



Model updated: 26 May 2015

Running the numbers

<b>Asia</b>	
<b>India</b>	
<b>Broadcasting / Movie &amp; Entertainment</b>	
<b>Dish TV</b>	
Reuters: DSTV.BO	Bloomberg: DITV IN
<b>Buy</b>	
Price (26 May 15)	INR 97.65
Target Price	INR 105.00
52 Week range	INR 51.15 - 97.65
Market Cap (m)	INRm 103,978
	USDm 1,639

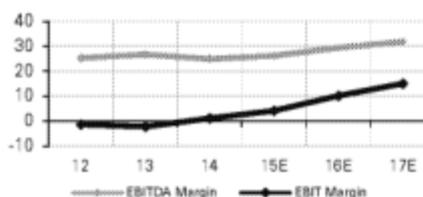
Company Profile

Dish TV is India's first and biggest direct-to-home entertainment service. It has digitized Indian entertainment to bring the best in television viewing through digital technology. As of March 2010, the company had a gross subscriber base of 9mn, with a market share of 42%. Dish TV is part of the conglomerate that also owns Zee Entertainment, Zee News and WWIL.

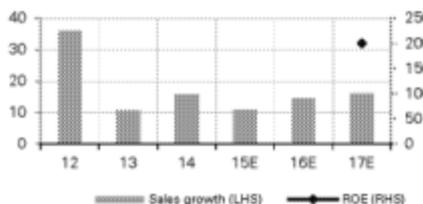
Price Performance



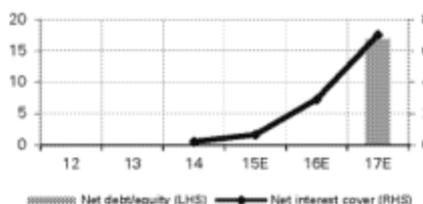
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Mar	2012	2013	2014	2015E	2016E	2017E
<b>Financial Summary</b>						
DB EPS (INR)	-0.77	-1.18	-0.36	0.04	3.26	5.47
Reported EPS (INR)	-1.25	-0.62	-0.36	0.04	3.26	5.47
DPS (INR)	0.00	0.00	0.00	0.00	0.00	0.00
BVPS (INR)	-0.9	-1.5	-2.9	-2.9	0.4	5.0
Weighted average shares (m)	1,064	1,065	1,065	1,065	1,065	1,065
Average market cap (INRm)	75,747	74,251	58,913	103,978	103,978	103,978
Enterprise value (INRm)	84,270	84,178	66,428	110,899	107,087	101,708

Valuation Metrics

P/E (DB) (x)	nm	nm	nm	nm	29.9	17.9
P/E (Reported) (x)	nm	nm	nm	nm	29.9	17.9
P/BV (x)	-72.35	-45.98	-17.96	-34.08	246.66	19.35
FCF Yield (%)	nm	nm	4.1	0.6	3.7	5.2
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV/Sales (x)	4.3	3.9	2.6	4.0	3.4	2.7
EV/EBITDA (x)	17.0	14.5	10.6	15.2	11.4	8.6
EV/EBIT (x)	nm	nm	230.5	95.9	33.1	18.3

Income Statement (INRm)

Sales revenue	19,579	21,068	25,090	27,818	31,898	37,033
Gross profit	9,559	10,513	11,732	13,777	16,278	19,528
EBITDA	4,960	5,795	6,261	7,297	9,391	11,795
Depreciation	5,219	6,276	5,973	6,140	6,160	6,226
Amortisation	0	0	0	0	0	0
EBIT	-259	-480	288	1,156	3,231	5,569
Net interest income(expense)	-1,270	-1,284	-1,327	-1,754	-1,110	-791
Associates/affiliates	0	0	0	0	0	0
Exceptionals/extraordinary	-510	594	0	0	0	0
Other pre-tax income/(expense)	707	512	660	635	1,353	1,048
Profit before tax	-1,331	-658	-378	37	3,473	5,826
Income tax expense	0	0	0	0	0	0
Minorities	0	0	0	0	0	0
Other post-tax income/(expense)	0	0	0	0	0	0
Net profit	-1,331	-658	-378	37	3,473	5,826
DB adjustments (including dilution)	510	-594	0	0	0	0
DB Net profit	-821	-1,252	-378	37	3,473	5,826

Cash Flow (INRm)

Cash flow from operations	-807	7,615	5,144	6,269	9,717	11,283
Net Capex	-4,448	-9,062	-2,739	-5,674	-5,905	-5,905
Free cash flow	-5,255	-1,447	2,405	595	3,812	5,379
Equity raised/(bought back)	23	43	0	0	0	0
Dividends paid	0	0	0	0	0	0
Net inc/(dec) in borrowings	5,394	2,388	-2,235	-2,500	-3,000	-4,000
Other investing/financing cash flows	500	-1,282	0	0	0	0
Net cash flow	662	-298	170	-1,905	812	1,379
Change in working capital	-4,694	1,997	713	91	84	106

Balance Sheet (INRm)

Cash and other liquid assets	3,919	3,621	3,399	1,494	2,305	3,684
Tangible fixed assets	18,088	20,874	17,640	17,174	16,919	16,598
Goodwill/intangible assets	0	0	0	0	0	0
Associates/investments	1,500	2,782	3,180	3,180	3,180	3,180
Other assets	2,833	4,273	3,511	3,846	4,397	5,093
Total assets	26,340	31,550	27,730	25,693	26,801	28,556
Interest bearing debt	13,942	16,330	14,095	11,595	8,595	4,595
Other liabilities	13,337	16,773	16,724	17,150	17,785	18,587
Total liabilities	27,278	33,103	30,819	28,745	26,380	23,182
Shareholders' equity	-939	-1,553	-3,089	-3,052	422	5,373
Minorities	0	0	0	0	0	0
Total shareholders' equity	-939	-1,553	-3,089	-3,052	422	5,373
Net debt	10,023	12,709	10,696	10,101	6,290	911

Key Company Metrics

Sales growth (%)	36.3	10.7	15.8	10.9	14.6	16.1
DB EPS growth (%)	61.0	-52.3	69.8	na	9,201.3	67.7
EBITDA Margin (%)	25.3	26.7	25.0	26.2	29.4	31.9
EBIT Margin (%)	-1.3	-2.2	1.1	4.2	10.1	15.0
Payout ratio (%)	nm	nm	nm	0.0	0.0	0.0
ROE (%)	nm	nm	nm	nm	nm	201.1
Capex/sales (%)	22.7	41.8	10.9	20.4	18.5	15.9
Capex/depreciation (x)	0.9	1.4	0.5	0.9	1.0	0.9
Net debt/equity (%)	nm	nm	nm	nm	nm	17.0
Net interest cover (x)	nm	nm	0.2	0.7	2.9	7.0

Source: Company data, Deutsche Bank estimates