



Palaji Telofilms Ltd.

Quarterly Performance Update

Q4 FY19 and Full Year FY19

Driving Entertainment In India Across All Mediums



- Our TV business remains the **#1 content creator for Indian Prime Time** and has consistently delivered high ratings across genres.
- ALTBalaji launched 2 years ago is on track to becoming **India's most loved platform for original exclusive series**.
- We continue to make clutter breaking film content and our selective investments in the **movie business have been rewarding**.



Balaji Telefilms Limited



ALTBalaji



Balaji Motion Picture Limited



Best In Class TV Content, # 1 In Prime Time



- TV business - BTL has 4 out of Top 5 shows and 14%¹ of viewership share in Prime Time – puts it at # 1 Content Producer, yet again
- 7 shows were on air during the quarter
- Gross margins continue to improve driven by improved execution during the quarter
- Order book continues to grow with 2 shows launching in the coming quarter
- A multi show deal with a large broadcaster to commence shortly, in this year to drive revenue and margin expansion.



Kasautii Zindagii Kay

#1 Show on Star Plus



Kumkum Bhagya

#1 Show on Zee TV



Naagin 3

#1 Show on Colors

Entertaining & Profitable Movies

- **2 movies released** during the last year – **Veere Di Wedding** and **Laila Majnu**
- Slate for FY20 currently include **5 movies**
- Production cost for these movies have already been **recovered via pre-sales**
- **Capital employed** in movies at **Rs 96 crores¹**



In Less Than 2 Years, ALTBalaji Is The Frontrunner In The Domain



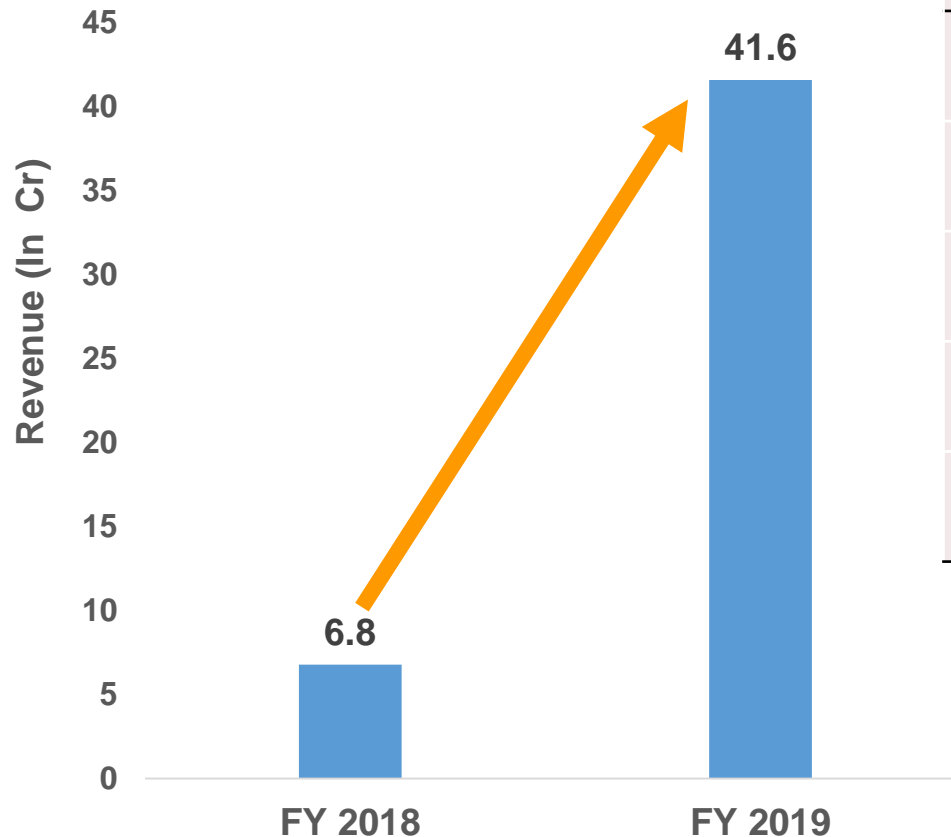
- OTT video streaming as a category continues to grow exponentially. **ALTBalaji is already one of the frontrunners**
- **#3 grossing video on demand service in India** - based on App Annie data for Grossing within the Entertainment category¹
- **6x revenue growth** for the year and 18x growth in subscriptions
- **20.1 million subscriptions sold in FY19**
- **5 multi-episode, 'Original Exclusive' shows released this quarter** taking the total number of shows to **38** (currently)



ALTBalaji – Revenue Traction Continues To Build



6x Revenue growth



Consistent Performance through the year¹

Rank	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19	Full FY 19
1	Netflix	Netflix	Netflix	Netflix	Netflix
2	Hotstar	Hotstar	Hotstar	Hotstar	Hotstar
3	ALTBalaji	ZEE5	ALTBalaji	ALTBalaji	ALTBalaji
4	ZEE5	ALTBalaji	ZEE5	ZEE5	ZEE5
5	Sun NXT	Sun NXT	Sony LIV	Sony LIV	Sony LIV

- ALTBalaji continues to be **#1 Domestic Video Streaming provider**
- In spite of having one of the lowest subscription prices in the country, **ALTBalaji is in the Top 3 paid Apps**, an indication of mass appeal

Source: 1. App Annie – Based on Gross Revenue across Ios and Google – Apr 18- Mar 19

18 Original Exclusives Launched In FY19. Total Library At 38 Shows



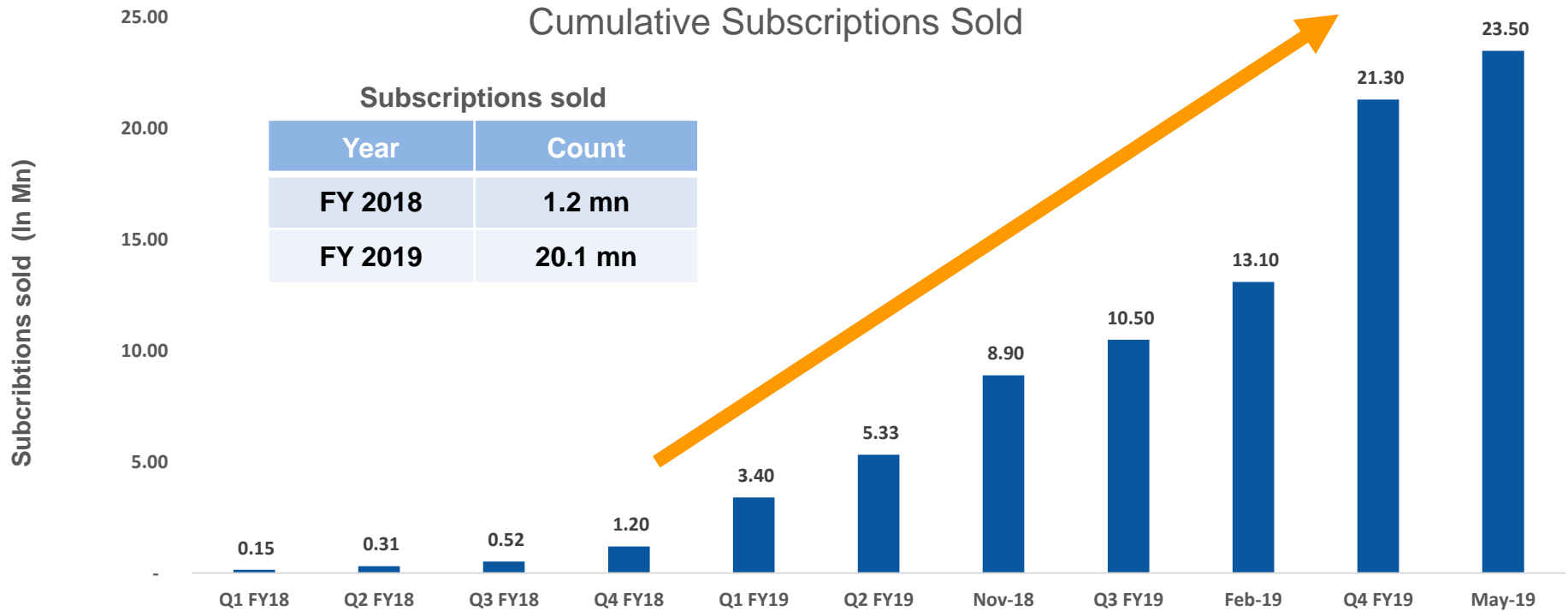
#ALTBalajiOriginal

Some of our super hit shows



- ALTBalaji has one of the largest multiple episode, multi- season exclusive original Hindi libraries
- We create hit stories that resonate - **9 of our existing shows** have been commissioned for additional seasons, a sign of the content's popularity
- Binge viewing culture for ALT is growing - **67% consumers** finish watching a series **within 7 days of starting it**

Exponential Growth In Subscriptions



- Growth driven by
 - Integration with several distribution partners (Telco / ISP / DTH / OEM / Payment Partners)
 - Targeted acquisition of direct customers primarily using value efficient digital marketing

ALTBalaji Content At The Center Of The Consumer Internet Ecosystem



ALTBalaji's Unique position as a Content First Company allows for integration with several internet technology consumer partners, creating access across the global internet ecosystem

AltBalaji Original Music Has Worked Well And Is Creating A Buzz



Some of our Hits



**Baarish Title Song
Preet**



**Teriyan Gallan
Tum ho paas**



**Ye Kya Hua
Laute Nahi**



**Ishqaan
Puncch Beat Anthem**

Additional Monetization Opportunities via Audio Streaming Apps



- ALTBalaji shows contain original sound tracks which **increases the value of the IP of the shows, creates engagement for its subscribers, buzz for its shows** and allows for additional monetization opportunities
- Currently have **over 40 original songs** and new songs added as we launch new shows

AltBalaji – Loved By India And Winning Awards Consistently



ALTBalaji WINS
AT VIDYA 2019

OTT Platform of the Year

INKSPELL VIDYA 2019
OTT Platform of the Year
ALTBalaji



ALTBalaji WINS
AT VIDYA 2019

Apharan
Best Video Content in a
Social Media Marketing Campaign

INKSPELL VIDYA 2019
Best Video Content in a
Social Media Marketing Campaign
ALTBalaji's Apharan
Campaign by
White Swan Media



ALTBalaji WINS
AT VIDYA 2019

Home
Best Video Content in a
Viral Marketing Campaign

INKSPELL VIDYA 2019
Video Content in a
Viral Marketing Campaign
ALTBalaji's My Home by
White Swan Media

Won the DIGIXX
Awards for the
**BEST OTT
PLATFORM**
consecutively for
the 2nd time in a
row



DIGIXX 2019

ALTBalaji
wins Gold for OTT
Platform of The Year



#ALTBalajiOriginal



DIGIXX AWARDS 2018

ALTBalaji
**BEST
OTT PLATFORM**



Shows Launched In Q1 Impacted Yearly Margins - Good Performance in H2



Particulars (In Rs Cr)	QoQ change	YoY change	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18	Full Year FY18	Full Year FY19
Programming Hours	1%	25%	200.5	199	193	170.5	160	819	763
Revenue	-7%	38%	73.6	79.3	77.1	57.3	53.2	270.6	287.3
Realisation / Hour	-8%	11%	0.37	0.40	0.40	0.34	0.33	0.33	0.38
Gross Margin	4%	32%	21.9	21.1	16.6	0.7	16.5	80.3	60.3
Gross Margin / Hour	-1%	9%	0.11	0.11	0.09	0.004	0.10	0.10	0.08
Gross Margin %	9%	-4%	29.7%	27.3%	21.6%	1.2%	31.0%	29.7%	21.0%

Note : Only includes commissioned programs

- TV business continues to **focus on creating high impact programming**. FY19 had 14% increase in realisation per hour
- **3 Consecutive quarters of Gross margins expansion** - driven by better operating efficiencies and cost control as the shows launched in Q1 FY19 have become margin accretive

#1 Generator of Prime Time Ratings Consistently



Broadcaster	Show Name	Time	Schedule	Notes
	Naagin 3	20.00 – 21.00	Saturday to Sunday	# 1 show on weekends
	Ye Hai Mohabbatein	22.30 - 23.00	Monday to Friday	Daily show since December 2013
	Qayamat Ki Raat	19.00 – 20.00	Saturday to Sunday	Supernatural drama since June 2018, came to an end this quarter
	Kasautii Zindagii Kay	20.00 – 20.30	Monday to Friday	Reboot of an epic love drama
	Kumkum Bhagya	21.00 - 21.30	Monday to Friday	# 2 weekday fiction show in 2019
	Kundali Bhagya	21.30 - 22.00	Monday to Friday	# 1 weekday fiction show in 2019
	Daayan	21:00-22:00	Saturday to Sunday	Supernatural drama for &TV

New Line Up of Shows include:

- **Kavach Mahashivratri** - Supernatural Horror Drama, follow up season to Kavach 1 which is a hit amongst audiences, starts from 25th May 2019
- **Bepanhaa Pyaar** - Daily drama romantic series starts from 03rd June 2019
- In discussion with a **leading broadcaster for a Multi Show Deal**



Financials



Financial Highlights

- **FY19 Revenues from Operations has increased 6%** driven by higher revenues from content production.
 - **FY 19 Revenues from Operations at Rs 440.3 cr** – Rs 341.2 cr from content production and Rs 99.1 cr from movies
 - **Q4 FY 19 Revenue from Operations at Rs 82.1 cr** comprising of Rs 81.2 cr from content production and Rs 0.9 cr from movies

- **14% improvement in the revenues per hour in the TV business** - FY19 at Rs 38 lakh / hour vs Rs 33 lakh / hour in FY18
 - Balaji Telefilm's ability to generate ratings for its broadcasters across show formats results in premium realisations
 - Improvement as a result of greater number of hours of weekend programming during the year

- **Gross Margin in TV business has improved for 3 consecutive quarters and at 27.7% in Q4 FY19.**
 - Shows launched in Q1 are now operating at more normalized margin levels after initial investment in making these shows popular

- **FY19 Business EBITDA for the TV business at Rs 50.7cr** operating at 14.9% margin

Financial Highlights continued



- Movie business had 2 films released during the year and **the business generated an EBITDA before exceptional items of Rs 5.4 cr**
 - FY19 impacted by Rs 9.8cr provision for advances as a matter of abundant caution
 - Continue to follow a policy to pre-sell and recover cost of productions of future films. FY20 movies have been pre-sold and entire cost of production has been secured

- **23% growth in FY19 Net Profit after Tax** Rs 20.1 cr against FY18 of Rs 16.3 cr

- **ALTBalaji continues to grow its subscription revenues**
 - 6x growth in revenues for FY19 - FY19 revenues at Rs 41.6 cr vs FY18 Revenues at Rs 6.8 cr

- Focus on making investments in creating exclusive original content – Rs 81 cr invested in content in FY19 vs Rs 31 cr in FY18

Investments : Total value of investments in Mutual funds across the Company as on **31st March 2019** was at **Rs 285 cr**

Dividend : The Board of Directors have recommended a payment of **final dividend of Rs 0.40 per Equity share** of face value Rs 2 subject to the approval of the shareholders at the ensuing Annual General Meeting

BTL Standalone Financial Performance (TV + Movie Production)



Particulars (Amounts in INR Cr)	Q4 FY19	Q3 FY19	Q4 FY18	FY19	FY 18
Total Income from operations	82.1	111.5	89.0	440.3	416.6
Cost of Production	59.0	86.3	56.9	347.4	302.0
Gross Margin	23.1	25.2	32.1	92.9	114.6
Gross Margin %	28%	23%	36%	21%	28%
Marketing and Distribution	4.0	0.6	4.5	20.4	13.1
Employee Benefits Expense	7.1	6.7	3.9	22.7	16.0
Other Expenses	13.4	4.8	8.8	35.1	32.5
EBITDA	(1.4)	13.2	14.9	14.7	53.1
EBITDA Margin %	-2%	12%	17%	3%	13%
Depreciation and amortisation	3.3	3.1	3.2	13.1	13.9
Other Income	6.5	7.8	6.0	24.8	16.6
Exceptional Items					9.1
Profit Before Tax	1.8	17.9	17.6	26.5	46.7
Tax Expenses	(0.4)	5.9	13.8	6.3	30.4
Net Profit After Tax	2.2	12.0	3.8	20.1	16.3
Other Comprehensive Income	(0.0)	(0.0)	0.0	(0.0)	(0.0)
Total Comprehensive Income	2.2	12.0	3.9	20.1	16.3

Note : numbers may not add up due to rounding

BTL Standalone Balance Sheet (TV + Movie Production)



Particulars (in Rs Cr)	As on 31st March 2019	As on 31st March 2018
Equity		
Equity Share Capital	20.2	20.2
Other Equity	989.7	963.1
Total Equity	1009.9	983.3
Non Current Liabilities		
Current Liabilities		
Trade and other payables	72.1	42.7
Others	14.9	16.7
Total Current Liabilities	87.0	59.4
Total Liabilities	1097.0	1042.7

Particulars (in Rs Cr)	As on 31st March 2019	As on 31st March 2018
Non-current assets		
Property, plant and equipment	30.0	30.2
Capital work-in-progress	0.5	2.3
Investments	486.9	345.9
Deferred tax assets (net)	19.8	19.6
Others	75.6	91.9
Total Non Current Assets	613.0	489.9
Current Assets		
Inventories	63.3	68.6
Investments	221.1	341.9
Trade Receivables	102.8	83.0
Cash and Cash Equivalent	15.9	10.4
Others	81.0	48.9
Total Current Assets	484.0	552.8
Total Assets	1097.0	1042.7

BTL Consolidated Financial Performance



Particulars (Amounts in INR Cr)	Q4 FY19	Q3 FY19	Q4 FY18	FY19	FY 18
Total Income from operations	88.9	96.3	93.7	427.7	413.3
Cost of Production	71.8	87.7	75.2	376.0	323.7
Gross Margin	17.1	8.6	18.6	51.7	89.6
Gross Margin %	19%	9%	20%	12%	22%
Marketing and Distribution	8.3	10.7	11.9	43.1	55.2
Employee Benefits Expense	13.2	14.2	7.4	49.6	31.1
Other Expenses	27.8	9.8	18.6	64.2	55.1
EBITDA	(32.3)	(26.2)	(19.4)	(105.1)	(51.8)
EBITDA Margin %	-36%	-27%	-21%	-25%	-13%
Depreciation and amortisation	4.6	4.4	4.4	18.1	17.7
Other Income	8.4	9.0	3.9	31.8	19.0
Exceptional Items					9.1
Profit Before Tax	(28.5)	(21.6)	(19.8)	(91.4)	(59.6)
Tax Expenses	(0.5)	5.7	14.1	6.3	(13.2)
Net Profit After Tax	(28.0)	(27.3)	(33.9)	(97.8)	(46.3)
Other Comprehensive Income	0.4	(0.0)	(0.0)	0.3	(0.1)
Total Comprehensive Income	(27.6)	(27.3)	(33.9)	(97.5)	(46.4)

Note : numbers may not add up due to rounding

BTL Consolidated Balance Sheet



Particulars (in Rs Cr)	As on 31st March 2019	As on 31st March 2018
Equity		
Equity Share Capital	20.2	20.2
Other Equity	741.2	829.4
Total Equity	761.4	849.6
Non Current Liabilities	0.1	0.3
Current Liabilities		
Trade and other payables	90.6	74.4
Others	28.3	24.9
Total Current Liabilities	118.9	99.3
Total Liabilities	880.5	949.1

Particulars (in Rs Cr)	As on 31st March 2019	As on 31st March 2018
Non-current assets		
Property, plant and equipment	31.6	32.3
Capital work-in-progress	0.5	2.3
Investments	15.0	31.7
Deferred tax assets (net)	19.8	19.6
Others	82.7	102.8
Total Non Current Assets	149.7	188.7
Current Assets		
Inventories	195.8	127.8
Investments	285.3	442.1
Trade Receivables	98.8	93.5
Cash and Cash Equivalent	19.3	22.0
Others	131.5	75.1
Total Current Assets	730.7	760.4
Total Assets	880.5	949.1

Legal Entity Wise Performance : Q4 FY19



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALTBalaji	MFPL	CBEPL	Elimination	Consolidated
Net Sales / Income from Operations	81.85	0.01	13.76		0.65	7.67	88.60
Other Operating Income	0.26						0.26
Total Income	82.12	0.01	13.76		0.65	7.67	88.86
Cost of Production	59.00		20.70	0.09	0.79	(8.78)	71.81
Marketing and Distribution Expenses	4.04		7.51			(3.20)	8.34
Staff Cost	7.12	0.66	3.23			2.22	13.22
Finance Cost		0.09	0.10		0.01	(0.20)	0.01
Depreciation	3.30		1.23		0.04		4.56
Other Expenditure	13.35	0.14	13.10	0.18	0.06	0.98	27.82
Total Expenditure	86.81	0.89	45.87	0.28	0.90	(8.99)	125.76
Profit / (Loss) from Operation Before Other Income	(4.69)	(0.89)	(32.11)	(0.28)	(0.25)	(1.32)	(36.90)
Other Income	6.46		2.04	(1.24)		(1.17)	8.43
Profit / (Loss) from Ordinary Activities Before Tax	1.77	(0.89)	(30.07)	(1.52)	(0.25)	(2.49)	(28.47)
Tax Expenses	(0.41)	(0.09)					(0.50)
Net Profit / (Loss) from continuing operations	2.18	(0.80)	(30.07)	(1.52)	(0.25)	(2.49)	(27.97)

Note : numbers may not add up due to rounding

Legal Entity Wise Performance : FY19



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALTBalaji	MFPL	CBEPL	Elimination	Consol
Net Sales / Income from Operations	438.97	3.21	41.87	1.14	1.64	60.45	426.38
Other Operating Income	1.33						1.33
Total Income	440.30	3.21	41.87	1.14	1.64	60.45	427.71
Cost of Production	347.42		81.02	1.15	2.05	(55.67)	375.97
Marketing and Distribution Expenses	20.36		25.96			(3.20)	43.12
Staff Cost	22.71	2.80	15.53	0.04		8.49	49.57
Finance Cost		0.36	0.25	0.01	0.05	(0.63)	0.04
Depreciation	13.09		4.83		0.15		18.06
Other Expenditure	35.09	0.51	36.56	0.28	0.20	(8.49)	64.14
Total Expenditure	438.67	3.66	164.15	1.47	2.44	(59.50)	550.90
Profit / (Loss) from Operation Before Other Income	1.63	(0.46)	(122.28)	(0.33)	(0.80)	0.95	(123.20)
Other Income	24.82		7.36	0.19		0.61	31.77
Profit / (Loss) from Ordinary Activities Before Tax	26.45	(0.46)	(114.92)	(0.13)	(0.80)	1.56	(91.43)
Tax Expenses	6.33						6.33
Net Profit / (Loss) from continuing operations	20.12	(0.46)	(114.92)	(0.13)	(0.80)	1.56	(97.75)

Note : numbers may not add up due to rounding



Accounting Policies for Amortization on Inventory

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

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