



Balaji Telefilms Ltd.

Quarterly Performance Update

Q3 FY20 and Nine months ended 31st December 2019

Balaji Telefilms – Strong Profitable Growth



Standalone Business In Rs Cr	Q3 FY20	Q3 FY19	Growth	Q2 FY20	Growth	9M FY20	9M FY19	Growth
Revenues	198.4	111.5	78%	179.4	11%	460.6	358.2	29%
Gross Margin	73	25.2	190%	74.6	-2%	174.2	69.8	150%
Gross Margin %	37%	23%	61%	42%	-12%	38%	19%	100%
EBITDA	54.5	13.2	313%	30.9	76%	95.9	16.1	496%
EBITDA Margin %	27%	12%	125%	17%	59%	21%	4%	425%
Profit Before Tax	47.6	17.9	166%	26.3	81%	77	24.7	212%
Profit After Tax	29.4	12	145%	15.5	90%	47.4	17.9	165%

- **BTL Standalone business had a very strong performance driven by increase in**
 - Number of hours of TV production and production of content for ALTBalaji / Zee5
 - Release of Dream Girl in the movies business
- Expansion in EBITDA reflective of strong operational cost controls. Standalone Business Q3 PAT at Rs 29.4cr and 9M PAT at Rs 47.4cr , growth of 145% and 165% respectively
- ALTBalaji had strong revenue growth, slow down in expenses on track for quarterly break even
 - Q3 EBITDA loss at Rs 16cr vs Rs 68cr in H1
- **On a consolidated basis – Revenue at Rs 187cr, EBITDA at Rs 39cr and PAT at Rs 13.8 cr**
- Mutual fund investments as on 31st December 2019 was at Rs 175cr, cash and cash equivalents at Rs 14.5cr.
- Board has declared an **interim dividend of 20% or Rs 0.40 per share**

Business Updates : Strong performance across the business



TV – Balaji Telefilms produced shows contribute 15% of Prime Time Rating¹

- Balaji Telefilms is the #1 TV production house by a wide margin. Production house ranked #2 and #3 have 8% and 5% market share. For the calendar year Balaji Telefilms had 15.5% share of the ratings and was #1 by a far margin
- 219 hours of content produced in the quarter at an average realization of Rs 0.37cr / hour
- 9 shows on air during the quarter
 - 2 new shows launched during the quarter, while 2 shows came to an end
 - Yeh Hai Chahatein, spin off show based on the hugely popular Yeh Hai Mohabbatein launched
 - Naagin Season 4 launched, replacing Kaavach 2, solidifying the franchise for weekend fiction shows

Movies - Dream Girl, produced by Balaji Telefilms performed exceedingly well at the Box Office

- Dream Girl had a phenomenal run at the box office and grossed over Rs 140cr, reflecting in strong financial performance for Balaji Telefilms
- 3 new project announced taking total pipeline for FY21 to 4 movies - Dolly Kitty Aur Woh Chamakte Sitare, Villain 2, KTina and Pagglait
- Remain conservative with the investments in movies, and continue to do co production deals where possible


Digital - ALTBalaji's continues to create original exclusive content that drives mass consumption

- Total library of original shows available on ALTBalaji currently at 57, one of the largest in the country
 - Includes 6 shows running into multiple seasons
- User profile – Males 75:Female 25 and 75% of user base between ages of 18 and 35
- ALTBalaji continues to remain in the Top 5 paid apps in the country, active direct subscribers over 1.5m
- Watch time per subscriber continues to remain at hour mark, despite constant growth user base

Balaji Telefilms has one of the strongest line up of daily television



Lineup of TV shows during the quarter

Broadcaster	Show Name	Time	Schedule
	Naagin 4	20.00 – 21.00	Saturday to Sunday
	Bepanha Pyaar	22.00 – 22.30	Monday to Friday
	Ye Hai Mohabbatein	22.30 - 23.00	Monday to Friday
	Ye Hai Chahatein	22.30 - 23.00	Monday to Friday
	Kasautii Zindagii Kay	20.00 – 20.30	Monday to Friday
	Kumkum Bhagya (Zee)	21.00 - 21.30	Monday to Friday
	Kundali Bhagya (Zee)	21.30 - 22.00	Monday to Friday
	Haiwaan (Zee)	19:00-20:00	Saturday to Sunday
	Kavach Season 2	21.00 - 22.00	Saturday to Sunday

- Naagin 4 on Colors & Yeh Hai Chahatein launched in December
- Yeh Hai Mohabbatein - last episode on 18 December 2019 after a successful run over 6 years
- Kavach Mahashivratri ended in the quarter

ALTBalaji revenue and consumer adoption continue to grow

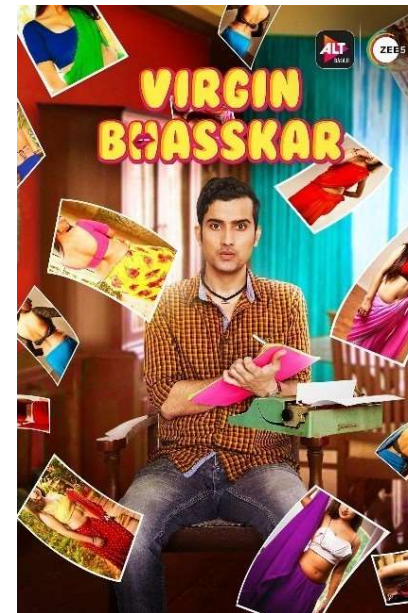
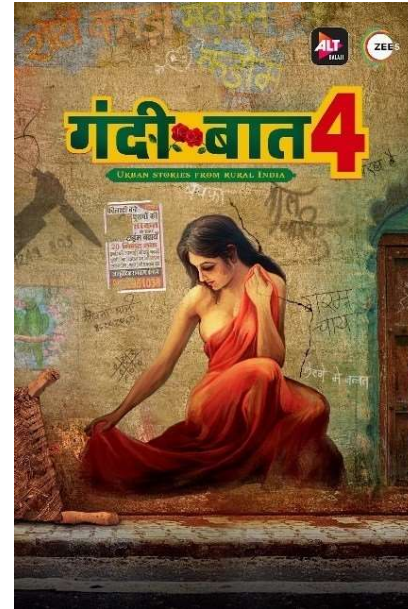
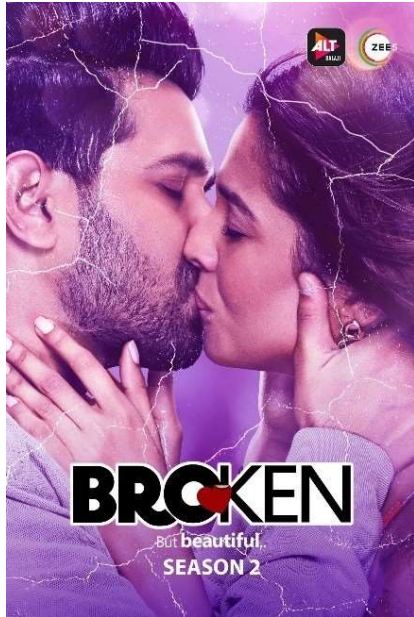


- ALTBalaji remains one of the Top 5 paid Apps in the country
- Q3 FY20 revenue at Rs 23.1 cr, 9M FY20 revenue at Rs 55.7 cr against full year FY19 at Rs 41.8 cr
- No change in consumer pricing - ALTBalaji pricing Rs 300 a year / Rs 100 a quarter
- High engagement with subscribers watching nearly one hour a day
- Direct to consumer billing continues to grow as ALTBalaji has pivoted from multi partner (free to customer) to single partner (behind paywall) environment
- 14 shows have been co-produced till date with Zee5 and available only on ALTBalaji and Zee5 platform, 43 shows produced prior to September 2019 available exclusively on ALTBalaji taking total library of shows to 57

App Annie Rankings (Gross Billing)					
Rank	Q3 FY20	Q2 FY20	Q1 FY20	Q4 FY19	Q3 FY19
1	Netflix	Netflix	Netflix	Netflix	Netflix
2	Hotstar	Hotstar	Hotstar	Hotstar	Hotstar
3	ZEE5	ZEE5	ZEE5	ALTBalaji	ALTBalaji
4	ALTBalaji	ALTBalaji	ALTBalaji	ZEE5	ZEE5
5	Sony LIV	Sony LIV	Sun NXT	Sony LIV	Sony LIV

Source: 1. App Annie – Based on Gross Revenue across ios and Google

Continue to add new shows and new seasons of hit shows

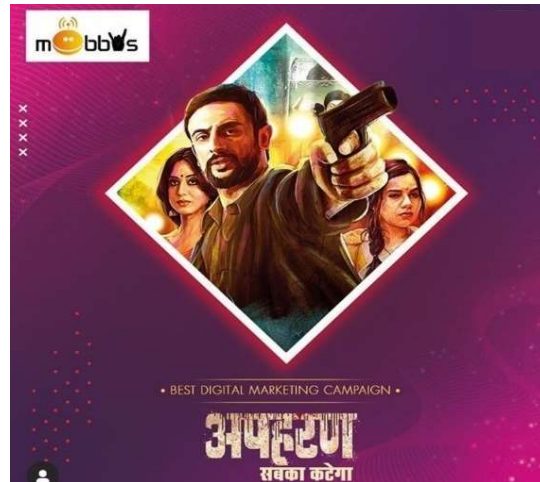


Total library
of original
shows at 57

ALTBalaji wins awards for outstanding content and innovative marketing



Best Content Marketing Campaign



Best Digital Marketing Campaign



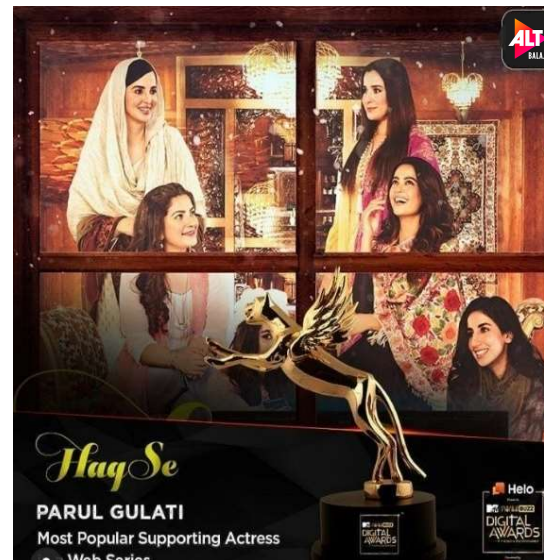
**Campaign India PR Awards
in the Arts, Entertainment
& Media Category**



Best Direction in a Web Series



Best Story in a Web Series



Most Popular Supporting Actress in a Web Series



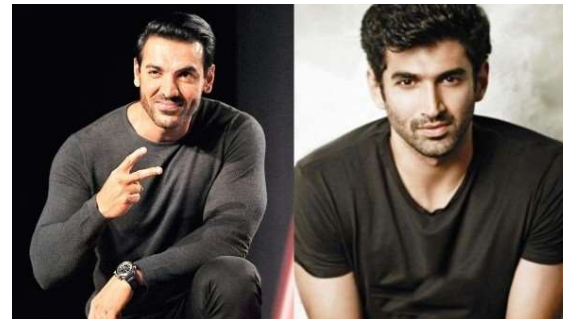
Best Mobile Social Media Campaign

Movies – Entertaining and commercially successful



- 3 movies released in current financial year
 1. Judgementall Hai Kya
 2. Jabariya Jodi
 3. Dream Girl
- Continue to focus on pre-sales and co-production of its future slate
- Slate for FY21 includes 4 movies
 1. Dolly Kitty Aur Woh Chamakte Sitare (Staring Konkona Sen Sharma and Bhumi Pednekar)
 2. Pagglait (staring Sanya Malhotra)
 3. Ek Villain 2 (staring John Abraham and Aditya Roy Kapur)
 4. K Tina (staring Disha Patani)

Ekta Kapoor and Bhushan Kumar join hands to produce the sequel to the 2014 movie Ek Villan





Financials



TV Business KPIs

Particulars (In Rs Cr)	QoQ change	YoY change	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18	Full Year FY19
Programming Hours	4.0%	10.1%	219	210.5	195.5	200.5	199	763
Revenue	8.4%	3.4%	81.96	75.6	69.6	73.6	79.3	287.3
Realisation / Hour	2.8%	(7.5%)	0.37	0.36	0.36	0.37	0.40	0.38
Gross Margin	19.5%	36.5%	28.8	24.1	21.1	21.9	21.1	60.3
Gross Margin / Hour	19.6%	19.6%	0.13	0.11	0.11	0.11	0.11	0.08
Gross Margin %	10.2%	28.8%	35.1%	31.9%	30.3%	29.7%	27.3%	21.0%

Note : Only includes commissioned programs for Television broadcaster

- Improvement in programming hours – new show launched toward end of quarter
- Gross margins continue to remain strong driven by better operating efficiencies and overall cost control including new shows

BTL Standalone Financial Performance (TV + Movie Production)



In Rs Cr	Q3 FY20	Q2 FY20	Q3 FY19	9M FY20	9M FY19	FY19
Total Income from operations	198.4	179.4	111.5	460.6	358.2	440.3
Cost of Production	125.4	104.8	86.3	286.4	288.4	347.4
Gross Margin	73.0	74.6	25.2	174.2	69.8	92.9
<i>Gross Margin %</i>	37%	42%	23%	38%	19%	21%
Marketing and Distribution	4.4	30.8	0.8	35.8	19.6	20.4
Employee Benefits Expense	3.7	2.0	6.7	10.6	15.6	22.7
Other Expenses	10.3	10.9	4.5	31.9	18.5	35.1
EBITDA	54.5	30.9	13.2	95.9	16.1	14.7
<i>EBITDA Margin %</i>	27%	17%	12%	21%	4%	3%
Finance Cost	0.6	0.6		1.9		
Depreciation and amortisation	8.2	8.3	3.1	24.8	9.8	13.1
Other Income	1.9	4.4	7.8	7.8	18.4	24.8
Profit Before Tax	47.6	26.3	17.9	77.0	24.7	26.5
Tax Expenses	18.2	10.8	5.9	29.6	6.7	6.3
Net Profit After Tax	29.4	15.5	12.0	47.4	17.9	20.1

Note : numbers may not add up due to rounding

BTL Consolidated Financial Performance



In Rs Cr	Q3 FY20	Q2 FY20	Q3 FY19	9M FY20	9M FY19	FY19
Total Income from operations	187.9	187.5	96.3	465.9	338.8	427.7
Cost of Production	116.3	117.9	87.7	314.7	304.2	376.0
Gross Margin	71.6	69.6	8.6	151.2	34.7	51.7
<i>Gross Margin %</i>	38%	37%	9%	32%	10%	12%
Marketing and Distribution	6.8	37.2	10.7	55.5	34.8	43.1
Employee Benefits Expense	9.4	6.5	14.2	27.9	36.3	49.6
Other Expenses	16.0	20.6	9.8	56.3	36.3	64.2
EBITDA	39.5	5.3	-26.2	11.5	-72.8	-105.1
<i>EBITDA Margin %</i>	21%	3%	-27%	2%	-21%	-25%
Finance Cost	0.7	0.6	0.0	2.1	0.0	0.0
Depreciation and amortisation	9.6	9.8	4.4	29.2	13.5	18.1
Other Income	2.8	5.2	9.0	10.2	23.3	31.8
Profit Before Tax	32.0	0.0	-21.6	-9.5	-63.0	-91.4
Tax Expenses	18.2	10.8	5.7	29.6	6.8	6.3
Net Profit After Tax	13.8	-10.7	-27.3	-39.1	-69.8	-97.8

Note : numbers may not add up due to rounding

Legal Entity Wise Performance : Q3 FY20



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALTBalaji	MFPL	CBEPL	Elimination	Consol
Net Sales / Income from Operations	194.78	1.89	23.14	-0.96		31.12	187.73
Other Operating Income	3.57					3.41	0.16
Total Income	198.36	1.89	23.14	-0.96		34.53	187.89
Cost of Production	125.36		24.35	-0.74		-32.72	116.27
Marketing and Distribution Expenses	4.44		4.21			-1.89	6.76
Staff Cost	3.74	0.81	2.62			2.20	9.37
Other Expenditure	10.32	0.08	7.54	0.09	0.18	-2.20	16.02
EBITDA	54.50	1.00	-15.59	-0.31	-0.20	-0.08	39.48
Finance Cost	0.64	0.11	0.14		0.01	-0.21	0.70
Depreciation	8.17		1.42				9.59
Total Expenditure	152.66	1.01	40.28	-0.65	0.21	-34.81	158.70
Profit / (Loss) from Operation Before Other Income	45.70	0.88	-17.15	-0.31	-0.21	-0.28	29.19
Other Income	1.89		1.07	0.03		0.20	2.79
Profit / (Loss) from Ordinary Activities Before Tax	47.58	0.88	-16.08	-0.28	-0.21	-0.08	31.98
Tax Expenses	18.18						18.18
Net Profit / (Loss) from continuing operations	29.41	0.88	-16.08	-0.28	-0.21	-0.08	13.80

Note : numbers may not add up due to rounding

Legal Entity Wise Performance : 9M FY20



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALTBalaji	MFPL	CBEPL	Elimination	Consol
Net Sales / Income from Operations	451.41	5.91	55.57	11.03		58.59	465.33
Other Operating Income	9.15					8.61	0.54
Total Income	460.56	5.91	55.57	11.03		67.20	465.88
Cost of Production	286.41		78.10	11.07	0.13	-61.03	314.67
Marketing and Distribution Expenses	35.76		25.61	0.09		-5.91	55.55
Staff Cost	10.64	3.46	8.01			5.77	27.88
Other Expenditure	31.86	0.28	28.39	1.29	0.20	-5.77	56.26
EBITDA	95.89	2.17	-84.54	-1.42	-0.32	-0.25	11.52
Finance Cost	1.86	0.26	0.46		0.04	-0.55	2.07
Depreciation	24.83		4.27		0.07		29.17
Total Expenditure	391.36	4.00	144.84	12.45	0.44	-67.49	485.59
Profit / (Loss) from Operation Before Other Income	69.20	1.91	-89.27	-1.42	-0.44	-0.29	-19.71
Other Income	7.84		2.83	0.06		0.53	10.20
Profit / (Loss) from Ordinary Activities Before Tax	77.04	1.91	-86.44	-1.36	-0.44	-0.23	-9.52
Tax Expenses	29.60						29.60
Net Profit / (Loss) from continuing operations	47.44	1.91	-86.44	-1.36	-0.44	-0.23	-39.12

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 3 years, 65% of the cost in the first year and 25% in the second year and 10% in third year

- Acquired content is amortised over license period



Thank You

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