



*Balaji Telefilms Ltd.*

# Quarterly Performance Report

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Q1 FY19

# 3 new shows launched on TV, VDW was a hit, Strong growth in Digital



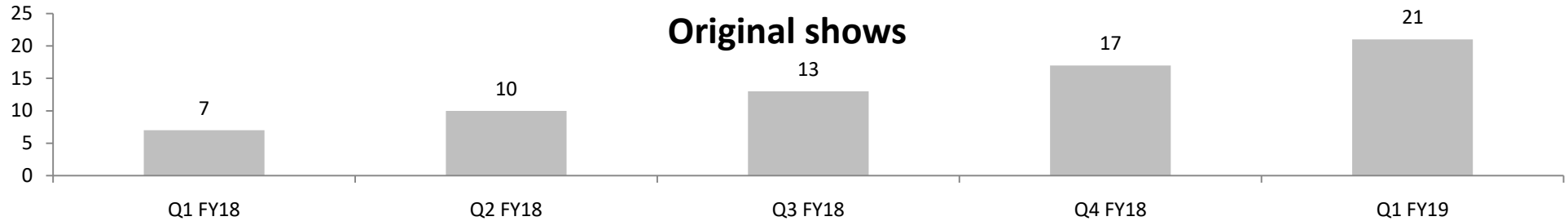
Balaji's Momentum remains strong in Q1 FY 19 with a strong outlook for the rest of the year. # 1 in TV content. Veere Di Wedding (VDW) in the Top 4 Hindi movies launched in this quarter. 7x growth in revenues for ALT

- **In the TV Content business, Balaji Telefilms is the #1 producer for Prime Time Hindi GEC . We had three new show launches in the quarter, across the major broadcasters**
  - **Naagin 3** returning back to become **#1 weekend show**
  - **Dil Hi To Hai** launched on SONY, Balaji has retained Intellectual Property rights for this show and will be showcasing the same on ALTBalaji
  - **Qayamat Ki Raat** on Star Plus, bringing back the horror genre to prime time weekend programming
- **Kundali Bhagya and Kumkum Bhagya** continue to be the **#1 and # 2 shows on weekday prime time**. TV business programming hours were at **170 hours for the quarter at Rs 0.34 cr / hour realisations**
- **In the Movie business, Veere De Wedding with overall gross collection of Rs 143 cr won critical acclaim for its Women themed bold subject and is the Top 4 grosser this year amongst Hindi movies**
- **In the OTT space, ALT stood tall, with 75 % growth in subscribers and a 7 x growth in Q1 vs previous year**
  - **2.1m paid users added in Q1 FY19 vs 1.2m added in FY18** (excluding Reliance Jio Platform users)
  - **Number 1 destination for original digital shows. 21 Original shows** (excluding Kids and Comedy short clips). Content also dubbed in regional languages (Tamil, Telugu and Malayalam and soon in Arabic, Bahasa Indonesia and Bahasa Malaysia)
  - **Digital revenues continue to scale exponentially** - ALTBalaji Q1 FY19 at Rs 5.8cr. Q1 FY19 revenue 7x Q1 FY 18, Digital revenue without impact of IND-AS 115 at Rs 7.1 cr
  - **Strengthened ALTBalaji partnerships and alliances** – integration underway with Airtel DTH, Yupp TV, ShareIT and Times Internet to name a few domestically and XL Axiata (Indonesia), Dialog (Sri Lanka) and Celcom (Malaysia) internationally
  - **Gandii Baat** a show based on urban stories from rural India launched during the quarter **has performed exceedingly well** across platforms with over 800k average views per week

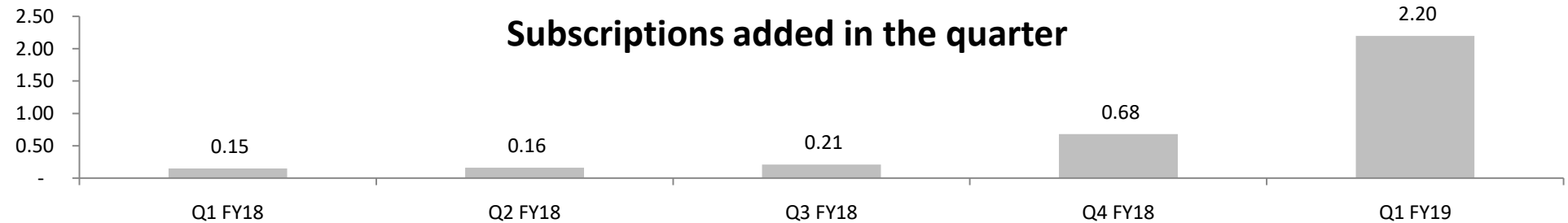
**Note : All data as of 30<sup>th</sup> June 2018**

1. Paid user count does not includes users on Reliance Jio

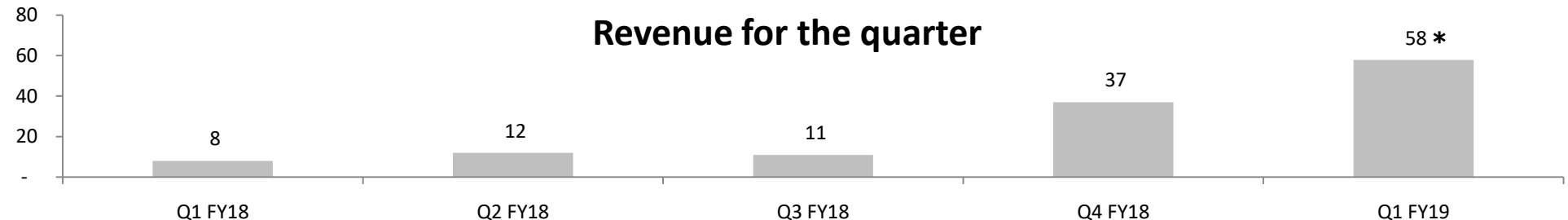
# ALTBalaji growing exponentially as the internet spreads in the country



**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



## INKSPELL AWARDS



## SOCIAL SAMOSA



Social Samosa  
@Social\_Samosa

Follow

#SAMMIE2018: @altbalaji bags a Silver in the Media, OTTs category!

Congratulations! Keep providing us with original and exclusive content always!

## APP OF THE DAY





# Compelling hit content across target groups ...



## FAVOURITE SHOWS



**YOUNGER**

AGE GROUP  
WATCHING

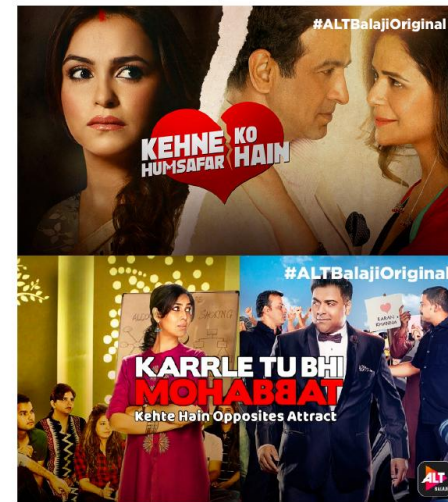
**38**

**MINUTES**

PER USER PER DAY



## FAVOURITE SHOWS



**OLDER**

AGE GROUP  
WATCHING

**45**

**MINUTES**

PER USER PER DAY

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**

# We account for nearly 16% of India's prime time GEC TV ratings



Broadcaster	Show Name	Time	Schedule	Notes
	Kasam Tere Pyaar Ki	18.00 - 18.30	Monday to Friday	Ended in July 2018 after over 2 years on air
	Chandrakanta	20.00 – 21.00	Saturday to Sunday	Finite fiction show came to an end in June, making way for Naagin 3
	Naagin 3	20.00 – 21.00	Saturday to Sunday	Launched in June - # 1 show on weekends
	Kumkum Bhagya	21.00 - 21.30	Monday to Friday	# 2 weekday fiction show in 2018
	Kundali Bhagya	21.30 - 22.00	Monday to Friday	# 1 weekday fiction show in 2018
	Ye Hai Mohabbatein	22.30 - 23.00	Monday to Friday	Moved to a new slot during the quarter
	Qayamat Ki Raat	19.00 – 20.00	Saturday to Sunday	Horror genre on weekends
	Dil Hi To Hai	22.00 – 22.30	Monday to Friday	Restarted programming on SONY after a gap of 4years

## Shows expected in Q2



Kasautii Zindagii Kay – 2

Launching in September

## 3 new launches on TV – margins to improve as shows stabilise



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%

**Note :** Only includes commissioned programs

- **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
- **Realisation per hour continue to remain steady at Rs 0.34 cr per hour**
- **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.**



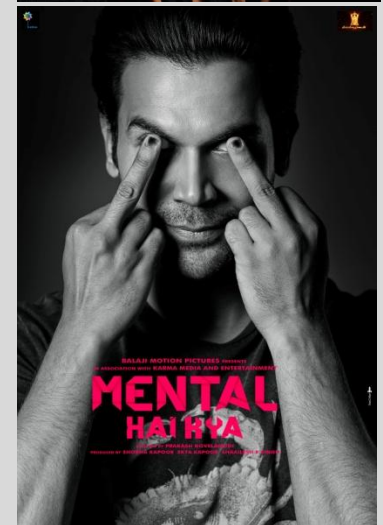
# Veere Di Wedding was a hit ... 2 more movies expected during the year



**Veere Di Wedding released 1<sup>st</sup> June**

**Gross collections Rs 143 cr**

## 2 entertaining movies yet to come





## Financials

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# Financial Highlights



## Television and Movie Business (Standalone business)

- **Revenue at Rs 133.7 cr comprising of Rs 67.9 cr from content production and Rs 65.8 cr from movies**
  - On QoQ basis revenues were up 50% on account of revenue from movies. Q4 FY18 had no releases vs. current quarter which had 1 release – Veere Di Wedding. TV production revenues remained flat across the two quarters
  - On a YoY basis revenues were down 12% on account higher revenues in the TV segment in Q1 FY18 which had 240 programming hours vs 170.5 programming hours in the current quarter.
- **EBITDA at Rs (0.9) cr, TV EBITDA at (6.9) cr and Movies at Rs 6.0 cr**
  - EBITDA is down primarily on account of new show launched in the TV business.
  - **Q1 FY19 had 3 new shows launched resulting in higher initial costs for the shows.** We follow a strategy of launching high cost and high impact initial episodes and recover these costs as the show progresses. Full year margins to remain in line with previous years.
  - **All marketing and distribution expenses related to Veere Di Wedding were expensed in the quarter**, however certain confirmed revenues on account of sale of satellite and digital rights that have been agreed but will only be accounted later once the movie is broadcast / released on the internet. This will result in **incremental EBITDA being accounted in subsequent quarters**
- **Net loss at Rs (1.2) cr.**
  - Loss includes an amount of Rs 2.5 cr on account of implementation of Ind AS 115 "Revenue from Contracts with Customers". This is a one time impact due to the adoption of this accounting standard

## ALTBalaji

- **ALTBalaji showing very strong revenue and subscription growth.** Q1 FY 19 revenues at Rs 5.8 cr vs Rs 0.80 cr in Q1 FY18 and full year FY 18 was Rs 6.8 cr, however if we were to remove the impact of IND-AS 115 the **revenue for ALTBalaji this quarter was at Rs 7.1 cr which is more than entire FY18 revenue of Rs 6.8 cr**

## Investments

- Total value of investments in mutual fund held across the Group as on 30<sup>th</sup> June 2018 was at Rs 428 cr

# BTL Standalone Financial Performance (TV + Movie Production)



Particulars (Amounts in INR Cr)	Q1 FY19	Q4 FY18	Q1 FY18	FY18
<b>Total Income from operations</b>	133.7	89.0	151.6	416.6
<b>Cost of Production</b>	122.4	61.3	124.9	315.1
<b>Gross Margin</b>	11.3	27.6	26.7	101.5
<b>Gross Margin %</b>	8%	31%	18%	24%
<b>Employee Benefits Expense</b>	3.6	3.9	4.2	16.0
<b>Other Expenses</b>	8.6	8.8	5.3	32.5
<b>EBITDA</b>	(0.9)	14.9	17.3	53.1
<b>EBITDA Margin %</b>	-1%	17%	11%	13%
<b>Depreciation and amortisation expense</b>	3.1	3.2	3.6	13.9
<b>Other Income</b>	2.9	6.0	2.0	16.6
<b>Exceptional Items</b>	-	-	-	9.1
<b>Profit / Loss Before Tax</b>	(1.1)	17.6	15.6	46.7
<b>Tax Expenses</b>	0.1	13.8	8.3	30.4
<b>Net Profit / Loss After Tax</b>	(1.2)	3.8	7.3	16.3
<b>Other Comprehensive Income</b>	(0.0)	0.0	(0.0)	(0.0)
<b>Total Comprehensive Income</b>	(1.2)	3.9	7.3	16.3

Note : numbers may not add up due to rounding

# BTL Consolidated Financial Performance



Particulars (Amounts in INR Cr)	Q1 FY19	Q4 FY18	Q1 FY18	FY18
<b>Total Income from operations</b>	123.4	93.7	144.6	413.3
<b>Cost of Production</b>	115.8	75.2	112.5	323.7
<b>Gross Margin</b>	7.7	18.6	32.2	89.6
<b>Gross Margin %</b>	6%	20%	22%	22%
<b>Marketing and Distribution</b>	12.9	11.9	28.5	55.2
<b>Employee Benefits Expense</b>	9.0	7.4	8.4	31.1
<b>Other Expenses</b>	13.8	18.6	10.0	55.1
<b>EBITDA</b>	(28.0)	(19.4)	(14.8)	(51.8)
<b>EBITDA Margin %</b>	-23%	-21%	-10%	-13%
<b>Depreciation and amortisation expense</b>	4.3	4.4	4.3	17.7
<b>Other Income</b>	5.4	3.9	3.6	19.0
<b>Exceptional Items</b>	-	-	-	9.1
<b>Loss Before Tax</b>	(26.9)	(19.8)	(15.5)	(59.6)
<b>Tax Expenses</b>	0.1	14.1	7.9	(13.2)
<b>Loss After Tax</b>	(27.0)	(33.9)	(23.4)	(46.3)
<b>Other Comprehensive Income</b>	(0.0)	(0.0)	(0.0)	(0.1)
<b>Total Comprehensive Income</b>	(27.1)	(33.9)	(23.4)	(46.4)

Note : numbers may not add up due to rounding



# Legal Entity wise performance : Q1 FY19



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALT (Digital)	MFPL	CBEPL	Eliminations	Consol
Net Sales / Income from Operations	133.2	2.3	5.8	1.1	1.0	20.4	123.0
Other Operating Income	0.4						0.4
<b>Total Income</b>	<b>133.7</b>	<b>2.3</b>	<b>5.8</b>	<b>1.1</b>	<b>1.0</b>	<b>20.4</b>	<b>123.4</b>
Cost of Production	112.2		18.6	1.1	1.0	(17.0)	115.8
Marketing and Distribution Expenses	10.2		2.7				12.9
Staff Cost	3.6	0.3	3.5			1.6	9.0
Finance Cost		0.1				(0.1)	
Depreciation	3.1		1.2				4.3
Other Expenditure	8.6	0.2	8.8			(3.9)	13.8
<b>Total Expenditure</b>	<b>137.6</b>	<b>0.7</b>	<b>34.7</b>	<b>1.1</b>	<b>1.0</b>	<b>(19.4)</b>	<b>155.7</b>
Profit / (Loss) from Operation Before Other Income	(4.0)	1.6	(28.9)	0.1	(0.1)	1.0	(32.3)
Other Income	2.9		2.5	1.4		1.4	5.4
Profit/(loss) before tax & exceptional items	(1.1)	1.6	(26.4)	1.5	(0.1)	2.5	(26.9)
Profit / (Loss) from Ordinary Activities Before Tax	(1.1)	1.6	(26.4)	1.5	(0.1)	2.5	(26.9)
Tax Expenses	0.1						0.1
<b>Net Profit / (Loss) from continuing operations</b>	<b>(1.2)</b>	<b>1.6</b>	<b>(26.4)</b>	<b>1.5</b>	<b>(0.1)</b>	<b>2.5</b>	<b>(27.0)</b>

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 2 years, 75% of the cost in the first year and 25% in the second year
- Acquired content is amortised over license period



# Thank You

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