



Balaji Telefilms Ltd.

Quarterly Performance Report

Q4 FY18 and Full Year FY18

ALTBalaji surpasses a million paid users mark within a year of launch



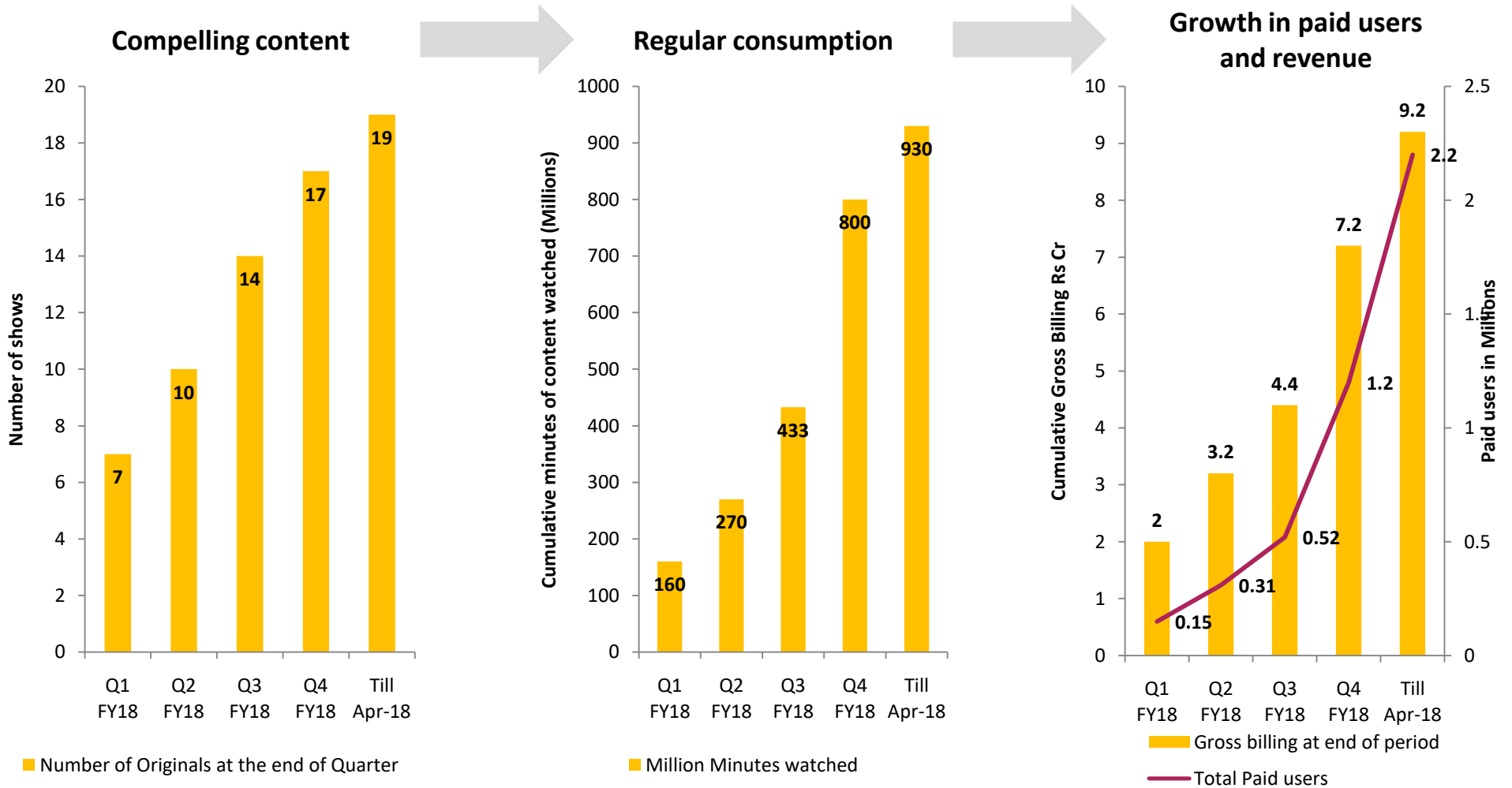
- **Number 1 repository of Indian drama content with 17 original shows** (excluding Kids and Comedy short clips). Content is also dubbed and available in Tamil, Telugu and Malayalam
- Total **paid users** at the end of March 2018 were at **1.2 million** (excluding Reliance Jio platform users)
- ALTBalaji Q4 FY18 **revenue greater** than the combined revenue of the first 9 months of operation
- Over **11 million direct app install and an additional 2.2 million** through web browser – creating a stable base of customers to target repeat usage and longer term subscription packs
- During the quarter ALTBalaji went **live on the Reliance Jio Platform and Airtel TV platform** – two of the largest telecom operator owned video platforms. These partnerships provide immediate **reach** and allow **faster monetisation** of the content
- Launched season 2 of the **highly popular show Karrle Tu Bhi Mohabbat** within 10 months of season 1. A number of our shows have connected with the Indian OTT audience and witnessed **over a million views** within the first few days launch
- Won **numerous awards** during the quarter including **Best OTT Platform, Web Person Of The Year, Best Web Series, Best Actor and Best Actress**
- **800 million** minutes of video consumed so far with an average watch time of **120 minutes per user**



Note : All data as of 31st March 2018

1. Paid user count does not include users accessing and paying for the service through Reliance Jio
2. Install base does not include users accessing the service through Telecom apps such as Vodafone Play, Reliance Jio and Airtel TV
3. Average time is calculated as total time watched by paying users divided by total number of paying users

ALTBalaji user metrics growing rapidly as library and distribution scale



Users added in April 2018 at 80% of users added in prior 12 months

Note :
 1. Minutes watched, gross billing and paid user count does not includes Reliance Jio platform users

ALTBalaji won numerous awards and accolades



**BEST OTT
PLATFORM**
ALTBalaji



**WEB PERSON
OF THE YEAR**
EKTA KAPOOR



**BEST ACTRESS
WEB SERIES**
NIMRAT KAUR



**BEST
WEB SERIES**
BOSE: DEAD/ALIVE



**BEST
ACTOR**
RAJKUMMAR RAO



**BEST
SCREENPLAY**
CLASS OF 2017



**BEST
DIRECTOR**
NAGESH KUKUNOOR

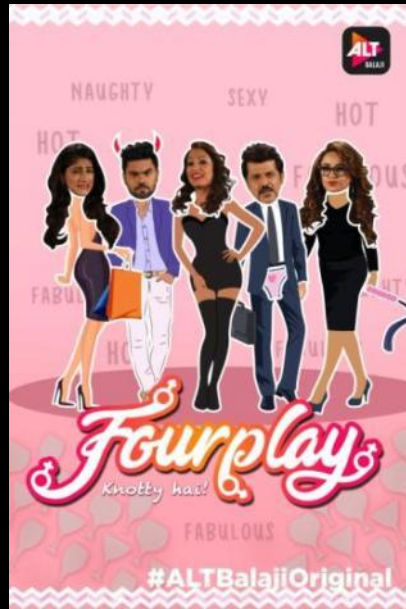


**BEST
DIALOGUE**
RESHU NATH



**BEST
DIRECTOR**
PULKIT

Over 150 hours of content now available on the platform...

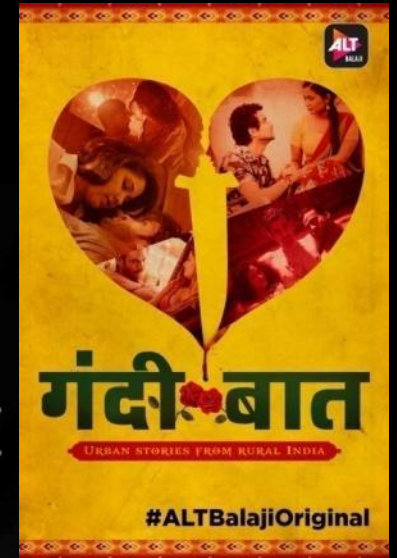


Shows added in the last few weeks

...The lineup keeps getting better



KEHNE KO HUMSAFAR HAIN S2
APA HARAN GHOST WHO BOMBS
TOXIC MENTALHOOD KASAM
MEHRUNISA VARDIWALA GUNDA HOME
FRENEMIES MINT VERDICT
KAL SE DAARU BAND **PUNCCHBEAT**
BROKEN **EK HI BHOOOL** MANGALYAAN
THE FAMILY - IT'S A BLOODY BUSINESS **DEV DD S2**
FCUK FITRAT **KAPOORS**
THE GREAT INDIAN DYSFUNCTIONAL FAMILY



Over 100 hours of original entertainment coming soon



Financials

Financial Highlights



Television and Movie Business (Standalone business)

- **49% growth** in EBITDA – Q4 FY18 EBITDA at Rs 14.9 cr vs Rs 10.0 cr in Q4 FY17
- **19x improvement in EBITDA** – Full year FY18 EBITDA at Rs 53.1 cr vs Rs 2.8 cr in FY17
- **29% growth in PBT** – Q4 FY18 PBT at Rs 17.6 cr vs Rs 13.7 cr in Q4 FY17
- **20x improvement in PBT** – Full year FY18 PBT at Rs 46.7 cr vs Rs 2.3 cr in FY17. FY 18 PBT includes exceptional item of Rs 9 cr adjusted through P&L pertaining to Income Tax matters and provided as a matter of abundant precaution
- Q4 FY18 PAT at **Rs 3.8 cr vs Rs 13.0 cr** in Q4 FY17 – Q4 FY18 includes Rs 13.8 cr of tax expenses vs Rs 0.7 cr in Q4 FY17. Current quarter tax includes tax on completion of assessments for earlier years Rs 4.1 Cr. and deferred tax charge of Rs. 9.7 Cr. on account of merger of BMPL films production division and BOLT Media. **No cash outgo due to deferred tax charge**
- Full year FY18 PAT at **Rs 16.3 cr vs FY17 of Rs 29.4 cr**. FY17 PAT positively impacted by the creation of a deferred tax asset of Rs 27.8 cr on account of merger of BMPL and BOLT Media. FY18 includes normal tax of Rs 2.1 Cr on capital gains, tax on completion of assessments for earlier years Rs 7 Cr. and deferred tax charge of Rs. 21.25 Cr. on account of merger of BMPL films production division for business losses. **No cash outgo due to deferred tax charge**
- **Normalised PAT** (at normal income tax rate, excluding any impact of deferred tax and exceptional tax items): **FY18 Rs 36.5 cr against FY17 Rs 1.5 cr**

ALTBalaji

- Q4 FY18 revenues at **Rs 3.7 cr** vs Rs 1.1 cr in Q3 FY18. Full year FY18 revenues at **Rs 6.8 cr**
- ALTBalaji follows a **controlled cash burn** linked to revenue and FY18 loss at Rs 95.3 cr against guidance of Rs 150 cr

Investments

- Investments in mutual fund units as on 31st March 2018 **Rs 442.0 cr** (Rs 341.9 cr in BTL and Rs 100.1 cr in ALTBalaji)
- 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, 2018 subject to the approval of the shareholders at the ensuing Annual General Meeting

ALTBalaji : Focus on controlled cash burn as monetisation picks up



Revenue from Operations

- Q4 FY18 revenues at **Rs 3.7 cr vs Nil** in Q3 FY17. The service was only launched this year on 16th April 2017
- Q4 FY18 revenue **greater than the combined revenues** in first 9 months of operations
- FY18 revenues at **Rs 6.8 cr**
- Revenue recognition policy is based on the validity of subscription plan selected by customers. For telecom subscribers revenue recognized for the month in which the service is active

EBITDA

- Q4 FY18 EBITDA at **Rs (31.0) cr vs Rs (20.0) cr** in Q3 FY17. FY18 EBITDA at **Rs (101.5) cr vs Rs (20.3) cr** in FY17
- Increase in costs as ALTBalaji commenced commercial operations and began expensing content and marketing spend

Other income

- Q4 FY18 other income at **Rs 2.6 cr** Other income from investments in mutual fund units, pending deployment of capital in the business

Profit after Tax

- Q4 FY18 PAT at **Rs (29.5) cr vs Rs (5.7) cr** in Q4 FY17
- FY18 PAT at **Rs (95.3) cr vs Rs (12.7) cr** in FY17.
- ALTBalaji follows a controlled cash burn linked to revenue and losses were lower than guidance of Rs 150 cr a year

BTL Standalone Financial Performance (TV + Movie Production)



Revenue from Operations

- Q4 FY18 revenue at **Rs 89.0 cr vs Rs 93.5 cr** in Q4 FY17. FY18 revenues at **Rs 416.6 cr vs Rs 408.5 cr** in FY17
- Q4 FY18 revenue from the Television business was at **Rs 53.2 cr vs Rs 80.9 cr in Q4 FY17**. Q4 FY18 had 5 shows on air during the quarter vs 8 shows in Q4 FY17 resulting in programming hours reducing by 81 hours. 5 shows on air this quarter continue to be the slot leader in ratings
- There were no movie releases in this quarter however Q4 FY18 includes Rs 22.7 cr of revenue from re-sale of digital and satellite rights of movies produced in the past.

EBITDA

- Q4 FY18 EBITDA at **Rs 14.9 cr vs Rs 10.0 cr** in Q4 FY17. FY18 EBITDA at **Rs 53.1 cr vs Rs 2.8 cr** in FY17
- Company's strategy to de-risk the movie business through pre sales and co production deals has resulted in stronger performance in the movies business this year. FY17 EBITDA was impacted by certain piracy issues with two of our movies resulting in loss of revenues from theatrical sales

Profit

- Q4 FY18 PBT at **Rs 17.6 cr vs Rs 13.7 cr** in Q4 FY17. FY18 PBT at **Rs 46.7 cr vs Rs 2.3 cr** in FY17. FY18 PBT includes an exceptional expense of Rs 9.1 cr towards certain income tax provisions
- Q4 FY18 PAT at **Rs 3.8 cr vs Rs 13.0 cr** in Q4 FY17 – Q4 FY18 includes Rs 13.8 cr of tax expenses vs Rs 0.7 cr in Q4 FY17. Current quarter tax includes tax on completion of assessments for earlier years Rs 4.1 Cr. and deferred tax charge of Rs. 9.7 cr on account of merger of BMPL films production division and BOLT Media. **No cash outgo due to deferred tax charge**
- Full year FY18 PAT at **Rs 16.3 cr vs FY17 of Rs 29.4 cr**. FY17 PAT increased on account of creation of a deferred tax asset of Rs 27.8 cr as part of the merger of BMPL film production division and BOLT Media. FY18 includes normal tax of Rs 2.1 Cr on capital gains, tax on completion of assessments for earlier years Rs 7 Cr. and deferred tax charge of Rs. 21.25 Cr. on account of merger of BMPL films production division for business losses. **No cash outgo due to deferred tax charge**. MAT Tax paid / provided will be available as tax credit in the year in which we have taxable profit
- **Normalised PAT** (at normal income tax rate, excluding any impact of deferred tax and exceptional tax items): **FY18 Rs 36.5 cr against FY17 Rs 1.5 cr**

Balance sheet

- Investments in Mutual fund units as at 31st March 2018 at **Rs 341.9 cr** with an additional **Rs 100.1 cr** in ALTBalaji subsidiary

Core business performed well – Profit Before Tax up 20x for the year

TV Business continues to remain steady, new shows to launch soon





Particulars	QoQ change	YoY change	Mar-18	Dec-17	Sep-17	Jun-17	Mar-17	Full Year FY17	Full Year FY18	YoY change
Programming Hours	-11%	-34%	160	179	240	240	241	960	819	↓
Revenue `(Rs Cr)	-10%	-34%	53.2	59.4	77.6	80.4	80.9	277.9	270.6	↑
Realisation / Hour (Rs Cr)	0%	-3%	0.33	0.33	0.32	0.34	0.34	0.29	0.33	↑
Gross Margin (Rs Cr)	-27%	-43%	16.5	22.5	18.9	22.4	29.0	74.1	80.3	↑
Gross Margin / Hour (Rs Cr)	-21%	-14%	0.10	0.13	0.08	0.09	0.12	0.08	0.10	↑
Gross Margin %	-690bps	-480bps	31.0%	37.9%	24.4%	27.9%	35.8%	26.7%	29.7%	↑

Note : Only includes commissioned programs

- **5 shows were running during the quarter.** These shows continue to do well on prime time, are the slot leaders and generate significant TRP for the broadcasters. Pipeline of shows continues to build well with 3 shows expected on air shortly
- Realisation per hour continues to remain steady on account of focus on high impact prime time programming and the company continuing to receive TRP linked incentives . **Full year average revenue per hour has increased 14% to Rs 0.33cr / hour**
- Gross margins continue to remain stable around 30% as we prepare to launch new shows in the coming month. **Overall gross margins improved by 300bps for the year**




TV Business: Current shows form the bedrock of Indian GEC channels



Channel	Show Name	Time	Schedule
	Kasam Tere Pyaar Ki	18.00 - 18.30	Monday to Friday
	Chandrakanta	20.00 – 21.00	Saturday to Sunday
	Kumkum Bhagya	21.00 - 21.30	Monday to Friday
	Kundali Bhagya	21.30 - 22.00	Monday to Friday
	Ye Hai Mohabbatein	19.30 - 20.00	6 days a week

Shaded shows represent shows running through the full year

Shows to commence shortly

Channel	Show Name	
	Naagin 3	3 rd season of one of India's most popular shows – Supernatural thriller
	Dil Hi To Hai	New show - Family soap
	Qayamat Ki Raat	New show - Finite series



Financials tables

BTL Standalone Financial Performance (TV + Movie Production)



Particulars (Amounts in INR Cr)	Q4 FY18	Q3 FY18	Q4 FY17	FY18	FY17
Total Income from operations	89.0	70.9	93.5	416.6	408.5
Cost of Production	61.3	47.1	67.1	315.1	358.0
Gross Margin	27.6	23.7	26.4	101.5	50.5
Gross Margin %	31%	34%	28%	24%	12%
Employee Benefits Expense	3.9	3.3	5.4	16.0	18.5
Other Expenses	8.8	8.1	11.0	32.5	29.2
EBITDA	14.9	12.4	10.0	53.1	2.8
EBITDA Margin %	17%	17%	11%	13%	1%
Depreciation and amortisation expense	3.2	3.3	3.4	13.9	12.3
Other Income	6.0	3.6	7.0	16.6	11.7
Exceptional Item (tax provision)	-	-	-	9.1	-
Profit / (Loss) Before Tax	17.6	12.6	13.7	46.7	2.3
Tax Expenses	13.8	3.3	0.7	30.4	(27.1)
Net Profit / (Loss) After Tax	3.8	9.3	13.0	16.3	29.4
Other Comprehensive Income	0.0	(0.0)	(0.1)	(0.0)	(0.1)
Total Comprehensive Income	3.8	9.3	12.9	16.2	29.3

Note : numbers may not add up due to rounding

BTL Standalone Balance Sheet (TV + Movie Production)



Particulars (in Rs Cr)	As at 31 March,2018	As at 31 March,2017
Equity		
Equity share capital	20	15
Other equity	963	560
Total Equity	983	575
Non-current liabilities		
Current liabilities		
Trade and other payables	43	67
Other current	16	50
Total Current liabilities	59	117
Total Liabilities	1,042	692

Movie inventory Rs 43.6 cr

Particulars (in RsCr)	As at 31 March,2018	As at 31 March,2017
Non-current assets		
Property, plant and equipment	30	33
Capital work-in-progress	2	3
Investments	346	199
Deferred tax assets (net)	19	29
Others	92	83
Total Non-current assets	490	348
Current assets		
Inventories	69	92
Investments	342	51
Trade receivables	83	100
Cash and cash equivalents	10	11
Others	49	90
Total Current assets	553	344
Total Assets	1,042	692

Note : numbers may not add up due to rounding

BTL Consolidated Financial Performance (TV + Movie + ALTBalaji)



Particulars (Amounts in INR Cr)	Q4 FY18	Q3 FY18	Q4 FY17	FY18	FY17
Total Income from operations	93.7	64.7	94.5	413.3	418.7
Cost of Production	75.2	46.3	64.8	323.7	335.7
Gross Margin	18.6	18.4	29.7	89.6	82.9
Gross Margin %	20%	28%	31%	22%	20%
Marketing expenses	11.9	7.0	1.0	55.2	36.4
Employee Benefits Expense	7.4	6.9	8.5	31.1	28.3
Other Expenses	18.6	12.1	14.6	55.0	38.7
EBITDA	(19.3)	(7.6)	5.6	(51.8)	(20.6)
EBITDA Margin %	-21%	-12%	6%	-13%	-5%
Depreciation and amortisation expense	4.4	4.2	3.5	17.7	12.5
Other Income	3.9	5.2	4.6	19.0	20.3
Exceptional Item (tax provision)	-	-	-	9.1	-
Profit / (Loss) Before Tax	(19.8)	(6.6)	6.6	(59.5)	(12.8)
Tax Expenses	14.1	(31.4)	6.7	(13.2)	16.9
Net Profit / (Loss) After Tax	(33.8)	24.8	(0.1)	(46.3)	(29.7)
Other Comprehensive Income	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)
Total Comprehensive Income	(33.9)	24.8	(0.1)	(46.4)	(29.8)

Note : numbers may not add up due to rounding

BTL Consolidated Balance Sheet (TV + Movie + ALTBalaji)



Particulars (in Rs Cr)	As at 31 March,2018	As at 31 March,2017
Equity		
Equity share capital	20	15
Other equity	833	492
Non controlling equity	-4	-3
Total Equity	850	504
Non-current liabilities	0	0
Current liabilities		
Trade and other payables	74	72
Other current	25	52
Total Current liabilities	99	124
Total Liabilities	949	628

Inventory Breakdown

TV Shows : 13.8 cr
 Movies : Rs 43.6 cr
 Web series : 70.5 cr

Note : numbers may not add up due to rounding

Particulars (in RsCr)	As at 31 March,2018	As at 31 March,2017
Non-current assets		
Property, plant and equipment	32	35
Capital work-in-progress	2	11
Investments	32	40
Deferred tax assets (net)	20	2
Others	103	78
Total Non-current assets	189	166
Current assets		
Inventories	128	98
Investments	442	157
Trade receivables	93	98
Cash and cash equivalents	22	16
Others	75	93
Total Current assets	760	462
Total Assets	949	628

Legal Entity wise performance : Q4 FY18



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALT (Digital)	MFPL	CBEPL	Eliminations	Consol
Net Sales / Income from Operations	88.8	0.1	3.7	9.8	1.4	9.7	94.0
Other Operating Income	0.2					0.0	0.2
Total Income	89.0	0.1	3.7	9.8	1.4	9.7	94.2
Cost of Production	56.9	-0.0	14.9	10.6	1.7	9.7	74.4
Marketing and Distribution Expenses	4.5	-0.0	7.4	0.1			11.9
Staff Cost	3.9	0.2	3.3	-0.0			7.4
Finance Cost		0.1		0.0	0.0	0.1	0.0
Depreciation	3.2		1.1		0.0		4.4
Other Expenditure	8.8	0.5	8.6	0.0	0.1	0.0	18.0
Total Expenditure	77.3	0.7	35.2	10.8	1.9	9.8	116.2
Profit / (Loss) from Operation Before Other Income	11.6	-0.6	-31.5	-1.0	-0.5	-0.1	-22.0
Other Income	6.0		2.1	-0.5	-0.1	5.1	2.3
Profit/(loss) before tax & exceptional items	17.6	-0.6	-29.5	-1.5	-0.7	5.1	-19.7
Exceptional Items							
Profit / (Loss) from Ordinary Activities Before Tax	17.6	-0.6	-29.5	-1.5	-0.7	5.1	-19.7
Tax Expenses	13.8			0.3	-0.0		14.1
Net Profit / (Loss) from continuing operations	3.8	-0.6	-29.5	-1.8	-0.7	5.1	-33.8
Other adjustments (Minority share / defined benefit)							-1.2
Net Profit							-32.6

Note : numbers may not add up due to rounding

Legal Entity wise performance : FY18



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALT (Digital)	MFPL	CBEPL	Eliminations	Consol
Net Sales / Income from Operations	415.6	7.6	6.8	9.8	2.4	29.9	412.4
Other Operating Income	1.0						1.0
Total Income	416.6	7.6	6.8	9.8	2.4	29.9	413.3
Cost of Production	302.0	6.4	31.3	10.6	2.6	29.1	323.7
Marketing and Distribution Expenses	13.1		42.0	0.1			55.2
Staff Cost	16.0	0.8	14.3	0.1			31.1
Finance Cost		0.2		0.0	0.0	0.2	0.1
Depreciation	13.9		3.8	0.0	0.0		17.7
Other Expenditure	32.5	1.2	20.9	0.3	0.3		55.0
Total Expenditure	377.4	8.6	112.1	11.1	3.0	29.4	482.9
Profit / (Loss) from Operation Before Other Income	39.2	-1.0	-105.3	-1.3	-0.7	0.5	-69.5
Other Income	16.6		7.2	0.0		4.8	19.0
Profit/(loss) before tax & exceptional items	55.8	-1.0	-98.1	-1.3	-0.7	5.3	-50.5
Exceptional Items	9.1						9.1
Profit / (Loss) from Ordinary Activities Before Tax	46.7	-1.0	-98.1	-1.3	-0.7	5.3	-59.6
Tax Expenses	30.4		-2.8	0.5	-0.0		-13.2
Net Profit / (Loss) from continuing operations	16.3	-1.0	-95.2	-1.7	-0.7	5.3	-46.3
Other adjustments (Minority share / defined benefit etc)							-1.1
Net (Loss)							-45.3

Note : numbers may not add up due to rounding



As part of the scheme of arrangement sanctioned by the National Company Law Tribunal (NCLT) the Company has merged the operations of the Film Production Business of Balaji Motion Pictures Limited and Bolt Media Limited into Balaji Telefilms Limited. This has resulted in streamlining our Group structure and also consolidated our business operations. The NCLT order was received in November 2017 and the scheme is effective 1st April 2016. Our financial performance has been restated on account of the above scheme of arrangement.

Accounting Policies for Amortization 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

Digital

- Original content amortised over 2 years, 75% of the cost in the first year and 25% in the second year
- Acquired content is amortised over license period



Thank You

Balaji Telefilms Limited

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