



Company Update

CMP	386
Target Price	480
Previous Target Price	-
Upside	24%
Change from Previous	-

Market Data

BSE Code	533151
NSE Symbol	DBCORP
52wk Range H/L	448/287
Mkt Capital (Rs Cr)	7,087
Av. Volume(,000)	108
Nifty	8562

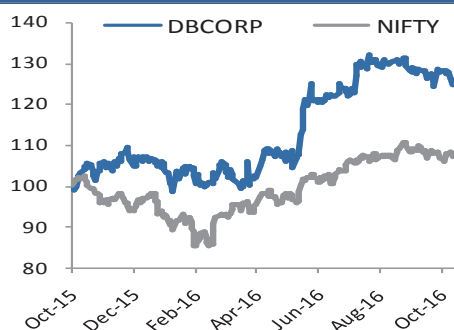
Stock Performance

	1M	3M	12M
Absolute	-3.9	-5.4	20.6
Rel.to Nifty	-1.5	-6.3	16.2

Share Holding Pattern-%

	2QFY17	1QFY17	4QFY16
Promoters	69.9	69.9	69.9
FII	30.1	30.1	30.1
DII	-	-	-
Others	100.0	100.0	100.0

Company Vs NIFTY


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Expected boost from Volume growth

DBCORP's yield improvement agenda is almost over, now management is concentrating on improvement in volume. Due to sharp yield increase, Company's revenue remained flat for FY16. From last four quarters we see improvement in revenue from Printing & publishing business which indicates that volume is coming back. We see improvement in volume to continue going forward with few hiccups here and there.

Upcoming festivals and business cycle recovery led consumption will boost company's volume going forward. Election in Punjab, which is expected to happen in March 2017, will add more volume for the company in 4QFY17.

Supports from Radio Business

Radio business is the fastest growing segment in Indian Media and Entertainment industry and expected to grow at the rate of approx. 17% in next four years. Hence DBCORP's initiatives to acquire more radio frequencies will add value to company's overall business going forward. The company has acquired license of 13 new radio stations in FY17 which led total stations count to 30. Presently the company gets approx. 5% of revenue from its radio business. We expect that radio business revenue to go up to approx. 8-9% of total revenue in next 2-3 years which may lead margin improvement of approx. 60-70 bps going forward which is positive for the company. In Latest conference call management indicated that company will acquire more frequency going forward. So in general, radio business can be another growth driver for the company.

View and Valuation

Going forward management is optimistic about better revenue growth in 3QFY17 as management expects better traction from automobile, real estate and education sector. Seventh pay commission pay out and festive season will boost ad growth of company going forward. The company has launched 3 new radio frequencies in the month of July2016 and will launch 10 more in the month of Dec and Jan. DBCORP's radio business will be another growth driver for the company going forward. As company will launch more radio frequencies its margin will improve (radio business has 35% margin). **Considering good monsoon, festival related ad growth, seventh commission pay out and margin support by radio business we are bullish on this stock with target price of Rs 480.**

Rs,Cr

Financials	2013	2014	2015	2016	2017E
Sales	1592	1860	2010	2052	2364
EBITDA	382	504	562	535	678
Net Profit	218	307	316	297	390
EPS	12	17	17	16	21
ROE	21%	27%	25%	22%	28%

(Source: Company/Eastwind)