

Q4 2021

1. Financial Performance

- **Narrative:** Management projected music licensing revenue growth between 23% and 25%. This projection was maintained despite investments in new content and inorganic acquisitions, suggesting confidence in the core business. The growth rate was attributed to a combination of industry growth (11-12%) and Saregama's increasing market share. Catalogue content continued to show growth above 30% year-on-year. The company anticipated overall revenue growth of 22% to 25% for the company with an operating income before content interest and depreciation (OIBCID) of 32% to 33% in FY2023. The films and TV series vertical was projected to grow around 20% to 22%, targeting a 15% margin. Management aimed for Carvaan to reach breakeven during the fiscal year. Initial projections for the live events business were a 5% to 7% margin, with potential for double-digit margins after stabilization. A cautious approach to Carvaan investments was stated, focusing on cost control until market stabilization.

- **Management's Guidance:**

- 23%-25% growth in music licensing revenue; 22%-25% overall revenue growth; OIBCID of 32%-33%; 20%-22% growth in films and TV series vertical with a 15% margin; Carvaan breakeven during the fiscal year; 5%-7% margin for live events initially, increasing to double-digit after stabilization; Cost control and limited investment in Carvaan until market stabilization.

- **Actual Results:**

['Q2', '2022']:

- No actual results for Saregama's Q4 2021 financial performance are available in the provided data.

['Q3', '2022']:

- While precise figures matching the Q4 2021 guidance aren't directly available in the provided Q3 2022 data, several data points offer partial insights. The Q3 2022 data shows that Digital Media revenue grew by 19.4% year-on-year (f4282bdb22bf94399870c45589245e1b), and that overall revenue from operations was INR 899 Mn in Q3 FY22 (259b8037f654d75cc1378ea82e31ab66). The 9-month revenue from operations showed a 23.3% increase (d63e900fdb9f6e372f8e148bc9919c70), and a rolling 12-month growth commitment of 25% to 30% was mentioned (2905559575426c59e2b47fc7f1bc0b27). These figures suggest growth, but don't directly confirm the Q4 2021 specific guidance. Further information is needed for a complete comparison.

['Q1', '2022']:

- In Q1 2022, Saregama reported approximately 37% revenue growth from operations and a 73% year-on-year increase in PAT. The core music business grew by 20%. Management attributed higher Q1 profits partly to a lower content charge (Rs.6.8 Crores compared to Rs.3.4 Crores in Q1 of the previous year). They also stated confidence in the Indian music industry's ability to grow at 11-12%, projecting Saregama's music licensing revenue growth at 20% for the year.

['Q4', '2021']:

- Music licensing revenue grew by 26%, the highest year-on-year growth ever. Overall revenue reached 615 Crores, the highest ever, with a PBT of 204 Crores, also the highest ever. The films, television, and series vertical exceeded 100 Crores in annual revenue, achieving the targeted 15% margin. Carvaan achieved breakeven. OIBCID reached 38%, exceeding the projected 32%-33%. Catalogue content growth was above 30% year-on-year.

- **Evaluation:**

- {'evaluation': 'Exceeded expectations', 'evaluation_reason': 'Saregama exceeded projections across multiple key financial metrics in Q4 2021, including music licensing revenue growth, OIBCID, and achieving breakeven for Carvaan earlier than anticipated, significantly surpassing revenue targets.'}

2. Subscription Model and Monetization (Distribution and Platform Strategy)

- **Narrative:** Management expressed bullishness about the Indian subscription business taking off within 12-18 months, anticipating significant returns.

- **Management's Guidance:**

- Significant growth in the subscription business within 12-18 months.

- **Actual Results:**

['Q2', '2022']:

- No actual results related to Saregama's subscription business are available in the provided data.

['Q3', '2022']:

- The provided Q3 2022 data does not contain information that directly addresses the actual results related to the subscription business growth within the 12-18 month timeframe. Therefore, no actual results can be reported.

['Q1', '2022']:

- No specific data on actual subscription growth was provided in the Q1 2022 results. The provided data does not offer concrete figures or insights into the performance of Saregama's subscription model during that period.

['Q4', '2021']:

- No specific actual results for the subscription business are available in the provided data for Q4 2021.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'The provided data lacks specific information on the actual performance of Saregama's subscription business in Q4 2021, preventing an assessment against management's expectations.'}