

Q2 2021

1. Carvaan's Transition to a Revenue-Generating Platform

- **Narrative:** Saregama aims to shift Carvaan's business model from a one-time purchase to a recurring revenue platform. This reflects a strategic pivot to enhance long-term profitability.

- **Management's Guidance:**

- The company plans a complete transition of Carvaan from a one-time purchase product to an ongoing revenue generator. Further, management expects Carvaan to achieve breakeven by the end of the year. The success of this transition is contingent upon a significant increase in the number of Carvaans supporting the platform functionality within the next 18-24 months, enabling substantial advertising and subscription revenue generation.

- **Actual Results:**

['Q3', '2021']:

- No specific Carvaan platform revenue or breakeven data is available in the provided Q3 2021 actuals. However, '339dde0163d6d4cc2c48b9162842de55' indicates a positive sales trend for Carvaan units in Q3 2021 (138k units sold), suggesting progress towards the platform transition.

['Q1', '2022']:

- No specific data on Carvaan's transition or platform revenue is available from the provided Q1 2022 data.

['Q4', '2021']:

- The provided data does not contain specific information on Carvaan's performance in Q4 2021 regarding its transition to a revenue-generating platform or breakeven status. Therefore, no actual results can be reported.

['Q2', '2021']:

- In Q2 2021, Saregama sold over 81,000 Carvaan units, a significant increase compared to 15,000 in Q1 but lower than the 250,000 units sold in the same quarter of the previous year. The information provided does not specify whether Carvaan achieved breakeven.

- **Evaluation:**

- {'evaluation': 'Did not meet expectations', 'evaluation_reason': 'While Carvaan sales increased in Q2 2021, the provided data lacks information on whether the platform transition progressed as planned or if breakeven was achieved, indicating failure to meet the stated goals for that quarter.'}

2. Growth Projections for Music Licensing and Yoodlee

- **Narrative:** Saregama provides specific growth targets for its music licensing and Yoodlee businesses.

- **Management's Guidance:**

- The music licensing business is projected to maintain 18-20% growth for the fiscal year. Post-COVID, this growth is expected to reach 22-25% year-on-year. Yoodlee is expected to achieve double-digit year-on-year growth. An internal benchmark for album releases requires 38% cost recovery within the first year.

- **Actual Results:**

['Q3', '2021']:

- The provided Q3 2021 data shows positive growth in specific segments, though precise figures matching the guidance are unavailable:

'f8312017f2afa02450af0164b8204a5c' mentions 20% year-on-year growth in music segment revenue, and 'f8312017f2afa02450af0164b8204a5c' indicates a 25% increase in licensing income. No data on Yoodlee's performance is present.

['Q1', '2022']:

- In Q1 2022, Saregama's core music business (which includes licensing) grew by 20%. No specific data on Yoodlee's performance is available from the provided Q1 2022 data.

['Q4', '2021']:

- In Q4 FY21, Saregama's music licensing revenue showed the highest year-on-year growth ever, at 26%, exceeding the initial guidance. The licensing revenue crossed 360 Crores that year. The actual growth of Yoodlee is not specified in the provided data.

['Q2', '2021']:

- The provided data does not contain specific numbers to assess the actual growth of music licensing and Yoodlee in Q2 2021 against the given targets.

However, the overall revenue from operations was INR 593 Mn in Q2 FY21, significantly lower than the INR 1,503 Mn in Q2 FY20.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'The provided Q2 2021 data lacks specific growth figures for music licensing and Yoodlee, preventing a comparison with management's guidance.'}

3. Profitability Targets for Films and Television

- **Narrative:** The company addresses the current losses in its films and television segments and projects a return to profitability.

- **Management's Guidance:**

- Management expects films and television to become profitable before the year's end, recovering losses incurred in the first two quarters.

- **Actual Results:**

['Q3', '2021']:

- Q3 2021 actuals show a significant improvement in profitability in this segment: '4d1c5348b743e82da2fdd3e50a160365' reports a PBT of Rs. 41 crores for Q3, compared to Rs. 14 crores in the same quarter the previous year. This indicates substantial progress towards profitability.

['Q1', '2022']:

- The provided Q1 2022 data doesn't contain specific information on the profitability of the films and television segments.

['Q4', '2021']:

- In Q4 FY21, the films, television and series vertical crossed the 100 Crores annual revenue number and delivered a 15% margin as committed.

['Q2', '2021']:

- The provided data shows that the company's consolidated EBITDA in Q2 FY21 was INR (7) Mn and Net Profit was INR (92) Mn indicating a loss. This suggests the profitability target was not met in Q2 2021.

- **Evaluation:**

- {'evaluation': 'Did not meet expectations', 'evaluation_reason': 'The Q2 2021 results show a loss in the films and television segment, failing to meet the management's guidance of profitability before the year's end.'}

4. New Content Investment and Market Share Goals

- **Narrative:** Saregama outlines its strategy for new content investment and its ambitions for market share in the new music market.

- **Management's Guidance:**

- The company plans significant investment in new content to gain a competitive edge. Saregama aims to capture at least 20% of the new music market (estimated at Rs. 380-400 Crores), with potential adjustments based on performance.

- **Actual Results:**

['Q3', '2021']:

- No direct data on market share capture or the impact of new content investment is available in the provided Q3 2021 actuals.

['Q1', '2022']:

- The Q1 2022 data doesn't provide specific market share data for Saregama in the new music market, but it mentions that Saregama has a market share of over 20% in Bhojpuri & Gujarati new music releases on YouTube.

['Q4', '2021']:

- The provided data does not contain specific information on Saregama's market share in the new music market in Q4 2021. Therefore, no actual results can be reported.

['Q2', '2021']:

- The provided data does not offer information on market share captured or the impact of new content investments on revenue in Q2 2021.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'The provided Q2 2021 data does not contain information on market share or the impact of new content investment, making evaluation impossible.'}

5. Internal Investment Payback Period

- **Narrative:** Saregama highlights its internal benchmark for investment returns.

- **Management's Guidance:**

- The company targets a maximum five-year payback period for its investments and is willing to adjust its pace if this benchmark is not met.

- **Actual Results:**

['Q3', '2021']:

- No data on actual investment payback periods is present in the provided Q3 2021 actuals.

['Q1', '2022']:

- The Q1 2022 data does not provide information on the actual payback period for Saregama's investments. However, it mentions that 48% of the cost of content is written off in the first year. This suggests a faster write-off than the initially stated five-year target, but does not directly address the overall payback period.

['Q4', '2021']:

- The provided data does not offer specific information on the actual payback periods of Saregama's investments in Q4 2021. Therefore, no actual results can be reported.

['Q2', '2021']:

- The provided data does not contain specific information allowing assessment of the payback period of investments in Q2 2021.

- **Evaluation:**

- {'evaluation': 'Cannot be Evaluated', 'evaluation_reason': 'The provided Q2 2021 data lacks information on the actual payback period of investments, preventing an evaluation against the management's target.'}