

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
30,435	9,429
Bloomberg	DBCL IN
Equity Shares (m)	184
M.Cap.(INRb)/(USDb)	67.5 / 1.0
52-Week Range (INR)	448 / 311
1, 6, 12 Rel. Per (%)	-7/-18/-4
Avg Val, INRm	127.0
Free float (%)	30.1

**CMP: INR368 TP: INR460 (+25%) Buy**

## Demonetization hangover on ad growth continues; opex levers salvage margins

- Operational performance below expectations; PAT cushioned by lower interest/tax outgo:** DBCL's 4QFY17 EBITDA declined 3% YoY to INR1.12b, 6% below our estimate of INR1.2b. The miss was driven by depressed revenue – both print ad and circulation revenue disappointed. Opex levers partially cushioned the impact of the subdued revenue on margins.
- Demonetization hangover continues to impact ad growth:** Print ad revenue declined 2.7% YoY to INR3.1b in 4QFY17 (4.6% below expectations), as the impact of the demonetization continued. Real Estate, FMCG, Consumer Durables and Retail remained laggards. Auto and Education ad spends have been healthy. Spends from FMCG are expected to improve in FY18. The management is confident of delivering ad growth matching the ~14% ad growth of 1HFY17. We have modeled 10% CAGR in ad revenue over FY17-19.
- Circulation growth moderates, albeit off a high base:** Circulation revenue grew 7% YoY to INR1.21b (v/s our estimate of INR1.24b). Circulation growth was largely led by yield improvement in mature markets. Net realization per copy grew 9% YoY to INR2.57. We note that circulation growth has moderated in 2HFY17 v/s an average of 12-17% in each quarter prior to 2H.
- EBITDA margin declined 103bp YoY, marginally short of expectation:** EBITDA margin declined 103bp YoY to 21.7% (v/s our estimate of 22.2%) despite the 4% revenue miss, as opex levers salvaged profitability. RM cost grew 1.6% YoY (price-led) to INR1.6b (v/s our estimate of INR1.66b), constituting 31.1% of revenue. Newsprint consumption declined 4.7% YoY to INR44,750/tonne.
- Maintain TP and Buy:** We marginally increase our FY18 and PAT estimates by 3% each, factoring in 10% CAGR each in ad and circulation revenue. DBCL trades at 15.3x FY18E and 12.8x FY19E EPS. Maintain **Buy**, with a TP of INR460 (16x FY19E EPS; 11% discount to average P/E of 18x since listing).

### Financials & Valuations (INR b)


Y/E Mar	2017	2018E	2019E
Net Sales	22.4	24.8	27.4
EBITDA	6.4	7.3	8.4
Adj. Net Profit	3.7	4.4	5.3
Adj. EPS (INR)	20.4	24.1	28.7
Adj. EPS Gr. (%)	25.8	18.3	19.2
BV/Sh (INR)	86.7	97.6	110.5
RoE (%)	25.5	26.2	27.6
RoCE (%)	23.0	24.4	26.0
Div. Payout (%)	55.0	55.0	55.0

### Valuations

P/E (x)	18.0	15.3	12.8
P/BV (x)	4.2	3.8	3.3
EV/EBITDA (x)	10.3	8.5	7.2
Div. Yield (%)	2.5	3.0	3.6

Estimate change 

TP change 

Rating change 

### Quarterly Performance

Y/E March	FY16				FY17				FY16	FY17	FY17	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sales	4,734	4,781	5,859	5,143	5,704	5,287	6,273	5,171	20,516	22,435	5,399	-4.2
YoY (%)	-3.2	-0.4	5.6	5.9	20.5	10.6	7.1	0.6	1.9	9.4	5.0	
Operating Expenses	3,515	3,654	3,991	4,001	3,892	3,782	4,290	4,049	15,161	16,013	4,202	-3.6
EBITDA	1,218	1,127	1,868	1,142	1,812	1,505	1,982	1,122	5,355	6,422	1,197	-6.3
YoY (%)	-9.5	-8.7	1.2	-4.4	48.7	33.6	6.1	-1.7	-5.6	19.9	4.8	
EBITDA margin (%)	25.7	23.6	31.9	22.2	31.8	28.5	31.6	21.7	26.1	28.6	22.2	-47bp
Depreciation	208	215	233	222	211	216	218	218	878	863	216	1.1
Interest	21	27	19	24	34	6	30	5	92	74	30	-84.0
Other Income	68	53	37	122	41	41	36	51	281	170	56	-9.2
PBT	1,057	938	1,654	1,017	1,608	1,325	1,771	950	4,666	5,654	1,007	-5.7
Tax	393	337	585	375	568	440	590	309	1,690	1,907	363	-15.1
Eff. Tax Rate (%)	37.2	35.9	35.4	36.8	35.3	33.2	33.3	32.5	36.2	33.7	36.1	-361bp
Adj PAT	665	601	1,068	642	1,040	885	1,181	641	2,976	3,747	644	-0.4
YoY (%)	-16.0	-11.8	1.6	0.4	56.5	47.3	10.6	-0.2	-7.3	25.9	0.2	

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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.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.



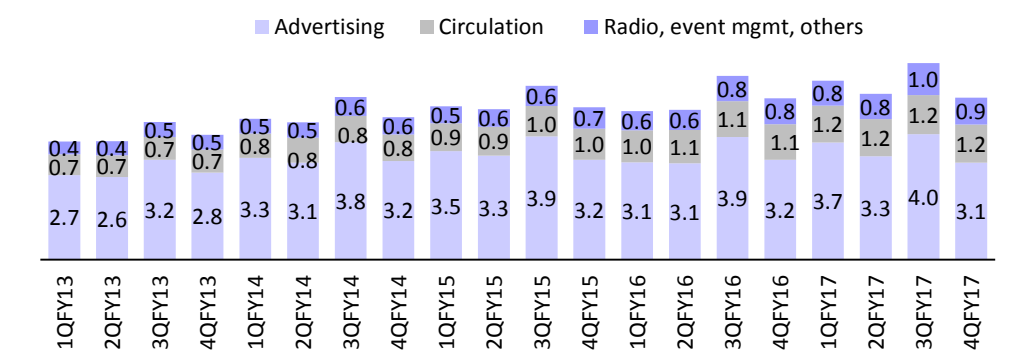
**DBCL: 4QFY17 earnings call highlights**

- **Ad growth and Outlook:** DBCL’s ad volume loss continued courtesy the demonetization drive Pagination declined 2% YoY to 21.89 pages (vs 22.29 pages in 4QFY16). Management is confident of clocking an ad growth matching that of 1HFY17. (1HFY17 ad growth: 14%).
- **Category-wise performance:** Real Estate, FMCG, consumer durables and retail remained laggards. Auto and Education ad spends have been healthy. Spends from FMCG are expected to improve in FY18 as a couple of FMCG advertisers are now on board after a hiatus during demonetization.
- **Circulation:** Gross and net realizations per copy stood at INR3.96 and INR2.57 in 4Q.
- **Radio:** MY FM completed the operationalization of all of its 13 new radio stations. Is confident of delivering ~20% ad growth from radio.
- **Newsprint Outlook:** Newsprint consumption (INR44,750MT) is expected to remain contained in FY17 and newsprint price escalation is expected to be 2-3% in FY18.
- **New IRS Survey awaited:** New IRS survey is expected to come out by Decemeber 2017.

**Print ad revenue down 3% YoY; Circulation up 7% YoY**

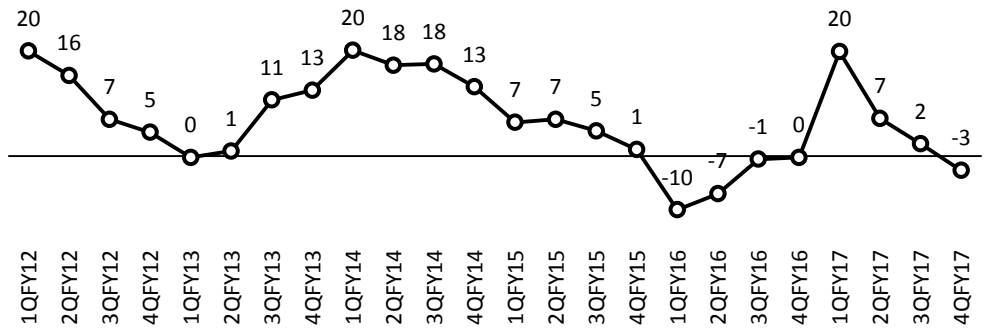
- Revenue grew 7% YoY to INR5.17b (4% below estimates).
- Print advertisement revenue declined 3% YoY as demonetization hangover continued.
- Circulation revenue growth moderated to 7% YoY to INR1.22b (vs. est: INR1.24b) primarily due to yield driven growth, largely coming from Mature markets

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



Source: Company, MOSL

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

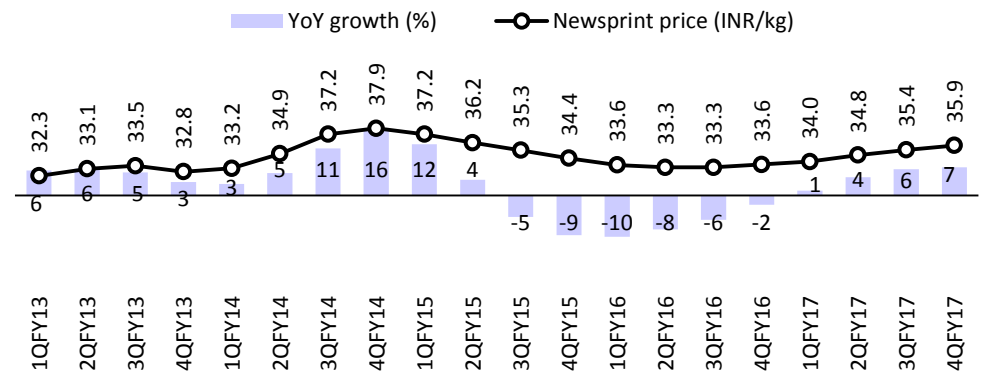


Source: Company, MOSL

**EBITDA margin down 103bp YoY**

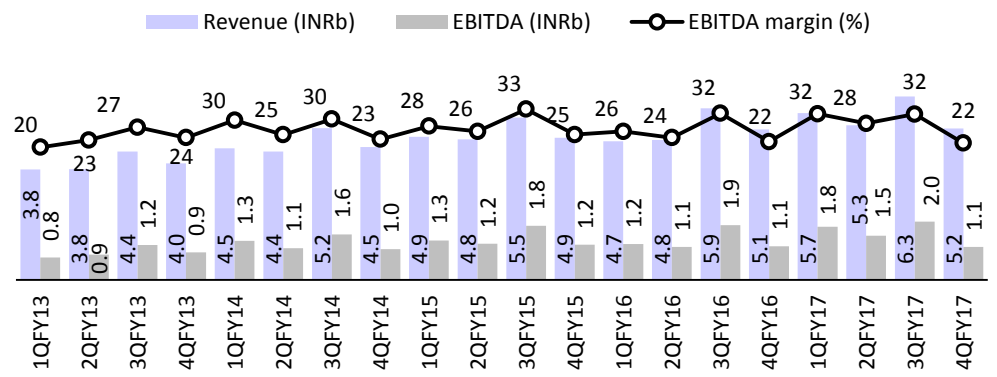
- EBITDA declined ~3% YoY to INR1.12b (6% below estimates). EBITDA margin remained declined 103bp YoY to 21.7% (vs est of 22.2%).
- RM costs grew 1.6% YoY to INR1.6b (vs est: INR1.66b);
- Employee costs increased 6.5% YoY to INR1.06b (vs. est: 1.1b).
- Newsprint price grew 6.7%/1.5% YoY/QoQ to ~INR35,887/ton.

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



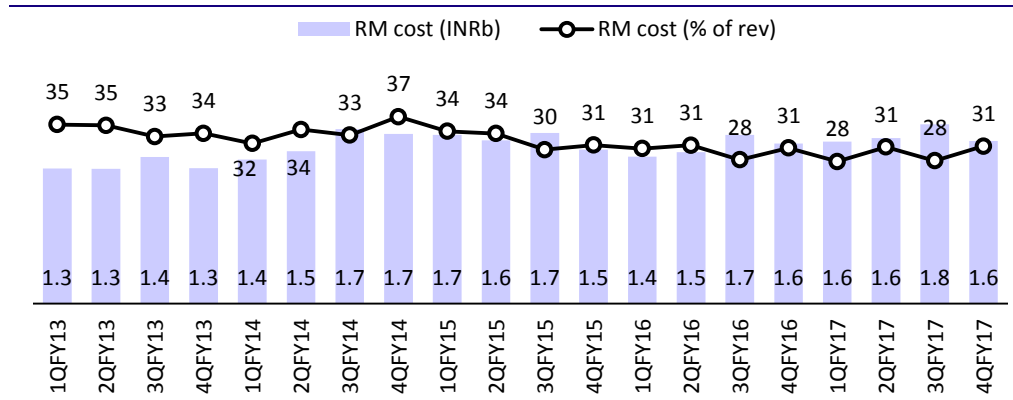
Source: Company, MOSL

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



Source: Company, MOSL

Exhibit 5: RM cost rend



Source: Company, MOSL

### Emerging business EBITDA losses at 76m

- Overall, Emerging business, including mobile app downloading and E real estate, reported EBITDA losses of INR76m vs EBITDA losses of INR57m in 3QFY17.
- Mature editions EBITDA margin stood at 27% in 4QFY17 vs 35% in 3QFY17.

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

INR b	FY14				FY15				FY16				FY17			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Revenue</b>	<b>4.34</b>	<b>4.21</b>	<b>4.96</b>	<b>4.37</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>
Mature Editions	3.97	3.83	4.50	3.91	4.18	3.98	4.59	3.67	4.11	4.04	4.89	4.37	5.19	4.73	5.56	4.58
Emerging Editions	0.37	0.37	0.46	0.46	0.54	0.57	0.64	0.93	0.39	0.45	0.57	0.48	0.16	0.16	0.19	0.17
<b>EBITDA</b>	<b>1.35</b>	<b>1.08</b>	<b>1.52</b>	<b>1.04</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>
Mature Editions	1.41	1.17	1.57	1.17	1.46	1.27	1.74	1.34	1.40	1.26	1.81	1.30	1.86	1.51	1.945	1.22
Emerging Editions	-0.06	-0.10	-0.06	-0.12	-0.08	-0.07	0.04	-0.13	-0.10	-0.12	0.00	-0.10	-0.05	-0.07	-0.06	-0.08
<b>Operating cost</b>	<b>2.98</b>	<b>3.13</b>	<b>3.45</b>	<b>3.33</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>
Mature Editions	2.56	2.66	2.93	2.75	2.72	2.71	2.85	2.33	2.71	2.78	3.08	3.07	3.32	3.22	3.61	3.36
Emerging Editions	0.42	0.47	0.52	0.58	0.62	0.64	0.59	1.06	0.49	0.57	0.57	0.57	0.21	0.23	0.24	0.25
<b>EBITDA margin (%)</b>	<b>31</b>	<b>26</b>	<b>31</b>	<b>24</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>
Mature Editions	36	31	35	30	35	32	38	37	34	31	37	30	36	32	35	27
Emerging Editions	-16	-26	-12	-27	-15	-13	7	-14	-26	-26	0	-20	-34	-43	-31	-45

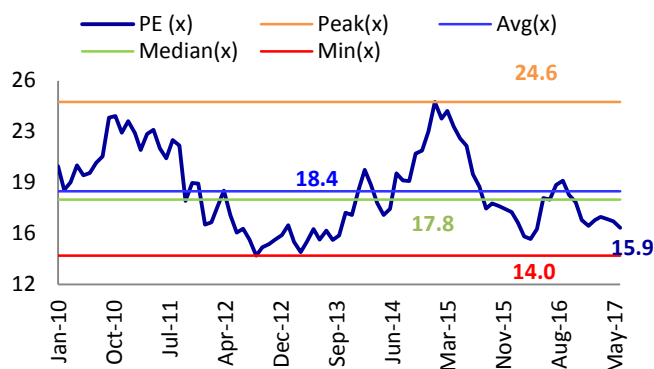
Source: MOSL, Company

### 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 2-3% YoY in FY18 as per the management. We model a 4% increase each in newsprint prices in FY18/FY19, which will result in 7%/8% escalation each (pricing and volume together) in FY18/FY19.

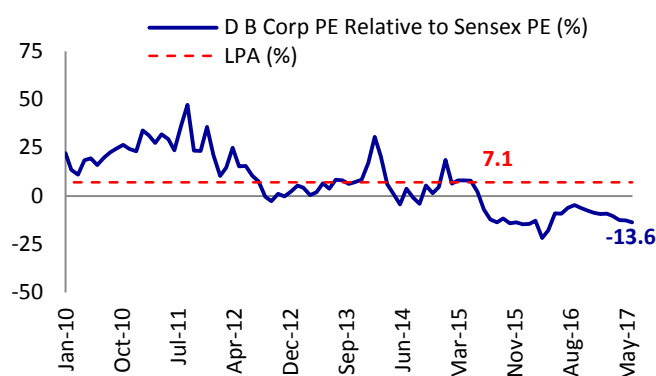
- While ad growth has remained elusive over 2 years now (In FY16 due to DBCL's push to increase yields and in FY17 due to demonetization), We expect a rebound in FY18—once ad volumes pick up. We largely maintain our PAT estimates We expect 19% PAT CAGR over FY17-19.
- The stock trades at a P/E of 15.3x FY18E and 12.8x FY19E. Maintain **Buy** with a target price of INR460, 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)

	4QFY16	3QFY17	4QFY17	YoY (%)	QoQ (%)	4QFY17E	v/s est (%)
Advertising revenue (print)	3,184	4,006	3,097	-2.7	-22.7	3,248	-4.6
Circulation revenue	1136	1243	1217	7.1	-2.1	1238	-1.7
Others	777	1024	857	10.3	-16.3	913	-6.1
<b>Revenue</b>	<b>5,097</b>	<b>6,273</b>	<b>5,171</b>	<b>1.5</b>	<b>-17.6</b>	<b>5,399</b>	<b>-4.2</b>
Total operating cost	3,938	4,290	4,049	2.8	-5.6	4,202	-3.7
<b>EBITDA</b>	<b>1,159</b>	<b>1,982</b>	<b>1,122</b>	<b>-3.2</b>	<b>-43.4</b>	<b>1,197</b>	<b>-6.2</b>
EBITDA margin (%)	22.7	31.6	21.7	-103bps	-990bps	22.2	-46bps
Depreciation	216	218	218	1.0	0.1	216	1.1
<b>EBIT</b>	<b>943</b>	<b>1,765</b>	<b>904</b>	<b>-4.1</b>	<b>-48.7</b>	<b>981</b>	<b>-7.8</b>
Interest	30	30	5	-83.9	-84.2	30	-84.0
Other Income	52	36	51	-2.0	39.8	56	-9.2
<b>PBT</b>	<b>965</b>	<b>1,771</b>	<b>950</b>	<b>-1.5</b>	<b>-46.3</b>	<b>1,007</b>	<b>-5.6</b>
Tax	361	590	309	-14.5	-47.7	363	-15.1
Tax rate (%)	37.4	33.3	32.5	-492bps	-84bps	36.1	-363bps
<b>PAT</b>	<b>604</b>	<b>1,181</b>	<b>642</b>	<b>6.2</b>	<b>-45.7</b>	<b>644</b>	<b>-0.3</b>
<b>Operating expenses (INR m)</b>							
Raw material	1,580	1,769	1,606	1.6	-9.2	1,665	-3.5
Employee	995	1,085	1,059	6.5	-2.4	1,097	-3.4
Others	1,363	1,436	1,384	1.5	-3.7	1,440	-3.9
<b>Total</b>	<b>3,938</b>	<b>4,290</b>	<b>4,049</b>	<b>2.8</b>	<b>-5.6</b>	<b>4,202</b>	<b>-3.7</b>
<b>Opex (% of revenue)</b>							
Raw material	31.0	28.2	31.1	5bps	286bps	30.8	22bps
Employee	19.5	17.3	20.5	96bps	318bps	20.3	16bps
Others	26.7	22.9	26.8	2bps	386bps	26.7	8bps

Source: Company, MOSL

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

	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E
<b>Print ad revenue (INR b)</b>	6.3	7.0	7.7	9.5	10.7	11.3	13.3	13.9	13.3	14.1	15.5	17.1
<b>YoY (%)</b>	30	10	11	23	12	6	17	5	-5	6	10	10
<b>Circulation revenue (INR b)</b>	1.8	1.9	2.1	2.1	2.4	2.8	3.2	3.8	4.4	4.8	5.3	5.8
<b>YoY (%)</b>	10	9	6	4	13	16	15	16	16	11	10	10
Av circulation/day -Group (m)	3.5	3.6	3.5	4.0	4.6	4.7	4.8	5.1	5.2	5.4	5.6	5.7
YoY (%)	6	5	-3	14	16	1	3	6	2	3	3	3
Newsprint price (USD/ton)	640	645	531	594	650	604	597	586	521	532	545	556
YoY (%)	1	1	-18	12	9	-7	-1	-2	-11	2	2	2
RM cost/Revenue (%)	39	42	31	30	35	34	34	32	30	29	29	28
<b>Revenue mix (%)</b>												
Print ad revenue	0	0	0	0	0	0	0	0	0	0	0	0
Circulation revenue	0	0	0	0	0	0	0	0	0	0	0	0
Other	100	100	100	100	100	100	100	100	100	100	100	100

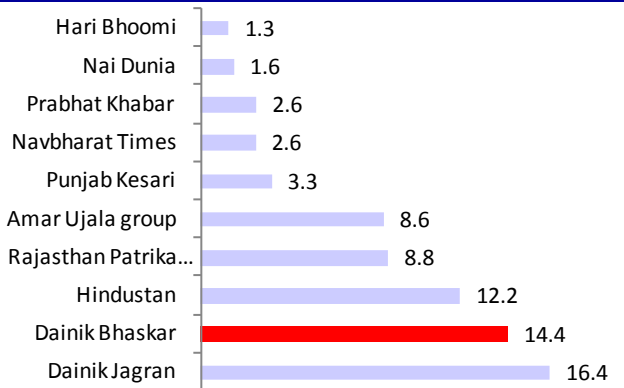
**Exhibit 11: Summary of estimate change (INR b)**

	FY17	FY18E	FY19E
<b>Print advertising revenue</b>			
Old	14.3	15.7	17.3
Actual/New	14.1	15.5	17.1
Change (%)	-1.1	-0.9	-1.2
<b>Print circulation revenue</b>			
Old	4.8	5.4	6.1
Actual/New	4.8	5.3	5.8
Change (%)	-0.4	-2.5	-4.8
<b>Revenue</b>			
Old	22.7	25.1	27.9
Actual/New	22.4	24.8	27.4
Change (%)	-1.0	-1.3	-2.0
<b>Operating Costs</b>			
Old	16.2	17.8	19.6
Actual/New	16.0	17.4	19.0
Change (%)	-0.9	-2.3	-3.0
<b>EBITDA</b>			
Old	6.5	7.3	8.4
Actual/New	6.4	7.3	8.4
Change (%)	-1.2	0.9	0.5
<b>EBITDA margin (%)</b>			
Old	28.7	29.0	29.9
Actual/New	28.6	29.6	30.6
Change (bp)	-4	65	75
<b>PAT</b>			
Old	3.75	4.32	5.11
Actual/New	3.75	4.43	5.28
Change (%)	-0.1	2.6	3.4
<b>EPS (INR)</b>			
Old	20.4	23.5	27.8
Actual/New	20.4	24.1	28.7
Change (%)	-0.1	2.5	3.3

Source: Company, MOSL

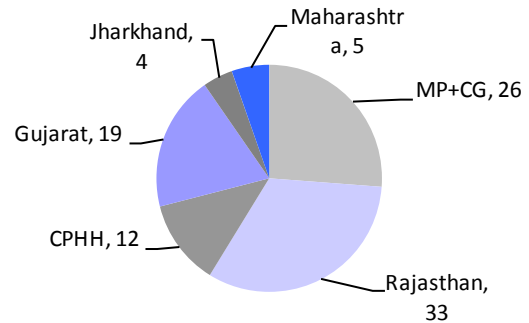
Story in charts

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



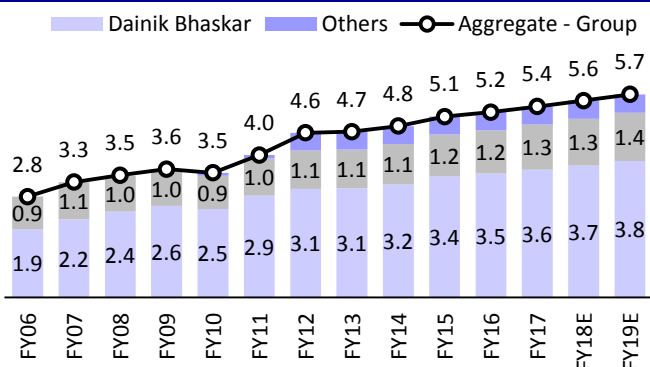
Source: IRS 2012

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



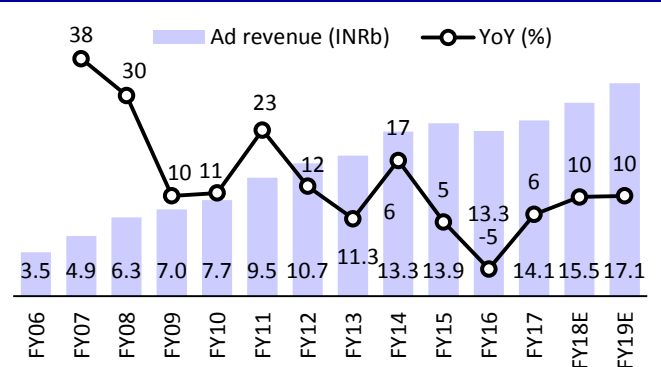
Source: IRS 2012

Exhibit 13: Estimated brand wise average daily circulation



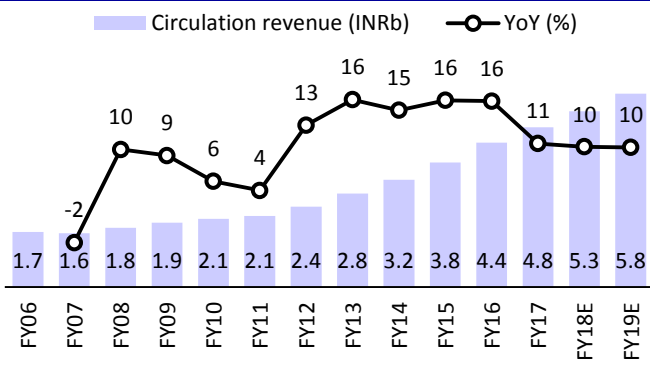
Source: Company, MOSL

Exhibit 14: Advertising revenue growth



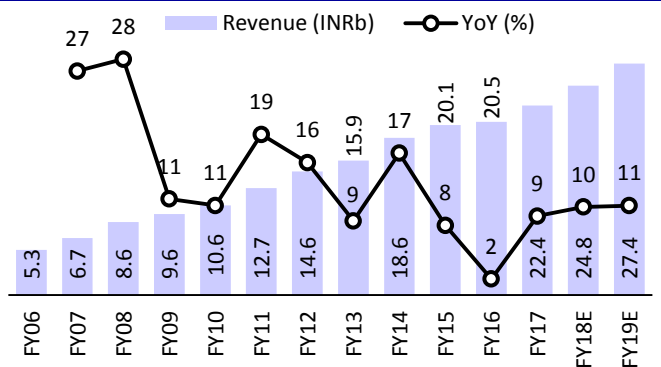
Source: Company, MOSL

Exhibit 15: Circulation revenue growth



Source: Company, MOSL

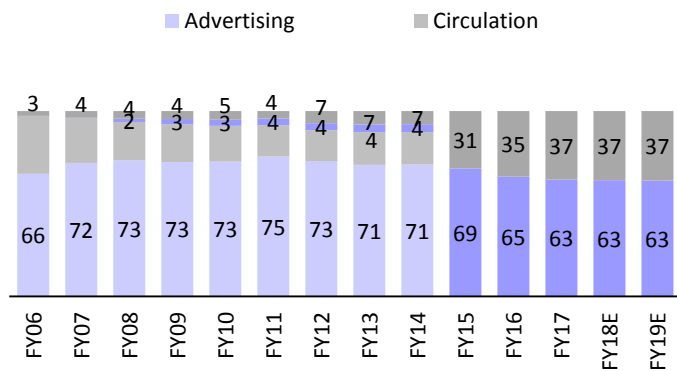
Exhibit 16: Consolidated revenue growth



Source: Company, MOSL

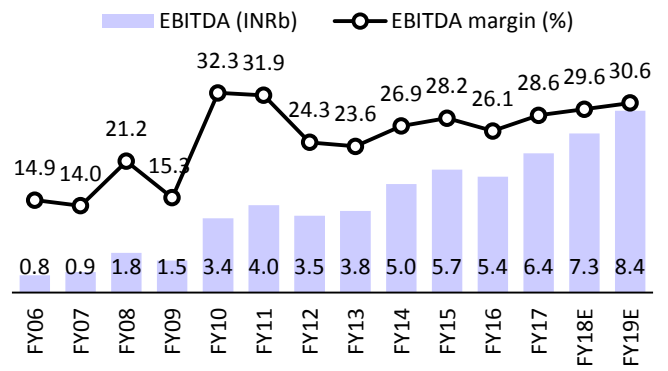
## Story in charts

**Exhibit 17: Revenue mix**



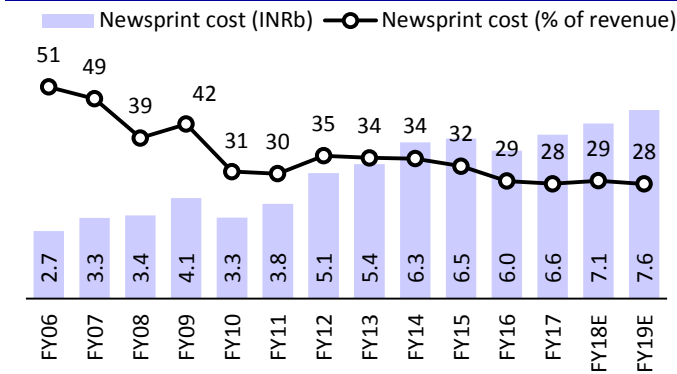
Source: Company, MOSL

**Exhibit 18: EBITDA and EBITDA margin**



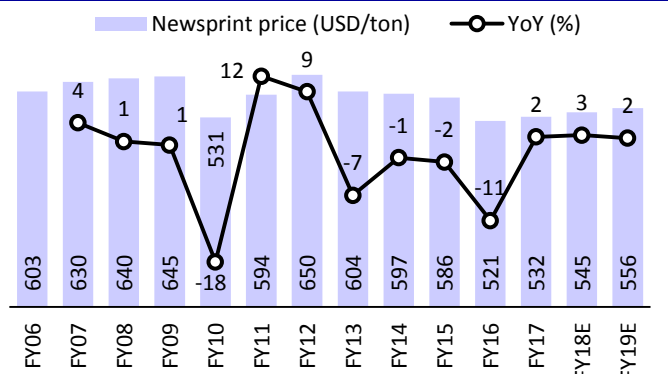
Source: Company, MOSL

**Exhibit 19: Newsprint cost**



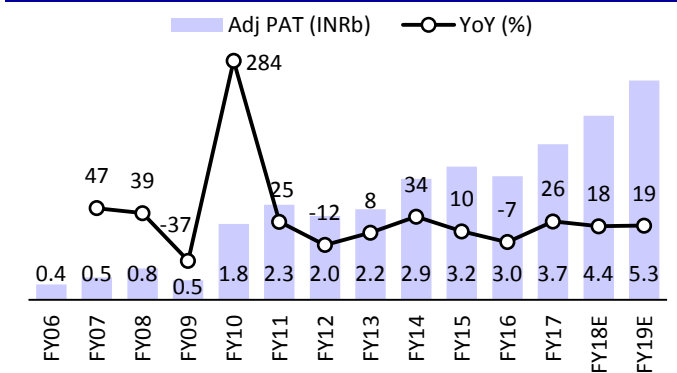
Source: Company, MOSL

**Exhibit 20: Newsprint price per ton**



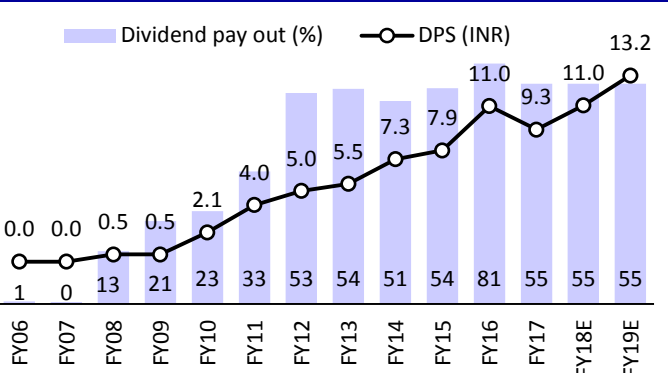
Source: Company, MOSL

**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	2014	2015	2016	2017	2018E	2019E
<b>Net Sales</b>	<b>18,598</b>	<b>20,133</b>	<b>20,516</b>	<b>22,435</b>	<b>24,775</b>	<b>27,398</b>
YoY (%)	16.8	8.3	1.9	9.4	10.4	10.6
<b>Operating expenses</b>	<b>13,595</b>	<b>14,462</b>	<b>15,161</b>	<b>16,013</b>	<b>17,435</b>	<b>19,008</b>
<b>EBITDA</b>	<b>5,003</b>	<b>5,670</b>	<b>5,355</b>	<b>6,422</b>	<b>7,340</b>	<b>8,390</b>
EBITDA margin (%)	26.9	28.2	26.1	28.6	29.6	30.6
Depreciation	643	881	878	863	912	945
Interest	75	76	92	74	43	43
Other Income	239	257	281	170	332	605
<b>PBT</b>	<b>4,524</b>	<b>4,971</b>	<b>4,666</b>	<b>5,654</b>	<b>6,717</b>	<b>8,007</b>
Tax	1,606	1,759	1,690	1,907	2,284	2,723
Tax rate (%)	35.5	35.4	36.2	33.7	34.0	34.0
<b>PAT</b>	<b>2,917</b>	<b>3,211</b>	<b>2,976</b>	<b>3,747</b>	<b>4,434</b>	<b>5,285</b>
Minority Interest	0	0	0	0	0	0
<b>Adjusted PAT</b>	<b>2,917</b>	<b>3,211</b>	<b>2,976</b>	<b>3,747</b>	<b>4,434</b>	<b>5,285</b>
Change (%)	34	10	-7	26	18	19
Extra-ordinary items	149	0	0	0	0	0
<b>Reported PAT</b>	<b>3,066</b>	<b>3,211</b>	<b>2,976</b>	<b>3,747</b>	<b>4,434</b>	<b>5,285</b>

Balance Sheet					(INR Million)	
Y/E March	2014	2015	2016	2017	2018E	2019E
Share Capital	1,884	1,870	1,903	1,904	1,904	1,904
Share Premium	2,416	2,452	2,472	2,516	2,516	2,516
Reserves	7,168	8,560	9,092	11,524	13,519	15,897
<b>Net Worth</b>	<b>11,467</b>	<b>12,882</b>	<b>13,466</b>	<b>15,944</b>	<b>17,939</b>	<b>20,317</b>
Loans	1,506	1,236	1,403	561	561	561
Minority Interest	0	0	0	0	0	0
Deffered Tax Liability	885	832	842	781	781	781
<b>Capital Employed</b>	<b>13,859</b>	<b>14,949</b>	<b>15,711</b>	<b>17,286</b>	<b>19,281</b>	<b>21,659</b>
Gross Fixed Assets	11,854	12,416	13,603	14,656	15,206	15,756
Less: Depreciation	3,350	4,258	4,691	5,554	6,466	7,411
<b>Net Fixed Assets</b>	<b>8,503</b>	<b>8,158</b>	<b>8,912</b>	<b>9,103</b>	<b>8,741</b>	<b>8,345</b>
Capital WIP	22	45	459	214	214	214
Investments	724	686	688	414	414	414
<b>Curr. Assets</b>	<b>8,381</b>	<b>10,108</b>	<b>9,906</b>	<b>8,525</b>	<b>13,236</b>	<b>16,361</b>
Inventory	1,732	1,402	1,675	1,987	2,132	2,294
Debtors	3,280	3,450	3,862	4,177	4,613	5,101
Cash & Bank Balance	1,133	1,780	924	1,744	5,809	8,212
Loans & Advances	2,236	3,477	3,445	617	682	754
Other current assets	0	0	0	0	0	0
<b>Current Liab. &amp; Prov.</b>	<b>3,490</b>	<b>3,719</b>	<b>3,846</b>	<b>3,009</b>	<b>3,323</b>	<b>3,675</b>
Creditors	2,441	2,513	2,679	2,791	3,082	3,408
Provisions & other liabilities	1,050	1,206	1,167	219	241	267
<b>Net Current Assets</b>	<b>4,891</b>	<b>6,389</b>	<b>6,060</b>	<b>5,516</b>	<b>9,912</b>	<b>12,686</b>
Miscellaneous exp	0	0	0	0	0	0
<b>Application of Funds</b>	<b>13,859</b>	<b>14,949</b>	<b>15,711</b>	<b>17,285</b>	<b>19,281</b>	<b>21,659</b>

## Financials and valuations

### Ratios

Y/E March	2014	2015	2016	2017	2018E	2019E
<b>Basic (INR)</b>						
<b>Adjusted EPS</b>	<b>15.9</b>	<b>17.5</b>	<b>16.2</b>	<b>20.4</b>	<b>24.1</b>	<b>28.7</b>
Growth (%)	33.7	10.0	-7.4	25.8	18.3	19.2
Cash EPS	19.4	22.3	21.0	25.1	29.1	33.9
Book Value	62.5	70.2	73.3	86.7	97.6	110.5
DPS	7.3	7.9	11.0	9.3	11.0	13.2
Payout (incl.Div. Tax.,%)	53.3	53.9	81.5	55.0	55.0	55.0

### Valuation

P/E	23.1	21.0	22.7	18.0	15.3	12.8
Cash P/E	19.0	16.5	17.5	14.7	12.7	10.9
EV/EBITDA	13.6	11.8	12.7	10.3	8.5	7.2
EV/Sales	3.6	3.3	3.3	3.0	2.5	2.2
Price/Book Value	5.9	5.2	5.0	4.2	3.8	3.3
Dividend Yield (%)	2.0	2.1	3.0	2.5	3.0	3.6

### Profitability Ratios (%)

RoE	26.8	26.4	22.6	25.5	26.2	27.6
RoCE	23.4	22.6	19.8	23.0	24.4	26.0
RoIC	24.9	24.7	20.9	26.7	32.5	37.7

### Turnover Ratios

Debtors (Days)	64	63	69	68	68	68
Inventory (Days)	34	25	30	32	31	31
Creditors. (Days)	66	63	64	64	65	65
Asset Turnover (x)	1.6	1.6	1.5	1.6	1.9	2.1

### Leverage Ratio

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

(INR Million)

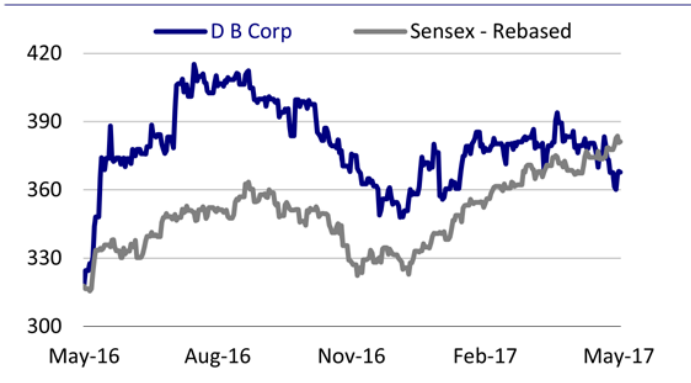
Y/E March	2014	2015	2016	2017	2018E	2019E
EBITDA	5,003	5,670	5,355	6,422	7,340	8,390
Other Income	239	257	281	170	332	605
Interest Paid	-75	-76	-92	-74	-43	-43
Direct Taxes Paid	-1,406	-1,813	-1,680	-1,968	-2,284	-2,723
(Inc)/Dec in Wkg. Cap.	-1,765	-915	-527	1,364	-331	-370
<b>CF from Op.Activity</b>	<b>1,995</b>	<b>3,124</b>	<b>3,337</b>	<b>5,913</b>	<b>5,014</b>	<b>5,860</b>
(inc)/Dec in FA + CWIP	-785	-558	-2,045	-809	-550	-550
(Pur)/Sale of Investments	83	38	-2	273	0	0
<b>CF from Inv.Activity</b>	<b>-702</b>	<b>-520</b>	<b>-2,047</b>	<b>-535</b>	<b>-550</b>	<b>-550</b>
Issue of Shares	64	22	53	45	0	0
Inc/(Dec) in Debt	-68	-270	168	-842	0	0
Dividends Paid	-1,554	-1,731	-2,425	-2,061	-2,438	-2,907
Other Financing Activities	-11	-4	33	0	0	0
<b>CF from Fin.Activity</b>	<b>-1,568</b>	<b>-1,983</b>	<b>-2,172</b>	<b>-2,857</b>	<b>-2,438</b>	<b>-2,907</b>
<b>Inc/(Dec) in Cash</b>	<b>-276</b>	<b>621</b>	<b>-882</b>	<b>2,520</b>	<b>2,026</b>	<b>2,403</b>
Add: Opening Balance	1,190	1,133	1,780	924	1,744	5,809
<b>Closing Balance</b>	<b>1,133</b>	<b>1,780</b>	<b>924</b>	<b>1,743</b>	<b>5,809</b>	<b>8,212</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 (%)

	Mar-17	Dec-16	Mar-16
Promoter	69.9	69.9	69.9
DII	6.4	6.2	7.5
FII	18.4	18.6	18.5
Others	5.4	5.3	4.1

Note: FII Includes depository receipts

### Exhibit 27: Top management

Name	Designation
Sudhir Agarwal	Managing Director
Pawan Agarwal	Deputy Managing Director
Girish Agarwal	Director

### Exhibit 26: Top holders

Holder Name	% Holding
Nalanda India Equity Fund Limited	8.2
Amansa Holdings Private Limited	3.0
Hdfc Small Cap Fund	2.3
Government Of Singapore	1.4
ICICI Prudential Life Insurance Company	1.3

### Exhibit 28: Directors

Name	Name
Anupriya Acharya	Naveen Kumar Kshatriya
Ashwani Kumar B Singhal	Piyush Pandey
Harish Bijoor	

\*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	24.1	24.0	0.5
FY19	28.7	27.7	3.9

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No

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