



CINE MEDIA NETWORK

# Q3&9MFY20 Results Presentation

February 14, 2020

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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



**3,643**  
**High Impact**  
**Ad Screens**



**1,227**  
**Cities & Towns**  
**Across India**

**475**  
**Movies**  
**Released**  
**in Q3FY20**



**Power to Impact**  
**upto 2.1 billion**  
**Viewers**  
**Annually**



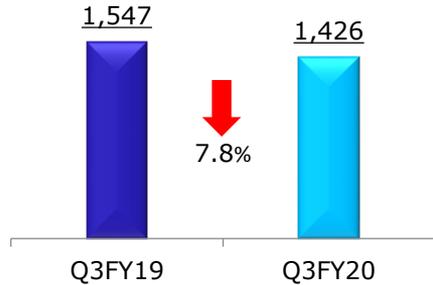
Ad Screens comprise of 1,847 PRIME CHANNEL (multiplexes and hollywood release centres) Screens and 1,796 POPULAR CHANNEL (standalone screens and mass appeal screens) Screens

# Financial & Operating Highlights

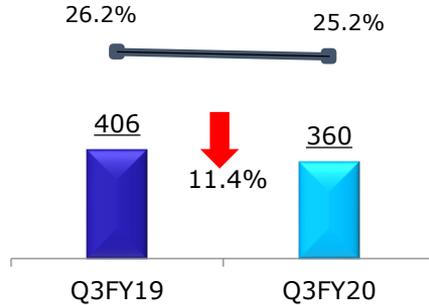
# Consolidated Financial Highlights

## Q3FY20 YoY Comparison (INR Mn)

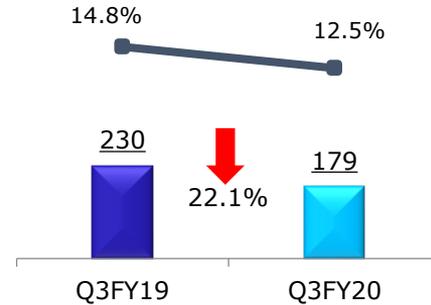
### Total Revenue



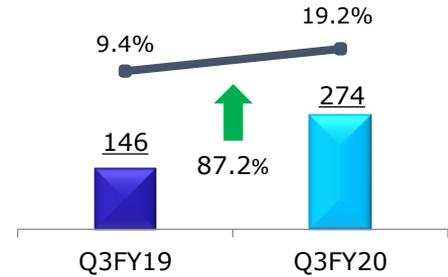
### EBITDA & Margin (%)



### PBT & Margin (%)

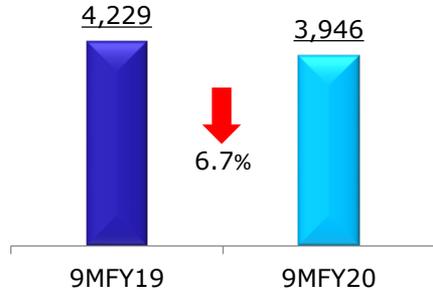


### PAT\* & Margin (%)

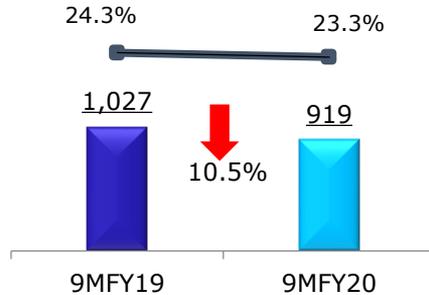


## 9MFY20 YoY Comparison (INR Mn)

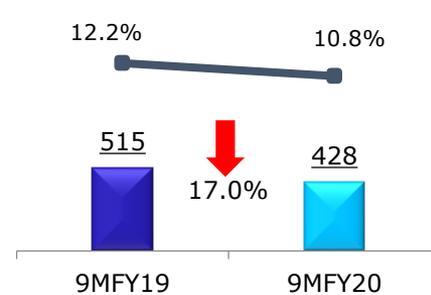
### Total Revenue



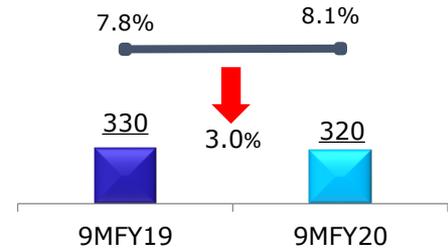
### EBITDA & Margin (%)



### PBT & Margin (%)

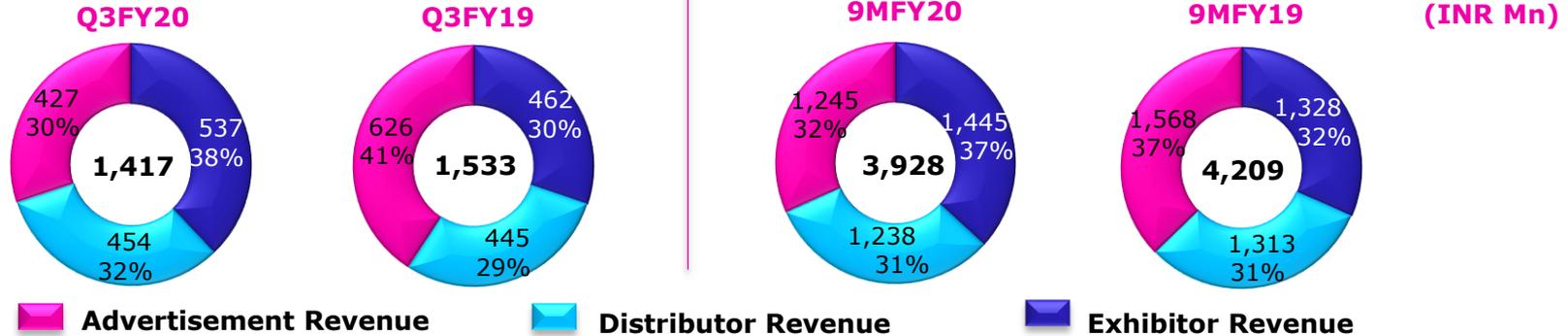


### PAT\* & Margin (%)



\*PAT after Non-Controlling Interest

# Consolidated Revenue Mix



(INR Mn)	Q3FY20	Q3FY19	Growth	9MFY20	9MFY19	Growth
Advertisement Revenue	427	626	-31.8%	1,245	1,568	-20.6%
- In-Cinema Advertisement Revenue	419	560	-25.2%	1,180	1,414	-16.5%
- Corporate + Hyperlocal	291	324	-10.4%	786	770	2.1%
- Government + PSU	128	236	-45.7%	394	644	-38.8%
- Caravan Advertisement Revenue	8	66	-87.8%	65	154	-57.5%
Virtual Print Fees - E-Cinema	294	284	3.5%	785	795	-1.2%
Virtual Print Fees - D-Cinema	94	139	-32.5%	279	466	-40.1%
Lease rental income - E-Cinema	139	141	-1.4%	417	420	-0.7%
Lease rental income - D-Cinema	18	28	-36.6%	58	81	-27.8%
Digitisation Income	66	22	202.8%	173	52	235.6%
Other Operating Revenues	33	39	-14.0%	103	106	-3.8%
<b>Total Sale of Services</b>	<b>1,071</b>	<b>1,279</b>	<b>-16.3%</b>	<b>3,060</b>	<b>3,488</b>	<b>-12.2%</b>
<b>Total Sales of Products</b>	<b>346</b>	<b>254</b>	<b>36.4%</b>	<b>868</b>	<b>721</b>	<b>20.2%</b>
<b>Revenue from Operations</b>	<b>1,417</b>	<b>1,533</b>	<b>-7.5%</b>	<b>3,928</b>	<b>4,209</b>	<b>-6.7%</b>

Note: Excludes Other Income

# In-Cinema Advertising Performance

# In-Cinema Advertisement Operating Parameter



**Number of Screens**  
3,643



**Prime Screens**  
1,847



**Popular Screens**  
1,796



**Full House Seating Capacity - Annualized**  
~2.1 Bn

Q3FY20	Metro and Tier I		Other Cities and Towns	
	Prime	Popular	Prime	Popular
# of UFO Screens	730	294	1,117	1,502
Full House Seating Capacity – Per Show All Screens	249,534	155,244	341,168	689,530
Seating Capacity Per Screen Per Show	342	528	305	459
*Full House Seating Capacity Annualised (in Mn Seats)	359	224	491	993

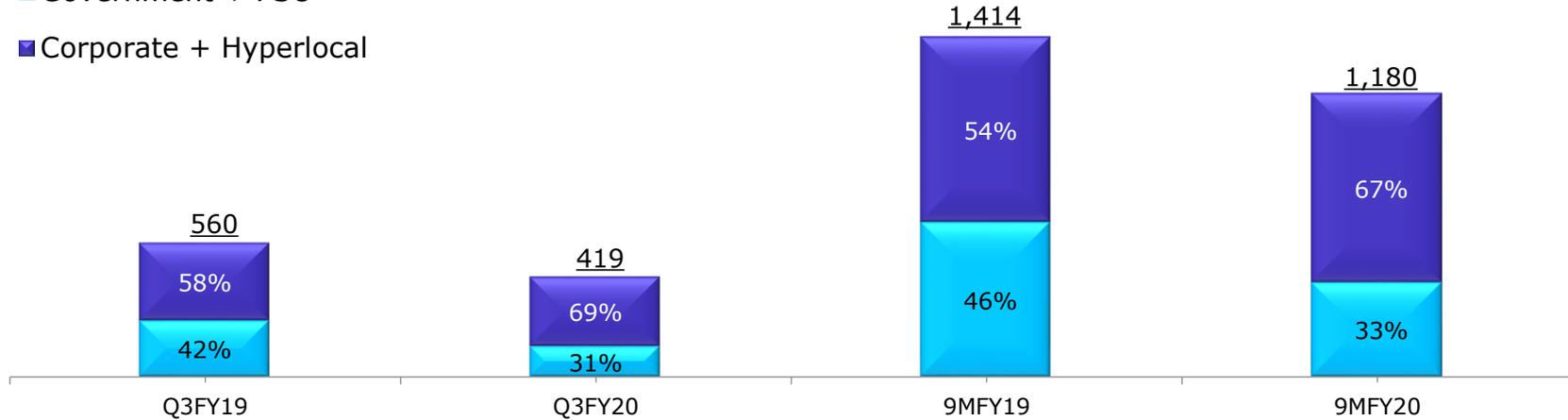
Cities and Towns with population greater than 1.5 Mn are categorized as “Metro and Tier I”

\*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 Mn

- Government + PSU
- Corporate + Hyperlocal

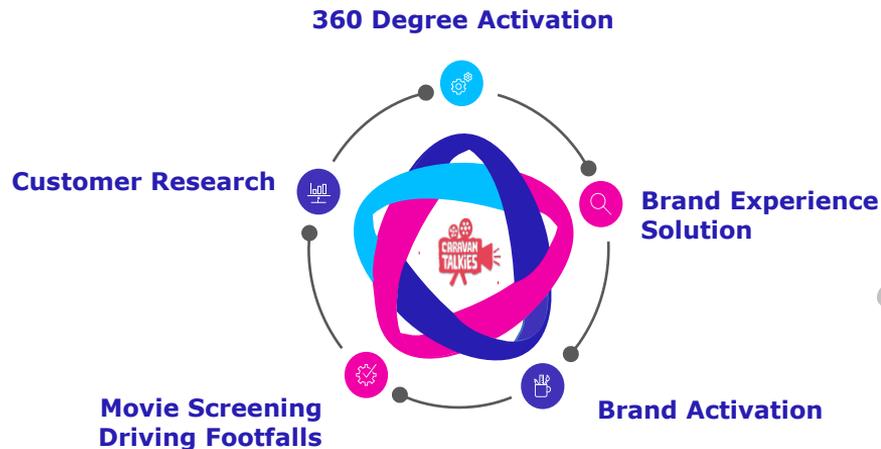


	Q3FY19	Q3FY20	9MFY19	9MFY20
Ad Revenue / Screen for the period (Avg) (Rs.)	148,542	114,909	370,357	321,515
Average # of minutes sold / show / Ad Screen	5.81	5.03	5.12	4.63
Advertisement Sharing with Exhibitors	34.72%	36.92%	36.19%	38.64%

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

## Updates

- Slowdown in the economy has impacted advertisement revenues of all media avenues. Caravan Talkies being a new advertising medium which focuses on rural marketing, was affected the most
- DAVP empanelment is awaited
- Caravan Talkies integration with UFO completed soon after the Scheme of Arrangement between VDSPL and UFO was sanctioned by NCLT
- Enhancing sales efforts on driving advertisement revenues through in-cinema advertisement sales team has begun



## Clients that have advertised on Caravan Talkies



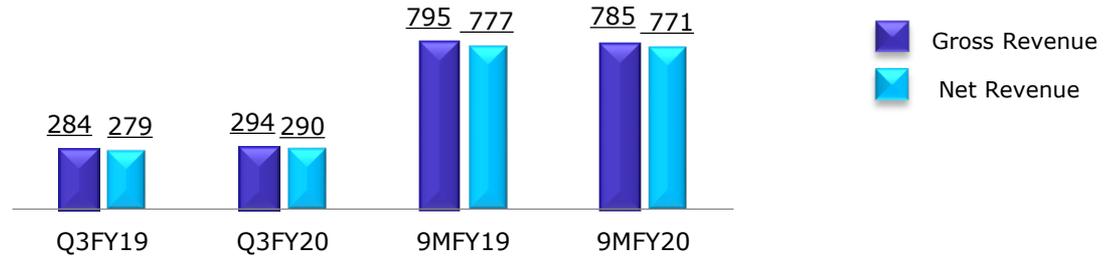
Caravan Talkies has not added new Vans since FY17

# Theatrical Revenues

# Theatrical revenues from Distributors

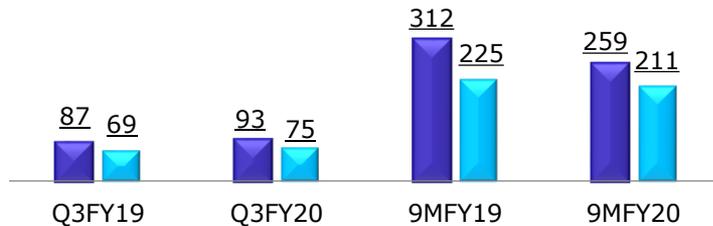
## E – Cinema - VPF

### Domestic Revenue (INR Mn)

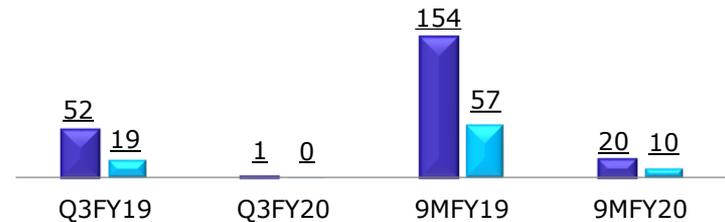


## D – Cinema - VPF

### 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*	Q3FY20	Q3FY19	9MFY20	9MFY19
E – Cinema	3,530	3,585	3,530	3,585
D – Cinema	1,749	1,704	1,749	1,704
Total	5,279	5,289	5,279	5,289
# of Screens as on December 31, 2019				

VPF Revenue / Screen (Average**) (in Rs.)	Q3FY20	Q3FY19	9MFY20	9MFY19
E – Cinema Gross	83,764	78,819	222,085	218,169
E – Cinema Net	82,619	77,444	218,056	213,011
D – Cinema Gross***	52,791	51,259	147,311	188,231
D – Cinema Net***	42,689	40,728	119,604	135,414

\*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.

Financial Performance

# Consolidated Reported P&L Statement

(INR Mn)	Q3FY20	Q3FY19	Growth	9MFY20	9MFY19	Growth
Revenue from Operations	1,417	1,533	-7.5%	3,928	4,209	-6.7%
Other Income	9	14	-33.8%	18	20	-10.9%
<b>Total Revenue</b>	<b>1,426</b>	<b>1,547</b>	<b>-7.8%</b>	<b>3,946</b>	<b>4,229</b>	<b>-6.7%</b>
<b>Total Expenses</b>	<b>1,066</b>	<b>1,141</b>	<b>-6.5%</b>	<b>3,027</b>	<b>3,202</b>	<b>-5.5%</b>
<b>EBITDA</b>	<b>360</b>	<b>406</b>	<b>-11.4%</b>	<b>919</b>	<b>1,027</b>	<b>-10.5%</b>
Depreciation and Amortisation	183	185	-1.1%	527	558	-5.5%
<b>EBIT</b>	<b>177</b>	<b>221</b>	<b>-20.0%</b>	<b>392</b>	<b>469</b>	<b>-16.5%</b>
Finance Cost	27	30	-10.0%	76	78	-2.8%
Finance Income	16	32	-50.2%	80	89	-10.1%
Profit from Associates	13	7	89.9%	32	35	-10.3%
<b>PBT</b>	<b>179</b>	<b>230</b>	<b>-22.1%</b>	<b>428</b>	<b>515</b>	<b>-17.0%</b>
Tax	(95)	84	-213.4%	108	200	-46.3%
<b>PAT</b>	<b>274</b>	<b>146</b>	<b>87.2%</b>	<b>320</b>	<b>315</b>	<b>1.6%</b>
Non-Controlling Interest (NCI)	0	0	-	0	(15)	-100.0%
<b>PAT after NCI*</b>	<b>274</b>	<b>146</b>	<b>87.2%</b>	<b>320</b>	<b>330</b>	<b>-3.0%</b>
<b>Basic EPS</b>	<b>9.65</b>	<b>5.16</b>	<b>87.2%</b>	<b>11.29</b>	<b>11.64</b>	<b>-3.0%</b>

- Ind AS 116 impact on P&L - certain operating lease expense (Q3FY20 - Rs. 29.3 Mn & 9MFY20 - Rs. 40.6 Mn) are recognised as Depreciation expense for the right of use assets (Q3FY20 - Rs. 25.4 Mn & 9MFY20 - Rs. 34.5 Mn) and Finance Cost for interest accrued on lease liability (Q3FY20 - Rs. 6.3 Mn & 9MFY20 - Rs. 9.7 Mn).
- On July 18, 2019 the Company and Valuable Digital Screens Private Limited (VDSPL), its wholly owned subsidiary company, had filed a joint application in relation to the Scheme of Arrangement between VDSPL and the Company and their respective shareholders ("the Scheme") with the National Company Law Tribunal ("NCLT"). The NCLT vide its order dated November 21, 2019 sanctioned the Scheme for demerger of Caravan division of VDSPL with the Company with effect from April 1, 2019 (the Appointed date). The Scheme became effective from December 4, 2019. Pursuant to the Scheme, the carrying amount of all the assets, liabilities, income and expenses pertaining to the Caravan division has been transferred to the Company and the Company has recognised deferred tax assets amounting to ₹124 million resulting in lower taxes during the quarter ended December 31, 2019.

\* Excluding Other Comprehensive Income

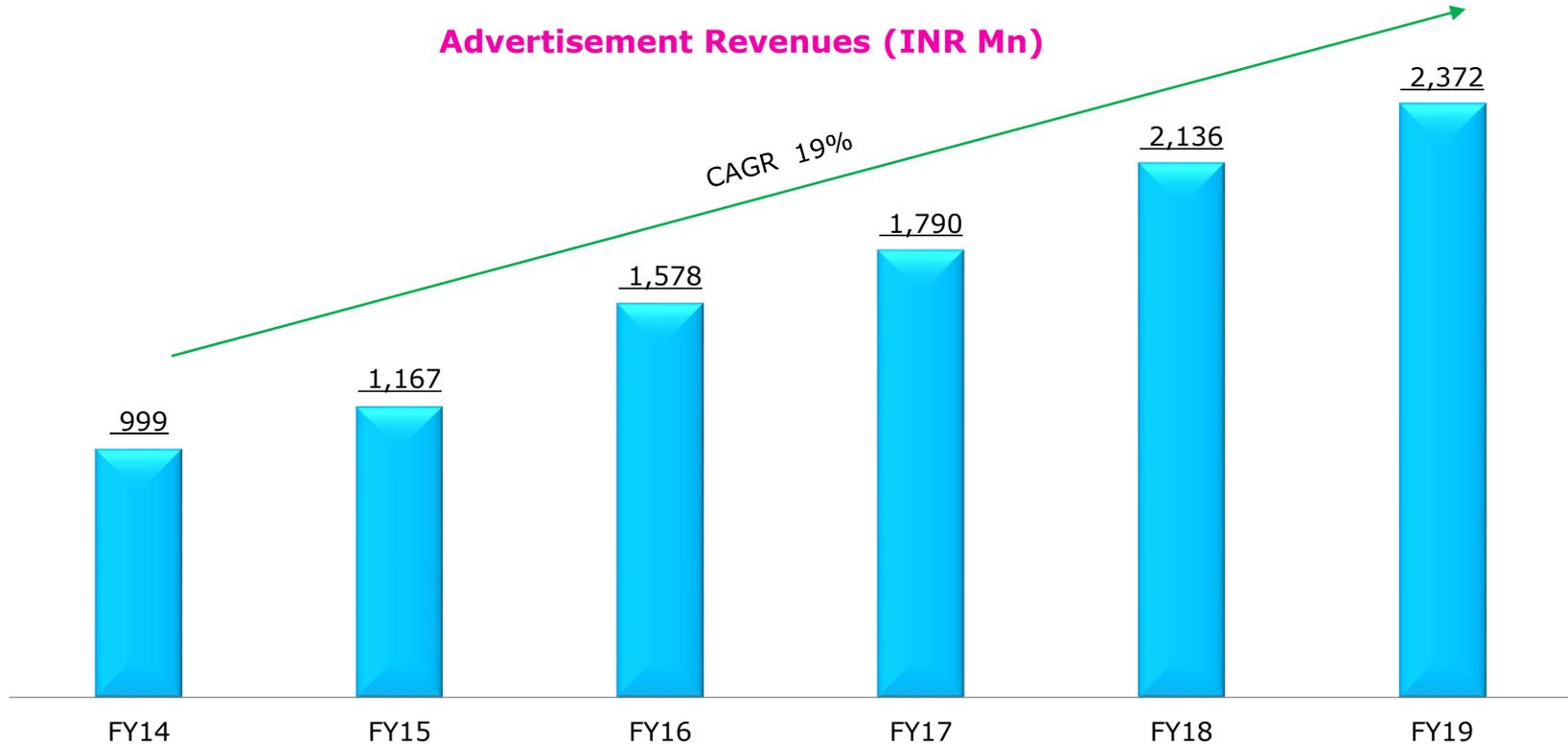
# Consolidated Expenditure Analysis

<b>Expenses as a % of Total Revenue</b>	<b>Q3FY20</b>	<b>Q3FY19</b>	<b>9MFY20</b>	<b>9MFY19</b>
<b>1) Total Operating Direct Cost</b>	<b>40.6%</b>	<b>41.0%</b>	<b>41.6%</b>	<b>42.5%</b>
<b>Key Operating Direct Cost Components</b>				
i) Advertisement revenue share payment	<u>10.8%</u>	<u>12.6%</u>	<u>11.6%</u>	<u>12.1%</u>
ii) VPF D-Cinema share payment to D-Cinema Exhibitors	<u>1.3%</u>	<u>3.3%</u>	<u>1.5%</u>	<u>4.4%</u>
iii) Purchase of Equipment, Lamps and Spares	<u>18.9%</u>	<u>13.1%</u>	<u>17.1%</u>	<u>12.7%</u>
<b>2) Employee Benefit Expenses</b>	<b>16.7%</b>	<b>14.5%</b>	<b>16.9%</b>	<b>15.8%</b>
<b>3) Other Expenses (SG&amp;A )</b>	<b>17.5%</b>	<b>18.3%</b>	<b>18.2%</b>	<b>17.3%</b>
<b>Total Expenses</b>	<b>74.8%</b>	<b>73.8%</b>	<b>76.7%</b>	<b>75.7%</b>
<b>EBITDA Margin</b>	<b>25.2%</b>	<b>26.2%</b>	<b>23.3%</b>	<b>24.3%</b>

Annexure

# Robust Advertisement Performance

Advertisement Revenues (INR Mn)



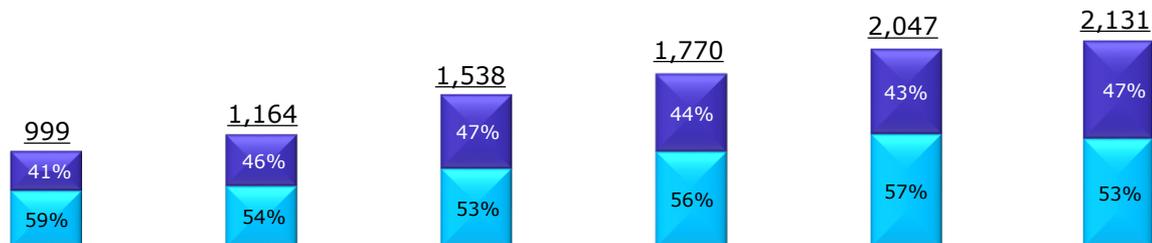
# Sustained Growth in In-Cinema Advertising

INR Mn

■ Government + PSU

■ Corporate + Hyperlocal

FY14 – FY19  
Revenue CAGR 16%



**FY14**

**FY15**

**FY16**

**FY17**

**FY18**

**FY19**

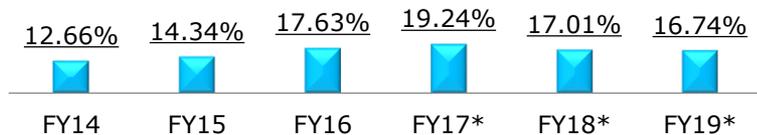
# of Screens with Ad Rights	3,592	3,784	3,713	3,745	3,897	3,697
Annual Ad Revenue / Screen (Avg) (INR)	299,711	316,346	410,275	474,597	535,847	561,102
# of Minutes Sold / Show / Ad Screen	3.25	3.36	4.15	4.34	5.19	5.54
Ad Sharing with Exhibitors	31.00%	33.76%	30.66%	29.14%	31.75%	32.44%

\*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 (%)

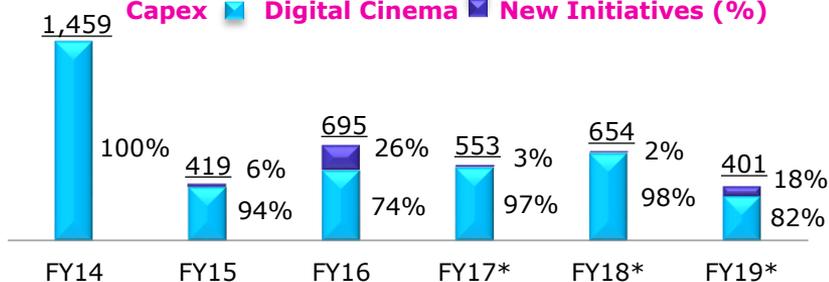


## Low Capital Intensity



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

Capex Digital Cinema New Initiatives (%)



## Improving Capital Efficiency



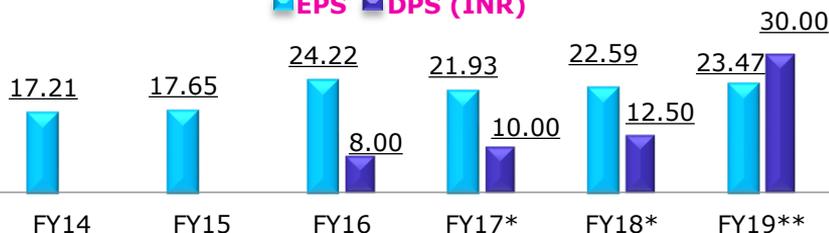
Network Effect and Operational Efficiencies have led to improving RoCE

## Low Content Risk



Growing in synergistic businesses with low content risk.

EPS DPS (INR)



## 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, FY18 & FY19 are based on closing Ind AS financials,

\*\*FY19 DPS includes one-time special interim DPS of ₹ 15.00

# Key Financial Parameters

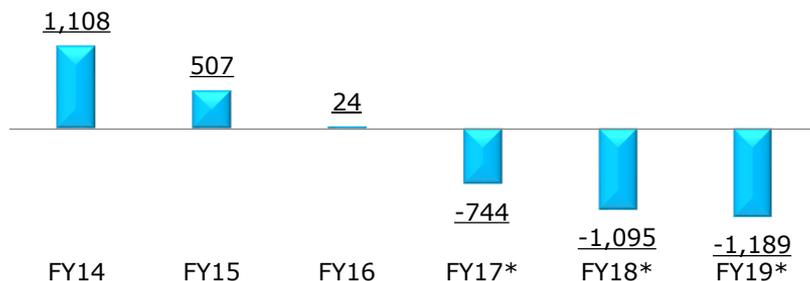
### Net Fixed Asset Turnover (x)



### RoE (%)



### Net Debt\*\* (INR Mn)



### Net Cash Flow from Operating Activities (INR Mn)



\*FY17, FY18 & FY19 are based on closing Ind AS financials,  
 Net Fixed Asset Turnover = Total Income/Net Fixed Assets,

\*\*Net Debt = Total Debt less Cash and Cash Equivalents  
 RoE = PAT after Non-Controlling Interest / Networkth

(% of Total # of shares)	December 31, 2019
Promoters	30.09%
Foreign Venture Capital Investors	18.52%
Foreign Portfolio Investors	2.30%
Mutual Funds	16.85%
Corporate Bodies	4.76%
Others	27.48%
<b>Total # of Shares</b>	<b>28,350,801</b>

Marquee Institutional Investors*
SBI Mutual Fund
Reliance Nippon Life Asset Management
DSP Blackrock
Equinox Partners
Nomura Singapore

\*As on December 31, 2019

# About UFO Moviez India Limited



UFO is the first one, to enable cinema digitization with satellite technology in India. That also makes UFO the largest in-cinema advertising platform, with the power to impact almost 2.1 billion viewers annually through 3,643 screens comprising of 1,847 screens in the PRIME channel and 1,796 screens in the POPULAR channel across 1,227 cities, leading directly into the hearts of India's Urban Heartland.

In the early 2000s, UFO optimized the potential of Indian cinema with satellite-based technology that transformed Annual Jubilee into Friday box office collections, slow-chain release into First Day - First Show, one blockbuster after another. It has made cinema into an equal experience for the whole country, making it an instant success with the youth that is already teased with pre-release teasers and trailers.

UFO is the end to end service provider for all DCI and non-DCI related cinema solutions. As on December 31, 2019, UFO's global network, along with subsidiaries and associates, spans 5,489 screens worldwide, including 5,279 screens across India and 210 screens across USA and Mexico. UFO has created a pan India, high impact in-cinema advertising platform with generally long-term advertising rights to 3,643 screens, with an aggregate seating capacity of approximately 2.1 billion viewers annually and a reach of 1,227 cities and towns across India, as on December 31, 2019.

UFO's innovation driven DNA empowers it to use technology and business intelligence to minimize content irrelevance by providing relevant content, to the relevant people, at the relevant time! With the same in mind, it launched NOVA Cinemaz, a purpose driven, asset-light franchisee model under UFO's subsidiary, Valuable Digital Screens Private Limited (VDSPL). It aims at enabling an environment of content sufficiency to the running cinema infrastructures, as well as to create a one stop solution to set-up local movie theatres through a standardized model both in terms of infrastructure and experience. Apart from this the company also has UFO Framez and Caravan Talkies, the former enables small businesses to use the UFO network to reach the local neighbourhood catchment areas while the latter takes brands to rural India while giving brands an opportunity to reach media dark areas.

UFO's mission is clear - un-biased, undivided, uninterrupted, cinema for all, and in doing so, outshining as the country's largest cinema influencers.

Visit us at [www.ufomoviez.com](http://www.ufomoviez.com). For further details, contact:

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