

Quarterly Performance Review – Q2 FY18 and H1 FY18



Balaji Telefilms Ltd.

Unique, Distinctive, Disruptive

Operating highlights for the quarter



AltBalaji

- Ranked number 3 video streaming app by revenue in the latest App Annie survey
- 8.9m app downloads and growing. The app is available globally and on all the leading OS platforms
- Original shows added in the quarter include Class of 2017, Cybersquad, Pammi Aunty and over 25 hours of stand up comedy in Hindi, Marathi, Gujarati and Punjabi. AltBalaji now has one of the largest collection of original comedy videos (outside of Youtube) in Hindi and other Indian regional languages
- AltBalaji now available to Vodafone users as part of Vodafone Play. Also entered into more B2B partnerships across a range of OEMs, telecom / internet service providers and payment wallets

Television Business

- 7 shows were running during the quarter – quarter saw the start of a new spin off series on Zee TV called Kundali Bhagya based on the hit show Kumkum Bhagya running on the same channel
- Show launched for Star Plus for their afternoon programming slot came to an end this quarter as the channel has discontinued telecasting original shows in the afternoon slot
- Balaji Telefilms produced shows continue to dominate the BARC ratings and this is reflective of our positioning as a leading provider of high impact entertainment programming

Movie Business

- No releases during the quarter. Company continues to focus on a limited but high impact stories where the risk reward ratios are extremely favorable and projects can be de-risked by significant pre sales and co-production models
- Movie pipeline includes two mid budget Hindi movies - Veere Di Wedding (releasing May 2018 starring Kareena Kapoor and Sonam Kapoor), Kedarnath (releasing December 2018 starring Sushant Singh Rajput and Sara Ali Khan)

Others

- Final hearing at NCLT is completed and the order is awaited pertaining to the merger of Bolt Media and film production business of Balaji Motion Pictures Limited into Balaji Telefilms. Merger will result in streamlining the group structure as well as operational cost savings

ALTBalaji the new destination for entertainment



Launched 16th April 2017

8.9 million
App Downloads¹

Globally
Accessible

10
Original shows

Original comedy in
4 languages
Hindi, Marathi, Punjabi
and Gujarati



270 million +
Minutes of
Video consumed

97 minutes
Average watch time
per user²

Rs 3.2 cr
Gross billing³

100,000+
Daily Active Users

Note : All data as of 30th September

1. App download does not include anonymous users through the website
2. Average time per subscribed user is calculated based on minutes consumed per active session of use
3. Gross billing is total collections in the year. Revenue reported in financials as per IND-AS standards



Number 3 Video Streaming app by Revenue

Top Video Streaming Apps by Revenue, H1 2017*

Combined iOS App Store and Google Play

Rank	Singapore	Thailand	India	S Korea	Japan	China	Australia
1	Netflix	Netflix	Netflix	Pooq	Showroom	iQIYI	Netflix
2	Viu	V-Live	Hotstar	V-Live	Netflix	Tencent	AFL Live
3	Toggle	Viu	ALTBalaji	Netflix	Niconico	Youku	YouTube
4	V-Live	NBA	Eros Now	Watcha Play	TwitCasting	iQIYI PPS	Official NRL
5	NBA	UFC	Wynk Movies	YouTube	U-NEXT	DouyuTV	NBA

Source App Annie - The leading market data solution for the app economy

Content added during the quarter



#ALTBalajiOriginal

REGIONAL COMEDY
VIDEOS EXCLUSIVELY ON

VIEW NOW



Content added during the quarter



Bose Dead / Alive streaming soon...



Streaming 20th November

The mystery unfolds
on your mobile,
not on TV

To watch all episodes of
#ALTBalajiOriginal **Bose: Dead/Alive**,
download the ALTBalaji app now.





Consolidated Financial Performance

ALTBalaji was launched on 16th April 2017 and we expect to be in an investment phase for this new business vertical for the next 2 to 3 years. To allow a like for like comparison, the numbers have also been stated excluding ALTBalaji

Revenue from Operations

- Q2 FY18 revenues at Rs 109.8 cr vs Rs 105.9 cr in Q2 FY17. H1 FY 18 revenues at Rs 254.4 cr vs Rs 223.3 cr in H1 FY17
- Increase primarily on account of higher revenues from the TV business
- Q2 FY18 revenue (excluding ALTBalaji) at Rs 108.4 cr vs. Rs 105.9 cr in Q2 FY17

EBITDA

- Q2 FY18 EBITDA at Rs (10.6) cr vs Rs (26.2) cr in Q2 FY17. H1 FY18 EBITDA at Rs (25.4) cr vs Rs (26.5) cr in H1 FY17
- H1 FY18 loss on account of ALTBalaji launch expenses. H1 FY17 was impacted due the piracy of our movies that resulted in a revenue loss of approximately Rs 36 cr
- Q2 FY18 EBITDA (excluding ALTBalaji) at Rs 8.4 cr vs. Rs (21.8) cr in Q2 FY17

Profit after Tax

- Q2 FY18 PAT at Rs (13.8) cr vs Rs (27.9) cr in Q2 FY17. H1 FY18 PAT at Rs (37.3) cr vs Rs (28.2) cr in H1 FY17. Q2 FY18 includes an exceptional item of Rs 9 cr towards income tax provision. This has been provided as a matter of abundant precaution as the matter is still pending adjudication
- Q2 FY18 PAT (excluding ALTBalaji) at Rs 4 cr vs. Rs (26.2) cr in Q2 FY17. H1 FY18 PAT excluding ALTBalaji at Rs 10.4 cr vs Rs (25.7)cr in H1 FY17

Investments

- Investments in mutual fund units at 30th September 2017 Rs 506.4 cr (of which Rs 179.9 cr through ALT and Rs 326.5 cr through BTL)
- Total inventory as of 30th September 2017 Rs 85.4 cr which includes Rs 40.7 cr as movie inventory. Inventory as of 31st March 2017 was at Rs 98.3 cr which included Rs 65 cr of movie inventory



Revenue from Operations

- Q2 FY18 revenues at Rs 81.9 cr vs Rs 61.6 cr in Q2 FY17. H1 FY18 revenues at Rs 176.2 cr vs Rs 115.2 cr in H1 FY17
- Improvement on account of increased number of hours of programming (from 457 in H1 FY17 to 480 hours in H1 FY18), as well as higher per hour realizations (from Rs 0.25 cr / hour to Rs 0.33 cr / hour)

EBITDA

- Q2 FY18 EBITDA at Rs 7.2 cr vs Rs 6.1 cr in Q2 FY17. H1 FY18 EBITDA at Rs 23.2 cr vs Rs 10.4 cr in H1 FY17.
- Improvement on account higher revenue shows coupled with improved cost management

Other income

- Q2 FY18 other income at Rs 7.9 cr vs Rs 2.9 cr in Q2 FY17
- H1 FY18 other income at Rs 12.8 cr vs Rs 9.6 cr in H1 FY17
- Other income on account of interest on Inter company deposits and gain on mutual fund investments

Profit after Tax

- Q2 FY18 PAT at Rs 5.4 cr vs Rs 4.4 cr in Q2 FY17. H1 FY18 PAT at Rs 14.4 cr vs Rs 10.2 cr in H1 FY17.
- Q2 FY18 PAT includes an exceptional item of Rs 9 cr adjusted through profit and loss pertaining to certain income tax matters. This amount has been provided as a matter of abundant precaution as the tax matter is still pending adjudication. Excluding this PAT would have been at Rs 14.4 cr for Q2 FY18

Balance sheet

- Investments in Mutual fund units as at 30th September 2017 at Rs 326.6 cr vs Rs 51.4 cr at 31st March 2017

Television business – Show line up



Channel	Shows	Time	Schedule
	Kasam Tere Pyaar Ki	18.00 - 18.30	Monday to Friday
	Chandrakanta	20.00 - 21.00	Saturday to Sunday
	Ye Hai Mohabbatein	19.30 - 20.00	6 days a week
	Chandra Nandni	20.30 - 21.00	Monday to Friday
	Dhhai Kilo Prem *	14.00 - 14.30	Monday to Saturday
	Kumkum Bhagya	21.00 - 21.30	Monday to Friday
	Kundali Bhagya	21.30 - 22.00	Monday to Friday

Note : * Shows ended during the quarter.



Television business – Operating KPIs

Particulars	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16	Full Year FY17
Programming Hours	240	240	241	262	231	960
Revenue (Rs Cr)	77.6	80.4	80.9	83.5	60.9	277.9
Realisation / Hour (Rs Cr)	0.32	0.34	0.34	0.32	0.26	0.29
Gross Margin (Rs Cr)	18.9	22.4	29	18.7	14.7	74.1
Gross Margin / Hour (Rs Cr)	0.08	0.09	0.12	0.07	0.06	0.08
Gross Margin %	24.4%	27.9%	35.8%	22.4%	24.1%	26.7%

Note : Only includes commissioned programs

- Kundali Bhagya for Zee TV was launched in the quarter, Pardes Mein Hai Meraa Dill came to an end in the quarter resulting in a similar number of programming hours
- “Dhaai Kilo Prem” a show commissioned for Star Plus’s afternoon slot came to an end at the end of the quarter. Chandra Nandni on Star Plus expected to end in Q3 FY18
- Realisation per hour and gross margins remain steady



Revenue from Operations

- Q2 FY18 revenues at Rs 1.2 cr vs Rs 0.8 cr in Q1 FY18. There were no revenues in Q2 FY17 as the service was launched this year
- H1 FY18 revenue at Rs 2.0 cr
- Revenue recognition policy is based on the validity of subscription plan selected by customers

EBITDA

- Q2 FY18 EBITDA at Rs (19.2) cr vs Rs (4.3) cr in Q2 FY17. H1 FY18 EBITDA at Rs (50.5) cr vs Rs (7.5) cr in H1 FY17
- Increase in costs as AltBalaji commenced commercial operations and began expensing content and marketing spend
- AltBalaji to follow a very controlled cash burn linked to subscriber revenue growth

Other income

- Q2 FY18 other income at Rs 1.2 cr vs Rs 3.3 cr in Q2 FY17
- Other income from investments in mutual fund units, pending deployment of capital in the business

Profit after Tax

- Q2 FY18 PAT at Rs (18.1) cr vs Rs (1.8) cr in Q1 FY17
- H1 FY18 PAT at Rs (48.0) cr vs Rs (2.5) cr in H1 FY17

Investments

- Total amount invested in ALT as of 30th September 2017 Rs 125.2 cr
- Investments in mutual fund as at 30th September 2017 Rs 179.9 cr



Movies Business - BMPL Financial Performance

Revenue from Operations

- Q2 FY18 revenues at Rs 30.8 cr vs Rs 43.2 cr in Q2 FY17. H1 FY18 revenues at Rs 88.1 cr vs Rs 96.6 cr in H1 FY17
- Q2 FY18 had no releases and the revenue pertains to sale of satellite and digital rights of movies released

EBITDA

- Q2 FY18 EBITDA at Rs 2.0 cr vs Rs (28) cr in Q2 FY17
- H1 FY18 EBITDA at Rs 3.0 cr vs Rs (27.7) cr in H1 FY17. Losses in H1 FY17 pertain to piracy issues with two of our movies released in that quarter

Profit after Tax

- Q2 FY17 PAT at Rs (1) cr vs Rs (30.5) cr in Q2 FY17. H1 FY18 PAT at Rs (3.1) cr vs Rs (34.0) cr in H1 FY17.
- Includes impact of finance cost on account of inter company borrowings from BTL

Investments

- Movie inventory as of 30th September 2017 was at Rs 40.7 cr vs Rs 65.0 cr in March 2017
- BMPL to selectively commission new movies going forward that have an extremely favorable risk reward profile
- Current pipeline includes two mid budget Hindi movies - Veere Di Wedding (releasing May 2018 starring Kareena Kapoor and Sonam Kapoor), Kedarnath (releasing December 2018 starring Sushant Singh Rajput and Sara Ali Khan)



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Financials



BTL Standalone Financial Performance

Particulars (Amounts in INR Cr)	Q2FY18	Q1 FY18	Q2 FY17	H1 FY18	H1 FY17	FY17
Total Income from operations	81.9	94.3	61.6	176.2	115.2	284.1
Cost of Production	63.0	70.0	46.9	132.9	88.8	210.1
Gross Margin	18.9	24.4	14.7	43.3	26.4	74.1
Gross Margin %	23%	26%	24%	25%	23%	26%
Employee Benefits Expense	4.4	4.1	3.7	8.5	7.0	16.0
Other Expenses	7.3	4.3	4.9	11.6	8.9	19.4
EBITDA	7.2	16.0	6.1	23.2	10.4	38.6
EBITDA Margin %	9%	17%	10%	13%	9%	14%
Depreciation and amortisation expense	3.6	3.5	2.7	7.1	5.2	11.8
Other Income	7.9	4.9	2.9	12.8	9.6	18.7
Exceptional Item (tax provision)	9.1	-	-	9.1	-	-
Profit Before Tax	2.5	17.3	6.3	19.8	14.8	45.5
Tax Expenses	-2.9	8.4	1.9	5.4	4.6	14.5
Net Profit After Tax	5.4	9.0	4.4	14.4	10.2	31.0
Other Comprehensive Income	-0.0	-0.0	-0.0	-0.0	-0.0	-0.1
Total Comprehensive Income	5.4	8.9	4.4	14.3	10.2	30.9

Note : numbers may not add up due to rounding

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BTL Standalone Balance Sheet

Balance Sheet (Amounts in INR Cr)	H1 FY18 (Unaudited)	FY17 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	32	31
Capital work-in-progress	1	3
Investments	377	227
Deferred tax assets (net)	7	4
Others	14	33
Total Non-current assets	431	298
Current assets		
Inventories	25	27
Investments	327	51
Trade receivables	88	88
Cash and cash equivalents	10	6
Others	251	278
Total Current assets	700	451
Total Assets	1,131	748
EQUITY AND LIABILITIES		
Equity		
Equity share capital	20	15
Other equity	1,040	639
Total Equity	1,060	654
Non-current liabilities		
Current liabilities		
Trade and other payables	52	65
Other current	18	29
Total Current liabilities	70	94
Total Liabilities	1,131	748

Includes investments in Subsidiaries and Investments in Indus Balaji PE Fund

Investments in Debt Mutual funds

Includes short term loans and advances to subsidiaries, vendors and balance with Government authorities (VAT / Service Tax)

Note : numbers may not add up due to rounding

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BTL Consolidated Financial Performance

Particulars (Amounts in INR Cr)	Q2FY18	Q1 FY18	Q2 FY17	H1 FY18	H1 FY17	FY17
Total Income from operations	109.8	144.6	105.9	254.4	223.3	421.2
Cost of Production	89.8	112.5	96.3	202.3	186.5	335.7
Gross Margin	20.0	32.2	9.6	52.1	36.8	85.4
Gross Margin %	18%	22%	9%	20%	16%	20%
Marketing and Distribution	7.8	28.5	19.5	36.3	32.8	36.4
Employee Benefits Expense	8.4	8.4	6.8	16.9	13.3	28.3
Other Expenses	14.4	10.0	9.4	24.4	17.2	38.7
EBITDA	(10.6)	(14.8)	(26.2)	(25.4)	(26.5)	(18.1)
EBITDA Margin %	-10%	-10%	-25%	-10%	-12%	-4%
Depreciation and amortisation expense	4.8	4.3	2.9	9.2	5.5	12.5
Other Income	6.8	3.6	3.8	10.4	10.2	17.8
Exceptional Item (tax provision)	9.1	-	-	9.1	-	-
Profit Before Tax	(17.7)	(15.5)	(25.3)	(33.2)	(21.8)	(12.8)
Tax Expenses	(3.8)	7.9	2.7	4.1	6.3	16.9
Net Profit After Tax	(13.8)	(23.4)	(28.0)	(37.3)	(28.2)	(29.7)
Other Comprehensive Income	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)
Total Comprehensive Income	(13.9)	(23.4)	(28.0)	(37.3)	(28.2)	(29.8)

Note : numbers may not add up due to rounding



BTL Consolidated Balance Sheet

Balance Sheet (Amounts in INR Cr)	H1 FY18 (Unaudited)	FY17 (Audited)
Non-current assets		
Property, plant and equipment	36	35
Capital work-in-progress	1	11
Investments	40	40
Deferred tax assets (net)	7	9
Others	72	79
Total Non-current assets	157	174
Current assets		
Inventories	85	98
Investments	506	157
Trade receivables	108	98
Cash and cash equivalents	20	16
Others	78	92
Total Current assets	797	461
Total Assets	954	635
EQUITY AND LIABILITIES		
Equity		
Equity share capital	20	15
Other equity	840	492
Non Controlling Interest	-3	-3
Total Equity	857	504
Non-current liabilities	2	8
Current liabilities		
Trade and other payables	68	72
Other current	27	52
Total Current liabilities	95	124
Total Liabilities	954	635

Investments in Debt Mutual funds

Note : numbers may not add up due to rounding



BTL Consolidated Financial Performance – Q2 FY18

Particulars (In Rs cr)	BTL	BMPL	ALT	MFPL	EML	BOLT	CBEPL	Eliminations	Consol
Net Sales / Income from Operations	81.7	30.8	1.2	-	-	-	0.4	4.5	109.6
Other Operating Income	0.2	-	-	-	0.0	-	-	-	0.2
Total Income	81.9	30.8	1.2	-	0.0	-	0.4	4.5	109.8
Expenditure									
Cost of production	63.0	25.1	13.0	-	-	-	0.4	4.0	97.6
Staff Cost	4.4	0.4	3.7	-	-	-	-	-	8.4
Finance Cost	-	3.0	-	-	0.0	0.0	0.0	3.0	0.0
Depreciation	3.6	0.1	1.1	0.0	-	-	0.0	-	4.8
Other Expenditure	7.2	3.2	3.8	0.0	-	0.0	0.1	-	14.4
Total Expenditure	78.2	31.8	21.5	0.0	0.0	0.1	0.5	7.0	125.2
Profit / (Loss) from Operation Before Other Income	3.6	-1.0	-20.3	-0.0	-0.0	-0.1	-0.1	-2.5	-15.4
Other Income	7.9	0.1	1.2	0.5	-	-	0.1	3.0	6.8
Exceptional Items	-9.1	-	-	-	-	-	-	-	-9.1
Profit / (Loss) Before Tax	2.5	-1.0	-19.1	0.5	-0.0	-0.1	0.1	0.6	-17.7
Tax Expenses	-2.9	-	-1.1	0.2	-	-	-	-	-3.8
Net Profit / (Loss) from operations	5.4	-1.0	-18.1	0.3	-0.0	-0.1	0.1	0.6	-13.8
Other Adjustments									
Minority share in Loss and others									-0.2
Net (Loss) after tax, share of profit of associates and minority interest									-14.0

Note : numbers may not add up due to rounding

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BTL Consolidated Financial Performance – H1 FY18

Particulars (In Rs cr)	BTL	BMPL	ALT	MFPL	EML	BOLT	CBEPL	Eliminations	Consol
Net Sales / Income from Operations	175.5	88.1	2.0	-	-	-	0.4	12.3	253.7
Other Operating Income	0.7	-	-	-	0.0	-	-	-	0.7
Total Income	176.2	88.1	2.0	-	0.0	-	0.4	12.3	254.4
Expenditure									
Cost of production	133.0	80.1	36.8	-	-	-	0.4	11.8	238.6
Staff Cost	8.5	0.6	7.7	0.1	-	-	-	-	16.9
Finance Cost	-	6.0	-	-	0.0	0.1	0.0	6.1	0.0
Depreciation	7.1	0.2	1.8	0.0	-	0.0	0.0	-	9.2
Other Expenditure	11.5	4.4	8.1	0.2	0.0	0.1	0.1	-	24.4
Total Expenditure	160.1	91.4	54.4	0.3	0.0	0.1	0.6	17.9	289.0
Profit / (Loss) from Operation Before Other Income	16.1	-3.3	-52.3	-0.3	-0.0	-0.1	-0.1	-5.6	-34.5
Other Income	12.8	0.2	2.9	0.5	-	-	0.1	6.1	10.4
Exceptional Items	-9.1	-	-	-	-	-	-	-	-9.1
Profit / (Loss) Before Tax	19.8	-3.1	-49.4	0.2	-0.0	-0.1	-0.0	0.6	-33.2
Tax Expenses	5.4	-	-1.5	0.2	-	-	-	-	4.1
Net Profit / (Loss) from operations	14.4	-3.1	-47.9	0.0	-0.0	-0.1	-0.0	0.6	-37.3
Other Adjustments									-0.1
Minority share in Loss and others									0.0
Net (Loss) after tax, share of profit of associates and minority interest									-37.3

Note : numbers may not add up due to rounding

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Accounting policies for amortisation on inventory

Television serials

- Inventories are valued at lower of cost and net realisable value. Cost is determined on the basis of average cost.

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



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Thank you
