

October 27, 2025

The Manager - Listing

**National Stock Exchange of India Limited
(Scrip Symbol: PVRINOX)**

The Manager – Listing

**BSE Limited
(Scrip Code: 532689)**

Sub: Compliance under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Ma'am,

This is with reference to and in continuation of our letter dated 10th October, 2025 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the officials of the Company participated in the conference call for analysts and investors held on Friday, 17th October, 2025 post announcement of Un-Audited Financial Results for the Second Quarter & Half year ended on 30th September, 2025.

A copy of the transcript of the proceedings of said conference call is attached herewith for your information and records.

This is for your information and to all concerned.

Yours sincerely,
For **PVR INOX Limited**

**Murlee Manohar Jain
SVP - Company Secretary
& Compliance Officer**

Encl: A/a.

PVR INOX

“PVR INOX Limited
Q2 & H1 FY '26 Earnings Conference Call”
October 17, 2025



MANAGEMENT: **MR. AJAY BIJLI – MANAGING DIRECTOR – PVR INOX LIMITED**
MR. SANJEEV KUMAR – EXECUTIVE DIRECTOR – PVR INOX LIMITED
MR. GAURAV SHARMA – CHIEF FINANCIAL OFFICER – PVR INOX LIMITED
MR. PRAMOD ARORA – CHIEF EXECUTIVE OFFICER- GROWTH AND INVESTMENT – PVR INOX LIMITED
MR. GAUTAM DUTTA – CHIEF EXECUTIVE OFFICER – REVENUE AND OPERATIONS – PVR INOX LIMITED
MR. KAMAL GIANCHANDANI – CHIEF BUSINESS PLANNING & STRATEGY – PVR INOX LIMITED

MODERATOR: **MR. ABHISEK BANERJEE – ICICI SECURITIES**

This transcript has been edited for factual errors.

Moderator: Ladies and gentlemen, good day, and welcome to the PVR INOX Q2 & H1 FY '26 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 this conference, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhisek Banerjee from ICICI Securities. Thank you, and over to you, sir.

Abhisek Banerjee: Good afternoon, everyone. On behalf of ICICI Securities, we welcome you to PVR INOX Limited Q2 and H1 FY '26 Post Results Earnings Call. The call will start with brief management remarks on the earnings performance, followed by an interactive Q&A session. PVR INOX management will be represented by Mr. Ajay Bijli, Managing Director; Mr. Sanjeev Kumar, Executive Director; Mr. Gaurav Sharma, Chief Financial Officer; and other senior management personnel.

Over to Mr. Ajay Bijli now for his opening comments. Over to you, sir.

Ajay Bijli: Thank you. Good afternoon, everyone. I'd like to welcome you all to discuss the unaudited results for the quarter and the half year ending September 30, 2025. We've uploaded the earnings presentation and the results on our company and the Stock Exchanges website earlier today, and I hope you've had a chance to review them.

As we close the first half of the current fiscal, I'm pleased to share that the momentum built on Q1 has only accelerated in Q2, making H1 one of the most remarkable periods in recent times with robust contributions from Hindi, Hollywood and regional films.

What is especially encouraging is that the performance this year is increasingly looking structural with total India box office growing by 15% year-on-year in H1, driven by a steady and diverse flow of films across languages and scales rather than one or two mega blockbusters. In Q2 alone, 12 films crossed the INR100 crores mark and 22 films did so in H1, the highest post-COVID, underscoring the depth and durability of the box office performance.

Hindi films have been a -- have seen a remarkable turnaround this year, powered by a steady release calendar and strong content. Unlike last year, when gaps in releases held back momentum, a regular supply of films has kept audiences engaged and theaters buzzing.

Blockbusters like Saiyaara, which grossed nearly INR400 crores and Mahavatar Narsimha with collections of around INR300 crores highlight how quality content rather than just star power is driving demand. At the same time, we also saw movies high on star power such as War 2 and Jolly LLB 3, perform strongly during the quarter. This balance between content-driven successes and star-led hit, signals a very encouraging sign for the long-term growth of the industry.

Hollywood had a particularly strong quarter. Industry collections grossed INR500 crores, driven by a big franchise title such as Jurassic World, The Conjuring, Superman, Demon Slayer and The Fantastic Four with F1 carrying its momentum into Q2. This underscores the growing appetite for global content among Indian audiences, especially in premium formats.

The balance of content and star power was also evident in the regional box office this quarter. Kannada box office grew by over 100% year-on-year, powered by the phenomenal success of Su from So, while Malayalam box office expanded by 50% on the back of Lokah Chapter 1, which has now become the highest grossing Malayalam film ever with industry collections crossing INR180 crores.

At the same time, movies high on star power like Coolie in Tamil, They Call Him OG and Mirai in Telugu also resonated strongly with the audiences, reinforcing the strength and diversity of regional content.

During the quarter, we welcomed 44.5 million guests to our cinemas, the highest in the last 8 quarters, representing a growth of 15% year-on-year and nearly 31% sequentially. Occupancies improved to about 28.7% compared to 25.7% in Q2 last year, reflecting both the strength of content and the impact of the various footfall driving initiatives we've been implementing.

ATP grew by 2% year-on-year to INR262, while F&B SPH for the quarter was at INR134. Advertising revenue maintained strong momentum with highest second quarter post-pandemic income of INR126 crores, up about 16% year-on-year.

On the financial front, the company delivered the highest quarterly revenue, EBITDA and PAT in the last 2 years. Adjusted for Ind AS 116, total revenue for the quarter was INR1,843 crores, EBITDA was INR327 crores and PAT was INR127 crores as compared to revenue of INR1,642 crores, EBITDA of INR207 crores and PAT of INR22 crores in the same period last year.

Following the government's recent GST rate reduction from 12% to 5% on tickets priced at INR100 or below, we have fully passed on the benefit to our customers. This has enhanced affordability and strengthened consumer trust. For instance, our popular blockbuster Tuesday's offer earlier priced at INR99 is now available at INR92, fully reflecting the GST relief in the final price.

During the quarter, we added 22 new screens while rationalizing eight, staying true to our capital-light and scalable growth strategy, we now have 132 screens signed under the capital-light model with 44 screens under FOCO and 88 under the asset-light model. We have continued to maintain our focus on financial discipline and deleveraging.

As of September 2025, our net debt stood at INR619 crores, the lowest level since the merger, down INR333 crores since March 2025 and INR812 crores or 57% from merger levels. This has been driven by strong operating cash flows and a calibrated capital allocation approach.

The outlook for the upcoming quarters is very encouraging, supported by a strong and diverse multi-language release slate with marquee titles such as Thama, 120 Bahadur, Tere Ishk Mein, Dhurandhar, Avatar: Fire and Ash, Raja Saab, Alpha, Border 2, Mardaani 3, Love & War, and Toxic on the horizon. We are well positioned to drive robust audience traction and sustained footfalls. Our current screen portfolio stands at 1,761 screens across 354 cinemas in 111 cities in India and Sri Lanka.

Thank you once again for joining us today, and I now open the floor for any questions you may have.

Moderator: Our first comes from the line of Abneesh Roy from Nuvama.

Abneesh Roy: Congrats on the good recovery, especially Hindi movies. My first question is on the dine-in cinema, which you have started in Bangalore. One, is this a pilot project? And globally, does this kind of a format work in the emerging markets? And second, what exactly are you fulfilling in terms of customer need there? Because the same mall will have those high-end restaurant options.

And in your current cinema also, consumer does have enough F&B options. Plus if you see the listed restaurant players, except maybe the largest pizza player, none of the other listed restaurant players those may be QSR, so it is a bit different.

But those have not really become very successful even in Q2, if you see the results which have come out even today. So what is the plan here? Is this a scalable model or more of a marketing statement from you in such a key market like Bangalore? That is the first question.

Ajay Bijli: This is the first question, right?

Pramod Arora: Shall we answer it one by one?

Ajay Bijli: Okay. Pramod, you want to answer it or...

Pramod Arora: No, no, you go ahead.

Ajay Bijli: No, no, no. Go ahead, and I'll fill in the blanks.

Pramod Arora: So Abneesh, this is yes, you're absolutely right, it's a POC that we have worked around. As soon it basically gets its due success, then we scale it up across the country. The objective out here is that you are watching a film alongside you have the gourmet food options coming across to you or being serviced to you.

Since this is an LED screen, so you can totally look through the food and while you're eating because people eat with their eyes mostly when you're eating gourmet foods, that's what it's called. And dine-in option gives you an opportunity to eat along -- your gourmet foods alongside the film that you're watching, which is not available in a regular cinema. This is one of its kind and the first one perhaps in the country. I don't think anyone else has done a concept like this.

This sort of a concept, a little similar to this was done by CJ Group out of South Korea, which was an extremely successful concept or which is an extremely successful concept. And this one is still much better than what CJ has done. We do believe that in the times to come, this is going to catch traction and then we shall be able to scale it up across other parts of the country also as well.

Ajay Bijli: Abneesh, just to add to what Pramod is saying that basically, cinema is all about experience and having this circuit of close to 1,800 screens, we obviously have to be always innovative,

experimental. 2004 is when we started our first gold class. It's been over 10 years since Directors cut.

So every format has to evolve. It's a pilot, but it's already very successful. It is not a pivot for the company to get into -- compare ourselves to some F&B or QSRs that you mentioned. It is just that movies and food coming together has been our mainstay right from the beginning, and we'll keep experimenting with formats.

With the grace of God, fortunately, this experiment has worked, and we will be rolling it out in various places. But this is for the discerning audience. It is such a disparate market India, and PVR INOX has always been committed to coming out with a solution for every demographic.

So this is not for everybody. It is for a certain demographic who is wanting to combine the 2 experiences of F&B and watching a movie on the big screen. And we're going to continue to do that being in an innovative company.

Abneesh Roy:

That's quite insightful. My second question is on your statement wherein you said that very good recovery in the Hindi movies, which I think is very important for health of the industry. So here, I wanted to understand the issues for Hindi movie industry have been more the calendarization, so we had long gaps where no movies were releasing and suddenly they were again competing on the same weekend also. So that was one.

Second one was definitely quality, VFX and original storylines and compelling screenplay, etcetera. So on these two aspects, have the core issues been addressed because some of these are, frankly, very difficult to monitor or very difficult to predict also. If you could comment what exactly is giving you the confidence on this recovery?

Ajay Bijli:

No. What is giving me confidence is that two things. One is that this quarter is special because the movies were not necessarily the barring, let's say, War 2 or Coolie, they were not blockbusters as such to begin with. But that is what I like about the Indian market as opposed to any of the market is it's a very volume-driven market. A lot of supply comes and not always you can predict that what movie is going to do well and what is not going to do well.

And therefore, in this volume that comes along, you get these sleeper hits, you get these surprises, and -- which make up for if there's a blockbuster that doesn't do well. So this quarter, if you look at it, Saiyaara is like INR400 crores almost. Nobody expected it to be doing so well. Mahavatar Narsimha, nobody thought it will end up doing so well. Sitaare Zameen Par had Khan, Amir Khan, but yet it was not positioned as a blockbuster, still did a bit over INR200 crores.

And of course, the movies like even Coolie and War 2 have all done close to some INR330 crores, the other one has done INR283 crores. So -- and then you had your Kesari 2, Raid 2, and lots of -- and Jolly LLB 3, Housefull. So I think what has given us -- what is giving me confidence, us confidence is the fact that people are coming out, that fatigue factor of staying at home has crept in, and they want to get out.

So that -- and movies, if they keep coming continuously, which they are coming continuously because even the producers have now realized that they can make a movie even for a smaller budget.

But if the script is a hero, if they can make a movie which connects with the audiences, people will come. And so both the engines which have always made us -- made our business robust, which is the content guys as well as the consumers, both are clicking and coming to the cinemas.

So that consistency of films, as I said in my opening remarks, 22 films this year since the first half -- in the first half have crossed INR100 crores and not a single movie has done more than INR500 crores as opposed to previously where you had these peaks and troughs, you had this big movie like a Jawan or Stree 2 or Pathan or something like that would come very high, KGF and all that. And suddenly, there will be a lull.

Here there's a consistency that of films, which is quite exciting. And not only Hindi films, but - - which again, of course, contribute, PVR still has -- 46% of its revenues have come from Hindi, but the overall box office of contribution of Hindi film is even going to be much larger. Kamal can tell you the number. But even Hollywood, after its strike has bounced back with F1, Mission Impossible, Jurassic Park and all that. And even South continues to come out with movies, which are very consistent.

Abneesh Roy:

Last quick question. So in terms of Q2 advertising, what are the top five sectors? And now with GST consumption boost of INR48,000 crores, we have seen that 2-wheelers, 4-wheelers have seen a very good recovery, even FMCG companies, yesterday Nestle results also came. That was not a GST impact.

But generally, FMCG, auto and many other sectors, white goods, there is going to be consumption boost Q3 onwards. So are you well placed from an advertising boost in your top five sectors, are these sectors seeing some kind of an improvement in Q3, if you could tell us? And Q2, what were the top five sectors from an advertising perspective?

Ajay Bijli:

Can I request Gautam to answer this?

Gautam Dutta:

The top five sectors were FMCG, banking, textile, e-commerce and jewellers. And our automobile was ranked 6, so for us, automobile and retail were sixth and seventh. But the big sectors were FMCG, banking, textile, e-commerce, jewellers, automobile and retail in that order.

Moderator:

Our next question comes from the line of Kavish Parekh from B&K Securities.

Kavish Parekh:

Congratulations on a solid set of numbers. My first question is on your balance sheet. While the reduction of net debt is commendable, could you elaborate on the rationale for maintaining about INR680-odd crores of cash on the books instead of further paring down gross debt.

So is this a strategic decision to preserve liquidity amidst continued content volatility? While this quarter was good, but broadly, there still remains some volatility and uncertain box office recovery trend. Is that the thought process?

Gaurav Sharma: So Kavish, Gaurav here. Our guiding principle and strategy for cash is that because we are a fixed cost business, bulk of our costs are fixed in nature. We carry anywhere between 45 to 60 days worth of fixed cost coverage in the form of liquidity. This quarter, we have seen an increase in cash balance.

But for the next 6 months, there are a lot of screens which are under pipeline for opening and payments for those screens will be released. So there will be some bit of utilization of this cash balance that will take place by the end of next quarter.

And overall, we will take a relook at the strategy for the liquidity and the overall debt levels by the end of the year depending on where we end up, where we land up with the operating cash flows for the full year and how the capex pans out for the rest of the year.

Kavish Parekh: Right. I think, yes, that's right. You will need to take a view given that now the expansion strategy is also increasingly more towards the capex-light models.

Gaurav Sharma: Yes. Correct, correct. So as I said, we'll take a call on reducing or prepaying some of the debts by the end of the year once we have the full year picture with us and then we'll take a call.

Kavish Parekh: And could you share some visibility on the upcoming slate under PVR INOX pictures for the second half of the year and FY '27, particularly the scale and kind of movies you are targeting?

Gaurav Sharma: So there are a lot of films under distribution right now. I would request maybe Kamal, if you're there on the call, you can share that.

Kamal Gianchandani Sure, Gaurav. So we've got -- we are distributing Thama, which is coming out on this Tuesday, which is a Diwali release, followed by De De Pyaar De 2, which is a franchise -- a sequel and a successful franchise that's releasing on 14 November. Also along with De De Pyaar De 2, we are also releasing Now You See Me sequel, which is again a successful franchise.

Christmas Karma, which is the next film from Gurinder Chadha, that will come out in November. Gustaakh Ishq, which is Manish Malhotra's first production as a producer. That comes out on 28th November. Junaaid Khan's, Mr. Aamir Khan's sons next film would come out in December.

And then there are many more in the pipeline. Suffice to say that PVR Pictures – PVR INOX Pictures continues to have a very robust pipeline of films, and we are building our slate every quarter. Most Hindi films tend to materialize maybe a month or two months before release, and therefore, it's very tough to give visibility for the next quarter or the next financial year. But I would say this that we would release 8 to 9 Hindi films in a year and typically about 15 to 20 Hollywood films in a year. That's been our track record. I see no reason why this track record will not be maintained going forward.

Moderator: Our next question comes from the line of Jinesh Joshi from PL Capital.

Jinesh Joshi: Sir, my question is on our SPH trend while it was flat on Y-o-Y basis, sequentially, there has been a dip of about 9.5%. Now given the fact that this quarter, the footfall number was quite

healthy, I believe the SPH growth should have been better because one would expect a slightly better strike rate will be there. So any specific reason as to why there has been a dip on sequential basis.

Gautam Dutta:

Yes, there are broadly two reasons for this dip. And the reason one is that Saiyaara and Mahavatar Narsimha were the two dominant films. Mahavatar sort of worked with a certain religious clan who believed that they would not want to consume F&B from a canteen that was serving non-veg food.

Also, they have a lot of Jain community people came and watched the film in huge numbers. So our cinemas were turned into temples during those 4-week period. And this audience was refraining themselves from eating at all.

Then even parallelly going through Siayaara. Siayaara appeal to a very different audience, young teenager. And again, the admissions in the Tier 1 as well as Tier 2 markets were very, very strong. We got a very different kind of a clientele with Siayaara. And again, they sort of chose not to eat at the candy.

The third thing -- the second reason rather, was about 4 adult films sort of getting bundled together. And normally, in the past, we have seen wherever we get A-rated films, this audience is slightly more careful, a little more rational. And hence, refrains from again hitting the candy in a big way.

The four films I'm talking about is Conjuring, Baaghi, Bengal Files, Demon Slayer. So they were all sort of contributed a lot of footfalls and yet did not convert in great concession number. And the reason three is the popularity of the Tuesdays, Savers Day, which has been racking in really well. We get close to about 15% to 17% footfall of the entire quarter coming in from Tuesdays alone.

And there, again, we see this clientele not eating as much. So these are broadly the three reasons why the SPH was down. The first two will -- is completely controllable in a manner because we don't get a slate of all adult films coming together, so it was a rare thing. And Saiyaara and Mahavatar again sort of rallying together created this little dip in the SPH sale.

Jinesh Joshi:

Secondly, I believe CCI has initiated an investigation against us for levy of VPF. So just wanted to check on two things over there. I mean are we charging VPF on both Bollywood and Hollywood, that is question one.

And secondly, is there any expiry to this clause in the sense that after a few years, maybe will have our recovery in place for the investment that we have made towards acquiring the digital equipment. So after maybe a few years, I mean, will we continue to charge? Or is there a time line beyond which this fee comes to an end?

Gaurav Sharma:

So on VPF, on the CCI investigation that you are referring to, I think to the first part of your question, currently, we had -- we are charging VPF to all film producers and all film makers other than Hollywood.

And Hollywood has already seen a sunset globally. There is no VPF charge there. But this is an industry-wide practice, not only PVR INOX but all other cinema exhibition companies are charging VPF for basically to recoup the continuous substantial investments that are made for digital cinema equipment.

So as of now, it's -- there is no sunset or there is no such discussions. It's an important stream and the CCI order is currently an investigation directive only, it's not a final finding. So yes, I think I would -- at this stage, it will be premature to comment on any specific measures or give any specific comments there. The matter is still under investigation, and we will evaluate appropriate steps if required at the relevant time.

Jinesh Joshi:

Just one last question from my side. If you can just share some progress on the smart screen initiative plan that I think was being communicated earlier. I think we have plans to open about 50 screens and maybe the first screen is going to make a debut somewhere around December this year. So just wanted to check, I mean, have you identified the sites and signed the agreements and also the fact that this year the pricing might be slightly cheaper. So how will the ROI stack up against our existing portfolio?

Gaurav Sharma:

Yes. I think smart screens has a strategy basically to penetrate into Tier 2, Tier 3 locations. There's a huge untapped market there. India is one of the most underscreened nations. And that's a model that we feel has a lot of potential to expand rapidly. We will have one of the smart screen cinemas coming this year as a POC.

And then we feel that there is a strong market there. And depending on how the POC pans out, we will take a call at what rate and at what scale we will roll it out in other parts of the market. Would you like to add anything, Pramod?

Pramod Arora:

No, I think that's about it. Yes.

Jinesh Joshi:

Anything on the ROI side you would want to comment? Is it better?

Gaurav Sharma:

No, I think it's a little early for us to comment on the ROI because we will launch, as I said, a POC first in a market, and we will see how the market reacts to that, what's the kind of demand that we are able to satisfy with this format. This will be a value format, smart cinemas with a lot of use of digital technology in its processes.

And ATP and concession pricing will be lower than what we have currently at PVR INOX level. So we feel that lower pricing with smarter use of technology, we expect a good occupancy and good demand in the markets where we launch it.

Moderator:

Our next question comes from the line of Harit Kapoor from Investec.

Harit Kapoor:

Just two questions. In the last -- the first half of this year has been strong in terms of footfalls. Regarding this, I had two points. One was given films like Saiyaara, Mahavatar Narsimha has opened up, I won't say new cohorts, but cohorts which were probably not coming to the cinema as often, senior citizens, much younger population, etcetera.

Do you see this as an opportunity even like that content will be created in that order, which can result in higher footfalls incrementally? And the second question is just from a pipeline perspective, while you remunerated all these names in the second half of the year, what's your level of confidence in terms of occupancy being fairly robust H2? So those are my two questions.

Gaurav Sharma: Gautam, you would like to take on the first one?

Gautam Dutta: Yes, I could. So, your first question was on the fact that how is the pipeline looking? Is -- or was that the second question?

Harit Kapoor: That was the second one.

Sanjeev Kumar: First one is on the segmentation, right?

Harit Kapoor: Yes.

Gautam Dutta: Yes, absolutely. I got that question. So basically, see, of course, what you're saying is absolutely right. These movies have actually opened us new audience. And this is -- we always believe that when a consumer comes to cinema once, he keeps -- he comes back again and again and again.

So it's a fairly intoxicating experience. And only when you get to the cinema, you actually realize what you are missing sitting at home. So, invariably, our data seems to prove that the biggest, toughest challenge is to get the person to get to the cinema once. If that comes in, he keeps coming back.

Now on the second part where will creative guys now be seeing this trend and making more movies? Yes, absolutely. And it always happens that when a film does well, more than we strategize, the content owners and creators sit back and realize there have been so much of data collection, understanding of what really has happened and how this movie seem -- these movies have seemed to do well.

Mahavatar has opened another floodgate for animation in another way because so far in India, animation never did so well. But after the success of this film, it has encouraged so many people to look at this as a very strong genre going forward. And it's always globally did so well. But in India, it hasn't done so well.

However, after Mahavatar, that's opened up. Saiyaara, of course, signals the clear path from stars to stories where stars are very, of course, very, very powerful. They are looked up, but stories have now become the mainstay. So when even a star is backing a great story, I think it would tend to do a lot bigger and much better business than just relying on the star power.

I think these are very, very refreshing good trends that have opened up and has got the entire industry, be it exhibitor or be it content owners, all wanting to strategize and see how they can sort of work with this trend and grow this further.

Harit Kapoor: Yes. And on the pipeline bit also comment would be helpful.

- Gaurav Sharma:** Yes. On the pipeline yes, Harit, on the pipeline, the second part of the question, I think the lineup for Q3 and Q4 is very strong. Typically, October, November, December is festive season.
- In the past, we have seen a very strong performance, and we expect that Q3 as well as Q4, the second half performance will be at least equal to, if not better than what we have done in H1. I think overall, looking at the lineup, we feel reasonably of doing better numbers and the momentum is likely to continue.
- Moderator:** Our next question comes from the line of Varun Mule from Yes Securities.
- Varun Mule:** Congratulations on a very strong set of numbers. My first question was regarding the movie distribution side. Has there been a dip in terms of the number of movies distributed in Q2, which has led to lower other operating income during the quarter?
- Gaurav Sharma:** I'll take one.
- Kamal Gianchandani:** Yes, go ahead, go ahead.
- Gaurav Sharma:** So, in terms of the absolute number of films, there's been no change. But last year in quarter 2, which was in the month of August, Stree 2 was released, which was distributed by PVR INOX Pictures, which was the biggest film of last financial year.
- And as a result, it was the biggest quarter for last year versus this year in quarter 2, the big film that was distributed was Son of Sardaar 2, collections were slightly underwhelming as compared to what was expected. So, as a result, there is a dip. But in terms of the volume of films, there's no drop in terms of the number of films that we are distributing.
- Varun Mule:** Understood. And could you repeat the number of films that you're planning to distribute over FY '26 for the remainder two quarters?
- Kamal Gianchandani:** So, like I said, our overall annual slate looks something like this. We end up distributing somewhere between 8 to 10 Hindi films. This is a bouquet of mid and big films, and we tend to do between 15 to 20 Hollywood films. So in terms of number of films in our slate, that number has remained -- is expected to remain in this range in this current financial year.
- Varun Mule:** Understood. And regarding the box office collection over July, August and September, we have seen a bit of a deceleration happening from July, which did very strong collection across the industry with INR300 crores plus movies collection for two movies.
- August saw a big deceleration and September was even lower. So has there been again a pickup that we have seen in October? Or do we expect a bit of pickup post Diwali? How has been the month-on-month collection trend?
- Gaurav Sharma:** So, month-on-month is strong. October has been panning out very good for us. Kantara, which was released on 1st of October is the first movie of this financial year to cross INR500 crores India gross box office.

And on the back of Kantara, Jolly LLB spillover in this month and a few other movies, Sunny Sanskari, which was released in the first week of October, the footfall momentum is pretty strong, plus there's a movie called Thama coming on 21st October and then a few good films also releasing in October. So, yes, I think you will see month-on-month up and down in footfall depending on what movies are there. But as such, the demand momentum that we are seeing is very, very strong.

Varun Mule: Understood. Regarding the Thama release, so we have seen a bit of a lower number of launches for Diwali calendar. Do you think that will have some impact? Because last year, we did have Singham and Bhool Bhulaiyaa launching during the Diwali, which did almost total of INR500 crores to INR600 crores collection. So could that have some impact in terms of base effect?

Gaurav Sharma: No, we don't feel so. This year, we had Kantara. In fact, it's a good thing that we have no two big film clashes on the same Diwali weekend. We had Kantara coming on 2nd October, which was a long weekend and now Thama coming in the Diwali weekend.

So as a result, the spread out of big films over two or three weekends is a healthy sign for the business. So I think the big clashes that we have seen in the last couple of years on big days, on big weekends is no longer there, which is a healthy sign.

Varun Mule: Understood. Lastly, just on the new screen additions. So we have 132 screens signed under our capital-light strategy. When is the launch expected for these screens? And if you can just give a broad time line? And what would be the mix going forward in terms of FOCO versus asset-light and own?

Gaurav Sharma: So these are screens which have been signed, and they will come up over the next two years. 18 months to 24 months. As and when these sites and malls are ready, we will open these screens. We are also -- we are getting a lot of inbounds from all across the country on franchisee deals and franchise opportunities for PVR and INOX branded cinema.

So, yes, I think going forward, we will have a healthy balance between asset-light and our own cinemas. It will be almost 50-50 where 50% will be in the capital-light model, a combination of asset-light and FOCO and the balance 50% will be cinemas where we invest 100% of our own capital.

Varun Mule: Understood. And regarding the capital-light model, asset-light will continue to have higher share compared to FOCO?

Pramod Arora: Yes, that's right. So FOCO would have a lesser share than asset-light model.

Moderator: Our next question comes from the line of Sameer Gupta from India Infoline.

Sameer Gupta: First question is on the regulatory aspect. So we have the US government coming up with tariffs on non-US made content. Now technically, it shouldn't have any issue for a PVR INOX. But typically, the movies, they do have some portion of revenue coming from the outside markets. And if that impacts the budgets of the movies going forward, do you see an impact on theatrical revenues and footfalls as well?

Gaurav Sharma: Kamal?

Kamal Gianchandani: That's a fair question. But at this point, we don't really have clarity as to in what shape and form this tariff will be imposed on international films traveling into U.S. And therefore, it's very difficult to comment on the implications and the second order effect if that will end up reducing the number of films being produced. Very difficult to comment on that at this point.

So we are watching this space very closely. And as you rightly mentioned that for a domestic market focused company like PVR INOX, this development in U.S. has very little impact on a day-to-day business, but we are watching it very closely.

Sameer Gupta: And sir, any update on the Karnataka order that was aimed to cap the movie ticket prices?

Kamal Gianchandani: Gaurav?

Gaurav Sharma: Sorry, can you repeat the question, please?

Pramod Arora: Karnataka order.

Gaurav Sharma: No, there's no -- I think we have already got a stay in our favor. And after that, there was an appeal, which was filed by Karnataka Film Chamber of Commerce and some other appellants in the High Court of Karnataka against the stay order. However, High Court in its order of dated 30th September has upheld the stay on the price cap. And the next date of hearing is awaited. As of now, there's no further update.

Sameer Gupta: Got it. Another question, sir, just more of a conceptual question. So what is better for PVR INOX as a business, a blockbuster movie, which has run for many weeks or a decent hit, which runs for two weeks, but many more decent hits.

So, let's say, both of them end up clocking -- both of these teams end up clocking the same revenue. But from an EBITDA perspective, a movie that runs -- has a much longer run should technically benefit you more, right? Because typically, the percentage that you share with the producers decreases in the subsequent weeks.

Gautam Dutta: It's like a cricket team. We need all players and there is different roles. So blockbusters definitely have a role to give big openings to get big numbers. And then, of course, you have these content that should sort of come good content that plays out for a couple of weeks fades out and another one comes in. And the sheer strength of PVR INOX being spread into the entire country and being able to get numbers through many languages has a huge advantage.

So, during Durga Puja, it was four Bengali films that rallied together and got a number. Next week, there's a big Punjabi film and the entire Punjab region would possibly prosper with great admits.

So actually, there is not an either/or kind of an answer here. We need both. We need blockbusters because big stars have their own charm, their own following, and they have the might to be able to get a lot of people into cinemas and create that FOMO. And of course, you need a lot of good

content to coming in, which plays out about a couple of weeks and giving way to the next one. So actually, there is a space and role for both to coexist and do well.

Sameer Gupta: Both is always better, sir, but let's say, either/or would you like to come -- I mean, I'm just trying to understand financially, nothing else.

Gaurav Sharma: No. So financially, as Gautam said, both are important. Big films drive a lot of excitement, buzz. And as a result, even advertisement slots are booked in advance for a longer period of time and helps in advertisement revenues. Sleeper hits and on the other hand, they run probably longer and from a film hire perspective, benefit PVR. But on the other hand, because they are sleeper hits, the ability to generate buzz amongst marketeers is limited.

So it's a combination of both the films that is required and a balance between mega blockbusters and regular hits. Both of them are important. Financially, there's no substantial difference when you look at comprehensively across all revenue streams.

Sameer Gupta: Wish you a very happy Diwali to all the team.

Moderator: Our next question comes from the line of Abhisek Banerjee from ICICI Securities.

Abhisek Banerjee: Congratulations on a great set of numbers. But looking ahead, while there is enough clarity on Q3 pipeline, but Q4, despite a strong pipeline in the first month, there is also the Cricket World Cup, T20 World Cup. So how are you kind of thinking about that? I mean, will there be enough releases during that time to keep the occupancy levels high?

Gautam Dutta: Kamal, would you want to take this?

Kamal Gianchandani: So, Q4 traditionally has been a lean quarter amongst the four quarters. But in this case, in this financial year, Q4, in fact, is going to be a very strong quarter, a, because a lot of strong films like Raja Saab and Border are releasing in January and then some of the films which were slated for December release like Romeo, with Shahid Kapoor have moved to February.

And also Toxic, which is Yash, the person who was helming KGF, the KGF franchise. His next outing, which is a very big multilingual mainstream commercial film, which is coming out in the third week of March. And the reason they're coming out in third week of March is such a big film is because Eid this year, Eid traditionally has been a strong week to release big films is falling in March.

Typically, it falls in April or May. But with the movement of moon and the whole calendar this year, Eid is in March and -- excuse me, can you put yourself on mute, please? There's a lot of background. So this year, because of Eid happening in March, you would find a lot of big films which will come out in March as well.

Vis-a-vis cricket, I mean, our business has learned to co-exist with cricket. Cricket is happening now throughout the year. I mean there is World Cup every second year or every year almost. There is a World Cup with either a 50 over World Cup or a T20 World Cup or a Test Match

Cricket World Cup or a women Cricket World Cup. Therefore -- and then, of course, we've got IPL, which is happening every year in March, April, May.

Therefore, film business has learned to cope and coexist and flourish along with cricket. We don't see that to be a big competition. I think people have adjusted their lifestyles and they sort of make time for both activities.

Gautam Dutta: We may also end up playing the World Cup at our cinemas as well. So from that aspect, there will be an added advantage as well.

Abhisek Banerjee: Got it. Just also wanted to understand like while big producers generally refrain from releasing movies around cricketing tournaments, -- is it the same for smaller budget movies as well? Or is there more acceptance yet?

Kamal Gianchandani: There are two school of thoughts. One school of thought is that if you release a big film during when there is a cricket tournament or some sort of a cricket plan unfolding, because there is less competition, your film will have a longer run, longer stay at the box office. And not everyone is a cricket follower, like even in a large country like India, even in the cricket fanatic country like India, which is fairly large, people have diversity.

And there are a lot of people who don't follow cricket that well. And therefore, if you have a big film playing at that point in cinemas, producer gets the advantage of lesser competition. So that's one school of thought.

And the other school of thought is that let's -- if we have a big film, let's stay away from cricket let the smaller films come out and use that as an opportunity to maximize the box office potential. Both school of thoughts exist. We'll wait and see how producers perceive this World Cup cricket to be. But our sense is big films will come out.

Abhisek Banerjee: Understood. And recently, Aamir Khan gave an interview where he actually spoke about the problem that is ailing the movie industry is that there is a very short window for theatrical run and then it goes on OTT platforms. Now is that just a one man talking? Or do you really see a change in thought process of the producers of Indian movies?

Gaurav Sharma: Kamal, are you there?

Moderator: Mr. Kamal, if you are speaking, you are not audible at this moment.

Kamal Gianchandani: Hi, can you hear me now?

Moderator: Yes, you are audible, sir.

Kamal Gianchandani: Okay. We agree with Mr. Aamir Khan's statement, windows are short, and we do believe there is potential to make the windows longer. Your second part of your question, whether other producers will follow the same thought process. We think so. We think there is a gradual but sure shift, which is taking place in the thought process of producers.

They are appreciating the value for each eyeball that they get from theaters, which is much higher than the value that you get from streamers or television. And therefore, they want to bet big on theaters. They want to go all in. Like in case of Mr. Aamir Khan, he went all in. He said, I will not release it on SVOD.

There are a lot of other producers who are making the same -- who are sharing privately the same point of view that for their films, they want to release it in theaters and then go for TVOD transaction VOD, but not SVOD.

So we do think his thought process, what he did, the strategy that he followed with Sitaare Zameen Par is influencing the thought process. It's influencing thought process of a lot of other producers. And you would see some action in that direction as we move forward.

Moderator: Our next question comes from the line of Pravesh Kochar from FourLion Capital.

Pravesh Kochar: On your comment about animated movies also sort of picking up in the Indian cinema demographics and the cost of making such movies now coming down with the advent of technology, are you seeing any incremental excitement from producers of these kind of movies, and we should expect more supply in the medium term, two to three years or too early to say that?

Kamal Gianchandani: You would surely see supply of more animation films. What's happened with Mahavatar Narsimha is definitely a case study. And a lot of people in the industry also believe that the animation that was used and the overall production values, which were there in the film had a lot of scope for improvement.

So therefore, people also talk about the possibilities that when the production values are up to its fullest potential, animation quality is 3D in true sense using all sorts of high dynamic range and all sorts of new technologies and the storytelling, which is which is grounded in Indian ethos, the kind of results that you can see could be at par with what we see in Hollywood.

So, of course, there is a lot of excitement around animation films rooted in Indian stories. A lot of producers are thinking about it. A lot of producers are already investing money in that direction. You would surely see a lot of action in this area of film as we move forward.

Pravesh Kochar: Is there any potential of two-way collaboration where there is some incremental insight you can give from the data that you have on the viewers and the group sizing or the number of visits they have, multiple visits they have or that's not something that's being undertaken right now.

Kamal Gianchandani: So our producer partners are extremely intelligent and very well informed with the trends which are going on in the market. They do tremendous amount of research. They do tremendous amount of qualitative studies to figure out what consumers are seeking from them in terms of storytelling, in terms of technology, in terms of immersive experience.

And of course, part of that exercise is also to take our inputs as exhibitors. So that knowledge sharing, that exchange of notes is a constant process. It's an ongoing process between producers and exhibitors. But I must give full credit to our content suppliers.

They are -- we have amongst the best in this city of Mumbai and other cities in South Chennai and Hyderabad, where the regional cinema gets conceived and produced. So we have some really talented people, but we do our best in sharing our notes and intelligence that we collect from the market, and that's an ongoing exercise.

Pravesh Kochar: Understood. And last question more on the data side. So, for H1, 78 million-odd footfall, whichever way you track, how many would be unique versus repeat visitors? And also if you can give the group size for H1?

Kamal Gianchandani: Well, this is sensitive information. We would not be comfortable to put it out in public domain.

Moderator: Ladies and gentlemen, we will take that as our last question for today. I would now like to hand the conference over to the management for closing comments. Over to you, gentlemen.

Gaurav Sharma: So, thank you, everyone, for joining us today. If you have any further questions, please feel free to reach out to our Investor Relations team. Wishing you and your families a very happy Diwali. Thank you so much.

Moderator: Thank you. On behalf of ICICI Securities, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.