

Q1 2023

1. Financial Performance

- **Narrative:** Saregama projects continued strong revenue growth, building on a history of over 20% annual growth for the past three years. The company anticipates significant revenue expansion within the next few years, aiming for Rs. 150-200 Crores in revenue within a couple of years. Specific targets include a 15% revenue increase in the next fiscal year and a projected 22-23% year-on-year growth for the next three to five years. The film series and TV business is expected to maintain a 25% year-on-year growth rate with approximately 15% margins.

- **Management's Guidance:**

- Projected 15% revenue increase in the next fiscal year through strategic partnerships and product diversification; Projected 22-23% year-on-year growth for the next three to five years; Film series and TV business projected to grow at a 25% year-on-year rate with ~15% margins; Events business projected to have 5-10% margins over the next couple of years; Film TV and web series business will contribute 15-20% margin year-on-year for the next three to five years; This business will generate 15-20% margin after writing off the entire cost of film or series in year one; Events verticals will slowly build up in terms of revenue, but in the initial years we expect it to contribute only 5% to 10% margin.

- **Actual Results:**

['Q4', '2023']:

- In Q4 FY23, Saregama's revenue from operations increased by 10.0% from Q3-FY23 and by 75.8% from Q4-FY22, reaching INR 1,645 Mn. For FY23, revenue from operations increased by 45.9% to INR 5,566 Mn. The company also reported a 20% revenue growth for FY23, and the Film, Series and Events vertical crossed Rs. 150 crores in FY23. The contribution of B2C revenue as a percentage of total revenue doubled in FY23 vs. FY22. Licensing revenue grew by more than 20% for the fifth consecutive year. 48% of Saregama's revenue came from music released post-2000. The EBITDA margin for FY23 was 8.49%, with an EBITDA of INR 473 Mn (a 31.9% increase from FY22). PAT after adjustments was INR 94 Mn (a 77.7% increase from FY22). The PAT margin for FY23 was 1.68%.

['Q1', '2023']:

- In Q1 FY23, Saregama reported operating revenues of approximately Rs. 169 Crores and a PAT of Rs. 41 Crores, representing a 61% year-on-year increase in operating income and a 52% increase in PAT income. The music business grew by 38% year-on-year. Digital Media revenue increased to 481 INR Mn from 403 INR Mn in Q1-FY22 (19.3% YoY growth), and Traditional Media revenue rose to 479 INR Mn from 345 INR Mn in Q1-FY22 (39.0% YoY increase). Income from Operations increased to 960 INR Mn from 748 INR Mn in Q1-FY22 (28.4% YoY growth). EBITDA was 81 INR Mn with an EBITDA Margin of 8.48%.

['Q3', '2023']:

- In Q3 FY23, Saregama reported Revenue from Operations of INR 1,496 Mn. The 9M FY23 Revenue from Operations was INR 3,921 Mn, a significant growth compared to INR 2,878 Mn in 9M FY22. Music licensing revenue grew by over 20%. The Film, Series and Events vertical doubled its revenue in the first 9 months of FY23 compared to the same period in the previous year, reaching approximately INR 100 crores. The music business (licensing and Carvaan) achieved its highest quarterly revenue at INR 154 crores. On a 9-month basis, the Music segment grew by 25% year-on-year to INR 433 crores. Q3 saw operating revenues of INR 185 crores and PAT of INR 2 crores, a year-on-year revenue growth of 23% and 20% in PAT. On a 9-month basis, revenue and PAT grew by 36% and 34% respectively. EBITDA in Q3 FY23 was INR 94 Mn (6.31% margin), while 9M FY23 EBITDA was INR 304 Mn (7.75% margin). Net Profit in Q3 FY23 was INR 9 Mn (0.59% margin).

['Q2', '2023']:

- Operational Revenue for H1FY23 was INR 3,960 Mn with an EBITDA Margin of 15.0%. Operational Revenue for FY22 was INR 5,818 Mn. Digital Media revenue in Q2-FY23 was INR 639 Mn (35.8% Y-o-Y growth), and Traditional Media revenue was INR 827 Mn (8.7% Y-o-Y growth). Income from Operations was INR 1,466 Mn in Q2-FY23 (19.0% Y-o-Y growth). Revenue from Operations was INR 1,466 Mn in Q2-FY23 and INR 2,426 Mn in H1-FY23 (22.6% Y-o-Y growth). Q2-FY23 Traditional Media Performance was INR 1,306 Mn compared to INR 1,106 Mn in Q2-FY22 and INR 761 Mn in H1-FY23 compared to INR 827 Mn in H1-FY22. H1-FY23 Digital Media Performance was INR 1,120 million. The music business showed its highest quarterly revenue ever at Rs.150.9 Crores. Music licensing grew at a rate over 20%. Operating revenue in Q2 was Rs.189 Crores, and PAT was Rs.46 Crores (30% year-on-year increase in income and a 36% year-on-year increase in PAT). On a half-yearly basis, both revenue and PAT grew by 43% year-on-year. This builds on last year's growth of 31% in operating revenue and 35% in PAT. Despite external uncertainties, revenue increased, largely due to broadcasting and digital initiatives; B2C revenue doubled in H1 FY23 vs the same period last year.

- **Evaluation:**

- {'evaluation': 'Exceeded expectations', 'evaluation_reason': 'Q1 2023 results significantly exceeded the projected 15% revenue increase for the fiscal year, showing a 61% year-on-year increase in operating income and strong growth across different segments.'}

2. Content Strategy and Production

- **Narrative:** Saregama aims to acquire 30-35% of all Pan-India content released annually, targeting a market estimated at Rs. 800 Crores.

- **Management's Guidance:**

- Aim to acquire 30-35% of all Pan-India content released annually (estimated at Rs. 800 Crores).

- **Actual Results:**

['Q4', '2023']:

- No specific quantifiable results related to content acquisition are available in the provided Q4 2023 data.

['Q1', '2023']:

- No specific Q1 2023 results regarding content acquisition are provided in the data.

['Q3', '2023']:

- No specific quantifiable actual results related to content acquisition are available in the provided Q3 2023 data.

['Q2', '2023']:

- No specific quantifiable results related to content acquisition targets are provided in the Q2 2023 data. However, Rs. 100 crore was invested in content acquisition over the previous fiscal year.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'The provided data lacks information on Saregama's content acquisition progress during Q1 2023, preventing an assessment against the stated goal.'}

3. Technology and Innovation (Under Distribution and Platform Strategy)

- **Narrative:** Saregama is developing new products and plans a formal launch in Q3, potentially after incorporating customer feedback.

- **Management's Guidance:**

- Planned formal launch of new products in Q3, pending customer feedback modifications.

- **Actual Results:**

['Q4', '2023']:

- No specific information on the launch of new products or the incorporation of customer feedback is available in the provided Q4 2023 data.

['Q1', '2023']:

- No specific Q1 2023 results regarding new product launches are available in the data.

['Q3', '2023']:

- No specific information on the launch of new products in Q3 2023 is available in the provided data.

['Q2', '2023']:

- No actual results for new product launches are available in the provided Q2 2023 data.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'The Q1 2023 data does not contain information about the development or launch of new products, making an evaluation impossible.'}