



Shemaroo Entertainment Limited

Q3 FY16/9M FY16 Earnings Presentation



Executive Summary

Overview

- Shemaroo Entertainment Ltd is a well established and reputed media content house in India, with activities in Content Acquisition, Value Addition to Content and Content Distribution.
- The company was co-founded by Mr. Budhichand Maroo as a book circulating library in 1962, and moved on to setting up one of India's first movie video cassette rental business in 1979.
- Over the years Shemaroo has become one of the largest independent content aggregators in India, distributing its content through different existing and emerging media platforms like Broadcasting channels, new media platforms like mobiles, internet etc, Home Video, In flight entertainment etc.
- The company is listed on both NSE and BSE and had a market cap of approximately 8.1 Bn as on 31st Dec., 2015.

Business

- Shemaroo acquires content with either Perpetual rights (complete ownership) or Aggregated rights (limited ownership)
- The company distributes and monetizes this content across different media platforms.
- The current content library stands at around 3,000 plus titles.

Notable Content Library

- **Perpetual Titles (Hindi)** – Amar Akbar Anthony, Anari, Dil, Disco Dancer, Ishiqiya, Khuda Gawah, Namak Halal
- **Aggregated Titles (Hindi)** - Mughal-E-Azam, Jab We Met, Don, Anand, Sarfarosh, Shahenshah, The Dirty Picture

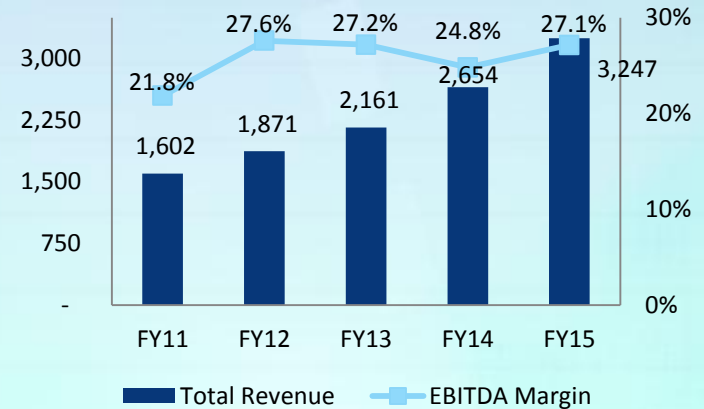
Financial Performance

- **Total Income** in FY15 reported at INR 3,247 Mn; 3 year CAGR of 20%
- **EBITDA** in FY15 reported at INR 881 Mn; 3 year CAGR of 20%
- **Net Profit** in FY15 reported at INR 409 Mn; 3 year CAGR of 26%

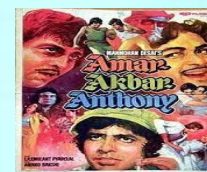
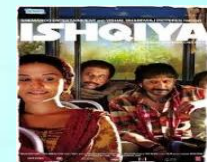
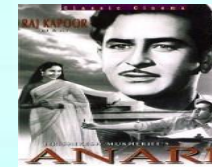
About Shemaroo

- Founded in 1962 as a book circulating library, today Shemaroo is an established integrated media content house in India with activities across content acquisition, value addition to content and content distribution.
- The company is headquartered out of Mumbai and employs over 300 people.
- **The Company is one of the largest independent content aggregators with over 3,000 title rights which it distributes across various existing and emerging media platforms.**
- 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 by developing excellent relationships with producers and also the broadcasting networks, thereby becoming the largest organized player in a historically fragmented industry.

Total Revenue and EBITDA% (INR Mn)



Perpetual Rights



Q3/9M-FY16 Highlights

Q3/9M-FY16 Key Financial Highlights

Q3-FY16 performance (Consolidated):

- **Total Income:** INR 1,013 mn; 15.5% YoY
- **EBITDA:** INR 269 mn; 32.5% YoY
- **EBITDA Margin:** 26.6%; 350bps YoY
- **Net Profit:** INR 128 mn; 28.0% YoY
- **Diluted EPS:** 4.72 INR /share

9M-FY16 performance (Consolidated):

- **Total Income:** INR 2,735 mn; 15.1% YoY
- **EBITDA:** INR 756 mn; 23.7% YoY
- **EBITDA Margin:** 27.6%; 190bps YoY
- **Net Profit:** INR 357 mn; 26.9% YoY
- **Diluted EPS:** 13.13 INR /share

Divisional Breakup (Standalone):

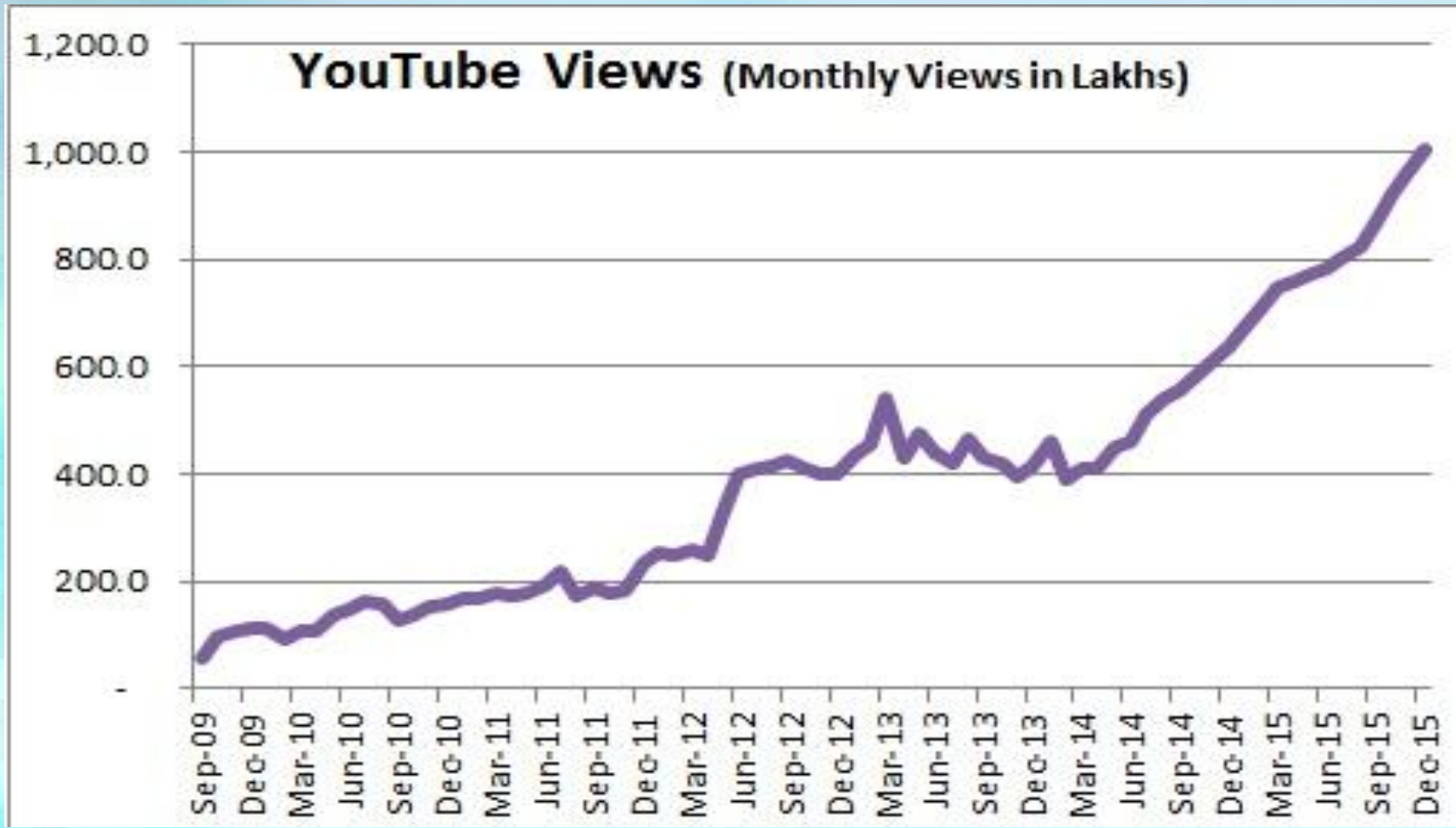
INR Mn	Q3 - FY2016	Q3 - FY2015	YOY Growth	9M- FY 2016	9M- FY 2015	YOY Growth
New Media	166	99	67.7%	458	258	77.5%
Traditional Media	847	777	9.0%	2,279	2,118	7.6%
Income from Operations	1,013	876	15.6%	2,737	2,376	15.2%

Key Operational Highlights

- Crossed 100 mn views (per month) on YouTube in the month of Dec 2015
- Crossed 1 lac subscribers on 'Shemaroo Kids' YouTube channel
- New deal signed with Spuul
- Miniplex HD launched on Airtel Digital
- Videocon 'd2h Darshan' service commercially launched on 1st Dec 2015

Key Operational Highlights

YouTube Monthly Views Graph till December 2015:



Q3 FY16 Consolidated Financial Highlights

Particulars (INR Mn.)	Q3FY16	Q2 FY16	Q-o-Q	Q3 FY15	Y-o-Y
Revenue from Operations	1,010	936	7.9%	873	15.7%
Other Income	3	7	(57.1)%	4	(25.0)%
Total Revenue	1,013	943	7.4%	877	15.5%
Total Expenses	744	700	6.3%	674	10.4%
EBITDA	269	243	10.7%	203	32.5%
EBITDA Margin (%)	26.6%	25.9%	70 bps	23.1%	350 bps
Depreciation	9	9	0.0%	11	(18.2)%
Finance Cost	56	47	19.1%	34	64.7%
PBT	204	187	9.1%	158	29.1%
Tax	72	73	(1.4)%	56	28.6%
PAT	132	114	15.8%	102	29.4%
Share of profit/ (loss) in associate company	-4	-2	NA	-2	NA
PAT after adjustments	128	112	14.3%	100	28.0%
PAT Margin (%)	12.6%	11.9%	70 bps	11.4%	120 bps
Diluted EPS	4.72	4.12	14.1%	4.60	2.2%

9M FY16 Consolidated Financial Highlights

Particulars (INR Mn.)	9M FY16	9M FY15	Y-o-Y
Revenue from Operations	2,721	2,367	15.0%
Other Income	14	10	40.0%
Total Revenue	2,735	2,377	15.1%
Total Expenses	1,979	1,765	12.1%
EBITDA	756	612	23.5%
EBITDA Margin (%)	27.6%	25.7%	190 bps
Depreciation	27	28	(3.6)%
Finance Cost	156	160	(2.5)%
PBT	573	424	35.1%
Tax	210	141	48.9%
PAT	363	283	28.3%
Share of profit/ (loss) in associate company	-6	-1	NA
PAT after adjustments	357	282	26.6%
PAT Margin (%)	13.1%	11.9%	120 bps
Diluted EPS	13.13	12.93	1.5%

9M FY16 Consolidated Balance Sheet

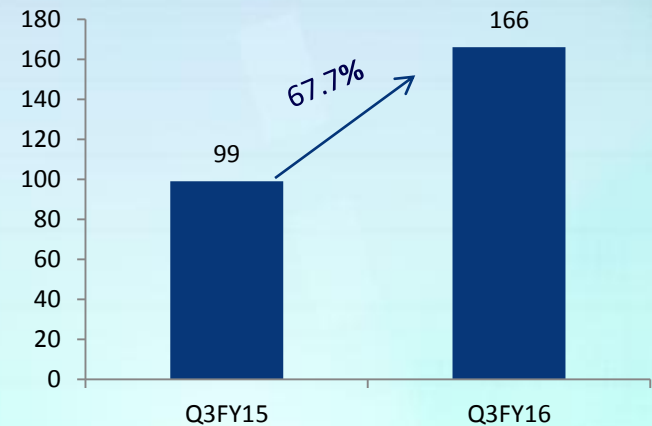
Equity and Liabilities (INR Mn.)	FY14	FY15	H1FY16	Assets (INR Mn.)	FY14	FY15	H1FY16
				Non Current Fixed Assets			
Shareholders Fund				Fixed Assets			
Share Capital	199	272	272	Tangible Assets	332	287	292
Reserves and Surplus	1,546	2,902	3,129	Intangible assets	9	8-	
Net worth	1,745	3,174	3,401	Intangible assets under development	-	-	-
				Total Fixed Assets	341	295	292
Non Current Liabilities				Non Current Investments	89	168	86
Long Term borrowings	101	3	272	Long Term Loan and Advances	61	71	74
Deffered tax liabilities	85	68	68	Trade receivables	-	-	-
Long tem provisions	6	5	8	Other Non Current Assets	1	1	0.5
	192	76	348		151	240	161
Current Liabilities				Current Assets			
Short Term Borrowings	1,411	1,054	1,004	Inventories	2,005	2,887	3,901
Trades payables	306	165	528	Trade Receivables	1,405	1,268	1,214
Other Current Liabilities	380	339	626	Cash and cash equivalents	9	25	34
Short Term Provisions	89	77	85	Short Term loan and advances	190	170	390
	2,186	1,635	2,243	Other Current Assets	22	0	0
Total	4,123	4,885	5,992	Total	4,123	4,885	5,992

New Media

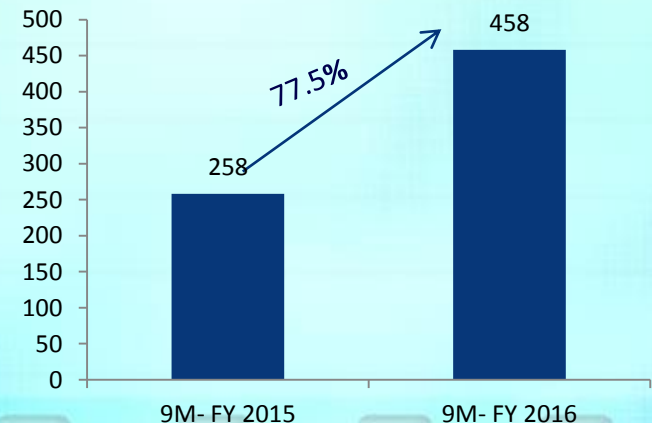
Description:

- In 2005, Shemaroo was one of the first Indian media companies to syndicate its library in the high growth new media platforms, thereby garnering first mover advantage.
- The company caters to all types of revenue models like pay per transaction, subscription, 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 new media platforms.
- Shemaroo has agreements with various internet video platforms like YouTube, Spuul, Apple iTunes, Google Play etc.
- Shemaroo distributes caller ringback tones, wallpapers, imagery, videos, games, full songs, celebrity chats, etc. under MVAS.
- The company has entered into agreements with major telecom operators, namely Airtel, Tata Teleservices, Reliance Communication, Idea, etc.
- Shemaroo also distributes its content through other platforms like DTH, Interactive services, IPTV

Q3 FY16 Revenue (INR Mn)



9M FY16 Revenue (INR Mn)



Traditional Media & Services

Traditional Media Vertical Includes – Broadcast Syndication, Home Entertainment and Others

Broadcast Syndication:

- Shemaroo acquires content on perpetual or aggregated basis and then syndicates its library to Broadcasting channels.
- Shemaroo has a diverse content library, which it syndicates rights to various broadcasting channels.

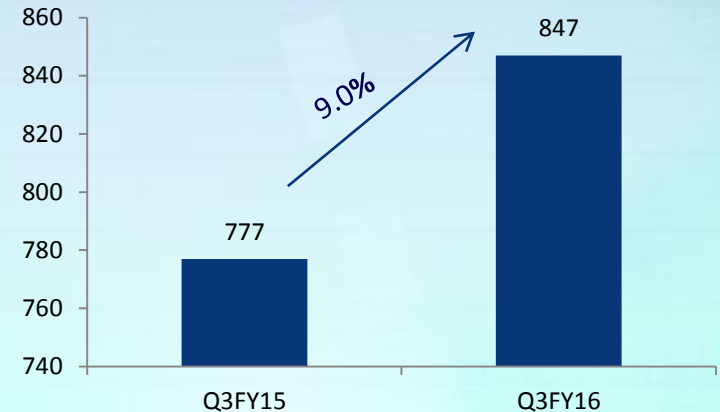
Home Entertainment:

- The legacy Home Entertainment business vertical of Shemaroo has helped it to become a nationwide well known and accepted brand.
- Over the last few years the trend in the Home Entertainment industry has been migrating from physical to digital formats which is how the company is also positioning itself

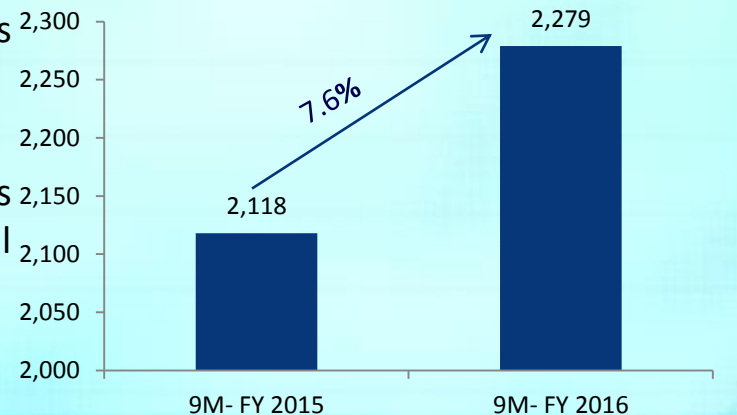
Other Media:

- Shemaroo also distributes its contents to other media platforms like Airborne rights for in-flight entertainment, International Film festivals, overseas etc.

Q3 FY16 Revenue (INR Mn)



9M FY16 Revenue (INR Mn)



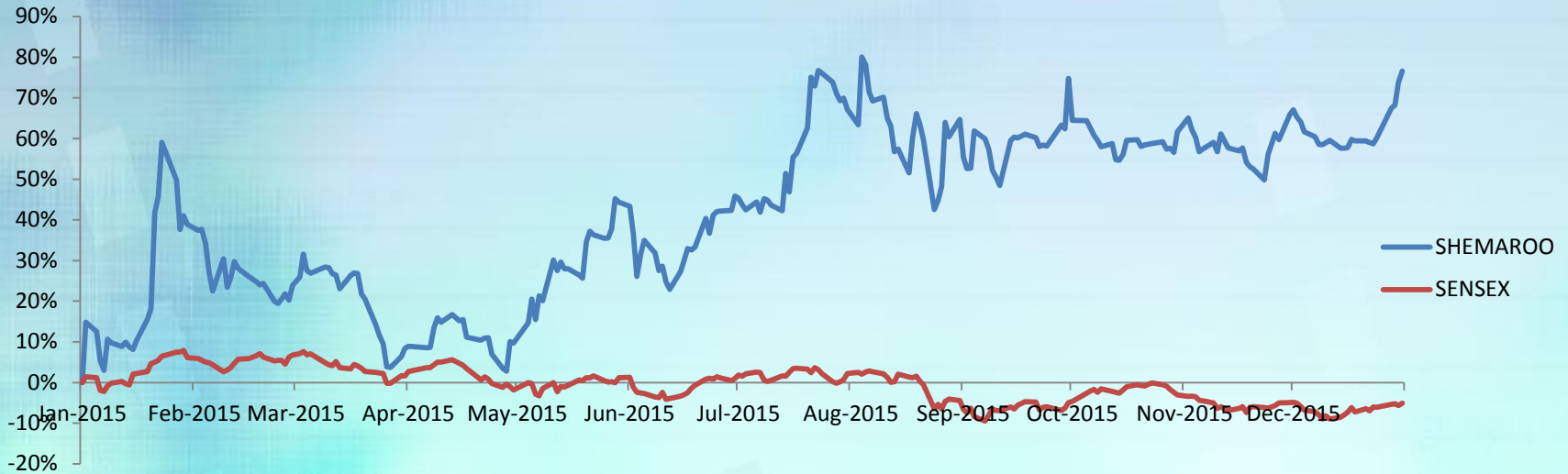
Historical Consolidated Income Statement

Particulars (INR Mn.)	FY11	FY12	FY13	FY14	FY15
Revenue from Operations	1,582	1,820	2,147	2,646	3,234
Other Income	20	51	14	13	13
Total Revenue	1,603	1,871	2,161	2,659	3,247
Total Expenses	1,252	1,355	1,574	2,003	2,366
EBITDA	350	516	587	657	881
EBITDA Margin (%)	21.9%	27.6%	27.2%	24.7%	27.13%
Depreciation	27	29	30	30	37
Finance Cost	153	193	183	192	212
PBT	170	294	374	435	632
Tax	32	80	128	165	222
PAT	138	214	247	270	410
Share of profit/ (loss) in associate company	-0	-8	-11	1	-1
PAT after adjustments	137	206	236	272	409
PAT Margin (%)	8.6%	11.4%	11.4%	10.2%	12.60%
Diluted EPS	7.07	10.86	11.87	13.68	17.35

Historical Consolidated Balance Sheet

Equity and Liabilities (INR Mn.)	FY13	FY14	FY15	Assets (INR Mn.)	FY13	FY14	FY15
Shareholders Fund				Non Current Fixed Assets			
Share Capital	198	199	272	Fixed Assets			
Reserves and Surplus	1,286	1,546	2,902	Tangible Assets	343	332	287
Net worth	1,484	1,745	3,174	Intangible assets	8	9	8
Non Current Liabilities				Intangible assets under development	1	-	-
Long Term borrowings	2	101	3	Total Fixed Assets	352	341	295
Deffered tax liabilities	51	85	68	Non Current Investments	88	89	168
Long tem provisions	5	6	5	Long Term Loan and Advances	9	61	71
Current Liabilities				Trade receivables	34	-	-
Short Term Borrowings	1,099	1,411	1,054	Other Non Current Assets	-	1	1
Trades payables	90	306	165	Current Assets			
Other Current Liabilities	179	380	339	Inventories	1,465	2,005	2,887
Short Term Provisions	43	89	77	Trade Receivables	709	1,405	1,268
Total	2,953	4,123	4,885	Cash and cash equivalents	11	9	25
				Short Term loan and advances	270	190	170
				Other Current Assets	15	22	-
				Total	2,953	4,123	4,885

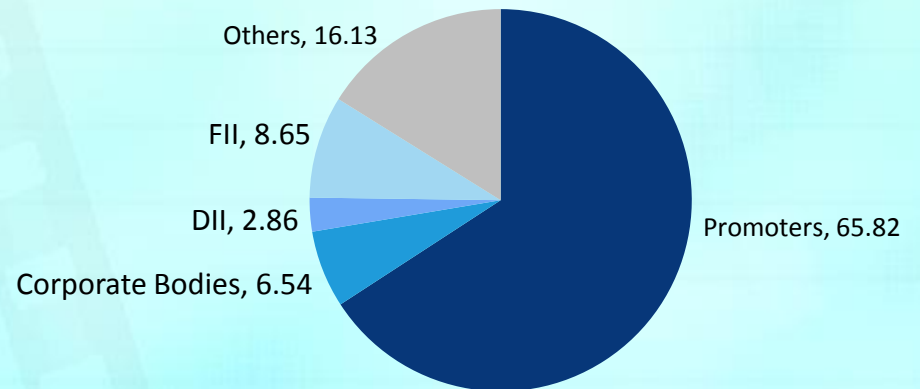
Capital Market



Price Data (As of 31st Dec, 2015)

	INR
Face Value	10
Market Price	298.7
52 Week H/L	321.5/162.5
Market Cap (INR Mn)	8,119
Equity Shares Outstanding (Mn)	27.18
1 Year Avg. Trading Volume ('000)	43.28

Shareholding Pattern as on 30th Sept, 2015



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