

entertainment network (India) limited

11 November 2025

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Sub: Transcript of the Investors' call Q2FY26

Dear Sir/ Madam,

Please find enclosed herewith the transcript of the Investors' Call / Earnings Conference Call – Q2FY26, held on 6 November 2025.

The same has been uploaded at:

<https://www.enil.co.in/stock-exchange-filings-fy2026.php>

and

<https://www.enil.co.in/financials-investorp-fy2026.php>

For **Entertainment Network (India) Limited**

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

Encl: a/a



“Entertainment Network India Q2 FY '26 Earnings Conference Call”

November 06, 2025



**MANAGEMENT: MR. YATISH MEHRISHI – CHIEF EXECUTIVE OFFICER,
ENTERTAINMENT NETWORK (INDIA) LIMITED
MR. SANJAY BALLABH – CHIEF FINANCIAL OFFICER,
ENTERTAINMENT NETWORK (INDIA) LIMITED**



Moderator: Ladies and gentlemen, good day and welcome to the Entertainment Network India Q2 FY'26 Earnings Conference Call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “*,” then “0” on your touch-tone phone. I now hand the conference over to Ms. Sneha. Thank you and over to you ma'am.

Sneha: A warm welcome to all the participants to the Entertainment Network India Limited's Q2 FY '26 Earnings Call. The Investor Presentation and the Financial Results are available on the company's website and on the Stock Exchanges.

Please note anything said on this call, which reflects our outlook for the future, or which can be construed as a forward-looking statement, must be viewed in conjunction with the risks that the company faces.

This conference call is being recorded, and the transcript along with the audio of the same will be made available on the website of the company as well as on the exchanges. Please also note that the audio of the conference call is a copyright material of Entertainment Network India Limited, and it cannot be copied, rebroadcasted or attributed in press or media without specific and written consent of the company.

To give you a brief business update and to take you through the Results, from the Management Team, we have Mr. Yatish Mehrishi – Chief Executive Officer, and Mr. Sanjay Ballabh – Chief Financial Officer. I would now request Mr. Yatish to provide you with a brief update on the quarter. Over to you, sir.

Yatish Mehrishi: Thank you, Sneha. Good afternoon, everyone. On behalf of ENIL, I extend a very warm welcome to all participants joining us for our Q2 FY '26 Earnings Call.

We announced our Results on 4th of November, and I hope you have had a chance to go through them. I will take this opportunity to walk you through the key highlights of the quarter and provide some context around our performance.

During the quarter, we recorded domestic revenues of Rs. 135.4 crores, reflecting a robust year-on-year growth of 23.7%. This strong performance was led by continued momentum in our non-FCT and digital business, which grew 42.2% and an impressive 149.5%, respectively, on a year-on-year basis. Our EBITDA, excluding digital, stood at Rs. 20 crores, translating into an EBITDA margin of 19.3%.

Our international business also performed well, delivering revenue of Rs. 5.9 crores, up 35% year-on-year. The company continues to maintain a robust balance sheet with a cash balance of Rs. 344.7 crores as on 30th September 2025.

Let me turn your attention to segment performances, to start with, the radio segment:



The radio advertising segment continued facing headwinds during the quarter, mirroring the overall slowdown in the media industry. Advertiser sentiment remained muted with several brands opting to defer campaigns ahead of anticipated GST benefits and the geopolitical uncertainty, leading to a slowdown in the media ad sales business.

Despite this, we relatively remain better positioned than our peers, maintaining a healthy 25% volume share in the radio market. Notably, our diversified portfolio once again showcased the strength with robust growth in digital events and solutions business, more than offsetting the softness in the radio advertising business. This highlights the success of our platform-agnostic strategy and reinforces the resilience of our business model in a rapidly evolving media landscape.

We stay cautiously optimistic about the coming quarters and expect the radio business to deliver single-digit growth in the coming quarters.

Moving to our non-FCT segment:

Revenue stood at Rs. 34.5 crores, a robust growth of 42.2% year-on-year. Our events and IP business grew a handsome 101.1%, continuing with our stellar growth in the previous quarters.

Now let me take you through the digital business:

Our digital business continues its exceptional growth trajectory this quarter. Revenue stood at Rs. 31.5 crores, marking another strong performance. Digital now contributes nearly 33% of our existing traditional business, a substantial increase from 15.9% in the same quarter last year, reflecting a rapid scale-up of this vertical.

This impressive performance was driven by an expanding user base and higher engagement levels on the Gaana platform, where we constantly continue to strengthen its content offerings and enhance user experience. What's encouraging is that this growth has been achieved with greater operational efficiency. Our investment in digital business has been reduced to Rs. 9.8 crores from Rs. 12.9 crores in Q2 FY '25, demonstrating improved cost discipline and a clear focus on sustainable profitable growth.

Overall, our digital strategy is firmly on track. The combination of content innovation, audience engagement and disciplined execution is helping us unlock new business opportunities and further reinforce our leadership in the digital audio and entertainment space.

With that, I would like to hand over the call to the moderator for the Q&A session. Thank you.

Moderator:

Thank you. We will now begin the question-and-answer session. The first question is from the line of Disha Shah, who is an individual investor. Please go ahead.

Disha Shah:

Congratulations on a good result. Sir, I have a few questions regarding the revenue split. My first question would be, is the management targeting any specific revenue mix as far as radio, digital and solutions are concerned?



- Yatish Mehrishi:** No, the way we look at it is, the whole idea we have been telling in the previous quarters also, that we would want almost radio and non-radio business to be at a 50:50 over a couple of years, that's what we look at our overall aim.
- Disha Shah:** Okay. Sir my next question would be, since digital media is improving and we could see the growth, are the management having any CapEx plan or investment plan for this platform?
- Yatish Mehrishi:** So, right now, the way we are, in terms of Gaana, we do not have any CapEx requirement. So, from that point of view, on the digital side, we are covered on the CapEx front. So, we do not require anything immediate on our digital business as of now.
- Moderator:** The next question is from the line of Hari Kumar, who is an individual investor. Please go ahead.
- Hari Kumar:** My question is sir, basically, one, regarding the production expenses, they have gone up stupendously. And the second question, sir, this depreciation and amortization, when can we expect them to come down to a normal rate?
- Sanjay Ballabh:** Production expenses, do you want the expansion for that? Or do you want to know what the production expenses are, sir?
- Hari Kumar:** No, not specifically, but what is the major reason for it going up disproportionately, sir?
- Yatish Mehrishi:** Okay. I thought you were asking for depreciation. The production expense is a function of our content in Gaana and also the events business. Since you have realized our event business, IP business has grown 101%. In line with that, our production expense has also gone up. So, it's a variable component, not a fixed component. As the business increases, that proportion will also increase.
- Hari Kumar:** Okay. Did we see any proportionate increase in profitability, sir?
- Yatish Mehrishi:** Yes.
- Sanjay Ballabh:** Yes.
- Hari Kumar:** Okay sir. And this depreciation and amortization, when can you expect them to come down?
- Sanjay Ballabh:** Okay. So, the depreciation and amortization portion are coming down categorically. But the point here is that as you understand the components of the amortization, it will not be like on a sliding down scale. It will remain same till the end of the license period. So, that is the answer. And other than amortization, normal depreciation is hardly anything for ENIL, so not much impact we are foreseeing on that as well.
- Hari Kumar:** Does this depreciation pertain to intangibles?
- Sanjay Ballabh:** This depreciation is pertaining to intangible, yes.



Moderator: The next question is from the line of Amrit Raj from Minerva Asset Advisors. Please go ahead.

Amrit Raj: Can you please break down your digital business a bit more? I think like how much each piece within that actually contributes. And what are their growth trajectories and kind of profitability?

Yatish Mehrishi: So, the way we said at the overall level, we delivered about Rs. 35 crores of revenue on the digital side, of which two large components are Gaana and our digital solutions business. Gaana delivered almost Rs. 20.54 crores of revenue, while the digital solutions business delivered Rs. 10.94 crores of revenue. And then digital in our other businesses is almost about Rs. 2.5 crores, so that's about a total of approximately Rs. 35 crores of revenue. And as we said, our Gaana business, where we invest, is going down quarter-on-quarter, where we have invested this year almost about Rs. 9.5 crores to Rs. 10 crores.

Amrit Raj: Okay. And what about profitability on digital solutions part?

Yatish Mehrishi: That's a profitable business. It's an EBITDA accretive business on the part.

Amrit Raj: Like how much can you tell me, please?

Yatish Mehrishi: So, it's about a 10% to 12% margin business on that what we look at it.

Moderator: The next question is from the line of Navin from ithought pms. Please go ahead.

Navin: So, two questions, one is regarding the press release. There was a comment that said like digital segment accounts for 52.5% of ENIL's core radio advertising revenue. So, I just wanted some clarification regarding this. So, like, obviously, the digital business is not a part of the core radio. So, are we just saying numerically it comes out to 52.5% or am I understanding something wrong here?

Yatish Mehrishi: So, I will tell you, the way we look at this business, Navin, is, if you look at our traditional radio business, so there are three segments of our business, the way we constitute our company. There is traditional radio FCT business, then there is media solutions business, which includes IP and media solutions, and then there is a digital business. So, these are the three pillars of ENIL.

So, when we say 52%, the digital percentage to the radio percentage is about 52%. Now digital is almost half of our radio business. So, which shows how we have moved from being just a radio company to a multimedia company moving towards digital, which is in line with the way media industry is impacted and driven by digital growth.

Navin: Got it. So, is it like just a salient to the top?

Yatish Mehrishi: Yes, our strategy has always been to become, from a radio company to a multimedia entertainment company, led by digital. And that's what the path we show that earlier we used to be a radio company, now our digital also contributes almost in line with 50% of the radio business, while the other 15%, 20% is also the non-FCT business.

Navin: Okay. The second thing is regarding the Gaana subscriber thing. So, I think in the last call you had mentioned that there was some migration of like a cohort of users who are paying a lesser subscription fee to a higher subscription fee. So, just wanted to know are we further along that conversion? And is it having any impact on the number of subscribers? I just wanted to get a sense of that.

Yatish Mehrishi: So, the way we look at Navin, is, the churn happens as the year gets completed, correct? You cannot change the price in between. If somebody has subscribed for a year, the pricing will only happen at the end of the year. So, it's a cycle which keeps changing. As new consumers keep coming at the newer price, the old consumer either churns out or get into a newer price, or sometimes they continue with the same price also, depending on the offer we are running in it. So, it's a mix of old and the new price. To give you comfort, our percentage of newer price or the higher price keeps increasing. So, from earlier where we are sub-50%, now we are almost reaching 60% of the higher priced business or a gross margin profitable business.

Moderator: The next question is from the line of Khushi Sane, who is an individual investor. Please go ahead.

Khushi Sane: Sir, I just wanted to check that the Gaana revenue that you just disclosed, is it for the quarter?

Yatish Mehrishi: Yes.

Khushi Sane: And what is that number, if you could repeat it again?

Yatish Mehrishi: 20.54%, almost double of last year's revenue.

Khushi Sane: Okay. Also, I wanted to know about what the inventory utilization is for this quarter.

Yatish Mehrishi: So, inventory utilization has gone up by about 3-odd-percent.

Khushi Sane: 3%?

Yatish Mehrishi: It's gone up by 3%. At a percentage level, we are about 76%.

Khushi Sane: All right. And the volume growth, I wanted to ask that.

Yatish Mehrishi: So, volume growth has gone up by about 3%, capacity utilization is at 76%.

Khushi Sane: Okay. This is for the quarter, right?

Yatish Mehrishi: Yes, ma'am.

Khushi Sane: And what is it for year-on-year?

Yatish Mehrishi: No, this is, I said, year-on-year only, like this quarter against last year quarter two.

Khushi Sane: All right. And my last question is, what is the effective debt growth, quarter and year-on-year?



Yatish Mehrishi: It's almost flattish. There is some bit of channel mix and client mix change. But otherwise, overall, it's almost flattish.

Moderator: The next question is from the line of Rahul from Noesis Ventures. Please go ahead.

Rahul Goenka: Congrats on your results and your efforts for the diversification in the company. So, I am an individual investor and just wanted to ask you a few questions. Basically, the production expenses have gone up by almost Rs. 22 crores in this quarter. While as the revenue goes up in line to around Rs. 22 crores, so the margins have been impacted as such. They have not increased as per se as per the revenue increase. The profit margins have not increased as such basically.

Yatish Mehrishi: So, the way you look at our business, as I said, radio is a high-margin business compared to the other verticals. Radio is an outlier in terms of margin in any asset business; be it radio or TV. They are much more higher margins than an event or a digital influencer business or Gaana, the margins are different. It's a mix change between FCT and non-FCT, whenever there is muted growth on FCT puts pressure on the overall margin scheme of things. It's a weighted average the way you look at it.

Now while at an absolute level, when you look at production expense, the event business has gone up by 101%. So, when you do an event, the margins are not in line with the way the radio business margins are. And that's the reason the production expense subsequently goes up. Similarly, when you do an influencer business also, when you use more influencers compared to last year or the business has grown almost 5x, that also leads to a higher production expense. So, the absolute number is in line with the revenue growth.

The margin difference when you look at it at an overall level, it's because the mix of radio and the non-radio business changes. So, it's a transformation thing which will always happen when you transform a business from a high-margin, low-growth business to a high-growth and comparatively lower margin business. So, there will be a mixed change happening over the quarters of transformation, which we will always have to go through.

It looks a little higher because as we saw Ad sales business overall in the media industry has been very muted and has been impacted by geopolitical reasons, the business not spending because of the GST growth coming in. So, that's the reason the Ad sales business has taken a lot of pressure, and which has resulted in a lower margin. While we are committed to delivering a higher margin, and we believe in our event business, influencer business will always be positive and at better margins than the peer group. But there will always be a change between radio margins and the non-radio margins.

Rahul Goenka: Okay. And the overall results of other companies in the radio business have also been very muted. So, I think you at least are maintaining the top line and the bottom line in the radio business, that's a good sign basically. And I think you all are able to protect the market share also in the radio business, basically at 25%, so that's a good sign that what efforts you are doing. And basically, another main thing is that in the bottom line you are showing a loss at the moment, when do you plan to breakeven and come into profitability?



Yatish Mehrishi: So, if you look at our Gaana profitability on the digital business investment what we have been doing, like compared to last year we invested about Rs. 13 crores last year in Q2, this year it has come down to almost Rs. 9.8 crores. So, continuously, we are very disciplined in our execution and spending. We believe, by the time next year, this time, we should be breaking even on the Gaana business and with a top end heavy number.

Rahul Goenka: And basically, the thing is that you all have got Rs. 350 crores worth of cash. So, you have been paying dividends also and increasing the dividend, so do you think the company is going to invest in future business? Or does a company buyback in equity shares to make the returns of the equity holders much better in the future?

Yatish Mehrishi: So, that's always been the intent. The whole idea is to keep evaluating the businesses which are there in the market, new age business. While we are transforming ourselves as a company, our digital business has grown so much. So, we keep evaluating cases in the market, companies in the market. And if there's a strategic fit and a profitable business which we can build on, we will surely look into it.

As you rightly said, we have been very consistent with giving out dividends, and it's been increasing over years also. Even in COVID period we have been very clear of giving dividends. So, that's the way we look at it. The whole intent and ambition remain that delivers the better value for our shareholders.

Media is right now in a flux or dynamic situation. You have to be very careful in terms of evaluating the right companies, the right fit for us, where there is a strategic fit also for the company, which can lead us to the next level of growth. While we are very confident of our digital efforts right now in the same direction, we will keep evaluating the right companies.

Rahul Goenka: Okay. Can you talk a little bit more on the Gaana competitors, like you said last time that three of them have closed down and how they are faring compared to Gaana?

Yatish Mehrishi: So, the way we look is, we believe we are a strong number two in the paid subscription business because we do not offer free service. While there is free available on Spotify and Amazon and JioSaavn, we are only premium paid service in the country right now. In the landscape right now, a lot of push has been done to drive paid subscription. I think the music industry, music labels, if you speak to, also believe the music industry growth can only happen through subscription and not through free service.

The free advertising-led model for free subscription is not going to work, that everybody believes. And we believe our competition also is driving towards subscription. The subscription numbers are growing. It's growing at a steadier pace than we would expect, but it's consistently growing, that's a good sign. Even numbers for Spotify, be it Saavn, everybody is focusing on that. And we believe sooner or later, we will see some better growth numbers on subscriber numbers.

India is a value-for-money market. It takes time for people to pay for something which has been available for free. As I have always been saying, it's a behavioral change rather than a price issue.

So, as people look into it and see value in the product, they will pay for it. It does not cost much as it is spent when you look at the way people spend money on music concerts. Music service surely looks at an economical rate; it is a great proposition. As long as we deliver the right value for the consumer and the right experience, they will give it.

So, that's the way we look at the business. The numbers are encouraging. It keeps growing. The entire industry believes in subscription now. We have seen some bit of action on subscription pricing also from competition, which I believe is a good sign for the industry. So, the way we look at is to build the cake rather than just take a share of the cake is to build the subscriber numbers, as an industry will only help the industry.

Moderator: The next question is from the line of Anant Shirgaonkar from Newport Capital. Please go ahead.

Anant Shirgaonkar: Thank you for a good set of numbers. I just had a few basic questions. Last quarter, your radio business was about 58% of revenue, if I remember. So, what has the move been in this quarter? And how is it looking the shift from this 58% for radio versus non-radio composition of revenue?

Yatish Mehrishi: It's almost about 50% right now. Yes, we would have liked it a little better. So, as I said, our ambition has always been the way we planned it was that radio mix should be about 50% in a year and a half types or maybe two years. It's falling a little faster because of the muted advertising market because that puts pressure on the margin, which I was explaining in the previous question that radio contributes a higher margin compared to the non-radio business. So, there is a mix of 50% which is by design also, but it's fallen a little higher than what our comfort would. We would have liked at least a few percentage points of radio growth rather than a muted single-digit growth on radio side of the business.

Anant Shirgaonkar: Understood. And do you have any thoughts on how this number may look, say, one year down the line or two years down the line?

Yatish Mehrishi: So, we will look at factors in terms of radio. As we have always said that we would want to make the radio business more efficient because we believe the media Ad sales business will see pressure over the period as we are seeing consumer behavior changing of media consumption, the advertising will also get very fragmented. So, the whole idea will always be that the traditional business will have to be very efficient. So, you will have to look at revenue growth and the cost optimization factors also as we go along.

So, we believe there will be radio ad sales or media ad sales. I do not think it will be double-digit growth. It will always be a single-digit, mid-single-digit growth as we go on. We believe the next two quarters should also be in the same line because there will be some base effects coming in from last year. Plus, we saw some green shoots of the GST impact, but let's see how it pans out for all companies.

As you know, media always lags all companies' results because if companies do well, they will spend more on marketing. If they spend more on marketing, the media companies do well. So, overall economy, overall geopolitical situation will also play a role. We remain cautiously

optimistic with the single-digit growth on pure radio business, while our events and digital business will keep showing stellar results.

Anant Shirgaonkar: Understood. And little bit on Gaana. So, earlier on you had mentioned that you expect EBITDA breakeven for Gaana March quarter or June quarter, so is that on track?

Yatish Mehrishi: Yes. So, most likely June, July, there is some action which is happening. So, the way we look at it is, we should be breakeven by June, July of next year. I am not putting quarter, maybe the month I am looking at it. That's the way we look at it. And maybe if the growth comes in and a lot of action happens there, then we might spend some money on mainline marketing also. So, to give you an answer, between June and September next year, we should breakeven. That's what we have been committing to that part.

Anant Shirgaonkar: Understand. And to the previous question, you had mentioned how even the industry wants to shift towards subscription. So, can you give more color on what is happening from the industry point of view? How are the other players trying to push customers towards subscription? Do you have any data points on pricing or are they giving pain to the customer so that they find value in subscribing rather than going for the ad music?

Yatish Mehrishi: So, the way you look at the music streaming, YouTube used to be one big consumption player. Though now with connected TV happening on YouTube music consumption has gone lower than it used to be. And you see now a lot of ads coming to YouTube, so it's not a great experience. So, that's the reason people move to streaming side. Even on Spotify, when you look at a paid consumer and a free consumer, a free consumer is not allowed to download certain sets of music, you cannot skip music beyond certain levels.

And then there are unnecessary ads which are coming in. They do not get ad business, and that's what I have been always saying, the free model, which is supported with ad, will not survive. And we see in Spotify also not many ads come in, but they keep playing their own ads, which disturbs the overall experience of a consumer. So, they have been pushing subscription by limiting the features for a free consumer. Also recently, which is not for Q2, but in Q3, they reduced price for a new consumer to drive subscription because they also believe in.

In fact, as I speak, that price was about Rs. 499, 10 days back for a new consumer, which came down to Rs. 399 for a week, which is a limited time offer till 12th November. So, it shows that they also believe that with our growth also, and sometimes I would want to believe, I do not know if I am right or wrong, when a large consumer or a big company drops prices lower to our number, it means there is a subscriber growth happening. They also believe in the subscription economy.

Similar thing happened with Saavn. We believe even Amazon Music over a period of time will also look at delinking from Amazon Prime customer. So, the overall landscape I believe will move towards this. If you speak to any of the music industry veterans, be it Saregama, Tips or T-Series, they also believe the music business has to go through subscription, it will never be free funded by advertising.

Even in past, as I have always spoken, people have spent money on music, people have bought CDs, people have bought cassettes. It's just that for a short time or a few years, free music got streamed, the habits got changed. But people have always believed music plays a massive role while you are studying, while you go for a walk, while you are doing a morning course, it will always drive. So, that's the value it gives in life. And the money is not very big. It's a behavior change will happen. And I am very confident about it that sooner or later, it will change, and the numbers will show up.

So, right now, from last year it was about 5 million subscribers there, then it moved to 10 million. We believe as of today there are about 15 million to 16 million paying subscribers in India.

Anant Shirgaonkar:

Understood. And can you also throw some light on how events business is looking for you? Because last quarter, I saw that last quarter you had mentioned that there are new entrants coming in because the growth is very high, so how is that playing out now in terms of events for ENIL?

Yatish Mehrishi:

So, I do not need to talk about events. There are massive tailwinds. I think it's available everywhere, if you are in Bombay, you see Enrique concert happening in rain, you see the people there, people spending money. So, there is a massive change post COVID which has happened of going out. So, event business has massive tailwinds. There is always a cycle to it. But as we ride the tailwind, because we have been in this business for more than a decade, we understand this business, and we are taking the leverage of that and growing handsomely. So, we have grown almost 106% on event business.

What's happening is, because ad sales business has been a little muted, a lot of companies are wanting to get the event business to drive growth. They are coming for the first time. They are not sure which business will drive margins. Everybody thinks that the event business is as good as an ad sales business. We have been doing this for 10 years. It takes time to understand the value chain, where the margins are, how do you drive efficiently.

So, a lot of people burn hands also, but everybody wants to ride the wave of events. We believe we need to pick and choose events. We do almost, as I said, 300 events a year. And we are very, very cautious about it. This quarter, our margins would have improved a little bit better had there not been rain. We do a very large Navaratri across the country in about 15, 16 cities. The rains have been a bit erratic. So, a couple of days of rains in Calcutta, poojas got impacted, which drops your margins.

Our margin would have been a little better than what it is right now, had the rains Gods blessed us better. But that you cannot beat it, that's not controllable. Our controllables are that we believe in a more running, more efficient and margin-focused company. Yes, the margins of events will never be like radio. But we believe this growth will continue, not 100% quarter-on-quarter, but we see a lot of tailwinds going forward for the next two, three years. And we are geared up for that business.

Anant Shirgaonkar:

Understood. And one last question, have you disclosed the subscribers for Gaana, current number of subscribers?

- Yatish Mehrishi:** We would let it remain confidential. On a one-on-one basis, we can always have a chat. But on this, for competitive reasons, we do not disclose that.
- Moderator:** The next question is from the line of Deepan Narayanan from Trustline Holdings. Please go ahead.
- Deepan Narayanan:** So, firstly, how do we see the digital radio FM opportunity? And what is our plan for auction process?
- Yatish Mehrishi:** So, Deepan, on the digital radio, it's still on the TRAI recommendation, which has happened. We are very excited about it. If you ask me as on the face of it, digital radio will change the radio dynamic because it helps getting radio on mobile phones. So, from that perspective, it is a great step from the government. Though it involves a lot of stakeholders coming together, it's not just about radio industry to look into it.
- Yes, radio is the first and foremost stakeholder and the main stakeholder, but it involves the mobile manufacturer and the car manufacturers to get the receivers part of it, which the government is also talking to, and it takes a while. So, while globally also, like in US, HD radio works, while in Europe or largely led by UK, it's about DAB. Saudi Arabia runs with DAB. But it takes a while for technology to be adopted both in mobile phones and the car stereos, so it will take some time.
- But on the face of it, to answer in short, it's a very exciting phase to be in to drive digital radio because that will impact more frequencies, more differentiation in content, a lot of data gets collected, which helps in driving ad sales. So, from that perspective it is a great sign.
- Deepan Narayanan:** Okay. So, overall, our market access gets widened and better ad measurement to give us better ad rates, so that's what will drive future revenue, right?
- Yatish Mehrishi:** Yes. But it will take some time because it's not happening in a hurry. It's not happening next year. I believe it will take some time.
- Deepan Narayanan:** Okay. So, overall, how radio industry as such is viewing this digital radio opportunity? Like industry players are open to it on the TRAI recommendation? Or are there any discussions going on that per se, specifically on auctions, investments on that and also about transition from analog to digital per se, how do we plan to do that?
- Yatish Mehrishi:** So, the industry looks very positive. There is always a price component, it cannot be so expensive that even if the proposition is good, but if it is not financially viable, then people will not look at it. But as I said, on the whole, as a digital thing, it is great. Yes, there was some guidance on the migration fees which had come in, which we rejected, and we had a consultation with the TRAI also.
- As the **ARI (inaudible 00:37:17)** body, we have sent our messaging to them that at this price, it doesn't make sense that they need to support it because there will be investment also coming in, which government recognizes, and TRAI also recognizes it. As I said, it's just a first set of recommendations, it takes some time. And anyways, the next set of auctions can only happen in

2030 when the first renewal happens. So, there's still some time available on that for consultation. But it's the right step to move from analog to digital from a radio perspective.

Deepan Narayanan: So, till this digital gets established, there will be some transition phase where the analog will be still continued and then slowly the migration process will be a slower process, right, because the user base also has to be developed in the digital arena.

Yatish Mehrishi: Yes. So, the way we have been discussing with the government and what even TRAI recommends is, it's in the first phase. Only 13 cities are looking at digital, the rest is all analog. And even in the same cities, it will be both continuing. Over a period of time, there will be a sunset to the traditional thing. As I said, it's a long transition. It's not happening tomorrow or in a year or two years' time.

Moderator: The next question is from the line of Gaurav Agrawal from Nine One Capital. Please go ahead.

Gaurav Agrawal: Sir, first of all, this Rs. 141 crores revenue, can you just give me a broad breakup? I know you have given in the presentation, but a slightly confusing one. So, how much is coming from radio, how much is from Gaana and how much is from IP and events?

Yatish Mehrishi: So, I will tell you, we divide generally into three verticals. The radio is almost about Rs. 70-odd crores, while our media solutions business is about Rs. 35 crores. The digital business is almost about Rs. 32 crores. And the international business is about Rs. 5.5 crores. The total is about Rs. 141 crores.

Gaurav Agrawal: Okay. So, what is the second one, media, what exactly do we do in media?

Yatish Mehrishi: So, media solutions, I said, it's about IP business and also we do multimedia solutions for our clients. So, these are the two businesses which we put into part of media solutions.

Gaurav Agrawal: Right. So, existing will include radio as well as media, then digital will include Gaana and --?

Yatish Mehrishi: And digital solutions business.

Gaurav Agrawal: And events go where?

Yatish Mehrishi: Event goes part of media solutions. So, the Rs. 35 crores include the event business also.

Gaurav Agrawal: And how large would that be, sir, event?

Yatish Mehrishi: Event would be about Rs. 20-odd crores in the Rs. 35 crores.

Gaurav Agrawal: And when you say events, these are like what, like Enrique sort of an event or like small Navratri events, what kind of events do we do?

Yatish Mehrishi: So, it's a mix, we do manage events ranging from doing concerts to food festival, to Navaratri, to marathons, to corporate activations, RW activations, small activations, school activation programs. So, it's a plethora of activities. In a year, we do almost 300 events precisely because we are present



in 63 markets with teams across the board. And that's what places us in the best place in media companies with such a massive presence across the India market.

Gaurav Agrawal: So, sir, yearly revenue will be like Rs. 80 crores, Rs. 90 crores for the events, would that be a good estimate to have?

Yatish Mehrishi: So, last year we did about Rs. 75-odd crores. I think it will be much more than that. We generally do not give any guidance.

Gaurav Agrawal: What kind of margin does it make, EBITDA margins?

Yatish Mehrishi: I would reserve that. It's a healthy margin. Generally, we outlive the overall general margins in event business, which ranges from concerts, generally, people say it ranges in single digits. Events are in about 10% to 15%. But because we do managed events, when I say managed events which are sponsorship led and ticketing, we generally deliver about 20-odd-percent.

Gaurav Agrawal: Okay. And sir, for Gaana, I think last quarter also you said, once it crosses the Rs. 150 crores revenue run rate annual basis, then it is a breakeven, right? At that stage, it will be expected to be at the breakeven level. But let's say, beyond Rs. 150 crores for the incremental revenue that you get from Gaana, how much of that incremental revenue will flow to EBITDA? So, let us say Rs. 150 crores go to Rs. 200 crores. For the remaining Rs. 50 crores, how much can it go to the EBITDA level?

Yatish Mehrishi: So, Gaurav, right now, I would not comment on it. I think right now, immediate for us is to breakeven. I think, globally also if you look at digital businesses, it takes time to become a breakeven business. So, for us, our first milestone is very clear, to breakeven. We are a very profitable focused company for us, though it's an investment into the digital business coming from almost zero revenues on Gaana this year, the way we are looking at and we are doing an ARR level, it's about almost about Rs. 90-odd crores, Rs.100 crores revenue coming in this year.

Making it profitable is the first milestone. Yes, there are multiple factors to profitability, there's a cost of content. Though we are well placed with our contracts, the tech thing depends on how stream. So, when you say Rs. 150 crores, it's a mix of pricing and subscriber. So, if we can increase price and less subscriber, then your tech cost may be a little less because the streaming numbers will be less, so it's multiple factors.

I have not built a model for next three or two years, though we have in mind. But right now, the immediate objective for us is to get it into breakeven. I think that would be a major landmark in our digital business per se to look at. And we have a path to profitability on that. So, as we build towards breaking even, we will start looking at and sharing how we look at the margins on the Gaana business also.

Gaurav Agrawal: Great. And sir, I assume Gaana is 100% Indian, right, we do not have the app outside India?



- Yatish Mehrishi:** No. So, we have international presence. We are present in about 170 countries. We have not focused so much on international business, which we want to do. As we said, we have got a year and half. But there is presence for sure. In our subscribers, there is some percentage coming from international also. And it comes at a better rate also because internationally subscription economy is much better in U.S. than in India. We need to focus on those markets, as that's our plan also going forward.
- Gaurav Agrawal:** And sir, just last question, qualitatively, not looking for any numbers. So, in terms of paying subscribers for Gaana, what kind of growth have you seen on a quarter-to-quarter basis?
- Yatish Mehrishi:** So, we all only have paying subscribers. I would limit that Gaurav, maybe offline I will share that. Generally, we do not share subscriber numbers.
- Gaurav Agrawal:** I am just looking for growth.
- Yatish Mehrishi:** It's a decent growth. I am saying it's a decent growth to look at it.
- Moderator:** The next question is from the line of Hari Kumar, who is an individual investor. Please go ahead.
- Hari Kumar:** We are expecting a positive change in the government policy towards the radio sector for two years. What has happened to that, sir?
- Yatish Mehrishi:** So, yes, we have been doing consultations. Government is looking into it. And we believe sooner or later, there will be some reforms coming in on the radio and digital side, which could be beneficial to the industry.
- Hari Kumar:** Okay. Any tentative date, sir?
- Yatish Mehrishi:** With government, I think it is beyond my pay grade, to answer on government's behalf.
- Hari Kumar:** Yes, sir. We have been waiting for two years, that's why.
- Yatish Mehrishi:** Thank you, Hari.
- Moderator:** We will take that as the last question for today. I now hand the conference over to the management for closing comments.
- Yatish Mehrishi:** Thank you, ladies and gentlemen. It's a pleasure to have you all. We remain committed to providing profitable growth for all stakeholders. Thank you once again for joining this call. And in advance, wish you a very happy New Year and see you in the Q3 earnings call. Thank you very much.
- Moderator:** On behalf of Entertainment Network India, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.