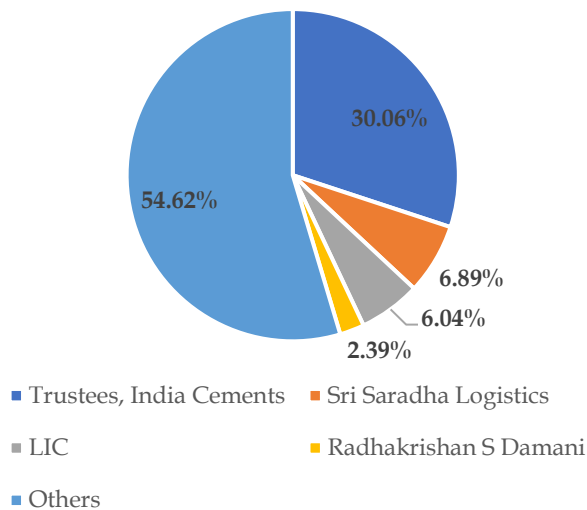


Company Data

Industry	IPL Franchise
Book Value per Share	8.06
Net Worth (₹ in Cr)	248.24
EPS as on 31st Mar 22	1.04
Price	165-180
No. of Equity Shares	30.82
P/E	165.8
P/BV	21.42
ROE	12.94%
ROCE	15.01%
Market Cap. (₹ in cr.)	5316

Shareholding Pattern

Management

Name	Designation
Sri. L Sabaretnam	Chairman
Sri. K.S. Viswanathan	Whole-time Director & CEO
Sri. Rakesh Singh	Director
Sri. R. Srinivasan	Director
Sri. PL Subramanian	Director
Sri. B. Kalyanasundaram	Director
Sri. K. Ramgopal	Director

About Company:

Chennai Super Kings are a franchise cricket team based in Chennai, Tamil Nadu, India. CSK Limited is Playing IPL from the initial year of 2008, they served a two-year suspension from the IPL in year 2016 and 2017, and won the title in its comeback season of 2018. The team is captained by MS Dhoni and coached by Stephen Fleming. CSK is one of the most successful IPL franchises as they have the highest win percentage, they have won IPL title four times and Champions League Twenty20 in 2010 and 2014 CSK became India's first unicorn sports enterprise and brand value of the Super Kings in 2019 was estimated to be around ₹732 crore, making them one of the most valuable IPL franchise.

Key Highlights:

- Revenue from operations has degrown at a CAGR of 6% from FY19-22. Degrowth in revenue is due to covid as there was no spectators allowed in stadium so there was no gate collection
- EBITDA Margin deteriorated from 38.1% in FY19 to 12.1% in FY22.
- PAT has degrown at a CAGR of 34 % from FY 19-22, in FY 22 Company reported Profit of ₹ 31 Cr.
- Company reported ROE of 12.94% in FY 22.
- On consolidated basis company reported operating cash flow of ₹16.08 Cr. and free cash flow of ₹ 11.24 Cr. in FY 22.

Growth Levers:

- IPL did to cricket what La Liga and the English Premier League have accomplished in football. IPL still has long way to go as cricket is quite popular in India.
- IPL Broadcasting Rights revenue is the biggest source of revenue for IPL franchise, as broadcasting rights bid has increased 3 times, this is going to boost revenue for these companies.
- These companies are expanding their global presence by bidding in different league which will open up new source of revenue for these companies.
- CSK has very strong brand value because of its consistent performance.

Business Model:

IPL central pool earns its revenue from:

- Selling media rights to broadcasters,
- Title sponsor and licensing to co-sponsors,
- Bids and franchise fee from franchises and
- 20% of gate collection from all matches and official umpire sponsors.

The franchises have the following sources of revenues:

- 50% of the Media Rights belongs to BCCI and the rest 50% is distributed amongst the franchises. Among the share which is to be distributed between the franchises, 90% is distributed equally between all and the remaining 10% is distributed between the top 4 franchises.
- Other than the Media Rights Revenue, BCCI also share 50% of Sponsorship Revenues with the IPL Teams. The total earnings from this component reached Rs.1100 Crore in IPL 2022. However, franchises have their own stream of sponsorship revenue as well which belongs entirely to them.
- Franchises also generate income from gate fees which is tournament related Income. Each franchise is entitled to a minimum of 7 home matches, which gives them a fair opportunity to generate money. The home team gets a fixed share of the total tickets sales and all IPL team owners earn money through the sale of tickets.

Financial Snapshot:

Profit & Loss

₹ in Crores

Year	MAR-2022	MAR-2021	MAR-2020
Net Sales	341.05	247.83	350.27
Other Income	8.09	5.87	6.26
Total Income	349.14	253.70	356.54
Total Expenditure	299.73	185.90	282.27
EBITDA	49.41	67.80	74.26
Depreciation	2.40	3.34	1.64
EBIT	47.01	64.46	72.63
Interest	5.68	5.26	5.38
PBT	41.33	59.20	67.25
Tax	9.21	18.94	16.91
PAT	32.13	40.26	50.34
EPS (Basic) (INR)	1.04	1.31	1.63

Balance Sheet

₹ in Crores

Year	MAR-2022	MAR-2021	MAR-2020
Shareholders Funds:			
Equity Paid up	3.08	3.08	3.08
Reserves and Surplus	245.16	213.03	172.77
Net Worth	248.24	216.12	175.85
Non-Current Liabilities			
Long Term Borrowings	-	65.00	65.00
Long Term provisions	0.37	0.30	0.15
Current Liabilities:			
Short Term Borrowings	65.00	-	-
Trade Payables	28.23	13.55	11.76
Other Current Liabilities	48.47	20.07	12.77
Provisions	0.02	0.02	0.06
Total Liabilities	390.33	316.22	265.60
Non-Current Assets			
Tangible Assets	129.63	141.28	141.46
Intangible Assets	6.16	3.49	1.79
Deferred Tax Assets	0.64	-	0.123
Long Term Loans and Advances	46.52	22.17	20.88
Current Assets			
Trade Receivables	37.41	21.92	3.58
Inventories	-	-	-
Cash and Bank Balance	135.35	121.80	89.17
Other Current Assets	25.63	5.49	-
Loans & Advances	8.89	0.07	8.60
Total Assets	390.33	316.22	265.60

Cash Flow Statement:

₹ in Crores

Year	MAR-2022	MAR-2021	MAR-2020
CASH FLOW			
Cash Flow from Operations	16.07	36.88	83.71
Cash Flow from Investing	3.15	1.00	-135.11
Cash Flow from Financing	-5.68	-5.26	-5.37

Key Ratios:

Year	MAR-2022	MAR-2021	MAR-2020
KEY RATIOS			
Debt To Equity	0.26	0.30	0.37
Current Ratio	1.46	4.44	4.12
ROCE (%)	15.01	22.93	30.13
RONW (%)	12.94	18.63	28.62
EBITDA Margin (%)	14.15	26.72	20.83
PAT Margin (%)	9.20	15.87	14.12
Acid Ratio	1.46	4.44	4.12

Outlook:

IPL has now become the second most valued sporting event after National Football League (NFL) and has recorded a three-fold increase to Rs.48,360 crores from what Walt Disney – Star paid in 2017 for the Media Rights for the entire cycle. For the next cycle of IPL 2023-2027, 10 teams will get on the battleground which include two new teams Gujarat Titans and Lucknow Supergiant's, with the new team addition and thus, increase in broadcasting rights it is expected that revenue of the company is expected to double and with covid slowing down it is expected that next year IPL will be held with full capacity, which is going to boost gate fees for IPL franchises.

The company has been looking for new opportunities across the globe over the past few years and recently CSK Cricket Limited bought Johannesburg franchise of the South Africa's new T20 league, thus opening steam of future revenues.

CVC Capital Partners bought the Gujarat Titans franchise for Rs.5625cr., however, CSK being a much-established franchise, holds a very strong brand value in the business with an enterprise value of Rs.5246cr. The company is presently trading in a price range of Rs.165-180 and considering the above growth metrics, CSK Cricket Ltd. is available at a discount to what must be its real value.

Thus, CSK hold good prospects going ahead.