

Radiowalla investors call

Tue. May 28, 2024

0:00 - Radiowalla Network Limited

For those who've just joined, again, let me repeat, we're just facing a few tech glitches. So Harry and others will be with you shortly. Once we're able to upload the documents, just a few minutes. Thanks.

2:08 - Radiowalla Network Limited

So I'm going to take a vote. 10 more minutes. My apologies for the delay. Please bear with us for 10 more minutes. We'll start the call shortly as soon as it is uploaded.

4:00 - Shouvik

Bye.

4:21 - Shouvik

Thank you.

5:31 - Radiowalla Network Limited

Again, repeating for those who've just joined us, my apologies, we are running a little bit late due to some tech issues. We should be able to start the call in next seven to eight minutes. Kindly bear with us.

6:58 - Shouvik

Thank you.

7:00 - Radiowalla Network Limited

Silence.

8:07 - Shouvik

Well, good.

8:46 - Unidentified Speaker

We are not us.

9:05 - Shouvik

Thank you.

10:25 - Unidentified Speaker

Thank you.

10:28 - 1

Thank you.

10:29 - Unidentified Speaker

you Thank you.

11:20 - Radiowalla Network Limited

All right, I think Harry is just joining in. Should be ready to start in a minute or so.

11:52 - Unidentified Speaker

Shh.

12:07 - Ameet

Harpreet Bhai.

12:09 - Radiowalla Network Limited

Hello Amit ji. Good evening.

12:11 - Ameet

Bhatia ji is also joining us. Good evening all of you. As Harpreet Bhai said, there is a technical glitch in filing the documents at the exchange level. Before that, we don't want to announce the results. Bhatia ji is also joining us. Just bear with us for 5 more minutes. And he would be joining anytime soon.

13:06 - Ameet

Hi, good evening.

13:10 - Harry

Good evening. I'm extremely sorry.

13:13 - Ameet

No, no, sir. It happens. Technical glitches. We can't help it.

13:18 - Harry

First time happening.

13:24 - Ameet

So let me just formally introduce you people and discuss the financial numbers. So I'll just introduce the team to the audience. So good evening, all of you, ladies and gentlemen. Welcome to this virtual investor meet and FY24 earnings call. And with the management, from the management side, we have the core team here. Harvinderjit Bhatia, he is the co-founder and CEO of the company. We have Anil Srivatsa, he is the co-founder. Then we have Harpreet Singh, he is the Chief Operating Officer. And we

have Deepak Bhai, Deepak Shetty, he is the Chief Revenue Officer. And as a disclaimer, I would like to highlight that this call might contain some forward-looking statements, which may involve risks and uncertainties. And also, this call is being recorded. So now I would request Hariji to please do the financial highlights and overall business highlights, and the team then Over to you, sir.

14:28 - Harry

What I'll suggest is that thank you, Amitji, and thank you everyone for joining in. This is the first investor call we are doing after the listing. So it's a new thing for us. So in case we make some mistakes, I'm sure please forgive us for that.

14:52 - Harry

I would request just to give you the background of the company first before we get into the formal thing. I would request my co-founder, Anil, to just give a background about what Radiovala is and what we do and how we came into existence. And maybe two, three minutes overview, and then we will take the presentation from there.

15:19 - Harry

Anil, if you can please go. Get started, that would be helpful. Thank you.

15:25 - Anil Srivatsa - Director

Well, thank you, Harry. And thank you for also giving me my time limit, as you know. Without that, it will be a little difficult. But hello, investors. I really thank you for imposing faith in us. And we hope to earn it and keep it. But Radiowalla, as some of you know, is a company we started in 2010.

15:50 - Anil Srivatsa - Director

with an opportunity we saw with the retail environment growing and music is a very important part of a retail environment where it competes with offline and online competition where online doesn't have these issues but offline retail has the experience that becomes very important. So the experience is with the ear, the eye and the smell and these are the three sensory perceptions of whether the experience is good or not. And retailers were getting alive to this, but they didn't know how to do it. There were not too many companies at the time that went into this. And we thought it was a great opportunity. Our background as co-founders are from the radio industry. So we had a sense of what it is, what we need to

do and what can be done. And we ramped up really quickly and I guess we realized that we were not the first to come into the business, there were others, but the only way to get to the top is to do it well, to do it with sincerity and to get our trust in place. I think we did that and we did that well enough to bring us to a point where we have listed and you've shown faith in the category. Many congratulate us as Radio Wala, but I think I congratulate you as investors for bringing this category into a space that is a viable, valuable business and service that we can provide. And now we just like to expand on that into the rest of the world, because India is going out into the world to showcase its talents, and we are all part of it. And without the investors, this can become quite the task. So with Make in India, I think we'll make for the world. And this business is poised to be a service for the world, including the growing retail environment in India.

17:59 - Harry

Thanks, Anand. I request Harpreet if you can clear the screen.

18:06 - Radiowalla Network Limited

Sure, Harpreet. Just give me a moment.

18:25 - Shouvik

Can you see the screen?

18:29 - Shouvik

Yes, we can. Yes, we can.

18:33 - Harry

Maybe can you make it a full screen mode?

18:37 - Unidentified Speaker

Present.

18:50 - Harry

No, that only.

18:51 - Unidentified Speaker

Yeah.

18:54 - Radiowalla Network Limited

This one is OK.

18:56 - Harry

Yeah.

18:57 - Unidentified Speaker

OK.

19:02 - Harry

We can take it to the next slide.

19:13 - Ameet

All right. I'll go to the next one.

19:18 - Harry

Yeah, this is a statutory disclaimer which we have been told to provide. So just to give an introduction, as Anil mentioned that we co-founded this company in 2010 and Anil and me, we had initiated it. I come from a finance background. I'm a chartered accountant by profession and have been in corporate life for over 30 years before I'm coming into Radio Wala.

19:51 - Harry

From a media base, I was the CFO of Radio Mirchi. I was the second employee and set up the whole company along with the management team and listed the company in 2006. Anil also comes from an audio background. In fact, he completes his 50 years in audio this year. And he had set up India today's first FM radio station in India and have been a pioneer in digital audio in the US for 16 before he came back to India in 2005 or so.

20:30 - Harry

We have our team. I have Preet who is on the call. He's our Chief Operating Officer. He used to run a similar company and we merged that company into Radiowala. He is an ISB alumni and an engineer, and he looks after the entire ops of the company. Deepak has been with the company for over 13 and he looks after the entire revenue stream, including the business development. Then we have Aniket on the tech side and Sami on the tech support side as well. We have an overall 54-member team in the company and spread across Bangalore, Bombay, Delhi, and our setup studios and offices primarily in Bangalore. So I would request Preet to take from here and talk about what our solutions are and what our business is from here on. Harpreet?

21:41 - Radiowalla Network Limited

Sure, thank you. So we started off with in-store radio, which essentially is customized audio for different retail environments, shopping malls, hospitals, warehouses, etc.

21:57 - Radiowalla Network Limited

Then the next add-on to it were two services in the audio space itself, where we added in the point-of-purchase advertising through audio and static media inside retail stores. And also added corporate radio, audio content which was designed for the employees of a particular organization, which speaks about opportunities in the organization, you know, different policies and how organization is taking care of their employees, kind of employee engagement platform on the audio space.

22:28 - Unidentified Speaker

Okay.

22:30 - Radiowalla Network Limited

Over the last few years, we've diversified into digital out of home, where we are managing the digital signages and setting up digital signages for respective retail chains. You know, if they already have signages set up in their stores, we manage the content for them, just like we do it for audio. On the other hand, if they don't have anything, we take up turnkey projects as well, which involves setting up the signages and managing the content in these signages. Subsequently, we've added digital out-of-home solutions also, as we will see going forward in the presentation. So these are typically the large screens which we set up in high-footfall locations, such as shopping malls or bus stands. Again, the idea being to leverage the same expertise or the strength that we have in terms of setting up and managing content and fetching advertising from interested brands.

23:28 - Radiowalla Network Limited

Should we go on to the next one? Harry, anything you want to add here?

23:35 - Harry

Oh, I think that gives a broad overview. So let's move ahead.

23:42 - Harry

We can cover any questions then at the later part.

23:57 - Radiowalla Network Limited

So as you're all aware, the retail industry in India is growing quite rapidly. It is projected as the fifth largest globally, the retail industry in India.

24:09 - Radiowalla Network Limited

It contributes about 10% to the Indian GDP, where fashion and apparel is a large percentage of the market. And we've seen substantial growth, not only in terms of offline retail stores, but also in terms of shopping malls, which are now considered as a destination where a lot of people go and spend time over the weekends or on the weekdays. Now, if we look at it, even now in India, a large part of the retail is unorganized. So as of now, about estimated to be the organized retail share. The other part, which is the substantial chunk, is still unorganized, but that is something which is growing very rapidly. The organized retail is growing very rapidly. And this is a result of the urbanization or the phenomena of organized retail spreading to tier 2 and tier 3 markets as well.



25:12 - Radiowalla Network Limited

The idea is to look at the overall, kind of an indication of overall market size or market opportunity here. We are looking at about 12 million retail outlets in India, out of which approximately 10% are organized retail outlets. But that share of organized retail is growing quite rapidly.

25:37 - Radiowalla Network Limited

This is how we have performed in the last one year. While financials we'll discuss later, but in terms of our store counts, the number of stores that we service, in one year we've grown from about 19,995 stores. So approximately 20,000 stores to end the year at about 27,000 stores. So 26,928 stores to be precise.

26:03 - Radiowalla Network Limited

Our number of clients has increased from 398 to 563 clients. Today, we are servicing some of the largest names in the retail industry, including Reliance, Landmark Group, Trent, Arvind, Aditya Birla Fashion, Jubilant, Yum, Hardcastle, and quite a few more. We service clients in India, Africa, Middle East region, and USA.

26:29 - Radiowalla Network Limited

And in the current year, we're planning to have expanded sales team which will lead to the next set of growth brands. Now we see a lot of D2C brands growing quite rapidly. Those are the brands which we are targeting to get on board. And we want to do this through investments in terms of our technology, in terms of our infrastructure so that we are completely scalable. We can increase the store counts rapidly without putting an extra strain in terms of our manpower or in terms of our infrastructure. I'm looking at exploring international opportunities and maintaining the existing relationships with the clients that we already service. Just to give you a perspective, we currently generate about 18,800 plus unique playlists every day. So it's like operating 18,000 FM stations, if we were to compare.

27:26 - Radiowalla Network Limited

And practically every corner of the country we have one store or the other or one brand or the other serviced.

27:34 - Radiowalla Network Limited

You know about 1000 plus cities is where we are present in. Our pipeline continues to be robust, which is an indication of two things. One, of course, is the growth in the retail industry overall, in the organized retail industry. And two, there is a lot of word of mouth spread in terms of our services. Our existing clients recommend us to new clients. If somebody goes from an existing client and goes to a new client, they automatically get our services there. And three, the growth opportunity in the existing clients when they expand overseas, that's also very interesting. So we have clients who've expanded from India to Middle East and then to US and they've taken our services along.

28:21 - Radiowalla Network Limited

I'd like to spend a couple of minutes here on the technology part. We've invested heavily in terms of our technology infrastructure. For the simple reason that when you look at retail chains, they have very different platforms. Some of them have secured networks where no other third party app is allowed. Some of them have broadband connectivity. Some of them do not provide access to any computer or any system in their network. So we have designed technologies which are network agnostic. Even a highly secured environment, like, for example, a Reliance network or a similar one, also uses our services. Whereas people who have smaller store networks or who do not have very sophisticated security setups can also use our services easily. So we have playout solutions for Windows, Linux, Android. We have a hardware device. We have a web player. So practically, all sorts of networks we can engage with.

29:22 - Radiowalla Network Limited

Our playlists are automated and playlist updations are automated. We've integrated a lot of technology in terms of refreshing the playlists. We are automatically tracking more than 50 charts globally and every time a new track is released within a few days or a few hours, it gets up on our network as well. We can provide real-time alerts, analytics, locations, location-wise, region-wise, city-wise. In fact, all the content can also be done location-wise, city-wise, even store-wise for that matter. And all this has resulted from a lot of effort which we've put in over the years. And we continue to invest in terms of technology to make sure that we are ahead of the curve.

30:08 - Radiowalla Network Limited

We are one of the few companies who have deployed audio programmatic advertising solutions, where we can actually deliver advertising based on the availability of inventory in each store.

30:22 - Radiowalla Network Limited

In terms of our infrastructure, it is all cloud-based infrastructure. In fact, a lot of our employees can work from home if they want, because all of our workflows are on the cloud. We have a highly scalable platform, as I mentioned earlier as well. And there are detailed analytics and reports which are available for all the customers where they can view what is happening at what store at a particular time. They can view detailed reports, analytics in terms of usage and usage patterns, et cetera. And of course, to top it up in terms of digital signages, we have multiple solutions for digital signage as well. And these are all cloud-based as well. So there is no manual intervention which is required from the client side and that is what makes our services very attractive to a lot of retailers.

31:19 - Radiowalla Network Limited

As we've expanded into in-store radio, what we found is that a lot of retail chains are now moving towards digital signages. One, to kind of showcase a certain premiumness in the store and two, to manage their communication in a more sustainable way. So instead of putting in or printing pamphlets or flyers etc, they just put in all the information on the screens. Now that opens up a very segment for us because we are already engaged with all these retail chains or the large retail chains which means that we can add on digital signage services to them either as a turnkey project or if they have an existing screen or set of screens we can manage the content for them. We already have a content management team so it flows in quite nicely with our existing infrastructure and existing team. We go to the same set of clients for managing the digital signages as well. So we currently are doing multiple management projects, multiple turnkey projects for various clients. Some of them I've mentioned here in the presentation. Last year, we did a project with an e-commerce company in Egypt and Saudi Arabia. And we did a content management project with Jeeva, which is a jewelry chain. We also do content management for Mia by Tanishq. And various other hardware projects and content management projects for GKB Opticals and Mesa Laws and some of the other ones. And the good part is this is a segment which is growing very rapidly. Practically, if you look at any store today or any mall today, you will find a lot of digital signages in most of the storefronts. So that's a very interesting opportunity which is opening up for us.

33:16 - Radiowalla Network Limited

The next opportunity that we are targeting and that we are rapidly growing is advertising. We already have a network of 5,000 plus stores where we can play third party advertising campaigns. And this network has access to about 270 million plus footfalls every month. We can play audio ads in shopping malls also. And the good part is now all these retail brands which allow third-party advertising, they also have static media branding inside the retail stores. So that also we can add on to our offerings. Similarly, we've added digital out-of-home presence as I spoke earlier. So these are large screens which create a large impact. And these are deployed in high-footfall areas like shopping malls or bus stands. We'll talk

more about this going forward. And we do lead generation activities and, you know, digital audio ads, etc. On other platforms. Our platform is Sochcast as well.

34:18 - Harry

I'd just like to add on here. Primarily this, yeah, audio advertising. I think you can move to the next slide as well. This was a new medium for agencies as well and brands also. It was a media dark space And it took us some time to engage with them. And today, we are seeing a lot of brands have started advertising on our network. It started as a pilot for 5 stores, 10 stores. Today, we are getting campaigns for 50 stores, 100 stores. And recently, we got a campaign for 300 stores. Now, anyone from the industry, you would understand that, you know, typically we keep five minutes of advertisement spot per hour in every store, wherever the advertisement can play. And that ad inventory itself is increasing for us. So there is a huge scope of, you know, revenue generation opportunity for us. And we are, you know, we just, I would say, at the tip of the iceberg at this stage. And that's a very key focus area for us now that we have the network, we have the reach, which is a larger than the FM station reach. Because of the technology platform, we can give local presence, regional presence, and national presence depending on what the brand requirement is.

35:50 - Anil Srivatsa - Director

What is also important in this slide and this part of our business, is yes, it took us a long time to get the network through. It took us a long time to get the technology in. It took us a long time to build trust with the advertising media buyers and the brands because all of this took time. But what is now important to understand with this is this is all at the point of purchase.

36:17 - Anil Srivatsa - Director

Most marketing efforts are directed outside to bring footfall into these areas.

36:26 - Anil Srivatsa - Director

While this area itself was dark, once they came into, say, a grocery store, which in itself stocks thousands of brands, there was no way of reaching them at that time of purchase. If I went to go in to buy Horlicks and suddenly I heard of a promotion going on with Bonvita or Complian, then I could change my mind at that point. And that's what we bring as a value-add, which now people are beginning to recognize. The brands are beginning to recognize. And it is showing in our growth. Now stores, you're only hearing about 300 stores. So the tip of the iceberg, even within our network, is so large with the

amount of inventory we have. So we will compete in that space with the best that there is in any similar industry.

37:25 - Harry

Thanks, Haral. Yeah, please continue.

37:34 - Radiowalla Network Limited

So we spoke about digital out of home. Digital out of home was an extension of our digital signages setups. We had the experience of managing the content and setting up digital signages. So in 2023, January 2023, set up our first digital out of home screen in Shipra Mall in Ghaziabad. So that received a very good response. This was a fairly large screen, about 22 feet by 5.2 feet. The idea was to create great impact by placing a large screen in the mall atrium.

38:11 - Radiowalla Network Limited

We got very good advertiser response.

38:16 - Radiowalla Network Limited

We're going to recover the cost in about two years time. And the contract period is for five years and it is extendable. And similarly, we set up another screen in Crown Mall recently. We got a project from GSRTC, which is Gujarat State Road Transport Corporation, for setting up 18 large digital screens on bus stands, key bus stands in Gujarat, including Surat and Gandhinagar. So first screen of that project, Surat is already commissioned in the first week of May. This is 20 feet by 10 feet screen. And Gandhinagar will follow suit in June. As we speak, the civil work has started in the Ganinagar bus stand. So we are hoping all the locations to go live by October end. There's a second lot of 10 screens which is already on the way. So that should be ready by August 10 installed by August 10. And we are hoping that the other screens will go live by October end. Again, the contract period for this project is five years plus two years. So five years contract plus two years extendable.

39:23 - Radiowalla Network Limited

I mean, we are getting good response on the digital out-of-home signage front and we are continuing to look at other strategic opportunities where we can create major advertising impact by placing the screens on strategic locations. So this is an ongoing...

39:42 - Harry

We are not going into digital out-of-home on railroads and on grounds and everything. These are strategic locations we are picking up because even in the Gujarat State Transport, as they are upgrading their bus depots, there is a huge opportunity on audio front as well. That's where we are building in our presence and securing our position as a first mover advantage. Go ahead.

40:18 - Radiowalla Network Limited

So these are some of the clients that we cater to currently. As you can see, most of the large retail labels are using our services.

40:31 - Harry

Let's move ahead quickly, then we'll come to the last two slides, and then we open up for questions.

40:37 - Radiowalla Network Limited

These are some of our international clients. Most of these belong to Middle East region.

40:45 - Radiowalla Network Limited

Harry, you want to talk about this?

40:48 - Harry

So, as we reach the end of our presentation, primarily we are focusing within the realms of these growth levers, what we are, what have we spoke about, be it in-store audio, be it advertisement in this zone, digital out-of-home screens, which creates the whole ambience in the malls, in the public areas where we can integrate both audio and digital content management systems in the near future. We will continue to invest in technology because the whole visibility of this medium to any CEO or CMO sitting in their office and if somebody switches it off or try to bypass, automatic emails get generated to the concerned person. So it's a KRA-driven matrix for them. Because audio in a retail environment is not a good to have, it's a must-have. So that's what is helping us grow this business. Agencies are also warming up now to this medium. Because earlier they were still in ethics, where to put it, ATL, BTL, what to do with this. But now they are getting the response and we are also trying to figure out via

technology how we can give them ROI based reach as well. Those are some of the projects we are working on. We have seen over the years that our margins are improving. And the simple reason for that is that our costs don't go up the way we are growing on the revenue side. Even on the revenue side, the last year, overall, if my growth was on the overall, including screens, audio, everything put together, we grew by 9% last year. But my profit margin grew up by And we see that this kind of growth on profits will continue as we keep going forward.

43:09 - Harry

So these are the four growth levers. To summarize, I would say that these are the four growth levers for us. Radio for retail stores. So a retail store is the basic ingredient, which we have to keep focusing on and grow it. And the target is that in three years, we need to make it to 100,000 number. And there are still some pockets which are underserved in this space. It may take some time, but we are doing our advocacy with the brands, with these large networks, where we can start our service. And we also want to increase our contribution from overseas location because the margins over there are much better. We don't have to create a whole infrastructure over there. Everything is managed from our back end in Bangalore. And it's a model that it can expand very rapidly. Today, as we mentioned, around 5,000 stores out of 30,000 can run ads. But as our clients are increasing their network, and we are educating them about the revenue potential from this network, we expect that also to double to 10,000. And that will help us take our ad revenue 5x from here in three years. Corporate radio is another very interesting space we are in. This is, as you mentioned, it is used for training and learning via audio medium and interspersed with entertainment and music. This is another big platform which we would like to set up specialized teams to go after this. These are the four growth levers for our expansion going forward. That's where we end the presentation. I'm happy to address any questions. Ameet, you raised your hand, please.

45:13 - Ameet

Thank you so much for the nice deliberations by the entire team. And regarding the submission, if you could also update now to the audience, the submission which you can accept.

45:23 - Harry

Yeah, so as I mentioned that it took some time in the initial, there was a total glitch at NSE today, wherein we couldn't upload the financials after our board meeting. Now, it has been submitted. So officially we have filed our financials for audited financials for March 24 and with half yearly number as well.

45:48 - Shouvik

So now let's open the floor for the questions. One by one, you can please raise your hand and then the management will take the questions. So over to all of you.

46:01 - Harry

I would also like to just say that, you know, This year, we listed our company on 5th of April, but there were lots of expenses, which we had incurred, bearing for this IPO, prior to the year, which we had to expense off. And those one-time expenses, if I remove, obviously our margin profile becomes better to almost a 12 half percent from 8% last year. But that 30 lakhs odd, we had to spend the money, including the filing fees and everything. So, that had to be expensed off.

46:35 - Ameet

So, Harry, I had a quick question.

46:46 - Asit Oberoi | IPID

Can you hear me? Congratulations for a very well-delivered presentation and very articulated and everything else.

46:59 - Asit Oberoi | IPID

Give us a sense, because now your financials are out of the way, being published. Will you just give a quick sense of what the numbers are, one financial year versus the previous year, and what's some outlook for next year?

47:16 - Asit Oberoi | IPID

And I may have missed something, because I was out for a few minutes in the middle.

47:22 - Harry



Thanks, Asit, for the question. So just to give a comparative, last year, Fiscal ending March had 23, done 14 crore top line with a PAT of 1.07. This year, March 24 ended, we have ended at 15.3 crores and with a PAT at 1.59 crores. So overall, PAT margin is at 10.54%.

47:53 - Harry

And this is after taking the hit of that 30 lakhs. If we were to remove that, then the margin profile would have been that level. And also, some more insights on the revenue, I would say, like if I break up the revenue components of, say, in-store radio versus, say, digital out of home, which is a newer business, and the screens. Our radio business, which is a recurring, you can say, the underlying gravy, that we grew by 36% year on year.

48:39 - Harry

But the thing was that there was this corporate radio where one of our clients cut down two of their locations on account of their internal thing. But now they have given us two additional locations where we are doing the pilot. And that will start within this year. So we'll recoup that loss of those two centers.

49:03 - Harry

But that impacted a bit on the corporate radio revenue segment last year.

49:09 - Asit Oberoi | IPID

And the outlook for next year is looking robust because you've got plans to go overseas and more and more overseas, Middle East, Africa, etc. So the outlook is looking good.

49:20 - Harry

Yes. So we continue to, as I said, we grew by over year 35% and we continue to be on that trajectory even on this larger base next year with the growth potentials what we are looking at. Because the best part is some of our clients like Titan, Tanishq, they have gone overseas. And we have automatically grown with them in that market. And that market suddenly the ARPU, the yield becomes much better as compared to the cost we have. So we see that as a great potential. And just to let, you know, like, I don't know whether you know, Anil is a US citizen for, you know, he shuttles between Bangalore and Bombay, New York. And he understands that market. He was operating in that market in digital audio. He had his

own show there over 16 years. So he understands that market very well. So that's where we said that we are looking at that opportunity as well, and as and when something specifies.

50:22 - Anil Srivatsa - Director

I am here as we speak exploring.

50:28 - Asit Oberoi | IPID

Great, great, thank you. Thank you, Harry. Thank you, thank you.

50:33 - Harry

I think. Harry. I think this is the new had raised his hand first.

50:41 - Shouvik

Yeah.

50:42 - 1

Hi Harry and Anil and RPJ congratulations for your first call and just wanted to check on few things right.

50:54 - 1

What is the revenue breakup between audio as well as OH that the screen thing which you say right the putting in screens in the retail. Any revenue breakup among the components of your entire 14 crore revenue?

51:10 - Harry

Yeah, I think you want to give that.

51:15 - Radiowalla Network Limited

Eric, can you take that if possible?

51:18 - Harry

So on in-store radio, 50% I would say is coming out of our in-store radio business, which is the recurring subscription business what we get.

51:30 - Harry

Advertisement has just started picking in over the last couple of years. So out of 15 crores, I would say around 2.5 crore odd would be the advertisement revenue. And corporate radio would be another 2 odd crores. And the rest of the things would be digital and some music royalty. So as of now, digital is a smaller part, as I said. We are just building up our whole thing. The radio network is the key to grow because that gives us access to the ad market and everything. So that we have to continuously focus on. And that's it. As I said, it's a recurring revenue. It's kind of an annuity. Once we have built up, unless we screw up, people will not change us just for the heck of changing. Because we are integrating into their IT systems as well.

52:26 - 1

So if I see your radio business, last year you added approximately 7,000 more stores from 20 to 27,000. And when I look at the outlook for H1, that is Q1 and Q2 put together in one of the slides, it says 3,500. So will we grow at the same rate at which we grew last year on the radio business?

52:54 - Harry

Oh, definitely. No, this three and a half thousand is what we said is the current pipeline. It's not that we will grow only on those many stores. That is a ready pipeline which we are working on, which will get implemented over the period of time. But we are targeting this year, at least, as I said, we want to increase to another by another 10,000 odd stores.

53:16 - Anil Srivatsa - Director

Okay. Also, I think we're making some investments. Sorry, I'll add to this. We're making some investments to even bring in the long tail, which otherwise would have required a huge footfall of men on street or women on street to go and sell. But once we bring it into the tech space where stores can

automatically come and complete the entire transaction of a onboarding process and payment process without, so this will get us more reach and quicker deployments.

53:47 - 1

I didn't understand that Anil completely about what is the, sorry.

53:51 - Harry

So what Anil is saying is, there is a long tail of retail stores. So if you see our client list, they're all large chains or medium chains, but there are lots of individual one store, two store outlets. And if we have to reach them today, either we put in a lot of heat on the street, which will not be the right way to sell. So we are building on the technology platform wherein people can access onto our website, swipe their card and get a basic service. And if they want a value add on top of that, then they approach us and we get them, you know, pay for those additional services. So basic services, it could be plug and play kind of thing. And these are like standalone restaurants, salons. This is a very long tail and very organized where the music definitely plays over there.

54:42 - 1

And in case of advertisements where you play third party advertisements in your retail stores, is there any revenue sharing with the customer who is playing? You share any revenues or?

54:55 - Harry

Yes, yes. We share the revenue with the retail brands. Retail because that's the real estate is theirs. So it varies on the terms with them, wherein if they are getting the advertiser or we are getting the advertiser, what is the kind of work we need to do on jingles and everything. And because we do the production work for the brands as well, so it's like a one stop shop for them. But yes, to answer your question, there is a ratio there and that is factored in our cost to that extent. Ultimately, it has to play from our servers only. Even if they get an advertiser, they have to hand it over to us to manage it.

55:34 - 1

Yeah, so more of the chunk will come to you in that case.

55:36 - Anil Srivatsa - Director

It depends on who sells.

55:40 - Harry

If they sell and if it is a larger chain, then for us, it is just whatever is our share that goes straight to the bottom line.

55:48 - 1

Yeah. So my last question is, for the next year, any guideline on revenues because your profit margin is clear that you would try to keep it at 11 12 percent whichever was uh which is the true margin but any growth of revenue forecast from your side from 30 40 whatever yeah as I said we want to maintain that same trajectory where you know north of 30 35 thank you very much and all the best thank you I think the

56:22 - Anil Srivatsa - Director

you allude to is on our top line not above Our profit margin is much higher.

56:28 - Radiowalla Network Limited

The entire PAT all over.

56:30 - Harry

Yeah, total PAT is at 12 and a half percent, but the revenue growth would be higher than that. And as I said, the margins also will, you know, keep improving from here on. It's not that it will be static at 10%.

56:47 - 1

Yeah, because no input cost is there. It's only the additional revenue which is taking in.

56:52 - Harry

No, I would say some input cost would be there in the sense of the tech cost what we have to spend on and the manpower cost. So manpower cost is our biggest cost and that's what we are rationalizing by bringing in more and more technology to that.

57:07 - 1

Thank you very much. Thank you.

57:11 - Ameet

I think the next is Devu now. Devu if you can please ask.

57:23 - 2

Yeah, good evening, sir, and congratulations on a good set of numbers. I have basically two questions from the results. First question is, can you give us some insights on the other expenses? I do see that has gone up from the first half yearly. Earlier it was 48 lakhs, 27,000. Now it is 82 lakhs, 4,000. And my other question is, why is tax expenses like, why are we getting a tax refund this year? As opposed to last year, we paid like 6,00,000-5,000 as a tax, we are getting a refund this year of 7,00,000-41,000.

57:59 - Harry

No, no, tax refund we get every year, and it is not 7,00,000, it's 71,00,000 year. Last year, we got 60,00,000 as well. So this is primarily because we had accumulated losses. And because of that, we have we get the benefit of not paying the taxes.

58:28 - 2

OK, I think I didn't get the last part because it shows profit before taxes is in the positive.

58:37 - Harry

Not this year, not this year. If you see my reserves and surpluses, there is a accumulated losses in the initial year, so that accumulated depreciation which is lying in our books.

58:51 - Harry

Historically, we are taking the benefit of that.

58:54 - 2

I see. I see. That makes sense.

58:57 - Harry

It's not of the current last three years we have been profitable. But prior to that, there were losses and we are we are sitting on some accumulated losses.

59:06 - 2

Got it, got it. Thank you sir for clarifying that. And can you highlight some, some like how, why did other expenses shorted up from 48.27 lakhs to 82 lakhs?

59:19 - Harry

I'll just get into that schedule. See, primarily, if you see my other expenses, that's coming to some 1.28 crores this year on a standalone basis.

59:35 - Harry

And Last year it was 98 lakhs.

59:43 - 2

OK, yeah, yeah, so I wanted to understand this increase.

59:50 - Harry

These are like record other expenses.

59:53 - Harry

There are like some 1516 line items in that which includes our traveling cost, which includes our Internet cost. That's a big cause because we are connecting with all our retail outlets via internet. And as the business grows, that cost definitely goes up. One of the biggest cost factor of almost, I would say, 20 lakhs is on account of these one-time expenses, which I mentioned earlier. So the registration, the increase in authorized capital, the filing fees with ROC. We had shifted our registered office from Mumbai to Bangalore. So all those costs are sitting here in other expenses.

1:00:39 - 2

I see that makes sense.

1:00:40 - Harry

Thank you. And marketing cost also we had in the previous year we were 5 lakhs we had spent this year we spent around 12 lakhs.

1:00:50 - 2

Got it. And any reason sir why we shifted from Bombay to Bangalore?

1:00:55 - Harry

Oh, our setup was entirely in Bangalore and Mumbai. When we had set up the company, the registered office was my residence. So we had to shift it out to our proper office. Otherwise, NSC would not have given us permission to list.

1:01:15 - 2

OK, sounds good. Thanks. Thanks for answering the questions and good luck for all your future endeavors.

1:01:21 - Harry

Thank you.



1:01:22 - Anil Srivatsa - Director

Thank you.

1:01:27 - Harry

Ameet you are on mute.

1:01:31 - Ameet

The next participant is 129 wealth. If you can please ask your question sir.

1:01:37 - 3

Good evening everyone. Am I audible?

1:01:39 - Ameet

Yeah very much sir.

1:01:41 - 3

Yeah, so my question is related to the in-store audio, the recurring revenues that we generate. So do you have any long-term contracts with the store? And depending on the answer, I'll go to my next part. Let's say, for example, we are offering the radio service to OSI.ITEM. So how the contracts with them looks like, is it the yearly contract or like we get three, four-year IVRs contract?

1:02:06 - Radiowalla Network Limited

So usually, let me answer this. Usually the contracts change from one year to three years for Instoradio, but they keep renewing and we've had clients or rather we have clients we've been working with for over a decade now. Trent, for instance, has been a client for over a decade. Reliance is a client for over eight years now. Landmark Group is almost over a decade. ABFRL is again over a decade now. So these are services that get aligned with the client's marketing team and their IT team. And unless we screw up or unless there is a dramatic change at the client side, usually the contracts renew.

1:02:47 - 3

Okay, that's good to hear that you have, I mean, renewing those contracts. But my question is, say, for example, tomorrow, some new player emerge with better technology and offering you a lower cost to those stores. Say, for example, I am your competitor and I am offering some better pricing with better technology to reliance or to trend. So why train to stick with Radio Wala instead of shifting to the new player? So what kind of, do you have any competitive advantage? Because whatever the audio advertising you are also planning, those will also build on those inventories of retail stores. So the question is, why someone won't shift if they get better pricing and better technology?

1:03:29 - Radiowalla Network Limited

Yeah, I mean, it's a very valid question. That's why we continue investing in technology to stay ahead of the curve, to stay ahead in terms of technology and our service offerings.

1:03:41 - Radiowalla Network Limited

As on date, there are multiple service providers in this space. And some of them have been owned by large media companies as well. People like HD Media and Ghana, which was subsequently absorbed by Times of India, they have offerings in a similar space. Fortunately or unfortunately, they haven't had any impact on the space in the market so far. So we've stayed ahead of the competition through our investments in technology and through providing a superior service. And the thing is, it takes a long time for one, anybody to get into the technology network for any large retail account.

1:04:28 - Radiowalla Network Limited

It took us about a couple of years to enter into Reliance Network for instance. So it's not easy for anyone and everyone to just go and walk in with a lower price offer and capture the market.

1:04:42 - Radiowalla Network Limited

Once you integrate with the technology and with the IT teams of a particular store, it's very difficult to change a service provider. And also the comfort level of the marketing team is also very important. Once they are comfortable working with a certain set of people, they are comfortable with the choices of music which are offered, the technology which is provided to them, the alerts and reports which are provided to them, they wouldn't really want to switch for a 10-15% difference.

1:05:15 - 3

I hope that answers the question.

1:05:18 - 3

Do you have any pricing idea like Ghana, HTMedia? Are they offering prices lower than Radio Allah or the prices are similar?

1:05:28 - Harry

They are offering much lower prices. In fact, one of our clients shifted from us to them on a lower pricing and within six months they came back because they just couldn't manage their expectation. Because they were used to the kind of services we were providing. We have account manager assigned to the larger clients and we are giving solutions every time. If it is a festive season or otherwise, our team brings out new ideas for them. So it's not just that somebody has to just play music. How do you play music? What kind of playlist?

1:06:05 - Anil Srivatsa - Director

For someone who started this business.

1:06:10 - Anil Srivatsa - Director

from my living room, we were two of us, and I was the business development guy. See, what I find, what I found in the first six, seven years of me actually being on this seat is what we offer is not quantifiable. We offer a relationship, we offer the understanding, because once there is music involved, it takes time for us to calibrate with their sensibilities of the brand. There is a lot of hit and miss. There's a lot of training. It's like quite similar to losing a well-trained teammate of yours. And to replace that teammate, you've got to spend another six months training that new person. And that is what we bring to the table, is we learn quickly. We understand the brand enough for them to let us run it without their intervention so they can focus on what's more important is selling their product. That's not quantifiable. And because we've been in this long enough, we have seen a lot of churn. All the questions you ask are valid. We've had to weather the storms of people coming in, undercutting, lower price, lower service. So we've lost very few clients as opposed to gained more from the competition and retaining them for a longer period. So these are the intangibles that you need to consider as well.

1:07:40 - 3

OK, thank you. So can you give any number, like what is your largest revenue contribution from a single client? So say, for example, I don't know. Say, for example, Reliance or maybe Trent is your largest client. So what's the revenue contribution from a single client? Any approximate number?

1:08:00 - Harry

I won't be able to give you an individual number because those are as per contract. But just to give you a flavor that our The venue is pretty much spread out across our clients. So the risk factor from a single particular client moving away is not there for us today. Because we are working today with over 550 brands.

1:08:28 - Harry

So one or two will not shake up the whole ecosystem. And that's how we want to retain it. Number of stores, one client may have more. Some may be big in size, some may be big in quantum or value, or some may be having more advertisement potential. So every segment has its own pluses for us, and we don't see one client to be larger than others to that extent.

1:09:01 - 2

Thank you. I would like to end with just one feedback. I think if this is so and you are already holding 50% market share, you should be more aggressive on new store acquisition in tier 2, tier 3, or maybe tier 4 cities. Because the more aggressive you acquire the stores, you can monetize those stores easily before some competition enters. Because as you are now a listed company, so surely more and more competitors are in this space.

1:09:29 - Anil Srivatsa - Director

Sir, you keep supporting us, you keep watching. Now we are working for you.

1:09:36 - Radiowalla Network Limited

Okay, thank you.

1:09:38 - Harry

That's how we raise this money for that we need to augment our team and expand into other cities now.

1:09:46 - Ameet

Okay, so we move on to the, thank you sir. Next participant we have is Bharat Reddy sir. Bharat ji, please ask your question sir.

1:09:55 - 3

Uh, yeah, thanks for the opportunity. So my question is what kind of inputs are do you get from Mr Kachol? Yes, Sir. Then with respect to business, of course.

1:10:08 - Anil Srivatsa - Director

It's full faith and support.

1:10:10 - Ameet

Yeah, so.

1:10:14 - Harry

I think you see as as a as a shareholder, you know.

1:10:19 - Harry

We take inputs from all our shareholders, so we're open to it. But he doesn't interfere in day-to-day businesses. He has a substantial knowledge of running media business. As you know, he co-founded Hungama earlier as well. So we do get insights and outside-in view. And we're just starting, as I said.

1:10:46 - Bharath Reddy

OK, and yeah, I have one more question. So you said you need this capital IPO funds for tech upgradation, right? So can you just explain any two use cases? I mean, suppose that tech upgradation, so what else we can do more that we could not do it today?

1:11:11 - Harry

Well, there are a couple of things like repeat that touched on two specific use cases which we are going to. Focus on this year. One is on this programmatic apps where in today the advertisements which are there offline advertisement that you go and sell the ads to agencies or brands. Whereas in the digital. Platforms, you have Google ad networks and all that, where in programmatic ad works, where in the agencies have a visibility of the inventory, they put a bid for it, and it is a seamless experience for them. So Radiowala is working on that technology with a couple of tech companies. Because we are not a tech company ourselves. So we take help from the experts and we are the second company in the world in this space, which is working on this programmatic advertisement flow, which means all our inventory across our 5,000 stores would be visible to agencies and they can bid for it. I don't have to send salespeople to sell it. So those are the features we are building on. So that's one use case. Second is the long tail which Anil spoke of earlier. There are all these single outlets, single store, restaurants. We can't reach all of them because they are in, I don't know which city they are in and what, you know, whether we have a reach of ad sales people over there or the BG team over there. So we want to build on where in, and we get a lot of inbound calls on our website. Where people asking us for the service. So we want to create a solution wherein they can come to our website, swipe their card and start the service. And if they want value adds on top of that, then it is like a menu card. You can keep asking for services and we'll provide you. But to get to the basic service, no human intervention should be there. So we are working on that kind of play, which can help us grow rapidly.

1:13:15 - Anil Srivatsa - Director

So let me give you an example.

1:13:18 - Anil Srivatsa - Director

When we started the business, everyone was using pendrives, CDs, and now they're going to Yahoo. Yahoo is a very, not Yahoo, sorry, YouTube. YouTube is a very popular delivery for such locations. But the problem with YouTube is they have no control on what's playing. The ads that could be playing with it could be their competitors' ads. They may not be able to curate bespoke customized playlists for their brand's ethos. So that's the limitation of YouTube.

1:14:02 - Anil Srivatsa - Director

What we are trying to do is build a customized version of YouTube because right now they're doing it themselves. They're going to YouTube. Creating their playlists. All they have to now do is from YouTube, shift to Radio Wala. And that tech is what we're building. And this is where even the payment gateway comes in. So they pay ahead of time. We don't have collection costs. And it's a higher yield per location. But there's over 100,000 of such clients out there that we have no visibility or access to. How do you reach them? Reaching them is an important part as well. Once you have that space, they should know we exist. And that's how we're going to start targeting to marketing. So marketing becomes an expense, which over time will decrease while the revenues from it will continue to increase. And then it's a word of mouth thing.

1:14:55 - Bharath Reddy

Thanks, Anil. One final question. So when can we expect the results from the IPO funds? I mean, from which quarter we can start seeing the revenues or whatever it is here.

1:15:10 - Harry

So as Arpit mentioned that on the screens bit, we have started spending that on the CapEx fund, which will get over in the first half. But that we are not waiting for the first half to complete, like one screen in Surat is live, Gandhinagar will go live this month. So we'll start see trickling of revenues coming in this year on that. When I talked about the growth factor, the rate of growth 30% north of that, that anyway without IPO funds also we are targeting. So whatever growth the second half of the year will bring in certain growth numbers, that will be over and above that. And inorganic at the right opportune time we will see how it comes into play.

1:16:01 - Bharath Reddy

Sure, yeah. Thanks Dinesh, all the best.

1:16:05 - Ameet

Thank you. Next we have Mr. Abhijeet, if you can please ask your question.

1:16:11 - Asit Oberoi | IPID

Yeah, am I audible?

1:16:12 - 3

Yes, yes, very much. Please go ahead.

1:16:14 - 3

Yeah, thanks for the opportunity. So I have a couple of questions. You shared your plans for the international expansion. So my question is, what kind of competition we are facing there? And where do you see this segment going forward in the next three to five years? And what is the difference in margins in the domestic market and in the international market?

1:16:35 - Harry

So internationally, it is a very developed space. There are some large players in US, in Japan, in Canada, who are servicing maybe over 600,000 stores. And the way they have approached is they've gone and acquired companies in other countries. India retail is growing up. It's getting developed. More and more international brands are coming into India, and we are servicing them. So we understand the music. Requirement of these brands, how a US brand is looking at it, or how a European brand is looking at it, we are servicing them. And how Indian brands going abroad, what kind of music, what kind of service they want, we are already being a party to it. Margin-wise, definitely we are much better competitive as compared to any global players.

1:17:37 - Harry

I would say that at least between India and overseas, it's a 2x difference between the yield. And if we are able to crack that with our back end still being operational in Bangalore, our margins will definitely improve to that extent.

1:17:58 - Anil Srivatsa - Director

See, we have an advantage. First of all, we know the language. Now let's look at a KFC or a or a Burger King, we play the same music. So it's not like when they come to India, we play Hindi music or local regional language music. We still play the same music they play in Canada or wherever else. So now



what happens is everyone is trying to cut costs because when you're at that scale, it matters. And there is no one outside of this country or outside of India that is able to manage the scale which is an important part of why we are so successful compared to our Indian competitors. So we know how to manage scale. We have global experience. We have the language capability and we have a relationship with that brand already. And we are, like I said, almost 50% the cost of a competitor in say America who charges for the same service. In fact, we enhance services as well. So we have more to offer for the same price. So it's a matter of discovery at some point. So the moment they understand that this is the value proposition from us, then making the transition is easier. Now, for example, there's a company called Play Network, and they started with only doing Starbucks. Now, Starbucks is close to 30, 40,000 locations worldwide. So they became a global company just with one client.

1:19:28 - Anil Srivatsa - Director

So we're in that space now. Where we can sit head to head, our technologies are as good or better than most of the international brands that are offering similar services. So we have no disadvantage other than the fact that we are a little late to the party, but this business always has one seat empty as long as you bring value against the incumbent.

1:19:54 - 3

Thank you, sir. That was helpful. And my other question was, where do you see this segment going in the next three to five years?

1:20:04 - Harry

As we mentioned that in India, like over 12 billion retail stores, and we're talking of only 10-15% being organized retail. The retail sector itself is transitioning and growing rapidly. So for us to be in that sweet spot, wherein as the brands are growing, we also grow with them. We see a huge potential. We are just 30,000. In current market, it looks bigger. But as I mentioned, in three years, we should be in north of 1 lakh. And that's just to give you perspective.

1:20:43 - Anil Srivatsa - Director

Sorry, Harry. Just to give you perspective, there is this company out of Japan called Usan.

1:20:50 - Anil Srivatsa - Director

USAN services 800,000 outlets. And that's just in the Far East.

1:21:02 - Anil Srivatsa - Director

So we're just scratching.

1:21:03 - Harry

You see the potential here. You have salons. You have petrol pumps. You have bus stations. You have metros coming up. There is so much scope of this.

1:21:24 - Anil Srivatsa - Director

So if you have the best looking store, if you look, if you go to the best looking store with a lot of interiors and a lot of money spent on the visual side of things. With no music. And you add music to that same store. It looks like they spent double. For the experience of the shopper in that space, so music and ambience is becoming a it's being recognized. By a lot more people who otherwise didn't pay attention to it because the shopper or the customer is more discerning and now understands that this ambience need to translate. So wherever I'm going to spend my time, I want a better ambience. I mean, since very recently we started hearing music in elevators or even in escalators, just in the escalator, not in the escalator but as you climb and when you leave the escalator, you don't hear it anymore. So this is now becoming an interesting. Space where discovery of the consumer is becoming more apparent and therefore. The service provider and the products in the brands want to deliver it to their customer and not be left out because their competitor is doing the same thing. So we're just there. To help both of them.

1:22:44 - 2

That's really helpful. One last question. How is the margin profile across different business verticals?

1:22:51 - 2

Thank you.

1:22:55 - Harry

Broadly, what we see is that the advertisement and the digital screens will have a higher margin at a scale.

1:23:07 - Harry

The in-store audio is the train which has to carry all the inventory together. So there the margins may be lower than the other two businesses. But here the volume comes into play to that extent. And as we grow in the single stores, our margin even on the in-store radio will start improving. Because these single stores are open to paying a larger sum of money than a larger chain which has or 1,000 500 stores, because then they see the overall exposure for them. So we feel that the single outlets, we can at least have 2x or 3x revenue potential from them.

1:24:00 - Harry

That's all from my side. Thank you and all the best.

1:24:03 - Harry

Thank you.

1:24:06 - Harry

Ameet, you are muted please.

1:24:12 - Ameet

Ameet, you are on mute.

1:24:16 - Ameet

There are two more participants whose hands are still raised. Do you want to ask some other questions, sir?

1:24:24 - 3

Sunil ji and Abhijeet.

1:24:27 - 3

I just wanted one quick one. Are you looking at inflight entertainment also? I don't know if it covers and it is encompassing into your business.

1:24:35 - Harry

No, it is, but we don't have, as of now, inroads. But yes, it is on the radar as well.

1:24:47 - 1

Just a small thing. Nowadays, all are used to, in small companies, all are used to revenues doubling over every year. So I know it's a slow process here, but I think it's a strong process, which at least over a period of time will give you strong results.

1:25:03 - Anil Srivatsa - Director

And I'm glad you made that observation because we built our business on traditional lines of business sustainability. It's not on valuation, it's on revenue and profits. And we will continue to be that way because that is the true test of time. And the retail markets are the toughest customers. If they stand behind you, you know you've got something right.

1:25:27 - 1

Yeah, the cost competitiveness they have. But the founders are strong, I think. The tech is going to play a major role. So all the best.

1:25:35 - Ameet

Thank you very much.

1:25:36 - Ameet

Thank you.

1:25:37 - Ameet

Thank you. Another participant is Mrs. Sumit Srivastav. Sir, please go ahead.

1:25:44 - Ameet

Sumit, please go ahead. Yes, sir.

1:25:45 - 2

Tell us a little bit about the company's long-term vision. Sir, where do you see by 2030? What are the milestones you are planning to achieve?

1:25:58 - Anil Srivatsa - Director

Before this, someone asked about Ashish Kachoriya.

1:26:02 - Anil Srivatsa - Director

So he also asked the same question that will you be a 500 crore company soon? So we just said yes, sir. Now we will go there.

1:26:18 - 1

Sorry. Sorry.

1:26:30 - Ameet

We are saying that 30-35 doesn't work.

1:26:31 - Ameet

Sir, why have we come from the market?

1:26:35 - Harry

If we wanted to do 30-35, we could have done it privately. We were growing without any funding. No, you are right.

1:26:53 - Harry

No, no, the idea is to grow. So we are not, you know, saying that we are sitting on our laurels on that. Otherwise, we'll be run over. So we need to figure out other revenues of revenue, increase the margin. And there are opportunities to grow, which we are all working on now. And we should be able to...

1:27:15 - Anil Srivatsa - Director

Have you ever gone to a shop and thought, It's a little smelly. It's air-conditioned. The staff is sweating. They might have found a flower in the air.

1:27:35 - 2

It happens, sir. It happens.

1:27:37 - Anil Srivatsa - Director

So, that is the biggest opportunity because we are working with three things. Ears, eyes, and nose. We already have visual merchandising for the eyes.

1:27:55 - Anil Srivatsa - Director

But as a complete solution. So custom sense is another potential opportunity going forward.

1:28:08 - Harry

That's a big market in developed retail market like US and Japan. That has a huge potential as well. The whole idea is for us the cost of acquisition is literally zero once we have entered the store. But then we

have to just upsell what else we can upsell and improve our margins. Because that's the same account manager.

1:28:32 - 1

You already have the put in, now you're going to conquer whatever you can.

1:28:37 - Harry

That's the whole idea.

1:28:38 - 1

Thank you so much. No more questions.

1:28:42 - Radiowalla Network Limited

Will not ask you.

1:28:43 - Unidentified Speaker

Thank you.

1:28:44 - Harry

Thank you so much. You're welcome to come.

1:28:49 - Shouvik

Can I ask follow-ups?

1:28:50 - Ameet

Yeah, I'm based out of Bangalore. Yeah, please go ahead.

1:29:05 - Anil Srivatsa - Director

I'm sorry, somebody wanted to ask a follow-up.

1:29:19 - Anil Srivatsa - Director

abroad like more than the other countries like US, Japan. How is it going to be?

1:29:25 - Anil Srivatsa - Director

Sir, India is a land of opportunity.

1:29:32 - Harry

We are going to go after it. Yeah. Internationally, as I said, as our clients are going out, we are there in Middle East and US in certain stores. We will work on those sectors, but India See, the team focusing on India under Harpreet, they will not be digressed to look at other markets. They have to focus here. And Anil, myself, we will look at overseas opportunities, strategic inroads. As the opportunity comes in, we'll work towards that.

1:30:13 - Anil Srivatsa - Director

And again, the big businesses in this space didn't do it only domestically, like USAN is a Japanese company, but I don't think 800,000 comes from only Japan. The fact that we are now internet enabled allows the globe to be our marketplace and India is just emerging. So India is definitely on our priority while the others are opportunistic. And if there are, you know, opportunities to go in there without much setup, investment, or if we need to go and buy revenue, profitable companies, we don't want to start creating cost centers. That is not sound business. We're not in that space.

1:31:17 - Ameet

So can we talk about some other questions?

1:31:19 - Asit Oberoi | IPID



Yeah, please continue.

1:31:21 - Ameet

You were saying something?

1:31:22 - Anil Srivatsa - Director

I was going to say, would that answer your question satisfactorily? Or should I elaborate?

1:31:29 - 2

Yeah, that clarifies it. Thank you. Also, since this is a very unique type of business, which has recently listed. So I mean, as an investor, I haven't seen this kind of business before. And like my understanding might be very little. So it would be very helpful if you could like give more frequent business updates with the National Stock Exchange or maybe share a few presentations on about the business and things like that. It will be very helpful for me.

1:32:03 - Harry

No, no, sure. Definitely. That's the idea. We want to be as open as the exchange allows us to communicate. We will be doing, although even if it says six monthly reviews and everything, subject to those conditions, we would do investor meetings and everything.

1:32:25 - Harry

That's the plan.

1:32:28 - Ameet

And, Harry sir, we can also plan a Bangalore visit of our participants and other investors who wish to come there and maybe be communicating for you as well. As Suleen Babaji has also mentioned in the chat, he wants to visit the Bangalore office. So we would be formally planning an investor meet very soon with the management's coordination and all. So the next question I think is from Bharat Reddy. He has raised the hand again. Please go ahead, Bharatji.

1:32:58 - 2

So can we expect quarterly results and quarterly call calls from the company? Because SME companies mostly they do half yearly results and call calls it depends again. So can we expect quarterly results and call calls from you?

1:33:12 - Ameet

So I will try and answer this Bharath sir. As the exchange demands half yearly results because the company scale and size are smaller in nature and there is a logic for that. We will attempt it in times to come. But as for now, I mean, they are not in a position to guide you on that.

1:33:33 - Bharath Reddy

Sure.

1:33:35 - Ameet

Yeah.

1:33:35 - Ameet

Any other questions, sir?

1:33:37 - Bharath Reddy

No, that's all from my side. Thank you.

1:33:39 - Unidentified Speaker

Okay.

1:33:40 - Ameet

So if there are no other questions, we'll take a pause here and I will request a small question.

1:33:46 - 2

So what stops your team to start a tech team in Bangalore? Bangalore is a tech hub, right? So why are you looking opportunities like to get programmatic ads work from other companies rather than like setting up an in-house team itself?

1:34:04 - Anil Srivatsa - Director

I'll answer that.

1:34:11 - Anil Srivatsa - Director

See, I'll take you back to when we started this company. We actually had our tech support in Chicago because we didn't know much about it. But we learned and we brought it in-house. So there is no point in recreating the wheel. There is another company that's already doing something similar. We will start partnering with them. We will work with them, learn, and eventually bring it in. Now our tech team, our offices, everything is in Bangalore. So we do have a tech team that we create our own tech with. So it's all in house. But with programmatic, it requires a different skill set. For that, we collaborate, there's no point building everything. Sometimes you have to bring, you know, cement from another company, nobody's going to create or bricks from another company, but the architects is us. So we will eventually have it more in house than But we have to start where someone knows this. And have a wider region network because programmatic also requires a larger network.

1:35:16 - Anil Srivatsa - Director

So we could even go and partner with a Google, for example, just hypothetically speaking. Because they already have a network, they have a reach, they have relationships, but they don't have, they need more inventory. Because they have created all their inventory, but if they get more inventory in us, They're just going to route more advertising to us. So the cost center has to be also maintained.

1:35:42 - Anil Srivatsa - Director

So over time, yes.

1:35:45 - 2

Great, sir. Thank you for your answer.

1:35:48 - Ameet

Thank you so much. So if there are no other questions, we'll take a pause here. And I would request Hariji to formally sum it up, sir. Your concluding remarks.

1:35:59 - Harry

Thank you so much for your time. I know we have taken almost one and a half hour for the call and apologize again for the delay. But NSE portal was down and we just couldn't upload our financials before the call and that resulted in the same. We will try to keep as many calls we are open, our email IDs are open. Please feel free to contact us and wherever possible, we are able to address within the realms of the exchange regulations. We'll be more than happy to do that. And look forward to seeing you all on our next call soon.

1:36:41 - Ameet

Thank you so much. Thank you so much. Thank you so much, the entire team of management of Radiowala and all the participants. Thank you so much.

1:36:48 - Asit Oberoi | IPID

Thank you. Thank you.

1:36:49 - Radiowalla Network Limited

Thank you, everyone.

1:36:51 - Harry

Bye.

1:36:51 - Radiowalla Network Limited

Bye-bye.

1:36:54 - 1

Bye, thank you.

1:46:41 - Radiowalla Network Limited

Thank you.