



The Must Have HITS

Investor Presentation
Q1FY24

Safe harbor

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KEY FACTS

Catalogue comprises of music in over **25 languages** available across multiple platforms **globally**

Only listed player to write off 100% of content cost in the quarter of release

Debt free company with **₹ 142.8 cr** of cash & investments

Founded Year
1988

Website
www.tips.in

Industry
Media & Entertainment

Target
Indian Subcontinent & Diaspora

Established **A&R** capability

85
Employees
(Q1FY2024)

76%
Revenue through
digital platforms

25+
Partners across
media business

85.54 mn
subscribers on
YouTube

What Makes Us Unique

Optimising Capital Allocation

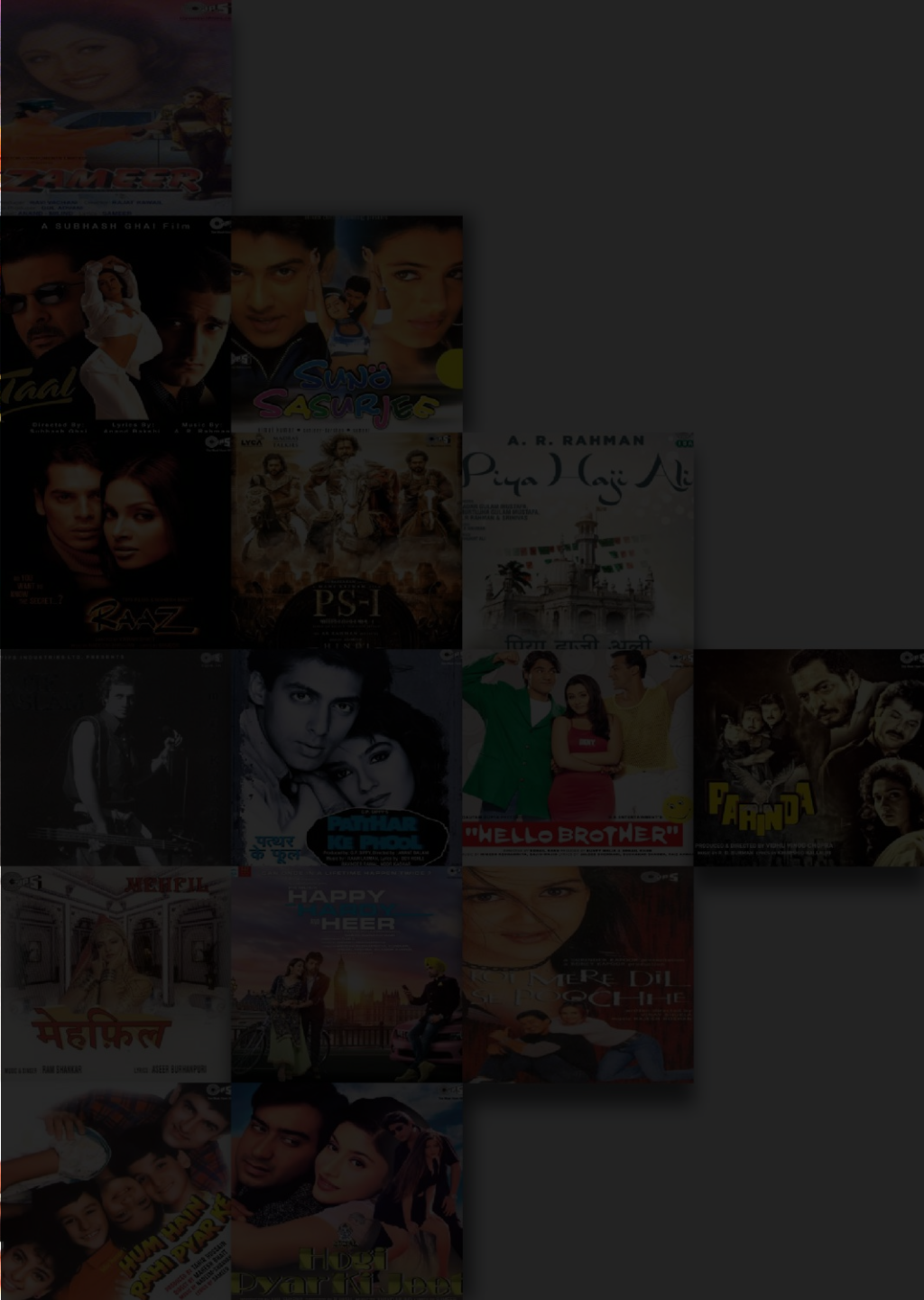
Sustainably Increasing market share

Two Pronged Content Acquisition Strategy

Our Content Powers Global Platforms

Growing listenership & Increasing Content Addition

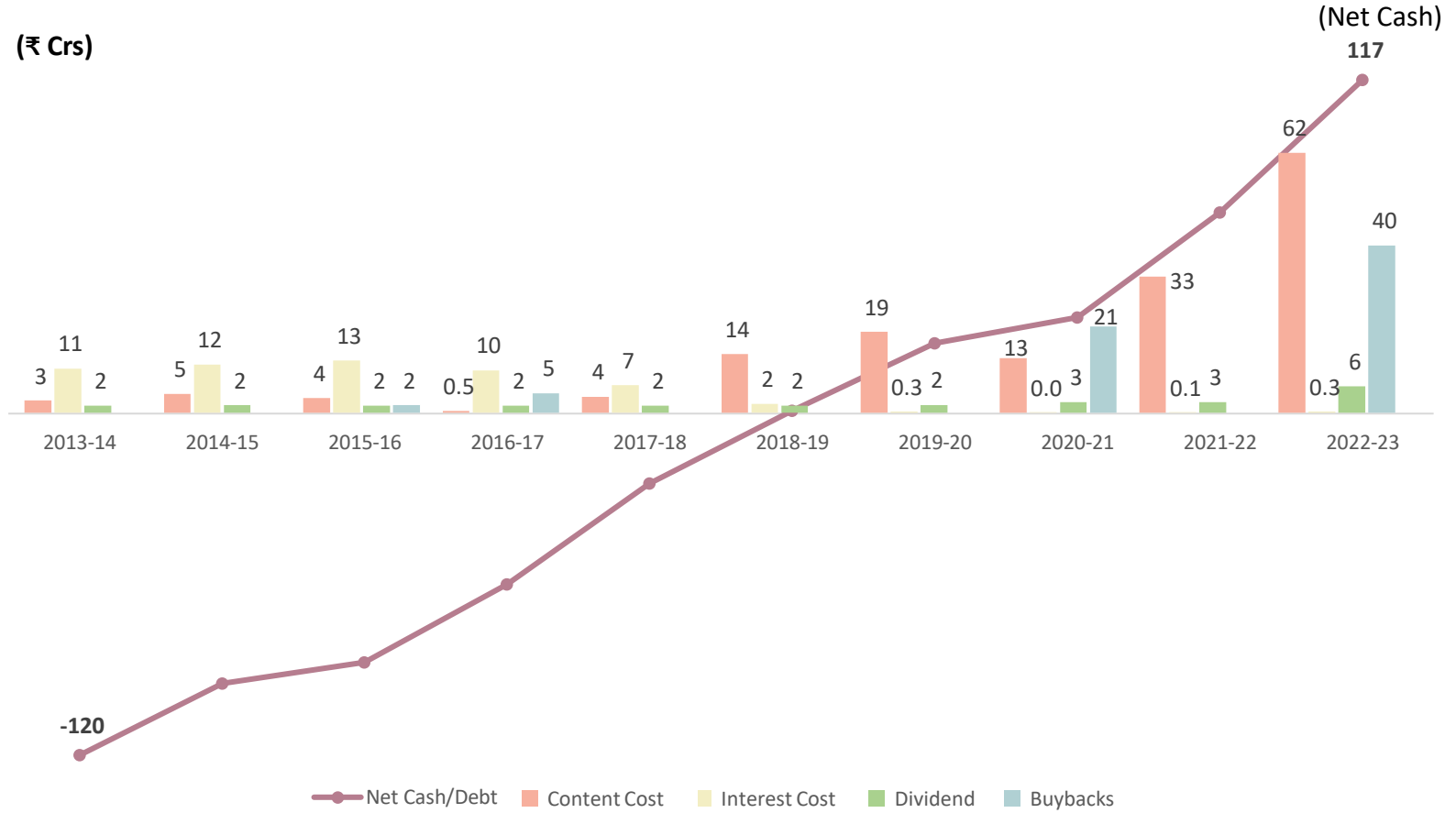
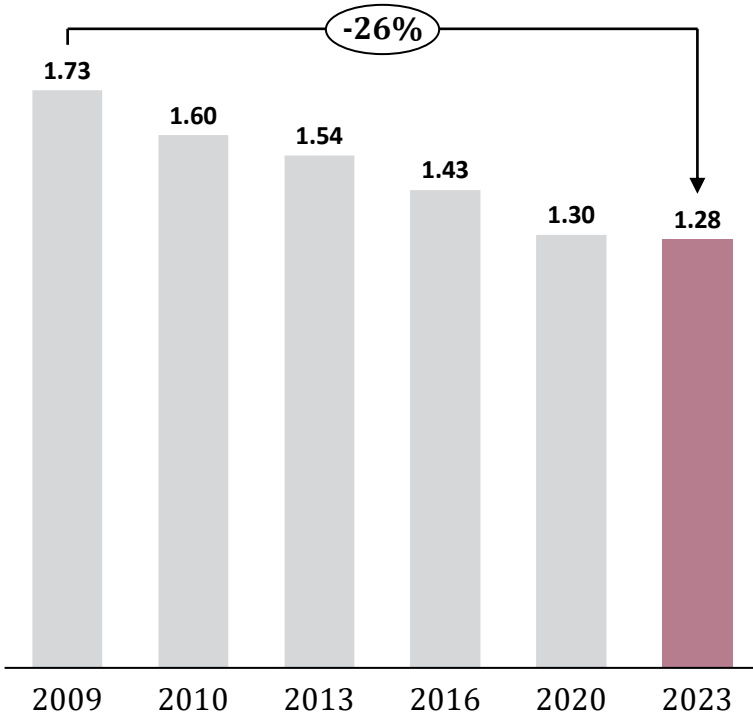
Exploring new avenues for Digital Growth



Optimising Capital Allocation : FY23 Payout Ratio - 60.8% (Buyback + Dividend)

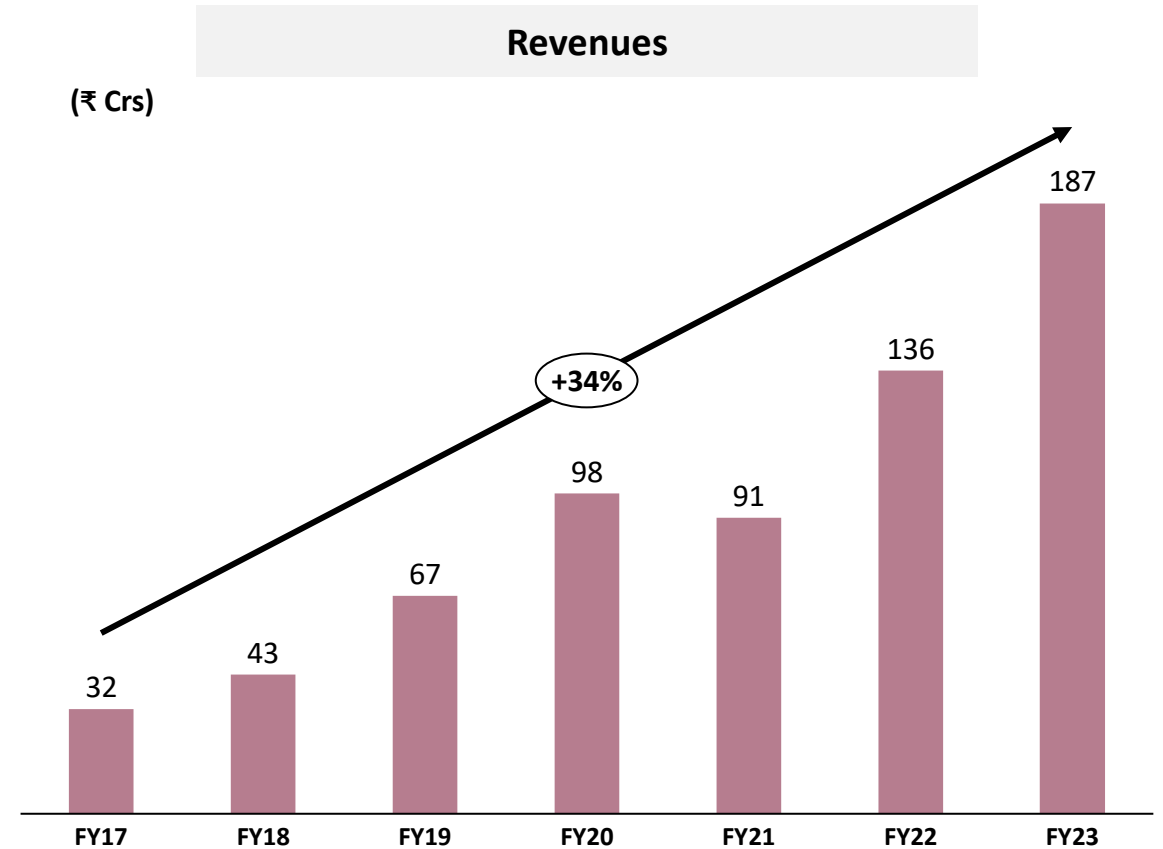
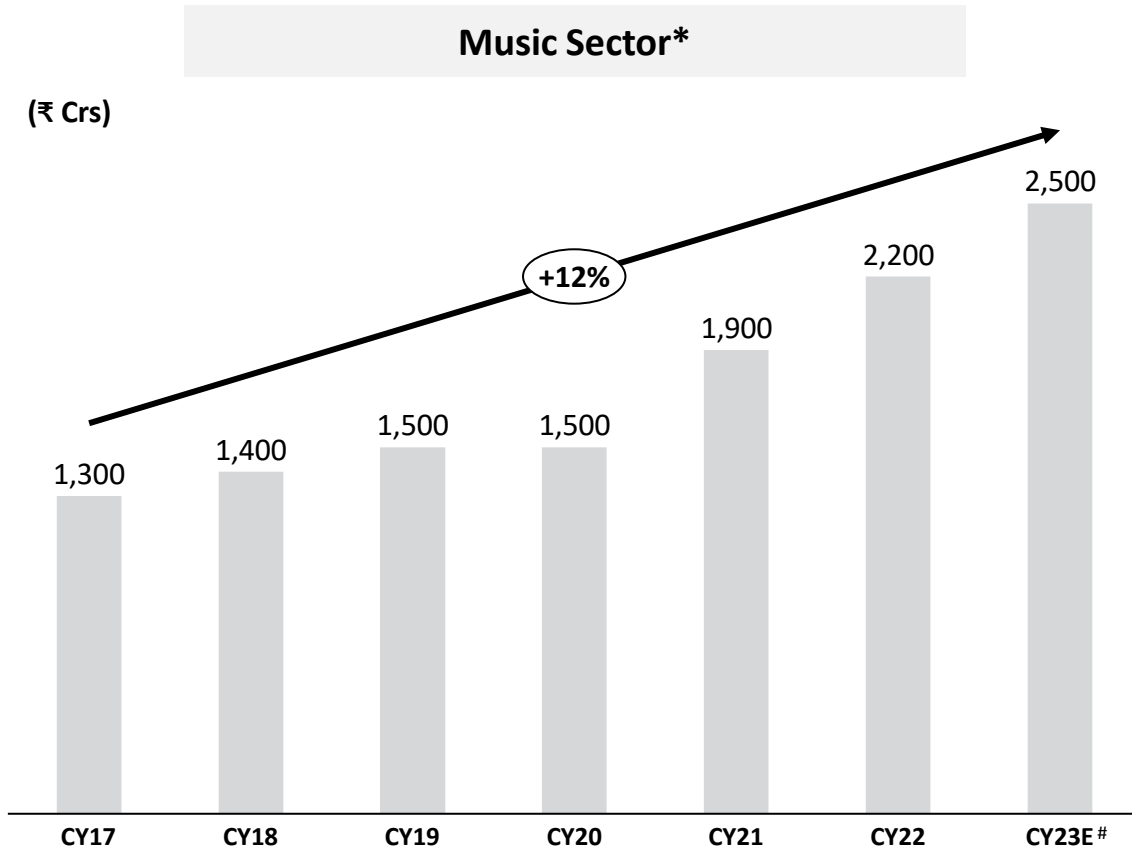
Consistently rewarding shareholders through Buybacks & Dividends

(Cr) Reducing Equity Shares*



*Note : No. of shares before share split

Sustainably Increasing market share: Revenues Doubled in Last 2 Years



Tips Industries outperformed sectoral growth by 2.8x over the past 7 years

Two Pronged Content Acquisition Strategy

PRODUCE

STRATEGY

- To introduce promising singers (Tips) is in our DNA
- We have a strong A&R team which engages with artistes across genres and languages which allows us to promote upcoming talent
- Our team has a deep understanding of music & a track record of creating a repertoire of **“Must Have Hits”**

PURCHASE

STRATEGY

- We purchase music rights from other producers when we see profitable opportunities
- Our understanding of music and its creative process provides us deep insight on costs and returns and therefore we always maintain cost consciousness while acquiring music rights

CONTENT COST

100% of content cost is written off from profit & loss account in the quarter of release
No capitalization & no pending write-offs in the future. Company has consistently followed this policy since inception

Content acquisition is entirely funded through internal accruals.
No borrowings/leverage

Large A&R team to acquire content across languages, genres and to sign up promising artists

Our Content Powers Global Platforms

Digital Partners



Sync Deals



Broadcast Partners

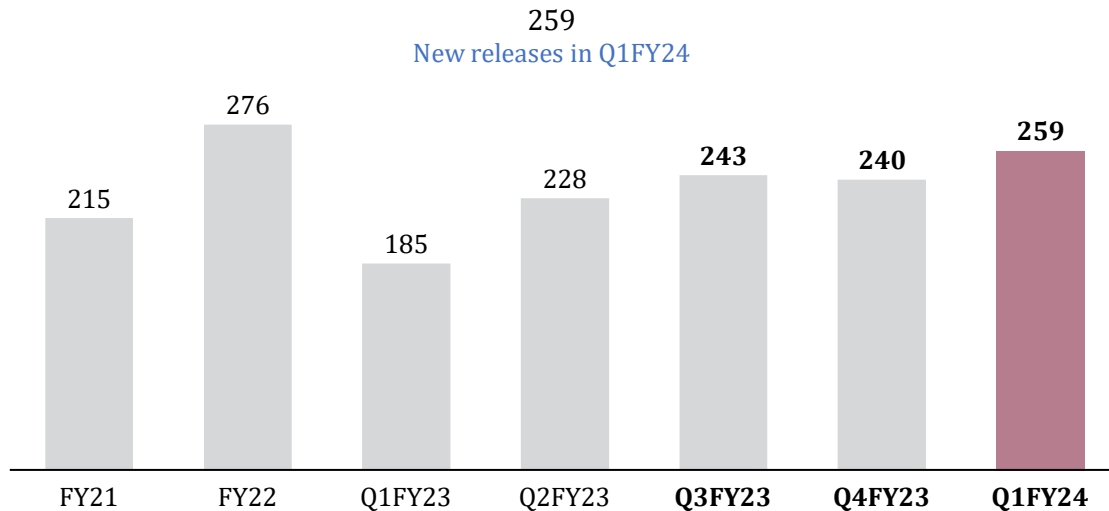


Growing listenership & Increasing Content Addition



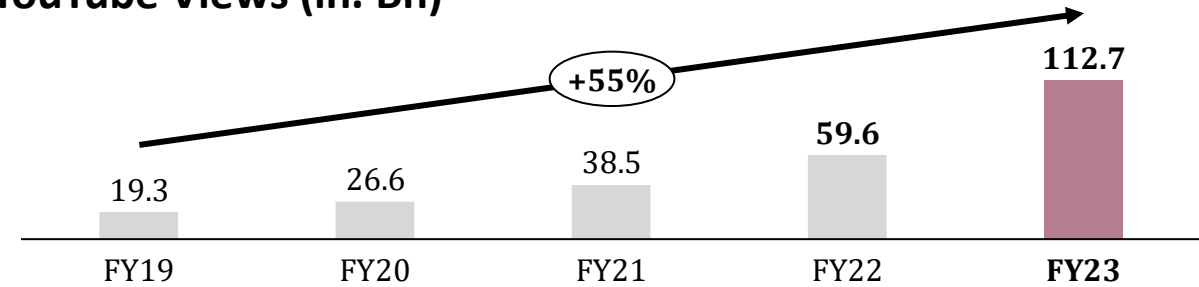
Evergreen & Rich content of **over 30,000 songs** across genres, languages & decades giving us high visibility of music revenue

New Songs Added

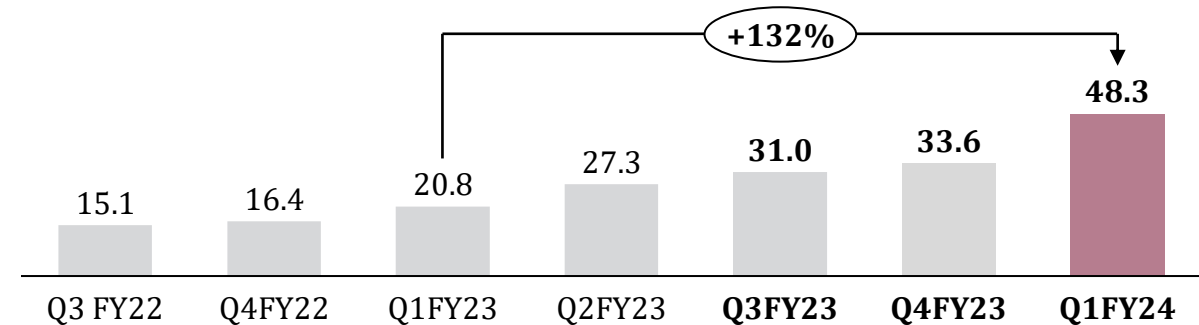


Existing Content + Continuous Additions : Increasing Music Revenue

YouTube Views (in. Bn)



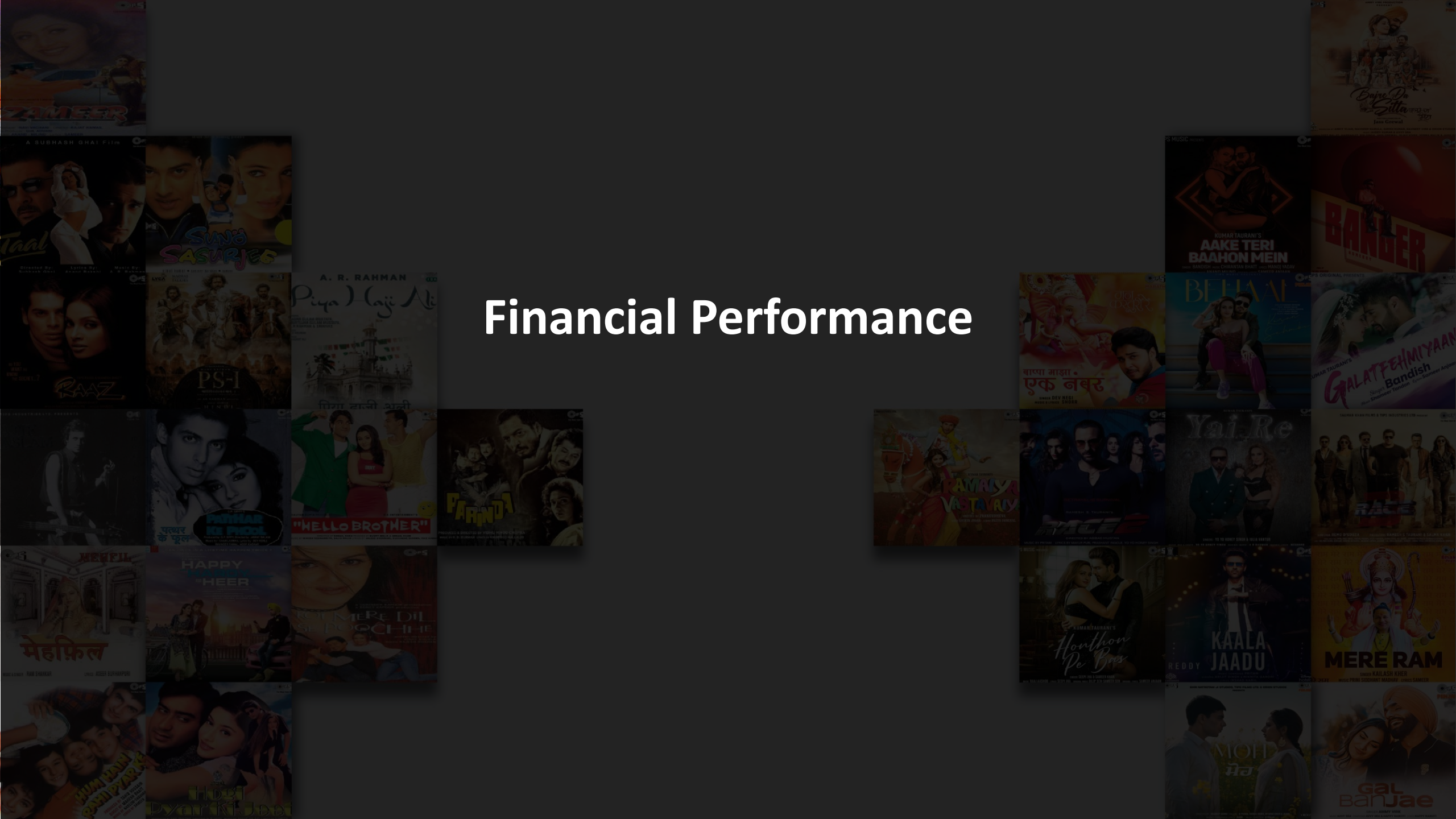
YouTube Views (in. Bn)



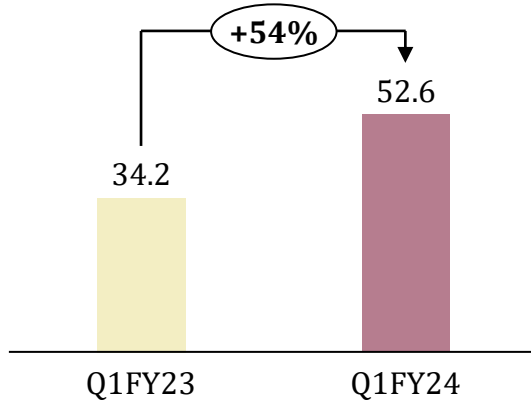
Some of our songs with more than 100 million views/streams



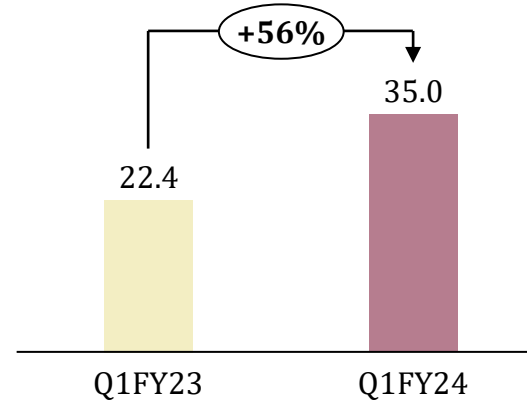
Financial Performance



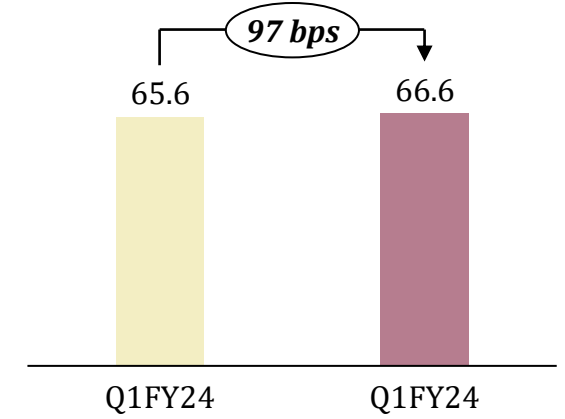
Revenue (Rs. in Crs)



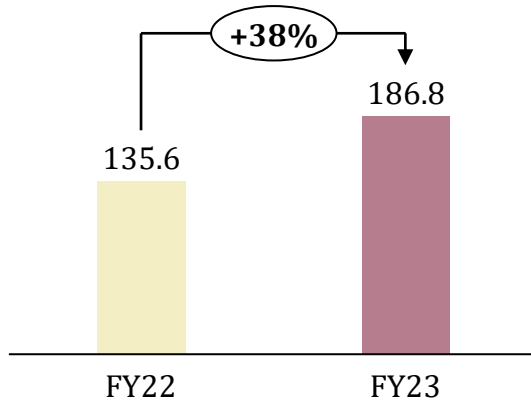
Op. EBITDA (Rs. in Crs)



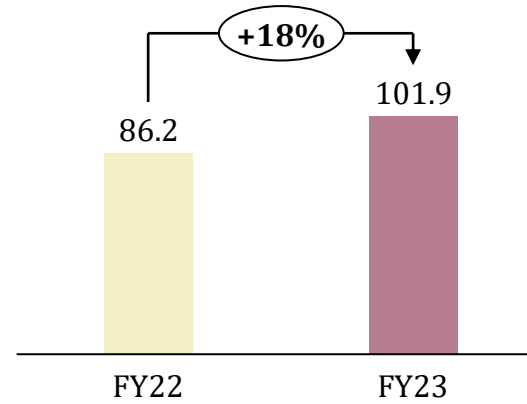
Op. EBITDA Margins (%)



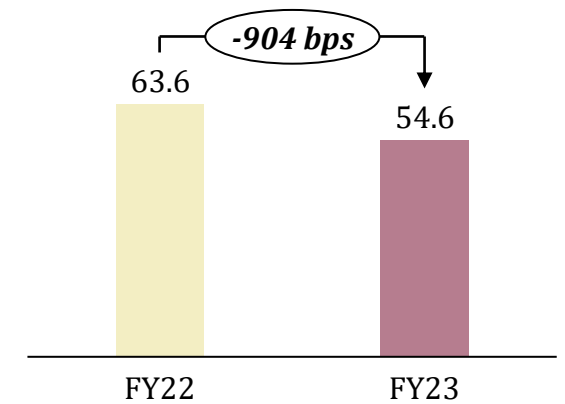
Revenue (Rs. in Crs)



Op. EBITDA (Rs. in Crs)



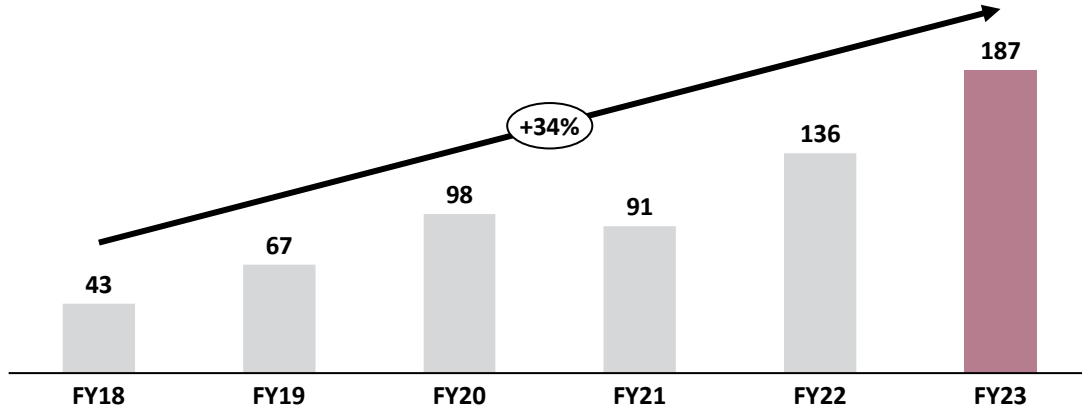
Op. EBITDA Margins (%)



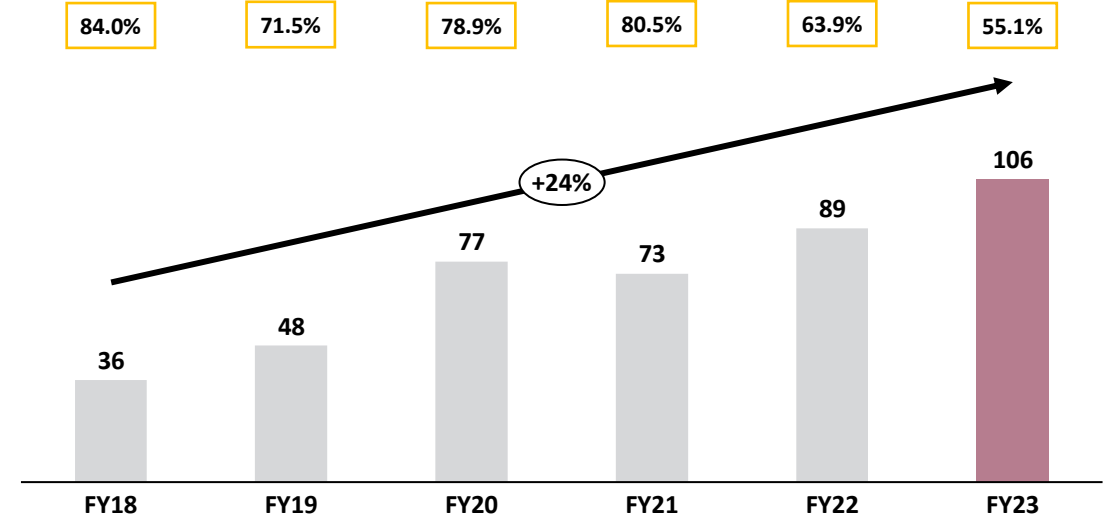
Industry Leading Financial Performance

(₹ Crs)

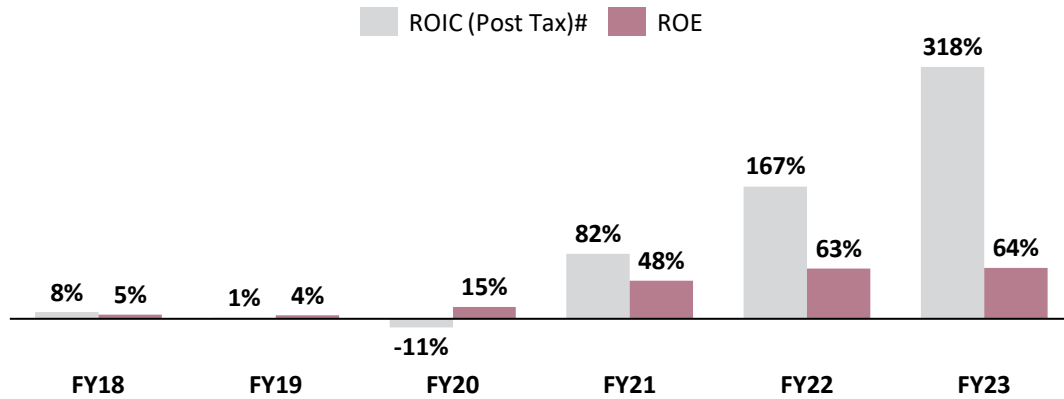
Revenue



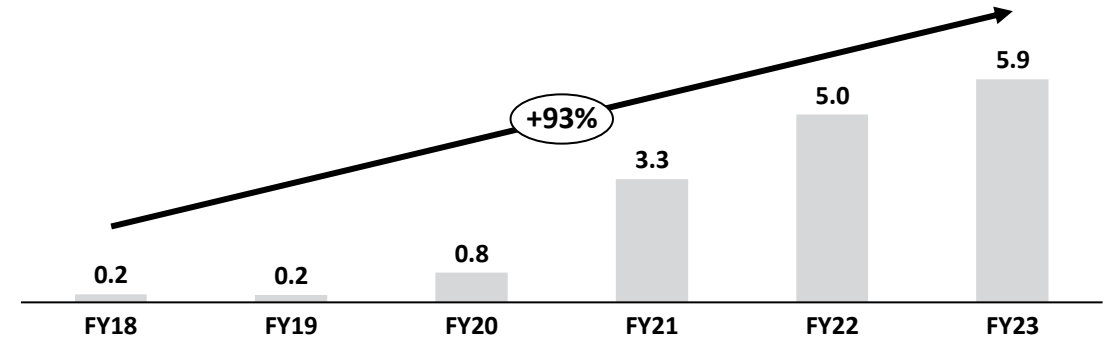
EBIT & EBIT Margin*



ROIC (Post Tax) & ROE



EPS#



Note *Segmental EBIT before allocating corporate overheads (Upto FY21); #ROIC, ROE and EPS upto FY21 before demerger

Profit & Loss Statement

Particulars (Rs. in Crs)	Q1FY24	Q1FY23	Y-o-Y	Q4FY23	Q-o-Q	FY23	FY22	Y-o-Y
Revenue From Operations	52.6	34.2	54%	52.0	1%	186.8	135.6	38%
Content Cost	12.2	7.6	61%	19.0	-35%	62.4	32.1	95%
Employee Benefits Expenses	1.9	1.6		2.0		7.3	6.3	
Other Expenses	3.5	2.6		4.7		15.1	11.0	
Op. EBITDA	35.0	22.4	56%	26.4	33%	101.9	86.2	18%
Op. EBITDA %	66.6%	65.6%		50.7%		54.6%	63.6%	
Other Income	2.0	1.0		1.9		5.4	3.2	
Depreciation and Amortisation Expense	0.6	0.4		0.4		1.3	0.7	
Op. EBIT	36.5	23.1	58%	27.9	31%	105.9	88.7	19%
Finance Costs	0.1	0.1		0.1		0.3	0.1	
PBT	36.4	23.0	58%	27.9	30%	105.7	88.6	19%
Tax	9.3	5.9		9.5		29.1	24.1	
PAT	27.1	17.2	58%	18.3	48%	76.5	64.6	19%
PAT %	51.5%	50.2%		35.2%		41.0%	47.6%	
EPS	2.11	1.32		1.42		5.91	4.98	

Note Other comprehensive income during the quarter was Rs. 28.4 lakhs (Q1FY23 – Rs. 12.0 lakhs; Q4FY23 – Rs. 3.7 lakhs).

Balance Sheet

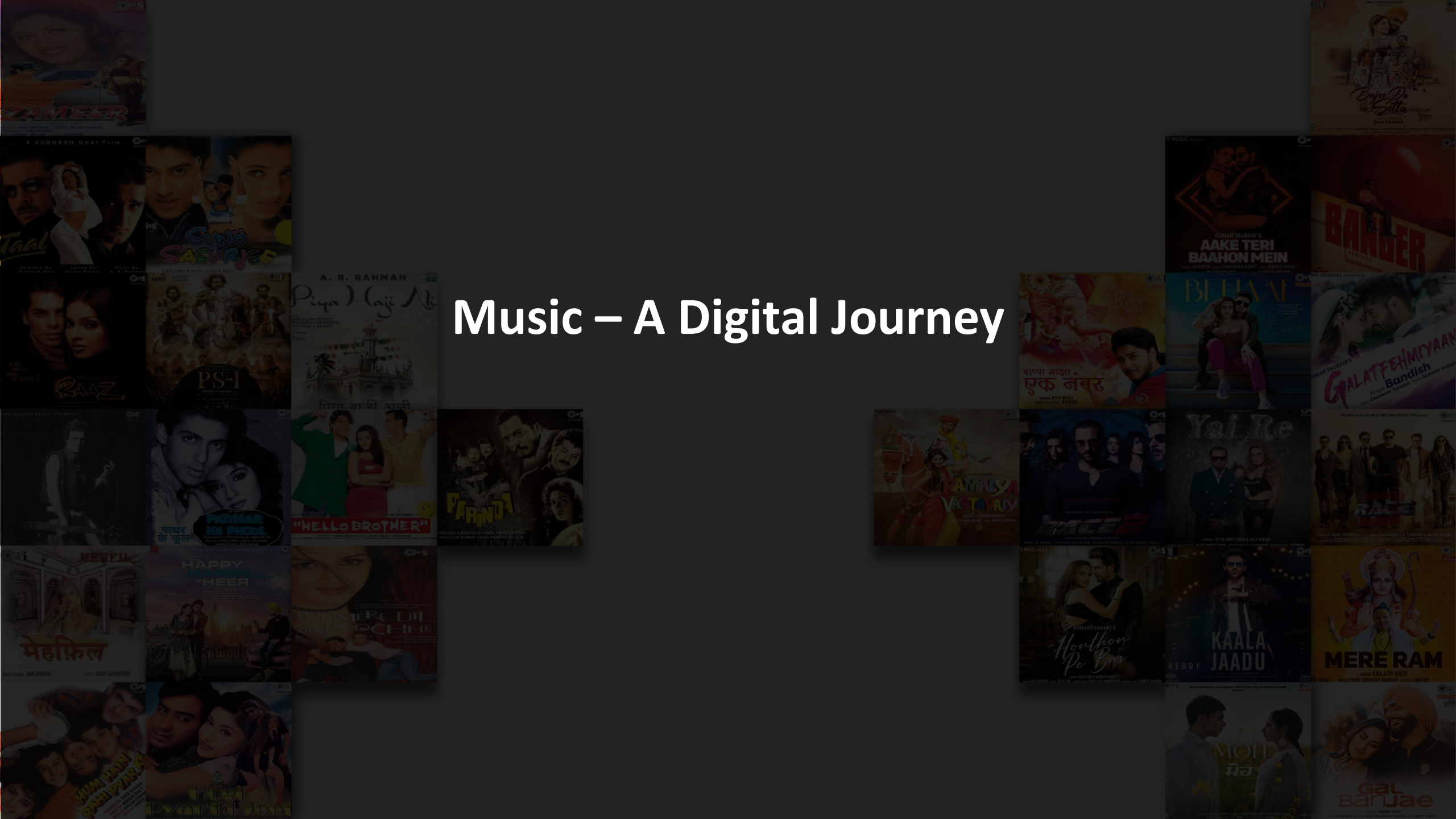
Equity & Liabilities (₹ in Cr)	Mar'23	Mar'22
Equity Share Capital	12.8	13.0
Other Equity	123.3	89.4
Total Equity	136.2	102.4
Non-Current Liabilities		
(i) Lease Liabilities	3.1	3.6
Deferred Tax Liabilities, (net)	0.0	0.0
Employee Benefit Obligations	0.1	0.1
Other Non Current Liabilities	0.0	29.7
Total Non-Current Liabilities	3.2	33.4
Current Liabilities		
(i) Lease Liabilities	0.7	0.3
(ii) Trade Payables		
(a) total outstanding dues of micro enterprises and small enterprises	0.0	0.0
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	16.0	4.2
(iii) Other Financial Liabilities	0.1	0.2
Employee benefit Obligations	0.0	0.0
Current Tax Liabilities (net)	0.3	5.2
Other Current Liabilities	36.1	1.1
Total Current Liabilities	53.3	11.0
Total Equity & Liabilities	192.7	146.8

Assets (₹ in Cr)	Mar'23	Mar'22
Non-Current Assets		
Property, plant and equipment	5.0	6.3
Investment Property	0.1	0.2
(i) Investments	0.0	0.0
(ii) Loans & Deposits	0.1	0.0
(iii) Other Financial Assets	7.0	3.0
Deferred Tax Assets	0.5	0.4
Other Non-Current Assets	15.3	8.0
Total Non-Current Assets	28.1	17.9
Current Assets		
(i) Investments	13.1	5.4
(ii) Trade receivables	20.3	17.9
(iii) Cash and cash equivalents	11.4	22.1
(iv) Bank balances other than (ii) above	85.5	39.9
(v) Loans	2.6	3.2
(vi) Other Financial Assets	3.3	8.7
Other Current Assets	27.4	27.4
Current Tax Assets (Net)	1.0	4.2
Total Current Assets	164.6	128.9
Total Assets	192.7	146.8

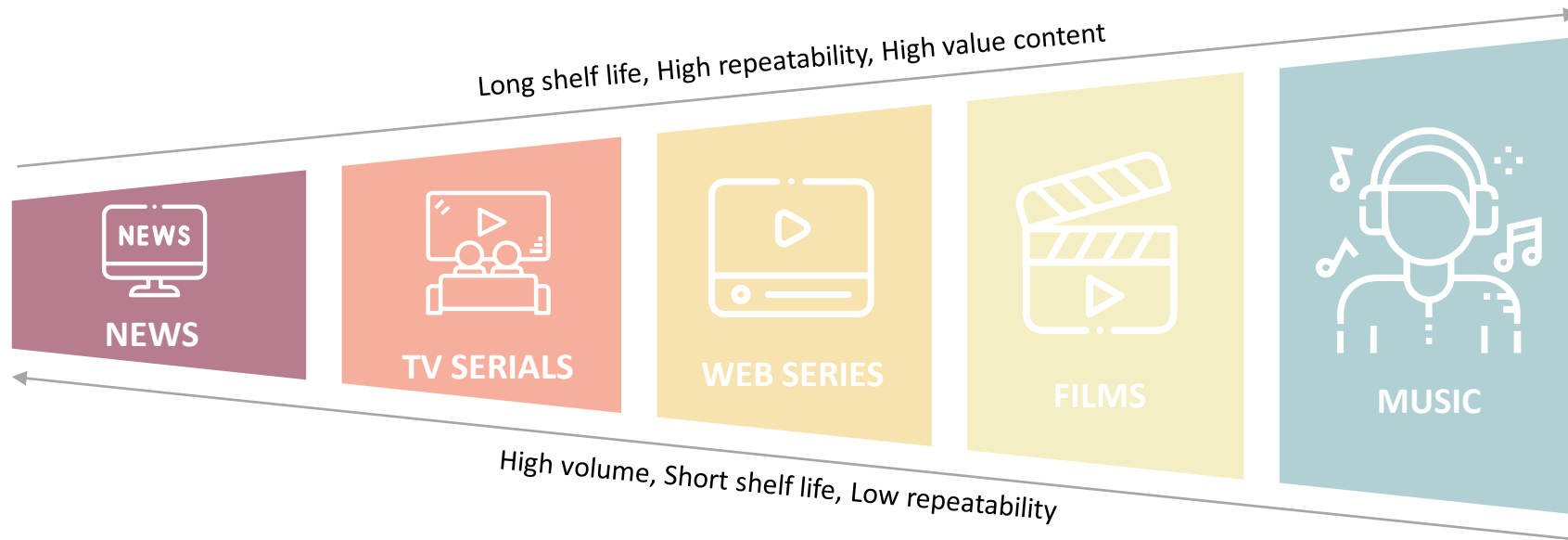
Cash Flow Statement

Cash Flow Statement (Rs. Crs.)	Mar-23	Mar-22
Cash Flow from Operating Activities		
Profit before Tax	105.6	88.6
Adjustment for Non-Operating Items	-2.6	-1.4
Operating Profit before Working Capital Changes	103.1	87.2
Changes in Working Capital	10.2	-36.0
Cash Generated from Operations	113.3	51.2
Less: Direct Taxes paid	-31.0	-21.9
Net Cash from Operating Activities	82.3	29.3
Cash Flow from Investing Activities	-49.5	-27.1
Cash Flow from Financing Activities	-43.5	-2.8
Net increase/ (decrease) in Cash & Cash equivalent	-10.7	-0.6
Add : Cash and cash equivalents at the beginning of the year	22.1	22.7
Cash and cash equivalents at the end of the year	11.4	22.1

Music – A Digital Journey

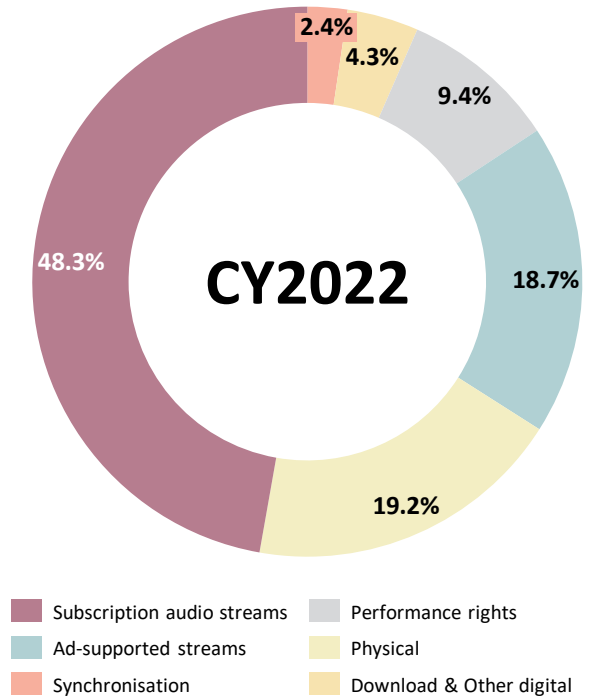


Music Is The Most Valuable Content



Content that can be monetized multiple times naturally commands greater economic value
Music ranks at the top of the content pyramid when ranked on repeated monetization

Music Revenue Sources



Streaming comprised **67%** of total revenues in 2022
48.3% of all streams were subscription based

STREAMING

Streaming continued to grow strongly in 2022, up by 11.5% to US\$17.5 billion. Paid streaming revenues for CY22 were US\$12.7 billion

SYNCHRONISATION

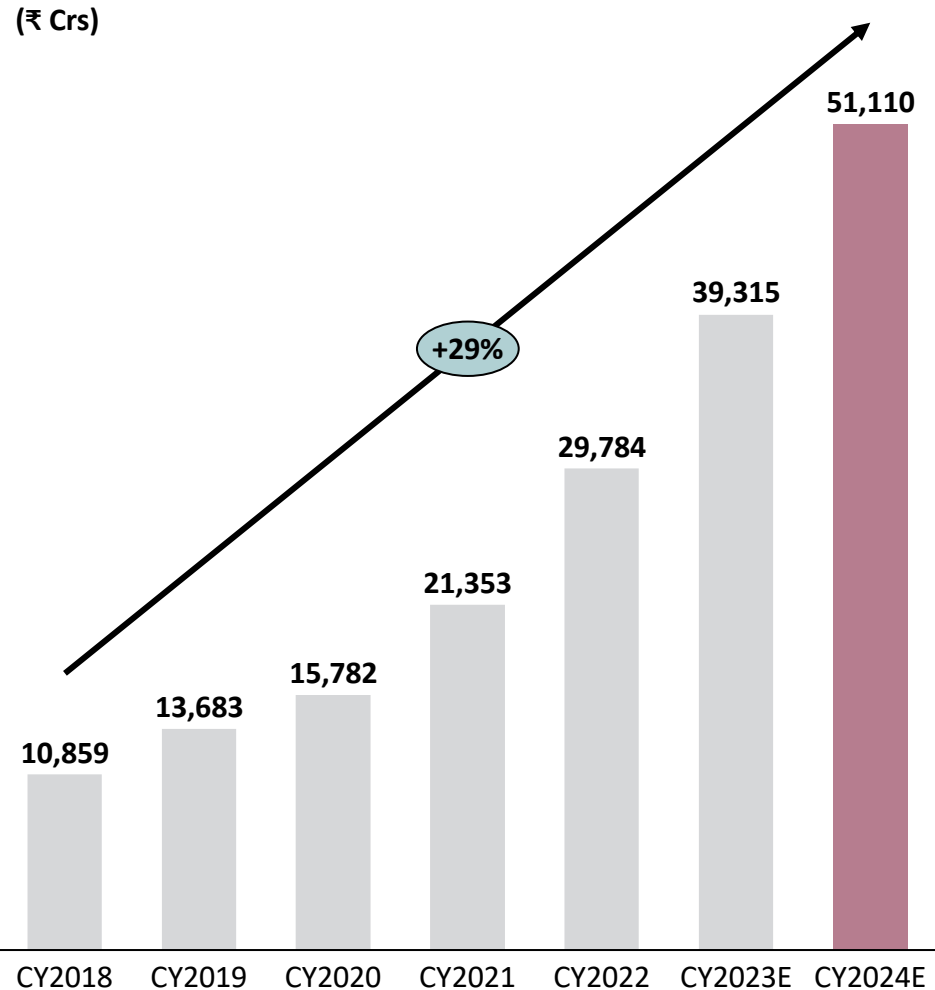
Use of recorded music in advertising, film, games and TV grew by 22.4% (US\$640.4 million) in 2022. Revenues from synchronization accounted for 2.4% of the global market

PERFORMANCE RIGHTS

Performance rights are now a US\$2.5 billion revenue stream which grew 8.6% in CY2022

Digital Advertising – Key Driver of Indian Music Industry

Indian Digital Ad Industry



The Indian digital advertising industry stood at Rs 29,784 crore by the end of 2022, up from Rs 21,353 crore in the previous year. **It has grown at a rate of 39%**

This swift growth can be attributed to the rapid development of digital infrastructure and the development of mass market applications of e-commerce, education, entertainment, healthcare, etc.

The highest proportion of spends on digital media is claimed by **social media (30%, Rs 8,757 crore)**, closely followed by **online Video (28%, Rs 8,319 crore)**. Paid search claims 23% (Rs 6,895 crore), while display banners claim 16% (Rs 4,816 crore).

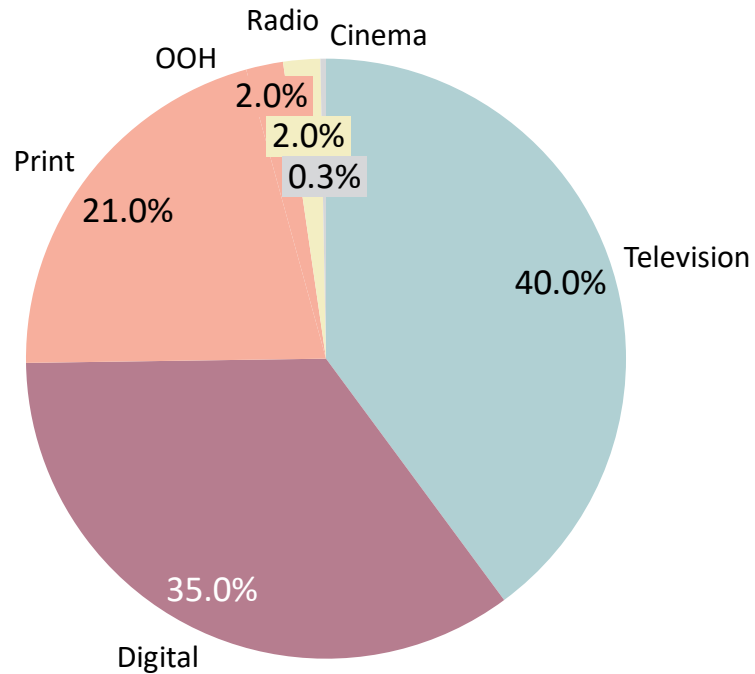
Social media is expected to grow with a CAGR of 31% to have a spend share of 29% by 2024.

On average, Indians spend 2-3 hours on Social Media daily, which is at par with the global average.

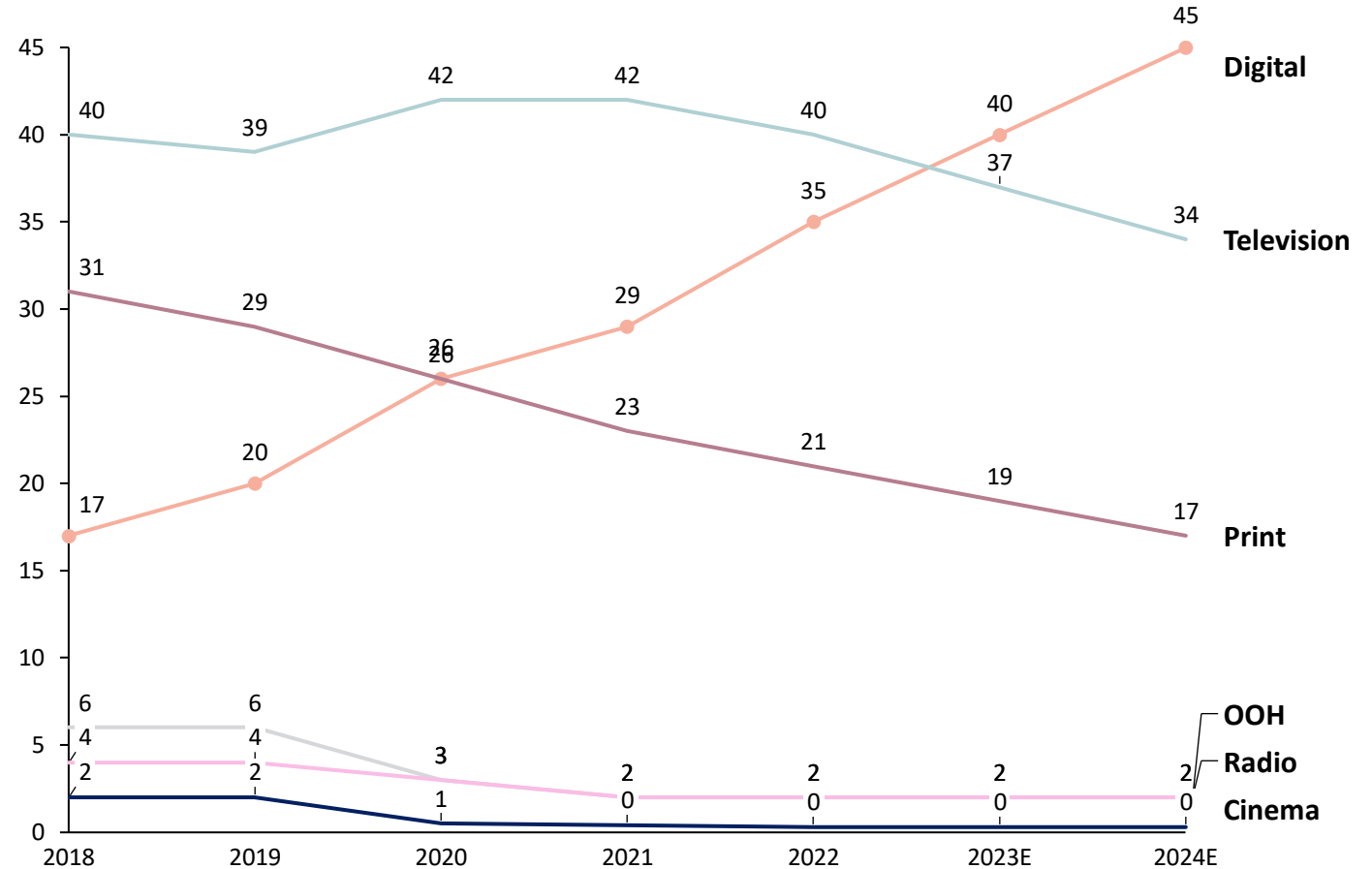
73% of the audience belonging to the age group of 45 years to 54 years use YouTube to watch online content.

Digital Advertising will Dominate Media Spending

Advertising spends on different media



Advertising spends across various media (%) - Forecast

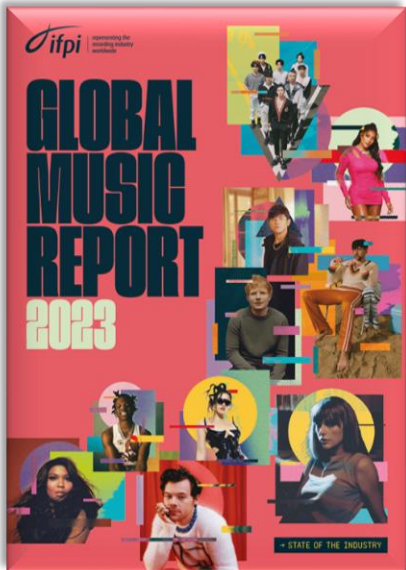


The current pie of digital ad spends constitutes 35% of the advertising spends in 2022, and moving forward in 2023 and 2024, the percentage is expected to increase to 40% and 45% respectively.

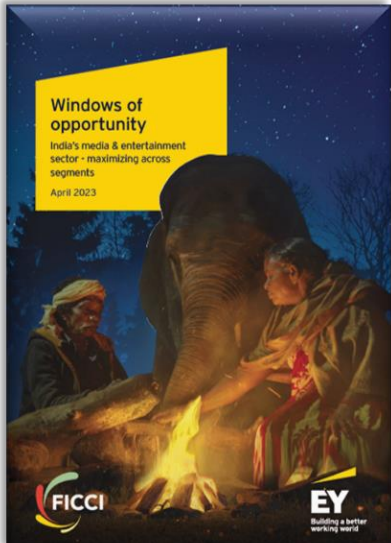
Few Industry Reports



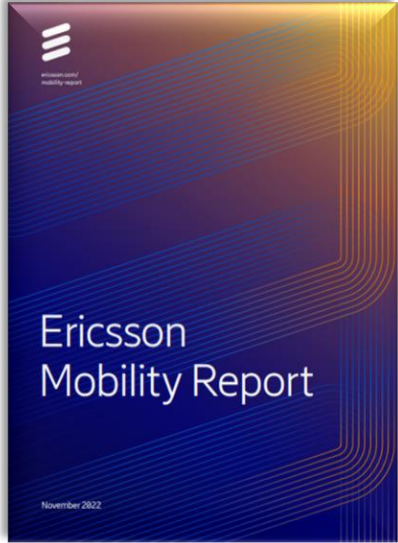
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Digital Advertising in India



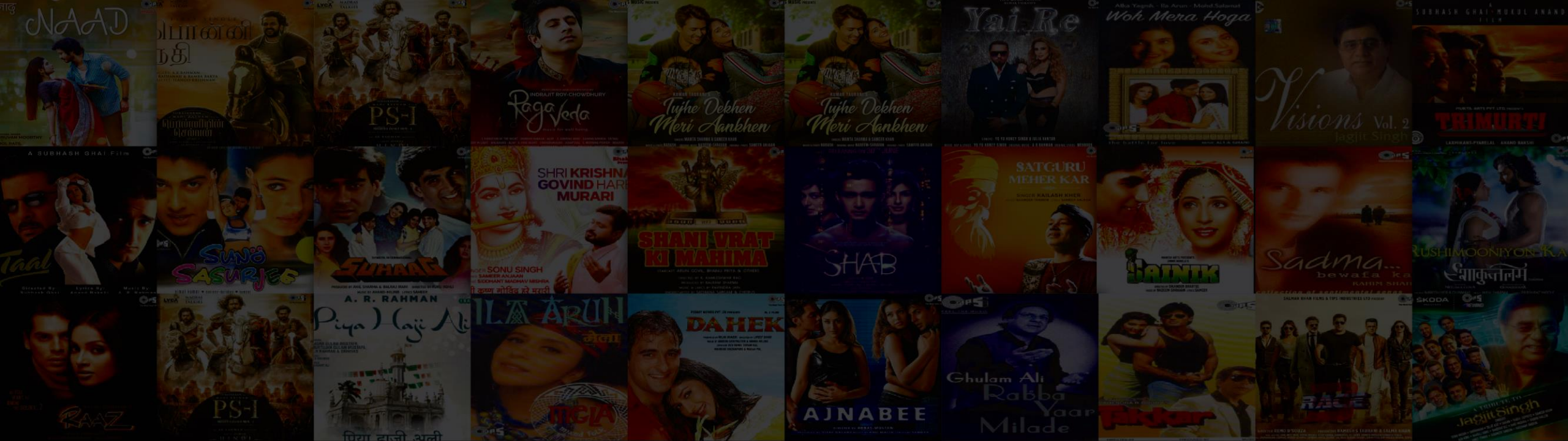
IFPI
Global Music Report



FICCI
EY Media & Entertainment Report 2023



Ericsson
Mobility Report



Thank You

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