



Investors Update
Q2 FY`17-18







## **Cautionary Statement**

Statement in this "Management Discussion and Analysis" describing the company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities law and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include demand supply conditions, finished goods prices, availability and prices of raw materials, changes in the government regulations, tax regimes, economic development within India and the countries within which the company conducts business and other factors such as litigations and labor negotiations.

For enquiries mail us at investors\_relation@rpg.in





# Q2 17-18 Financial Performance

Rs. Lacs	Q2 17-18	Q2 16-17	% Growth YOY	Q1 17-18
<u>REVENUES</u>				
Music	7320	3123	134%	4551
TV Software	1126	1667	-32%	1653
Total	8446	4790	<b>76%</b>	6204
<u>EBIDTA</u>	1079	587	84%	836
<u>PBT</u>	901	361	150%	677
<u>PAT</u>	446	209	113%	330

Standalone basis

## <u>Highlights</u>

- Music Business grown by 134%
- B2C Music: 95k units of Carvaan & its variants sold
- B2B Music: Revenues grew by 19%
- TV Software business adversely effected by fall in advertising market. Temporary revenue deferment and not a permanent revenue decline





## **Strategic Direction**

Remain a pure play content company capitalising on the data boom globally, with focus on:

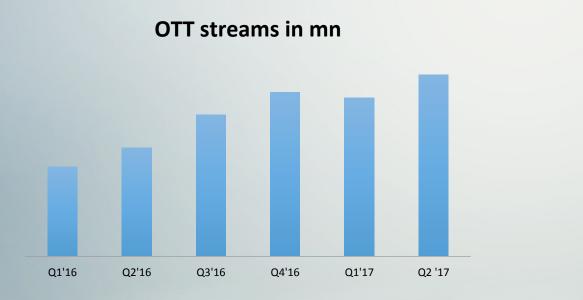
- Higher monetisation of existing IP

   (1.2L owned songs & 3000 hours of Tamil serials)
  - through greater presence on all 3<sup>rd</sup> party digital and TV platforms
  - launch of Saregama branded physical products with embedded music
- Building of new IP
  - through new film music acquisition across Hindi, Tamil and Marathi languages
  - TV programs in Tamil language
  - Low budget thematic films targeted at youth with primary exploitation on digital platforms





# Better Monetisation thru 3rd party digital / TV platforms





- B2B music income grew by 19%
- OTT income grew by 45% while Publishing income grew by 19%
- YT income also witnessed growth, while Telecom declined



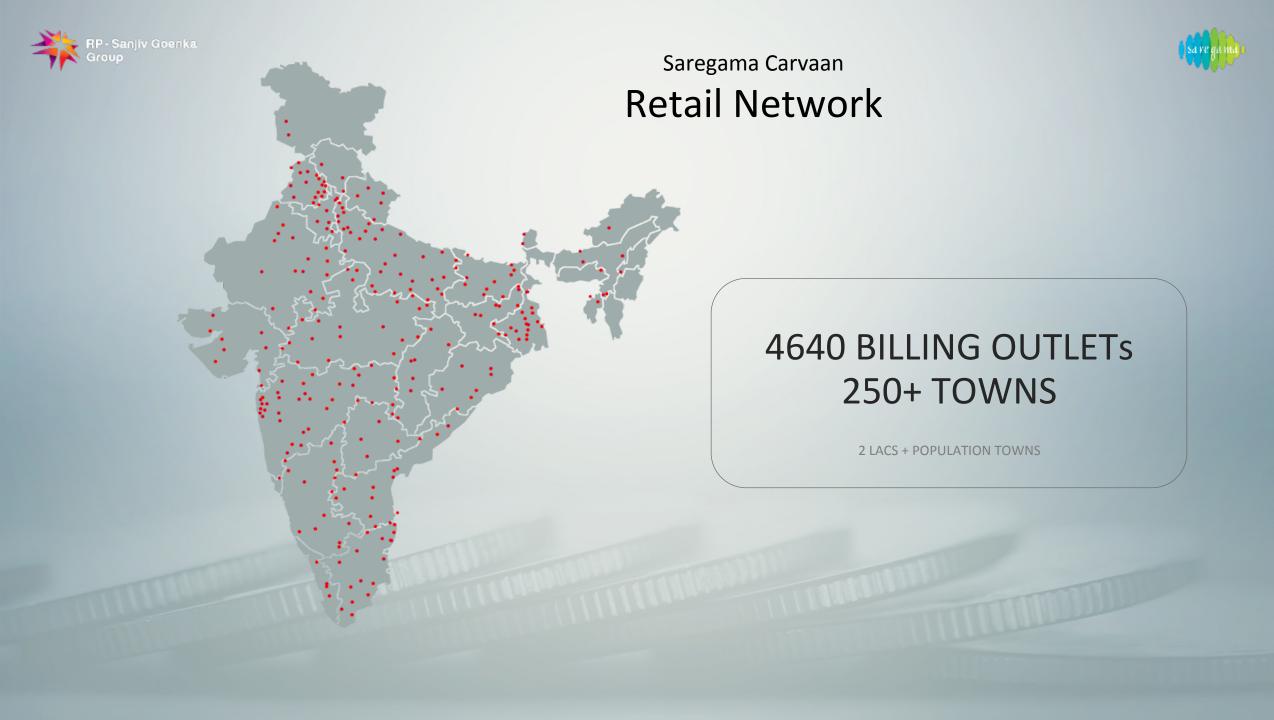
# Saregama Retail Products CARVAAN



- Carvaan: Portable digital audio player with in-built stereo speakers comes with 5000 greatest Hindi songs inside.
- Retailed thru 4640 retail outletss, e-commerce and electronic stores. Own sales force.
- Price increase taken Rs 6490 / 6990. Launch price was 5990
- Carvaan variant 'Mini' launched in Sep Rs 2490
- 95k units sold of Carvaan & Mini in Q2'18









### Saregama Carvaan

## Market Feedback

with Americ Sapara's productionard

mildiserbederice replex root

connectacy on life surer of the lest fire

from a phone or busin via Bhartooh

Savgana's managing director Vilenes

Melen says incuplance intentiew that Car-

tening to marrie rate. In 2015, Sampano.

label conducted against buryon may

ing santual watere 15 argroup.eye

concernption bullets. Obeself for emperiod-

couldn't access oil filed songon the horr-

methors must be a found the act of between to

which happen a to be induse added music

converting some transfer by ideas Is-

which, I must admit, recognitively did



#### The Telegraph

Mood, Once you get the hang of which control does what — the



# A classic comeback

Saregama's new Carvaan will make you fall in love with radio sets all over again





Loaded with 5.000 old Hindi songs, the brand new Saregama Carvaan brings back the radio days

BY SANKING TONISHED IN saltons polimers from

I was during one of my workened down timeseston with old friends generally chemicated by YouTube Chemicagoing and an unbeatily dose of Pla Station 4 that Iffeet unveiled the desice, fewayine what weoccledonal tiday tight who we wre-

hit ands CAspoler Aharda to 2018. Within the universe of Hoddin sings. Innic couppe, and computers so comber

DO AV MODRENI orja masken Omid Kaycom

THERE'S an inherent sense of roosance (and excitement) that a radio set evolus even in the age of live streaming podeast and smart watches, And, this was amply demonstrated when we ordered for Saregama's newly launched Carvaan, a radio cam music player, to our office. Compact, cutesy and portable, it made

rounds to almost every table.

The pelocred digital player - also available in electric bloc - pornes preloaded with 5,000 golden dassics. Divided into categories like artistes (Kishore Romar. Mangeshkar. Gerbrar. Kalyanji Anandii, generate others) mood (sad, happy, grazzi) and Ameen Sayant's Geetmala, it also has the option to tune

the newly national National Control of Control apovpotablemateplesewhelstada | 90s, the device allows you to blevar old codinger with highest-out, viewdal, an inhalt speaker and a most a room that displays the some of the wing being

is correctly available orders and in wheel decades, Tobecologic benest algorito, con

universisted in a address redybe Extable to have recentral over the most we listen became vergreen Kirbert Norwesong played one after the other. A feeling that had a back to the endogree parameters'

mercial-papaperory Francies

Pindulae

techilicious

arlecton artist or mood Oro-can ing voices from by Lon racks history

Therew nedeption private Ec. 980.

LauMange-Mondart, amelancholic Gesta Datt malady, a housting Hemant Jorson sore part of those appeal below also water which sungrame test, a feeking impossible too tired to light on the football field on | to remote on mainly pleafasts in strunging | circly those who live outside the mercu. amonde of it and the love which ongo appear to nex Dictionals, where con-

#### Audio Wizardry Nere's how you can make music a

shared experience...

The series in the form of the first the series of the seri

Does and otherwise to control to the amount of the delicities and otherwise the Does and the Doe

had been form to many page and participation of the form of the tage per moved. I note, using a feature at make the form quickers and a feature to the many participation of the many participation of the many participation of the many participation on the other many find them applicable on the feature made around the feature.

Buyete, it was of a secret if it will be the Water term or an input of a many a second a the South II. It is a replacement in the second a tarto proceso est suscentiardos en texares abecede se El registro describiros de los decembros qu

Bose SoundLink Revolve



000

LATE BANGESHAR

disdomarcos maio mine.

Shove a plin and wetakin.

rajiv makhni

Metastheorphotes the Indiannes of

Paring the survey, a commention relate

Superstandwithme Shewkithst or

for inchestance (Veridhillandi parameld

the bedutound the begrother processes.

party or parse. If the law consequence is the devices yellow party and against the consequence is the devices, was not consequence as the devices, was the consequence which are the devices and party of the devices are produced party of a result. Tight include and a sixth of the devices are party or deviced to the consequence of a few devices.

securities sector. Her section project for control of the control

forms, streaming approach in Supen and Gazna, You Take. ractio and referbless, to arrive at as Mehraputs in The \$1000

period lind sugreer". Ago ware that every time you play Car some They depended on their dulibres to | yans, the some playing different sequence It is obstrately see, but there's a lot of digital stuff inide." he says, For the design, they Carous and the enirgy bleening experience. Were for a churcky rotto lack it is at process exulable in Electric Hor and Porcelain Whitelast willown beset in other sintage prevolue, And Common Phaercherges life-furtery-thatfasts up to 3-bears.

benodingshik gravimsk saspingstala Carcumbas dispossatal to be a top-seletension thereal balled experience with Labbewes appin the target group and is a present-doctade-channels vill know that nolliny for younger mortal girls. Sampura actives suggisted is a time suprise. By who ended recording as blood darshads aftering gread-on the guideness of Bladi to BOC hadventrying or our ways out onbut- its in-

Stenesic Caron melewith two backet The term in Carvain would be collected at it is ner direcycus from various molo-phi-

When every other marketer is struggling to understand and attract milliennials and writermals towards their brands, you often wonder who's thinking about their seniors and super seniors. They make up 1/3rd of India's population, a significantly large

Advertising Digital Media Dunkers of Brands The Pitch-Report The People Report B

Carvaan: A product NOT targeted a

How Saregama is monetising traditional radio in a contemporary avatar without a

Shephala Martt | E75 modEquity | October 14, 1007, 1640 EST

() than tin do has (r) than (ii) | wheel

consumer group. And they have the spending power often found lacking in Gen Z. REVIEWS FEATURES OPINIONS PHOTOS VIDEOS ♥ PODCASTS COMPARE MOBILES PHONE FINE GAMING CAMERAS PCALAPTOPS ALDIDAVIDED HOW'TO TELECOM SCIENCE INDIA INTER

#### Saregama Carvaan Review: Retro Music in a Modern Package



#### HIGHLIGHTS

- The Saregama Canvaan is a Bluetooth speaker that looks. like an old radio
- It comes with 5,000 classic songs and radio commentary.
- It's available now for Rs. 5,990

The Carvaan is a new Bluetooth speaker released by the famous Indian music label Saregama. As you would expect from such as source, the Canvaan isn't just a simple speaker. It's got a number of interesting features built-in, most notable of which is that it comes with 5,000 classic Hindi songs, which you can listen to anytime you want to, without any Internet connection. The other thing that really stands out is the design of the speaker, which looks like a classic portable radio. While B&O's A2 is a modern and refined take on the concept, Saregama went with a chunky and boxy design for the Carvaan, which is decidedly retro.

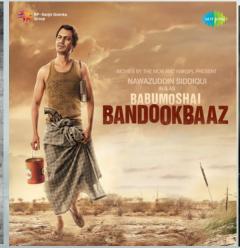




# Building IP New MUSIC

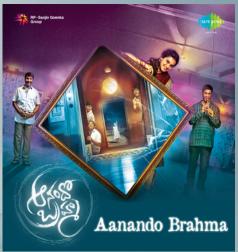
- 5 New films music acquired in the quarter. Audio and Music Video rights in perpetuity
- The strategy is to start slow, vet assumptions and start building up the slate over time

















- High TRPs across all serials
- Banked inventory expected to be liquidated over next 2 quarters



## Chandralekha

Daily Soap
Till 30<sup>th</sup> Sep
902 Episodes
Average TRP – 8



## Valli

Daily Soap Till 30<sup>th</sup> Sep 1456 Episodes Average TRP – 5



Jo Jo Laali
Till 30<sup>th</sup> Sep
124 Episodes
Average TRP – 1



# Building IP Films



- Data explosion resulting in growing demand for 'exclusive' content from all OTT players and TV channels
- Thematic films with tightly controlled budgets; targeted at 18-35 yrs segment; story and not the starcast being the hero
- Launched under sub-brand Yoodlee Films
- International audience also considered while selecting stories
- Risk hedging by keeping upfront talent cost low, and offering profit sharing
- Movies in all languages
- Promo www.youtube.com/Yoodleefilms



- 5 films ready. All shot in 18-21 days each
- First film theatrical release in Nov
- Launch of Brij Mohan Amar Rahein postponed to make Ajji the first release
- Ajji has received rave reviews from the leading foreign press
- Invited to the competitive sections of Busan, MAMI, Black Night festivals
- Ajji: Hollywood Reporter Review
- www.hollywoodreporter.com/review/ajji-film-reviewbusan-2017-1048999

# "One of India's strongest Independents this Year"

## THE HOLLYWOOD REPORTER

"MUST WATCH INDIE FILM OF THE YEAR"

SCREEN ANARCHY

"AJJI, IN A WAY, IS A FLESH AND BLOOD PRODUCT OF REALISM FILMS"

FILM COMPANION

"DIRECT AND EFFECTIVE"

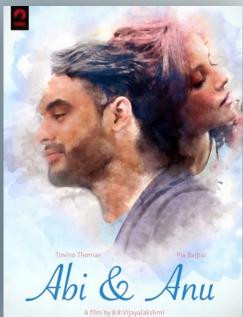
SCREEN DAILY

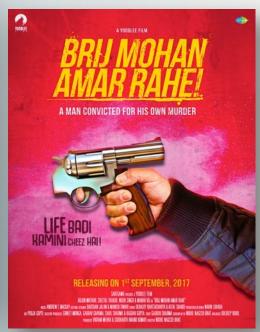




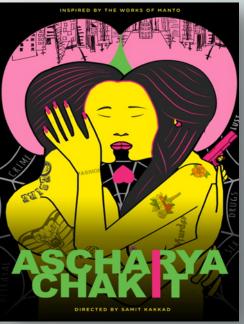
# Yoodlee Films 1st Slate

















# Publication Biz - Open Magazine

- Publication Biz in 100% subsidiary
- Sustained Circulation and Ad Revenues
- Association of premium brands
- No unprovided drag on financial results of parent Saregama





## Outlook - Music Business

#### Music B2B

- OTT & YouTube will continue double digit growth while Telecom will continue to decline
- Licensing arrangements with Amazon and Apple will result in additional revenues from Q4 onwards
- Acquisition of new music content will start helping publishing business to grow further
- Industry organization like PPL & IPRS will get strengthened, and will start contributing higher revenues by Q1 next year

#### **Music B2C**

- Sales of Carvaan and its variants will grow further in next few quarters
- ATL marketing activities to start by end of Q3 / early Q4
- Launch of Carvaan variants Tamil Carvaan, USA/UK version of Carvaan in Q3
- Improvement in gross margins expected with volumes





# Outlook - TV , Films & Publication Businesses

### **Television Business**

- South TV Banked inventory will start getting liquidated, offering higher margins
- Hindi TV conscious call to get out of all non IP business

## Films (Yoodlee)

- Release of 1<sup>st</sup> film in theatre in Q3
- SVoD / TV licensing deals will stat from end Q3 / early Q4
- Focus on building catalogue

### **Publication Business**

Achieve break even through subscription and ad revenues

