

HUM NETWORK LIMITED

CORPORATE BRIEFING SESSION 2019



GLAM

MASALA
TV FOOD MAG



NEWSLINE

HumMart

Karay life aasan!

INDEX

1. Vision and Mission
2. Company Structure
3. Brands Overview
4. On Ground Events
5. Digital Media Division
6. Hum Network Foot print
7. Global Reach and Developments
8. Content Syndication
9. Industry Overview
10. Profitability Chart
11. Financial Highlights
12. Financial Analysis
13. Future Prospects

1.

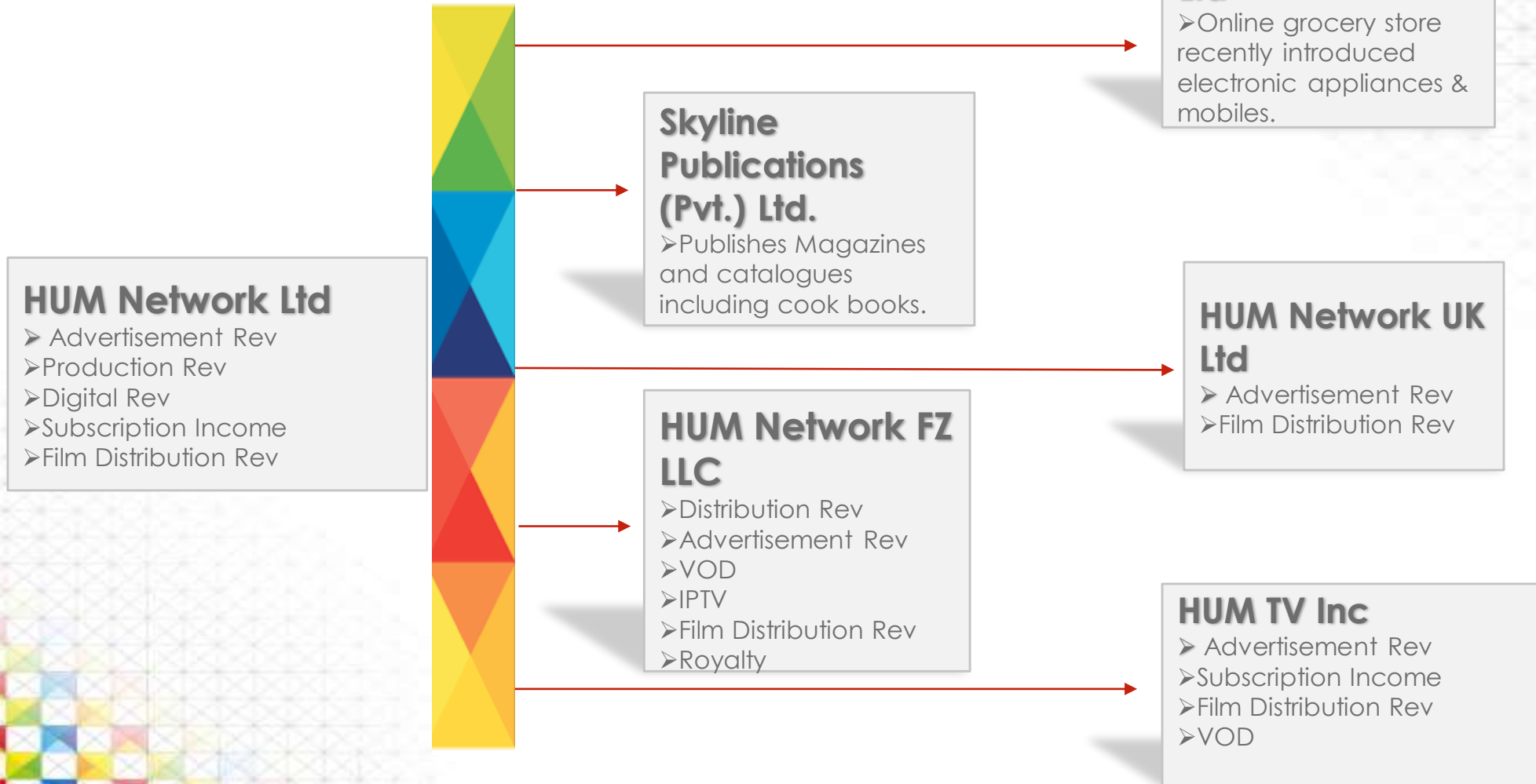
VISION

Inspired by the finest cultural, corporate and creative values to present content which entertains and enriches audiences.

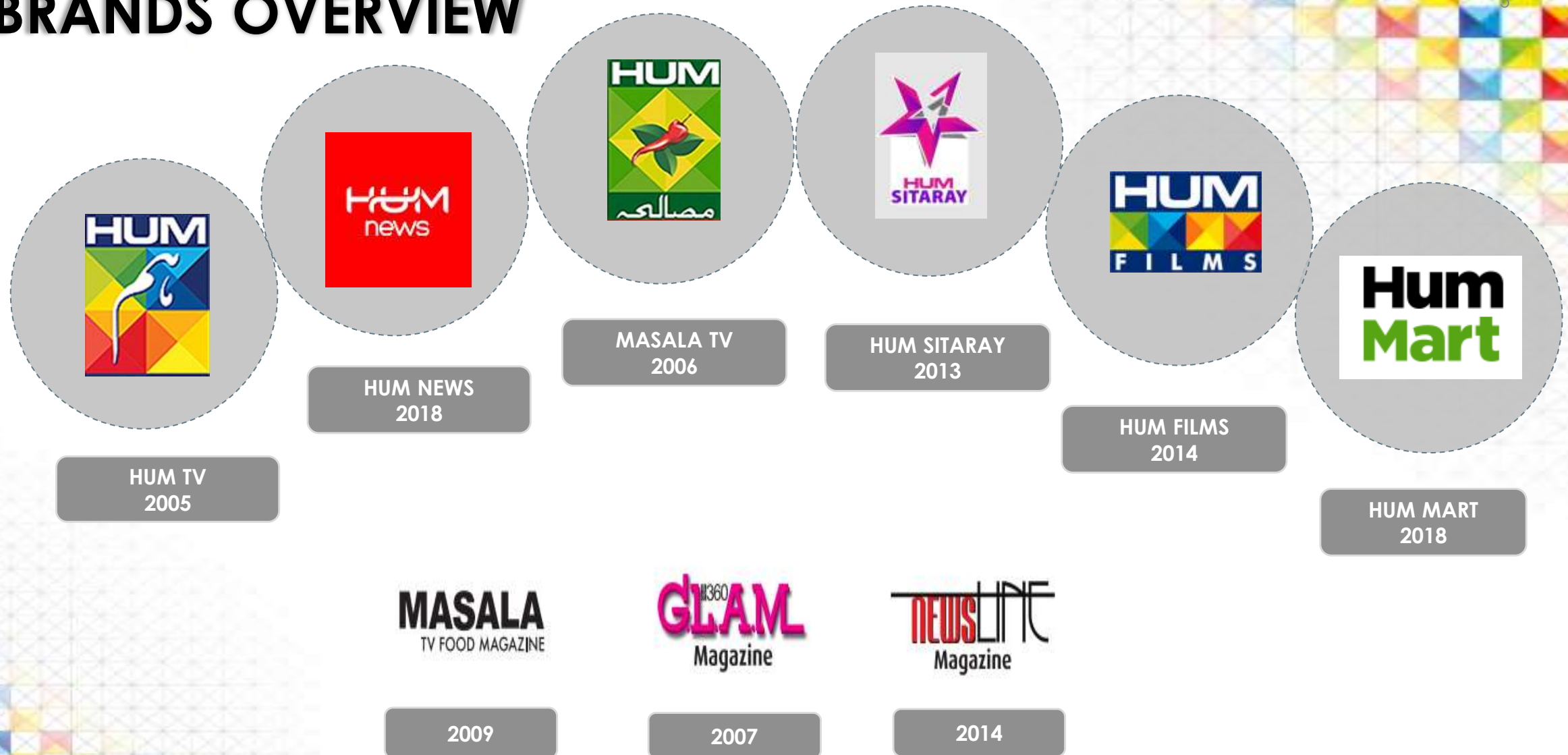
MISSION

To enable the origination of outstanding content on subjects of interest and relevance to a range of audiences while using the best professional practices and ensuring long-term continuity.

2. COMPANY STRUCTURE



3. BRANDS OVERVIEW



3.1



HUM FILMS

Under the banner of HUM Films, **Parwaaz Hai Junoon** was the first Pakistani movie to launch in **China** & **Saudi Arabia**.

Superstar turned out to be a massive hit in Pakistan as well as globally.

HUM FILMS-TAKING INITIATIVES PAKISTAN INTERNATIONAL FILM FESTIVAL (PIFF)

After the success of PIFF 2018, HNL was proud media partner of **PIFF 2019-Animation**, an initiative of KFS-Karachi Film Society.

Festival was held in October to hold workshops, seminars, screenings and musical nights that promoted a softer image of Pakistan.

3.2 HumMart HUM MART

Karay life aasaan!

HUM Network has made a mark with a new business venture in **e-commerce**

Online shopping platform which offers hassle free shopping experience.

With a **well designed website, application** and **express delivery**, HUM Mart has created a niche for itself.

Highly successful in **Karachi** with an aim to expand to other cities of Pakistan.

Currently



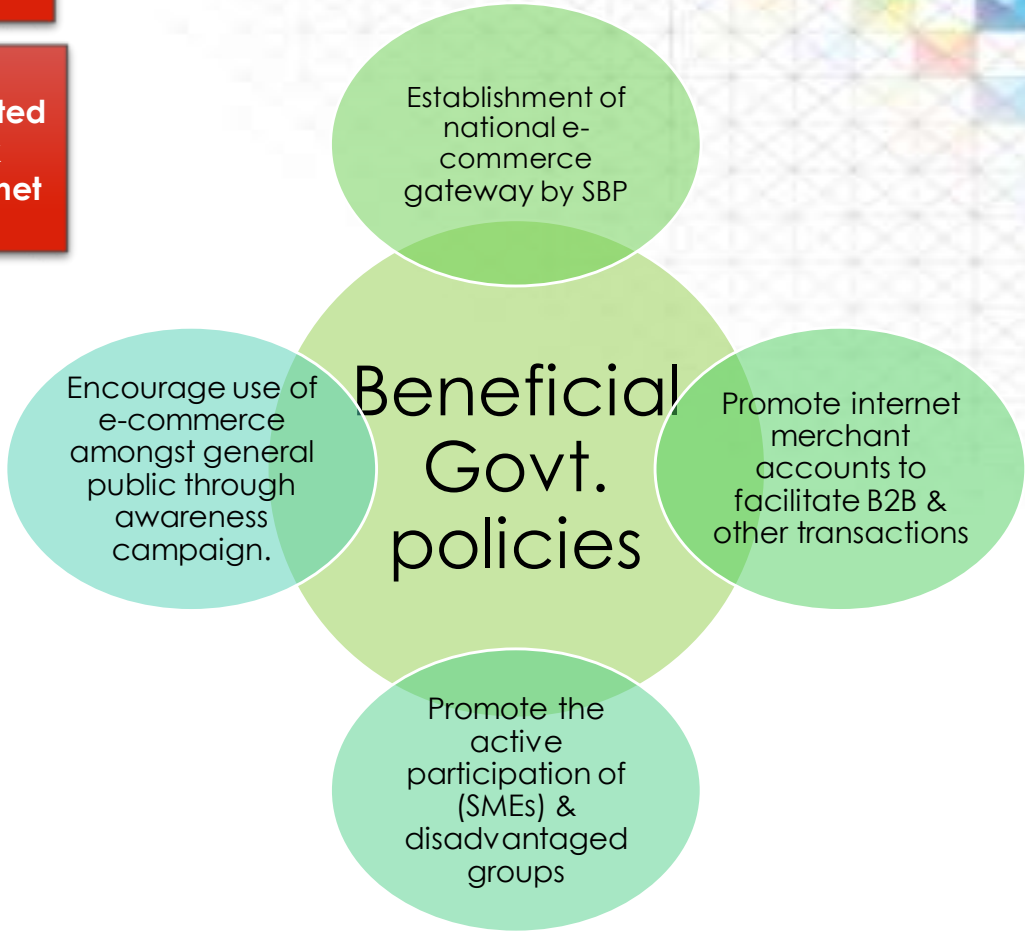
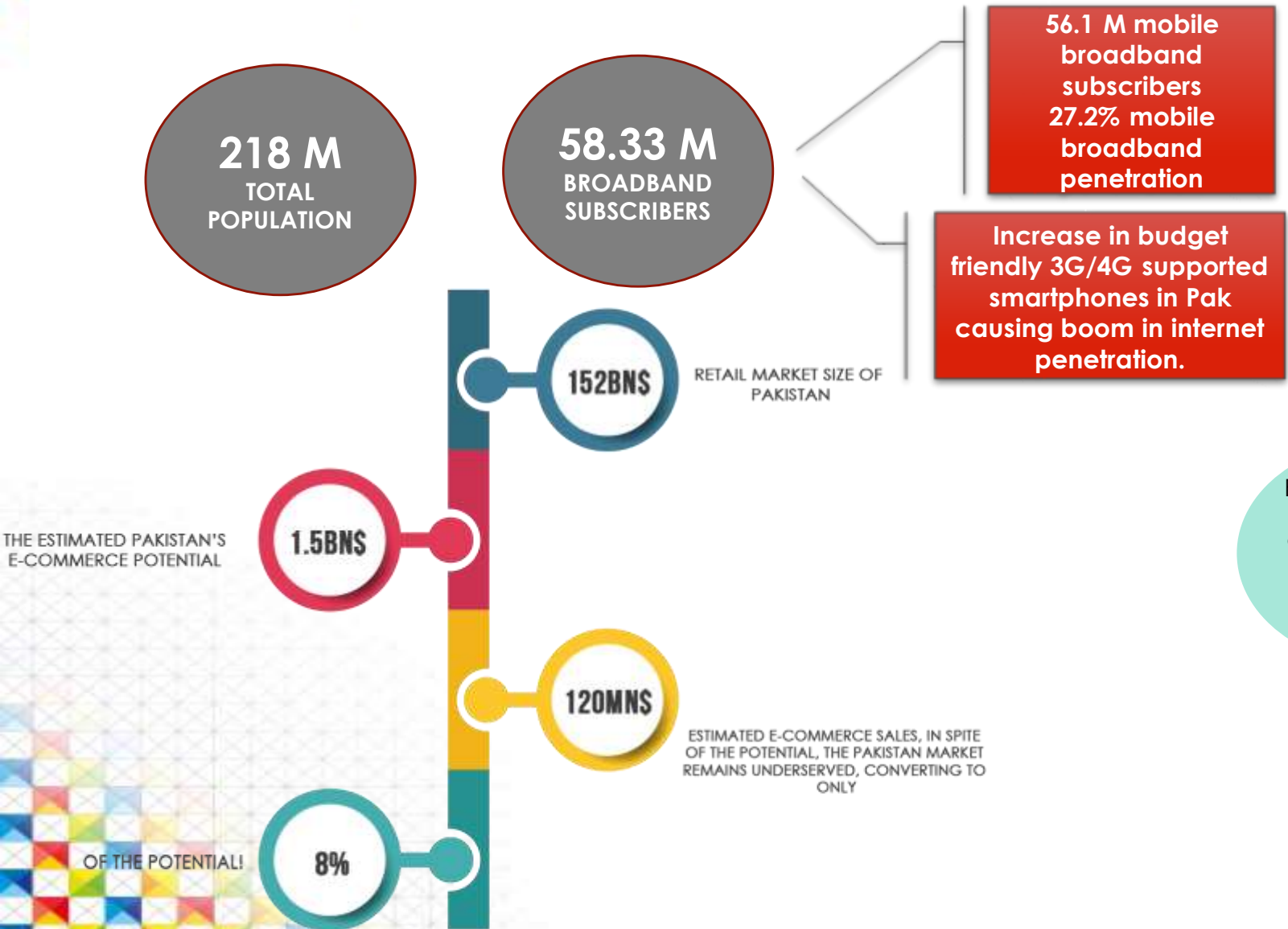
Pharmacy, Fashion & Electronics Shopping

Karachi

Later Stage

Lahore and Islamabad

3.2.1E- COMMERCE OPPORTUNITY



3.3



HUM NEWS

HUM News successfully launched at 18:00 on 11 May 2018.

Aims to set high standards of modern journalism, without promoting sensationalism.

According to recent survey of **Roshan Pakistan**, **HUM News** is the **3rd most impactful** channel.

HUM News has its own website: www.humnews.pk . **Facebook** page has **421,000 followers**, **Instagram** **7,575 followers**, **Twitter** has **14,400 followers** and **YouTube** has **261,000 subscribers**.



4. ON GROUND EVENTS

Over the last 7 years HNL has played a key role in supporting and developing the fashion and music industry in Pakistan.

HNL is the first broadcast network to have independently organized special events like award shows, game shows, reality shows, concerts etc. both locally as well as internationally.

Some of the highly successful events organized by HNL

- HUM Awards- was the **1st** ever any Pakistani award show to be held internationally, in **Dubai in 2015, Canada in 2018** and **Houston in October 2019**.
- HUM Style Awards
- Bridal Couture Week
- HUM Showcase
- Miss Veet Pakistan- Producer & TV partner.
- MASALA Family Festivals
- Music Concerts (Pakistani as well as foreign celebrities)



5. DIGITAL MEDIA DIVISION

Digital advertising **overtook** TV ad spend globally and this is likely to positively impact HUM digital media division.

Source: IAB's Digital Ad Revenue Report

We are premier Pakistani entertainment network to have its content available on **Netflix** and **iflix**

Strong footholds on social media platforms like **Youtube with 6.52mn** subscribers and on **Facebook with 7.mn** followers

First media broadcaster to launch exclusive Web series **Chatkhara** on digital platform

Launched new **HUM Mobile App** to watch live streaming of Hum Tv, Hum Sitaray and Hum Masala as well as vast library of all programs.



6.

HUM NETWORK FOOT PRINT

12



UK & EUROPE

Platform: SKY/Virgin Media
Channel: SKY-751/Virgin Media-833/



USA

Platform: Dish Network/Sling
Channel: Dish-687/Dish-690/
Dish-693/sling.com



CANADA

Platform: Rogers/Bell/Cogeco
Channel: Rogers-688/Bell-830/
Cogeco-102



MENA

Platform: /Etisalat/DU/Ooredoo
Channel:
E-Vision(Etisalat)-293
Du-321/Ooredoo-647



Australia & New Zealand

Platform: Fetch TV/Vision
Asia/YUPP TV

R.O.W (Excluding USA)
Platform: YUPP TV



7. GLOBAL REACH & DEVELOPMENTS

13

Presence in **MENA**, **Asia Pacific**, **Europe** and **North America**

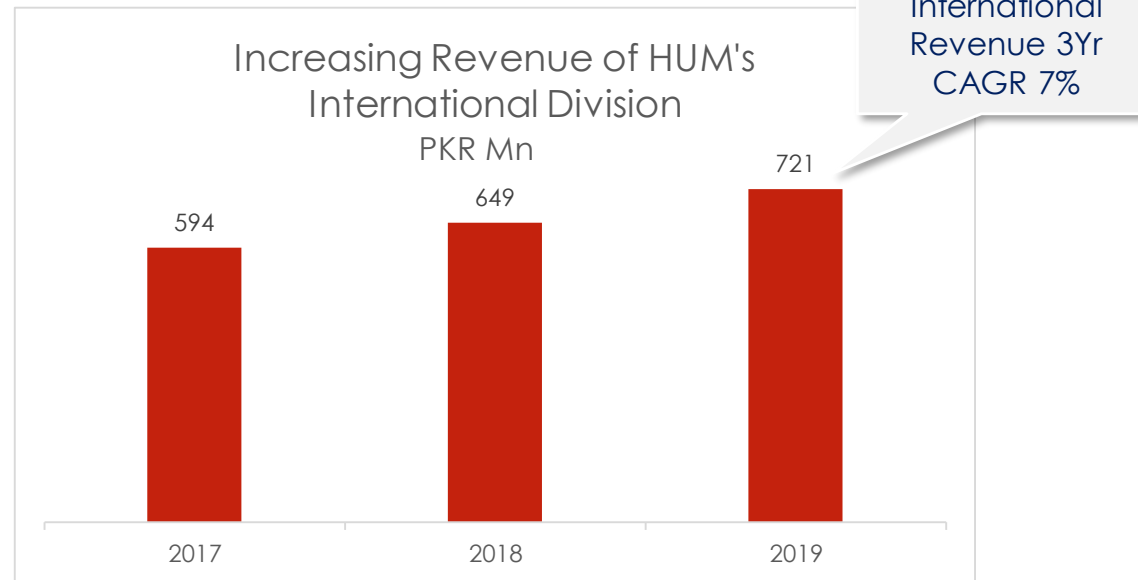
HUM Masala has established itself as leading South Asian Channel in the region.

Serves South Asian Diaspora as well as local audience in select countries

Impressive response to our content in India due to same language & high quality content.

Broadcasters like **Rishtey (Colors)**, **UK EROS NOW** & **Zee** have shown keen interest in our content.

HUM TV, HUM Masala and HUM Sitaray also broadcasts on **Dish Network** in USA.



7.1 REACHING HEIGHTS INTERNATIONALLY

14



Hum Europe reigning at the top, leaving giants like Star Plus behind in ratings.

Hum Masala delivering a sterling performance in the U.K by serving to the vast S. Asian population residing over there.



8. CONTENT SYNDICATION

To **increase** its **international footprint**, HNL continued to expand its content syndication.

During the year, **Suno Chanda** and **Ishq Tamasha** was dubbed in **Arabic** and aired on **MBC**

In the past HUM TVs dramas have been aired on **Zee Zindagi, Rishtey, Colors, TV3.**

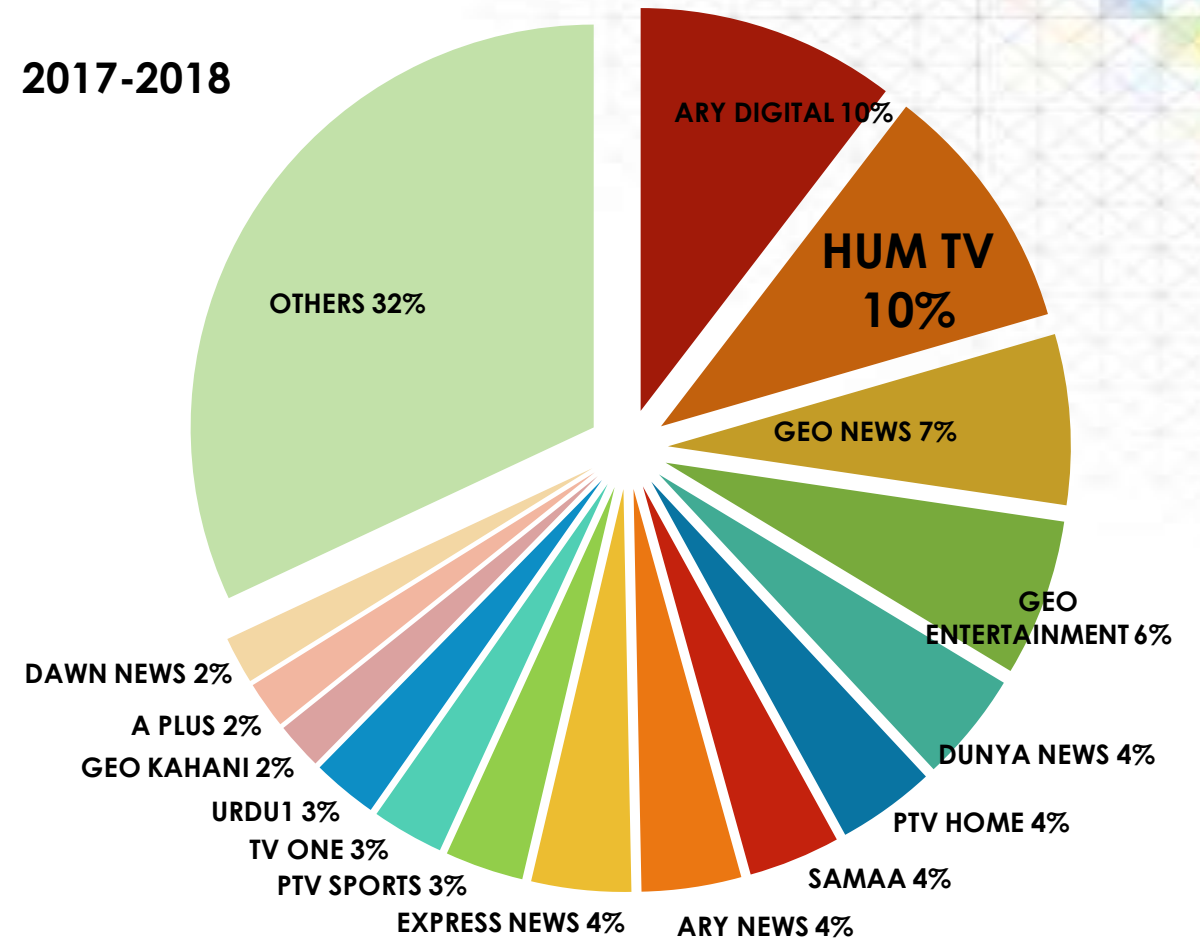


9. INDUSTRY OVERVIEW

AD REVENUE SPEND BREAK-UP (Latest data available Dec. 2018)

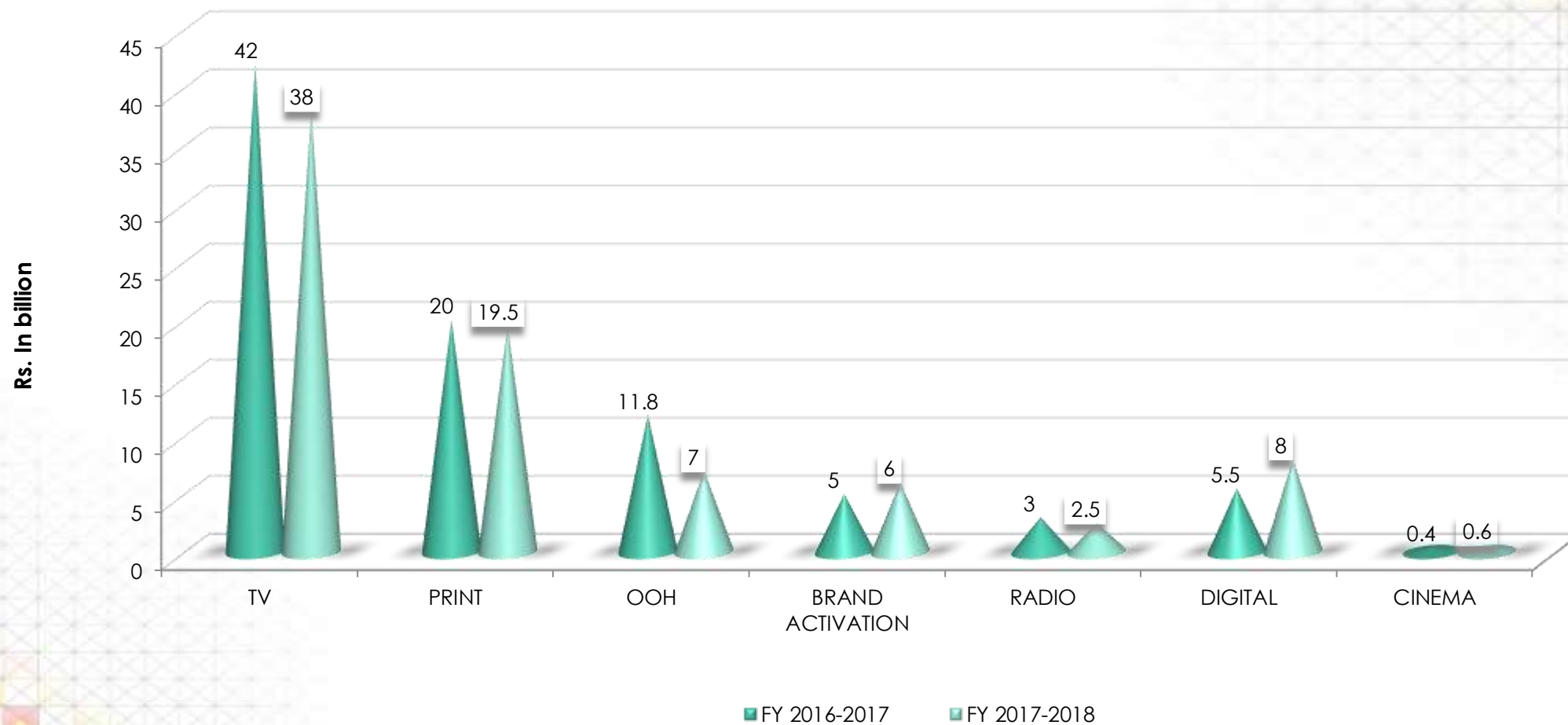
CHANNEL	2017-18	2016-17
Revenue	Rs. (billion)	Rs. (billion)
ARY DIGITAL	3.96	4.2
HUM TV	3.84	4.3
GEO NEWS	2.6	3.5
GEO ENTERTAINMENT	2.4	2.9
DUNYA NEWS	1.68	1.4
PTV HOME	1.5	2.1
SAMAA	1.4	1.6
ARY NEWS	1.32	1.4
EXPRESS NEWS	1.32	1.7
PTV SPORTS	1.2	1.2
TV ONE	1.1	1.1
URDU1	1	2.2
GEO KAHANI	0.72	1.2
A PLUS	0.72	1.1
DAWN NEWS	0.72	0.8
OTHERS	12.52	11.3
TOTAL	38	42

2017-2018



Source: Aurora Magazine Dec 2018

9.1 TOTAL ADVERTISING REVENUE PER MEDIUM- TWO YEAR COMPARISON



Source: Aurora fact file 2018

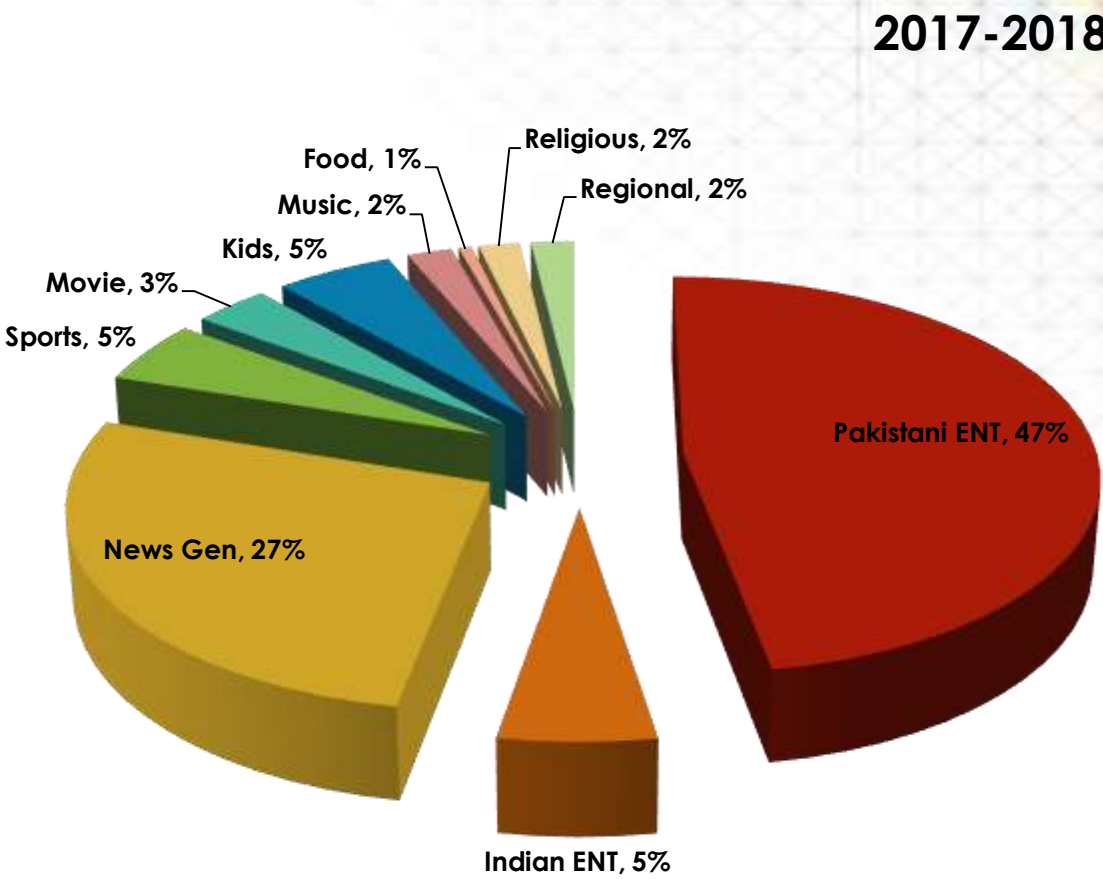
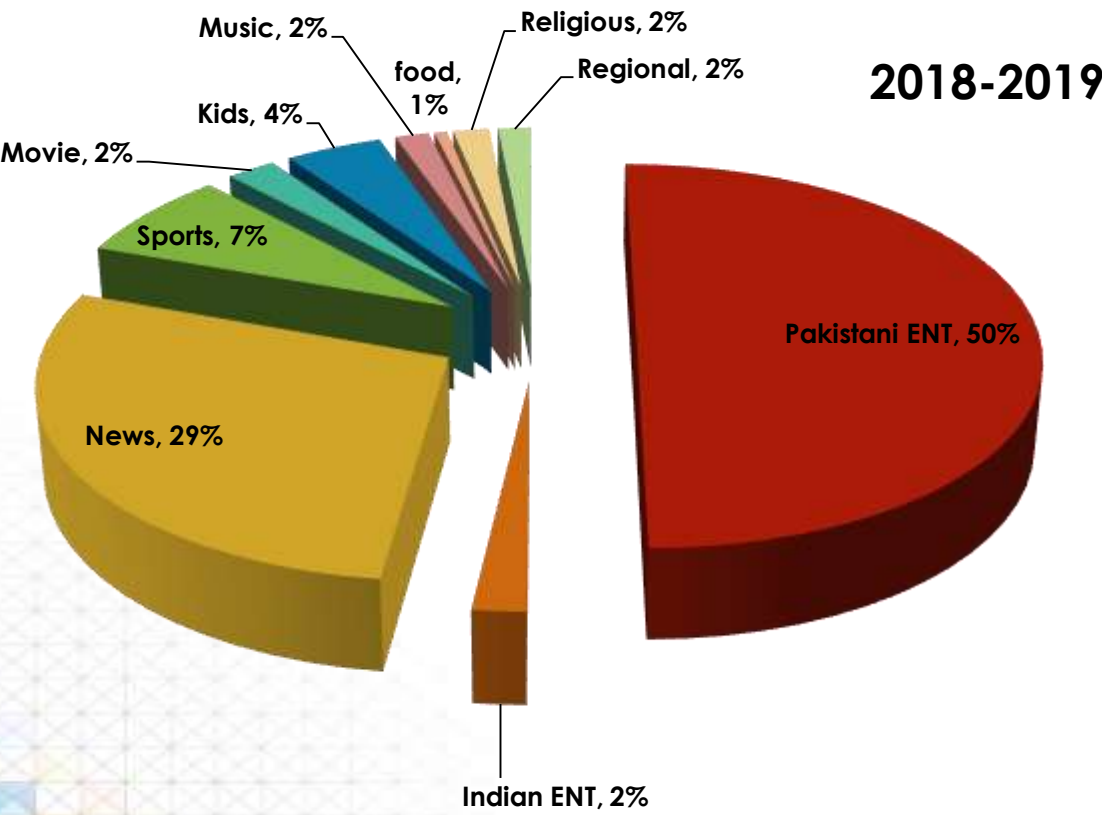
9.2 YEAR 2018-2019

There is a major **shift in total advertisement spend from TV to Digital** medium globally.

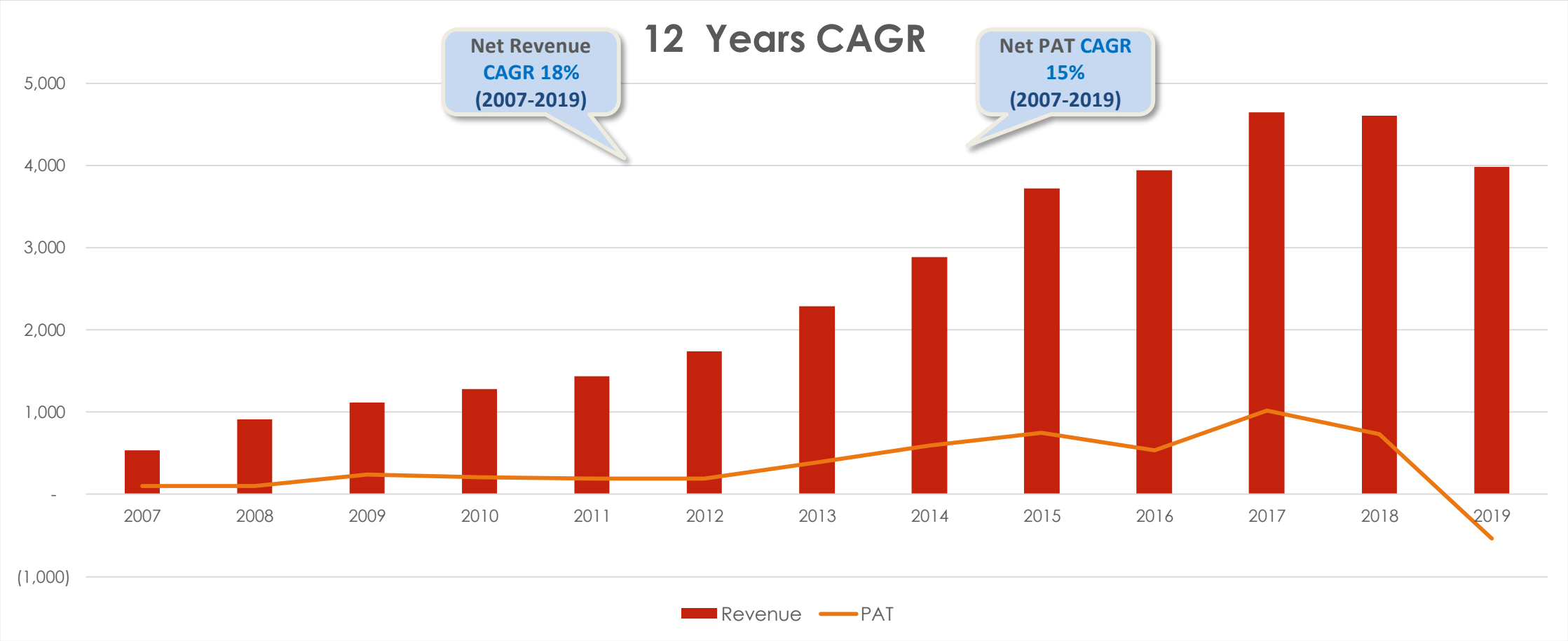
The **Ad Revenue shrunk by 30% - 35%** owing to economic instability due to dwindling foreign exchange reserves, low exports, high inflation, growing fiscal deficit and current account deficit.

HNL **faced pricing challenges** and overall **downward trend in the industry**. HNL is continuously making efforts and implementing **cost minimization strategies**.

9.3 GENRE WISE – INDUSTRY REVIEW



10. PROFITABILITY CHART

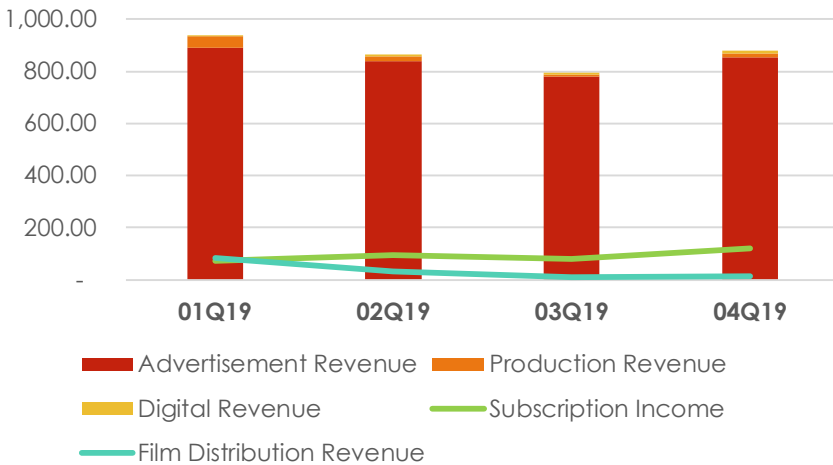


(Rs. in million)

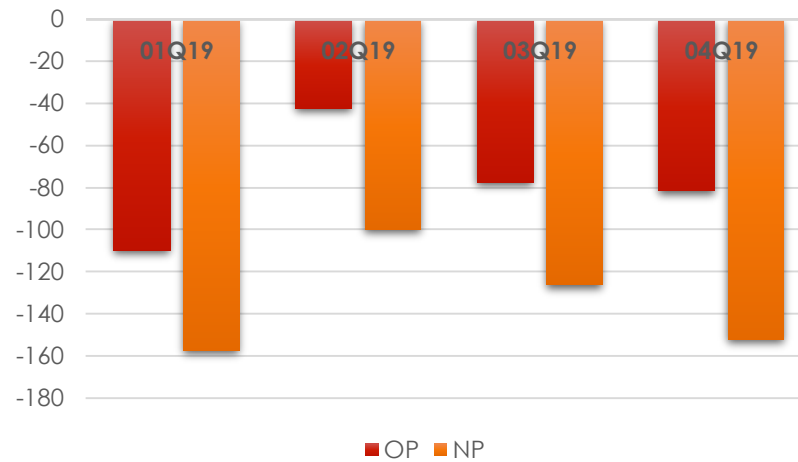
11. FINANCIAL HIGHLIGHTS

21

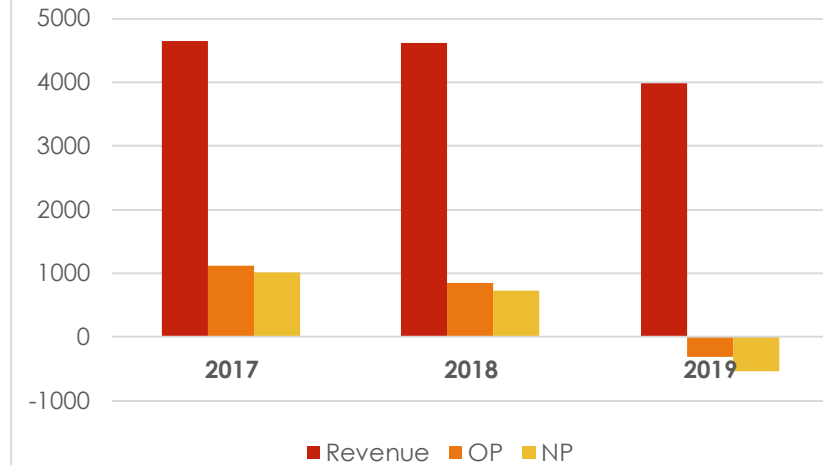
Revenue
(Unit: PKRmn)



OL,NL
(Unit: PKRmn)



Year to Year Comparison
(Unit: PKRmn)



[FY 2019] Revenue PKR ,609 mn (YoY -13.68%)

❑ **HNL was in Revenue and Profits for the last 10 years**, however; **last year was the first time in history we posted a loss of Rs. 536 million** which is continuously on the downward trend and the **next year forecast is twice than the previous year**.

❑ **Main reason for this decline** is the substantial **decrease in Revenues in Pakistan advertisers** which is **approx 30%-35%**.

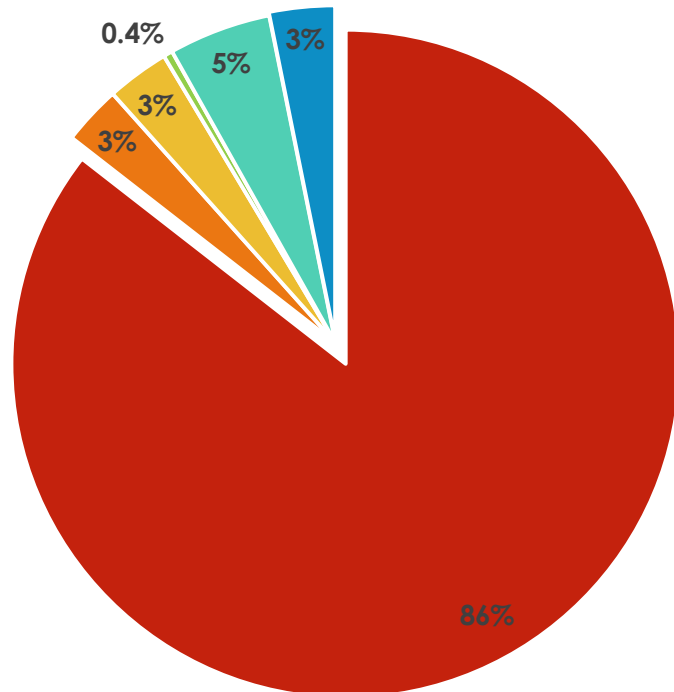
❑ **In this scenario**, it is very difficult to conduct business if the Govt. does not take measures to support this industry.

FINANCIAL ANALYSIS

REVENUE BREAKDOWN

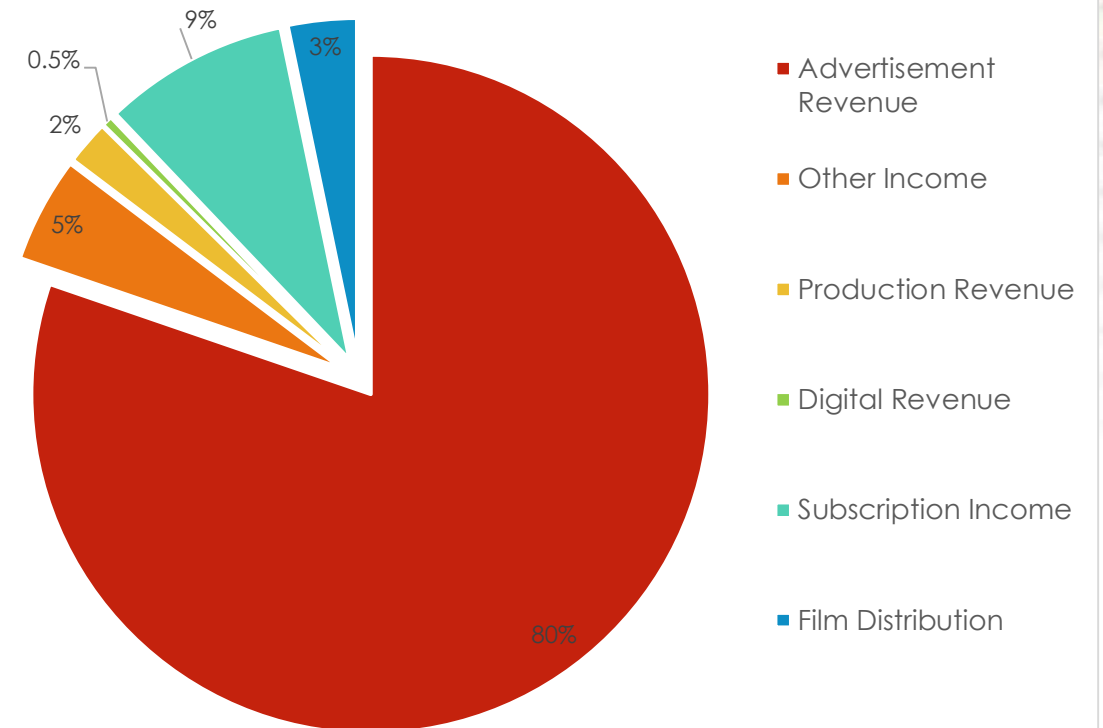
FY 2018

Revenue breakdown Rs. 4,746 mn



FY 2019

Revenue breakdown Rs. 4,189 mn

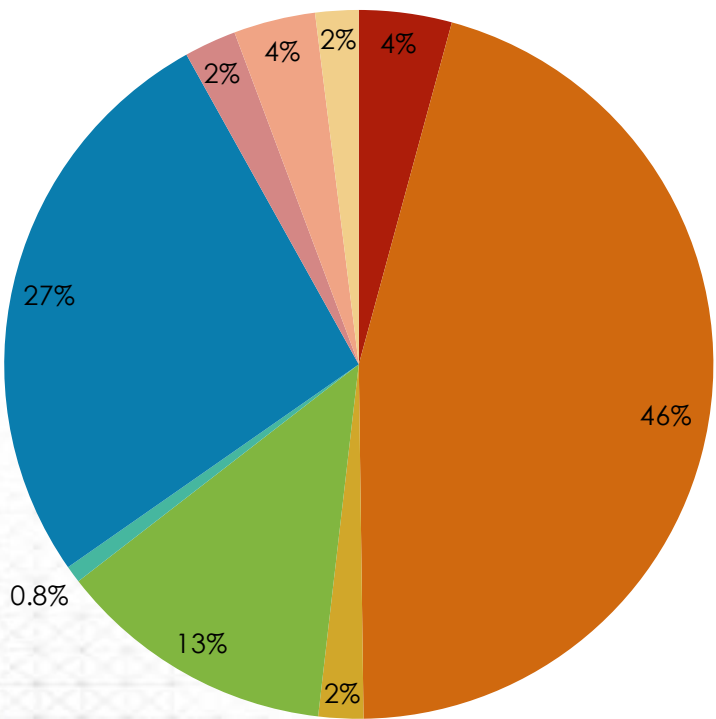


- Advertisement Revenue
- Other Income
- Production Revenue
- Digital Revenue
- Subscription Income
- Film Distribution

12.1 COST BREAKDOWN

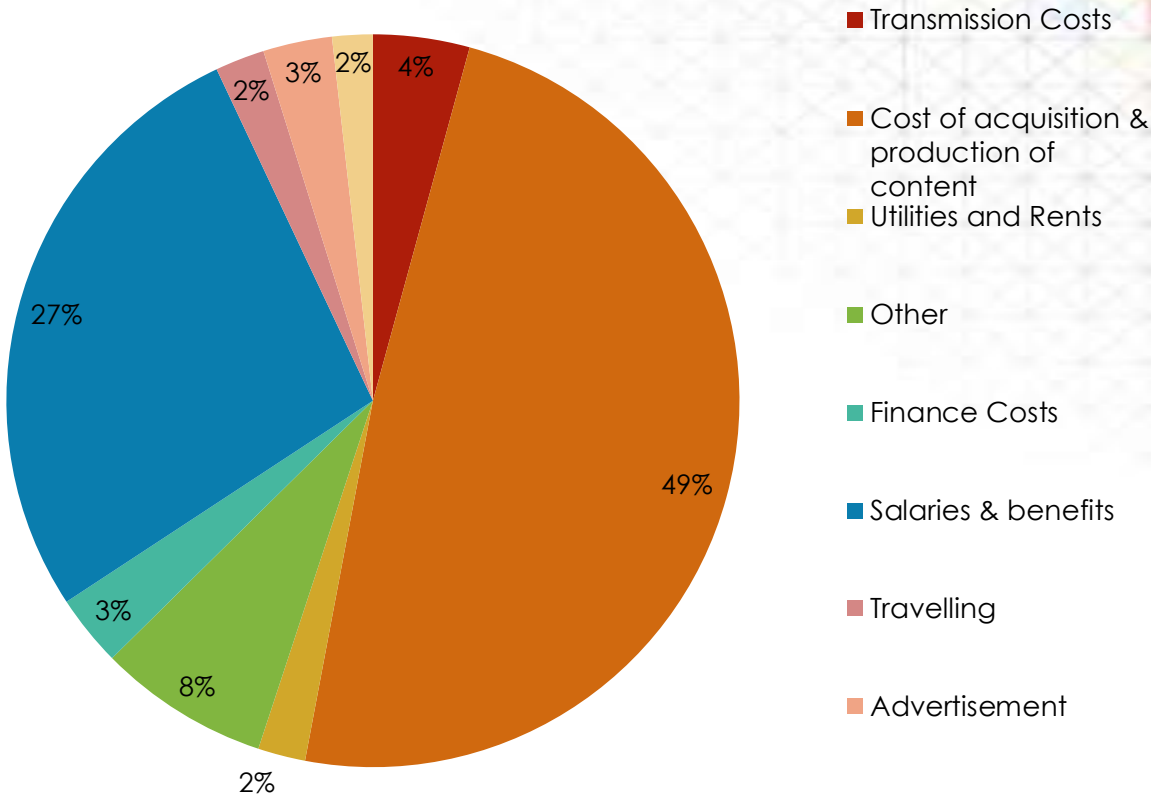
FY 2018

Cost breakdown Rs. 4,208 mn



FY 2019

Cost breakdown Rs. 4,535 mn



13. FUTURE PROSPECTS

Acquisition of MD Productions

•The Company is exploring the feasibility of, and enter into discussions for, the potential acquisition of up to 100% of the shareholding of MD Productions, including to carry out the necessary valuation and due diligence in respect of the same.

HUM Mart Expansion

Has been launched in Karachi initially and focused in grocery, have also introduced electric appliances and mobiles. It is planned to be expand to other cities and categories.

HUM Films

With the growth in the film industry, improving cinema culture and favorable govt. policies, we are expected to ride the flow. Hum Films have collaborated with leading film houses for distribution of films in Pakistan local or foreign content.

13.1 FUTURE PROSPECTS CONTINUED...

HUM News

•According to recent survey of TV Spend Share, there is a prospect for new market players in News, Kids and Sports genre which HNL intends to tap in.

News genre can be successfully captured due to the lack of committed professional journalism in the market.

Subscription Based Model

This model is a payment structure that allows customer or organization to purchase or subscribe to a vendors IT services for a specific period of time for a set price.

With this kind of payment breakthrough, HNL will benefit immensely in terms of revenue collection and profitability. PEMRA has recently auctioned the first 3 Direct to Home (DTH) licenses for Rs.14.69 bn.

This will introduce a new generation of technology and services for the viewers, will also bring investment to media industry and generate employment.

THANK YOU