

SHEMAROO ENTERTAINMENT LIMITED

9M / Q3-FY19

Earnings Presentation



INDIA KHUSH HUA

At a Glance



Over 55 years experience as a Household Media Brand



One of the largest content houses with 3700+ content library



Offering content to most Bollywood services across leading platforms



Offering content across Bollywood, Devotional, Regional, Comedy, Kids, Health & Lifestyle, etc.



Strong understanding of Consumer's Entertainment Needs



Strong content offerings in multiple countries across the globe

REVENUE
FY18

INR **4,903** Mn

5 Year CAGR 17.80%

EBITDA
FY18

INR **1,438** Mn

5 Year CAGR 19.63%

PAT
FY18

INR **712** Mn

5 Year CAGR 24.71%

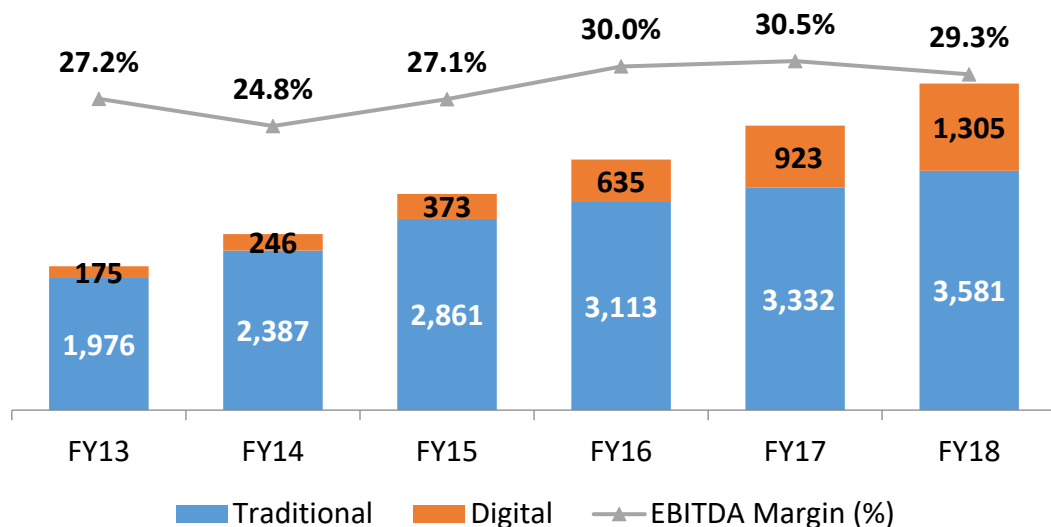
NETWORTH
FY18

INR **4,932** Mn

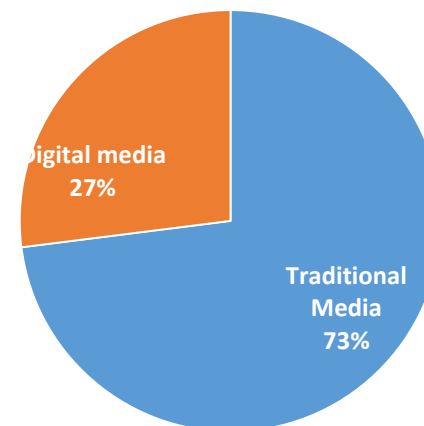
5 Year CAGR 27.13%

- Founded in 1962 as a book circulating library, today Shemaroo Entertainment Limited (Shemaroo) is a leading Indian content power house with a global reach, headquartered out of Mumbai and employs over 750 people.
- Shemaroo is a pioneer in content aggregation and distribution in India and globally with offerings spread across Television, Mobile, Internet, OTT, etc.
- Identifying that movies have the longest shelf life for television and other media content, Shemaroo pioneered the movie library syndication business by acquiring movie titles from producers and distributing it to broadcasters and other media platforms.
- Shemaroo has grown multifold over the years, developing excellent relationships across the media industry value chain, to become one of the largest organised players in a fragmented industry.
- The company's digital business contribution has grown from less than 10% in FY14 to over 25% in FY18.

Total Revenue (INR Mn) and EBITDA %



FY18 Revenue Distribution (INR Mn)



9M / Q3-FY19 HIGHLIGHTS

9M / Q3-FY19 Key Financial Highlights



Q3-FY19 performance (Consolidated):

- **Total Revenue***: INR 1,489 Mn; (8.8)% QoQ; 12.7 % YoY
- **EBITDA**: INR 359 Mn; (15.7)% QoQ
- **EBITDA Margin**: 24.00%; (209) bps QoQ; (311) bps YoY
- **Net Profit**: INR 196 Mn; (14.8)% QoQ; 10.1 % YoY
- **Net Profit Margin**: 13.10%; (98) bps QoQ; 30 bps YoY
- **EPS**: 7.20 INR / share

9M-FY19 performance (Consolidated):

- **Total Revenue***: INR 4,366 Mn; 17.4% YoY
- **EBITDA**: INR 1,178 mn; 10.5% YoY
- **EBITDA Margin**: 26.98%; (168) bps YoY
- **Net Profit**: INR 621 mn; 18.5% YoY
- **Net Profit Margin**: 14.22%; 13 bps YoY
- **Diluted EPS**: 22.83 INR / share

* - Includes Other Income

Divisional Breakup (Consolidated):

INR Mn	Q3-FY19	Q3-FY18	YOY Growth	9M-FY19	9M-FY18	YOY Growth
Digital Media	426	331	28.7%	1,271	958	32.7%
Traditional Media	1,063	995	6.8%	3,086	2,748	12.3%
Income from Operations	1,489	1,326	12.3%	4,357	3,706	17.6%

Key Operational Highlights



- Crossed 18 Mn subscribers on our YouTube channel 'FilmiGaane'
- Crossed 13 Mn subscribers on our YouTube channel 'ShemarooENT'
- Signed a content deal with PEO TV an IPTV of Sri Lanka Telecom
- Announced the brand name of Shemaroo's upcoming OTT platform 'Shemaroo ME'; target launch in Q4-FY19
- Shemaroo launched its new brand campaign 'Success ka Formula' showcasing its content strength ranging from Bollywood, Devotion, and Gujarati for its B2B stakeholders
- Launched 'Bhagavad Gita' on Amazon Alexa; in process of launching in USA



Key Operational Highlights



YouTube Monthly Views Graph till December 2018:



Q3-FY19 Consolidated Income Statement (IndAS)



Particulars (INR Mn)	Q3-FY19	Q2-FY19	Q-o-Q	Q3-FY18	Y-o-Y
Revenue from Operations	1,489	1,633	(8.8)%	1,326	12.3%
Other Income	7	-	NA	2	250.0%
Total Revenue	1,496	1,633	(8.4)%	1,328	12.7%
Total Expenses	1,137	1,207	(5.8)%	968	17.5%
EBITDA	359	426	(15.7)%	360	(0.3)%
EBITDA Margin (%)	24.00%	26.09%	(209) bps	27.11%	(311) bps
Depreciation	14	13	7.7%	13	7.7%
Finance Cost	65	56	16.1%	71	(8.5)%
PBT	280	357	(21.6)%	276	1.4%
Tax	84	127	(33.8)%	96	(12.5)%
PAT	196	230	(14.8)%	180	8.9%
Minority Interest & Share of profit/ (loss) in associate company	-	-	NA	(2)	NA
PAT after adjustments	196	230	(14.8)%	178	10.1%
PAT Margin (%)	13.10%	14.08%	(98) bps	13.40%	(30) bps
Comprehensive Income	-	-	NA	-	NA
Total Profit including Comprehensive Income(Net of tax)	196	230	(14.8)%	178	10.1%
EPS (INR)(not annualised)	7.20	8.45	(14.8)%	6.55	9.9%

9M-FY19 Consolidated Income Statement (IndAS)



Particulars (INR Mn)	9M-FY19	9M-FY18	Y-o-Y
Revenue from Operations	4,357	3,706	17.6%
Other Income	9	13	(30.8)%
Total Revenue	4,366	3,719	17.4%
Total Expenses	3,188	2,653	20.2%
EBITDA	1,178	1,066	10.5%
EBITDA Margin (%)	26.98%	28.66%	(168) bps
Depreciation	42	38	10.5%
Finance Cost	183	236	(22.4)%
PBT	953	792	20.3%
Tax	332	264	25.8%
PAT	621	528	17.6%
Minority Interest & Share of profit/ (loss) in associate company	-	(4)	NA
PAT after adjustments	621	524	18.5%
PAT Margin (%)	14.22%	14.09%	13 bps
Comprehensive Income	(6)	-	NA
Total Profit including Comprehensive Income(Net of tax)	615	524	17.4%
EPS (INR)(not annualised)	22.83	19.29	18.4%

H1-FY19 Consolidated Balance Sheet (Ind-As)

Equity and Liabilities (INR Mn)	H1-FY18	H1-FY19
Shareholders Fund		
Share Capital	272	272
Other Equity	4,394	5,032
Non Controlling Interest	-	(38)
Total Equity	4,666	5,266
Non Current Liabilities		
Long Term borrowings	69	2
Deferred tax liabilities (Net)	60	36
Long tem provisions	8	16
Total Non-Current Liabilities	137	54
Current Liabilities		
Short Term Borrowings	2,402	1,669
Trades payables	344	466
Other Financial Liabilities	2	139
Other Current Liabilities	3	27
Short Term Provisions	296	26
Current Tax Liabilities (Net)	-	124
Total Current Liabilities	3,047	2,451
Total	7,850	7,771

Assets (INR Mn)	H1-FY18	H1-FY19
Non Current Assets		
Fixed Assets		
Property, Plant & Equipment	334	319
Intangible assets	11	14
Investments	155	65
Long Term Loan and Advances	105	-
Other Financial Assets	3	4
Other Non Current Assets	18	62
Total Non-Current Assets	626	464
Current Assets		
Inventories	5,618	5,661
Trade Receivables	1,245	1,409
Cash and cash equivalents	28	12
Short Term loan and advances	108	5
Prepayments	11	-
Other Current Assets	214	220
Total Current Assets	7,224	7,307
Total	7,850	7,771

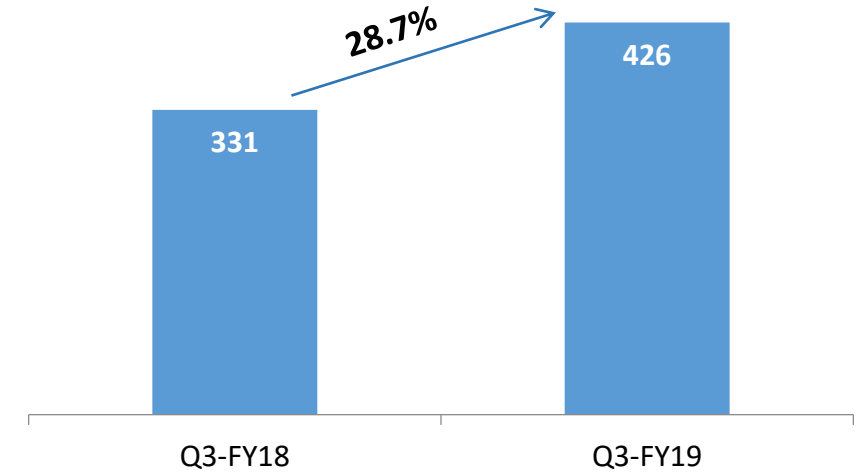
Shemaroo In Digital Media



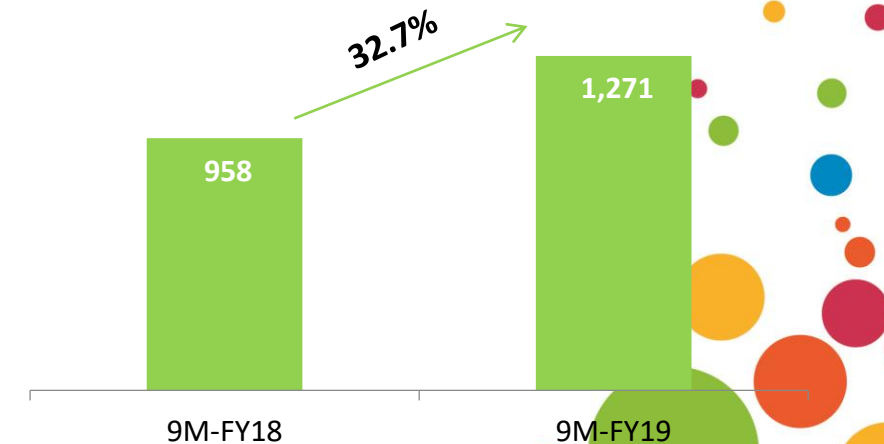
- The company caters to all types of revenue models like subscription, pay per transaction, advertisement supported (free to consumer) etc.
- Due to its large library ownership Shemaroo has the ability to slice and dice content and package it in different ways that are more suited for the digital media platforms

Digital Media Presence	
Internet and OTT	Mobile Value Added services (MVAS) / Mobile Internet
<ul style="list-style-type: none"> • Shemaroo has agreements with various internet video platforms like YouTube, Hotstar, Reliance Jio, Apple iTunes, Google Play, YuppTV, etc. 	<ul style="list-style-type: none"> • The company has agreements with major telecom operators, namely Airtel, Vodafone, Idea, etc. • Shemaroo distributes imagery, videos, full songs, live streaming etc. under MVAS through both operator branded portals as well as its own branded portals

Q3-FY19 Digital Media Performance (INR Mn)



9M-FY19 Digital Media Performance (INR Mn)



Shemaroo in Traditional Media

Traditional Media Includes – Television Syndication, Overseas Distribution and Others

Television Syndication

- Shemaroo has a diverse content library which it syndicates rights to various Satellite Channels, Cable & Terrestrial Networks
- Considering the vast and diverse library of Shemaroo, it can be easily assumed that most broadcasting channels would have some content syndicated from Shemaroo at sometime or the other

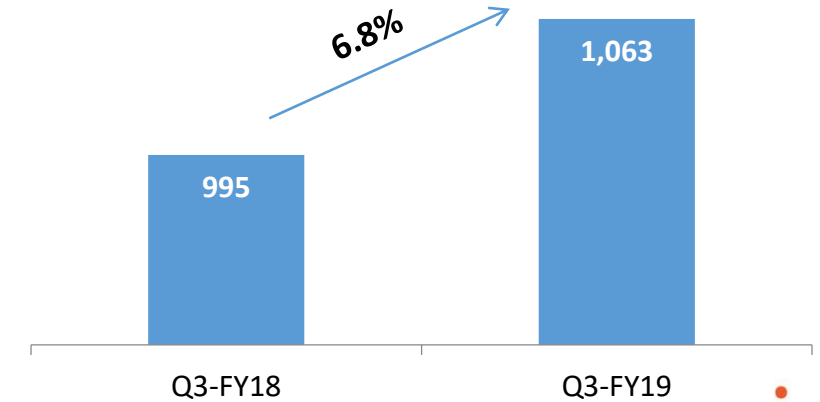
Subscription Based Services

- In partnership with major DTH and Cable operators, Shemaroo operates subscription-based, ad-free content services across various genres like Movies, Devotion, Comedy and Regional

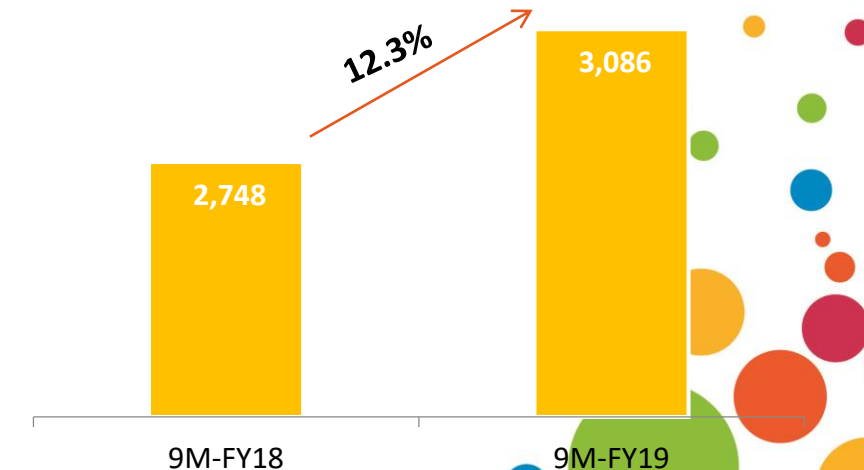
TV Syndication Platforms

Satellite Television	<ul style="list-style-type: none"> • Predominantly consists of Hindi films • This includes Movie Channels, Kids Channels, Music Channels, News Channels etc. • Enter into exclusive agreements for a film or package of films with a particular group of movie channels for a specified period of time
Terrestrial Television	<ul style="list-style-type: none"> • The company also licenses content for broadcasting on terrestrial television network
Cable Television	<ul style="list-style-type: none"> • Revenue stream, wherein an increasing number of cable operators are licensing rights of Shemaroo's content

Q3-FY19 Traditional Media Performance (INR Mn)



9M-FY19 Traditional Media Performance (INR Mn)



Consolidated Income Statement (Ind-As)

Particulars (INR Mn)	FY18	FY17
Revenue from Operations	4,886	4,255
Other Income	17	30
Total Revenue	4,903	4,285
Total Expenses	3,465	2,976
EBITDA	1,438	1,305
EBITDA Margin (%)	29.33%	30.46%
Depreciation	51	43
Finance Cost	307	324
PBT	1,080	938
Tax	367	342
PAT	713	596
Minority Interest & Share of profit/ (loss) in associate company	(1)	18
PAT after adjustments	712	614
PAT Margin (%)	14.52%	14.33%
Comprehensive Income	3	-
Total Profit including Comprehensive Income(Net of tax)	715	614
EPS (INR)(not annualised)	26.18	22.60

Consolidated Balance Sheet (Ind-As)

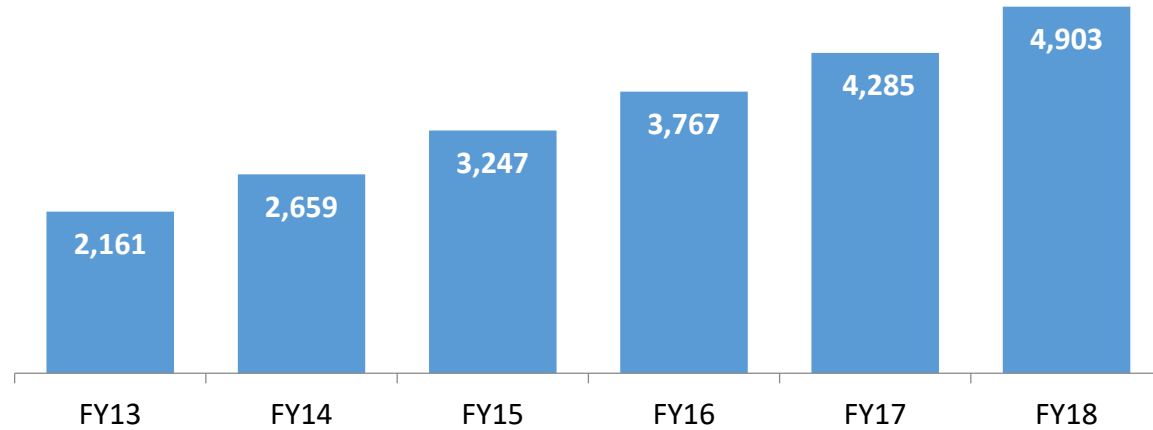
Equity and Liabilities (INR Mn)	FY18	FY17
Shareholders Fund		
Share Capital	272	272
Other Equity	4,692	3,992
Total Equity	4,964	4,264
Non controlling interest	(31)	(32)
Non Current Liabilities		
Long Term borrowings	21	131
Deferred tax liabilities	36	65
Long tem provisions	16	10
Total Non-Current Liabilities	73	206
Current Liabilities		
Short Term Borrowings	1,858	2,541
Trades payables	181	190
Other Financial Liabilities	136	320
Other Current Liabilities	28	70
Short Term Provisions	139	246
Total Current Liabilities	2,342	3,367
Total	7,348	7,805

Assets (INR Mn)	FY18	FY17
Non Current Assets		
Fixed Assets		
Property, Plant & Equipment	323	337
Intangible assets	10	11
Investments	101	72
Long Term Loan and Advances	-	68
Other Financial Assets	3	3
Other Non Current Assets	31	35
Total Non-Current Assets	468	526
Current Assets		
Inventories	5,297	5,004
Trade Receivables	1,406	1,906
Cash and cash equivalents	13	19
Short Term loan and advances	4	3
Other Current Assets	160	347
Total Current Assets	6,880	7,279
Total	7,348	7,805

Historical Consolidated Financial Charts

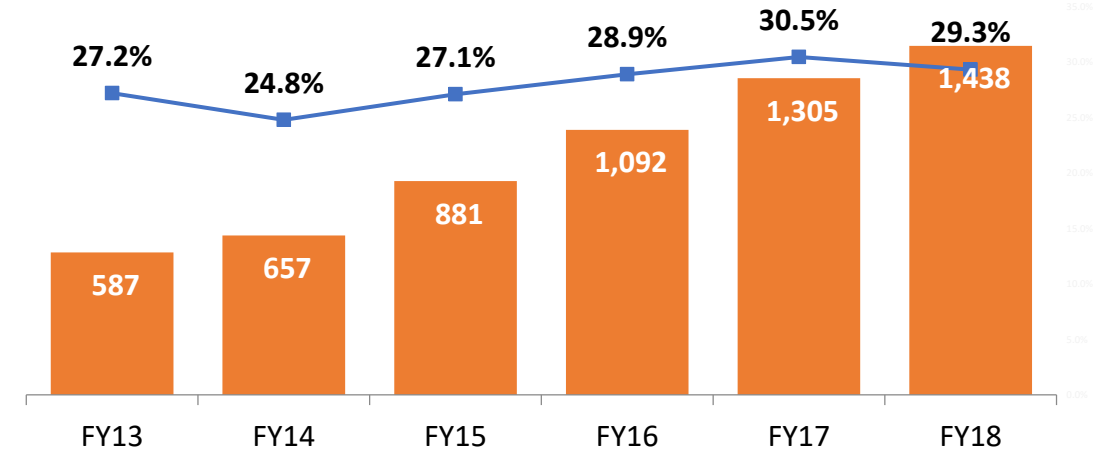
Total Income* (INR Mn)

5 Year CAGR 17.8 %



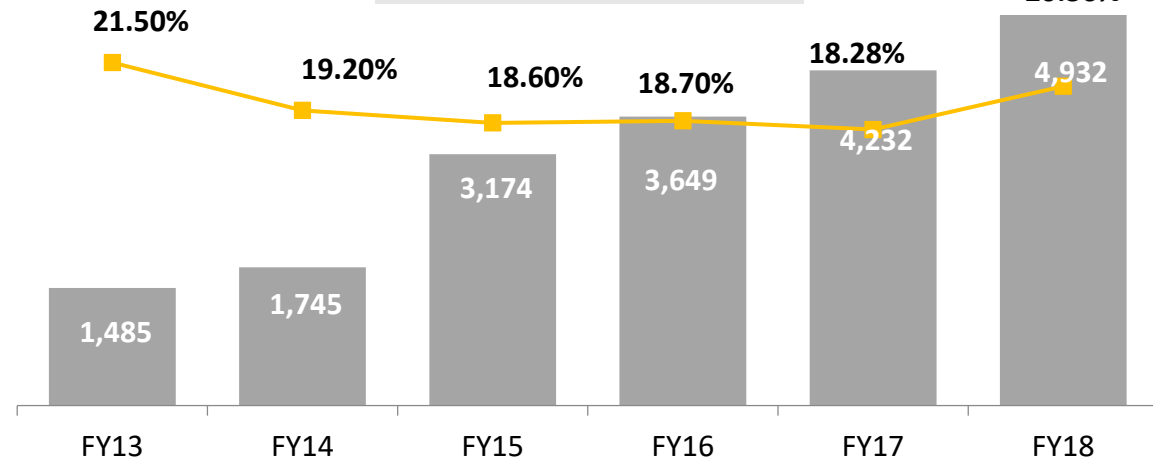
EBITDA (INR Mn) and EBITDA Margin (%)

5 Year CAGR 19.63%



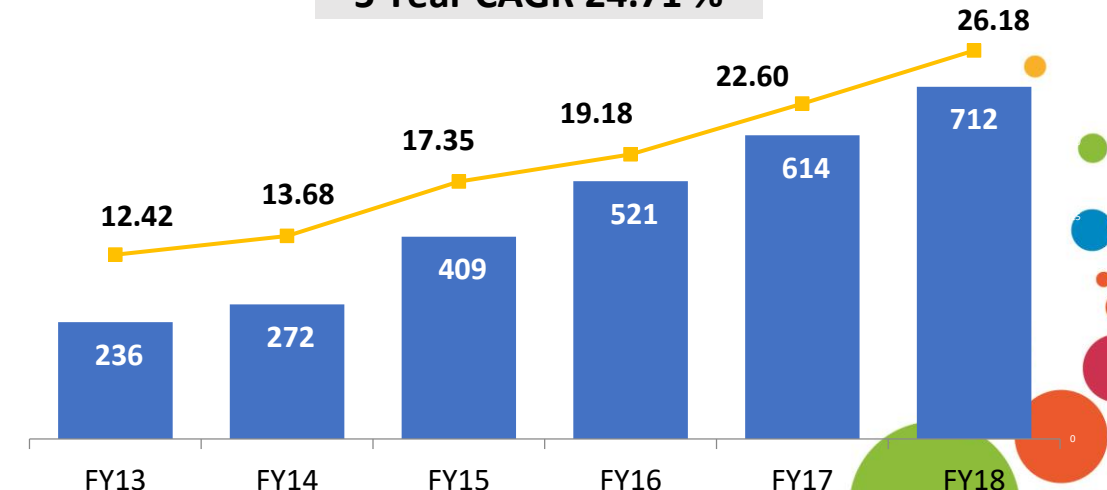
Net Worth (INR Mn) and ROCE (%)

5 Year CAGR 27.13 %



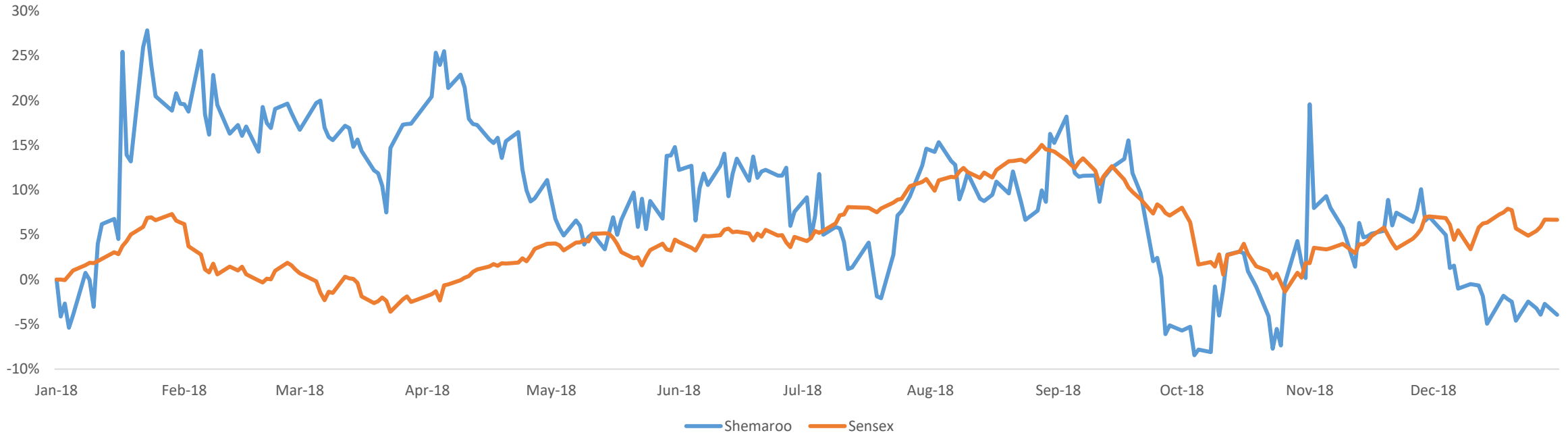
PAT (INR Mn) and EPS

5 Year CAGR 24.71 %



* Includes other Income Note: FY17 and FY18 numbers are as per IND-As

Capital Market

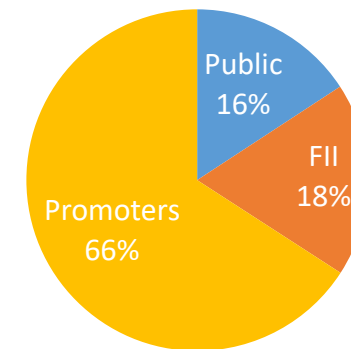


Price Data (As of 31st December, 2018)

INR

Face Value	10
Market Price	421.9
52 Week H/L	595.0/380.7
Market Cap (INR Mn)	11,468.2
Equity Shares Outstanding (Mn)	27.18
1 Year Avg. Trading Volume ('000)	22.34

Share Holding Pattern as on 31st December, 2018



DISCLAIMER



Shemaroo Entertainment Limited

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be "forward looking statements" based on the currently held beliefs and assumptions of the management of Shemaroo Entertainment Limited ("Company" or "Shemaroo"), which are expressed in good faith and in their opinion reasonable, including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration there from.

This presentation is confidential and may not be copied or disseminated, in whole or in part, and in any manner.

Valorem Advisors Disclaimer:

Valorem Advisors is an Independent Investor Relations Management Service company. This Presentation has been prepared by Valorem Advisors based on information and data which the Company considers reliable, but Valorem Advisors and the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Valorem Advisors also hereby certifies that the directors or employees of Valorem Advisors do not own any stock in personal or company capacity of the Company under review.

For further information please contact our Investor Relations Representative:



Mr. Anuj Sonpal

Valorem Advisors

Tel: +91-22-4903-9500

Email: shemaroo@valoremadvisors.com

THANK YOU

