

Balaji Telefilms Limited

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Television business drives revenue growth for Balaji group

November 10th 2022: Balaji Telefilms announced its financial results for the second quarter and six-months ended 30th September 2022.

TV revenue jumped 54% in H1 FY23 to ₹162 cr vs H1 FY22. The business contributed to extremely healthy margins i.e. 5 times jump at EBIDTA level during H1 FY23 over corresponding previous period and will continue to be volume led.

During the three months of this quarter, we had a robust pipeline of 8 shows on air across 4 leading broadcasters. TV business produced 275 hours of production in Q2 FY23 against 189 hours in Q2 FY22. 2 new exciting shows across varied genres have been lined up and are currently under production. Current quarter realisation at ₹ 30.37 lacs per hour is 9% higher than corresponding previous quarter. Our shows have often been regarded as channel drivers for our broadcasters as they have been consistently well received by audiences.

For ALTBalaji, EBIDTA losses restricted to ₹44 cr in H1 FY23 vs ₹71 cr in H1 FY22, improved by 38%, due to cost rationalization measures. ALTBalaji's direct subscription revenue stood at ₹ 5 cr in Q2 FY23 and the business is expected to retain the momentum as per current run rates for the balance 6 months considering a strong content library in place with 93 shows and 18 movies which includes multiple seasons of hit shows. 'Apharan 2' and 'Code M S2' were launched in Q1 and Q2 respectively and both shows have been well received. The Company sold 6.1 lakh subscriptions (including 3.2 lakh renewals) during six months ending 30th September 2022. This excludes subscribers on partner apps where the content continues to do well. Currently, the engagement time stands at 53+ mins, with watch time at 16.4 billion in minutes. Video views stand at 1.4 billion cumulative till date.

We had two theatrical releases in Q2 FY23. Our first release for the year, 'Ek Villain Returns' starring John Abraham and Arjun Kapoor released on 29th July. Our subsequent theatrical release, 'Dobaaraa' starring Taapsee Pannu in August received widespread critical acclaim on account of its niche concept. We also released 'Goodbye' starring Amitabh Bachchan and Rashmika Mandanna in October to positive reviews. We have 3 more movies lined up for release in FY23 wherein we have pre-locked exciting revenue deals, thereby de-risking our movie business segment significantly. The pipeline includes 'Freddy' starring the nation's current heartthrob Kartik Aryan which has already been blocked for direct to digital release on 2nd December on Disney+ Hotstar and also includes 'Kathal' starring Sanya Malhotra which is also headed for a direct to digital release on Netflix.

Mrs. Shobha Kapoor, Managing Director, Balaji Telefilms Limited said, "Our TV business continues to perform well in terms of production hours and we hope to improve this momentum as 2 new shows would be added to our robust pipeline of 8 shows that we

currently have on air across channels and genres that will enable us to achieve volume growth. As always, we are confident that our content will strike a chord with audiences as our storytelling is backed by strong execution capabilities which drives our business growth and allows our brand to flourish in this domain. We are also extremely elated that after a gap of almost two and half years, we resumed our theatrical release in July this year. 'Ek Villain Returns', 'Dobaaraa' and 'Goodbye' have been received well by audience. Additionally, we have a robust pipeline of 3 more movies to be released this year and are confident that these will exceed expectations and take our brand a notch higher. We continue to have strong controls on the cash spend while driving overall profitability including some strong strategic content sharing deals which allows us to further our growth".

OPERATIONAL and FINANCIAL HIGHLIGHTS

- **TV revenue jumped 54% in H1 FY23 to ₹162 cr vs H1 FY22**
- TV business contributed to healthy margin in H1 FY23 with ₹ 19 cr of EBIDTA vs ₹ 3 cr in H1 FY22, **5 times jump in EBITDA**
- TV business continued at normal in this quarter with 275 hours of production across 8 shows and a strong pipeline with two more exciting shows which are currently under production. The business will continue to be volume led
- ALTBalaji EBIDTA losses restricted to ₹ 44 cr in H1 FY23 vs ₹ 71 cr in H1 FY22, **improved by 38%**, due to cost rationalisation measures
- ALTBalaji total subscriptions sold in H1 FY23 were 6.1 lakh. Direct subscription revenues stood at Rs 5cr in Q2 FY23 cr, Major focus on cost rationalisation to limit cash burn
- After a gap of more than two and half years, we resumed theatrical release in July. 'Ek Villain Returns' headlined by a strong star cast received positive audience reviews.
- 'Dobaaraa', starring Taapsee Pannu and 'Goodbye' starring Amitabh Bachchan and Rashmika Mandanna, released on 19th August and 7th October respectively and received widespread critical acclaim by audiences. Dobaaraa trended at No. 1 spot, subsequently on Netflix upon its release on OTT.
- Current pipeline includes 3 more exciting projects with some of the leading talent of our country. This includes 'Freddy' starring the nation's current heartthrob, Kartik Aryan, and has already been blocked for direct to digital release on 2nd December on Disney+ Hotstar as well as 'Kathal' starring Sanya Malhotra which is also headed for a direct to digital release on Netflix.
- Overall financial performance for the six months
 - Group revenues at Rs 283 cr in H1 FY23 vs Rs 142 crores in H1 FY22
 - Group EBITDA loss at Rs 35 cr in H1 FY23 vs Rs 69 crores in H1 FY22

About Balaji Telefilms Limited:

Balaji Telefilms is amongst India's leading entertainment companies operating across television, movie and digital content production. The Company, under the stewardship of Mrs. Shobha Kapoor and Ms. Ekta Kapoor, enjoys market leadership in the television content industry for over two decades with an exemplary track record for content creation across genres and target groups.

Balaji Telefilms is a household name which has produced some of the best television serials in the country including the famous K Series of daily soaps such as Kyunki Saas Bhi Kabhi Bahu Thi, Kahaani Ghar Ghar Ki, Kasauti Zindagi Kay etc. More recently it has created an extremely successful mystical fantasy series of Naagin 1 to Naagin 6, paving the way for weekend fiction-based programming. Amongst our current slate, Kundali Bhagya, Kumkum Bhagya, Bhagya Lakshmi and Yeh Hai Chahatein are counted amongst the best TV shows in India today.

Over the years the Company through its movies business has also demonstrated success in pioneering the production of a differentiated cinematic content across different genres. The Company has been involved in creating a number of commercial as well as critically acclaimed movies such as The Dirty Picture, LSD, Once Upon a Time in Mumbai, Ek Villain, Udta Punjab Veere Di Wedding, Dream Girl and recently Ek Villain Returns and Dobaaraa.

Balaji Telefilms' foray into original shows on digital platforms, ALT Digital Media Entertainment Limited is a wholly owned subsidiary of the production house. Serving as a multi-device subscription Video on Demand (SVOD) Platform, ALTBalaji's offerings include premium, disruptive content and original series across genres, that audiences can watch at their convenience. With originality, courage and relentlessness at its core, ALTBalaji's content stands out for being non-conformist and inclusive. ALTBalaji is here to set new standards and benchmarks in giving digitally-first audiences an alternate content platform.

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