

July 30, 2025

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Sub: Transcript of Earnings Call for the Un- Audited Financial Results of the quarter ended on June 30, 2025

Dear Sir/Ma'am

In continuation to our letter dated July 22, 2025 and July 25, 2025 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 Friday, July 25, 2025, at 2:00 p.m. for discussing financial performance of the Company of the quarter ended June 30, 2025, 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

Arpita Kapoor

Company Secretary and Compliance Officer

Encl: As above





Music Broadcast Limited

Q1 FY'26 Earnings Conference Call

July 25, 2025

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 25th July 2025 will prevail.



MANAGEMENT:
MR. ASHIT KUKIAN – CHIEF EXECUTIVE OFFICER
MR. PRASHANT DOMADIA -- CHIEF FINANCIAL OFFICER
MR. RAJIV SHAH – INVESTOR RELATIONS TEAM

Moderator: Ladies and gentlemen, good day, and welcome to the Music Broadcast Limited Q1 FY '26 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 guarantees 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 touchtone phone. Please note that this conference is being recorded.

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

Ashit Kukian:

Thank you. Good afternoon, everyone, and a very warm welcome to the Q1 FY '26 Earnings Conference Call of Music Broadcast Limited. Joining me on the call is Mr. Prashant Domadia, our CFO; Mr. Rajiv Shah from our IR team and our Investor Relations Manager, Strategic Growth Advisors.

For the quarter gone by, the company reported revenue of Rs.49 crores, operating EBITDA of Rs.8 crores, reflecting a margin of 16.1%. The performance for the quarter was impacted by a broader industry slowdown with overall volumes declining by 2%. These contractions were largely on the back of the continued global economic uncertainties and the prevailing trade tensions, which adversely affected advertising spend and market sentiment. Despite the overall industry slowdown and prevailing macroeconomic uncertainties, Radio City continued to remain the preferred platform for advertisers.

We upheld our leadership position, capturing 41% of the total client base across the radio sector, reflecting the strength of our brand. The depth of our client relationships and the enduring trust advertisers place on our platform, remarkably 34% of all new clients entering the radio advertising space chose Radio City as their partner of choice.

Further, reaffirming our reputation as a trusted and results-driven media platform, this achievement underscore the effectiveness of our targeted marketing initiatives and our ability to consistently deliver value to our advertisers. In addition, we have made meaningful progress in diversifying our revenue mix.

For the quarter, 35% of the total income was contributed by alternative revenue streams, including branded properties, proactive pictures, digital ventures, sponsorship and special events. This balanced and diversified approach enhances our financial resilience and positions us well to navigate industry challenges while driving sustainable growth.

Now let me take you through the financial highlights for Q1 FY '26. For the quarter ended, revenue stood at Rs.49 crores, Q1 FY '26 operating EBITDA stood at Rs.8 crores with margin standing at 16.1%. Reported PAT stood at a negative minus INRs.2 crores for the quarter Q1 FY '26. As of June 30, 2025, our cash reserves stood at Rs.354 crores. In light of evolving market dynamics and current industry sentiments, we are undertaking a strategic realignment aimed at enhancing operational efficiency and ensuring long-term resilience.

This restructuring initiative is designed to optimize our cost structure, sharpen our focus on core priorities and position us for sustainable profitability. By streamlining operations and reallocating resources more effectively, we are proactively addressing near-term challenges while laying a strong foundation for a more agile and future-ready organization. These steps are vital to ensure operational resilience and sustain our business momentum.

With an unfavouring focus on innovation, agility and strategic excellence, we are well positioned to navigate the evolving media landscape and capitalize on emerging opportunities. As signs of stabilization become visible and advertising sentiment gradually improves, we remain cautiously optimistic about delivering enhanced performances in the quarters ahead.

With this, I request the moderator to open the floor for Q&A. Thank you.

- Moderator:** The first question is from the line of Kushi, an Individual Investor.
- Kushi:** So for question to you is, what is the FCT and NFCT split for the quarter?
- Ashit Kukian:** 65% is our FCT split, the balance is NFCT, which is 35%.
- Kushi:** Okay. The other question would be that what is the inventory utilization you have?
- Ashit Kukian:** Inventory utilization for the quarter has been 68%.
- Kushi:** Okay. And what is the volume growth for the quarter?
- Ashit Kukian:** It has been a degrowth, because the industry has seen a degrowth in this quarter.
- Kushi:** It is a degrowth?
- Ashit Kukian:** That's right.
- Kushi:** Okay. The last question is effective rate growth for the Y-o-Y and how is it compared to pre-COVID levels?
- Ashit Kukian:** No. 2 questions. Effective growth rate, net of political, there is no degrowth, last year this year. And like I said, it is still at 80% of the pre-COVID levels.
- Kushi:** It's 80%?
- Ashit Kukian:** Yes.
- Moderator:** The next question is from the line of Jagdish Sharma an individual investor.
- Jagdish Sharma:** I have 3, 4 broad questions. The first question is like we have a depreciation of like Rs.35 crores per year, and our fixed asset is almost like Rs.170 crores, Rs.180 crores. If we are depreciating at this level, our fixed assets should be 0 in 4, 5 years, right? So what is the reason for high level of depreciation, almost like 25%, 30% are depreciation. So what is the scenario there?

RAJIV SHAH: So the depreciation also includes the amortization of the onetime fees which we have paid. In fact -- you are talking about the last year or the current quarter, sorry?

Jagdish Sharma: Both, both, both. For example, last year, it was like Rs.8.53 crore on the same quarter. And full year, it is almost like Rs.33 crores, Rs.35 crores, right? So, we are doing almost a Rs.35 crore depreciation for the last 5 years, and there is no big capex is also from our side. So, if that's the case, our fixed asset is almost like Rs.180 crores. Why is that? That's my question, sir.

Rajiv Shah: So the depreciation, as I told, it includes amortization of onetime license fees, which we have paid, and they expire by FY '30.

Jagdish Sharma: Okay. Okay. Okay, sir. Okay. My second question is like we have almost like cash, which is equal or even more than that of our market cap in total. What is the business we are about to do for next 3, 4 years? And what is our plan in total? Because radio or radio-oriented business is a little bit slower even mature level, right? The growth is not even 1%, 2% per year, if that's the case, as an investor, why should I have to invest in that company? What is the thesis for this?

Ashit Kukian: So 2 reasons. As you see, we have already created parallel platforms along with radio, which will be year-on-year showing growth, which we have demonstrated in the last 2 years, that includes digital out of on ground activation-led revenues and so on and so forth. That's why 35% of the revenues is coming from the noncore radio business per se, number one.

Number two, as mentioned in my opening remarks, there is a clear cost structure revisiting that is happening, which will ensure that the quarters going from here and years going from here, the margins will be maintained and the organization will be managing much better results given the cost correction that we are doing and the increase that will happen from non-radio business as we go forward.

Jagdish Sharma: Sir, don't mistake me. Our margins were -- when we are peak, it was almost like 30%, which has been reduced to a single digit, low single digit, not even high single, low single digit, right? So if that's the case -- and if you see our revenues also, it's not growing for the last 10, 12 years. It's like it's totally flat. So if that's the case, why as an investor I should think about this company in terms of next 5 years?

Ashit Kukian: Fair enough. So two things; last three years, if you look at it post COVID, the overall industry has been affected, and that's how our quest to do things beyond traditional radios where we started off, which is giving us initial results. And it is just in the nascent stage, and that is clearly enough for us to believe will add on to the revenues, number one.

Other reason which I said is that with the kind of cost structures that being revisited, I'm sure when you look at our next quarter numbers and the quarter after that, you will see that, that is a great impact of our cost measures that will be seen in the bottom line. And lastly, we would want to believe that at some point in time, the consumer sentiments and market sentiments will not continue to be a dampener forever. And when that happens, whatever the increase will happen, will increase the overall profitability of the organization.

There is another thing, which is right now government related, but I would want you to know that for a while, the industry has been pushing for the 4% of the gross revenues as the fees that we are paying instead of the 2.5% OTF, whichever is higher. And there's a strong possibility that may come in. And if that comes in, you'll see a huge bottom line additions happening because that is something that the industry together is pushing for.

And in the new license space, the government has already given that 4% of the gross revenues. And we are hopeful that even the legacy stations, they will allow it. And if that happens, that will be one more reason why the margins will be better. And that's the only thing which I can look at this point. And like I said, even the non-radio businesses as they grow substantially, all of these points put together will ensure that there is a strong bottom line for the organization. And hence, an interest, I feel as an investor, you should look into.

Jagdish Sharma: Just following on this point, sir. If the industry is, you are saying is growing at 1%, 2% or 3%. And you are saying that the non-radio business will grow faster and it will grow 20%, 30% or whatever it is. And you're saying that this will help us in terms and also our cost-cutting measures and everything will help us in terms of the bottleneck? Has my understanding right -- is my understanding, right?

Ashit Kukian: Absolutely right. You are bang on, on that understanding.

Jagdish Sharma: Okay. My another question sir, I have 2 questions. Shall I ask those 2 questions? Or should I come back in the queue?

Ashit Kukian: No, no. Please go ahead. Since you're online, you can...

Jagdish Sharma: Yes. So the question I have is like we have almost a Rs.330 crores, Rs.340 crores of cash in our reserve, and we always -- we always cash flow positive for the last 12 or 15 years of our company history, right? But if that's the case, why do we need borrowings every -- because year-on-year, our borrowing is also increasing. Why is that our case? When you have cash and everything, why you want to go for the borrowings? That's my another question.

RAJIV SHAH: So there are no borrowings in the company. It's basically accounting entries of the leased properties we have for our studios. So Ind AS working, effect is given to them, they go into depreciation and interest, not as a rental.

Jagdish Sharma: Okay. Okay. Okay. That is why you are saying our depreciation is also going a bit higher because of that thing. Understood. Understood. Sir, my final question is like we have this mix of cash in our hand, right? Why can't we go and acquire 3 or 4 small companies which are doing niche business in our own areas or our own sectors and try to consolidate as a single entity and grow it faster. Why can't we do that?

Ashit Kukian: See, the thing is right now from a pure radio perspective, as you rightly said, there are 2 ways of investing. One is, of course, we invest in the traditional business of radio, which as you rightly observed is having a slow growth. The other is going into this new form, new age businesses that we have learned, whether it's the digital or the influencer platform and so on.

Both the things we have to wait at the right time. If the radio you have to invest and if the government is proactive in giving us additional benefit of 4% and all the other requirements that we are talking about, then it will make sense for us to kind of take those stations and increase our profitability.

But right now, still things are in a plus. We don't want to take a call speculating too much -- assuming things and then going later on regretting it. So yes, we are waiting for the right time. When that happens, you will see us investing.

Jagdish Sharma:

When is that, sir? That's the question.

Ashit Kukian:

No, that is obviously -- it has a lot to do from the government's perspective in terms of the decisions that they take and the market environment and in terms of how the addition of additional stations or business will add up in the overall scheme of things because you need to keep a balance of both.

Just that you have cash reserves. And even at this particular point in time, the cash reserves are bringing in the money from another income perspective. It's not that it's lying dormant. But for a larger scheme of things, of course, it will happen, like I said, when the right time comes for us.

Jagdish Sharma:

Understood. Understood.

Ashit Kukian:

And also, as you're aware, there is a repayment of the NCPRS so we have also provided for that, so that at any given point in time, we should not be struggling to finance ourselves to prepay those NCPRS so that also is one of those reasons that we have been prudent in our investment.

Jagdish Sharma:

Okay. Okay. Okay, sir. Sir, is there any M&A you are looking right now, sir in terms of doing this year, is there any M&A? And my final question is, the peers of your -- especially in the music oriented say Saregama or Tips kind of people, they have been doing a lot of in the music industries. Are you planning to enter that industry because in certain way, it will be helpful also for our firm? So are you planning to do something similar to the 2 companies of what they are doing?

Ashit Kukian:

Yes. So, if you know, we have already launched a music platform called that 'Muzartdisco', which is basically a distribution platform that we have created. Through this platform, any artist can distribute his songs in more than 100 countries plus when it comes to music distribution. So once that traction happens, we will also get an indirect revenue from the distribution that happens.

Also, as we create and work on this platform, we will also be able to identify talent which then can be monetized in terms of concerts that can be taken in the Tier 2, Tier 3 market, creation of properties and IPs with those talented artists and so on. So yes, we are -- and Freedom Garage, which is an independent music is something which we have been nurturing for the last 14 years. In fact, we were the first ones to nurture that business. And with Muzartdisco, we are only increasing our footprint in that business.

Jagdish Sharma:

So what is the revenue for Muzartdisco in Q1, sir?

- Ashit Kukian:** Muzartdisco is just launched about 3, 4 months back. Right now, we are just aggregating the registrations of the artists. Once that happens, it will gain traction and even if the platform per se will be a recognition of the fact that we are also part of the industry and talent is something which will be more concentrating on, which will happen over a period of time.
- Jagdish Sharma:** So to summarize the entire conversation, you are saying that the non-radio revenues will grow faster, with your cost-effective measures will try to improve our bottom line. Second is like you are trying to do an M&A whenever there is an opportunity at our gate. Third one is, you launched the music platform, which will grow faster. And with that, it will help the company or it will help the investor. Am I -- is my understanding, right sir?
- Ashit Kukian:** Absolutely right. In fact, the company has also launched the podcast platform given the fact that India is the fastest-growing podcast country in the world, when that matures, you will see some benefits of that also. So we have kind of positioned ourselves into all those emerging places where the consumers kind of engage, and because we are in the Marketing Solutions business, each of those at some point in time will give us higher returns than what it is at this point in time.
- Jagdish Sharma:** Understand. Understand, sir. All the very best. Looking forward to all these things which you told to happen in the future.
- Moderator:** The next question is from the line of Bharat Gupta from Fair Value Capital.
- Bharat Gupta:** Since I'm new to this company, I just want to understand a further bit, like pre-COVID, I think our margins used to be over 30-odd percent. And right now, the scenario has completely changed. So just can you give us some colors with regard to what kind of industry headwinds we have suffered? And how do you see the traditional radio business evolves going forward?
- Ashit Kukian:** So I'll start with the pure radio business. If you see pre-COVID, almost most players had almost 95% of the business or even 99% of the business as core coming from radio. Post-COVID, what is overall affected the industry is the yield, because the yield has yet not reached the pre-COVID levels. And hence, large part of the drain in what you see from a revenue top line to what it is today is that 20% drain that has happened on the yield, number one.
- Number two, the large yield market, which is your metro markets of Bombay, Delhi, Bangalore, which are the larger yield markets as compared to the tail of the industry has not been able to still yet reach the saturation level that it needs to.
- Unlike it was there in the pre-COVID business for 2 reasons, of course, because consumers have got multiple choices more so in the metros and hence, advertisers see different ways of reaching to them. That's how when we started the digital journey, along with radio, it was to ensure that, that part of the segment is also catered to.
- So one, of course, slow growth of the radio business per se from a volume perspective, yield degrowth as far as the industry is concerned and to a large extent, government, which was a large spender has been a little slow in the last 2 to 3 years barring the election year. And all this put together is where the overall profitability is getting affected.

- Bharat Gupta:** So sir, I was just saying like how do you see in the foreseeable future, the revenue mix to change like with respect to non-radio business evolving at a higher rate, how do you think in the foreseeable next...
- Ashit Kukian:** See, radio will still be a core play for the next 3, 4 years, for sure. But having said that, there is a possibility that there will be a 10% shift from radio being a 65% towards 55% and the other revenue streams becoming 45%. I mean -- and I'm giving you a ballpark understanding.
- When the other revenue streams will become core, then you can see a 50-50 kind of an operational revenue generation, which will ensure that the bottom lines are taken care of and your revenue growth continues to be there even if the radio industry is not that high in growth as compared to the rest of the business.
- Bharat Gupta:** And sir, if you look on a stable basis, what kind of margins can we have like across both the segments whether it is radio or versus a non-radio business?
- Ashit Kukian:** The digital business for us has been a highly -- it's an EBITDA booster for us. And we are assuming that the radio business with the current restructuring of our overall cost will also be in a healthy position and we'll see remarkable difference between what margins we have been demonstrating in the last 2 to 3 quarters vis-a-vis what will demonstrate in the next 2 quarters. And I hope you have the faith and the results will show you that.
- Bharat Gupta:** And sir, what kind of investments will be requiring just to derive a higher share in the non-radio business, right?
- Ashit Kukian:** There is no investment. I mean it's a people-related efficiency issues that is there, which we already built up. Beyond that, there is no additional investments required. It's only how efficiently you can skim the market, which is more the way we manage the overall process of efficiency from a revenue to return ratio, that's the only thing that is there. There is no investment-led revenue because for the -- when you talk about investment, we've already done that from a digital perspective as well as the platform and the people are concerned.
- So there is nothing much more than I think we would need. We need to just ensure that the market grows with us and in each of our efforts show us better results than what it was with the market sentiments improving.
- Bharat Gupta:** Right. And sir, given out, we have a healthy cash position. So what kind of a strategic road map we have? Like how do you want to deploy it?
- Ashit Kukian:** So this question is coming over and over again. But like I rightly said, we have developing newer platforms and newer opportunities that we are looking at, and we're keeping a close eye of each of those opportunities, which is non-radio that I'm talking about.
- Radio, obviously, will always be a high priority because that's the core of the business. Whenever there is an opportunity that comes in and we feel that the non-radio business, which we are attempting across the 2 or 3 new things that we are doing, will add to the overall presence of the organization in media from a marketing solutions perspective, and we'll have an ability to kind

of give a far greater bottom line result, you will see us investing in those but they are all fluid at this point in time.

For any kind of an investment, we would want to have a clear road map to ourselves saying that an acquisition or a merger has to have that road map saying that 2 years from now, 3 years from now, we are clearly seeing the returns from an investment to return ratio, and that's the way we are looking at it.

Bharat Gupta: And sir, just coming back like with respect to the margin profile. So I think over the next 3 to 5 years, can we see ourselves coming back and reaching out to about 20% kind of margin levels, given out the industry plays as per what we are expecting?

Ashit Kukian: Yes, of course. Yes, of course, without a doubt.

Bharat Gupta: And growth trajectory will continue to be in double digit going forward?

Ashit Kukian: See, it all depends on how radio grows. We are now closely monitoring our bottom line. So we'd rather aim towards a better margin than promising something on the growth because that's unfortunately being years in media last 2 or 3 years, each time we are bullish, there is something or the other happens. So we are very clear that come what may -- the bottom line is what you have to deliver, both from a promoter group versus stakeholders' perspective. And hence, we would ensure that those things are taken care of.

And whatever the growth comes in, we will ensure that we have a higher share of the available business in the market from a perspective of whatever business that comes in to our form of business.

So I don't want to stick my neck because like I said, last 2 to 3 years, it has been much different from what it is, but I can stick by I can say that profit margin perspective and a healthier bottom line, you will see that happening because those measures have already been taken. And profitable growth is what we believe is what we will be looking at rather than looking at top line growth and not really sure whether that's going to add to my profits as we go forward.

Bharat Gupta: And sir, just a final question. With respect to your opening remarks, you mentioned that you have done and given out a revisit with respect to the cost structure. So can you provide some color like what kind of system reorientation which we have done?

Ashit Kukian: See 2, 3 things. If I look at it from a perspective, over a period of time, organizations, whether you like it or not some way or the other gather some flap. So when times become tough, it's prudent that you look at those flaps and try and ensure that you are a lean trim organization, which is what we are doing. And when you do a closer exercise, you get to see those flaps. Sometimes it gets in the operations, it gets lost, number one.

Number two, some of our investments from an emergent business perspective, if we have been a little too bullish. We have kind of curtailed that and said that. Let's look at the returns coming in and then go higher on the investments in terms of people and so on and so forth. So it's a mix

of prudence both at the operational level and at the cost level, which will ultimately give us the savings that is required to ensure healthy bottom line.

Moderator: The next question is from the line of Sakshi Pratap from Pratap Securities.

Sakshi Pratap: So my question was on the demand side for the entire year for the next quarter. So are you seeing any early signs of recovery with the festive season coming, et cetera? Like could you throw some light on that?

Ashit Kukian: Yes, yes, there is an early sign of recovery for sure. India being India, unlike the global market, while the sentiment initially has been low. But we are doing a lot of conversations in the market with reference to newer campaign commitments that is coming. And if I have to go by that indication, you are right. We are sensing a better quarters going forward given the fact that there is an increased level of interest that I'm seeing from advertisers.

Moderator: The next question is from the line of Raj Mehta from MR Securities.

Raj Mehta: I had just one question. So what has been our year-on-year growth in our digital business?

Ashit Kukian: We've been averaging -- last 2 years, we've been growing at a 20%, 25% average and that's how it is. And even if it is a little muted, we expect a 15% to 20% growth -- 15% at least as we go forward, which will be much more than the regular radio growth.

Moderator: As there are no further questions from the participants, I would now like to hand the conference over to Mr. Ashit Kukian, CEO of Music Broadcast Limited for closing comments. Over to you.

Ashit Kukian: Thank you. We sincerely thank you for your active participation in today's earnings call. At Radio City, we are approaching the future with cautious optimism and strategic intent. Our road map is centered around efficiency, innovation and sustainable growth. With continued discipline and focus, we are confident in our ability to deliver long-term value and navigate the evolving landscape successfully. If you have any further queries, 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.