

amagi

IPO NOTE

AMAGI MEDIA LABS LIMITED



Rating:

Avoid



Amagi Media Labs Ltd. is engaged in cloud-based broadcast and connected TV technology. Amagi provides end-to-end solutions for content creation, distribution, and monetisation across traditional TV and streaming platforms.

OBJECTS OF THE ISSUE

- Investment in technology and cloud infrastructure.
- Funding inorganic growth through unidentified acquisitions and general corporate purposes

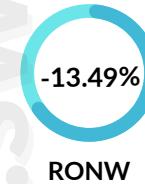
FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2025	FY 2024	FY 2023
Equity Share Capital	17.08	0.48	0.48
Net Worth	509.45	496.80	644.49
Revenue	1,162.64	879.16	680.56
EBITDA Margin%	2.02%	(17.69)%	(20.62)%
Net Profit/Loss of the year	-68.71	-245.00	-321.27

FINANCIAL RATIOS OF FY25

ISSUE BREAK-UP (%)

QIB Portion		75%
NII Portion		15%
Retail Portion		10%



OUTLOOK & VALUATION

- The company shows strong revenue growth, but profitability is still weak with negative PAT and ROE.
- EBITDA margin is very low (around 2%), indicating the business is still in an early or transition phase.
- Even with the valuation haircut, the Price-to-Earnings (P/E) ratio based on FY26 annualized earnings is extremely high.
- The IPO is mainly for growth and technology investment, not immediate earnings visibility.
- Given the risk-reward, it's better to avoid this IPO for now, long-term investors should wait for consistent profits.



COMPANY PROFILE

- Amagi Media Labs is a software-as-a-service (SaaS) company that provides cloud-based technology for video streaming and advertising in the media and entertainment industry.
- The company enables virtualised broadcasting operations and supports clients such as NBCUniversal, Warner Bros., Rakuten TV, and Paramount. Amagi operates across major international markets with offices in New York, Los Angeles, Toronto, London, and Paris, along with innovation centres in Bengaluru, Zagreb, and Lódz.
- It supports live, scheduled, and on-demand content delivery and integrates workflows for production, preparation, distribution, and monetisation.
- Amagi also provides advertising technology that allows targeted advertisement delivery and performance measurement.
- Its offerings are organised into three business divisions: Cloud Modernisation, which supports the transition from on-premise broadcast systems to cloud-based operations;



COMPETITIVE STRATEGIES

- Continue to invest in product innovation and technology
- Harness Amagi INTELLIGENCE to drive innovation across their platform
- Scale profitably through disciplined capital allocation
- Deepen engagement within the media and entertainment ecosystem
- Leverage domain expertise to expand into new geographies
- Strategically pursue acquisitions and partnerships



KEY CONCERNs

- Changing trends in media consumption and distribution leading to the modernization of the media and entertainment industry
- Ability to offer an array of solutions to grow long-term customer relationships
- Expansion of global customer base and presence
- Cloud-based workflow solutions across the video value chain
- Regulatory compliance and data security as critical differentiators



KEY STRENGTHS

- One-stop glass-to-glass solutions provider
- Positioned within a three-sided marketplace to leverage strong network effects
- Proprietary, award-winning technology platform with artificial intelligence capabilities
- Trusted by global customers with long-term relationships
- Visionary founders with strong leadership and a culture of innovation

COMPARISON WITH LISTED INDUSTRY PEERS

As per the offer document, the company has no listed peers to compare with.



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