Twitter Thread by JST Investments



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Saregama India ■FY21 Annual Report Takeaways

'India's only entertainment company into Music, Films, Web Series, TV Serials and Retail'

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A Thread ■■

1/

India’s Largest Music IP - 130k+ Songs
Content IP rights of - 61 Films

Retail Business

Distribution network - 30k+
TV Serials - Content IP rights of 6k+ Hours of Television Serials

2/

To take pole position as a Pure play content company, capitalizing on the global boom in content consumption

IP CREATION OVER THE NEXT 3 YEARS -

20-25% Market Share in New Music
50 New Films and Web Series
1200-1500 Hours of new TV serials content

3/

Monetization of Existing IP

Through licensing to EVERY 3rd party digital and TV platform

Carvaan transitioning from being a Product with only a one-time margin to a Platform with upfront margin and recurring advertising and subscription revenue

4/

Building of New IP

Cementing leadership position with New film and non-film music acquisition across Hindi, Tamil, Bhojpuri, Punjabi, Gujarati, Telugu, and other regional languages.

Producing Thematic films & series, with Story as the only hero, targeted at youth.

5/

Saregama is India’s oldest music label with the largest library of intellectual property rights (130k+) related to songs, film dialogues, background scores in its bouquet. To put things in perspective, a new music label acquiring music of 200 films per year

6/

(the typical movie has 5 songs) will take 100 years to build a library of this size. Unlike some of the international music labels, Saregama’s song IP ownership includes both the Master (actual song) and Publishing rights (lyrics, composition) across all media

7/

IP CREATION -

The company has started enhancing its catalog of Music Intellectual Properties through new film music acquisitions across many languages

The selection process is data-driven and intuitive in nature with a high focus on Monetisation and ROI

8/

Retailing directly through Carvaan -

Launched in 2017, it’s an audio player with inbuilt speakers and 5,000 preloaded songs, allowing customers to listen to their favorite music anytime without any ad breaks. The product also doubles up as a Bluetooth speaker and FM radio

9/

Yoodlee Films - Saregama’s production house focused on creating content for 3rd party digital platforms

10/

Tamil TV Serials - In the past 20 years, Saregama has created 6k+ hrs of content for Sun TV and broadcasts 3-4 serials creating 15-16 hrs of content/week. IP of these serials is owned by Saregama which is also monetized on other platforms like YouTube (1.5B views in FY21).

11/

Open Magazine

12/

5 Year Numbers

13/

Management Discussion & Analysis

Demand for entertainment going up, while the enforced stay-at-home rules have accelerated the rate of adoption of digital

According to FICCI, the Indian M&E sector was growing at 9% till 2019 and is slated to reach Rs 2.23 Tn by 2023

14/

The digital revolution - Explosion of smartphone ownership which has put a smart TV screen in the hands of 700 Mn + low data costs

Changing family dynamics - increasingly acceptable for different family members to watch different content on their respective devices

15/

This means not only are more hours of content being consumed per family but also the consumed content is more varied, creating space for both traditional and new-age story content creators.

16/

Over the next decade, over two dozen well-funded video and audio OTT platforms will fight amongst themselves, and with the existing 900 TV and 360
radio stations in India for the consumer’s time and money, and the weapon of choice in this war will be Content

17/

Saregama is pinning its growth ambitions on 3 pillars: monetizing the existing IP, creating new IP, and the direct-to-consumer retail business.

18/

The Music Industry has been on an upswing globally, on the back of increased digital revenues

Indian Music Industry is also growing since 2015 on the back of increased digital revenues, performance rights, and synchronization rights.

19 /

The digital video business has also been growing
leaps and bounds, on the back of higher advertising
spends on platforms like Youtube and faster adoption of subscription-driven platforms like Netflix, Disney Hotstar, etc.

20/

Another big trigger is the declining content piracy,
which is the result of both carrot (mns of curated
songs available free at click-of-a-button on digital
platforms like Gaana, Spotify, Hotstar, etc.) and stick
(joint anti-piracy initiatives between Govt. and Industry)

21/

The company has not only digitized its entire catalog of 130,000 songs but also painstakingly built rich metadata behind it. It also on-boarded its songs on every major music platform in the world

22/

Digital has allowed us to put our music everywhere, unfettered by the constraints of the conventional brick n mortar distribution network

23/

Its distribution is no longer restricted to India and extends to every corner of the world where there are Indian music fans

IP Content Creation

Decided 5 years back to ramp up its investment in new music, digital films, and serials in a gradual and systematic fashion

24/

New Music

After a long break, the company once again started
acquiring new film music of Hindi and Tamil films in 2017.

The strategy was to build up the slate over time.

25/

With the cost of new music rising, meticulously planned acquisition strategy in terms of the stature of the films, pack-track record of the artist, quality of the music, and optimum pricing.

26/

Films

The last few years have been favorable for the Indian film industry with the growth coming not only from domestic box-office collections but also overseas theatrical releases and escalation in satellite rights values.

27/

Indian consumers have also taken to online video viewing in a big way. As per E&Y, the country is expected to become the second-largest online video viewing audience globally.

28/

To capitalize on this growing video boom, Saregama
decided in 2017 to launch into the promising business of Digital Films under the sub-brand, Yoodlee Films

TV Serials

Producing immensely popular shows for 20 years

#1 rated show Roja in the Tamil broadcasting market.

29/

Direct to consumer business

As the base of Carvaan grows, the platform can be
utilized for building advertising and subscription revenue.

30/

It will become a highly trackable and sharply positioned way for brands to engage with ‘high-disposable income’ 35+ yr consumers who are generally not found on traditional media services and platforms.

31/

Saregama Q1FY22 results - https://t.co/Bh3Ti4mWYC

End of thread! Thanks for reading! Stay tuned for more!

> Saregama \U0001f1ee\U0001f1f3: Strong
>
> \U0001f469\u200d\U0001f3a4 Rev up 37% YoY, Pat up 73%, weak Cashflows (due to higher WC)
> \U0001f9d1\u200d\U0001f3a4 Continues to acquire rights of upcoming movies & release non-film movies
> \U0001f468\u200d\U0001f3a4 COVID severely affected carvaan sales.
> \U0001f469\u200d\U0001f3a4 Music licensing rev continues to grow in double digits QoQ#Q1withJST
> pic.twitter.com/sJi83jB7yi
>
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