

# INVESTOR UPDATE



ENTERTAINMENT NETWORK (INDIA) LTD.



## PERFORMANCE REVIEW: Q4 FY18

May 24, 2018

# Presentation Path

- ❖ Financial Review
- ❖ Business Review
- ❖ Strategic Direction
- ❖ Investors Contact

# Financial Review

# Condensed Statement Of Operations

## Standalone

Rs. In Million	Q4 FY18	%age of Total Income	Q4 FY17	%age of Total Income	Growth (%)
Income from Operations	1,574.1	98.8%	1,620.2	98.1%	(2.8%)
Other Operating Income	19.8	1.2%	31.8	1.9%	(37.7%)
<b>Total Income</b>	<b>1,593.9</b>	<b>100.0%</b>	<b>1,652.0</b>	<b>100.0%</b>	<b>(3.5%)</b>
Operating Expenditure	1,239.9	77.8%	1,300.2	78.7%	(4.6%)
<b>EBITDA</b>	<b>354.0</b>	<b>22.2%</b>	<b>351.8</b>	<b>21.3%</b>	<b>0.6%</b>
Depreciation	38.7	2.4%	45.9	2.8%	(15.7%)
Amortisation	119.7	7.5%	118.2	7.2%	1.3%
<b>EBIT</b>	<b>195.6</b>	<b>12.3%</b>	<b>187.7</b>	<b>11.4%</b>	<b>4.2%</b>
Other Income	26.9	1.7%	50.7	3.1%	(46.9%)
Finance Cost	(9.8)	(0.6%)	(50.1)	(3.0%)	(80.4%)
<b>Profit Before Tax (PBT)</b>	<b>212.7</b>	<b>13.3%</b>	<b>188.2</b>	<b>11.4%</b>	<b>13.0%</b>
Taxation	95.7	6.0%	50.3	3.0%	90.3%
<b>Profit After Tax (PAT)</b>	<b>117.0</b>	<b>7.3%</b>	<b>137.9</b>	<b>8.3%</b>	<b>(15.2%)</b>
Other Comprehensive Income (net)	1.4	0.1%	1.2	0.1%	NM
<b>Total Comprehensive Income</b>	<b>118.4</b>	<b>7.4%</b>	<b>139.1</b>	<b>8.4%</b>	<b>(14.9%)</b>

# Financial Performance Q4FY18

(All comparisons with corresponding period of previous year)

- New stations reported positive EBITDA of Rs.29.5 million (Q4FY17 – Loss of Rs.63.2 million). Revenue from new stations was Rs.267.2 million, up by 67.6%
- Margins in Non-FCT improve despite lower Non-FCT revenues
- Tax expense of Rs.95.7 million includes deferred tax charge of Rs. 32.5 million and tax adjustment of Rs.10.6 million for earlier years. Deferred tax charge was higher due to the introduction of Health cess in the recent Union Budget
- Company generated an operating cash flow of Rs. 708 million
- Net Cash as on March 31, 2018 was Rs.693 million

# Condensed Statement Of Operations

## Standalone

Rs. In Million	FY18	%age of Total Income	FY17	%age of Total Income	Growth (%)
Income from Operations	5,267.5	98.1%	5,487.3	98.7%	(4.0%)
Other Operating Income	103.4	1.9%	70.6	1.3%	46.5%
<b>Total Income</b>	<b>5,370.9</b>	<b>100.0%</b>	<b>5,557.9</b>	<b>100.0%</b>	<b>(3.4%)</b>
Operating Expenditure	4,204.9	78.3%	4,298.8	77.3%	(2.2%)
<b>EBITDA</b>	<b>1,166.0</b>	<b>21.7%</b>	<b>1,259.1</b>	<b>22.7%</b>	<b>(7.4%)</b>
Depreciation	151.9	2.8%	133.7	2.4%	13.6%
Amortisation	482.6	9.0%	402.4	7.2%	19.9%
<b>EBIT</b>	<b>531.5</b>	<b>9.9%</b>	<b>723.0</b>	<b>13.0%</b>	<b>(26.5%)</b>
Other Income	88.2	1.6%	195.9	3.5%	(55.0%)
Finance Cost	(47.2)	(0.9%)	(135.7)	(2.4%)	(65.2%)
Exceptional Item	42.4	0.8%	-	-	NM
<b>Profit Before Tax (PBT)</b>	<b>614.9</b>	<b>11.4%</b>	<b>783.2</b>	<b>14.1%</b>	<b>(21.5%)</b>
Taxation	263.3	4.9%	238.4	4.3%	10.4%
<b>Profit After Tax (PAT)</b>	<b>351.6</b>	<b>6.5%</b>	<b>544.8</b>	<b>9.8%</b>	<b>(35.5%)</b>
Other Comprehensive Income (net)	1.7	0.0%	(4.9)	(0.1%)	NM
<b>Total Comprehensive Income</b>	<b>353.3</b>	<b>6.6%</b>	<b>539.9</b>	<b>9.7%</b>	<b>(34.6%)</b>

# Financial Performance FY18

(All comparisons with corresponding period of previous year)

- Retained market leadership of over 30% market share
- Company followed its long term strategy of inventory ad cap to improve listenership and listener experience
- In view of inventory ad cap, CU de-grew by 14.7% to 79.7% (basis 13 min. per hour and 17 hours a day). Gross ER, however grew by 5.5%.
- Margins in Non-FCT businesses improve
- Revenue from new stations was Rs.730 million, up by 138.1%
- Batch I Stations witness significant EBITDA improvement; FY18 EBITDA loss – Rs.19.3 million (FY17 EBITDA loss – Rs.297.5 million)
- Company generated an operating cash flow of Rs. 970 million

# Summarised Balance Sheet

## Standalone

Rs. In Million	As on			
	31-Mar-18	%age to Total	31-Mar-17	%age to Total
<b>Shareholders' Funds</b>				
Capital	476.7	4.7%	476.7	4.8%
Reserves and Surplus	8,365.9	82.6%	8,070.0	81.7%
<b>Net Worth</b>	8,842.6	87.3%	8,546.7	86.5%
Deferred Tax Liability (net)	245.5	2.4%	99.1	1.0%
Commercial Paper	1,039.6	10.3%	1,231.9	12.5%
<b>Total</b>	<b>10,127.7</b>	<b>100.0%</b>	<b>9,877.7</b>	<b>100.0%</b>
<b>Fixed Assets (Net)</b>				
Tangible Asset	577.5	5.7%	583.5	5.9%
Intangible Asset	6,156.9	60.7%	6,551.5	66.3%
Capital Work in progress	625.9	6.2%	664.4	6.7%
<b>Sub-total</b>	7,360.3	72.7%	7,799.4	78.9%
Equity in ABSIL	70.3	0.7%	70.3	0.7%
Other Long Term Assets (Net)	360.9	3.6%	204.2	2.1%
Net Short Term Assets	603.6	6.0%	542.4	5.5%
Cash & Cash Equivalents	1,732.6	17.1%	1,261.4	12.8%
<b>Total</b>	<b>10,127.7</b>	<b>100.0%</b>	<b>9,877.7</b>	<b>100.0%</b>



# Condensed Statement Of Operations

## Consolidated

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Income from Operations	1,574.1	98.8%	1,620.2	98.1%	(2.8%)
Other Operating Income	19.8	1.2%	31.9	1.9%	(37.9%)
<b>Total Income</b>	<b>1,593.9</b>	<b>100.0%</b>	<b>1,652.1</b>	<b>100.0%</b>	<b>(3.5%)</b>
Operating Expenditure	1,240.0	77.8%	1,300.4	78.7%	(4.6%)
<b>EBITDA</b>	<b>353.9</b>	<b>22.2%</b>	<b>351.7</b>	<b>21.3%</b>	<b>0.6%</b>
Depreciation	38.7	2.4%	45.9	2.8%	(15.7%)
Amortisation	119.7	7.5%	118.2	7.2%	1.3%
<b>EBIT</b>	<b>195.5</b>	<b>12.3%</b>	<b>187.6</b>	<b>11.4%</b>	<b>4.2%</b>
Other Income	28.6	1.8%	52.3	3.2%	(45.3%)
Finance Cost	(9.8)	(0.6%)	(50.3)	(3.0%)	(80.5%)
<b>Profit Before Tax (PBT)</b>	<b>214.3</b>	<b>13.4%</b>	<b>189.6</b>	<b>11.5%</b>	<b>13.0%</b>
Taxation	96.2	6.0%	49.2	3.0%	95.5%
<b>Profit After Tax (PAT)</b>	<b>118.1</b>	<b>7.4%</b>	<b>140.4</b>	<b>8.5%</b>	<b>(15.9%)</b>
Other Comprehensive Income (net)	1.4	0.1%	1.2	0.1%	NM
<b>Total Comprehensive Income</b>	<b>119.5</b>	<b>7.5%</b>	<b>141.6</b>	<b>8.6%</b>	<b>(15.6%)</b>

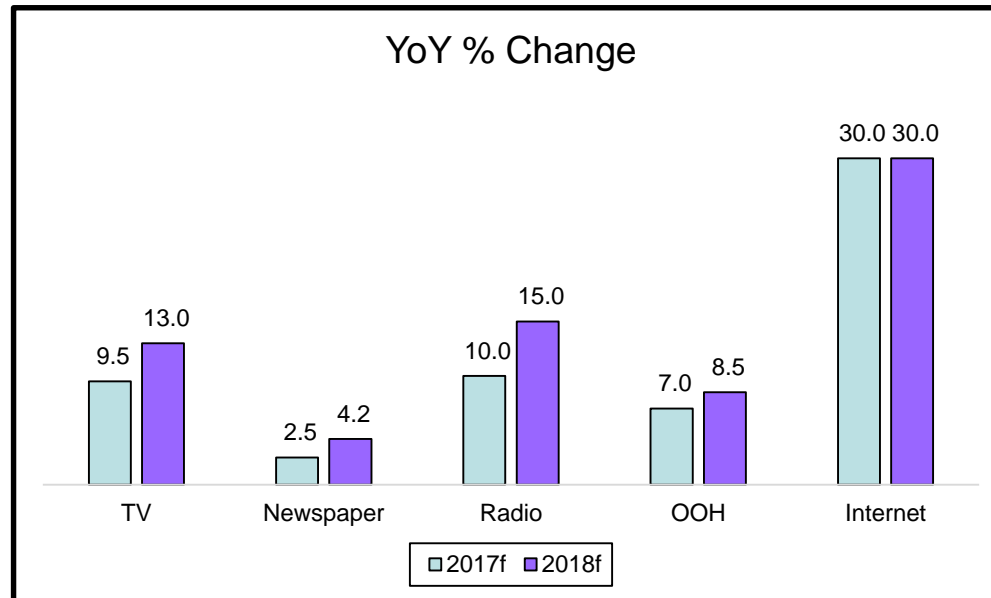
# Condensed Statement Of Operations

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Other Operating Income	103.4	1.9%	70.6	1.3%	46.5%
<b>Total Income</b>	<b>5,370.9</b>	<b>100.0%</b>	<b>5,557.8</b>	<b>100.0%</b>	<b>(3.4%)</b>
Operating Expenditure	4,205.0	78.3%	4,299.0	77.4%	(2.2%)
<b>EBITDA</b>	<b>1,165.9</b>	<b>21.7%</b>	<b>1,258.8</b>	<b>22.6%</b>	<b>(7.4%)</b>
Depreciation	151.9	2.9%	133.7	2.4%	13.6%
Amortisation	482.6	9.0%	402.4	7.2%	19.9%
<b>EBIT</b>	<b>531.4</b>	<b>9.9%</b>	<b>722.7</b>	<b>13.0%</b>	<b>(26.5%)</b>
Other Income	94.3	1.8%	202.8	3.6%	(53.5%)
Finance Cost	(47.2)	(0.9%)	(135.9)	(2.4%)	(65.3%)
Exceptional Item	42.4	0.8%	-	0.0%	NM
<b>Profit Before Tax (PBT)</b>	<b>620.9</b>	<b>11.6%</b>	<b>789.6</b>	<b>14.2%</b>	<b>(21.4%)</b>
Taxation	264.5	4.9%	237.9	4.3%	11.2%
<b>Profit After Tax (PAT)</b>	<b>356.4</b>	<b>6.6%</b>	<b>551.7</b>	<b>9.9%</b>	<b>(35.4%)</b>
Other Comprehensive Income (net)	1.7	0.0%	(4.9)	(0.1%)	NM
<b>Total Comprehensive Income</b>	<b>358.1</b>	<b>6.7%</b>	<b>546.8</b>	<b>9.8%</b>	<b>(34.5%)</b>

# Business Review

# Radio expected to be the fastest growing traditional medium...



Source: GroupM

**..led by economic recovery and Phase 3 expansion**

# Key Operating Highlights

- As per IRS ratings, Radio Mirchi tops the listenership chart in 22 out of 38 markets covered and in 6 out of the Top 8 Markets
- India's biggest music awards, Mirchi Music Awards registered a viewership of 59 million
- Radio Mirchi sweeps Asia Consumer Engagement Forum Awards, Excellence in Radio awards and Digital Marketing & Advertising – Digixx, 2017
- Radio mirchi RJ's awarded the best male, female and upcoming RJ's in the Indian Foundation awards.
- Radio Mirchi's Facebook page crossed 7 Million fans
- YouTube channel subscriber base crosses 2.7 Million

# Strategic Direction

# Strategic Direction

- Expand our footprint in radio broadcasting
  - Margin growth in new stations
  - Grow radio listenership
- Position the Company to benefit from the potential presented by the regulatory reforms
- Maintain market leadership in FM radio industry
  - Developing new business streams
- Exploit the new revenue opportunities on digital & other platforms
- Take the Mirchi brand to global markets

# Investor Contact

Entertainment Network is committed to improving its performance every fiscal and continuously enhance shareholder value through successful implementation of its growth plans. The Company's investor relations mission is to maintain an ongoing awareness of its performance among shareholders and financial community. This update covers the company's financial performance for Q4FY18

We thank you for your support and welcome your feedback and comments regarding this update and other investor issues

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# Disclaimer

*Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results 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 regarding fluctuations in earnings, our ability to manage growth, intense competition in our business segments, change in governmental policies, political instability, legal restrictions on raising capital, and unauthorized use of our intellectual property and general economic conditions affecting our industry. ENIL may, from time to time, make additional written and oral forward looking statements, including our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.*

**THANK YOU**