



PRIME FOCUS
L I M I T E D

June 4, 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

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

Sub.: Presentation to the Analyst / Institutional Investor on Audited Financial Results for the quarter and financial year ended March 31, 2019

Dear Sir/ Madam,

Please find enclosed the Presentation to the Analyst / Institutional Investor on audited financial results for the quarter and financial year ended March 31, 2019.

Kindly take the same on record and acknowledge the receipt.

Thanking You.

Yours Faithfully,
For Prime Focus Limited


Authorised Signatory





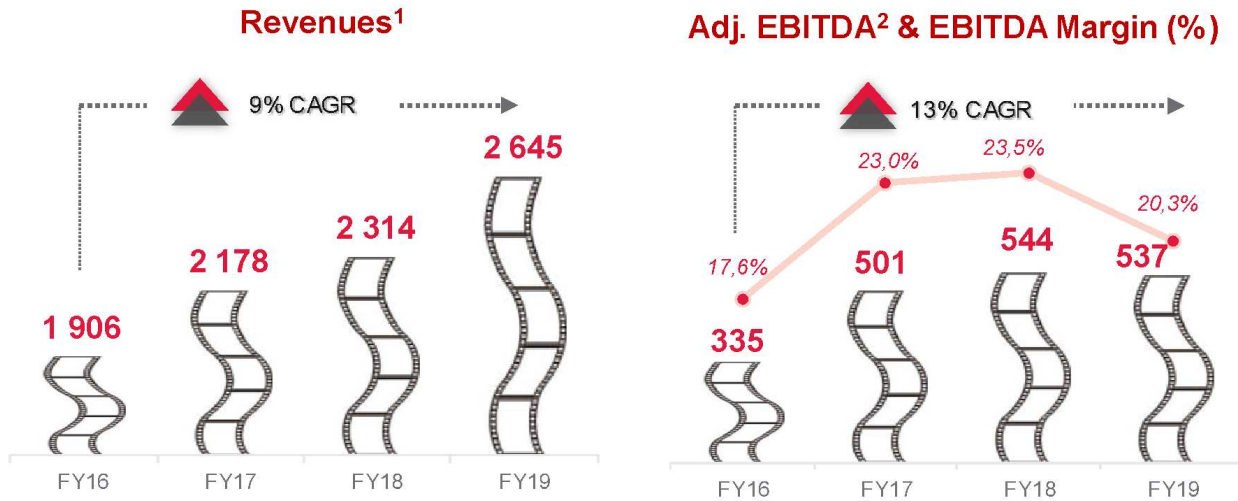
PRIME FOCUS LIMITED

**Investor Presentation
June 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.



Figures in Rs Crore; Consolidated Financials

\$500 mn+

Order Book

9,000+

People

18

Cities

4th Oscar in 5 years for work on *First Man*

2 VES for *First Man* & *Altered Carbon*

1 AS for work on *Mission Impossible: Fallout*

Working with top broadcasters, studios and OTT players



Delivered top Hollywood & Bollywood grossers in FY19

\$2.04 bn	\$1.14 bn	\$1.12 bn	Rs 1.88 bn	Rs 1.65 bn	Rs 1.69 bn
\$0.90 bn	\$0.85 bn	\$0.79 bn	Rs 1.45 bn	Rs 1.23 bn	Rs 1.29 bn

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The background is a solid red color with a subtle, light-colored grid pattern. A white banner with a wavy bottom edge is positioned on the left side of the image. The text "FY19 Performance" is written in red on this banner.

FY19
Performance

Consolidated
Income

Rs. 2,645 Cr



14.3%
YoY

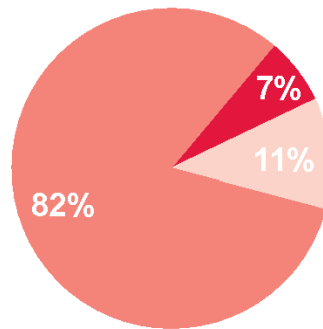
Adjusted
EBITDA¹

Rs. 537 Cr

Adjusted EBITDA
Margin

20.3%

Divisional
Revenue
share



■ India, FMS

■ Tech/Tech Enabled Services

■ Creative Services

DNEG won its Fifth
VFX Oscar for its work
on *First Man* at 91st

OSCARS



Delivered creative services in 8 of top 10
global B.O. hits released in FY19

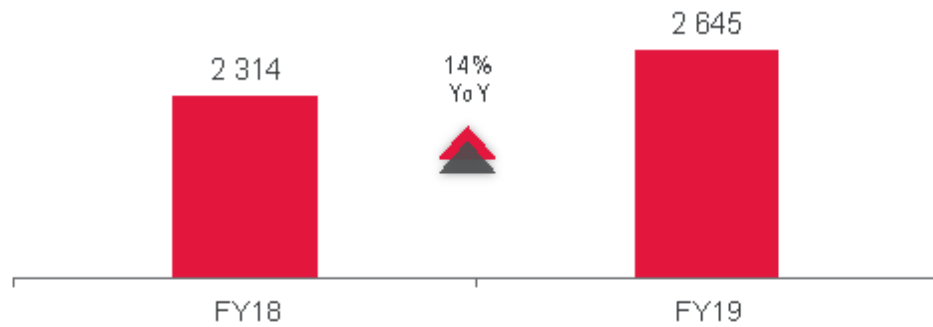
Rank	Movie Name	Collection in \$ mn	PFW/ DNeg
1	Avengers: Infinity War	2,048	Y
2	Jurassic World: Fallen Kingdom	1,309	N
3	Incredibles 2	1,242	N
4	Aquaman	1,147	Y
5	Captain Marvel	1,126	Y
6	Bohemian Rhapsody	903	Y
7	Venom	850	Y
8	Mission Impossible - Fallout	791	Y
9	Deadpool 2	785	Y
10	Ant-Man and the Wasp	622	Y

Source: boxofficemojo.com; worldwide collection as on 21st May, 2019

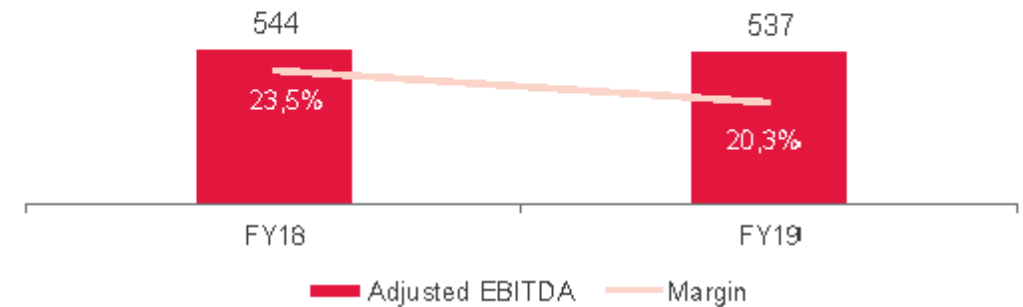
Strong topline growth driven by Creative Services



Operating Revenue¹



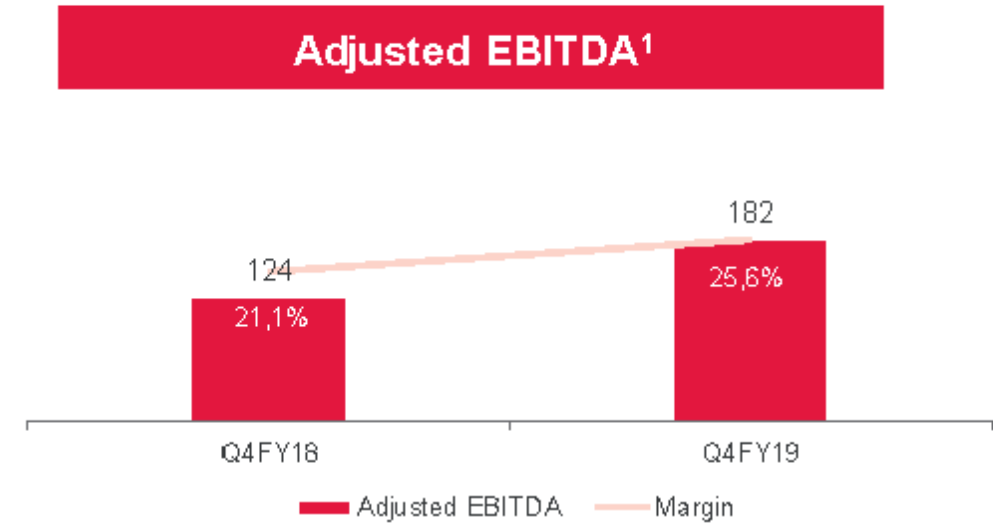
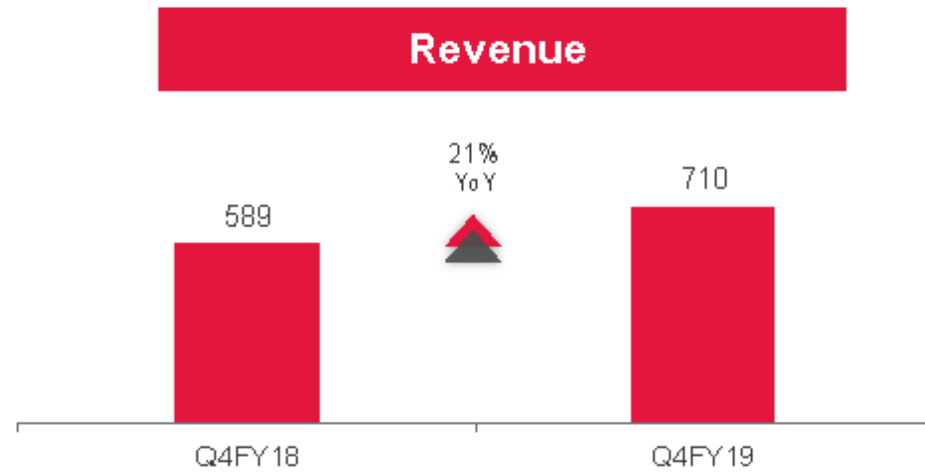
Adjusted EBITDA¹



Figures in Rs. Crore; Consolidated financials

- Consolidated revenues grew 14.3% YoY to reach Rs 2,645 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 stood at Rs 537 Cr with adjusted EBITDA margin at 20.3%. Sustains EBITDA margin above 20%+ levels.
 - Employee cost as %age of revenue increased to 60.3% from 57.8% in FY18 mainly due to transient impact of adding new locations like Montreal and Chennai ahead of time to cater to strong growth. Expected to rationalise going forward
- Non Cash ESOP charges stood at Rs. 31.4 Cr for the year; Net one time expenses stood at Rs. 23 Cr
- Interest and Finance charges at Rs. 236.7 Cr; Includes Rs. 40 Cr of one-time charges on account of premature buyback and one-time processing fee charge on refinancing of overseas facilities
- Bulk of increase in Depreciation relates to increased spends in Montreal and Chennai at DNEG and Film City studio addition at PFL (standalone)

Q4FY19 – Robust performance led by Creative Services



Figures in Rs Crore; Consolidated financials

- Consolidated revenues grew 20.5% YoY to reach Rs 710.2 Cr driven largely by Creative Services business
 - Bulk of Film project deliveries in a seasonally strong quarter; Tech services
- Adjusted EBITDA up YoY at Rs 181.6 Cr. Adjusted EBITDA margin increased to 25.6%
 - Margin improvement largely on the back of strong revenue growth
 - Operating leverage in the business continues to reflect in the financials - Other expenses as a %age of revenues reduced from 22.5% in Q4FY18 to 20.8% in Q4FY19
 - YoY numbers are not comparable due to adjustments for IFRS 15
- Non Cash ESOP charges stood at Rs. 4.4 Cr for the quarter, down 13%
- Interest and Finance charges at Rs. 49.0 Cr, down 47.4%
 - Run rate Finance & depreciation charges expected to have stabilized

FY19 – Revenue to Adjusted EBITDA

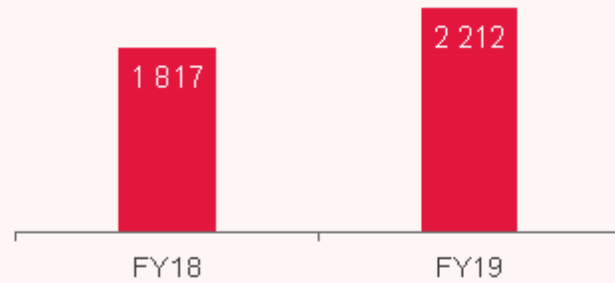


(INR cr)	2017	2018	2019	CAGR	YoY	Commentary
Revenues	2,154	2,257	2,523	5%	12%	One time FX gain of Rs.19 Cr reported in Q3 adjusted against one-time expenses as shown below
Other Income	24	23	43	23%	87%	
FX Gain	-41	34	80			
Total Revenues	2,137	2,314	2,647	11%	14%	
Personnel Cost including Technician Fees	1,253	1,324	1,594	8%	20%	
Personnel costs as % of total revenues	59%	58%	60%			Personnel cost as % of revenues marginally impacted by addition in locations at DNEG- Montreal & Chennai; expected to trend down over time
Other Operating Expenditure	423	446	514	7%	15%	One time increase in other expenses largely at DNEG - addition of new locations; expected to rationalise going forward
Adjusted EBITDA	461	543	537	8%	-1%	Adj EBITDA for the year largely impacted by a slower than expected year for the Tech division; DNEG continues to deliver robust growth
Adj EBITDA %	21.6%	23.5%	20.3%			
One time expenses	0	58	23	NM	NM	One time expenses includes: 1) One time gain of Rs.19cr in Q3 2) Exceptional provision taken in Q3 - Rs.23cr 3) Investment written off – Rs.15cr in Q4 4) One time legal & other expenses at DNEG – Rs.4cr

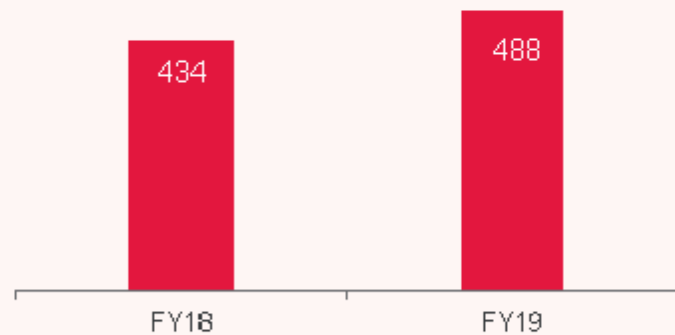
INR Cr	FY17	FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	FY19
Interest	100	118	31	38	37	46	152
Fair Value Impact of Derivatives	62	31	8	4	2	(8)	6
New Financing / Processing Fee amortization	7	15	4	7	3	8	22
Total Finance Costs [ex SC NCDs]	169	164	43	49	42	46	180
One-time costs	3	15	-	26	13	1	40
SC NCDs	0	33	6	6	2	-	14
Total Finance Costs (Reported)	172	212	49	81	58	47	234

- Increase in cash interest costs to Rs.152cr from Rs.118cr YoY – on the back of increase in Debt largely in Creative Services division
- Finance costs include charges on account of facility fee amortisation for new and existing loans and non-cash items such as Fair Value of derivatives
- One time revaluation of putt-able instrument resulted in bulk of the one time charge of Rs.40cr in FY19 – will go away going forward
- SC NCDs repaid in full – expense on this instrument to go away going forward
- Finance costs include impact of Studio Loan for only part of this year – to increase by ~Rs.18cr p.a. going forward although it will be non-cash in nature upto June, 2021

Revenues¹



Adjusted EBITDA¹



Robust growth in revenues with strong execution

- Strong execution of VFX projects and continued broad basing in revenues with higher share coming from OTT / TV & Feature Animation – broadening base of revenues from new age Content studios & new geographies
- Delivered Hollywood blockbusters like *Avengers: Infinity Wars*, *Aquaman*, *Captain Marvel*, *Bohemian Rhapsody*, *First Man*, among others; Most recently worked on one of the all-time biggest blockbuster *Avengers: Endgame*
- Strong Hollywood releases scheduled for coming quarters: *The New Mutants*, *Men in Black: International*, *Godzilla: King of Monsters* & *Wonder Woman 1984*.
- Order book & pipeline continues to be robust with higher visibility



Adj. EBITDA up YoY, margins above 20%+ levels

- Reported Revenues and Adj. EBITDA figures as per IndAS
- Bulk of heavy capex phase behind us; rationalised run-rate capex to going forward