

Amagi Media Labs Limited

IPO Note

IPO Snapshot

Parameter	Value
Issue Opens On	13 Jan, 2026
Issue Closes On	16 Jan, 2026
Price Band (INR)	343 to 361
Issue Size (INR Cr.)	1,789 Cr.
Recommendation	Subscribe

Company Overview

Amagi Media Labs Limited is a cloud-native software-as-a-service (SaaS) company that enables media and entertainment customers to create, prepare, distribute and monetize video content across streaming and connected-TV ecosystems. The Company positions its platform as an integrated workflow spanning production, content preparation, distribution and monetization, allowing customers to reduce operational complexity and improve time-to-market for channel launches and ad monetization. For FY25, revenue from operations stood at 1,163 Cr. (from 879 Cr. in FY24 and 681 Cr. in FY23), reflecting scaling adoption of its platform across geographies, led by the Americas region. The customer base expanded to 463 as of March 31, 2025 (vs 396 as of March 31, 2024), supported by stronger monetized ad impressions and distribution throughput.

Outlook

Amagi's long-term demand backdrop remains favorable as global broadcasting and streaming consumption continues to shift toward connected TV, FAST channels and cloud-based media workflows, which benefits cloud-native vendors with end-to-end capability across playout, distribution and ad monetization. Profitability has improved as losses narrowed. The reported Adj. OPM improved from (20.6%) in FY23 to 2.02% in FY25, as company moved from an operational loss to a small operational profit as it achieved scale. Revenue has historically increased at a 2 year CAGR of approx. 30%. The tech-driven model of the company expected to facilitate similar revenue growth rate in the medium term. The company is valued at approximately 7x FY25 Price/Sales. Considering increasing technology penetration, expanding gross margins and visibility of future revenue, accordingly, we recommend long-term investors to Subscribe to the IPO.

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Offer Structure

Particulars	IPO Details
No. of shares under IPO	4,95,46,221
Fresh issue (# shares)	2,26,03,878
Offer for sale (# shares)	2,69,42,343
Price band (INR)	343 to 361
Post issue MCAP (INR Cr.)	7,809 Cr.

Issue Category	% Allocation
QIB	Not less than 75%
NIB	Not more than 15%
Retail	Not more than 10%

Profit & Loss (INR Cr.)

Particulars (INR Cr.)	FY23	FY24	FY25
Revenue from Operations	680.6	879.2	1,162.6
EBITDA	-346.8	-278.4	-90.5
EBITDA Margin (%)	-50.1%	-31.7%	-7.8%
Profit After Tax (PAT)	-321.2	-245.0	-68.7
PAT Margin (%)	-44.3%	-26.0%	-5.6%

Balance Sheet (INR Cr.)

Particulars (INR Cr.)	FY23	FY24	FY25
Total Equity	644.5	496.8	509.4
Total Debt	0.0	0.0	0.0
Total Assets	1,405.9	1,308.0	1,424.9
Debt-Equity Ratio (X)	0.0	0.0	0.0
ROE (%)	NM	NM	NM
ROCE (%)	NM	NM	NM

Financial Analysis Narrative

Amagi delivered strong topline growth over FY23–FY25, with revenue from operations increasing from INR 681 Cr. in FY23 to INR 1,163 Cr. in FY25, implying a CAGR of 30.7%. The expansion was supported by scaling customer base and platform usage indicators (customers, deliveries and monetized ad impressions), suggesting structural demand tailwinds in cloud-based streaming operations and ad monetization.

Over the years Profitability has improved as losses narrowed. The reported Adj. OPM rose from (20.6%) in FY23 to 2.02% in FY25, indicating the Company moved from an operational loss to a small operational profit as it achieved scale. The Company reported Restated Losses across all three years, with a PAT margin of (5.6%) in FY25, (26.0%) in FY24, and (44.3%) in FY2023. the trajectory highlights that operating leverage is not yet steady and remains sensitive to cloud costs and investments in product and go-to-market.

From a balance sheet perspective, the Company has reported nil borrowings across FY23–FY25, which reduces financial risk and provides flexibility for reinvestment.

Cash Flow Analysis

Cash flows are an important lens for evaluating a SaaS business because revenue growth can be accompanied by working-capital movements, multi-year cloud commitments and investment intensity in product and platform capabilities. In Amagi's case, the operating cash flows over FY23–FY25, imply that earnings and cash conversion are tightly aligned across periods.

Particulars (INR Cr.)	FY 2023	FY 2024	FY 2025
Operating Cash Flow	-245.2	-182.9	33.6
Investing Cash Flow	-257.2	-438.3	-24.2
Financing Cash Flow	537.9	-7.8	-8.7

Cash Flow Narrative

Net cash flows from operations improved from an outflow of INR 245.4 Cr in FY23 to a positive generation of INR 33.6 Cr in FY25. This pattern suggests that investors should monitor cash conversion alongside profitability and growth, particularly as cloud infrastructure costs form a significant component of the operating cost base.

Investing cash flows were negative across the period, consistent with ongoing investments in business capability-building and potential inorganic initiatives. Financing cash flows appear relatively small in magnitude post FY23 and the Company reported nil borrowings, accordingly, the primary financial flexibility is likely driven by equity capital and internal cash generation.

Overall, the improvement in operating cash flow would be a key indicator that the business is moving toward sustainable operating leverage.

Industry & Market Overview

The Company operates in the broadcasting and streaming ecosystem, providing cloud-native SaaS solutions for content preparation, distribution and monetization. Industry dynamics indicate continued shift from traditional linear distribution to streaming and connected-TV delivery, with increased adoption of cloud-based workflows and ad-supported consumption models.

Market Size and Growth Drivers

The streaming expansion is supported by high-speed internet penetration, connected TV adoption and technology-led personalization, while FAST (free ad-supported streaming television) is among the fastest-growing segments globally. These drivers support demand for scalable cloud-based playout, distribution and ad monetization solutions, particularly for media companies seeking operational efficiency and faster channel launches.

Regulatory Landscape

As a cross-border, technology-enabled media infrastructure provider, the Company's operations span multiple geographies and involve compliance across data, content delivery and platform-related requirements. Regulatory changes affecting digital advertising, privacy and platform governance can influence customer spending patterns and product requirements, necessitating continuous investment in compliance and platform resilience.

Competitive Landscape

There are no listed peers in India or abroad that directly map to the Company's end-to-end broadcasting and streaming ecosystem focus, which limits direct public-market comparability. Competition is therefore best understood as a mix of point-solution vendors and large cloud/media technology providers, where differentiation depends on workflow integration, scale, reliability and monetization outcomes for customers.

Sectoral Risks

Key sectoral risks include rapid technology evolution in cloud media workflows, customer concentration in large media groups, and sensitivity to cloud infrastructure pricing and availability. Additionally, cyclicalities in ad spending and changes in streaming platform economics can impact monetization volumes and customer budgets, affecting revenue and margin outcomes.

SWOT Analysis

Category	Key Points
Strengths (S)	<ol style="list-style-type: none"> Scaled topline with revenue from operations of 1,162.6 Cr. in FY25 versus 680.6 Cr. in FY23, supported by expansion in customers (463 as of March 31, 2025) and platform activity. Strong gross margin profile (69.3% in FY25) indicates meaningful value addition and productized delivery model. Nil borrowings across FY23–FY25 provides financial flexibility and lowers balance sheet risk.
Weaknesses (W)	<ol style="list-style-type: none"> Revenue concentration led by the Americas region Dependence on cloud infrastructure and related costs (communication costs as a key expense line item) may continue to pressure margins if pricing or usage scales faster than revenue.
Opportunities (O)	<ol style="list-style-type: none"> Increasing shift toward cloud-based streaming workflows and FAST channels supports demand for integrated playout, distribution and monetization platforms. Net Revenue Retention (NRR) of 126.90% in FY2025 indicates potential for upsell and wallet share expansion among existing customers. Ability to pursue inorganic growth (unidentified acquisitions) as an object of the issue, which can accelerate capability building and geographic expansion.
Threats (T)	<ol style="list-style-type: none"> Technology disruption and competitive moves by larger platform or cloud providers may compress pricing and increase customer churn risk. Volatility in advertising spend and streaming monetization economics can impact monetized ad impressions and revenue growth, creating variability in financial outcomes.

Strategic Moat

Amagi's moat is anchored in its cloud-native, end-to-end workflow integration across streaming unification, cloud modernization and monetization/marketplace offerings, which reduces operational fragmentation for media customers. The scale KPIs (customers, distributors, deliveries and monetized ad impressions) indicate that the platform has achieved meaningful throughput, which can reinforce switching costs and drive expansion within existing accounts. Sustaining this moat will depend on consistent platform reliability, continued product innovation and improved unit economics as the business scales.

Objects of the Issue

The Net Proceeds are proposed to be utilized primarily towards technology and cloud infrastructure, and towards funding inorganic growth through unidentified acquisitions and general corporate purposes. These objects align with a growth and capability-building strategy that aims to strengthen platform scalability and extend product breadth.

- Expenses towards technology and cloud infrastructure: 550.1 Cr.
- Funding inorganic growth through unidentified acquisitions and general corporate purposes: balance of Net Proceeds, subject to the cap that cumulative usage for inorganic growth and general corporate purposes shall not exceed 35% of gross proceeds.

Risk Factors

Key risks stem from profitability volatility, reliance on cloud infrastructure, and potential variability in advertising and streaming market dynamics, as discussed in the RHP risk factors and financial sections.

1. **Dependence on cloud infrastructure and related costs:** Communication costs and cloud infrastructure subscription costs are major cost items as described in the RHP MD&A, and adverse changes in cloud pricing or usage intensity could compress margins and cash flows.
2. **Execution risk in scaling and customer expansion:** Growth is supported by expanding customer base and throughput KPIs; however, failure to maintain net revenue retention and enterprise adoption can slow growth and reduce operating leverage.

Promoter & Management

Promoter Details

The Promoters of the Company are Baskar Subramanian, Srividhya Srinivasan and Arunachalam Srinivasan Karapattu. Collectively, the Promoters held 28,775,268 equity shares, representing 13.99% of the pre-Offer equity share capital of the Company on a fully diluted basis. The promoter group (including Vinculum Advisors LLP) held an additional 3,508,930 equity shares (1.71%) on a fully diluted pre-Offer basis.

Management Team

The management team comprises founders and senior professionals responsible for product, technology, sales and operations. Execution capability will be critical given the need to balance growth investments with profitability and cash flow normalization, especially as the Company scales cloud infrastructure and expands monetization solutions.

Legal/Governance Issues

Company has outstanding litigations, including tax proceedings against the Company with an aggregate amount involved of INR 117.51 Cr. While such matters are not uncommon for global operations, adverse outcomes could result in financial outflows and management bandwidth diversion.

Related Party Transactions

The Company has undertaken related party transactions in the ordinary course of business. While the specific nature of each transaction is not detailed in the excerpts, investors should evaluate the nature, quantum and pricing of such transactions to assess governance standards and potential conflicts of interest. Continued transparency and arm's length practices will be important post listing, particularly given the global subsidiary structure.

Peer Comparison & Valuation

Peer Comparison Table

Company	Revenue (Cr)	P/S	EPS (₹)	RoE (%)	PAT Margin (%)
Amagi Media Labs Limited	1,162.6	6.7	(3.48)	NM	-5.62%
No Listed Peers	NA	NA	NA	NA	NA

Valuation Analysis

There are no listed peers in India or abroad in the broadcasting and streaming ecosystem that directly compare with the Company's end-to-end platform, limiting direct peer-multiple benchmarking. As a result, valuation assessment relies more on business quality indicators such as revenue growth, gross margin stability, net revenue retention and the path to sustainable Adjusted EBITDA margin expansion.

Given the combination of strong topline growth and improving profitability profile, the valuation risk-reward appears lucrative.

Final Recommendation

Amagi Media Labs offers differentiated exposure to a cloud-native media technology platform aligned with structural growth in streaming, connected TV and FAST channels. The Company has demonstrated strong revenue scaling, supported by expanding customer base and improving platform activity, and it operates with no borrowings, which reduces balance sheet risk.

The company's business model is unique in terms of amalgamation of technology in the Media and Entertainment sector. Currently, the industry penetration of this technology is low, nevertheless it is expanding rapidly.

Gross margins are expected to improve significantly in the medium term as penetration and scaling gathers momentum. Revenue has historically increased at a 2 year CAGR of approximately 30%. The technology-driven model of the company is expected to facilitate similar revenue growth rates in the medium term.

Factoring in FY25 revenue, the company is valued at approximately 7x FY25 Price/Sales. However, considering increasing technology penetration, expanding gross margins and visibility of future revenue, accordingly, we recommend long-term investors to Subscribe to the IPO.

Red Flags

Key red flags to monitor

- High sensitivity to cloud infrastructure costs (communication cost is a large expense component).
- Technology disruption and competitive moves by larger platform or cloud providers may compress pricing and increase customer churn risk.

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