

Q2&H1FY19 Results Presentation

November 12, 2018

Safe Harbour

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The Company has prepared Financial Results based on the Indian Accounting Standards (Ind AS) and has reported and analyzed these results on a consolidated basis in this presentation.

UFO Moviez at a Glance



India's Largest In-Cinema Advertising Platform

3,800 High Impact Ad Screens



Wide Base of Advertisers

727 Advertisers in Q2FY19



Pan India Presence

1,323 Cities & Towns

1,237 Multiplex &
2,563 Single Screens

Leading Presence Across All Screen Varieties



Average weekly seating capacity

~47 million

470 Movies
19 Languages
710 Distributors

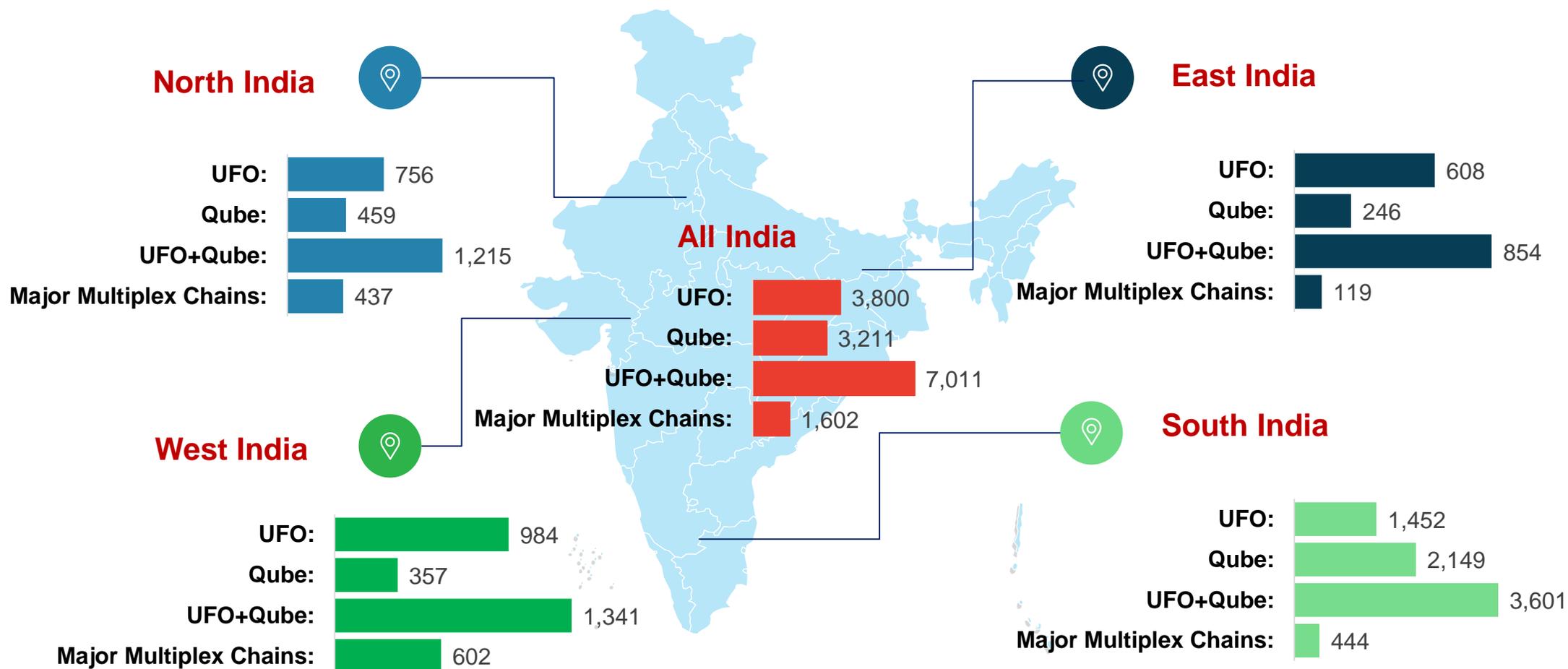
Digitally Delivered



Data as on September 30, 2018

Strong Presence of Advertisement Screens across India

Region wise Distribution of Advertisement Screens



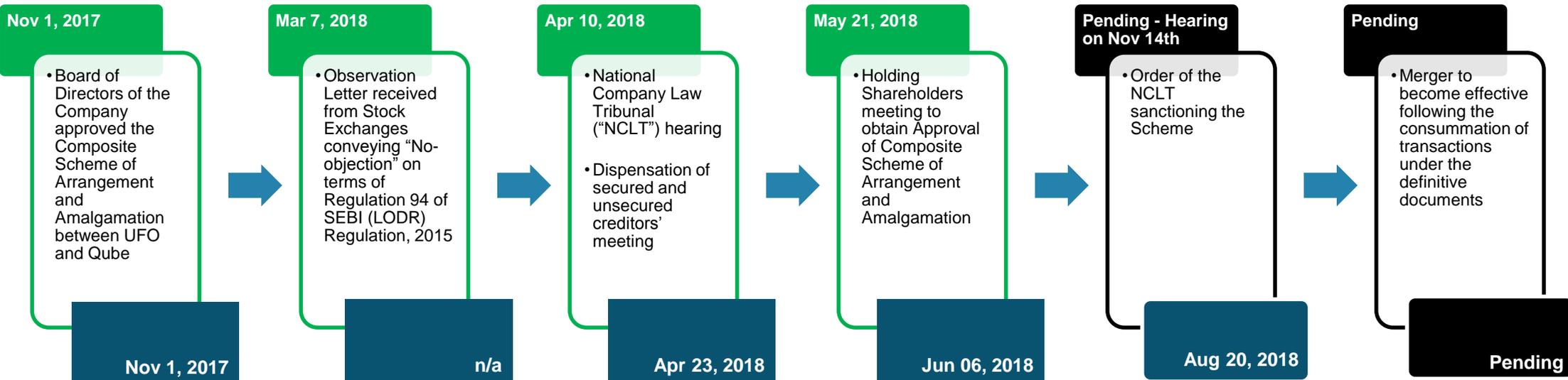
Data as on September 30, 2018
 UFO+Qube = Post merger Figures, Merger is Awaiting Regulatory Approvals

Key Updates

Update on Composite Scheme of Arrangement and Amalgamation between UFO and Qube

UFO

Qube

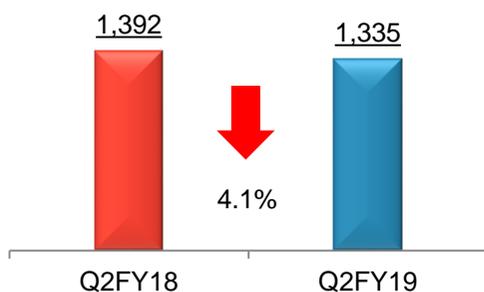


Financial and Operating Highlights for Q2&H1FY19

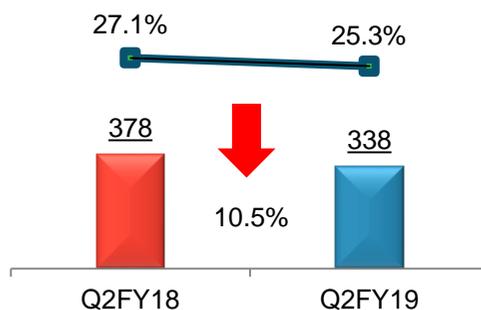
Consolidated Financial Highlights

Q2FY19 YoY Comparison

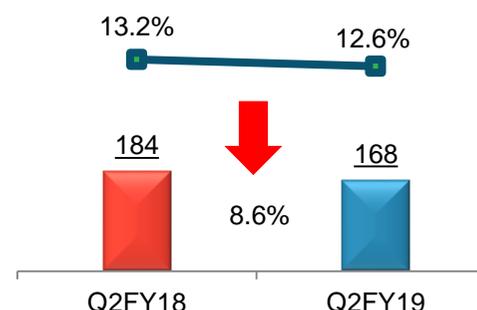
Total Revenue (INR Mn)



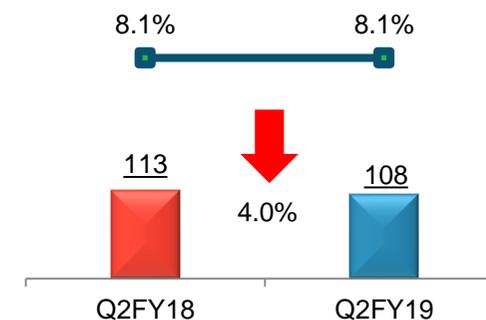
EBITDA (INR Mn) & Margin (%)



PBT (INR Mn) & Margin (%)

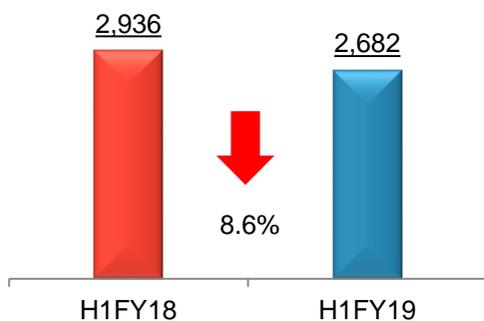


PAT* (INR Mn) & Margin (%)

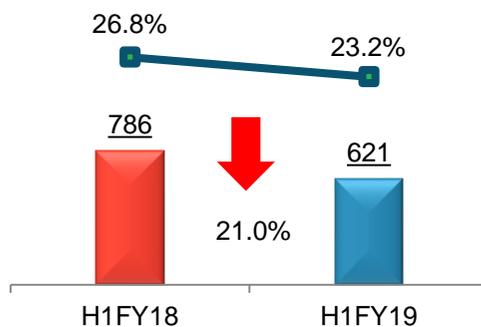


H1FY19 YoY Comparison

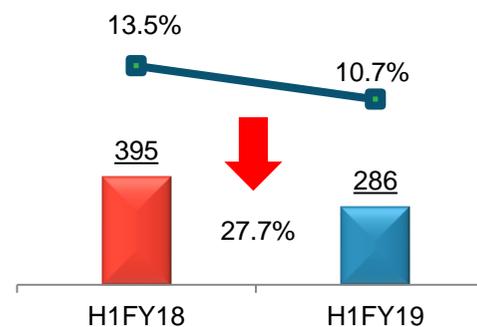
Total Revenue (INR Mn)



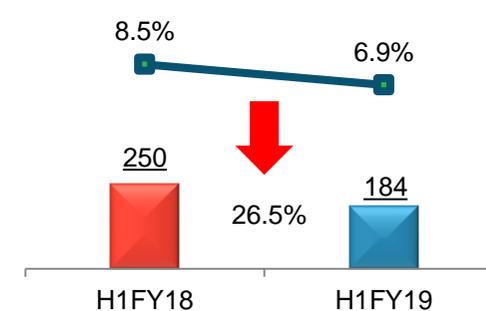
EBITDA (INR Mn) & Margin (%)



PBT (INR Mn) & Margin (%)

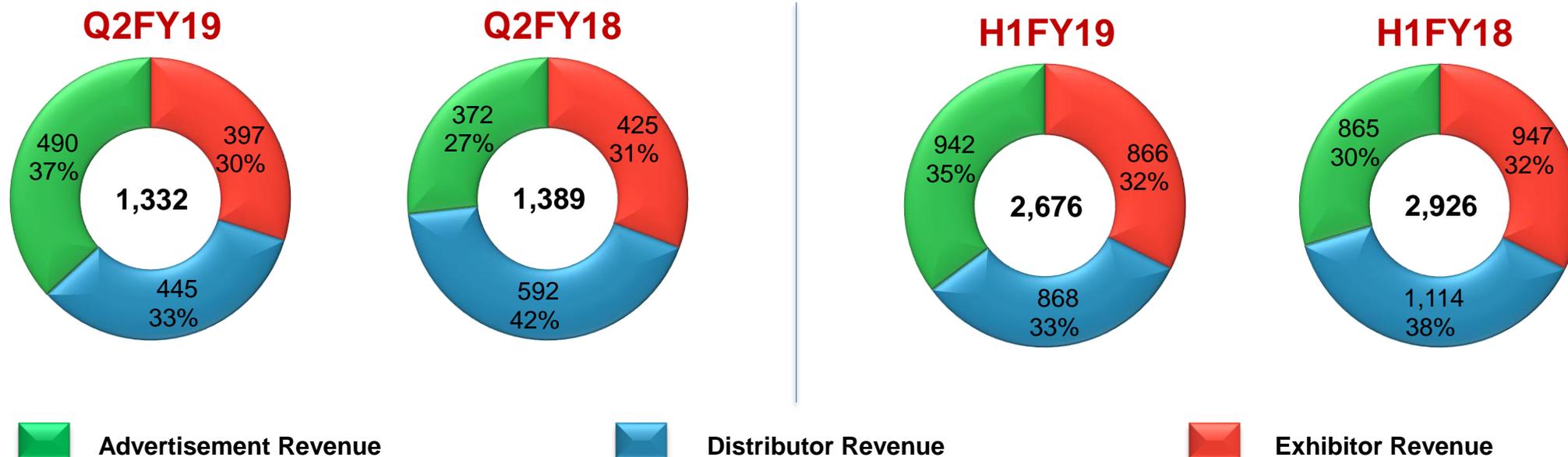


PAT* (INR Mn) & Margin (%)



Consolidated Revenue Mix

(INR Mn)



(INR Mn)	Q2FY19	Q2FY18	Growth	H1FY19	H1FY18	Growth
Advertisement Revenue	490	372	32.0%	942	865	8.9%
- In-Cinema Advertisement Revenue	453	361	25.6%	854	818	4.4%
- Caravan Advertisement Revenue	37	11	246.2%	88	47	86.8%
Virtual Print Fees - E-Cinema	275	302	-9.1%	511	539	-5.2%
Virtual Print Fees - D-Cinema	155	274	-43.4%	328	546	-40.0%
Lease rental income - E-Cinema	140	142	-1.3%	278	266	4.8%
Lease rental income - D-Cinema	25	29	-13.5%	53	59	-10.1%
Other Operating Revenues	51	88	-41.8%	97	130	-25.8%
Total Sale of Services	1,136	1,207	-5.8%	2,209	2,405	-8.2%
Total Sales of Products	196	182	7.3%	467	521	-10.3%
Revenue from Operations	1,332	1,389	-4.1%	2,676	2,926	-8.5%

Note: Excludes Other Income

In-Cinema Advertising Performance

In-Cinema Advertisement Operating Parameter



Number of Screens
3,800



Multiplex Screens
1,237



Single Screens
2,563



Full House Seating Capacity - Annualized
2,414 Mn

Q2FY19	Top 50 Cities		Rest of India	
	Multiplex	Single	Multiplex	Single
# of UFO Screens	474	521	763	2,042
Full House Seating Capacity – Per Show All Screens	123,458	305,808	198,874	1,048,187
Seating Capacity Per Screen Per Show	260	587	261	513
*Full House Seating Capacity Annualised (in Mn Seats)	178	440	286	1,509

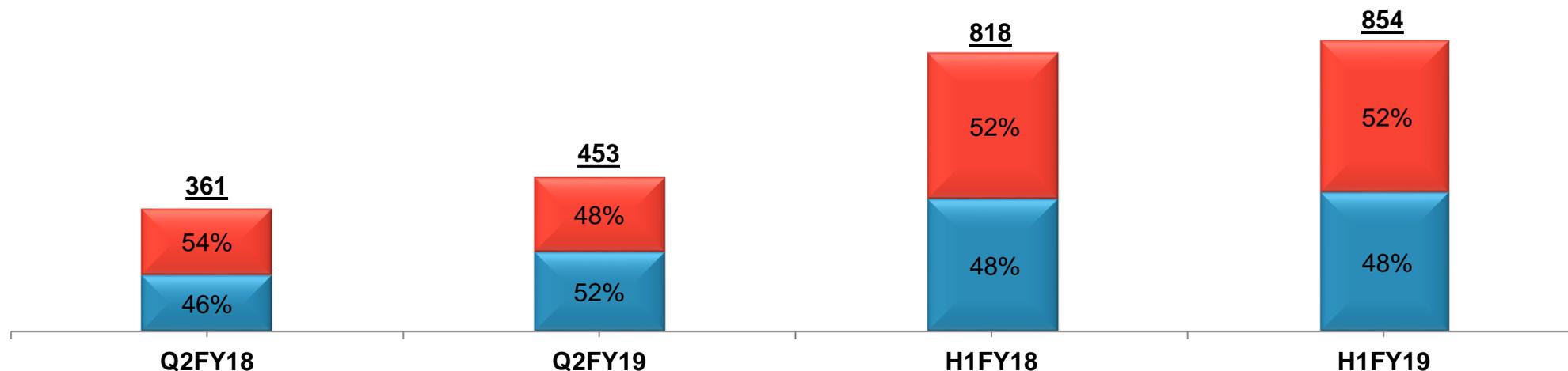
*Full house seating capacity – Annualised is calculated by multiplying full house seating capacity per show x 4 shows a day x 30 days x 12 months

In-Cinema Advertisement Revenue Analysis

INR Million

■ Government + PSU

■ Corporate + Hyperlocal



	Q2FY18	Q2FY19	H1FY18	H1FY19
Ad Revenue / Screen for the period (Avg) (Rs.)	89,616	118,404	210,662	221,900
Average # of minutes sold / show / Ad Screen	3.52	5.08	4.15	4.77
# of In Cinema Advertising Clients*	791	727	1,679	1,144
Advertisement Sharing with Exhibitors	43.09%	34.53%	37.47%	37.15%

*Excluding Framez customers

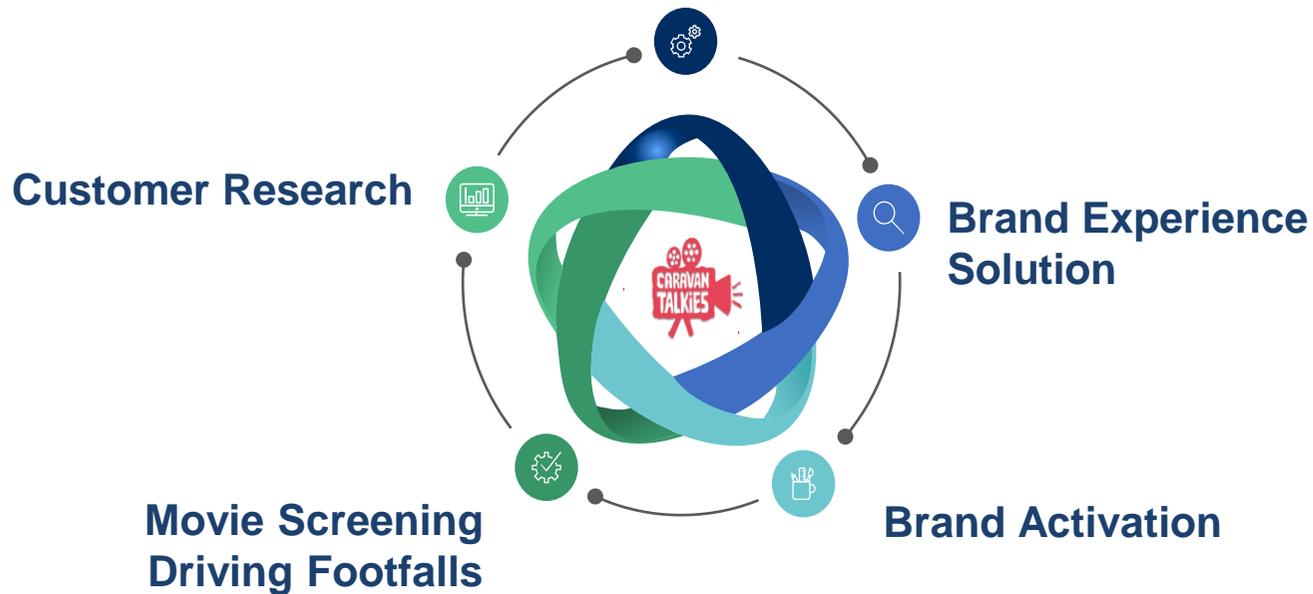
Excludes Caravan Talkies Revenues

Average # of minutes sold / show / Ad Screen is calculated by dividing total # of advertisement minutes sold by average # of Screens with Ad Rights during the period

Average # of Advertising Screens = (Sum of # of Opening Advertisement Screens and # of Closing Advertisement Screens) / 2

Repositioned and Retooled Caravan Talkies for Growth

360 Degree Activation



Improved Realizations

- Revenue growth driven by higher realization

Taking Brands to Rural India



VDSPL's Financial Performance

(INR Mn)	Q2FY19	Q2FY18	Growth	H1FY19	H1FY18	Growth
Revenue	42	15	186.9%	98	59	67.7%
EBITDA	(19)	(21)	n/a	(27)	(17)	n/a

Caravan Talkies has not added new Vans in FY17 & FY18

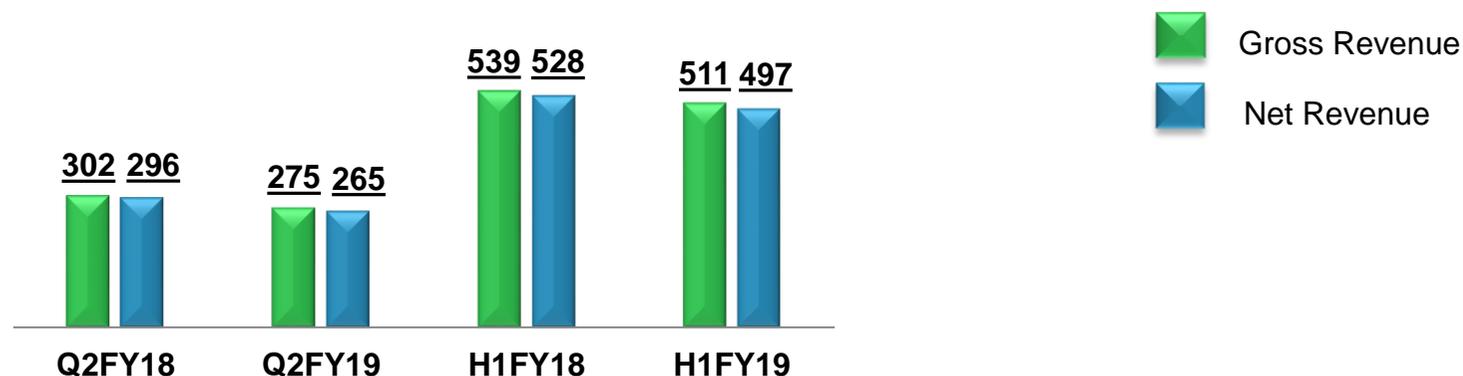
*VDSPL comprises of Caravan Talkies, NOVA Cinemaz and Club Cinema businesses

Theatrical Revenues

Theatrical revenues from Distributors

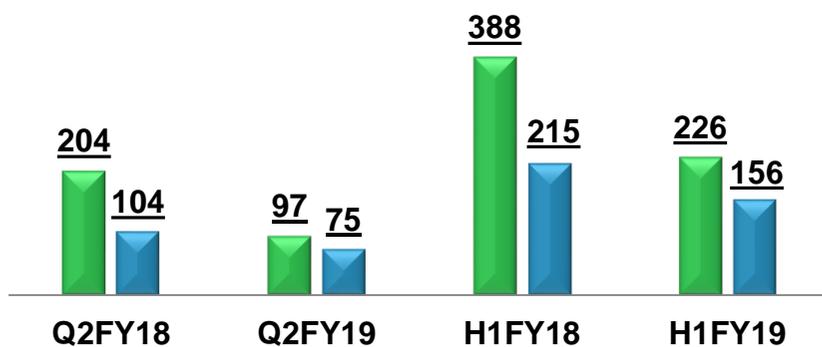
E – Cinema - VPF

Domestic Revenue (INR Mn)

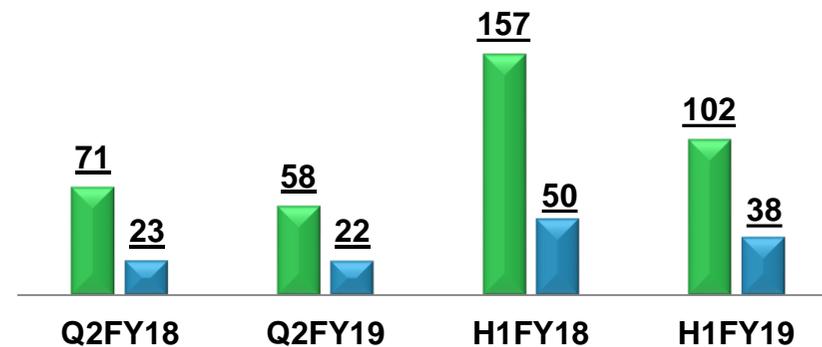


D – Cinema - VPF

Domestic Revenue (INR Mn)



International Revenue (INR Mn)



Domestic includes revenues generated from screens in Nepal
 Net Revenue = Gross Revenue less Revenue Share with the Exhibitors

Operating Parameter – VPF Revenue India

# of Screens*	Q2FY19	Q2FY18	H1FY19	H1FY18
E – Cinema	3,628	3,817	3,628	3,817
D – Cinema	1,674	1,567	1,674	1,567
Total	5,302	5,384	5,302	5,384
# of Screens as on September 30, 2018				
VPF Revenue / Screen (Average**) (in Rs.)	Q2FY19	Q2FY18	H1FY19	H1FY18
E – Cinema Gross	75,145	78,943	139,371	146,566
E – Cinema Net	72,614	77,462	135,596	143,512
D – Cinema Gross***	58,922	130,440	137,317	247,758
D – Cinema Net***	45,776	66,723	94,832	137,094

*Includes Franchisee screens (Example: UMW, IWDL, etc).

**Average # of Screens = (Sum of # of Opening Screens and # of Closing Screens) / 2

***Reduction in Gross VPF Revenue/Screen is due to Sunset

Certain D-Cinema screens, part of planned Sunset, are generating small service revenue with nil VPF revenue, resulting in lower per screen D Cinema VPF revenue.

Operating Parameter – VPF Revenue International

# of Screens	Q2FY19	Q2FY18	H1FY19	H1FY18
Total*	325	807	325	807
# of Screens as on September 30, 2018				
VPF Revenue / Screen (Average**) (in Rs.)	Q2FY19	Q2FY18	H1FY19	H1FY18
D – Cinema Gross	157,441	87,674	274,307	193,483
D – Cinema Net	60,692	28,034	102,482	61,446

*Total # of VPF Generating Screens only in Middle East and Israel

**Average # of Screens = (Sum of # of Opening Screens and # of Closing Screens) / 2

Financial Performance

Consolidated P&L Statement

(INR Mn)	Q2FY19	Q2FY18	Growth	H1FY19	H1FY18	Growth
Revenue from Operations	1,332	1,389	-4.1%	2,676	2,926	-8.5%
Other Income	3	3	1.9%	6	10	-38.4%
Total Revenue	1,335	1,392	-4.1%	2,682	2,936	-8.6%
Total Expenses	997	1,014	-1.7%	2,061	2,150	-4.1%
EBITDA	338	378	-10.5%	621	786	-21.0%
Depreciation and Amortisation	185	204	-9.4%	373	409	-8.8%
EBIT	153	174	-11.9%	248	377	-34.2%
Finance Cost	33	24	36.8%	48	51	-5.5%
Finance Income	32	19	70.5%	58	42	36.9%
Profit from Associates	16	15	3.6%	28	27	4.5%
PBT	168	184	-8.6%	286	395	-27.7%
Tax	68	82	-16.0%	117	153	-23.5%
PAT	100	102	-2.6%	169	242	-30.4%
Non-Controlling Interest	(8)	(11)	-18.4%	(15)	(8)	97.3%
PAT after Non-Controlling Interest*	108	113	-4.0%	184	250	-26.5%
Basic EPS	3.81	4.09	-6.9%	6.48	9.07	-28.5%

*PAT after Non-Controlling Interest excludes Other Comprehensive income (OCI)

Consolidated Expenditure Analysis

Expenses as a % of Total Revenue	Q2FY19	Q2FY18	H1FY19	H1FY18
1) Total Operating Direct Cost	40.5%	43.6%	43.4%	45.2%
Key Operating Direct Cost Components				
i) Advertisement revenue share payment	<u>11.7%</u>	<u>11.2%</u>	<u>11.8%</u>	<u>10.4%</u>
ii) VPF D-Cinema share payment to D-Cinema Exhibitors	<u>4.3%</u>	<u>10.6%</u>	<u>5.0%</u>	<u>9.6%</u>
iii) Purchase of Equipment, Lamps and Spares	<u>11.0%</u>	<u>10.8%</u>	<u>12.5%</u>	<u>14.4%</u>
2) Employee Benefit Expenses	18.1%	14.0%	16.6%	13.6%
3) Other Expenses (SG&A)	16.1%	15.2%	16.8%	14.5%
Total Expenses	74.7%	72.9%	76.8%	73.2%
EBITDA Margin	25.3%	27.1%	23.2%	26.8%

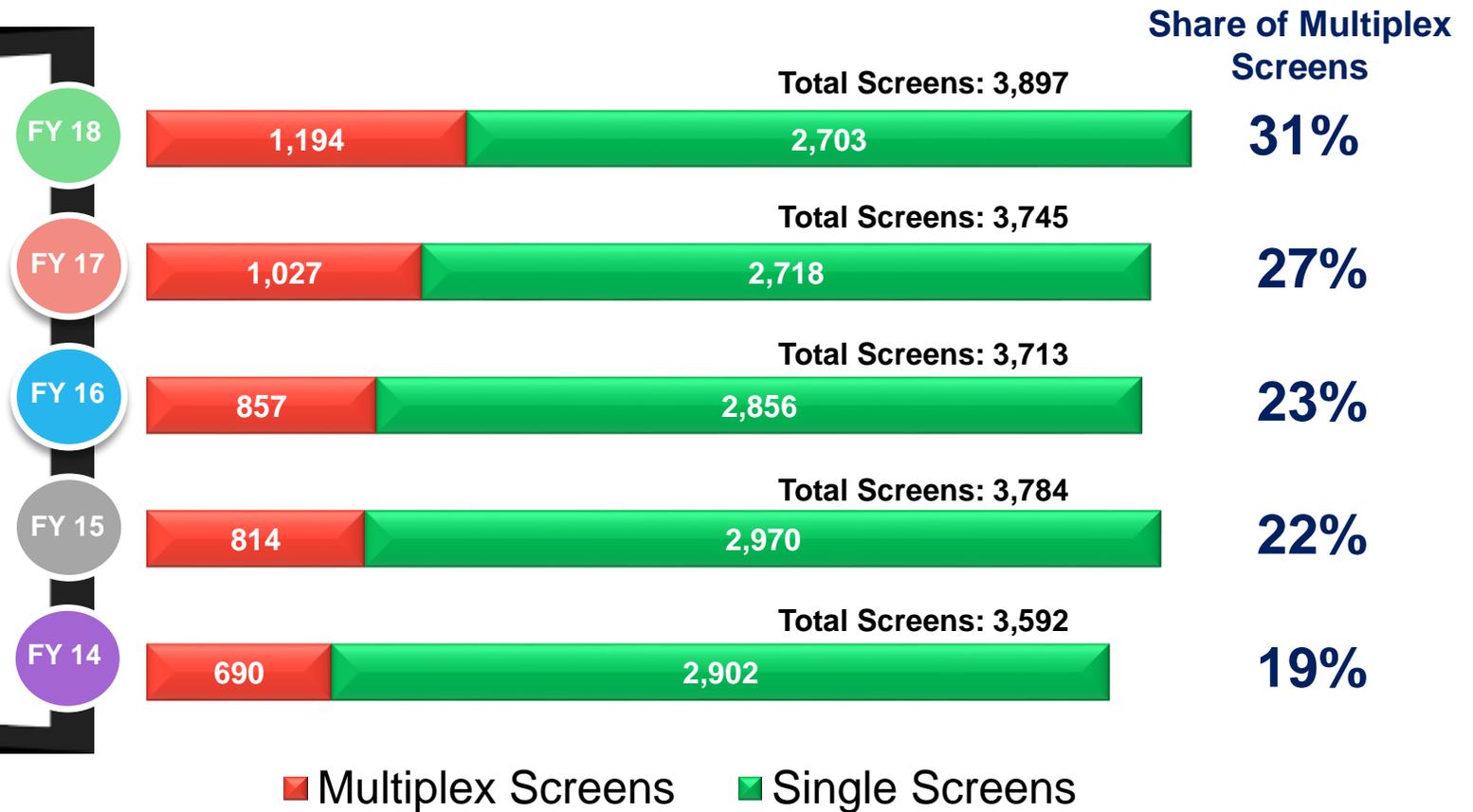
Consolidated Balance Sheet

Assets (INR Mn)	30-Sep-18	31-Mar-18	Equity and Liability (INR Mn)	
			30-Sep-18	31-Mar-18
Non-Current Assets			Equity	
Property, plant and equipment	2,130	2,359	Equity Share Capital	284
Capital work-in-progress	222	212	Other Equity	
Other Intangible assets	25	28	Reserves and surplus	4,121
Goodwill on consolidation	73	73	Equity attributable to Shareholders	4,405
Investment in Subsidiaries, Associates and JV	190	185	Non-Controlling interest	0
Financial Assets			Total Equity	4,405
(i) Loans	48	50	Liabilities	
(ii) Others	23	20	Non-Current Liabilities	
Deferred tax assets (net)	441	397	Financial Liabilities	
Other non-current assets	429	363	(i) Borrowings	353
Total Non-Current Assets	3,581	3,687	(ii) Others	270
Current Assets			Provisions	53
Inventories	114	113	Deferred tax liabilities (net)	82
Financial Assets			Other non-current liabilities	68
(i) Investments	1,372	1,194	Total non-current liabilities	826
(ii) Trade receivables	1,359	1,844	Current Liabilities	
(iii) Cash and cash equivalents	192	343	Financial Liabilities	
(iii) Bank balances other than (iii) above	448	399	(i) Borrowings	126
(iv) Loans	20	14	(ii) Trade payables	979
(v) Others	200	72	(iii) Others	889
Other current assets	340	162	Provisions	45
Total Current Assets	4,045	4,141	Other current liabilities	356
Total Assets	7,626	7,828	Total Current Liabilities	2,395
			Total Liabilities	3,221
			Total Equity and Liabilities	7,626
				7,828

Annexure

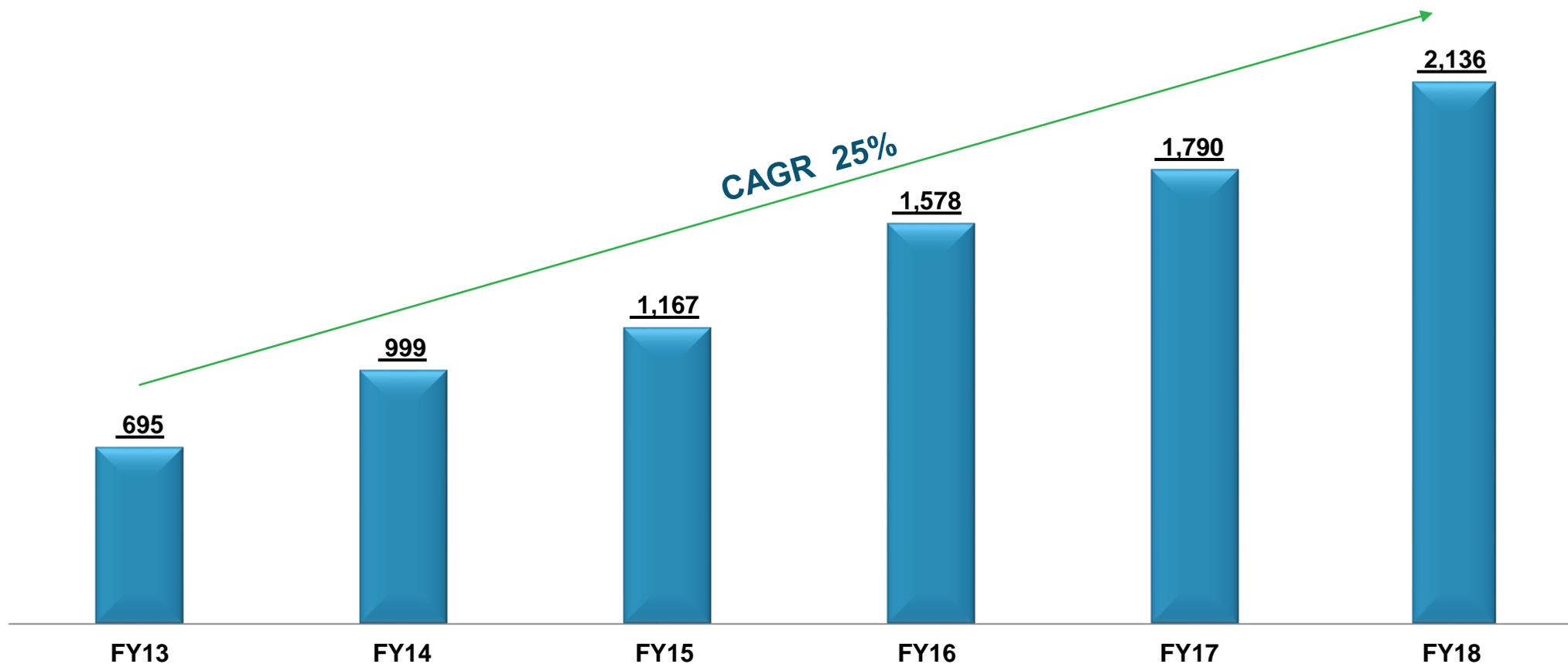
In Cinema Advertisement Network

**Stable
Advertisement
Screen Network,
with an increasing
proportion of
Multiplex Screens**

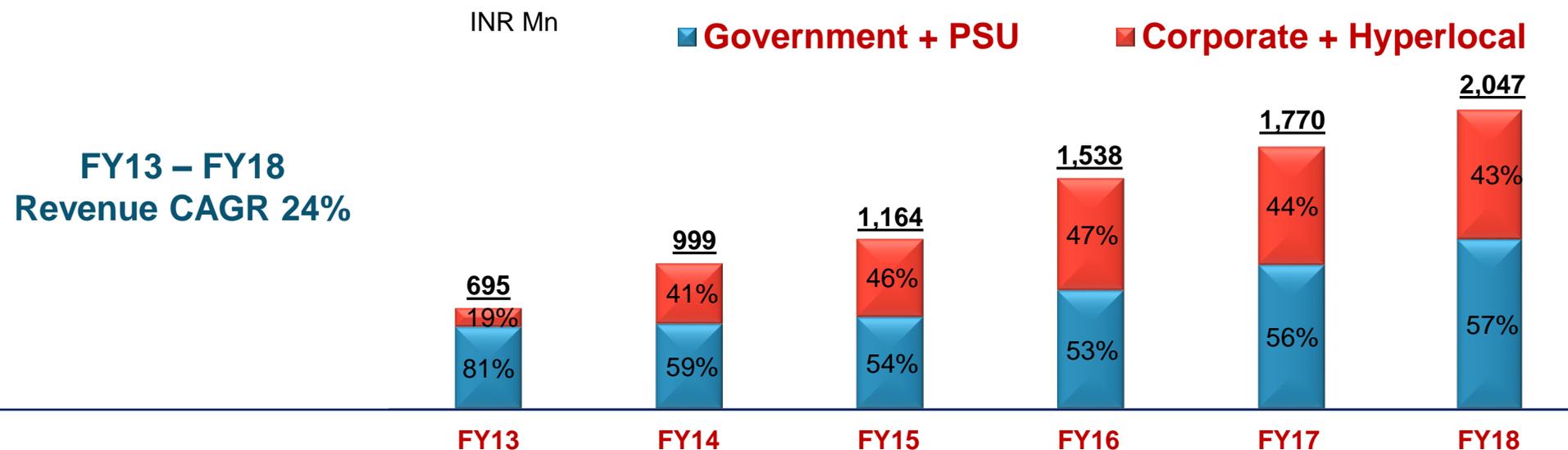


Robust Advertisement Performance

Advertisement Revenues (INR Mn)



Sustained Growth in In-Cinema Advertising



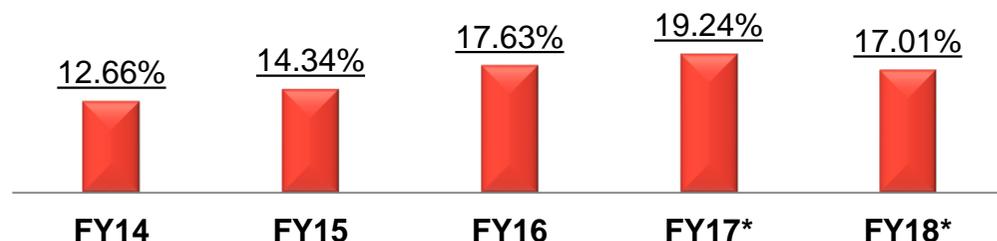
# of Screens with Ad Rights	3,071	3,592	3,784	3,713	3,745	3,897
Annual Ad Revenue / Screen (Avg) (INR)	243,081	299,711	316,346	410,275	474,597	535,847
# of Minutes Sold / Show / Ad Screen	2.46	3.25	3.36	4.15	4.34	5.19
Ad Sharing with Exhibitors	18.11%	31.00%	33.76%	30.66%	29.14%	31.75%

*Excludes Advertisement Revenues from Caravan Talkies

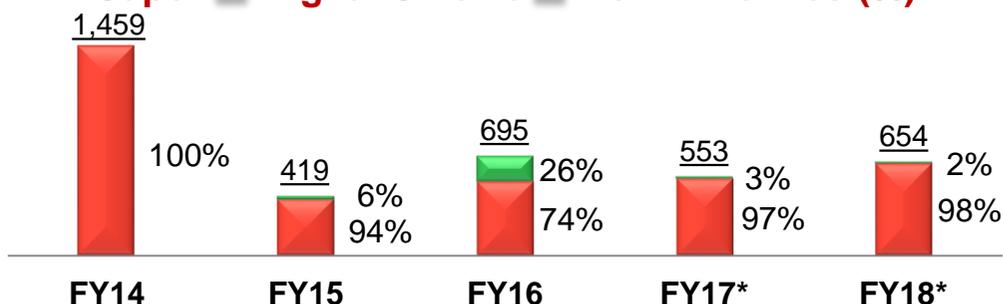
of minutes sold / show / Ad Screen is calculated by dividing total # of advertisement minutes sold by average # of advertisement screens during the period
 Average # of Advertising Screens = (Sum of # of Opening Advertisement Screens and # of Closing Advertisement Screens) / 2

Demonstrated Levers for Shareholder Value Creation

RoCE (%)



Capex Digital Cinema New Initiatives (%)



EPS DPS (INR)



Low Capital Intensity



Initial high capital intensity over; generating higher revenues with lower incremental Capex.

Improving Capital Efficiency



Network Effect and Operational Efficiencies have led to improving RoCE

Low Content Risk



Growing in synergistic businesses with low content risk.

Dividend Distribution



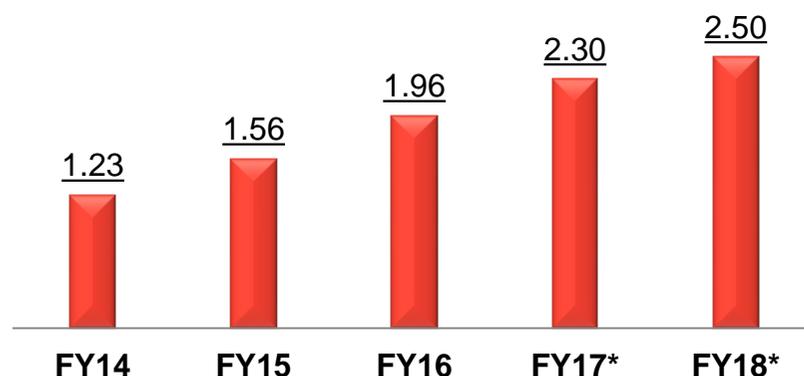
Distributing ≥ 25% of PAT annually.

RoCE = EBIT/(Networth + Long Term Debt + Short Term Debt + Current Maturing Long Term Debt + Non-Controlling Interest)

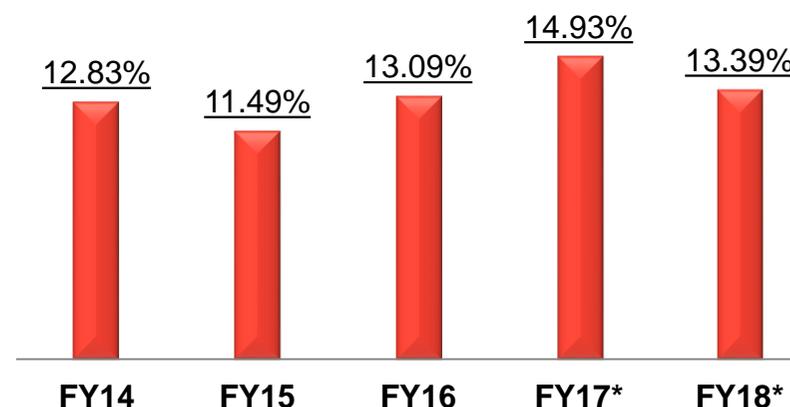
*FY17 and FY18 are based on closing Ind AS financials

Key Financial Parameters

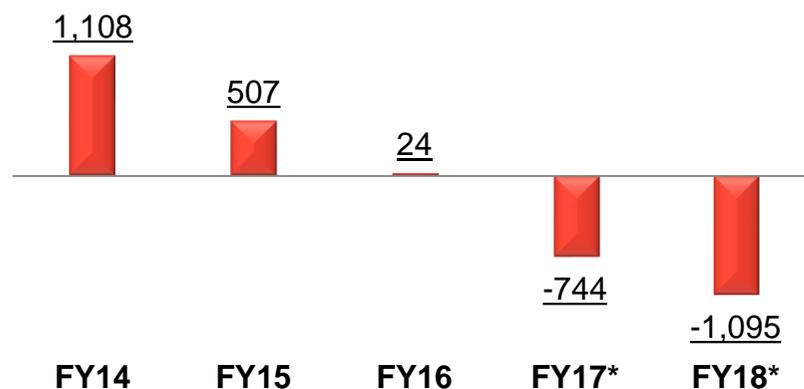
Net Fixed Asset Turnover (x)



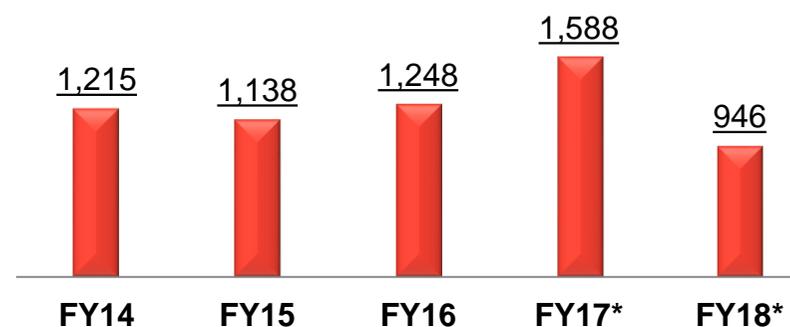
RoE (%)



Net Debt** (INR Mn)



Net Cash Flow from Operating Activities (INR Mn)



*FY17 and FY18 are based on Ind AS closing financials
 **Net Debt = Total Debt less Cash and Cash Equivalents
 Net Fixed Asset Turnover = Total Income/Net Fixed Assets
 RoE = PAT after Non-Controlling Interest / Networth

Shareholding

(% of Total # of shares)	September 30, 2018
Promoters	30.04%
Foreign Venture Capital Investors	18.52%
Foreign Portfolio Investors	3.98%
Mutual Funds	20.33%
Corporate Bodies	3.07%
Others	24.06%
Total # of Shares	28,350,801

Marquee Institutional Investors*

SBI Mutual Fund
Reliance Capital Asset Management
DSP Blackrock
Equinox Partners
Nomura Singapore

*As on September 30, 2018

About Us

UFO Moviez India Limited

UFO Moviez India Limited (BSE Code: 539141; NSE Code: UFO) is India's largest digital cinema distribution network and in-cinema advertising platform in terms of number of screens. UFO operates India's largest satellite-based, digital cinema distribution network using its UFO-M4 platform, as well as India's largest D-Cinema network. As on September 30, 2018, UFO's global network, along with subsidiaries and associates, spans 5,980 screens worldwide, including 5,302 screens across India and 678 screens across the Middle East, Israel, Mexico and the USA.

UFO's digitization and delivery model has been a key driver of extensive digitization of Indian cinemas and has enabled wide-spread, same day release of movies across India. UFO adds value to all stakeholders in the movie value chain, spanning movie producers, distributors, exhibitors and the cinema-going audience. UFO provides value to movie producers and distributors by reducing distribution costs, providing reach to a wide network, providing a faster method of delivery of content and reducing piracy through encryption and other security measures. We provide value to movie exhibitors throughout India by providing access to first day release of movies on our digital platform. Audiences benefit from faster access to new movie releases and a consistently high quality viewing experience.

UFO has created a pan India, high impact in-cinema advertising platform with generally long-term advertising rights to 3,800 screens, with an aggregate seating capacity of approximately 1.67 million viewers and a reach of 1,323 cities and towns across India, as on September 30, 2018. UFO's in-cinema advertising platform enables advertisers to reach a targeted, captive audience with high flexibility and control over the advertising process. UFO's in-cinema advertising platform also allows small exhibitors who otherwise are not able to effectively monetise their advertising inventory due to their limited scale and reach to receive a greater share of advertisement revenue than they are able to using traditional advertising methods.

Visit us at www.ufomoviez.com. For further details, contact:

Ashwin Chhugani

Sr. Manager – Investor Relations

Tel: +91 22 4045 0713

Email: ashwin.chhugani@ufomoviez.com

Shruti Mangar

Executive – Investor Relations

Tel: +91 22 4030 5126

Email: shruti.mangar@ufomoviez.com