

# Earnings Update for Q2 FY24

Zee Entertainment Enterprises Limited – 09 November 2023

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Use of Operating Metrics: The operating metrics reported in this presentation are calculated using internal company data. While these numbers are based on what we believe to be reasonable estimates for the applicable period of measurement, there are some inherent challenges in these measurements. The methodologies used to measure these metrics are susceptible to source issues, calculation or other technical errors. We regularly review our processes for calculating these metrics, and from time to time we may discover inconsistencies in our metrics or may make adjustments to improve their accuracy, which can result in adjustments to previously disclosed metrics. In addition, our metrics will differ from estimates published by third parties due to differences in methodology.

# Q2 FY24 Revenue Grew by 20.5% YoY;
# Strong Performance in Digital and Healthy Viewership Gains in Linear



**17.9%**

**Q2 FY24 All India TV Network Share;**
**Up 90bps QoQ**

**20.5%**

**YoY Total Operating Revenue Increased;**
**Q2 FY24 Revenue Rs 24,378 Mn**

**13.6%**

**EBITDA Margin;**
**Q2 FY24 EBITDA of Rs 3,328 Mn**

**59%**

**ZEE5 YoY Revenue Growth;**
**Q2 FY24 Revenue Rs 2,652 Mn**

**22**

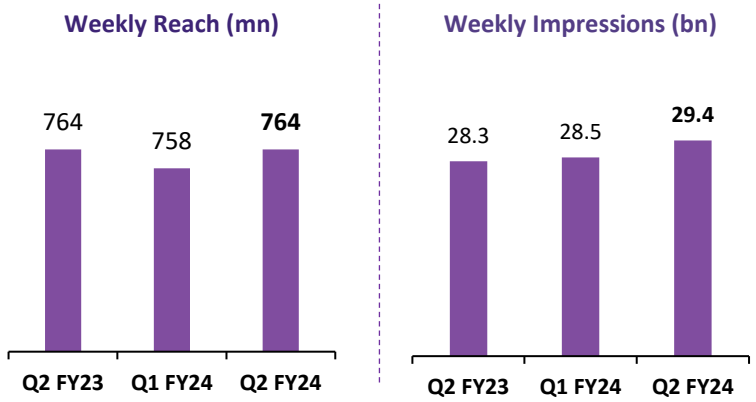
**Shows and Movies (Incl. 4 Originals)**
**Released in Q2 FY24**

 *Viewership Share: BARC, All 15+ Yrs, (U)*

# Business Performance

# Domestic Linear: TV Landscape Remains Healthy; Zee Network Gains Market Share in Several Key Markets

## TV Reach and Impressions

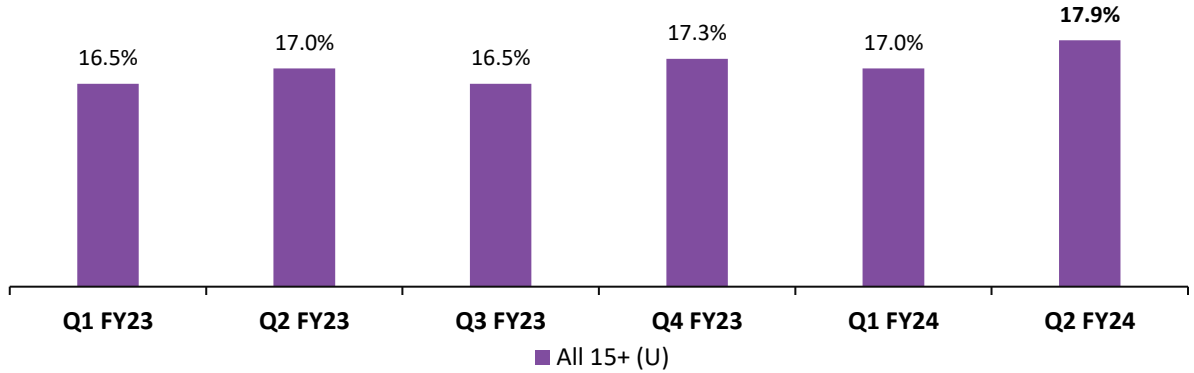






**Total TV viewership improved QoQ**

## ZEE Network Share




### Invest & Grow

ZEE TV | ZEE मराठी | ZEE தமிழ்

### Strengthen & Monetize

ZEE ಕನ್ನಡ | ZEE বাংলা | ZEE ସାର୍ଥକ | ZEE తెలుగు | ZEE CINEMA

**Viewership Focus:**

Zee TV, Zee Marathi & Zee Tamil

**Monetization Focus:**

Zee Kannada, Zee Bangla, Zee Sarthak, Zee Telugu & Hindi movies/ Cinema

## Key Launches in Q2 FY24



















*TV reach & Impression Source: BARC, All 2+ Yrs, (U + R)*
*Impression is defined as the total human-minutes of viewing of content, averaged per minute across total duration.*



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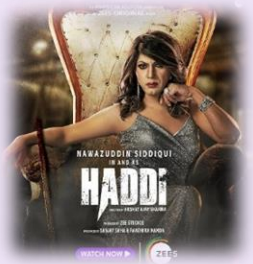
# ZEE5: Revenue Up 59% YoY Driven by Higher Subscription & Syndication Deal; Operating Leverage & Prudent Cost Management Narrows EBITDA Losses

**Q2 FY24 Highlights**

- 22 shows and movies (incl. 4 originals) released during the quarter

## Q2 FY24 Impact Releases










## Q3 FY24 Slate



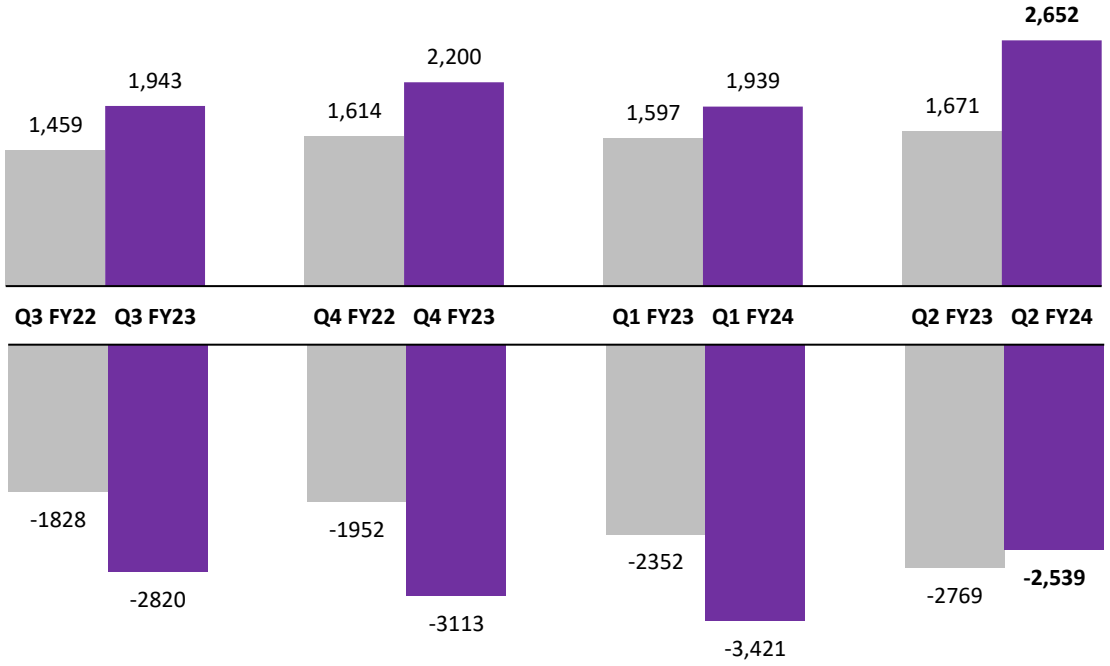









**Total Revenue (Rs Mn)**




**EBITDA* (Rs Mn)**

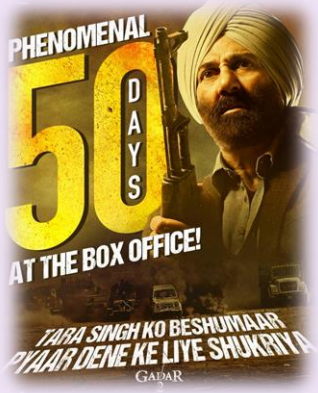





*EBITDA loss excludes costs incurred by the business on ZEEL network; ZEE5 Revenue and EBITDA includes Zee's other digital businesses

# ZEE Studio: 2 Hindi and 4 Other Language Movies Released During Q2 FY24

## Hindi Movies




**Gadar 2:** Zee Studio's highest-gross box office collection in Hindi film

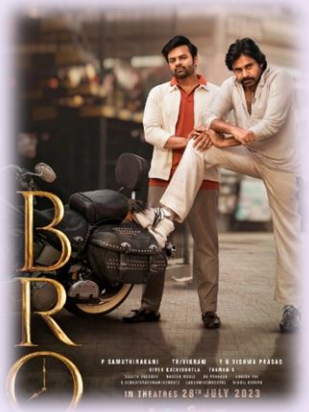
One of the Movie that attracted the highest footfalls for a hindi film ever.

*Produced by ZEE Studio*




*Produced by ZEE Studio*

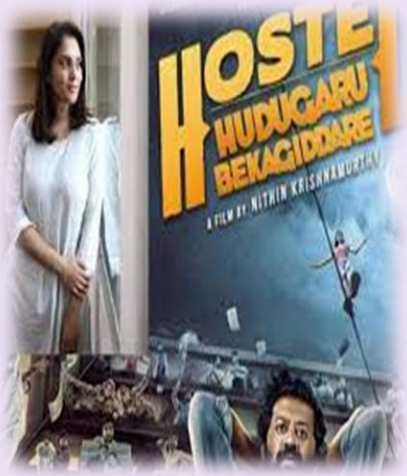
## Other Language Movies




*Produced by ZEE Studio*




*Produced by ZEE Studio*

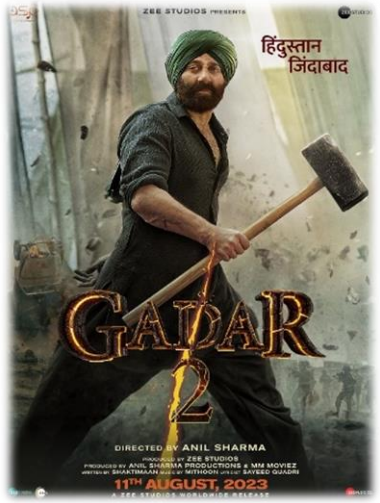



*Distributed by ZEE Studio*




*Produced by ZEE Studio*

# Zee Music Company (ZMC)
# 2nd Largest Music Label with ~142Mn Subscribers on YouTube





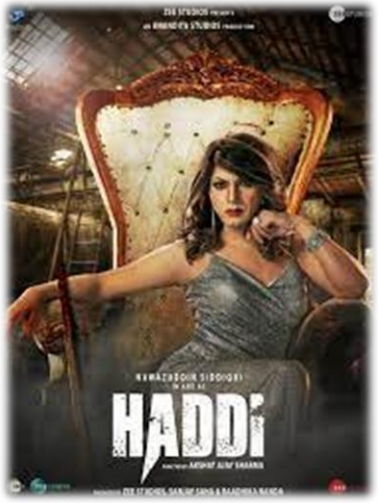


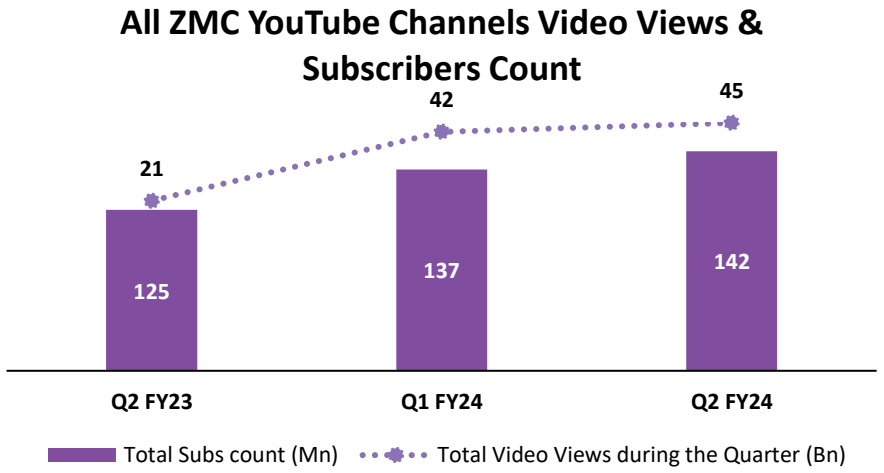








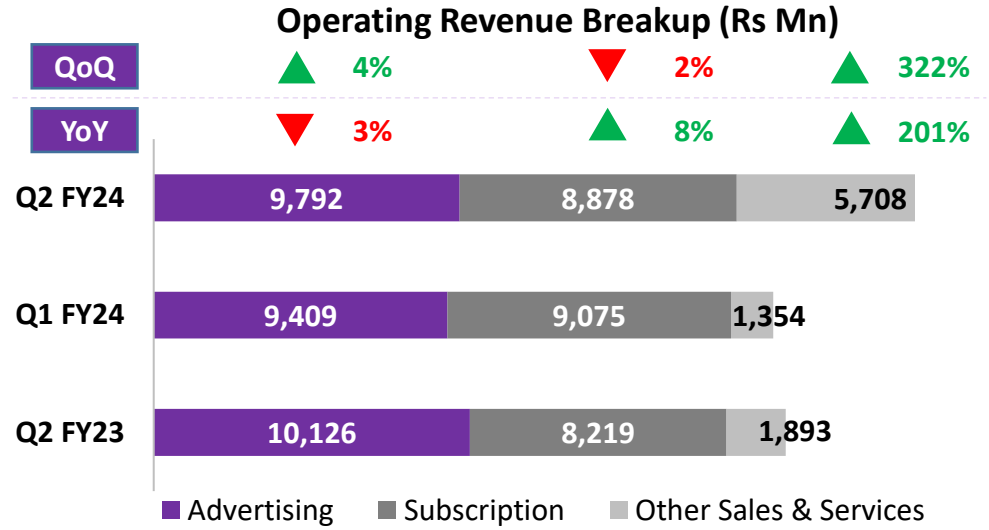

**Zee Music Company witnessed 7% QoQ growth on video views & 4.8Mn subscribers' addition during quarter on back of new age catalogue**

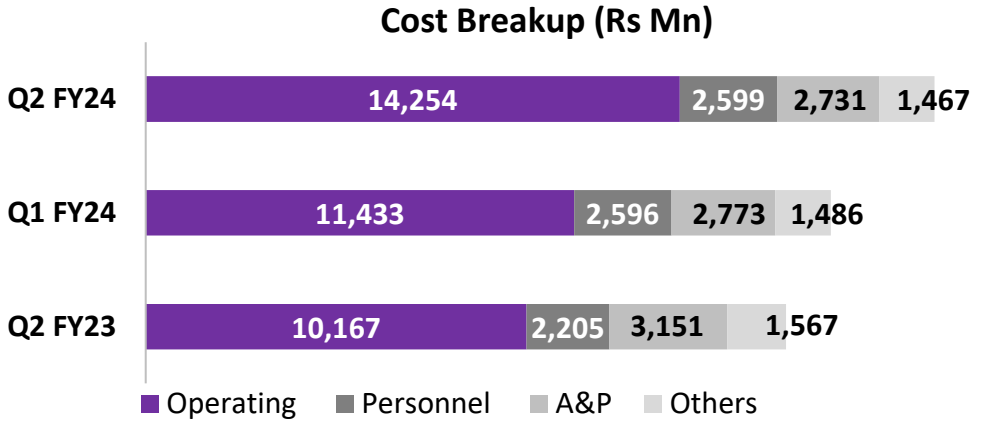
| Rights Acquired in Q2 FY24 | Hindi | Other Languages | Singles / Albums |
|---|---|---|---|
| | 19 | 8 | 190 |

# Financial Performance

# Q2 FY24 EBITDA Margin at 13.6%; QoQ Increased by 580bps, YoY Margins Lower due to Increase in Content Cost and Investment in ZEE5

| (INR Million) | Q2 FY23 | Q1 FY24 | Q2 FY24 | QoQ | YoY |
|---|---|---|---|---|---|
| **Operating Revenue** | **20,239** | **19,838** | **24,378** | **22.9%** | **20.5%** |
| Expenditure | -17,090 | -18,289 | -21,050 | 15.1% | 23.2% |
| **EBITDA** | **3,149** | **1,549** | **3,328** | **114.8%** | **5.7%** |
| **EBITDA Margin** | **15.6%** | **7.8%** | **13.6%** | | |
| Other Income | 170 | 145 | 718 | | |
| Depreciation | -743 | -785 | -772 | | |
| Finance cost | -96 | -234 | -234 | | |
| Fair value through P&L | 0 | 38 | 0 | | |
| Exceptional Items/ JV & Associate | -467 | -705 | -1,197 | | |
| **Profit Before Tax (PBT) from continuing operations** | **2,013** | **7** | **1,842** | | **-8.5%** |
| Provision for Tax | 642 | -31 | 544 | | |
| **Profit after Tax (PAT) from continuing operations** | **1,371** | **39** | **1,299** | | **-5.3%** |
| Profit from discontinuing operations | -243 | -573 | -69 | | |
| **Profit for the period/year** | **1,129** | **-534** | **1,230** | | **8.9%** |




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*Figures for the previous year/period have been regrouped and/or reclassified wherever considered necessary*

# Q2 FY24: Soft Advertising Environment Offset by Pickup in Subscription Revenue post NTO 3.0 and Higher Syndication & Theatrical Revenue

| | |
|---|---|
| **Advertising revenues** | ➢ Domestic Ad revenues came at Rs 9,411 Mn, QoQ up by 4.4%, YoY declined by 2.1%<br>➢ While some early pick up in Ad spending was witnessed led by FMCG during Q2, overall pace of Ad environment recovery continues to be slow<br>➢ Ad revenue are also impacted by busy cricket season (Asia Cup, ICC World Cup). |
| **Subscription revenues** | ➢ Subscription revenue YoY up 8.0%, driven by pick up in Linear subscription revenue post NTO 3.0 & ZEE5. |
| **Other Sales & Services revenues** | ➢ Other sales and services revenue YoY up 201% aided by higher syndication and strong theatrical performance of movies. |
| **Operating cost** | ➢ Programming and Technology cost increased YoY due to higher content cost in movies (including theatrical releases) and investment in ZEE5. |
| **A&P and Other expenses** | ➢ Marketing cost increased YoY primarily driven by increase in spend on movie releases and new shows. |
| **EBITDA** | ➢ EBITDA for the quarter came at Rs 3,328Mn;<br>➢ Q2 FY24 Margin at 13.6%; |
| **International revenue break-up** | ➢ Q2 FY24 Advertising revenue : Rs 381 Mn, Subscription revenue : Rs 1,088 Mn, Other Sales & Services : Rs 267 Mn |

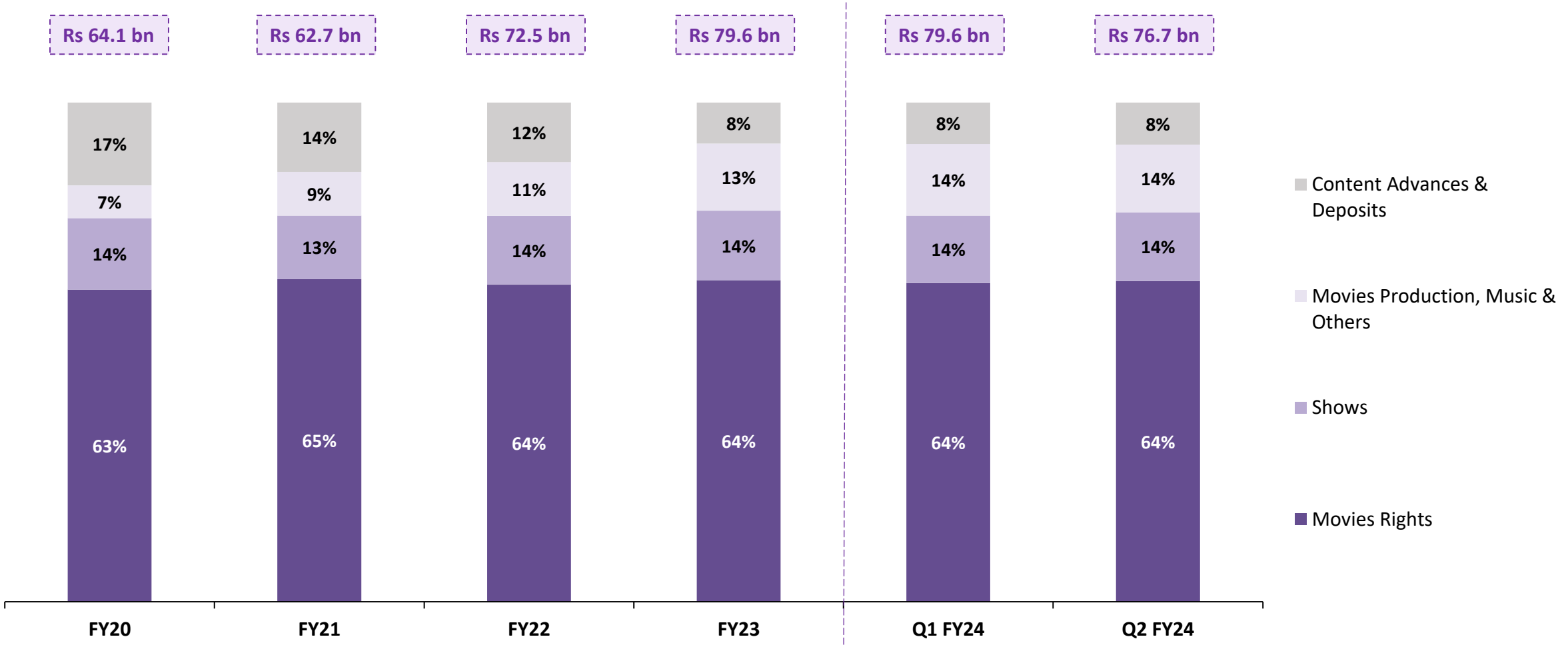
# Condensed Balance Sheet

| Assets (Rs. Mn) | Mar'23 | Sept'23 |
|---|---|---|
| **Non-Current Assets** | | |
| Fixed assets | 13,789 | 13,025 |
| Investments | 349 | 390 |
| Other financial assets | 589 | 589 |
| Income tax & Deferred tax assets | 8,496 | 9,587 |
| Others Non-Current Assets | 143 | 93 |
| **Current Assets** | | |
| Inventories | 73,079 | 70,216 |
| Cash and other investments | 8,040 | 5,655 |
| Trade receivables | 16,088 | 22,562 |
| Others financial assets | 3,634 | 4,031 |
| Other current assets | 11,433 | 10,897 |
| **Non-current assets - HFS** | **1,645** | **934** |
| **Total Assets** | **1,37,283** | **1,37,980** |

| Liabilities (Rs. Mn) | Mar'23 | Sept'23 |
|---|---|---|
| **Equity Capital** | **1,07,219** | **1,07,902** |
| **Non-Current Liabilities** | | |
| Lease Liab/Other borrowings | 2,167 | 1,856 |
| Provisions | 1,362 | 1,628 |
| **Current Liabilities** | | |
| Lease Liab/Other borrowings | 653 | 660 |
| Trade Payables | 17,494 | 18,765 |
| Other financial liabilities | 4,247 | 2,740 |
| Other current liabilities | 3,690 | 3,380 |
| Provisions | 135 | 151 |
| Income tax liabilities | 103 | 713 |
| **Liabilities associated with assets- HFS** | **213** | **185** |
| **Total Equity & Liabilities** | **1,37,283** | **1,37,980** |

***The cash & treasury investments of the company as of Sept'23 stood at Rs 5,655 mn, including Cash balance of Rs 3,649 mn and FDs of Rs 2,006 mn**

# Content Inventory, Advances and Deposits Declined in Q2 FY24 Driven by Movie Releases and Syndication






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# THANK YOU

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