



Extraordinary Together

October 18, 2024

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code Equity: 505537

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
NSE Symbol: ZEEL EQ

Dear Sirs,

Sub: Audio recording of conference call for the quarter and half year ended September 30, 2024

This has reference to our communication dated October 14, 2024 and pursuant to the provisions of Regulation 46(2)(oa)(i) read with Schedule III of Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), this is to inform you that the audio recording of the conference call held today on the Company's performance for the quarter and half year ended September 30, 2024 is available on Company's website at:

<https://www.zee.com/investors/investor-financials/>

This is for your information and record.

Thanking you,

Yours faithfully,
For Zee Entertainment Enterprises Limited

Ashish Agarwal
Company Secretary
FCS6669

Zee Entertainment Enterprises Limited

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Earnings Update for Q2 FY25

Zee Entertainment Enterprises Limited – 18 October 2024

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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.

Content

Making Steady Progress

4

Q2 FY25 Key Performance Highlights

7

Business Performance

8

H1 & Q2 FY25 Financial Performance

13

Growth Strategy

19

Our aspiration

Progress we have made

Revenue growth



Target **8-10% overall revenue CAGR** with current portfolio

Subscription Revenue

- YoY growth has **exceeded 9% YoY** in last 3 quarters



Advertising Revenue

- Macro Ad **environment softness** has restrained our ability to drive advertising revenue growth
- Ad revenue **performance remains ahead of comparable industry peers**
- **Strengthened competitive positioning with 60 bps network viewership share gain** in last two-quarters and well positioned to capitalise on Ad spends recovery



Our aspiration

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

Progress we have made

Profitability

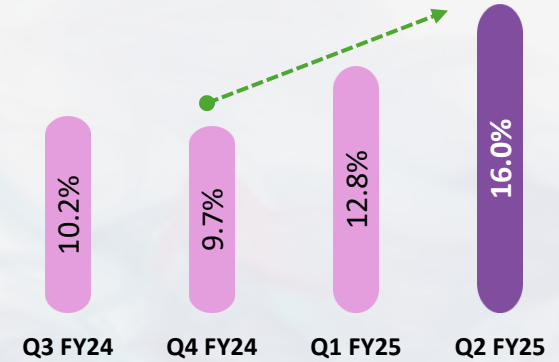


Overall Business



- Prudent cost discipline and focused execution has enabled us to clock 630 bps improvement in EBITDA margins in a challenging macro environment

EBITDA Margin

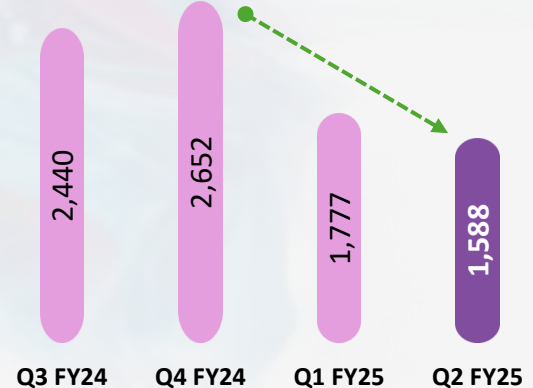


Digital Business



- Significant progress has been made towards achieving a balanced cost structure, to sustain long-term growth in ZEE5

Digital EBITDA Loss (Rs Mn)



Our aspiration

Continue to maintain a **Healthy Balance Sheet and liquidity**

Progress we have made

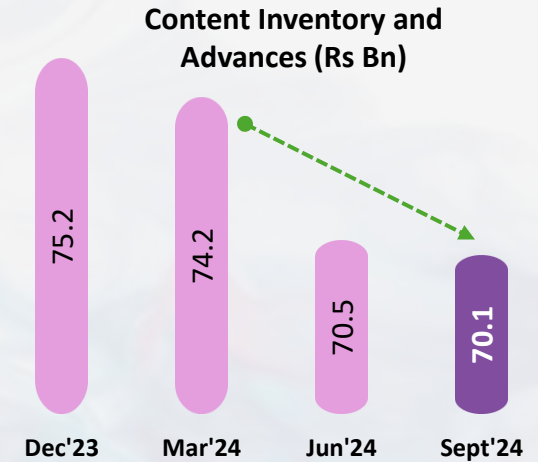
Balance Sheet



Content inventory and advances



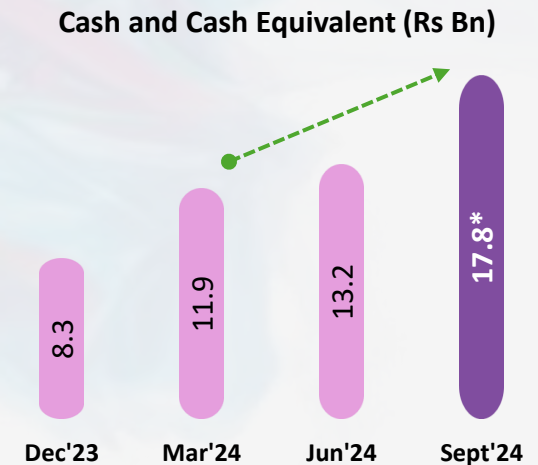
- Content Inventory and Advances Continues to decline **driven by optimised acquisition and movie releases**



Cash and Cash equivalent



- **Strong FCF generation** driven by improving profitability and optimisation of working capital
- Secured **access to growth capital**



* Sep-2024 Cash and cash eq. includes Rs 2 Bn proceeds from first tranche of FCCB

Profitability driven by effective cost management



16.0%

EBITDA Margin, up 240 bps YoY;
Q2 FY25 EBITDA of Rs 3,210 Mn

61%

YoY Growth in Q2 FY25 PAT from
continuing operation of Rs 2,095 Mn

Healthy Balance sheet and cash generation

Rs 17.8 Bn*

Cash and Cash
Equivalent as of Sept'24

1.2x

FCF/ PAT in H1 FY25

ZEE Network gains share in key language markets



17.4%

Q2 FY25 All India TV
Network Share;
Up 100 bps QoQ

Healthy performance in digital continues



6%

ZEE5 QoQ Revenue Growth;
Q2 FY25 Revenue Rs 2,363 Mn

189 Mn

Reduction in Q2 FY25
EBITDA losses QoQ;

16

Shows and Movies
(Incl. 5 Originals)
Released in Q2 FY25

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

* Cash and cash eq. includes Rs 2 Bn proceeds from first tranche of FCCB

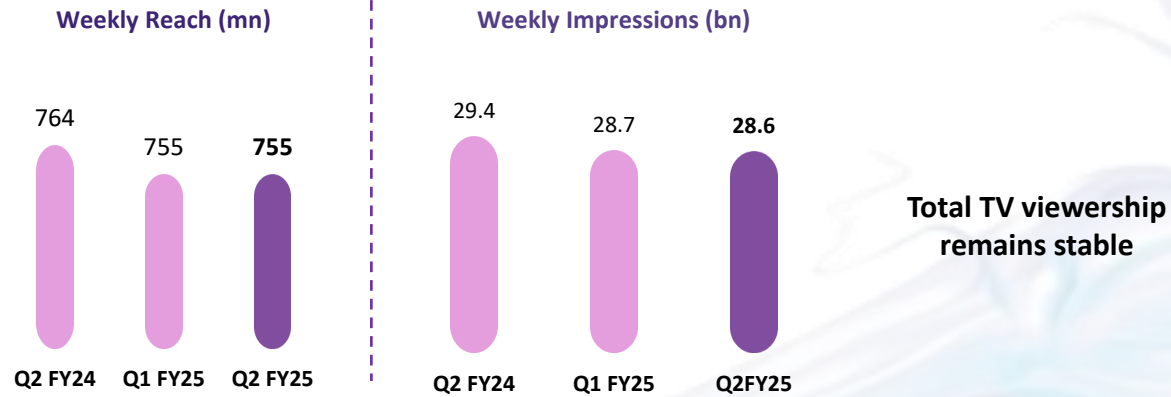


Business Performance

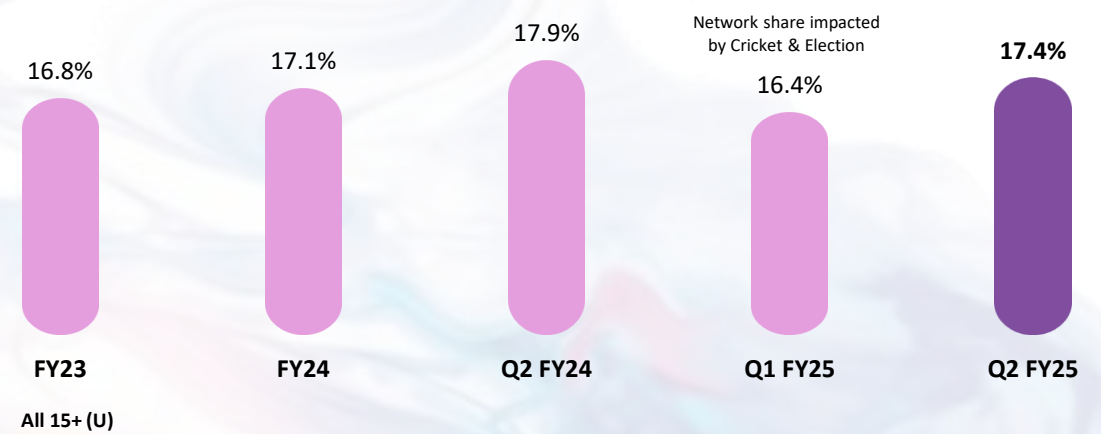
From giving India its first private satellite TV channel in 1992, to reaching 1.3 billion viewers around the world through linear and digital platforms. ZEE, today, is the global entertainment go-to, with an integrated team creating and serving extraordinary content.

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Industry TV Reach and Impressions



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 Q2FY25



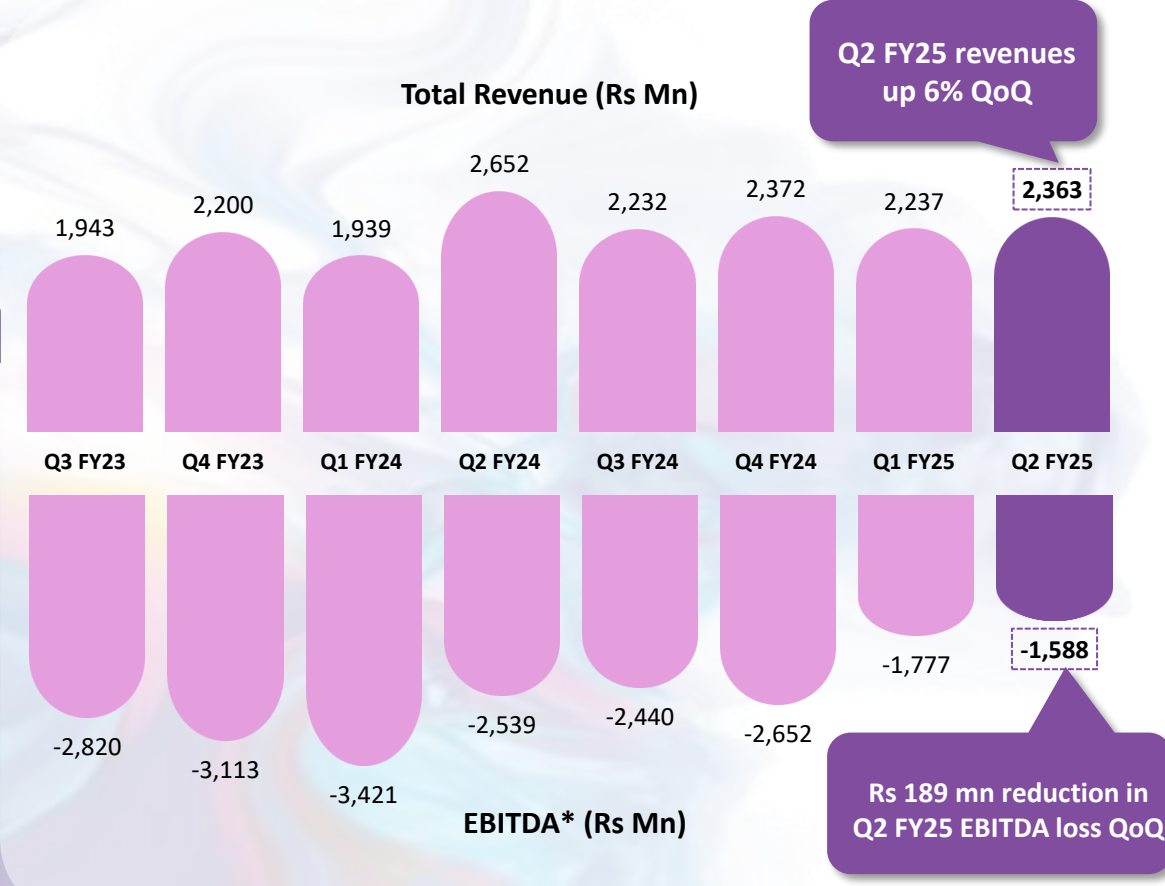
Key Highlights

- Healthy trends in usage and engagement metrics continue.
- Focused on maintaining a balanced cost structure, to sustain long-term growth.
- Expect performance improvement momentum to sustain in H2, with growth providing some operating leverage.
- 16 shows and movies released during the quarter including 5 originals

Q2 FY25 Impact Releases



Q3 FY25 Slate



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

Hindi Movies



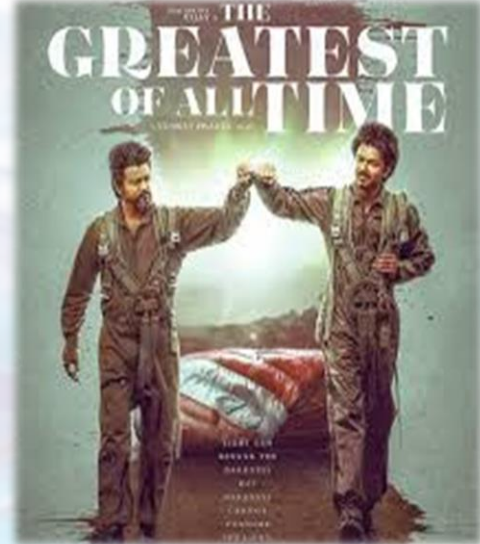
Produced by ZEE Studio



Produced by ZEE Studio



Produced by ZEE Studio



Distributed by ZEE Studio

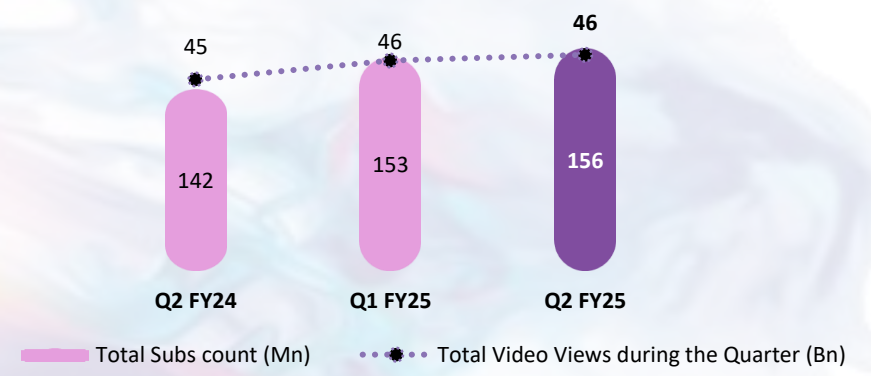
Other Language Movies



Q2 FY25 Key Catalogue Additions




All ZMC YouTube Channels Video Views & Subscribers Count



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

Rights Acquired in Q2 FY25	Hindi	Other Languages	Singles / Albums
	9	18	141

A control room with multiple monitors and a large illuminated keyboard. The monitors display various data and video feeds. The keyboard is illuminated with green and yellow lights.

H1 & Q2 FY25 Financial Performance

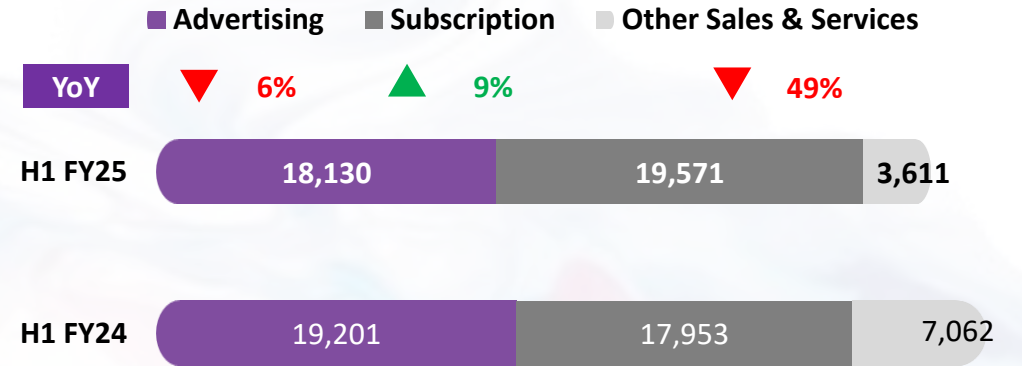
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H1 FY25 EBITDA Margin at 14.3%; YoY Increased by 330 bps, Continued Sharp Focus on Frugality, Optimization and Quality Content Across the Business

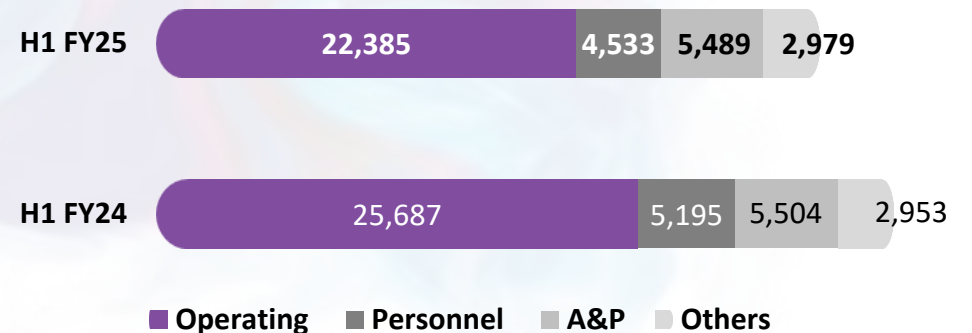


(INR Million)	H1 FY24	H1 FY25	YoY
Operating Revenue	44,216	41,312	-7%
Expenditure	-39,339	-35,386	-10%
EBITDA	4,877	5,926	22%
EBITDA Margin	11.0%	14.3%	
Other Income	862	527	
Depreciation	-1,557	-1,488	
Finance cost	-468	-138	
Fair value through P&L	38	11	
Exceptional Items/ JV & Associate	-1,902	-175	
Profit Before Tax (PBT) from continuing operations	1,850	4,663	152%
Provision for Tax	-513	-1,311	
Profit after Tax (PAT) from continuing operations	1,337	3,352	151%
Profit from discontinuing operations	-642	-77	
Profit for the period/year	695	3,275	371%

Operating Revenue Breakup (Rs Mn)



Cost Breakup (Rs Mn)

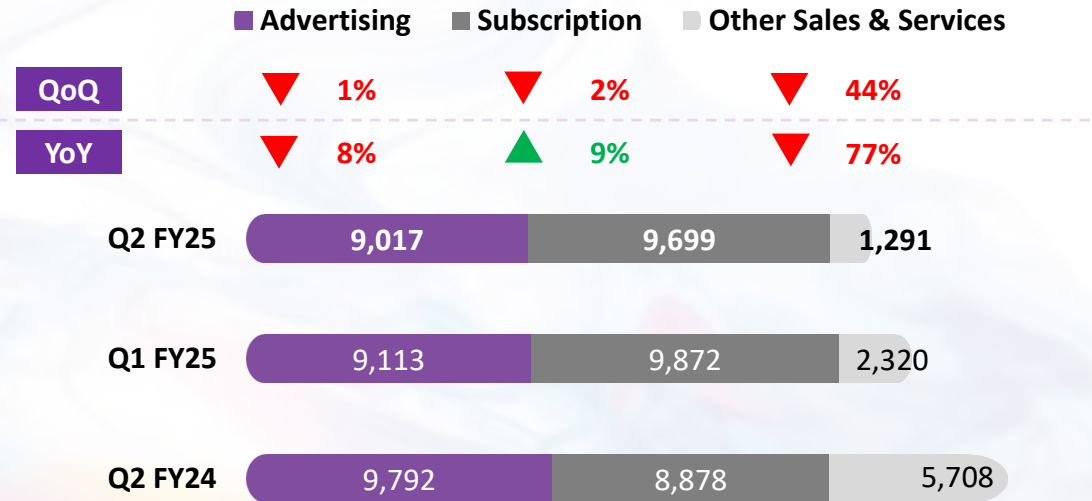


Q2 FY25 EBITDA Margin at 16.0%; QoQ Increased nearly by 320 bps; Effective Cost Management Aided the Profitability

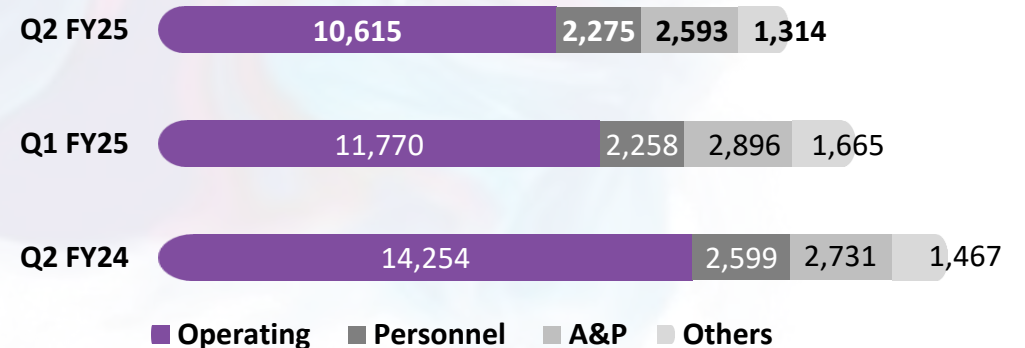


(INR Million)	Q2 FY24	Q1 FY25	Q2 FY25	QoQ	YoY
Operating Revenue	24,378	21,305	20,007	-6%	-18%
Expenditure	-21,051	-18,589	-16,797	-10%	-20%
EBITDA	3,327	2,717	3,210	18%	-4%
EBITDA Margin	13.6%	12.8%	16.0%		
Other Income	718	190	337		
Depreciation	-772	-756	-732		
Finance cost	-234	-55	-83		
Fair value through P&L	0	-11	22		
Exceptional Items/ JV & Associate	-1,197	-285	110		
Profit Before Tax (PBT) from continuing operations	1,842	1,799	2,864	59%	55%
Provision for Tax	543	542	769		
Profit after Tax (PAT) from continuing operations	1,299	1,257	2,095	67%	61%
Profit from discontinuing operations	-69	-76	-1		
Profit for the period/year	1,230	1,181	2,094	77%	70%

Operating Revenue Breakup (Rs Mn)



Cost Breakup (Rs Mn)



Advertising revenues

- Domestic advertising revenue for the quarter declined by 9% YoY, impacted by muted Ad spending environment in Q2.
- While Ad Spending is picking up with onset of festive season, sustained recovery remains the key.

Subscription revenues

- Continued healthy growth driven by both Linear subscription revenue post NTO 3.0 & ZEE5.

Other Sales & Services revenues

- Other sales and services declined YoY as Q2 FY24 had higher theatrical revenue from Gadar 2 and other syndication.

Operating cost

- Decline in operating cost YoY was driven by lower programming and technology cost.
- Strong cost discipline across every element of cost structure.

A&P and Other expenses

- Lower A&P and Other expenses led by decline in marketing from higher base of Q2 FY24 due to Gadar 2.

EBITDA

- EBITDA for the quarter came at Rs 3,210 Mn;
- Q2 FY25 Margin at 16.0%;

International revenue break-up

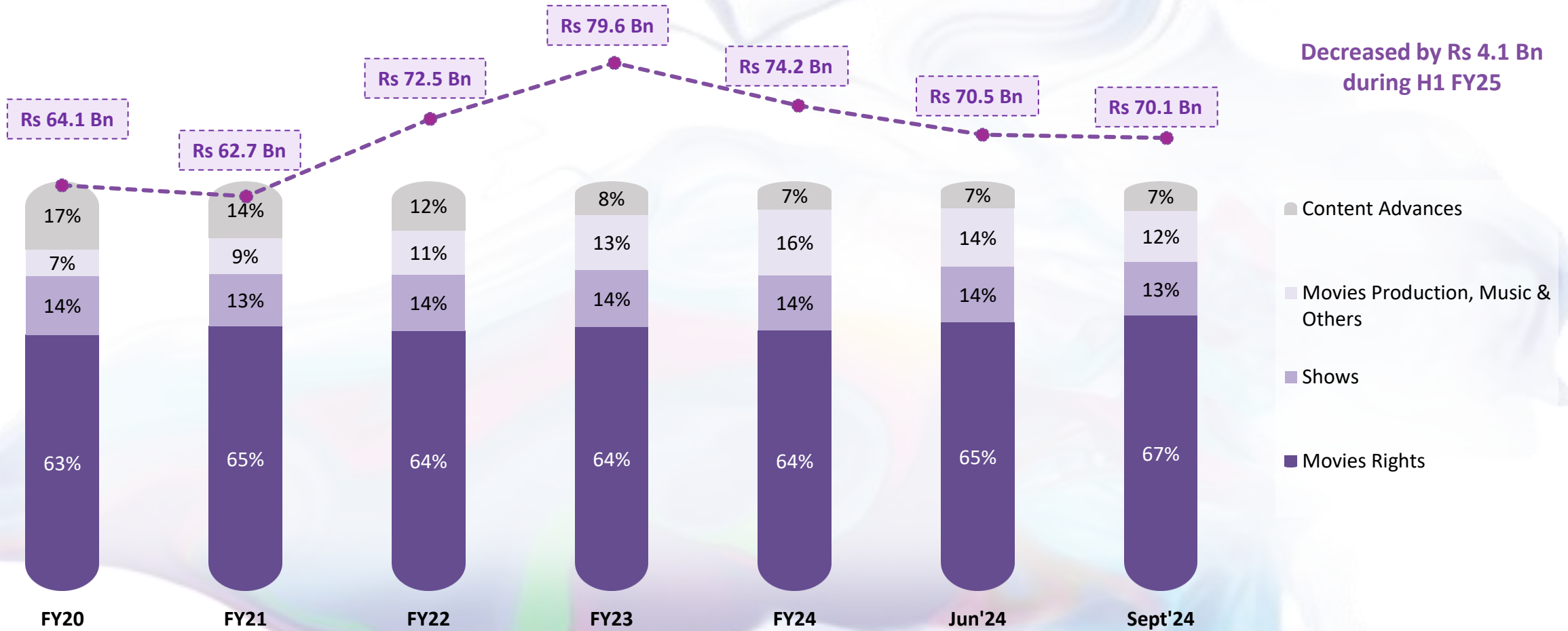
- Q2 FY25 Advertising revenue : Rs 409 Mn, Subscription revenue : Rs 1,044 Mn, Other Sales & Services : Rs 134 Mn

Assets (Rs. Mn)	Mar'24	Sept'24
Non-Current Assets		
Fixed assets	12,137	10,943
Investments	391	381
Other financial assets	603	1,293
Income tax & Deferred tax assets	9,023	9,313
Others Non-Current Assets	65	23
Current Assets		
Inventories	69,129	65,037
Cash and other investments	11,932	17,815
Trade receivables	17,016	16,973
Others financial assets	3,630	4,227
Other current assets	9,725	9,156
Non-current assets – HFS/ disposal	846	38
Total Assets	1,34,497	1,35,199

Liabilities (Rs. Mn)	Mar'24	Sept'24
Equity Capital	1,08,728	1,12,573
Non-Current Liabilities		
Lease Liab/Other borrowings	1,621	2,575
Provisions	1,671	1,576
Current Liabilities		
Lease Liab/Other borrowings	682	726
Trade Payables	14,356	12,403
Other financial liabilities	2,816	1,732
Other current liabilities	4,421	3,191
Provisions	172	181
Income tax liabilities	12	211
Liabilities associated with assets- HFS/ disposal	18	31
Total Equity & Liabilities	1,34,497	1,35,199

*The cash & treasury investments of the company as of Sept'24 stood at Rs 17,815 Mn, including Mutual Fund of Rs 6,022 Mn, Bank FDs of Rs 8,372 Mn and Cash balance of Rs 3,421 Mn. The closing cash balances as on 30th Sept'24 includes proceeds from first tranche of FCCB issued during the quarter amounting to Rs 2,000 Mn.

Content Inventory and Advances Continues to Decline in Q2 FY25 Driven by Optimised Acquisition



Growth Strategy



Refreshing & Sharpening content offerings across linear and digital business

- New Show Launches in Hindi and language markets
- Marketing investments for brand building
- Content experimentation
- Selective new content/ IP Acquisition



Investing in high growth segments

- Digital (ZEE5)
- International Business
- Music
- Language Markets



Monetisation of existing IP & Content

- Monetization avenues for our rich content library while balancing our longer-term strategic objectives through content syndication

**THANK
YOU**

