

Q2 2022

1. Revenue Growth and Projections

- **Narrative:** Management expressed confidence in strong revenue growth across multiple segments, particularly in music licensing and Carvaan sales. There was a stated target for increasing the digital business contribution to 50% by the next fiscal year. A bullish outlook was maintained on music licensing, with growth projections in the 22%-25% range for the short-to-medium term and the next three-to-five years. Specific targets included a 25% year-on-year increase in Carvaan sales.

- **Management's Guidance:**

- Target of 50% digital business contribution by the next fiscal year; Music licensing revenue growth projection of 22%-25% on a short-to-medium-term basis; Music licensing revenue growth projection of 22%-25% over the next three-to-five years; 25% year-on-year increase in Carvaan sales targeted; Overall expectation of a "pretty decent" year from both top-line and bottom-line perspectives; Music business growth exceeding 20%, primarily from minimum guarantee or fixed-fee deals.

- **Actual Results:**

['Q1', '2023']:

- In Q1 FY23, the digital business contribution reached 50%. The music business grew by 38% year-on-year. Overall operating revenues increased by 61% year-on-year to approximately Rs. 169 Crores. Digital Media revenue increased by 19.3% year-on-year to 481 INR Mn and Traditional Media revenue increased by 39% year-on-year to 479 INR Mn.

['Q2', '2022']:

- Saregama's Q2 FY22 revenue from operations grew by 34% compared to the same quarter last year. Music licensing revenue grew by over 20%, primarily from minimum guarantee and fixed-fee deals. The total content charge for new content in Q2 was INR 11.3 crore, significantly higher than the INR 2.4 crore in the same quarter of the previous year.

['Q4', '2022']:

- In Q4 FY22, Saregama reported a 22.6% year-on-year revenue growth from operations. The company's digital business contribution reached 48% in FY22, indicating significant progress towards the 50% target. Music licensing revenue showed a 26% year-on-year growth, exceeding the projected range. Carvaan sales saw a 17% growth compared to the previous year.

['Q3', '2022']:

- In Q3 FY22, Digital Media revenue was INR 476 Mn (19.4% YoY growth). 141,000 Carvaan units were sold in Q3. Overall revenue from operations reached INR 899 Mn in Q3 FY22 (2.1% increase YoY). Nine-month revenue from operations reached INR 2,878 Mn (23.3% increase over 9M FY21). The 20%+ growth in music licensing is supported by consistent year-on-year growth of around 20% for over 12 quarters and a 25%-30% growth projection on a rolling 12-month basis.

- **Evaluation:**

- {'evaluation': 'Partially Met expectations', 'evaluation_reason': 'While music licensing revenue growth exceeded the minimum expectation of 20%, the data is insufficient to assess performance against targets for Carvaan sales, overall revenue growth, and the digital business contribution percentage for Q2 FY22.'}

2. Profitability and Breakeven Targets

- **Narrative:** Management provided guidance on achieving breakeven or marginal profit for Carvaan by the end of the fiscal year.

- **Management's Guidance:**

- Carvaan expected to reach a breakeven situation by year-end; Overall expectation of at least breakeven, if not marginal profit, by year-end.

- **Actual Results:**

['Q1', '2023']:

- No specific data on Carvaan's profitability is available in the provided Q1 FY23 data. However, overall EBITDA was 81 INR Mn in Q1-FY23. Further information would be needed to assess Carvaan's performance against the breakeven target.

['Q2', '2022']:

- The provided data does not contain actual results for Carvaan's profitability in Q2 FY22.

['Q4', '2022']:

- The provided data does not offer specific information on Carvaan's profitability in Q4 FY22. More detailed financial statements would be needed to assess whether the breakeven target was met.

['Q3', '2022']:

- There is no direct information about Carvaan's profitability in Q3 FY22. However, management stated that all Carvaan hardware units were sold at an operating profit level.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'No profitability data for Carvaan is available for Q2 FY22 to assess whether the breakeven target was met or not.'}

3. Market Share Growth

- **Narrative:** A goal was set to double market share in the digital music space over the next three years.

- **Management's Guidance:**

- Doubling market share in the digital music space within three years.

- **Actual Results:**

['Q1', '2023']:

- The provided Q1 FY23 data does not contain information on market share changes. Therefore, no actual results can be reported against this guidance.

['Q2', '2022']:

- The provided data does not contain information on market share changes in Q2 FY22.

['Q4', '2022']:

- The provided data does not contain information on market share changes in Q4 FY22. Longitudinal data over three years would be required to determine whether this long-term goal was on track.

['Q3', '2022']:

- The provided data does not contain information on Saregama's market share in the digital music space for Q3 FY22. Therefore, no actual results can be reported.

- **Evaluation:**

- { 'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'The provided data lacks information on market share for Q2 2022, preventing an assessment of progress toward the three-year market share doubling goal.' }