



42nd AGM - Additional Information

Zee Entertainment Enterprises Limited – November 2024

Safe Harbor Statement: This Release/Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward-looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward-looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.

This document should be read in conjunction with the published financial results. Certain analysis undertaken and represented in this document may constitute an estimate or interpretation and may differ from the actual underlying results.

Use of Operating Metrics: The operating metrics reported in this presentation are calculated using internal company data. While these numbers are based on what we believe to be reasonable estimates for the applicable period of measurement, there are some inherent challenges in these measurements. The methodologies used to measure these metrics are susceptible to source issues, calculation or other technical errors. We regularly review our processes for calculating these metrics, and from time to time we may discover inconsistencies in our metrics or may make adjustments to improve their accuracy, which can result in adjustments to previously disclosed metrics. In addition, our metrics will differ from estimates published by third parties due to differences in methodology.

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Board of Directors & Committees



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Mr. R. Gopalan
Chairman, Independent Director



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Deepu Bansal
Independent Director



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Mr. Uttam Prakash Agarwal
Independent Director



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Mr. Shishir Babubhai Desai
Independent Director



C
C

Dr. Venkata Ramana Murthy Piniseti
Independent Director



M
M

Punit Goenka
Managing Director & CEO

Board Committees

- Audit Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee
- Risk Management Committee

C - Chairman | M - Member

Board of Composition



Mr. R. Gopalan
Chairman, Independent Director



Mr. Uttam Prakash Agarwal
Independent Director



Mr. Shishir Babubhai Desai
Independent Director



Dr. Venkata Ramana Murthy Piniseti
Independent Director



Deepu Bansal
Independent Director



Punit Goenka
Managing Director & CEO

5
Independent Directors

Board of Directors- Expertise

	Date of Appointment	Subject Matter Understanding	Strategy and Planning	Financial and Governance	International Business	Other Management Skills
R. Gopalan*	25-Nov- 2019	●	●	●	●	●
Deepu Bansal	13-Oct- 2023		●	●	●	●
Uttam Prakash Agarwal	17-Dec- 2023	●	●	●	●	●
Shishir Babubhai Desai	17-Dec- 2023	●		●	●	●
Venkata Ramana Murthy Piniseti	17-Dec- 2023	●	●			●
Punit Goenka	01-Jan- 2005	●	●	●	●	●

3Years
Term of Independent Directors

Zero
Complaints received in relation to issues of conflict of interest of the Directors or KMP

*R Gopalan is serving second term post his re-appointment in 40th AGM



Mr. Punit Goenka
MD & CEO

Re-appointment



The Future of Screens



Mr. Punit Goenka, Managing Director & Chief Executive Officer of ZEE has a vast experience of over 25 years in the industry, makes him one of the most influential figures in Asia and proficient business leaders of India Inc. He has been at the forefront of identifying opportunities and steering the Company's expansion across 190+ countries globally, achieving a reach of over 1.3 billion viewers. This has enabled the Company to maintain a strong foothold in the Media & Entertainment ecosystem. With immense expertise in content, he has strengthened the Company's content creation capabilities to create compelling stories and characters across languages, that resonate with viewers over the last 32 years.

Further, he has played a pivotal role in building ZEE as a future-ready organization with agility, speed and effectiveness as the core pillars. He has taken several pioneering and profitable business decisions including the Company's expansion into language markets and newer businesses including movies and music, truly building ZEE as a multi-dimensional customer-centric Company.

He has successfully spearheaded the diversified and profitable entertainment company comprising of

- Broadcast – as India's No. 2 Entertainment Network with a significant global footprint,
- Digital – with ZEE5 as one of the leading digital entertainment destinations across the globe,
- Movies – with Zee Studios as one of the leading pan-India film studios and
- Music – with Zee Music Company as India's No. 2 music label.

On the Corporate Social Responsibility (CSR) front, Punit firmly believes in driving positive change in the society. With this thought, the Company's CSR efforts have been directed towards key areas of focus such as women empowerment, preservation of art and culture, disaster relief and recovery as well as rural development.

"Our focus is not just on improving the performance in the short-term; but on building a strong and conducive growth environment that will sustain your Company in the long-term."

Mr. Punit Goenka
MD & CEO



➤ **Scale emerging growth opportunities to further enhance intrinsic value of Zee Entertainment**

- Specific focus on further scaling up attractive growth opportunities in digital (ZEE5) and music (Zee Music Company)
- Within linear business, expand footprint in international markets and domestic language markets.
- Accelerate revenue growth

➤ **Industry leading profitability and cash generation**

- Consistently deliver industry-leading EBITDA margins. Immediate milestone by end of FY26 will be to get to 18-20% levels which will be ahead of comparable industry peers.
- Drive predictable and consistent translation of Operating profits to Free Cash

➤ **Enhancing shareholder returns**

- Pay-out of at least 25% of Consolidated Net Profits of the Company for each Financial Year

➤ **Deeply integrate responsible practices and governance to create enduring value for each stakeholder by delivering purposeful business outcomes**

- Further improvement in ESG scores

“Embracing prudence and resilience to build a sustainable world.”

**Mr. Punit Goenka
MD & CEO**



The key steps taken by Mr. Goenka include

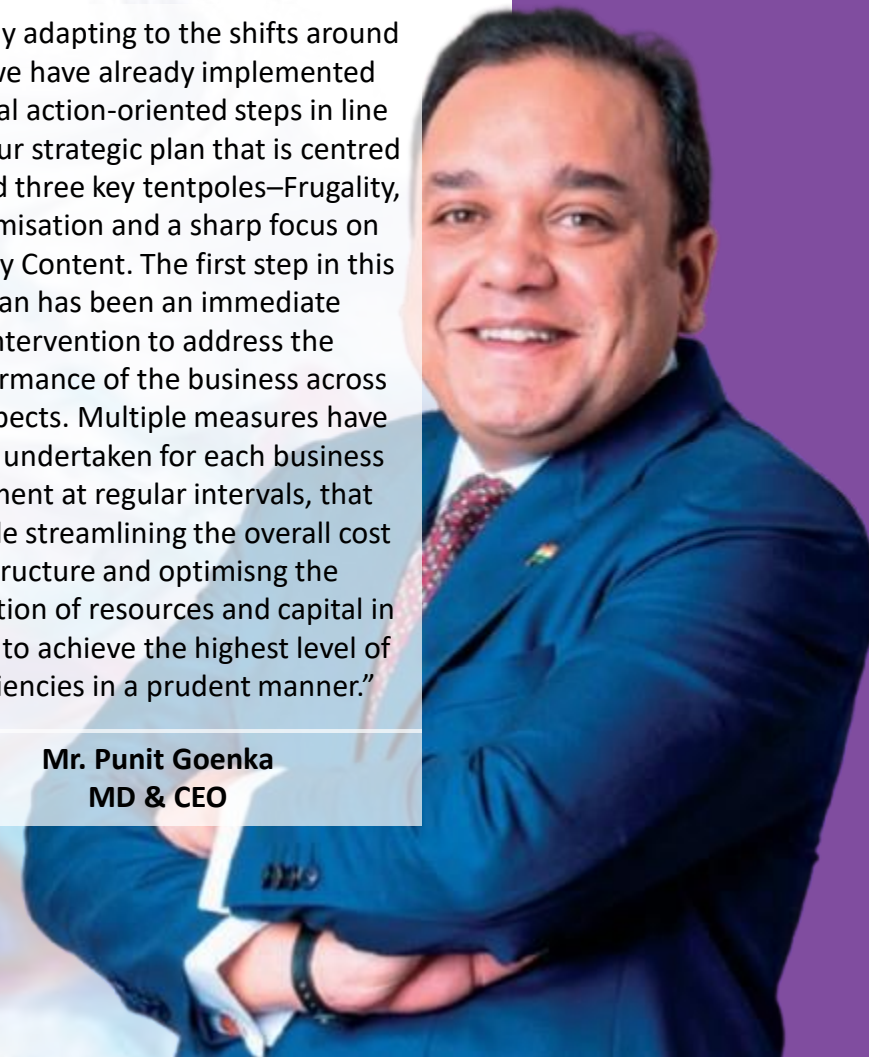
Mr. Goenka's strategic approach involves optimization of resource utilization for improved efficiencies, in order to enable long-term growth, and he is taking key action-oriented steps towards the same, which includes:

- He has streamlined the organization into 4 key business segments - Broadcast, Digital, Movies and Music; assuming direct charge of critical business verticals including the Revenue vertical and the Domestic Broadcast Business of the Company
- A lateral team structure has been created, wherein Mr. Goenka proposed the elevation of certain team members across businesses, to provide them higher level of responsibilities, leading to cross-functional collaboration, quick decision making and higher productivity levels
- Under his leadership, the overall content creation process has been streamlined to ensure that the creative quotient of the Company is targeted and utilised for select but absolutely top-class quality content output.

The results of several of these steps implemented, are visible in the Company's recent Earnings Announcements. The company's Operating Profitability (EBITDA, i.e. Earnings before interest, tax, depreciation, and amortisation) has seen substantial improvement from 9.7% EBITDA margins in Q4 FY24 to 16% EBITDA margins in Q2 FY25. Additionally, the company has also strengthened its balance sheet, with strong free cash generation and securing access to growth capital, cash and cash equivalent have improved from ₹8.3 Bn as on December 31, 2023 to ₹17.8 Bn as on September 30, 2024, including ₹2 Bn proceeds from first tranche of FCCB issued.

"Swiftly adapting to the shifts around us, we have already implemented several action-oriented steps in line with our strategic plan that is centred around three key tentpoles—Frugality, Optimisation and a sharp focus on Quality Content. The first step in this plan has been an immediate intervention to address the performance of the business across all aspects. Multiple measures have been undertaken for each business segment at regular intervals, that include streamlining the overall cost structure and optimising the allocation of resources and capital in order to achieve the highest level of efficiencies in a prudent manner."

Mr. Punit Goenka
MD & CEO





CAGR	FY09 to FY19	FY20 to FY24
Income from Operating Revenue	12%	1%
EBITDA	15%	-11%



FY20 to FY24 Period has been impacted by

- Industry-wide slowdown in Ad Spending
 - Covid 19 Pandemic
 - Consumption slowdown impacting FMCG Ad spends
 - Slow down in new age companies spending with crunch for funding
- Trading near term revenue for longer term strategic priorities
 - Exit From DDFree Dish (ZEE Anmol)
- Delay in implementation of NTO 3.0 had stagnated subscription revenues
- Significant investments in Digital Business (ZEE5) towards content, marketing and technology
- Merger related distraction

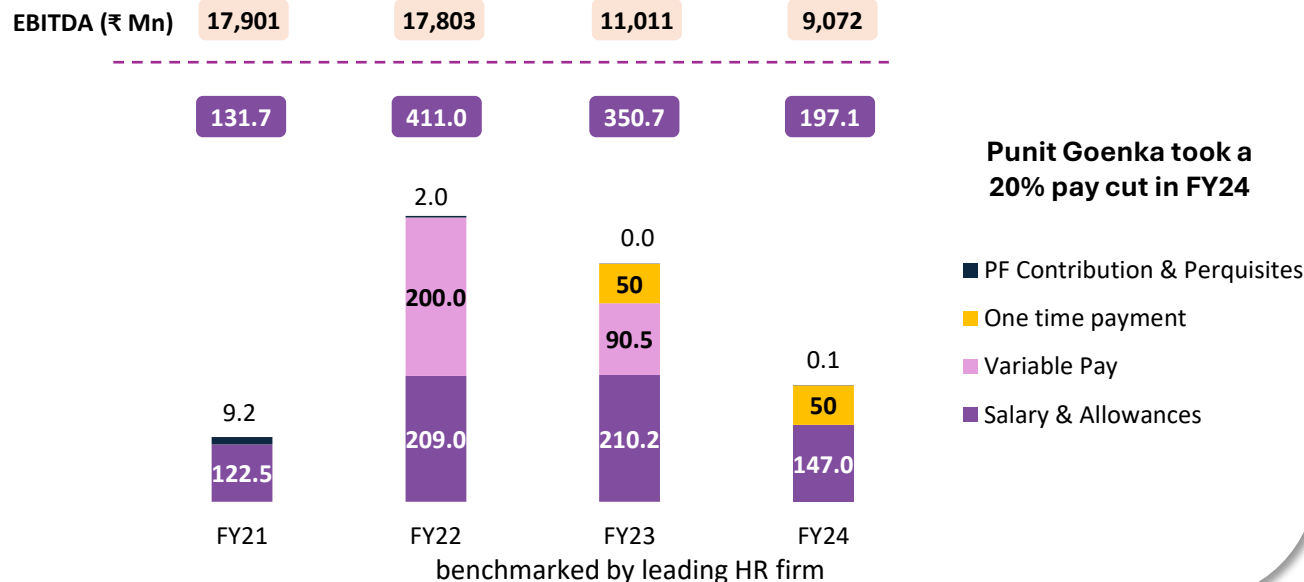
It is crucial for investors to take in account Mr. Goenka's overall track record and longer-term view of business as investments made in FY20 to FY24 positions Zee well in evolving media landscape.

Board's Recommendation

The Board is of the view that Mr. Goenka's knowledge and experience will be of immense benefit and value to the Company and pursuant to the recommendation of NRC, recommends his appointment to the Members

Mr. Punit Goenka possesses the core skills/ expertise/ competencies identified in the Company's business and sectors for it to function effectively.

Significant Drop in Punit Goenka's Remuneration (₹ Mn)



Independent Board of Directors



Mr. R. Gopalan
Chairman, Independent Director



Mr. Uttam Prakash Agarwal
Independent Director



Mr. Shishir Babubhai Desai
Independent Director



Dr. Venkata Ramana Murthy Piniseti
Independent Director



Deepu Bansal
Independent Director

The Nomination and Remuneration Committee as well as the Board of Directors of the Company have reviewed an Executive Compensation Report provided by an independent global consulting firm to fix Mr. Punit Goenka's compensation.



Basic Salary:

- The Basic Salary shall be ₹8,583,261/- per month

Other Allowances:

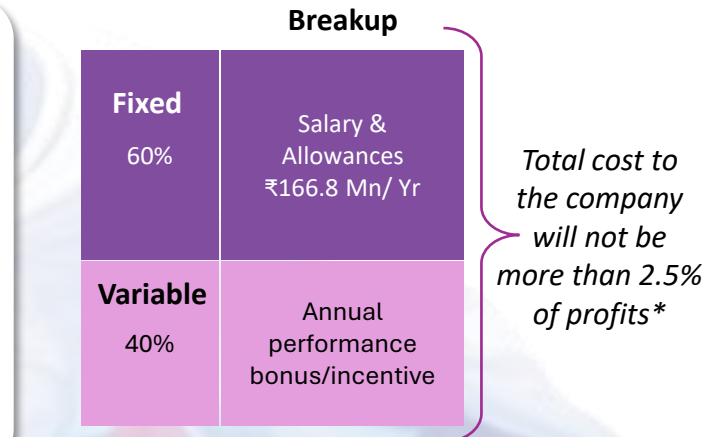
- House Rent Allowance of ₹3,015,414/- per month
- Personal Allowance of ₹2,289,913/- per month
- Leave Travel Allowance of ₹12,500/- per month

Total Fixed Salary: ₹166.8 Mn per Year

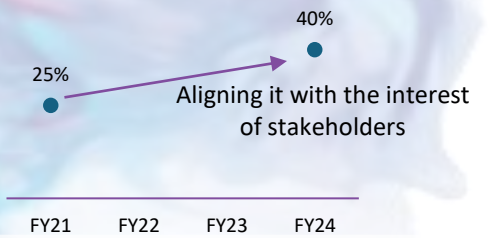
The compensation packages are in accordance with applicable laws, in line with the Company's objectives, shareholders' interest and as per the Industry Standards

Annual performance bonus/incentive, if any, based on the organization level achievement on parameters of revenue & EBITDA, and other financial and non-financial criteria as may be determined by the NRC and the Board, from time to time.

Total cost to the company will not be more than 2.5% of profits*



Variable pay component is increased to 40% from 25%, putting further impetus on annual performance



The Equally weighted components have been applied consistently during his tenure, as per company policy

Weights	Components	Measurement	Measurement		As per NRC		
			TV Viewership	ROCE			
33%	Company Performance	Targets as per NRC & Board	Revenue	EBITDA	As per NRC		
33%	Business Performance	KPI for Strategic Business Unit@	Financial Metrics	Non-Financial Metrics		Rating	Payout
			Total Revenue	<ul style="list-style-type: none"> Succession planning for business continuity Achieve gender diversity of ~30% over next 5 years Improve inclusivity thorough hiring for: <ol style="list-style-type: none"> Gender diversity Neurodiversity Differently abled Further improving the ESG scores 		5	150%
33%	Individual Performance	KPI for Individual	Profitability & Returns		4	125%	
			Viewership & User engagement		3	100%	
33%					2	75%	
KPI Performance is decided by NRC							

It has been noted that the consulting firm inter alia used a standard job evaluation process considering factors, such as 'accountability', 'know-how' and 'problem solving' to evaluate the job of the Managing Director & Chief Executive Officer at ZEE and arrived at the compensation recommendation for the position based on

- the size & complexity of the CEO role at ZEE in defining compensation quantum; and
- the current context of the organization & current incumbent in defining the compensation design.

*Profits calculated under section 198 of the companies act,2013

@SBU for Punit Goenka is Corporate; # Weights and performance of components under Company performance is decided by NRC

12 June 2023

SEBI, in an Ex- Parte ad interim order, barred Punit Goenka from holding the position of a director or a KMP in a company board

SEBI bars ZEE's Subhash Chandra, Punit Goenka from holding directorial position for 1 year

ET Now | 12 Jun 2023, 09:32 PM IST

Mumbai: The Securities and Exchange Board of India (SEBI) has restrained Essel Group Chairman Subhash Chandra Goenka and Zee Entertainment head Punit Goenka from holding any key managerial position until further notice.

SHOW LESS

ET

SEBI Modifies Order Against Subhash Chandra, Punit Goenka: Says Probe To Be Completed In 8 Months

Punit Goenka has been restrained from becoming the Managing Director of the merged entity of Zee Entertainment Enterprises Ltd (ZEE) and Sony Pictures Networks India, now known as Culver Max Entertainment. The deal is yet to be completed.

PTI Updated on: 15 August 2023 3:44 pm

Outlook business

26 August 2023

SEBI Modifies Order Against Punit Goenka; Says Probe To Be Completed In 8 Months

30 October 2023

SAT sets aside Sebi order against Zee's Punit Goenka

SAT sets aside Sebi order against Zee's Punit Goenka

This paves the way for Goenka to resume as managing director and CEO of Zee, and head one of the largest merged entities in the media and entertainment sector after the merger with Sony

Priyanka Gawande, Gaurav Laghate Updated • 31 Oct 2023, 12:35 AM IST

Mint

27 February 2024

ZEEL Board forms Internal Investigation Committee (IIC)

Headed (Chairperson of the Committee) by Dr. Satish Chandra, Retired Judge of the Hon'ble High Court of Allahabad, and two members of the Board, i.e. Mr. Uttam Agarwal and Dr. P V Ramana Murthy, Independent Directors of the Company

Zee expands scope of advisory panel to include investigation assessment

PTI |

Feb 28, 2024 12:02 AM IST

ZEEL strengthens independent committee's role to include investigation assessment

Hindustan Times

09 October 2024

- Independent Investigation Committee (IIC) had **not found anything adverse or untoward in the Company's operations and a detailed report had been submitted to the Board** elaborating its findings.
- The Committee conducted a thorough review of all the allegations raised by the regulatory agencies. The Committee carried out an extensive fact-checking exercise to verify all the documents and information provided by the Company during the investigations to SEBI.
- The Committee sought the advice of reputed external audit firms (empaneled with regulatory agencies), taxation and regulatory experts, to ensure a comprehensive review of all points.

Zee's independent investigation committee submits report on market regulator allegations

An independent investigation committee constituted by the Board of Directors of ZEE Entertainment Enterprises Ltd on Wednesday submitted its report not finding anything adverse or untoward in its operations as alleged by the market regulator Securities and Exchange Board of India and other parties against the company.

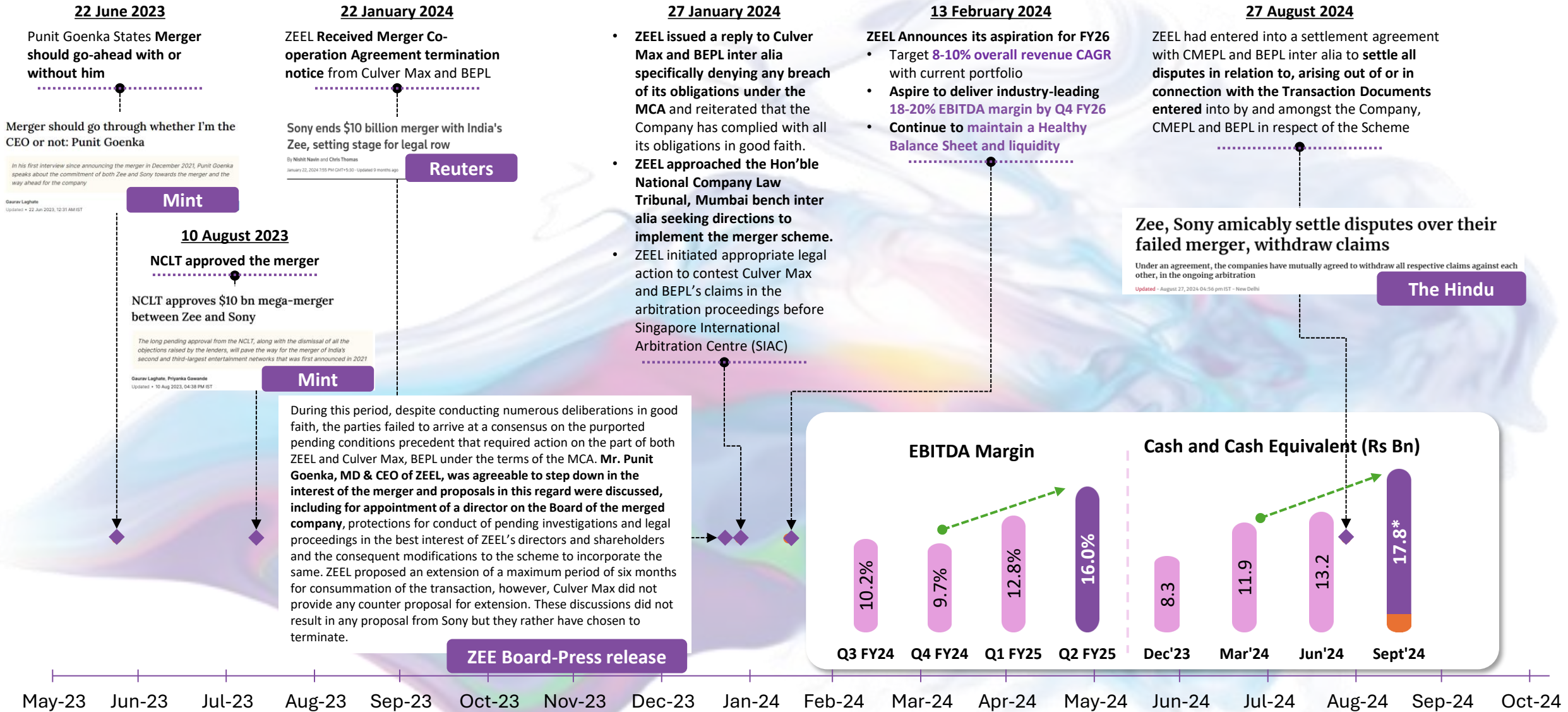
PTI Updated On Oct 10, 2024 at 01:07 PM IST

Legal world-ET



Regarding the above SEBI matter, the company had first received Advisory letter from SEBI in July'21 and then show cause notice in July'22 and both are under adjudication.

Merger was High Priority for Mr. Punit Goenka: “merger to go through whether CEO or not”



* Sep-2024 Cash and cash eq. includes Rs 2 Bn proceeds from first tranche of FCCB



Road Ahead

Extraordinary Together

Our aspiration

Progress we have made

Revenue growth



Target **8-10% overall revenue CAGR** with current portfolio

Subscription Revenue

- YoY growth has **exceeded 9% YoY** in last 3 quarters



Advertising Revenue

- Macro Ad **environment softness** has restrained our ability to drive advertising revenue growth
- Ad revenue **performance remains ahead of comparable industry peers**
- **Strengthened competitive positioning with 60 bps network viewership share gain** in last two-quarters and well positioned to capitalise on Ad spends recovery



Our aspiration

Progress we have made

Profitability

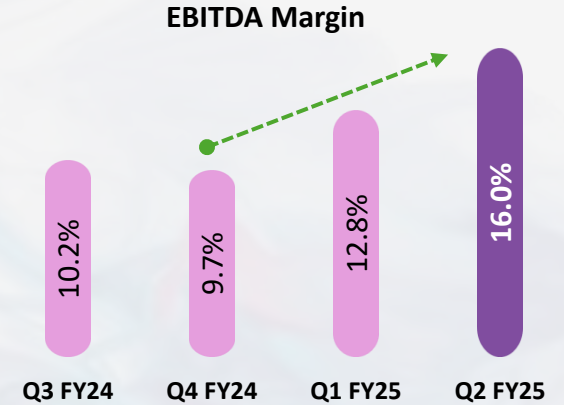
Aspire to deliver industry-leading 18-20% EBITDA margin by Q4 FY26



Overall Business



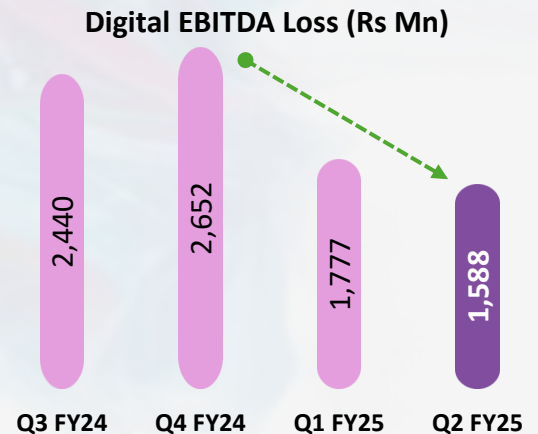
- Prudent cost discipline and focused execution has enabled us to clock 630 bps improvement in EBITDA margins in a challenging macro environment



Digital Business



- Significant progress has been made towards achieving a balanced cost structure, to sustain long-term growth in ZEE5



Our aspiration

Progress we have made

Balance Sheet

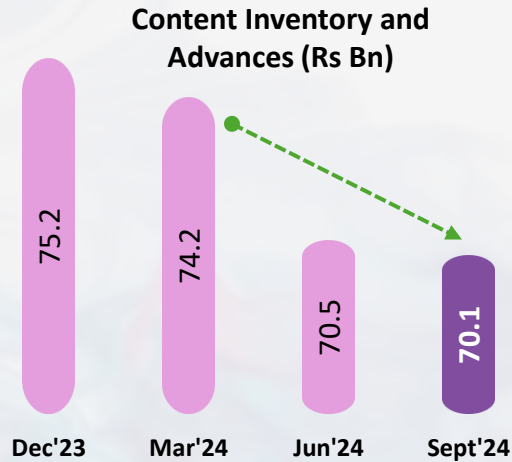


Continue to maintain a **Healthy Balance Sheet and liquidity**

Content inventory and advances



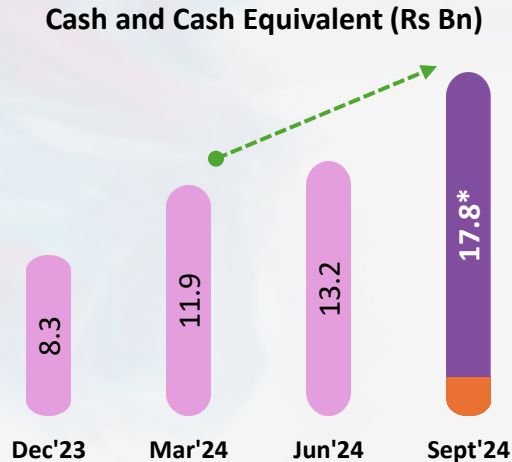
- Content Inventory and Advances Continues to decline **driven by optimised acquisition and movie releases**



Cash and Cash equivalent



- **Strong FCF generation** driven by improving profitability and optimisation of working capital
- Secured **access to growth capital**



* Sep-2024 Cash and cash eq. includes Rs 2 Bn proceeds from first tranche of FCCB

Growth Strategy



Refreshing & Sharpening content offerings across linear and digital business

- New Show Launches in Hindi and language markets
- Marketing investments for brand building
- Content experimentation
- Selective new content/ IP Acquisition



Investing in high growth segments

- Digital (ZEE5)
- Music
- International Business
- Language Markets



Monetisation of existing IP & Content

- Monetization avenues for our rich content library while balancing our longer-term strategic objectives through content syndication

A large, circular area on the left side of the image features a vibrant, marbled background with swirling patterns of blue, purple, and white. The text "THANK YOU" is centered within this area.

**THANK
YOU**

