



Earnings Update for Q1'FY21

Zee Entertainment Enterprises Limited – 18th August, 2020



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Governance	<ul style="list-style-type: none">• New Board members with expertise in Media, Finance or Law to be inducted during FY21• Key financial policies have been redrafted as per shareholders' feedback and are available on website
Granularity	<ul style="list-style-type: none">• ZEE5 revenues and EBITDA disclosure along with operating metrics• Balance Sheet disclosure every quarter along with inventory breakup
Growth	<ul style="list-style-type: none">• Strong rebound in viewership share across channels post lockdown• ZEE5 witnessed strong growth in subscription revenue
Goodwill	<ul style="list-style-type: none">• Independent auditor's report for content advances and related party transaction finds no exception and summary of the same is available on Company's website
Gusto	<ul style="list-style-type: none">• ZEEL won the Great Place To Work award for third year in a row• Teams across businesses created content from home during lockdown and ensured seamless operations

Key highlights for the quarter



- Strong bounce back in viewership shares across the network post lockdown; 19.2% all India entertainment share over the last 4 weeks
- ZEE5 released 18 original series/movies during the quarter
- ZEE5 enters short video content space with beta launch of HiPi
- ZEE5 global MAUs and DAUs stood at 39.7mn and 4.0mn respectively in Jun-20
- ZEE5 continues to expand its partnership network across the globe
- Zee Studios' released its first movie directly on digital platform
- Domestic subscription revenue increased by 6.2% for the quarter
- Consolidated revenue stood at Rs.13,120 mn, a decline of 34.7%
- EBITDA for the quarter stood at Rs. 2,199 mn, a decline of 66.7%

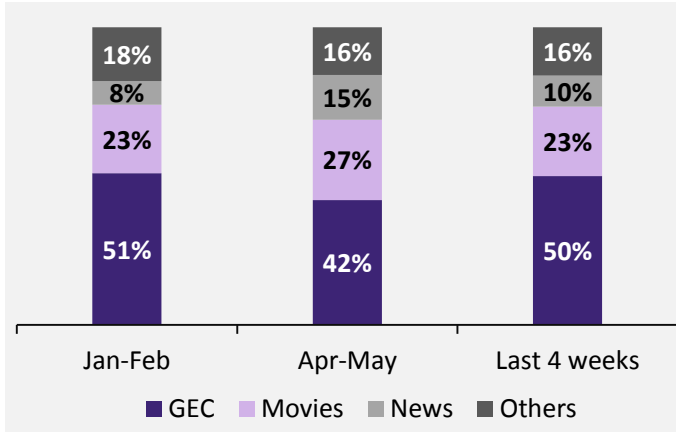


Business Performance

Broadcast business sees sharp rebound in viewership share

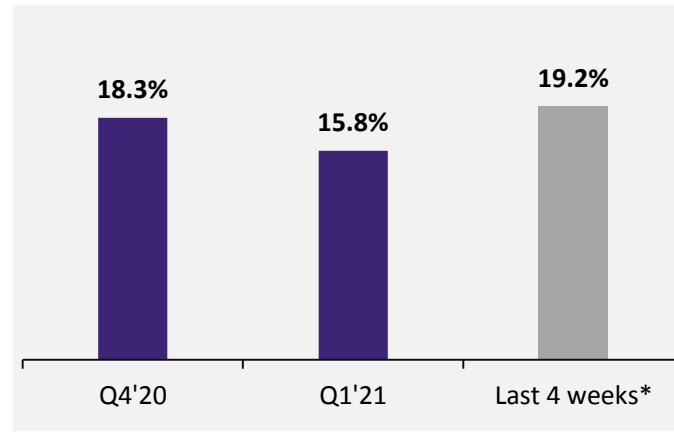


Genre shares reverting to pre-COVID levels



News and movies share normalising post spike during lockdown phase

Sharp bounce back in ZEE's viewership share



*Wk 28-31'2020

Resumption of original content and launch of two channels on FTA platform led to recovery in market share

Shot from home shows across channels during lockdown



Our channels created content from home during lockdown, keeping audience engaged with new content

Focus areas



Regain market share in Hindi; Strengthen leadership and second position in Bengali and Tamil markets, respectively

Extraordinary Together

HiPi launch to accelerate ZEE5 growth



- 39.7 mn* global MAUs, 4.0 mn global DAUs in Jun'20
- 112 minutes average watch time per viewer per month in Jun'20
- Fall in metrics due to lack of original TV content during lockdown
- ZEE5 continues to expand its partnership network, globally
- Q1 Revenue and EBITDA# stand at Rs. 949 mn and Rs. (1,451) mn

18 original shows and movies released during the quarter



*India MAU based on Comscore data, rest of the data based on internal ZEE analytics
#EBITDA loss excludes costs incurred by the business on ZEEL network

ZEE5 enters short-video space with beta launch of HiPi



Extraordinary Together

Zee Studios strengthening in-house movie production pipeline

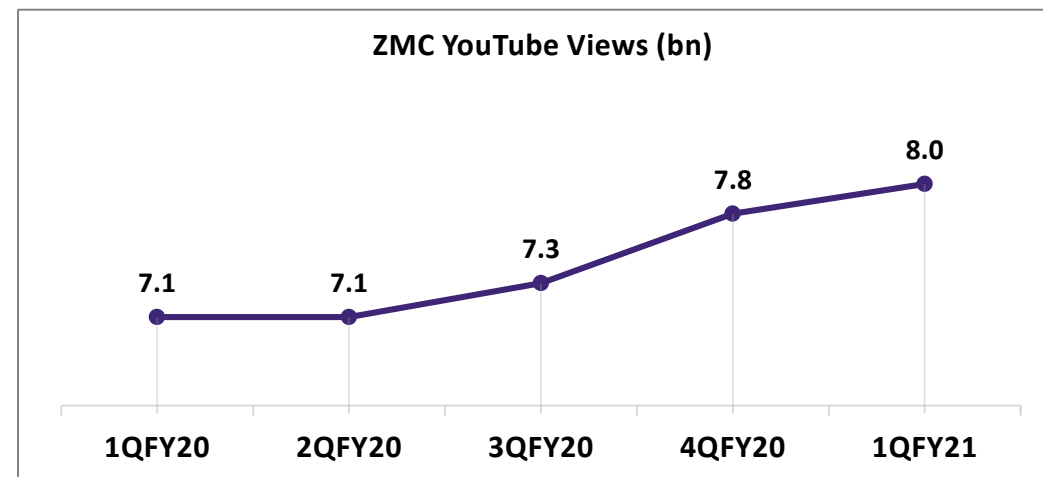
ZEE



- Zee Studio's *Gunjan Saxena: The Kargil Girl* was released directly on OTT platform, skipping theatrical release
- 'Khaali Peeli' scheduled for direct to digital release in this quarter
- Zee Studios' show *Abhay-2* released on ZEE5; it also bagged its first digital show from outside the network during the lockdown



- ZMC adds 6mn subscribers on YouTube; with 60mn subscribers, it is the second most subscribed Indian music channel
- Release of new film music delayed due to lockdown



Extraordinary Together

Zee LIVE leads the way in taking live events to the virtual world

ZEE

ZEELIVE



Supermoon Live to Home keeps you engaged and entertained with fitness, food & entertainment content

**24 ARTISTS
12 WEEKS**
AN INTERNATIONAL COMIC & MUSIC FESTIVAL



International Comic & Music Festival streamed on ZEE5 and TV channels across geographies

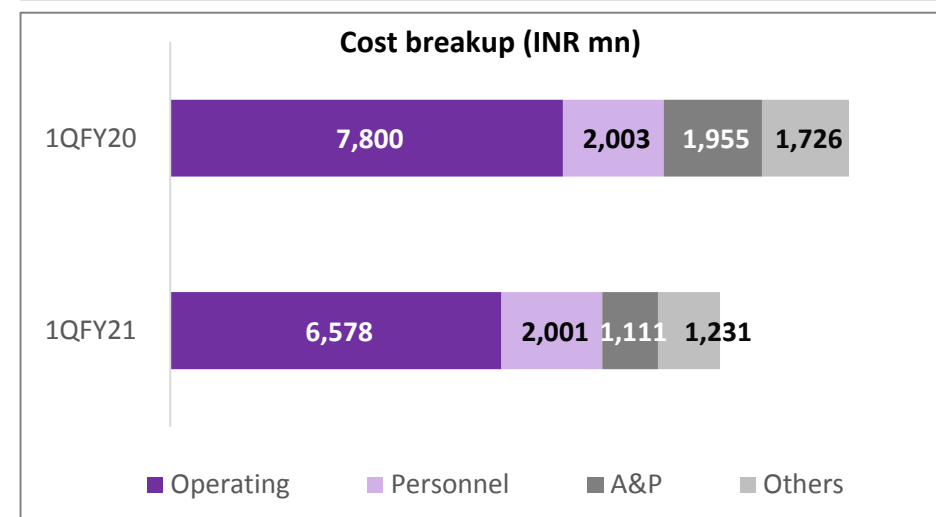
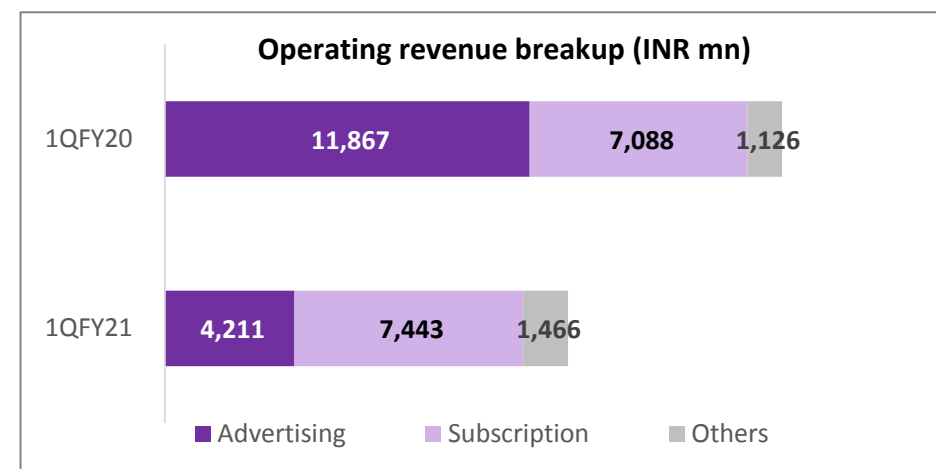


Financial Performance

Sharp fall in advertising revenues due to COVID-19

ZEE

INR million	1QFY21	1QFY20	Growth
Operating revenue	13,120	20,081	-34.7%
Expenditure	(10,921)	(13,484)	-19.0%
EBITDA	2,199	6,598	-66.7%
Add: Other income	264	1,039	-74.6%
Less: Depreciation	(719)	(690)	4.1%
Less: Finance cost	(45)	(205)	-78.0%
Less: Fair value through P&L	(1,123)	679	
Profit before Tax (PBT)	576	7,420	-92.2%
Less: Provision for Tax	(284)	(2,146)	-86.8%
Add: Share of Profit of Associates	0	23	-98.3%
Profit after Tax (PAT)	293	5,298	-94.5%



Extraordinary Together

1QFY21: Subscription revenue steady; syndication revenue jumps



Subscription revenues	Domestic subscription revenues grew by 6.2% YoY on a higher base (47% growth in base quarter), primarily led by ZEE5 subscription revenue
Advertising revenues	Despite a sharp increase in viewership across mediums, monetization was really weak in Apr-May leading to 66% YoY decline in domestic advertising revenues
Other Sales & Services	Increased due to sale of rights of movie to OTT platform
Operating cost	No fresh episodes of existing shows were produced in the first two months, leading to a drop in programming cost. This reduction was partially offset by content shot at homes and purchase of licensed content for linear and digital businesses. Additionally, amortization cost of movies and digital shows continued
A&P and Other expenses	Marketing investments in our digital business continued, leading to only 36% YoY decline in our A&P and other expenses
Fair Value through P&L	Increased due to change in market price of Redeemable Preference Shares
International revenue break-up	Advertising revenue - Rs. 371mn, Subscription revenue - Rs. 818mn, Other Sales & Services – Rs. 150mn

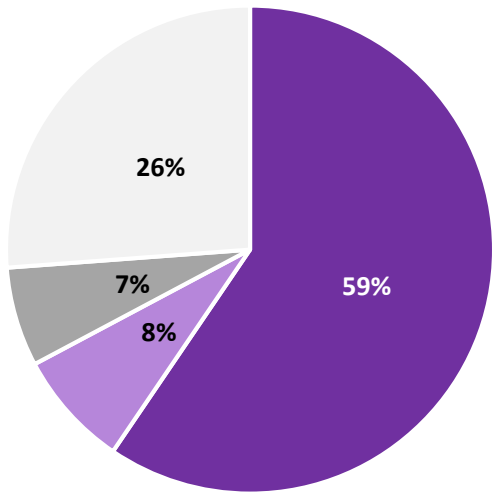
Condensed Balance Sheet



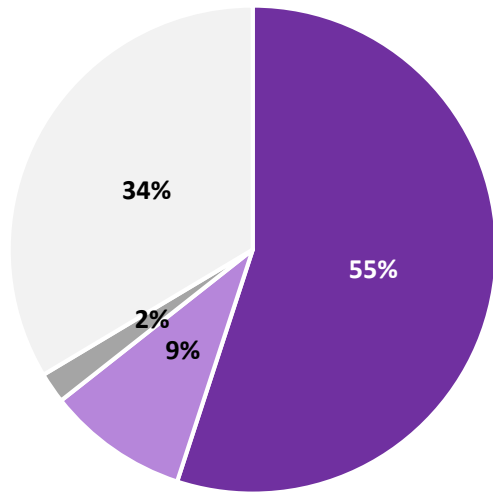
Assets (Rs. mn)	Jun' 20	Mar' 20	Sep' 19
Non-Current Assets			
Fixed assets	13,646	13,979	16,153
Investments	440	478	833
Other financial assets	490	429	557
Income tax & Deferred tax assets (net)	6,923	6,844	4,477
Others Non-Current Assets	102	90	346
Current Assets			
Inventories	52,177	53,475	43,059
Cash, Loans and other investments	13,203	10,115	14,609
Trade receivables	17,355	20,847	24,185
Others financial assets	3,621	3,732	13,760
Other current assets	12,902	12,804	14,654
Non-current assets - Held for Sale	949	945	-
Total Assets	121,808	123,737	132,631

Liabilities (Rs. mn)	Jun' 20	Mar' 20	Sep' 19
Equity Capital	93,950	93,549	95,061
Non-Current Liabilities			
Preference shares	3,520	2,975	7,059
Other borrowings	459	526	306
Provisions	1,458	1,405	1,671
Current Liabilities			
Trade Payables	15,890	16,803	14,075
Redeemable preference shares	3,520	2,975	3,530
Other financial liabilities	1,568	2,808	6,582
Other current liabilities	1,104	1,668	1,156
Provisions	140	121	134
Income tax liabilities	198	906	2,234
Deferred tax liabilities (net)	-	-	824
Total Equity & Liabilities	121,808	123,737	132,631

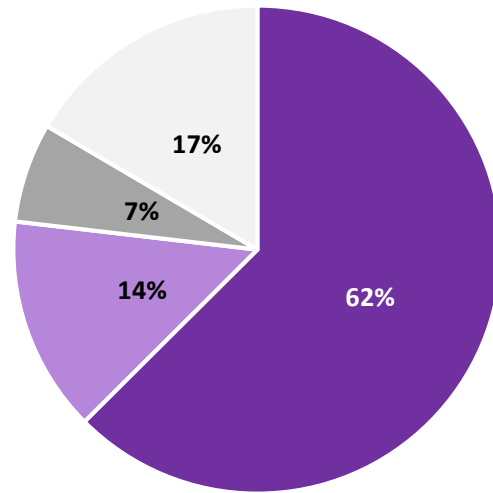
Break-up of content inventory, advances and deposits



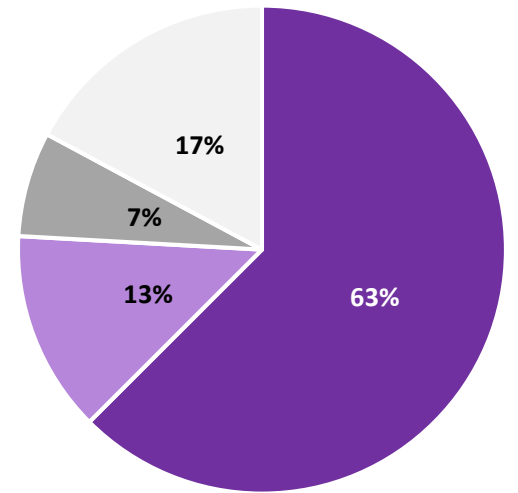
FY18: Rs. 35.6bn



FY19: Rs. 58.0bn



FY20: Rs. 64.1bn



Q1'FY21: Rs. 63.0bn

■ Movie Rights ■ Shows ■ Movie production, Music & Others ■ Content Advances & Deposits



THANK YOU