



*Balaji Telefilms Ltd.*

# Balaji Telefilms Limited

Investor Presentation

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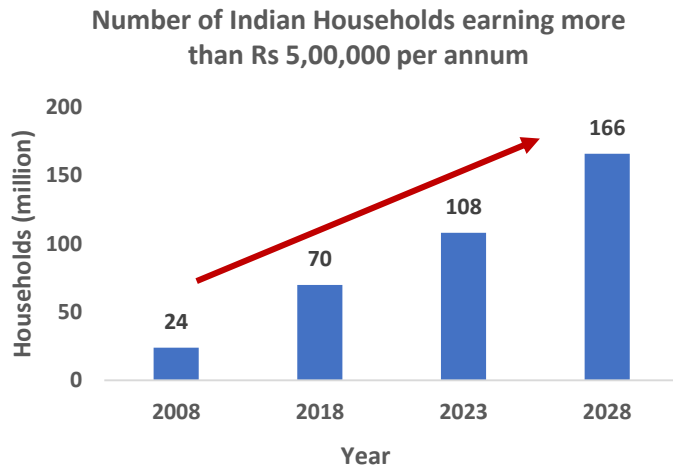
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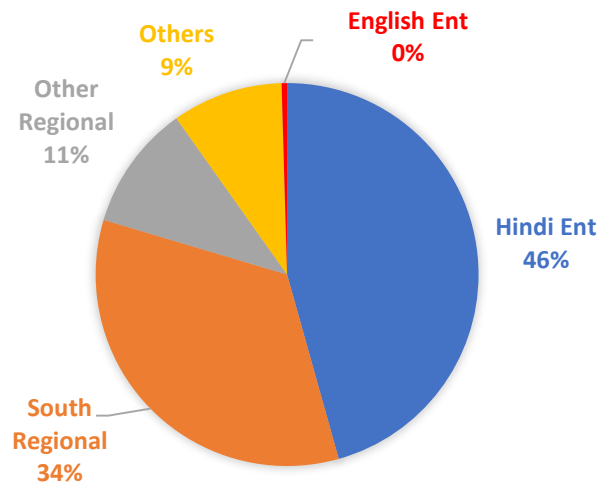
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# Indian M&E Sector On An Exponential Growth Trajectory



## GENRE WISE VIEWERSHIP



- ❑ The M &E Sector **grew faster than the GDP** of India (**13.4% Vs 10.2%**) and currently is a **\$24 billion industry**
- ❑ Entertainment sector to **grow faster** as Indian GDP grows
- ❑ **TV, Cinema and Video streaming** account for **73%** of the Indian M&E Sector
- ❑ Hindi Entertainment alone accounts for **nearly 46%** of all TV viewing
- ❑ In 2018, digital media grew **41.9%** as compared to 2017, driving overall sector growth

## Why Invest In Balaji Telefilms

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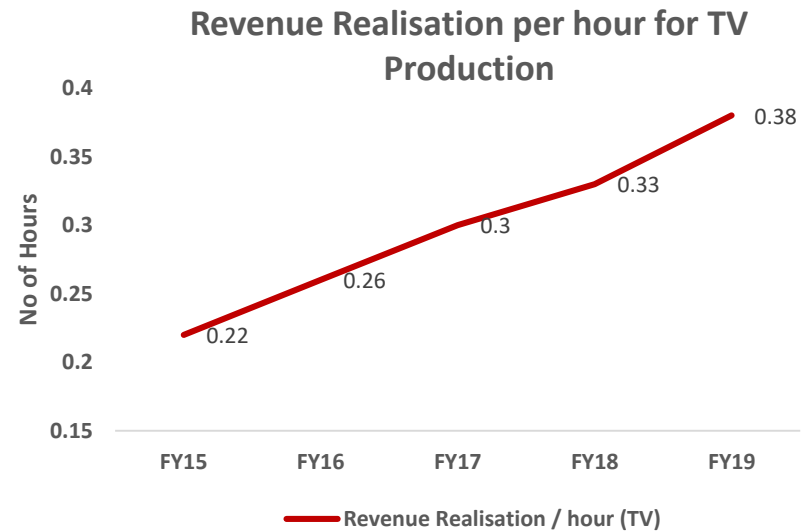
Balaji Telefilms offers an unique opportunity to invest in a proven content business that is screen agnostic and future ready.



- ❑ Our TV shows have been an **integral part of India's socio-cultural fabric** for over 25 years and even today and we have the **most dominant market share in creating fiction content**
- ❑ The **realization per hour in our business has been increasing consistently** – reflective of ability to deliver hit content year after year
- ❑ Movies continue to bring a **differentiated cinematic experience** for audiences desiring differentiated choices
- ❑ Current business strategy of producing 4 to 5 films a year with a **focus on pre-sales** allows us to **profitably participate** in one of the world's largest film markets
- ❑ Video streaming as a category continues to grow exponentially and **ALTBalaji is already one of the frontrunners** in this space - #3 paid video on demand service in India
- ❑ We have one of the **largest original exclusive Hindi content libraries** and a highly engaged audience (average watch time over 60 minutes a day)
- ❑ ALTBalaji is **well capitalized**, will scale up to dominate the **Hindi speaking Urban Mass audience** initially and then move to regional languages

## We Have The Best In Class TV Content, Ranking #1 In Prime Time

- ❑ Unmatched experience in entertainment and a proven ability in **gauging the pulse of masses for over 25 years**
- ❑ BTL has **4 out of Top 5 shows** and **14%<sup>1</sup> of viewership share in Prime Time – puts it at # 1 Content Producer**
- ❑ Only production house with **3 fiction shows in the top 10 list** since BARC ratings were implemented
- ❑ The revenue realization/ hour has grown consistently year on year over the last 5 years
- ❑ We have a well **developed pipeline of shows for the current year and FY 2020 promises good growth**





## We Remain Selective and Profitable in Our Movies

- ❑ Slate for FY20 currently include 5 movies
- ❑ Production cost for these movies have already been recovered via pre-sales



# Fast Growing ALTBalaji

Loved By Indian Consumers

#ALTBalajiOriginal

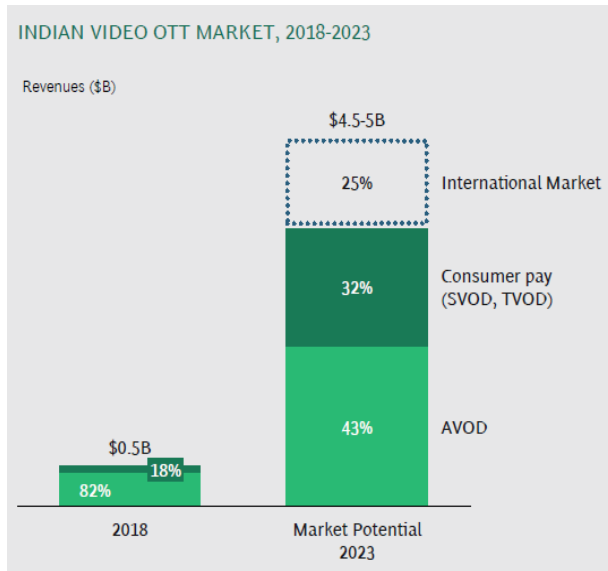


## CELEBRATING



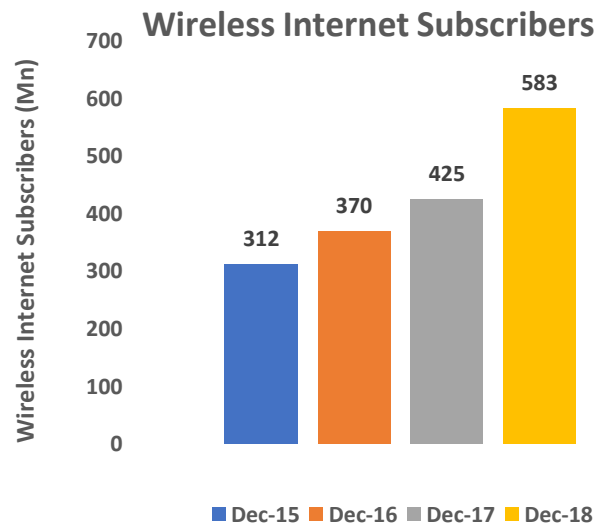
## YEARS OF ALTBalaji

# The Digital Entertainment Opportunity Is Real & Here



BCG estimates Indian video streaming market to be a **\$4.5bn to \$5bn by 2023**

- ❑ Mobile is the **go-to screen**. India will soon have **800 mn** new screens from under 500m
- ❑ The next wave of growth in India's internet population is expected from tier II and tier III cities and rural areas, needing localized content
- ❑ **Hindi language** users is expected to **grow 12 times** as compared to **English language** users which is expected to **grow 2 times**
- ❑ **Individualization, Personalization and Polarization** of content, is creating the **'Second Screen' Addition**



Average data consumption in India has gone up **10x** in last 3 years while price / GB have fallen by **90%**

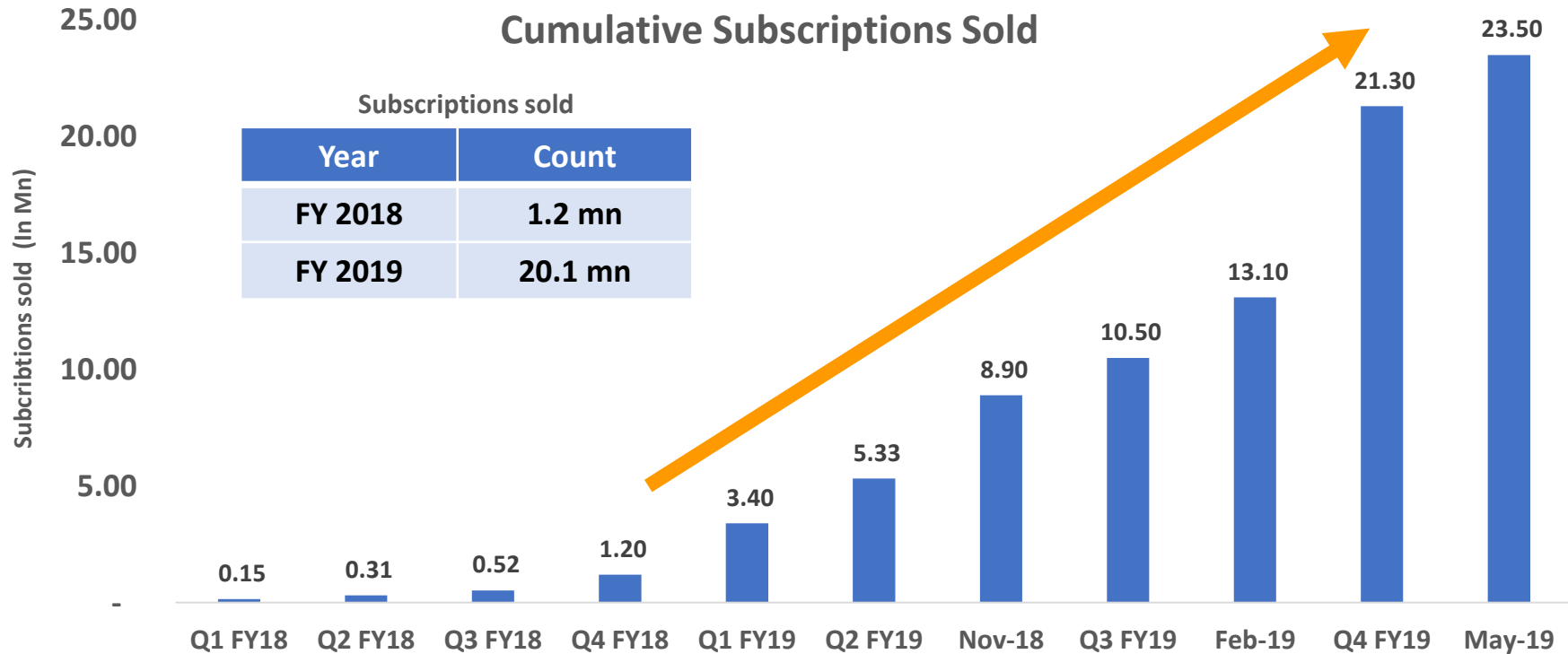


## In Less Than 2 Years, ALTBalaji Is The Frontrunner In The Domain

- ❑ OTT video streaming as a category continues to grow exponentially. **ALTBalaji is already one of the frontrunners**
- ❑ **#3 grossing video on demand service in India** - based on App Annie data for Grossing within the Entertainment category<sup>1</sup>
- ❑ **6x revenue growth** for the year – FY19 revenues at Rs 41.6cr
- ❑ **20.1 million subscriptions sold in FY19** vs 1.2m sold in FY18
- ❑ **5 multi-episode, 'Original Exclusive' shows released this quarter** taking the total number of shows to **38<sup>2</sup>**

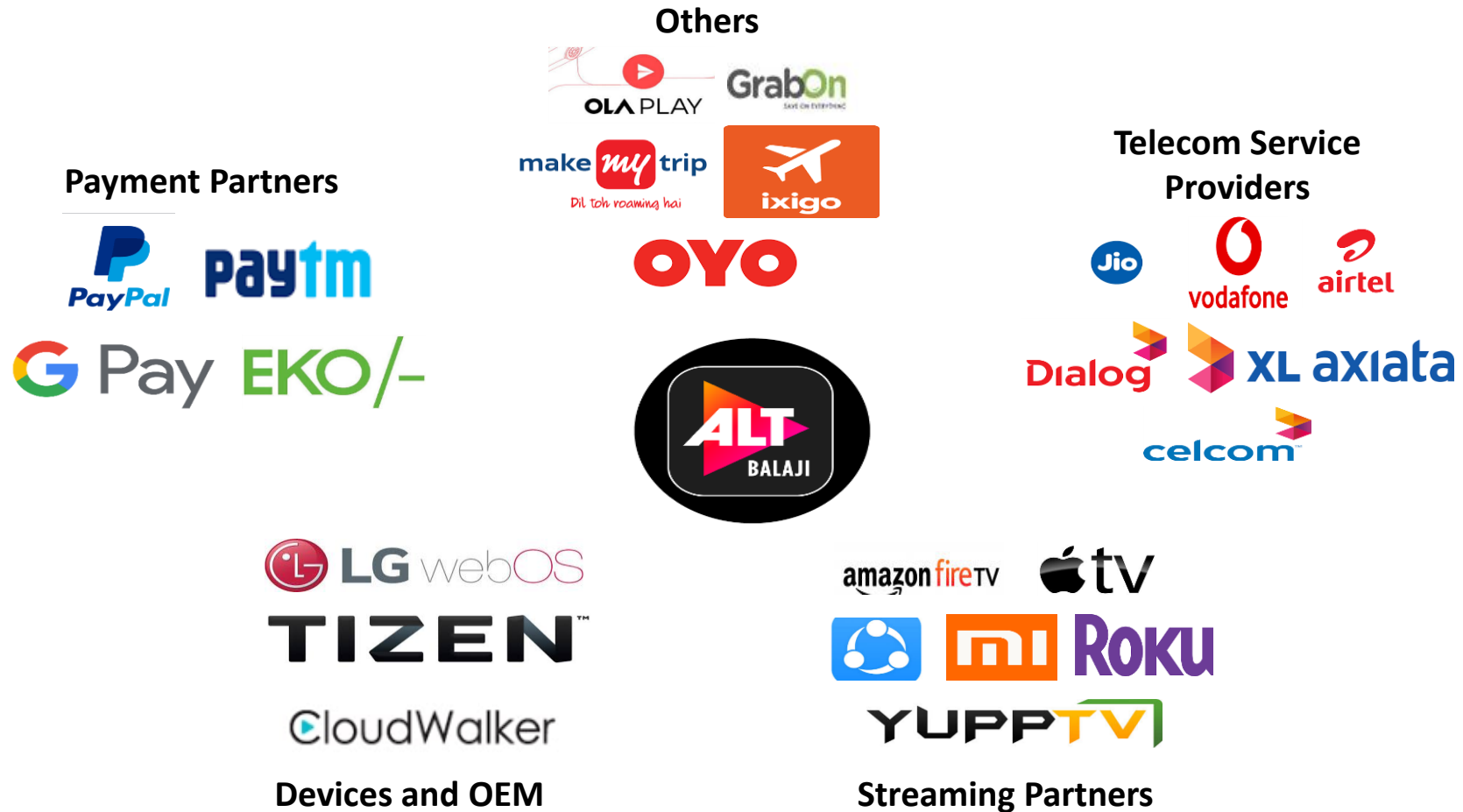


# Exponential Growth In Subscriptions



- ❑ Growth driven by
  - ❑ Integration with several distribution partners (Telco / ISP / DTH / OEM / Payment Partners)
  - ❑ Targeted acquisition of direct customers primarily using value efficient digital marketing

# ALTBalaji Content At The Center Of The Consumer Internet Ecosystem



**ALTBalaji's Unique position as a Content First Company allows for integration with several internet technology consumer partners, creating access across the global internet ecosystem**

## ALTBalaji Consumer Profile

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70:30

Split ratio between Male : Female

85%

are aged between 18-35 covers

56%

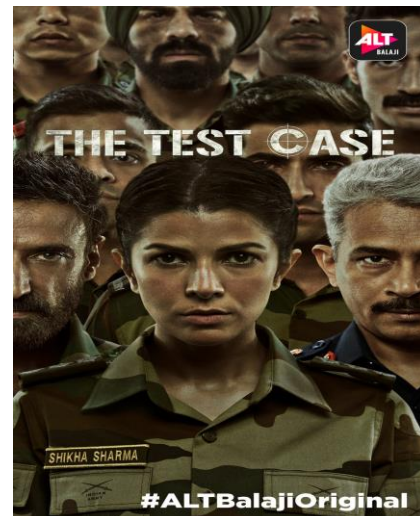
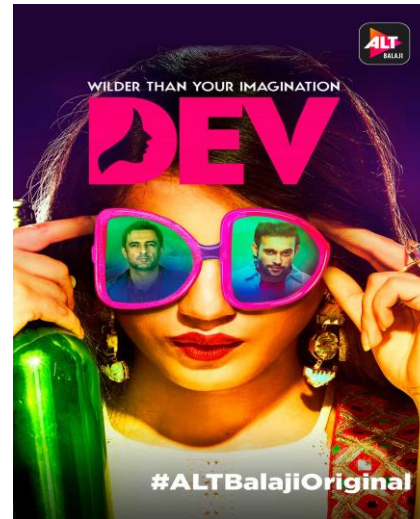
Come from Outside of Top 50 cities in India

8 pm – 12 pm

is the Prime time watching for ALTBalaji

67%

Consumers finish watching a series within 7 days of starting it





# Loved by India And Winnings Awards Regularly



Won the DIGIXX Awards for the BEST OTT PLATFORM consecutively for the 2nd time in a row





## Summary Financials - BTL Standalone

In (Rs Cr)	FY15	FY16	FY17	FY18	FY19
Accounting Standard	IGAAP	Ind-AS	Ind-AS	Ind-AS	Ind-AS
Business included	TV	TV	TV +Movie	TV+Movie	TV+Movie
<b><u>Operating Metric</u></b>					
Hours of Programming	962	1002	960	819	763
Revenue / hour (TV)	0.22	0.26	0.30	0.33	0.38
Movie releases	3	1	4	2	2
<b><u>Financials</u></b>					
Total Revenue	209.7	256.8	408.5	416.6	440.3
EBITDA	12.7	34.2	2.8	53.1	14.7*
EBITDA Margin %	6%	13%	1%	13%	3%
PAT	12.3	37.1	29.4 <sup>1</sup>	16.3 <sup>2</sup>	20.1
PAT Margin %	6%	14%	7%	4%	5%

Note:

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

<sup>1</sup> Impact of Merger has resulted in creation of a deferred tax asset of Rs 27.8 cr increasing PAT by 27.8cr

<sup>2</sup> Normalised PAT (at normal income tax rate, excluding any impact of deferred tax and exceptional tax items): FY18 Rs 36.5 cr against FY17 Rs 1.5 cr and FY18 includes a Rs 9 cr exceptional item toward provision of income tax

<sup>3</sup> FY19 was majorly impacted by Rs 9.8cr provision for advances as a matter of abundant caution resulting in lower EBITDA

☐ Value of mutual fund investments held across the company as on 31<sup>st</sup> March 2019 at Rs 285cr

## Summing Up : Balaji Telefilms Is A Significant Value Creating Business

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- ❑ In the media sector, Balaji Telefilms offers a **unique opportunity across TV, Movies and Digital Entertainment.**
- ❑ **We understand India - deep and unique understanding** of viewing habits of Indian audience built over 25 years.
- ❑ TV Business is the #1 content producer for prime time television and provides **stable cash flows** to the Group.
- ❑ Movie business produces **differentiated cinematic** content that is profitable and provides **creative heft.**
- ❑ **ALTBalaji** is the leading platform for **original exclusive content** and a front runner in the online video streaming space

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# Thank you

**Balaji Telefilms Limited**

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