



SHEMAROO ENTERTAINMENT LIMITED

# Q3-FY17/9M FY17 Earnings

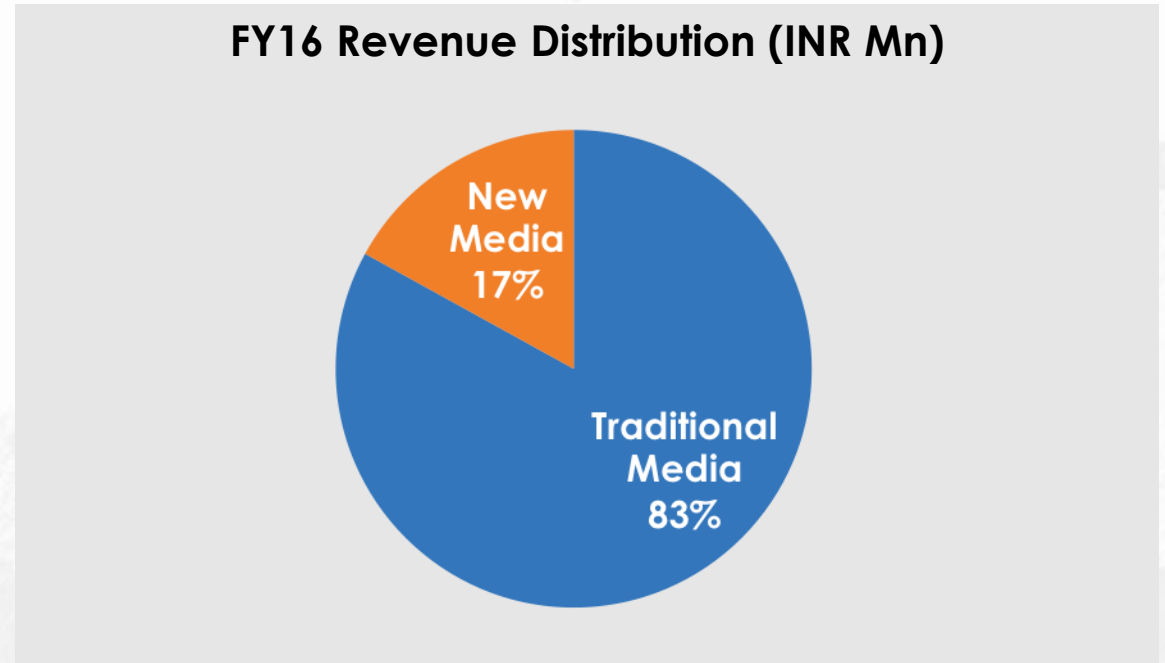
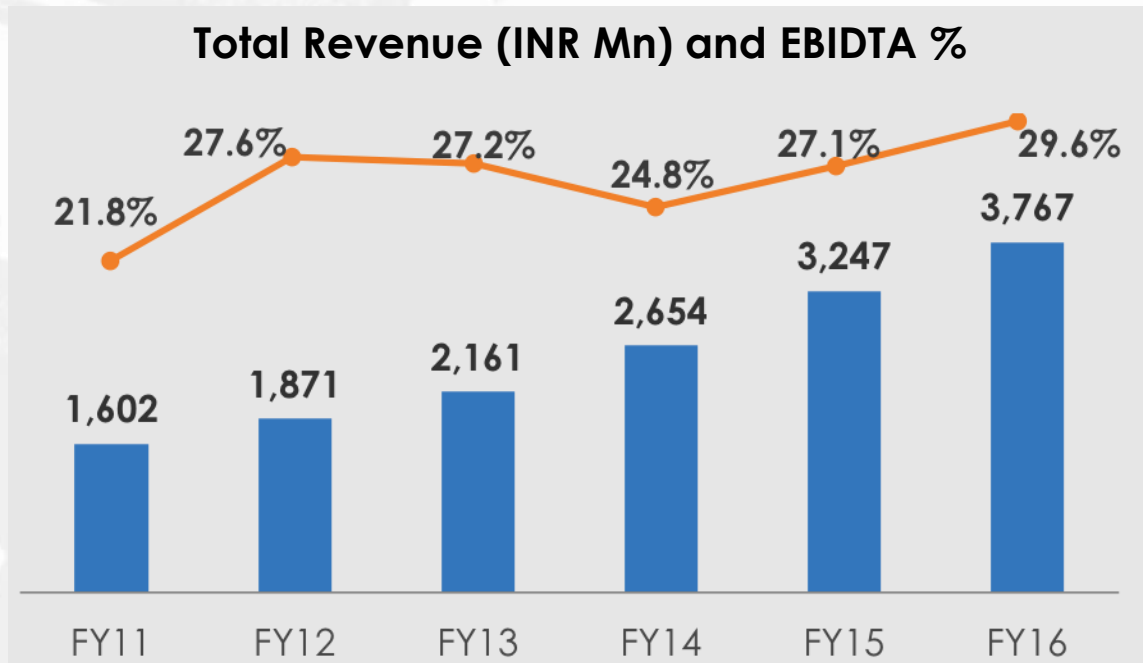
## Presentation



# ABOUT SHEMAROO



- Founded in 1962 as a book circulating library, today Shemaroo is a filmed entertainment content house headquartered out of Mumbai and employs over 500 people.
- The Company is one of the largest independent content aggregators with a library of more than 3,400 titles, 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 multiple players in the media industry value chain, thereby becoming one of the largest organized players in a historically fragmented industry.





Q3/9M FY17  
HIGHLIGHTS

# Q3/9M-FY17 KEY FINANCIAL HIGHLIGHTS



## Q3-FY17 performance (Consolidated):

- **Total Income\***: INR 1,152 mn; 1.1% QoQ; 13.7% YoY
- **EBITDA**: INR 320 mn; (0.3)% QoQ; 20.3% YoY
- **EBITDA Margin**: 27.78%; (40) bps QoQ; 153 bps YoY
- **Net Profit**: INR 145 mn; (4.6)% QoQ 13.3% YoY
- **Net Profit Margin**: 12.58%; (77) bps QoQ (5) bps YoY
- **Diluted EPS**: 5.35 INR /share

## 9M-FY17 performance (Consolidated):

- **Total Income\***: INR 3,252 mn; 18.9% YoY
- **EBITDA**: INR 942 mn; 25.1% YoY
- **EBITDA Margin**: 28.97%; 144 bps YoY
- **Net Profit**: INR 437 mn; 22.4% YoY
- **Net Profit Margin**: 13.44 %; 39 bps YoY
- **Diluted EPS**: 16.10 INR /share

\* - Includes Other Income

## DIVISIONAL BREAKUP (STANDALONE):

INR Mn	Q3 – FY 2017	Q3 – FY 2016	YOY Growth	9M- FY2017	9M- FY2016	YOY Growth
New Media	235	166	41.6%	676	458	47.6%
Traditional Media	892	844	5.7%	2,527	2,262	11.7%
Income from Operations	1,127	1,010	11.6%	3,203	2,720	17.7%

# KEY OPERATIONAL HIGHLIGHTS

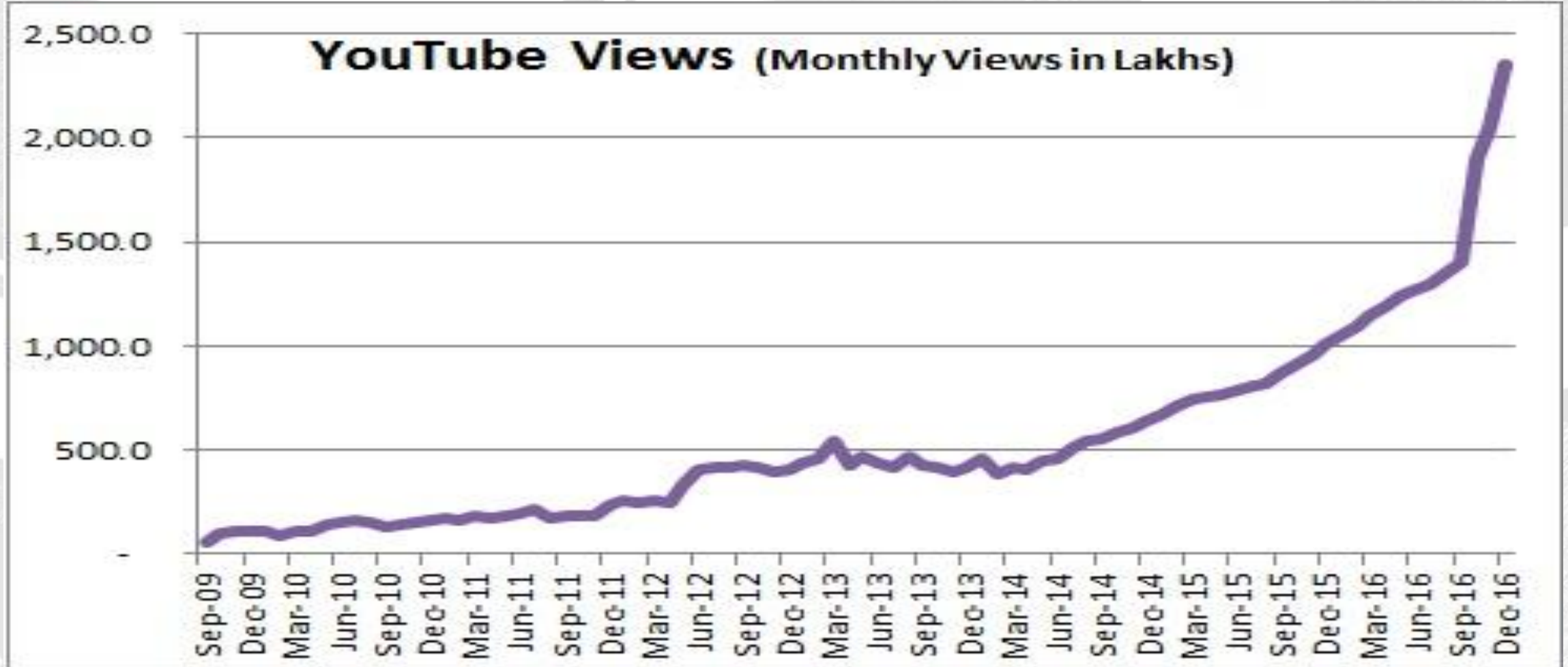


- Signed a further content syndication deal with Vuclip
- Kids and Comedy Services launched with Dish TV in October 2016
- Launched with Tata Sky:
  - Punjabi Service in Nov 2016
  - Spirituality Service (Tata Sky Gurus) in Dec 2016
- Shemaroo and 91.9 FM Radio Nasha ran a month long promotion across Radio and Social Media for the classic movie “Amar Akbar Anthony” culminating into a screening of the movie
- There is a significant spike in overall YouTube views in Q3 due to Reliance Jio’s free data offering and aggressive data pack offerings by most operators. However, the company cannot comment on the sustainability of this growth, and the subsequent translation to revenue
- Crossed 2 million subscribers on our flagship YouTube channel ‘ShemarooEnt’
- Crossed 5 lakh subscribers on our YouTube channel ‘Shemaroo Kannada’

# KEY OPERATIONAL HIGHLIGHTS



YouTube Monthly Views Graph till December 2016:



# Q3 FY17 CONSOLIDATED FINANCIAL HIGHLIGHTS



Particulars (INR Mn.)	Q3FY17	Q2 FY17	Q-o-Q	Q3 FY16	Y-o-Y
Revenue from Operations	1,135	1,136	NA	1,010	12.4%
Other Income	17	3	466.7%	3	466.7%
<b>Total Revenue</b>	<b>1,152</b>	<b>1,139</b>	<b>1.1%</b>	<b>1,013</b>	<b>13.7%</b>
Total Expenses	832	818	1.7%	747	11.4%
<b>EBITDA</b>	<b>320</b>	<b>321</b>	<b>-0.3%</b>	<b>266</b>	<b>20.3%</b>
<b>EBITDA Margin (%)</b>	<b>27.78%</b>	<b>28.18%</b>	<b>(40) Bps</b>	<b>26.25%</b>	<b>153 bps</b>
Depreciation	11	11	NA	9	22.2%
Finance Cost	83	73	13.7%	56	48.2%
<b>PBT</b>	<b>226</b>	<b>237</b>	<b>(4.6)%</b>	<b>201</b>	<b>12.4%</b>
Tax	84	91	(7.7)%	72	16.7%
<b>PAT</b>	<b>142</b>	<b>146</b>	<b>(2.7)%</b>	<b>129</b>	10.1%
Minority Interest & Share of profit/ (loss) in associate company	3	6	(50.0)%	(1)	NA
<b>PAT after adjustments</b>	<b>145</b>	<b>152</b>	<b>(4.6)%</b>	<b>128</b>	<b>13.3%</b>
<b>PAT Margin (%)</b>	<b>12.58%</b>	<b>13.35%</b>	<b>(77) Bps</b>	<b>12.63%</b>	<b>(5) Bps</b>
Diluted EPS	5.35	5.59	(4.3)%	4.72	13.3%

# 9M FY17 HALF YEARLY CONSOLIDATED FINANCIAL HIGHLIGHTS



Particulars (INR Mn.)	9M FY17	9M FY16	Y-o-Y
Revenue from Operations	3,229	2,721	18.7%
Other Income	23	14	64.3%
<b>Total Revenue</b>	<b>3,252</b>	<b>2,735</b>	<b>18.9%</b>
Total Expenses	2,310	1,982	16.5%
<b>EBITDA</b>	<b>942</b>	<b>753</b>	<b>25.1%</b>
<b>EBITDA Margin (%)</b>	<b>28.97%</b>	<b>27.53%</b>	<b>144 bps</b>
Depreciation	31	27	14.8%
Finance Cost	224	156	43.6%
<b>PBT</b>	<b>687</b>	<b>570</b>	<b>20.5%</b>
Tax	268	210	27.6%
<b>PAT</b>	<b>419</b>	<b>360</b>	<b>16.4%</b>
Minority Interest & Share of profit/ (loss) in associate company	18	(3)	NA
<b>PAT after adjustments</b>	<b>437</b>	<b>357</b>	<b>22.4%</b>
<b>PAT Margin (%)</b>	<b>13.44%</b>	<b>13.05%</b>	<b>39 bps</b>
Diluted EPS	16.10	13.13	22.6%



# H1 FY17 Consolidated Balance Sheet



Equity and Liabilities (INR Mn.)	FY14	FY15	FY16	H1FY17
<b>Shareholders Fund</b>				
Share Capital	199	272	272	272
Reserves and Surplus	1,546	2,902	3,377	3,673
<b>Net worth</b>	<b>1,745</b>	<b>3,174</b>	<b>3,649</b>	<b>3,945</b>
Minority Interest				-29
<b>Non Current Liabilities</b>				
Long Term borrowings	101	3	229	138
Deffered tax liabilities	85	68	67	65
Long tem provisions	6	5	7	12
	<b>192</b>	<b>76</b>	<b>303</b>	<b>215</b>
<b>Current Liabilities</b>				
Short Term Borrowings	1,411	1,054	1,544	2,040
Trades payables	306	165	102	215
Other Current Liabilities	380	339	394	421
Short Term Provisions	89	77	139	248
	<b>2,186</b>	<b>1,635</b>	<b>2,179</b>	<b>2,924</b>
<b>Total</b>	<b>4,123</b>	<b>4,885</b>	<b>6,131</b>	<b>7,055</b>

Assets (INR Mn.)	FY14	FY15	FY16	H1FY17
<b>Non Current Fixed Assets</b>				
<b>Fixed Assets</b>				
Tangible Assets	332	287	284	
Intangible assets	9	8	9	
Intangible assets under development	-	-	14	-
<b>Total Fixed Assets</b>	<b>341</b>	<b>295</b>	<b>307</b>	<b>307</b>
Non Current Investments	89	168	66	76
Long Term Loan and Advances	61	71	64	70
Trade receivables	-	-	-	-
Other Non Current Assets	1	1	1	1
	<b>151</b>	<b>240</b>	<b>131</b>	<b>146</b>
<b>Current Assets</b>				
Inventories	2,005	2,887	3,846	4,095
Trade Receivables	1,405	1,268	1,066	1,872
Cash and cash equivalents	9	25	13	25
Short Term loan and advances	190	170	768	610
Other Current Assets	22	-	-	-
	<b>3,631</b>	<b>4,350</b>	<b>5,693</b>	<b>6,602</b>
<b>Total</b>	<b>4,123</b>	<b>4,885</b>	<b>6,131</b>	<b>7,055</b>

# NEW MEDIA



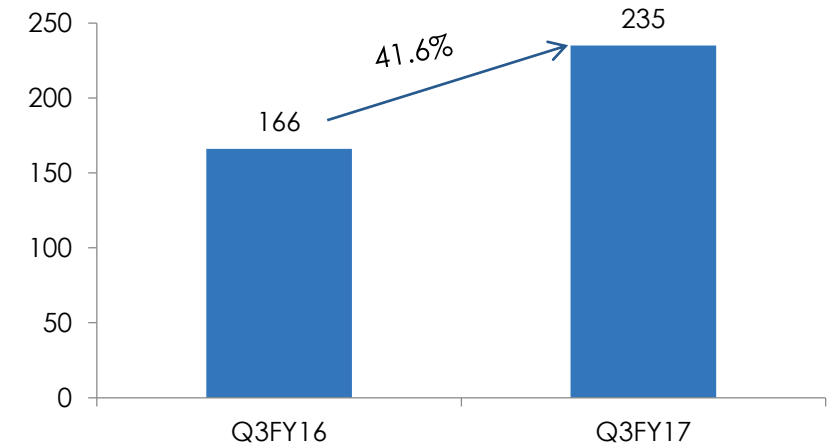
*Shemaroo was one of the early Indian media companies to syndicate its library in the high growth new media platforms, thereby gaining first mover advantage*

- 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

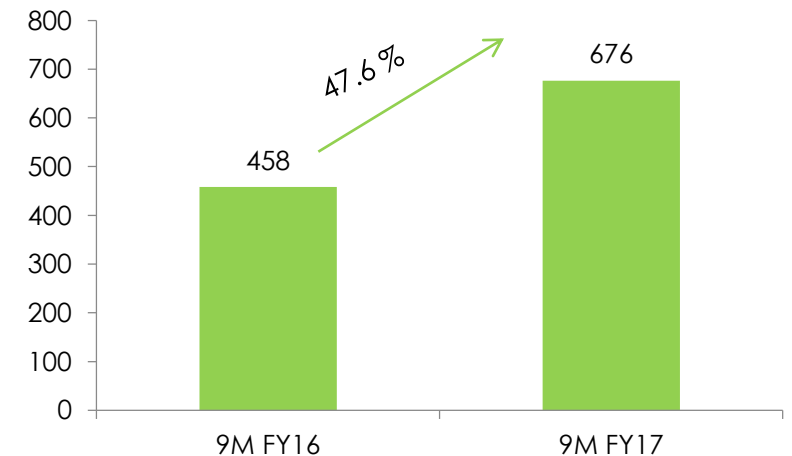
## New Media Presence

Internet	Mobile Value Added services (MVAS) / Mobile Internet	Other New Media Platforms
<ul style="list-style-type: none"> <li>• Shemaroo has agreements with various internet video platforms like YouTube, Hotstar, Hooq, Apple iTunes, Google Play etc.</li> </ul>	<ul style="list-style-type: none"> <li>• The company has entered into agreements with major telecom operators, namely Airtel, Vodafone, Reliance Communication, Idea, etc.</li> <li>• Shemaroo distributes imagery, videos, full songs, etc. under MVAS through both operator branded portals as well as its own branded portals.</li> </ul>	<ul style="list-style-type: none"> <li>• Shemaroo also distributes its content through other platforms like Interactive services, IPTV, etc.</li> </ul>

Q3 FY17 Revenue (INR Mn)



9M FY17 Revenue (INR Mn)



# TRADITIONAL MEDIA



## 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.

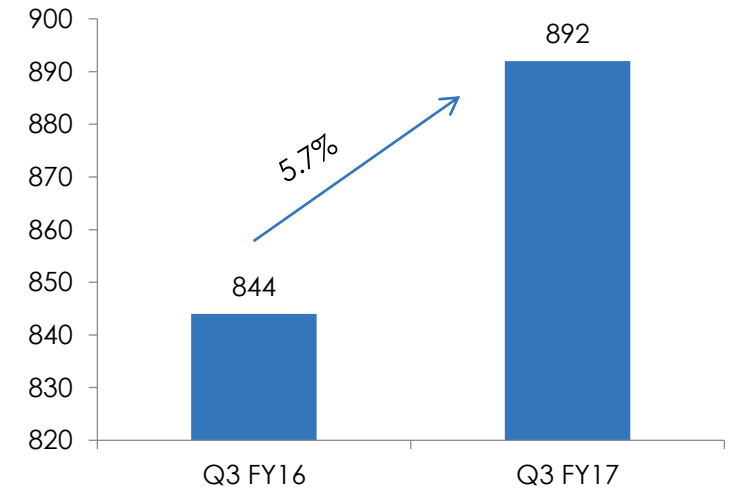
### Home Entertainment:

- 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

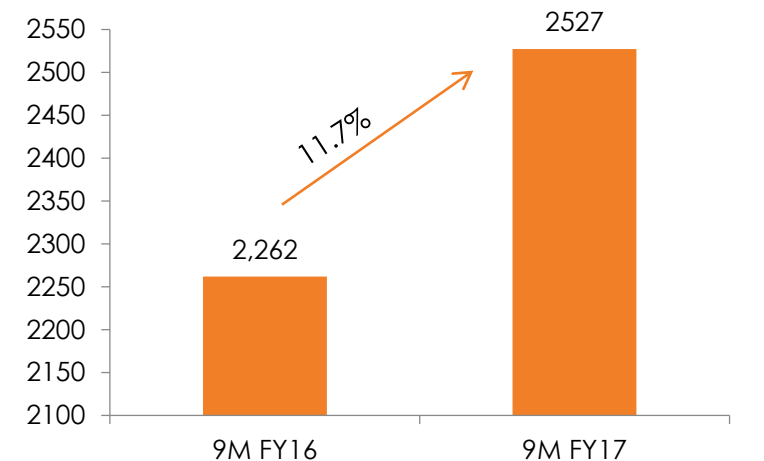
### Other Media:

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

Q3 FY17 Revenue (INR Mn)



9M FY17 Revenue (INR Mn)



# HISTORICAL CONSOLIDATED INCOME STATEMENT



Particulars (INR Mn.)	FY13	FY14	FY15	FY16
Revenue from Operations	2,147	2,646	3,234	3,749
Other Income	14	13	13	18
<b>Total Revenue</b>	<b>2,161</b>	<b>2,659</b>	<b>3,247</b>	<b>3,767</b>
Total Expenses	1,574	2,003	2,366	2,652
<b>EBITDA</b>	<b>587</b>	<b>657</b>	<b>881</b>	<b>1,115</b>
<b>EBITDA Margin (%)</b>	<b>27.16%</b>	<b>24.71%</b>	<b>27.13%</b>	<b>29.60%</b>
Depreciation	30	30	37	37
Finance Cost	183	192	212	228
<b>PBT</b>	<b>374</b>	<b>435</b>	<b>632</b>	<b>850</b>
Tax	128	165	222	307
<b>PAT</b>	<b>247</b>	<b>270</b>	<b>410</b>	<b>543</b>
Share of profit/ (loss) in associate company	(11)	1	(1)	(22)
<b>PAT after adjustments</b>	<b>236</b>	<b>272</b>	<b>409</b>	<b>521</b>
<b>PAT Margin (%)</b>	<b>10.92%</b>	<b>10.23%</b>	<b>12.60%</b>	<b>13.83%</b>
Diluted EPS	12.42	13.68	17.35	19.18

# HISTORICAL CONSOLIDATED BALANCE SHEET



Equity and Liabilities (INR Mn.)	FY14	FY15	FY16
<b>Shareholders Fund</b>			
Share Capital	199	272	272
Reserves and Surplus	1,546	2,902	3,377
<b>Net worth</b>	<b>1,745</b>	<b>3,174</b>	<b>3,649</b>
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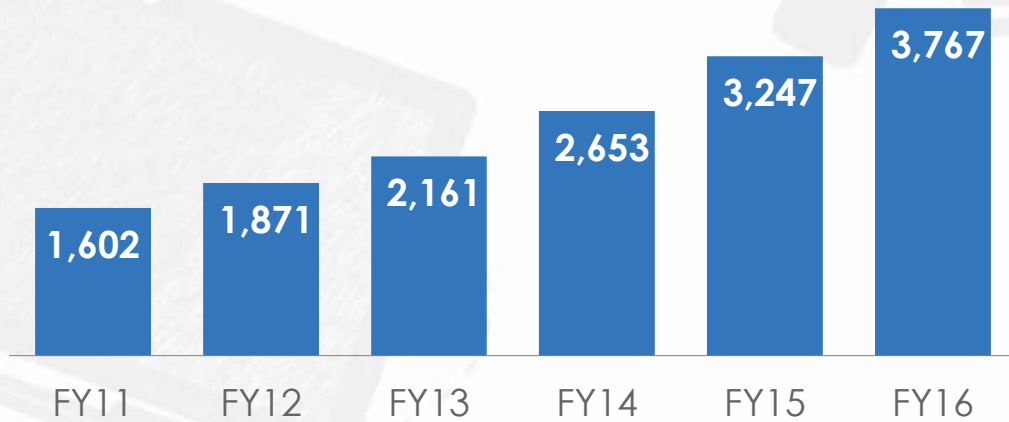
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<b>Fixed Assets</b>			
Tangible Assets	332	287	284
Intangible assets	9	8	9
Intangible assets under development	-	-	-
<b>Total Fixed Assets</b>	<b>341</b>	<b>295</b>	<b>307</b>
Non Current Investments	89	168	66
Long Term Loan and Advances	61	71	64
Trade receivables	-	-	-
Other Non Current Assets	1	1	1
	<b>151</b>	<b>240</b>	<b>438</b>
<b>Current Assets</b>			
Inventories	2,005	2,887	3,846
Trade Receivables	1,405	1,268	1,066
Cash and cash equivalents	9	25	13
Short Term loan and advances	190	170	768
Other Current Assets	22	-	-
<b>Total</b>	<b>4,123</b>	<b>4,885</b>	<b>6,131</b>

# CONSOLIDATED FINANCIAL CHARTS



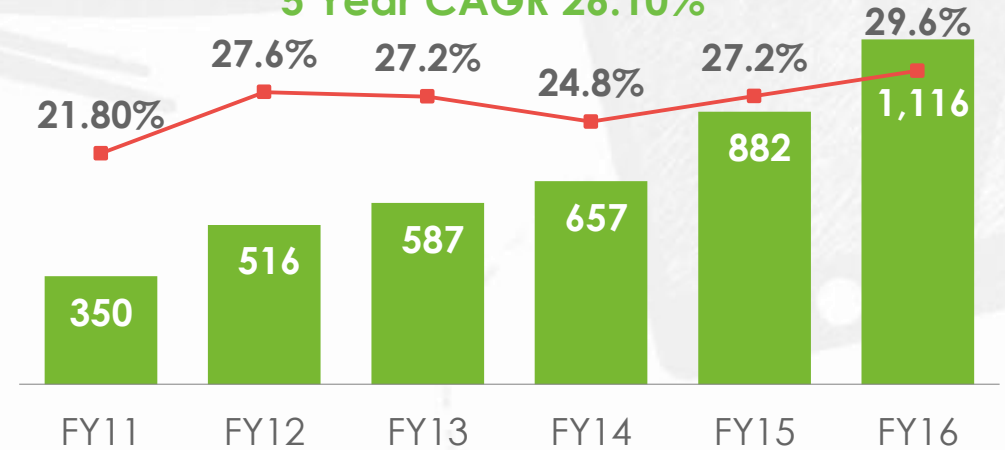
## Total Income (INR Mn)

5 Year CAGR 18.65%



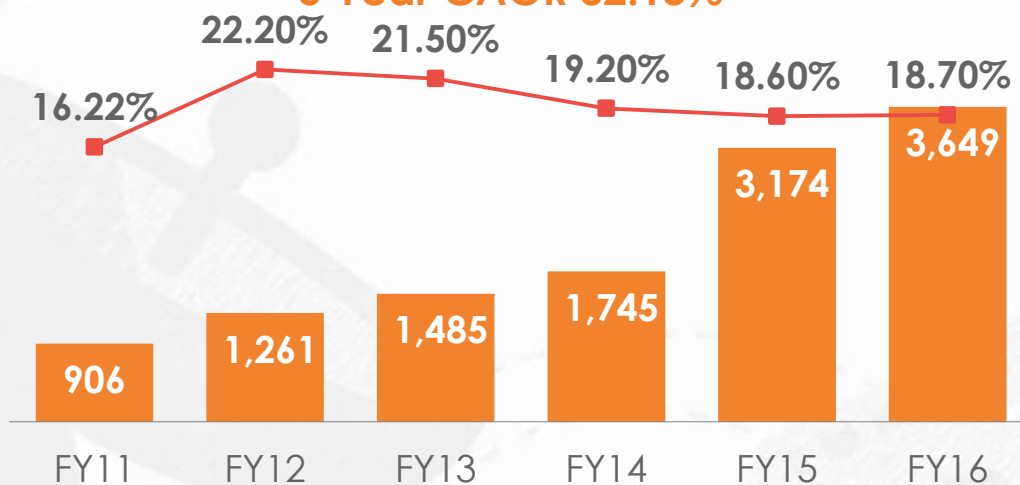
## EBITDA (INR Mn) and EBITDA Margin (%)

5 Year CAGR 26.10%



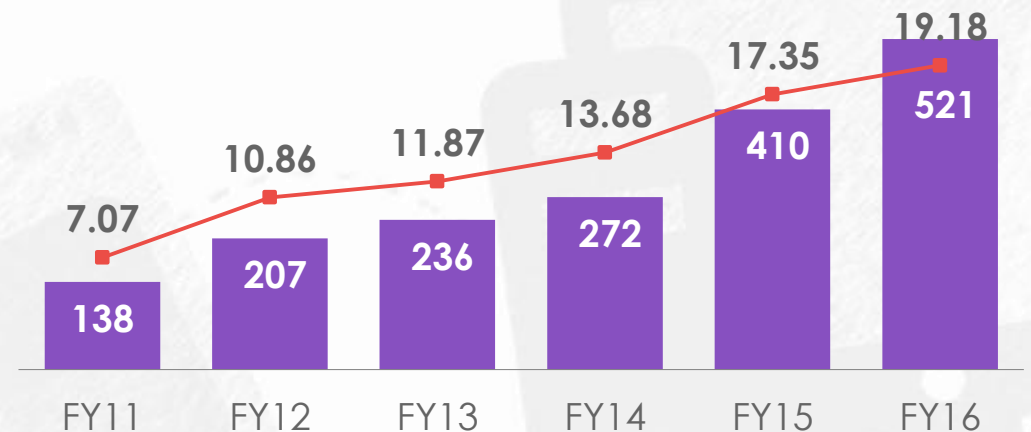
## Net Worth (INR Mn) and RoCE (%)

5 Year CAGR 32.13%

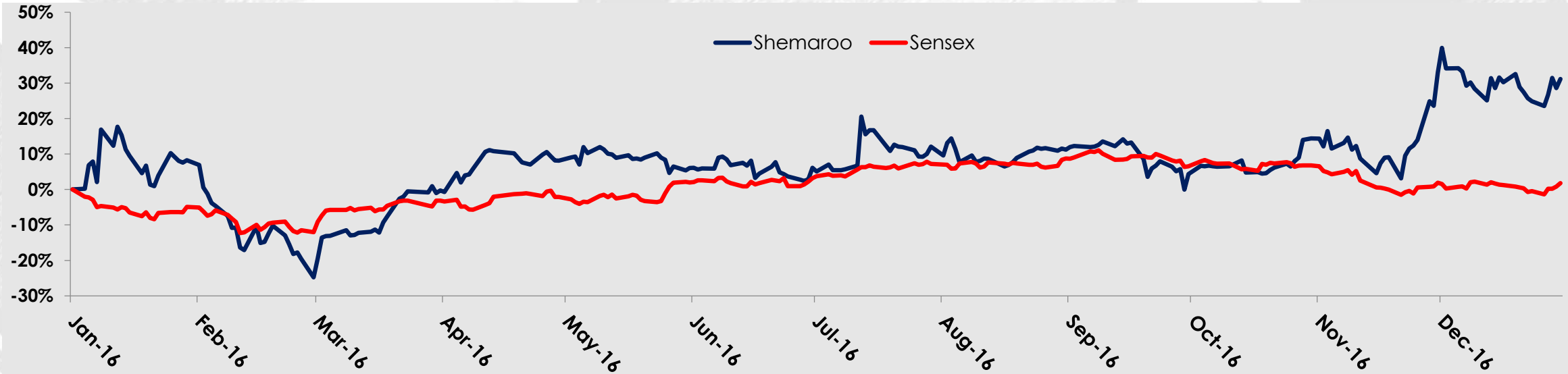


## PAT (INR Mn) and EPS

5 Year CAGR 30.43%



# CAPITAL MARKET

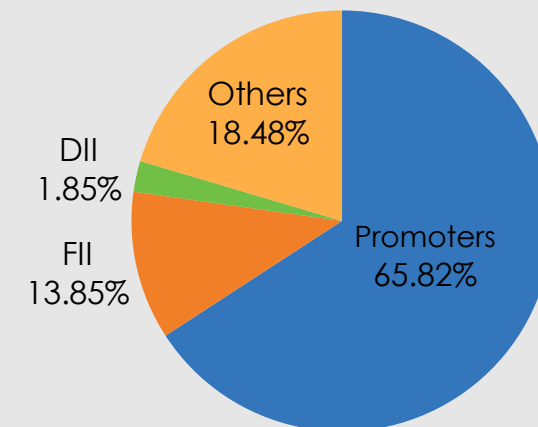


## Price Data (As of 30<sup>th</sup> December, 2016)

INR

Face Value	10
Market Price	390.7
52 Week H/L	422/222
Market Cap (INR Mn)	10,620
Equity Shares Outstanding (Mn)	27.18
1 Year Avg. Trading Volume ('000)	68.89

## Shareholding Pattern as on 31<sup>st</sup> December 2016



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