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TORONTO
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November 17, 2020

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 Jeejeebhoy 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 half year ended September 30, 2020

Dear Sir / Madam,

Please find enclosed the Presentation to the Analyst / Institutional Investor on Un-audited Financial Results for the quarter and half year ended September 30, 2020.

Kindly take the above on your record and acknowledge the receipt of the same.

Thanking You,

FOR PRIME FOCUS LIMITED

**PARINA SHAH
COMPANY SECRETARY & COMPLIANCE OFFICER**

Encl.: a/a



PRIME FOCUS LIMITED

Investor Presentation
November 2020

A FILM BY CHRISTOPHER NOLAN

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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The background is a vibrant red color with a subtle grid pattern. A white banner with a wavy bottom edge is positioned on the left side of the slide. The text is centered within this banner.

H1 FY21 Performance

H1FY21 highlights - Resilient performance despite COVID19 disruptions



Consolidated
Income

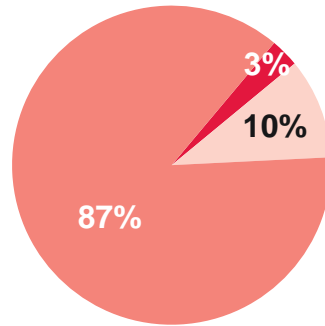
Rs. 1,265 Cr



Change YoY

**-7.5%
YoY**

**Divisional
Revenue
share**



- India, FMS
- Tech/Tech Enabled Services
- Creative Services

Adjusted
EBITDA¹

Rs. 370 Cr

Adjusted EBITDA¹
Margin

29.2%

Change YoY

**50%
YoY**

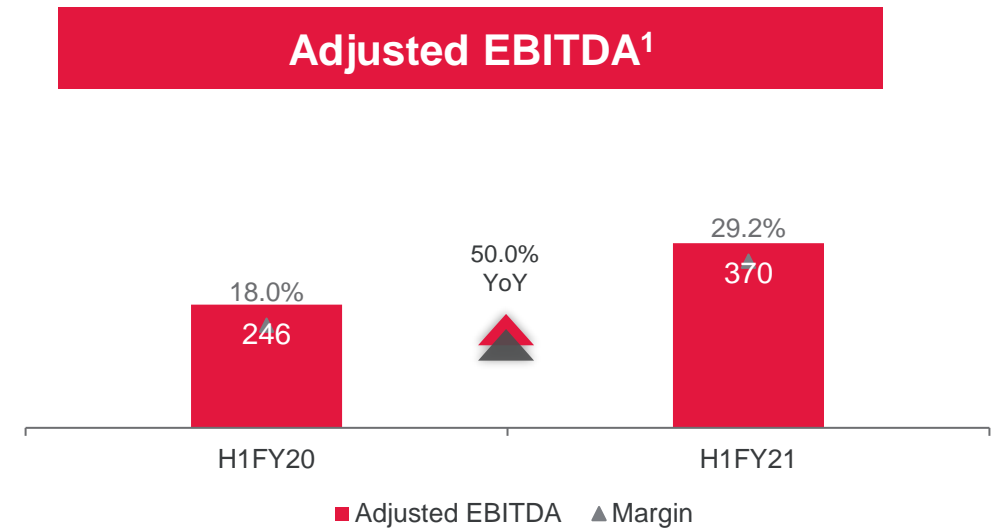
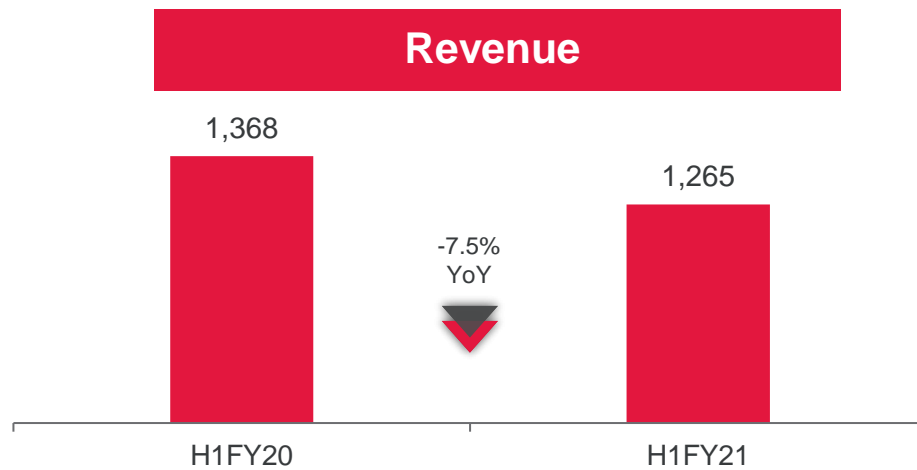


DNEG nominated for a **Royal Television Society Award** in the Effects Category for its work on BBC's 'World on Fire'

DNEG's work on 'Devs' nominated for a **2020 Broadcast Tech Innovation Award** in the Best VFX Project Category



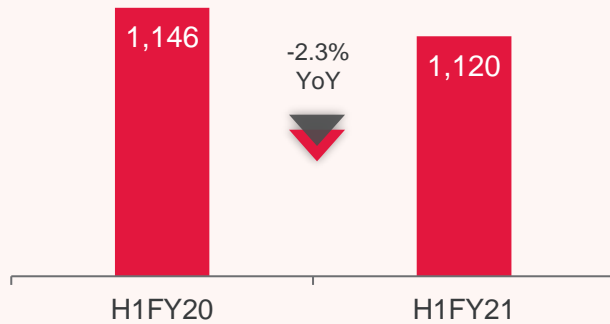
H1FY21 – Cost Optimization led to PAT positive 6M FY21



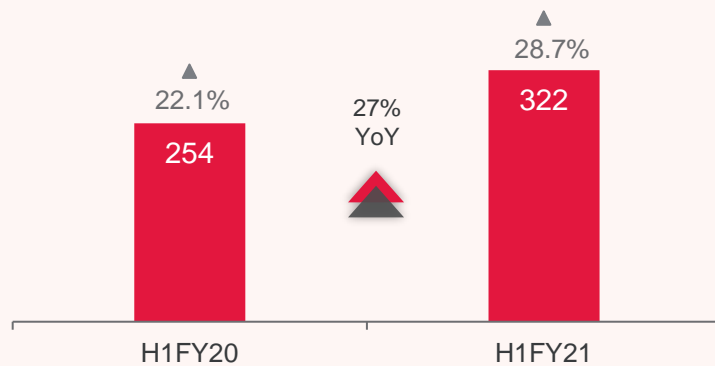
Figures in Rs Crore; Consolidated financials

- Consolidated revenues fell by 7.5% YoY to Rs 1,264.6 Cr – stabilisation in revenues as COVID impact beginning to wane but uncertainty persists due to new wave of lockdowns in the West. DNEG’s revenue has shown good resilience during these testing times
- Adjusted EBITDA stood at Rs 369.5 Cr with margins at 29.2% due to proactive cost curtailment measures
 - Government support in the West coupled with headcount rationalization led to Employee cost at % of revenue at 53.2% (H1FY20 – 62.2%)
 - Non Cash ESOP charges stood at Rs 11.8cr for 6M FY21 – expected to further reduce going forward
- Interest and Finance charges at Rs. 117 Cr in line with H1FY20 cost at Rs. 119cr
 - Includes non-cash interest on studio loan Rs. 10cr
- Depreciation charges at Rs 195 Cr – in line with H1FY20 numbers of Rs. 193cr
- Exceptional Cost of Rs. 22.8cr is associated with cost provisions related to proposed issuance of Senior Secured Notes by DNEG during Q2FY21
- The company continues to be **PAT positive for 3rd Quarter in a Row** with PAT for Q2FY21 at Rs. 1.4cr

Revenues¹



Adjusted EBITDA¹



Stable Revenues despite COVID Headwinds

- Strong execution pipeline of projects in Film VFX, TV/OTT and Animation backed by credible studios led to limited COVID disruption on the revenue front. With shoots starting to recommence in phased manner, optimistic for the future
- Operations demonstrated high agility – enabled workflow transition to Work from Home
- Won high value contracts even during challenging times – *Justice League with HBO Max, Uncharted with Sony, Matrix 4 with Warner Bros*
- Continue to deliver work on marquee projects such as *Dune, Ron's Gone Wrong, Infinite, Venom 2*, among others
- Second wave of Lockdown in Europe increases short-term uncertainty while promising news on vaccine front is supportive in the medium term



Adj. EBITDA up 27% YoY

- Benefits of workforce rationalization and cost reductions helped drive an improved operating performance despite YoY reduction in revenues and COVID disruptions with Adj EBITDA margins at 28.7%
- Workforce rationalization, government wage relief, temporary pay-cuts, shifting/closure of offices and tight control over discretionary spending led to reduction in operating cost

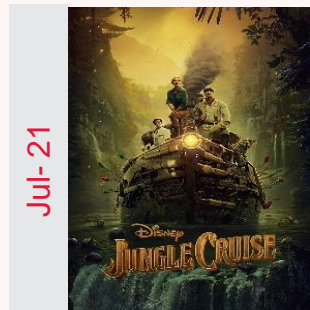
Upcoming Movie Projects



Dune



F9: The Fast Saga

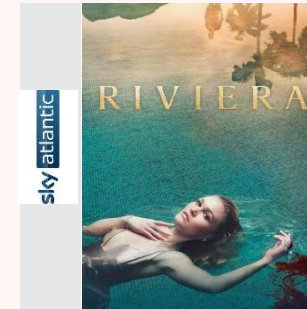


Jungle Cruise



Wonder Woman 1984

Upcoming TV / OTT Projects



Riviera Season 3



Away

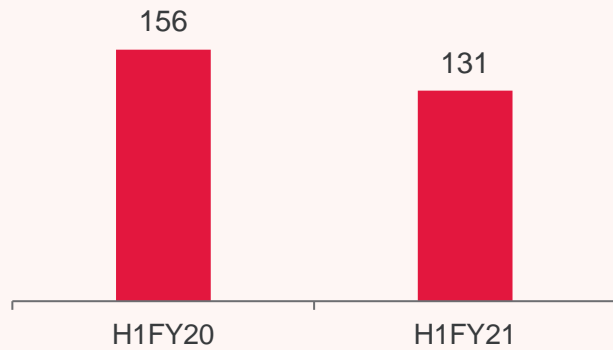


Star Trek Discovery

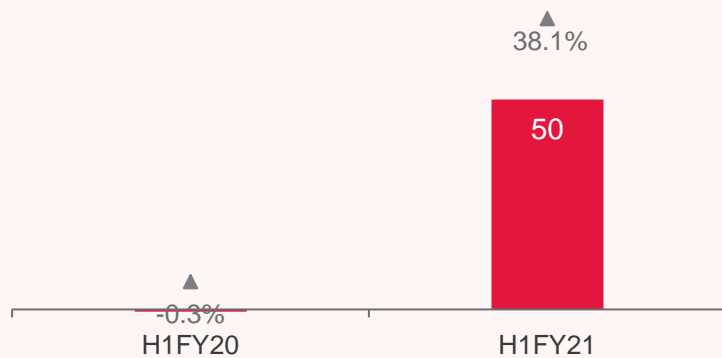


Foundation

Revenue

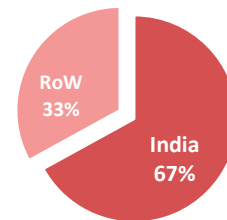


Adjusted EBITDA¹

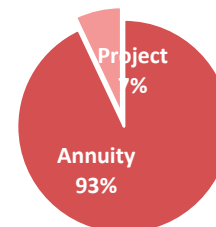


Rebound in EBITDA Margins – at ~38% for H1FY21

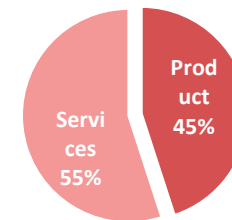
- COVID Impact on revenues has been limited – backed by strong client relations
- Business turnaround plan accelerated on the back of COVID - company has shown promise by delivering positive EBITDA despite reduced revenue driven largely by workforce rationalization and significant and permanent cost control measures over discretionary expenditure
- Adj EBITDA calculation includes Other Income and excludes ESOP charges



By Geography

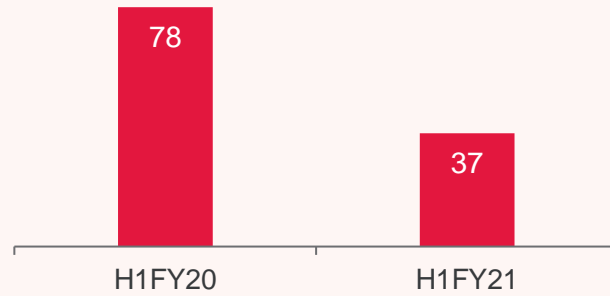


By Contract type

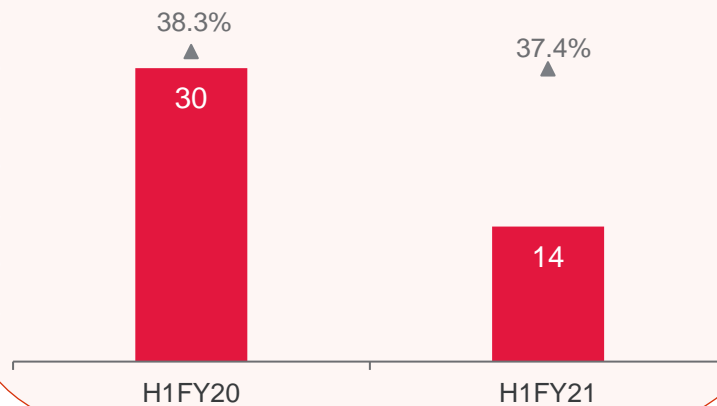


By Product Mix

Revenues



Adjusted EBITDA¹



Figures in Rs Crore

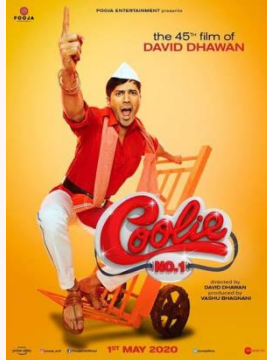
Highlights:

- Delivered revenue of Rs 37 Cr with Adj. EBITDA margin at ~ 35%+
- With relaxation in government imposed restrictions and shoots beginning from August, revenues beginning to start trickling in slowly; however recovery will still take some more time; expected to improve in Q4FY21
- Worked on the Bollywood blockbusters *Gunjan Saxena (Netflix)*, *Angrezi Medium (Hotstar)*, *Dil Bechara (Hotstar)*, *Hundred (Hotstar)* among others
- Strong Movie Releases scheduled for coming quarters: *Coolie No. 1*, *Chhalaang*, *Gangubai Kathiawadi*, *World Cup 1983*, *Brahmastra*, *Maidaan* among others
- Adj EBITDA calculation includes Other Income and excludes ESOP charges

Upcoming Movie Projects



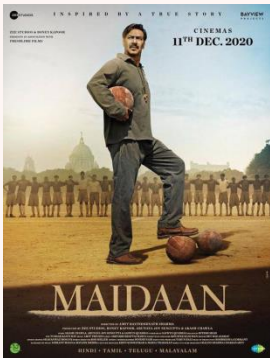
83



Coolie No 1



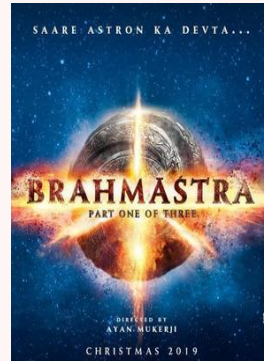
Gangubai Kathiawadi



Maidaan



Chhalaang



Brahmastra

Recent TV Commercials

Netflix



<https://www.youtube.com/watch?v=vJIntV2iFEQ>

Kellogg's



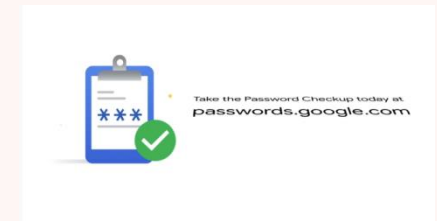
<https://www.youtube.com/watch?v=0BTVID2IG0g>

Vivo IPL 2020



<https://www.youtube.com/watch?v=AvTXSeDmho>

Google



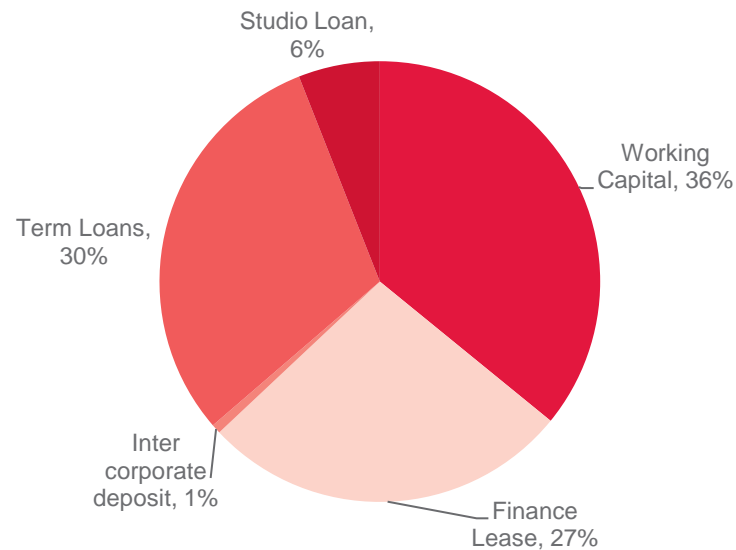
<https://www.youtube.com/watch?v=VYnpzgnCmDk>

Debt profile



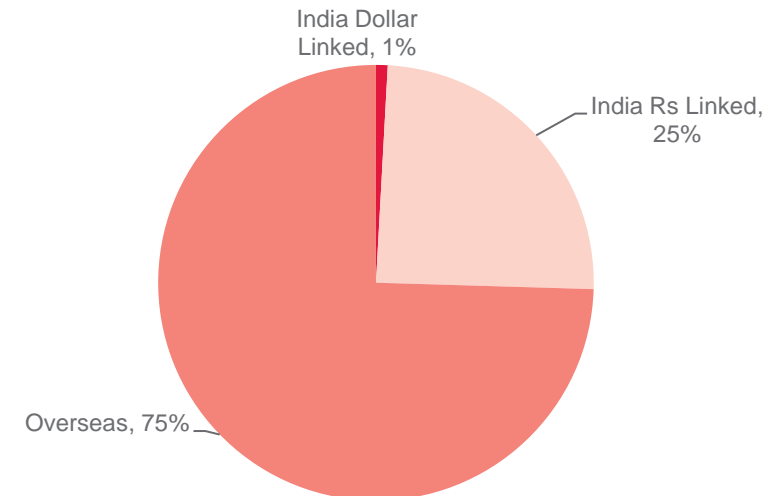
- Consolidated Net Debt of Rs. 3,287 Cr as on 30th September 2020
 - Includes Operating Lease Liability of ~ Rs. 600 Cr added to the Balance Sheet on adoption of IndAS 116
- LTM Net Debt / Adj EBITDA (Pre IndAS 116) has improved to ~3.6x from 4x+ levels earlier
- The Company and its subsidiaries continue to consider options to raise funding through equity (including through private placement and public offering) and debt, and unlock value across the Group with a view to enhancing growth, shareholder value and the efficiency of the business

Debt Composition



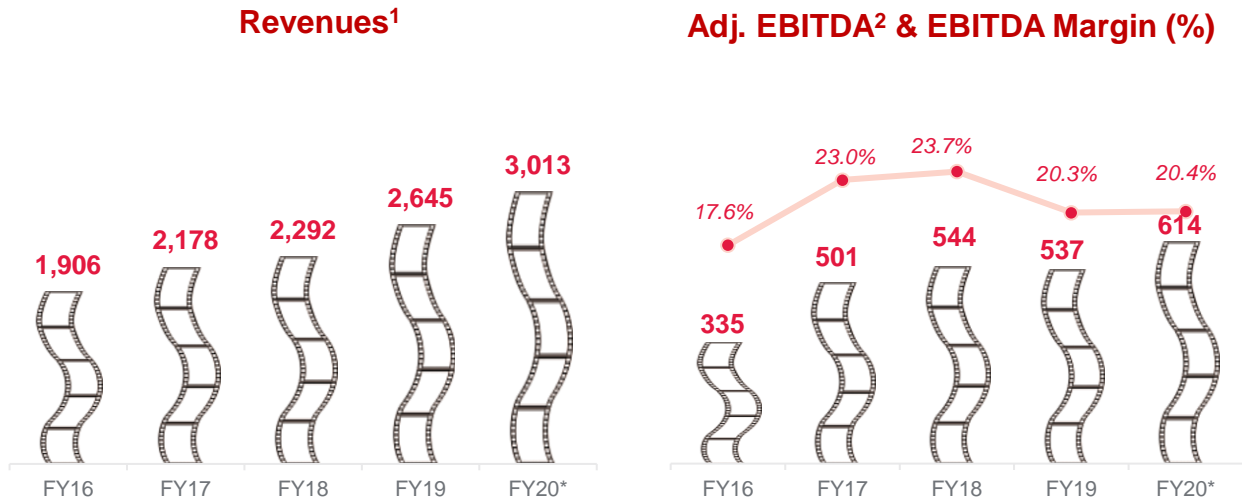
\$1= Rs. 73.57

Geographical Breakup



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

About Prime Focus



Figures in Rs Crore; Consolidated Financials

Robust & growing Order Book despite COVID outbreak

9,000+
People



1 VES

For work on Chernobyl



1 Emmy

For work on Chernobyl

Working with top broadcasters, studios and OTT players



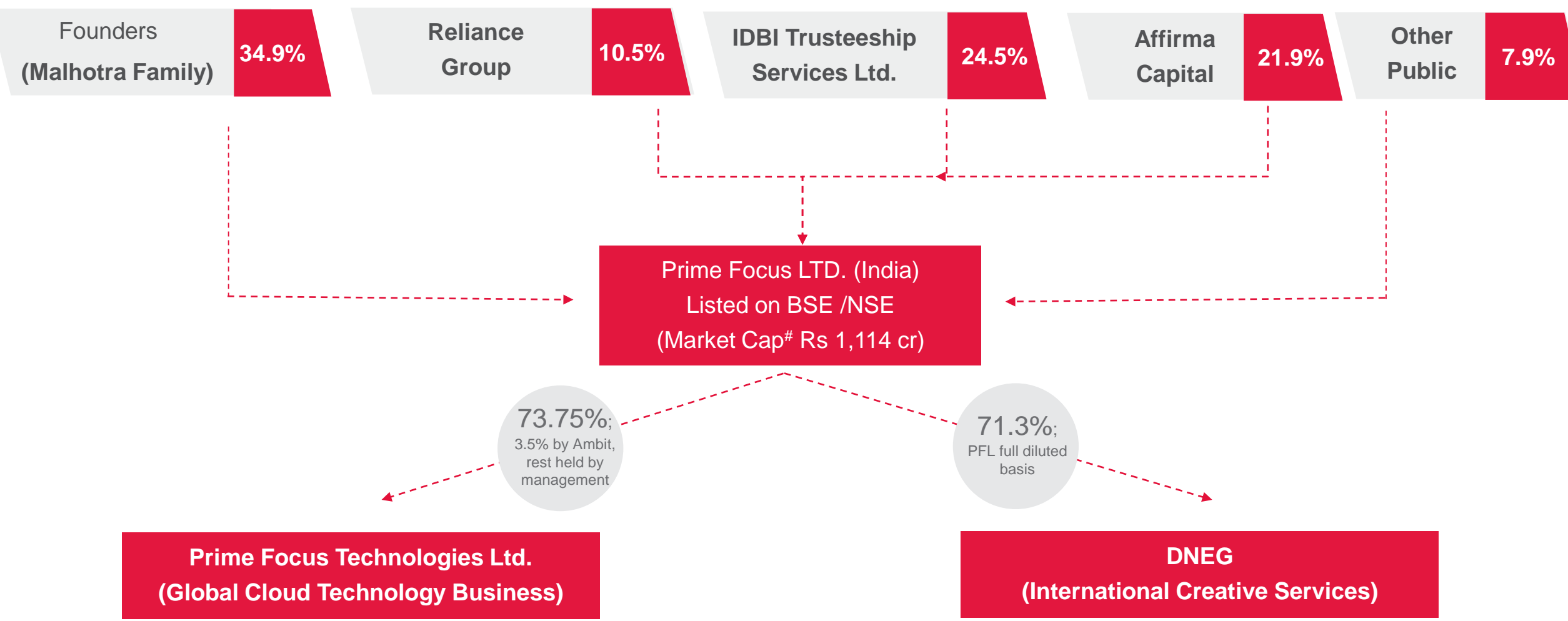
Delivered top Hollywood & Bollywood grossers in FY20



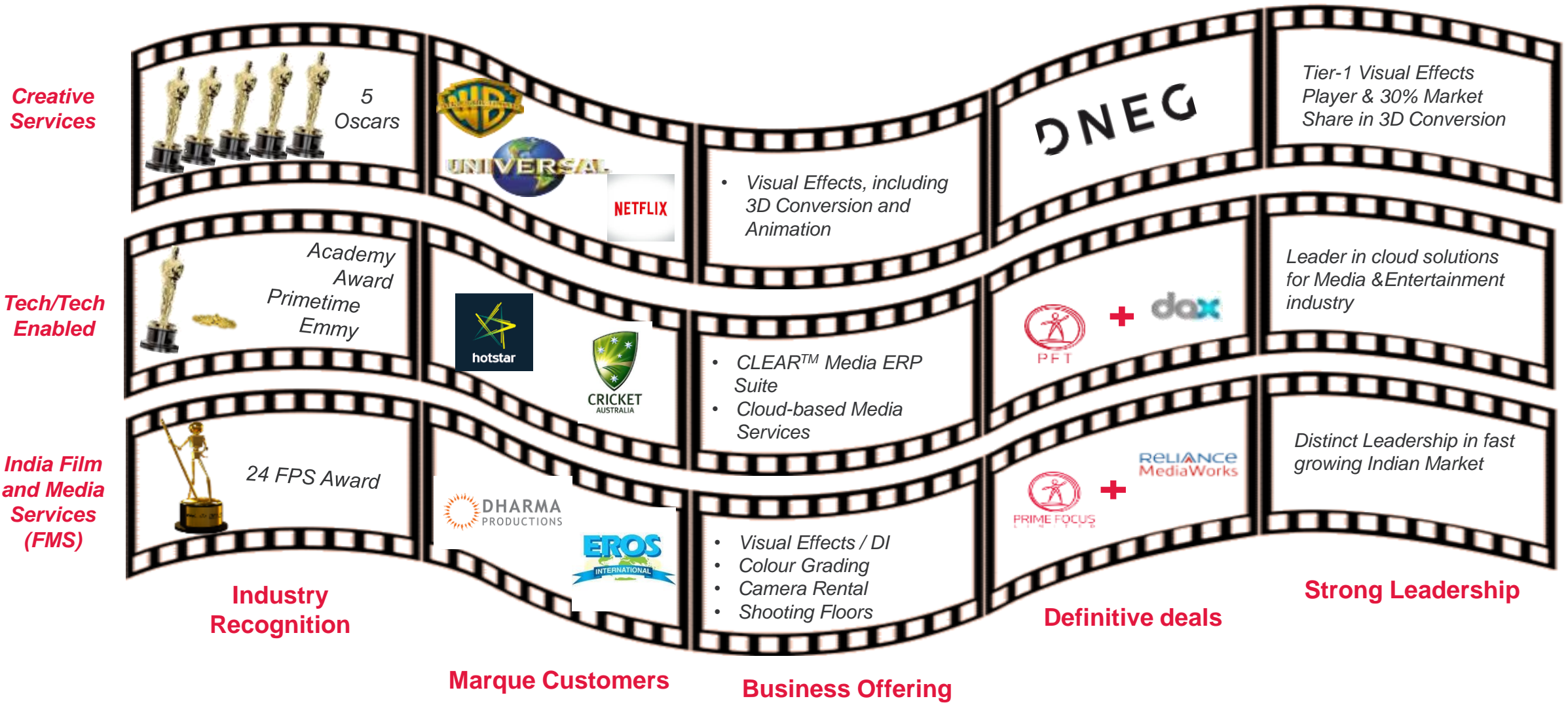
1 Including Other Income
2 Excluding ESOP expense

* FY20 numbers include the effect of Adoption of IndAS 116. Hence, numbers are not comparable with previous years

Corporate Structure



Strong Leadership in all 3 verticals



Creative Services: World's No. 1 independent Tier 1 player



Strong Leadership

Tier-1 Visual Effects Player

House of choice for visually enhanced services

Proven Expertise



5 Oscar wins for Inception, Interstellar, Ex Machina, Blade Runner 2049 & First Man

Top Grossers



\$2.79 bn



\$1.12 bn



\$759 mn



\$404 mn



\$386 mn



\$253 mn

Unprecedented scale

US\$354 mn (FY20), Revenues

8,000+ personnel across 9 facilities

89% contribution in FY20 revenues

Robust Order Book

Deeper engagement with leading studios



Poised for Profitable growth

- Increasing cross-sell via Bundled offering (VFX / 3D conversion / Animation services)
- Robust model – reduced seasonality, lower dependence on individual projects
- Margin expansion via scale economics and delivery from global locations

Technology Services: Pioneer & leader in cloud solutions for M&E industry



Owns & operates World's **only hybrid cloud enabled Media ERP platform** – CLEAR™

Continue to have a robust order book to be executed over next 3-5 years

Revenue **at Rs. 3.0 bn**, 9% share

Strong revenue model with **91% Annuity** contribution & **29% from International** markets

Unique & Comprehensive PRODUCT + SERVICES approach

Products

Cloud Media ERP

Cloud MaM
Broadcast cloud
Production cloud
Distribution cloud

Operations Cloud

Playout cloud
Playout monitoring

Digital & OTT platforms

Services

Data Services

Metadata
Analytics

Content Localization

Content Transformation

Digitization & QC
Content Preparation
Editorial and Packaging

Marquee Clients

Broadcasters



Studios



Brands

Content Creation



Content Transformation



Content Distribution



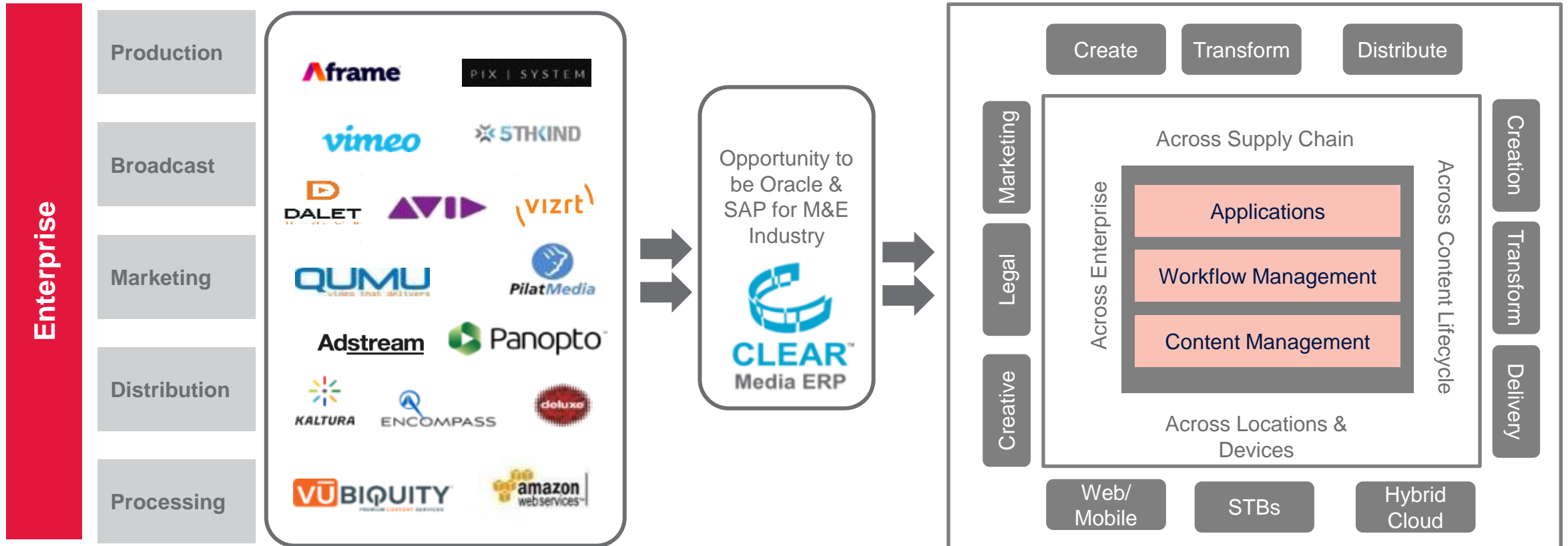
Content Exhibition



Service Providers



CLEAR™ Media ERP – One Software for the entire M&E Enterprise

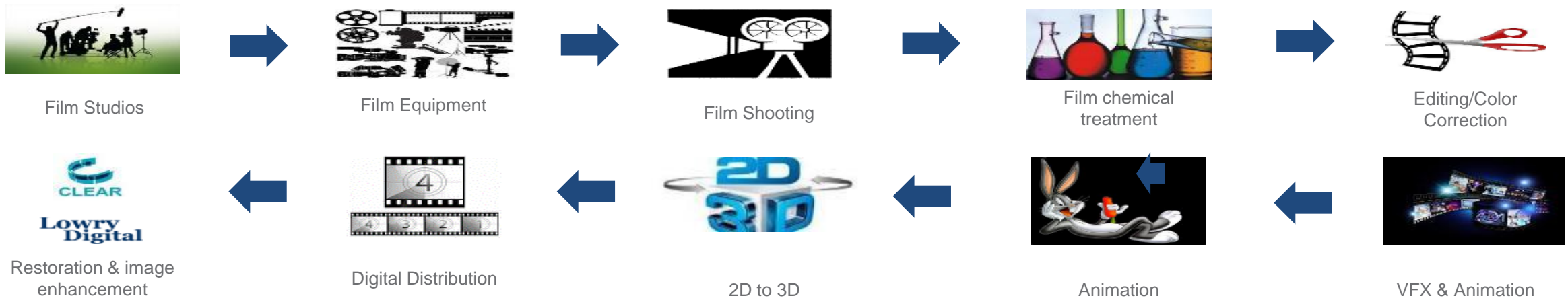


- The Enterprise Application Domain has been consolidated with few Mega-suite Providers
- The same evolution is panning out in Media and Entertainment Enterprises
- CLEAR™ is the most established Hybrid Cloud Media ERP across the globe

India FMS: Dominating on home turf



Offering complete media services across the spectrum. .



Leading player in fast growing Indian M&E market

Owns India's largest integrated studio with ~25% capacity of Mumbai studio market

High Margin in range of 30-40% Margin in price competitive Bollywood market, testimony to PFL's Quality work

Excellent relationships with Indian studios & broadcasters. .



'WorldSourcing' model = unmatched competitive edge



Global network providing highest quality, fastest time to market & most efficient pricing

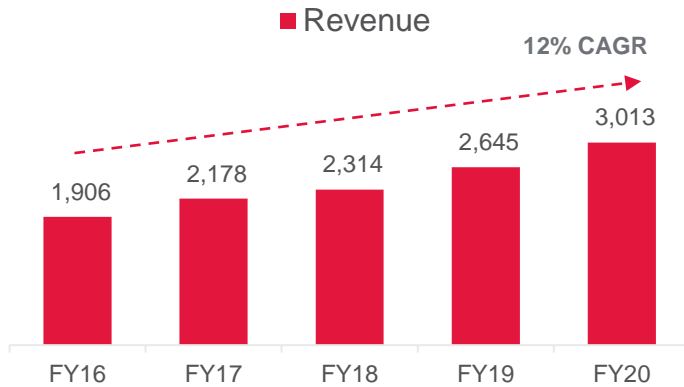


5 continents | 7 time zones | 18 locations | 24/7 – 365 days

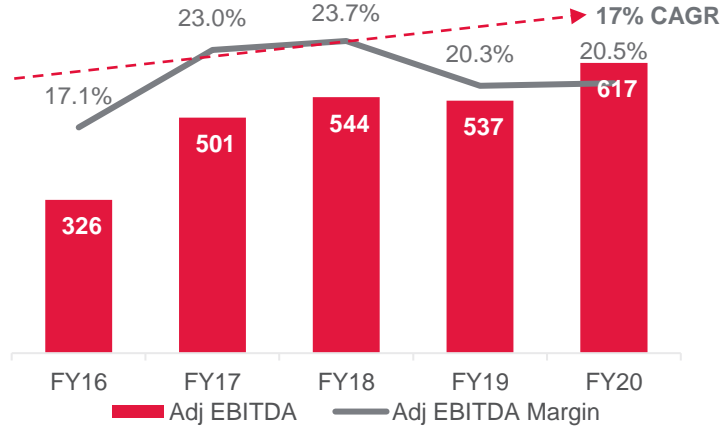
Robust financial performance ...



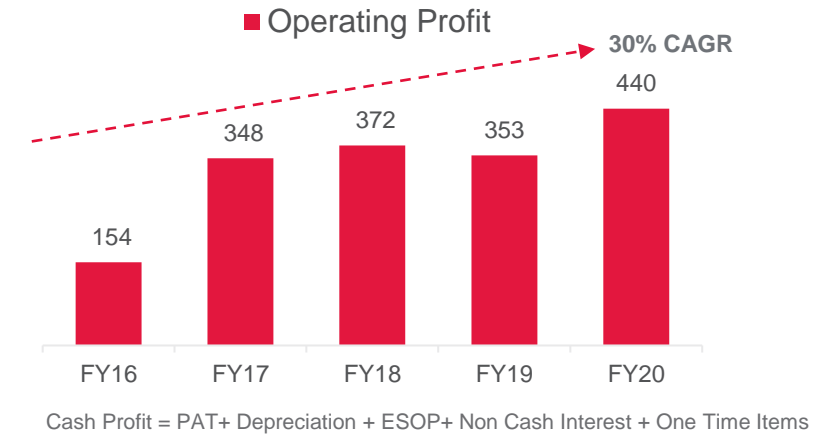
Strong Revenue Growth



Strong Growth in Adj. EBITDA Margins

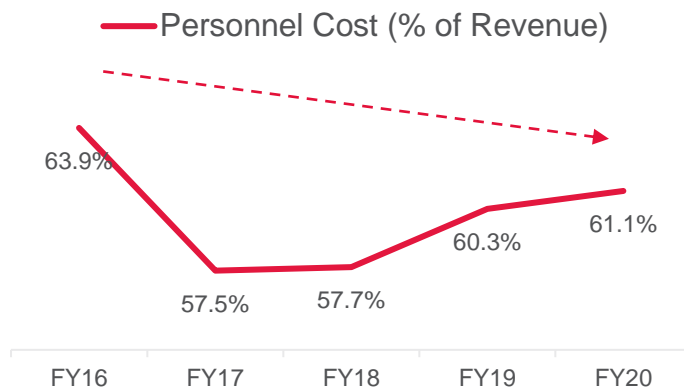


Operating profit

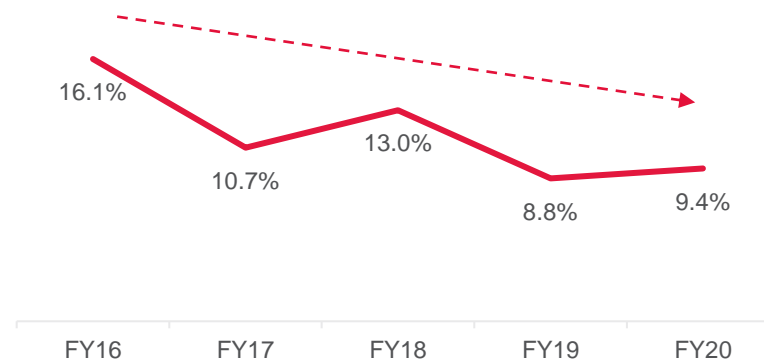


All absolute figures in Rs. crores;

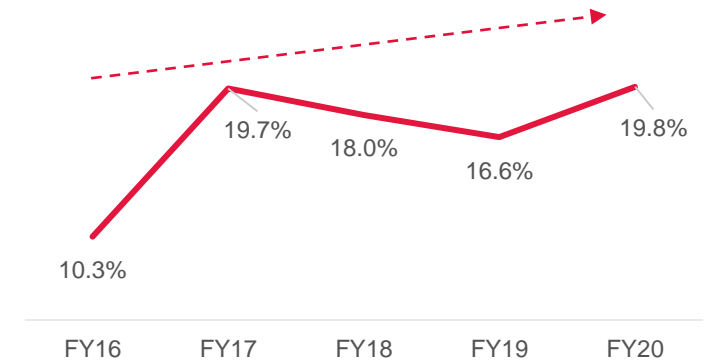
Personnel cost (% of Revenue)



Capex (% of Revenue)



Cash ROCE



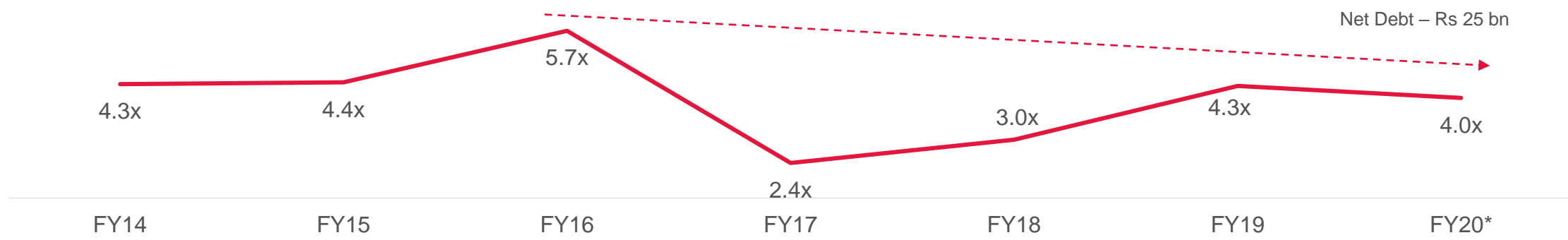
Personnel Cost = Employee expense + Technician fees

Cash ROCE = EBITDA / Average Total Capital Employed

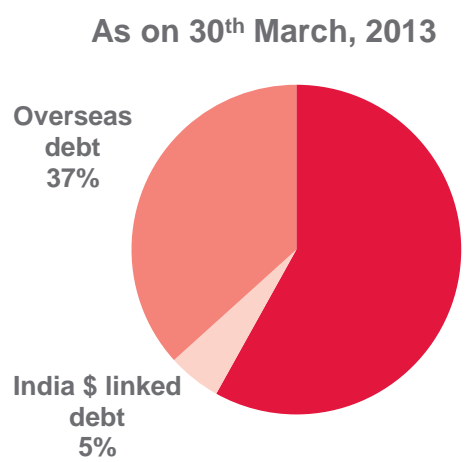
.. and continued focus on leverage



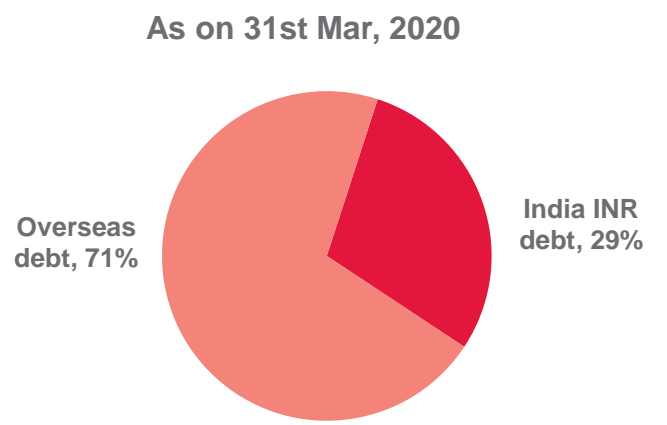
Reported Net Debt / EBITDA



Interest cost <10% on the back of higher share of foreign currency loans



Proportion of \$ linked debt has increased from 42% in FY13 to 71% in FY20



Significant “dollarization” of Debt - reduction in interest costs

* Does not include impact of IndAS 116

Annexure

Consolidated Profit & Loss Statement



Particulars (Rs Crore)	Q2FY21	Q2FY20	% YoY Variance	Q1FY21	% QoQ Variance	H1FY21	H1FY20	% YoY Variance
Net sales / income from operations	652	684	-5%	605	8%	1,257	1,360	-8%
Other Income	4	5	-15%	3	32%	8	7	3%
Total Income	657	689	-5%	608	8%	1,265	1,368	-8%
Total Expenditure	466	555	-16%	429	9%	895	1,121	-20%
Personnel Cost (including technician fees)	341	425	-20%	332	3%	673	851	-21%
Other Expenditure	125	131	-4%	97	30%	222	270	-18%
Income from writeback	-	-	NM	-	NM	-	-	NM
Adj. EBITDA*	191	133	43%	179	6%	370	246	50%
Non Operating Foreign exchange (loss)/Gain	-	-	NM	-	NM	-	-	NM
EBITDA (including Exch. Gain (net))	191	133	43%	179	6%	370	246	50%
Depreciation & amortization	97	97	0%	98	0%	195	193	1%
ESOP Charges	5	8	-40%	7	-30%	12	11	8%
EBIT	89	28	215%	74	19%	163	43	281%
Interest & Finance charges	60	60	-1%	57	4%	117	119	-2%
PBT Before Exceptional Items	29	-32	NM	17	67%	46	-76	NM
Exceptional Items- Expenditure/ (Income)	23	-	NM	-	NM	23	-	NM
PBT	6	-32	NM	17	-66%	23	-76	NM
Tax Expense	5	-25	NM	13	-65%	17	-26	NM
PAT before Minority	1	-7	NM	4	-69%	6	-50	NM
Minority Interest	-0	2	NM	0	NM	-0	-6	NM
PAT	1	-10	NM	4	-68%	6	-44	NM

Key Ratios	Q2FY21	Q2FY20	Q1FY21	H1FY21	H1FY20
Adjusted EBITDA Margin	29%	20%	30%	29%	18%
Total Expenditure/ Revenues	71%	81%	71%	71%	82%
Personnel Cost/ Total Operating Income	52%	62%	55%	54%	63%
Other Expenditure/ Total Operating Income	19%	19%	16%	18%	20%

Standalone Profit & Loss Statement



Particulars (Rs Crores)	Q2FY21	Q2FY20	% YoY Variance	Q1FY21	% QoQ Variance	H1FY21	H1FY20	% YoY Variance
Net sales / income from operations	17	32	-46%	7	148%	25	68	-64%
Other income	6	7	-6%	6	2%	12	10	22%
Total Income	24	39	-39%	13	80%	37	79	-53%
Total Expenditure	13	22	-42%	10	27%	23	49	-52%
Personnel Cost (including technician fees)	4	9	-60%	4	-2%	7	21	-66%
Other Expenditure	9	13	-29%	7	43%	16	28	-42%
Adj. EBITDA*	11	17	-36%	3	258%	14	30	-54%
Non Operating Foreign exchange (loss)/Gain	-	-	NM	-	NM	-	-	NM
EBITDA (including Exch. Gain (net))	11	17	-36%	3	258%	14	30	-54%
Depreciation & amortization	17	17	-1%	16	4%	33	33	-1%
ESOP Charges	-	0	NM	-	NM	-	1	NM
EBIT	-6	-0	NM	-13	NM	-19	-4	NM
Interest & Finance charges	16	15	9%	15	5%	31	31	1%
PBT Before Exceptional Items	-22	-15	NM	-28	NM	-50	-35	NM
Exceptional Items- Expenditure/ (Income)	-	-	NM	-	NM	-	-	NM
PBT	-22	-15	NM	-28	NM	-50	-35	NM
Tax Expense	-	-1	NM	-	NM	-	-1	NM
PAT	-22	-14	NM	-28	NM	-50	-34	NM

Key Ratios	Q2FY21	Q2FY20	Q1FY21	H1FY21	H1FY20
Adj. EBITDA Margin	62%	52%	43%	56%	44%
Total Expenditure/ Revenues	74%	68%	145%	94%	71%
Personnel Cost/ Total Operating Income	20%	27%	51%	29%	31%
Other Expenditure/ Total Operating Income	54%	41%	94%	65%	40%

Balance Sheet - Assets



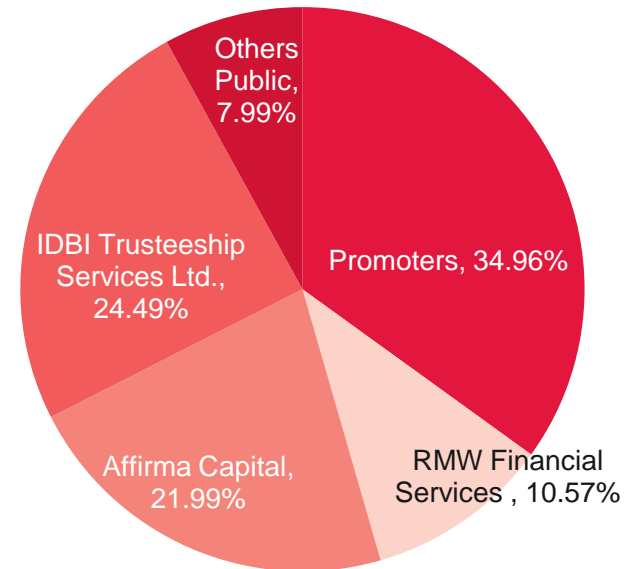
Particulars	Standalone		Consolidated	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
Assets				
Non-Current Assets				
Property, Plant and Equipment	235	359	393	533
Capital Work In Progress	10	8	38	18
Goodwill	-	-	1,073	1,037
Other Intangible assets	0	1	449	444
Rights to Use Asset	302	240	860	891
Intangible Assets under development	-	-	28	58
Financial Assets				
Investments	789	849	4	4
Trade Receivables	-	-	2	15
Other financial assets	5	5	106	109
Deferred Tax assets (net)	0	30	119	73
Income Tax assets (net)	82	73	125	106
Other Non-Current Assets	3	9	59	51
Total Non- Current Assets	1,427	1,574	3,257	3,341
Current Assets				
Inventories	-	-	-	0
Financial Assets				
Trade receivables	35	48	485	341
Cash and cash equivalents	2	1	58	174
Bank balances other than above	0	0	1	4
Loans	176	137	-	-
Other financial assets	232	11	869	632
Income Tax Assets (Net)	-	-	0	0
Other current assets	520	48	212	200
Total current Assets	966	245	1,626	1,351
Total Assets	2,393	1,819	4,883	4,692

Balance Sheet – Equity & Liabilities



Particulars	Standalone		Consolidated	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
Equity and Liabilities				
Equity				
Equity Share Capital	30	30	30	30
Share warrant money received	-	-	-	-
Other Equity	1,185	1,056	380	434
Equity attributable to equity holders of the parent	1,215	1,086	410	464
Non-controlling interest	-	-	84	104
Total Equity	1,215	1,086	494	568
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	332	340	1,018	1,885
Lease Liabilities	39	50	704	-
Other financial liabilities	119	165	153	131
Provisions	3	3	28	18
Deferred Tax Liabilities (net)	-	-	42	51
Other non-current liabilities	-	1	1	1
Total Non-current liabilities	493	559	1,946	2,086
Current Liabilities				
Financial Liabilities				
Borrowings	41	32	1,197	1,071
Lease Liabilities	17	14	206	-
Trade Payables	30	22	220	157
Other financial liabilities	59	41	413	442
Other Current Liabilities	77	49	306	314
Provisions	0	0	46	16
Current Tax Liabilities	16	16	55	38
Total Current Liabilities	240	174	2,443	2,038
Total Liabilities	733	733	4,389	4,124
Total Equity + Liabilities	1,948	1,819	4,883	4,692

As on 30th September 2020
Outstanding shares – 299 mn





Contact us

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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. 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
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