



*Palaji Telefilms Ltd.*

# Quarterly Performance Update

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Q1 FY23

# BTL – Consolidated Financials Q1 FY 2023 - Snapshot



Consolidated Financials (In ₹ Cr)	Q1 FY23	Q4 FY22	Q1 FY22	FY22
<b>Total Income from operations</b>	<b>118.8</b>	<b>119.1</b>	<b>64.8</b>	<b>336.9</b>
Cost of Production	115.1	117.9	57.4	327.4
<b>Gross Margin</b>	<b>3.7</b>	<b>1.2</b>	<b>7.4</b>	<b>9.4</b>
<i>Gross Margin %</i>	<b>3%</b>	<b>1%</b>	<b>11%</b>	<b>3%</b>
<b>EBITDA Loss</b>	<b>-20.4</b>	<b>-31.4</b>	<b>-30.4</b>	<b>-121.7</b>
<i>EBITDA Margin %</i>	<b>-17%</b>	<b>-26 %</b>	<b>-47%</b>	<b>-36%</b>
<b>Loss Before Tax</b>	<b>-23.3</b>	<b>-32.3</b>	<b>-33.4</b>	<b>-131.2</b>
<b>Loss After Tax</b>	<b>-24.5</b>	<b>-33.4</b>	<b>-33.9</b>	<b>-133.2</b>

## ALTBalaji

- Successfully completed top rated first season of our hit show 'Lock Upp' which garnered more than 500+million views. Significant long-term IP generated due to niche concept. Potential to be made as multi-lingual
- ALTBalaji sold 3.1 lakh subscriptions (including 1.62 renewals) in Q1 FY23, direct subscription revenues at ₹ 6 crore with 6.91 lakh active subscriptions at end of Q1 FY23
- Shooting completed for 4 shows. Strategic collaborations with leading players in progress for monetization
- 'Apharan 2' launched in Q1 and has performed well. Additionally, 1 more exciting show 'Code M' soon to be launched in August

## TV

- TV business performed well resulting in 246.5 hours of production in Q1 with 8 shows across channels and strong pipeline for the year ahead with 2 new shows coming up next quarter. 'Apnapan' was launched in Q1 FY23 generating good audience response

## Movies

- Current movie pipeline includes 6 exciting projects. 'Ek Villain Returns' headlined by a strong star cast recently released to positive reviews on 29<sup>th</sup> July, with 51Cr+ Net Box Office Collection (NBOC) till date

# Content on track for expansion



## ALTBalaji remains focused on Hindi Originals

- ALTBalaji's direct subscription revenue witnessed a degrowth i.e. ₹ 6 cr in Q1 FY23 vs ₹ 7.3 cr in Q4 FY22. Expected to achieve an upward growth for the balance 9 months considering robust pipeline of content across genres
- Continue to build our content library on ALTBalaji with 93 shows and 18 movies which includes multiple seasons of hit shows
- Remain focused on high quality of content with strong narratives for younger audiences
- Consumer engagement remains high, focus remains to minimize consumer churn
- Pricing remains at ₹ 300 a year (less than ₹ 1 a day making it affordable to mass audiences)
- Overall revenue for Q1 FY23 at ₹ 36.82cr, however additional 7.08 cr of revenue to be accounted in next 4 quarters as deferred revenue
- Alt Balaji was able to achieve reduction in cash burn in Q1 FY23 ~ 6.4 cr (excluding Lock Upp) vs Q1 FY22 ~ 25 cr . Focus remains on further reducing cash burn going forward.

## TV business now fully returned to normal levels, very robust pipeline of new shows across genres

- TV business continued at normal production with 246.5 hours of production across 8 shows in Q1 FY23.This also includes newly launched show 'Apnapan' on Sony. Strong pipeline for the year ahead
- 8 shows were on air
  - Kumkum Bhagya, Kundali Bhagya, Bhagya Lakshmi on Zee, Yeh Hai Chahatein on Star, Naagin 6, Parineeti on Colors and Bade Acche Lagte Hain 2 and Apnapan on Sony
  - Hourly realizations remain muted at ₹ 29.88 lakhs per hr
  - 2 new exciting shows lined up which would further drive our volume growth

## Movies – 6 projects lined up for release in Fy23

- Theatres commenced operating at 100% capacity since second half of previous year
- 'Ek Villain Returns' released on 29th July with NBOC collection of 51cr+ still counting
- 6 Movies to be released in FY23, out of which 2 films in ready to release stage, 3 films in post-production stage and 1 film under production
- Pre-locked exciting revenue deals on movies, covered ~80% cost of production through pre-sales thereby de-risking our movie business segment
- Theatrical release date has been locked for 2 films, 'Dobaara' (starring Taapsee Pannu) on 19<sup>th</sup> Aug and 'Goodbye' (starring Amitabh Bachchan) on 5<sup>th</sup> Oct



# CONTENT - NEW LAUNCHES



- Apharan 2 Launched in May 2022
- Garnered more than a million views within 3 weeks of launch



- Code M – Season 2 launching on 12 Aug 2022



**IMDb**



8.7 ★



8.6 ★



8.4 ★



8.4 ★



8.2 ★

**TOP IMDb SHOWS**



7.9 ★



7.9 ★



7.6 ★



7.5 ★



7.1 ★

ALTBalaji critically acclaimed shows on IMDb

- Bose
- Broken But Beautiful
- The Test Case
- Aphanan
- Haq Se
- Cartel
- Baarish
- Code M
- His Story
- Bicchu Ka Khel

# TV and Movies return to normal, strong pipeline in FY23



- Overall demand for TV content remains strong with our shows continuing to generate good margins in Q1 FY23
- 8 shows contributed to increase in hours of production in current quarter, 246.5 hours against 174.5 hours in Q1 FY22
- Strong pipeline with 2 new exciting shows. Volume growth to drive revenues and pricing remains soft
  - 1 show on DD
  - 1 show on Colors Rishtey
- Shows on Air :

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

## Status of current projects expected to release in FY23

- **Dobaara** directed by Anurag Kashyap and starring Taapsee Pannu to release on 19<sup>th</sup> Aug
- **Goodbye** directed by Vikas Bahl and starring Amitabh Bachchan to release on 5<sup>th</sup> Oct
- **U Turn** starring Alaya F, remake of hit Kannada movie, shoot completed, now under post production
- **Freddy** with Kartik Aryan, shoot completed, now under post production
- **Kathal** starring Sanya Malhotra, shoot completed, now under post production
- **Thankyou for Coming** starring Bhumi Pednekar, shoot nearing completion

## Exciting upcoming projects:

- **Dream Girl 2** (Starring Ayushmann Khurrana)
- **Buckingham Murder** (Starring Kareena Kapoor & Director Hansal Mehta)
- **Sabarmati** (Starring Yami Gautam)



## Financials

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# BTL Consolidated Financial Performance



In ₹ Cr	Q1 FY23	Q4 FY22	Q1 FY22	FY22
<b>Total Income from operations</b>	<b>118.8</b>	<b>119.1</b>	<b>64.8</b>	<b>336.9</b>
Cost of Production	115.1	117.9	57.4	327.4
<b>Gross Margin</b>	<b>3.7</b>	<b>1.2</b>	<b>7.4</b>	<b>9.4</b>
<i>Gross Margin %</i>	3%	1%	11%	3%
Marketing and Distribution	3.5	6.3	15.8	34.4
Employee Benefits Expense	3.0	8.8	6.4	30.1
Other Expenses	17.5	17.3	15.6	66.6
<b>EBITDA</b>	<b>-20.4</b>	<b>-31.4</b>	<b>-30.4</b>	<b>-121.7</b>
<i>EBITDA Margin %</i>	-17%	-26%	-47%	-36%
Finance Cost	1.1	1.3	0.1	1.8
Depreciation and amortisation	3.3	3.6	4.1	15.0
Other Income	1.5	3.9	1.2	7.3
<b>Profit / Loss Before Tax</b>	<b>-23.3</b>	<b>-32.3</b>	<b>-33.4</b>	<b>-131.2</b>
Tax Expenses	1.2	1.0	0.5	2.0
<b>Net Profit After Tax</b>	<b>-24.5</b>	<b>-33.4</b>	<b>-33.9</b>	<b>-133.2</b>

Note : Numbers may not add up due to rounding



# Legal Entity Wise Performance : Q1 FY23



Particulars (In ₹ cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALTBalaji	Ding	Elimination	Consol
Net Sales / Income from Operations	76.7	-	36.8	5.3	-	118.8
Other Operating Income	0.9	-	-	-	0.9	-
<b>Total Income</b>	<b>77.6</b>	<b>-</b>	<b>36.8</b>	<b>5.3</b>	<b>1.0</b>	<b>118.8</b>
Cost of Production	62.0	-	49.7	5.2	1.8	115.1
Marketing and Distribution Expenses	0.1	-	3.4	-	-	3.5
Staff Cost	2.1	0.9	1.3	0.2	1.5	3.0
Other Expenditure	7.2	0.1	8.3	0.4	-1.5	17.5
<b>EBITDA</b>	<b>6.2</b>	<b>-1.0</b>	<b>-25.9</b>	<b>-0.5</b>	<b>-0.9</b>	<b>-20.4</b>
Finance Cost	1.1	0.1	0.6	0.0	0.7	1.1
Depreciation	2.9	-	0.3	0.1	-	3.3
<b>Profit / (Loss) from Operation Before Other Income</b>	<b>2.3</b>	<b>-1.2</b>	<b>-26.8</b>	<b>-0.6</b>	<b>-1.5</b>	<b>-24.7</b>
Other Income	1.9	-	-0.1	0.1	0.7	1.5
<b>Profit / (Loss) from Ordinary Activities Before Tax</b>	<b>4.3</b>	<b>-1.2</b>	<b>-26.8</b>	<b>-0.5</b>	<b>-0.9</b>	<b>-23.3</b>
Tax Expenses	1.2	-	-	-	-	1.2
<b>Net Profit / (Loss) from continuing operations</b>	<b>3.0</b>	<b>-1.2</b>	<b>-26.8</b>	<b>-0.5</b>	<b>-0.9</b>	<b>-24.5</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

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