



The Must Have HITS

January 23, 2024

To,  
Listing Department  
**BSE Limited**  
P.J Towers, Dalal Street,  
Fort, Mumbai – 400 001

To,  
Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra (E), Mumbai – 400 050

Scrip Code: **532375**

Symbol: **TIPSINDLTD**

**Subject: Submission of Presentation of Analysts/Investors Meeting**

This is further to our letter on the Investor/ Analyst call scheduled on January 24, 2024 at 5:00 p.m. (IST) and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we enclose herewith a copy of Investor Presentation with respect to Unaudited Financial Results of the Company for quarter and nine months ended December 31, 2023.

The same shall be uploaded on our website <https://tips.in>.

We request you to kindly take the above information on record.

Thanking You,

**For Tips Industries Limited**

**Bijal R. Patel**  
Company Secretary

Encl: a/a

**TIPS INDUSTRIES LTD.**

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601, Durga Chambers, 6th Floor, Linking Road, Khar (West), Mumbai 400 052.  
Tel. : 6643 1188 Email : [response@tips.in](mailto:response@tips.in) Website : [www.tips.in](http://www.tips.in)  
CIN: L92120MH1996PLC099359



**The Must Have HITS**

**Investor Presentation**

**Q3FY24**

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## KEY FACTS

Catalogue comprises of music in over **25 languages** available across multiple platforms **globally**

**Only listed player to write off 100% of content cost in the quarter of release**

Debt free company with **₹ 161.9 cr** of cash & investments

Founded Year  
**1988**

Website  
**www.tips.in**

Industry  
**Media & Entertainment**

Target  
**Indian Subcontinent & Diaspora**

Established **A&R** capability

**85**  
Employees  
(Q3FY2024)

**76%**  
Revenue through  
digital platforms

**25+**  
Partners across  
media business

**93 mn**  
subscribers on  
YouTube



## MR. HARI NAIR

### Chief Executive Officer

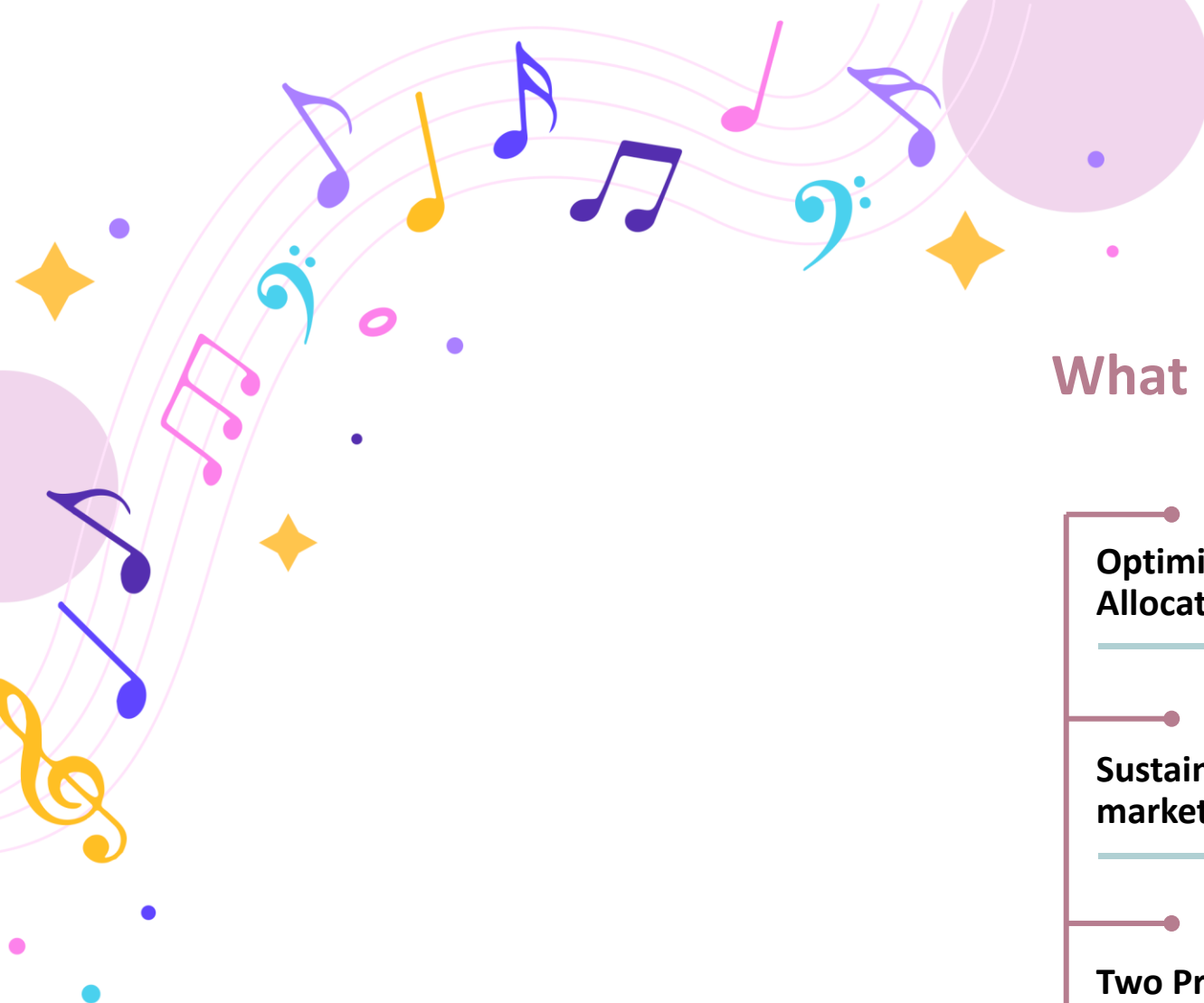
Hari has 25 years of diverse experience in media and technology. He has worked in various roles in the music industry for the past two decades. In 2019, he joined ByteDance and led music partnerships and licensing in South Asia for them. He was instrumental in launching Resso in India, and working with apps like TikTok, Helo, and Capcut. Prior to working in the music industry, he was associated with the IT services industry.



## MR. SUSHANT DALMIA

### Chief Financial Officer

Sushant has 19 years of diverse experience in finance, strategy, M&A, fund raising, and operations. He has been part of PwC, Citigroup, Angel One, IHH healthcare, boAt, and MakeO (Toothsi and Skinnsi) in his previous roles. His qualifications include CA and CFA. He has pursued certification courses in Artificial Intelligence from the Wharton School and IFRS from ACCA (UK).



## What Makes Us Unique

**Optimising Capital Allocation**

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**Sustainably Increasing market share**

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**Two Pronged Content Acquisition Strategy**

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**Our Content Powers Global Platforms**

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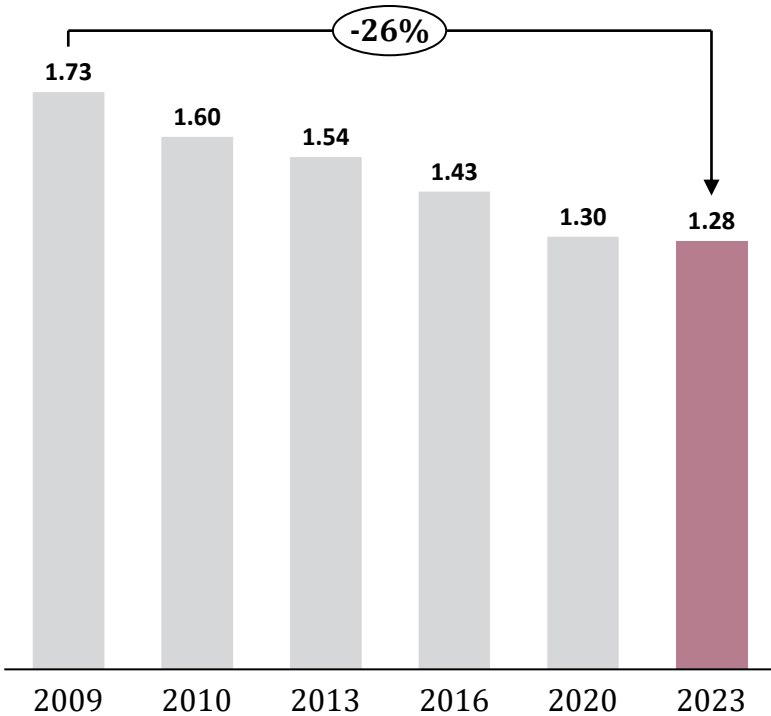
**Growing listenership & Increasing Content Addition**

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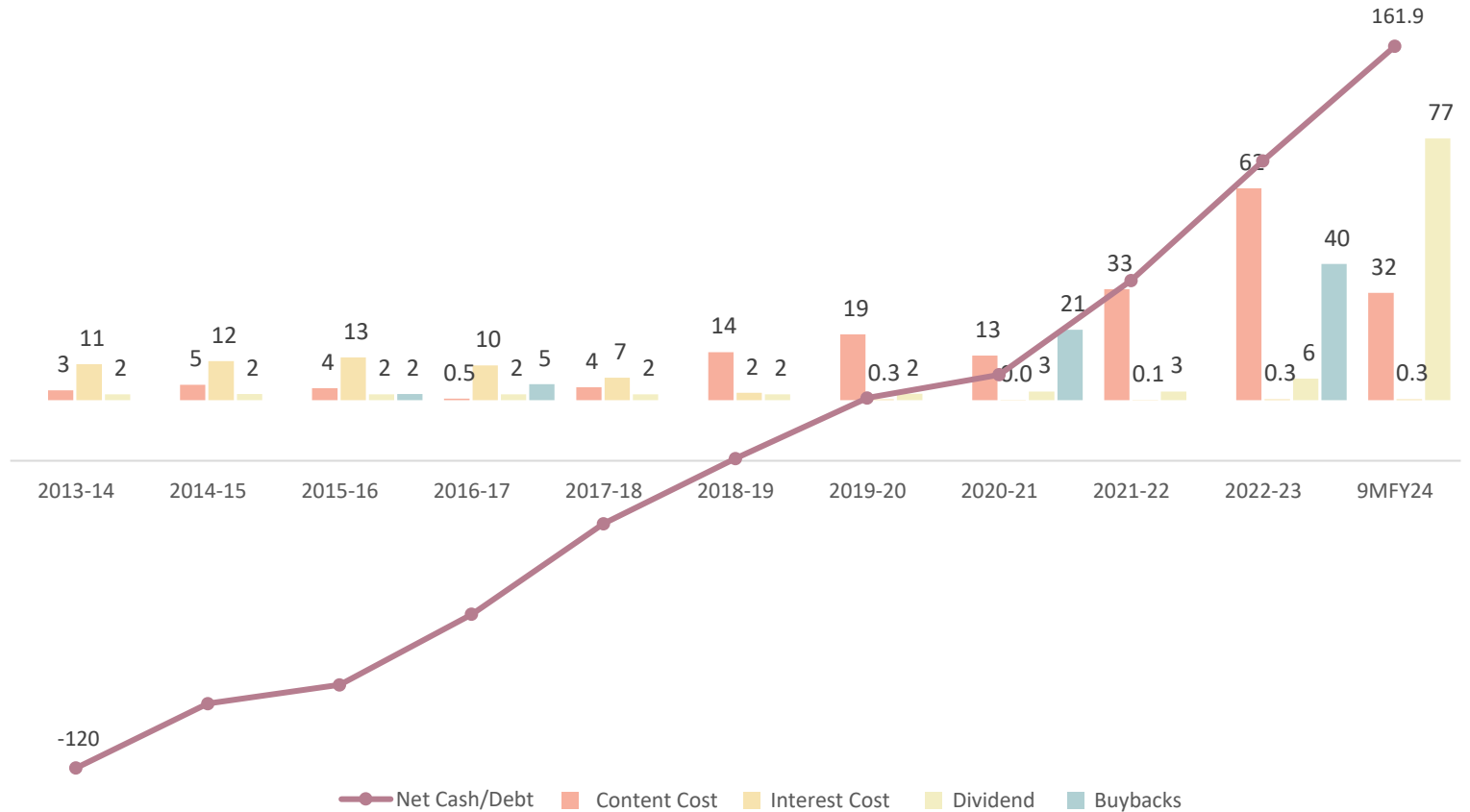
# Optimising Capital Allocation : 9MFY24 Dividend Payout Ratio – 76.0%

Consistently rewarding shareholders through Buybacks & Dividends

(Cr) Reducing Equity Shares\*



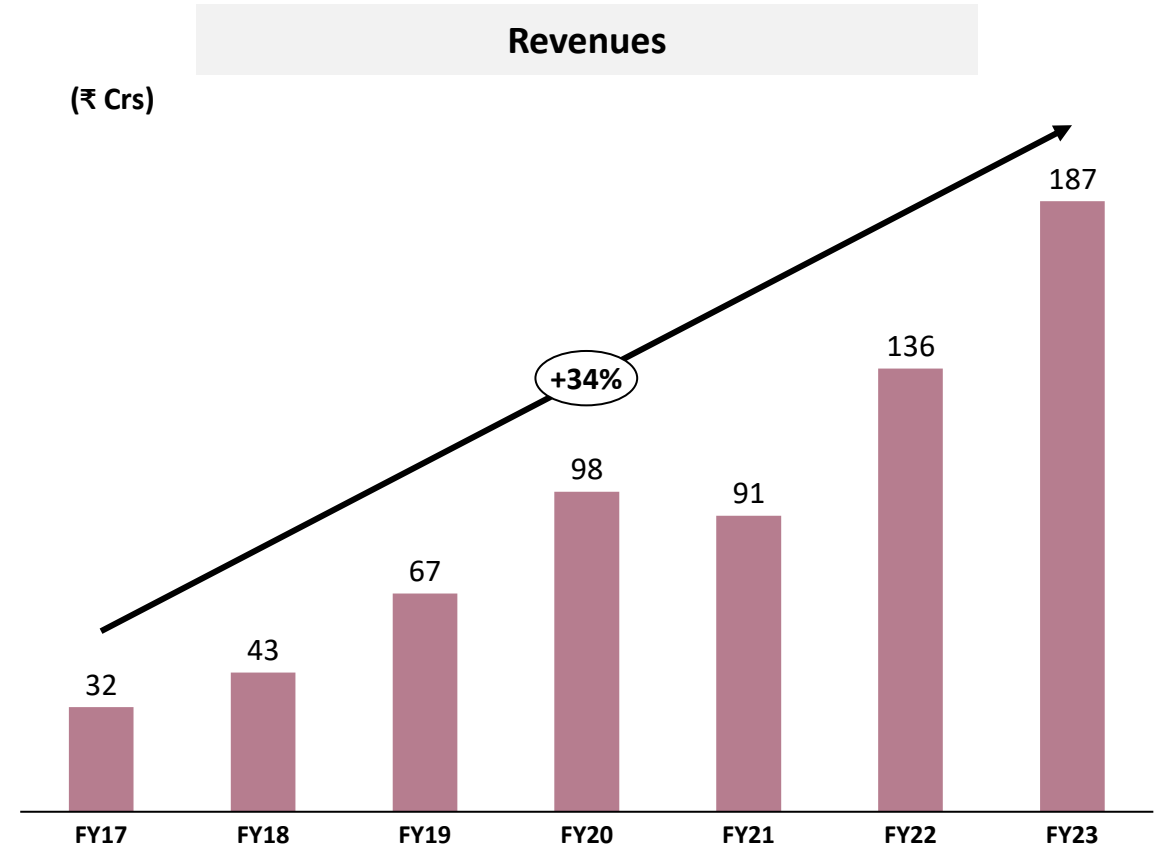
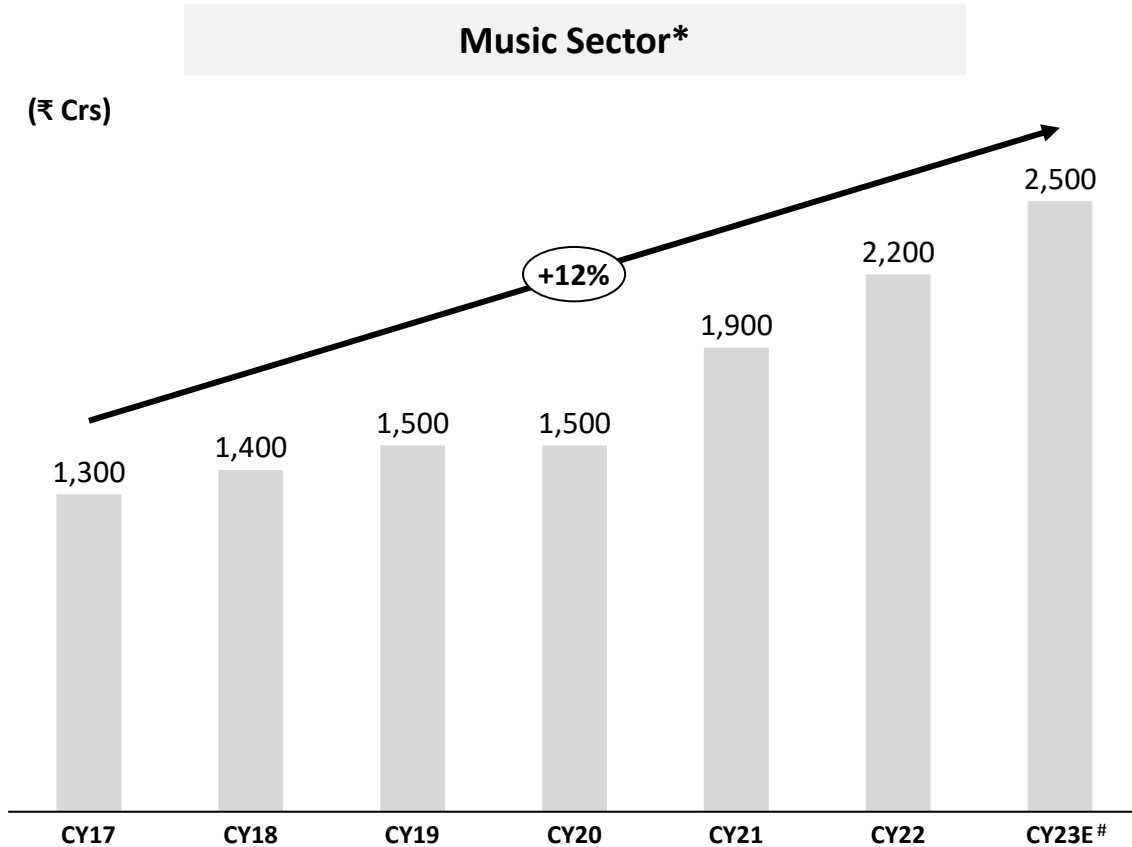
**FY23 Payout Ratio - 60.8% (Buyback + Dividend)**



**Dividend for FY23: Rs. 0.5/share (Post-Split)  
Interim Dividend for 9MFY24: Rs. 6/share**

\*Note : No. of shares before share split

# Sustainably Increasing market share: Revenues Doubled in Last 2 Years



**Tips Industries outperformed sectoral growth by 2.8x over the past 7 years**

\*Source: EY-FICCI M&E Report 2023; # EY Estimates



# Two Pronged Content Acquisition Strategy

## PRODUCE

### STRATEGY

- To introduce promising singers (Tips) is in our DNA
- We have a strong A&R team which engages with artistes across genres and languages which allows us to promote upcoming talent
- Our team has a deep understanding of music & a track record of creating a repertoire of “Must Have Hits”
- Strong track record of producing hit music

## PURCHASE

### STRATEGY

- We purchase music rights from other producers when we see profitable opportunities
- Our understanding of music and its creative process provides us deep insight on costs and returns and therefore we always maintain cost consciousness while acquiring music rights

## CONTENT COST

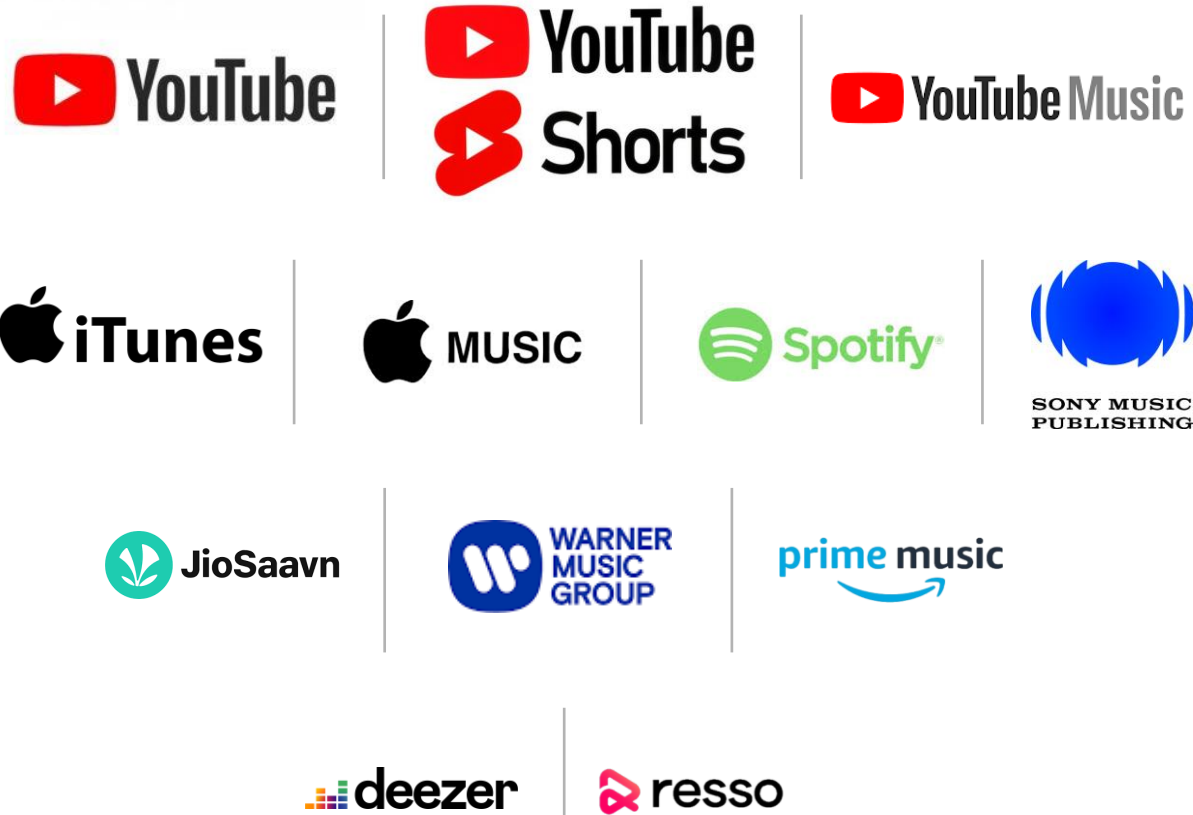
**100% of content cost is written off from profit & loss account in the quarter of release  
No capitalization & no pending write-offs in the future.**

**Content acquisition is entirely funded through internal accruals.  
No borrowings/leverage**

**Large A&R team to acquire content across languages, genres and to sign up promising artists**

# Our Content Powers Global Platforms

## Digital Partners



## Sync Deals



## Broadcast Partners

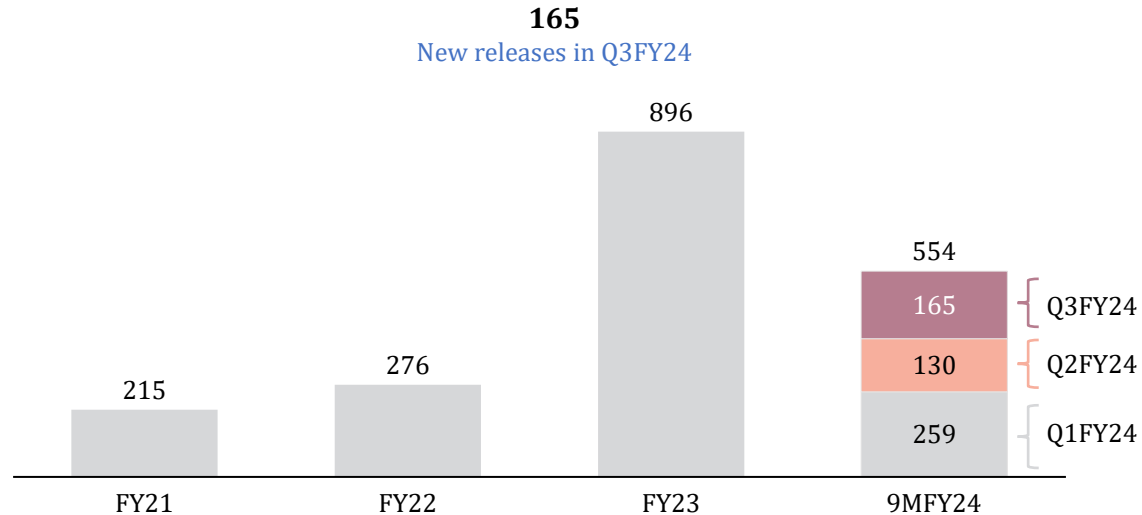


# Growing listenership & Increasing Content Addition

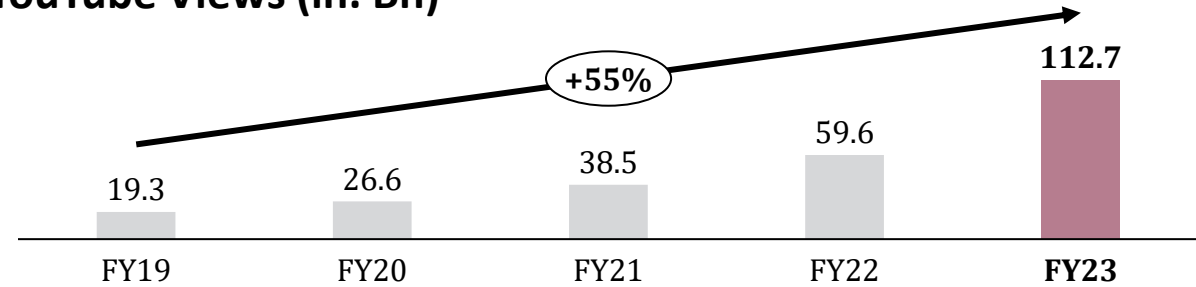


Evergreen & Rich content of **over 30,000 songs** across genres, languages & decades giving us high visibility of music revenue

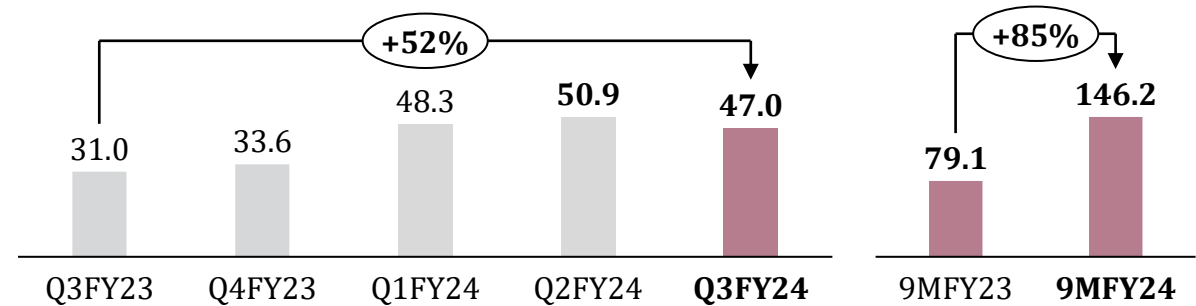
## New Songs Added



## YouTube Views (in. Bn)



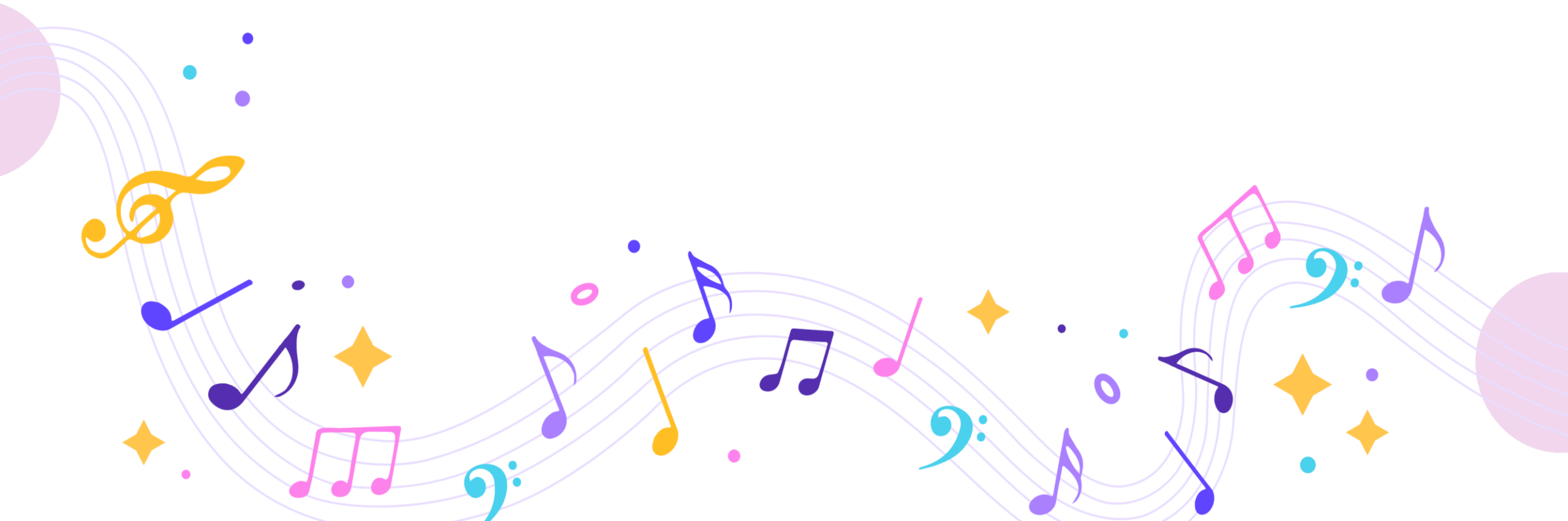
## YouTube Views (in. Bn)



Total views have dropped QoQ due to a decline in YT shorts, which is not a significant contributor to revenue/profit yet

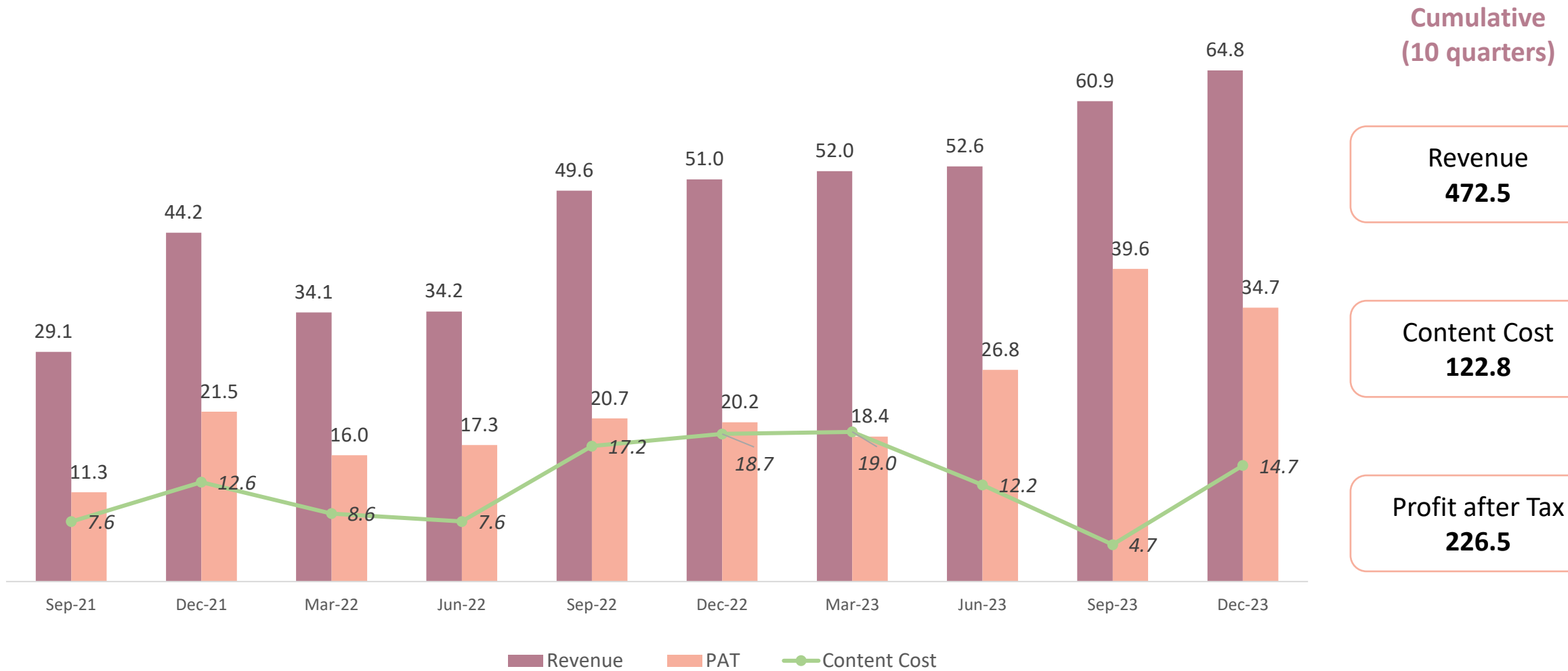


# Financial Performance



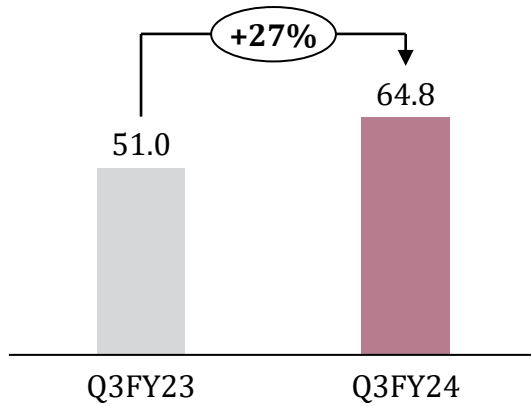
# Summary of Last 10 Quarters

(Crs)

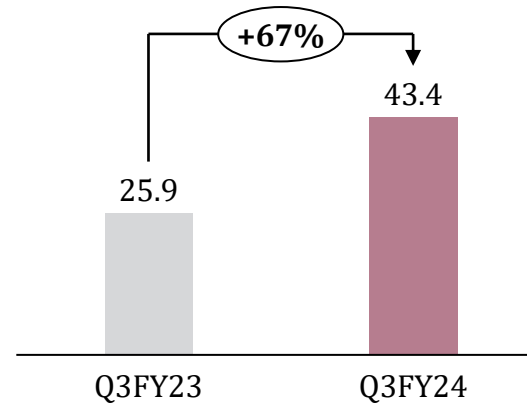


# Business Performance

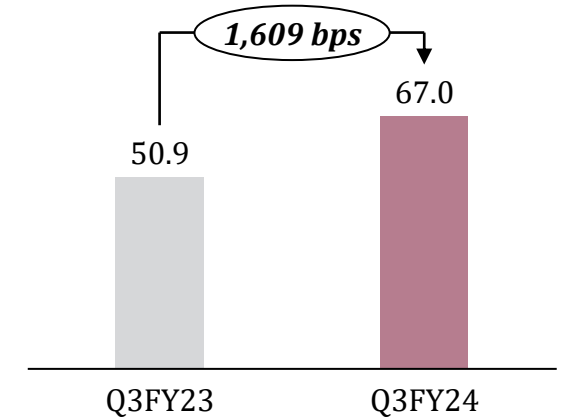
Revenue (Rs. in Crs)



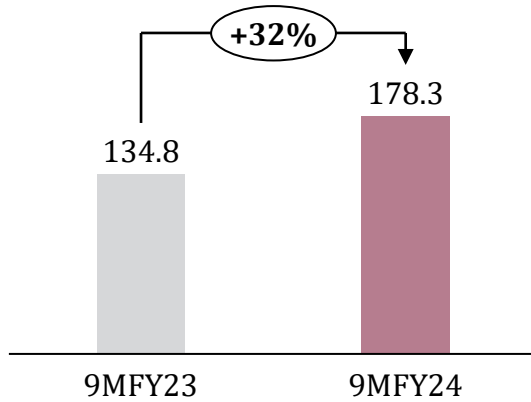
Op. EBITDA (Rs. in Crs)



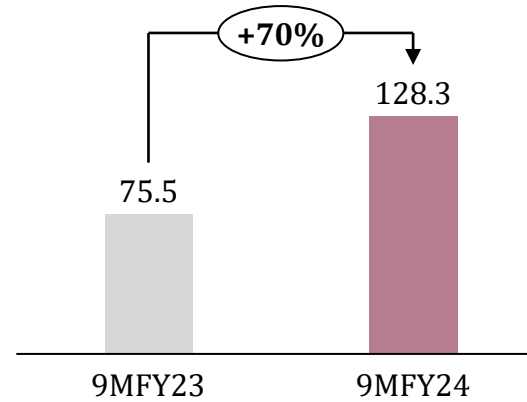
Op. EBITDA Margins (%)



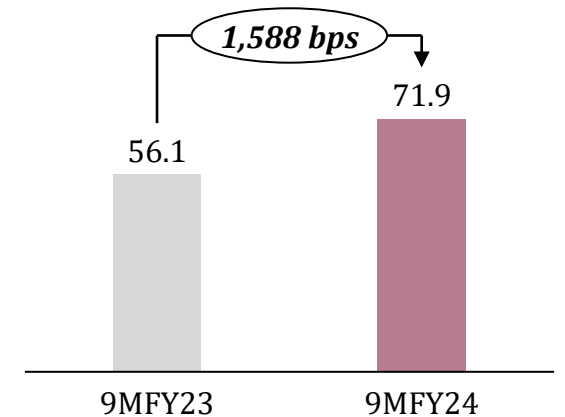
Revenue (Rs. in Crs)



Op. EBITDA (Rs. in Crs)



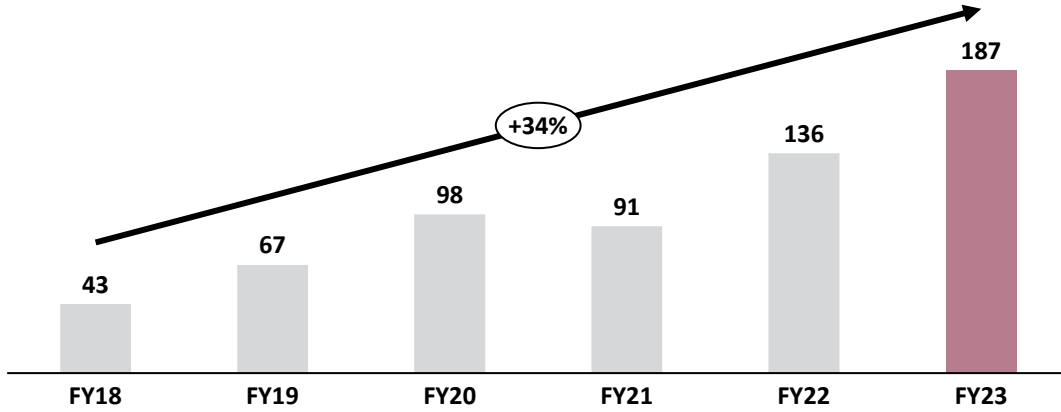
Op. EBITDA Margins (%)



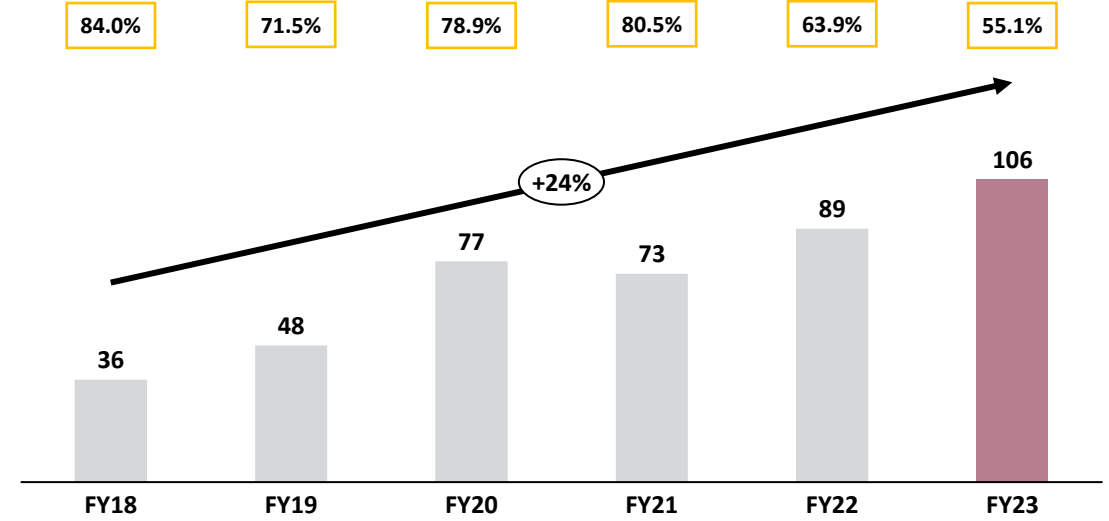
# Industry Leading Financial Performance

(₹ Crs)

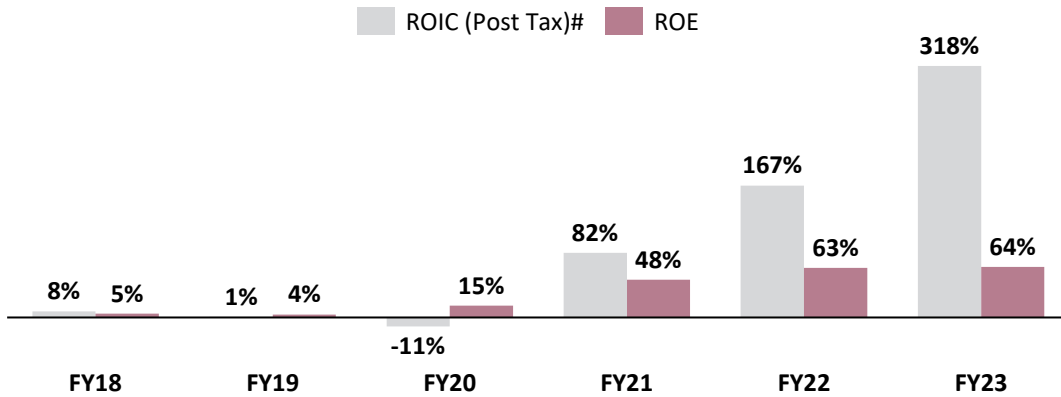
## Revenue



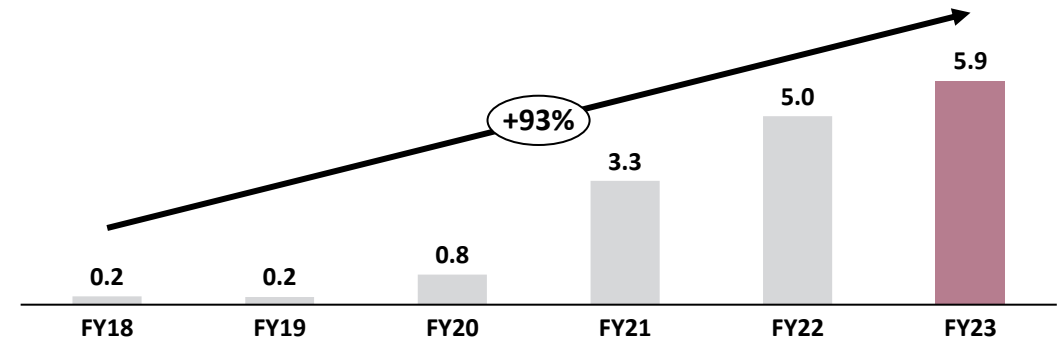
## EBIT & EBIT Margin\*



## ROIC (Post Tax) & ROE #



## EPS#



Note \*Segmental EBIT before allocating corporate overheads (Upto FY21); #ROIC, ROE and EPS upto FY21 before demerger

# Profit & Loss Statement

Particulars (Rs. in Crs)	Q3FY24	Q3FY23	Y-o-Y	Q2FY24	Q-o-Q	9MFY24	9MFY23	Y-o-Y
<b>Revenue From Operations</b>	<b>64.8</b>	<b>51.0</b>	<b>27%</b>	<b>60.9</b>	<b>6%</b>	<b>178.3</b>	<b>134.8</b>	<b>32%</b>
Content Cost	14.7	18.7	-21%	4.7	215%	31.6	43.5	-27%
Employee Benefits Expenses	2.6	1.9		2.1		6.6	5.3	
Other Expenses	4.1	4.5		4.2		11.8	10.5	
<b>Op. EBITDA</b>	<b>43.4</b>	<b>25.9</b>	<b>67%</b>	<b>49.8</b>	<b>-13%</b>	<b>128.3</b>	<b>75.5</b>	<b>70%</b>
<b>Op. EBITDA %</b>	<b>67.0%</b>	<b>50.9%</b>		<b>81.9%</b>		<b>71.9%</b>	<b>56.1%</b>	
Other Income	3.4	1.3		3.6		9.1	3.4	
Depreciation and Amortisation Expense	0.4	0.2		0.5		1.5	1.0	
<b>Op. EBIT</b>	<b>46.4</b>	<b>27.0</b>	<b>72%</b>	<b>53.0</b>	<b>-12%</b>	<b>135.9</b>	<b>78.0</b>	<b>74%</b>
Finance Costs	0.1	0.1		0.1		0.3	0.2	
<b>PBT</b>	<b>46.4</b>	<b>26.9</b>	<b>72%</b>	<b>52.9</b>	<b>-12%</b>	<b>135.6</b>	<b>77.8</b>	<b>74%</b>
Tax	11.7	6.8		13.3		34.2	19.6	
<b>PAT</b>	<b>34.7</b>	<b>20.2</b>	<b>72%</b>	<b>39.6</b>	<b>-13%</b>	<b>101.4</b>	<b>58.2</b>	<b>74%</b>
<b>PAT %</b>	<b>53.5%</b>	<b>39.6%</b>		<b>65.1%</b>		<b>56.9%</b>	<b>43.2%</b>	
EPS	2.70	1.56		3.09		7.90	4.49	

Note Other comprehensive income during the quarter was Rs. 0.02 lakhs (Q3FY23 – Rs. 1.2 lakhs; Q2FY24 – Rs. 17.5 lakhs).



# Balance Sheet

Equity & Liabilities (₹ in Cr)	Sep'23	Mar'23	Sep'22
Equity Share Capital	12.8	12.8	13.0
Other Equity	170.4	123.3	124.8
<b>Total Equity</b>	<b>183.2</b>	<b>136.2</b>	<b>137.8</b>
<b>Non-Current Liabilities</b>			
(i) Lease Liabilities	2.9	3.1	3.5
Deferred Tax Liabilities, (net)	0.0	0.0	0.0
Employee Benefit Obligations	0.7	0.1	0.2
Other Non Current Liabilities	4.1	0.0	13.1
<b>Total Non-Current Liabilities</b>	<b>7.7</b>	<b>3.2</b>	<b>16.8</b>
<b>Current Liabilities</b>			
(i) Lease Liabilities	1.0	0.7	0.6
(ii) Trade Payables			
(a) total outstanding dues of micro enterprises and small enterprises	0.0	0.0	0.0
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	11.7	16.0	15.0
(iii) Other Financial Liabilities	0.2	0.1	0.1
Employee benefit Obligations	0.0	0.0	0.0
Current Tax Liabilities (net)	4.7	0.3	0.5
Other Current Liabilities	16.1	36.1	19.7
<b>Total Current Liabilities</b>	<b>33.8</b>	<b>53.3</b>	<b>35.9</b>
<b>Total Equity &amp; Liabilities</b>	<b>224.7</b>	<b>192.7</b>	<b>190.5</b>

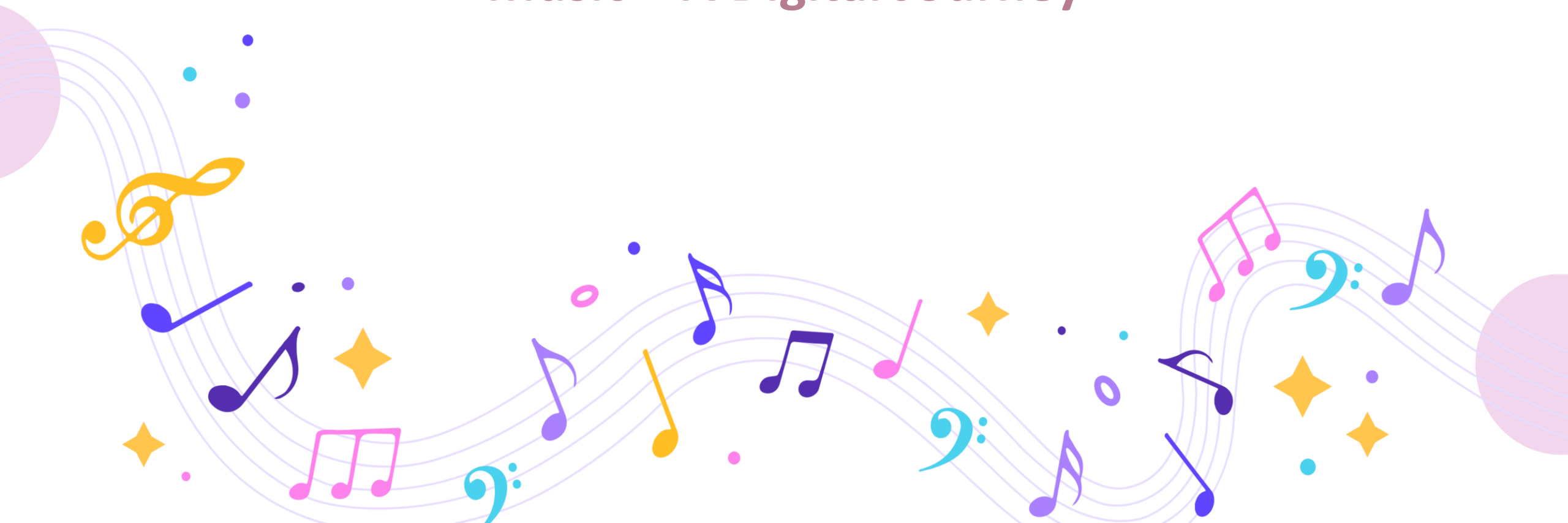
Assets (₹ in Cr)	Sep'23	Mar'23	Sep'22
<b>Non-Current Assets</b>			
Property, plant and equipment	6.9	5.0	6.1
Investment Property	0.1	0.1	0.2
(i) Investments	0.0	0.0	0.0
(ii) Loans & Deposits	0.1	0.1	0.0
(iii) Other Financial Assets	9.6	7.0	2.9
Deferred Tax Assets	0.5	0.5	0.4
Other Non-Current Assets	7.5	15.3	8.0
<b>Total Non-Current Assets</b>	<b>24.6</b>	<b>28.1</b>	<b>17.6</b>
<b>Current Assets</b>			
(i) Investments	48.9	13.1	9.5
(ii) Trade receivables	25.4	20.3	20.4
(iii) Cash and cash equivalents	5.8	11.4	20.3
(iv) Bank balances other than (ii) above	82.3	85.5	74.6
(v) Loans	2.7	2.6	0.2
(vi) Other Financial Assets	3.1	3.3	11.5
Other Current Assets	30.8	27.4	32.2
Current Tax Assets (Net)	1.0	1.0	4.2
<b>Total Current Assets</b>	<b>200.0</b>	<b>164.6</b>	<b>172.9</b>
<b>Total Assets</b>	<b>224.7</b>	<b>192.7</b>	<b>190.5</b>

# Cash Flow Statement

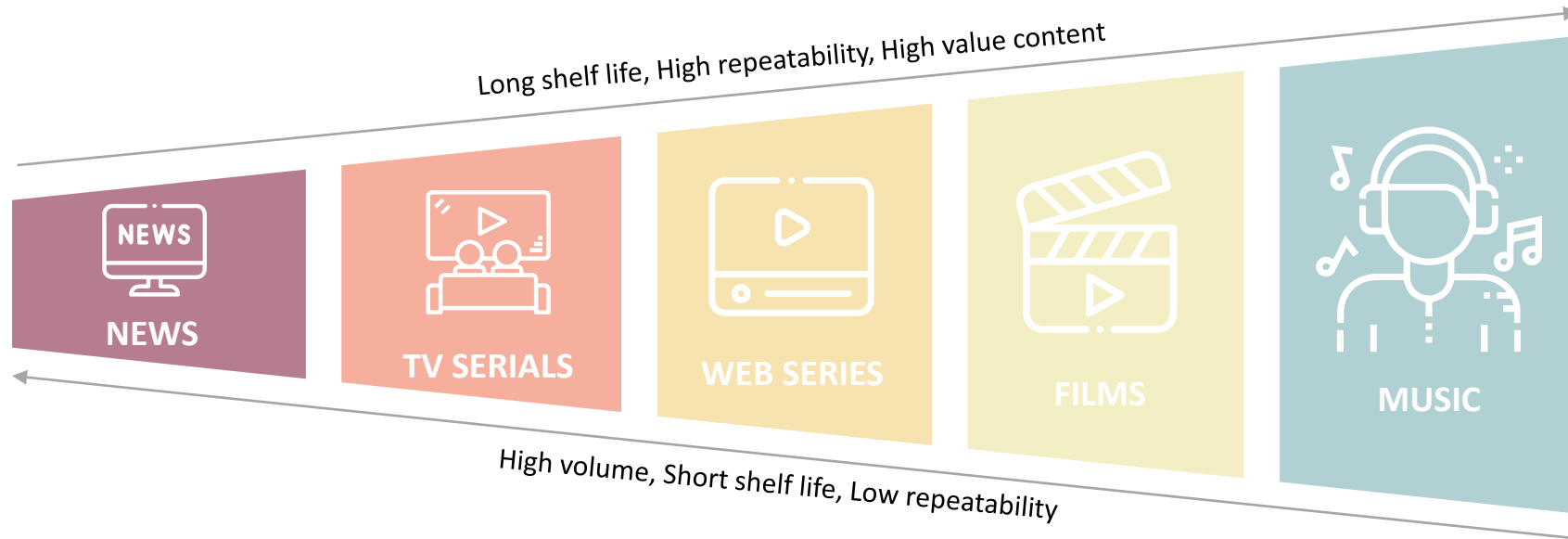
Cash Flow Statement (Rs. Crs.)	Sep-23	Mar-23	Sep-22
<b>Cash Flow from Operating Activities</b>			
Profit before Tax	89.3	105.6	50.9
Adjustment for Non-Operating Items	-3.3	-2.6	-1.1
<b>Operating Profit before Working Capital Changes</b>	<b>86.0</b>	<b>103.1</b>	<b>49.8</b>
Changes in Working Capital	-23.0	10.2	6.2
<b>Cash Generated from Operations</b>	<b>63.0</b>	<b>113.3</b>	<b>56.0</b>
Less: Direct Taxes paid	-18.2	-31.0	-17.6
<b>Net Cash from Operating Activities</b>	<b>44.9</b>	<b>82.3</b>	<b>38.4</b>
Cash Flow from Investing Activities	-30.7	-49.5	-37.6
Cash Flow from Financing Activities	-19.8	-43.5	-2.6
<b>Net increase/ (decrease) in Cash &amp; Cash equivalent</b>	<b>-5.6</b>	<b>-10.7</b>	<b>-1.8</b>
Add : Cash and cash equivalents at the beginning of the year	11.4	22.1	22.1
<b>Cash and cash equivalents at the end of the year</b>	<b>5.8</b>	<b>11.4</b>	<b>20.3</b>



# Music – A Digital Journey

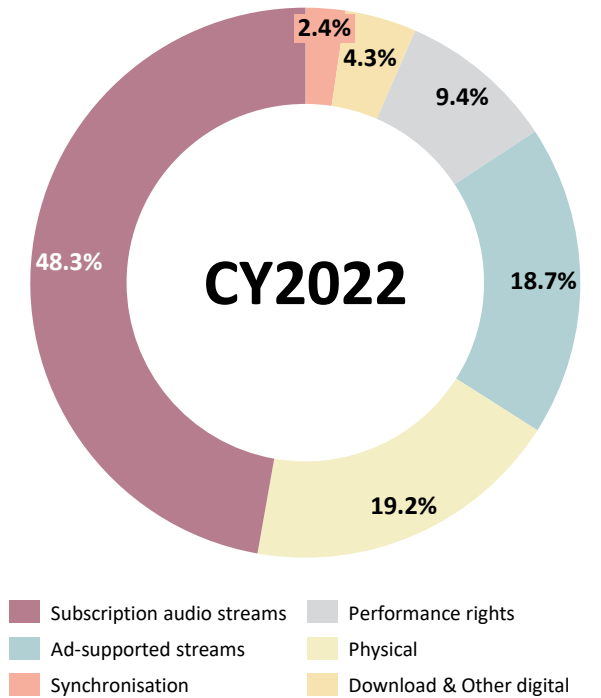


# Music Is The Most Valuable Content



**Content that can be monetized multiple times naturally commands greater economic value**  
**Music ranks at the top of the content pyramid when ranked on repeated monetization**

## Global Music Revenue Sources



Streaming comprised **67%** of total revenues in 2022  
**48.3%** of all streams were subscription based

### STREAMING

Streaming continued to grow strongly in 2022, up by 11.5% to US\$17.5 billion. Paid streaming revenues for CY22 were US\$12.7 billion

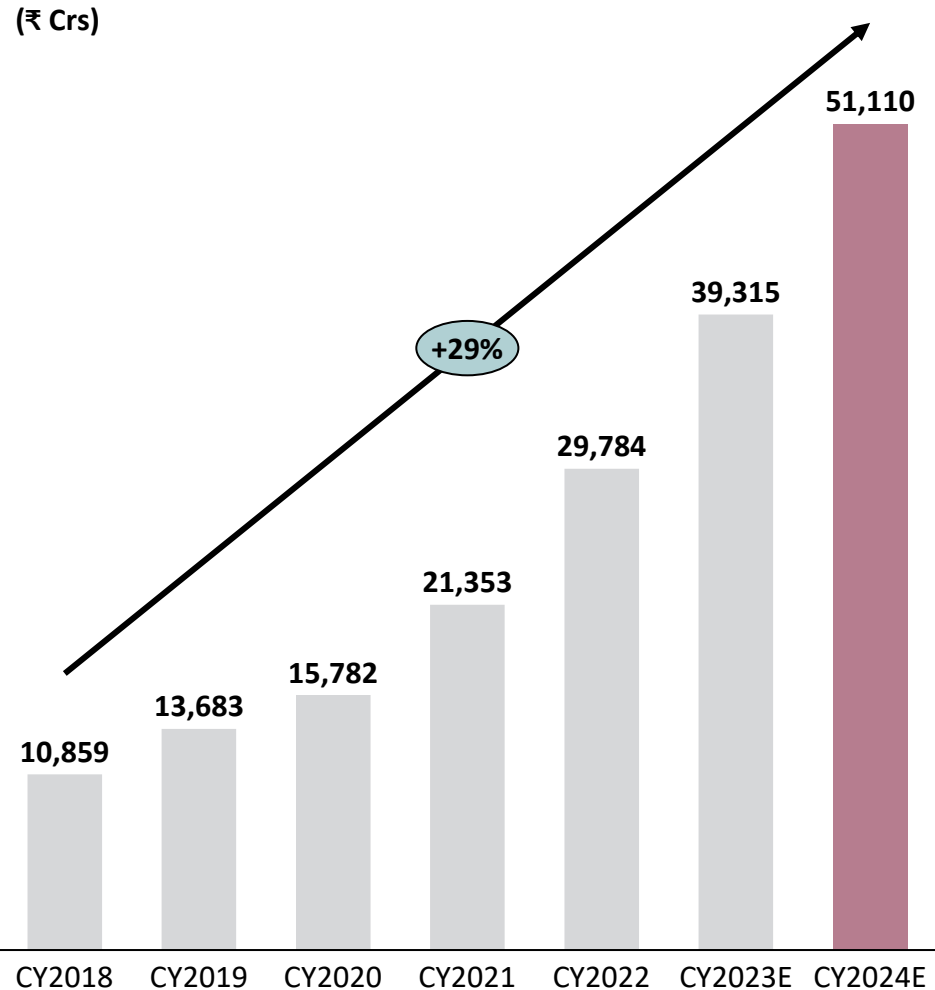
### SYNCHRONISATION

Use of recorded music in advertising, film, games and TV grew by 22.4% (US\$640.4 million) in 2022. Revenues from synchronization accounted for 2.4% of the global market

### PERFORMANCE RIGHTS

Performance rights are now a US\$2.5 billion revenue stream which grew 8.6% in CY2022

## Indian Digital Ad Industry



The Indian digital advertising industry stood at Rs 29,784 crore by the end of 2022, up from Rs 21,353 crore in the previous year. **It has grown at a rate of 39%**

This swift growth can be attributed to the rapid development of digital infrastructure and the development of mass market applications of e-commerce, education, entertainment, healthcare, etc.

The highest proportion of spends on digital media is claimed by **social media (30%, Rs 8,757 crore)**, closely followed by **online Video (28%, Rs 8,319 crore)**. Paid search claims 23% (Rs 6,895 crore), while display banners claim 16% (Rs 4,816 crore).

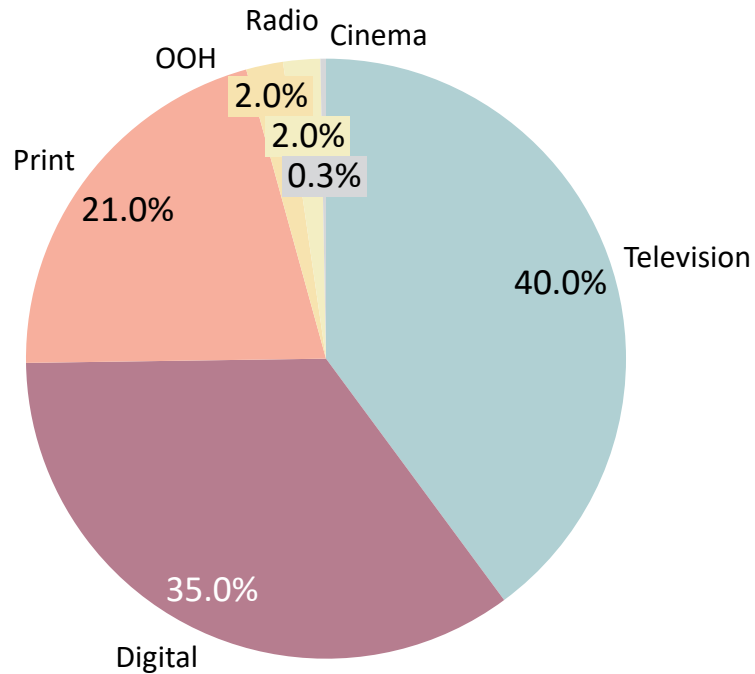
Social media is expected to grow with a CAGR of 31% to have a spend share of 29% by 2024.

On average, Indians spend 2-3 hours on Social Media daily, which is at par with the global average.

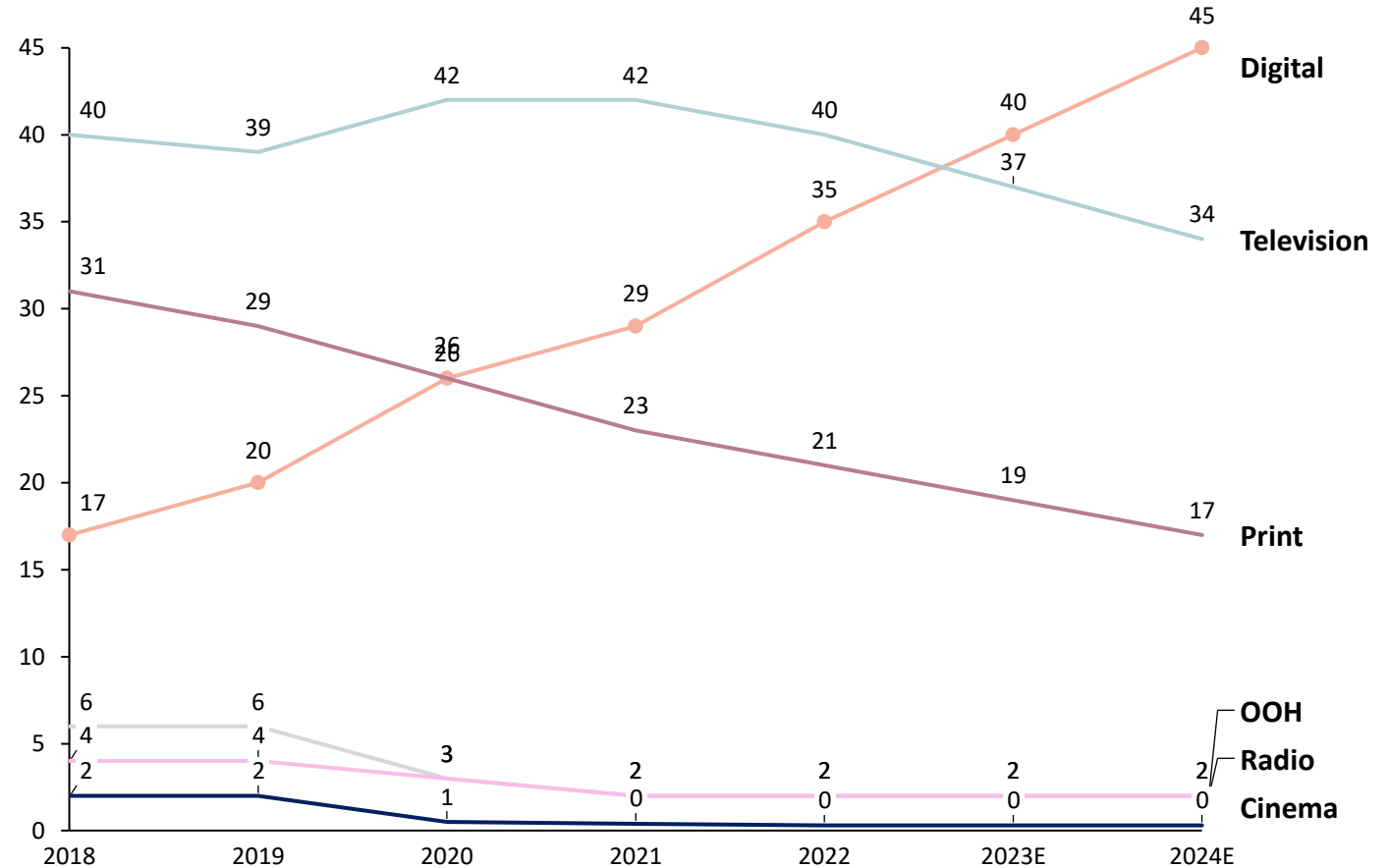
73% of the audience belonging to the age group of 45 years to 54 years use YouTube to watch online content.

# Digital Advertising will Dominate Media Spending in India for the Next Few Years

### Advertising spends on different media



### Advertising spends across various media (%) - Forecast

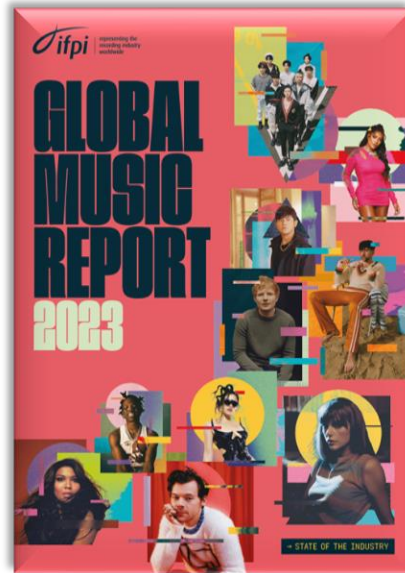


The current pie of digital ad spends constitutes 35% of the advertising spends in 2022, and moving forward in 2023 and 2024, the percentage is expected to increase to 40% and 45% respectively.

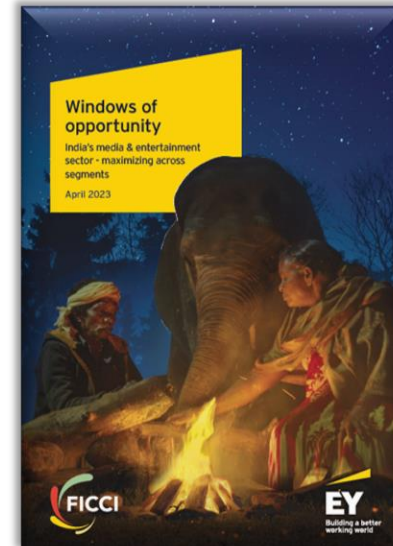
# Few Industry Reports



**dentsu**  
Digital Advertising in India



**IFPI**  
Global Music Report



**FICCI**  
EY Media & Entertainment  
Report 2023



**Ericsson**  
Mobility Report

**Thank You**



**Company Details:**

**Tips Industries Limited**

CIN: L92120MH1996PLC099359

Email id: [investorrelations@tips.in](mailto:investorrelations@tips.in)



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