

Balaji Telefilms Ltd.

C-13, Balaji House, Dalia Industrial Estate, Opp. Laxmi Industries
New Link Road, Andheri (West), Mumbai - 400 053.
Tel.: 40698000 • Fax : 40698181 / 82 / 83
Website : www.balajitelefilms.com
CIN No.: L99999MH1994PLC082802



November 10, 2022

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 November 10, 2022 intimating the Outcome of Board Meeting for consideration and approval of Unaudited Financial Results for the quarter ended September 30, 2022. Please find enclosed Quarterly Performance Report and Press Release dated November 10, 2022 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

TANNU
SHARMA

Tannu Sharma
Company Secretary

Encl: a/a



Palaji Telefilms Ltd.

Quarterly Performance Update

Q2 FY23 and H1 FY23

Television business drives revenue growth for Balaji group



Consolidated Financials (In ₹ Cr)	Q2 FY23	Q1 FY23	Q2 FY22	H1 FY23	H1 FY22
Total Income from operations	164.2	118.8	76.7	283.0	141.5
Cost of Production	148.9	115.1	80.9	264.0	138.3
Gross Margin	15.3	3.7	-4.2	19.0	3.2
Gross Margin %	9%	3%	-5%	7%	2%
EBITDA Loss	-14.8	-20.4	-38.5	-35.3	-68.9
EBITDA Margin %	-9%	-17%	-50%	-12.5%	-49%
Loss Before Tax	-18.8	-23.3	-40.7	-42.0	-74.2
Loss After Tax	-18.6	-24.5	-39.4	-43.1	-73.3

TV

- TV revenue jumped 54% in H1 FY23 to ₹162 cr vs H1 FY22
- TV business contributed to healthy margin in H1 FY23 with ₹ 19 cr of EBITDA vs ₹ 3 cr in H1 FY22, **5 times jump in EBITDA**
- 8 shows contributed to increase in production hours in current quarter i.e., 275 hours against 189 hours in Q2 FY22
- Current quarter realisation at ₹ 30.37 lakhs per hour is 9% higher than previous corresponding quarter i.e., Q2 FY22
- Strong pipeline for the year ahead with 2 new exciting shows currently under production.

ALTBalaji

- EBITDA losses restricted to ₹ 44 cr in H1 FY23 vs ₹ 71 cr in H1 FY22, **improved by 38%**, due to cost rationalisation measures
- ALTBalaji sold 6.1 lakh subscriptions (including 3.2 lakh renewals) in H1 FY23, direct subscription revenues for Q2 stood at approx. ₹ 5 crore with 5.7 lakh active subscriptions at end of H1 FY23.
- Strategic collaborations with leading players in progress for monetization and is expected to achieve fruition in forthcoming quarters.
- 'Apharan 2' and 'Code M S2' were launched in Q1 and Q2 respectively and both shows have been well received.

Movies

- 'Ek Villain Returns' headlined by a strong star cast released to positive reviews on 29th July.
- 'Dobaaraa', starring Taapsee Pannu and 'Goodbye' starring Amitabh Bachchan and Rashmika Mandanna, released on 19th August and 7th October respectively and received widespread critical acclaim by audiences. Dobaaraa trended at No. 1 spot subsequently on Netflix upon its release on OTT.

Key Business Highlights



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

- TV business continued at normal production with 275 hours of production across 8 shows in Q2 FY23. 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, Apnapan on Sony
 - 2 new exciting shows lined up which would further drive our volume growth

ALTBalaji remains focused on Hindi Originals

- ALTBalaji's direct subscription revenue at ₹ 5 cr in Q2 FY23. Expected to retain the momentum as per current run rates for the balance 6 months considering a strong content library in place with 93 shows and 18 movies which includes multiple seasons of hit shows
- Pricing remains at ₹ 300 a year (less than ₹ 1 a day making it affordable to mass audiences)
- Overall revenue for H1 FY23 at ₹ 42 cr, however additional 5.61 cr of revenue to be accounted in next 4 quarters as deferred revenue
- Major focus on cost rationalisation to limit cash burn

Movies – 3 theatrical releases till date & 3 more projects lined up for release in FY23

- 'Ek Villain Returns' starring John Abraham and Arjun Kapoor released on 29th July. The movie was subsequently released on Netflix and continues to perform well on OTT
- 'Dobaaraa', an engaging thriller starring actress Taapsee Pannu and directed by Anurag Kashyap released in theatres on 19th August 2022 to widespread critical acclaim especially on account of its niche concept. The movie was thereafter released on Netflix in October and trended in the top ten movie category for multiple weeks
- 'Goodbye' starring Amitabh Bachchan and Rashmika Mandanna and directed by Vikas Bahl was theatrically released on 7 October 2022 and received positive reviews from critics. The film will soon be releasing on Netflix
- Pre-locked exciting revenue deals on movies, covered ~90% cost of production through pre-sales thereby de-risking our movie business segment

New Theatrical Releases



- Theatrical Releases
- ✓ Ek Villain Returns released in July 2022
- ✓ Dobaaraa released in August 2022
- ✓ Goodbye released in October 2022

Upcoming Projects



Content Launches in H1 FY23



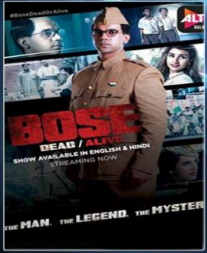
- Apharan 2 was launched in May 2022
- Garnered more than a million views within 3 weeks of launch



- Code M – Season 2 was launched in 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
- Agharan
- Haq Se
- Cartel
- Baarish
- Code M
- His Story
- Bicchu Ka Khel

Strong pipeline in FY23 – TV & Movies



- Overall demand for TV content remains strong with our shows continuing to generate good margins in Q2 FY23
- 8 shows contributed to increase in hours of production in current quarter, 275 hours against 189 hours in Q2 FY22
- Strong pipeline with 2 new exciting shows currently under production. Volume growth to drive revenues and pricing remains soft
- 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 Chahatein
Colors	<ul style="list-style-type: none">• Naagin 6• Parineeti
Sony	<ul style="list-style-type: none">• Bade Acche Lagte Hain 2• Apnapan

Status of current projects ready to release in coming months:

- **Freddy** starring the popular youth icon Kartik Aryan - Direct to Digital on Disney+ Hotstar,
- **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.

Exciting upcoming projects:

- **Dream Girl 2** (Starring Ayushmann Khurrana and Ananya Panday) commenced production in August 2022
- **Buckingham Murder** (Starring Kareena Kapoor & Director Hansal Mehta) commenced production in October 2022
- **Sabarmati** (Starring Yami Gautam)
- **Crew** led by all female star cast of Tabu, Kareena Kapoor and Kriti Sanon expected to go on floors soon



Financials

BTL Consolidated Financial Performance



In ₹ Cr	Q2 FY23	Q1 FY23	Q2 FY22	H1 FY23	H2 FY22
Total Income from operations	164.2	118.8	76.7	283.0	141.5
Cost of Production	148.9	115.1	80.9	264.0	138.3
Gross Margin	15.3	3.7	-4.2	19.0	3.2
<i>Gross Margin %</i>	9%	3%	-5%	7%	2%
Marketing and Distribution	10.0	3.5	8.3	13.6	24.1
Employee Benefits Expense	7.2	3.0	6.8	10.3	13.2
Other Expenses	12.9	17.5	19.3	30.4	34.8
EBITDA	-14.8	-20.4	-38.5	-35.3	-68.9
<i>EBITDA Margin %</i>	-9%	-17%	-50%	-12.5%	-49%
Finance Cost	1.3	1.1	0.1	2.4	0.3
Depreciation and amortisation	3.3	3.3	3.8	6.6	7.8
Other Income	0.6	1.5	1.7	2.1	2.9
Profit / Loss Before Tax	-18.8	-23.3	-40.7	-42.0	-74.2
Tax Expenses	-0.2	1.2	1.3	-1.0	0.8
Net Profit After Tax	-18.6	-24.5	-39.4	-43.1	-73.3

Note : Numbers may not add up due to rounding

Legal Entity Wise Performance : Q2 FY23



Particulars (In ₹ cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALTBalaji	Ding	Elimination	Consol
Net Sales / Income from Operations	144.3	1.7	5.6	14.3	1.7	164.2
Other Operating Income	-	-	-	-	-	-
Total Income	144.3	1.7	5.6	14.3	1.7	164.2
Cost of Production	122.5	-	13.2	13.9	0.7	148.9
Marketing and Distribution Expenses	10.3	-	1.5	-	1.7	10.0
Staff Cost	3.7	0.9	0.9	0.2	-1.5	7.2
Other Expenditure	5.7	0.2	8.1	0.5	-1.5	12.9
EBITDA	2.1	0.7	-18.1	-0.3	-0.7	-14.9
Finance Cost	1.3	0.2	1.2	0.0	1.4	1.3
Depreciation	3.1	-	0.1	0.1	-	3.3
Profit / (Loss) from Operation Before Other Income	-2.3	0.6	-19.4	-0.3	-2.0	-19.4
Other Income	1.7	-	0.2	0.1	1.4	0.6
Profit / (Loss) from Ordinary Activities Before Tax	-0.6	0.6	-19.2	-0.3	-0.7	-18.8
Tax Expenses	-0.2	-	-	-	-	-0.2
Net Profit / (Loss) from continuing operations	-0.4	0.6	-19.2	-0.3	-0.7	-18.6

Note : numbers may not add up due to rounding

Legal Entity Wise Performance : H1 FY23



Particulars (In ₹ cr)	BTL (TV + Movie Production)	BMPL (Movie Distribution)	ALTBalaji	Ding	Elimination	Consol
Net Sales / Income from Operations	221.0	1.7	42.5	19.6	1.8	283.0
Other Operating Income	0.9	-	-	-	0.9	-
Total Income	221.9	1.7	42.5	19.6	2.7	283.0
Cost of Production	184.5	-	62.9	19.1	2.5	264.0
Marketing and Distribution Expenses	10.4	-	4.9	-	1.7	13.6
Staff Cost	5.8	1.7	2.3	0.4	-0.1	10.3
Other Expenditure	12.9	0.3	16.4	0.9	0.1	30.4
EBITDA	8.3	-0.3	-44.0	-0.8	-1.6	-35.2
Finance Cost	2.3	0.3	1.8	0.0	2.0	2.4
Depreciation	6.0	-	0.4	0.2	-	6.6
Profit / (Loss) from Operation Before Other Income	- 0.1	-0.6	-46.1	-0.9	-3.6	-44.2
Other Income	3.7	-	0.2	0.2	2.0	2.1
Profit / (Loss) from Ordinary Activities Before Tax	3.7	-0.6	-45.9	-0.8	-1.5	-42.0
Tax Expenses	1.0	-	-	-	-	1.0
Net Profit / (Loss) from continuing operations	2.6	-0.6	-45.9	-0.8	-1.5	-43.1

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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<http://www.balajitelefilms.com>

Email:

investor@balajitelefilms.com

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Television business drives revenue growth for Balaji group

November 10th 2022: Balaji Telefilms announced its financial results for the second quarter and six-months ended 30th September 2022.

TV revenue jumped 54% in H1 FY23 to ₹162 cr vs H1 FY22. The business contributed to extremely healthy margins i.e. 5 times jump at EBIDTA level during H1 FY23 over corresponding previous period and will continue to be volume led.

During the three months of this quarter, we had a robust pipeline of 8 shows on air across 4 leading broadcasters. TV business produced 275 hours of production in Q2 FY23 against 189 hours in Q2 FY22. 2 new exciting shows across varied genres have been lined up and are currently under production. Current quarter realisation at ₹ 30.37 lacs per hour is 9% higher than corresponding previous quarter. Our shows have often been regarded as channel drivers for our broadcasters as they have been consistently well received by audiences.

For ALTBalaji, EBIDTA losses restricted to ₹44 cr in H1 FY23 vs ₹71 cr in H1 FY22, improved by 38%, due to cost rationalization measures. ALTBalaji's direct subscription revenue stood at ₹ 5 cr in Q2 FY23 and the business is expected to retain the momentum as per current run rates for the balance 6 months considering a strong content library in place with 93 shows and 18 movies which includes multiple seasons of hit shows. 'Apharan 2' and 'Code M S2' were launched in Q1 and Q2 respectively and both shows have been well received. The Company sold 6.1 lakh subscriptions (including 3.2 lakh renewals) during six months ending 30th September 2022. This excludes subscribers on partner apps where the content continues to do well. Currently, the engagement time stands at 53+ mins, with watch time at 16.4 billion in minutes. Video views stand at 1.4 billion cumulative till date.

We had two theatrical releases in Q2 FY23. Our first release for the year, 'Ek Villain Returns' starring John Abraham and Arjun Kapoor released on 29th July. Our subsequent theatrical release, 'Dobaaraa' starring Taapsee Pannu in August received widespread critical acclaim on account of its niche concept. We also released 'Goodbye' starring Amitabh Bachchan and Rashmika Mandanna in October to positive reviews. We have 3 more movies lined up for release in FY23 wherein we have pre-locked exciting revenue deals, thereby de-risking our movie business segment significantly. The pipeline includes 'Freddy' starring the nation's current heartthrob Kartik Aryan which has already been blocked for direct to digital release on 2nd December on Disney+ Hotstar and also includes 'Kathal' starring Sanya Malhotra which is also headed for a direct to digital release on Netflix.

Mrs. Shobha Kapoor, Managing Director, Balaji Telefilms Limited said, "Our TV business continues to perform well in terms of production hours and we hope to improve this momentum as 2 new shows would be added to our robust pipeline of 8 shows that we

currently have on air across channels and genres that will enable us to achieve volume growth. As always, we are confident that our content will strike a chord with audiences as our storytelling is backed by strong execution capabilities which drives our business growth and allows our brand to flourish in this domain. We are also extremely elated that after a gap of almost two and half years, we resumed our theatrical release in July this year. 'Ek Villain Returns', 'Dobaaraa' and 'Goodbye' have been received well by audience. Additionally, we have a robust pipeline of 3 more movies to be released this year and are confident that these will exceed expectations and take our brand a notch higher. We continue to have strong controls on the cash spend while driving overall profitability including some strong strategic content sharing deals which allows us to further our growth".

OPERATIONAL and FINANCIAL HIGHLIGHTS

- **TV revenue jumped 54% in H1 FY23 to ₹162 cr vs H1 FY22**
- TV business contributed to healthy margin in H1 FY23 with ₹ 19 cr of EBIDTA vs ₹ 3 cr in H1 FY22, **5 times jump in EBITDA**
- TV business continued at normal in this quarter with 275 hours of production across 8 shows and a strong pipeline with two more exciting shows which are currently under production. The business will continue to be volume led
- ALTBalaji EBIDTA losses restricted to ₹ 44 cr in H1 FY23 vs ₹ 71 cr in H1 FY22, **improved by 38%**, due to cost rationalisation measures
- ALTBalaji total subscriptions sold in H1 FY23 were 6.1 lakh. Direct subscription revenues stood at Rs 5cr in Q2 FY23 cr, Major focus on cost rationalisation to limit cash burn
- After a gap of more than two and half years, we resumed theatrical release in July. 'Ek Villain Returns' headlined by a strong star cast received positive audience reviews.
- 'Dobaaraa', starring Taapsee Pannu and 'Goodbye' starring Amitabh Bachchan and Rashmika Mandanna, released on 19th August and 7th October respectively and received widespread critical acclaim by audiences. Dobaaraa trended at No. 1 spot, subsequently on Netflix upon its release on OTT.
- Current pipeline includes 3 more exciting projects with some of the leading talent of our country. This includes 'Freddy' starring the nation's current heartthrob, Kartik Aryan, and has already been blocked for direct to digital release on 2nd December on Disney+ Hotstar as well as 'Kathal' starring Sanya Malhotra which is also headed for a direct to digital release on Netflix.
- Overall financial performance for the six months
 - Group revenues at Rs 283 cr in H1 FY23 vs Rs 142 crores in H1 FY22
 - Group EBITDA loss at Rs 35 cr in H1 FY23 vs Rs 69 crores in H1 FY22

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 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, Udaa Punjab Veere Di Wedding, Dream Girl and recently Ek Villain Returns and Dobaaraa.

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, 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:

Tannu Sharma (Group Head – Secretarial)

investor@balajitelefilms.com | +91 9891569555