



Balaji Telefilms Ltd.

Investor Presentation

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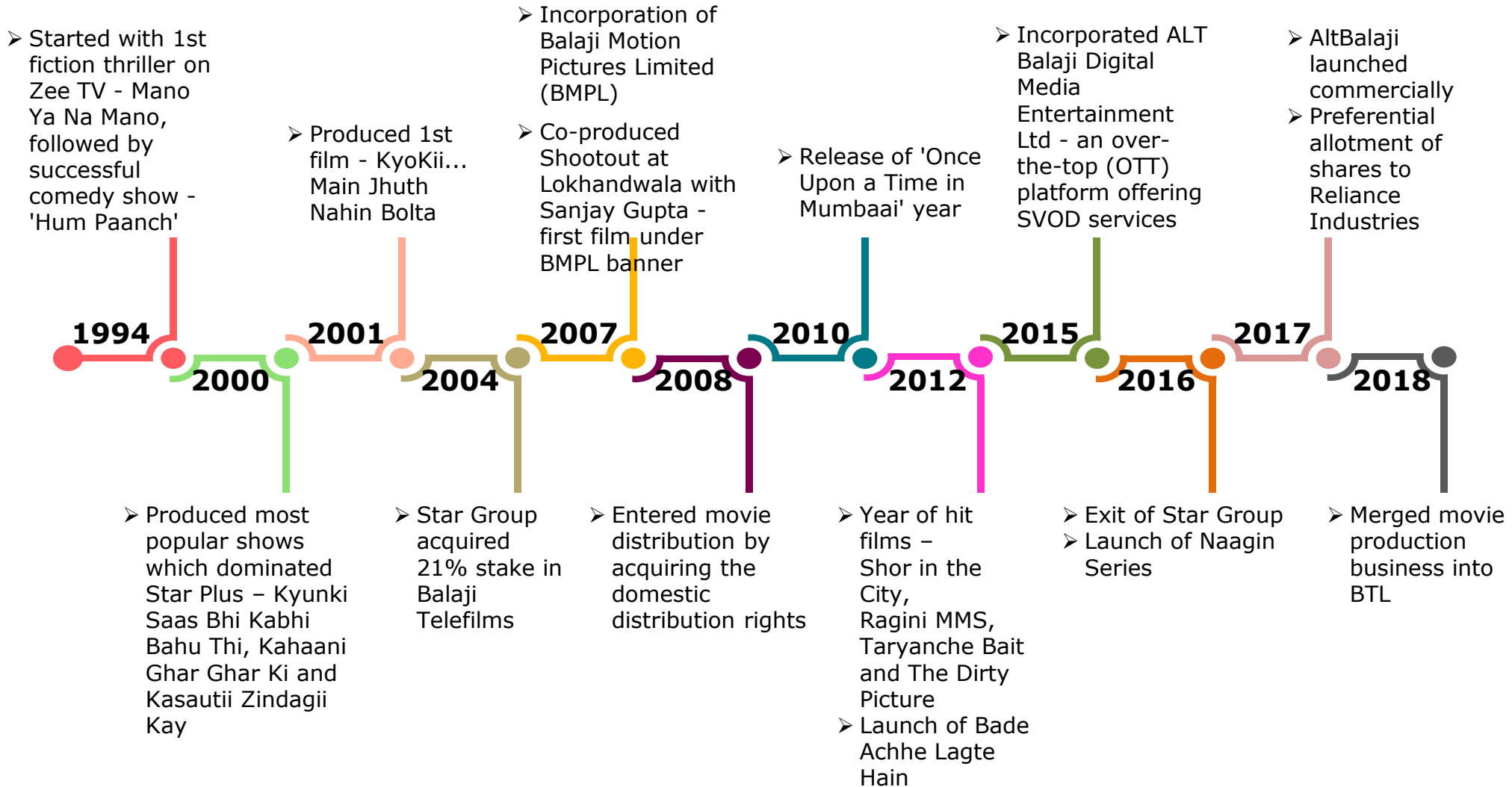
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This presentation was last updated in February 2018



Balaji Telefilm's entertaining journey for over 2 decades



Exemplary track record for over two decades in TV content creation across genres and target groups...

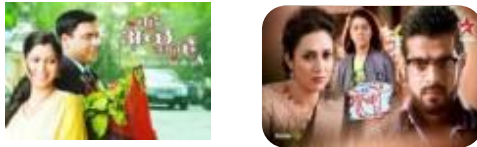


Daily Soaps



Kyunki Saas Bhi Kabhi Bahu Thi
OVER 1800+ EPISODE

Kahaani Ghar Ghar Ki
8 YEARS WITH 1500+ EPISODE



Bade Acche Lagte Hai
MATURE LOVE STORY
Ye Hai Mohabbatein
OVER 1000 EPISODE



Kasthuree
REGIONAL (TAMIL) DAILY DRAMA

Finite Drama



Naagin 1 and 2
SUPERNATURAL FANTASY SERIES

Kavach
SUPERNATURAL HORROR

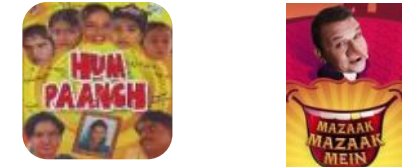
Historical fiction



Chandra Nandni
ROMANCE DRAMA

Jodha Akbar
EPIC – PERIOD DRAMA

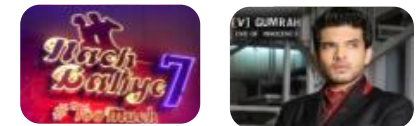
Comedy



Hum Paanch
FAMILY COMEDY SERIES

Mazak Mazak Mein
COMEDY SERIES

Non fiction

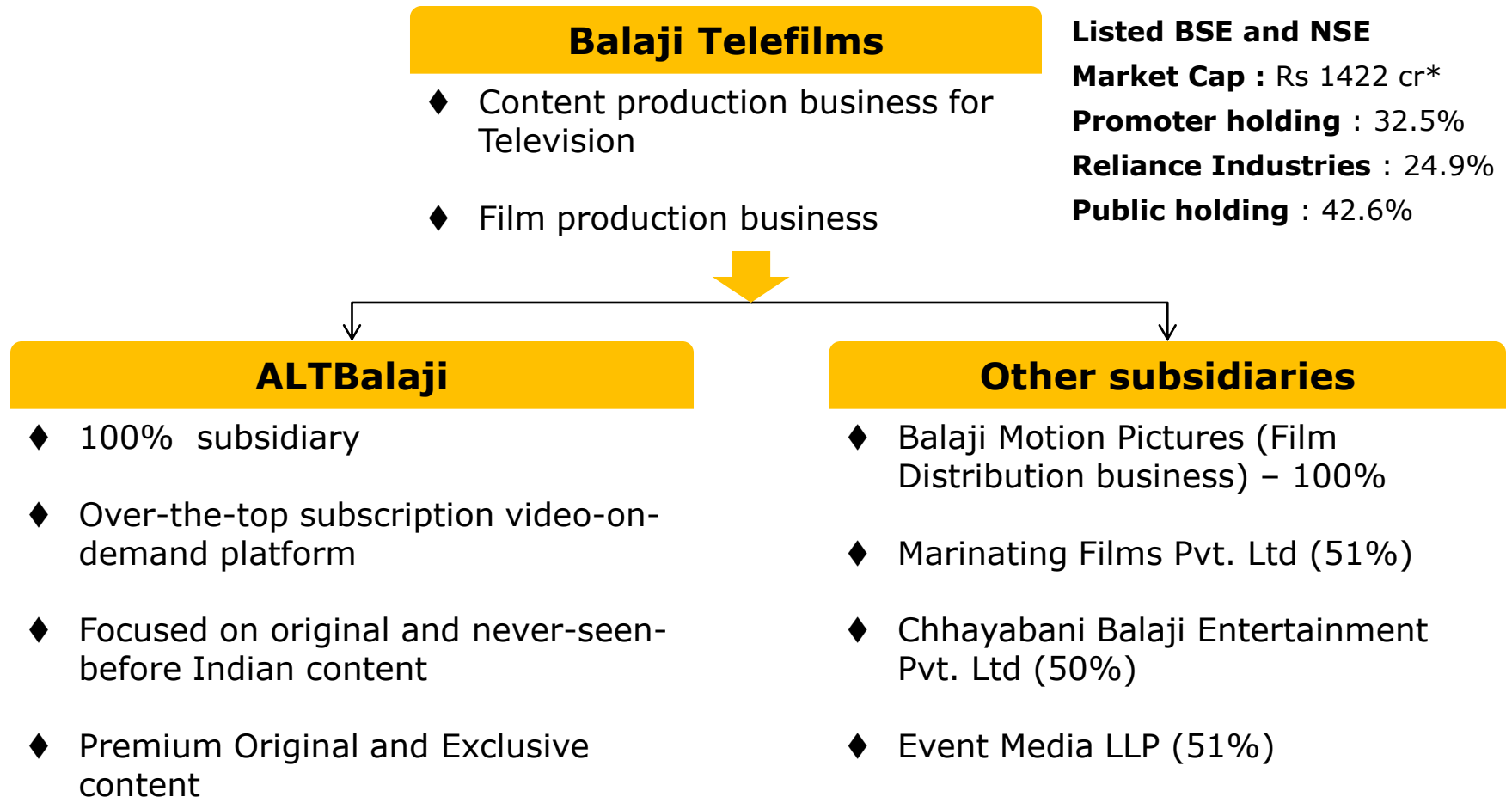


Nach Baliye 7
DANCE BASED REALITY SHOW

Gumrah
YOUTH / CRIME SHOW

... Now ready for digital audiences

Current Group Structure



* as on 20th February 2017

Led by content maestro



EKTA KAPOOR

JOINT MANAGING DIRECTOR

A content maestro- the creative brain behind Balaji

- ◆ Leading Indian TV and film producer.
- ◆ Under her creative guidance, Balaji has won almost every major TV award
- ◆ Stellar work in creating a large content conglomerate at a young age garnered her several distinguished awards” The Economic Times (Businesswoman of the Year 2002), E&Y (Entrepreneur of the Year 2001) and the American Biographical Institute (Woman of the Year 2001)
- ◆ IMPACT placed her at the No. 1 position among ‘50 Most Influential Women’ (2016) in the Indian marketing, advertising and media ecosystems
- ◆ Handles day to day creative direction across TV, ALTBalaji and Movies

Supported by a talented team of professionals



Sanjay Dwivedi – Group CFO



- Over 20 years of experience in the field of Finance & Accounts.
- A CA from the ICAI, Sanjay has vast experience in diverse finance operations across Industries like Steels, Pharmaceuticals and Media & Entertainment.

Nachiket Pantvaidya – CEO AltBalaji and Group COO



- IIM-Ahmedabad alumnus
- Was Business Head of Sony Entertainment Television and also the Business Head of Star Plus and held several roles in the Star TV network, including Head of Star Pravah and MD of Fox Television Studios
- Also held management roles in BBC and Disney

Ketan Gupta – COO Balaji Telefilms



- Over 15 years of experience in the field of Television Production
- Integral part of Balaji and his strengths include cost management, extracting production efficiencies and handling multiple ongoing TV productions across numerous locations

Sunil Nair – COO AltBalaji



- 11+ years of experience in the digital video space
- Founder CEO of nautanki.tv - India's first distributed video platform acquired by hungama in 2009
- Senior management roles across companies like One Channel (CEO), Reliance Jio (Vice President) and Star India (as Head of Indya/MyStar) among others

Manav Sethi – CMO AltBalaji



- 15+ years of experience in creating & managing high impact teams in new economy multinationals and start-ups
- Founded and scaled online businesses that achieved peak value of \$3B
- Before ALTBalaji, was working as Group CMO at Askme.com where he led teams across product strategy, marketing & communications

Nimisha Pandey- Head Fiction Content



- 12+ years of experience in fiction content
- Worked as creative director across media companies including Balaji Telefilms, 4 Lions Films, Fireworks Production, Director's Kut Productions, Sphere Origins Limited and Shreya Entertainment

Supported by a talented team of professionals



Vishal Bijlani – Deputy CFO



- 15+ years of post qualification experience in Corporate Finance
- Chartered Accountant and Cost Accountant, having experience in varied sectors like Telecom, Steel and Power. Handling cost control, Accounts finalisation, Audit and Funding.

Vimal Doshi – Head of Distribution



- Experience of 17 years and graduated with a bachelors degree in Commerce from R A Podar College of commerce.
- Distributed several films including, Shootout At Lokhandwala, Bhool Bhulaiya, Sarkar Raaj, Once Upon A Time In Mumbai Dobaraa, Ragini MMS -2, Main Tera Hero, Ek Villian

Ruchikaa Kapoor – Head of Marketing



- Over 10 years of experience in marketing and brand building
- Leads strategic brand associations across in-film, in-song or out-of-film to create striking and memorable communication
- Lead innovative marketing tie up for a number of movies including Half Girlfriend, Udtaa Punjab, The Dirty Picture and Ragini MMS

Simmi Singh Bisht – Group Head Secretarial



- 10+ years of experience in the secretarial and legal field across diverse industries
- Master's Degree in Law with specialisation in Corporate Law from SNDT Women's University, Mumbai, an Associate with ICSI and BCOM from NM College
- In charge of overall secretarial functions in the Balaji Group.

Kartik Sankaran – Sr VP – IR



- 15+ years of experience in global capital markets and corporate finance
- Worked across various capital raises and strategic transactions and setting up a strong and stable investor relations platforms
- MBA from Manchester Business School



Balaji Telefilms Ltd.

**Value through
Content Creation,
IP Ownership and
Consumer Connect**

Digital

- ◆ Create original and exclusive content
- ◆ Build a B2C business through alliances and partnerships
- ◆ Own IP and monetize effectively across platforms

Television

- ◆ Focus on high impact content and profitable content
- ◆ Generate consistent cash flow
- ◆ Retain IP where feasible

Movies

- ◆ Be selective and focus on strong content led offerings
- ◆ Collaborate and co-produce



Balaji Telefilms Ltd.

Digital – ALTBalaji

ALTBalaji to create a digital B2C business

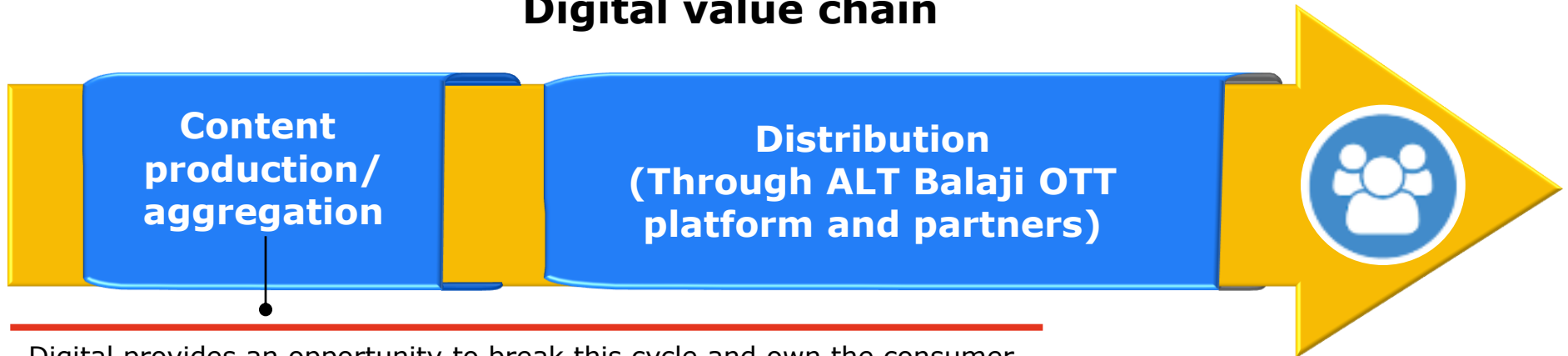


Existing TV value chain



Balaji currently operates in content production with no connect to the end consumer and no IP ownership (which is owned by the broadcaster)

Digital value chain



Digital provides an opportunity to break this cycle and own the consumer as well as the content IP

The digital opportunity is now for real



25
million
households
already
spending
₹1000-2000
per month
on
**Entertainment,
Telecom,
& Internet**

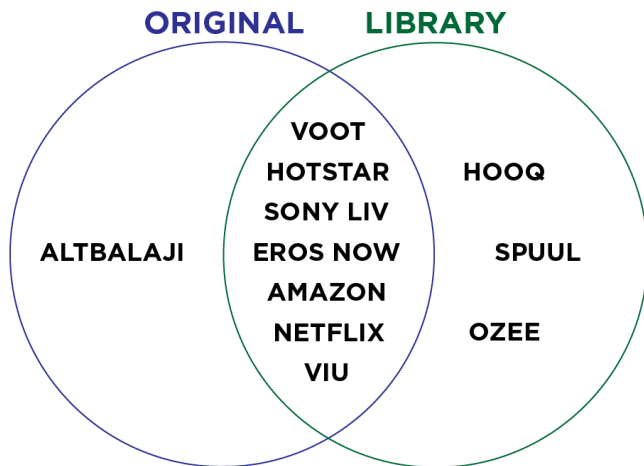
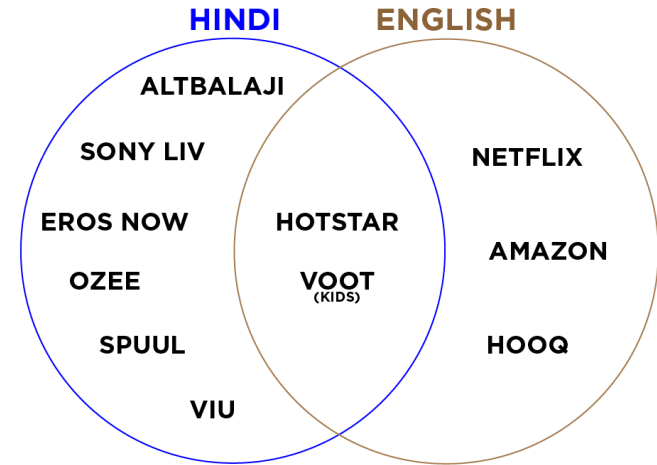
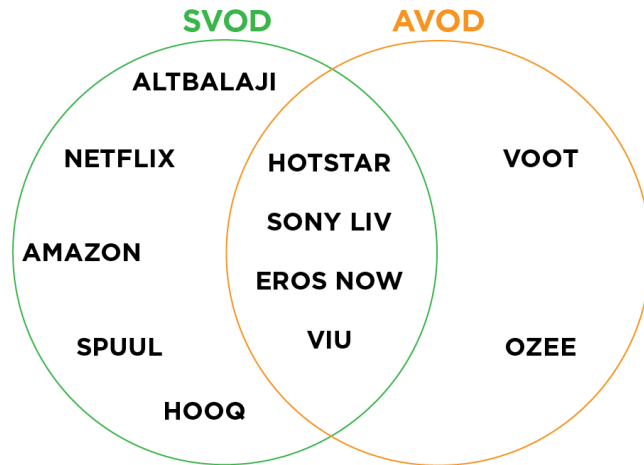


165mn
TV households



$$\left(\$10 \text{ or } ₹600 \text{ per month} \times 25 \text{ million households} \right) = \$3 \text{ billion per year}$$

The Indian Over the Top (OTT) landscape



CONTENT CATEGORIES

ALTBALAJI	.....	▷	
NETFLIX	.....	▷	□
AMAZON	.....	▷	□
VOOT	.....	▷	□
OZEE	.....	▷	□
VIU	.....	▷	□
EROS NOW	.....	▷	□
HOTSTAR	.....	▷	□	○
SONY LIV	.....	▷	□	○
SPUUL	.....	□	
HOOQ	.....	□	

▷ SHOWS

□ MOVIES

○ SPORTS

3G / 4G data at extremely attractive prices makes Video on Demand a reality – consumers now have an appetite for Video



**FILL
THE CONTENT NEED GAP
FOR INDIAN AND DIASPORA VIEWERS**

**CREATE
URBAN MASS TARGETED
ORIGINAL & EXCLUSIVE
CONTENT ON SCALE**



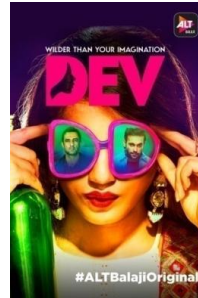
**ALIGN
DISTRIBUTION CHANNELS
FOR MAXIMUM REACH
& SAMPLING**

**BUILD
INDIA FRIENDLY
TECHNOLOGY INFRASTRUCTURE**

Number 1 Source for Original Exclusive Binge Friendly Content



Create Content that Appeals to All Segments of the Market



"Upgrade to TV"

- ◆ **TV Stars** in a **newer digital format**
- ◆ Storylines and ideas that **would not work on traditional TV**
- ◆ Appeals to **mass audiences**
- ◆ Example **Karrle Tu Bhi Mohabbat** Season 2 launched within 9 months of Season 1
- ◆ Costs per hour at **2x to 3x** cost of TV content

"Retell Classics"

- ◆ **Adapt classical stories** for newer audiences
- ◆ Build and develop on the immense **fresh talent pool**
- ◆ Appeals to **large segments** of the audience
- ◆ **Dev DD** – a modern take on Devdas has **over 1m viewers** already and soon entering Season 2
- ◆ Costs per hour at **2x to 2.5x** cost of TV content

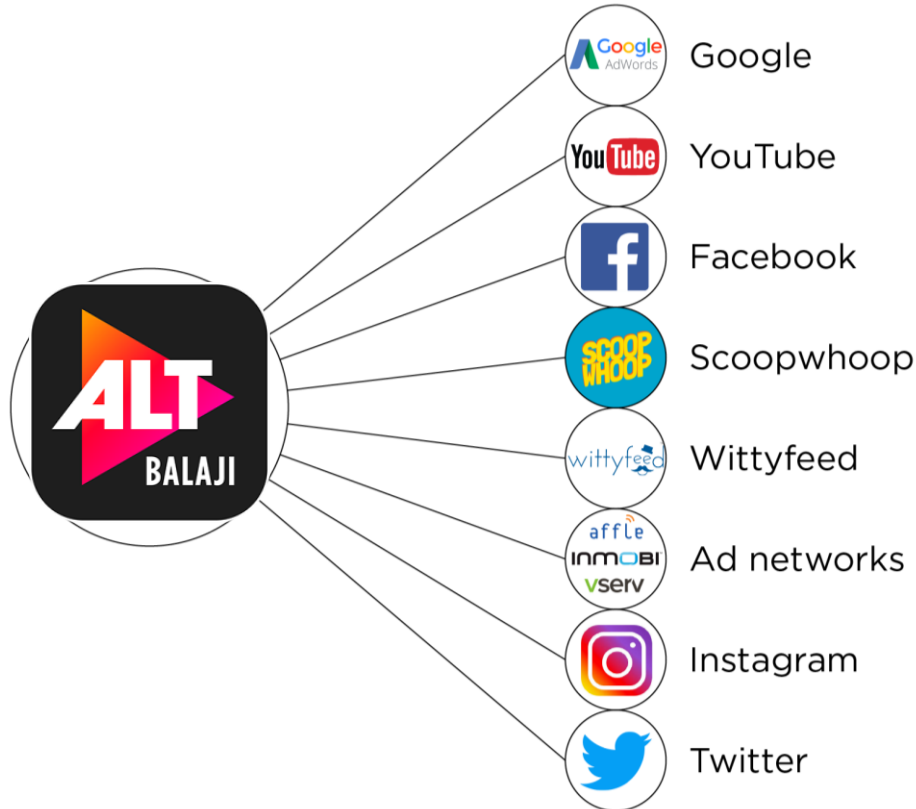
"Tent Pole"

- ◆ Original and exclusive **high impact content**
- ◆ Utilize the **best talent available** including Film talent
- ◆ Appeals to **niche but still large segments**
- ◆ **Bose Dead/Alive** has an IMDb rating of 9.4 – one of the **highest for a web series**
- ◆ Costs per hour at **3x to 4x** cost of TV content

Marketing and distribution partnerships to save costs



Digital Marketing led



B2B2C partnerships

Telecom and Internet Service Providers



OEMs and Payment Wallets



Platform Partners



Partners help increase sampling and reach while also saving marketing and distribution costs

Note : Not an exhaustive list and only representative



Launched 16th April 2017

10 million + 1.2million
App Downloads and web traffic¹

500,000+
paid users²

14
Original and exclusive shows



433 million
Minutes of
Video consumed since launch

Rs 4.4 cr
Gross billing³

98 minutes
Average watch time per user⁴

Note : All data as of 31st December 2017

1. Does not include users accessing the service through Third Party Telecom apps such as Vodafone Play
2. Includes users accessing and paying for the service through Third Party Telecom apps
3. Gross billing is total collections until 31st December 2017. Revenue reported in financials as per IND-AS standards
4. Average time is calculated as total time watched by paying users divided by total number of paying users

Early success indicators



**Movers and Shakers 2017
Vidnet Awards**

Top Video Streaming Apps by Revenue, H1 2017* Combined iOS App Store and Google Play

Rank	Singapore	Thailand	India	S Korea	Japan	China	Australia
1	Netflix	Netflix	Netflix	Pooq	Showroom	iQIYI	Netflix
2	Viu	V-Live	Hotstar	V-Live	Netflix	Tencent	AFL Live
3	Toggle	Viu	ALTBalaji	Netflix	Niconico	Youku	YouTube
4	V-Live	NBA	Eros Now	Watcha Play	TwitCasting	iQIYI PPS	Official NRL
5	NBA	UFC	Wynk Movies	YouTube	U-NEXT	DouyuTV	NBA

App Annie survey results ranks AltBalaji at # 3 within 6 months of launch

Note : AltBalaji Revenue from 16th April 2017 to 30th September 2017, others from 1st January 2017 to 30th September 2017



Balaji Telefilms Ltd.

Television Business

Our Television business has been the cornerstone of the Indian TV industry






- ◆ Built on **producing commissioned programming** for broadcasters
- ◆ **Unmatched experience** in entertainment and a **proven ability** in gauging the pulse of masses
- ◆ **Exemplary track record** with a string of hit shows in Hindi and Regional television across sub segments of the Indian GEC space
- ◆ Some of our past successes are **Kahaani Ghar Ghar Ki, Kyunki Saas Bhi Kabhi Bahu Thi, Kkusum, Kasamh Se, Bade Ache Lagte Hain and Jodha Akbar**
- ◆ Current programs like **KumKum Bhagya, Yeh Hain Mohabbatein and most recently Naagin** series are well accepted by viewers, reflected in its strong TRPs
- ◆ Serials broadcast **across all channels** and well **established relationship with talent**

TV business is well diversified and continues to improve



Particulars (in Rs Cr)	QoQ change	YoY change	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16	Full Year FY17
Programming Hours	-25%	-32%	179	240	240	241	262	960
Revenue	-23%	-29%	59.4	77.6	80.4	80.9	83.5	277.9
Realisation / Hour	3%	3%	0.33	0.32	0.34	0.34	0.32	0.29
Gross Margin	19%	22%	22.5	18.9	22.4	29.0	18.7	74.1
Gross Margin / Hour	63%	86%	0.13	0.08	0.09	0.12	0.07	0.08
Gross Margin %	+1350bps	+1550bps	37.9%	24.4%	27.9%	35.8%	22.4%	26.7%

Show line up in Q3 FY18

Channel	Show Name	Time	Schedule
	Kasam Tere Pyaar Ki	18.00 - 18.30	Monday to Friday
	Chandrakanta	20.00 - 21.00	Saturday to Sunday
	Ye Hai Mohabbatein	19.30 - 20.00	6 days a week
	Chandra Nandni*	20.30 - 21.00	Monday to Friday
	Kumkum Bhagya	21.00 - 21.30	Monday to Friday
	Kundali Bhagya	21.30 - 22.00	Monday to Friday

BTL Standalone - Summary financials



In (Rs Cr)	FY14	FY15	FY16	FY17	9M FY18
Accounting Standard	IGAAP	IGAAP	Ind-AS	Ind-AS	Ind-AS
Business included	TV	TV	TV	TV +Movie	TV+Movie
<u>Operating Metric</u>					
Hours of Programming	590	962	1002	960	659
Revenue / hour (only TV)	0.22	0.22	0.26	0.30	0.33
Movie releases	6	3	1	4	2
<u>Financials</u>					
Total Revenue	131.5	209.7	256.8	410.9	328.1
EBITDA	4.8	12.7	34.2	7.3	38.7
EBITDA Margin %	4%	6%	13%	2%	12%
PAT	10	12.3	37.1	29.4*	12.5**
PAT Margin %	8%	6%	14%	7%	4%

Movie business was merged into the TV business on as part of the scheme of arrangement approved by NCLT, effective 1st April 2016

* Impact of Merger has resulted in creation of a deferred tax asset of Rs 27.8 cr increasing PAT by 27.8cr

** Includes a Rs 9 cr exceptional item toward provision of income tax

◆ Investments in Mutual fund units as at 31st December 2017 at **Rs 329.0 cr** (total across the group at **Rs 468.5cr**)



Balaji Telefilms Ltd.

Movie Production

Producers of differentiated cinematic content



- ◆ Bollywood movies continue to be a **prime source of entertainment for the masses** – India as well as global Indians
- ◆ Creating **high quality, high concept cinema** that is supported by **intensive and innovative marketing**
- ◆ Audiences receptive to newer genre and stories – **“Smart movies” are also commercial successes**
- ◆ Track record include both **commercial hits** as well as **critically acclaimed movies**
- ◆ Some of our past successes are **Ek Villain, Once Upon a Time, Dirty Picture, Udta Punjab, Shootout at Wadala, Kya Kool Hai Hum and Half Girlfriend**
- ◆ Focus on **selectively commissioning** new movies

Movie Business Financials



In Rs Cr	FY14	FY15	FY16	FY17	9M FY18
Accounting Standard	IGAAP	IGAAP	Ind-AS	Ind-AS	Ind-AS
Movies Released	6	3	1	4	2
Revenue	271.7	109.8	22.8	126.3	88.9
EBITDA	-25.8	-5.7	-20.9	-32.8	1.6
PAT	-26.3	-5.4	-32.1	-44.3	-4.5

Note : Marketing and distribution expenses are charged to revenue in the period in which incurred and not inventorised

- ◆ The Production business of Balaji Motion Pictures has been merged into BTL effective 1st April 2016. Above numbers only provided to compare the movie business performance historically
- ◆ Going forward, Balaji Motion Pictures to explore **co-production model** with other leading production houses to share risks and costs
- ◆ Selectively focus on content and scripts and not necessarily star cast and scale of films
 - ◆ **Veere Di Wedding** (releasing June 2018 starring **Kareena Kapoor** and **Sonam Kapoor**)
 - ◆ **Laila Majnu** (releasing May 2018 starring fresh talent, creatively supervised by **Imtiaz Ali**)
- ◆ Movie inventory as of 31st Decemeber 2017 was at Rs 46.7 cr



Balaji Telefilms Ltd.

Balaji Telefilms Limited

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