



*Palaji Telefilms Ltd.*

# Quarterly Performance Update

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Q4 FY21 and Full Year FY21

# ALTBalaji – 4.7m subscriptions sold for the year – up 42% YoY



Consolidated Financials (In Rs Cr)	Q4FY21	Q3FY21	Q4FY20	FY21	FY20
Total Income from operations	74.9	105.5	107.7	293.7	573.6
Cost of Production	77.7	86.3	74.7	261.0	389.4
Gross Margin	-2.8	19.2	33.0	32.7	184.2
Gross Margin %	-4%	18%	31%	11%	32%
EBITDA Profit / Loss	-41.3	-24.0	-0.8	-104.0	10.7
EBITDA Margin %	-55%	-23%	-1%	-35%	2%
Loss Before Tax and after exceptional items	-34.8	-29.2	-12.7	-110.4	-22.2
Loss After Tax	-39.9	-31.6	-19.8	-118.9	-59.0

- Overall financial performance for the year impacted by COVID-19 impact on TV and Movie business, digital remains strong
  - FY20 had hit movie “Dream Girl” which contributed significantly to overall profitability
- ALTBalaji total subscriptions sold for the year at 4.7m vs 3.4m in FY20, direct subscription revenues at Rs 54cr vis Rs 37cr
- Current active subscriber base at 2.3m\* and 83\* shows live on the platform
- TV business returned to normal in Q4 with 223 hours of production across 8 shows and strong pipeline for the year
  - Total hours for the year at 584 hours vs 823 in FY20 though realisation rates remain low given broadcast uncertainties
- 2 movies sold to digital platforms in the year as theatres remain closed - Current 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 144 cr
- The Board has considered and approved a dividend of 10% (Rs 0.20 per share) subject to shareholder approval

\* Note as on 17<sup>th</sup> June 2

# 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 83\* 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
- ALTBalaji signed co-sharing deals with other OTT platforms to drive creative and operational synergies
- Pricing remains at Rs 300 a year / Rs 100 a quarter (less than Re 1 a day making it affordable to mass audiences)
- Overall revenue for the year as per IND-AS at 61cr, however additional 16.3cr of revenue to be accounted in FY22 as deferred revenue

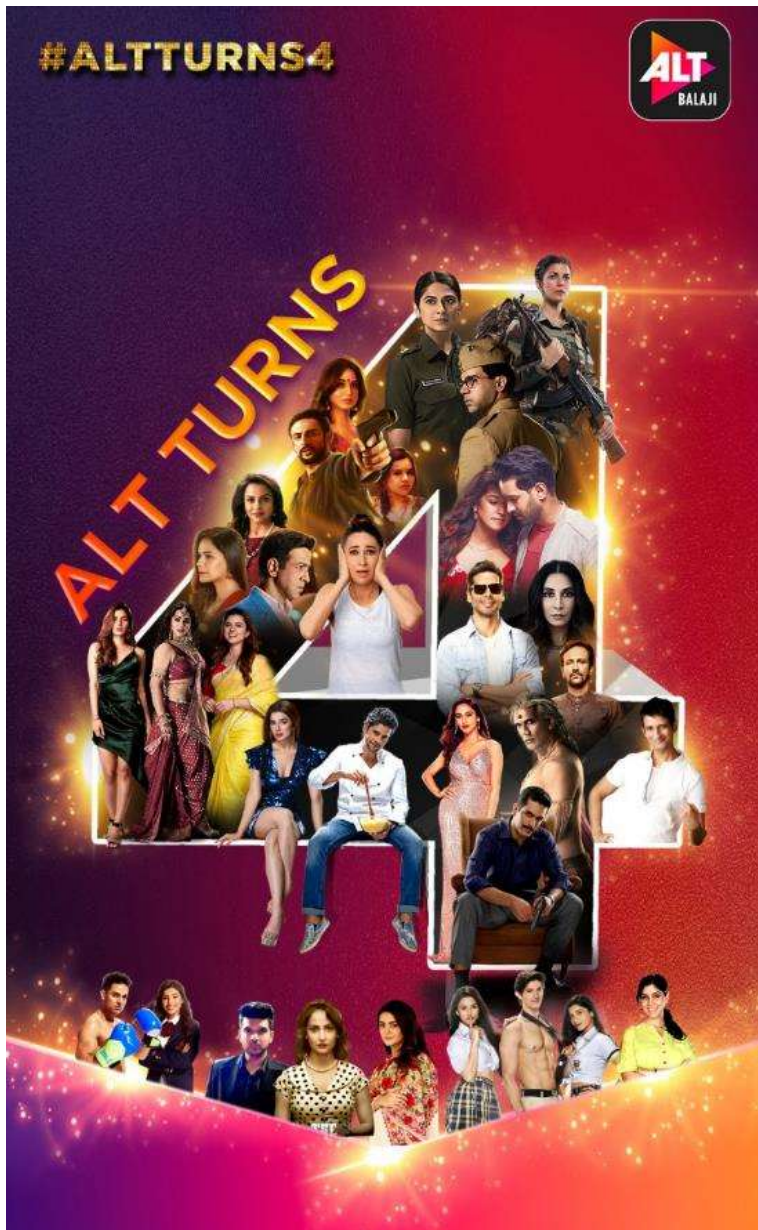
## **TV business now returned to normal levels, very robust pipeline of new shows**

- TV business returned to more normal production with 223 hours content produced in the quarter
- 8 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
  - Other shows include Prem Bandhan on Dangal, Kuch to Hai on Colors and Brahmarakshas 2 on Zee.
  - Naagin 5 came to an end in the quarter
- Hourly realizations remain soft at Rs 30 lakhs per hr and expected to remain soft as broadcasters continue to assess COVID 19 impact.
- 4 confirmed new shows (across 3 broadcasters) 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

# ALTBalaji – Turns 4 : One of India's homegrown OTT success stories



**ALTBalaji was launched to cater to young digital audiences who wanted fresh original content**

**Significant success achieved since launch and continue to focus on curating content for digital first audiences**

**80%**

**Audience below 35**

**83**

**Shows**

**12m+**

**Subscriptions Sold**

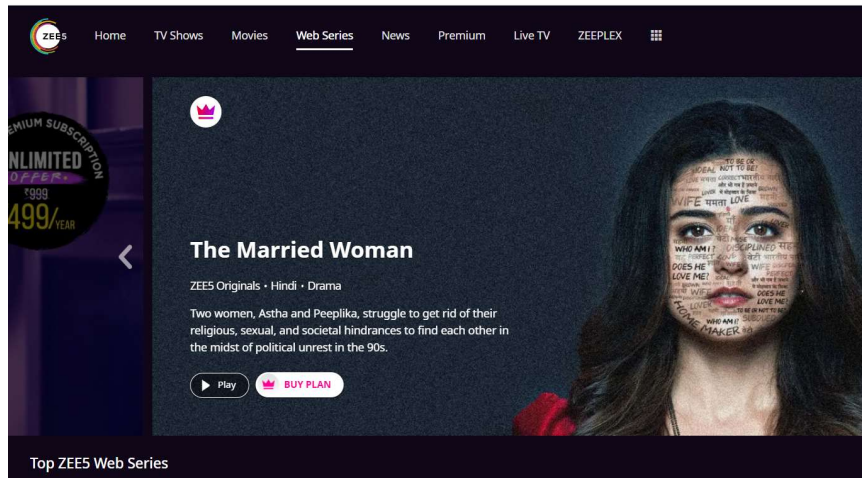
**6bn**

**Minutes Binged**

**1.1bn**

**Video Views**

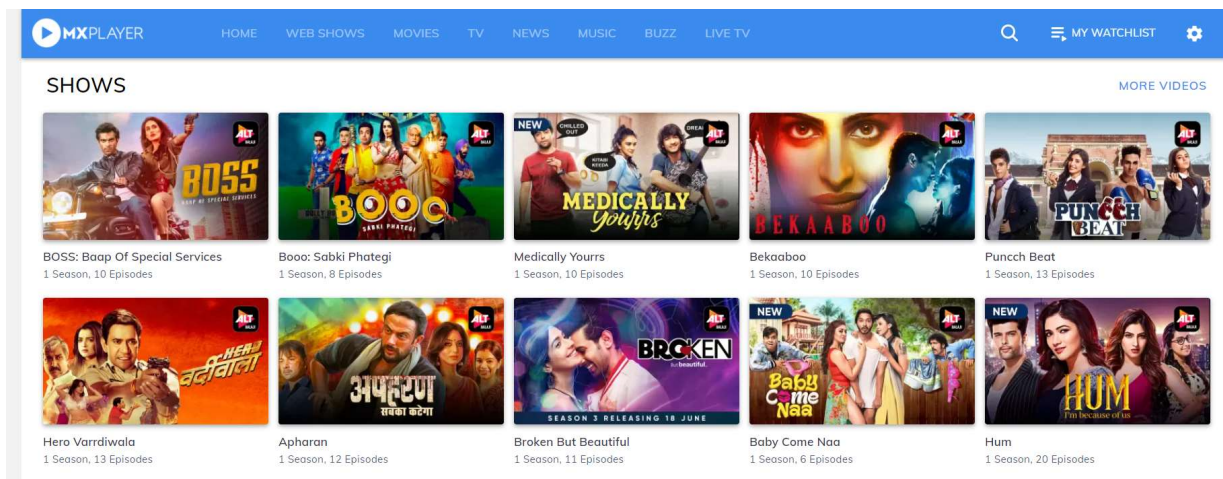
# ALTBalaji – 2 Strategic Partnerships for creative synergies



**Strategic partnerships with two leading OTT players**

**Exclusive content created for each partner**

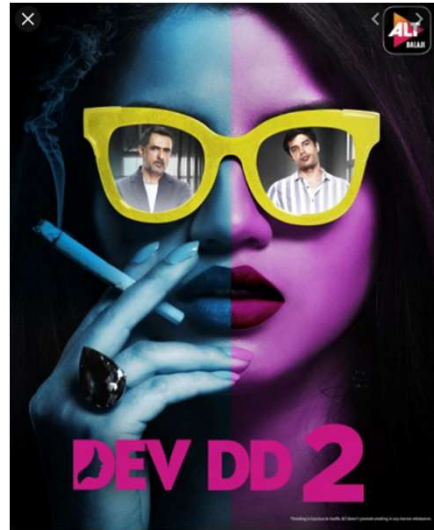
**Content co-sharing between partners and ALTBalaji**



**ALTBalaji remains the single destination for all the shows**



## 8 shows added in the 4<sup>th</sup> quarter - robust slate for FY22



**Total library of original shows at 83**

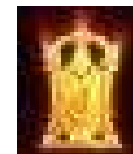
**Ready production ecosystem with strategic collaborations in place**

**Content cost escalation on account of COVID-19**

**40+ shows signed and committed to**



# 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 4 new shows signed. Volume growth to drive revenues and pricing remains soft
  - 2 shows on Sony
  - 1 show on Colors
  - 1 show on Zee
- Shows during the quarter

Broadcaster	Show
Zee	<ul style="list-style-type: none"><li>• Kumkum Bhagya</li><li>• Kundali Bhagya</li><li>• Brahmarakshas 2</li></ul>
Star	<ul style="list-style-type: none"><li>• Yeh Hai Chhatein</li></ul>
Colors	<ul style="list-style-type: none"><li>• Molkki</li><li>• Naagin 5</li><li>• Kuch To Hai</li></ul>
Dangal	<ul style="list-style-type: none"><li>• Prem Bandhan</li></ul>

- 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 in pre-production stage
  - One more movie which is an official adaptations yet to start production



## Financials

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# BTL Consolidated Financial Performance



In Rs Cr	Q4 FY21	Q3 FY21	Q4 FY20	FY21	FY20
<b>Total Income from operations</b>	74.9	105.5	107.7	293.7	573.6
Cost of Production	77.7	86.3	74.7	261.0	389.4
<b>Gross Margin</b>	-2.8	19.2	33.0	32.7	184.2
<i>Gross Margin %</i>	-4%	18%	31%	11%	32%
Marketing and Distribution	15.3	19.1	5.0	46.9	60.6
Employee Benefits Expense	4.4	7.3	8.6	24.6	36.4
Other Expenses	18.8	16.8	20.2	65.3	76.4
<b>EBITDA</b>	-41.3	-24.0	-0.8	-104.0	10.7
<i>EBITDA Margin %</i>	-55%	-23%	-1%	-35%	2%
Finance Cost	0.8	0.2	0.6	1.7	2.7
Depreciation and amortisation	5.9	7.4	9.7	28.6	38.8
Other Income	2.8	2.3	-1.6	13.4	8.6
Exceptional Items	10.4	0.0	0.0	10.4	0.0
Profit / Loss Before Tax	-34.8	-29.2	-12.7	-110.4	-22.2
Tax Expenses	5.1	2.4	7.2	8.5	36.8
<b>Net Profit After Tax</b>	-39.9	-31.6	-19.8	-118.9	-59.0

Note : Numbers may not add up due to rounding

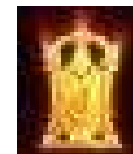
Segment Revenue*	FY21	FY20
TV	274	421
Movies	43	172
ALTBalaji	61	78

\* pre elimination.

## Notes

- FY20 had the super successful movie Dream Girl resulting in higher revenues and profitability
- Gross margin in TV business reduced on account of lower realizations (volume and rate down as broadcasters contend with COVID-19), increased costs due to COVID-19 protocols
- ALTBalaji revenues does not include Rs 16.3cr of deferred revenue on account of IND-AS
- Increased marketing spend for ALTBalaji during the year on the back of increased show releases
- Reduction in overheads and employee benefit expenses during the year
- Exceptional item on account of income tax refund of earlier years

# BTL Consolidated Balance Sheet



Particulars (Rs Cr)	31-Mar-21	31-Mar-20	Particulars (Rs Cr)	31-Mar-21	31-Mar-20
<b>Equity</b>			<b>Non-current assets</b>		
Equity Share Capital	20.2	20.2	Property, plant and equipment	21.0	27.9
Other Equity and non control interest	553.2	672.0	Right to use assets	4.7	28.8
<b>Total Equity</b>	<b>573.4</b>	<b>692.2</b>	Investments	15.0	3.6
			Other Financial Assets	152.5	73.4
<b>Non Current Liabilities</b>	<b>1.0</b>	<b>8.3</b>	<b>Total Non Current Assets</b>	<b>193.2</b>	<b>133.8</b>
<b>Current Liabilities</b>			<b>Current Assets</b>		
Trade and Other Payables	160.1	118.9	Inventories	219.3	155.8
Others	32.3	68.3	Investments	28.0	122.6
<b>Total Current Liabilities</b>	<b>192.4</b>	<b>187.2</b>	Trade Receivables	116.9	176.7
			Cash and Cash Equivalent	77.1	19.9
<b>Total Equity + Liabilities</b>	<b>766.8</b>	<b>887.8</b>	Others	132.3	279.0
			<b>Total Current Assets</b>	<b>573.7</b>	<b>754.0</b>
			<b>Total Assets</b>	<b>766.8</b>	<b>887.8</b>

Note : numbers may not add up due to rounding

# Legal Entity Wise Performance : Q4 FY21



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALTBalaji	MFPL	CBEPL	Elimination	Consol
Net Sales / Income from Operations	98.97	0.25	11.41			35.80	74.82
Other Operating Income	2.67					2.61	0.06
<b>Total Income</b>	<b>101.64</b>	<b>0.25</b>	<b>11.41</b>			<b>38.41</b>	<b>74.88</b>
Cost of Production	79.01		37.23			-38.58	77.66
Marketing and Distribution Expenses	0.61		14.93			-0.25	15.29
Staff Cost	1.34	0.45	2.05			0.59	4.43
Other Expenditure	9.49	0.16	9.73	0.02	-0.03	-0.59	18.78
<b>EBITDA</b>	<b>11.19</b>	<b>-0.36</b>	<b>-52.53</b>	<b>-0.02</b>	<b>0.03</b>	<b>0.42</b>	<b>-41.28</b>
Finance Cost	0.79	0.37	0.08			-0.42	0.82
Depreciation	5.56		0.39		-0.00		5.95
<b>Total Expenditure</b>	<b>96.79</b>	<b>0.98</b>	<b>64.41</b>	<b>0.02</b>	<b>-0.03</b>	<b>-38.83</b>	<b>122.93</b>
Profit / (Loss) from Operation Before Other Income	4.85	-0.73	-53.00	-0.02	0.03	-0.90	-48.04
Other Income	3.08		0.23	0.00	-0.06	0.42	2.84
Profit / (Loss) from Ordinary Activities Before Tax	7.93	-0.73	-52.77	-0.01	-0.03	-0.40	-45.21
Tax Expenses	5.09						5.09
Exceptional Items	10.44						10.44
<b>Net Profit / (Loss) from continuing operations</b>	<b>13.28</b>	<b>-0.73</b>	<b>-52.77</b>	<b>-0.01</b>	<b>-0.03</b>	<b>-0.42</b>	<b>-39.86</b>

# Legal Entity Wise Performance : FY21



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALTBalaji	MFPL	CBEPL	Elimination	Consol
Net Sales / Income from Operations	307.0	1.2	61.1			77.9	291.5
Other Operating Income	8.7					6.5	2.2
<b>Total Income</b>	<b>315.8</b>	<b>1.2</b>	<b>61.1</b>			<b>84.4</b>	<b>293.7</b>
Cost of Production	243.4		105.9			-88.3	261.0
Marketing and Distribution Expenses	2.1		46.0			-1.2	46.9
Staff Cost	10.1	2.2	8.0			4.3	24.6
Other Expenditure	22.7	0.4	46.3	0.0	0.1	-4.3	65.3
<b>EBITDA</b>	<b>37.4</b>	<b>-1.4</b>	<b>-145.1</b>	<b>-0.0</b>	<b>-0.1</b>	<b>5.1</b>	<b>-104.0</b>
Finance Cost	1.5	1.8	0.4			-2.0	1.7
Depreciation	26.3		2.3				28.6
<b>Total Expenditure</b>	<b>306.2</b>	<b>4.3</b>	<b>208.9</b>	<b>0.0</b>	<b>0.1</b>	<b>-91.5</b>	<b>428.0</b>
Profit / (Loss) from Operation Before Other Income	9.6	-3.1	-147.7	-0.0	-0.1	-7.1	-134.3
Other Income	13.8	0.0	1.5	0.1	-	2.0	13.4
Profit / (Loss) from Ordinary Activities Before Tax	23.4	-3.1	-146.2	0.0	-0.1	-5.1	-120.8
Tax Expenses	8.5						8.5
Exceptional Items	10.4						10.4
<b>Net Profit / (Loss) from continuing operations</b>	<b>25.3</b>	<b>-3.1</b>	<b>-146.2</b>	<b>0.0</b>	<b>-0.1</b>	<b>-5.1</b>	<b>-118.9</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 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**

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