India | Equities

Internet Sector

Initiating Coverage

9 April 2026

Amagi Media Labs

Play on telecasting to streaming; Initiate with BUY

Rating: **BUY**
Target Price (12-mth): Rs. 450
Share Price: Rs.338

Amagi Media Labs (AMAGI) is a cloud-based SaaS platform that allows content owners to create, manage and broadcast channels over the internet (FAST/CTV/OTT) without physical infrastructure alongside targeted ad insertion. Three-sided marketplace moat, strong net retention ratio of ~126.9% in FY25, steady revenue growth of ~30.7% over FY23-25 and improving operating leverage (adj. EBITDA margin at ~10.5% in 9MFY26 vs. ~ (20.7%) in FY23) make it a structurally compelling long-term compounding story. We expect its revenue to clock ~20.6% CAGR over FY26-28e with adj. margin improving to ~19.2% by FY28e. While it trades at 25.9x FY28 earnings, which is at the midpoint of US vertical SaaS companies ranges between 11x to 39x FY28e earnings, its 20.6% FY26-28E revenue CAGR is at the higher end of US vertical SaaS peers (median growth of ~12% over CY26-28E). We initiate coverage AMAGI with BUY rating and TP of Rs450, valuing it at 35x FY28e EPS.

Stage-wise Biz Model: (1) Cloud modernisation (~19.7% of revenue in 9MFY26): It replaces physical infrastructure (hardware) with cloud software. Amagi's platform is used to schedule shows, add graphics and manage playlists via a web browser; **(2)** Stream unification (~54% of revenue) delivers 'cloud' content to various streaming platforms (Roku, Samsung TV+, Pluto TV) in correct format; **(3)** Monetisation and marketplace (~26.3% of revenue) through tailored ads into video stream.

Riding the Largest Structural Shift in Media History: As media companies migrate from legacy systems to scalable, AI-powered platforms, demand for cloud-native solutions is surging with the company TAM/SAM expected to grow to ~Rs. 1,981bn/~Rs. 648bn growing at a CAGR of ~10.2%/~12% resp. over FY26-28e. Global media industry is structurally forced to migrate towards what Amagi sells. AI and automation are integrated throughout Amagi's platform covering content scheduling, ad yield optimisation and analytics aided by ~547 R&D team (55.48% of total workforce and spends to the tune of ~23.4% of revenue in 9M FY26).

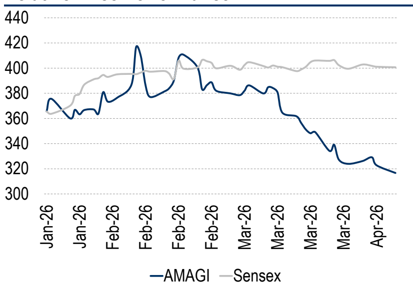
Outlook and Valuation: Amagi's revenue likely to grow ~20.6% CAGR over FY26-28e (vs. ~30.7% over FY23-25), led by existing and new clients. Opex (as % of revenue) stood at ~59% in 9MFY26 (vs. ~67.3/85.5% in FY25/FY23.). This is the signature inflection of scaling SaaS business crossing the leverage threshold every incremental rupee of revenue now flows disproportionately to the bottom-line, we thus expect adjusted margin to expand from ~8.9% in FY26 to ~19.2% by FY28e.

Key Risks: (a) Geographic concentration (~73% comes from US); (b) client concentration (~14.1% comes from 1 client); (c)Negative impact from AI evolution; (d) higher-than-expected revenue pressure in cable and broadcasting industry.

Key Data	AMAGI IN / AMAGI.BO
52-week high / low	Rs438 / 310
Sensex / Nifty	73918 / 22913
Market cap	Rs75bn
Shares outstanding	216m

Shareholding Pattern (%)	Dec'25
Promoters	14.98
- of which, Pledged	
Free float	85.02
- Foreign institutions	43.0
- Domestic institutions	31.7
- Public	10.4

Relative Price Performance



Source: Bloomberg

Key Financials (Y/E Mar)	FY24	FY25	FY26e	FY27e	FY28e
Sales (Rs m)	8,792	11,626	14,863	17,864	21,599
Net profit (Rs m)	-2,450	-687	483	1,666	2,816
EPS (Rs)	-12.5	-3.5	2.2	7.7	13.0
P/E (x)	-29.8	-106.3	151.3	43.8	25.9
EV / EBITDA (x)	-24.2	-70.8	177.7	33.0	18.4
P / BV (x)	14.7	14.3	4.2	3.9	3.4
RoE (%)	-42.9	-13.7	4.3	9.2	13.9
RoCE (%)	-34.6	-18.9	1.6	11.2	18.9
Dividend yield (%)	-	-	-	-	-
Net debt / equity (x)	-0.9	-1.6	-0.9	-0.9	-0.9

Source: Company, Anand Rathi Research

Shobit Singhal
Research Analyst

Quick Glance – Financials and Valuations

Fig 1 – Income Statement (Rs m)

Y/E Mar	FY24	FY25	FY26e	FY27e	FY28e
Net revenues (Rs m)	**8,792**	**11,626**	**14,863**	**17,864**	**21,599**
Growth (%)	*29.2*	*32.2*	*27.8*	*20.2*	*20.9*
Direct costs	2,716	3,566	4,559	5,364	6,269
Gross Profit	6,076	8,060	10,304	12,500	15,330
Gross Margin %	69.1	69.3	69.3	70.0	71.0
SG&A	8,970	9,221	9,943	10,558	11,836
EBITDA	**-2,894**	**-1,160**	**361**	**1,943**	**3,493**
EBITDA margins (%)	-32.9	-10.0	2.4	10.9	16.2
- Depreciation	164	169	208	250	302
Other income	631	607	550	600	650
Interest Exp	52	48	59	71	86
PBT	-2,480	-770	643	2,221	3,755
Effective tax rate (%)	3%	33%	25%	25%	25%
+ Associates/(Minorities)	-	-	-	-	-
Net Income	-2,450	-687	483	1,666	2,816
WANS	196	197	216	216	216
FDEPS (`/share)	-12.5	-3.5	2.2	7.7	13.0

Fig 2 – Balance Sheet (Rs m)

Y/E Mar	FY24	FY25	FY26e	FY27e	FY28e
Share capital	5	171	1,082	1,082	1,082
Net worth	4,968	5,095	17,236	18,902	21,718
Debt	-	-	-	-	-
Deferred tax liability	4,494	604	729	784	845
Lease & long-term liabilities	-394	-489	-582	-582	-582
Capital employed	**9,069**	**5,209**	**17,383**	**19,104**	**21,981**
Net tangible assets	483	480	518	486	441
Net intangible assets	41	87	105	121	141
Goodwill	-	348	348	348	348
Right of use assets	-	-	-	-	-
CWIP (tang. & intang.)	-	-	119	119	119
Investments (strategic)	-	-	-	-	-
Investments (financial)	631	2,656	2,656	2,656	2,656
Current assets (excl. cash)	3,760	3,965	5,068	5,792	6,692
Cash	7,772	6,225	14,155	15,579	18,037
Current liabilities	3,619	8,551	5,586	5,997	6,453
Working capital	141	-4,586	-517	-205	240
Capital deployed	**9,069**	**5,209**	**17,383**	**19,104**	**21,981**

Fig 3 – Cash-flow Statement (Rs m)

Y/E Mar	FY24	FY25	FY26e	FY27e	FY28e
PBT	-2,480	-770	643	2,221	3,755
+ Non-cash items	786	755	-282	-278	-261
Oper. prof. before WC	-1,693	-15	361	1,943	3,493
- Incr. / (decr.) in WC	229	542	-624	-313	-445
Others incl. taxes	365	191	161	555	939
Operating cash-flow	-1,830	336	-424	1,075	2,110
- Capex	-80	-42	-297	-179	-216
Free cash-flow	-1,910	294	-721	896	1,894
Acquisitions	-182	-236	-	-	-
- Div. (incl. buyback & taxes)	-	-	-	-	-
+ Equity raised	-	-	8,160	-	-
+ Debt raised	-	-	-	-	-
- Fin investments	-4,533	-365	-	-	-
- Misc. (CFI + CFF)	334	313	491	529	564
Net cash-flow	-6,292	6	7,930	1,425	2,458

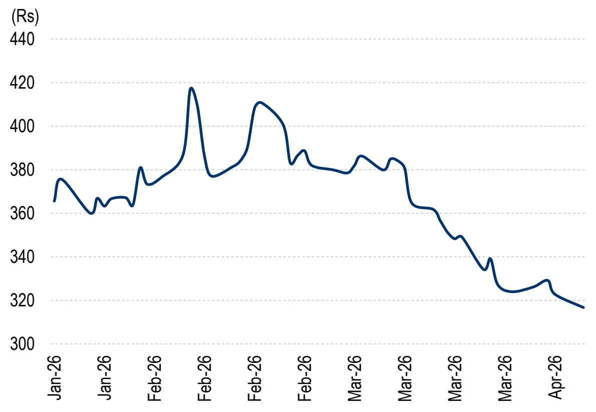
Source: Company, Anand Rathi Research

Fig 4 – Ratio Analysis

Y/E Mar	FY24	FY25	FY26e	FY27e	FY28e
P/E (x)	-29.8	-106.3	151.3	43.8	25.9
EV / EBITDA (x)	-24.2	-70.8	177.7	33.0	18.4
EV / Sales (x)	7.3	5.5	4.3	3.6	3.0
EV/OCF (x)	-35.0	191.0	-151.4	59.7	30.4
P/B (x)	14.7	14.3	4.2	3.9	3.4
RoE (%)	-42.9	-13.7	4.3	9.2	13.9
RoCE (%) - after tax	-34.6	-18.9	1.6	11.2	18.9
DPS (Rs)					
Dividend yield (%)					
Dividend payout (%) - incl. DDT					
Net debt / equity (x)	-0.9	-1.6	-0.9	-0.9	-0.9
Receivables (days)	100	88	88	88	88
Inventory (days)	0.0	0.0	0.0	0.0	0.0
Payables (days)	277	225	210	210	210
CFO: EBITDA (%)	69.2	-37.1	-117.4	55.3	60.4

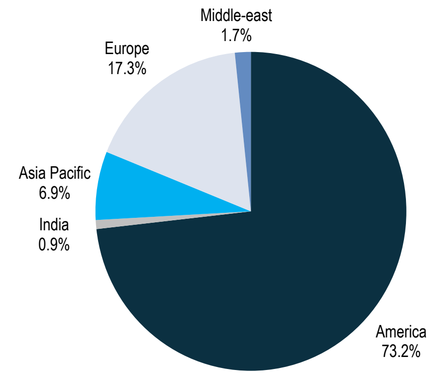
Source: Company, Anand Rathi Research

Fig 5 – Price Movement



Source: Bloomberg

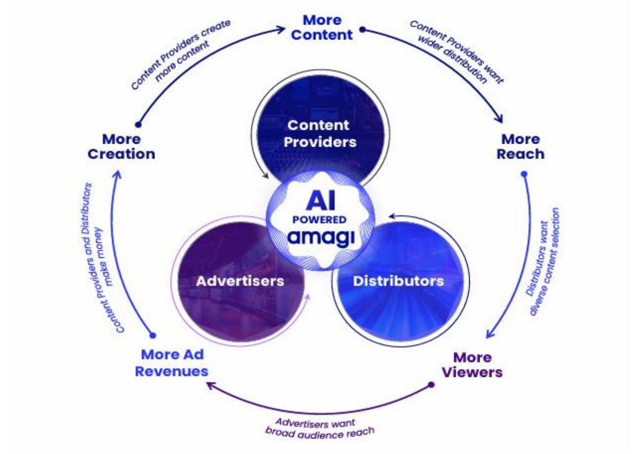
Fig 6 – Geography-wise revenue mix, H1FY26



Source: Company

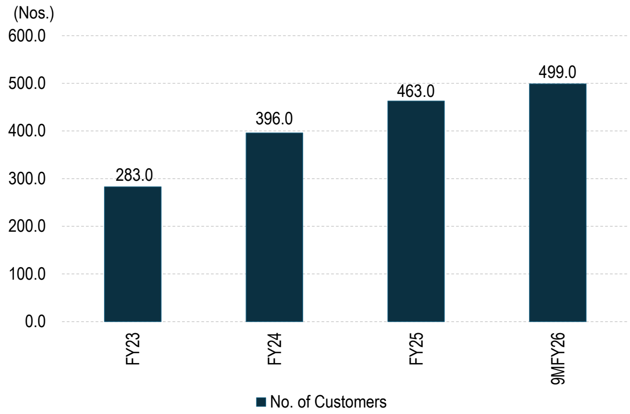
Story in Charts

Fig 7 – The 3-sided marketplace structure



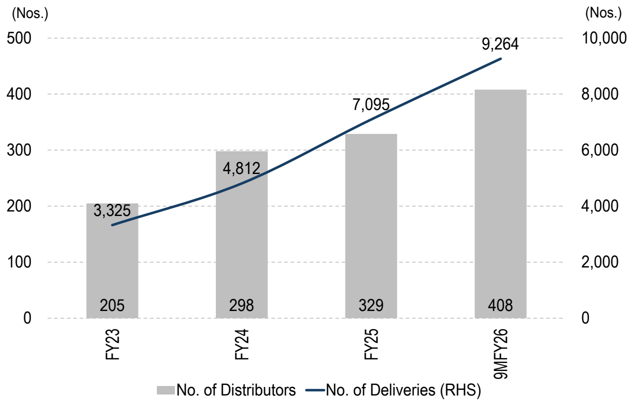
Source: Company

Fig 8 – Cloud migration - media companies transitioning to cloud-based solutions, evident from rising number of clients



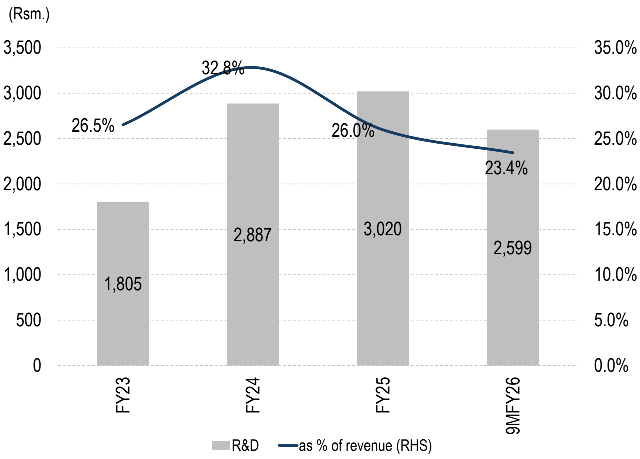
Source: Company

Fig 9 – FAST Adoption - Consumers shifting from traditional cable to free, linear streaming, number of distributors and channel deliveries are increasing



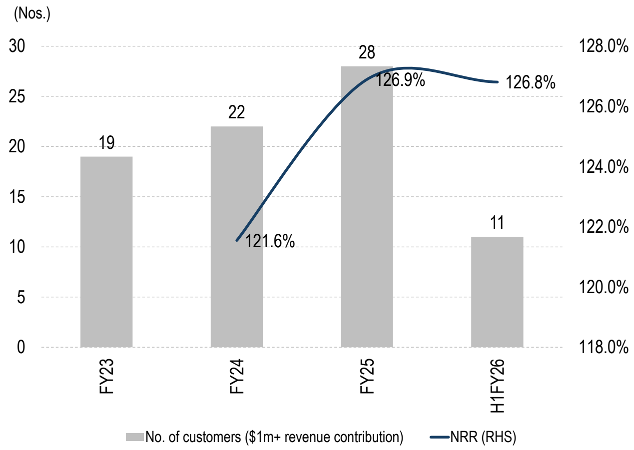
Source: Company

Fig 10 – AI Integration – continued focus on R&D



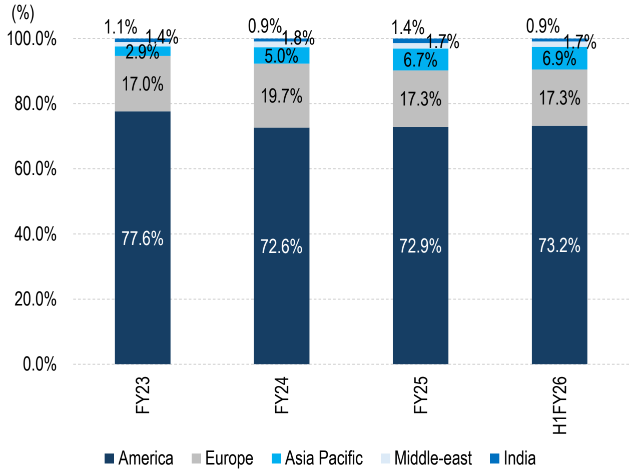
Source: Company

Fig 11 – High customer retention; 28 customers contribute >$1m+ revenue with zero churn among Top 10 clients over the last 2+ years



Source: Company

Fig 12 – Geographical revenue mix; Strong focus on mature U.S. market



Source: Company

Structurally Irreversible Global Migration from Linear Cable TV to Streaming, FAST and Connected TV

Marked Transformation from Experimental Broadcast to Streaming: TV has undergone a marked transformation from experimental broadcast to today's streaming era. It moved from BW to colour in 1950s, embraced satellite signals in 1970s and transitioned to high-definition TV in 2000s, enhancing picture quality. Connected TV (CTVs) further integrated internet-based content, reshaping media consumption habits. Rise of streaming has fundamentally changed how we consume video, signalling a clear and rapid shift to streaming platforms.

To stay competitive, both broadcasters and streaming content providers are increasingly partnering with tech providers like Amagi to enhance digital capabilities and scale their transition to streaming.

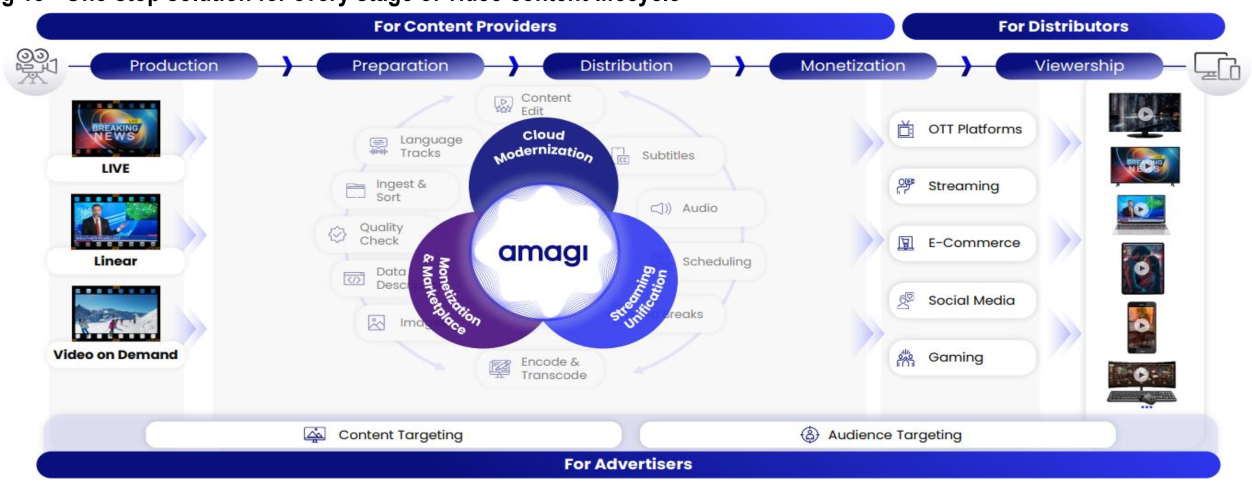
Emergence of New Requirements for Content Preparation and Distribution: Rise of streaming has brought a new set of complex requirements in content preparation and distribution. Unlike broadcast TV, streaming platforms must support multiple resolutions and formats like HLS and MPEG-DASH, while ensuring seamless playback across regions. They also face the challenge of localising content through multi-language support, subtitles and dubbing to make entertainment accessible to diverse viewers worldwide. Again, varying device capabilities and connection speeds demand the ability to deliver consistent viewing experiences across the board. Overcoming these challenges requires a robust technology infrastructure.

Shift to Cloud-Based Solutions: Traditional cable channels have incurred high capex for frequent hardware upgrades. With the rise of streaming platforms, many players are shifting to cloud-based solutions to overcome the financial and operational challenges. Cloud technology reduces hardware dependency, lowers cost and automates key processes, allowing traditional players to become future-proof and stay competitive in digital era.

It has built a strong ecosystem with >400 content providers, >350 distributors and >75 advertisers with ~45% of Top 50 listed media and entertainment companies are its

Amagi – A Vital Behind Scenes Player in Streaming TV: Founded in 2008 Amagi is a Bengaluru-based, Cloud-native SaaS company that reduces the complexity of media operations. It acts as a one-stop solution for every stage of video content i.e., production, preparation, distribution and monetisation. It helps the content providers to get rid of physical infrastructure required for content preparation, seamless distribution to smart TVs, phones and applications and enabling programmatic ads leading to lower operational cost, greater flexibility, wider reach and monetization.

Fig 13 - One-stop solution for every stage of video content lifecycle



Source: Company

Amagi's platform supported marquee global events i.e. 2025 Winter Olympics, Super Bowl, 2024 Paris Olympics, the Oscars, 2024 US presidential debate etc. underscoring its position as a trusted technology partner for the world's most high-stake broadcasts.

Fig 14 – Strong growth across key business KPI's

	FY23	FY24	FY25	9MFY26
No. of customers	**283**	**396**	**463**	**499**
y/y growth (%)		*40*	*17*	
No. of distributors	**205**	**298**	**329**	**408**
y/y growth (%)		*45*	*10*	
No. of Deliveries (Channels)	**3,325**	**4,812**	**7,095**	**9,264**
y/y growth (%)		*45*	*47*	
Monetised ad impressions (bn)	**19.4**	**17.1**	**26.1**	**31.1**
y/y growth (%)		*-12*	*53*	
Hours of content processed	**1,38,637**	**2,79,285**	**5,81,261**	**7,98,987**
y/y growth (%)		*101*	*108*	
No. of customers ($1m+ revenue contribution)	**19**	**22**	**28**	**11 (1H FY26)**

Source: Company, RHP

Amagi – Backbone of Broadcasting and Streaming Industry

Amagi has positioned itself as the backbone of broadcasting and streaming industry. Its products ensure seamless workflows for media companies from raw content files to final delivery, enabling end-to-end content preparation, localisation, distribution and monetisation on unified, scalable cloud-based platform. Its business is divided into 3 segments i.e., (a) cloud modernisation; (b) streaming unification; and (c) monetisation and marketplace.

Fig 15 – Segment-wise revenue mix

(Rs m)	FY23	FY24	FY25	9MFY26	FY23-25 CAGR (%)
Cloud modernisation (Rs m)	**1,379**	**2,129**	**2,175**	**2,187**	**25.6**
as % of revenue	*20.3*	*24.2*	*18.7*	*19.7*	
y/y growth (%)		*54.4*	*2.1*	*37.3*	
Streaming unification (Rs m)	**3,456**	**4,628**	**6,643**	**5,987**	**38.6**
as % of revenue	*50.8*	*52.6*	*57.1*	*54.0*	
y/y growth (%)		*33.9*	*43.5*	*22.3*	
Monetisation and marketplace (Rs m)	**1,970**	**2,034**	**2,808**	**2,912**	**19.4**
as % of revenue	*28.9*	*23.1*	*24.2*	*26.3*	
y/y growth (%)		*3.2*	*38.1*	*42.1*	
Total revenue from operations (Rs m)	**6,806**	**8,792**	**11,626**	**11,086**	**30.7**

Source: Company, RHP

A. Cloud Modernisation - The Infrastructure Overhaul Redefining Broadcasting: The media companies have traditionally relied on legacy on-premises infrastructure i.e., data centres, OB vans and master control rooms to prepare contents, which includes quality checks, subtitling, dubbing, graphics, metadata insertion etc. This setup poses several challenges such as high cost, reliance on physical hardware, inability to scale, lack of operational flexibility and limited ability for remote operation. With the rapid evolvement of broadcasting and streaming landscape, these constraints are driving a shift towards cloud-based content management and operations.

NBC, one of Amagi's large client, previously required ~42 racks of hardware to broadcast an event of the Super Bowl. By transitioning to Amagi's cloud-based software platform, it was able to decommission this entire hardware setup and run the whole event through just a few routers.

On this backdrop, Amagi offers the content owners a software to run channels on internet 24x7, prepare content, schedule, localize it, insert ad breaks etc. This enables them to shift away from on-premises physical systems set ups to cloud. As per the industry estimates, such shift can cut total cost by ~35-50% over five years (real savings depend on customers scale and workloads, but it does allow modest savings at the very least). Amagi enables this transformation through a cloud modernisation suite purpose-built to replace layers of traditional broadcast infrastructure.

Revenue from cloud modernisation stood at ~Rs2.1bn in FY25 (~18.7% of total revenue), clocking ~25.6% CAGR over FY23-25. It stood at ~Rs2.18bn in 9MFY26, increasing its contribution to ~19.7% of overall topline.

Amagi streamlines end-to-end content creation on a unified cloud platform through:

- **Amagi CLOUDPORT:** It manages entire broadcast workflow starting from importing raw content files, scheduling of live and linear channels and executing the final playout.
- **Amagi STUDIO:** It enhances live production quality for events and sports.
- **Amagi CLIP:** It enables the content teams to clip, edit and create highlights from live or recorded content in real time, directly within Amagi's platform.

Fig 16 – Cloud Modernisation revenue trend over FY23-25 and 9MFY26

(Rs m)	FY23	FY24	FY25	9MFY26	FY23-25 CAGR (%)
Revenue	**1,379**	**2,129**	**2,175**	**2,187**	**25.6**
y/y growth (%)		*54.4*	*2.1*	*37.3*	

Source: Company, RHP

- Cloud modernisation TAM is expected to grow to ~Rs561bn in FY28 clocking ~0.7% CAGR over FY26-28e, whereas SAM is expected to reach ~Rs182bn growing at ~5.3% CAGR over the same period.
- Playout & Automation SAM is expected to grow to ~Rs94bn in FY28 from ~Rs80bn in FY25, aided by the share of channels (largely tier 2-3) migrating to cloud-based playout rising to ~69% from ~60% of installed base, as the broadcasters hit capex refresh cycles & existing clients build trust.
- On live production side, the SAM is likely to grow to ~Rs57bn in FY28 from ~Rs44bn in FY25, with the share of live production's broadcast backend tech spend rising to ~10.6% from ~10% and software share expanding to 49% from 40%, reflecting the ongoing replacement of OB van with software-based live workflow management.

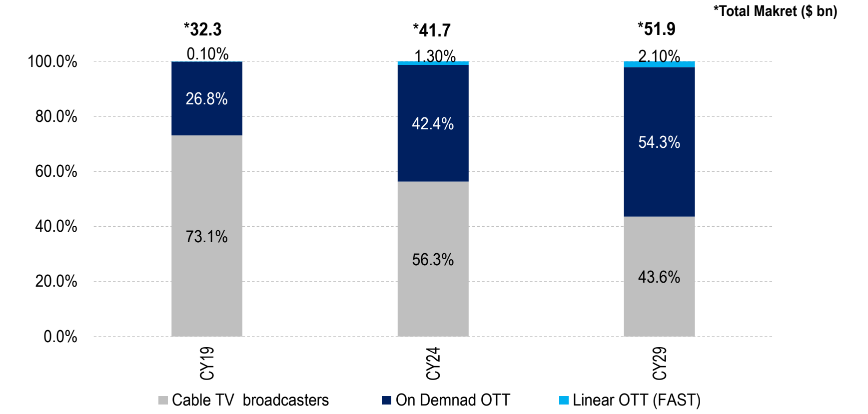
Fig 17 – Cloud modernization opportunity: TAM and SAM expansion with deeper penetration over FY25–FY28e

Particulars	FY25	FY26e	FY27e	FY28e	FY26-28 CAGR (%)
Playout and Automation					
Total global broadcast media backend tech spends (Rs.bn)	1,121	1,113	1,105	1,097	-0.7
Share of content preparation (%)	30	30.4	30.8	31.2	
TAM - Content preparation (Rs bn)	336	338	340	342	0.6
Share of Playout and Automation (%)	40	40	40	40	
Increasing share of channels (%)	60	63	66	69	
SAM - Playout and Automation (Rs bn)	80	85	89	94	5.3
Live Production					
Total global broadcast media backend tech spends (Rs bn)	1,121	1,113	1,105	1,097	-0.7
Tech spends for live production (%)	10	10.2	10.4	10.6	
TAM - Live production (Rs bn)	112	113	114	116	1.2
Share of software tech (%)	40	43	46	49	
SAM - Live production (software) (Rs bn)	44.8	48.8	52.8	57	8.1
Managed services on content preparation					
TAM - Content preparation (Rs bn)	336	338	340	342	0.6
Managed services on Content preparation (%)	30	30	30	30	
TAM - Managed services (Rs bn)	100.9	101.5	102.1	102.7	0.6
Managed services on Playout	30	30	30	30	
SAM - Playout and automation Managed services (Rs bn)	30.2	30.4	30.6	30.8	0.6
Total TAM (Rs bn)	**549.3**	**553.5**	**557.5**	**561.5**	**0.7**
Total SAM (Rs bn)	**155.8**	**164.5**	**173.4**	**182.3**	**5.3**
Amagi revenue					
Cloud Modernization (Rs m)	2,175	2,906	3,339	4,000	17.3
Penetration (%)	1.4	1.77	1.93	2.19	

Source: Anand Rathi research

B. Streaming Unification – Simplifying Complexity at Scale: Whilst streaming (OTT and FAST) is eating cable (>55m have cut the cord in the US), it is yet to displace it altogether. In 2024, cable accounted for ~56% of global viewing revenue, while it's share is projected to fall to ~44% by 2029. OTT and Free Ad-Supported Streaming (FAST) are taking its place, which makes operations a nightmare for the players like Roku Channels and Samsung TVs, who are trying to keep viewers hooked by offering lots of channels and content. This could have been an expensive task for the content owners, where they would have to sign deals individually, with an ecosystem of distributors, ingest each of their feeds individually and manage the operational mess of thousands of channels.

Fig 18 - Increase in OTT and FAST adoption



Source: RHP

Each player requires content to be prepared and delivered across formats and platforms. Managing this fragmented landscape while relying on multiple vendors leads to higher cost, operational inefficiency and delivery delays etc.

Amagi simplifies this process, as it has integration with >400 distribution platforms like OTT apps and smart TV makers, giving them plug-and-play feeds. The platforms can just tap into Amagi's network and onboard channels. Its solutions aid multi-platform packaging and delivery, integrating with leading CDNs to ensure low-latency and global reach.

Revenue from stream unification stood at ~Rs6.6bn in FY25 (~57.1% of revenue and clocking ~38.6% CAGR over FY23-25). It stood at ~Rs5.9bn in 9MFY26, reducing its contribution to ~54% of overall topline.

It offers advanced tools for feed customisation from the back end to suit the specific requirements of each distributor. Post which, the same content is distributed across multiple platforms and partners from one central place over the internet, allowing content owners to efficiently manage and distribute content at wider scale. Amagi PLANNER automates the scheduling of live, linear and VOD content through an intuitive visual interface, replacing what was previously a time-consuming and error-prone process that required dedicated teams to manually plan, sequence and update programming grids. Amagi ON-DEMAND ensures content meets the quality standards and regulatory compliance across geographies.

Fig 19 - Streaming unification – Revenue trend over FY23-25 and 9MFY26

(Rs m)	FY23	FY24	FY25	9MFY26	FY23-25 CAGR (%)
Revenue	**3,456**	**4,628**	**6,643**	**5,987**	**38.6**
y/y growth (%)		*33.9*	*43.5*	*22.3*	

Source: Company, RHP

Streaming unification TAM is expected to rise to ~Rs510bn in FY28e from ~Rs325bn in FY25, while SAM is expected to grow to ~Rs229bn from ~Rs146bn, backed by FAST and AVOD platforms scaling their content libraries and expanding to wider device ecosystems, the complexity of multi-platform packaging, localisation, and delivery infrastructure increases meaningfully.

Fig 20 – Streaming Unification: TAM and SAM expansion with deeper penetration

Particulars	FY25	FY26e	FY27e	FY28e	FY26-28 CAGR (%)
Global CTV ad-revenue (FAST+AVOD) (Rs bn)	3,256	3,709	4,225	4,814	13.9
CTV backend tech spends (%)	10	10.2	10.4	10.6	
TAM (Rs bn)	**325.6**	**378.3**	**439.4**	**510.2**	**16.1**
Share towards content preparation (%)	25	25	25	25	
Share towards CND spends (%)	20	20	20	20	
Content preparation spends (Rs bn)	81.4	94.5	109.8	127.5	16.1
CND spends (Rs bn)	65.1	75.6	87.8	102	16.1
SAM (Rs bn)	**146.5**	**170.2**	**197.7**	**229.6**	**16.1**
Amagi Revenue					
Stream Unification (Rs m)	6,643	8,120	9,946	12,145	22.3
Penetration (%)	4.5	4.8	5.0	5.3	

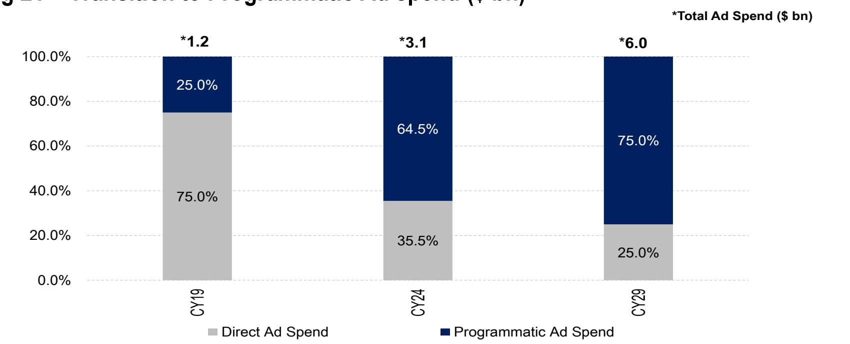
Source: Anand Rathi Research

Simultaneously, rapid proliferation of streaming content on ad-supported platforms demands sophisticated backend infrastructure. Further, rising focus on personalised ad packaging warrants deeper analytics and content management capabilities. *Together, these forces are expected to drive the backend video tech spend ratio to ~10.6% in FY28e from ~10% in FY25.*

C. Monetisation & Marketplace – Riding CTV Ad Wave: The rapid proliferation of CTV devices has transformed the advertising landscape, enabling a structural shift from mass broadcasting to individualised ad delivery. Unlike traditional TV, where a single ad was broadcast uniformly to all viewers, CTV leverages internet-based delivery to serve personalised ads driven by granular data points. This precision targeting capability, previously unavailable on linear TV, significantly enhances viewer engagement and improves advertising campaign, making CTV a compelling channel for advertisers seeking measurable returns on their ad spend.

As per Lattice, CTV's share of total ad spend is expected to rise to ~38% by CY29 from ~23% in FY25, with absolute CTV ad spending clocking ~14.2% CAGR to $71.8bn (vs. $36.9bn in FY25). This growth has in turn accelerated the adoption of programmatic advertising, fuelled by its ability to deliver precision targeting, handle large volume of ad inventory efficiently and reduce overall cost emerging as the dominant mechanism for CTV ad transaction. Its growing adoption has been shaped by an expanding intermediary ecosystem and integration of AI. *Reflecting this, programmatic ad spend is likely to outpace overall market with a stronger ~17.6% CAGR with its share of total CTV ad spend rising from ~65% in FY25 to ~75% by FY30e cementing automated, data-driven ad buying as the structural direction of the industry.*

Fig 21 – Transition to Programmatic Ad spend ($ bn)



Source: RHP

Amagi's diverse product offerings enable end-to-end content monetisation through real-time, targeted advertising.

- Amagi THUNDERSTORM: Its platform supports Server-Side Ad Insertion (SSAI) via Amagi THUNDERSTORM, where ads are inserted at server level before being delivered to viewing device enhancing viewer experience by reducing buffering, improving scalability and bypassing ad blockers.
- Amagi ADS PLUS: It is a premium CTV advertising marketplace that connects content owners with a global pool of advertisers. The platform supports both programmatic transactions via real-time bidding and direct ad sales, giving advertisers and content owners transaction flexibility.
- Amagi CONNECT: It is a centralised content distribution and syndication marketplace that connects TV networks with streaming platforms. It enables rights-based sharing, metadata customisation and simplified onboarding to FAST and OTT services, allowing content owners to syndicate content across global platforms, manage content rights centrally and drive audience reach through intelligent targeting.

With ~19.4% CAGR over FY23-25, revenue from ad monetisation stood at ~Rs2.8bn in FY25 (24.2% of revenue) and stood at ~Rs2.9bn in 9MFY26 (26.3% of revenue). Reflective of this growth, monetised ad impressions have grown to ~26.1bn in FY25 from ~19.4bn in FY23 at ~15.9% CAGR. (stood at ~31.1bn in 9MFY26), reflecting the rising scale of ad monetisation platform.

Fig 22- Ad monetization Revenue growth trends from FY23-25 and 9MFY26

(Rs m)	FY23	FY24	FY25	9MFY26	CAGR FY23-25 (%)
Revenue	**1,970**	**2,034**	**2,808**	**2,912**	**19.4%**
y/y growth (%)		*3.2*	*38.1*	*42.1*	

Source: Company, RHP

The total CTV ad monetisation TAM is likely to grow to ~Rs909bn in FY28 from ~Rs615bn in FY25 and SAM to ~Rs236bn from ~Rs159bn, tracking the growth of underlying CTV FAST+AVOD ad revenue market with the addressable portion after excluding walled gardens YouTube, Netflix, and Prime (~40% share) forming the base.

Within the SAM, component is expected to expand driven by structural shift towards programmatic CTV ad buying, with programmatic ad share rising from ~65% in CY24 to ~75% by CY29, directly increasing the pool of ad inventory flowing through SSAI pipes, while the ADS PLUS & Marketplace SAM benefits from the growing scale of ad-supported streaming content and the Anoki partnership unlocking new in-content ad inventory layers.

Fig 23 – Ad Monetisation: TAM and SAM expansion with deeper penetration

Particulars	FY25	FY26e	FY27e	FY28e	FY26-28 CAGR (%)
Global CTV ad-revenue (FAST+AVOD) (Rs bn)	3,256	3,709.3	4,225.7	4,814.1	13.9
CTV Share excluding walled gardens	60	60	60	60	
CTV ad Revenue (Rs. bn)	1,953	2,225	2,535	2,888	13.9
excluding publishers	32	32	32	32	
TAM (Rs bn)	**615.3**	**701**	**798.6**	**909.8**	**13.9**
Ad insertion tech (SSAI, Analytics) and Ads marketplace	26	26	26	26	
SAM (Rs. bn)	**160**	**182.2**	**207.6**	**236.5**	**13.9**
Amagi Revenue					
Ad monetisation and marketplace (Rs m)	2,808	3,837	4,579	5,453	19.2
Penetration (%)	1.8	2.1	2.2	2.3	

Source: Anand Rathi Research

Riding the Largest Structural Shift in Media History

As media companies migrate from legacy systems to scalable, AI-powered platforms, demand for cloud-native solutions is surging.

- Notably, Amagi doesn't need to create demand, as the global media industry is structurally forced to migrate towards exactly what it sells.
- SAM across various segments – cloud broadcasting software (Cloud Modernisation), video streaming software (Streaming Unification) and CTV advertising software (Monetisation and Marketplace) has shown significant growth over the years.

The total TAM is expected to reach ~Rs1,981bn by FY28 growing at a CAGR of ~10.2% over FY26-28, whereas the total SAM is expected to reach ~Rs648bn by FY28 growing at ~12% over the same period.

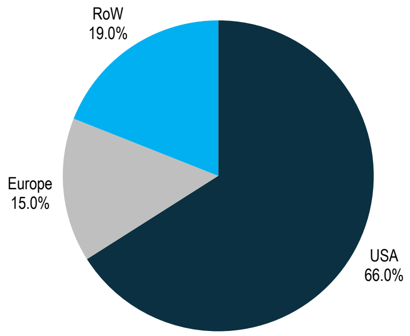
Fig 24 - Consolidated TAM AND SAM expansion

	FY25	FY26e	FY27e	FY28e	FY26-28 CAGR
Cloud Modernisation					
TAM (Rs bn)	549.3	553.5	557.5	561.5	0.7%
SAM (Rs bn)	155.8	164.5	173.4	182.3	5.3%
Streaming Unification					
TAM (Rs bn)	325.6	378.3	439.4	510.2	16.1%
SAM (Rs bn)	146.5	170.2	197.7	229.6	16.1%
Ad Monetisation and Marketplace					
TAM (Rs bn)	615.3	701	798.6	909.8	13.9%
SAM (Rs bn)	160	182.2	207.6	236.5	13.9%
Total TAM (Rs bn)	**1,490**	**1,632**	**1,795**	**1,981**	**10.2%**
Total SAM (Rs bn)	**462**	**517**	**578**	**648**	**12.0%**

Source: Anand Rathi Research

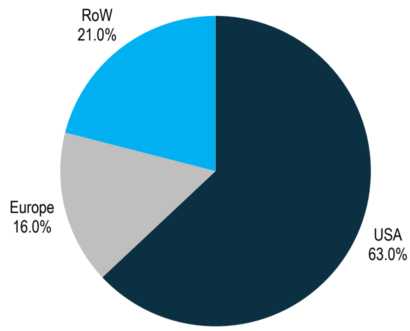
In CY24, the USA held the largest share of the total serviceable market (across cloud broadcasting software, video streaming software, CTV advertising markets), accounting for ~66% and generating ~Rs284.0bn (~$3.4bn). Europe followed with a ~15% market share, contributing ~Rs63.9bn (~$0.8bn). By CY29P, the USA is expected to maintain a ~63% market share, generating ~Rs509.3bn (~$6.1 bn), with Europe continuing at ~16% market share and generating Rs130.2bn (~$1.6bn). The USA's continued dominance is driven by its advanced technological infrastructure, a strong presence of global media-tech giants, early adoption of CTV, and a large, content-hungry consumer base, while other regions are expected to experience growth during this period.

Fig 25 – Geographic SAM mix, CY24



Source: RHP

Fig 26 – Geographic SAM mix, CY29



Source: RHP

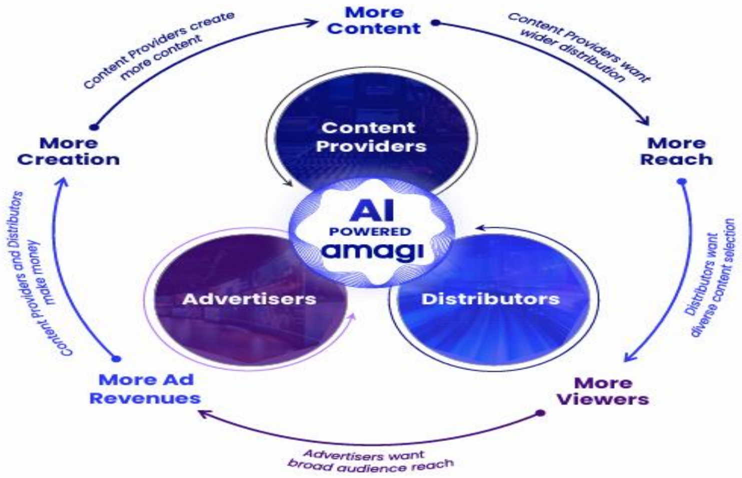
Investment Rationale

A. One-stop Solutions Provider

Amagi is the only SaaS company that offers end-to-end, cloud-native 'glass-to-glass' solution, spanning across entire video content value chain. Unlike most competitors, its integrated platform covers live production, content preparation, linear and on-demand distribution, server-side ad insertion and CTV monetisation on a single stack.

Its modular and comprehensive capabilities address operational efficiency, multi-platform content delivery, advanced monetisation and superior viewing experiences making it the technology partner of choice for both cloud-native media players and traditional broadcasters undergoing digital transformation.

Fig 27 - Amagi's self-reinforcing flywheel: more content, wider distribution, higher monetization



Source: Company, RHP

Fig 28 – Use cases of various Amagi product offerings

Company Name	Customer Since	Use Case
Vevo	2022	▪ Amagi assisted Vevo in importing content and playlists from its internal systems, which were subsequently used to create FAST channel feeds. For select channels, Amagi further supported ad monetisation through its Server-Side Ad Insertion (SSAI) solution, ensuring seamless and targeted ad delivery. ▪ Amagi ANALYTICS enabled Vevo to track viewership through customised reporting, providing actionable insights into audience engagement across its channels. Initially started with ~21 channels which has now scaled up to 40+ channels
Sinclair	2023	▪ Amagi imports raw content files from Sinclair's (including national feed and local news stations) onto its platform, following which the content is prepared, encompassing graphics addition, metadata enrichment, and ad break insertion to make raw files fully broadcast-ready. ▪ Then it creates and manages linear channel feeds with automated content scheduling, eliminating the need for manual intervention. ▪ The final packaged channel is subsequently distributed over the internet to Sinclair's stations across the US. Amagi currently operates 62 out of Sinclair's 180+ channels, reflecting significant trust and deep operational integration.
E.W. Scripps Co.	2021	▪ Amagi connected its ADS PLUS marketplace to Scripps' existing ad setup, plugging Scripps into a wider pool of programmatic advertisers through contextual and audience-based targeting. During the 2024 US election cycle, Amagi channelled political ad spending toward Scripps' relevant inventory — boosting CPM rates and overall ad revenue. ▪ The results were compelling enough that Scripps' earnings through ADS PLUS exceeded its annual software cost for 2024, effectively making Amagi's platform self-funding and demonstrating a clear return on investment.
Lionsgate	2020	▪ Exclusively partnered with Amagi to build and distribute their entire FAST channel portfolio across multiple countries and platforms, it involved localizing content i.e. managing various languages and subtitles. ▪ Additionally, is also uses Amagi THUNDERSTROM to monetize these channels and leverage Amagi's AI/ML capabilities to automatically generate metadata and identify ad breaks.

Source: RHP

B. Low Customer Churn and High Product Stickiness

Amagi's customer relationships are deeply entrenched with its largest (~14.1% revenue contribution in H1FY26), five largest (~30.9%) and ten largest customers (~40.2%) having been with the company for ~5.25, ~4.16, and ~4 years, respectively. The high stickiness is structurally embedded in Amagi's offering. Transitioning broadcast operations from legacy hardware-based infrastructure to a cloud-native platform is complex and time-intensive, requiring significant operational re-engineering, workflow redesign, and staff retraining for e.g., a mid-size customer with ~200-250 channels takes ~18-24 months to fully transition to a cloud-based solution, creating a significant time and operational investment from the outset that makes any subsequent switching decision highly unattractive.

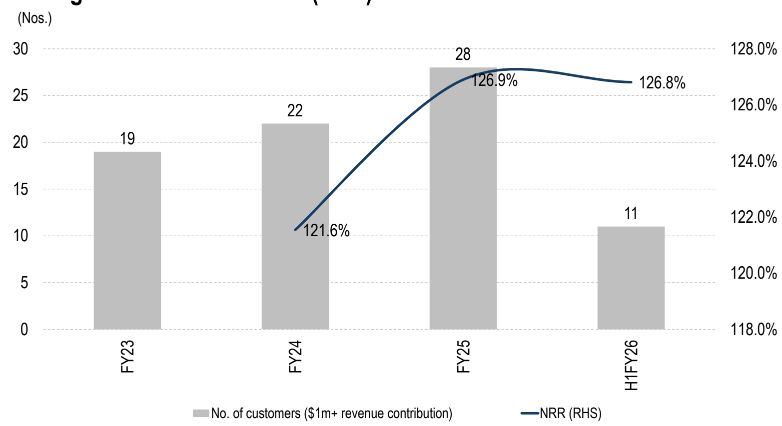
Once a broadcaster has made this transition across its content preparation, distribution, and monetisation workflows, cost, effort and operational disruption involved in switching to an alternative solution becomes high, creating a lock-in that is not just contractual rather operational.

This dynamic is further compounded by Amagi's land-and-expand model. Once Tier-III-IV channels are onboarded and broadcasters gain confidence in the platform's capabilities, migration of higher-value Tier-I-II channels command premium pricing.

Spend on Amagi is not a large budget item, with the company's ~$165m annual revenue is just a fraction of ~$300bn revenue Top 50 global media companies. As of FY25, Amagi had 463 customers and customers outside the Top 10, who spent an average of ~$200k per year on Amagi. One of the company's largest customer NBC had ~$27bn in media revenue in CY25, with Amagi's ~$15m revenue from NBC translating into ~0.05% of NBC's media revenue. Thus, we thus see a low probability of Amagi's customers choosing to 'build' over 'buy'.

Amagi's ~127% NRR is a direct reflection of this, with existing clients not only staying but consistently expanding their platform usage, a testament to the platform's ability to deliver measurable value at every stage of customer lifecycle.

Fig 29 – High Net Retention Ratio (NRR)



Source: Company, RHP

C. Beneficiary of AI Adoption with Continued Focus on R&D

Amagi maintains a continued strong focus on R&D with efforts centred on continuously enhancing platform functionality, usability and operational efficiency. Notably, it is positioned as a beneficiary of AI adoption rather than a potential victim of disruption, with its proprietary initiative Amagi INTELLIGENCE embedded across the product suite.

The platform leverages AI to automate several stages of the media workflow, enabling capabilities to reduce manual intervention and improving operational efficiency for content owners and broadcasters. *Further, acquisition of Argoid AI in Dec-24 strengthens its AI/ML capabilities by leveraging historical viewership data and audience behaviour to automate and optimise programming schedules.*

These R&D initiatives have translated into differentiated technologies that are integrated within Amagi's core product offerings. For instance, manifest-based playout for FAST channels enables broadcasters to dynamically determine what content plays and when as a result optimising programming sequences to maximise viewer engagement. Similarly, dynamic ad insertion allows real-time ad placement based on viewer demographics and behavioural data, improving targeting precision and monetisation outcome vs. static/pre-planned ad placements. In addition, platform's performance analytics tools provide content owners and advertisers with actionable, real-time insights into viewership trends, ad performance and engagement metrics, enabling continuous optimisation of content distribution and monetisation strategies.

Amagi has partnered ship with Anoki's ContextIQ that integrates with its THUNDERSTORM SSAI platform to enable scene-level, AI-driven ad insertion, where instead of placing ads at predetermined break points, GenAI analyses each scene in real time to determine the most contextually relevant moment and format for ad delivery.

With a clear intent to dominate the cloud-based media technology market, Amagi will continue to invest meaningfully in R&D, driving innovation across cloud modernisation, stream unification and ad monetisation to maintain and extend its competitive edge and addressable market. *These initiatives are aided by a strong and expanding R&D team, which accounted for ~58% of total workforce of ~948 employees as of H1FY26, comprising engineers and product specialists. This marks a significant increase from ~42% of ~773 employees in FY23.*

Fig 30 - R&D expense

	FY23	FY24	FY25	9MFY26
R&D	**1,805**	**2,887**	**3,020**	**2,599**
as % of revenue	*26.5*	*32.8*	*26.0*	*23.4*

Source: Company, RHP

Fig 31 – Strategic initiatives across AI and automation

Initiative	Date	Details
Acquisition of Streamwise	Nov-22	Amagi acquired analytics SaaS platform automating collection of revenue, royalty, streaming and ad impression data across platforms, strengthening its data-driven content management and monetisation capabilities.
Acquisition of Tellyo OY	Nov-23	Amagi acquired cloud-native live video production platform enabling remote collaboration for media teams globally, expanding its STUDIO product and strengthening its end-to-end glass-to-glass cloud offering for live events and sports.
Amagi INTELLIGENCE	FY24	Proprietary AI layer embedded across Amagi's platform. Uses predictive analytics, ML and GenAI to convert historical viewership, audience behaviour and monetisation data into actionable recommendations — covering automated channel scheduling and AI-driven ad-yield optimisation.
AI-Powered Scheduling (PLANNER)	FY24	AI/ML-powered automated content scheduling tool that analyses historical performance, audience engagement and consumption patterns to generate optimised programming grids. It enables one person to manage ~10 channels vs. 0.5 previously (~20x productivity improvement).
Amagi INTELLIGENCE - Automated Content Operations	FY24	AI-driven automation suite covering content tagging, metadata creation, real-time monitoring, automated ad marker insertion, and GenAI-powered promotions and sports highlights generation, reducing manual effort across content preparation and distribution.
Amagi THUNDERSTORM / INTELLIGENCE	FY25	Predictive AI optimiser that dynamically allocates ad inventory, adjusts pacing and floor prices and improves fill rates across CTV and FAST environments, maximising ad revenue per impression without manual intervention.
Acquisition of Argoid Analytics	Nov-24	Amagi acquired B2B SaaS AI company, whose AI/ML-enabled scheduler creates fully automated 24x7 live programming feeds using historical viewership and content performance data. Integrated into Amagi PLANNER to enhance scheduling precision and reduce planning cycles.
Partnership with Anoki (ContextIQ)	Mar-26	Integration of Anoki's multimodal AI platform with Amagi THUNDERSTORM SSAI to enable In-Scene Ads; GenAI analyses sight, sound and emotion of each scene in real time to place ads contextually within content rather than at predetermined breaks. First live on Amagi-powered FAST channels; Dentsu is the first demand partner.

Source: Company

Fig 32 – Total employee count

	FY25	H1FY26
R&D	**471**	**547**
% of total employees	*53*	*58*
Customer Support	**181**	**204**
% of total employees	*20*	*22*
Sales and Marketing	**126**	**113**
% of total employees	*14*	*12*
General Administrative	**106**	**121**
% of total employees	*12*	*13*
Total employees	**884**	**948**

Source: RHP

No competitor covers the full video content value chain. Legacy players like Harmonic, Grass Valley and Evertz are hardware businesses retrofitting cloud software where software is less than 10% of revenue. **Specialists like Wurl, Xumo and Yospace dominate single lanes:** distribution, FAST monetisation, or ad insertion. Every one of them solves one problem and hands off to the next vendor. Amagi is the only platform that runs the entire workflow i.e. production, playout, scheduling, multi-platform distribution, ad insertion and CTV monetisation on a single stack. In a market full of point solutions, Amagi is the only end-to-end answer.

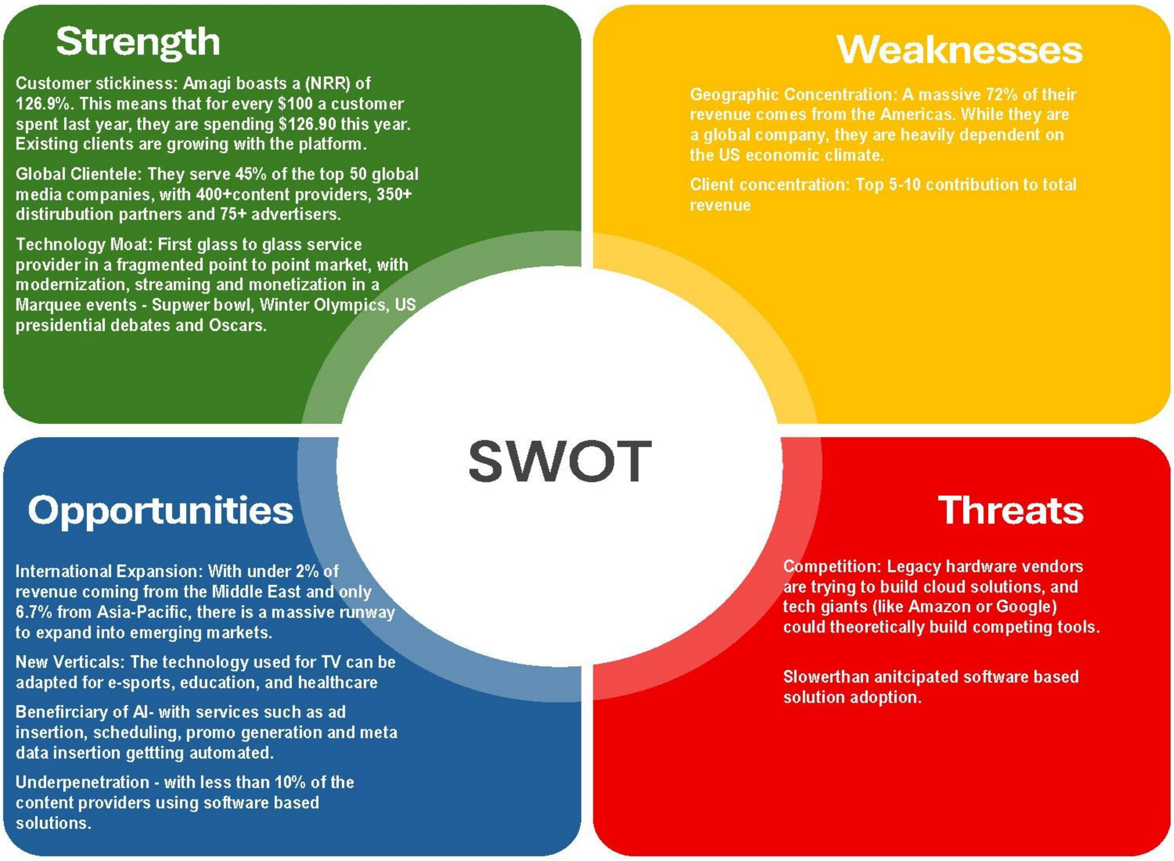
Fig 33 – Competitors' Profile

Company	Key Services / Solutions	Division Focus	Notable Customers / Partners
Wurl (Tough Competitor)	**AdPool:** Ad monetisation for streaming platforms (55+ brands, 5.5B+ monthly viewing hours, 60+ streamers). **Global FAST Pass:** Distribution and ad management platform with contextual targeting and real-time optimisation (US only). **Content Discovery:** AI-powered engagement and monetisation signals to target high-ROAS viewers.	▪ Streaming Unification ▪ Monetisation & Marketplace	Samsung, Roku, LG, Fox First Run, Bloomberg, BBC, AMC Networks, A&E Networks.
Akta	**OTT Streaming Platform:** AI-first video encoding, publishing, scheduling and multi-business-partner distribution; cloud-based dynamic server-side ad insertion. **FLEX FAST Channel:** Schedule and playout in the cloud as a live linear channel for broadcast; AI-based scheduling with ads or traffic ads.	▪ Streaming Unification ▪ Monetisation & Marketplace	Bloomberg TV, Fox TV Stations, Discovery, ABC stations.
Yospace	**8bn ads stitched/month across 2,000+ channels.** **SSAI / SGAI Architecture:** Dynamic ad insertion; does not bring advertisers or sell ads (not an ad marketplace).	▪ Monetisation & Marketplace	DirecTV (10+ yr partnership signed 2023), Turner, HBO Max, Tubi, Rogers/Firstlight.
Xumo	**Powers 2,000+ FAST channels across 30 platforms;** 10B+ annual impressions; 350+ content partners, 400+ channels, 70K on-demand titles, 115+ distribution partners, 5 major retail partners. **Xumo Enterprise:** End-to-end channel creation, distribution, monetisation and aggregation. **Xumo Advertising:** Partners with TransUnion, LiveRamp and The Trade Desk to use privacy-safe verified third-party data; driving CPM value across Xumo's footprint.	▪ Streaming Unification ▪ Monetisation & Marketplace	Variety of content & distribution partners (listed on their website).
Harmonic (Tough Competitor)	**VOS 360 Media SaaS:** Create, monitor & deliver linear TV, live streaming and VOD from public clouds. **VOS 360 Ad SaaS:** Monetise live video & on-demand content at massive scale. **VOS Media Software:** Cloud-native solution for cloud modernisation and distribution	▪ Cloud Modernisation ▪ Streaming Unification ▪ Monetisation & Marketplace	DirecTV Go, Bally Sports, Orbit Showtime Network.
Grass Valley (GV)	**Agile Media Processing Platform (AMPP):** Elasticity and scalability for hybrid deployments, on-demand workflows and real-time media operations; supports large-scale production and individual creators.	▪ Cloud Modernisation ▪ Streaming Unification	2025 Winter Games, Corrivium.
Evertz	**EvertzIO:** Broadcast and streaming platform enabling content owners to increase consumption and monetisation; supports free ad-supported streaming TV (FAST) channels as part of distribution strategy.	▪ Cloud Modernisation ▪ Streaming Unification	RECORD (one success story on their website)
Frequency	**Frequency Studio:** FAST Channel creation, scheduling and distribution (operating on cloud).	▪ Streaming Unification	Comcast Network, Amazon MGM Studios, , BBC Studios, Hearst Television, Sinclair Broadcast Group

Source: Anand Rathi Research

SWOT Analysis

Fig 34 – SWOT Analysis



Source: Anand Rathi Research

Competition Analysis – US Vertical SaaS Companies

Amagi is a vertical SaaS platform, which unlike horizontal SaaS platforms, cater to specific industries, and offers high customisation and tailored features. As per our understanding, there are no listed vertical SaaS companies serving the media end market, while Amagi's peers are either unlisted companies or players that are part of larger listed entities. While the media end market has its unique drivers and dynamics, the business model characteristics of Amagi are quite similar to those of other vertical SaaS companies: (a) features customised to the workflow of specific industry; (b) low customer churn and high net revenue retention; (c) high operating leverage; (d) pre-built and thus rapid time to deployment; (e) a high proportion of R&D employees and cost.

A few such US vertical SaaS companies are: Veeva (life sciences), Procore (construction technology), Waystar (healthcare), Clearwater Analytics, nCino, Alkami and Q2 Holdings (financial services), CCC (insurtech and autos) and Tyler Technologies (public sector).

At CMP, Amagi trades at 24.2x FY28e earnings, broadly at the midpoint of US vertical SaaS peers which ranges from 11x-39x. Amagi's FY26-28e revenue CAGR of ~20.6% is well above the peer median of ~12% and in the upper quartile of comparable set, backed by increasing spends from the current client set highlighted by a NRR of ~126.9% and new client addition, as content producers transition to software-based solutions leads to deeper penetration across segments.

Fig 35 – US Saas Companies

Company	Sector	Revenue (USD M) FY27e	Revenue (USD M) FY28e	Revenue CAGR (FY26-28)	EBITDA margins (%) FY27e	EBITDA margins (%) FY28e	EPS CAGR (FY26-28)	PE FY27e	PE FY28e	EV /EBITDA FY27e	EV /EBITDA FY28e	EV /Sales FY27e	EV /Sales FY28e
Amagi Media Labs	**Media Tech**	**203.0**	**245.4**	**20.6**	**10.9**	**16.2**	**141.6**	**43.8**	**25.9**	**33**	**18.4**	**3.6**	**3**
Guidewire Software	Insurance Tech	1677.0	1932.0	15.6	24.8	28.4	23.5	34.82	27.54	29.61	22.49	7.37	6.4
Klaviyo	Marketing Automation	1802.0	2161.0	19.7	17.1	18.0	19.7	20.19	17.08	17.22	13.68	3.02	2.52
Procore	Contrustion Tech	1689.0	1927.0	13.6	25.2	28.1	28.4	25.29	20.33	18.4	14.45	4.66	4.09
Q2 Holdings	Financial Services/Banking Tech	965.5	1068.0	10.4	27.8	29.8	24.5	13.91	11.38	10.52	8.89	2.97	2.69
Tyler Technologies	Public Sector	2775.0	3026.0	9.3	30.0	30.2	19.3	23.51	20.84	16.39	14.95	4.94	4.53
Waystar	Healthcare	1419.0	1564.0	10.2	42.3	43.6	13.0	13.21	11.2	9.9	8.71	4.2	3.81
Alkami Technology	Financial Services/Banking Tech	619.4	722.0	16.9	21.4	24.7	14.2	14.49	11.24	12.07	8.97	2.61	2.24
CCC Intelligent Solutions	Insurance/auto	1254.0	1376.0	9.2	42.3	43.0	32.9	12.55	11.11	9.07	8.14	3.88	3.54
nCino	Financial Services/Banking Tech	641.0	700.0	8.5	28.3	30.2	13.1	14.2	11.97	10.31	8.86	2.94	2.7
ServiceTitan	Field Service Management	1116.0	1273.0	15.1	14.0	14.2	13.7	48.7	38.92	35.38	30.44	4.99	4.38
Clearwater Analytics	Financial Services Tech	1116.0	1290.0	16.9	36.8	39.6	25.4	26.26	21.11	18.91	15.21	7	6.05
Veeva Systems	Life Sciences	3596.0	4036.0	12.4	45.1	45.3	25.9	19.49	17.47	13.36	11.83	6.05	5.39
EverCommerce	SBM Software	656.2	696.5	6.0	30.6	30.7	10.5	19.9	17.02	12.13	11.42	3.74	3.52
RateGain	Travel Tech	327.7	367.7	35.9	18.0	19.0	38.8	22.2	16.8	13.1	11.1	2.4	2.1
MEDIAN				**13.0**	**28.1**	**30.0**	**21.6**	**20.0**	**17.1**	**13.2**	**11.6**	**4.0**	**3.7**

Source: Company, Anand Rathi Research

Financial Analysis

Revenue Likely to Clock 20.6% CAGR over FY26-28e

Amagi's revenue clocked ~30.7% CAGR over FY23-25, almost double from ~Rs6.81bn to ~Rs11.63bn, while it grew ~29.9% y/y in 9MFY26. In FY25, ~75.8% of its revenue came from its core cloud software (modernization and streaming unification), which helps content owners run and distribute its content and help distribution platforms manage their channels more efficiently. The remaining ~24.2% came from advertising business, where Amagi helps sell ads on these channels, striking a good balance.

As the ad business is cyclical, ad slowdown or falling viewership can hit revenues. However, we believe with over ¾ revenue coming from stable, SaaS-style contracts, Amagi could survive the turbulence.

In FY25, Amagi reported Net Revenue Retention (NRR) of ~126-127%. That is, customers from the last year spent ~26% more on average in the next year. As the clients add more channels, features, or monetise services. Going forward, we expect it to clock 20.6% CAGR over FY26-28e, led by existing as well as new clients.

Fig 36 – Revenue Likely to Clock 20.6% CAGR over FY26-28e

	FY23	FY24	FY25	FY26e	FY27e	FY28e	23-25 CAGR (%)	26-28 CAGR (%)
Cloud Modernization	**1,379**	**2,129**	**2,175**	**2,906**	**3,339**	**4,000**	**25.6**	**17.3**
as a % of revenue	20.3	24.2	18.7	19.6	18.7	18.5		
y/y growth (%)		54.4	2.1	33.6	14.9	19.8		
Streaming Unification	**3,456**	**4,628**	**6,643**	**8,120**	**9,946**	**12,145**	**38.6**	**22.3**
as a % of revenue	50.8	52.6	57.1	54.6	55.7	56.2		
y/y growth (%)		33.9	43.5	22.2	22.5	22.1		
Monetization and Marketplace	**1,970**	**2,034**	**2,808**	**3,837**	**4,579**	**5,453**	**19.4**	**19.2**
as a % of revenue	28.9	23.1	24.2	25.8	25.6	25.2		
y/y growth (%)		3.2	38.1	36.6	19.3	19.1		
Total Revenue from Operations	**6,806**	**8,792**	**11,626**	**14,863**	**17,864**	**21,599**	**30.7**	**20.6**
y/y growth (%)		29.2	32.2	27.8	20.2	20.9		

Source: Anand Rathi Research

B. Operating Leverage Is Now Inflecting

Vertical SaaS businesses globally exhibit high operating leverage due to the recurring-revenue nature of such business models, and Amagi is no different. About two-thirds of Amagi's costs are fixed or semi-fixed in nature (R&D, G&A, and S&M), and we expect these costs to grow at a ~10% CAGR over FY26-28E, vs. 20.6% revenue growth over the same period.

With the revenue scaling faster than fixed or semi fixed cost, Amagi is entering a 'favourable operating leverage' phase, which is the goal of any SaaS business. The company has two big cost lines i.e., people (including R&D expenses) and cloud infrastructure.

But as revenue grows, the employee cost including R&D expense and customer support are making for a decreasing share of their sales, evident from employee cost (as percentage of revenue) coming down from ~85.9% in FY23 to 56.8% in FY25 and 53.2% in 9MFY26, resulting in improvement in adj. margin to ~2% in FY25 from ~-20.6% in FY23 further expanding to ~10.5% in 9MFY26.

This is the signature inflection of a scaling SaaS business crossing the leverage threshold every incremental rupee of revenue now flows disproportionately to the bottom line; we thus expect margin to expand from ~8.9% in FY26e to ~19.2% by FY28e.

Fig 37 – Cost of operations (Rs m)

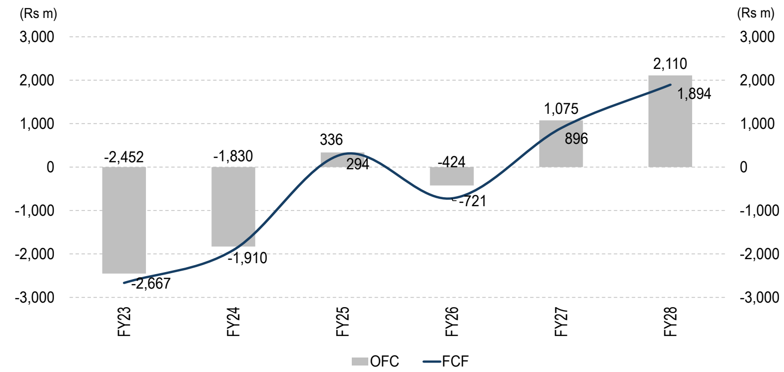
(Rs m)	FY23	FY24	FY25	FY26e	FY27e	FY28e	23-25 CAGR	26-28 CAGR (%)
Cost of Goods Sold	**15**	**8**	**13**	**17**	**20**	**24**	**-5.6**	**20.6**
As % of Revenue	0.2	0.1	0.1	0.1	0.1	0.1		
Employee benefits expense attributable to support and managed services	**144**	**280**	**339**	**433**	**521**	**629**	**53.4**	**20.6**
As % of Revenue	2.1	3.2	2.9	2.9	2.9	2.9		
Cloud infrastructure expenses	**2,241**	**2,428**	**3,214**	**4,109**	**4,823**	**5,616**	**19.8**	**16.9**
As % of Revenue	32.9	27.6	27.6	27.6	27.0	26.0		
Gross Profit	**4,406**	**6,076**	**8,060**	**10,304**	**12,500**	**15,330**	**35.3**	**22.0**
As % of Revenue	64.7	69.1	69.3	69.3	70.0	71.0		
Sales Marketing and Customer Support	**3,063**	**3,874**	**3,463**	**3,626**	**4,234**	**4,752**	**6.3**	**14.5**
As % of Revenue	45.0	44.1	29.8	24.4	23.7	22.0		
R&D Expense	**1,805**	**2,887**	**3,020**	**3,567**	**3,501**	**3,888**	**29.4**	**4.4**
As % of Revenue	26.5	32.8	26.0	24.0	19.6	18.0		
General Admin	**949**	**867**	**1,342**	**1,784**	**2,108**	**2,549**	**18.9**	**19.5**
As % of Revenue	13.9	9.9	11.5	12.0	11.8	11.8		
Adj. EBITDA	**-1,410**	**-1,553**	**236**	**1,327**	**2,657**	**4,141**	**NA**	**76.7**
Adj. EBITDA Margin	***-20.7***	***-17.7***	***2.0***	***8.9***	***14.9***	***19.2***		

Source: Anand Rathi Research

Balance Sheet and Cash Flow Statement

- **Working Capital:** Amagi's business model requires a small WC investment, as trade payables (to cloud infrastructure providers) and contract liabilities (from customers) is more than offset by trade receivables (~88/80 days of receivables in FY25/FY26e).
- **Cash/Debt:** Amagi has a cash balance of ~Rs16 bn (US$180m) post its recent IPO and no debt on the books.
- **Returns:** We estimate Amagi's RoE at ~4-5% in FY26E and expect it to improve to ~13.9% by FY28E, driven largely by net margin improvement.
- **Capex** as a % of revenue is ~2% in FY26E.
- **Cash flow from operations/FCF:** We expect positive FCF for Amagi from FY27e with ~53-67% FCF-to-net income ratio.
- **Dividend:** As Amagi has not paid dividend historically, we do not assume any dividend payout during our forecast period.

Fig 38 - OCF and FCF



Source: Anand Rathi Research

Outlook and Valuations

AMAGI is a cloud-based SaaS platform that allows content owners to create, manage and broadcast channels over the internet (FAST/CTV) without physical infrastructure alongside targeted ad insertion. Three-sided marketplace moat, strong net retention ratio of ~126.9% in FY25, steady revenue growth of ~30.7% over FY23-25 and improving operating leverage (adj. EBITDA margin at ~10.5% in 9MFY26 vs. ~ (20.7%) in FY23) make it a structurally compelling long-term compounding story. We expect its revenue to clock ~20.6% CAGR over FY26-28e with adj. margin improving to ~19.2% by FY28e. While it trades at 24.2x FY28 earnings, which is at the midpoint of US vertical SaaS companies ranges between 11x to 39x FY28 earnings, its 20.6% FY26-28E revenue CAGR is at the higher end of US vertical SaaS peers (median growth of ~12% over CY26-28E). **We initiate coverage AMAGI with BUY rating and TP of Rs450, valuing it at 35x FY28e EPS.**

Fig 39 – Coverage Internet companies Valuation Sheet

	Revenue (Rs m)			Revenue CAGR (FY26-28)	EBITDA margins (%)			EPS Growth			PE		
	FY26e	FY27e	FY28e		FY26e	FY27e	FY28e	FY26e	FY27e	FY28e	FY26e	FY27e	FY28e
Amagi	**14,863**	**17,864**	**21,599**	***20.6***	***2.4***	***10.9***	***16.2***	***245.2***	***69.1***	***20.1***	***151.3***	***43.8***	***25.9***
Rategain	15,526	30,314	34,704	*49.5*	*16.3*	*16.3*	*18.5*	*-13.9*	*44.3*	*44.8*	*40.8*	*28.3*	*19.5*
Affle 3i	26,839	32,303	38,880	*20.4*	*22.5*	*23.3*	*23.5*	*21.6*	*23.8*	*19.2*	*46.5*	*37.6*	*31.5*
Indiamart	15,595	17,820	20,552	*14.8*	*34.2*	*34.6*	*35.2*	*-10.9*	*14.6*	*16.9*	*26.7*	*23.3*	*19.9*
MapmyIndia	5,691	7,485	9,757	*30.9*	*37.5*	*38.5*	*39.5*	*14.0*	*32.4*	*33.7*	*42.2*	*31.9*	*23.8*
TBO Tek	26,764	36,297	41,637	*24.7*	*14.2*	*16.0*	*17.5*	*13.0*	*59.2*	*28.9*	*58.8*	*36.9*	*28.6*
Ixigo	12,744	16,736	21,907	*31.1*	*6.0*	*9.0*	*12.0*	*2.3*	*84.8*	*71.8*	*115.5*	*62.5*	*36.4*
Yatra	11,232	12,601	14,130	*12.2*	*7.8*	*10.4*	*12.2*	*59.2*	*66.1*	*39.0*	*38.6*	*23.2*	*16.7*
Zomato	5,33,945	9,26,851	13,38,483	*58.3*	*2.1*	*4.5*	*5.0*	*-53.0*	*738.2*	*78.7*	*NA*	*111.3*	*62.3*
Swiggy	1,99,699	2,56,767	3,22,830	*27.1*	*-9.0*	*-1.0*	*-1.0*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*

Source: Company, Anand Rathi Research

Key Risks

- **Geographic Concentration:** The US accounted for ~73.2% of total revenue as of H1FY26.
- **Customer Concentration:** Top 10 customers contributed ~40.2% to its total revenue in H1FY26. Client concentration is a key risk for Amagi, with its largest client contributing ~14.1% of the topline as of H1FY26. In tech/SaaS businesses where single client contributed a large chuck of overall topline, any churn from these clients, whether due to developing in-house capabilities or broader market consolidation among end-customers, can significantly dent the growth outlook and trigger a valuation de-rating. This was observed with RateGain in FY25, where just two hotel chains consolidated with one of them being their client, contributing ~4% of topline, no longer requiring its services. This adversely impacted overall revenue trajectory from ~18-20% to ~12-14%, with multiple de-rating sharply from its peak of ~40-45x back to ~20-25x.
- Negative impact from AI evolution.
- Higher-than-expected revenue pressure in the cable and broadcasting industry or consolidation could lead to cuts in their technology budgets, negatively impacting Amagi.
- Risk from technology failures or interruptions.

Company Overview

Founded in 2008 and headquartered in Bengaluru, Amagi is a cloud-native SaaS company that simplifies media operations by offering a one-stop solution across the entire video content lifecycle — from production and preparation to distribution and monetization. By replacing legacy physical infrastructure with software, Amagi enables content providers such as TV channels, studios, and sports producers to seamlessly distribute content across smart TVs, phones, and applications while supporting programmatic advertising delivering lower operational costs, greater flexibility, and wider global reach. S.R. Batliboi & Co is the statutory auditor of the company.

Fig 40 – Milestones

Year	Key Events
2008	Incorporation of the company
2015	Expanded operations to USA
2018	Expanded operations to Singapore and UK
2020	Entered into an agreement with AETN UK to shift their operation on a cloud-based infrastructure andSADA System LCC to accelerate their cloud operations
2021	Selected by NBCUniversal Media LLC to provide UHD cloud playout for Tokyo Olympics coverage
2022	launched Amagi LIVE enabling content brands to broadcast live from anywhere in the world & Amagi NOW to accelerate time to market and revenue realization for content creators.
2023	Helped MESAT Broadcast Network Systems launch a FAST TV service on Sooka
2024	Acquired Tellyo OY and Argoid Analytics Inc; in collaboration with AD Digital International Corp. launched a media hub to strengthen advertising on CTV in Brazil.
2026	Got Listed NSE and BSE

Source: Company

Fig 41 – Contingent Liabilities

Particulars (Rs m)	FY23	FY24	FY25	H1FY26
Bank guarantee	1	1	1	1
Income tax dispute	0	318	592	592
GST dispute	0	0	56	104
Total	1	319	650	698
As % of revenue	**0.0**	**3.6**	**5.6**	**9.9**

Source: Company

Fig 42 – Board of Directors

Name	Designation	Details	Committees	Directorships
Baskar Subramanian	MD and CEO	Mr. Subramanian holds a bachelor's degree in engineering with ~23 years of experience in technology and media sector. Previously, he was associated with ImpulseSoft as CTO, Texas Instruments.	• Audit Committee • Stakeholder relationship Committee • Risk Management Committee CSR Committee IPO Committee	**Foreign Companies -** Amagi Canada Corp. Amagi Eastern Europe Amagi Media Labs Pte. Ltd.
Arunachalam Srinivasan Karapattu	Non-Executive Director	Mr. Karapattu holds a bachelor's degree in engineering with ~23 years of experience in the technology and broadcasting sector. Previously, he was associated with IImpulseSoft, SiRF Technologies, Integrated Decisions and Texas Instruments.	• Stakeholder relationship Committee • Risk Management Committee CSR Committee	**Foreign Companies -** Amagi Corp. Argoid Analytics Inc.
Giridhar Sanjeevi	Non – Executive Chairman and Independent Director	Mr. Sanjeevi holds a PG diploma in management and is a qualified CA with ~25 years of experience in finance. Previously, he was associated with Indian Hotels Company, as VP and CFO.	• Audit Committee • Risk Management Committee Nomination and Remuneration Committee IPO Committee	**Foreign Companies –** Amagi Corp.
Ira Gupta	Independent Director	Ms. Gupta holds a PG diploma in personnel management and industrial relations from XLRI with ~27 years of experience. Previously, she was associated with Microsoft India and GlaxoSmithKline. Now she serves as a senior advisor to McKinsey.	• Audit Committee • Stakeholder relationship Committee • Nomination and Remuneration Committee CSR Committee	• Eicher Motors Ltd. • Max Estates Ltd. SRF Ltd. Razorpay Software Ltd.
Sandesh Kaveripatnam	Nominee Director	Mr. Kaveripatnam MBA from the Wharton School, University of Pennsylvania. He is currently a Managing Partner at PI International Holdings LLC (a Premji Invest group entity) and brings ~10 years of experience in private and public equity investment strategies.	Nomination and Remuneration Committee IPO Committee	**Foreign Companies -** Essor Group • Ikigai Labs Inc. Navan Inc. Outreach Corp. Signifyd Inc.
Shekhar Hanumanthasetty Kirani	Nominee Director	Dr. Kirani is a PhD from the University of Minnesota and is currently a designated partner at Accel Partners India LLP and Accel India Management. He has ~14 years of experience in leading investments in early-stage software and mobile startups.	IPO Committee	**Indian Companies -** CBS Hi-Tech Ventures **Foreign Companies –** ANSR Holdings Chargebee Inc. Sohum Inc. Good Methods Global Inc.
S.R. Batliboi & Co LLP	Statutory Auditor			

Source: Company

Appendix

Analyst Certification

The views expressed in this Research Report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report. The research analysts are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter "SEBI") and the analysts' compensation are completely delinked from all the other companies and/or entities of Anand Rathi, and have no bearing whatsoever on any recommendation that they have given in the Research Report.

Anand Rathi Ratings Definitions

Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps, Mid Caps & Small Caps as described in the Ratings Table below:

Ratings Guide (12 months)

	Buy	Hold	Sell
Large Caps (Top 100 companies)	>15%	0-15%	<0%
Mid Caps (101st-250th company)	>20%	0-20%	<0%
Small Caps (251st company onwards)	>25%	0-25%	<0%

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Anand Rathi Share and Stock Brokers Ltd. (hereinafter refer as ARSSBL) (Research Entity, SEBI Regn No. INH000000834, Date of Regn. 29/06/2015, BSE Enlistment Number – 5048 date of Regn 25 July 2024) is a subsidiary of the Anand Rathi Financial Services Ltd. ARSSBL is a corporate trading and clearing member of Bombay Stock Exchange Ltd (BSE), National Stock Exchange of India Ltd. (NSEIL),Multi Commodity Exchange of India Limited (MCX),National Commodity & Derivatives Exchange Limited (NCDEX), and also depository participant with National Securities Depository Ltd (NSDL) and Central Depository Services Ltd. (CDSL), ARSSBL is engaged into the business of Stock Broking, Depository Participant, Mutual Fund distributor. Investments in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, Enlistment as RA and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

The research analysts, strategists, or research associates principally responsible for the preparation of Anand Rathi research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

General Disclaimer: This Research Report (hereinafter called "Report") is meant solely for use by the recipient and is not for circulation. This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through ARSSBL nor any solicitation or offering of any investment /trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by ARSSBL to be reliable. ARSSBL or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of ARSSBL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report. The price and value of the investments referred to in this Report and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. ARSSBL does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding taxation aspects of any potential investment.

Opinions expressed are our current opinions as of the date appearing on this Research only. We do not undertake to advise you as to any change of our views expressed in this Report. Research Report may differ between ARSSBL's RAs and/ or ARSSBL's associate companies on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold ARSSBL, its employees and associates responsible for any losses, damages of any type whatsoever.

ARSSBL and its associates or employees may; (a) from time to time, have long or short positions in, and buy or sell the investments in/ security of company (ies) mentioned herein or (b) be engaged in any other transaction involving such investments/ securities of company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) these and other activities of ARSSBL and its associates or employees may not be construed as potential conflict of interest with respect to any recommendation and related information and opinions. Without limiting any of the foregoing, in no event shall ARSSBL and its associates or employees or any third party involved in, or related to computing or compiling the information have any liability for any damages of any kind.

Details of Associates of ARSSBL and Brief History of Disciplinary action by regulatory authorities & its associates are available on our website i.e. www.rathionline.com

Disclaimers in respect of jurisdiction: This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject ARSSBL to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by ARSSBL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. ARSSBL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to ARSSBL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.

Statements on ownership and material conflicts of interest, compensation - ARSSBL and Associates

Answers to the Best of the knowledge and belief of ARSSBL/ its Associates/ Research Analyst who is preparing this report

Research analyst or research entity or his associate or his relative has any financial interest in the subject company and the nature of such financial interest.	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company	No
ARSSBL/its Associates/ Research Analyst/ his Relative have any other material conflict of interest at the time of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have managed or co-managed public offering of securities for the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation or other benefits from the subject company or third party in connection with the research report	No
ARSSBL/its Associates/ Research Analyst/ his Relative have served as an officer, director or employee of the subject company.	No
ARSSBL/its Associates/ Research Analyst/ his Relative has been engaged in market making activity for the subject company.	No

NOTICE TO US INVESTORS:

This research report is the product of Anand Rathi Share and Stock Brokers Limited, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated person(s) of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances, and trading securities held by a research analyst account.

Research reports are intended for distribution only to Major U.S. Institutional Investors as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act of 1934 (the Exchange Act) and interpretations thereof by the U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this research report is not a Major U.S. Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated, and/or transmitted onward to any U.S. person which is not a Major U.S. Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major U.S. Institutional Investors, Anand Rathi Share and Stock Brokers Limited has entered into a Strategic Partnership and chaperoning agreement with a U.S. registered broker-dealer: Banc Trust Securities USA. Transactions in securities discussed in this research report should be affected through Banc Trust Securities USA.

1. ARSSBL or its Affiliates may or may not have been beneficial owners of the securities mentioned in this report.
2. ARSSBL or its affiliates may have or not managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.
3. ARSSBL or its affiliates may have or not received compensation for investment banking services from the issuer of these securities in the past 12 months and do not expect to receive compensation for investment banking services from the issuer of these securities within the next three months.
4. However, one or more of ARSSBL or its Affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon, either on their own account or on behalf of their clients.
5. As of the publication of this report, ARSSBL does not make a market in the subject securities.
6. ARSSBL or its Affiliates may or may not, to the extent permitted by law, act upon or use the above material or the conclusions stated above, or the research or analysis on which they are based before the material is published to recipients and from time to time, provide investment banking, investment management or other services for or solicit to seek to obtain investment banking, or other securities business from, any entity referred to in this report.

As of the publication of this report, ARSSBL does not make a market in the subject securities.

Registration granted by SEBI, Enlistment as RA and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Additional information on recommended securities/instruments is available on request.

Compliance officer: Deepak Kedia, email id: deepakkedia@rathi.com, Contact no. +91 22 6281 7000. **Grievance officer:** Madhu Jain, email id: grievance@rathi.com, Contact no. +91 22 6281 7191

ARSSBL registered address: Express Zone, A Wing, 10th Floor, Western Express Highway, Diagonally Opposite Oberoi Mall, Malad (E), Mumbai – 400097.

Tel No: +91 22 6281 7000 | Fax No: +91 22 4001 3770 | CIN: U67120MH1991PLC064106.