

# SAREGAMA INDIA LIMITED

Q4 / FY19 EARNINGS PRESENTATION







# 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, 5,700+ hours of television serials and 20 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



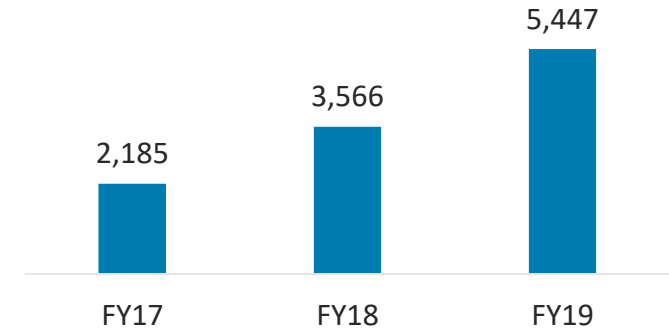
Producing digital thematic films targeted at the youth segment

# Company Overview

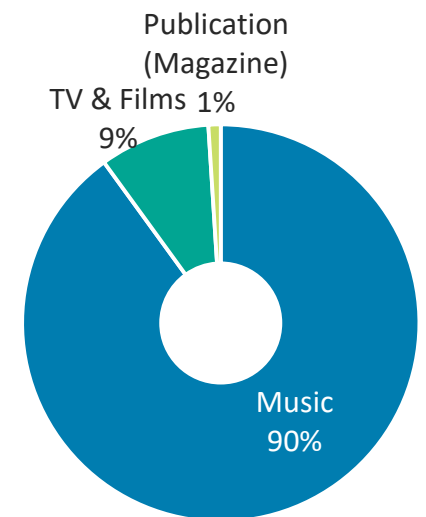


- Saregama India Ltd., an RP Sanjiv Goenka Group Company, is India's oldest music label, youngest film studio and a multi-language TV content producer. Over the years, the Company has expanded its business from audio to home video, publishing, digital, events, films production and distribution and audio 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, in less than a year from its launch, it is now Saregama's flagship product.
  - Saregama 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.
- Yoodlee Films, Saregama's film production arm is positioned as writers studio. The films produced by the studio are driven by the powerful stories targeted at young audiences across the world who primarily consume content on personal devices
- 5,700+ hours of Tamil serial programming telecast on Sun TV and features in top 3 slots of afternoon prime time.

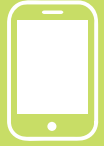
Consolidated Revenues from Operations  
(In INR Mn)



Segmental Revenue Breakup  
Consolidate FY19



# 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*

20 Films IP

+

50 New Films over next 3 years

5700+ hrs of Tamil serial content IP

+

1800 hours of new content over next 3 yrs

# Strategic Overview

Saregama's long term strategy is to be a pure play content company capitalising on the global data boom  
Diversified monetisation of Existing IP to fund IP Creation for Future

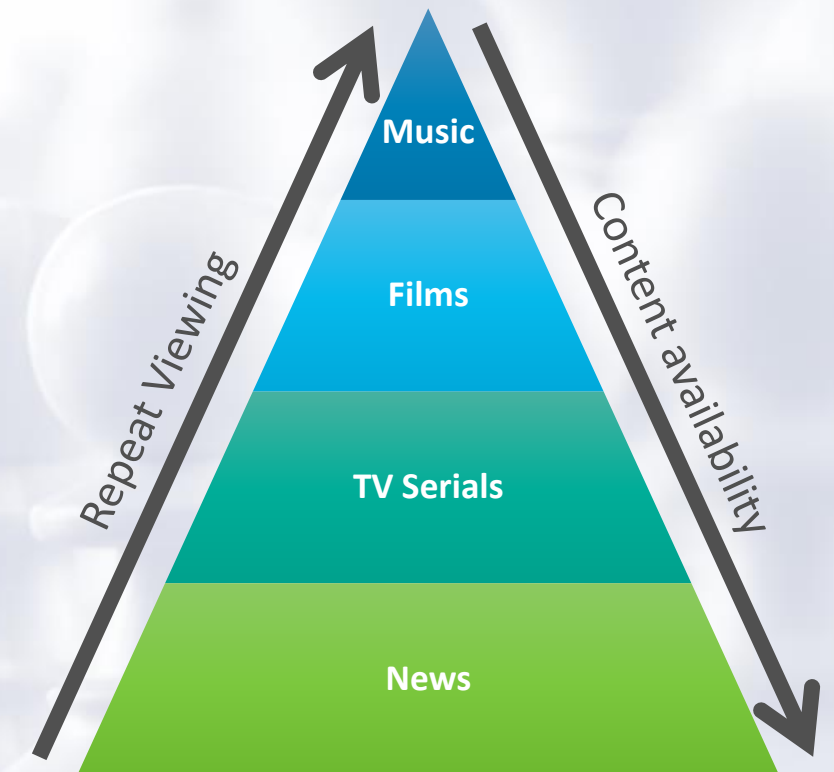
## IP Monetisation

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 Platform
- 3 TV programs in South Indian Language.



# 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 17 years and broadcast 3-4 serials on Sun TV at any given time
- Company owns rights to 5,700+ 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.



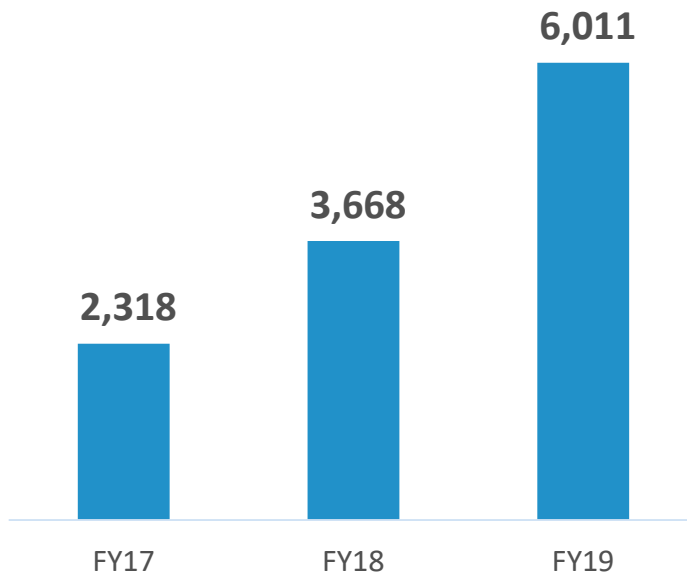


## Financial Highlights

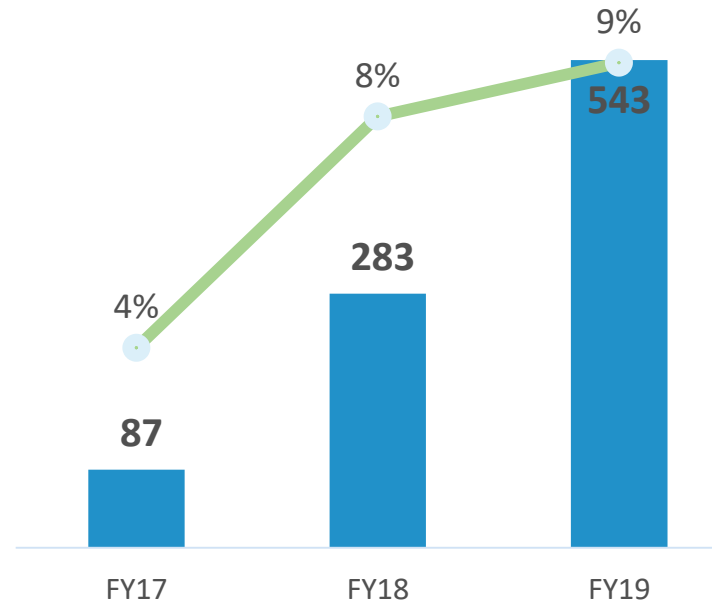


# Last 3 years Track Record

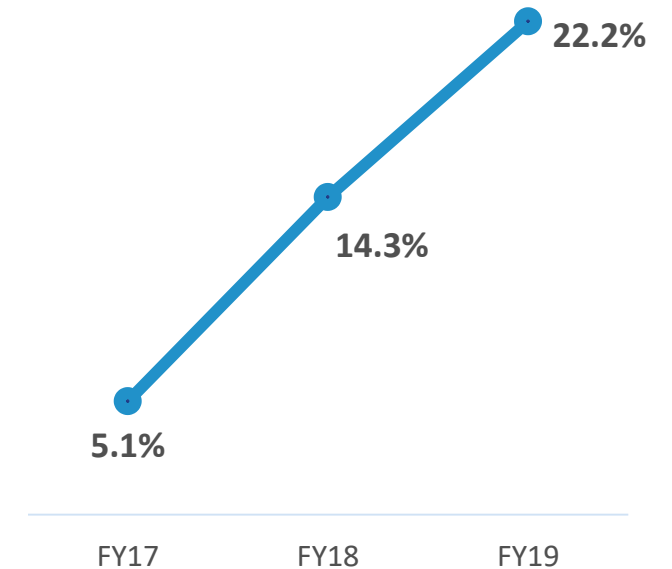
Total Revenue (INR Mn)



PAT (INR Mn) and PAT Margin (%)



ROCE\* (%)



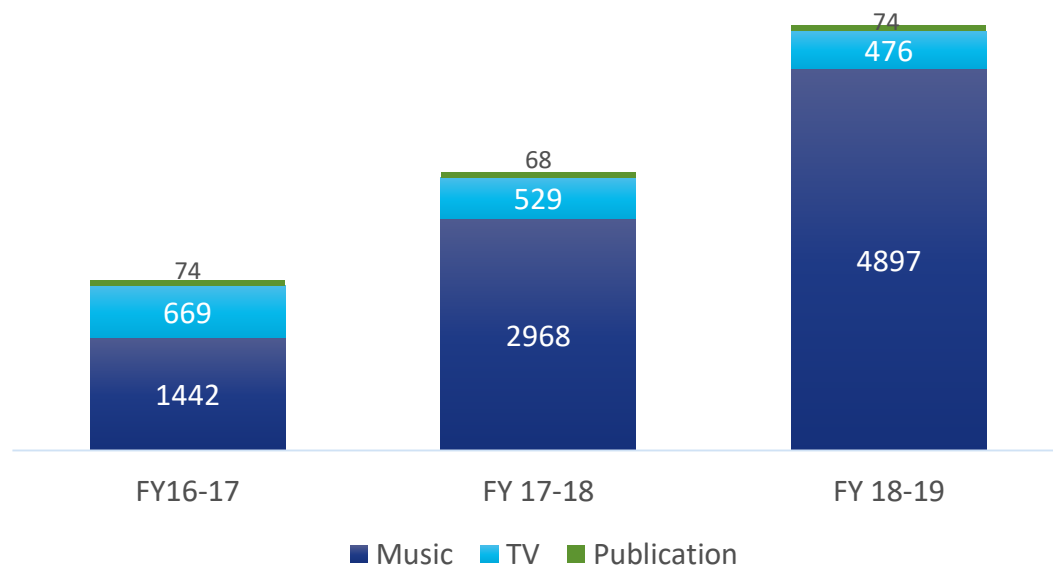
\*Capital Employed = share capital, security premium & free reserves

**Total Revenue grown by 160%**  
**PAT grown by 524%**

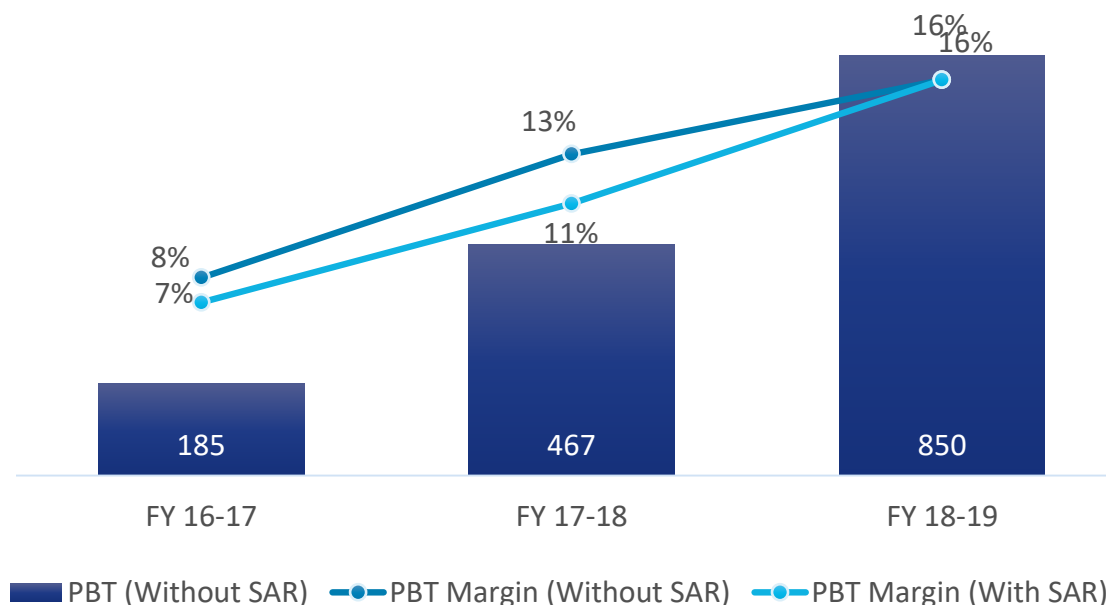
# Financial Summary – Consolidated

Particulars (INR Mn)	FY 18-19	FY 17-18	Y-o-Y Growth	FY 16-17
<b>Revenues from Operations</b>				
• Music	4897	2968	65%	1442
• TV & Films	476	529	-10%	669
• Publication	74	68	8%	74
<b>Revenue from Operations Total</b>	<b>5447</b>	<b>3566</b>	<b>53%</b>	<b>2185</b>
<b>PBT without SAR Provision</b>	<b>850</b>	<b>467</b>	<b>82%</b>	<b>185</b>
<b>PBT after SAR Provision</b>	<b>847</b>	<b>389</b>	<b>118%</b>	<b>159</b>
<b>PAT</b>	<b>543</b>	<b>283</b>	<b>92%</b>	<b>87</b>

Revenue (INR Mn)



PBT (INR Mn) & PBT Margin



Percentage is calculated based on Revenue from operations.

# Financial Performance – Consolidated

Particulars (INR Mn)	FY19	FY18	Y-o-Y Growth
<b>Revenue from Operations</b>	<b>5,447</b>	<b>3,556</b>	<b>53%</b>
Other Income#	564	102	454%
<b>Total Revenue</b>	<b>6,011</b>	<b>3,668</b>	<b>64%</b>
Total Expenses	5,062	3,125	62%
EBITDA*	949	543	75%
<i>EBITDA Margin (%)</i>	16%	15%	7%
Depreciation	33	42	-21%
Finance Cost	66	34	94%
<b>PBT without SAR</b>	<b>850</b>	<b>467</b>	<b>82%</b>
SAR Charge	3	78	-96%
<b>PBT with SAR</b>	<b>847</b>	<b>389</b>	<b>118%</b>
Tax	304	106	187%
<b>PAT</b>	<b>543</b>	<b>283</b>	<b>92%</b>
<i>PAT Margin (%)</i>	9%	8%	13%
Comprehensive Income	-13	164	
Total Profit including Comprehensive Income( Net of tax)	530	447	19%
<b>Diluted EPS</b>	<b>31.2</b>	<b>16.2</b>	<b>93%</b>

\*EBITDA without SAR

# 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.



# Balance Sheet – Consolidated

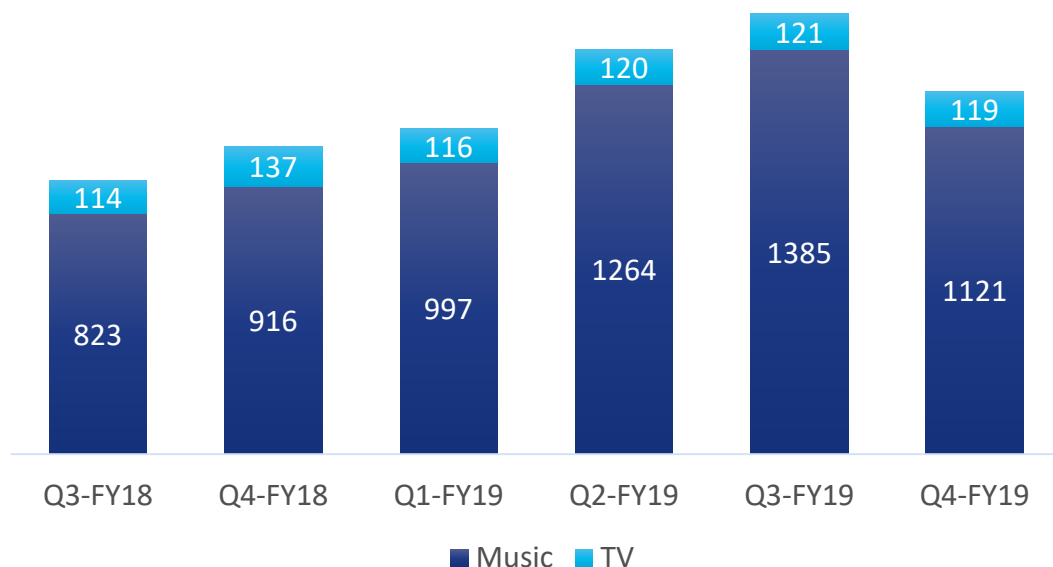
Equity and Liabilities (INR Mn)	FY19	FY18
<b>Shareholders Fund</b>		
(a) Equity Share Capital	174	174
(b) Other Equity	4107	3,643
<b>Net worth</b>	<b>4,281</b>	<b>3,817</b>
(c) Non Controlling Interest	26	23
<b>Non Current Liabilities</b>		
(a) Employee Benefit Obligations	28	24
(b) Deferred tax liabilities (Net)	581	479
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	638	159
(ii) Trade Payables	564	404
(iii) Other Financial Liabilities	421	359
(b) Other Current Liabilities	183	149
(c) Provisions	357	361
(d) Employee Benefit Obligation	9	8
<b>Total</b>	<b>7088</b>	<b>5,783</b>

Assets (INR Mn)	FY19	FY18
<b>Non Current Fixed Assets</b>		
(a) Property, Plant and Equipment	2057	1,884
(b) Investment Properties	24	24
(c) Intangible assets	71	65
(d) Investments in subsidiaries and Joint Venture	-	-
(e) Financial Assets		
(i) Investments	1483	1,510
(ii) Loans	49	40
(iii) Other Financial Assets	-	-
(f) Other Non Current Assets	16	112
<b>Current Assets</b>		
(a) Inventories	963	493
(b) Financial Assets		
(i) Trade Receivables	1098	730
(ii) Cash and cash equivalents	50	92
(iii) Bank Balances other than (ii) above	18	16
(iv) Loans	2	2
(v) Other Financial Assets	0	0
(c) Current Tax Assets (Net)	349	423
(d) Other Current Assets	908	392
<b>Total</b>	<b>7088</b>	<b>5,783</b>

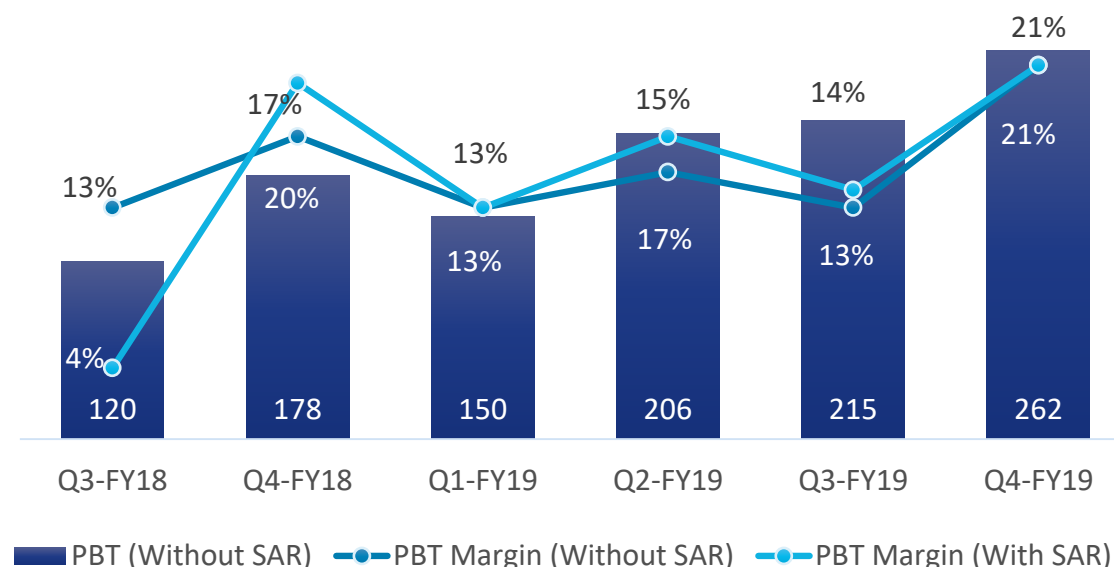
# Financial Summary – Standalone Quarterly

Particulars (INR Mn)	Q4-FY19	Q3-FY19	Q-o-Q Growth	Q4-FY18	Y-o-Y Growth
<b>Revenues from Operations</b>					
• Music	1121	1385	-19%	916	22%
• TV & Films	119	121	-2%	137	-13%
<b>Revenue from Operations Total</b>	1240	1506	-18%	1053	18%
<b>PBT without SAR Provision</b>	262	215	22%	178	47%
<b>PBT after SAR Provision</b>	259	193	34%	211	23%
<b>PAT</b>	161	123	31%	214	-25%

Revenue (INR Mn)



PBT (INR Mn) & PBT Margin



Percentage is calculated based on Revenue from operations.

# Financial Performance- Standalone Quarterly



Particulars (INR Mn)	Q4-FY19	Q3-FY19	Q-o-Q Growth	Q4-FY18	Y-o-Y Growth
<b>Revenue from Operations</b>	<b>1240</b>	<b>1,506</b>	<b>-18%</b>	<b>1,054</b>	<b>18%</b>
Other Income	119	23	417%	74	61%
<b>Total Revenue</b>	<b>1359</b>	<b>1,529</b>	<b>-11%</b>	<b>1,128</b>	<b>20%</b>
Total Expenses	1074	1,290	-17%	930	15%
EBITDA*	285	239	19%	198	44%
<i>EBITDA Margin (%)</i>	<i>23%</i>	<i>16%</i>		<i>20%</i>	
Depreciation	4	9	56%	9	-56%
Finance Cost	19	15	26%	10	90%
<b>PBT without SAR</b>	<b>262</b>	<b>215</b>	<b>22%</b>	<b>178</b>	<b>47%</b>
SAR Charge	3	22	-86%	-33	-109%
PBT with SAR	259	193	34%	211	22%
Tax	98	70	39%	-3	-3353%
<b>PAT</b>	<b>161</b>	<b>123</b>	<b>31%</b>	<b>214</b>	<b>-25%</b>
<i>PAT Margin (%)</i>	<i>13%</i>	<i>8%</i>	<i>62%</i>	<i>18%</i>	
Comprehensive Income	96	46	110%	-90	-207%
Total Profit including Comprehensive Income( Net of tax)	257	169	52%	124	107%
<b>Diluted EPS</b>	<b>9.2</b>	<b>7.1</b>	<b>31%</b>	<b>12.3</b>	<b>-25%</b>



# Financial Performance – Standalone Yearly

Particulars (INR Mn)	FY19	FY18	Y-o-Y Growth
<b>Revenue from Operations</b>	<b>5244</b>	<b>3456</b>	<b>52%</b>
Other Income#	595	142	319%
<b>Total Revenue</b>	<b>5839</b>	<b>3598</b>	<b>62%</b>
Total Expenses	4917	3037	62%
EBITDA*	<b>922</b>	<b>561</b>	64%
<i>EBITDA Margin (%)</i>	<b>16%</b>	<b>16%</b>	
Depreciation	30	38	-21%
Finance Cost	66	34	94%
<b>PBT without SAR</b>	<b>826</b>	<b>489</b>	<b>69%</b>
SAR Charge	3	78	-96%
<b>PBT with SAR</b>	<b>823</b>	<b>411</b>	<b>100%</b>
Tax	304	106	187%
<b>PAT</b>	<b>519</b>	<b>305</b>	<b>70%</b>
<i>PAT Margin (%)</i>	<b>9%</b>	<b>8%</b>	
Comprehensive Income	-17	136	-112%
Total Profit including Comprehensive Income( Net of tax)	<b>503</b>	<b>441</b>	<b>14%</b>
<b>Diluted EPS</b>	<b>29.8</b>	<b>17.5</b>	<b>70%</b>

\*EBITDA without SAR

# In FY2018-19 other income includes Rs. 322Mn 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
<b>Shareholders Fund</b>		
(a) Equity Share Capital	174	174
(b) Other Equity	4087	3,647
<b>Net worth</b>	<b>4261</b>	<b>3,821</b>
(c) Non Controlling Interest	-	-
<b>Non Current Liabilities</b>		
(a) Employee Benefit Obligations	25	21
(b) Deferred tax liabilities (Net)	557	456
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	608	129
(ii) Trade Payables	526	386
(iii) Other Financial Liabilities	411	347
(b) Other Current Liabilities	166	116
(c) Provisions	356	359
(d) Employee Benefit Obligation	8	7
<b>Total</b>	<b>6918</b>	<b>5,642</b>

Assets (INR Mn)	FY19	FY18
<b>Non Current Fixed Assets</b>		
(a) Property, Plant and Equipment	2056	1,881
(b) Investment Properties	24	24
(c) Intangible assets	69	61
(d) Investments in subsidiaries and Joint Venture	158	155
(e) Financial Assets		
(i) Investments	1,212	1,234
(ii) Loans	46	34
(iii) Other Financial Assets	-	-
(f) Other Non Current Assets	15	112
<b>Current Assets</b>		
(a) Inventories	924	473
(b) Financial Assets		
(i) Trade Receivables	1129	781
(ii) Cash and cash equivalents	15	64
(iii) Bank Balances other than above	18	16
(iv) Loans	13	5
(v) Other Financial Assets	1	1
(c) Current Tax Assets (Net)	336	414
(d) Other Current Assets	902	387
<b>Total</b>	<b>6918</b>	<b>5,642</b>

## A hand holding a pen, with a background of a chalkboard filled with business-related diagrams and sketches. The sketches include a line graph with multiple upward-trending lines, a bar chart, a pie chart, and various text labels such as 'MARKETING', 'COMMUNITY', 'TEAM', 'Teamwork', 'PROCESS', 'PRODUCT', 'INVESTMENT', 'ANALYSIS', 'CREATIVE', 'RESULT', 'TRANSPORT', 'SEARCH', 'WASTE', 'ENERGY', 'OB', 'LESS', 'community', 'TEAM', 'Teamwork', 'PROCESS', 'PRODUCT', 'INVESTMENT', 'ANALYSIS', 'CREATIVE', 'RESULT', 'TRANSPORT', 'SEARCH', 'WASTE', 'ENERGY', 'OB', 'LESS', 'community'. There are also currency symbols like '\$', '€', and '¥' and a cloud with 'XXX' inside. The overall theme is business strategy and innovation.



# Music Segment Operational Highlights

## Q4-FY19 Operational Highlights:

SAREGAMA  
**CARVAAN™**



**2.9K** new billing dealers added in  
Q4 total **22.5K** dealers

Gross margin improved to  
**25%** from 22% in Q4 of last year.

Carvaan Mini Bhakti and Telugu legends were launched.

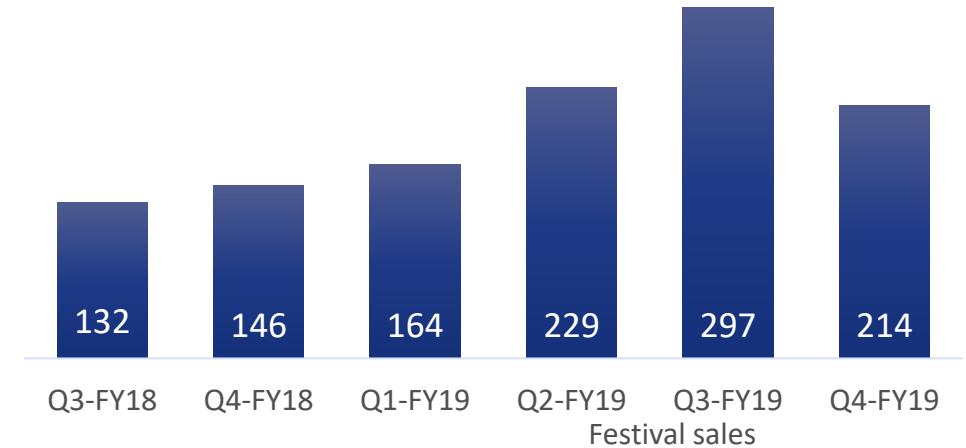
## Future Outlook:

Carvaan Go launched in Apr'19, Carvaan 2.0 to be launched in Next Quarter

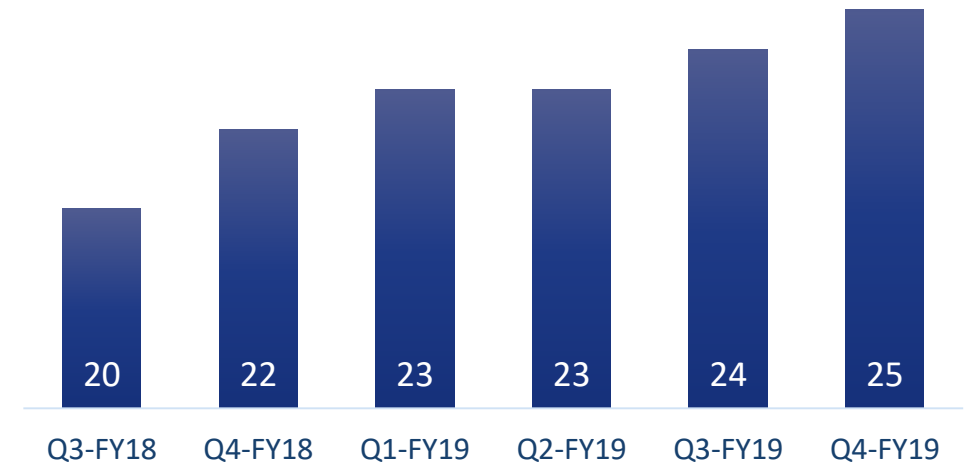
Annual Estimates for FY 20: 1200K units

Carvaan continues to win awards for Innovation & Marketing

## Carvaan Sales (units '000s)



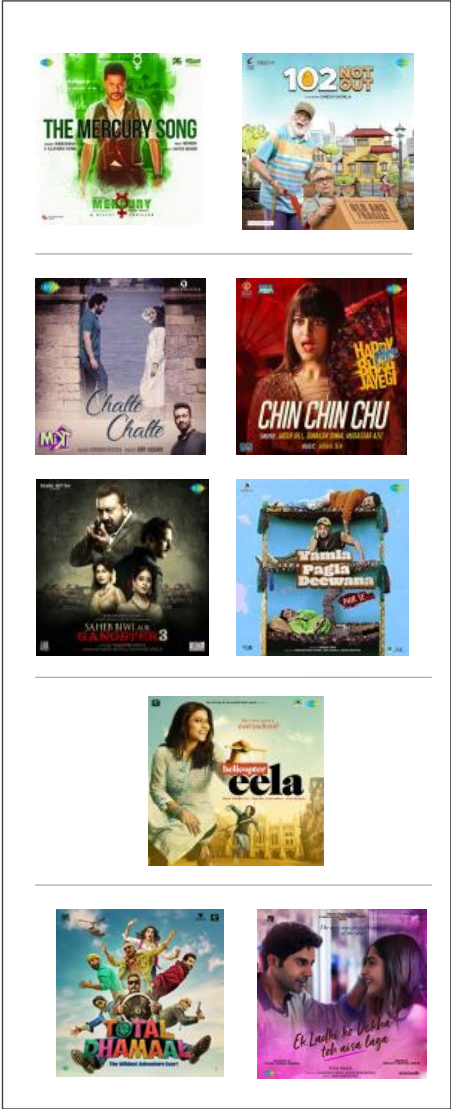
## Carvaan Gross Margin (%)



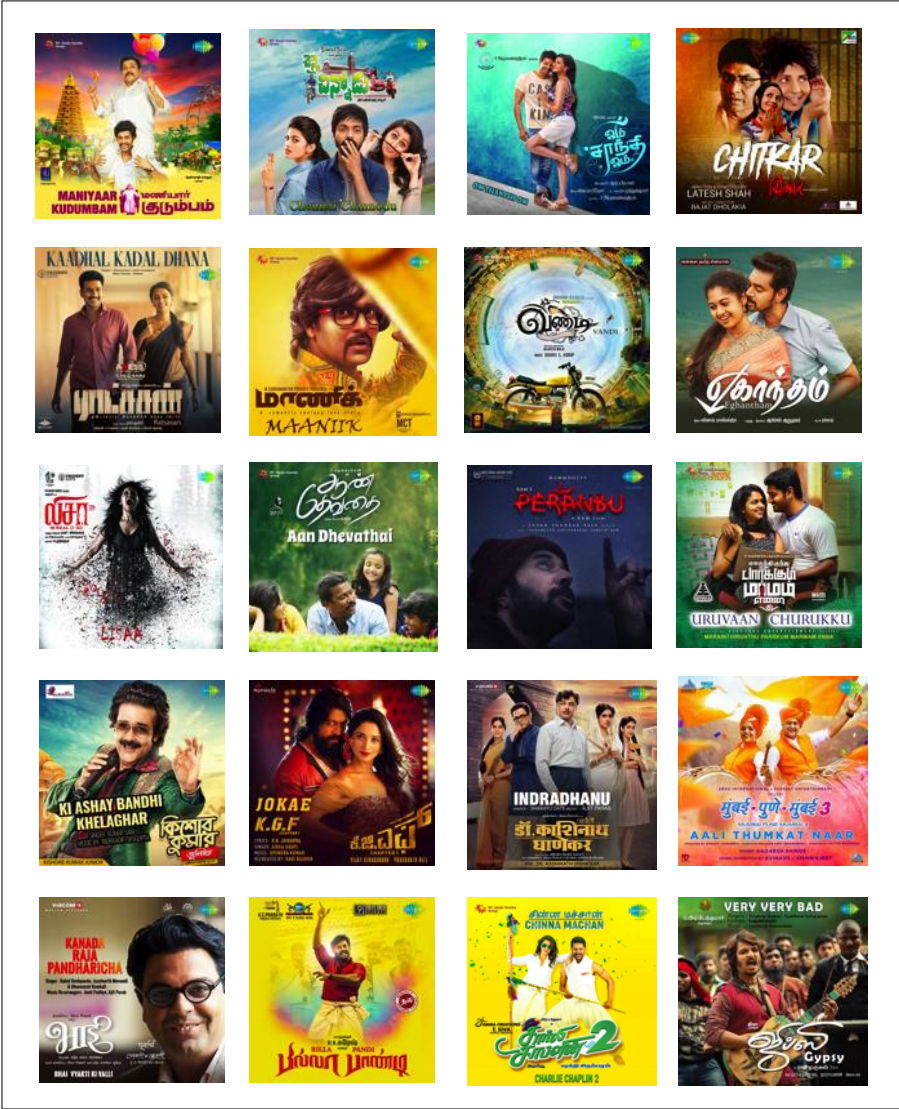
# Music Segment Operational Highlights



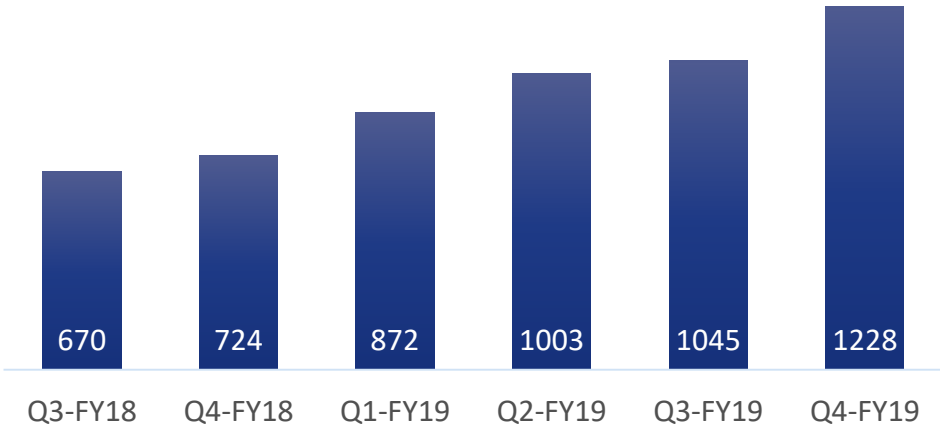
## Hindi



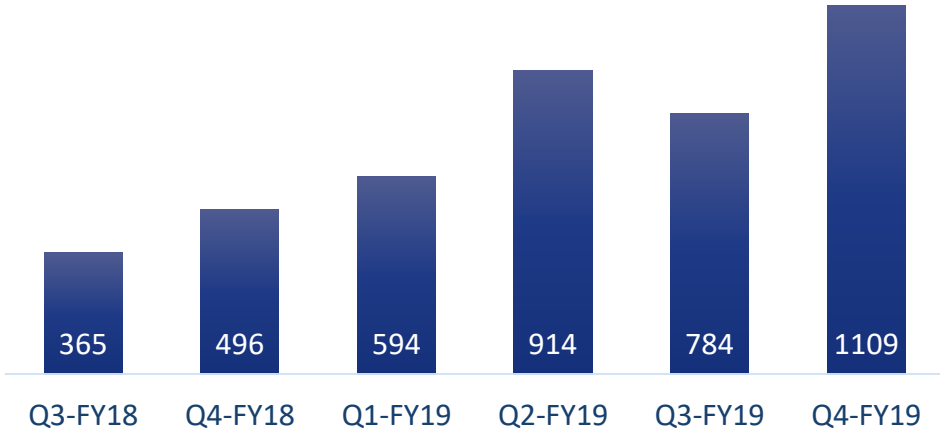
## Regional



OTT Streams (Mn) per Quarter



YouTube Views (Mn) per Quarter



Saregama invested Rs.56Mn in FY18 and Rs.324Mn in FY19 in new music rights acquisition.

Views count is from 25 Channel owned by Saregama

# Films & TV Segment Operational Highlights

## Q4-FY19 Operational Highlights:

### Films (Yoodlee)

- Only studio in India to give 3 Netflix Original.

### Hamid:

- The film was featured in 13 film festivals
- The film won 4 awards at International Film Festival.

### Television Business

- Serial Roja (2 Year old) moved to evening Prime Time slot from noon
- IP of Tamil TV Serial Roja is Monetised through remaking it in Telugu, Malayalam and Kanada



## Future Outlook:

### Films (Yoodlee)

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

### Television Business

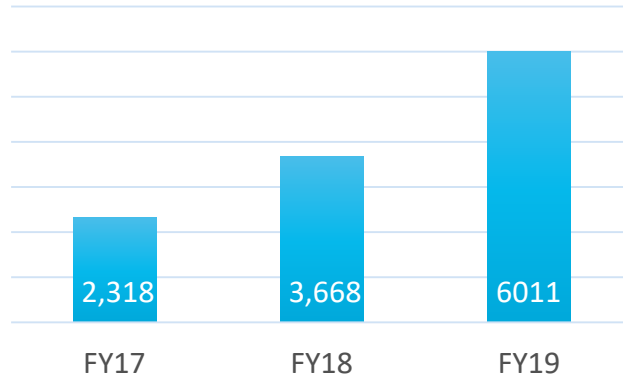
- Another show on the cards



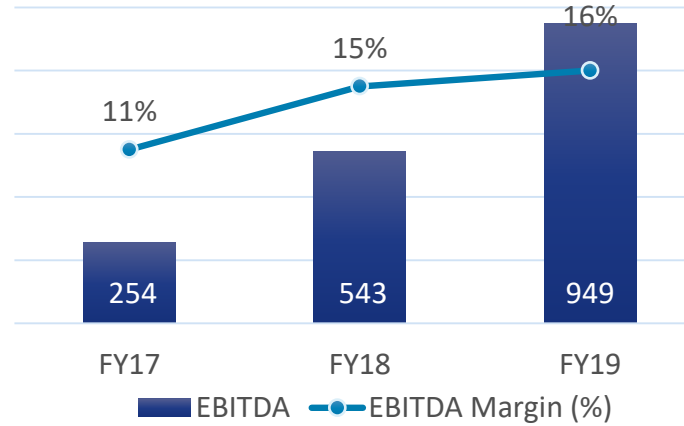


# Financial Charts (Consolidated)

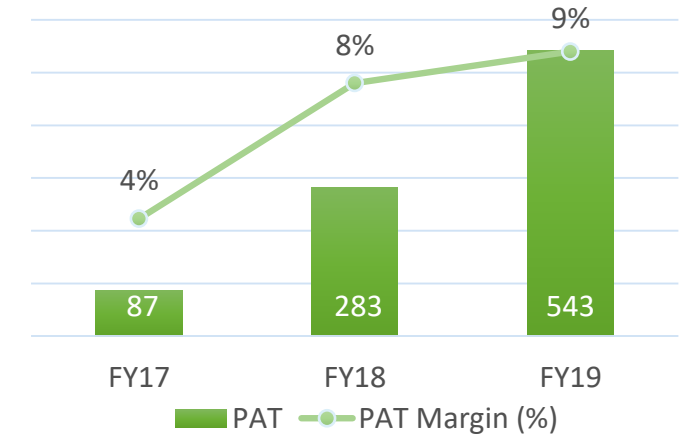
## Total Revenue (INR Mn)



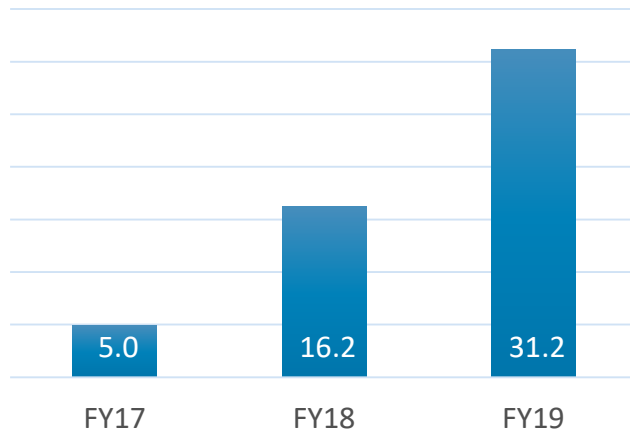
## EBITDA and EBITDA Margin (%)



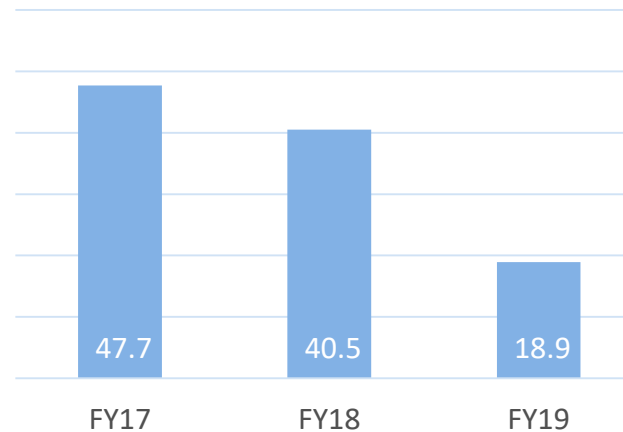
## PAT and PAT Margin (%)



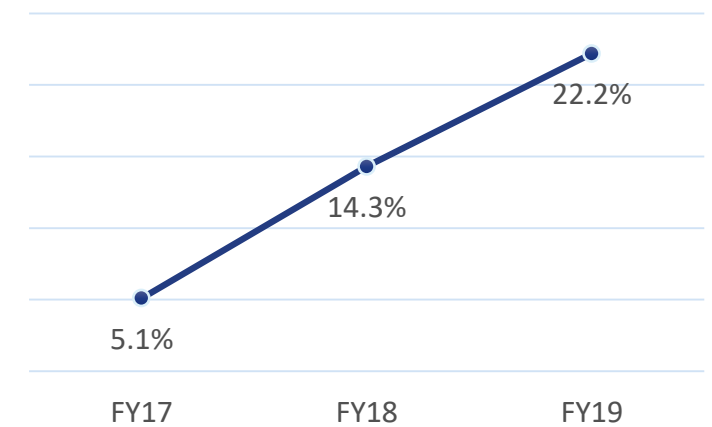
## Diluted EPS



## PE Ratio



## ROCE\*



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

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soul of India

Thank you