

SAREGAMA INDIA LIMITED

EARNINGS PRESENTATION | Q3 FY 2018-19



Saregama,
the only company who won
4 gold effie's in 2018

2 BRONZE

2 SILVER

4 GOLD



Snapshot



soul of India



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, 5,500+ 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

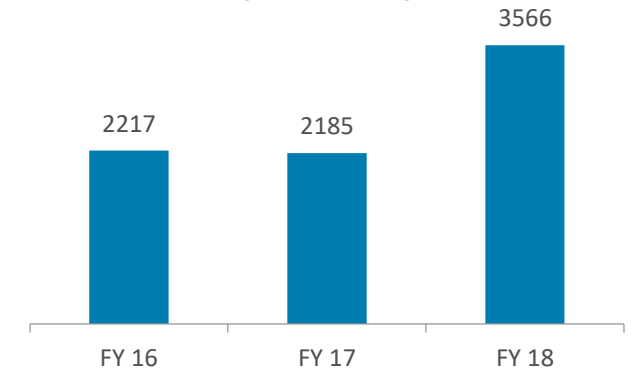


Producing digital thematic films targeted at the youth segment

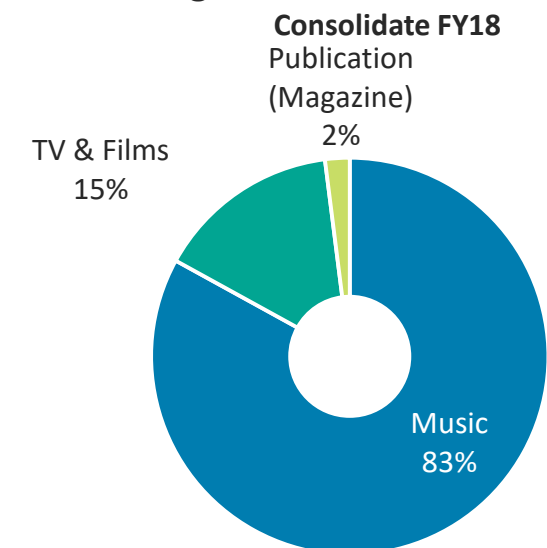
Company Overview

- 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 a 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
- 5500+ hours of Tamil serial programming telecast on Sun TV and features in top 3 slots of afternoon prime time.

Consolidated Revenues (INR Mn)



Segmental Revenue Breakup



Strategic Overview

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

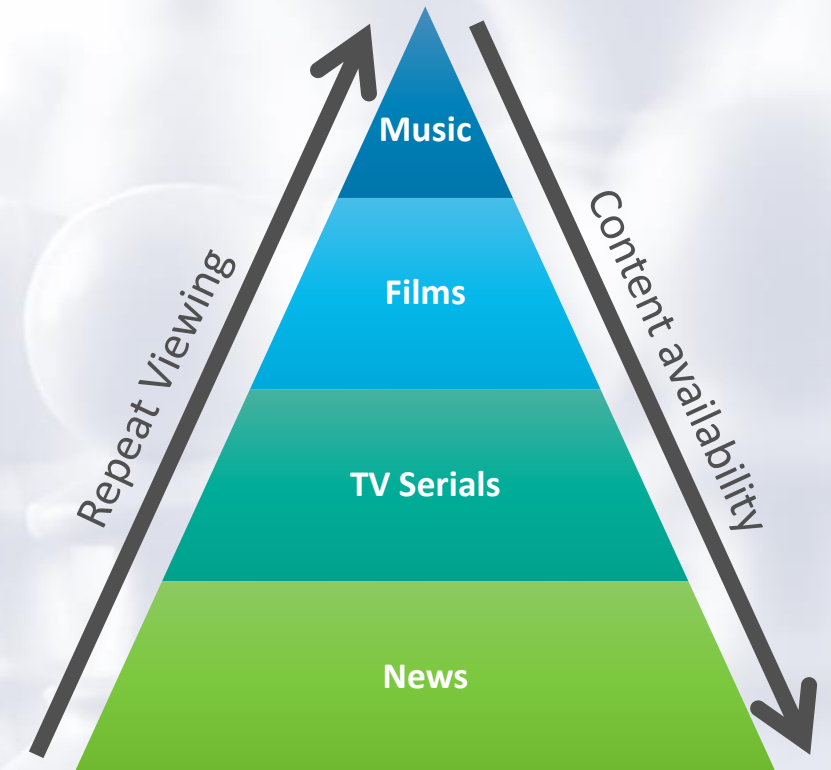
IP Monetisation

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 Languages.



Company focus on top 2 tiers

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

FY18 Revenue Share
83%

- 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

FY18 Revenue Share
15%

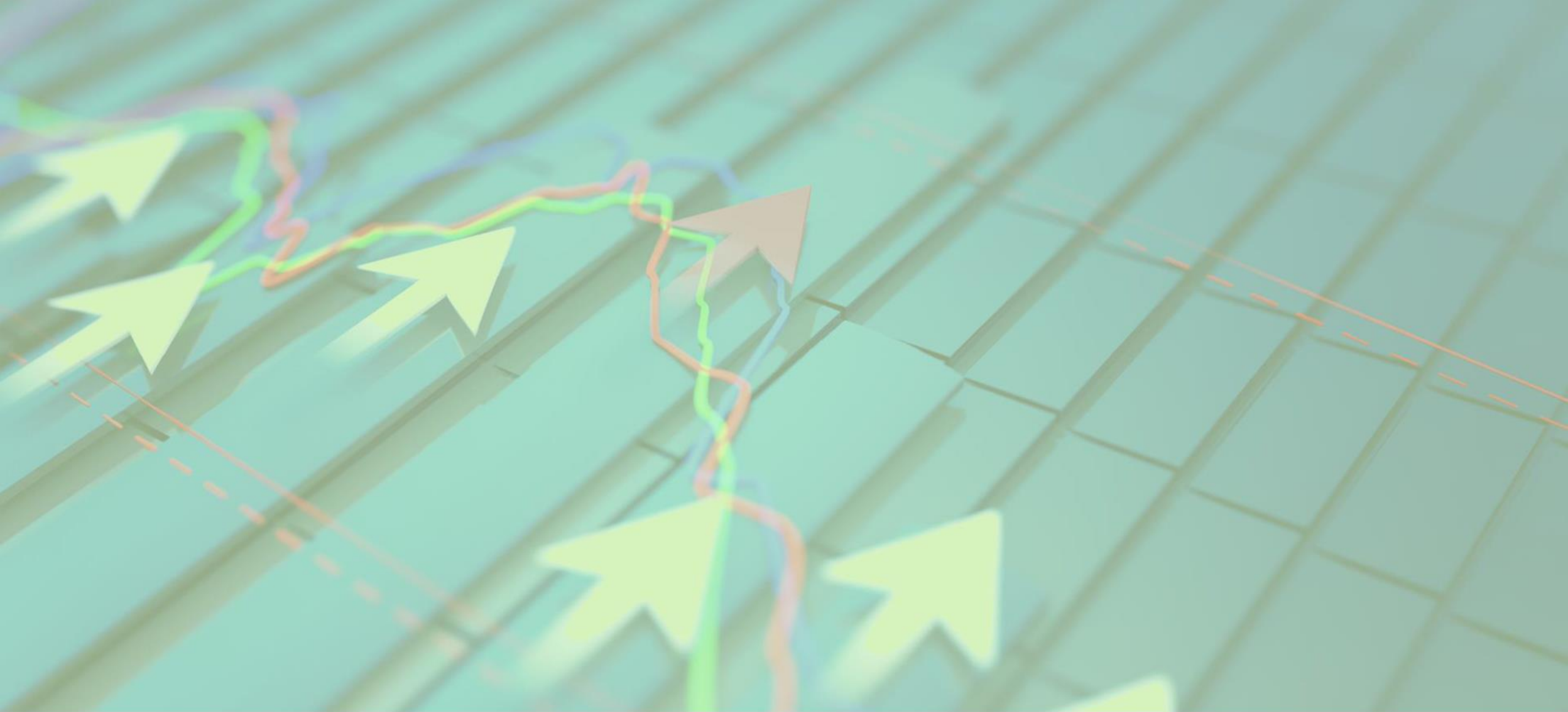
- This segment has leadership in Tamil Sun Network channels and has been producing content for Sun TV for last 17 years and broadcast 3-4 serials on Sun TV at any given time
- Company owns rights to 5,500+ hours of Tamil Series
- Yoodlee Films is the production division which focuses on thematic digital films in all languages with tightly controlled budgets



Publications Segment

FY18 Revenue Share
2%

- 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.

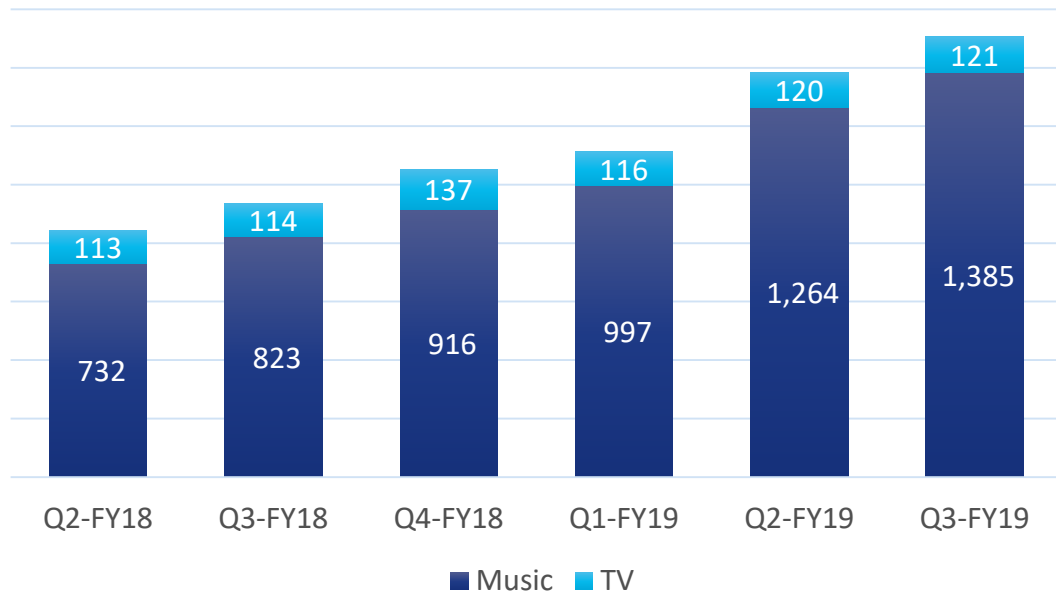


Financial Highlights

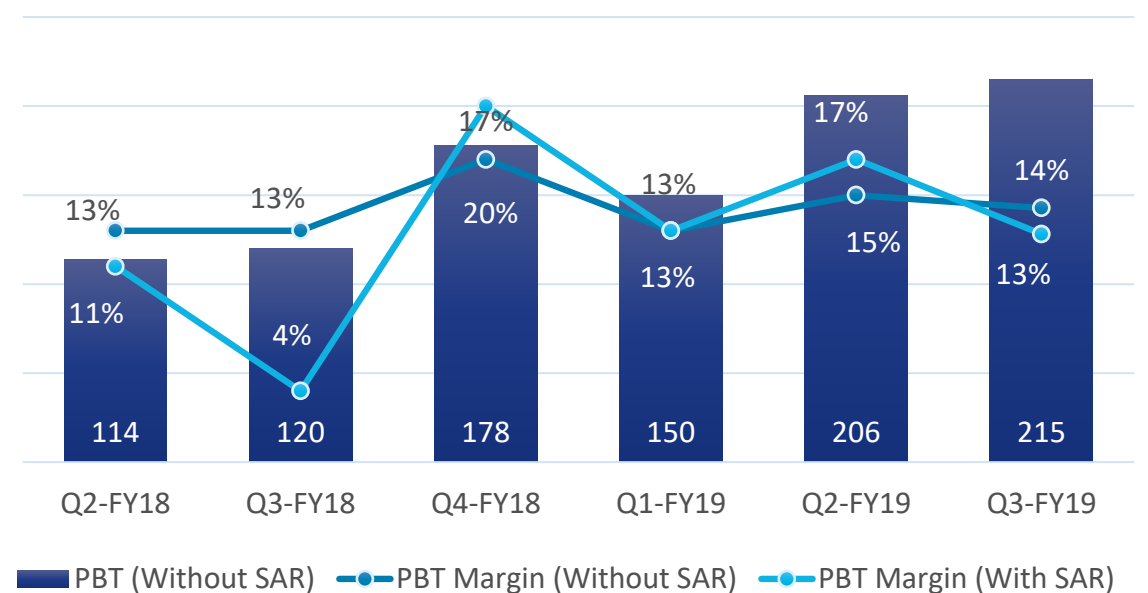
Q3-FY19 Financial Summary

Particulars (INR Mn)	Q3-FY19	Q2-FY19	Q-o-Q Growth	Q3-FY18	Y-o-Y
Revenues					
• Music	1385	1,264	10%	823	68%
• TV & Films	121	120	1%	114	6%
Total Revenue	1506	1,384	9%	937	61%
PBT without SAR Provision	215	206	4%	120	79%
PBT after SAR Provision	193	233	-17%	42	360%
PAT	123	150	-18%	13	846%

Revenue (INR Mn)



PBT (INR Mn) & PBT Margin



Q3-FY18 Financial Performance



Particulars (INR Mn)	Q3-FY19	Q2-FY19	Q-o-Q Growth	Q3-FY18	Y-o-Y Growth
Revenue from Operations	1506	1,384	9%	937	61%
Other Income	23	23	0%	15	53%
Total Revenue	1529	1,407	9%	952	61%
Total Expenses	1337	1,175	14%	910	47%
EBITDA*	238	232	3%	138	72%
<i>EBITDA Margin (%)</i>	16%	17%		15%	
Depreciation	9	9	0%	10	-10%
Finance Cost	15	17	-12%	9	67%
PBT without SAR	215	206	4%	120	80%
SAR Charge	22	-27		78	-72%
PBT with SAR	193	233	-17%	42	360%
Tax	70	83	-16%	29	141%
PAT	123	150	-18%	13	846%
<i>PAT Margin (%)</i>	8%	11%		1%	
Comprehensive Income	46	-99		67	
Total Profit including Comprehensive Income(Net of tax)	169	51	230%	80	111%
Diluted EPS (INR)	7.05	8.58	-18%	0.74	852%

*EBITA without SAR

9M-FY19 Financial Performance



Particulars (INR Mn)	9M-FY19	9M-FY18	Y-o-Y Growth
Revenue from Operations	4003	2,402	67%
Other Income #	477	68	601%
Total Revenue	4480	2,470	81%
Total Expenses #	3916	2,270	73%
EBITDA*	637	364	75%
<i>EBITDA Margin (%)</i>	<i>16%</i>	<i>15%</i>	
Depreciation	26	29	-10%
Finance Cost	47	24	96%
PBT without SAR	564	311	82%
SAR Charge	0.4	111	-100%
PBT with SAR	564	200	182%
Tax	206	109	89%
PAT	358	91	293%
<i>PAT Margin (%)</i>	<i>9%</i>	<i>4%</i>	
Comprehensive Income	-113	226	-150%
Total Profit including Comprehensive Income (Net of tax)	245	317	-23%
Diluted EPS (INR)	20.56	5.20	295%

*EBITA without SAR

In Q1 FY2018-19 other income includes Rs. 340 MN estimated Insurance claim receivable & Total Expense includes Rs. 376Mn towards cost of damaged stocks because of fire in the warehouse.



FY19 Operational Highlights

Music Segment Operational Highlights

Q3-FY19 Operational Highlights:

Diwali boost for Carvaan
297K units sold in Q3-FY19 a jump of 30% over previous quarter.

Crossed **One Million** bench mark Sales

3.9K new billing dealers added in Q3 total **19.6K** dealers.

Carvaan Gold (Sound by Harman/ Kardon, Companion app, AM Radio) @14990 and **Carvaan Mini Gurbani and Tamil Legends** @2490 launched.

SAREGAMA
CARVAAN™



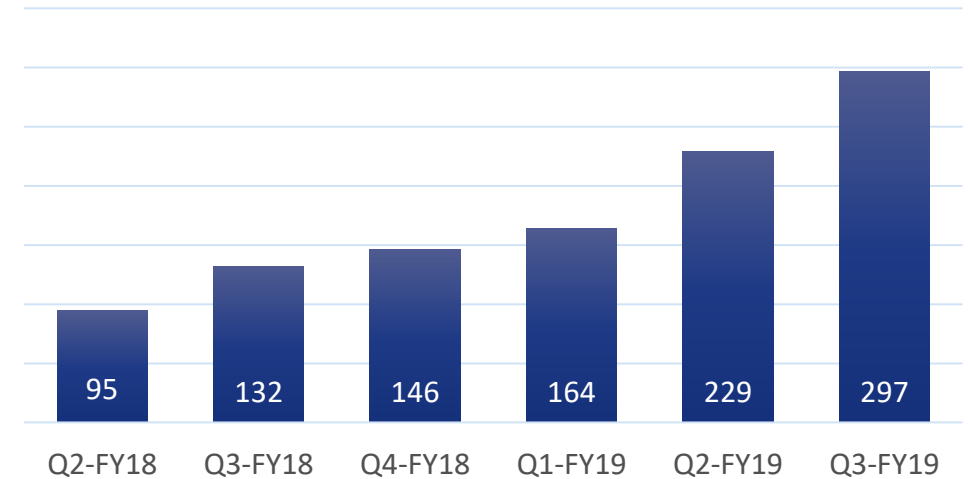
Future Outlook:

New Carvaan variant – Carvaan GO will be launched in immediate future

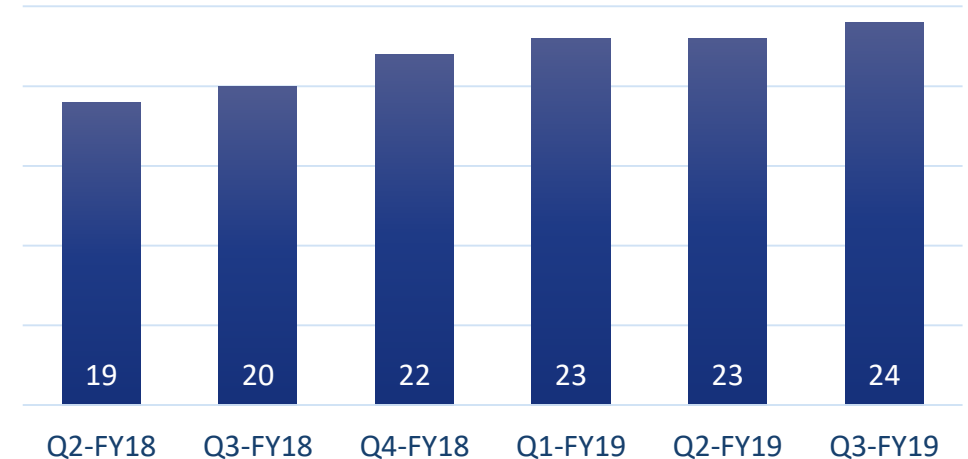
Number keep Growing Revised FY-19 Estimates : **900K** units

Carvaan continues to win awards for Innovation & Marketing

Carvaan Sales (units '000s)



Carvaan Gross Margin (%)

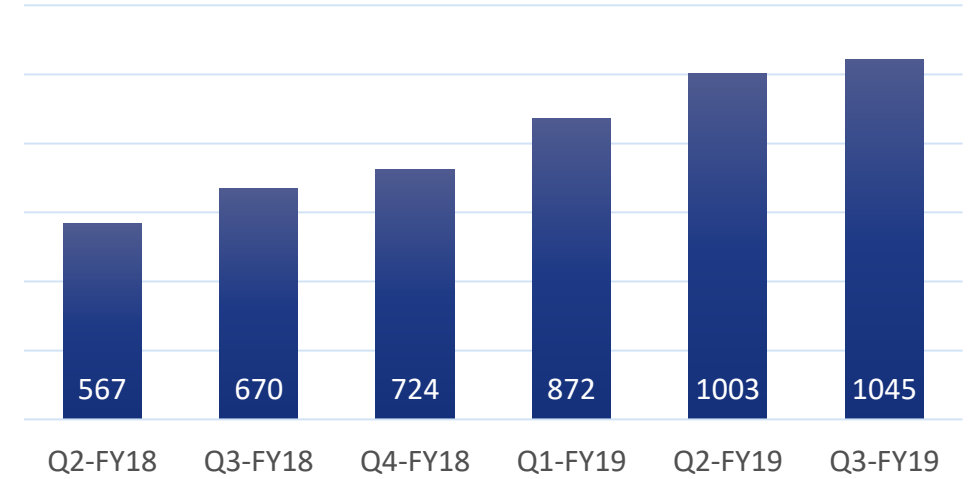


Music Segment Operational Highlights

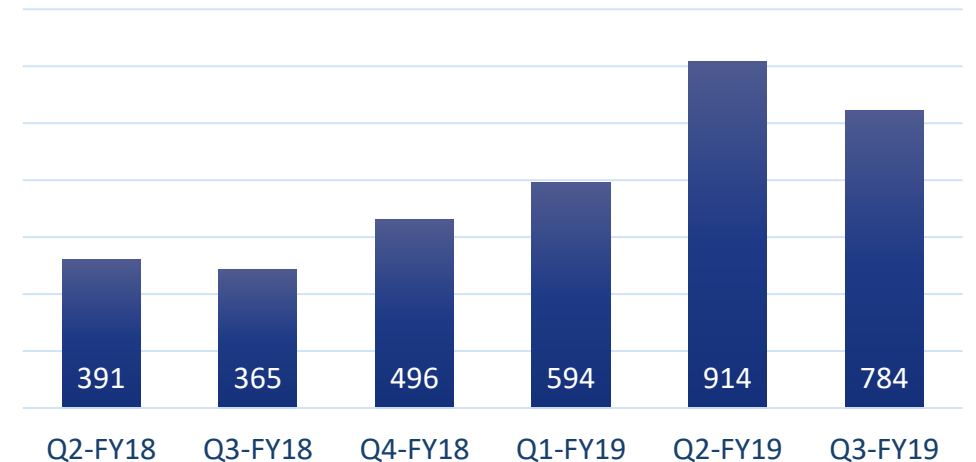
New Film Music

	HINDI	REGIONAL
Q1		
Q2		
Q3		

OTT Streams (Mn) per Quarter



YouTube Views (Mn) per Month



Films & TV Segment Operational Highlights

Q3-FY19 Operational Highlights:

Films (Yoodlee)

- **AshcharyaChakit**
 - Released as a Netflix original film and is Trending for 34 days
- **Music Teacher:**
 - World Premiere at Chicago Asian film festival. Also showcased at Houston Film Festival.
 - Heroine Amrita Bagchi wins award
 - Will soon be released on Netflix Original

Television Business

- New show Roja continues top rated show in the afternoon band
- Valli is in its 6th year of telecast and is the longest running serial in Sun TV
- Jo Jo Laali (Kannada show) completed 465 episodes

Future Outlook:

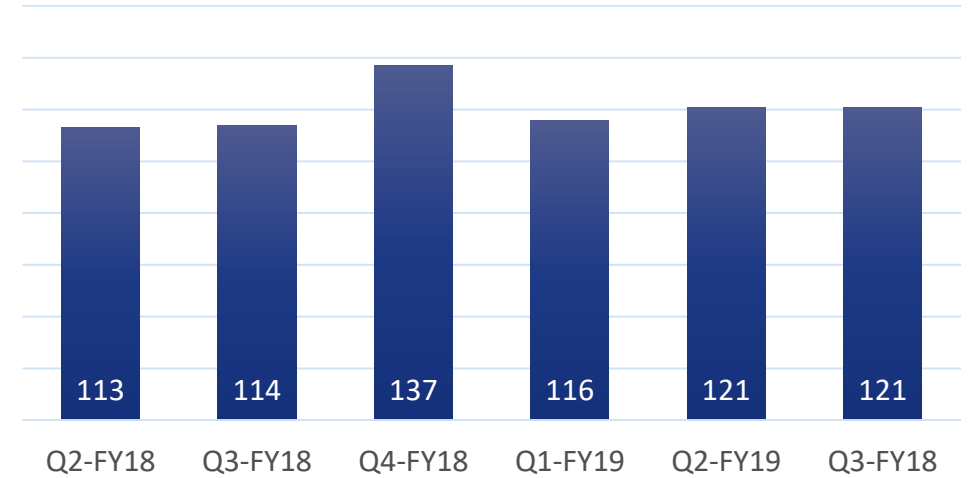
Films (Yoodlee)

- 12 movies output deal with leading Indian broadcaster / digital platform
- Another deal on the cards

Television Business

- Roja to move to prime time
- Another show on the cards

Films & TV Segment Revenue (Rs Mn)





FINANCIAL OVERVIEW

Historical Standalone Income Statement



Particulars (INR Mn)	FY16	FY17	FY18
Revenue from Operations	2,148	2,081	3,456
Other Income	99	159	142
Total Revenue	2,247	2,240	3,598
Total Expenses	1,997	2,003	3,115
EBITDA	250	237	483
EBITDA Margin (%)	11.13%	10.58%	13.42%
Depreciation	53	41	38
Finance Cost	3	23	34
PBT	194	173	411
Exceptional Items	96	-	-
Tax	22	73	106
PAT	76	100	305
PAT Margins	3.38%	4.46%	8.48%
Other Comprehensive Income	-	1,301	136
Total Comprehensive Income (After Tax)	76	1,401	441
Diluted EPS (INR)	4.33	5.74	17.51

Standalone Balance Sheet



Equity and Liabilities (INR Mn)	FY17	FY18
Shareholders Fund		
(a) Equity Share Capital	174	174
(b) Other Equity	3,236	3,647
Net worth	3,410	3,821
(c) Non Controlling Interest	-	-
Non Current Liabilities		
(a) Employee Benefit Obligations	19	21
(b) Deferred tax liabilities (Net)	424	456
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	129
(ii) Trade Payables	371	386
(iii) Other Financial Liabilities	115	347
(b) Other Current Liabilities	68	116
(c) Provisions	262	359
(d) Employee Benefit Obligation	16	7
Total	4,685	5,642

Assets (INR Mn)	FY17	FY18
Non Current Fixed Assets		
(a) Property, Plant and Equipment	1,893	1,881
(b) Investment Properties	25	24
(c) Intangible assets	62	61
(d) Investments in subsidiaries and Joint Venture	155	155
(e) Financial Assets		
(i) Investments	1,076	1,234
(ii) Loans	42	34
(iii) Other Financial Assets	-	-
(f) Other Non Current Assets	19	112
Current Assets		
(a) Inventories	99	473
(b) Financial Assets		
(i) Trade Receivables	556	781
(ii) Cash and cash equivalents	156	64
(iii) Bank Balances other than above	1	16
(iv) Loans	28	5
(v) Other Financial Assets	1	1
(c) Current Tax Assets (Net)	413	414
(d) Other Current Assets	159	387
Total	4,685	5,642

Historical Consolidated Income Statement



Particulars (INR Mn)	FY16	FY17	FY18
Revenue from Operations	2,217	2,185	3,566
Other Income	122	133	102
Total Revenue	2,339	2,318	3,668
Total Expenses	2,073	2,091	3,203
EBITDA	266	227	465
EBITDA Margin (%)	11.37%	9.79%	12.68%
Depreciation	54	44	42
Finance Cost	5	24	34
PBT	207	159	389
Exceptional Items	116	-	-
Tax	22	73	106
PAT	69	86	283
PAT Margins	2.95%	3.71%	7.72%
Other Comprehensive Income	-	1,402	164
Total Comprehensive Income (After Tax)	69	1,488	447
Diluted EPS (INR)	3.92	4.96	16.24

Historical Consolidated Balance Sheet

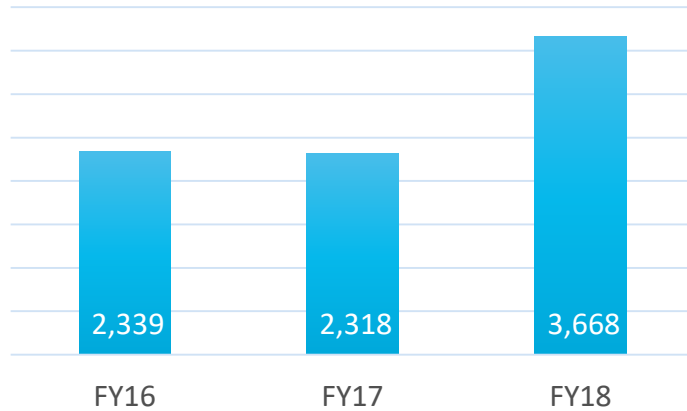


Equity and Liabilities (INR Mn)	FY17	FY18
Shareholders Fund		
(a) Equity Share Capital	174	174
(b) Other Equity	3,223	3,643
Net worth	3,397	3,817
(c) Non Controlling Interest	25	23
Non Current Liabilities		
(a) Employee Benefit Obligations	22	24
(b) Deferred tax liabilities (Net)	444	479
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	30	159
(ii) Trade Payables	384	404
(iii) Other Financial Liabilities	125	360
(b) Other Current Liabilities	91	149
(c) Provisions	263	361
(d) Employee Benefit Obligation	16	8
Total	4,797	5,784

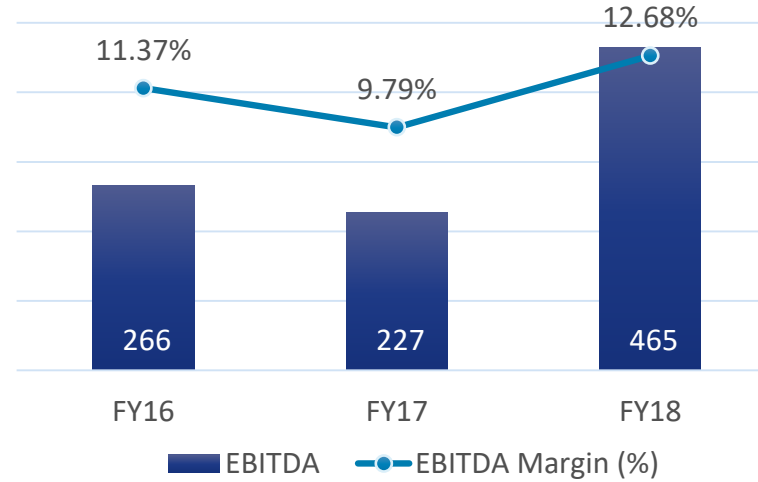
Assets (INR Mn)	FY17	FY18
Non Current Fixed Assets		
(a) Property, Plant and Equipment	1,897	1,884
(b) Investment Properties	25	24
(c) Intangible assets	67	65
(d) Investments in subsidiaries and Joint Venture	-	-
(e) Financial Assets		
(i) Investments	1,316	1,510
(ii) Loans	47	40
(iii) Other Financial Assets	-	-
(f) Other Non Current Assets	20	112
Current Assets		
(a) Inventories	103	493
(b) Financial Assets		
(i) Trade Receivables	523	730
(ii) Cash and cash equivalents	190	92
(iii) Bank Balances other than (ii) above	1	16
(iv) Loans	27	2
(v) Other Financial Assets	-	1
(c) Current Tax Assets (Net)	419	423
(d) Other Current Assets	162	392
Total	4,797	5,784

Financial Charts (Consolidated)

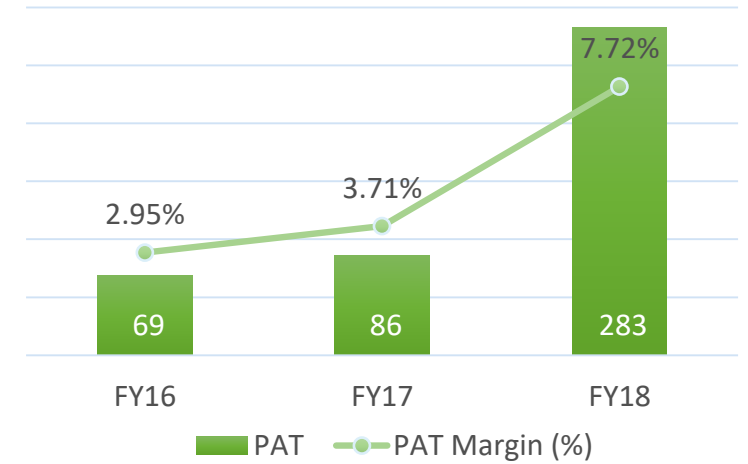
Total Revenue (INR Mn)



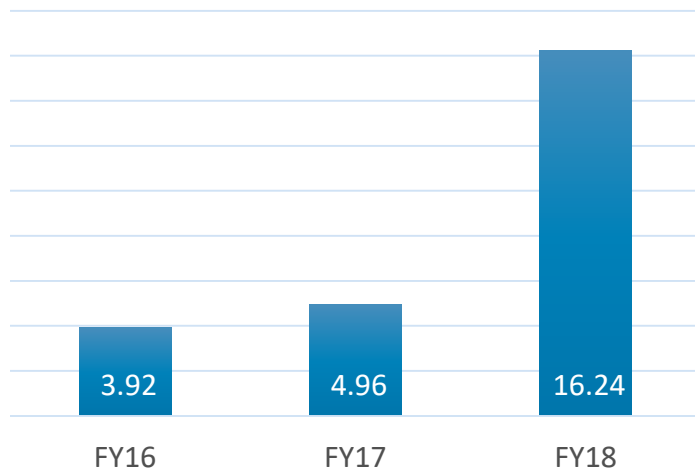
EBITDA and EBITDA Margin (%)



PAT and PAT Margin (%)



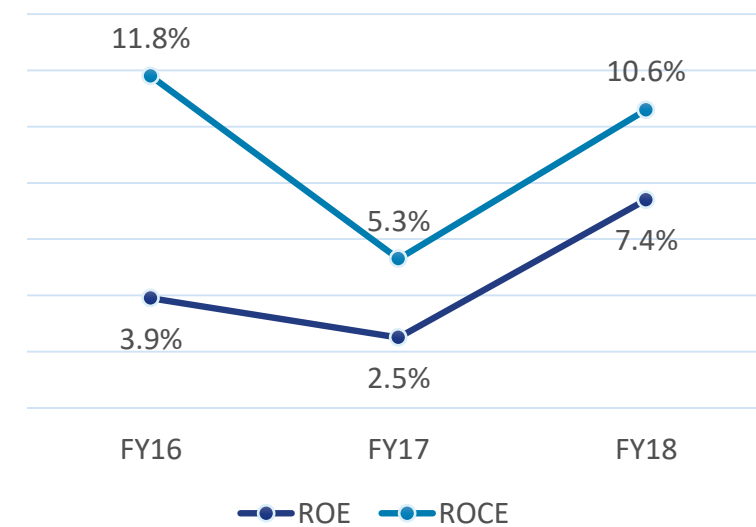
Diluted EPS



Net Debt to Equity



ROE and ROCE



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soul of India

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