iflix raises $133m funding for expansion

Since going live in May 2015, iflix rapidly established its brand in emerging markets for its streaming entertainment service, focused on local customer experiences. By securing further funding of $133m, it hopes to invest in its local content strategy across all the emerging markets it has launched in and secure the 'next 1 billion' customers.



The funding round, which attracted significant interest from both new investors and existing shareholders, was led by Hearst, one of America's largest diversified media, information and services companies, and also included additional new investors Singapore-based EDBI and clients of DBS private bank.

Existing shareholders Evolution Media, Sky PLC, Catcha Group, Liberty Global, Jungle Ventures and PLDT Inc. also increased their investments in iflix, a rival to Netflix.

Over the last 12 months, the service has seen extraordinary growth across all segments of the business, expanding from four markets to 19 across Asia, the Middle East and Africa. The company has additionally built deep integrated distribution partnerships with 27 leading telecommunications operators to bundle the iflix service with customers' mobile and data subscriptions, all sponsored by the telecommunications provider.

Investment

During the period, iflix also achieved tremendous growth across subscriber numbers and engagement by 3x and 2x respectively, and recorded some of the highest average active mobile viewing durations of any service in the world at 2.5-2.75 hours per session. The company saw 230% growth in year on year revenue, and increased its commitment to localisation, producing 26,000 hours of subtitles in nine languages, with locally-curated content in every market.

iflix's full content library showcases thousands of award-winning and iconic first run programs and library content from over 230 studio partners from 30 countries.

The new round brings total funding raised by iflix this calendar year to an excess of $220 million. Proceeds from the round will be used to invest in its local content strategy. iflix recently unveiled its first exclusive original production, *Oi Jaga Mulut*, an audacious, uncensored, no holds barred stand-up comedy series, which since debuting in Malaysia last week, has skyrocketed to the leading show on the service.

Partnering with TVOne, iflix also launched live premiere football streaming, available for the first time in Indonesia, which immediately became one of the highest performing shows there with more than 34,000 unique viewers tuning in the first week of airing. Last week, iflix Philippines announced its collaboration with the Philippines' Queen of All Media, Kris Aquino, to commission an original drama series.

Partnerships

iflix co-founder and group CEO Mark Britt said: "We are thrilled to welcome Hearst president and CEO Steven Swartz and Hearst Entertainment & Syndication president Neeraj Khemlani to the iflix family. As iflix continues to grow and pioneer new ways for consumers to enjoy entertainment on their terms, we were looking for a partner who could bring additional expertise and knowledge to our business.

"Hearst is a leading investor and has many of the world's most innovative and iconic video brands, including ESPN, A+E Networks, Vice, AwesomenessTV, Complex and more. This collaboration significantly deepens our bench of experts with our longstanding partners Evolution Media, Sky and Liberty Global to help drive iflix's continuing growth.

"From the beginning, our vision for iflix has been to build a word class service for the local customer, transforming the way everyday consumers enjoy entertainment in emerging markets. These new funds will allow us to further execute on our local content strategy and expand our technology and development teams so we can continue to rapidly evolve the iflix service to meet the unique challenges of emerging markets," continued Britt.

Middle class growth

President of Hearst Entertainment & Syndication Neeraj Khemlani said: "iflix is riding the wave of exponential growth of the middle class in emerging markets that want more access to premium regional, local and Western content. We look forward to working with our new partners Sky, Liberty Global, Evolution Media and Catcha Group, as well as emerging market telcos, to support iflix's innovative founders and management team in their rapid expansion plans."

Founding shareholders Evolution Media and Catcha Group have participated in all preceding capital raisings and further increased their support this round. Evolution Media founder and co-managing partner Rick Hess said: "As a founding partner of iflix, Evolution Media, along with Catcha Group and Mark, were inspired by the opportunity to reach the 'next' 1 billion consumers.

"The phenomenal growth of iflix has challenged many of the preconceptions we have in Hollywood about how entertainment is consumed in emerging markets around the world. It's fascinating to see iflix learn, scale and forge this new path."

Catcha Group co-founder and group CEO Patrick Grove commented: "Today marks the next step in our journey in creating a category defining company that revolutionises the way people in emerging markets consume and enjoy content. Since launching in May 2015, iflix has consistently delivered an exceptionally high-value service with strong, unparalleled focus on customer experience."

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