



*Palaji Telofilms Ltd.*

# Quarterly Performance Update

---

Q3 FY19

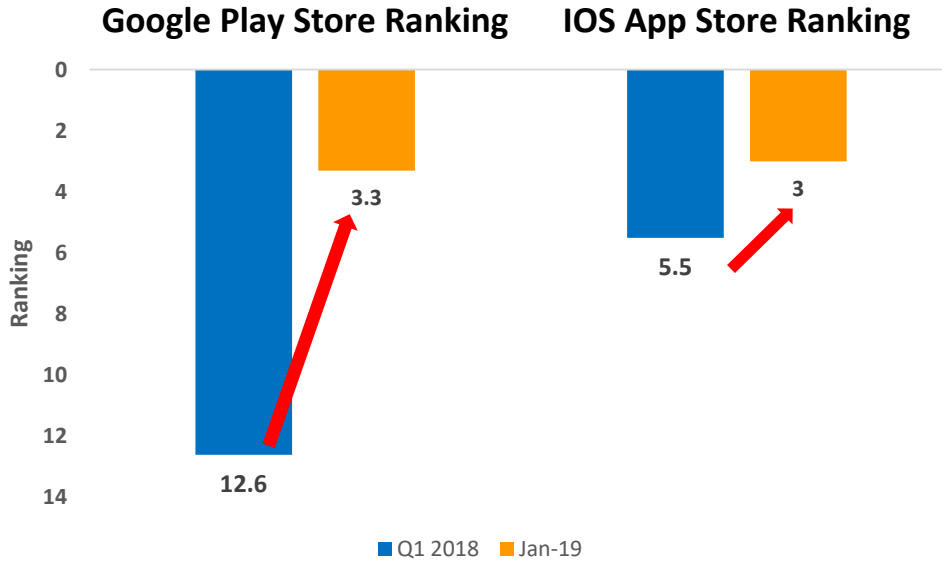
# Business Operations Continues to be Strong



Balaji Telefilms continues to build an exciting and consumer centric entertainment business. Our TV business remains the #1 content creator for Indian Prime Time. ALTBalaji is currently in the Top 3 Subscription OTT apps in the country and our selective investments in the movie business are rewarding.

- **2018 has been a stellar year for Balaji Telefilms** on Television delivering hit after hit – **16% market share** in Prime Time Ratings, this is **more than 2X of its nearest competing production house** and more than Production House ranked 2<sup>nd</sup> and 3<sup>rd</sup> combined.
  - **3 out of the Top 5 shows** for the entire year including the **#1 Weekend Show and #1 and #2 Daily Shows** were produced by Balaji Telefilms.
  - **27% QoQ improvement in Gross margins**, driven by improved execution during the quarter
- No movie released in this quarter. We continue to **focus on pre-sales** to mitigate the commercial risk in the business. Slate for FY20 currently include 4 movies and **production cost for these movies have already been recovered via pre-sales**
- As per the latest App Annie State of Mobile Report 2019 - **ALTBalaji ranked No.3 in the list of Top Video Streaming Apps by Consumer Spend for 2018**. ALTBalaji ever subscribed base was at 13.1m vs 8.9m last reported. Monthly active users stood at 4.6m vs 2.3m\*
- **1.5x growth in direct subscriptions** in the last month on the back of targeted digital marketing campaigns
- **6 shows released this quarter** taking the total number of shows to 33 (currently) – Apharan has done exceedingly well and is one of the **most watched shows** on our platform and also in the **Top 5 to trigger subscriptions**. Committed content pipeline at 60 shows

# ALTBalaji One of India's Most Loved OTT Apps



Source: Google Play Store & iOS Ranking based on Daily Grossing

- AltBalaji's ranking based on Sales within IOS and Google Playstore has jumped from an **Average Rank of 12.6 in Jan 2018 to 3.3 in Jan 2019**. Similarly on the IOS store we have improved from **5.5 rank to 3<sup>rd</sup> rank**.

## 2018 - Top Video Streaming Apps by Consumer Spend

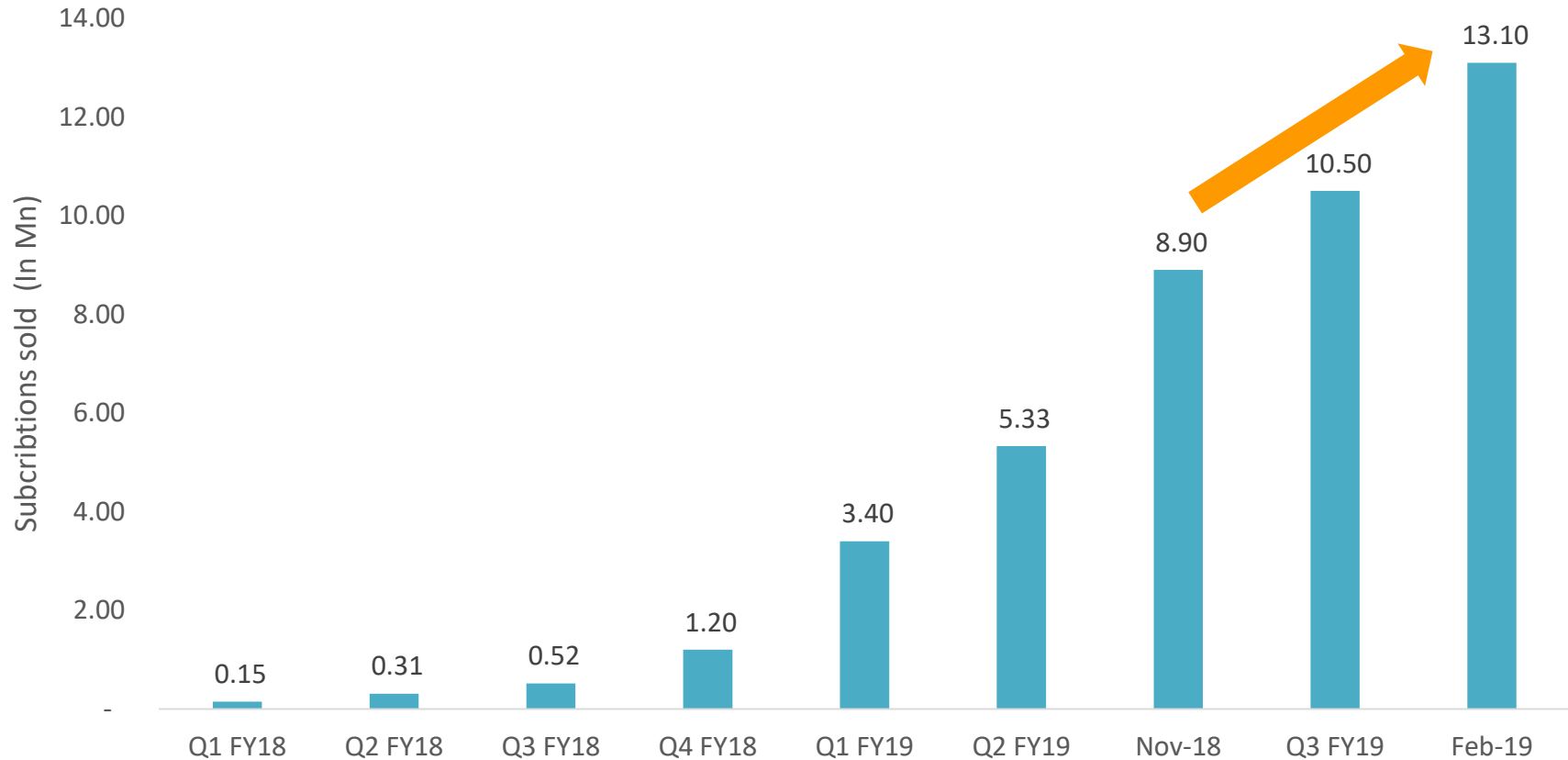
Rank	India	US	China	UK
1	Netflix	Netflix	Tencent video	Netflix
2	Hotstar	Youtube	iQIYI	Youtube
3	BIGO LIVE	HBO NOW	Youku	ITV Player
4	Live.me	Hulu	Momo	DisneyLife
5	ALTBalaji	Youtube TV	ImgoTV	BIGO LIVE
	Non OTT			

Source: App Annie State of Mobile Report 2019

Based on Grossing within the Entertainment Category on iOS and Google BIGO,Live.met,Momo – User generated video – not OTT

- As per the latest App Annie State of Mobile Report **ALTBalaji ranked No.3 in the list of Top Video Streaming Apps by Consumer Spend**.
- ALTBalaji average price is **Rs 25 a month** vs others at Rs 100+ a month

# Consistent growth in subscriptions



## Continuous growth in consumer adoption is a validation of

1. ALTBalaji's unique clutter breaking content – individual and polarized content
2. Affordable and “Made for India” pricing – At less than a Rupee a Day

# ALTBalaji Continues To Win Awards ...



**18**  
THE IFA AWARDS



**SUPRIYA PILGAONKAR**  
BEST ACTRESS - WEB SERIES

*Home*  
It's a feeling



**18**  
THE IFA AWARDS



**ANNU KAPOOR**  
BEST ACTOR - WEB SERIES

*Home*  
It's a feeling



**18**  
THE IFA AWARDS

**ALTBalaji**  
WINS PREMIER WEB  
CHANNEL AWARD





# And More Awards..



**DIGITAL HASH**

A GREAT END TO  
**2018**  
CONGRATULATING ALL THE WINNERS

**ALTBALAJI**

 <p><b>ARUNODAY SINGH</b> BEST ACTOR (MALE) APHARAN</p>	 <p><b>HARLEEN SETHI</b> BEST DEBUT BROKEN BUT BEAUTIFUL</p>	 <p><b>VIKRANT MASSEY</b> BREAKTHROUGH PERFORMANCE BROKEN BUT BEAUTIFUL</p>
 <p><b>SIDHARTH SENGUPTA</b> BEST DIRECTOR APHARAN</p>	 <p><b>MOHINDER PRATAP SINGH</b> BEST WRITER APHARAN</p>	 <p><b>APHARAN</b> BEST WEB SERIES</p>

#ALTBalajiOriginal

#PatchWall  
**BINGE**  
Awards 2018

**BOSE**  
DEAD / ALIVE

WINS  
POPULAR ORIGINAL  
IN HINDI



#ALTBalajiOriginal

ITNA PYAAR DEKH KAR  
HUMSE RAHA NAHI JAA RAHA...

★ **9.0/10** **IMDb**

WATCH NOW



**344**  
सबका कटेगा

# TV business improving, Content line up continues to build






Particulars	QoQ change	YoY change	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17	Full Year FY18
Programming Hours	3%	11%	199	193	170.5	160	179	819
Revenue (Rs Cr)	3%	30%	79.3	77.1	57.34	53.2	59.4	270.6
Realisation / Hour (Rs Cr)	0%	21%	0.40	0.40	0.34	0.33	0.33	0.33
Gross Margin (Rs Cr)	27%	-6%	21.11	16.6	0.72	16.5	22.5	80.3
Gross Margin / Hour (Rs Cr)	22%	-15%	0.11	0.09	0.004	0.10	0.13	0.10
Gross Margin %	26%	-28%	27.3%	21.6%	1.2%	31.0%	37.9%	29.7%

**Note :** Only includes commissioned programs

- **27% increase in gross margin on a sequential quarter on quarter** - Gross margins improvement driven by better operating efficiencies and cost control, with marginal top line growth
- Shows launched in Q1 FY19 have become margin accretive, after high impact initial episodes
- On a yearly basis average revenue per hour has improved from 0.33cr an hour to 0.40cr – **21% growth**

# #1 Generator of Prime Time Ratings Consistently



Broadcaster	Show Name	Time	Schedule	Notes
	Naagin 3	20.00 – 21.00	Saturday to Sunday	# 1 show on weekends
	Dil Hi Toh Hai	22.00 – 22.30	Monday to Thursday	Show ended during this quarter
	Ye Hai Mohabbatein	22.30 - 23.00	Monday to Friday	Daily show since December 2013
	Kasautii Zindagii Kay	20.00 – 20.30	Monday to Friday	Reboot of an epic love drama
	Qayamat Ki Raat	19.00 – 20.00	Saturday to Sunday	Introduced horror 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
	Daayan	21:00-22:00	Saturday to Sunday	Supernatural drama for &TV

**Balaji Telefilms is the only production house with 3 fiction shows featuring in top 10 list**



# Exciting movie line up, Mental Hai Kya releases March 29 2019



- No movies were released in Q3 2019
- **Gearing up for the release of Mental Hai Kya**
  - Movie starring Rajkumar Rao and Kangana Ranaut
  - Company has already recovered production costs associated with this movie via pre-sales
- **Slate for FY20 currently include 4 movies and production costs for these movies have already been recovered via pre-sales**
  - Dolly Kitty Aur woh Chamakte Sitare
  - Jabariya Jodi
  - DreamGirl
  - Kaju





## Financials

---

# Financial Highlights



## Television and Movie Production (Standalone business)

- **Q3 FY 19 Revenue from Operations at Rs 111.5 cr** comprising of Rs 103.8 cr from content production and Rs 7.7 cr from movies
- **9M FY 19 Revenues from Operations at Rs 358.2 cr** – Rs 260.1 cr from content production and Rs 98.1 cr from movies
- **Gross Margins for Standalone business at 23%**. TV margins this quarter has improved 27% on account of better operating efficiencies and cost control as shows launched in Q1 have turned profitable
- **Q3 FY 19 EBITDA at Rs 13.2 cr, 9M FY19 EBITDA at Rs 16.1cr**
- **Net profit after Tax at Rs 12 cr for the quarter** and Rs 17.9 cr for 9m FY19

## ALTBalaji

- **ALTBalaji continues to grow its subscription revenues** – Q3 FY19 revenues at Rs 8 cr and 9M FY19 revenues at Rs 28.1cr.

## Investments

- **Total value of investments in Mutual funds across the Company as on 31<sup>st</sup> December 2018 was at Rs 323 cr**

# BTL Standalone Financial Performance (TV + Movie Production)



Particulars (Amounts in INR Cr)	Q3 FY19	Q2 FY19	Q3 FY18	9M FY19	9M FY18	FY18
<b>Total Income from operations</b>	111.5	113.0	70.9	358.2	327.6	416.6
Cost of Production	86.3	89.9	46.6	288.4	245.1	315.1
<b>Gross Margin</b>	25.2	23.1	24.3	69.8	82.6	101.5
Gross Margin %	23%	20%	34%	19%	25%	24%
Marketing and Distribution	0.6	5.5	0.5	16.3	8.7	13.1
Employee Benefits Expense	6.7	5.4	3.3	15.6	12.0	16.0
Other Expenses	4.8	8.4	8.1	21.7	23.7	32.5
<b>EBITDA</b>	13.2	3.8	12.4	16.1	38.2	53.1
<b>EBITDA Margin %</b>	12%	3%	17%	4%	12%	13%
Depreciation and amortisation	3.1	3.5	3.3	9.8	10.7	13.9
Other Income	7.8	7.6	3.6	18.4	10.6	16.6
Exceptional Items					9.1	9.1
Profit Before Tax	17.9	7.9	12.6	24.7	29.1	46.7
Tax Expenses	5.9	0.7	3.3	6.7	16.6	30.4
<b>Net Profit After Tax</b>	12.0	7.1	9.3	17.9	12.5	16.3
<b>Total Comprehensive Income</b>	12.0	7.1	9.3	17.9	12.4	16.3

Note : numbers may not add up due to rounding

# BTL Consolidated Financial Performance



Particulars (Amounts in INR Cr)	Q3 FY19	Q2 FY19	Q3 FY18	9M FY19	9M FY18	FY18
<b>Total Income from operations</b>	96.3	119.1	64.7	338.8	319.1	413.3
<b>Cost of Production</b>	87.7	100.7	46.3	304.2	248.6	323.7
<b>Gross Margin</b>	8.6	18.4	18.5	34.7	70.5	89.6
<b>Gross Margin %</b>	9%	15%	29%	10%	22%	22%
<b>Marketing and Distribution</b>	10.7	11.2	7.0	34.8	43.3	55.2
<b>Employee Benefits Expense</b>	14.2	13.1	6.9	36.3	23.7	31.1
<b>Other Expenses</b>	9.8	12.8	12.1	36.4	36.4	55.1
<b>EBITDA</b>	(26.2)	(18.6)	(7.5)	(72.8)	(32.9)	(51.8)
<b>EBITDA Margin %</b>	-27%	-16%	-12%	-21%	-10%	-13%
<b>Depreciation and amortisation</b>	4.4	4.8	4.2	13.5	13.3	17.7
<b>Other Income</b>	9.0	9.0	5.1	23.3	15.6	19.0
<b>Exceptional Items</b>					9.1	9.1
<b>Loss Before Tax</b>	(21.6)	(14.5)	(6.6)	(63.0)	(39.7)	(59.6)
<b>Tax Expenses</b>	5.7	1.0	(31.4)	6.8	(27.3)	(13.2)
<b>Loss After Tax</b>	(27.3)	(15.4)	24.8	(69.8)	(12.4)	(46.3)
<b>Total Comprehensive Income</b>	(27.3)	(15.5)	24.8	(69.9)	(12.5)	(46.4)

Note : numbers may not add up due to rounding



# Legal Entity wise performance : Q3 FY19



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALT (Digital)	MFPL	CBEPL Eliminations	Consol
Net Sales / Income from Operations	111.3	0.2	8.0		23.4	96.2
Other Operating Income	0.2					0.2
<b>Total Income</b>	111.5	0.2	8.0		23.4	96.3
Cost of Production	86.3		22.4		(0.1) (21.0)	87.7
Marketing and Distribution Expenses	0.6		10.1			10.7
Staff Cost	6.7	0.9	4.2		2.5	14.2
Finance Cost		0.1	0.1		(0.2)	0.0
Depreciation	3.1		1.2			4.4
Other Expenditure	4.8	0.1	7.6		(2.7)	9.8
<b>Total Expenditure</b>	101.5	1.0	45.8		(21.4)	126.9
Profit / (Loss) from Operation Before Other Income	10.0	(0.8)	(37.7)		2.0	(30.6)
Other Income	7.8		1.3		0.2	9.0
Profit / (Loss) from Ordinary Activities Before Tax	17.9	(0.8)	(36.4)		2.2	(21.6)
Tax Expenses	5.9	(0.2)				5.7
<b>Net Profit / (Loss) from continuing operations</b>	12.0	(0.7)	(36.4)		2.2	(27.3)

Note : numbers may not add up due to rounding

# Legal Entity wise performance : 9M FY19



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALT (Digital)	MFPL	CBEPL	Eliminations	Consol
Net Sales / Income from Operations	357.1	3.2	28.1	1.1	1.0	52.8	337.8
Other Operating Income	1.1						1.1
<b>Total Income</b>	358.2	3.2	28.1	1.1	1.0	52.8	338.8
Cost of Production	288.4		60.3	1.1	1.3	(46.9)	304.2
Marketing and Distribution Expenses	16.3		18.5				34.8
Staff Cost	15.6	2.1	12.3			6.3	36.3
Finance Cost		0.3	0.1		0.0	(0.4)	0.0
Depreciation	9.8		3.6		0.1		13.5
Other Expenditure	21.7	0.4	23.5	0.1	0.1	(9.5)	36.3
<b>Total Expenditure</b>	351.9	2.8	118.3	1.2	1.5	(50.5)	425.1
Profit / (Loss) from Operation Before Other Income	6.3	0.4	(90.2)	(0.1)	(0.6)	2.3	(86.3)
Other Income	18.4		5.3	1.4		1.8	23.3
Profit / (Loss) from Ordinary Activities Before Tax	24.7	0.4	(84.9)	1.4	(0.6)	4.0	(63.0)
Tax Expenses	6.7	0.1					6.8
<b>Net Profit / (Loss) from continuing operations</b>	17.9	0.3	(84.9)	1.4	(0.6)	4.0	(69.8)

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

---

**Balaji Telefilms Limited**

**CIN : L99999MH1994PLC082802**

<http://www.balajitelefilms.com>

Kartik Sankaran – Sr. Vice President - Investor Relations

Simmi Singh Bisht - Group Head – Secretarial

Tel: +91 22 4069 8000

E-mail: [kartik.sankaran@balajitelefilms.com](mailto:kartik.sankaran@balajitelefilms.com)

[simmi.bisht@balajitelefilms.com](mailto:simmi.bisht@balajitelefilms.com)