

# INVESTOR UPDATE



ENTERTAINMENT NETWORK (INDIA) LTD.



## PERFORMANCE REVIEW: Q3 FY17

February 13, 2017

# Presentation Path

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

# Financial Review

# Condensed Statement Of Operations

## Standalone

Rs. In Million	Q3 FY17	%age of Total Income	Q3 FY16	%age of Total Income	Growth (%)
Income from Operations	1,500.0	99.6%	1,412.8	98.4%	6.2%
Other Operating Income	6.5	0.4%	22.9	1.6%	(71.6%)
<b>Total Income</b>	<b>1,506.5</b>	<b>100.0%</b>	<b>1,435.7</b>	<b>100.0%</b>	<b>4.9%</b>
Operating Expenditure	1,125.1	74.7%	967.9	67.4%	16.2%
<b>EBITDA</b>	<b>381.4</b>	<b>25.3%</b>	<b>467.8</b>	<b>32.6%</b>	<b>(18.5%)</b>
Depreciation	37.1	2.5%	25.1	1.7%	47.8%
Amortisation	110.3	7.3%	63.4	4.4%	74.0%
<b>EBIT</b>	<b>234.0</b>	<b>15.5%</b>	<b>379.3</b>	<b>26.4%</b>	<b>(38.3%)</b>
Other Income	46.0	3.1%	68.6	4.8%	(32.9%)
Finance Cost	(41.5)	(2.8%)	-	0.0%	NM
<b>Profit Before Tax (PBT)</b>	<b>238.5</b>	<b>15.8%</b>	<b>447.9</b>	<b>31.2%</b>	<b>(46.8%)</b>
Taxation	75.7	5.0%	160.7	11.2%	(52.9%)
<b>Profit After Tax (PAT)</b>	<b>162.8</b>	<b>10.8%</b>	<b>287.2</b>	<b>20.0%</b>	<b>(43.3%)</b>
Other Comprehensive Income (net)	(0.5)	(0.0%)	3.6	0.3%	NM
<b>Total Comprehensive Income</b>	<b>162.3</b>	<b>10.8%</b>	<b>290.8</b>	<b>20.3%</b>	<b>(44.2%)</b>

# Financial Performance Q3FY17

(All comparisons with corresponding period of previous year)

- Radio outperformed Print and TV Advertising
- Retained market leadership with over 30% market share
- Total revenues for the quarter grew by 4.9%
- Growth driven by pricing, Government business and new stations
- Demonetization had negative impact on Advertising, due to lower revenues for core advertising sectors
- Operating costs include expenses incurred for Phase 3 expansion
- Tax expense of Rs.75.7 million includes deferred tax charge of Rs. 55.8 million and MAT credit entitlement of Rs.30.3 million
- Net Cash as on December 31, 2016 is Rs.124 million

# Condensed Statement Of Operations

## Standalone

Rs. In Million	YTD Dec-16	%age of Total Income	YTD Dec-15	%age of Total Income	Growth (%)
Income from Operations	3,871.8	99.0%	3,552.6	98.3%	9.0%
Other Operating Income	38.7	1.0%	61.5	1.7%	(37.1%)
<b>Total Income</b>	<b>3,910.5</b>	<b>100.0%</b>	<b>3,614.1</b>	<b>100.0%</b>	<b>8.2%</b>
Operating Expenditure	3,003.3	76.8%	2,412.7	66.8%	24.5%
<b>EBITDA</b>	<b>907.2</b>	<b>23.2%</b>	<b>1,201.4</b>	<b>33.2%</b>	<b>(24.5%)</b>
Depreciation	87.8	2.2%	77.0	2.1%	14.0%
Amortisation	284.2	7.3%	195.3	5.4%	45.5%
<b>EBIT</b>	<b>535.2</b>	<b>13.7%</b>	<b>929.1</b>	<b>25.7%</b>	<b>(42.4%)</b>
Other Income	145.2	3.7%	290.6	8.0%	(50.0%)
Finance Cost	(85.5)	(2.2%)	-	0.0%	NM
<b>Profit Before Tax (PBT)</b>	<b>594.9</b>	<b>15.2%</b>	<b>1,219.7</b>	<b>33.7%</b>	<b>(51.2%)</b>
Taxation	188.1	4.8%	379.0	10.5%	(50.4%)
<b>Profit After Tax (PAT)</b>	<b>406.8</b>	<b>10.4%</b>	<b>840.7</b>	<b>23.3%</b>	<b>(51.6%)</b>
Other Comprehensive Income (net)	(6.0)	(0.2%)	6.2	0.2%	NM
<b>Total Comprehensive Income</b>	<b>400.8</b>	<b>10.2%</b>	<b>846.9</b>	<b>23.4%</b>	<b>(52.7%)</b>

# Condensed Statement Of Operations

## Consolidated

Rs. In Million	Q3 FY17	%age of Total Income	Q3 FY16	%age of Total Income	Growth (%)
Income from Operations	1,500.0	99.6%	1,412.8	98.4%	6.2%
Other Operating Income	6.5	0.4%	22.9	1.6%	(71.6%)
<b>Total Income</b>	<b>1,506.5</b>	<b>100.0%</b>	<b>1,435.7</b>	<b>100.0%</b>	<b>4.9%</b>
Operating Expenditure	1,125.2	74.7%	967.9	67.4%	16.3%
<b>EBITDA</b>	<b>381.3</b>	<b>25.3%</b>	<b>467.8</b>	<b>32.6%</b>	<b>(18.5%)</b>
Depreciation	37.1	2.6%	25.1	1.8%	47.8%
Amortisation	110.3	7.3%	63.4	4.4%	74.0%
<b>EBIT</b>	<b>233.9</b>	<b>15.5%</b>	<b>379.3</b>	<b>26.4%</b>	<b>(38.3%)</b>
Other Income	47.6	3.2%	70.1	4.9%	(32.1%)
Finance Cost	(41.5)	(2.8%)	-	0.0%	NM
<b>Profit Before Tax (PBT)</b>	<b>240.0</b>	<b>15.9%</b>	<b>449.4</b>	<b>31.3%</b>	<b>(46.6%)</b>
Taxation	75.9	5.0%	160.8	11.2%	(52.8%)
<b>Profit After Tax (PAT)</b>	<b>164.1</b>	<b>10.9%</b>	<b>288.6</b>	<b>20.1%</b>	<b>(43.1%)</b>
Other Comprehensive Income (net)	(0.5)	(0.0%)	3.6	0.3%	NM
<b>Total Comprehensive Income</b>	<b>163.6</b>	<b>10.9%</b>	<b>292.2</b>	<b>20.4%</b>	<b>(44.0%)</b>

# Condensed Statement Of Operations

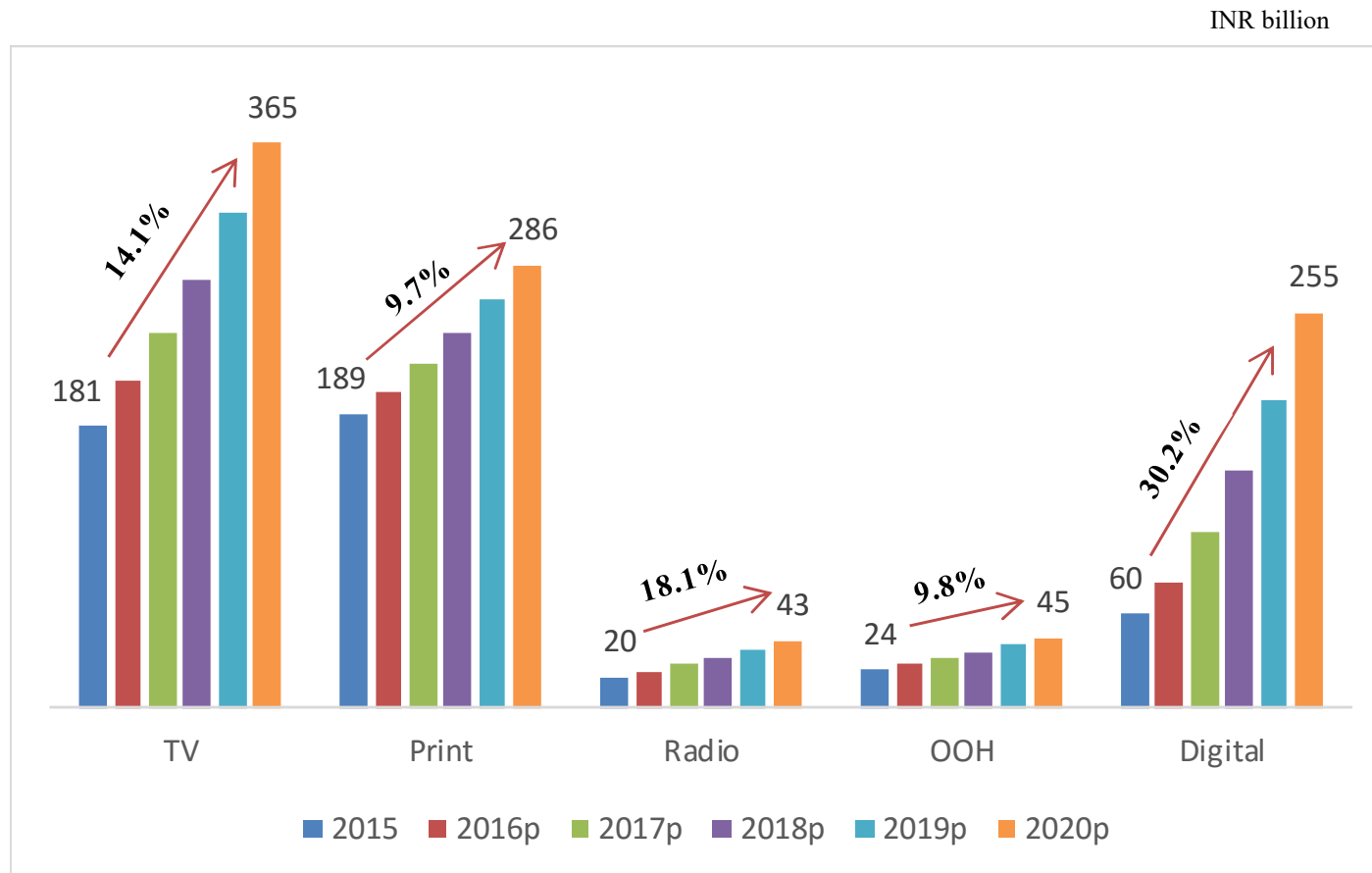
## Consolidated

Rs. In Million	YTD Dec-16	%age of Total Income	YTD Dec-15	%age of Total Income	Growth (%)
Income from Operations	3,871.8	99.0%	3,552.6	98.3%	9.0%
Other Operating Income	38.7	1.0%	61.5	1.7%	(37.1%)
<b>Total Income</b>	<b>3,910.5</b>	<b>100.0%</b>	<b>3,614.1</b>	<b>100.0%</b>	<b>8.2%</b>
Operating Expenditure	3,003.6	76.8%	2,412.9	66.8%	24.5%
<b>EBITDA</b>	<b>906.9</b>	<b>23.2%</b>	<b>1,201.2</b>	<b>33.2%</b>	<b>(24.5%)</b>
Depreciation	87.8	2.3%	77.0	2.1%	14.0%
Amortisation	284.2	7.3%	195.3	5.4%	45.5%
<b>EBIT</b>	<b>534.9</b>	<b>13.7%</b>	<b>928.9</b>	<b>25.7%</b>	<b>(42.4%)</b>
Other Income	150.5	3.8%	295.6	8.2%	(49.1%)
Finance Cost	(85.6)	(2.2%)	-	0.0%	NM
<b>Profit Before Tax (PBT)</b>	<b>599.8</b>	<b>15.3%</b>	<b>1,224.5</b>	<b>33.9%</b>	<b>(51.0%)</b>
Taxation	188.8	4.8%	379.4	10.5%	(50.2%)
<b>Profit After Tax (PAT)</b>	<b>411.0</b>	<b>10.5%</b>	<b>845.1</b>	<b>23.4%</b>	<b>(51.4%)</b>
Other Comprehensive Income (net)	(6.0)	(0.2%)	6.2	0.2%	NM
<b>Total Comprehensive Income</b>	<b>405.0</b>	<b>10.4%</b>	<b>851.3</b>	<b>23.6%</b>	<b>(52.4%)</b>



# Business Review

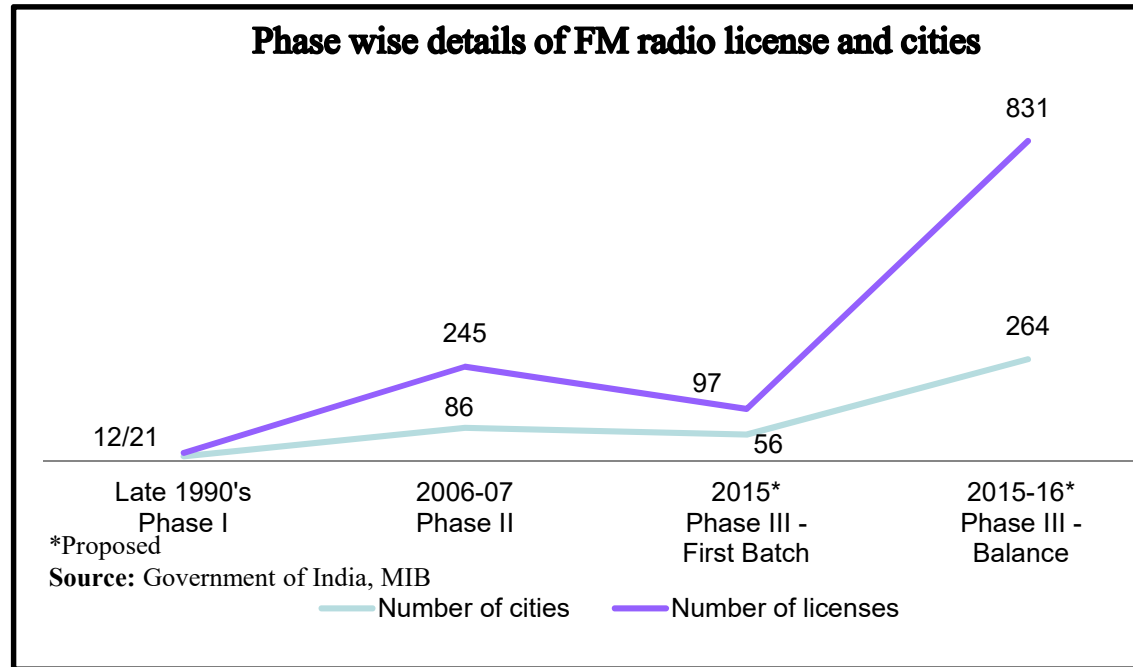
# Radio expected to more than double in 5 years...



Source: FICCI-KPMG: Indian Media and Entertainment Industry Report 2016

**..led by Phase 3 expansion**

# Evolution of private FM in India



- **97 new frequencies auctioned in Phase 3-First Batch will help radio to improve its reach and revenues...**
- **Second batch of Phase 3 auction for 266 frequencies across 92 cities ended on December 13, 2016**

# Key Operating Highlights

- With Phase 3 roll out, ENIL will expand to 53 channels in 43 cities
- Launched 3 new channels during the quarter:
  - ✓ Lucknow – Mirchi Love station featuring only romantic songs
  - ✓ Pune – Mirchi Love station featuring only romantic songs
  - ✓ Kanpur – Mirchi Love station featuring only romantic songs
- 4<sup>th</sup> Edition of Mirchi Top 20: Top songs of 2016 were unveiled at the glitzy Mirchi Top 20 show on December 25, 2016, had a viewership of 2.2 million
- Mirchi Rock n Dhol festival (Navratri Garba) held across 7 cities in 3 states
- Second batch of Phase 3 auction for 266 frequencies across 92 cities ended on December 13, 2016.
- As per the daily public report published on MIB website, only 66 out of the total 266 frequencies have been allotted provisionally, final results awaited.

# Strategic Direction

# Strategic Direction

- Expand our footprint in radio broadcasting
  - Margin growth in existing 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 Q3FY17

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**

