

Earnings Release for Q3 FY19

Strong topline growth of 14% helps MBL PBT jump by 45% to 24.9 Cr

Mumbai, January 28, 2019; Music Broadcast Limited (MBL), India's 1st Private FM Radio Broadcaster, has reported its Financial Results for the Quarter ended December 31st, 2018.

• **Key Highlights – Q3FY19:**

- Topline growth of 14% YoY at Rs. 87.02 Cr
- EBITDA grew by 23% YoY to Rs. 28.59 Cr at a margin of 32.9% improvement by 223 bps
- PBT grew by 45% YoY to Rs. 24.93 Cr at a margin of 28.7% improvement by 607 bps
- 11% rate hike in legacy markets
- Phase III market utilization at 53%

• **Key Highlights – 9MFY19:**

- Topline growth of 9% YoY at Rs. 242.84 Cr
- EBITDA growth of 16% YoY at Rs. 81.21 Cr, margin at 33.4% improvement by 208 bps
- PBT growth of 28% YoY at Rs. 67.37 Cr, margin at 27.7% improvement by 413 bps
- Growth in topline equally driven by volume and realisations

Commenting on the results **Ms. Apurva Purohit, Director** said:

"I am very happy to share with you that we have delivered not only a higher growth than expected with revenue at Rs. 87.02 Cr with a growth of 14% YoY, but this has been the best ever quarter of absolute revenue performance for MBL. This growth was a result of;

- *A rate increase of 11% in legacy markets*
- *Inventory utilization in the Phase III markets improved to 53%*
- *Festive advertising kicking in and, sectors like Government, Ecommerce & Auto growing*
- *On an average our inventory utilization for 39 stations moved up to 60-70%*

In Q3FY19, EBITDA grew 23% YoY to Rs. 28.59 Cr, while the margins stood at 32.9% an improvement of 223 bps YoY. Our 28 legacy stations are running at 38% margin and some of our core markets are running at 45% margin levels.

Our PBT is at Rs. 24.93 Cr with a growth of 45% YoY in Q3FY19. PBT margins expanded to 28.7% from 22.6% a growth of 607 bps YoY. As you can see the PBT has grown three times the revenues; reiterating the advantage of our fixed cost model, and thus operating leverage playing out which we believe is indicative of the future as costs getting normalized in new stations.

We stand at a healthy operating run rate for FY 2019 with revenue at Rs. 242.84 Cr for 9M FY19. EBITDA already stands at Rs. 81.21 Cr with margin of 33.4%. PBT for 9M FY19 is Rs. 67.37 Cr with margins at 27.7%. PAT is at Rs. 43.26 Cr with a growth of 22% and margin improvement from 16.0% to 17.8%.

Keeping in line with the group philosophy of rewarding the shareholders, we have successfully completed the buyback of Rs. 57 Cr, buying 17,45,079 shares at an average price of Rs. 326.61 per equity share thereby representing 99.99% of the maximum buyback size in this quarter. Also, we are seeking approval from shareholders for sub-division of shares from existing face value of Rs. 10 to Rs. 2 per share.

It gives me great pleasure to tell you that we have delivered a double digit CAGR growth of 15% in revenue for last three years which is almost double than that of the industry, as reported by various studies. This growth has been as per our commitment to all our shareholders and as promised during the IPO. Again, Profit before tax has outpaced the growth of revenue, showing a CAGR growth of 34% in this period too.

The Economy was affected by certain Macro-Economic headwinds in the last few quarters but we are clearly seeing signs of revival as spending across categories and government increases in the coming months. Going ahead, we are confident that we will be able to sustain our current growth level and grow our operating margins. Further, we believe that the radio industry is a nascent and efficient medium for advertisers and is poised to benefit the most from the upsurge."

About Music Broadcast Limited

Music Broadcast Limited (MBL) is the 1st private FM radio broadcaster in India. MBL has its presence from 4 cities in 2001 to 39 cities as on 31st March 2018 and is present in 12 out of the top 15 cities in India by population. MBL also operates 52 web radio stations through radiocity.in in 11 languages, with 60 mn streams as on Dec 2018. MBL has been Ranked 1st in Mumbai, Bangalore and Delhi in terms of number of listeners and have a total number of 6.7 Crores listeners across all 34 cities covered by AZ Research. MBL has been awarded the Best Place to Work in the media industry and other industries in 2013, 2014, 2015, 2017 & 2018.

Safe Harbor Statement:

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential product characteristics and uses, product sales potential and target dates for product launch are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors.

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