



“Jagran Prakashan Q2 Financial Year 2018 Results
Conference Call”

November 13, 2017



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Moderator: Good day ladies and gentlemen and welcome to the Q2 FY2018 Earnings Conference Call of Jagran Prakashan Limited, hosted by ICICI Securities Limited. As a reminder all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vikash Mantri from ICICI Securities Limited. Thank you and over to you Mr. Mantri!

Vikash Mantri: Good morning everybody. We at ICICI Securities are pleased to host the Q2 FY2018 results conference call of Jagran Prakashan Limited. We have the senior management with us represented by Mr. Shailesh Gupta, Director of Marketing, Mr. R.K. Aggarwal, CFO, Ms. Apurva Purohit, President. Over to you Sir for initial remarks!

R.K. Aggarwal: Friends good morning and welcome to the earnings conference call for the half-year ended September 30, 2017. Besides me, Mr. Shailesh Gupta and Ms Apurva Purohit are also in your attendance. I hope you have had the opportunity to look at our H1 results as well as the presentation both of which have been circulated and uploaded on our website and stock exchanges. I am also sure that you have seen the results of our subsidiary Music Broadcast Limited which too have been circulated and uploaded on their corporate website, as well as the stock exchanges.

While lingering effect of demonetization has continued rollout of GST in this quarter resulted in exceptional circumstances disrupting the economic activity and adversely impacting the results for everyone. Therefore let us not base any of our decisions on the analysis of these results, which are affected by the exceptional event, which was GST rollout.

For the same reason, these cannot be deemed to be an indicator for future performance either; However, as far as Dainik Jagran is concerned it continues to maintain its leadership position It has the highest circulation amongst all its peers as per ABC certification for the period ended June 30,2017 which is the latest ABC circulation certificate.

Also you may like to note that Dainik Jagran in its core market of UP registered some growth in revenues as against a steep degrowth registered by one of the listed competitors. Besides Jagran there were certain other performances during the quarter, which I would like



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to highlight to show the direction of some of the businesses in which we have made investments and we have been working on for sometime.

Despite unprecedented economic environment which was prevailing in the last quarter, digital recorded growth of over 40% higher than any listed peer; radio growth was near double digit with the increase in market share in terms of volume in top 15 markets and percentage of operating profit that is EBITDA excluding other income continues to be the highest amongst listed peers and even in Q2 it was ahead of expectations.

Outdoor advertising grew by over 40% and growth in advertisement revenue for I-Next and all midday brands other than Inquilab north was between 8% and 9%.

We would also like to reiterate our commitment to continually reward our shareholders and improve return on equity on consistent basis. Accordingly, during H1 the company completed the biggest ever buyback of Rs.302 Crores by any M&E company in addition to declaring dividend at the rate of 150%.

With these remarks, I open this session for discussions. Thank you for attending the call.

Moderator: Thank you very much. We will now begin with the question and answer session. The first question is from the line of Ankur Periwal from Axis Capital. Please go ahead.

Ankur Periwal: Sir, thanks for the opportunity. Just wanted to understand in terms of ad spends for the quarter, now Q2 has been as you rightly mentioned was impacted by GST but starting October did we see any uptake across the sectors, how has been the situation on the ground in terms of ad spends?

R.K. Aggarwal: Ankur, GST rollout is not yet settled and it is really very difficult to make out anything from the ground reality, which are continuing to be uncertain.

Ankur Periwal: So Sir this is visible across national as well as local advertiser or there is some difference there?

R.K. Aggarwal: Local advertisement was affected most and it is getting affected even now. Festive season which started in September gave a very good growth to us. In fact, in September there was growth exceeding 20% but we are not trying to read much from that growth because last year the entire festive season got captured in Q3 this year it is spread over two quarters which is Q2 and Q3. So let us hope GST gets settled faster and thereafter the growth in economy as well in ad spend picks up.

Ankur Periwat: Sure Sir, secondly on the competitive intensity in UP if you can put some light on that because we had seen an aggressive expansion where Hindustan and some bit from Amar Ujjala as well so as this competitive intensity increase further or things are take down?

R.K. Aggarwal: I will say as follows: No.1 there is no expansion by Hindustan in past couple of years, so the status remains same. No.2 Amar Ujjala also has not done anything additionally in terms of expansion. No.3 all of us have been trying to push the circulation and which is the trend across the country because IRS survey findings are expected shortly and that survey was going on; so nobody wanted to loose on readership numbers. Every one of us has been pushing the circulation. And as I had mentioned in the opening remarks Jagran has continued to maintain its share.

Ankur Periwat: Fair enough Sir. Thanks a lot and all the best.

Moderator: Thank you. The next question is from the line of Vivekanand S from Ambit Capital. Please go ahead.

Vivekanand S: Sir, thank you very much for the opportunity. In terms of the UP market when did the IRS survey ground work end and when is the likely outcome of the IRS survey and do you expect any, last time when IRS used to get released we used to find that papers, which lost out or lost readership they would contested and then the whole effort would go waste any reason to believe that the same will not happen this time again in UP given that it is so keenly contested between the three of you? Thanks.

R.K. Aggarwal: First of all it is not question of UP. It is applicable to whole of the country and last time it was objected to by all the players. Current status Mr. Shailesh Gupta will explain.

Shailesh Gupta: IRS is going on and it has got little delayed So expectations are now December, and as far as objection of any newspaper is concerned, we really cannot say much except that survey exercise has been strengthened far more .

Vivekanand: Right, this is helpful. Just one small follow up on the survey has the issues pertaining to the small editions being counted separately, are they been sorted out or is that still under dispute?

Shailesh Gupta: I do not understand what small editions are you talking about?

Vivekanand: Meaning I-Next and Umang Tara's compact?

- Shailesh Gupta:** No, those would be variants and they will be reported separately
- Vivekanand:** Right, thanks. And my second question is on the digital business. I see that the revenue trajectory has improved from a low base but it is improving what I wanted to understand was can you explain to us how the ad sales process works in the digital business? Do you sell it on your own or do you primarily sell it through Google and Facebook and who these advertisers are on digital are they same as print or are they only the national advertisers of print, any color on this will be helpful? Thanks.
- Apurva Purohit:** If you look at our digital growth it has been as much as around 40%. While the base is small as you can see, the numbers are growing quite dramatically and in comparison to all our peers who have actually degrown we have done extraordinarily well. The reason why we have done well is twofold--- somewhere last year we changed our strategy on the product itself and rather than looking at it as an e-version of the paper; we started researching and figuring out what the customer needs are and evolve four different segments along which we have changed the product and slowly our advertising sales will also be very product-oriented around the four individual products. As of now to answer your specific question, we sell directly also and we sell through the network, direct and indirect sales would be broadly around 60%-40%, 40% happening through network. Some of the biggest categories for us are education, BFSI, government and tech itself.
- Vivekanand:** Thank you so much for the detailed explanation and all the best.
- Moderator:** Thank you. Next question is from the line of Amit Kumar from Investec. Please go ahead.
- Amit Kumar:** Thank you so much for the opportunity Sir. My first set of questions are on the circulation side so if you can just help me with the circulation growth for this quarter and which are the territories where this circulation growth is coming from?
- R.K. Aggarwal:** Circulation growth has been there in Bihar, in UP and during this quarter the growth is about 4.5% ..
- Amit Kumar:** Understood. Sir in MP also you had plans to sort of increase circulation?
- R.K. Aggarwal:** Yes.
- Amit Kumar:** It has gone up I mean from the lower revenue when you got the company, it has gone up but I think last year because of GST last year had pretty aggressive plans which could not be fully operationalized because of GST so any sort of thoughts on MP and if you could give



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us a broader sort of color also I mean where do you stand vis-à-vis competition there which are the, how does it sort of play out in future, just some color on that?

R.K. Aggarwal: In fact ,Nai Dunia did very well in this quarter in terms of circulation. We continued to grow circulation in spite of GST rollout, lingering effect of demonetization because we could not have waited for long and in the Q2 Nai Dunia has recorded growth in circulation revenue of about 16%, out of which nearly 8% is the growth on account of increase in circulation and 8% is on account of improved per copy realization. This is what happened in H1 and we are closing our gap to Rajasthan Patrika. In Indore, we continued to be No.2 and in Gwalior we are neck-to-neck and perception is in many of the towns we are ahead of Patrika because of the content.

Amit Kumar: And the focus on the Nai Dunia expansion was obviously it was top four five cities?

R.K. Aggarwal: Yes, you are correct.

Amit Kumar: Understood Sir. The final point more from modeling perspective as well, at the beginning of the year you have talked about potentially double-digit kind of EBITDA growth and you sort of maintain that guidance in the first quarter as well now if you look at the first half EBITDA has been more or less actually marginally sort of negative so one is that you know what sort of changed in the last three months that you know eventual I mean I do not know whether it will be possible to do a double digit EBITDA growth on a full year perspective?

R.K. Aggarwal: Let me share with you Amit a bit more about Nai Dunia. In fact Nai Dunia has registered even in these difficult times nearly 2%-2.5% of the advertisement revenue growth also at the back of increased circulation, which they have been doing . So this is again one of the pluses, which I wanted to share with you.

Yes, when it comes to EBITDA when you were discussing Q1 results in the end of July we were pretty hopeful that GST impact would settle down and from August or September we thought the things will start improving and basis that only we re-assured we will grow operating profit in the range of about 10% to 15%. I fully agree now it seems to be very difficult to do that and the impact of GST is far more than we could have ever imagined. That was one thing. No.2, where we got the other players in UP impacted that was lower spend by UP government .I feel there is again no structural problem with regard to UP government spend. This is at the back of their far high spend in the last year in the build up for elections and new government which comes in normally start spending in three to four months time but probably they have gone pretty late in releasing the advertisement spend.

So this additionally hit all those who are operating in UP and this why you see we could maintain or we could register some growth in UP but then HMVL had degrowth of 7%.

Amit Kumar: Understood Sir. Sir two sort of small follow up questions to that, one is that what has been the decline in UP government spending in this quarter on a Y-o-Y basis and second is that now we have almost halfway through third quarter so as that government spending sort of have you seen any sort of recovery coming in there?

R.K. Aggarwal: Now there is another problem. These municipal elections have come up so now government spending will be stopped.

Amit Kumar: Okay, in UP you are talking?

R.K. Aggarwal: Yes, in UP I am telling. Bihar has done pretty well. You know amongst all the areas Bihar has been the outperformer in the quarter. . I think in the first half itself we had about 10 Crores less..

Shailesh Gupta: Yes, the loss in H1 we have seen is approximately 8 to 8.5 Crores .

Amit Kumar: Sir final point from my end, if you look at last year from Q3 onwards I mean although you had a decent festival season last time around November onwards because of demonetization you know things have completely off track so as it is you do not have a very high margin I mean not too much of growth also and margin was what it was under that kind of advertising environment so atleast do you believe that in the second half this kind of margin erosion that we have seen in Q2 that will not be there atleast can we maintain margin for second half?

R.K. Aggarwal: We will be able to maintain margin.

Amit Kumar: 10% growth in commercial advertising?

R.K. Aggarwal: Commercial advertising.

Amit Kumar: By commercial you mean national advertising or this includes the local commercial?

R.K. Aggarwal: No when I am talking about the commercial advertising I am essentially referring more about the national advertising.

Amit Kumar: That is very helpful. Thank you so much Sir.

Moderator: Thank you. The next question is from the line of Alankar Garude from Macquarie. Please go ahead.

Alankar Garude: Sir, thanks for the opportunity. Firstly a follow up from the previous question, can you throw some light on the non-government ad spends in UP has there been any meaningful difference any meaningful change over the last one year since the new government has come, any sectors specifically which you can highlight, only for UP?

R.K. Aggarwal: In fact what I would say. let us not try to read any trend from the current ground reality as adjusting in Q2 for the simple reason that there was an exceptional event of GST rollout so that has really vitiated the whole picture and it is really very difficult to read any trend in that but what I will say education category has done well, automobile has done well, but where we were hurt most was the retail and that was because of GST rollout.

Alankar Garude: Okay Sir, my question was more from a trend perspective?

R.K. Aggarwal: Again trend this is what I request Q2 will not establish any trend will not give you any trend and if you try to read any trend from Q2 it will be misreading.

Alankar Garude: Right Sir, is it possible by any chance to strip the impact of GST?

R.K. Aggarwal: Not possible at all. How do you do that? I mean if I were to be told by any of the advertisers, I am not releasing advertisement because I have to pay GST or I have to cut down my advertisement spend budget then I could have told you. It is as simple as that they were just not releasing the advertisements. And the environment was uncertain and whenever you talk of any discretionary spend such as advertisement spend sentiment matters most and when there is an uncertainty coupled with lingering effect of demonetization it is really very difficult to judge what would have happened had GST impact not been there.

Alankar Garude: Sir my second question is regarding circulation now you mentioned about the push in circulation because IRS results are expected around end of December but if I look at the growth in circulation in the first half it has come down quite a bit around low single digits, can you highlight possible reason for this kind of growth and expectation which you can share about growth in the second half?

R.K. Aggarwal: What we have seen is growth in terms of value right and what I was talking about was growth in sale of number of copies, for the first half Jagran has grown by nearly 5% to 6% which is more than normal growth. Nai Dunia as I mentioned grew by about 8%.

- Alankar Garude:** Right Sir, so does that mean that there is some?
- R.K. Aggarwal:** There was a drop in per copy realization. As you have seen HMVL has recorded degrowth in circulation revenue because they and we are operating in the same core markets. For them and us both UP and Bihar happen to be core markets where there was cover price reduction. In Bihar cover price reduction was on account of entry of Bhaskar and in UP it was pushing the circulation.
- Alankar Garude:** Right Sir, any thing any guidance or any expectation qualitatively which you can share for the second half?
- R.K. Aggarwal:** Will continue to grow our circulation but our cover prices again have started improving.
- Alankar Garude:** Okay Sir, this is very helpful. Thanks and all the best.
- Moderator:** Thank you. The next question is from the line of Vivekanand S from Ambit Capital. Please go ahead.
- Vivekanand S:** Thank you so much for the follow up. Just one or two small questions on the categories, so Sir with respect to real estate advertising, Aggarwal Ji you did not comment on that any thoughts to share on the implementation of RERA in Noida and the UP market anything there and you mentioned that education is growing at a healthy phase so of the local categories which are the ones that are doing reasonably well and which are the ones that are particularly challenged due to RERA and GST?
- R.K. Aggarwal:** Yes, why did not I speak about real estate is that , everyone had suffered but as far as Jagran is concerned fortunately we have gained 3% to 4% that is why I did not talk about that.
- Vivekanand S:** You said you grew real estate?
- R.K. Aggarwal:** Because real estate was not having too major a share in our total advertisement pie so we have registered some growth there. Frankly speaking only category, which had a challenge for growth was retail otherwise all other categories did not do that bad
- Vivekanand S:** I would add government also Sir,
- R.K. Aggarwal:** Yes, government and retail besides these two categories all other categories grew for us.

- Vivekanand S:** Right, and anything to call out in terms of divergence in market growth trends of various markets that you are present in?
- R.K. Aggarwal:** Not really, Bihar did far better than any other market this year.
- Vivekanand S:** Right and Delhi and UP are tracking similar performance?
- R.K. Aggarwal:** Yes, Punjab also did better than earlier years but that is small market.
- Vivekanand S:** Right, thanks and all the best.
- Moderator:** Thank you. The next question is from the line of Aliasgar Shakir from Motilal Oswal Financial Services. Please go ahead.
- Aliasgar Shakir:** I just had one question. So has there been any shift of any specific advertisers to other ad mediums like may be broadcasters while I mean channel checks in the market as well as companies indicate that they are typically seeing a better outlook in Q3 so just wanted your thoughts on that?
- R.K. Aggarwal:** Not even one category we are seeing, leaving print and going anywhere else.
- Aliasgar Shakir:** So does that imply as maybe print having a higher proportion of revenue booking from retail and government is therefore getting more impacted right now versus other mediums?
- R.K. Aggarwal:** You are right, but then look at any other medium, which grew I mean look at digital one of our peer is registering degrowth of 12%, another peer has registered a degrowth of 8% to 9% So look at the most modern medium of media and one of the traditional media which is print. In fact ,both have suffered.
- Moderator:** Thank you. The next question is from the line of Deepesh Kashyap from Equirius Securities. Please go ahead.
- Deepesh Kashyap:** Thank you for the opportunity. My question is on the Bihar market, just wanted an outlook on the cover prices as you know that Bhaskar has very aggressive plans of second half so what is your outlook on the cover prices will it be stable or will it further fall?
- R.K. Aggarwal:** They will not fall. I think couple of the markets or may be upcountry markets you will see improvement only.



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Deepesh Kashyap: Sir in the presentation you talked about the organic and inorganic growth opportunities so on the Radio we know that you have some acquisition plans but in the print business are you targeting entry into any newer states?

R.K. Aggarwal: No.

Deepesh Kashyap: And Sir what is the final outlook on the newsprint for the year please?

R.K. Aggarwal: We expected an increase of 5% in the beginning of the year. It could be 6% to 7% and essentially it is because one of the major newsprint manufacturers in India has closed down their facilities as they are renovating and they are not likely to start the production before the close of this year. So, instead of 5% they have increase of 6% to 7% for the whole of the year.

Deepesh Kashyap: Thank you Sir.

Moderator: Thank you. The next question is from the line of Priyank Singal from HDFC. Please go ahead.

Priyank Singal: Good afternoon. Sir first question is for Shailesh and Apurva Ji, I mean on Friday for example the government has reduced a GST rate on a lot of FMCG consumer items you think that there could be any positive on this on ad spends from the concerned categories because now they will have a lot of buffer available in terms of higher increased volume growth that they might witness as a result of prices coming down in those respective category, so any sense you can provide on what you expect in terms of marketing budget on those respective companies?

Apurva Purohit: I will answer first before Shailesh answers. So, basically two points I want to make Priyank -----one is that FMCG as a category on radio is very tiny so it is less than 4% so whatever happens I do not think it will impact radio advertising much. The other point is that I think the constant changes that are happening in GST are actually counter productive from an advertising perspective. So most advertisers across all categories are just trying to manage these changes. From our point, we just wish that the government should put a stop so that everybody would get a system and implementation aligned, I think when so many of us are caught up in this implementation issue, advertising gets a bit defocused.

Priyank Singal: Because you have seen the reasonable improvement in the margin so the FMCG companies results quarter report in Q2 so far and part of it may be could be attributable to GST rates coming down for some of those companies so that is where the thought is coming from but



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anyway secondly Aggarwal Ji you mentioned that the per copy realization is now stabilizing in most of the markets including Bihar and UP so does it mean that actually margins in the second half should bounce back from the current levels?

R.K. Aggarwal:

Priyank, as you have seen Q2 had lowest ever margin reported by Dainik Jagran in past four five years but still it was over 30%, . Jagran has been able to maintain around between 30% and 34% margin, I do not expect the margin to go up to that level in Q3 or Q4 but of course, it is going to be better than Q2 that is all what I can say at the moment because it all depends how the revenue growth ---advertisement revenue growth-- happens. I am not too worried about now circulation revenue because it is going to go up only from now onwards. I mean per copy realizations. So it is not going to dent our margins further. The point is only advertisement revenue growth. if we have come to level where we grow even by 6% to 7% I do not have a doubt that we will grow our operating profit by about 15%. I am now looking for that 6% to 7% only and when it happens it is a question of things getting stabilized nothing else. There are no structural problems. Everyone is willing to spend but the point is that when to and how to? . In fact we had a degrowth in retail revenue whereas we should have had a growth because now those retailers who are not able to get the benefit of tax paid on radio spend outdoor spend etc., are able to set it off against the tax payable on their finished goods. So they should have ideally had more money available to them to spend on advertisement and marketing but still they could not for the simple reason they do not know what is the impact and that is the biggest problem. They listen to us very carefully ;they believe also that whatever taxes they are going to pay on advertising they are also going to be available for set off but they are yet to experience it. In terms of liquidity let me also explain you what I have heard and seen. In the month of July, many of them had to pay taxes from their pocket even though for the whole of the year they may not have to pay anything and to that extent their working capital got blocked because they did not get the benefit from the credit available on the stock as on June 30, 2017 because of lack of clarity on how to claim, when to claim etc., Further, they did not receive the bills from their suppliers because of the GST problem and therefore they could not claim the credit. Even though it may be providing them additional liquidity .may be it may not be reducing their profitability but that is something which is going to be experienced after it gets settled down. Currently they know the cash, which is going from their pocket that is what is hurting.

Priyank Singal:

But you know Aggarwal Ji in the context of obviously this overall uncertainty is there a possibility still to provide some guidance on what FY2018 full year could potentially look like what kind of improvement one should expect next in H2 and at the full year level you still think some reasonable growth in EBITDA at the company level is possible in FY2018?

R.K. Aggarwal: Very difficult question to be answered but there are certain silver linings As we mentioned in the opening remarks ,outdoor has done very well, Midday has done pretty well. Radio has done better than what was expected so there are few businesses, which are doing pretty well, and they may help reporting slightly better operating profits but in such an uncertain atmosphere I think making any prediction would be just guessing.

Priyank Singal: Sure. Last question Apurva in response to one of the questions you mentioned four pillars of digital, I mean if you do not mind could you just elaborate on what are those pillars and what is the overall sort of strategy we are adopting as far as digital is concerned and how sort of it is different from so what some of the other players might be doing? Thank you.

Apurva Purohit: What I mentioned was four verticals around four different audiences that we have segmented and arrived. The larger vision of course is that we want to become a significant player in digital . There are two things that will play out for us ----one is the fact that the next five hundred million digital users are really going to come from the Hindi heartland and that is where we will capitalize on our growth and to make that happen we need to understand the consumer more and what does he want out of digital. So the interesting learning for all of us was while he may want content, which is around news and information and entertainment etc., he is not reading it in the same way as he is reading a newspaper and therefore the people who are just in a sense translating either using their main paper and just having an e-version of it or just taking the same content and putting it on digital that will not work. So many of the publishers realized an e-paper version is not the ideal thing but they just transitioned to putting the content of the newspaper on to digital, which again is not the right strategy. So we figured this out around a year ago and after understanding the specific needs of different consumers on the net and especially the Hindi heartland we identified four different audience segments who want both different content and want to read it in a different manner . Just to give you one example, there is one category who wants a lot more analysis than what is available even in the paper that he reads, and then there is another who is snacking kind of consumer who just wants the top three headlines of the day and he wants it on higher frequency. So these are two very different segments and , you will see us address these consumers very-very differently.

Priyank Singal: Sure and our digital revenues actually have been growing quite fast though on a small base you think this kind of growth can continue even accelerate going forward and you think the foreseeable future three to five years digital as a percentage of overall pie for the company can look a reasonable number?

- Apurva Purohit:** So what we have talked about is becoming a significant player in the digital segment . So our long-term vision is to have the same market share that our print properties have in the total print pie which is around 7%, but you must remember Priyank that a large percentage of the digital growth or the digital numbers are going to Google and Facebook So if you exclude that and look at the numbers that we are talking about yes, we will reach there yes, we will grow at a CAGR of around 20%-25% over the next five years, but will this become very significant business for Jagran, it is yet to be seen.
- Priyank Singal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Yogesh Kirve from B&K Securities. Please go ahead.
- Yogesh Kirve:** Thanks for the opportunity. Sir I understand there has been a tactical focus on circulation in the last couple of months, but from a little longer term perspective three to five years what do you believe is possible in terms of growing number of copies or readers sort of annual growth which can be achieved? I hope you got my question?
- R.K. Aggarwal:** No can you please repeat?
- Yogesh Kirve:** Yes, so Sir I understand there has been the focus on circulation over last couple of months by all the players but my question is on the longer-term perspective what sort of growth is possible in number of copies or number of readers over the next three to five years?
- R.K. Aggarwal:** Easily 2% to 3% for all major brands. Yogesh you should bear in mind one thing that all of us restrict our growth. We never let it grow beyond an extent because advertisement should justify the growth. So growth is not a problem .I mean whenever you will unleash it can grow by easily 7% to 8% for as many years as you wish atleast in foreseeable future.
- Yogesh Kirve:** Right. My question was only on that what sort of growth can be achieved foreseeable or sustainably so you are saying its 2% to 3% is sort of a comfortable number.
- R.K. Aggarwal:** Again your voice broke.
- Yogesh Kirve:** Sir focus of the question was on the growth, which is possible profitably?
- R.K. Aggarwal:** As I said 2% to 3% is okay.

Yogesh Kirve: Sir can you talk about the urbanization trend in key markets in Bihar and UP and are there any visible benefits or opportunities which are seeing in terms of the population centers, which are emerging so as that kind of a trend is getting established or is visible anywhere?

R.K. Aggarwal: If you talk about urbanization, you may be pretty aware, Our rural population has increased by one percentage at country level, okay, so that is something a trend everywhere but rural or urban does not make difference, so long as income levels are increasing in rural India you should be happy.

Yogesh Kirve: Sir during the quarter what was the increase in the ad realizations?

R.K. Aggarwal: There was an improvement in ad realization although you will appreciate that this quarter will not be very relevant for this question as volumes themselves are under pressure and then nobody is bothered about improvement in rate,. And let us not forget that we have been able to pass on GST also so for advertiser it was whatever rate increase plus 5%. Okay, I mean they will get the credit for that but as far as their outgo on account of advertisement is concerned that is additional 7% to 8% as far as we are concerned.

Yogesh Kirve: That is all from me. Thanks a lot and all the best.

Moderator: Thank you. The next question is from the line of Pavneet Singh from Skyline Equity Managers. Please go ahead.

Pavneet Singh: Thank you for the opportunity to ask my question, my question is like last year after November 8, saw a big difference is coming from the entire retail sector the FMCG sector there were really any advertisements, which could set as a cover page has, but this time around, we found after Diwali and before Diwali also there were like the frequent ad the full page cover ad and the back page of the ad from the companies, from FMCG sector like Dabur, and HUL of the world. So do you see this trend continuing because last year like almost negligible ad cover page ad, for 50 days altogether the price that we had was the best EBITDA margin, so what kind of response to that? Yes, I repeat the question, for the past like during the past period after the period of demonetization for 50 days we saw barely any cover page ads as well as back page Ads but this time around we been seeing after Diwali and before Diwali they were like full page as coming for the editions the cover page as well as last page and many full page advertisements have been seen in the different papers, nationally so we see the trend continuing and we foresee like as if the last year you have the best EBITDA margins during Q3 but this time around the volume has picked up and

therefore next 50 days after 8th of November this trend continues and even the best revenue foreseen but the company?

Shailesh Gupta: Yes, in these 50 days we are believing that there should be a growth of about 8% to 10% inspite of subdued government ad spend

Pavneet Singh: So you may be having some order backlog from different companies like as to the full page Ads coming repeatedly in different?

Shailesh Gupta: People do not release advertisement much in advance but as you rightly say the trend indicates that there is no problem in achieving that kind of growth in next 50 days.

Pavneet Singh: What kind of contribution does Haryana has because we see lot of advertisement coming from Haryana over the past couple of months?

Shailesh Gupta: Haryana does not contribute much in our pie, or for that matter in nobody else's pie who is the national player. That constitutes maximum 7% to 8%---and again by the entire Greater Punjab.

Pavneet Singh: My last question is like how do you see automobile sector panning out because it is much better than the last quarter?

Shailesh Gupta: Automobile is doing well.

Pavneet Singh: What kind of growth are you expecting?

Shailesh Gupta: For the whole of the year?

Pavneet Singh: In the proceeding quarters?

Shailesh Gupta: Sorry.

Pavneet Singh: All right. Thank you.

Moderator: Thank you. As there are no further questions, I now hand the conference over to the management for closing comments.

R.K. Aggarwal: Thank you very much to all of you for sparing your time and attending the conference. See you.



Jagran Prakashan Limited
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Moderator: Thank you. On behalf of ICICI Securities Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.