

July 30, 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 16th July, 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 Q1 FY27 earnings conference call for analysts and investors held on Friday, 24th July, 2026.

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

The transcript shall also be available on the website of the Company <https://www.pvrcinemas.com/investors-section> .

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
Q1 FY27 Earnings Conference Call”
July 24, 2026



MANAGEMENT: **MR. AJAY KUMAR 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. NIRANT DHUMAL – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to PVR INOX Limited Q1 FY '27 Earnings Conference Call hosted by ICICI Securities Limited. 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone.

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

Nirant Dhumal: Good afternoon, everyone, and welcome to PVR INOX Limited Q1 FY '27 Post Results Earnings Call. The call will start with brief management remarks on the earnings performance, followed by a 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, sir.

Ajay Kumar Bijli: Yes. Thanks very much. Good evening, everyone. This is Ajay Bijli. I'd like to welcome you to today's call to discuss the results for the quarter ended June 30, 2026. The earnings presentation and results were uploaded to our website and the stock exchanges yesterday, and I hope you've had a chance to review them. Q1 FY '27 was a strong start to the year.

India's total box office collections grew 20% year-on-year this quarter with broad-based growth across metros as well as Tier 2 and Tier 3 markets across a wider set of successful and mid-scale films and across languages. The strength we are seeing in India is also visible globally.

North American box office is running 14% ahead of last year at \$4.8 billion for the first half of 2026. Its second best first half performance since 2019, reaffirming that theatrical first remains the release model of choice for filmmakers everywhere. The quarter saw strong performances across languages, Hindi Cinema held its ground with titles like Bhoot Bangla, Cocktail 2 and Main Vaapas Aaunga, while it was regional, Hollywood content that drove the outperformance.

Hollywood found success from non-franchise titles such as Project Hail Mary, Michael and Obsession. Regional cinema delivered multifold growth on the back of compelling local content such as Raja Shivaji in Marathi, Drishyam 3 in Malayalam and Karuppu in Tamil, amongst others. Our own performance mirrored this momentum. We welcomed 36.6 million guests during the quarter, up 8% year-on-year.

Equally encouraging is that guests are spending more with us on every visit with ATP touching INR273, which is up 8% and SPH at INR161, up 9%. When footfalls and per guest spends rise together, it reflects the underlying strength of the cinema going habit and of our premium offering.

This translated into a strong financial performance during the quarter. On an Ind AS 116 adjusted basis, revenues grew 12% year-on-year to INR1,642 crores, while EBITDA nearly doubled to

INR230 crores at a 14% margin. This margin expansion reflects the benefit of operating leverage and the cost discipline we have sustained for several years. PAT came in at INR71 crores against a loss of INR34 crores in Q1 last year. The standout achievement this quarter is on the balance sheet. 3 years of sustained free cash flow generation and disciplined capital allocation have taken us to a net cash position of INR80 crores as of June 30, 2026. This gives us a complete strategic flexibility. We can now fund our growth from our own cash inflows, continue on our capital-light path and do so without the weight of leverage on our balance sheet.

On the growth front, we remain on track to open around 100 screens over the course of the year through a combination of our lease and capital-light models. Looking ahead, the slate for the remainder of the fiscal gives us real confidence.

Hindi Cinema has some of its biggest titles lined up, Ramayana Part 1, King and Love and War among others. Regional Cinema continues to deliver exciting content with titles like Jana Nayagan, Toxic and Jailer 2. Hollywood brings major tentpoles, including Avengers: Doomsday, Spider-Man: Brand New Day and Dune: Part Three, several of which will release in our premium large screen formats. The breadth of this lineup across languages, genres and budgets is exactly the kind of slate that plays to the strength of our network.

Beyond the films, we continue to build PVR INOX into India's leading out-of-home entertainment destination. Recent live streaming of the IPL and the FIFA World Cup 2026 drew a fabulous response across our network, reaffirming that audiences want to experience marquee sporting moments together on the big screen. This sits alongside our alternate content programming, streaming concerts, live events and curated rereleases, along with premiumization of the in-cinema experience and an expanding food and beverage ecosystem.

The vision is to use our screens, locations and audience trust to be present in more moments of people's leisure time, not just when a big film releases. We enter the rest of FY '27 with the strongest balance sheet in our history, a diverse content slate ahead of us, a strong pipeline of new screen openings and an industry whose growth is broader-based than there has been in years. We are confident of building on this momentum.

With that, I open the floor for any questions. Thank you.

Moderator:

The first question is from the line of Abneesh Roy from Nuvama.

Abneesh Roy:

Congrats. This is Abneesh Roy from Nuvama. So two questions. So great revival across all the genres and all the languages. I wanted to understand how concerned are you on no INR500 crore plus movie in the first 2 quarters. So is that a good thing that it is well dispersed?

And is that happening because now the overall calendar is something better planned because that was an issue earlier. And if you could tell us on specific of FIFA, how much was the revenue footfall? Is it a good overall development for us? Or is it just that it helps from a marketing angle, it helps from a -- if there is a lean calendar, it helps. If you could elaborate on that?

Ajay Kumar Bijli:

Yes. I mean the movies have become diversified, which is very good. I am really not that concerned with the fact that there's no INR500 crore movie in the first quarter. Second quarter

is still running. Only 1 month has gone, and we still have a huge lineup of movies coming like Batwara, there is Toxic coming. So you never know where these movies will go.

But the good thing is that mid-scale movies are doing well. And as long as we get our numbers, that's very important. And we had Bhoot Bangla. We had some tailwind of Dhurandhar as well. We had Main Vaapas Aaunga, which is a mid-scale movie. Then we -- Hollywood has done incredibly well with Michael and Obsession, which is a small movie project, Hail Mary. And in my opening remarks, as I said, these are franchises. These are like brand-new stories and Obsession, in particular, was a small film, and it did incredibly well.

Then, of course, regional films, Raja Shivaji, Teddy, Drishyam 3, Karuppu in Tamil, all these movies have played out very well. So I think for us, it's important that the movies should perform. They don't all have to be blockbusters. And as I've mentioned earlier, also for us, a blockbuster is not according to the budget, it's according to its performance. And the performance has been phenomenal. But they're still early days. We still have lots of months left before this fiscal ends. And we also have Ramayana coming the first part. We also have King coming. We also have Love and War coming. So a lot of big movies are coming. So it's looking good.

On FIFA, definitely, it's not just a marketing spiel at all and it wasn't filling up any lean period because it came while big films were already playing. And yet we got 64,000 people only for the World Cup final. Now what is absolutely phenomenal about this is that, a, of course, the average ticket price was also reasonable.

I think it was close to INR380 or INR400. My colleagues on the call can correct that. And also, there was a good SPH. And plus, this happened at 12:30 in the night. So 12:30 in the night up to whatever, 2:00, 3:00, whichever time the match went, it's really not just a lean period, it's a closed period. And yet people came in.

And as I said in my opening remarks, I think we are looking at PVR INOX's circuit, not just to be movies, of course, movies are our mainstay, but also to be a destination for all sorts of out-of-home activities for people to step out for. So I think that's a slight pivoting that we are doing by having lots and lots of things. And I think we've paved the way now for sporting events, for musical events, for standup comedy shows, and it's quite exciting.

Abneesh Roy:

Sure. My second and last question will be on the balance sheet and way forward. So of course, landmark quarter with net cash levels. And clearly, balance sheet has never been this stronger in the last many years. So I wanted to understand any more asset monetization left either in terms of real estate, et cetera?

Second, in terms of asset-light model, given now your balance sheet is net cash positive to better participate in the box office revival, would you like to tweak towards lesser low -- light asset model given balance sheet issue is resolved?

And third, obviously, last 4, 5 years, stock return has been fairly disappointing. Any medium, long-term signal to investors on boosting the confidence, investor confidence?

Ajay Kumar Bijli: Well, that's quite a few questions. So let me just first talk about the asset-light model. Yes. I mean, we've reached our growth, and we've been able to deleverage the balance sheet only because of the asset-light and FOCO model. And I think that we will continue to do because with the grace of God, we've got a brand now and sweating of the brand is the ultimate testament to the quality of the brand, which is liked by developers.

So I think FOCO model and asset-light model definitely does not impede our growth. Our growth, as I said, we are still going to be doing 100 screens. However, whichever pockets where we need to deploy capital, we will be deploying capital. And so Asset-light and FOCO model will not come on the way of growing by 100, 120 screens a year.

And so wherever there is a need to deploy capital, we'll definitely do, but we don't have to leverage and borrow for that. So that's one thing that I've addressed. What else did you ask me about capital allocation. I mean, capital allocation priorities remain focused on driving sustainable growth.

And the whole focus is on how do we improve our ROCE and ROE. And whatever is best to create long-term shareholder value is what we'll be doing. So very appropriate capital allocation to improve these metrics is the most important focus of the company at the moment. Have I missed out anything else?

Abneesh Roy: Any further real estate monetization possible or everything is done?

Ajay Kumar Bijli: No. No, not as yet.

Moderator: The next question is from the line of Harit Kumar from Investec.

Harit Kapoor: This is Harit from Investec. Just 2 key questions from mine. One was on ATP, SPH, the growth has been consistently strong Q1 as well despite really strong like a INR500 crore film as the earlier participant was mentioning.

Just wanted to understand, is there an element of price increase, like-to-like price increase here? Or is it largely driven by mix because Hollywood has also done well, et cetera, on ATP? and also on F&B, is it more higher conversion led or higher basket size led? Or is there's also an element of price increase here?

Ajay Kumar Bijli: Gautam, would you like to answer this, please? Gautam?

Gautam Dutta: Yes. Am I audible?

Ajay Kumar Bijli: Yes, yes. I thought you're the best person to address this.

Gautam Dutta: Yes. So on the SPH side, we've grown by about 9%, and it's largely split between value and volume. Both have grown. We have a series of promotions run to increase the strike rate at our cinemas, along with the fact that we've taken a price hike for a few items. So I would say the split would be more in the region of about 70-30, 70% on value and 30% on volume. So that's the way the SPH stacks up. What was your first question, please?

- Harit Kapoor:** Similar question on ATP...
- Gautam Dutta:** Yes. So even on ATP, as you know, we have dynamic pricing, and we managed to now keep a very close eye on the sentiment of how the movie is performing. We have a lot of help from a lot of AI systems where we are able to prompt a certain kind of pricing that we need to follow once the films open up.
- So basis all of that, and it's not as if that consumers who wish to watch a film at lower pricing are not getting an opportunity. So whether it's a Tuesday, whether it's the morning shows, whether it's the front seat, all of that is getting hugely discounted so that we can get -- garner in more footfalls from one end of the bucket, which is technically time-rich cash-poor.
- And on the same end, on the weekend, we tend to capitalize on big movies, fresh movies and see if we can take up the pricing up on a dynamic manner and at the same point in time, ensure that the maximum footfalls sort of get to our cinemas.
- Ajay Kumar Bijli:** Just to add to that, we also had movies like Project Hail Mary, Michael. I mean, these movies are all IMAX films. 16% of our circuit is premium screens like IMAX, 4DX, ICE and ScreenX and lots of recliners and Insignia, Director's Cut, LUXE. A premium customer when he comes and he wants to see the movie without compromises, obviously, that also takes the ATP up.
- Harit Kapoor:** Got it. Got it. And the second question was on advertising. So what's your prognosis? It's been about 5 quarters odd that we've seen very good growth. Overall, footfalls have continued to do well. Last year was overall a good year for us. This year has started off well. As you mentioned, the pipeline also looks good. What's your prognosis on ad revival?
- Do you think brands need to see a little bit more proof of concept to drive this up in line with what your growth is? Or do you believe that there are too many other avenues like platforms, et cetera, where they are needing to spend and hence, this will take a little bit more time. Just some thoughts on that would help.
- Gautam Dutta:** So first and foremost, you need to understand that when we came into play post COVID, this was one end which literally came down to a zero. And then we had to start all over again. No other media in the country had that kind of revival. In fact, if you look at the revival, the revival of cinema and PVR revenues from 0 to INR500 crores has been all in last 4 years. So it's not only grown steadily for us. It's also amongst all other media categories, we have technically grown the fastest over the last 4 years. So we are galloping.
- Yes, it would take another maybe a year before we get to the post-COVID and go ahead of that. Having said that, media sales largely comes on wake of big blockbuster films because advertisers tend to buy anticipated films.
- So movies like Dhurandhar 1 and 2 and this year, specifically talking about King, Avengers, Cocktail, this Odyssey has garnered some great numbers. And there is some big titles which are lined up for Q3 and Q4, where we expect huge amount of advertising to flow in.

We are also making some fundamental changes within our offering where we are getting more conversation with clients around eyeballs rather than films.

But this would -- this is a change that is augmented in the market and it would take a few more quarters before media planners and buyers start to understand that vocabulary of media buying within cinema. But by and large, I can tell you that cinema advertising, the way it's jumped back, has got its mojo and we are very, very certain that very soon, this would be outperforming like other parameters of the categories. Thank you.

Moderator:

The next question is from the line of Umang Mehta from Kotak Securities.

Umang Mehta:

Congratulations on a good quarter. My first question was on screens. So this quarter, we've seen slightly higher closures. Your guidance of 90 to 100 on a full year basis, is it on a gross basis or a net basis? And similarly, again, the mix of asset-light seems to be higher than last quarter. So would your capex guidance of INR4 billion for FY '27 be revised downwards now? That's the first question.

Gaurav Sharma:

So Umang, Gaurav this side. On the screens, I think we are on track to add about 90 to 100 gross screens. And while in the first quarter, we did not open any new screens because many of our screens, which had completed fit-out were awaiting regulatory license.

And due to delay of the license received, we are expecting a bunched up opening in quarter 2 and quarter 3. So based on the visibility of screens which are under fit out, we believe that by end of this fiscal, in this financial year, 90 to 100 is pretty much possible.

I think on the closures, the screens we have closed in the first quarter were all loss-making screens, and they had been more than 18 to 20 years old. But I think bulk of our closures for this financial year have already been done in quarter 1. There will be very few closures for the rest of the year. On a net basis, I think we will be around nearly 80 net screens additions during the financial year '27.

On the second question on your capex, I think we believe that with a very strong response from the market on capital light and FOCO, I think our capex will be slightly lower than the earlier expected number of INR400 crores for the year. We feel that it will be in the range of around INR350 crores. Plus we are also prioritizing renovation of a few of our high-value properties, so renovation capex share will be slightly higher this year. Overall, it will be in the ballpark of INR350 crores for the year.

Umang Mehta:

Understood. Very helpful. And the second question was for Mr. Bijli. So I think in the interview yesterday, you mentioned about 1,000 new screens over the next 5 years. So are we seeing a ramp-up beyond FY'27, say, FY'28 onwards, should we expect an acceleration in screen additions?

Ajay Kumar Bijli:

Yes. I mean, sorry, I had got disconnected and I'm back now. Basically, I said that because we are looking at, I don't know whether Gaurav has already covered that. We're looking at the Tier 2, Tier 3 markets now, population where anything more than 150,000 people are there. And of

course, there are other criteria that we've got as well to make sure that people have -- the demographic is correct and they have the spending power to come to our cinemas.

So I think that -- there are so many cities still, in our view, almost 300 cities in Tier 2 and Tier 3 markets, which are still underserved. So I think we'll be opening our first one very shortly in Muzaffarpur. And I think that's the reason why I mentioned that I think that once we penetrate to these towns and every nook and cranny and bring the PVR INOX experience over there, I think growth will further accelerate.

And there, again, the response that we're getting from the developers, local developers over there is also of a FOCO and capex light model, asset-light model, so which again will not be a strain on our capital intensity, but the growth will be, I think, fast tracked from -- it's already there, but it's going to get faster from next year onwards even more.

Moderator: The next question is from the line of Vivekanand S from AMBIT Capital.

Vivekanand S: So since the time of the merger, your screen count has increased by around 100. And most of the new screens have come in South, right? So your concentration to southern markets has gone up to maybe 34%, yet when I look at the footfalls or walk-ins over, let's say, any rolling 12-month period, it's remained practically in the 14 crores to 15 crore range. I want your take on why the footfalls have remained stable while the screens have -- the screen SKU has increased towards markets with structurally higher occupancy. That is my first question.

The second one is, thanks for the color on capital allocation. Just trying to understand if you will be putting in any more money into areas like branded food courts because you still have a JV with Devyani. Are you going to commit any extra capex there? And also, any other areas that you're eyeing, which you mentioned in your opening comments that you want to be the preferred destination for outdoor events. So is there any capex that is earmarked for those areas?

Ajay Kumar Bijli: Yes. So your first question was about -- since the merger, how many screens have we added? I think we've added -- I think at the time of merger, Gaurav, please correct me. I think we were about 1,450 or something roughly. So we've added about 300-odd screens, right? Net addition of screens.

Gaurav Sharma: Yes. We were about 1,650 screens, and we are at about 1,790 screens today. On a net basis, we have added about close to about 120 screens over the course of last 4 years.

Ajay Kumar Bijli: Yes, yes. So your question is that why -- so if you look at pre-COVID, of course, if that's what you're asking, that we were getting about, I think, together about 160 million people to our cinemas roughly. And if you look at the trajectory, it is in the right direction. So 150 million people that we got in the last fiscal is the highest number of admissions we've ever got in terms of our admits basically post-COVID.

So I think it's all inching up. Every year, it's going up because there were very identifiable reasons why suddenly those kind of numbers that were coming pre-COVID are not coming and primarily because of the fact that there was the movies but less number of movies were coming,

then there was a Hollywood strike that happened in the middle. So there were highly identifiable reasons plus some movies were going directly to OTT. That's all come back now.

The windows of 4 weeks, now they come back to 8 weeks. The consumer was always there, but now he's realized that the only best experience to watch a movie theatrical, not just for big tentpole movies, but also for smaller movies, which we've already seen last year with Saiyaara and all and now with Main Vaapas Aaunga and Obsession.

And even the film fraternity has now decided that first, they will come to the cinemas only and only TV shows are coming to OTT. So all these factors played a role in the per screen occupancies coming down but now all that is behind us now.

And we are seeing that the kind of movies which are getting made, the number of INR100 crores to INR200 crores bracket of films, INR200 crores to INR500 crores bracket movies, INR500-plus crores bracket movies, nobody has seen these kind of numbers pre-COVID. So given all that, I think it's a matter of time that we reach those occupancy levels.

However, at the same time, what we've done is that since we are very focused on getting the margins that we were getting pre-COVID, we've really had a very strong control on our costs. So line by line, whether it's utilities, whether it's manpower, whether it's rental, any other costs whatever costs are there, even COGS, if you look at our COGS on food and beverage, that's come down. So we are saying that even at lesser occupancy levels, even at say, 27%, 28%, we should be able to achieve the margins that we were achieving earlier.

So the focus is both on the denominator being reduced and the numerator increasing, which is the reason why you see a lot of promotions that Gautam has already mentioned of getting more people in. So the trajectory is right. We haven't arrived there, but we are in the right direction and right momentum.

So that, I hope, answers your first question. The second one is this, definitely, we believe we've got 15 million square feet of space that we are under lease in our cinemas. And we believe that we can sweat the asset by beyond just showing movies and which is the reason why we are showing all these things. Plus the food court JV is going strong. Devyani is a great partner. But again, we've opened 3, but we'll be opening many more are in the pipeline.

And that, again, basically repositions our company as not just a cinema, but also offering something pre-ticketed food and beverage offering. We're looking at evaluating other out-of-home entertainment options that either can be done within our cinemas by repurposing certain cinemas or taking maybe some additional space and which also then become very attractive for the youth, which goes out to the malls and wants to be entertained out of home. So there is a conscious effort to have movies definitely as our mainstay, but also pivot a little bit into more out-of-home entertainment formats that can stand the test of time.

Vivekanand S:

Sure, Ajay. Very helpful. Just 2 small follow-ups. So on the first answer you gave, I'm just trying to understand better in terms of regional occupancy trends because you've broken it up broken up the screen count across the 5 key geographies.

So since your business has skewed more to the South, my understanding was that the South audience typically tends to have higher occupancy because love for movies is a lot more in the South or perhaps craze, a lot more in the South than the rest of the country. Is that still the case?

And if you could just touch upon, let's say, occupancy trends across the cuts that you make, regional as well as the city tier distribution, I think that will be very helpful. The second follow-up is as far as those initiatives you gave, is there a budget you have in mind of capital expenditure that you need to undertake in fiscal '27 and '28 to make these goals translate into revenues?

Ajay Kumar Bijli:

Yes. So India is such a diversified country and which is the reason we don't go anywhere beyond the Indian market, barring that one cinema that we've got in Sri Lanka and the way PVR has made sure that our screen spread is all across the country is that we are not depending on one language at any given time.

So 600 of our screens are already in the South, and then we have a fair distribution in West and North and Central and East. So this is the beauty of the way our circuit is placed and spread across the country and also the way the content pipeline comes out.

Definitely, South the movie going culture is stronger. But that's not the only reason we are growing there. We're also growing there because still the single screen penetration is the highest in the South. And therefore, all over the rest of the country, single screens became lesser and shopping centers and malls came up where PVR INOX put its multiplexes.

And now similar opportunities are now coming in South because as I said, single screen penetration was much more over there. And so that's the reason why you see a skew towards South. It's more due to where the opportunities are available. Otherwise, there's nothing wrong with even the other regions where if an opportunity comes like we just opened in Delhi in Elegante Mall in and it's doing phenomenally well.

Similarly, we've got a couple of projects with DLF, one in Gurgaon, one we opened in Midtown and Moti Nagar, which is doing very well. So there's no necessary that it has to be south. But yes, definitely, it's a prime market and under screened market from multiplex point of view. So we have a SKU there. That is one part.

Even like to elaborate a little bit more like people like developers like Lulu, Prestige, many of their malls, Brigade, we're going to be opening one in a mall in a development called Utopia over there very shortly. Hyderabad has got lots of opportunities. So wherever good opportunities come, we open our cinemas there.

And as far as capital allocation for these activities is concerned, definitely, we have a capital budget. I don't know offhand how much it is. Gaurav, you can tell me. But it's obviously, we can't run the company without budgeting for any capex that we do. Gaurav, can you help me out there?

Gaurav Sharma:

So Vivek, I think the overall number of INR350 crores for the year includes everything, including our investments in the food court joint venture plus the other initiatives. But in overall scheme of things, the investments in food court is much lower because it's less capex-intensive

business in terms of the assets involved there. And therefore, in the overall scheme of things, it's not a very material investment...

Moderator: Sorry to interrupt, sir. Your voice is not clear.

Gaurav Sharma: Can you hear me?

Moderator: You're clear now. Can you repeat the last sentence?

Gaurav Sharma: Yes, I was just saying that our overall investment in food court business is part of our capex outlay for the year of INR350 crores. And not a very material number from overall scheme of things at a company level.

Moderator: The next question is from the line of Kavish Parekh from 360 ONE Capital.

Kavish Parekh: Congratulations on a great set of numbers. A question on the balance sheet side. Commendable show on the debt reduction. Free cash flow generation last fiscal was about INR570 crores, excluding the sale of 470. What is the target or aspiration you're working with for this fiscal for FCF considering almost 80% of the screens this year are coming on capital-light models?

And what would be the intended use of the cash of course, INR350 crores, INR400-odd crores, INR350 crores capex. Would the company on top of that, hold on to the cash on the books? Or are there any thoughts on rewarding shareholders via buyback? Part of this question was answered earlier, but wanted some more color on what parameters or thoughts will be looked into to sort of make a decision on this?

Ajay Kumar Bijli: Gaurav, would you like to answer that, please? Gaurav, you're not audible.

Gaurav Sharma: Kavish, I'll take this question. In the last few years, we have worked hard to bring down the debt levels, and we are now sitting at a debt-free balance sheet. I think cash is a very strategic asset for us, and we are prioritizing allocating capital towards growth. And also, we want to make sure that any investments with the scale and size of the business that we run today should be value accretive, should be improving our return on capital, return on equity.

So we are evaluating all options, including growth as well as allocating this capital, which is best for the long-term shareholder value creation. So from our perspective, on shareholder returns through the right sort of instruments, we'll share any material updates as and when the Board decides and it's appropriate to give more insights on that.

Kavish Parekh: Sure. And any target or aspiration that you are working with for the full year in terms of FCF?

Gaurav Sharma: No, there is no target. The target is to improve return on capital and the business -- the immediate target for us is to come back to the pre-COVID levels of ROCE that we used to operate at. So that's the only target that we are carrying right now. Of course, revenue growth and margin expansion continues to be the focus. But ROCE expansion is something that we are pretty clear on and we want to drive that up.

- Kavish Parekh:** Noted. Could you also share some color on unit economics of properties which are operating on either of the 2 capital-light models, say properties which have been operating for the last, say, 3 or 4 quarters now, some cases?
- Gaurav Sharma:** So normally, a property takes about 12 to 18 months to mature. So the properties which were opened in financial year '24 and in financial year '25, they saw their full run of operations in financial year '26. So both the vintages of '24 and '25 are operating at very healthy margins. I would say, better than the company level margins. We have been very careful in terms of selecting the right locations and also doing the right rental deals.
- And with the operating leverage and the cost efficiency, we have been able to drive healthy margins in the new properties that are coming out. So overall, I think the asset-light thing, which we've started in the last 12 to 18 months will pan out their maturity for the first set of properties over the course of this financial year. And we will share more insights on their performance by the time we'll finish the year.
- Moderator:** The next question is from the line of Jinesh Joshi from PL Capital.
- Jinesh Joshi:** Congratulations on the balance sheet improvement. Sir, I have 2, 3 small questions. One is with respect to the increase in the online ticketing penetration to about 69% in this quarter, which has led to a surge in the convenience fee income. So if you can highlight the reason behind this surge and whether this is sustainable? Secondly, also, if you can talk a bit about your new digital revenue stream that involves app and web monetization. Basically, how do you make money here? If you can perhaps elaborate a bit on this aspect?
- Ajay Kumar Bijli:** Kamal, would you like to answer this?
- Gautam Dutta:** Yes, I will take the second one on web and app...
- Kamal Gianchandani:** Yes. So the increase in the online penetration, which was hovering at about 63%, 64%, going up to 68%, 69%, plus the increase in admits, plus the increase in average ticket price. All of these factors compounded have resulted in a steep year-on-year growth as far as the convenience fee 29% growth is concerned. What was your second question? Can you repeat, please?
- Jinesh Joshi:** Sir, the app and web monetization revenue stream. But sir, the first question remains unanswered. I would want to know what was the reason for increase in the penetration in this quarter?
- Kamal Gianchandani:** Well, I mean, our content mix often plays a big role. But in addition to that, the marketing programs, which are run by PVR and INOX's own digital platforms, our colleagues at BookMyShow and District, our online aggregators, all of us are fairly aggressive when it comes to marketing programs, incentivizing customers to come back more often, giving them compelling reasons in case if we were thinking of buying at the box office, giving them compelling reasons to book it through the online channels and do it as quickly as possible. Those are the other factors which have contributed to this very strong growth in the online penetration.

Your question on whether this is sustainable, absolutely, we'll make every endeavor to ensure that we continue to grow the online penetration. But that said, we have to appreciate that we already near 70% online penetration. And there is definitely a factor of diminishing returns as far as the online penetration goes.

So the rate of growth will definitely be slow from here on. But with the growth in average ticket price, with the growth in admits, we expect that the overall online revenues from convenience fee will continue to grow for the company. Gautam, you want to take the other one?

Gautam Dutta: Yes. On the web and app monetization, am I audible?

Ajay Kumar Bijli: Yes, yes.

Gautam Dutta: Okay. So on web and app monetization, we have created certain assets by way of which we are able to offer our clients this unique opportunity to be on our web and app and advertise their proposition. PVR INOX is now seeking ways to move from a traditional media bucket to a more digital aligned media bucket. So there are a lot of changes that we are doing overall. This is one of that many steps forward.

So overall, these are early days. We've just launched this a month back. And we believe the annualized revenues could be in the line of about INR2 crores to INR3 crores. But having said that, this is a start for brands and clients to start engaging with the brand on a digital platform. Hence, it's strategically very important.

Jinesh Joshi: Got that. And sir, secondly, the ATP of our alternate programming that we have shared in the presentation is at about INR409, which I think is materially higher than our movie ATP. So can you just talk what is the content cost over here and how to think about margin?

Gautam Dutta: So the content cost would vary from program to program. It is the deal that we have with the artist. Sometimes just the duration of the program, the stature of the artist would determine the kind of pricing that we can have. And each artist would come with its own negotiation, so to speak. So somewhere the cost could be as low as 35%. And in some, it could be, say, 65%, 70% of the ticket. So that's the gamut in which we will need to be sharing revenues on ATP for alternate programming.

Jinesh Joshi: Got that. Sir, one last bookkeeping question from my side. Generally, our film higher cost and COGS tend to remain in a very steady state band. But in this quarter, we have seen about 200 basis points decline on a Y-o-Y basis on both these cost elements. So is there any specific reason that you would want to call out for this decline?

Gaurav Sharma: So there are 2 things. Film hire costs are terms with producers in terms of sharing of box office revenue. There is no change. The reason you see a decline of film hire cost compared to last year's quarter 1 is because of the mix of movies and their third and fourth week of run Dhurandhar, which was released on 19th of March in the month of April got played in its third, fourth week where the film hire terms are lower than the first and second week also.

And also because there was no mega blockbuster during the quarter, as a result, the bonus payouts for many were lower as compared to last year when *Raid 2* and *Sitaare Zameen Par* were released. That's the reason why it's lower. But overall, on a full year basis, it will be in the range of 45% to 45.5%.

On F&B COGS, I think we continue to focus on controlling our costs, reducing wastage, use technology and also offer a wider F&B offerings now at cinemas are also resulting in higher offtake of F&B food. As a result, our F&B COGS have continued to come down year-on-year. Over the course of last 2 years, every year, there has been a reduction in COGS. And we believe that during this year, we will be lower than last year in terms of full year COGS for the F&B sales.

Moderator: The next question is from the line of Parag Thakkar from Fort Capital.

Parag Thakkar: Yes. First of all, I would like to congratulate the management team for fantastic capital...

Ajay Kumar Bijli: Yes, yes.

Parag Thakkar: For reducing the debt level from peak level of INR1,450 crores to now net cash of INR80 crores. This is excellent achievement. As earlier participants also asked, I would still request for a buyback because I would feel that now that you have net cash and you are going to generate cash flow every quarter, I think it makes sense to do a buyback where it gives a clear signal to investors and where promoters should not participate, like recently in Bajaj Auto buyback, promoters did not participate, right? So which gives you a very strong signal as an investor to us that promoters feel the intrinsic value of the stock is much higher. So this is my request, sir.

Ajay Kumar Bijli: Yes, yes. It's noted and as Gaurav answered earlier that we are evaluating everything just now. And the Board will decide. And at an appropriate time, we will take a call what needs to be done. But as I said, our focus continues to remain on expansion of our margins, improving our ROCE and taking our occupancy levels up.

Parag Thakkar: Correct, correct. And sir, just your own internal assessment of this year's movie pipeline, how does it look? Of course, this quarter, for example, everybody was surprised to see your results, and we can see that reaction in the stock price also. But what is your internal assessment of FY '27 movie pipeline and hence, your occupancy?

Ajay Kumar Bijli: Well, I mean, occupancy is difficult to predict, but all I can say is that every year, there's always a very big film, a couple of very big films that come. And this time, it's *Ramayana*, it's looking extremely big. Of course, it's going to play across all sorts of cinemas, and it's a story that everybody knows, and it's been executed very well by Prime Focus. *Toxic* is a very big movie, which is coming.

And also *King* is coming, which is Shah Rukh Khan's movie. Shah Rukh Khan has given 3 massive hits post COVID. This also looks very promising. *Love and War* is coming with Vicky Kaushal, Ranbir and both have given more than INR500 crore movies Sanjay Leela Bhansali.

Hollywood is looking very good. South pipeline is looking excellent with Dune: Three, Avengers coming, Spider-Man coming next week. So I think there is no issue with the lineup. It's as strong as what we had last year. And so even now this month, Odyssey is playing, which is doing well. So yes, I mean, there's no dearth of films, both in terms of quantity and quality.

Parag Thakkar: And sir, in Hollywood, our market share is what? Generally, if a Hollywood movie makes -- say, for example, say, Spider-Man makes INR150 crores, INR200 crores, what should be the share for PVR logically based on your assessment?

Ajay Kumar Bijli: Kamal, what is the share of Hollywood now when it comes to big movies and small?

Kamal Gianchandani: So for the big films, so firstly, on an overall basis, it is as high as about 60%. For big films, it can be even better.

Ajay Kumar Bijli: 60%.

Kamal Gianchandani: Yes, for big films, it can be around 50%. And for mid and smaller films is as high as 80%. In a lot of films, we do 90%. So when it comes to Hollywood films, we play a very, very critical role in the kind of business Hollywood films see in this country. And at the same time, Hollywood films are very, very important for our overall mix of admissions.

Parag Thakkar: Correct, correct. And sir, any plans to do something where we can earn some rental income or some annuity income?

Ajay Kumar Bijli: Well, we have already 15 million square feet, out of which we -- some of the areas that we feel are not needed by the cinema business and excess space, those we are speaking to the developers to give it sublease, allowing us to sublease. So that is one focus area that we've got. And other than that, there is no rental income as such because we're paying rent, but our rent decreases if we also are able to sublease some of our areas which are not needed by the cinema operations.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, we take that as the last question. I now hand the conference over to the management for closing comments.

Gaurav Sharma: Thank you all for joining us this call. In case of any more questions, feel free to reach out to our Investor Relations department or write us directly, and wish you all the best. Thank you so much.

Ajay Kumar Bijli: Thank you.

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