



Investors Update Q3 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

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 3rd 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

Q3 17-18 Financial Performance

Rs. Lacs	Q3 17-18	Q3 16-17	% Growth YOY	Q1 17-18	Q2 17-18
<u>REVENUES</u>					
Music	8234	3842	114%	4551	7320
TV & Films	1140	1581	-28%	1653	1126
Total	9374	5423	73%	6204	8446
<u>EBITDA w/o SAR provision</u>	1381	411	236%	934	1315
<u>PBT w/o SAR provision</u>	1196	245	388%	775	1137
<u>PBT post SAR provision</u>	421	245	72%	677	901
<u>PAT</u>	130	124	5%	330	446

SAR: Stock Appreciation Rights

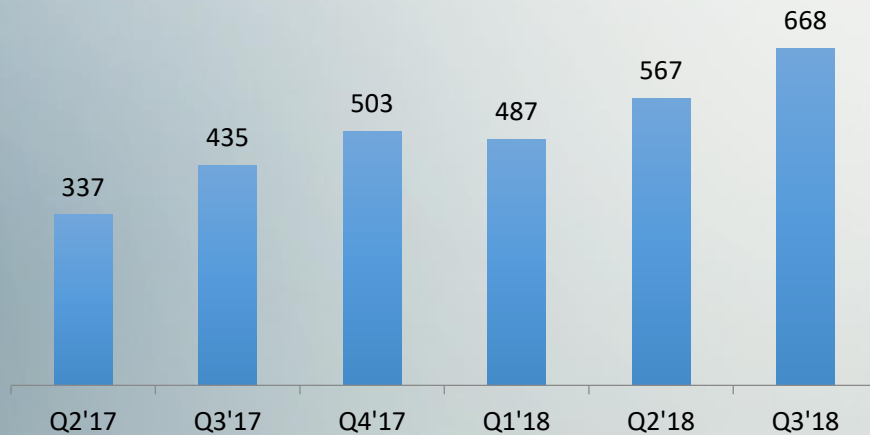
Standalone basis

Highlights

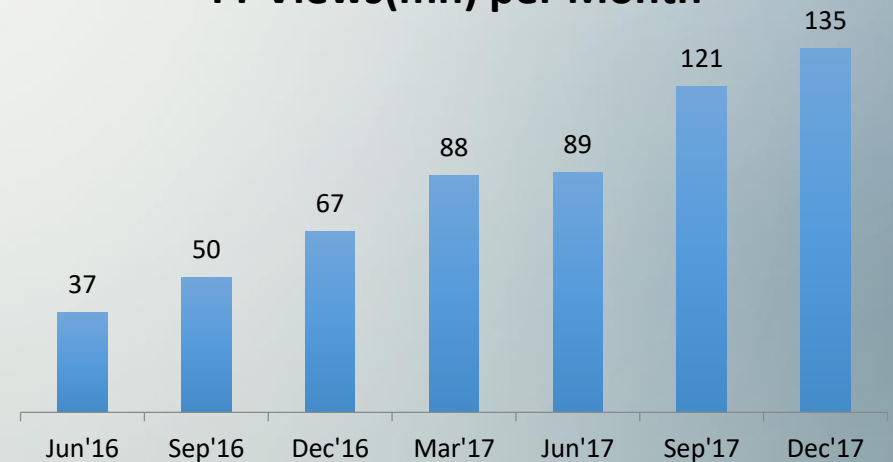
- Music Business grown by 114%
- 60% of music revenue came from B2C
- B2C Music: 132k units of Carvaan & its variants sold
- TV software business showing signs of recovery. 1st Yoodlee film released
- ED Inquiry on music industry for non payment of royalties; no adverse order or communication to Saregama

Growth from 3rd party digital / TV platforms continues

OTT Streams (mn) per Quarter



YT Views(mn) per Month



- OTT income grew by 42%
- Licensing deal with Amazon Prime closed. Apple Music India to start streaming in Q4
- YT income also witnessed growth, while Telecom declined

- **132k** units sold of Carvaan & Mini in Q3'18
- Carvaan Tamil Mini – MS Subbalakshmi launched in December 17
- Carvaan launched in US. Price: \$159
- GST reduced from 28% to 18%. Price benefit passed on to customers. New price Rs 5990 / 6390 compared to earlier Rs 6490/ 6990 for Carvaan and Rs 2290 compared to Rs 2490 for Mini
- 4th manufacturer appointed. India based. Supply from May'18
- Advertising launched on Hindi & Tamil channels & Digital platforms
- “Demonstration on Demand” started in top 10 towns
- First order from 5 Star hotel for placement in rooms
- On track for a 2018 model launch during festival season

	Q3'17-18	Q2'17-18	Q1'17-18
Sale	132k	95k	14k
Billing Outlets	7126	4640	752
Gross Margin	20%	19%	17%



Positive coverage continues

Brand Equity - Economic Times - Delhi/Wed, 04 Oct-17, Size - 801.35 sq.cm, Page - 1

On ▶▶ 2

SINGIN' IN... MAGICBRICKS TAKES A MUSICAL

STOP, CHANGE
How Ridh & Zopho commuters' lives e

SAREGAMA'S CARAVAN

A product not for millennials

Gifting Guide

TECH corner

From portable personal stereo to stationary desktop computer, here are the best gifts for your loved ones.

- Wear headphones**
- Head-based music**
- Phono-first earbuds**
- Wear-style instant photos**
- Cellular watch**
- Smartwatch**

DIGITAL CONSUMER

Tech tasting

It's gift buying season, whether you're treating yourself or indulging others. While the latest smartphone is a cop out, Abhik Sen offers some more tech for thought

- MEISU CASE IPHONE**
- LAKS WATCH PVA**
- AMAZON KINDLE**
- FUJIFILM INSTAX SQUARE 5010**
- APPLE TV 4K**

The brand promise of nostalgia

Sharp targeting and smart marketing have made Carvaan a successful brand. But, will its retro appeal allow it to remain a lasting one?

WORTH REMEMBERING
New Delhi, 3 November

Walk into your nearest Saregama store. Pick up the ₹6,990 Carvaan. If you are over 40 years of age, chances are you will find along with some nostalgia associated with a Mohammed Rafi, Lata Mangeshkar, Kishore Kumar or Alka Yashraj song among the 5,000+ it carries. A Saregama Carvaan is a portable, rugged, of which Carvaan is the first to offer a chord. And if you don't buy it, chances are that your younger acquaintance or relative, trodded with the features along with all that nostalgia will get it.

These roughly are the premises on which Carvaan was launched in this financial year by India's oldest music company, the 122-year-old Saregama. The launch, Carvaan, has sold a whopping 1.6 lakh units, amounting to 600 crore of about half of Saregama's revenue as a ₹14 crore's foot, for the music you heard in your youth, says Mehra.

The story behind Carvaan traces its roots to the 1920s when a young man, who was a disc jockey, discovered songs, and hearty and, with the appropriate counsel and

One lady in Kanpur said "I remember the radio would go on and I would be doing all the staff around the house." This was on *Vishal Bhattar*, the playlist was random and it was a discovery of a young man, who was a disc jockey, who discovered songs, and hearty and, with the appropriate counsel and

with 4,600 consumer electronics outlets being reached currently, it will go up to 10,000 by the end of the year. While analysts and commentators have given the brand a thumbs-up, opinions are mixed. "As a novelty, how long will the appeal last?"

BUSINESS OF MUSIC

5 STRATEGIES TO LEARN FROM SAREGAMA'S CARVAAN

“NOSTALGIA COULD BE THE RIGHT CHORD TO STRIKE!”
Aparajita Misra, Loudista

box from the yesteryear

ian's design and music collection are a vast, but its features are contemporary

the downloaded by would anyone box of pre-loaded stereo-type. But, practically even. Raynolds, in. Then why this of once "from the hand logical, and details of the did similar to I didn't even I overheard my vintage (the music box to why grey-haired, aged). Full-fledged the volume, there are you switched on. I listened to the stions, to music, o. I think aches from the countdown a broadcast on a 94, and then vice of all India, it was. It was hosted by among the ranywhere in the world. His older brother, Hamid, hosted the *Boonraita On Le Conto* on radio. Therefore, it wouldn't be off target to suggest that this product is essentially aimed at an older generation of music lovers, those who grew up listening to the Saregamas, and whose entertainment options were the radio and the playground.

Old world
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CAMPAIGN LOGIC

Nostalgic tunes

In a digital brand film, Saregama's new audio player has turned on the nostalgic value of old Hindi film classics to woo an older audience set

BRAND: Saregama/Carvaan
BUDGET: ₹5-10 crore (estimated)
AGENCY: The Womb

GETMATH
The product has been successfully aimed at an older generation of music lovers, those who grew up listening to the Saregamas, and whose entertainment options were the radio and the playground.

Dev Anand
"always be" wonder he that you are played in a

MOVE-AWAY FROM B2B FOCUS PAYS OFF

Saregama Connects with Consumers, Hits the Right Notes

ET ANALYSIS

Co's portable digital radio product that has pre-loaded 5,000 songs draws good response

Rajesh.Naidu@timesgroup.com

Music to Ears
Saregama India Revenue Segmentwise % of total revenues

License Fees	Income from TV Serials
63	31

Product sales 3 Advertising 3

Source: Company Reports, Kotak Securities; FY17 revenues: ₹218 cr

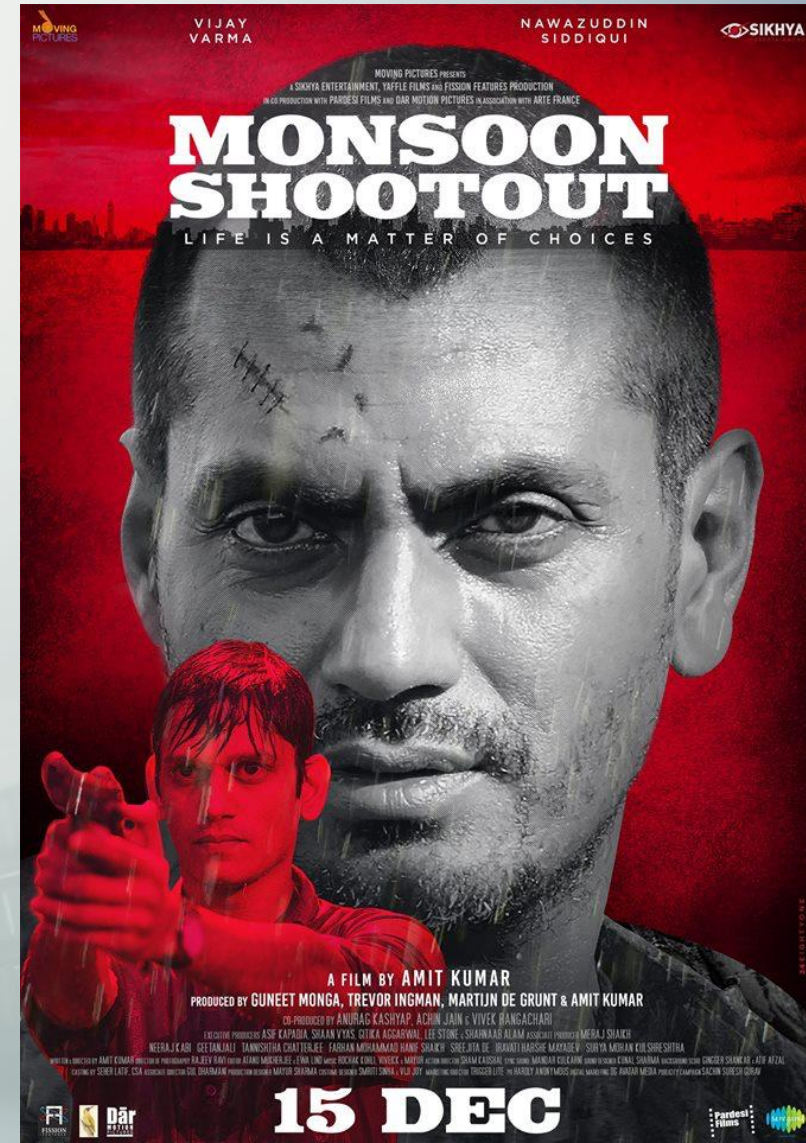
ET Intelligence Group: Business-to-consumer (B2C) appears to be the soothing sound of music for Indian investors.

இனிய பயணத்து

இனிய இசை தான், பயணத்து அடிப்படையில், பயணத்தின் செல்லக்கூடிய, 'சரிகம கேரவன்' இது பரிசளிக்கவும் ஏற்றது. எப்.எ ஒலிபரப்பை, இதில் கேட்கலாம். பிபன் டிகரவல் போன்றவற்றை இ. தொடர்ந்து இசையை கேட்க முடிபதிவேற்றப்பட்டிருப்பது கூடுதல் சேவை அளிக்கிறது. எலக்ட்ரிக் புளடை, 1.5 கிலோ மீட்டும்.

Building IP New MUSIC

- Music of “Monsoon Shootout” acquired in the quarter.
- Audio and Music Video rights in perpetuity
- “Pal” from Arijit Singh proved to be a chartbuster



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

- 8 films ready. All shot in 18-21 days each
- First film "Ajji" release in Nov 17
- Digital rights licensing for Ajji completed
- "Brij Mohan Amar Rahein" being released straight on a digital platform
- Revenue from both movies being recognised in Q4
- Cost of both movies being charged off in FY17-18

Yoodlee Films - Ajji Accolades & Reviews



The collage features several review snippets for the film 'Ajji':

- FilmFreak.com:** "Ajji Movie Review" with a 3.5 star rating and a quote: "The best of the best, Kodiao".
- Chronicle:** "Ajji movie review: A standout film with a medieval, moral twist".
- The Indian Express:** "Ajji: While Potent and Rattling, This Film is Not For the Faint-Hearted".
- mid-day.com:** "Review: 'Ajji' is not for the faint-hearted".
- THE ASIAN AGE:** "stark take on a dark reality" and "Horrifying mirror image of poverty".
- INDIAN EXPRESS:** "Horrifying mirror image of poverty".
- GLAMSHAM.com:** "AJJI Movie Review: A bloody gruesome 'cut' above indie".
- Other reviews:** "Ajji: Film Review | Busan", "Ajji Movie Review: Devashish Makhiya's Film Manages to Keep One on the Edge", "Ajji - Movie Review", "Ajji - Busan Review", "Ajji: A bloody gruesome 'cut' above indie".

Yoodlee Films Q4 Releases



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 Q2 next year

Music B2C

- Sales of Carvaan and its variants will grow further in next few quarters
- Larger scale ATL marketing activities from Q4 onwards
- Launch of Carvaan variants – Bengali Carvaan, Canada / UK / Middle East versions of Carvaan in Q4
- Improvement in gross margins expected with volumes

Outlook - TV , Films & Publication Businesses

Television Business

- South TV – Banked inventory will start getting contributing to Profits from Q1, FY 18-19
- Hindi TV – conscious call to get out of all non IP business

Films (Yoodlee)

- Release of two films in theatre in Q4
- Future movies to be focused more towards U & U/A movies
- Focus on building catalogue
- Cost of movies to be fully charged off in the year of release

Publication Business

- Achieve break even through subscription and ad revenues



Thank
You