

## Q3 2024

### 1. Revenue Growth and Future Projections

- **Narrative:** Management expresses confidence in achieving substantial revenue growth, particularly post-Q4 2024, after accounting for the impact of certain factors (implied to be related to OTT platform transitions). A significant increase in content investment is planned, expected to yield substantial returns within 18 months. Long-term projections of 25-26% CAGR (excluding Carvaan) are reiterated, with a goal of doubling profits within 3-4 years. Specific targets for FY2024 total revenue are also mentioned.

- **Management's Guidance:**

- The company aims for 25-26% revenue growth at the corporate level (excluding Carvaan) over the next 3-5 years. A 14-16% growth in catalog revenue is anticipated once OTT platforms move behind paywalls. The company projects INR 930-940 crore revenue for 2024. Significant revenue growth is expected in the music licensing business (doubling in 3-3.5 years). Post Q4 2024, the company expects to be "back on track" to achieve its 25-26% revenue growth targets.

- **Actual Results:**

**['Q3', '2024']:**

- Revenue from operations for Q3 FY24 was INR 1,559 million. Revenue from operations for 9M FY24 was INR 5,083 million, a 29.6% increase compared to 9M FY23. Management's FY24 revenue guidance was INR 930-940 crore.

**['Q4', '2024']:**

- In Q4 2024, Saregama reported an operating revenue of INR 263 crores, representing a year-on-year growth of 29%. Excluding Carvaan, consolidated revenue growth exceeded 30% on a trailing month basis. Revenue for FY24 from music licensing and artist management reached INR 544 crores.

**['Q1', '2025']:**

- In Q1 2025, Saregama reported conflicting revenue figures: INR 1,544 Mn (Source A) and INR 6,000 Mn (Source B). A 15% increase due to strategic initiatives and a 26% year-on-year increase in the music business were also reported. However, these figures need reconciliation with the FY2024 guidance of INR 930-940 crore and the impact of OTT transitions isn't clearly reflected.

- **Evaluation:**

- **{'evaluation': 'Did not meet expectations', 'evaluation\_reason': 'While 9M FY24 showed strong growth, Q3 2024 results alone, and the overall 9-month performance, do not provide sufficient evidence to definitively assess whether the full-year revenue target of INR 930-940 crore will be met. Further data is needed to complete the evaluation.'}**

### 2. Profitability and Investment Strategy

- **Narrative:** Management acknowledges significant upfront investment in new content, impacting short-term profitability. However, they emphasize sustained profitability and a significant increase in profitability after 18 months, with a substantial jump from year 3 onwards. The target is to double overall profitability (PBT) within 3-4 years. A 15% margin is projected for a specific business vertical within 5 years, with a corresponding 21% IRR.

- **Management's Guidance:**

- The company will maintain absolute profitability in the next 12-18 months, followed by a steep increase. Overall profitability (PBT) is expected to double in the next 3-4 years. A 15% margin will result in a 21% IRR for a particular business.

- **Actual Results:**

**['Q3', '2024']:**

- Q3 FY24 PBT was INR (264) million. EBITDA for Q3 FY24 was INR (177) million.

**['Q4', '2024']:**

- In Q4 2024, Saregama achieved a PBT of INR 76 crores, showing a year-on-year growth of 30%. The company's overall guidance was 32-33% on an adjusted EBITDA basis.

**['Q1', '2025']:**

- Q1 2025 results show a PBT of (228) INR Mn and a PAT of (171) INR Mn, indicating a loss contradicting the guidance of maintaining profitability within 12-18 months. While an EBITDA margin of 9.40% and a 5% improvement in net profit margin were mentioned, these lack context and don't address long-term profitability goals.

- **Evaluation:**

- **{'evaluation': 'Did not meet expectations', 'evaluation\_reason': 'Q3 2024 results show a significant loss (negative PBT and EBITDA), directly contradicting the guidance of maintaining absolute profitability within 12-18 months.'}**

### 3. Content Acquisition and Payback Period

- **Narrative:** The company maintains a strict 5-year payback period for content acquisitions, a policy consistently followed for several years. This strategy guides their investment decisions.

- **Management's Guidance:**

- The company will maintain a 5-year payback period for content investments.

- **Actual Results:**

**['Q3', '2024']:**

- No specific actual results related to payback period are provided in the data.

**['Q4', '2024']:**

- Based on the 4-year performance, the company reported that they were performing better than their 5-year payback target.

**['Q1', '2025']:**

- No data is available to assess whether the 5-year payback period for content investments was met in Q1 2025.

- **Evaluation:**

- **{'evaluation': 'Cannot be Evaluated', 'evaluation\_reason': 'Insufficient data is available in Q3 2024 to assess whether the 5-year payback period was met.'}**

### 4. OTT Platform Transition and Market Dynamics

- **Narrative:** Management anticipates a significant increase (2-3x) in revenue from audio OTT platforms once they transition behind paywalls, expecting this transition within the next 12-18 months.

- **Management's Guidance:**

- Revenue from audio OTT platforms should increase 2-3x after they move behind paywalls, expected within 12-18 months.

- **Actual Results:**

**['Q3', '2024']:**

- The provided data doesn't offer specific figures to measure the impact of the OTT platform transition on revenue in Q3 2024. However, the reduction in revenue from platforms like Resso, which transitioned to a paid model, was acknowledged and factored into the financial results.

**['Q4', '2024']:**

- In FY24, revenue from paid subscribers (non-YouTube) in India grew by over 40%.

**['Q1', '2025']:**

- The data mentions the impact of OTT paywall transitions on revenue in Q1 2025, but no specific figures are provided to assess the projected 2-3x increase.

**- Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation\_reason': 'Q3 2024 data does not provide the necessary quantitative information to assess the impact of the OTT platform transition on revenue.'}

**5. New Product Launch and Marketing Strategy**

- **Narrative:** A new app launch is planned for March/April. A 10% increase in the marketing budget is planned for the next quarter to support new product launches.

**- Management's Guidance:**

- A new app is expected to launch in March or April. A 10% increase in the marketing budget is planned for the next quarter.

**- Actual Results:**

**['Q3', '2024']:**

- The provided data doesn't contain information confirming the app launch or the marketing budget increase in Q3 2024.

**['Q4', '2024']:**

- No actual results for this theme are available in the provided data.

**['Q1', '2025']:**

- No information is available on the launch of a new app or the actual increase in the marketing budget in Q1 2025.

**- Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation\_reason': 'The Q3 2024 data lacks information to assess whether the app launch or marketing budget increase occurred.'}