

Q4 2024

1. Financial Performance

- **Narrative:** Management extensively discussed revenue growth projections, profitability targets, and investment plans. There's a strong focus on the future performance of the company, excluding the Carvaan business. Specific targets and expectations are given for revenue growth, adjusted EBITDA margins, and PBT.

- **Management's Guidance:**

- Revenue growth excluding Carvaan is projected to be upwards of 30% in FY25. A 3-5 year CAGR of 25-26% revenue growth (excluding Carvaan) is anticipated, with PBT expected to double in 3-3.5 years. Adjusted EBITDA margin guidance remains at 32-33%. Carvaan revenues are expected to decline in FY25, but the business should achieve mid-single-digit profitability. Pocket Aces is expected to reach breakeven or a small profit in FY25. The music vertical (licensing and artist management) is projected to double its revenue. The catalogue music segment is expected to continue growing at a minimum of 12% per annum. Revenue from paid subscribers (excluding YouTube) in India grew by over 40% in FY24.

- **Actual Results:**

['Q4', '2024']:

- Saregama reported an operating revenue of INR 263 crores and a PBT of INR 76 crores in Q4 2024. This represents a year-on-year growth of 29% in revenue and 30% in PBT. Revenue growth excluding Carvaan was upwards of 30% on a trailing month basis. Carvaan achieved breakeven for the year. Revenue from paid subscribers (excluding YouTube) in India grew by over 40% in FY24. The music vertical (licensing and artist management) made INR 544 crores in FY24.

['Q1', '2025']:

- In Q1 FY25, Saregama reported revenue from operations of INR 1,544 Mn. Operational revenue reached INR 6,000 Mn. Digital Media revenue achieved 575 INR Mn with a Y-o-Y growth of 19.6%, while Traditional Media revenue declined by 10.8% year-on-year to 960 INR Mn. Income from Operations was 1,535 INR Mn with a Y-o-Y growth of 0.6%. Carvaan revenue was INR 24.7 crores, a significant drop from Q1 FY24. The music business (licensing and artist management) grew at 26% year-on-year. Overall revenue increased by 26% year-on-year, aligning with the 30% guidance for FY25. EBITDA was (134) INR Mn and PBT was (228) INR Mn, while EBITDA margin was 9.40%. There was also a substantial reduction in revenue from platforms that transitioned from free to paid streaming.

- **Evaluation:**

- {'evaluation': 'Met expectations', 'evaluation_reason': 'While the full-year FY25 projections are not yet available, Q4 2024 results show revenue and PBT growth aligning with or exceeding the short-term guidance provided for revenue growth excluding Carvaan and achieving the target of Carvaan breakeven.'}

2. Content Strategy and Production

- **Narrative:** A significant portion of future financial guidance is tied to content investment and production. The company has a clear plan for content acquisition and development.

- **Management's Guidance:**

- INR 1,000 crore investment in music content is planned over the next three years.

- **Actual Results:**

['Q4', '2024']:

- Management reported investing close to INR 200 crores in new content (including marketing) in FY24.

['Q1', '2025']:

- In Q1 FY25, INR 27 crores were spent on content acquisition, with guidance of INR 300+ crores for the full year. INR 47 crores of content was acquired during the quarter.

- **Evaluation:**

- {'evaluation': 'Met expectations', 'evaluation_reason': 'The INR 200 crore investment in FY24 represents a significant portion of the planned INR 1000 crore investment over three years, demonstrating progress towards the stated goal.'}

3. Market Dynamics and Competition

- **Narrative:** Management acknowledges the overall market growth and its impact on Saregama's strategy. There's a discussion about market share gains and the influence of GDP growth on the advertising business.

- **Management's Guidance:**

- A 5% increase in market share is targeted by the end of 2024. Continued GDP growth above 6% is expected, positively impacting the advertising business.

- **Actual Results:**

['Q4', '2024']:

- No specific actual results related to market share or advertising revenue growth were provided in the given data for Q4 2024.

['Q1', '2025']:

- No specific data on market share gains or the impact of GDP growth on advertising revenue is available from the provided data for Q1 FY25.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'The provided data lacks information on market share gains or advertising revenue growth for Q4 2024, preventing an assessment against management's guidance.'}

4. Emerging Trends and Opportunities

- **Narrative:** Management addresses the challenges and opportunities associated with the live events business.

- **Management's Guidance:**

- A one-year timeframe is given to assess the live events model's success; otherwise, tough decisions will be made.

- **Actual Results:**

['Q4', '2024']:

- No specific actual results related to the live events business were provided in the given data for Q4 2024.

['Q1', '2025']:

- In Q1 FY25, the Diljit Dosanjh tour had a record-breaking turnout of over 50,000 fans, with 11 concerts held in Canada and the U.S.A. Artist management revenue generated INR 16 crores in Q1.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'Insufficient data on the live events business performance in Q4 2024 prevents an evaluation against

management's one-year assessment timeframe."}