

# UFO Moviez Rs 600 Cr IPO To Open Tomorrow

By Dominic Rebello

Digital cinema distribution network and in-cinema advertising firm UFO Moviez are planning to hit the stock markets with their Initial Public Offering (IPO) to raise Rs 600 crore on 28th April 2015. The price band fixed for the issue is between Rs 615 - 625 per share. The minimum bid lot is 24 equity shares and multiples of 24 thereafter. The issue will close on 30th April 2015 and will list on both the BSE and NSE. 50% of the offer is allocated to institutional buyers, 15% to non-institutional investors and the balance 35 % to retail investors.

The issue is an offer for sale by existing shareholders which includes PE investors 3i Research (Mauritius) Ltd, P5 Asia Holding Investments (Mauritius) Ltd and promoters of the company.

Speaking to reporters, UFO Moviez Managing Director Sanjay Gaikwad said, "There is headroom for growth in revenues from in-cinema advertising.

Rather than adding more screens, the growth will lie in yields per screen," to address the issue of competition.

The 2004 incorporated company operates India's largest satellite-based, digital cinema distribution network. As a platform provider, the company has a current market share of 54% in digital cinema distribution. In fiscal year 2014, they digitally delivered more than 1,500 movies in 22 languages to 4,703 screens with aggregate seating capacity of approximately 2.14 million viewers spread across India. Since the beginning of their operations, they have digitally delivered more than 8,100 movies in India. UFO's global network spans 6,626 screens worldwide, including 4,911 screens across India and 1,715 screens across Nepal, the Middle East, Israel, Mexico and the USA. The company has reported revenue of Rs 357.2 crore for the first nine months of FY15, with a profit after tax of Rs 40.6 crore.

The company has created a pan-India, high-impact, in-cinema advertis-



<<Ravi Kapoor, Citigroup Global Markets India, Kapil Agarwal, Jt. MD, UFO Moviez India, Sanjeev Aga, Chairman, UFO Moviez, Sanjay Gaikwad, MD, UFO Moviez India, Dr. S. Subramanian, Axis Capital and Ashish Malushte, CFO, UFO Moviez India at the press conference to announce their IPO

ing platform with generally long-term advertising rights to 3,770 screens, with an aggregate seating capacity of approximately 1.85 million viewers and a reach of over 1,800 locations across India, as at February 28, 2015. It has been able to attract

1,669 advertisers from private and government sectors as of February 28, 2015, compared with 1,056 advertisers in fiscal year 2014 and 563 advertisers in fiscal 2013. It has also been able to grow the consolidated advertisement revenue from Rs.

370.36 million to Rs. 998.64 million from fiscal year 2012 to 2014, at a compound annual growth rate of 64.21%. The Company receives revenues primarily from (i) advertisers, through in-cinema advertising, (ii) movie producers and distributors, for the secured delivery and screening of their movies and (iii) exhibitors, through equipment rental and sales for digital cinema equipment. It has a variety of revenue arrangements with exhibitors depending on the technology format and investment in equipment.

The objects of the issue are to achieve the benefits of listing the equity shares on the stock exchanges; and for the sale of equity shares by the selling shareholders.

Axis Capital and Citigroup Global Markets India Pvt Ltd are the book running lead managers to the issue.

Brokerage houses like Reliance Securities, ICICI Direct, Angel Broking and Choice Broking amongst others have given a subscribe rating to this IPO.