



Quarterly Performance Update

Q3 FY21 and 9M FY21

ALTBalaji crosses 2.1m active subscribers, monthly billing crosses Rs10cr



Consolidated Financials (In Rs Cr)	Q3 FY21	Q2FY21	QoQ	Notes
Total Income from operations	105.5	78.3	35%	Revenue growth on account of strong direct subscription sales in ALTBalaji and sale on 1 movie to Netflix
Cost of Production	86.3	60.5	43%	
Gross Margin	19.2	17.8	8%	
<i>Gross Margin %</i>	18%	23%	na	TV business had 3 new show launches, impacting margins for initial episodes. Q4 margins to revert to normal
EBITDA Profit / Loss	-24.0	-12.4	-93%	ALTBalaji had higher marketing expenses, corresponding revenue collected to be accounted in subsequent quarters
<i>EBITDA Margin %</i>	-23%	-16%	Na	
Loss Before Tax	-29.2	-17.6	-66%	
Loss After Tax	-31.6	-19.5	-62%	

- Highest ever subscriptions sold during the quarter - ALTBalaji sold 1.6m subscriptions in the quarter on the back of very strong content line up and strategic increase in marketing spend
- Monthly direct billing run rate at end of Q3FY21 at Rs 10cr and growing strongly vs billing at the end of Q2FY21 at Rs 3.5cr a month
 - Recognised revenue for the quarter Rs 20.1cr including Rs 5.4cr from Zee5 content sharing
 - Further revenue to be recognised in subsequent quarter at Rs 11.8cr (marketing expense already incurred)
- Active subscribers at the end of December 2020 at 2.1m vs 1.2m at the start of the quarter
 - Company has been aggressively driving deeper audience engagement and reducing subscriber churn, currently adding 20k to 22k subscribers a day
 - 9 shows added taking the total to 74* shows live on the platform – unmatched content diversity
- Good liquidity - Bank FD and MF Rs 148cr, Short term receivables in movies of Rs 10 cr. Total balance at Rs 158 cr

Digital will continue to be high growth



ALTBalaji's continues to go deeper into mass India

- OTT video streaming landscape in India gets stronger with widespread adoption into Tier 2 and Tier 3 India and require diverse and relevant content and affordable pricing
- ALTBalaji, India's leading independent homegrown OTT platform continue to drive growth in the category on the back of strong content and affordable pricing
- Total library of original shows available on ALTBalaji currently at 74* – includes multiple shows running into multiple seasons – reflective of a very strong content hit rate
 - Large content platform helps drive subscription and also reducing consumer churn
- Content line up is geared for the Bharat audience – the next billion users from Hindi heartlands
- Platform continues to see very strong engagement metrics – watch time remains close to the hour a day mark despite the plethora of competing content
- Current run rate ALTBalaji adding over 20,000 to 22,000 subscriptions a day

TV and Movies returning to normal



TV business now operating at more normal levels as daily show production hours picks up, average rates remain firm after initial impact of COVID-19

- TV business return to more normal production with 184.5 hours content produced in the quarter
- 7 shows were on air during the quarter
 - 4 shows running through the quarter - Kumkum Bhagya, Kundali Bhagya on Zee, Yeh Hai Chhatein on Star and Naagin5 on Colors
 - New shows launched in the quarter – Prem Bandhan on Dangal, Molkki on Colors and Brahmarakshas 2 on Zee
 - Shows that came to an end Kasautii Zindagii Kay and Pavitra Bhagya
- Gross margins impacted in the quarter due to new show launches, expected to stabilize in the current quarter as per normal operations

Movies – Sales to digital platforms completed and working on 5 tentative projects

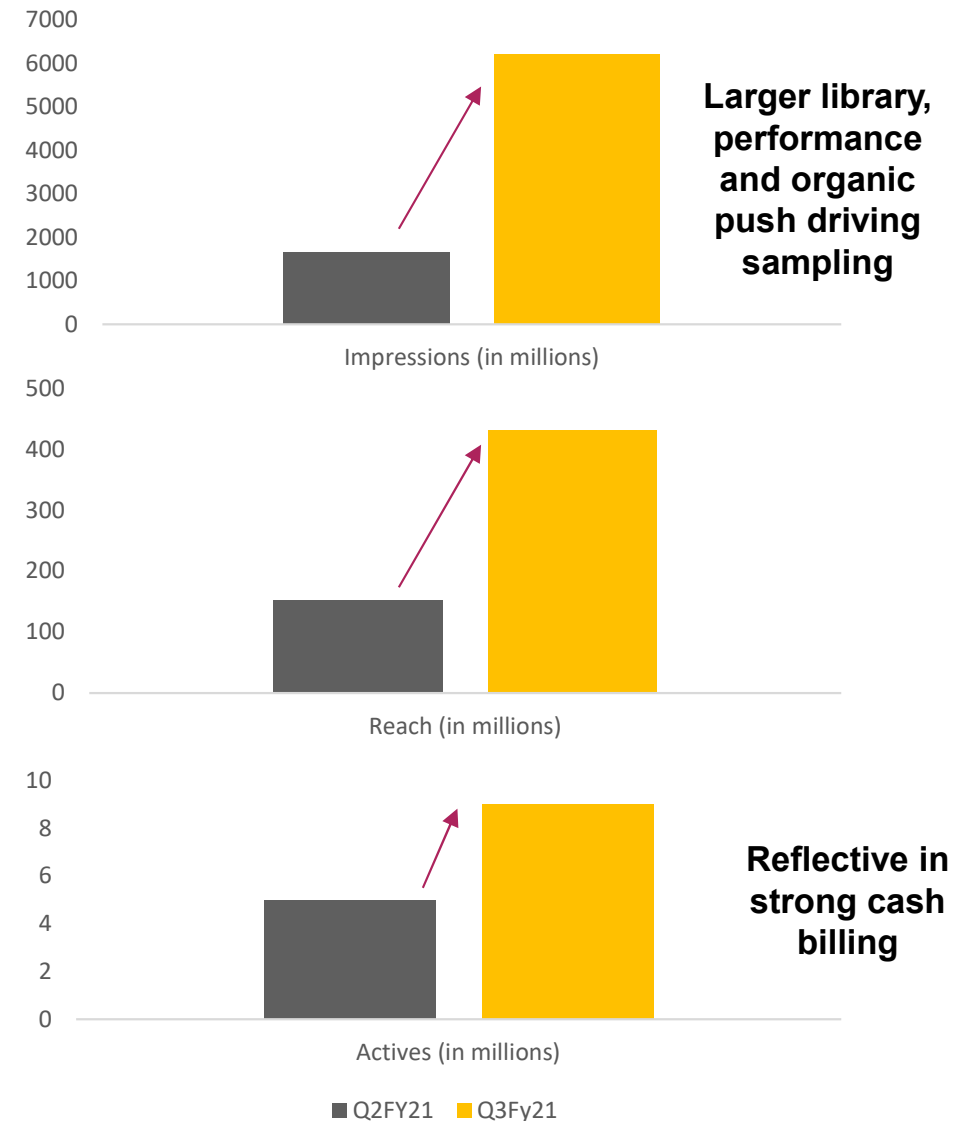
- COVID-19 has impacted the theatrical release of movies so the Company has completed the direct to digital releases of Pagglait. The movie will premier on Netflix
- Continue to monitor opening of theatres and availability of launch windows and planning releases for FY22. 3 movies to commence shooting in March / April 2021. 2 other projects to commence shooting in coming quarters
- Remain conservative with the investments in movies exact launch dates to be decided basis availability of theatrical windows and availability of shooting dates

ALTBalaji – OTT for Bharat



- ALTBalaji clearly positioning as OTT of the masses – Hindi Masaledaar Content for India and Hindi Speaking Diaspora
 - Bharat is 59% of viewership this year and India (metros) is 41%
 - Ready for the next billion internet users who want relevant and relatable content
- ALTBalaji is one of the most affordable OTT options with plans at Rs 300 a year / Rs 100 a quarter (less than Re 1 a day)
 - Pricing consistent since launch, ARPU remains between Rs 140 to Rs 150 a year
- Unique consumer data and insights built over 3 years and 74 shows allow us to build the right content pipeline for this audience
 - Example will address youth programming for the country
- Ramped production capabilities to be able to create at least 30+ shows a year targeted at these markets.
 - Created an efficient model to manage costs at rates far lower than what the market spends
 - Example recent strategic collaboration between Balaji Telefilms and DING Infinity

Significant improvement in reach and active users



ALTBalaji consumer acquisition and retention strategy



- 360-degree integrated marketing strategy, AltBalaji has created multiple touch-points to establish itself as the streaming platform of and for the masses
- Marketing strategy creates organic buzz extensively thereby ensuring organic footfalls with higher conversion rates
- Leverage Balaji ecosystem of TV and Films to promote shows and acquire consumers via lower marketing spends. Digital Debut choice OTT platform for many large Bollywood/TV stars
- Deeper library of original shows allows ALTBalaji to acquire customers at a lower cost of acquisition, progressively witnessing lower cost of consumer acquisition

Influencer and Media appreciation to drive subscriptions



Partnerships and Alliances



100% cashback offers to drive better conversion while reducing cost of consumer acquisition
Auto Renewals on credit and debit cards



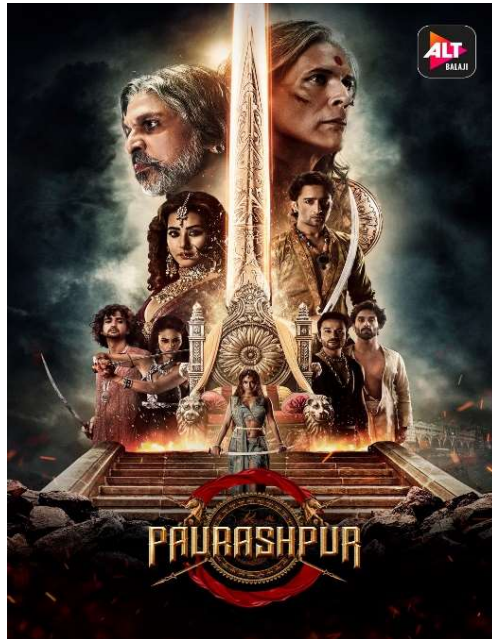
Consumer offers on Platforms such as Big Billion Days and Amazon Great Indian Festival

Content Amplification



Short video platforms that will drive engagement via innovative activities and also provide platform to promote its content

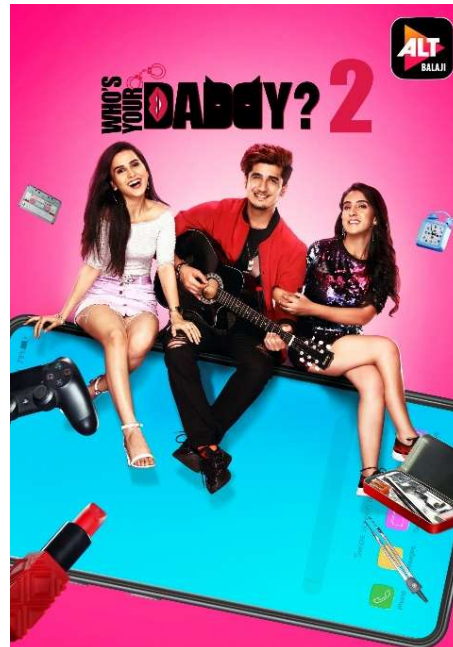
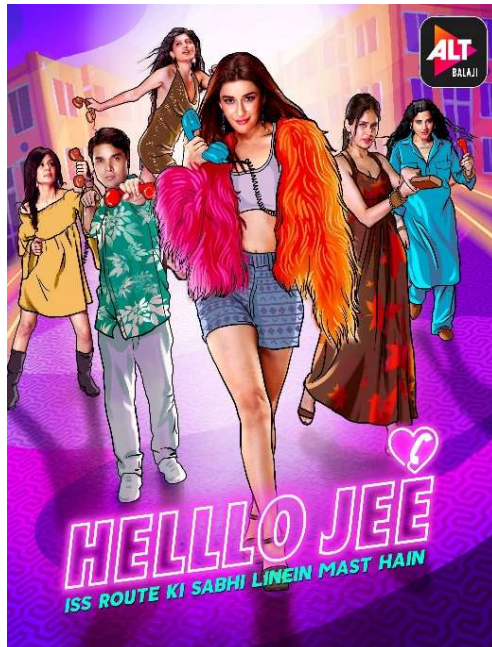
9 shows added as content production ramps up post lockdown



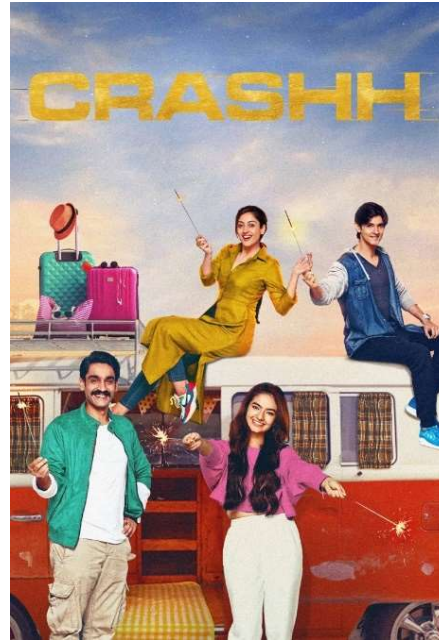
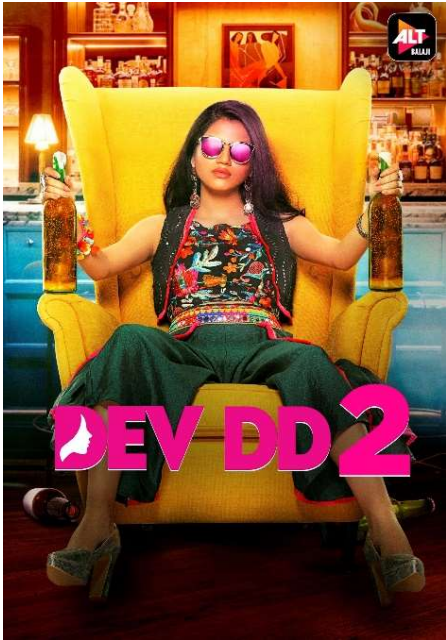
Total library of original shows at 74

ALTBalaji identified and developed talent from short video platforms driving further acceptance of new content

Production ecosystem further strengthened with strategic collaborations in place



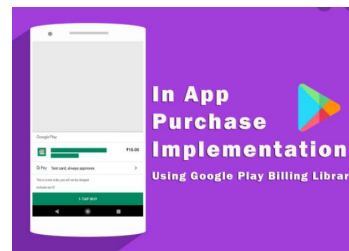
Upcoming shows and upgrades to the App



Includes multiple shows with returning seasons

Continue to add 30+ shows for the year

UX design



Significant upgrades to UX and UI

User engagement and retention tools via UPI and auto renewals

Compliance and Security enhancements

ALTBalaji awards and recognition



White Page International - India's Best Brand



**International Iconic Award
Best Lead Actor - Fitftrat**



**Best fiction content on an
OTT Platform**



**Best motivational content
on an OTT Platform**



**Entertaining content on an
OTT Platform special Mention**



**Best thriller content on
an OTT Platform**

TV and Movie production resumed after COVID lockdown



- TV production has re-started and now adapted to all laid out SOP
- Overall demand for content remains strong however witnessing some softness in rates given the impact on broadcasters revenue
- Hit shows continue to command premium to industry rates and Balaji Telefilms has an enviable track record in creating hits
- 4 shows running through the quarter - Kumkum Bhagya, Kundali Bhagya on Zee, Yeh Hai Chhatein on Star and Naagin5 on Colors
- New shows launched in the quarter – Prem Bandhan on Dangal, Molkki on Colors and Brahmarakshas 2 on Zee
- Shows that came to an end Kasautii Zindagii Kay and Pavitra Bhagya
- Direct to digital movies remain a profitable opportunity given the growing demand from digital platforms
- Sale of Pagglait completed to Netflix
- Currently evaluating production schedules and release schedules for the line up below
- **Status of projects (tentative)**
 - Villain 2 directed by Mohit Suri and starring John Abraham, shooting to commence March 2021
 - Goodbye directed by Vikas Behl and starring Mr Amitabh Bachchan, shooting to commence March 2021
 - Rewind directed by Anurag Kashyap and starring Taapsee Pannu, shooting to commence Feb 2021
 - Two other projects which are official adaptations and remakes



Financials

BTL Consolidated Financial Performance



In Rs Cr	Q3 FY21	Q2 FY21	Q3 FY20	9MFY21	9MFY20	Notes
Total Income from operations	105.5	78.3	187.9	218.8	465.9	<ul style="list-style-type: none"> Q3FY20 and 9M FY20 had the super successful movie Dream Girl resulting in higher revenues and profitability
Cost of Production	86.3	60.5	116.3	183.3	314.7	
Gross Margin	19.2	17.8	71.6	35.5	151.2	<ul style="list-style-type: none"> 9MFY20 had 625 hours of content production vis 9MFY21 at 361 hours, average realization down from Rs0.36cr to Rs 0.31cr per hour
<i>Gross Margin %</i>	18%	23%	38%	16%	32%	
Marketing and Distribution	19.1	6.4	6.8	31.6	55.5	<ul style="list-style-type: none"> Gross margins in TV were impacted as 3 new shows were launched, expected to stabilize in subsequent quarter
Employee Benefits Expense	7.3	7.3	9.4	20.2	27.9	
Other Expenses	16.8	16.5	16.0	46.5	56.3	<ul style="list-style-type: none"> Increased marketing spend for ALTBalaji on the back of increased show releases
EBITDA	-24.0	-12.4	39.5	-62.7	11.5	
<i>EBITDA Margin %</i>	-23%	-16%	21%	-29%	2%	<ul style="list-style-type: none"> Rs 11.8cr of additional revenue to be accounted in subsequent quarters for ALTBalaji
Finance Cost	0.2	0.3	0.7	0.9	2.1	
Depreciation and amortisation	7.4	7.4	9.6	22.6	29.2	<ul style="list-style-type: none"> TV and Movies combined had an EBITDA of Rs 14.5cr for the quarter and Rs 26.2cr for 9MFY21
Other Income	2.3	2.5	2.8	10.6	10.2	
Profit Before Tax	-29.2	-17.6	32.0	-75.6	-9.5	
Tax Expenses	2.4	1.9	18.2	3.4	29.6	
Net Profit After Tax	-31.6	-19.5	13.8	-79.1	-39.1	

Note : numbers may not add up due to rounding

Legal Entity Wise Performance : Q3 FY21



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALTBalaji	MFPL	CBEPL	Elimination	Consol
Net Sales / Income from Operations	112.2	0.6	20.1	0.0	0.0	27.2	105.7
Other Operating Income	2.1	0.0	0.0	0.0	0.0	2.2	-0.2
Total Income	114.3	0.6	20.1	0.0	0.0	29.5	105.5
Cost of Production	91.3	0.0	22.5	0.0	0.0	-27.5	86.3
Marketing and Distribution Expenses	0.6	0.0	19.0	0.0	0.0	-0.6	19.1
Staff Cost	3.0	0.7	2.2	0.0	0.0	1.4	7.3
Other Expenditure	4.8	0.1	13.2	0.0	0.0	-1.4	16.8
EBITDA	14.5	-0.3	-36.8	0.0	0.0	-1.4	-24.0
Finance Cost	0.2	0.4	0.1	0.0	0.0	-0.5	0.2
Depreciation	6.9	0.0	0.5	0.0	0.0	0.0	7.4
Total Expenditure	106.8	1.3	57.5	0.0	0.0	-28.5	137.0
Profit / (Loss) from Operation Before Other Income	7.5	-0.7	-37.3	0.0	0.0	1.0	-31.5
Other Income	2.6	0.0	0.1	0.0	0.0	0.5	2.3
Profit / (Loss) from Ordinary Activities Before Tax	10.1	-0.7	-37.2	0.0	0.0	1.4	-29.2
Tax Expenses	2.4	0.0	0.0	0.0	0.0	0.0	2.4
Net Profit / (Loss) from continuing operations	7.7	-0.7	-37.2	0.0	0.0	1.4	-31.6

Note : numbers may not add up due to rounding,

Legal Entity Wise Performance : 9MFY21



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALTBalaji	MFPL	CBEPL	Elimination	Consol
Net Sales / Income from Operations	208.1	1.0	49.7	-	-	42.1	216.7
Other Operating Income	6.1	-	-	-	-	3.9	2.2
Total Income	214.1	1.0	49.7	-	-	46.0	218.8
Cost of Production	164.4	-	68.6	-	-	-49.8	183.3
Marketing and Distribution Expenses	1.5	-	31.1	-	-	-1.0	31.6
Staff Cost	8.8	1.8	5.9	-	-	3.7	20.2
Other Expenditure	13.2	0.2	36.6	0.0	0.1	-3.7	46.5
EBITDA	26.2	-1.0	-92.6	-0.0	-0.1	4.7	-62.7
Finance Cost	0.7	1.4	0.3	-	-	-1.6	0.9
Depreciation	20.8	-	1.9	-	0.0	-	22.6
Total Expenditure	209.4	3.4	144.4	0.0	0.1	-52.3	305.0
Profit / (Loss) from Operation Before Other Income	4.7	-2.4	-94.7	-0.0	-0.1	-6.3	-86.2
Other Income	10.7	0.0	1.3	0.1	0.1	1.6	10.6
Profit / (Loss) from Ordinary Activities Before Tax	15.4	-2.4	-93.4	0.0	-0.0	-4.7	-75.6
Tax Expenses	3.4	-	-	-	-	-	3.4
Net Profit / (Loss) from continuing operations	12.0	-2.4	-93.4	0.0	-0.0	-4.7	-79.1



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 added to inventory

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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