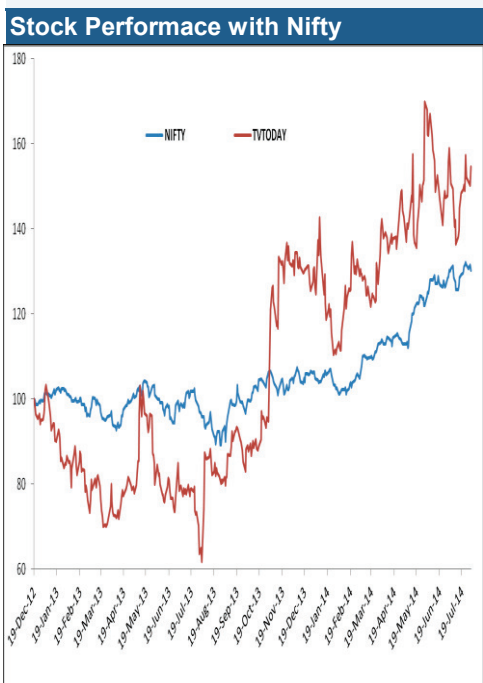


Result update	BUY
CMP	137
Target Price	162
Previous Target Price	155
Upside	18%
Change from Previous	5%

Market Data	
BSE Code	532515
NSE Symbol	TVTODAY
52wk Range H/L	155/54
Mkt Capital (Rs Cr)	816
Average Daily Volume	211400
Nifty	7603

Stock Performance			
	1M	1yr	YTD
Absolute	4.9	141.0	5.8
Rel. to Nift	4.8	108.6	3

Share Holding Pattern-%			
	Current	4QFY14	3QFY14
Promoters	57.52	57.47	57.5
FII	0.0	0.0	0.0
DII	3.36	2.48	3.03
Others	39.12	40.05	39.51



**TV Today reported better numbers than expectation and optimistic on business environment and earning potential of company;**

The company has reported decent set of numbers. Its revenue grew by 54% (yoy) to 137 cr due to election led advertisement and PAT grew by 174% (yoy) to 32.80 cr led by better management of advertisement and employee cost. EBITDA margin has improved significantly by 1341bps to 40.37% led by softening of employee cost and Ad spend and PAT margin has shown improvement of 1045 bps to 23.94%. Provision for depreciation has increased by 1.3 cr from last year due implementation of latest provision of Company's Act.

Margin has improved significantly due to company's cost containment. Employee cost on sales declined from 26.5% (1QFY14) to 21.4% and Ad spend ramped down from 22.2% (1QFY14) to 15.7%. The company's broadcasting revenue grew by 56% to 134 cr and radio revenue grew by 12% to 3.37 cr. Radio business is still EBIT negative ( -2.56 cr).

#### About the company:

TV TODAY is India's leading news channel, having 4 TV channels -AAJ TAK, HEADLINES TODAY, TEZ and DILLI AAJ TAK. The company has made strategic investment worth Rs 45 Cr during FY12 in Mail Today Newspaper (Private) Limited, which publishes a news paper called Mail Today. According to the management this investment is towards entering into the Print Media utilizing the synergies of content and brand.

#### Catalyst:

Digitalization, a sigh of relief: As second phase of digitization has completed, we expect that this will improve company's subscription revenue going forward.

Lower carriage cost, a profit aroma: We expect that digitization will reduce carriage cost by 15-20%, which will directly help the company because carriage cost accounts for 30 to 35% of the revenue of the company. This will increase company profitability without any investment, which is huge positive for the company.

#### Risks:

Investments in loss-making print and radio businesses (FM channel oye 104.8 FM) and lower-than-expected benefits from digitization are the key risks.

#### View and Valuation:

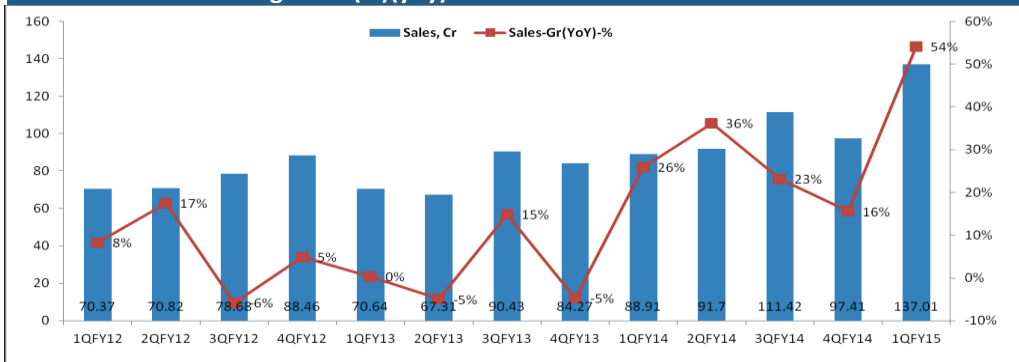
As a major beneficiary leading to lower carriage fees paid by broadcasters and increase in subscription revenues led by positive sentiments toward the business environments, TV Today looks attractive. We maintain "BUY" view on the stock with a target price of Rs 162. At a CMP of Rs 137, stock trades at 1.8x FY15E P/BV.

Financials	Rs, Cr				
	1QFY15	4QFY14	(QoQ)-%	1QFY14	(YoY)-%
Revenue	137.01	97.41	40.7%	88.91	54.1%
EBITDA	55.31	25.44	117%	23.97	131%
PAT	32.8	15.86	107%	11.99	174%
EBITDA Margin	40.4%	26.1%	1430bps	27.0%	1340bps
PAT Margin	23.9%	16.3%	770bps	13.49%	1050bps

(Source: Company/Eastwind)

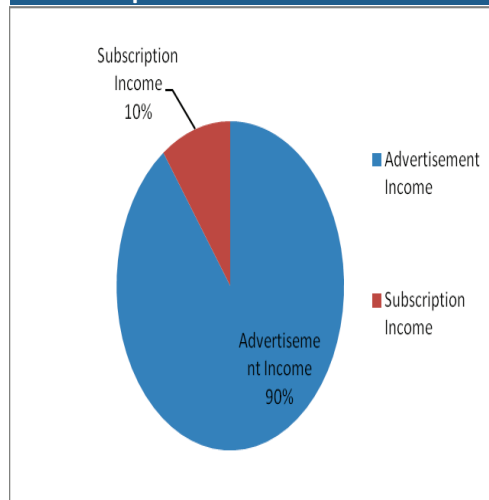
# TVTODAY

## Sales and Sales growth%(yoy)



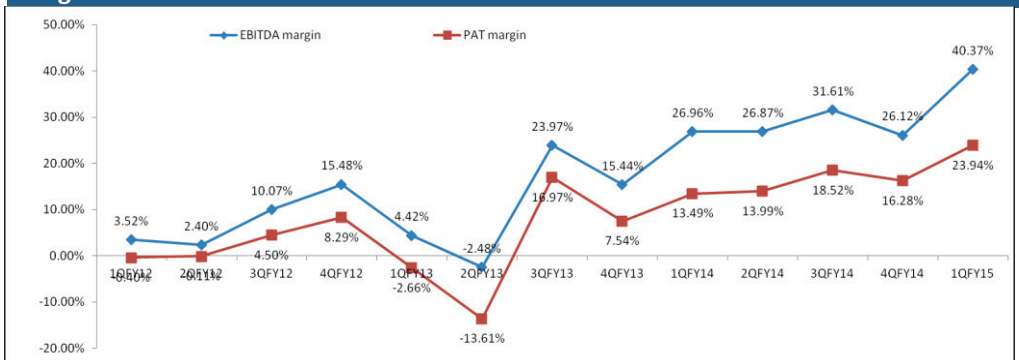
(Source: Company/Eastwind)

## Revenue split



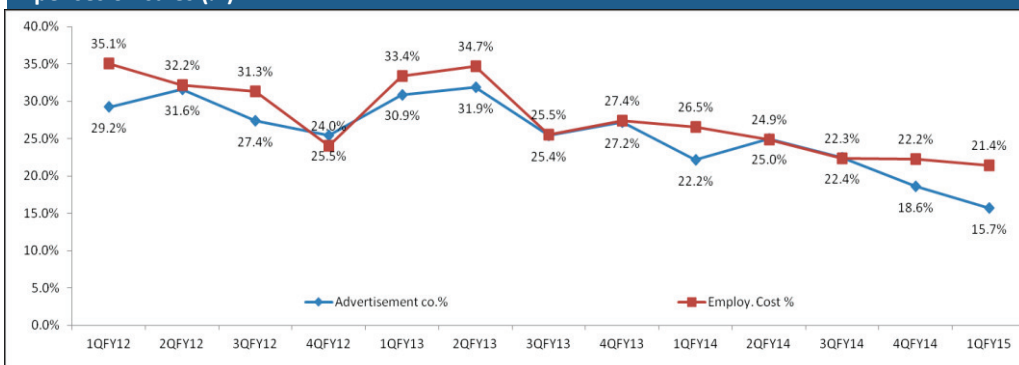
(Source: Company/Eastwind)

## Margin-%



(Source: Company/Eastwind)

## Expenses on sales (%)



(Source: Company/Eastwind)

## Segment wise Sales and Margin(%)

Segments	Sales			Growth		Margin-%	Margin Change	
	1QFY15	4QFY14	1QFY14	(YoY)-%	(QoQ)-%		YoY	QoQ
TV Broadcasting	133.64	93.49	85.89	56%	43%	38.5%	1380bps	900bps
FM Radio Broadcasting	3.37	3.91	3.01	12%	-14%	-76.0%	280bps	263bps

(Source: Company/Eastwind)

# TVTODAY

Financials						
Rs,cr	FY10	FY11	FY12	FY13	FY14	FY15E
Sales	285	293	308	313	389	444
Production cost	35	39	40	39	41	44
Employee Cost	84	88	93	93	93	107
Ad Spend	60	84	87	85	86	80
Other expenses	54	57	62	61	61	64
Total expenses	233	267	282	278	280	295
EBITDA	52	26	26	35	109	150
Depreciation and Amortisation	21	16	14	21	24	30
Other Income	23	10	6	7	12	14
EBIT	31	10	12	14	85	120
Interest	7	1	1	3	4	2
PBT	47	18	16	18	93	131
Tax Exp	16	6	6	5	32	46
PAT	31	12	11	12	61	85
<b>Growth-% (YoY)</b>						
Sales	14%	3%	5%	1%	25%	14%
EBITDA	18%	-50%	2%	32%	216%	37%
PAT	-8%	-60%	-15%	16%	403%	38%
<b>Expenses on Sales-%</b>						
Production cost	12%	13%	13%	12%	10%	10%
Employee Cost	29%	30%	30%	30%	24%	24%
Ad Spend	21%	29%	28%	27%	22%	18%
Other expenses	19%	19%	20%	20%	16%	14%
Tax rate	6%	2%	2%	2%	8%	10%
<b>Margin-%</b>						
EBITDA	18%	9%	9%	11%	28%	34%
EBIT	11%	3%	4%	4%	22%	27%
PAT	11%	4%	3%	4%	16%	19%
<b>Valuation:</b>						
CMP	112	59	52	77	118	137
No of Share	5.78	5.78	5.95	5.95	5.95	5.95
NW	305	312	318	325	379	457
EPS	5.3	2.1	1.8	2.1	10.3	14.3
BVPS	52.8	54.1	53.4	54.6	63.7	76.8
RoE-%	10.1%	4.0%	3.3%	3.8%	16.2%	18.6%
P/BV	2.1	1.1	1.0	1.4	1.9	1.8
P/E	20.9	27.4	29.2	37.7	11.4	9.6

(Source: Company/Eastwind)