



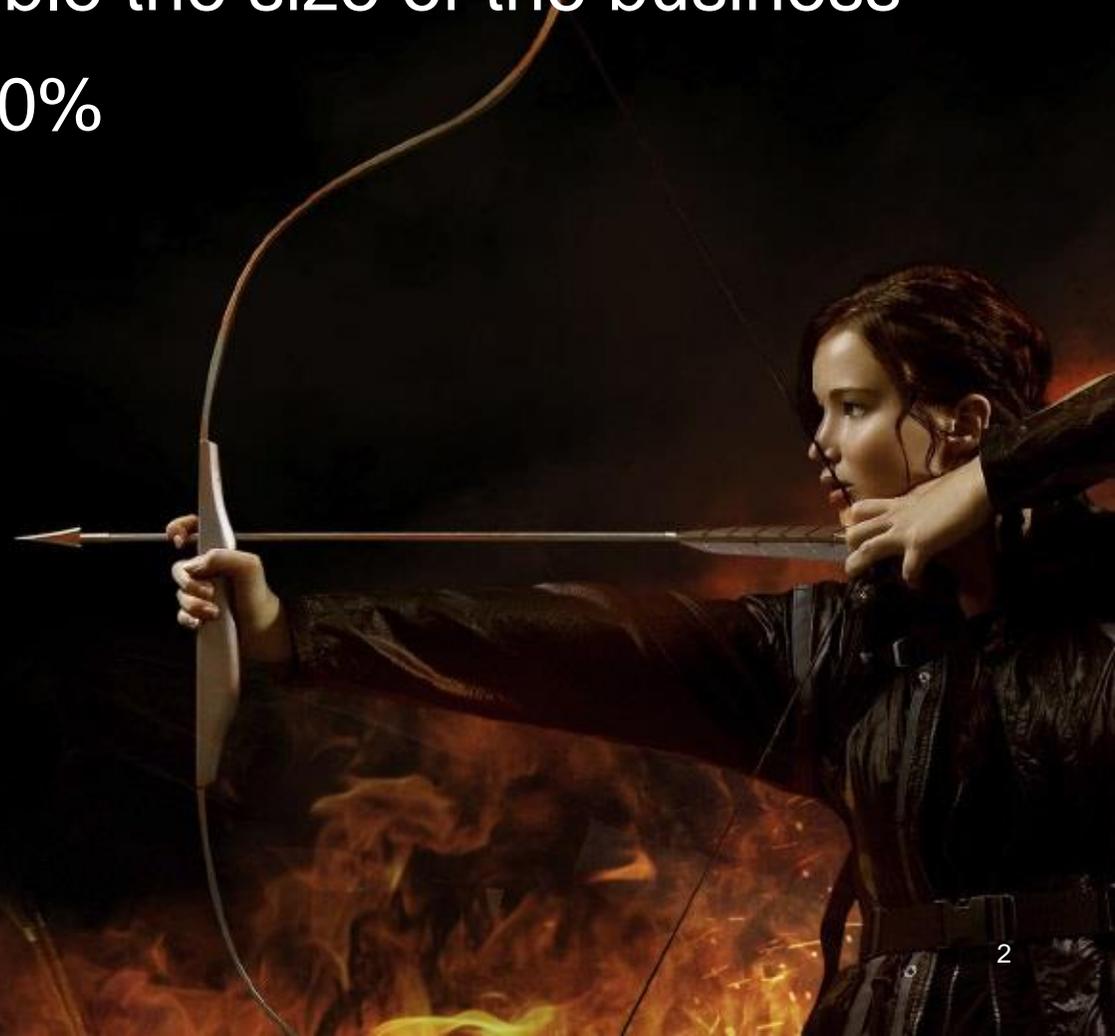
# RESULTS FOR THE YEAR ENDED 31 MARCH 2015

19 MAY 2015



# SUMMARY

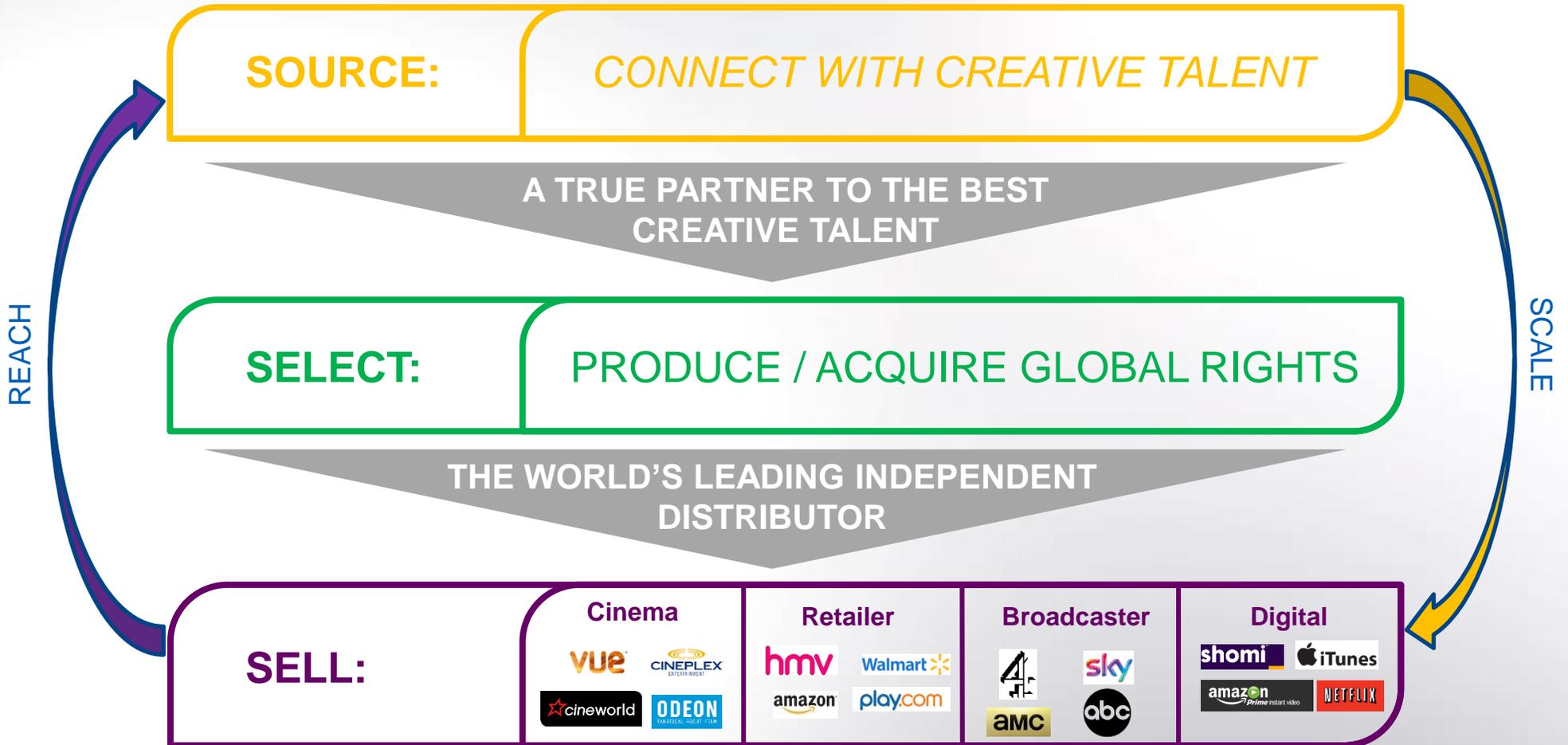
- Strong financial performance
- Strategy on track to double the size of the business
- Dividend declared, up 10%
- Positive outlook



A man in a dark suit and tie is shown in profile, looking towards the left. He is interacting with a digital interface, with his right hand raised towards a bright blue laser line. The background is a dark blue, abstract geometric pattern of triangles and polygons. The text "entertainment one" is overlaid in white, lowercase letters.

# entertainment one

# BRINGING THE BEST CONTENT TO THE WORLD

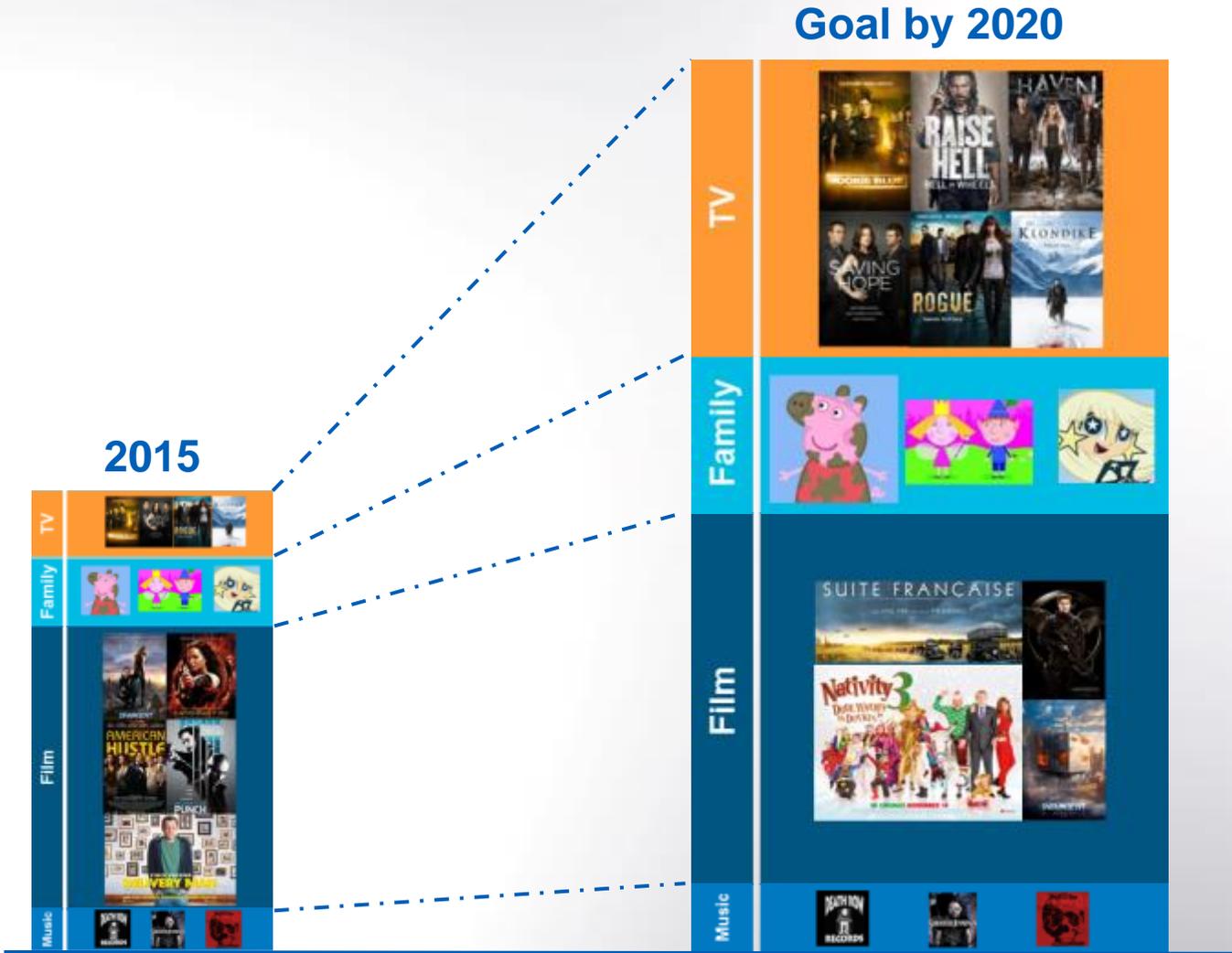


# INDUSTRY DYNAMIC CREATES OPPORTUNITIES



- Audiences demanding high quality content
- Global multi-platform rights distribution a competitive advantage

# TARGET TO DOUBLE THE SIZE OF BUSINESS





# FINANCIAL OVERVIEW

# KEY FINANCIAL HIGHLIGHTS

PRO FORMA EBITDA<sup>1,2</sup>

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£117.2m  
Up 11%

ADJUSTED DILUTED  
EPS<sup>3</sup>

---

23.5p  
Up 12%

ADJUSTED FREE CASH  
FLOW<sup>4</sup>

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£41.0m  
Up £22.2m

ADJUSTED NET DEBT<sup>5</sup>

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£224.9m  
1.9x EBITDA<sup>1,2</sup>

<sup>1</sup> Pro forma financial results include the results of Phase 4 Films, Paperny Entertainment, Force Four Entertainment and The Mark Gordon Company (which were acquired on 3 June 2014, 31 July 2014, 28 August 2014 and 7 January 2015, respectively) as if those businesses had been acquired on the first day of the comparative year, with comparative figures translated at 2015 actual foreign exchange rates.

<sup>2</sup> Underlying EBITDA is operating profit before one-off items, amortisation of acquired intangible assets, depreciation, amortisation of software, share-based payment charge, and 'tax, finance costs and depreciation' related to joint ventures. Underlying EBITDA is reconciled to operating profit in the 'Other Financial Information' section of the Results Announcement.

<sup>3</sup> Adjusted profit before tax is profit before amortisation of acquired intangible assets, share-based payment charge, 'tax, finance costs and depreciation' related to joint ventures, operating one-off items and one-off items relating to the Group's financing arrangements; adjusted diluted earnings is adjusted for the tax effect of these items.

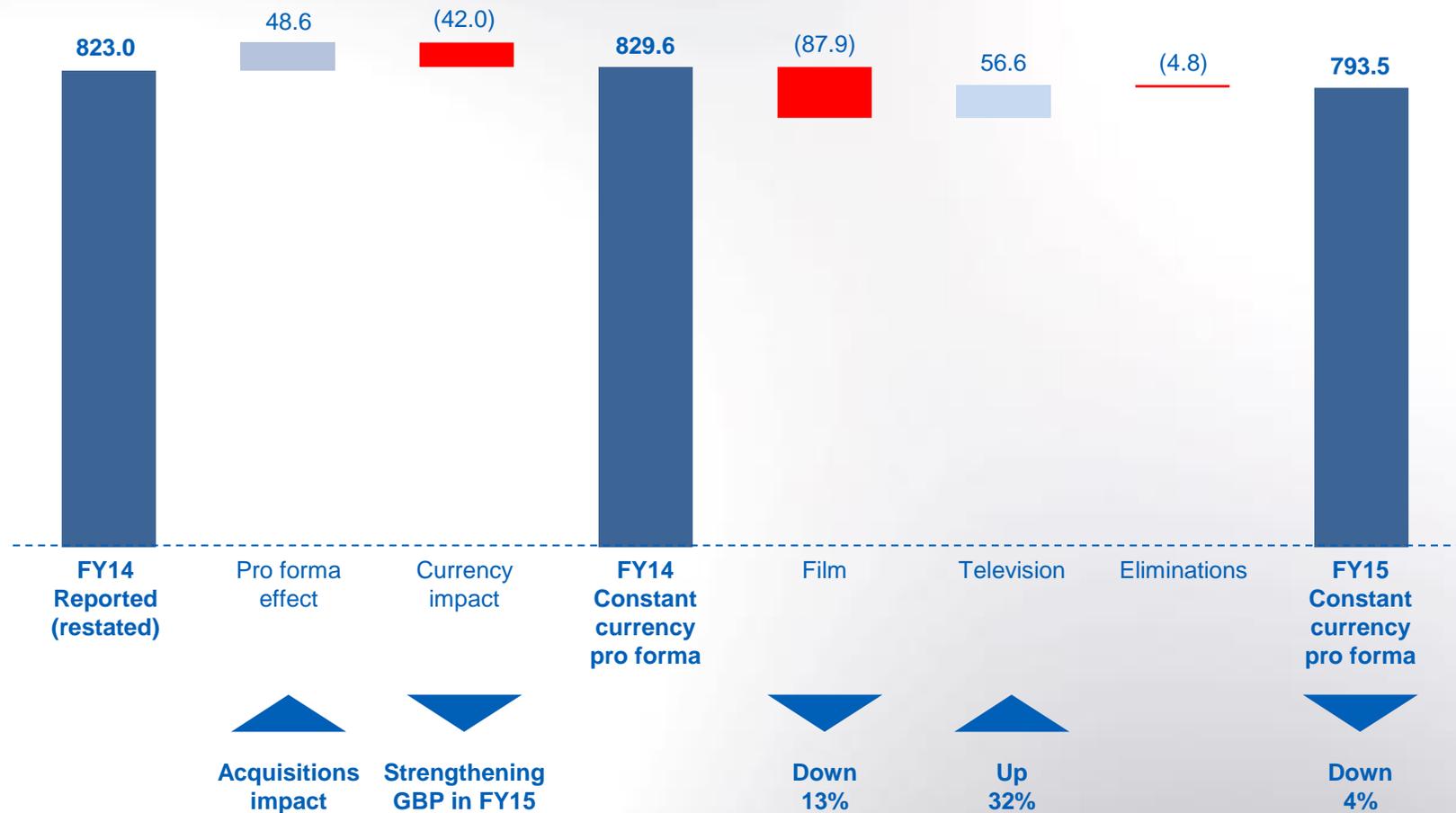
<sup>4</sup> Adjusted free cash flow is underlying EBITDA adjusted for content and production investment/amortisation gap, acquisition adjustments, working capital, and net drawdown of interim production financing and production cash.

<sup>5</sup> Adjusted net debt includes net borrowings under the Group's senior debt facility but excludes net interim production financing.

# FILM DECLINE OFFSET BY TELEVISION GROWTH

## Pro forma Revenue Bridge

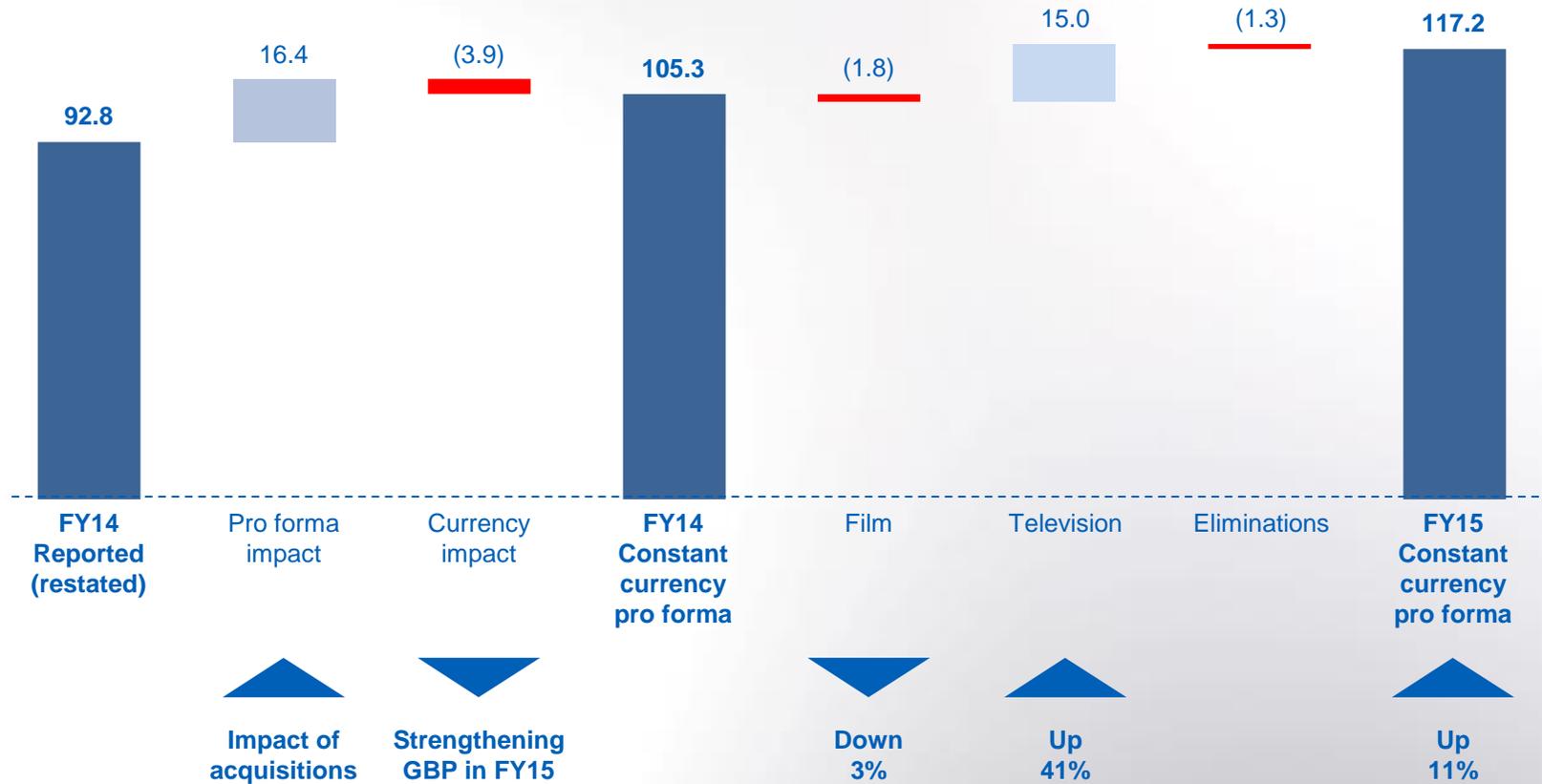
£m



# GROWTH DRIVEN BY TELEVISION, FILM IN LINE

## Pro forma Underlying EBITDA Bridge

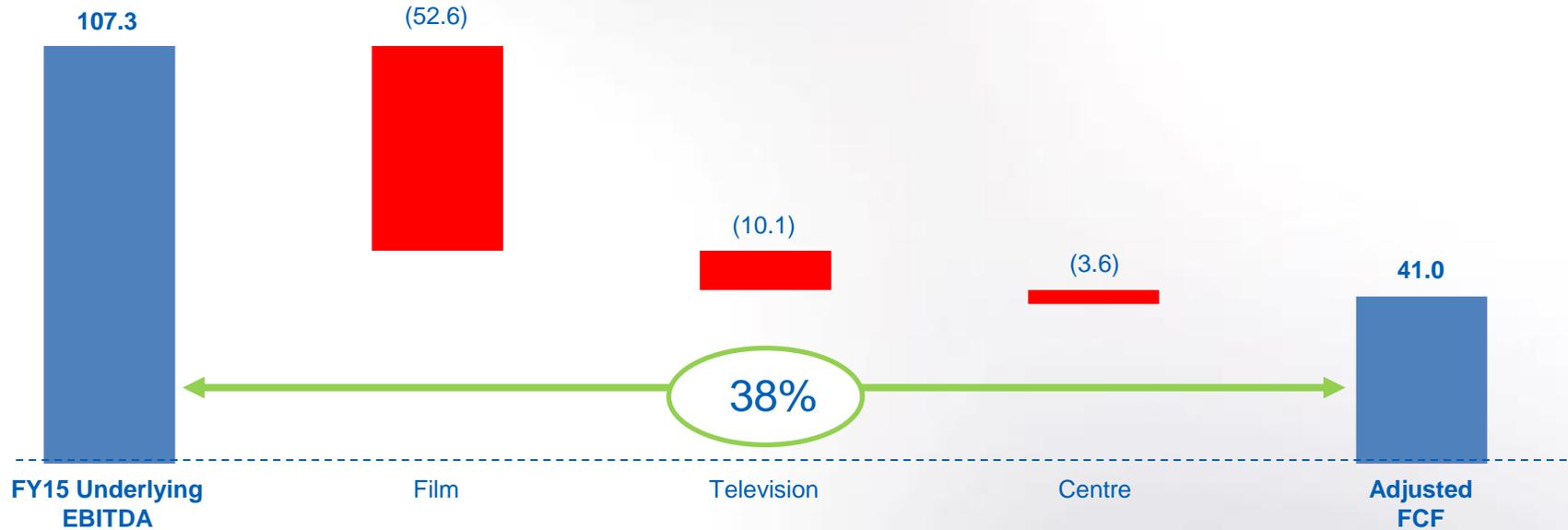
£m



# ADJUSTED FCF UP £22 MILLION TO £41 MILLION

## Underlying EBITDA to Adjusted Free Cash Flow Bridge

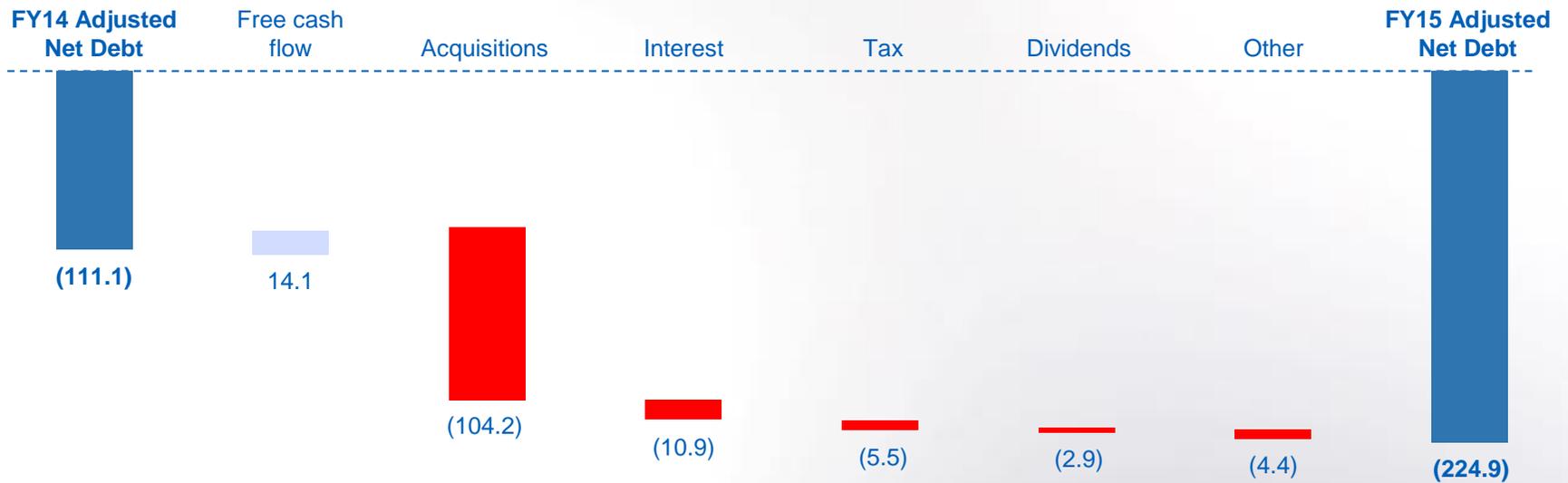
£m



# ACQUISITIONS DRIVE INCREASE IN NET DEBT

## Adjusted Net Debt Bridge

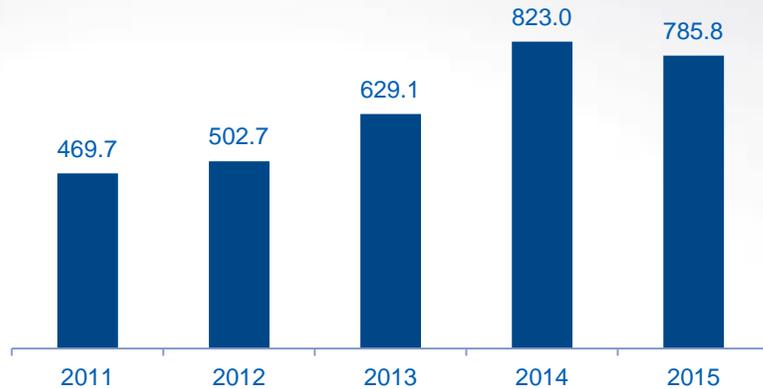
£m



# CONTINUED PERIOD OF EARNINGS GROWTH

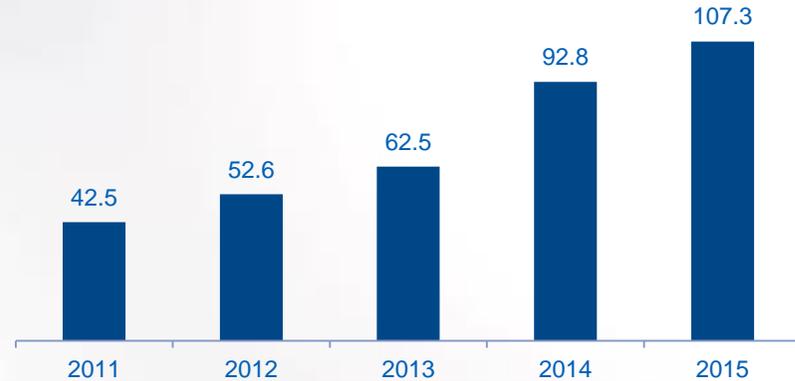
## Reported Revenue

£m



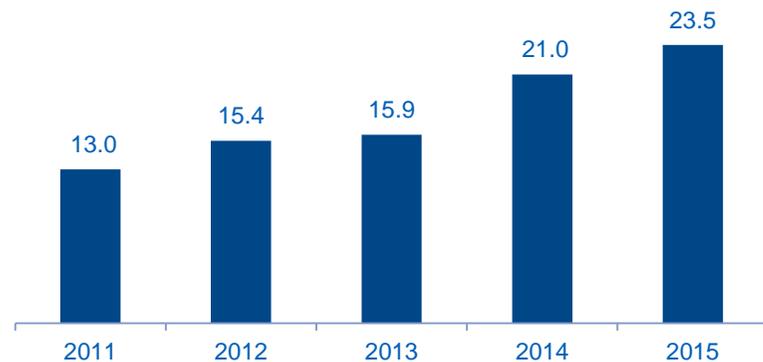
## Reported Underlying EBITDA<sup>1</sup>

£m



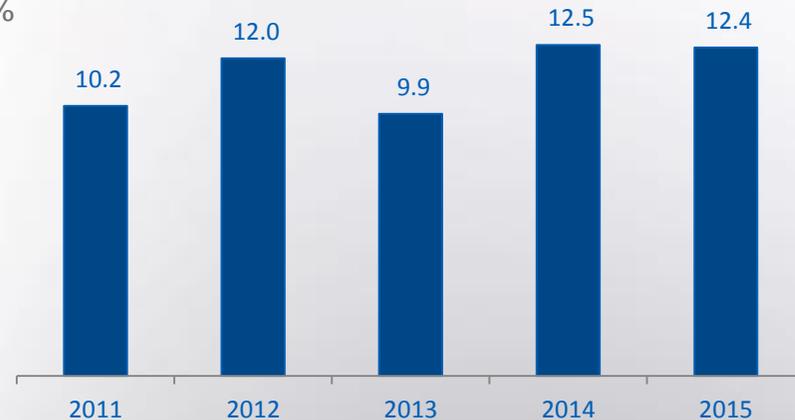
## Adjusted Earnings per Share (EPS)<sup>2</sup>

(pence)



## Return on Capital Employed (ROCE)<sup>3</sup>

%



<sup>1</sup> Underlying EBITDA is operating profit before one-off items, amortisation of acquired intangible assets, depreciation, amortisation of software, share-based payment charge, and 'tax, finance costs and depreciation' related to joint ventures. Underlying EBITDA is reconciled to operating profit in the 'Other Financial Information' section of the Results Announcement.

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<sup>3</sup> Return on Capital Employed is calculated as the adjusted net operating profit after tax, as a percentage of the average of opening and closing total assets.



FILM

# FILM STRATEGY AND PROGRESS

## Strategy

Be a true partner to the best creative talent

Be the world's leading independent distributor

## Objective

Partnerships with film-makers

Build scale in film distribution

## Progress

**RUMBLE**  
FILMS

OPEN**ROAD**

  
THE INK FACTORY

**HAMMER**<sup>TM</sup>

THE  
**MARK GORDON**  
COMPANY

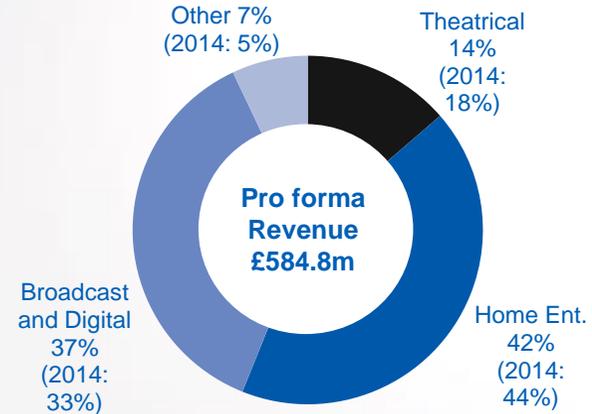
  
**PHASE 4** FILMS

# CHALLENGING YEAR IN FILM DISTRIBUTION

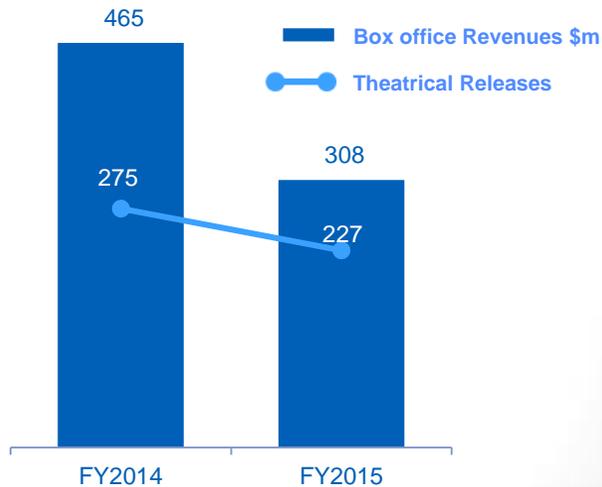
## Pro forma Investment in Content<sup>1</sup> £m



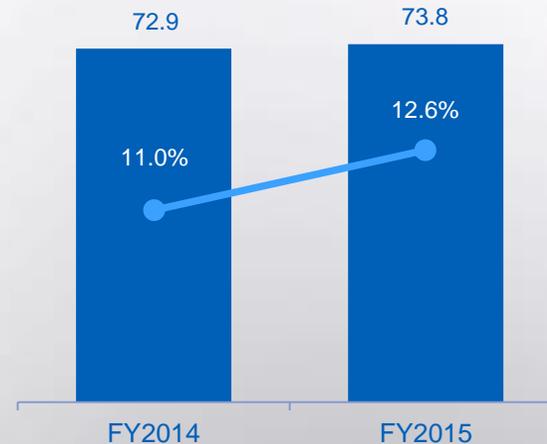
## Pro forma Revenue mix<sup>1</sup> £m



## Theatrical Releases



## Pro forma Underlying EBITDA<sup>1,2</sup>/Margin % £m/%



# BUILDING ENTERTAINMENT ONE FEATURES

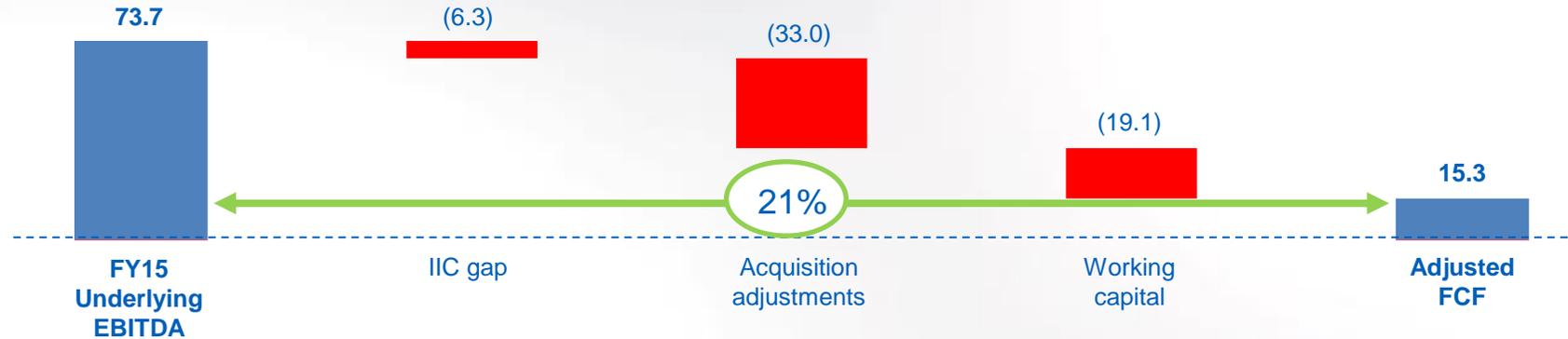
- Launch of eOne Features, focused on production and international sales
- FY15 releases generated box office revenues of \$62m globally to date
- FY15 Investment in content of £26.2m, including *Insidious: Chapter 3* to be released in FY16
- Four films currently in production: *Eye in the Sky*, *Message from the King*, *Sinister 2* and *Life on the Road*, starring Ricky Gervais as David Brent from *The Office*
- Strong international sales line-up including *Trumbo*, *Spotlight*, *Captain Fantastic* and *It's Only the End of the World*



# POSITIVE FREE CASH FLOW IN FILM

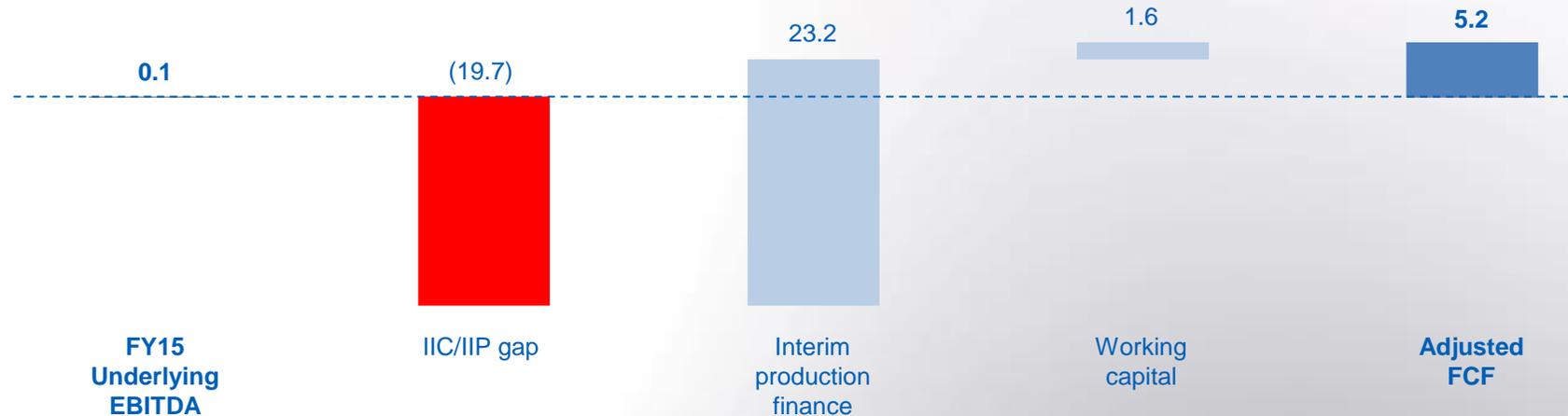
## Film Distribution Underlying EBITDA to Adjusted Free Cash Flow Bridge

£m



## eOne Features Underlying EBITDA to Adjusted Free Cash Flow Bridge

£m



# CONFIDENT FILM OUTLOOK

- Film Distribution slate improving box office performance
- Investment profile driving improved adjusted free cash flow generation
- Strong eOne Features line-up
- New partnerships with creative talent giving access to higher quality content
- New territorial growth opportunities

FY16 FILM RELEASES

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~ 250

FY16 INVESTMENT IN  
CONTENT AND  
PRODUCTIONS

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Over £200m



# TELEVISION

# TELEVISION STRATEGY AND PROGRESS

## Strategy

Be a true partner to the best creative talent

Be the world's leading independent distributor

## Objective

Global production business

World class television sales network

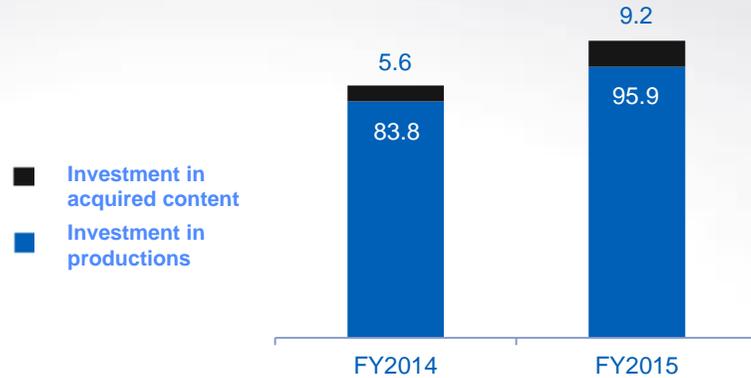
## Progress



# STRONG PERFORMANCE DELIVERING GROWTH

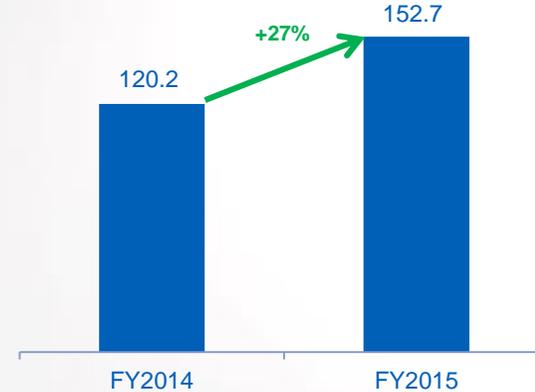
## Investment in Content

£m



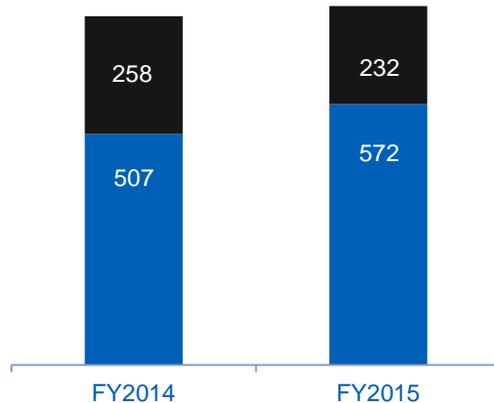
## Pro forma Revenue<sup>1</sup>

£m



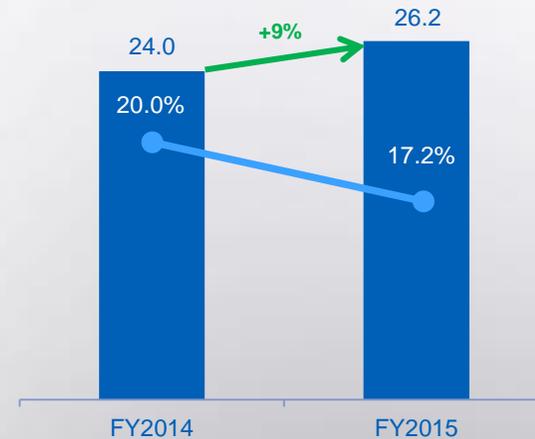
## Pro forma Half Hours Produced/Acquired<sup>1</sup>

■ Acquired  
■ Produced



## EBITDA<sup>2</sup>/Margin %

£m/%

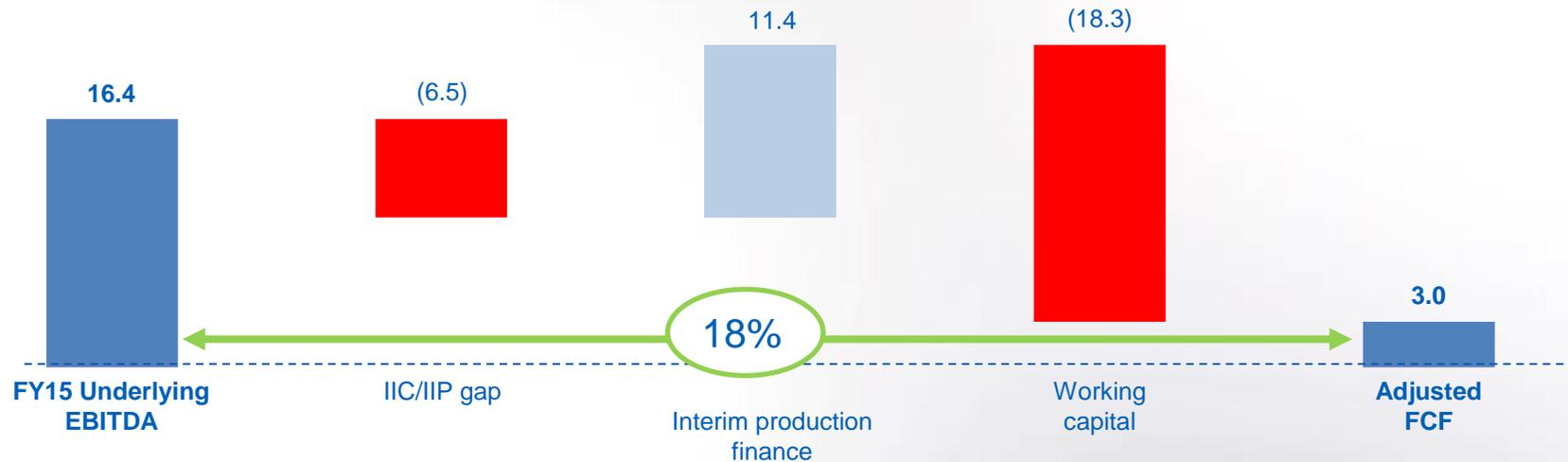


<sup>1</sup> Pro forma financial results include the results of Paperny Entertainment, Force Four Entertainment and The Mark Gordon Company (which were acquired on 31 July 2014, 28 August 2014 and 7 January 2015, respectively) as if those businesses had been acquired on the first day of the comparative year, with comparative figures translated at 2015 actual foreign exchange rates.

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# PRODUCTION INVESTMENT FOR FUTURE YEARS

## Underlying EBITDA to Adjusted Free Cash Flow Bridge £m



# POSITIVE TELEVISION OUTLOOK

- Strong FY16 own production slate, including:
  - *Hell on Wheels*: Season 5 with AMC
  - *Rogue*: Season 4 with DirecTV
  - *Cold Water Cowboys*: Season 2 with Discovery Channel
  - *Nellyville*: Season 2 with BET
  - *Welcome to Sweden*: Season 2 with NBC
  - *Million Dollar Challenge*: Season 1 with ESPN
- New series and season renewals from AMC driving International Sales growth:
  - *Turn, The Red Road, Halt and Catch Fire*: 100% renewal rate for Season 2
  - *Into the Badlands, Making of the Mob*
- Digital platforms driving demand for content

FY16 HALF HOURS

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Over 850

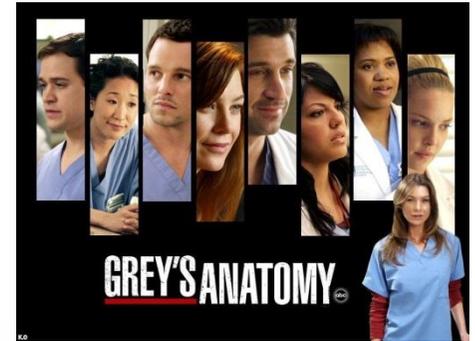
FY16 INVESTMENT IN  
CONTENT AND  
PROGRAMMES

---

~ £140m

# THE MARK GORDON COMPANY: GAME-CHANGER

- A prolific TV and film producer
- Elevates eOne's market position globally
- Creates a hub for further partnerships
- Exclusive content rights for eOne Distribution
- Existing rights library supports funding of business plan
- Two new shows in production:
  - *Quantico*
  - *Criminal Minds: Beyond Borders*



# THE MARK GORDON COMPANY: GAME-CHANGER

- Modified shareholder agreement
- Fully consolidated as a subsidiary from 19 May 2015
- Delivers additional pro forma Underlying EBITDA of £8.9 million
- Pro forma FY15 Group Underlying EBITDA increases to £126.1 million





# FAMILY

# FAMILY STRATEGY AND PROGRESS

## Strategy

Be a true partner to the best creative talent

Be the world's leading independent distributor

## Objective

Make *Peppa Pig* the most loved brand

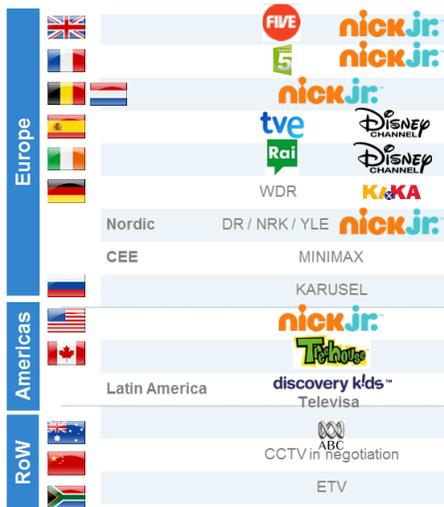
Global broadcast relationships

## Progress

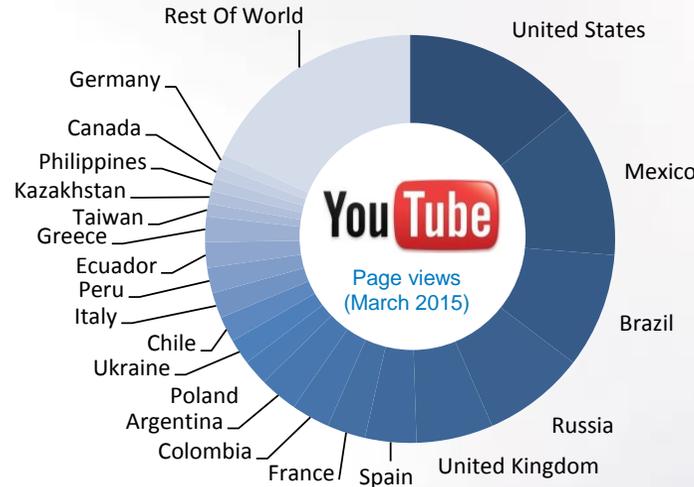


# PEPPA PIG IS KEY STRATEGIC DRIVER

## Increasing global footprint



## Raising global awareness



## Growing retail sales

Peppa Pig Retail Sales \$1 billion



- Over 600 licensees globally, 180 broadcast territories and 250 live broadcast agreements

- Over 3 million *Peppa Pig* App downloads globally

- Strong growth profile, opportunity to double retail sales

# STRONG EBITDA TO ADJUSTED FCF CONVERSION

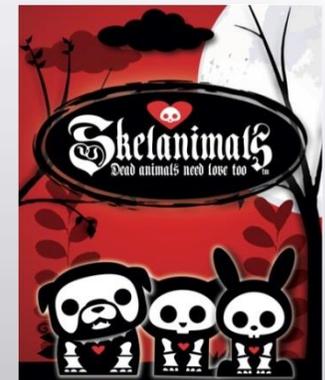
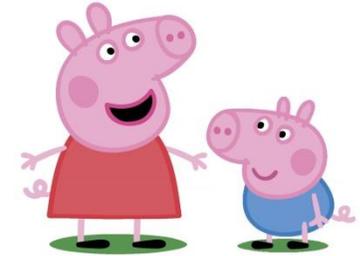
## Underlying EBITDA to Adjusted Free Cash Flow Bridge

£m



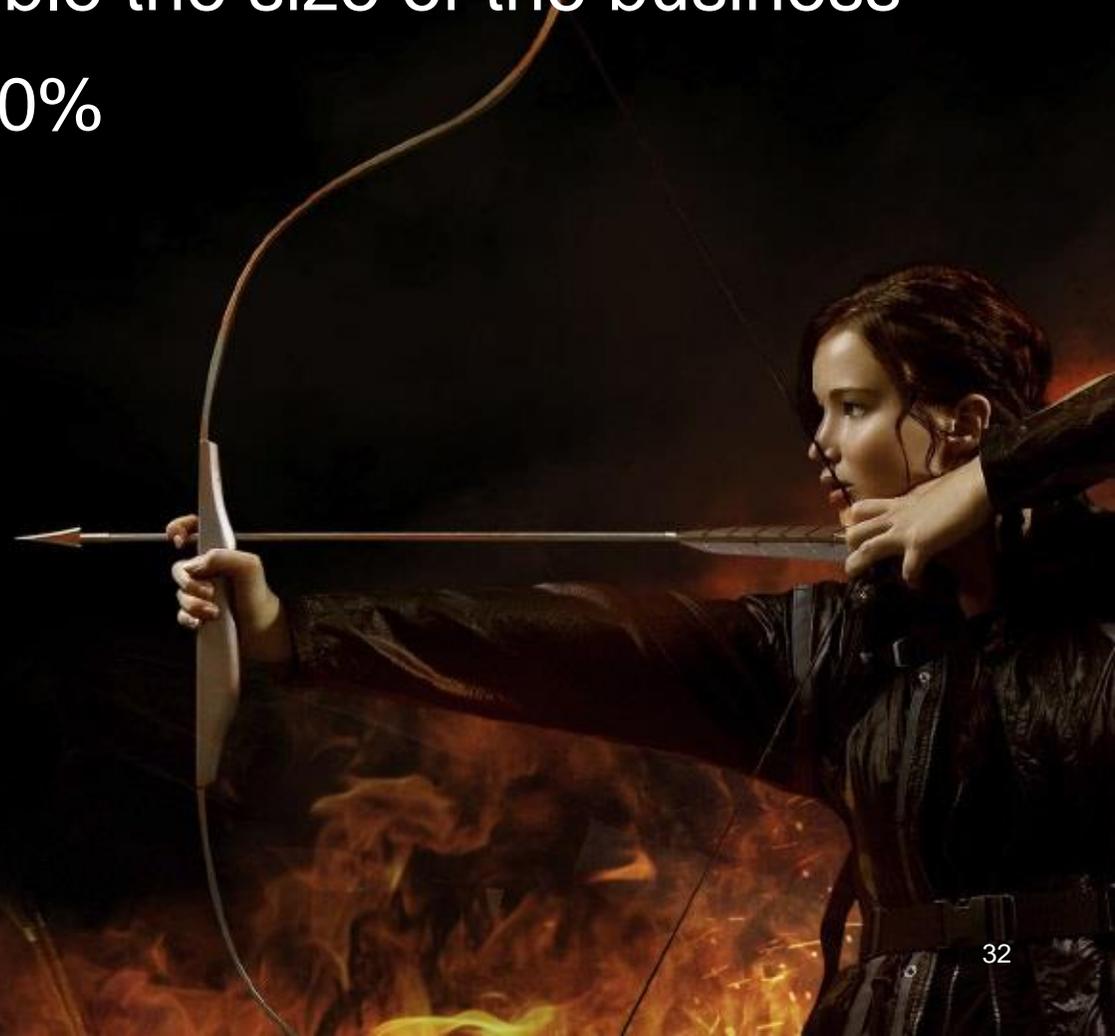
# VERY POSITIVE OUTLOOK FOR FAMILY

- Continue *Peppa Pig* growth:
  - Europe, China and South East Asia
  - Opportunity to double retail sales
- *Ben & Holly's Little Kingdom* to increase international presence
- New shows in production for delivery in FY16
  - *Winston Steinburger & Sir Dudley Ding Dong*
  - *PJ Masks*



# SUMMARY

- Strong financial performance
- Strategy on track to double the size of the business
- Dividend declared, up 10%
- Positive outlook





# APPENDIX

# FINANCIAL HIGHLIGHTS

	Reported			Pro forma <sup>1</sup>		
	FY15	FY14 <sup>4</sup>	Change	FY15	FY14 <sup>4</sup>	Change
Revenue (£m)	<b>785.8</b>	823.0	-5%	<b>793.5</b>	829.6	-4%
Underlying EBITDA <sup>2</sup> (£m)	<b>107.3</b>	92.8	+16%	<b>117.2</b>	105.3	+11%
Investment in acquired content & productions (£m)	<b>280.8</b>	276.8	+1%	<b>285.5</b>	276.0	+3%

<sup>1</sup> Pro forma financial results include the results of Phase 4 Films, Paperny Entertainment, Force Four Entertainment and The Mark Gordon Company (which were acquired on 3 June 2014, 31 July 2014, 28 August 2014 and 7 January 2015, respectively) as if those businesses had been acquired on the first day of the comparative year, with comparative figures translated at 2015 actual foreign exchange rates.

<sup>2</sup> Underlying EBITDA is operating profit before one-off items, tax, finance costs and depreciation related to joint ventures, share-based payment charges, depreciation and amortisation of acquired intangibles. Underlying EBITDA is reconciled to operating profit in the 'Other Financial Information' section of this Results Announcement.

<sup>4</sup> Comparative numbers for 2014 have been restated as a result of the adoption of IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements. See Note 2 to the consolidated financial statements for further detail.

# FINANCIAL HIGHLIGHTS

	Reported			Adjusted		
	FY15	FY14 <sup>4</sup>	Change	FY15	FY14 <sup>4</sup>	Change
Profit before tax <sup>3</sup> (£m)	<b>44.0</b>	21.5	+105%	<b>88.8</b>	78.4	+13%
Free cash flow <sup>5</sup> (£m)	<b>(13.7)</b>	(16.4)	+16%	<b>41.0</b>	18.8	+118%
Diluted EPS <sup>3</sup> (pence)	<b>14.1</b>	7.1	+99%	<b>23.5</b>	21.0	+12%
Dividend (pence per share)	<b>1.1</b>	1.0	+10%	<b>1.1</b>	1.0	+10%

<sup>3</sup> Adjusted profit before tax is profit before tax before operating one-off items, 'tax, finance costs and depreciation related to joint ventures', share-based payment charges, amortisation of acquired intangibles and one-off items within net finance charges; adjusted diluted earnings is adjusted for the tax effect of these items.

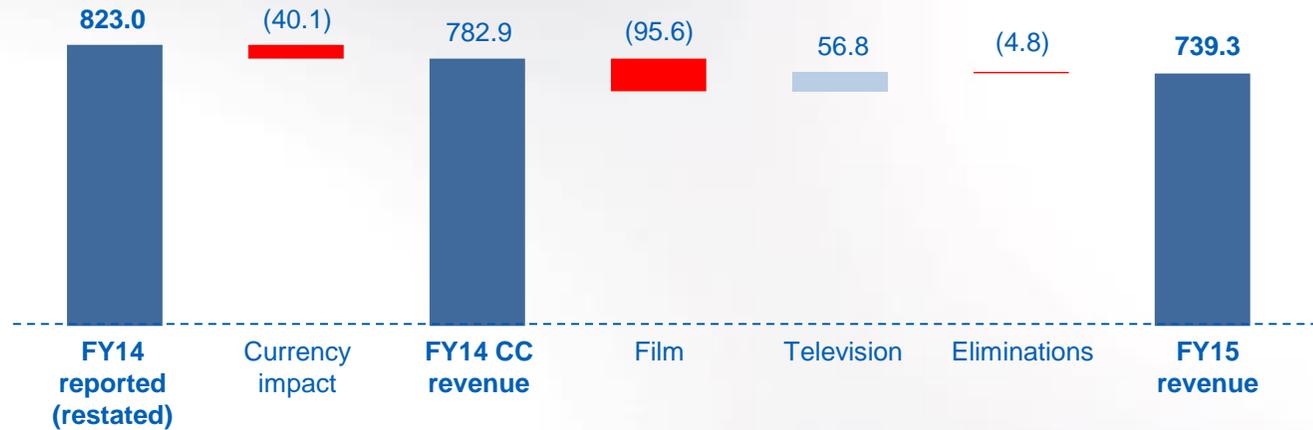
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<sup>5</sup> Adjusted free cash flow is underlying EBITDA adjusted for content and production investment/amortisation gap, acquisition adjustments, working capital and net drawdown of interim production financing and production cash.

# GROUP REVENUE: ORGANIC AND ACQUISITIONS

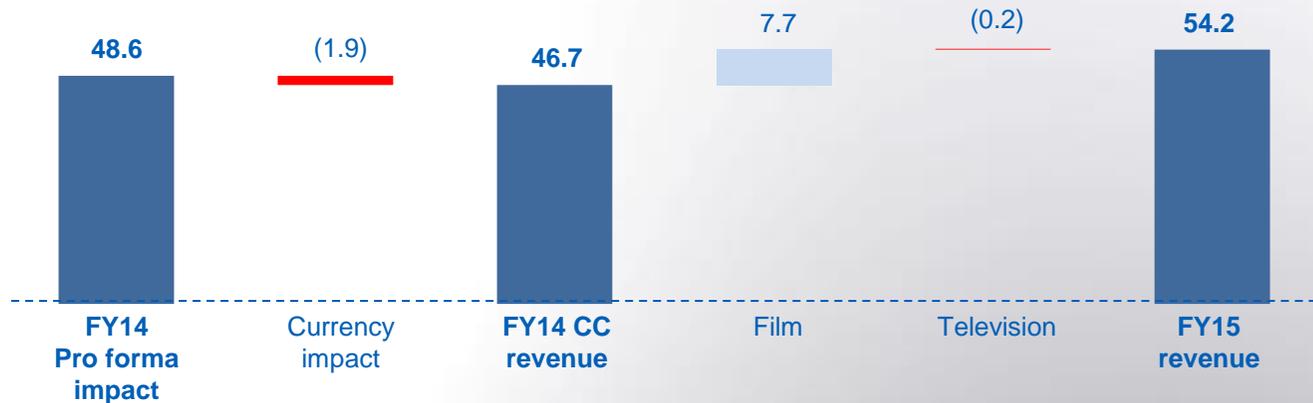
## Organic Revenue Bridge

£m



## Revenue from Acquisitions

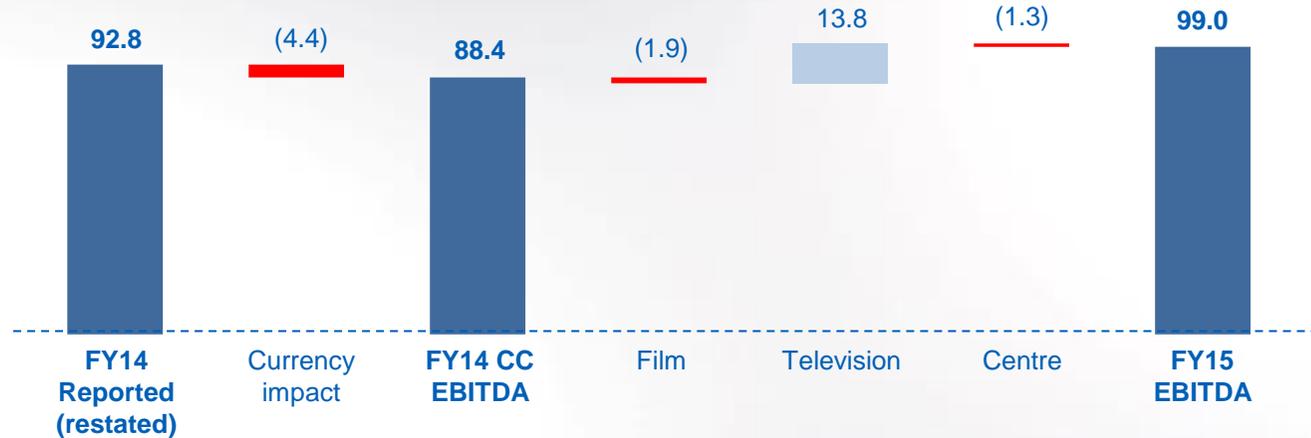
£m



# GROUP EBITDA: ORGANIC AND ACQUISITIONS

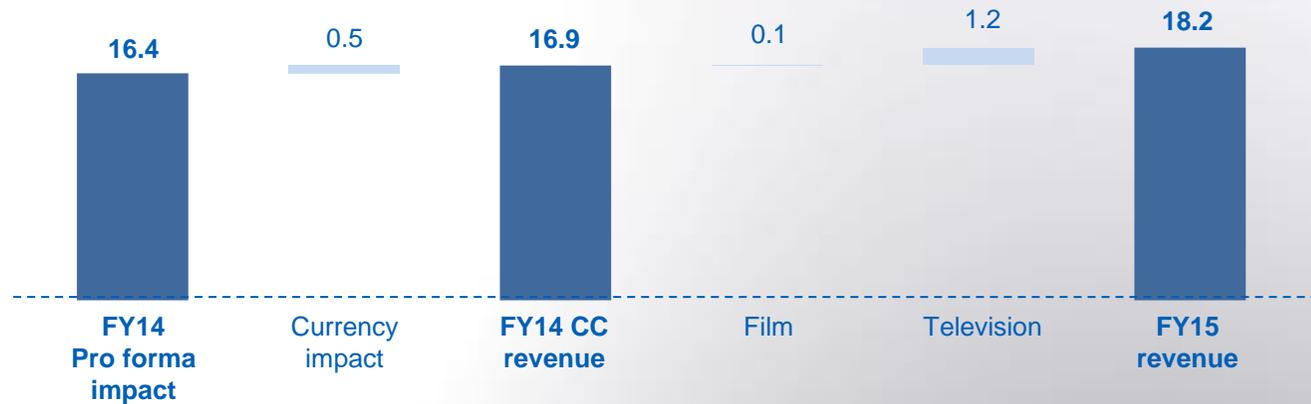
## Organic Underlying EBITDA Bridge

£m



## Underlying EBITDA from Acquisitions

£m



# FILM HIGHLIGHTS

	Reported			Pro forma		
	FY15	FY14	Change	FY15	FY14	Change
<b>Revenue (£m)</b>	<b>592.6</b>	686.0	-14%	<b>595.9</b>	683.8	-13%
- Distribution	<b>581.4</b>	665.6	-13%	<b>584.8</b>	664.2	-12%
- Features	<b>20.9</b>	29.8	-30%	<b>20.9</b>	29.0	-28%
- Eliminations	<b>(9.7)</b>	(9.4)	+3%	<b>(9.8)</b>	(9.4)	+4%
<b>Underlying EBITDA (£m)</b>	<b>73.1</b>	74.1	-1%	<b>73.2</b>	75.1	-3%
- Distribution	<b>73.7</b>	71.9	+3%	<b>73.8</b>	72.9	+1%
- Features	<b>0.1</b>	3.5	-97%	<b>0.1</b>	3.5	-97%
- Eliminations	<b>(0.7)</b>	(1.3)	-46%	<b>(0.7)</b>	(1.3)	-46%
<b>Investment in acquired content &amp; productions (£m)</b>	<b>175.7</b>	189.7	-7%	<b>176.0</b>	183.5	-4%
- Distribution	<b>151.3</b>	189.3	-20%	<b>151.6</b>	183.1	-17%
- Features	<b>26.2</b>	0.4	+6450%	<b>26.2</b>	0.4	+6450%
- Eliminations	<b>(1.8)</b>	-	-	<b>(1.8)</b>	-	-
<b>Adjusted Free cash flow (£m)</b>	<b>20.5</b>	22.8	-10%	<b>N/A</b>	N/A	N/A
- Distribution	<b>15.3</b>	25.3	-40%	<b>N/A</b>	N/A	N/A
- Features	<b>5.2</b>	(2.5)	+308%	<b>N/A</b>	N/A	N/A

# TELEVISION HIGHLIGHTS

	Reported			Pro forma		
	FY15	FY14	Change	FY15	FY14	Change
<b>Revenue (£m)</b>	<b>227.6</b>	166.5	+37%	<b>231.9</b>	175.3	+32%
- Production & Sales	<b>148.4</b>	111.2	+33%	<b>152.7</b>	120.2	+27%
- Family & Licensing	<b>60.8</b>	35.5	+71%	<b>60.8</b>	35.5	+71%
- Music	<b>18.4</b>	19.8	-7%	<b>18.4</b>	19.6	-6%
<b>Underlying EBITDA (£m)</b>	<b>41.6</b>	24.8	+68%	<b>51.4</b>	36.4	+41%
- Production & Sales	<b>16.4</b>	12.4	+32%	<b>26.2</b>	24.0	+9%
- Family & Licensing	<b>23.8</b>	10.3	+131%	<b>23.8</b>	10.3	+131%
- Music	<b>1.4</b>	2.1	-33%	<b>1.4</b>	2.1	-33%
<b>Investment in acquired content &amp; productions (£m)</b>	<b>105.1</b>	87.1	+21%	<b>109.5</b>	92.5	+18%
- Production & Sales	<b>100.7</b>	84.0	+20%	<b>105.1</b>	89.4	+18%
- Family & Licensing	<b>1.9</b>	0.6	+217%	<b>1.9</b>	0.6	+217%
- Music	<b>2.5</b>	2.5	-	<b>2.5</b>	2.5	-
<b>Adjusted Free cash flow (£m)</b>	<b>31.5</b>	3.0	+950%	<b>N/A</b>	N/A	N/A
- Production & Sales	<b>3.0</b>	(10.7)	+128%	<b>N/A</b>	N/A	N/A
- Family & Licensing	<b>26.3</b>	10.9	+141%	<b>N/A</b>	N/A	N/A
- Music	<b>2.2</b>	2.8	-21%	<b>N/A</b>	N/A	N/A

# FINANCE COSTS

	Reported	
	FY15 £m	FY14 £m
Net finance costs	16.2	7.9
One-off net finance costs/(income)	(1.4)	3.9
Adjusted net finance costs	14.8	11.8

- Higher adjusted finance charges reflect
  - Higher Senior Debt levels
  - Unfavourable foreign exchange movements
- Weighted average interest rate: 4.0% (2014: 5.1%)

# ONE-OFF COSTS

	Reported	
	FY15 £m	FY14 £m
<b>Restructuring costs</b>		
- Alliance related	3.1	19.5
- Strategy related	11.3	-
<b>Total restructuring costs</b>	<b>14.4</b>	19.5
<b>Acquisition costs</b>	<b>3.5</b>	2.6
<b>Total one-off items</b>	<b>17.9</b>	22.1

- FY15 one-off items included:
  - Restructuring costs driven primarily by US integration costs following acquisition of Phase 4 Films
  - Alliance-related costs of £3.1m, not expected to be material going forward
  - Acquisition costs of £3.5m including aborted deals of £1.7m

# ADJUSTED FREE CASH FLOW RECONCILIATION

## Adjusted Free Cash Flow to Free Cash Flow Bridge

£m

