

Q4 2022

1. Revenue Growth and Projections

- **Narrative:** Saregama projects significant revenue growth across various segments, driven by strategic investments in new content and inorganic acquisitions. The company maintains a bullish outlook on its music licensing business, expecting substantial growth fueled by the anticipated rise of music streaming subscriptions in India. Growth in the films and TV series vertical is also projected.

- **Management's Guidance:**

- Saregama aims for a 23%-25% growth in music licensing revenue; anticipates 20%-22% growth in its films and TV series vertical; projects overall revenue growth at 22%-25%; expects significant growth in the music streaming sector once subscriptions take off in India, potentially exceeding current projections; Yoodlee is expected to contribute 100 Crores to the topline within a year or two.

- **Actual Results:**

['Q1', '2023']:

- In Q1 FY23, Saregama reported operating revenues of approximately 169 Crores. The music business grew by 38% year-on-year.

['Q3', '2023']:

- Q3 2023 data shows revenue growth. Music licensing business growth exceeded 20%. The Films, Series and Live Events vertical reached approximately 100 crores in the first nine months of the fiscal year. Precise Q4 2022 results are not directly provided.

['Q2', '2023']:

- In Q2 FY23, Saregama reported a 22.6% year-on-year growth in revenue from operations. Digital Media revenue grew by 35.8% year-on-year, while Traditional Media showed an 8.7% year-on-year growth. Music licensing grew over 20%. The music business achieved its highest ever quarterly revenue at Rs. 150.9 Crores. Overall, the company reported a 43% year-on-year growth in operating revenue on a half-yearly basis.

['Q4', '2022']:

- Revenue from Operations grew by 22.6% in FY22 (3,814 Mn INR vs 3,111 Mn INR in FY21). Yoodlee achieved a revenue of 100 Crores during the financial year.

- **Evaluation:**

- {'evaluation': 'Met expectations', 'evaluation_reason': 'While precise Q4 2022 segment-wise data is missing, the overall FY22 revenue growth of 22.6% falls within the projected range of 22%-25%, indicating that the company met its overall revenue growth expectations.'}

2. Profitability and Margin Targets

- **Narrative:** Saregama focuses on maintaining profitability despite investments in new content. The company aims for cost optimization and anticipates achieving breakeven on the Carvaan front within the fiscal year. Margins in the live events business are projected to improve over time.

- **Management's Guidance:**

- The company aims to maintain an operating income before content interest and depreciation (OIBCID) of 32%-33%; a breakeven is targeted for the Carvaan product line during the fiscal year; the live events business is projected to achieve a 5%-7% margin initially, increasing to double digits after stabilization.

- **Actual Results:**

['Q1', '2023']:

- In Q1 FY23, Saregama's operating income before content charge interest and depreciation was 64.7 Crores, showing a 54% growth compared to last year. EBITDA was 81 INR Mn in Q1-FY23. EBITDA Margin (%) was 8.48% in Q1-FY23.

['Q3', '2023']:

- Q3 2023 data shows EBITDA margin at 6.31% and 7.75% for 9 months. PAT margin was 0.59% in Q3. Information on Carvaan breakeven and live events margins is not explicitly available in the provided Q3 data.

['Q2', '2023']:

- In Q2 FY23, Saregama's operating income before content charge interest and depreciation was Rs. 69.9 Crores, a 31% year-on-year growth. The EBITDA margin was 8.75%. Carvaan remained a breakeven to low-margin business. Successful concerts were highlighted.

['Q4', '2022']:

- The company delivered an OIBCID of 38% which surpassed the committed range of 32%-33%.

- **Evaluation:**

- {'evaluation': 'Exceeded expectations', 'evaluation_reason': 'The achieved OIBCID of 38% significantly surpassed the guided range of 32%-33%, exceeding expectations on this key profitability metric.'}

3. Subscription Model Growth

- **Narrative:** Saregama anticipates a significant shift towards subscription-based revenue in the music streaming business, viewing this as a major growth driver in the near future.

- **Management's Guidance:**

- The company is bullish on the subscription model taking off in India within the next 12-18 months.

- **Actual Results:**

['Q1', '2023']:

- No specific data on subscription model growth is available from the provided Q1 FY23 data.

['Q3', '2023']:

- No specific data on the subscription model's performance in Q4 2022 or Q3 2023 is available in the provided data.

['Q2', '2023']:

- No specific data on subscription model growth is available from the provided Q2 FY23 data.

['Q4', '2022']:

- No specific data on actual subscription growth is available in the provided data.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'The provided data lacks information on the actual subscription growth during Q4 2022, preventing an evaluation of whether expectations were met.'}

4. Content Strategy - Shift to New Content

- **Narrative:** Saregama is prioritizing growth in new content, aiming to increase its share of revenue from this segment.

- **Management's Guidance:**

- Even with growth in licensing revenue from the catalog, Saregama expects new content revenue to grow at a significantly higher rate (2.5-3x), increasing its overall proportion.

- **Actual Results:**

['Q1', '2023']:

- In Q1 FY23, the company released 18 new titles across movies, web series, and plays.

['Q3', '2023']:

- The provided Q3 2023 data doesn't offer direct metrics on the growth rate of new versus catalog content revenue. Increased content charges and investments in new music content suggest progress towards this strategy.

['Q2', '2023']:

- The release of 13 new titles across movies, web series, and plays, and the launch of a new Tamil TV serial indicate progress in new content. Investment in content acquisition was also highlighted. Specific figures comparing new content revenue growth to catalog licensing revenue are unavailable.

['Q4', '2022']:

- No specific data on the growth rate of new content revenue versus catalog licensing revenue is available in the provided data to compare against the management guidance.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'The provided data lacks the necessary information to compare the growth rates of new versus catalog content revenue in Q4 2022, making it impossible to assess whether the company met its objectives.'}