

entertainment network (India) limited

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May 10, 2023

BSE Limited, Rotunda Building, P. J. Towers, Dalal Street, Fort, Mumbai- 400001	National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051
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BSE Scrip Code: 532700/ Symbol: ENIL
Sub: Transcript of the investors' call

Dear Sir/ Madam,

Please find enclosed herewith the transcript of the Investors' Call / Earnings Conference Call–FY2023, held on May 5, 2023.

The same has been uploaded at:

<https://www.enil.co.in/stock-exchange-filings-fy2024.php>

For **Entertainment Network (India) Limited**

Mehul Shah
EVP– Compliance & Company Secretary
(FCS no- F5839)

Encl: a/a



“Entertainment Network India Limited
Q4 FY '23 Earnings Conference Call”

May 05, 2023

**MANAGEMENT: MR. YATISH MEHRISHI – CHIEF EXECUTIVE OFFICER
– ENTERTAINMENT NETWORK INDIA LIMITED
MR. SANJAY BALLABH – EXECUTIVE VICE PRESIDENT,
FINANCE – ENTERTAINMENT NETWORK INDIA
LIMITED**

MODERATOR: MR. DIWAKAR PINGLE – E&Y, INVESTOR RELATIONS



Moderator: Ladies and gentlemen, good day, and welcome to Entertainment Network India Limited's Q4 FY '23 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Diwakar Pingle from E&Y, Investor Relations. Thank you, and over to you, sir.

Diwakar Pingle: Thank you, Neerav. Good afternoon, friends. We welcome you to the Q4 and FY23 Earnings Call of Entertainment Network India Limited. To take us through the results and to answer your questions today, we have with us the top management from ENIL, represented by Yatish Mehrishi, CEO; and Sanjay Ballabh, EVP Finance. We will start the call with a brief overview of the quarter and the year gone past by Yatish, which will give you a broad highlight of the business trends and what he is observing in the market. And post that, we will open it for the Q&A session.

The discussions that we have today may contain forward-looking statements relating to future events and future performance. Numerous factors could cause actual results to differ materially from those forward-looking statements. The company undertakes no obligation to update any forward-looking statements to reflect developments that occur to the statements made.

With that said, I'll now hand over the call to Yatish. Yatish, over to you.

Yatish Mehrishi: Thank you, Diwakar. Good evening, everybody. On behalf of Entertainment Network (India) Limited, I welcome you all to our Q4 and FY '23 earnings call. This is my first interaction with you all after taking over the current role at Mirchi. It's been 6 months since I've returned, but I'm happy to share that I've spent almost 11 years at Mirchi in my previous stint. Prior to coming back, I served as a Chief Revenue Officer at a leading apparel company.

Moving on to the quarter gone by, the headwinds faced by the media industry post-festive last year continued even in quarter 4, impacting overall ad spends in the Indian economy. This has resulted in a muted advertising spends across all mediums, be it television, print or even digital. Large event sponsorships have dried out in the market, and we've seen major events not happening in quarter 4. Inside the radio industry, if you look at, the ad volumes have grown at 11%, while Mirchi has again outperformed the industry by growing at a much healthy 16.7%, leading to a strong volume market share of 23.9% in quarter 4.

If you see ENIL's in numbers, existing business without digital, we have grown at 2.3% with an EBITDA of INR23.2 crores, giving a margin of 22.9% and delivering a PBT positive quarter with INR6.1 crores in Q4. If I were to look at on a full year basis, we have grown at 35.1% with an EBITDA of INR93.3 crores, which is almost 88% growth in EBITDA, at a margin of 22.6% and delivering a PBT of INR19.6 crores before exceptional items. As you know, we look at our business in three vectors: Digital, Solutions and Radio. So let me start with digital first. We continue to invest and remain focused in growing the segment. Our investments have been very strategic in nature because we formally believe digital is essential for our future growth and

aspirations. We have invested -- in line with that, we have invested INR7.2 crores in quarter 4, adding up to INR26 crores in the full year FY '23.

I'm very happy to share digital revenue from all our business segments for the year was INR33.6 crores, which is almost about 12% of our radio revenues in line with our aspiration to have digital contribute to 25% of our radio revenues in a few years' time. The next is solutions business, which has shown exceptional growth both on revenue and margin on a full year basis. Solutions has grown at 33.5% to overall revenue of INR116.2 crores, which at a very healthy margin of 34.3%.

And finally, radio, we have grown at 35.7% to INR296 crores, consolidating our leadership position by gaining almost 300 basis points in FY '23. Coming to our international business. We have rationalized operations in San Francisco as we have shared earlier. Our focus remains to drive overall profitability in the international market. We have closed San Francisco. We are in negotiations with relevant authorities in Bahrain to renegotiate our contract terms to make it more feasible. We remain very confident of all our other international business in New Jersey, Dallas, UAE, and Qatar, which are independently profitable and are also growing on revenue.

Overall, we are encouraged by the fact that our international business, even after losses in San Francisco and Bahrain in the quarter 4 has delivered a positive EBITDA during the quarter. At overall company levels, if I look at operational expenses, we continue to remain focused on running efficient operations. This year, we delivered a savings of INR53 crores over FY '20 operating expenses. Our balance sheet remains very strong. Our cash reserves have grown to INR265 crores as of 31st March and at a consolidated level at INR282 crores.

To summarize, I'm very pleased with the ENIL performance, which has been ahead of its peers across radio and even with other mediums, both in quarter and full year in this challenging times. We are satisfied with improved volume traction in radio. The client advertisers' numbers coming back on radio business. Our solutions and digital business are tracking as per plan. The company will continue to invest in digital arena to strengthen our future.

With this, I'll conclude my commentary on the performance. And once again, thank you for joining in and listening to me patiently. I'll request the moderator to move towards the question-and-answer session.

- Moderator:** The first question is from the line of Deepan from Trustline PMS. Please go ahead.
- Deepan:** Good evening everyone thanks a lot for the opportunity. So firstly, can you provide the split between the solutions and digital and platform for the quarter 4?
- Yatish Mehrishi:** Deepan, any other question also? I'll just note down.
- Deepan:** Yes. So other question, how has been the platform business doing? So what is the kind of metrics we have added over the previous quarters in terms of monthly active users?



- Yatish Mehrishi:** So, to give you your answer on digital, the digital content solutions, we've done about INR10 crores. Digital platform is almost about INR7 crores, and digital components in other segments is about INR16.56 crores, totaling to about INR33.57 crores.
- Deepan:** Okay. how do you say the digital platform is INR7 crores, is it?
- Yatish Mehrishi:** Yes. We're just starting that our digital platform business.
- Deepan:** So last quarter, they did INR1.8 crores to the same we are referring is now at INR7 crores, right?
- Yatish Mehrishi:** Yes. This is a full year basis I'm saying.
- Deepan:** No, no. Quarter 4, I need...
- Yatish Mehrishi:** Quarter 4, while I answer your second question on the platform side, our MAUs are about 4.6 million on both mWeb and the platform. So if you look at the mWeb level, it is about 4 million and at 0.6 million on the app.
- On the quarter's numbers, the digital content solution gave INR2.25 crores, digital platform INR3.34 crores, and digital components in other segments is INR2 crores, totaling up to INR7.7 crores.
- Deepan:** This platform alone, how much it has done?
- Yatish Mehrishi:** INR3.34 crores.
- Moderator:** Next question is from the line of B Suresh from Burrans Financial. Please go ahead.
- B Suresh:** Your takeover for some other Hyderabad-based teaching company, ENIL takeover.
- Yatish Mehrishi:** You're mentioning about Spardha, which is Pune-based? Not takeover, invested in Q3 in Spardha, not in Q4.
- B Suresh:** Yes, sir. It is a cash deal or stock transfer deal?
- Yatish Mehrishi:** It's a cash deal. It's an investment.
- B Suresh:** You can, how much stake you have in that company?
- Sanjay Ballabh:** Mr. Suresh, thank you for asking this question. First of all, this investment happened in Q3 of the last financial year and it was a cash deal and all details of this investment has been uploaded in the NSE and BSE sites. However, for your ready reference, we have invested approximately INR7 crores to get about 11.5% of the equity.
- B Suresh:** another question, sir. ENIL is continuing loss making, after Corona. Next financial year will be, it is profitable.

Sanjay Ballabh: So, Mr. Suresh, this is company policy not to provide any future guidance and we are sorry, but we'll not be able to give you any kind of revenue or EBITDA guidance at this moment.

Moderator: . The next question is from the line of Subrata Sarkar from Mount Intra Finance.

Subrata Sarkar: Yes, a few questions from my side, sir. So, first question on the radio side, basically. So, I'm talking about Q4. So, we have seen a growth of 13% on the radio side. So, if you can give a break up, like how much, because of increasing the volume and what is the pricing change? And if you throw some light on the pricing issue, because whatever I have understood, we are still way below the pre-COVID level in terms of pricing. So, if you throw some color on this and how you are seeing this environment to build-up,

Now, another thing, in terms of ad revenue, I'm talking about radio. So, if you can highlight what percentage comes from government spending, and because of the next election, are we anticipating a buildup on that side? This is the second question on the radio side. Now, coming to the non-radio portion, that is our non-FCT as well as digital. So, this quarter has been really, really muted in terms of non-FCT, and which is just against the trend which we were experiencing till last quarter. There was some improvement, like I'm giving you data. This time, if we leave apart the digital part, like events and all those things, they have done really bad, the things have not fired. So, is this a one-off? And particularly, if you see the full year result, that has improved, and we were seeing some traction on the event side. So, is this a one-off, or we are still anticipating this kind of a muted environment and response from that part of the business?

And last, in terms of digital, like how we have spent INR7 crores this year, so what is planned to spend next year, in the full year, what kind of expenditure we are planning to make on the digital side? And on the accounting aspect, like would we use all those expenditures directly, we will charge on the P&L, or we will capitalize it to some extent? This is the initial question, so I can come to.

Yatish Mehrishi: Thanks, Subrata. I thought four were too many, even though they are initial ones. So, let me answer one-by-one. The first one, you asked me the price and the volume. Yes, the growth has been volume-led, but happy to share that the price has bottomed out. We have seen a marginal increase in price, which I would not term very major. It's almost about a percentage increase in the price, but it's largely volume-led. Our capacity utilization has improved by about 12%. So, it's a volume-led growth.

To give you a perspective on future, I believe it will continue in the first six months the same. In media, generally, the pricing changes in festive when the demand is much higher. So, I don't see in the next two quarters, the price going up very, very differently. And it will be volume-led growth and being as a leader and with headrooms available, we believe it will give us good market share also and consolidate our position. Price could be in the second half of the year. So, that's the first one.

The second is on government, you asked me. The government contributes about 10% of our volumes. Yes, you are right. When elections happen, when general elections happen, generally,

the business from government goes up. So, we believe in the second half and not just second half central government, but with the heavy state elections calendar also, there will be about five state elections, there also the business will also go up. So, we do expect government business contribution in this year will go up as always been in the last year of central government. So, that we believe it will go up, right now it is 10.4%.

The third is on non-FCT. Yes, you are absolutely right to bring this that the event business has been very subdued, though at a full year basis, we did really well. If the solution business is only one element, the way we define solution business, the event business has not fired. The event business, which is the TV properties business, has not fired, which there are large events like Mirchi Music Awards in different languages, we were not able to do it because there has been a very, very subdued environment in the market or sponsorships.

To give you perspective, if you look at any large, movie awards or large music concerts have not happened in Q4. Be it, to give you certain names, it is a large event, Filmfare, IIFA got postponed, Supersonic was a loss making event. So, lot of these large events have not seen traction, which are one day sponsorship events. So, barring that, if I were to give you some numbers, our solution business without the TV properties, which is large chunk in Q4 has grown 82% for us. So, that is the business we have seen in the solution business. So, we are very confident that the solution business will continue to grow.

We believe this is one-off, because of the global recession pressure and the overall advertising sentiments have been subdued, it remained in Q4 like this. But going forward, in the next half, we believe post Diwali, this will, this should come back and we will be having the same numbers. So, to answer you on, on this TV properties, I believe it is a one-off quarter for us like that.

On the digital, I will ask Sanjay to answer, but just to tell you, yes, we believe we will continue investing in digital the next year also, we believe that is important to be future proof on the bucket and we will continue in the same lines. We have been, always been very patient spenders. We are not like a VC funded where we just want to burn money. But we have a camel strategy where we go very, very specific and very strategic in nature investment we do. So, in line with what we have invested between INR25 crores and INR30 crores, we should invest in the same manner next year also. Regarding the capitalization, I will ask Sanjay to answer this question.

Sanjay Ballabh: Yes. So, Subrata, what happens that whatever we invest in digital part of the business, we charge of everything whether it is for creation of content or otherwise, everything to the P&L in the relevant month and quarter. We do not go the capitalization route at all.

Subrata Sarkar: Okay. And so, we will continue to do so, sir.

Sanjay Ballabh: Yes, we will.

Yatish Mehrishi: And we have seen traction also, Subrata. If you look at our numbers, what are we projected numbers for ourselves in the first six months, it just been six months if you look at. So, it is not been a long journey, just been six months. And if you look at digital is always the investment goes initially and then you see a hockey stick type of returns coming in. So, we started seeing

tractions, we have just opened up on advertising on our own platform. And we firmly believe it will deliver on our expectations in the coming years also.

Subrata Sarkar:

Great, sir. Sir, just two questions. One on the non-digital solution side. Sir, do you think, please correct me if I am absolutely wrong, but you have mentioned other cases also. So, is this related to the hyperactive advertising scenario in the sports and IPL scenario? So, is it hampering, number one, our kind of a business in terms of sponsorship? And if so, do you think this is more of a timing issue like once that get over or let's say in other quarters when those events are not there, we may get back to the normal level? This is one on the non-FCT, the non-digital side.

And second, sir, on the digital side, if you can give through a little more color, like how we are thinking of monetizing it? Is it entirely advertisement or we have thought of some different model? So, anything on, if you can throw some color on the, like how would you like to monetize the digital asset of a company?

Yatish Mehrishi:

Okay. So, let me answer you first on the non-FCT part, which you said, yes, this year has been a tough year. If you look at all industries, media is dependent on other industries, how they perform because the other industries spend on media. Media is also one category spends on media, but all categories, if you look at Q4 has been a bit subdued. So, the marketing spends goes down when all industries are not doing well. So, we are dependent on from that perspective. So, I would put it across to the global fears of recession which were there, which didn't impact India largely, but there were certain fears and people then at that time tightened their purse strings to spend.

So, I believe Q4 became an issue with that reason. Otherwise, I don't see it happening every time. this is the first time in 14 years we were not able to do it. So, IPL has also been in the same time. So, it's nothing to do with sports that this type of events don't happen. Sports and entertainment both are bread and butter for Indian consumers. So, they look at both the events very differently. So, I don't think either of them each, I would say they complement each other. So, I would not be worried about the sports investment happening and that's the reason the entertainment spends have not happened. It's largely with the overall market sentiments. So, that's on your FCT if I have answered it.

The second on the digital thing, as I said, it's a combination of revenues what we do. So, there are three things that platform, when you own a platform, you get consumer data so you can monetize on those basis. You put up stories, it could become subscription, it could become advertising funded. So, it's a combination of strategy and also with our social media assets and everything going up, our solution business also gets helped by this social media assets. So, our revenues from solutions also increase. So, it's a mix of three, four things. Last quarter, we also spoke about our audio inventory platform M-Ping, which also gives us additional revenue. So, digital is a very cogent strategy which covers both revenue from the platform plus advertisers also.

Moderator:

Thank you very much. The next question is from the line of Ansh Manek from Equirus Securities.

- Ansh Manek:** Sir, with respect to the radio revenues, if we want to compare the realization to the pre-COVID level, what would be the discount level?
- Yatish Mehrishi:** That's about, 35% on a quarter basis and it's compensated by the increase in volume, which is 36%. So, the volume and price have complemented on these lines.
- Ansh Manek:** Okay, got it, sir. And the second part, sir, we understand with respect to Q4 trend regarding the headwinds for the advertising spend, if you can share the outlook for the month of April. So, it would be really useful.
- Yatish Mehrishi:** Ansh, generally, as Sanjay had also mentioned before this, that we don't provide guidance, but to give you a perspective, it's been in line with expectations.
- Ansh Manek:** Okay, got it. And the third part was with respect to, sir, capital allocation. So, we have healthy cash balance. So, if you can share the capital allocation part.
- Sanjay Ballabh:** So, can you be more precise with your question, Ansh?
- Ansh Manek:** Yes. So, I understand that most of the cash may be used for the investment purpose, right? So, whether the investment would be in the business of radio or more towards the non-solution, solution-based business?
- Sanjay Ballabh:** Okay, Ansh. So, the entire cash balance currently as we close the year stands at INR265 crores. And as you know, that radio as a business is always, front loaded in terms of heavy capex investment, which the company did. Now, we are at the very sweet spot of being in the middle of the 15-year term. Most of our stations have just covered 7.5 years, 8 years of the license period of the current license regime. Coming back to your question, basically, our capital allocation will be completely guided by the company's investment into the digital space. The digital space, that is anyway the new stream of the business coming up. And we expect to invest similar amounts, which we did in the last year, last financial year.
- And other than that, our overall working capital management is going to be tighter. We are collecting our debts better. We in fact collected the debts far better than we did last couple of years, in FY '23. And therefore, you can expect some kind of decision coming out of the management of the company in coming quarters, though we are not in a position to give you the right details of that or intricate details of that. But there are a lot of discussions happening in the company within about the allocation of the cash we have in hand.
- Moderator:** Next question is from the line of Sameer from Prince,
- Sameer:** I just trying to understand that currently what loss we are having other businesses or discontinuing businesses. How long this will continue and how much is left to write-off?
- Sanjay Ballabh:** So, let me take this question, Sameer. Basically, the impact you are seeing in our current year financial about the exceptional item that represents the losses we have faced in international business, nothing related to domestic operation at all. So, let me tell you that based on the conservative accounting assessment, in line with our auditors assessment as well, we have taken

the entire hit in the FY '23. That amount stands at INR17.78 crores. And currently, we do not expect any further value erosion in terms of net worth to happen in FY '24.

Yatish Mehrishi: So, if you look at Sameer, both domestic and international, even in international business, whatever we have closed on has happened in FY '23, we do not foresee anything in FY '24. So, I do not see any further losses in existing business happening.

Sameer: Got it. And any chances of an uptick in the prices of our radio business? I mean, the ad revenue, are we increasing that or will it remain stable in FY '23?

Yatish Mehrishi: Sameer, as I said, I was answering earlier also, in media, it is not like other industries that you increase price any month. Generally, anyway, it is a volume-driven thing. As the demand increases, you can always increase price. And generally, this happens in media that the prices go up just before the festive period. That is when the demand starts. So, I would say, end of first half, early second half is when it starts looking at. So, generally, the first quarters are not where the pricing goes up. So, I would be a bit wary to say that the price might go up in quarter 1. It will remain. Happy part is that we have now bottomed out in the last year. We have gained price in the quarter 4, though marginal, and we believe that the story is going to go up. Very happy to see a lot of clients coming back. The clients are much more than they were at pre-COVID levels. So, the client attraction to the medium is at an all-time high. The volumes are at an all-time high. Yes, price remains a concern for us. But I believe it will take a few years to go back to the pre-COVID levels. It is not going to happen only this year. It will happen over a few years. And to start with, it might happen in the second half of the year. Having said that, we have large volume headroom. So, if there is money on the table, I would rather have, play the volume, and then not let go the revenue in the current market situation.

Sameer: Just a last question. Are we working to reduce cost accordingly because the prices are stable or not going up?

Yatish Mehrishi: Yes, that's a continued thing. Be it, even if the price was going up, we are very, very clear on running a very efficient operation. As I mentioned in my opening remarks, we have saved almost INR52 crores against pre-COVID levels. So, it will continue doing that and we keep innovating. the only positive of COVID has helped us to relook at our old models again. So, we keep inventing, reinventing our wheels, thinking how do we start business, how do we do business today and making our operations more-and-more efficient. So, as we said, in FY '23, we saved INR53 crores and that will be a continuing thing even in FY '24. We ran a very tight grip.

Moderator: Next question is from the line of Shikhar Mundra from Vivog Commercial.

Shikhar Mundra: Yes, just wanted to understand, what would be a EBITDA without a digital business in FY '23?

Yatish Mehrishi: In FY '23, it would be INR93.3 crores, which was a growth of 88% at a margin of almost 22.6%.

Shikhar Mundra: And what would be the split of this INR93 crores between the traditional and the solution business?

- Yatish Mehrishi:** INR40 crores is non-FCT and INR50 crores, you can take it as the radio business.
- Shikhar Mundra:** I am sorry, I didn't get you.
- Yatish Mehrishi:** INR40 crores is non-FCT. And the balance would be on the FCT side.
- Shikhar Mundra:** And how much have we invested in the digital business till now since you started investing?
- Yatish Mehrishi:** About INR30 crores to INR35 crores.
- Shikhar Mundra:** That was this year's investment, right? I am asking about the total investment in digital business?
- Yatish Mehrishi:** I said total investment. We started only last year in the end of the last year. So largely investment happened in this year only.
- Shikhar Mundra:** And what was the revenue from the digital this year?
- Yatish Mehrishi:** Total revenue, as I said, it's about 10%. If I consider total, it's the 10% of our radio revenues, 12%. About INR7.93 crores.
- Shikhar Mundra:** INR7.93 crores. And what's our plan? And so, what is INR30 crores, where have we exactly invested?
- Yatish Mehrishi:** Sorry. That was quarter 4, I said INR7 crores. Overall digital from all segments, INR34 crores. For the full year.
- Shikhar Mundra:** So, if you have invested INR30 crores for the year and INR34 crores is the revenue, so isn't digital also at a breakeven, or are you making losses in digital? How is that working?
- Yatish Mehrishi:** So the way digital is, as I said, it's a composite revenue from all our business segments. We are investing in the platform. The platform has given about INR7-odd crores this year. Only the platform revenue. But if you look at the digital revenue of INR34 crores, INR10 crores come from our content solution. We do shows like, What Women Want, Kareena Kapoor Khan show. That type of show is given INR10 crores. The platform has given INR7 crores, which is where the larger investment is happening. And digital components from our solution business gives us about INR16-odd crores.
- Shikhar Mundra:** Okay. All right. Got it. And where is the INR30 crores exactly invested in? Is it to build up your YouTube number of followers, your social media followers? So where is that INR30 crores invested?
- Yatish Mehrishi:** A couple of things that we're doing on the platform side. Build a platform, build an app. So, there is a lot of on the tech side, which largely has happened in FY '23, which is a continuing thing. But major investment happened in FY '23 there. Then you're making your content bank. We have about almost more than 3,000 hours of stories, content available on our Mirchi Plus app. So investment goes on that side also. Apart from, we do very less performance marketing. Unlike other players, we're playing a patient game. We don't want to just burn money and gain

more-and-more subscribers, because that may not be the right way to do it. And so we have a very less on the marketing, but it's largely content acquisition, content making, and the tech side.

Shikhar Mundra: And so what's the plan for the next year? I understand that we plan to spend more INR30 crores. So that is also mostly on the content acquisition side only?

Yatish Mehrishi: Yes. So we want to build the content. Now, we have just started opening up our platform for advertising. So far, we were just building content, you need to build some critical mass before you really go and get the numbers right. So we believe another year or so we'll give you that. And the revenues from the platform will start trickling down in this year. And hopefully FY '25, we'll see much more healthier revenues from the platform. Digital revenues will continue to grow from all segments. But from pure platform, it will take a year, year and a half. And you've seen, as the numbers grow, then the revenues give you a hockey stick type of growth. And initially, it will be very, trickledown.

Shikhar Mundra: And what's the plan for the content? Like, how much content do we plan to acquire, or is it I mean, or will the rate of content additions go down after a couple of years? Like what's the plan there?

Yatish Mehrishi: See, it's been very, early days for us. We keep running a lot of experiments. And you keep learning every day. We have been very concentrated on a certain languages. India is a large country with so many languages and all. So we reworking on the strategies. I would not be in a position to share how many hours and all, right now. But yes, we look at opportunities, white spaces available in the market, which languages are doing well. It's a non-music platform, which we are working on. So, it's on podcast stories and all. You see, even if you look at any report, they're going to grow big time. And that's the reason we want to look at all languages, figure out which are the white spaces where we want to grow. And from that, we design our strategy to look at the content. But if we keep growing, so we have in-house also and outsourced. Not everything is outsourced. It's not actually acquired. We have a strong 300 member creative team who also helps us driving this content. And then we also acquire. So it's a mix of both.

Shikhar Mundra: And on the capacity utilization side for the radio business, what would you say the capacity utilization for FY '23?

Yatish Mehrishi: See, we were about 69% at a CU level this year, which is to give you a perspective, it's at 13 minutes an hour for 17 hours. So we still have a lot of headroom available. And I think Mirchi is at the best space in this with the headroom available to utilize all the volumes coming in the market, though at a lower price, but competition doesn't have so much volume available. So, we are really, in a very sweet spot right now, at a 70% capacity utilization, and which I said, is measured at 13 minutes an hour for 17 hours. So a lot of inventory is still available for us.

Shikhar Mundra: And one last question. So on the stock price, stock price has not been doing well. And so are there any plans of like, doing buybacks to create value for shareholders? Because we have the capital available also.

- Yatish Mehrishi:** Sikhar, not in a position to disclose that. We keep discussing in board. I hope you give us a recommendation that people keep buying (jokingly).
- Moderator:** Next follow-up question is from the line of Deepan from Trustline PMS.
- Deepan:** Yes, thanks a lot for the opportunity again. So just want to understand the price realization difference between our Mirchi Plus app ads versus the YouTube ads, which we were realizing earlier.
- Yatish Mehrishi:** Deepan, it's very difficult to quantify because it, it varies at a different level. I can tell you on the margins, whenever you sell your own inventory, the margins will always be better. Revenues is a function of, you've just started doing it. -- our social media assets on YouTube, Facebook has been built over years. So it takes the time and there is a well-oiled machinery which is selling it. But I can tell you the margins are always better because your own platform.
- Deepan:** And so, the digital business excluding platform for this Q4 looks like it has fallen from the previous year and last quarter any specific reason for that?
- Management:** No, what did, can you repeat it?
- Deepan:** The digital business portfolio revenues, excluding the platform number. So are we seeing some decline? So what is the reason for that?
- Yatish Mehrishi:** No, I think the TV properties contribution would have gone down. That's the only difference I would see the digital business going down because the TV properties business didn't do well. So the element from TV properties would have gone down.
- Deepan:** Well, that's the complex part of the solution overall, right? So digital, which we were used to refer even before platform, that used to be in the range of INR7 crores to INR10 crores quarterly run rate, right? So that if we exclude the platform also now that is around INR4 crores, INR4.5 crores. So that's why?
- Yatish Mehrishi:** Yes. So as I said, last sponsorship events have not happened. So if you look at digital content we did Gauri Khan Show in quarter 3, quarter 4 we did a Kareena Kapoor Khan show. So couple of activities we have not done because of lack of sponsorship being there. So from that perspective, only I would say it's been a little muted, but otherwise it's been on track, Deepan.
- Deepan:** And how has been the M-Ping business doing? So what kind of contribution we can expect this year and over three years period, what kind of contribution we are expecting from them?
- Yatish Mehrishi:** M-Ping has been very, very exciting for us. It's been just four months Deepan. I don't want to extrapolate to a year, but if you look at AR, it's a very, very healthy. One business we are very excited is about M-Ping. So I don't want to give you a number for the full year, but yes, it can be in a very high double digit crores business in a few years.
- Deepan:** So, what kind of streaming players we have already tied up? So what kind of activities we are doing to scale up this business? So if you can throw some light on that?

Yatish Mehrishi: Deepan, we have only looked at audio OTT players and we have tied up with most of them. You ask for it and we have all, all large audio OTT players have been tied up. We are still not open on video, which we can do, but we don't want to do it, concentrate on only audio OTT and most of the players have been tied up.

Deepan: So, audio OTT business currently, what kind of ad revenues they are doing currently and what kind of potential this audio OTT can go up to?

Yatish Mehrishi: So I'll tell you how it works. If you look at Spotify today, if you consume Spotify without subscription, there's hardly any ads. In India, the way audio OTT or digital has been sold is largely by display ads or even in audio OTT has been largely playlists. It could be a Maruti playlist or a Britannia playlist. In-stream advertising has never happened in India. Being the leaders in the audio advertising space, when I say, radio advertising, we have the largest team strength. And I think if the potential is very huge with our reach to number of cities, number of clients and our sales force, the potential is very high. And I don't see any of the existing streaming players can look at it.

Deepan: And so, regarding this payout or dividend payout, we have a huge cash available with us and we are spending only INR30 crores, INR40 crores in the digital. So what are our plans to give it back to shareholders in terms of dividend or buyback? So are we forming up some kind of visions on that front? This has been due for a quite long period of time. Investors have been questioning this for a long period of time.

Sanjay Ballabh: Yes. So Deepen, I completely agree with you. You are absolutely right on that point. It is really, we are listening to this kind of comments and questions from the investors for a very long time. We made the board aware of this, but as you will appreciate, this is completely board's purview. And we will be only able to come back to you the moment we get any kind of green signal from them.

Deepan: Because the stock price has not been moving up because the cash is piling up. So if we do some action on that, our ROEs will improve and stock also will improve on that front. So that is our sincere feedback to companies. Thank you.

Sanjay Ballabh: Definitely. Noted. We have already communicated to our board about the investor feedback. We will again get in touch with them about that.

Moderator: Next question is from the line of Subrata Sarkar from Mount Intra Finance.

Subrata Sarkar: Yes. Just a quick two follow-up questions. One is like, how much cash flow actually we have generated from this year? If you highlight the number like, cash flow from operation and then after like, how much free cash flow basically after the capex of INR30 crores on digital?

Sanjay Ballabh: So, Subrata, we have uploaded our results in the stock exchange sites. So you will get the minute details from that. Just to give you the answer, our net increase in cash and cash equivalent for the year is INR38 crores almost, which was majorly financed by INR32 crores from operating activities and about INR6 crores from investing activities.

Subrata Sarkar: So now just if you can help us to understand like, if there is some thumb rule, like one thing which we were aware like generally radio being localized business, generally they do relatively better in terms of advertisement when economy is not really doing great basically. When there is some pressure on the economy and there is like local, our business being largely local, like the local trade, they try to communicate through this radio.

So which is, I suppose there is some similarity currently with in the Indian context when rural demand is not picking up and like there is some pain in the system. So isn't this type of economy is a great thing for us in terms of ad revenue generation? Because what I can remember, like historically we have done fabulous previously during this kind of a scenario. So is it right or what is the difference this time in this context?

And second, sir, like, if you can throw some light in this context only, some light, like how can we get as an outsider, get some understanding of the ad revenue on radio? How can we relate ad revenue on radio to some other parameters which we can look into and get a feel of how it will do in terms of ad revenue in radio?

Yatish Mehrishi: Okay. Subrata, to answer your question, yes, when the economy doesn't do well, mediums like radio do well. To give you a perspective, pre-COVID our contribution from large clients or retail clients, both as corporates and retail, what we say, was used to be 50%-50%. Now the retail contribution has gone up by 15%, almost like, 65%-35%. Its the corporates which are not spending, the retail guys are spending much more, which is a very healthy sign for radio medium because the shop front or the car agency is trying to spend money at a local level.

The large corporates are holding back to manage because overall market every time, so the to large corporates are not spending. So you're right, in an economic situation like this, medium do well. But this time, it's been a bit different than the large corporates have not spent much, but the retail clients are spending much, as I said in my earlier remarks also that the clients -- number of clients are much higher than pre-pandemic also. So that's a very healthy sign for the medium. The volumes are very high. The number of clients are very high. As they are coming back again and again.

So it's a very healthy sign. It just needs the economy to revive and give the right sentiment to come, and then we leverage the business as we have always done in this medium.

Moderator: The next question is from the line of Ansh Manek from Equirus Securities.

Ansh Manek: What would be the utilization level last year in case of radio business?

Yatish Mehrishi: Full year basis you're saying?

Ansh Manek: On the quarterly basis, sir.

Yatish Mehrishi: On quarterly, it was 56. This year, it's 62 -- sorry, on all verticals, if I were to say, all put together, it's not just radio, against 66% last year, this year is 76%.

Ansh Manek: In case of radio, right, sir?

Yatish Mehrishi: No. Radio was the earlier number, which Yatish said. So it was 56% for the last quarter, Q4 FY '22. And it is 62.6%, current, Q4 FY '23.

Moderator: The next question is from the line of Manoj Shah from Laxgov Investments.

Manoj Shah: Let me comment on the pricing? How is it compared to pre-COVID? And second, as you have seen, there is a shift from earlier advertisements from print media to television to mobile. So how we are trying to retain customers on the radio? So what the industry is doing and trying to retain the customer over there?

Yatish Mehrishi: So a couple of points on the first -- on the price, let me address that. As I said, yes, the price pre-COVID level is still down by 35%. But I would say in FY '23, it's bottomed out. In Q4, we have seen a slight uptick on the price. So I believe now we can always look at the price on an upward trend, though it will take a few quarters to go to a healthy price, and maybe the pre-COVID levels, it will take a year or more to come back at that level. So I don't think it's happening in another 6 months. So that's on the price, Manoj.

The second, you are saying if I understood correctly, you mentioned the listeners have moved from radio to digital or TV. See, Indian media industry become fragmented. There is a lot of content available, be it radio, television, print, OTT, app. So now you're no longer fighting a media, we're fighting a time of a person. And radio, being the most economical medium, it's poor man's medium because it's subscription-free. And it's a companion media, will always remain. And that's the reason if you look at our listenership numbers persists and the advertiser's interest. The biggest answer I would give is the number of advertisers are increasing. That means the medium is working and people believe in radio, that's the reason advertisers goes up. So I think the biggest indicator that the medium is healthy comes from when the advertiser is spending money on our medium.

Manoj Shah: What did you say? Earlier we see people are traveling, they're listening to the FM radio channels and so on kind of things. So now with everything moving back to the mobile, so it's basically as you're saying just to get the customer's time or the client's time. So, are you saying that the radio or this medium is lagging as compared to like OTT or the mobile, people are spending more time on the mobile? And recently I was reading a news that the FM radio by default should be there in the future phone of thing. So anything you are doing further on that?

Yatish Mehrishi: Yes. So it's a welcoming thing. A lot of radio listenership happened on mobile. It still happens on mobile. There are certain smartphones, certain platforms where radio was not there. So we welcome the decision. And that's what I would say on the radio. Because the listenership does happen on the go, mobile has become a very personal medium. And because it's a medium for all levels of all set of people, it continues to be because all consumptions happen on the mobile. That is the reason, I would say.

But otherwise, I said the listenership is still very healthy. People do listen at home, listen in cars, the way the traffic is going up. People are listening on mobiles in metro or car listenership. We have done internal research, even in cars, even with streaming devices available, your own music available in cars, 85% people listen to music through radio only. Because it's not about just

listening to music. It's about -- your friend is a jock. It's a companion medium, you get to know about traffic, you get to know about other utilities.

So the listenership in cars is going up. Listenership in mobiles is very high. People are back on road. So radio is a great companion medium. So, I would say the listenership is very healthy. With this vision of advisory on smartphones being -- FM players being compulsory, it's a very welcoming thing.

Manoj Shah: And how do you feel like for this current year and maybe spending into next year, we have a lot of election lined up? So do you expect that the volumes to go up with spending of the government or the political parties?

Yatish Mehrishi: Yes. Always, it has happened. If you look at empirical data also, the last year before, the general election has always been very active on government spend, not just the central election because there are five state elections also happened in the last year. So, it's always a very active season for government spending. And we do believe this year also it will be the same.

Moderator: As there no further questions, I will now hand the conference over to the management for closing comments.

Yatish Mehrishi: Thank you, Neerav. Thank you once again for joining in and listening us patiently. Thank you for your questions. We work hard to drive ENIL revenue and profitability ahead. And good day to you. Thank you very much.

Moderator: Thank you very much. On behalf of Entertainment Network (India) Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.

(This document has been edited to improve readability)