



June 15, 2021

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 dated June 11, 2021 on the Investor/ Analyst call scheduled on June 15, 2021 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 Audited Financial Statements of the Company for the quarter and financial year ended March 31, 2021.

The same shall be uploaded on our website www.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.

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



Tips Industries Limited



Investor Presentation

June 2021

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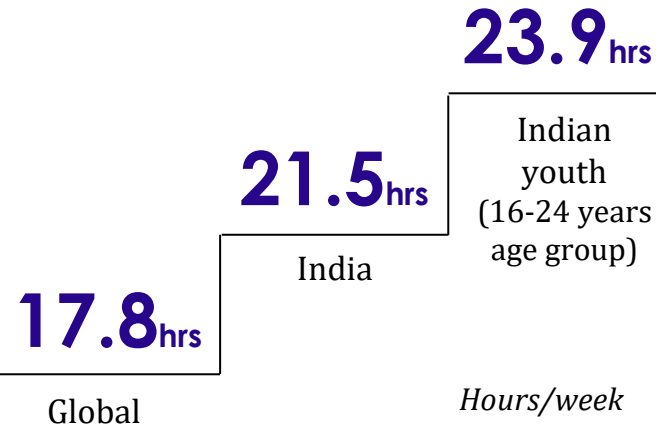
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Indians love their Music



#19

India's rank in the global music market

#14

India's rank in the global digital revenues

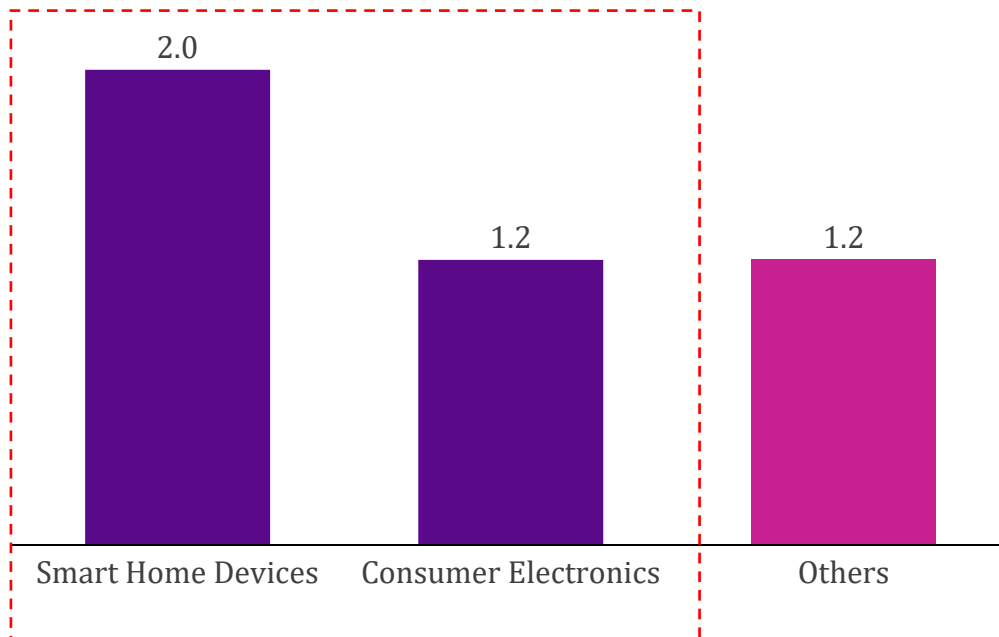
- ✓ According to YouTube, musicians owned the majority of videos that have achieved more than 1 billion lifetime views and/or have made it to the top 10 most watched videos of all time
- ✓ No. of **monthly active audio-streaming** users has grown from 165 million in 2019 to **200 million in 2020**
- ✓ According to an IFPI survey of 19 leading geographic markets in 2019, **54% of 35- to 64-year-olds used a streaming service to listen to music**, representing an increase from 46% in 2018, which was the highest rate of growth for use of streaming services across all age groups.
- ✓ Average monthly stream count was over **10 billion streams** in first half of 2020 and **crossed 11 billion streams** per month during lockdown
- ✓ Industry leaders estimated a **53% increase** in music consumption during leisure and **25% increase** during fitness activities in 2020
- ✓ **Paid subscriptions** generated 9.1% of the Indian music industry's streaming revenues in 2019, is **expected to grow to 31% by 2024**. Paid consumers on streaming apps **increased by 15%** post COVID-19
- ✓ The FICCI-EY Media & Entertainment Report 2020 expects paid subscribers for music streaming in India to **cross 5 million by 2023**.

...is bound to grow



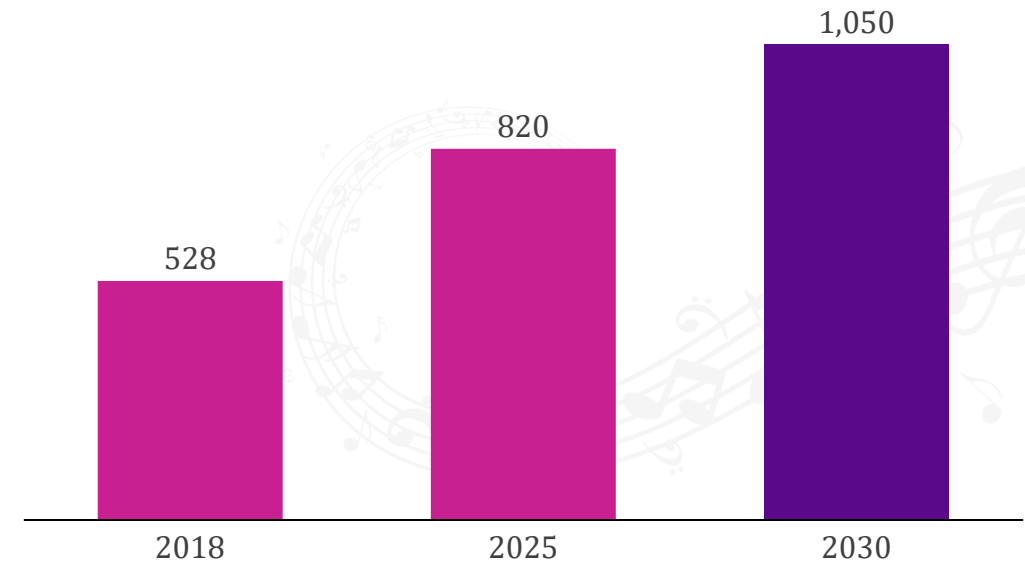
4Bn new connected consumer devices to be added by 2025 globally

Devices in Billion



Strong growth in India's digital userbase with 90% of new users to have vernacular affinity and Tier-2/3/rural shoppers to be over 1.6x of Metro/Tier-1 shoppers by 2023

Users in Millions

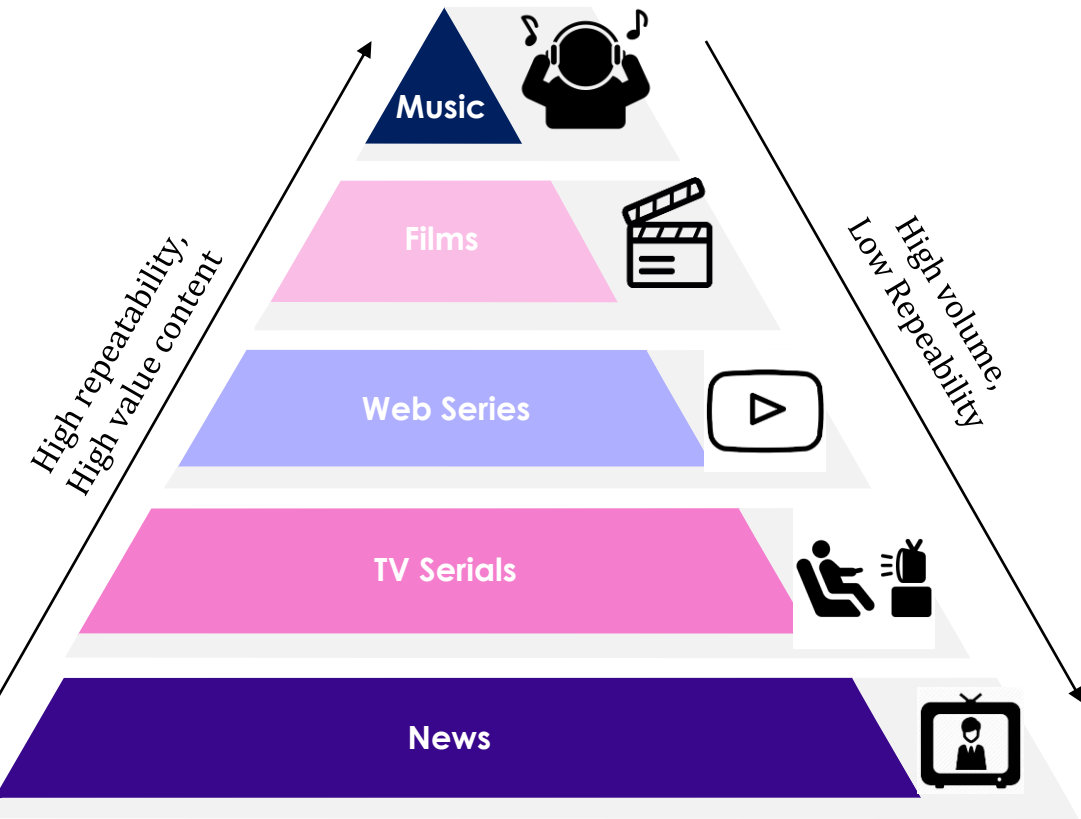


Increasing usage of Smart Devices & Increasing penetration of internet users widens the target audience for music companies

Music is the most valuable content



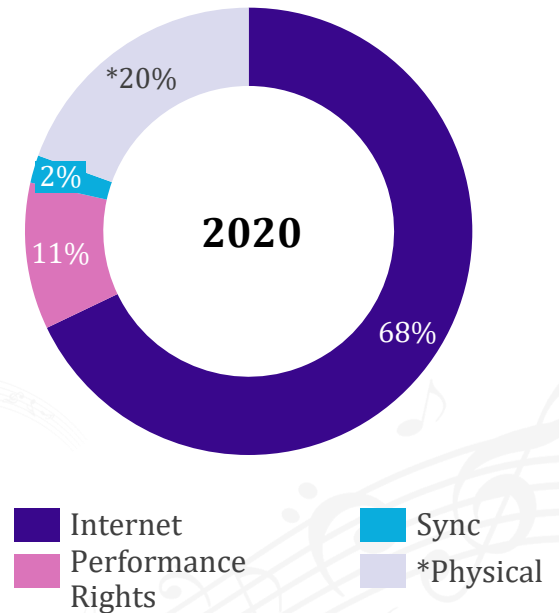
Ranking on repeated monetization



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

Music is now an internet business



Internet platforms comprised **68%** of total revenues in 2020, up from **54%** in 2018, for the Global Music Industry

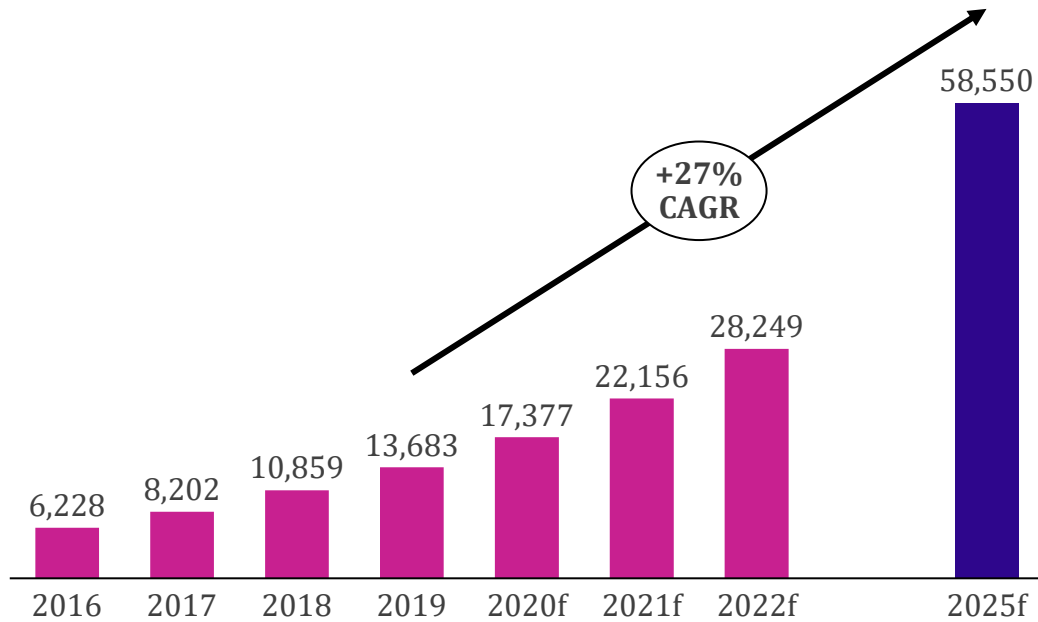
*Japan has the largest share. India's share is less than 2% as more than 80% of music has been digitized

Digital Advertising – Key Driver of Indian Music Industry



Indian Digital Ad Industry

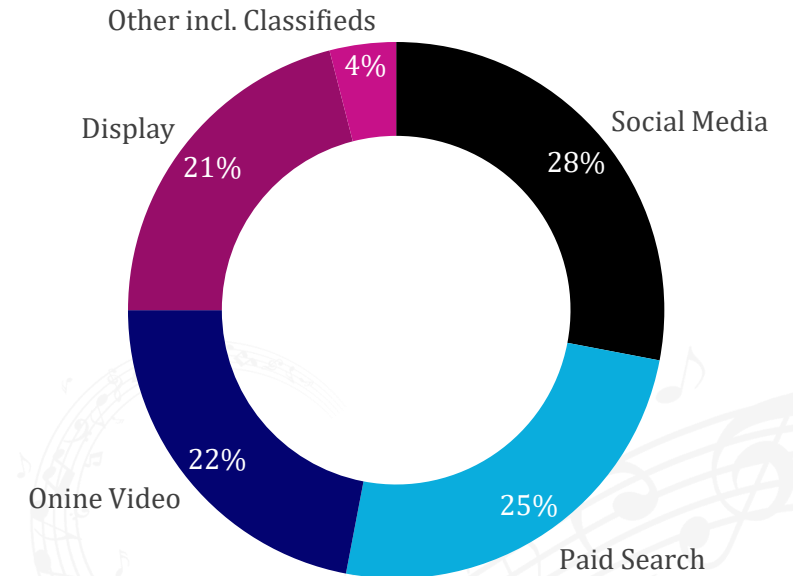
INR Crs



- Digital media is expected to grow at a CAGR of 27.42% to cross the Rs. 50,000 crore mark and reach industry size of Rs. 58,550 crore by the end of 2025
- This sustained growth can be attributed to the technological advancements, improvements in data science & analytics, introduction of policies & regulations among others

AD spends on Digital Media format

INR Crs



- Advertising spends on Digital Media is led by Social Media with the highest share of 28%, contributing Rs. 3,835 crore to the Indian digital advertising pie
- Social Media has remained one of the strongest digital ad platforms and has been consistently successful in increasing consumer engagement for brands

- On an average, Indians spend 2.4 hours on Social Media, which is at par with the global average
- 53% of the Internet users watch videos on YouTube on a monthly basis, the numbers being as high as 72% for 18-24 age group

Ecosystem Supporting Growth



01

Convenience

Listeners no longer need to carry separate devices; smartphone apps make music available 24x7 with a tap and a swipe.



05

Smart Phone

Only 450mn smartphone connections in India so far. Increasing smartphone penetration in urban as well as rural India will lead to high data consumption for audio & video platforms



02

Rising Data Consumption

Mobile Data Traffic to grow at 21% CAGR between 2019 and 2025 in India



06

Partnerships

Multiple partnerships with various OTT & Digital platforms to provide annuity revenue stream



03

More Subscribers

72 crore mobile Internet subscriptions in India today & expected to touch 134 crs by 2025. Current tele-density in rural areas is only 57%



07

Rising AVOD Spends

Digital advertising growing ~30% p.a. in India. Increasing AVOD spend will further boost music & videos streaming online



04

Cheap Data & Faster Network

Easy & Cheap availability of data & faster network. 58% of Indian cell phone users are on 3G or 4G networks



08

Technological Advancements

Evolving technologies like AI & Data analytics will play an important role in understanding consumer preference to enhance listenership's

Company Overview



Established in 1988, Tips Industries is one of the Largest corporate houses in the field of music and films



Consistent success in creating and acquiring high quality music I.P.R.



Since 1990, Tips has been amongst players with the highest number of gold and platinum discs to their credit



Extensive catalogue of Film, Non-Film, Devotional, Pop, Remixes

Catalogue is licensed to

- OTT platforms
- Content Aggregators
- TV Channels
- Telecom Companies
- Radio Stations,
- Advertisers
- Event Management Companies
- Hotels, Restaurants, and Others

Hindi | Punjabi | Gujarati | Bhojpuri & many others...

Presence across platforms



MUSIC... THE RHYTHM OF LIFE



Our Vision

To maintain and grow a **MUST HAVE HITS** catalogue



Our Mission

To create, acquire and deliver quality music to a wide range of audiences



Our Purpose

Deliver Entertainment



Our Core Values

- Honesty
- Commitment
- Teamwork
- Passion
- Positive attitude

...generating multiple revenue streams



Large and diversified music library

Our catalogue comprises film, non-film, pop, remixes devotional songs and bhajans, created by some of the leading artistes and musicians of this country.

29,000+
Songs

Rich & Evergreen Catalogue

Digitized catalogue comprises over 29,000 songs in multiple Indian languages and genres with new additions every year

Digitally available

Catalogue is available on all the leading online music stores, applications, and web platforms including YouTube, Resso, Amazon Prime, JioSaavn and Facebook



Over
54 Mn

YouTube channel
subscribers/followers

Rich content can be leveraged to generate multiple annuity revenue streams via following

Sync Deals



Broadcast Partners



Two Pronged Content Acquisition Strategy



Our endeavour to add right content for larger target audience

1

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 present upcoming talent to our listeners.
- Our team has a deep understanding of music which allows us to create and build a repertoire of **“Must Have Hits”**

2

Purchase

Strategy



- We also engage with other producers to buy music rights to complement our repertoire
- Our understanding of music and its creative process provides us deep insights on costs and returns and therefore we always remain cost conscious while acquiring music rights

Content Cost

Content acquisition cost is only funded through internal accruals

100% Content cost is charged off to profit & loss account in the year of release, thus no write-offs in the future

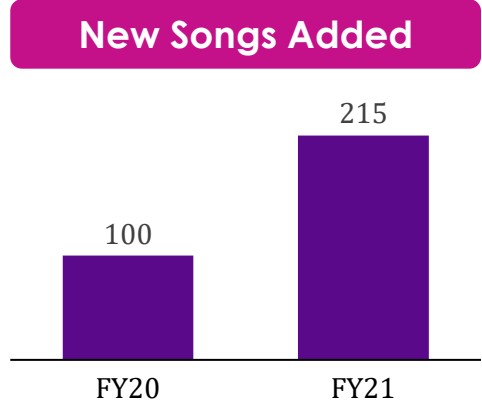
All future revenues from the acquired content flows straight to bottom line

Strong A&R team to acquire content across languages & genres

Growing listenership & Increasing Content Addition

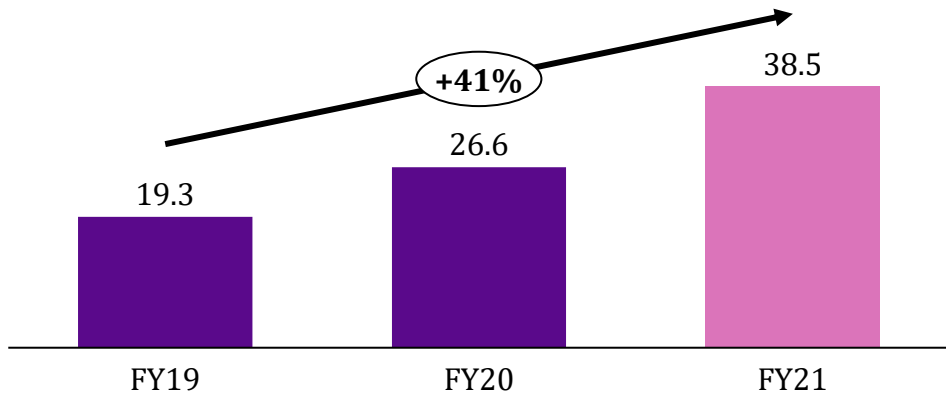


Evergreen & Rich content of **over 29,000 songs** across genres, languages & decades giving us high visibility of music revenue

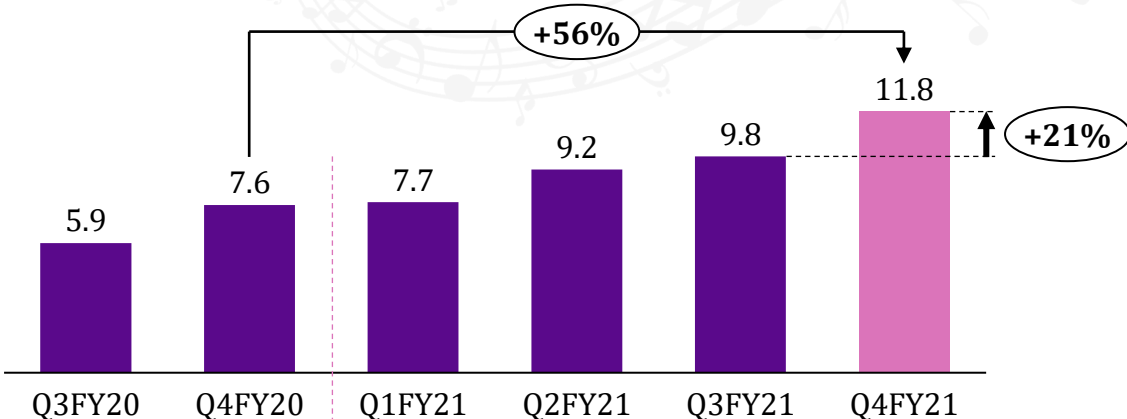


Existing Content + Continuous Additions : Increasing Music Revenue

Youtube Views (in. Mn)



Youtube Views (in. Mn)





Financial Highlights



✓ Demerger of Films Business

- On the recommendation of the Audit Committee and the Committee of Independent Directors, the Board of Directors of the Company at its meeting has inter-alia, considered and approved to restructure the business of the Demerged Company by way of a Scheme of Arrangement and Demerger (“Scheme”) whereby the Film Business Undertaking (“Film Division”) of Tips Industries Limited (“Demerged Company”) will be demerged into the Resulting Company as a going concern basis with effect from the Appointed Date.

✓ Rationale for Demerger of Films Business

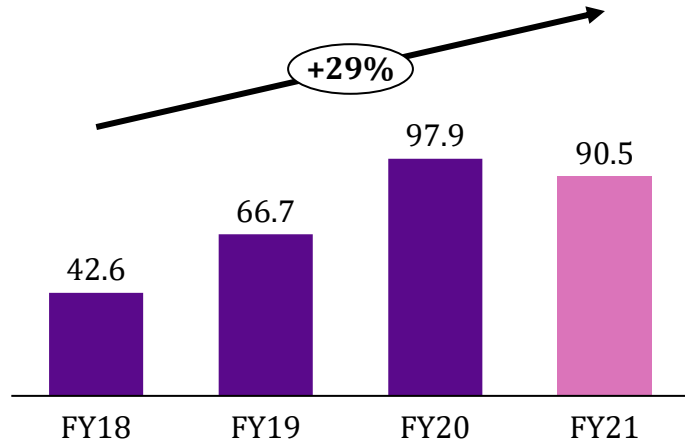
- The Demerged Undertaking and the Remaining Business have **both achieved scale and experience to sustain business on the basis of their own strengths.**
- Enhance business operations by streamlining operations, cutting costs, **more efficient management control and outlining independent growth strategies.**
- Demerger will enhance efficiencies and will have different business interest into separate corporate entity, resulting in **operational synergies, simplification, focused management, streamlining and optimization** of the group structure and efficient administration.
- **Unlock value** of both businesses and result in shareholder value maximization.

Segmental Performance

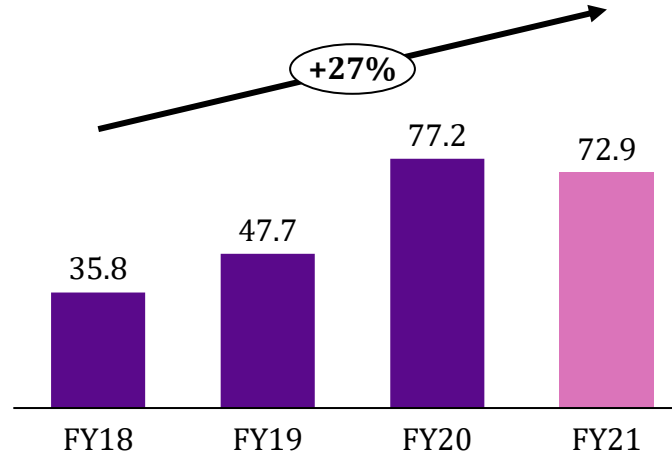


Music

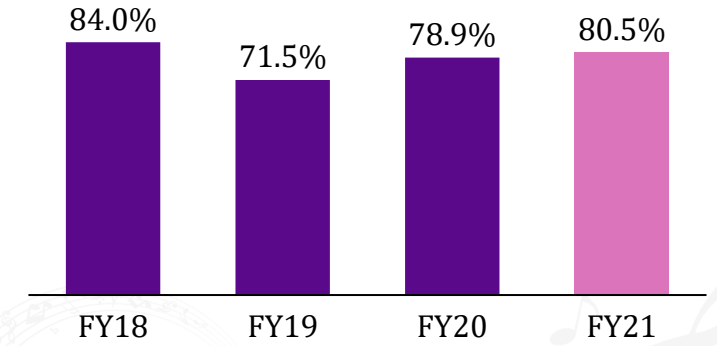
Revenue (Rs. in Crs)



EBIDTA (Rs. in Crs)

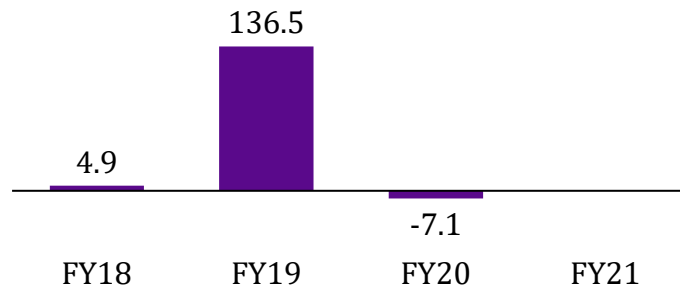


EBIDTA Margins (%)

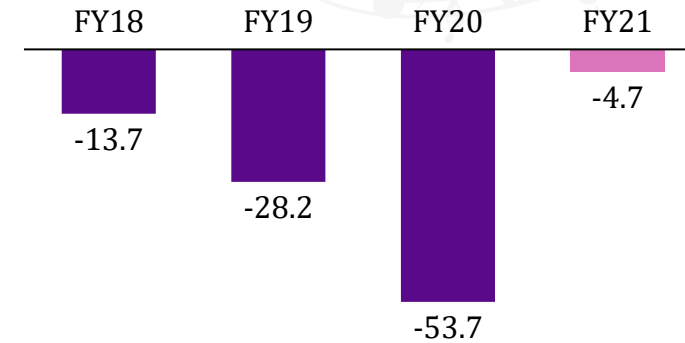


Film

Revenue (Rs. in Crs)



EBIDTA (Rs. in Crs)



Q4 & FY21 Profit & Loss Statement



| Particulars (Rs. in Crs) | Q4 FY21 | Q4 FY20 | Y-o-Y | FY21 | FY20 | Y-o-Y |
|---|--------------|-------------|-----------------|--------------|--------------|---------------|
| Income | | | | | | |
| Revenue From Operations | 27.6 | 18.5 | 49.3% | 90.5 | 91.0 | -0.5% |
| Other Income | 2.9 | 0.7 | | 4.9 | 17.8 | |
| Total Income | 30.5 | 19.2 | | 95.4 | 108.8 | |
| Cost of Production / Distribution of Expenses | 0.0 | 1.3 | | 0.0 | 28.7 | |
| Employee Benefits Expenses | 2.2 | 1.6 | | 8.1 | 7.4 | |
| Other Expenses | 6.4 | 16.1 | | 27.3 | 56.9 | |
| EBITDA | 21.9 | 0.3 | 8,647.1% | 60.1 | 15.8 | 280.4% |
| EBITDA % | 71.9% | 1.3% | | 62.9% | 14.5% | |
| Depreciation and Amortisation Expense | 0.2 | -0.4 | | 0.8 | 1.2 | |
| EBIT | 21.7 | 0.6 | | 59.2 | 14.6 | |
| Finance Costs | 0.0 | -0.1 | | 0.0 | 0.3 | |
| PBT | 21.7 | 0.8 | | 59.2 | 14.4 | |
| Tax | 3.5 | 0.4 | | 15.8 | 3.0 | |
| PAT | 18.3 | 0.4 | 4,953.9% | 43.5 | 11.3 | 285.0% |
| PAT % | 59.9% | 1.9% | | 45.6% | 10.4% | |
| EPS | 14.4 | 0.3 | | 32.7 | 7.9 | |

Consolidated Historical Profit & Loss Statement



| Particulars (Rs. in Crs) | FY 21 | FY 20 | FY 19 | FY 18 |
|---|--------------|--------------|--------------|--------------|
| Income | | | | |
| Revenue From Operations | 90.5 | 91.0 | 203.2 | 47.5 |
| Other Income | 4.9 | 17.8 | 4.5 | 2.4 |
| Total Income | 95.4 | 108.8 | 207.7 | 49.9 |
| Cost of Production / Distribution of Expenses | 0.0 | 28.7 | 162.2 | 17.5 |
| Employee Benefits Expenses | 8.1 | 7.4 | 7.1 | 6.6 |
| Other Expenses | 27.3 | 56.9 | 27.7 | 13.8 |
| EBITDA | 60.1 | 15.8 | 10.8 | 12.0 |
| EBITDA % | 62.9% | 14.5% | 5.2% | 24.1% |
| Depreciation and Amortisation Expense | 0.8 | 1.2 | 1.3 | 1.4 |
| EBIT | 59.2 | 14.6 | 9.5 | 10.6 |
| Finance Costs | 0.0 | 0.3 | 2.2 | 6.6 |
| PBT | 59.2 | 14.4 | 7.3 | 4.0 |
| Tax | 15.8 | 3.0 | 4.4 | 0.9 |
| PAT | 43.5 | 11.3 | 2.8 | 3.1 |
| PAT % | 45.6% | 10.4% | 1.4% | 6.3% |
| EPS | 32.7 | 7.9 | 2.0 | 2.2 |

Consolidated Balance Sheet



| Particulars (Rs. in Crs) | Mar-21 | Mar-20 | Mar-19 | Mar-18 |
|---|--------------|-------------|-------------|--------------|
| ASSETS | | | | |
| Non-Current Assets | | | | |
| Property, plant and equipment | 2.0 | 1.8 | 2.1 | 1.8 |
| Investment Property | 12.5 | 12.8 | 13.1 | 21.6 |
| Financial Assets | | | | |
| (i) Investments | 18.0 | 5.6 | 0.1 | 0.1 |
| (ii) Loans | 5.3 | 5.2 | 5.2 | 5.2 |
| (iii) Other financial assets | 0.1 | 0.1 | 0.1 | 3.3 |
| Other non-current assets | 4.5 | 6.7 | 12.1 | 9.4 |
| Current Assets | | | | |
| Inventories | - | - | 28.7 | 57.5 |
| Financial Assets | | | | |
| (i) Trade receivables | 15.1 | 18.1 | 10.6 | 9.0 |
| (ii) Cash and cash equivalents | 31.1 | 26.0 | 8.7 | 5.6 |
| (iii) Bank balances other than (ii) above | 2.4 | 0.4 | 0.6 | 2.3 |
| (iv) Other financial assets | 0.2 | 0.2 | 0.1 | 0.2 |
| Current Tax (Net) | 1.0 | 4.3 | 3.7 | 1.8 |
| Other Current Assets | 55.9 | 8.9 | 9.5 | 84.8 |
| TOTAL ASSETS | 148.2 | 90.2 | 94.7 | 202.4 |

| Particulars (Rs. in Crs) | Mar-21 | Mar-20 | Mar-19 | Mar-18 |
|-------------------------------------|--------------|-------------|-------------|--------------|
| Equity | | | | |
| Equity Share Capital | 13.0 | 14.3 | 14.3 | 14.3 |
| Other Equity | 88.3 | 66.1 | 56.4 | 55.4 |
| Total Equity | 101.3 | 80.4 | 70.7 | 69.7 |
| Liabilities | | | | |
| Non-Current Liabilities | | | | |
| Financial Liabilities | | | | |
| (i) Borrowings | - | 1.9 | 2.0 | 13.7 |
| (ii) Other Financial Liabilities | 0.2 | 0.2 | 0.2 | 0.2 |
| Deferred Tax Liabilities | 2.4 | 2.7 | 2.9 | 0.0 |
| Employee Benefit Obligations | 0.3 | 0.3 | 0.5 | 0.3 |
| Other Non-current Liabilities | 37.3 | - | - | - |
| Current Liabilities | | | | |
| Borrowings | - | - | - | 5.0 |
| Trade Payables | 6.3 | 4.3 | 17.8 | 4.7 |
| Other Financial Liabilities | 0.1 | - | - | 17.1 |
| Employee Benefit Obligations | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Current Liabilities | 0.5 | 0.4 | 0.5 | 91.6 |
| Total Liabilities | 47.0 | 9.8 | 24.0 | 132.7 |
| TOTAL EQUITY AND LIABILITIES | 148.2 | 90.2 | 94.7 | 202.4 |

Abridged Consolidated Cash Flow Statement

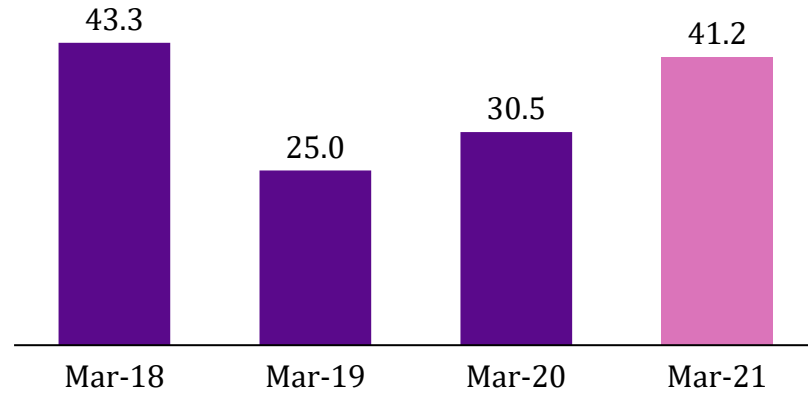


| Particulars(Rs. in Crs) | Mar-21 | Mar-20 | Mar-19 | Mar-18 |
|---|--------------|-------------|--------------|--------------|
| Net Profit Before Tax | 59.2 | 14.4 | 7.3 | 4.0 |
| Adjustment for Non-Operating Items | -0.5 | 14.4 | 1.9 | 8.1 |
| Operating Profit/(Loss) Before Working Capital Changes | 58.7 | 28.7 | 9.2 | 12.1 |
| Adjustment for WC | -4.6 | 5.6 | 19.2 | 30.9 |
| Cash Generated From Operations | 54.1 | 34.3 | 28.4 | 43.0 |
| Direct Taxes Paid | -12.9 | -3.8 | -3.4 | 0.3 |
| Net Cash From Operating Activities | 41.2 | 30.5 | 25.0 | 43.3 |
| Cash Flow From Investing Activities | -11.5 | -4.7 | 9.3 | 0.3 |
| Cash Flow From Financing Activities | -24.6 | -8.6 | -31.2 | -38.8 |
| Net Increase/(Decrease) In Cash And Cash Equivalents | 5.1 | 17.3 | 3.1 | 4.8 |
| Cash and cash equivalents at the beginning of the year | 26.0 | 8.7 | 5.6 | 0.8 |
| Cash and cash equivalents at the end of the period | 31.1 | 26.0 | 8.7 | 5.6 |

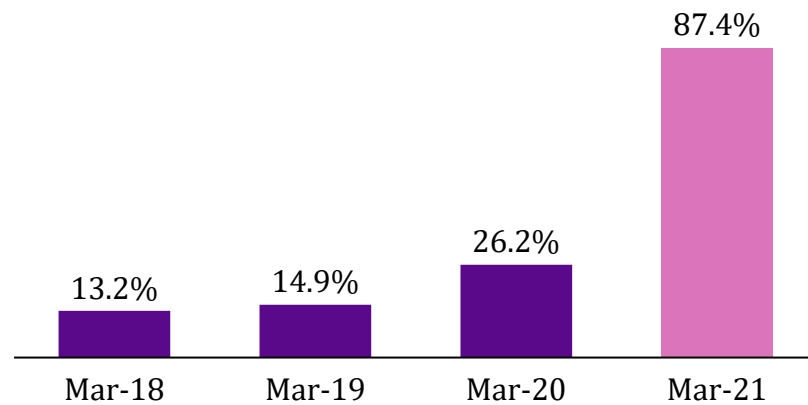
Key Ratios



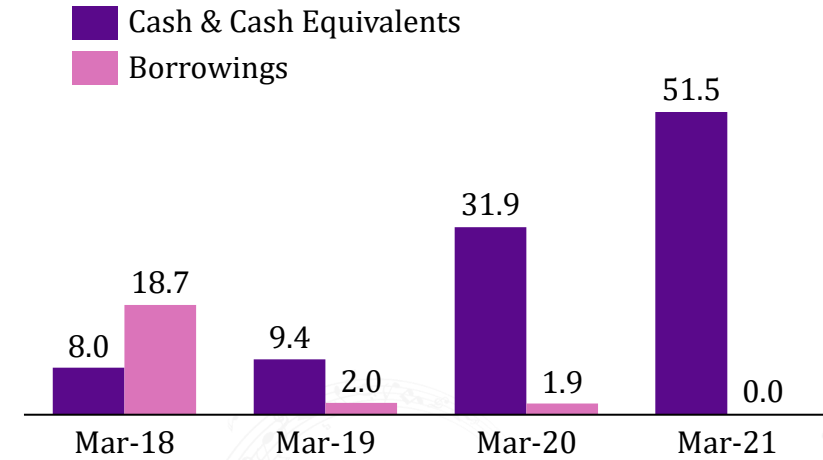
Cash Flow from Operations (Rs. in Crs)



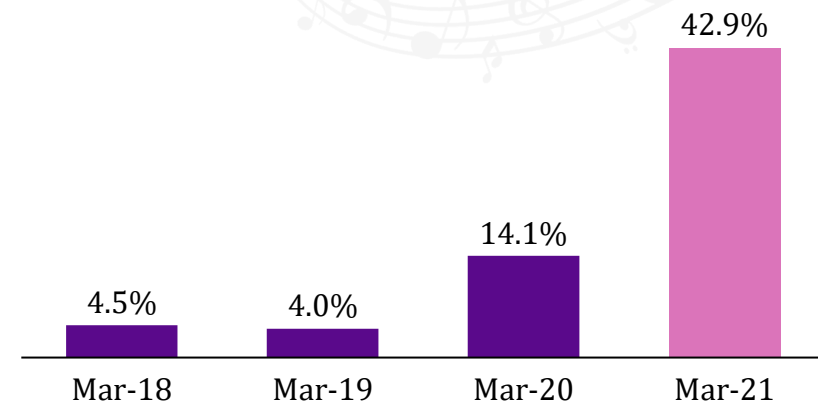
ROCE (%)



Net Cash Company (Rs. in Crs)



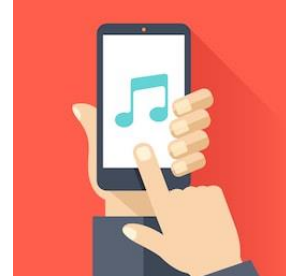
ROE (%)





Music Monetization:

- Music labels own IPR for their repertoire for 60 years as per the Copyright Act 2012, an opportunity to monetize music rights for over half a century
- IPR provides longevity to the repertoire
- Although there are about 4-5 active players in the Hindi Music business, each has a unique repertoire and follows a different content acquisition strategy and therefore there is little or no overlap in their offerings when viewed on title-by-title basis
- Aggressive auction type situations don't exist in content acquisitions



Rising adoption of subscription:

- FICCI–EY Media & Entertainment Report 2020 expects paid subscribers for music streaming in India to **cross 5 million by 2022**.
- According to Indian Music Industry's (IMI) — Digital Music Study 2019, paid streaming subscription revenues account for 27% of all recorded music industry revenues in India
- Subscription streaming revenues grew 33% to Rs 292.8 crs. while ad supported streaming revenues grew 43.6% to Rs 257 crs.
- Clearly, paid streaming has already started contributing more to the Industry



Digital Piracy:

- Technology has disrupted piracy the most
- Free services such as You Tube, and other OTT platforms also provide free music listening experiences to their users
- When licensed music is available for free, and data costs are negligible, the economic incentive for piracy is miniscule
- Economic impact of Piracy on Music Industry has declined substantially compared to its impact during the era of physical sale



Investments in Music:

- Music labels acquire music rights for future growth and expense acquisition costs annually since the outcome is unknown at the beginning; Just like the Pharma industry expenses its investments in R&D annually
- Existing repertoire of music provides a steady cash flow stream to purchase new rights

Music Industry Business Model



Music Creators



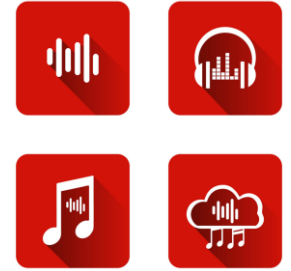
Film Producer



Music Label



Streaming platforms



Business Model

Music creators include lyricists, composers, and singers who create songs and get paid for the same

Film producers use these compositions in films and sell the music rights to music labels

Music labels own the IPR (Intellectual Property Rights) and license the music to various platforms

Streaming platforms license the content and make it accessible to consumers

Value

Producer pays the artists the value for the music that is created

Music label pays the producer for the rights of the songs

Music labels pay film producers upfront (advance) + royalty in perpetuity (post the recovery of upfront cost)

Streaming platforms give minimum guarantee + a variable fee based on number of streams



**Thank
You**

Company Details:



Tips Industries Limited

CIN: L92120MH1996PLC099359

Email id: investorrelations@tips.in

**Investor Relations
Advisors:**



Orientcapital

(a division of Link Intime India Pvt Ltd)

Ms. Payal Dave: +91 9819916314
payal.dave@linkintime.co.in

Ms. Neha Shroff: +91 7738073466
neha.shroff@linkintime.co.in