"Bright Outdoor Media Limited

H2 & FY '25 Earnings Conference Call"

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Moderator: Ladies and gentlemen, good day and welcome to the Bright Outdoor Media Limited H2 and FY '25 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. Before we move on to the conference, I would like to give a cautionary statement to all the participants.

This conference call may contain forward-looking statements about the company which are based on beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involves risks and uncertainties that are difficult to predict. I now hand the conference over to Dr. Yogesh Lakhani, Managing Director of Bright Outdoor Media Ltd. Thank you and over to you, sir.

Yogesh Lakhani: Good afternoon. Jai Jinendra. Myself Dr. Yogesh Lakhani, the MD from Bright Outdoor Media speaking. I will tell you about Bright and my journey in 5 minutes from zero to hero. I was born in a small family. My mother and Father were middle class. And when I was born they didn't have the money to take me home from the hospital. In this situation my life journey started.

We used to live in a small home in Malad, which was just 10x10 in size and from here I brought my life forward gradually. When I was in 6th standard, my dad had to be admitted in a hospital and was serious. I had no money and I cried a lot. I was in a lot of pain. I thought, what should I do?

Since then, I took a solid decision that I will somehow support my family and earn money. All my relatives were big people and I wanted to become a big man. I had a dream like that. Since 6th standard onwards I sold newspapers, matches, crackers, other small things that kids could do I did.

I used to do this in 7th and 8th standard as well. While studying, I completed my SSC and when I came home after taking my SSC exam, my aunty was sitting at my house and my uncle had an advertising company, Cinema Advertising. One of his peon went out of Mumbai on a holiday on May 4th and my school was closed. I thought I will do this work and earn money. I worked for my uncle for a month as a slide delivery boy.

When his peon came, my uncle told me to go and study. My peon has come, so he told me to study. I told him that I am struggling to earn money to study and I have to support my family as well. I told him that I will get you a business and you give me a commission. Since then, I thought about my own business.

When I was walking home, I saw a Bright garment on the road. I liked the name Bright so I started advertising for Bright. I did not get any work for the first 2 months but I was not giving up. I started working regularly from 9 am to 11 pm. gradually, people started trusting me and I liked it.

I worked for Cinema Advertising since 1980, 1983 in light department. After that, I worked for Railway Platform Board and Newspaper Advertising. I started small businesses like advertising for rollercoaster banners, flutter painting, and etcetera. In '85 I started working for a bigger company. In 1987, I worked for a Filmfare sponsored by Manikchand. He told me that will you do branding for Manikchand's Filmfare? I said yes. That was the first time I saw a superstar in my life. I liked it.

At that time, people used to put hoardings on the road, not on the railway. I came up with a scheme of 50 hoardings for INR 2,50,000. It was a big hit in the film industry. At that time, it was a struggling period for all the superstars. I helped everyone and worked for everyone. In 1987, I took an office in a small garage of 250 square foot. I started getting small tenders.

I asked my mother for INR1 lakh, INR2 lakh. She took a loan from somewhere. I took a loan of INR5 lakh from Malad Sahakari Bank and started my own business. I financed my business from the beginning. My clients told me that they used to put hoardings on the platform. I asked them about the hoarding industry. Today I am the king of hoarding. I didn't even know the H of hoarding. They told me that the big board's look like a huge hoarding structure. That's how my hoarding journey started.

Gradually, my name and work started growing. Out of 365 days, I used to work full nights for 150 days, and for around 100 days, I didn’t even get time to eat. I didn't even get enough money. I struggled in life. In 1995, I came out of my struggles. I got a good business. I started getting corporate jobs. After 2000, my future was good. I got a lot of work. I got good service, sales involvement, after-sales service, and 24X7 availability, and down to earth and no ego. I used to live a simple life.

I started getting good work from 2000. In 2008 started getting loss in the Chinese market. I lived an economic life. I saved my money and adjusted. In 2010, I took a BEST bus tender. After that, I started taking big tenders, started doing big work, and started getting big films, big corporate jobs. And I am happy to tell you that in today's date, the first outdoor listed company in India is Bright.

And I have also done BBC's international work. I got the work from London. I have campaigned for India, Pakistan, Bangladesh, Kenya, and South Africa. I have campaigned for thousands of lakhs. I have campaigned for every election campaign. Congress, BJP, MNS, Shivsena is done by Bright. Apart from that, 90% of all movies, serials, events, albums, awards work is also under Bright's name. And recently, I was invited to the Red Carpet at last week's Cannes Film Festival.

I was also invited to Trump's inauguration in Washington, D.C. I was also invited to his inauguration. And I have won many awards from Miss World, Film Festival, London Book of Records, and London Parliament. And by the grace of God, I have become a hero from zero like Modi ji and Ambani ji. And I have kept my name clean and goodwill like Tata. And with God's blessings, I have completed my case study in MBA College. I am also getting offers to make movies and books.

And lakhs of corporate clients tell me that they send their son to learn from you, that you have struggled a lot to come up. So, in today's date, brand name, goodwill, and with God's blessings, my parents' love, and my team of 70-80 people, I have a very big name, a good office, a good job, and I have worked in Pan India. With God's blessings, my journey is going ahead and it is going well. So, till now, Mr. Sharma, I give my VP to him.

Abhishek Sharma: Thank you, Yogesh sir, for that insightful opening address. Good afternoon everyone, present on the call today. On behalf of the entire Bright Outdoor India Limited, I extend a very warm welcome to all of you once again. I am sure you would have got a chance to go through a financial result as it has been published and available on Stock Exchange Website already. Since this is our maiden call, I would like to share some of the key developments in terms of financial and business performance that we have had in the last financial year.

So, I believe the year gone by has been very eventful for us, marked with several key developments. We have continued to win contracts and expand our footprints across various areas in the MMR region. Our recent acquisition of Western Railways Bulk Advertising Rights, I believe, is a testament to our growth trajectory. This prestigious INR60 crore contract grants us exclusive rights to develop 17,555 square feet of prime advertising real estate across Mumbai's western suburbs.

This would include some of the major railway over bridges inventories, which if I were to highlight some of them, it's Kandivali ROB, which will have 2 hoardings totaling 3,600 square feet, Goregaon ROB, which will have 4 hoardings covering 9,600 square feet, Ram Mandir ROB, Andheri Station ROB, Vile Parle ROB.

So all in all, this 17,500 square feet prime inventory is what we have won from the Indian Railways, which is going to give us a good revenue altogether. So, this is a 7-year agreement, which enables us to establish cutting-edge hoardings, including 4 advanced digital LED displays and 7 front-lit static hoardings at 11 premier sites. Okay.

Additionally, we have won exclusive advertising rights across Navi Mumbai Metro Line 1 from the city and Industrial Development Corporation of Maharashtra, which is CIDCO. This 10-year agreement encompasses all advertising spaces within stations, on pillars, and along viaducts as well, covering about 85,000 square feet of advertising space.

During this period, we have also launched 13 new LED billboards, because you would have seen, due to the opening of new route to south Mumbai from western side, which is like extended arm of sea-link, the traffic has come down substantially. When we talk about the south Mumbai, especially the Peddar Road, the Haji Ali Junction, the traffic has come down significantly.

So, I think the whole focus now is towards the western suburb, which is seeing a good growth altogether in terms of infrastructure, in terms of connectivity, which is where our focus also lies. And I am happy to tell you that we have launched 13 new LED billboards across prime regions, prime locations in the MMR region. This aids 12,569 square feet of additional DODs to our portfolio.

We have also unveiled a large digital LED hoarding at Wadi Bundar Junction. At Dadar station, for that matter, we have recently launched 4 new prime digital LED billboards, which is going to give us a good revenue. So, I think, all in all, it is heartening when we look at our achievements, which are also recognized by the industry body.

I am glad to share that we have received the great Indian IPO Game Changer title at The Great Indian IPO Summit and Awards 2024 last year. So, I think, all in all, looking ahead, as far as the vision for the future, I believe, is very clear.

In terms of expansion, we aim to expand our footprint, stepping into new markets and opportunities, especially coming from the infrastructure growth. As far as digital integration is concerned, we are embracing new technology, which is to offer interactive and dynamic advertising solutions, especially focusing on digital LED displays.

Another key area for us is diversification. So, in this year, we also aim to diversify a little from the core business, which is outdoors. We also plan to bring a new team, new talented people all together, which would then be taking care of the event, which we believe is going to give us a good traction all together. We also plan to get into celebrity management, ad film production, in-film branding, digital and social media management, and we also plan to cover radio, TV, cinema branding, PR, all of that.

So, I think this additional set of services is going to give us a good additional revenue all together. We are hoping that this is going to be in the range of around INR35 crores to INR45 crores this year, if I were to talk in terms of percentage, this is going to give us a good 20%-25% additional revenue in the financial year. So, that's on the business diversification part.

Also, I think sustainability remains a good focus for us. We are one of the first in the industry to implement some eco-friendly practices. We also won the Guinness Book of World Records for installing the largest number of solar panels on a single hoarding, which has received a good traction from the industry. A lot of multinational companies who are equally green, sustainability-focused, they are coming to us actively, making sure that they use some of these inventories that we have.

So, if I were to talk to you about all these initiatives in place, we are looking at a good 40%-45% increase in terms of the overall revenue that we'll have for this year, out of which 20% is going to come from the additional set of services that we plan to start from next month. And seeing a good growth in terms of the overall industry perception is there that this year, with the festivals coming up, it's going to be good for the overall outdoor industry, per se. We also have BMC elections lined up in Mumbai this year, so which is going to give us a good traction altogether.

So, all in all, I think, while you would have seen that the other mediums, TV, print, radio, they are, in a way, not seeing the kind of growth because of digital disruption. I must say that outdoor as an industry is really complementing it and is only thriving with digital, because we are giving a good support to digital medium.

You would have seen a lot of times the things which are amplified, the campaigns which are amplified on outdoor medium, is also getting a good traction in the social media and the digital media. So, that way, we are complementing digital and we are working hand-in-hand as far as digital is concerned. So, I think, overall, per se, outdoor is only thriving with digital and not getting disrupted by it, for sure.

So, with that, I would like to hand it over to Shekhar Manjrekar ji, CFO of Bright Outdoor Media Limited, who will take us through some of the more concrete and in-detail financial performance for you all. Thank you so much.

Shekhar Manjrekar: Hello. Good afternoon, everyone. I would like to highlight our financial performance for the financial year '25. Our financial journey reflected our operational excellence. Revenue from operations for the financial year 25 grew up to 18.8% year-on-year to INR126 crores, making significant growth from the previous year. This was driven by several new ad campaigns done across sectors, coupled with the higher share of LED displays, which set a better realization.

EBITDA for the year grew 15% year-on-year to INR26 crores, while EBITDA margins grew at, 20%. Investment in skilled workforce and in LED displays extracts a temporary pursuit on margins. Our profit after tax grew up 18.9% year-on-year to INR19 crores. PAT margins grew at 15%, showcasing our profitability and efficient resource management.

The Board has proposed the issue of bonus shares in the ratio of 1:2, that is one bonus share for every 2 full up-paid existing equity shares held subject to shareholder approvals. The Board has also recommended a dividend of INR0.5 per equity share, 5% for financial year '25, subject to shareholder approvals. That is all from our side. We can now take any questions.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. We have a first question from the line-of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, thank you for the opportunity. Sir, I wanted to understand what would be the total area or total square feet advertising space we currently have? And sir, what would be our market share in the Mumbai region?

Abhishek Sharma: So, I think you have spoken about the total market share that we have, right? And then the square feet that we offer. Currently, we offer 4 lakh square feet of advertising space available to us, yes. So that's there. And we are, like I have mentioned before, currently looking at increasing it in terms of the new tenders that we are looking at.

We have recently installed some more capacity, which we'll announce soon. We are going to make the announcement on this, publishing about it soon. Apart from that, we are also looking at some new sets of tenders, plus some JV formation, which is definitely going to strengthen the whole network that we have in Mumbai.

In terms of market share, I think there are somewhere around 3,000 good, big-size hoardings available across Mumbai, out of which we operate somewhere around 464 inventories that we have in our city at the moment, yes. So with that kind of space — but the thing is that we have all good marketing locations available with us. So that way, I can definitely say that we are in a strong position altogether.

Madhur Rathi: Got it. Sir, so these 4 lakh square feet sir, is this including the 85,000 Navi Mumbai and the 17,500 contracts or is it the current one and this around 1, 1.5 lakh will be added, this will be a separate one. Is this understanding correct?

Abhishek Sharma: So yes, your understanding is correct. This is what we are operating at the moment, but with the new Navi Mumbai tender, we will definitely going to increase it by good 80,000-85,000.

Madhur Rathi: Got it. Sir, if I'm trying to understand, this business is very high operating leverage business, where once you pay the rent and whatever lease cost and initial cost, your margin set to improve. But sir, if I look at our historical numbers or our gross margin, if I just consider revenue and display charges, so they are in 65%-70 % gain for the last 5 years. Sir so, why is that? Because it's constantly reducing for our competitors' Signpost. Sir, so if any comments on that?

Abhishek Sharma: So I think you spoke about Signpost, I think the major thing goes to their digital LED displays that they have put up across the city. They operate bus shelters, which are largely digitalized. So in that way also, our digital LED billboards, which we have put investments in last year is going to give us good traction. I mean, the whole realization is going to be achieved starting this financial year. So I think that would really put our margins in a good space altogether is how I look at it.

Madhur Rathi: Got it. Sir, if I consider our business on an overall basis, sir, what kind of margin improvement can we see over the next 2-3 years? And the second question would be, sir, considering this, sorry I will ask this again, sir, on the first margin improvement and second question would be, sir, what is the price hikes can we expect every year?

Abhishek Sharma: You said the price, right?

Madhur Rathi: Yes, sir, any price hikes can we expect to take every year-on-year, historically and we can expect going forward?

Yogesh Lakhani: For the market requirement and location and size and area-wise price increase and decrease for foreseeable sir. Also, sir, in this year, the new work that we are doing, events, awards, cinema, press and PR celebrities, the margins are fantastic in those. In events, the margins are very good. Also, sir, the new work that we are doing is in the concern of advertising.

What is there in celebrity? We do publicity for 2 lakh movies and I have done the first picture of all the superstars' lives. All the superstars, not small, Shahrukh, Salman, Hrithik, all of them are big like this. Even in corporate clients, we have thousands. So the celebrities that they find, like the one from Manyavar, Virat Kohli, or Amitabh Bachchan the one from Manyavar. So these kind of celebrity, print and award the margins are fantastic.

Madhur Rathi: Sir, how much will be the margin? The 20% that we earn now, will it be 25%-30% or will it be more than that, event management?

Yogesh Lakhani: It will increase by 25%-30%.

Madhur Rathi: Okay, 25%-30%. Sir, I wanted to understand one thing. Sir, if we consider the capacity of 4 lakh square feet, how much capacity would be there? What would be the utilization level for this capacity? And sir, every year how much portion price overall basis, like in different locations in Mumbai, but on a overall basis how much time can we be able to transfer to our customers every year?

Yogesh Lakhani: First of all, Sir, this 4 lakh square feet is our own media. We do business in three ways. We sell our own media, we do an agency type work in which we take hoarding from the market and sell it to the margin. That business is also very big for us. So, we are not just selling our stuff, sir. If a campaign comes from someone like pan India or whole of Mumbai, then we do trading and take support from each other. In that way also we expand in business. And in the 4 lakh square feet, 70%-80% booking is done in the season. And in the off-season, 50%-60% booking is done in the average of 50%-80%.

Madhur Rathi: And sir, regarding pricing, how much can we increase the price of our customers every year?

Yogesh Lakhani: It increases from INR10,000 to INR15,000, subject to demand. Availability, client's requirement, eyeball and the rate is decided on the demand of the site. And the price is based on the requirement. If 4 people ask for a hoarding, the rate increases. If one person takes it, it goes to the reasonable. So, the margin increases in the same way. Sir, when will the share increase? If more clients come, how does it increase? It is like this only, the demand and supply.

Madhur Rathi: Okay. Sir, one last question from me. Sir, if we consider Signpost as our competitor, then what are they doing that we will do in the next 2-3 years due to which our margins will also go to their level and our business will also remain the same?

Yogesh Lakhani: Sir, Signpost is just a bus centre and we have hoardings. When I was young, I went to America to travel. I had a dream that Times Square will come to Mumbai. Now, 80 LED's in Mumbai, total 80 plus, out of which 38 are with Bright. And last year, there was a hoarding incident, so the permission was closed. Now, the municipality has started hoarding permission. The permission of the bus centre has started. That's why their work has been done.

One month ago, we started getting new permission. We started getting new tenders. Railway, BMC takes 4 to 6 months to execute for passing. So, the period that is going on, it has started from a month. So, we are putting more LED's, doing more tie-ups, doing more JVs. And we have lakhs of clients. Sir, the client data in India, which I have, no one has it.

For the last 45 years, I have had so many clients, so many campaigns, so many, I mean, if anyone wants to go outdoors, and the name Bright will come. For example, if you want to drink water, you can go to Bisleri, Amazon, Netflix, Nokia, Samsung, Apple, and etcetera. If the name of the outdoor comes, it comes. From first Bright is a trusted name, service, reasonable rate, and 24x7 service. So, with guarantee now we are keeping new staff. We are also increasing the business of new media. And to increase the business, maximum this year, we are 100% confident that the business will increase. And if God wants, it will happen.

Madhur Rathi: Sir, just one last question for CFO. Sir, how much will be our lease or rental cost for FY '26 and FY '27, considering that we have taken the work of Mumbai Metro and Western Railway?

Shekhar Manjrekar: It will increase by 10%-15%.

Madhur Rathi: Yes, sir. Sir, how much was our rental cost this year? How much was our rental cost in FY '25?

Shekhar Manjrekar: Rental cost, can I share it with you in detail with IR Team, Offline.

Madhur Rathi: Yes, sir. It will be fine. Sir, thank you for answering my questions. Sir, thank you.

Moderator: Thank you. We have our next question from the line of Sagar Shah, an Individual Investor. Please go ahead.

Sagar Shah: Yes. Thank you, sir, for the opportunity. First question is on the geographical mix and the geographical rights the company has. So, I just wanted to know what is the percentage of revenue that comes from outside Mumbai? Or do we have any plan? So, even 100% revenue comes from within Mumbai. So, do we have any plan to reach our -- to expand to other areas outside Mumbai?

Abhishek Sharma: Okay. So, happy to tell you, answer that. As far as our own inventories are concerned, so, our inventories are primarily based around Mumbai, Navi Mumbai and Thane. So, this is where we have our own inventories. But like sir spoke about his thing earlier that geography is not a barrier for us. We are working not only in India but beyond as well. So, we have seen from, and that's because we have a strategic tie-up with, various media owners across India and beyond as well.

So, revenue from outstation, if I was talking about that, has seen a good growth altogether. Last year, then 4% of our revenue, I mean, 4% of our overall outdoor media revenue came from the outstation business, yes, which we plan to, which we aim to increase this year with some more strategic collaboration, long-term collaboration. So, I think it's going to grow for sure.

Yogesh Lakhani: Sagar bhai, I wanted to tell you one more thing. In Mumbai -- in India, if there is a spend of INR100, then in Mumbai, INR40 is spent for outdoor. And in other metro cities like Delhi, Bangalore, INR60 is divided. So, Mumbai spends more and we have monopoly in Mumbai. And in many places, there is an exclusive right at the prime location. So, the business in Mumbai is so big that it is the biggest in Mumbai. As you can see in income tax, GST, the revenue in Mumbai is very high, comparatively, even the government.

Sagar Shah: Okay, great.

Abhishek Sharma: So, Mumbai is been focus for us. But we are looking at other markets as well. But Mumbai is where we feel there is a whole lot of potential out there which can be developed further.

Sagar Shah: Oh, great. Sir, second question on the earlier line as well, which earlier participants asked about the capacity that we have of around 4 lakh square feet. So, you mentioned this is not our existing capacity. So, this is bifurcated between agency and all. So, can I know the split between what our own capacities that we have is or lease capacity?

Abhishek Sharma: So, the 4 lakh square feet that we spoke about is our own capacity. I mean, this is like we have the exclusive right, display right, selling right for these 4 lakh square feet that we spoke about.

Yogesh Lakhani: We do trading as well. We do trading with other people as well. We have clients. For example, if someone wants to make a film, there should be a star behind it. That's how a film is made. So, we have clients. So, we get the client's requirement. So, we give the hoardings to them. We do trading. We get a margin in that. There is no risk in that. And we get a margin for trading.

Sagar Shah: So, any future plan to increase its existing capacity or it is good enough for next 1 or 2 years?

Abhishek Sharma: Like I mentioned to the earlier participant, we definitely plan to increase its capacity. We have identified certain prime locations and the work is in progress. And the Navi Mumbai thing that we spoke about, that's going to give us additional capacity of 5,000 square feet altogether. So, that's been there.

And like I said, we are actively looking at other tenders, other key sites. Our team on the ground is continuously identifying such new locations, such new sites. So, we definitely aim to increase it, by good percentages.

Yogesh Lakhani: Sir, BMC has stopped the permission since the last 1 year. The permission for LED has started and the permission for hoardings has been stopped since the last 1 year. It is going to start soon after the rain. So, the new hoardings that will come, we buy hoardings from them and do trading. And we also do permitting. I have been running hoardings from 40 years to 45 years. So, when new sites will come, the opportunity will be very big in Mumbai. Now, the permission is closed because of an incident.

Sagar Shah: Okay, okay. Sir, last question on the real estate front. So, I missed the earlier commentary about the real estate segment. So, just wanted to know your contribution from the real estate business or any further plan you have to increase this revenue contribution of real estate business. Can you throw some light on this part of the vertical? Sorry, I missed the earlier commentary. Sorry for that. Hello? Am I audible?

Shekhar Manjrekar: Yes, sir. In the real estate business, we have an inventory. For example, we do an advertise campaign with someone. So, in return, we are offered a flat. So, either payment or flat. If we take a flat between the two, we take it in the inventory and convert it into the real estate business. And the rental income that we get from the flat is also generated from the real estate business.

Sagar Shah: What is the current inventory level that you have? Is it unsold?

Shekhar Manjrekar: The real estate inventory is around INR 29 crores.

Sagar Shah: And this amount will be realized within this year or it will be realized within 1 or 2 years?

Shekhar Manjrekar: It will be realized gradually. We try every year. So, if you look at the year-on-year, we realized INR2.50 crores in '22-'23. In '23-'24, we realized around INR66 lakhs. And nothing has happened yet this year. But we will try.

Sagar Shah: Okay, thank you. Thank you, sir, for answering all the questions.

Yogesh Lakhani: I will tell you why we are in the real estate business. There is a reason for the real estate business. Suppose I have 400 hoardings. And sometimes my 200 hoardings are empty. So, we give it to the real estate department per day, no days guaranteed. So, with that, I got 4 flats from the company. So, I got a revenue of at least INR7 crores. The INR7 crores flat that I have now, I will sell it this year.

So, I bought it when it was INR7 crores. Now it has become INR10 crores. So, there will be income and it is in Bright Company. So, the company is going to get revenue. Real estate has been in the market for many years gathered.

Sagar Shah: Thank you, sir. That's it from my end.

Moderator: Thank you. We have our next question from the line of Akash Sharma, an Individual Investor. Please go ahead.

Akash Sharma: Yes. Hi, sir. Sir, I have a few questions. First, I wanted to ask, what is our investment plan going forward?

Yogesh Lakhani: In outdoor, sir?

Akash Sharma: Yes.

Yogesh Lakhani: Sure, anything. We are open for anything. If there is a good opportunity, like if there is a big tender for the airport. The infrastructure is growing in Mumbai, sir. Samruddhi highway has started. Our airport is being built. So, if there are big tenders, we are open for any type of tender. They can change our game. I have funds and the bank has given me a limit of INR60 crores if I get any opportunity. Because I have so much trust in the bank that they have given me a blank open offer.

So, if the tenders are a little slow now. The infrastructure is working well. As soon as it opens, we are going to take big tenders. Or a small company will come to acquire. Or will come to buy sites. Or will come to do JV with someone. Everything we are open till any amount.

Akash Sharma: Okay, sir. And sir, if I am not wrong. We are also entering into online and digital space.

Yogesh Lakhani: As soon. Yes, sir. A new team is coming from the 5th July in which we have a print, radio, event, awards, cinema, multiple mall, PR, celebrity and digital and appointed new team is of 10 people. Who have been working in this line for 25 years. Expert, CEO and everything is kept, which will give me a minimum growth of 20% to 25% of my current revenue with fantastic profit.

Akash Sharma: Okay. And sir, what would be our investments for this line?

Yogesh Lakhani: Maximum INR5 crores to INR10 crores, maximum. But sir, these are not all investments. Because I also get credit in front, sir. I get credit in print for 3 months. I get it in radio. Celebrity, I had to give on the spot advance. The client also gives advance for celebrity. For example, Amitabh Bachchan sir, he takes only INR6 crores for a day's shoot, sir. If we get even 15% commission, so, to do something, introduce both of them. Just to the client.

Akash Sharma: Okay. And lastly sir, what is our going forward return on equity or return on capital employed?

Shekhar Manjrekar: One second. One second, sir. One second.

Akash Sharma: Yes.

Shekhar Manjrekar: Return on investment is 0.11%. And return on capital employed is 16%.

Akash Sharma: Okay. Okay. Thank you.

Shekhar Manjrekar: So, it is financial year '25. And we will try to sustain this.

Akash Sharma: Okay. Perfect, sir. Thank you. That's it from my side.

Moderator: Thank you. We have our next question from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, thank you for the opportunity once again. Sir, I wanted to understand regarding the digital outdoor business. Sir, what is the margin we earn on the hoardings that are owned by Bright Outdoors and what is the margin we earn on the trading business? So, what would be the margin of these two differentials?

Shekhar Manjrekar: Digital trading business has approximately 10%-15% margin. Our trading business earns around 20%-22% of our total revenue. Digital LED contributes around 20% of our total revenue and margin of approximately 20%-25% from digital LED.

Yogesh Lakhani: Sir, why is there a chance of an increase in this? We got the permission for LED 6 months ago. A year ago, we got a small amount of LED. If we start getting it now, we will get a fantastic amount of LED.

Madhur Rathi: Okay. Sir, what is the margin we earn in our normal physical hoarding business?

Shekhar Manjrekar: We earn around 10%-15% of our total revenue. This year, because of LED, we have earned 20% of our total revenue.

Madhur Rathi: Oka. Sir, there is not much difference between trading business and physical hoarding business. Is this correct?

Shekhar Manjrekar: Trading business and?

Madhur Rathi: In this physical hoarding business. I mean, digital high margin business if I exclude it, so our own hoardings, physical or display picture, there is no much difference in trading business, right?

Shekhar Manjrekar: It's not like this**.** It depends, we are talking for campaign, and also the hoardings. Margins are there, especially for our in-house inventory, there is extra margin in that. And in trading, it depends in which geography area we are not present, there we do trading. Sir, there is not much difference between trading business and physical hoarding business.

Madhur Rathi: Okay, sir. Sir, you said that BMC has not given permission for a year. Now, it will give permission after monsoon. Sir, is there any effect on margin and pricing? Not only for Bright but also for Mumbai hoarding I am talking about. Sir, is there any pricing pressure or margin pressure is possible?

Yogesh Lakhani: Sir, there is not much difference. Clients are coming in daily basis. There are thousands of buildings being built. Business is going on. If new hoardings come it's going to benefit, plus clients are also increasing. Even though social media is in demand, then to our hoardings are 24x7 larger than life. Facebook, Twitter, Insta, even if a serial is launched, TV channel itself is a big media. All TV channels get their first hoardings. There are many new buildings being built in the entertainment industry. Projects are increasing. Clients are increasing. There will be no difference in hoardings and margins.

Madhur Rathi: Okay, sir. Sir, do you have any idea about the 3,000 hoarding in Mumbai, how much will it increase in the next 1-2 years? Based on BMC permission.

Yogesh Lakhani: Maximum will increase by 1,000-2,000. Maximum 1,000.

Madhur Rathi: Okay, 1,000…

Yogesh Lakhani: In LED slots 6x6 in LED, then it will increase.

Madhur Rathi: Okay, maximum will increase in LED.

Yogesh Lakhani: Earlier, 3,500 hoardings were in Mumbai. Later, when metro came, most of the hoardings were removed. Today, BMC has 1,000-1,200 hoardings. 1,000-1,200 hoardings are in railway and other areas. Now after getting the permission it will increase.

Madhur Rathi: Okay, sir. Sir, this is my question. Thank you so much and all the best.

Moderator: Thank you. Thank you. We have a next question from the line of Parth Patel, an Individual Investor. Please go ahead.

Parth Patel: Thank you for the opportunity, sir. Jai Jinendra. I have 2-3 questions. As you said, we have around 36 LED hoardings in digital. Can you tell us the difference between digital and static hoardings in Mumbai? Overall, how static and digital is India?

Abhishek Sharma: Okay, Parth. It's a nice question that you have asked. But I must tell you that these digital LED displays, if you look at the numbers, the overall 3000-plus hoardings in Mumbai, only 80-85 hoardings are digital. Why? Because there is a large, huge capex involved in this business. To put up a hoarding of this size, this scale, LED hoarding, to convert a normal hoarding to a LED hoarding, it requires a good capex cost. Plus, like sir spoke about, the permission as well from BMC, from traffic, and all of that.

Keeping that in mind, I think this is still going to be a slow transition for sure. But yes, the transition is happening. Things are changing. And I think overall, we are on the right direction. And like you mentioned, out of 80-85 LEDs that we have in Mumbai, overall per se, we, I mean, Bright we own 38 of them. And this number is also increasing. This is going to increase this year as well. So we aim to increase this number substantially. And we are in a way committed to expand this business further.

Parth Patel: Got it.

Yogesh Lakhani: Sir, in static hoarding, at one time, only one ad is needed. But in digital, at one time, 6 ads are needed. In 10-10 seconds, in a minute, 6 slots are created. So, 6 clients' ads are created. So, in revenue multiplication, there are 6 times. Because of 1-1.5 years of less permission, digital has not increased. But if digital increases, then only the light bill, in capex, at one time, in capex, there is an investment of INR1.50 lakhs to INR2 crores, one time. But in front of that, there is a 6-time revenue, in every minute.

Apart from that, only the light bill, from INR1 lakh to INR2 lakhs, approximately, per month, per meter, there is an extra expense. And the landlord increases the money a little. But the revenue increases fantastic, if digital LED will increase.

Parth Patel: Got it. And I was asking, what is the total number of static holdings we have?

Yogesh Lakhani: We have around 180 or 200 static holdings. I think it is around 180. And the rest is LED. LED has 6 slots.

Parth Patel: Got it. So, another question I had, in digital and static, the printing cost and all that comes. In digital, all of that is saved. So, overall, the margin of digital will be better compared to static?

Yogesh Lakhani: The printing cost is not increased. It is just INR10-INR15 per foot. So, it comes in thousands. 5,000, 10,000, 15,000. So, it is not much. In LED, no doubt, the cost is there. But once upon a time, earlier, I had, in Mumbai, 3,500 hoardings, which means 1500 hoardings was with Bright, 1500 hoardings before Corona, before Corona.

So, after Corona, what strategy did we change? That we keep fixed holdings then we have to pay our rent whether it is sold or not. So, now, if the client's requirement comes, then we get the market goods on goodwill, on brand, in the market. So, it is more beneficial in trading. In trading, the risk is less, the investment is less, and the income is fixed.

Parth Patel: That means, the liquidity has increased a lot. If we reduced from 1,500 to 200 odd, so the liquidity increased quite a bit for us.

Yogesh Lakhani: In those 1,500 hoardings, I took it to run people. I mean, I used to trade with 25-25 people. So, in the middle of Corona, what happened? I had to pay rent. I kept everyone fixed. If I left it, the rent was closed. So, my growth was closed.

Abhishek Sharma: Sir, the whole concentration is now on quality inventories. So, as much as we are investing now, we are making sure that all the inventories are at a prime location. Everyone should have a good location. It should be at a strategic junction in a high-visibility area where there is more traffic. So, along with some strategic decisions, we are focusing on the quality rather than quantity. So we've been focusing on that.

Parth Patel: And my final question is that majorly we are based out of Mumbai only. So, do we have plans for other Tier 1 cities, like Delhi or Chennai?

Yogesh Lakhani: Sir, we do campaign. We do campaign for Pan India. And we will go to any opportunity. If we go from Mumbai to Navi Mumbai, then we will go to Mumbai.

Parth Patel: Got it. But then that will majorly be trading rather than buying our own...

Abhishek Sharma: Sir, we are trading. As we said, we are trading for many years. But we are, like I mentioned, we keep looking at such opportunities. We keep evaluating them. If we get a good opportunity, we are open to such discussions.

Parth Patel: Got it, sir. Thank you so much. And I wish you all the best for the future.

Abhishek Sharma: Thank you so much.

Moderator: Thank you. We have our next question from the line of Nimesh Pandya, an Individual Investor. Please go ahead.

Nimesh Pandya: Thank you for giving me this opportunity, sir. My first question is, what is our client retention rate? And what percent of revenue comes from the top 5 to 10 customers?

Yogesh Lakhani: This is actually my confidential data for the client details, because his competitor is also there. So we'll one-to-one, we can answer this.

Nimesh Pandya: Okay, sir.

Yogesh Lakhani: So if I have one hand being that much of a business, then it may be a problem for us.

Nimesh Pandya: Okay. Got it.

Abhishek Sharma: Retention, speaking about retention rate, sir, I think we can definitely talk about it. It is around 60.22% to be precise for '24-'25 that we have seen in terms of retention of the client.

Nimesh Pandya: Okay. So my next question is, can you give me the overall industry size and the market share overall?

Abhishek Sharma: So the overall industry size is somewhere around INR3,600 crores, roughly. Yes, so that's the overall, all India, outdoor if I were to talk to you about. So that's the industry size, which is growing at the rate of 8% to 10% per year. That's the kind of growth that we have seen in the last 2, 3 years, especially after COVID.

This is really doing well in terms of medium. I mean, I spoke to you earlier about this thing, I spoke to you about how other mediums, print, TV, radio, they are performing vis-à-vis digital. So I think this outdoor as a medium has shown a good traction altogether and really complementing the whole digital effort, which is, currently occupying 60% of the advertising and marketing spend.

So I think in the numbers that we have seen, it is showing 8% to 10% growth in this market, out of which 30% to 40% is being contributed by Mumbai alone, as sir spoke about, sir, spoke to you about. And we are one of the leading players, as far as Mumbai market is concerned with some of the prime inventories, especially on the LED side, which is what we spoke to you about. So, I think we are really, all in all, outlook for this year also looks good for us.

Nimesh Pandya: Okay, sir. Thank you. That's it from my side.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. And I now hand the conference over to Mr. Yogesh Lakhani for closing comments. Over to you, sir.

Yogesh Lakhani: Thank you very much, sir. Thank you very much that you gave me an opportunity. Thank you. I am feeling very good.

Abhishek Sharma: Once again, yeah, on behalf of entire Bright Auto Media team and everyone out here, let me once again thank each one of you for taking time out and joining this call today. As we said, last year was really eventful for us. And the year, this financial year also looks strong and robust, so to say, because of the overall economy that, as I mentioned, I think we are in a good space altogether, so is advertising and marketing industry.

We are looking ahead for a good festive season altogether. And, of course, like I said, BMC election and other things which are lined up is going to give us a good, ROI for the kind of investment that we have made in. The last year was the year for investment, was the year of investment for us. I think this year we are going to realize a lot of it from the kind of investment we have made.

So all in all, Bright Outdoors is here to shine even brighter in the fiscal year that we are in. Yes. With the kind of social, I think, overall, I would also like to touch upon the social aspect of it and the kind of, efforts.

We are also making sure that we are also contributing to the CSR efforts, so to say, which is where we have a lot of activities going on in terms of kidney dialysis hospitals, in terms of new libraries which is coming up for the underprivileged kids and the kind of blood donation drive, the kind of, food donation drive, which is going. So we are also making sure that we are contributing well from our side on the CSR side. Yes. So all in all, the future looks bright for sure. Thank you so much.

Moderator: Thank you. On behalf of Bright Outdoor Media Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.