61	3.36	3.39
Emerging Editions	0.62	0.64	0.59	1.06	0.49	0.57	0.57	0.57	0.21	0.23	0.24	0.25	0.13
<b>EBITDA margin (%)</b>	<b>29</b>	<b>26</b>	<b>34</b>	<b>26</b>	<b>29</b>	<b>26</b>	<b>33</b>	<b>25</b>	<b>34</b>	<b>29</b>	<b>33</b>	<b>24</b>	<b>37</b>
Mature Editions	35	32	38	37	34	31	37	30	36	32	35	27	37
Emerging Editions	-15	-13	7	-14	-26	-26	0	-20	-34	-43	-31	-45	32

Source: MOSL, Company

**Valuation and view**

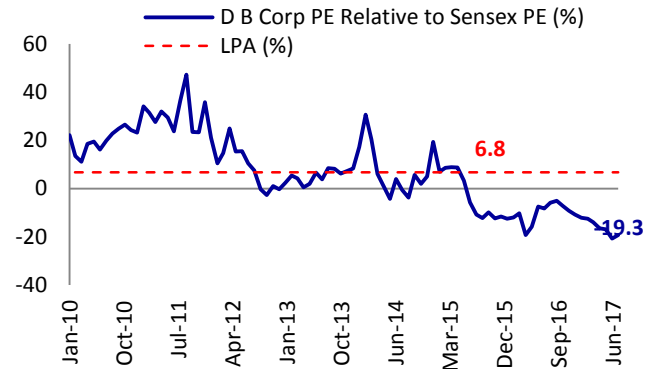
- DBCL is a leading media conglomerate that enjoys dominant position in all its major markets across multiple languages.
- DBCL has a track record of investing in growth drivers upfront (adding new geographies/segments) and reaching the stipulated break-even targets within the specified time-frame.
- Going forward, we expect DBCL to benefit from three trends: 1) Rebound in GDP growth, which will drive ad spends coupled with the much awaited ad volume rebound; 2) Benign commodity prices will aid gross margins for consumer-facing companies, which are expected to re-invest in branding/advertising; and 3) long-term newsprint contracts to hedge any spike in newsprint costs, which constitute ~31-32% of revenue.
- Newsprint prices at best expected to increase 1-2% YoY in FY18 as per the management. We model a 1% increase each in newsprint prices in FY18/FY19, which will result in 6%/7% escalation each (pricing and volume together) in FY18/FY19.
- While ad growth has remained elusive over 2 years now (In FY16 due to DBCL's push to increase yields and in FY17 due to demonetization, 1HFY18 due to GST), We expect a rebound in 2HFY18—once ad volumes pick up. We largely maintain our PAT estimates We expect 16% PAT CAGR over FY17-19.
- The stock trades at a P/E of 15.8x FY18E and 13.6x FY19E. Maintain **Buy** with a target price of INR450, based on a P/E of 16x FY19 EPS (~11% discount to average P/E of 18x since listing).

Exhibit 7: DB Corp: PE band chart



Source: Company, MOSL

Exhibit 8: DB Corp: Relative PE vs Sensex



Source: Company, MOSL

Exhibit 9: Quarterly Performance (INR m)

	1QFY17	4QFY17	1QFY18	YoY (%)	QoQ (%)	1QFY18E	v/s est (%)
Advertising revenue (print)	3,734	3,097	3,903	4.5	26.0	3,845	1.5
Circulation revenue	1176	1217	1234	4.9	1.4	1270	-2.8
Others	794	857	806	1.5	-6.0	826	-2.5
<b>Revenue</b>	<b>5,704</b>	<b>5,171</b>	<b>5,943</b>	<b>4.2</b>	<b>14.9</b>	<b>5,942</b>	<b>0.0</b>
Total operating cost	3,892	4,049	4,079	4.8	0.7	4,095	-0.4
<b>EBITDA</b>	<b>1,812</b>	<b>1,122</b>	<b>1,864</b>	<b>2.9</b>	<b>66.1</b>	<b>1,847</b>	<b>0.9</b>
EBITDA margin (%)	31.8	21.7	31.4	-40bps	967bps	31.1	28bps
Depreciation	211	218	220	4.2	0.8	220	0.0
<b>EBIT</b>	<b>1,601</b>	<b>904</b>	<b>1,644</b>	<b>2.7</b>	<b>81.9</b>	<b>1,627</b>	<b>1.0</b>
Interest	34	5	16	-54.1	227.0	11	41.8
Other Income	41	51	70	69.0	37.1	80	-13.0
<b>PBT</b>	<b>1,608</b>	<b>950</b>	<b>1,698</b>	<b>5.6</b>	<b>78.8</b>	<b>1,696</b>	<b>0.1</b>
Tax	568	309	597	5.0	93.5	577	3.5
Tax rate (%)	35.3	32.5	35.1	-19bps	267bps	34.0	115bps
<b>PAT</b>	<b>1,040</b>	<b>641</b>	<b>1,101</b>	<b>5.9</b>	<b>71.7</b>	<b>1,120</b>	<b>-1.6</b>
<b>Operating expenses (INR m)</b>							
Raw material	1,600	1,606	1,708	6.8	6.3	1,686	1.3
Employee	1,068	1,059	1,091	2.1	3.0	1,153	-5.4
Others	1,225	1,384	1,281	4.6	-7.5	1,256	2.0
<b>Total</b>	<b>3,892</b>	<b>4,049</b>	<b>4,079</b>	<b>4.8</b>	<b>0.7</b>	<b>4,095</b>	<b>-0.4</b>
<b>Opex (% of revenue)</b>							
Raw material	28.0	31.1	28.7	69bps	-232bps	28.4	36bps
Employee	18.7	20.5	18.4	-37bps	-213bps	19.4	-106bps
Others	21.5	26.8	21.6	8bps	-521bps	21.1	42bps

Source: Company, MOSL

**Exhibit 10: DB Corp: A Snapshot**

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E
<b>Print ad revenue (INR b)</b>	<b>7.7</b>	<b>9.5</b>	<b>10.7</b>	<b>11.3</b>	<b>13.3</b>	<b>13.9</b>	<b>13.3</b>	<b>14.1</b>	<b>15.4</b>	<b>16.8</b>
<b>YoY (%)</b>	<b>11</b>	<b>23</b>	<b>12</b>	<b>6</b>	<b>17</b>	<b>5</b>	<b>-5</b>	<b>6</b>	<b>9</b>	<b>9</b>
<b>Circulation revenue (INR b)</b>	<b>2.1</b>	<b>2.1</b>	<b>2.4</b>	<b>2.8</b>	<b>3.2</b>	<b>3.8</b>	<b>4.4</b>	<b>4.8</b>	<b>5.2</b>	<b>5.7</b>
<b>YoY (%)</b>	<b>6</b>	<b>4</b>	<b>13</b>	<b>16</b>	<b>15</b>	<b>16</b>	<b>16</b>	<b>11</b>	<b>9</b>	<b>9</b>
Av circulation/day -Group (m)	3.5	4.0	4.6	4.7	4.8	5.1	5.2	5.4	5.6	5.7
YoY (%)	-3	14	16	1	3	6	2	3	3	3
Newsprint price (USD/ton)	531	594	650	604	597	586	521	532	537	543
YoY (%)	-18	12	9	-7	-1	-2	-11	2	1	1
RM cost/Revenue (%)	31	30	35	34	34	32	30	29	29	28
<b>Revenue mix (%)</b>										
Print ad revenue	73	75	73	71	71	69	65	63	63	63
Circulation revenue	19	17	17	18	17	19	21	21	21	21
Other	8	8	10	11	11	12	14	16	15	15

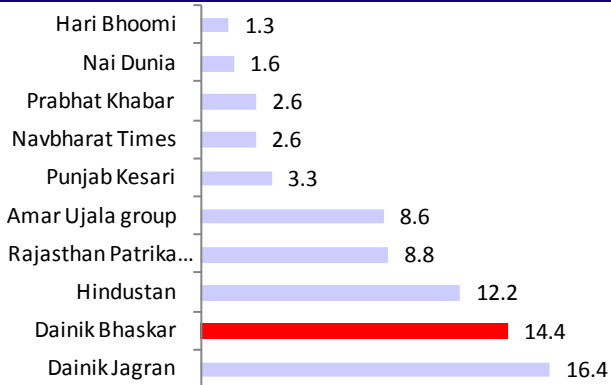
**Exhibit 11: Summary of estimate change (INR b)**

	FY18E	FY19E
<b>Print advertising revenue</b>		
Old	15.4	16.8
Actual/New	15.4	16.8
Change (%)	0.0	0.0
<b>Print circulation revenue</b>		
Old	5.2	5.7
Actual/New	5.2	5.7
Change (%)	0.0	0.0
<b>Revenue</b>		
Old	24.4	26.5
Actual/New	24.4	26.5
Change (%)	0.0	0.0
<b>Operating Costs</b>		
Old	17.2	18.5
Actual/New	17.1	18.4
Change (%)	-0.2	-0.2
<b>EBITDA</b>		
Old	7.2	8.0
Actual/New	7.2	8.1
Change (%)	0.4	0.4
<b>EBITDA margin (%)</b>		
Old	29.6	30.3
Actual/New	29.7	30.4
Change (bp)	12	12
<b>PAT</b>		
Old	4.35	5.05
Actual/New	4.37	5.07
Change (%)	0.4	0.4
<b>EPS (INR)</b>		
Old	23.6	27.5
Actual/New	23.7	27.6
Change (%)	0.4	0.4

Source: Company, MOSL

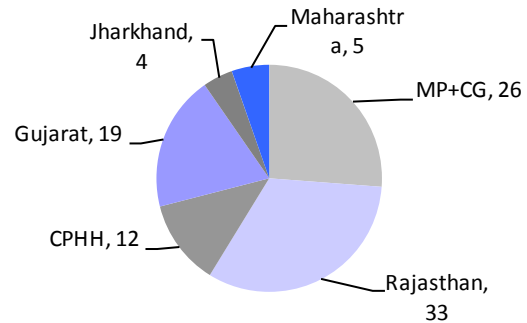
Story in charts

Exhibit 11: Hindi dailies: Brand wise readership (m)



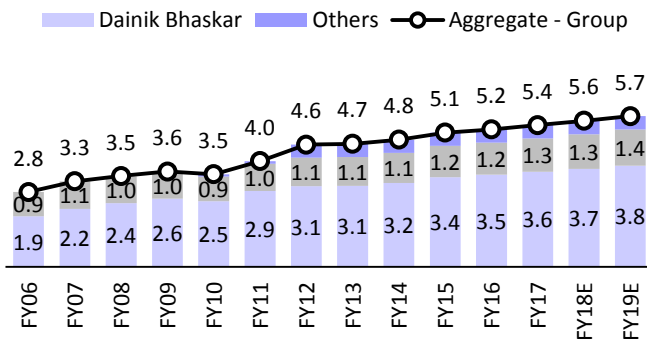
Source: IRS 2012

Exhibit 12: DB Corp: State wise readership mix (%)



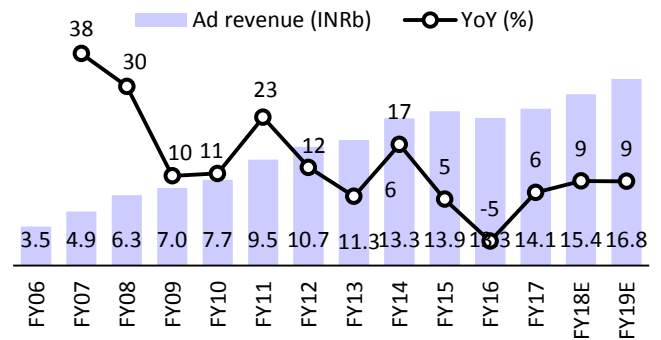
Source: IRS 2012

Exhibit 13: Estimated brand wise average daily circulation



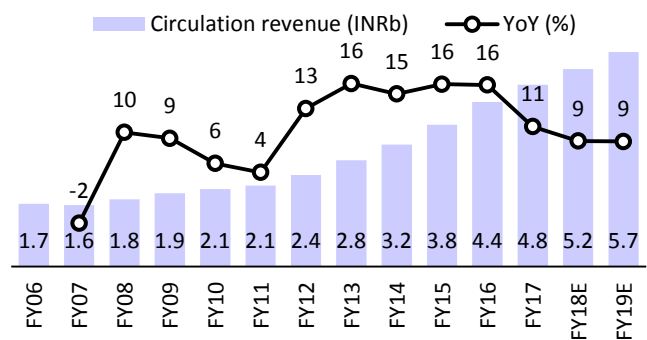
Source: Company, MOSL

Exhibit 14: Advertising revenue growth



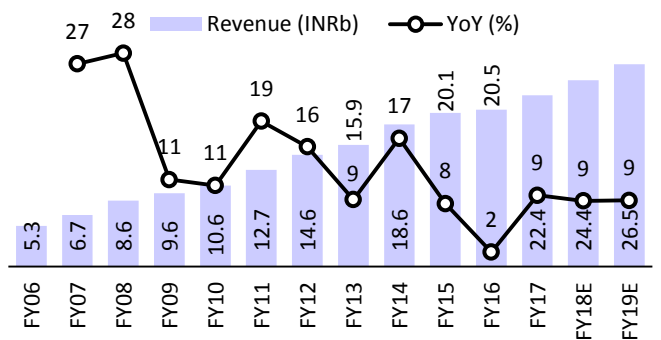
Source: Company, MOSL

Exhibit 15: Circulation revenue growth



Source: Company, MOSL

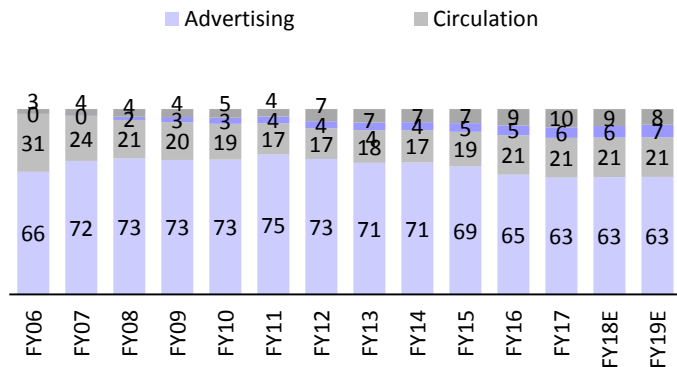
Exhibit 16: Consolidated revenue growth



Source: Company, MOSL

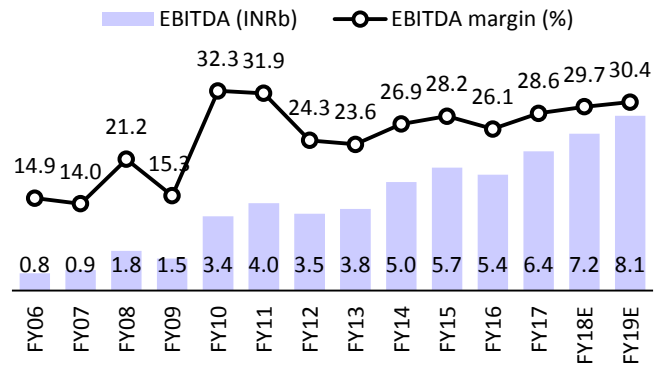
## Story in charts

**Exhibit 17: Revenue mix**



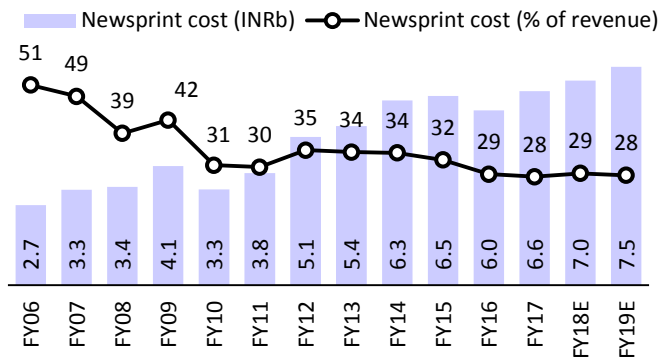
Source: Company, MOSL

**Exhibit 18: EBITDA and EBITDA margin**



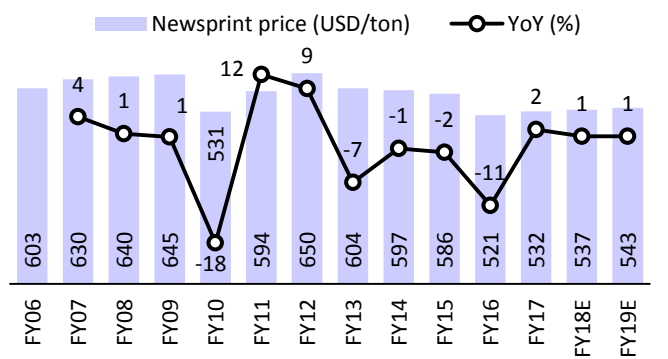
Source: Company, MOSL

**Exhibit 19: Newsprint cost**



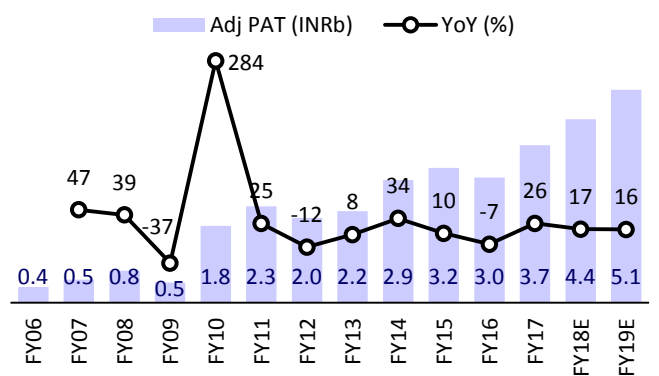
Source: Company, MOSL

**Exhibit 20: Newsprint price per ton**



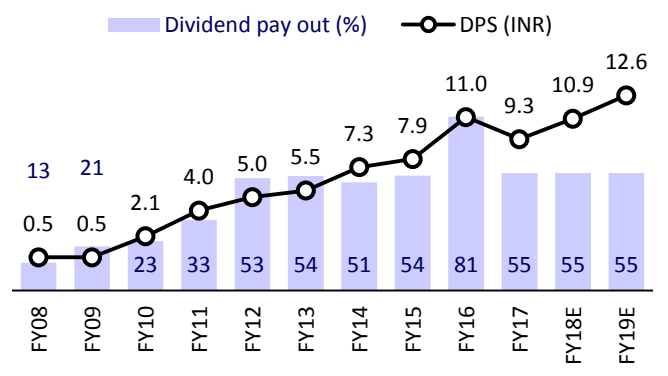
Source: Company, MOSL

**Exhibit 21: Adjusted PAT growth**



Source: Company, MOSL

**Exhibit 22: Dividend per share and pay-out**



Source: Company, MOSL



## Financials and valuations

Income Statement (Consolidated)										(INR Million)
Y/E March	2012	2013	2014	2015	2016	2017	2018E	2019E	2020E	
<b>Net Sales</b>	<b>14,638</b>	<b>15,923</b>	<b>18,598</b>	<b>20,133</b>	<b>20,516</b>	<b>22,435</b>	<b>24,366</b>	<b>26,478</b>	<b>28,495</b>	
YoY (%)	15.7	8.8	16.8	8.3	1.9	9.4	8.6	8.7	7.6	
<b>Operating expenses</b>	<b>11,088</b>	<b>12,163</b>	<b>13,595</b>	<b>14,462</b>	<b>15,161</b>	<b>16,013</b>	<b>17,131</b>	<b>18,419</b>	<b>19,511</b>	
<b>EBITDA</b>	<b>3,550</b>	<b>3,760</b>	<b>5,003</b>	<b>5,670</b>	<b>5,355</b>	<b>6,422</b>	<b>7,235</b>	<b>8,059</b>	<b>8,984</b>	
EBITDA margin (%)	24.3	23.6	26.9	28.2	26.1	28.6	29.7	30.4	31.5	
Depreciation	506	581	643	881	878	863	896	929	962	
Interest	155	80	75	76	92	74	43	43	43	
Other Income	115	213	239	257	281	170	321	594	809	
<b>PBT</b>	<b>3,004</b>	<b>3,313</b>	<b>4,524</b>	<b>4,971</b>	<b>4,666</b>	<b>5,654</b>	<b>6,617</b>	<b>7,681</b>	<b>8,789</b>	
Tax	982	1,132	1,606	1,759	1,690	1,907	2,250	2,612	2,988	
Tax rate (%)	32.7	34.2	35.5	35.4	36.2	33.7	34.0	34.0	34.0	
<b>PAT</b>	<b>2,022</b>	<b>2,181</b>	<b>2,917</b>	<b>3,211</b>	<b>2,976</b>	<b>3,747</b>	<b>4,367</b>	<b>5,070</b>	<b>5,800</b>	
Minority Interest	2	0	0	0	0	0	0	0	0	
<b>Adjusted PAT</b>	<b>2,021</b>	<b>2,181</b>	<b>2,917</b>	<b>3,211</b>	<b>2,976</b>	<b>3,747</b>	<b>4,367</b>	<b>5,070</b>	<b>5,800</b>	
Change (%)	-12	8	34	10	-7	26	17	16	14	
Extra-ordinary items	0	0	149	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>2,021</b>	<b>2,181</b>	<b>3,066</b>	<b>3,211</b>	<b>2,976</b>	<b>3,747</b>	<b>4,367</b>	<b>5,070</b>	<b>5,800</b>	

Balance Sheet										(INR Million)
Y/E March	2012	2013	2014	2015	2016	2017	2018E	2019E	2020E	
Share Capital	1,862	1,863	1,884	1,870	1,903	1,904	1,904	1,904	1,904	
Share Premium	2,373	2,373	2,416	2,452	2,472	2,516	2,516	2,516	2,516	
Reserves	5,036	6,056	7,168	8,560	9,092	11,524	13,489	15,771	18,381	
<b>Net Worth</b>	<b>9,271</b>	<b>10,291</b>	<b>11,467</b>	<b>12,882</b>	<b>13,466</b>	<b>15,944</b>	<b>17,909</b>	<b>20,191</b>	<b>22,801</b>	
Loans	2,100	1,574	1,506	1,236	1,403	561	561	561	561	
Minority Interest	15	11	0	0	0	0	0	0	0	
Deffered Tax Liability	746	834	885	832	842	781	781	781	781	
<b>Capital Employed</b>	<b>12,132</b>	<b>12,709</b>	<b>13,859</b>	<b>14,949</b>	<b>15,711</b>	<b>17,286</b>	<b>19,251</b>	<b>21,533</b>	<b>24,143</b>	
Gross Fixed Assets	9,487	10,299	11,854	12,416	13,603	14,656	15,206	15,756	16,306	
Less: Depreciation	2,235	2,816	3,350	4,258	4,691	5,554	6,450	7,379	8,341	
<b>Net Fixed Assets</b>	<b>7,252</b>	<b>7,483</b>	<b>8,503</b>	<b>8,158</b>	<b>8,912</b>	<b>9,103</b>	<b>8,757</b>	<b>8,378</b>	<b>7,966</b>	
Capital WIP	681	900	22	45	459	214	214	214	214	
Investments	460	807	724	686	688	414	414	414	414	
<b>Curr. Assets</b>	<b>7,059</b>	<b>7,136</b>	<b>8,381</b>	<b>10,108</b>	<b>9,906</b>	<b>8,525</b>	<b>13,135</b>	<b>16,079</b>	<b>19,371</b>	
Inventory	1,186	1,299	1,732	1,402	1,675	1,987	2,106	2,250	2,369	
Debtors	2,484	3,083	3,280	3,450	3,862	4,177	4,537	4,930	5,305	
Cash & Bank Balance	1,364	1,190	1,133	1,780	924	1,744	5,822	8,171	10,913	
Loans & Advances	2,026	1,564	2,236	3,477	3,445	617	670	729	784	
Other current assets	0	0	0	0	0	0	0	0	0	
<b>Current Liab. &amp; Prov.</b>	<b>3,321</b>	<b>3,617</b>	<b>3,490</b>	<b>3,719</b>	<b>3,846</b>	<b>3,009</b>	<b>3,268</b>	<b>3,552</b>	<b>3,822</b>	
Creditors	2,183	2,345	2,441	2,513	2,679	2,791	3,031	3,294	3,544	
Provisions & other liabilities	1,137	1,272	1,050	1,206	1,167	219	237	258	278	
<b>Net Current Assets</b>	<b>3,739</b>	<b>3,519</b>	<b>4,891</b>	<b>6,389</b>	<b>6,060</b>	<b>5,516</b>	<b>9,867</b>	<b>12,527</b>	<b>15,549</b>	
Miscellaneous exp	0	0	0	0	0	0	0	0	0	
<b>Application of Funds</b>	<b>12,132</b>	<b>12,709</b>	<b>13,859</b>	<b>14,949</b>	<b>15,711</b>	<b>17,285</b>	<b>19,251</b>	<b>21,533</b>	<b>24,143</b>	

## Financials and valuations

### Ratios

Y/E March	2012	2013	2014	2015	2016	2017	2018E	2019E	2020E
<b>Basic (INR)</b>									
Adjusted EPS	11.0	11.9	15.9	17.5	16.2	20.4	23.7	27.6	31.5
Growth (%)	-12.3	7.9	33.7	10.0	-7.4	25.8	16.5	16.1	14.4
Cash EPS	13.8	15.1	19.4	22.3	21.0	25.1	28.6	32.6	36.8
Book Value	50.7	56.2	62.5	70.2	73.3	86.7	97.4	109.8	124.0
DPS	5.0	5.5	7.3	7.9	11.0	9.3	10.9	12.6	14.5
Payout (incl.Div. Tax.,%)	53	53.7	53.3	53.9	81.5	55.0	55.0	55.0	55.0

### Valuation

P/E				21.4	23.1	18.4	15.8	13.6	11.9
Cash P/E				16.8	17.8	14.9	13.1	11.5	10.2
EV/EBITDA				12.0	12.9	10.5	8.8	7.6	6.5
EV/Sales				3.4	3.4	3.0	2.6	2.3	2.1
Price/Book Value				5.3	5.1	4.3	3.8	3.4	3.0
Dividend Yield (%)				2.1	2.9	2.5	2.9	3.4	3.9

### Profitability Ratios (%)

RoE	23.0	22.3	26.8	26.4	22.6	25.5	25.8	26.6	27.0
RoCE	18.1	18.0	23.4	22.6	19.8	23.0	24.1	25.0	25.5
RoIC	20.8	19.9	24.9	24.7	20.9	26.7	32.1	36.3	41.1

### Turnover Ratios

Debtors (Days)	62	71	64	63	69	68	68	68	68
Inventory (Days)	30	30	34	25	30	32	32	31	30
Creditors. (Days)	72	70	66	63	64	64	65	65	66
Asset Turnover (x)	1.5	1.5	1.6	1.6	1.5	1.6	1.9	2.0	2.2

### Leverage Ratio

Debt/Equity (x)	0.2	0.2	0.1	0.1	0.1	0.0	0.0	0.0	0.0
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### Cash Flow Statement

(INR Million)

Y/E March	2012	2013	2014	2015	2016	2017	2018E	2019E	2020E
EBITDA	3,550	3,760	5,003	5,670	5,355	6,422	7,235	8,059	8,984
Other Income	115	213	239	257	281	170	321	594	809
Interest Paid	-155	-80	-75	-76	-92	-74	-43	-43	-43
Direct Taxes Paid	-931	-1,044	-1,406	-1,813	-1,680	-1,968	-2,250	-2,612	-2,988
(Inc)/Dec in Wkg. Cap.	-242	56	-1,765	-915	-527	1,364	-272	-312	-280
<b>CF from Op.Activity</b>	<b>2,337</b>	<b>2,906</b>	<b>1,995</b>	<b>3,124</b>	<b>3,337</b>	<b>5,913</b>	<b>4,991</b>	<b>5,687</b>	<b>6,482</b>
(inc)/Dec in FA + CWIP	-1,080	-1,030	-785	-558	-2,045	-809	-550	-550	-550
(Pur)/Sale of Investments	-297	-347	83	38	-2	273	0	0	0
<b>CF from Inv.Activity</b>	<b>-1,378</b>	<b>-1,378</b>	<b>-702</b>	<b>-520</b>	<b>-2,047</b>	<b>-535</b>	<b>-550</b>	<b>-550</b>	<b>-550</b>
Issue of Shares	0	1	64	22	53	45	0	0	0
Inc/(Dec) in Debt	-272	-526	-68	-270	168	-842	0	0	0
Dividends Paid	-1,065	-1,172	-1,554	-1,731	-2,425	-2,061	-2,402	-2,788	-3,190
Other Financing Activities	10	-5	-11	-4	33	0	0	0	0
<b>CF from Fin.Activity</b>	<b>-1,327</b>	<b>-1,702</b>	<b>-1,568</b>	<b>-1,983</b>	<b>-2,172</b>	<b>-2,857</b>	<b>-2,402</b>	<b>-2,788</b>	<b>-3,190</b>
<b>Inc/(Dec) in Cash</b>	<b>-368</b>	<b>-174</b>	<b>-276</b>	<b>621</b>	<b>-882</b>	<b>2,520</b>	<b>2,039</b>	<b>2,349</b>	<b>2,742</b>
Add: Opening Balance	1,731	1,364	1,190	1,133	1,780	924	1,744	5,822	8,171
<b>Closing Balance</b>	<b>1,363</b>	<b>1,190</b>	<b>1,133</b>	<b>1,780</b>	<b>924</b>	<b>1,743</b>	<b>5,822</b>	<b>8,171</b>	<b>10,913</b>

## Corporate profile: D B Corp

### Company description

D B Corp Ltd (DBCL), one of the largest print media companies of India, publishes 8 newspapers with 65 editions, 199 sub editions in 4 multiple languages (Hindi, Gujarati, English and Marathi) across 13 states in India. Flagship newspapers Dainik Bhaskar (in Hindi) established in 1958, Divya Bhaskar and Saurashtra Samachar (in Gujarati) have a combined readership of ~20 million. Other business interests also span the radio segment through the brand "My FM" Radio station with presence in 7 states and 17 cities, and a strong online presence in internet portals.

### Exhibit 24: Sensex rebased



### Exhibit 25: Shareholding pattern (%)

	Jun-17	Mar-17	Jun-16
Promoter	69.9	69.9	69.9
DII	7.1	6.4	7.4
FII	15.8	18.4	18.4
Others	7.3	5.4	4.3

Note: FII Includes depository receipts

### Exhibit 27: Top management

Name	Designation
Ramesh Chandra Agarwal	Chairman
Sudhir Agarwal	Managing Director
Pawan Agarwal	Deputy Managing Director
Anita Gokhale	Company Secretary

### Exhibit 26: Top holders

Holder Name	% Holding
NALANDA INDIA EQUITY FUND LIMITED	8.2
HDFC SMALL CAP FUND	3.1
ICICI PRUDENTIAL LIFE INSURANCE	3.0
GOVERNMENT OF SINGAPORE	1.4
FIL INVESTMENTS(MAURITIUS)LTD	1.2

### Exhibit 28: Directors

Name	Name
Anupriya Acharya*	Naveen Kumar Kshatriya*
Ashwani Kumar B Singhal*	Pawan Agarwal
Girish Agarwal	Piyush Pandey*
Harish Bijoor*	Ramesh Chandra Agarwal
Kailash Chandra Chowdhary*	Sudhir Agarwal

\*Independent

### Exhibit 29: Auditors

Name	Type
R Muralidharan & Co	Secretarial Audit
S R Batliboi & Associates LLP	Statutory

### Exhibit 30: MOSL forecast v/s consensus

	EPS (INR)	MOSL forecast	Consensus forecast	Variation (%)
FY18		23.7	23.6	0.4
FY19		27.6	27.5	0.4

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No

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