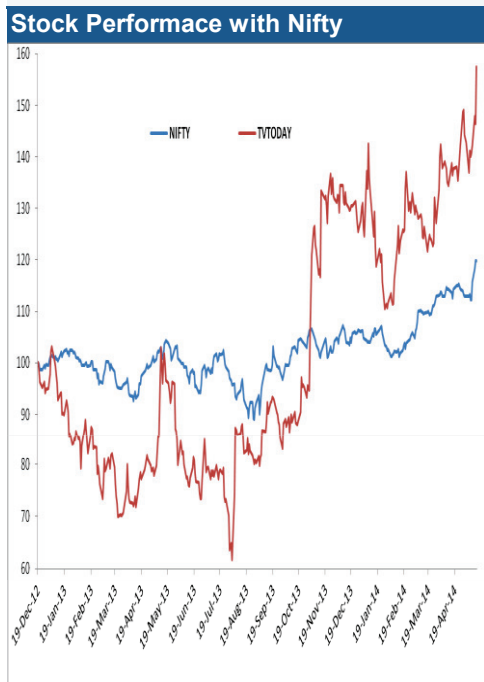


Result update	BUY
CMP	133
Target Price	155
Previous Target Price	-
Upside	17%
Change from Previous	-

Market Data	
BSE Code	532515
NSE Symbol	TVTODAY
52wk Range H/L	142/53
Mkt Capital (Rs Cr)	791
Average Daily Volume	350000
Nifty	7367

Stock Performance			
	1M	1yr	YTD
Absolute	11.0	62.8	-
Rel. to Nift	2.9	41.9	-

Share Holding Pattern-%			
	Current	3QFY14	2QFY14
Promoters	57.47	57.46	57.5
FII	0.0	0.0	0.0
DII	2.48	3.03	4.09
Others	40.05	39.51	38.45



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

The Company reported sales growth of 15.6% (yoy) to 97.41 cr led by healthy contribution by election's advertising revenue. PAT increased to Rs 15cr compare to Rs 6cr(4QFY13), positively impacted by decrease in advertising and employee cost.

EBITDA margin improved by 1068bps (YoY) to 26.1% and PAT improved by 875bps(YoY) to 16.3%. On both front margin improvement reflects lower base effect and softening on Employee cost and Ad-Spend. Employee cost on sales declined from 27.4% (4QFY13) to 22.2% and Ad spend ramped down from 27.2%(4QFY13) to 18.6%.

For FY14, TV TODAY reported 24.6% revenue growth led by sound business environment and PAT increased 5 folds than previous year from Rs 12cr to Rs61cr. EBITDA margin at 28.1% than 11.1% of previous year. Margin improvement influenced the Return on Equity (RoE), now stands at 16.2% than low single digit of previous year. For FY14, the Company declared Rs. 1/share as a dividend.

#### 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.

#### 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 initiate "BUY" view on the stock with a target price of Rs 155 At a CMP of Rs 133, stock trades at 1.8x FY15E P/BV.

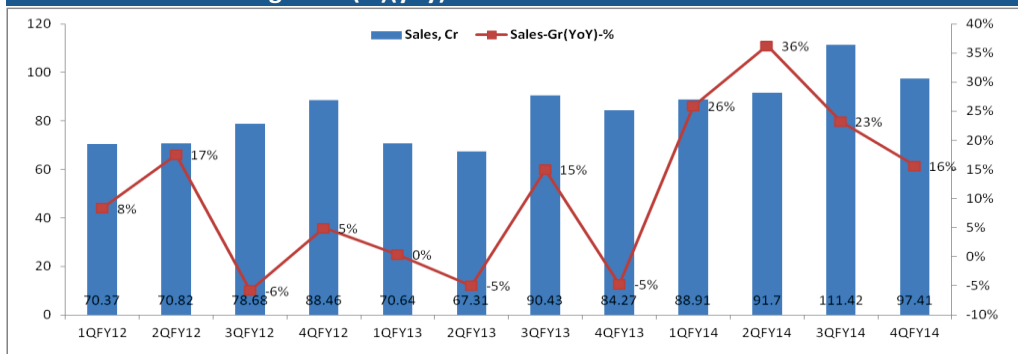
#### Financials

	Rs, Cr				
	4QFY14	3QFY14	(QoQ)-%	4QFY13	(YoY)-%
Revenue	97.41	111.42	-12.6%	84.27	15.6%
EBITDA	25.44	35.22	-28%	13.01	96%
PAT	15.86	20.64	-23%	6.35	150%
EBITDA Margin	26.1%	31.6%	(550 bps)	15.4%	1070 bps
PAT Margin	16.3%	18.5%	(220 bps)	7.54%	875 bps

(Source: Company/Eastwind)

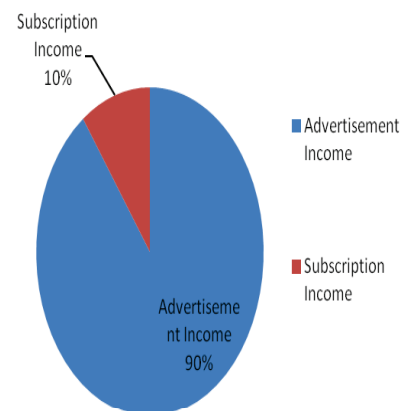
# TVTODAY

## Sales and Sales growth(%) (yoy)



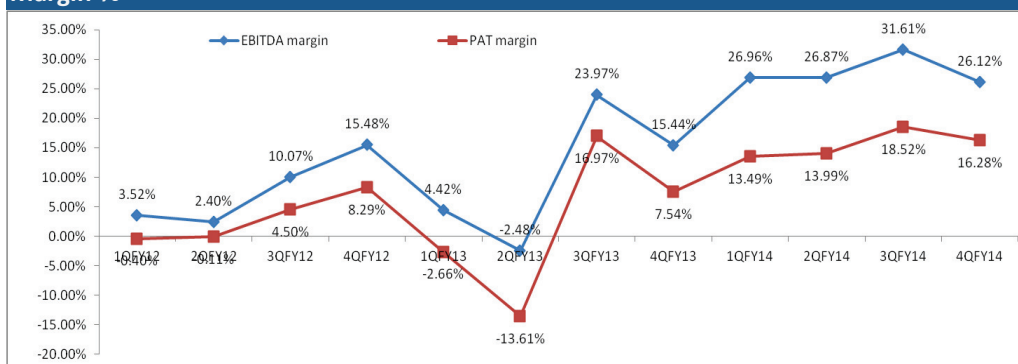
(Source: Company/Eastwind)

## Revenue split



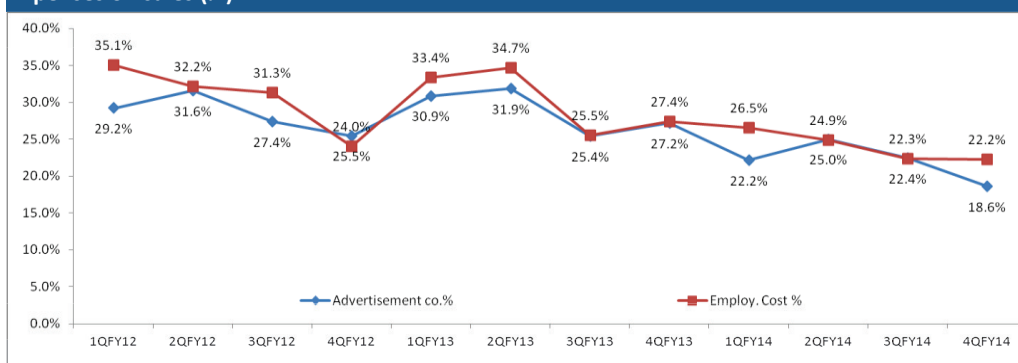
(Source: Company/Eastwind)

## Margin-%



(Source: Company/Eastwind)

## Expenses on sales (%)



(Source: Company/Eastwind)

## Segment wise Sales and Margin(%)

Segments	Sales			Growth		Margin-%	Margin Change	
	4QFY14	3QFY14	4QFY13	(YoY)-%	(QoQ)-%		YoY	QoQ
TV Broadcasting	93.49	107.06	81.83	14%	-13%	29.5%	1517bps	(207bps)
FM Radio Broadcasting	3.91	4.37	2.64	48%	-11%	-102.3%	149bps	(3590bps)

(Source: Company/Eastwind)

## Concerns

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.

# TVTODAY

## Financials

Rs,cr	FY10	FY11	FY12	FY13	FY14	FY15E
Sales	284.82	293.26	308.43	312.67	389.44	444.45
Production cost	34.89	38.67	40.12	38.99	40.85	48.44
Employee Cost	84.02	87.73	93.35	93.09	92.97	112.00
Ad Spend	60.29	84.27	86.98	84.78	85.74	102.22
Other expenses	53.59	56.74	61.7	61.23	60.61	64.22
Total expenses	232.79	267.41	282.15	278.09	280.17	326.89
EBITDA	52.03	25.85	26.28	34.58	<b>109.27</b>	<b>117.56</b>
Depreciation and Amortisation	21.1	16.01	14.04	21.03	24.18	24.22
Other Income	23.12	9.55	5.61	7.36	11.70	10.67
EBIT	30.93	9.84	12.24	13.55	85.09	93.34
Interest	7.05	0.95	1.43	3.34	3.59	3.56
PBT	47	18.44	16.42	17.57	93.20	100.45
Tax Exp	16.12	6.03	5.9	5.37	31.88	32.14
PAT	30.88	12.41	10.52	12.2	<b>61.32</b>	<b>68.31</b>
<b>Growth-% (YoY)</b>						
Sales	14%	3%	5%	1%	25%	14%
EBITDA	18%	-50%	2%	32%	216%	8%
PAT	-8%	-60%	-15%	16%	403%	11%
<b>Expenses on Sales-%</b>						
Production cost	12%	13%	13%	12%	10.5%	10.9%
Employee Cost	29%	30%	30%	30%	23.9%	25.2%
Ad Spend	21%	29%	28%	27%	22.0%	23.0%
Other expenses	19%	19%	20%	20%	15.6%	14.5%
Tax rate	6%	2%	2%	2%	8.2%	7.2%
<b>Margin-%</b>						
EBITDA	18%	9%	9%	11%	28.1%	26.5%
EBIT	11%	3%	4%	4%	21.8%	21.0%
PAT	11%	4%	3%	4%	15.7%	15.4%
<b>Valuation:</b>						
CMP	112	59	52	77.3	118	133
No of Share	5.8	5.8	6.0	5.95	5.95	5.95
NW	305	312	318	325	379.06	440.41
EPS	5.34	2.15	1.77	2.05	10.31	11.48
BVPS	52.76	54.05	53.39	54.56	63.71	74.02
RoE-%	10.1%	4.0%	3.3%	3.8%	16.2%	15.5%
P/BV	2.1	1.1	1.0	1.4	1.9	1.8
P/E	20.90	27.43	29.24	37.70	11.45	11.59

(Source: Company/Eastwind)