

Balaji Telefilms Limited

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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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