



May 07, 2020.

**BSE Limited**

P. J. Towers, Dalal Street,  
MUMBAI – 400 001.  
Scrip Code: **532368**

**National Stock Exchange of India Ltd.**

Exchange Plaza, Bandra Kurla Complex, Bandra  
East, Mumbai-400051.  
Symbol: **BCG**

Dear Madam/Sir,

**Sub: USD based financial overview of the Company.**

With reference to the subject cited above, we are enclosing herewith a copy of presentation of the Company's US Dollar based financial overview.

The same is also being made available on the website of the Company at [www.brightcomgroup.com](http://www.brightcomgroup.com).

This is for your information only.

Thanking you,

Yours faithfully,

*for* **BRIGHTCOM GROUP LIMITED**  
(formerly Lycos Internet Limited)

**M. SURESH KUMAR REDDY**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN: 00140515**



### Share of market activity



Changes in the activity of the active and passive market is uncertain. Established positive trends in various market segments.

### Projected sales



brightcom  
group



Passive market share

# FINANCIALS

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## Disclaimer

Certain Statements in this release reflecting our future growth prospects are forward – looking statements which involve a number of risks and uncertainties that could cause result to differ materially from those in such forwarding looking statements. The risks and uncertainties relating to these statements include but are not limited to risks and uncertainties with respect to fluctuation in earnings, our ability to manage growth, intense competition in online advertising including these factors which may affect our cost advantage, cost of resources and introduction of regulations that might impact the prospects, our ability to successfully complete the planned projects, general economic conditions affecting our industry. The company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the company.

# Income Statements (FY2015-FY2019)

(Amounts in Thousands, Years ended March 31)

Operating Information	FY2015	FY2016	FY2017	FY2018	FY2019
Digital/Advertising Revenue	\$244,293	\$277,587	\$297,503	\$305,643	\$305,060
Software Revenue	\$75,730	\$66,744	\$67,940	\$70,293	\$64,126
Other Revenue	\$2,317	\$747	\$102	(\$58)	(\$387)
<b>Revenue</b>	<b>\$322,341</b>	<b>\$345,077</b>	<b>\$365,546</b>	<b>\$375,875</b>	<b>\$368,799</b>
Growth Rate	NA	0.07%	5.9%	2.8%	(1.9%)
Digital/ Advertising COGS	\$98,520	\$128,388	\$140,160	\$137,746	\$133,486
Gross Profit	\$223,820	\$216,689	\$225,386	\$238,129	\$235,313
Gross Margin % of Digital Revenue	59.7%	53.7%	52.9%	53.9%	56.3%
SG&A	\$127,115	\$112,847	\$116,140	\$127,594	\$126,851
Depreciation and Ammortization	\$7,383	\$10,232	\$15,058	\$17,615	\$19,969
EBIT	\$89,322	\$93,610	\$94,188	\$92,920	\$88,493
Ammortization	0	0	0	0	0
EBITA	\$89,322	\$93,610	\$94,188	\$92,920	\$88,493
Depreciation	\$7,383	\$10,232	\$15,058	\$17,616	\$19,969
<b>EBITDA</b>	<b>\$96,705</b>	<b>\$103,842</b>	<b>\$109,246</b>	<b>\$110,535</b>	<b>\$108,462</b>
EBITDA Margin	30%	30.1%	29.9%	29.4%	29.4%
EBITDA Growth	NA	7.4%	5.2%	1.2%	(1.8%)
Adjustments	0	0	0	0	0
Adjusted EBITDA	\$96,705	\$103,842	\$109,246	\$110,535	\$108,462
Adj. EBITDA Margin	30%	30.1%	29.9%	29.4%	29.4%
Adj. EBITDA Growth	NA	7.4%	5.2%	1.2%	(1.8%)
Interest Expense	\$3,683	\$2,428	\$2,275	\$2,294	\$1,887
Other Expense/ (Income)	\$0	\$0	\$0	\$0	\$0
Pretax Income	\$85,683	\$91,182	\$91,913	\$90,626	\$86,606
Income Taxes	\$28,722	\$29,182	\$29,267	\$28,223	\$23,490
Tax Rate	33.5%	32.3%	31.8%	31.1%	27.1%
Net Income	\$56,917	\$61,772	\$62,646	\$62,403	\$63,115
Net Income Margin	17.7%	17.9%	17.1%	16.6%	17.1%

Notes:

The Company's financials are in Indian Rupees and have been converted to USD for presentation above.

# Balance Sheets (FY2015-FY2019)

(Amounts in Thousands, Years ended March 31)

## ASSETS

	FY2015	FY2016	FY2017	FY2018	FY2019
Cash	\$9,042	\$894	\$12,412	\$13,744	\$14,938
Accounts Receivable	\$136,376	\$110,238	\$199,734	\$134,359	\$128,636
Short Term Loans & Advances	\$48,104	\$81,110	\$87,592	\$91,662	\$98,891
Other Current Assets	\$27,490	\$67,627	\$73,736	\$84,250	\$78,152
<b>Total Current Assets</b>	<b>\$220,912</b>	<b>\$267,939</b>	<b>\$293,474</b>	<b>\$324,015</b>	<b>\$320,517</b>
PP&E	\$2,737	\$3,664	\$2,321	\$4,515	\$3,515
Intangible Assets(Including Goodwill)	\$50,350	\$85,831	\$95,086	\$91,058	\$72,861
Capital Work-in-Progress	\$16,754	\$3,387	\$2,838	\$19,217	\$21,365
Intangible Assets Under Development	\$26,342	\$6,975	\$11,018	\$27,107	\$19,782
Non-Current Investements	\$868	\$868	\$16,316	\$16,316	\$32,595
Long Term Loans & Advances	\$27,350	\$25,034	\$25,816	\$25,860	\$25,860
Deferred Financing Fees	\$0	\$0	\$0	\$0	\$0
Other Non-Current Assets	\$6,810	\$4,312	\$4,429	\$4,440	\$4,344
<b>Total Assets</b>	<b>\$352,123</b>	<b>\$398,010</b>	<b>\$451,298</b>	<b>\$512,529</b>	<b>\$500,839</b>

## LIABILITIES & STOCKHOLDERS' EQUITY

Accounts Payable	\$28,140	\$13,528	\$12,976	\$11,818	\$12,303
Short Term Provisions	\$16,917	\$9,502	\$11,177	\$11,538	\$10,343
Other Current Liabilities	\$12,446	\$22,301	\$15,191	\$15,517	\$15,685
<b>Total Current Liabilities</b>	<b>\$57,504</b>	<b>\$45,330</b>	<b>\$39,344</b>	<b>\$38,873</b>	<b>\$38,331</b>
Existing Borrowings	\$12,306	\$10,299	\$10,535	\$10,503	\$9,690
Lycos Acquisition Payable	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000
<b>Total Long-Term Debt</b>	<b>\$28,306</b>	<b>\$26,299</b>	<b>\$26,535</b>	<b>\$26,503</b>	<b>\$25,690</b>
Long Term Provisions	\$755	\$667	\$267	\$597	\$1,298
Deferred Tax Liabilities	\$1,064	\$1,018	(\$63)	(\$210)	\$423
Other Long Term Liabilities	\$712	\$712	\$1,235	\$712	\$840
<b>Total Liabilities</b>	<b>\$88,340</b>	<b>\$74,026</b>	<b>\$67,318</b>	<b>\$66,475</b>	<b>\$2,561</b>
Stockholders Equity	\$263,783	\$323,983	\$383,980	\$446,054	\$434,257
<b>Total Liabilities and Stockholders Equity</b>	<b>\$352,123</b>	<b>\$398,010</b>	<b>\$451,298</b>	<b>\$512,529</b>	<b>\$500,839</b>

### Notes:

1. The Lycos Acquisition Payable is the remaining amount due on Lycos acquisition.
2. The Company's financials are in Indian Rupees and have been converted to USD for presentation above.

# Cash Flow Statements (FY2018 – FY2019)

(Amounts in Thousands, Years ended March 31)

Sources: Operations	FY2018	FY2019
Net Income	\$62,403	\$63,115
Depreciation	\$17,615	\$19,969
Ammortization	\$0	\$0
Total Sources: Operations	\$80,018	\$83,084
<b>Uses: Operations</b>		
Change in Working Capital	(\$29,679)	(\$21,097)
Other Changes	(\$394)	\$0
Total Uses: Operations	(\$30,074)	(\$21,097)
Cash flow from Operations	\$49,945	\$62,686
Capital Expenditure (Cash)	(\$48,250)	(\$59,279)
<b>Free Cash Flow</b>	<b>\$1,694</b>	<b>\$2,708</b>
Payment of Existing Borrowings	(\$32)	(\$813)
Other Changes in Equity	(\$330)	(\$701)
Closing Costs	\$0	\$0
Total Anticipated Debt/Equity Issue	(\$362)	(\$1,514)
Total change in cash	\$1,333	\$1,194
Beginning Cash Balance	\$12,412	\$13,744
Increase/(Decrease) in Cash	\$1,333	\$1,194
Cash Balance	\$13,744	\$14,938

Notes:

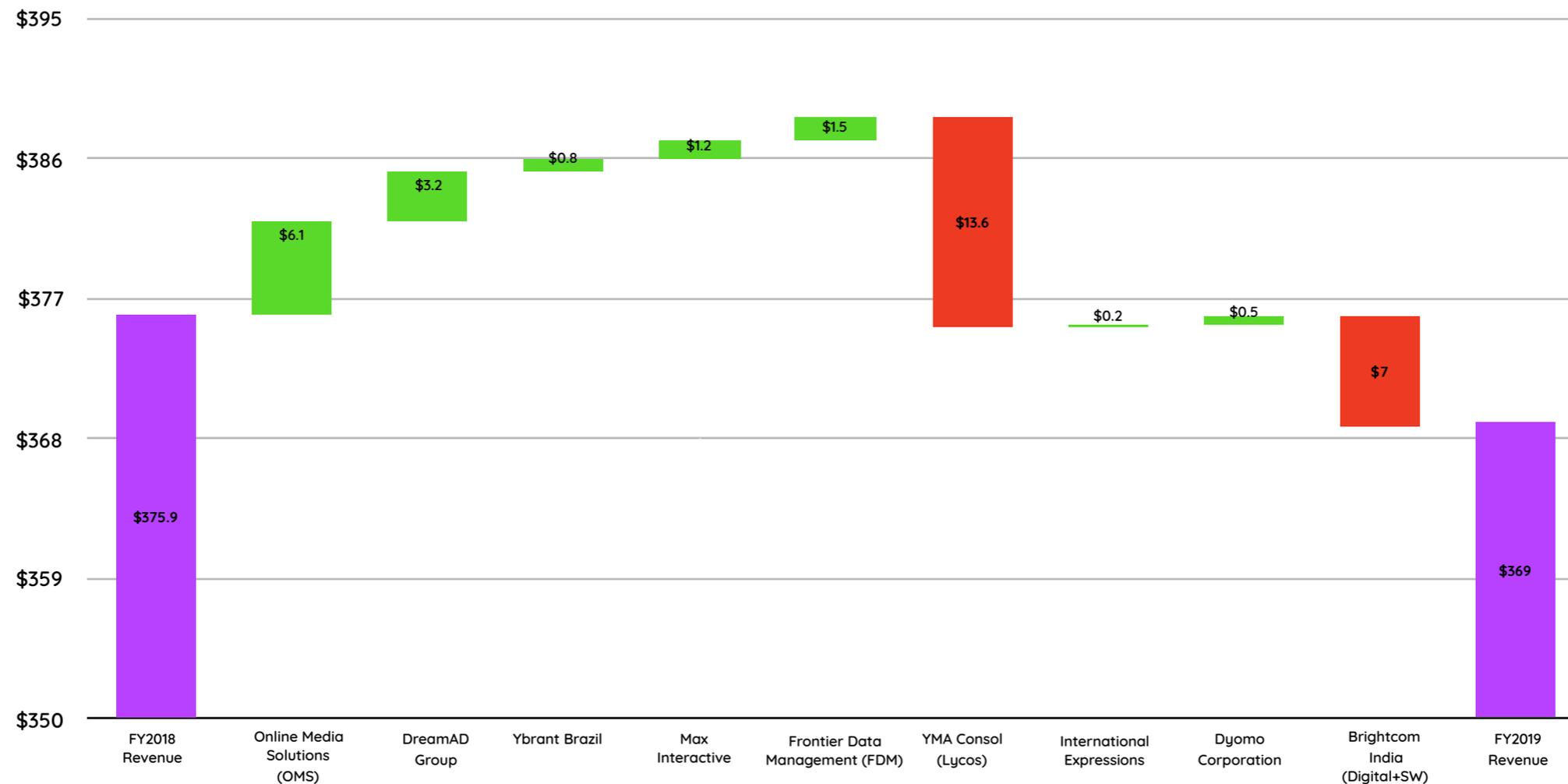
1. The Company's financials are in Indian Rupees and have been converted to USD for presentation above.

# Revenue Growth Analysis

The Company's FY2019 revenue is \$368.8 million, which represents a 1.9% decrease over the FY2018 revenue of \$375.9 million. This decrease in revenue is primarily coming from decrease in YMA revenue of \$13.6 million countered by increase in OMS contributing \$6.1 million, followed by Dream Ad Group increase at \$3.2 million. The YMA Consolidated subsidiary which holds the LYCOS brand, has been handed back to Duam Communications in a court receivership, pending a final acquisition payment. It should kept in mind that the consolidated revenue only decreased marginally even after removal of the revenue from an entire subsidiary.

## REVENUE BRIDGE (FY2018 – FY2019)

(Amounts in Millions of USD, Years ended March 31)

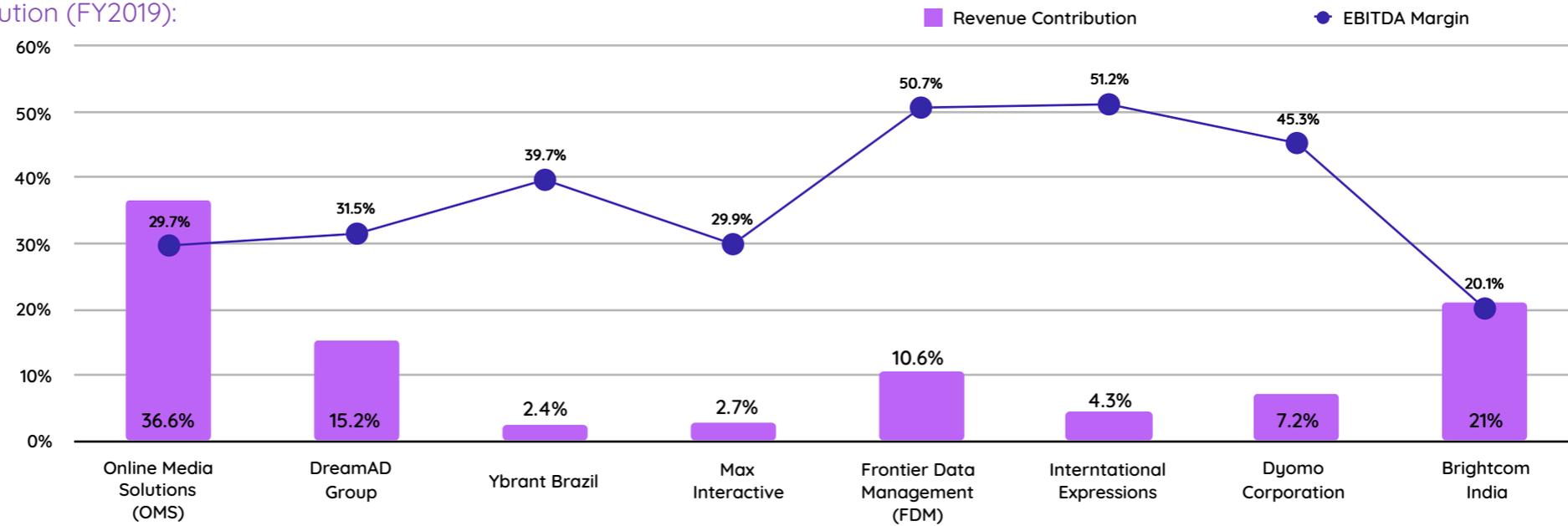


The Company's FY2019 revenue of \$368.8 million decreased by 1.9% from \$375.9 million in FY2018. Revenue from OMS contributed 36.6% followed by DreamAD group at 15.2% to FY2019 revenue. The following tables show the revenue contribution from each subsidiary and their EBITDA margins..

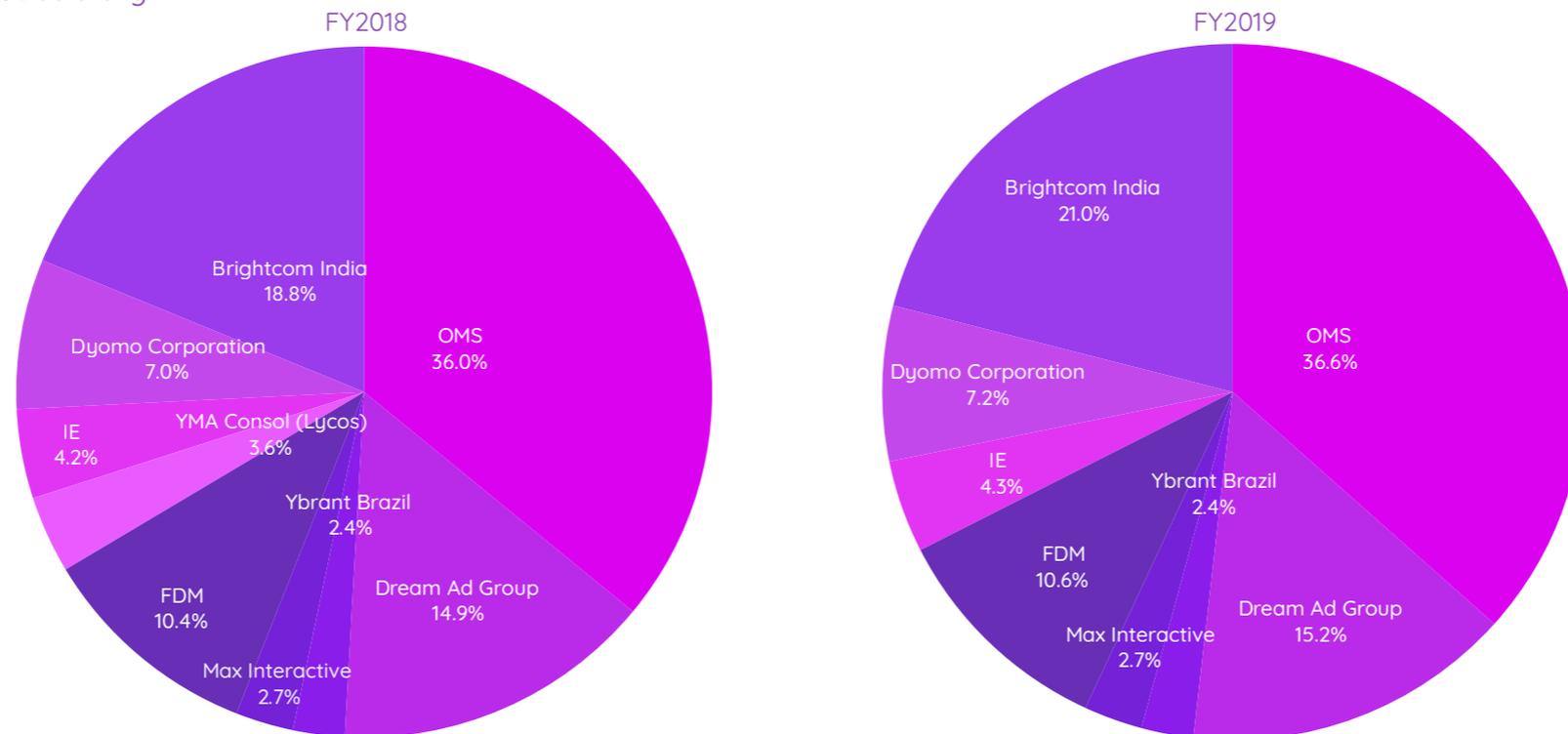
## REVENUE CONTRIBUTION AND EBITDA MARGIN BY SUBSIDIARY

(Years ended March 31)

Revenue Contribution (FY2019):



Revenue Breakdown by Subsidiary:

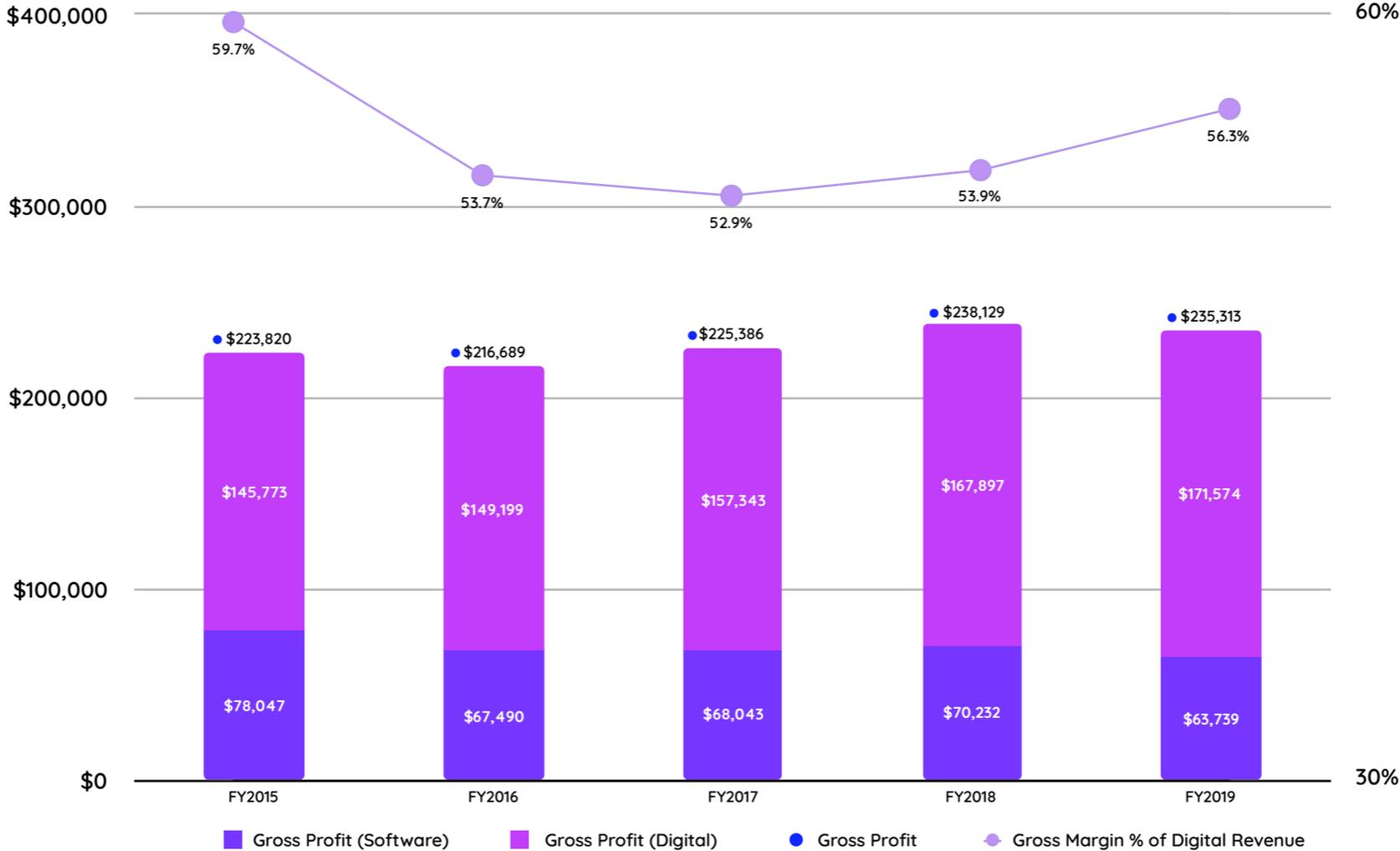


# Gross Margin Analysis

Given that the Company is in business of buying and selling digital advertising media, the COGS are primarily the costs of media purchased for advertising inventory. Media traffic quality is continuously improving as better filters are in place and higher quality media traffic has higher costs and higher returns for advertisers. The Company's Digital/ Advertising gross margin was 53.9% in FY2018 and has increased to 56.3% in FY2019 indicating significant improvement in delivery efficiencies.

## GROSS PROFIT AND MARGIN (FY2015-FY2019)

(Amounts in Thousands, Years ended March 31)

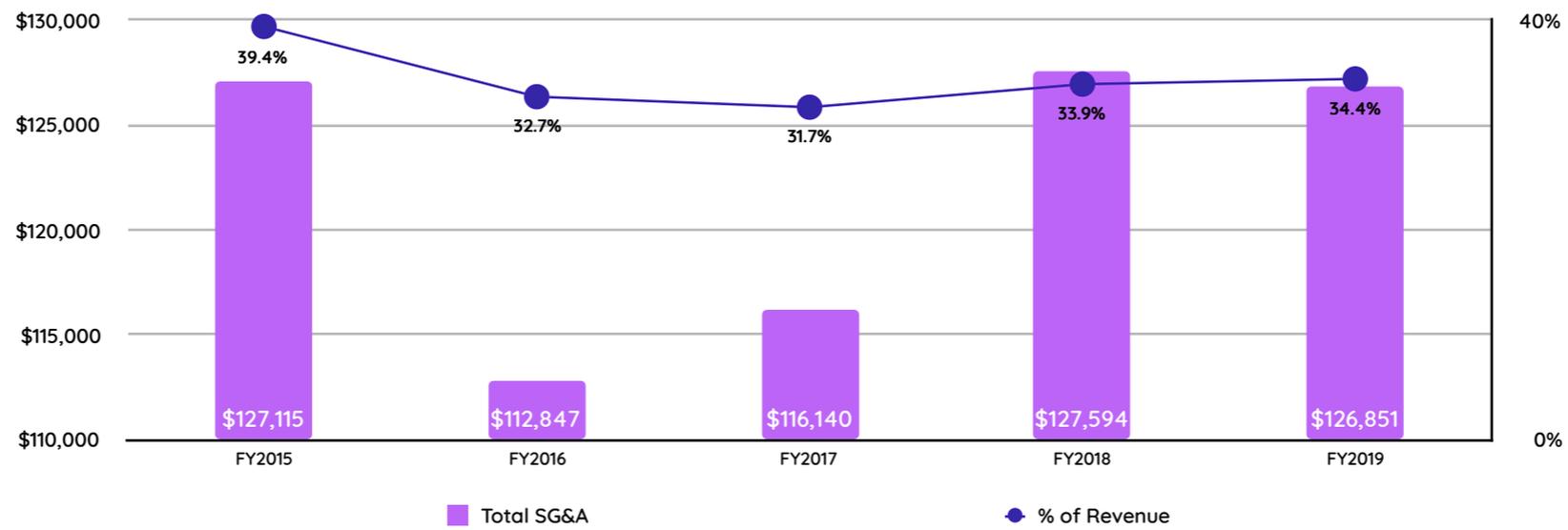


# SG&A Analysis

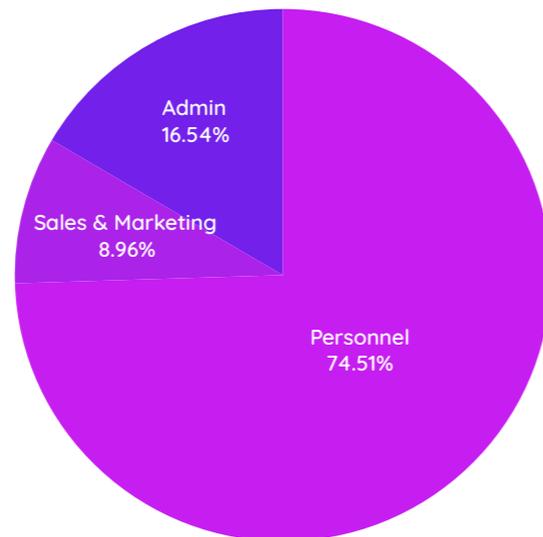
The Company's SG&A expenses consist of: (i) personnel expenses, (ii) sales and marketing expenses, and (iii) administration expenses. SG&A percentage of revenue has shown marginal increase from FY2018 to FY2019 of 0.5%. The Company has been focused on building a tech platform to address this and to help control personnel costs in future.

## SG&A EXPENSES, % OF REVENUE (FY2015-FY2019)

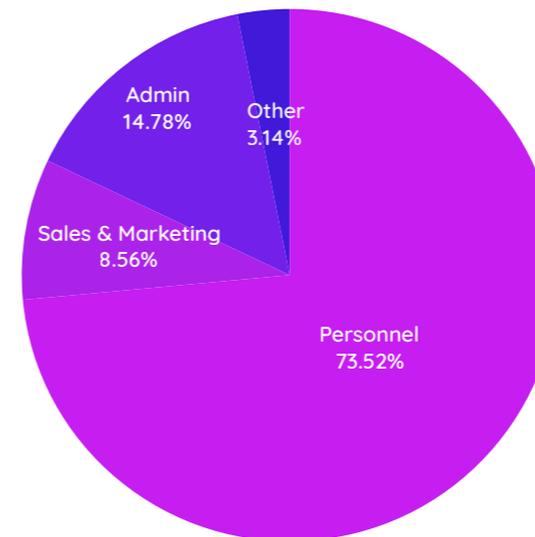
(Amounts in Thousands, Years ended March 31)



SG&A Expenses Breakdown (FY2018)



SG&A Expenses Breakdown (FY2019)

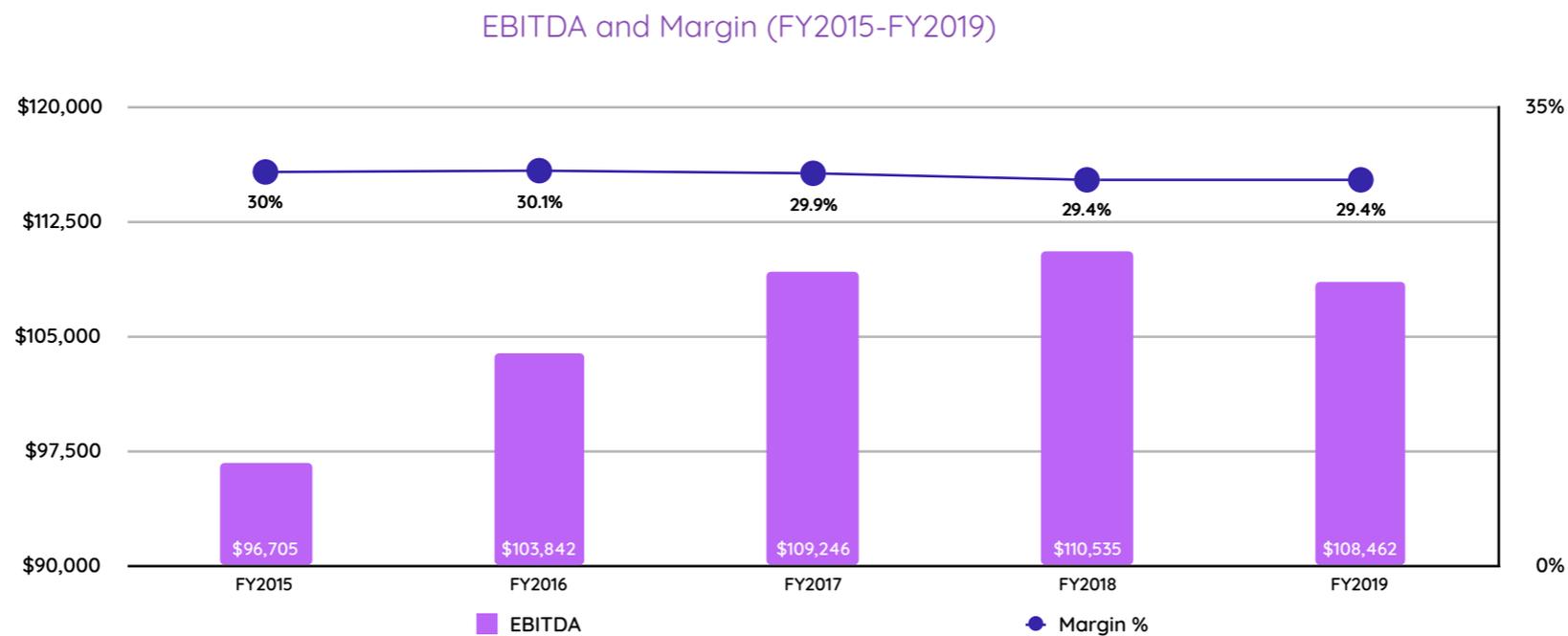
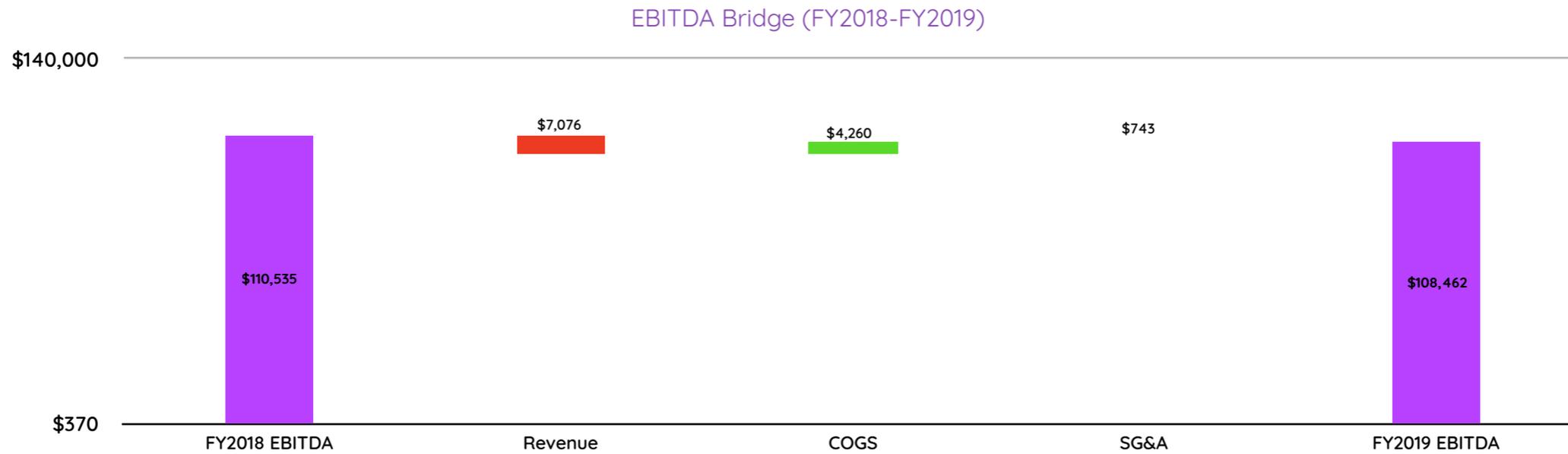


# EBITDA Analysis

The Company's FY2018 EBITDA of \$110.5 million decreased marginally by 1.9% in FY2019 to \$108.5 million. The EBITDA margin remained same at 29.4% between FY2018 and FY2019. The lower chart shows historic EBITDA levels and margin trend line.

## EBITDA BRIDGE AND MARGINS(FY2015-FY2019)

(Amounts in Thousands, Years ended March 31)



# Net Working Capital Analysis

The Company's net working capital is decreased by \$4.1 million in FY2019, primarily due to decrease in Accounts Receivables by \$5.725 million, decrease in other assets by \$6.1 million and increase in short term advances by \$7.2 million. The short term loans and advances are prepayments made to publishers for buying media inventory in advance.

## NET WORKING CAPITAL (FY2015-FY2019)

(Amounts in Thousands, Years ended March 31)

