



*Balaji Telefilms Ltd.*

# Investor Presentation

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# Balaji Telefilm's entertaining journey for over 2 decades



In almost 25 years,  
**The Balaji Group**  
has formed  
a **daily soap watching habit**  
among millions of TV viewers  
and created an appetite  
for **experimental cinema**  
among niche cinema-goers



Starting in 1994,  
Balaji Telefilms has created  
**20 thousand**  
hours of television  
content<sup>1</sup>



In any given week  
on TV, at least  
**3 out of 5**  
top-rated shows  
are by Balaji Telefilms<sup>2</sup>



Balaji Motion Pictures  
has produced  
**33 films**  
defining new genres  
along the way<sup>3</sup>

# Exemplary track record for over two decades in TV content creation across genres and target groups...

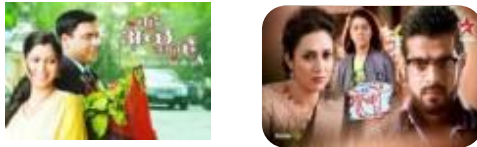


## Daily Soaps



**Kyunki Saas Bhi Kabhi Bahu Thi**  
OVER 1800+ EPISODE

**Kahaani Ghar Ghar Ki**  
8 YEARS WITH 1500+ EPISODE



**Bade Acche Lagte Hai**  
MATURE LOVE STORY  
**Ye Hai Mohabbatein**  
OVER 1000 EPISODE



**Kasthuree**  
REGIONAL (TAMIL) DAILY DRAMA

## Finite Drama



**Naagin 1 , 2**  
SUPERNATURAL FANTASY SERIES

**Kavach**  
SUPERNATURAL HORROR

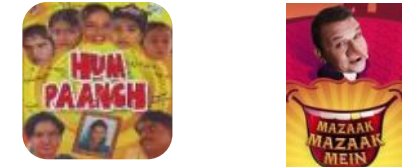
## Historical fiction



**Chandra Nandni**  
ROMANCE DRAMA

**Jodha Akbar**  
EPIC – PERIOD DRAMA

## Comedy



**Hum Paanch**  
FAMILY COMEDY SERIES

**Mazak Mazak Mein**  
COMEDY SERIES

## Non fiction



**Nach Baliye 7**  
DANCE BASED REALITY SHOW

**Gumrah**  
YOUTH / CRIME SHOW

... Now ready for digital audiences

# Current Group Structure



## Balaji Telefilms

- ◆ Content production business for Television
- ◆ Film production business

### Listed BSE and NSE

**Market Cap** : ~ Rs 1200 cr

**Promoter holding** : 33%

**Reliance Industries** : 24.9%

**Public holding** : 42.1%

## ALTBalaji

- ◆ 100% subsidiary
- ◆ Over-the-top subscription video-on-demand platform
- ◆ Focused on original and never-seen-before Indian content
- ◆ Premium Original and Exclusive content

## Other subsidiaries

- ◆ Balaji Motion Pictures (Film Distribution business) – 100%
- ◆ Marinating Films Pvt. Ltd (51%)
- ◆ Chhayabani Balaji Entertainment Pvt. Ltd (50%)



## **EKTA KAPOOR**

JOINT MANAGING DIRECTOR

### ***The creative brain behind Balaji***

- ◆ Leading Indian TV and film producer.
- ◆ Under her creative guidance, Balaji has won almost every major TV award
- ◆ Stellar work in creating a large content conglomerate at a young age garnered her several distinguished awards” The Economic Times (Businesswoman of the Year 2002), E&Y (Entrepreneur of the Year 2001) and the American Biographical Institute (Woman of the Year 2001)
- ◆ IMPACT placed her at the No. 1 position among ‘50 Most Influential Women’ (2016) in the Indian marketing, advertising and media ecosystems
- ◆ FICCI Ladies Organisation (FLO) Icon Award 2018
- ◆ Handles day to day creative direction across TV, ALTBalaji and Movies

# Supported by a talented team of professionals



## Sunil Lulla – Group CEO



- Three decades of experience across Media entertainment and Broadcast
- Previously Chairman and MD of Grey Group (leading Ad agency) and also worked with broadcasters such as Sony, MTV India and Times News Network

## Nachiket Pantvaidya – CEO AltBalaji and Group COO



- IIM-Ahmedabad alumnus
- Was Business Head of Sony Entertainment Television and also the Business Head of Star Plus and held several roles in the Star TV network, including Head of Star Pravah and MD of Fox Television Studios
- Also held management roles in BBC and Disney

## Sanjay Dwivedi – Group CFO



- Over 20 years of experience in the field of Finance & Accounts.
- A CA from the ICAI, Sanjay has vast experience in diverse finance operations across Industries like Steels, Pharmaceuticals and Media & Entertainment.

## Sunil Nair – COO AltBalaji



- 11+ years of experience in the digital video space
- Founder CEO of nautanki.tv - India's first distributed video platform acquired by hungama in 2009
- Senior management roles across companies like One Channel (CEO), Reliance Jio (Vice President) and Star India (as Head of Indya/MyStar) among others

## Ketan Gupta – COO Balaji Telefilms



- Over 15 years of experience in the field of Television Production
- Integral part of Balaji and his strengths include cost management, extracting production efficiencies and handling multiple ongoing TV productions across numerous locations

## Nimisha Pandey- Head Fiction Content



- 12+ years of experience in fiction content
- Worked as creative director across media companies including Balaji Telefilms, 4 Lions Films, Fireworks Production, Director's Kut Productions, Sphere Origins Limited and Shreya Entertainment

# Supported by a talented team of professionals



## Manav Sethi – CMO AltBalaji



- 15+ years of experience in creating & managing high impact teams in new economy multinationals and start-ups
- Founded and scaled online businesses that achieved peak value of \$3B
- Before ALTBalaji, was working as Group CMO at Askme.com where he led teams across product strategy, marketing & communications

## Vishal Bijlani – Deputy CFO



- 15+ years of post qualification experience in Corporate Finance
- Chartered Accountant and Cost Accountant, having experience in varied sectors like Telecom, Steel and Power. Handling cost control, Accounts finalisation, Audit and Funding.

## Vimal Doshi – Head of Distribution



- Experience of 17 years and graduated with a bachelors degree in Commerce from R A Podar College of commerce.
- Distributed several films including, Shootout At Lokhandwala, Bhool Bhulaiya, Sarkar Raaj, Once Upon A Time In Mumbai Dobaraa, Ragini MMS - 2, Main Tera Hero, Ek Villian

## Ruchikaa Kapoor – Head of Marketing



- Over 10 years of experience in marketing and brand building
- Leads strategic brand associations across in-film, in-song or out-of-film to create striking and memorable communication
- Lead innovative marketing tie up for a number of movies including Half Girlfriend and Udtaa Punjab

## Kartik Sankaran – Sr VP – IR



- 15+ years of experience in global capital markets and corporate finance
- Worked across various capital raises and strategic transactions and setting up a strong and stable investor relations platforms
- MBA from Manchester Business School

## Simmi Singh Bisht – Group Head Secretarial



- 10+ years of experience in the secretarial and legal field across diverse industries
- Master's Degree in Law with specialisation in Corporate Law from SNTD Women's University, Mumbai, an Associate with ICSI and BCOM from NM College
- In charge of overall secretarial functions in the Balaji Group. 8



# Vision is to create a valuable and scalable media business



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**Value through  
Content  
Creation, IP  
Ownership and  
Consumer Connect**

## Digital

- ◆ Create original and exclusive content
- ◆ Build a B2C business through alliances and partnerships
- ◆ Own IP and monetize effectively across platforms

## Television

- ◆ Focus on high impact and profitable content
- ◆ Generate consistent cash flow
- ◆ Retain IP where feasible

## Movies

- ◆ Be selective and focus on strong content led offerings
- ◆ Collaborate and co-produce



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**Digital – ALTBalaji**

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Now,  
**with changes  
in technology**  
and evolving  
viewer habits,  
**nearly a billion Indians  
are going online  
and going mobile**



**Data usage per user  
has gone up by  
8 times**  
within the  
past year<sup>1</sup>



**Video streaming  
covers  
70% of data**  
consumption  
on mobile<sup>2</sup>



**OTT revenue is  
expected to cross  
USD 800 mn**  
by 2022 from  
297mn in 2017<sup>3</sup>

# The digital opportunity is now for real led by



**Widespread  
availability of  
internet**



**Faster  
internet  
speeds**



**Reduced  
data  
costs**



**Better  
& cheaper  
handsets**



**... Video content needed to monetise this**

# The Indian Over the Top (OTT) landscape is evolving



**SVOD**

**AVOD**

**TVOD**



1

Fill the  
**Content Need Gap**

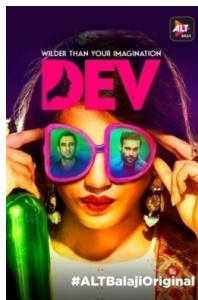
2

Align  
**Distribution channel**

1

# # 1 Source for Original Exclusive Binge Friendly Content





## "Upgrade to TV"

- ◆ **TV Stars** in a **newer digital format**
- ◆ Storylines and ideas that **would not work on traditional TV**
- ◆ Appeals to **mass audiences**
- ◆ Example **Karrle Tu Bhi Mohabbat** Season 2 launched within 9 months of Season 1
- ◆ Costs per hour at **2x to 3x** cost of TV content

## "Retell Classics"

- ◆ **Adapt classical stories** for newer audiences
- ◆ Build and develop on the immense **fresh talent pool**
- ◆ Appeals to **large segments** of the audience
- ◆ **Dev DD** – a modern take on Devdas has **over 1m viewers** already and soon entering Season 2
- ◆ Costs per hour at **2x to 2.5x** cost of TV content

## "Tent Pole"

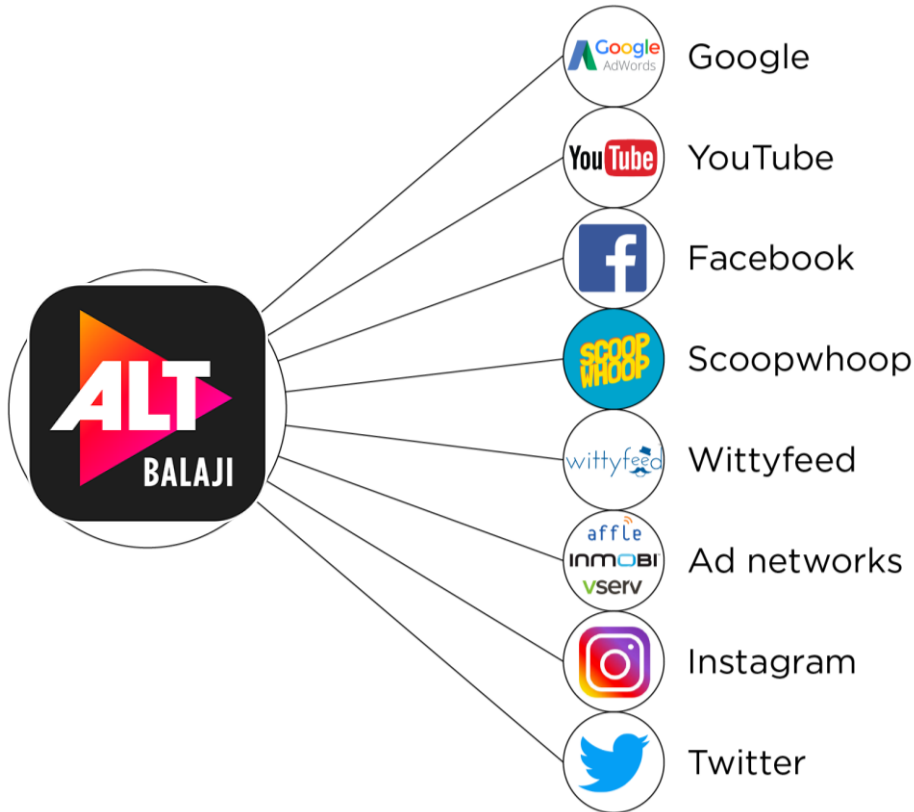
- ◆ Original and exclusive **high impact content**
- ◆ Utilize the **best talent available** including Film talent
- ◆ Appeals to **niche but still large segments**
- ◆ **Bose Dead/Alive** has an IMDb rating of 9.4 – one of the **highest for a web series**
- ◆ Costs per hour at **3x to 4x** cost of TV content





# Marketing and distribution partnerships to drive sampling and revenue

## Digital Marketing led



## B2B2C partnerships

### Telecom and Internet Service Providers



### OEMs and Payment Wallets

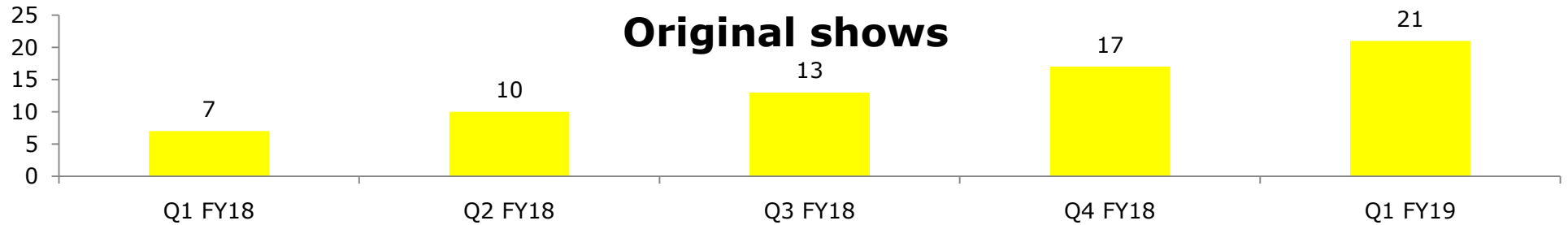


### Platform Partners

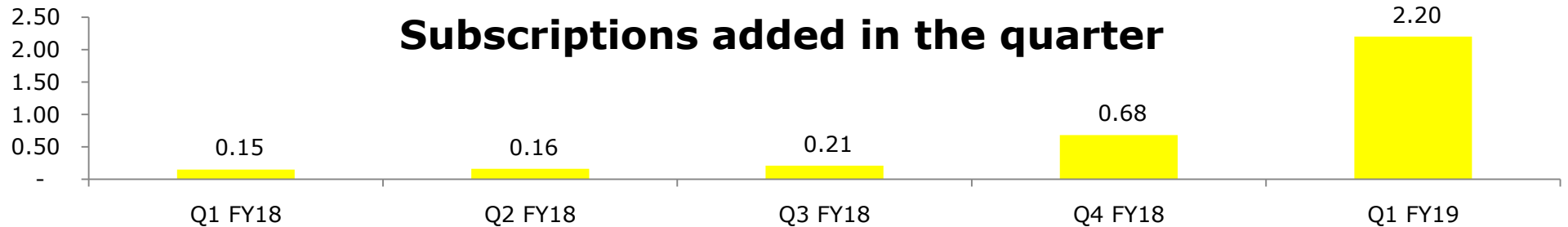




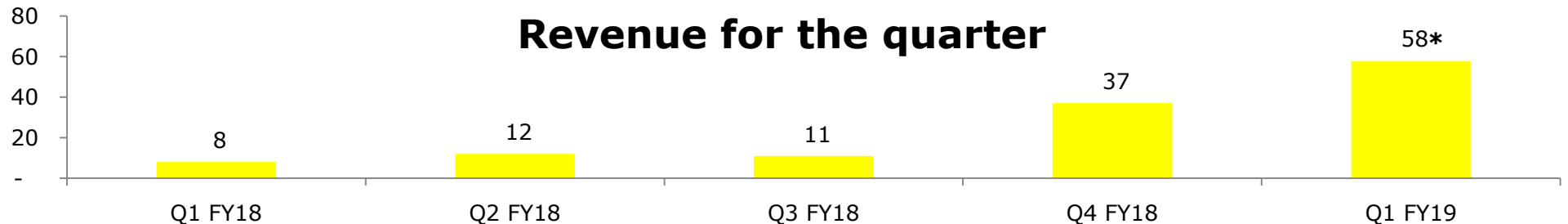
# ALTBalaji growing exponentially as the internet spreads in the country



**Non linear relation between growth in library and subscription growth**



**Growth Driven by diversified revenue model (Pay per watch / Minimum Guarantees)**



**Note :**

1. Subscriptions and revenue figure in Millions . Subscription count does not includes Reliance Jio platform users
2. Q1 FY19 Revenues without the impact of IND AS 115 (Revenue from Contracts with Customers) was at Rs 71.3 million

With more hit content coming soon ... the show has just begun



**Karrle Tu Bhi Mohabbat S3**

Kehne Ko Humsafar Hain S2 **The Family** Ek Hi Bhool

**Dev DD S2** NOORJAHAN

Fitrat **Haq Se S2**

Puncchbeat **Home** The Verdict - State v/s Nanavati

**Mentalhood** HUM - I'm because of us

Baby Come Naa! **FCUK Hero Varrdiwala**

**Mangalyaan** **Mint** **Frenemies**

**Gandii Baat S2** Broken **Mint** Toxic

**The Great Indian Dysfunctional Family**

Apharan **Ghost Who Bombs**

Kal Se Daaru Band **Kasam** Kaun Banegi BOBBY ki Dulhaniya

**ALTBalaji is the Number 1 destination for originals**



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# **Television and Movie Business**

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# Our Television business accounts for nearly 16% of prime time ratings – industry leader by far



Extraordinary Together

- ◆ Built on **producing commissioned programming** for broadcasters
- ◆ **Unmatched experience** in entertainment and a **proven ability** in gauging the pulse of masses
- ◆ **Exemplary track record** with a string of hit shows in Hindi and Regional television across sub segments of the Indian GEC space
- ◆ Some of our past successes are **Kahaani Ghar Ghar Ki, Kyunki Saas Bhi Kabhi Bahu Thi, Kkusum, Kasamh Se, Bade Ache Lagte Hain and Jodha Akbar**
- ◆ Current programs like **KumKum Bhagya, Yeh Hain Mohabbatein and most recently Naagin** series are well accepted by viewers, reflected in its strong TRPs
- ◆ Serials broadcast **across all channels** and well **established relationship with talent**

# TV business is well diversified and continues to improve



Particulars	QoQ change	YoY change	Jun-18	Mar-18	Dec-17	Sep-17	Jun-17	Full Year FY18
Programming Hours	7%	-29%	170.5	160	179	240	240	819
Revenue (Rs Cr)	8%	-29%	57.34	53.2	59.4	77.6	80.4	270.6
Realisation / Hour (Rs Cr)	3%	0%	0.34	0.33	0.33	0.32	0.34	0.33
Gross Margin (Rs Cr)	-96%	-97%	0.72	16.5	22.5	18.9	22.4	80.3
Gross Margin / Hour (Rs Cr)	-96%	-96%	0.004	0.10	0.13	0.08	0.09	0.10
Gross Margin %	-3000bps	-2700bps	1.2%	31.0%	37.9%	24.4%	27.9%	29.7%

- **8 shows were running during the quarter** - 3 new high impact launches during the quarter and 5 ongoing shows
  - **Naagin 3 on Colors** – A great hit and created 4x increase in viewership for that slot
  - **Dil Hi to Hai on SONY** – Balaji has retained the digital rights for the show and is available exclusively on ALTBalaji
  - **Qayamat Ki Raat on Star Plus** – Return of Horror genre on weekends, had a very strong opening
- **Gross margins this quarter impacted as three new shows were launched** during the quarter. Balaji Telefilms follows a strategy of launching high cost and high impact initial episodes. The costs moderate as the show stabilizes resulting in better margins in later quarters for the show. IND AS -115 (Revenue from Contracts with Customers) resulted in negative impact on gross margins of Rs 2.5cr . **Full year margins to remain in line with previous years.**

# Movie business - Producers of differentiated cinematic content



- ◆ Bollywood movies continue to be a **prime source of entertainment for the masses** – India as well as global Indians
- ◆ Creating **high quality, high concept cinema** that is supported by **intensive and innovative marketing**
- ◆ Audiences receptive to newer genre and stories – **“Smart movies” are also commercial successes**
- ◆ Track record include both **commercial hits** as well as **critically acclaimed movies**
- ◆ Some of our past successes are **Ek Villain, Once Upon a Time, Dirty Picture, Udaa Punjab, Shootout at Wadala, Kya Kool Hai Hum and Half Girlfriend**
- ◆ Focus on **selectively commissioning** new movies

# Movie Business Strategy



- ◆ The Production business of Balaji Motion Pictures has been merged into BTL effective 1<sup>st</sup> April 2016.
- ◆ Going forward, Balaji Motion Pictures to explore **co-production model** with other leading production houses to share risks and costs and also extensively **engage in pre sales**
- ◆ Selectively **focus on content** and scripts and not necessarily star cast and scale of films
- ◆ **Veere Di Wedding** released in June 2018 starring **Kareena Kapoor** and **Sonam Kapoor** has been a great success.
- ◆ **Other movies in pipeline**
  - ◆ **Laila Majnu** (Staring fresh talent, creatively supervised by **Imtiaz Ali**)
  - ◆ **Mental Hai Kya** (Staring Rajkumar Rao and Kangana Ranaut)



# BTL Standalone - Summary financials



In (Rs Cr)	FY14	FY15	FY16	FY17	FY18	Q1 FY19
Accounting Standard	IGAAP	IGAAP	Ind-AS	Ind-AS	Ind-AS	Ind-AS
Business included	TV	TV	TV	TV +Movie	TV+Movie	TV+Movie
<b><u>Operating Metric</u></b>						
Hours of Programming	590	962	1002	960	819	170.5
Revenue / hour (TV)	0.22	0.22	0.26	0.30	0.33	0.34
Movie releases	6	3	1	4	2	1
<b><u>Financials</u></b>						
Total Revenue	131.5	209.7	256.8	408.5	416.6	133.7
EBITDA	4.8	12.7	34.2	2.8	53.1	-0.9
EBITDA Margin %	4%	6%	13%	1%	13%	-1.0%
PAT	10	12.3	37.1	29.4*	16.3**	-1.2
PAT Margin %	8%	6%	14%	7%	4%	-0.9%

Movie business was merged into the TV business on as part of the scheme of arrangement approved by NCLT, effective 1<sup>st</sup> April 2016 - \* Impact of Merger has resulted in creation of a deferred tax asset of Rs 27.8 cr increasing PAT by 27.8cr

\*\* Normalised PAT (at normal income tax rate, excluding any impact of deferred tax and exceptional tax items): FY18 Rs 36.5 cr against FY17 Rs 1.5 cr and FY18 includes a Rs 9 cr exceptional item toward provision of income tax

◆ Investments in Mutual fund units as at 30<sup>th</sup> June 2018 **Rs 428 cr**



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### **Balaji Telefilms Limited**

C-13, Balaji House, Dalia Industrial Estate,  
Opp. Laxmi Industries,  
New Link Road, Andheri (West),  
Mumbai 400 053  
Tel: 40698000  
Website: [www.balajitelefilms.com](http://www.balajitelefilms.com)

**CIN : L99999MH1994PLC082802**

### **Contacts**

**Kartik Sankaran : Sr. Vice President - Investor Relations**  
[kartik.sankaran@balajitelefilms.com](mailto:kartik.sankaran@balajitelefilms.com)

**Simmi Singh Bisht : Group Head – Secretarial**  
[simmi.bisht@balajitelefilms.com](mailto:simmi.bisht@balajitelefilms.com)