

Balaji Telefilms Ltd.

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CIN No.: L99999MH1994PLC082802



May 30, 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 May 30, 2023 intimating the Outcome of Board Meeting for consideration and approval of Audited Financial Results for the quarter and year ended March 31, 2023. Please find enclosed Quarterly Performance Report and Press Release dated May 30, 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

Tannu Sharma
Company Secretary

Encl: a/a



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 EBITDA 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

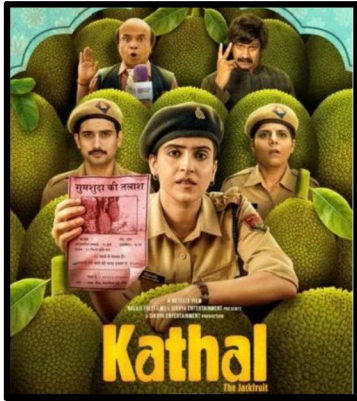


Ek Villain Returns
29th July 2022

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

Balaji Telefilms Limited

CIN : L99999MH1994PLC082802

<http://www.balajitelefilms.com>

For further queries please contact:

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Turnaround Momentum Continues with 76% Jump in Group Revenues Second Consecutive Quarter of Positive EBITDA Margin Improvement

May 30th, 2023: Balaji Telefilms (Balaji/Company) announced its financial results for the fourth quarter and twelve months ended 31st March 2023.

The Group reported 76% increase in revenue to ₹ 593 crores in FY23 vis-à-vis ₹ 337 crores in FY22. Group revenues in Q4 FY23 grew by 21% to ₹ 145 crore compared to ₹ 119 crore in Q4 FY22. Group level EBITDA profit stood at ₹ 11.5 crore in Q4 FY23 vis-à-vis EBITDA loss of ₹ 31.3 crore in Q4 FY22 and EBITDA profit of ₹ 4.6 crore in Q3 FY23 demonstrating the Group's continued focus on operational excellence and strategic cost rationalizing across business segments, especially the Group's digital business (ALT Digital). These strategic measures enabled the Company to achieve significant improvement at the EBITDA level and expected to yield positive results going forward. Profit after tax in Q4 FY23 is ₹ 7.7 crore compared to loss after tax in previous comparative periods i.e. ₹ 33.3 crore in Q4 FY22 and ₹ 2.6 crore in Q3 FY23.

Television

TV business continued to perform well and delivered stellar results. Revenue increased by 44% in 12M FY23 to ₹ 344 crore vis-à-vis previous corresponding period. EBITDA increased by 171% to ₹ 49 crore in 12M FY23 vs ₹ 18 crore in 12M FY22. Compared to Q4 FY22, EBITDA margin expanded by 7.5 percentage points in Q4 FY23.

Balaji had 9 shows on-air at the end of the quarter across 4 leading broadcasters and crossed the milestone of producing more than 1,000 hours of content during the fiscal, owing to strong focus on operational excellence. In Q4 FY23, hours of production increased by 32% to 324 hours compared to 246 hours in Q4 FY22. Currently, 1 new show is expected to go on-air in the upcoming quarter. In 12M FY23, realization per hour increased by 14% to ₹ 30.2 lakhs per hour compared to previous year. Balaji's shows consistently feature in top 5 rankings during television prime time demonstrating its leadership in the domain.

Digital

Strategy to rationalize costs across the Group, especially in the digital business, has yielded handsome results. EBITDA losses narrowed by 71% in Q4 FY23 compared to Q4 FY22 and by 19% compared to Q3 FY23. On fiscal level, EBITDA losses narrowed by more than 50% in FY23 compared to FY22. Digital business' OTT platform, ALTT's subscription revenues stood at ₹ 19 crore for 12M FY23 wherein a total of 1.11 million subscriptions were sold including 0.6 million renewals highlighting the stickiness of customers and appeal of the content. During the fiscal, 3 new shows were launched on ALTT, with strong reception by target customers.

In a bid to capitalize on production expertise, ALT Digital has entered into strategic partnerships and deals to produce content for some of the biggest digital platforms. The current orderbook has 8 shows to be produced for some of the best-known names in the industry. The business has embarked on a comprehensive strategy to diversify revenue streams, streamline operations at all levels and rationalize non-core expenses. ALTT's content slate is taking shape which is expected to yield positive results in the upcoming quarters in the form of launch of content driven shows across genres. Continued focus on core competencies of creative excellence and production expertise is expected to drive the business going forward. Presently, ALTT's content has been watched for over 16.6 billion minutes with the number of views totalling to 1.5 billion.

Movies

During FY23, a total of 4 movies were released with 3 of them i.e. 'Ek Villain 2', 'Dobaaraa', and 'Goodbye' releasing in cinemas while Karthik Aryan starrer, 'Freddy' was launched directly on digital to great audience reception. Subsequent launches include 'U-turn' starring Alaya F (28th April 2023) and 'Kathal' starring Sanya Malhotra (19th May 2023) on Zee5 and Netflix respectively. Kathal is currently trending at the top spot on Netflix owing to its differentiated content and mass appeal.

The Company has a healthy movie pipeline for the year ahead. 'Thank you for Coming' starring Bhumi Pednekar, 'Dream Girl 2' starring Ayushmann Khurrana and Ananya Panday, 'The Buckingham Murder' starring Kareena Kapoor Khan are under post-production while 'The Crew' starring Kareena Kapoor Khan, Tabu and Kriti Sanon commenced production in March 2023. 'LSD 2', to be directed by Dibakar Banerjee is under planning stages and is expected to go on floors soon. The Company has pre-locked revenue deals on movies, as a result, risk has been considerably mitigated and there is visibility on cashflow. Going forward, the focus will remain to employ these pre-sales strategies.

Mrs. Shobha Kapoor, Managing Director, Balaji Telefilms Limited said, "Our continued focus on improving profitability, streamlining operations and cost-rationalization has yielded results with the Group level profitability significantly improving this quarter. We ended the year with 9 TV shows on-air across leading channels and plan to add one more in the upcoming quarter to cater to the daily dose of entertainment of our TV audiences. We have 3 movies in post-production slated to be launched in next few quarters and hope that these movies resonate well with our audience's preference and taste. We are confident that our pipeline for the year ahead across Movies, TV and Digital will enable us to continue on our growth trajectory in the entertainment domain and ensure a thriving and sustainable business."

OPERATIONAL and FINANCIAL HIGHLIGHTS

- 76% growth in Group revenues with ₹ 593 crore in 12M FY23 vs ₹ 337 crore in 12M FY22
 - Group level EBITDA profit of ₹ 11.5 crore in Q4 FY23 vis-à-vis EBITDA loss of ₹ 31.3 crore in Q4 FY22 and EBITDA profit of ₹ 4.6 crore in Q3 FY23.
 - Consolidated Profit After Tax of ₹ 7.7 crore in Q4 FY23 compared to loss of ₹ 33.3 crore in Q4 FY22 and loss of ₹ 2.6 crore Q3 FY23

- TV revenue grew by 44% in 12M FY23 to ₹ 344 crore vs 12M FY22
 - Returned healthy margin in 12M FY23 with ₹ 49 crore of EBIDTA vs ₹ 18 crore in 12M FY22, an improvement of 171%
 - Production continued to expand with 324 hours of production across 9 shows in Q4 FY23 which led to the business crossing the milestone of 1,000 hours in the entire fiscal. 1 more show slated to release in the next quarter. Business will continue to be volume led.
- In Q4 FY23, ALT Digital's EBIDTA loss at ₹ 9.8 crore, narrowed by 71% compared to Q4 FY22 and by 19% compared to Q3 FY23.
 - Total subscriptions sold in 12M FY23 were 1.11 million. Subscription revenues stood at ₹ 19 crore in 12M FY23
- 4 movies released during FY23, 3 of them were released theatrically and 1 was launched on digital platform. Subsequent recent launches include U-Turn and Kathal which were direct to digital releases on Zee5 and Netflix respectively.
 - Current pipeline includes 5 movies across genres viz. 'Thank You For Coming', 'Dream Girl 2' and 'The Buckingham Murder', 'The Crew', 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. Ektaa 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 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, Freddy, U-Turn and Kathal.

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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