



# PRIME FOCUS LIMITED

Q3 FY'14 Investor Presentation



## Safe Harbor

---

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

---

---

## Q3 & 9M FY'14 Performance

---

- Key highlights 05
  - Financial performance 06
  - Business updates 12
- 

## Company Overview 18

---

## Annexure

---

- Shareholding pattern 25
  - Corporate structure 26
  - Financials 27
-

# Q3 & 9M FY'14 Performance



# Q3'FY14 Highlights: New businesses driving transformation

## Gravitates into higher orbit buoyed by non-linear new businesses

- **Accelerated quarterly performance with successful delivery of global projects**
  - Strategic focus on new value added businesses spurs non linear growth: VFX+ViewD revenues up 30.1%YoY and PFT revenues up 112.2% YoY
  - New businesses already comprise 84% revenues
  - EBITDA expansion in new businesses results in overall EBITDA growth of 52.2% YoY; EBITDA Margin expands to 21.0% from 16.3% in Q3FY13
  - Successful launch of 'world's largest digital media services cloud' in True North facility in Mumbai – managing 350,000+ hours of content, 100+ TV shows a day and digital backbone for 200+ TV channels
- **Global M&E industry recognition with multiple awards**



International 3D Society Award for  
'Outstanding 2D to 3D Conversion  
in Theatrical Motion Picture'  
category for Gravity



PFT wins the Aegis Graham Bell Awards 2013  
for Innovation in Cloud-based Solutions



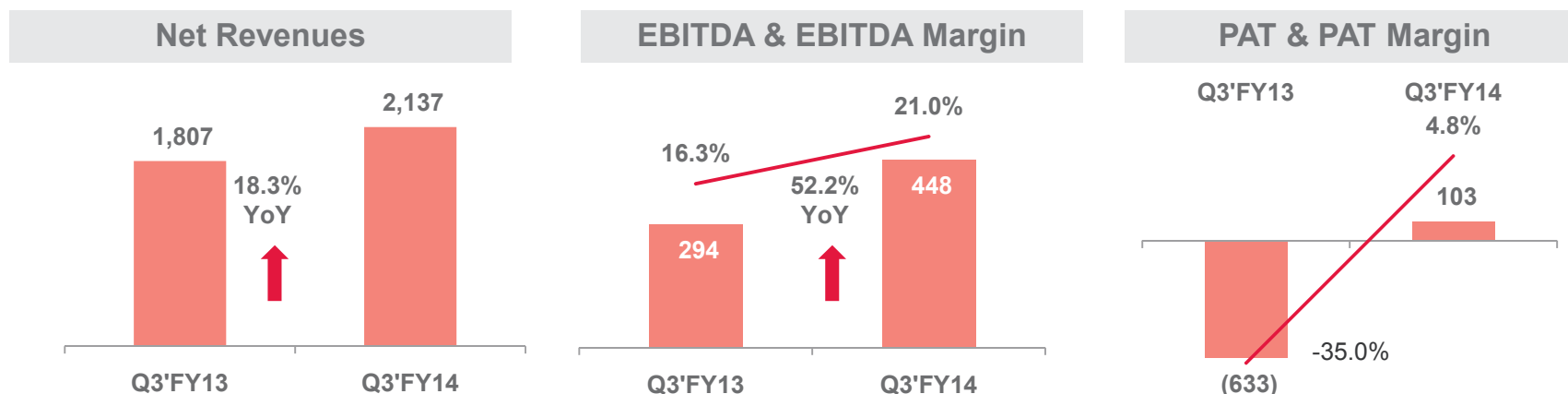
Prime Focus UK won the Emmy award for  
their work on History Channel's series  
'World War II from Space'



Best VFX for 'White House Down'  
at 24 FPS Annual International  
Animation Awards

## Q3'FY14: EBITDA margin up ~500bps

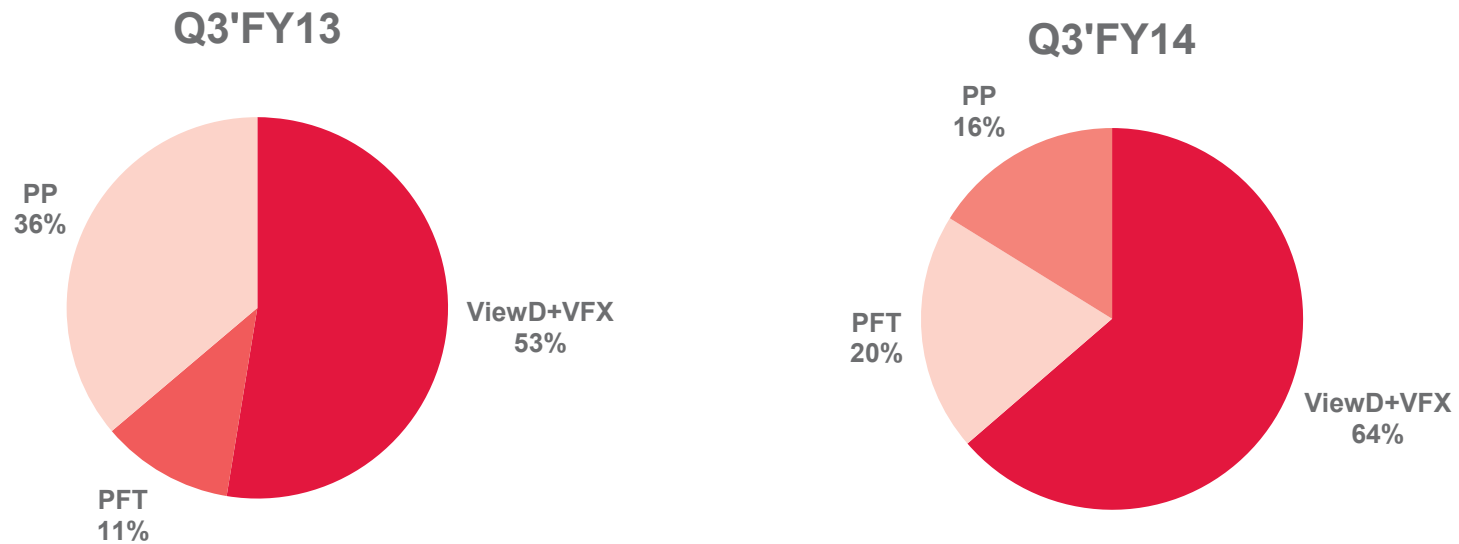
Figures in Rs Million; Consolidated financials



- Net revenues up 18.3% YoY at Rs 2,137mn in Q3FY14 driven by 112.2% YoY growth in Prime Focus Technologies (PFT) and 30.1% YoY growth in 2D-3D+VFX.
- EBITDA for the quarter up 52.2%YoY at Rs 448mn. EBITDA margin up from 16.3% to 21.0%
  - Margin expansion in new businesses
  - Personnel cost as %age of revenues declines to 41.8% in Q3FY14 as against 43.2% in Q3FY13 ; Other expenditure as %age of revenues declines to 29.9% from 32.5% during the same period
- EBITDA, including foreign exchange gain (net), for the quarter at Rs 486mn, up 45% YoY with margin of 22.7%
- PAT for the quarter at Rs 103mn versus loss of Rs 633mn in Q3'FY13. PAT margin at 4.8%
  - Q3FY13 PAT includes foreign exchange revaluation loss of Rs 822.8mn on account of FCCB redemption

# Revenue share of new businesses increase to 84%

- Share of value added new businesses (PFT and ViewD+VFX) increase from 64% in Q3'FY13 to 84% in Q3'FY14



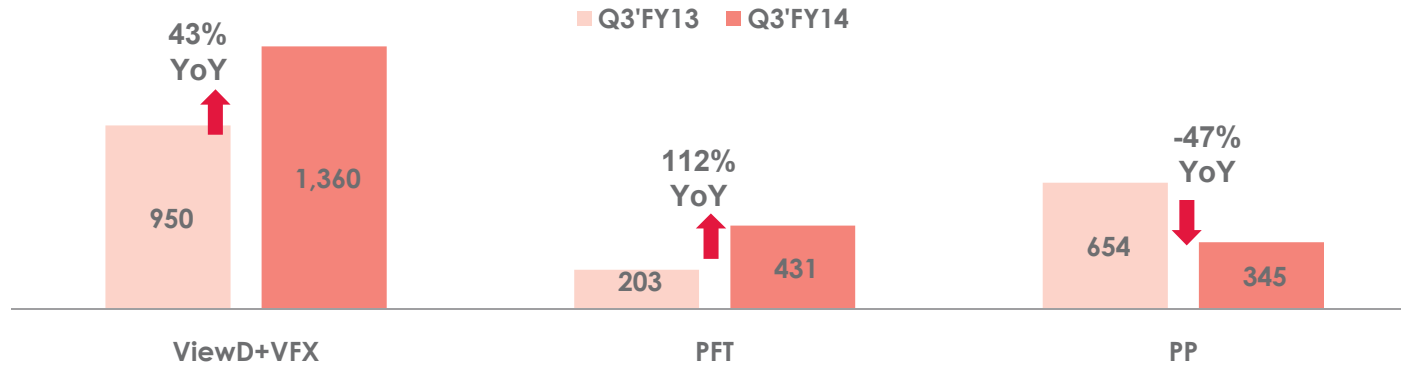
View D is 2D to 3D Conversion

PP includes global Post Production revenues

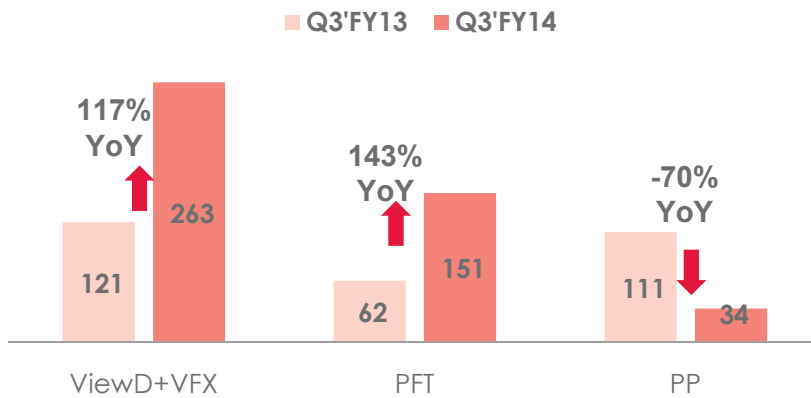
# Robust growth, margins up in new businesses

Figures in Rs Million; Consolidated financials

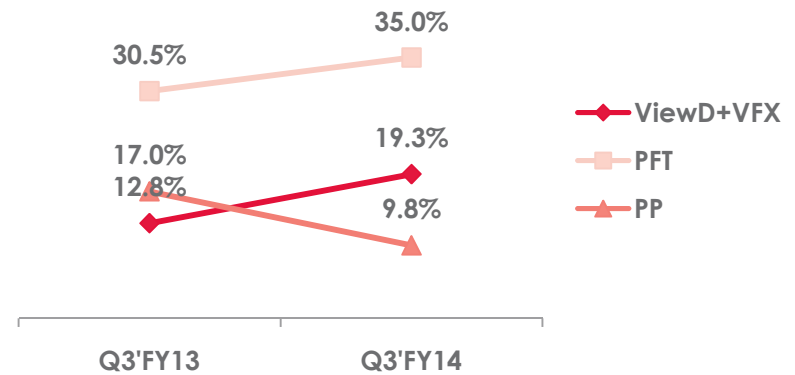
## Segment-wise revenues



## Segment-wise EBITDA



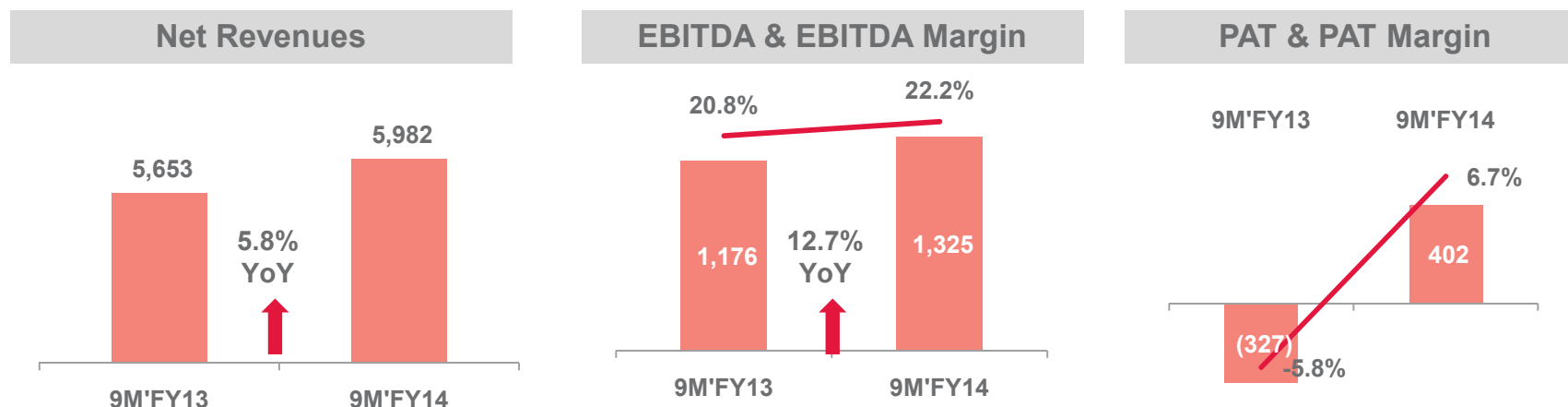
## Segment-wise EBITDA Margins





## 9M'FY14: EBITDA up ~140bps

Figures in Rs Million; Consolidated financials

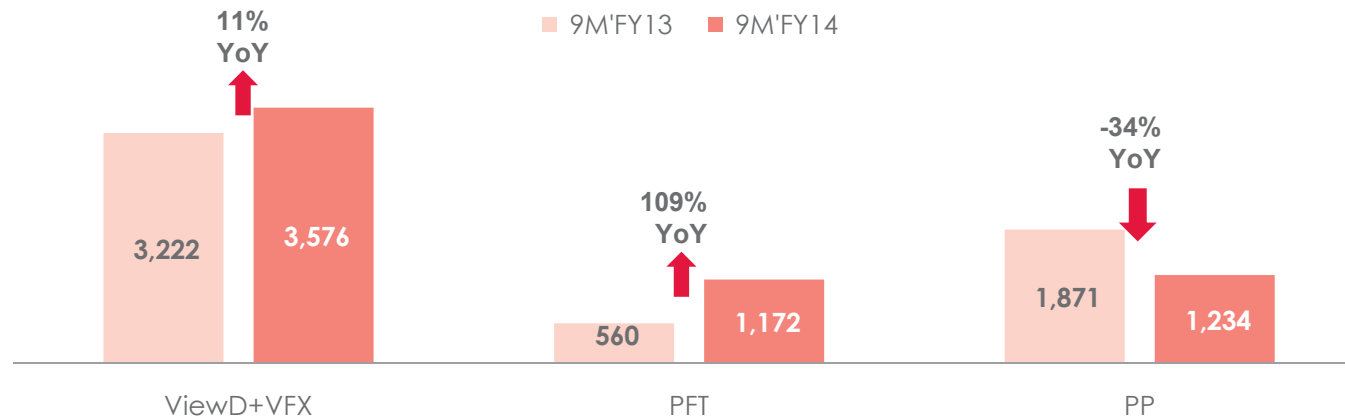


- Net revenues up 5.8% YoY at Rs 5,982mn in 9mFY14 driven by robust growth in new businesses of ViewD+VFX and PFT
- EBITDA for the period up 12.7% YoY at Rs 1,325mn. EBITDA margin expands by 136bps to reach 22.2% in 9mFY14
  - Personnel cost as %age of revenues declines to 41.2% in 9mFY14 compared to 44.0% in 9mFY13
- EBITDA including foreign exchange gain (net) for the period at Rs 1,708mn, an increase of 34% YoY; with margin of 28.5% in 9mFY14 versus 22.5% in 9mFY13
- PAT for the period at Rs 402mn versus loss of Rs 327mn in 9M'FY13. PAT margin at 6.7%
  - Q3FY13 PAT includes foreign exchange revaluation loss of Rs 822.8mn on account of FCCB redemption

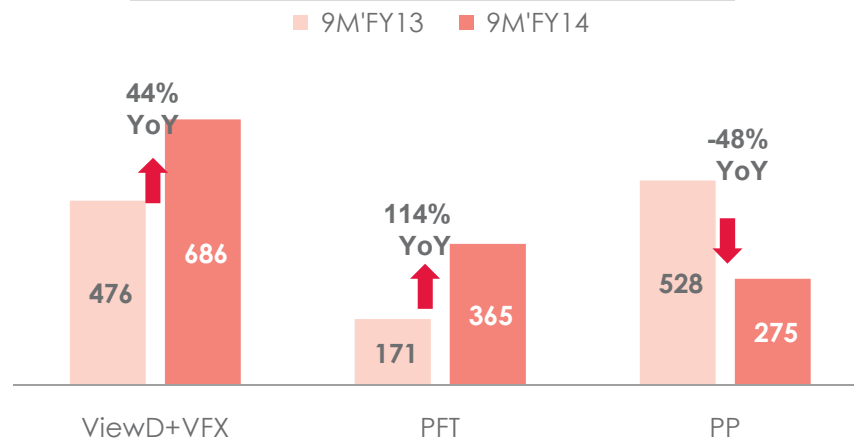
# 9M'FY14: Margins up in new businesses

Figures in Rs Million; Consolidated financials

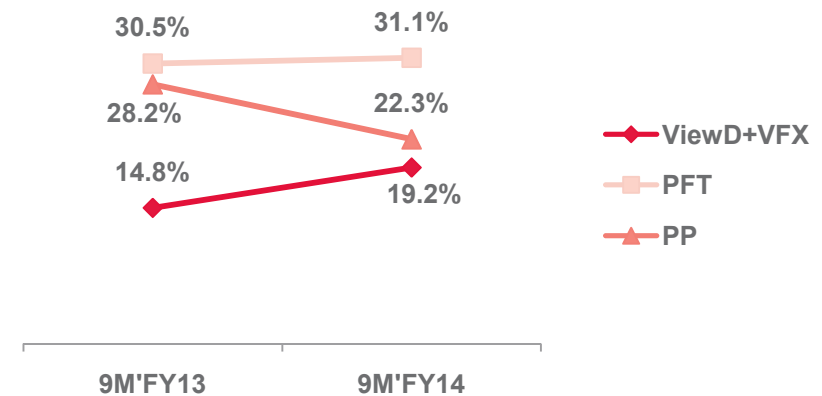
## Segment-wise revenues



## Segment-wise EBITDA



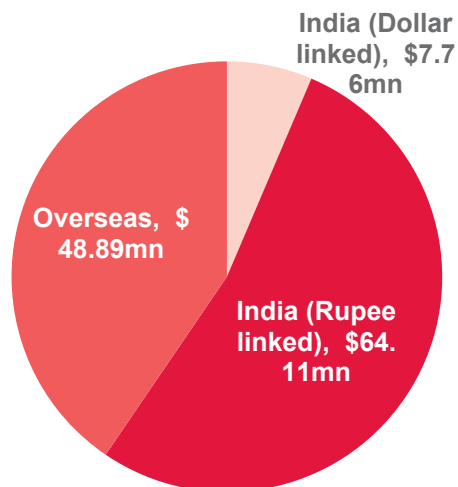
## Segment-wise EBITDA Margins



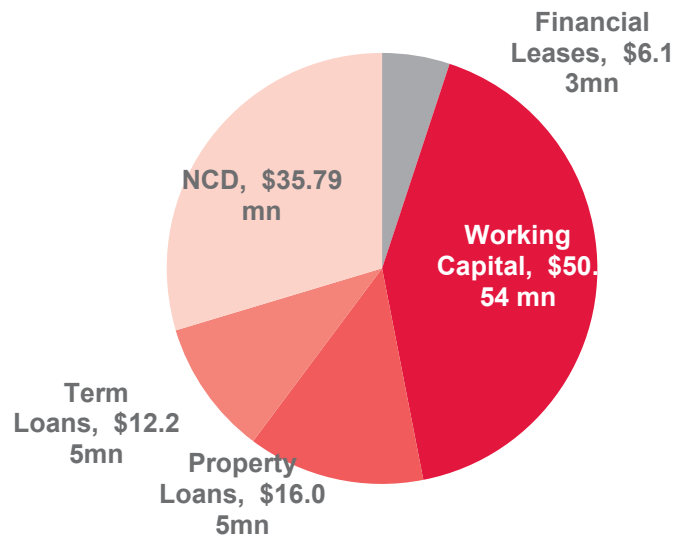
## Improving debt profile

- Focus on reducing debt and de-leveraging the balance-sheet
  - Consolidated debt of \$120.0mn (Rs 7,524.6mn) in September 2013 compared to \$120.8mn (Rs 7,459.3mn) in December 2013

Geographical break-up of debt (\$mn)



Debt Composition (\$mn)



Consolidated debt - \$120.8mn (Rs 7,459.3mn)

\$1 = Rs 61.77

## Strengthens leadership in Hollywood 3D market with award winning “Gravity”

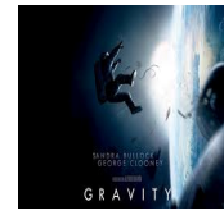
### Prime Focus World wins International 3D Society Award for Gravity

Prime Focus World (PFW) has won the award in ‘Outstanding 2D to 3D Conversion in Theatrical Motion Picture’ category for its spectacular work on Gravity at the International 3D & Advanced Imaging Society’s Creative Arts Awards held in Los Angeles on 28 January 2014.

Founder and CEO of Prime Focus World, Namit Malhotra received the award at a glittering function at the Warner Bros. Studios

PFW provided exclusive conversion for the Warner Bros. space-thriller ‘Gravity’. The film made a grand opening at the 70th Venice International Film Festival in September, and has since garnered all round praise for its cutting-edge use of 3D pointing towards ‘outstanding post-production 3D conversion’ (Variety) and ‘exemplary 3D work’ (The Hollywood Reporter).

In what has been the most detailed and sophisticated conversion to date, Prime Focus has been involved in the project since 2010, making ‘Gravity’ the most intense 3D project that the company has accomplished so far.



# Recognition for outstanding work and innovations

- **Prime Focus wins Best VFX for 'White House Down' at 24 FPS Annual International Animation Awards 2013**

Prime Focus' spectacular work on 'White House Down' has won the award for Best VFX in International Feature Film category at 24 FPS Annual International Animation Awards 2013. In 2012, Prime Focus had won in the same category for Storage 24.'



- **PFT bags the Aegis Graham Bell Awards 2013 for Innovation in Cloud-based Solutions**

The award recognizes PFT's innovation in digitizing broadcast networks and enabling content owners to transition from traditional supply chain to TV Cloud and digital media supply chain.



- **Prime Focus UK's Broadcast VFX team wins RTS Award**

Prime Focus UK won the award for their work on History Channel's series 'World War II from Space' in the 'Graphic Design - Programme Content Sequence' category. The October Films landmark series 'WW2 from Space' covers the key political events and battles from the Second World War.




- **Prime Focus Technologies wins EMC transformers award 2013**

The EMC Transformers Award is an annual property that recognizes outstanding IT players who have successfully deployed truly transformational IT solutions within large and mid-size enterprises. Prime Focus Technologies won the award for transforming the way media and entertainment industry works with Media ERP platform, CLEAR




# PFW – projects delivered in the last quarter

2,000+ 3D shots and ~1,500VFX shots delivered



**I, Frankenstein**  
(1855 shots, 3D Conversion, Exclusive Partner)




**The Two Faces of January** (76 shots, VFX, Exclusive Partner)




**The Christmas Candle** (145 shots, VFX, Exclusive Partner and DI)



**Vampire Academy**  
(511 shots, VFX, Exclusive Partner and DI)



**The Legend of Hercules**  
(147 shots, VFX & 3D Conversion)



**Out of the Furnace** (40 shots, VFX)



**Non Stop**  
(485 shots, VFX)

# PFW - Ongoing announced projects



**Sin City: A Dame to Kill For** (2500+ shots, VFX & 3D Conversion, Exclusive Partner)



**Edge of Tomorrow** (3D Conversion, Exclusive Partner)



**The Gu-an** (VFX, Exclusive Partner)



**Seventh Son** (1700+ shots, 3D Conversion, Exclusive Partner & additional VFX provider)

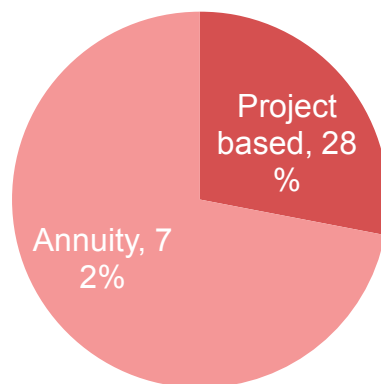


**Maleficent** (3D Conversion)

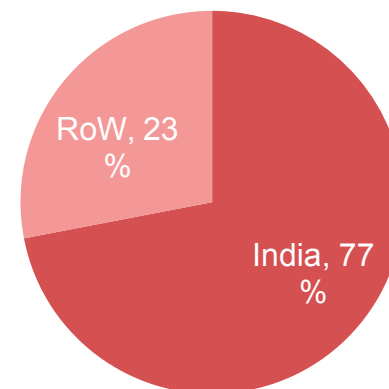
# PFT – Monetizing path breaking ‘Cloud’ technology

- Successful launch of ‘world’s largest digital media services cloud’ in True North facility – managing 350,000+ hours of content, 100+ TV shows a day and is digital backbone for 200+ TV channels
- Delivered India's first multi sports, Direct to Consumer, Over the top (OTT) platform to a leading broadcaster, already captured the consumer loyalty, garnered 27 million unique visitors and 210 million page views to date
- Launched a new, client paying service line, Cloud Payout for TV Anywhere, strategic expansion to Exhibition in the value chain
- Won a contract from South Africa's leading broadcasting network to aid Smart content discovery

Revenue by contract type

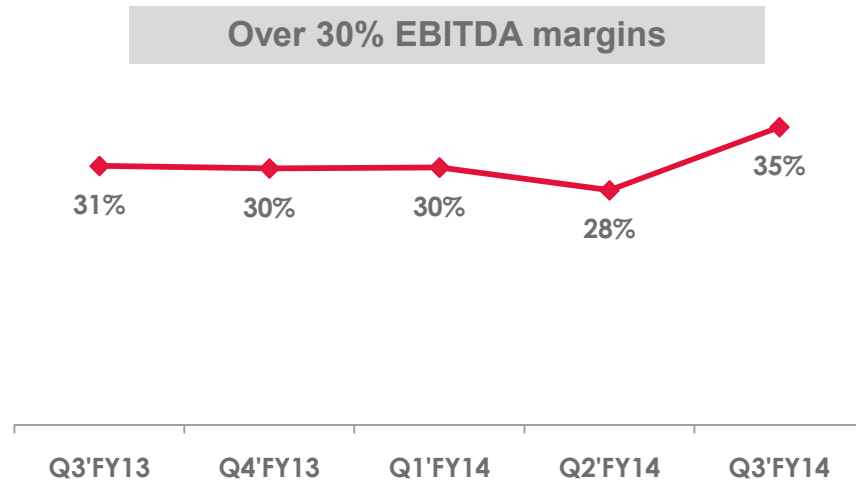
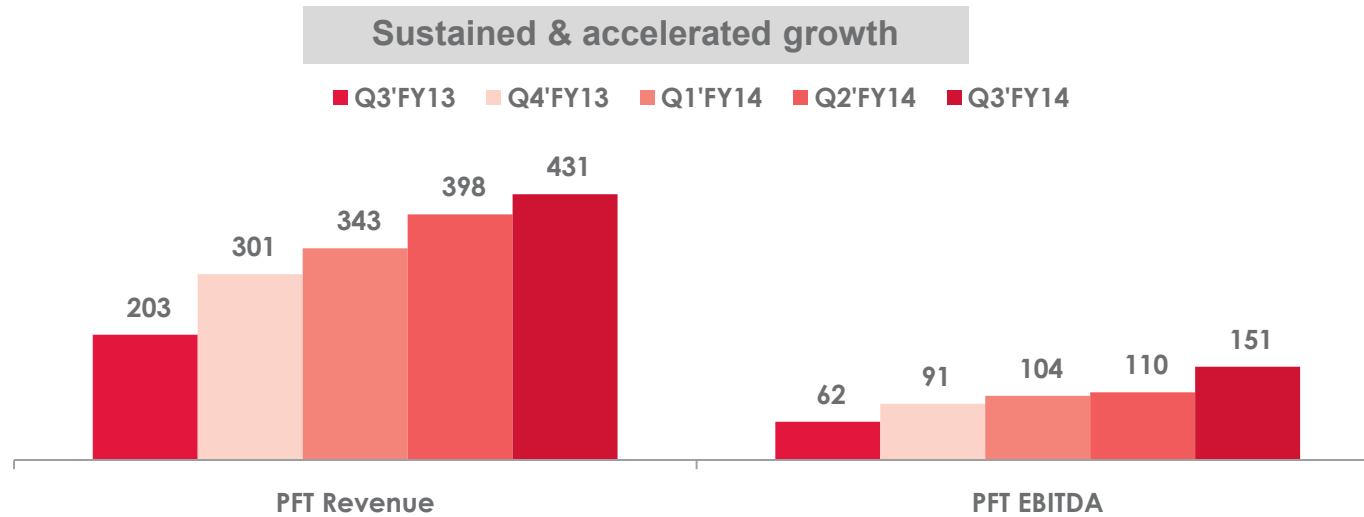


Revenue by geography





# PFT – Sustained growth in revenues and EBITDA



*Drop in margin in Q2FY14 due to commencement of True North*

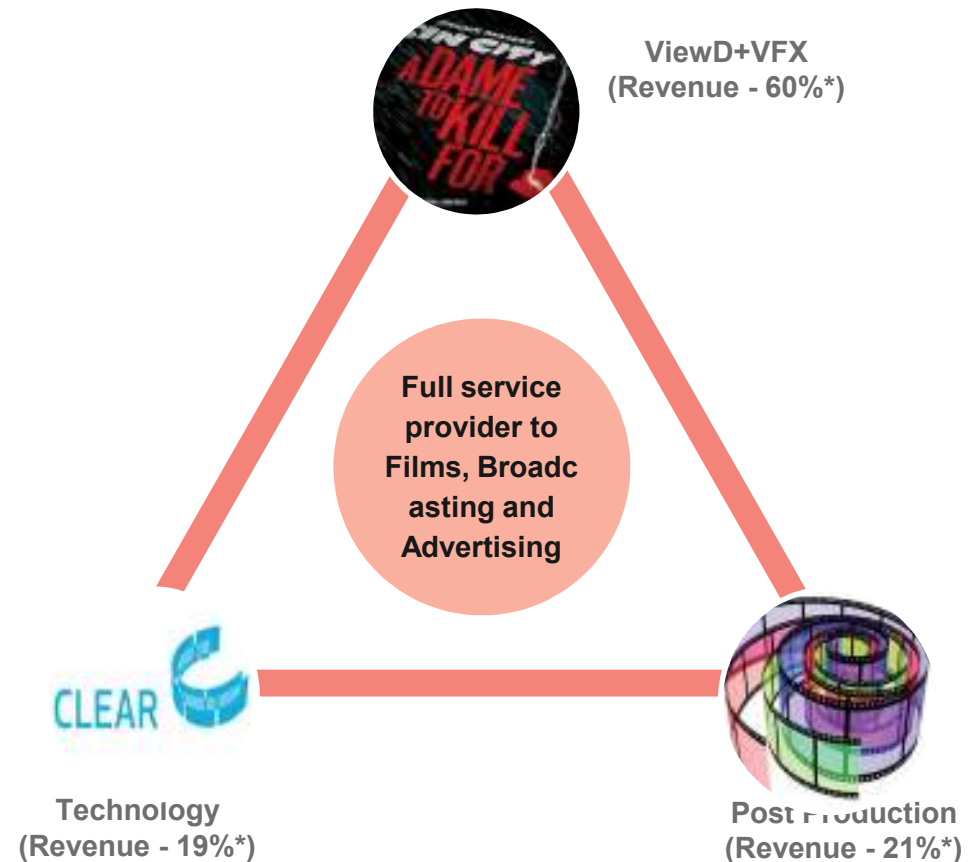
# Company Overview



# Global integrated player

- ◆ **Global leader in creative services (3D conversion, VFX and post production)**
- ◆ **PFT, unique blend of IT expertise and decades of M&E industry insights**

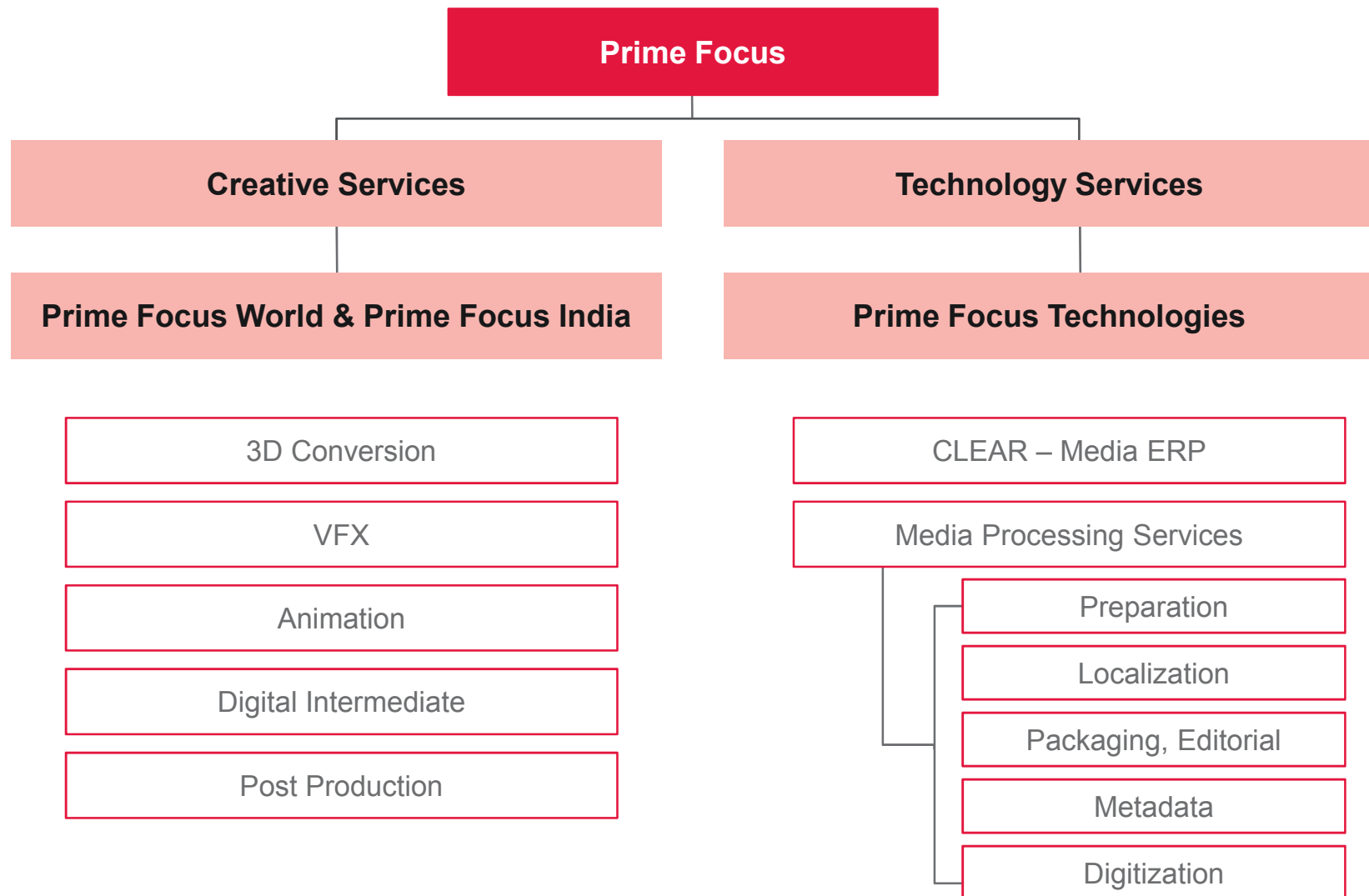
- Leading global player in 3D conversion (~30% market share) and VFX
- Pioneered ERP solutions for M&E industry with CLEAR, world's first and most established cloud based Media ERP platform
- First mover advantage in Managed services for the Media & Entertainment industry
- Established leadership in post production services in India
- Strong execution capabilities – global network of 11 cities with over 4,300 employees
- Robust CAGR (FY09-13) of 21% in revenues
- Marquee investors including Standard Chartered PE, Macquarie and AID Partners



\*Revenue share is for 9MFY14

19

# Offering a full bouquet of Creative and Technical services



# With extensive relationships

## Creative services

Leading Hollywood and Bollywood studios

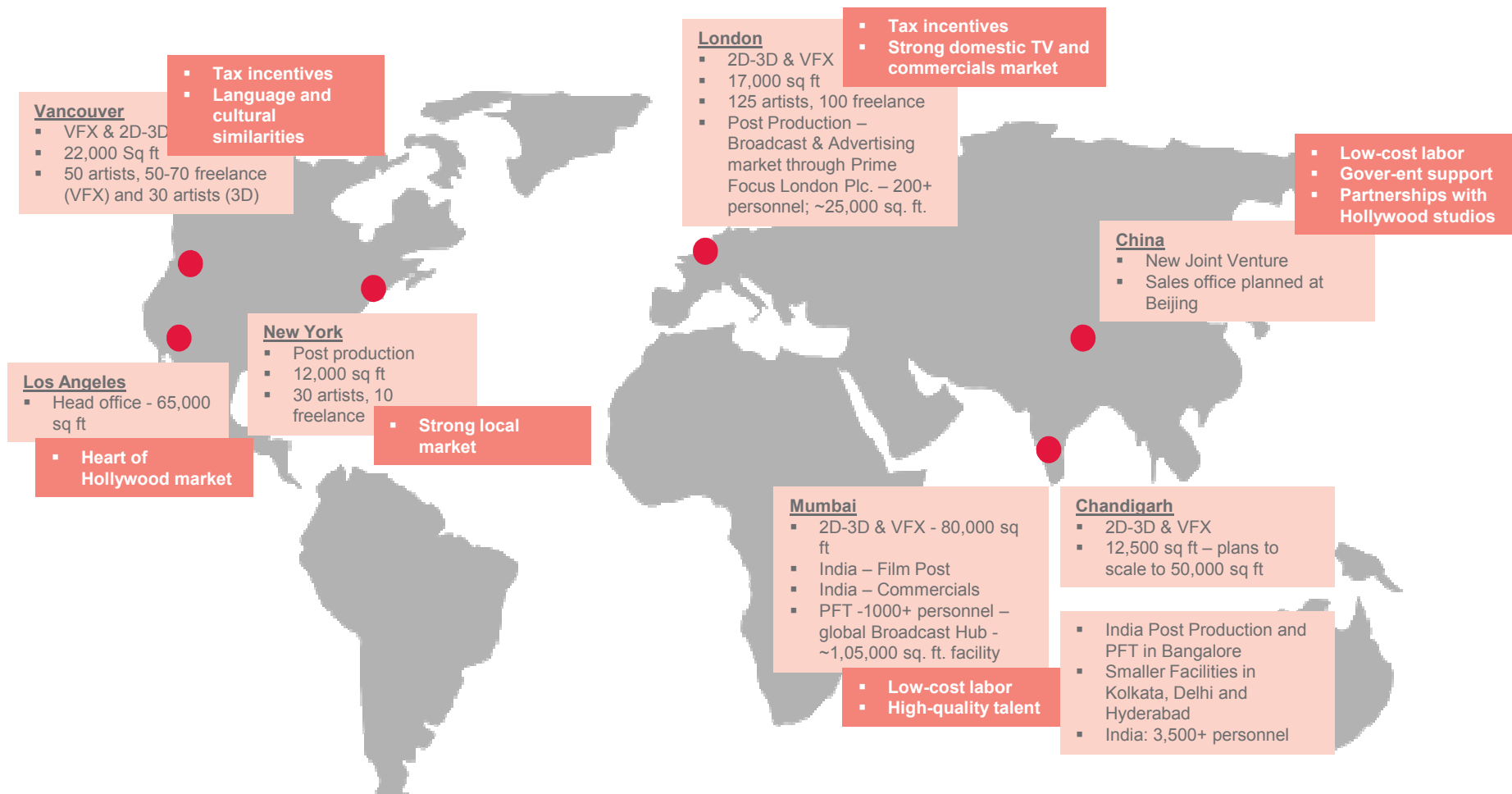


## Technical services

Leading broadcasters, digital service providers & advertisers



# Effective, profitable model spanning geographies



3 continents

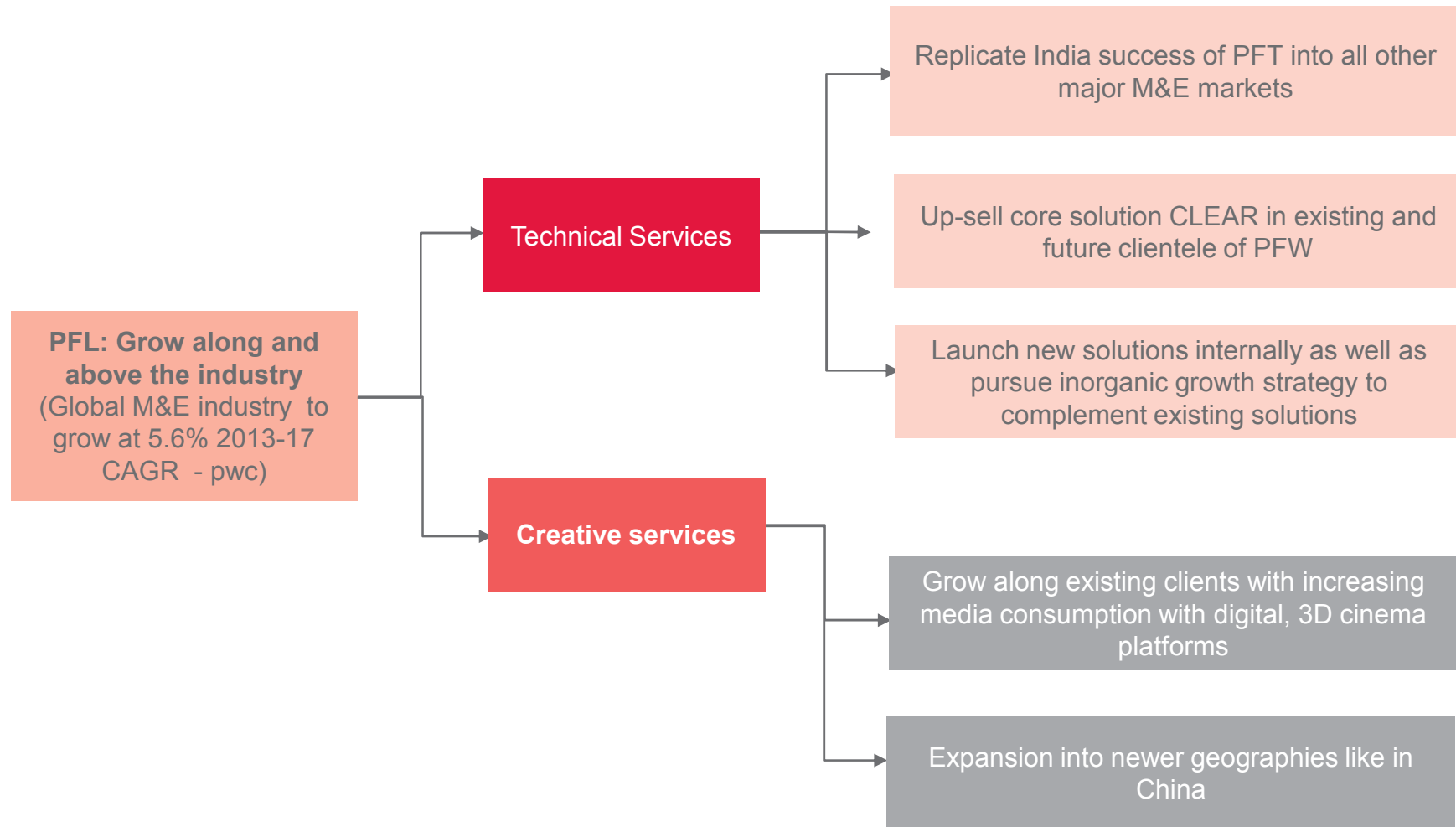
5 time zones

11 facilities

24/7 – 365 days

# Strong, sustainable and scalable growth drivers

## Non-linear growth in PFT, continued relationships in PFW



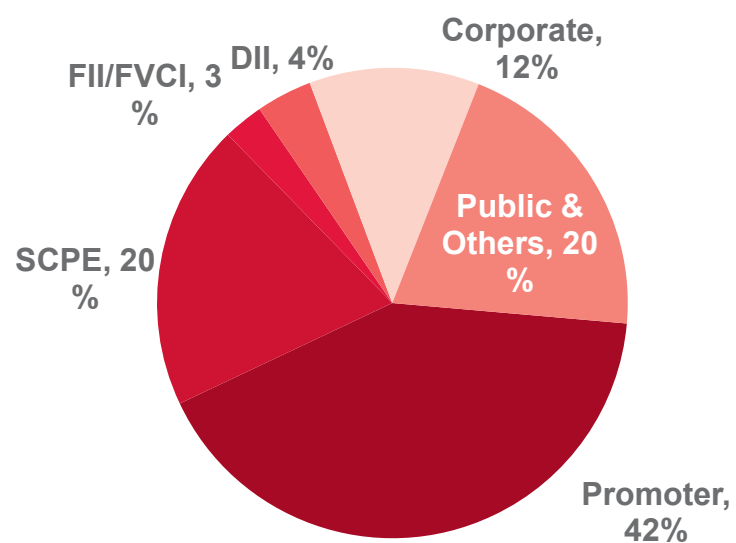
# Annexure





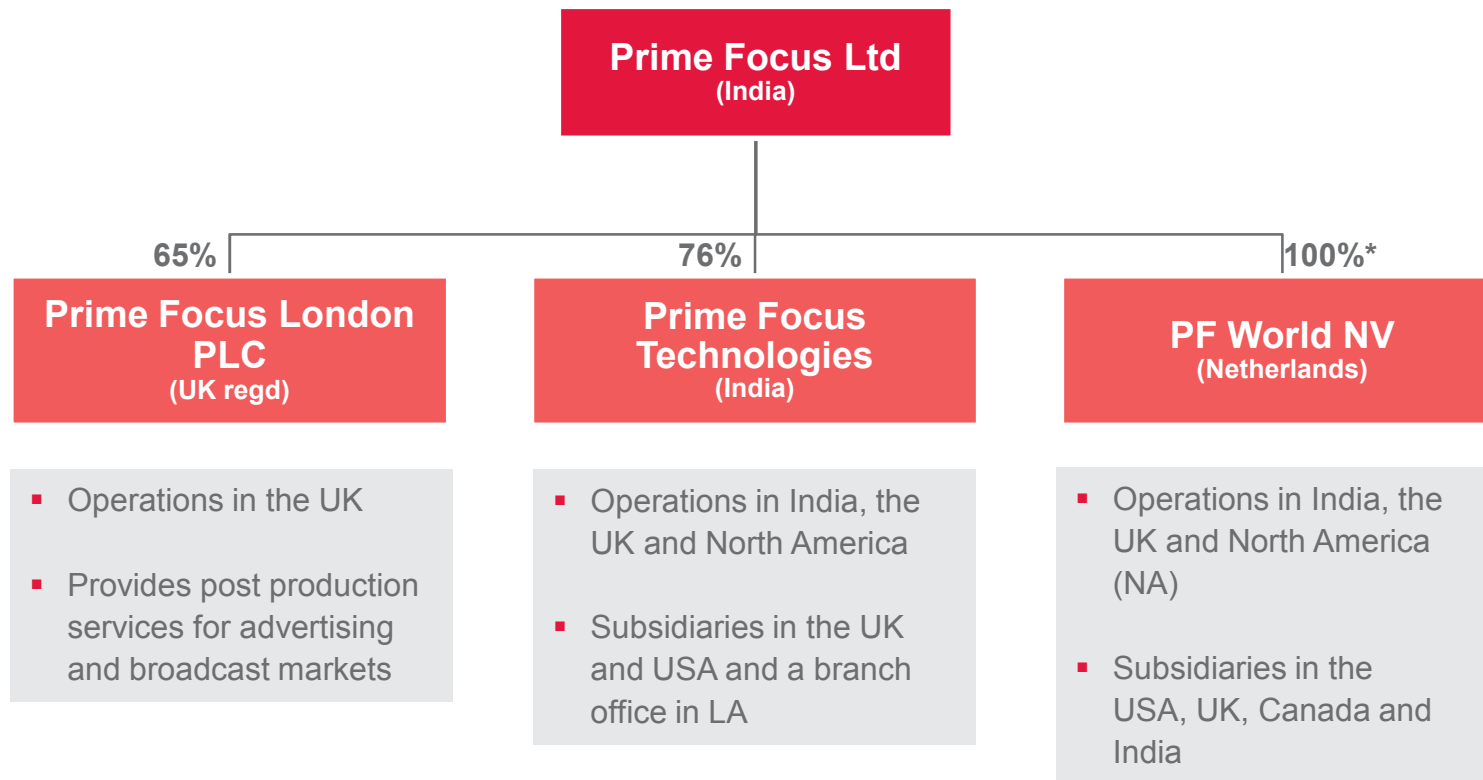
# Shareholding pattern

As on 31<sup>st</sup> December 2013  
Outstanding shares – 18.5 mn



Major Non-Promoter Shareholders	% shareholding
Standard Chartered PE	20%
Rakesh Jhunjunwala	6%
Top Class Capital Markets Pvt Ltd	5%
ICICI Prudential Dynamic Plan	4%
Globe Fincap Ltd	1%

# Corporate structure



\*At fully diluted – 80%

# Consolidated Profit & Loss Statement

Particulars ( ` mn)	Q3 FY'14	Q3 FY'13	Q2 FY'14	% Chg YoY	% Chg QoQ	9M FY'14	9M FY'13	% Chg YoY
<b>Net sales / income from operations</b>	<b>2,136.8</b>	<b>1,806.8</b>	<b>1,960.6</b>	<b>18.3%</b>	<b>9.0%</b>	<b>5,982.0</b>	<b>5,652.7</b>	<b>5.8%</b>
<b>Total Expenditure</b>	<b>1,688.8</b>	<b>1,512.41</b>	<b>1,509.81</b>	<b>11.7%</b>	<b>11.9%</b>	<b>4,656.6</b>	<b>4,477.0</b>	<b>4.0%</b>
Personnel Cost	893.8	780.2	798.5	14.6%	11.9%	2,462.3	2,487.1	-1.0%
Technician Fees	157.1	145.5	158.9	8.0%	-1.2%	487.2	489.6	-0.5%
Other Expenditure	638.0	586.8	552.4	8.7%	15.5%	1,707.1	1,500.4	13.8%
<b>EBITDA</b>	<b>447.9</b>	<b>294.3</b>	<b>450.8</b>	<b>52.2%</b>	<b>-0.6%</b>	<b>1,325</b>	<b>1,175.7</b>	<b>12.7%</b>
Foreign exchange gain (net)	38.0	41.2	203.7	-7.8%	-81.3%	382.3	97.6	291.6%
<b>EBITDA (including Exch. Gain (net))</b>	<b>486.0</b>	<b>335.6</b>	<b>654.5</b>	<b>45%</b>	<b>-25.7%</b>	<b>1,707.8</b>	<b>1,273.3</b>	<b>34.1%</b>
Depreciation & amortization	251.7	227.5	284.4	10.6%	-11.5%	760.8	645.6	17.8%
<b>EBIT</b>	<b>234.3</b>	<b>108.1</b>	<b>370.1</b>	<b>116.8%</b>	<b>-36.7%</b>	<b>947.0</b>	<b>627.7</b>	<b>50.9%</b>
Interest & Finance charges	162.8	122.9	110.9	32.5%	46.8%	404.2	308.8	30.9%
Other income	19.2	8.4	40.6	128.9%	-52.8%	87.5	87.3	0.2%
Exceptional Items- Expenditure/ (Income)	1.2	822.8	4.2	-99.8%	-70.3%	77.6	822.8	-90.6%
<b>PBT</b>	<b>89.4</b>	<b>(829.2)</b>	<b>295.6</b>	-	<b>-69.7%</b>	<b>552.7</b>	<b>(416.6)</b>	-
Tax Expense	9.3	(211.9)	55.1	-	-83.1%	139.3	(112.1)	-
Minority Interest	(23.2)	15.4	27.1	-	-185.6%	11.4	22.9	-50.3%
<b>PAT</b>	<b>103.3</b>	<b>(632.7)</b>	<b>213.4</b>	-	<b>-51.6%</b>	<b>402.0</b>	<b>(327)</b>	-

Key Ratios	Q3 FY'14	Q3 FY'13	Q2 FY'14	9M FY'14	9M FY'13
EBITDA Margin	21.0%	16.3%	23.0%	22.2%	20.8%
EBITDA (including Exch. Gain (net) Margin	22.7%	18.6%	33.4%	28.5%	22.5%
Net Margin	4.8%	-	10.9%	6.7%	-
Total Expenditure/ Revenues	79.0%	83.7%	77.0%	77.8%	79.2%
Personnel Cost/ Total Operating Income	41.8%	43.2%	40.7%	41.2%	44.0%
Technician Fees/ Total Operating Income	7.4%	8.1%	8.1%	8.1%	8.7%
Other Expenditure/ Total Operating Income	29.9%	32.5%	28.2%	28.5%	26.5%

# Standalone Profit & Loss Statement

Particulars ( ` mn)	Q3 FY'14	Q3 FY'13	Q2 FY'14	% Chg YoY	% Chg QoQ	9M FY'14	9M FY'13	% Chg YoY
<b>Net sales / income from operations</b>	<b>524.4</b>	<b>439.5</b>	<b>474.8</b>	<b>19.3%</b>	<b>10.5%</b>	<b>1,501.5</b>	<b>1,384.2</b>	<b>8.5%</b>
<b>Total Expenditure</b>	<b>357.6</b>	<b>328.12</b>	<b>339.36</b>	<b>9.0%</b>	<b>5.4%</b>	<b>1,041.3</b>	<b>966.8</b>	<b>7.7%</b>
Personnel Cost	138.4	84.0	114.5	64.7%	20.9%	359.6	215.7	66.7%
Technician Fees	123.0	144.1	133.2	-14.7%	-7.7%	397.3	437.3	-9.1%
Other Expenditure	96.3	100.0	91.6	-3.7%	5.1%	284.4	313.8	-9.4%
<b>EBITDA</b>	<b>166.8</b>	<b>111.3</b>	<b>135.4</b>	<b>49.8%</b>	<b>23.2%</b>	<b>460</b>	<b>417.4</b>	<b>10.3%</b>
Foreign exchange gain (net)	(34.5)	61.9	109.6	-155.6%	-131.4%	252.2	100.6	150.7%
<b>EBITDA (including Exch. Gain (net))</b>	<b>132.3</b>	<b>173.3</b>	<b>245.0</b>	<b>-24%</b>	<b>-46.0%</b>	<b>712.5</b>	<b>518.0</b>	<b>37.5%</b>
Depreciation & amortization	88.3	89.2	91.0	-1.0%	-2.9%	264.1	270.6	-2.4%
<b>EBIT</b>	<b>44.0</b>	<b>84.1</b>	<b>154.0</b>	<b>-47.7%</b>	<b>-71.5%</b>	<b>448.4</b>	<b>247.4</b>	<b>81.2%</b>
Interest & Finance charges	51.0	48.3	57.7	5.7%	-11.5%	178.0	153.7	15.8%
Other income	43.5	32.7	32.4	33.1%	34.4%	106.7	89.5	19.2%
Exceptional Items- Expenditure/ (Income)	-	822.8	-	-	-	-	822.8	-
<b>PBT</b>	<b>36.5</b>	<b>(754.3)</b>	<b>128.7</b>	<b>-</b>	<b>-71.7%</b>	<b>377.0</b>	<b>(639.6)</b>	<b>-</b>
Tax Expense	9.5	(243.5)	41.2	-	-76.9%	98.8	(206.1)	-
<b>PAT</b>	<b>26.9</b>	<b>(510.8)</b>	<b>87.5</b>	<b>-</b>	<b>-69.2%</b>	<b>278.3</b>	<b>(433.5)</b>	<b>-</b>

Key Ratios	Q3 FY'14	Q3 FY'13	Q2 FY'14	9M FY'14	9M FY'13
EBITDA Margin	31.8%	25.3%	28.5%	30.7%	30.2%
EBITDA (including Exch. Gain (net) Margin	25.2%	39.4%	51.6%	47.4%	37.4%
Net Margin	5.1%	-	18.4%	18.5%	-
Total Expenditure/ Revenues	68.2%	74.7%	71.5%	69.3%	69.8%
Personnel Cost/ Total Operating Income	26.4%	19.1%	24.1%	24.0%	15.6%
Technician Fees/ Total Operating Income	23.4%	32.8%	28.1%	26.5%	31.6%
Other Expenditure/ Total Operating Income	18.4%	22.8%	19.3%	18.9%	22.7%

# About Us

---

Prime Focus Limited, a global leader in media and entertainment industry services employs over 4,300 professionals in 11 cities across 3 continents and 5 time zones. We provide end-to-end creative and technical services including visual effects, stereo 3D conversion, video/audio post-production, digital content management and distribution, Digital Intermediate, versioning and adaptation, and equipment rental to the Film, Broadcast, Advertising and Media industries. Prime Focus is also behind path breaking technologies like CLEAR™ (Hybrid Cloud technology enabled Media ERP platform) 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 work flow efficiencies, cost optimization and creative enablement. Listed on the BSE and NSE of India, Prime Focus has operations in Los Angeles, New York, Vancouver, London, Johannesburg, Mumbai, Bangalore, Chandigarh, Delhi, Kolkata and Hyderabad.

**For more details,**

**[www.primefocusltd.com](http://www.primefocusltd.com) | [www.primefocusworld.com](http://www.primefocusworld.com) | [www.primefocustechnologies.com](http://www.primefocustechnologies.com)**

WorldSourcing, CLEAR and View-D are registered trademarks of Prime Focus Limited.

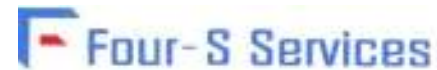
## Investor contacts

**Alok Gupta**

**Prime Focus Limited**

Phone: +91 8879360082

Email: [alok.gupta@primefocusworld.com](mailto:alok.gupta@primefocusworld.com)



**Pooja Dokania/ Seema Shukla**

**Four-S Services Pvt Ltd**

Phone : +91 9920063991/+91 124 4241441

Email: [Pooja.dokania@four-s.com](mailto:Pooja.dokania@four-s.com)  
[seema@four-s.com](mailto:seema@four-s.com)



## About Prime Focus Limited

Prime Focus Limited, a global leader in media and entertainment industry services employs over 4,300 professionals in 11 cities across 3 continents and 5 time zones. We provide end-to-end creative and technical services including visual effects, stereo 3D conversion, video/audio post-production, digital content management and distribution, Digital Intermediate, versioning and adaptation, and equipment rental to the Film, Broadcast, Advertising and Media industries. Prime Focus is also behind path breaking technologies like CLEAR™ (Hybrid Cloud technology enabled Media ERP platform) 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 work flow efficiencies, cost optimization and creative enablement. Listed on the BSE and NSE of India, Prime Focus has operations in Los Angeles, New York, Vancouver, London, Johannesburg, Mumbai, Bangalore, Chandigarh, Delhi, Kolkata and Hyderabad.

For more details,

[www.primefocusltd.com](http://www.primefocusltd.com)

[www.primefocusworld.com](http://www.primefocusworld.com)

[www.primefocustechnologies.com](http://www.primefocustechnologies.com)

[www.primefocusgroup.com](http://www.primefocusgroup.com)

