



Earnings Update for Q1 FY25

Zee Entertainment Enterprises Limited – 31 July 2024

Extraordinary Together



Safe Harbor Statement: This Release/Communication, except for the historical information, may contain statements, including the words or phrases such as ‘expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should’ and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward-looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward-looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.

This document should be read in conjunction with the published financial results. Certain analysis undertaken and represented in this document may constitute an estimate or interpretation and may differ from the actual underlying results.

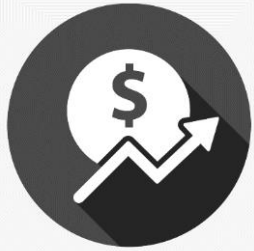
Use of Operating Metrics: The operating metrics reported in this presentation are calculated using internal company data. While these numbers are based on what we believe to be reasonable estimates for the applicable period of measurement, there are some inherent challenges in these measurements. The 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.

Key Performance Highlights



Delivering growth coupled with effective cost management

Healthy Balance sheet and cash generation



7.4%

YoY Total Operating Revenue Increased;
Q1 FY25 Revenue Rs 21,305 Mn

12.8%

EBITDA Margin, up 500 bps YoY;
Q1 FY25 EBITDA of Rs 2,717 Mn

Rs 13.2 Bn

Cash and Cash Equivalent
as of Jun'24

General entertainment channel viewership impacted by cricket and election

Healthy performance in digital continues



16.4%

Q1 FY25 All India TV Network Share;
Jun'24 All India TV Network Share 16.7%



15%

ZEE5 YoY Revenue Growth;
Q1 FY25 Revenue Rs 2,237 Mn

1,644Mn

Reduction in Q1 FY25
EBITDA losses YoY;

13

Shows and Movies (Incl. 4
Originals) Released in Q1 FY25

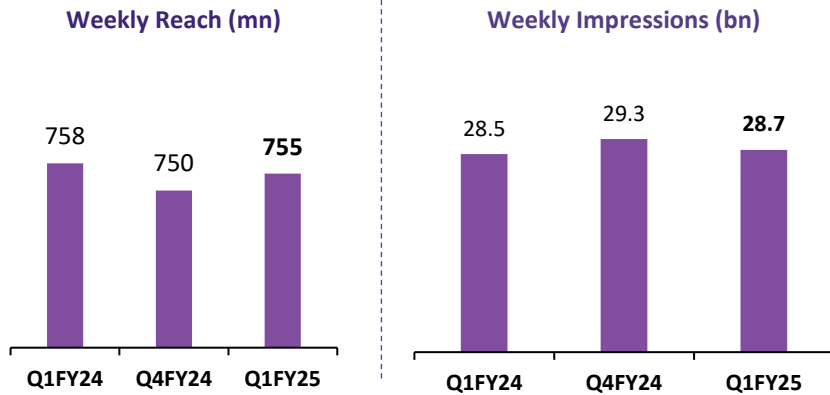


Business Performance

Domestic Linear: TV Landscape Continues to Remain Healthy; Entertainment Viewership During the Quarter was Impacted by Cricket and Election

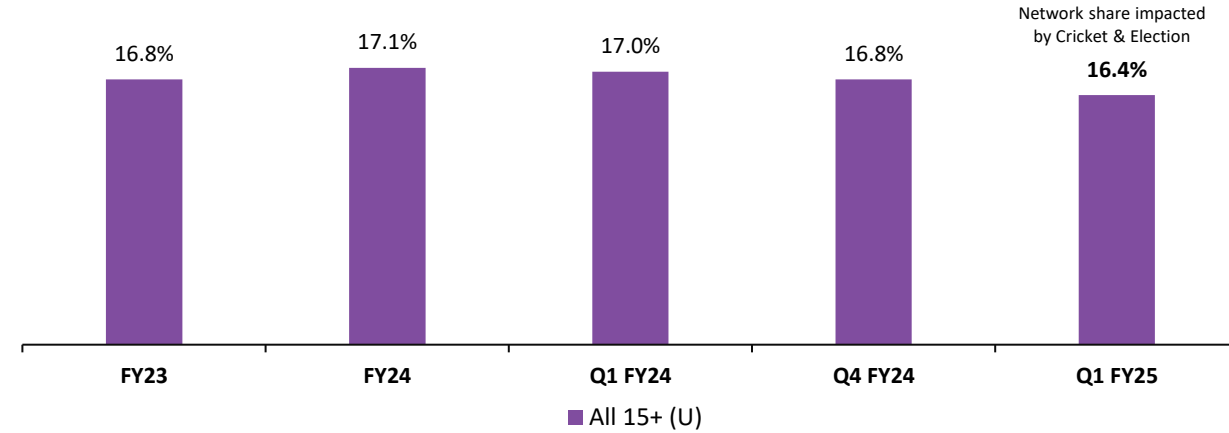


TV Reach and Impressions



Total TV viewership improved by 1% YoY

ZEE Network Share



Invest & Grow



Viewership Focus:

Zee TV, Zee Marathi and Zee Tamil

Strengthen & Monetize



Monetization Focus:

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

Key Launches in Q1FY25



Extraordinary Together

5 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.

ZEE5: Focused on Streamlining the Overall Cost Structure



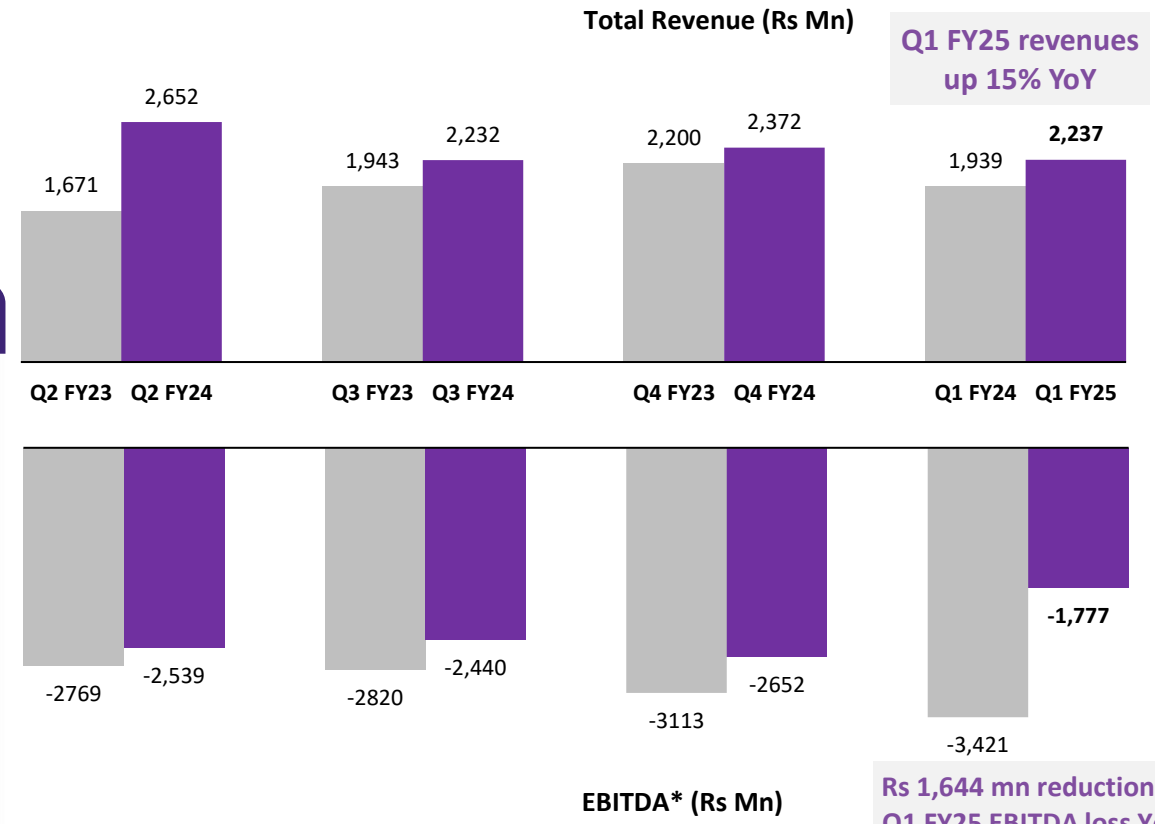
Key Highlights

- ZEE5 platform is making steady progress and we have seen healthy trends in usage and engagement metrics, including the Net Promoter Score
- Significant progress has been made towards achieving a balanced cost structure, in order to sustain long-term growth.
- Short-term aberration in the digital business growth momentum as we optimize costs for the long run.
- 13 shows and movies released during the quarter including 4 originals

Q1 FY25 Impact Releases



Q2 FY25 Slate



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

Extraordinary Together

ZEE Studio: 2 Hindi and 1 Other Language Movies Released During Q1 FY25



Hindi Movies



Produced by
ZEE Studio



Produced by
ZEE Studio



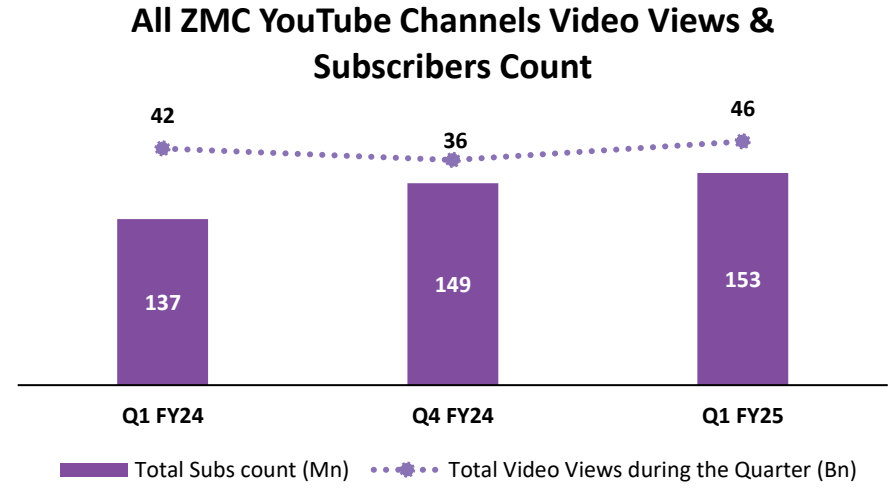
Produced by
ZEE Studio

Other Language Movies

Zee Music Company (ZMC) 2nd Largest Music Label with ~153 Mn Subscribers on YouTube



Q1 FY25 Key Catalogue Additions



ZMC added 3.5 Mn YouTube subscribers across channels during the quarter on back of new acquisition and catalogue

Rights Acquired in Q1 FY25	Hindi	Other Languages	Singles / Albums
	14	15	183

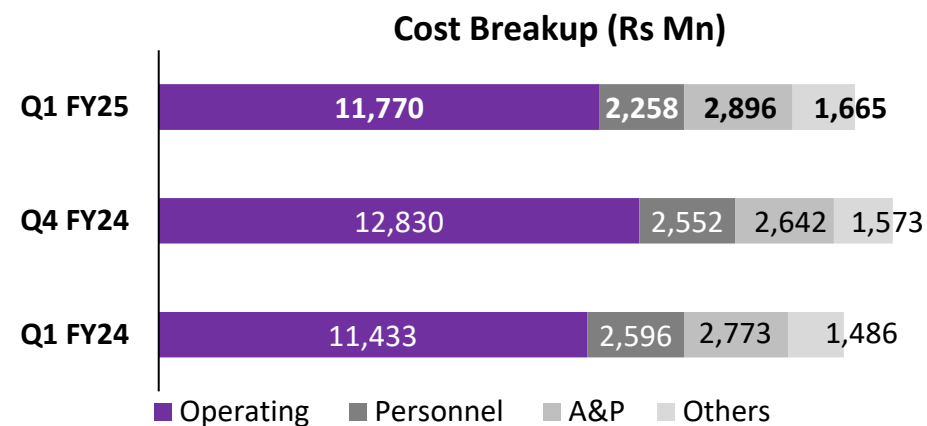
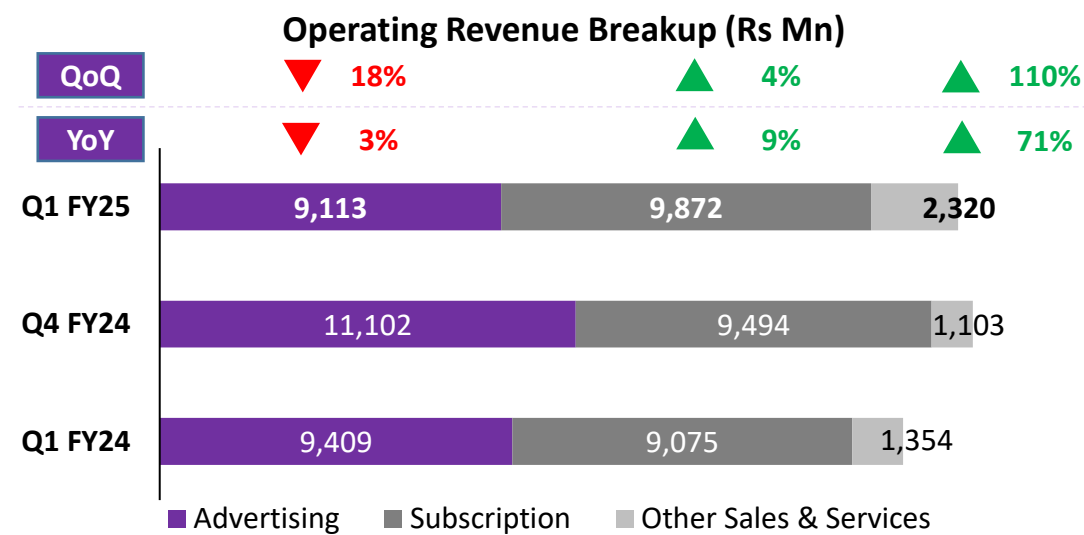


Q1 FY25 Financial Performance

Q1 FY25 EBITDA Margin at 12.8%; YoY Increased by 500bps, EBITDA Margin aided by Effective Cost Management



(INR Million)	Q1 FY24	Q4 FY24	Q1 FY25	QoQ	YoY
Operating Revenue	19,838	21,699	21,305	-1.8%	7.4%
Expenditure	-18,289	-19,597	-18,589	-5.1%	1.6%
EBITDA	1,549	2,103	2,717	29.2%	75.3%
EBITDA Margin	7.8%	9.7%	12.8%		
Other Income	145	154	190		
Depreciation	-785	-772	-756		
Finance cost	-234	-69	-55		
Fair value through P&L	38	0	-11		
Exceptional Items/ JV & Associate	-705	-276	-285		
Profit Before Tax (PBT) from continuing operations	7	1,140	1,799	57.8%	
Provision for Tax	-31	1,018	542		
Profit after Tax (PAT) from continuing operations	39	122	1,257	931.7%	
Profit from discontinuing operations	-573	12	-76		
Profit for the period/year	-534	134	1,181	784.6%	



Extraordinary Together

Q1 FY25: Soft Advertising Environment Offset by Pickup in Subscription Revenue, Movie Releases and Higher Syndication Revenue



Advertising revenues	➤ Domestic advertising revenue for the quarter declined by 3.6% YoY, impacted by Cricket and general elections
Subscription revenues	➤ Subscription revenue growth driven by pick up in Linear subscription revenue post NTO 3.0 & ZEE5.
Other Sales & Services revenues	➤ Other sales and services during the quarter was aided by movie releases and higher syndication.
Operating cost	➤ Increase in operating cost YoY was driven by increase in programming cost partially offset by decline in technology cost ➤ Programming and Technology cost declined QoQ.
A&P and Other expenses	➤ Higher A&P and Other expenses due to pickup in marketing, primarily led by movie releases.
EBITDA	➤ EBITDA for the quarter came at Rs 2,717Mn; ➤ Q1 FY25 Margin at 12.8%;
International revenue break-up	➤ Q1 FY25 Advertising revenue : Rs 424 Mn, Subscription revenue : Rs 1,024 Mn, Other Sales & Services : Rs 157Mn

Condensed Balance Sheet

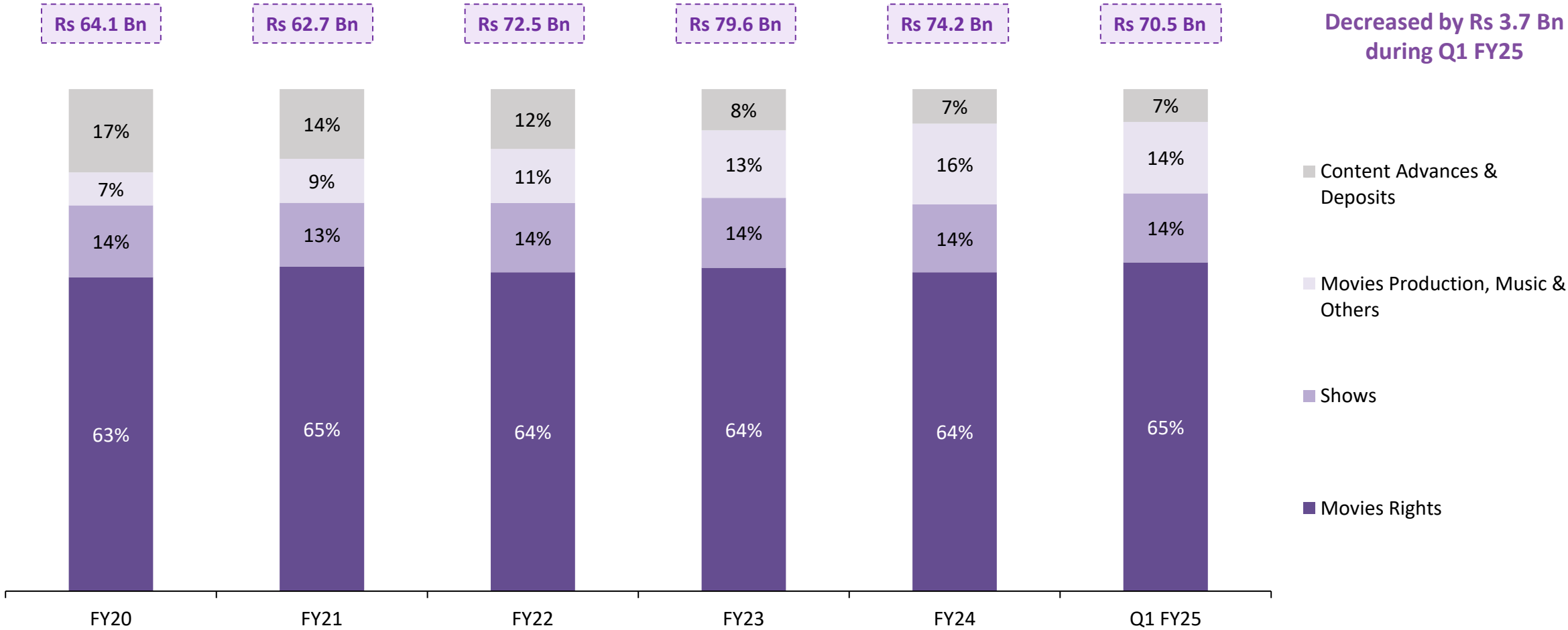


Assets (Rs. Mn)	Mar'24	Jun'24
Non-Current Assets		
Fixed assets	12,136	11,795
Investments	390	380
Other financial assets	603	611
Income tax & Deferred tax assets	9,024	9,193
Others Non-Current Assets	65	65
Current Assets		
Inventories	69,129	65,852
Cash and other investments	11,932	13,163
Trade receivables	17,016	18,244
Others financial assets	3,630	3,456
Other current assets	9,725	8,848
Non-current assets - HFS	846	849
Total Assets	1,34,497	1,32,456

Liabilities (Rs. Mn)	Mar'24	Jun'24
Equity Capital	1,08,729	1,09,993
Non-Current Liabilities		
Lease Liab/Other borrowings	1,622	1,573
Provisions	1,671	1,497
Current Liabilities		
Lease Liab/Other borrowings	682	730
Trade Payables	14,355	12,370
Other financial liabilities	2,816	1,764
Other current liabilities	4,421	3,905
Provisions	172	164
Income tax liabilities	12	429
Liabilities associated with assets- HFS	18	31
Total Equity & Liabilities	1,34,497	1,32,456


*The cash & treasury investments of the company as of Jun'24 stood at Rs 13,163 Mn, including Cash balance of Rs 5,100 Mn and Bank FDs of Rs 8,063 Mn

Content Inventory, Advances and Deposits Continues to Decline in Q1 FY25 Driven by Optimised Acquisition and Movie releases





Significant interventions already implemented towards margin improvement across the business. Based on our efforts, visibility and confidence on performance enhancement plan continues to remain firm.

- 
- **From Q2 FY25**
 - While Q1 has already started on a positive note with significant step up in margins, we expect gradual margin improvement to continue through the rest of the year
 - Overall cost discipline and prudence will continue to hold us in good stead
 - Magnitude of margin improvement will be dependent on Ad revenue pickup in H2 FY25
 - FY25 margins to be meaningfully better than FY24

- **FY26**
 - Aspire to deliver industry-leading 18-20% EBITDA margin



THANK YOU