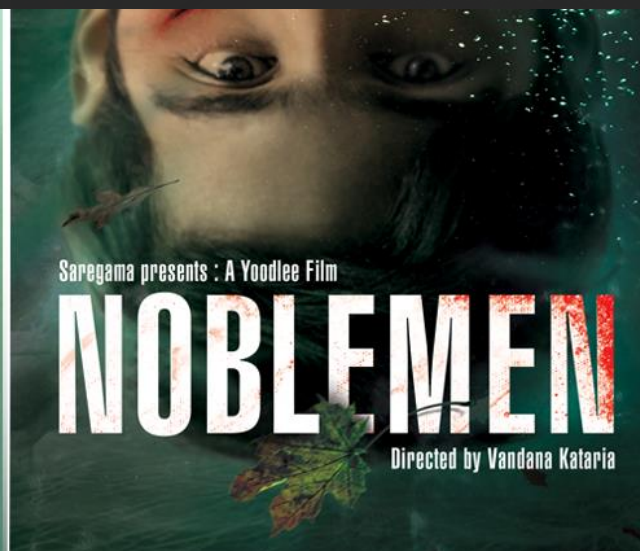


# SAREGAMA INDIA LIMITED

Q1 / FY20 EARNINGS PRESENTATION







# 2 NATIONAL FILM AWARDS



# HAMID

SAREGAMA PRESENTS A YOODLEE FILM

DIRECTED BY AIJAZ KHAN



# Snapshot



India's oldest music label and youngest film production house



High Dividend Yield and a Zero Debt Company



Strong and professional management team with experienced stalwarts from the entertainment industry



Owning Intellectual Property (IP) rights for more than 120,000 songs, 5800+ hours of television serials and 25 movies



India's first song was recorded in 1902 under the company's erstwhile label - HMV



Digital licensing agreements across global OTT platforms, TV channels, radio stations, telcos



Revolutionary product Carvaan: Digital Music Player with 5000 preloaded songs, easy UI and high quality speakers

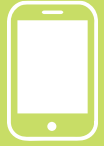


Leading producer in terms of number of hours of content produced for Tamil television serials



Producing digital thematic films targeted at the youth segment

# Strategic Overview



Rising Smartphone  
Ownership  
450-500M



Falling  
Data Prices  
>Rs3/GB



Falling Piracy



Rising Individual  
based Content  
Consumption

## Content Consumption thru Legal means Going Up

- Indians spent 30% of their phone time on entertainment
- 325M people viewed video online in 2018 growing @25%
- Avg. data consumption went from 4 to 8 GB/pm

## Greater Monetisation opportunities for Premium Content IP Owners

## Advantage Saregama

120k songs IP across 18 Indian languages

+

*20% Market Share in New Film Music in next 3 yrs*

25 Films IP

+

50 New Films over next 3 years

5800+ hrs of Tamil serial content IP

+

1800 hours of new content over next 3 yrs

# Strategic Overview

Saregama's long term strategy : To be a Pure Play Content Company capitalising on the global data driven entertainment boom

**Diversified monetisation of Existing IP to fund IP Creation for Future**

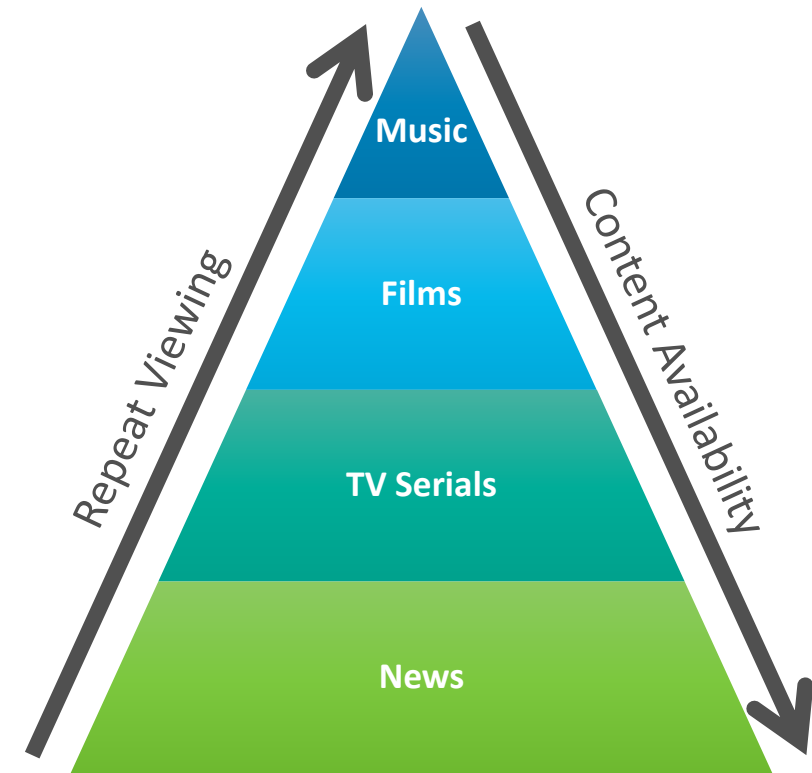
## IP Monetisation

Higher monetisation of existing content through:

- 1 Greater presence on 3rd party digital and TV platforms globally
- 2 launch of Saregama branded physical products with embedded music

## IP Creation

- 1 New film music acquisition across Hindi, Tamil, Marathi and other languages
- 2 Production of thematic films / series targeted at youth consuming on digital platforms
- 3 TV programs in South Indian languages

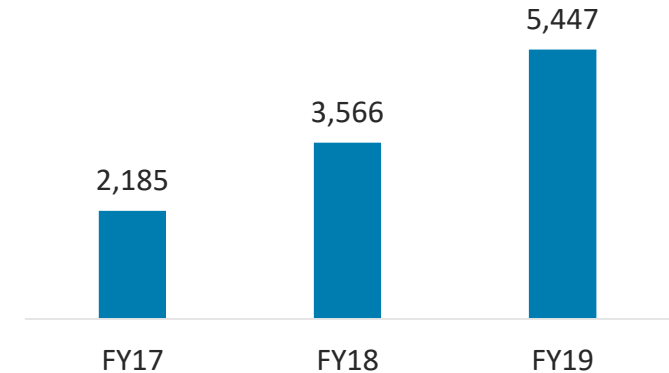


# Company Overview

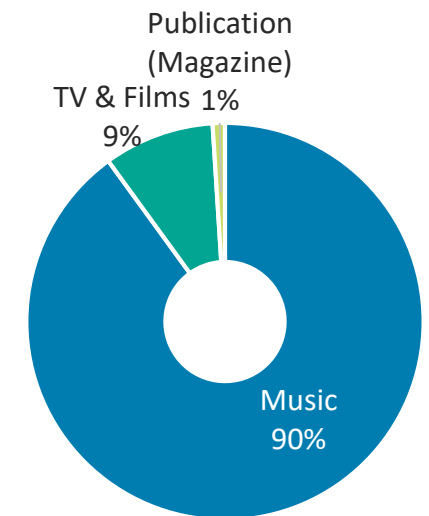


- Saregama India Ltd., an RP Sanjiv Goenka Group Company, is India's oldest music label, youngest film studio and a multi-language TV content producer. Over the years, the Company has expanded its business from audio to home video, publishing, digital, events, films production and distribution and audio visuals.
- The Company has a music library of 1.2 lakh songs, covers 18 languages spread across eight music categories – Bollywood, regional films, ghazals, devotional classical, Indian pop and kids music.
- Since 2017, Saregama has been making headlines again owing to the launch of two unique initiatives, Saregama Carvaan and Yoodlee Films.
- Carvaan is a perfect blend of digital technology and a retro form factor with preloaded songs, in less than a year from its launch, it is now Saregama's flagship product.
  - Carvaan, Carvaan Premium, Carvaan Gold and Carvaan mini are portable digital music players that come with features such as Bluetooth, USB, FM/AM and a collection of in-built songs.
  - Carvaan Go is personal digital audio player comes with features like 3.5mm audio jack, Bluetooth, Support for micro SD card, FM/AM and playlist designed for every genre, Legendary artist and nightmode Speaker.
  - Carvaan 2.0 is blend of Carvaan +Wi-Fi podcast along with standard carvaan features daily updated 150+ Wi-Fi based audio stations are available.
- Yoodlee Films, Saregama's film production arm is positions as writers studio. The films produced by the studio are driven by the powerful stories targeted at young audiences across the words who primarily consume content on personal devices
- 5,800+ hours of Tamil serial programming telecast on Sun TV and features in top 3 slots of afternoon prime time.

Consolidated Revenues  
(In INR Mn)



Segmental Revenue Breakup  
Consolidate FY19



# Business Verticals

Saregama is the pioneer of the Indian music industry and has evolved into a premier diversified content player with Intellectual property rights of songs, TV serials, movies having presence across platforms like television, radio, digital, telecom, etc.

## Business Verticals



### Music Segment

FY19 Revenue Share

90%

- Includes intellectual property monetisation of music content.
- The Company owns global and perpetual rights for over 120,000 songs.
- The revenue is driven from various B2B partners like streaming online platforms, radio, television, caller ring tone, Youtube, brand advertisements, films, etc.
- The Company launched its revolutionary product 'Carvaan' in 2017, an innovative audio player with preloaded songs and other features like USB and FM radio which has been highly acclaimed and has taken the market by storm.



### TV & Films Segment

FY19 Revenue Share

9%

- This segment has leadership in Tamil Sun Network channels and has been producing content for Sun TV for last 18 years and broadcast 3-4 serials on Sun TV at any given time
- Company owns rights to 5,800+ hours of Tamil Series
- Yoodlee Films is the production division which focuses on thematic digital films in all languages with tightly controlled budgets



### Publications Segment

FY19 Revenue Share

1%

- This segment includes the publication of "Open" Magazine and a weekly current affairs and features magazine.
- "Open" has sustained circulation and ad revenues with an association of premium brands including Audi, Omega, Volkswagen, Toyota, Honda, Samsung, Airtel, IBM, HP, TAJ, ITC, Skoda, etc.

The background image is a composite of two scenes. The top scene shows two people in business attire standing and looking at a laptop screen. The bottom scene shows a hand holding a pen, pointing at a document with various financial charts, including pie charts and bar graphs. A tablet is also visible on the desk. The entire image has a green-to-teal color gradient overlay.

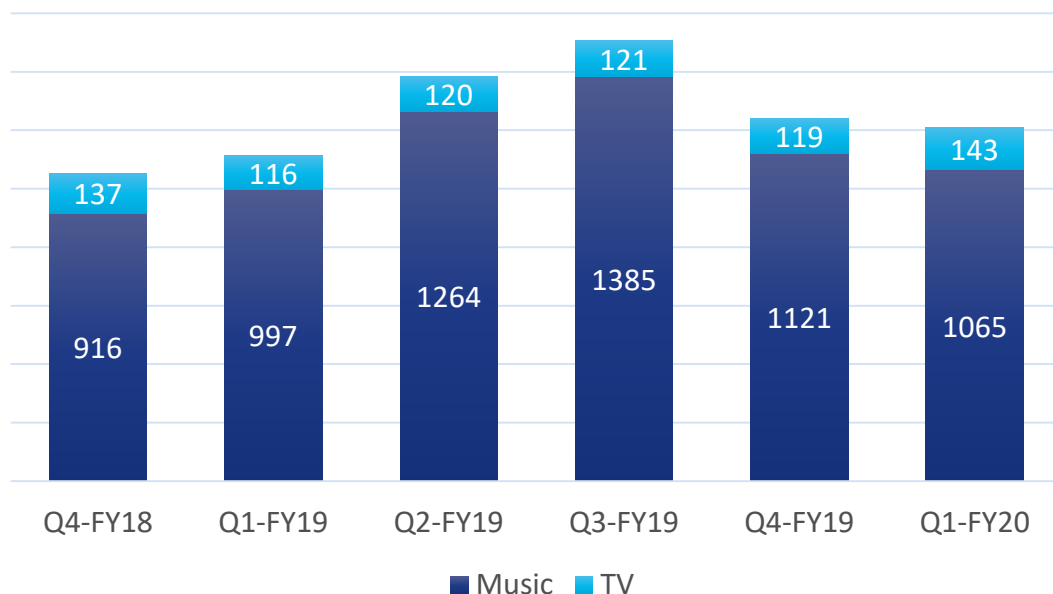
# Financial Highlights



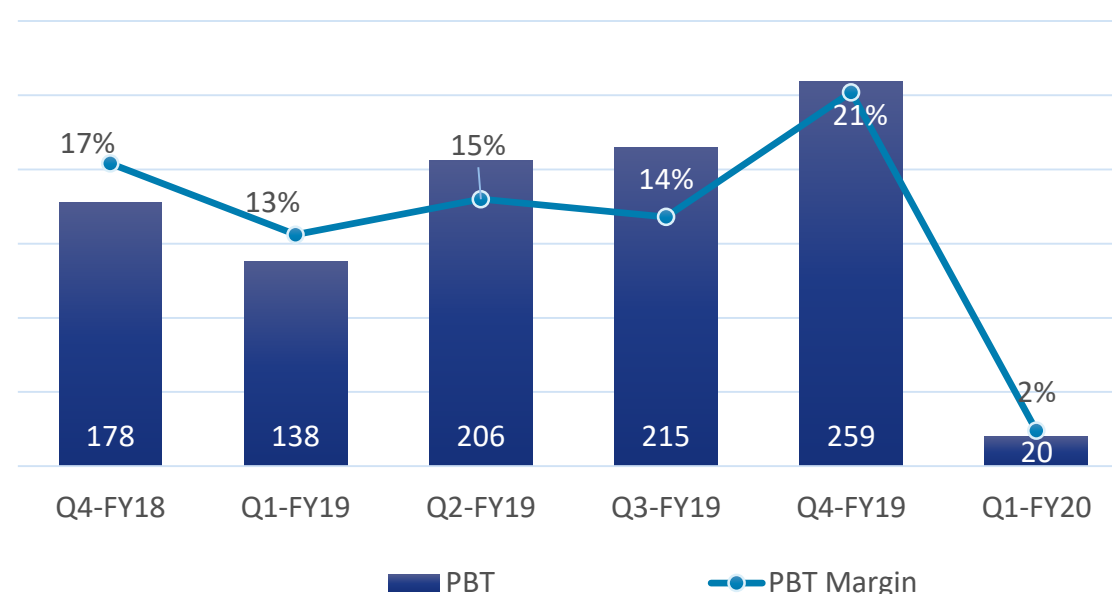
# Quarterly Financial Summary-Standalone

| Particulars (INR Mn)                | Q1-FY20 | Q4-FY19 | Q-o-Q Growth | Q1-FY19 | Y-o-Y |
|-------------------------------------|---------|---------|--------------|---------|-------|
| <b>Revenues</b>                     |         |         |              |         |       |
| • Music                             | 1065    | 1121    | -5%          | 997     | 7%    |
| • TV & Films                        | 143     | 119     | 20%          | 116     | 23%   |
| <b>Total Revenue from Operation</b> | 1208    | 1240    | -3%          | 1113    | 9%    |
| <b>PBT</b>                          | 20      | 259     | -92%         | 138     | -86%  |
| <b>PAT</b>                          | 5       | 161     | -97%         | 86      | -94%  |

Revenue (INR Mn)



PBT (INR Mn) & PBT Margin



# Financial Performance- Standalone Quarterly



| Particulars (INR Mn)                                     | Q1-FY20     | Q4-FY19      | Q-o-Q Growth | Q1-FY19      | Y-o-Y Growth |
|--|-------------|--------------|--------------|--------------|--------------|
| <b>Revenue from Operations</b>                           | <b>1208</b> | <b>1,240</b> | <b>-3%</b>   | <b>1,113</b> | <b>9%</b>    |
| Other Income#  | 32          | 119          | -73%         | 431          | -93%         |
| <b>Total Revenue</b>                                     | <b>1240</b> | <b>1,359</b> | <b>-9%</b>   | <b>1,544</b> | <b>-20%</b>  |
| Total Expenses   | 1190        | 1077         | 10%          | 1382         | -14%         |
| EBITDA   | 50          | 282          | -82%         | 162          | -69%         |
| <i>EBITDA Margin (%)</i>                                 | <i>4%</i>   | <i>23%</i>   |              | <i>15%</i>   |              |
| Depreciation   | 11          | 4            | 175%         | 9            | 22%          |
| Finance Cost   | 19          | 19           | 0%           | 15           | 27%          |
| PBT  | 20          | 259          | -92%         | 138          | -86%         |
| Tax  | 15          | 98           |              | 52           |              |
| <b>PAT</b>   | <b>5</b>    | <b>161</b>   | <b>-97%</b>  | <b>86</b>    | <b>-94%</b>  |
| <i>PAT Margin (%)</i>                                    | <i>1%</i>   | <i>13%</i>   |              | <i>5%</i>    |              |
| Comprehensive Income                                     | -5          | 96           |              | -59          |              |
| Total Profit including Comprehensive Income( Net of tax) | -0.4        | 257          |              | 27           |              |
| <b>Diluted EPS</b>                                       | <b>0.29</b> | <b>9.24</b>  | <b>-97%</b>  | <b>4.93</b>  | <b>-94%</b>  |

# In Q1 FY19 Other Income includes Rs.340 Mn estimated Insurance claim receivable & Total Expense includes Rs. 376 Mn towards cost of damaged stocks because of fire in the warehouse.

# Financial Performance- Consolidated Quarterly



| Particulars (INR Mn)           | Q1-FY20      | Q4-FY19     | Q-o-Q Growth | Q1-FY19     | Y-o-Y Growth |
|--------------------------------|--------------|-------------|--------------|-------------|--------------|
| Music                          | 1102         | 1127        | -2%          | 1036        | 6%           |
| TV & Films                     | 143          | 119         | 20%          | 116         | 23%          |
| Publication                    | 14           | 21          | -33%         | 15          | -7%          |
| <b>Revenue from Operations</b> | <b>1259</b>  | <b>1267</b> | <b>-1%</b>   | <b>1167</b> | <b>8%</b>    |
| Other Income#                  | 22           | 124         | -82%         | 420         | -95%         |
| <b>Total Revenue</b>           | <b>1281</b>  | <b>1391</b> | <b>-8%</b>   | <b>1587</b> | <b>-19%</b>  |
| Total Expenses                 | 1248         | 1104        | 13%          | 1424        | -12%         |
| EBITDA                         | 33           | 287         | -89%         | 163         | -80%         |
| <i>EBITDA Margin (%)</i>       | <i>3%</i>    | <i>23%</i>  |              | <i>14%</i>  |              |
| Depreciation                   | 12           | 5           | 140%         | 10          | 20%          |
| Finance Cost                   | 19           | 19          | 0%           | 15          | 27%          |
| <b>PBT</b>                     | <b>2</b>     | <b>263</b>  | <b>-99%</b>  | <b>138</b>  | <b>-99%</b>  |
| Tax                            | 14           | 98          | -86%         | 52          | -73%         |
| <b>PAT</b>                     | <b>-12</b>   | <b>165</b>  |              | <b>86</b>   |              |
| <b>Diluted EPS</b>             | <b>-0.74</b> | <b>9.72</b> |              | <b>4.95</b> |              |

# In Q1 FY19 Other Income includes Rs.340 Mn estimated Insurance claim receivable & Total Expense includes Rs. 376 Mn towards cost of damaged stocks because of fire in the warehouse



A close-up photograph of a hand holding a metal rod with a decorative, possibly engraved, pattern. The image is overlaid with a green and blue gradient, creating a semi-transparent effect. The text "Operational Highlights" is centered over the image.

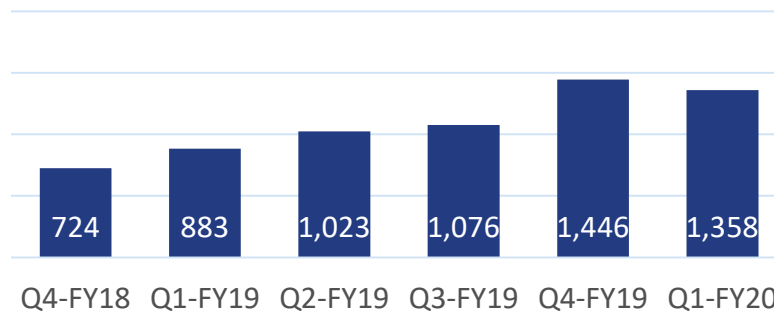
# Operational Highlights

# Music Segment Operational Highlights

New content investment steadily going up. Saregama invested Rs.56 Mn in FY18 and Rs.324 Mn in FY19 in new music rights acquisition

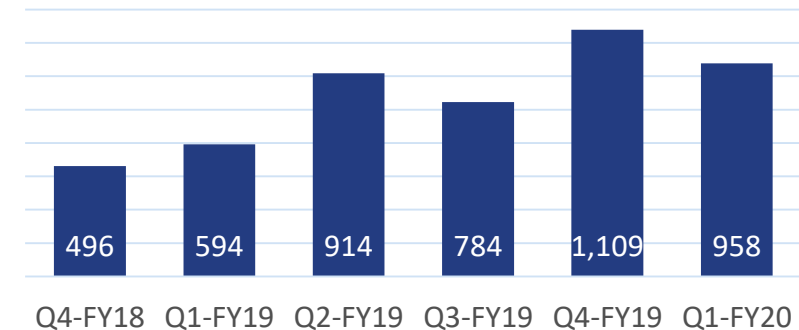


OTT Streams (Mn) per Quarter



Nos. till Q4 are Actualised and Q1 Nos. included estimated Nos.

YouTube Views (Mn) per Month

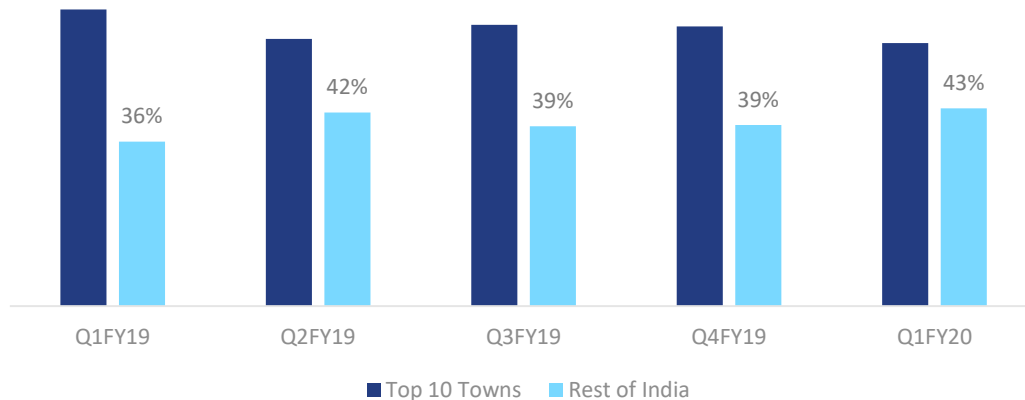


Views count is from 25 Channel owned by Saregama

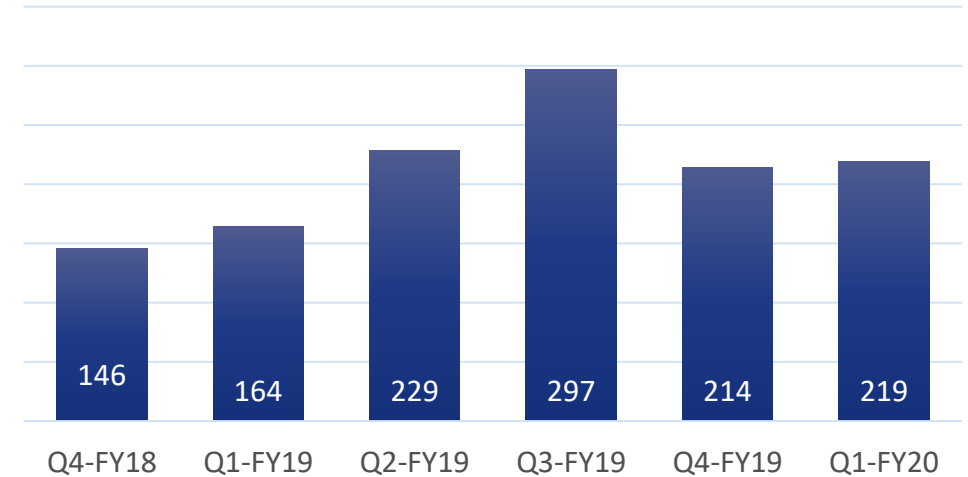
# Music Segment Operational Highlights

- Sales kept steady inspite of falling store footfalls
- Focus on increasing mid to small towns penetration
  - Awareness creation
  - Distribution network expansion
  - Manpower
- Two new variant launched
  - Go helps reduce the entry price
  - Carvaan 2.0 helps widen the product appeal by offering non-music content targeted at different age groups

Sales Share in Top 10 Towns vs Smaller Towns



Carvaan Sales (units '000s)



2.2K new billing dealers added in Q4 total 24.7K dealers

Gross margin for Carvaan is 25% in Q1 of FY-20.

## Future Outlook:

Carvaan Karaoke to be launched this festival season

Annual Estimates for FY 20: 1200K units



# Films & TV Segment Operational Highlights

## Film Business

### Hamid:

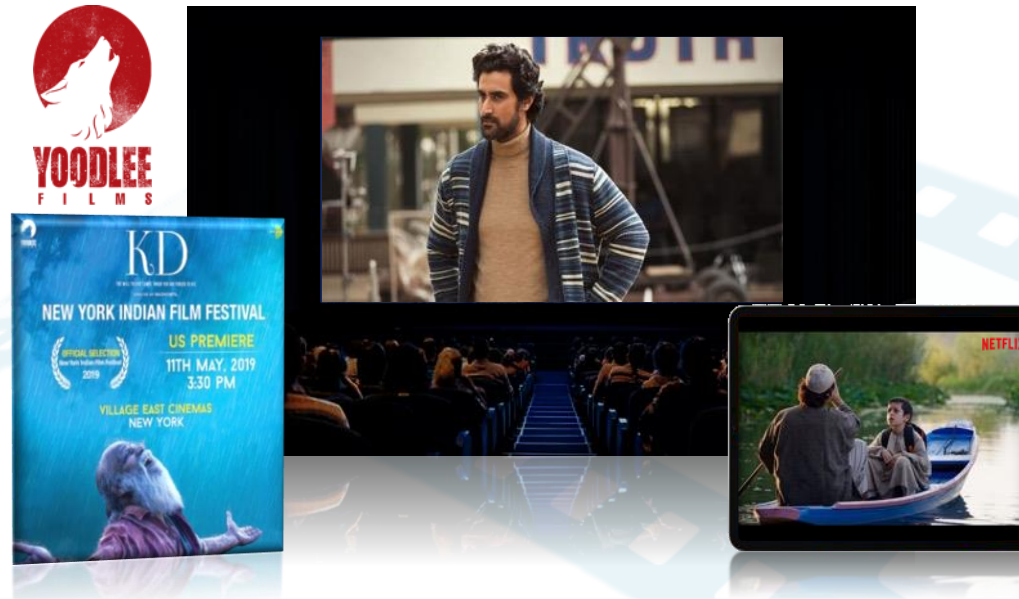
- Released on Netflix and is trending
- 2 National Film Awards

### Noblemen

- Limited release in theatres. Rave reviews. Licensed to Netflix

### KD

- New York Indian Film Festival
- Ottawa Indian Film Festival



### Future Outlook

- 12 movie output deal with leading Indian broadcaster/ Digital platform.
- Another deal on the cards

## Future Outlook:

### Q1-FY20 Operational Highlights:

- Roja running successfully in three languages in Sun TV (Tamil), Gemini TV (Telugu) and Udaya TV (Kannada)
- Revenue pressure continues
- Monetisation of our popular Shows on our YT Channel.



### Future Outlook

- Next 2 quarters should be better due to festival related increased advertising spends

The background of the slide is a composite image with a green and teal color scheme. It features a blurred image of a person in a business suit on the left. Overlaid on this are various financial data visualizations, including a bar chart with a value of 12195.37, a line graph, and a candlestick chart. The text 'Financial Overview' is centered in a white, sans-serif font.

# Financial Overview

# Standalone Income Statement



| Particulars (INR Mn)                          | FY19         | FY18         | FY17         |
|---|--------------|--------------|--------------|
| Revenue from Operations                       | 5,244        | 3,456        | 2,081        |
| Other Income#                                 | 595          | 142          | 159          |
| <b>Total Revenue</b>                          | <b>5,839</b> | <b>3,598</b> | <b>2,240</b> |
| Total Expenses                                | 4,920        | 3,115        | 2,003        |
| <b>EBITDA</b>                                 | <b>919</b>   | <b>483</b>   | <b>237</b>   |
| <b>EBITDA Margin (%)</b>                      | <b>18%</b>   | <b>14%</b>   | <b>11%</b>   |
| Depreciation                                  | 30           | 38           | 41           |
| Finance Cost                                  | 66           | 34           | 23           |
| <b>PBT</b>                                    | <b>823</b>   | <b>411</b>   | <b>173</b>   |
| Tax   | 304          | 106          | 73           |
| PAT   | 519          | 305          | 100          |
| PAT Margins                                   | 9%           | 8%           | 5%           |
| Other Comprehensive Income                    | -16          | 136          | 1,301        |
| <b>Total Comprehensive Income (After Tax)</b> | <b>503</b>   | <b>441</b>   | <b>1,401</b> |
| <b>Diluted EPS (INR)</b>                      | <b>29.8</b>  | <b>17.5</b>  | <b>5.7</b>   |

# In FY2018-19 other income includes Rs. 322 MN estimated Insurance claim receivable & Total Expense includes Rs. 376Mn towards cost of damaged stocks because of fire in the warehouse.



# Standalone Balance Sheet

| Equity and Liabilities (INR Mn)    | FY19         | FY18         | FY17         |
|------------------------------------|--------------|--------------|--------------|
| <b>Shareholders Fund</b>           |              |              |              |
| (a) Equity Share Capital           | 174          | 174          | 174          |
| (b) Other Equity                   | 4087         | 3,647        | 3,236        |
| <b>Net worth</b>                   | <b>4261</b>  | <b>3,821</b> | <b>3,410</b> |
| <b>Non Current Liabilities</b>     |              |              |              |
| (a) Employee Benefit Obligations   | 25           | 21           | 19           |
| (b) Deferred tax liabilities (Net) | 557          | 456          | 424          |
|                                    |              |              |              |
| <b>Current Liabilities</b>         |              |              |              |
| (a) Financial Liabilities          |              |              |              |
| (i) Borrowings                     | 608          | 129          | -            |
| (ii) Trade Payables                | 526          | 386          | 371          |
| (iii) Other Financial Liabilities  | 411          | 347          | 115          |
| (b) Other Current Liabilities      | 166          | 116          | 68           |
| (c) Provisions                     | 356          | 359          | 262          |
| (d) Employee Benefit Obligation    | 8            | 7            | 16           |
|                                    |              |              |              |
| <b>Total</b>                       | <b>6,918</b> | <b>5,642</b> | <b>4,685</b> |

| Assets (INR Mn)                                   | FY19         | FY18         | FY17         |
|---|--------------|--------------|--------------|
| <b>Non Current Fixed Assets</b>                   |              |              |              |
| (a) Property, Plant and Equipment                 | 2056         | 1,881        | 1,893        |
| (b) Investment Properties                         | 24           | 24           | 25           |
| (c) Intangible assets                             | 69           | 61           | 62           |
| (d) Investments in subsidiaries and Joint Venture | 158          | 155          | 155          |
| (e) Financial Assets                              |              |              |              |
| (i) Investments                                   | 1,212        | 1,234        | 1,076        |
| (ii) Loans  | 46           | 34           | 42           |
| (iii) Other Financial Assets                      | -            | -            | -            |
| (f) Other Non Current Assets                      | 15           | 112          | 19           |
| <b>Current Assets</b>                             |              |              |              |
| (a) Inventories                                   | 924          | 473          | 99           |
| (b) Financial Assets                              |              |              |              |
| (i) Trade Receivables                             | 1129         | 781          | 556          |
| (ii) Cash and cash equivalents                    | 15           | 64           | 156          |
| (iii) Bank Balances other                         | 18           | 16           | 1            |
| (iv) Loans  | 13           | 5            | 28           |
| (v) Other Financial Assets                        | 1            | 1            | 1            |
| (c) Current Tax Assets (Net)                      | 336          | 414          | 413          |
| (d) Other Current Assets                          | 902          | 387          | 159          |
| <b>Total</b>                                      | <b>6,918</b> | <b>5,642</b> | <b>4,685</b> |

# Consolidated Income Statement



| Particulars (INR Mn)                   | FY19         | FY18         | FY17         |
|--|--------------|--------------|--------------|
| Revenue from Operations                | 5447         | 3,566        | 2,185        |
| Other Income #                         | 564          | 102          | 133          |
| <b>Total Revenue</b>                   | <b>6,011</b> | <b>3,668</b> | <b>2,318</b> |
| Total Expenses                         | 5,065        | 3,203        | 2,090        |
| EBITDA                                 | 946          | 465          | 228          |
| EBITDA Margin (%)                      | 17%          | 13%          | 10%          |
| Depreciation                           | 33           | 42           | 44           |
| Finance Cost                           | 66           | 34           | 24           |
| <b>PBT</b>                             | <b>847</b>   | <b>389</b>   | <b>160</b>   |
| Tax                                    | 304          | 106          | 73           |
| <b>PAT</b>                             | <b>543</b>   | <b>283</b>   | <b>87</b>    |
| PAT Margins                            | 9%           | 8%           | 4%           |
| Other Comprehensive Income             | -13          | 164          | 1,402        |
| Total Comprehensive Income (After Tax) | 530          | 447          | 1,489        |
| Diluted EPS (INR)                      | 31.2         | 16.2         | 4.9          |

# In FY2018-19 other income includes Rs. 322 Mn estimated Insurance claim receivable & Total Expense includes Rs. 376Mn towards cost of damaged stocks because of fire in the warehouse.

# Consolidated Balance Sheet



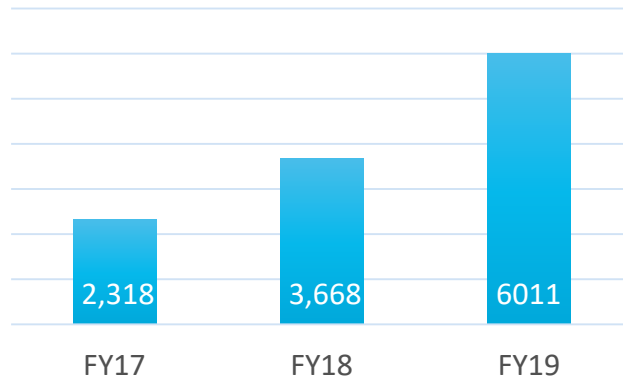
| Equity and Liabilities (INR Mn)    | FY19         | FY18        | FY17         |
|------------------------------------|--------------|-------------|--------------|
| <b>Shareholders Fund</b>           |              |             |              |
| (a) Equity Share Capital           | 174          | 174         | 174          |
| (b) Other Equity                   | 4107         | 3,643       | 3,223        |
| <b>Net worth</b>                   | <b>4281</b>  | <b>3817</b> | <b>3397</b>  |
| (c) Non Controlling Interest       | 26           | 23          | 25           |
| <b>Non Current Liabilities</b>     |              |             |              |
| (a) Employee Benefit Obligations   | 28           | 24          | 22           |
| (b) Deferred tax liabilities (Net) | 581          | 479         | 444          |
|                                    |              |             |              |
| <b>Current Liabilities</b>         |              |             |              |
| (a) Financial Liabilities          |              |             |              |
| (i) Borrowings                     | 638          | 159         | 30           |
| (ii) Trade Payables                | 564          | 404         | 384          |
| (iii) Other Financial Liabilities  | 421          | 359         | 125          |
| (b) Other Current Liabilities      | 183          | 149         | 91           |
| (c) Provisions                     | 357          | 361         | 263          |
| (d) Employee Benefit Obligation    | 9            | 8           | 16           |
|                                    |              |             |              |
| <b>Total</b>                       | <b>7,088</b> | <b>5783</b> | <b>4,797</b> |

| Assets (INR Mn)                                   | FY19         | FY18        | FY17         |
|---|--------------|-------------|--------------|
| <b>Non Current Fixed Assets</b>                   |              |             |              |
| (a) Property, Plant and Equipment                 | 2057         | 1884        | 1897         |
| (b) Investment Properties                         | 24           | 24          | 25           |
| (c) Intangible assets                             | 71           | 65          | 67           |
| (d) Investments in subsidiaries and Joint Venture | -            | -           | -            |
| (e) Financial Assets                              |              |             |              |
| (i) Investments                                   | 1483         | 1510        | 1316         |
| (ii) Loans  | 49           | 40          | 47           |
| (iii) Other Financial Assets                      | -            | -           | -            |
| (f) Other Non Current Assets                      | 16           | 112         | 20           |
| <b>Current Assets</b>                             |              |             |              |
| (a) Inventories                                   | 963          | 493         | 103          |
| (b) Financial Assets                              |              |             |              |
| (i) Trade Receivables                             | 1098         | 730         | 523          |
| (ii) Cash and cash equivalents                    | 50           | 92          | 190          |
| (iii) Bank Balances other                         | 18           | 16          | 1            |
| (iv) Loans  | 2            | 2           | 27           |
| (v) Other Financial Assets                        | 0            | 0           | -            |
| (c) Current Tax Assets (Net)                      | 349          | 423         | 419          |
| (d) Other Current Assets                          | 908          | 392         | 162          |
| <b>Total</b>                                      | <b>7,088</b> | <b>5783</b> | <b>4,797</b> |

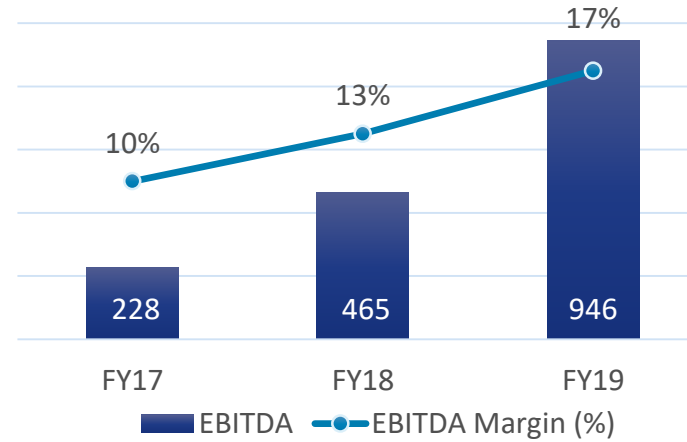


# Financial Charts (Consolidated)

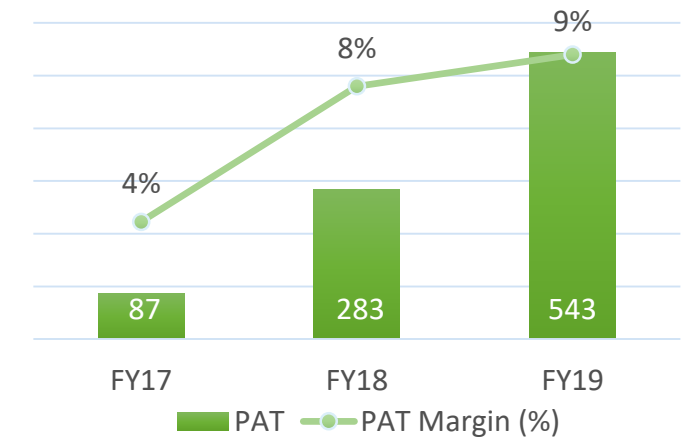
## Total Revenue (INR Mn)



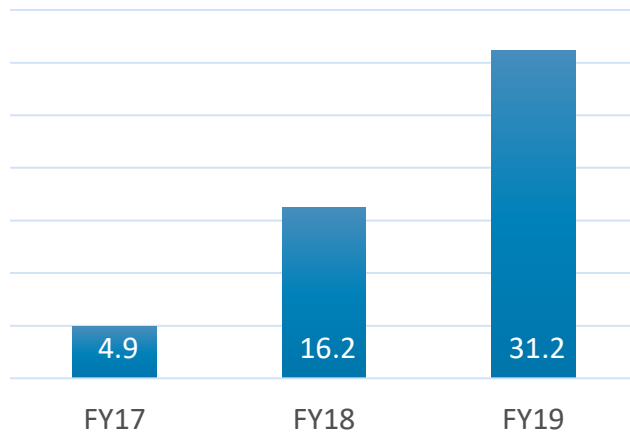
## EBITDA and EBITDA Margin (%)



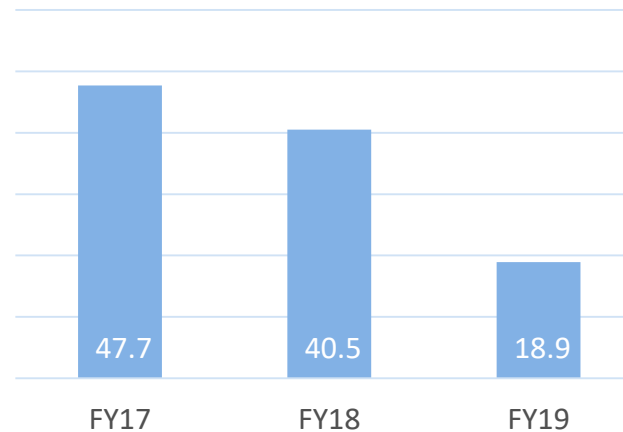
## PAT and PAT Margin (%)



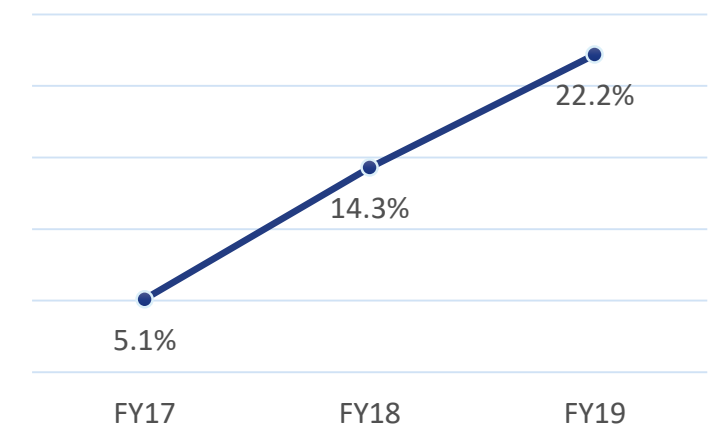
## Diluted EPS (INR)



## PE Ratio

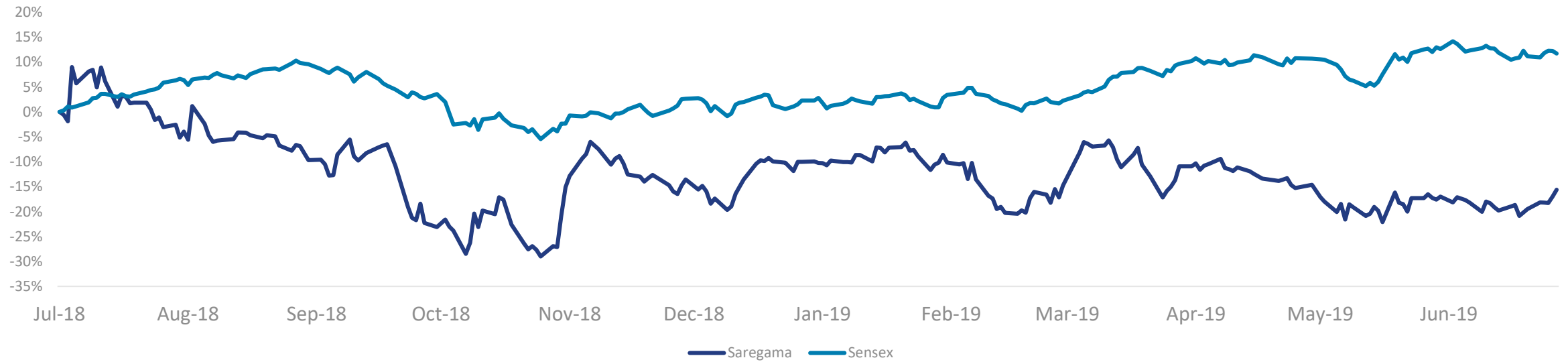


## ROCE%\*



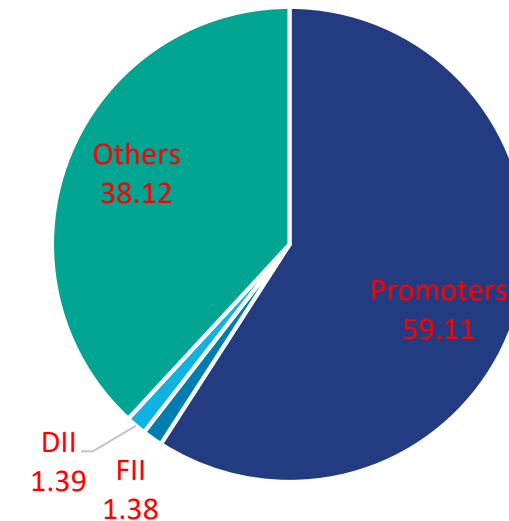
\*Capital Employed = share capita. security premium & free reserves

# Capital Market Data



| Price Data (As of 30 <sup>th</sup> June, 2019) |  | INR         |
|--|--|-------------|
| Face Value                                     |  | 10          |
| Market Price                                   |  | 576.0       |
| 52 Week H/L                                    |  | 755.0/461.5 |
| Market Cap (INR Mn)                            |  | 9,744       |
| Equity Shares Outstanding (Mn)                 |  | 174         |
| 1 Year Avg. Trading Volume ('000)              |  | 39.9        |

Shareholding Pattern as on 30<sup>th</sup> June, 2019



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