

Date: 12th November, 2025

The Manager,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, C-1,
Block G, Bandra - Kurla Complex,
Bandra (East), Mumbai - 400 051

The General Manager,
The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Symbol: SAREGAMA

Scrip Code: 532163

Subject: Q2FY26 Earning Conference Call-Transcripts

Dear Sir/ Madam,

With reference to our intimation filed on 30th October, 2025 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**') as amended, please find enclosed the transcript of the Q2FY26 Earnings Conference Call held on Wednesday, 5th November, 2025 at 03.00 P.M. (IST) for the quarter and half year ended on 30th September, 2025.

This information is available on the website of the Company www.saregama.com

You are requested to kindly take the abovementioned on record.

Yours Faithfully,
For **SAREGAMA INDIA LIMITED**

Nayam Kumar Misra
Company Secretary and Compliance Officer

Encl: As above



**“Saregama India Limited
Q2 FY26 Earnings Conference Call”
November 05, 2025**



MANAGEMENT: **MR. VIKRAM MEHRA – MANAGING DIRECTOR**
 MR. PANKAJ CHATURVEDI – CHIEF FINANCIAL OFFICER
 MR. ANAND KUMAR – GROUP HEAD – INVESTOR RELATIONS
 MR. PANKAJ KEDIA – EXECUTIVE DIRECTOR – INVESTOR
 RELATIONS

MODERATOR: **MR. PRANAV KSHATRIYA – EMKAY GLOBAL FINANCIAL**
 SERVICES LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Saregama India Limited earnings conference call hosted by Emkay Global Financial Services Limited. 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 the conference call, please signal an operator by pressing star then zero on a touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Pranav Kshatriya from Emkay Global Financial Services Limited. Thank you, and over to you, sir.

Pranav Kshatriya Thank you so much. Good afternoon, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today Mr. Vikram Mehra, Managing Director; Mr. Pankaj Chaturvedi, CFO; Mr. Anand Kumar, Group Head, Investor Relations; and Mr. Pankaj Kedia, Executive Director, Investor Relations.

I shall now hand over the call to the management for their opening remarks. Over to you, gentlemen.

Vikram Mehra: Thank you, and a very, very good afternoon to all of you guys. The Q2 of FY26 saw operating revenue of INR 230 crores and PBT of INR 60 crores. While all segments of our business grew, Video segment has seen a degrowth in this particular quarter, which is nothing but a cyclical issue. I've repeatedly said this, and I'll continue saying this, please always evaluate us on a rolling 12-month basis.

Releases keep on moving from one quarter to another quarter, becomes very difficult to evaluate us on just 1 quarter basis. So yes, Video segment had multiple releases in Q2 FY25, while Q2 FY26 had fewer releases. We may have more releases coming right now in Q3 and Q4.

Let me start, as always, with the first vertical, which is Music. The quarter saw the release of a successful Tamil album called Idli Kadaai, which is a Dhanush movie; a Bengali album called Dhumketu, in which one of the songs right now, sung by Arijit has done extremely well; and a Malayalam film album called Sahasam, which again has given a very big hit during the quarter.

On the non-film side, Badshah's song Kokaina, Honey Singh's song Mashooqa; and a Marathi song Chal Turu Turu; fared very well for us. Our new content strategic partnership with the ex-promoters of NAV Haryanvi is going very strong. Many of the songs that we have sourced through them are hitting the local charts. We are proud of this relationship because not only we bought the old catalogue from NAV, we actually partnered with the owners and the management team there to strengthen our hands in the Haryanvi market.

So now we are in a unique position whereby we are able to work with these people as our extended arm in the market, harnessing the strength of their relationships in the local market. It is also giving us a great model to go and work with other regional labels in future along the same lines.

Overall company released 1,500-odd originals and premium recreations across all the major languages of the country, Hindi, Bhojpuri, Gujarati, Punjabi, Marathi, Tamil, Telugu,

Malayalam and Bengali. Overall, our spend for new music content this year will be in the range of INR 320 crores to INR 330 crores. Yes, this has come down from what we were projecting earlier because many of the planned film albums, which were planned for the year, have got pushed to a later year.

Some of them, like our biggest album that was planned for the year was Sanjay Leela Bhansali's Love & War, which was supposed to release in quarter 4 of this financial year, have now got pushed to quarter 2 of the next financial year. It's part and parcel of our business. This happens. But it has implications on both sides. It has reduced the amount of content outlay from our side for the year, but also has implications on the revenue projections, and we'll talk about it.

Within the year, many of the releases that were earlier planned for Q1 or Q2 have got pushed to Q3, Q4. The upcoming releases include Ranveer Singh's Dhurandhar, the first song of which was released in Q2 and has done very, very well for us. But the rest of the album is going to start getting released from this month onwards.

Dharma's next film with Kartik Aaryan called Tu Meri Main Tera Main Tera Tu Meri, that album is going to start hitting the market by end of November. Nani's very, very big release in Telugu called Paradise. Kannada Superstar Darshan's movie Devil. Tamil, very big star called Sivakarthikeyan's Parasakthi.

These are some of the big film albums that should be hitting here in Q3 and Q4. I want to share something else also with you guys. We have created a new cell which actually resides within our video team, but that cell is helping us create latest music videos for the older songs that Saregama owns, using the Generative AI video generation tools.

As I'm sure all of you guys will know that Saregama doesn't own the video rights of the songs that were released in the 20th century. We only have the audio rights. And to capitalize on the demand for these songs on YouTube, we always have been contemplating the idea of generating brand-new videos, but cost was always becoming a prohibitive issue for us.

Now with Generative AI, we finally have found a very effective tool, which can help us not only create content, but create it at a much shorter time window and at a much lower cost structure. Let me give you an example out here. What earlier used to take us 10 to 12 days to go back and create an old song version we can now go and complete it within 2 to 3 days with Generative AI.

These are all third-party licensed tools. We never worked with anything which is unlicensed. With the way Gen AI is moving, I think we should be in a position to start being able to create videos for us in time frames right now, which are as, small as 24 hours.

As we go forward, we plan to experiment with mixing real active shots via AI-generated backgrounds and elements to make it look even more real. So currently, there are two different areas. One is pure videos which are made right now with real actors, and everything is shot in real world. Then there are videos that we people are creating only using Generative AI. We are also now experimenting can we go back and mix the 2, which will still have a much lower cost structure and faster time frame.

And more important than that, we can go back and create videos that look and feel that much more interesting, which otherwise would have remained in the realm of fantasy only.

Our weakness of not having the older content videos may just become a strength because we may start associating these songs with brand-new Gen AI videos, which will allow us also to expose this older music of ours to the Gen Z.

Whatever we do, whether in terms of new content, older content, every time people go out and spend money, we maintain our guidance of a 5-year payback period. And after that, if it's a brand-new song, we have another 55 to 75 years of returns. When we are making videos for the older songs, we keep that in mind that the returns cannot be 5 years, they have to be much shorter. Typically, we work in a 1-year time frame window of payback.

This quarter was the third quarter having the impact of Airtel Wynk closing for us. This entire impact will go away from our base sometime in the quarter 3. Our YouTube revenues are growing as per expectations. We are happy both with the number of views that we people are getting, the chart position that our songs end up gaining and the kind of CPMs YouTube is able to go and garner and hence pass on to us.

The other good news is that we have started seeing initial moves by both the big music streaming platforms to push subscription. If you follow the market, you realize there are multiple promotions that they have started running now. They need to do far more, but at least the platforms have started moving in the direction of subscription.

Remember, both the penetration of subscription and the ARPUs in India are one of the lowest in the world. So, if the platforms start pushing it, there's a massive upside for all of us. Whenever subscription goes up for the platforms, they share around 50% of whatever they make with music labels, the content owners. So, all of us have a big upside coming in, hopefully, in the days to come.

I wanted to also share that over these last 2 quarters; we have further strengthened our music team with lots of senior executives joining from other international music labels. All the key roles for music acquisition, marketing and monetization are now headed by experienced veteran with relevant cross-industry experience. They come from music companies or advertising agencies.

This, combined with our investments in data analysis and artificial intelligence, the professional work culture that we uniquely bring to the table, and I think even more unique is the decentralized decision-making. I think, it's going to hold us in very good stead in the days to come, allowing us to get to the number one position and have a lion's share of the revenues of the industry once subscription takes off.

Artiste management, the new vertical under music monetization, where artistes are made popular through our IP releases, and then we monetize these artistes by booking them for live events, weddings and brand endorsements from which Saregama gets a share. During this quarter, 18 new artistes got added to our total number of list of artistes managed by us, which now crosses

230. Between these 230 artistes, they have a 200 million+ follower and subscriber base on social media platforms including Instagram, Facebook, and YouTube.

As our investment in new content, both on audio as well as video, keeps on going up, these artistes are going to become bigger and bigger. And with digital advertising growing at 14% to 15% per annum, we believe both the content these artistes are making, and the artistes themselves are going to be a large beneficiary of this increase in digital advertising spends.

Remember that Gen Z is not watching television, they are not seeing those ads. Gen Z subscribes to a paid subscription very often on these services. So, the only way if you want to go back and attack Gen Z is either you go to the publishers' content which Gen Z is following, or you go out there as an advertiser and push your advertising through the influencer or the artiste that Gen Z seem to be following.

And we have a presence on all these sides. We are one of the largest publishers of content for Gen Z as well as one of the biggest representatives of influencers that Gen Z follow. Music segment overall, which is licensing plus artiste management, grew around 12% year-on-year basis. We believe that we should be able to end the financial year at 19% to 20%.

And I acknowledge that this is a marginal reduction in the projection that we had given last year. But the fact that many releases of ours have got pushed to the next financial year, which may have an impact right now on the growth in revenue, but we are confident of 19% to 20%.

This was a relatively quieter quarter for Video. We had only one small Malayalam movie called Mirage that got released, also released 2 new series, one called Bakaiti on ZEE, and Ye Saali Naukri on our YouTube channel.

In the days forward, we people are doubling up on our focus on this; one of the fastest-growing content segments for Gen Z called "Micro Series". You will be seeing far more content coming from our side, leveraging on this growing consumer interest in micro drama, micro series. This is content which has got duration of anything between 1 to 3 minutes and typically has episodes, which can be varying from 10 episodes to some of the international content, which even goes to 1,000 episodes. But the duration of the content is closer to 1 minute. In some cases, 3 minutes too.

On the live event side, Saregama partnered with Diljit Dosanjh on his latest Aura tour, which premiered in Kuala Lumpur and then went to Hong Kong. This is just a start of this new tour. We also did the second round of Disco Dancer musical show, this time in Dubai. With season coming in, there is big action planned in the next few months, both in India and abroad as far live events are concerned. We also plan to launch our first music festival in Bangalore in March next year.

Our long-term belief in the potential of live events keeps getting reinforced every quarter, seeing the overall consumer involvement in the live events that are happening in the market. Currently, our focus has been artist-driven shows and some of our own IP-based music shows. But in the days to come, we will increase the focus on standup comedy and the smaller concerts internally, we call it experiential.

At Saregama, over time we have built a massive strength in B2B revenue generation. What does that mean? B2B means licensing of our audio and video content to third-party platforms. We work with the likes of Spotify and JioSaavn and JioHotstar and Netflix or radio station. These are B2B deals where we license our content to them.

Carvaan was the first attempt and now with live events, we are also trying to build a direct-to-customer vertical, wherein we can go back and sell our products or services directly to the customer. The biggest advantage of that is that we end up generating first-party data as we go forward, and own direct customer relationships, which should help us go and cross-sell products to them in the days to come. That's the second vertical we people have started.

We are now laying the foundation of a third vertical for generating revenue, which is brand sponsorships. We have created a brand-new brand partnership vertical within the company that consolidates selling of all our business segments. So, music, live events and filter copy, all of them are now housed together from the brand sponsorship perspective. This team is headed by a media sales veteran.

In the last few months, we have partnered with national brands like Oppo, Unilever India, Britannia, Flipkart on the music space; P&G, ITC on live event space; Hyundai, LG, Samsung, Cipla on the short format. So up till now, what was happening is each of these verticals were going on their own and talking to the brands.

As we go forward, everything is consolidated under the same team, you will be seeing scenarios where we will be selling our entire suite of offerings to a brand. Rather than selling a brand only live, we will also end up selling the brand music and a music brand, we will end up selling filter copy.

We are uniquely placed to offer to our brand partners an ability for them to use us for creating content, whether it's in terms of music or video, content that integrates their brand. We can also provide them artistes or influencers if they want those influencers to appear as part of this video content because we are one of the biggest digital influencer agencies as well.

And then uniquely, we can ensure that the content that has been created for the brand or the ad part that has been created from the brand can be disseminated to using the 400 million digital footprint that Saregama brings to the table. No other company is able to offer all three: creation; artistes; as well as distribution of content.

TV channels, if you talk about it, only do distribution of content. Talent management agencies are able to help you only and only with providing you artistes who need to appear in the content. Creative agencies are able to go out there and create content for you. We, with all the verticals of ours right now, which are driving synergy from each other, will be able to offer this unique feature to brands. And I believe 12 months from now, this vertical should start contributing handsomely to the overall revenue and profit numbers of the company.

Over the next few years, we will continue investing in new music content. This will contribute not only to the immediate growth, but also future proof our company and put us on a long-term growth path. We had projected growth rate of 30% at consolidated company level for revenue,

excluding Carvaan, between financial year '24 to financial year '27, and we hold on to that number. We also maintain our annual adjusted EBITDA guidance of 32% to 33%.

Saregama's growth narrative will continue to be steady in medium to long-term, thanks to increase in digital consumption, both in terms of new customers joining the market and existing customers consuming more and more.

With over 400 million Internet footprint, cash reserves, professional managerial depth and access to the soundtracks of the best movies and our ability now to attract best of the talent from the market, we will be able to guarantee earnings not just for next 2 to 3 years, but hopefully for next 20 to 30 years.

Thank you, ladies and gentlemen. Happy to take questions now.

Moderator:

The first question is from the line of Jyoti Singh from Arihant Capital Markets Limited.

Jyoti Singh:

Sir, just wanted to understand the current situation of the more newer platform and then people are shifting from YouTube and Spotify to Instagram reels. They are spending more hours comparatively than they used to spend on YouTube and other platforms. Now the shift of hours and shift of people more on the Instagram toward and how -- I know we are getting some revenue from the Meta, but still a major chunk is coming from YouTube and Spotify. So just wanted to understand the technology and then revenue driver for us in a more clear view?

Vikram Mehra:

Sure, ma'am. Let me try to answer this. One, if you can go out there and refer to the various third-party data, not related to Saregama, but for the overall music industry in India, and I'm happy to forward some of those findings, which tells us that the actual music consumption in India over the last decade has gone up. Over the last 3 years, data also we see right now is constantly rising.

I'm 50-plus. When I was in my 30s and part, it was normal that there used to be a time where all of us used to listen to music because music was typically heard using a CD player or a cassette player, and it used to be loud.

Today, people consume music using their AirPods, which means that whether they are studying, going to the office, going to their colleges, they're in the gym, they are cooking, all the time people are going out there and consuming music in the background. So, music consumption, in fact, has gone up and not come down.

The number of views that YouTube is generating for themselves from music or what Saregama is generating for itself right now from YouTube for its music or on Spotify, the streams, everything is going up. There's absolutely nothing to go back and indicate at this juncture, India and globally, that music consumption is coming down.

What Instagram is ensuring here is that the number of hours that people like you, me and children are spending on their device is overall going up. The time we used to spend with each other, with our friends, with we family is being eaten by the time we people are giving on their devices. So, Instagram and YouTube Shorts is also growing and Spotify and YouTube are also growing.

Now, the second part of the question on the revenue model, yes, the amount of revenues that we make from the short format app is relatively small at this moment. But our deals with these companies are very, very clear. The day they start opening themselves to full-fledged advertising, they will do the same revenue sharing arrangement with us that a YouTube or a Spotify does for their subscription or advertising. Whatever money they make, 50% of that is going to get shared with the content owners.

As much as we are bullish on audio streaming and video streaming, we also understand short format is a very big opportunity of revenue that may get open for us right now in the next 12 to 24 months.

Jyoti Singh:

Sure, sir. So sir, our Video and OTT segment revenue saw a sharp decline, that is a drop of around 39% this quarter. So could you walk us through what drove that and timing of release or seasonality or anything?

Vikram Mehra:

Unfortunately, unlike the music revenues, which typically work in an annuity in a fashion, the numbers don't fluctuate on a day-to-day basis unless a big deal is going out of the window. Video depends entirely on the fact whether a movie was released, or movie was not released, whether a series was sold and which quarter was the series sold across to a platform.

So, it's lumpy in nature. That's why, if you have to go out there and evaluate our video revenue and profitability, request you to do it on a 12-month basis, not on a quarter-on-quarter basis. When I'm saying this, please go back and you can refer to my older statements. When our revenue goes up also, in video I say the same thing. So, I'm not saying it only when the video revenues come down. Video is lumpy in nature. Please read it on a 12-month basis.

Moderator:

The next question is from the line of Nitin Sharma from Seeberg Private Limited.

Nitin Sharma:

Two questions. First of all, I want to understand the time line towards seeing the OTT platform shifting towards the subscription-only models. Has that time line changed or shifted further? Where is it, if you can talk about in a general sense?

Vikram Mehra:

Sir, I would have loved right now had I given you a firm timeline. Unfortunately, it's in the hands of my partners and not in our hands. As I said in my opening statement also, we are seeing movement happening. For the first time, we are seeing promotions being run and advertising communication being put out by these platforms to push for subscription.

If you see Spotify's latest results that have come out, they are showing very handsome growth now in the Latin American markets also. And those numbers are coming at a very high ARPU, too.

So, I like to believe right now, it's a question of when India will end up replicating what's happening in Latin America or before that happened in China, where subscription is going to go back and take off. We people internally keep on doing various kind of studies to understand that what is the inclination of people or readiness of people to go back and pay for music content.

We see under the age of 35, and I'm repeating under the age of 35, a very high inclination of people who are ready to pay provided the paid subscription is put in a more affordable fashion, and it should be double-digit ARPU's and not a triple-digit monthly pricing.

The issue only up till now is that streaming platforms have to just ensure that all the bells and whistles are not available as part of the free business, but they should be limited only as part of the paid business. They have just rolled it out in Latin America. They are seeing very positive results.

We like to believe that buoyed by that success, something similar may happen in India, too. We are all prepared for that scenario that subscription will take off. And if you see subscription business anywhere in the world, it doesn't take off when it takes off, it's a hockey stick. It moves at a very steep pace.

Nitin Sharma:

Understood. And related to this, just an overview, what is your understanding, because you regularly speak to the OTT platform. So, is there a willingness to kind of bringing down the -- to double-digit or they still believe that it is a triple-digit, low triple-digit where they are comfortable and want to stick?

Vikram Mehra:

It's a combination of all 3 things, which is going to help subscription to take off. One, the free service cannot be as good as maybe it is today because if you're going to offer everything free, then even you and I will not pay for the paid subscription. So, the free service some changes have to be made by them.

Subscription pricing has to be made more affordable and there has to be enough amount of communication out to the customer, wherein all music labels have offered that we will partner with them and ensure that promotions happen in a very big fashion. We will use our own digital footprint. Like I told you, Saregama controls 400 million+ digital footprints today.

All of us will help these platforms to achieve a higher subscription penetration because in the end, it's going to help us also. You are asking for a timeline, I continue maintaining part right now that it's just a quarter's impact. We are already seeing a growth on the paid subscription.

Unfortunately, the base is very, very small. So even very high double-digit growth also doesn't move the needle to that extent. It's just a matter of time. It's a matter of few quarters where something of this sort is going to be happening. There are only 2 free platforms that are left in the market. We believe something will change.

Nitin Sharma:

Understood. And second question is more on the -- if you can provide colour on how was the festive season for the industry since third quarter tends to be the biggest contributor for the sector? Any colour would be helpful.

Vikram Mehra:

Yes. So festive, unlike the durable industry where you immediately start seeing impact of Diwali coming in. We were very much governed by festive, Till the time Carvaan was a very big part of our portfolio. In the current scenario, Carvaan is a very small part of our portfolio. The festive season has an impact, but not that much. The impact is an indirect impact. Festive season ends

up getting higher advertising on YouTube. And since we get a 55% share of all advertising revenue that comes on our content, so we do get the benefit.

Beyond that, festive season doesn't have a massive change that happens. But yes, YouTube will have an impact. It may so happen that closer to December, more bigger films start getting released. That means bigger albums are going to come out. And if those albums do well, then there will be an impact.

If you check out our presentation, I think that will be useful for you. In the presentation, there is a slide which is showing how our music revenue, which is licensing plus artiste management, keeps on moving quarter-on-quarter. That will give you some understanding of how much impact seasonality has.

Moderator:

The next question is from the line of Harshit Toshniwal from Premji Investments.

Harshit Toshniwal:

Sir, congratulations for a decent set of numbers. One thing which is not particularly related to this quarter. But if, for example, I look at since '21 to '25, we gave a very good disclosure in terms of the era-wise revenue, which we have received.

Now over there, sir, the trend has been that if I look at the songs pre-2020, their revenue in absolute terms have been a bit stagnant at around INR320 crores, INR330 crores for the last 3, 4 years. And the growth what we have seen in music licensing has actually come from the songs post 2020.

So my understanding was that probably in the post 2020 songs -- since we are investing in era, obviously, the first year revenue will be high. Is there any reason why the pre-2020 era songs, their revenue has been a bit more stagnant in the last 3, 4 years, probably because when I compare it with the industry, that segment is also seeing a decent growth for the industry?

Vikram Mehra:

Sir, I'll not comment on the industry part. Let me talk about our content. On an apple-to-apple comparison, that means if I take a platform like a YouTube or a Spotify or a JioSaavn and check the revenue of my pre-2020 content, even pre-2000 content, we are seeing a steady revenue increase.

I will not comment on the numbers that you arrived at, of how much is catalogue and how much is newer. But yes, on the overall basis, directionally, you're right. We have seen in last year or so some amount of impact. Please keep in mind, the real reason for that is that 3 or 4 of the large 3 platforms that were very big earlier, they have all shut down.

The total revenue that we are making from streaming business has not grown. The fact is that, frankly, there's no degrowth happening out here for us because newer content came in the picture. But the fact that the 4 platforms go out of the market completely in a very short frame in about last 18 months, it will have an impact.

What I can assure you is we have got a senior level person who has joined the team and a full structure is being built under him, whose only role at this moment is to ensure revenue from

catalogues have to go up. what it needs to happen is that some of the catalogue songs we are seeing how recreations can be done.

Second objective is how do I ensure those catalogue songs become very, very big on platforms like Instagram and YouTube shorts. We are also going out here and creating podcast for many of these platforms.

And the point that I had referred earlier, we're using Generative AI to go out there and create brand-new videos for the older songs. So, with all those coming in place, I'm ready to venture my neck out and tell you right now, next couple of years, we see a very steady growth coming in this space.

Harshit Toshniwal:

Got it. So, if I look at -- obviously -- just the last 2, 3 years of data, so it might be that there can be many one-offs that's been impacted?

Vikram Mehra:

So if you look at my last 18 months data right now, yes, you will see the numbers not growing up that substantially in catalogue. It is only because platforms are gone. If you go before that right now, we were surprised with the growth that people were seeing.

Those kinds of growth were running into 20% plus on the catalogue side because multiple new platforms were coming in at that particular time. But on a like-to-like basis, I'm repeating myself, platform-to-platform. So, platform X, if they had catalogue and the platform is still existing and is a free platform even today, you will see a revenue growth coming in.

Harshit Toshniwal:

Got it. And one -- another question if time -- if it's possible, was on the fact that -- so it may not be relevant today, but if I understand there is a 60-year time line for the copyright of a particular song. If you can help us that in our industry, then how do we navigate?

Obviously, this might not be relevant until maybe 20, 30, 40s, even for our older contents. But how does this typically work that at the end of the expiry, does it come for renewal and we have a first offer to bid? Or how will that expiry time period work?

Vikram Mehra:

See, in a public forum like this, the only thing I can clarify the copyright rules for you. When we buy a song, there are 2 rights that pass across to us. One is called the master right or the sound recording right. That's a right of the song. And you are correct. The Copyright Act says that our ownership is there for 60 years from the release of the song.

But there is one more second right that also gets transferred across to us, it's called publishing rights. That's a right of the lyrics of the song and the right of the tune of the song. These are separate rights. According to Indian Copyright Act, the lyrics rights stay with us for 60 years from the death of the artist who wrote the song.

And composition rights, the tune rights are valid with us for 60 years from the death of the composer. So we still have a very, very long way to go for many of our superhit songs even a song one right would have come outside 60 years, the other rights are still sitting there with us only.

- Moderator:** The next question is from the line of Harsh Shah from JM Financial.
- Harsh Shah:** Yes. So firstly, if you could -- in terms of giving better comfort to the entire investment community, right, if you could kind of directionally give a ballpark range in terms of how much our, say, YouTube revenue, say, in FY '24 and '25 has grown and the period before that, say between '22 and '23?
- So why I'm asking this is that I understand that there were challenges in terms of the consolidation of the industry on OTT platform. But are there any issues that we are facing on an industry level as well on YouTube? Or how is it? I mean some colour on YouTube would be very helpful, please.
- Vikram Mehra:** See, I'm not going to get into one particular partner. If you just track our performance, and our numbers are there with you, we have been growing our music revenue at a 23% CAGR over the last, 6 or 7 years now. You can't have one vertical completely sitting down and still be managing 23% growth.
- It's a combination of the growth that we people have seen on video OTT platforms like YouTube and say, Facebook; Audio OTT platforms like Spotify, JioSaavn, Gaana, Apple, and Amazon; Short-format apps like Insta Reels or a YouTube Shorts here and some of the work that we have done on the publishing side.
- So overall, all parts on a combined basis have grown at 23%. This year because a couple of our very big titles have all got pushed, so I'm getting the projection down to 19% to 20%. But on a mid to long-term, we are maintaining our stand that we should be able to grow music business at 23%.
- Harsh Shah:** Correct. I understand that. But safe to assume that our YouTube revenue would be growing, say, in the range of 10% to 15%?
- Vikram Mehra:** So, let's put it this way. You're asking me a specific thing on a partner, which I can't disclose. I'm not at a liberty to disclose. But please understand, for most people, YouTube is one of the largest partners for them. If YouTube does not grow at a healthy enough rate, how am I going to go back and live up to my 23% CAGR promise over mid to long-term or even a 19% to 20% number this year. YouTube has to grow. And I said it in the opening statement also; we are very happy with the growth we have seen on the YouTube side.
- Harsh Shah:** Any qualitative colour you can give in terms of the consumption behaviour on Spotify post them announcing a price increase in the Indian market that actually happened at the end of August or first week of September? And I know -- I understand that the data sample would be smaller, but just trying to understand the initial signs?
- Vikram Mehra:** So again, you're asking me for a particular partner information. Please understand. I'm not at a liberty to discuss specific partner part. But overall subscription, we are seeing movement happening in the country. What I can tell you right now is younger people who seem to be taking subscription for streaming apps far more easily than the older people. People who are 50-plus still believe right now that why should they pay for something digital.

People, the younger generation, Gen Z and millennials, people up to the age of 40 think it's an absolutely okay thing to do, to go out there and pay for digital subscription. And the advantage of that is going to flow both through music and video platforms. So, I have every reason to believe that all these audio streaming platforms have a large growth curve sitting in front of them. And by implication, we will end up riding on the same curve.

Harsh Shah: Okay. Got it. And one more thing on -- just a clarification on Pocket Aces. So the revenue is kind of -- forms part of artist managed completely or there's something that flows to the Video segment as well?

Vikram Mehra: Yes, it flows both on the artist side as well as the video side.

Harsh Shah: Any split you have?

Vikram Mehra: No.

Harsh Shah: And lastly, do you retain the earlier guidance on Pocket Aces being breakeven in FY '26?

Vikram Mehra: Yes, we maintain that.

Moderator: The next question is from the line of Swapnil Potdukhe from JM Financial.

Swapnil Potdukhe: So my question is regarding your guidance of 19% to 20% growth this year in the music business. Now, just wanted to understand, is this music licensing only or it includes artist management also?

Vikram Mehra: Sir, for us, music always means licensing plus artiste management because it's the same artiste with whom I'm creating music. It's always combined guidance from our side.

Swapnil Potdukhe: Got it. And given that this number has been tracking around 12% in the first half, how do we see this guidance getting achieved in the second half? I mean, are we expecting a significant jump in your revenues in 3Q or 4Q? I mean, is that how we should look at it?

Vikram Mehra: Yes. See, in our case, things like YouTube revenues are completely dependent on new music releases, they jump there, and you immediately see an impact on it. You don't see an impact on audio streaming platforms with immediate effect; they typically trail with some kind of a lag. But YouTube sees an implication immediately.

All our movies that were planned for Q1 and Q2 across languages, except Thug Life, everything has got pushed to Q3 and Q4. So, basis that, we see that revenues going up substantially. Yes, the fact that some of the movies have got pushed across now to next year, because of which there is some dent on what I believe music will be able to achieve, but 19% to 20% looks an achievable number.

Swapnil Potdukhe: And will it be a lumpy 4Q? Like, because we are already 1 month into the quarter, would it be fair to say that...

Vikram Mehra: I've already given you enough colour on this. So, by the time we end the year, you should see those kinds of numbers. Yes, at this juncture we are fairly confident we should be able to go and touch those numbers.

Swapnil Potdukhe: Okay. And the second question is on your artist management vertical within your music space. Just to help us understand how big is this opportunity? Or how do you -- how big this opportunity do you expect it to become, let's say, 2, 3 years down the line in terms of revenue or time perspective? And what kind of steady-state margins should we be expecting from this business? Currently, I think we are trending around single-digit margins, but...

Vikram Mehra: Again, artiste management and my music part are completely interlinked with each other. So artists like Maahi, whom we people are promoting, or some of the bigger names like poet Kumar Vishwas. Now some of their stuff is sitting in artist management while they create the content, which may be sitting on music. So, when you are looking at margin analysis also, please look at both the things combined.

Please don't look at things separately because the way we look at it is why did we get into artiste management. Whenever we were creating music, we realized that we are making songs -- because of songs, the artiste is becoming big. When the artist becomes big, we don't get any upside because of the artistes becoming big. Artiste goes out there, starts singing in corporate functions and weddings and ends up making a large amount of revenue.

Hence, we relooked at this model, saw what some of the global peers of ours were doing. All of them had a very strong talent management arm, and they were making money from the talent also.

Hence, we just followed what Universal, Sony, Warner do globally, is that also invest in the artist so that if the songs on a repeated basis keep on becoming bigger, then we have also an upside on the revenues that the artists may be making from non-Saregama sources. That was the thought process behind artiste management.

Seems to be going steady at this moment. We believe there's a large potential for this to go up. The potential for this to go up right now comes only from 2 sides primarily; booking for live events, that live events can be ticketed shows, corporate functions or weddings, weddings being the biggest one.

And then brands. we are realizing, brands are moving out of these Bollywood and cricket only and also want to go out there and talk to the next level of stars, which is primarily the kind of talent we people are representing, and because this talent is more relatable to their fan base. Every time any of these artistes does a brand endorsement, we get a share of that, too. That's the thought process. So, when you're looking at the margins, please see both these things together.

Swapnil Potdukhe: Okay. But from an opportunity perspective, how big do you see this business becoming, let's say...?

Vikram Mehra: Some colour in the presentation that we people have won out and floated. Our guidance to this is we will grow on a mid to long-term basis at a 23% CAGR. Does it have the potential to become far bigger than that?

Yes. But at this moment, as I talk to you, I maintain my 23% number only and not going more bullish than that. But if you see any of the independent reports that will tell you that talent management part is growing very, very steeply, not just in India, globally, too.

Swapnil Potdukhe: Okay. Got it. And just a related question to that. Can you suggest who would be the peers in this talent management space who would be big enough to talk about, or for us to understand this space some better?

Vikram Mehra: All of the unlisted companies, there is no listed company there.

Swapnil Potdukhe: But any names you can call out?

Vikram Mehra: This is Saregama part right now. I don't want to go there, but I'll be happy to have that information separately with you. But we have clear benchmarks right now which we are working. These are all unlisted entities. The very good part is all of those guys are just plain talent management companies.

They don't have an opportunity to go back and create their own content and give their own talent a chance to become bigger. What places Saregama unique and literally in that sense, there is no competition we have. We are unique because not only we are representing talent, but we are also very big on the music and the video side, so that talent can get plugged in, in each of these places.

Talent likes it because talent says, you are genuinely helping me become bigger. Rest of the people are just managing their talent and going to third-party companies and saying, can you please plug in my talent in your content? We have our own content piece going on. So, every time a music video is getting generated here is, you will 9 out of 10 times see our own talent working in it.

Moderator: The next question is from the line of Ravi Naredi from Naredi Investments.

Ravi Naredi: It is not so energetic result, but the segment revenue Video shown major downfall. So, what are the reasons?

Vikram Mehra: Sir, I told before also. Video revenues are always lumpy in nature. It depends on which quarter a series has been released or a film has been released. So last year Q2, there were 2 very big releases. The biggest series we've ever done got released in Q2 last year. But if you start seeing the numbers right now on a steady gross basis, then you are not going to be seeing this kind of an impact coming in.

Video segment always sees this kind of a lumpy nature. I believe right now, by the time we'll end the year, we will again be on a stable basis. Unlike the music business, which keeps on growing on a steady basis because songs are being listen on Spotify and YouTube on daily basis.

Movies and series you prepare for a period of a few quarters and then you release it in the quarter that it gets released, is where the revenue gets booked.

Ravi Naredi:

Right. Sir, this video we are doing since last 7 years, I think. So ultimately, can you tell what is our gain or profit or loss in 7 years?

Vikram Mehra:

Sir, I have been doing this for 7 years but I am Literally close to sitting on break-even in video business. We have not made the losses and video business ends up ensuring to me that I have a very decent grip on my music side because all the movies that we are producing, we end up getting the music at a much lower price because it our own movie. That's what my competitors also do. And on the short format side, which is the work we work with Pocket Access, the fact we're in video business keeps the marketing of music at a lower cost.

Also, all the talent management part that I'm doing, talent comes to us because they have a chance to get plugged into our videos. So, what I assure you that the total amount of capital that will ever go on the video side is not going to be big. we have given the guidance that at any particular time, total capital invested in video and live will not exceed more than 18% of the capital employed. We are far lower than that. Also, I'm assuring you that we will never get into the large budget movie, its beyond our capacity. We don't have it in our DNA. If we have to do it, we might as well partner with somebody else.

Within Saregama, we are comfortable if we have to do something right now, working on the smaller budget stuff where the highs and lows are very, very little and very little capital gets employed.

Ravi Naredi:

And sir, second question, I want to know, in these days, acquisition cost of music rights is as usual or it is a very higher side?

Vikram Mehra:

Sir, we are maintaining a 5-year payback period. Let me put it this way. In some languages its increases. One south Indian language where it was low, suddenly went up very high, and now fallen down once again. So, if there a lot of hits and our recovery is good. Then producer increases the cost.

Where our numbers are started coming less, ROA is not coming, we all start coming down. But if those 5 years above, Saregama won't do payback, all of ours bonus won't come. All of us are completely particular about 5 years and above there is no payback period.

Ravi Naredi:

How is going this music industry on paid basis? According to you, in how many years it will be 100% paid basis?

Vikram Mehra:

Just now given this answer to someone else. Good part is there are only two guys who are left on the free side. And they are also making all the right noises, Spotify and JioSaavn. JioSaavn has, in fact, made a lot of positive moves in this space. Spotify, I'm very encouraged with what they have done in the Latin American market.

They just declared the results. They went and started pushing for paid in Latin America, as you know Latin American market is very similar to our market. It's not that the disposable incomes are that much higher there. And Spotify is seeing a massive growth in the revenue from those markets. China has already gone through the same cycle.

It's a matter of the timing. It's going to happen, now this going to happen in 2 quarters, 1 quarter, 4 quarter? Wish I had the answer for you, but we believe in it strongly. We are continuing to invest in newer content, especially in languages where we believe that the markets from which the paid subscribers enter first, will be given more focus on acquisitions. So, I continue to be bullish on this space.

Moderator: As there are no further questions, I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Vikram Mehra: No, no, I have nothing else to add, except the fact that there are quarters where some segment goes up and other segment goes down. But I think overall, we people are on very, very firm ground. We have a good feeling that in next 2 to 3 quarters, almost all the decisions that we people are taking will start bearing fruit. We continue with the guidance that we people have given that the music will be growing on a mid to long-term basis on a 23% and the adjusted EBITDA guidance of our remains at 32% to 33%. We should be able to grow consolidated revenue of the company, excluding Carvaan, between FY '24 to '27 at 30%. So, keep supporting us. Look forward to your blessings. Thank you.

Moderator: On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.