



July 08, 2020.

The BSE Limited

P. J. Towers, 25th Floor,
Dalal Street, MUMBAI – 400001.
Scrip Code: **532368**

The National Stock Exchange of India Ltd.

Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai-400051.
Symbol: **BCG**

Dear Madam/Sir,

Sub: Presentation on financials for FY20.

We are enclosing a copy of the revised presentation on the analysis of Company financials for the financial year 2019-20. This presentation is made in the US dollar terms.

Do note that the analysis is geared towards investor and analyst community.

This presentation is also uploaded on the website of the company at www.brightcomgroup.com under the investor's section.

We request you to disseminate this presentation to the shareholder community.

Thanking you.

Yours faithfully,

For BRIGHTCOM GROUP LIMITED

M. SURESH KUMAR REDDY
CHAIRMAN & MANAGING DIRECTOR
DIN: 00140515





brightcom
group

FINANCIALS OF FY2020

Disclaimer

Certain Statements in this release reflecting our future growth prospects are forward – looking statements which involve a number of risks and uncertainties that could cause result to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include but are not limited to risks and uncertainties with respect to fluctuation in earnings, our ability to manage growth, intense competition in online advertising including these factors which may affect our cost advantage, cost of resources and introduction of regulations that might impact the prospects, our ability to successfully complete the planned projects, general economic conditions affecting our industry. The company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the company.

Historical Annual Income Statements (FY2015-FY2020)

(Amounts in Thousands, Years ended March 31)

Operating Information	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Digital/Advertising Revenue	\$244,293	\$277,587	\$297,503	\$305,643	\$305,060	\$315,161
Software Revenue	\$75,730	\$66,744	\$67,940	\$70,293	\$64,126	\$64,681
Other Revenue	\$2,317	\$747	\$102	(\$58)	(\$387)	\$1,996
Revenue	\$322,341	\$345,077	\$365,546	\$375,875	\$368,799	\$381,838
Growth Rate	NA	0.07%	5.9%	2.8%	(1.9%)	3.31%
Digital/ Advertising COGS	\$98,520	\$128,388	\$140,160	\$137,746	\$133,486	\$143,785
Gross Profit	\$223,820	\$216,689	\$225,386	\$238,129	\$235,313	\$238,053
Gross Margin % of Digital Revenue	59.7%	53.7%	52.9%	53.9%	56.3%	54.38%
SG&A	\$127,115	\$112,847	\$116,140	\$127,594	\$126,851	\$124,767
Depreciation and Ammortization	\$7,383	\$10,232	\$15,058	\$17,615	\$19,969	\$25,328
EBIT	\$89,322	\$93,610	\$94,188	\$92,920	\$88,493	\$87,958
Ammortization	\$0	\$0	\$0	\$0	\$0	\$0
EBITA	\$89,322	\$93,610	\$94,188	\$92,920	\$88,493	\$87,958
Deprecitation	\$7,383	\$10,232	\$15,058	\$17,616	\$19,969	\$25,328
EBITDA	\$96,705	\$103,842	\$109,246	\$110,535	\$108,462	\$113,286
EBITDA Margin	30%	30.1%	29.9%	29.4%	29.4%	29.67%
EBITDA Growth	NA	7.4%	5.2%	1.2%	(1.8%)	4.45%
Adjustments	0	0	0	0	0	0
Adjusted EBITDA	\$96,705	\$103,842	\$109,246	\$110,535	\$108,462	\$113,286
Adj. EBITDA Margin	30%	30.1%	29.9%	29.4%	29.4%	29.67%
Adj. EBITDA Growth	NA	7.4%	5.2%	1.2%	(1.8%)	4.45%
Interest Expense	\$3,683	\$2,428	\$2,275	\$2,294	\$1,887	\$889
Other Expense/ (Income)	\$0	\$0	\$0	\$0	\$0	\$0
Pretax Income	\$85,683	\$91,182	\$91,913	\$90,626	\$86,606	\$87,069
Income Taxes	\$28,722	\$29,182	\$29,267	\$28,223	\$23,490	\$24,977
Tax Rate	33.5%	32.3%	31.8%	31.1%	27.1%	27.03%
Net Income	\$56,917	\$61,772	\$62,646	\$62,403	\$63,115	\$62,092
Net Income Margin	17.7%	17.9%	17.1%	16.6%	17.1%	16.26%

Notes:

1. The Company's financials are in Indian Rupees and have been converted to USD for presentation above.

Historical Annual Balance Sheets (FY2015-FY2020)

(Amounts in Thousands, Years ended March 31)

ASSETS

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Cash	\$9,042	\$894	\$12,412	\$13,744	\$14,938	\$15,784
Accounts Receivable	\$136,376	\$110,238	\$199,734	\$134,359	\$128,636	\$129,289
Short Term Loans & Advances	\$48,104	\$81,110	\$87,592	\$91,662	\$98,891	\$86,563
Other Current Assets	\$27,490	\$67,627	\$73,736	\$84,250	\$78,152	\$20,879
Total Current Assets	\$220,912	\$267,939	\$293,474	\$324,015	\$320,517	\$252,515
PP&E	\$2,737	\$3,664	\$2,321	\$4,515	\$3,515	\$2,954
Intangible Assets(Including Goodwill)	\$50,350	\$85,831	\$95,086	\$91,058	\$72,861	\$89,232
Capital Work-in-Progress	\$16,754	\$3,387	\$2,838	\$19,217	\$21,365	\$18,011
Intangible Assets Under Development	\$26,342	\$6,975	\$11,018	\$27,107	\$19,782	\$17,495
Non-Current Investments	\$868	\$868	\$16,316	\$16,316	\$32,595	\$33,313
Long Term Loans & Advances	\$27,350	\$25,034	\$25,816	\$25,860	\$25,860	\$25,860
Deferred Financing Fees	\$0	\$0	\$0	\$0	\$0	\$0
Other Non-Current Assets	\$6,810	\$4,312	\$4,429	\$4,440	\$4,344	\$4,078
Total Assets	\$352,123	\$398,010	\$451,298	\$512,529	\$500,839	\$443,458

LIABILITIES

Accounts Payable	\$28,140	\$13,528	\$12,976	\$11,818	\$12,303	\$13,469
Short Term Provisions	\$16,917	\$9,502	\$11,177	\$11,538	\$10,343	\$7,485
Other Current Liabilities	\$12,446	\$22,301	\$15,191	\$15,517	\$15,685	\$23,822
Total Current Liabilities	\$57,504	\$45,330	\$39,344	\$38,873	\$38,331	\$44,776
New RLOC	\$0	\$0	\$0	\$0	\$0	\$0
Existing Borrowings	\$12,306	\$10,299	\$10,535	\$10,503	\$9,690	\$4,778
Lycos Acquisition Payable	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000
Total Long-Term Debt	\$28,306	\$26,299	\$26,535	\$26,503	\$25,690	\$25,870
Long Term Provisions	\$755	\$667	\$267	\$597	\$1,298	\$1,324
Deferred Tax Liabilities	\$1,064	\$1,018	(\$63)	(\$210)	\$423	\$386
Other Long Term Liabilities	\$712	\$712	\$1,235	\$712	\$840	\$1,282
Total Liabilities	\$88,340	\$74,026	\$67,318	\$66,475	\$2,561	\$68,546
Stockholders Equity	\$263,783	\$323,983	\$383,980	\$446,054	\$434,257	\$374,912
Total Liabilities and Stockholders Equity	\$352,123	\$398,010	\$451,298	\$512,529	\$500,839	\$443,458

Notes:

1. The Lycos Acquisition Payable is the remaining amount due on Lycos acquisition.
2. The Company's financials are in Indian Rupees and have been converted to USD for presentation above.

Annual Cash Flow Statements (FY2018 – FY2020)

(Amounts in Thousands, Years ended March 31)

Sources: Operations	FY2018	FY2019	FY2020
Net Income	\$62,403	\$63,115	\$62,092
Depreciation	\$17,615	\$19,969	\$25,328
Ammortization	\$0	\$0	\$0
Total Sources: Operations	\$80,018	\$83,084	\$87,420
Uses: Operations			
Change in Working Capital	(\$29,679)	(\$21,097)	(\$43,284)
Other Changes	(\$394)	\$0	\$0
Total Uses: Operations	(\$30,074)	(\$21,097)	(\$43,284)
Cash flow from Operations	\$49,945	\$62,686	\$44,136
Capital Expenditure (Cash)	(\$48,250)	(\$59,279)	(\$38,352)
Free Cash Flow	\$1,694	\$2,708	\$5,784
Draw/ (Payment) on New RLOC	\$0	\$0	\$0
Payment of Existing Borrowings	(\$32)	(\$813)	(\$4,912)
Payment of Lycos Acquisition Payable	\$0	\$0	\$0
Other Changes in Equity	(\$330)	(\$701)	(\$26)
Closing Costs	\$0	\$0	\$0
Total Anticipated Debt/Equity Issue	(\$362)	(\$1,514)	(\$4,938)
Total change in cash	\$1,333	\$1,194	\$846
Beginning Cash Balance	\$12,412	\$13,744	\$14,938
Increase/(Decrease) in Cash	\$1,333	\$1,194	\$846
Cash Balance	\$13,744	\$14,938	\$15,784

Notes:

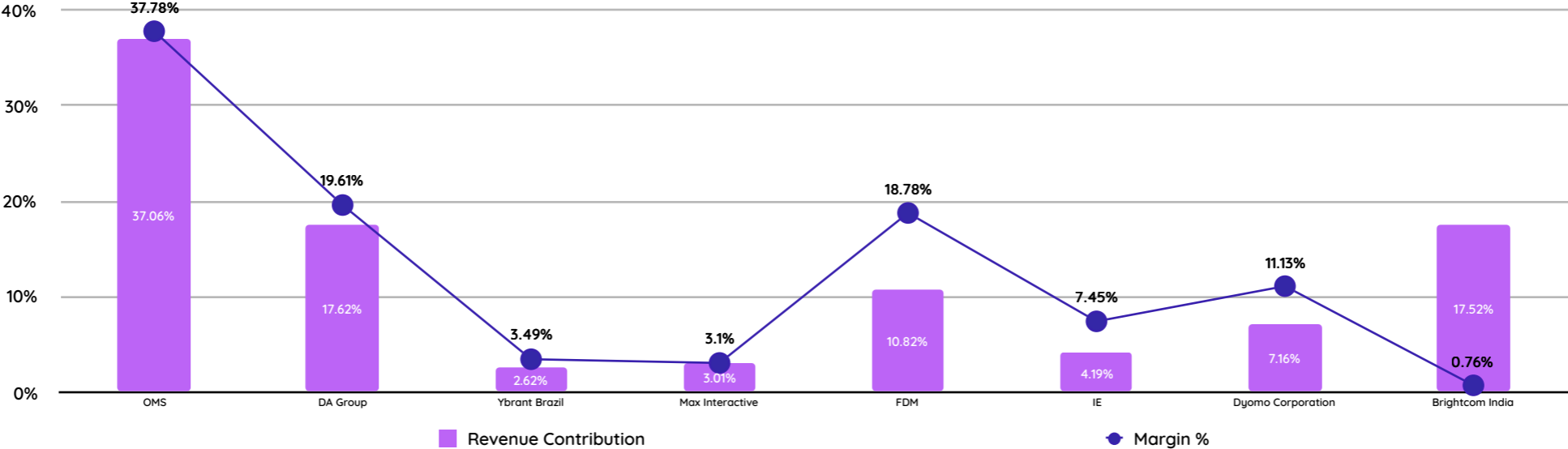
1. The Company's financials are in Indian Rupees and have been converted to USD for presentation above..

Revenue Growth Analysis

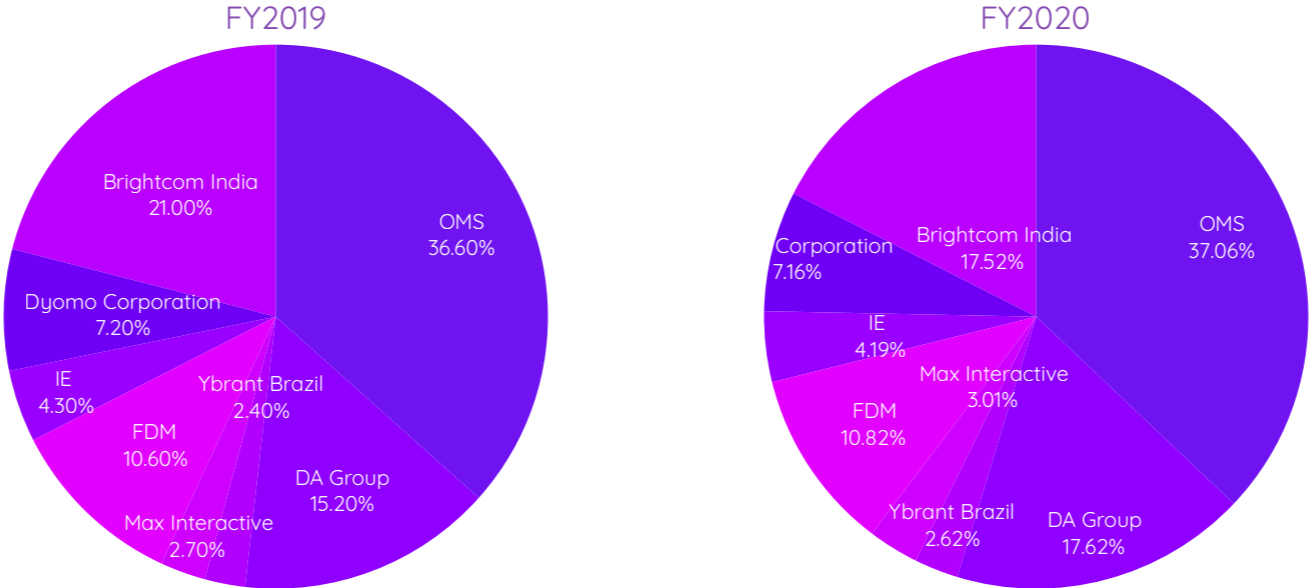
The Company's FY2020 revenue of \$381.8 million increased by 3.3% from \$368.8 million in FY2019. The following tables show the revenue contribution and EBITDA contribution from each subsidiary. OMS contributes 37.06% followed by Dream Ad Group at 17.62% to the overall revenues. The same two subsidiaries top the EBITDA margins category as well.

REVENUE CONTRIBUTION AND EBITDA MARGIN BY SUBSIDIARY

Revenue Contribution (FY2020)



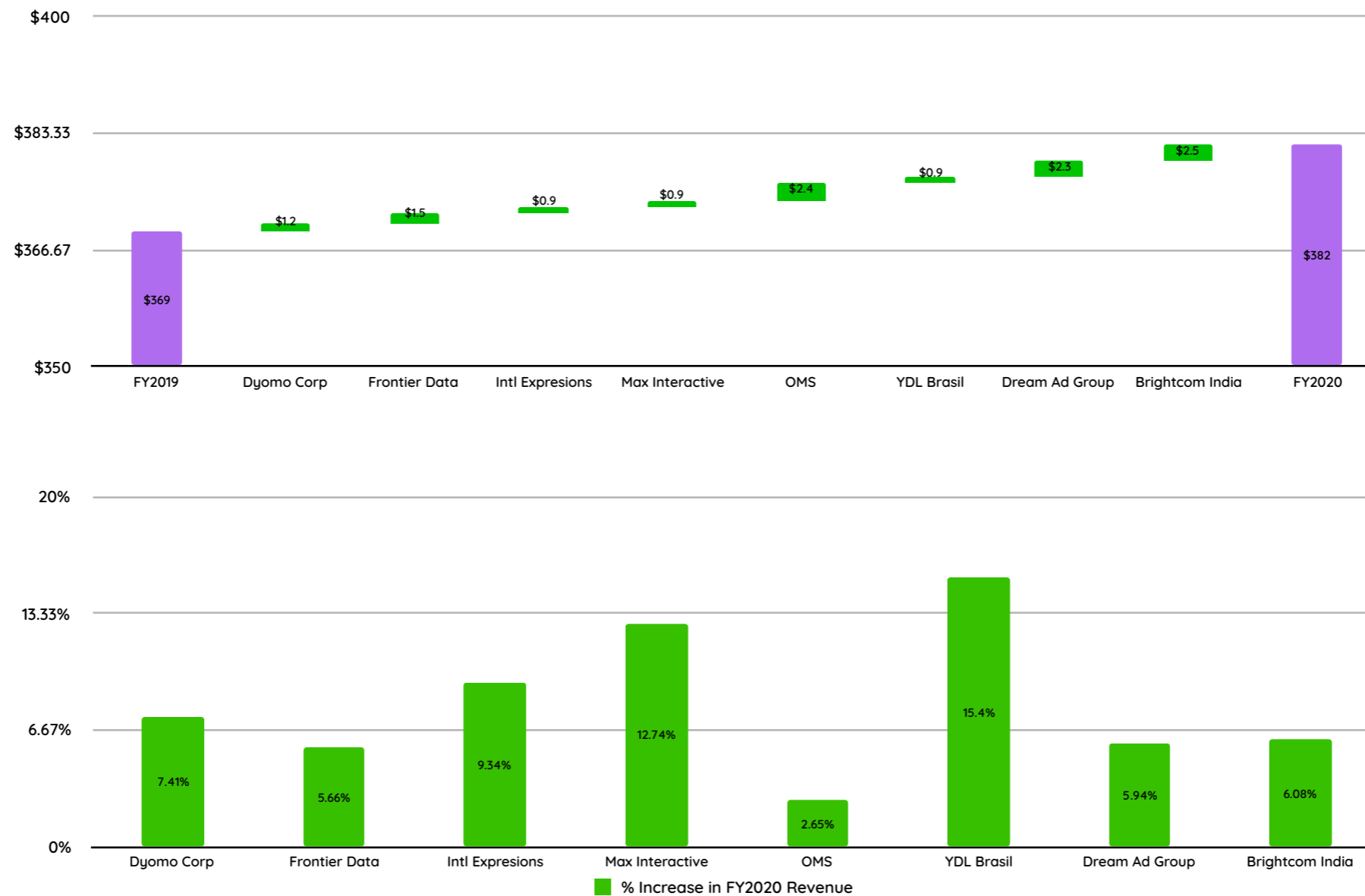
Revenue Breakdown by Subsidiary



The revenue increase of \$13 million from \$368.8 million in FY2019 to \$381.8 million in FY2020 has come from contributions from each subsidiary as seen in the revenue bridge below. This indicates positive growth in business across all subsidiaries.

REVENUE BRIDGE (FY2019 - FY2020)

(Amounts in Millions, Years ended March 31)

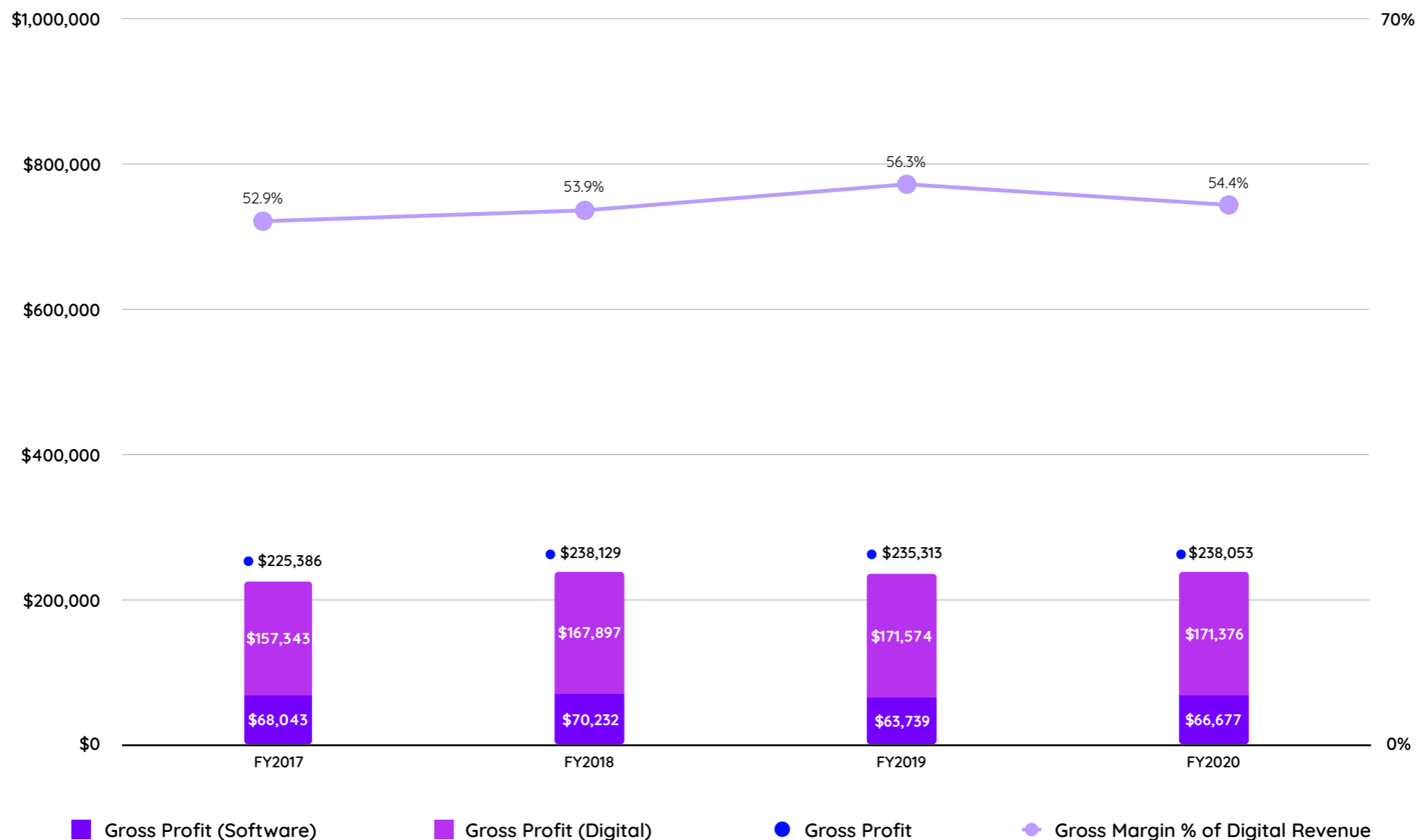


Gross Margin Analysis

The Company's COGS consist of media costs for advertising inventory. Media traffic quality is continuously improving as better filters are in place and higher quality media traffic has higher costs and higher returns for advertisers. The Company's Digital/ Advertising gross margin was 52.2% in FY2018 and has improved to about 54.4% over the four-year period to FY2020

GROSS PROFIT, MARGIN, AND COGS BREAKDOWN (FY2017-FY2020)

(Amounts in Thousands, Years ended March 31)

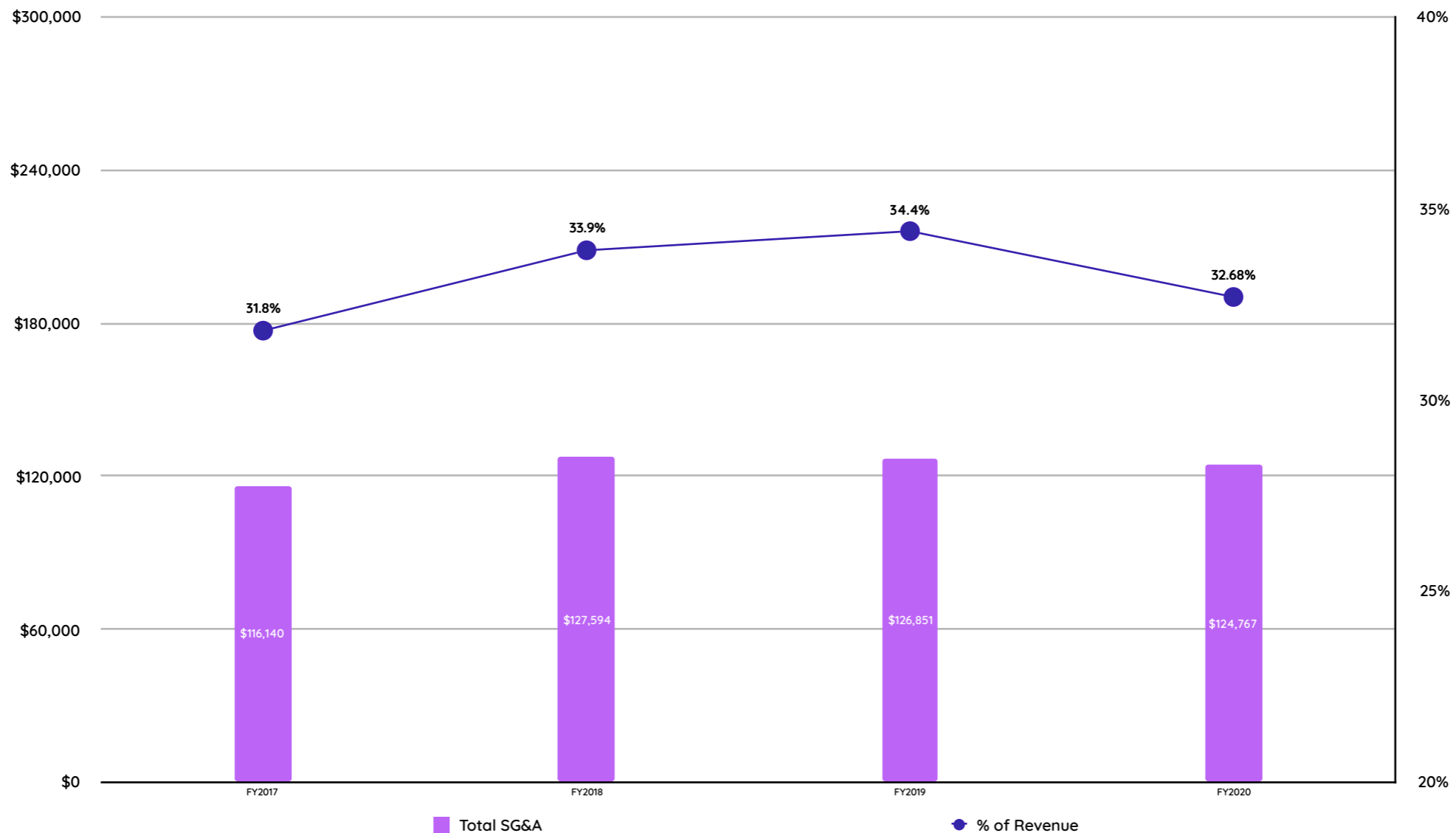


SG&A Analysis

The Company's SG&A consist of: (i) personnel expenses, (ii) sales and marketing expenses, and (iii) administration expenses. The FY2017 SG&A of \$116.1 million has increase to \$124.8 million in FY2020. As a percentage of revenues, SG&A expenses have been range-bound between 32% to 34% of the total revenue due to smaller increase in personnel expenses compared to a larger increase in revenue over projected period. The Company is expecting lower sales commissions as its sales grow and, in addition, the Company is experiencing larger spend from current clients. The Company has been focused on building a platform integrated with multiple reusable technologies. These reusable technologies will result in fewer programmers and supporting staff in the future.

SG&A COSTS, % OF REVENUE, AND BREAKDOWN (FY2017-FY2020)

(Amounts in Thousands, Years ended March 31)

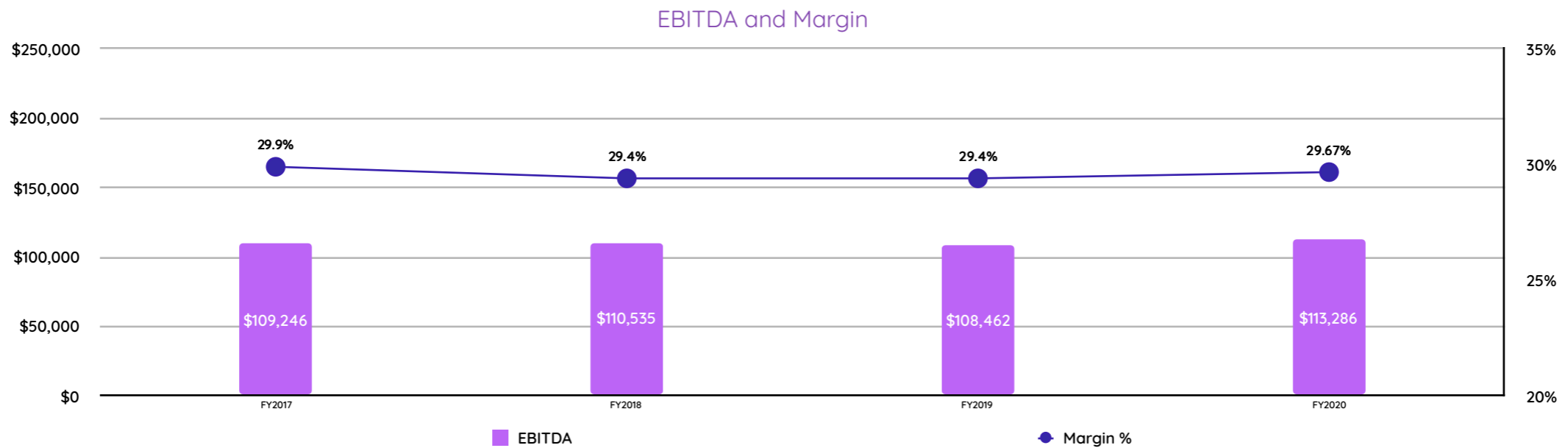
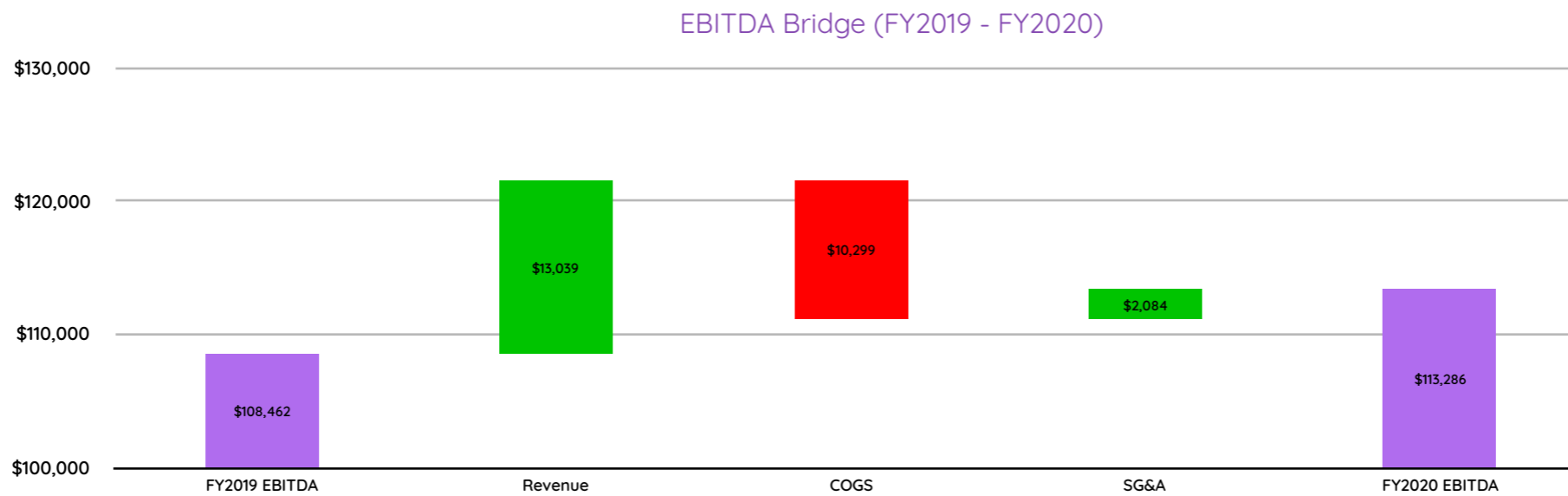


EBITDA Analysis

The Company's FY2020 EBITDA of \$113.2 million increased by 4.4% from \$108.5 million in FY2019. The \$4.8 million increase in EBITDA YOY can be mainly attributed to increase in revenue and decrease in SG&A costs. EBITDA margin percentage range remained bound between 29.5% to 30%.

EBITDA BRIDGE (FY2017- FY2020)

(Amounts in Thousands, Years ended March 31)



Free Cash Flow Analysis

The Company's \$113.3 million FY2020 EBITDA was primarily utilized to fund the working capital and for capital expenditures of \$38.35 million, representing 33.7% of EBITDA and increase in net working capital of \$43.28 million, representing 38.3% of EBITDA. The Company's \$113.3 million of EBITDA generated a free cash flow of \$5.8 million as shown in the chart below. Please do take note of increase in free cash flow from \$2.7 million in FY2019 to \$5.8 million in FY2020. It is common for digital media/ advertising companies to have a large working capital and large capital expenditure to constantly innovate and invest in new technologies to stay ahead of the competition.

FREE CASH FLOW ANALYSIS

(Amounts in Thousands, Years ended March 31)



Equity Capitalization Chart

Name	Number Of Shares	% Ownership
Total Promoter Holding	18,64,27,685	36.7%
Public	30,15,83,756	59.41%
Foreign Venture Capital Investors	1,84,94,769	3.64%
Foreign Portfolio Holding	11,45,289	0.23%
Total Public Holding	32,12,23,814	63.28%
Total	50,76,51,499	100%

This distribution is as of June 30, 2020