



SHEMAROO ENTERTAINMENT LIMITED

Q4-FY17/ FY17

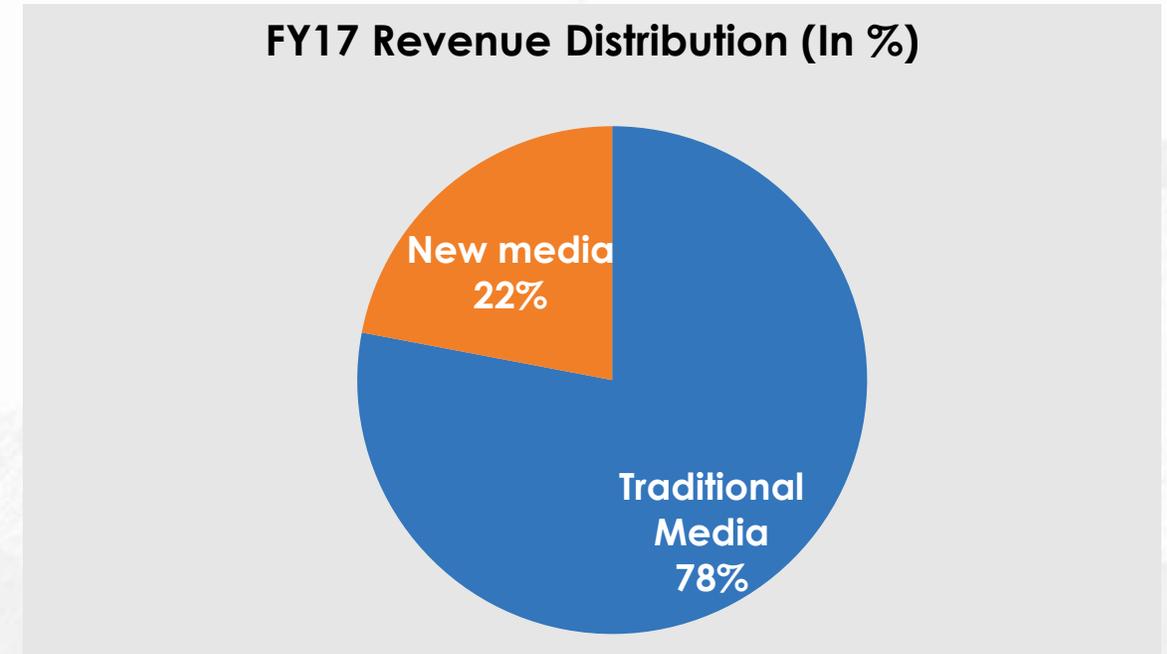
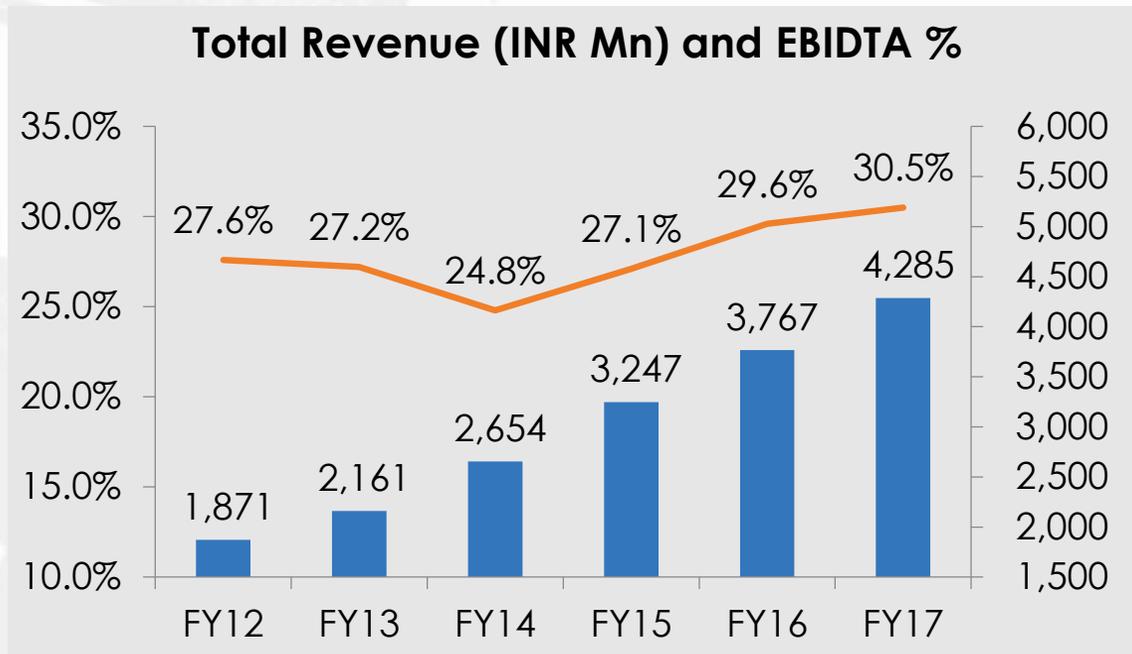
Earnings Presentation



# 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.





# Q4 / FY17 HIGHLIGHTS

# Q4/FY17 KEY FINANCIAL HIGHLIGHTS



## Q4-FY17 performance (Consolidated):

- **Total Income\***: INR 993 mn; (13.08)% QoQ; (3.50)% YoY
- **EBITDA**: INR 323 mn; 0.62% QoQ; (4.72)% YoY
- **EBITDA Margin**: 32.53%; 467 bps QoQ; (41) bps YoY
- **PAT after Adjustments**: INR 138 mn; (4.82)% QoQ (16.36)% YoY
- **Net Profit Margin**: 13.89%; 120 bps QoQ (216) bps YoY
- **Diluted EPS**: 5.07 INR /share

\* - Includes Other Income

## FY17 performance (Consolidated):

- **Total Income\***: INR 4,255 mn; 13.75% YoY
- **EBITDA**: INR 1,305 mn; 19.51% YoY
- **EBITDA Margin**: 30.46%; 147 bps YoY
- **PAT after Adjustments**: INR 615 mn; 18.04% YoY
- **Net Profit Margin**: 13.93 %; 4 bps YoY
- **Diluted EPS**: 22.62 INR /share

## DIVISIONAL BREAKUP (STANDALONE):

INR Mn	Q4 – FY 2017	Q4 – FY 2016	YOY Growth	FY 2017	FY 2016	YOY Growth
<b>New Media</b>	<b>248</b>	<b>177</b>	<b>40.1%</b>	<b>923</b>	<b>635</b>	<b>45.4%</b>
<b>Traditional Media</b>	<b>697</b>	<b>851</b>	<b>(18.1)%</b>	<b>3,224</b>	<b>3,113</b>	<b>3.6%</b>
<b>Income from Operations</b>	<b>945</b>	<b>1,028</b>	<b>(8.1)%</b>	<b>4,147</b>	<b>3,748</b>	<b>10.6%</b>

# KEY OPERATIONAL HIGHLIGHTS

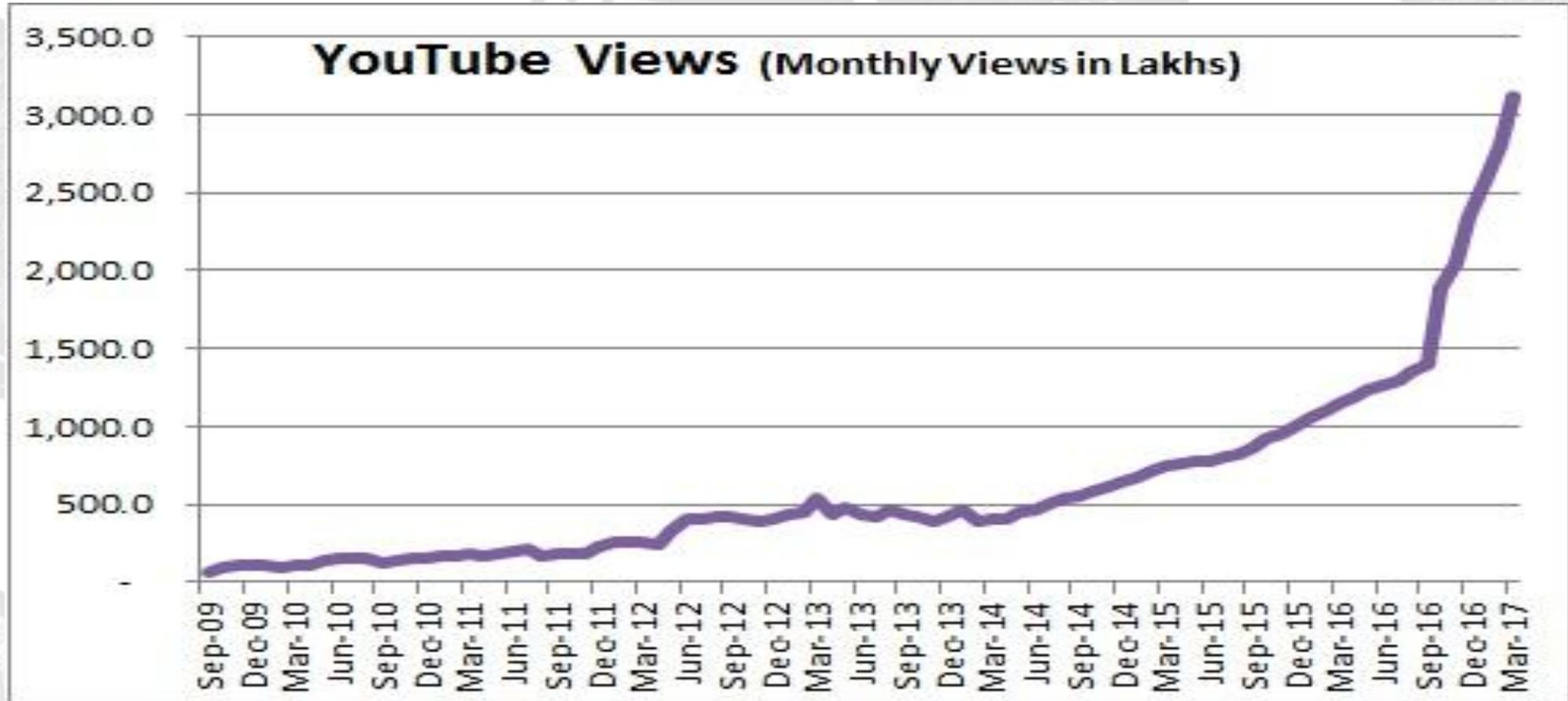


- Traditional Media business was affected until the better half of the quarter due to continued slowdown in ad spends post demonetization, although this effect has normalised to larger extent in Q1FY18
- Renewed deal and also signed a further content deal with Reliance Jio
- Crossed 2 million subscribers on our YouTube channel 'Filmi Gaane'
- Crossed 5 lakh subscribers on our YouTube channel 'Shemaroo Movies'
- There is a significant spike in overall YouTube views in Q3 & Q4 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
- Punjabi & Gujarati regional language Services launched with Videocon d2h in Jan 2017
- Shemaroo's digital campaign on Twitter, #FilmiGaaneAntakshari, won the prestigious 'India Digital Awards' organized by Internet and Mobile Association of India (IAMAI) in the category of Social Media Marketing Campaign and the 'Gold Abby' at the Goa Fest 2017 organized by The Advertising Club Bombay and Advertising Agencies Association of India

# KEY OPERATIONAL HIGHLIGHTS



YouTube Monthly Views Graph till March 2017:



# Q4 FY17 CONSOLIDATED FINANCIAL HIGHLIGHTS



Particulars (INR Mn.)	Q4 FY17	Q3 FY17	Q-o-Q	Q4 FY16	Y-o-Y
Revenue from Operations	986	1,135	(13.13)%	1,029	(4.18)%
Other Income	7	17	(58.82)%	0	100%
<b>Total Revenue</b>	<b>993</b>	<b>1,152</b>	<b>(13.80)%</b>	<b>1,029</b>	<b>(3.50)%</b>
Total Expenses	670	831	(19.37)%	690	(2.90)%
<b>EBITDA</b>	<b>323</b>	<b>321</b>	<b>0.62%</b>	<b>339</b>	<b>(4.72)%</b>
<b>EBITDA Margin (%)</b>	<b>32.53%</b>	<b>27.86%</b>	<b>467 Bps</b>	<b>32.94%</b>	<b>(41) Bps</b>
Depreciation	11	11	0.00%	10	10.00%
Finance Cost	99	83	19.28%	72	.37.50%
<b>PBT</b>	<b>213</b>	<b>227</b>	<b>(6.17)%</b>	<b>257</b>	<b>(17.12)%</b>
Tax	75	84	(10.71)%	97	(22.68)%
<b>PAT</b>	<b>138</b>	<b>143</b>	<b>(3.50)%</b>	<b>160</b>	<b>(13.75)%</b>
Minority Interest & Share of profit/ (loss) in associate company	0	2	(100)%	5	(100)%
<b>PAT after adjustments</b>	<b>138</b>	<b>145</b>	<b>(4.82)%</b>	<b>165</b>	<b>(16.36)%</b>
<b>PAT Margin (%)</b>	<b>13.89%</b>	<b>12.59%</b>	<b>120 Bps</b>	<b>16.03%</b>	<b>(216) Bps</b>
Diluted EPS	5.07	5.35	(5.23)%	6.05	(16.21)%

# FY17 YEARLY CONSOLIDATED FINANCIAL HIGHLIGHTS



Particulars (INR Mn.)	FY17	FY16	Y-o-Y
Revenue from Operations	4,255	3,751	13.44%
Other Income	30	16	87.50%
<b>Total Revenue</b>	<b>4,285</b>	<b>3,767</b>	<b>13.75%</b>
Total Expenses	2,980	2,675	11.40%
<b>EBITDA</b>	<b>1,305</b>	<b>1,092</b>	<b>19.51%</b>
<b>EBITDA Margin (%)</b>	<b>30.46%</b>	<b>28.99%</b>	<b>147 bps</b>
Depreciation	43	37	16.22%
Finance Cost	323	228	41.67%
<b>PBT</b>	<b>939</b>	<b>827</b>	<b>13.54%</b>
Tax	342	307	11.40%
<b>PAT</b>	<b>597</b>	<b>520</b>	<b>14.81%</b>
Minority Interest & Share of profit/ (loss) in associate company	18	1	NA
<b>PAT after adjustments</b>	<b>615</b>	<b>521</b>	<b>18.04%</b>
<b>PAT Margin (%)</b>	<b>14.35%</b>	<b>13.89%</b>	<b>46 bps</b>
Diluted EPS	22.62	19.18	17.92%

# NEW MEDIA



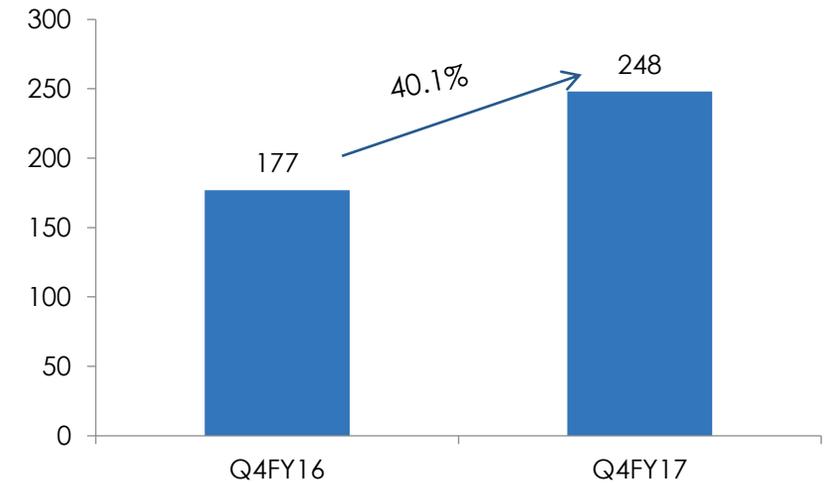
*Shemaroo was one of the early Indian media companies to syndicate its library in the high growth new media platforms, thereby gaining first mover advantage*

- 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

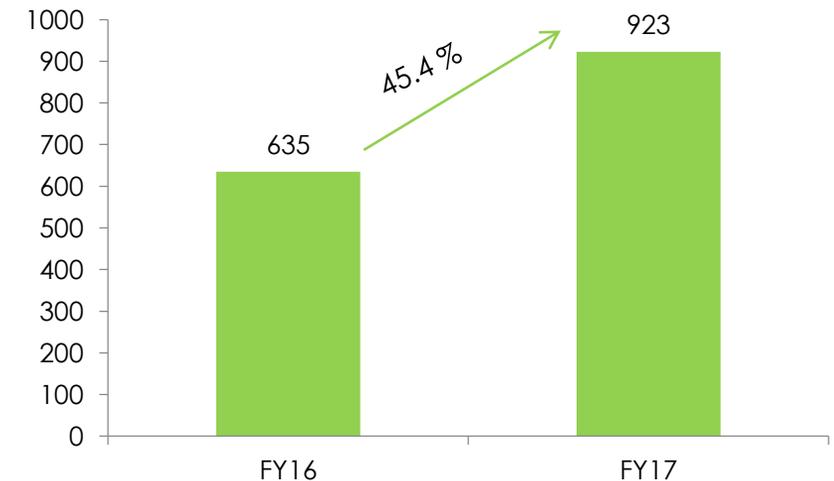
## New Media Presence

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>

Q4 FY17 Revenue (INR Mn)



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.

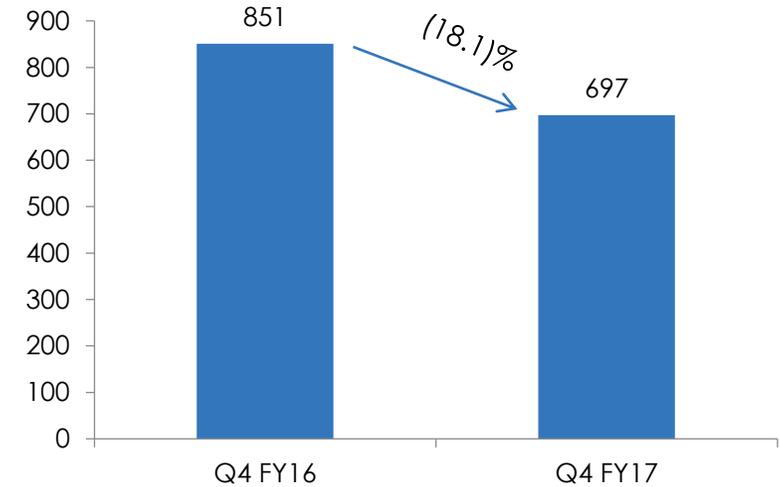
### Home Entertainment:

- 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.

Q4 FY17 Revenue (INR Mn)



FY17 Revenue (INR Mn)



# HISTORICAL CONSOLIDATED INCOME STATEMENT



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
<b>Total Revenue</b>	<b>2,161</b>	<b>2,659</b>	<b>3,247</b>	<b>3,767</b>	<b>4,285</b>
Total Expenses	1,574	2,003	2,366	2,675	2,980
<b>EBITDA</b>	<b>587</b>	<b>657</b>	<b>881</b>	<b>1,092</b>	<b>1,305</b>
<b>EBITDA Margin (%)</b>	<b>27.16%</b>	<b>24.71%</b>	<b>27.13%</b>	<b>28.99%</b>	<b>30.46%</b>
Depreciation	30	30	37	37	43
Finance Cost	183	192	212	228	323
<b>PBT</b>	<b>374</b>	<b>435</b>	<b>632</b>	<b>827</b>	<b>939</b>
Tax	128	165	222	307	342
<b>PAT</b>	<b>247</b>	<b>270</b>	<b>410</b>	<b>520</b>	<b>597</b>
Share of profit/ (loss) in associate company	(11)	1	(1)	1	18
<b>PAT after adjustments</b>	<b>236</b>	<b>272</b>	<b>409</b>	<b>521</b>	<b>615</b>
<b>PAT Margin (%)</b>	<b>10.92%</b>	<b>10.23%</b>	<b>12.60%</b>	<b>13.89%</b>	<b>13.93%</b>
Diluted EPS	12.42	13.68	17.35	19.18	22.62

# HISTORICAL CONSOLIDATED BALANCE SHEET



Equity and Liabilities (INR Mn.)	FY14	FY15	FY16	FY17
<b>Shareholders Fund</b>				
Share Capital	199	272	272	272
Reserves and Surplus	1,546	2,902	3,377	3,994
<b>Net worth</b>	<b>1,745</b>	<b>3,174</b>	<b>3,649</b>	<b>4,266</b>
Minority Interest			(8)	(32)
<b>Non Current Liabilities</b>				
Long Term borrowings	101	3	229	125
Deffered tax liabilities	85	68	67	67
Long tem provisions	6	5	7	9
	<b>192</b>	<b>76</b>	<b>303</b>	<b>201</b>
<b>Current Liabilities</b>				
Short Term Borrowings	1,411	1,054	1,544	2,616
Trades payables	306	165	105	195
Other Current Liabilities	380	339	395	316
Short Term Provisions	89	77	139	246
	<b>2,186</b>	<b>1,635</b>	<b>2,183</b>	<b>3,373</b>
<b>Total</b>	<b>4,123</b>	<b>4,885</b>	<b>6,127</b>	<b>7,808</b>

Assets (INR Mn.)	FY14	FY15	FY16	FY17
<b>Non Current Fixed Assets</b>				
<b>Fixed Assets</b>				
Tangible Assets	332	287	-	-
Intangible assets	9	8	-	-
Intangible assets under development	-	-	-	-
<b>Total Fixed Assets</b>	<b>341</b>	<b>295</b>	<b>311</b>	<b>347</b>
Non Current Investments	89	168	81	72
Long Term Loan and Advances	61	71	65	72
Trade receivables	-	-	-	-
Other Non Current Assets	1	1	28	19
	<b>151</b>	<b>240</b>	<b>485</b>	<b>510</b>
<b>Current Assets</b>				
Inventories	2,005	2,887	3,876	5,004
Trade Receivables	1,405	1,268	1,069	1,914
Cash and cash equivalentents	9	25	19	19
Short Term loan and advances	190	170	13	3
Other Current Assets	22	-	665	358
<b>Total</b>	<b>4,123</b>	<b>4,885</b>	<b>6,127</b>	<b>7,808</b>

# CONSOLIDATED FINANCIAL CHARTS



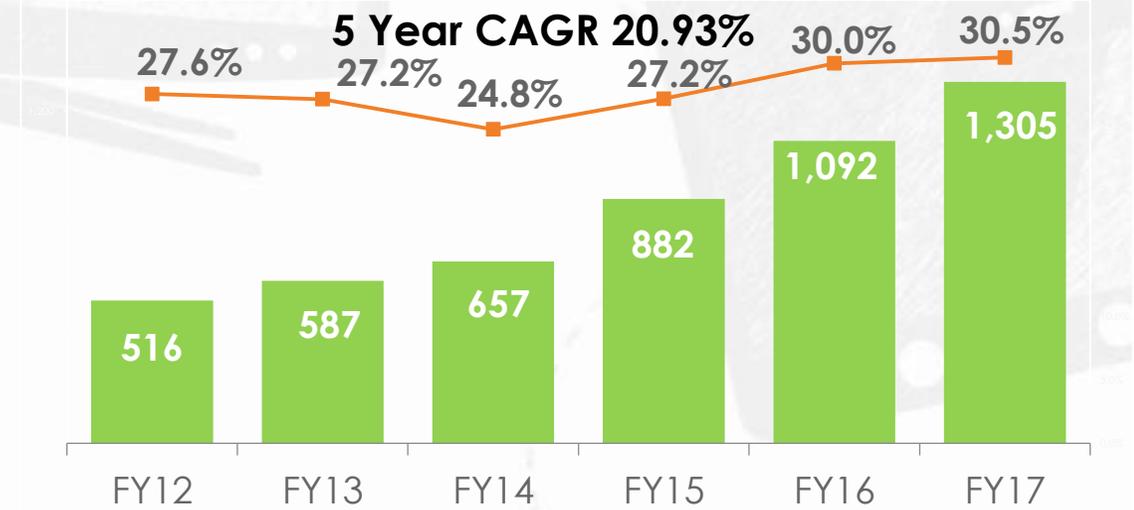
## Total Income (INR Mn)

5 Year CAGR 18.03 %



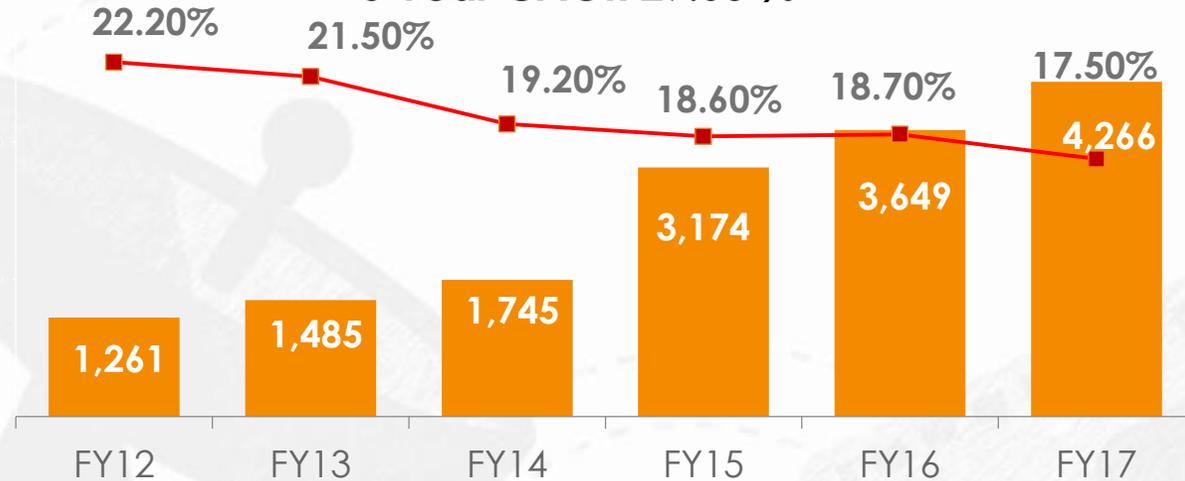
## EBITDA (INR Mn) and EBITDA Margin (%)

5 Year CAGR 20.93%



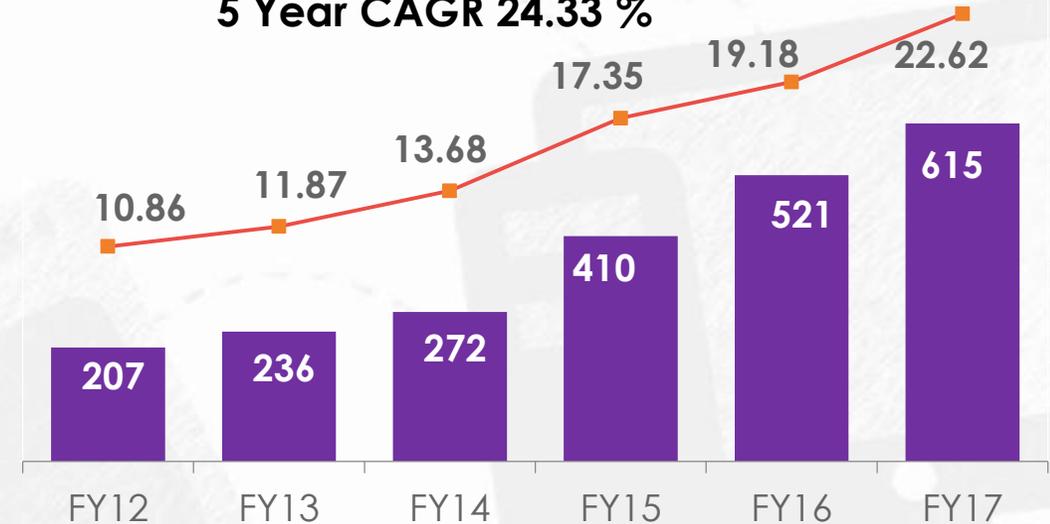
## Net Worth (INR Mn) and RoCE (%)

5 Year CAGR 27.60 %

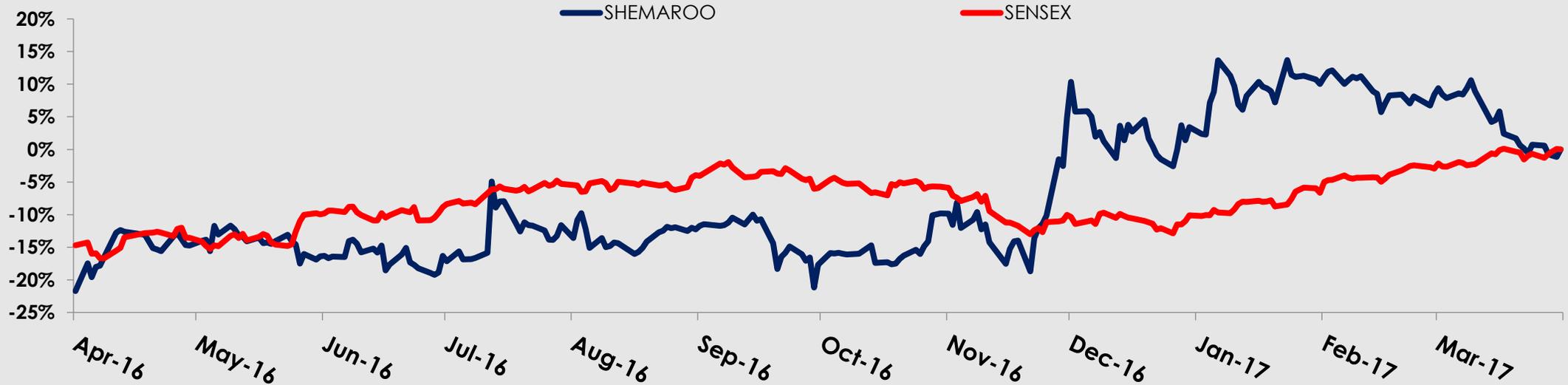


## PAT (INR Mn) and EPS

5 Year CAGR 24.33 %



# CAPITAL MARKET DATA

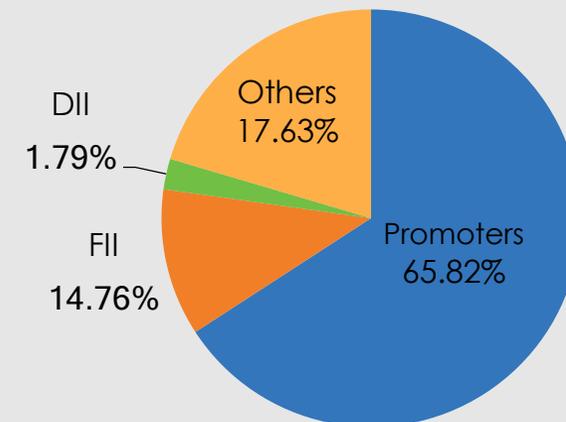


## Price Data (As of 31<sup>st</sup> March, 2017)

INR

Face Value	10
Market Price	377.5
52 Week H/L	439/294
Market Cap (INR Mn)	10,268
Equity Shares Outstanding (Mn)	27.18
1 Year Avg. Trading Volume ('000)	64.55

## Shareholding Pattern as on 31<sup>st</sup> March 2017



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