

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



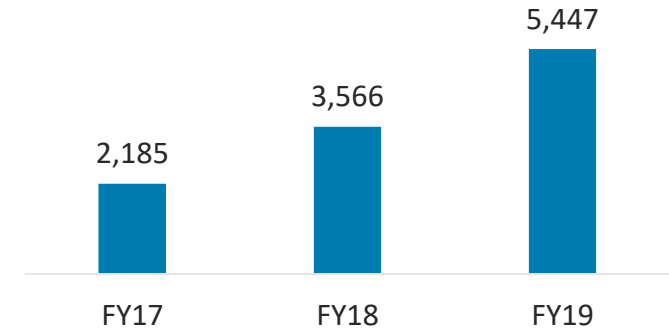
Producing digital thematic films targeted at the youth segment

Company Overview

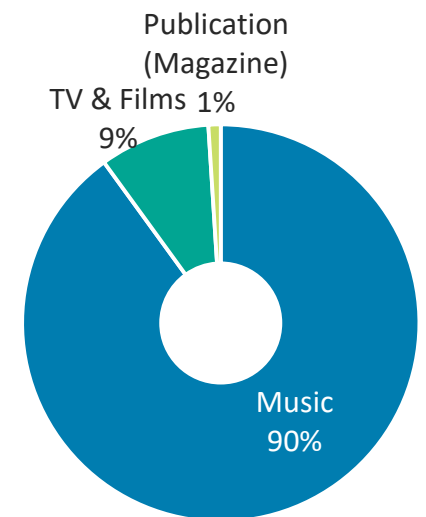


- Saregama India Ltd., an RP Sanjiv Goenka Group Company, is India's oldest music label, youngest film studio and a multi-language TV content producer. Over the years, the Company has expanded its business from audio to home video, publishing, digital, events, films production and distribution and audio 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.

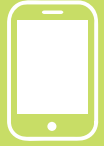
Consolidated Revenues from Operations
(In INR Mn)



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

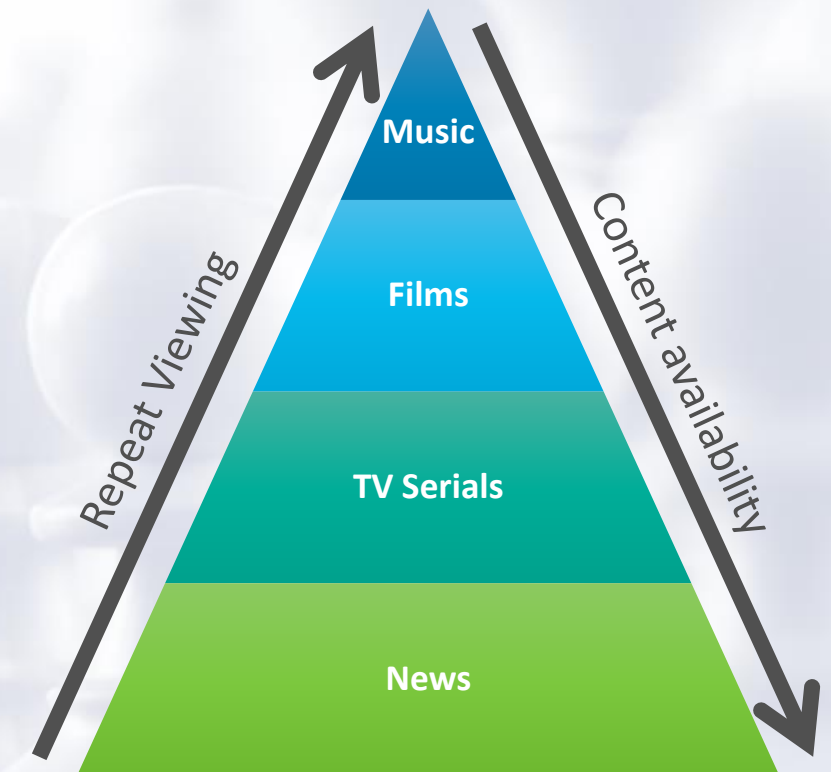
IP Monetisation

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%

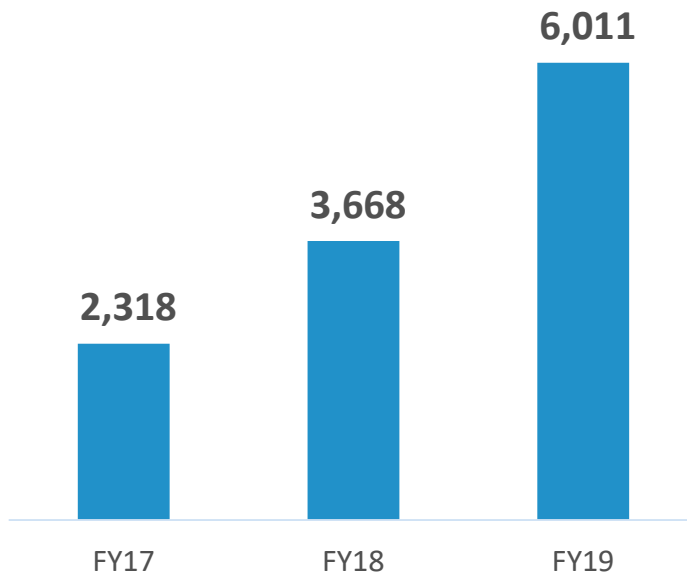
- This segment includes the publication of Open Magazine and a weekly current affairs and features magazine.
- Open has sustained circulation and ad revenues with an association of premium brands including Audi, Omega, Volkswagen, Toyota, Honda, Samsung, Airtel, IBM, HP, TAJ, ITC, Skoda, etc.



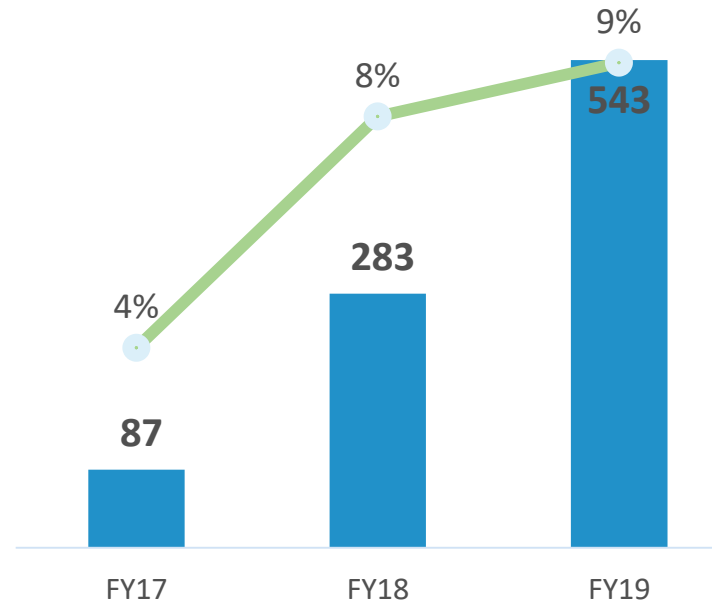
Financial Highlights

Last 3 years Track Record

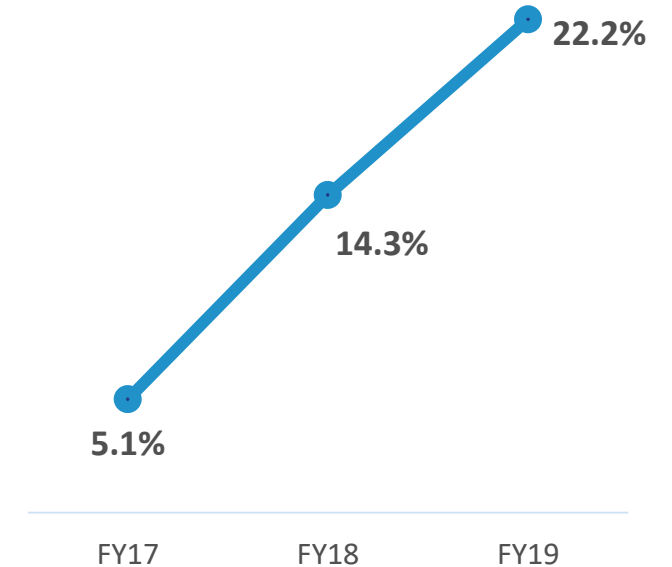
Total Revenue (INR Mn)



PAT (INR Mn) and PAT Margin (%)



ROCE* (%)



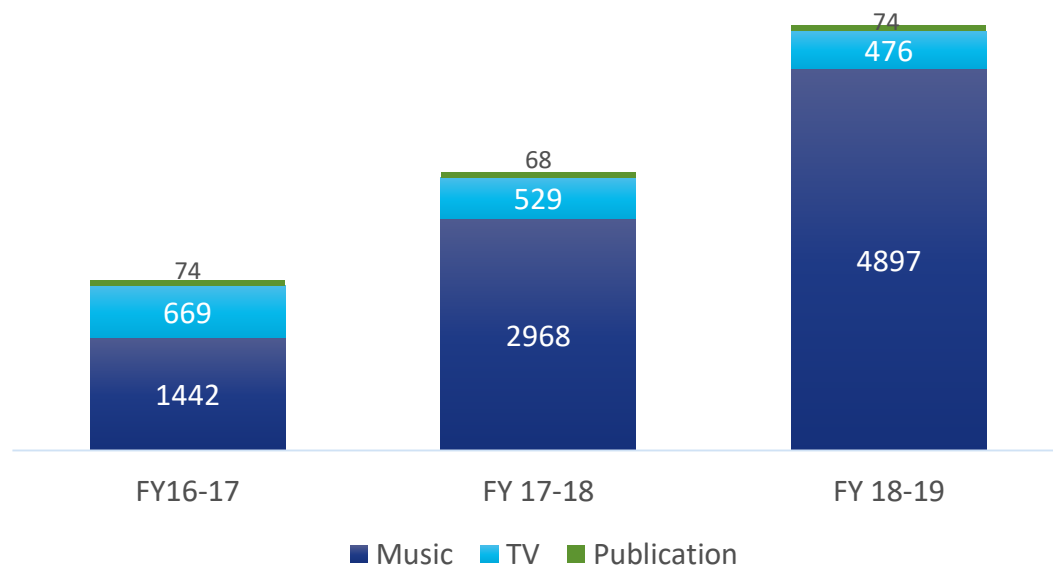
*Capital Employed = share capita. security premium & free reserves

Total Revenue grown by 160%
PAT grown by 524%

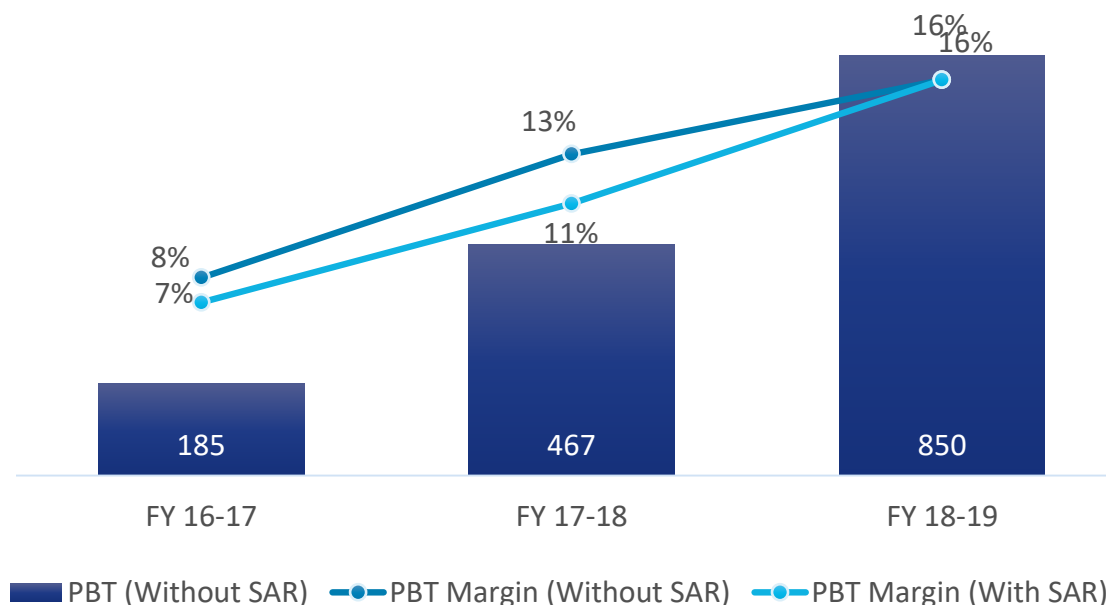
Financial Summary – Consolidated

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

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
Revenue from Operations	5,447	3,556	53%
Other Income#	564	102	454%
Total Revenue	6,011	3,668	64%
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%
PBT without SAR	850	467	82%
SAR Charge	3	78	-96%
PBT with SAR	847	389	118%
Tax	304	106	187%
PAT	543	283	92%
<i>PAT Margin (%)</i>	9%	8%	13%
Comprehensive Income	-13	164	
Total Profit including Comprehensive Income(Net of tax)	530	447	19%
Diluted EPS	31.2	16.2	93%

*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

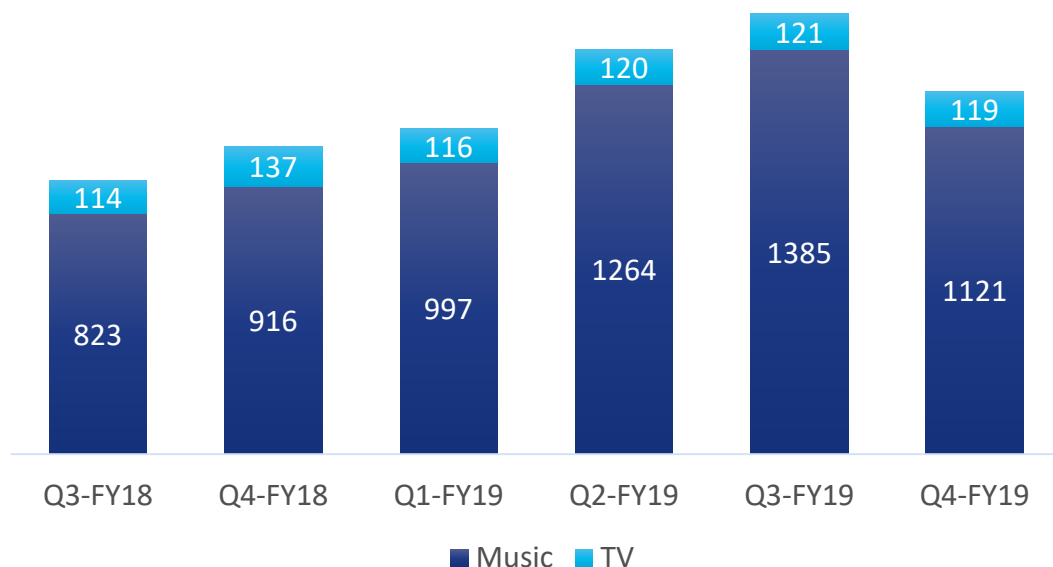
Equity and Liabilities (INR Mn)	FY19	FY18
Shareholders Fund		
(a) Equity Share Capital	174	174
(b) Other Equity	4107	3,643
Net worth	4,281	3,817
(c) Non Controlling Interest	26	23
Non Current Liabilities		
(a) Employee Benefit Obligations	28	24
(b) Deferred tax liabilities (Net)	581	479
Current Liabilities		
(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
Total	7088	5,783

Assets (INR Mn)	FY19	FY18
Non Current Fixed Assets		
(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
Current Assets		
(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
Total	7088	5,783

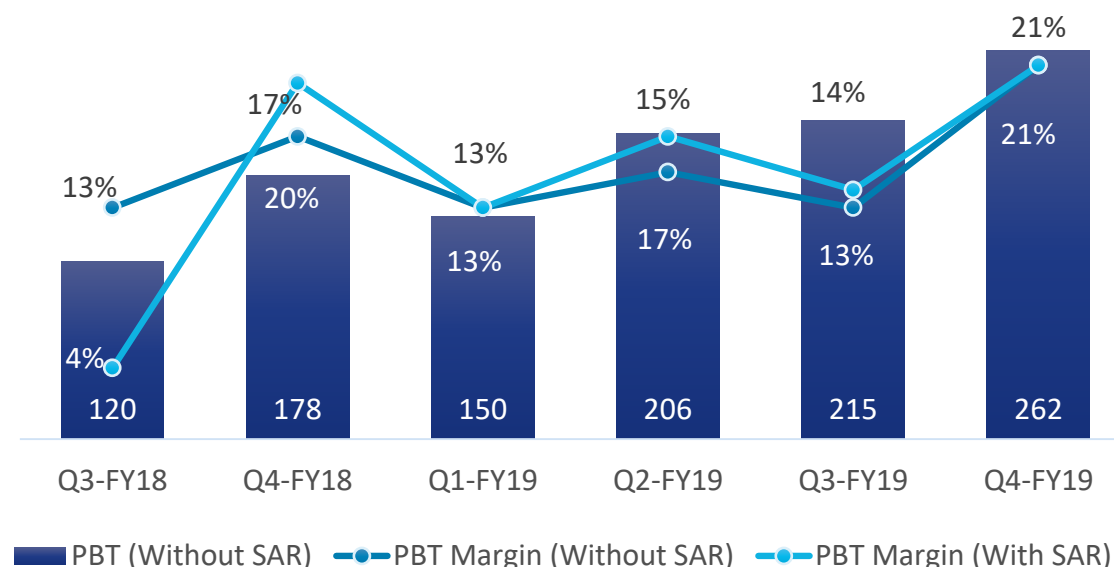
Financial Summary – Standalone Quarterly

Particulars (INR Mn)	Q4-FY19	Q3-FY19	Q-o-Q Growth	Q4-FY18	Y-o-Y Growth
Revenues from Operations					
• Music	1121	1385	-19%	916	22%
• TV & Films	119	121	-2%	137	-13%
Revenue from Operations Total	1240	1506	-18%	1053	18%
PBT without SAR Provision	262	215	22%	178	47%
PBT after SAR Provision	259	193	34%	211	23%
PAT	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
Revenue from Operations	1240	1,506	-18%	1,054	18%
Other Income	119	23	417%	74	61%
Total Revenue	1359	1,529	-11%	1,128	20%
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%
PBT without SAR	262	215	22%	178	47%
SAR Charge	3	22	-86%	-33	-109%
PBT with SAR	259	193	34%	211	22%
Tax	98	70	39%	-3	-3353%
PAT	161	123	31%	214	-25%
<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%
Diluted EPS	9.2	7.1	31%	12.3	-25%

Financial Performance – Standalone Yearly



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

*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
Shareholders Fund		
(a) Equity Share Capital	174	174
(b) Other Equity	4087	3,647
Net worth	4261	3,821
(c) Non Controlling Interest	-	-
Non Current Liabilities		
(a) Employee Benefit Obligations	25	21
(b) Deferred tax liabilities (Net)	557	456
Current Liabilities		
(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
Total	6918	5,642

Assets (INR Mn)	FY19	FY18
Non Current Fixed Assets		
(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
Current Assets		
(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
Total	6918	5,642

A hand holding a pen, with a background of a chalkboard filled with business-related diagrams and text. The diagrams include a line graph with multiple upward-trending lines, a bar chart, a flowchart with boxes labeled 'MARKETING', 'COMMUNITY', 'TEAM', 'Teamwork', 'PROCESS', 'PRODUCT', 'INVESTMENT', 'ANALYSIS', and 'TRANSPORT'. There are also various symbols like percentages, arrows, and currency signs (\$, €, ¥). The overall theme is business strategy and management.

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.

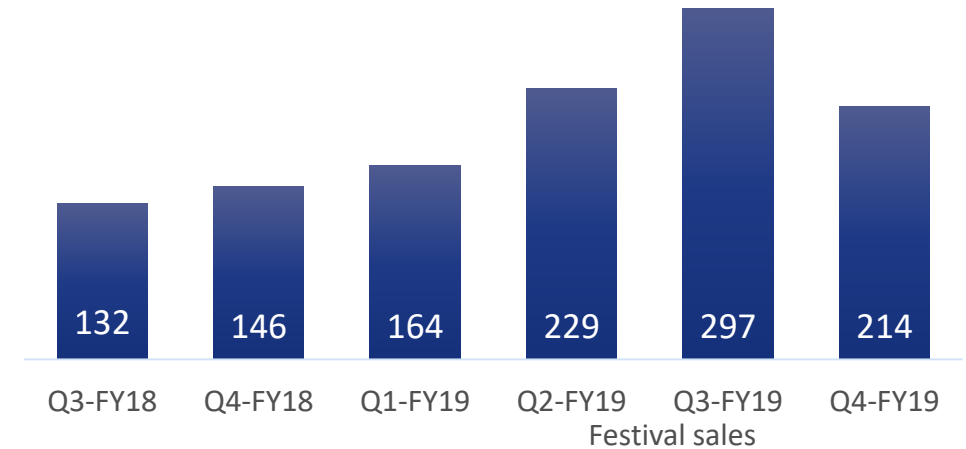
Future Outlook:

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

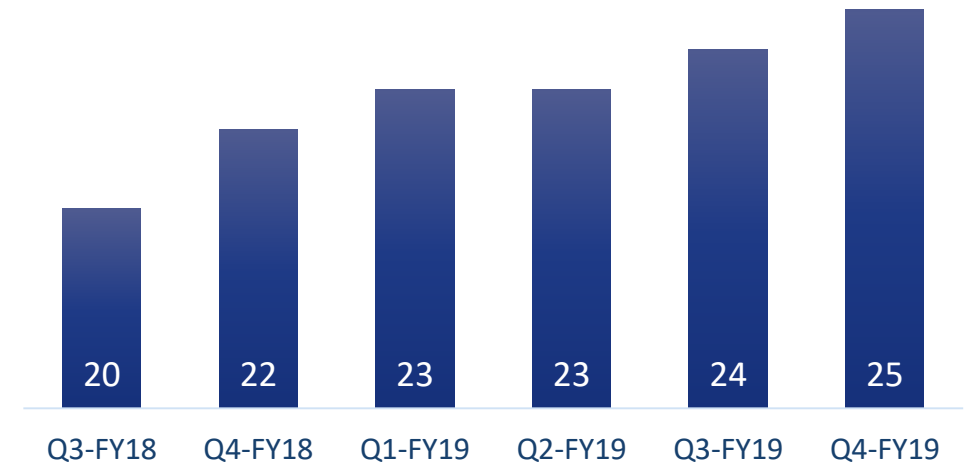
Annual Estimates for FY 20: 1200K units

Carvaan continues to win awards for Innovation & Marketing

Carvaan Sales (units '000s)



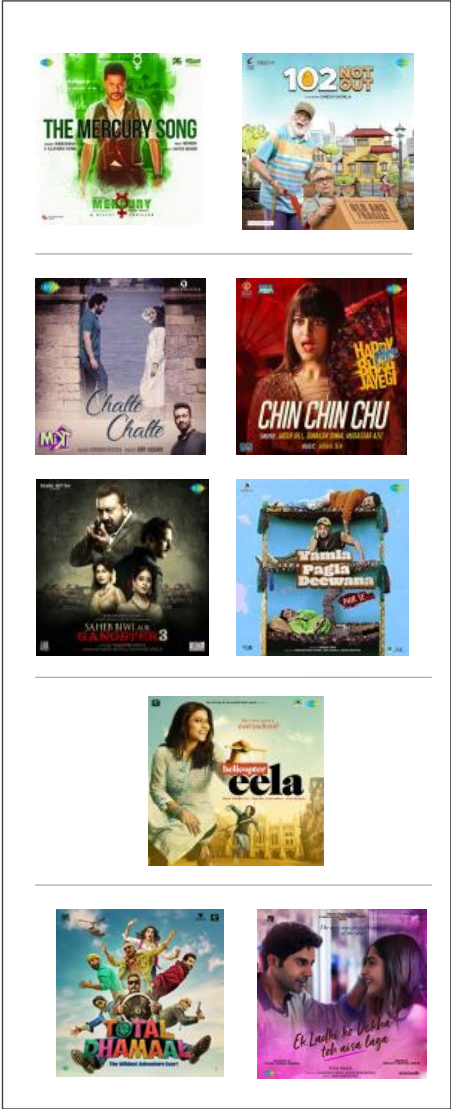
Carvaan Gross Margin (%)



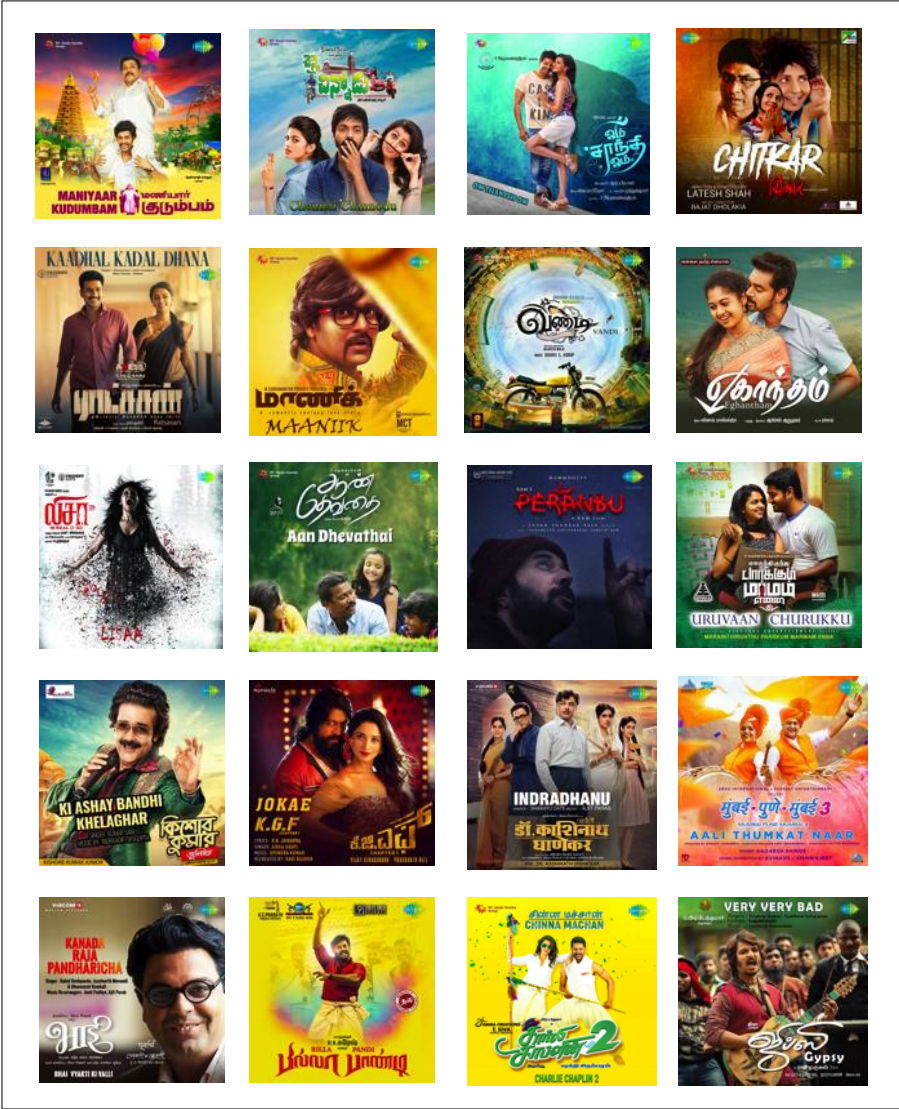
Music Segment Operational Highlights



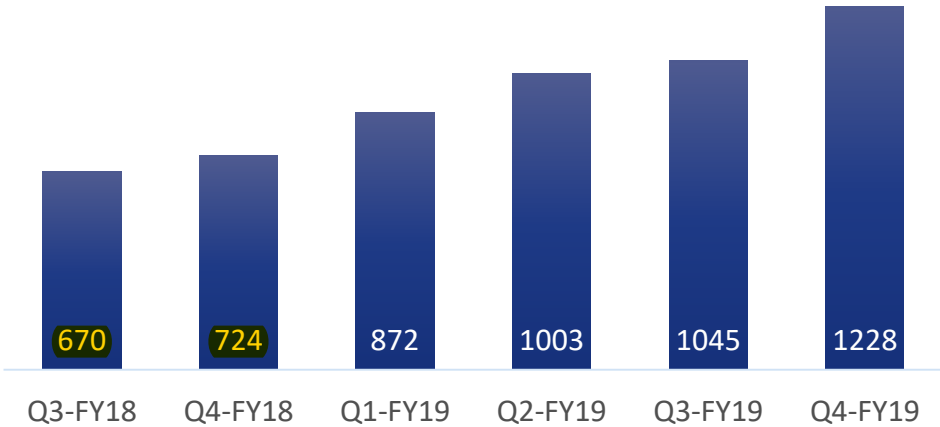
Hindi



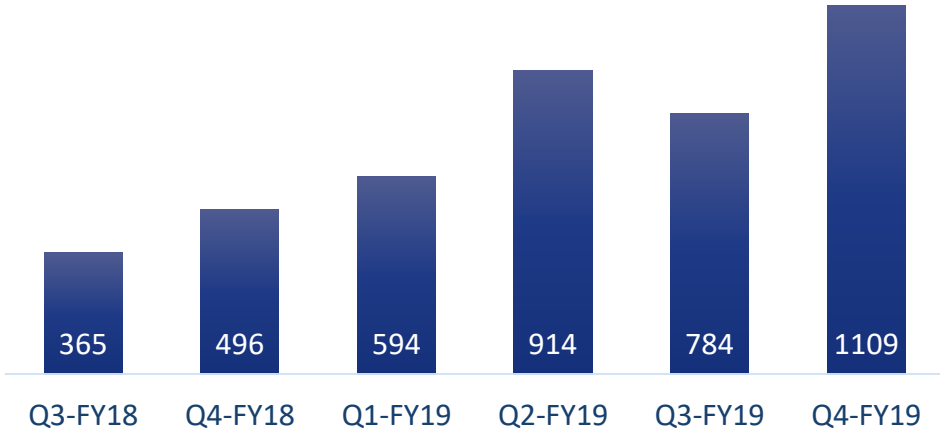
Regional



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

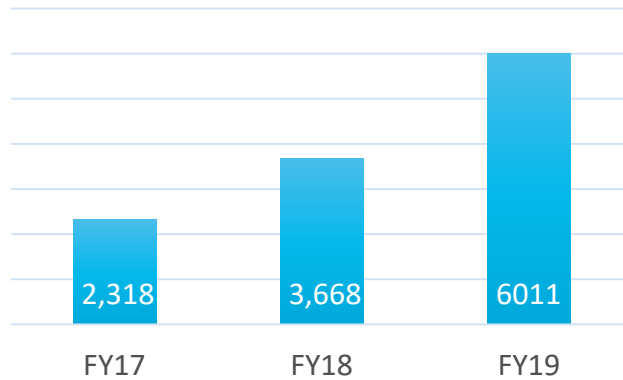
Television Business

- Another show on the cards

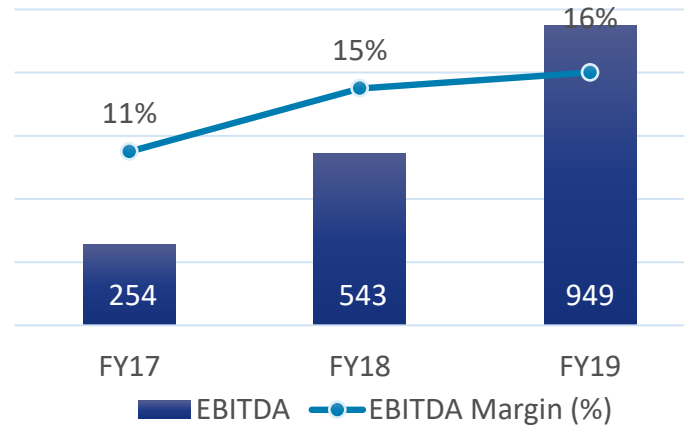


Financial Charts (Consolidated)

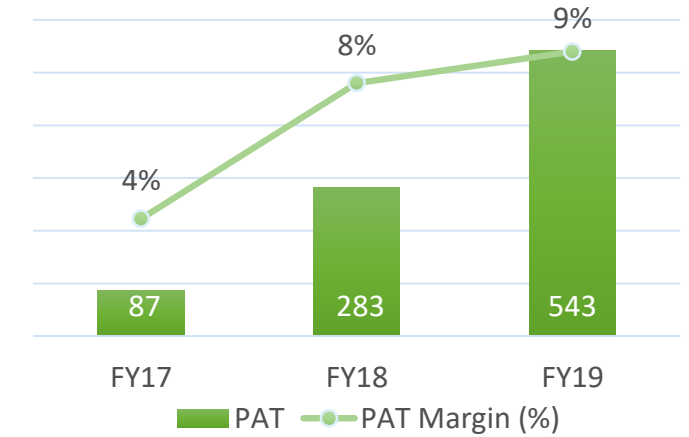
Total Revenue (INR Mn)



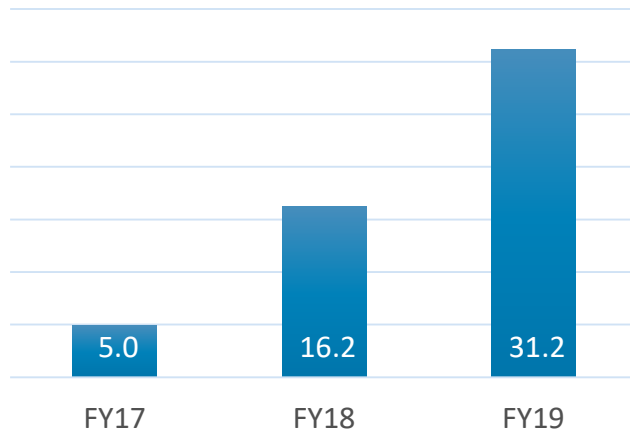
EBITDA and EBITDA Margin (%)



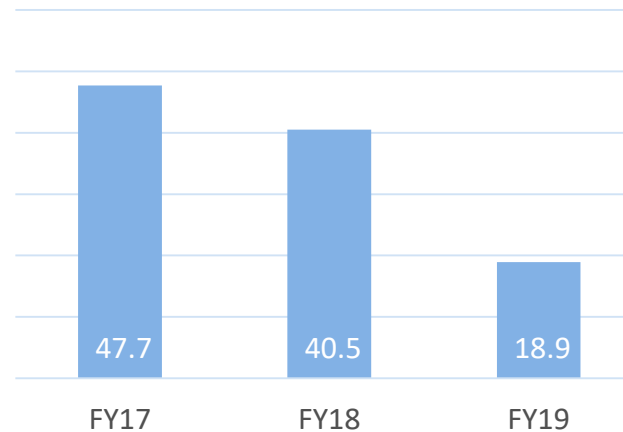
PAT and PAT Margin (%)



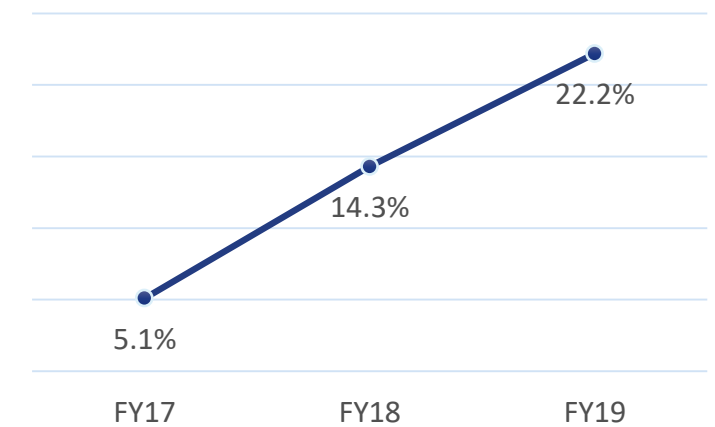
Diluted EPS



PE Ratio



ROCE*



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

Disclaimer

Saregama India Ltd. Disclaimer:

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be "forward looking statements" based on the currently held beliefs and assumptions of the management of Saregama India Ltd., which are expressed in good faith and in their opinion reasonable, including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration there from.

This presentation is confidential and may not be copied or disseminated, in whole or in part, and in any manner.



Thank you