Tips Music

Poised for growth even in a turbulent industry landscape

Partnerships with global music labels ensures revenue growth visibility

Prefer Tips Music over Saregama

Initiate with BUY and Mar'26 TP of INR 800 (~24% upside)

Tips Music

Poised for growth even in a turbulent industry landscape

We initiate coverage on Tips Music Ltd (Tips Music) with a BUY rating and a DCF-based Mar'26 TP of INR 800 (implied FY27E PER of 40x, PEG of 1.7x). It is one of the leading music labels in India (top 5) and delivered above-industry growth of 36% over FY21-25 by expanding its catalogue (hits from the 1990s and 2000s) distribution within India as well as globally.

We expect the company to continue to consolidate its market position primarily aided by expansion of its global distribution deal with Warner Music and commitment to invest 25-30% of its revenue on new content acquisition. In fact, at a time when most music labels are finding it difficult to grow (market declined 2% in FY25, as per EY FICCI Report) on account of consolidation amongst music OTTs and the subsequent decision by the top 2 market leaders to stop doing minimum guarantee (MG) deals, the Warner deal ensures topline growth visibility for Tips Music.

Amongst the two listed music labels in India, we have a clear preference for Tips Music over Saregama (HOLD, TP INR 550). This is because the former stands out due to: its pure play focus on music content monetization; its catalogue being recent and therefore more monetisable; guaranteed access to new music content from Tips Films (NR); and easy-to understand accounting policies.

Given the multi-year annuity nature of the music business and expectations of broadly stable operating cash flows, we value Tips Music using 15-year DCF assuming a WACC of 12% and Tg of 5%. Key risks include 1) Irrational rise in competitive intensity driving new content cost, 2) Hiccups in distribution partnership with Warner, and 3) Slower-than-expected uptake in paid subscriptions and digital penetration.

Partnerships with global giants and aggressive content investments to drive growth: Tips Music entered into a 4-year global content distribution deal with Warner Music in Mar'24. The partnership is likely to contribute 30%+ of its revenue in FY26 vs. 25% in FY25. It is an MG deal with a clause for escalation of value every year, thus ensuring high revenue visibility over the medium term (FY25-FY28), especially at a time when the market is yet to recover from the adverse impact of consolidation of music OTTs and a shift in the remaining OTTs' focus to paid subscriptions. Tips Music recently also entered into a revenue sharing deal with Sony Music Publishing (SMP) through which it intends to generate incremental publishing revenue in international markets. It also remains committed to investing 25-30% of its revenue towards new content acquisition, which ensures steady access to content to drive topline growth.

Prefer Tips Music over Saregama: Tips Music is singularly focused on music content acquisition/creation and monetisation, having strategically demerged its Films division to streamline its music business. This focused approach has drastically reduced its business risk, and improved revenue and operating profit visibility, in turn, leading to efficient use of capital. Moreover, given that promoters of both demerged entities remain the same (the Taurani family), the former still gets access to any music content produced by the latter at an arms' length basis. Music labels with high revenue visibility and guaranteed access to new content are likely to be at an advantage, especially at a time when content cost is rising.

Expect medium-term earnings to grow 24%; initiate with 'BUY' and Mar'26 TP of INR 800: We expect Tips Music's revenue to grow ~25% over FY25-28, factoring in the aforementioned strategic partnerships and aggressive content investments. This, in turn, should translate into healthy earnings CAGR of ~24%. We believe the company deserves to trade at premium valuation multiples to Saregama (FY26/27 PER of 41x/33x) as it is not only expected to meaningfully outperform the broader music label industry growth in India but also has lower business risk. We initiate with a **BUY** and a TP of INR 800 (implied FY27E PER of 40x).

Recommendation and Price Target	
Current Reco.	BUY
Current Price Target (12M)	800
Upside/(Downside)	23.6%

Key Data – TIPSMUSI IN	
Current Market Price	INR647
Market cap (bn)	INR82.7/US$1.0
Free Float	36%
Shares in issue (mn)	127.8
Diluted share (mn)	127.8
3-mon avg daily val (mn)	INR125.7/US$1.5
52-week range	950/456
Sensex/Nifty	83,536/25,476
INR/US$	85.7

Price Performance			
%	1M	6M	12M
Absolute	-6.9	-6.1	36.8
Relative*	-8.1	-13.1	30.9

*To the BSE Sensex

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	2,416	3,107	3,961	4,971	6,140
Sales Growth (%)	29.3	28.6	27.5	25.5	23.5
EBITDA	1,585	2,067	2,518	3,175	3,940
EBITDA Margin (%)	65.6	66.5	63.6	63.9	64.2
Adjusted Net Profit	1,272	1,666	2,008	2,531	3,140
Diluted EPS (INR)	9.9	13.0	15.7	19.8	24.6
Diluted EPS Growth (%)	67.6	31.6	20.6	26.1	24.0
ROIC (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	80.6	85.6	87.5	92.0	94.7
P/E (x)	65.3	49.7	41.2	32.7	26.3
P/B (x)	46.3	39.5	33.1	27.5	22.8
EV/EBITDA (x)	50.5	38.7	31.6	24.8	19.8
Dividend Yield (%)	0.9	1.1	1.9	2.4	3.0

Source: Company data, JM Financial. Note: Valuations as of **09/Jul/2025**

Swapnil Potdukhe
swapnil.potdukhe@jmfl.com
Tel: (91 22) 62241876

Sachin Dixit
sachin.dixit@jmfl.com
Tel: (91 22) 66303078

Eksha Modi
eksha.modi@jmfl.com
Tel: (91 22) 66303054

Atul Borse
atul.borse@jmfl.com
Tel: (91 22) 66303134

The Must Have HITS

Tips Music has curated an extensive music catalogue of 34k+ songs, spanning across 25+ languages, positioning itself amongst the largest content owners in the Indian music industry. This catalogue includes a blend of Bollywood as well as regional hits (including those from the 1990s and 2000s), which makes it more contemporary and relevant to a wider audience base (especially GenZ/millennials). At a time when music market growth has been hampered by consolidation of music OTTs and a shift in their focus to paid subscriptions, Tips Music continues to outperform aided by the extension of its global strategic partnership deals with Warner Music and SMP. It is also committed to investing 25-30% of its revenue on new content acquisition, which ensures a steady pipeline of content to drive topline growth. We believe Tips Music is well placed to succeed given its pedigree and recent history of outperformance to the industry.

RECENT REPORTS

Swiggy IC

ixigo IC

Paytm IC

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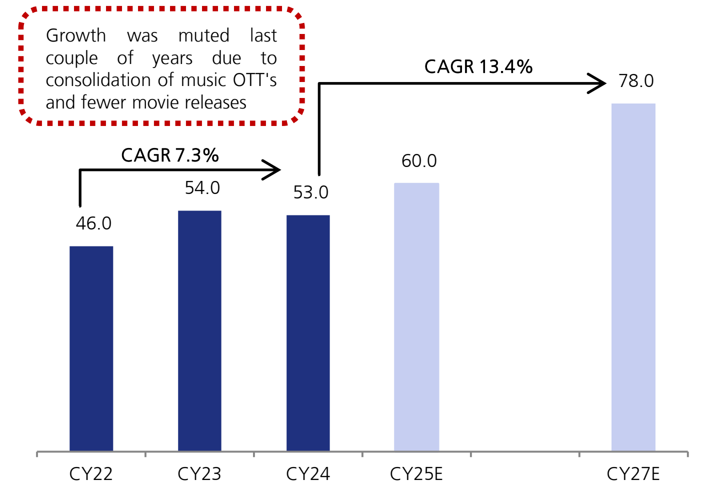
Saregama IC

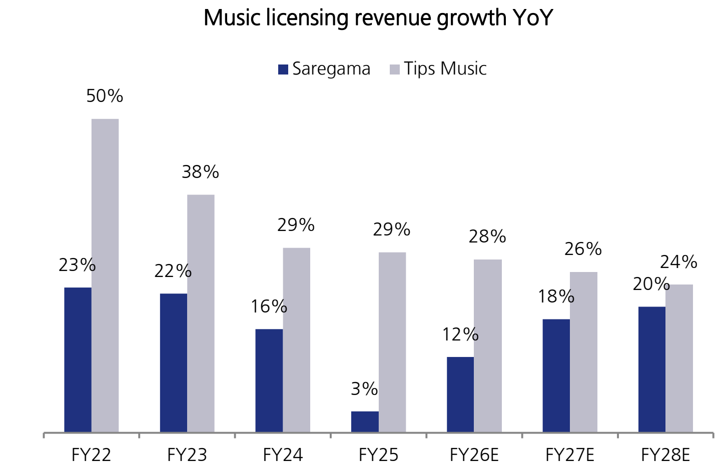
Focus Charts

Exhibit 1. Music industry revenue (gross of taxes, INR bn) growth to accelerate hereon as impact of music OTT consolidation subsides



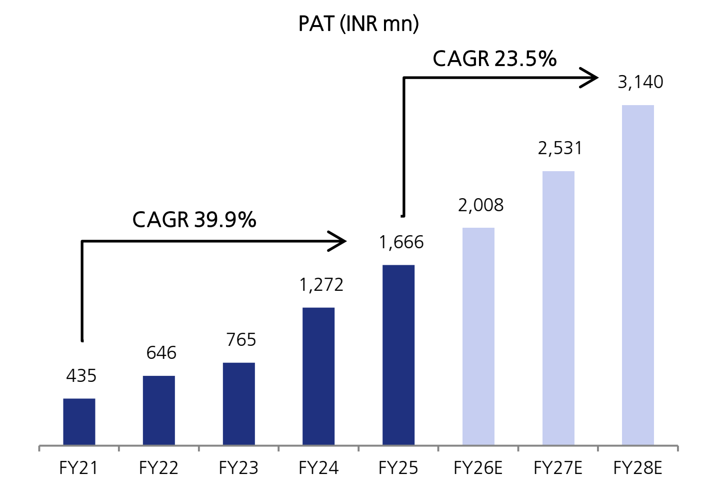
Source: EY FICCI Report 2025, JM Financial

Exhibit 2. Tips Music is likely to continue to outperform market growth aided by its distribution deals with global music labels



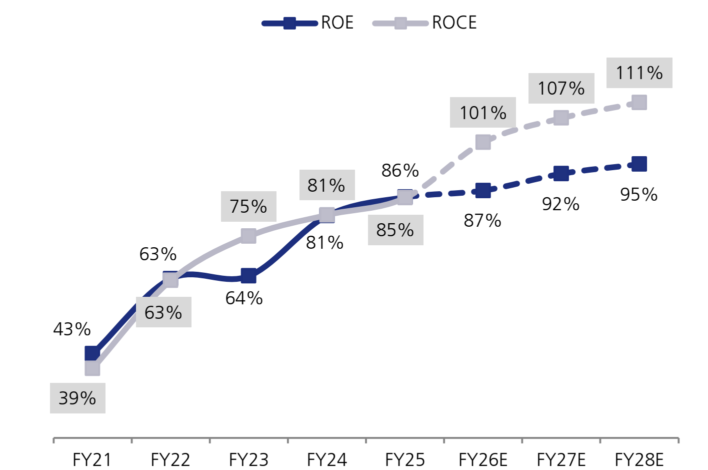
Source: Company, JM Financial

Exhibit 3. Expect Tips Music to deliver PAT CAGR of 24% over FY25-28E, largely driven by strong topline growth and stable margins



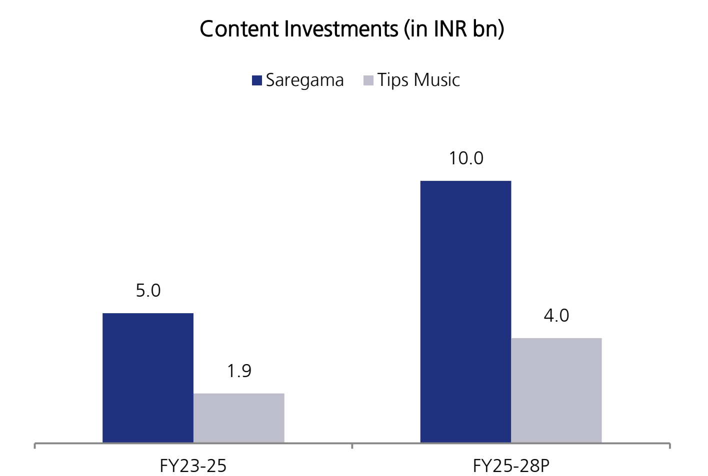
Source: Company, JM Financial

Exhibit 4. Tips Music: Profitability ratios (RoE/RoCE) likely to remain healthy despite company following conservative accounting policy



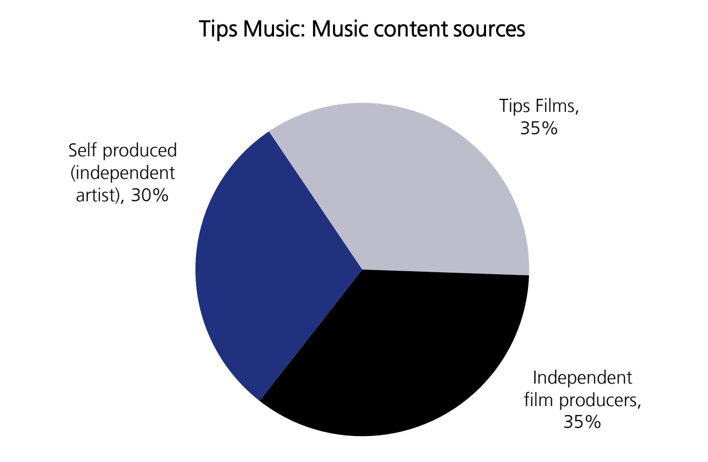
Source: Company, JM Financial

Exhibit 5. Both Saregama and Tips Music are likely to accelerate content investments



Source: Company, JM Financial

Exhibit 6. Tips Music follows diversified content acquisition strategy to ensure steady supply of content, at a time when costs are rising



Source: Company, JM Financial

Exhibit 7. Tips Music has announced several global distribution deals that provide it revenue growth visibility over the medium term

Deal With	Announcement Date	Partnership Details	Platforms	Deal Contours
Warner	Oct'20	Tips Music signed an exclusive deal with Warner Music for distribution of its 13k+ Hindi music catalogue to international streaming platforms.	Apple Music and Spotify were the only platforms in India that received access to its catalogue through this deal. In addition, the deal also covered several streaming platforms like Deezer and Anghami, which were not available in India.	Minimum guarantee + overflows (if any)
Sony Music Publishing	May'23	Tips Music signed a global music publishing agreement with Sony Music Publishing (SMP) for distribution and promotion of its entire music catalogue in international markets.	The deal covered administration, synchronisation, and enhanced promotion of Tips Music's extensive repertoire across digital platforms (excluding YouTube).	Minimum guarantee + overflows (if any) Of the publishing royalty collected, 15% commission sharing with Sony
Warner	Mar'24	Tips Music signed a new four-year exclusive deal with Warner Music for distribution of its entire 30k+ music catalogue to international streaming platforms.	The deal also gave Warner access to five regional language channels on Youtube.	Minimum guarantee + overflows (if any)
TikTok	Nov'24	Tips Music entered into a strategic partnership with TikTok to promote its music library of 31k+ songs on the short-form video platform (excluding China and India).	TikTok (excluding China and India)	Earnings per usage / creation (mid-sized deal)
Sony Music Publishing	Mar'25	Tips Music renewed its global music publishing agreement with Sony Music Publishing (SMP) for distribution and promotion of its entire music catalogue in international markets.	The renewed deal gave additional rights of YouTube worldwide, excluding India	Minimum guarantee + overflows (if any) Of the publishing royalty collected, 15% commission sharing with Sony

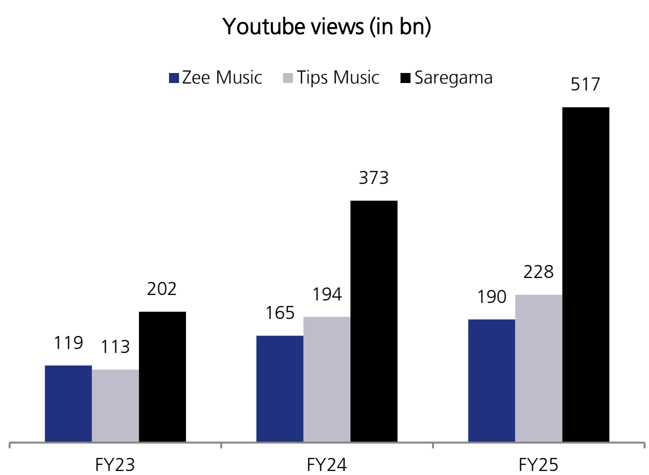
Source: Company, Media Reports. JM Financial

Exhibit 8. Comparable valuation comp: Tips Music vs. Saregama and global peers

Company	Reco	MCap (USD bn)	EV (USD bn)	EV / Revenue (x) CY25E	CY26E	CY27E	Rev CAGR 25-27E	EV / EBITDA (x) CY25E	CY26E	CY27E	EBITDA CAGR 25-27E	P / E (x) CY25E	CY26E	CY27E	EPS CAGR 25-27E	PEG
Tips Music*	BUY	1.0	1.0	20.6x	16.4x	13.3x	24%	32.4x	25.7x	20.7x	25%	41.2x	32.7x	26.3x	25%	1.3x
Saregama*	HOLD	1.1	1.1	8.4x	7.1x	5.9x	19%	27.0x	21.9x	17.6x	24%	41.2x	33.0x	26.3x	25%	1.3x
Universal Music Group	NR	57.4	60.1	4.2x	3.8x	3.6x	8%	18.2x	16.3x	14.8x	11%	25.9x	22.6x	20.5x	12%	1.8x
Warner Music Group	NR	15.4	19.5	3.0x	2.9x	2.7x	6%	14.3x	12.9x	11.8x	10%	24.6x	21.4x	18.7x	15%	1.5x
HYBE Co	NR	8.4	8.5	4.4x	3.3x	3.2x	18%	27.6x	19.7x	19.2x	20%	44.4x	30.4x	29.5x	23%	1.3x
SM Entertainment Co	NR	2.2	2.2	2.6x	2.3x	2.1x	10%	13.3x	11.7x	11.1x	9%	12.1x	21.5x	19.7x	nm	NA
Reservoir Media	NR	0.5	0.9	5.3x	5.0x	nm	NA	12.5x	11.7x	nm	NA	18.6x	59.4x	nm	nm	NA
Believe	NR	2.0	1.9	1.4x	1.3x	1.1x	13%	18.1x	14.7x	10.9x	29%	86.0x	44.1x	30.7x	67%	0.7x
Mean (India)				14.5x	11.7x	9.6x	22%	29.7x	23.8x	19.2x	24%	41.2x	32.9x	26.3x	25%	
Mean (Universal and Warner)				3.6x	3.4x	3.2x	7%	16.2x	14.6x	13.3x	11%	25.2x	22.0x	19.6x	13%	
Mean (All)				6.2x	5.3x	4.6x	14%	20.4x	16.8x	15.2x	18%	36.8x	33.1x	24.5x	28%	

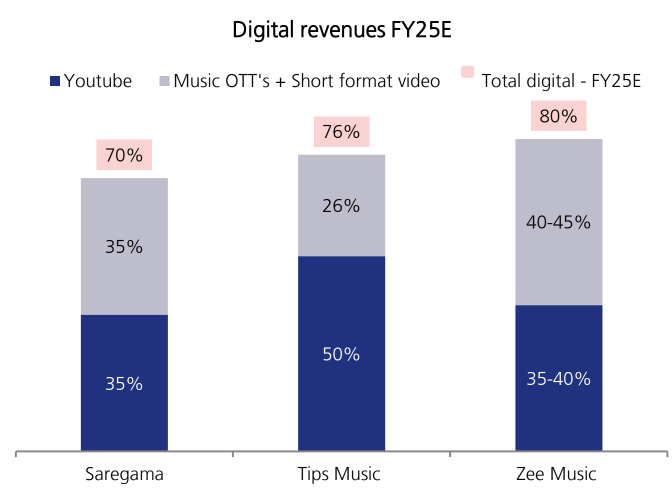
Source: Bloomberg, JM Financial. Note: Valuation as of 09 July 2025, For Saregama and Tips Music CY25/26/27 = FY26/27/28. * indicates based on JM Financial estimates

Exhibit 9. Saregama and Tips Music: Youtube views



Source: Company, JM Financial

Exhibit 10. Tips Music catalogue's recency and ownership of video rights has enabled it to monetise Youtube better than Saregama



Source: Company, JM Financial estimates

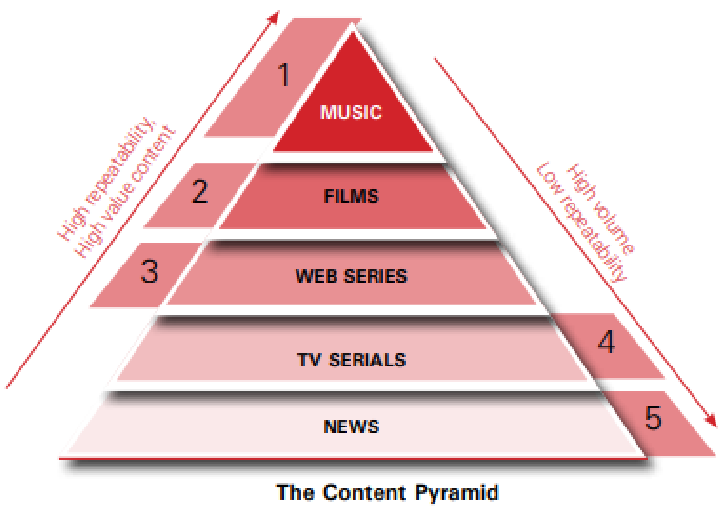
Investment Thesis

Digitisation is driving up the monetisation potential of music assets

Of all forms of content, music tends to have the highest monetisation potential due to inherent characteristics like repeatability or recreatability. While over the years the medium of music content consumption has changed from gramophones to cassettes to satellite TVs to DTH to digital platforms and music OTTs presently, ownership of music content IP gives owners exclusivity to market and distribute it for multiple decades.

Music tends to have the highest monetisation potential amongst various forms of content, due to high repeatability (number of times the content is accessed) and longevity (shelf life). It is the most widely accessed content – it is accessed not only on a standalone basis, i.e., listening to a song but also integrated with other forms of content-access activities such as watching a song, movie, serial, advertisement or playing a game. Longer shelf life adds to music's monetisation potential. Moreover, music labels that have increased their investments in technology are now able to track and collect data points that identify point of access of their content. This in combination with stringent laws and enforcement of IP protection laws by the judiciary is reducing piracy and increased demand for licence issuance from music labels prior to access.

Exhibit 11. Repeatability and value creation ability of content forms



Source: Company, JM Financial

Exhibit 12. Investment in music IP rights is like – Invest once, earn dividends for next 60+ years

Country	Sound Recording Rights	Publishing Rights
India	60 yrs	Life of Author +60 yrs
USA	70 yrs	Life of Author +70 yrs
UK	70 yrs	Life of Author +70 yrs
Australia	70 yrs	Life of Author +70 yrs
Japan	70 yrs	Life of Author +70 yrs

Source: Saregama, JM Financial

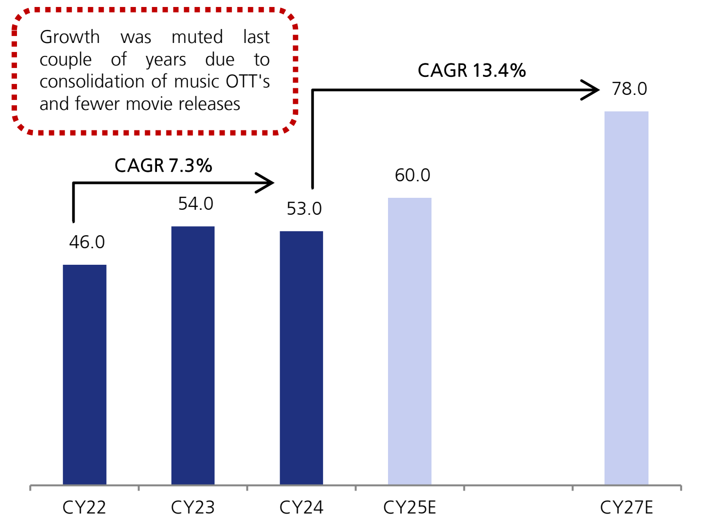
Music OTT streaming platforms driving growth of music industry in India

The Indian recorded music industry reported CAGR of just 7.3% during CY22-24 to reach INR 53bn (gross of taxes), due to adverse impact of consolidation of music OTT's and new content releases (especially films) getting affected during Covid. Digital platforms (audio and video streaming) together account for ~62% of the revenue, with other forms contributing ~38% (Source: EY FICCI Report). Youtube remains the most dominant platform for music consumption in India, contributing ~47% of digital revenue, followed by music OTT platforms and short form video apps.

We expect digital platforms to continue to drive strong growth for the music industry supported by fast-growing penetration of smartphones, cheap data costs, increasing paid subscriber base and continued recovery of performance rights as the events segment increases in scale.

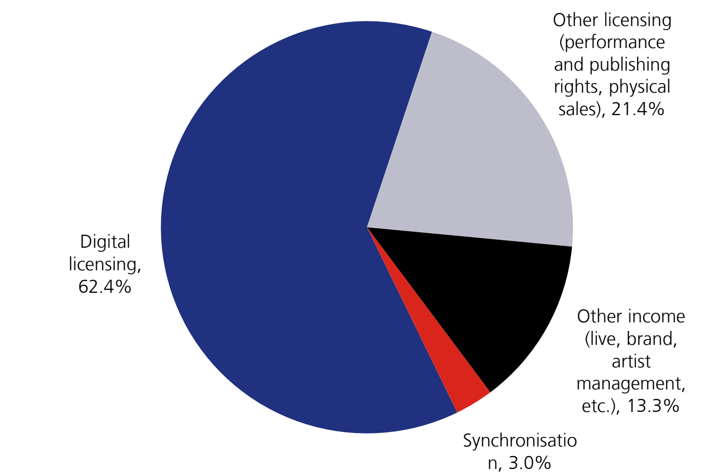
While ad-supported revenue model continues to be crucial in a price sensitive market such as India, industry experts suggest a rapid shift of music OTT platforms behind the paywall in the next 18-24 months, leading to a sharp bump in industry revenue. Moreover, fast-growing music consumption on live streaming and short form video apps should also lead to better monetisation opportunities for the industry.

Exhibit 13. Music industry revenue (gross of taxes, INR bn) growth to accelerate hereon as impact of music OTT consolidation subsides



Source: EY FICCI Report 2025, JM Financial

Exhibit 14. Indian recorded music industry: Revenue break-up (CY24)



Source: EY FICCI Report 2025, JM Financial

FY25 was turbulent year for the industry due to the shutdown of a few music OTTs but…

According to EY FICCI, Indian music industry revenue (gross of taxes) declined by 2% YoY to reach INR 53bn in 2024, primarily due to 1) the shutdown of several streaming platforms; 2) reduced streaming rates as most music OTTs moved away from the concept of minimum guarantees; and 3) music OTTs' attempt to convert free streaming consumers to paid subscription consumers. In fact, digital licensing revenue declined 11% YoY with its contribution to music industry revenue falling to 62% in 2024 from 68% of total revenue in 2023.

Earlier, market leaders Spotify, JioSaavn and Wynk, who together accounted for ~90% of the active users (refer Exhibit 15) in the industry, used to allow free streaming of content available on their platform in lieu of intermittent advertisements being shown to end-consumers, in their quest to support consumer habit creation as well as to gain market share. However, the shutdown of Wynk (Dec'24) and Resso (Jan'24) coupled with the fact that relatively smaller platforms like Amazon Music, Apple Music, Gaana and Hungama are now offering only paid music content access to consumers, have significantly reduced competitive pressures on the two remaining market leaders. These platforms used their leadership positioning to meaningfully bring down free streaming rates for all music labels by completely moving away from the concept of minimum guarantees. Further, as most music OTT platforms nudged consumers to paid subscriptions, a decent proportion of music consumers seem to have shifted to Youtube – which continues to offer free streaming services. Importantly, from the music labels' perspective, monetisation rates on Youtube are just a fraction of what they used to get from music OTTs. All these factors put together led to a substantial decline in the industry's digital revenue in FY25.

Exhibit 15. Wynk was the third-largest music OTT platform in India, with ~21% market share within active users in Aug'24

Active users	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
Spotify	37.1%	39.1%	39.1%	40.2%	39.1%	38.5%	40.3%	41.6%	41.6%	42.3%	42.5%	43.1%	42.9%
JioSaavn	24.5%	23.7%	23.8%	23.4%	25.0%	25.6%	25.1%	24.6%	24.9%	24.7%	24.7%	24.8%	25.3%
Wynk	23.0%	22.6%	22.6%	22.6%	23.2%	23.9%	23.8%	23.2%	22.2%	22.7%	21.9%	22.2%	21.3%
Amazon Music	6.3%	6.5%	6.3%	6.3%	6.0%	6.0%	5.2%	5.4%	5.6%	4.9%	5.5%	5.0%	5.3%
Gaana	4.3%	4.2%	4.8%	4.2%	3.9%	3.5%	3.6%	3.1%	3.7%	3.5%	3.5%	3.2%	3.2%
Resso	4.2%	3.4%	3.0%	2.8%	2.3%	1.8%	1.2%	1.0%	0.8%	0.7%	0.6%	0.5%	0.5%
Hungama	0.6%	0.5%	0.5%	0.5%	0.5%	0.7%	0.9%	1.0%	1.1%	1.1%	1.3%	1.2%	1.5%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Data.ai, JM Financial. Note: Above figures are aggregate of Android and ios users.

…expect a reversal over the next 18-24 months aided by industry movement towards paid subscriptions

Industry experts predict that all music OTT platforms will transition entirely behind the paywall model within the next 18-24 months, moving away from the current ad-supported model. The leading platform Spotify is already making ad-supported free listening increasingly restrictive by implementing measures such as double ads, disabling shuffle mode, preventing downloads, preventing the move to a specific part of the song or return to previous songs, etc. Meanwhile, it is also launching a range of convenient subscription plans that cater to different target audiences. Similarly, JioSaavn (the second largest player) has been actively encouraging users to subscribe to the services by launching attractive offers, such as integration with Jio mobile recharge plans for a bundled experience and free promotional subscriptions during the festive season. The advantage of consumers moving to paid subscriptions is that per stream monetisation for music labels is significantly better compared to free streaming (refer to Exhibit 58 for more details). This means even if only a fraction of the free streaming consumer moves to paid subscriptions, a swift recovery is likely in the music industry's revenue.

Exhibit 16. Features offered under all Premium plans of Spotify

Features	Free Plan	Premium Plans
Ad-free music listening	No	Yes
Download to listen offline	No	Yes
Play songs in any order	No	Yes
High audio quality	No	Yes
Listen with friends in real time	No	Yes
Organise listening queue	No	Yes
Listening insights (not in Mini)	No	Yes

Source: Spotify, JM Financial

Exhibit 17. Various subscription plans by Spotify

Particulars	Mini	Individual	Family	Duo	Student
Subscription Charges	INR 29 for 1 week	INR 119 for 2 months* (INR 119/month after)	INR 179 for 2 months* (INR 179/month after)	INR 149 for 2 months* (INR 149/month after)	INR 59 for 2 months* (INR 59/month after)
Inclusions	- 1 mobile-only Premium account - Offline listening of up to 30 songs on 1 device - One-time payment - Basic audio quality	- 1 Premium account - Cancel anytime - Subscribe or one-time payment	- Up to 6 Premium accounts - Control content marked as explicit - Cancel anytime - Subscribe or one-time payment	- 2 Premium accounts - Cancel anytime - Subscribe or one-time payment	- 1 verified Premium account - Discount for eligible students - Cancel anytime - Subscribe or one-time payment

Source: Spotify. JM Financial Note: *Offer only available if you haven't tried Premium before.

Exhibit 18. Various subscription plans and features by JioSaavn

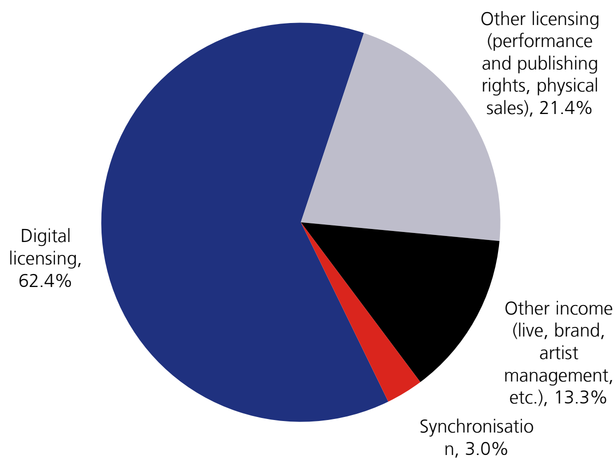
Particulars	Pro Individual	Pro Student	Pro Lite	Jio Tunes+
Subscription Charges	INR 99/month*	INR 99/month**	INR 5/day INR 19/week	INR 59/month***
Features	- Ad-free music - Unlimited JioTunes - Unlimited downloads - 2x better sound quality	- Ad-free music - Unlimited JioTunes - Unlimited downloads - 2x better sound quality	- Ad-free music - Unlimited downloads	- Set unlimited JioTunes from 1mn+ song options

Source: JioSaavn, JM Financial. Note: *Save 10% with autopay. **Save upto 67%; only for students. ***Save 17% with autopay.

Eventually music industry revenue mix in India would see a gradual shift towards subscription streaming inline global trends

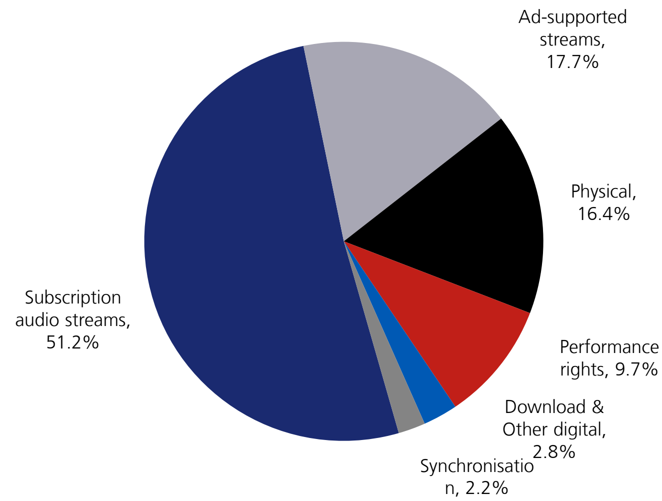
While, globally, a large proportion of recorded music industry revenue is generated through paid subscriptions, the Indian market is primarily dependent on advertising revenue. This is because pure-play music OTT platforms in India, especially the market leaders (Spotify and JioSaavn), continue to provide free streaming services to local consumers in the hope of habit creation and market share gains. The ongoing consolidation trends and growing focus on sustainable profitability will eventually lead to platforms pushing end-consumers towards paid subscriptions, in our opinion.

Exhibit 19. Indian recorded music revenue by segment (CY24)



Source: EY FICCI Report 2025, JM Financial

Exhibit 20. Global recorded music revenue by segment (CY24)



Source: IFPI GMR (2025), JM Financial

Partnerships with global giants provides Tips Music much needed revenue growth visibility

Tips Music has been actively expanding its global footprint through strategic partnerships aimed at enhancing music distribution, audience reach and monetisation. One of its key moves has been an agreement with Warner Music in 2020 for exclusive distribution of Tips Music's 13,000+ strong Hindi catalogue. This collaboration played a crucial role in growing the label's presence internationally. Taking cues from its earlier success, Tips Music extended its partnership with Warner Music in Mar'24 such that the latter would manage the commercial and distribution responsibilities for former's entire music catalogue, which spans across 25 Indian languages and 34,000+ songs.

The partnership helps Tips Music with a) improved monetisation as Warner is able to negotiate better pricing with the OTT apps due to its global competitive positioning, b) increased global presence, as well as c) improved market share. The company receives a fixed minimum guarantee from Warner, which is booked in the form of non-refundable advance in each quarter, whereas any overflow through more-than-expected distribution is booked in the last quarter. Revenue from Warner currently accounts for c.25% of the company's total revenue but can increase to 30-35%, as per management estimates.

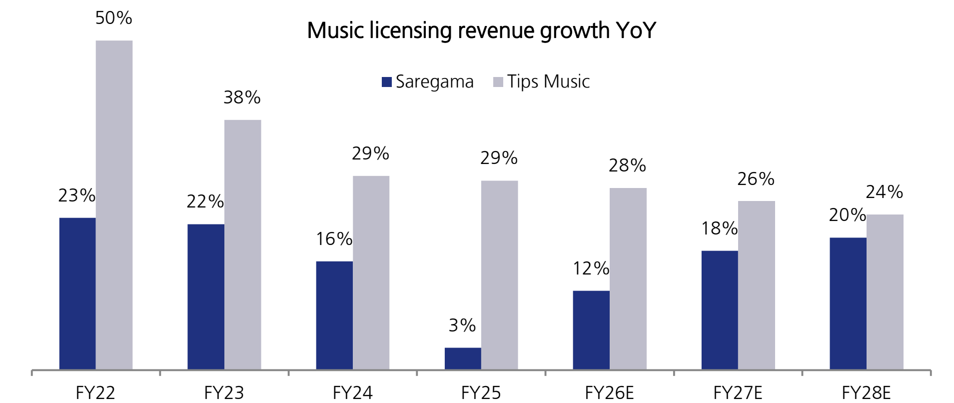
Further, Tips Music recently entered into a revenue sharing deal with Sony Music Publishing (SMP) through which it intends to generate incremental publishing revenue in international markets. It has also announced a strategic partnership with TikTok to promote its music library on the short-form video platform. This move is particularly impactful in tapping into younger audiences and the global diaspora, including non-resident Indians (NRIs) and expatriates, who actively engage with music through short-form videos along with addressing the rising demand for Indian music across international markets.

Exhibit 21. Tips Music has announced several global distribution deals that provide it revenue growth visibility over the medium term

Deal With	Announcement Date	Partnership Details	Platforms	Deal Contours
Warner	Oct'20	Tips Music signed an exclusive deal with Warner Music for distribution of its 13k+ Hindi music catalogue to international streaming platforms.	Apple Music and Spotify were the only platforms in India that received access to its catalogue through this deal. In addition, the deal also covered several streaming platforms like Deezer and Anghami, which were not available in India.	Minimum guarantee + overflows (if any)
Sony Music Publishing	May'23	Tips Music signed a global music publishing agreement with Sony Music Publishing (SMP) for distribution and promotion of its entire music catalogue in international markets.	The deal covered administration, synchronisation, and enhanced promotion of Tips Music's extensive repertoire across digital platforms (excluding YouTube).	Minimum guarantee + overflows (if any) Of the publishing royalty collected, 15% commission sharing with Sony
Warner	Mar'24	Tips Music signed a new four-year exclusive deal with Warner Music for distribution of its entire 30k+ music catalogue to international streaming platforms.	The deal also gave Warner access to five regional language channels on Youtube.	Minimum guarantee + overflows (if any)
TikTok	Nov'24	Tips Music entered into a strategic partnership with TikTok to promote its music library of 31k+ songs on the short-form video platform (excluding China and India).	TikTok (excluding China and India)	Earnings per usage / creation (mid-sized deal)
Sony Music Publishing	Mar'25	Tips Music renewed its global music publishing agreement with Sony Music Publishing (SMP) for distribution and promotion of its entire music catalogue in international markets.	The renewed deal gave additional rights of YouTube worldwide, excluding India	Minimum guarantee + overflows (if any) Of the publishing royalty collected, 15% commission sharing with Sony

Source: Company, JM Financial

Exhibit 22. Tips Music is likely to continue to outperform market growth aided by its distribution deals with global music labels



Source: Company, JM Financial

Tips Music's extensive and diverse catalogue across languages provides it a competitive advantage

Over the decades, Tips Music has cultivated an extensive and diverse music catalogue of 34k+ songs, spanning 25+ languages, positioning itself amongst the largest content owners in the Indian music industry. This catalogue includes a blend of Bollywood as well as regional hits (including several hits from the 1990s and 2000s), providing the company with a diverse and long-lasting revenue base. This depth and variety creates a strong competitive moat, placing Tips Music alongside industry leaders like T-Series, Saregama, Sony Music and Zee Music.

Additionally, this creates a natural entry barrier for new competition as Tips Music is not only able to get the best possible monetisation deals from third-party distributors by leveraging its longstanding industry relationships but also tends to have relatively low marketing costs on a per unit basis. Further, organically building a catalogue for any new player would be a herculean task, given that only a limited number of songs are released each year. In which case, the only viable option for a player interested in building a large catalogue would be to acquire a bunch of smaller catalogues available for sale. Here too, competition remains tough as all large players are well-funded.

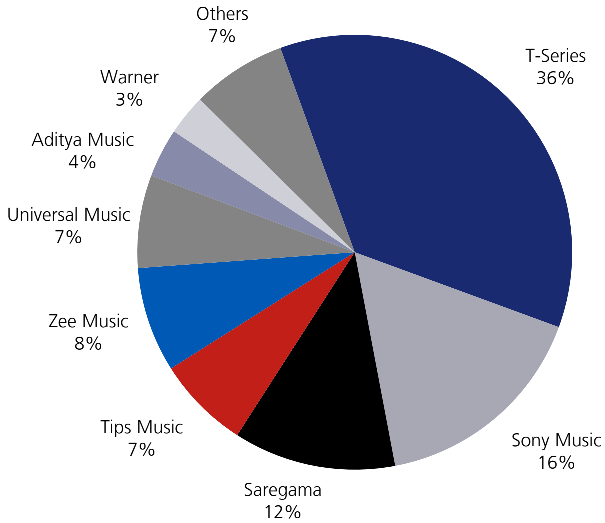
We must also note that from a sustainable growth and relevance perspective, it is imperative that the company continues invests in new music content and expand its portfolio. This is because around 70% of the annual music consumption is less than 18 months old. In other words, music labels have a disproportionately high dependence on new music content to generate revenue and those who fail to invest regularly in new, good quality content are more likely to get relegated over a period of time. Tips Music's commitment to acquire new content (25-30% of its revenues each year) ensures that it stays competitive, blending classic content with fresh music, securing consistent revenue as well as future growth potential.

Exhibit 23. Comparison across key operating metrics

Particulars	FY21	FY22	FY23	FY24	FY25
Catalogue size (in 000s)					
Saregama	130k+	142k+	150k+	150k+	170k+
Tips Music		29+	30+	30+	34+
Zee Music					18+
Number of languages					
Saregama				23+	
Tips Music					25+
Zee Music					22+
% revenue from digital platforms					
Saregama					70%
Tips Music			75%	75%	75%
Zee Music					80%

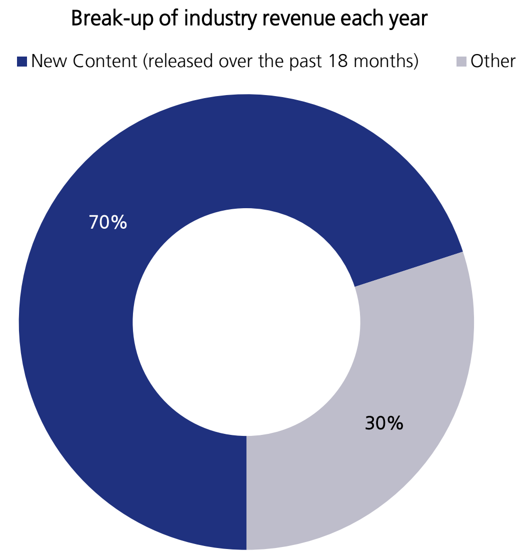
Source: Company, JM Financial

Exhibit 24. Relative market share of organised players basis revenue in India (FY25E)



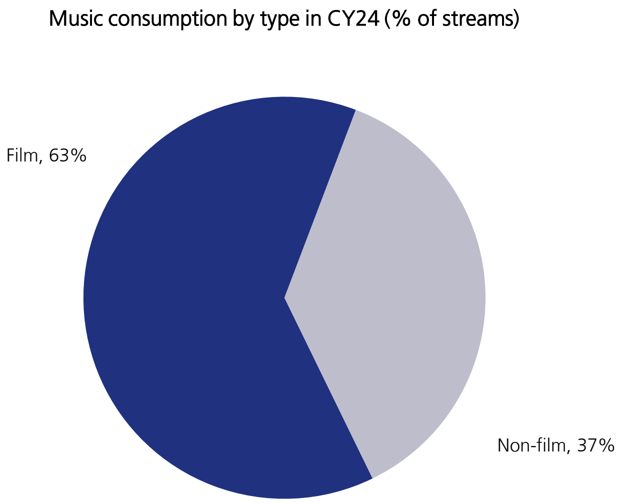
Source: Industry experts, JM Financial estimates

Exhibit 25. Industry dependence on new content for revenue



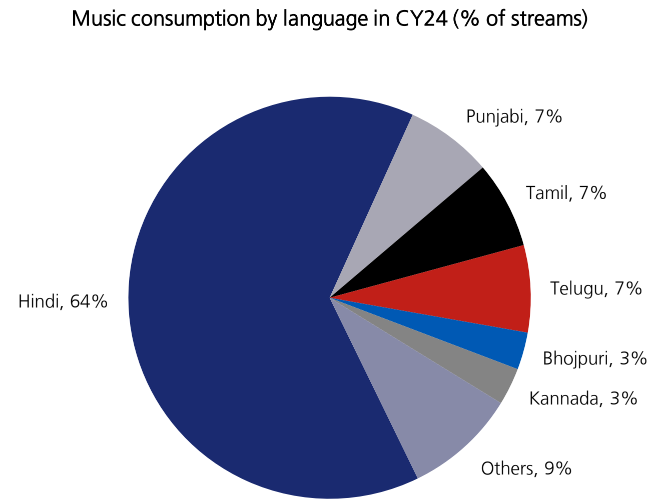
Source: Industry experts, JM Financial

Exhibit 26. 63% of all music was film-based (vs. 65% in CY23)



Source: EY FICCI Report 2025, JM Financial

Exhibit 27. 64% of music was consumed in Hindi



Source: EY FICCI Report 2025, JM Financial

Valuation Methodology

Tips Music a play on strong industry tailwinds and large, well-diversified catalogue

The monetisation potential of the music industry in India continues to improve on the back of fast-growing digitisation. Growing popularity and penetration of OTT streaming platforms (both music as well as video) and short format video apps will likely create incremental revenue growth opportunities for the industry. While more than 70% of the industry revenue is generated by new music content, ownership of IP rights to a large music catalogue helps in driving size benefits when finalising licensing contracts with third-party distributors. Given this context, we believe Tips Music is well poised to deliver on revenue growth as it already owns one of the largest music catalogues in the country, and it remains committed to investing 25-30% of its revenue towards new content acquisition consistently. The company is also well diversified in terms of its language mix and the growing popularity of regional music, with its catalogue including a blend of Bollywood as well as regional hits (including several hits from the 1990s and 2000s). Moreover, its ongoing global content distribution deal with Warner Music ensures high revenue visibility over FY26-FY28, with the partnership is expected to contribute 30%+ of Tips Music's revenue in FY26 vs. 25% in FY25.

Expectation of robust earnings growth justifies valuations premium

We expect Tips Music to report robust Revenue/EBIT/PAT CAGR of 25.5%/24.0%/23.5% over FY25-28E respectively. We note that there could be further upside to our forecasts if penetration of paid subscriptions on music OTT platforms is faster than expected and/or short video format platforms are able to build a monetisable business model. Tip Music's share currently trades at 33x/26x FY27/28E PER, broadly in line Saregama as well as global listed peer multiples. We believe the company's stock deserves to trade at a premium to both, domestic as well as global peers due to 1) relatively stronger topline growth expectations along with growth visibility; 2) likely sustenance of margin profile; and 3) large catalogue, which provides a natural moat against competition.

Exhibit 28. Comparable valuation comp: Tips Music vs. Saregama and global peers

Company	Reco	MCap (USD bn)	EV (USD bn)	EV / Revenue (x)			Rev CAGR	EV / EBITDA (x)			EBITDA CAGR	P / E (x)			EPS CAGR	PEG
				CY25E	CY26E	CY27E	25-27E	CY25E	CY26E	CY27E	25-27E	CY25E	CY26E	CY27E	25-27E	
Tips Music*	BUY	1.0	1.0	20.6x	16.4x	13.3x	24%	32.4x	25.7x	20.7x	25%	41.2x	32.7x	26.3x	25%	1.3x
Saregama*	HOLD	1.1	1.1	8.4x	7.1x	5.9x	19%	27.0x	21.9x	17.6x	24%	41.2x	33.0x	26.3x	25%	1.3x
Universal Music Group	NR	57.4	60.1	4.2x	3.8x	3.6x	8%	18.2x	16.3x	14.8x	11%	25.9x	22.6x	20.5x	12%	1.8x
Warner Music Group	NR	15.4	19.5	3.0x	2.9x	2.7x	6%	14.3x	12.9x	11.8x	10%	24.6x	21.4x	18.7x	15%	1.5x
HYBE Co	NR	8.4	8.5	4.4x	3.3x	3.2x	18%	27.6x	19.7x	19.2x	20%	44.4x	30.4x	29.5x	23%	1.3x
SM Entertainment Co	NR	2.2	2.2	2.6x	2.3x	2.1x	10%	13.3x	11.7x	11.1x	9%	12.1x	21.5x	19.7x	nm	NA
Reservoir Media	NR	0.5	0.9	5.3x	5.0x	nm	NA	12.5x	11.7x	nm	NA	18.6x	59.4x	nm	nm	NA
Believe	NR	2.0	1.9	1.4x	1.3x	1.1x	13%	18.1x	14.7x	10.9x	29%	86.0x	44.1x	30.7x	67%	0.7x
Mean (India)				14.5x	11.7x	9.6x	22%	29.7x	23.8x	19.2x	24%	41.2x	32.9x	26.3x	25%	
Mean (Universal and Warner)				3.6x	3.4x	3.2x	7%	16.2x	14.6x	13.3x	11%	25.2x	22.0x	19.6x	13%	
Mean (All)				6.2x	5.3x	4.6x	14%	20.4x	16.8x	15.2x	18%	36.8x	33.1x	24.5x	28%	

Source: Bloomberg, JM Financial. Note: Valuation as of 09 July 2025, For Saregama and Tips Music CY25/26/27 = FY26/27/28. * indicates based on JM Financial estimates

Exhibit 29. JMFe vs. Consensus

Particulars (INR mn)	JMFe			Consensus			JMFe vs. Consensus		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	3,961	4,971	6,140	3,992	5,096	7,150	-0.8%	-2.4%	-14.1%
EBITDA	2,518	3,175	3,940	2,813	3,616	4,638	-10.5%	-12.2%	-15.0%
EBITDA margin (%)	63.6%	63.9%	64.2%	70.5%	71.0%	64.9%	-689bp	-708bp	-69bp
EBIT	2,490	3,140	3,897	2,549	3,524	4,614	-2.3%	-10.9%	-15.5%
EBIT margin (%)	62.9%	63.2%	63.5%	63.9%	69.2%	64.5%	-98bp	-598bp	-106bp
PBT	2,685	3,384	4,198	2,733	3,482	4,975	-1.8%	-2.8%	-15.6%
PAT	2,008	2,531	3,140	2,207	2,823	3,714	-9.0%	-10.3%	-15.5%
EPS (INR)	15.7	19.8	24.6	16.2	20.7	30.0	-3.1%	-4.4%	-18.1%

Source: Bloomberg estimates, JM Financial estimates

We initiate on Tips Music with a 'BUY' rating and TP of INR 800

Given the multi-year annuity nature of its music licensing business and expectations of broadly stable operating cash flows, we value Tips Music's stock using a 15-year DCF (WACC of 12% and Tg of 5%) to arrive at a Mar'26 FV of INR 800 (implied FY27E PER of 40x). We initiate on Tips Music with a 'BUY' rating.

Exhibit 30. Key DCF assumptions

Mar YE (INR mn)	FY23	FY24	FY25	FY26F	FY27F	FY28F	FY29F	FY30F	FY35F	FY40F	CAGR FY25-30	CAGR FY30-35	CAGR FY35-40
Net revenues	**1,868**	**2,416**	**3,107**	**3,961**	**4,971**	**6,140**	**7,460**	**8,914**	**19,123**	**32,943**	**23.5%**	**16.5%**	**11.5%**
Operating expenses	849	831	1,040	1,443	1,796	2,200	2,650	3,140	6,449	10,616	24.7%	15.5%	10.5%
EBITDA	1,019	1,585	2,067	2,518	3,175	3,940	4,810	5,774	12,674	22,327	22.8%	17.0%	12.0%
EBITDA margin	**54.6%**	**65.6%**	**66.5%**	**63.6%**	**63.9%**	**64.2%**	**64.5%**	**64.8%**	**66.3%**	**67.8%**	**-35bps**	**30bps**	**30bps**
Depreciation and amortization	13	20	22	28	35	43	52	62	134	231	23.3%	16.5%	11.5%
EBIT	1,006	1,565	2,045	2,490	3,140	3,897	4,757	5,712	12,540	22,096	22.8%	17.0%	12.0%
EBIT margin	**53.8%**	**64.8%**	**65.8%**	**62.9%**	**63.2%**	**63.5%**	**63.8%**	**64.1%**	**65.6%**	**67.1%**	**-35bps**	**30bps**	**30bps**
Effective tax rate	27.6%	25.4%	25.4%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%			

Source: JM Financial

Exhibit 31. Cash flow analysis

Mar YE (INR mn)	FY23	FY24	FY25	FY26F	FY27F	FY28F	FY29F	FY30F	FY35F	FY40F	CAGR FY25-30	CAGR FY30-35	CAGR FY35-40
EBIT - post tax	728	1,167	1,526	1,863	2,349	2,915	3,559	4,272	9,380	16,528	22.9%	17.0%	12.0%
Depreciation & amortization	13	20	22	28	35	43	52	62	134	231	23.3%	16.5%	11.5%
Capital expenditure	-7	-27	-15	-65	-56	-64	-73	-80	-133	-157	-39.1%	-10.7%	-3.4%
Change in working capital	102	1,126	-306	97	220	151	274	201	463	446	na	18.2%	-0.7%
Free cash flow to firm	**837**	**2,287**	**1,227**	**1,922**	**2,549**	**3,045**	**3,812**	**4,456**	**9,843**	**17,048**	**29.4%**	**17.2%**	**11.6%**
Discount factor at WACC	0.71	0.80	0.89	1.00	1.12	1.25	1.41	1.57	2.77	4.89			
DCF	0	0	0	0	2,276	2,427	2,713	2,831	3,547	3,484			

Source: JM Financial

Exhibit 32. DCF assumptions & calculations

WACC	12.0%
	DCF - 1-yr fwd
FCF CAGR (FY25-40)	19.2%
NPV of cash flow (2026-2041F)	48,051
Perpetual growth (%)	5.0%
Implied Exit FCF multiple (X)	**14.3x**
Terminal value	51,022
Enterprise Value	**99,073**
Terminal value as % of EV	51%
Net debt (Mar'26)	-3,208
Equity value (INR mn)	**102,281**
Number of shares outstanding (diluted)	127.8
Enterprise value per share (INR)	775
Equity value per share (INR)	**800**

Source: JM Financial

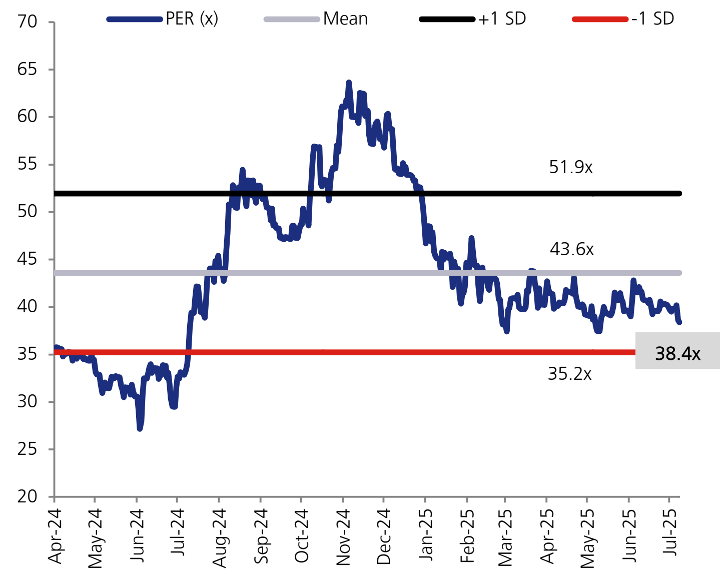
Exhibit 33. Sensitivity analysis

Sensitivity of Equity Value to WACC and Terminal growth rate

WACC \ Terminal Growth Rate	4.0%	4.5%	5.0%	5.5%	6.0%
10.5%	970	1,010	1,070	1,130	1,210
11.0%	880	920	960	1,020	1,080
11.5%	810	840	880	920	960
12.0%	750	770	**800**	830	870
12.5%	690	710	740	760	790
13.0%	640	660	680	700	730
13.5%	600	610	630	650	670

Source: JM Financial

Exhibit 34. Tips Music: NTM PER is presently trading close to -1 STD



Source: Bloomberg, JM Financial

Exhibit 35. Saregama: NTM PER is presently trading below its -1 STD

Source: Bloomberg, JM Financial

Tips Music: Business model

Tips Music is singularly focused on music content acquisition/creation and monetisation through digital platforms and offline channels. Previously engaged in film production as well, the company strategically demerged its films division in May'22 into a separate entity, Tips Films Limited (Tips Films, NR), to streamline its music business operations. This focused approach has drastically reduced its business risk, improved revenue and operating profit visibility and led to efficient use of capital (from a minority shareholder perspective). Moreover, given that promoters of Tips Music and Tips Films remain the same (the Taurani family), the former still gets access to any music content produced by the latter at an arms' length basis. Besides, Tips Music is fast emerging as a potent force in distribution of third-party producer, regional language and independent artist content due to its commitment to invest 25-30% of its annual revenue on new content acquisition.

Music licensing

Music licensing is Tips Music's sole business, in which it licenses acquired or in-house created music content IPs to third-party platforms/music labels, across digital and as well as traditional media. While most of these deals are on a non-exclusive basis that allows the company to monetise same content across multiple distribution channels, a few exclusive deals have a clause relating to upfront payment of minimum guarantees along with a yearly escalation of deal value, thus ensuring high revenue visibility.

Since its inception in the late 1980s, Tips Music has curated an extensive music catalogue of 34k+ songs, spanning 25+ languages, positioning itself amongst the largest content owners in the Indian music industry. This catalogue includes a blend of Bollywood as well as regional hits (including those from the 1990s and 2000s), which makes it more contemporary and relevant to a wide audience base (especially GenZ/millennials). Moreover, the rapid rise of third-party online digital distribution platforms such as Youtube, music OTTs and, of late, short format video platforms has further expanded the reach and monetisation potential of this content. Piracy also has reduced significantly due to ongoing efforts by the government and judicial intervention, leading to lower revenue leakages.

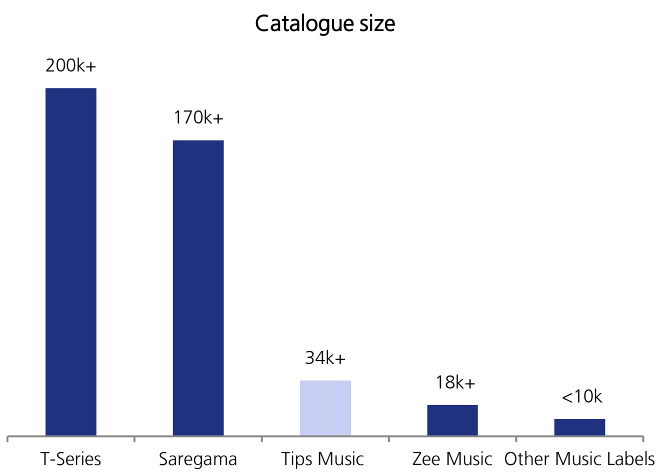
Typically, ownership of music content IPs entails two types of rights to music labels – 1) Sound Recording Rights – covering the usage of the audio, and 2) Publishing Rights – pertaining to the underlying composition including the lyrics and melody. The company monetises these rights as shown in the exhibits below.

Exhibit 36. IP ownership of music content offers long shelf life for monetisation

Types of rights	What it entails?	Monetisation Period	Contribution to Tips Music's revenue	Channel for third-party distributors
Sound Recording Rights	License to play a song	60 Years	85%	Direct licensing Contracts
Publishing Rights	License to use the song lyrics and composition	Life of Author + 60 Years	15%	The Indian Performing Right Society Limited (IPRS)

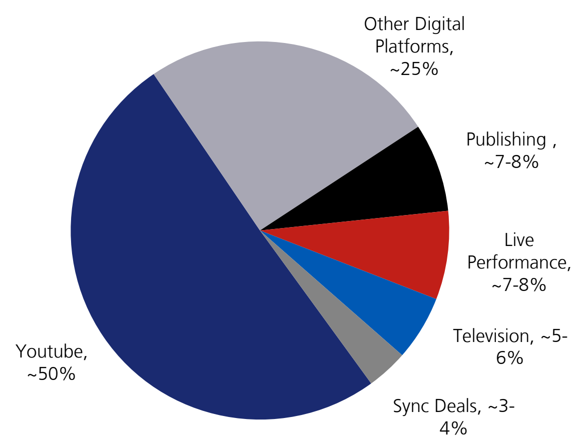
Source: Company, JM Financial

Exhibit 37. Tips Music has one of the largest music content library in India



Source: Media Reports, Company, JM Financial. Note: Other music labels include Sony music, Universal and Warner.

Exhibit 38. Tips Music derives ~75% of its total revenue from digital platforms, of which Youtube contributes ~50%

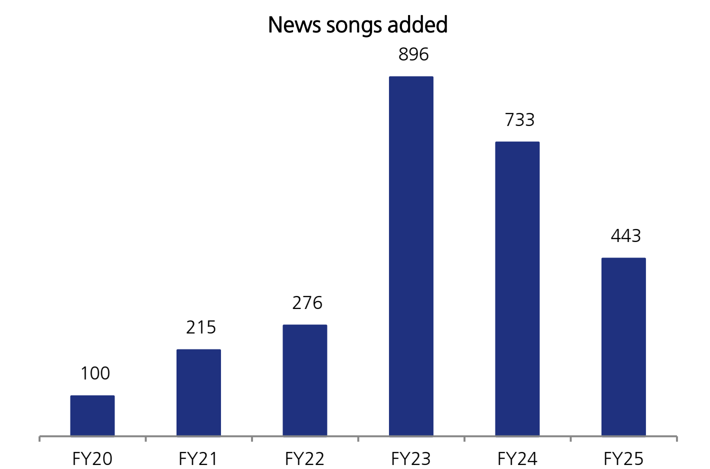


Source: Company, JM Financial

Exhibit 39. Tips Music: Licensing partners

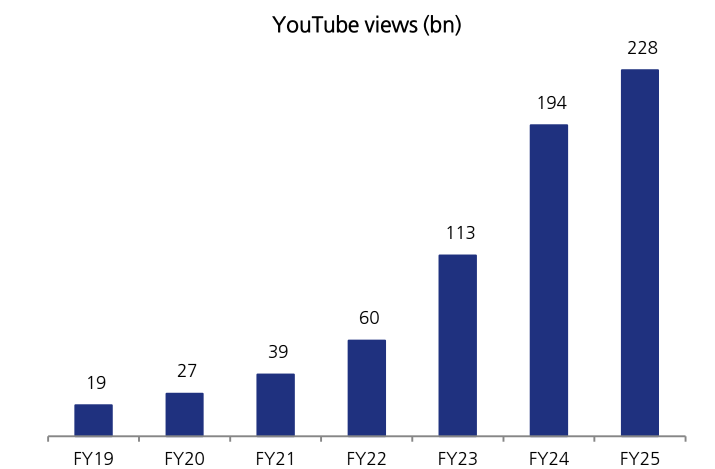
Source: Company

Exhibit 40. Tips Music: New songs added



Source: Company, JM Financial

Exhibit 41. Tips Music: YouTube views



Source: Company, JM Financial

Exhibit 42. Illustrative list of hit music releases by Tips Music

Movie Name	Release Date	Movie Name	Release Date
Rang	1993	Dil Ka Rishta	2003
Khal Nayak	1993	Ishq Vishq	2003
Coolie No. 1	1995	Aitraaz	2004
Karan Arjun	1995	Bewafaa	2005
Raja Hindustani	1996	Ajab Prem Ki Gazab Kahani	2009
Hero No. 1	1997	Ramaiya Vastavaiya	2013
Soldier	1998	Race 2	2013
Dil Hai Tumhaara	2002	Genius	2018
Raaz	2002	Fraud Saiyaan	2019

Source: Company, JM Financial

Exhibit 43. Illustrative list of upcoming music releases by Tips Music in FY26

Movie Name	Language	Star Cast
Hai Jawani Toh Ishq Hona Hai	Hindi	Varun Dhawan, Pooja Hegde and Mrunal Thakur
Maalik	Hindi	Rajkummar Rao
No Entry Mein Entry	Hindi	Varun Dhawan, Diljit Dosanjh, and Arjun Kapoor
Dil Ka Darwaza Khol Na Darling	Hindi	Jaya Bachchan, Siddhant Chaturvedi and Wamiqa Gabbi
Maharagni	Hindi	Kajol, Prabhu Deva, Naseeruddin Shah, and Samyuktha Menon
Sarbala Ji	Punjabi	Ammy Virk, Sargun Mehta, Nimrat Khaira and Gippy Grewal
Saunkan Saunkanay 2	Punjabi	Ammy Virk, Sargun Mehta, and Nimrat Khaira
Hari Hara Veera Mallu	Telugu	Pawan Kalyan, Nidhhi Agerwal and Bobby Deol
Mirai - The Super Yodha	Telugu	Teja Sajja and Ritika Nayak
Telusu Kada	Telugu	Siddhu Jonnalagadda, Raashii Khanna, and Srinidhi Shetty

Source: Company, JM Financial

Content acquisition strategy

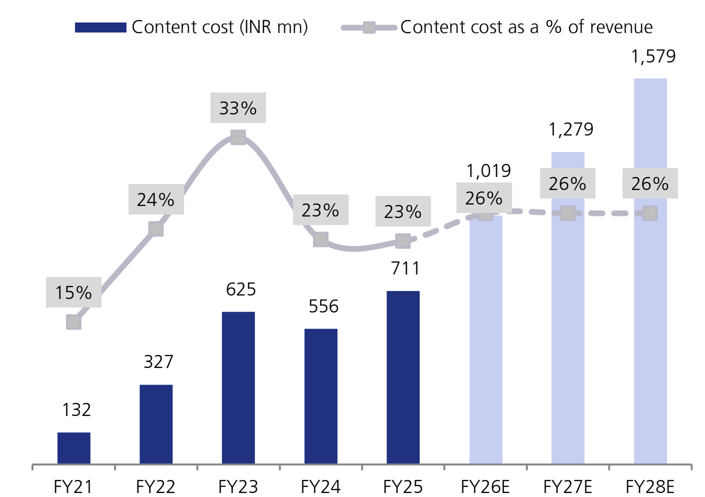
Tips Music follows a dual content acquisition strategy, balancing purchasing music rights and producing own content. This enables the company to expand its catalogue in a cost-effective manner, while ensuring high quality content.

The company selectively purchases music rights from independent producers when it identifies profitable opportunities. Leveraging its deep industry knowledge and understanding of music, it carefully evaluates costs and potential returns before making acquisitions, ensuring each investment aligns with its financial objectives and contributes meaningfully. Additionally, to maintain its cost-conscious approach, the company leverages its longstanding industry relationships to acquire content at competitive prices instead of engaging in aggressive bidding wars with competitors.

The company is also committed to introducing and promoting new talent through in-house productions. It has a highly experienced Artists & Repertoire team, which actively engages with artists across various genres and languages, fostering a diverse music portfolio. This approach enables it to sign emerging talent, thereby ensuring a steady pipeline of fresh, high-quality content.

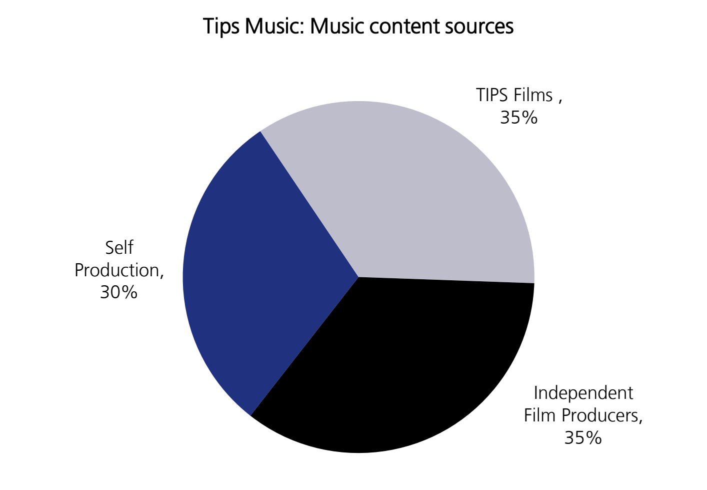
Tips Music aims to acquire c.35% content each from a) its related party entity Tips Films, ensuring synergies within the ecosystem and b) independent film producers, while the remaining would be through self-production. Overall, the management aims to acquire content of up to c.25-30% of its revenues each year.

Exhibit 44. Tips Music's stated strategy is to acquire content of up to 25-30% of its revenues each year



Source: Company, JM Financial

Exhibit 45. Tips Music follows diversified content acquisition strategy to ensure steady supply of content, at a time when costs are rising



Source: Company, JM Financial

Different types of music licensing contracts

Music labels typically enter into content licensing contracts of 1-2 years with third-party digital licensors such as music labels, music OTT apps and short video format apps. Such short-duration contracts safeguard the economic interests of the music labels in case of unforeseen events and also allow the label to renegotiate the deal with better terms given the strong growth trends. Broadly, there are three types of contracts: 1) variable deals with minimum guarantee, 2) fixed fee deals and 3) subscription revenue sharing deals.

In the first type of contract, music licensors agree to pay music labels a fixed amount (let's say INR 0.1) every time one of its free users streams the latter's music content. Music labels such as Tips Music also tend to get a guaranteed fixed fee component in lieu of licensing their content irrespective of the actual times the content IP of the licensee is used. Moreover, if the total per stream revenue during a contracted period exceeds the minimum guaranteed amount paid, the music labels are entitled to being paid an amount over and above the minimum guarantee. This amount is commonly referred to as overflows.

Fixed fee deals, as the name suggests, are very straightforward contracts with tenure of licence and fees decided at the very outset. Contracts with digital streaming apps are typically variable in nature; short form video format players typically prefer the latter.

In subscription revenue sharing deals, the music label is entitled to a certain share of the revenue earned by the licensor from end-consumers of music. Revenue sharing percentage is decided basis the streaming market share of the music label amongst all songs streamed by paid consumers during a particular period. For example, if a music OTT app is charging INR 100 per month for paid subscription, it would distribute half of the total subscription amount collected, i.e., INR 50 (in this example) amongst various music labels, basis the respective streaming market share of the music labels in that month.

The company licenses its sound recording rights to third-party distributors by entering into a wide range of customised contracts as shown (refer Exhibit 46). Factors that go into contract negotiations include the size and quality of the catalogue. Tips Music's diverse and extensive catalogue of 34k+ songs, which includes music across the decades, can likely give it an edge during contract negotiations.

Exhibit 46. Types of music licensing contracts with third-party distributors

<table>
<tr><th>Platforms</th><th>Monetisation</th><th>Note</th></tr>
<tr><td>Music OTT - Without Subscription</td><td>INR 0.1 per stream</td><td rowspan="2">✓ 1-2 year minimum guarantee contracts
✓ Amount collected up-front
✓ Provision for overflows</td></tr>
<tr><td>Music OTT – Subscription</td><td>Proportionate share of subscription revenue based on user usage share</td></tr>
<tr><td>YouTube</td><td>Advertising revenue shared in 55 : 45 ratio between Music label and YouTube</td><td></td></tr>
<tr><td>Small format video platforms</td><td>1-2 years fixed-fee licenses</td><td></td></tr>
<tr><td>Video OTT (excl. YouTube)</td><td>Fixed fee licenses with Program Producers</td><td></td></tr>
<tr><td>Television Channels</td><td>1-2 years fixed-fee licenses</td><td></td></tr>
<tr><td>Brands</td><td>Customised licenses</td><td></td></tr>
<tr><td>Public places (events, shows, parties, commercial premises like hotels, pubs, shops, malls etc.)</td><td>Public Performance Licensing (PPL) Society</td><td>✓ Revenue shared equally between music label and Lyricist / Composer</td></tr>
</table>

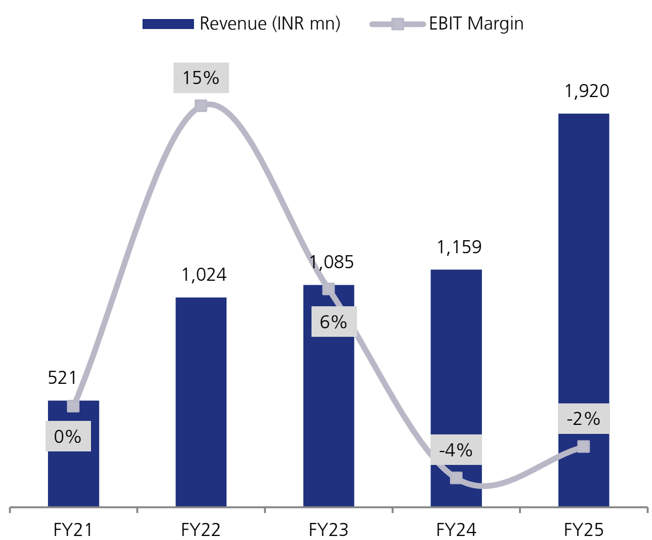
Source: Company, JM Financial

Prefer Tips Music over Saregama

Tips Music stands out due to its pure play focus on music content monetisation

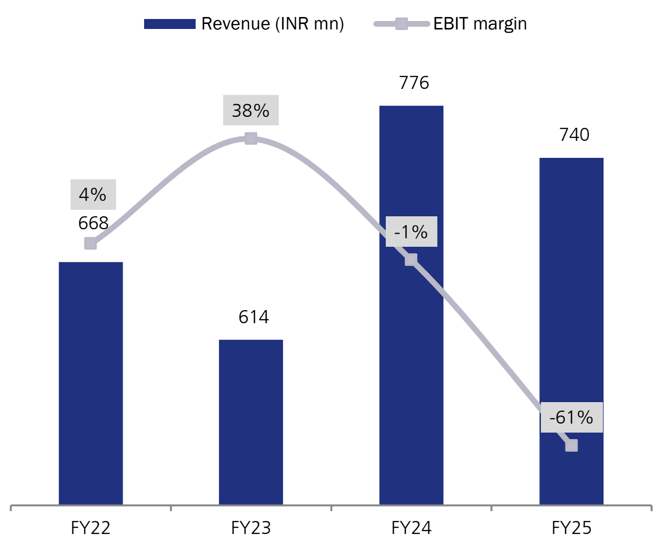
Out of the two listed music labels currently in India, Tips Music is the only one that offers investors a pure play on music content monetisation (having demerged its films division in May'21). Saregama, on the other hand, has a decently large exposure to a wide range of non-music content revenue across films, serials and live events. In addition, it is also involved in retail distribution of Carvaan audio devices/sets, which makes its business model relatively asset-heavy. In our opinion, a pure play on the music business is very desirable because such players tend to have less business risk, have more predictable revenue and operating margins, and generate higher return on capital employed.

Exhibit 47. Saregama: Unpredictable revenue and margin trends in Films/Television serials segment



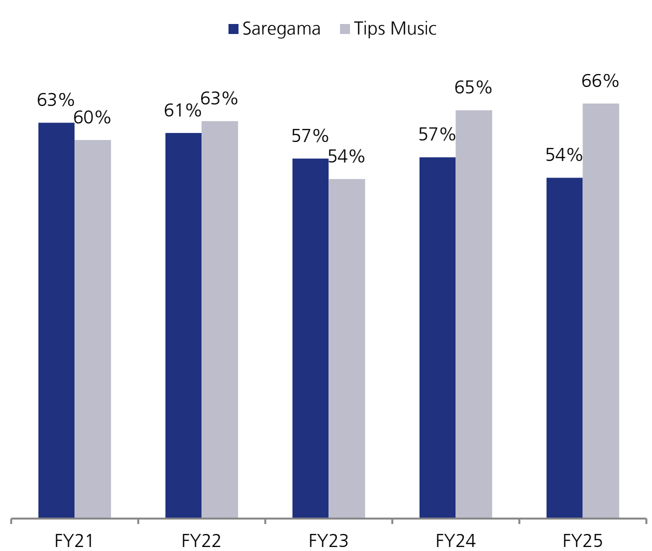
Source: Saregama, JM Financial

Exhibit 48. Tips Films: Unpredictable revenue and margin trends historically



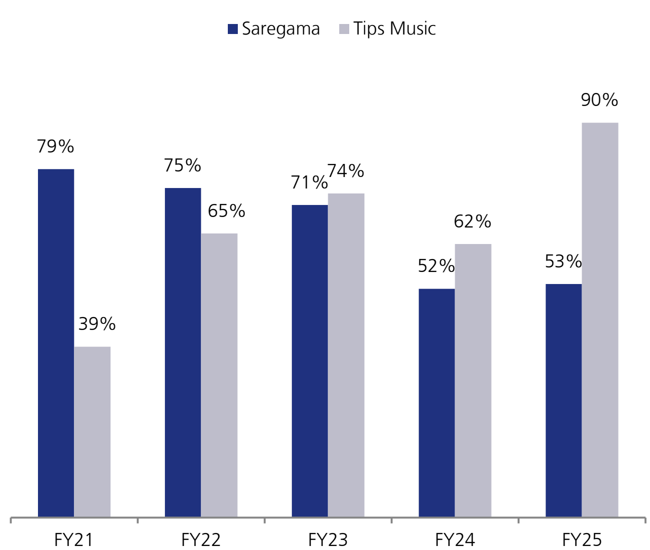
Source: Tips Films, JM Financial

Exhibit 49. Saregama and Tips Music: EBIT margin trend



Source: Company, JM Financial

Exhibit 50. Saregama and Tips Music: RoCE trend

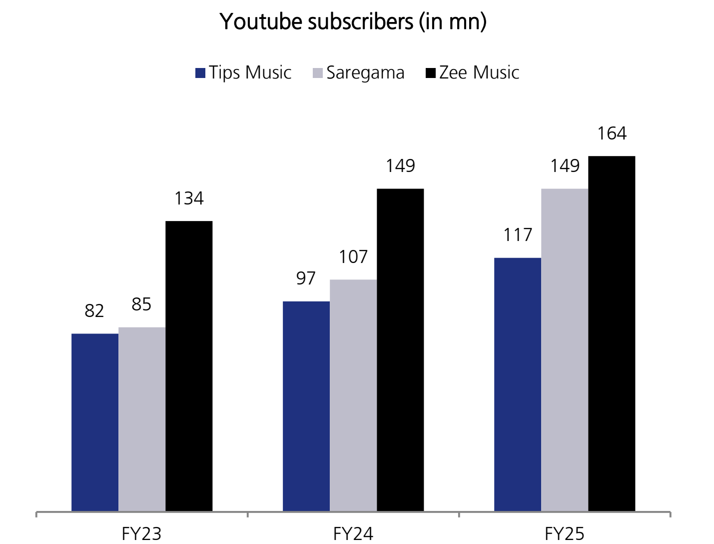


Source: Company, JM Financial

While Saregama has a larger catalogue, Tips Music's catalogue is recent and more monetisable

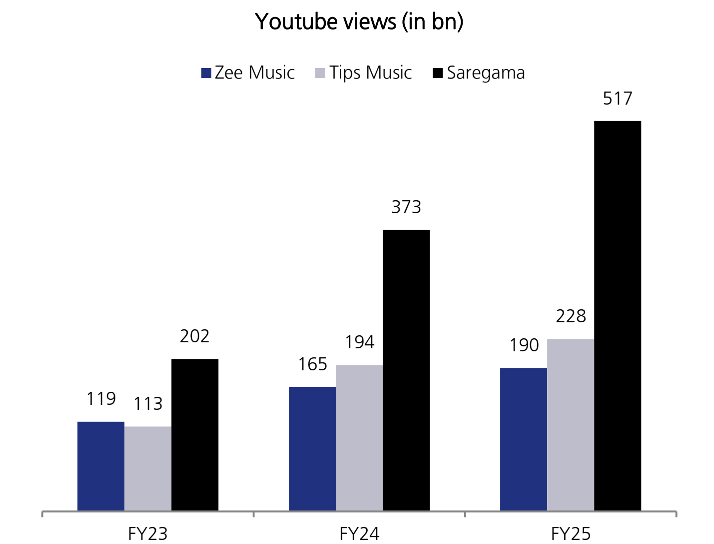
Saregama owns the largest music catalogue of over 170k songs in India (Source: Company). Barring T-Series (unlisted), none of the other domestic or international players have a catalogue anywhere close to Saregama. Having said that, it's also true that the vintage of the catalogue can be classified as old (most songs are from pre-1990s) and focused towards regional music (instead of Bollywood music that historically tends to have a wider audience base). On the other hand, while Tips Music's catalogue is limited to ~34k songs, it primarily consists of collection of several hit content from early-1990s to early-2000s. This means, younger audiences (GenZ / Millennials) tend to have more affinity for Tips Music content over Saregama's. Moreover, while Tips Music owns video rights for its entire catalogue, Saregama does not have video rights prior to most of its pre-2000 content. This has historically affected Saregama's ability to monetise its entire catalogue through Youtube.

Exhibit 51. Saregama and Tips Music: Youtube subscribers



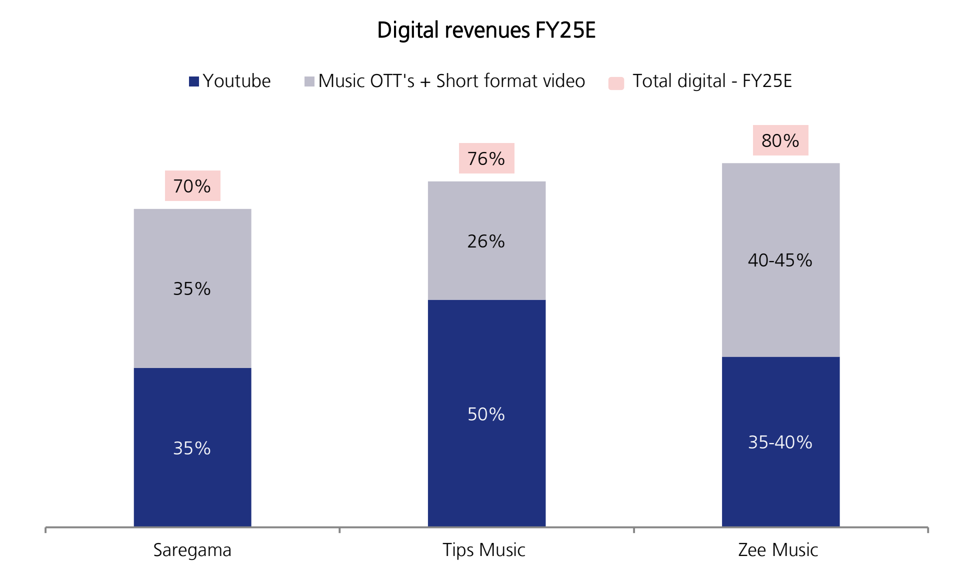
Source: Company, JM Financial

Exhibit 52. Saregama and Tips Music: Youtube views



Source: Company, JM Financial

Exhibit 53. Tips Music catalogue is recent and it owns video rights for its entire catalogue, whereas Saregama does not have video rights prior to most of its pre-2000 content. This has historically affected Saregama's ability to monetise its entire catalogue through Youtube

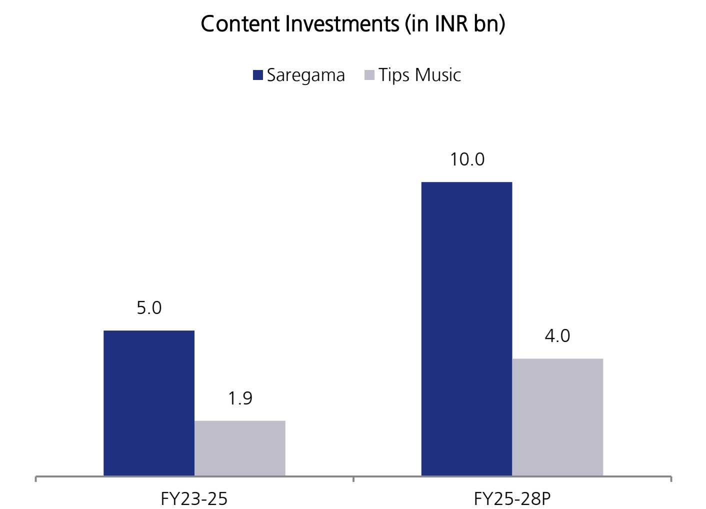


Source: Company, JM Financial estimates

Tips Music has guaranteed access to Tips Films music content; Saregama dependent on independent producers

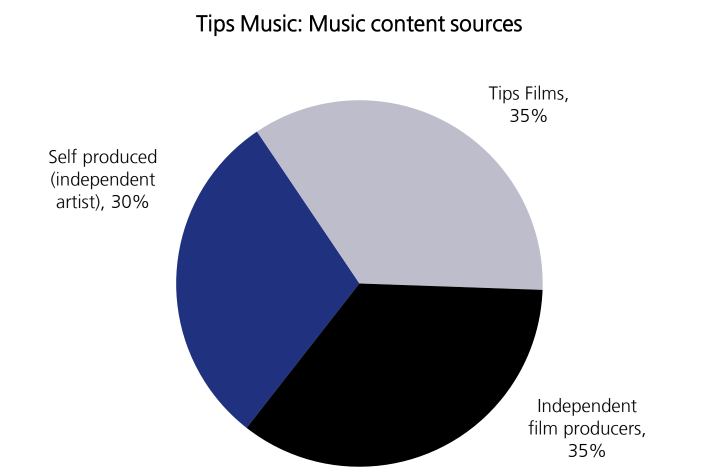
India's music label industry is quite distinct compared to most other global markets due to its high dependence on Bollywood and regional movies for new music content. Moreover, the market itself is fragmented due to the presence of several domestic as well as foreign labels. Some of these domestic music labels are also vertically integrated, which means they not only distribute music but also produce movies. These integrated labels not only have access to music content from self-produced movies but also compete with other labels to acquire music content from independent third-party movie producers or artists. This means that music labels that do not have in-house movie production are practically dependent on third-party movie producers or artists for regular supply of fresh music content. This puts them at a severe disadvantage when the cost of music content is rising, as then even non-quality third-party content starts getting premium value. Under these circumstances, we believe it's fair to say that music labels that are not entirely dependent on third-party content will tend to have a stable pipeline of content releases. As Tips Music aims to acquire c.35% content from its promoter-linked entity Tips Films and 30% through collaboration with independent artists, its dependence on independent film producers is significantly lesser than that of Saregama. This, in turn, leads to relatively higher confidence on Tips Music's management guidance of new content releases.

Exhibit 54. Both Saregama and Tips Music are likely to accelerate content investments



Source: Company, JM Financial

Exhibit 55. Tips Music follows diversified content acquisition strategy to ensure steady supply of content, at a time when costs are rising

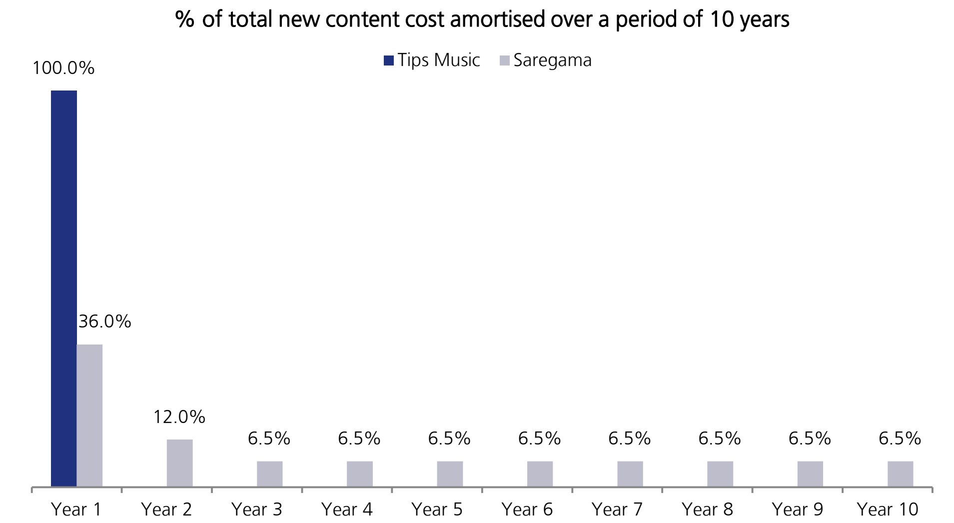


Source: Company, JM Financial

Tips Music follows conservative cost recognition policy

A key differentiator for Tips Music is its prudent content cost recognition policy. The company expenses 100% of its content acquisition costs (including 20% towards marketing) in the quarter of release itself, avoiding capitalisation and eliminating pending write-offs. This accounting practice results in a clean balance sheet with no deferred costs, enhancing financial transparency. Saregama, on the other hand, capitalises and amortises content costs over a 10-year period.

Exhibit 56. Saregama expenses new content acquisition costs over a period of 10 years



Source: Company, JM Financial. Note: In case of Saregama, 36% in the 1st year includes 20% of the content investment value towards marketing of the music.

Tips Music likely to outperform Saregama on most financial metrics over FY25-28

Exhibit 57. Comparison across key financial metrics

Particulars	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Music licensing revenue								
Saregama	2,993	3,682	4,494	5,233	5,409	6,059	7,149	8,579
Change (YoY)		23%	22%	16%	3%	12%	18%	20%
Tips Music	905	1,356	1,868	2,416	3,107	3,961	4,971	6,140
Change (YoY)		50%	38%	29%	29%	28%	26%	24%
EBIT								
Saregama	1,880	2,252	2,566	2,998	2,923			
Change (YoY)		20%	14%	17%	-3%			
Tips Music	544	855	1,006	1,565	2,045	2,490	3,140	3,897
Change (YoY)		57%	18%	56%	31%	22%	26%	24%
EBIT margin (%)								
Saregama	62.8%	61.2%	57.1%	57.3%	54.0%			
Change (YoY)		-163bps	-407bps	20bps	-325bps			
Tips Music	60.0%	63.0%	53.8%	64.8%	65.8%	62.9%	63.2%	63.5%
Change (YoY)		301bps	-920bps	1093bps	104bps	-295bps	30bps	30bps

Source: Company, JM Financial

Key catalysts that can help accelerate music industry growth

1. Per stream monetisation on music OTTs will improve if market shifts to paid subscriptions

According to EY FICCI, 204mn people in India streamed music online in 2024, while there were only about 12mn paid streaming subscriptions (~5.9% of the total streaming app user base). The numbers are low even though paid subscriptions generally get sold as a bundled package with telco data packs (e.g., JioSaavn) and other forms of digital services (e.g., Amazon Prime). While insignificant currently, paid subscriptions base is expected to almost double its current volume in 3 years to c.20mn-21mn, with decent room for positive surprises in our opinion. These trends could get accelerated due to the ongoing consolidation trends in music OTTs. In fact, platforms who have managed to survive have also started focusing more on profitability and limiting free streaming access for their consumers. As a result, we see significant upside potential to paid subscriptions growth. This, in turn, could lead to a sharp increase in revenue for music labels as our analysis suggests that each paid subscriber generates meaningfully more revenue compared to a free streamer.

Exhibit 58. Comparison of revenue generation potential for music labels from a free streaming and paid subscription consumer

Particulars	
Assumed no. of monthly streams per consumer (A)	100
Assumed Tips Music's streaming share for the consumer (B)	25%
Tips Music's number of streams (C=A*B)	25
Revenue potential from free music streaming for Tips Music	
Yield per stream in INR (D)	0.1
Tips Music's revenue (E=C*D)	2.5
Revenue potential from paid music streaming for Tips Music	
Assumed monthly subscription fees per consumer in INR (F)	50
Max. revenue shared by OTT platform with music labels (G)	50%
Tips Music's revenue from the consumer in INR (H=F*G*B)	6.25
Yield per stream in INR (I=H/C)	0.25
Paid versus free revenue for Tips Music	
Revenue (J=H/E)	2.5x
Yield per stream (K=I/D)	2.5x

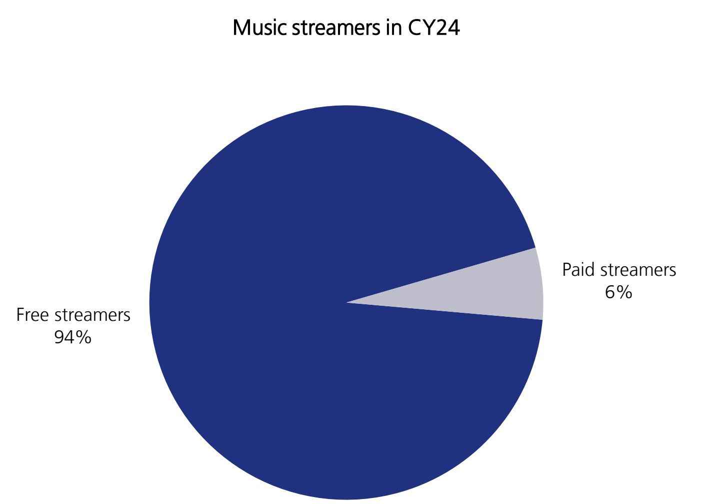
Source: Company, JM Financial

Exhibit 59. Sensitivity analysis of potential revenue that a music label can generate per month from a paid subscription

Music label's streaming share (%)	Monthly subscription fee charged by Music OTT's (INR)			
	25	50	75	100
25%	3.1	6.3	9.4	12.5
30%	3.8	7.5	11.3	15.0
35%	4.4	8.8	13.1	17.5
40%	5.0	10.0	15.0	20.0
45%	5.6	11.3	16.9	22.5
50%	6.3	12.5	18.8	25.0

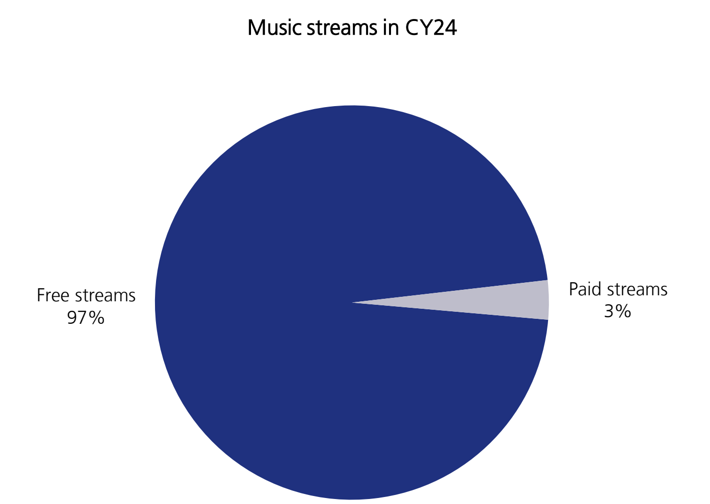
Source: Company, JM Financial

Exhibit 60. 204mn music streamers in India, of which only 12mn (~6%) were paid streamers



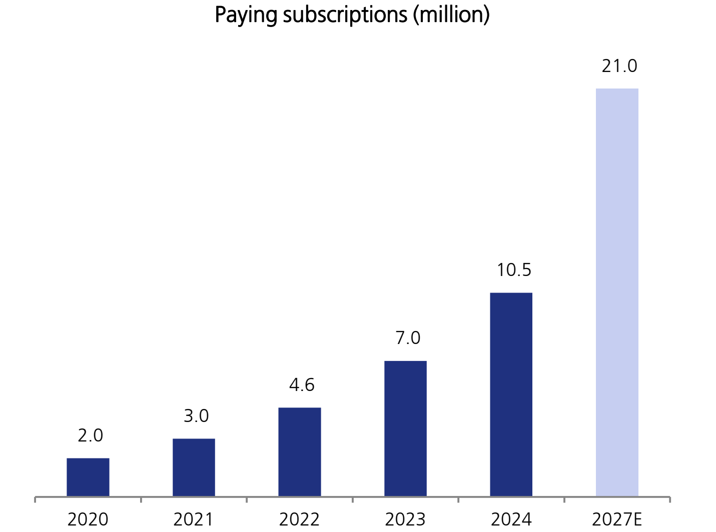
Source: EY FICCI Report 2025, JM Financial

Exhibit 61. ~4.8trln music streams in India, of which only 154bn (~3%) were paid streams



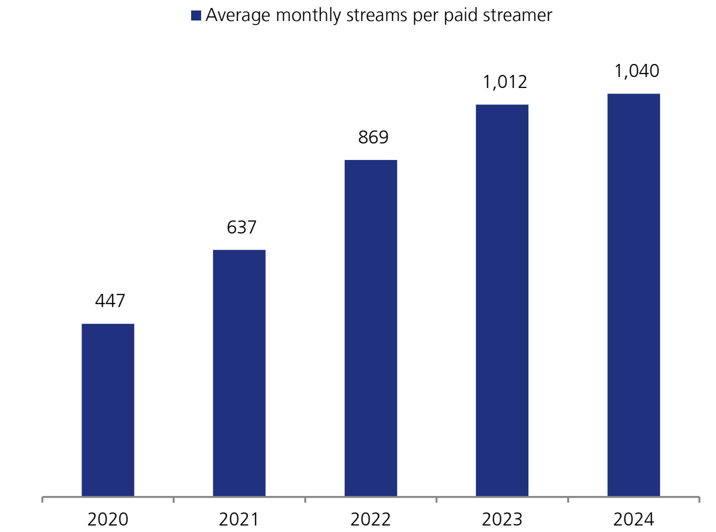
Source: EY FICCI Report 2025, JM Financial

Exhibit 62. Paid subscribers are expected to double by 2027



Source: EY FICCI Report 2025, JM Financial

Exhibit 63. Average streams per paid streamer continued to grow



Source: EY FICCI Report 2025, JM Financial

2. Short format video apps build a sustainable business model

Music labels in India presently have only fixed licence fee contracts with short format video platforms (such as Youtube Shorts, Chingari, Moj, Josh and Sharechat amongst others) as the latter are yet to identify a sustainable business model. However, as these platforms continue to grow, at some point of time they will be able to build a sustainable revenue model with the potential to generate substantial advertising income, just like YouTube and music OTT platforms. Once that happens music labels would likely be able to push these platforms towards variable licence fee contracts that will, in turn, lead to a substantial bump-up in music industry revenue.

Short format video apps have been increasing time limits for videos

Short Format Video Apps	Earlier time limit	Increased time limit	Effective from
Instagram Reels	90 sec	3 min	Jan'25
YouTube Shorts	60 sec	3 min	Oct'24
TikTok	3 min	10 min	Feb'22
TikTok	60 sec	3 min	Jul'21

Source: Company, JM Financial

In fact, the recent trends of extension of time limits for content on several short format apps suggests that the industry is already showing signs of moving towards building a sustainable business model. These longer duration videos, now extending up to 3-10min on various platforms, create more room for advertisements, offering greater monetisation opportunities.

3. Rising relevance of Artist Management in the Indian music industry

Artist management is rapidly emerging as a significant vertical within the Indian music industry, This shift is being driven by the rising scale, frequency and popularity of live events and concerts in India, demonstrated by the recent high-profile performances by 'Coldplay', 'Diljit Dosanjh', 'Ed Sheeran' etc. Beyond these marquee events, the live performance circuit has broadened to include a growing number of smaller-scale, yet high-budget events such as weddings, food and cultural festivals, college fests and private gatherings. Alongside the growing scale of brand endorsements and rising consumer spending on experiential entertainment, this has created strong demand for structured artist management.

Saregama, in its earnings calls, has also repeatedly highlighted artist management as a key strategic focus area, viewing it as a complementary revenue stream to traditional music distribution. The business model typically involves a revenue share, where managers earn ~15–20% of the artist's earnings, with the balance accruing to the artist, though this split remains negotiable basis the artist's profile. This vertical offers monetisation of artists beyond just music streaming, including live performances, brand endorsements and digital appearances. Additionally, artist management also allows for building deeper relationships with emerging talent, ensuring early access to new music, exclusive distribution rights, and long-term content partnerships.

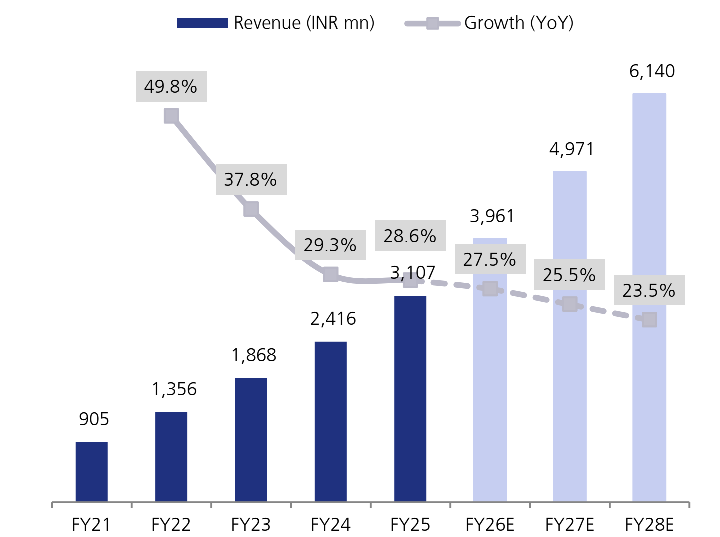
Although artist management is currently not a focus area for Tips Music, it represents a growing adjacent opportunity within the evolving industry landscape that the company could explore in the future.

Financial Analysis

We expect >25% topline CAGR for Tips Music over FY25-28E

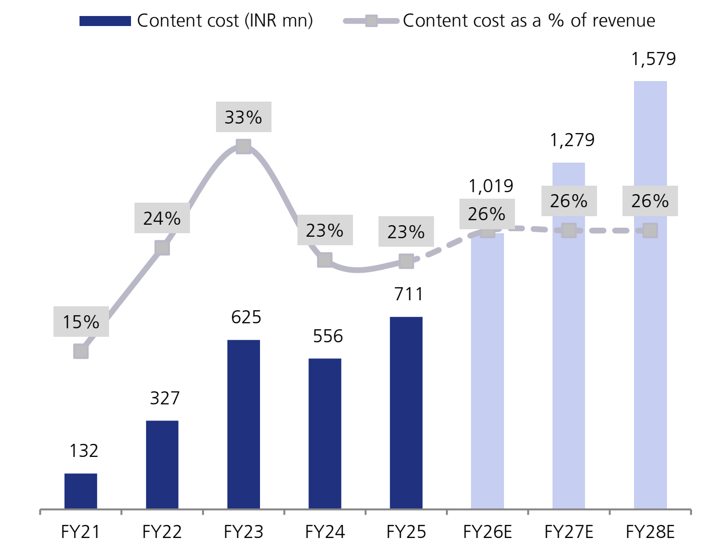
Tips Music delivered topline CAGR of 36.1% over FY21-25, well ahead of the industry growth. In fact, its revenue grew 28.6% in FY25 compared to a 2% decline for the industry, aided by renewal of its global content distribution deal with Warner Music. We expect the company to report revenue CAGR of >25% over FY25-28E, factoring in 1) the ongoing Warner Music deal that offers high revenue visibility over the medium term due to minimum guarantees and an yearly escalation clause; 2) recent extension of its revenue sharing arrangement with Sony Music Publishing (SMP) to Youtube; 3) strong underlying growth expected in music consumption on digital platforms like Youtube, music OTTs and short-format content, and 4) new content investments by the company (~25-30% of revenue).

Exhibit 64. We expect revenue CAGR of >25% over FY25-28E…



Source: Company, JM Financial

Exhibit 65. … with continued content investments

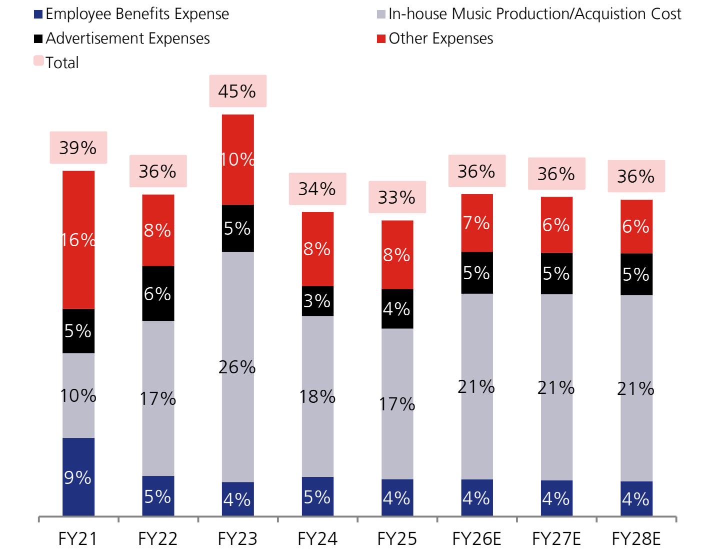


Source: Company, JM Financial

EBIT margin likely to stabilise at ~63-64%, forecast EBIT CAGR of 24%

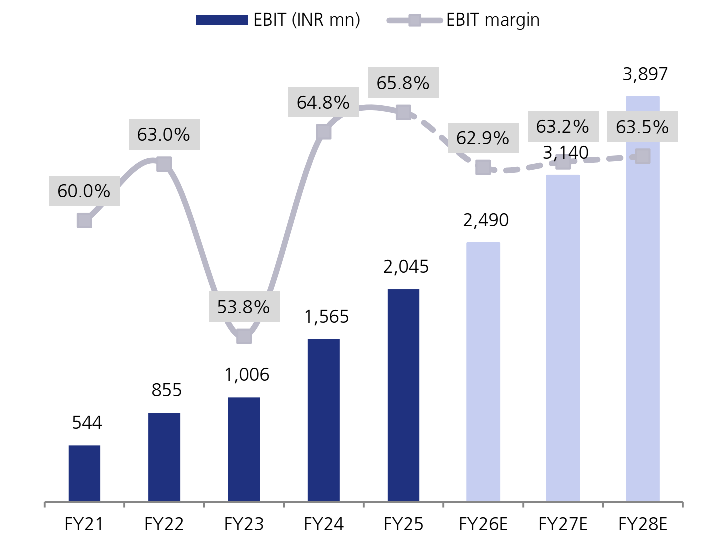
Tip Music's EBIT margin expanded by c.580bps over FY21-25, reaching 65.8% in FY25. This improvement was primarily driven by optimisation of employee and other expenses, which declined from 9%/16% of revenue in FY21 to 4%/8% in FY25 respectively. Advertisement expenses were relatively stable at ~4-5% of revenue during the period. Meanwhile, in-house music production and content acquisition cost increased from 10% of revenue in FY21 to 17% in FY25, reflecting the company's strategic move towards investment in new content from non-related parties. Overall, EBIT grew at a robust CAGR of 39.3% over FY21-25 to INR 2,045mn in FY25. Going ahead, we project a slight moderation in EBIT margin to 63.5% by FY28E, largely due to aggressive investments (~25-30% of revenue) in music production and content acquisition. Nevertheless, EBIT is expected to grow at a healthy CAGR of 24.0% over FY25-28E, reaching INR 3,897mn by FY28E. Overall, we forecast Tips Music to deliver a robust PAT CAGR of 23.5% over FY25-28E, largely driven by strong operating performance.

Exhibit 66. Key operating expenses as % of revenue



Source: Company, JM Financial

Exhibit 67. EBIT margin likely ~63-64%



Source: Company, JM Financial

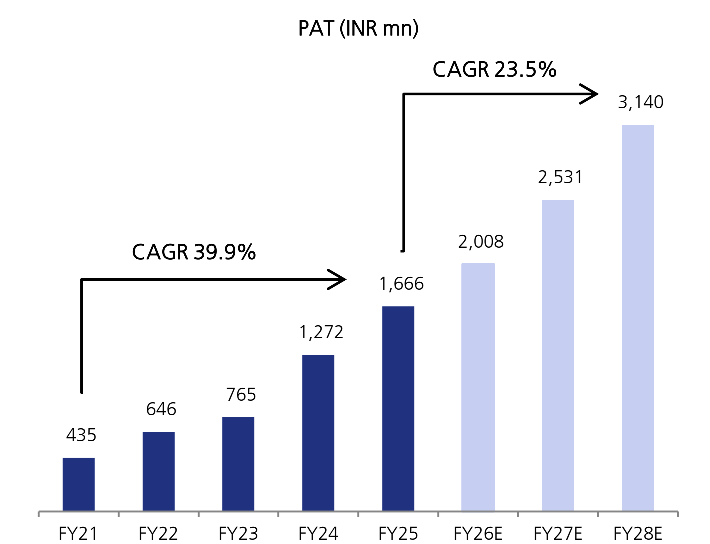
Strong free cash flow generation and shareholder returns should continue

A music label's business model is such that it tends to generate healthy free cash flows each year. Between FY21 and FY25, Tips Music generated cumulative FCF of INR 5.02bn even after expensing out all the content cost of INR 2.35bn that it acquired during this period. Going ahead, the management expects annual reinvestment of ~25-30% of revenue into new content, funded entirely through internal accruals, underscoring a disciplined capital deployment strategy focused on growth.

In addition, Tips Music also follows a robust cash distribution policy. Over FY21-25, the company has distributed INR 2.79bn cash to its shareholders either through dividends or buybacks. Even going forward, the management remains committed to maintaining a clear preference for capital return, with a stated policy of distributing 100% of the previous year's PAT in any given year.

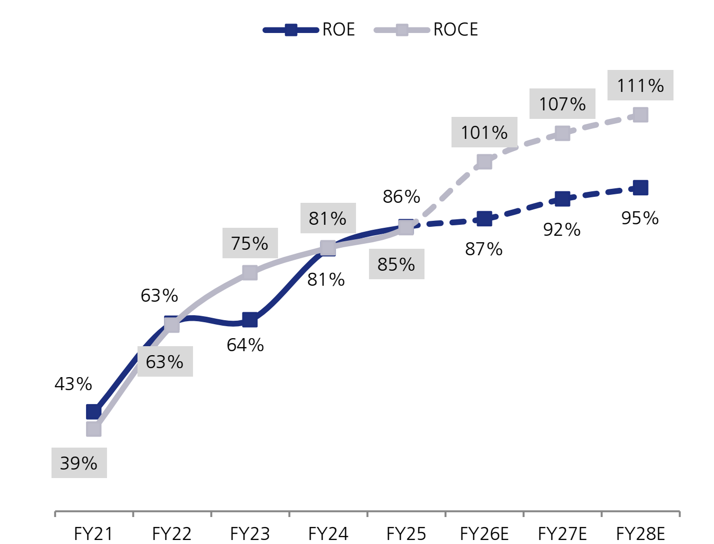
Overall, Tips Music's balance sheet remains healthy with cash & investments (including bank and other investments) of INR 1.37bn, as of Mar'25.

Exhibit 68. We expect PAT CAGR of 23.5% over FY25-28E, largely driven by strong topline growth and stable margins



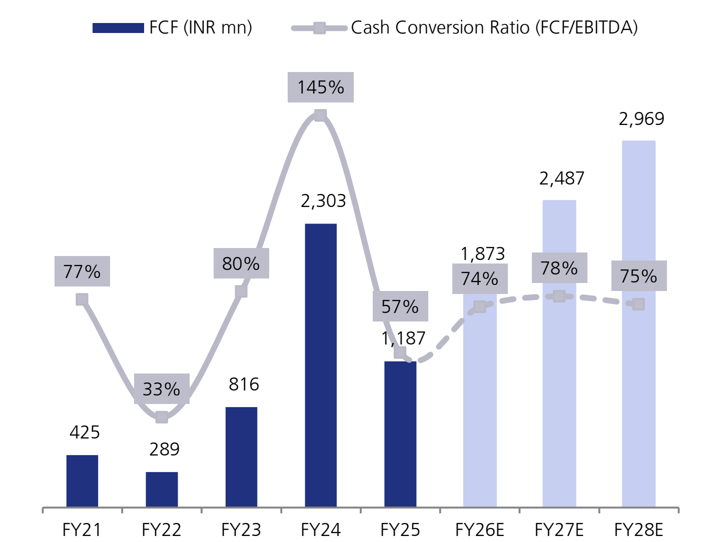
Source: Company, JM Financial

Exhibit 69. Profitability ratios (RoE/RoCE) likely to remain healthy despite company following conservative accounting policy



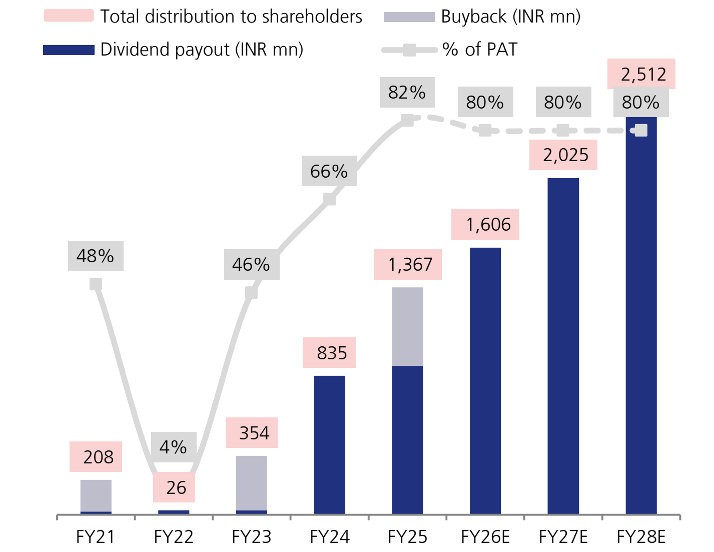
Source: Company, JM Financial

Exhibit 70. FCF and cash conversion trend



Source: Company, JM Financial

Exhibit 71. We build 80% cash distribution to shareholders



Source: Company , JM Financial

Key Risks

Hiccups in distribution partnership with Warner

Tips Music's strategic distribution partnership with Warner Music is critical for its global digital presence, with the deal projected to contribute over 30% of revenue in the coming years (~25% in FY25). Any friction in the partnership, including disputes over the current revenue-sharing terms, could disrupt revenue flow. As streaming monetisation shifts from ad-supported to paid subscription models, Warner may seek to renegotiate terms or demand a greater revenue share, leading to potential conflicts. There's also a risk that Warner might scale down or exit the arrangement altogether, compelling Tips Music to explore alternate distribution avenues, which could elevate costs and impact global reach.

Irrational rise in competitive intensity inflates new content cost

It is essential for music labels to acquire or create new content regularly. It not only helps the company expand its catalogue but also makes it more relevant to the younger generation – whose consumption of music is also much higher. Therefore, it is no surprise that new content accounts for a disproportionately high revenue share of more than 70% for the music industry. However, supply of good quality content will always remain limited while the competition remains well-funded, driving aggressive bidding wars. Therefore, there is a possibility that competitive intensity could lead to irrational pricing of new content, pressuring profitability and ROI for Tips Music.

Presence of several local as well as international players

India's music label industry is quite competitive with the presence of at least four strong domestic players (T-Series, Saregama, Zee Music and Tips Music) and three international players (Sony Music, Universal Music, and Warner) who are known to dominate the global markets. Each of these players is well-funded and has the ability to disrupt the new content market.

Slower-than-expected uptake in paid subscriptions

The company's revenue model is increasingly aligned with the music industry's shift toward paid subscriptions, moving away from minimum guarantee (MG) deals to variable-pay based models. This shift has been made in anticipation of strong paid subscription growth. However, if the adoption of paid subscriptions growth falls short of expectations, music OTT platforms may become reluctant to renew or extend MG deals on favourable terms. This creates a dual risk for music labels – the loss of stable MG revenue and limited upside from weak subscription growth.

Slower-than-expected digital penetration

Our revenue growth assumptions for Tips Music factors in rapid expansion of digital consumption across music OTT apps, video OTT (including YouTube) and short-form video platforms in India. Given the digital-heavy nature of Tips Music's business model, slower-than-expected digital penetration can have a direct impact on Tips Music's growth trajectory.

Revenue losses to piracy

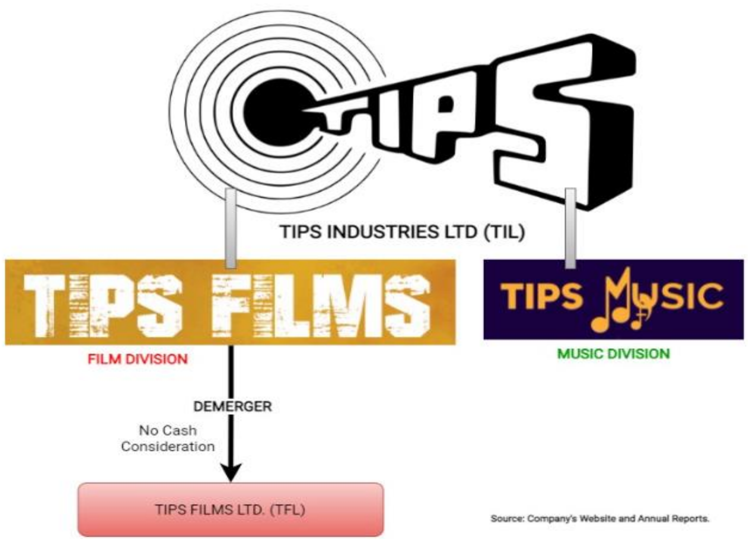
The music industry continues to suffer from revenue losses to piracy. According to 'International Federation of the Phonographic Industry (IFPI) - Indian Music Industry (IMI) Digital Music Study 2021', India had 68% piracy rate in 2021 compared to global average of 30%. In fact, a study by same industry body indicates revenue loss for the industry stood at INR 15bn in CY19. Therefore, to better enforce their rights, music labels are likely to increase their technology investments. We, therefore, believe digitisation and technology investments will continue to drive up the monetisation potential of music assets.

Company Overview

Founded by Mr Kumar Taurani and Mr Ramesh Taurani, Tips Music Limited (formerly Tips Industries Limited) is one of India's leading music labels. Initially established as a trading firm in pre 1980s, the company dealt in LP's (Long Playing Phonograph Records). In the 1980s, it transitioned into music production, recording songs by emerging artists in Hindi and various other regional languages like Punjabi, Sindhi, Rajasthani, Marathi, Bengali and Bhojpuri, through their partnership firm RK Electronics. This journey culminated in the launch of Tips Cassettes & Record Co. in 1988.

By 1992, RK Electronics merged with Tips Cassettes & Record Co., and by 1996, the business was restructured into Tips Industries, solidifying its position in the entertainment space. Over time, the company expanded its focus from music production, acquisition and distribution to film production and distribution as well. However, to sharpen its strategic focus, Tips Industries demerged its films division into a separate entity, Tips Films Limited in 2021, and renamed the company to Tips Music Limited, exclusively concentrating on music.

Exhibit 72. Tips Industries de-merged its films division in 2021 to strategically focus on music, and renamed the company to Tips Music Ltd.



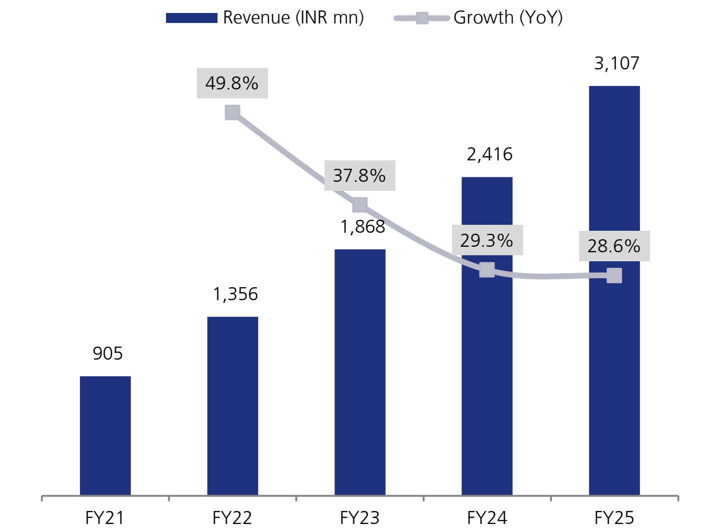
Source: Company

Today, Tips Music is one of the leading companies in the entertainment industry, boasting a vast and diverse catalogue of over 34k songs across 25+ languages. It holds a strong presence in music production and distribution, continuously adapting to the evolving digital landscape. The company has capitalised on the growth of digital platforms, ensuring its content is widely available on global platforms like YouTube, Spotify, Apple Music, Amazon Prime Music, and regional services such as JioSaavn and Gaana. In fact, it has exclusively entered into a partnership with Warner Music (since 2020) for distribution responsibilities for all of its frontline and catalogue music, unlocking significant global opportunities.

Tips Music has amassed over 117mn+ subscribers across its YouTube channels (as of March 2025), with its videos garnering 228bn+ views (for FY25), highlighting its extensive reach and influence in the digital realm.

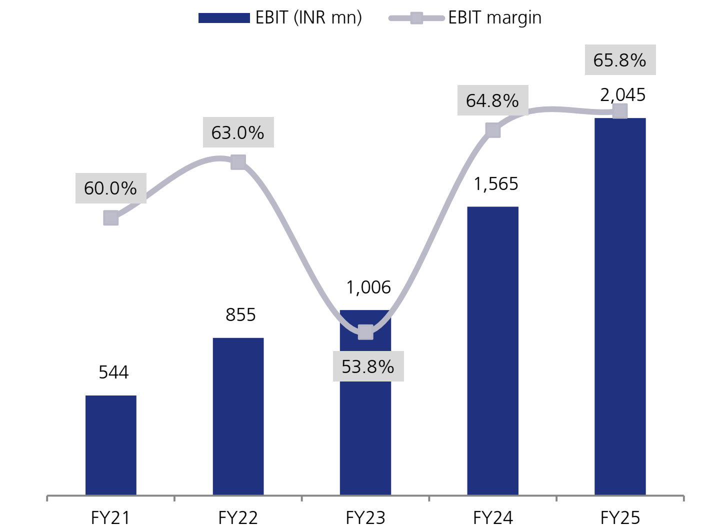
M&A history: Tips, in the early 2000s, acquired several music labels including Times Music, Weston Music, and a few regional labels. These days, however, the company believes that all music labels (small or big) understand that the value of music content globally has increased multi-fold due to wide range of monetisation opportunities. As a result, the cost of acquisition of music labels or libraries has increased sharply, making it unviable to acquire unless a music label is ready to overpay. Therefore, the company plans to focus on acquiring content from new independent artists where the risk-reward is far more favourable.

Exhibit 73. Revenue and growth trend



Source: Company, JM Financial

Exhibit 74. EBIT and EBIT margin trend



Source: Company, JM Financial

Exhibit 75. Key events

Timeline	Description
Pre 1980s	- Trading firm, dealing in LP's (Long Playing Phonograph Records)
1980s	- Beginning of recording songs by emerging artists across languages started under the banner of R.K. Electronics - Launch of Tips Cassettes & Record Co.
1988	- Expansion into film music rights - Initial commercial setbacks from acquisition of film music rights
1991-1992	- Merger of R.K. Electronics and Tips Cassettes & Record Co., and restructuring to Tips Industries - Blockbuster success of music from 'Pathar Ke Phool' and 'Phool Aur Kaante', marking a turning point - Heavy investment in acquiring music rights, and one of the leading acquirers of film music rights
1993-1996	- Co-production of films to acquire music rights economically - Blockbuster success of the first four movies under co-production and its music, 'Coolie No.1', 'Raja Hindustani', 'Haqeeqat' and 'Jeet' - Independent film production around 1996
1997	- By the late 90s, emergence as the industry leader - Launch of 13 films simultaneously with a view to acquire more music
2000	- Public listing of NSE and BSE in Nov'20.
Early 2000s	- The rise of MP3 & Piracy leading to collapse of the music distribution chain - Selling of singles pioneered by iTunes destroying economics of music labels globally - Flourishing of radio channels without adequate compensation to the music industry - Execution of the first licensing deal in India for streaming & downloads with Sound Buzz
2007	- Introduction of Caller Ring Back Tone (CRBT) by telecom companies, generating revenue of ~INR 8,000cr, of which ~INR 600cr was shared with the music industry, providing relief - Digitisation of the entire catalogue and distribution through partnership with major OTT platforms i.e., YouTube, Gaana & Saavn
2020s	- Demerger of Film production business to a separate entity, Tips Films Ltd. - Exclusive content distribution contract with Warner Music - Global publishing agreement with Sony Music Publishing - Appointment of Mr. Sushant Dalmia as Chief Financial Officer in Dec'22 - Appointment of Mr. Hari Nair as Chief Executive Officer in Oct'23
2024	- Rebranding of Tips Industries Ltd. to Tips Music Ltd. - Strategic partnership with TikTok to promote music library on the short-form video platform

Source: Company, JM Financial

Board of Directors and Key Management Personnel

Exhibit 76. Details on board of directors

Name	Designation	With Tips since	Background	Remuneration in FY24 (INR mn)
Kumar Taurani	Chairman & Managing Director	May-96	He holds the Bachelor degree in commerce. Being the promoter of the company, he possesses immense knowledge and expertise in the field of Media & Entertainment Industry for 44+ years. He is currently the Chairman of the Indian Music Industry.	16.8
Ramesh Taurani	Executive Director	Sep-05	Being one of the promoters alongside Mr. Kumar Taurani, he has been associated with the company since inception and has expertise in the field of Media & Entertainment Industry for 44+ years.	Nil
Girish Taurani	Executive Director	Feb-20	He holds a Bachelor degree in commerce, with a rich experience in the business of Media and Entertainment Industry and expertise in the field of Music.	9.0
Tara Subramaniam	Independent Director	May-22	She holds a bachelor's degree in law from University of Bombay. She has 40+ years of experience in the field of banking, real estate, finance and business development. She is currently a Maha RERA Conciliator and a member of the governing council of the National Real Estate Development Council (NAREDCO) and has also served as the Founder President of MAHI, the women's wing of NAREDCO. She was previously associated with Housing Development Finance Corporation Limited, JM Financial Group, and SGE Advisors (India) Private Limited.	1.1*
Rajan Singh	Additional Director - Independent Director	Apr-24	He holds an Electrical Engineering degree from IIT Kanpur and a master's degree from Wharton Business School. Currently, he is working with HabitStrong. He was previously associated with McKinsey (New York), New Silk Route, and worked in the Indian Police Service.	NA
Chandrashekar Ponnuswamy	Non-Executive Independent Director	Oct-24	He holds Bachelor's degree in commerce from R. A. Podar College of Commerce and Economics, Mumbai and MMS from Narsee Monjee Institute of Management, Mumbai. He has experience of 43+ years in Finance. He is the founder of Crescentia Strategists Inc. He was previously associated with Runwal Group, Alliance Tire Group, Polycab Wires Pvt. Ltd., Coca Cola India, RK Foodland Ltd, DHL India, CEAT Ltd., Jumbo Group and Bharat Bijlee Ltd.	NA

Source: Company, JM Financial

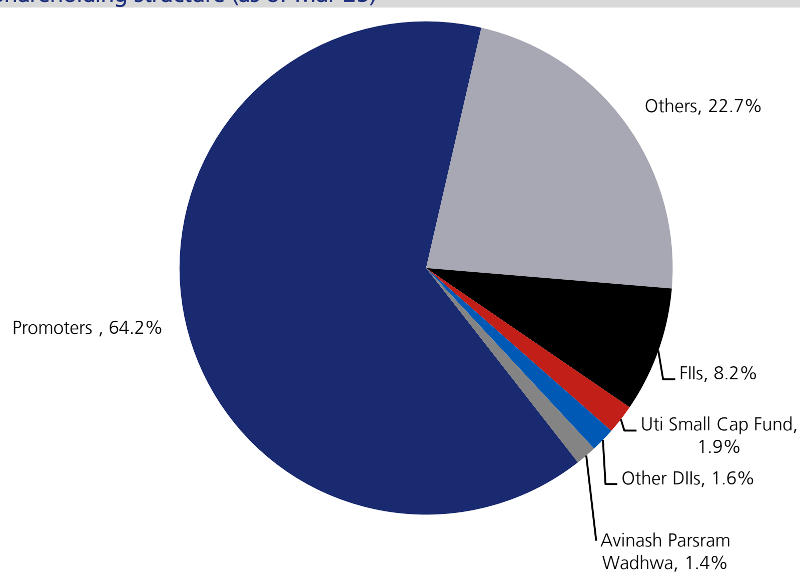
Exhibit 77. Details of key management personnel

Name	Designation	With Tips since	Background
Kumar Taurani	Chairman & Managing Director	May-96	He holds the Bachelor degree in commerce. Being the promoter of the company, he possesses immense knowledge and expertise in the field of Media & Entertainment Industry for 44+ years. He is currently the Chairman of the Indian Music Industry.
Ramesh Taurani	Executive Director	Sep-05	Being one of the promoters alongside Mr. Kumar Taurani, he has been associated with the company since inception and has expertise in the field of Media & Entertainment Industry for 44+ years.
Girish Taurani	Executive Director	Feb-20	He holds a Bachelor degree in commerce, with a rich experience in the business of Media and Entertainment Industry and expertise in the field of Music.
Hari Nair	Chief Executive Officer	Oct-23	He holds a master's degree in Information Technology from Sikkim Manipal Institute of Technology and SMP from Indian Institute of Management, Calcutta. With 25+ years of experience, he was previously associated with ByteDance, Phonographic Performance Ltd. (India), Sony Music India, Mauj (People Infocomm Ltd.), Comviva Technologies Ltd., Soundbuzz India Pvt Ltd. and Motorola Group Company.
Sushant Dalmia	Chief Financial Officer	Dec-22	He is a Chartered Accountant from ICAI and Chartered Financial Analyst from the CFA Institute (US). He has also done certification courses from the Wharton School on AI and from ACCA (UK) on IFRS. With 20+ years of experience in finance, strategy and M&A, he was previously associated with PwC, Citigroup, Angel One, IHH healthcare, boAt and MakeO (Toothsi and Skinnsi).

Source: Company, JM Financial

Shareholding Structure

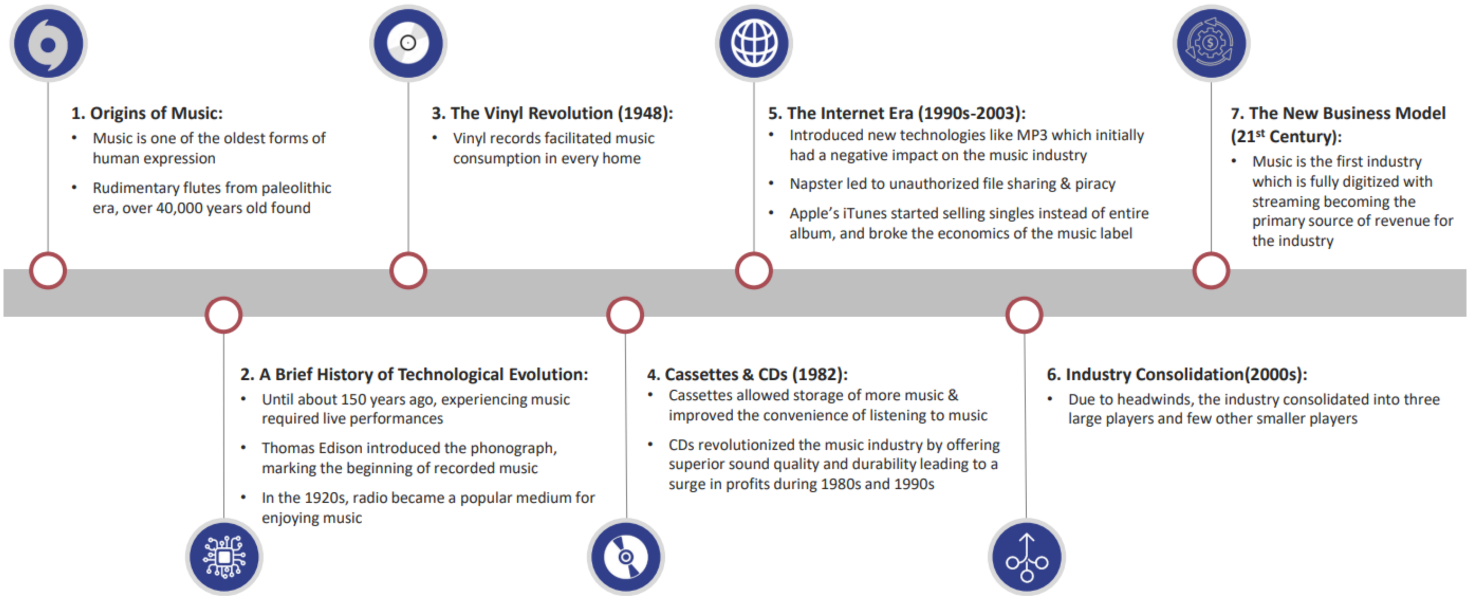
Exhibit 78. Shareholding structure (as of Mar'25)



Source: Company, JM Financial

Annexure 1

Exhibit 79. Music industry evolution



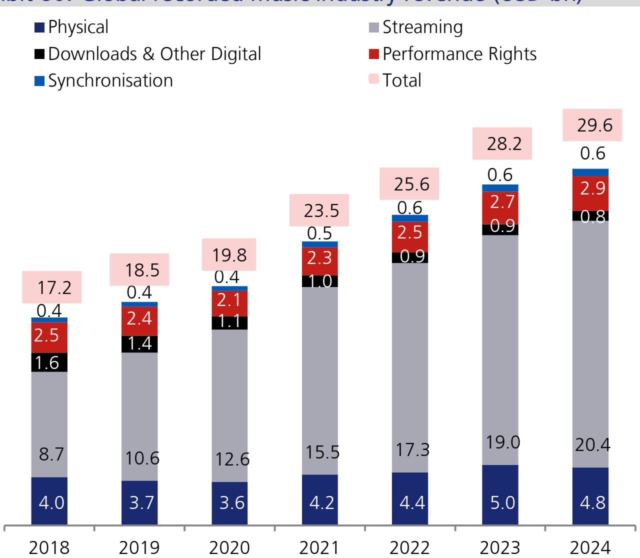
Source: Company

Annexure 2

Streaming revenue, especially paid subscriptions, are driving global recorded music growth

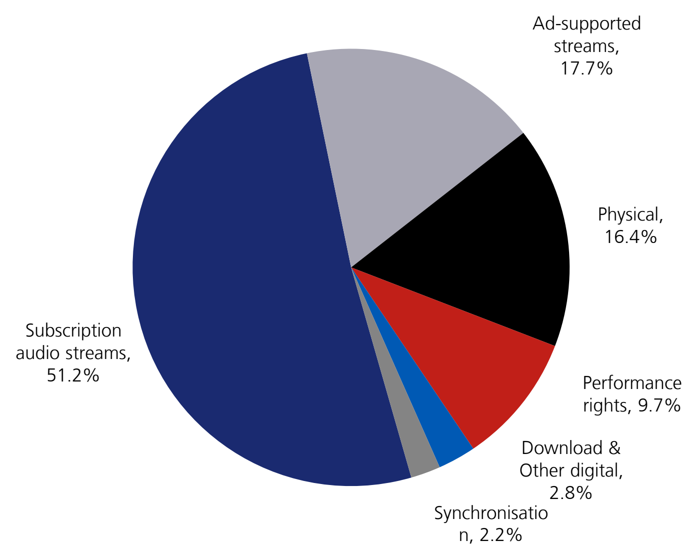
The International Federation of the Phonographic Industry (IFPI) estimates that global recorded music market revenue reported a CAGR of 9.5% over CY18-24. Revenue growth during this period was primarily driven by music streaming revenue (audio as well as video), which reported 15.3% growth during this period. In fact, streaming revenue's contribution to global music revenue has gone up from 51% in CY18 to 69% CY24. The key growth driver for streaming revenue has been the sharp rise in paid subscription revenue, which now accounts for c.73% of total streaming revenue. According to the industry body, globally there were 752 million paid audio subscription accounts.

Exhibit 80. Global recorded music industry revenue (USD bn)



Source: IFPI GMR (2025), JM Financial

Exhibit 81. Global recorded music revenue by segment (CY24)



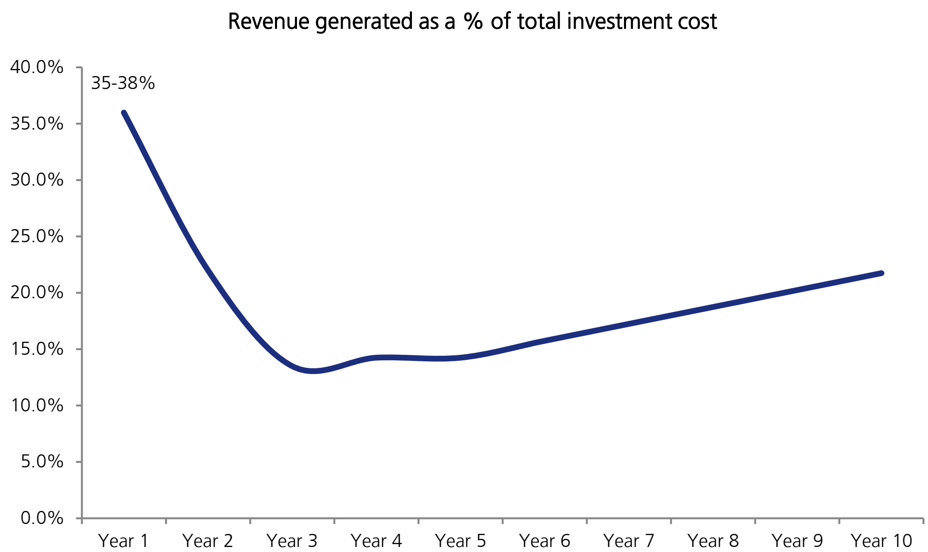
Source: IFPI GMR (2025), JM Financial

Annexure 3

Most music labels have a payback period of 5 years

The Saregama management estimates 35-38% of the new content investment is, on average, recovered in the form of revenue in the very first year of investment. However, as the content gets older, there is a sharp dip in revenue in the 2nd year and 3rd year. In the 4th and 5th year, the dip stabilises such that by the 5th year the entire invested amount is recovered.

Exhibit 82. New content investments have a payback period of 5 years; however, it continues to be monetised for 60+ years



Source: Saregama, JM Financial estimates

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	2,416	3,107	3,961	4,971	6,140
Sales Growth	29.3%	28.6%	27.5%	25.5%	23.5%
Other Operating Income	0	0	0	0	0
Total Revenue	**2,416**	**3,107**	**3,961**	**4,971**	**6,140**
Cost of Goods Sold/Op. Exp	0	0	0	0	0
Personnel Cost	109	132	166	204	246
Other Expenses	722	908	1,277	1,592	1,954
EBITDA	**1,585**	**2,067**	**2,518**	**3,175**	**3,940**
EBITDA Margin	65.6%	66.5%	63.6%	63.9%	64.2%
EBITDA Growth	55.5%	30.4%	21.8%	26.1%	24.1%
Depn. & Amort.	20	22	28	35	43
EBIT	1,565	2,045	2,490	3,140	3,897
Other Income	144	190	198	249	307
Finance Cost	3	3	4	5	6
PBT before Excep. & Forex	1,705	2,232	2,685	3,384	4,198
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	1,705	2,232	2,685	3,384	4,198
Taxes	434	566	677	853	1,058
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	1,272	1,666	2,008	2,531	3,140
Adjusted Net Profit	**1,272**	**1,666**	**2,008**	**2,531**	**3,140**
Net Margin	52.6%	53.6%	50.7%	50.9%	51.1%
Diluted Share Cap. (mn)	128.4	127.8	127.8	127.8	127.8
Diluted EPS (INR)	**9.9**	**13.0**	**15.7**	**19.8**	**24.6**
Diluted EPS Growth	67.6%	31.6%	20.6%	26.1%	24.0%
Total Dividend + Tax	771	895	1,606	2,025	2,512
Dividend Per Share (INR)	6.0	7.0	12.6	15.8	19.7

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	1,795	2,095	2,497	3,003	3,631
Share Capital	128	128	128	128	128
Reserves & Surplus	1,667	1,968	2,369	2,875	3,503
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	0	0	0	0	0
Def. Tax Liab. / Assets (-)	-6	-46	-46	-46	-46
Total - Equity & Liab.	**1,789**	**2,049**	**2,451**	**2,957**	**3,585**
Net Fixed Assets	79	72	110	130	152
Gross Fixed Assets	173	153	218	273	338
Intangible Assets	0	2	2	2	2
Less: Depn. & Amort.	94	83	111	145	188
Capital WIP	0	0	0	0	0
Investments	2,276	2,340	2,339	2,339	2,339
Current Assets	1,028	936	1,590	2,426	3,429
Inventories	0	0	0	0	0
Sundry Debtors	263	275	398	446	597
Cash & Bank Balances	485	408	869	1,575	2,333
Loans & Advances	28	1	1	1	1
Other Current Assets	252	252	322	404	498
Current Liab. & Prov.	1,594	1,299	1,588	1,939	2,335
Current Liabilities	863	373	419	483	547
Provisions & Others	730	926	1,169	1,455	1,787
Net Current Assets	-565	-363	2	487	1,094
Total – Assets	**1,789**	**2,049**	**2,451**	**2,957**	**3,585**

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	1,705	2,232	2,685	3,384	4,198
Depn. & Amort.	20	22	28	35	43
Net Interest Exp. / Inc. (-)	-80	-183	-194	-244	-301
Inc (-) / Dec in WCap.	1,126	-306	97	220	151
Others	-2	30	0	0	0
Taxes Paid	-439	-592	-677	-853	-1,058
Operating Cash Flow	**2,330**	**1,202**	**1,939**	**2,543**	**3,033**
Capex	-27	-15	-65	-56	-64
Free Cash Flow	2,303	1,187	1,873	2,487	2,969
Inc (-) / Dec in Investments	0	0	0	0	0
Others	-1,084	121	198	249	307
Investing Cash Flow	**-1,110**	**106**	**133**	**193**	**243**
Inc / Dec (-) in Capital	0	-472	0	0	0
Dividend + Tax thereon	-835	-895	-1,606	-2,025	-2,512
Inc / Dec (-) in Loans	0	0	0	0	0
Others	-13	-18	-4	-5	-6
Financing Cash Flow	**-848**	**-1,385**	**-1,610**	**-2,030**	**-2,518**
Inc / Dec (-) in Cash	**371**	**-77**	**461**	**706**	**758**
Opening Cash Balance	114	485	408	869	1,575
Closing Cash Balance	485	408	869	1,575	2,333

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	52.6%	53.6%	50.7%	50.9%	51.1%
Asset Turnover (x)	1.2	1.3	1.6	1.7	1.8
Leverage Factor (x)	1.2	1.2	1.1	1.1	1.1
RoE	80.6%	85.6%	87.5%	92.0%	94.7%

Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	14.0	16.4	19.5	23.5	28.4
ROIC	0.0%	0.0%	0.0%	0.0%	0.0%
ROE	80.6%	85.6%	87.5%	92.0%	94.7%
Net Debt/Equity (x)	-1.5	-1.3	-1.3	-1.3	-1.3
P/E (x)	65.3	49.7	41.2	32.7	26.3
P/B (x)	46.3	39.5	33.1	27.5	22.8
EV/EBITDA (x)	50.5	38.7	31.6	24.8	19.8
EV/Sales (x)	33.1	25.8	20.1	15.9	12.7
Debtor days	40	32	37	33	35
Inventory days	0	0	0	0	0
Creditor days	64	68	61	62	61

Source: Company, JM Financial

APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081
Member of BSE Ltd. and National Stock Exchange of India Ltd.
SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610
Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.
Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com
Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: sahil.salastekar@jmfl.com
Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: instcompliance@jmfl.com

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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