

INVESTOR PRESENTATION – JUNE 2016

HATHWAY CABLE & DATACOM LIMITED

BSE : 533162 | NSE : HATHWAY | Bloomberg : HATH:IN | Reuters : HAWY.NS

www.hathway.com

STRICTLY CONFIDENTIAL



INDIA'S LARGEST CABLE & BROADBAND FOOT PRINT

Key Highlights

12.3 Mn Universe

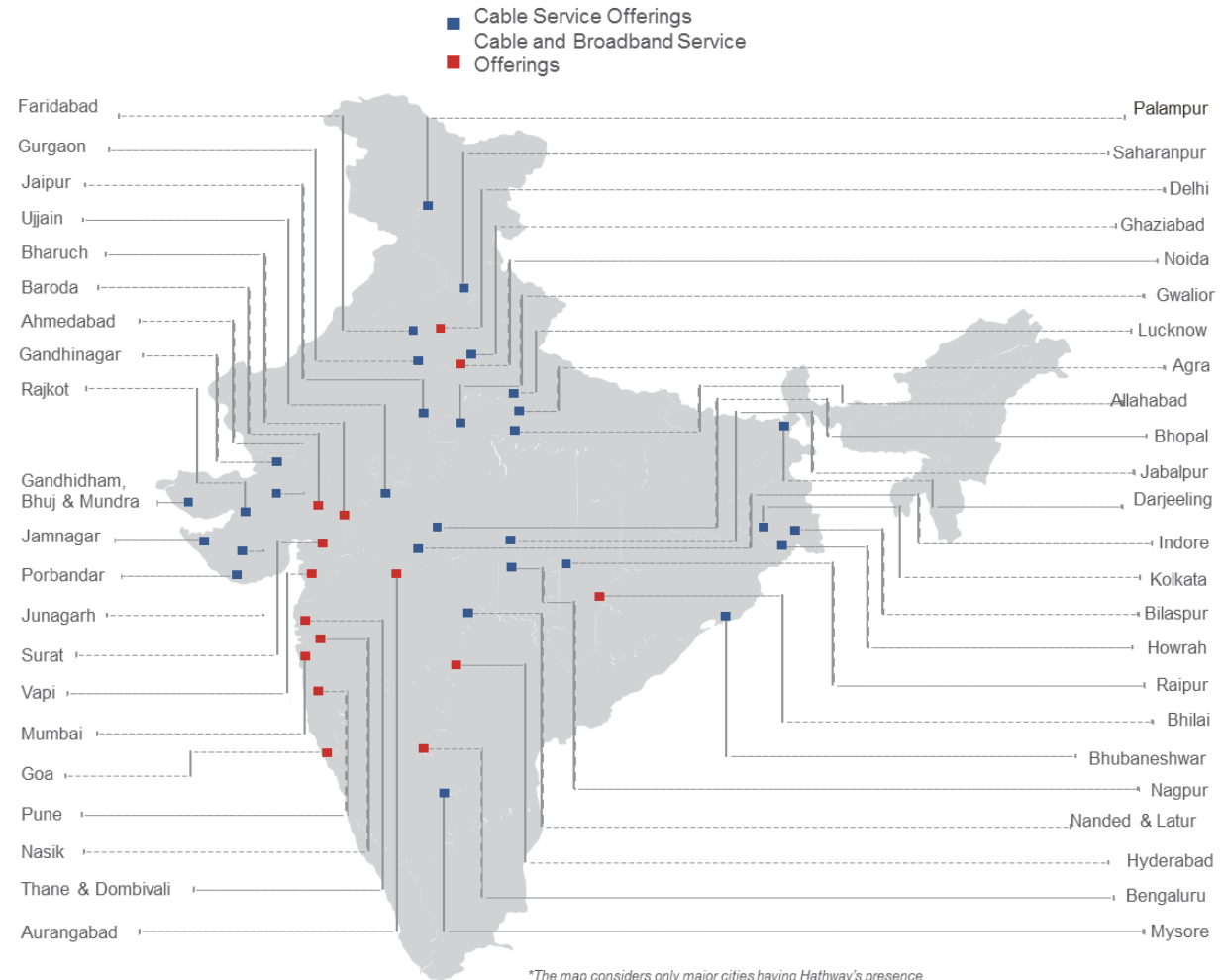
10.6 Mn Digitized (87%)

0.6 Mn Primary Subscribers

3.3 Mn Broadband Homes Passed

0.62 Mn Broadband Subscribers
(266K Docsis 3.0 Subscribers)

Present in 200+ cities and towns



Our vision is to be a single point access provider, bringing into the home and workplace the converged world of information, entertainment and services.

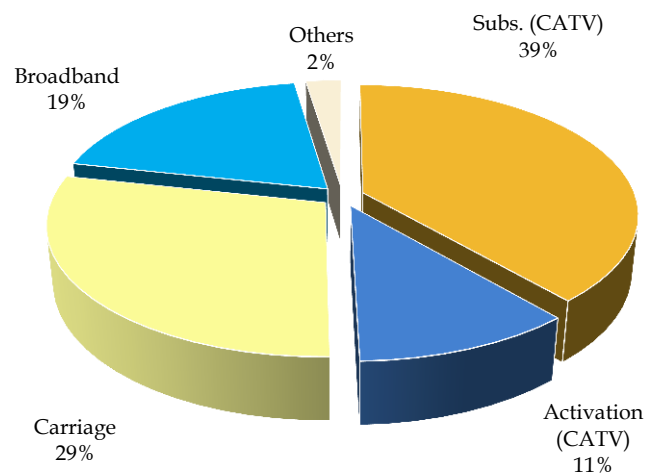
COMPANY OVERVIEW



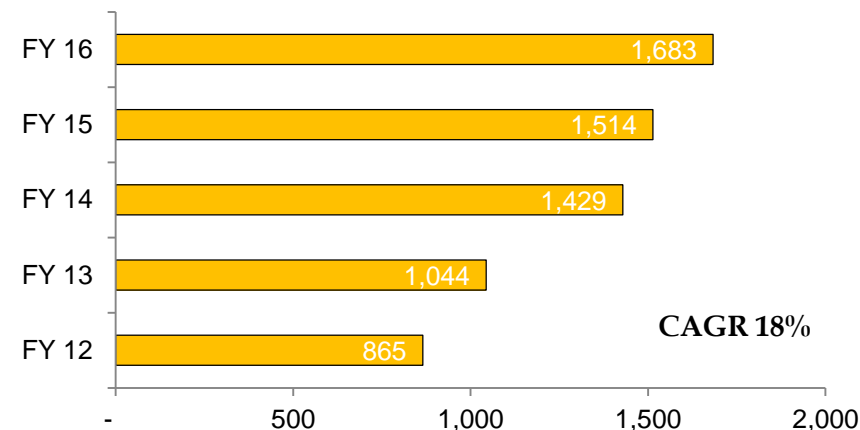
Financials

INR Crs	FY12	FY13	FY14	FY15	FY16	% over FY12
Revenue	1,011	1,139	1,583	1,832	2,082	206%
Growth	14.70%	11.90%	39.10%	15.69%	13.65%	
Cable Revenue	865	989	1414	1584	1683	95%
Broadband Revenue	146	150	169	248	399	273%
EBITDA	168	274	301	260	389	232%
Margin	16.60%	24.10%	19.00%	14.19%	18.67%	

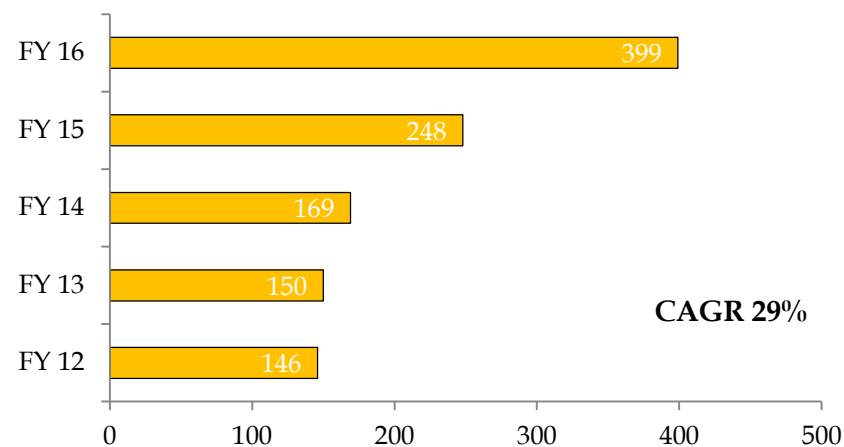
Revenue Mix FY 16



Cable Revenue



Broad Band Revenue

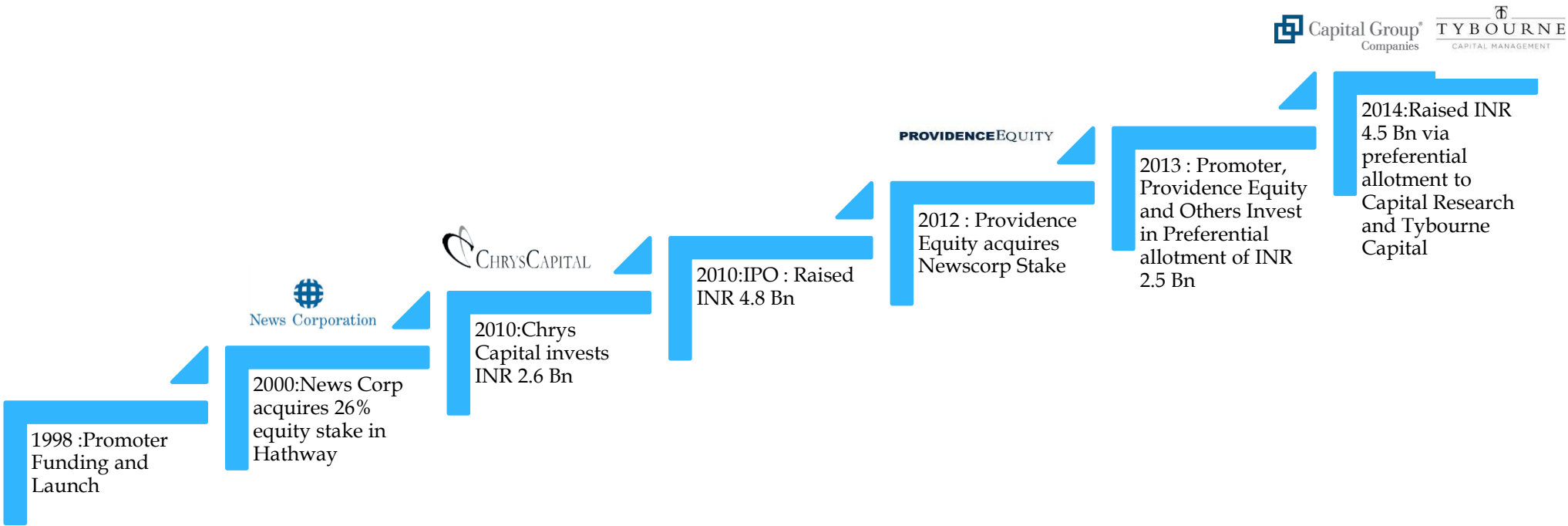


*Note : Revenues normalized for comparison

COMPANY CAPITALIZATION TRACK RECORD



Promoted by the Rajan Raheja Group with Marquee Investors such as Providence, Capital Research and Tybourn Capital.





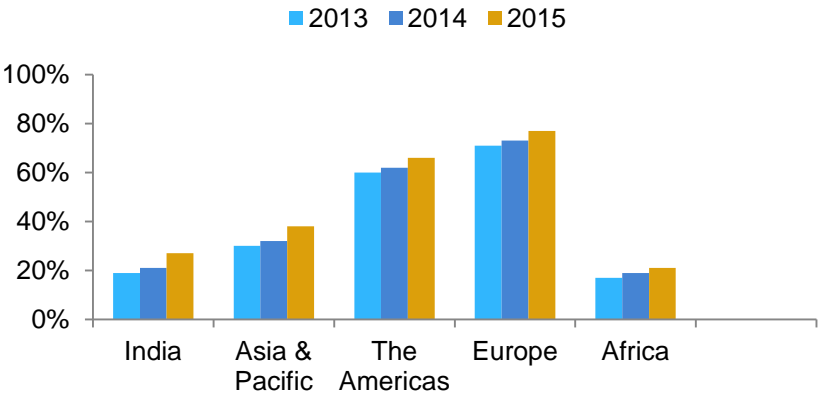
BROADBAND

WIREDLINE BROADBAND - “FIXED IS THE NEW MOBILE”

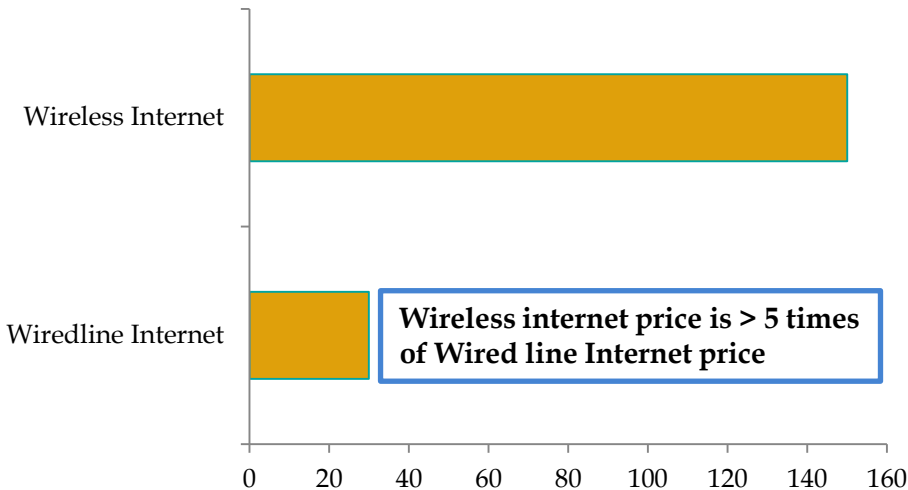
CABLE BROADBAND - THE PRIMARY BENEFICIARY



Low Internet Penetration in INDIA

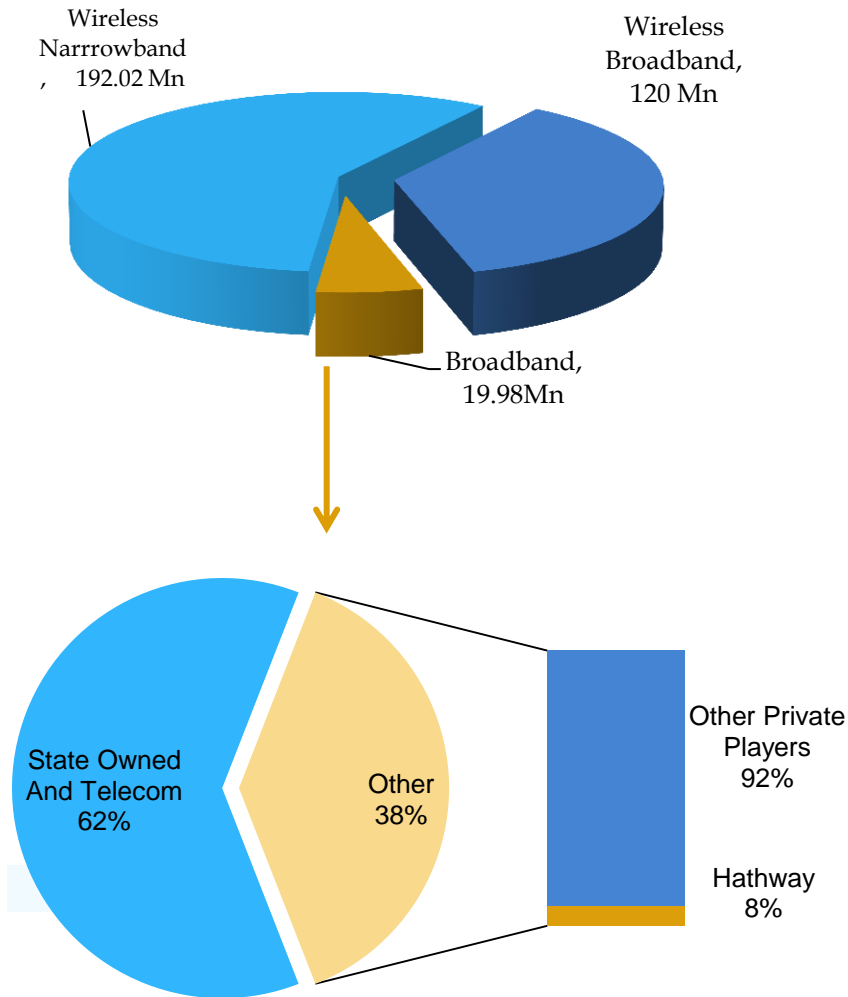


Price Per GB



Source : TRAI, UBS Report May 2016, Bloomberg intelligence, ITU, OVUM ,Company website

Hathway's Share in Broadband Space



Source : TRAI - Dec - 2015

WIREDLINE BROADBAND - "FIXED IS THE NEW MOBILE"

CABLE BROADBAND - THE PRIMARY BENEFICIARY

hathw@y

WIREDLINE BROADBAND - PREFERRED MEDIUM FOR VIDEO DOWNLOADS



RELIANCE

MEDIUM USAGE

Smartphones, Tablets : Around 1 GB per month @3G/4G
Used Majorly for Social Media, You Tube, Mobile apps, Music



hathw@y



MAJOR USAGE

PC, Laptop, Smart TV : Around 10-20 GB per month @2-10 Mbps+
Used Majorly for video, Rich media downloads and Others

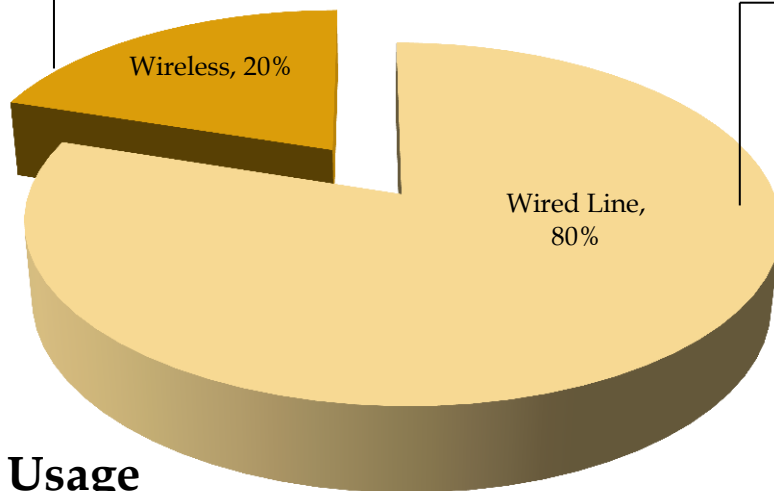


LOW USAGE

Smartphones/Tablets through wifi : Around 500Mb - 3GB per month @ 2-10 Mbps+
Used majorly for social media, Mobile Apps, Mail, You Tube, Music.



Data Usage



HATHWAY DOCSIS 3.0 SERVICES COMPETITIVELY PRICED



Company	Network	Speed	FUP Download	Price
	Wireline	50 Mbps	15 GB	Rs. 799/-
	Wireline	50 Mbps	50 GB	Rs. 1,499/-
	Wireline	50 Mbps	15 GB	Rs. 899/-
	Wireline	50 Mbps	50 GB	Rs. 1600/-
	Wireline	40 Mbps	60 GB	Rs. 1699/-
	Wireline	10 Mbps	33 GB	Rs. 1,444/-
	Wireline	4 Mbps	50 GB	Rs. 1250/-
	Wireless	4G	6GB	Rs. 1247/-
	Wireless	3G	6GB	Rs. 1099/-
	Wireless	4G	3GB	Rs. 650/-

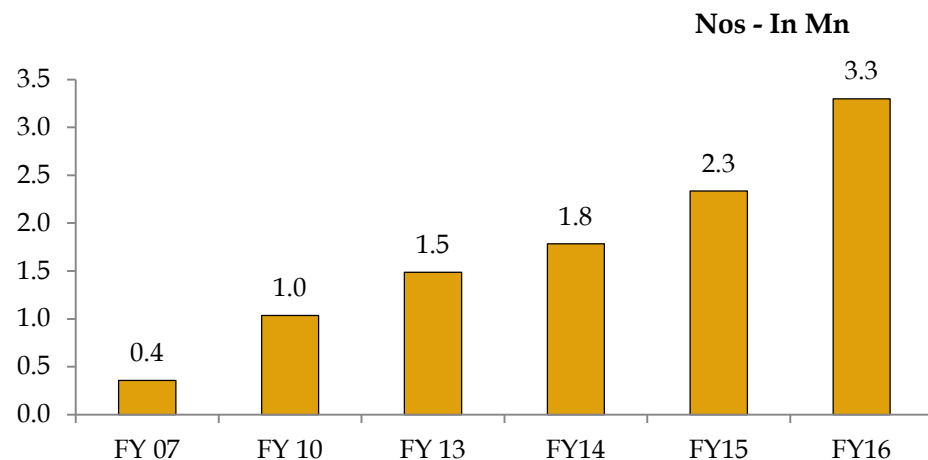
Source : Company Website

PIONEER IN CABLE BROADBAND SERVICE

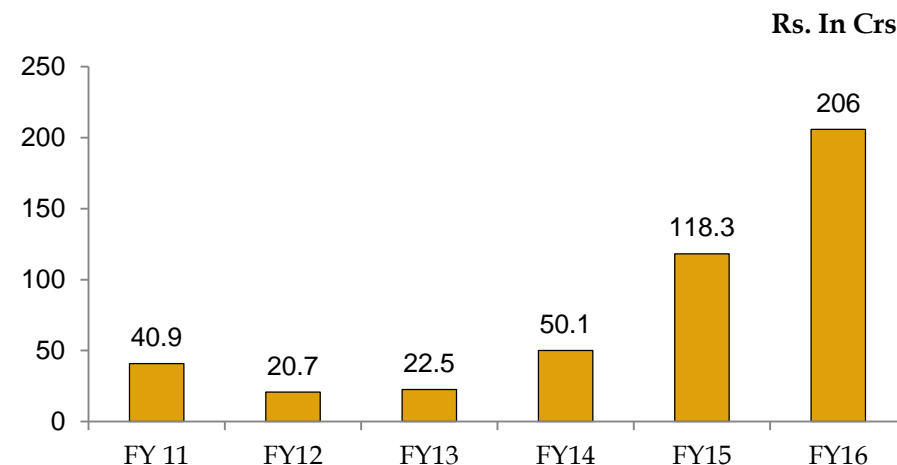
LARGEST CABLE BROADBAND OPERATOR



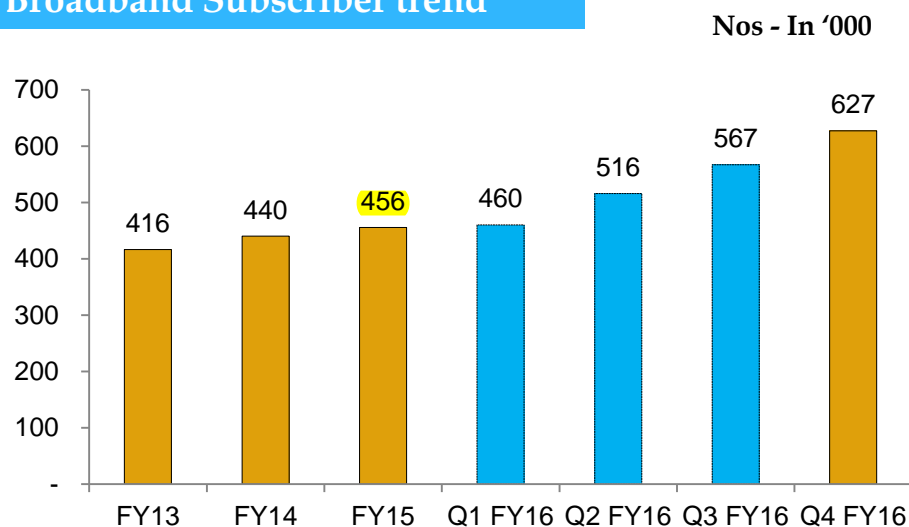
Homes Passed



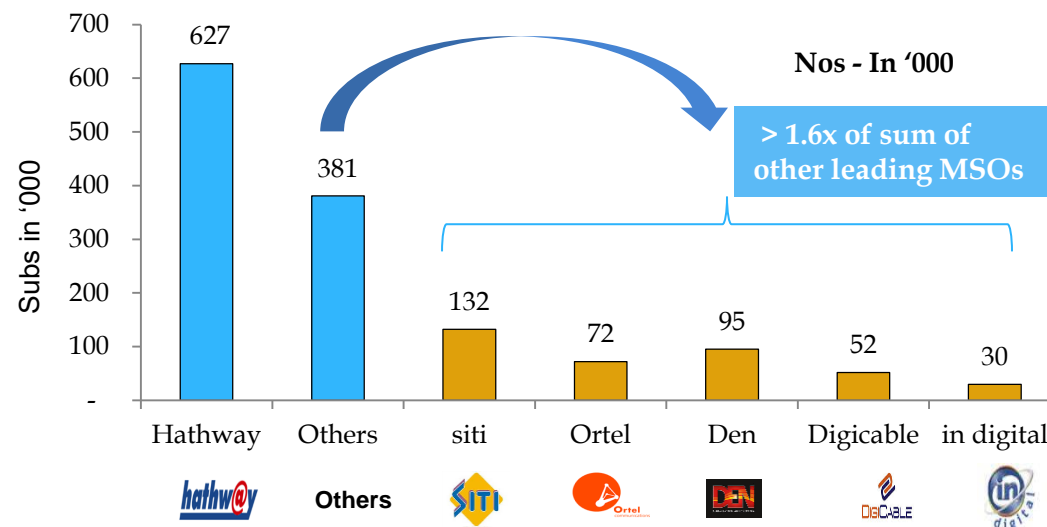
Standalone Capex



Broadband Subscriber trend



Broadband Subscribers Hathway v/s Industry

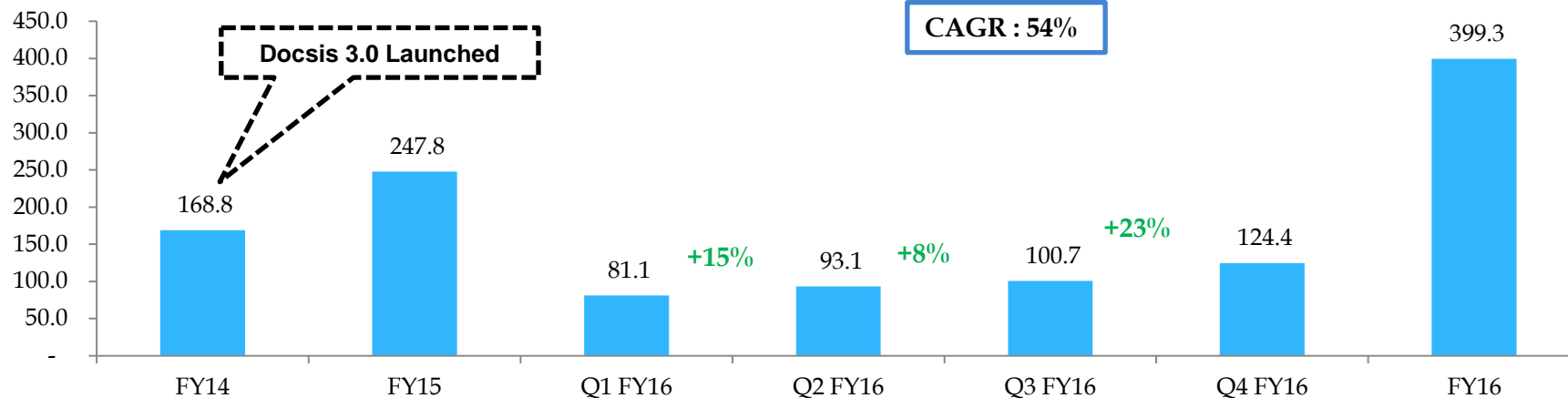


DOCSIS 3.0 DRIVES ARPU & REVENUE GROWTH

Revenue Growth Trend

Revenue up by 2.4 X since FY14

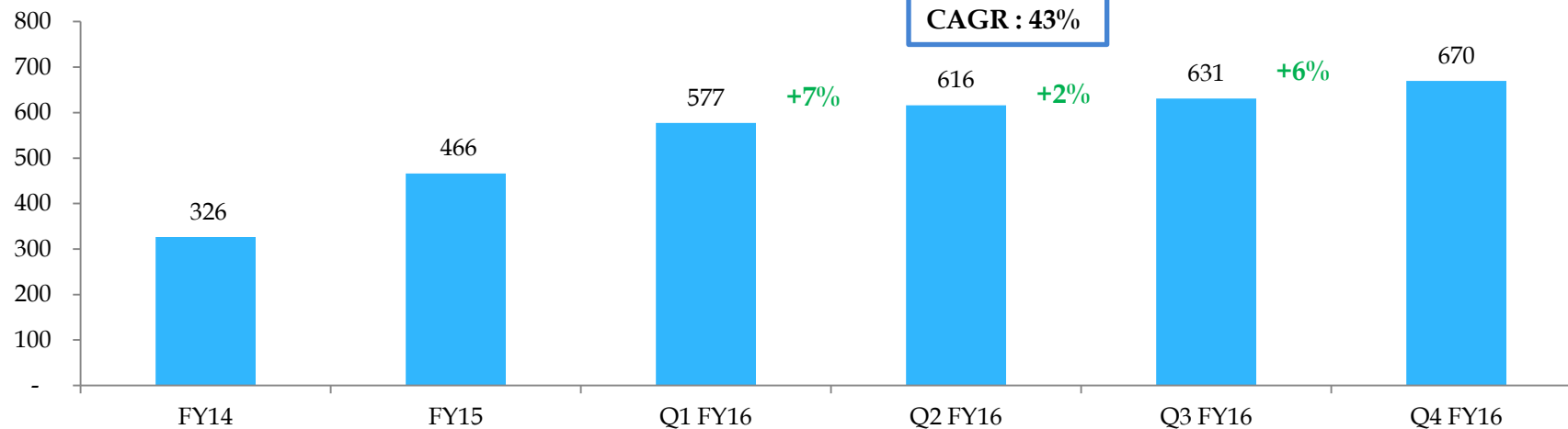
CAGR : 54%



ARPU Growth Trend

ARPU up by 2X since FY14

CAGR : 43%



BROADBAND UNIT ECONOMICS



Revenue, Margin and Payback

Particulars	Rs. / Unit	% Age
Consumer Price	978	115%
Service Tax	128	15%
NET REVENUE	850	100%
Bandwidth and Leaseline Cost	98	12%
Commission	85	10%
Call Centre and Network Maintenance	23	3%
Marketing & Advertisement	22	3%
Fixed Cost	325	38%
Net Margin / Unit (EBITDA) - A	297	35%
Capital Cost / Subscriber - B	8,990	
Payback Period In Months - (A/B)	25	

Investments / Subscribe

Particulars	Rs. / Unit
Cost Per Home Pass	650
Penetration	20%
Home Pass Capex Per Sub	3,250
Last Mile Capex (Incl Labour)	1,500
CPE (Wi Fi Modem)	2,240
NOC Capex	2,000
Capital Cost / Subscriber	8,990

* Management estimates, for Illustrative purposes only



CABLE TELEVISION

ATTRACTIVE CABLE INDUSTRY DYNAMICS

FAVOURABLE IMPACT OF DIGITIZATION



Digitization timeline

Phase	I (completed)	II (completed)	III * (on-going)	IV (on-going)
Regulated date of implementation	31 Oct 2012	31 Mar 2013	31st Dec 2015	31st Dec 2016
Date of conversion	Spread over FY13	Completed by 1 st Qtr. FY14	Ongoing	Ongoing
Areas	Four metros	All cities > 1mn population	Urban Areas 100K - 1 Mn Population	Rest Of India
Total market size (137 Mn)	12.5	18.5	36	70
Digital subscribers (72 Mn)	12.5	18.5	30	11
Cable Penetration % Age	64%	65%	46%	

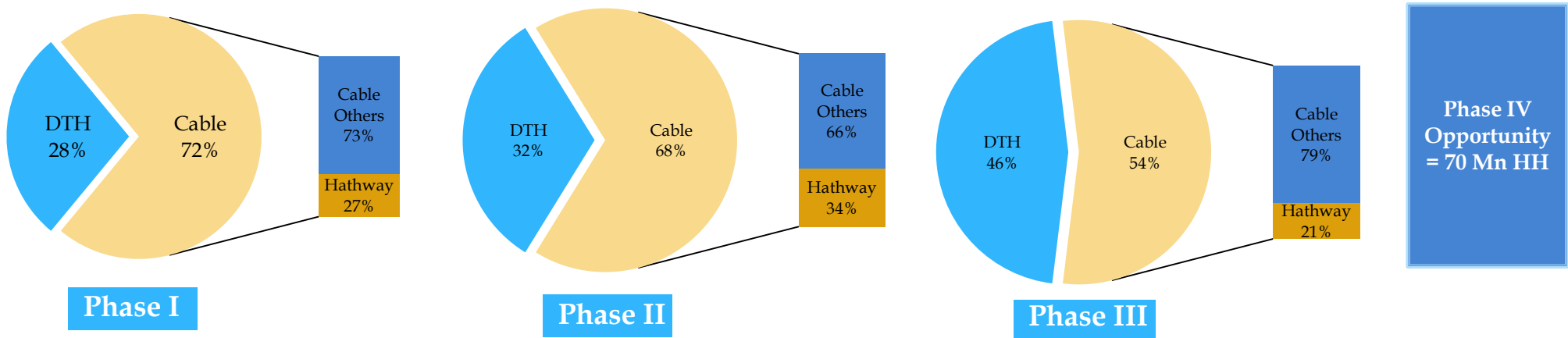
*By an order the Supreme Court has moved all stay petitions granting extensions of Phase III to Delhi High Court. The Delhi High Court has already dismissed the Petition relating to the State Of Karnataka and Madhya Pradesh.

Source: Company and Industry estimates, TRAI

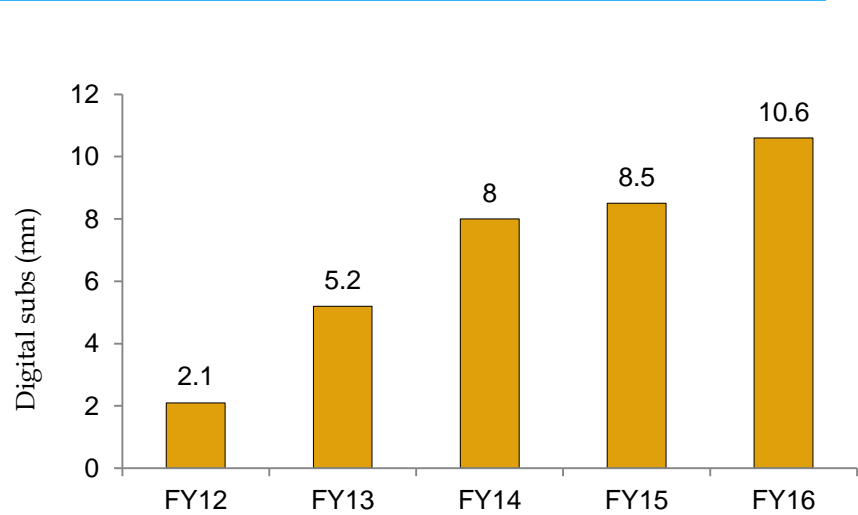
* Management estimates, for Illustrative purposes only

LEADING DIGITAL CABLE TV PLATFORM

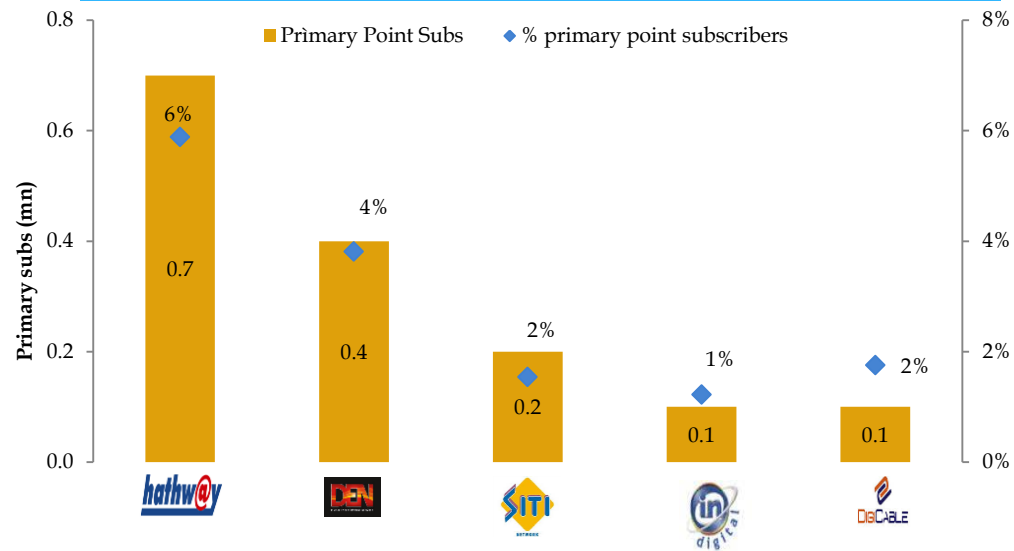
HATHWAY HAS BENEFITED THE MOST DUE TO DIGITIZATION



5x Growth in Hathway's Digital Subscribers

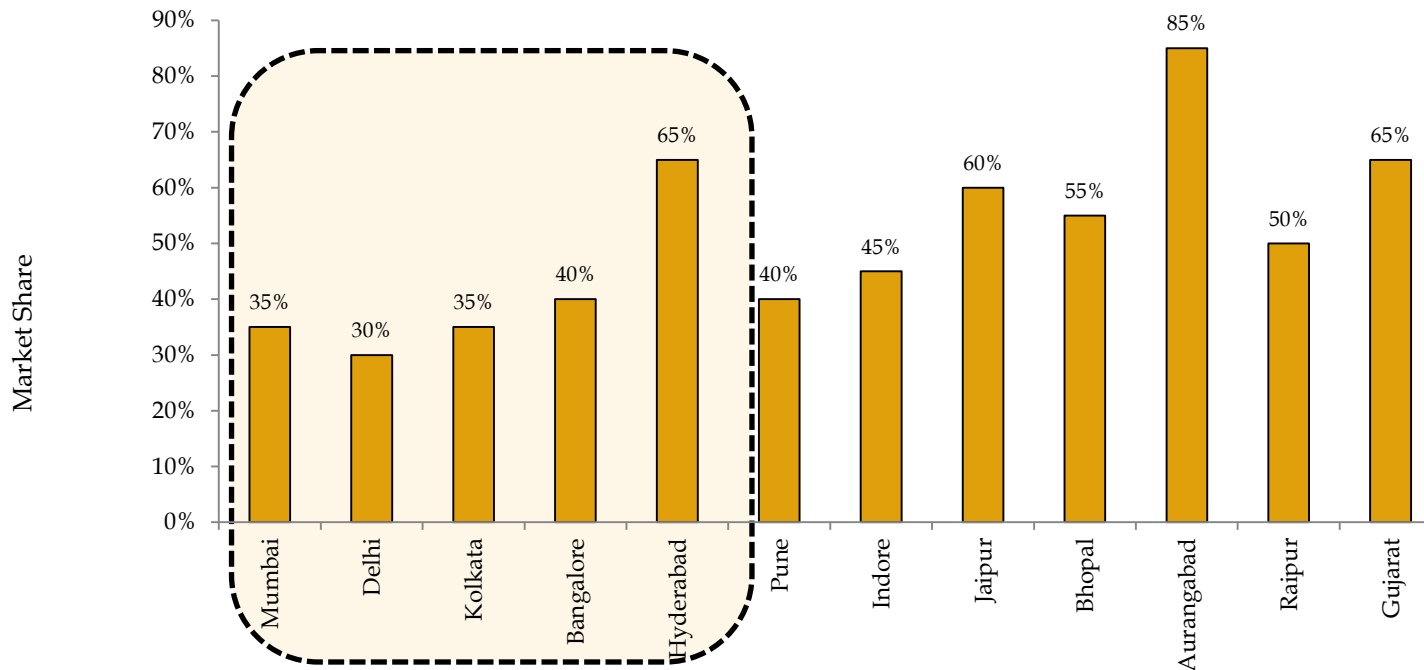


Largest Primary Subscriber base



Source : Public sources, MIB press Releases; Data as of Nov 2012, updated numbers not released by MIB, Company estimates

DOMINANT MARKET SHARE IN KEY GEOGRAPHIES



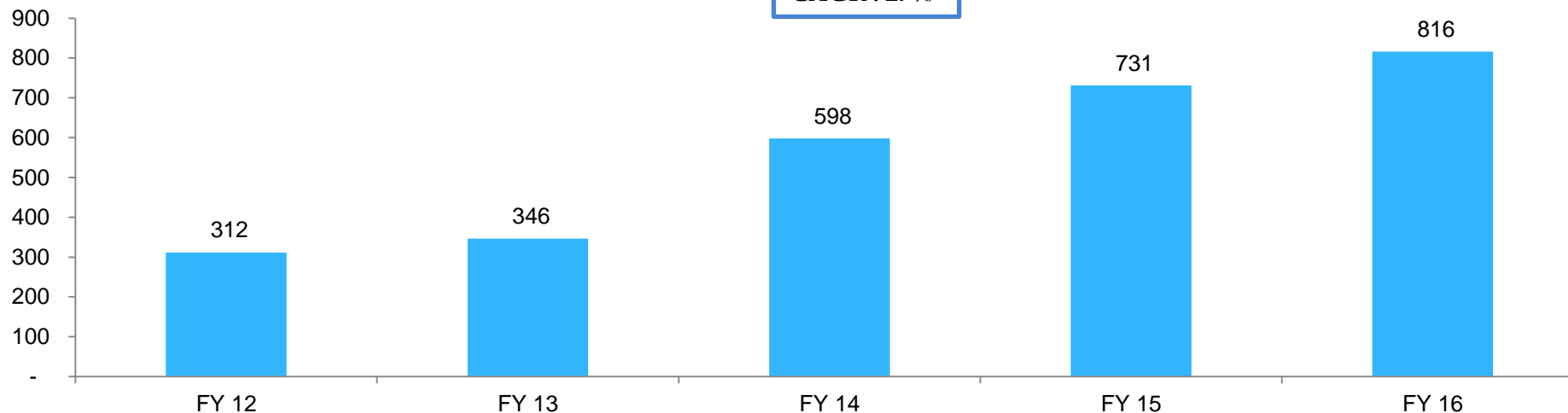
Serving 200+ cities and towns

CATV ARPU & REVENUE TREND

Subscription Revenue Growth *

Revenue Up by 2.6 times since FY12

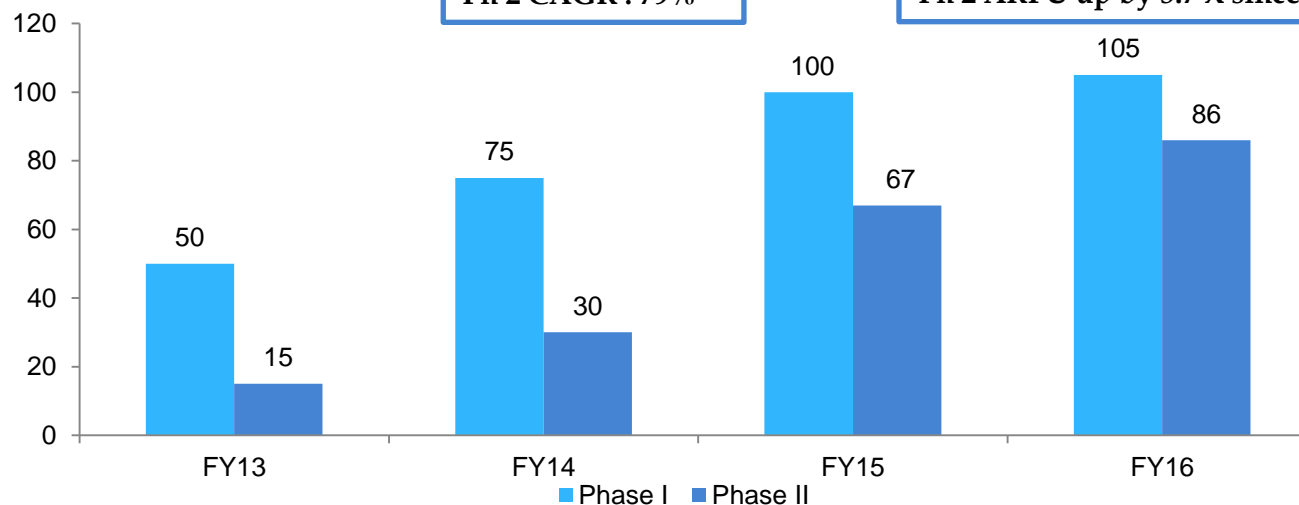
CAGR : 27%



ARPU Growth Trend

Ph 1 CAGR : 28%
Ph 2 CAGR : 79%

Ph 1 ARPU up by 2.1 X since FY13
Ph 2 ARPU up by 5.7 X since FY13



*Note : Revenues normalized for comparison

Technology Initiatives

Customer Friendly
Electronic Program Guide
(EPG)



Telco Grade Billing &
Revenue Management
System (SMS)



Prepaid billing for
Primary Points



Hathway Connect -
LCO Portal



Self Care - Web Based,
Mobile App - Android and
IOS



Revenue Initiatives

Customer Friendly
Packaging



Expansion of HD
Channels



Revamp in House
Channels



Right To Use Business
Model



UNIT ECONOMICS - DIGITIZATION EVOLUTION

INR / Sub/Month

Particulars	Secondary Point			Primary	Primary
	Digital	Digital With Tiering	HD+	Digital With Tiering+ HD	RTU
Monthly Consumer Price	235.0	275.0	425.0	425.0	275.0
- Entertainment tax	25.0	25.0	25.0	25.0	25.0
- Service tax	31.5	37.5	60.0	60.0	37.5
Consumer price (net)	178.5	212.5	340.0	340.0	212.5
- LCO Margin	89.3	106.3	131.3	-	90.0
- Content Cost (Net of C&P)	33.0	33.0	78.0	78.0	33.0
- Customer Service (variable)	3.0	5.0	5.0	5.0	5.0
- Fixed overheads	35.0	37.0	35.0	35.0	35.0
Net per unit EBITDA	18.3	31.3	90.8	222.0	49.5
EBITDA margin (%)	10%	15%	27%	65%	23%
Subscriber Acquisition Cost				-	
- STB/Modem - Net	300.0	300.0	1,200.0	1,200.0	300.0
- Miscellaneous					20.0
Total SAC	300.0	300.0	1,200.0	1,200.0	320.0
Payback period in months	16.4	9.6	13.2	5.4	6.5

As per Management Estimates

PARTNERSHIP WITH BEST IN CLASS TECHNOLOGY PROVIDERS



Pan-India presence - 23 digital head-ends with over 16,000 kilometers of HFC back-bone network



EXPERIENCED SENIOR MANAGEMENT TEAM



Board members

Sridhar Gorthi - Chairman & Independent Director

Rajan Raheja - Non-executive Director – Founder and promoter

Akshay Raheja - Promoter & Non-executive Director

Viren Raheja - Promoter & Non-executive Director

Vinayak Aggarwal - Non-executive Director

Sasha Mirchandani - Independent Director

Devendra Shrotri - Independent Director

Biswajit A. Subramanian (Providence Equity Partner) - Non-Executive Director

Ameeta Parpia - Independent Director

Jagdish Kumar - Managing Director & CEO

Experienced management team with strong track record

Jagdish Kumar MD & CEO	<ul style="list-style-type: none"> More than 25 years of experience across companies such as Reliance Industries Ltd. STAR TV and ITC Ltd. Worked on several aspects of the Broadcast business including content, distribution, marketing, broadcast infrastructure, digital platforms, business development & finance
Vineet Garg CFO	<ul style="list-style-type: none"> Has experience of 22 years in organisations like Idea Cellular, Loop Mobile, Tata Teleservices and Reliance Communications Extensive Experience in areas of Revenue Assurance, System Design & process reengineering in addition to Finance & Controllorship.
Tavinderjit Panesar President-Video Business	<ul style="list-style-type: none"> Worked with Star Tv for past 17 years. . He was a part of the team, which launched and successfully managed the sports channels of STAR TV network.
Rajan Gupta President-Broadband Services	<ul style="list-style-type: none"> Completed MBA from IIM Bangalore and over 16 years of experience in blue chip companies Worked with Asian Paints, Coca Cola and Tata Tele Services in leadership roles
Dulal Banerjee Executive Vice President	<ul style="list-style-type: none"> Post Graduate from Calcutta University, Member of CMA (Australia).Over 20 years work experience. Founder member of Hathway Broadband Team & > 15 years association with Hathway, Heading Commercial and Broadband – Finance functions.

Ajay Singh Company Secretary	<ul style="list-style-type: none"> Ajay Singh is FCS, MBA (Finance) , with 18 yrs of experience across various sectors which include Telecom, ICT, Manufacturing & Real Estate and has worked across diverse areas such as Legal, Secretarial, Finance, Treasury Operations, Project and Risk Management
Sujit Agarwal CIO	<ul style="list-style-type: none"> Has extensive experience of over 29 years with organizations like IBM, Tata Communication and Vodafone Worked in Telecom BSS & IT, amongst other industries
Jagdish Babu EVP Operations	<ul style="list-style-type: none"> Over 20 years experience in senior management roles across India and abroad working with Star TV, Channel [V], Radio City, Radio City, Tata Sky DTH, News Outdoor, OOH Media (3i Private Equity) and Ignitee Digital (Astro Group)..
D. Mahadevan EVP- Finance	<ul style="list-style-type: none"> Over 25 years of experience in accounting and finance Earlier worked with Orkay Industries Limited, H & R Johnson India Limited and Shaw Wallace Limited Chartered Accountant and holds a Bachelors Degree in Commerce from Mumbai University
Rajaraman S Sr. Vice President – Business Operations	<ul style="list-style-type: none"> A Chartered Accountant with over 17 years of post qualification experience of which 15 years have been spent in the Media and Entertainment space with leading global media companies like 21st Century Fox, NBCU



KEY FINANCIALS

PROFIT AND LOSS STATEMENT

Financial (INR In Crs)	CONSOLIDATED				STANDALONE			
	FY13	FY14	FY15	FY16	FY13	FY14	FY15	FY16
Income								
Subscription CATV	291.9	584.5	838.9	816.4	125.5	336.6	449.5	447.6
Subscription Broadband	149.7	168.8	247.8	399.3	130.1	142.8	196.0	306.5
Placement	467.0	573.5	626.9	598.8	213.9	314.1	313.9	322.0
Activation	197.6	163.3	82.4	227.9	149.8	110.2	44.0	83.4
Other Operating Income	26.3	93.1	35.8	39.2	35.1	76.8	19.6	19.3
Total Income	1,132.5	1,583.3	1,831.6	2,081.6	654.3	980.4	1,022.9	1,178.8
Expenditure								
Purchase of stock-in-trade	6.2	13.8	0.8	2.1	11.0	13.0	0.2	0.4
Employee Cost	96.1	122.8	152.2	181.4	42.2	52.3	61.6	82.4
Pay Channel Cost	432.5	666.4	813.1	821.6	170.4	325.9	384.0	421.3
Other Expenses	323.9	470.4	605.5	687.8	262.2	397.3	437.7	478.3
Total Expenditure	858.7	1,273.5	1,571.7	1,692.9	485.8	788.5	883.5	982.4
EBITDA before Other Income	273.8	309.8	259.9	388.7	168.5	191.9	139.5	196.5
EBITDA before Other Income Margin %	24%	20%	14%	19%	26%	20%	14%	17%
Other Income	15.7	10.5	26.6	19.9	13.6	7.7	14.0	11.0
EBITDA After Other Income	289.5	320.3	286.6	408.6	182.2	199.6	153.4	207.4
EBITDA After Other Income Margin %	25%	20%	15%	19%	27%	20%	15%	17%
Depreciation / Amortization	165.9	299.3	327.9	379.6	122.7	210.3	227.0	254.5
Finance Cost	60.2	134.5	153.5	137.5	46.1	92.5	105.8	90.8
Exceptional Items	7.9	-	(50.7)	3.7	9.3	10.6	(3.8)	36.3
Tax	17.9	16.2	28.0	42.5	-	-	-	-
Minority Interest	24.9	8.8	(13.9)	(29.8)	-	-	-	-
PAT	15.9	(111.1)	(180.4)	(163.1)	3.2	(125.3)	(175.2)	(171.3)

BALANCE SHEET

Rs.in Crs



STATEMENT OF ASSETS AND LIABILITIES	Consolidated		Standalone	
	FY16	FY15	FY16	FY15
A. EQUITY AND LIABILITIES				
1. Shareholders' Funds				
a. Share Capital	166.1	166.1	166.1	166.1
b. Reserves and Surplus	880.8	1,044.3	844.7	1,016.1
Sub Total - Shareholders' funds	1,046.9	1,210.4	1,010.8	1,182.2
2. Minority Interest	302.9	241.9		
3. Current & Non- current liabilities				
a. Long-term and Short-term borrowings	2,052.9	1,325.6	1,583.6	1,086.4
b. Trade Payables - Long & Short	390.0	349.0	146.6	120.8
c. Other Liabilities	626.7	563.9	298.8	192.3
Sub Total - Current & Non- current liabilities	3,069.6	2,238.5	2,028.9	1,399.5
TOTAL - EQUITY AND LIABILITIES	4,419.3	3,690.9	3,039.7	2,581.7
B. ASSETS				
1. Non- current assets				
a. Fixed assets	2,754.5	2,204.1	1,722.8	1,429.1
b. Goodwill on Consolidation	255.1	236.0		
c. Long -term loan and advances	234.3	151.7	228.8	155.8
d. Other non - current assets	53.7	90.2	455.4	443.3
Sub Total - Non - current assets	3,297.7	2,682.0	2,407.0	2,028.1
2. Current assets				
a. Trade receivables	648.7	566.8	372.8	302.2
b. Cash and bank balances	136.0	105.6	27.2	20.4
c. Other current assets	336.8	336.4	232.7	231.0
Sub Total - Current assets	1,121.6	1,008.9	632.7	553.6
TOTAL - ASSETS	4,419.3	3,690.9	3,039.7	2,581.7



PROMOS

HATHWAY RELAUNCHES BROADBAND WITH SANIA MIRZA AS BRAND AMBASSADOR

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Broadband Internet

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Broadband Internet

NO WAITING
for live streaming
Hathway lightning fast broadband
10 times faster*, 50Mbps
Wi-Fi Router Free

No waiting for downloading No waiting for streaming No waiting for gaming

DOWNLOAD MUSIC
10 TIMES FASTER
50 Mbps | UNLIMITED* | ₹799

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Broadband Internet

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Hathway lightning fast broadband
10 times faster*
50 Mbps @ ₹849
Unlimited download

India's Most Loved Broadband

*T & C apply. 10 times faster in comparison to other ISP offering 5 Mbps. Speed indicated is only up to our ISP node.

HATHWAY CABLE TELEVISION



**Go HD
With Hathway
Book Now !!!**



Attractive Offers For Yearly Subscription.

To buy a **Hathway HD box** and subscribe to a **HD pack**, contact your local operator
Or Give Us a "Missed Call" on **07677576775** Now!



Power to Choose
Flexibility | Convenience | Simplicity

Now, the power is in your hands to choose your entertainment your way with the right ingredients.

- Personalized Doorstep Service
- Value for Money
- Uninterrupted Service in Extreme Weather Conditions

Pick the add ons of your choice to create your own pack

Strong Base Packs + Genre Add Ons + Regional Add Ons

Base Packs	Prime	Royal	Royal HD
	185+ Channels @ ₹265/-	240+ Channels @ ₹375/-	260+ Channels @ ₹525/-

- 1 Free Regional Pack with respective Base Pack
- 7 Regional Languages Add Ons to choose @ ₹50/- each
- 6 Genre Add Ons to choose @ ₹50/- each
- HD Pack of 24 Channels @ ₹150/-
- 45+ HD Channels*
- 20 Sports Channels*

STRONG BASE PACKS

Channel Count	Free Regional Pack	MRP (₹ Inc. Taxes)
Prime 200+	1	330/-
Royal 250+	2	425/-
Royal HD 275+	2	550/-

All Marathi Regional Channels are included in the Base Pack.

GENRE ADD ONS













PACK NAME	MRP (₹ Inc. Taxes)
SPORTS	50/-
KIDS	50/-
INFOTAINMENT	50/-
ENGLISH MOVIES	50/-
ENGLISH & BUSINESS NEWS	50/-
ENGLISH ENTERTAINMENT & MUSIC	50/-
ENGLISH SPECIAL ADD ON	65/-
HINDI SPECIAL ADD ON	115/-
HD	152/-

REGIONAL ADD ONS

PACK NAME	MRP (₹ Inc. Taxes)
BANGLA + ORIYA	50/-
GUJARATI + RAJASTHANI	50/-
TAMIL	50/-
TELUGU	50/-
MALAYALAM	50/-
KANNADA	50/-
HINDI + BHOJPURI	50/-

BST Pack consisting of FTA channels is available.
A La Carte is also available for all channels.
For terms & conditions and more details log onto website: www.hathway.com

CABLE VS DTH - A COMPARATIVE ANALYSIS

	Cable	DTH
Bandwidth & technology	<ul style="list-style-type: none"> Able to support 1000+ channels 	<ul style="list-style-type: none"> Channel capacity limited by transponder availability. Frequency band has rainfall attenuation issues 
Localization	<ul style="list-style-type: none"> Has the ability to change channel mix depending on region & hence better localized content 	<ul style="list-style-type: none"> Single pan-India feed based on transponders, often resulting in limited choice in regional content 
Broadband Capability	<ul style="list-style-type: none"> Technology allows reverse path, and hence ability to carry broadband 	<ul style="list-style-type: none"> One way broadcast (satellite to consumer) and hence no ability for broadband 
Marketing	<ul style="list-style-type: none"> Traditionally a B2B model, post digitization expected to move to B2C. 	<ul style="list-style-type: none"> Marketing - a key driver & strength in the DTH business. 
Funding	<ul style="list-style-type: none"> Except for few large MSOs, most MSOs are founded by individuals. Hence limited capability to aggressively fund the business 	<ul style="list-style-type: none"> All DTH entities founded by corporates with significant funding. Some of them vertically integrated, other have synergistic businesses (Telco) 
Technical Assistance	<ul style="list-style-type: none"> Traditionally serviced by LCOs, provides a personal touch point and thereby quicker service typically 	<ul style="list-style-type: none"> Process driven methodology through call centers, service engineers, etc to handle technical problems 
Additional Costs	<ul style="list-style-type: none"> Of the end ARPU, LCOs take their share of the pie 	<ul style="list-style-type: none"> License costs, Transponder costs and higher subscriber acquisition costs 

SAFE HARBOR

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