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FM BOLE TOH Radio City A JAGRAN INITIATIVE

May 29, 2024

National Stock Exchange of India Limited Exchange Plaza, 5th Floor Plot No. C/1, G Block; Bandra (East) Mumbai 400 051			**BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street; Fort, Mumbai 400 001**		
Equity	**Scrip Code**	**RADIOCITY**	**Equity**	**Scrip Code**	**540366**
	ISIN	**INE919I01024**		**ISIN**	**INE919I01024**
NCRPS	**Scrip Code**	**RADIOCITY**	**NCRPS**	**Scrip Code**	**717504**
	ISIN	**INE919I04010**		**ISIN**	**INE919I04010**

Sub: Transcript of Earnings Call for the Audited Financial Results of the quarter and Financial Year ended March 31, 2024

Dear Sir/Ma'am

In continuation to our letter dated May 17, 2024 and May 23, 2024 and pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part A of Schedule III of the Listing Regulation, we would like to inform that the Transcript of Earnings Call held on Thursday, May 23, 2024 at 3:30 p.m. for discussing financial performance of the Company of the quarter and Financial Year ended March 31, 2024, is enclosed herewith.

The aforesaid Transcript is also available on the website of the Company https://www.radiocity.in

Kindly take the above on your record.

Yours Faithfully
For Music Broadcast Limited

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Date: 2024.05.29 15:19:34 +05'30'

Arpita Kapoor
Company Secretary and Compliance Officer

Encl: As above

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RADIO CITY SCHOOL OF BROADCASTING learn from the experts

"Music Broadcast Limited

Q4 FY'24 Earnings Conference Call"

May 23, 2024

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 23rd May 2024 will prevail.

MANAGEMENT: **MR. ASHIT KUKIAN – CHIEF EXECUTIVE OFFICER -- MUSIC BROADCAST LIMITED**
MR. RAJIV SHAH – INVESTOR RELATIONS TEAM -- MUSIC BROADCAST LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Music Broadcast Limited Q4 and FY '24 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashit Kukian, CEO from Music Broadcast Limited. Thank you, and over to you, sir.

Ashit Kukian: Thank you. Good afternoon, everyone, and thank you for joining the Q4 and FY '24 earnings call for Music Broadcast Limited. Joining me on the call is Mr. Rajiv Shah from our IR team and our Investor Relations partner, Strategic Growth Advisors. I'm pleased to share the financial outcomes of our company for Q4 and FY '24 with you.

FY '24 was a remarkable year for us, characterized by robust growth in both top line and profitability metrics. Our Revenues surged by 15%, driven by strong market demand and effective execution of strategic initiatives. This growth trajectory underscores our unwavering commitment to promoting innovation and excellence in our operations.

We are delighted to report a significant expansion in EBITDA by 31% accompanied by an improved EBITDA margin of 24.6%. This remarkable achievement reflects our relentless focus on enhancing operational efficiency and implementing rigorous cost management initiatives. We remain committed to sustaining this momentum and further optimizing our operational processes to drive profitability.

One of the key highlights of FY '24 was the substantial increase in inventory utilization reaching 78% compared to 63% in the previous year. This underscores our commitment to optimizing resource utilization and enhancing operational effectiveness. We will continue to prioritize resource optimization initiatives to maximize efficiency and profitability across our operations.

Throughout the year, we executed a range of strategic initiatives to fortify our position in the radio industry. Our comprehensive omnichannel framework enabled us to deliver its extensive reach of our networks, delivering optimal value to our clients. The successful launch of Radio City on JioTV and the introduction of RC Studio as a 24/7 video channel marks significant milestones in extending our reach and providing advertisers with unparalleled opportunities to engage with the nationwide audience.

This initiative will be pivotal in bridging the gap between different audience segments and expanding Radio City's reach to a larger demographic, creating a more inclusive and vibrant entertainment approach. We continue to prioritize our digital business, which witnessed impressive growth of 25% year-on-year, a proactive approach to leveraging digital channels for content creation, distribution and engagement underscores the commitment to staying ahead of the curve in the evolving media landscape.

The debut of Radio City on JioTV underscores the commitment to innovation and meeting the changing needs of consumers and advertisers in the digital era. We are pleased to note that Radio City remains the preferred choice for advertisers with 40% of the industry client base, selecting our platform. Additionally, amongst newly acquired clients in the radio domain, 33% has specifically chosen to showcase their advertisements on Radio City. This reflects the strength of our brand and the effectiveness of our marketing efforts in delivering value for our clients.

Looking ahead, we remain committed to driving sustainable growth and delivering value to our stakeholders, by staying agile, innovative and customer-centric, we are well positioned to capitalize on the emerging opportunities and navigate challenges in the dynamic media landscape. We thank our team for their dedication and hard work, and we are confident in our ability to achieve continuous success in the future.

For FY '24, revenue grew by 15% year-on-year to INR228.5 crores, EBITDA grew by 31% year-on-year to INR56.2 crores, while EBITDA margin expanded by 310 bps to 24.6%. Adjusted profit after tax, which is adjusted for interest on NCRPS to the tune of INR7.9 crores stood at INR14.7 crores. For the quarter of '24, revenue grew by 22% year-on-year to INR62.6 crores, EBITDA grew by 52% year-on-year to INR16.1 crores while EBITDA margin expanded by 515 bps to 25.7%.

Adjusted profit after tax, which is adjusted for interest on NCRPS to the tune of INR2.1 crores stood at INR5.1 crores. Our cash reserve stood at INR327 crores as of 31st March 2024. Our liquidity position remains strong. And as stated previously, this liquidity allows us the flexibility to take advantage of the present and prospective future opportunities. With this, I would request the moderator to open the floor for Q&A. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Manan Poladia from MKP securities.

Manan Poladia: So first of all, congratulations on posting a good set of numbers. Sir, my question is with regards to margins, number one, the last two quarters or so, we've had a decent set of margins, about, I think, 13% and 15% or so. Is that the sort of guidance that we should continue going into the next one or two years? Is that continue to be --

Ashit Kukian: We should be. We should be.

Manan Poladia: All right. So that's my first question out of the way. Secondly, you spoke about utilization, right? What sort of utilization do we see in the next year? Can we see the same 10%, 15% sort of growth? Or is that something more that you're looking for?

Ashit Kukian: See there is a 10%, 15% growth is what is available as an opportunity area, and that growth should be there, especially in the smaller markets. We have still scope for growth with the elasticity in the market. So yes, a 10%, 15% growth is something which we can be confident and positive about.

Manan Poladia: Right. And just the last question on the social media end of things, where we've been working quite hard, and that seems to be a next area of growth, right. If you could just give me some colour as to how that is going, what we should anticipate in the next couple of years from that segment?

Ashit Kukian: So yes, very clearly, when you look at it, what we are doing is we are actually following the consumer journey. Now if you today look at the media time spent by consumers, you would find that almost about nine hours to nine and half hours of media time spent is spent. A large part of that is spent on digital media, which includes your social media platforms, your OTT platforms, and that includes your social media platform includes Instagram, Facebook, YouTube and so on and so forth.

So what we are doing is because we have the opportunity with us with the content that we are creating, we are designating those content on third-party platform for monetization like how we have created content and now put on JioTV. If you look at our content distribution, it's not only happening on JioTV, it's happening on JioTV+, it's happening JioTV app and also on the -- JioTV Bharat phone, which potentially allows us to reach to ideally about 475-odd million. That's one part of it.

Apart from that, we're also distributing and planning to distribute both our audio and video content on third-party platforms. So one of the strategies we have adopted is we are very clearly saying that if a consumer is going to consume content in the platforms of his choice, we as an organization will try and distribute our content to those platforms, so the consumer will get the content of his choice in the platforms of his choice.

So yes, you will see -- to just to answer your question, in the next two years, you will see our content distributed across various other platforms. We will be creating -- we will also be expanding our influencer reach out, which we are using essentially with our RJs. And also looking out for aggregating our external influencers and so on and so forth. So yes, there's a lot of excitement for us for the next few years from the digital space.

Moderator: The next question is from the line of Ranodeep Sen from Mas Capital.

Ranodeep Sen: Just wanted to understand, I think pre-COVID 2019 is when we saw peak revenue, I think, standalone INR325 crores, right? And now we are averaging around INR50 crores. And I think this quarter, we've clocked in the 60 -- across the INR60 crores mark. When do we overall get back to the 2019 numbers, any timelines can you share?

Ashit Kukian: See, the whole business mix is changing. If we look at media as a proposition, I think what is more important to know is pre-COVID, there was a different relevance from a media and media consumption perspective. COVID has changed an entire lifestyle and way of consuming media and engagement as far as the consumer is concerned.

So coming back to your question, we are today -- from today's growth rate that we are showing. And if you put an average of 12%, 14%, 15% growth rate. Mathematically, that number is something which we will reach in about two to three years, depending on how well you will do on your future business perspectives.

But if your question is directed towards revenues derived out of radio, then there is a challenge out there because what has happened post-COVID is that the larger markets are still not the -- high yield markets, as I call, has still not deliver the amount of revenues that it used to do pre-COVID both from a volume perspective, even from a yield perspective, and that is a larger challenge the industry is grappling with.

Ranodeep Sen: But do you see the trajectory changing in the coming years or do you think --

Ashit Kukian: It is changing. See, the thing is I would look at this whole business from an opportunity as to are you following the consumer journey and creating value for two of your most important constituents. One is your consumer, listeners, consumers, digital followers and the other is your brands.

So we are rising our journey in the consumer format and ensuring that we reach out to enough number of consumers, interestingly for brands to come and engage with them. And that is if you look at our last two years, we are moving in that direction. So that -- I think it should be a line of thinking that we should look at is that there is a progressive way forward.

Ranodeep Sen: Sure. My second question, sir, from a content strategy perspective and as you rightly mentioned, we should follow the consumer, right? I think gone is that era where entertainment was the only content zone that people used to focus on. I think now two more pillars have been added. One is educational and other is inspiration, right?

And hence, the rise of podcast that are kind of, literally proliferate rate in the coming age. Can you share some thoughts around how are we trying to address this market? Or are we trying to address this market especially the podcast era. So, are we planning to create some new IPs in this space? This yes, can you share?

Ashit Kukian: Of course. In fact, very soon, you will get to hear that we will be having making us -- because as an organization, we have a huge amount of depository of audio content, which is easily formatted as podcast content. And in the past, we have been syndicating content to third-party player. Today, we are looking at distributing it on our own with the amount of content that we have got.

And you are right, apart from entertainment, motivation, a lot of do-it-yourself, finance, travel are subjects which are getting high traction from audio and podcast. And already, we are working on those categories, and those categories are being also built through our radio on air properties and on our digital front. So yes, you will see the podcast from our side being distributed on larger formats, larger platforms for consumers to get to hear our podcasts.

Ranodeep Sen: Sure. And if I can squeeze in one last question. It was great to see 100 million fan base across various social media platforms. Any thought around monetizing this 100 million fan base?

Ashit Kukian: It is. In fact, so all thought of processes about monetizing your reach to the digital world and your radio. So, for us, what we are today doing is we are giving a holistic combination to our brands. We are giving the brand the reach on radio, which is the large reach that we use through our Tier two, Tier three city reach, we do a lot of experiential engagement on ground with the various events that we are doing.

And lastly, given the fact that there is a large amount of time spent on digital, we are combining all this and giving a holistic property. And hence, the reaching only increase, with the efforts that we are putting on content across social media platform our reaching only increase and advertisers want that reach.

Like for example, when we use a combination of influencers both internal and external, that is a reach that those influencers bring on to the table, which the brand wants to engage with. So yes, we are monetizing it. Today, if we look at our close to about INR 19-odd crores we have done, a large part of that is coming from monetizing that reach that we are giving to the brands.

Moderator: The next question is from the line of Parimal Mithani from Credential Investments.

Parimal Mithani: Just wanted to understand, sir, going forward, how do you see your business both in terms of advertising, content creation and social media. If you can give a rough idea in terms of how do you see the business?

Ashit Kukian: See, there are three parts to the whole -- I mean, the growth of this organization is poised amongst the various parameters that we are working on. One is, of course, the core radio as a business that we are talking. The second is, of course, the difference that comes in with the ongoing activations and events that we do. And third is the digital foray of the organization. So slowly, right now, we are at about 9% of our revenues coming from digital that over a period of time will change from our percentage from 9% to 15% to 20% as life progresses.

Our dependability on core radio will drop down from what that 80%, 85% today, it is towards 65%, 70%. And of course, the newer formats of initiatives of revenues that we are doing, that all put together will take the organization forward. The mix, to my mind, will be a mix of radio all other things, which is on ground, NFCT, as we call non-FCT revenues and digital as a part of the whole advertising mix that we'll offer, to brand and our revenue mix will also be similar.

Parimal Mithani: Okay. And sir, in terms of JioTV, which you mentioned, so what is the revenue model and how does it work out for maybe if you can tell us?

Ashit Kukian: So, right now, we have -- like I told you, we are potentially reaching to the number of audiences that I have already told you, there are two ways of revenue model. One revenue model is, of course, on through your channel, whatever reach you are developing, we can get brands to advertising like any other television ad happens in audio video channels, right? So that is the reach and we're guaranteeing reach and engagement in that particular channel of yours.

Today -- tomorrow, if we really want to go beyond the reach that your channel delivers on JioTV. But you want to reach out to the larger JioTV audience, with the JioTV sales team, he can even get that reach got to our brands with a -- through a single-point access so that is the opportunity that we are talking about. And here, we are talking about data and numbers from a sheer consumer reach, what brands are actually looking out for.

The other part is, of course, the creative way of giving solutions to clients, which begins with understanding the brand, creating the brand story and creating a story around it and disseminating it across various platform for consumers to engage the same content in various mediums and give that whole combined media multiplier effect as an advertiser to brands.

Moderator: The next question is from the line of Rishikesh from Robo Capital.

Rishikesh: My question is with respect to the yields. So --

Moderator: Sorry to interrupt you, sir. May I request you to please use your handset.

Rishikesh: So my question was with respect to the yields. So what were your -- the radio yields for quarter 4? And what would be that compared to pre-COVID levels?

Ashit Kukian: See, we will be around approximately around 85% of our pre-COVID levels yields, and that is -- and the industry will be around 80%, 85%. So it's a challenge which I addressed because the larger markets are not firing, which contributed to a larger part of the yield, which is your core market -- metro market which is suboptimally delivering for the industry.

Rishikesh: And what was the -- what would be your EBITDA margin guidance for FY '25 as well as FY '26?

Ashit Kukian: See, the operating margin has been around 15% for the year, and we should only improve from the current 15% depending on how the various efforts that we are putting from an efficiency to add up to the margins.

Moderator: The next question is from the line of Rajvi Shah from Bright Securities.

Rajvi Shah: I just had two questions. The first is in Q4 FY '24, revenue grew by 22%. So can you discuss on how much the government has contributed in that growth?

Ashit Kukian: See, roughly around INR8 crores to INR9 crores of additional revenues would have come from government. So INR62 crores is what we have done to take that thing off, we are still talking about our INR53 crores, INR54-odd crores coming from the regular business.

Rajvi Shah: So I had just one more question, that is how is the demand for government advertising for the April to June quarter?

Ashit Kukian: See, the April to June quarter, we'll have a -- swell from a political part, but that has been muted for the reason that the political scenario has been different. But yes, the contribution of political will increase the first quarter results, the net margin, but however, we would have -- it would have been far more if it will be a regular election year from all parties advertising.

But having said that, we are -- and we will be gunning for the numbers that we are looking at irrespective of the political spending as much or not.

Moderator: The next question is from the line of Payal Shah from Billion Securities.

Payal Shah: I have two questions. Firstly, what are the new ideas you are implementing on the digital side and influencer marketing?

Ashit Kukian: So two ideas, it's a continuous process to address your question. But of course, so far, we have been effectively using our RJs as influencer. And now we are scaling up across the country. Earlier what we used to do is we used to pick up the popular influencers from our RJ and use them. Now we are using RJs across the country. So that increased the probability of our revenues, number one.

And from case to case, depending on the requirement of the brand because we now seemingly influence the marketing ecosystem. We are also using external influencers, depending on the brand's requirement and taking that as a package when we are giving to advertisers and making additional revenues out of that. So that's the one part.

The other is, of course, with the kind of content that we are creating that since we are digitally focused now, there's a lot of increase of our efficiencies and content on Instagram, on FB, on YouTube which will have one, of course, YouTube and all will give you the indirect revenues. The direct revenues will be clearly brand engagement that we create and the various content solutions with the brand that we do in each of the social media platforms.

Payal Shah: Sir, my next question is have the ad rates come to pre-COVID level? Or they are still recovering to the --

Ashit Kukian: Just about five minutes back, I replied the question saying that we still at 85% of its yield levels. So it has not come to pre-COVID level, and it will take a while for that to come across because it's something, like I said, it's an industry phenomenon right now.

Moderator: The next question is from the line of Ravi Shah from Opal Securities.

Ravi Shah: Sir, one question is on the JioTV. Can you discuss this partnership in a little detail? And like what is the potential you can see from this business as a whole? And what are your plans for this going forward?

Ashit Kukian: So the potential is huge. Is anything -- any advertiser who wants to reach out to a digital audience, I've shared the number that it is given. So obviously, it is a digital reach that JioTV brings in. What it gives us is that it gives us a newer format to engage with our consumers beyond conventional radio and social media platforms.

So you are now also that in the streaming platform. So yes, the potential is what we are right now navigating about from a digital reach to address that from an opportunity perspective, we all know that in a landscape of INR117,000-odd crores, 50% of revenues is digital. Advertising expense is on digital. So yes, that gives us the potential, now depending on what is performing from a product perspective on the channel, we will construct our revenue plans accordingly.

Moderator: As there are no further questions, I would now like to hand the conference over to Mr. Ashit Kukian for closing comments.

Ashit Kukian: Thank you. We sincerely value active participation in today's earnings call, recognizing the evolving media presumption at least of the Indian audience influenced by the diverse range of content of options presented us opportunity for the radio industry to integrate digital platforms while upholding radio as its primary business functions.

Our continued focus is on propelling the digital landscape forward by utilizing resources and relationships to provide maximum value to our customers. The presentations, earnings release and results are all available on the corporate website and stock exchanges. If you have any further inquiries, please get in touch with any one of us or with Strategic Growth Advisors, our Investor Relations partners. Thank you.

Moderator: On behalf of Music Broadcast Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.