

February 12, 2026

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 / Madam,

This is with reference to and in continuation of our letter dated 29th January, 2026 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 Thursday, 5th February, 2026 post announcement of Un-Audited Standalone & Consolidated Financial Results for the Third Quarter & nine months ended 31st December, 2025.

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

This is for your information and records.

Thanking You.

Yours sincerely,
For **PVR INOX Limited**

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

Encl: A/a



**“PVR INOX Limited Q3 & 9M FY 2026 Earnings
Conference Call”**

February 05, 2026



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. GAUTAM DATTA – CHIEF EXECUTIVE OFFICER, PVR INOX LIMITED
MR. KAMAL GIANCHANDANI – CHIEF BUSINESS PLANNING & STRATEGY, PVR INOX LIMITED

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

This transcript has been edited for factual errors

Moderator: Ladies and gentlemen, good day, and welcome to PVR Inox Q3 FY 2026 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “*”, then “0” on your touch-tone phone. Please note that this conference call is recorded.

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

Abhisek Banerjee: Good afternoon, everyone. On behalf of ICICI Securities, I welcome you to the Q3 and nine-months FY 2026 post results earnings call for PVR Inox Limited. The call will begin 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 you, Mr. Ajay Bijli, for your opening comments. Thanks, sir.

Ajay Bijli: Thank you. Good afternoon, everyone. I would like to welcome you to discuss the unaudited results for the quarter and the nine-months period ending December 31, 2025. We uploaded the earnings presentation and the results on our companies and the stock exchanges website earlier today, and I hope you have had a chance to review them.

Let me begin with the broader industry context first:

Calendar 2025 emerged as the strongest year ever for the Indian theatrical business with highest ever all-India gross box office collections of Rs. 13,400 crores up 13% year-on-year and nearly 32% above pre-pandemic levels. Notably, 37 films crossed the Rs. 100 crores mark, the highest ever, reinforcing the depth, resilience and long-term relevance of the theatrical medium in India.

Original Hindi language films contributed substantially to the growth. Hindi box office delivered its strongest year ever with collections of over Rs. 5,500 crores, representing an 18% year-on-year growth. This performance was supported by a healthier genre mix and more consistent release slate led by a few large tentpole releases, including *Dhurandhar*, which has emerged as the highest grossing Hindi film of all time with cumulative box office of Rs. 1,000 crores.

Hollywood also staged a strong recovery in India, delivering its best post-pandemic year with box office collections of Rs. 1,400 crores, up 49% year-on-year, aided by a stronger and more consistent content slate.

Regional cinema continued to deepen and diversify its contribution in Calendar Year 2025. Overall, regional box office grew by 4% year-on-year, led by standout performances in select languages.

Gujarati cinema recorded a sharp 188% year-on-year growth, supported by Laalo - Krishna Sada Sahaayate, which became the first Gujarati film to cross Rs. 100 crores. Kannada Cinema grew 74% year-on-year, driven by Kantara Chapter 1, and Su from So. Malayalam Cinema crossed Rs. 1,000 crores milestone for the second consecutive year, reinforcing its strong content credibility and loyal audience base.

During the quarter, we welcomed 40.5 million guests to our cinemas, representing a growth of 9% year-on-year. Occupancy improved to about 28.5% compared to 25.7% in Q3 last year, reflecting both the strength of content and the impact of various footfall driving initiatives we have been implementing.

Average ticket price and food and beverage spend per head both increased by 4% year-on-year to Rs. 293 and Rs. 146, reflecting stable consumer spend trends. On the back of a strong performance from titles such as Dhurandhar and Avatar Fire and Nash, December emerged as the third highest month in terms of admissions and the highest month post pandemic in terms of revenue and EBITDA, highlighting the operating leverage inherent in strong content-led footfall recovery.

In terms of the financial results for the quarter, the following numbers were calculated after adjusting for the impact of IndAS 116 on lease accounting.

Total revenue for the quarter was Rs. 1,908 crores. EBITDA was Rs. 345 crores and PAT was Rs. 115 crores, as compared to revenue of Rs. 1,739 crores, EBITDA of Rs. 258 crores and PAT of Rs. 68 crores in the same period last year. We recognized a onetime provision of Rs. 44.6 crores in Q3 relating to adoption of the new labor codes treated as an exceptional item below EBITDA impacting reported PAT for the quarter.

Importantly, for two consecutive quarters now, the business has delivered 18% EBITDA margins at an occupancy of around 28%, compared to pre-COVID levels where similar margins were achieved at 350 to 400 bps higher occupancies. This underlines the sustained benefit of merger synergies and structural cost optimization, resulting in a more resilient and efficient operating model.

During the quarter, we added 20 new screens while exiting three underperforming screens located in malls that are nearing end of their life cycle. Year-to-date, we have added 62 new screens and exited 11 loss-making screens, and are on track to add nearly 100 new screens in FY 2026. Staying true to our capital-light and scalable growth strategy, we now have 149 screens signed under the capital-light model, of which 54 screens are under the FOCO model and 95 screens are under the asset-light model.

We remain focused on generating healthy free cash flows, deleveraging and strengthening our balance sheet. As of December 31, 2025, net debt reduced to Rs. 365 crores, representing more than Rs. 1,000 crores reduction since the merger, driven by strong free cash flows and disciplined capital allocation strategy. In line with this focus, last month, we concluded the divestment of our entire stake in 4700BC premium snacking brand to Marico for an all-cash consideration of Rs. 226.8 crores, further strengthening our balance sheet and moving us closer to negligible net debt levels.

Looking ahead to Calendar Year 2026, we are increasingly optimistic on the outlook for the theatrical industry with content visibility that is stronger and evenly distributed. The Hindi slate for 2026 is anchored by several large and mid-scale films, including Dhurandhar 2; King starring Shah Rukh Khan; Ramayana Part 1, starring Ranbir Kapoor; Battle of Galwan with Salman Khan; Drishyam 3, Love and War, O'Romeo, Bhoot Bangla and Dhamaal 4, amongst many others.

Regional Cinema also enters the year with strong momentum led by titles such as Toxic, Peddi, Fauji, and Jailor 2; while Hollywood pipeline for India looks particularly robust with high-profile releases, including Avengers Doomsday, The Odyssey, Street Fighter, Mortal Kombat 2 and Dune 3. These collectively provide a healthy mix of franchise extensions, event films and mass appeal entertainers. Our current screen portfolio stands at 1,791 screens across 358 cinemas in 112 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: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Abneesh Roy from Nuvama. Please go ahead.

Abneesh Roy: Thanks. The first question is on advertising revenue. We have seen a GST rate cut in many of the consumption segments. So, any changes you are seeing post that? And FY 2027 outlook, how do you expect ad revenue for the entire year?

Gautam Dutta: Ad revenue has been low this quarter. It's largely on account of the fact that we had fewer marketable films, while Dhurandhar really caught up a lot in December, we were devoid of any big titles. And advertising, as against the core cinema business, works on the perception of a big blockbuster film. Last year same quarter we had eight very marketable films, whereas in this quarter we had only four, that kind of dented the advertising. But having said that, we believe that we are on the path of being able to post a marginal growth over last year.

Ajay Bijli: But Abneesh, I must say that you picked up one thing. But overall, ATP, SPH, number of people who are coming, the EBITDA margin, so even if there's a bit of a dent in advertising, which, as Gautam said, is temporary, I think overall we are very happy with the kind of performance that we have given, and we fired in all cylinders.

Abneesh Roy: Sure. 4700BC divestment I think makes a lot of sense. My question is, in the next two years, anything more we can do in terms of any property, any other kind of cash flow generation? Any more plans?

Ajay Bijli: Well, because of our FOCO model and asset-light model, I think the cash flow generation has become healthy, with a strong lineup that is there. So, I think even if we do not have anything to divest, accruals will be enough to take care, and the strong control that we have around CAPEX, as well as operating expenditures, are going to ensure that the debt levels, which have already come down a lot, can come further down to negligible levels.

Abneesh Roy: Thanks. That's all from my side. Thank you.

Moderator: Thank you. The next question comes from the line of Jinesh Joshi from PL Capital. Please go ahead.

Jinesh Joshi: Thanks for the opportunity. Sir, my question again is on 4700BC. Given the divestment to Marico, will the brand get discontinued in our cinemas, and correspondingly, will there be a revenue loss? Or will we source it from the supplier and continue to sell? That is one. And if it is latter, what could be the incremental impact on margins that you may see?

Ajay Bijli: See, roughly over Rs. 1,800 crores is our revenue on F&B, and 4700BC gourmet popcorn was only being sold in 50 of our screens and 50 of our properties, and represented only Rs. 13 crores of revenue. So it is less than 1%. Having said that, it will continue to sell in our premium properties. So it will hardly have any dent on our margins or hardly have any dent on our revenues because our focus is on in-cinema F&B more than out of cinema F&B. And as I said, it will continue to sell in the cinemas where it was selling. So there's not going to be any dent whatsoever.

Jinesh Joshi: Understood. And the second question again is on the ad revenue. While you highlighted the reason as to why there was a Y-o-Y decline, I just wanted a clarification on two small sections. First is that, was there any cut down in the ad time this quarter versus the base quarter? And is it possible to share, I mean, how much of the inventory typically do we sell at a pre-contracted rate, and how much is sold on the spot, to just get a sense as to whether these also had played any role in terms of revenue decline?

Gautam Dutta: It is largely we had lean weeks and months this quarter where we did not get enough advertising. So clearly, the volume dipped, it was not about the yield at all. We control our yield very strongly in the market, and ensure that the yields do not get affected. But the sheer demand does go down when there are films that technically do well at the box office, people are coming in, but do not have the perception for advertisers to come in.

Now to answer your other question, on an average, we sell about 14 to 15 minutes of advertising. This is all averaged out at the end of the year. That's the kind of time we utilize per show per auditorium.

Jinesh Joshi: Got that. One small follow-up question. Can you share what is the screen outlook guidance is for 2027 and the CAPEX figure?

Ajay Bijli: First of all, we will be opening about 96 screens roughly this year. And next year, we are looking at about 150-odd screens to open. And CAPEX intensity, Gaurav, can you just help me out there?

Gaurav Sharma: Yes, it will be between Rs. 350 crores to Rs. 400 crores of CAPEX outlay that we are planning for next year, all inclusive, including new screens plus renovations and maintenance.

Jinesh Joshi: Sure, sir. Thank you so much. All the best.

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

Kavish Parekh: Thanks for the opportunity. Congratulations on two great quarters consecutively. My first question pertains on the debt side, so second quarter of a solid show on the net debt front. I believe the company remains well placed to be net debt-free by the end of FY 2026, if not by Q1 FY 2027 max. But on the gross debt, do you plan to pare it gradually while holding on to cash? Or will there be accelerated payments on the gross debt front? That was my first question.

Ajay Bijli: So, one is the scheduled repayment of gross debt, which is largely term within our case. So that will happen. On top of that, we will also prepay some of the gross debt using the surplus cash that we are carrying. So that exercise will take place over the course of the next couple of months. So we are expecting that gross debt levels will also fall materially by the time we finish this financial year.

Kavish Parekh: Understood. And secondly, given that content has been doing well for some time now and the near term also appears promising, do you find any low-hanging fruits to extract more juice for realizations like ATP and SPH? And secondly, do you find the need to have a loyalty program to sort of lock in users at times like these, when consumers are more likely to enroll for any loyalty-based offerings times when content is doing well?

Gautam Dutta: So first on the loyalty, see, there are schemes today, and we believe that we have been studying consumers very closely, when there is a big film that a cohort wants to watch, there are enough and more deals that are being given, more personalized, more targeted and sharpened deals so that we can get more footfalls to the cinema. We believe that a loyalty program on a broader base does not work, because every film has a very different fan following, and those have to be targeted with more specific deals. And given our marketing department and the way we are using AI, we are able to now target a much smaller, sharper cohort of audience and work out deals for them to get better footfalls.

In terms of your question on ATP and SPH, the reality remains that bigger films, stronger films and different format films do garner a higher ATP, and that will continue to happen. On an even

ground, every year we are looking at about 3.5%, 4% increase in ATP and that would be the trend going forward and so would be the case with SPH as well.

Kavish Parekh: Understood. And just to reconfirm the screen addition target that you mentioned, both for FY 2026 and 2027, 2027 especially, is that on a net basis?

Ajay Bijli: Yes. I think we are talking about gross new screen additions. The screen exit will be negligible because bulk of the underperforming screens have been closed in Financial Year 2024 and Financial Year 2025. So the gross screen additions and the net screen additions will not be substantially different.

Kavish Parekh: Understood. That was super helpful. Sir, if I can squeeze in a follow-up on the debt front. You plan to sell off some of your properties a few quarters ago, realizations were expected to be around Rs. 3 billion odd. Now with net debt levels coming down and gross debt also being at comfortable levels, do you still plan to sell those off? Is there any progress on that front?

Ajay Bijli: So, I think we will be very careful about what sort of value that we will get. Even in the past, we have explored options, but we decided not to sell. And the case for selling properties is now not so much there given the fact that the overall liquidity levels in the company is pretty healthy and balance sheet is stronger. Also, some of the properties that we own have operating cinemas, which are generating positive EBITDA. So, we would also take that into account when we look at assessing any property sale.

Kavish Parekh: Understood. That was helpful. Thank you so much. All the very, very best.

Moderator: Thank you. The next question comes from the line of Priyadarshee, an individual investor. Please go ahead.

Priyadarshee D: Thanks for taking my questions. Congrats on a good set of results. I just wanted to talk about how do you look at the business from an annual point of view? So like there are still variations across quarters, even though the last two quarters have been consecutively very good execution on the occupancy front. But how do we look at 4th Quarter and also on a yearly basis, where do the occupancy rates settle? Do you think that there was a little bit of consumption slowdown, which also played into it and therefore, the occupancy rate go up from here or it will stay where it is on an annual basis?

Gautam Dutta: Kamal, you would like to take that?

Kamal Gianchandani: I think on an annual basis, Q4 traditionally has been a weak quarter, the weakest quarter amongst all the quarters. But that said, this quarter, because we have got Toxic, Dhurandhar right towards the end of the 4th Quarter, one can expect some aggressive numbers. But overall, I think you should see Q4 in line with what we have done in the past few years in terms of Q4 as a ratio vis-à-vis Q3 or Q2, one of the higher generating quarters. So that sort of trend, that sort of framework is what would continue. And I think we have a long history of performances pre-COVID as well

as post-COVID. So there's enough data to sort of look at various quarters and their relations. So that's one aspect.

But in terms of the larger question that you are posing, which is, are these occupancies sustainable? And how should we sort of factor them going forward in our numbers? I think these occupancies definitely are sustainable. And the reason we say that is that post-COVID, of course, there were a lot of structural changes, consumption pattern changes. The content supply went through its own share of disruption because a lot of films were traveling straight to streamers. And because the consumer taste had changed, producers also took some time to sort of adjust their filmmaking as per that taste.

But now all of those factors have fallen into place. The content cycle is pretty much well-oiled and working in a very synchronized manner like the way it used to work pre-COVID. There are hardly any gaps between weeks. Films are very well spaced out. There are a lot of wide releases, films which go out in maximum number of theaters, big star cast, big production values, broad-based successes, not just the bigger films are working, but midsized, smaller films are also succeeding.

So, I think the content cycle is pretty much in shape, and one should expect sustenance in terms of occupancies. I would go to the extent of saying that our best years are ahead of us. We have not yet seen our best years post-COVID. 2026, 2027, just on paper looking at the slate is looking like a very, very strong year. The kind of content mix we have in Hollywood, Hindi and regional cinema is so strong that we would stick our neck out and say that 2026, 2027 definitely would surpass what we have seen in 2025, 2026. I will pause. And if you have any follow-up questions, happy to answer.

Priyadarshree D.:

That's very heartening. Thanks a lot. I just have one follow-up. Like when you do the benchmarking of content, right, because this year was also a cyclical recovery we saw in terms of content quality, et cetera. So what gives you the confidence to say that next year, if you benchmark the two years, it is going to be better. What are the factors that, I know that in our business, we can still see a difference, right, when the actual numbers come. But the point is, what are the drivers? How do you benchmark these two years?

Kamal Gianchandani:

I think if you look at the breadth of content in terms of offerings, we have got a great mix of big budget, big star-driven films, mid-level films which are more content-driven, smaller films which continue to surprise at the box office, well supported by regional cinema in all wings. So not just Tamil, Telugu, Malayalam, Kannada, but also in languages which are up and coming like Gujarati films, a lot of action happening on the Bengali front. And Hollywood is finally getting its act together in terms of films which go wide, release in U.S. in 2,000 or more theaters. That number has been consistently going up.

All studios, including Paramount and Universal, have been talking about increasing the number of wider releases in the slate. They are talking about increasing their overall slate but in addition

to that, they are also talking about increasing the wider releases in their slate. So when you look at the quality of films getting better, quantity going up, you feel confident that the next year would be much more buoyant as compared to this year. So these are some of the factors that we watch very closely.

Priyadarshee D.:

That makes sense, thanks a lot. One last question from my end. So you have demonstrated that you are achieving the same EBITDA margin at 28.5% occupancy, which you used to do at 32% occupancy. And therefore, what other runway do you have there? I mean, that this point 28.5%, can it go down further?

Kamal Gianchandani:

Gaurav, do you want to take this?

Gaurav Sharma:

I think it's already at a very optimal and healthy level in terms of the margins, if you look at it at 28% occupancy, 18% margins. Having said that, there are still line items in our P&L where we are working towards optimizing. For example, electricity cost is one area where if you notice, we have seen a 4% year-on-year drop because we are deploying solar panels on the rooftops of many of our cinemas, which are on the top floor of the malls. We will accelerate that deployment further. Also, rental renegotiations and seeking discounts and moving to more revenue share kind of deals will further make the overall rental cost more efficient.

Ajay Bijli:

So I would say that to answer your question straight, in terms of margin there will be a slight increase, but a bulk of the margins is already--

Moderator:

Sir, there is a kind of disturbance coming from your end.

Ajay Bijli:

Priyadarshee, that answer your question, or do you want?

Moderator:

The line for Mr. Ajay has been disconnected. We are connecting him back again.

Gautam Dutta:

You do not need to connect Mr. Bijli back. I think he's dropped off. But the answer was to the question raised by Priyadarshee. If that addresses your question, maybe we can move on to the next one.

Moderator:

Alright. The next question comes from the line of Siddhant from Goodwill. Please go ahead.

Siddhant:

I wanted to ask about, now that we are very likely to be net debt free by 31st March, any plans on restarting final dividends and buybacks considering the low promoter stake? And just a follow-up to that, what is the runway to the promoter pledge ahead?

Gaurav Sharma:

I think capital allocation with respect to distribution to shareholders is a decision that the Board will take at the right time. We will not be able to give any guidance on that at this stage. But the cash which is there will be definitely used towards reducing debt as well as funding growth. As we had said earlier that there are ample growth opportunities in the country, there are markets where multiplex penetration is low, and those are pretty attractive markets. So we will take a

holistic picture in terms of how we deploy the capital and accordingly decide. At this stage, there is no guidance on any dividend or distribution.

Siddhant: Okay. And on the promoter pledge?

Gaurav Sharma: On the promoter pledge, I think the pledge levels have been pretty sort of at the same level for quite some time. We do not expect that to change, or rather we do not expect that to increase.

Siddhant: Okay. My one more question was about our tax shield and our tax losses, how much would they be? And how much do we expect it to be utilized over the next two, three years?

Gaurav Sharma: I think our estimate is that our deferred tax assets will be utilized fully over the course of next three and a half to four years. So from a tax perspective, we have enough losses to absorb any future tax payouts for the next three to four years.

Siddhant: Okay, that's good. So one more is that because we have been asset-light and we have been doing lesser CAPEX, do we expect maintenance CAPEX to go up now because there's less stress on our balance sheet because we do not want the quality of cinemas going down, right?

Gaurav Sharma: Absolutely. I think customer experience is paramount, and we are pretty much focused in terms of maintaining the standards of our older cinemas. In fact, we will be deploying a greater percentage of CAPEX towards renovation of our high-value cinemas where the overall look and feel of the cinema now looks dated as compared to the new properties that we are opening. We are also upgrading many of our cinemas with newer technologies, better projection and sound system, overall seating. So the CAPEX outlay towards renovation will be slightly higher in upcoming years. Also, renovation is far less risky as compared to opening a new cinema given that you know the operating profile of that property and location and the payback periods are much faster. As a result, their return metrics on renovation CAPEX is also pretty healthy. So yes, I think we will be focused on that pieces, going forward.

Siddhant: Okay. And just on the film distribution business, what would be the approximate margin band that we operate over there?

Gaurav Sharma: You mean in terms of EBITDA margins?

Siddhant: Yes.

Gaurav Sharma: So I think on EBITDA margins, we will be roughly in the range of 8% to 9% overall on the revenue. It's a business where we sort of take distribution rights and it's a working capital focused business, but a very high return on capital kind of business profile.

Siddhant: Okay. Just one last question. So when two big films, example, the one on 19th March or the Hollywood one that's happening in December this year, is that a benefit for PVR in terms of pricing and lack of supply? Or it's better when films are divided over a period of time?

Kamal Gianchandani:

I think you have to see it on case-to-case basis. There are times when a big regional film, non-Hindi Indian film clashes with a big Hindi film. That becomes synergistic in the sense that the territories where the films are stronger differ, right? So suddenly South becomes extremely strong for the regional film, the non-Hindi South Indian film, and the rest of the territories become very strong which are Hindi language dominated for the other film. Also, I think we have seen with many films that in terms of capacity we have enough and more for two films to coexist and do something like Rs. 110 crores, Rs. 125 crores sort of a net box office, which translates to something like Rs. 135 crores, Rs. 140 crores gross box office in a day, all India, all theaters put together. Now that's a very healthy number.

Typically, a big film opens with Rs. 50 crores, Rs. 55 crores sort of a net box office. The other film tends to open with Rs. 20 crores, Rs. 25 crores. So even if there are two big films releasing, I will use Singham and Bhool Bhulaiyaa as a case in point, both released in Diwali, very strong period, both targeting Hindi audiences, but very comfortably coexisted. And ended up doing very strong numbers for that week and the subsequent weeks in November last year. Similarly, this year, we have got Dhurandhar, which is a very, very strong film targeting the Hindi audiences. And then we have got Toxic, which is also dubbed in Hindi, but is extremely strong in the South Indian markets, whether it's Kannada, Tamil or Telugu or even Malayalam for that matter of fact.

Which means we can have very strong performance in South, and we will also have very strong performance in the rest of the country, which is Hindi speaking. And that augurs well for us. That augurs well for the chain because you want all theaters, all seats to be filling up when there are big films releasing, and Eid is a big week for us. So yes, mostly it is positive. In some cases, films tend to cannibalize, take away business from each other, it becomes a bit of a negative. Very tough to sort of forecast these things. But more often than not, I would say this is a positive.

Siddhant:

Okay. Just one last question. Any plans to impair or reconsider the goodwill on our balance sheet because it really skews our return ratios?

Gaurav Sharma:

No, there are no such plans as of now.

Siddhant:

Okay, perfect. Thank you so much.

Moderator:

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

Umang Mehta:

Hi. Thank you for the opportunity. Congrats on great consecutive quarter. My first question was on your footfalls. So if we look at calendar 2025, you have done around 15 crores footfalls. This is a decent growth on last year, which was around 14 crores. But the year before, we were at 15 crores. So if you can share some insights as to how the trends in unique visitors is? Have we seen more unique visitors come through last year versus earlier years? And what do you expect on unique visitors in the coming year? That's the first question. Thanks.

Kamal Gianchandani: So, we have seen more unique visitations in 2025 calendar versus 2024. There has been a healthy growth. That said, we would not like to get into specifics because this is business-sensitive information. I hope you understand. But yes, there has been a very, very strong noticeable growth in the unique visitations.

Gautam Dutta: I would also like to add one thing to this, what Kamal said, our Tuesday promotion has been a huge galvanizer for getting in these new users to the cinemas. And it's been a consistent promotion that we have been doing throughout the year, and that's kind of propelled many fence-sitter audiences to start now experiencing cinema so much so that there is a huge audience set now looking to come to cinemas on every Tuesday.

Umang Mehta: Got it. Just one clarification versus Calendar Year 2023 as well, there would have been growth in unique visitors?

Gautam Dutta: Yes.

Umang Mehta: Got it. The second kind of question had three basically recent developments or some concerns from investors that we were gathering. If you can share some comments on the CCI investigation and latest update, the Netflix, Warner Bros kind of development globally and on Karnataka price stand.

Gautam Dutta: Gaurav?

Gaurav Sharma: On VPF CCI matter, the process with CCI is ongoing, and given that it is subjudice, we are fully cooperating with CCI and sharing information. At this point, there is no new material update to share. On Karnataka pricing update, the Karnataka High Court had stayed the state government's order on capping the ticket prices. The matter is again currently subjudice at the High Court level. And there is currently no cap implemented in Karnataka. We are continuing to engage with all the stakeholders through appropriate legal and regulatory channels. And on Warner Bros. and Netflix, maybe Kamal, if you could give some insights on that piece.

Kamal Gianchandani: On Warner and Netflix, again, the matter is ongoing. We continue to monitor it closely with our colleagues in North America, Europe and other parts of the country. It's an event which is going to have an impact on the global exhibition industry and, therefore, all exhibitors are looking at the events and the developments in a very close fashion.

Now, there was a Senate hearing yesterday in U.S. It was well covered by television media. And of course, a copy of that is also available, a streamed copy of that is available on YouTube. We would encourage everyone to have a look at that video. Clearly, the U.S. government is also in a very proactive fashion, looking at this combination in a very serious fashion because they feel it will impact a lot of stakeholders and not just customers, but also the professionals and talent which is deployed in the entertainment business.

But at this point, there are events in motion, not much to comment. We are observing everything very closely, keeping a tight watch. We will see how things play out as we move forward.

Umang Mehta: Got it. Thank you so much for all your explanation. All the best.

Moderator: Thank you. The next question comes from the line of Rishi Dilip Mody from RDM Advisory LLP. Please go ahead.

Rishi Dilip Mody: Hi, guys. First, I have a bunch of questions. On the results, I just wanted to understand, our employee cost kind of eats up the operating leverage that one would expect in this business, especially given how we have reduced our costs over the past several quarters. So, is there like some variable incentive which is built into the employee cost, which is leading to the 10% Y-o-Y increase in employee cost? Or I do not know, like could you just explain that 10% raise?

Gaurav Sharma: Our employee cost typically grows between 7% to 8% in line with the wage escalation, and a large portion of our employees are off-roll employees where at state level minimum wages go up. But particularly in Quarter 3, there has been a slightly higher growth. You are right, there has been a onetime nonrecurring impact of certain team incentives paid out during the quarter, but that's nonrecurring only for Quarter 3. Excluding that impact, the growth in personal cost would have been 6.4% during the quarter.

Rishi Dilip Mody: Excluding the incentive, it would have been 6.4% per quarter. Right?

Gaurav Sharma: Right.

Rishi Dilip Mody: If I heard you correctly. Understood. Second, now just coming to the business model, I had two questions. First, how do the economics for us stack up for regional films, say, a Gujarati film, Punjabi film, Marathi film versus, say, a Bollywood film, and also within these big production house versus a smaller production house, bigger distributor, smaller distributor, how do the economics stack up, if you could just give some details?

Kamal Gianchandani: So I think you mean the way we share revenue with our suppliers in different languages.

Rishi Dilip Mody: Yes.

Kamal Gianchandani: Without getting into specifics because, again, this is business-sensitive information, we tend to have same sharing terms language-wise. So when it comes to Hindi films, what we offer to a big producer, we have percentage revenue sharing. So whatever is the collection, a percentage of that is shared with the producers, with the distributors/producers. And it's same across both for each language, whether it's a big film or a big producer or a smaller or a midsized film, it's the same percentage. Same applies for Gujarati film, same applies for Tamil, Telugu. Within languages, there could be a differentiated sharing ratio, sharing percentage. But within the language, it's the same sharing ratio with all producers in all shapes and sizes of films.

Rishi Dilip Mody: Understood. And would I be correct in assuming that Bollywood would be the lowest sharing versus then followed by South Indian and then finally, the other languages?

Kamal Gianchandani: They are all comparative is what we would say.

Rishi Dilip Mody: Okay. All right. So not much gap between the sharing differential?

Kamal Gianchandani: Sure.

Rishi Dilip Mody: Second, with the advent of AI, especially on the media front, bringing the costs down, do you see more pipeline of production or lower cost of production for the production houses, which will ensure that, say, better content or more content comes out? And secondly, in the past, we have been producers, but then we stopped being producers. And given the recent success of animated films like Narsimha, do you think you would want to get into the animated side of this business, especially with AI now bringing the costs down? Would you be open to that and hence, ensure that you can fill up periods when there is no content?

Kamal Gianchandani: So AI and various other tools and other advancements are definitely helping producers, content creators towards data-driven learnings, analytical advancements, better understanding of audience behavior, automation improvements are getting enhanced with every passing month, and that, of course, improves the way people conceptualize or program content or write a film.

So their understanding of what could work, resonate with a large number of people is improving because of these advancements and learnings. We in our business and other exhibitors use them to improve their pricing decisions. Various operating decisions, various operating platforms, we are able to enhance, improve upon using technology, automation, AI.

And of course, from a marketing perspective, and I think Gautam spoke about it earlier, targeted marketing. All of these things are providing material benefits quarter after quarter to both producers and exhibitors. But I wo not go as far as saying that AI is ready to make a film, which can be theatrical in nature or even for that matter of fact, which could be released on a streaming platform or another distribution platform, but it was produced end-to-end using AI. I wo not go that far.

The way we see it from our prism, technology is not advance to that level, at least at this point. We will see what happens. We are watching these developments very closely. We will see what happens in future. But at this point, in near-term, that does not seem likely.

Your second question about us getting into production, we are a prolific distributor. We are actively engaged in working with producers and ensuring that their films get the best marketing and distribution exploitation as and when they are ready to release. At this point, we have no plans to go back to production. If anything changes, of course, we would definitely come back and report it.

Moderator: Thank you. The next question comes from the line of Vivekanand from AMBIT Retailer and Developer. Please go ahead.

Vivekanand Subbaraman: This is Vivek from AMBIT. I have two questions. One is on the unique visitors to your cinema screens. You said that they are growing. I would like to know from you the extent of booking that happens through online platforms and the data sharing that you get from these platforms. That's number one. So how confident are you in being able to gauge or maintain a database of the patrons that visit cinema and then decipher their frequency of viewing? That's question one.

The second question is on the adjacencies that you were focused on. So you have divested out of 4700BC, but in the past you have made multiple attempts not just there, but also in, say, setting up a branded food court, your JV with Devyani. So I know you spoke about capital allocation and your intent to penetrate into under-screened markets further. But from a number two, number three perspective, what are the other priorities of use of cash now that you are able to generate significant amount of free cash flow?

Kamal Gianchandani: So I will answer question one, and then I will request Gaurav to chip in with the answer for question two. So in terms of data sharing with the aggregators, we have full access to customer data and customer data at a transaction level, at an individual level, we have full access to that information. And of course, we use it for analytics, various other data-driven learnings. What is the proportion of online to box office, again, business sensitive information. We would not like to get into specifics. But I would say this that a substantial portion of more than 50% of our tickets gets sold through the online channels, be it our aggregators or our own digital platforms, the PVR app and the INOX app. So a substantial portion gets sold through the online channels and data is shared by the aggregators with us. Gaurav, over to you.

Gaurav Sharma: Yes. Thanks, Kamal. Just to add, Vivek, on that, we can also connect separately and through our Investor Relations team and give more color offline on that. On your second question around adjacencies in the business and our growth strategy around that. I think, first of all, I want to make it clear that 4700BC has been always a noncore asset for PVR Inox because it's a brand. It scales significantly over time outside the cinemas. It has evolved into multiple channels across quick commerce and some of the others and more than 85% of its sales comes from outside the PVR cinemas. And we have no aspiration nor the expertise to build and scale a nationwide FMCG business. And therefore, there was clearly a strategic rationale to exit it. However, we will continue to retail the products in our cinemas, but we will not own the equity in that company.

With regard to our joint venture with Devyani on food court side, I think the whole objective is that how we can grow our F&B business in partnership with other players in the market. And given that all our F&B comes from purchase of products over-the-counter within cinema premises, we felt that there is an adjacency in terms of expanding on the same floor of the mall by moving into a food court where we can partner with other products, other brands and have a pre-ticketed F&B kind of business. That was the vision behind that. And we have already opened

three food courts. We are in the process of scaling and opening more. But F&B definitely is a big growth driver for us.

We have also launched some new brands in food categories where there are limited other third-party brands. For example, on hot dog, we have launched a brand called Dogfather, which is currently being sold in our cinemas, similarly on the pizzas, French fries. And we will continue to nurture them and see if they have potential to scale beyond cinemas as well.

Vivekanand Subbaraman: Just one small follow-up on the second answer. Do you have any budget earmarked for initiatives outside of cinema for, let's say, the next couple of years?

Gaurav Sharma: Yes, definitely, we have internally allocated capital towards growing our F&B business, which includes building and growing our own brands within the cinemas. But in our overall CAPEX outlay, that's not a material number as of now.

Vivekanand Subbaraman: Alright. Thank you. Thank you for the clarity and all the best.

Moderator: Thank you. The next question comes from the line of Arul from Bajaj Life Insurance Limited. Please go ahead.

Sujit Jain: Thank you for the opportunity. This is Sujit Jain from Bajaj Life. So when we look at this company, the pre-COVID 2019 quarterly average advertisement income, and you can correct me on this number was Rs. 146 crores. We have not been able to reach there. Pre-COVID occupancy in FY '19, we are truly appreciative of all the initiatives the company is taking, whether it is FOCO, asset-light model, value formats, dine-in pilots, et cetera. But somehow, this has not happened, we are still at 28%.

So when as investors, we think about this company and invest in this company, the pushback that we get from analysts is that perhaps structurally, this has changed. What is it that, in your opinion, that one can do and will eventually take this industry to the pre-COVID highs of occupancy that you achieved then and plus the advertisement income?

Gaurav Sharma: On pre-COVID versus now, I think the way to look at it and the way we look at this business is that while the occupancy levels have been continuing to improve, and we have seen 2 successive quarters of 28% occupancy. But financially, if you look at the business, we are delivering same EBITDA margins as what we used to do in the pre-COVID financial year, which is around 18% margin, but at a substantially lower occupancy level. So, I think from a financial lens, the business is generating similar margins and similar returns. The return on capital metric is also on an uptrend given the balance sheet strengthening that is happening and pivot towards asset-light model will further reduce the CAPEX intensity and strengthen the balance sheet.

So overall, return on capital employed in the business is improving and will definitely be in double digits very soon. I think we feel that the trajectory of occupancy is upwards. The kind of films we are seeing for next financial year and next calendar year, in fact, are much bigger than

what we saw last year. Last year, we did not have any of the big Khans other than Amir's one film. Shah Rukh was not there, Ranbir Kapoor's film was not there. But next year, we have some of the biggest titles from Hindi Film Industry.

And we feel that there is no reason for us to believe that the occupancy levels will be lower than what we have today. Even Hollywood has a very strong lineup and regional continues to outperform across different languages. So I think from an investor point of view, analyst point of view, the focus should be on operating cash flows, operating margins, return on capital and the balance sheet position.

Maybe on the second question on advertisement, I will request Gautam to take that one.

Gautam Dutta:

So on advertising, if you see until about H1, we were completely on course. And I do understand that Q3 has been a bit of a dampener. I believe that we are on path. It's just that there has been just so much of chatter around this media that a lot of advertisers have started to now pick films rather than the category because the media perception and the chatter around people coming to cinemas has grown. So we have a counter plan to this, and we are very aggressively working with agencies, our media partners and brand managers.

And I think next year would be the pivotal year because we have all the three streams working concurrently, which is Hindi film industry, English as well as regional. There is a very strong pipeline. And we believe that it could be the turning point along with the fact that there's actually been a lot of work now to see whether we can also make our media more relevant with what the brands are asking. So we have now started to also furnish a lot of data around advertising that is happening at the cinema, which is getting huge amount of traction, and we hope that we will be able to get that confidence back from advertisers and get cinema back in a big way in terms of advertising. So it's a journey. And I guess we are more than halfway done on that journey. Starting next financial year, things would really begin to look up.

Sujit Jain:

What is the ROCE that you said you achieved in nine months?

Gaurav Sharma:

I think we will be in single digit, in the high single-digit number adjusted for goodwill, if you look at the overall capital employed.

Sujit Jain:

So the screener that I used, we were at 18% in FY'19

Gaurav Sharma:

Correct. So we are improving. If you look at last year and year before that, the ROCEs were much lower and the trajectory is upwards.

Sujit Jain:

And one last question is what is the KRA set by the Board to the management? And does it also include value creation? Because if you see, there is -- that has been the issue, which obviously we discussed as to why there is an issue in terms of some of the glory that we were in the past and now we are scaling back. But what are the exact KRAs of the management sent by the Board?

Gaurav Sharma: Yes. I think the Board and the management is focused towards improving the financial profile of the business. And the overall leadership level deliverables include revenue, EBITDA, overall balance sheet and cash flow as well as some of the qualitative factors around organization structure, customer experience, which are very critical. So I think those are some of the important things. As far as the value piece is concerned, there are multiple factors which affect value. Financially, I think we are focused on delivering the right results and moving in the right direction and trying to leverage the scale, market share and leadership that PVR Inox has today in the exhibition business to the best of our advantage. And definitely, early signs are visible in the numbers that we have delivered. And on a long-term basis, we are pretty optimistic about the overall business and performance of the company.

Moderator: All right. Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to management for closing remarks.

Gaurav Sharma: Thank you so much for everyone to join this call. If there are any more questions, feel free to reach out to our Investor Relations team. Thank you.

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