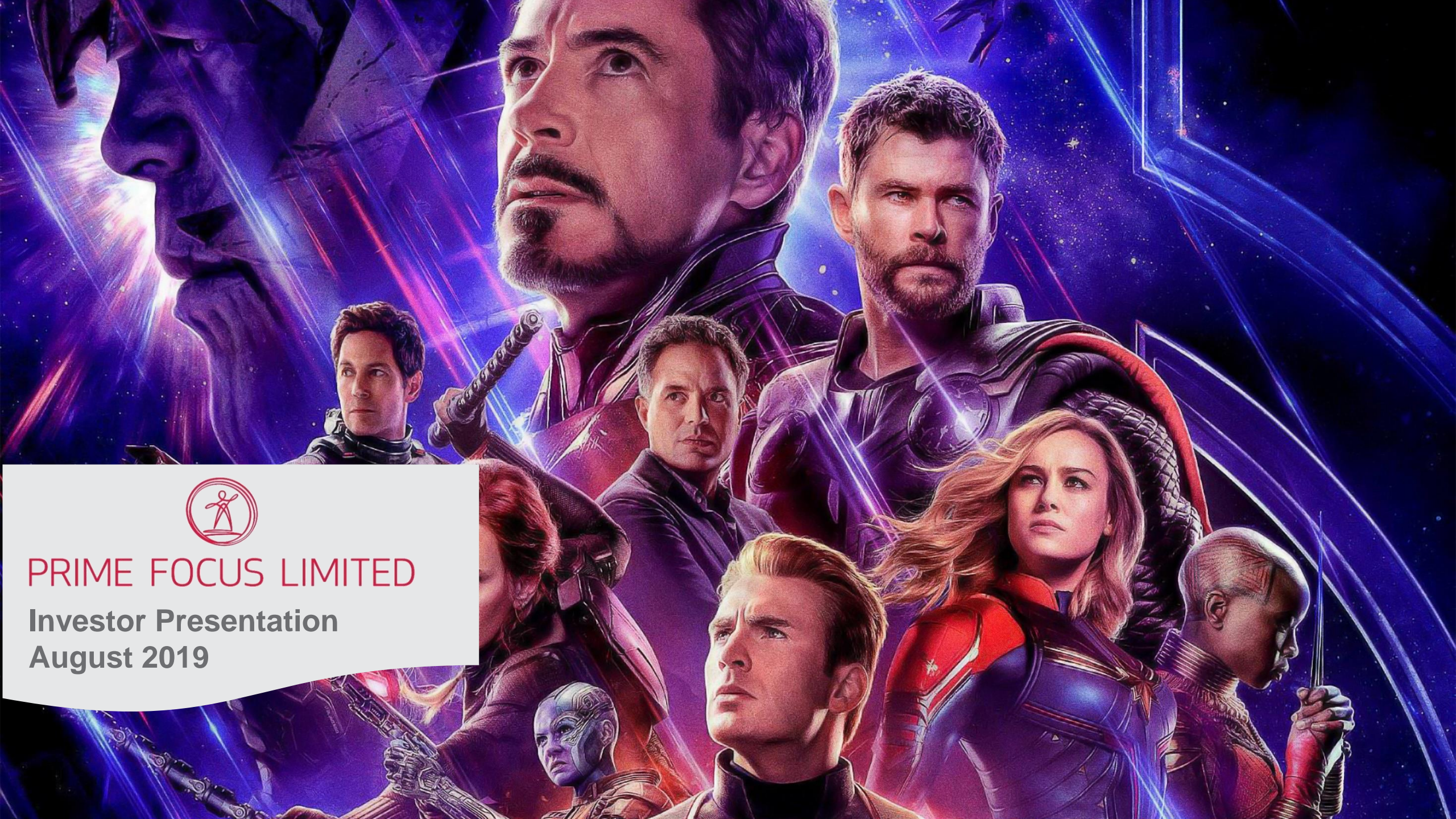




PRIME FOCUS LIMITED

Investor Presentation
August 2019



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.

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The background is a vibrant red color with a subtle grid pattern. A white banner with a wavy bottom edge is positioned on the left side of the slide. The text is centered within this banner.

Q1 FY20 Performance

Q1FY20 highlights: Steady growth in revenues with steady EBITDA margins



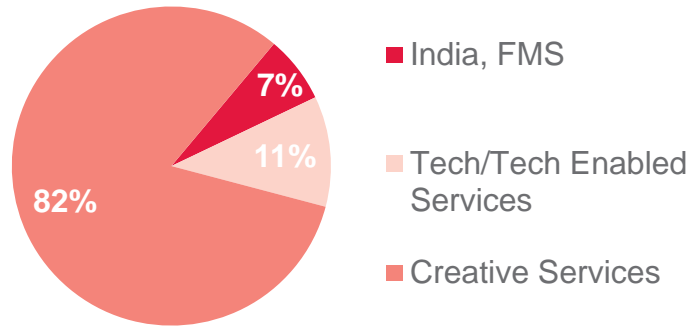
Consolidated
Income

Rs. 679 Cr



**6%
YoY**

**Divisional
Revenue
share**



Adjusted
EBITDA¹

Rs. 113 Cr

Adjusted EBITDA
Margin

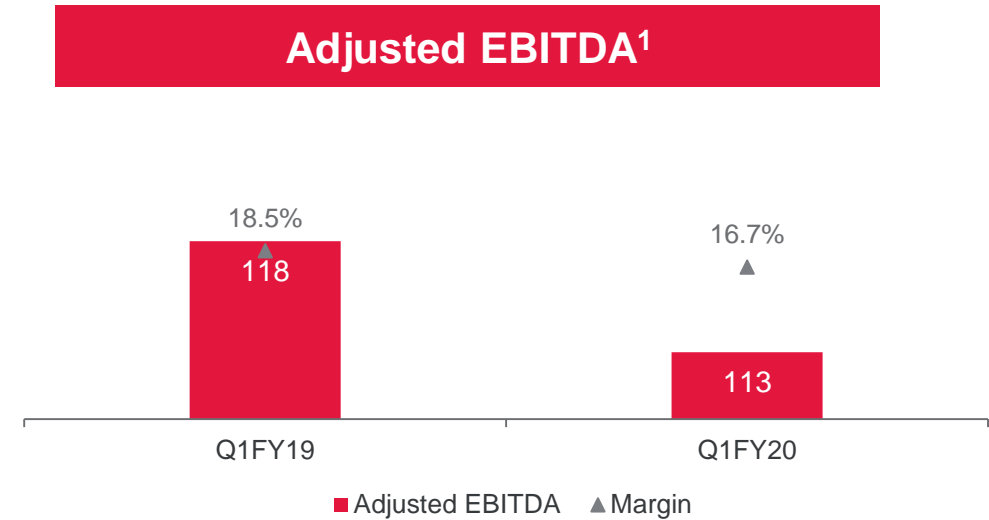
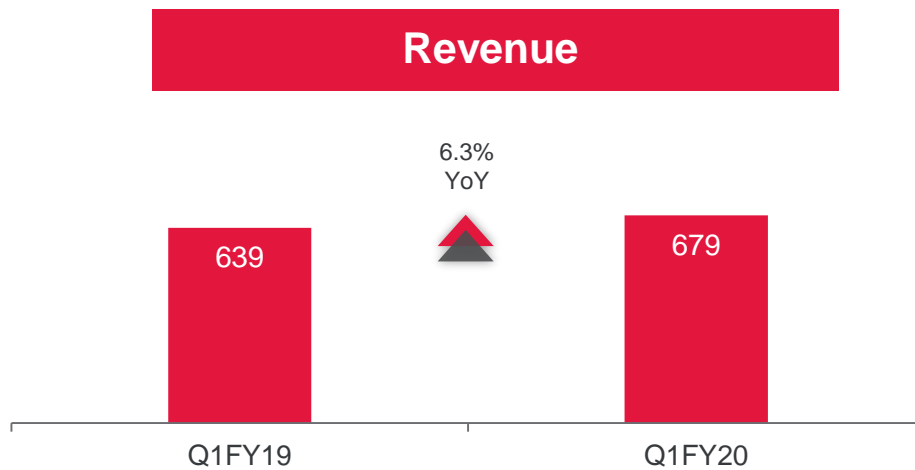
16.7%

**DNEG named
'Media Company of the Year'**
at Evening Standard Business Awards 2019

Worked on the biggest blockbusters
for the quarter as well top web series



Q1FY20 – Robust performance led by Creative Services



Figures in Rs Crore; Consolidated financials

- Consolidated revenues grew 6.3% YoY to reach Rs 679 Cr driven largely by Creative Services business
- Adjusted EBITDA stood at Rs 113 Cr with margins at 16.7%
 - EBITDA higher by Rs.22cr due to adoption of Ind AS 116 standards – not comparable YoY
 - EBITDA includes certain provisions taken on prudent accounting basis towards receivables on projects related to prior periods Rs.32cr
 - Non Cash ESOP charges stood at Rs 3 Cr for the quarter
- Interest and Finance charges stable for the quarter; stood at Rs. 59 Cr and includes:
 - INR 8 Cr. Towards 'Operating Lease' cost as per Ind AS 116
- Depreciation charges stable; stood at Rs 96 Cr - includes an impact of Rs. 16 Cr due to adoption of Ind AS 116 in the quarter

IndAS 116 Impact – as on 1st April

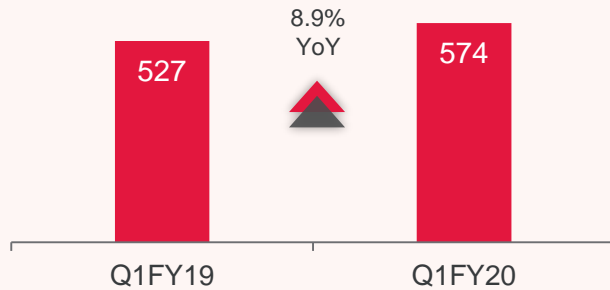


P&L Impact	DNEG	PFT	PFL	Consol
Reduction in Rent Expenses	(17)	(3)	(2)	(22)
Increase in Depreciation	13	2	2	16
Increase in Finance Cost	7	2	1	9
Additional Cost in P&L	2	0.4	0.7	3

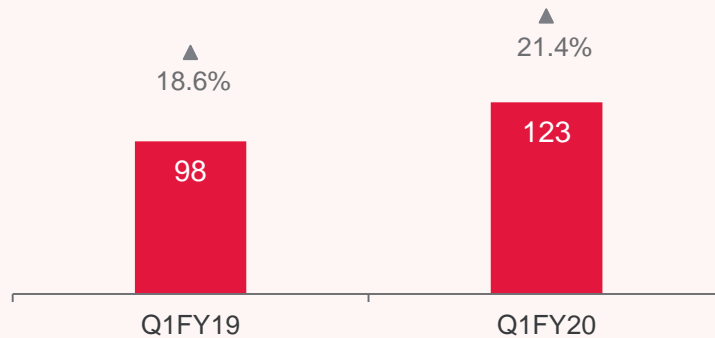
INR CR

Balance Sheet Impact	DNEG	PFT	PFL	Consol
Operating Lease Capitalization	501	37	32	570
Re-class from P&M	145	2	2	149
Depreciation	(12)	(2)	(2)	(16)
Additional Liability	634	37	33	703
Rights to Use Asset	634	37	33	703

Revenues¹



Adjusted EBITDA¹



Robust growth in revenues with strong execution

- Strong execution of VFX projects and continued broad basing in revenues with higher share coming from OTT / TV & Feature Animation – broadening base of revenues from new age Content studios & new geographies
- Delivered Hollywood blockbusters like *Avengers: End Game*, *Rim of the World*, *Godzilla* and *Men in Black: International*
- Strong releases scheduled for coming quarters like *Hobbs & Shaw*, *The New Mutants*, *The Eight Hundred* etc.
- Some of the latest TV work includes *Doctor Who*, *Black Mirror*, and the latest big budget mini-series, *Chernobyl*
- Order book & pipeline continues to be robust with higher visibility



Adj. EBITDA margins above 20%+ levels

- Reported Adj EBITDA impacted by provision for prior period receivable and migration to Ind AS 116 accounting standards

Upcoming Movie Projects



The Eight Hundred



Hobbs & Shaw



The New Mutants



Fast and Furious: 9

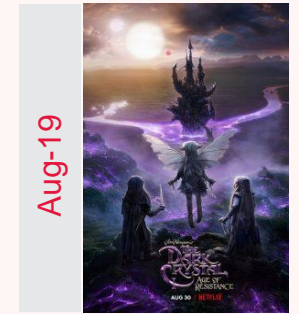
Upcoming TV Projects



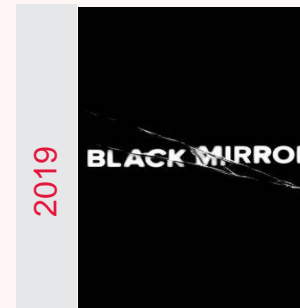
The New Pope



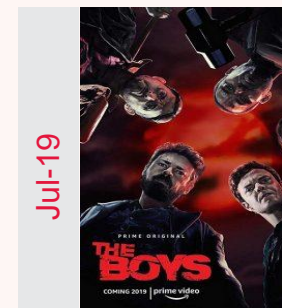
Y



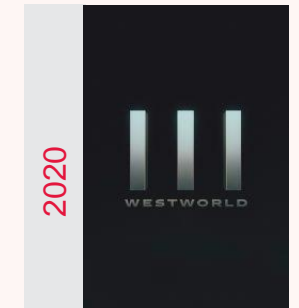
The Dark Crystal:
Age of Resistance



Black Mirror S 5



The Boys

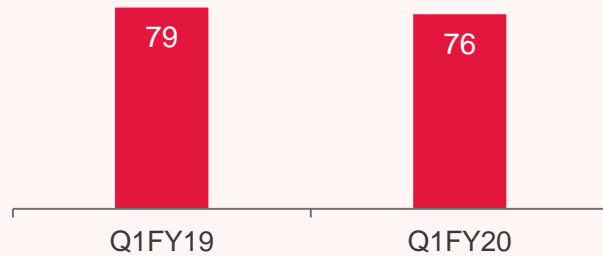


Westworld –
Season 3

Tech/Tech Enabled Services reports stable revenues for the quarter

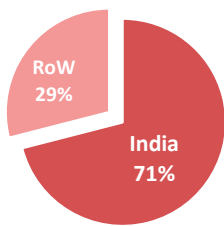


Revenues

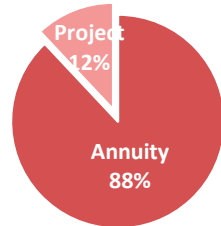


Figures in Rs Crore

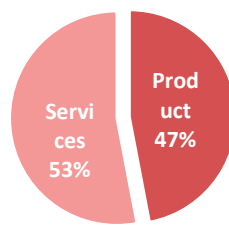
Quality of Revenue – Q1 FY 20



By Geography



By Contract type



By Product Mix

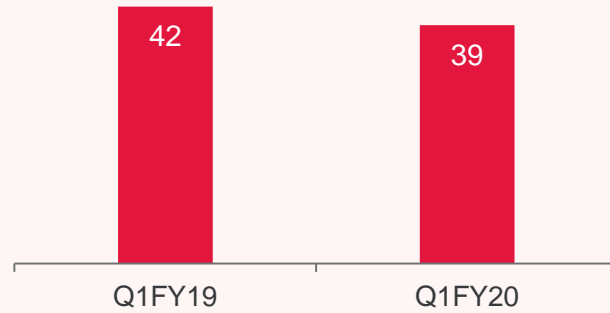
Revenue growth impacted due to:

- Strong headwinds in FY19. Some promise and signs of recovery
- New hires across Leadership, re-jig in team and re-engineered business plan to re-energize the business
- EBITDA impacted by one time Bad debt provision taken during the quarter and adoption of Ind AS 116 accounting standard

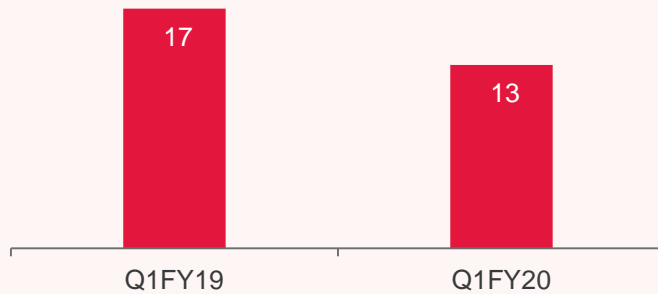
Highlights:

- Won the Creative Abby Bronze award at the recently-concluded Goafest 2019 for its digital film for Brooke Bond Red Label
- Launched the latest updated version of CLEAR's DAX® Production Cloud at the Media Production Show 2019. The software will further empower Media & Entertainment (M&E) enterprises with secure workflows for collaborating and sharing content across the Production supply chain.

Revenues



Adjusted EBITDA¹



Figures in Rs Crore

Highlights:

- Delivered revenue of Rs 39 Cr with Adj, EBITDA margins of 28.7%
- Worked on the Bollywood blockbusters Kabir Singh among other projects like web series for Amazon – Leila.
- Strong Movie Releases scheduled for coming quarters: Mission Mangal, Good News, The Sky is Pink, Street Dancer, Jawani Janeman, Dabang 3 among others
- EBITDA impacted by one time Bad debt provision taken during the quarter and adoption of Ind AS 116 accounting standard



**Rs 275+
Cr**

Source: Koimoi.com; Domestic collection as on 21st May, 2019

Upcoming Movie Projects



Mission Mangal



Good news



Dabang 3



The Sky is Pink



Street Dancer



Jawani Janeman

Recent TV Commercials

Spotify



https://www.youtube.com/watch?v=g_jFPgXIWAo

Myntra



<https://www.youtube.com/watch?v=a1CVdRptU2k>

Amazon



<https://www.youtube.com/watch?v=FZKoT1tXSc>

Swiggy

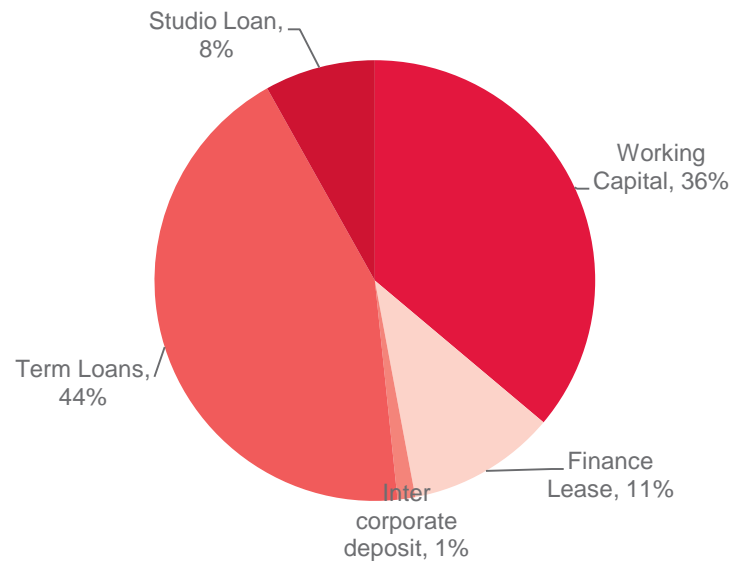


<https://www.youtube.com/watch?v=HZ2d4r69YRU>

- Consolidated Net Debt stood at Rs. 2,403 Cr as on 30th June, 2019
 - Additional liability of Rs. 681 Cr as Operating Lease created due to adoption of Ind AS 116

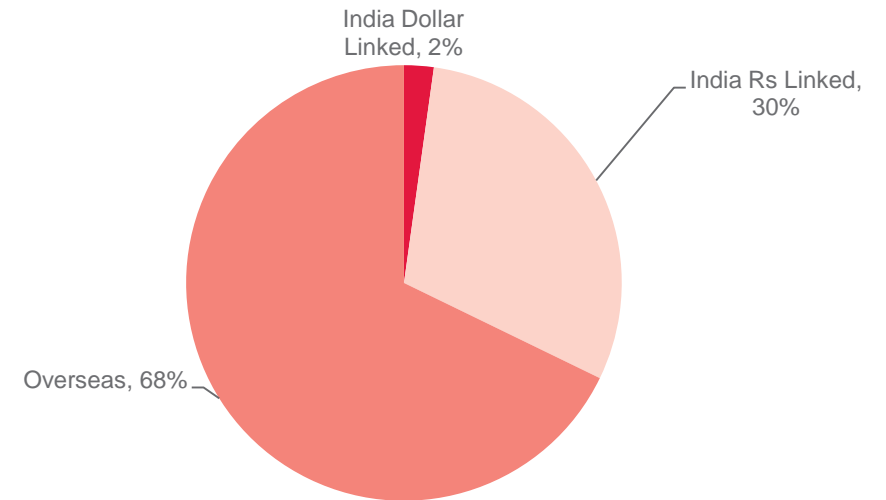
- The Company and its subsidiaries continue to consider options to raise funding through equity (including through private placement and public offering) and debt, and unlock value across the Group with a view to enhancing growth, shareholder value and the efficiency of the business

Debt Composition



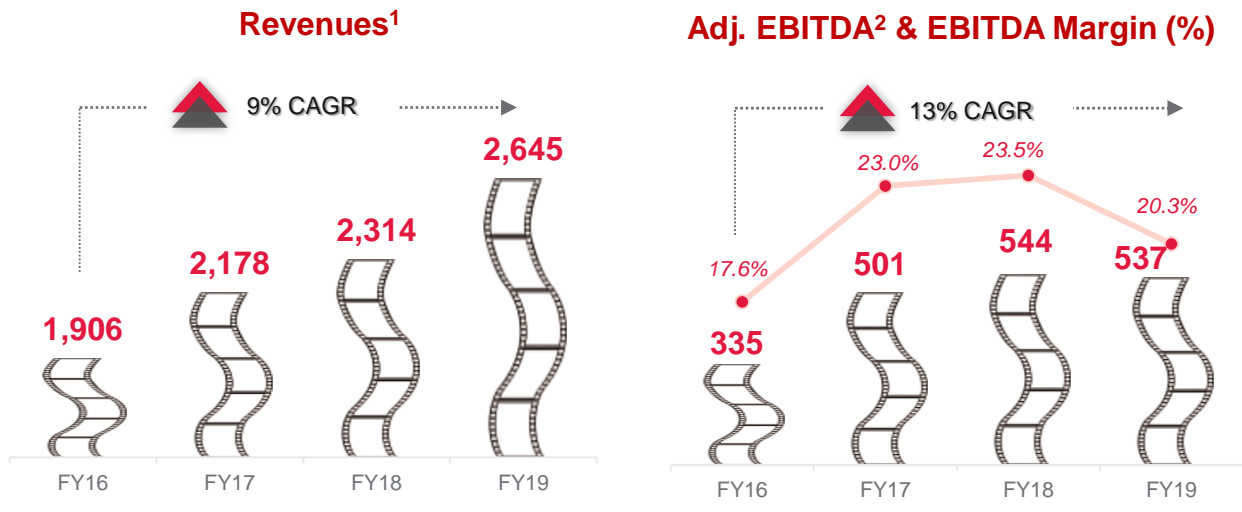
\$1= 69.8

Geographical Breakup



Note: Equity Instruments of Horizon Coast, Macquarie and Ambit PE is not included

About Prime Focus



Figures in Rs Crore; Consolidated Financials

\$500 mn+

Order Book

9,000+

People

18

Cities



4th Oscar in 5 years for work on *First Man*

2 VES for *First Man* & *Altered Carbon*

1 AIS for work on *Mission Impossible: Fallout*



Working with top broadcasters, studios and OTT players

Delivered top Hollywood & Bollywood grossers in FY19



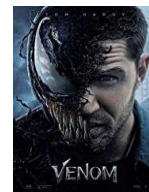
\$2.04 bn



\$1.14 bn



\$0.90 bn



\$0.85 bn



\$0.79 bn



\$0.78 bn



Rs 1.88 bn



Rs 1.65 bn



Rs 1.69 bn



Rs 1.45 bn

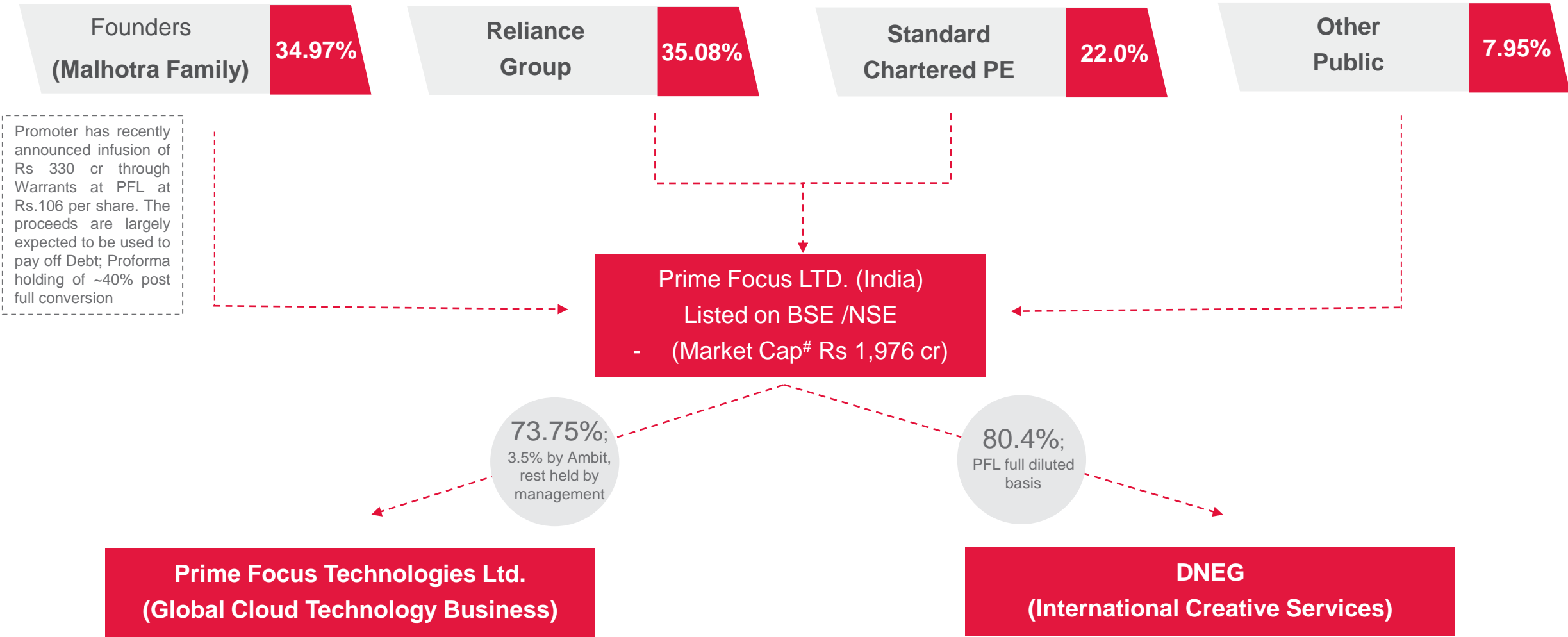


Rs 1.23 bn

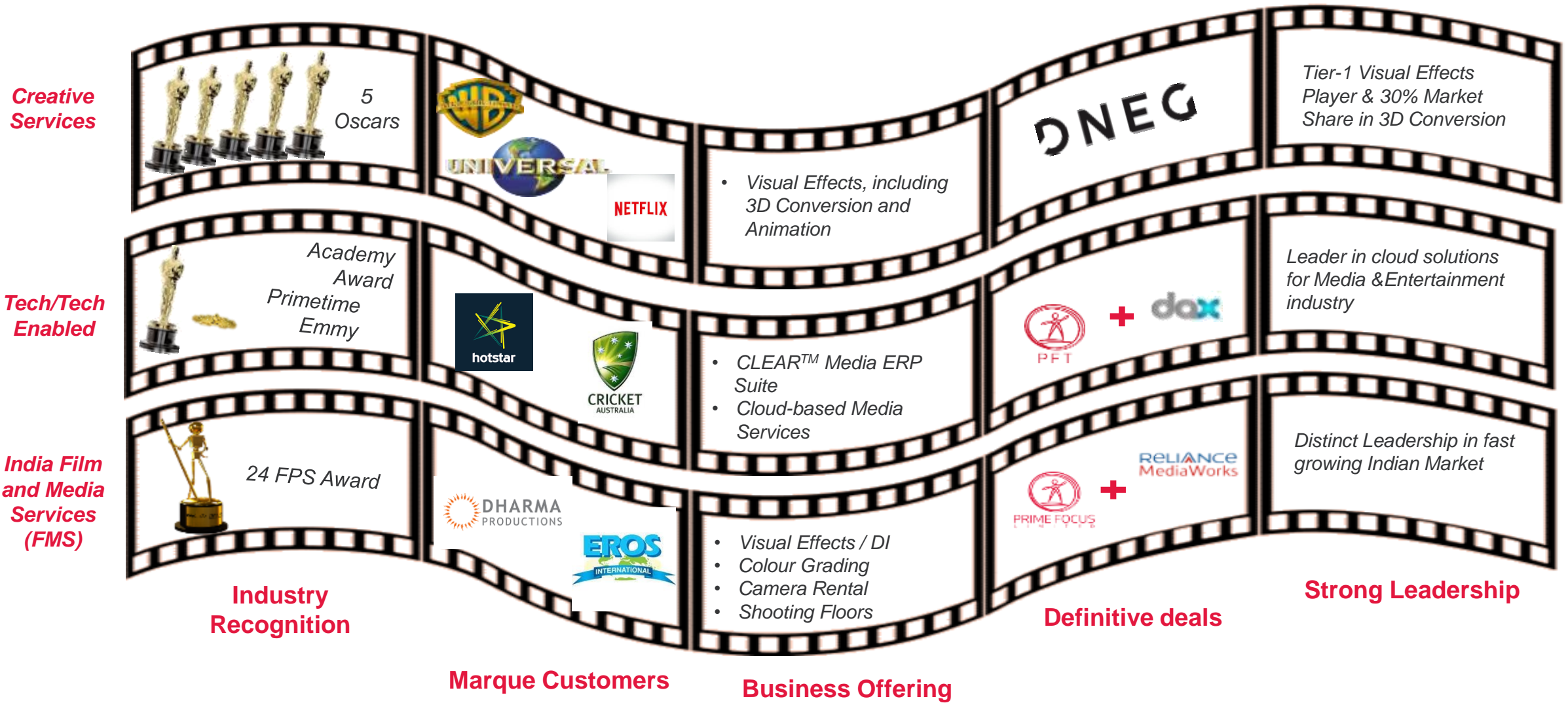


Rs 1.29 bn

Corporate Structure



Strong Leadership in all 3 verticals



Creative Services: World's No. 1 independent Tier 1 player



Strong Leadership

Tier-1 Visual Effects Player

House of choice for visually enhanced services

Top Grossers



\$2.04 bn



\$1.52 bn



\$1.34 bn



\$1.15 bn



\$1,236 mn



\$1,236 mn

Deeper engagement with leading studios



Proven Expertise



5 Oscar wins for Inception, Interstellar, Ex Machina, Blade Runner 2049 & First Man

Unprecedented scale

US\$310 mn (FY19), Revenues

6,000+ personnel across 9 facilities

82% contribution in FY19 revenues

Robust Order Book

Poised for Profitable growth

- Increasing cross-sell via Bundled offering (VFX / 3D conversion / Animation services)
- Robust model – reduced seasonality, lower dependence on individual projects
- Margin expansion via scale economics and delivery from global locations

Technology Services: Pioneer & leader in cloud solutions for M&E industry



Owns & operates World's **only hybrid cloud enabled Media ERP platform** – CLEAR™

Continue to have a robust order book to be executed over next 3-5 years

Revenue **at Rs. 3.0 bn**, 11% share

Strong revenue model with **81% Annuity** contribution & **31% from International** markets

Unique & Comprehensive PRODUCT + SERVICES approach

Products

Cloud Media ERP

Cloud MaM
Broadcast cloud
Production cloud
Distribution cloud

Operations Cloud

Playout cloud
Playout monitoring

Digital & OTT platforms

Services

Data Services

Metadata
Analytics

Content Localization

Content Transformation

Digitization & QC
Content Preparation
Editorial and Packaging

Marquee Clients

Broadcasters



Studios



Content Creation

Content Transformation

Content Distribution

Content Exhibition

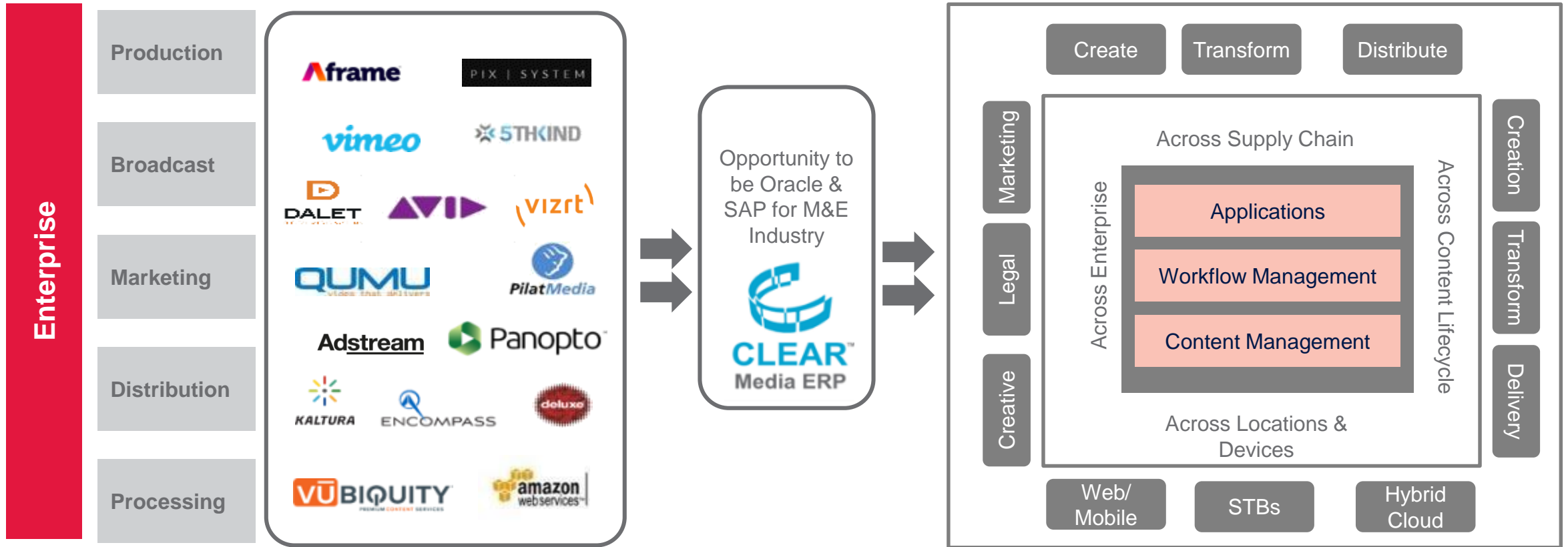
Brands



Service Providers



CLEAR™ Media ERP – One Software for the entire M&E Enterprise

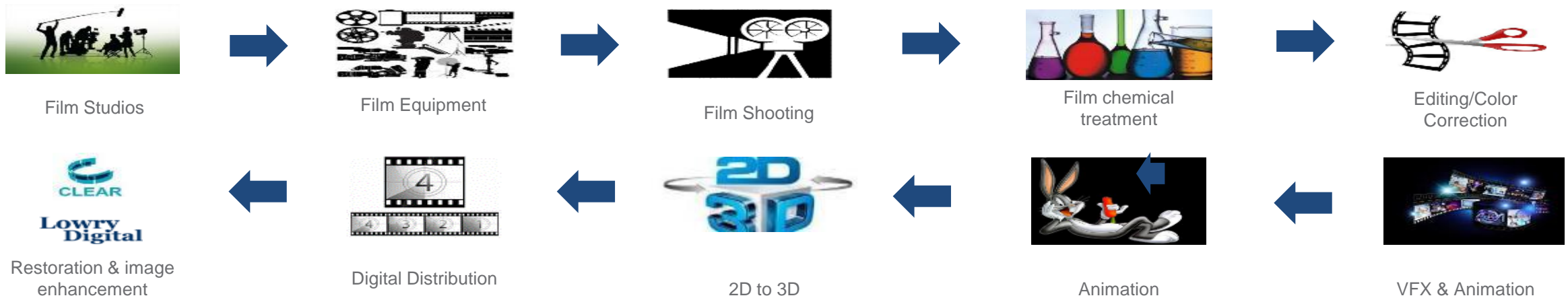


- The Enterprise Application Domain has been consolidated with few Mega-suite Providers
- The same evolution is panning out in Media and Entertainment Enterprises
- CLEAR™ is the most established Hybrid Cloud Media ERP across the globe

India FMS: Dominating on home turf



Offering complete media services across the spectrum. .



Leading player in fast growing Indian M&E market

Owns India's largest integrated studio with ~25% capacity of Mumbai studio market

High Margin in range of 30-40% Margin in price competitive Bollywood market, testimony to PFL's Quality work

Excellent relationships with Indian studios & broadcasters. .



'WorldSourcing' model = unmatched competitive edge



Global network providing highest quality, fastest time to market & most efficient pricing

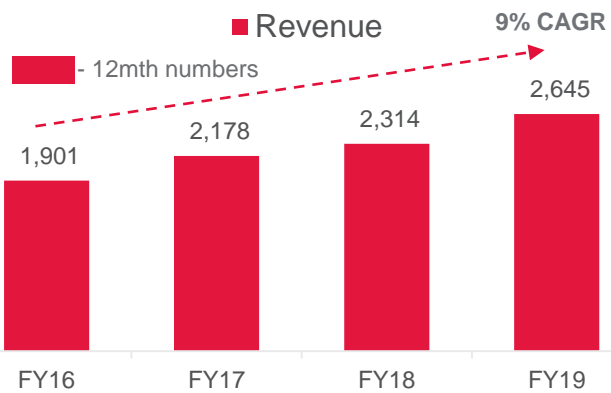


5 continents | 7 time zones | 18 locations | 24/7 – 365 days

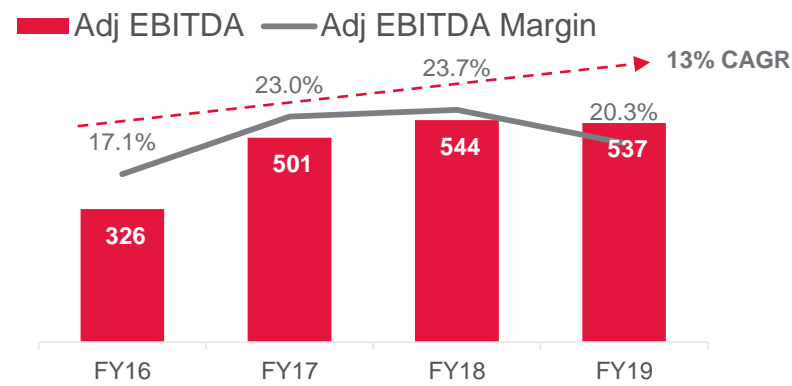
Robust financial performance ...



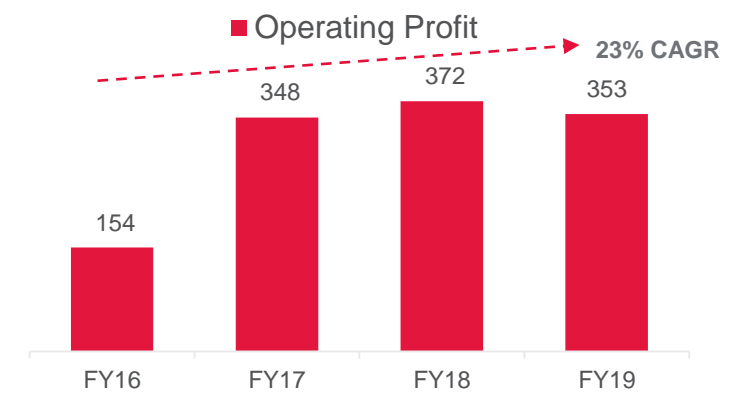
Strong Revenue Growth



Strong Growth in Adj. EBITDA Margins



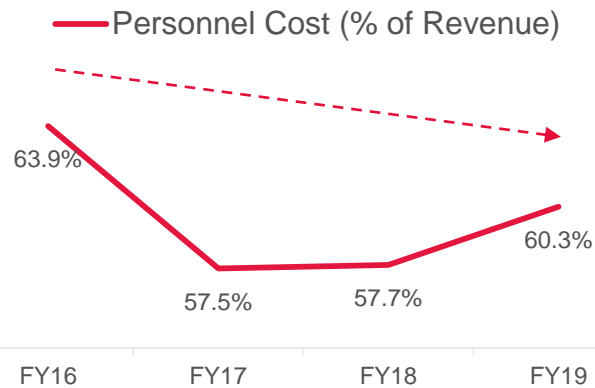
Operating profit



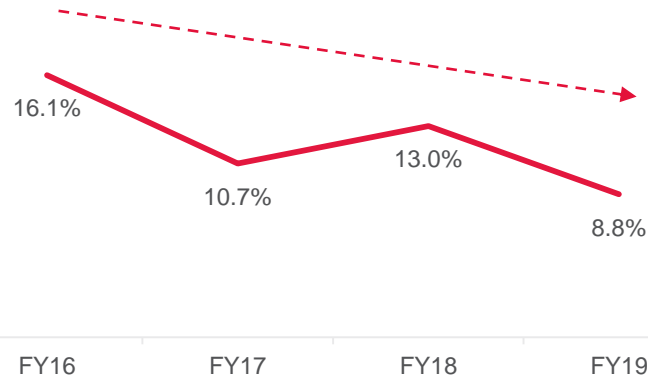
All absolute figures in Rs. crores;

Cash Profit = PAT+ Depreciation + ESOP+ Non Cash items

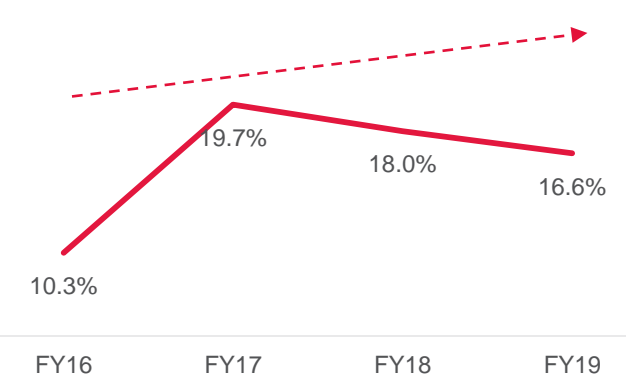
Personnel cost (% of Revenue)



Capex (% of Revenue)



Cash ROCE



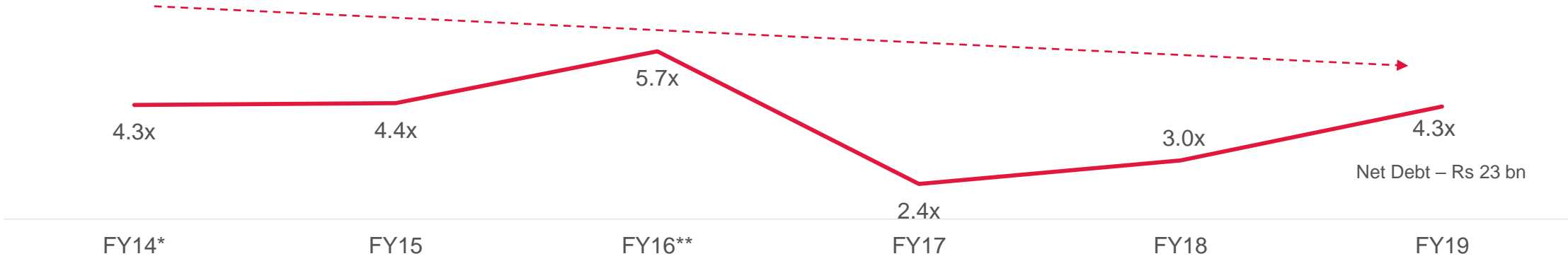
Personnel Cost = Employee expense + Technician fees

Cash ROCE = EBITDA / (Total Capital Employed)

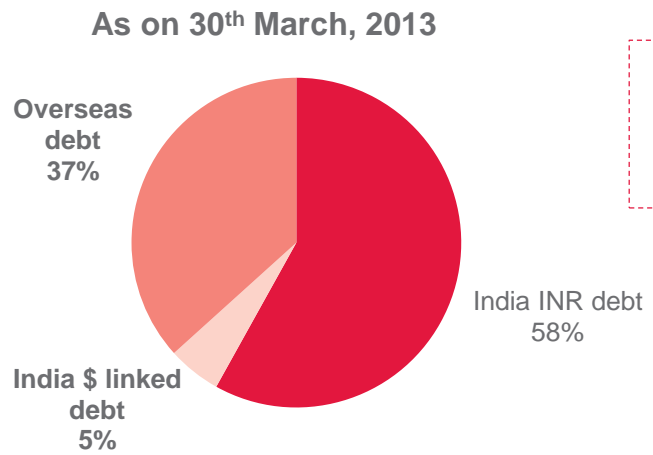
.. and continued focus on leverage



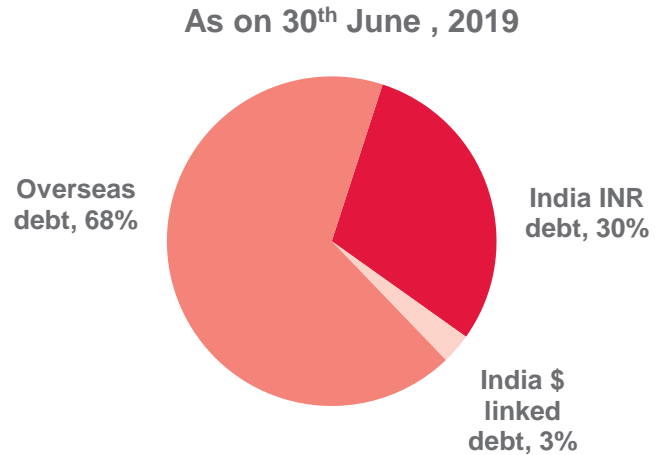
Reported Net Debt / EBITDA



Interest cost <10% on the back of higher share of foreign currency loans



Proportion of \$ linked debt has increased from 42% in FY13 to 70% in FY19



Significant “dollarization” of Debt - reduction in interest costs

Annexure

Consolidated Profit & Loss Statement



Particulars (Rs Crores)	Q1FY20 (ex Ind AS 116)	Q1FY20	Q1FY19	% YoY Variance	Q4FY19	% QoQ Variance
Net sales / income from operations	677	677	624	8%	690	-2%
Other Income	2	2	14	-84%	21	-89%
Total Income	679	679	638	6%	710	-4%
Total Expenditure	588	566	521	13%	529	11%
Personnel Cost (including technician fees)	425	425	397	7%	400	6%
Other Expenditure	163	140	123	32%	128	27%
Income from writeback	-	-	-	NM	-	NM
Adj. EBITDA*	91	113	118	-23%	182	-50%
One Time Expenses	-	-	-	NM	19	NM
EBITDA (including Exch. Gain (net))	91	113	118	-23%	162	-44%
Depreciation & amortization	79	96	72	10%	84	-5%
ESOP Charges	3	3	5	-47%	4	-36%
EBIT	9	15	41	-79%	74	-88%
Interest & Finance charges	50	59	49	2%	49	1%
PBT Before Exceptional Items	-41	-44	-8	NM	25	NM
Exceptional Items- Expenditure/ (Income)	-	-	-	NM	-	NM
PBT	-41	-44	-8	NM	25	NM
Tax Expense	-3	-3	1	NM	5	NM
PAT before Minority	-38	-41	-9	NM	20	NM
Minority Interest	-9	-9	-2	NM	-1	NM
PAT	-29	-32	-6	NM	22	NM

Key Ratios	Q1FY20 (ex Ind AS 116)	Q1FY20	Q1FY19	Q4FY19
Adjusted EBITDA Margin	13%	17%	19%	26%
Total Expenditure/ Revenues	87%	84%	83%	77%
Personnel Cost/ Total Operating Income	63%	63%	64%	58%
Other Expenditure/ Total Operating Income	24%	21%	20%	19%

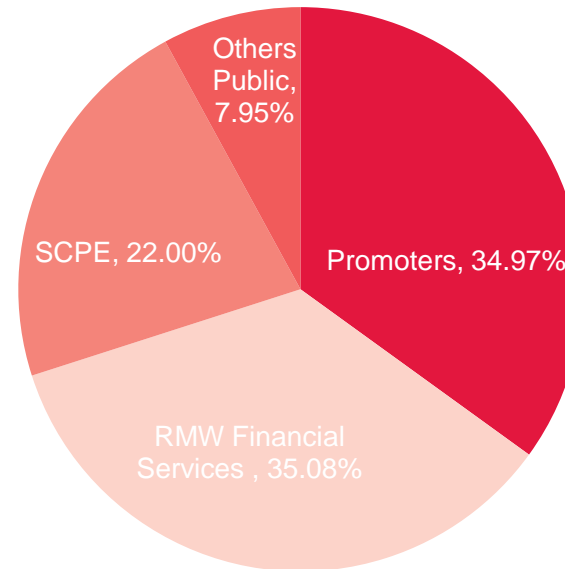
Standalone Profit & Loss Statement



Particulars (Rs Crores)	Q1FY20 (ex Ind AS 116)	Q1FY20	Q1FY19	% YoY Variance	Q4FY19	% QoQ Variance
Net sales / income from operations	36	36	34	5%	49	-26%
Other income	3	3	8	-61%	8	-59%
Total Income	39	39	42	-7%	57	-31%
Total Expenditure	28	26	25	10%	32	-14%
Personnel Cost (including technician fees)	12	12	13	-8%	14	-18%
Other Expenditure	16	14	13	29%	18	-12%
Adj. EBITDA*	11	13	17	-34%	24	-53%
One Time Costs	-	-	-	NM	-	NM
EBITDA (including Exch. Gain (net))	11	13	17	-34%	24	-53%
Depreciation & amortization	15	16	9	73%	12	23%
ESOP Charges	1	1	4	-79%	1	1%
EBIT	-4	-4	5	NM	11	NM
Interest & Finance charges	15	16	16	-5%	12	24%
PBT Before Exceptional Items	-20	-20	-12	NM	-1	NM
Exceptional Items- Expenditure/ (Income)	-	-	-	NM	-	NM
PBT	-20	-20	-12	NM	-1	NM
Tax Expense	-2	-2	3	NM	-0	NM
PAT	-18	-19	-14	NM	-1	NM

Key Ratios	Q1FY20 (ex Ind AS 116)	Q1FY20	Q1FY19	Q4FY19
Adj. EBITDA Margin	31%	36%	49%	49%
Total Expenditure/ Revenues	77%	72%	73%	66%
Personnel Cost/ Total Operating Income	32%	32%	37%	29%
Other Expenditure/ Total Operating Income	45%	40%	37%	37%

As on 30th June - 2019 Outstanding shares – 299 mn





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About Prime Focus Limited

Prime Focus Limited (PFL), the world's largest independent integrated media services powerhouse, employs over 9,000 professionals in 18 cities across 5 continents. We provide end-to-end creative services (visual effects, stereo 3D conversion and animation), technology products & services (CLEAR™ Media ERP Suite and Cloud-enabled media services), production services (equipment rental) and post-production services (Digital Intermediate and picture post) to the Media & Entertainment industry.

Listed on the BSE and NSE of India and recognized on the Fortune India 'Next 500' list, Prime Focus has operations in Bangalore, Chandigarh, New Delhi, Goa, Hyderabad, Kolkata, London, Los Angeles, Mumbai, New York, Johannesburg, Capetown, Abu Dhabi, Toronto, Montreal, Chennai, Sydney and Vancouver.

For more details

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