

Q1 2024

1. Financial Performance

- **Narrative:** Saregama's management provided forward-looking statements regarding revenue growth across different segments. They expressed confidence in achieving specific growth targets despite acknowledging potential subscription pressures. Significant growth was reported on a quarter-on-quarter basis in unit sales. Management reiterated its confidence in achieving projected annual revenue growth and margins for films and movie segments.

- **Management's Guidance:**

- Revenue Growth: A 15% overall revenue increase is targeted for the next fiscal year (304066704e99715f008a2ddc943fb50b). Music licensing revenue is projected to grow around 22-23% (f056c59775775944854f4995f49abf01). The films and movie segment is expected to achieve 25% revenue growth with a 15% margin (55e6f22f2a8ff25ea9404b2770df0a58, 88b193c6b8b505fac5858b93192ca136). A 25% growth in revenue is projected for the next fiscal year (f0651515f3356058820199fb8c5a1710). The music licensing side is projected to show 23% growth overall (8c30e276f0aa494b5f0dbd1ec6957824).

- Profitability and Margins: The adjusted EBITDA margin is expected to remain above 32-33% at the company level (8c30e276f0aa494b5f0dbd1ec6957824, 3b18f8f1231e30642368c430a70c0fda). A minimum 15% margin is targeted for the films business (aeefe298fb7fd400f75a7dac01f7da575).

- Capital Allocation: Total capital deployed in films and series and live events will not exceed 18% of total capital deployed (0b73b28cb1aea48051d68b5785556c31).

- Return on Investment: An internal benchmark of recovering investments within 60 months is mentioned (3565ad5f27ec66f22139704dffbef317).

- **Actual Results:**

['Q3', '2024']:

- In Q3 FY24, Saregama reported INR 1,559 million in revenue from operations (a 4.3% year-on-year increase), INR 22 million in other income (a 140.4% year-on-year increase), and a significantly lower than anticipated EBITDA of INR (177) million. PBT and PAT were significantly negative, at INR (264) million and INR (304) million respectively. While the nine-month period showed revenue growth, Q3 results fell short of expectations.

['Q4', '2024']:

- In Q4 FY24, Saregama reported an operating revenue of INR 263 crores and a PBT of INR 76 crores, representing a year-on-year growth of 29% in revenue and 30% in PBT. Management also indicated a trailing month revenue growth (excluding Carvaan) exceeding 30%, and a 15% increase in overall Q4 FY24 revenue compared to the previous year. Music (Licensing and Artist Management) revenue reached INR 544 crores in FY24. The Carvaan business generated approximately INR 130 crores, the video business INR 116 crores, and events INR 13 crores. Revenue from paid subscribers (excluding YouTube) in India grew by over 40% in FY24 compared to FY23. The company's overall adjusted EBITDA margin was 32-33%.

['Q1', '2024']:

- Saregama achieved a 60% year-on-year revenue growth in Q1 FY24, driven by enhanced B2C monetization. Music business showed a 17% growth. Carvaan unit sales grew by over 50%. Q1 operating revenue was INR 163 crores, and PBT was INR 59 crores. EBITDA margin was 4.04%.

['Q2', '2024']:

- In Q2 2024, Saregama reported INR 3,524 Mn in consolidated revenue from operations, INR 250 Mn in EBITDA, and INR 36 Mn in net profit. The EBITDA margin was 7.08% and the net profit margin was 1.01%. Another source reported operating revenues of Rs. 172 crore and PBT of Rs. 65.6 crore. A 15% increase in revenue compared to the same period last year was also reported. Music licensing revenue showed growth at 22-23%.

- **Evaluation:**

- {'evaluation': 'Exceeded expectations', 'evaluation_reason': "Saregama's Q1 2024 revenue growth significantly surpassed the projected 15%, exceeding expectations across most segments, while the EBITDA margin fell short of the projected range. However, the overall strong revenue growth outweighs the margin shortfall."}

2. Content Strategy and Production

- **Narrative:** Saregama aims to acquire 30% of all new content. There is mention of increased original programming on Shemaroo Umang.

- **Management's Guidance:**

- The company's goal is to acquire 30% of all new content.

- **Actual Results:**

['Q3', '2024']:

- No specific quantifiable results regarding content acquisition were reported for Q3 FY24 in the provided data.

['Q4', '2024']:

- No specific quantifiable actual results related to content acquisition are provided in the Q4 FY24 data.

['Q1', '2024']:

- In the past six months, 300 new songs were released across various platforms. Saregama achieved market leadership in the Hindi music segment at an all-India level for Q1. Shemaroo FilmiGaane YouTube channel has 65 million subscribers, and Saregama typically has 7-10 songs in all-India YouTube trending lists. Shemaroo GEC channels hold approximately 7% viewership share in the Hindi GEC genre.

['Q2', '2024']:

- No specific quantifiable results regarding content acquisition were provided in the Q2 2024 data. However, management noted the release of 100 new songs and collaboration with major production houses.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': "While Q1 results show significant content output (300 new songs), there's no data provided to assess whether the 30% new content acquisition goal was met."}

3. Market Dynamics and Competition

- **Narrative:** The company highlights its aim for a leading position in Hindi listenership share at an all-India level.

- **Management's Guidance:**

- No specific forward-looking statements regarding market share or competitive positioning were found beyond the general statement about aiming for a leading position in Hindi listenership. There's a mention of an expected listing in late August 2023, which is not directly a market dynamic statement, but offers a timeline for a corporate action.

- **Actual Results:**

['Q3', '2024']:

- No specific data on market share in Hindi listenership was reported for Q3 FY24. However, Shemaroo GEC channels held a 7.6% viewership share in the overall Hindi GEC genre.

['Q4', '2024']:

- The Q4 FY24 data mentions that OTT audio and video streaming globally grew by 34% in 2023, with India showing the highest volume growth. An EY report indicated approximately 70 lakh paying music subscribers in India in 2023, excluding YouTube Premium. These are market trends, not Saregama's specific market share results.

['Q1', '2024']:

- Saregama achieved market leadership in the Hindi music segment at an all-India level in Q1. Shemaroo GEC channels maintain a 7% viewership share in the Hindi GEC genre.

['Q2', '2024']:

- In Q2 2024, Shemaroo GEC channels held a combined viewership share of over 7.4% in the Hindi GEC genre. Saregama's YouTube channels had close to 100 million subscribers. The total size of the content sold industry was estimated at 1000 crore.

- Evaluation:

- {'evaluation': 'Exceeded expectations', 'evaluation_reason': 'Saregama achieved its goal of market leadership in the Hindi music segment, exceeding the stated aim of a leading position.'}