



Palaji Telefilms Ltd.

Quarterly Performance Update

Q3 FY23 and 9M FY23

Television Business Leads the Way as Group Returns to Profitability



Consolidated Financials (In ₹ Cr)	Q3 FY23	Q2 FY23	Q3 FY22	9M FY23	9M FY22
Total Income from operations	165.4	164.2	76.2	448.4	217.7
Cost of Production	135.7	148.9	71.1	399.7	209.4
Gross Margin	29.7	15.3	5.0	48.7	8.3
Gross Margin %	18%	9%	7%	11%	4%
EBITDA Profit / Loss	4.6	-14.8	-21.3	-30.6	-90.3
EBITDA Margin %	3%	-9%	-28%	-7%	-41%
Profit / Loss Before Tax	2.5	-18.8	-24.6	-39.5	-98.8
Loss After Tax	-2.6	-18.6	-26.4	-45.7	-99.7

TV

- TV revenue grew by **48%** to ₹ 249 crore in 9M FY23 vs 9M FY22 while EBITDA grew by **167%** in 9M FY23 vs 9M FY22
- EBITDA margin expanded by **6%** (percentage points) in 9M FY23 vs 9M FY22
- Q3 FY23 realisation per hour stood at ₹ 30.2 lakhs which is 25% higher than previous corresponding quarter i.e., Q3 FY22
- Production hours in the current quarter stood at 282 hours which is 11% higher than previous corresponding quarter
- 8 shows on air at the end of the quarter and 2 new exciting shows expected to go on air in Q4 FY23

ALT Digital

- EBITDA losses reduced further by **60%** in Q3 FY23 vs Q3 FY22 and by **33%** in Q3 FY23 vs Q2 FY23
- 8.7 lakh subscriptions sold in 9M FY23 including 4.6 lakh renewals. Subscription revenue for 9M FY23 stood at approx. ₹ 15 crore
- Multiple strategic collaborations at various stages of finalization expected to positively impact the forthcoming fiscal
- Investing in new shows and great stories to diversify and broaden our content slate. Multiple premiers lined up in upcoming months including new seasons of our high performing IPs

Movies

- 4 films released in the last 9 months: 'Ek Villain 2', 'Dobaaraa', 'Goodbye' and 'Freddy' (Direct to Digital). Our releases performed exceedingly well on OTT
- 5 projects slated to release in next few quarters: 'U-Turn', 'Kathal', 'Thank You For Coming', 'Dream Girl 2' and 'Buckingham Murder' and 3 Upcoming Projects: 'Crew', 'Sabarmati' and 'LSD 2' in planning stages

Key Business Highlights



TV business: Strong operational performance and margin expansion

- TV business production hours increased by 11% in Q3 FY23 to 282 hours compared to Q3 FY22
 - Launched 'Dharampatni' on Colors which was received well by audience
- 8 shows on-air at the end of the quarter across leading broadcasters
- 2 new shows lined up which would further drive our volume growth, expected to go on air in Q4 FY23

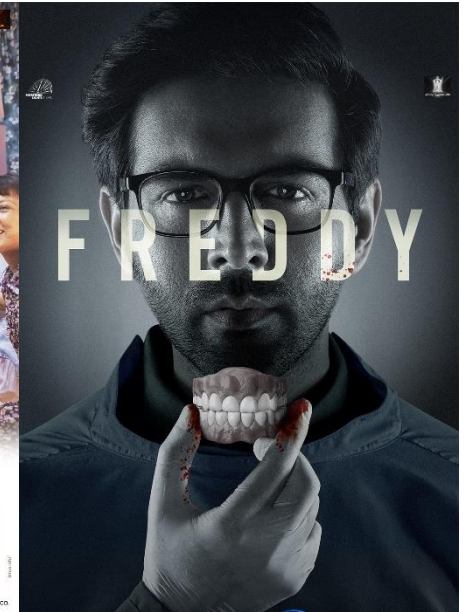
ALT Digital: Rebranding the platform, renewed focus on investing in original, fresh and engaging content for our customers

- ALT Digital appointed Mr. Vivek Koka as Chief Business Officer. Vivek joins ALT Digital with over 20 years of experience across multiple roles in the media industry
- Rebranding of ALTBalaji to ALTT with a renewed commitment to our customers to provide innovative and engaging content
- Focus on personalizing the user experience as we grow our content slate and increase our original IP library
- Monetizing our existing IPs through derivative channels eg. Multiple seasons, spinoffs etc.
- Offering the best value proposition in the OTT subscription business at less than Re. 1 a day (Rs. 300 / year pack)

Movie business: De-risking the movie business model

- Currently a significant portion of cost of production covered through multiple pre-sales deals
- Digital platforms driven commissioning strategy to de-risk 'concept-based' and 'non-commercial' projects
- 4 movies released in 9M FY23: '**Ek Villain 2**', '**Dobaaraa**', '**Goodbye**' and '**Freddy**' (Direct to Digital)
- 5 new movies to be released in the next few quarters: **U Turn** starring Alaya F, **Kathal** starring Sanya Malhotra, **Thankyou for Coming** starring Bhumi Pednekar, **Dream Girl 2** starring Ayushmann Khurrana and Ananya Panday, **Buckingham Murder** starring Kareena Kapoor & directed by Hansal Mehta
- 3 new upcoming projects:
 - **Crew** led by all female star cast of Tabu, Kareena Kapoor and Kriti Sanon
 - **LSD 2** directed by Dibakar Banerjee
 - **Sabarmati** in planning stages

New Movie Releases



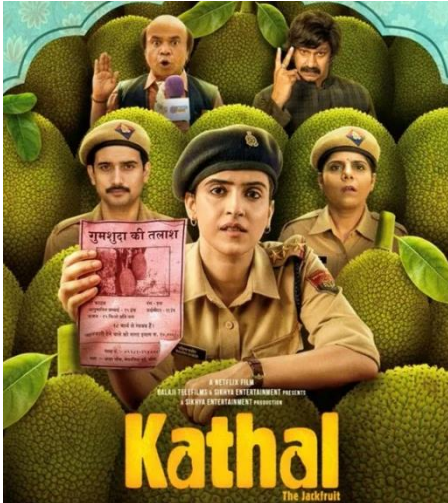
Ek Villain Returns
29th July 2022

Dobaaraa
19th August 2022

Goodbye
7th October 2022

Freddy
2nd December 2022

Upcoming Projects



and many more...

- U-Turn
- Thank You For Coming
- Buckingham Murder
- Sabarmati
- LSD 2

Kathal

Crew

Dream Girl 2

Strong pipeline – TV & Movies



- Overall demand for TV content remains strong with our shows continuing to generate good margins in Q3 FY23
- 8 shows on air at the end of the quarter contributed to increase in hours of production in current quarter, 282 hours in Q3 FY23 against 255 hours in Q3 FY22
- Launched **Dharampatni** on Colors to great audience reception
- 2 new shows in pipeline, slated to launch in Q4 FY23
- Shows on Air at the end of Q3 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
Sony	<ul style="list-style-type: none"> • Bade Acche Lagte Hain 2

Status of current projects to be released in coming quarters:

- **U-Turn** starring Alaya F, remake of hit Kannada movie
- **Kathal** starring Sanya Malhotra, - Direct to Digital on Netflix
- **Thankyou for Coming** starring Bhumi Pednekar, now under post-production
- **Dream Girl 2** (Starring Ayushmann Khurrana and Ananya Panday), under production, expected completion of shoot by March 2023
- **Buckingham Murder** (Starring Kareena Kapoor & Director Hansal Mehta), shoot completed in November 22, now under post-production

Exciting upcoming projects:

- **Crew** led by all female star cast of Tabu, Kareena Kapoor and Kriti Sanon expected to go on floors soon
- **LSD 2** directed by Dibakar Banerjee expected to go on floors soon
- **Sabarmati** Preliminary Planning



Financials

BTL Consolidated Financial Performance



In ₹ Cr	Q3 FY23	Q2 FY23	Q3 FY22	9M FY23	9M FY22
Total Income from operations	165.4	164.2	76.2	448.4	217.7
Cost of Production	135.7	148.9	71.1	399.7	209.4
Gross Margin	29.7	15.3	5.0	48.7	8.3
<i>Gross Margin %</i>	18%	9%	7%	11%	4%
Marketing and Distribution	4.8	10.0	3.9	18.3	28.1
Employee Benefits Expense	9.4	7.2	8.0	19.6	21.2
Other Expenses	11.0	12.9	14.4	41.4	49.2
EBITDA	4.6	-14.8	-21.3	-30.6	-90.3
<i>EBITDA Margin %</i>	3%	-9%	-28%	-7%	-41%
Finance Cost	2.8	1.3	0.2	5.2	0.5
Depreciation and amortisation	2.0	3.3	3.5	8.6	11.4
Other Income	2.7	0.6	0.5	4.8	3.4
Profit / Loss Before Tax	2.5	-18.8	-24.6	-39.5	-98.8
Tax Expenses	5.1	-0.2	1.9	6.2	1.0
Net Profit After Tax	-2.6	-18.6	-26.4	-45.7	-99.7

Note : Numbers may not add up due to rounding

Legal Entity Wise Performance : Q3 FY23



Particulars (In ₹ cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALT Digital	Ding	Elimination	Consol
Net Sales / Income from Operations	158.3	2.4	4.6	2.9	2.8	165.4
Other Operating Income	-	-	1.9	-	1.9	-
Total Income	158.3	2.4	6.5	2.9	4.8	165.4
Cost of Production	123.4	-	10.0	5.1	2.9	135.7
Marketing and Distribution Expenses	6.3	-	0.8	-	2.4	4.8
Employee Benefits Expense	4.6	2.0	0.8	0.2	-1.8	9.4
Other Expenditure	5.1	0.1	7.1	0.4	1.8	11.0
EBITDA	18.8	0.3	-12.1	-2.8	-0.5	4.6
Finance Cost	2.8	0.2	4.5	0.0	4.7	2.8
Depreciation	1.9	-	0.1	0.1	-	2.0
Profit / (Loss) from Operation Before Other Income	14.1	0.1	-16.7	-2.9	-5.2	-0.2
Other Income	5.5	0.0	0.1	0.1	4.7	2.7
Profit / (Loss) from Ordinary Activities Before Tax	19.6	0.1	-16.6	-2.8	-0.5	2.5
Tax Expenses	5.1	-	-	-	-	5.1
Net Profit / (Loss) from continuing operations	14.4	0.1	-16.6	-2.8	-0.5	-2.6

Note : numbers may not add up due to rounding

Legal Entity Wise Performance : 9M FY23



Particulars (In ₹ cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALT Digital	Ding	Elimination	Consol
Net Sales / Income from Operations	379.3	4.1	47.1	22.6	4.6	448.4
Other Operating Income	0.9	-	1.9	-	2.9	0.0
Total Income	380.2	4.1	49.0	22.6	7.5	448.4
Cost of Production	307.9	-	73.0	24.2	5.4	399.7
Marketing and Distribution Expenses	16.8	-	5.7	-	4.1	18.3
Employee Benefits Expense	10.4	3.7	3.0	0.6	-1.8	19.6
Other Expenditure	18.0	0.4	23.5	1.3	1.8	41.4
EBITDA	27.1	-0.1	-56.1	-3.5	-2.0	-30.6
Finance Cost	5.1	0.5	6.2	0.0	6.7	5.2
Depreciation	7.9	-	0.5	0.2	-	8.6
Profit / (Loss) from Operation Before Other Income	14.1	-0.5	-62.8	-3.8	-8.7	-44.4
Other Income	9.2	0.0	0.3	0.3	6.7	4.8
Profit / (Loss) from Ordinary Activities Before Tax	23.3	-0.5	-62.5	-3.5	-2.0	-39.5
Tax Expenses	6.2	-	-	-	-	6.2
Net Profit / (Loss) from continuing operations	17.1	-0.5	-62.5	-3.5	-2.0	-45.7

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

CIN : L99999MH1994PLC082802

<http://www.balajitelefilms.com>

Email:

Retail Investors: investor@balajitelefilms.com

Institutional Queries: harsh.vardhan@balajitelefilms.com