

Quarterly Performance Review – Q1 FY18



Balaji Telefilms Ltd.

Unique, Distinctive, Disruptive

Operating highlights for the quarter

AltBalaji

- Successfully launched AltBalaji during the quarter and the app is available globally and on all the leading OS platforms
- Over 4 million downloads with subscribers from 85+ countries reflecting the universal appeal of the content
- AltBalaji during the quarter had 7 original shows, 4 original kids shows and over 150 curated comedy clips
- Strategic partnerships and tie ups executed across a range of OEMs, Telco / Internet service providers and Payment wallets

Television Business

- 8 shows were running during the quarter – Naagin 2 ended during this quarter. Naagin 1 and Naagin 2 have consistently been one of the top rated show in its category and timeslot
- Chandrakanta successfully replaces Naagin 2 on the same slot, strengthening our positioning as a leading provider of high impact weekend fiction programming. Also launched a new show for Star Plus for their afternoon original programming slot
- Continue to develop content pipeline – new shows launching across the GEC as well shows for the prime time slots won on the National Broadcaster – Doordarshan

Movie Business

- Two movies released during the quarter. Half Girlfriend (mid budget Hindi film released on 19th May 2017) and Super Singh (Punjabi regional film released on 16th June 2017)
- Company continues to focus on a limited but high impact stories where the risk reward ratios are extremely favorable and projects can be de-risked by significant pre sales

Others

- Process underway to merge Bolt Media and Film Production business of Balaji Motion Pictures Limited into Balaji Telefilms. Shareholders have approved of the merger and now pending final NCLT clearance. Process expected to complete in H1 FY18.



ALTBalaji the new destination for entertainment

Launched 16th April 2017

4.2 Million
App Downloads¹

Globally
Accessible

25+
Hours of
original content

**6 Hindi, 1 Tamil
and 4 Kids**
Original shows launched
in the quarter



160 Million+
Minutes of
Video consumed

72 minutes
Average watch time
per user²

Rs 20 million
Gross billing³

125,000+
Users completing
a full series

Note : All data as of 30th June

1. App download does not include anonymous users through the website
2. Average time per user is calculated based on minutes consumed per active session of use
3. Gross billing is total collections in the quarter. Revenue reported in financials as per IND-AS standards

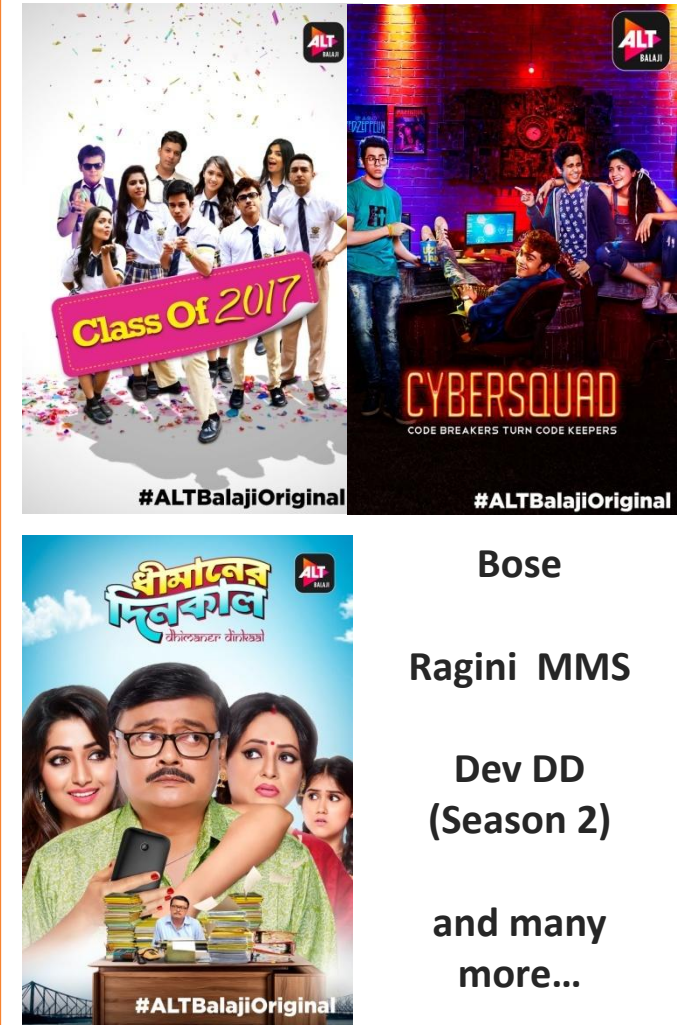


ALTBalaji the shows have just begun...

Original shows launched in the quarter



Upcoming shows



Bose

Ragini MMS

Dev DD
(Season 2)

and many
more...




ALTBalaji – tremendous impact on social media


You Tube **RECORD-BREAKING
MASTHEAD CAMPAIGN**

 **296M** Impressions
previous record: 270M

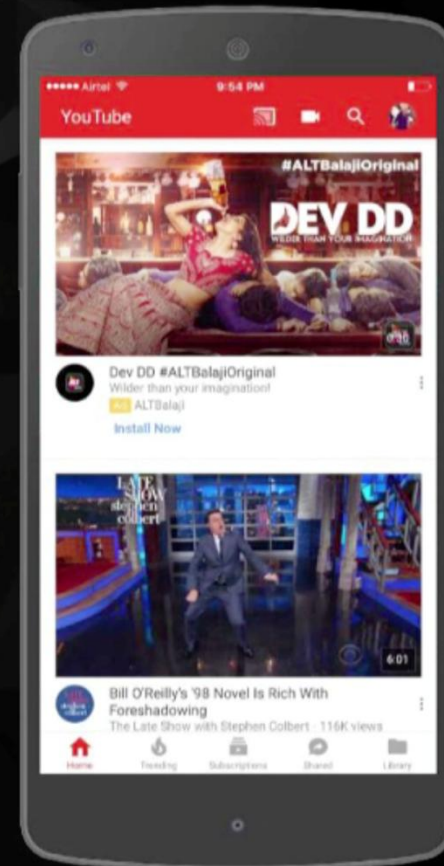
 **58M**
Unique users

 **10M** Video views
previous record: 6M

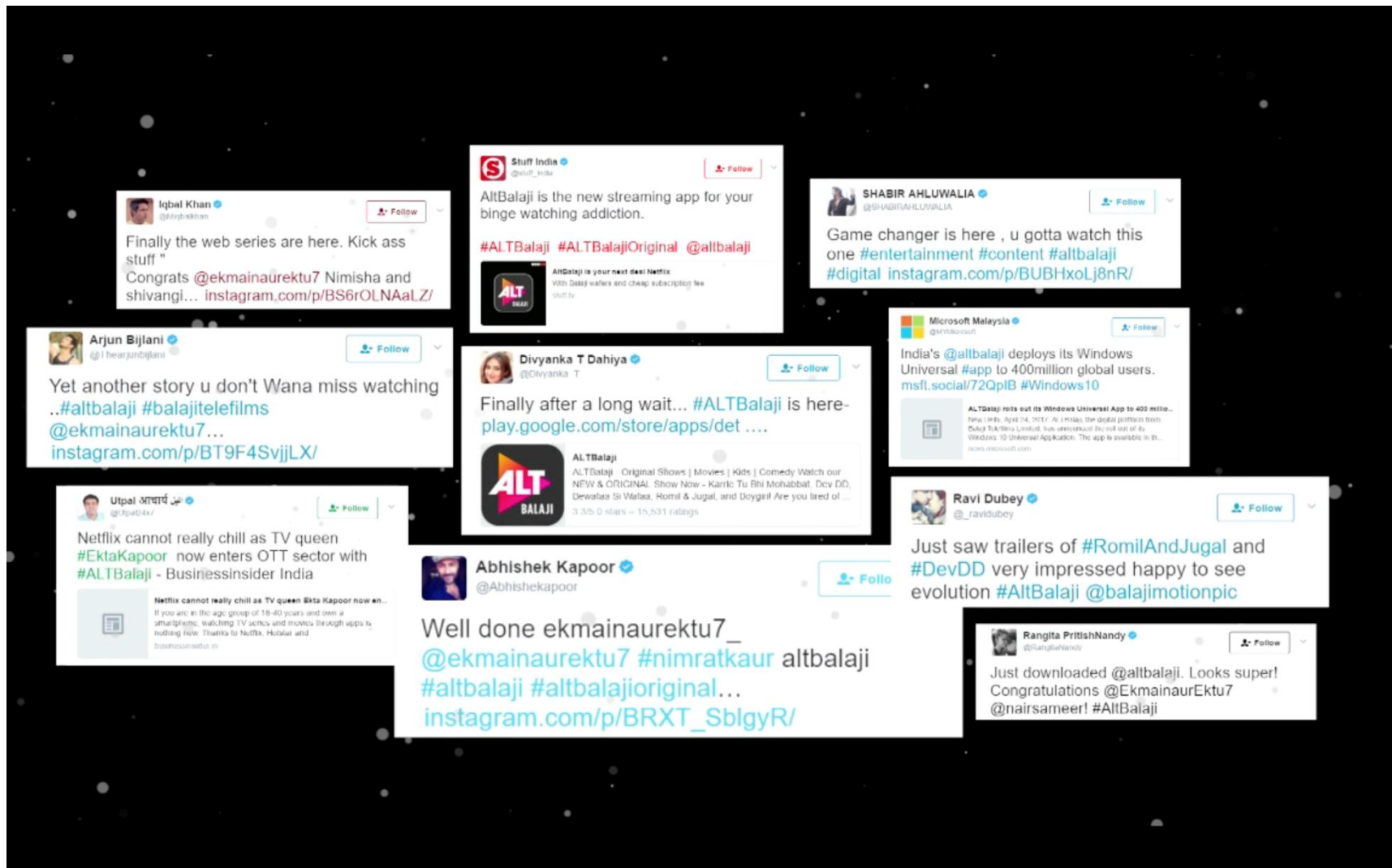
 **5**
Avg. frequency

 **164K**
Click to landing page

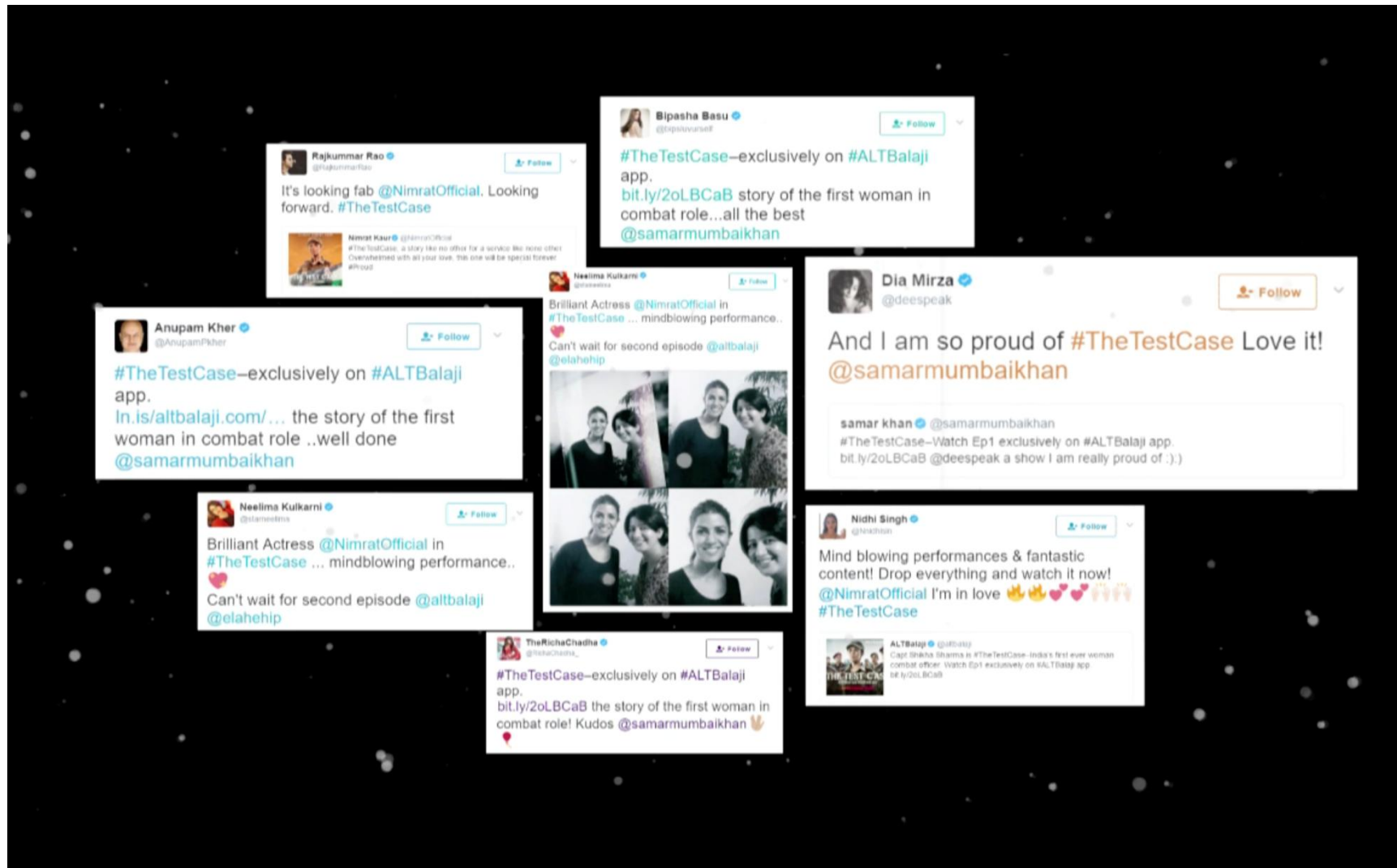
SOURCE | Google
India



ALTBalaji – tremendous impact on social media



ALTBalaji – tremendous impact on social media



ALTBalaji winning accolades

Critical acclaim

- Think Women are unfit to serve the nation? ALTBalaji's show "The Test Case" will bring you to 2017 – **Scoopwhoop**
- Ekta Kapoor's Test Case passes the litmus test, makes a solid case for women empowerment – **India Today**
- Thank you, Ekta Kapoor for finally normalising gay romance in Romil and Jugal – **India Today**
- Romil and Jugal' shows mirror to society – **The Statesman**
- Karle Tu Bhi Mohabbat is a feat for souls who long for love stories. – **Times of India**
- #DevDD: An unimaginative portrayal of an empowered female protagonist by #ALTBalaji – **First Post**
- Boygiri! humorous web series that promises to change the landscape of Indian web content. – **Times of India**
- 'Boygiri' emerges with a fresh, young and brash vibe that will turn into an entertaining experience for the viewers. – **News Patrolling**
- ALTBalaji's 'The Test Case' is an intense statement on WOMEN in the Military – **India Forums**



Movers and Shakers 2017
Vidnet Awards



Consolidated Financial Performance

ALTBalaji was launched on 16th April 2017 and we expect to be in an investment phase for this new business vertical for the next 2 to 3 years. To allow for like for like comparison, the numbers have also been stated excluding ALTBalaji

Revenue from Operations

- Q1 FY18 revenues at Rs 1,446 million vs Rs 1,174 million in Q1 FY17
- Increase in revenues on account of higher revenues from the TV business
- Q1 FY 18 revenue (excluding ALTBalaji) at Rs 1,438 million vs. Rs 1,174 million in Q1 FY17

EBITDA

- Q1 FY18 EBITDA at Rs (148) million vs Rs (3) million in Q1 FY17
- ALTBalaji was launched during the quarter, consolidated losses increased due to increased spend on content and marketing
- Q1 FY 18 EBITDA (excluding ALTBalaji) at Rs 158 million vs. Rs 29 million in Q1 FY17

Profit after Tax

- Q1 FY18 PAT at Rs (234) million vs Rs (2) million in Q1 FY17
- Q1 FY18 PAT (excluding ALTBalaji) at Rs 57 million vs. Rs 5 million in Q1 FY17

Investments

- Investments in mutual fund units at 30th June 2017 Rs 1,455 million (of which Rs 698 million through ALT and Rs 757 million through BTL)
- Amount invested till 30th June 2017 in movies (inventory) Rs 343 million vs. Rs 650 million in March 2017
- Movie inventory includes Rs 180 million of Half Girlfriend and Super Singh where future monetization such as satellite and digital rights are agreed but yet to be accounted



BTL Standalone Financial Performance

Revenue from Operations

- Q1 FY18 revenues at Rs 943 million vs Rs 536 million in Q1 FY17
- Improvement on account of increased number of shows at higher realizations and focus on high impact programming

EBITDA

- Q1 FY18 EBITDA at Rs 160 million vs Rs 43 million in Q1 FY17
- EBITDA Margin for Q1 FY18 at 17% vs 8% in Q1 FY 17
- Improvement on account of better cost management and higher revenue shows

Other income

- Q1 FY18 other income at Rs 49 million vs Rs 67 million in Q1 FY17
- Other income on account of interest ICD and gain on mutual fund investments

Profit after Tax




- Q1 FY18 PAT at Rs 90 million vs Rs 58 million in Q1 FY17
- Current year tax includes a one time impact of Rs 22 million of tax pertaining to earlier years

Balance sheet

- Investments in Mutual fund units as at 30th June 2017 at Rs 757 million



Television business – Show line up

Channel	Shows	Time	Schedule
	Kasam Tere Pyaar Ki	22.00 - 22.30	Monday to Friday
	Chandrakanta	20.00 – 21.00	Saturday to Sunday
	Naagin 2 *	20.00 – 21.00	Saturday to Sunday
	Ye Hai Mohabbatein	19.30 - 20.00	7 days a week
	Chandra Nandni	20.30 - 21.00	Monday to Friday
	Dhhai Kilo Prem	14.00 - 14.30	Monday to Saturday
	Pardes Mein Hai Meraa Dill	20.00 - 20.30	Monday to Friday
	Kumkum Bhagya	21.00 - 21.30	Monday to Friday
Pipeline			
Zee	Kundali Bhagya (started July 2017)	21.30 - 22.00	Monday to Friday
DD	3 daily shows	20:00 – 21:30	Monday to Friday

Note : * Shows ended during the quarter.



Television business – Operating KPIs

Particulars	Jun-17	Mar-17	Dec-16	Sep-16	Jun-16	Full Year FY17
Programming Hours	240	241	262	231	226	960
Revenue (Rs M)	804	809	835	609	526	2,779
Realisation / Hour (Rs M)	3.35	3.36	3.19	2.63	2.33	2.89
Gross Margin (Rs M)	224	290	187	147	117	741
Gross Margin / Hour (Rs M)	0.93	1.20	0.71	0.64	0.52	0.77
Gross Margin %	27.8%	35.8%	22.4%	24.1%	22.2%	26.7%

Note : Only includes commissioned programs

- Programming hours continue to remain steady – “Naagin 2” ended towards the end of the quarter and replaced by “Chandrakanta” on Colors
- New show “Dhaai Kilo Prem” commenced of Star Plus in April 2017
- Company continues to maintain gross margins, Q1 FY18 gross margin per hour marginally lower as compared to Q4 Fy17 as two new shows commenced this quarter



Digital Business - ALT Financial Performance

Revenue from Operations

- Q1 FY18 revenues at Rs 8 million. This is the first quarter since the service was launched
- Revenue recognition policy is based on the validity of subscription plan selected by customers

EBITDA

- Q1 FY18 EBITDA at Rs (313) million vs Rs (32) million in Q1 FY17
- Increase in costs as AltBalaji commenced commercial operations and expensing content spend
- Increased spending on marketing due to launch expenses

Other income

- Q1 FY18 other income at Rs 17 million vs Rs 34 million in Q1 FY17
- Other income from investments in mutual fund units, pending deployment of capital in the business

Profit after Tax

- Q1 FY18 PAT at Rs (299) million vs Rs (7) million in Q1 FY17

Investments

- Total amount invested in ALT as of 30th June 2017 Rs 1,002 million
- Investments in mutual fund as at 30th June 2017 Rs 698 million.



Movies Business - BMPL Financial Performance

Revenue from Operations

- Q1 FY18 revenues at Rs 573 million vs Rs 534 million in Q1 FY17.
- Q1 FY18 had 2 movie releases – Half Girlfriend and Super Singh, similar to 2 movies in Q1 FY17 – Azhar and Udtaa Punjab
- Revenue and corresponding proportion of expenses from the sale of Satellite and digital rights yet to be accounted for movies released this quarter

EBITDA

- Q1 FY18 EBITDA at Rs 9 million vs Rs 3 million in Q1 FY17

Profit after Tax

- Q1 FY17 PAT at Rs (21) million vs Rs (35) million in Q1 FY17
- Includes impact of finance cost on account of inter company borrowings from BTL

Investments

- Amount invested till 30th June 2017 in movies (inventory) Rs 343 million vs 650 million in March 2017
- Movie inventory includes Rs 180 million of Half Girlfriend and Super Singh where future monetization such as satellite and digital rights are agreed but yet to be accounted
- BMPL to selectively commission new movies going forward that have an extremely favorable risk reward profile





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Financials

BTL Standalone Financial Performance

Particulars (Amounts in INR Mn)	Q1FY18	Q4 FY17	Q1 FY17	FY17
Total Income from operations	943	850	536	2,841
Cost of Production	700	560	419	2,101
Gross Margin	244	290	117	741
Gross Margin %	26%	34%	22%	26%
Employee Benefits Expense	41	53	33	160
Other Expenses	43	60	41	194
EBITDA	160	178	43	386
EBITDA Margin %	17%	21%	8%	14%
Depreciation and amortisation expense	35	33	25	118
Other Income	49	45	67	187
Profit Before Tax	173	190	85	455
Tax Expenses	84	63	27	145
Net Profit After Tax	90	127	58	310
Other Comprehensive Income	(1)	(1)	(0)	(1)
Total Comprehensive Income	89	127	58	309

Note : numbers may not add up due to rounding



BTL Consolidated Financial Performance

Particulars (Amounts in INR Mn)	Q1FY18	Q4 FY17	Q1 FY17	FY17
Total Income from operations	1,446	945	1,174	4,212
Cost of Production	1,205	658	1,034	3,696
Gross Margin	242	287	140	516
Gross Margin %	17%	30%	12%	12%
Employee Benefits Expense	84	85	65	283
Other Expenses	305	146	78	413
EBITDA	(148)	56	(3)	(181)
EBITDA Margin %	-10%	6%	0%	-4%
Depreciation and amortisation expense	43	35	27	125
Other Income	36	46	64	178
Finance costs	0	0	0	0
(Loss) / Profit Before Tax	(155)	66	35	(129)
Tax Expenses	79	63	37	169
Net (Loss) / Profit After Tax	(234)	3	(2)	(297)
Share of Profit / (Loss) of associates	(0)	(0)	(0)	0
Net (Loss) / Profit after tax, share of assoc. and min. int.	(234)	3	(2)	(297)
Other Comprehensive Income	(0)	(1)	(0)	(1)
Total Comprehensive Income	(234)	2	(2)	(298)

Note : numbers may not add up due to rounding



BTL Consolidated Financial Performance – Q1 FY18

Particulars (In Rs Million)	BTL	BMPL	ALT	MFPL	EML	BOLT	CBEPL Eliminations	Consolidated	
Net Sales / Income from Operations	938.2	573.2	8.0	-	-	-	-	78.0	1,441.5
Other Operating Income	5.0	-	-	-	-	-	-	-	5.0
Total Income	943.2	573.2	8.0	-	-	-	-	78.0	1,446.5
Expenditure									
Cost of production	699.6	549.7	33.6	-	-	-	-	78.0	1,204.9
Staff Cost	41.2	2.4	39.8	1.0	-	-	-	-	84.4
Finance Cost	-	30.8	-	-	0.2	0.3	-	31.3	-
Depreciation	35.3	1.2	6.9	-	-	-	-	-	43.4
Other Expenditure	42.8	11.8	248.0	1.6	-	0.3	0.6	-	305.2
Total Expenditure	818.9	595.8	328.3	2.6	0.2	0.7	0.7	109.3	1,637.9
Profit / (Loss) from Operation Before Other Income and Finance Cost	124.3	(22.5)	(320.3)	(2.6)	(0.2)	(0.7)	(0.7)	(31.3)	(191.4)
Other Income	48.8	1.8	17.0	-	-	-	-	31.3	36.2
Profit / (Loss) Before Tax	173.1	(20.8)	(303.3)	(2.6)	(0.2)	(0.7)	(0.7)	-	(155.2)
Tax Expenses	83.6	-	(4.5)	-	-	-	-	-	79.0
Net Profit / (Loss) from operations	89.5	(20.8)	(298.8)	(2.6)	(0.2)	(0.7)	(0.7)	-	(234.2)
Other Adjustments									(0.3)
Minority share in Loss	-	-	-	-	-	-	-	-	1.7
Net (Loss) after tax, share of profit of associates and minority interest									(232.8)



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

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



Investor Contacts

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Thank you
