



# Prime Focus Limited

## Q1 & FY16 Investor Presentation

November 2015





## Safe Harbor

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Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements.

Prime Focus will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



# Agenda

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	- Financials.....	17-19
	- Shareholding pattern.....	20





# Strong Performance on Financial as well as Operational fronts

Delivering profitable growth, with all businesses on accelerated growth path

## Revenue

**Rs. 4,486 mn**



**Rs. 3,570 mn**

Driven by strong growth in Creative & Tech/Tech Enabled Services revenues

## EBITDA Margin

**16.4%**



Benefits of cost consolidation & revenue synergies continue to accrue with integration efforts

## Creative Services: World's largest integrated services powerhouse

- Delivered movies like The Martian, Spectre, Bridge of Spies, Paranormal Activity: The Ghost Dimension & Chronicles of the Ghostly Tribe
- Cross-selling opportunities continue to materialise; VFX + 3D for Batman V Superman and Alice Through the Looking Glass etc.
- PFW's 'DeepGen' Stereo Tech recognised with AIS Lumiere™ Technology Award
- Robust Order book includes projects such as: Inferno, Batman V Superman, Geostorm, The Huntsman, Pan and Star Trek Beyond

## India FMS: Distinct Leadership in fast growing Indian M&E market

- Delivered several marquee projects including Katti Batti, Shaandaar, Singh is Bling, etc
- Robust Order book with high visibility
  - *Dilwale, Bajirao Mastani, Raees, Jagga Jasoos, etc.*

## India FMS: Distinct Leadership in fast growing Indian M&E market

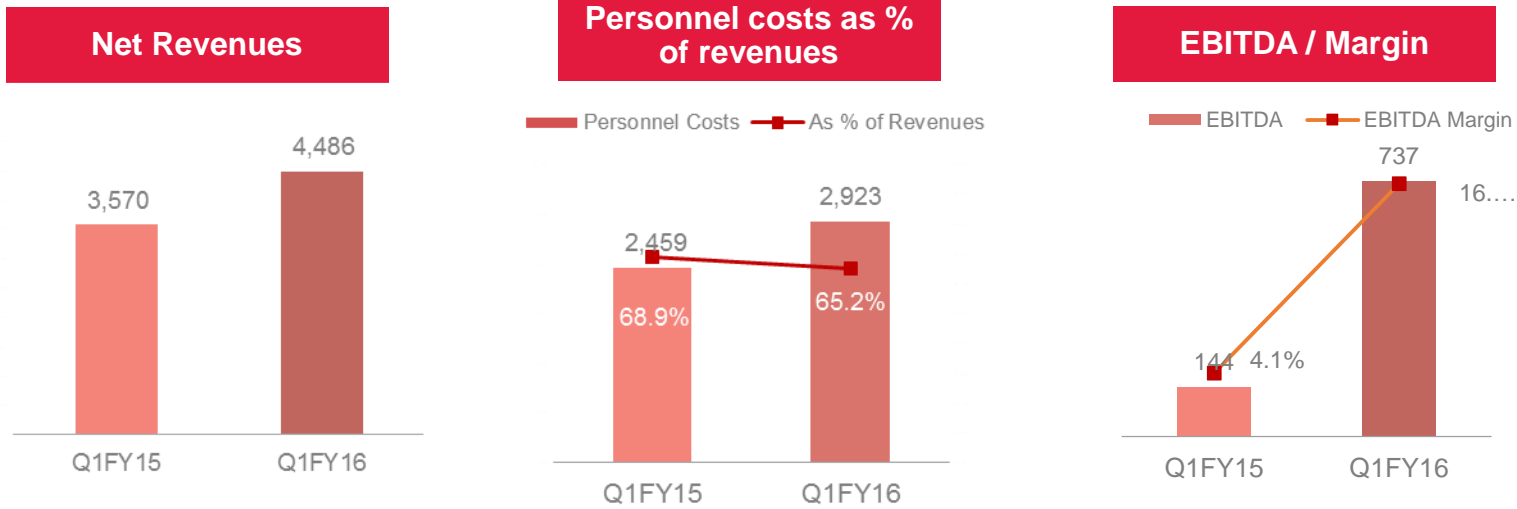
- Won two Platinum Awards as part of the 2015 MarCom Awards competition for 'Digital Next' campaign
- CLEAR™ provided workflow solutions to 11 of the winners at the 2015 Emmy Award
- Signed multiple new customers in India and North America – robust order book and a healthier than ever order pipeline demonstrate continued momentum in the business



# 26% revenue growth in a seasonally slow summer quarter

Robust growth across all segments along with integration efforts facilitates significant margin expansion

Figures in Rs Million; Consolidated financials



- Revenue up 26% YoY in the quarter driven by strong performance in 3D and VFX
  - Vancouver VFX facility now operational with good capacity utilization
- Personnel cost as percentage of revenues reduced from 68.9% to 65.2% YoY as globalization continues
- EBITDA Margin for the quarter increased to 16.4% from marginal performance year ago
- Integration & one time expenses for the quarter at Rs.123mn; majority of Integration expenses behind and these will taper off further going forward
- PBT affected by steep rise in Depreciation & Amortization
  - Depreciation at Rs. 621mn – increase primarily on account of the mergers during the last year

Note: From March-15 Revenues from tax credits in Vancouver, which was earlier netted off against personnel cost is reclassified as Revenue.

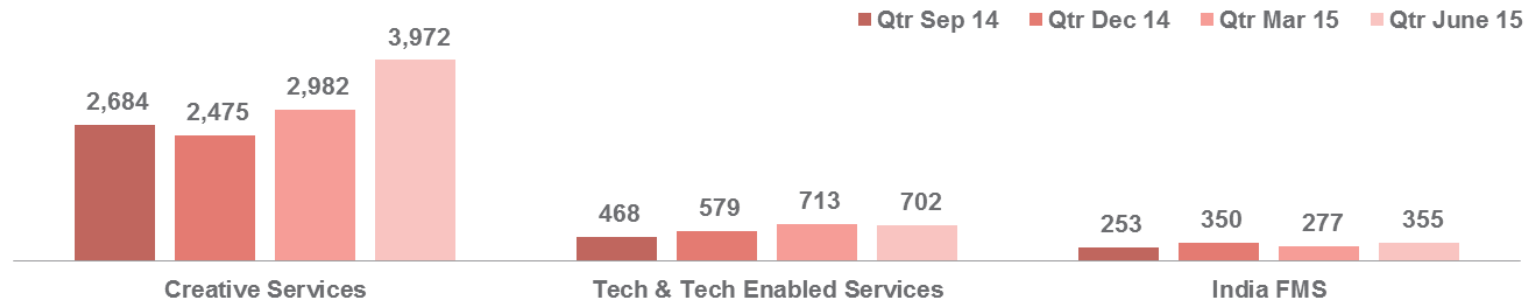


# Q4FY16 Segmental Analysis:

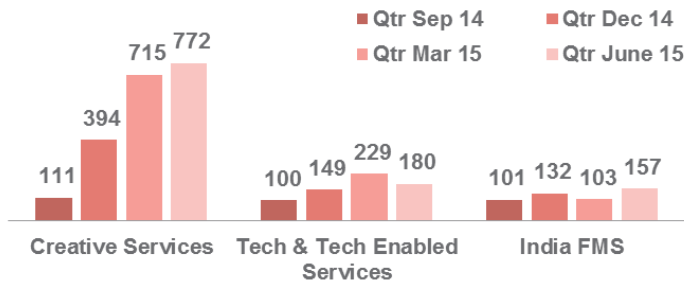
All business on an accelerated growth path

## Segment-wise revenues

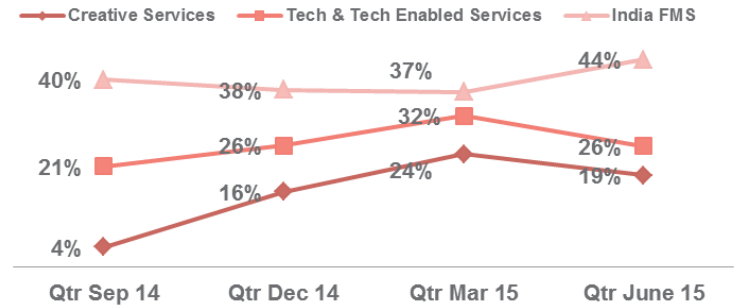
Figures in Rs Million; Consolidated financials



## Segment-wise EBITDA



## Segment-wise EBITDA Margins



Note:

- \*Q1FY16 includes RMW FMS financials, hence YoY financials are not comparable
- Reported EBITDA and Revenues may not tally with Segmental breakup due to intergroup eliminations



# Prime Focus delivers key projects in Q4 including current box office hits

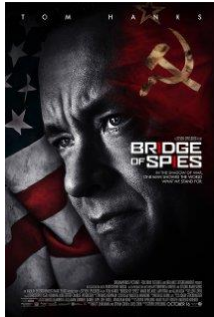
## International



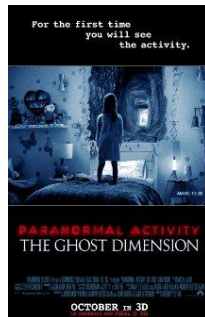
Spectre



The Martian



Bridge of Spies

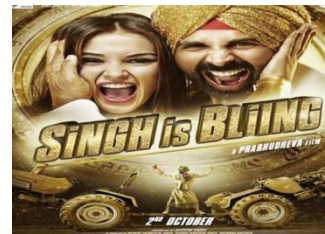


Paranormal Activity:  
The Ghost Dimension



Chronicles of the  
Ghostly Tribe

## Bollywood



## TVCs





# Strong pipeline of ongoing projects in PFW



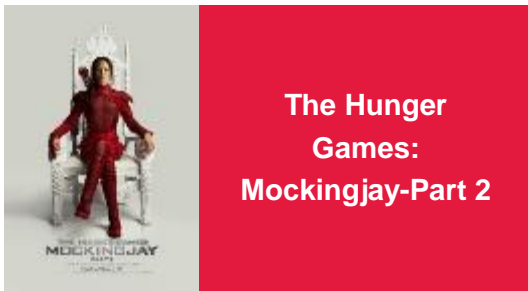
**Batman v Superman**



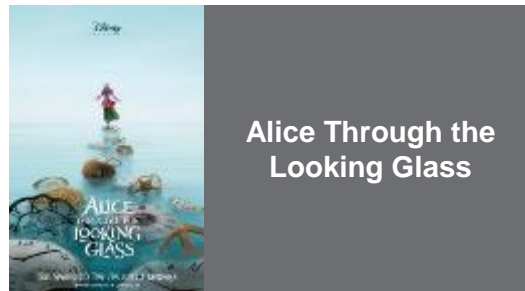
**Inferno**



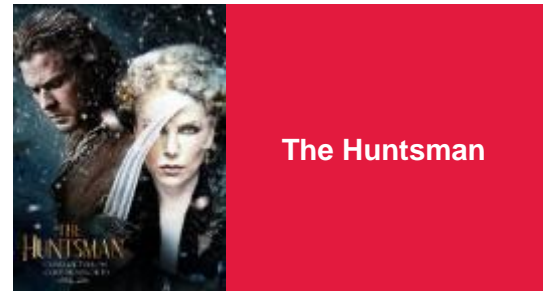
**Geostorm**



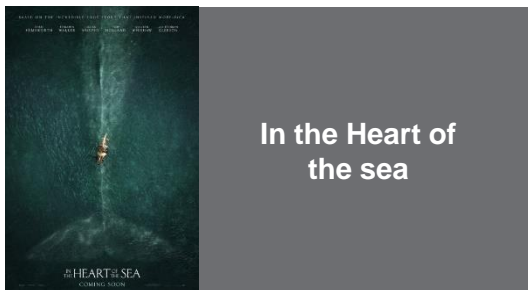
**The Hunger Games:  
Mockingjay-Part 2**



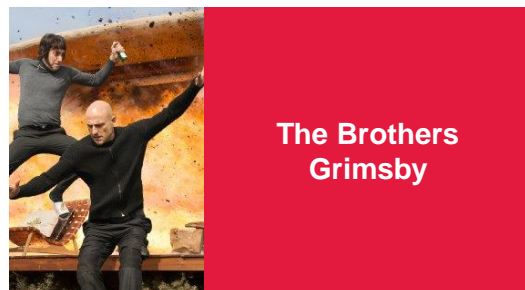
**Alice Through the  
Looking Glass**



**The Huntsman**



**In the Heart of  
the sea**



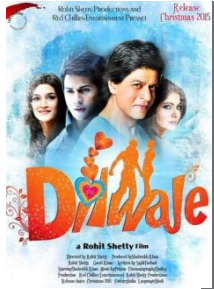
**The Brothers  
Grimsby**







# Strong pipeline of ongoing projects in PFL



Dilwale



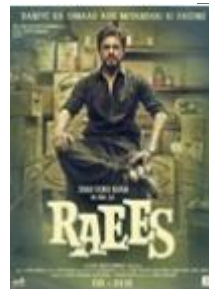
Rocky Handsome



M. S. Dhoni: The Untold Story



Prem Ratan Dhan Payo



Raees



Jagga Jasoos



MohenJo Daro



Tamasha



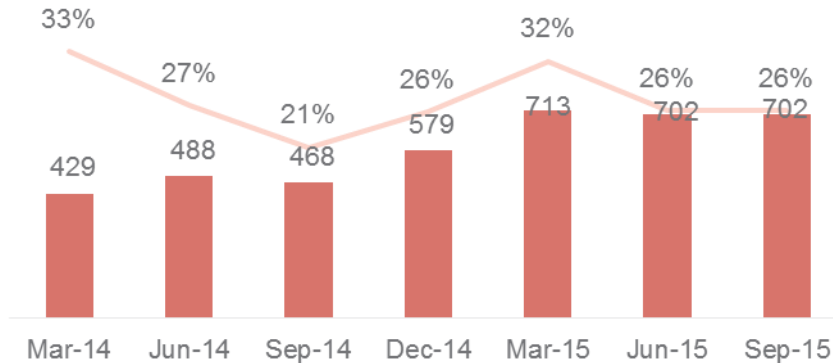
Bajirao Mastani



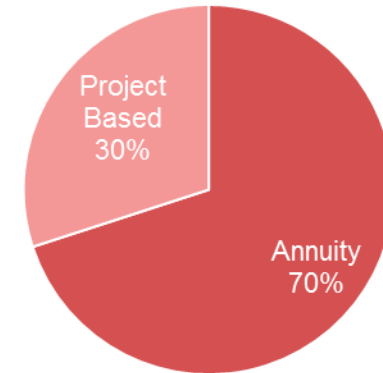


# PFT continues to grow at non-linear growth rate

## Revenue & EBITDA Margin

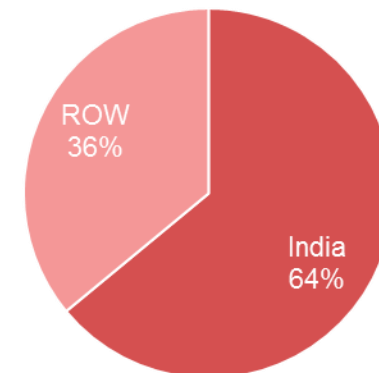


## Revenue by Contract type



- Revenue up 50% YoY
- EBITDA margin continue to be in range of 26-28% in spite of sales & marketing and business development spends
- Won two Platinum Awards as part of the 2015 MarCom Awards competition for a sales collateral, part of 'Digital Next' campaign
- On track in integration and enhancement of DAX functionality to its Production Cloud module
- Multiple new clients added in India and offshore
- Order pipeline at the healthiest level ever

## Revenue by Geography

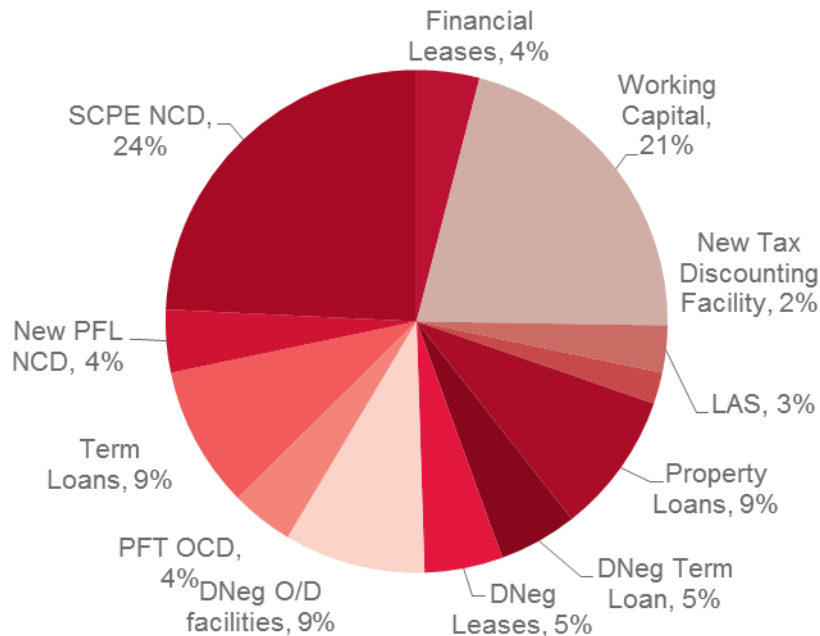




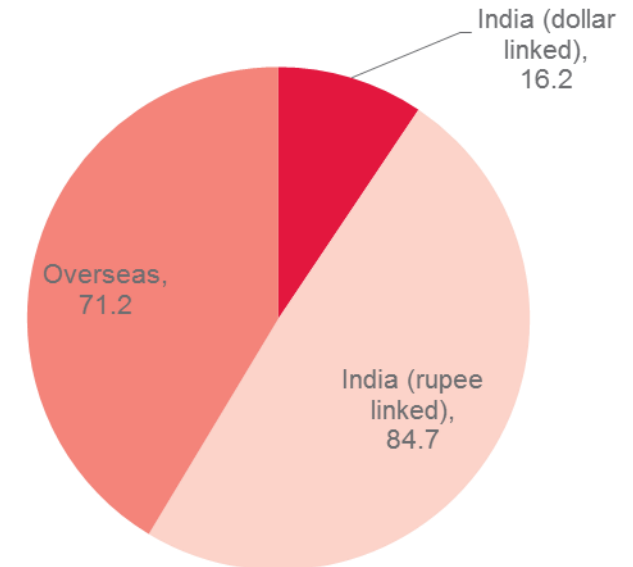
# Debt profile

- Consolidated debt increased to \$172mn (Rs.11,377mn) in Sep-15 from \$163mn (Rs.10,370mn) in Jun-15
  - Cash and Cash Equivalents / Deposits at Rs. 900mn at the end of Sep-15
- Increase in Debt is on account of New Term Loan at DNeg and increase in DNeg O/D facility

## Debt Composition



## Geographical break-up (\$mn)



\$1 = Rs 66.13

Consolidated debt - \$172mn (Rs. 11,377mn)



# Nearing Phase 1 completion; operating performance ahead of plan

## EBITDA Margin at 15%

### Phase 1

- Bundled offering of VFX & 3D conversion services in movies like Avengers: Age of Ultron, Terminator and many more in ongoing projects
- **Cost Consolidation post merger by closing its London and Vancouver VFX operations & pruned operations in India as well as elimination of duplicated overheads**
- **Double Negative Vancouver facility is Operational, Mumbai facility will be fully operational in coming 2 quarters; revenue synergies will further enhance in coming quarters**
- Divestiture of non-core UK post production business to remove the drag on consolidated results
- Increase revenue pipeline of PP services and low-hanging cost synergies

18-24 months

## EBITDA Margin up by 2-4%

### Phase 2

- Leverage strength of WorldSourcing model with enhanced execution from tax advantaged and lower cost centres
- Bundled offering of VFX & 3D conversion services
- Increase profitability of Indian post production and visual effects business with consolidation

24-36 months

## EBITDA Margin up by 4-5%

### Phase 3

- Partner of choice for M&E services across Hollywood, Bollywood & other major markets like China
- Global scalability of PFT's enhanced Cloud based Media ERP platform for content production, broadcast and exhibition segments
- Optimize capacity utilization and maximize delivery from tax advantaged & low-cost facilities

About us





# PFL: World's Largest Integrated Media Services player

## Unique DNA



**'Creative cum tech' combination** helps PFL emerge as only player to provide full bouquet of Creative and Tech & Tech enabled services – new businesses (VFX, 3D & PFT) already contributing over 90% in FY15 revenues

## Present in top M&E Markets



**Increasing presence across all major content markets** with over 80% of revenues from outside India in FY15 – we service our global clientele from 16 cities across the globe

## Higher growth ahead



**Acceleration via M&A catapulting to global dominance** - successful Integration of Double Negative-PFW, PFT-DAX mergers & completion of PFL-RMW Film and Media services merger have rewritten the competitive landscape



# Fuelling success with marquee clients across the globe

## Creative services

Leading Hollywood and Bollywood studios



## Tech & Tech enabled services

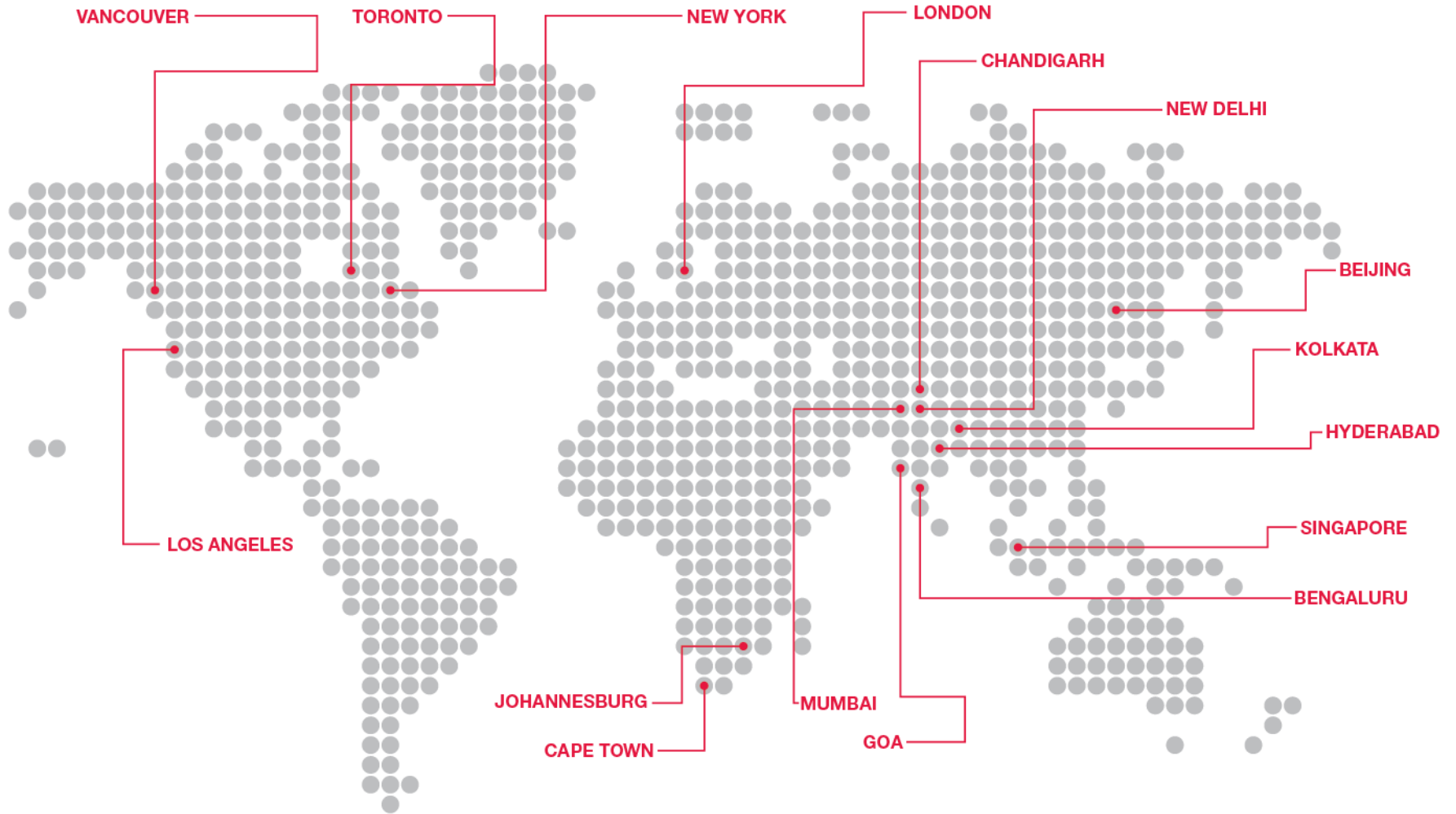
Leading broadcasters, studios, brands, sports and digital businesses







# 'WorldSourcing' model providing unmatched competitive edge



**4 continents | 5 time zones | 16 locations | 24/7 – 365 days**



# Annexure





# Standalone Profit & Loss Statement

Particulars (Rs Million)	Q1 FY16	Q1 FY15	% YoY	Q4 FY15	% QoQ	FY 15
Net sales / income from operations	4,486	3,570	26%	5,182	-13%	16,076
<b>Total Expenditure</b>	<b>3,965</b>	<b>3,458</b>	<b>15%</b>	<b>3,956</b>	<b>0%</b>	<b>13,291</b>
Personnel Cost (including technician fees)	2,923	2,459	19%	2,723	7%	9,541
Other Expenditure	1,042	999	4%	1,233	-16%	3,750
<b>EBITDA</b>	<b>521</b>	<b>112</b>	<b>365%</b>	<b>1,226</b>	<b>-58%</b>	<b>2,785</b>
Foreign exchange gain/(loss)	217	32	568%	-364	NM	-373
<b>EBITDA (including Exch. Gain (net))</b>	<b>737</b>	<b>144</b>	<b>410%</b>	<b>862</b>	<b>-14%</b>	<b>2,412</b>
Depreciation & amortization	621	466	33%	789	-21%	2,211
<b>EBIT</b>	<b>116</b>	<b>-322</b>	<b>NM</b>	<b>73</b>	<b>60%</b>	<b>201</b>
Interest & Finance charges	178	158	12%	254	-30%	727
Other income	0	142	-100%	-69	NM	196
<b>PBT Before Exceptional Items</b>	<b>-61</b>	<b>-338</b>	<b>NM</b>	<b>-250</b>	<b>NM</b>	<b>-331</b>
Exceptional Items- Expenditure/ (Income)	123	343	-64%	1,593	-92%	2,475
PBT	-184	-681	NM	-1,843	NM	-2,806
Tax Expense	41	-357	NM	460	-91%	325
Minority Interest	-55	-105	NM	-166	NM	-209
<b>PAT</b>	<b>-170</b>	<b>-220</b>	<b>NM</b>	<b>-2,138</b>	<b>NM</b>	<b>-2,922</b>

Key Ratios	Q1 FY16	Q1 FY15	Q4 FY15	FY 15
EBITDA Margin	11.6%	3.1%	23.7%	17.3%
EBITDA (including Exch. Gain (net))	16.4%	4.0%	16.6%	15.0%
Net Margin	-3.8%	-6.2%	-41.2%	-18.2%
Total Expenditure/ Revenues	88.4%	96.9%	76.3%	82.7%
Personnel Cost/ Total Operating Income	65.2%	68.9%	52.6%	59.4%
Other Expenditure/ Total Operating Income	23.2%	28.0%	23.8%	23.3%

Note: From March-15 Revenues from tax credits in Vancouver, which was earlier netted off against personnel cost is reclassified as Revenue.



# Consolidated Profit & Loss Statement

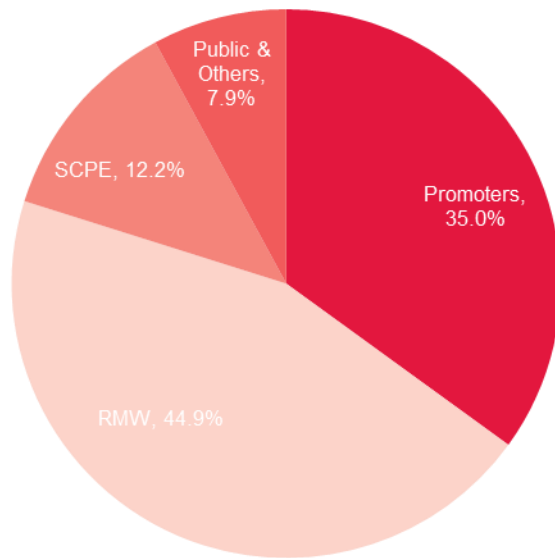
Particulars (Rs Million)	Q1 FY16	Q1 FY15	% YoY	Q4 FY15	% QoQ	FY 15
Net sales / income from operations	388	253	53%	355	9%	1,236
<b>Total Expenditure</b>	<b>252</b>	<b>143</b>	<b>76%</b>	<b>200</b>	<b>26%</b>	<b>754</b>
Personnel Cost (including technician fees)	114	86	32%	115	-1%	384
Other Expenditure	138	56	144%	85	62%	369
<b>EBITDA</b>	<b>136</b>	<b>111</b>	<b>23%</b>	<b>155</b>	<b>-12%</b>	<b>482</b>
Foreign exchange gain/(loss)	47	-10	NM	34	38%	17
<b>EBITDA (including Exch. Gain (net))</b>	<b>183</b>	<b>101</b>	<b>82%</b>	<b>189</b>	<b>-3%</b>	<b>499</b>
Depreciation & amortization	73	54	35%	80	-8%	236
<b>EBIT</b>	<b>110</b>	<b>46</b>	<b>137%</b>	<b>110</b>	<b>0%</b>	<b>264</b>
Interest & Finance charges	59	41	42%	48	23%	247
Other income	24	6	278%	39	-38%	93
<b>PBT Before Exceptional Items</b>	<b>75</b>	<b>11</b>	<b>555%</b>	<b>101</b>	<b>-25%</b>	<b>110</b>
Exceptional Items- Expenditure/ (Income)	0	0	NM	50	NM	157
PBT	75	11	555%	51	48%	-47
Tax Expense	25	-1	NM	182	-86%	234
Minority Interest	0	0	NM	0	NM	-
<b>PAT</b>	<b>50</b>	<b>12</b>	<b>314%</b>	<b>-131</b>	<b>NM</b>	<b>-281</b>

Key Ratios	Q1 FY16	Q1 FY15	Q4 FY15	FY 15
EBITDA Margin	35.1%	43.7%	43.7%	39.0%
EBITDA (including Exch. Gain (net))	47.2%	39.8%	53.2%	40.4%
Net Margin	12.8%	4.7%	-36.9%	-22.7%
Total Expenditure/ Revenues	64.9%	56.3%	56.3%	61.0%
Personnel Cost/ Total Operating Income	29.4%	34.0%	32.5%	31.1%
Other Expenditure/ Total Operating Income	35.5%	22.3%	23.9%	29.9%

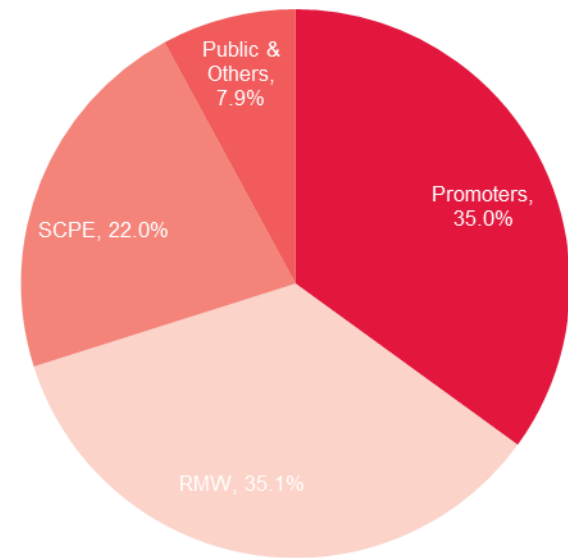


# PFL Shareholding Pattern

**As on 30<sup>th</sup> June 2015**  
**Outstanding shares – 299mn**



**As on 30<sup>th</sup> Sept 2015**  
**Outstanding shares – 299mn**





## About Prime Focus Limited

Prime Focus Limited (PFL), the world's largest integrated media services powerhouse employs over 5,500 professionals in 16 cities across 4 continents and 7 time zones. We provide end-to-end creative services (visual effects, stereo 3D conversion, animation), technology products & services (Media ERP Suite and Cloud-enabled media services), production services (shooting floors, sound stages, equipment rental) and post production services (Digital Intermediate, digital lab, sound, picture post) to Studios, Broadcast and Advertising industries.

Prime Focus is behind path breaking technologies like CLEAR™ (Hybrid Cloud technology enabled Media ERP Suite), Primetime Emmy® award-winning DAX Digital Dailies® and View-D™ (stereoscopic 2D to 3D conversion). Leveraging our Global Digital Pipeline and pioneering delivery model WorldSourcing® we partner content creators at every stage of the process ensuring creative enablement, work flow efficiencies and cost optimization.

In mid 2014 Prime Focus Technologies acquired DAX, a leading provider of cloud-based production workflow and media asset management applications; Prime Focus World merged with Double Negative, one of the world's foremost providers of visual effects; and Reliance MediaWorks merged their global film and media services business with Prime Focus Limited.

Listed on the BSE and NSE of India, Prime Focus has operations in Bangalore, Beijing, Cape Town, Chandigarh, Delhi, Goa, Hyderabad, Johannesburg, Kolkata, London, Los Angeles, Mumbai, New York, Singapore, Toronto and Vancouver.

For more details  
[www.primefocus.com](http://www.primefocus.com)  
[www.primefocusworld.com](http://www.primefocusworld.com)  
[www.primefocustechnologies.com](http://www.primefocustechnologies.com)  
[www.primefocusindia.com](http://www.primefocusindia.com)

