RAG RAG MEIN DAUDE CITY.

FM BOLE TOH Radio City A JAGRAN INITIATIVE

February 01, 2024

National Stock Exchange of India Limited **Exchange Plaza, 5th Floor** **Plot No. C/1, G Block; Bandra (East)** **Mumbai 400 051**			**BSE Limited** **Corporate Relationship Department** **Phiroze Jeejeebhoy Towers** **Dalal Street; Fort, Mumbai 400 001**		
Equity	**Scrip Code**	**RADIOCITY**	**Equity**	**Scrip Code**	**540366**
	ISIN	**INE919I01024**		**ISIN**	**INE919I01024**
NCRPS	**Scrip Code**	**RADIOCITY**	**NCRPS**	**Scrip Code**	**717504**
	ISIN	**INE919I04010**		**ISIN**	**INE919I04010**

Sub: Transcript of Earnings Call for the Financial Results of the third quarter ended December 31, 2023

Dear Sir/Ma'am

In continuation to our letter dated January 16, 2024 and January 25, 2024 and pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part A of Schedule III of the Listing Regulation, we would like to inform that the Transcript of Earnings Call held on Thursday, January 25, 2024 at 3:00 p.m. for discussing financial performance of the Company of the third quarter ended December 31, 2023, is enclosed herewith.

The aforesaid Transcript is also available on the website of the Company https://www.radiocity.in

Kindly take the above on your record.

Yours Faithfully
For Music Broadcast Limited

ARPITA MEHROTRA KAPOOR

Digitally signed by ARPITA MEHROTRA KAPOOR
DN: c=IN, postalCode=400068, st=MAHARASHTRA, street=A204HARESHWAR PARADISE OPP LINK ROADMUMBAI SUBURBANDAHISAR WESTKANDARPADA 400068, l=MUMBAI SUBURBAN, o=Personal, title=8609, serialNumber=d6d75011cc81c73b5309a7ee86cc2d6060b50c6c87c97a7569d9e77b12339ace, pseudonym=86092022092812525785 5, 2.5.4.20=d937deb9bccba65d69657cfebf96f9ecedde169501ea8da3f9d1ec8782110fd9, email=CSARPITAKAPOOR@GMAIL.COM, cn=ARPITA MEHROTRA KAPOOR
Date: 2024.02.01 12:24:18 +05'30'

Arpita Kapoor
Company Secretary and Compliance Officer

Encl: As above

FM BOLE TOH RadioCity.in A JAGRAN INITIATIVE | RADIO CITY SCHOOL OF BROADCASTING learn from the experts

"Music Broadcast Limited Q3 FY24 Earnings Conference Call"

January 25, 2024

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 25th January 2024 will prevail.

MANAGEMENT: **MR. ASHIT KUKIAN – CHIEF EXECUTIVE OFFICER, MUSIC BROADCAST LIMITED**
MR. RAJIV SHAH– INVESTOR RELATIONS, MUSIC BROADCAST LIMITED

Moderator: Ladies and Gentlemen, Good day and welcome to Music Broadcast Q3 FY24 Earnings Conference Call.

This conference call may contain forward-looking statements about the Company which are based on the beliefs, opinions, and expectations of the Company as on date of this call. These statements are not the guarantees of future performance and involve risk and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to **Mr. Ashit Kukian – CEO of Music Broadcast Limited**. Thank you and over to you, sir.

Ashit Kukian: Thank you. Good afternoon everyone and thank you for joining the Q3 FY24 Earnings Call for Music Broadcast Limited.

Joining me on the call is Mr. Rajiv Shah from our IR team and our Investor Relations Partner Strategic Growth Advisors. I am pleased to share the financial outcomes of our Company for Q3 and the 9 months FY24 with you. These accomplishments are the result of dedication and hard work of our team and demonstrate our unwavering commitment to promoting growth and innovation in the ever-changing field of media and entertainment.

For Q3 FY24 and 9 month period FY24 revenues grew by 11% and 13% respectively. EBITDA during the same period grew by 5% and 25% respectively. During the quarter, we made a certain investment in employees in the digital side of the business.

Digital business has the potential to open new revenue streams, enhance operational efficiencies and enhance customer experiences in the long run. For the quarter or digital business has experienced a substantial 27% growth compared to the previous year, demonstrating our agility in meeting, shifting preferences and audience demands.

We believe our radio digital strategy has proved successful and a substantial portion of our additional revenue will translate into operating profits going forward.

On the growth in the advertising sector notable advancements have come to the forefront. Notably, the jewelry industry saw substantial growth of 44% year-on-year, an increase in the advertising spending the pharmaceutical market grew by 15% and the auto industry exhibited an impressive 26% growth compared to the previous year.

The finance industry witnessed growth of 9% the government public service ad sector showed commendable growth at 22% and real estate advertising increased by 17% year-on-year. This sector specific insight empowers us to adjust our strategies and customize our services to meet the evolving needs of our clients. At Radio City we have executed a range of strategies to expand our positioning in the radio industry.

In the 3rd Quarter we successfully retain the market share at 19% in our ad check markets. Additionally, our comprehensive omni channel framework allows us to maximize the extensive reach of our network ensuring the delivery of optimal value to our clients. Radio City continues to attract a significant share of both our existing and new clients with 40% of our clients on the radio platform choosing us for their advertising needs.

Among new clients 33% selected Radio City as their advertising platform of choice, further establishing a position as a preferred choice in the advertising landscape. We take great pride in our commitment to diversify revenue streams with 31% of our revenue stemming from various sources such as properties, proactive pictures, digital ventures, sponsorships and special events.

This diversified strategy plays the pivotal role in strengthening our overall financial resilience and stability. Furthermore, we have achieved the second largest client count share in the industry reaching 40% in the 9M FY24 period. This stands as testament to the strength of our client relationships and the value we consistently deliver.

In summary, our experience at Radio City is defined by progress, innovation and flexibility. We are dedicated to delivering top notch content, broadening our market positioning and staying ahead in the dynamic landscape of the media and entertainment industry.

Now coming to the financial performance highlights for Q3 and 9M period FY24:

For 9M FY24 revenue grew by 13% year-on-year to Rs. 165.9 crores, EBITDA grew by 25% year-on-year to Rs. 40.10 crores while EBITDA margin expanded by 235 bps to 24.2%. Adjusted profit after tax which is adjusted for the interest on NCRPS to the tune of 5.8 crores stood at Rs. 9.7 crores.

For Q3 FY24 revenue grew by 11% year-on-year to 60.4 crores. EBITDA grew by 5% year-on-year to 15.3 crores while EBITDA margins stood at 25.3%. Adjusted profit after tax which is adjusted for interest on NCRPS to the tune of 1.9 crores stood at 4.5 crores.

In conclusion, I want to highlight that the way people in India consume media is changing with lots of content choices the radio industry can now use digital platform alongside traditional radio. At Radio City we are staying updated with the latest trends by investing in digital technology to match what our audience likes.

With this, I would request the moderator to open up the floor for Q&A. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sanika from Sapphire Capital. Please go ahead.

Sanika: So, I want to know what are going to be the main growth drivers for the Company and in like next two, three years what is the vision for a Company like where do we see our Company?

Ashit Kukian: So, if you look at the way we have positioned our business is we have kind of extended ourselves beyond radio as you would have if you are closely watching us. So, we have got various arena through which we kind of generate our revenues.

One is, of course, the pureplay radio - traditional radio that we have got. The other most important thing which we have been talking about which we believe is the lot for the future and even currently is now significantly contributing is the digital part of the business which is making our presence felt in the digital world through our presence in social media platform, through our own channels and through third party platforms.

The other is very clearly because we are in the business where we meet and engage brands to kind of experience consumers we are also doing a lot of on-ground led events which also is something which is contributing now significantly now that it's almost two years post COVID and we are able to effectively do a lot of events.

So, for us it is radio, it's on-ground events, it's digital and also building ourselves on content on third party platform which gives us the reach and distribution which brands look out for.

Moderator: Thank you. The next question is from the line of Payal Shah from Billion Securities. Please go ahead.

Payal Shah: I have two questions. First being like what are the reasons that our EBITDA margin growth is slower than revenue growth for this quarter?

Ashit Kukian: If you remember in the last investor call also we had said that in the middle of this year we will be investing in our digital play for the next two to three years and largely when we talk about that it is investing on people and certain technology which will allow us to kind of expand our horizons. So, when you look at it the way I would want you to look at it for the 9-month period, but to answer your question on Q3 our investment in Q3 has been much more and hence the margin of growth between the top line and EBITDA is shown differentially.

Payal Shah: Follow up on that like what kind of EBITDA margins should we expect going forward?

Ashit Kukian: See we are already delivering 25% approximate margin. I would believe that very soon we should be seeing the erstwhile 30% margin that we were operating before COVID and that's the first point that we are talking about.

Beyond 30% a lot will depend on the whole digital play that we are talking about and we believe digital and I've been telling you time and again for us digital will be the EBITDA booster. So, going forward our short-term goal is to reach the 30% margin and then of course try and build it up from there as our digital business increases.

Moderator: Thank you. The next question is from the line of Parth Vasani from JK Advisor. Please go ahead.

Parth Vasani: Sir, I wanted to understand have you seen any material increase in revenue due to this Ayodhya event and do we expect this Ayodhya event to contribute to a good advertisement revenue going forward?

Ashit Kukian: So, two reasons immediate because it has just happened in the current quarter. Yes, there has been a marginal increase because we've been able to create properties using the whole fact that the world is looking at Ayodhya and Ayodhya was looking at a consumer increase in terms of the footfalls that the city was getting, so that's my first answer.

The second answer is purely the advertising is also very strongly related with the sentiments that the country carries and if the mood and the sentiment is celebratory. We believe that when the mood is celebratory consumption increases and if consumption increases advertising increases. So, I look at it positively saying that if Ayodhya the way it has started and if it continues to go the way it is we will surely see a swell in advertising because of the mood being celebratory.

Parth Vasani: Sir, my second question was how are we seeing on government advertisement spending as the elections are coming?

Ashit Kukian: If you see already the government spending has increased by about 22% at the industry level, we have eventually increased much more than that. So, I personally believe that 35% to 40% growth is what one should look at from now till the time the election dates are announced.

Moderator: Thank you. The next question is from the line of Rajvi Shah from Bright Securities. Please go ahead.

Rajvi Shah: I just had a question. What were the advertisement rates during the quarter and by when do we expect to see an increase in advertisement rate?

Ashit Kukian: See the advertising rate has been more or less the same from Q2 to Q3 because largely the business has been increased from a volume perspective. The next point that I want to say that the current level of utilization has reached about 85%.

So, now if it continues between now and it's always a story of once your saturation of your inventory happens that's when rates get increased because that's beyond the point you can't take beyond the number of minutes that you want to take. So, it still comes on to give you answer in a different form.

Our growth has largely come from volumes and not come so much so for rate. So, the positive side to look at it is that there is still room for us to get our revenues increased to the rate root if we have to look at it from a future perspective.

Moderator: Thank you. The next question is from the line of Kavin Shah an Individual Investor. Please go ahead.

Kavin Shah: Sir, I just wanted to understand since we are investing in digital, I would appreciate if you can elaborate more on the kind of technology which we are spending into and what kind of team we are building, just to understand how this business will transform from radio to digital and what kind of revenue potential we can see coming up from digital in next three years or so. So, just to understand on the overall picture?

Ashit Kukian: The player that we are talking about largely strength from the consumer behavior we are talking. So, we are when we look at media today consumers apart from listening to traditional mediums like radio is also consuming a lot of content on social media platforms on FB, on YouTube and so on and so forth where their brands see that the consumers are engaging with content.

So, our investment is right now opening in from two levels. One is people who are well versed with the understanding of the behavior of the digital world in terms of how the Gen-Zs, the Millennials engage with various mediums and also with the various channels that they kind of engage in terms of content consumption. So, that means understanding how Insta world works out, how FB works or how YouTube works.

So, we are working at two levels. One is the creation of content. Second is distribution of content on social media platform on other third-party platform which will allow brands who come to us to reach out to a larger set of audiences. So, there is an increased reach that the brands get and that we get a larger set of value because we are delivering far more beyond radio that's the first answer that I'm giving.

The second answer is that in terms of investment we are doing multiple levels of things. We are doing content creation, we are actively engaging our RJ's influencers, we all know about the social media world and how influencer marketing is taking over the world. So, we are currently using all our internal resources as influencers when it comes to brands and engaging them with their consumers on the social media platform beyond radio and also in our case even on ground. So, we are taking out our strength in terms of engagement with the listeners or consumers as far as brands are concerned and straddling multiple media places and thereby giving the brand multiple opportunities to engage with their consumers.

Kavin Shah: And sir apart from us our competition I am sure would also be looking at the same strategy or am I wrong in my understanding and what is our differentiator from them like radio industry?

Ashit Kukian: Differentiator will be when you talk about the digital world its huge from an influencer marketing to brand marketing to advertising funded programming to distribution of content and so on and so forth. So, we have got multiple strategies which is travelling each of those places where the consumers kind of like for example music discovery.

Today, we are talking about music discovery currently is happening through radio, but with the Indie music as we call the alternate music or Indie music as we call. They dont really get a straight platform because Bollywood has taken center stage when it comes to music. Today we are working closely with the Indie artists for them to be discovered and once when they are discovered by brands or even content creators, there is a whole lot of value and wealth created and that wealth created when it goes through Earth there is a rupture that happens.

So, we are doing multiple things in the field of discovery of music, in the field of marketing ourselves. Hence, largely were using our fan following which is our RJs, which is there across these spaces and that is what brands look out for.

So, if you remember while the world talks about independent music today. Radio City Freedom Award is the first platform we started about 12 years back recognizing that there is an alternate world which is getting registered from a consumer choice is concerned and this is 12 years back I 'am talking about.

You might have seen the last two to three years active increased interest in independent, but we are transporters in that sense and for the last 12 years continuously recognized talent, awarded them, given them a platform because we recognize them 12 years back when the world didnt recognize them and today is the time we believe that we will now monetize by using them in various platforms whether it is getting them to kind of give content to an OTT platform and so on and so forth. So, there are multiple things that were doing.

Kavin Shah: So, sir is there any addressable market size for this means or I 'am wrong in understanding its a very different?

Ashit Kukian: Huge market side if you look at only the influencer marketing platform that influencer marketing platform in isolation will be three times the radio revenues that we are talking about. In terms of the opportunity just the influencer marketing. If you are looking at digital per se its already been 50% plus of the overall advertising market that we talk about and world over if you will talk to marketers there was a McKinsey study done about a year back saying that where do you do things that you will be investing your marketing money.

Most of them felt that influencer marketing and social media marketing is where they'll invest 75% of the money. So, then if money is going to be allocated to these mediums, you're already getting ourselves engaged in some form of the other and creating more and more opportunities for brand to be present in these mediums.

Kavin Shah: And my last question, sir I mean just to understand in the global market or global industry in other countries of the developed nation, is there a such transformation from radio to digital, has some Company done successfully and have they grown from some x size to say multiples of x?

Ashit Kukian: See it's an evolution they are very grown up. When you look at entertainment as a medium it depends on how you're really looking at the medium. One classic example I can give you is we all since you all are investors you all of you would know about one is Ronnie Screwvala. He was only a television distribution and content creator company when one fine day he decided that he believes that movies are parallel to the entertainment medium which he's closely working with and the rest is history as we all know.

So, while there are many global stories of brands transforming and I think it is transformation of people from the manufacturing industry through digital or the media industry to digitally it's a natural course that all of us will be following the west is followed possibly earlier. We will be following closely and that is enough and more reasons to believe that.

The way I look at it I always keep saying that I'm in the marketing solutions business. So, if there are brands and if there are consumers and if brands want to engage with consumers we will provide them the choice of consumers in the platforms of the consumers choice and hence today I am creating content which is there in multiple platforms.

Today my content is there on streaming platforms, my content is that on all social media platforms and most brands consumers are lying there and that's the way where they engage. So, we are creating a lot of content which is straddling multiple media spaces for brands to engage with their consumers and that is the world order right now and we are already present in a small manner as we increase the strength that we have, we will be more and more deeper and richer in this distribution part of the business when it comes to reach from a brand engagements.

Moderator: Thank you. The next question is from the line of Anand Shah an Individual Investor. Please go ahead.

Anand Shah: My question is regarding the appeal which we have filed with the Supreme Court in the matter of judgment delivered by Madras High Court where they have told that all the music provider has to pay Rs. 660 per needle hour for the decade 2010 to 2020 and in your notes you have said that in general you don't foresee any outcome economic resources. I would like to ask you if by any chance the verdict is against the music provider what can be the possible liability arising on for same?

Ashit Kukian: See this has been there for years now and as an industry we are quite positive that there will be no adverse judgment that will come against us. However, since right now it is still in the court of law, and we believe that the industry has a very strong point to fight for and over a period of time the results will come in.

So, at this point in time not just me I think the entire industry is confident that there will be no liability because we are very clear that we are paying as much that is required and if there is any liability that has to be with third parties or people who are using either the singers or the lyrists the way they are doing in generating their own business.

Anand Shah: So, in any case like even the judgment is adversely against the Company there is no monetary outsourced which can be arise out for the Company you mean to say? Even in the case there is an adverse judgment against the Company in that case also there cannot be any monetary outflow from the Company side you mean to say.

Ashit Kukian: No, if there is an adverse judgment then the entire industry will have to go through the exercise and find what is the kind of growth that one has to look at, but that is the situation that none of us are sure all of us are sure that we will not reach that and sir this has been going for a while. If the case had been so simple it would have been addressed long time back. It is not addressed because of the complexity, and we very strongly believe not just us we also have a team of all our senior lawyers who believe that we have a case and beyond that honestly speaking Anand it will be speculation and speculation is something which I can't really say much about.

Anand Shah: The thing is that the party has filed the case and we lost in the Madras High Court, Madras High Court has given a judgment. In any case, like a liability has to be assumed like if something comes up then what can be the monetary liability the Company can face off actually that's my question actually?

Ashit Kukian: See Madras High Court is the reason why we very strongly believe because the judgment was given on understanding which we very strongly now know that because it was done in I don't want to talk about the way the judgment was given because its sub-judice and any comment from mine will not be right, but the Madras High Court judge will only give us more reasons to believe that we are in the right course.

Moderator: Thank you. The next question is from the line of Kaustubh an Individual Investor. Please go ahead.

Kaustubh: Sir, my first question to you was how much investments have been made in the digital business?

Ashit Kukian: See it's just a people business like I said on an average the kind of investment that you do on our staff is about 8% to 9% that we do on an average, but depending on the quarter-to-quarter depending on which quarter we are incubating some of the digital way forward incubation that we're doing.

So, in some cases will be marginally 10% to 12%, but well within the management of a P&L at this point in time. So, to answer your question is there a substantial interest? No, but is there an interest which will affect the P&L? Yes, because we are working with a very tight P&L. So, any additional investment bill have a marginal outcome on our P&L.

Kaustubh: And sir second question was there was an increase in the expenses, so any reason for the same?

Ashit Kukian: Q3 being the most important quarter there are certain investments both from a marketing perspective and also from a creation of IPs which goes a little higher and hence you will find that the investments are little more and hence the costs have gone up a little higher than what it would have been in the previous quarter.

Moderator: Thank you. The next question is from the line of Rajvi Shah from Bright Securities. Please go ahead.

Rajvi Shah: I just have few questions. How was the advertisement spending market and how did the festive season pan out and as well with sectors you expect to see good traction?

Ashit Kukian: Yes the festive season has been good and the sectors which have done well is the real estate, pharma, auto and to an extent now even government for us and I believe as we go forward auto, real estate and pharma will continue to grow, and finance will grow in this quarter usually Q4 is the quarter where finance increases. So, these are the sectors that will grow for Q4 and going forward I believe real estate and pharma will continue to grow and to be followed by auto.

Moderator: Thank you. As there are no further questions, I would like to hand the conference over to Mr. Ashit Kukian for closing comments. Please go ahead.

Ashit Kukian: Thank you. We sincerely appreciate your participation in today's earnings call. We believe that the change in media and consumption habits of the Indian audience driven by the availability of various content options has created an opportunity for the radio industry to embrace digital platforms while maintaining radio at its core business function.

Our focus continues to accelerate the digital future by leveraging resources and relationships to offer maximum value to our customers. The Presentations, Earnings Release and Results are all available on the corporate website and stock exchanges. If you have any further inquiries, please get in touch with any of us or with Strategic Growth Advisors our Investor Relations Partner. Wishing everyone a very Happy New Year.

Moderator: Thank you. On behalf of Music Broadcast that concludes this conference. Thank you for joining us and you may now disconnect your lines.