13th February, 2025

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Company Code: PVRINOX/ 532689

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

Dear Sir / Madam,

This is with reference to and in continuation to our letter dated 3rd February, 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 had participated in the conference call for analysts and investors held on Thursday, 6th February, 2025 for post announcement of Financial Results for the 3rd quarter and nine months ended 31st December, 2024.

Please find enclosed the copy of transcript in this regard.

This is for your information and records.

Thanking You.

Yours faithfully,
For **PVR INOX Limited**

MURLEE MANOHAR JAIN
Digitally signed by MURLEE MANOHAR JAIN
Date: 2025.02.13 10:30:06 +05'30'

Murlee Manohar Jain
SVP - Company Secretary
& Compliance Officer

Encl: a/a

"PVR INOX Limited Q3 & 9M FY '25 Earnings Conference Call"

February 06, 2025

MANAGEMENT:	**MR. 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. GAUTAM DUTTA – CHIEF EXECUTIVE OFFICER, REVENUE & OPERATIONS – PVR-INOX LIMITED** **MR. PRAMOD ARORA – CHIEF EXECUTIVE OFFICER, GROWTH & INVESTMENT – PVR-INOX LIMITED**
MODERATOR:	**MR. HARSH SHAH – AXIS CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the PVR INOX Limited Q3 FY '25 Results Conference Call.

As a reminder, all participants' 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 an operator by pressing "*", then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Harsh Shah from Axis Capital. Thank you, and over to you, sir.

Harsh Shah: Thank you, Seema. Good afternoon, everyone, and welcome to PVR INOX Limited Q3 and nine months FY '25 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 for your "Initial Comments".

Ajay Bijli: Yes. Thanks. Good afternoon. I would like to invite you all to discuss the Unaudited Results for the Quarter and the Nine Months ending December 31st, 2024.

We have uploaded the "Earnings Presentation" and the "Results" on our Company's Website and the Stock Exchanges website earlier today. And I hope you have had a chance to review them.

Our Q3 recorded the highest box office collections of this fiscal year, driven by multiple blockbuster releases. This strong performance led to the highest quarterly ATP and the SPH reaching Rs. 281 and Rs. 140, respectively. While ad revenues touched Rs. 149 crores, highest since the pandemic. Pushpa 2 emerged as the biggest blockbuster in Indian cinema history, contributing nearly 36% to the quarter three India box office and 12% to the 2024 India box office.

Q3 started with Tamil and Telugu cinema leading the way. Devara Part-1 starring Junior NTR and Vettaiyan starring Rajnikanth dominated the box office in October, collectively, accounting for nearly a quarter of the month's total box office collections. Their success reinforced the growing strength of South Indian films which are increasingly finding traction across multiple regions. However, October was impacted by the underwhelming performance of Hindi and English films, as the releases like Jigra in Hindi and Joker 2 from Hollywood failed to make a mark at the box office.

November saw resurgence of Hindi cinema with two Diwali blockbusters, Singham Again and Bhool Bhulaiyaa 3, each grossing about Rs. 300 crores at the box office. Regional films continued the momentum with Amaran grossing over Rs. 250 crores to become the second highest grossing Tamil movie of the year. Lucky Bhaskar, a mid-budget Telugu movie, achieved impressive box office success, grossing approximately Rs. 90 crores.

December was the biggest month of the year which saw the release of Pushpa 2, which shattered records grossing over Rs. 1,450 crores in India. Its dubbed Hindi version achieved Rs. 900 plus crores, setting a new record as the highest grossing Hindi film of all time. Hollywood also found success in Mufasa: The Lion King, which resonated with the urban family audience and collected over Rs. 100 crores at Indian box office. While Q3 witnessed significant highs, the postponement of key films like Sitare Zameen Par and Chhaava amongst others disrupted the overall box office momentum. Overall, in Q3 FY '25, we welcomed 37.3 million guests across our cinemas.

In terms of the "Financial Results" for the quarter: The following numbers are calculated after adjusting for the impact of Ind-AS 116 on lease accounting. Total revenue for the quarter was Rs. 1,739 crores, EBITDA was Rs. 258 crores and PAT was Rs. 68 crores as compared to revenue of Rs. 1,569 crores, EBITDA of Rs. 226 crores and PAT of Rs. 41 crores in the same period last year.

After a weak 2024, Hollywood seems ready for a strong comeback in 2025. A lot of sequels of successful franchises are lined up for releases. We have three Marvel movies, Captain America in February, Thunderbolts in May, Fantastic Four: First Steps in July. Mission Impossible: Final Reckoning, Karate Kid: Legends in May. Formula One starring Brad Pitt, Ballerina, and How to Train Your Dragon in June. Other notable titles include Superman, Jurassic World: Rebirth, Conjuring: The Last Rites, Predator: Badlands, and Avatar 3: Fire and Ash amongst others.

From Bollywood we have Chaava starring Vicky Kaushal releasing next week, Shankara starring Akshay Kumar and Madhavan, Diplomat starring John Abraham, and Sikandar starring Salman Khan in March. Other notable titles include Jaat, Raid 2, Housefull 5, War 2, Jolly LLB 3, Son of Sardar 2, Sitare Zameen Par, Thama.

We also have an eclectic mix of regional movies signed up for release, we have Thandel starring Naga Chaitanya releasing tomorrow. Other notable titles include Good Bad Ugly, Retro, VD 12, Thug Life, Kantara 2, Raja Saab, Coolie and Thalapathy 69.

We have added 77 new screens and exited 67 underperforming screens in the current fiscal year-to-date. For the whole year, the Company expects to open about 100 to 110 new screens. Our current screen portfolio stands at 1,728 screens across 350 cinemas in 111 cities in India and Sri Lanka.

An update on our new growth strategy. We have signed 100 screens under the new capital-light growth model. Of these, 31 screens are under the management contract model, and 69 are under the asset-light model with 40 to upto 80% of the CAPEX investment is contributed by the developer. These screens are expected to come up over the next two to three years. Post merger, the Company has consistently managed to reduce its net debt. As of December 2024, net debt stands at Rs. 996 crores, which is a reduction of Rs. 435 crores since March 2023.

I would like to now open the platform for Q&A. Thank you once again for joining.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Abneesh Roy from Nuvama Wealth. Please go ahead.

Abneesh Roy: Yes. Thanks. My first question is on the overall consumption impact on your business. So, we have seen this quarter and maybe previous quarter also lot of the FMCG and even discretionary categories call out slowdown in urban of course yours is an essentially urban consumption. So, how do you see in the near term this impact? I do understand Q4 because exam season anyway pipeline every year is a bit less. But would you be worried in the near term because of the urban slowdown? And on the flip side, because of the budget, the taxes have been reduced and substantially also. So, in the in the past have you seen any such measure, similar measure lead to more consumption? Or is it still fully dependent on the quality of the content?

Ajay Bijli: Abneesh, when I look at the content pipeline of this year, which has got impacted because none of the big superstars released any movies this year like Shah Rukh or Aamir or Hrithik or Ranbir and even Ranveer was in an ensemble movie. So, I think this year in fact, the content pipeline of Hindi was subdued. Then we had, Hollywood had a strike and therefore, only the third quarter we found some momentum with Mufasa, Gladiator II and movies coming. But when I look at the next year's pipeline and I look at the way people are watching re-releases. In fact, some of the re-releases like Yeh Jawaani Hai Deewani have made-up for some of the big movies, which did not perform well, like Game Changer.

So, I see that content will drive consumption. Of course, the new tax benefit, which is income tax benefit, which the FM has announced, will definitely give more discretionary income to the consumers. So, add to that the content pipeline, I think consumption is bound to increase. It is still a very small ticket size in the overall spending pattern of anybody to watch a movie and have a three hours of pure escapism and entertainment. So, I see consumption pattern only improving going forward.

Abneesh Roy: My second question is a bit related to the content only and it is specific on the Hindi content. So, we have seen a few Hindi movie producers facing very tough times because one after the other, the movies have not done well. And we have also seen, for example, marquee producer like Karan Johar, sell out a major stake to another Company. And we have also heard that in terms of mid budget movies there is a calendar which has become erratic and with the inconsistent trend. So, how do you see that the funding of Hindi movies? Because most of the hits are coming essentially from South India or dubbed South India. So, from a funding perspective, how FY '26 you see for Hindi movie?

And if you could talk about mid budget movies, how the calendar is? And FY'25 why did the large tentpole kind of Hindi movies not release? What was the specific reason? Because normally these can be easily planned. What was the reason for lack of tentpole Hindi movies?

Ajay Bijli: The reason was because I think a lot of movies got bunched up in 23, 24 that is why it was an aberration to see in one calendar year, three movies of Shah Rukh coming up. And you know Hrithik always makes a movie once every two years. So, therefore, no movie got released. Ranbir had about three films that got released in that particular year. So, I think last year was all being focused on production. And I also feel that Adar Poonawalla putting 50% or buying 50% stake in Dharma is a very good thing, because now there is enough capital there to make more movies. So, that was the reason why the movies did not come last year. I am talking about.

And this year now everybody's back. When I look at the lineup and the movies which have been announced and there is also scrambling for dates, which is a very good sign. When people are, saying okay, who wants, August 15th, who wants 26th January or Eid or big key dates which are coming. So, when scrambling for dates happens, that is only a good sign. So, when I look at the lineup, there is Sitare Zameen Par of Aamir Khan, a Lahore of Sunny, after the back of Gadar 2 successes. A big one, very anticipated Ranbir's Love & War, being made by Sanjay Leela Bhansali. Then, basically, War 2 is coming on August, in August, which is, so plenty of movies on paper which are released and announced.

And on top of Welcome to the Jungle, which is a very big franchise. So, I am, I am seeing only good lineup. On top of that Hollywood, which from quarter three onwards is now back, Captain America coming next week only. And then after that we have you know the final, the Mission Impossible, the new Brad Pitt Big movie Formula One. Superman is getting rebooted, Avatar 3. So, these are the, big blockbuster movies, so many franchises, Final Destination. All these films are coming, so for me the lineup is very strong.

Abneesh Roy: So, my second and last question is on the two new developments. One is that if you could talk about initial learnings and initial feedback on the first property, which you have opened in terms of food court with Devyani in Rajasthan, if you could talk about that. And second is in terms of the asset-light model again, how has been the initial discussions? Is it a game changer? Yes, I do understand. 100 screens over three years may not change your overall numbers significantly. But if you could talk about longer term in terms of your debt levels or your return ratio, how this impacts, not on FY '26 because that is the first year, but how does the longer term picture change because of this?

Ajay Bijli: If I can say myself in all humility, the brand basically anybody who is able to do an asset-light model or a FOCO model management fee franchise model goes to show that there is some strength in the brand. So, we have developed our brand equity with all the key stakeholders so that it is a customer, it is a film fraternity or the developer, and people are ready to spend money on the brand and let us only do the management. So, I think this has already been done by a lot of retail players. As you know, hospitality brands have done it. Nobody had ever done it in the cinema business.

So, we were very keen to test the waters with this. 100 screens we have signed, but there are lots of others which are in the pipeline and already a lot of capital has got deployed in the 1,728 screens that we operate. And I think time had come to now monetize on the brand equity that we build. And this will obviously reduce our capital intensity, improve our margins. But at the same time it will not reduce our growth trajectory. It will still grow by about 122 screens, a 100 to 120 odd screens every year. And I think it is a testament to the brand and definitely this is bound to bring our debt levels down as well. Because, if you have healthy cash flows a lot of, it only so much can be spent on renovations and new properties rest all will be utilized to pay down the debt.

Abneesh Roy: Sure. Thanks. That is all from my side.

Ajay Bijli: Thanks.

Moderator: Thank you, sir. The next question is from the line of Kavish Parekh from B&K Securities. Please go ahead.

Kavish Parekh: Hi, team. Thanks for the opportunity. Firstly, I want to get a sense on synergies, the numbers that we had laid out at the time for our merger. Where are we now? From here on what levers do we have to improve the cost structure or margin trajectory? Especially, if occupancy stays where it is? And secondly, what is the update on our deleveraging plans, we had set out plans to generate proceeds of about three, 3.5 billion from sale of some of our properties. Where do things stand as we speak? So, of course, debt reduction this quarter was commendable. But what from here on, considering the weak trends as we go into 4Q?

Ajay Bijli: Gaurav, would you like to answer the question please?

Gaurav Sharma: Sure, sure. On your first part of the question regarding synergies, I think to a large extent we have already implemented steps for integration over the course of last two years. And the cost structure also reflects, if you look at it over the course of last 4.5 years and compare on a per screen basis our fixed cost has been stagnant. Even for the nine-month period ending December'24, our overall fixed cost has been at a flat level, despite of the cost inflation. The cost structure is already reflecting, a bulk of the merger synergies, I think we will see the impact on margins as the footfalls recover.

Just to give you some directional sense, pre-COVID at a 32% occupancy the business used to deliver 18% margin. However, in quarter 3 itself this year after 25% occupancy, the business has delivered 15% margins. So, as the occupancies improve, the benefit of synergies and margins will start getting reflected. On your second point around deleveraging, I think deleveraging the balance sheet is one of the key strategic focus areas for us. All our efforts are geared towards generating free cash flow, despite of volatility in the box office we have been able to reduce our leverage over the course of the last 1.5 years. And the pivot towards capitalized model will only aid in that effort.

So, going forward, I think we will continue to see a reduction in our net debt levels. A far as the sale of properties is concerned, I think we have been working with some property consultants, and we have received some offers for our properties in Pune and Baroda. But even in those locations there are operating cinemas with positive EBITDA. So, at this stage, I think the value and the offer that we have received do not justify the loss of EBITDA that we will incur on the sale of these assets. However, we continue to explore with the consulting, consultants for the values or better offers. But the priority is to generate organic free cash flow and reduce leverage.

Kavish Parekh: Understood. Thank you all for that detailed answer. So, just to follow up on our asset-light model, can we have some more color on how economics work in case of both the asset-light models? And if I can squeeze in one more question, any thoughts on price hikes in our F&B segment? So, I think the last hikes we took was in April'24. So, and this quarter, sequentially F&B revenues remained largely flat. So, what levels do we plan to exercise to ensure sustained growth in the F&B business?

Gautam Dutta: So, let me go first and then maybe Pramod can talk about the asset-light model. On the F&B side every year we do take an inflationary increase, and it is not going to be any different for the coming year. We are going to be taking a 5% to 7% increase on certain product items. But that has to be measured against the sales mix. So, the way we actually do this is that we always would want to have 50% of our increase coming through volume. And 50% of the SPH increase coming through value. So, that is really what we follow. Over to you, Pramod.

Pramod Arora: So, these are two different models when we are talking about in asset-light model, it effectively means that the P&L is to our books of account and the developer ends up investing anywhere between 40% to 80% of the capital that is needed to be deployed for the screen fit outs. In this model it is a while, it is comparable to a regular lease model. It becomes asset-light because most of the assets only fit outs, on the cinema fit outs are in the books of the developer partner, development partner. In the FOCO model, the investment is completely by the development partner or the investor and who ends up enjoying the profit and loss. And we are eligible to enjoy a management fee anywhere between 6% to 10% of the net of GST revenues that get generated from the property.

So, these are the two models. If you look at it, the 100 screens are a combination of asset-light as well as the management model, management is we call it the FOCO model, the franchises owned Company operated model. So, this is the combination. As we go forward, on this model, we do look forward to the major footprint of screens coming from our umbrella in this model. And it will also allow us to expand the footprint much faster. So, that is, that is how we look at it. I hope it does answer your query.

Kavish Parekh: So, I am clear about the management contract model that we will receive a 6% to 10% management fee. My understanding is this will be across all revenues, ticketing, F&B as well as ad revenues, is that right?

Pramod Arora: Absolutely.

Kavish Parekh: And under asset-light model, could you, could you just elaborate some more on how the model will work? So, I understand the CAPEX with 40% to 80% will be borne by developers, but how does this play out in terms of revenue sharing?

Pramod Arora: So, in terms of the revenue, should think about it that anywhere between 15% to 20%, 15% to 20% is the occupancy cost, which the developer would end up enjoying for giving the property.

For the balance CAPEX that he has given, he becomes eligible for a fixed yield. A yield which could be anywhere between 7% to 12%.

Kavish Parekh: Understood, sir. Thanks a lot. I will join the queue again. Thank you.

Moderator: Thank you. The next question is from the line of Arun Prasath from Avendus Spark. Please go ahead.

Arun Prasath: Yes, good evening, Arun Prasath from Avendus Spark here. Thanks for the opportunity. So, continuing the discussion on the asset-light model, can you just throw some light on how does this framework work from our perspective? I mean, if you are opening say 100 screens. What you will do it for the, what you opt for FOCO model and what you will opt for the asset-light model? And which one will you be completely putting 100% of your CAPEX? Or is it left to the, option is left to the developer, or do we have some say in this? So, can you just help us understanding this, this framework? How do we distribute the new screen buckets among these, these 3 buckets?

Gaurav Sharma: Sure, Arun. I think as explained by Pramod earlier, the strategy is to leverage the brand now and the market presence and scale to drive growth towards more capital efficient screen openings. I think we will continue to have these, all the three models working in the market. Lease model will be there. Again, these conversations will be dependent on location, market, developers. In, in, in certain locations, we would prefer to go with these model. In certain locations, the preference will be with asset-light or management contract models. We have also mentioned that, majority of new screen openings from the next financial year will be an undercapitalized model. So, that sort of gives you a directional sense. It is hard for us to quantify how many screens will be there. But we have signed 100 screens and as they open up over the course of next two years to three years, we will see incrementally more new screen additions under this mode. But we will also have you know lease models are the older model working in certain parts of the country with certain developers in certain markets.

Arun Prasath: So, I was asking slightly a different question. Say you have, you want to do, go for a management fee model versus, where the developer has to pitch in say 50% - 60% CAPEX. So, between these two say given a location, do you have anything say on this or the developer comes out and says that, okay, I want to put 100% CAPEX. No, I will only be putting…..

Pramod Arora: It will be different strokes for different folks. So, each of the location or development represents a unique proposition or a unique opportunity. So, it will be very difficult or extremely impossible to suggest that, that which will be the preferred model, that is one. Our preference is absolutely clear that in certain markets it can only be FOCO in certain markets. We would basically have an option for an asset-light model. So, it will be given on a unique case to case basis. There will be no one shoe fits for all, one size fits for all sort of strategy.

Arun Prasath: Okay. Let me, frame it in a different manner. What kind of developers are interested in say, FOCO models? And what kind of developers are interested in say, the, the asset-light model? Is it like more like…..

Pramod Arora: All of them. So, I would say that, okay, let me just explain it to you from a real estate perspective. So, let us say there are developers who have you know, who have a trust in the brand and they believe that the brand does a good job in terms of delivering cinemas. And if they are basically reitable assets, they would prefer to get into an asset-light model. That is a preference from all the developer's perspective. If the developer is basically doing one unique development, his interest could be aligned towards a management contract wherein he could be enjoying the P&L. But that is like it cannot be generalized across. So, if you say, the qualification of developers, which developers will qualify for a management contract? Which developers would qualify for an asset-light model again? The answer is, there is no one answer to this question.

Arun Prasath: Got it, got it. And second, when you said that this will ramp up your deployment of the screens, obviously the CAPEX is not a constraint here. But more mall supply especially in South was our constraint, capital is a secondary constraint. So, does this solve your primary constraint of mall supply in, in some of the regions where you are looking to grow faster?

Pramod Arora: So, two things, one is any organization, or any Company has a management bandwidth. The moment you get into management as an asset-light model, the resources which come in from the development partners also join hands in terms of developing the cinemas. Be it the design resources, be it the project management resources and then last the financial resources also as well. So, they all join hands together, so which basically increases the bandwidth to be able to deliver the right cinemas in a given fixed time. The second thing in terms of you are asking the mall supply. So, the mall supply with the weeks opening up is now on an increasing trend. Including South, you are seeing the coming up of new malls which are being invested by the larger funds. And even in these smaller towns, the, the, the malls or the shopping centers are coming up. So, the unorganized retail sector is giving way to the organized retail sector.

Arun Prasath: Okay, understood. And that means that most of these hundred screens that we are tied up should be coming from Tier-2, Tier-3 cities? Is that right understanding?

Pramod Arora: They are in Tier-1, Tier-2, Tier-3. Again, there is, I am not in one of these statements have I said that there is a qualifier across management contracts of asset-light models to be in Tier-2 or Tier-3 towns. Many of them are in Tier-1 towns and Tier-1 developments of maybe, even 1 million square feet, we have centers even in 1 million square feet.

Arun Prasath: Understood. If I can just add one more on the bookkeeping questions. On the like-to-like basis, we are showing CAM growing at an alarming pace throughout this, in this nine months period much higher than the rest of the fixed line items. What is the reason for this kind of growth in CAM?

Pramod Arora: So, if you look at CAM, CAM is our direct proportionality relationship to the, to the, to the input costs. So, input costs are human resources. If the wages are increasing, so the CAM would increase. So, are they dependent on fuel because the DG sets which still get utilized. So, again, if the diesel cost is increasing, CAM goes on for an increase. So, does it go for electricity unit charges, if they are increasing, CAM would increase. So, that is the proportionate increase which is visible in the CAM charges.

Arun Prasath: Do we have any control on this or, or is it whatever the developer builds we need to take it?

Pramod Arora: We are working alongside with the Government as well as the developers. With the developers, we are looking at rationalizing, helping them rationalize these costs to optimize the common area maintenance charges for across the retail fraternity, which is sitting in the mall. Alongside the government, we are working on a possibility of introducing, like electricity on industrial rates and so on. So, a couple of initiatives which are, which are in work in progress with the development partners as well as a representation to the government.

Arun Prasath: Okay, all right. Thanks for answering all the questions. All the best.

Moderator: Thank you. The next question is from the line of Jensen Jacob from Centra Insights. Please go ahead.

Jensen Jacob: Thank you for taking my question. I just needed a small clarification on our screen additions. At the end of FY '24, we had reported that our screen count stood at 1,748 screen and currently we are at 1,728 screens, which is a net reduction of 20 screen. But we have also reported that our net screen addition has been 10 screens year-to-date. So, could you please clarify this for us?

Saurabh Pant: Yes, Jensen. Hi, this is Saurabh from the IR team. So, maybe you can connect offline, but the figure that you might be referring to, it might not be as of March '24, it might be as on the date of the IR presentation. You can connect with me offline and then maybe I can take you through the number of screens that we have added. But till date we have added about 77 screens and we have closed about 67 screens. By the end of this year, we intend to add another 33 screens that will take the total addition 110. And then there will be an additional probably 5 screens, which will get closed so effectively bringing the total closures to 72 screens. This effectively brings the net addition for the year to about 38 odd screens, that is the max and maybe then we can talk offline on reconciliation.

Jensen Jacob: Sure, sure. We can take this offline, Saurabh. Thank you.

Moderator: Thank you, sir. The next question is from the line of Tanay from Investec. Please go ahead.

Tanay: Yes. Hi. So, the first question is regarding the SCREENIT initiative that you had launched regarding those rereleases and people being able to book their own shows. So, I just wanted to understand like how has it, how has it since the past? I think it has been one months or two months since then? And how is the shows count per month and what you all expected to go ahead with this?

Gautam Dutta: So, these are early days for screen adds the only one thing that I can share with you that we have currently done close to about 100 odd shows under SCREENIT. These are confirmed screenings that have happened, which is very encouraging. Number two, the idea has really got some virality. A lot of people are talking about it and are inviting their friends and family to join the show that they have created. I think, this idea is going to be quite lethal and is here to stay. However, may not have the potential to really move the needle. So, it will kind of keep picking on 100, 200, 500 shows in a month. But that is where it is. It is a very strong proposition for consumers who love the cinema experience and want to watch movies that they have missed out on. So, that is really what it. But I guess in about another three months to six months' time, we will have a far more clearer picture on this. Thanks.

Tanay: Got it, thank you. And I just wanted to understand like just a bit of macro where like the past month, we saw a lot of cricket matches, a lot of events which are taking place like concerts and stuff like that. So, is that eating away from like going ahead do you feel that is eating away from the share of going to cinemas? Or both are growing side to side, like the entertainment industry?

Gautam Dutta: Actually I would say now each medium feeds off the other. In fact, we have also started to screen a lot of concerts and cricket matches. We are also in conversation with BCCI and other bodies to see some of the key matches, if we could screen. Concerts is something that we have been screening. In fact, since April till now, close to 4.3% of the total admissions have come in through re-releases, which is the bulk which is 90% and about 10% through events. So, technically, this is a piece that we will be irrigating as we move forward. These are early days, but we feel that each of this idea will feed into the other. If there is a concert like Coldplay happening. It has only limited capacity, whereas if it beamed live across all theater or even recorded and played, it is a fantastic revenue model for both, cinemas as well as for the concert owners. So, technically, we are working very positively and aggressively with all partners within the space to see how we can converge on this.

Tanay: Got it. But what I was trying to understand was basically, would you feel that the December, December month and probably even the other October and before that was affected by, was like the footballs were great of course. But do you think it could have been higher, if like all these concerts were'nt to take place?

Gautam Dutta: No, not at. Because a concert's life is about three hours. So, it, it cannot and that too in a certain city. Technically, it has no bearing on any footfalls at all.

Tanay: Got it. Got it. Thanks. And I wanted to understand like I saw the other expenses were lower year-on-year as quarter-on-quarter basis. Was that in regarding some cost initiatives that you were doing or what was it specifically regarding?

Gaurav Sharma: So, we have taken very focused initiatives around reducing our other expenses. There are various line items in other expenses, including traveling, marketing, legal expenses, insurance expenses. In fact, we have renegotiated our insurance coverage for the entire Company. And there has been a substantial cost saving that is accrued to us. Again, on the marketing side, we have been very careful around what sort of marketing campaigns we want to run accordingly expenses have been curtailed, as a result of which seeing this flattish, other expenses line item in comparable cinemas.

Tanay: Okay. And final, final question, I think it was asked before by someone regarding the Devyani joint venture. I miss the answer for that. Just wanted some clarity on how.

Gaurav Sharma: No. So, what is the question if you could come again?

Tanay: Yes. The Devyani joint venture which you all were looking at the food court. I am not sure if you all had answered it earlier. How it is and how is it going right now?

Gaurav Sharma: Alok would you like to take that one?

Alok Tandon: Yes, I will take it up. And I want to tell you that we are having this joint venture under the name of Prejunction, so that is the name given to the food court. We have opened one in Kota, and it has just been a month since we opened it. The traction is good and the brands over there like KFC, Pizza Hut, Costa, Vaango, they are doing well. But it is too early to talk about it. The traction is there, footfalls is there and we will be expanding more in the next coming months.

Tanay: Thank you so much. Yes, those were all my questions.

Moderator: Thank you. The next question is from the line of Gaurav Gandhi from Glorytail Capital Management. Please go ahead.

Gaurav Gandhi: Yes. Thanks for the opportunity. Sir, what is your target percentage you wish to achieve in box office collection of regional movies? I mean, how much share of box office collection of a regional movie you are targeting from its overall business? Currently, as per the presentation for Bollywood movies, it is around 35% roughly, that is our share. And for the region it is around 12%, 13%. So, now as we have good penetration in the Southern market, so what is your target I mean? How do you look at this?

Gaurav Sharma: So, I think there is no specific target that we are having our strategy is to penetrate more in South India. South India is a very lucrative market. And today, despite of the highest regional mix that we have in our portfolios towards South the penetration in South is the lowest in terms of multiplex penetration. So, incrementally new screen editions that we do almost 35% to 40% of new screen editions will be in South India. And South India as a market has been doing consistently well across all the four major languages. But I think to answer your question, there is no specific number that we are chasing. But we are prioritizing the South as a region.

Gaurav Gandhi: Okay. All right, sir. Yes, thank you.

Moderator: Thank you. The next question is from the line of Aditya Sen from Robo Capital. Please go ahead.

Aditya Sen: Hi, thanks for the opportunity. Sir, I want to understand the occupancy part. If I am correct to frame like this, how many blockbuster movies do we need each quarter to get an occupancy rate of 28% to 30%? Or rather, what are the factors that would lead us to the 28% to 30% occupancy rate? You can answer it either way.

Gaurav Sharma: I think the occupancy is linked to supply of films and performance of films, both. Unfortunately, the occupancy in the nine-month period has been trending low partly because there was a drop in the number of films which were released in both Hollywood and from the Hindi film industry. And also, partly because of the absence of big mega blockbusters from the Hindi film industry. So, I think going forward and we have seen months and quarters where the occupancy has been very strong. December was in fact the biggest highest occupancy month for us where the occupancy was upwards of 30%. Again, going forward with a very strong line up in Hindi as well as English films, we feel that the momentum at box office will continue and the volatility on supply of films and occupancy that we witnessed over the course of last two years, that should subside to a large extent.

Aditya Sen: Okay. So, if December was 30%, then let us say we got two very good movies per quarter. Then that quarter can give us roughly 20% to the 30% market, sorry, occupancy rate, is that correct understanding?

Gautam Dutta: There is no such formula. Actually, we could have different concoctions, we could have all the firms doing mid business but being solid as they would work. We could have one mega blockbuster that could work. It could, it could have just a blockbuster film, along with some fillers in the other weeks. So, it really depends, it is not such a linear answer to say what would drive occupancy. But one thing that Gaurav said, having more films and films slotted for every week is really the crux. And that is the reason we are all very positive and hopeful that in the year 25-26 we will get, the volume is going up dramatically across both Hindi and English. And because of which they will be no gap weeks.

The moment we have that scenario are in fact, leaning on even blockbuster reduces. Because if every film, it is like a cricket match, if everyone comes in, just scores 30, 40 runs, you can still make 200 runs. It is not important that one guy has to come and hit a century. So, while December was a month where Pushpa came and, really hit a double tonne. But the reality is that if every player or every movie in this situation would come and perform adequately at the box office, we still would get a very, very healthy occupancy rate.

Aditya Sen: All right. And do we have anything in the re-release pipeline?

Gaurav Sharma: Re-releases.

Gautam Dutta: Yes, about seven firms are getting released on 7th itself from Silsila to Jab to Met to Interstellar. Interstellar is one of the biggest Hollywood rerelease that is happening. So, the re-release pattern has already been carved out. This is a trend which is here to stay now. And there is a specific team which works along with programming, does a lot of consumer research and polling and figures out content that should be re-released. So, this trend is going to always stay and the, and the fact that re-releases contributed close to over 4% of the total footfall is very, very encouraging.

Aditya Sen: All right, sir. Thank you for answering. Thank you.

Moderator: Thank you, sir. The next question is from the line of Vaibhav Mule from YES Securities. Please go ahead.

Vaibhav Mule: Hello, sir. Congratulations on a very good set of numbers for the quarter. My question was actually on the Q4 current performance in January. So, how has been the response for the movies? You know, key movies like Emergency, which were launched? And what is the expectation for the current quarter based on the lineup that we have? That is the first question.

Gaurav Sharma: I think quarter four has started off well. January there were four films which were released, which crossed more than Rs. 100 crores and three of them were from South India. South India, in fact January is a big month due to Pongal many big films are released. Game Changer was a big film which was released on 10th of January, which did very well at the box office, followed by a Telugu film. There was a major film which was running in theatres again from Tamil film industry which has done very well Sankranti. And Sky Force from Hindi cinema has done Rs. 120 crores box office, which was released on the Republic Day weekend.

So, overall, January has done well. Of course, there are a couple of Hindi films like Emergency that you mentioned did not do as per our expectations. Deva has not done as what we thought it should do at the box office. But that is the nature of the business, few films do not perform. But some things out perform the expectations. Overall, going forward, I think there is a very strong lineup, Chaava is releasing on 14th Feb. Then Captain America is going to be big. Then there are, there are series of regional films. There is a Ajith film which is releasing today. Then there is a Mohanlal film. Then there is a Naga Chaitanya and Sai Pallavi movie in Tamil, which is coming in this month. Overall, the lineup for the month of February is extremely strong and March again is very strong. So, I think you know this is a point we mentioned earlier as well. The lineup is consistently improving across languages, including regional, Hollywood and Hindi film industry.

Vaibhav Mule: Understood, Sir. My actually next question was on the management contracts, our asset-light model that we are following? For the management contracts, if I am not wrong, the P&L would not be on our books, right? But the management fees that we will be generating around 10% of the revenues. Can we assume that this should improve our overall EBITDA margins?

Pramod Arora: See, overall EBITDA margins, yes we will improve, and ROCE will improve.

Vaibhav Mule: Okay, understood. And regarding our expansion in the South, any kind of guidance that you can give on the screen additions given the regional films are doing very well?

Gaurav Sharma: Yes, we have given a update on our growth strategy in the investor presentation uploaded on Stock Exchanges and our websites, where we have mentioned that we are on track to open 110 new screens this year and a similar number of screens next year. And we have signed about 100 screens under the, under the new capital light model, which will open over the course of next two years to three years.

Vaibhav Mule: And how many screens of these total are expected to be opened in the South market?

Gaurav Sharma: I think, just to give you a ballpark, incrementally new screen additions will be roughly about 35% to 40% in South India. That is, that is the sort of mix for South.

Vaibhav Mule: Okay, sir. And this last one question, if I can squeeze in about the screen churn. So, we have again closed, I think 25 screens in the current quarter making total to 67 screens for nine months. Do you expect this screen churn to moderate going forward or can we expect the churn to remain at similar levels?

Gaurav Sharma: So, we continue to evaluate our portfolio very closely at a property level. I think we have already exited 85 screens last year and already 67 have been exited so far. So, whether in the two financial years we have roughly exited about 150 underperforming screens. So, most of these screens are located in malls, which are dilapidated and, you know, lived their life. But I think to answer your question, the pace in our view should come down. But we will have churn in the sense that we will replace older screens in older malls with new properties, new cinemas opening in better malls in the same location.

Vaibhav Mule: Okay, sir. Understood. Thank you so much for the opportunity and all the best.

Gaurav Sharma: Thank you.

Moderator: Thank you. The next question is from the line of Umang Mehta from Kotak Securities. Please go ahead.

Umang Mehta: Hi. Thanks for the opportunity. So, I just wanted some guidance on the CAPEX for next year and that you would have a visibility right now given some risk fit outs, already?

Gaurav Sharma: Yes, I think to answer the question on CAPEX. For the current financial year, we will be sub Rs. 400 crores in terms of our total CAPEX expenditure versus Rs. 625 that we did last financial year. So, there is a 35% deduction in CAPEX. And next year, while we are still in the process of doing our budgets and other planning. But overall, CAPEX spends will be somewhere in the range of Rs. 400 to Rs. 500 crores. We will try to be very, very, careful around our CAPEX expenditure and be capital efficient and at the same time not sacrificing the growth in terms of new screen additions. So, the new capital light model will reduce CAPEX intensity and our share of CAPEX will come down incrementally.

Umang Mehta: Got it. And the second question was on rental renegotiation, could you share some insight as to how many properties are currently seeing rentals consistently above 20% and how are the conversations going? And the related question was, is there any effort to convert some of the existing leases to contract? I am just checking on that, yes.

Pramod Arora: So, up till December we have rationalized about Rs. 50 crores of rental from the contracted rental. And to answer your second question, yes, as soon there is an opportunity where in the lock in is expired or there is an opportunity or an interest from the developer. We do end up converting the screen, if it is viable from the straight model to the other models that are available.

Umang Mehta: Got it. Those were my questions. Thank you so much.

Pramod Arora: Thank you.

Moderator: Thank you. We take the next question from the line of Raghav Bansal, an Individual Investor. Please go ahead.

Raghav Bansal: Hi, good evening. I have a few short and quick questions. First, can you explain how the economics of the distribution model work? Specifically for movies like Singham Again and Sky Force? How do we ensure we do not make a loss there?

Gaurav Sharma: Yes. We have been in this business for more than 20 years and our strategy is to work with only big production houses with a credible track record. And, so we, our business team has that experience and expertise to assess the track record of the director, producer, the actors. And accordingly, we take a call on which we want to distribute. Singham is a very successful franchise. And normally the way it works is that we, pay in advance to the producer before the release of the film. And once the film is released in the box office, collections are there. We have, it is a commission based. We take our commission adjust the advance and pass that the balance to the producers. So, the commission is anywhere between 6% to 9% of the total box office collections. So, yes, broadly, that is the business model. There is no out, we do not work on, outright purchase of rights for any title. It is a purely commission-based distribution model.

Raghav Bansal: Got it. Second, how is the growth and expansion of 4700BC is shaping up? And can it ever contribute significantly to the overall revenue in the coming years?

Gaurav Sharma: Yes, I think we are very excited about the brand. It is shaping up, I think, extremely well. It is on its course to cross Rs. 100 crores revenues in this financial year. And it has been growing at a very rapid pace of more than 25% top line growth every year. It is one of the very popular brands across quick commerce and modern retail channels. And we want to scale it up even more aggressively as we move forward.

Raghav Bansal: Great. Third, a lot of times we see occupancy shoot up for movies with lower pricing. We launch dynamic pricing are we seeing any benefits there or can we be more aggressive with dynamic pricing?

Gautam Dutta: Yes, dynamic pricing does work for us, and we have tried it. And it continues to give us a kind of a top up on ATP on some of the bigger films during weekends. So, it has a limited play and we also want to be very careful in deploying the dynamic pricing because. It somewhere goes against the grain of what the consumer is expecting. So, while we have tried it, we, we want to be very conscious of where and how we use it. And, and typically, in our business, sometimes we do not know how the movies will open up. That is where dynamic pricing plays a very important role where we open low. And if the film starts to get popular then at least we do not leave an opportunity or money on the table. We are able to maximize immediately within that show, if the content starts to gain acceptance with the consumer.

Raghav Bansal: Right, thank you. Finally, one suggestion from me, I am a regular PVR INOX customer, I go there every week. We need a very efficient, responsive and centralized customer support system for all the clients and feedback and queries that will be very helpful for us. Thank you.

Gaurav Sharma: Sure. Noted.

Moderator: Thank you. Ladies and gentlemen, we take that as the last question. I will now hand the conference over to Mr. Gaurav – CFO for closing comments.

Gaurav Sharma: Thank you all for joining us today. In case you have any incremental questions, you can reach out to the IR team or to Saurabh Pant. And we look forward to your support and keep you updated on the progress on its strategy. Thank you so much.

Moderator: Thank you. On behalf of Axis Capital, that concludes this conference. Thank you for joining us and you may now disconnect your lines.