

May 18, 2026

Licensing revenues growth recovers; Films foray concern remain...

About the stock: Saregama India (Saregama) is India's oldest music label owned by RPSG Group with ~1.8+ lacs songs, which is monetized over various formats such as digitals (streaming, YouTube), physical (Carvaan) and television.

- Apart from music, it is also into TV serials /(Tamil), holds a strategic stake in Bhansali Productions as well as creates short videos through Filtercopy and has Artists and Events management business.

Q4FY26 Performance: Revenues were up 19.4% YoY, at ₹ 287.4 crore, driven strong performance across segments such as music and artist management. The licencing revenues at ₹ 184 crore was up 20.7% YoY. The TV & Films segment revenues were down 34.4% YoY at ₹ 32 crore, while Artist Management revenues were up 125% YoY at ₹ 42 crore. Carvaan sales volumes were down 25% YoY to 55000 units with revenues at ₹ 16.2 crore, up 5.2% YoY. EBITDA was up 50.6% YoY at ₹ 121 crore with EBITDA margin at 42.1%, up 8.7 percentage points YoY, given the operating leverage and revenue mix. Consequent PAT was at ₹ 75.4 crore was up 25.4% YoY, owing to healthy operating performance

Investment Rationale

- Strong medium-term outlook in Music Segment:** While the music licensing growth in H1 was merely ~7%, H2 saw growth of ~19% owing to strong content releases in Q3/Q4 and exit of Airtel Wynk from the base. Note, that the discontinued platforms headwind (Wynk, Reso, Gaana, Hungama) is now fully behind. **The company spent ₹235 crore on new music content in FY26 (vs ₹316 crore in FY25) coupled with ₹104 crore on inorganic catalogue acquisitions.** We note that spend undershot internal targets due to delays in key projects (e.g., Love & War, Paradise). FY27 new content budget is guided at ₹300–350 crore, and a linear increase thereafter. **The company maintained its medium-term revenue CAGR guidance of 21% to 23% for the music vertical. We estimate ~20% CAGR in B2B (licensing) music sales in FY26- 28E to ₹ 883 crore, as monetisation of existing IPs via digital platforms and new music acquisition will drive growth.** The **artist management segment** revenues, which is a byproduct of new music and does not require any upfront investment to inch up to ₹ 200 crore in FY28 (vs. ₹ 131 crore in FY26).
- Margins to remain largely stable:** We expect EBITDA margins to remain largely stable at 33.3% in FY27/FY28 vs. 34.2% in FY26, as higher content charge will offset operating leverage benefits. The healthy growth in topline coupled with stable margins will result in ~23.4% earnings CAGR over FY26-28E.

Rating and Target Price

- Key monitorable include execution of FY27 content slate (especially Love & War, Paradise), Punjabi music strategy reboot and market share gains along with paid subscription acceleration in India.** Nonetheless, **we believe the larger foray into films will imply sustained lower than earlier multiples for Saregama, over time, given the volatile growth trajectory.**
- Thus, we maintain HOLD rating and with a target price of ₹ 410, assigning a target multiple of 25x on FY28E EPS.**

Key Financial Summary

(Year-end March)	FY23	FY24	FY25	FY26	5 yr CAGR (FY21-26)	FY27E	FY28E	2 yr CAGR (FY26-28E)
Net Sales (₹ crore)	736.7	803.0	1,171.4	984.6	17.4	1,194.6	1,412.5	19.8
EBITDA (₹ crore)	221.0	246.6	277.0	336.8	20.9	398.7	469.8	18.1
Net Profit (₹ crore)	185.4	197.6	204.2	207.1	13.0	259.4	315.5	23.4
EPS (₹)	9.6	10.2	10.6	10.7		13.5	16.4	
P/E (x)	43.3	40.6	39.3	38.7		30.9	25.4	
Price / Book (x)	6.0	5.5	5.1	4.7		4.5	4.1	
EV/EBITDA (x)	32.9	29.9	26.6	22.5		19.2	16.2	
RoCE (%)	18.2	18.0	16.9	16.3		18.5	20.6	
RoE (%)	13.8	13.4	12.9	12.2		14.4	16.1	

Source: Company, ICICI Direct Research



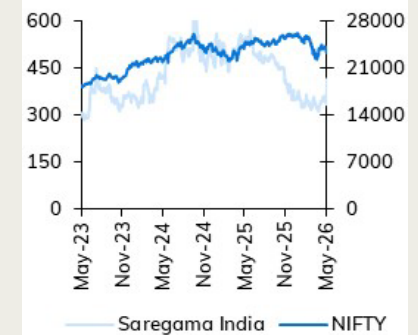
Particulars

Particular	Amount
Market Cap (₹ crore)	8,016
Total Debt (FY26)	₹ 70.4 Crore
Cash & Inv. (FY26)	₹ 528 Crore
EV	₹ 7488 Crore
52 week H/L (₹)	604/ 307
Equity capital (₹ cr)	19.3
Face value (₹)	1.0

Shareholding pattern

	Jun-25	Sep-25	Dec-25	Mar-26
Promoters	59.7	59.7	60.4	60.8
DII	5.2	5.2	5.0	7.1
FII	16.7	16.8	14.2	12.2
Other	18.4	18.4	20.4	19.9

Price Chart



Key risks

- Slower than expected music licensing growth
- Better performance in the film business

Research Analyst

Bhupendra Tiwary, CFA
bhupendra.tiwary@icicisecurities.com

CA Anjini Sharma
anjini.sharma@icicisecurities.com

Conference call highlights

- **Guidance:** The company maintained its medium-term revenue CAGR guidance of 21% to 23% for the music vertical, with music segment EBITDA margins expected to sustain between 60% and 65%, similar to current levels
- **Music Vertical & Content Strategy:** Management emphasised their "financial lens over vanity" philosophy. They highlighted refusing to acquire Dhurandhar 2 music because the pricing did not align with their strict 5-year payback guideline. **The company spent ₹235 crore on new music content in FY26 (vs ₹316 crore in FY25) coupled with ₹104 crore on inorganic catalogue acquisitions.** We note that spend undershot internal targets due to delays in key projects (e.g., Love & War, Paradise). **FY27 new content budget is guided at ₹300–350 crore, and a linear increase thereafter. FY27 pipeline: Love & War (Bhansali), Naagzilla (Dharma/Kartik Aaryan), Rajnikanth's next Tamil film, Sivakarthikeyan's Seyon, Nani's Paradise.** The completed strategic investment in Bhansali Productions secures predefined, formulas-based exclusive access to marquee Hindi film music for the next 24–30 months, minimising bidding wars. The management targets ~30-40% of new Hindi film music, to potentially come from this arrangement, over medium term. Following leadership consolidation via Nav Haryanvi, the company spent the last six months mapping out a strategy to actively build out its weakest regional segment—Punjabi music and is confident of reviving the same.
- **Subscription & Streaming Dynamics:** Management remained bullish on paid streaming penetration, which is under 3% in India compared to 50%+ in western economies. Management cited industry studies suggesting 64% of free users would migrate to paid plans if free options disappear. It stated that every 1% penetration increase would lead to ~14 million subscribers, creating a large monetisation runway
- **Artist management:** It is scaling well and the company added ~30 artists in Q4, taking total roster to 300+ artists with 400+ million cumulative followers. The company sees this as a second monetisation engine beyond recorded music through Live performances, Weddings and Brand endorsements.
- **Live events: FY26 live event revenue declined YoY due to absence of one-off Diljit Dosanjh India Tour in FY25 base.** The company launched first proprietary festival IP — UN40 (targeted at under-40 audience, Indian artists only, stand-up + interactive games format); which generated 12,000 footfalls with 8 sponsors. UN40 breakeven is expected by FY28 with next edition announced for February 2027. FY27 initiatives included Carvaan Live (premium sit-down concerts for 40+ audiences) and US diaspora tours (Ilayaraja, Sudesh Bhosle, Anup Jalota). The company indicated that the **Capital allocation for video + live verticals will reduce from ~18% to mid-single digits of total capex**
- **Videos segment:** Video revenue declined 43% YoY to ₹108 crore, driven by planned winding down of Yoodlee film production. Future focus would be on Short-form digital content, TV/digital series. **On the other hand, Film ambitions will be routed through Bhansali partnership instead of in-house risk-taking.**
- **Pocket Aces:** Management highlighted that Pocket Aces turned profitable in FY26, meeting prior commitment.
- **Ai implications:** Management believes **premium, human-created music becomes more valuable in an AI-heavy ecosystem**, as users connect with artists and provenance. In the near term, it has no major capital commitment to AI. **It is exploring licensing opportunities with GenAI platforms**

Quarter Performance

	Q4FY26	Q4FY25	Q3FY26	YoY (%)	QoQ (%)
TV, Events & Film business	87.0	72.8	80.7	19.6	7.8
Revenue from Music Business	200.4	168.1	179.7	19.3	11.5
Carvaan	16.2	15.4	15.7	5.2	3.2
Licencing Revenues	184.2	152.7	164.0	20.7	12.3
	Q4FY26	Q4FY25	Q3FY26	YoY (%)	QoQ (%)
Revenue	287.4	240.8	260.4	19.4	10.4
Other Income	9.7	17.7	7.4	-44.9	31.1
Production of TV, Films					
Employee Expenses	27.0	24.1	27.3	12.0	-1.1
Other expenses	33.9	22.6	20.3	49.9	67.2
Operational Expenses	82.9	76.2	80.1	8.9	3.5
Advertisement and Sales promotion	11.4	19.8	22.9	-42.3	-50.3
Royalties	11.2	17.8	18.0	-37.0	-37.6
EBITDA	121.0	80.3	91.7	50.6	31.8
EBITDA Margin (%)	42.1	33.4	35.2	873 bps	685 bps
Depreciation	23.7	16.6	21.4	42.5	10.6
Interest	2.1	4.7	1.3	-56.3	62.2
Total Tax	29.3	21.8	18.3	34.5	60.1
PAT	75.4	60.1	51.2	25.4	47.4

Source: Company, ICICI Direct Research

Segmental Projections

	FY23	FY24	FY25	FY26	FY27E	FY28E	FY19-24 CAGR	FY 26-28 CAGR (%)
TV, Events & Film business	157	130	477	170	225	257	27%	23%
Music Business (A+B+C)	579	674	694	814	970	1155	16%	19%
A. Carvaan	128	130	82	70	73	73	-4%	2%
B. Music Licensing	452	523	543	614	737	883	15%	20%
C. Artist Management		21	69	131	160	200	NA	24%
Revenue	736.7	803.0	1171.4	984.6	1194.6	1412.5	17%	20%
EBITDA	221.0	246.6	277.0	336.8	398.7	469.8	21%	18%

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 1: Profit and loss statement ₹ crore

(₹ Crore)	FY25	FY26	FY27E	FY28E
Total operating Income	1,171.4	984.6	1,194.6	1,412.5
Growth (%)	45.9	-15.9	21.3	18.2
Contract manf. charges	58.7	48.7	52.0	52.0
Cost of prod. of TV, Films	484.4	269.1	327.0	397.7
Employee Expenses	107.5	109.0	131.4	155.4
Other Expenses	243.8	221.1	285.5	337.6
Total Op. Expenditure	894.4	647.9	795.9	942.7
EBITDA	277.0	336.8	398.7	469.8
Growth (%)	12.3	21.6	18.4	17.8
Depreciation	58.2	81.6	89.6	98.9
Interest	5.7	5.4	6.0	4.0
Other Income	58.1	42.9	48.0	60.0
Exceptional Items	(5.0)	8.5	-	-
PBT	276.1	284.1	351.1	426.9
MI/PAT from associates	0.9	0.0	0.0	0.0
Total Tax	71.8	78.4	91.3	111.0
PAT	204.2	207.1	259.4	315.5
Growth (%)	3.3	1.4	25.3	21.6
EPS (₹)	10.6	10.7	13.5	16.4

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit after Tax	204.2	207.1	259.4	315.5
Add: Depreciation	58.2	81.6	89.6	98.9
Add: Interest Paid	5.7	5.4	6.0	4.0
(Inc)/dec in Current Assets	32.2	-156.8	-141.6	-149.2
Inc/(dec) in CL and Prov.	-45.7	45.2	15.1	92.4
CF from op. activities	254.6	182.4	228.5	361.5
(Inc)/dec in Investments	0.0	0.0	0.0	0.0
(Inc)/dec in Fixed Assets	-145.0	15.8	-150.0	-150.0
Others	-10.6	-558.9	0.0	0.0
CF from inv. activities	-155.6	-543.1	-150.0	-150.0
Change in Reserve & Surp.	-89.9	-97.8	-154.2	-154.2
Inc/(dec) in loan funds	-1.7	70.4	0.0	0.0
Interest paid	-5.7	-5.4	-6.0	-4.0
Others	-0.1	-0.9	0.0	0.0
CF from fin. activities	-97.4	-33.7	-160.2	-158.2
Net Cash flow	1.6	-394.4	-81.7	53.3
Opening Cash	542.1	543.7	149.3	67.6
Closing Cash	543.7	149.3	67.6	120.9

Source: Company, ICICI Direct Research

Exhibit 3: Balance Sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	19.3	19.3	19.3	19.3
Reserve and Surplus	1,564.1	1,673.4	1,778.5	1,939.8
Total Shareholders funds	1,583.4	1,692.7	1,797.8	1,959.1
Total Debt	0.0	70.4	70.4	70.4
Minority Interest	3.4	2.5	2.5	2.5
Deferred Tax Assets	51.8	58.8	58.8	58.8
Total Liabilities	1,638.6	1,824.4	1,929.5	2,090.8
Gross Block	1,004.3	988.9	1,138.9	1,288.9
Less: Acc Depreciation	171.8	253.4	343.0	441.9
Net Block	832.5	735.5	795.9	847.0
Capital WIP	-	-	-	-
Total Fixed Assets	832.5	735.5	795.9	847.0
Investments	111.2	378.6	378.6	378.6
Other non current Assets	50.1	54.3	54.3	54.3
Debtors	143.2	176.9	180.0	212.8
Loans and Advances	27.1	49.1	59.6	70.4
Other Current Assets	141.7	233.0	277.1	322.9
Cash	543.7	149.3	67.6	120.9
Inventories	240.2	243.4	327.3	387.0
Total Current Assets	1,095.9	851.7	911.6	1,114.1
Creditors	127.5	157.6	130.9	154.8
Provisions	73.1	76.8	63.8	75.5
Other Current Liabilities	252.6	257.0	311.8	368.7
Total Current Liabilities	453.2	491.4	506.5	598.9
Net Current Assets	642.7	360.3	405.0	515.1
Application of Funds	1,638.6	1,824.4	1,929.5	2,090.8

Source: Company, ICICI Direct Research

Exhibit 4: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (₹)				
EPS	10.6	10.7	13.5	16.4
Cash EPS	13.6	15.0	18.1	21.5
BV	82.1	87.8	93.2	101.6
DPS	5.0	6.0	8.0	8.0
Cash Per Share	28.2	7.7	3.5	6.3
Operating Ratios (%)				
Adj. EBITDA Margin	23.6	34.2	33.4	33.3
PBT / Total Op. income	18.7	25.9	25.9	26.3
PAT Margin	17.4	21.0	21.7	22.3
Inventory days	74.9	90.2	100.0	100.0
Debtor days	44.6	65.6	55.0	55.0
Creditor days	39.7	58.4	40.0	40.0
Return Ratios (%)				
RoE	12.9	12.2	14.4	16.1
RoCE	16.9	16.3	18.5	20.6
RoIC	23.1	26.2	26.6	29.2
Valuation Ratios (x)				
P/E	39.3	38.7	30.9	25.4
EV / EBITDA	26.6	22.4	19.2	16.1
EV / Net Sales	6.3	7.7	6.4	5.4
Market Cap / Sales	6.8	8.1	6.7	5.7
Price to Book Value	0.0	0.0	0.0	0.0
Solvency Ratios				
Debt/EBITDA	0.0	0.2	0.2	0.1
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	1.3	1.5	1.7	1.7
Quick Ratio	0.7	1.0	1.1	1.1

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

**ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

ANALYST CERTIFICATION

I/We, Bhupendra Tiwary, CFA, MBA (Finance), Anjini Sharma, CA, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report.