



SHEMAROO ENTERTAINMENT LIMITED

Q3/9M-FY18

Earnings Presentation

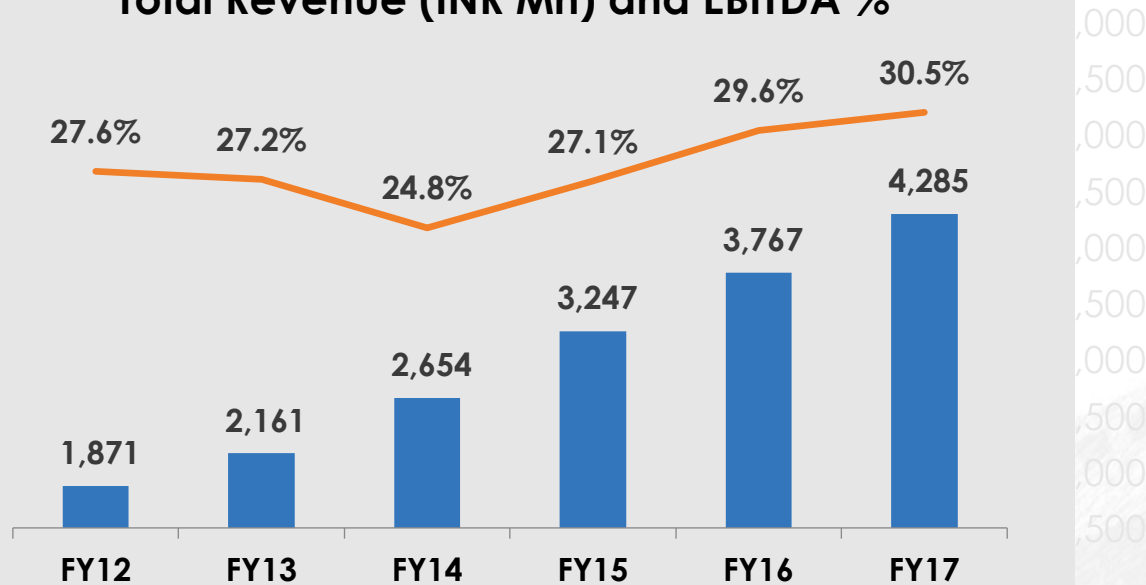


ABOUT SHEMAROO

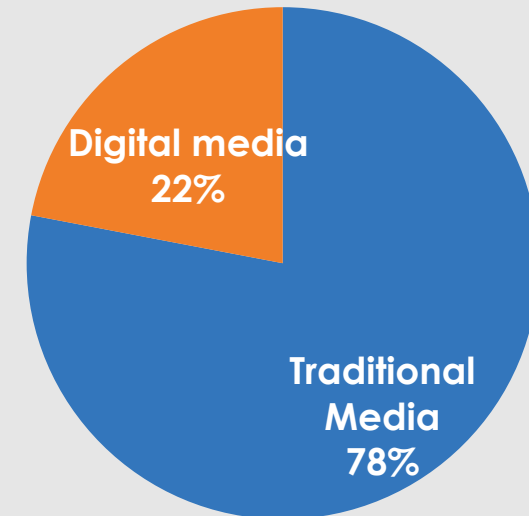


- Founded in 1962 as a book circulating library, today Shemaroo is a leading Indian content power house with a global reach, headquartered out of Mumbai and employs over 500 people
- The Company is one of the largest independent content aggregators with a library of more than 3,500 titles, which it distributes 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 multi-fold over the years, developing excellent relationships across the media industry value chain, to become one of the largest organised players in a fragmented industry.

Total Revenue (INR Mn) and EBITDA %



FY17 Revenue Distribution (INR Mn)





Q3/9M-FY18
HIGHLIGHTS

Q3/9M-FY18 KEY FINANCIAL HIGHLIGHTS



Q3 FY18 performance (Consolidated):

- **Total Revenue***: INR 1,328 mn; (1.3)% QoQ; 15.3% YoY
- **EBITDA**: INR 360 mn; (0.8)% QoQ; 12.5% YoY
- **EBITDA Margin**: 27.11%; 14 bps QoQ; (67) bps YoY
- **Net Profit**: INR 178 mn; (4.8)% QoQ 23.6% YoY
- **Net Profit Margin**: 13.40%; (49) bps QoQ 90 bps YoY
- **Diluted EPS**: 6.55 INR /share

9M FY18 performance (Consolidated):

- **Total Revenue***: INR 3,719 mn; 14.3% YoY
- **EBITDA**: INR 1,066 mn; 13.2% YoY
- **EBITDA Margin**: 28.66%; (30) bps YoY
- **Net Profit**: INR 524 mn; 19.9% YoY
- **Net Profit Margin**: 14.09%; 66 bps YoY
- **Diluted EPS**: 19.29 INR /share

* - Includes Other Income

DIVISIONAL BREAKUP (CONSOLIDATED):

| INR Mn | Q3-FY18 | Q3-FY17 | YOY Growth | 9M-FY18 | 9M-FY17 | YOY Growth |
|------------------------|---------|---------|------------|---------|---------|------------|
| Digital Media | 331 | 235 | 40.8% | 958 | 676 | 41.7% |
| Traditional Media | 995 | 900 | 10.6% | 2,748 | 2,554 | 7.6% |
| Income from Operations | 1,326 | 1,135 | 16.8% | 3,706 | 3,230 | 14.7% |

KEY OPERATIONAL HIGHLIGHTS



- Signed a content deal with Vuclip.
- Signed a content deal with Spuul.
- Tata Sky 'Marathi Cinema' service launched on 14th Dec 2017.
- Crossed 3 bn cumulative views on our YouTube channel 'FilmiGaane'.
- Crossed 5 mn subscribers on our YouTube channel 'ShemarooEnt'.
- Some brands have pulled their advertising out from YouTube since some of their ads were shown next to hateful and offensive content. As a result, YouTube has implemented stricter brand safety guidelines and therefore the overall monetisation of content on YouTube has been impacted.

KEY OPERATIONAL HIGHLIGHTS



YouTube Monthly Views Graph till December 2017:



Q3-FY18 CONSOLIDATED INCOME STATEMENT (IndAS)



| Particulars (INR Mn) | Q3-FY18 | Q2-FY18 | Q-o-Q | Q3-FY17 | Y-o-Y |
|--|---------------|---------------|-----------------|---------------|-----------------|
| Revenue from Operations | 1,326 | 1,344 | (1.34)% | 1,135 | 16.83% |
| Other Income | 2 | 2 | - | 17 | (88.24)% |
| Total Revenue | 1,328 | 1,346 | (1.34)% | 1,152 | 15.28% |
| Total Expenses | 968 | 983 | (1.53)% | 832 | 16.35% |
| EBITDA | 360 | 363 | (0.83)% | 320 | 12.50% |
| EBITDA Margin (%) | 27.11% | 26.97% | 14 Bps | 27.78% | (67) Bps |
| Depreciation | 13 | 13 | - | 11 | 18.18% |
| Finance Cost | 71 | 84 | (15.48)% | 83 | (14.46)% |
| PBT | 276 | 266 | 3.76% | 226 | 22.12% |
| Tax | 96 | 78 | 23.08% | 84 | 14.29% |
| PAT | 180 | 188 | (4.26)% | 142 | 26.76% |
| Minority Interest & Share of profit/ (loss) in associate company | (2) | (1) | (100)% | 2 | (200)% |
| PAT after adjustments | 178 | 187 | (4.81)% | 144 | 23.61% |
| PAT Margin (%) | 13.40% | 13.89% | (49) Bps | 12.50% | 90 Bps |
| Comprehensive Income | 0 | 0 | - | 0 | - |
| Total Profit including Comprehensive Income(Net of tax) | 178 | 187 | (4.81)% | 144 | 23.61% |
| Diluted EPS | 6.55 | 6.88 | (4.80)% | 5.31 | 23.35% |

9M-FY18 CONSOLIDATED INCOME STATEMENT (IndAS)



| Particulars (INR Mn.) | 9M-FY18 | 9M-FY17 | Y-o-Y |
|--|---------------|---------------|-----------------|
| Revenue from Operations | 3,706 | 3,230 | 14.74% |
| Other Income | 13 | 23 | (43.48)% |
| Total Revenue | 3,719 | 3,253 | 14.33% |
| Total Expenses | 2,653 | 2,311 | 14.80% |
| EBITDA | 1,066 | 942 | 13.16% |
| EBITDA Margin (%) | 28.66% | 28.96% | (30) Bps |
| Depreciation | 38 | 31 | 22.58% |
| Finance Cost | 236 | 225 | 4.89% |
| PBT | 792 | 686 | 15.45% |
| Tax | 264 | 267 | (1.12)% |
| PAT | 528 | 419 | 26.01% |
| Minority Interest & Share of profit/ (loss) in associate company | (4) | 18 | (122.22)% |
| PAT after adjustments | 524 | 437 | 19.91% |
| PAT Margin (%) | 14.09% | 13.43% | 66 Bps |
| Comprehensive Income | 0 | 0 | - |
| Total Profit including Comprehensive Income(Net of tax) | 524 | 437 | 19.91% |
| Diluted EPS | 19.29 | 16.07 | 20.04% |

H1-FY18 CONSOLIDATED BALANCE SHEET (IndAS)



| Equity and Liabilities (INR Mn.) | H1-FY18 |
|--------------------------------------|--------------|
| Shareholders Fund | |
| Share Capital | 272 |
| Other Equity | 4,394 |
| Total Equity | 4,666 |
| Non Current Liabilities | |
| Long Term borrowings | 69 |
| Deferred tax liabilities | 60 |
| Long term provisions | 8 |
| Total Non-Current Liabilities | 137 |
| Current Liabilities | |
| Short Term Borrowings | 2,402 |
| Trades payables | 344 |
| Other Financial Liabilities | 2 |
| Other Current Liabilities | 3 |
| Short Term Provisions | 296 |
| Total Current Liabilities | 3,047 |
| Total | 7,850 |

| Assets (INR Mn.) | H1-FY18 |
|---------------------------------|--------------|
| Non Current Assets | |
| Fixed Assets | |
| Tangible Assets | 334 |
| Intangible assets | 11 |
| Non Current Investments | 155 |
| Long Term Loan and Advances | 105 |
| Other Financial Assets | 3 |
| Other Non Current Assets | 18 |
| Total Non-Current Assets | 626 |
| Current Assets | |
| Inventories | 5,618 |
| Trade Receivables | 1,245 |
| Cash and cash equivalents | 28 |
| Short Term loan and advances | 108 |
| Prepayments | 11 |
| Other Current Assets | 214 |
| Total Current Assets | 7,224 |
| Total | 7,850 |

DIGITAL MEDIA



Shemaroo was one of the early Indian media companies to syndicate its library in the high growth digital media platforms, thereby gaining early 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 digital media platforms.

Digital Media Presence

Internet and OTT

- Shemaroo has agreements with various internet video platforms like YouTube, Hotstar, Reliance Jio, Apple iTunes, Google Play, YuppTV, etc.

Mobile Value Added services (MVAS) / Mobile Internet

- 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

Internet

YouTube

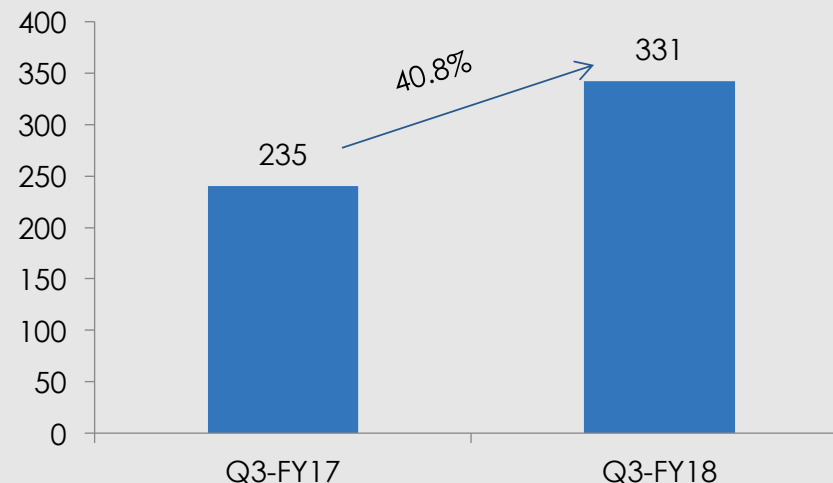
Hotstar

MVAS

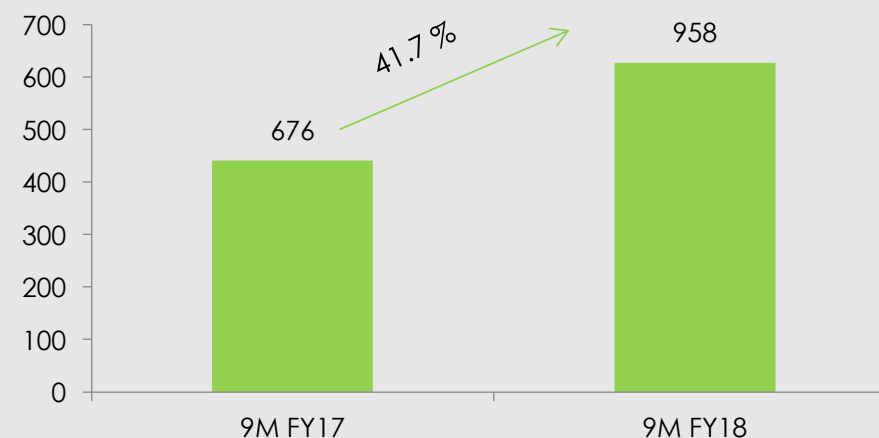
Airtel

Vodafone

Q3 FY18 Digital Media Performance



9M FY18 Digital Media Performance



TRADITIONAL MEDIA



Traditional Media Includes – Television Syndication, Home Entertainment, 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 has launched subscription-based, ad-free content services across various genres like Movies, Devotion, Comedy and Regional

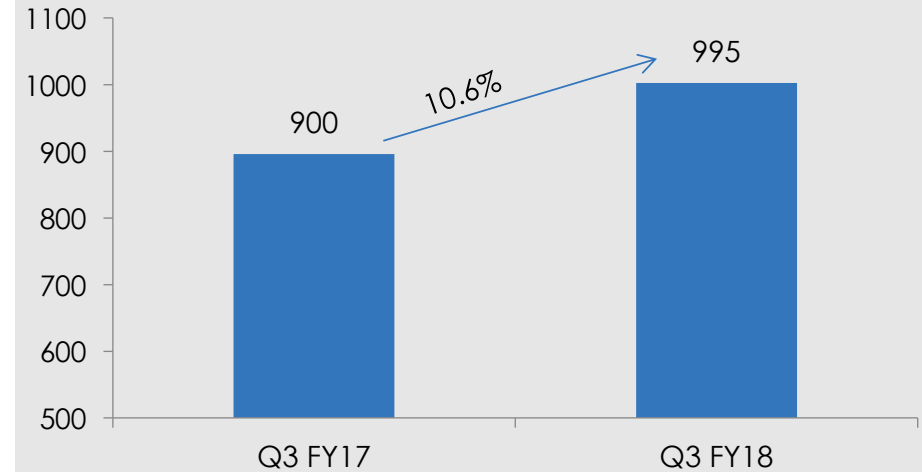
Home Entertainment:

- The Home Entertainment business has helped Shemaroo to garner the legacy of becoming a nationwide well known and accepted brand
- Has successfully migrated from one content format to another (Video VHS to VCD to DVD to Blu-Ray)

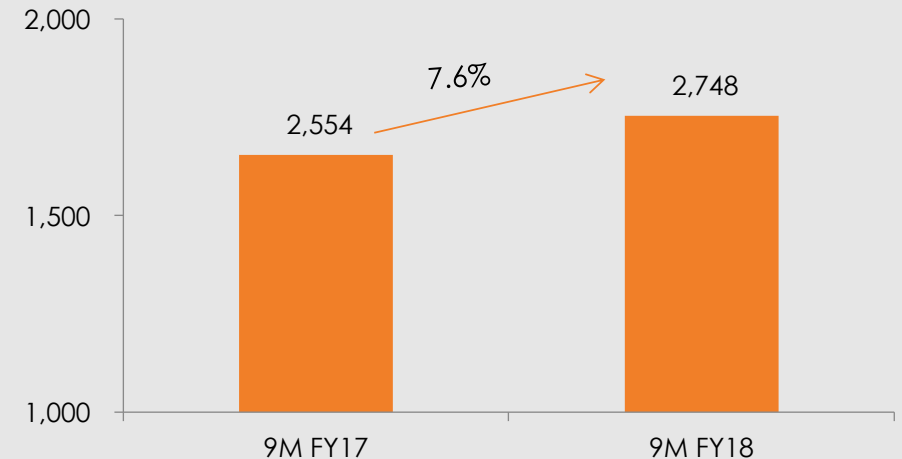
Other Media:

- Shemaroo also distributes its contents to other media platforms like Airborne rights for In-flight entertainment, Overseas, International Film festivals, etc.
- The company has a market presence in USA, UK, Canada, UAE, Australia, East Europe, Singapore and North Africa

Q3 FY18 Traditional Media Performance



9M FY18 Traditional Media Performance



HISTORICAL CONSOLIDATED INCOME STATEMENT (iGAAP)



| Particulars (INR Mn) | FY13 | FY14 | FY15 | FY16 | FY17 |
|--|---------------|---------------|---------------|---------------|---------------|
| Revenue from Operations | 2,147 | 2,646 | 3,234 | 3,751 | 4,255 |
| Other Income | 14 | 13 | 13 | 16 | 30 |
| Total Revenue | 2,161 | 2,659 | 3,247 | 3,767 | 4,285 |
| Total Expenses | 1,574 | 2,003 | 2,366 | 2,675 | 2,980 |
| EBITDA | 587 | 657 | 881 | 1,092 | 1,305 |
| EBITDA Margin (%) | 27.16% | 24.71% | 27.13% | 28.99% | 30.46% |
| Depreciation | 30 | 30 | 37 | 37 | 43 |
| Finance Cost | 183 | 192 | 212 | 228 | 323 |
| PBT | 374 | 435 | 632 | 827 | 939 |
| Tax | 128 | 165 | 222 | 307 | 342 |
| PAT | 247 | 270 | 410 | 520 | 597 |
| Share of profit/ (loss) in associate company | (11) | 1 | (1) | 1 | 18 |
| PAT after adjustments | 236 | 272 | 409 | 521 | 615 |
| PAT Margin (%) | 10.92% | 10.23% | 12.60% | 13.89% | 14.35% |
| Diluted EPS | 12.42 | 13.68 | 17.35 | 19.18 | 22.62 |

HISTORICAL CONSOLIDATED BALANCE SHEET (iGAAP)



| Equity and Liabilities (INR Mn.) | FY15 | FY16 | FY17 |
|----------------------------------|--------------|--------------|--------------|
| Shareholders Fund | | | |
| Share Capital | 272 | 272 | 272 |
| Reserves and Surplus | 2,902 | 3,377 | 3,994 |
| Net worth | 3,174 | 3,649 | 4,266 |
| Minority Interest | | (8) | (32) |
| Non Current Liabilities | | | |
| Long Term borrowings | 3 | 229 | 125 |
| Deffered tax liabilities | 68 | 67 | 67 |
| Long tem provisions | 5 | 7 | 9 |
| | 76 | 303 | 201 |
| Current Liabilities | | | |
| Short Term Borrowings | 1,054 | 1,544 | 2,616 |
| Trades payables | 165 | 105 | 195 |
| Other Current Liabilities | 339 | 395 | 316 |
| Short Term Provisions | 77 | 139 | 246 |
| | 1,635 | 2,183 | 3,373 |
| Total | 4,885 | 6,127 | 7,808 |

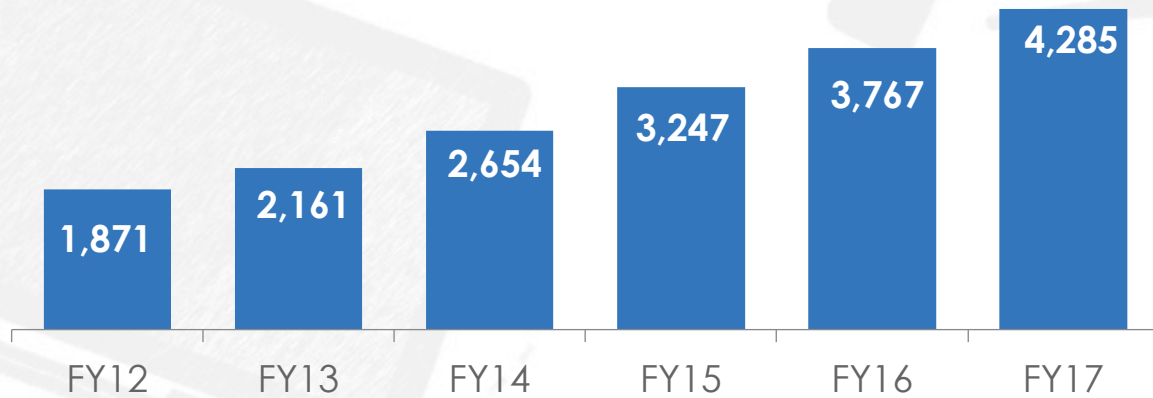
| Assets (INR Mn.) | FY15 | FY16 | FY17 |
|---------------------------------|--------------|--------------|--------------|
| Non Current Fixed Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 287 | 285 | 337 |
| Intangible assets | 8 | 11 | 10 |
| Capital WIP | - | 14 | - |
| Total Fixed Assets | 295 | 310 | 347 |
| Non Current Investments | 168 | 81 | 72 |
| Long Term Loan and Advances | 71 | 65 | 72 |
| Trade receivables | - | - | - |
| Other Non Current Assets | 1 | 28 | 19 |
| | 240 | 485 | 510 |
| Current Assets | | | |
| Inventories | 2,887 | 3,876 | 5,004 |
| Trade Receivables | 1,268 | 1,069 | 1,914 |
| Cash and cash equivalentents | 25 | 19 | 19 |
| Short Term loan and advances | 170 | 13 | 3 |
| Other Current Assets | - | 665 | 358 |
| Total | 4,885 | 6,127 | 7,808 |

HISTORICAL CONSOLIDATED FINANCIAL CHARTS



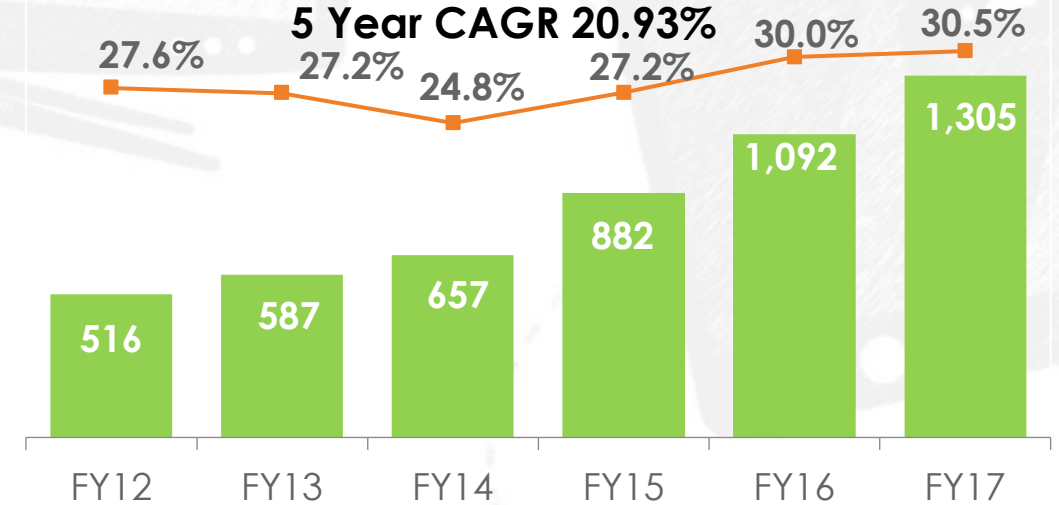
Total Income (INR Mn)

5 Year CAGR 18.03 %



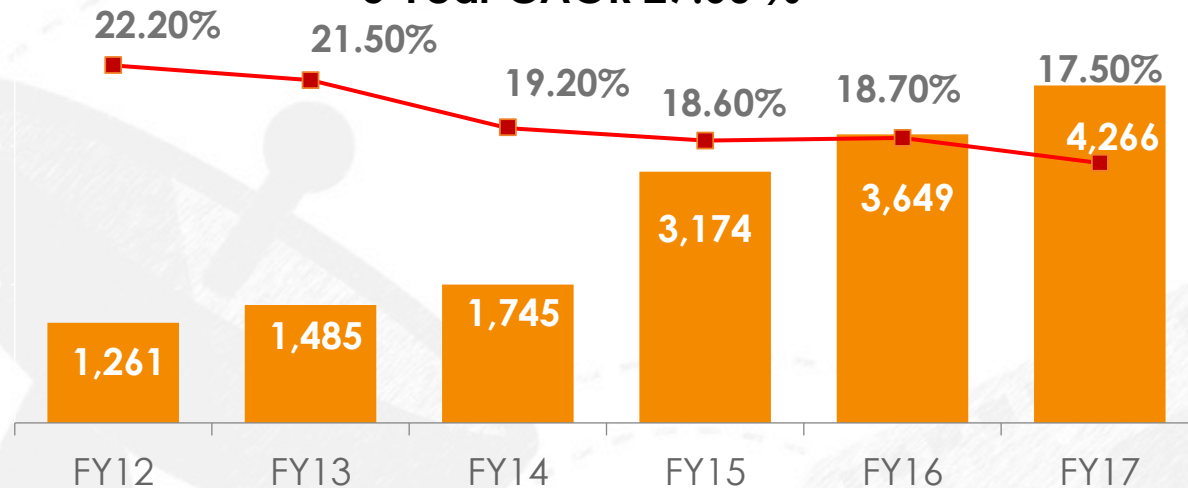
EBITDA (INR Mn) and EBITDA Margin (%)

5 Year CAGR 20.93%



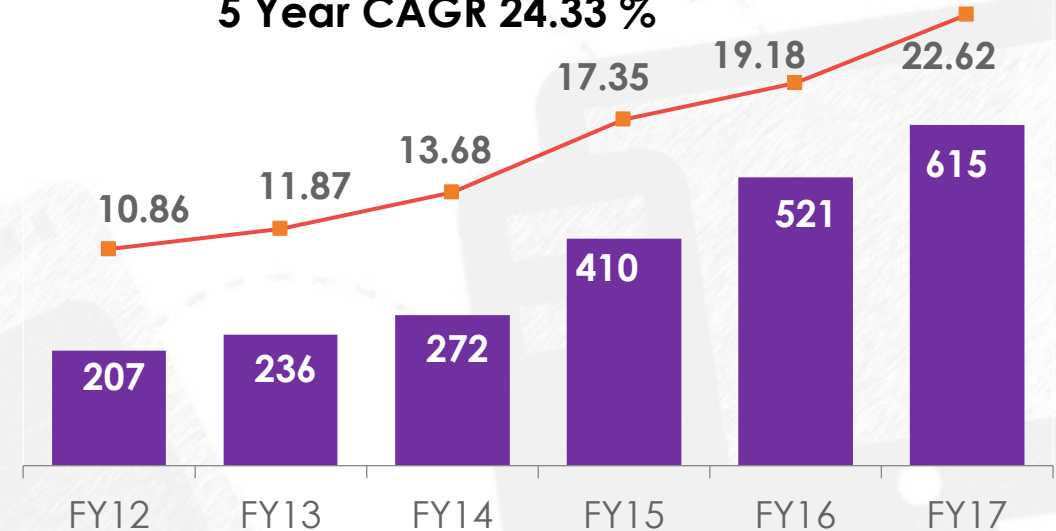
Net Worth (INR Mn) and RoCE (%)

5 Year CAGR 27.60 %

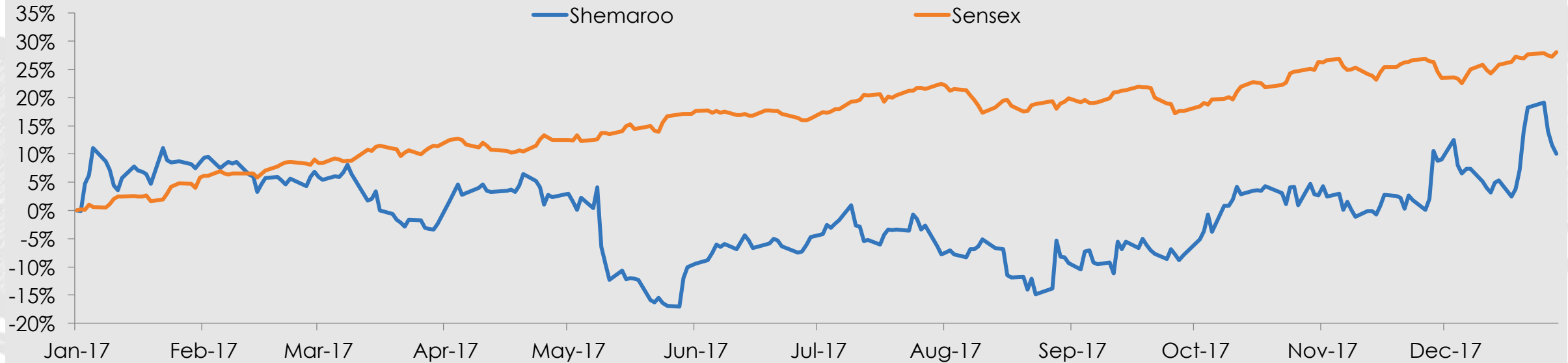


PAT (INR Mn) and EPS

5 Year CAGR 24.33 %



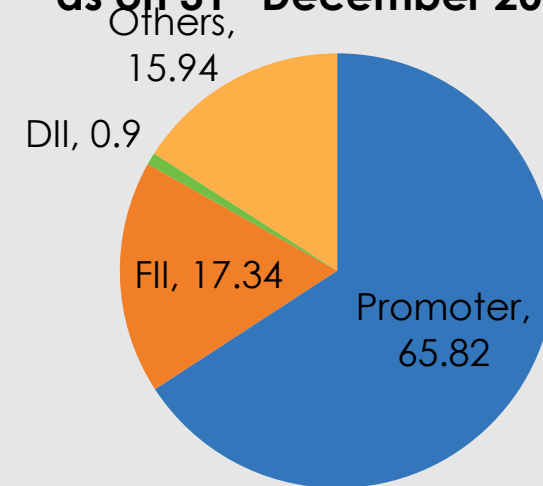
CAPITAL MARKET



Price Data (As of 31st December, 2017)

| | INR |
|-----------------------------------|--------------|
| Face Value | 10 |
| Market Price | 425.55 |
| 52 Week H/L | 478.6/316.55 |
| Market Cap (INR Mn) | 11,567.4 |
| Equity Shares Outstanding (Mn) | 27.18 |
| 1 Year Avg. Trading Volume ('000) | 31.80 |

Shareholding Pattern as on 31st December 2017



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