May 9, 2024

BSE Limited, Rotunda Building, P. J. Towers, Dalal Street, Fort, Mumbai- 400001	**National Stock Exchange of India Limited,** Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

BSE Scrip Code: 532700/ Symbol: ENIL
Sub: Transcript of the Investors' call FY24

Dear Sir/ Madam,

Please find enclosed herewith the transcript of the Investors' Call / Earnings Conference Call - FY24, held on May 4, 2024.

The same has been uploaded at:
https://www.enil.co.in/stock-exchange-filings-fy2025.php

and

https://www.enil.co.in/financials-investorp-fy2024.php

For **Entertainment Network (India) Limited**

Mehul Rasiklal Shah

Digitally signed by Mehul Rasiklal Shah
Date: 2024.05.09 14:43:59 +05'30'

Mehul Shah
EVP– Compliance & Company Secretary
(FCS no- F5839)

Encl: a/a

"Entertainment Network (India) Limited

Q4 and FY '24 Earnings Conference Call"

May 04, 2024

MANAGEMENT:	**MR. YATISH MEHRISHI – CHIEF EXECUTIVE OFFICER – ENTERTAINMENT NETWORK (INDIA) LIMITED** **MR. SANJAY BALLABH – CHIEF FINANCIAL OFFICER – ENTERTAINMENT NETWORK (INDIA) LIMITED**
MODERATOR:	**MS. RUNJHUN JAIN – E&Y, INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day, and welcome to Entertainment Network (India) Limited Q4 and FY '24 Earnings Conference Call. As a reminder, all participants' lines will be on 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 Ms. Runjhun Jain from E&Y Investor Relations. Thank you, and over to you, Ms. Jain.

Runjhun Jain: Thank you, Sagar. Good morning, everyone. Welcome to the Q4 and FY '24 Earnings Call of Entertainment Network (India) Limited. To take you through the results and answer your questions today, we have management team from the company here represented by Mr. Yatish Mehrishi, Chief Executive Officer; and Mr. Sanjay Ballabh, Chief Financial Officer. The financial results and the presentation have been uploaded on the company's website and on the exchanges. Should you need any further information, you can reach out to us at EY IR team.

Before we proceed with this call, a disclaimer, please do know that anything set on this call during the course of the introduction and in the document, which reflects the outlook towards the future should be considered as a certain forward-looking statements, must be viewed in conjunction with the risk that the company faces and may not be updated from time to time.

With that said, I will hand over to Mr. Yatish.

Yatish Mehrishi: Thank you, Runjhun. Good morning, ladies and gentlemen. On behalf of Entertainment Network (India) Limited, I extend a warm welcome to all of you for joining our Q4 and FY24 earnings call. First of all, thank you for joining us on a Saturday. I trust you had the opportunity to review our financial results. Please allow me to provide a brief overview of the same. I'm delighted to share that our strong performance continued during the Q4 FY24 as well. The results reflect our persistent efforts towards growing the business profitably.

Before we move into financial specifics, I would like to highlight that as per Ind AS 103, Business Combinations, our financial information for comparative periods have been restated to incorporate results from the earliest period of the acquired business. The impact of this restatement is detailing Note #6 of Regulation 33 disclosure. To help our investors understanding, we have included a condensed statement of operations in our investor presentation prior to the restatement.

During the quarter, our overall top line registered a strong growth of 42.4% YoY at INR149.3 crores, solidifying our commitment to innovation and customer needs. Both our segments, FCT and non-FCT, reported a robust growth of 26.4% and 48.1%, respectively. EBITDA for the quarter, excluding the digital and Gaana business, stood at INR36 crores as compared to INR23 crores in the previous year. This is translating to EBITDA margin of 27% for the quarter, which is an improvement by 400 basis points year-on-year.

FCT segment continues to exceed industry benchmarks underscoring our leadership position, both in volume and value. In the quarter, our volume market share rose to 25.9%, marking a significant improvement of 190 basis points year-on-year. The non-FCT segment observed a commendable 48.1% growth in quarter, marked by the return of our marquee hold properties like SBI Green Marathon, Spell Bee and others. Alongside revenue growth, we achieved impressive growth gross profit margin of 39.1% and an EBITDA margin of 25.5% in the non-FCT business.

Regarding FY '24 figures, at a full year level, the company achieved a consolidated revenue of almost INR500 crores. For our domestic operations, excluding digital and Gaana, our revenue stood at INR453.7 crores in the year compared to INR412.6 crores in the previous year. Furthermore, in FY '24, we reported an EBITDA margin of 27.6%, marking an improvement of approximately 500 basis points from the previous year. Additionally at the full year level, our non-FCT business maintained a gross profit margin of 47.6% and an EBITDA margin of 33.6%.

The strong top line growth and substantial improvement in EBITDA led to a remarkable boost in the PAT, which has moved from INR17.7 crores in the Q4FY24 from INR4.9 crores in the Q4 FY23. Post-COVID, for the first time, we have reported net profit in all quarters, which has led to remarkable improvement in the PAT during the financial year '24 at INR50.6 crores from INR2.34 crores in FY '23.

Regarding our digital endeavor, we have significantly bolstered our efforts following the acquisition of Gaana. In the quarter FY '24, our digital revenues amounted to INR20.3 crores, representing almost 24.4% of our Radio revenues. Throughout FY24, our digital revenues totaled INR47 crores, accounting for 15.3% of our Radio revenues.

We are actively working towards making ENIL as a complete media entertainment company from just being a radio company. Another heartening development is that our international market turned positive during FY '24 and reported an EBITDA of INR 7.4crores. I'm also happy to announce that our Board of Directors has proposed a dividend of INR1.5 per share. In conclusion, our primary objective remains maximization of shareholder value on the back of sustainable growth and profitability.

With that, I would like to invite any questions you may have. Thank you very much.

Moderator: Thank you very much. The first question is from the line of Sunit Majumdar from Elara Capital. Please go ahead.

Sunit Majumdar: So I had a two-part question. Firstly, could you share how much was the revenue for Gaana in Q4 FY '24 and in FY '24 overall? And secondly, where is the revenue being reported and in which segment is the Gaana right now?

Yatish Mehrishi: Okay. Do we answer this? Or you have another question also, Sunit?

Sunit Majumdar: No, I'm done with my part.

Yatish Mehrishi: Okay. So as we had last -- in the last meeting also we said we acquired Gaana only in December, so it's a 4-month revenue. And our 4-month revenue clocks about INR12.83 crores and reported part of the digital segment.

Moderator: The next question is from the line of Prashant Apshinde who's an individual investor. Please go ahead.

Prashant Apshinde: This is Prashant. Could you elaborate about the Saudi's plan in more detail? And also, what's the company's policy going forward for the digital revenue? Do you have a specific plan for digital revenue to increase, so please elaborate on this?

Yatish Mehrishi: As I understood you, the first question was you wanted to know about the Saudi plan, and the second was on the digital plan, correct?

Prashant Apshinde: Yes.

Yatish Mehrishi: So on the Saudi plan, we have got into a partnership with one of our partners there who has acquired radio licenses. So we are in the midst of now evaluating and running the stations there. So we're setting up radio stations in Saudi Arabia. The way we look at it, Saudi Arabia is one of the largest economies, which will grow in the next few years, and we are very excited about it, not just on radio revenues but if you look at ENIL business, it's not radios, so we are very excited about radio, events and digital business there.

So it's in the initial stages. As we go along in the coming quarters we'll have more detailed discussion on Saudi. It's still -- yes, we're going -- yet to sign. We have done a first level of interest in the Saudi partner, where we believe as the business, as an entertainment business in Saudi looks very exciting. And so we are very keen about it.

In the coming quarters, we'll be able to share much more information on the Saudi operation. But having said that, as I said, it's a very exciting market to be in. So we look forward for that market penetration. On the digital side, our commitment to transform ENIL from just being a radio company to a multimedia company remains steadfast. In that line, if you look at we acquired Gaana, which is a music streaming service, and we have been very, very careful about that. We are very sincere about how do we look at the business. And as I say, our commitment is always profitable growth.

So for Gaana, that we will look at is going to be a pure subscription service and not a free service. Coming from 2 decades of music curation experience in this country, ENIL has been the foremost player of curated music and play music where people discover music in India. So from being a terrestrial radio company and also having an online presence on music, we are in the best available space to garner more and more share of the audio entertainment space in India.

So from our perspective of digital, we have multifold strategies. One is the acquisition of Gaana, which has led to playing music online and it's a pure play subscription business. The other is we also believe our influencer marketing and our Mirchi Plus social media assets, which also helps us in driving our digital growth. So the way we look at our strength of 300 content people across the country, while we understand nuances of different parts of the country and we understand languages also, and our content people across the market helps us to devise new and new content strategy, which is pure digital led and acquire revenues for it. So from a perspective, we say it's a mix on digital, both on video content and music streaming service. Does that answer, Prashant?

Moderator: The next question is from the line of Sneha Jain from SKS Capital.

Sneha Jain: I just wanted to ask, I mean, what would be the future growth drivers for the industry, like which segments are we looking from real estate? And probably, we'll see a decline in the government advertising. So what do you think is the trend going to be in the near term future?

Yatish Mehrishi: Sneha, if I understand, you meant only the business of radio, correct?

Sneha Jain: Yes, yes.

Yatish Mehrishi: So yes, you're right, government spend increased prior to the central elections, but that's from a central government point of view. We believe the state governments are also active and the re-elections are happening across the year. So if you look at this year, you'll have Maharashtra elections and other state elections also coming in and all state governments now spend.

So yes, there has been -- there will be some drop from the way a central government spend money in the last year of election compared to a first year after election. So there will be some drop in it. But I believe there will be some bit of compensation from the state government also.

Coming to other categories, we are very buoyant about real estate, BFSI, a couple of categories, which are very, very active. And as we've been telling in the last 4 quarters, radio business has moved towards more on the retail side than corporate. So the short term business has also increased. The contribution of retail clients has now increased to almost 65%. Good part about radio industry is, it's never been dependent on one specific category. Our busiest category has never been more than 10% or 12%. So even if the way we look at India as the case of recovery and all, there are some sectors which would always keep firing for the radio industry.

So I don't see any reason for worry on the growth part. Only thing is it's going to be a volume led growth rather than what we would have ideally desired to be a price-led growth. We have enough headroom available for volume to grow, and we've been increasing our market share. And being leaders, we'll be -- we are best placed to garner more market share also and also look at very positive about the growth in the radio industry.

Sneha Jain: And so except for radio, what do you think would be the other growth driver for the company?

Yatish Mehrishi: So multiple things. If you look at our non-FCT business, it's generally very H2 specific, the events activation business, which is generally very heavy on the second half of the year. And you would have seen our quarter 3 and quarter 4 results, we've done really, really well. So we remain very, very optimistic. All the reports suggest the event activation business will outgrow the traditional medium growth. We do almost about 250 events in a year. So we're very positive and optimistic of the event business, but that has a skew over the H2. So if I look at a full year basis, yes, the event and activation business is also one big lever where we believe there will be a lot of growth opportunities for us.

Sneha Jain: So the event business would be around, I mean, approximately 10% to 12% growth that you're seeing?

Yatish Mehrishi: Yes, easily on that part. It will outgrow the traditional medium growth.

Moderator: The next question is from the line of Ketan Athavale from RoboCapital.

Ketan Athavale: I wanted to know a bit more on the radio yield part. So how were the yields this quarter? And when do we expect them to recover? And secondly, I also wanted the revenue and margin guidance for FY '25 and FY '26.

Yatish Mehrishi: Okay. So the way we look at -- thanks, Ketan, for the question. So the yield has improved this quarter, but that's been largely driven by the political advertisement and some government advertisement. Unfortunately, we believe the yields will stay -- good part is it's not further dropping. So it's now stabilized at a level over the last 4 quarters, and we believe same thing will continue for the next 2 quarters, which is quarter 1 and quarter 2.

We see some price hike happening in the festival period. Generally, media pricing happened -- it's a supply and demand case. The pricing yield will depend on that. And we believe some bit of pricing hike happening in the second half of the year. In the first 2 quarters, we don't believe there will be much price change. It's generally a slow quarter in the first half of the year. So that's one part.

We have been -- coming to your second question on guidance. We generally don't give guidance, but if you can look at from our fourth quarter, we've been very focused on profitable growth. I mean we have been improving our margins quarter-on-quarter. And if you look at FY '23 versus FY '24, our margins have improved.

So our constant endeavor towards team has always been gunning for profitable growth and not just plain vanilla growth. So that objective will always remain for us. As we do our existing business of radio, events and multimedia solutions, and while we drive growth from our digital endeavor of Gaana and other digital opportunities.

Moderator: The next question is from the line of Shikhar from Vivog Commercial Limited.

Shikhar: Just want to understand how would you see your capacity utilization from radio stations currently?

Yatish Mehrishi: Thanks, Shikhar. I think the way we look at -- we are well placed. We have enough radio inventory available compared to any of the radio -- any of our radio competition. We are, right now, at an average of 10 minutes of inventory in the peak season also. So we have enough and more room available for volume growth compared to any of the players. Because as a premium player and as a leader, we have always been cognizant of the FCT versus the music play out. And that's the reason over the 2 decades, we have always believed in playing the right amount of inventory.

Unfortunate because of the volume-led growth, there is some bit of yield volume available and that's the reason we are in the best space. We believe other radio players have already maxed out on inventory. And that's the reason it will play out in the H2 also where we see some price growth also happening because of that reason. But having said that, your company ENIL has enough volume headroom available for growth.

Shikhar: Okay. And what kind of growth are we looking for like FY '25 in this traditional radio business, the volume growth and how much price growth we're expecting?

Yatish Mehrishi: Shikhar, as we said, we don't give any guidance. But if you look at it from a market -- the way the Indian economy looks like, we are very, very optimistic about the growth, both on radio -- both on FCT and our non-FCT business. We remain very, very optimistic of the growth. We don't -- and traditional media will also have a -- everybody was saying this year, traditional media will not grow. But you have seen the growth, we've delivered a 10% growth on FCT also this year. So we have remained very optimistic on the India story, the consumption story across the market, and that's what we believe in.

Shikhar: So in this quarter, like how much of this incremental growth came because of elections and how much came from the part of the business not related to the elections, the advertisement?

Yatish Mehrishi: Elections was very few because the elections got announced only in the end of March. So there were only some bit of elections in the quarter. Largely, it was driven by government business. In a way, it will contribute about almost 27% to 28% of our revenues, but that happens in any quarter -- preceding quarter of elections generally. It's not that the other business was not coming in because we cap inventory, so we take the right business. And as election and government inventory comes at a better yield, we prefer that business. So the contribution always goes up in the quarter.

Shikhar: Okay. So I'm just trying to say if elections would not have happened, we would have still give -- I mean, the numbers would have been more or less the same, like we would have done other ads instead of the government spending...

Yatish Mehrishi: More or less, you are right.

Shikhar: Okay. And what was the spending like in quarter 3 for the government spending? What was the government spending in quarter 3?

Yatish Mehrishi: See, the way we look at is government, over a year, has been almost about 10% to 12% business coming to the industry. It has fallen down in quarters -- in the previous year. This last -- if you look at just quarter 3 and quarter 4, it's almost about 10% contribution to the radio business.

Shikhar: Okay. Got it. And for the digital business, how do we look at it? So is it breakeven right now? Or we are still at losses at EBITDA level for the digital part of the business?

Yatish Mehrishi: See, we acquired Gaana just 4 months ago, as I said, from December. And as I said, it's going to be a subscription-led business. We stabilized the business. We believe Gaana will become breakeven in 2 to 3 years' time. Until that time, it's going to be an investment. I don't see it as a loss, but it's an investment in a product, which we believe will deliver great results for us as a company.

Shikhar: Okay. So that's the Gaana part of the business. But what about except Gaana, the other digital part of the business? Because Gaana did INR4.83 crores. Except that we did, I think, around INR34 crores in digital revenue, if I'm not wrong.

Yatish Mehrishi: Yes. So the way we look at it, there are multiple things in digital. I was telling about the Gaana, the major losses or the investment goes in the Gaana business. The other business is largely profitable because it comes as part of our digital offerings of affiliate revenues from YouTube, Instagram and all, so there's no loss. It's more of how do you leverage your social media assets? How do you leverage your RJ and influencers? So that is always there.

We do a lot of original content, which we have been doing over the years of like a Kareena Kapoor Khan show or a Gauri Khan show where we make revenue out of sponsorship and the digital revenues. So those businesses are generally profitable. It's the investment and if you look at Gaana came in December, before that, we had a Mirchi Plus as our platform, which was also an investment phase.

With Gaana coming in, that platform becomes one platform only. So it's not going to be -- the loss is not going to be Mirchi Plus and Gaana. It's just one platform now. And we believe in the same investment, we'll have a better product, which is audio stories, podcast and music, combined with our reach across the country, it's a much better product and we are well placed. So the investment is going to remain specifically only on Gaana.

Shikhar: Okay. So what I'm trying to understand as an investor, because digital, we have been investing for the past 3 - 4 years, if I'm not wrong. And so I understand digital business first requires a lot of investment, and then it gives you a kind of a J-curve type of return. So I mean when will be that phase when we stop investing and we start monetizing the kind of things we have built, the type of subscriber base on YouTube we have built and maybe the music library which you are building in Gaana. So when will we start monetizing it actually? When will it start to get reflecting in numbers?

Yatish Mehrishi: Shikhar, if you look at a couple of things. One, we started pure investment digital only 2 years back and not 4 - 5 years back. So 2 years back, we started our Mirchi Plus app. So that's one point. The second point on Gaana, we have a stable base of subscribers, the paid subscription business. We believe we need a couple of years to market it because the product was not marketed. It's been out of sight. It's a great brand, a lot of brand salience which is there. If you -- the search optimization of Gaana is very, very strong.

So 2 brands, ENIL and Gaana coming together, it's a great partnership to be in. It will take a couple of years to invest into it to breakeven. So our assumption is between 2 to 3 years, Gaana on a self model also will become profitable. But we have enough avenues available to sustain it.

As I said, you have to get your tech right. So the investment on tech it's a dynamic product to invest in tech. Content was not there, so the content cost is going up. So there is tech cost, carrycost of cloud and all. So for the next 2 years, we believe there will be some investment. And in 2 to 3 years' time, Gaana on its own will become profitable or breakeven.

Shikhar: Got it. And do you plan to start acquiring more things? Like the way we acquired Gaana, do we plan to acquire certain bookings or Mirchi Plus and Gaana will be enough for the next 2 - 3 years and then we'll plan to monetize them later, like what's the plan?

Yatish Mehrishi: See, the way we look at it, we have enough on the plate right now, but any interesting opportunity comes in you always look, evaluate it. So it's not that we've closed our ears completely. But you are right, with Gaana, with our non-FCT strategy and the radio growth, we are well placed for it. But if any interesting opportunity comes in, we'll always evaluate it for sure.

Moderator: The next question is from line of Dhwanil Desai from Turtle Capital.

Dhwanil Desai: So my first question is, you said that the FCT business grew by 10% this year. So two parts to the question. One is, going forward, how do you look at the industry growth? How should we think about it, let's say, GDP growth at 6% - 7%? And so media investment within that radio, how will it grow? And within that, Mirchi doing a 25% - 26% market share. How do we intend to grow? I'm not saying that next year, I'm saying over the next 2 - 3 years, how should we think about it?

And second, you mentioned that we are currently at 10 minutes inventory utilization and in the past cycle, we have gone up to 13 - 14 minutes kind of a number. So given that, how should we think about pricing part? Because generally, in the last cycle, we were the market leaders and we were the ones who were leading the price or yield improvement. Now we have enough inventory. So are we the ones who are going to be following that yield improvement again? Some light on that.

Yatish Mehrishi: Okay. So on the FCT growth part, yes, we had a decent growth this year, which is led by volume and market share. So it's not just the industry growth, which is helping us to grow 10%. We had outgrown the market -- overall market also.

From a radio industry point of view, if you look at, the way I look at the media industry in two parts, there's the digital and there's traditional. When you combine both, then you always feel radio industry or traditional media industry is not looking so rosy. But from a traditional media industry per se, the radio industry has remained constant as the contribution. And we believe a 5% to 7% CAGR for the next 5 years should not be soon.

Anywhere in the world, if you look at U.S. or -- radio industry has remained steadfast with that. Yes, it's not the golden period of double-digit CAGR for the next 5 years, but a 5% to 7% industry growth for radio should remain. The way we look at industry and market leaders is, yes, in the near future is going to be a volume-led growth, and also for us, as Mirchi, the growth will come from market share gains also. And that's what you have seen in the last 1.5 years, our market share improved drastically, both on volume and value. On pricing -- so that's on the -- our guidance or I'd say, my humble estimate of the radio industry for India would be.

On your second question on the pricing part, we remain still the premium player. Pricing is governed by market factors also. You might want to drive your product at a certain level, but there is a volume and the supply and demand case also. So in the market, demand is a little bit not very, very buoyant. You look for market share gains. So there is some bit of yield, which has dropped down post-COVID and it's taken time to recover.

But as I said, we believe some bit of price correction will happen in the next festival period. So maybe 2 quarters down the line, it will happen. It's unfortunate, nobody likes just a volume-led growth, but the pricing is a function of many things. It's not just a uniform price across markets. It's not one India price. Every price for every station is different. There are many factors of prime time, non-prime time, weekends, weekdays. So it's a complex thing, it's not like other telecom products where you have one standard pricing. So it has multiple factors.

But having said that, we are market leaders, we are a premium player. Our pricing premium still remains very high compared to any of the competition. And we are committed to it. As we see post-elections, the India story will come out much better and all the growth factors we look at, the GDP growth, the economy is doing well and the demand coming back across sectors, we'll see the price rise -- the yields improving much more.

Dhwanil Desai: Right, Yatish. My question was more towards that since we have inventory and room for volume growth, is it that some other players will start that pricing improvement? Is it dependent upon they doing it? Or do you also think that if the demand comes back and we still have room to increase volumes, we may still be able to increase pricing? So that was the context of the question.

Yatish Mehrishi: Dhwanil, if you look at in our history of 2 decades, we have been always been very cognizant, as I said, between the advertisement to the music play out. People come to radio to listen to music, correct? As a part of it. You have to be cognizant of the fact that that's what for the last 2 decades, our DNA has been very clear that the consumer and the listener comes first. So our -- the ratio of FCT to songs has always been right.

In tough times where inventories are not -- when the demand has not been great, we do some bit of relaxation of inventory. But we are always very cognizant of that fact. It's not dependent on competition. We have our own internal guidelines. So that's the reason we are leaders in listenership and revenue primarily because of that. That we run less ads, we are a premium radio station and we command a higher price. So we are not dependent on others. It's market factors and end-to-end objectives of market share gain that which leads to it. It's not a function of just looking at competition dropping price or competition improving the price. It's multiple factors. Having said that, being leaders, we will drive the price increase in the industry.

Dhwanil Desai: Okay. Got it. And second question on the digital side. So you talked about you being in investment mode and will remain like that for next 2 - 3 years. So for thinking about this, do you guys have any kind of a number earmarked or a feeling beyond which you would then not invest? Because the concern from the investing side is that whatever profit that we generate in the radio, if we continue to invest higher and higher amount on the digital side, then the actual profitability may not show in the interim. How do you guys think about it?

Yatish Mehrishi: So the way we look at it, if you look at the industry, everybody intends to become a multimedia company. So when you look at traditional and digital. If you don't play both the games of tradition and digital, that's not the right way to look at it. In a technology-impacted, digital-impacted world, you have to be playing both. You have to be playing both. So the way we look at, yes, radio remains a cash cow for us, and we will drive our profitability from there being very efficient and being market leader. That will be there.

But being a future-looking company and making our company future-centric also, digital plays a large role. We are very cognizant of the fact how much we invest in it. And if you look at a 2- to 3-year horizon in a digital industry, investment for 2 - 3 years, we believe it's not very, very high. And if you look at revenues also coming from Gaana in 4 months, we already delivered INR12 crores revenue. It's not that you're building a product from ground zero.

There is a strong affinity to the brand. We understand the music space very well compared to any other competition. So we believe what we have taken on digital side on Gaana, it's just one part of digital. Gaana is not just the only part. But yes, it's one of the main levers of our digital business.

We believe that 2 to 3-year investment horizon is a good-looking horizon to breakeven. In today's time, when you look at all digital startups and all, if you look at from that perspective, we are well placed because we are playing the game to our strength, we understand the Indian market very well, the Indian music choices very well. So combined with technology and human intervention, we are well placed on it.

So our investment bets are looking for 2 to 3 years. We've done only 2 years of it, we pivoted from just being a nonusing cap to now a much more holistic product. And with the horizon of 2 to 3 years, I think we are well placed on it, Dhwanil. It's not very, very -- it's large today. We are cognizant of the profitability part. As I said, it's not just about radio business. But at the overall level, ENIL remains very, very -- we look at profitability at every level.

So from that perspective, I can assure you that from a company's point of view, we will be very cognizant of that fact. But I think for 2 years of investment in digital with the revenue which is already there and with our knowledge base of the country in the music space, we are very, very well placed to deliver more holistic media and entertainment company in the near future.

Moderator: The next question is from the line of Deepak Shankar from TrustLine PMR.

Deepak Shankar: So firstly, from my side, sir, can you split the breakup between the total digital revenues you have given, the INR20 crores, Gaana versus the rest of the number?

Yatish Mehrishi: So on a full year basis, our digital -- you wanted for the quarter or the full year basis?

Deepak Shankar: Quarter.

Yatish Mehrishi: Quarter. So on the quarter, there are about INR20.27 crores of digital revenues. Our platform revenues are INR15.7 crores, and other revenues are about INR4.57 crores.

Deepak Shankar: And what about the multimedia and other solutions?

Yatish Mehrishi: Multimedia solutions, this quarter delivered about INR17.5 crores. And the activation in the events business was almost about INR15 crores -- sorry, INR20 crores.

Deepak Shankar: So this include some part of the digital also?

Yatish Mehrishi: Yes. At the digital component, which I said INR4.5 crores is part of multimedia solutions also. Some part of it is part of multimedia solutions. When I said INR17 crores was full multimedia solutions business.

Deepak Shankar: Yes, sir. So regarding the growth perspective in the digital business as such, so currently, we are doing around INR10 crores of Gaana quarterly and the rest of the business is around INR30 crores. So now how do you see this Gaana business growth over next 2 - 3 years? And how do you see this digital component over next 2 - 3 years, including the other digital business?

Yatish Mehrishi: So Deepak, we have been -- in the past quarters, you would have heard that we are very -- we are gunning to make ENIL as a full multimedia entertainment company. Our radio contribution used to be 65% to 70%. We believe radio contribution will come down in this year and next year to about 50% to 55%. Digital ambition is today -- this Q4, our digital revenues are almost 25% of our radio revenues. So that endeavor will remain this year, for sure.

The way we look at -- I guess we've been speaking, Gaana we look at taking it profitable or breakeven in the next 2 to 3 years. Our aim is going to be that ENIL dependence on just radio remains, if not more and about 50% only. So the way it would be 50%, radio and 50% non-radio, which will include events and digital business also.

Deepak Shankar: Okay. So where I'm coming from this is like radio business is like single digit to all your volume growth, kind of business. And then the other solution part will grow, say, somewhere around 15% - 20%. So how do we see Gaana even much higher than that kind of growth we can assume?

Yatish Mehrishi: See, because it's not digital advertising, it's a digital subscription business, Deepak. It's not your advertising. We do a lot of digital advertising business also separate. But on Gaana specific, it's a subscription business. The way we look at in India, there are 200 million free music subscribers, of which 8 million pay today. If you look at the EY FICCI report, that's the number when you look at how industry point of view.

The way we look at it, there is huge funnel available to acquire more and more subscribers. It is up to individual players to give a better product, better experience to consumer at the right price, will help us drive subscription and drive Gaana revenues. Our numbers, our budget planning on Gaana, we believe in the next 2 to 3 years, will make it profitable at a right price and a subscription base of about 3 million subscribers.

Moderator: The next question is from the line of Deepak Kapoor from Benchmark Capital.

Deepak Kapoor: I wanted some clarification on the published numbers. In the press release and in your earlier remarks also, you allude to FY '24 PAT at INR50 crores. This doesn't match with the P&L. Can you please tell me how this INR50 crores number is arise? Which number is alluded to as PAT?

Yatish Mehrishi: I'll ask Sanjay to answer this.

Sanjay Ballabh: So basically, you have to take care of -- so there is a mismatch, which you are mentioning. I will request you to look from the ad copy part, go and refer to note number 6. See basically, what is happening there because of the application of Ind AS 103, we have to do the restatement of the numbers. That's how the audits and regulations compel us to do.

Now as you must have seen that FY '24 number, we have shown the PAT at INR50 crores. And I will tell you that if you go back to the note number 6, you will find that detailing we have given both the acquisition of the business of Gaana. So the impact of that acquisition, if you deduct it, then we will find out the differential number. It is not a mismatch actually. It is a restatement.

Deepak Kapoor: Okay. So if we remove the impact of restatement, the PAT would be INR50 crores?

Sanjay Ballabh: Yes.

Deepak Kapoor: Also, Q3 versus Q4, there's a jump up on the INR10 crores and other expense. Can you throw some light on this?

Sanjay Ballabh: Yes, sure. I'll do that. just a moment. So major contributor of that increase of other expense cost by INR10 crores is because of the Gaana music cost. So just a small heads up on that. Gaana is a music app, is a platform which helps the listener to listen to his favorite music. Now when we do that, after that, we have to have the arrangement with music labels because in ENIL, we do not own any IPR of any of the music, okay? So these are technically the IPR of the music is owned by all new music labels like Saregama T-Series, Tips, Reliance and everybody.

So now this is the first quarter when you were kind of seeing the impact of Gaana coming to ENIL, both on the side of revenue as well as the cost. Now if we talk about this 10 crores differential, the approximate amount of the content cost due to Gaana would be close to INR7 crores - INR7.5 crores.

Deepak Kapoor: Okay. No. So this is not a one-off. It is likely to be the future of digital content cost plus what you've done?

Sanjay Ballabh: Of course, Deepak. Because if I am taking something on the revenue, I have to take something on the cost relevant component, right?

Yatish Mehrishi: So it's part of the same investment what we are talking about, Deepak, on the Gaana business, on revenue and the cost run. Both will reflect into it.

Deepak Kapoor: Great. That's clear. Just one last question. Did the subscriber numbers for Gaana, did they go up the last quarter? They're stable or which is correct, sir?

Yatish Mehrishi: Deepak, it's too early, as I said it's been December only, if subscriber number is driven by behavior. Initial for the first 4 months, our endeavor has been to make the product better, get all content there, and stabilize the product. Having said that, our subscription numbers have remained stable, which is a good part, and you've seen we have not even started advertising about it, about the product. The whole idea because we believe that it has so much salience available, that remains -- the absolute numbers have remained stable.

Important for us in the last 4 months and in the coming couple of quarters is to get the product, and the tech really, really up there for consumers to see value and have a better experience, both on the music side, recommendation, search, interaction with artist, how do you look at fan clubs. So that's when the endeavor is to be in the immediate future, while we look at building our subscriber base. It's going to be a journey. It's not a quarter-on-quarter number. Yes, everybody wants and we also gun for more and more subscribers. But important is to get your product right, the value equation right for the consumer before you look into market.

Deepak Kapoor: Sorry, just a bookkeeping question. I missed it during the previous conversation. What was the Gaana revenue in FY '24 and in Q4 FY '24?

Yatish Mehrishi: So Gaana revenue total was about INR12.5 crores in the year. And in the quarter was about INR9.5 crores.

Moderator: The next question is from the line of Sunit Majumdar from Elara Capital.

Sunit Majumdar: Yes, my question has been answered, my follow up question.

Moderator: As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Yatish Mehrishi: Thank you, Sagar. Again, everyone, thank you very much for joining on a Saturday. I extend my heartfelt gratitude to each and every one of you for the continued support you have been providing to the company through the years. I would reiterate that the last year quarters have been very encouraging. We remain focused on profitability and maximizing the shareholders well. Thank you very much. Have a good day, guys.

Moderator: Thank you, members of the management. On behalf of Entertainment Network (India) Limited, that concludes this conference. Thank you for joining us. Y aou may now disconnect your lines.