



TRANSIQUE
YOUR TRANSACTION CATALYST

Industry Insights - Financial Performance & Valuation Trends

Media and Entertainment
September 23



Background (Coverage & Approach)

Transique Corporate Advisors takes immense pleasure in presenting its Eighth Industry Insight report capturing the financial performance and valuation trends over 3 year period across of “Media and Entertainment Industry” and its Media & Entertainment, Digital Entertainment, Film Production Distribution & Exhibition, Advertising & Media Agencies, TV Broadcasting & Software Production, Printing & Publication and Print Media Sub-Industries. These trends are based on the data of last two audited financial years (FY 2020-21 and FY 2021-22) and trailing twelve months (TTM) consolidated financials as on July 2023.

The purpose of this “Media and Entertainment Industry Insight Report” is to provide an executive summary of Media and Entertainment Industry including its emerging Industry trends and Investment opportunities, macro understanding of the financial performance and movement in the median valuation multiples of companies operating in Media and Entertainment Industry and its Sub-Industries.

For preparation of this Media and Entertainment Industry Insight report on we have analysed 119 companies listed on NSE/BSE. After applying our proprietary filtration criteria for eliminating the outliers and adjusting for Infrequently Traded Companies, we have done detailed analysis of 20 companies which has been summarised in this report.

We hope this Industry Report Series: Financial performance and Valuation trends would be of use to the Corporates, Investors and Professionals. If you require any guidance or support or have any feedback, you may write to us at info@transique.in.

To read about more such Industry Insights and Valuations of 21 Industries and 193 Sub Industries, click here: <https://www.transiqueadvisors.com/transique-insight/>

Executive Summary : Media and Entertainment Industry

Background

Media is consumed by audiences across demographics and various avenues such as television, films, out-of-home (OOH), radio, animation, and visual effect (VFX), music, gaming, digital advertising, live events, filmed entertainment, and print. Media & Entertainment ecosystem is a sunrise sector expected to generate INR 4 lakh crores annually by 2025 and reach USD 100 bn or INR 7.5 lakh crore industry by 2030. The share of traditional media (television, print, filmed entertainment, OOH, music, radio) stood at 58% of the media and entertainment sector revenues in 2022. The digital media segment is the 2nd largest M&E sub-segment witnessing a 30% growth in 2022 to reach \$ 6.9 Bn.

Contribution to GDP

Approximately 0.9%

Employment Generation

Approximately 5 Million people directly and indirectly

Key Achievements

In 2022, number of connected TV sets grew by 10 million, Online gaming grew 34% to reach US\$ 1.6 billion. The Government carved out National Film Policy to mainly tap potential in the animation segment. On February 25 2021, the government outlined the Information Technology Rules 2021 to establish a progressive institutional mechanism and a three-tier grievance redressal framework for news publishers and OTT platforms on the digital media.

Present Scenario

In the year 2022-2023, Entertainment and Media industry grew at an above average rate of 11.4%. The increasing availability of fast and cheap internet, rising incomes, and increasing purchases of consumer durables have significantly aided the industry. Spotify led India's music and audio streaming market in FY23 with a 26% share, as compared to just 11% share in FY20. As per GroupM's TNYN report 2023, India was ranked 8th by global ad spend, and will continue as the fastest growing market among the top 10 ad markets in 2023. In 2022, the television market size stood at US\$ 8.62 billion.

Growth Drivers

Through National Film Development Corporation of India, OTT will provide a platform for filmmakers to showcase their talent. Incentives for Co-production & shooting foreign films in India. The two schemes viz Incentive Scheme for Audio-Visual Co-production and Incentive Scheme Shooting of foreign films in India are aimed at unleashing the potential of Indian media and entertainment industry. In the Union budget of 2022-23, the Ministry of Information and Broadcasting were allocated Rs. 3,980.77 crore.

Future Outlook

This industry is expected to grow to \$34.62 Bn by 2025 at 10.5% CAGR, led by Live events, Animation, VFX and online gaming. The growth is driven by rising content demand by consumers in India. The OTT segment is likely to grow at a remarkable CAGR of 14.1% to reach Rs. 21,032 crore (US\$ 2.55 billion) in 2026. Television would account for 40% of the Indian media market in 2024, followed by print media (13%), digital advertising (12%), cinema (9%), and the OTT and gaming industries (8%).

Investment Opportunity

- India has a large broadcasting and distribution sector, comprising approximately more than 800 satellite TV channels. The distribution network consists of 6,000 multi-system operators, around 60,000 local cable operators, 7 DTH operators and many IPTV service providers.
- Government supports anti-piracy movement and thus, the draft Cinematograph Act has recommended strong action against those indulging in piracy.
- Animation, Visual Effects, Gaming and Comics (AVGC) Promotion Task Force has been constituted to promote the AVGC sector in the country under the aegis of Ministry of Information and Broadcasting.

Some of the prospective sub-sectors in the E&M industry for private investors include:

- Television industry
- Digital media
- Filmed entertainment
- Animation and VFX
- Online gaming
- Over-the-top (OTT) media services

Financial Performance & Valuation Multiples Trends Analysis

Media and Entertainment Industry

Sub-Industries	Financial Performance			Valuation Multiples
	Revenue Growth	EBITDA Margin	Debt to Market Cap	EV/EBITDA Multiple
Media & Entertainment	From FY 21 to 2023 at CAGR 23%	Decreased to 27% in 2023 from 48% in FY 21	Decreased to 0.0001 in 2023 from 0.0002 in FY 21	Increased to 33x in 2023 from 13x in FY 21
Digital Entertainment	From FY 21 to 2023 at CAGR 55%	Increased to 13% in 2023 from 11% in FY 21	Increased to 0.001 in 2023 from 0.0003 in FY 21	Decreased to 28x in 2023 from 77x in FY 21
Film Production, Distribution & Exhibition	From FY 21 to 2023 at CAGR 19%	Constant at 2% in 2023 in comparison to FY 21	Increased to 0.11 in 2023 from 0.02 in FY 21	Increased to 27x in 2023 from 17x in FY 21
Advertising & Media Agencies	From FY 21 to 2023 at CAGR 26%	Increased to 44% in 2023 from 37% in FY 21	Decreased to 0.003 in 2023 from 0.02 in FY 21	Increased to 14x in 2023 from 6x in FY 21
TV Broadcasting & Software Production	From FY 21 to 2023 at CAGR 10%	Decreased to 18% in 2023 from 29% in FY 21	Decreased to 0.004 in 2023 from 0.01 in FY 21	Increased to 7x in 2023 from 6x in FY 21

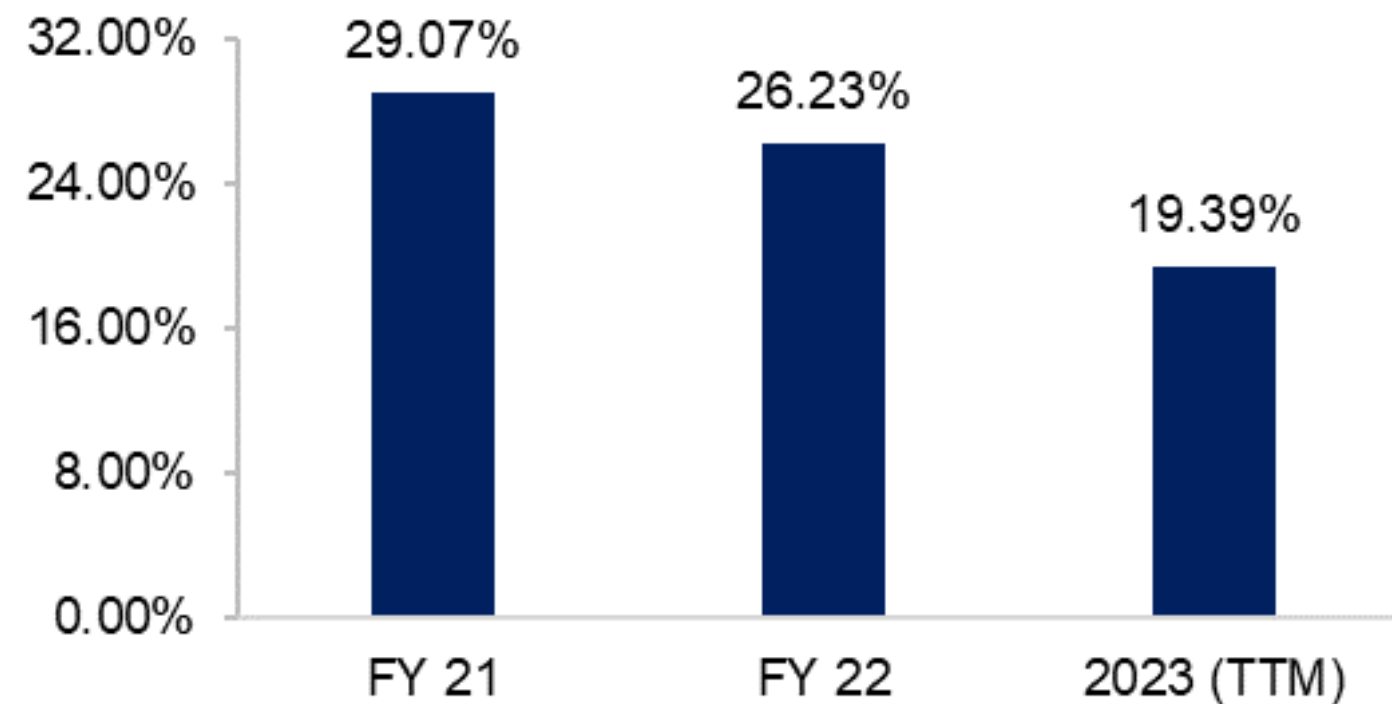
Financial Performance & Valuation Multiples Trends Analysis

Media and Entertainment Industry

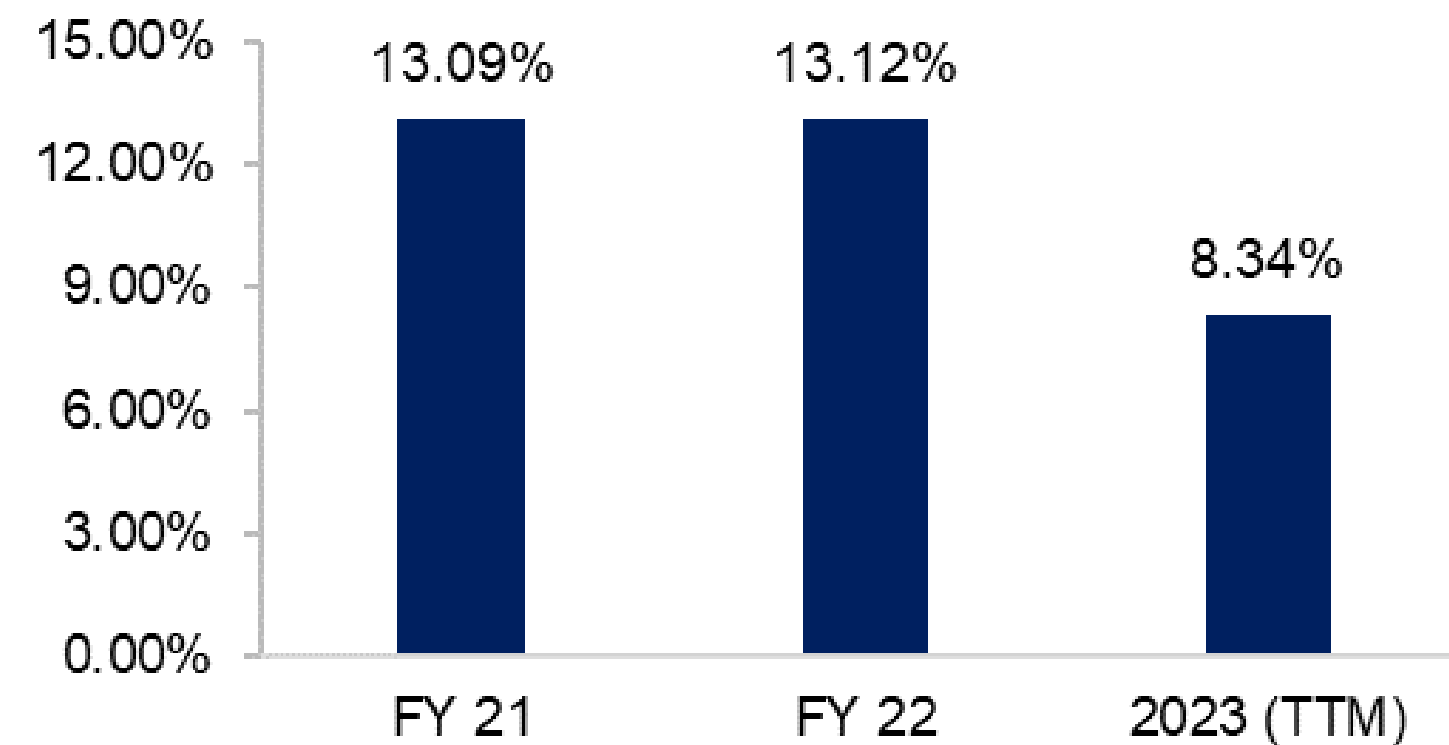
Sub-Industries	Financial Performance			Valuation Multiples
	Revenue Growth	EBITDA Margin	Debt to Market Cap	EV/EBITDA Multiple
Printing & Publication	From FY 21 to 2023 at CAGR 41%	Increased to 17% in 2023 from 16% in FY 21	Decreased to 0.44 in 2023 from 0.87 in FY 21	Decreased to 7x in 2023 from 8x in FY 21
Print Media	From FY 21 to 2023 at CAGR 20%	Decreased to 20% in 2023 from 22% in FY 21	Decreased to 0.05 in 2023 from 0.16 in FY 21	Increased to 6x in 2023 from 5x in FY 21

Financial Performance Charts for 3 Years of Media and Entertainment Industry

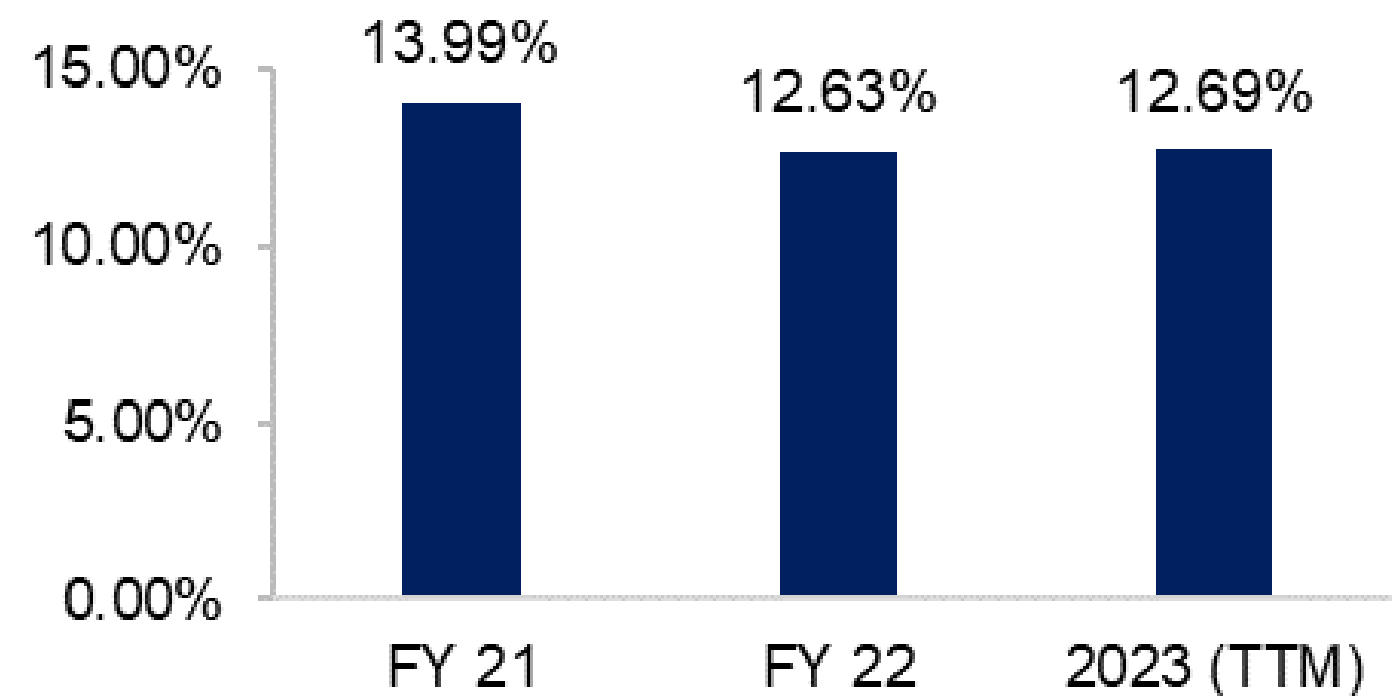
EBITDA Margin (%)



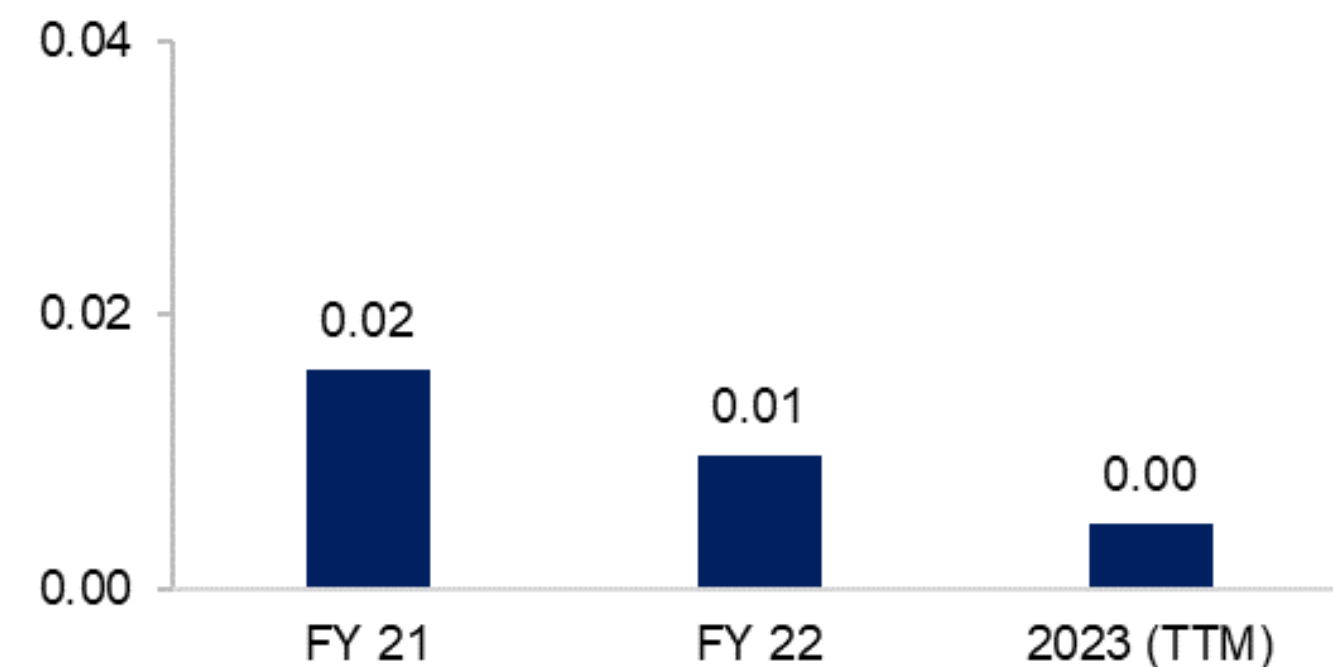
PAT Margin (%)



ROCE (%)



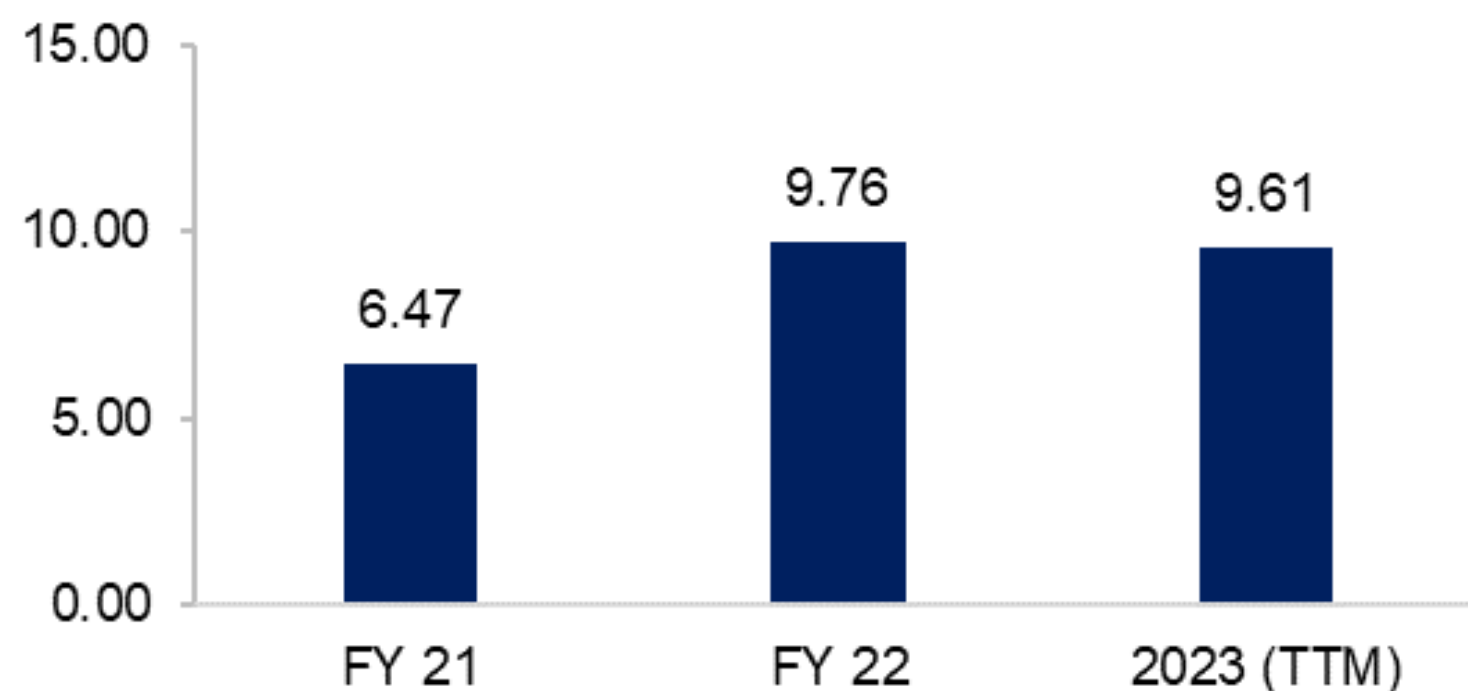
Debt to Market Cap Ratio



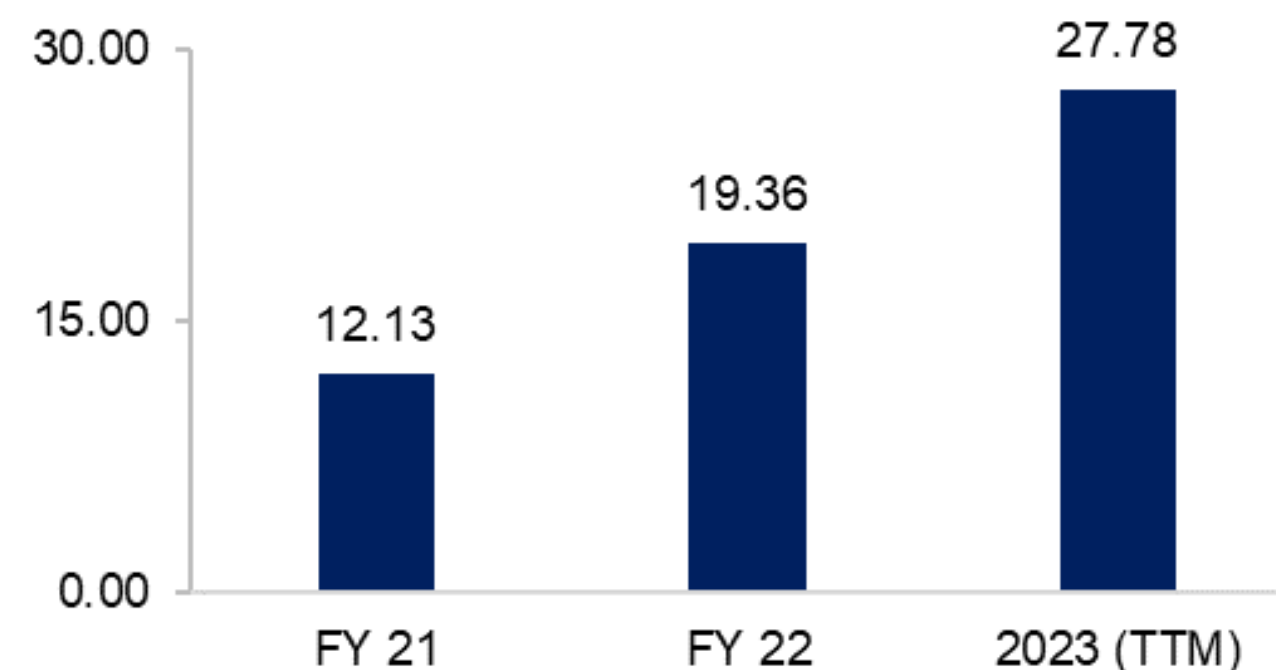


Valuation Multiples Trend analysis for 3 Years of Media and Entertainment Industry

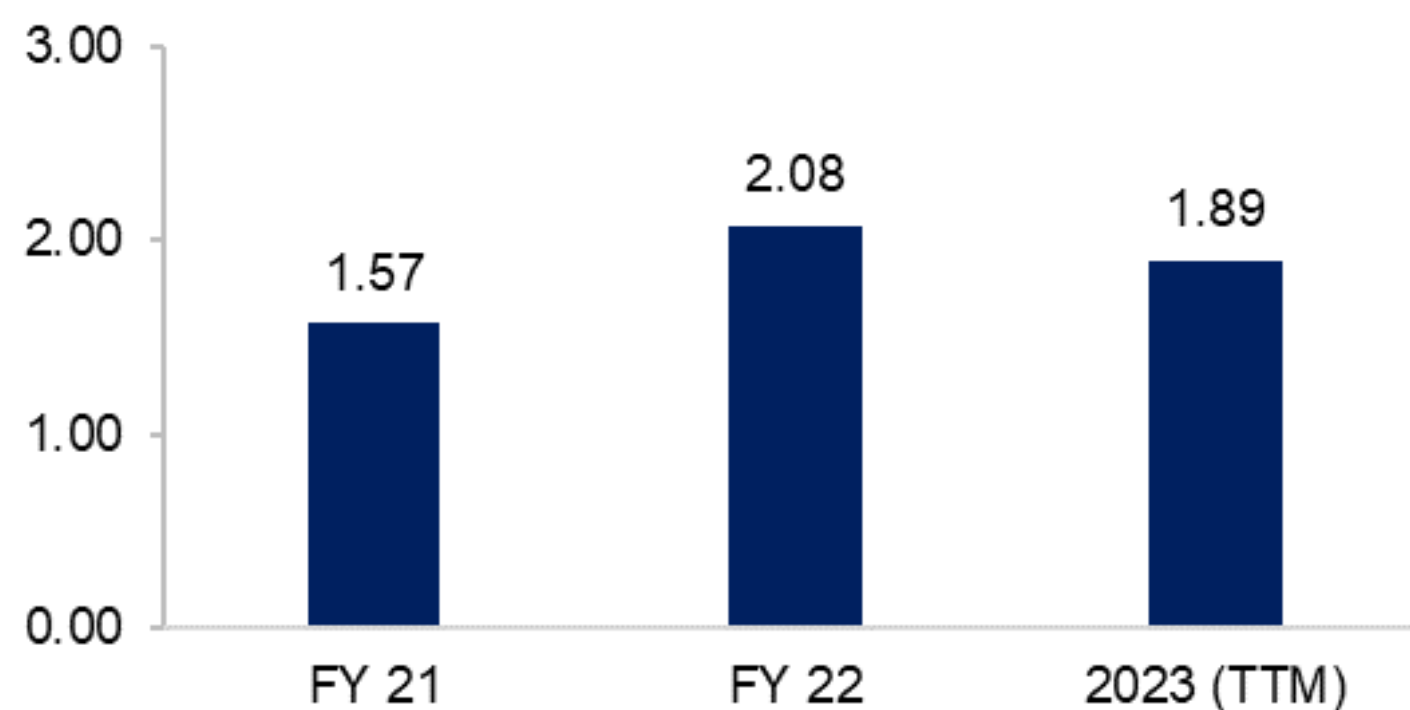
EV/EBITDA



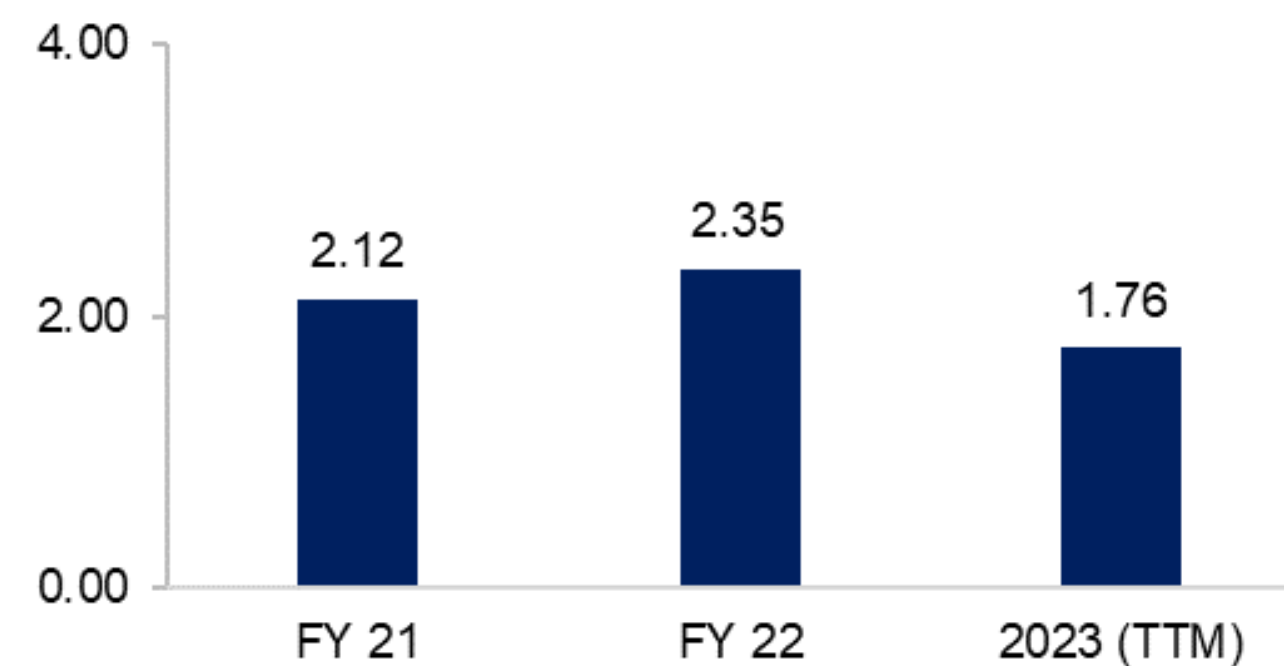
Price to Earnings (PE)



Price to BV



Market Cap/Sales



Top Performing Companies in Media and Entertainment Industry

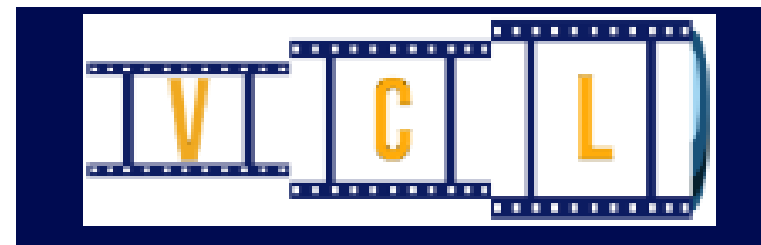
Media & Entertainment



Digital Entertainment



Film Production, Distribution & Exhibition



Advertising & Media Agencies



TV Broadcasting & Software Production



Top Performing Companies in Media and Entertainment Industry

Printing &
Publication

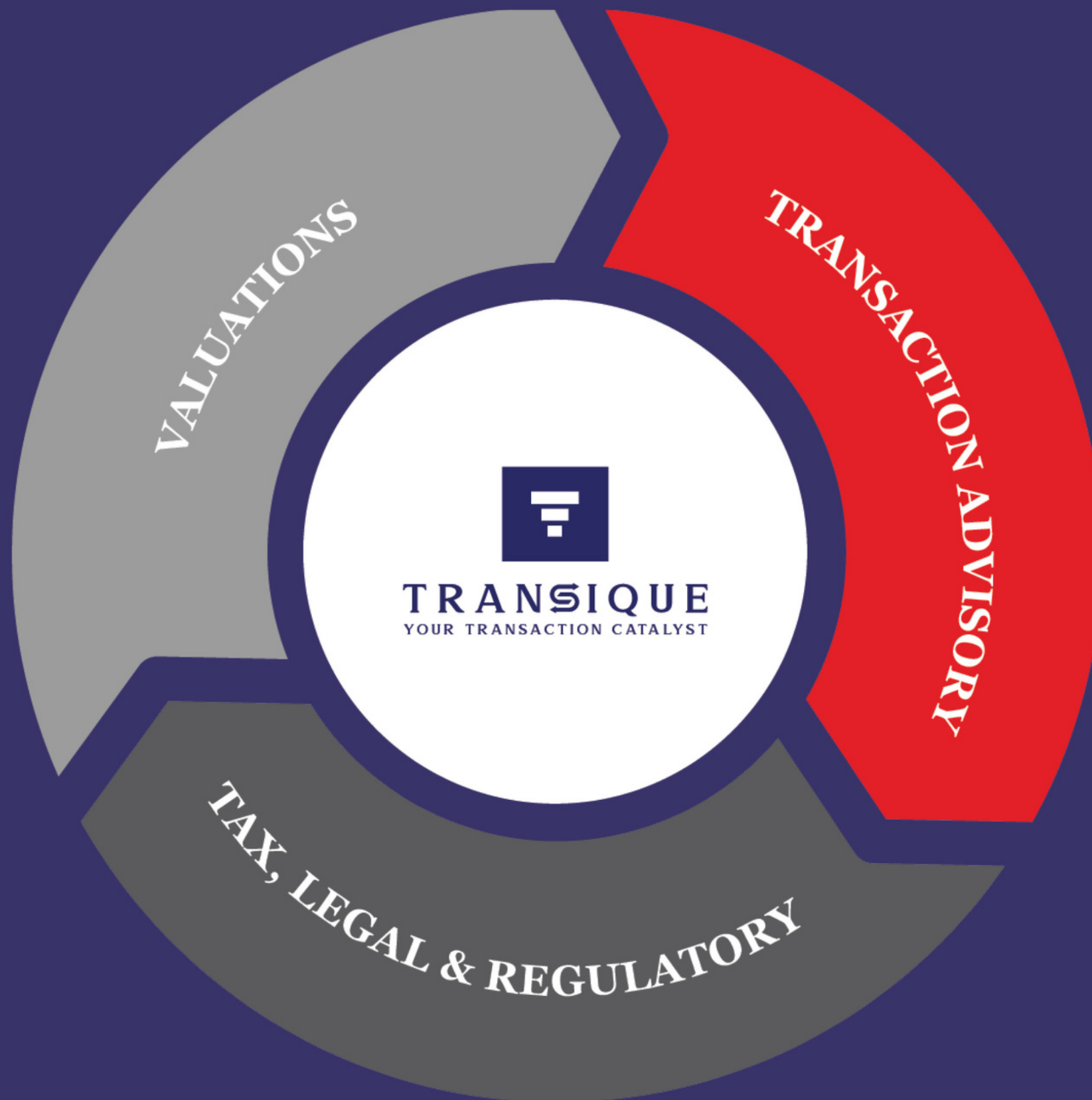


Print Media



Industry, Sub Industry & Sub Group Classification

Industry	Sub Industry	Sub Group	No. Of Companies
Media, Entertainment & Publication	Advertising & Media Agencies	Miscellaneous - Medium / Small	2
	Digital Entertainment	Computers - Software - Medium / Small	1
	Film Production, Distribution & Exhibition	Entertainment - Content Providers	1
	Media & Entertainment	Entertainment - Content Providers	2
	Print Media	Entertainment - Electronic Media	2
		Printing & Stationery	1
	Printing & Publication	Printing & Stationery	2
	TV Broadcasting & Software Production	Entertainment - Electronic Media	9
		Total Companies	20



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