

Sun TV (SUNTV)

₹ 708

Strong subscription growth aids performance

- Revenues came in ₹ 786.3 crore (up 3.4% YoY) vs. our estimate of ₹ 763.4 crore aided by higher subscription revenues, which grew 15.3% YoY to ₹ 270.5 crore (better than our estimate of 8% YoY growth). The company continued to disappoint on the advertisement revenue front. Ad revenues declined ~4% YoY to ₹ 326 crore
- EBITDA came in at ₹ 448.4 crore, up 2.7% YoY, better than our estimate of ₹ 420.6 crore aided by lower IPL losses (loss of ₹ 22 crore vs. expected loss of ₹ 55 crore). Consequently, there was a margin beat of ~190 bps at 57.0% (our estimate: 55.1%)
- The company reported a profit of ₹ 251.6 crore (vs. expectation of ₹ 235 crore), owing to a better-than-expected operating performance

Ad revenue continues to disappoint; competition heightens

The ad revenue trajectory continued to disappoint as the company faced the after-effects of demonetisation as well as GST implementation led uncertainty. We note that as per the company, it has started witnessing the receding impact of demonetisation/GST. Full recovery should be seen from H2FY18. One of the interesting trends in the Tamil and Telugu market has been the launch of *Bigg Boss*, which has led to a sharp rise in Star's market share. Moreover, with expected launch of Colors Tamil in Q3FY18, there is a clear indication of the Tamil market getting a taste of the new genre of high impact reality shows. The management said it was a short-term phenomena and that high cost programming is not a formidable long term feasible competition. It insisted it would focus on its existing strategy of adding new fictional shows with revamped programming across genres to improve its viewership ratings as well compete with new challengers. While we understand that Sun's leadership and market understanding lends it a strong competitive advantage, short-term pressure cannot be ruled out. We factor in a 10.9% CAGR (vs. 12.6% CAGR earlier) in ad revenues over FY17-19E to ₹ 1565.9 crore, with healthy ad growth recovery from H2FY18E onwards.

Subscription revenues remain robust...

During Q1FY18, subscription revenues grew 15.3% YoY to ₹ 270.5 crore led by cable revenues, which were up ~30% to ₹ 96 crore (aided by some catch revenues) while DTH revenues were up ~10% YoY to ₹ 174 crore. The company, without assigning a timeline, maintained that Chennai digitisation led by Arasu digital license is currently delayed but should materialise once the Phase IV digitisation is over. We expect subscription revenue growth of 15.8% CAGR (FY17-19E) to ₹ 1266.9 crore by FY19E. Any early resolution to Chennai digitisation would be an upside risk to our estimates as the company expects ~12 million analog homes opportunity, which is yet to be digitised.

Ad recovery expected from H2FY18E; maintain BUY

We note that near term competitive pressures have led to concerns over the expected full throttle ad recovery. However, we highlight that overall levers such as low base, the ensuing festive season and monetisation of improved rating in non-Tamil markets, provide healthy visibility of ad growth revival ahead. Moreover, a quicker-than-expected resolution of Chennai digitisation could provide strong subscription revenue bump. We are also enthused by the company's strategy of revamping its content strategy and focussing on superior ad yield. While H1FY18 could continue to remain weak, we expect the company to clock industry leading growth from H2FY18E onwards. We maintain our **BUY** recommendation with a target price of ₹ 830, valuing it at 24x FY19E P/E.

Rating matrix		
Rating	:	Buy
Target	:	₹ 830
Target Period	:	12-15 months
Potential Upside	:	17%

What's changed?	
Target	Changed from ₹ 920 to ₹ 830
EPS FY18E	Changed from 29.1 to ₹ 29.2
EPS FY19E	Changed from 35.1 to ₹ 35.4
Rating	Unchanged

Quarterly performance					
	Q1FY18	Q1FY17	YoY (%)	Q4FY17	QoQ (%)
Revenue	786.3	760.8	3.4	582.5	35.0
EBITDA	448.4	436.4	2.7	393.6	13.9
EBITDA (%)	57.0	57.4	-34 bps	67.6	-1056 bps
PAT	251.6	233.1	8.0	235.9	6.7

Key financials				
₹ Crore	FY16	FY17	FY18E	FY19E
Net Sales	2,474	2,646	2,917	3,320
EBITDA	1,733	1,770	1,980	2,341
Net Profit	922	1,030	1,158	1,363
EPS (₹)	23.4	26.1	29.4	34.6

Valuation summary				
	FY16	FY17	FY18E	FY19E
P/E	30.3	27.1	24.1	20.5
Target P/E	35.5	31.8	28.2	24.0
EV / EBITDA	15.4	15.0	13.3	11.0
P/BV	8.0	6.9	6.3	5.5
RoNW	26.2	25.6	26.1	27.0
RoCE	38.6	37.2	38.3	39.7

Stock data	
Particular	Amount
Market Capitalisation	₹ 27900.9 Crore
Total Debt (FY17)	₹ 0 Crore
Cash (FY17)	₹ 788.4 Crore
EV	₹ 26752.1 Crore
52 week H/L	950/ 435
Equity capital	197.0
Face value	5.0

Price performance				
	1M	3M	6M	12M
TV Today	-8.1	-12.1	-13.2	-21.0
Sun TV	-12.4	-15.3	2.9	55.7
ZEEL	6.4	7.6	5.4	7.9

Research Analysts	
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Variance analysis

	Q1FY18	Q1FY18E	Q1FY17	Q4FY17	YoY (%)	QoQ (%)	Comments
Revenue	786.3	763.4	760.8	582.5	3.4	35.0	The topline beat was led by higher subscription revenues which grew by 15.3% YoY to ₹ 270.5 crore (better than estimates of 8% YoY).
Other Income	37.1	38.0	21.6	37.4	72.0	-0.8	
Raw Material Expenses	68.3	57.5	49.7	61.7	37.6	10.6	
Employee Expenses	68.4	63.8	60.3	64.3	13.5	6.4	
Marketing Expenses	0.0	0.0	0.0	0.0	NA	NA	
Administrative Expenses	115.8	131.5	129.0	62.8	-10.2	84.2	
IPL Franchisee Fees to BCCI	85.5	90.0	85.5	0.0	0.0	NA	
EBITDA	448.4	420.6	436.4	393.6	2.7	13.9	
EBITDA Margin (%)	57.0	55.1	57.4	67.6	-34 bps	-1056 bps	The company reported higher margins aided by aided by lower IPL losses (loss of Rs 22 crore against expected loss of Rs 55 crore).
Depreciation	103.5	102.3	100.8	76.7	2.7	35.0	
Interest	0.1	0.3	0.1	0.2	-61.5	-76.2	
Total Tax	130.2	121.1	124.0	118.2	5.0	10.2	
PAT	251.6	235.0	233.1	235.9	8.0	6.7	The bottomline beat was owing to better than expected operating performance
Key Metrics							
Ad Revenue Growth	-4.1	-1.8	4.9	1.7	-183.4	-336.4	The legislataion led uncertainty and demonetisation after-effects impacted the ad revenues
Subscription Revenue Growth	15.3	8.0	21.6	12.0	-29.3	27.3	The subscription revenues beat was led by some catch revenues in the cable segment

Source: Company, ICICIdirect.com Research

Change in estimates

(₹ Crore)	FY18E			FY19E			Remarks
	Old	New	% Change	Old	New	% Change	
Revenue	2,901.2	2,916.9	0.5	3,329.3	3,319.8	-0.3	We have incorporated the Q1FY18 performance. We have also lowered our ad growth estimates building in competitive scenario as well as delayed recovery
EBITDA	1,957.2	1,979.7	1.1	2,343.0	2,341.0	-0.1	
EBITDA Margin (%)	67.5	67.9	41 bps	70.4	70.5	14 bps	
PAT	1,145.5	1,158.3	1.1	1,383.7	1,363.2	-1.5	
EPS (₹)	29.1	29.4	1.1	35.1	34.6	-1.5	

Source: Company, ICICIdirect.com Research

Assumptions

	FY18E		Current		Earlier		Remarks
	FY16	FY17E	FY18E	FY19E	FY18E	FY19E	
Ad Revenue Growth	-3.8%	5.0%	8.7%	13.3%	9.4%	14.2%	We have also lowered our ad growth estimates building in competitive scenario as well as delayed recovery
Subscription Revenue Growth	10.5%	16.2%	15.5%	15.8%	12.7%	17.7%	We have increased the subscription revenues estimates given the managmnet guidance. Digitisation by Arasu would be an upside risk to our estimates

Source: Company, ICICIdirect.com Research

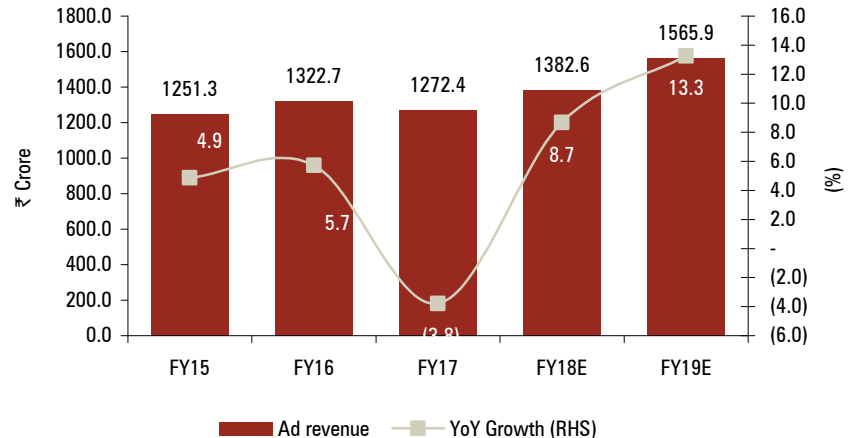
Company Analysis

Competition heightens; recovery to be seen from H2FY18E

The launch of rural rating by BARC was a shot in the arm for Sun TV as it emerged as the No. 1 TV channel across India. The company has further consolidated its *numero uno* position in the Tamil market. However, coming into FY18, one of the interesting trends in the Tamil and Telugu market has been the launch of *Bigg Boss*, which has led to a sharp rise in Star's market share. Moreover, with the expected launch of Colors Tamil in Q3FY18, there is a clear indication of the Tamil market getting a taste of new genre of high impact reality shows. The management said it was a short-term phenomena and high cost programming is not a formidable long term feasible competition. It insisted it would focus on its existing strategy of adding new fictional shows with revamped programming across genres to improve its viewership ratings as well compete with new challengers.

The ad trajectory continued to disappoint as the company faced the after effects of demonetisation as well as GST implementation led uncertainty. During Q1FY18, ad revenues declined ~4% YoY to ₹ 326 crore. We note that as per the company, it has started witnessing the receding impact of demonetisation/GST. A full recovery should be seen from H2FY18E. While we understand that Sun's leadership and market understanding lends it a strong competitive advantage, short-term pressure cannot be ruled out. We factor in a 10.9% CAGR (vs. 12.6% CAGR earlier) in ad revenues in FY17-19E to ₹ 1565.9 crore, with healthy ad growth recovery from H2FY18E onwards.

Exhibit 1: Ad growth trend



Source: Company, ICICIdirect.com Research

Subscription revenues remain robust...

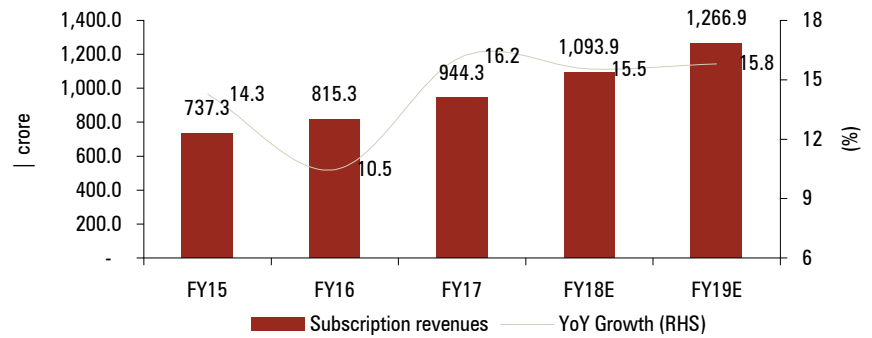
As per the management, there are 21 millions cable homes yet to be digitised in South India in Phase III & IV. Digitisation in these would gain traction over the next couple of years. While revenues from cable are still dependent on the progress of digitisation, the management indicated that revenue opportunity could double once digitisation materialises in southern states.

Domestic subscription revenues for Sun TV have remained robust growing at a CAGR (FY13-17) of 16.5%, to ₹ 644.4 crore, even though Phases I & II of digitisation are still not complete in two of its key markets, viz. Chennai & Coimbatore.

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catch revenues) while DTH revenues were up ~10% YoY to ₹ 174 crore. The company, without assigning a timeline, maintained that Chennai digitisation led by Arasu digital license is currently delayed but should materialise once the Phase IV digitisation is over. We expect subscription revenue growth of 15.8% CAGR (FY17-19E) to ₹ 1266.9 crore by FY19E. Any early resolution to Chennai digitisation would be an upside risk to our estimates as the company expects ~12 million analog homes opportunity, which are yet to be digitised.

Exhibit 2: Subscription revenue trends

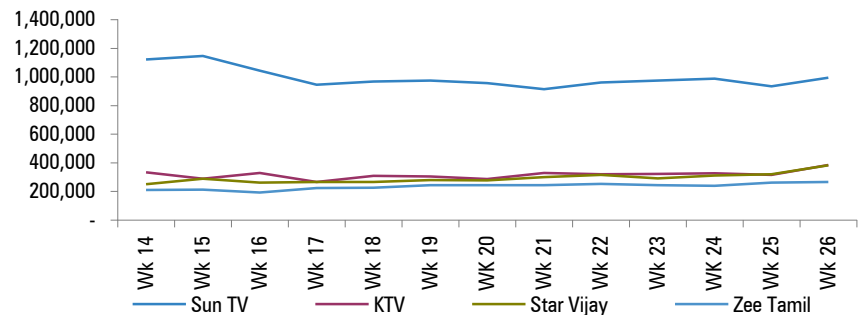


Source: Company, ICICIdirect.com Research

Competitive pressure increases

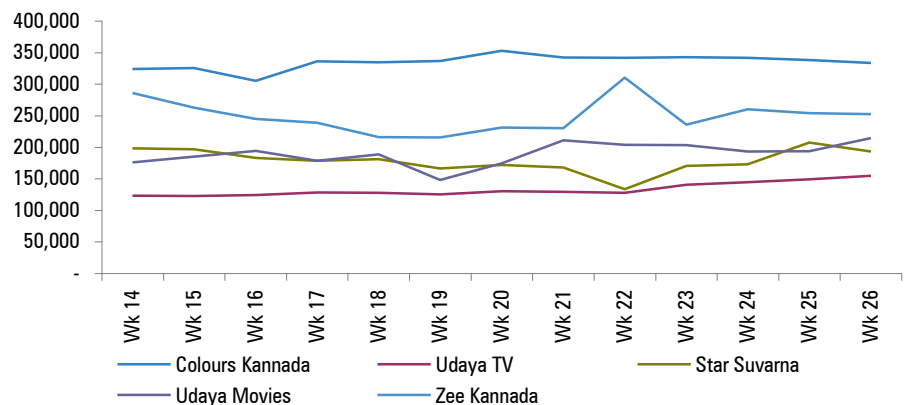
In recent times, Star’s reality show offering *Bigg Boss* is giving strong competition in the Tamil and Telugu markets. The Kannada market performance for the company, however, remained softer.

Exhibit 3: Tamil markets BARC weekly data for Q1FY18



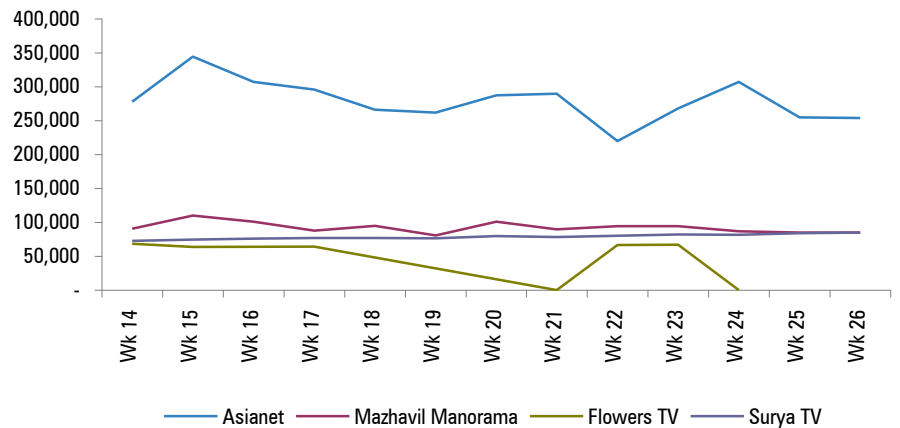
Source: BARC, ICICIdirect.com Research

Exhibit 4: Kannada markets BARC weekly data for Q1FY18



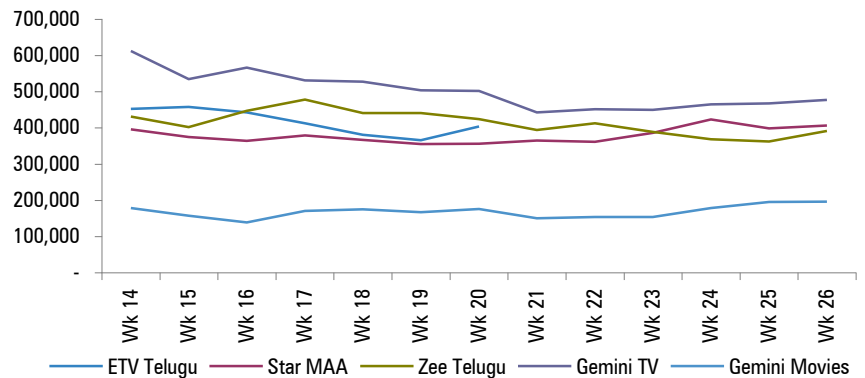
Source: Company, ICICIdirect.com Research

Exhibit 5: Malayalam markets BARC weekly data for Q1FY18



Source: BARC, ICICIdirect.com Research

Exhibit 6: Telugu markets BARC weekly data for Q1FY18



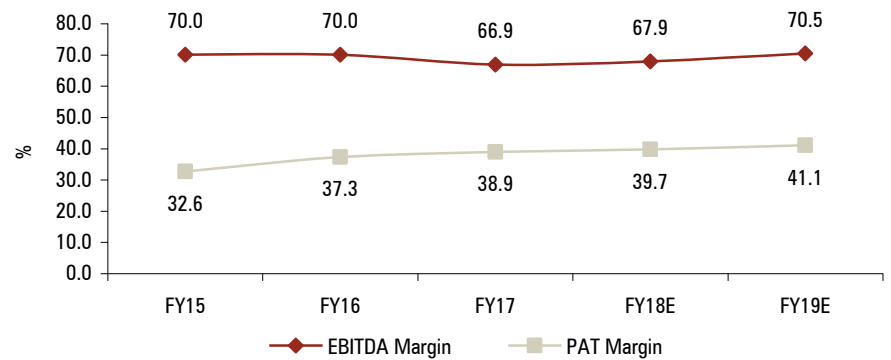
Source: BARC, ICICIdirect.com Research

EBITDA margins to improve in FY19E

The company has continued to focus on revamping its content strategy, focussing on high quality fictional shows. Sun TV intends to launch further shows in coming quarters to garner better viewership share, which would keep the programming expenses growing. However, Sun TV is expected to see an EBITDA margin benefit from FY19E onwards owing to the IPL license fees obligation being reduced to 20-25%. We factor in margins of 67.9% & 70.5% in FY18E & FY19E, respectively.

We highlight that the EBITDA margin for Sun TV is non-comparable with peers due to a different business model (sponsored programming) wherein Sun TV recognises broadcast fees net of content cost. It also amortises movie expenses below EBITDA. This results in understatement of revenue and higher EBITDA margin for Sun TV. Sun TV is also shifting to a commissioned model of programming with all its non-Tamil programming is now on a commissioned basis. However, in its key market i.e. Tamil, the lion's share (16 out of 18 i.e. ~89%) of the programming is still on a sponsored basis. Therefore, the divergence of margins should continue in the foreseeable term.

Exhibit 7: EBITDA margins trend



Source: Company, ICICIdirect.com Research

Other highlights

- Competitive intensity:** The management indicated that they have lost some market share in Tamil and Telugu markets owing to an increase in competitive intensity (big ticket launches by rival channels). The management said it was a short-term phenomena and said high cost programming is not a formidable long term feasible competition. It insisted it would focus on existing strategy of adding new fictional shows with revamped programming across genres to improve its viewership ratings as well compete with new challengers. Moreover, the management expects an ad growth recovery, going forward, owing to the upcoming festive season. The management also cited the example of 'KBC', which did not do well in Tamil & Telugu markets, after the initial buzz
- Movie spending guidance maintained at ₹ 325+ crore:** The management said they have shifted from tier II producers to some big ticket producers to acquire lucrative movie rights and are confident of a strong performance from these movies. The management also said some blockbuster movies remained unsold in the market providing a reality check for the earlier sky-high prices. According to the company, movies acquired by the company are both for TV as well as digital rights
- Radio continues to perform well:** Revenue growth for the radio business was 10% YoY while PAT de-grew 20% YoY, given the new stations launch. Post the phase 2 station launches, the total number of radio stations would increase from 48 to 70
- Digitisation opportunity around the corner:** There are still 12 million analog cable subscribers to be digitised in Tamil Nadu. Any quicker resolution on Arasu should lead to a sharp revenue bump
- Monetisation of digital platform Sun Next:** The management said they have seen 5.38 million downloads on the platform as of now. They, however, are yet to decide whether to provide the content on its platform to other platforms or maintain exclusivity. Currently, the company also enjoys a four to six weeks window of exclusive right for its sponsored Tamil programmes on its digital platform
- Market wise growth trends:** The revenue growth for Telugu channels was strong at 31% YoY followed by Malayalam channels for which revenues grew 27% YoY. However, revenue growth for Kannada market was flat. Revenue growth for Tamil declined owing to the high base last year because of Tamil Nadu legislative assembly elections in May 2016
- The company has announced an interim dividend of ₹ 2.5/ share

Valuation

We highlight that all charges against the Maran brothers in the Aircel Maxis case along with all other accused in corruption & money laundering cases have been dropped by the Special 2G court. The promoter being involved in the 2G case had been a major overhang on the stock.

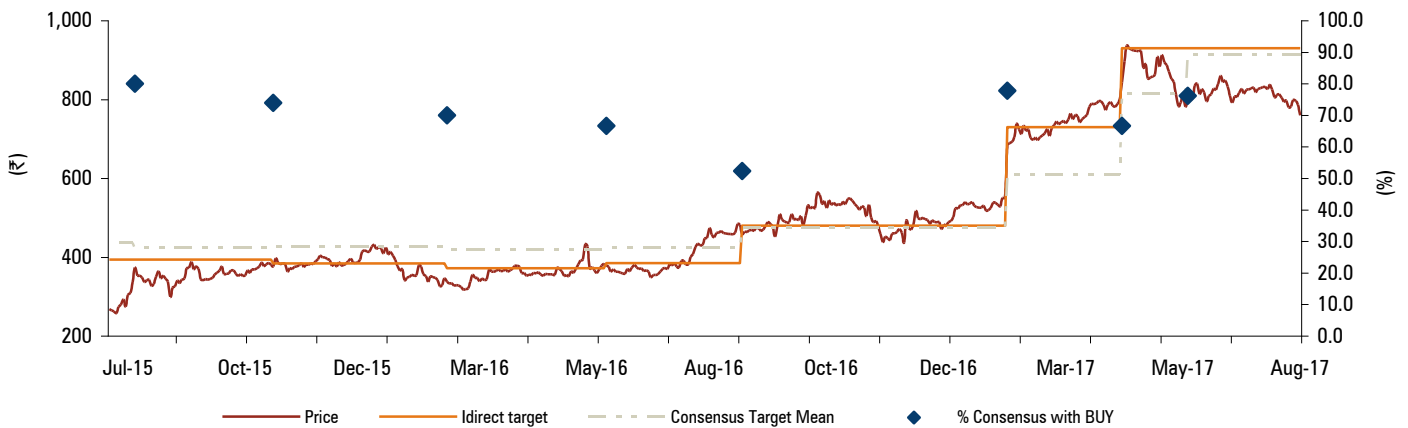
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Exhibit 8: Valuations

	Sales (₹ cr)	Growth (%)	EPS (Rs)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY16	2473.6	3.3	23.4	17.9	30.3	15.4	26.2	38.6
FY17	2645.7	10.5	26.1	31.7	27.1	15.0	25.6	37.2
FY18E	2916.9	10.3	29.4	12.4	24.1	13.3	26.1	38.3
FY19E	3319.8	13.8	34.6	17.7	20.5	11.0	27.0	39.7

Source: Company, ICICIdirect.com Research

Recommendation History versus Consensus Estimates



Source: Bloomberg, Company, ICICIdirect.com Research

Key events

Date	Event
Aug-10	Sun TV Network floats a wholly owned subsidiary, Sun TV Network Europe Ltd in United Kingdom to broadcast and distribute its channels in U.K. and Europe
Jun-11	K Vijay Kumar appointed Chief Executive Officer of the Company
Oct-11	Sun TV launches kids channel Kochu TV
Jul-12	Sun TV launches four ad free movie channels and increases its pay channel offerings by three
Sep-12	Sun TV inks agreement with Tamil Nadu Arasu cable TV provider
Dec-12	Sun TV emerges as the winner of Hyderabad franchisee of IPL
Sep-13	Sun TV reports two consecutive quarters of negative ad growth subject to the inability to pass on exorbitant price hike taken to offset the impact of Trai's 12 minute ad cap
Mar-14	Ad growth rebounds and comes in positive territory with 5% YoY ad growth. Growth rebounds after hikes were re-calibrated in conjunction with markets
Jul-14	Attorney General informs CBI there was significant evidence against Marans in Aircel-Maxis case
Jun-15	The Union Home Ministry denies security clearances to Sun TV's 33 channels that could culminate in the channels going off air and cancellation of their broadcasting license
Feb-17	The Special 2G court dropped all charges against the Maran brothers with respect to their involvement in the Aircel Maxis case

Source: Company, ICICIdirect.com Research

Top 10 Shareholders

Invest Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1 Maran (Kalanithi)	31-03-2017	75.00	295.56M	0.0
2 Norges Bank Investment Management (NBIM)	31-03-2017	1.89	7.44M	+0.99M
3 Selvam (Selvi)	31-03-2017	1.78	7.02M	0.0
4 Selvam (Shanmugasundaram)	31-03-2017	1.74	6.86M	0.0
5 East Bridge Capital Management L.P.	31-03-2017	1.45	5.72M	0.0
6 Amansa Capital Pte Ltd.	31-03-2017	1.16	4.57M	0.0
7 Grantham Mayo Van Otterloo & Co LLC	28-02-2017	0.98	3.86M	+0.21M
8 HSBC Global Asset Management (Hong Kong) Limited	30-04-2017	0.78	3.07M	-0.28M
9 Baron Capital Management, Inc.	30-06-2017	0.72	2.85M	-0.40M
10 The Vanguard Group, Inc.	30-06-2017	0.69	2.70M	+0.12M

Source: Reuters, ICICIdirect.com Research

Shareholding Pattern

(in %)	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Promoter	75.00	75.00	75.00	75.00	75.00
FII	16.59	15.34	16.75	16.24	14.74
DII	2.83	3.55	1.69	1.61	2.64
Others	5.58	6.11	6.56	7.15	7.62

Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
Caisse de Depot et Placement du Quebec	+9.78M	+1.35M	BlackRock Institutional Trust Company, N.A.	-11.37M	-0.90M
Norges Bank Investment Management (NBIM)	+12.11M	+0.99M	Union Investment Luxembourg S.A.	-5.07M	-0.42M
UTI Asset Management Co. Ltd.	+5.46M	+0.43M	Baron Capital Management, Inc.	-5.06M	-0.40M
Kotak Mahindra (UK) Ltd	+1.55M	+0.21M	Excel Funds Management Inc.	-2.33M	-0.30M
Grantham Mayo Van Otterloo & Co LLC	+2.20M	+0.21M	HSBC Global Asset Management (Hong Kong) Limited	-3.96M	-0.28M

Source: Reuters, ICICIdirect.com Research

Financial summary

Profit and loss statement		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Total operating Income	2,473.6	2,645.7	2,916.9	3,319.8	
Growth (%)	7.3	7.0	10.3	13.8	
Raw Material Expenses	195.8	233.8	251.0	274.2	
Employee Expenses	250.8	273.5	281.6	319.9	
Other Expenses	294.3	368.6	404.7	384.7	
Total Operating Expenditure	740.9	875.9	937.2	978.8	
EBITDA	1,732.7	1,769.8	1,979.7	2,341.0	
Growth (%)	5.8	2.1	11.9	18.2	
Depreciation	496.7	400.5	408.4	471.4	
Interest	2.2	1.0	1.5	1.5	
Other Income	116.3	153.8	151.1	159.0	
Exceptional Items	-	-	-	-	
PBT	1,350.2	1,522.2	1,720.9	2,027.1	
MI/PAT from associates	30.5	28.3	22.5	23.3	
Total Tax	476.8	520.3	585.1	687.2	
PAT	903.9	1,030.3	1,158.3	1,363.2	
Growth (%)	14.5	14.0	12.4	17.7	
EPS (₹)	23.4	26.1	29.4	34.6	

Source: Company, ICICIdirect.com Research

Cash flow statement		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Profit after Tax	921.8	1,030.3	1,158.3	1,363.2	
Add: Depreciation	496.7	400.5	408.4	471.4	
Add: Interest Paid	2.2	1.0	1.5	1.5	
(Inc)/dec in Current Assets	(24.0)	211.6	(111.1)	(116.6)	
Inc/(dec) in CL and Provisions	-6.1	35.1	25.8	37.0	
Others	0.0	0.0	0.0	0.0	
CF from operating activities	1,390.7	1,678.4	1,482.8	1,756.5	
(Inc)/dec in Investments	-136.7	-505.6	-150.0	-150.0	
(Inc)/dec in Fixed Assets	-175.4	-833.6	-410.0	-410.0	
Others	-41.5	21.2	0.0	0.0	
CF from investing activities	-353.6	-1,318.0	-560.0	-560.0	
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0	
Inc/(dec) in loan funds	0.0	0.0	0.0	0.0	
Dividend paid & dividend tax	-729.3	-470.5	-752.8	-752.8	
Interest Paid	-2.2	-1.0	-1.5	-1.5	
Others	-160.0	-5.3	0.0	0.0	
CF from financing activities	-891.5	-476.9	-754.3	-754.3	
Net Cash flow	145.6	-116.5	168.5	442.2	
Opening Cash	759.3	904.9	788.4	956.9	
Closing Cash	904.9	788.4	956.9	1,399.1	

Source: Company, ICICIdirect.com Research

Balance sheet		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Liabilities					
Equity Capital	197.0	197.0	197.0	197.0	
Preference Capital	93.4	93.4	93.4	93.4	
Reserve and Surplus	3,183.6	3,738.0	4,143.5	4,753.9	
Total Shareholders funds	3,474.0	4,028.5	4,433.9	5,044.3	
Total Debt	0.0	0.0	0.0	0.0	
Others	32.2	65.9	65.9	65.9	
Total Liabilities	3,506.3	4,094.3	4,499.8	5,110.2	
Assets					
Gross Block	4,612.3	5,444.9	5,854.9	6,264.9	
Less: Acc Depreciation	3,797.1	4,197.5	4,605.9	5,077.3	
Net Block	815.2	1,247.4	1,249.1	1,187.6	
Capital WIP	0.7	1.6	1.6	1.6	
Total Fixed Assets	815.9	1,249.1	1,250.7	1,189.3	
Investments	398.6	602.6	652.6	702.6	
Liquid Investments	243.9	545.5	645.5	745.5	
Goodwill on Consolidation	4.8	4.8	4.8	4.8	
Inventory	1.1	0.9	1.0	1.1	
Debtors	776.1	772.6	851.8	921.0	
Loans and Advances	350.5	97.1	107.0	121.8	
Other Current Assets	167.8	213.4	235.3	267.8	
Cash	904.9	788.4	956.9	1,399.1	
Total Current Assets	2,200.4	1,872.4	2,152.0	2,710.8	
Creditors	202.3	231.3	255.0	290.2	
Provisions	14.0	20.1	22.1	23.9	
Net Current Assets	1,984.1	1,621.0	1,874.9	2,396.7	
Other Non Current Assets	59.0	71.4	71.4	71.4	
Application of Funds	3,506.3	4,094.3	4,499.8	5,110.2	

Source: Company, ICICIdirect.com Research

Key ratios					
(Year-end March)	FY16	FY17	FY18E	FY19E	
Per share data (₹)					
EPS	23.4	26.1	29.4	34.6	
Cash EPS	36.0	36.3	39.8	46.6	
BV	88.2	102.2	112.5	128.0	
DPS	18.5	11.9	19.1	0.0	
Cash Per Share	23.0	20.0	24.3	35.5	
Operating Ratios (%)					
EBITDA Margin	70.0	66.9	67.9	70.5	
PBT / Total Operating income	50.0	51.8	53.9	56.3	
PAT Margin	36.8	38.9	39.7	41.1	
Inventory days	0.2	0.1	0.1	0.1	
Debtor days	114.5	106.6	106.6	101.3	
Creditor days	29.8	31.9	31.9	31.9	
Return Ratios (%)					
RoE	26.2	25.6	26.1	27.0	
RoCE	38.6	37.2	38.3	39.7	
RoC	53.9	51.0	55.7	64.7	
Valuation Ratios (x)					
P/E	30.3	27.1	24.1	20.5	
EV / EBITDA	15.4	15.0	13.3	11.0	
EV / Net Sales	10.8	10.0	9.0	7.8	
Market Cap / Sales	11.3	10.5	9.6	8.4	
Price to Book Value	8.0	6.9	6.3	5.5	
Solvency Ratios					
Debt/EBITDA	0.0	0.0	0.0	0.0	
Debt / Equity	0.0	0.0	0.0	0.0	
Current Ratio	6.0	4.3	4.3	4.2	
Quick Ratio	6.0	4.3	4.3	4.2	

Source: Company, ICICIdirect.com Research

ICICIdirect.com coverage universe (Media)

Sector / Company	CMP			M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)	Rating		FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E
DB Corp (DBCORP)	366	430	Buy	6,731	20.4	23.7	26.9	18.0	15.5	13.6	10.3	10.0	8.4	32.2	32.6	31.9	23.5	23.5	22.8
DISH TV (DISHTV)	71	80	Hold	7,589	1.0	1.4	2.8	69.5	50.1	25.5	8.7	8.5	7.7	20.8	24.5	28.5	22.3	23.7	31.7
ENIL (ENTNET)	799	890	Hold	3,809	11.6	13.5	23.1	69.1	59.0	34.5	30.4	24.2	17.2	9.3	9.9	15.3	6.4	6.6	10.8
HT Media (HTMED)	84	78	Sell	1,963	7.3	7.0	7.8	11.5	12.0	10.7	8.9	8.6	7.1	10.9	10.5	10.6	7.6	6.9	7.1
Inox Leisure (INOX)	231	325	Buy	2,222	3.2	7.1	10.1	72.6	32.4	23.0	17.4	17.3	11.3	7.3	13.2	15.9	5.5	11.0	13.5
Jagran Prakashan	172	210	Buy	5,366	10.6	12.8	14.2	16.2	13.5	12.1	8.0	7.7	6.8	20.1	20.6	20.9	16.1	16.8	16.9
PVR (PVRLIM)	1,282	1,440	Hold	5,990	20.5	28.7	40.2	62.5	44.6	31.9	18.7	18.4	16.3	13.7	15.8	19.1	10.2	12.3	14.8
Sun TV (SUNTV)	708	830	Buy	27,901	26.1	29.4	34.6	27.1	24.1	20.5	15.0	14.9	13.0	37.2	38.3	39.7	25.6	26.1	27.0
TV Today (TVTNET)	247	315	Buy	1,473	18.1	20.8	24.9	13.7	11.9	9.9	7.3	7.1	5.6	24.7	26.3	26.9	16.3	17.2	17.6
ZEE Ent. (ZEEENT)	507	580	Hold	48,654	23.1	14.5	18.7	21.9	35.0	27.1	23.3	22.8	21.2	21.2	23.0	24.5	15.0	14.3	16.0

Source: Company, ICICIdirect.com Research

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