

Q2&H1FY20 Results Presentation

November 06, 2019



The presentation has been prepared by UFO Moviez India Limited together with its subsidiaries (the “Company”), for informational purpose only and does not constitute or form part of an offer, solicitation or invitation of any offer to purchase or subscribe for any securities of the Company in any jurisdiction, nor should this presentation or any part thereof form the basis of, or be relied upon in any connection with, any contract, commitment or investment decision whatsoever.

This presentation has not been independently verified. No representation or warranty, expressed or implied, is made and no reliance should be placed on the accuracy, fairness or completeness of the information presented or contained in the presentation. None of the Company or any of its affiliates, advisers or representatives accepts any liability whatsoever for any loss howsoever arising from any information presented or contained in these materials. The information presented or contained in this presentation is subject to change without notice and its accuracy is not guaranteed.

This presentation, except for the historical information, may contain forward looking statements, including the words or phrases such as “expects”, “anticipates”, “intends”, “will”, “would”, “undertakes”, “aims”, “estimates”, “contemplates”, “seeks to”, “objective”, “goal”, “projects”, “should” and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.

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**

3,641 High Impact Ad Screens

 **Wide Base of Advertisers**

907 Advertisers in Q2FY20

 **Pan India Presence**

1,269 Cities & Towns

1,352 Multiplex &
2,289 Single Screens

Leading Presence Across All Screen Categories

 **Average weekly seating capacity**

~41 million

423 Movies
in **24** Languages
for **845** Distributors

Digitally Delivered in Q2FY20

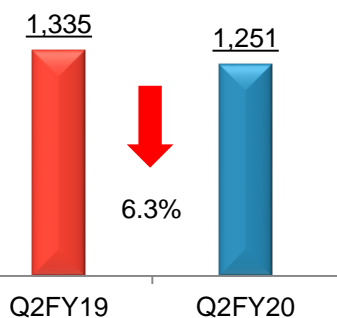
Data as on September 30, 2019
Average weekly seating capacity is based on 4 shows per day

Financial & Operating Highlights

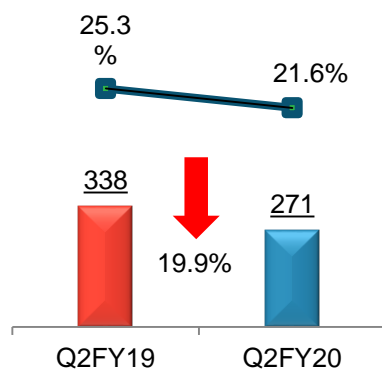
Consolidated Financial Highlights

Q2FY20 YoY Comparison (INR Mn)

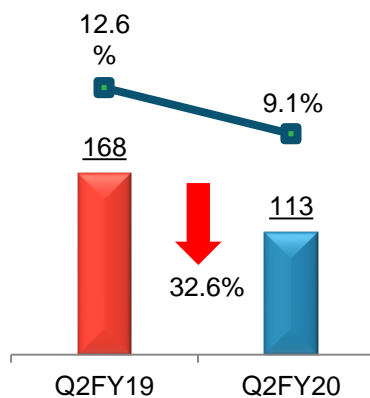
Total Revenue



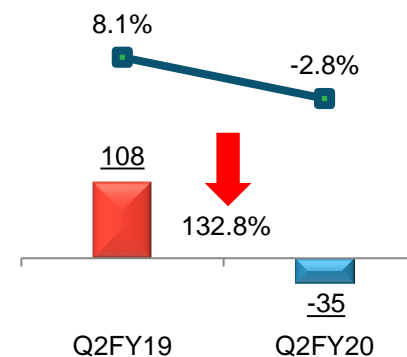
EBITDA & Margin (%)



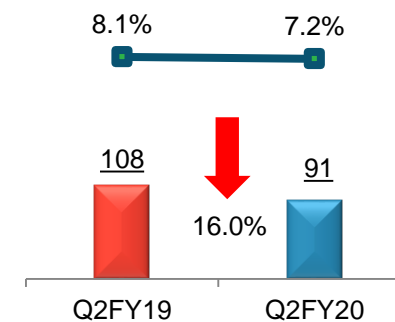
PBT & Margin (%)



PAT/Net Loss* & Margin (%)

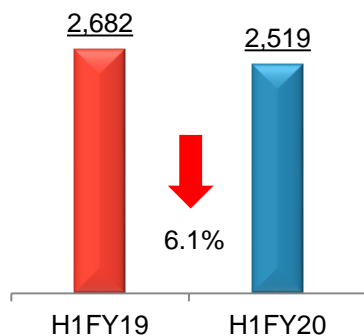


PAT* ex Net DTA write down & Margin (%)

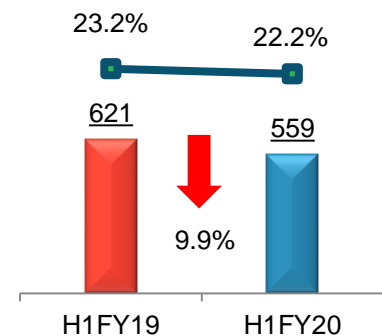


H1FY20 YoY Comparison (INR Mn)

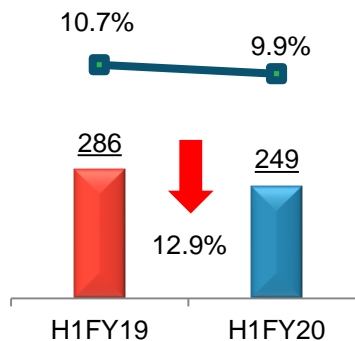
Total Revenue



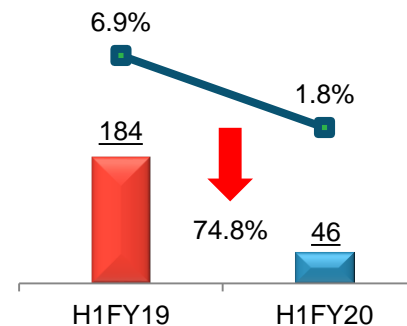
EBITDA & Margin (%)



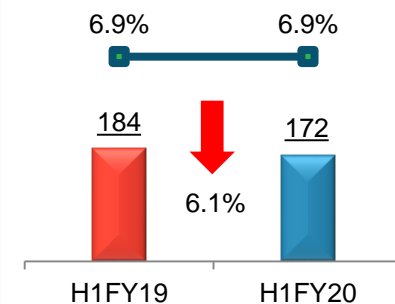
PBT & Margin (%)



PAT* & Margin (%)



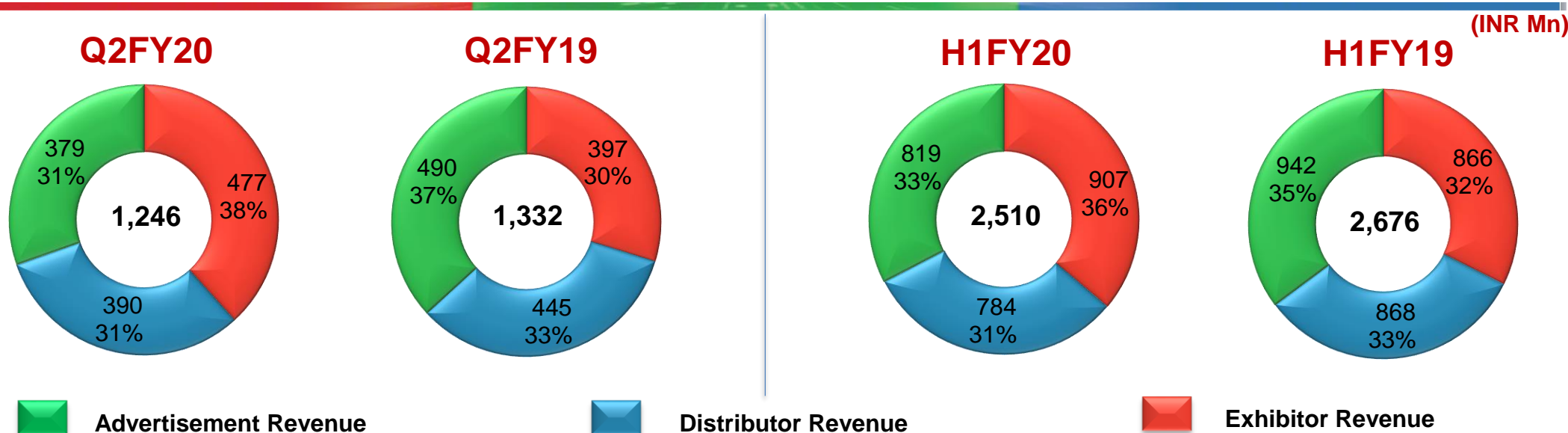
PAT* ex Net DTA write down & Margin (%)



*PAT/Net Loss after Non-Controlling Interest

The Company has taken a write down of Rs. 126 Mn of its Net Deferred Tax Assets (DTA) while computing the tax expense with the reduced tax rate of 25.17% as introduced by Taxation Law (Amendment) Ordinance 2019

Consolidated Revenue Mix



(INR Mn)	Q2FY20	Q2FY19	Growth	H1FY20	H1FY19	Growth
Advertisement Revenue	379	490	-22.7%	819	942	-13.1%
- In-Cinema Advertisement Revenue	360	453	-20.6%	761	854	-10.8%
- Corporate + Hyperlocal	227	219	3.7%	495	445	11.2%
- Government + PSU	133	234	-43.3%	266	409	-34.8%
- Caravan Advertisement Revenue	19	37	-48.8%	57	88	-34.7%
Virtual Print Fees - E-Cinema	250	275	-9.0%	491	511	-3.9%
Virtual Print Fees - D-Cinema	87	155	-43.9%	185	328	-43.4%
Lease rental income - E-Cinema	136	140	-2.9%	278	278	-0.3%
Lease rental income - D-Cinema	17	25	-33.9%	41	53	-23.1%
Digitisation Income	53	15	247.3%	107	30	259.6%
Other Operating Revenues	28	36	-20.7%	69	67	2.1%
Total Sale of Services	950	1,136	-16.4%	1,990	2,209	-9.9%
Total Sales of Products	296	196	51.4%	520	467	11.4%
Revenue from Operations	1,246	1,332	-6.4%	2,510	2,676	-6.2%

Note: Excludes Other Income

In-Cinema Advertising Performance

In-Cinema Advertisement Operating Parameter



Number of Screens
3,641



Multiplex Screens
1,352



Single Screens
2,289



Full House Seating Capacity - Annualized
2,107 Mn

Q2FY20	Top 50 Cities		Rest of India	
	Multiplex	Single	Multiplex	Single
# of UFO Screens	493	445	859	1,844
Full House Seating Capacity – Per Show All Screens	121,024	255,029	209,477	877,730
Seating Capacity Per Screen Per Show	245	573	244	476
*Full House Seating Capacity Annualised (in Mn Seats)	174	367	302	1,264

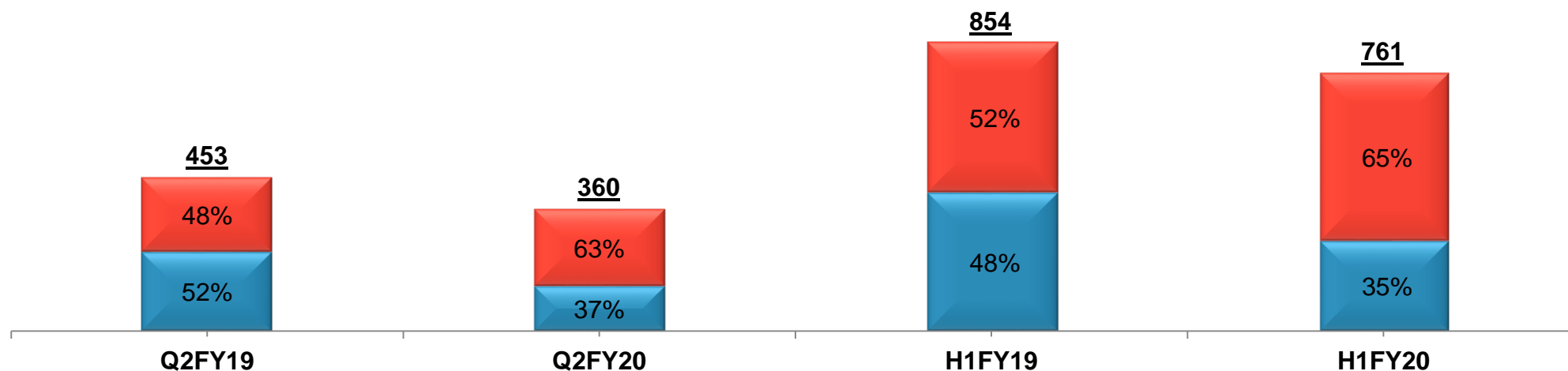
*Full house seating capacity – Annualised is calculated by multiplying full house seating capacity per show x 4 shows a day x 30 days x 12 months

In-Cinema Advertisement Revenue Analysis

INR Mn

■ Government + PSU

■ Corporate + Hyperlocal



	Q2FY19	Q2FY20	H1FY19	H1FY20
Ad Revenue / Screen for the period (Avg) (Rs.)	118,404	99,448	221,900	207,540
Average # of minutes sold / show / Ad Screen	5.08	4.34	4.77	4.45
# of In Cinema Advertising Clients*	727	907	1,144	1,419
Advertisement Sharing with Exhibitors	34.53%	39.62%	37.15%	39.59%

*Excluding Framez customers

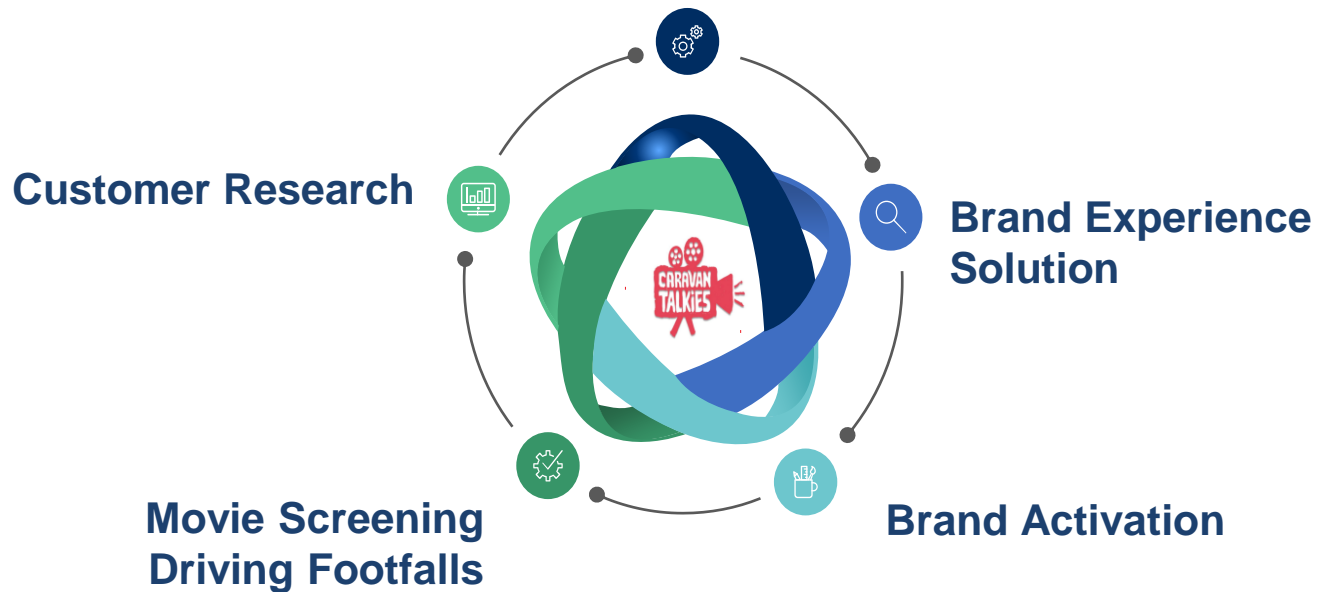
Excludes Caravan Talkies Revenues

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



Taking Brands to Rural India



VDSPL's Financial Performance

(INR Mn)	Q2FY20	Q2FY19	Change	H1FY20	H1FY19	Change
Revenue	24	42	(18)	72	98	(26)
EBITDA	(6)	(19)	13	(5)	(27)	22

Caravan Talkies has not added new Vans since FY17

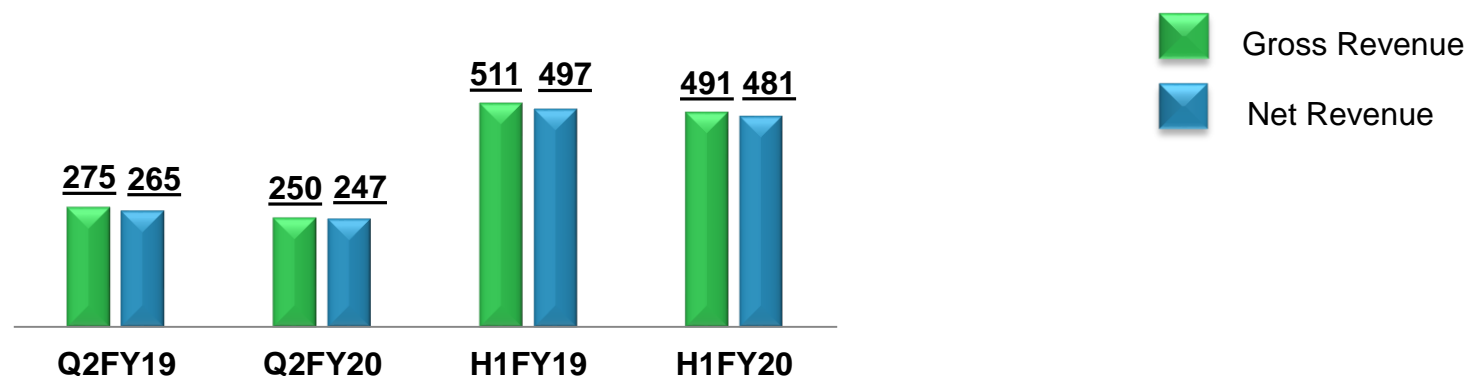
*VDSPL comprises of Caravan Talkies, NOVA Cinemas and Club Cinema businesses

Theatrical Revenues

Theatrical revenues from Distributors

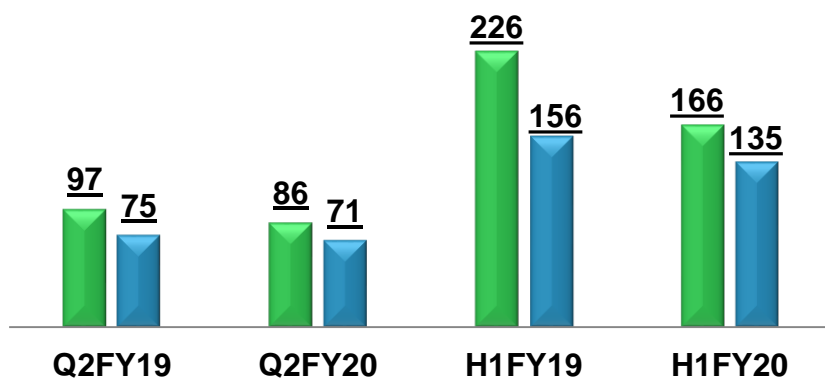
E – Cinema - VPF

Domestic Revenue (INR Mn)

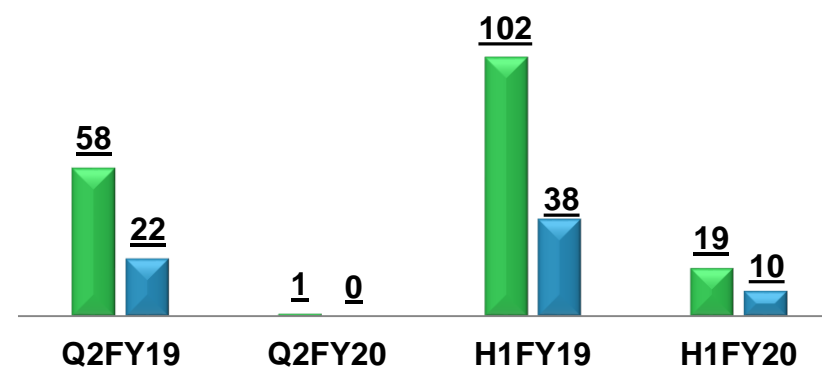


D – Cinema - VPF

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*	Q2FY20	Q2FY19	H1FY20	H1FY19
E – Cinema	3,492	3,628	3,492	3,628
D – Cinema	1,775	1,674	1,775	1,674
Total	5,267	5,302	5,267	5,302
# of Screens as on September 30, 2019				
VPF Revenue / Screen (Average**) (in Rs.)	Q2FY20	Q2FY19	H1FY20	H1FY19
E – Cinema Gross	71,466	75,145	139,676	139,371
E – Cinema Net	70,495	72,614	136,768	135,596
D – Cinema Gross***	48,967	58,922	93,782	137,317
D – Cinema Net***	40,327	45,776	76,315	94,832

*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)	Q2FY20	Q2FY19	Growth	H1FY20	H1FY19	Growth
Revenue from Operations	1,246	1,332	-6.4%	2,510	2,676	-6.2%
Other Income	5	3	71.1%	9	6	38.6%
Total Revenue	1,251	1,335	-6.3%	2,519	2,682	-6.1%
Total Expenses	980	997	-1.6%	1,960	2,061	-4.9%
EBITDA	271	338	-19.9%	559	621	-9.9%
Depreciation and Amortisation	167	185	-9.6%	344	373	-7.7%
EBIT	104	153	-32.3%	215	248	-13.3%
Finance Cost	24	33	-27.6%	49	48	1.8%
Finance Income	19	32	-39.9%	65	58	12.0%
Profit from Associates	14	16	-10.4%	18	28	-36.3%
PBT	113	168	-32.6%	249	286	-12.9%
Tax	148	68	116.3%	203	117	72.8%
PAT/Loss	(35)	100	-135.6%	46	169	-72.5%
Non-Controlling Interest (NCI)	0	(8)	-100.0%	0	(15)	-100.0%
PAT/Net Loss after NCI ex Other Comprehensive Income	(35)	108	-132.8%	46	184	-74.8%
Basic EPS	(1.26)	3.81	-132.8%	1.63	6.48	-74.8%
PAT after NCI ex one-time Net Deferred Tax Assets write down	91	108	-16.0%	172	184	-6.1%
Basic EPS Adjusted	3.20	3.81	-16.0%	6.09	6.48	-6.1%

- The Company has taken a write down of Rs. 126 Mn of its Net Deferred Tax Assets (DTA) while computing the tax expense with the reduced tax rate of 25.17% as introduced by Taxation Law (Amendment) Ordinance 2019.
- Ind AS 116 impact on P&L - certain operating lease expense (Q2FY20 - Rs. 5.7 Mn & H1FY20 - Rs. 11.3 Mn) are recognised as Depreciation expense for the right of use assets (Q2FY20 - Rs. 4.6 Mn & H1FY20 - Rs. 9.1 Mn) and Finance Cost for interest accrued on lease liability (Q2FY20 - Rs. 1.7 Mn & H1FY20 - Rs. 3.4 Mn). Hence the reported EBITDA is higher by Rs. 5.7 Mn in Q2FY20 and Rs. 11.3 Mn in H1FY20 and the reported PAT/Net Loss after NCI is lower by Rs. 0.7 Mn for Q2FY20 and Rs. 1.1 Mn in H1FY20.

Consolidated Expenditure Analysis

Expenses as a % of Total Revenue	Q2FY20	Q2FY19	H1FY20	H1FY19
1) Total Operating Direct Cost	42.2%	40.5%	42.2%	43.4%
Key Operating Direct Cost Components				
i) Advertisement revenue share payment	<u>11.4%</u>	<u>11.7%</u>	<u>12.0%</u>	<u>11.8%</u>
ii) VPF D-Cinema share payment to D-Cinema Exhibitors	<u>1.3%</u>	<u>4.3%</u>	<u>1.6%</u>	<u>5.0%</u>
iii) Purchase of Equipment, Lamps and Spares	<u>17.5%</u>	<u>11.0%</u>	<u>16.1%</u>	<u>12.5%</u>
2) Employee Benefit Expenses	17.7%	18.1%	17.1%	16.6%
3) Other Expenses (SG&A)	18.5%	16.1%	18.6%	16.8%
Total Expenses	78.4%	74.7%	77.8%	76.8%
EBITDA Margin	21.6%	25.3%	22.2%	23.2%

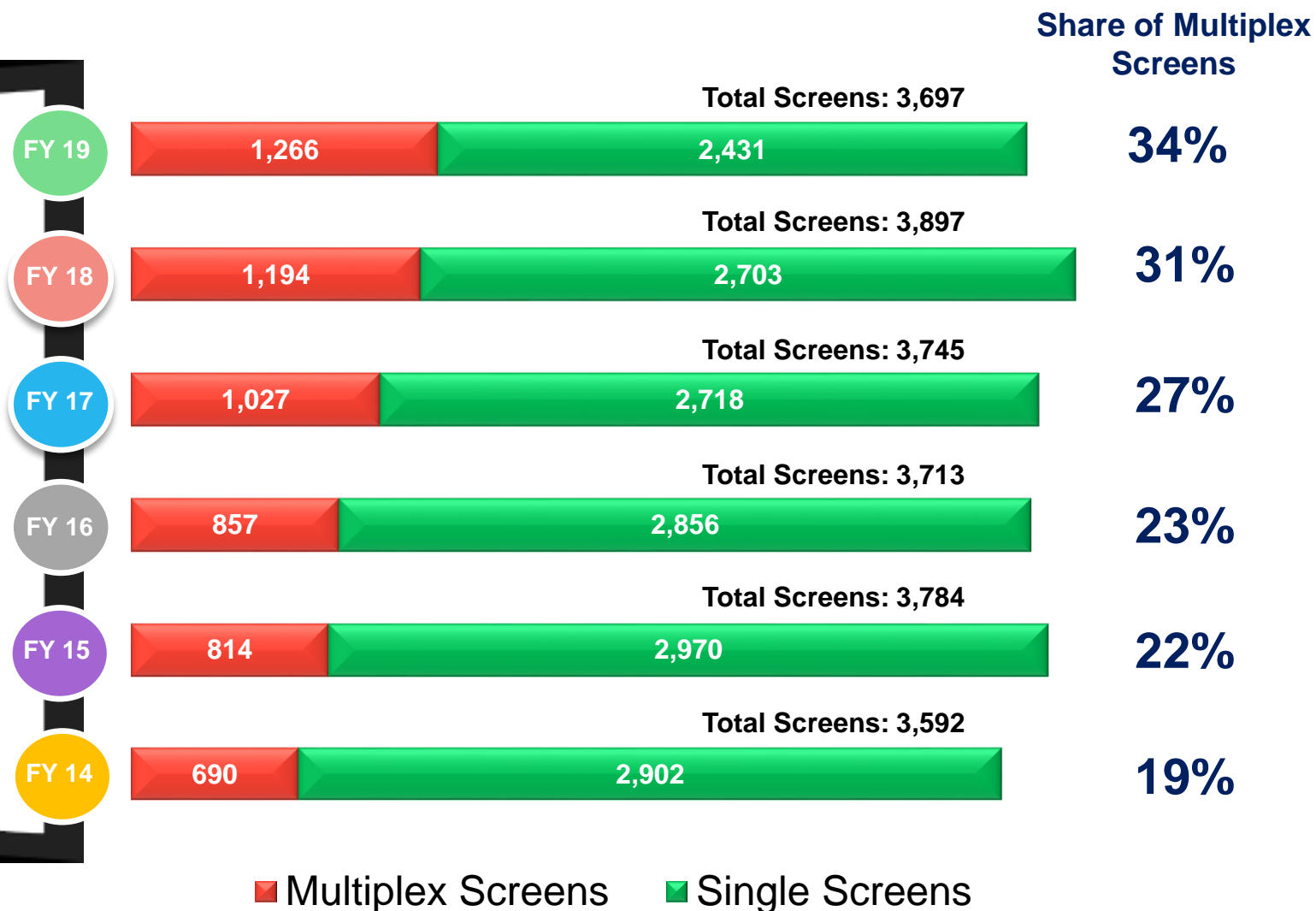
Consolidated Balance Sheet

Assets (INR Mn)	30-Sep-19	31-Mar-19	Equity and Liability (INR Mn)		
			30-Sep-19	31-Mar-19	
Non-Current Assets			Equity		
Property, plant and equipment	1,888	2,046	Equity Share Capital	284	284
Capital work-in-progress	110	87	Other Equity		
Right-of-use assets	55	0	Reserves and surplus	3,621	4,593
Other Intangible assets	19	22	Equity attributable to Shareholders		
Goodwill on consolidation	231	231	Non Controlling interest	1	0
Investment in Subsidiaries, Associates and JV	113	120	Total Equity		
Financial Assets			Liabilities		
(i) Loans	57	54	Non-Current Liabilities		
(ii) Others	30	7	Financial Liabilities		
Deferred tax assets (net)	372	464	(i) Borrowings	319	371
Income tax assets (net)	378	328	(ii) Lease liabilities	44	0
Other non-current assets	39	65	(iii) Others	316	316
Total Non-Current Assets	3,292	3,424	Provisions	76	66
Current Assets			Deferred tax liabilities (net)	88	81
Inventories	136	114	Other non-current liabilities	73	67
Financial Assets			Total non-current liabilities		
(i) Investments	852	1,398	Current Liabilities		
(ii) Trade receivables	1,481	2,007	Financial Liabilities		
(iii) Cash and cash equivalents	205	222	(i) Borrowings	126	140
(iv) Bank balances other than (iii) above	319	342	(ii) Lease liabilities	17	0
(v) Loans	14	16	(iii) Trade payables	887	995
(vi) Others	149	109	(iv) Others	565	597
Other current assets	383	288	Provisions	49	47
Total Current Assets	3,539	4,496	Other current liabilities	365	363
Total Assets			Total Current Liabilities		
			Total Liabilities		
			Total Equity and Liabilities		
			2,009	2,142	
			2,925	3,043	
			6,831	7,920	

Annexure

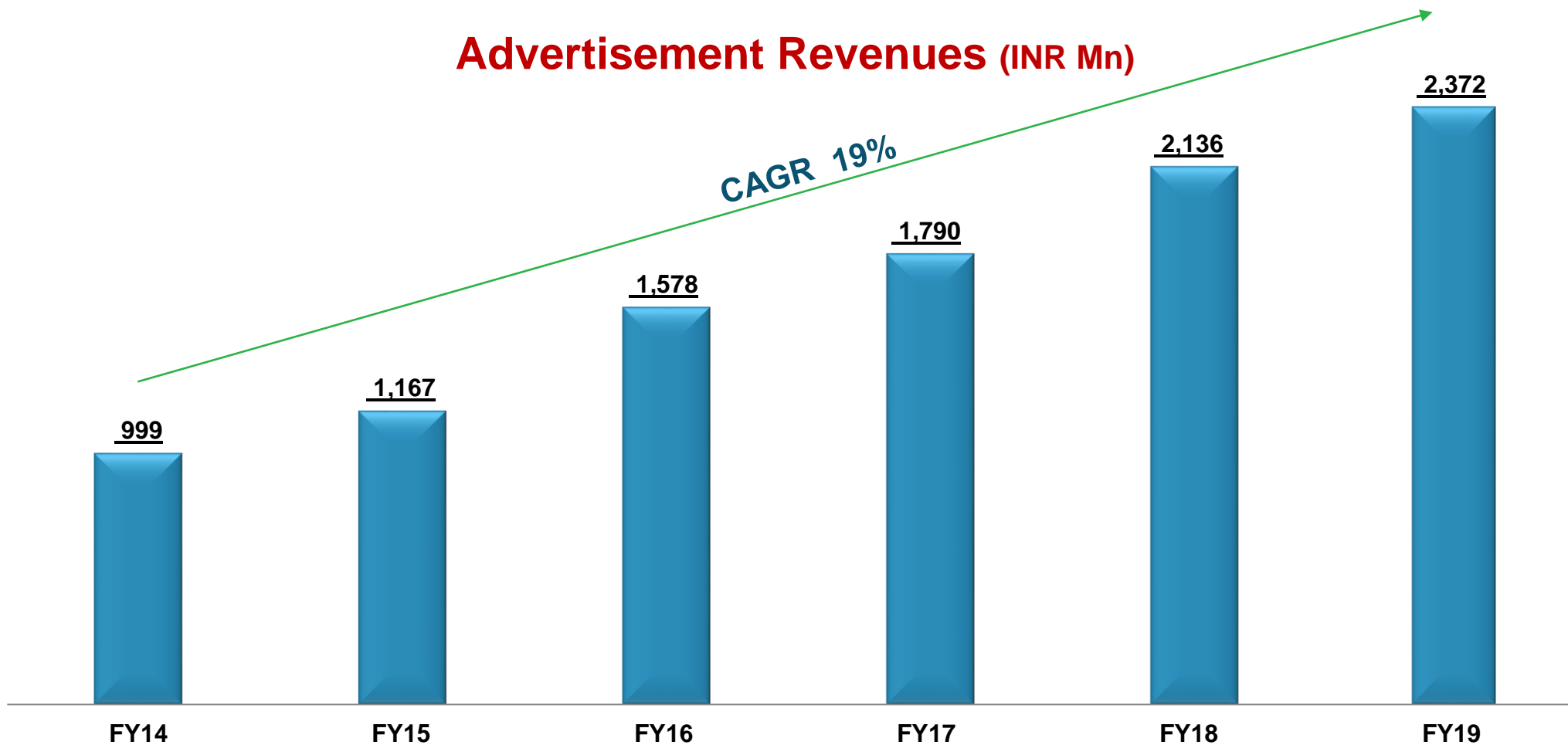
In Cinema Advertisement Network

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

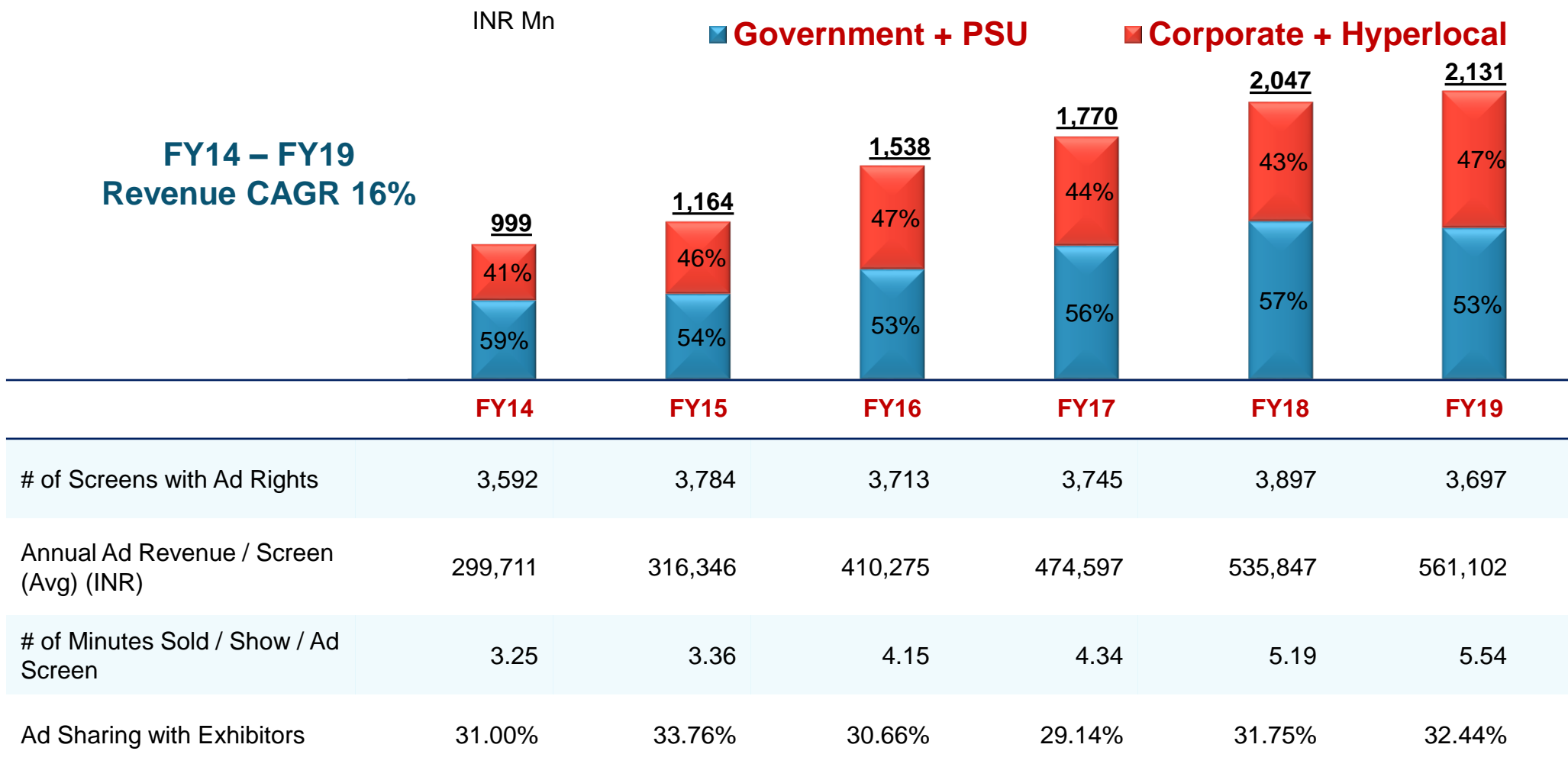


Robust Advertisement Performance

Advertisement Revenues (INR Mn)



Sustained Growth in In-Cinema Advertising



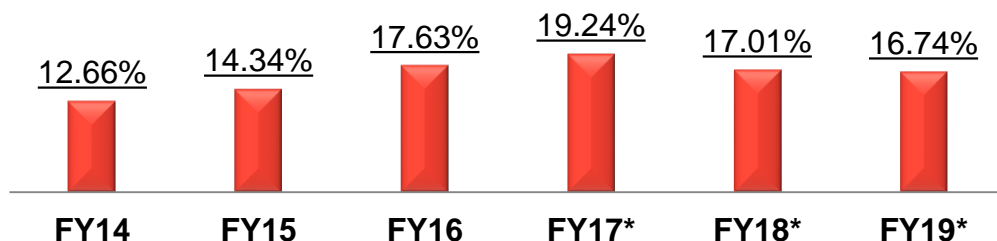
*Excludes Advertisement Revenues from Caravan Talkies

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

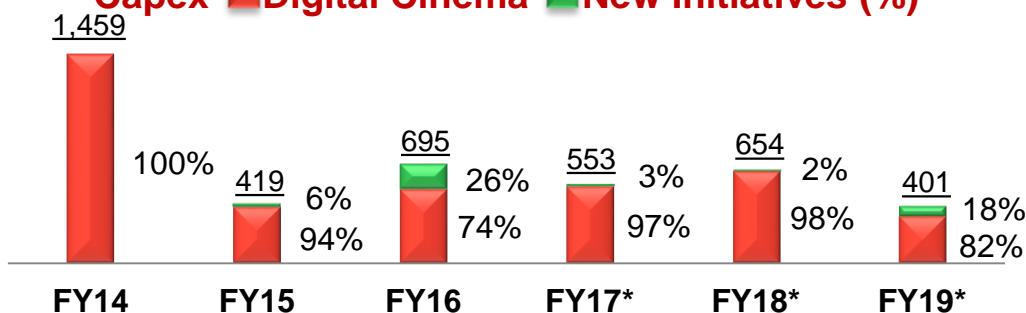
Average # of Advertising Screens = (Sum of # of Opening Advertisement Screens and # of Closing Advertisement Screens) / 2

Demonstrated Levers for Shareholder Value Creation

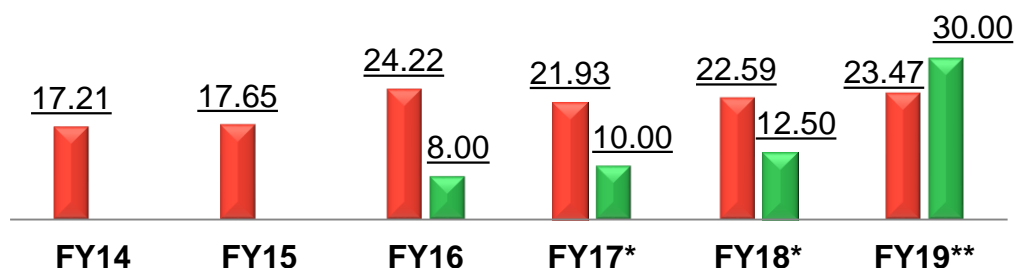
RoCE (%)



Capex ■ Digital Cinema ■ New Initiatives (%)



■ EPS ■ DPS (INR)



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

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.

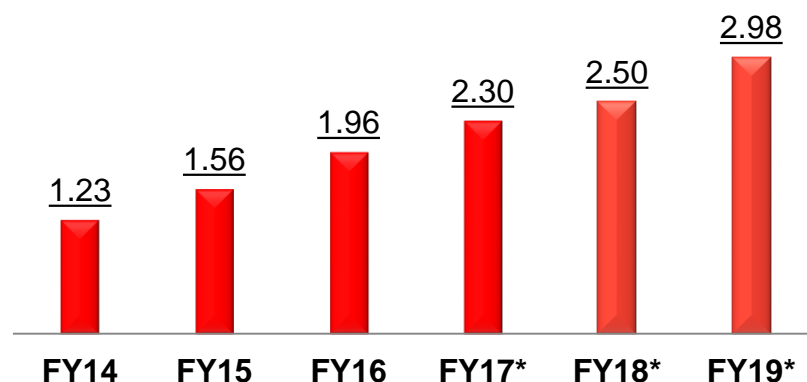
Dividend Distribution



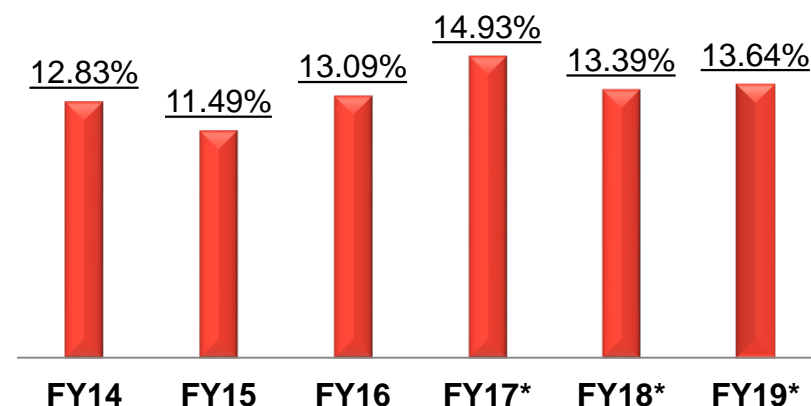
Distributing ≥ 25% of PAT annually.

Key Financial Parameters

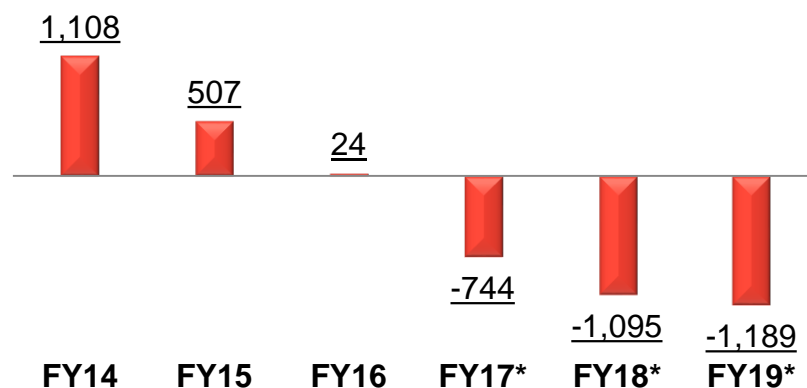
Net Fixed Asset Turnover (x)



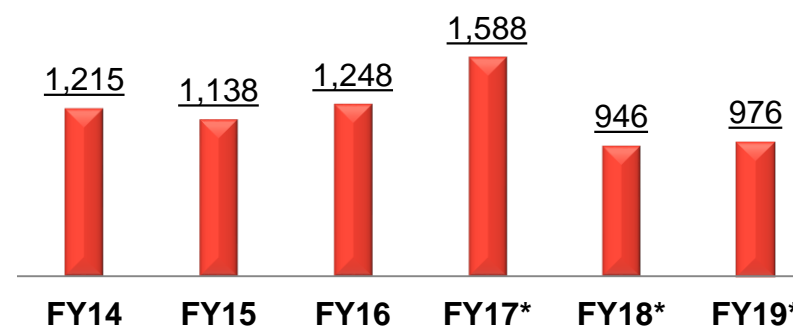
RoE (%)



Net Debt** (INR Mn)



Net Cash Flow from Operating Activities (INR Mn)



*FY17, FY18 & FY19 are based on closing Ind AS financials

**Net 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, 2019
Promoters	30.09%
Foreign Venture Capital Investors	18.52%
Foreign Portfolio Investors	2.30%
Mutual Funds	18.41%
Corporate Bodies	4.17%
Others	26.51%
Total # of Shares	28,350,801

Marquee Institutional Investors*

SBI Mutual Fund
Reliance Nippon Life Asset Management
DSP Investment Managers
Equinox Partners
Nomura Singapore

*As on September 30, 2019

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, 2019, UFO's global network, along with subsidiaries and associates, spans 5,454 screens worldwide, including 5,267 screens across India and 187 screens across USA and Mexico.

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 3,641 screens, with an aggregate seating capacity of approximately 1.46 million viewers and a reach of 1,269 cities and towns across India, as on September 30, 2019. 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

Dy. General Manager – Investor Relations

Tel: +91 22 4045 0713

Email: ashwin.chhugani@ufomoviez.com

Shruti Mangar

Sr. Executive – Investor Relations

Tel: +91 22 4030 5126

Email: shruti.mangar@ufomoviez.com