February 24, 2020

The Secretary,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex
Bandra (E), Mumbai-400 051.
NSE Symbol: SHEMAROO

Dear Sir/Madam,

Re: SHEMAROO ENTERTAINMENT LIMITED - ISIN: INE363M01019

Sub: Investor Presentation

Please find enclosed herewith Investor Presentation of Shemaroo Entertainment Limited for your information and records.

The same is also disseminated on the website of the Company i.e. www.shemarooent.com

Thanking you,

Yours faithfully,
For Shemaroo Entertainment Limited

Dipesh U. Gosar
Company Secretary & Compliance Officer
ICSI Membership No. A23755
Over 55 years experience as a household media brand

One of the largest content houses with 3,900+ content library

Offering content to most Bollywood services across leading platforms

Offering content across Bollywood, Devotional, Regional, Comedy, Kids, Health and Lifestyle, etc.

Strong understanding of consumers' entertainment needs

Extensive content offerings in multiple countries across the globe

**At a Glance**

**Revenue FY19**
INR 5,678 Mn
5 Year CAGR 16.50%

**EBITDA FY19**
INR 1,578 Mn
5 Year CAGR 19.67%

**PAT FY19**
INR 830 Mn
5 Year CAGR 25.00%

**Networth FY19**
INR 5,717 Mn
5 Year CAGR 26.79%
• Founded in 1962 as a book circulating library, today Shemaroo Entertainment Limited (Shemaroo) is a leading Indian content power house with a global reach, headquartered out of Mumbai and employs over 600 people.

• Shemaroo is a pioneer in content aggregation and distribution in India and globally with offerings spread across Television, Mobile, Internet, OTT, Preloaded devices, etc.

• Identifying that movies have the longest shelf life for television and other media content, Shemaroo pioneered the movie library syndication business by acquiring movie titles from producers and distributing it to broadcasters and other media platforms.

• Shemaroo has grown multifold over the years, developing excellent relationships across the media industry value chain, to become one of the largest organized players in a fragmented industry.

• The company’s digital business contribution has grown from less than 10% in FY14 to over 30% in FY19.

<table>
<thead>
<tr>
<th>Operational Revenue (INR Mn) and EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY14</td>
</tr>
<tr>
<td>2,387</td>
</tr>
<tr>
<td>24.30%</td>
</tr>
</tbody>
</table>

FY19 Revenue Distribution

- Traditional Media: 70%
- Digital Media: 30%
Key Milestones

- 1962: Started book circulating library in Mumbai
- 1987: One of the first to enter Broadcast Syndication
- 1993: Entered Overseas markets for distribution
- 2001: Digital Post production started
- 2003: Evolved into a content house by acquiring perpetual rights
- 2005: Commenced distributing content over digital Media platforms like YouTube
- 2008: Started content aggregation and distribution for MVAS platforms
- 2009: Completed 50 years
- 2012: Refreshed the brand identity after 55 years
- 2014: Got listed on BSE and NSE
- 2018: Launched ‘ShemarooMe’ OTT application
- 2019: Launched Pre-loaded devices like Bhajan Vani, Shrimad Bhagavad Gita etc.
Awards & Accolades

- Amazing OTT Newcomer Award at OTTV Mumbai 2019
  ShemarooMe
- NASSCOM Awards, 2019 for NASSCOM Awards, 2019 for Shemaroo Bhakti Shrimad Bhagavad Gita Audio Book
ShemarooMe
- YouTube Diamond play button for YouTube channel
  Shemaroo Filmi Gaane

- YouTube Diamond play button for YouTube channel
  Shemaroo Entertainment
- Best Marketing Strategy in OTT at BCS Ratna Award 2019
  ShemarooMe
- Best Brand Campaign for an OTT Platform- ScreenXX 2019
  ShemarooMe
Experienced Leadership

**Buddhichand Maroo - Chairman** - He is founder of Shemaroo Group. He started the business with a book library in 1962 and gradually transformed it into a well-diversified corporate in the Media and Entertainment Sector. He has an experience of approximately 57 years, out of which, he has been associated for 36 years of experience in the Media and Entertainment Industry.

**Raman Maroo - Managing Director** - He has an experience of approximately 45 years, out of which he has spent around 36 years in the Media and Entertainment Industry. He has been instrumental in the Group’s expansion into television rights syndication as well as transformation of Shemaroo into an established filmed entertainment content house. He has always remained the driving force in the Company, taking it into new directions.

**Atul Maru - Joint Managing Director** - He has around 39 years of experience in the Media and Entertainment industry. He has managed the transition of the Company from VHS days to today’s multi-platform operations. He has been actively involved in the operations of the Company and has spearheaded various initiatives including the home video division of our Company.

**Hiren Gada – CEO & CFO** - He has been at the helm of driving the corporate & financial growth, digital direction, strategy, and the transformation of the company from a family run business to a professional corporate firm. He has approximately 23 years of work experience, out of which, he has around 16 years of experience in the Media and Entertainment Industry. After a successful stint in the financial sector, he joined Shemaroo. Hiren is an industry thought leader and brings a fresh perspective to the M&E space in India.

**Jai Maroo – Executive Director** - He has experience in the technology industry in USA and Singapore and approximately 16 years of experience in the Media and Entertainment industry. He has worked with the leading firms in the technology industry at USA and Singapore. Given his strong technical background, he has catalysed Shemaroo’s expansion on digital distribution platforms such as Mobile, Internet, OTT etc. Currently, he is steering the Organization Transformation & Excellence portfolio for the Company.

**Kranti Gada Arambhan - Chief Operating Officer** - Kranti heads the revenue function of the Company to drive extensive and sustainable growth. She joined Shemaroo in 2006 after a successful stint in the FMCG industry in the field of marketing at PepsiCo. She is instrumental in incubating the Company’s expansion into the DTH segment, digital media and international business verticals. She pioneered and set-up the Company's mobile business and played a key role in the Company’s early adoption of digital platforms.
Our Independent Board

Gnanesh Gala - Independent Director - He has around 36 years of experience in the Educational Publishing Industry. He was the President (Finance) of Navneet Publications (India) Limited for more than 23 years and is presently the Managing Director of the said company.

Dr. (CA) Reeta Bharat Shah - Independent Director - She has over 31 years of experience in the field of education and administration in various capacities. DR. CA Reeta is a Ph.D. from IIT Bombay, a member of Institute of Chartered Accountants of India, Masters in Philosophy, Masters in Commerce, Masters in Business Administration (HRM), Bachelors of Law (General) and Bachelors of Commerce (Hons.). She is engaged as Growth strategist, Tedx and International Keynote Speaker. She is presently the Head of Department (Accountancy) at SIES College of Commerce & Economics.

Vasani Mamania - Independent Director - He has around 57 years of experience in various industrial sectors including Film Processing, Civil Constructions, Heavy Engineering and Non-ferrous Metals. He was the Co-Founder of Adlabs. Mr. Mamania has handled responsibilities ranging from operations to financial planning and engineering inputs in design and processes.

Shashidhar Sinha - Independent Director - He is a B.Tech from IIT Kanpur and is a post graduate from IIM Bangalore, India. He has over 30 years of experience in media and advertising. He is presently the CEO of India-IPG Mediabrands. He is widely recognized for his strategic approach to media solutions across a wide portfolio of over 100 blue chip clients. He is actively involved and drives key industry bodies like the Advertising Standards Council of India, AAAI’s, Audit Bureau of Circulation, Readership Studies Council of India (RSCI), the Broadcast Audience Research Council India (BARC). He is also an honorable member of the prestigious Facebook India Client Council.

Kirit Gala - Independent Director - He has completed his Masters in Business Administration and Mechanical Engineering from Mumbai University. He has around 29 years of business experience. Mr. Gala is the Managing Director of Gala Precision Engineering Private Limited. He has been guest speaker on various entrepreneurial and venture capital/private equity forums and has already been featured in some leading Business magazines for his expertise.
Key Strengths

Established Brand Name
- Brand in existence for over 55 years
- The “Shemaroo” brand has high consumer recall and media visibility

Diversified Distribution Platforms
- Presence across television, digital media and other media
- Distribution reach is a key advantage, as company is able to offer “anytime anywhere” entertainment to consumers

Strong Industry Relationships
- Managed to create, maintain and build goodwill in the industry
- Repeated transactions with known names – STAR, SONY, Viacom 18, R.K. Studios, Tips Industries, Nadiadwala Grandson etc.

Vast, Diverse and Growing Content Library
- Most Bollywood services that require content would have at least some content provided by Shemaroo
- Content Library of more than 3,941 titles spanning Bollywood, Devotional, Regional, Comedy, Kids, Health & Lifestyle, etc.
- Perpetual Rights of 1,195 films, of which 498 are Hindi

Experienced Directors and Management Team
- Strong management team with years of industry experience
- In-depth understanding of the film industry, deep insights on technology and market trends

De-risked Business Model
- Large number of titles
- Width and depth of distribution platforms
- Multiple genres and types of content
The Business Model

**Complete Ownership Rights**
- Perpetual Rights – Complete ownership rights for distribution across all geographies, platforms, and perpetual periods

**In-House Creation**

**Limited Ownership Rights**
- Aggregate Rights - Rights limited by either period of usage, platforms, geography or a combination thereof

**Content Library**
- Hindi Films
- Regional
- Devotional
- Kids
- Comedy
- Music
- Special Interest Content
- Other Content

**Monetisation Platforms**
- Digital Media
  - Youtube | OTT | Others

- Traditional Media
  - Television
  - Satellite | Terrestrial | Cable | DTH
  - Others
    - In-Flight | Devices | Overseas, etc.
Content Powerhouse

Shemaroo is one of the largest Indian Content Houses

Digital Media
5 year CAGR – 47.51% | 30% Revenue Contribution

- Youtube
  Shemaroo Filmi Gaane, Shemaroo Ent, Shemaroo Movies, etc.
- Syndication
  Amazon Prime, YuppTV, Mubi etc.
- ShemarooME
  Mi TV, Apple TV, Roku, Amazon Fire Stick, Ixigo, Dainik Bhaskar, Android TV, MX Player etc.
- Telcos Partnerships:
  Vodafone Play, Jio, Airtel etc.

Traditional Media
5 year CAGR – 10.65% | 70% Revenue Contribution

- Broadcasters:
  Zee, Sony, Star, Viacom18 etc.
- Cable Operators:
  Hathway, InCable, GTPL etc.
- D2H Operators:
  Subscriptions with Tata Sky, Airtel TV, Dish TV
- In-Flight Entertainment
  Emirates, Qatar, Singapore Airlines, Etihad etc.
- Preloaded Devices
  Shrimad Bhagavad Gita, Bhajan Vani etc.

Shemaroo

India Khush Hua

INR 5,678 Mn
Revenues (FY19)

3,900+ Content Titles

- 1,195 Perpetual Titles
- 2,746 Aggregate Titles
Shemaroo’s Role In The Value Chain

Fragmented Production Houses
- There are many production houses/content owners in India with smaller content lot.
- Smaller content lot is difficult to unbundle.
- This fragmented market necessitates the need of a content aggregator and distributor like Shemaroo.

One of the largest Content Houses
- Creates Value: Increasing the life of the movie and creating value for all the stakeholders.
- Convenient and Hassle Free: For both Producers and Platforms, it is convenient to deal with one aggregator rather than multiple players.
- Large Content Ownership: Large content ownership gives Shemaroo an advantage for unbundling and re-bundling of content.
- Premium Quality: Offers quality content to platforms by adhering to robust selection criteria.
- Legally Clean Titles: Offering undisputed titles.
- Quality Content: High quality source material with in-house upgradation and restoration facility.

Monetisation Platforms
- Requires unbundled and re-bundled content with customisation.
- Need a consistent flow of content.
- Requires clean and litigation free titles.
- High volume of content for diversified platforms to monetise.

Fragmented Production Houses
- Monetisation Platforms

One of the largest Content Houses
- Shemaroo

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Shemaroo’s Role In A Movie Lifecycle

- Shemaroo typically participates in the second and subsequent cycles of film monetisation.
- These subsequent cycles of film monetisation have been typically growing due to various factors like increasing advertisement spends, digitisation etc.
- There is a lower risk in these cycles due to visibility of performance of movie during first cycle of launch.
- Shemaroo decides on the cost of the content after it is confident of achieving the desired ROI at portfolio level.
- Shemaroo then distributes this content over different platforms like Broadcasting channels & Digital Media platforms.

Theatrical, Television and overseas release generate ~80-90% of the revenues in the first cycle of movie launch, where Shemaroo is not typically present.

Shemaroo is present in the ancillary revenue streams like digital Media & In-Flight movie distribution, which contribute towards the remaining 10-20%* of the revenues.

* Industry estimates
Shemaroo uses proprietary tools and considers various other factors for content valuation as shown below. The company purchases forward rights to movies and decides on the cost of the content after it is sure to achieve a desired return on investment at a portfolio level.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Content Selection Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Viewership rating</td>
</tr>
<tr>
<td>2.</td>
<td>Box Office Records</td>
</tr>
<tr>
<td>3.</td>
<td>Cast</td>
</tr>
<tr>
<td>4.</td>
<td>Music</td>
</tr>
<tr>
<td>5.</td>
<td>Production House Track Record</td>
</tr>
<tr>
<td>6.</td>
<td>Genres</td>
</tr>
<tr>
<td>7.</td>
<td>Reviews and Awards</td>
</tr>
<tr>
<td>8.</td>
<td>Comparable Movie Valuation</td>
</tr>
</tbody>
</table>

Genres:
- ROMANCE
- ACTION
- COMEDY
- DRAMA
Content IPs - Best of Bollywood

Ownership of over 1,964 Hindi Film Content Titles

Bollywood Classics

1990’s

2000’s

2010’s
Content IPs - Regional & Special Other Content

**Regional Titles**
- Marathi
- Gujarati
- Punjabi

**Special Interest Content**
- Comedy
- Kids
- Devotional

1,665 Number of Titles

3,000+ Hours of Content
DIGITAL MEDIA
Digital Media Industry

Digital Advertising revenues in India grew by 37% to reach INR 160 bn in FY19 over FY18. It is expected to grow at a 27% CAGR over the period FY19-FY24 to reach INR 539 bn.

Digital Subscriptions (audio and video) in India grew at 45% in FY18 to reach INR 13 bn in FY19 and expected to reach INR 83 bn by FY24. The video subscription ecosystem has evolved over the past years and now has over 30 OTT players in India.

Highlights

✓ Advancements in digital infrastructure, increasing penetration from non-urban areas, cheaper data and high adoption of mobile phones has contributed to growth in digital advertising.

✓ The number of smartphone users in India is expected to rise by 84% to 859 mn by 2022 from 468 mn in 2017.

✓ Videos are expected to contribute around ~77% of the mobile data traffic by 2022 from ~50% in 2017.

✓ Digital video consumption has increased from 11 minutes to 24 minutes per day during 2017-2019.

✓ YouTube reported 96% of its users watched videos in regional language.

SOURCE: KPMG, PWC and BCG-CII
Strategic Drivers for Growth in Digital Media

Broadband Infrastructure
- Increasing reach of 4G & fall in data prices to enhance the consumption of videos
- The ‘Digital India’ initiative from the Government

Technology
- Growing availability of sub INR 5,000 smart phones
- Increased penetration of Hybrid connected TV STBs, Smart TVs etc.

Rise of OTT
- Increase in the number of OTT destinations for online video watching
- Surge in the width and depth of content offered for Indian consumers

Rapid digital adoption in non-metros
- Next wave of internet video users will come from the non-metros driving video consumption
- 75% of new internet users are expected to consume data in local languages by 2020
Digital Potential

Rising Internet Users (Mn)

Internet users are projected to reach over 700 mn by 2021 because of the following factors:

- Low cost smart phone
- Improved rural internet connectivity
- Rising regional language popularity
- Voice enabled utilization of internet

2x Growth of Online Video Viewers (Mn)

Increasing Share of Mobile Internet Consumption for Video in India

Cheapest Mobile Data in the World

This has resulted in growth of average data usage/month to 8.7 GB in 2018 from 0.9 GB in 2016
The company caters to all types of revenue models like subscription, pay per transaction, advertisement supported (free to consumer) etc.

Due to its large library ownership Shemaroo has the ability to slice and dice content and package it in different ways that are more suited for the digital media platforms.

Shemaroo was one of the early Indian media companies to syndicate its library in the high growth digital media platforms, thereby gaining early mover advantage.

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Digital Media Presence

<table>
<thead>
<tr>
<th>Internet and OTT</th>
<th>Mobile Value Added services (MVAS) / Mobile Internet</th>
<th>ShemarooMe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shemaroo has agreements with various internet video platforms like YouTube, Hotstar, Reliance Jio, Apple iTunes, Google Play etc.</td>
<td>The company has agreements with major telecom operators, namely Airtel, Vodafone, Idea to distribute videos, full songs, live streaming etc. under MVAS</td>
<td>ShemarooMe is the OTT platform launched in Feb’19 – offering vast content library across Bollywood, Gujarati, Marathi, Kids, Punjabi, Devotional etc.</td>
</tr>
</tbody>
</table>
The company's flagship channels ‘ShemarooEnt’ crossed 21 Mn subscribers and ‘FilmiGaane’ crossed 32 Mn subscribers in Jan 2020 on YouTube

The high viewership, content connect and viewer stickiness has translated into higher revenues for Shemaroo over the years

Revenue Model for YouTube

- Shemaroo gets revenue from the advertisements shown on its channel on YouTube, in many ways, for example:
  - Banner Ads
  - Pre roll ads
  - Mid roll ads etc.
- Shemaroo gets a revenue share from the advertisement revenue that Youtube makes from Shemaroo channels

Shemaroo is among the most viewed channel partners for YouTube in India and has more than 50 channels of its own on YouTube
ShemarooMe

- Is a hybrid (subscription + advertisement) digital platform launched in FY19
- Is available in more than 150 countries globally
- Offers a vast content library across Bollywood, Gujarati, Marathi, Punjabi, Bengali, Devotional and Kids genres
- Works on a B2B2C partnership model and is available on platforms like Vodafone Play, Airtel, Ixigo, MX Player etc.
- Have partnered with Android TV, Apple TV, Fire TV Stick, Roku, Mi TV etc.

Available on Multiple Devices:

- Android
- Apple
- Mi TV
- Android TV
- Roku
- CloudWalker

- 600+ Bollywood Movies
- 550+ hrs Bhakti & Ibaadat content
- 700+ Gujarati, Marathi and Punjabi Movies
- 3000+ Music Videos
- 800+ Comedy Videos & Web Series
- 320+ Short Movies
- 300+ Kids Rhymes
TRADITIONAL MEDIA
Television Industry

Industry Dynamics

- Television syndication is the sale of content rights to broadcasters
- The Indian television broadcasting segment currently has more than six genres and Movies as a genre is second in terms of viewership after General Entertainment Channels
- The standard practice of the Indian television industry is to purchase forward rights for a period of 5 to 7 years
- There is a one time fixed fee payment made at the network level for exclusive license to broadcast the content for multiple telecasts

On any given day, an average of 8 movies are shown on a Movie channel. Even considering the repeat telecast of these movies, the broadcaster would need access to a significantly large movie library.

Although the number of households for TV viewership in rural area is 22% more than urban area, the penetration is as low as 55%

Under penetrated Rural India (TV) (Mn Homes)

- Urban
  - No. of Households: 100
  - Penetration: 89%
- Rural
  - No. of Households: 200
  - Penetration: 55%

300 Mn HHs in India
198 Mn TV HHs in India
100 Mn i.e. 33% of Indian Households don't have TV!

TV as a medium is the largest platform for video consumption (93%)

SOURCE: BARC & Census 2011
TV will continue to be one of the most popular media consuming platform.

<table>
<thead>
<tr>
<th>Segment (INR Bn)</th>
<th>FY19</th>
<th>FY24E</th>
<th>CAGR (2019-24E)</th>
<th>% Contribution in FY19</th>
<th>% Contribution in FY24E</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>714</td>
<td>1,215</td>
<td>11%</td>
<td>44%</td>
<td>40%</td>
</tr>
<tr>
<td>Print</td>
<td>333</td>
<td>409</td>
<td>4%</td>
<td>20%</td>
<td>13%</td>
</tr>
<tr>
<td>Films</td>
<td>183</td>
<td>260</td>
<td>7%</td>
<td>11%</td>
<td>8%</td>
</tr>
<tr>
<td>Digital</td>
<td>173</td>
<td>621</td>
<td>29%</td>
<td>11%</td>
<td>20%</td>
</tr>
<tr>
<td>Animation &amp; VFX</td>
<td>88</td>
<td>184</td>
<td>16%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Gaming</td>
<td>62</td>
<td>250</td>
<td>32%</td>
<td>4%</td>
<td>8%</td>
</tr>
<tr>
<td>OOH</td>
<td>34</td>
<td>52</td>
<td>9%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Radio</td>
<td>28</td>
<td>45</td>
<td>10%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Music</td>
<td>17</td>
<td>35</td>
<td>16%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Total</td>
<td>1,631</td>
<td>3,070</td>
<td>13%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

 Rise in Rural and Middle Class Income:
• More money in the hands of rural consumers has led to 10% growth in TV ownership in 2018

 Benefit of Village Electrification:
• TV and Refrigerator are two general use items people BUY FIRST once they get electricity

 Decrease in TV Price:
• Over 10-20% decrease in last one year

Source: BARC & KPMG
TV Industry Performance and Projection

**TV Industry Performance (INR Bn)**

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20P</th>
<th>FY24P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad</td>
<td>463</td>
<td>547</td>
<td>760</td>
</tr>
<tr>
<td>Sub</td>
<td>251</td>
<td>277</td>
<td>455</td>
</tr>
<tr>
<td>Total</td>
<td>714</td>
<td>824</td>
<td>1,215</td>
</tr>
</tbody>
</table>

**Broadcasters’ Revenue (INR Bn)**

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20P</th>
<th>FY24P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad</td>
<td>120</td>
<td>251</td>
<td>269</td>
</tr>
<tr>
<td>Sub</td>
<td>277</td>
<td>455</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>371</td>
<td>443</td>
<td>724</td>
</tr>
</tbody>
</table>

**India’s Pay TV ARPU is one of the lowest globally**

<table>
<thead>
<tr>
<th>Countries</th>
<th>Pay TV ARPU pm</th>
<th>Digital ARPU pm</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>$40-80</td>
<td>$8-12</td>
</tr>
<tr>
<td>UK</td>
<td>$25-40</td>
<td>$6-12</td>
</tr>
<tr>
<td>Africa</td>
<td>$15-20</td>
<td>$5-8</td>
</tr>
<tr>
<td>Middle East</td>
<td>$15-20</td>
<td>$6-12</td>
</tr>
<tr>
<td>Thailand</td>
<td>$30-70</td>
<td>$6-12</td>
</tr>
<tr>
<td>India</td>
<td>$2-5</td>
<td>$3-8</td>
</tr>
</tbody>
</table>

- TV Industry grew from INR 652 Bn in FY18 to INR 714 Bn in FY19, a growth of 9.5%; expected to grow at a CAGR of 11.2% by FY24.
- Advertisement revenue contributed 35% of the industry in FY19; expected to grow to 38% by FY24.
- Ad revenues is expected to be driven by increase in viewership across urban and rural markets, rise in advertising rates and increasing focus on regional advertising spends.
- Broadcaster’s overall revenue increased from INR 331 Bn to INR 371 Bn in FY19; expected to grow at a CAGR of 14.3% by FY24.
- Broadcaster’s subscription revenue growth is expected to be driven by:
  - long term contracts with escalation clauses
  - digitisation of TV
  - increased transparency contributing to higher revenue share.

*SOURCE: KPMG and Secondary Research*
Shemaroo in Traditional Media

**Television Syndication**
- Shemaroo has a diverse content library which it syndicates rights to various Satellite Channels, Cable & Terrestrial Networks
- Considering the vast and diverse library of Shemaroo, it can be easily assumed that most broadcasting channels would have some content syndicated from Shemaroo at sometime or the other

<table>
<thead>
<tr>
<th>TV Syndication Platforms</th>
<th></th>
</tr>
</thead>
</table>
| Satellite Television     | • Predominantly consists of Hindi films  
  • This includes Movie Channels, Kids Channels, Music Channels, News Channels etc.
  • Enter into exclusive agreements for a film or package of films with a particular group of movie channels for a specified period of time |
| Terrestrial Television   | • The company also licenses content for broadcasting on terrestrial television network |

**Subscription Based Services**
- In partnership with major DTH and Cable operators, Shemaroo operates subscription-based, ad-free content services across various genres like Movies, Devotion, Comedy and Regional

**Advertisement led Satellite Channel**
- Shemaroo launched a satellite FTA channel named as ‘Shemaroo MarathiBana’ in Dec’19, targeted to be a prominent leader in the Marathi movie genre
- The company has over the years built a strong library in the regional space through which it plans to strategically capture a vacuum in the Marathi movie genre

Traditional Media Revenue (INR Mn)
- 5 Yr CAGR – 10.65%
RECENTLY LAUNCHED - Preloaded Audio Devices

- Launched 7 preloaded devices with devotional content in FY20; namely Srimad Bhagwad Gita, Bhakti Bhajan Vani, Amrit Bani, Ibaadat, Ganesh Vani, Krishna Bhajan Vani and Sai Bhajan Vani

- Distributed across 20 states India with a retail presence of +2,500

- Available on major online retail platforms like Amazon, Flipkart, Tata Cliq, etc. as well as offline stores like Crosswords, Archies etc.

<table>
<thead>
<tr>
<th>Device type</th>
<th>Shrimad Bhagavad Gita</th>
<th>Bhajan Vani</th>
<th>Ibaadat Quran Majeed</th>
<th>Ganesha Bhajan Vani</th>
<th>Krishna Bhajan Vani</th>
<th>Amrit Bani</th>
<th>Sai Bhajan Vaani</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Content Hours</strong></td>
<td>80+</td>
<td>60+</td>
<td>150+</td>
<td>16+</td>
<td>18+</td>
<td>210+</td>
<td>18+</td>
</tr>
<tr>
<td><strong>Content Offering</strong></td>
<td>Designed to replicate the sacred scripture Shrimad Bhagavad Gita in three languages - Hindi, Sanskrit, and English</td>
<td>Bhakti Bhajan Vani offers Bhajans, Aartis, Jaaps, Mantras, and Stotras</td>
<td>Quran- Pak verses, Quran Sharif Translation</td>
<td>Ganesh Bhajan Vani offers Ganesha Bhajans, Aartis, Chants, Mantras &amp; Stotras</td>
<td>Krishna Bhajan Vani offers Krishna Songs in two languages – Hindi, Gujrati</td>
<td>Shri Guru Granth Sahib ji, Sahaj Paath, Kathas, Kirtans, Dharmik Geet and Simrans</td>
<td>Sai Bhajan Vani offers Sai Baba Songs in two languages – Hindi &amp; Marathi</td>
</tr>
</tbody>
</table>
STRATEGY
“Shemaroo’s multifold growth over the years has been a result of its excellent relationships with its partners in the media industry. Shemaroo will continue to strengthen its position in the industry by providing unparalleled value addition to all stakeholders”

<table>
<thead>
<tr>
<th>Road Ahead Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riding on the Digital Wave</td>
<td>With a fundamental shift happening in how consumers consume the content, Shemaroo aims to be at the forefront of digital and technological innovations.</td>
</tr>
<tr>
<td>Strengthening IPs and Entering new domains</td>
<td>In line with the fast growing appetite of multiple genres of content by consumers, Shemaroo aims to further strengthen its Bollywood and non-Bollywood IPs like regional, devotion, kids, etc.</td>
</tr>
<tr>
<td>Expanding our footprint globally</td>
<td>There is an increasing affinity towards Indian content globally. Shemaroo aims to significantly scale up its presence internationally serving diaspora as well as non diaspora audience to tap this growing demand.</td>
</tr>
<tr>
<td>Increasing B2C presence</td>
<td>Shemaroo aims to significantly increase its B2C presence in the next few years through innovative product offerings meeting the changing needs of the consumers.</td>
</tr>
</tbody>
</table>
FINANCIALS
# Consolidated Income Statement (Ind-As)

<table>
<thead>
<tr>
<th>Particulars (INR Mn)</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
<th>9M-FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from Operations</td>
<td>4,255</td>
<td>4,891</td>
<td>5,678</td>
<td>3,904</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>2,980</td>
<td>3,465</td>
<td>4,100</td>
<td>3,105</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,275</td>
<td>1,426</td>
<td>1,578</td>
<td>799</td>
</tr>
<tr>
<td>EBITDA Margin (%)</td>
<td>29.96%</td>
<td>29.16%</td>
<td>27.79%</td>
<td>20.46%</td>
</tr>
<tr>
<td>Other Income</td>
<td>30</td>
<td>12</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>Depreciation</td>
<td>43</td>
<td>51</td>
<td>56</td>
<td>55</td>
</tr>
<tr>
<td>Finance Cost</td>
<td>324</td>
<td>307</td>
<td>256</td>
<td>173</td>
</tr>
<tr>
<td>PBT</td>
<td>938</td>
<td>1,080</td>
<td>1,284</td>
<td>591</td>
</tr>
<tr>
<td>Tax</td>
<td>342</td>
<td>367</td>
<td>457</td>
<td>146</td>
</tr>
<tr>
<td>PAT</td>
<td>596</td>
<td>713</td>
<td>827</td>
<td>445</td>
</tr>
<tr>
<td>Minority Interest &amp; Share of profit/ (loss) in associate company</td>
<td>18</td>
<td>(1)</td>
<td>3</td>
<td>(4)</td>
</tr>
<tr>
<td>PAT after adjustments</td>
<td>614</td>
<td>712</td>
<td>830</td>
<td>441</td>
</tr>
<tr>
<td>PAT Margin (%)</td>
<td>14.43%</td>
<td>14.56%</td>
<td>14.62%</td>
<td>11.31%</td>
</tr>
<tr>
<td>Comprehensive Income</td>
<td>-</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Total Profit including Comprehensive Income( Net of tax)</td>
<td>614</td>
<td>715</td>
<td>833</td>
<td>441</td>
</tr>
<tr>
<td>EPS (INR)(not annualised)</td>
<td>22.60</td>
<td>26.18</td>
<td>30.52</td>
<td>16.24</td>
</tr>
</tbody>
</table>
## Consolidated Balance Sheet (Ind-As)

<table>
<thead>
<tr>
<th>Equity and Liabilities (INR Mn)</th>
<th>FY18</th>
<th>FY19</th>
<th>H1-FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shareholders Fund</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share Capital</td>
<td>272</td>
<td>272</td>
<td>272</td>
</tr>
<tr>
<td>Other Equity</td>
<td>4,662</td>
<td>5,445</td>
<td>5,747</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>4,934</td>
<td>5,717</td>
<td>6,019</td>
</tr>
<tr>
<td>Non controlling interest</td>
<td>(36)</td>
<td>(42)</td>
<td>(41)</td>
</tr>
</tbody>
</table>

| Non Current Liabilities         |      |      |         |
| Long Term borrowings            | 21   | 4    | 3       |
| Lease liability                 | -    | -    | 29      |
| Deferred tax liabilities (Net)  | 36   | 34   | 24      |
| Long term provisions            | 16   | 32   | 41      |
| **Total Non-Current Liabilities**| 73  | 70   | 91      |

| Current Liabilities             |      |      |         |
| Short Term Borrowings           | 1,858| 1,969| 2,136   |
| Trades payables                 | 181  | 298  | 490     |
| Other Financial Liabilities     | 135  | 63   | 185     |
| Other Current Liabilities       | 28   | 68   | 14      |
| Short Term Provisions           | 15   | 8    | 8       |
| Current Tax Liabilities (Net)   | 125  | 151  | 116     |
| **Total Current Liabilities**   | 2,342| 2,557| 2,949   |
| **Total**                       | 7,313| 8,302| 9,018   |

<table>
<thead>
<tr>
<th>Assets (INR Mn)</th>
<th>FY18</th>
<th>FY19</th>
<th>H1-FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant &amp; Equipment</td>
<td>323</td>
<td>306</td>
<td>324</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>10</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Intangible assets under development</td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Right of use Assets</td>
<td>–</td>
<td>–</td>
<td>22</td>
</tr>
<tr>
<td>Investments</td>
<td>67</td>
<td>65</td>
<td>89</td>
</tr>
<tr>
<td>Long Term Loan and Advances</td>
<td>–</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Other Financial Assets</td>
<td>3</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Other Non Current Assets</td>
<td>31</td>
<td>58</td>
<td>45</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td>434</td>
<td>443</td>
<td>495</td>
</tr>
</tbody>
</table>

| Current Assets                  |      |      |         |
| Inventories                     | 5,297| 6,027| 6,794   |
| Trade Receivables               | 1,406| 1,590| 1,410   |
| Cash and cash equivalents       | 13   | 16   | 27      |
| Short Term loan and advances    | 4    | 6    | 6       |
| Other Financial Assets          | 1    | 8    | 8       |
| Other Current Assets            | 159  | 212  | 286     |
| **Total Current Assets**        | 6,879| 7,859| 8,523   |
| **Total**                       | 7,313| 8,302| 9,018   |
**Operational Revenue** (INR Mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>2,646</td>
<td>3,234</td>
<td>3,751</td>
<td>4,255</td>
<td>4,891</td>
<td>5,678</td>
</tr>
</tbody>
</table>

5 Year CAGR 16.50%

**EBITDA (INR Mn) and EBITDA Margin (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>643</td>
<td>868</td>
<td>1,076</td>
<td>1,275</td>
<td>1,426</td>
<td>1,578</td>
</tr>
<tr>
<td>Margin%</td>
<td>24.30%</td>
<td>26.84%</td>
<td>28.69%</td>
<td>29.96%</td>
<td>29.16%</td>
<td>27.79%</td>
</tr>
</tbody>
</table>

5 Year CAGR 19.67%

**Net Worth (INR Mn) and ROCE (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,745</td>
<td>3,174</td>
<td>3,649</td>
<td>4,232</td>
<td>4,932</td>
<td>5,717</td>
</tr>
<tr>
<td>ROCE%</td>
<td>18.60%</td>
<td>19.60%</td>
<td>19.20%</td>
<td>18.10%</td>
<td>20.31%</td>
<td>19.96%</td>
</tr>
</tbody>
</table>

5 Year CAGR 26.79%

**PAT (INR Mn) and EPS (INR)**

<table>
<thead>
<tr>
<th>Year</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>13.68</td>
<td>17.35</td>
<td>19.18</td>
<td>22.60</td>
<td>26.18</td>
<td>30.52</td>
</tr>
<tr>
<td>EPS (INR)</td>
<td>272</td>
<td>409</td>
<td>521</td>
<td>614</td>
<td>712</td>
<td>830</td>
</tr>
</tbody>
</table>

5 Year CAGR 25.00%

*Note: FY17 to FY19 numbers are as per IND-As*
Rights Accounting Policy – Charge To P&L

**Aggregated Rights (<10 years)**

- **Specific Rights**
  - Satellite, overseas, etc. - 100% in year of sale
- **Digital rights**
- **Bundled Rights (Satellite + Digital Rights)**
  - Satellite rights - 85% in year of sale
  - Digital rights - 15% over 5 years

- **Catalogue** – equally over 60 months
- **New Titles** – 70% in first year & balance over 4 years

**Long Term Rights (>=10 years)**

- **First 5 years** - 65% in year of sale
- **Next 5 years** – 35% in year of sale

- **Satellite rights** - 85% in year of sale
- **Digital rights** - 15% over 5 years
**Capital Market**

**Price Data (As of 31st December, 2019)**

<table>
<thead>
<tr>
<th>Metric</th>
<th>INR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Face Value</td>
<td>10.0</td>
</tr>
<tr>
<td>Market Price</td>
<td>140.4</td>
</tr>
<tr>
<td>52 Week H/L</td>
<td>454.9/131.0</td>
</tr>
<tr>
<td>Market Cap (INR Mn)</td>
<td>3,817.7</td>
</tr>
<tr>
<td>Equity Shares Outstanding (Mn)</td>
<td>27.2</td>
</tr>
<tr>
<td>1 Year Avg. Trading Volume ('000)</td>
<td>13.4</td>
</tr>
</tbody>
</table>

**Share Holding Pattern as on 31st December, 2019**

- **Public**: 13.67%
- **FII**: 20.24%
- **DII**: 0.26%
- **Promoters**: 65.83%
Shemaroo Entertainment Limited

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