



Earnings Update for Q2'FY21

Zee Entertainment Enterprises Limited – 2nd November, 2020



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Key highlights for the quarter



- 19.0% all India entertainment share in Q2, #2 TV entertainment network in India
- Strong rebound in ratings across the markets with resumption of original content
- ZEE5 global MAUs and DAUs stood at 54.7mn and 5.2mn respectively in Sep-20
- ZEE5 launched HiPi – a short video platform, to capture the growth in short video segment
- ZEE5 users spent an average of 152 mins per month on platform, 36% QoQ growth
- Zee Studios launched ZeePlex, a PPV platform for releasing new movies
- Domestic subscription revenue grew 2.3% on a like-to-like basis; Advertising revenue declined by 26.3% YoY
- Consolidated revenue stood at Rs.17,227 mn, decline of 18.8% YoY
- Adjusted EBITDA for the quarter (excluding one-offs) stood at Rs. 3,948 mn, EBITDA margin of 22.9%

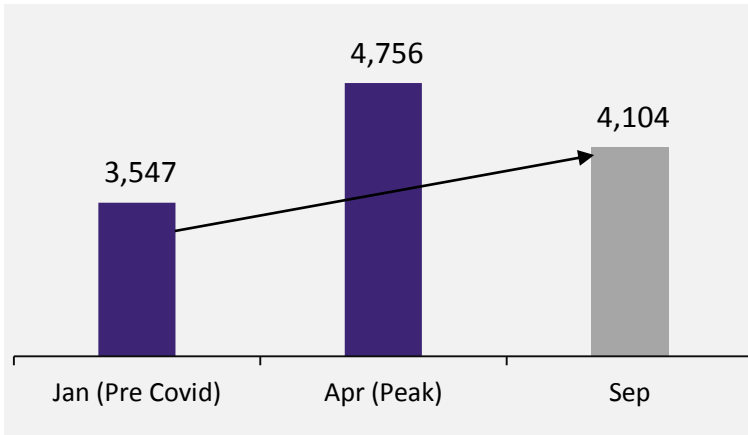


Business Performance

Broadcast business sees sharp rebound in viewership across markets

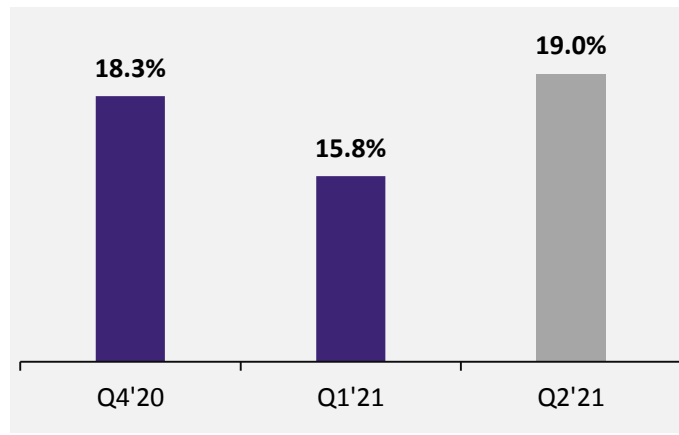


Total TV viewership - 16% higher than pre-COVID



Genre shares have reverted to pre-COVID levels as original content came. Audience continues to spend higher time on TV viewing.

ZEE network share higher than pre-COVID levels



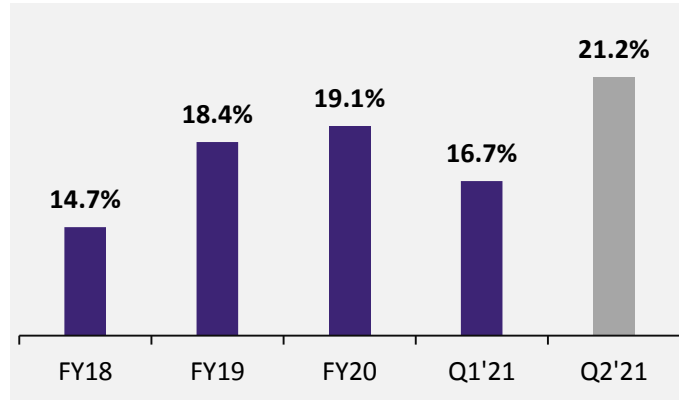
Resumption of original content and launch of two channels on FTA platform led to recovery in market share. Zee was the #2 entertainment network during the quarter.

Focus to gain share in Hindi, Bengali, Marathi markets



New show launches in Hindi, Marathi and Bengali markets to regain viewership share

ZEE's south network gaining strength – highest share in 4 years



With leadership in Kannada, and growing share in Tamil, Telugu and Malayalam markets, ZEE is gaining strength in South

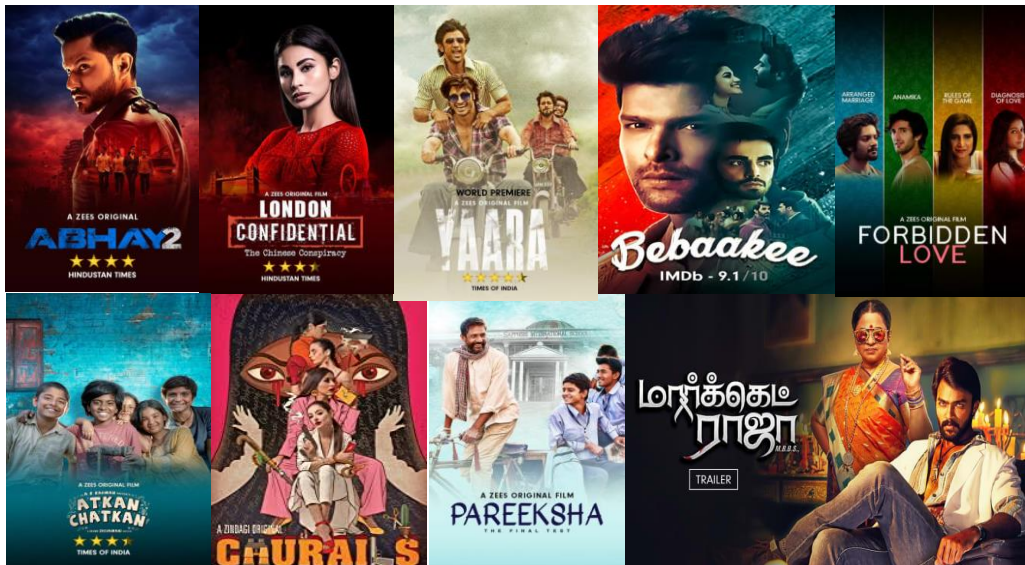
Extraordinary Together

ZEE5 released 25 originals during the quarter



- 54.7 mn global MAUs*, 5.2 mn global DAUs* in Sep'20
- 152 minutes average watch time per viewer per month in Sep'20
- Q2 Revenue and EBITDA# stood at Rs. 989 mn and Rs. (1,894) mn
- Launched HiPi, ZEE5's short video platform, during the quarter

8 original shows and 17 original movies released during the quarter



ZEE5 is now one of the largest aggregator of news channels

50+ LIVE NEWS CHANNELS ACROSS 12 LANGUAGES

[DOWNLOAD NOW](#)

Language	Channel 1	Channel 2	Channel 3
ENGLISH	REPUBLIC	INDIA TODAY	WIION
HINDI	ZEE NEWS	INDIA TV	आर्य समाज
MARATHI	9	सासि TV	ZEE २४ तास
TAMIL	Polimer NEWS	தமிழ் செய்தி	Balaji
TELUGU	TV 5 NEWS	9 NEWS	

*Operating KPIs based on internal data analytics as ComScore SDK integration in the new app (launched in Q1) happened in Oct. Accordingly, accurate viewership of ZEE5 would be reflected in ComScore data in Q3; #EBITDA loss excludes costs incurred by the business on ZEEL network

Extraordinary Together

Zee Studios launched ZeePlex - PPV model for releasing movies on TV and Digital

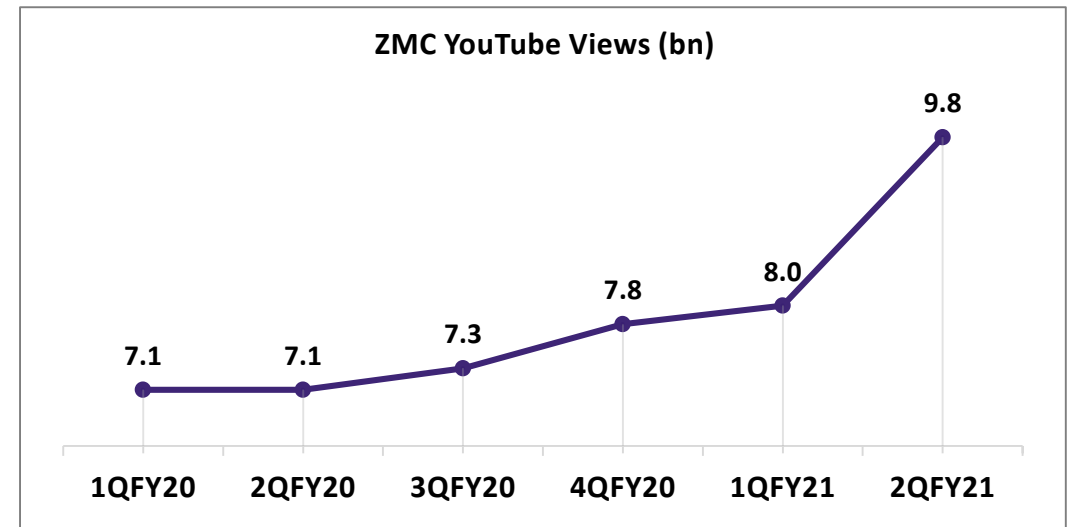
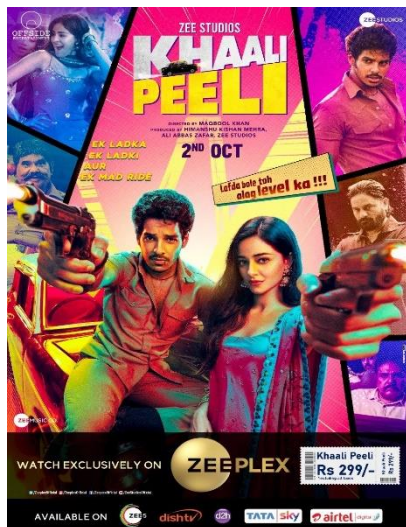


ZEE STUDIOS

- Launched ZeePlex – first of its kind ‘Pay Per View’ model in India for new movies
- Released *Khaali Peeli* (Hindi) and *Ka Pae Ranasingam* (Tamil) on Zee Plex – TV and Digital

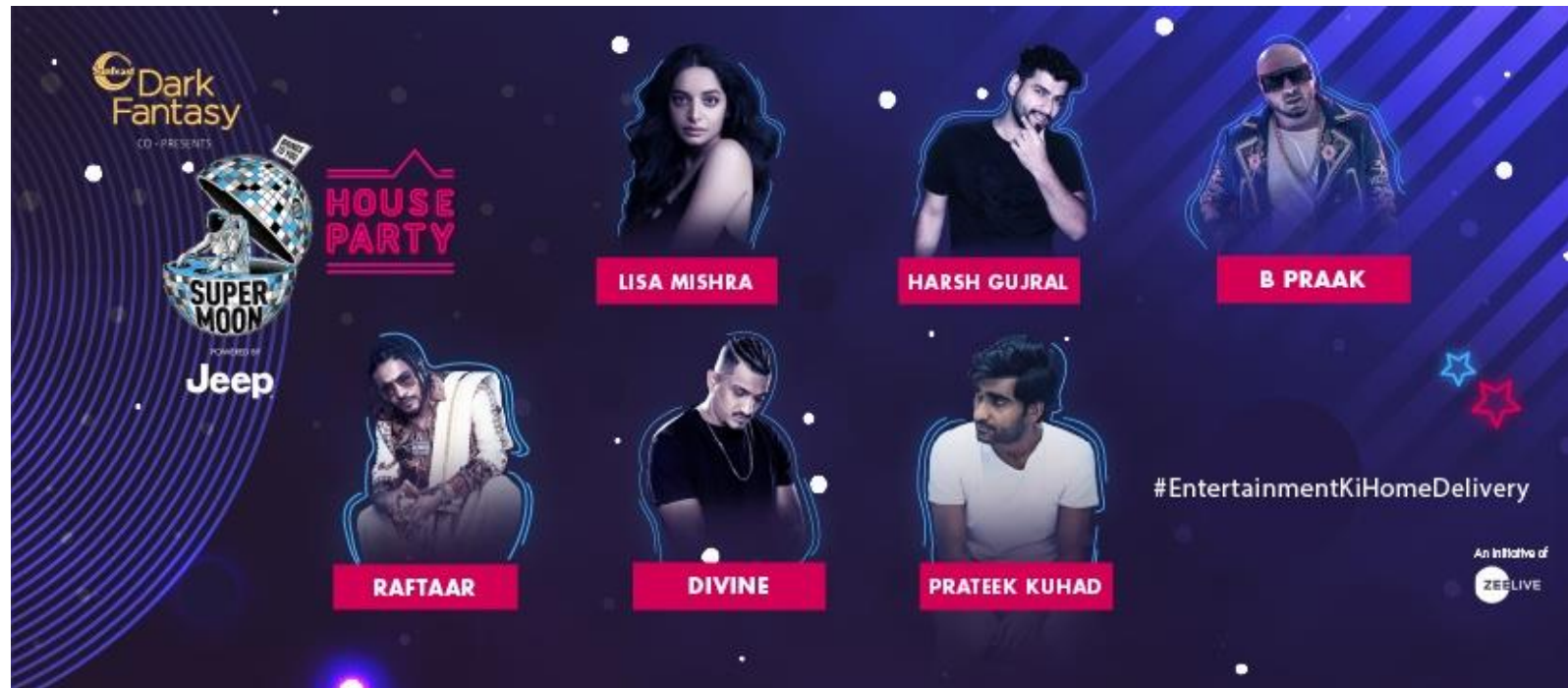
ZEE MUSIC CO.

- Sharp increase in video views as new music was released by the label during the quarter
- ZMC added 7.7mn subscribers on YouTube; with 63.8mn subscribers it is the second most subscribed Indian music channel on YouTube



Extraordinary Together

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



Virtual house party with the best of music & comic artists

Simulcast on Zee social media and TV channels

Live interactions with artists with *virtual meet & greet*

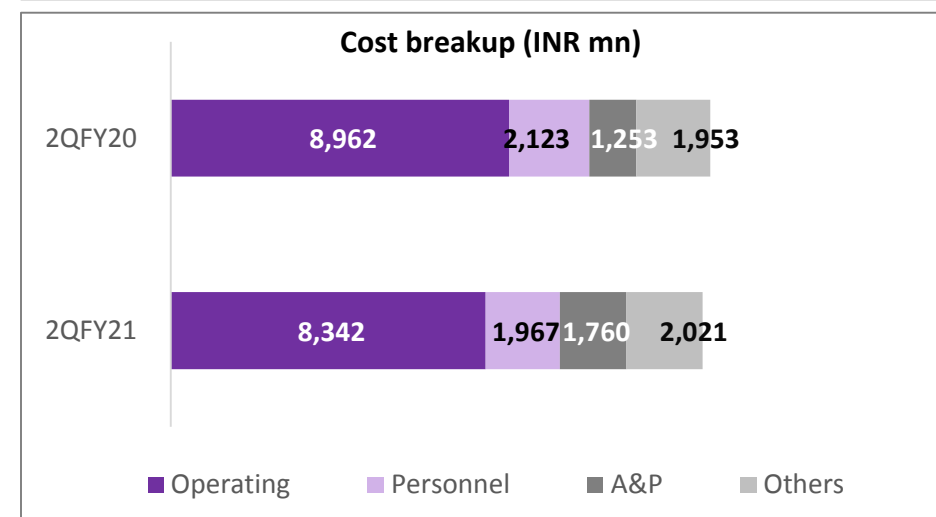
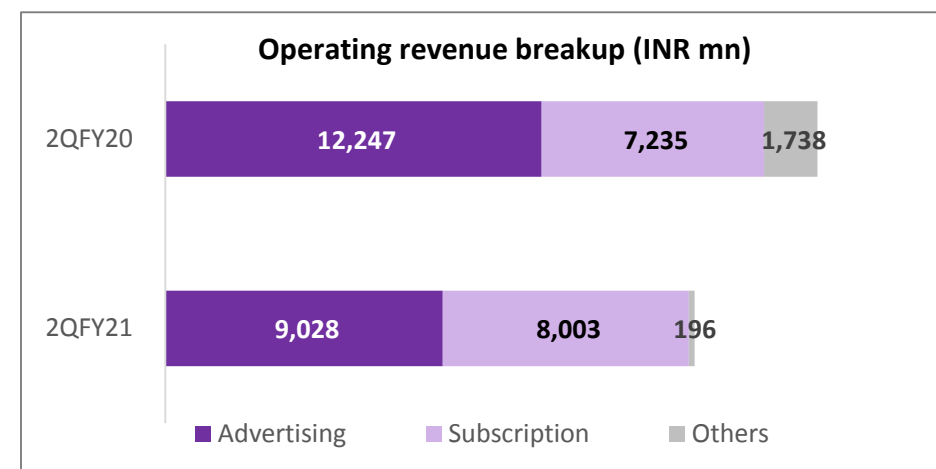


Financial Performance

Sharp recovery in revenues



INR million	2QFY21	2QFY20	Growth
Operating revenue	17,227	21,220	-18.8%
Expenditure	-14,090	-14,291	-1.4%
EBITDA	3,136	6,929	-54.7%
EBITDA excluding one- offs	3,948	6,929	-43.0%
Add: Other income	379	681	-44.3%
Less: Depreciation	-651	-583	11.7%
Less: Finance cost	-13	-180	-92.7%
Less: Fair value through P&L	-207	-87	
Less: Exceptional items	-971	-1,706	
Profit Before Tax (PBT)	1,673	5,054	-66.9%
PBT excl. exceptional and one-offs	3,456	6,760	-48.9%
Less: Provision for Tax	-740	-921	-19.7%
Add: Share of Profit of Associates	1	-12	
Less: Minority interest	7	11	-42.1%
Profit after Tax (PAT)	940	4,132	-77.2%



Extraordinary Together

Advertising revenues recovering well; festive period seeing good traction



Subscription revenues	Reported growth of 10.6% includes revenue from music business which has been reclassified as subscription revenue in this fiscal. On a like-to-like basis, domestic subscription grew 2.3% YoY, primarily driven by growth in ZEE5 subscription revenues.
Advertising revenues	Advertising revenue for the quarter declined by 26% compared to 66% decline in Q1. Rebound in demand across most consumer segments bodes well for advertising revenues in H2.
Other Sales & Services	Fell sharply due to reclassification of music business revenue to subscription, no theatrical release due to cinema halls being shut and lesser content syndication deals.
Operating cost	As original programming resumed in a staggered manner across markets, content cost was lower on a YoY basis.
A&P and Other expenses	The jump in A&P expense is on account of original content comeback campaigns for both TV and ZEE5. The growth number is also high as the base number in last quarter was lower than normal A&P spends. Other expenses include one time provision for subscription receivables of Rs. 812mn.
Fair Value through P&L	Impact of change in market price of Redeemable Preference Shares
International revenue break-up	Advertising revenue - Rs. 362mn, Subscription revenue - Rs. 831mn, Other Sales & Services – Rs. 142mn

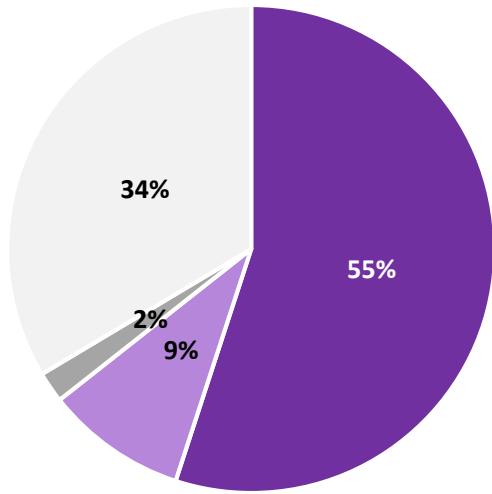
Condensed Balance Sheet



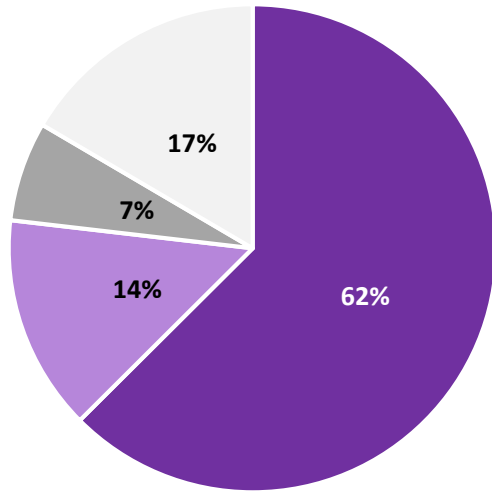
Assets (Rs. mn)	Sep'20	Jun' 20	Mar' 20
Non-Current Assets			
Fixed assets	12,919	13,646	13,979
Investments	477	440	478
Other financial assets	443	490	429
Income tax & Deferred tax assets (net)	7,295	6,923	6,844
Others Non-Current Assets	102	102	90
Current Assets			
Inventories	52,086	52,177	53,475
Cash, Loans and other investments	14,177	13,203	10,115
Trade receivables	20,087	17,355	20,847
Others financial assets	3,825	3,621	3,732
Other current assets	9,691	12,902	12,804
Non-current assets - Held for Sale	933	949	945
Total Assets	1,22,035	121,808	123,737

Liabilities (Rs. mn)	Sep' 20	Jun' 20	Mar' 20
Equity Capital	94,409	93,950	93,549
Non-Current Liabilities			
Preference shares	3,631	3,520	2,975
Other borrowings	276	459	526
Provisions	1,432	1,458	1,405
Current Liabilities			
Trade Payables	13,969	15,890	16,803
Redeemable preference shares	3,631	3,520	2,975
Other financial liabilities	3,083	1,568	2,808
Other current liabilities	1,420	1,104	1,668
Provisions	149	140	121
Income tax liabilities	39	198	906
Deferred tax liabilities (net)	-	-	-
Total Equity & Liabilities	1,22,035	121,808	123,737

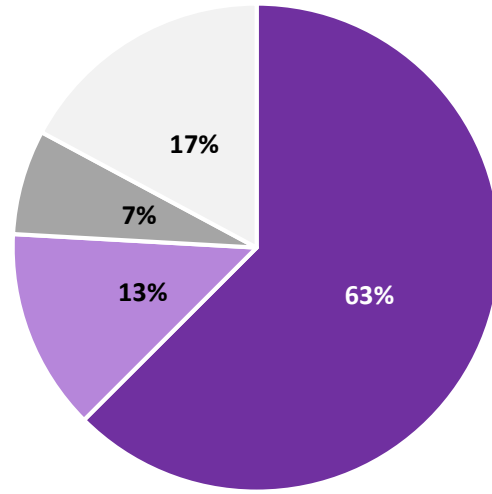
Break-up of content inventory, advances and deposits



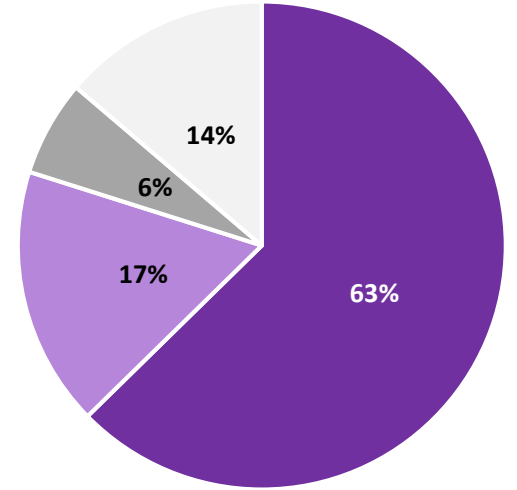
FY19: Rs. 58.0bn



FY20: Rs. 64.1bn



Q1'FY21: Rs. 63.0bn



Q2'FY21: Rs. 60.4bn

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



THANK YOU