

August 10, 2017

Jagran Prakashan (JAGPRA)

₹ 179

Ad growth to rebound from H2FY18...

- Ad revenues from the print business were impacted by legislation (GST, RERA) led uncertainty and consequently witnessed 3.8% YoY growth to ₹ 361.6 crore, slightly lower than our expectation of 5% YoY growth. The company continued to witness healthy traction in the radio segment with revenues at ₹ 70.3 crore, up ~12% YoY. Circulation revenues came in slightly lower than expectations at ₹ 108.6 crore, up 1.5% YoY (our estimate: 3.3% YoY growth). Revenue from the digital segment grew a handsome 18.1% YoY to ₹ 7.7 crore on a smaller base
- EBITDA came in at ₹ 161.3 crore, ahead of our expectation of ₹ 154.4 crore. With a slight beat on topline front, and controlled costs, subsequent margins were at 27.3%, higher than our 26.3% estimate
- PAT came in at ₹ 86.6 crore (vs. expectation of ₹ 88.6 crore), owing to higher-than-expected tax rate

Recovery expected from H2FY18

FY17 performance across the print media (as well as other media) was impacted by demonetisation and its after-effects. Consequently, Jagran also witnessed muted print ad growth of ~5% in FY17. However, coming into FY18, the recovery was expected. However, the legislation led uncertainty (GST, RERA) coupled with longer-than-expected recovery from demonetisation after-effects has pushed the same to H2FY18. During Q1FY18, print ad witnessed 3.8% YoY growth to ₹ 361.6 crore. On the circulation front, the increase in competitive pressure in UP (aggressive cover price cut from Amar Ujala and HVM- IRS led) and Bihar (DB Corp launches), led to some drop in cover prices, thereby leading to muted circulation growth of 1.5% YoY during the quarter. Going ahead, with levers like stabilisation of legislation led uncertainty, lower base, strong monsoon and upcoming festive season, the management expects ad revenues to rebound from H2FY18. We expect print ad revenue to grow at 8.9% CAGR in FY17-19E to ₹ 1651.1 crore, aided by double digit growth traction from H2FY18 onwards. Circulation revenues are expected to grow at 3.9% CAGR in FY17-19E to ₹ 467 crore.

Radio stays strong

The radio business continued to witness strong traction. The quarter saw radio revenue growth of 11.9% YoY to ₹ 70.3 crore, which was better than the peer ENIL that witnessed de-growth of 5.8% YoY. The company successfully completed the launch of all newly acquired stations in FY17. New station traction would drive radio ad growth. Going forward, profitability is slated to improve as new stations break even. We build in 14.5% CAGR in FY17-19E YoY to ₹ 355.9 crore with margins of 34.4% by FY19E.

Dual play on radio, print; maintain BUY

Jagran's performance vis-à-vis regional print peer remains healthy (reported print ad growth ~4% YoY vs. DB Corp and HVM- who have reported growth of 4.5% and decline of 0.4% YoY, respectively). We highlight that Jagran Prakashan, a leading print media player, has diversified offerings with strong footing in the radio market (currently exhibiting superior growth than leader ENIL) and increasing presence in the digital space. We continue to believe the vernacular print segment is a lucrative space, and is bound to recover from H2FY18 onwards. We maintain **BUY** rating with a target price of ₹ 210 on an SOTP basis.

Rating matrix	
Rating	Buy
Target	₹ 210
Target Period	12 months
Potential Upside	17%

What's changed?	
Target	Unchanged
EPS FY18E	Changed from ₹ 12.7 to ₹ 12.8
EPS FY19E	Changed from ₹ 14.3 to ₹ 14.2
Rating	Unchanged

Quarterly performance					
	Q1FY18	Q1FY17	YoY (%)	Q4FY17	QoQ (%)
Revenue	591.3	564.4	4.8	562.0	5.2
EBITDA	161.3	155.8	3.5	144.1	11.9
EBITDA (%)	27.3	27.6	-34 bps	25.6	164 bps
PAT	86.6	83.8	3.3	81.1	6.7

Key financials				
	FY16	FY17	FY18E	FY19E
Net Sales	2,079	2,285	2,439	2,630
EBITDA	590	640	681	747
PAT	350	348	398	443
EPS	10.7	10.6	12.8	14.2

Valuation summary				
	FY16	FY17	FY18E	FY19E
P/E	16.7	16.8	14.0	12.6
Target P/E	19.6	19.7	16.4	14.7
EV / EBITDA	10.1	8.8	7.9	6.8
P/BV	3.6	2.7	2.4	2.1
RoNW	19.6	16.1	16.8	16.9
RoCE	21.8	20.1	20.6	20.9

Stock data	
Particular	Amount
Market Capitalization	₹ 5841.9 Crore
Total Debt (FY17)	₹ 133.4 Crore
Cash (FY17)	₹ 349.1 Crore
EV	₹ 5596.9 Crore
52 week H/L	213 / 162
Equity capital	₹ 65.4 Crore
Face value	2.0

Price performance				
	1M	3M	6M	12M
HT Media	6.3	4.8	4.7	10.7
DB Corp	-1.5	-1.3	-0.9	-8.0
Jagran Prakashan	0.7	-7.2	-3.8	-1.0

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Variance analysis

	Q1FY18	Q1FY18E	Q1FY17	Q4FY17	YoY (%)	QoQ (%)	Comments
Revenue	591.3	586.7	564.4	562.0	4.8	5.2	Ad revenues from the print business witnessed 3.8% YoY growth to ₹ 361.6 crore, slightly lower than our expectations of 5% YoY growth. The company continued to witness healthy traction in the radio segment with revenues at ₹ 70.3 crore, up ~12% YoY. Circulation revenues came slightly lower than expectations at ₹ 108.6 crore, up 1.5% YoY (our estimates: 3.3% YoY growth). The revenue growth from digital segment stood at a handsome 18.1% YoY to ₹ 7.7 crore
Other Income	12.0	5.0	9.3	12.8	28.7	-6.2	
Raw Material Expenses	169.8	170.8	169.3	155.5	0.3	9.2	
Employee Expenses	99.2	103.0	89.8	95.4	10.5	3.9	
Marketing Expenses	161.1	158.4	149.5	167.0	7.7	-3.6	
Total Expenses	430.1	432.2	408.6	418.0	5.3	2.9	
EBITDA	161.3	154.4	155.8	144.1	3.5	11.9	With a slight beat on topline front, and controlled costs, the subsequent margins came in higher
EBITDA Margin (%)	27.3	26.3	27.6	25.6	-34 bps	164 bps	
Depreciation	32.8	29.3	30.2	35.1	8.8	-6.4	
Interest	7.2	3.3	10.2	8.1	-30.0	-11.2	
Total Tax	44.6	38.0	40.7	32.7	9.7	36.5	
PAT	86.6	88.6	83.8	81.1	3.3	6.7	
Key Metrics							
Advertisement Growth (%)	3.8	5.0	8.5	1.1			Ad growth in the quarter was impacted by aftereffects of demonetisation and legislation led uncertainty
Subscription Growth (%)	1.5	3.3	6.5	3.2			The competitive pressure in key markets of UP and Bihar led to lower circulation growth

Source: Company, ICICIdirect.com Research

Change in estimates

₹ Crore)	FY18E			FY19E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	2,493.5	2,439.4	-2.2	2,699.8	2,630.0	-2.6	We have realigned our estimates based on Q1FY18 performance. We now build in ad recovery from H2FY18 onwards
EBITDA	706.8	680.7	-3.7	774.8	746.7	-3.6	
EBITDA Margin (%)	28.3	27.9	-40 bps	28.7	28.4	-31 bps	
PAT	416.1	397.9	-4.4	467.2	443.4	-5.1	
EPS (₹)	12.7	12.8		14.3	14.2		

Source: Company, ICICIdirect.com Research

Assumptions

	FY18E		Current		Earlier		Comments
	FY16	FY17	FY18E	FY19E	FY18E	FY19E	
Advertisement Growth (%)	6.2	4.8	8.3	9.9	11.7	9.9	We have lowered our ad estimate sand now build in recovery from H2FY18 onwards
Circulation Growth (%)	4.7	5.9	3.0	4.8	5.1	4.0	Circulation growth estimates for FY18 have been slightly lowered to incorporate pricing pressure

Source: Company, ICICIdirect.com Research

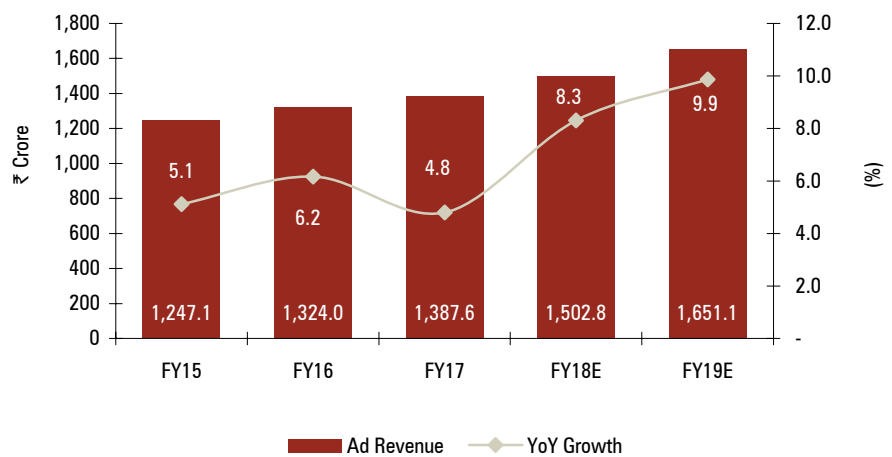
Company Analysis

Ad growth recovery expected from H2FY18

FY17 performance across the print media (as well as other media) was impacted by demonetisation and its after-effects. Consequently, Jagran also witnessed muted print ad growth of ~5% in FY17.

However, coming into FY18, the recovery was expected but legislation led uncertainty (GST, RERA) coupled with longer-than-expected recovery from demonetisation after-effects pushed the same to H2FY18. During Q1FY18, print ad witnessed 3.8% YoY growth to ₹ 361.6 crore. Going ahead, with levers such as stabilisation of legislation led uncertainty, lower base, strong monsoon and upcoming festive season; the management expects ad revenues to rebound from H2FY18. We expect print ad revenue to grow at 8.9% CAGR in FY17-19E to ₹ 1,651.1 crore, aided by double digit growth traction from HFY18 onwards.

Exhibit 1: Ad growth trend



Source: Company, ICICIdirect.com Research

Exhibit 2: Ranking in certain Hindi speaking areas

States	Top three Hindi newspaper with Average Issue Readership (in thousand)		
Bihar	Hindustan (4814)	Dainik Jagran (2913)	Aj (245)
Chandigarh	Dainik Bhaskar (170)	Amar Ujala (73)	Punjab Kesari (38)
Chhattisgarh	Dainik Bhaskar (899)	Nava Bharat (Mah/Chh) (617)	Hari Bhoomi (895)
Delhi	Navbharat Times (1808)	Hindustan (1028)	Punjab Kesari (608)
Haryana	Dainik Bhaskar (1282)	Dainik Jagran (1006)	Punjab Kesari (975)
HP	Amar Ujala (445)	Punjab Kesari (371)	Divya Himachal (211)
J&K	Amar Ujala (114)	Punjab Kesari (40)	Dainik Jagran (27)
Jharkhand	Hindustan (1678)	Prabhat Khabar (1322)	Dainik Jagran (869)
MP	Dainik Bhaskar Group (4124)	Nai Dunia (1055)	Nava Bharat (MP) (131)
Rajasthan	Rajasthan Patrika (6733)	Dainik Bhaskar Group (6234)	Dainik Navjyoti (490)
UP	Dainik Jagran (8900)	Amar Ujala (6646)	Hindustan (4233)
Uttaranchal	Amar Ujala (829)	Dainik Jagran (710)	Hindustan (388)

Source: IRS December 2012, Company, ICICIdirect.com Research

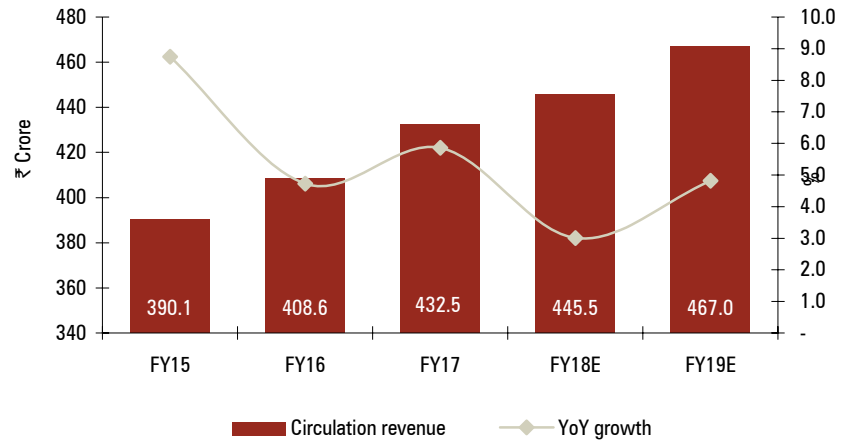
Circulation revenues to grow at 3.9% CAGR in FY17-19E

The company's prices in leadership markets are already above its peers. Hence, further price hikes would still be away. However, increased penetration of its other publications such as Nai Duniya, Mid Day would add to circulation revenues as demand picks up.

On the circulation front, the increase in competitive pressure in UP (largely IRS led from Amar Ujala and HMVL) and Bihar (DB Corp

launches), led to some drop in cover prices, thereby leading to muted circulation growth of 1.5% YoY during the quarter. We consequently, lower our circulation revenues growth estimates. Circulation revenues are expected to grow at 3.9% CAGR in FY17-19E to ₹ 467 crore.

Exhibit 3: Circulation revenue



Source: Company, ICICIdirect.com Research

Radio stays strong; new stations to aid growth

The radio business continues to witness strong traction. The quarter saw radio revenue growth of 11.9% YoY to ₹ 70.3 crore, which was better than the peer ENIL who witnessed de-growth of 5.8% YoY in the quarter. The revenue growth was led by price increase of 6-8% in the top 12 markets. Operating profit came in at ₹ 22.2 crore, which was up 15.6% YoY, led by strong revenue growth and cost control. Operating margins were at 31.5%, up 100 bps YoY. PAT was at ₹ 10.8 crore, up 42% YoY.

The company has successfully completed the launch of all newly acquired stations in FY17. New station traction would drive radio ad growth. Going forward, profitability is slated to improve as the new stations break even. We build in 14.5% CAGR in FY17-19E YoY to ₹ 355.9 crore with margins of 34.4% by FY19E.

Exhibit 4: Radio financials

	FY16	FY17E	FY18E	FY19E
Radio Revenues (₹ Crore)	225.5	271.4	308.1	355.9
EBITDA (₹ Crore)	78.1	91.3	103.0	122.3
EBITDA %	34.6	33.6	33.4	34.4
PAT (₹ Crore)	27.6	36.7	53.2	66.9

Source: Company, ICICIdirect.com Research

Other highlights:

- Gradual recovery expected in H2FY18:** The management indicated that consumer sentiments were at low levels in Q1FY18. The demonetisation impact is still continuing while GST implementation has only added to woes. The management said it would take some time for normalcy to return post GST. A gradual recovery is expected in H2FY18 due to festive season and good monsoons
- Drop in cover prices, triggered by increase in competitive intensity:** The management indicated that new IRS survey is expected to be rolled out in October-November this year. They mentioned that in order to get better readership numbers, competition has dropped

cover prices in their flagship states of Uttar-Pradesh. Consequently, they had to follow suit. However, the management foresees stable cover prices over a longer period

- **Digital business to be profitable in 2020:** The management indicated that the performance of the digital business was much better than competitors, which either reported revenue decline or 9-10% growth YoY. The management expects the digital business to be profitable by 2020. They reiterated that the digital business has been progressing as per management expectations
- **Open for acquisition in radio business, price led growth strategy continues:** The management indicated that lock in period for Phase II is coming to an end in March 2018. They are looking for an acquisition in the radio business to fill up their coverage gap in key cities. They confirmed that they are in active talks for the same. Apart from acquisition in coverage gap cities, they are also open to multiple frequencies subject to better acquisition price. They, furthermore, indicated they would continue with the price increase strategy and do not see a price drop by any players in the market
- The management expects newsprint costs to be stable in FY18
- **Mid Day gains volume market share:** Mid Day's ad revenues were at ₹ 23.2 crore, up 8% YoY. English Mid Day and Gujarati Mid Day increased volume market share by 300 bps YoY to 17% and 38%, respectively, during the quarter

Valuation

Jagran's performance vis-à-vis regional print peer remains healthy (reporting print ad growth of ~4% YoY vs. DB Corp and HMVL who reported growth of 4.5% and decline of 0.4%, respectively). We highlight that Jagran Prakashan, a leading print media player, has diversified offerings with strong footing in the radio market (currently exhibiting superior growth than leader ENIL) and increasing presence in the digital space. We continue to believe that the vernacular print segment is a lucrative space and is bound to recover from H2FY18 onwards.

We maintain **BUY** with a target price of ₹ 210 on the SOTP basis. We value the core business at 12x FY19E (25% discount to the peer DB Corp) earnings as Jagran has been historically trading at a discount to DB Corp. We value radio business at 30x FY19E earnings to arrive at a target price of ₹ 210.

Exhibit 5: SOTP based valuation

Particulars	FY19E PAT (₹ Crore)	P/E (x)	Amount (₹ Crore)
Core Business	376.5	12.0	4,518.0
Radio Business	66.9	30.0	2,007.4
Targeted Market Capitalization			6,525
No. of Shares Outstanding (Cr)			31.1
Per Share Value (₹)			210

Core business includes print business and all other ex-radio revenues.

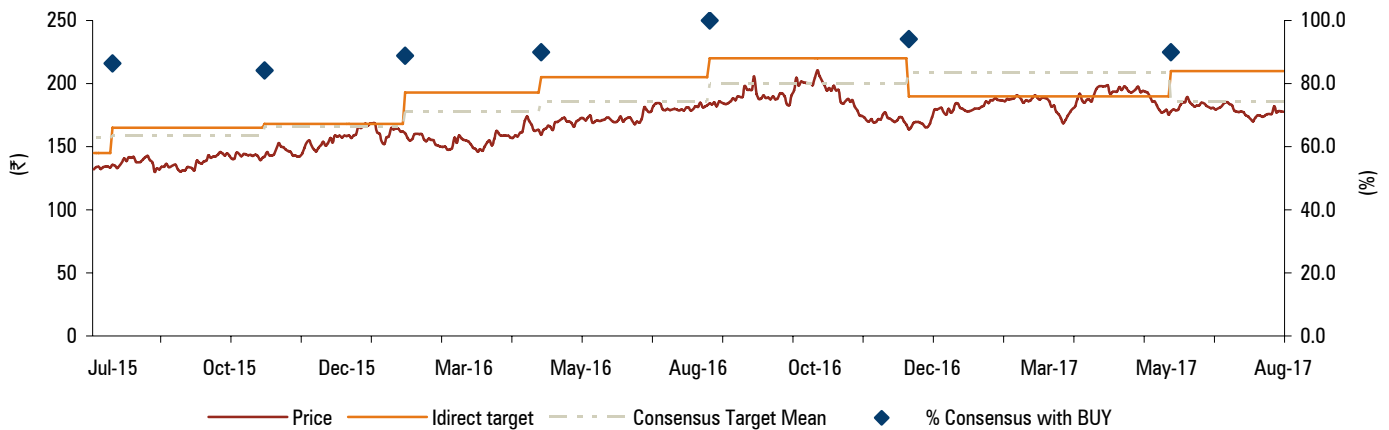
Source: Company, ICICIdirect.com Research

Exhibit 6: Valuation

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY16	2079.2	3.9	10.7	33.6	16.7	10.1	19.6	21.8
FY17	2284.9	3.9	10.6	33.6	16.8	8.8	16.1	20.1
FY18E	2439.4	6.8	12.8	20.1	14.0	7.9	16.8	20.6
FY19E	2630.0	7.8	14.2	11.4	12.6	6.8	16.9	20.9

Source: Company, ICICIdirect.com Research

Recommendation history vs. consensus



Source: Bloomberg, Company, ICICIdirect.com Research

Key events

Date	Event
May-10	Acquires the print business of Mid-Day Multimedia, that owns the English language afternoon daily Mid-Day, in a cashless transaction. The acquisition gives the company entry into three languages - Gujarati, Urdu and English
Jun-11	In a bid to cater to Gurmukhi-reading Punjabis, Jagran Prakashan launched its Punjabi daily Punjabi Jagran, on June 18. The 16-page daily is printed in Jalandhar and Ludhiana, and circulated across every district of Punjab
Apr-12	Jagran Prakashan acquired Suvi Info Management (Indore), which owns the brand "Nai Dunia". Nai Dunia is the third largest Hindi daily in Madhya Pradesh and Chhattisgarh (MPCG) market with a revenue of ~ ₹ 100 crore and EBITDA loss of ₹ 25 crore in FY11
Dec-12	Raises ₹ 150 crore through non-convertible debentures
FY13	EBITDA margin contracts to 19.4% owing to aggressive growth strategy by the company, which took a toll on its profitability
Jan-14	Company completes buyback of about 50 lakh equity shares for total consideration of about ₹ 47.5 crore
FY14	Company completes merger of Nai Duniya into its financials
Jun-15	Jagran completes acquisition of Radio City, which has about 20 radio stations across seven states
Sep-15	Jagran buys 11 frequencies in the Phase 3 auction at an outlay of ₹ 62.6 crore.

Source: Company, ICICIdirect.com Research

Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Jagran Media Network Investment Pvt. Ltd.	20-04-2017	60.63	188.81M	-9.15M
2	HDFC Asset Management Co., Ltd.	31-03-2017	6.67	20.79M	+5.87M
3	Franklin Templeton Asset Management (India) Pvt. Ltd.	31-03-2017	5.85	18.22M	-0.40M
4	ICICI Prudential Life Insurance Company Ltd.	31-03-2017	4.54	14.14M	-0.04M
5	NTAsset (Cayman) Ltd.	31-03-2017	3.72	11.58M	-2.61M
6	Franklin Advisers, Inc.	30-06-2017	3.71	11.54M	0.0
7	DSP BlackRock Investment Managers Pvt. Ltd.	31-03-2017	1.74	5.43M	+0.69M
8	Pari Washington Co., Pvt. Ltd.	31-03-2017	1.34	4.18M	0.0
9	Birla Sun Life Insurance Company Limited	31-03-2017	1.27	3.96M	+3.96M
10	Sundaram Asset Management Company Limited	31-05-2017	0.77	2.39M	-0.85M

Source: Reuters, ICICIdirect.com Research

Shareholding Pattern

(in %)	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Promoter	60.76	60.76	60.76	60.76	60.85
FII	16.05	15.68	15.35	14.31	14.54
DII	12.76	12.59	12.43	11.98	11.44
Others	10.43	10.97	11.46	12.95	13.17

Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
HDFC Asset Management Co., Ltd.	+17.39M	+5.87M	Jagran Media Network Investment Pvt. Ltd.	-27.77M	-9.15M
Birla Sun Life Insurance Company Limited	+11.73M	+3.96M	NTAsset (Cayman) Ltd.	-7.73M	-2.61M
DSP BlackRock Investment Managers Pvt. Ltd.	+2.03M	+0.69M	Sundaram Asset Management Company Limited	-2.36M	-0.85M
BNP Paribas Asset Management India Pvt. Ltd.	+0.11M	+0.04M	Caisse de Depot et Placement du Quebec	-1.87M	-0.71M
Edelweiss Asset Management Ltd.	+0.08M	+0.03M	Franklin Templeton Asset Management (India) Pvt. Ltd.	-1.18M	-0.40M

Source: Reuters, ICICIdirect.com Research

Financial summary

Profit and loss statement		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Total operating Income	2,079.2	2,283.0	2,439.4	2,630.0	
Growth (%)	17.5	9.8	6.9	7.8	
Raw Material Expenses	628.7	652.5	690.8	729.1	
Employee Expenses	322.7	374.0	400.2	427.6	
Administrative Expenses	537.4	617.0	667.7	726.5	
Other Expenses	0.0	0.0	0.0	0.0	
Total Operating Expenditure	1,488.8	1,643.5	1,758.7	1,883.2	
EBITDA	590.4	639.5	680.7	746.7	
Growth (%)	31.0	8.3	6.4	9.7	
Depreciation	121.9	128.9	122.0	118.3	
Interest	54.5	35.0	9.2	9.2	
Other Income	49.9	41.2	29.0	24.0	
Exception Items	-44.0	0.0	0.0	0.0	
PBT	507.9	516.8	578.5	643.2	
MI/PAT from associates	0.9	1.6	2.4	0.4	
Prior Period Items	0.0	0.0	0.0	0.0	
Total Tax	157.2	167.5	178.2	199.4	
PAT	349.8	347.7	397.9	443.4	
Adjusted PAT	319.5	347.7	397.9	443.4	
Growth (%)	28.4	8.8	14.4	11.4	
Reported EPS (₹)	10.7	10.6	12.8	14.2	

Source: Company, ICICIdirect.com Research

Balance sheet		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Liabilities					
Equity Capital	65.4	65.4	62.3	62.3	
Reserve and Surplus	1,565.6	2,089.5	2,305.3	2,566.5	
Total Shareholders funds	1,631.0	2,154.9	2,367.5	2,628.8	
Total Debt	514.8	133.4	33.4	33.4	
Others	227.5	450.4	452.6	452.6	
Total Liabilities	2,373.3	2,738.7	2,853.5	3,114.8	
Assets					
Gross Block	2,001.6	2,131.1	2,211.1	2,291.1	
Less: Acc Depreciation	766.3	895.2	1,017.2	1,135.6	
Net Block	1,235.3	1,235.9	1,193.9	1,155.6	
Capital WIP	0.0	0.0	0.0	0.0	
Total Fixed Assets	1,235.3	1,235.9	1,193.9	1,155.6	
Investments	356.7	528.9	658.9	788.9	
Goodwill	337.7	337.7	337.7	337.7	
Inventory	66.9	93.5	99.8	107.6	
Debtors	448.0	515.8	550.7	564.0	
Loans and Advances	76.1	64.7	69.1	74.5	
Other Current Assets	50.1	61.3	65.4	70.6	
Cash	50.2	349.1	360.0	539.6	
Total Current Assets	691.3	1,084.4	1,145.0	1,356.3	
Creditors	83.2	146.7	156.6	168.9	
Provisions	178.5	287.6	307.0	331.0	
Other Current Liabilities	63.5	65.6	70.0	75.5	
Total Current Liabilities	325.2	499.9	533.7	575.4	
Net Current Assets	366.1	584.5	611.3	780.9	
Other non Current Assets	77.5	51.7	51.7	51.7	
Application of Funds	2,373.3	2,738.7	2,853.5	3,114.8	

Source: Company, ICICIdirect.com Research

Cash flow statement		₹ Crore			
(Year-end March)	FY16	FY17E	FY18E	FY19E	
Profit after Tax	349.8	347.7	397.9	443.4	
Add: Depreciation	121.9	128.9	122.0	118.3	
Add: Interest Paid	54.5	35.0	9.2	9.2	
(Inc)/dec in Current Assets	-87.1	-94.2	-49.7	-31.6	
Inc/(dec) in CL and Provisions	-153.1	174.7	33.8	41.7	
Others	0.0	0.0	0.0	0.0	
CF from operating activities	286.1	592.1	513.2	581.0	
(Inc)/dec in Investments	0.6	-172.2	-130.0	-130.0	
(Inc)/dec in Fixed Assets	-750.6	-129.5	-80.0	-80.0	
Others	-38.4	248.7	2.2	0.0	
CF from investing activities	-788.4	-53.0	-207.8	-210.0	
Issue/(Buy back) of Equity	1.9	0.0	-3.1	0.0	
Inc/(dec) in loan funds	-33.1	-381.4	-100.0	0.0	
Dividend paid & dividend tax	0.0	-133.9	-182.2	-182.2	
Interest Paid	54.5	35.0	9.2	9.2	
Others	36.0	240.1	-18.3	-18.3	
CF from financing activities	59.3	-240.2	-294.5	-191.4	
Net Cash flow	-442.9	298.9	10.9	179.6	
Opening Cash	493.1	50.2	349.1	360.0	
Closing Cash	50.2	349.1	360.0	539.6	

Source: Company, ICICIdirect.com Research

Key ratios		₹ Crore			
(Year-end March)	FY16	FY17	FY18E	FY19E	
Per share data (₹)					
EPS	10.7	10.6	12.8	14.2	
Adjusted EPS	9.8	10.6	12.8	14.2	
BV	49.9	65.9	76.0	84.4	
DPS	0.0	4.1	5.9	5.9	
Cash Per Share	1.5	10.7	11.6	17.3	
Operating Ratios (%)					
EBITDA Margin	28.4	28.0	27.9	28.4	
PBT / Total Operating income	22.5	22.3	22.9	23.9	
PAT Margin	15.4	15.2	16.3	16.9	
Inventory days	11.7	14.9	14.9	14.9	
Debtor days	78.6	82.4	82.4	78.3	
Creditor days	14.6	23.4	23.4	23.4	
Return Ratios (%)					
RoE	19.6	16.1	16.8	16.9	
RoCE	21.8	20.1	20.6	20.9	
RoC	30.1	25.9	28.3	32.1	
Valuation Ratios (x)					
P/E	16.7	16.8	14.0	12.6	
EV / EBITDA	10.1	8.8	7.9	6.8	
EV / Net Sales	2.9	2.4	2.2	1.9	
Market Cap / Sales	2.8	2.6	2.4	2.2	
Price to Book Value	3.6	2.7	2.4	2.1	
Solvency Ratios					
Debt/EBITDA	0.9	0.2	0.0	0.0	
Debt / Equity	0.3	0.1	0.0	0.0	
Current Ratio	2.0	1.5	1.5	1.4	
Quick Ratio	1.8	1.3	1.3	1.2	

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)	379	430	Buy	6,971	20.4	23.7	26.9	18.6	16.0	14.1	10.7	10.4	8.7	32.2	32.6	31.9	23.5	23.5	22.8
DISH TV (DISHTV)	74	80	Hold	7,909	1.0	1.4	2.8	72.4	72.4	52.2	9.0	8.8	8.0	20.8	24.5	28.5	22.3	23.7	31.7
ENIL (ENTNET)	841	890	Hold	4,011	11.6	13.5	23.1	72.7	62.2	36.4	32.0	25.6	18.1	9.3	9.9	15.3	6.4	6.6	10.8
HT Media (HTMED)	84	78	Sell	1,962	7.3	7.0	7.8	11.5	11.5	12.0	8.9	8.6	7.1	10.9	10.5	10.6	7.6	6.9	7.1
Inox Leisure (INOX)	245	325	Buy	2,359	3.2	7.1	10.1	77.1	77.1	34.4	18.3	18.2	12.0	7.3	13.2	15.9	5.5	11.0	13.5
Jagran Prakashan	179	210	Buy	5,565	10.6	12.8	14.2	16.8	14.0	12.6	8.3	8.0	7.1	20.1	20.6	20.9	16.1	16.8	16.9
PVR (PVRLIM)	1,358	1,440	Hold	6,347	20.5	28.7	40.2	66.3	66.3	47.3	19.7	19.4	17.2	13.7	15.8	19.1	10.2	12.3	14.8
Sun TV (SUNTV)	706	920	Buy	27,804	26.1	29.1	35.1	27.0	27.0	24.3	15.0	14.8	13.1	37.2	38.0	39.8	25.6	25.9	27.4
TV Today (TVTNET)	229	315	Buy	1,363	18.1	20.8	24.9	12.6	12.6	11.0	6.7	6.5	5.0	24.7	26.3	26.9	16.3	17.2	17.6
ZEE Ent. (ZEEENT)	540	580	Hold	51,857	23.1	14.5	18.7	23.3	23.3	37.4	24.9	24.4	22.7	21.2	23.0	24.5	15.0	14.3	16.0

Source: Company, ICICIdirect.com Research

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