



Palaji Telefilms Ltd.

Quarterly Performance Update

Q4 FY23 and 12M FY23

Balaji Powering Towards Scale, Efficiency and Profitability



- **Group Performance**

- **76%** growth in operating revenue to **₹ 593 crore** in FY23 from ₹ 337 crore in FY22
- **21%** growth in operating revenue to **₹ 145 crore** in Q4 FY23 from ₹ 119 crore in Q4 FY22
- EBITDA margin improved to **8%** in Q4 FY23 compared to -26% in Q4 FY22
- Sequential improvement in EBITDA margin to **8%** in Q4 FY23 from 3% in Q3 FY23
- Turned positive at PAT level with margins improving to **5%** in Q4 FY23 compared to -28% in Q4 FY22

- **TV Business**

- **44%** growth in revenues in FY23 registering 171% growth at EBITDA level
- **9 Shows** at the end of the quarter on leading channels. 1 new show in pipeline in the upcoming period

- **Digital Business**

- Large orderbook of production of more than 8 shows from leading OTT players
- Significant reduction of 71% in EBITDA loss in Q4 FY23 vs Q4 FY22

- **Movies Business**

- Strong line-up of captivating stories with **3 movies** in post-production and **2 movies** in planning stages with healthy pre-sales
- OTT movie releases performed exceedingly well with some of them topping the charts

Group Level Profitability Driven by Operational Excellence, Aided by Cost Rationalization



Consolidated Financials (In ₹ Cr)	Q4 FY23	Q3 FY23	Q4 FY22	12M FY23	12M FY22
Total Income from operations	144.5	165.4	119.1	593.0	336.9
Cost of Production	111.6	135.7	117.9	511.3	327.4
Gross Margin	32.9	29.7	1.2	81.7	9.4
<i>Gross Margin %</i>	23%	18%	1%	14%	3%
EBITDA Profit / Loss	11.5	4.6	-31.3	-19.1	-121.7
<i>EBITDA Margin %</i>	8%	3%	-26%	-3%	-36%
Profit / Loss Before Tax	15.3	2.5	-32.3	-24.2	-131.1
Profit / Loss After Tax	7.7	-2.6	-33.3	-38.0	-133.2

Group Performance

- 76% jump in Group Revenues to ₹ 593 crore in FY23 from ₹ 337 crore in FY22
- EBITDA losses narrowed by 33 percentage points in 12M FY23 vs 12M FY22. EBITDA margin expansion by 5 percentage points to 8% in Q4 FY23 from 3% in Q3 FY23
- PAT at ₹ 7.7 crore in Q4 FY23 compared to loss after tax of ₹33 crore in Q4 FY22

TV

- Revenue grew by 44% to ₹ 344 crore in 12M FY23 vs 12M FY22 while EBITDA grew by 171% in 12M FY23 over 12M FY22
- EBITDA margin doubled to 14.8% in Q4 FY23 vis-a-vis Q4 FY22 while EBITDA jumped by 182% over Q4 FY22
- Production hours in Q4 FY23 stood at 324 hours which is 32% higher than Q4 FY22; crossed the 1,000 hours milestone of TV content production in the entire fiscal

ALT Digital

- 71% reduction in EBITDA loss in Q4 FY23 vs Q4 FY22. EBITDA Loss in fiscal reduced by 51% over the previous fiscal
- ₹ 5.8 crores reduction in monthly average EBIDTA loss in FY23 compared to FY22 through cost rationalization and lean organization approach
- Multiple strategic collaboration with some of the largest players in the industry for content production

Movies

- 4 films released during the FY23: Freddy, Goodbye, Ek Villain Returns, and Dobaaraa. 3 more movies currently in the post-production stage.

Key Business Highlights



TV business: Continue to perform on operational and profitability front

- Crossed the milestone of producing more than 1,000 hours of TV content during FY23 registering an overall growth of 31% YOY.
- 32% jump in TV production with 324 hours produced in Q4 FY23 compared to 246 hours in Q4 FY22
- 9 shows on-air at the end of the quarter across leading broadcasters; Launched 'Bekaaboo' in Q4 FY23 on Colors
- 1 new show lined up which would further drive our volume growth, expected to go on air in the upcoming quarter

ALT Digital: Cost rationalization strategy yielding consistent results with EBITDA closer to breakeven

- EBITDA loss reduced by 71% to ₹ 9.8 crores in Q4 FY23 from ₹ 34 crores in Q4 FY22 and by 51% to ₹ 66 crores in FY23 from ₹ 136 crores in FY22
- Leverage Balaji's production and creative expertise to create high-appeal original content for ALTT and co-create content with partners
- Monetizing our existing IPs through derivative channels eg. Multiple seasons, spinoffs etc
- ALTT continues to offer the best value proposition in the OTT subscription space at less than Re. 1 a day (Rs. 300 / year pack)

Movie business: Promising year ahead with a strong movie lineup

- Continue to successfully pursue the strategy to recover a significant portion of cost of production through multiple pre-sales deals
- 4 movies released during the FY23: **Freddy, Goodbye, Dobaaraa** and **Ek Villain Returns**
- **U-Turn** starring Alaya F, remake of hit Kannada movie, released on Zee5 on 28th Apr'23
- **Kathal** starring Sanya Malhotra premiered on Netflix on 19th May'23 and quickly rose to the top of Netflix's charts

Movies in post-production:

- **Thankyou for Coming**
- **Dream Girl 2**
- **The Buckingham Murder**

Upcoming projects:

- **The Crew**
- **LSD 2**

Movies Released in FY23



Freddy
2nd December 2022



Goodbye
7th October 2022



Dobaaraa
19th August 2022

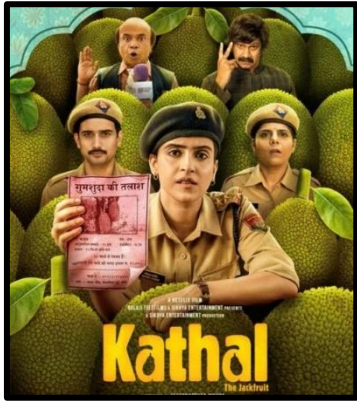


Ek Villain Returns
29th July 2022

Projects Update



Released



Kathal (Netflix)
19th May 2023



U-Turn (Zee5)
28th April 2023



Bekaaboo (Colors)
18th March 2023

Upcoming Movie Projects



Dream Girl 2
25th August 2023



The Crew
(Shoot Started in Mar'23)

and many more...

- Thank You For Coming (Under post-production)
- The Buckingham Murder (Under post-production)
- LSD 2 (Planning stages)

Strong pipeline – TV & Movies



- Overall production crossed the 1,000 hour milestone during the fiscal, 31% growth over FY22
- 9 shows on air at the end of the quarter contributed to 32% increase in hours of production in current quarter, 324 hours in Q4 FY23 against 246 hours in Q4 FY22
- Launched **Bekaaboo** in March 2023 on Colors to great audience reception
- 1 new show in pipeline, slated to launch in upcoming quarter
- Shows on Air at the end of Q4 FY23 :

Broadcaster	Show
Zee	<ul style="list-style-type: none">• Kumkum Bhagya• Kundali Bhagya• Bhagya Lakshmi
Star	<ul style="list-style-type: none">• Yeh Hai Chahatein
Colors	<ul style="list-style-type: none">• Naagin 6• Parineeti• Dharampatni• Bekaaboo
Sony	<ul style="list-style-type: none">• Bade Acche Lagte Hain 2

Status of latest projects:

- **U-Turn** starring Alaya F – Direct to Digital on Zee5 on 28th April 2023 to great audience engagement
- **Kathal** starring Sanya Malhotra – Released Direct to Digital on Netflix on 19th May 2023 and quickly rose to the top of Netflix’s charts
- **Thankyou for Coming** starring Bhumi Pednekar, under post-production
- **Dream Girl 2** starring Ayushmann Khurrana and Ananya Panday, under post-production
- **The Buckingham Murder** starring Kareena Kapoor Khan & Director Hansal Mehta, under post-production

Upcoming projects:

- **The Crew** led by all female star cast of Tabu, Kareena Kapoor Khan and Kriti Sanon, commenced production from March 2023
- **LSD 2** directed by Dibakar Banerjee expected to go on floors soon



Financials

BTL Consolidated Financial Performance



In ₹ Cr	Q4 FY23	Q3 FY23	Q4 FY22	12M FY23	12M FY22
Total Income from operations	144.5	165.4	119.1	593.0	336.9
Cost of Production	111.6	135.7	117.9	511.3	327.4
Gross Margin	32.9	29.7	1.2	81.7	9.4
<i>Gross Margin %</i>	23%	18%	1%	14%	3%
Marketing and Distribution	0.9	4.8	6.3	19.2	34.4
Employee Benefits Expense	8.5	9.4	8.8	28.1	30.1
Other Expenses	12.0	11.0	17.3	53.4	66.6
EBITDA	11.5	4.6	-31.3	-19.1	-121.7
<i>EBITDA Margin %</i>	8%	3%	-26%	-3%	-36%
Finance Cost	3.0	2.8	1.2	8.2	1.8
Depreciation and amortisation	1.8	2.0	3.6	10.4	15.0
Other Income	8.6	2.7	3.9	13.4	7.3
Profit / Loss Before Tax	15.3	2.5	-32.3	-24.2	-131.2
Tax Expenses	7.6	5.1	1.0	13.8	2.0
Net Profit After Tax	7.7	-2.6	-33.3	-38.0	-133.2

Note : Numbers may not add up due to rounding

Legal Entity Wise Performance : Q4 FY23



Particulars (In ₹ cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALT Digital	Ding	Elimination	Consol
Net Sales / Income from Operations	136.9	1.1	5.2	0.4	1.7	141.9
Other Operating Income	0.0	-	0.7	-	-1.9	2.7
Total Income	136.9	1.1	5.9	0.4	-0.2	144.5
Cost of Production	105.3	-	7.2	-1.8	-0.9	111.6
Marketing and Distribution Expenses	1.2	-	0.8	-	1.1	0.9
Employee Benefits Expense	4.3	1.1	1.0	0.2	-1.8	8.5
Other Expenditure	6.7	0.1	6.6	0.4	1.8	12.0
EBITDA	19.5	-0.1	-9.8	1.7	-0.4	11.5
Finance Cost	3.0	0.2	4.3	0.0	4.5	3.0
Depreciation	1.7	-	0.1	0.1	-	1.8
Profit / (Loss) from Operation Before Other Income	14.9	-0.3	-14.2	1.6	-4.9	6.7
Other Income	14.6	0.0	-0.0	0.1	4.5	8.6
Profit / (Loss) from Ordinary Activities Before Tax	29.5	-0.3	-14.2	1.7	-0.4	15.3
Tax Expenses	7.6	-	-	-	-	7.6
Net Profit / (Loss) from continuing operations	21.8	-0.3	-14.2	1.7	-0.4	7.7

Note : numbers may not add up due to rounding. Smaller subsidiary captured in consol column

Legal Entity Wise Performance : 12M FY23



Particulars (In ₹ cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALT Digital	Ding	Elimination	Consol
Net Sales / Income from Operations	516.2	5.2	52.3	22.9	6.3	590.3
Other Operating Income	0.9	-	2.7	-	0.9	2.7
Total Income	517.2	5.2	54.9	22.9	7.3	593.0
Cost of Production	413.2	-	80.2	22.4	4.5	511.3
Marketing and Distribution Expenses	17.9	-	6.5	-	5.2	19.2
Employee Benefits Expense	14.8	4.9	4.1	0.7	-3.7	28.1
Other Expenditure	24.7	0.5	30.1	1.7	3.7	53.4
EBITDA	46.6	-0.2	-65.9	-1.9	-2.4	-19.1
Finance Cost	8.1	0.7	10.6	0.1	11.2	8.2
Depreciation	9.6	-	0.5	0.3	-	10.4
Profit / (Loss) from Operation Before Other Income	28.9	-0.9	-77.0	-2.2	-13.6	-37.6
Other Income	23.8	0.0	0.2	0.4	11.2	13.4
Profit / (Loss) from Ordinary Activities Before Tax	52.7	-0.8	-76.8	-1.9	-2.4	-24.2
Tax Expenses	13.8	-	-	-	-	13.8
Net Profit / (Loss) from continuing operations	38.9	-0.8	-76.8	-1.9	-2.4	-38.0

Note : numbers may not add up due to rounding. Smaller subsidiary captured in consol column



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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