

Balaji Telefilms Ltd.

C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries
New Link Road, Andheri (West), Mumbai - 400 053.
Tel.: 40698000 • Fax : 40698181 / 82 / 83
Website : www.balajitelefilms.com
CIN No. : L99999MH1994PLC082802



August 10, 2021

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Stock Code: 532382

National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051
Stock Code: BALAJITELE

Sub: Outcome of Board Meeting held on August 10, 2021

Dear Sir/Madam,

This is further to our letter dated August 10, 2021 intimating the outcome of Board Meeting for consideration and approval of Unaudited Financial Results for the ended June 30, 2021. We are hereby submitting Quarterly Performance Report and Press Release in this regard.


The above information will also be made available on the Company's website, www.balajitelefilms.com

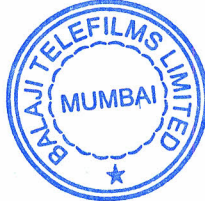
You are requested to take the aforementioned information on your record.

Thanking you,

Yours Faithfully,

For Balaji Telefilms Limited


Sanjay Dwivedi
Group Chief Financial Officer



Encl: a/a



Quarterly Performance Update

Q1 FY22

ALTBalaji – 1.8m subscriptions sold for the quarter – up 35% QoQ



Consolidated Financials (In Rs Cr)	Q1FY22	Q4FY21	Q1FY21	FY21
Total Income from operations	64.8	74.9	35.1	293.7
Cost of Production	57.4	77.7	36.6	261.0
Gross Margin	7.4	-2.8	-1.5	32.7
<i>Gross Margin %</i>	11%	-4%	-4%	11%
EBITDA Profit / Loss	-30.4	-41.3	-26.3	-104.0
<i>EBITDA Margin %</i>	-47%	-55%	-75%	-35%
Loss Before Tax and after exceptional items	-33.4	-34.8	-28.8	-110.4
Loss After Tax	-33.9	-39.9	-27.9	-118.9

- ALTBalaji total subscriptions sold for the quarter at 1.8m vs 0.9m in Q1FY21, direct subscription revenues at Rs 17 cr vs Rs 13 cr.
- Current active subscriber base at 2.4m and 86 shows live on the platform
- TV business returned to normal in Q1 with 174.5 hours of production across 6 shows and strong pipeline for the year
 - TV shoot continued at outdoor location, to avoid disruption due to lockdown.
 - Realisation rates remain low given broadcast uncertainties
- Current movie pipeline include 5 exciting projects
- Very strong focus on maintaining liquidity and balance sheet strength through the year with current cash and cash equivalent balance at Rs 138 cr.

Digital on track for expansion



ALTBalaji's remains focused on Hindi Originals

- ALTBalaji continues to drive growth on the back of strong content, innovative marketing and affordable pricing
- Continue to pursue with creating original shows, library on ALTBalaji at 86 includes multiple seasons of hits shows
- Remain focused on high quality of content with strong narratives for younger audiences
- Consumer engagement remains high multiple competing content, focus remains to minimize consumer churn

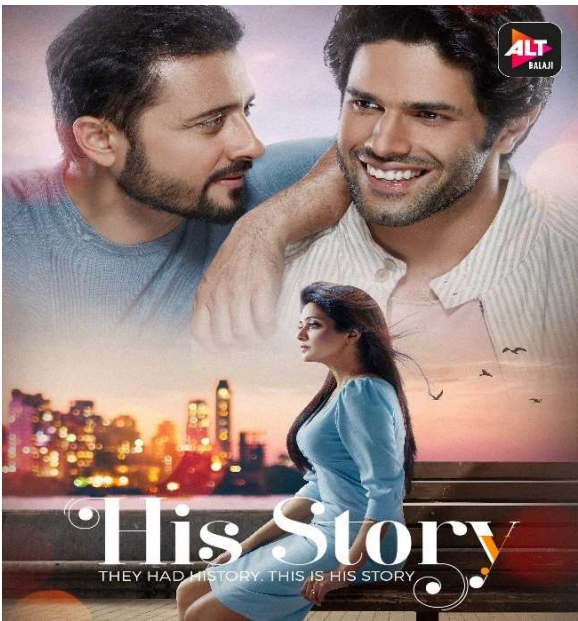
TV business now returned to normal levels, very robust pipeline of new shows

- TV business returned to more normal production with 174.5 hours content produced in the quarter
- 6 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 Molkki on Colors
 - Prem Bandhan on Dangal and Brahmaraakshas 2 on Zee ended in the quarter.
- Hourly realizations remain soft at Rs 28 lakhs per hr and expected to remain soft as broadcasters continue to assess COVID 19 impact.
- 5 confirmed new shows (across 3 broadcasters) including 1 regional to launch in FY22, adding to existing shows

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

- COVID-19 has impacted the theatrical release of movies so the Company has reworked its movie slate accordingly
- Tightly controlled investments across movies – continue to monitor shooting schedules and availability of theatrical windows
- Company open to various monetization opportunities for existing and future projects including direct to digital launches

CONTENT – New Launches



6 shows
launched in last
quarter

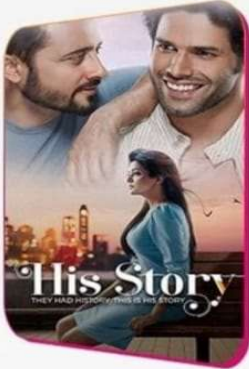
Slower Pace due
to Covid
Restrictions



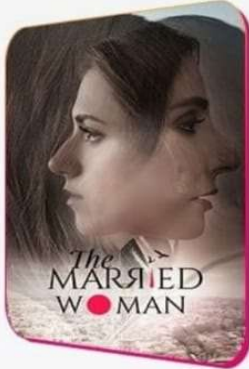


IMDb

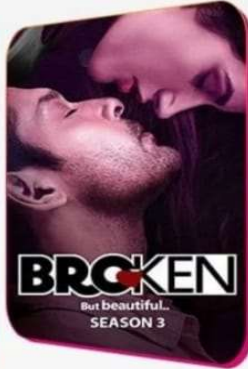
Top rated ALTBalaji shows on IMDB



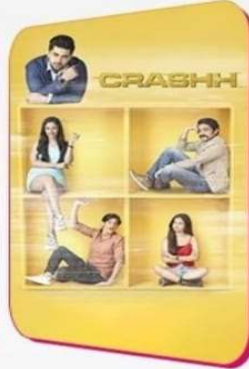
9.6 ★



9.3 ★



9.1 ★



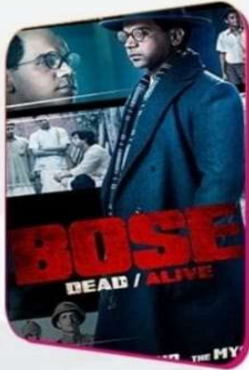
8.9 ★



8.9 ★



8.8 ★



8.8 ★



8.5 ★



8.4 ★



8.3 ★

ALT shows getting critical acclaim and high IMDb ratings leading to creating franchise

- Apharan
- PuncchBeat
- Broken But Beautiful
- The Test Case
- Bicchoo Ka Khel
- Code M
- Mentalhood
- The Married Woman

New content brands like The Married Woman, His Story and BBB3 have received rave reviews with critics and audience alike

TV and Movie returns to normal, strong pipeline heading into FY22



- 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 and future outlook on broadcasting revenues
- Very strong pipeline with 5 new shows signed. Volume growth to drive revenues and pricing remains soft
 - 2 shows on Sony
 - 1 show on Colors
 - 1 show on Zee
 - 1 Regional
- Direct to digital movies remain a profitable opportunity given the growing demand from digital platforms
- Currently evaluating production schedules and release schedules
- **Status of current projects (tentative and subject to COVID-19 impact)**
 - Villain 2 directed by Mohit Suri and starring John Abraham, shooting under production
 - Goodbye directed by Vikas Behl and starring Mr Amitabh Bachchan, started production in April 2021
 - Dobaaraa directed by Anurag Kashyap and starring Taapsee Pannu, 100% shoot completed, now under post production
 - U Turn starring Alaya F, remake of hit Kannada movie now under production.
 - Freddy with Kartik Aaryan has started production.

Shows during the quarter	Show
Broadcaster	
Zee	<ul style="list-style-type: none">• Kumkum Bhagya• Kundali Bhagya• Brahmarakshas 2
Star	<ul style="list-style-type: none">• Yeh Hai Chhatein
Colors	<ul style="list-style-type: none">• Molkki
Dangal	<ul style="list-style-type: none">• Prem Bandhan



Financials

BTL Consolidated Financial Performance



In Rs Cr	Q1 FY22	Q4 FY21	Q1 FY21	FY21
Total Income from operations	64.8	74.9	35.1	293.7
Cost of Production	57.4	77.7	36.6	261.0
Gross Margin	7.4	-2.8	-1.5	32.7
<i>Gross Margin %</i>	11%	-4%	-4%	11%
Marketing and Distribution	15.8	15.3	6.1	46.9
Employee Benefits Expense	6.4	4.4	5.5	24.6
Other Expenses	15.6	18.8	13.2	65.3
EBITDA	-30.4	-41.3	-26.3	-104.0
<i>EBITDA Margin %</i>	-47%	-55%	-75%	-35%
Finance Cost	0.1	0.8	0.4	1.7
Depreciation and amortisation	4.1	5.9	7.8	28.6
Other Income	1.2	2.8	5.7	13.4
Exceptional Items	-	10.4	-	10.4
Profit / Loss Before Tax	-33.4	-34.8	-28.8	-110.4
Tax Expenses	0.5	5.1	-0.9	8.5
Net Profit After Tax	-33.9	-39.9	-27.9	-118.9

Note : Numbers may not add up due to rounding

Legal Entity Wise Performance : Q1 FY22



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALTBalaji	* Ding	Elimination	Consol
Net Sales / Income from Operations	46.5	-	20.7	-	3.4	63.8
Other Operating Income	1.0	-	-	-	-	1.0
Total Income	47.5	-	20.7	-	3.4	64.8
Cost of Production	34.1	-	27.8	0.0	-4.5	57.4
Marketing and Distribution Expenses	0.1	-	15.8	-	-	15.8
Staff Cost	3.3	0.4	1.7	0.1	1.0	6.4
Other Expenditure	4.9	0.3	11.2	0.1	-1.0	15.6
EBITDA	5.2	-0.7	-35.7	-0.2	-1.1	-30.4
Finance Cost	0.1	0.1	0.1	-	-0.1	0.1
Depreciation	3.8	-	0.3	-	-	4.1
Profit / (Loss) from Operation Before Other Income	1.3	-0.8	-36.1	-0.2	-1.2	-34.6
Other Income	1.0	-	0.3	-	0.1	1.2
Profit / (Loss) from Ordinary Activities Before Tax	2.3	-0.8	-35.9	-0.2	-1.1	-33.4
Tax Expenses	0.5	-	-	-	-	0.5
Net Profit / (Loss) from continuing operations	1.8	-0.8	-35.9	-0.2	-1.1	-33.9

Note : numbers may not add up due to rounding

* Subsidiary from May25, 2021



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

Balaji Telefilms Limited

CIN : L99999MH1994PLC082802

<http://www.balajitelefilms.com>

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ALTBalaji direct subscriptions up 35% QoQ and quarterly revenue at Rs 21cr Original show library at 86

August 10th 2021: Balaji Telefilms announced its financial results for the quarter ended 30th June 2021.

ALTBalaji remains one of the most consistent hit content creators for OTT adding 6 shows in the quarter taking the overall library to 86 shows. The company sold 1.8m subscriptions during the quarter and currently has an active direct subscriber base of over 2.4m. This excludes subscribers on partner apps where the content continues to do well. The Company continues its strategy to drive deeper audience engagement by creating content that is targeted at mass India seeking differentiated stories. The platform has over 86 shows and some of the hits launched this quarter include PUNCHH Beat Season 2 and Broken but Beautiful 3.

TV business has continued at normal levels as daily show production was ensured with pandemic restrictions. During the quarter the company produced 174.5 hours of content across 6 shows for 4 broadcasters. 5 new additional shows, including one regional show in Marathi, have been signed and should commence shortly.

Movie business resumed production and the company made good progress with film shooting. The Company continues to wait for availability for theatrical launch windows and looking at deals across direct to digital as well. As part of its strategy the company continues to control investments in movies and pursue pre sales and co-production deals where feasible.

Mrs. Shobha Kapoor, Managing Director, Balaji Telefilms Limited said, “ALTBalaji continues to drive subscription growth and we added 1.8m subscriptions during the quarter. We added 6 shows in the quarter and now have a very strong line up for the rest of the year. Our strategic content sharing deals will ensure we maintain control on the cash spend while driving overall profitability. Our TV business has shown good recovery in terms of production hours and we hope to improve this momentum as 5 new shows commence. In the movie business, production for some of the exciting projects are at various stages of completion and we are closely monitoring the availability for theatrical releases as well and direct to digital launches. Overall, the year has started well and we will build on this momentum through the year.”

OPERATIONAL and FINANCIAL HIGHLIGHTS

- ALTBalaji total subscriptions sold for the quarter at 1.8m vs 0.9m in Q1FY21, direct subscription revenues at Rs 17cr vs Rs 13cr
- Current active subscriber base at 2.4m and 86 shows live on the platform
- TV business continued at normal in Q1 with 174.5 hours of production across 6 shows and strong pipeline for the year
- Movies current pipeline include 5 exciting projects
- Overall financial performance for the quarter
 - Group revenues at Rs 65cr of which ALTBalaji contributed Rs 21cr
 - Group EBITDA loss at Rs 30cr and Loss after tax at Rs 34cr
- Group liquidity and balance sheet with current cash and cash equivalent balance at Rs 138 cr

About Balaji Telefilms Limited:

Balaji Telefilms is India's leading integrated media conglomerate operating across television, movie and digital content production. The Company, under the stewardship of Mrs. Shobha Kapoor and Ms. Ekta Kapoor, enjoys market leadership in the television content industry for over two decades with an exemplary track record for content creation across genres and target groups.

Balaji Telefilms is a household name which has produced some of the best television serials in the country including the famous K Series of daily soaps such as Kyunki Saas Bhi Kabhi Bahu Thi and Kahaani Ghar Ghar Ki. More recently it has created an extremely successful mystical fantasy series of Naagin 1 to Naagin 5, paving the way for weekend fiction based programming.

Over the years the company through its movies business has also demonstrated success in pioneering the production of a differentiated cinematic content across different genres. The Company has been involved in creating a number of commercial as well as critically acclaimed movies such as The Dirty Picture, LSD, Once Upon a Time, Ek Villain, Udta Punjab and most recently Veere Di Wedding and Dream Girl

Balaji Telefilms Ltd's foray into original shows on digital platforms, ALT Digital Media Entertainment Limited is a wholly owned subsidiary of the production house. Serving as a multi-device subscription Video on Demand (SVOD) Platform, ALTBalaji's offerings include premium, disruptive content and original series across genres, that audiences can watch at their convenience. With originality, courage and relentlessness at its core, ALTBalaji's content stands out for being non-conformist and inclusive. ALTBalaji is here to set new standards and benchmarks in giving digitally-first audiences an alternate content platform.

For further queries please contact:

Divya Sherigar

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