

Q3&9MFY19 Results Presentation

February 06, 2019

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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

3,738 High Impact Ad Screens



Wide Base of Advertisers

904 Advertisers in Q3FY19



Pan India Presence

1,291 Cities & Towns

1,259 Multiplex &
2,479 Single Screens

Leading Presence Across All Screen Categories



Average weekly seating capacity

~46 million

397 Movies
in **20** Languages
for **899** Distributors

Digitally Delivered in Q3FY19



Data as on December 31, 2018

Average weekly seating capacity is based on 4 shows per day

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

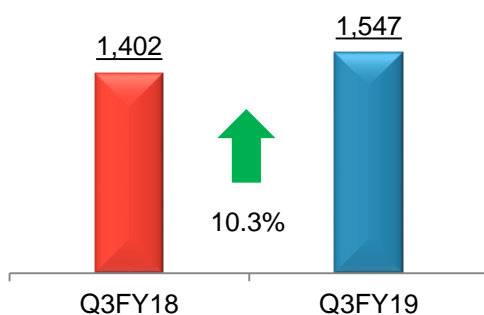
- November 01, 2017:** Board of Directors of the Company approved the Composite Scheme of Arrangement and Amalgamation between UFO and Qube
- March 07, 2018:** UFO received Observation letter from Stock Exchanges conveying “No-objection” on terms of Regulation 94 of SEBI (LODR) Regulation, 2015
- April 10, 2018:** Dispensation of secured and unsecured creditors meeting of UFO
April 23, 2018: Dispensation of secured and unsecured creditors meeting of Qube
- May 21, 2018:** UFO obtained Shareholder Approval of Composite Scheme of Arrangement and Amalgamation
- June 06, 2018:** Qube obtained Shareholder Approval of Composite Scheme of Arrangement and Amalgamation
- August 20, 2018:** Qube received the order from NCLT, Chennai bench sanctioning the scheme
- January 21, 2019:** The National Company Law Tribunal, Mumbai bench (“NCLT”) dismissed the petition filed by UFO before the NCLT for the approval of the scheme. The written order from the NCLT is awaited.

Financial and Operating Highlights for Q3&9MFY19

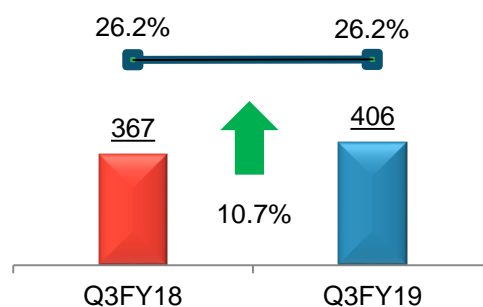
Consolidated Financial Highlights

Q3FY19 YoY Comparison

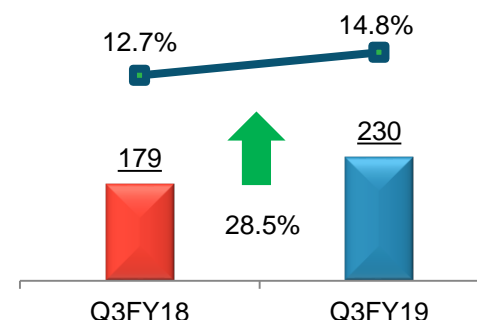
Total Revenue (INR Mn)



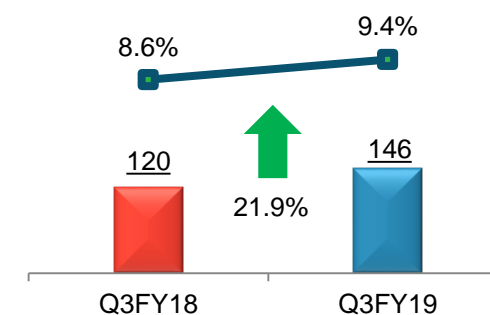
EBITDA (INR Mn) & Margin (%)



PBT (INR Mn) & Margin (%)

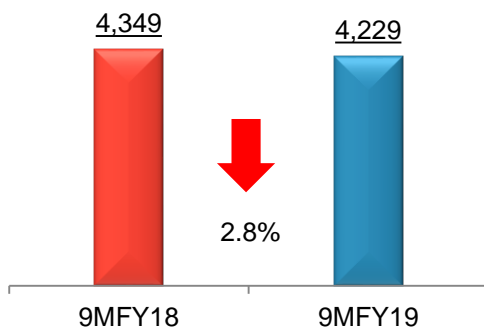


PAT* (INR Mn) & Margin (%)

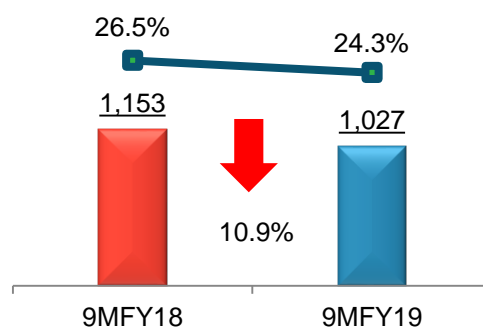


9MFY19 YoY Comparison

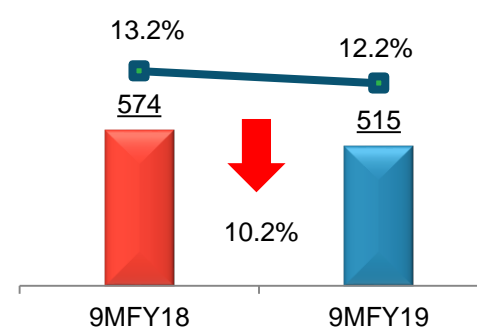
Total Revenue (INR Mn)



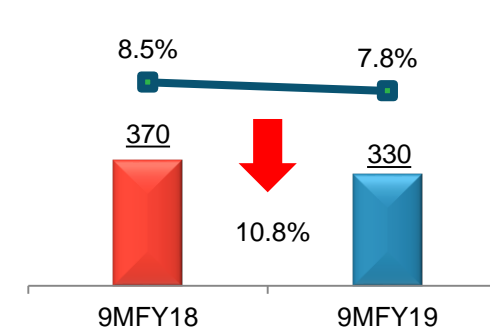
EBITDA (INR Mn) & Margin (%)



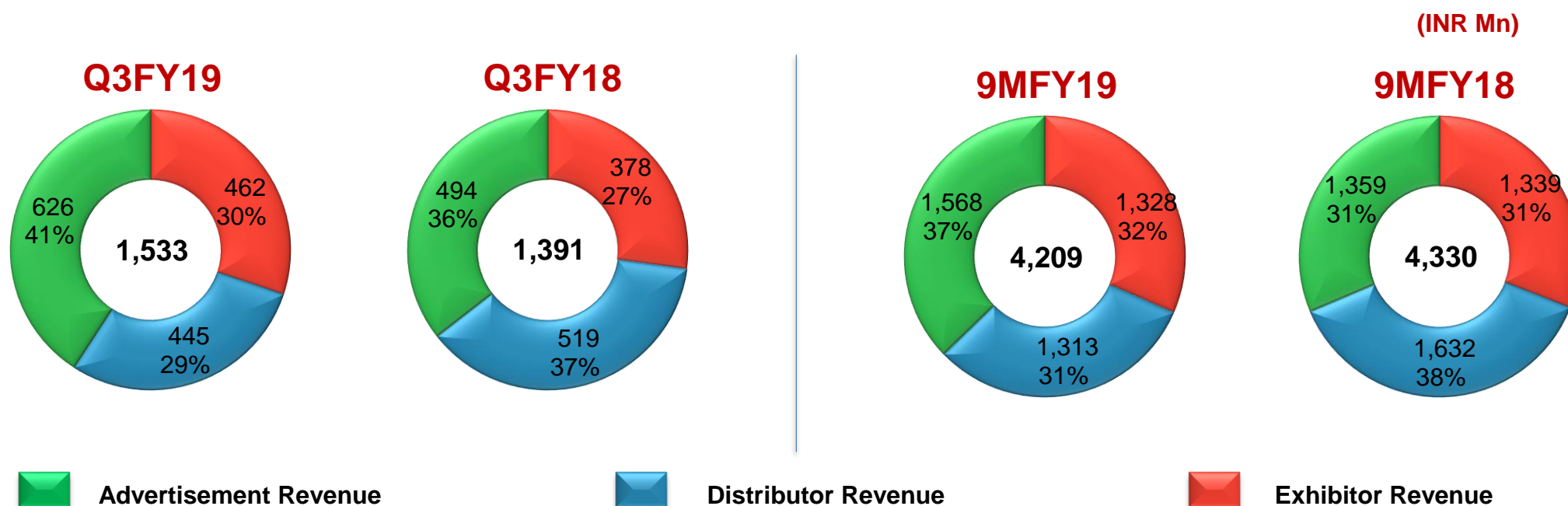
PBT (INR Mn) & Margin (%)



PAT* (INR Mn) & Margin (%)



Consolidated Revenue Mix



(INR Mn)	Q3FY19	Q3FY18	Growth	9MFY19	9MFY18	Growth
Advertisement Revenue	626	494	26.6%	1,568	1,359	15.3%
- In-Cinema Advertisement Revenue	560	470	19.2%	1,414	1,288	9.8%
- Caravan Advertisement Revenue	66	24	170.4%	154	71	115.4%
Virtual Print Fees - E-Cinema	284	269	5.6%	795	808	-1.6%
Virtual Print Fees - D-Cinema	139	234	-40.6%	466	780	-40.2%
Lease rental income - E-Cinema	141	141	0.4%	420	406	3.3%
Lease rental income - D-Cinema	28	28	-0.1%	81	87	-6.9%
Other Operating Revenues*	61	54	13.1%	158	184	-14.5%
Total Sale of Services	1,279	1,220	4.8%	3,488	3,624	-3.8%
Total Sales of Products	254	171	48.7%	721	706	2.2%
Revenue from Operations	1,533	1,391	10.2%	4,209	4,330	-2.8%

Note: Excludes Other Income

In-Cinema Advertising Performance

In-Cinema Advertisement Operating Parameter



Number of Screens
3,738



Multiplex Screens
1,259



Single Screens
2,479



Full House Seating Capacity - Annualized
2,347 Mn

Q3FY19	Top 50 Cities		Rest of India	
	Multiplex	Single	Multiplex	Single
# of UFO Screens	469	508	790	1,971
Full House Seating Capacity – Per Show All Screens	120,728	298,804	205,271	1,004,872
Seating Capacity Per Screen Per Show	257	588	260	510
*Full House Seating Capacity Annualised (in Mn Seats)	174	430	296	1,447

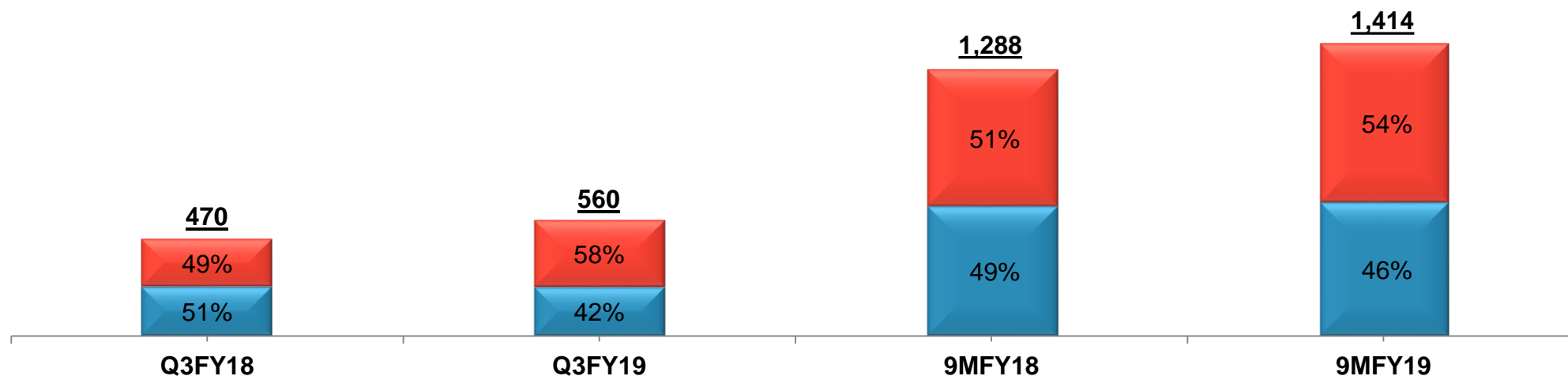
*Full house seating capacity – Annualised is calculated by multiplying full house seating capacity per show x 4 shows a day x 30 days x 12 months

In-Cinema Advertisement Revenue Analysis

INR Million

■ Government + PSU

■ Corporate + Hyperlocal



	Q3FY18	Q3FY19	9MFY18	9MFY19
Ad Revenue / Screen for the period (Avg) (Rs.)	117,988	148,542	335,023	370,357
Average # of minutes sold / show / Ad Screen	4.54	5.81	4.36	5.12
# of In Cinema Advertising Clients*	937	904	2,054	1,646
Advertisement Sharing with Exhibitors	37.12%	34.72%	37.34%	36.19%

*Excluding Framez customers

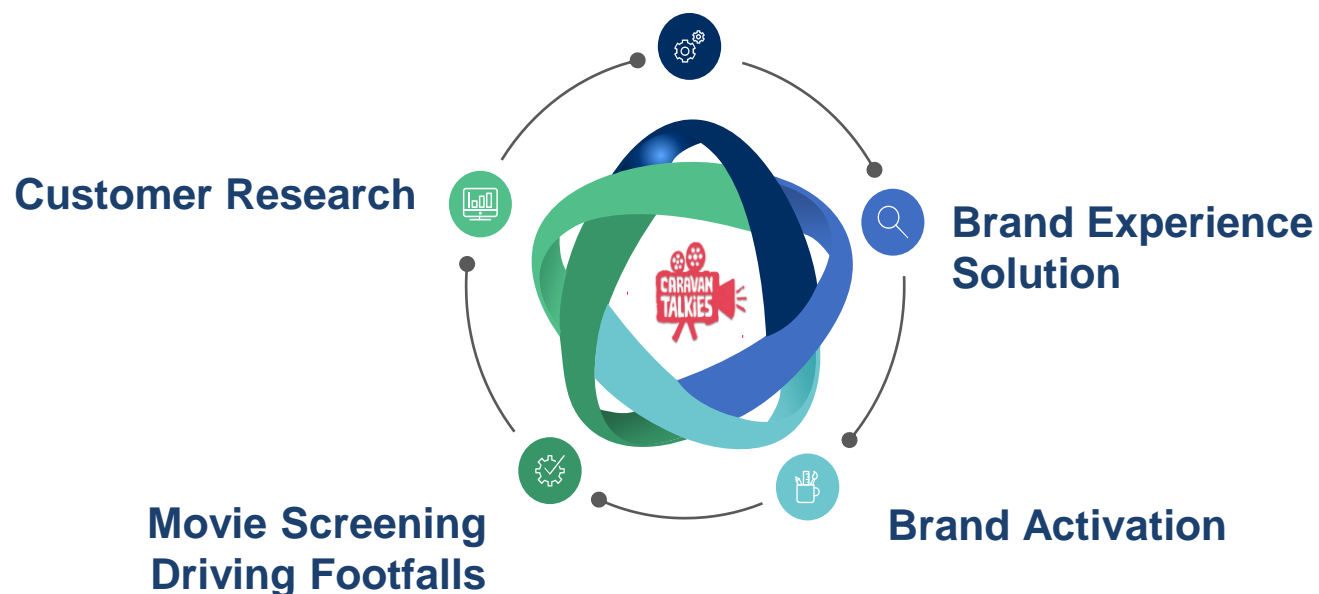
Excludes Caravan Talkies Revenues

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 and Utilization

- Revenue growth driven by higher realization and increased van utilization

Taking Brands to Rural India



VDSPL's Financial Performance

(INR Mn)	Q3FY19	Q3FY18	Change	9MFY19	9MFY18	Change
Revenue	66	26	40	164	85	79
EBITDA	(3)	(8)	5	(29)	(25)	(4)

Caravan Talkies has not added new Vans in FY17 & FY18

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

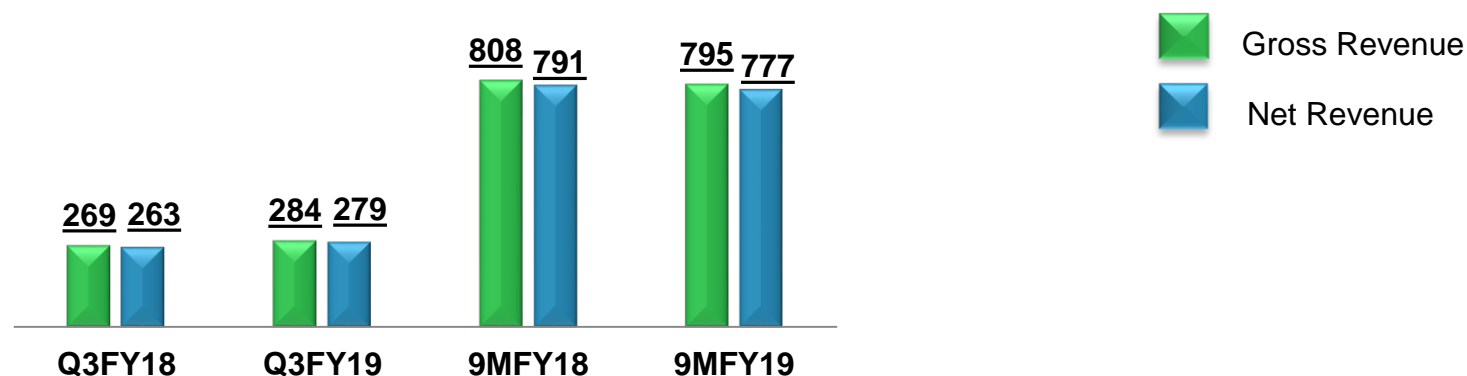


Theatrical Revenues

Theatrical revenues from Distributors

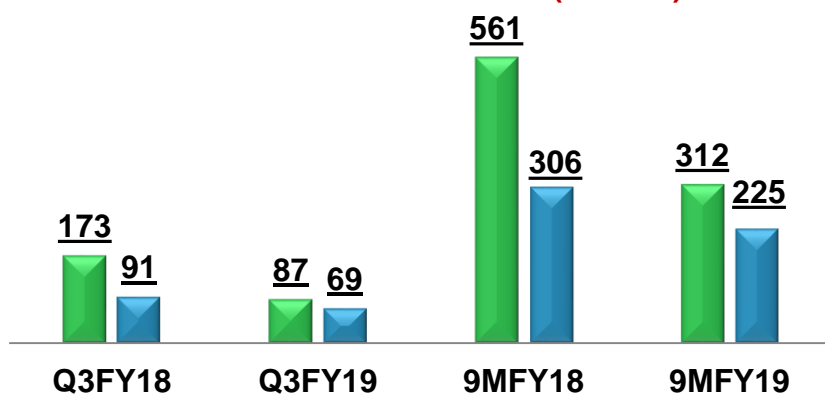
E – Cinema - VPF

Domestic Revenue (INR Mn)

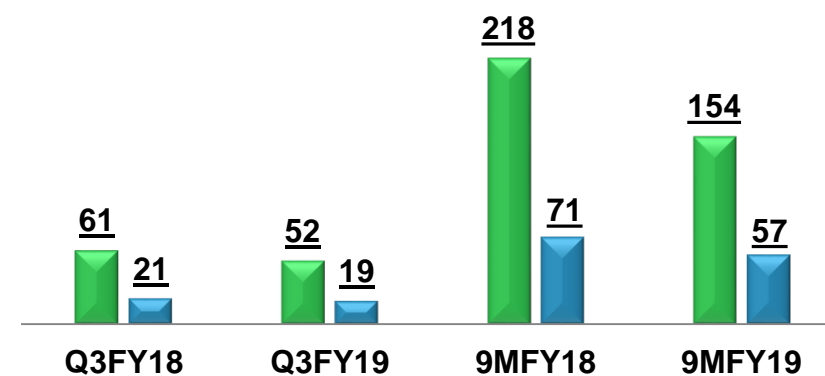


D – Cinema - VPF

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*	Q3FY19	Q3FY18	9MFY19	9MFY18
E – Cinema	3,585	3,732	3,585	3,732
D – Cinema	1,704	1,582	1,704	1,582
Total	5,289	5,314	5,289	5,314
# of Screens as on December 31, 2018				

VPF Revenue / Screen (Average**) (in Rs.)	Q3FY19	Q3FY18	9MFY19	9MFY18
E – Cinema Gross	78,819	71,339	218,169	222,357
E – Cinema Net	77,444	69,654	213,011	217,517
D – Cinema Gross***	51,259	109,910	188,231	356,489
D – Cinema Net***	40,728	58,070	135,414	194,511

*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	Q3FY19	Q3FY18	9MFY19	9MFY18
Total*	325	416	325	416
# of Screens as on December 31, 2018				
VPF Revenue / Screen (Average**) (in Rs.)	Q3FY19	Q3FY18	9MFY19	9MFY18
D – Cinema Gross	161,135	99,618	415,654	353,390
D – Cinema Net	58,501	34,742	153,799	115,304

*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)	Q3FY19	Q3FY18	Growth	9MFY19	9MFY18	Growth
Revenue from Operations	1,533	1,390	10.2%	4,209	4,330	-2.8%
Other Income	14	12	17.2%	20	19	5.4%
Total Revenue	1,547	1,402	10.3%	4,229	4,349	-2.8%
Total Expenses	1,141	1,035	10.2%	3,202	3,196	0.2%
EBITDA	406	367	10.7%	1,027	1,153	-10.9%
Depreciation and Amortisation	185	200	-7.5%	558	609	-8.4%
EBIT	221	167	32.5%	469	544	-13.7%
Finance Cost	30	24	25.5%	78	75	4.5%
Finance Income	32	12	163.2%	89	54	65.0%
Profit from Associates	7	24	-70.0%	35	51	-30.9%
PBT	230	179	28.5%	515	574	-10.2%
Tax	84	65	28.4%	200	218	-8.0%
PAT	146	114	28.6%	315	356	-11.6%
Non-Controlling Interest	0	(6)	-100.0%	(15)	(14)	8.9%
PAT after Non-Controlling Interest*	146	120	21.9%	330	370	-10.8%
Basic EPS	5.16	4.32	19.4%	11.63	13.38	-13.0%

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

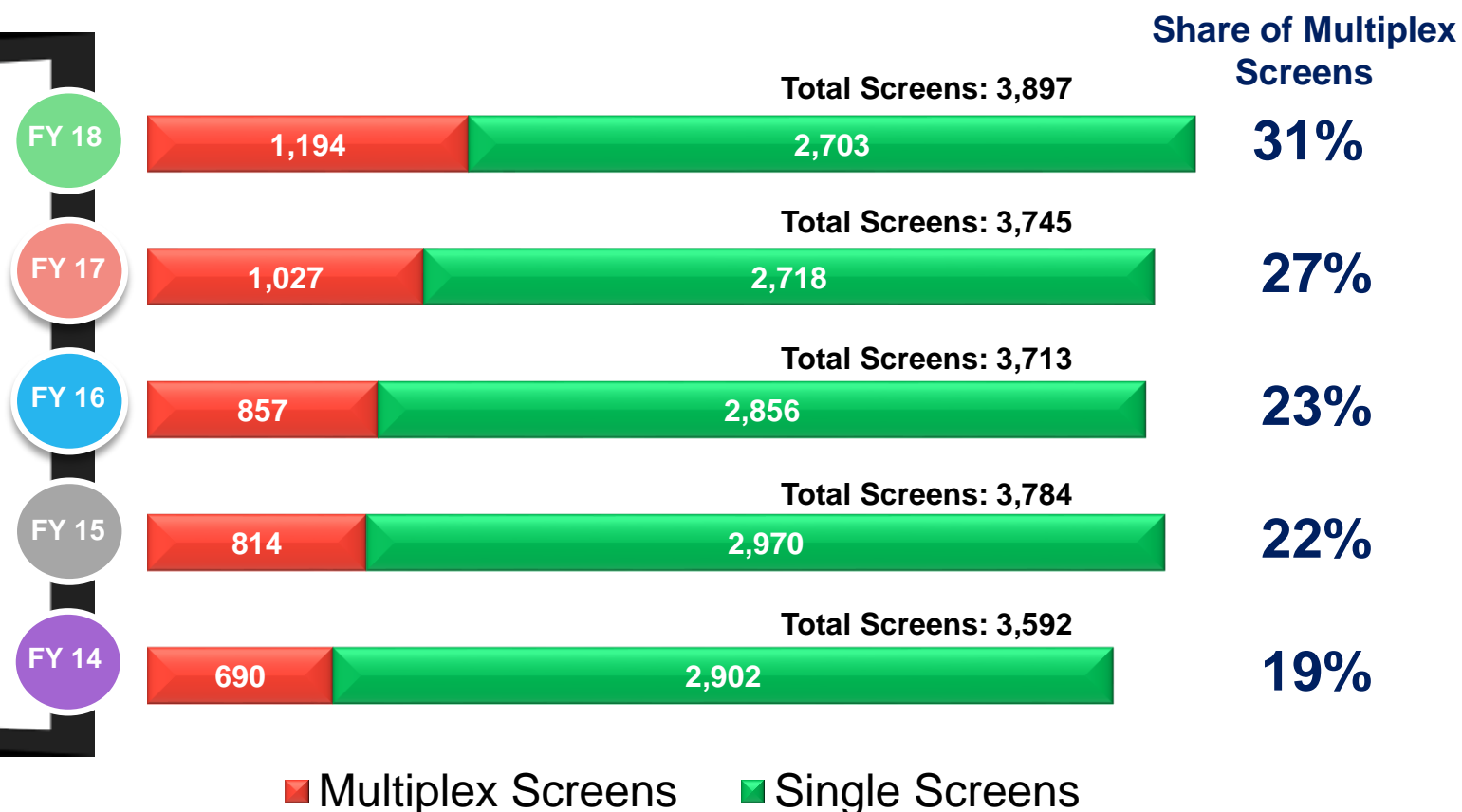
Consolidated Expenditure Analysis

Expenses as a % of Total Revenue	Q3FY19	Q3FY18	9MFY19	9MFY18
1) Total Operating Direct Cost	41.0%	41.9%	42.5%	44.2%
Key Operating Direct Cost Components				
i) Advertisement revenue share payment	<u>12.6%</u>	<u>12.4%</u>	<u>12.1%</u>	<u>11.1%</u>
ii) VPF D-Cinema share payment to D-Cinema Exhibitors	<u>3.3%</u>	<u>8.7%</u>	<u>4.4%</u>	<u>9.2%</u>
iii) Purchase of Equipment, Lamps and Spares	<u>13.1%</u>	<u>9.7%</u>	<u>12.7%</u>	<u>13.1%</u>
2) Employee Benefit Expenses*	14.5%	15.3%	15.8%	14.1%
3) Other Expenses (SG&A)	18.3%	16.7%	17.3%	15.1%
Total Expenses	73.8%	73.8%	75.7%	73.5%
EBITDA Margin	26.2%	26.2%	24.3%	26.5%

Annexure

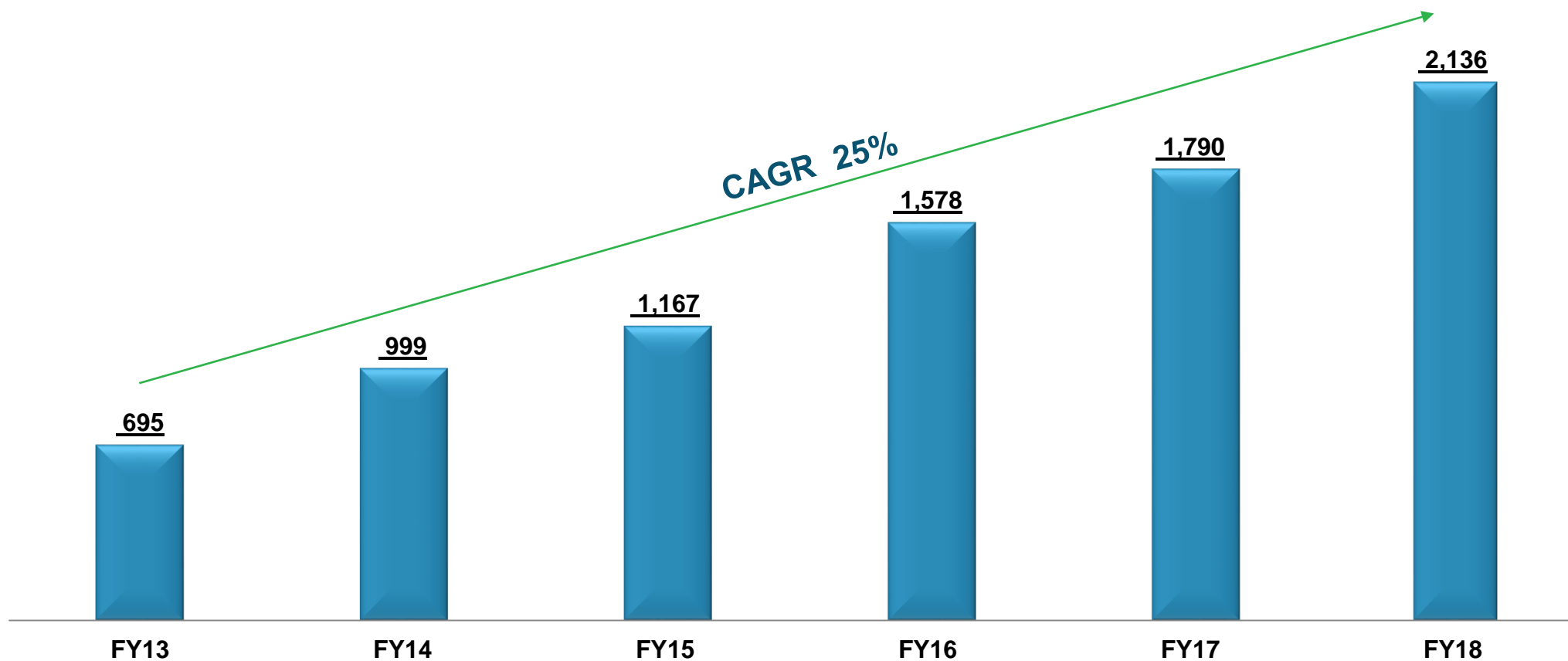
In Cinema Advertisement Network

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

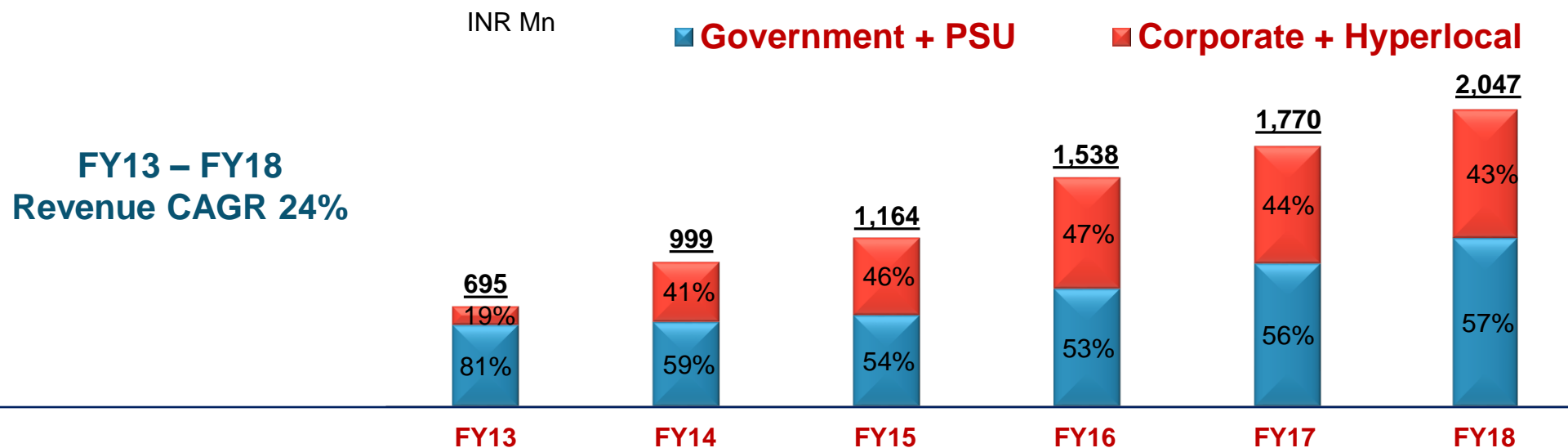


Robust Advertisement Performance

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%

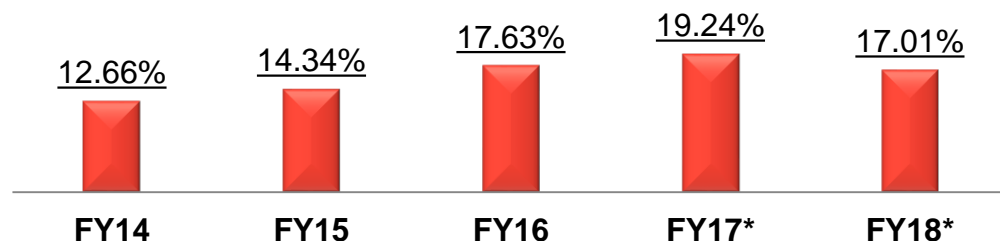
*Excludes Advertisement Revenues from Caravan Talkies

of minutes sold / show / Ad Screen is calculated by dividing total # of advertisement minutes sold by average # of advertisement screens during the period

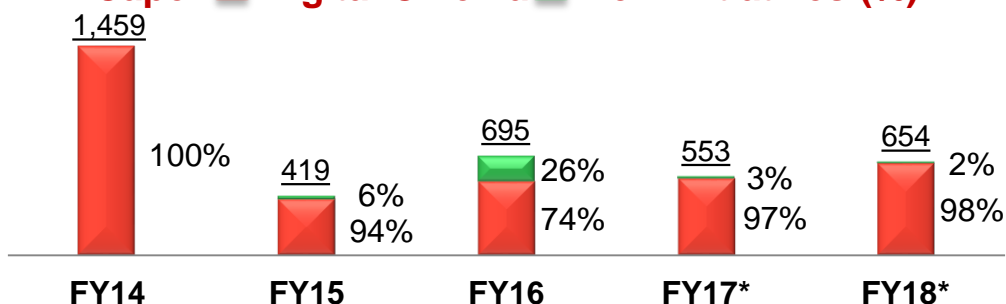
Average # of Advertising Screens = (Sum of # of Opening Advertisement Screens and # of Closing Advertisement Screens) / 2

Demonstrated Levers for Shareholder Value Creation

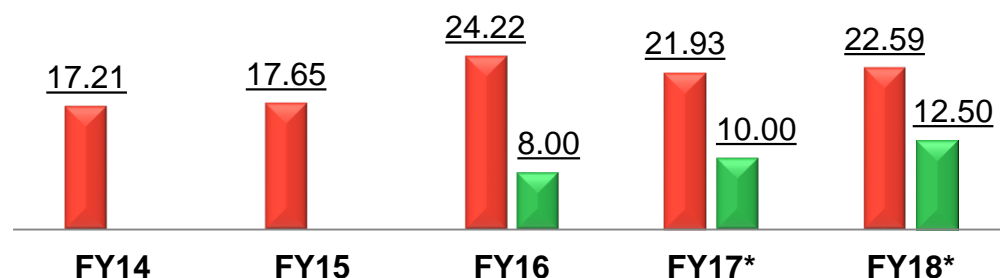
RoCE (%)



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



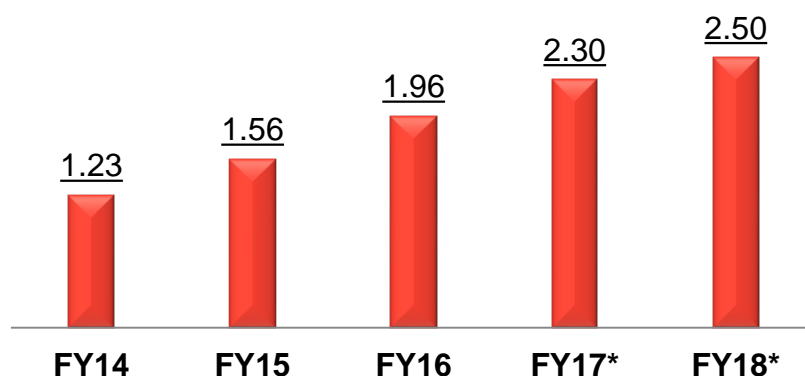
Distributing ≥ 25% of PAT annually.

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

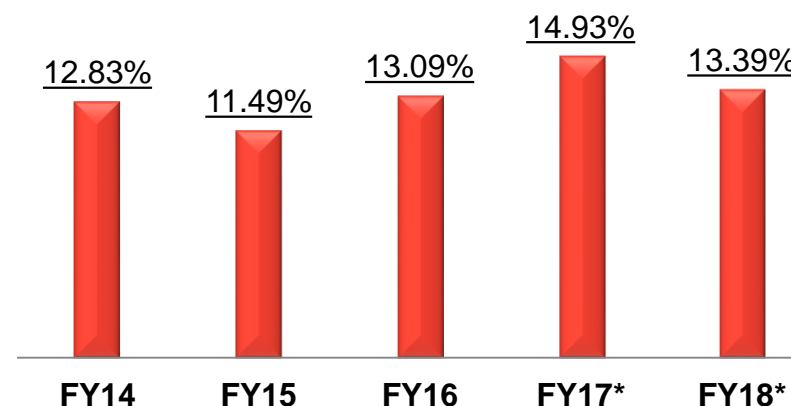
*FY17 and FY18 are based on closing Ind AS financials

Key Financial Parameters

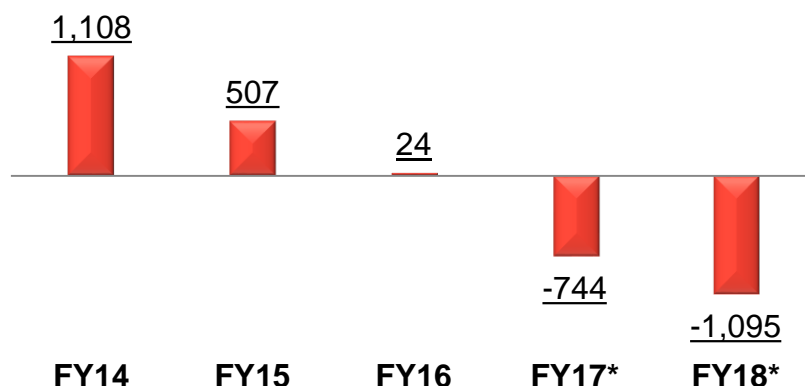
Net Fixed Asset Turnover (x)



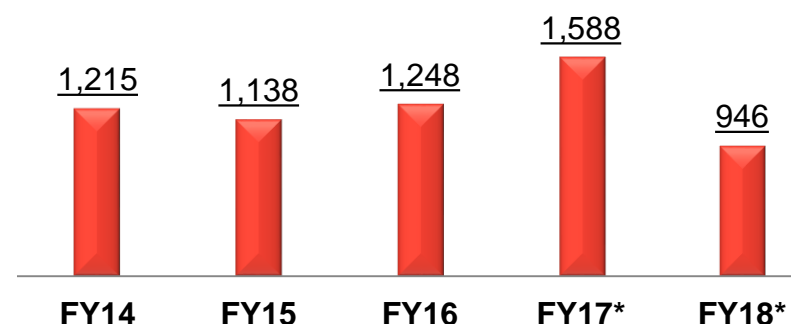
RoE (%)



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)	December 31, 2018
Promoters	30.09%
Foreign Venture Capital Investors	18.52%
Foreign Portfolio Investors	3.80%
Mutual Funds	20.13%
Corporate Bodies	3.32%
Others	24.14%
Total # of Shares	28,350,801

Marquee Institutional Investors*

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

*As on December 31, 2018

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 December 31, 2018, UFO's global network, along with subsidiaries and associates, spans 5,970 screens worldwide, including 5,289 screens across India and 681 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 3,738 screens, with an aggregate seating capacity of approximately 1.63 million viewers and a reach of 1,291 cities and towns across India, as on December 31, 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:

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