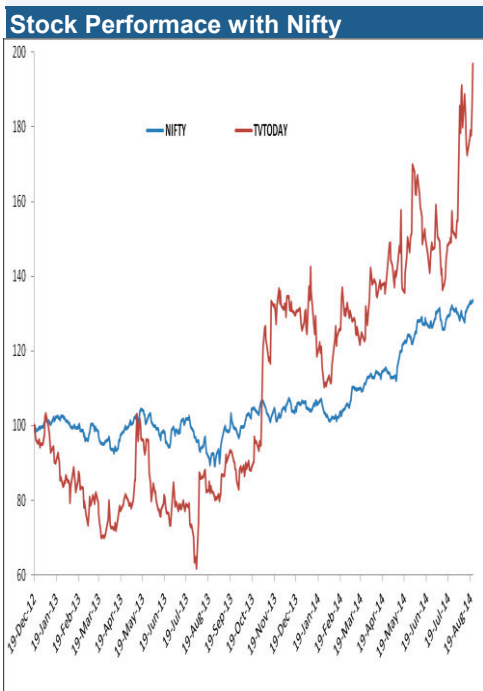


Result update		BUY
CMP	174	
Target Price	187	
Previous Target Price	162	
Upside	7%	
Change from Previous	15%	

Market Data	
BSE Code	532515
NSE Symbol	TVTODAY
52wk Range H/L	176/66
Mkt Capital (Rs Cr)	1036
Average Daily Volume	712000
Nifty	7913

Stock Performance			
	1M	1yr	YTD
Absolute	32.0	140.0	34.3
Rel. to Nift	28.7	93.0	27

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



Result update:

The company has reported decent set of numbers for 1QFY15. 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%. Margin has improved significantly due to company's cost containment efforts. Employee cost on sales declined from 26.5% (1QFY14) to 21.4% and Ad spend ramped down from 22.2% (1QFY14) to 15.7%. Provision for depreciation has increased by 1.3 cr from last year due implementation of latest provision of Company's Act. Company has strong brand equity among news channels and It has strong balance sheet with approx. zero debt. The company has long history of paying continuous dividend.

Segment analysis:

The company's broadcasting revenue grew by 56%(yoy) to 134 cr and radio revenue grew by 12%(yoy) to 3.37 cr. Tv broadcasting business contributes 97.5% of total revenue and it has EBIT margin of 38%. Radio business contributes very small(2.5%) of the total revenue and it is still EBIT negative (Rs. -2.56 cr).

Catalyst:

Digitalization, a sigh of relief: Aided by digitization and consequent increase in ARPU, the share of subscription revenue to total industry revenue is expected to increase significantly in the coming year. 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.

View and Valuation:

Aaj Tak maintains leadership position and strong brand equity among news channels. 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 still looks attractive. Tvtoday has achieved our earlier recommended target of Rs.162 but keeping view of 1QFY15 performance we are bullish on this stock. We have "HOLD" view on the stock with a target price of Rs 187. At a CMP of Rs. 174, stock trades at 2.2x FY15E P/BV.

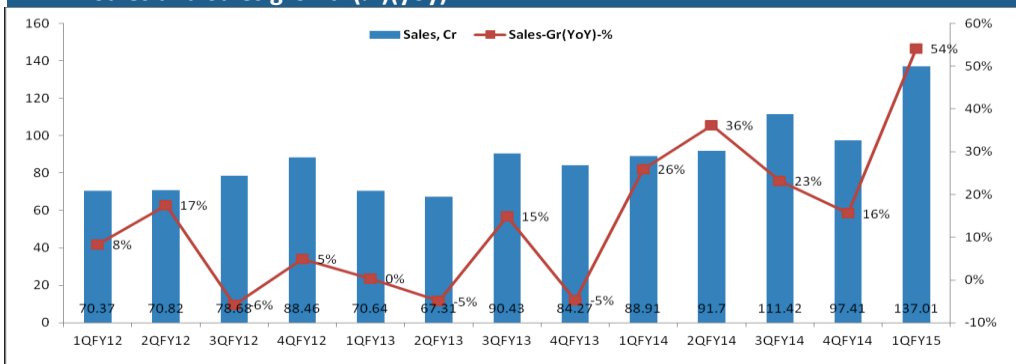
Financials

	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)

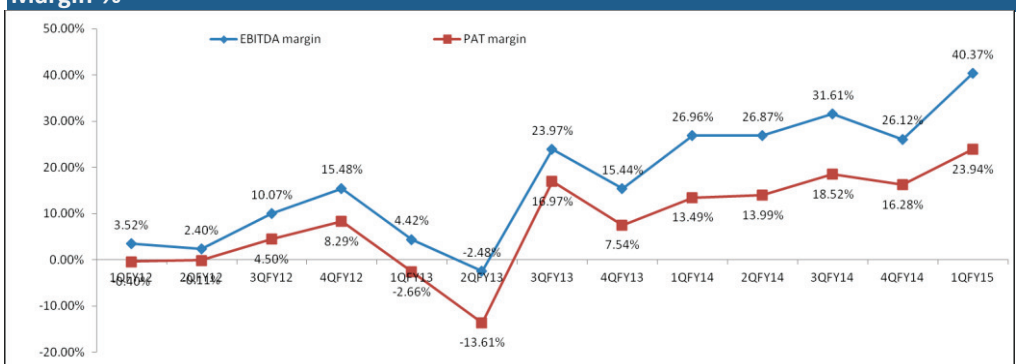
TVTODAY

Sales and Sales growth%(yoy)



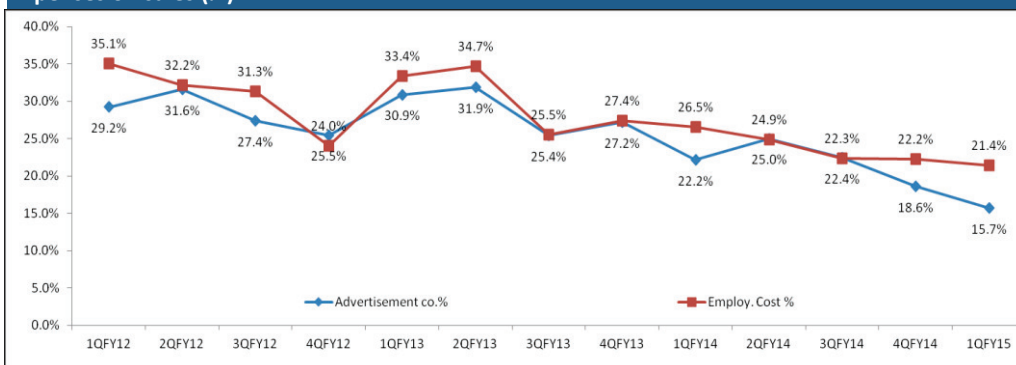
(Source: Company/Eastwind)

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	460
Production cost	35	39	40	39	41	46
Employee Cost	84	88	93	93	93	110
Ad Spend	60	84	87	85	86	83
Other expenses	54	57	62	61	61	66
Total expenses	233	267	282	278	280	306
EBITDA	52	26	26	35	109	155
Depreciation and Amortisation	21	16	14	21	24	30
Other Income	23	10	6	7	12	14
EBIT	31	10	12	14	85	124
Interest	7	1	1	3	4	2
PBT	47	18	16	18	93	136
Tax Exp	16	6	6	5	32	47
PAT	31	12	11	12	61	89
Growth-% (YoY)						
Sales	14%	3%	5%	1%	25%	18%
EBITDA	18%	-50%	2%	32%	216%	42%
PAT	-8%	-60%	-15%	16%	403%	45%
Expenses on Sales-%						
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%
Margin-%						
EBITDA	18%	9%	9%	11%	28%	34%
EBIT	11%	3%	4%	4%	22%	27%
PAT	11%	4%	3%	4%	16%	19%
Valuation:						
CMP	112	59	52	77	118	174
No of Share	5.78	5.78	5.95	5.95	5.95	5.95
NW	305	312	318	325	379	461
EPS	5.3	2.1	1.8	2.1	10.3	15.0
BVPS	52.8	54.1	53.4	54.6	63.7	77.5
RoE-%	10.1%	4.0%	3.3%	3.8%	16.2%	19.3%
P/BV	2.1	1.1	1.0	1.4	1.9	2.2
P/E	20.9	27.4	29.2	37.7	11.4	11.6

(Source: Company/Eastwind)