



Q4FY26 Result Update | Music Industry

Equity Research Desk

Earnings Momentum Sustained; Well-Positioned for Next Phase of Growth

23 April 2026

Tips Music Limited reported a strong performance in Q4FY26, with revenue from operations rising 32% YoY to ₹1,039 million and PAT surging 93% YoY to ₹590 million, reflecting robust catalog monetization and operating leverage. EBITDA increased sharply to ₹769 million (up 106% YoY), with margins remaining elevated at 74%, supported by lower content costs during the quarter. Content acquisition and in-house production expenses remained subdued due to deferral of key releases to Q1FY27, leading to temporary margin expansion. Despite higher employee benefit expenses on account of annual increment provisioning, overall cost discipline remained intact, supporting strong profitability. EPS stood at ₹4.6, in line with earnings growth, while the performance underscores continued strength in the company's high-margin, asset-light music business model.

Key Financial Highlights

- **Revenue:** For Q4FY26, the company reported revenue of ₹1,039 million, reflecting 32% YoY growth and 10% QoQ increase.
- **Profit After Tax (PAT):** Net profit after tax for Q4FY26 stood at ₹591 million, representing a 93% YoY rise and a 1% sequential improvement.
- **EBITDA Margin:** The company achieved an EBITDA margin (excluding other income) of 74.0% in Q4FY26, an expansion of 2649 bps YoY and contractions 502 bps QoQ.
- **Content/Acquisition Cost:** Acquisition cost/in-house music production expenses were ₹136 million, accounting for 13.1% of revenue, down sharply by 55% YoY and up 53% QoQ.
- **EPS:** Adjusted earnings per share in Q4FY26 came in at ₹4.62, a 93% YoY and 1% QoQ growth.
- **Dividend:** The company continued its shareholder return policy, with cumulative FY26 dividend payout at ₹1,661.8 million,

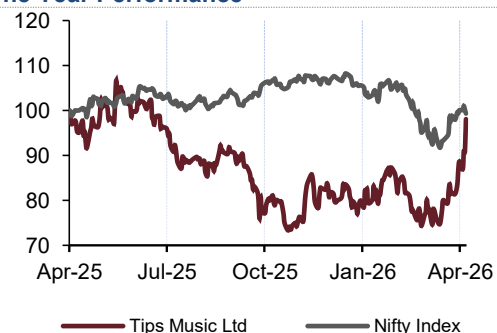
Rating	TP (Rs)	Up/Dn (%)
BUY	788	22

Market data

Current price	Rs	648
Market Cap (Rs.Bn)	(Rs Bn)	83
Market Cap (US \$ Mn)	(US \$ Mn)	883
Face Value	Rs	1
52 Weeks High/Low	Rs	718 / 481.15
Average Daily Volume	('000)	222
BSE Code		532375
Bloomberg		TIPSMUS1.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Mar-26	Dec-25
Promoters	64.15	64.15
Public	35.85	35.85
Total	100.00	100.00

Source: BSE

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Financial Summary

Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25	FY26	FY27e	FY28e
Net sales	1,356	1,868	2,416	3,107	3,755	4,514	5,607
EBIDTA	862	1,019	1,585	2,067	2,758	3,287	3,926
Margins(%)	63.6	54.6	65.6	66.5	73.4	72.8	70.0
PAT (adj)	646	765	1,272	1,666	2,167	2,597	3,082
Growth (%)	15%	19%	66%	31%	30%	20%	19%
EPS	4.98	5.96	9.90	13.09	17.12	20.31	24.11
P/E (x)	132	110	66	50	38	32	27
P/B (x)	2	1	1	5	3	1	1
EV/EBITDA (x)	73	61	39	30	23	18	15
RoE (%)	63	56	71	79	83	64	64
ROCE (%)	83	78	95	107	112	85	85
RoIC (%)	153	190	264	100	87	106	125
Net Debt	-582	-898	-1,252	-892	-155	-3,049	-4,557

Source: Dalal & Broacha Research, Company

Conference Call Key Highlights

Financial Performance and Results

- **Revenue:** Q4FY26 revenue stood at ₹1,039 million, up 32% YoY, while FY26 revenue grew 21% YoY to ₹3,755 million, driven by strong catalog monetization and digital traction.
- **Margin:** EBITDA for Q4 came at ₹769 million, witnessing a sharp 106% YoY growth, implying strong operating leverage and lower content cost during the quarter.
- **Profitability:** PAT for Q4 stood at ₹590 million, up 93% YoY, while FY26 PAT increased 30% YoY to ₹2,166 million, highlighting strong bottom-line conversion.
- **Content Cost:** Content cost declined materially in Q4 due to deferral of key film/music releases to Q1FY27.

Growth Outlook and Guidance

- **FY26 Guidance:** Management maintained 20% revenue growth and 20% PAT growth, with potential upside depending on execution in coming quarters.
- **Upside Optionality:** Management hinted at potential 40–50% growth year in future, driven by subscription inflection and monetization improvements.
- **Subscription Tailwind:** Paid subscription business growing at 30–40% CAGR, currently contributing 10–15% of digital revenue.
- **Industry Growth Gap:** While industry growth is 8%, company continues to outperform due to superior catalog strength and monetization efficiency.

Content Strategy and Performance

- **Catalog Strength:** Legacy catalog (especially 90s music) continues to be key growth driver, delivering consistent monetization and driving outperformance.
- **Content Pipeline:** Upcoming projects include collaborations with leading names like Imtiaz Ali, A. R. Rahman, David Dhawan and Varun Dhawan
- **Content Discipline:** Management emphasized strict ROI-based acquisition, avoiding overpriced content despite availability, prioritizing capital efficiency.
- **Content Spend Outlook:** FY27 content investment expected to increase to ₹80–90 crore, vs ₹60–70 crore historically.

Digital, Streaming and Platform Trends

- **Revenue Mix:** Digital contributes (70%) of revenue, while non-digital (30%) includes public performance, publishing, and brand partnerships
- **Streaming Growth:** Growth largely driven by long-form video consumption, while decline in YouTube Shorts views had no material revenue impact
- **YouTube Monetization:** Revenue growth despite lower views indicates improvement in realization per stream and premiumization (subscriptions).
- **Platform Partnerships:** Existing strong partnership with Sony Music Publishing and Positive outlook on entry of Warner Music in India

Valuation & Outlook

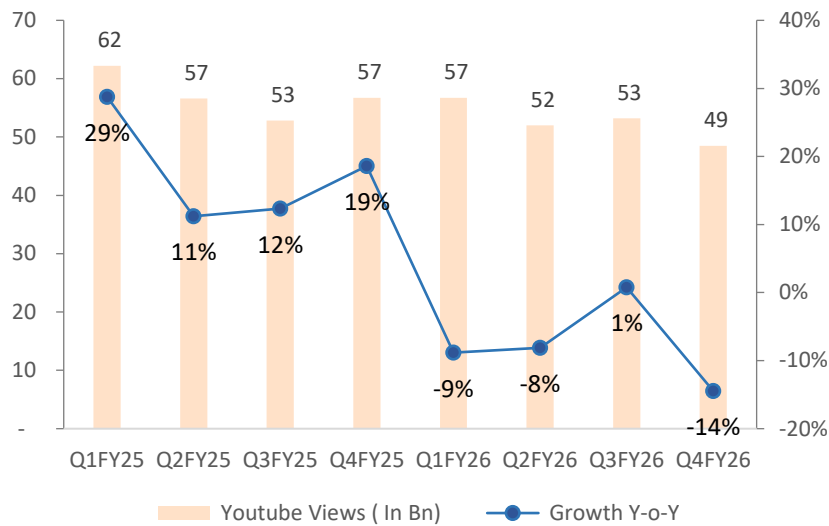
At the current level of INR 655, the stock is trading at 32x / 27x FY27e / FY28e EPS.

The valuation is supported by strong earnings visibility and superior profitability, with Q4 FY26 revenue and PAT growing 32% and 93% YoY, respectively, driven by robust catalog monetization and operating leverage. EBITDA margins remained elevated, aided by disciplined content spending and temporary deferral of content costs.

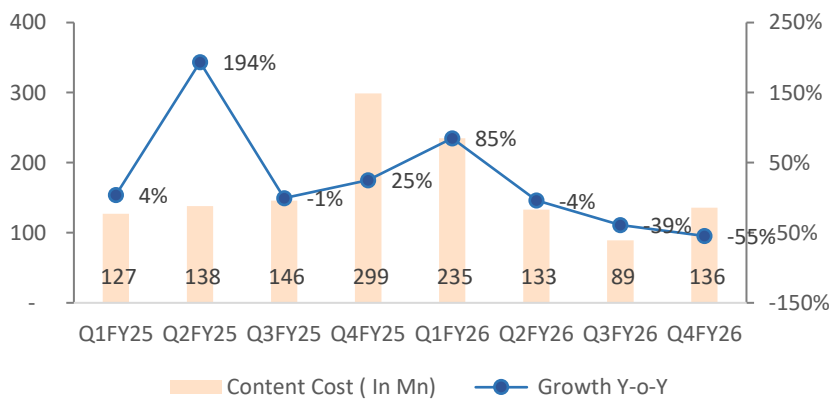
Management has guided for 20% revenue and 20% PAT growth for FY27, with potential upside from increasing subscription penetration and improving realizations across digital platforms. Sustained monetization across platforms such as YouTube and streaming services, along with growth in non-digital segments like public performance and publishing, provides confidence in medium-term growth.

We assign a BUY rating to the stock, applying a target multiple of 32x FY28e, arriving at a target price of INR 788.

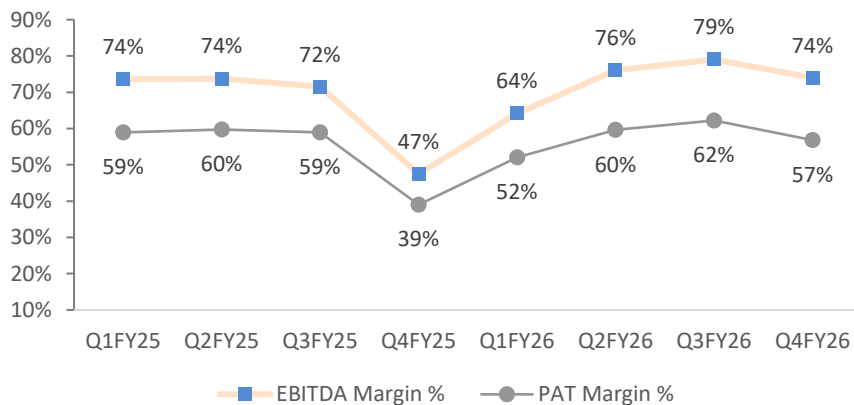
Youtube Views (In Bn)



Content Cost (In Mn)



Margin (%)



Source: Dalal & Broacha Research Company

Quarterly Performance Analysis

(Rs.Mn)	Q4FY26	Q4FY25	YoY Growth (%)	Q3FY26	QoQ Growth (%)
Revenue from Operations	1,039	785	32%	943	10%
Other Income	38	47	-20%	48	-21%
Acquisition Cost/In-house Music Productions	87	100	-13%	46	89%
Royalty Expense	22	100	-78%	12	82%
Advertisement	27	99	-73%	31	-12%
Employee Benefits Expense	82	46	78%	57	45%
Other Expenses	53	67	-22%	52	1%
Total Expenses	270	412	-34%	198	37%
EBITDA (Excluding Other Income)	769	373	106%	745	3%
Depreciation and Amortisation Expenses	6	6	2%	6	-6%
EBIT / PBIT	801	414	93%	787	2%
Finance Costs	0	1	-60%	0	-14%
EBT/ PBT	800	413	94%	786	2%
Tax Expense	210	107	96%	200	5%
Net Profit after Tax	591	306	93%	587	1%
Adj Earning Per Share	4.62	2.39	93%	4.59	1%
Margins (%)			(In bps)		(In bps)
EBITDA Margins (Excl Other Income)	74.0%	47.5%	2649	79.0%	-502
PAT Margins	56.8%	39.0%	1784	62.2%	-539
Cost % Revenue					
Content Cost % Revenue	13.1%	38.1%	-2502	9.4%	363
Employee Cost % Revenue	7.9%	5.9%	201	6.0%	187
Other Expenses % Revenue	5.1%	8.5%	-348	5.5%	-48

Source: Dalal & Broacha Research, Company

Financials

P&L (Rs mn)	FY22	FY23	FY24	FY25	FY26	FY27e	FY28e
Net Sales	1,356	1,868	2,416	3,107	3,755	4,514	5,607
Operating Expenses	-	-	-	-	-	-	-
Employee Cost	-63	-73	-109	-132	-203	-208	-241
Other Expenses	-431	-775	-722	-908	-794	-1,019	-1,440
Operating Profit	862	1,019	1,585	2,067	2,758	3,287	3,926
Depreciation	-7	-13	-20	-22	-25	-29	-32
PBIT	855	1,006	1,565	2,045	2,733	3,258	3,894
Other income	32	54	144	190	188	207	217
Interest	-1	-3	-3	-3	-2	-2	-2
PBT	886	1,056	1,705	2,232	2,919	3,462	4,109
(post exceptional)	886	1,056	1,705	2,232	2,919	3,462	4,109
Provision for tax	-241	-291	-434	-566	-751	-866	-1,027
Profit & Loss from Associates/JV	-	-	-	-	-	-	-
Reported PAT	646	765	1,272	1,666	2,167	2,597	3,082
MI	-	-	-	-	-	-	-
Owners PAT	646	765	1,272	1,666	2,167	2,597	3,082
(excl Exceptionals)	646	765	1,272	1,666	2,167	2,597	3,082
EPS	5	6	10	13	17	20	24
PB Ratio	13	12	8	82	61	46	40

Balance Sheet (Rs mn)	FY22	FY23	FY24	FY25	FY26	FY27e	FY28e
Equity capital	130	128	128	128	128	128	128
Reserves	894	1,233	1,667	1,968	2,472	3,941	4,711
Net worth	1,024	1,362	1,795	2,096	2,600	4,069	4,839
MI	-	-	-	-	-	-	-
Non Current Liabilities	334	32	760	205	51	538	538
Current Liabilities	110	533	834	1,093	969	1,260	1,320
TOTAL LIABILITIES	1,468	1,927	3,389	3,395	3,621	5,867	6,698
Non Current Assets	179	281	632	389	598	505	498
Fixed Assets	63	50	78	62	141	83	76
Right of Use Assets	-	-	-	-	-	-	-
Financial Assets	2	72	479	212	262	268	267
Deferred Tax Asset	4	5	6	5	9	6	6
Long Term Loans and Advances	-	1	1	1	1	1	1
Other Non Current Assets	108	153	68	57	145	145	145
Current Assets	1,288	1,646	2,756	3,006	3,023	5,331	6,163
Current investments	34	131	913	955	1,499	2,380	2,380
Inventories	-	-	-	-	-	-	-
Trade Receivables	179	203	263	275	343	371	461
Cash and Cash Equivalent	221	114	485				
Bank Balance other than cash	399	843	827	485	80	1,465	2,207
Short Term Loans and Advances	2	26	27	1	2	2	2
Other Financial Assets	87	45	58	1,169	837	837	837
Other Current Assets	367	283	184	195	262	277	277
TOTAL ASSETS	1,468	1,927	3,389	3,395	3,620	5,836	6,661

Cashflow (Rs mn)	FY22	FY23	FY24	FY25	FY26	FY27e	FY28e
PBT	851	1,056	1,705	2,232	2,919	3,462	4,109
Depreciation	7	13	20	22	25	29	32
Net Chg in WC	-360	90	1,128	-306	-91	827	-48
Taxes	-219	-310	-439	-592	-728	-866	-1,027
Others	-22	-39	-84	-154	-156	-175	-176
CFO	258	811	2,330	1,202	1,970	3,278	2,890
Capex	-5	-7	-28	-15	-59	59	7
Net Investments made	-75	-555	-2,006	14	-228	-881	-
Others	-191	79	924	107	-341	225	235
CFI	-270	-483	-1,110	106	-628	-580	260
Change in Share capital	-	-	-	-	-	-	-
Change in Debts	-	-	-	-	-	-	-
Change in Debts	-26	-427	-835	-895	-1,662	-1,948	-2,311
Others	-3	-5	-13	-18	-11	759	-73
CFF	-28	-432	-848	-1,385	-1,678	-1,189	-2,384
Total Cash Generated	-41	-104	371	-77	-336	1,509	766
Cash Opening Balance	227	186	81	485	407	77	1,586
Cash Closing Balance(a)	186	81	453	407	77	1,586	2,352
Other Bank Balances (b)	399	843	827	485	80	1,465	2,207
Total(a+b)	584	924	1,279	892	157	3,051	4,559
Ratios	FY22	FY23	FY24	FY25	FY26	FY27e	FY28e
OPM	63.6	54.6	65.6	66.5	73.4	72.8	70.0
NPM	46.5	39.8	49.7	50.5	55.0	55.0	52.9
Tax rate	-27.2	-27.6	-25.4	-25.4	-25.7	-25.0	-25.0
Growth Ratios (%)							
Net Sales	50%	38%	29%	29%	21%	20%	24%
Operating Profit	56%	18%	56%	30%	33%	19%	19%
PBIT	57%	18%	56%	31%	34%	19%	20%
PAT	15%	19%	66%	31%	30%	20%	19%
Per Share (Rs.)							
Earning	5	6	10	13	17	20	24
Cash Earnings (CPS)	5.04	6.06	10.06	13.14	17.07	20.45	24.24
Book Value	7.90	10.60	13.98	16.32	20.25	31.68	37.68
Cash Flow from Operations	258.13	810.91	2,329.52	1,202.13	1,969.95	3,277.84	2,889.73
Less:- Capex	-5	-7	-28	-15	-59	59	7
Free Cash Flow	253.34	803.76	2,301.63	1,186.77	1,910.87	3,336.51	2,896.82
Valuation Ratios							
P/E(x)	132	110	66	50	38	32	27
P/B(x)	62	46	35	30	24	15	13
EV/EBIDTA(x)	73	61	39	30	23	18	15
FCF Yield(%)	0.40%	1.28%	3.66%	1.89%	3.04%	5.30%	4.60%
Return Ratios (%)							
ROE	63%	56%	71%	79%	83%	64%	64%
ROCE	83%	78%	95%	107%	112%	85%	85%
RoIC	153%	190%	264%	100%	87%	106%	125%

Source: Dalal & Broacha Research, Company

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