

Balaji Telefilms Ltd.

C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries
New Link Road, Andheri (West), Mumbai - 400 053.
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Website : www.balajitelefilms.com
CIN No.: L99999MH1994PLC082802



February 14, 2023

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: Press Release & Quarterly Performance Report

Dear Sir/Madam,

This is further to our letter dated February 14, 2023 intimating the Outcome of Board Meeting for consideration and approval of Unaudited Financial Results for the quarter ended December 31, 2022. Please find enclosed Quarterly Performance Report and Press Release dated February 14, 2023 which is being issued by the Company.

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

You are requested to take the same on your record.

Thanking you,

Yours Faithfully,

For Balaji Telefilms Limited

Shobha Kapoor
Managing Director
(DIN: 00005124)

Encl: a/a



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

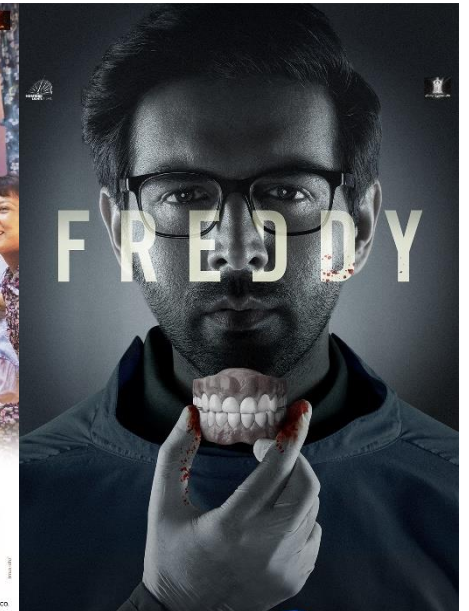
ALT Digital: Rebranding the platform, renewed focus on investing in original, fresh and engaging content for our customers

- 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



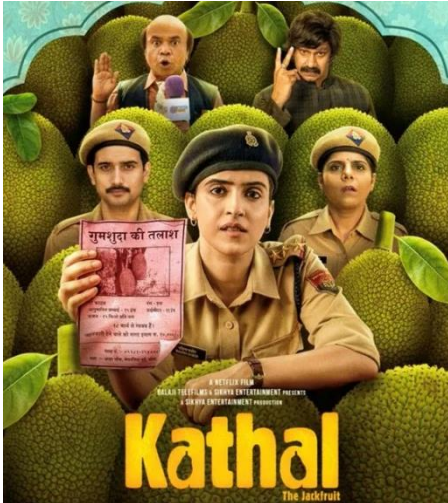
Ek Villain Returns
29th July 2022

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

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[Institutional Queries: harsh.vardhan@balajitelefilms.com](mailto:harsh.vardhan@balajitelefilms.com)

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Balaji Telefilms Achieves Group Level Profitability

February 14th, 2023: Balaji Telefilms announced its financial results for the third quarter and nine-months ended 31st December 2022.

With a focus on streamlining operations, maximizing efficiency and curtailing costs, the Group has returned to profitability, marking a significant milestone in its journey towards sustained growth and success. The Group reported an EBITDA profit of ₹ 4.6 crore in Q3 FY23 vs EBITDA loss of ₹ 14.8 crore in Q2 FY23 and ₹ 21.3 crore in Q3 FY22. The profit before tax in Q3 FY23 is ₹ 2.5 crore compared to loss before tax of ₹ 18.8 crore in Q2 FY23 and ₹ 24.6 crore in Q3 FY22.

TV Business revenue increased by 48% in 9M FY23 to ₹ 249 crore vs 9M FY22. EBITDA increased by 167% to ₹ 35 crore in 9M FY23 vs ₹ 13 crore in 9M FY22. Compared to 9M FY22, EBITDA margin expanded by 6 percentage points in 9M FY23. There were 8 shows on-air at the end of the quarter across 4 leading broadcasters. Operationally, the hours of production increased by 11% to 282 hours during the Q3 FY23. 2 new shows are expected to go on-air in the next quarter. Realization per hour increased by 25% to ₹ 30.2 lakhs per hour compared to ₹ 24.1 lakhs in the corresponding quarter in previous year. Balaji Telefilms' shows consistently capture multiple positions in top 5 rankings during the TV prime time.

ALTBalaji was rebranded as ALTT with a renewed commitment to its customers to provide innovative and engaging content. Mr. Vivek Koka is appointed as Chief Business Officer of ALT Digital. Vivek joins ALT Digital with more than 20 years of experience across multiple roles in the media industry.

In ALT Digital, EBITDA losses were narrowed by 60% in Q3 FY23 compared to Q3 FY22 and by 33% compared to Q2 FY23. ALT Digital's subscription revenue stood at approximately ₹ 15 crore for 9M FY23. A total of 8.7 lakh subscriptions were sold during 9M FY23 including 4.6 lakh renewals highlighting the stickiness of its customers and appeal of content. In the first 9 months of FY23, 2 shows were launched, 'Apharan 2' and 'Code M S2'.

In the forthcoming quarters, ALT Digital is expected to premiere multiple new seasons of its successful IPs, with a plan to invest in fresh and engaging content going forward to increase its original content library and drive customer acquisition and retention. Currently, there are multiple strategic deals at various stages of completion which are expected to positively impact the upcoming fiscal.

At present, ALT Digital's content has been watched for over 16.5 billion minutes with the current customer engagement time at 51 minutes every day.

In 9M FY23, a total of 4 movies were released with 3 releasing in theatres and 1 directly on digital platform namely 'Ek Villain 2', 'Dobaaraa', 'Goodbye' and 'Freddy' (Direct to Digital). The Company has 5 movies lined up to be released in the next few quarters i.e. 'U-Turn', 'Kathal', 'Thank You For Coming', 'Dream Girl 2' and 'Buckingham Murder'. 3 more exciting movies are in the planning stage i.e. 'Crew', 'Sabarmati', 'LSD 2'.

Under the strategy to de-risk the movie business, the Company has locked in significant portion of cost of production through multiple pre-sales deals. Going forward, the Company will continue to employ these strategies to ensure progress towards its goal to fully de-risk the business relative to cost of production.

Mrs. Shobha Kapoor, Managing Director, Balaji Telefilms Limited said, "As we return to profitability, we hope to maintain the growth momentum and keep our customers engaged with fresh and innovative content. The TV business continues to perform well with strong operational performance alongside margin expansion. We had 8 shows on-air at the end of the quarter and we hope to add 2 more during the next quarter. We also have a strong pipeline of 8 movies at various stages of execution and we hope that these movies will strike a chord with our audience."

OPERATIONAL and FINANCIAL HIGHLIGHTS

- **Consolidated EBITDA level profitability of ₹ 4.6 crore in Q3 FY23 compared to EBITDA loss of ₹ 14.8 crore in Q2 FY23 and ₹ 21.3 crore Q3 FY22**
- Group revenues at Rs 448 crore in 9M FY23 vs Rs 218 crore in 9M FY22
- TV revenue grew by 48% in 9M FY23 to ₹ 249 crore vs 9M FY22
- TV business returned healthy margin in 9M FY23 with ₹ 35 crore of EBIDTA vs ₹ 13 crore in 9M FY22, an improvement of 167%
- TV business continued to expand with 282 hours of production across 8 shows and a strong pipeline with 2 more shows slated to release in the next quarter. The business will continue to be volume led.
- In Q3 FY23, ALT Digital's EBIDTA loss reduced further by 60% compared to Q3 FY22 and by 33% compared to Q2 FY23
- Total subscriptions sold in 9M FY23 were 8.7 lakh with subscription revenues stood at Rs 15 crore in 9M FY23
- 4 movies released during 9M FY23, 3 of which had a theatrical release and 1 movie launched on digital platform
- Current pipeline includes 8 movies across genres with some of the leading talent in the country. This includes 5 movies expected to release in the next few quarters viz. 'U-Turn', 'Kathal', 'Thank You For Coming', 'Dream Girl 2' and 'Buckingham Murder' and 3 upcoming projects 'Crew', 'Sabarmati' and 'LSD 2'

About Balaji Telefilms Limited:

Balaji Telefilms is amongst India's leading entertainment companies operating across television, movie and digital content production. The Company, under the stewardship of Mrs. Shobha Kapoor and Ms. Ekta R 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, Kahaani Ghar Ghar Ki, Kasauti Zindagi Kay etc. More recently it has created an extremely successful mystical fantasy series of Naagin 1 to Naagin 6, paving the way for weekend fiction-based programming. Amongst our current slate, Kundali Bhagya, Kumkum Bhagya, Bhagya Lakshmi and Yeh Hai Chahatein are counted amongst the best TV shows in India today.

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 in Mumbai, Ek Villain, Udta Punjab, Veere Di Wedding, Dream Girl, Ek Villain Returns, Dobaaraa, Goodbye and Freddy

Balaji Telefilms' 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, ALT Digital'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, ALT Digital's content stands out for being non-conformist and inclusive. ALT Digital 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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