



Investment Idea

TV Today Network is a part of India today group. The Company operates mainly in 3 segments: Digital, Television and Broadcasting. It operates four news channel: Aaj tak, Aaj tak HD, India Today and Tez. TV Today Network is one of India's leading Hindi-English news television networks. The company is headed by Mr. Aroon purie as chairman and whole time director and Ms. Kalli purie as vice chairman and MD.

As on March 31, 2020, the Company has 3 (three) subsidiary companies namely, T.V. Today Network (Business) Limited, Mail Today Newspapers Private Limited and Vibgyor Broadcasting Private Limited.

Key Triggers:

- Leadership position in hindi news channel:** News being non-proprietary and largely non-exclusive in nature, the content is largely similar among various news channels. In such a case, the ability to break the news first or give detailed coverage of the event by sending a team to the source becomes the differentiating point. In such a case, where the content is highly homogeneous, usually the top one or two players are key beneficiaries. On those lines, Aaj Tak has been able to maintain a leadership position in the last decade, with a market share of 16%. Also, The Network's English news channel, India Today Television has shown substantial growth compared to other leading English news channels in Q4 w.r.t Q3, channel has registered 78% growth in this period. India Today TV has registered 26.1% Market share. Tez in Q4 w.r.t Q3 has registered 20% growth in Gross Impressions
- The taks ecosystem:** Apart from its flagship channels, the Company has a well-diversified portfolio of channels from general news to sports, astrology, food & cooking, tech and fitness referred to as the "Taks" to cater to the needs of every consumer. The Mobile Tak App of the Company is live with 24 Mobile Tak Channels which has massive reach i.e. 31.96 million subscribers.
- FY20 Earnings:** Its revenue growth in FY20 was 15.89% out of which advertisement income grew by 6%. Subscription income grew by 269% and income from digital business grew by 50%. PBT has grown 8.4% from last year and PAT has increased by 9.3%.

Valuation Metrics

CMP (Rs.)	208
Target Price (Rs.)	343
NIFTY	11131
52 Week H/L	345/128
Market Cap (Cr.)	1245
P/E (ttm)	8.76
EPS (ttm)	23.83
P/BV (ttm)	1.43
Book Value (ttm)	146
Industry	Media

Shareholding Pattern (%)

	FY19	FY20
Promoters	58.45	58.45
Non Promoter- Non Public	0	0
Public	41.55	41.55
Total	100	100

Source: BSE

Valuation & View:

Given the market leadership in the Hindi news, strong BS and high cash on books and P/E valuation at ~8x FY20 earnings seems quite attractive. With a strong balance sheet and potential cash to be derived from radio business sales, the company is on a strong footing. TV Today has maintained its leadership in the Hindi news segment across cycles and enjoys a robust balance sheet. We recommend BUY at CMP of Rs 208 with targets of Rs 343 in medium to long term.

Risk & concerns:

- Loss of leadership in viewership could affect the company's advertisement revenue.
- Overall slowdown in the Indian economy may lead to a cut in ad spend allocations by corporate which would be negative. .

Peer Comparison:

Company	CMP	P/BV	P/E	Market cap
<u>TV Today Network</u>	<u>201</u>	<u>1.43</u>	<u>8.76</u>	<u>1231</u>
TV 18	33	2.03	1784	5726
ZEEL	150	1.83	18.68	14306

TRENDS:	10Yr	7Yr	5Yr	3Yr	TTM
Sales Growth	11.2%	13.4%	13.8%	8.5%	15.5%
OPM	23.3%	25.9%	27.1%	27.0%	25.2%
PAT Growth	17.5%	43.4%	16.5%	27.5%	6.0%
Avg. PE	21.8	20.1	19.8	18.0	8.9

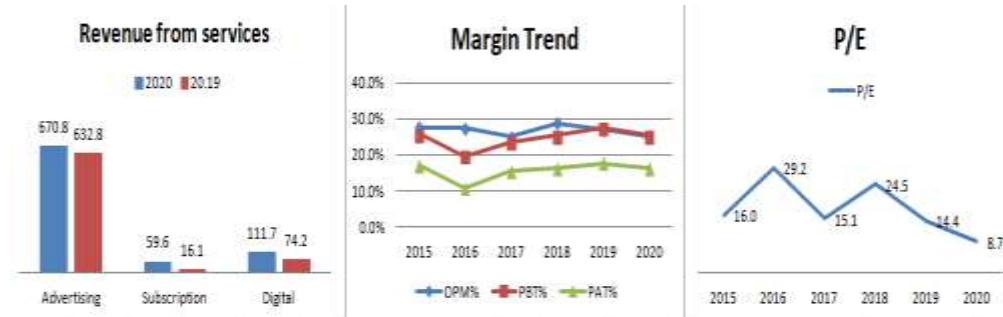


Chart comparison with Sensex



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