



UFO Moviez India Limited
Q2&H1FY26 Earnings Conference Call

November 05, 2025



MANAGEMENT:

MR. RAJESH MISHRA – EXECUTIVE DIRECTOR AND GROUP CEO, UFO MOVIEZ INDIA LIMITED

MR. ASHISH MALUSHTTE - CHIEF FINANCIAL OFFICER, UFO MOVIEZ INDIA LIMITED

MR. SIDDHARTH BHARDWAJ – CEO, DIGITAL CINEMA NETWORK BUSINESS, UFO MOVIEZ INDIA LIMITED

SR. ANALYST:

Mr. TUSHAR PENDHARKAR – VENTURA SECURITIES LTD

Moderator: Ladies and gentlemen, good day, and welcome to the UFO Moviez India Limited Q2&H1FY26 earnings conference call hosted by Ventura Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal the operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Amit from Ventura Securities Ltd. Thank you and over to you, Sir.

Tushar Pendharkar: Thank you. Good day, ladies and gentlemen. On behalf of Ventura Securities Ltd, I welcome you all to the Q2&H1FY26 earnings call of UFO Moviez India Limited. The company today is represented by Mr. Rajesh Mishra, Executive Director and Group CEO of the company, Mr. Ashish Malushte, Chief Financial Officer, and Mr. Siddharth Bhardwaj, CEO-Digital Cinema Network business of the company. I would now like to hand over the call to Mr. Mishra for opening remarks, post which we can open the floor for Q&A. Thank you and over to you Sir.

Rajesh Mishra: Thank you, Tushar. Greetings everyone and thank you all for joining our Q2&H1FY26 earnings conference call.

Q2 FY26 delivered a steady theatrical performance, supported by a diverse slate across languages and genres. July opened on a strong note, marked by the release of the romantic drama "Saiyaara" and the devotional animated epic "Mahavatar Narsimha". Meanwhile, films like "Maalik" starring "Rajkummar Rao" and "Kingdom" starring "Vijay Deverakonda", along with other mid-budget titles, posted moderate results, reflecting selective audience traction in that segment.

August strengthened momentum with strong footfalls driven by "Coolie – The Powerhouse" starring "Rajinikanth" and "War 2" starring "Hrithik Roshan" and "Jr. NTR", supported by consistent contributions from regional and mid-scale films. While a few titles underperformed, overall occupancies and consumer sentiment remained positive.

September sustained the trend with "Jolly LLB 3" starring "Akshay Kumar", "Mirai" featuring "Teja Sajja", and "They Call Him OG" led by "Pawan Kalyan" performing well, even as certain titles like "Baaghi 4" starring "Tiger Shroff" and "The Bengal Files" saw mixed outcomes.

Overall, Q2 FY26 delivered stable footfalls, a balanced slate of content, and strong audience engagement. Robust growth in advertisement and theatrical revenues, supported by solid product sales, further strengthened performance and positions the business well for the second half of FY26.

In total, 462 movies were released (including versions/languages) during the quarter, compared to 470 in Q2FY25 and 456 in Q1FY26.

On the screen network front, our advertising footprint now stands at 3,795 screens. This includes 2,279 multiplex screens and 1,516 single screens.

Turning to the key figures for the quarter and half year ended September 2025 –

- The consolidated revenue for Q2 FY26 stood at ₹1,113 million, compared to ₹968 million in Q2 FY25. and ₹1,090 million compared to Q1 FY26.
- EBITDA stood at ₹218 million in Q2 FY26, compared to ₹102 million in Q2 FY25, and ₹193 million compared to Q1 FY26.
- The company reported a net profit of ₹75 million in Q1 FY26, compared to a net loss of ₹9 million in Q2 FY25 and a net profit of ₹65 million in Q1 FY26.
- Regarding half year performance, consolidated revenues amounted to ₹2,203 million, compared to ₹1,913 million in H1 FY25. EBITDA for H1 FY26 was ₹411 million, compared to ₹168 million in H1 FY25. On the PAT front, the company reported a net profit of ₹141 million in H1 FY26 against a net loss of ₹50 million in H1 FY25.
- The consolidated cash as of 30th September was ₹1,348 million, and the net cash was ₹606 million after considering outstanding debt.

Looking ahead, the Q3 began on a positive note with the release of films such as “Kantara - Chapter 1”, “Sunny Sanskari Ki Tulsi Kumari”, “Thama”, “Ek Deewani Ki Deewaniyat” etc The outlook for the upcoming quarter remains positive, with several high-profile releases, including “De De

Pyaar De 2“, “Masti 4”, “Dhurandhar”, “Tere Ishk Mein”, “Alpha”, “Avatar: Fire and Ash” and “Punha Shivajiraje Bhosale”. With this robust lineup, we remain confident about continuing with the momentum.

I would like to take this opportunity to thank all our stakeholders for their continued trust in the Company.

With that I open the floor to take your questions. My colleagues, Mr. Ashish Malushte-Chief Financial Officer and Mr. Siddharth Bhardwaj – CEO and I will be happy to take your questions.

Moderator: First question is from Rehan Saiyyed. Please go ahead.

Rehan Saiyyed: Yes. Good afternoon to the team and thank you for giving me the opportunity. So with that, I have couple of questions. First, on the business outlook side. So, sir, you have Caravan Talkies' ad revenue has rebounded sharply this quarter. So, can you comment on the sustainability of this uptick and whether there are any plans to expand this rural outreach platform? This is my first question.

Rajesh Mishra: Yeah. So the Caravan Talkies business is not a steady state business. That's why we had given very limited this term, advice on this also. Going forward also, we are looking at business coming in from government and corporate agencies. But the way the business is structured, it cannot be predicted exactly.

So typically, like, it was a monsoon period. Otherwise, it could have been better also because this is an open-air viewing. But going forward, we have decent hopes on this business coming in.

Rehan Saiyyed: Ok. My second question is on the merger side of scale Scrabble Digital. So, the merger of Scrabble Digital and UFO Software is now complete. So, what operational cost synergies have started to materialize from this integration? And how should we look at this impact going forward? Is there any comment to how to put it here?

Ashish Malushte: So as regards this merger, which was completed last financial year, there were as regards to operational advantages -- synergies, some of those were reaped in by the company when the acquired company or the merged company was made 100% subsidiary. So basically, around the time when it became 100% subsidiary, the management of the entire operations were handled by UFO.

And to some extent, the operating teams were in that operating company, which is Scrabble Digital, were reduced and the workload was shifted to UFO's teams. So, in other words, slowly in last 3 to 3-1/2 years, the synergies were slowly already being reaped in. Going forward, there's no significant cost synergies that we are seeing that are going to come because of this merger.

It was a critical task so that the structure of the organization -- I mean, of the group looks leaner. And also Scrabble Digital was very, very, very synergetic with the operations of the core business. So, we had to, at some stage, take this step since it was not a wholly owned subsidiary, we had held it back. But on the cost front, most of it, I would say almost 90% or 95% of the cost benefits are already subsumed in the numbers that you're seeing, at least for last two quarters.

Rehan Saiyyed: Okay. My last question is on the like, I want to a bit understanding regarding the market industry side. So how does the management waving the current trajectory of digital cinema adoption in smaller towns?

So, are there any plans to expand the presence beyond the current 1,300 cities that we have?

Ashish Malushte: Yes. So, good question. And in fact, this is where we feel that the upside for this company and this industry lies in two areas. One is increasing the volume and pricing for advertisement and second is increasing the screen network. You have rightly pointed out that there is a decent opportunity in the smaller centers or smaller towns. But as you know this industry actually went through very tough period post COVID. I will say that slowly we are getting out of it as an industry. And your company is no different -- it doesn't have a different fate than the industry's fate. So as an industry, we are slowly emerging out.

Firstly, there were COVID-related problems. Then there were issues around content and now, there were issues about people moving to OTT and not coming in the theatres. But I would say the last 2 to 2-1/2 quarters, most of these issues are settled in our minds. And most of us are slowly continuing to consume the content in cinema, the way we used to do in the past. So for us, what is more critical now is to get our acts together as an industry and make sure that cinema is back on track the way it was in pre-COVID era. Sorry, you will hear this COVID thing from us because we are really, really hurt as an industry because of this onslaught.

And we are almost there as an industry, that's what I feel. So once that is done then they could be focused on the other areas. Because the other areas, which you said, the smaller centers, that you need to have investment that needs to go in. And the investment would start going in only when the business starts becoming meaningfully viable the way it was in pre-COVID. So, I would say, yes, the opportunity is there.

But for the opportunity to actually materialize, it could be few years away. Firstly, we should focus on going back to the levels of profitability and business, which was there in the company and in the industry in the pre-COVID, that is 2018-2019 area.

Rehan Saiyyed: Ok. Thank you for the detailed answer regarding this industry side and, yeah, good luck for the coming quarter.

Moderator: Thank you. Next question comes from Vipulkumar Anopchand Shah from Sumangal Investments. Please go ahead.

Vipulkumar Shah: Hi. Thanks for the opportunity, and congratulations for relatively good set of numbers. So, my question is we were doing 5.4 minutes in FY19, right, sir? I'm talking about advertising minutes. So slowly, we are reaching there.

But over what timeframe, we should be reaching there in your opinion?

Siddharth Bhardwaj: Your question is a very important question for the company. As Ashish just mentioned, there are two challenges. One is getting the volume of advertising. So, in the minutes, it truly reflects the number of -- the amount of volume that is coming on board in terms of advertisers' affinity to come back and embrace cinema as a preferred advertising platform.

So, over the last six months, we have seen a consistent flow of content coming in, which has brought back advertisers onto cinema. And they're consistently advertising. However, Ashish just mentioned that we are yet to come back to that level of the same level of footfalls at the cinema. We are still missing the big blockbusters, the big mega stars who used to draw disproportionate amount of footfalls to the cinema screens. And as a result, disproportionate amount of demand used to be used in terms of minutes used to come to the cinema.

Slowly, I think the ship -- it's a large ship, it takes time to turn. And we feel that we are just around the corner and the pipeline of content that we can foresee for this quarter, and the subsequent quarter is robust. There are some large mega blockbusters that are in pipeline, which we expect will not only help drive volume, but would also drive value in terms of ER. So, next two quarters will be the quarter we are in and the quarter four for this financial year we foresee should be the

turning point where we'll be able to at least on the volume front come back to same level, and I think value will follow after that. I hope I've answered your question.

Vipulkumar Shah: Yeah. I mean, volume means a number of minutes sold. Right? And value means reel per minute?

Siddharth Bhardwaj: Yes.

Vipulkumar Shah: So, in 2019, if I see government was 53% and corporate and hyper local was 47%, government share has come down drastically. So, have we lost any market share? Means, what are the main challenges for attracting government advertising again, sir?

Siddharth Bhardwaj: So, there are two parts of government advertising. One is state-led advertising and second one is advertising which is central, which we call DAVP. It comes from the central releasing agency. So, these are largely dependent upon the government's willingness to communicate with the audiences. What we feel is that the total spending by government on the medium have shrunk dramatically. It depends upon various factors which are beyond the control of your company. So, they are all dependent upon how government sees the entire environment.

So, we feel that we haven't lost market share, but the pie has shrunk on central advertising, advertising by the central agency, which has shrunk dramatically. Whatever revenue we see on the board is largely led by state advertisers, the state governments. The center has shrunk advertising dramatically and that is largely dependent upon how the government sees the political environment and its need to communicate with the audiences.

Vipulkumar Shah: Yes, sir. So, regarding yield, we are lower in terms of percentage as compared to 2019 by how much?

Ashish Malushte: So yes, so I'll give you the number also exactly how much it is down, but I would like to bring out the positive side of the situation. Government taking a call to reduce the outreach on digital cinema medium is not a new thing. It is on for at least three financial years. And ever since that has happened, you rightly pointed out that at one point in time, we were having almost 60% of our revenue coming from central and state governments. And we were very, very apt medium for them to reach out to their audience.

But once this happened, your company immediately swung into action, and we decided that we need to, in a way, reduce dependency on this one revenue stream to a major extent what we can manage. And that is where the efforts started to push the corporate ad revenue. And therefore, if you actually see the last three years' numbers from near-zero post COVID, corporate has really swung back into decent numbers, the way we are seeing now. Of course, there's an upside from here as well. But as a result of which, what has happened is there is more certainty and more reliability to the numbers that we are now seeing.

We are also hopeful that the government should, at some stage, start looking positively towards this medium. But assuming that doesn't happen as a worst case, we are now out of those woods that we were in a difficult season, half of your revenue is gone. That's not the situation anymore. And what happens is because corporate advertisement in cinema on a large network like yours is not really, really that the pricing cannot be very expensive. And that is where the challenges on pricing has been in corporate segment.

The pricing in corporate segment pre-COVID, if I'm correct, was close to INR 60 to INR 64 and now I think it should be in the range of close to INR 55 to INR 60. So almost, you can say, about 10% lower than pre-COVID, 10% to 12% in some of the quarters. But government rate used to be almost 20% higher than this. Of course, that is because government used to get a lot of advantages

in reaching out to the right audience through us. So, government has reduced, therefore, the better rate business has come down.

And as a result of which, when you see the combined yield, that combined yield as compared to 2019 appears to have gone down. The positive side of it is the over-dependency that your company had on the government revenues has, to a major extent, come down. And on top of it, the government again starts looking at it positively, that will be a great thing for the company.

Vipulkumar Shah: So, the numbers you mentioned are on screen? What is the unit of measurement?

Ashish Malushte: When I say INR 60, it means 1 minute of advertisement played in one theatre for 60 seconds will cost the advertiser INR 60. So as such, the pricing is very, very attractive, but that's the kind of pricing that we used to operate.

Siddharth Bhardwaj: Sir, I want to further expand on it because this may not give -- this should not give a wrong impression. So, we have a large network. So, this is average yield. So, dependent upon what is the mix of screens, what is the specific weeks, blockbuster rates, they are different.

So, dependent on content, how the content flow is, the yield changes. So, as the content becomes more promising, the yield will automatically improve. So, the revival of the yield is also dependent on content. As content improves, your company should start delivering better yield and the corporate should come back to old levels. So, those are my two bits on yield of advertising.

Vipulkumar Shah: And sir, my last question is we have three major verticals that is exhibitor, distributor and this in-cinema advertising. So, whatever additional delta in profitability will come from advertising vertical only and the other two verticals are relatively stable revenue streams. So, is that understanding correct or I'm missing out something?

Ashish Malushte: All the three revenue streams as it stands now are stable. The instability or the variation part to a major extent has got taken care of as the business has become better as an industry. But the upside, what you see from now on would be primarily in the advertisement vertical. As regards the exhibitor vertical and the distributor vertical, that revenues would go up only when the number of screens would go up. And we don't see that happening in a very big way anytime soon.

And therefore, those revenue streams would be stable but won't disproportionately grow, like how the opportunity is there in the advertisement.

Vipulkumar Shah: So, my last question is we have near a monopoly in this digital content delivery. Right, sir?

Ashish Malushte: Yeah. We can't say monopoly, but, yes, we are one of the significant players.

Vipulkumar Shah: Yeah. So, when we go to the theatres, ticket prices are going through the roof. In Juhu, where I stay, PVR on weekdays charge INR 500-plus for any good movie. So, means it's a niche business. Why cannot we charge more for this digital content? That question, if you can answer, would be really helpful.

Rajesh Mishra: Yes. So, as Ashish said, it is not a monopoly business. There are factors in play, like there is four-five competitors in the market also and this is something which if we increase the number of amount that we are charging on this beyond a particular point, it will be counterproductive to the whole business segment because it will start probably curtailing the release of the films. So, we believe currently we are sitting at a sweet spot, and there is not any need or there's no movement also that we can take up something like this because, as I said, this is a competitive market.

There are a lot of other players also in the market to start a scenario that only one can decide. Plus, there are exhibitors, distributors, producers. These are all market segments are over there. So, as I said, we believe that this is a sweet spot, and that there is no need to increase this.

Ashish Malushte:

So, just one more perspective to this is if you actually see, you're already at almost INR 100 crores of revenues from this stream. User must also be using Google Maps. And somebody can say Google Maps as a monopoly over all of us. And why is Google not charging, say, INR 50 or something per month? And that could translate to substantial revenue. But the business model which they have adopted is, let's get the footfalls or rather the eyeballs on the screen for Google Maps, and then they monetize it in a different way.

Not exactly the same way, but in a similar way. What we are trying to do is we are trying to provide the digital infrastructure services to exhibitors and distributors at a very reasonable cost, thereby attracting them to remain on this leased paper use kind of digital infrastructure instead of investing on their own. And in return, we are getting the advertisement inventory, which we are monetizing. So a better and a more sensible approach could be to not really make your core offering very expensive, when you have a very, very big opportunity possibly at your hand in terms of growing the volume and the yield of your advertisement network.

On the same network, you can probably increase your volume by twice and pricing by twice. And all of a sudden, you see four times your total ad revenue growing up. If that opportunity exists, we felt that and we have been of that view that we should focus more on that, not really tweak 5%, 10% on your core offering, which will fetch you INR 10 crores, INR 15 crores and a lot of resentment. And then you start becoming more and more expensive as compared to what you were in the past.

So, this has been philosophy. And we believe that this is a very strong philosophy to push the overall value of the business and the value of the shareholders once this actually translates into the numbers that we are trying to work towards.

Vipulkumar Shah:

And sir, lastly, regarding revenues from exhibitor, so this lease rental income and sale of products, so the products which we supply them, we source from home and the equipment which we rent, we must be also, so how that model works, if you can give some overview?

Rajesh Mishra:

So, the product sales business largely comprises of projectors and servers that are deployed in cinemas. We source them from Christie, the projectors, and from Panasonic also. The servers are sourced from Dolby. So, the business is a plain business of adding margin and supplying it to the cinemas. The idea is to get more and more into more number of cinemas.

And along with this, we earn a certain amount of money from sale of products. This is one area where there will be increased focus from our side on sale of products business and we would also be looking at adding other product lines like sound and other equipment's to increase the potential of this business.

Vipulkumar Shah:

Okay, sir. I have further questions, but I'll rejoin the queue. Thank you.

Moderator:

The next question comes from Majid Ahamed from Pinpoint X Capital. Please go ahead.

Majid Ahamed:

Sir, thank you for the opportunity. Very good results, sir. My first question, sir, is that I want to understand what are the levers for the improvement of the gross margins, like from 51.5% last year to 55%. So, like what type of mix you were able to change to get to such a high gross margins this quarter? That's my first question, sir.

And secondly, what is your Capex guidance going forward? Like what type of screen additions that you're looking for this year?

- Ashish Malushte:** So, your first question on better gross margins. The business is structured such that a better ad revenue translates into substantially better margin. Every incremental rupee that we earn from advertisement, almost 65% of that would get into my PBT. That's the kind of business model that we have. That's because the core costs relating to advertisement, fixed costs, which is sharing with data, is currently at a high level of fixed sharing.
- And unless a particular threshold is broken, our obligation to pay them further doesn't arise. So, that is called a minimum guarantee that we have paid them. And as a result of which, you would continue to see this kind of betterment in margins as the advertisement revenue in that quarter or a YoY basis if it improves, like what has happened now. So, that's a simple answer because the business is in that way simply structured.
- As regards to your second question about Capex, The guidance we had given even in the earlier calls that this year, we are looking in the range of INR 40 crores to INR 45 crores of Capex and that is primarily to maintain the network. As the projectors and the servers get old, we need to replace them and that is the reason that we're looking at. Incrementally, there are new screens which also come up. And some of these Capex also goes into the equipment that we supply to this new screen. So, overall, that's the Capex guidance that we had for the current year. And we even in the middle of the year, halfway through, we are on track with respect to that Capex guidance that we had initially projected.
- Majid Ahamed:** And sir, just on the follow-up on the advertisement revenue, like you have said, there is some minimum guarantee. So, would it remain same or would it improve? Just want to understand that part.
- Ashish Malushte:** During the contractual period, once a minimum guarantee (MG) is agreed upon, it remains fixed. For example, if the tenure is two years and we have offered a theatre an MG of INR 15,000 per month, that amount stays INR 15,000 regardless of whether the actual revenue generated is INR 20,000, INR 25,000, or INR 40,000. In my example, if in the first quarter we generate INR 20,000, our margin would be INR 5,000. In the second quarter, if we generate INR 30,000, our margin increases to INR 15,000. There is no additional payout obligation during the contract period, as the agreed MG remains valid for the full two-year term.
- When the contract comes up for renewal, different dynamics come into play — such as market conditions, the theatre's performance, footfalls, and its strategic importance within our overall network. At that stage, we undertake negotiations, which may result in an upward revision of the MG. In some cases, contracts are renewed at the same level, but that is not always the case.
- Majid Ahamed:** Okay, got it. So, it gets fluctuated on a year and contractual basis?
- Ashish Malushte:** Yeah. It fluctuates as per the contract for every kit.
- Majid Ahamed:** Okay. Thank you, sir. All the very best.
- Moderator:** Thank you. We have a follow-up question from Vipulkumar Anopchand Shah from Sumangal Investments. Please go ahead.
- Vipulkumar Shah:** Sir, I'm joining call after a very long time. So if I remember correctly, we had exhibition business under Nova Cinema. So, what is the current status of that business? How many screens we are running? And what is the financials, I mean, EBITDA of that business, if you can comment?
- Ashish Malushte:** So, we are operating three screens in the northern region, and three are under progress at different levels in Maharashtra. One of them is operational. The results so far are not very encouraging from

these centres. These centres are located in towns with a population of less than 50,000, which we had identified as part of a pilot project.

There was a question earlier about whether the screen network would expand in India. This is where our efforts were aimed — to establish a proof of concept that such centres could be made profitable. Probably the timing was not the most opportune, particularly in terms of content flow. Also, in the northern region, there were licensing issues, so only one of the two screens could operate. Nevertheless, we have not seen very healthy traction from viewers in that region.

This model, it appears, may not really pick up in towns with populations below 30,000–40,000. We may need to look at slightly larger centres — with populations of around one lakh — which can generate the kind of footfalls needed for a theatre to sustain itself. As of now, those three centres are not performing the way we had anticipated.

Having said that, there was no significant investment made by the company in those centres. It was more of a dipstick exercise from our side to check whether the business could be scaled in that direction, though not directly by us. Had it worked well, many local entrepreneurs across the country could have set up theatres, with us providing them services and bringing them into our network. That was the broader game plan.

As it stands today, these three centres have not delivered the results we expected. Nevertheless, things may change if the content supply becomes more relevant to those markets. Therefore, we will continue to monitor the situation. Financially, there has been no material impact on the company because of the underperformance of these centres.

Vipulkumar Shah: So, the Capex figure of INR 50 crores, INR 60 crores you just mentioned, so can you split it between the three divisions?

Ashish Malushte: All that goes in theatrical. I don't need to put any Capex for advertisement because advertisement piggybacks on the core business. I don't have to put separate investment into the distribution revenue stream because the Capex that I put in is basically for the benefit of both the distributors as well as the exhibitors. When I put an investment in a theatre and make it digital, that time the benefit of that is reaped both by the exhibitor and the theatre. However, from revenue point of view, we have two separate charges.

One we charge to the exhibitor, one we charge to the distributor. That's our way of in a way trying to increase the pie of both these constituents, distributors and exhibitors. And then take a part of the share from both of them instead of loading the entire fee on one of them, say, charging everything to a theatre, and they were making the proposition expensive for the theatre and allowing the distributors to take the entire benefit of the higher pie that has generated because of the Capex that we have invested. So basically, the Capex goes in my core business, which is theatrical business. There are two revenue streams to it, exhibitor and distributor. For advertisement, there is no separate Capex that we have to put in.

As mentioned earlier, the Capex guidance for the year is in the range of ₹40 crore to ₹45 crore, compared with the earlier range of ₹50 crore to ₹60 crore.

Vipulkumar Shah: Ok. Over a five-year period, where do you see the advertised revenue and advertised minutes sold if there are no negative surprises or bumps along the road?

Ashish Malushte: Sir, our company has always stayed away from giving any future-looking statements or indications. As it stands today, we are really -- I mean, we're in good shape today, but coming out of a very bad phase. So, we actually look at QoQ basis or a six months' basis, how the business should be rebuilt.

And it will be too, too optimistic to give any kind of a four, five years' estimate. But yes, upside is huge.

We are selling only 4-1/2 minutes. The pricing is also attractive. So, the upside remains huge. When we should be able to monetize it is a question which can be answered only with the help of better content and a better outlook if the advertisers start having towards this medium.

Vipulkumar Shah: So, you said you have a fixed contract with the theatres. So, hypothetically, if our minutes scale up from 4.5 to 10, entire upside will remain with you only, right? That understanding is correct?

Ashish Malushte: Absolutely. And that is what you have seen in this quarter. For instance, when you see YoY, the entire upside that we have got, wherever there was a fixed minimum guarantee contract, the upside came to you. But at the same time, when we had tough times in COVID, we were obliged to pay or required to pay the minimum guarantee when the revenues were not certain whether they will reach the MG level. But we are past that situation now.

Vipulkumar Shah: Okay, sir. Thank you and all the best.

Moderator: Thank you. The next question comes from Deeya Kain from Sapphire Capital. Please go ahead

Deeya Kain: Hello, sir. Thank you for taking my question. So, I just wanted to understand what revenue growth can we expect this year? And if the 20% EBITDA margins are sustainable for the next quarters?

Ashish Malushte: With the current level of advertisement revenue, the margins are expected to remain stable. However, Q3 of last year was exceptionally strong, primarily due to a major blockbuster - Pushpa 2, which provided significant support to both the digital cinema and theatrical industries. We have not seen any comparable release this quarter. In addition, Diwali was relatively muted for the cinema industry this year, which is unusual after a long time. That said, the content pipeline remains healthy.

Last year's Q3 was therefore a one-off, exceptionally strong quarter. Nevertheless, we are hopeful that the revenues achieved so far should sustain at similar levels in the coming quarters. If the overall environment remains favorable, we could also see decent growth, barring the exceptional base effect of last year's Q3. Accordingly, as long as revenues remain consistent, margins are also expected to stay at the same level.

Deeya Kain: All right, sir. Thank you.

Moderator: Thank you. The next question comes from Krishna, an individual investor. Please go ahead.

Krishna: Yes. Thanks for taking my call. So, I have been investing in this company from the near to that IPO times in 2017-2018. So, I thought there was a huge variation, and I am seeing also the sales and profits in Covid were very bad. So hopefully, the trend will be positive, and we'll come back to a respectable level. That's what I also expect to hope that the company also feels so.

Ashish Malushte: In terms of financial performance, sir?

Krishna: Yeah. In both, actually. In financial performance and in the levels which we were quoting in 2017-2018. So hopefully, that trend can come back for the company, sir?

Ashish Malushte: I mean, what certainly is in our control is the performance. We really are nobody when it comes to the market levels and market prices. And we don't think that, that should be the objective or any area for the management to look into. So, we focus on the business and the performance. And as some of the previous questions, we tried to explain that after a very, very tough COVID period, we

are slowly now as an industry bouncing back and as a company, we have bounced back better, hoping this trend will continue.

So, the profitability should go back to those levels with one hurdle, which we are still facing is where governments have almost stopped the spending on this medium, and that has caused a major damage to us. But we are also getting out of it by expanding our bouquet of offerings to other customers in advertisement.

Krishna: And sir, in 2017-2018, I saw that the sales per quarter was around INR 160 crores - 165 crores. So going forward, can we expect the same to happen?

Ashish Malushte: Okay. Got your point, sir. So, there was one major chunk of revenue that time, which was Sunset revenue, which was a five-year business. And we were to get out of that business and related details were given to the market from time to time and also on the earning call as to how it's only a five years' period, where we had installed equipment's of DCI category, and we were to generate revenue for five years. And then that revenue was going to stop both on the VPA front primarily in India and international. And that chunk which has reduced is a permanent loss.

But having said that, that was a limited-period revenue. And we never had projected that, that revenue is going to stay or increase. So, when you look at INR 160 crores or INR 170 crores than INR 35 crores of that would be from the distributor revenue. Part of that has gone away because of Sunset.

Krishna: Okay. But right now, we have some other area of business also. Right? We have some other areas.

Ashish Malushte: Yeah, most certainly. That was not something which we are really banking on heavily. That was a business that came our way, which allowed us to make money for five years. We made money and we also distributed handsome dividends in that period, which was sort of one-off kind of a period revenue.

Krishna: Okay. So hopefully, that same trend should continue going forward. Yeah?

Ashish Malushte: Yes, sir.

Krishna: But the result was good this half year. So hopefully, things should -- I am expecting that things should go good actually. Hope the same from your end also.

Ashish Malushte: Thank you, sir. Yes, sir. We also have the same expectations.

Moderator: Thank you. We have a follow-up question from Vipulkumar Anopchand Shah from Sumangal Investments. Please go ahead.

Vipulkumar Shah: Sir, our founder, Mr. Gaikwad, is still with the company? Maybe since I'm attending this call after a long time.

Ashish Malushte: Very much. He is the person who thought of this revolution in India, made it happen, set up this professional company. And he is very much the managing director of the company. And I mean, all the disclosures, you can see him as a managing. He's very much there at the helm.

Vipulkumar Shah: Okay, sir. So, yours looks to be interesting turnaround. So, I want to understand more. So, whom should I contact if I want to make an appointment?

- Ashish Malushte:** Sir, we have your number and my IR team, which is headed by Hemal, will get in touch with you. And in any information, which is not a public disclosure related. I mean, something which needs to be in public domain, we cannot share it selectively. But about the business, we certainly can share the information with you, how the business is structured and about the industry, which is already in purpose.
- Vipulkumar Shah:** Okay, sir. Thank you.
- Moderator:** Thank you. There are no further questions. Now, I will hand over the floor to Mr. Rajesh Mishra for closing comments.
- Rajesh Mishra:** Thank you all for joining today's call. Our teams are available to provide any further information or clarification you may need. We appreciate your time and continued support. Thank you very much, everyone.
- Moderator:** Ladies and gentlemen, this concludes the conference call for today. Thank you for your participation.

The transcript has been edited for language and grammar; it, however, may not be a verbatim representation of the call.