

# Quarterly Performance Review – Q4 FY17 and Full Year FY17



*Balaji Telefilms Ltd.*

*Unique, Distinctive, Disruptive*

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# About Balaji Telefilms

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# Balaji Telefilms - Successful storytellers across formats and audiences

## TV



**Television programming has been the foundation stone**

**Unmatched track record with string of hit shows – Hindi and Regional**

**Proven ability in gauging the pulse of masses – current shows continue to garner strong TRP**

**8 Primetime shows on air across leading GECs\***

## Digital



**Subscription based video streaming platform**

**Premium, Original and Exclusive content**

**Allow users to watch high quality content across multiple connected devices**

**Successfully launched in April 2017**

## Movies



**Balance of creativity and profitability**

**Modest budget, high-concept movies**

**Emphasis on film content rather than the star cast**

\* As of Q4 FY17



# Exemplary track record in content creation for TV



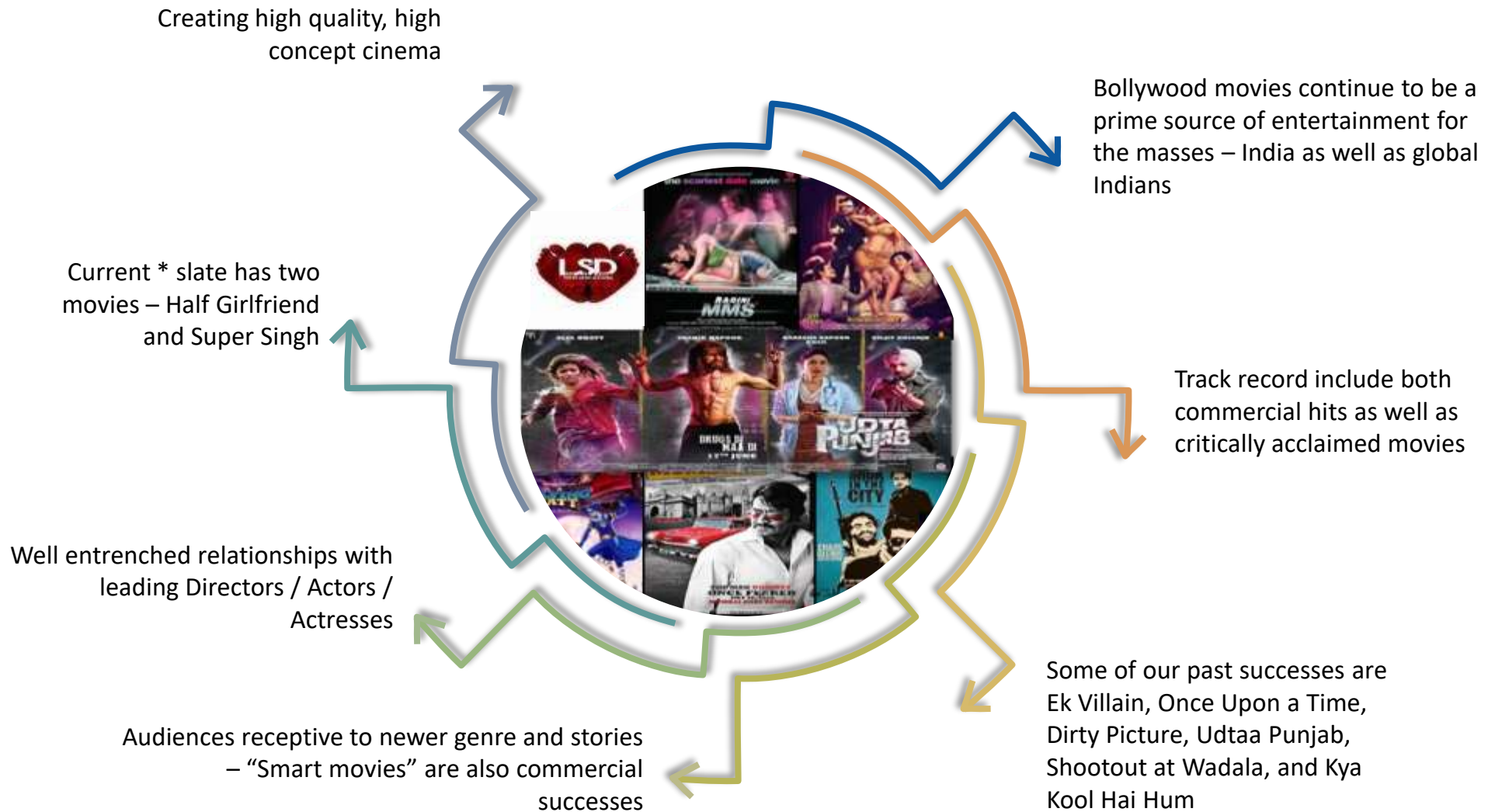
**A proven ability in gauging the pulse of masses through the years**



# ALT Balaji is positioned as a leading GEC for the digital audience



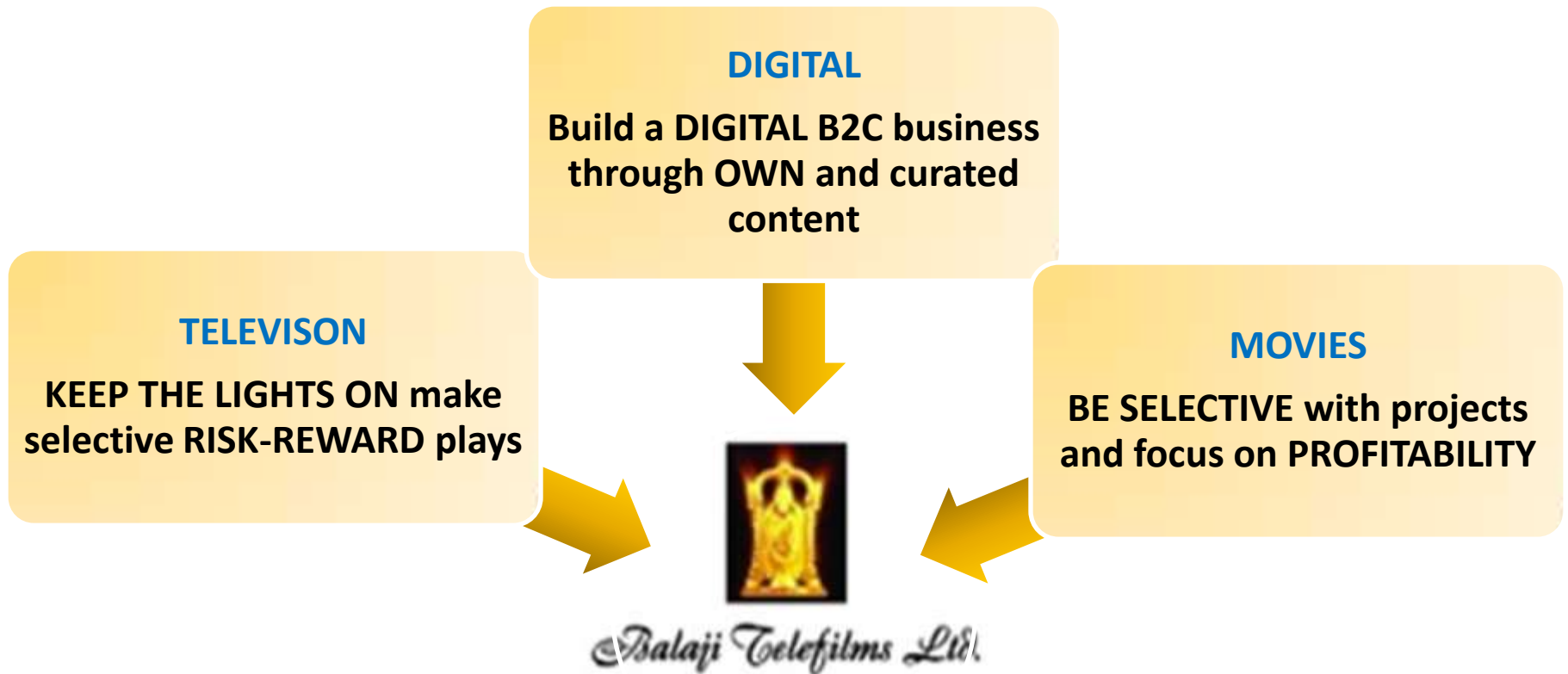
# Movies business built on producing differentiated cinematic content



\* As of 31<sup>st</sup> March 2017



# Our strategy is to be where our audience is...



Transition from a B2B business to a Digital B2C business





# The Balaji Telefilms Advantage



*Balaji Telefilms Ltd.*

## **Superior content creation ability**

- Track record for producing good and differentiated content
- Ability to produce multiple serials at any given point in time

## **Growth strategy in place**

- Digital business successfully launched
- Selective participation in Movies business to deliver high ROI

## **Unmatched relationships**

- Over 20 years in the industry
- Strong relationships with talents, vendors and broadcasters

## **Management Team**

- Led by experienced Promoter and professional management team
- Strong pedigree and superior understanding on the content business

## **Strong Financial profile**

- Debt free Company, healthy P&L, cash generative core business
- Well funded for future expansions and strong cost management skills





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# Quarterly Performance

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# Operating highlights for the quarter

## Television Business

- 8 shows running were running during the quarter – Naagin 2 continues to be the top rated show in the country and most of our other shows also continue to be respective slot leaders
- Developed a strong content pipeline for the coming quarters - new shows launching across the GEC as well shows for the prime time slots won on the National Broadcaster – Doordarshan

## ALT Digital

- Successfully launched the ALTBalaji technology platform during the quarter. The app is available across Android / IOS / Windows operating systems
- Strategic partnerships and tie ups executed with handset manufacturers, telecom / internet service providers, payment wallets and other related online distributor platforms
- Post the quarter end the company has also launched its commercial services which has been very well received by the audiences (over 2m+ downloads and subscribers from 75+ countries globally)
- Only OTT platform to launch with 6 original shows in Indian languages and continue to add more shows on a monthly basis

## Movie Business

- No movies released during the quarter. Commenced post production and marketing for Half Girlfriend (mid budget Hindi film released on 19<sup>th</sup> May 2017) and Super Singh (Punjabi regional film releasing on 16<sup>th</sup> June 2017)
- Executed deals to lock in revenue streams across satellite / digital / music and overseas rights for both movies

## Others

- Process underway to merge Bolt Media and Film Production business of Balaji Motion Pictures Limited. NCLT has directed the company to hold meeting of shareholders and creditors (scheduled for 24 May 2017). Process expected to complete in H1 FY18



## THE SHOWS HAVE JUST BEGUN!

#Largest digital platform  
for original shows from India

#Only OTT platform to launch with  
6 Original shows in Indian languages

#Coming soon 32+ new shows in Hindi,  
Tamil, Telugu, Gujarati & Punjabi



#2Mn downloads in record time  
and counting...

#Paying subscribers from 75+ countries  
in less than 2 weeks from launch

#Watch time of more  
than 100 million minutes so far

### #itsExclusive



### #Bingeकरो



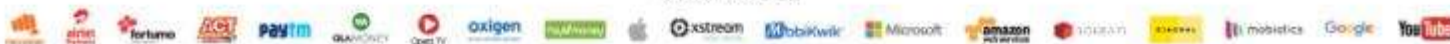
### #itsOriginal



### NEW SHOWS COMING SOON

Maya Thirrai | Ragini MMS 2.2 | Dhimaner Dinkaal | [XXXXX] | Selfiewali PM | Judaai | Punchbeat | Bose  
Kehne Ko Humsafar Hai | Broken | Kapoors | Four play | Girlgiri | Bandhan | Home | Vanity Fair | CyberSquad  
Mehrunisa | Cover Girl | Ek Bhool | The Mirza Girls | Dysfunctional | Mafia | Mangalyaan | Kaali

### OUR PARTNERS



# Consolidated Financial Performance

## Revenue from Operations

- Q4 FY17 revenues at Rs 945 million vs Rs 832 million in Q4 FY16
- FY17 revenues at Rs 4,212 million vs Rs 2,928 million in FY16
- Increase in revenues on account of higher revenues from the movies business, as FY17 had 4 movie releases vs. one movie release in FY16

## EBITDA

- Q4 FY17 EBITDA at Rs 56 million vs Rs (183) million in Q4 FY16
- FY17 EBITDA at Rs (181) million vs Rs 52 million in FY16
- Piracy of our movies Great Grand Masti and Udta Punjab during the year has severely impacted our profitability for the year

## Profit after Tax

- Q4 FY17 PAT at Rs 3 million vs Rs (160) million in Q4 FY16
- FY17 PAT at Rs (297) million vs Rs (36) million in FY16
- The Board of Directors have recommended a payment of final dividend of Rs 0.40 per Equity share of face value of Rs 2 each for the financial year ended 31 March, 2017 subject to the approval of the shareholders at the ensuing Annual General Meeting

## Investments

- Investments in mutual fund units at 31<sup>st</sup> March 2017 Rs 1,572 million (of which Rs 1,058 million through ALT and Rs 514 million through BTL)
- Amount invested till 31<sup>st</sup> March 2017 in movies (inventory) Rs 650 million



# BTL Standalone Financial Performance

## Revenue from Operations

- Q4 FY17 revenues at Rs 850 million vs Rs 571 million in Q4 FY16. Improvement on account of increased number of shows at higher realizations.
- FY17 revenues at Rs 2,841 million vs Rs 2,568 million in FY16.

## EBITDA

- Q4 FY17 EBITDA at Rs 178 million vs Rs 1 million in Q4 FY16. EBITDA Margin for Q4 FY17 at 21%. Improvement on account of lower production expenses
- FY17 EBITDA at Rs 386 million vs Rs 342 million in FY16.

## Other income

- Q4 FY17 other income at Rs 45 million vs Rs 83 million in Q4 FY16.
- FY17 other income at Rs 187 million vs Rs 241 million in FY16.

## Profit after Tax

- Q4 FY17 PAT at Rs 127 million vs Rs 51 million in Q4 FY16
- FY17 PAT at Rs 310 million vs Rs 371 million in FY16. Full year profitability impacted by a weaker H1 FY17 performance

## Balance sheet

- Investments in Mutual fund units as at 31<sup>st</sup> March 2017 at Rs 514 million



## Television business – Show line up

Channel	Shows	Time	Schedule
	Kasam Tere Pyaar Ki	22.00 - 22.30	Monday to Friday
	Naagin 2	20.00 - 21.00	Saturday to Sunday
	Kalash-EK Vishwaas *	20.30 - 21.00	Monday to Friday
	Ye Hai Mohabbatein	19.30 - 20.00	7 days a week
	Chandra Nandni	20.30 - 21.00	Monday to Friday
	Pardes Mein Hai Meraa Dill	20.00 - 20.30	Monday to Friday
	Brahmarakshas *	21.00 - 22.00	Saturday to Sunday
	Kumkum Bhagya	21.00 - 21.30	Monday to Friday
<b>Pipeline</b>			
<b>Star Plus</b>	Dhhai Kilo Prem (Started April 2017)	14.00 - 14.30	Monday to Saturday
<b>Colors</b>	Chandra Kanta (Starting in June 2017)	20.00 - 21.00	Saturday to Sunday
<b>DD</b>	3 Daily Shows	20.00 - 21.30	Monday to Friday

**Note :** \* Shows ended during the quarter.



## Television business – Operating KPIs

Particulars	Mar-17	Dec-16	Sep-16	Jun-16	Mar-16	Full Year FY17	Full Year FY16
<b>Programming Hours</b>	<b>241</b>	262	231	226	247	<b>960</b>	1,002
<b>Revenue (Rs M)</b>	<b>809</b>	835	609	526	556	<b>2,779</b>	2,472
<b>Realisation / Hour (Rs M)</b>	<b>3.36</b>	3.19	2.63	2.33	2.25	<b>2.89</b>	2.47
<b>Gross Margin (Rs M)</b>	<b>290</b>	187	147	117	167	<b>741</b>	733
<b>Gross Margin / Hour (Rs M)</b>	<b>1.20</b>	0.71	0.64	0.52	0.68	<b>0.77</b>	0.73
<b>Gross Margin %</b>	<b>35.8%</b>	22.4%	24.1%	22.2%	30.0%	<b>26.7%</b>	29.6%

**Note :** \* Does not include details for shows produced for subsidiaries

- Marginal decrease in programming hours this quarter as two shows came to an end mid quarter
- Realisation per hour continues to improve as recently launched shows are at higher realisations
- Gross margins continue to improve as recently launched shows have begun to stabilise





# Digital Business - ALT Financial Performance

## Revenue from Operations

- Nil during the quarter as the company was in a test phase ahead of a commercial launch
- Successfully launched post the quarter end with over 2m+ downloads and subscribers from 75 countries

## EBITDA

- Q4 FY17 EBITDA at Rs (73) million vs Rs (53) million in Q4 FY16
- FY17 EBITDA at Rs (203) million vs Rs (77) million in FY16
- Increase in costs as the company scales up for commercial launch

## Other income

- Q4 FY17 other income at Rs 22 million vs Rs 4 million in Q4 FY16
- FY17 other income at Rs 106 million vs Rs 4 million in FY16
- Other income from investments in mutual fund units, pending deployment of capital in the business

## Profit after Tax

- Q4 FY17 PAT at Rs (57) million vs Rs (50) million in Q4 FY16
- FY17 PAT at Rs (127) million vs Rs (77) million in FY16

## Investments

- Total amount invested in ALT as of 31<sup>st</sup> March 2017 Rs 497 million
- Investments in mutual fund as at 31<sup>st</sup> March 2017 Rs 1,058 million



# Movies Business - BMPL Financial Performance

## Revenue from Operations

- Q4 FY17 revenues at Rs 105 million vs Rs 187 million in Q4 FY16. No movies released this quarter, revenue from non theatrical revenue sources
- FY17 revenues at Rs 1,263 million vs Rs 225 million in FY16. FY17 had 4 movie releases vs 1 movie in FY16

## EBITDA

- Q4 FY17 EBITDA at Rs (34) million vs Rs (133) million in Q4 FY16
- FY17 EBITDA at Rs (328) million vs Rs (213) million in FY16
- Piracy of our movies released in FY17 led to loss of revenues against marketing and productions costs already incurred which has severely affected our profitability in this period
- Estimated loss of revenue on account of piracy at approximately Rs 360 million

## Profit after Tax

- Q4 FY17 PAT at Rs (51) million vs Rs (158) million in Q4 FY16
- FY17 PAT at Rs (443) million vs Rs (321) million in FY16

## Investments

- Total amount invested as of 31<sup>st</sup> March in movies that are under production Rs 650 million
- BMPL to selectively commission new movies going forward that have an extremely favorable risk reward profile





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# Financials

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# BTL Standalone Financial Performance as per IND-AS

Particulars (Amounts in INR Mn)	Q4FY17	Q3 FY17	Q4 FY16	FY17	FY16
<b>Total Income from operations</b>	<b>850</b>	<b>839</b>	<b>571</b>	<b>2,841</b>	<b>2,568</b>
<b>Cost of Production</b>	<b>560</b>	<b>652</b>	<b>404</b>	<b>2,101</b>	<b>1,835</b>
<b>Gross Margin</b>	<b>290</b>	<b>187</b>	<b>167</b>	<b>740</b>	<b>733</b>
<b>Gross Margin %</b>	<b>34%</b>	<b>22%</b>	<b>29%</b>	<b>26%</b>	<b>29%</b>
Employee Benefits Expense	53	38	36	160	127
Other Expenses	60	45	130	194	264
<b>EBITDA</b>	<b>178</b>	<b>103</b>	<b>1</b>	<b>386</b>	<b>342</b>
<b>EBITDA Margin %</b>	<b>21%</b>	<b>12%</b>	<b>0%</b>	<b>14%</b>	<b>13%</b>
Depreciation and amortisation expense	33	33	24	118	87
Other Income	45	46	83	187	240
<b>Profit Before Tax</b>	<b>190</b>	<b>116</b>	<b>60</b>	<b>455</b>	<b>495</b>
Tax Expenses	63	36	9	145	125
<b>Net Profit After Tax</b>	<b>127</b>	<b>80</b>	<b>51</b>	<b>310</b>	<b>370</b>
Other Comprehensive Income	(1)	-	-	(1)	-
<b>Total Comprehensive Income</b>	<b>126</b>	<b>80</b>	<b>51</b>	<b>309</b>	<b>370</b>



# BTL Standalone – Balance Sheet as per IND-AS

Particulars (in Rs Mn)	As at 31 March,2017	As at 31 March,2016
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	306	289
Capital work-in-progress	34	-
Investments	2,268	2,268
Deferred tax assets (net)	36	14
Others	341	269
<b>Total Non-current assets</b>	<b>2,985</b>	<b>2,840</b>
<b>Current assets</b>		
Inventories	270	116
Investments	514	460
Trade receivables	896	762
Cash and cash equivalents	62	40
Others	2,835	2,593
<b>Total Current assets</b>	<b>4,577</b>	<b>3,971</b>
<b>Total Assets</b>	<b>7,562</b>	<b>6,811</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	152	152
Other equity	6,389	6,080
<b>Total Equity</b>	<b>6,541</b>	<b>6,232</b>
<b>Non-current liabilities</b>	-	-
<b>Current liabilities</b>		
Trade and other payables	657	468
Other current	364	111
<b>Total Current liabilities</b>	<b>1,021</b>	<b>579</b>
<b>Total Liabilities</b>	<b>7,562</b>	<b>6,811</b>

Includes investments in Subsidiaries and Investments in Indus Balaji PE Fund

Investments in Debt Mutual funds

Includes short term loans and advances to subsidiaries, vendors and balance with Government authorities (VAT / Service Tax)



# BTL Consolidated Financial Performance as per IND-AS

Particulars (Amounts in INR Mn)	Q4FY17	Q3 FY17	Q4 FY16	FY17	FY16
<b>Total Income from operations</b>	<b>945</b>	<b>1,034</b>	<b>832</b>	<b>4,212</b>	<b>2,928</b>
<b>Cost of Production</b>	659	846	759	3,696	2,270
<b>Gross Margin</b>	<b>286</b>	<b>188</b>	<b>73</b>	<b>516</b>	<b>658</b>
<b>Gross Margin %</b>	30%	18%	9%	12%	22%
Employee Benefits Expense	85	66	61	283	201
Other Expenses	146	95	195	414	404
<b>EBITDA</b>	<b>55</b>	<b>27</b>	<b>(183)</b>	<b>(181)</b>	<b>53</b>
<b>EBITDA Margin %</b>	6%	3%	-22%	-4%	2%
Depreciation and amortisation expense	35	34	24	125	94
Other Income	46	30	57	178	132
Finance costs	-	-	-	-	-
Profit / (Loss ) Before Tax	66	23	(150)	(128)	91
Tax Expenses	63	42	10	169	127
<b>Net (Loss) / Profit After Tax</b>	<b>3</b>	<b>(19)</b>	<b>(160)</b>	<b>(297)</b>	<b>(36)</b>
Share of Profit / (Loss) of associates	-	-	-	-	-
<b>Net (Loss) / Profit after tax, share of assoc. and min. int.</b>	<b>3</b>	<b>(19)</b>	<b>(160)</b>	<b>(297)</b>	<b>(36)</b>
Other Comprehensive Income	1	-	(1)	(1)	-
<b>Total Comprehensive Income</b>	<b>2</b>	<b>(19)</b>	<b>(161)</b>	<b>(298)</b>	<b>(36)</b>



# BTL Consolidated – Balance Sheet as per IND-AS

Particulars (in Rs Mn)	As at 31 March,2017	As at 31 March,2016
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	348	325
Capital work-in-progress	106	23
Investments	404	404
Deferred tax assets (net)	274	297
Others	537	517
<b>Total Non-current assets</b>	<b>1,669</b>	<b>1,566</b>
<b>Current assets</b>		
Inventories	983	1,193
Investments	1,572	1,774
Trade receivables	995	813
Cash and cash equivalents	159	170
Others	973	579
<b>Total Current assets</b>	<b>4,682</b>	<b>4,529</b>
<b>Total Assets</b>	<b>6,351</b>	<b>6,095</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	152	152
Other equity	4,884	5,184
<b>Total Equity</b>	<b>5,036</b>	<b>5,336</b>
<b>Non-current liabilities</b>	<b>5</b>	<b>5</b>
<b>Current liabilities</b>		
Trade and other payables	730	577
Other current	580	177
<b>Total Current liabilities</b>	<b>1,310</b>	<b>754</b>
<b>Total Liabilities</b>	<b>6,351</b>	<b>6,095</b>

Includes investments in Indus Balaji PE Fund

Investments in Debt Mutual funds

Includes short term loans and advances to vendors and balance with Government authorities (VAT / Service Tax)



# BTL Consolidated Financial Performance – Q4 FY17

Particulars (In Rs Million)	BTL	BMPL	BOLT	EML	MFPL	CBEL	ALT Eliminations	Consolidated
Net Sales / Income from Operations	827	105			3		18	917
Other Operating Income	23	4	1					28
<b>Total Income</b>	<b>850</b>	<b>109</b>	<b>1</b>		<b>3</b>		<b>18</b>	<b>945</b>
<b>Expenditure</b>								
Cost of production	560	111			6		18	659
Staff Cost	53	4			1		27	85
Finance Cost		32		1			33	
Depreciation	33	1					1	35
Other Expenditure	59	28	4	1	7	1	46	146
<b>Total Expenditure</b>	<b>705</b>	<b>176</b>	<b>4</b>	<b>2</b>	<b>14</b>	<b>1</b>	<b>74</b>	<b>943</b>
<b>Profit / (Loss) from Operation Before Other Income and Finance Cost</b>	<b>145</b>	<b>(67)</b>	<b>(3)</b>	<b>(2)</b>	<b>(11)</b>	<b>(1)</b>	<b>(74)</b>	<b>20</b>
Other Income	45	12					22	46
<b>Profit / (Loss) Ordinary Activities Before Tax</b>	<b>190</b>	<b>(55)</b>	<b>(3)</b>	<b>(2)</b>	<b>(11)</b>	<b>(1)</b>	<b>(52)</b>	<b>66</b>
Tax Expenses	63	-4					4	63
<b>Net Profit / (Loss) from continuing operations</b>	<b>127</b>	<b>(51)</b>	<b>(3)</b>	<b>(2)</b>	<b>(11)</b>	<b>(1)</b>	<b>(56)</b>	<b>3</b>
<b>Other Adjustments</b>								<b>(1)</b>
Minority share in Loss								25
<b>Net (Loss) after tax, share of profit of associates and minority interest</b>								<b>27</b>



Net (Loss) associate

# Accounting policies for amortisation on inventory

## Television serials

- Inventories are valued at lower of cost and net realisable value. Cost is determined on the basis of average cost.

## Movies

- Items of inventory are carried at lower of cost and net realisable value. Cost is determined on the following basis:
  - Films: Actual Cost
  - Unamortised cost of films: The cost of films is amortised in the ratio of current revenue to the expected total revenue. At the end of each accounting period, balance unamortised cost is compared with the net expected revenue. If the net expected revenue is less than unamortised cost, the same is written down to the net expected revenue
- Marketing and distribution expenses are charged to revenue in the period in which they are incurred and are not inventorised



# Investor Contacts

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# Thank you

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