



GENERATED ON 20/03/2023

RISK EXPOSURE REPORT

PREPARED FOR M3



COMPANY PROFILE

Company Name:	M3
Industry Type:	Entertainment
Industry Sub Type:	Film Processing
Estimated Annual Turnover:	1900000
Estimated Asset Value:	1900000
Number of Employees:	150

INDUSTRY OUTLOOK

As per BCG report, India's Media & Entertainment industry is expected to grow between US\$ 55-70 billion by 2030. Digital media in India is expected to grow at 30 % and will reach Rs. 27,759 crore (US \$3.62 billion) in 2022. Some of the key market trends to look out for in 2022 and beyond are:



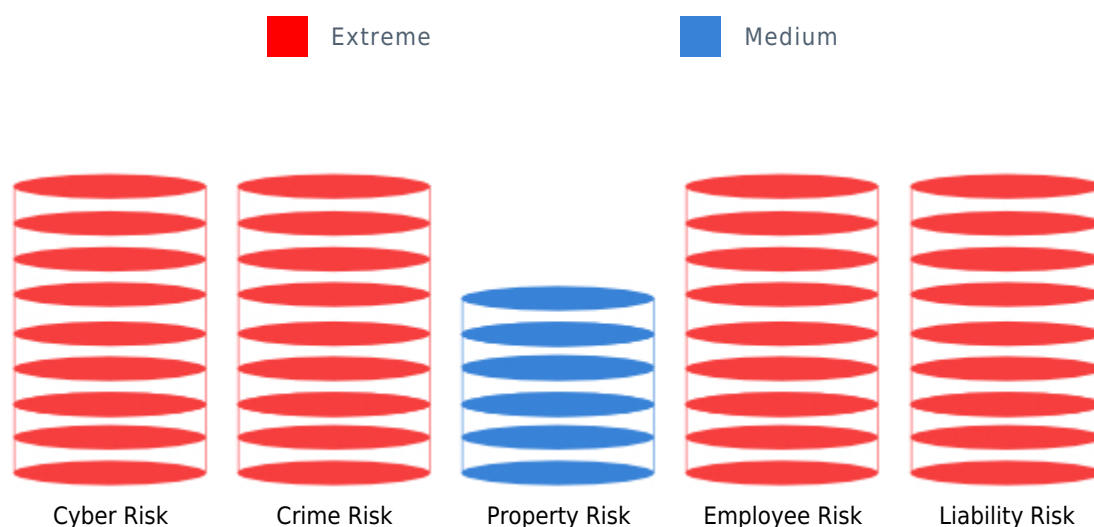
Digital & OTT Video - We will see the streaming video industry mature as metrics evolve beyond subscriber counts to lifetime customer value, and existing business models expand to find greater profitability amid global competition. OTT video services market in India is likely to post a CAGR of 29.52% to reach US\$ 5.12 billion by FY26.

Key Players - Television is expected to account for 40% of the Indian media market in 2024, followed by print media (13%), digital advertising (12%), cinema (9%), and the OTT and gaming industries (8%).

Live entertainment and the businesses and venues that rely on it — will face greater pressure to go beyond simply bringing people out of their pandemic cocoons, by offering enhanced experiences that are different from those in the living room.

Fast Growing Gaming Industry - The Indian mobile gaming market is growing at a pace in tandem with the global trend and is expected to reach US \$7 billion in 2025.

RISK OUTLOOK



RISK INSIGHTS

Liability

- Indian legal environment is changing very fast and the legal expenses of companies are also increasing each year. The legal requirement of industries varies from industry to industry.
- As per the analysis of various costs incurred by different industries over a period of 10 years (2010-2019), the legal cost incurred by the entertainment industry was 0.98% of their total expenses and 1.06% of their 10 year average sales revenue.

Employee

- 2021 has been unparalleled when it comes to the talent exchange we are witnessing across sectors.
- The overall annualized attrition number for 2021 stands at an astounding 20% which is a record high since 2011.
- Global talent shortages has reached a 16-year high as 3 in 4 (75%) employers report difficulty finding the talent they need.

Crime

As per PwC's Global Economic Crime and Fraud Survey (GECS) 2022, 52% of Indian organizations experienced fraud or economic crime within the last 24 months:

- Out of these, 17% of the companies lost between USD 1Mn - 50Mn.
- The major crime faced by the media & telecommunications sector was cyber fraud (50%) followed by customer fraud (35%) and procurement fraud (26%).

Cyber

- As the entertainment industry continues to migrate away from broadcasting and DVD/Blu-Ray sales toward online content and streaming, the risk of hacking and its potential damage increases daily.
- Familiar risks, such as stolen credit card credentials and malware, mix with industry-specific threats such as pirated movies and hacktivism.
- Between November 2020 and October 2021, 5212 organizations worldwide experienced data breaches, out of which more than 1.5% belonged to the entertainment industry.

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