



INDIA'S FASTEST GROWING  
DTH SERVICE  
HAS GROWN TO BECOME  
THE MOST VALUED  
INDIAN COMPANY  
ON



---

## INVESTOR PRESENTATION

January 27, 2016

# Disclaimer

## Forward Looking Statements

This presentation includes "forward-looking statements", as defined in the safe harbor provisions of the US Private Securities Litigation Reform Act of 1995. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. We caution you that reliance on any forward-looking statement involves risks and uncertainties that might cause actual results to differ materially from those expressed or implied by such statements. These and other factors are more fully discussed in Videocon d2h's annual report on Form 20-F filed with the SEC and available at <http://www.sec.gov>. All information provided in this presentation is as of the date hereof, unless the context otherwise requires. Other than as required by law, Videocon d2h does not undertake to update any forward-looking statements or other information in this presentation.

## Industry and Market Data

In this presentation, Videocon d2h relies on and refers to information and statistics regarding market shares in the sectors in which it competes and other industry data. Videocon d2h obtained this information and statistics from third-party sources, including reports by market research firms, such as Media Partners Asia, Ltd. Videocon d2h has supplemented this information where necessary with information from discussions with Videocon d2h customers and its own internal estimates, taking into account publicly available information about other industry participants and Videocon d2h's management's best view as to information that is not publicly available.

## Earnings before interest, tax and depreciation & amortization (EBITDA)

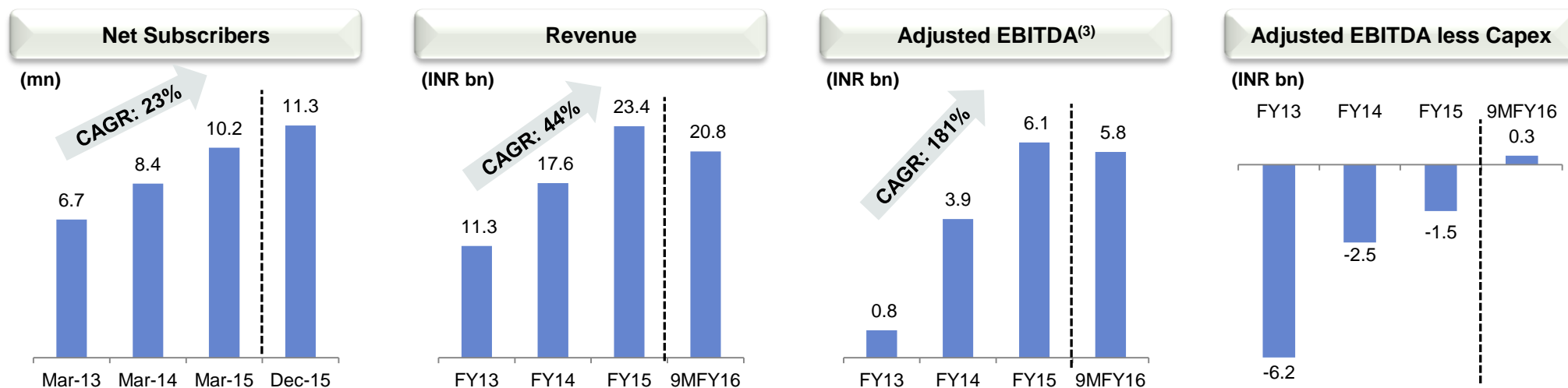
EBITDA presented in this presentation, is a supplemental measure of performance and liquidity that is not required by or represented in accordance with IFRS. Furthermore, EBITDA is not a measure of financial performance or liquidity under IFRS and should not be considered as an alternative to profit after tax, operating income or other income or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities or as a measure of liquidity. In addition, EBITDA is not a standardized term, hence direct comparison between companies using the same term may not be possible. Other companies may calculate EBITDA differently from Videocon d2h, limiting their usefulness as comparative measures. Videocon d2h believes that EBITDA helps identify underlying trends in its business that could otherwise be distorted by the effect of the expenses that are excluded calculating EBITDA. Videocon d2h believes that EBITDA enhances the overall understanding of its past performance and future prospects and allows for greater visibility with respect to key metrics used by its management in its financial and operational decision-making.

# Who we are: India's Fastest Growing DTH Company

## Videocon d2h Overview

- ▶ Pan India commercial operations launched in 2010
- ▶ India's fastest growing (DTH) Service with close to 15 million gross subscribers as of December 2015
- ▶ Strong distribution network with over 230,000 retailers
- ▶ Favourable environment driven by projected long term, secular growth in India
- ▶ Regulatory tailwinds mandate the digitization of India's analog networks creating huge growth potential
- ▶ Innovator in the DTH space with advanced products and services and highly satisfied customer base
- ▶ Awarded as India's most trusted brand in 2015<sup>(1)</sup>
- ▶ Founded by Saurabh Dhoot of Videocon Group & supported by industry veterans Harry Sloan and Jeff Sagansky
- ▶ Strong corporate governance; Board structure to comprise 8 board members of which 7<sup>(2)</sup> will be independent directors

## Key Metrics



# Videocon d2h Investment Highlights

1

**World's fastest growing pay TV market in the fastest growing "large economy"**

2

**Strong market presence and industry leading share of subscriber additions**

3

**Leading distribution, customer service and content offerings**

4

**Strong revenue and EBITDA growth driven by operating leverage**

5

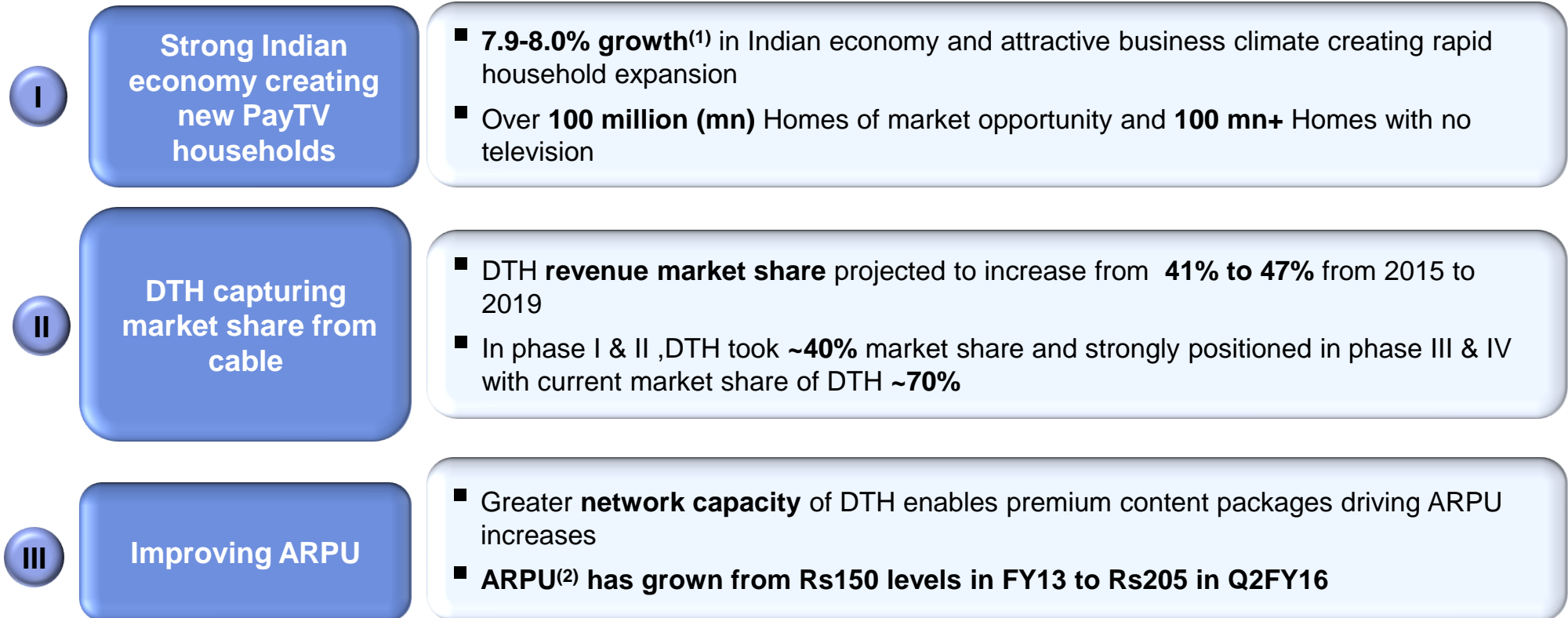
**Robust free cash flow generation potential**

6

**Strong balance sheet with low leverage**

# An Unprecedented Market Opportunity in India

## Conversion from analog to digital is driving DTH growth in India



*Phase III of India's digitization covers almost 50 million homes*



# Cable Users Switching to DTH in Analog to Digital Conversion

Indian Government has mandated that all of the country's analog networks are to be replaced with a Digital Addressable System (DAS).



## Phase 1

In 2012, four metropolitan areas go digital

**Delhi, Mumbai, Kolkata, Chennai**

## Phase 2

By 2013, 38 cities with a population of more than **1 million** went through the digitization process

## Phase 3

Over 6,100 towns with a population of more than **100,000** currently undergoing digitization process

## Phase 4

The remainder of India to be digitized

Deadline: December 2016

In phases 1 and 2, DTH took **~40%** market share

In phases 3 and 4, DTH currently enjoys **~70-95%** market share of the digital subscriber base

2012

2013

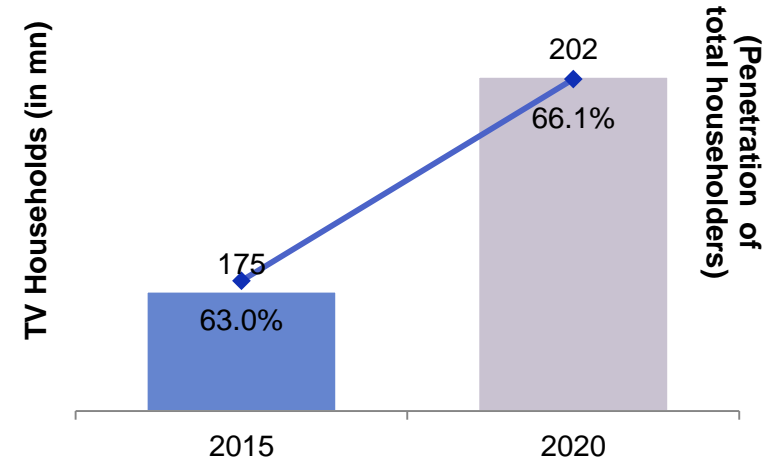
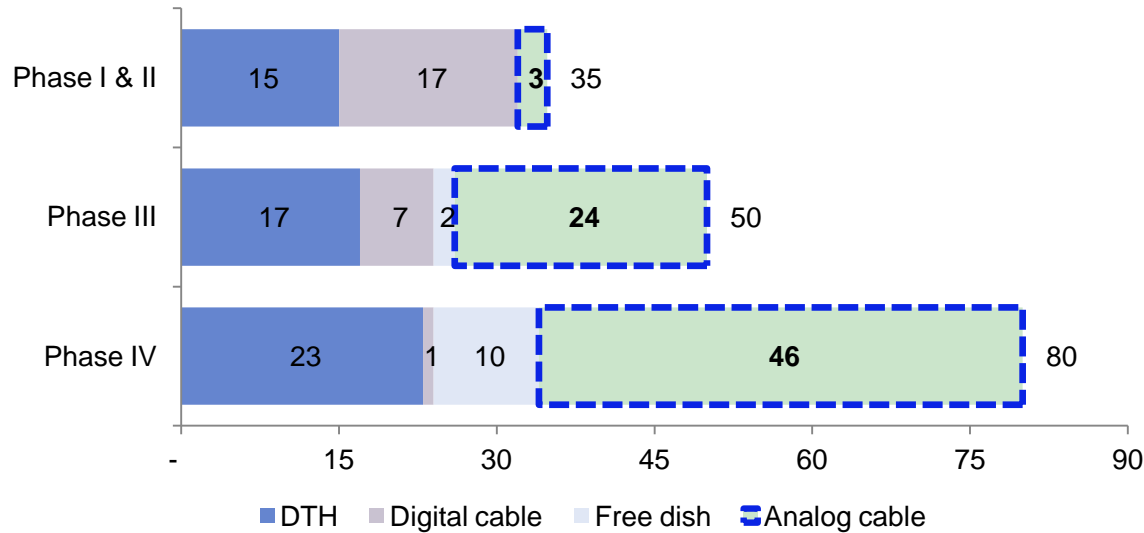
2015

2016

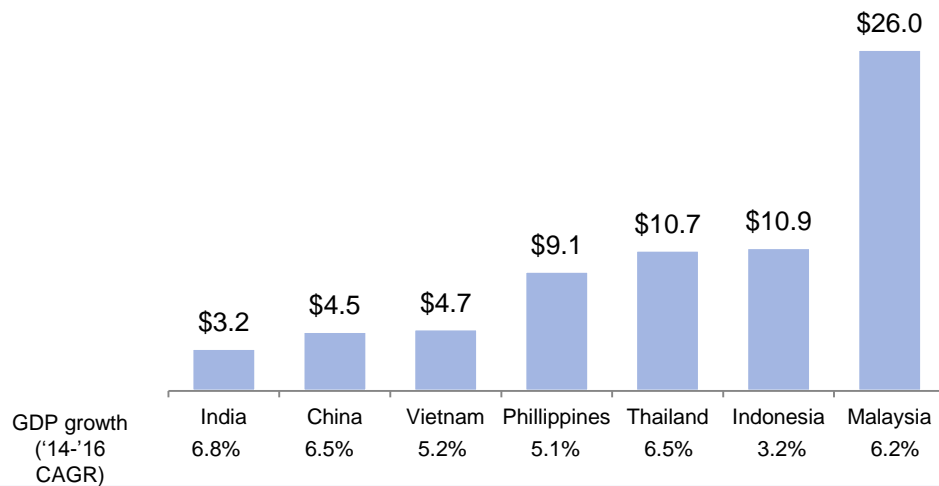
**DTH's "Light" Infrastructure is Well Optimized Within India's Fragmented Last Mile of Service Connection Model**

# Strong business outlook

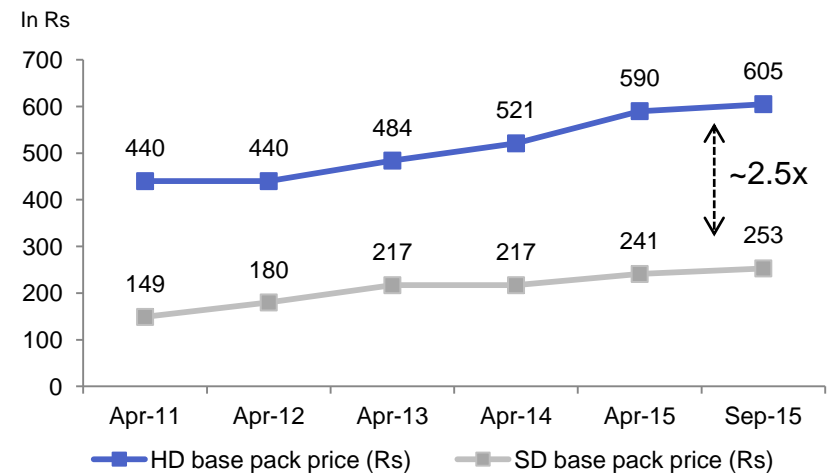
## 100 million new subscriber opportunity in the next 4-5 years



## Substantial upside in Indian PayTV ARPU



## Steady pack price increases



Source: MPA report 2014, Company data

# Competitive advantages...

## Videocon d2h : Competitive Advantage

Highest no. of channels and services in India <sup>(1)</sup>



Widespread sales & distribution presence



Quality customer service

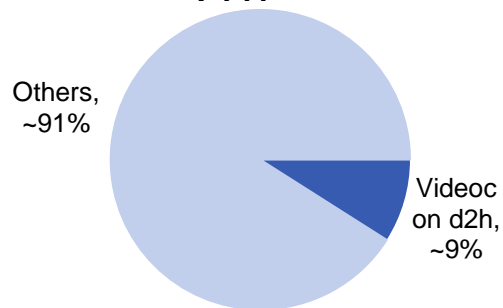


Pioneer in Technology & Product Innovations

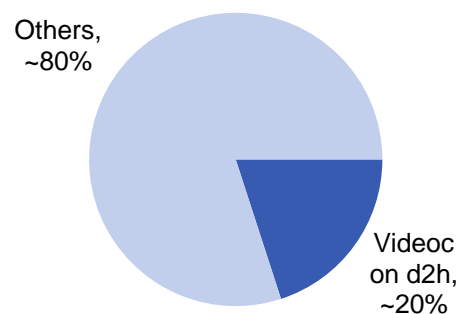


## ... Resulting into market share gains

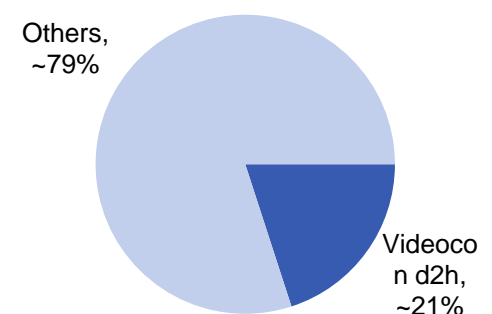
Subscriber market share in FY11



Subscriber market share in FY15



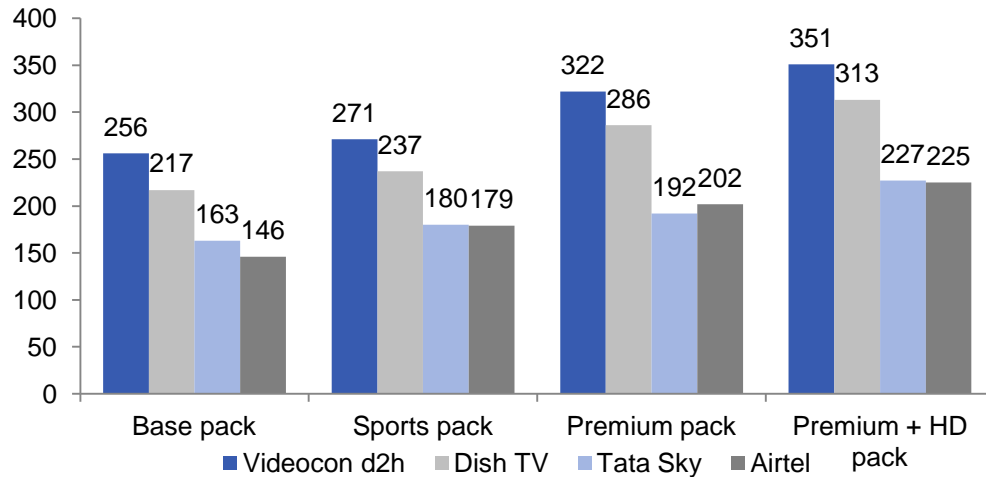
Subscriber market share in 9MFY16



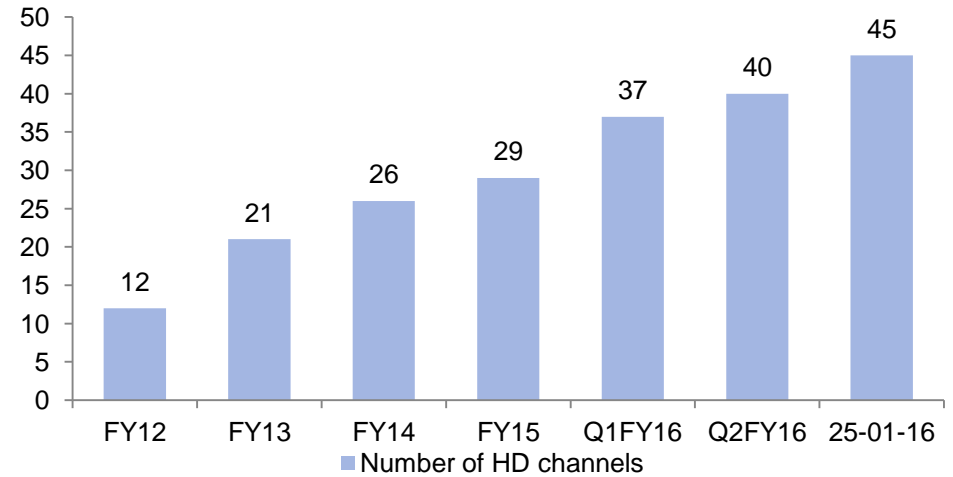


# Strong content focus

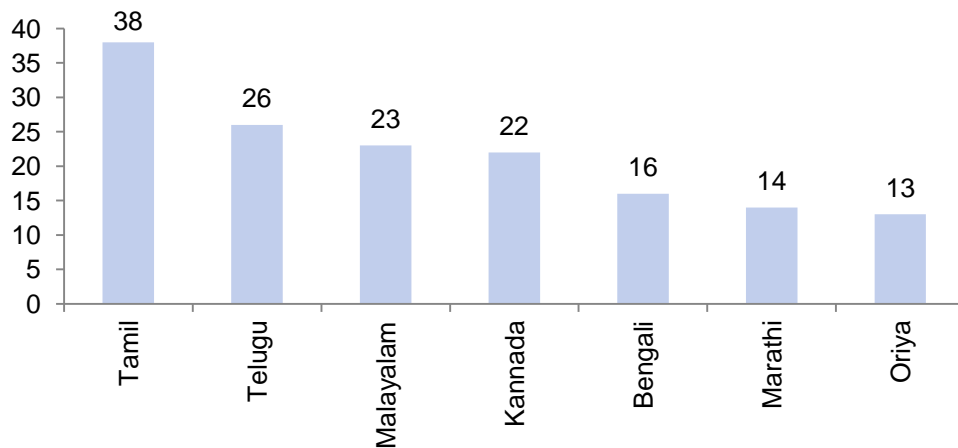
## Videocon d2h offers highest no. of channels in India<sup>(1)</sup>



## HD Channel Count on Videocon d2h increasing



## Highest no. of regional channels on Videocon d2h <sup>(1)</sup>



## d2h's proprietary services: Fulfilling content gaps



# Pan-India Distribution Channel

1

Market reach of more than 230,000 Retail stores



**VIDEOCON**  
d2h  
4K Ultra HD DTH Service

2

93% penetration against Industry average of 85%

3

Backed by founders with over 30 years of experience in Distribution

4

Large shelf space occupied by brands under the parent group

5

75% display counters have d2h demo in stores

6

3 generations old loyalty in market relationship with the founder family

# Strong Focus on Customer Service



Dealer calls the call centre  
and gives customer details for  
installation or customer complaint



Call centre  
raises a work  
order and  
passes the  
details to the  
respective  
service center



Over 300 direct service centers  
Over 33,000 engineers  
(Incl. 6,650 dedicated staff)

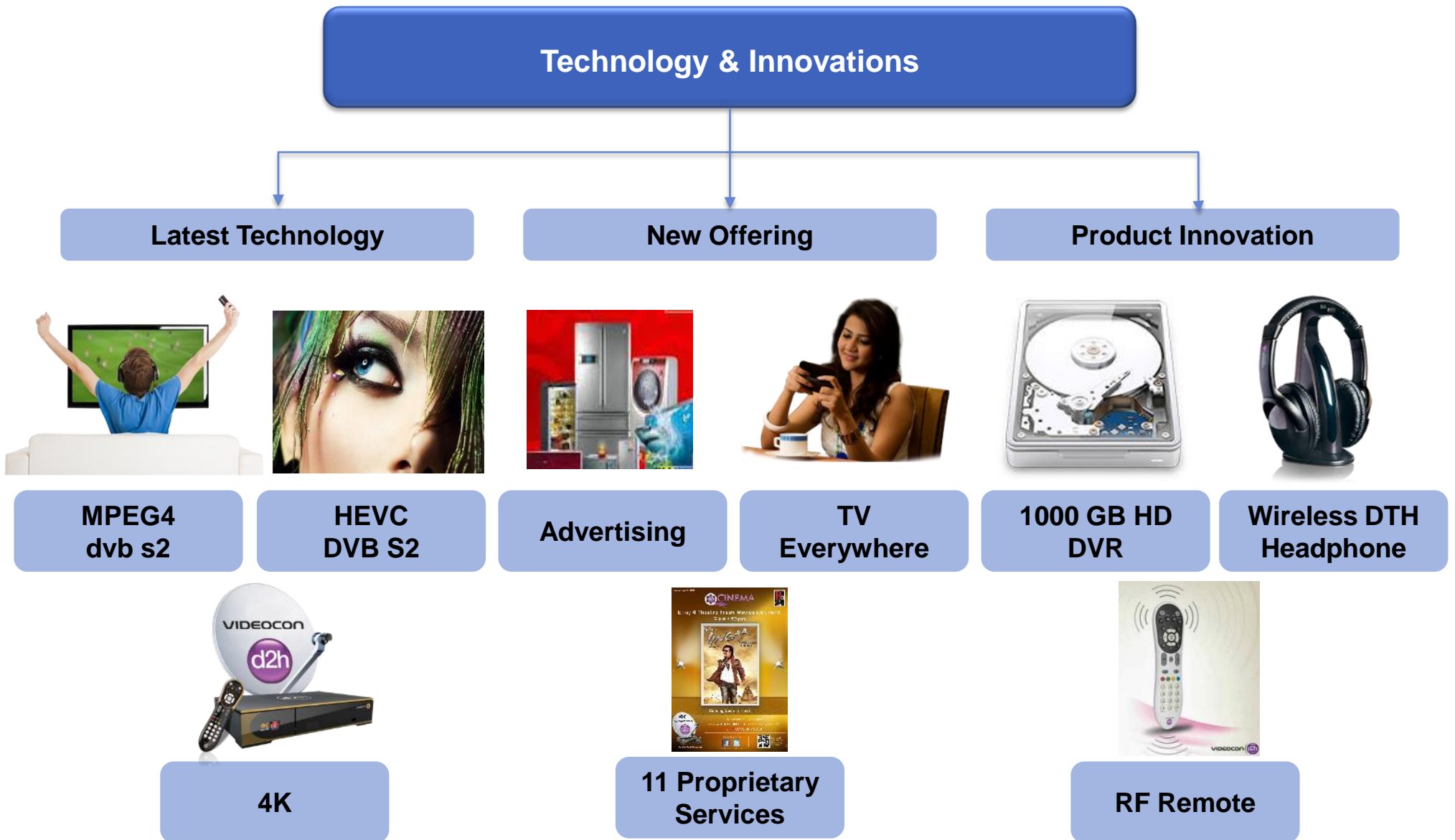
97%+ installations within 2-4 hours  
85%+ repairs within 6-8 hours

Service centre assigns work  
order for installation or  
customer complaint to an  
engineer



Fastest growing DTH company  
in India with almost 15 million  
delighted gross subscribers <sup>(1)</sup>

# Offering the Latest in Standards in Equipment, Service and Delivery



# VIDEOCON

*Digital DTH Service*

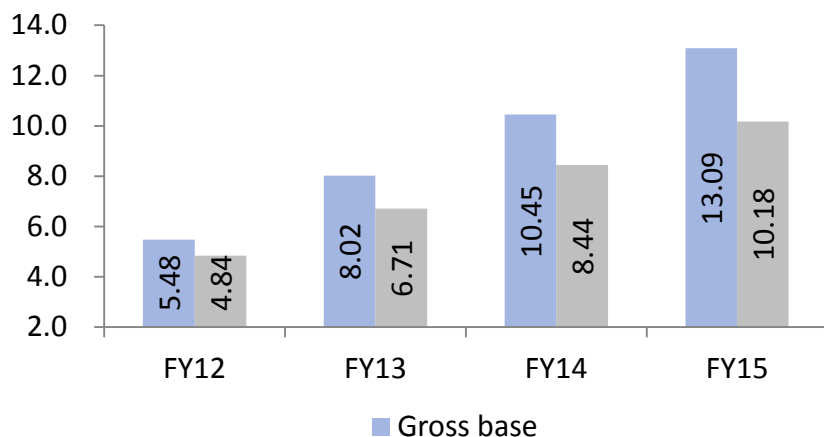


## Key Metrics

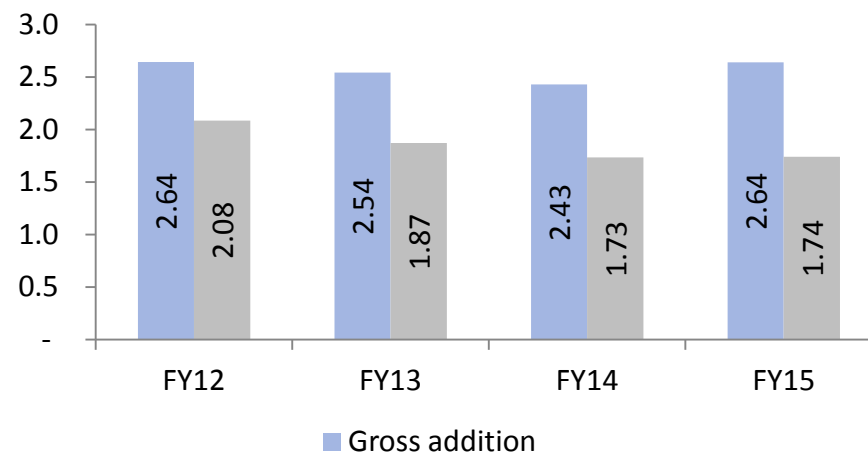


# Gross and Net Subscribers

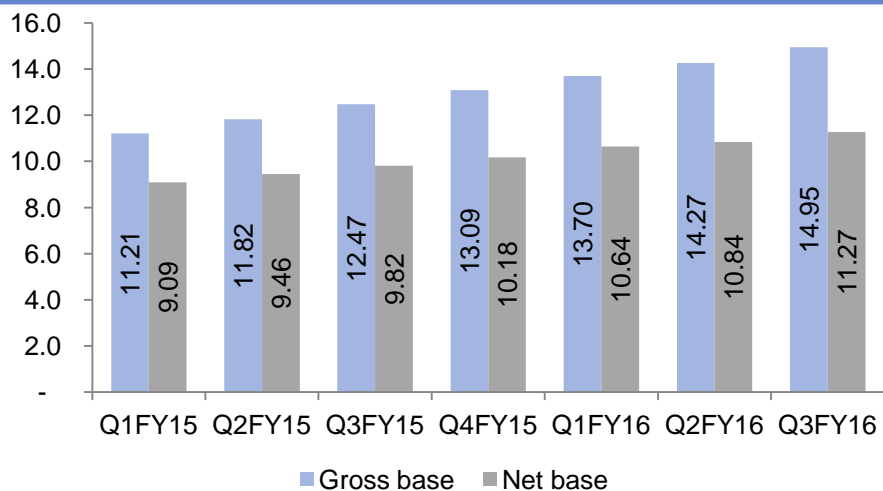
Gross and Net Subscriber Base (mn)



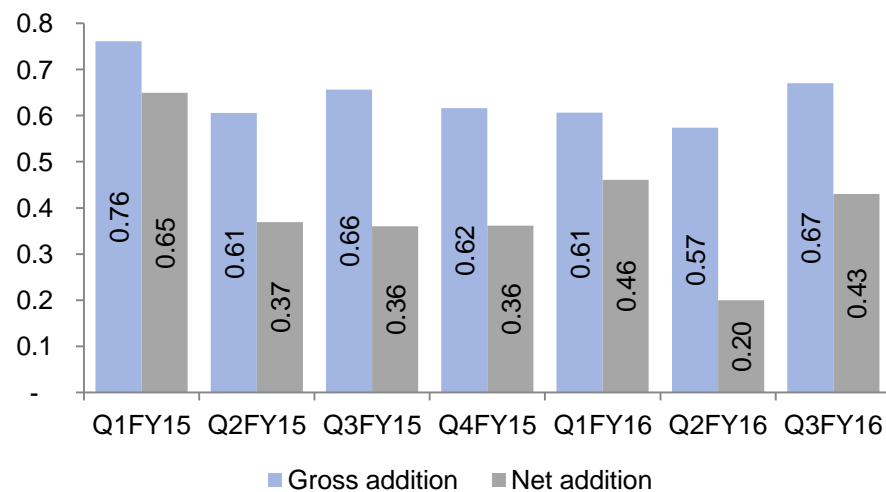
Gross & Net Subscriber Additions (mn)



Gross and Net Subscriber Base (mn)



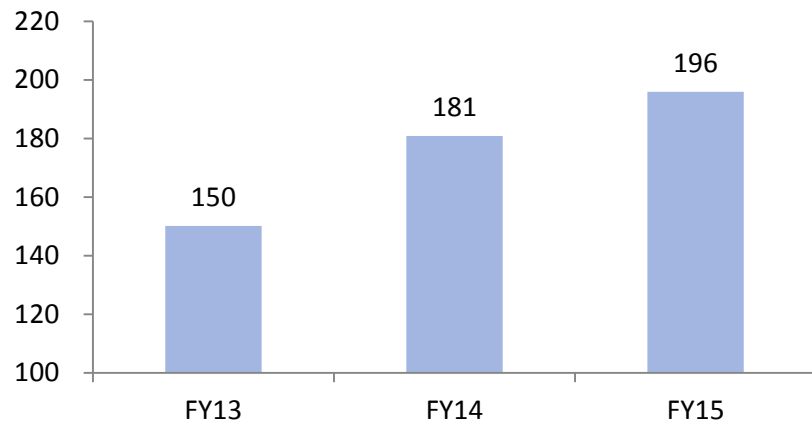
Gross & Net Subscriber Additions (mn)



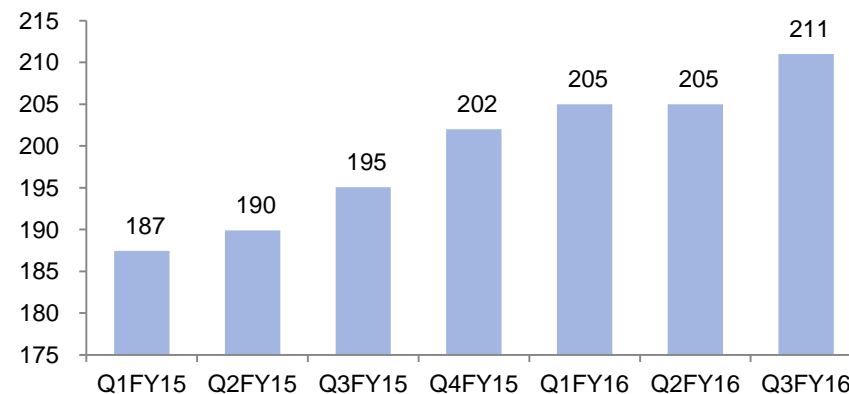
Source: Company data

# ARPU and Churn

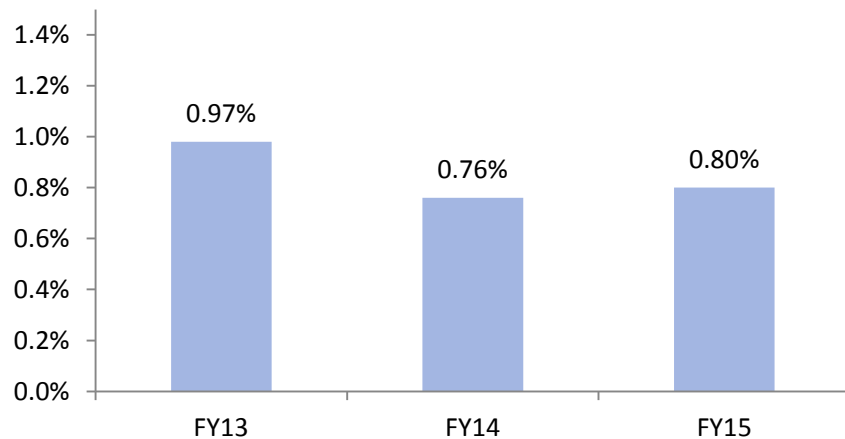
## Annual ARPU (Rs)



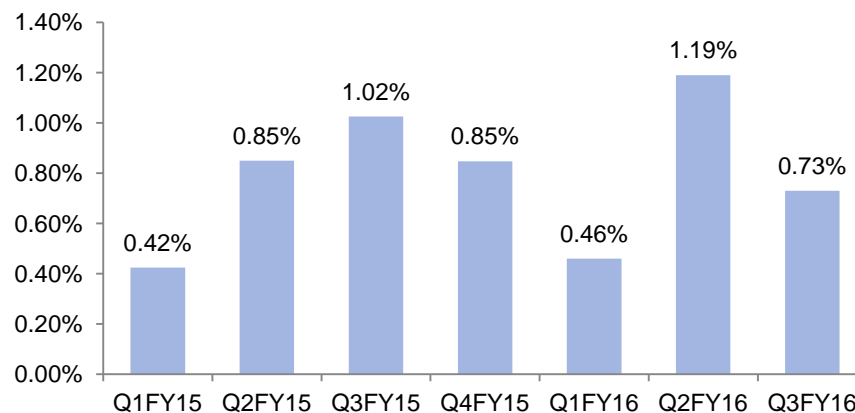
## Quarterly ARPU (Rs)



## Monthly Churn (%)

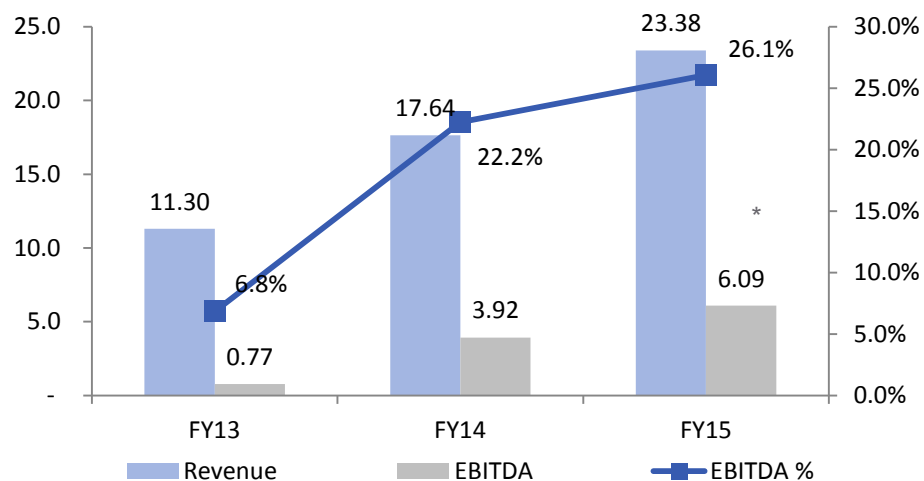


## Monthly Churn (%)

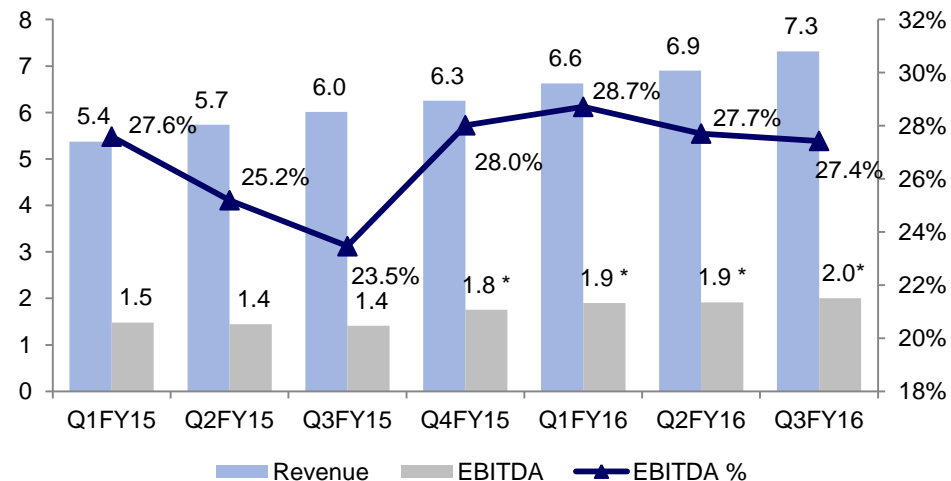


# Revenue and EBITDA

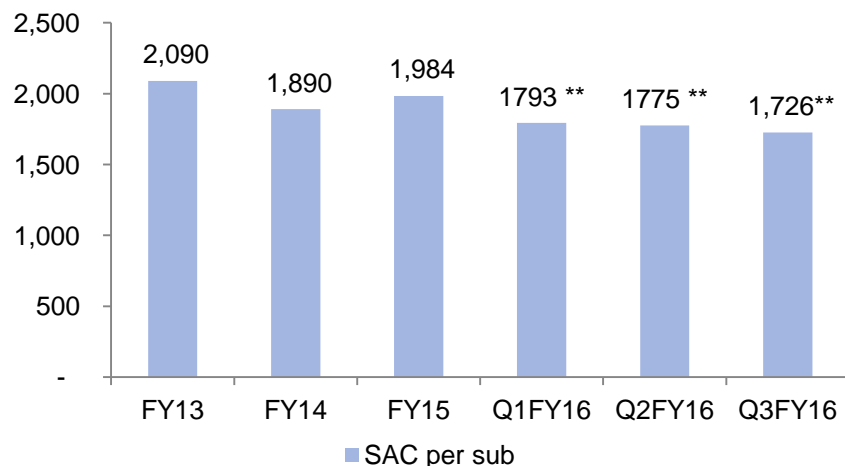
## Annual Revenue & Adjusted EBITDA (Rs billion)



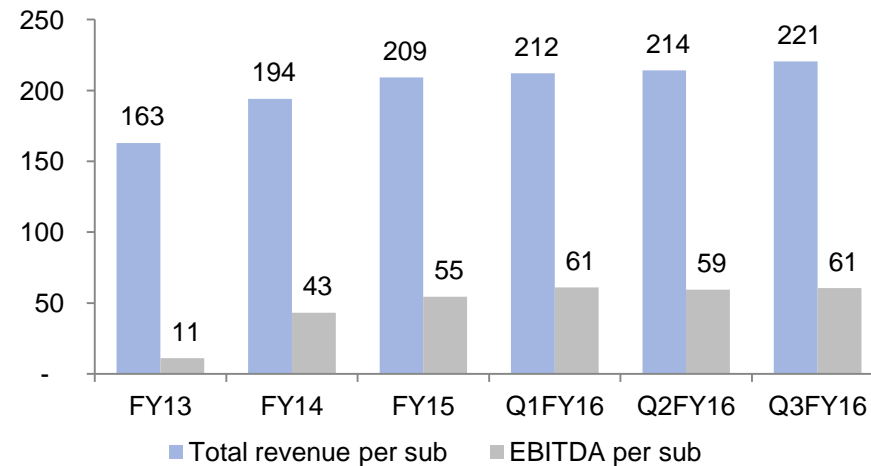
## Quarterly Revenue & Adjusted EBITDA (Rs billion)



## SAC per sub (Rs)



## Revenue and EBITDA per avg. net sub (Rs per month)



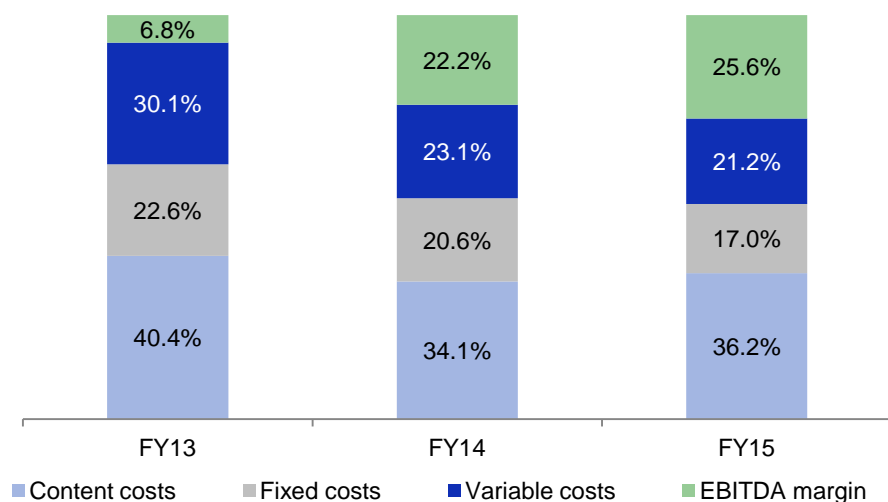
Source: Company data

**Note:** \* Q4 FY15 Adjusted EBITDA is before accounting for one off securities issue expenses of Rs 105.43 mn and Employee Share based Compensations cost of Rs. 29.74 mn towards provision of ESOP plan of 2014; Q1FY16, Q2FY16 and Q3FY16 Adjusted EBITDA is before accounting for Employee Share based Compensations cost of Rs. 29.44 mn towards provision of ESOP plan of 2014

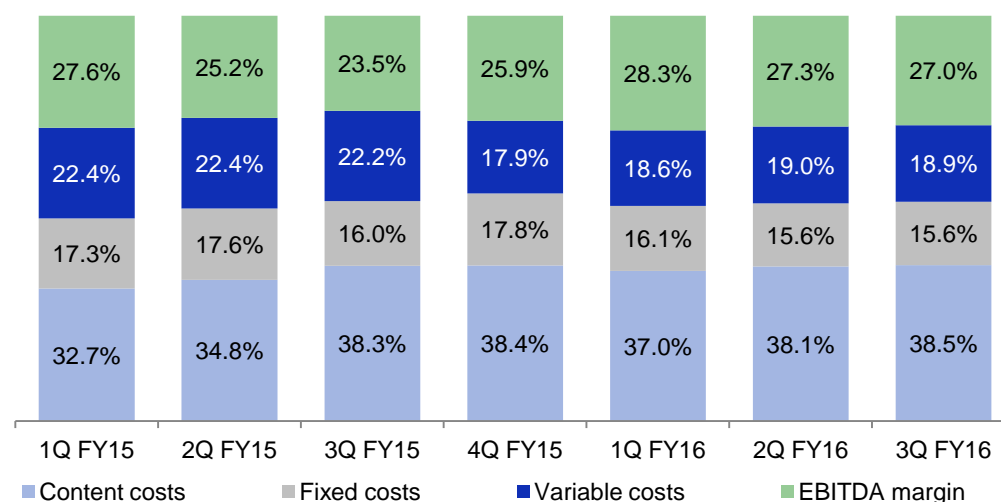
\*\* Q1, Q2 and Q3 FY16 SAC represents hardware subsidy only, excludes marketing cost.

# Operating Leverage and Cash Flow

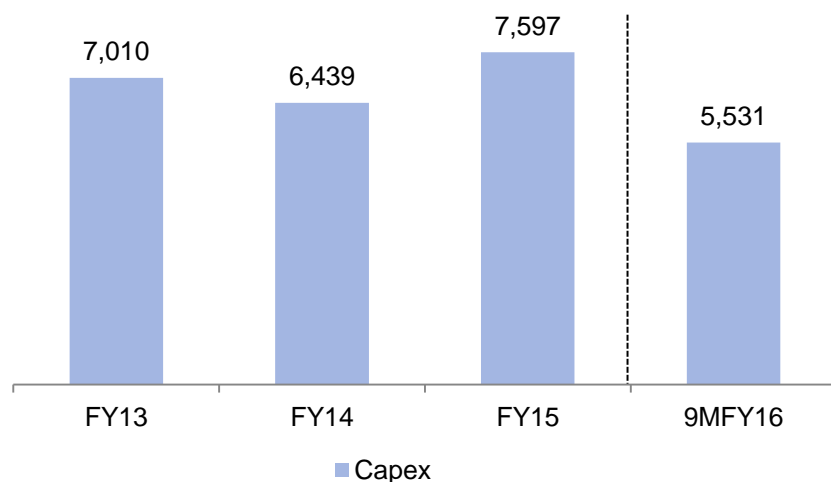
Fixed, Variable and Content Cost (% of Revenue)



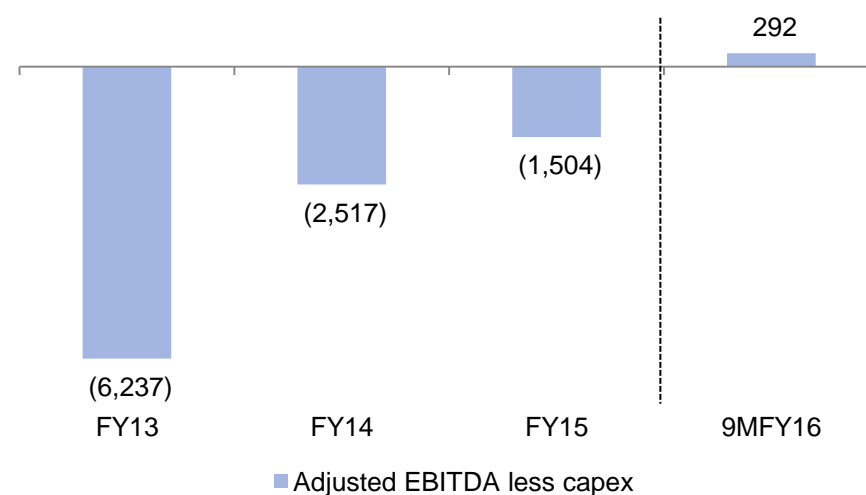
Fixed, Variable and Content Cost (% of Revenue)



Capex (Rs mn)



Adjusted EBITDA\* less capex (Rs mn)



Source: Company data

**Note:** \* FY15 and 9MFY16 Adjusted EBITDA is before accounting for one off securities issue expenses and Employee Share based Compensations costs towards provision of ESOP plan of 2014

# Summary

## Seizing India's digital Pay TV Opportunity

### Strong macro environment

- Indian economy growing at ~8%<sup>(1)</sup> allowing new homes to afford PayTV & existing homes to up entertainment spend
- Government led mandatory digitization to create over 100 million digital PayTV homes
- Improving HD penetration
- Significant potential to grow ARPU

### Videocon d2h in the forefront with leading incremental market share

- Strong technological leadership and product innovation
- Sufficient satellite capacity to support future increase ability to provide HD channels
- Improving financial fundamentals
- Seasoned management team with a clear vision and strategy to capture growth
- Strong content focus and HD offering
- Top notch customer service, building structure for long-term growth
- Deep knowledge of the of the local market
- Expansive pan-India sales, service and distribution network

***Focusing on driving revenue and EBITDA growth while investing in building a durable foundation for strong long term, profitable growth.***



# VIDEOCON

*Digital DTH Service*



## Appendix

## Financial Results (Unaudited) – Quarterly profit and loss

Rs in mn	Q1FY15	Q2FY15	Q3FY15	Q4FY15	Q1FY16	Q2FY16	Q3FY16
<b>INCOME</b>							
Revenue from operations	5,375	5,734	6,015	6,253	6,628	6,901	7,315
	5,375	5,734	6,015	6,253	6,628	6,901	7,315
<b>EXPENSE</b>							
Operating expense	3,090	3,381	3,746	3,637	3,791	4,021	4,266
Employee benefits expense	244	245	250	285	309	303	304
Administration and other expenses	127	157	152	253	146	198	178
Selling and distribution expenses	432	507	457	461	509	496	590
Depreciation, amortization and impairment	1,245	1,284	1,348	1,410	1,427	1,489	1,508
<b>Total Expenses</b>	<b>5,137</b>	<b>5,573</b>	<b>5,952</b>	<b>6,045</b>	<b>6,181</b>	<b>6,507</b>	<b>6,846</b>
<b>Profit / (Loss) from operations</b>	<b>238</b>	<b>161</b>	<b>63</b>	<b>207</b>	<b>447</b>	<b>394</b>	<b>469</b>
Finance costs/Finance Income (Net)	(1,045)	(1,049)	(1,219)	(1,301)	(765)	(802)	(797)
Other Income	0	0	0	(1)	12	6	9
<b>Profit/(loss) before tax</b>	<b>(807)</b>	<b>(888)</b>	<b>(1,155)</b>	<b>(1,094)</b>	<b>(307)</b>	<b>(402)</b>	<b>(319)</b>
<b>Income tax expense</b>							
Current tax	-	-	-	-	-	-	-
Deferred tax	(249)	(275)	(357)	(337)	(63)	(156)	(99)
<b>Profit/(Loss) after tax</b>	<b>(558)</b>	<b>(614)</b>	<b>(798)</b>	<b>(757)</b>	<b>(244)</b>	<b>(246)</b>	<b>(220)</b>

# Thank You

## Investor Relation Contact

Nupur Agarwal  
[nupur.agarwal@d2h.com](mailto:nupur.agarwal@d2h.com)

Christopher Chu  
[TeamVideocond2h@taylor-rafferty.com](mailto:TeamVideocond2h@taylor-rafferty.com)