



September 5, 2024

To,
Listing Department
BSE Limited
P.J Towers, Dalal Street,
Fort, Mumbai – 400 001

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E), Mumbai – 400 050

Scrip Code: **532375**

Symbol: **TIPSINDLTD**

Dear Sir/Madam,

Subject: Corporate Presentation

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith a copy of Corporate Presentation.

The same shall be uploaded on our website <https://tips.in>.

We request you to kindly take the above information on record.

Thanking you,

For **Tips Industries Limited**

Bijal R. Patel
Company Secretary

TIPS INDUSTRIES LIMITED

601, Durga Chambers, 6th Floor, Linking Road, Khar (West), Mumbai 400 052.
Tel.: +91- 22-6643 1188, Email: info@tips.in, Website: www.tips.in
CIN.: L92120MH1996PLC099359

MUSIC... THE RHYTHM OF LIFE



TIPS INDUSTRIES LIMITED

Corporate Presentation



The Must Have HITS

Industry Snapshot

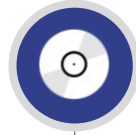


Every New Wave Of Technology Has Led To Rising Revenues & Profits



1. Origins of Music:

- Music is one of the oldest forms of human expression
- Rudimentary flutes from paleolithic era, over 40,000 years old found



3. The Vinyl Revolution (1948):

- Vinyl records facilitated music consumption in every home



5. The Internet Era (1990s-2003):

- Introduced new technologies like MP3 which initially had a negative impact on the music industry
- Napster led to unauthorized file sharing & piracy
- Apple's iTunes started selling singles instead of entire album, and broke the economics of the music label



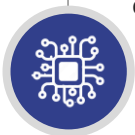
7. The New Business Model (21st Century):

- Music is the first industry which is fully digitized with streaming becoming the primary source of revenue for the industry



2. A Brief History of Technological Evolution:

- Until about 150 years ago, experiencing music required live performances
- Thomas Edison introduced the phonograph, marking the beginning of recorded music
- In the 1920s, radio became a popular medium for enjoying music



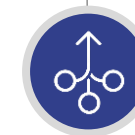
4. Cassettes & CDs (1982):

- Cassettes allowed storage of more music & improved the convenience of listening to music
- CDs revolutionized the music industry by offering superior sound quality and durability leading to a surge in profits during 1980s and 1990s

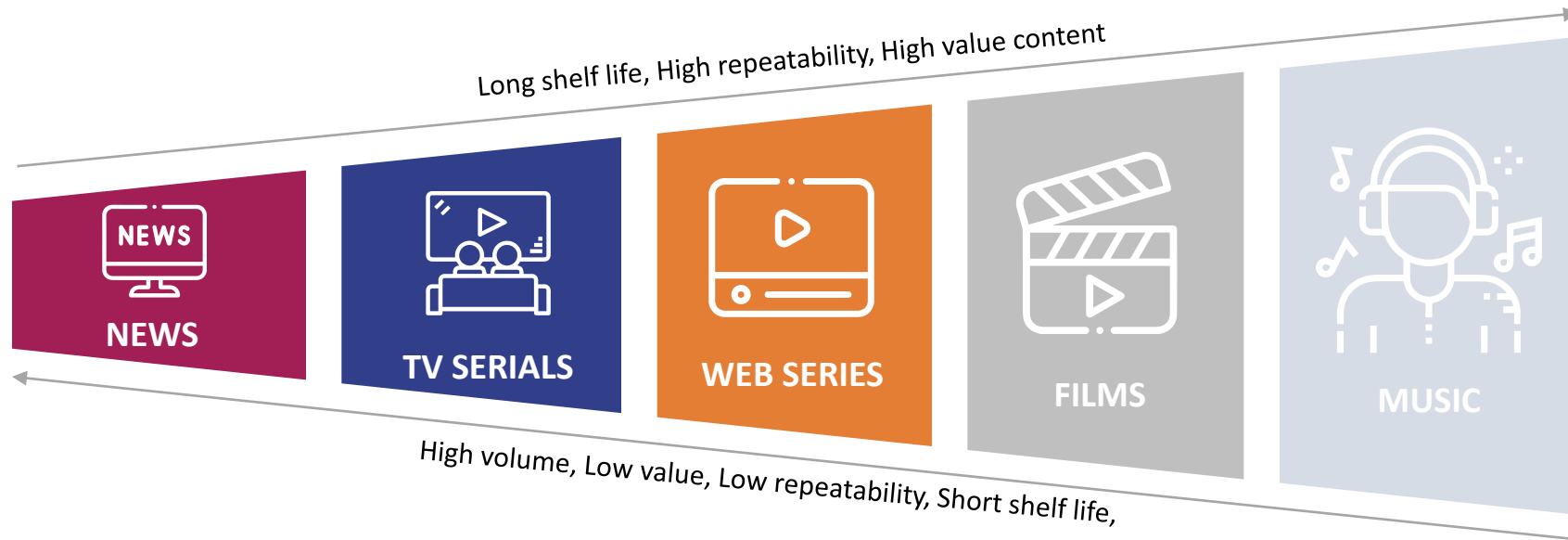


6. Industry Consolidation(2000s):

- Due to headwinds, the industry consolidated into three large players and few other smaller players



Music Is The Most Valuable Content



Content which can be monetized multiple times naturally commands greater economic value
 Music ranks at the top of the content pyramid when ranked on repeated monetization

STREAMING

Streaming continued to grow strongly in 2023, up by 10.4% to US\$19.3 billion. Paid streaming revenues for CY23 were US\$14 billion

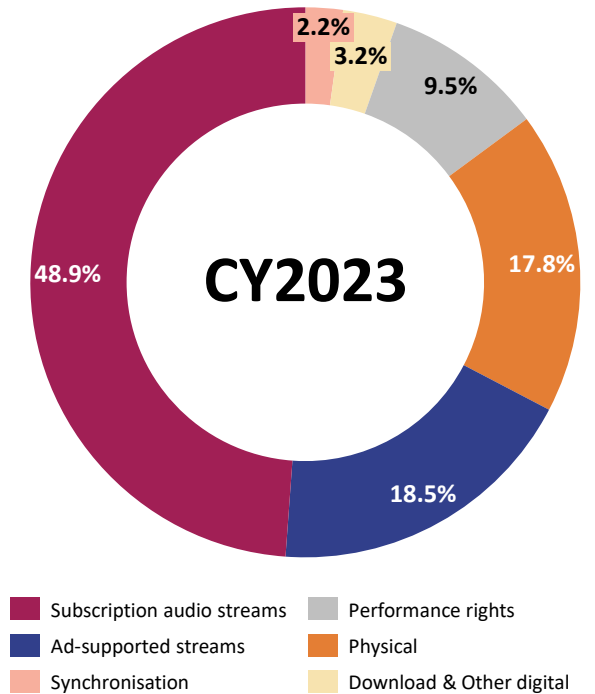
SYNCHRONISATION

Use of recorded music in advertising, film, games and TV grew by 4.7% (US\$632 million) in 2023. Revenues from synchronization accounted for 2.2% of the global market

PERFORMANCE RIGHTS

Performance rights are now a US\$2.7 billion revenue stream which grew 9.5% in CY2023

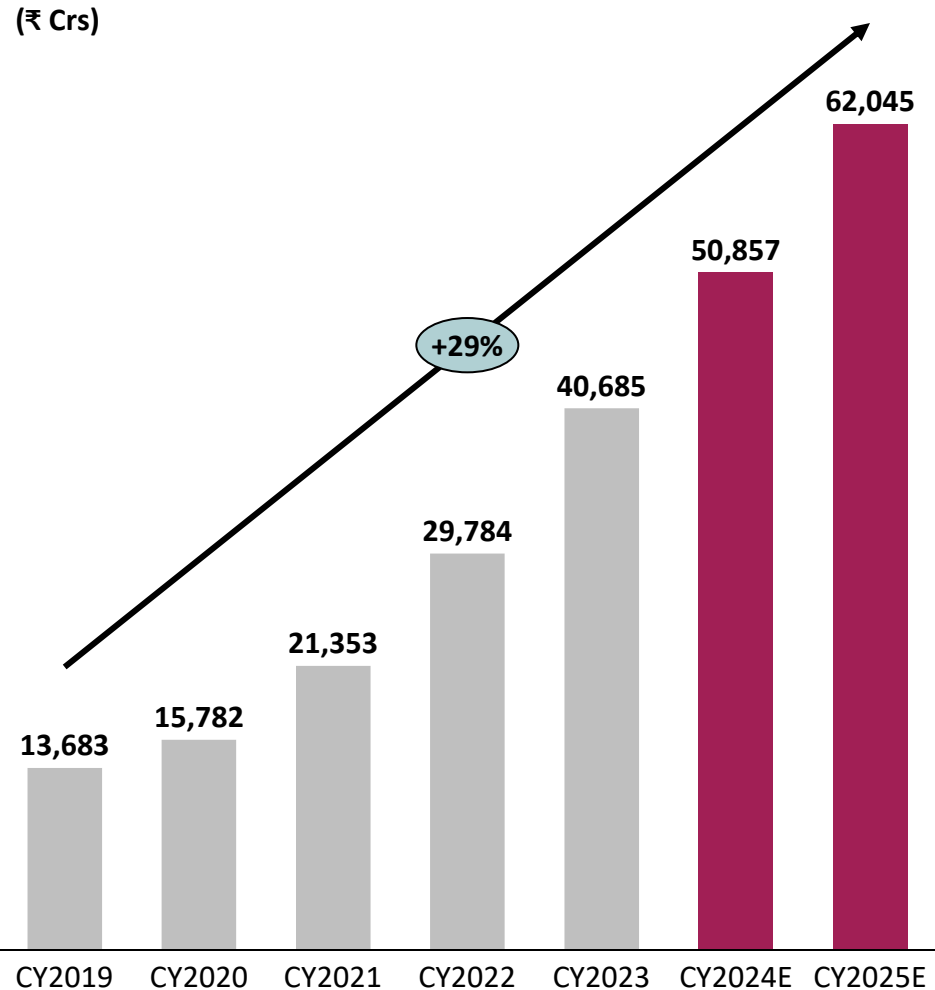
Global Music Revenue Sources



Streaming comprised **67%** of total revenues in 2023
48.9% of all streams were subscription based

Digital Advertising – Key Driver of Indian Music Industry

Indian Digital Ad Industry



The Indian digital advertising industry stood at Rs 40,685 crore by the end of 2023, up from Rs 29,784 crore in the previous year. It is estimated to grow at a CAGR of 29%.

Ongoing enhancements in digital infrastructure, combined with the robust e-commerce activities, have propelled digital to become the largest media platform, contributing significantly to the overall growth of the advertising industry in India.

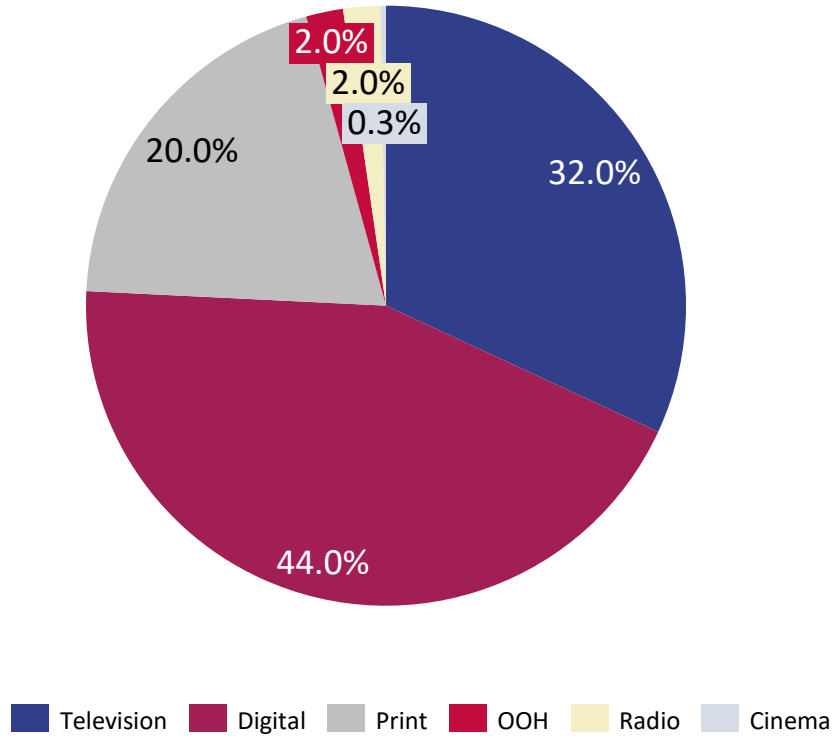
The highest proportion of spends on digital media is claimed by **social media (30%, Rs 11,962 crore)**, closely followed by **online Video (28%, Rs 11,363 crore)**. Paid search claims 23% (Rs 9,419 crore), while display banners claim 16% (Rs 6,579 crore).

Social media is expected to grow at a CAGR of 24% to have a spend share of 30% by 2025.

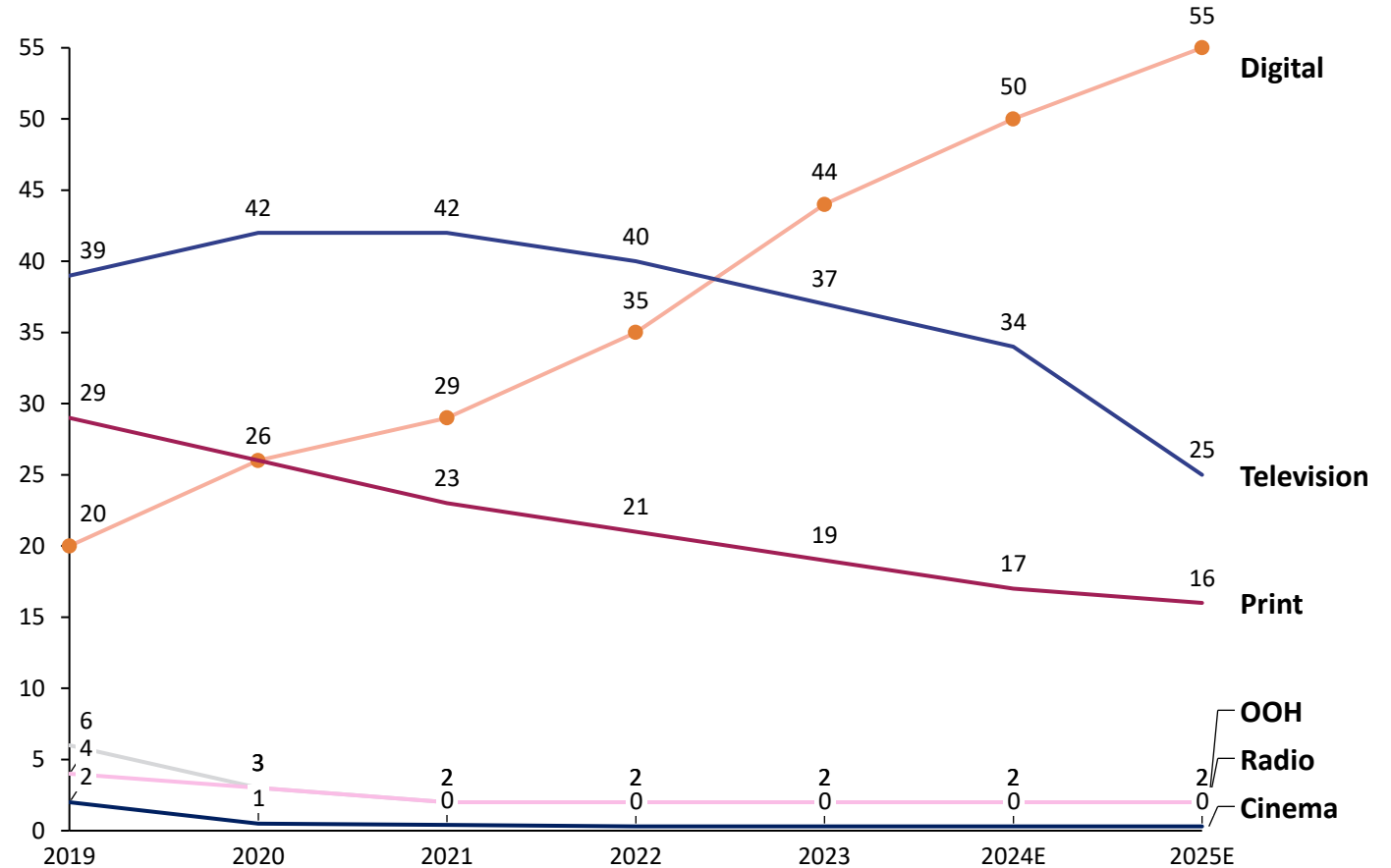
On average, Indians spend 3-4 hours on Social Media daily
73% of the audience belonging to the age group of 45 years to 54 years use YouTube to watch online content.

Digital Advertising will Dominate Media Spending in India for the Next Few Years

Advertising spends on different media



Advertising spends across various media (%) - Forecast

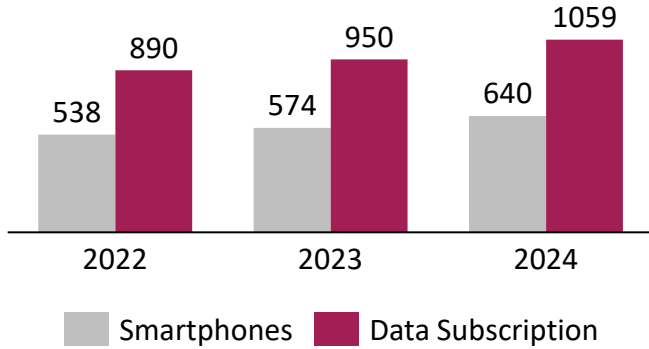


The current pie of digital ad spends constitutes 44% of the advertising spends in 2023, and moving forward in 2024 and 2025, the percentage is expected to increase to 50% and 55% respectively.

Music Consumption Trends

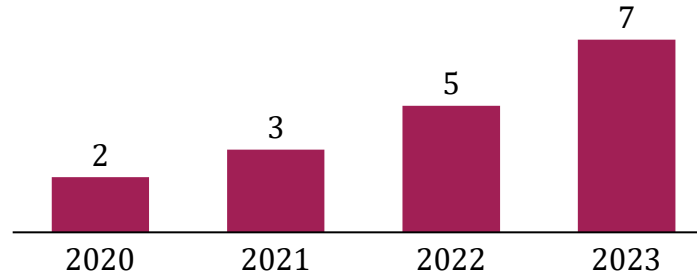
Smartphone users & data subscription

(mn)

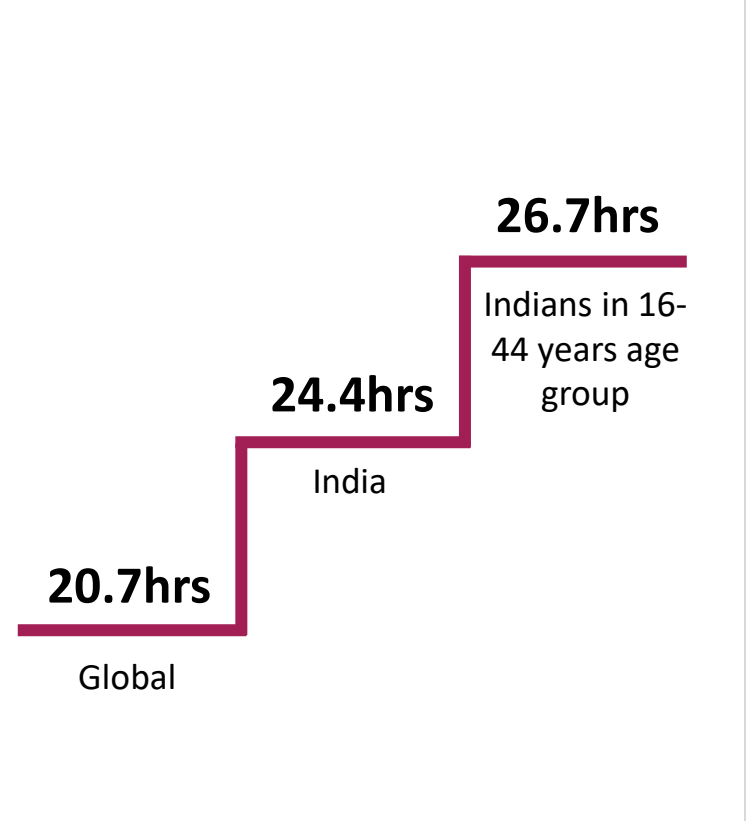


Paying music OTT subscription

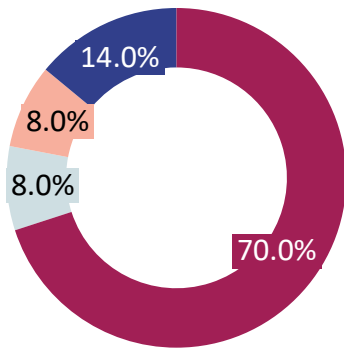
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Average music listening hours per week

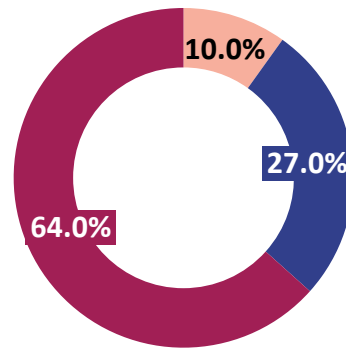


Digital Listenership by Language



■ Hindi & Bhojpuri
 ■ South Indian
 ■ Punjabi
 ■ Others

Digital Listenership by Genre



■ Film music
 ■ Artist-led music
 ■ Others

The Most Relevant Age Group (16-44) For TIPS Listens To ~27 Hours Of Music Per Week

*Source: EY-FICCI M&E Report 2024; IMI Digital Study 2023

Music Creators



Film Producer



Music Label



Streaming platforms



Business Model

Music creators include lyricists, composers, and singers who create songs and get paid for the same

Film producers use these compositions in films and sell the music rights to music labels

Music labels own the IPR (Intellectual Property Rights) and license the music to various platforms

Streaming platforms license the content and make it accessible to consumers

Value

Producers pay the artists the value for the music that is created

Music labels pay the film producer for the rights of the songs

Music labels monetize rights through various channels including OTT platforms

Streaming platforms pay based on the number of streams



The Must Have HITS

Company Snapshot



The Promoters' Journey

Family Background & Relocation (1946)

- Shri Sadhuram Taurani migrated from Karachi to Mumbai
- Received government aid of Rs. 6,000
- Started a grocery store in Colaba with Rs 3000
- Focused on selling items popular among the Sindhi community, for higher profitability

Expansion into Electronics Retail (1972)

- The family started an electronics shop on Lamington Road, selling electronics, watches, and clocks

Transition to Music Distribution (1977)

- The electronic shop was converted into a music record store.
- Gained dealerships of HMV and later other major music labels like Polydor - Music India and CBS
- Became the largest distributors of music records in the western region

New Beginnings & Family Division (1980s)

- In 1981- First division of family assets- Grocery store given away
- Fledgling recording company started under the banner of R.K Electronics'(TIPS Label)
- In 1986 – Second division of family assets- music distribution business given away
- R.K Electronics' (TIPS Label) small recording business remained with the Taurani brothers which eventually became TIPS Industries Ltd in 1988

Initial years of recording business (1981)

- Focused on recording bhajans and songs in Hindi, Sindhi, and Marathi, emphasis on introducing & promoting promising singers

Major Shift to Film Music Rights (1988)

- The Higher profitability of recording business led to expansion into film music rights
- Initial commercial setbacks from acquisition of film music rights did not change the focus of management

THE STORY CONTINUES...

The Promoters' Journey

First Major Success (1991-1992)

- The blockbuster success of music from 'Pathar Ke Phool' and 'Phool Aur Kaante' marked a turning point
- Invested heavily in acquiring music rights, and became one of the leading acquirers of film music rights

Venture into Film Production (1993)

- Began co-producing films to learn the craft of film production and acquire music rights economically
- The first four movies under co-production were 'Coolie No.1', 'Raja Hindustani', 'Haqeeqat' and 'Jeet'. Both movies & their music were blockbuster hits
- Started with independent film production around 1996

Market Leadership (1997)

- By the late 90s, TIPS became the industry leader
- Company launched 13 films simultaneously with a view to acquire more music

Technological Disruption (Early 2000s)

- The rise of MP3 & Piracy led to collapse of the music distribution chain
- Selling of singles pioneered by iTunes destroyed economics of music labels globally
- TIPS executed the first licensing deal in India for streaming & downloads with Sound Buzz
- Radio channels started flourishing without paying adequate compensation to the music industry

CRBT & OTT Platforms (2007)

- Telecom Companies introduced Caller Ring Back Tone (CRBT) which provided relief to the music industry
- CRBT generated ~INR 8000 Cr revenue for the telecom companies of which ~INR 600 Crs was shared with music industry
- Digitized the entire catalogue and adapted to distribution through partnership with major OTT platforms i.e., YouTube, Gaana & Saavn

The 2020s

- TIPS demerged its film production & music business into separate listed entities to provide independent focus for each business

KEY FACTS

Catalogue comprises of music in over **25 languages** available across multiple platforms **globally**

Only listed player to write off 100% of content cost in the quarter of release

Debt free company with **₹ 262 cr** of cash & investments

Founded Year
1988

Website
www.tips.in

Industry
Media & Entertainment

Established **A&R** capability

95
Employees
(Q1FY2025)

79%
Revenue through
digital platforms

25+
Partners across
media business

104 mn
subscribers on
YouTube

Target
Indian Subcontinent & Diaspora

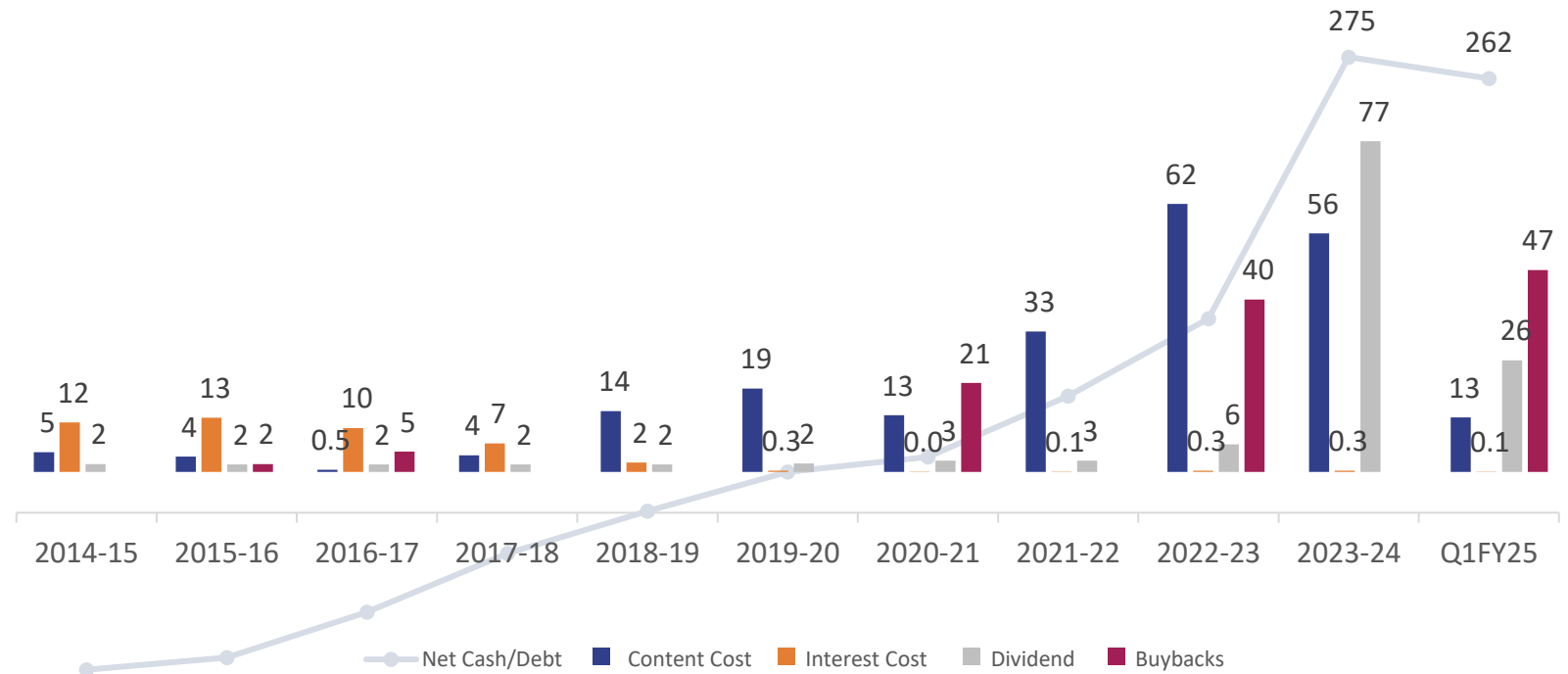
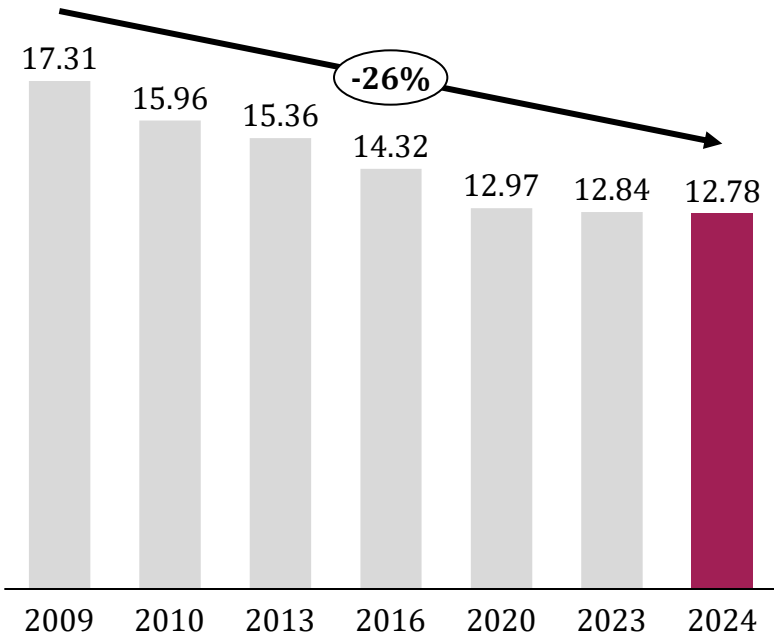
Optimising Capital Allocation: Consistently rewarding shareholders through Buybacks & Dividends



**Q1FY25- Dividend (Rs 25.56 Cr) + Buyback for non-promoter shareholders (Rs 46.62 Cr)
Total Payout for FY25 Rs 72.18 Cr**

Reducing Equity Shares*

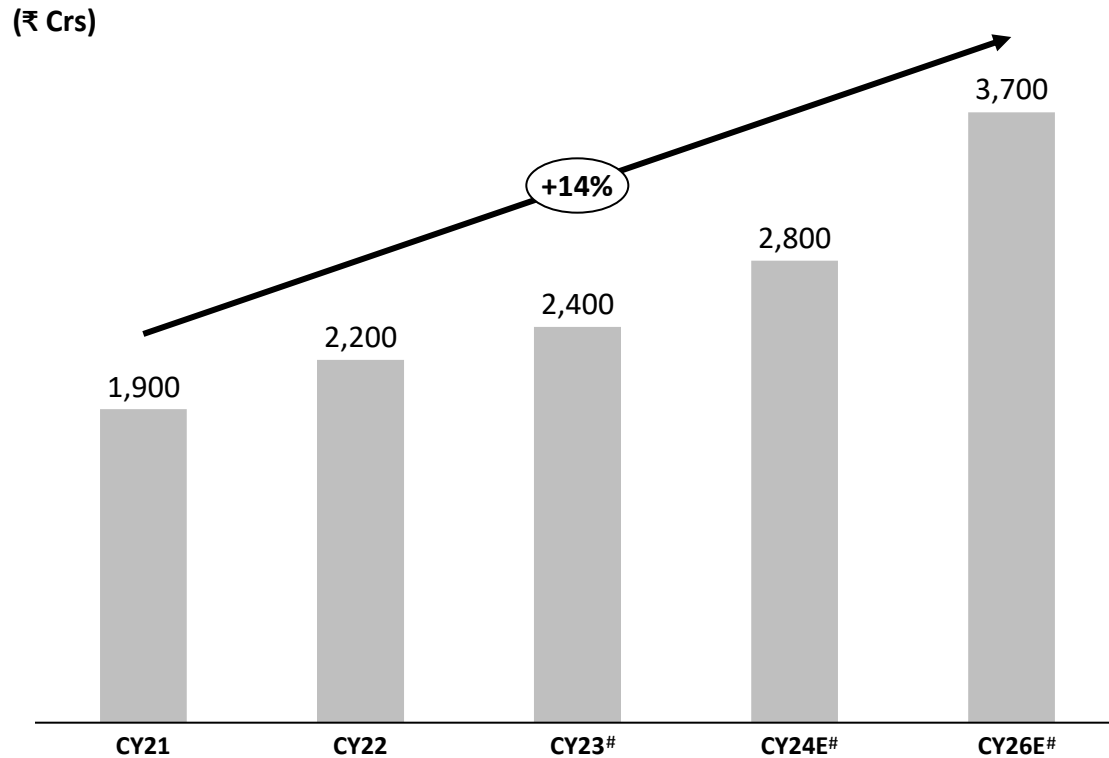
(Cr)



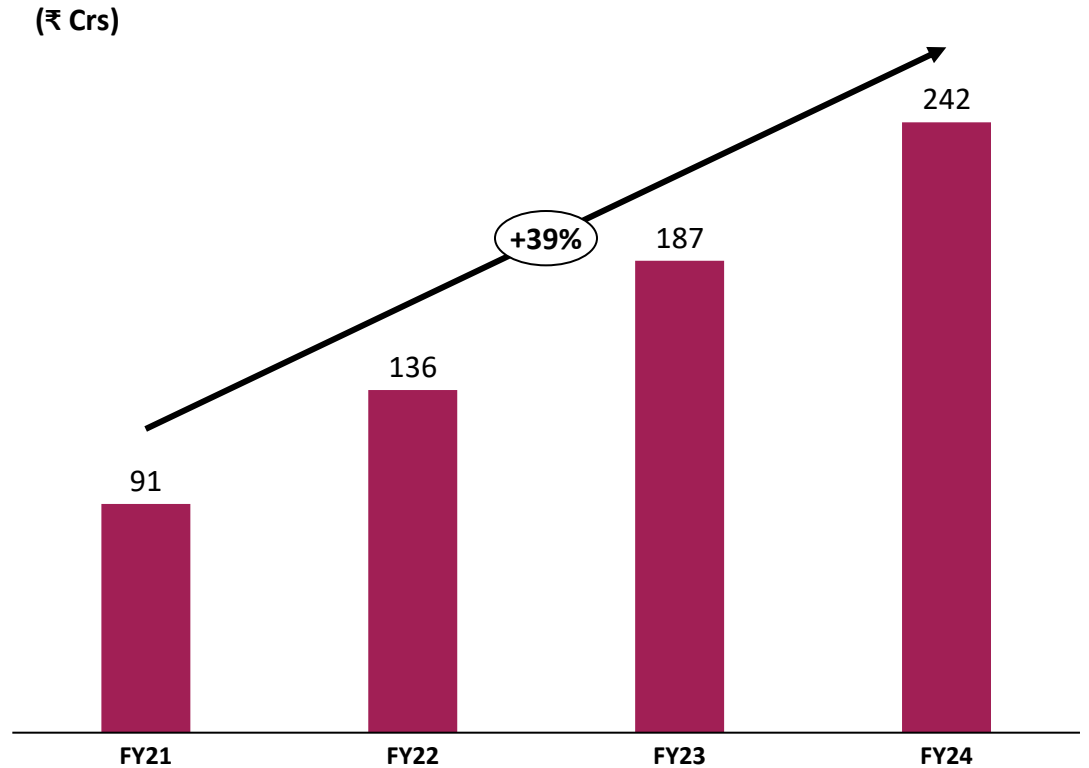
*Note : No. of shares after share split

Sustained Market Share Growth: Revenues Surged 1.8x in Last 2 Years

Music Sector*



Revenues



Tips Industries outperformed sectoral growth by 2.8x over the past 4 years

Two Pronged Content Acquisition Strategy

PURCHASE

STRATEGY

- We purchase music rights from other producers when we see profitable opportunities
- Our understanding of music and its creative process provides us deep insight on costs and returns and therefore we always maintain cost consciousness while acquiring music rights

PRODUCE

STRATEGY

- To introduce promising singers (Tips) is in our DNA
- We have a strong A&R team which engages with artistes across genres and languages which allows us to promote upcoming talent
- Our team has a deep understanding of music & a track record of creating a repertoire of “Must Have Hits”
- Strong track record of producing hit music

CONTENT COST

100% of content cost is written off from profit & loss account in the quarter of release
No capitalization & no pending write-offs in the future.

Content acquisition is entirely funded through internal accruals.
No borrowings/leverage

A&R teams to acquire content across languages, genres and to sign up promising artists

Our Content Powers Global Platforms

Digital Partners



Sync Deals



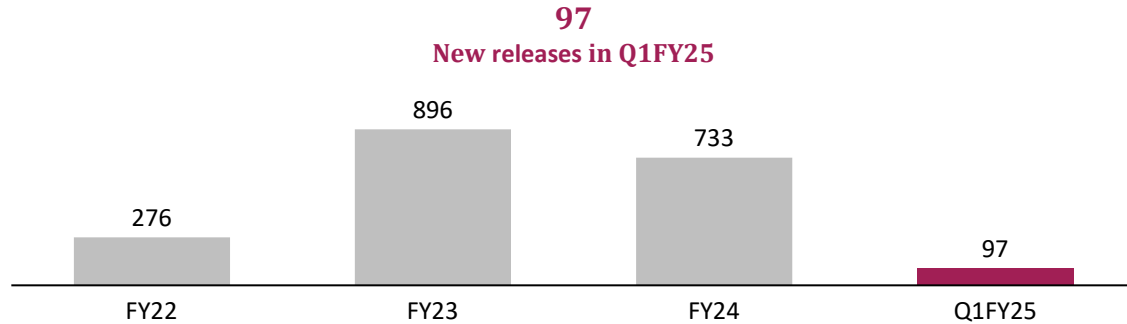
Broadcast Partners



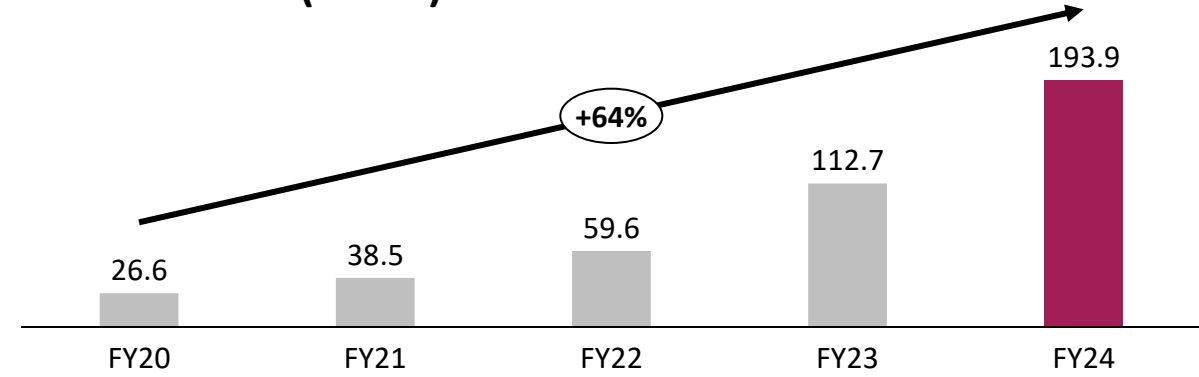
Growing listenership & Increasing Content Addition

Evergreen & Rich content of **over 31,000 songs** across genres, languages & decades giving us high visibility of music revenue

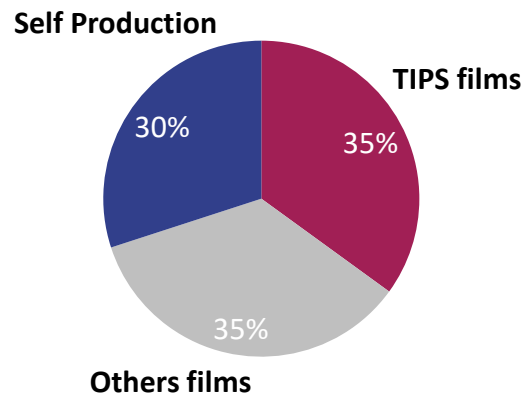
New Songs Added



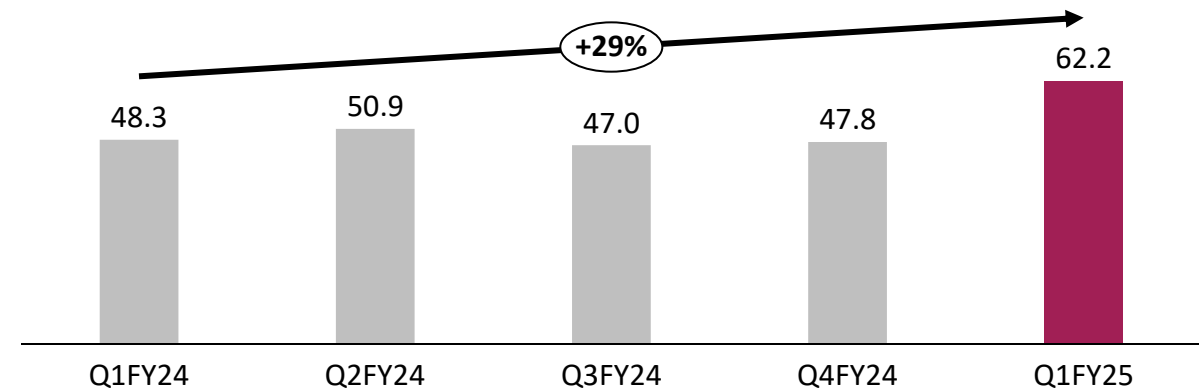
YouTube Views (in. Bn)



Upto **35%** of music content is likely to come from TIPS films while 35% would be from other movie producers



YouTube Views (in. Bn)

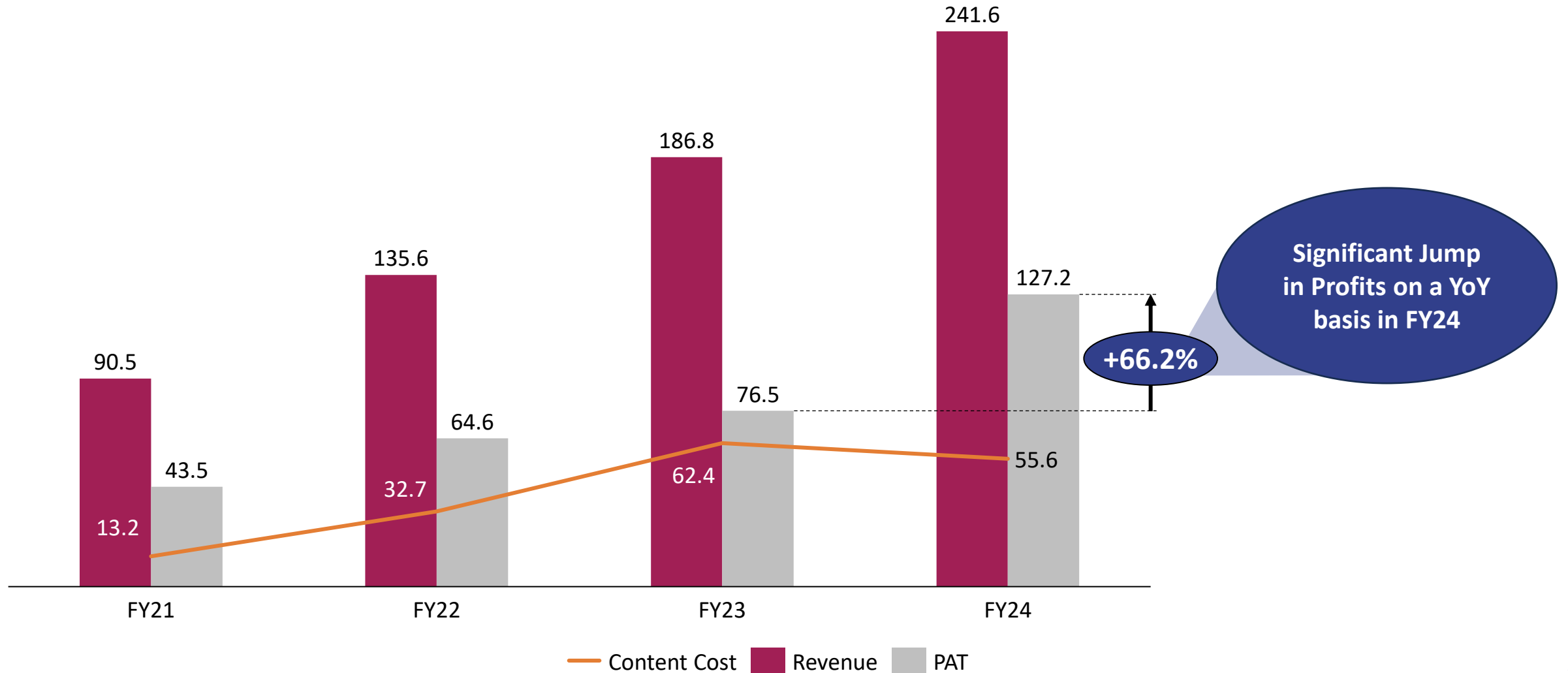


Appendix



Summary of Last 4 Years

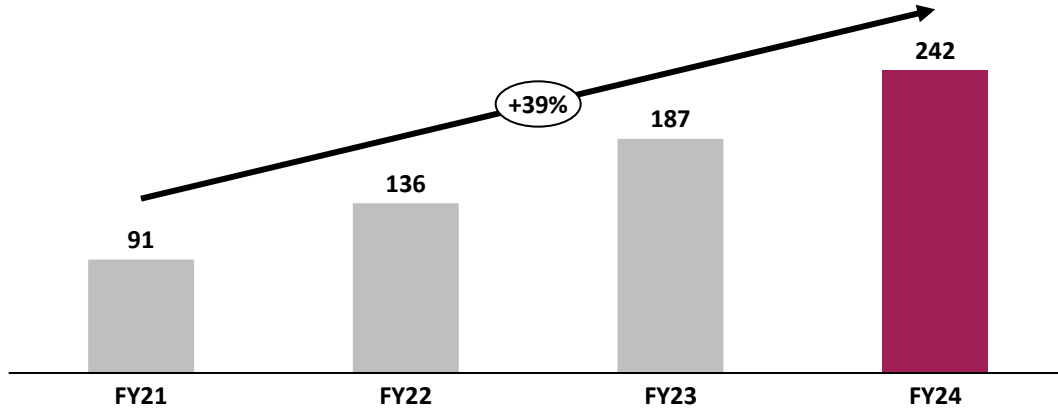
(Crs)



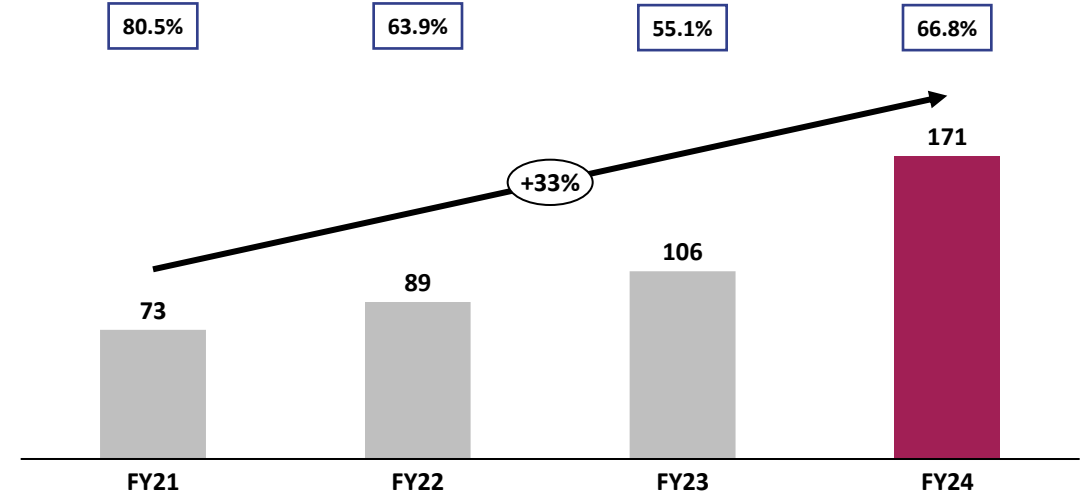
Industry Leading Financial Performance

(₹ Crs)

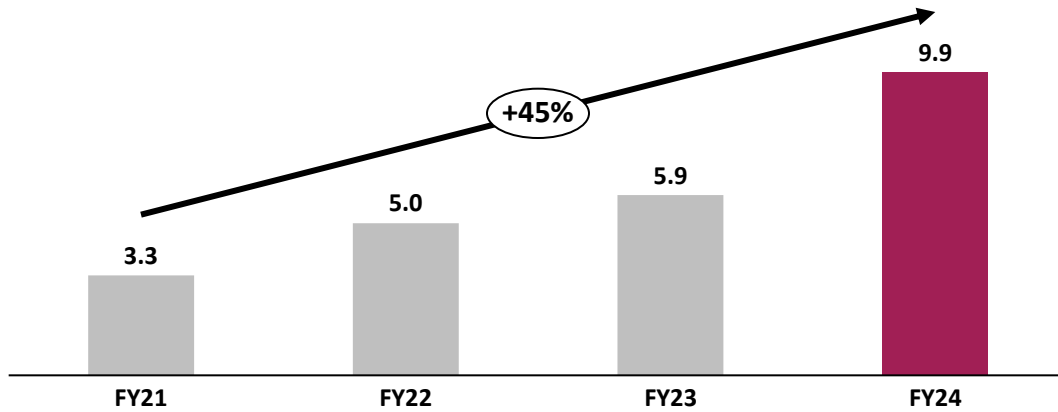
Revenue



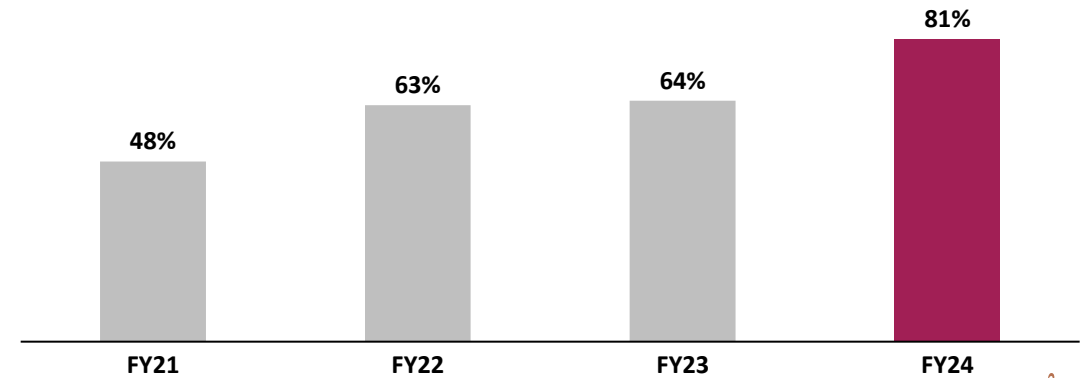
EBIT & EBIT Margin*



EPS#



ROE#



Note *Segmental EBIT before allocating corporate overheads for FY21; #ROE and EPS are before demerger for FY21





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