

## Amagi Media Labs Ltd - IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
13 January 2026	16 January 2026	₹343 to ₹361	Neutral

### Investment Summary

Amagi Media Labs operates at the centre of the rapidly evolving cloud-based broadcasting and streaming ecosystem, benefiting from structural shifts toward Connected TV and ad-supported content. Its end-to-end, cloud-native platform and three-sided marketplace position the company as a critical technology partner for global media enterprises seeking scalable and cost-efficient solutions. Deep customer relationships with leading media and entertainment companies, combined with proven capability to support large-scale live events, underscore platform reliability and stickiness. The company's proprietary AI-led monetisation and planning tools enhance customer value and create meaningful differentiation in a competitive landscape. While near-term profitability remains influenced by continued investments in technology and talent, these expenditures support long-term platform depth and market leadership. Overall, Amagi presents a compelling growth-oriented business model with strong strategic positioning, balanced by execution and cost discipline risks typical of scaling SaaS platforms.

### Company Overview

Amagi Media Labs Limited was founded in 2008 by Baskar Subramanian, Srividhya Srinivasan, and Arunachalam Srinivasan Karapattu. Headquartered in Bengaluru, India, the company maintains a significant global footprint with specialized entities and offices across North America, Europe, Asia-Pacific, and the Middle East. As of September 30, 2025, the organization reached a scale of operations involving over 986 permanent employees, with more than half dedicated to technology and engineering teams. The firm provides extensive global coverage, serving a diverse customer base of over 400 content providers and 350 distributors across more than 40 countries. In its industry positioning, Amagi is recognized as the largest cloud-native software solution provider in the cloud playout sector for broadcasting and streaming. It serves as a category defining "industry cloud" platform, currently working with over 45% of the top 50 listed media and entertainment companies globally. The company's scale is further evidenced by its support for high-profile live global events such as the Olympics and major sports leagues. This established positioning allows the firm to leverage strong network effects within a three-sided marketplace.

### Business Model

Amagi operates as a cloud-native software-as-a-service (SaaS) provider, generating revenue through subscription, consumption-based, and revenue-share pricing models. Its core offerings consist of a modular, end-to-end "glass-to-glass" technology stack that integrates live production, content preparation, distribution, and monetization into a single window. The company utilizes a multi-cloud architecture primarily hosted on Amazon Web Services (AWS) to deliver scalable, microservices-based solutions for television networks and OTT services. A central component of its platform is "Amagi INTELLIGENCE," a proprietary AI layer that deploys predictive and generative tools to automate scheduling and optimize advertising yields. The business structure facilitates a centralized marketplace through products like Amagi CONNECT and ADS PLUS, enabling seamless content acquisition and programmatic ad sales. By transitioning stakeholders from legacy hardware to agile cloud workflows, the company delivers value through significantly reduced infrastructure costs and improved time-to-market. These operations rely on strategic partnerships with global cloud vendors and a vast ecosystem of over 75 advertising platforms.

### Industry Outlook

The global media and entertainment (M&E) market is projected to reach ₹301.3 trillion by FY29. This transformation is driven by the fragmentation of viewership across multiple digital devices, the globalization of content consumption, and a rising demand for free, ad-supported content. As consumers increasingly adopt Connected TV (CTV) and mobile platforms, the traditional cable TV market is projected to decline from a 56.3% share in 2024 to 43.6% by 2029P. Free ad-supported streaming television (FAST) has emerged as the fastest-growing industry segment, gaining appeal among cost-

conscious viewers through premium, curated content. Technology spending within the sector is steadily rising and is forecasted to reach approximately 11% of total revenue by FY29 as companies prioritize AI-driven tools and cloud infrastructure. A major operational migration is underway, with cloud-based workflows expected to reach 40–60% adoption among cable networks by FY29, up from just 10% in early 2025. Adopting cloud solutions provides significant financial advantages, including an estimated 35–50% reduction in the total cost of ownership compared to legacy on-premise hardware. Despite these opportunities, the outlook is tempered by challenges such as rising content production costs, subscription fatigue, piracy, and increasingly strict data privacy regulations. Simultaneously, the integration of artificial intelligence is redefining the value chain by enabling automated content scheduling, real-time personalization, and enhanced advertising yield optimization.

## **Investment Rationale**

### **End to End Glass-to-Glass Technology Platform:**

Amagi operates as a comprehensive “glass-to-glass” technology solutions provider, covering the entire video value chain from live content creation and preparation to distribution and monetisation. Its integrated platform enables media companies to modernise legacy broadcasting workflows, simplify complex operations, and create incremental revenue streams. By leveraging cloud-native and data-driven architecture, Amagi helps customers move away from traditional on-premise infrastructure toward scalable, flexible, and cost-efficient cloud-based systems.

### **Three-Sided Marketplace with Strong Network Effects:**

The company is strategically positioned at the intersection of content providers, distributors, and advertisers, operating a three-sided marketplace through its unified cloud platform. This structure creates a powerful network effect, where content owners are attracted by wide distribution reach, while distributors benefit from access to diverse and high-quality content libraries. As participation grows across stakeholders, the platform experiences a flywheel effect that strengthens engagement, increases viewer reach, and enhances overall ecosystem value.

### **Proprietary Technology Embedded with Artificial Intelligence:**

Amagi has developed a proprietary, award-winning technology platform that embeds artificial intelligence across its solutions to deliver a seamless and unified user experience. Advanced AI and data analytics capabilities are integrated into critical functions such as content planning, scheduling, distribution optimisation, and advertising monetisation. These capabilities allow customers to make data-backed decisions, improve operational efficiency, and maximise revenue potential across broadcasting and streaming environments.

### **Deeply Entrenched Relationships with Global Customers:**

The company is trusted by a large and diversified global customer base, serving over 400 content providers, more than 350 distributors, and over 75 advertisers as of September 30, 2025. Amagi’s platform is used by over 45% of the world’s top 50 listed media and entertainment companies by revenue, reflecting its strong market credibility. Its technology has also been deployed for some of the most prominent live global events, including the 2024 Paris Olympics, the English Premier League, UEFA tournaments, and LaLiga, highlighting its reliability at scale.

## **Key Risks**

### **Losses and Negative cash flows:**

The company has experienced losses and negative cash flows in the past. These losses were primarily driven by upfront investments required for business expansion, specifically related to technology infrastructure and employee benefits expenses, which constituted 54.50% of total expenses in the FY25. If revenue growth does not sufficiently outpace these ongoing investments, the company may be unable to maintain or increase profitability.

### **Geographic and Market Concentration:**

Revenue from operations is heavily concentrated in the America Region and Europe, which accounted for 72.86% and 17.34% of revenue in the FY25, respectively. Consequently, any adverse changes in the economic or regulatory conditions in the United States including shifts in trade policy, inflation, or a slowdown in technology spending could disproportionately affect the company’s financial condition and results of operations.

### Dependence on Third-Party Cloud Infrastructure:

Amagi relies on cloud infrastructure operated by third parties, primarily Amazon Web Services (AWS), to host its platform and solutions. Because the company does not control these operations, any disruption in service, failure to renew agreements on acceptable terms, or significant price increases from these providers could interrupt customer service, reduce revenues, and subject the firm to liability.

### Operational and Technology Failures:

The business model depends on the uninterrupted availability of cloud-based solutions, particularly during high profile live global events like the Olympics or major sports leagues. Any technology failures or cyberattacks that cause system outages could result in the loss of content, data, or advertising revenue for customers, leading to contractual penalties, regulatory fines, and significant reputational damage.

### Rapid Technological Change and R&D Requirements:

The industry is characterized by rapid technological evolution, including the integration of artificial intelligence and data analytics. An inability to dedicate sufficient resources to R&D or a failure to anticipate and respond to new industry standards could render the company's platform obsolete, leading to increased customer churn and a loss of market share.

## Geography Wise Revenue from Operations

Particulars	FY23		FY24		FY25	
	In Cr	%	In Cr	%	In Cr	%
America Region (A)	528.43	77.65%	638.63	72.64%	847.07	72.86%
Europe (including UK) (B)	115.72	17.00%	172.79	19.65%	201.66	17.34%
Asia-Pacific (C)	19.76	2.90%	44.28	5.04%	77.99	6.71%
Middle East (D)	9.21	1.35%	15.53	1.77%	19.73	1.70%
India (E)	7.44	1.09%	7.93	0.90%	16.20	1.39%
<b>Revenue from operations</b>	<b>680.56</b>	<b>100%</b>	<b>879.16</b>	<b>100%</b>	<b>1162.64</b>	<b>100%</b>

## Financial Snapshot

Metric	(In Cr)		
	FY23	FY24	FY25
<b>Revenue (₹ Cr)</b>	680.56	879.16	1,162.64
<b>EBITDA (₹ Cr)</b>	(140.34)	(155.53)	23.49
<b>Net Profit (₹ Cr)</b>	(321.27)	(245)	(68.71)
<b>EBITDA Margin (%)</b>	(20.62%)	(17.69%)	2.02%
<b>PAT Margin (%)</b>	(47.20%)	(27.87%)	(5.90%)
<b>EPS (Basic) (₹)</b>	(16.59)	(12.64)	(3.55)

**Note** – The company reported a positive PAT of ₹6.47 Crores in H1 FY26.

## IPO Details and Use of Proceeds

Parameter	Details
<b>Issuer</b>	Amagi Media Labs Ltd.
<b>IPO Structure</b>	Fresh Issue & Offer for Sale
<b>Issue Size</b>	4,95,46,221 shares (agg. up to ₹1,789 Cr) Fresh Issue: 2,26,03,878 shares (agg. up to ₹816 Cr) Offer for sale: 2,69,42,343 shares of ₹5 (agg. up to ₹973 Cr)
<b>Price Band</b>	₹ 343 to ₹361 per share
<b>Face Value</b>	₹5 per share
<b>Post-Issue Market Cap</b>	₹ 7,809.84 Cr.
<b>Promoter Holding (Pre/Post)</b>	15.76%/14.14%
<b>IPO Opening Date</b>	January 13, 2026
<b>IPO Closing Date</b>	January 16, 2026
<b>Listing</b>	BSE & NSE
<b>Book Running Lead Managers</b>	<ul style="list-style-type: none"> <li>• Kotak Mahindra Capital Company Ltd.</li> <li>• Citigroup Global Markets India Private Ltd.</li> <li>• Goldman Sachs (India) Securities Private Ltd.</li> <li>• IIFL Capital Services Limited (Formerly known as IIFL Securities Ltd.)</li> <li>• Avendus Capital Private Ltd.</li> </ul>

## Valuation and Recommendation

At the upper end of the price band of ₹361 per share, Amagi Media Labs Limited is valued at **6.72x Market Capitalisation to Sales**, implying a **post-issue market capitalisation of ₹7,809.84 crore**. This valuation factors in the company's strong strategic positioning within the cloud-based broadcasting and streaming ecosystem, its differentiated technology platform, and its increasing exposure to the FAST and CTV segments. While the company has reported losses and negative cash flows up to FY25, it showed positive bottom line in H1FY26. However, **cash flows from operations remain negative**, reflecting continued investments in technology, talent, and international expansion, which could constrain near-term returns. Additionally, geographies and dependence on third-party cloud infrastructure elevate execution and operational risks. Consequently, despite the attractiveness of the long-term business opportunity, the current valuation offers limited margin of safety, leading us to assign a **Neutral rating to the IPO**, with a preference to track operational performance and profitability trends in the post-listing period.



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