



PRIME FOCUS
L I M I T E D

February 18, 2019

To,
The National Stock Exchange of India Limited
Listing Department
Exchange Plaza,
Bandra-Kurla Complex
Bandra East, Mumbai - 400 051
Fax Nos.: 26598237 / 26598238

To,
BSE Limited
Listing Department
Phiroze Jeejebhoy Towers,
Dalal Street,
Mumbai - 400 001
Fax Nos.:22723121/2037/2039

Dear Sir/Madam,

Ref.: Scrip Code: BSE – 532748/NSE – PFOCUS

Sub.: Presentation to the Analyst / Institutional Investor on un-audited financial results for the quarter and nine months ended December 31, 2018

Dear Sir / Madam,

Please find enclosed the Presentation to the Analyst / Institutional Investor on un-audited financial results for the quarter and nine months ended December 31, 2018.

Kindly acknowledge the receipt and take the same on record.

Thanking You,

For Prime Focus Limited

Authorised Signatory





PRIME FOCUS LIMITED

Investor Presentation
February 2019



Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements.

Prime Focus will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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FY19 Performance

Continue to deliver steady growth on the back of encouraging macro tailwinds in Creative Services business



Q3FY19

Consolidated
Income¹

Rs. 678 Cr



**12.7%
YoY**

Adjusted
EBITDA²

Rs. 158 Cr

Adjusted EBITDA¹
Margin

23.3%

PAT³

Rs. 26 Cr



PAT Margin
3.9%

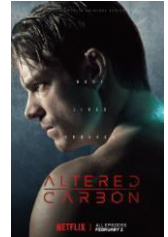
DNEG project - **First Man** has been nominated in the 'Visual Effects' category at 91st Oscars



First Man
Paul Lambert, Ian Hunter,...

OSCARS

DNEG won awards for both **First Man and TV Series Altered Carbon** at the Visual Effects Society Awards 2019



Worked on 8 out of Top 10 worldwide top grossers of 2018, including 2 in this quarter



Source: boxofficemojo.com

¹ Consolidated Income adjusted for One time gain of Rs. 19cr

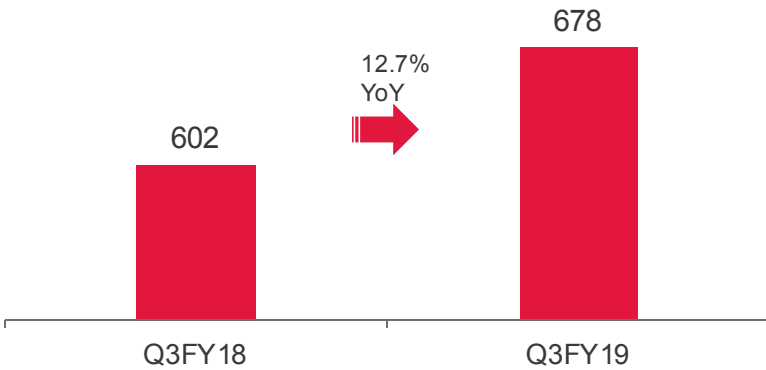
² Adjusted for Non-Cash ESOP charges and one time loss (net) of Rs. 4Cr

³ PAT before minority interest

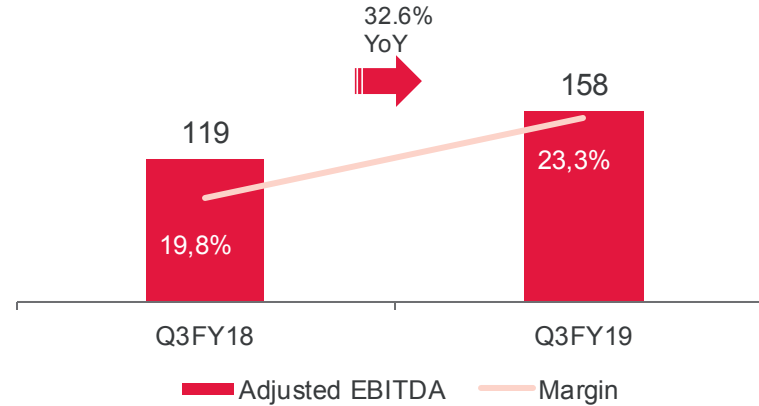
Q3FY19 – Steady growth driven by Creative Services business



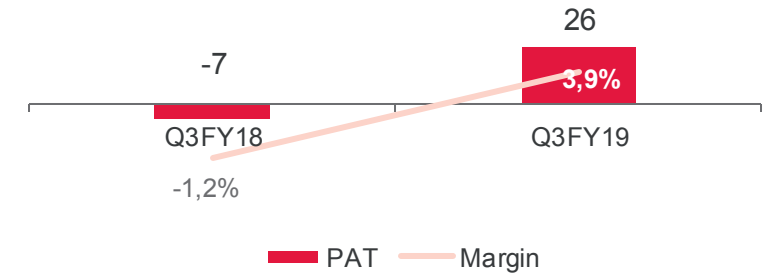
Revenues¹



Adjusted EBITDA¹



PAT²



Figures in Rs Crore; Consolidated financials

- Consolidated revenues grew 12.7% YoY to reach Rs 678 Cr driven by growth in Creative Services business
 - Business performance reflecting the benefits of increased content spend across studios, OTT platforms and cable networks – continues to be buoyant; helping augment Order Book in India and overseas
- Adjusted EBITDA at Rs 158 Cr while adjusted EBITDA margin was at 23.3%
- Non Cash ESOP charges stood at Rs. 3 Cr for the quarter; One-time non-cash charge provisioned in the quarter of Rs. 4cr (net) on prior period items
- Interest and Finance charges at Rs. 58 Cr; Includes one time processing fee charges of Rs.13cr expensed due to refinancing of facilities at DNEG; expected to stabilise going forward
- **PAT before minority interest +ve for the quarter - stood at Rs. 26 Cr with margin at 3.9%**

¹ Q3 FY19 revenue adjusted for one time gain of Rs.19cr; Q3FY19 EBITDA adjusted for Non-Cash ESOP charges and one time loss (net) of Rs.4Cr [i.e. Rs.19cr of one time gain less Rs.23cr of one time expense]

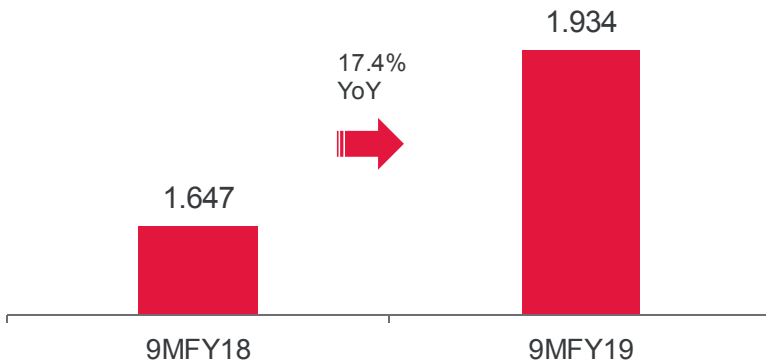
Q3 FY18 revenues and EBITDA adjusted for Rs.8cr on adoption of IFRS 15

² PAT before minority interest

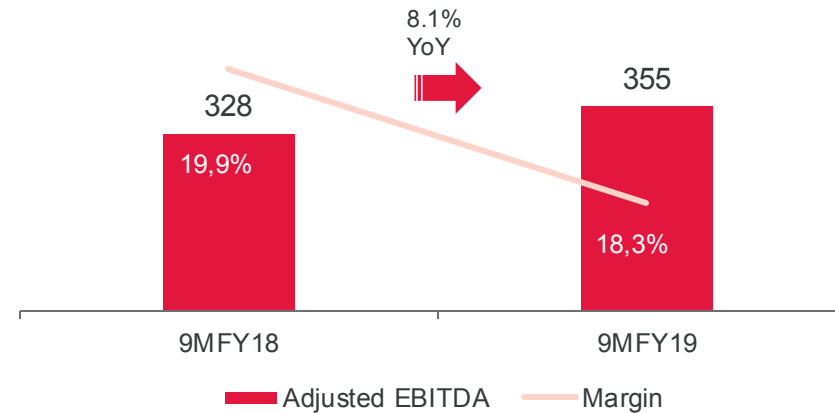
9MFY19 – continue to deliver growth led by Creative Services



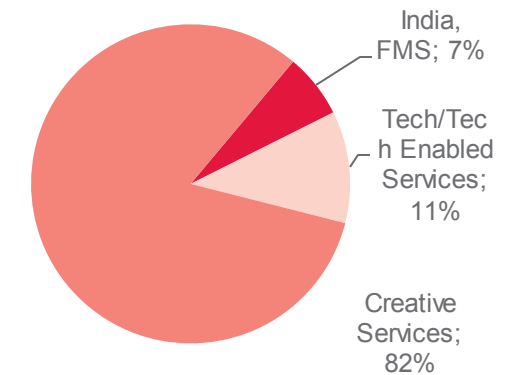
Revenue



Adjusted EBITDA¹



Revenue contribution



Figures in Rs Crore; Consolidated financials

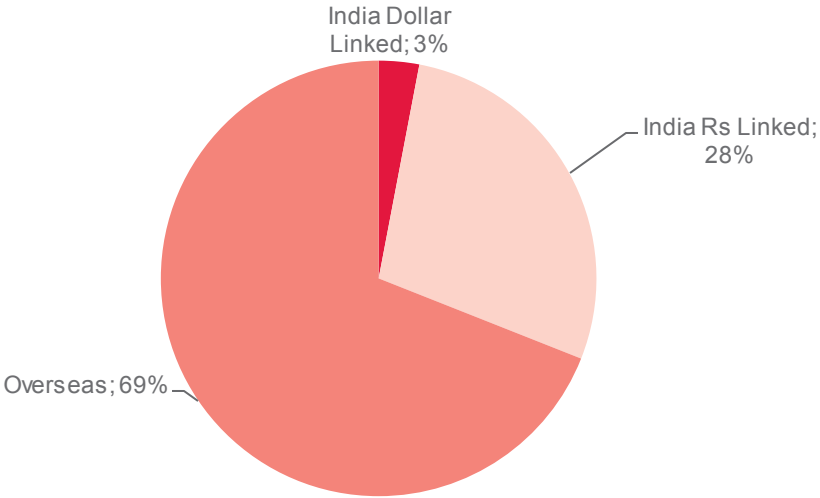
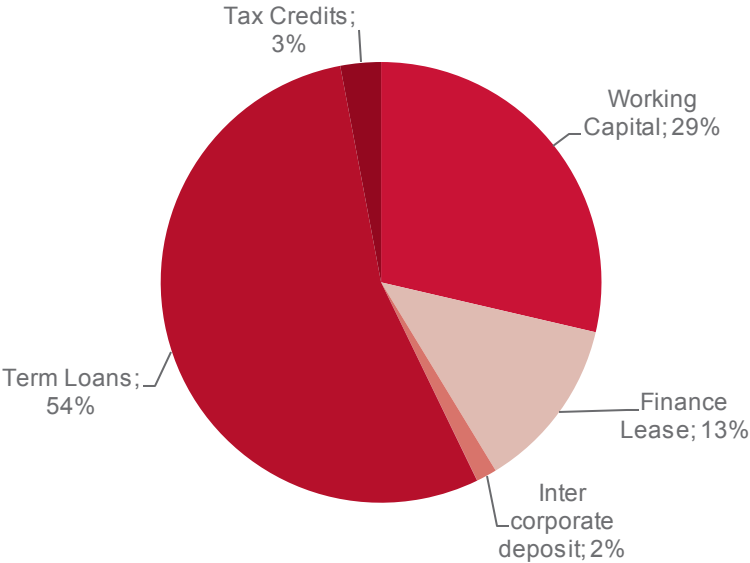
- Consistent growth in revenue and profitability driven by strong Macro tailwinds especially in Creative Services business
- Enhanced scale of the business – adding new locations like Montreal to increase capacity to cater to the burgeoning demand – having transient impact on margins – expected to rationalize in quarters ahead
- Continue to focus on upscaling and upskilling Indian artists to create a better margin profile
- Finance charges includes Rs.40cr of one-time charges on account of premature buyback of putt-able instrument and one-time processing fee charge on refinancing of overseas facilities; SCPE NCDs redeemed in full – expected to smoothen Finance costs going forward

Debt profile



- Consolidated Net Debt of Rs.2,040cr as on 31st December 2018
 - Successfully redeemed SCPE NCDs in full during the quarter
- Right sizing the Balance Sheet; continued efforts towards reduction in Interest cost with more overseas loans to match business cash flows – Dollar overseas debt now 69% of the total Debt across the group whereas ~85% of the business is overseas

Debt Composition Geographical Breakup

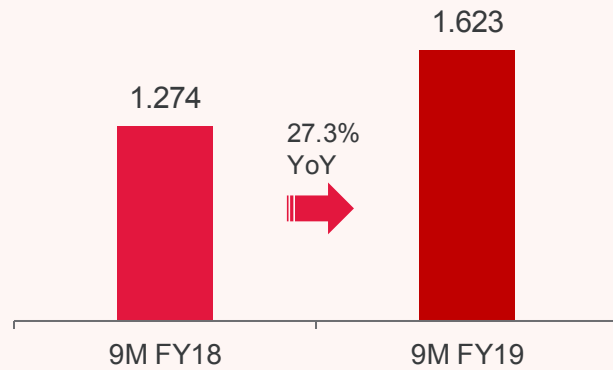


\$1 = 69.44

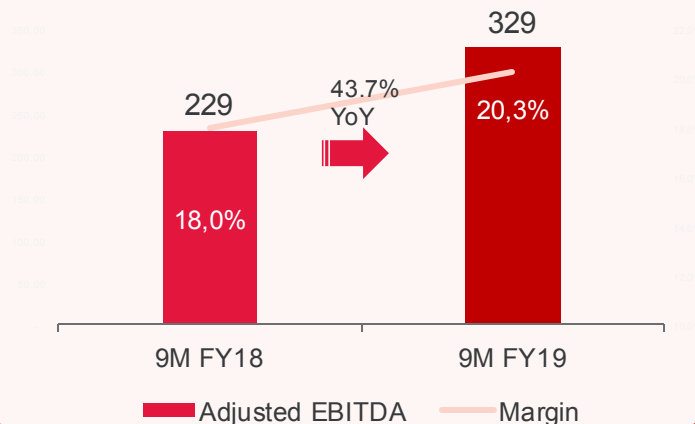
Note: Equity Instruments of Horizon Coast and Ambit PE is not included

Divisional Analysis

Revenues¹



Adjusted EBITDA¹



Revenue up 27.3% YoY

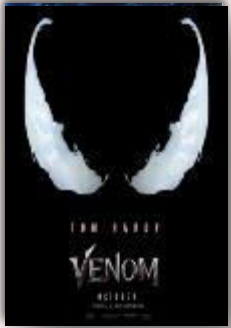
- Strong execution of VFX projects and continued broad basing in revenues with higher share coming from OTT / TV
- Revenues from new geographies continue to bolster growth
- Delivered Hollywood blockbusters like *Venom*, *Bohemian Rhapsody*, *Fantastic Beasts: The Crimes of Grindelwald* etc.
- Upcoming releases for next quarter include projects like *Alita: Battle Angel* and *Greyhound*
- Continue to have a robust Order book with high visibility



Highlights

- DNEG honoured with two Visual Effects Society Awards at the 17th Annual VES Awards Gala for its work on *First Man* and *Altered Carbon* (Netflix)
- DNEG's Talent Acquisition team won the gold award for Best International Recruitment at this year's In-house Recruitment Awards (IHRA)
- Continue to focus on upscaling and upskilling Indian artists to create a better margin profile

Top releases for Q3FY19



**\$850+
mn**

Venom



**\$650+
mn**

Fantastic Beasts: The
Crimes of Grindelwald



**\$800+
mn**

Bohemian Rhapsody



**\$100+
mn**

First Man



**\$30+
mn**

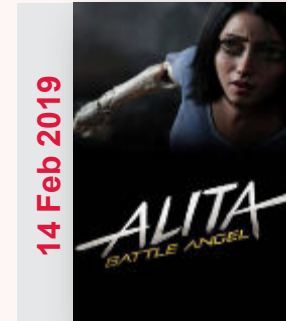
Bad Times at El Royale



**\$38+
mn**

Holmes & Watson

Upcoming movies for FY19



14 Feb 2019

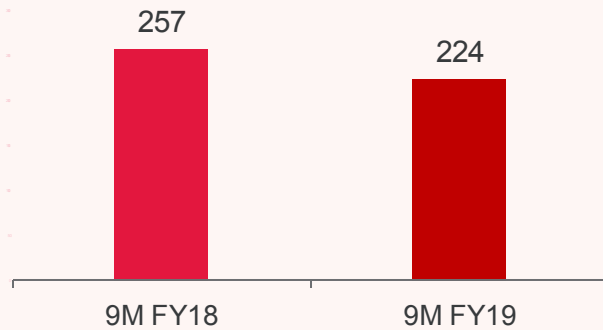
Alita: Battle Angel



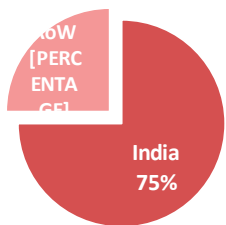
22 Mar 2019

Greyhound

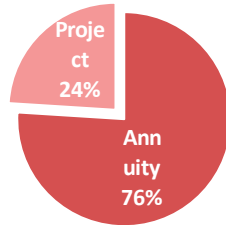
Revenues



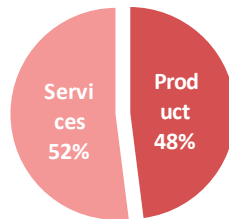
Quality of Revenue – Q3 FY 19



By Geography



By Contract type



By Product Mix

Figures in Rs Crores; Consolidated financials

Key highlights:

- Positive traction on few smaller tenure RFPs; continue to focus on longer tenure Tech led engagements especially in the West
- Continue to invest in business development and sales efforts globally ahead of time
- PFT won TV Technology's 2018 Product Innovation Award**
PFT was awarded TV Technology's 2018 Product Innovation Award for its ground-breaking native media recognition Artificial Intelligence (AI) platform, CLEAR™ Vision Cloud

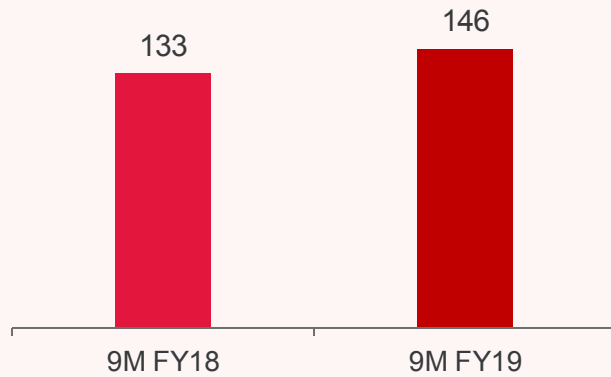
Prime Focus Technologies' TVC for Oppo F7 Smartphone Featured in YouTube's 'Top 10 Ads of the Year'

Continues to sign new contracts with existing and new clients

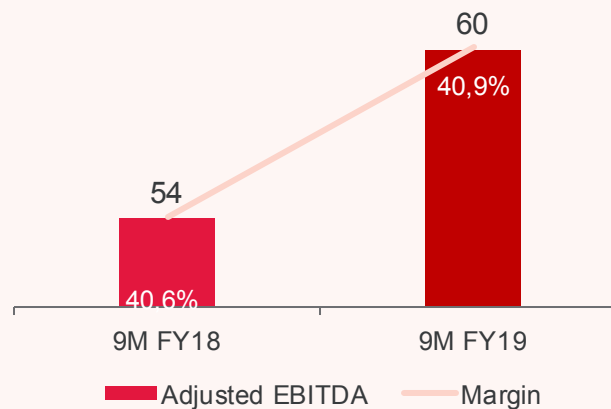


India FMS Revenue stable and margins maintained at reasonable levels

Revenue



Adjusted EBITDA¹



Figures in Rs Crores; Consolidated financials

Highlights:

- Stable revenues with stable EBITDA margins
- Worked on the recently released *Mannikarnika* and other top blockbusters like *2.0*, *Andhadhun*, *Thugs of Hindostan* etc
- Higher OTT spends helping augment demand for the business
- Foray into 2 new business streams – Music IP creation and Digital Lab business - should help bolster growth further in the future



**Rs 145+
cr**



**Rs 185+
cr**

India Net Collection as on 31st Jan '19
source: koimoi.com

Top Releases for the quarter

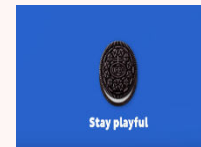


Upcoming Releases for the quarter



Recent TV Commercials

Oreo



Whatsapp



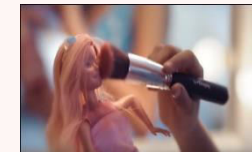
Star TV



Hyundai



Keventers Agro



The image features a vibrant red background with a subtle grid pattern. A white banner with a wavy bottom edge is positioned on the left side. The word "Annexure" is written in a red, sans-serif font on the white banner.

Annexure

Consolidated Profit & Loss Statement



Particulars (Rs Crores)	Q3FY19	Q3FY18	% YoY Variance	Q2FY18	% QoQ Variance	9mFY19	9mFY18	% YoY Variance
Net sales / income from operations	677	598	13%	611	11%	1,912	1,676	14%
Other Income	2	12	-87%	7	-77%	22	27	-16%
Total Income	678	610	11%	618	10%	1,934	1,703	14%
Total Expenditure	520	482	8%	539	-3%	1,579	1,319	20%
Personnel Cost (including technician fees)	389	348	12%	407	-4%	1,194	970	23%
Other Expenditure	131	135	-3%	131	0%	386	349	10%
Income from writeback	-	-	NM	-	NM	-	-	NM
Adj. EBITDA*	158	127	24%	79	100%	355	383	-7%
Non Operating Foreign exchange (loss)/Gain	4	-	NM	-	NM	4	-	NM
EBITDA (including Exch. Gain (net))	154	127	21%	79	95%	351	383	-8%
Depreciation & amortization	77	76	2%	72	8%	220	211	4%
ESOP Charges	3	4	-37%	19	-86%	27	30	-9%
EBIT	74	47	57%	-12	NM	104	143	-27%
Interest & Finance charges	58	45	27%	81	-29%	188	119	57%
PBT Before Exceptional Items	17	2	697%	-93	NM	-84	23	NM
Exceptional Items- Expenditure/ (Income)	-	-	NM	-	NM	-	-	NM
PBT	17	2	697%	-93	NM	-84	23	NM
Tax Expense	-10	9	-205%	-26	-64%	-30	5	NM
PAT before Minority	26	-7	NM	-67	NM	-54	18	NM
Minority Interest	-0	2	-121%	-6	NM	-9	8	NM
PAT	27	-9	NM	-61	NM	-44	10	NM

Key Ratios	Q3FY19	Q3FY18	Q2FY18	9mFY19	9mFY18
Adjusted EBITDA Margin	23%	21%	13%	18%	23%
Total Expenditure/ Revenue	77%	79%	87%	82%	77%
Personnel Cost/ Revenue	57%	57%	66%	62%	57%
Other Expenditure/ Revenue	19%	22%	21%	20%	21%

*Adjusted for Non-Cash ESOP charges

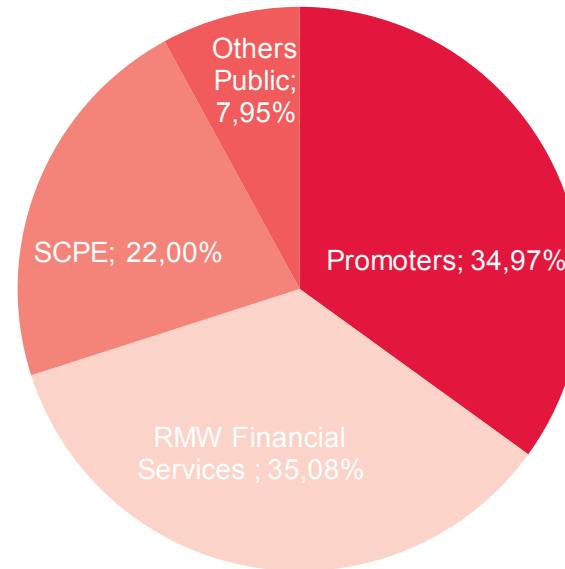
Standalone Profit & Loss Statement



Particulars (Rs Crores)	Q3FY19	Q3FY18	% YoY Variance	Q2FY19	% QoQ Variance	9mFY19	9mFY18	% YoY Variance
Net sales / income from operations	23	33	-30%	36	-36%	94	109	-14%
Other income	23	12	81%	3	562%	34	24	39%
Total Income	46	45	0%	40	14%	127	133	-4%
Total Expenditure	30	26	15%	32	-7%	87	79	10%
Personnel Cost (including technician fees)	14	13	11%	13	4%	40	37	7%
Other Expenditure	16	13	18%	18	-14%	47	41	14%
Adj. EBITDA*	16	20	-19%	8	107%	41	54	-25.3%
Non Operating Foreign exchange (loss)/Gain	19	-	NM	-0	NM	19	-	NM
EBITDA (including Exch. Gain (net))	35	20	78%	8	344%	60	54	10%
Depreciation & amortization	9	9	1%	8	1%	26	24	5%
ESOP Charges	1	4	-79%	16	-95%	21	21	2%
EBIT	26	7	260%	-17	NM	13	9	41%
Interest & Finance charges	13	15	-14%	16	-22%	45	34	33%
PBT Before Exceptional Items	13	-7	NM	-33	NM	-32	-25	NM
Exceptional Items- Expenditure/ (Income)	-	-	NM	-	NM	-	-	NM
PBT	13	-7	NM	-33	NM	-32	-25	NM
Tax Expense	-2	-2	NM	-0	NM	1	-3	NM
PAT	15	-5	NM	-33	NM	-33	-21	NM

Key Ratios	Q3FY19	Q3FY18	Q2FY19	9mFY19	9mFY18
Adj. EBITDA Margin	36%	43%	19%	32%	41%
Total Expenditure/ Revenue	64%	57%	79%	68%	59%
Personnel Cost/ Revenue	30%	28%	34%	31%	28%
Other Expenditure/ Revenue	34%	29%	46%	36%	31%

As on 31st December - 2018
Outstanding shares – 299 mn





Contact us

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www.primefocus.com



About Prime Focus Limited

Prime Focus Limited (PFL), the world's largest independent integrated media services powerhouse, employs over 9,000 professionals in 18 cities across 5 continents and 7 time zones. We provide end-to-end creative services (visual effects, stereo 3D conversion and animation), technology products & services (CLEAR™ Media ERP Suite and Cloud-enabled media services), production services (equipment rental) and post-production services (Digital Intermediate and picture post) to the Media & Entertainment industry.

Listed on the BSE and NSE of India and recognized on the Fortune India 'Next 500' list, Prime Focus has operations in Bangalore, Chandigarh, New Delhi, Goa, Hyderabad, Kolkata, London, Los Angeles, Mumbai, New York, Johannesburg, Capetown, Abu Dhabi, Toronto, Montreal, Chennai, Sydney and Vancouver.

For more details
www.primefocus.com
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