

Balaji Telefilms Ltd.

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Website : www.balajitelefilms.com
CIN No.: L99999MH1994PLC082802



November 09, 2021

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Stock Code: 532382

National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400 051
Stock Code: BALAJITELE

Sub: Outcome of Board Meeting held on November 09, 2021

Dear Sir/Madam,

This is further to our letter dated November 09, 2021 intimating the outcome of Board Meeting for consideration and approval of Unaudited Financial Results for the quarter and half year ended September 30, 2021. We are hereby submitting Quarterly Performance Report and Press Release in this regard.

The above information will also be made available on the Company's website, www.balajitelefilms.com

You are requested to take the aforementioned information on your record.

Thanking you,

Yours Faithfully,

For Balaji Telefilms Limited

Sanjay Dwivedi
Group Chief Financial Officer



Encl: a/a



Quarterly Performance Update

Q2 FY22 and H1 FY22

ALTBalaji – 2.9m subscriptions sold for the half-year – up 69% YoY



Consolidated Financials (In Rs Cr)	Q2 FY22	Q1 FY22	Q2 FY21	H1 FY22	H1 FY21
Total Income from operations	76.7	64.8	78.3	141.5	113.3
Cost of Production	80.9	57.4	60.5	138.3	97.0
Gross Margin	-4.2	7.4	17.8	3.2	16.3
<i>Gross Margin %</i>	-5%	11%	23%	2%	14%
EBITDA Loss	-38.5	-30.4	-12.4	-68.9	-38.7
<i>EBITDA Margin %</i>	-50%	-47%	-16%	-49%	-34%
Loss Before Tax	-40.7	-33.4	-17.6	-74.2	-46.4
Loss After Tax	-39.4	-33.9	-19.5	-73.3	-47.4

- ALTBalaji total subscriptions sold for H1FY22 at 2.9m vs 1.7m in H1FY21, direct subscription revenues at Rs 34 cr vs Rs 24 cr.
- Current active subscriber base at 1.45m and 87 shows live on the platform
- TV business returned to normal in H1 with 363.5 hours of production across 7 shows and strong pipeline for the year
 - realisation rates remain low given broadcast uncertainties
 - 3 new shows launched during the quarter have impacted the margins
- Current movie pipeline include 5 exciting projects

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 87 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
- Pricing remains at Rs 300 a year (less than Re 1 a day making it affordable to mass audiences)
- Overall revenue for the H1 as per IND-AS at 39cr, however additional 14 cr of revenue to be accounted in next 4 quarters as deferred revenue

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

- TV business returned to more normal production with 363.5 hours content produced in the half-year
- 7 shows were on air
 - 4 shows running through the quarter - Kumkum Bhagya, Kundali Bhagya on Zee, Yeh Hai Chhatein on Star and Molkki on Colors
 - Started Bade Acche Lagte Hain 2, Kkusum (Marathi) on Sony and Bhagya Lakshmi on Zee
- Hourly realizations remain muted at Rs 28 lakhs per hr and expected to remain soft as broadcasters continue to asses COVID 19 impact.
- 5 new shows lined up, 2 replacements & 3 new shows, including one on Doordarshan

Movies –working on 5 projects

- 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



CONTENT – New Launches



3 shows launched
in last quarter



IMDb

TOP IMDB SHOWS



8.2 ★



8.7 ★



8.7 ★



8.3 ★



8.4 ★



8.8 ★



8.1 ★

ALT shows getting critical acclaim and high IMDb ratings leading to creating franchise

- Cartel
- Broken But Beautiful
- Mai Hero Boll Raha Hu
- Apharan
- The Test Case
- Bose
- Home – it's a feeling

TV and Movie returns to normal, strong pipeline heading into FY22



- 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 5 new shows (including replacements). Volume growth to drive revenues and pricing remains soft
 - 2 shows on Colors
 - 1 show on Sony
 - 1 show on Zee
 - 1 DD
- Shows on Air :

Broadcaster	Show
Zee	<ul style="list-style-type: none">• Kumkum Bhagya• Kundali Bhagya• Bhagya lakshmi
Star	<ul style="list-style-type: none">• Yeh Hai Chhatein
Colors	<ul style="list-style-type: none">• Molkki
Sony	<ul style="list-style-type: none">• Bade Acche Lagte Hain 2• Kkusum (Marathi)

- 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, shoot nearing completion
 - Goodbye directed by Vikas Behl and starring Mr Amitabh Bachchan, shoot nearing completion
 - 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, shoot nearing completion.
 - Freddy with Kartik Aaryan, 100% shoot completed, now under post production



Financials

BTL Consolidated Financial Performance



Particulars (In Rs Cr)	Q2 FY22	Q1 FY22	Q2 FY21	H1 FY22	H1 FY21
Total Income from operations	76.7	64.8	78.3	141.5	113.3
Cost of Production	80.9	57.4	60.5	138.3	97.0
Gross Margin	-4.2	7.4	17.8	3.2	16.3
<i>Gross Margin %</i>	-5%	11%	23%	2%	14%
Marketing and Distribution	8.3	15.8	6.4	24.1	12.5
Employee Benefits Expense	6.8	6.4	7.3	13.2	12.8
Other Expenses	19.3	15.6	16.5	34.8	29.7
EBITDA	-38.5	-30.4	-12.4	-68.9	-38.7
<i>EBITDA Margin %</i>	-50%	-47%	-16%	-49%	-34%
Finance Cost	0.1	0.1	0.3	0.3	0.7
Depreciation and amortisation	3.8	4.1	7.4	7.8	15.3
Other Income	1.7	1.2	2.5	2.9	8.3
Profit / Loss Before Tax	-40.7	-33.4	-17.6	-74.2	-46.4
Tax Expenses	1.3	0.5	1.9	0.8	1.0
Net Profit After Tax	-39.4	-33.9	-19.5	-73.3	-47.4

Note : Numbers may not add up due to rounding

BTL Consolidated Balance Sheet



Particulars (Rs Cr)	30-Sep-21	31-Mar-21	Particulars (Rs Cr)	30-Sep-21	31-Mar-21
Equity			Non-current assets		
Equity Share Capital	20.2	20.2	Property, plant and equipment	18.1	21.0
Other Equity and non control interest	481.6	553.2	Right to use assets	6.3	4.7
Total Equity	501.8	573.4	Investments	15.0	15.0
			Other Financial Assets	176.2	152.5
Non Current Liabilities	0.3	1.0	Total Non Current Assets	215.6	193.2
Current Liabilities			Current Assets		
Trade and Other Payables	142.2	160.1	Inventories	221.9	219.3
Others	36.6	32.3	Investments	10.3	28.0
Total Current Liabilities	178.8	192.4	Trade Receivables	87.7	116.9
			Cash and Cash Equivalent	19.9	77.1
Total Equity + Liabilities	680.9	766.8	Others	125.5	132.3
			Total Current Assets	465.3	573.7
			Total Assets	680.9	766.8

Note : numbers may not add up due to rounding

Legal Entity Wise Performance : Q2 FY22



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALTBalaji	MFPL	Ding	Elimination	Consol
Net Sales / Income from Operations	60.3	-	18.5	-	1.0	3.2	76.6
Other Operating Income	1.2	-	-	-	-	1.1	0.1
Total Income	61.5	-	18.5	-	1.0	4.2	76.7
Cost of Production	53.9	-	32.1	-	0.9	-6.0	80.9
Marketing and Distribution Expenses	0.1	-	8.2	-	-	-	8.3
Staff Cost	3.7	0.4	0.6	-	0.2	2.0	6.8
Other Expenditure	7.7	0.1	12.9	-	0.5	-2.0	19.2
EBITDA	-4.0	-0.6	-35.2	-	-0.6	-1.8	-38.6
Finance Cost	0.1	0.1	0.1	-	-	-0.1	0.1
Depreciation	3.4	-	0.3	-	-	-	3.8
Profit / (Loss) from Operation Before Other Income	-7.6	-0.6	-35.6	-	-0.5	-1.9	-42.5
Other Income	1.4	0.2	0.2	-	-	0.1	1.7
Profit / (Loss) from Ordinary Activities Before Tax	-6.1	-0.4	-35.4	-	-0.5	-1.8	-40.8
Tax Expenses	-1.4	-	-	-	-	-	-1.3
Net Profit / (Loss) from continuing operations	-4.7	-0.4	-35.4	-	-0.5	-1.8	-39.4

Note : numbers may not add up due to rounding

Legal Entity Wise Performance : H1 FY22



Particulars (In Rs cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALTBalaji	MFPL	Ding	Elimination	Consol
Net Sales / Income from Operations	106.8	-	39.2	-	1.0	5.6	141.4
Other Operating Income	2.2	-	-	-	-	2.1	0.1
Total Income	109.0	-	39.2	-	1.0	7.7	141.5
Cost of Production	88.1	-	59.9	-	0.9	-10.5	138.3
Marketing and Distribution Expenses	0.2	-	23.9	-	-	-	24.1
Staff Cost	6.9	0.8	2.2	-	0.3	3.0	13.2
Other Expenditure	12.7	0.4	24.1	-	0.6	-3.0	34.8
EBITDA	1.1	-1.2	-70.9	-	-0.8	-2.9	-68.9
Finance Cost	0.2	0.2	0.1	-	-	-0.2	0.3
Depreciation	7.1	-	0.7	-	-	-	7.9
Profit / (Loss) from Operation Before Other Income	-6.2	-1.4	-71.8	-	-0.8	-3.1	-77.1
Other Income	2.4	0.2	0.4	-	-	0.2	2.9
Profit / (Loss) from Ordinary Activities Before Tax	-3.8	-1.2	-71.3	-	-0.8	-2.9	-74.2
Tax Expenses	-0.9	-	-	-	-	-	-0.9
Net Profit / (Loss) from continuing operations	-2.9	-1.2	-71.3	-	-0.8	-2.9	-73.3

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

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CIN : L99999MH1994PLC082802

<http://www.balajitelefilms.com>

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ALTBalaji direct subscriptions up 69% YoY and half-yearly revenue at Rs 34cr Original show library at 87

November 9th 2021: Balaji Telefilms announced its financial results for the quarter and half year ended 30th September 2021.

ALTBalaji remains one of the most consistent hit content creators for OTT adding 9 shows in the half year taking the overall library to 87 shows. The company sold 2.9m subscriptions during the H1FY22 and currently has an active direct subscriber base of over 1.45m. This excludes subscribers on partner apps where the content continues to do well. The Company continues its strategy to drive deeper audience engagement by creating content that is targeted at mass India seeking differentiated stories. The platform has over 87 shows and some of the hits launched in H1FY22 includes PUNCHH Beat Season 2, Broken but Beautiful 3 and Cartel.

During the half year TV business produced 363.5 hours of content across 7 shows for 4 broadcasters. 5 new additional shows have been lined up and should commence shortly. 3 new shows launched during Q2FY22.

Movie business resumed production and the company made good progress. The Company continues to wait for availability for theatrical launch windows and looking at deals across direct to digital as well. As part of its strategy the company continues to control investments in movies and pursue pre sales and co-production deals where feasible.

Mrs. Shobha Kapoor, Managing Director, Balaji Telefilms Limited said, "ALTBalaji continues to drive subscription growth and we added 2.9m subscriptions during the half year. We added 9 shows in the half year and now have a very strong line up for the rest of the year. Our strategic content sharing deals will ensure we maintain control on the cash spend while driving overall profitability. Our TV business has shown good recovery in terms of production hours and we hope to improve this momentum as 5 new shows commence. In the movie business, production for some of the exciting projects are at various stages of completion and we are closely monitoring the availability for theatrical releases as well and direct to digital launches. Overall, the year has started well and we will build on this momentum through the year."

OPERATIONAL and FINANCIAL HIGHLIGHTS

- ALTBalaji total subscriptions sold for the half year at 2.9m vs 1.7m in H1FY21, direct subscription revenues at Rs 34cr vs Rs 24cr
- Current active subscriber base at 1.45m and 87 shows live on the platform
- TV business continued at normal in H1 with 363.5 hours of production across 7 shows and strong pipeline for the year. 3 new shows launched during Q2FY22
- Movies current pipeline include 5 exciting projects
- Overall financial performance for the half year
 - Group revenues at Rs 141cr of which ALTBalaji contributed Rs 39cr
 - Group EBITDA loss at Rs 68cr and Loss after tax at Rs 73cr

About Balaji Telefilms Limited:

Balaji Telefilms is India's leading integrated media conglomerate operating across television, movie and digital content production. The Company, under the stewardship of Mrs. Shobha Kapoor and Ms. Ekta Kapoor, enjoys market leadership in the television content industry for over two decades with an exemplary track record for content creation across genres and target groups.

Balaji Telefilms is a household name which has produced some of the best television serials in the country including the famous K Series of daily soaps such as Kyunki Saas Bhi Kabhi Bahu Thi and Kahaani Ghar Ghar Ki. More recently it has created an extremely successful mystical fantasy series of Naagin 1 to Naagin 5, paving the way for weekend fiction based programming.

Over the years the company through its movies business has also demonstrated success in pioneering the production of a differentiated cinematic content across different genres. The Company has been involved in creating a number of commercial as well as critically acclaimed movies such as The Dirty Picture, LSD, Once Upon a Time, Ek Villain, Udta Punjab and most recently Veere Di Wedding and Dream Girl

Balaji Telefilms Ltd's foray into original shows on digital platforms, ALT Digital Media Entertainment Limited is a wholly owned subsidiary of the production house. Serving as a multi-device subscription Video on Demand (SVOD) Platform, ALTBalaji's offerings include premium, disruptive content and original series across genres, that audiences can watch at their convenience. With originality, courage and relentlessness at its core, ALTBalaji's content stands out for being non-conformist and inclusive. ALTBalaji is here to set new standards and benchmarks in giving digitally-first audiences an alternate content platform.

For further queries please contact:

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