Amagi Media Labs Limited

13th January, 2026

IPO NOTE

Recommendation	Subscribe	
Price Band	Rs 343-361	
Bidding Date	13th - 16th Jan	
Book Running Lead Manager	Kotak Bank, Citi, Goldman Sachs, IIFL Cap, Avendus	
Registrar	MUFG Intime India Private Limited	
Sector	SaaS Technology	
Minimum Retail Application- Detail At Cut off Price		
Number of Shares	41	
Minimum Application Money	Rs. 14801	
Payment Mode	ASBA	
Consolidated Financials (Rs Cr)	**FY24**	**FY25**
Total Income	879	1,163
Adj EBITDA	-164	15.5
Adj PAT	-245	-69
Valuations (FY25)	**Upper Band**	
Market Cap (Rs Cr)	7,810	
Adj EPS	-3	
EV/SALES	6.3	
EV/ ADJ EBITDA	-81	
Enterprise Value (Rs Cr)	7354	
Post Issue Shareholding Pattern		
Promoters	14.9%	
Public	85.1%	
Offer structure for different categories		
QIB (Including Mutual Fund)	75%	
Non-Institutional	15%	
Retail	10%	
Post Issue Equity (Rs. in Cr)	108.2	
Issue Size (Rs in Cr)	1789	
Face Value (Rs)	5	

Kavita Vempalli
Sr Research Analyst (022 62738034)

BACKGROUND

Incorporated in 2008, Amagi Media Labs ("Amagi") is a "SaaS" company that connects media companies to their audiences through cloud-native technology. Their platform helps content providers and distributors upload and deliver video over the internet (known as streaming) through smart televisions, smartphones, and applications, instead of traditional cable or set-top box services. They also help monetize such content through targeted advertising services for advertisers. Their technology has enabled the streaming of marquee events, such as the 2024 Paris Olympics, UEFA football tournaments, Oscars and the U.S. Presidential debates.

Objects and Details of the Issue - Issue is a combination of fresh issue of 2.26 cr shares aggregating to Rs 816 cr and offer for sale of 2.69 cr shares aggregating to Rs 973 cr totaling to Rs. 1789cr. Co plans to utilize the IPO proceeds for Investment in technology and cloud infrastructure of Rs. 550 cr.

Investment Rationale –

1. Evolving M&E Industry offers immense opportunities.
2. End to End Solutions Provider for Media Companies with Competitive Edge.
3. Sticky Customers – Opportunity for Scale and Growth.
4. Improving Financials.

Risks to Recommendation –

1. Technical Complexity in Cloud distribution and video streaming; 2. Ability to cross-sell and Upsell is very complex; 3. Intense Competition and Market Saturation; 4. Privacy and Security for Content Owners.

Valuation and Recommendation -

Amagi is a prominent SaaS player in the Media and Entertainment Industry offering cloud technology to the content providers and technology. Company is instrumental in reducing costs for their clients by almost 30-50% and thus the industry is fast adopting the new technology (penetration is still low at only 10%). The stickiness of the customers along with cross sell and upscale opportunities leaves immense scope for the company to continue its revenue Cagr growth of 30% in the coming years as well. It has turned Pat positive in H1FY26 and we believe it can thrive well in the growing demand environment. Issue is priced at 5x its FY26A EV/Sales and we recommend 'Subscribe' to the issue.

Financials	FY23	FY24	FY25	H1FY26
Net Revenues	680.6	879.2	1,162.6	704.8
Growth (%)	-	29.2%	32.2%	34.6%
Adj EBITDA	-148.4	-163.5	15.5	40.8
Adj EBITDA Margin (%)	-21.8%	-18.6%	1.3%	5.8%
Adjusted PAT	-321.3	-245.0	-68.7	6.5
EPS	-14.85	-11.32	-3.18	0.30
ROCE	-46.6%	-43.9%	-8.6%	3.3%
EV/Sales	10.8	8.4	6.3	5.2
EV/EBITDA	-49.6	-45.0	474.9	90.1
P/E	-24.3	-31.9	-113.7	603.5

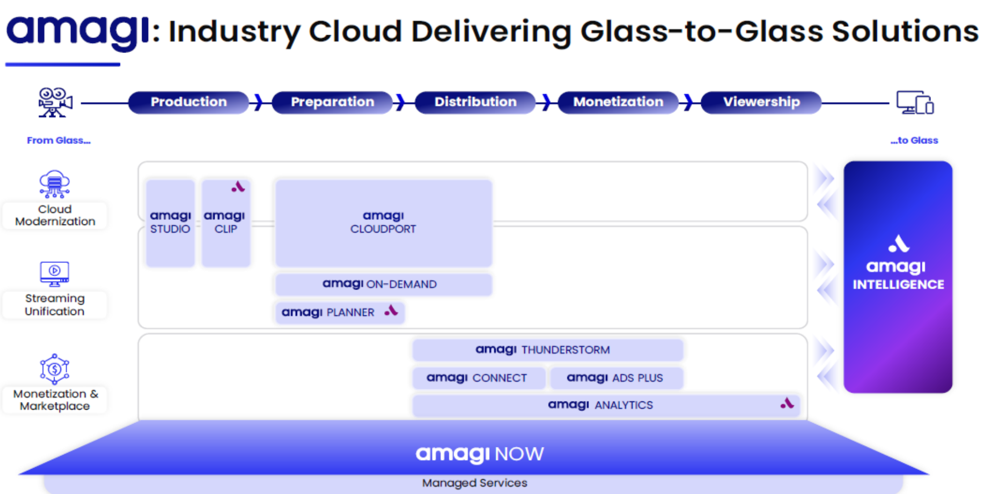
Source: Company data, NBRR

Company Background

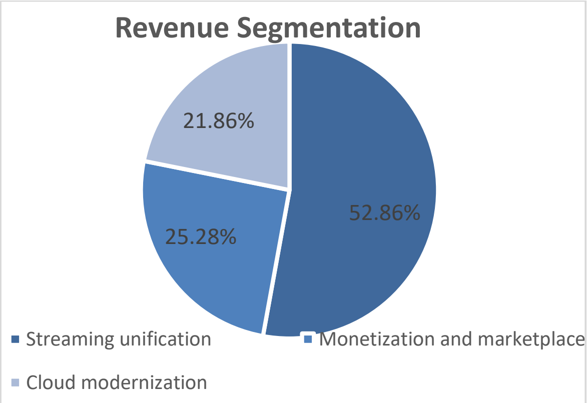
Incorporated in 2008, Amagi Media Labs ("Amagi") is a "SaaS" company that connects media companies to their audiences through cloud-native technology. Their platform helps content providers and distributors upload and deliver video over the internet (known as streaming) through smart televisions, smartphones, and applications, instead of traditional cable or set-top box services. They also help monetize such content through targeted advertising services for advertisers. Their technology has enabled the streaming of marquee events, such as the 2024 Paris Olympics, Union of European Football Associations (UEFA) football tournaments, the Academy of Motion Picture Arts and Sciences Awards (the 'Oscars'), and the 2024 U.S. Presidential debates. Their cloud-based platform integrates production, preparation, distribution, and monetization workflows into a single window, allowing customers to reduce complexity, improve operational efficiencies, and increase their content revenue.

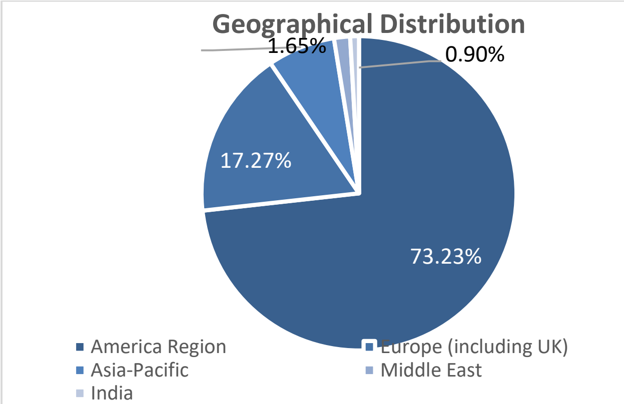
Platform and Solutions

Amagi offers a modular, cloud-native SaaS platform that enables media companies to modernize operations, unify fragmented workflows, and monetize video content globally. Its platform and solutions span across three core business divisions of **Cloud Modernization**, **Streaming Unification**, and **Monetization and Marketplace**, providing "glass-to-glass" solutions, as set out in the graphic below:



Source: Co and NBRR

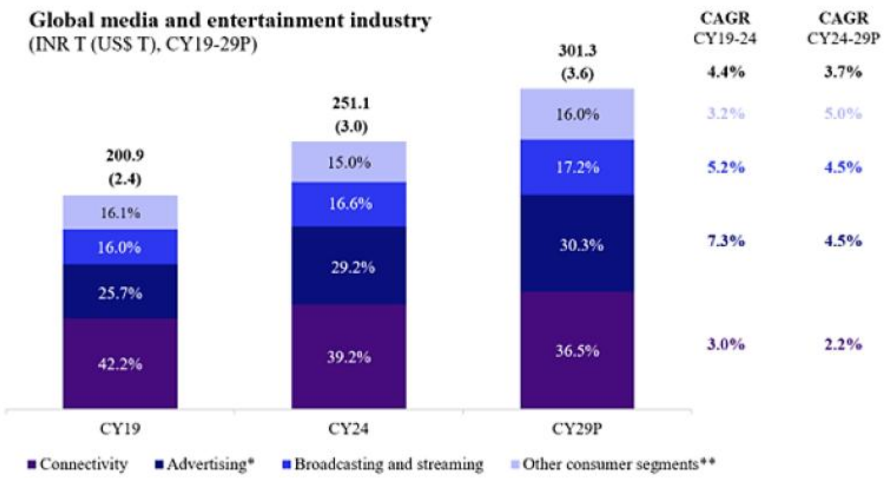




Source: Co, NBRR

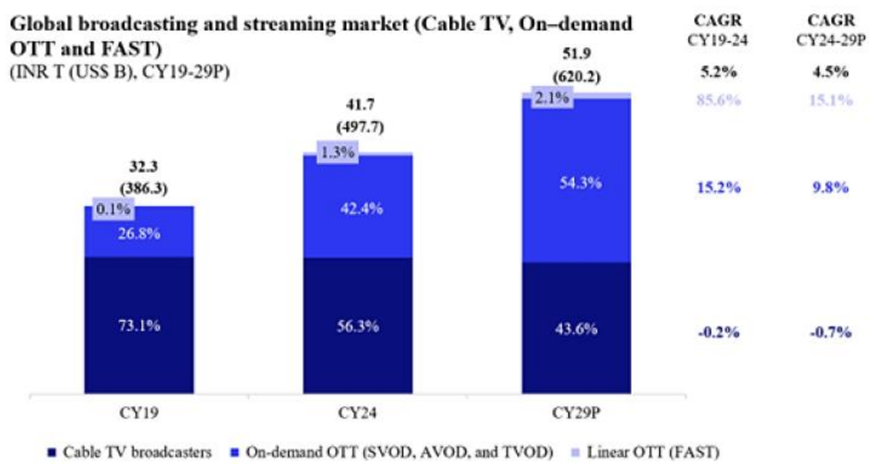
Industry Overview

The global M&E industry is expected to grow at a CAGR of 3.7% from CY24 to CY29P reaching Rs 301.3 tn (US$3.6 tn) by CY29P.



The share of On-demand OTT and Linear OTT (FAST) in the global broadcasting and streaming market is projected to reach 54.3% and 2.1% respectively by CY29P.

The global broadcasting and streaming landscape is undergoing a significant shift as cable TV broadcasters' share declines, while on-demand OTT and FAST platforms continue to expand. Cable TV, accounting for 56.3% of the broadcasting and streaming market in CY24 is projected to decline to 43.6% of the total broadcasting and streaming market by CY29P, reflecting the ongoing transition toward digital consumption.

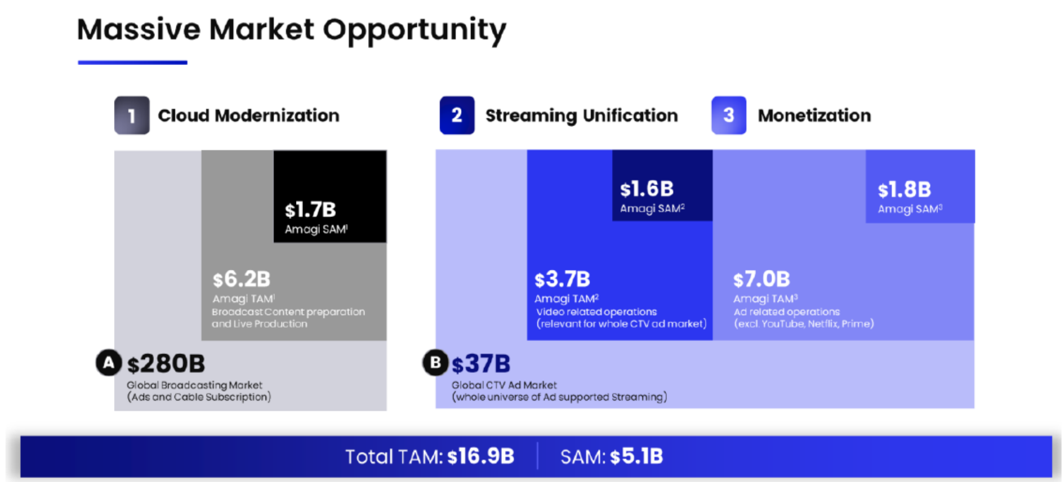


Technology spending in the broadcasting and streaming industry has steadily risen from ~ 8% of revenue in CY19 to ~ 10% in CY24 and is estimated to reach 11% by CY29P. **The global on-demand OTT market is projected to grow at a CAGR of 9.8% from CY24 to CY29P reaching US $ 336.6 bn by CY29P.**

Investment Rationale

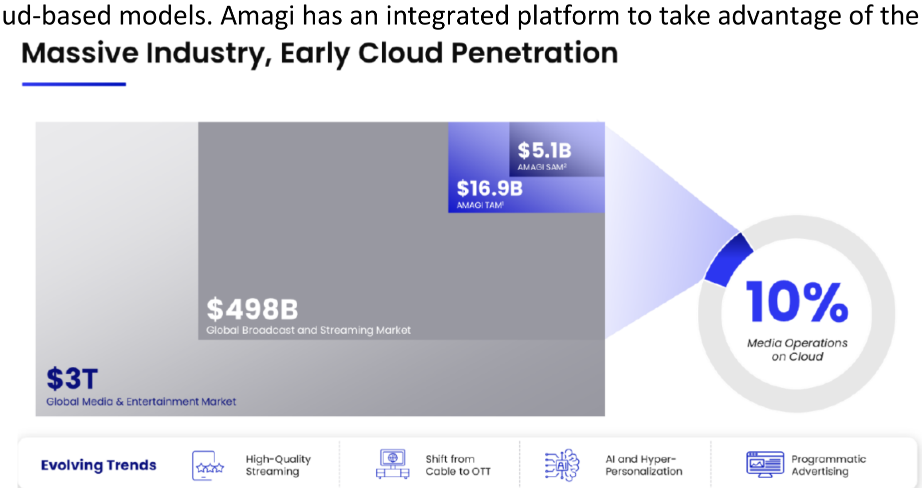
Evolving M&E Industry offers immense opportunities

The media and entertainment (M&E) industry is undergoing a transformation driven by the growth of OTT platforms (~ 10% expected growth over 2024-2029) through advertising and subscription-based models. This shift has led to a notable increase in consumer spending on streaming services, video games, and online events, alongside growing demand for personalized and customizable content across various devices. It is a software delivery model where applications are hosted by a service provider and accessed remotely by users, typically via subscription. The subscription-based pricing model offers predictability and lower recurring costs, with the provider handling all maintenance and updates, relieving businesses of this responsibility. SaaS also provides on-demand scalability, making it easy to add more services or storage as needed. It ensures high reliability, automatic updates, robust security protocols, minimal downtime, and consistent performance.



Source: Lattice Report, NBRR

As seen in the graph below, **only 10% of the media operations are on cloud and this no is expected to be 30-40% in the next 4-5 years.** In addition, shifting from on-premises infrastructure offers ~ 35–50% reduction in total cost of ownership over a five-year period. This substantial saving is primarily driven by lower capital and operating expenditures in cloud-based models. Amagi has an integrated platform to take advantage of the growing demand.



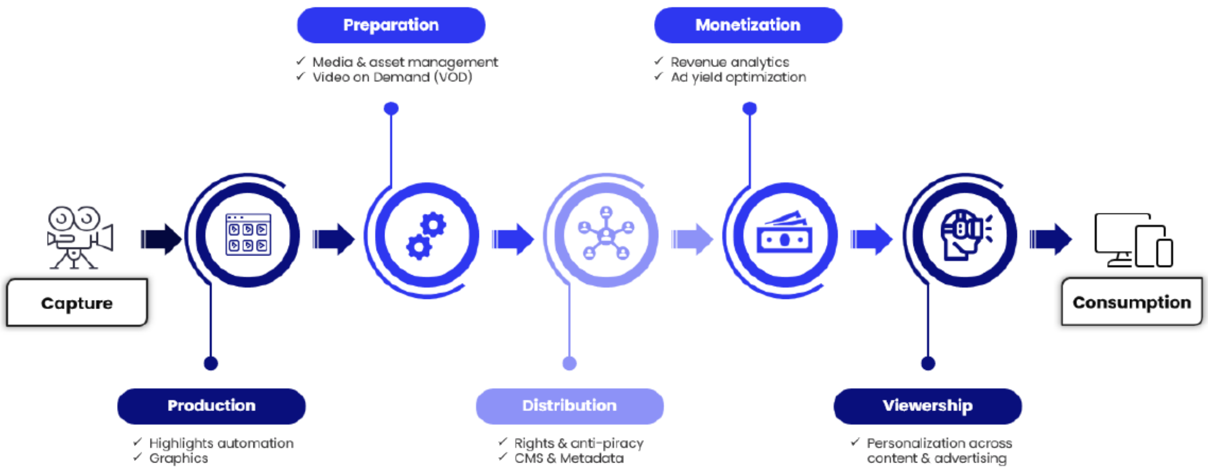
Source: Lattice Report, NBRR

Amagi plans for a multi-pronged approach to drive global expansion. It is investing in the localization and customization of its platform by adapting product features, interfaces, and content workflows to meet cultural, linguistic, and regulatory requirements. Additionally, Company intends to integrate with regional cloud platforms, distributors, and advertising networks to ensure seamless content delivery and monetization. Where appropriate, it offers flexible pricing and commercial models to align with the economic profiles of local customers.

Moreover, Company also intends to continue pursuing strategic acquisitions and collaborations to enhance the platform capabilities, expand solution portfolio and accelerate its growth. Company acquired Tellyo in Nov'23 to expand into live production and social media clipping, and in Dec'24 it acquired Argoid.AI to deepen its AI and machine learning capabilities across key parts of its product suite.

End to End Solutions Provider for the Media Companies with a Competitive Edge

Amagi offers comprehensive “glass-to-glass” (camera-to-screen) technology solutions that span the entire video value chain, from live content production and preparation to distribution and monetization. Its platform enables media companies to modernize their infrastructure, streamline operations, and unlock new revenue opportunities.

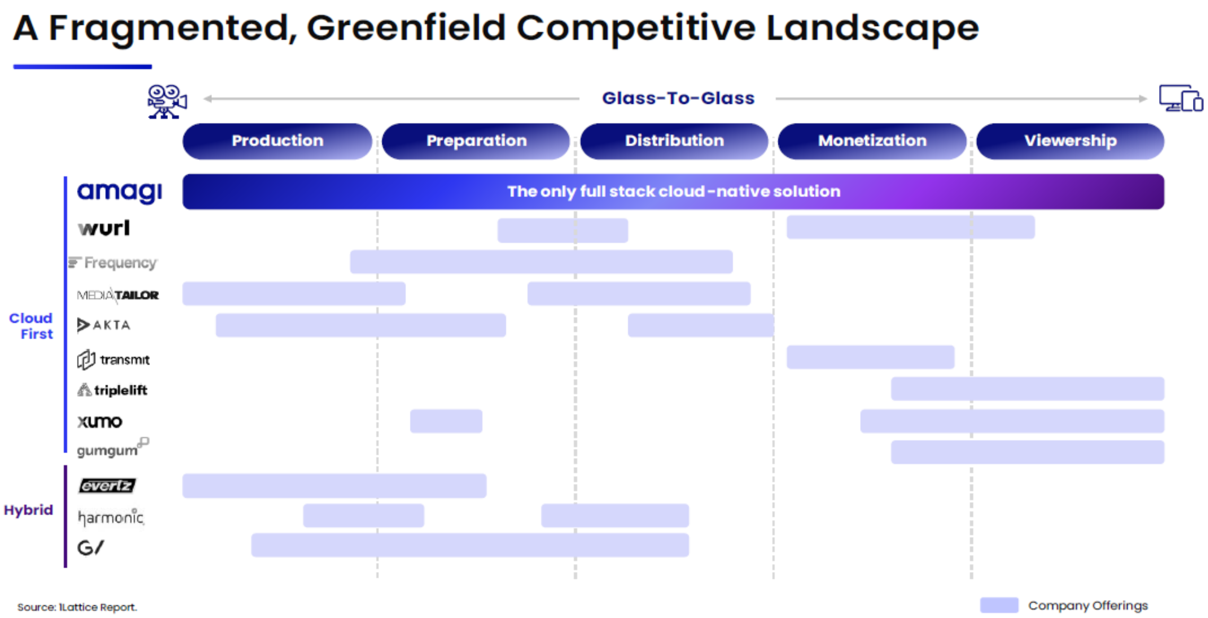


Source: Company, NBRR

The cloud-native, data-driven technology helps customers transition from legacy on premise infrastructure to agile, scalable cloud-based systems. As per the Lattice Report, by doing so, customers are able to reduce operational costs, increase flexibility, and achieve greater reach across platforms and geographies. Moreover, Company’s ad insertion capabilities allow customers to manage, target, and scale advertising across a broad set of formats from a single interface. Through this integration into the customers’ day-to-day media operations, Amagi has become the “operating system” for modern media operations. Customers who begin with a single solution often expand across its stack, driven by its ability to address evolving needs through constant innovation. This positions the Company as a long-term partner for media companies navigating the transformation to cloud and streaming.

Amagi is also positioned within a three-sided marketplace to leverage strong network effects wherein it operates at the intersection of content providers, distributors, and advertisers, serving a three-sided marketplace through its integrated, cloud-based solutions:

- **For content providers**, Co modernizes infrastructure by migrating live, linear, and VOD workflows to the cloud, and enable monetization through its premium CTV advertising marketplace;
- **For distributors**, it offers a content acquisition and distribution marketplace supported by AI-driven analytics and personalization; and
- **For advertisers**, Co provides access to enriched, context-aware CTV inventory, along with real-time analytics to enhance ad performance and targeting.

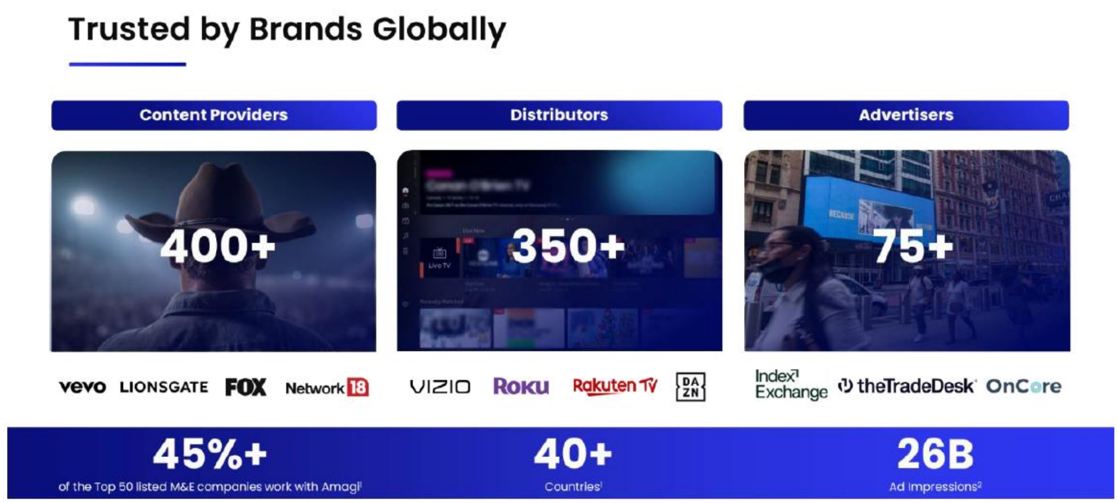


Source: Lattice Report

Most competitors offer point solutions (such as playout automation, channel scheduling or ad insertion) and, in many cases, are not built on modern, cloud-based architectures. In cloud modernization, competitors primarily provide traditional, hardware-based broadcast systems but lack the flexibility and scalability of cloud-native platforms. In streaming unification, firms offer content distribution tools but do not support fully integrated, end-to-end workflows. **Amagi provides full stack solutions and has an edge against its competitors.**

Sticky Customers – Opportunity for Scale and Growth

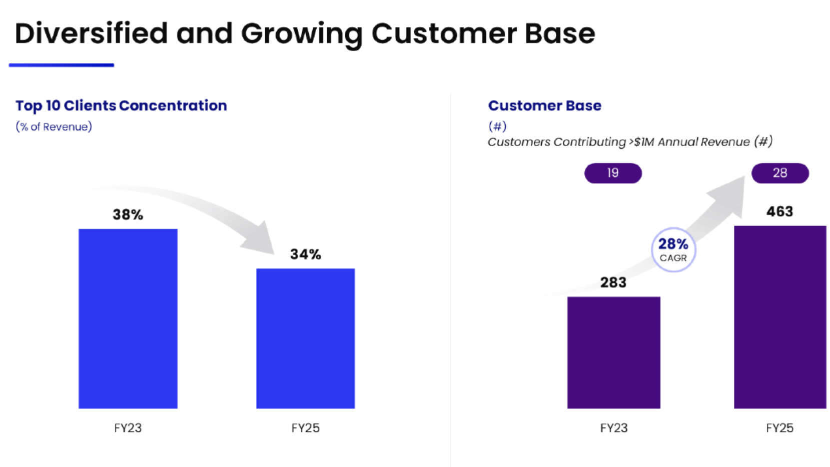
Company has served a diverse and global customer base of over 400 content providers, over 350 distributors and over 75 advertisers. It has worked with more than 45% of the top 50 listed ‘media and entertainment’ companies by revenue.



Amagi has developed a structured and tested migration model to transition media customers from on premise infrastructure to cloud-based workflows. Its approach includes:

- A well-defined return-on-investment framework, highlighting capital and operating expense savings;
- Entry points such as cloud-based disaster recovery or live-event trials to pilot and build confidence; and
- A multi-phase transition path, beginning with non-critical workflows and gradually moving to mission-critical operations.

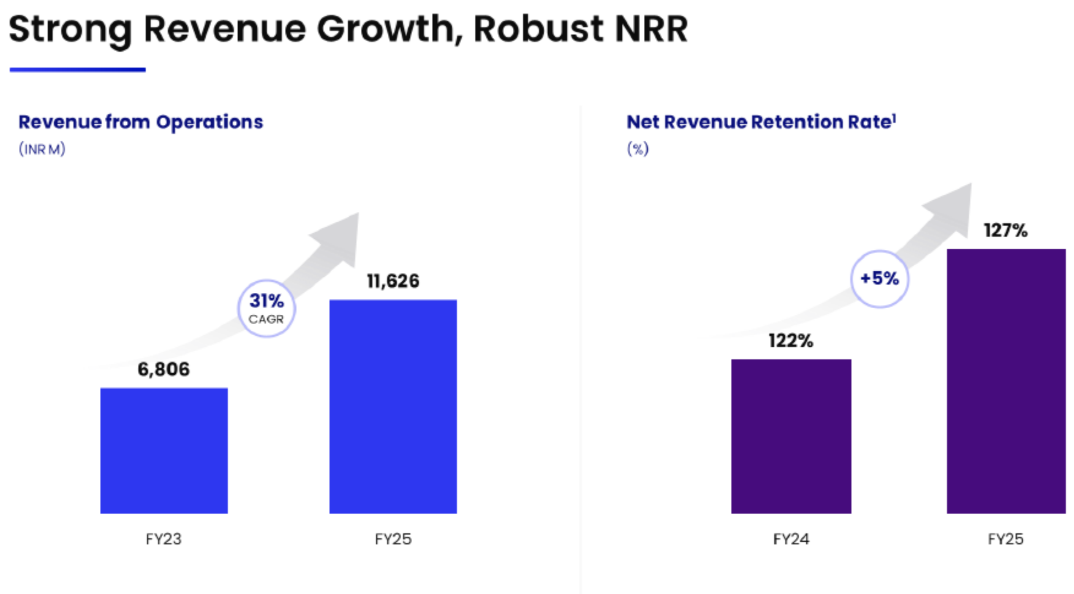
This approach has helped the traditional broadcaster customers modernize their operations efficiently and at scale. Amagi has successfully maintained long-term and growing engagements with content providers, distributors and advertisers with average term of its relationships with its ten largest customers being 4 years.



Source: Co, NBRR

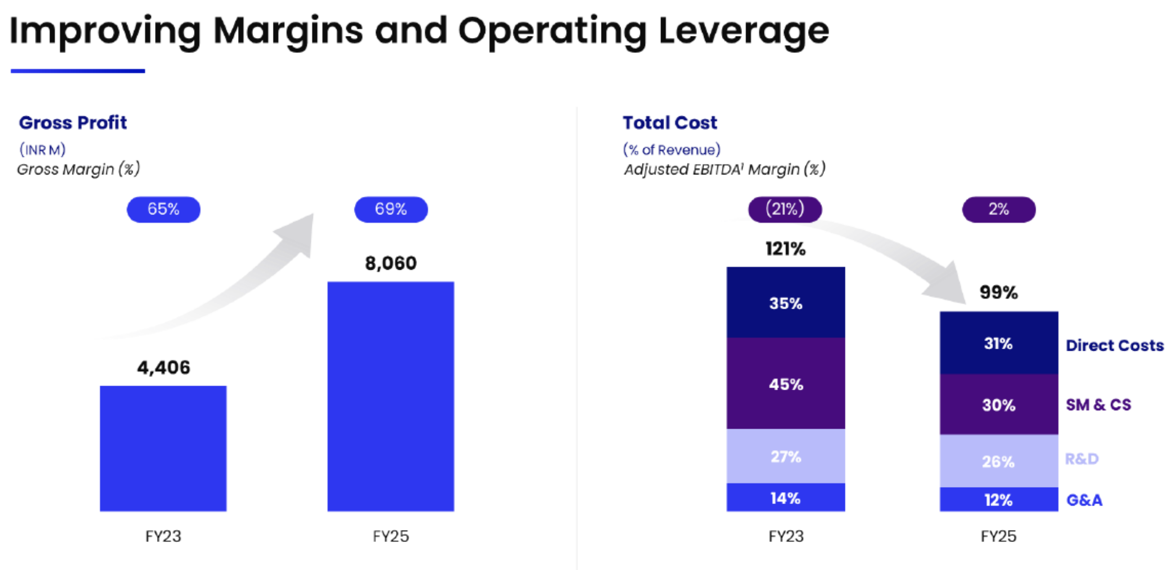
Improving Financials and NRR

Amagi has delivered consistent revenue growth supported by its cloud-based, capital-efficient business model and a net revenue retention (NRR) of 126.9%.



Source: Company, NBRR

Gross Margins, Ebidta Margins have seen improvement with decreasing employee and SGA costs.



Source: Company, NBRR

Valuation and Recommendation

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Peer Comparison

FY25	Tbo tek	Average	AMAGI
Revenue	1,737	1597	1,163
CAGR (FY23-25)	28%	24%	31%
EBITDA Margin	15.8%	15%	1.3%
Asset Turns (x)	1.3	1	2.1
ROCE	22.4%	17%	-8.6%
ROE	19.2%	15%	-13.5%
Debt/Equity	0.1	0.2	0.1
EV/EBITDA	55.1	70	474.9
P/E	68.5	36	-113.7
Price/Sales	0.87	0.3	0.31

Financials

Consolidated Nos

P&L (Rs. Cr)	FY23	FY24	FY25	H1FY25	H1FY26
Net Revenue	681	879	1,163	524	705
% Growth	-	*29%*	*32%*	-	*35%*
Cost of goods sold	2	1	1	0	-0
% of Revenues	*0.2%*	*0.1%*	*0.1%*	*0.0%*	*0.0%*
Employee Cost	400.24	562	589	289	340
% of Revenues	*58.8%*	*64.0%*	*50.6%*	*55.2%*	*48.3%*
Other expenses	427	479	557	257	324
% of Revenues	*62.8%*	*54.5%*	*47.9%*	*49.1%*	*45.9%*
Adj EBITDA	**-148**	**-164**	**15**	**-23**	**41**
EBITDA Margin	***-21.8%***	***-18.6%***	***1.3%***	***-4.3%***	***5.8%***
ESOP	198	101	106	54	45
Depreciation	9	30	17	9	10
Other Income	44	63	61	28	29
Interest	3	5	5	2	3
Exceptional item	0	0	0	0	0
PBT	**-314.9**	**-236.9**	**-51.5**	**-59.8**	**11.7**
Tax	6	8	17	6	5
Tax rate	*-2%*	*-3%*	*-33%*	*-10%*	*44%*
Adj PAT	**-321.3**	**-245.0**	**-68.7**	**-66.0**	**6.5**
% Growth	-	*-24%*	*-72%*	-	
EPS (Post Issue)	**-14.9**	**-11.3**	**-3.2**	**-3.1**	**0.3**

Balance Sheet (Rs. Cr)	FY23	FY24	FY25	H1FY25	H1FY26
Share Capital	0.48	0.48	17	0.48	17
Other Equity	-231	-378	-382	-405	872
Instrument entirely equity ir	874.8	874.8	875	875	-30
Networth	**644**	**497**	**509**	**471**	**859**
Total Loans	**24**	**31**	**36**	**29**	**34**
Other non-curr liab.	70	423	31	24	44
Trade payable	136	184	198	178	188
Other Current Liab	532	173	650	597	227
Total Equity & Liab.	**1,406**	**1,308**	**1,425**	**1,298**	**1,352**
Property, Plant and Equipme	13	19	16	16	15.8
CWIP	5	0	0	0	12
Goodwill/Other Intangible a	28	33	76	29	69
Non Currrent Financial asse	31	55	61	62	78
Other non Curr. assets	59	49	0	1	1
Inventories	0	0	0	0	0
cash and cash equivalents	741	112	114	107	115
Bank bal	0	469	378	465	282
Investments+loans	264	63	266	0	170
Trade receivables(debtor)	194	242	281	291	381
Other Current assets	71	266	233	326	228
Total Assets	**1,406**	**1,308**	**1,425**	**1,298**	**1,352**

Ratios & Others	FY23	FY24	FY25	H1FY25	H1FY26
Debt / Equity	0.0	0.1	0.1	0.1	0.0
EBITDA Margin (%)	-22%	-19%	1%	-4%	6%
PAT Margin (%)	-47%	-28%	-6%	-13%	1%
ROE (%)	-50%	-49%	-13%	-28%	2%
ROCE (%)	-47%	-44%	-9%	-23%	3%

Turnover Ratios	FY23	FY24	FY25	H1FY25	H1FY26
Debtors Days	104	100	88	101	99
Inventory Days	0	0	0	0	0
Creditor Days	73	76	62	62	49
Asset Turnover (x)	1.0	1.7	2.1	2.1	1.6

Valuation Ratios	FY23	FY24	FY25	H1FY25	H1FY26
Price/Earnings (x)	-24	-32	-114	-59	604
EV/EBITDA (x)	-50	-45	475	-162	90
EV/Sales (x)	11	8	6	7	5
Price/BV (x)	12	16	15	17	9

Source: Company Data, NBRR

Cash Flow (Rs. Cr)	FY23	FY24	FY25	H1FY25	H1FY26
Profit Before Tax	-315	-237	-52	-60	12
Provisions & Others	99	68	50	28	47
Op. profit before WC	**-216**	**-169**	**-2**	**-32**	**59**
Change in WC	-14	23	54	-43	-247
Less: Tax	-15	-37	-19	-12	-12
CF from operations	**-245**	**-183**	**34**	**-86**	**-201**
Purchase of property, plant	-21	-8	-4	-1	-14
Sales	-2	-18	-24	0	0
Investment in mutual funds	-234	-412	4	86.7	253.3
CF from Investing	**-257**	**-438**	**-24**	**86**	**239**
Proceeds from issue of shar	655	0	0	0	0
Buy back of equity shares	-113	0	0	0	-34
Payment of lease liabilities	-2.4	-4.3	-6	-3	-2
interest & div paid	-2	-4	-3	-2	-2
CF from Financing	**538**	**-8**	**-9**	**-5**	**-38**
Net Change in cash	**35**	**(629)**	**1**	**(5)**	**0**
Cash & Bank at beginning	705	741	113	112	115
Cash & Bank at end	741	112	114	107	115

Disclosure:

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