



Rating Action

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PACRA MAINTAINS ENTITY RATINGS OF HUM NETWORK LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and the short-term entity ratings of Hum Network Limited (HNL) at "A" (Single A) and "A1" (A One), respectively. These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

The ratings reflect healthy financial profile of HNL emanating from low leveraging, supported by sound coverages. The ratings recognize the established brand name of "Hum TV" (the key revenue driving channel, though it also highlights concentration), experienced management team, and sound technological platform of the company. However, the earning stability owing to high competition and volatile nature of the media industry would remain challenging.

About the Company: HNL, the first listed media company of Pakistan on the KSE, was incorporated on February 25, 2004. Majority shareholding (40%) in the company is held by sponsor directors followed by JS & Co. Limited (14%) while the remaining shareholding is independent. The eight member BoD has dominant representation of executive directors, comprising the Chairperson, CEO, and a senior executive. To create harmonization in corporate image, the company has changed its name to Hum Network Limited from Eye Television Network Limited.

HNL entered the media industry in Jan 2005 with the launch of the company's first channel, HUM TV, a General Entertainment Channel (GEC). Since then, HNL has successfully diversified into different genres of television, such as a food channel (Masala TV), a fashion channel (Style 360), and a music channel (Oye TV) in short time span. In terms of viewership, Hum TV & Masala TV are top rated amongst GECs. Meanwhile, the company publishes two magazines i) HUMSAY, which provides overall coverage to Pakistan's media sector, and ii) MASALA MAG, mainly comprising food recipes.

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