

MD & CEO'S MESSAGE

Rebooting and refocusing for **success**

Dear Shareholders,

As your chosen leader of this precious institution, my aim is to be straightforward with you as we reflect on the year gone by and pivot our goals and priorities towards a more robust future. Our story during the year, has been one of agility, prudence and resilience. Your Company steadied its sails swiftly amidst a disruptive environment, stemming from slow macro-economic recovery. That said, 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.

Upholding our presence as one of the most valuable assets in the Media & Entertainment (M&E) industry, we have two clear sets of priorities as we move forward - to accrue attractive returns for you and to deliver a consistently profitable performance with a healthy margin profile. The business environment is rapidly evolving, and we fully understand that there is no silver bullet. I am implementing a plan, wherein I have defined clear outcomes, and I remain committed towards its fruition.

Roadmap to success

A solid foundation to drive profitability, can only result from consistently delivering exceptional value to all our stakeholders and by maintaining a prudent cost discipline. In the year gone by, the Company's rich and resilient business fundamentals with unmatched capabilities to generate value through its offerings, enabled it to stay at par with the competition. We translated the fruits of our efforts into tangible results and we remain committed to generate higher value for all stakeholders as we move forward.

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.

Over the years, ZEE has been recognised for its innate content creation capabilities, strong resonance with consumers and partners, a proficient talent pool and disciplined delivery of profitability with prudence. These principles will form the bedrock of our future success and we are taking concerted efforts in this direction to remain laser focused on our strengths.

As we maintain a sharp focus on the performance of the business, we will simultaneously continue to invest in innovation and leverage the latest technologies to drive efficiency, in order to enhance the entertainment experiences for consumers and unlock new growth avenues.

We are nurturing a virtuous cycle of growing our profits by continuously improving the productivity, which in turn will reflect in our performance. We are known to set benchmarks for the industry to follow. That said, for us, success is defined by the number

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of households we reach, the number of hearts we touch, the strong associations we ink, the quality of talent we attract and the unwavering belief we earn from our investors and shareholders.

This is the ultimate goal we are working towards, and together, we will make ZEE the most discernible entertainment destination across markets.

We have also taken substantial efforts to empower our people by identifying the right set of talent, nurturing a diverse and inclusive workforce, ready to lead us into the future. A new streamlined team across the organisation exemplifies our rich talent pool, and by entrusting them with higher responsibilities as co-owners, we are developing future leaders for your Company.

As we take concerted efforts across the business, sustainability remains at the heart of all our decisions. We are investing substantial time and energy to integrate sustainability into our organisational culture, and we are taking measures that cover the three ESG dimensions – Environment, Social, and Governance. Our efforts as a responsible corporate citizen remain dedicated towards uplifting communities and driving positive societal change, contributing to the overall development of the Nation.

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Punit Goenka
MD & CEO



The year gone by

The Indian media & entertainment sector grew in high single digits during the year. While Digital has been growing at a healthy pace, other segments like television, print, and radio are yet to fully recover to its pre-pandemic levels. During the year, linear TV saw a soft advertising environment due to curtailed advertising spends by FMCG brands, and lower revenue from gaming and Direct-to-Consumer (D2C) brands. The introduction of NTO 3.0 in February 2023, aided in partially mitigating the softness in advertising revenue with an increase in subscription charges, that was in line with inflation. Despite these challenges, your Company remained resilient, enhancing business fundamentals and strategic initiatives, maintaining principles of frugality, optimisation, and quality content.

Your Company also witnessed increased viewership in key markets during the year, strengthening its position as the nation's second-largest entertainment network. The network share increased from 16.8% to 17.1%, which was a gain of 30 basis points. On the digital front, ZEE5 continued its growth in FY 2023-24, launching over 80 new titles, including originals and movies in collaboration with renowned content creators. This expansion strengthened ZEE5's value proposition and attracted a broader audience, bolstering its position in the digital entertainment landscape.



Looking ahead

The Media & Entertainment industry in India is transforming into a hotspot for content consumption on the back of rising accessibility and affordability. The convergence of data and technology with content, to deliver more meaningful and personalised consumer experiences across a gamut of platforms is reshaping the business landscape. Furthermore, technology-powered tools including Augmented Reality and Virtual Reality are gradually revolutionising how content is consumed, offering users more engaging and interactive experiences. As we move forward, it is imperative to identify and tap into these emerging opportunities to fully unlock the potential of your Company. Technological advancements have unlocked several growth avenues in Digital, and we are leveraging our strengths in this segment. Our content creation capabilities form an intrinsic part of our DNA and have been instrumental in our success for decades.



This, coupled with Artificial Intelligence-led algorithms to analyse consumer preferences and behaviour, will propel our abilities to deliver more tailored content to viewers across our platforms. This will enable us to scale your Company's language presence and further fortify its positioning across markets. With a rich and diverse language content library and a sharp focus on quality content output, your Company remains well-poised to gain the competitive advantage in this segment. We are also maintaining a sharp focus on the growth opportunities emerging in the Free-to-Air (FTA) segment and across international markets, and consistently evaluating the best direction forward for your Company.

In an evolving competitive landscape, we aim to build our business muscle in a strategic manner, and leverage our resources in the most optimal way. Several steps are being evaluated to strengthen your Company's financial capabilities in order to further fortify our position across markets, navigate competitive scenarios seamlessly and explore organic and inorganic growth opportunities. We are moving forward towards our long-term growth prospects with velocity and agility, and I remain confident in your Company's abilities to demonstrate robust growth in the future.

We are taking brave, bold steps towards the future because you, our esteemed shareholders, have always displayed immense confidence in our potential and I remain eternally grateful to you. I have a promise to fulfil, and I assure you that we as a team will exercise our strengths and synergies to collectively achieve our goals, as we remain guided by our rich value system.

Moving forward into the new fiscal, we have a massive opportunity to redefine the meaning of a creative organisation, transforming the lives of our viewers and achieving extraordinary results. I remain firmly focused on ensuring that your Company remains performance-oriented, to deliver consistent success and value for each one of you in the years to come.

Sincerely,

Punit Goenka
MD & CEO