



**Tips Industries Limited**



**Investor Presentation**

**Q4 & FY22**

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# Quarterly Highlights



Total **276** new  
Songs Released in  
FY22

Total **73** new  
songs released in  
Q4FY22

**65** Non-Film  
songs released in  
Q4FY22

**8** Film songs  
released under  
Tips Originals



- ❖ Released **276 new songs** during FY22
- ❖ Released **73 new songs** during Q4FY22
- ❖ Our recreated song “**Sabki Baaratein Ayi**” has crossed over 90 million YouTube views.
- ❖ Shareholders of Tips Industries shall be entitled to receive of 1 (one) equity share of Rs.10/- each fully paid up of Tips Films for every 3 (three) equity shares of Rs.10/- each fully paid up held in Tips Industries, as per the Scheme of Arrangement and demerger.
- ❖ The record date for the demerger is 21<sup>st</sup> May, 2022, for the purpose of determining the shareholders of the Company to whom the fully paid-up Equity Shares of Tips Films will be issued and allotted as per the scheme.



## TIPS Music Financials

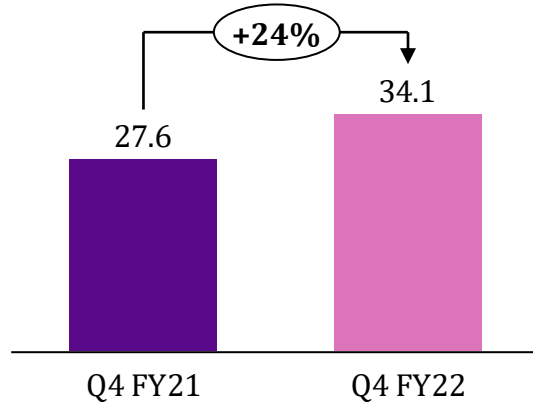


# Segmental Performance – Music (Quarterly)

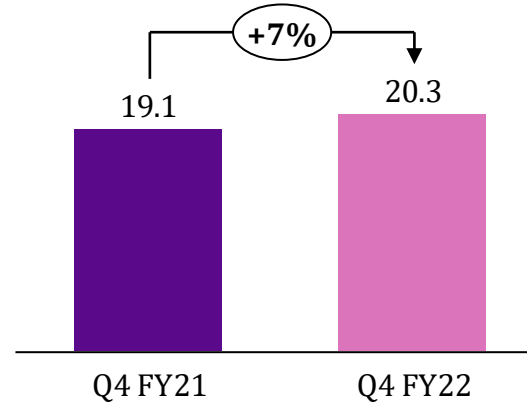


Y-o-Y

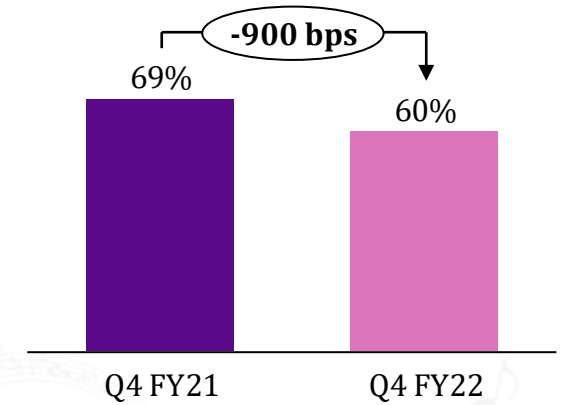
Revenue (Rs. in Crs)



EBITDA (Rs. in Crs)

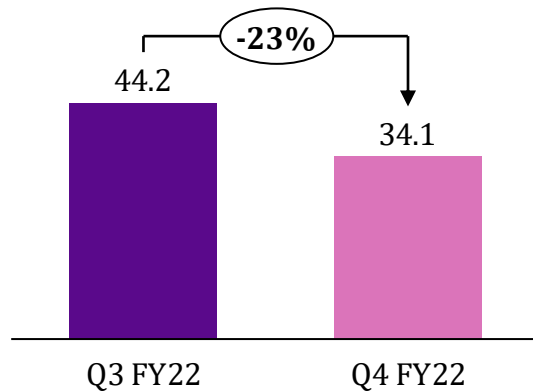


EBITDA Margins (%)

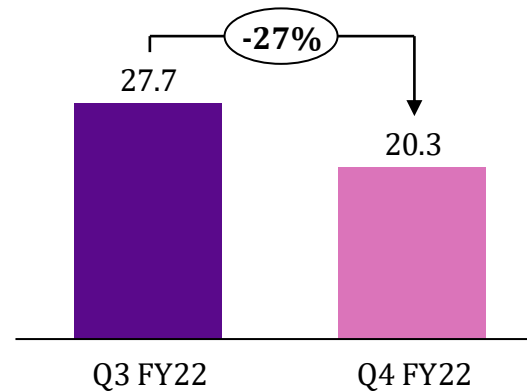


Q-o-Q

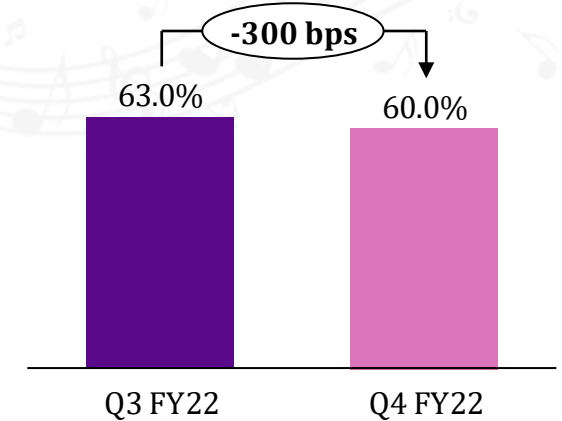
Revenue (Rs. in Crs)



EBITDA (Rs. in Crs)



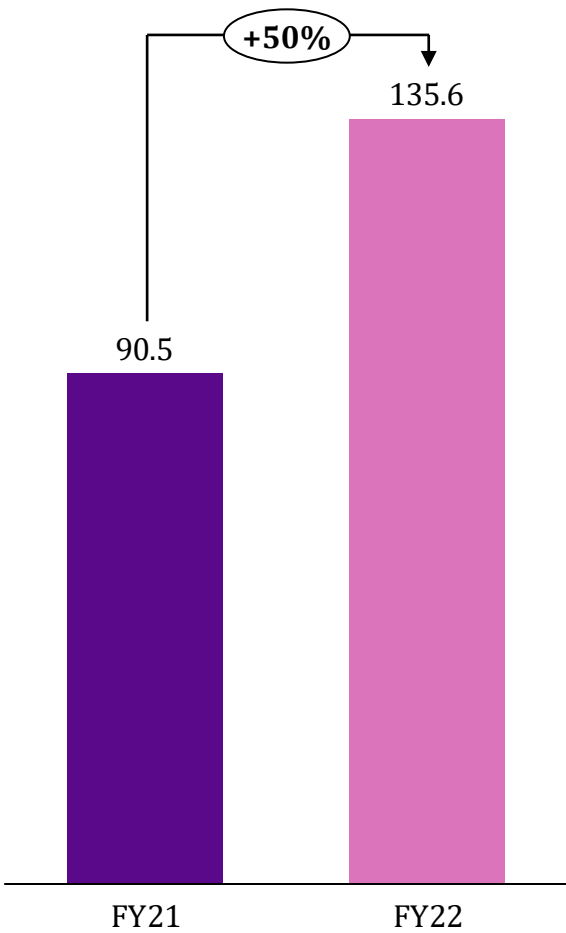
EBITDA Margins (%)



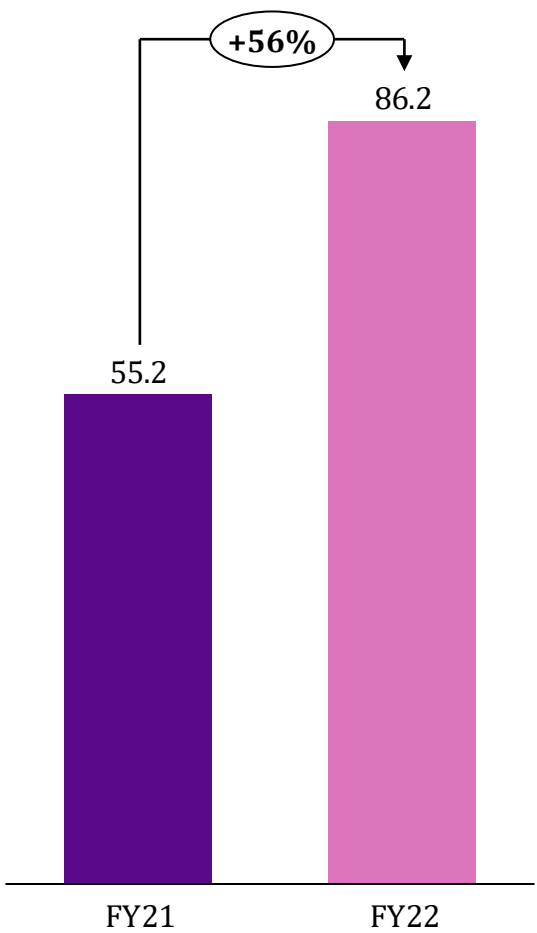
# Segmental Performance – Music (Yearly)



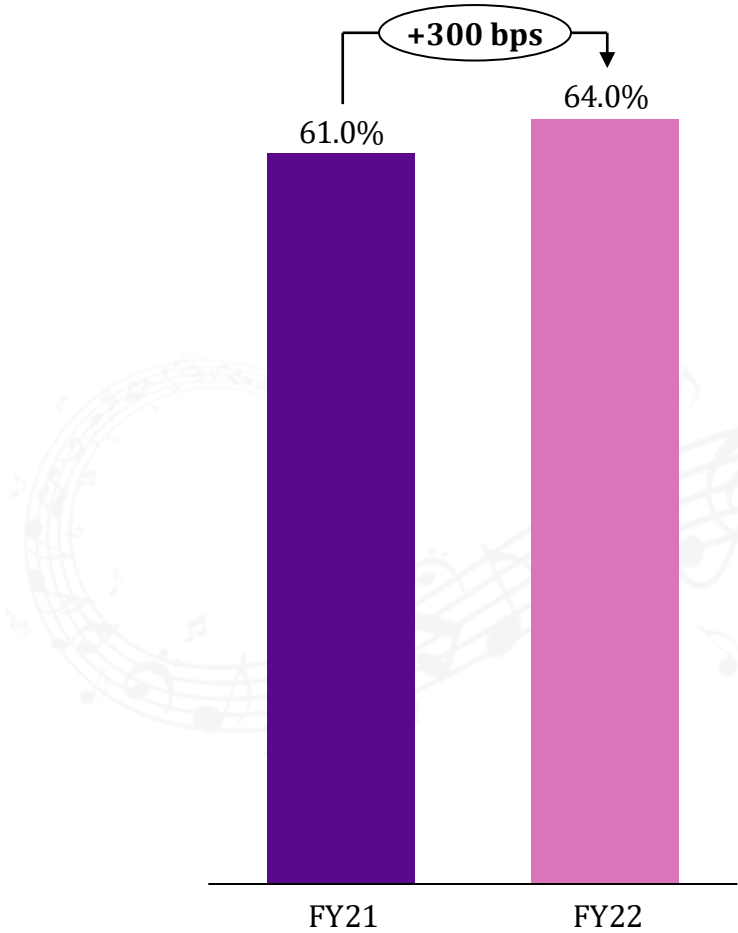
Total Revenue (Rs. in Crs)



EBITDA (Rs. in Crs)



EBITDA Margins (%)



# Q4 FY22 Profit & Loss Statement



Particulars (Rs. in Crs)	Q4 FY22*	Q4 FY21	Y-o-Y	Q3 FY22	Q-o-Q	FY22*	FY21	Y-o-Y
<b>Revenue From Operations</b>	<b>34.1</b>	<b>27.6</b>	<b>23%</b>	<b>44.2</b>	<b>-23%</b>	<b>135.6</b>	<b>90.5</b>	<b>50%</b>
Other Income	1.4	2.9		0.7		3.2	4.9	
<b>Total Income</b>	<b>35.5</b>	<b>30.5</b>	<b>16%</b>	<b>44.9</b>	<b>-21%</b>	<b>138.8</b>	<b>95.4</b>	<b>45%</b>
Employee Benefits Expenses	1.6	2.2		1.6		6.3	8.1	
Other Expenses	12.2	6.4		14.9		43.1	27.3	
<b>EBITDA</b>	<b>20.3</b>	<b>19.1</b>	<b>7%</b>	<b>27.7</b>	<b>-27%</b>	<b>86.2</b>	<b>55.2</b>	<b>56%</b>
<b>EBITDA %</b>	<b>60%</b>	<b>69%</b>		<b>63%</b>		<b>64%</b>	<b>61%</b>	
Depreciation and Amortisation Expense	0.3	0.2		0.2		0.7	0.8	
<b>EBIT</b>	<b>20.1</b>	<b>18.9</b>	<b>6%</b>	<b>27.6</b>	<b>-27%</b>	<b>85.5</b>	<b>54.4</b>	<b>57%</b>
Finance Costs	0.1	0.0		0.0		0.1	0.0	
<b>PBT</b>	<b>21.4</b>	<b>21.7</b>	<b>-2%</b>	<b>28.2</b>	<b>-24%</b>	<b>88.6</b>	<b>59.2</b>	<b>50%</b>
Tax	5.4	3.5		6.7		24.1	15.8	
<b>PAT</b>	<b>15.9</b>	<b>18.3</b>	<b>-13%</b>	<b>21.5</b>	<b>-26%</b>	<b>64.6</b>	<b>43.5</b>	<b>49%</b>
<b>PAT %</b>	<b>45%</b>	<b>60%</b>		<b>48%</b>		<b>47%</b>	<b>46%</b>	
EPS	12.3	14.4		16.6		49.8	32.7	

\*Q4 & FY22 Standalone music



# Balance Sheet



Equity & Liabilities (₹ in Cr)	Mar'22	Mar'21
Equity Share Capital	13.0	13.0
Other Equity	89.4	88.3
<b>Total Equity</b>	<b>102.4</b>	<b>101.3</b>
Financial liabilities		
1. Borrowing	0.0	0.0
2. Lease Liabilities	3.6	0.0
Employee benefit obligations	0.1	0.3
Deferred tax liability	0.0	2.4
Other Non-Current Liabilities	29.7	36.0
<b>Total Non-Current Liabilities</b>	<b>33.4</b>	<b>38.6</b>
Financial Liabilities		
(i) Borrowings	0.0	0.0
(ii) Lease liabilities	0.3	0.0
(iii) Trade Payables	4.2	6.3
(iv) Other Financial Liabilities	0.2	0.3
(v) Other Current Liabilities	1.1	1.8
Current Tax Liabilities	5.2	1.9
Employee benefit obligation	0.0	0.0
<b>Total Current Liabilities</b>	<b>11.0</b>	<b>10.3</b>
<b>Total Equity &amp; Liabilities</b>	<b>146.8</b>	<b>150.1</b>

Assets (₹ in Cr)z	Mar'22	Mar'21
Property, plant and equipment	6.3	2.0
Investment Properties	0.2	12.5
Other Financial Assets	0.2	0.3
Other Non Current Assets	10.8	4.4
<b>Total Non-Current Assets</b>	<b>17.5</b>	<b>19.3</b>
<b>Financial Assets</b>		
(i) Investments	3.4	18.0
(ii) Trade Receivable	17.9	15.1
(iii) Cash and Cash Equivalents	22.1	31.1
(iv) Bank balances other than (iii) above	39.9	2.4
(v) Loans	0.2	0.2
(vi) Other current financial Assets	8.7	5.1
Deferred tax assets	0.4	0.0
Other Current Assets	32.5	56.0
Current tax assets	4.2	2.9
<b>Total Current Assets</b>	<b>129.2</b>	<b>130.8</b>
<b>Total Assets</b>	<b>146.8</b>	<b>150.1</b>



# Cash Flow Statement



Cash Flow Statement (Rs. Crs.)	Mar-22	Mar-21
<b>Cash Flow from Operating Activities</b>		
Profit before Tax	88.6	59.2
Adjustment for Non-Operating Items	-1.4	-0.5
<b>Operating Profit before Working Capital Changes</b>	<b>87.2</b>	<b>58.7</b>
Changes in Working Capital	-36.0	-2.6
<b>Cash Generated from Operations</b>	<b>51.2</b>	<b>56.1</b>
Less: Direct Taxes paid	21.9	12.9
<b>Net Cash from Operating Activities</b>	<b>29.3</b>	<b>43.3</b>
Cash Flow from Investing Activities	-27.1	-13.5
Cash Flow from Financing Activities	-2.8	-24.6
<b>Net increase/ (decrease) in Cash &amp; Cash equivalent</b>	<b>-0.6</b>	<b>5.1</b>
Add : Cash and cash equivalents at the beginning of the year	31.1	26.0
Less : Transferred pursuant to scheme of merger	-8.4	0.0
<b>Cash and cash equivalents at the end of the year</b>	<b>22.1</b>	<b>31.1</b>



# Music Business Overview



# Music Business Overview



Established in 1988, Tips Industries is one of the large corporate houses in the field of music and films



Consistent success in creating and acquiring high quality music I.P.R.



Since 1990, Tips has been amongst players with the highest number of gold and platinum discs to their credit



Extensive catalogue of Film, Non-Film, Devotional, Pop, Remixes

## Catalogue is licensed to

- OTT platforms
- Content Aggregators
- TV Channels
- Telecom Companies
- Radio Stations,
- Advertisers
- Event Management Companies
- Hotels, Restaurants, and Others

Hindi | Punjabi | Gujarati | Bhojpuri & many others...

## Presence across platforms



ShareChat



## MUSIC... THE RHYTHM OF LIFE



### Our Vision

To maintain and grow a **MUST HAVE HITS** catalogue



### Our Mission

To create, acquire and deliver quality music to a wide range of audiences



### Our Purpose

Deliver Entertainment

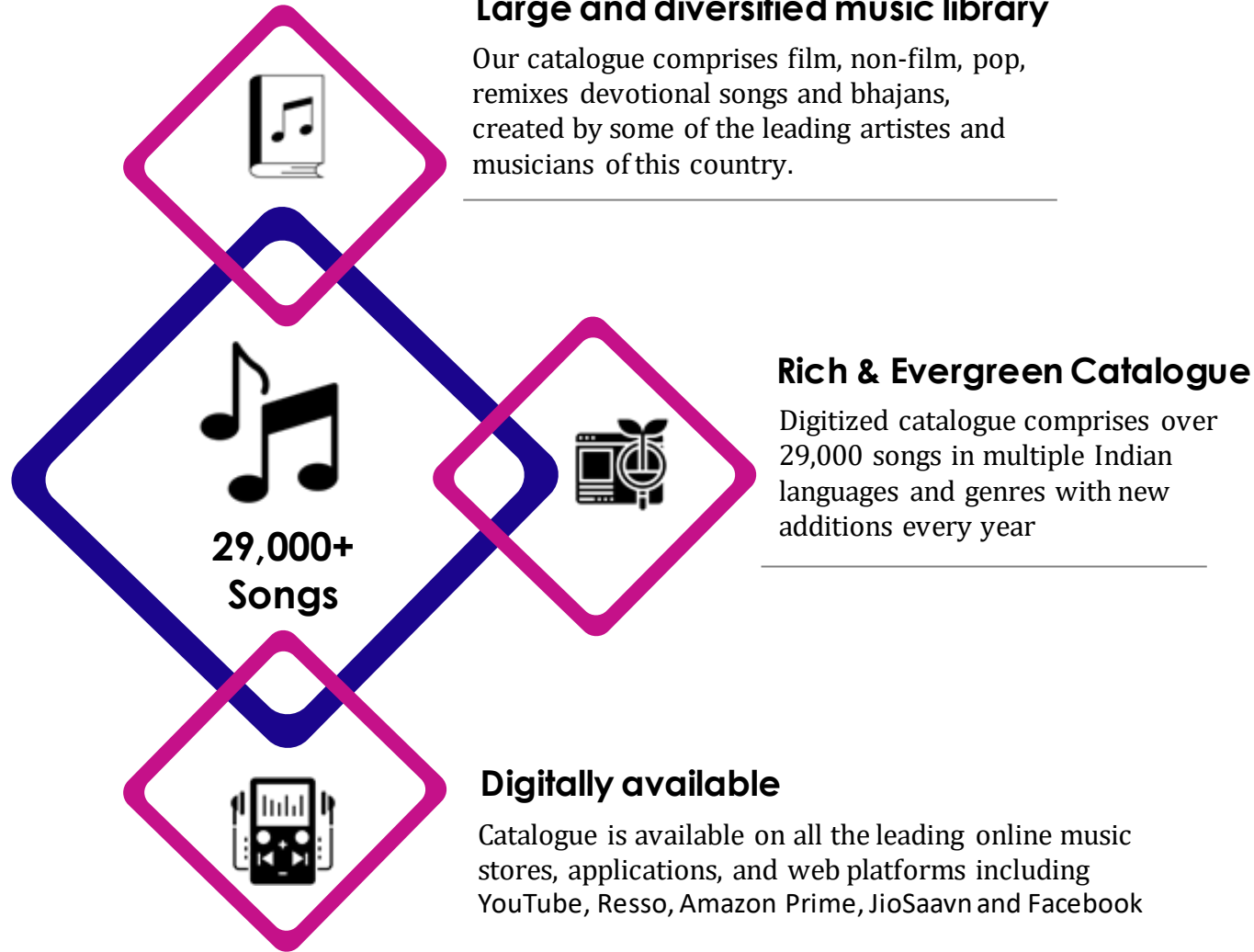


### Our Core Values

- Honesty
- Commitment
- Teamwork
- Passion
- Positive attitude



# Generating multiple revenue streams



 Over **64.56 Mn** YouTube channel subscribers/followers

Rich content can be leveraged to generate multiple revenue streams via following

## Sync Deals



## Broadcast Partners



# Two Pronged Content Acquisition Strategy



Our endeavour to add right content for larger target audience

1

## Produce

### Strategy



- To introduce promising singers (TIPS) is in our DNA
- We have a strong A&R team which engages with artistes across genres and languages which allows us to present upcoming talent to our listeners.
- Our team has a deep understanding of music which allows us to create and build a repertoire of **"Must Have Hits"**

2

## Purchase

### Strategy



- We also engage with other producers to buy music rights to complement our repertoire
- Our understanding of music and its creative process provides us deep insights on costs and returns and therefore we always remain cost conscious while acquiring music rights

## Content Cost

100% of Content cost is charged off to profit & loss account in the year of release, thus no Capitalization & no write-offs in the future. Company follows this policy since inception

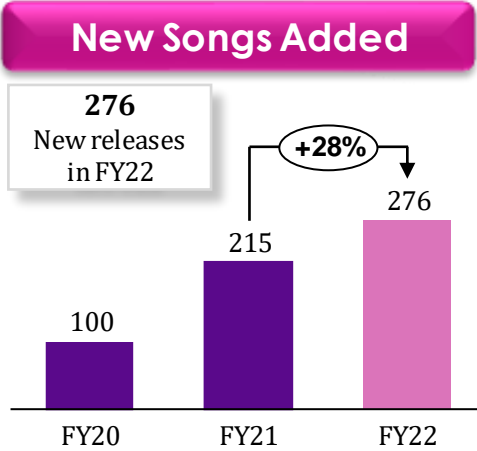
Content acquisition cost is only funded through internal accruals

Strong A&R team to acquire content across languages & genres. 5 Artist signed exclusively

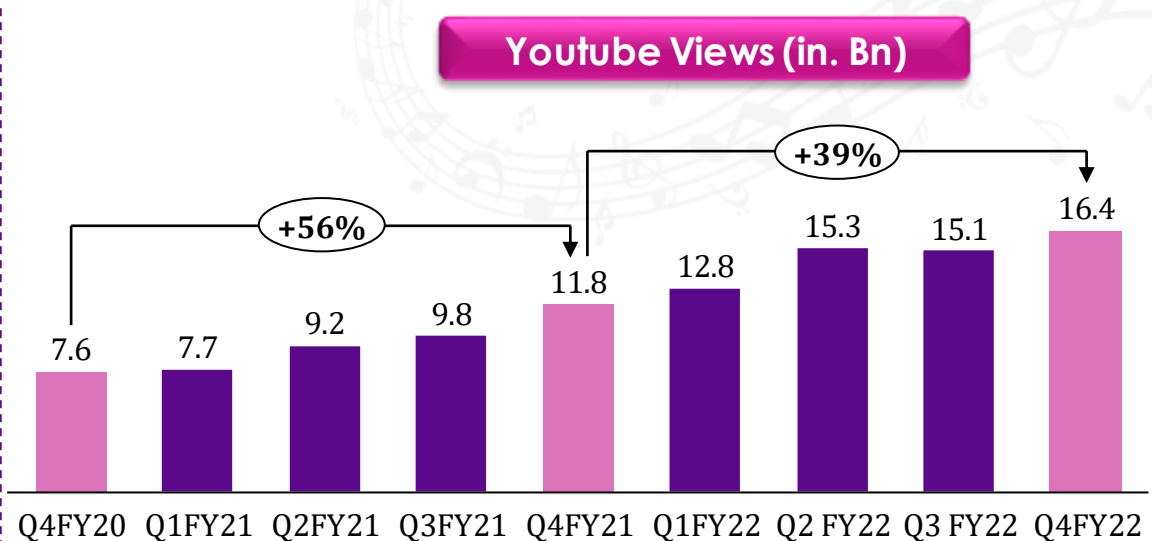
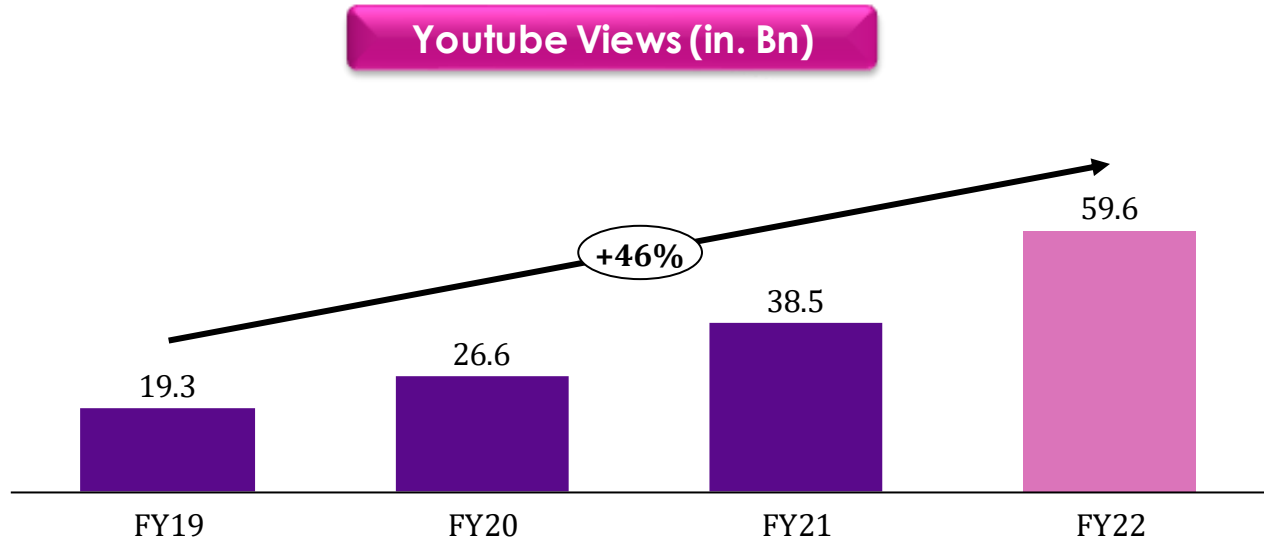
# Growing listenership & Increasing Content Addition



Evergreen & Rich content of **over 29,000 songs** across genres, languages & decades giving us high visibility of music revenue



**Existing Content + Continuous Additions : Increasing Music Revenue**





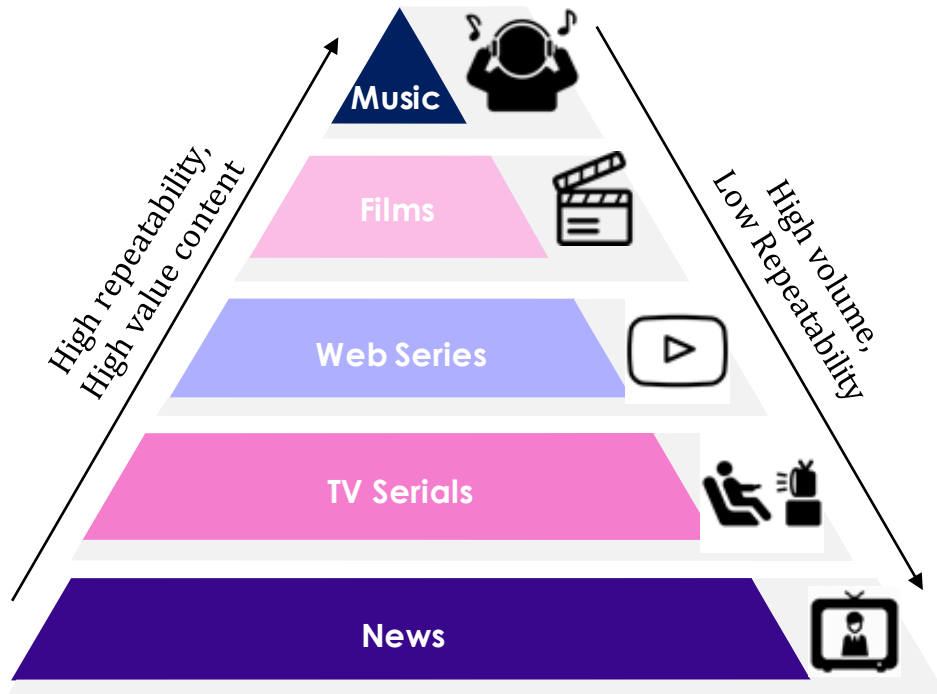
# Annexure





# Music is the most valuable content

## Ranking on repeated monetization



Content that can be monetized multiple times naturally commands greater economic value

Music ranks at the top of the content pyramid when ranked on repeated monetization

## Yearly performance

### Streaming

Streaming continued to grow strongly in 2021, up by 24.3% to US\$16.9 billion. Paid streaming revenues rose by 21.9% and accounted for 47.3% of the global market (US\$12.3 billion).

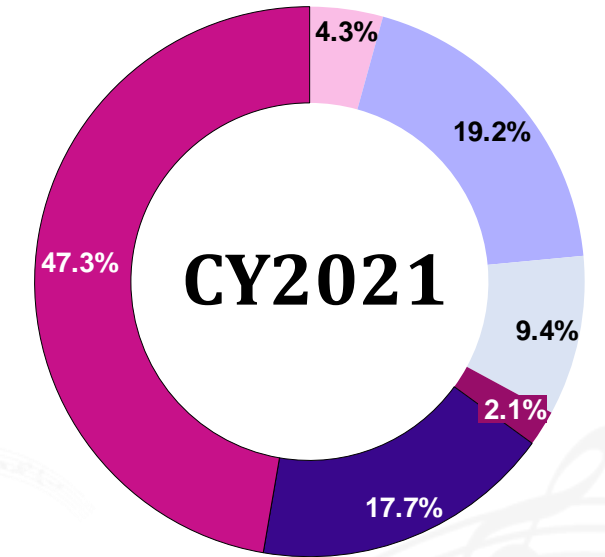
### Synchronisation

Use of recorded music in advertising, film, games and TV climbed by 22.0% (US\$549.1 million) in 2021. Revenues from synchronization accounted for 2.1% of the global market.

### Downloads

Revenues from permanent downloads fell by 15.3% to US\$839.3 million and represented just 3.2% of the global market in 2021. Other digital formats experienced growth (+6.8 %) but represent only 1.1% of global revenues

## Music is now an internet business



Ad-supported streams   Physical  
Synchronisation   Download & Other digital  
Performance rights

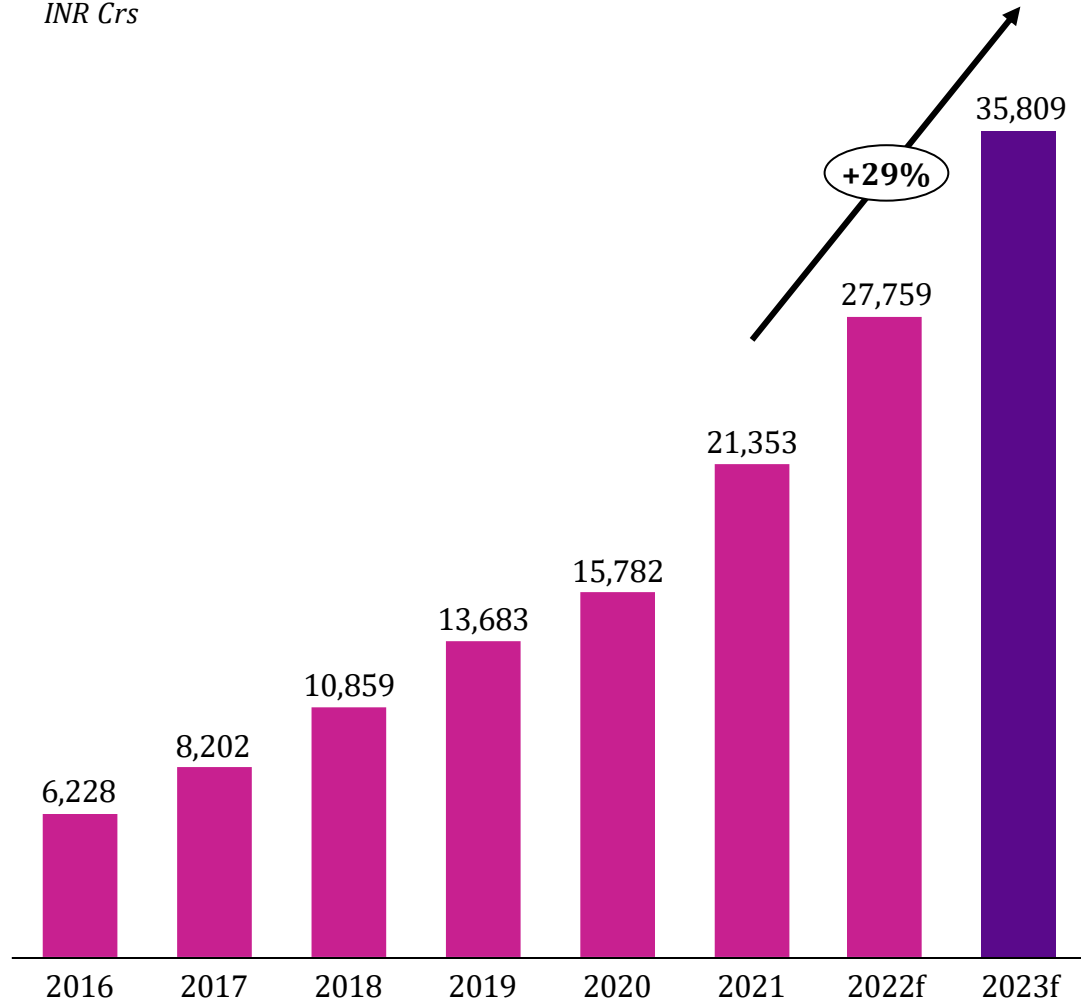
Total streaming comprised **65%** of total revenues in 2021, an increase of **24.3%** vs 2020, for the Global Music Industry

# Digital Advertising – Key Driver of Indian Music Industry



## Indian Digital Ad Industry

INR Crs

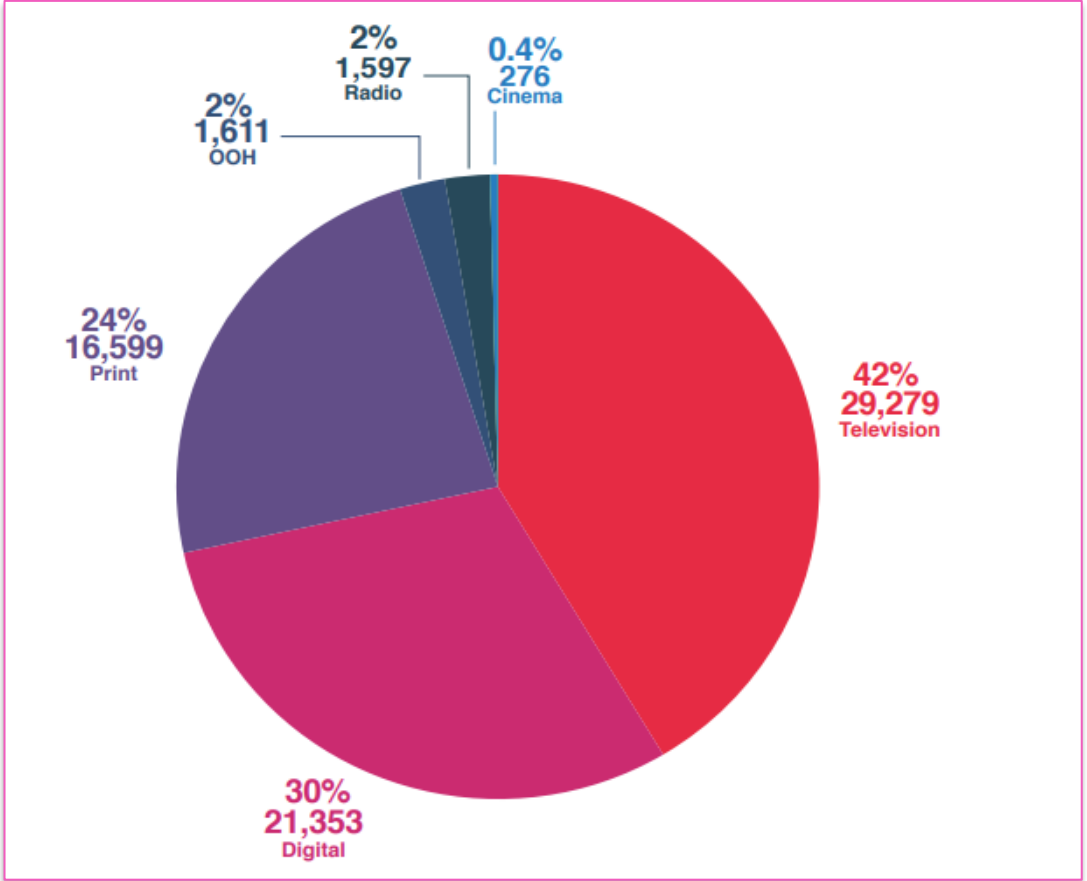


- The Indian digital advertising industry stood at Rs 21,353 crore by the end of 2021, up from Rs 15,782 crore in the previous year. It has grown at a rate of 35.3%
- This sustained growth can be attributed to the technological advancements, improvements in data science & analytics, introduction of policies & regulations, among others.
- The highest proportion of spends on digital media is claimed by social media (29%, Rs 6,218 crore), closely followed by online Video (28%, Rs 5,907 crore). Paid search claims 23% (Rs 5,039 crore), while display banners claim 16% (Rs 3,420 crore).
- Social media is expected to grow with a CAGR of 29.79% to have a spend share of 29% by 2023.
- On an average, Indians spend 2-3 hours on Social Media, which is at par with the global average.
- 73% of the audience belonging to the age group of 45 years to 54 years use YouTube to watch online content.

# Growing Digital Ad spend

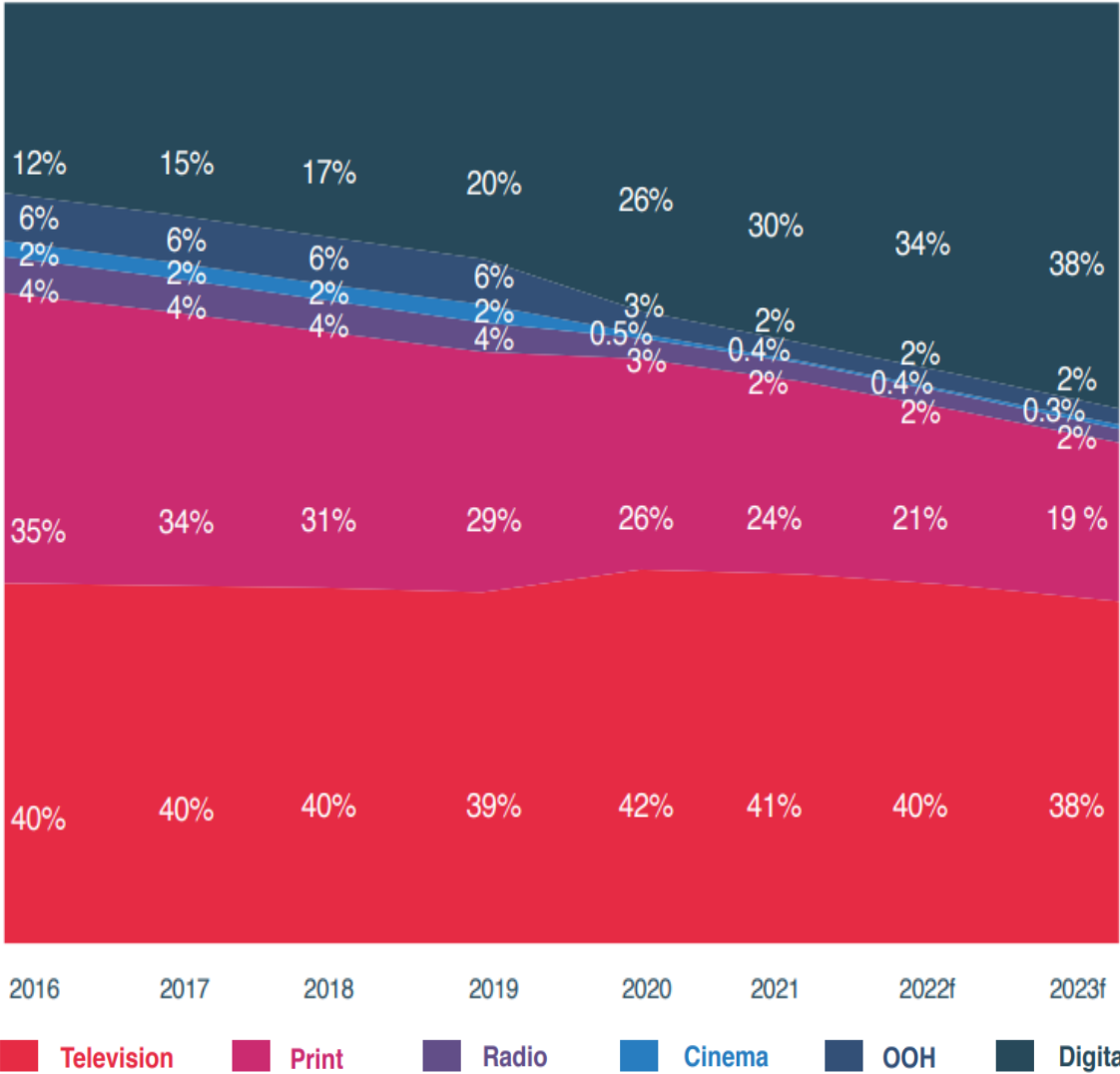


Advertising spends on different media (Rs. Crore)



The current pie of digital ad spends constitutes 30% of the advertising spends in 2021, and moving forward in 2022 and 2023, the percentage is expected to increase to 34% and 38% respectively.

Advertising spends across various media (%) - Forecast



# Global Music Subscription Update



USA

On Demand Audio streaming in the US was up  
~17% y-o-y.

**76 Mn** Music services subscribers v/s  
**74 Mn** subscribers of Netflix



Netherlands

Proportion of Streaming doubled in last 8 years & **~60%**  
**have premium subscriptions**



Brazil

Paid streaming contributes **~75%** of revenue for  
Music Labels



Russia

Music revenue grew by **~50%** in 2019 and streaming  
grew by **~76%** for 2020, this was partially aided by high  
profile launch of Spotify



France

Slightly under 1/3rd of population is using Streaming  
services & of that more than **~62%** of people are using  
**paid streaming services**



China

Number of paid subscribers doubled in 2 years to 60 Mn;  
**Second highest globally** but still **under 5%**  
**penetration** of country's total population.



India

Listenership on audio streaming services grew by  
**40%** Y-o-Y in first half of 2020



# Few Industry Reports



**dentsu – Digital Advertising in India**

[Click Here](#)



**IFPI – Global Music Report**

[Click Here](#)



**FICCI – EY Media & Entertainment Report 2022**

[Click Here](#)



**Ericsson Mobility Report**

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**Thank  
You**

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