UFO Moviez India Limited
Q1FY27 Earnings Conference Call

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MANAGEMENT:

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

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

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

Moderator: Ladies and gentlemen, good day, and welcome to the UFO Moviez India Limited Q1FY27 earnings conference call. 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.

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. Greetings everyone and thank you all for joining our Q1FY27 earnings call.
Q1 FY27 witnessed encouraging theatrical momentum. The quarter commenced with the continued strong theatrical run of "Dhurandhar: The Revenge", while films such as "Bhooth Bangla" contributed to healthy audience engagement across key markets.
May maintained good theatrical momentum, led by the success of Malayalam film "Drishyam 3", along with the strong performance of Marathi film "Raja Shivaji". While a few Hindi releases delivered moderate box office performances, regional cinema continued to attract audiences and highlighted the growing appeal of films across languages.
June concluded the quarter on a positive note, supported by the strong performance of "Welcome to the Jungle", "Main Vaapas Aaunga" and "Cocktail 2". The diverse content slate helped sustain audience interest and advertiser engagement during the quarter.

Overall, Q1 FY27 reflected encouraging theatrical trends for the industry, despite southern regional cinema remaining subdued. The continuing blockbuster performance of "Dhurandhar: The Revenge" along with performance of select Hindi and regional titles supported improved advertiser participation, contributing to a 33% year-on-year growth in our advertisement revenues. Looking ahead, a healthy pipeline of releases across languages, coupled with improving advertiser sentiment, gives us confidence in the growth prospects of advertising over the coming quarters.

The quarter saw lesser number of movie releases. In total, 399 movies were released (including versions/languages) during the quarter, compared to 456 in Q1FY26 and 459 in Q4FY26.
On the screen network front, our advertising footprint now stands at 3,891 screens, comprising 2,565 multiplex screens and 1,326 single screens.

Turning to the key figures for the quarter ended June 2026 –

- Consolidated revenue for Q1 FY27 stood at ₹1,118 million, against ₹1,090 million in Q1 FY26 and ₹1,342 million in Q4 FY26.
- EBITDA for the quarter was ₹189 million, as against ₹193 million in Q1 FY26 and ₹ 182 million in Q4 FY26.
- PAT stood at ₹56 million, compared with ₹65 million in Q1 FY26 and ₹45 million in Q4 FY26.
- The consolidated cash at the end of the quarter was ₹ 1,462 million, and the net cash was ₹ 624 million after considering outstanding debt.

Looking ahead, Q2 FY27 has commenced on an encouraging note with the release of films such as "Alpha", "Dhamaal 4" and "Jana Nayagan". The outlook for the remainder of the quarter remains positive, supported by an exciting slate of upcoming releases, including "Batwara 1947", "Toxic", "Haiwan", "Awarapan 2" and others. With a healthy content pipeline and improving industry sentiment, we remain confident about the theatrical business and our ability to capitalize on the opportunities ahead.
I would like to take this opportunity to thank all our shareholders, exhibitors, advertisers, business partners and employees for their continued trust and support.

With that, I would now like to open the floor for questions. My colleagues, Mr. Ashish Malushte, Chief Financial Officer, Mr. Siddharth Bhardwaj, CEO, and I will be happy to answer your questions.

Moderator: First question is from Mr. Shailesh Naik from SECODE. Please go ahead.

Shailesh Naik: Good performance in advertising this year. We have grown by 33%, which is a good achievement. I just wanted to understand how much of this growth was driven by Dhurandhar, and what contributed to the rest of the growth. That was my first question.
My second question is, could you please update me on our trade receivables? They were quite high as of March 31. How have they progressed since then, and what has been the cash generation during this quarter?
These are the two questions I have.

Siddharth Bhardwaj: Answering your first question on the extent to which the advertising performance can be attributed to Dhurandhar, we would like to acknowledge that the spillover from Dhurandhar, which was released towards the fag end of Q4 of the last financial year, continued into the first quarter.
It definitely helped us build the foundation for this quarter and for the current financial year. We can certainly attribute a part of our advertising performance to the momentum created by Dhurandhar.
More importantly, what it did was create a positive sentiment towards cinema at a very critical juncture for the marketing fraternity. Towards the end of the financial year, most marketers are planning their advertising budgets for the subsequent year. A film like Dhurandhar positively influenced many of these decision-makers, which not only helped us but is also likely to benefit the industry at large in terms of advertising revenues.
So, we believe the strong advertising performance can be attributed, to a significant extent, to the positive momentum created by Dhurandhar.
I hope that answers the first part of your question. My colleague, Ashish, will take over the second question.

Ashish Malushte: Your question on the debtors, so you're right, in the first quarter, the balance sheet numbers are not required to be disclosed. But on the debtor front, the situation is a lot under comfort and control. So, I just to give you a specific number, 31st March 26, the net debtors were Rs 93.5 crores for Indian operations that have come down to Rs 89.4 crores as on 30th June.
Now, one bottom point to notice, this is despite a very heavy and good performance on the advertisement front, which happened, as Siddharth explained, towards the fag end of Q4, which obviously would lead to debtors getting generated in the last week of March. And we have at least 120-150 days of realization period.
But despite that, the overall debtors have reduced from Rs 93.5 crores to Rs 89.4 crores. Even on a consolidated basis, the situation is good. Internationally, the data is reduced by Rs 10 crores. On a consolidated level, the net debt, which were at Rs. 152.4 crores have come down to Rs 148.1 crore.

Shailesh Naik: So, basically, what you're saying is that by the next quarter, we should be back in line with the historical DSO levels. That was my first point. Secondly, the reason I asked the earlier question about Dhurandhar was to understand whether the entire 33% growth in advertising was driven by one such mega hit. If that is the case, then from the next quarter onwards, we might see growth normalize again. That was the reason behind my question. I just wanted to understand whether the contribution from Dhurandhar was around 10%, 20%, or 30%, so that we can better assess the advertising outlook for the coming quarters. My last question is on sales of products, which appear to have declined significantly. Is there any concern there, or is it simply a matter of the business being sequenced differently during the year? In other words, is there a seasonality pattern in that business?

Ashish Malushte: So, let me take the first and third questions.

On your first point, regarding whether debtor days would return to historical levels by Q2, I would say that even today, our receivables are very much under control. We also follow a prudent provisioning policy, whereby anything that is more than one year old is fully provided for. That is the reason why we remain comfortable with the quality of our receivables.

Even as we speak, despite a much stronger performance in the advertisement business, we remain well within historical trends in terms of debtor ageing.

Coming to your third question, your observation on the sale of products is correct. There has been a dip on a year-on-year basis. At the consolidated level, the sale of products has two components—Indian sales and international sales.

Until last year, international product sales constituted a significant portion of the total, accounting for more than 80% of overall product sales. About one-and-a-half years ago, we started focusing on building this revenue stream in India, which is why you saw significant growth in the Indian business last year.

The decline that you see in the current quarter is predominantly on account of lower international product sales. In India, product sales have actually increased marginally. However, internationally, there has been a significant decline of around Rs 7 crores.

This reduction is entirely attributable to the war situation in the region, because of which imports into Dubai could not be completed on time. As a result, the corresponding sales could not be recognized.

The comforting factor is that these sales have not been lost. The orders continue to remain in hand and are only awaiting execution. We expect these pending orders to be executed in Q2, or at the latest by Q3.

That addresses this part of your question. On the second part, regarding the extent to which a blockbuster provides an impetus to advertising revenues, Siddharth will explain that in a little more detail.

Siddharth Bhardwaj: Just to give you some background on how the company's different revenue streams work. One part of the business is the revenue that remains consistent throughout the year, which comes from annual advertisers on the platform. The second part is tactical advertising, which drives spikes in revenue around major film releases and blockbuster titles.

Dhurandhar was a good example of this. There was a significant amount of tactical advertising around the movie for a period of one to four weeks. At the same time, the success of cinema as a medium also helped platforms across the industry, including us, secure annual advertisers.

These annual advertisers help generate a consistent revenue stream throughout the year. However, given the nature of our business, tactical advertising is largely driven by major blockbuster releases and therefore depends on when those films are released during the year and in which quarter they fall.

Generally, we all know that these tent-pole films are released around major holidays and festivals. We do not see any aberration in the content pipeline this year. There appears to be a consistent flow of content going forward, with no significant gaps.

Accordingly, we believe tactical advertising will continue to flow in during the major releases, while the annual advertisers that were onboarded around Dhurandhar should help provide a consistent revenue stream throughout the year.

Shailesh Naik: The last question, a follow-up to this. What is the percentage of tactical versus annual in advertising?

Siddharth Bhardwaj: It all depends. The bigger the film, the higher the contribution from tactical spending. The tactical component is generally driven by the level of excitement around a film.

Over the years, we have seen that around 30–40% of our advertising revenue comes from annual deals or annual advertisers, while the balance is contributed by tactical advertisers or short-term, seasonal spending around specific films or seasons.

That has been the historical trend, and we expect it to continue. However, depending on the excitement around a particular film, we can certainly see a spike in tactical spending.
For example, Dhurandhar was a complete outlier, and we had never seen that kind of tactical spending before. It is therefore very difficult to put a specific number on it. Historically, as I mentioned, the mix has broadly been around 30–40% from annual advertisers, with the balance coming from tactical spending. Going forward, this mix may evolve depending on the content pipeline.
That's all. I don't think it would be possible to provide any further clarity beyond this. Thank you.

Moderator: Thank you. Next question comes from Mr. Ashish, an Individual Investor. Please go ahead.

Ashish: I have one suggestion for pumping up our ad revenue. Can you have digital ad board placed in the theater outside the screens?

Siddharth Bhardwaj: Digital billboards you're talking about in the lobby?

Ashish: Yeah. Within the theaters, outside the screens. Since we have such a huge network.

Siddharth Bhardwaj: Yes, I think most of the chains that we all visit already have that opportunity available. However, there are two distinct revenue streams—one is on-screen advertising and the other is off-screen advertising. Off-screen advertising is a separate revenue stream and can certainly become a new revenue opportunity for the organization.
Currently, however, that is an opportunity we are yet to explore because our arrangements with theatres are largely focused on on-screen advertising. The relationship would need to be expanded to include the rights to advertise in the lobby areas.
That would require a new arrangement between us and the theatres. Thereafter, we would need to invest in the necessary infrastructure in these lobby areas and monetize it separately with advertisers.
So, yes, that opportunity does exist. However, until now, our focus has been on maximizing the largest advertising asset available within a cinema property, which is the cinema screen. If inventory is available on the cinema screen, it is the most effective advertising medium for advertisers.
Everything else is good to have, but the must-have opportunity is advertising on the biggest screen available, right? We are currently focused on maximizing the utilization of that inventory. Having said that, the company can certainly explore the off-screen advertising opportunity at an appropriate time in the future.

Ashish: Thank you, sir.

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. We sincerely appreciate your time, continued engagement, and support. Should we have any further queries or require any additional clarification, our team will be happy to assist you. We look forward to updating you on our progress next quarter.
Thank you and have a great day.

Moderator: Ladies and gentlemen, this concludes the conference call for today. Thank you for your participation.