



**INVESTOR PRESENTATION**

**February 2017**

# Disclaimer

**Safe Harbor:** - Some information in this report may contain forward-looking statements. We have based these forward looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as “believe”, “plan”, “anticipate”, “continue”, “estimate”, “expect”, “may”, “will” or other similar words. A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We have chosen these assumptions or bases in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements’ and assumed facts or basis almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances. You should also keep in mind that any forward-looking statement made by us in this report or elsewhere speaks only as of the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the forward-looking statements in this report after the date hereof.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in multiplex business due to the entry of new players, including those factors which may affect our cost advantage, lack of good quality content, onset of new technologies such as DTH, IPTV and increasing penetration of Home-video, which may impact overall industry growth, wage increases in India, real estate costs increases, delay or failure In handover of properties from real estate developers, the success of our subsidiary companies, withdrawal of entertainment tax exemption granted by government and general economic conditions affecting our industry.

In light of these risks and uncertainties, any forward-looking statement made in this report or elsewhere may or may not occur and has to be understood and read along with this disclaimer.

**Others:** In this report, the terms “we”, “us”, “our”, “PVR”, “PVRL” or “the Company”, unless otherwise implies, refer to PVR Limited (“PVR Limited”) and its subsidiaries, PVR Pictures Limited, PVR bluO Entertainment Ltd, PVR Leisure Limited, Zea Maize Pvt Ltd.

# Company Overview

- India's largest cinema chain
- Leadership position in India with approx. 40% share of Hollywood Box Office and approx. 25% share of Bollywood Box Office
- 5 mn sq.ft of operational retail space, another 4 mn sq.ft under development

**75**  
Million  
Guests

**569**  
Screens

**123**  
Theatres

**48**  
Cities

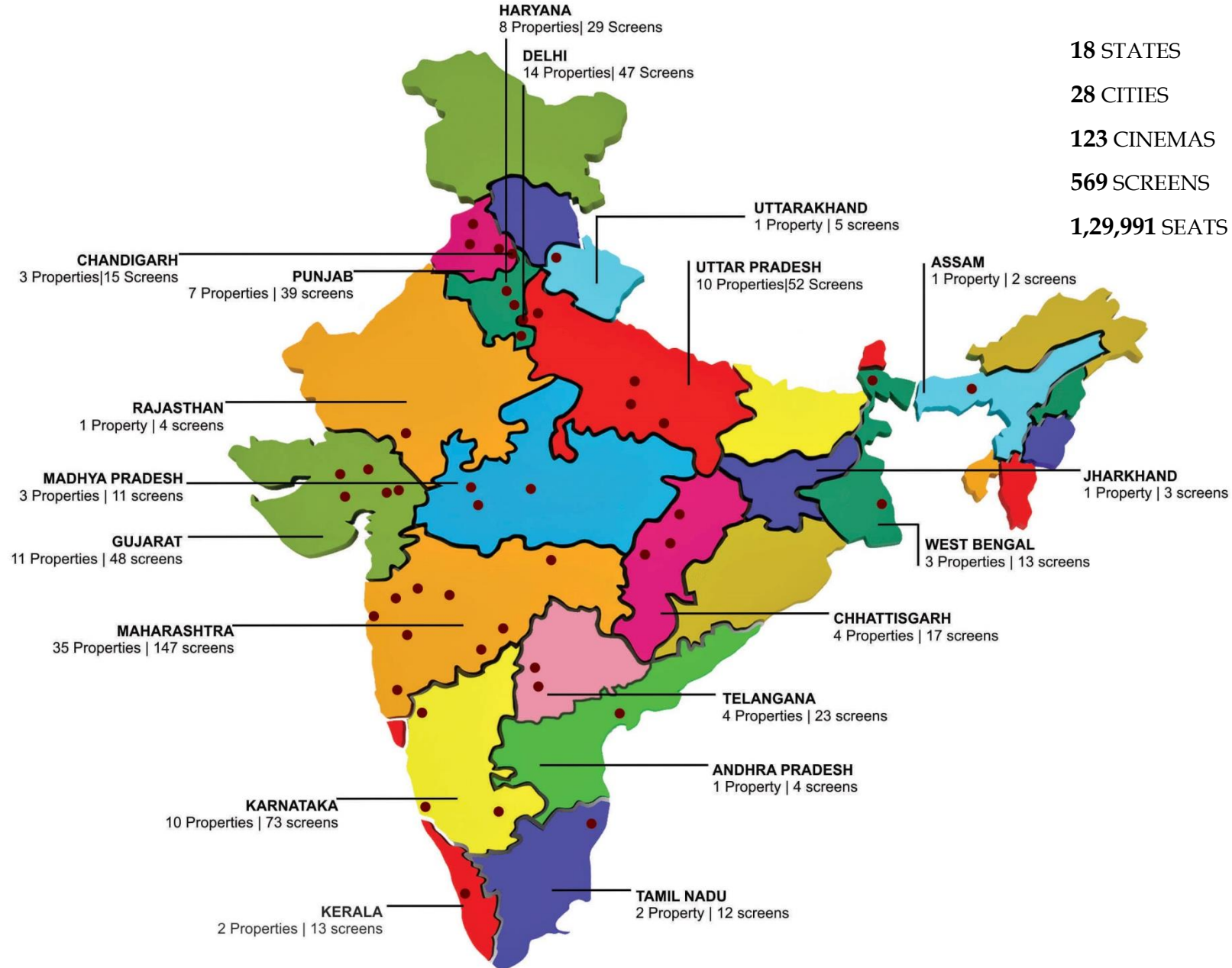
**INR 20,742 million in revenue<sup>1</sup>**

**INR 3,598 million in EBITDA<sup>1</sup>**

[1] For trailing 12 months from 31st December, 2016

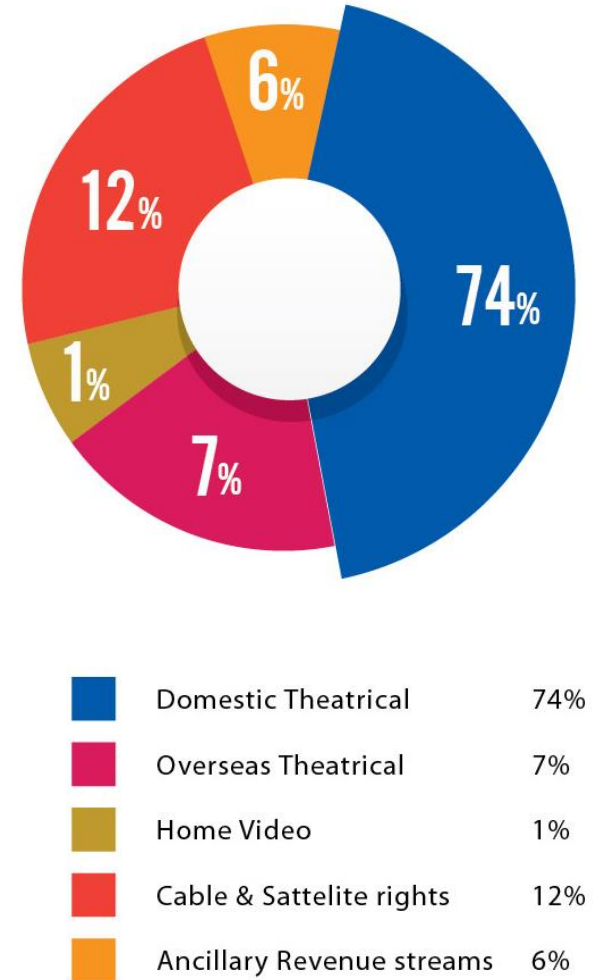


# LARGEST MULTIPLEX CHAIN IN INDIA



# India – A High Growth Box Office Market

- Movie going is the number 1 entertainment option for people in India
- Largest number of movies released in the world (1,000 movie releases and over 1.93 billion movie goers annually) <sup>1</sup>
- Domestic box office collections contribute almost 3/4<sup>th</sup> of the film industry revenue<sup>2</sup>

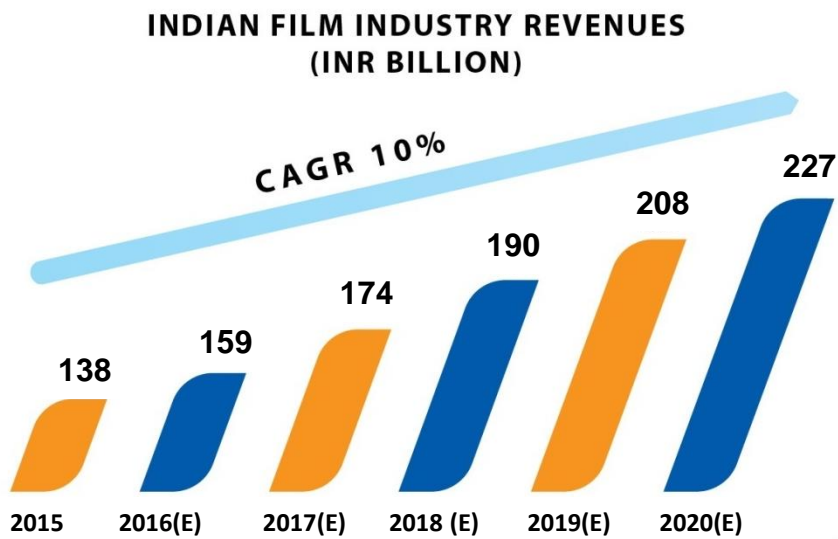


<sup>[1]</sup>CRISIL Research Report May, 2015

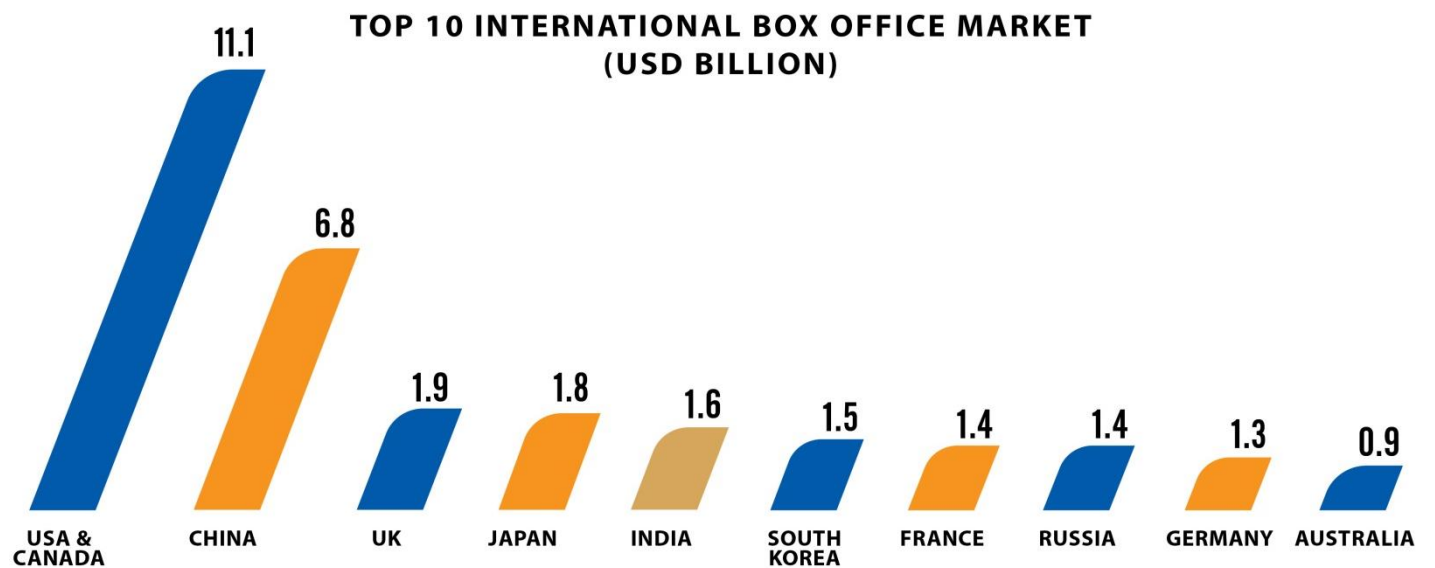
<sup>[2]</sup>KPMG FICCI Report 2016

# India – A High Growth Box Office Market

- Industry is projected to grow @ 10% CAGR in next 5 years



Source: KPMG FICCI Report 2016

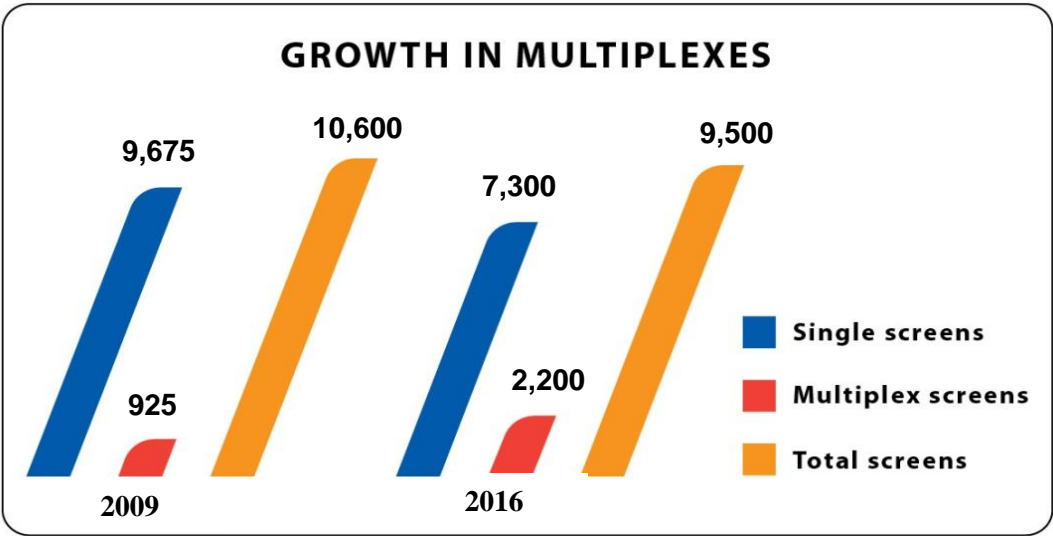


Source: MPAA Theatrical Market Statistics Report 2015

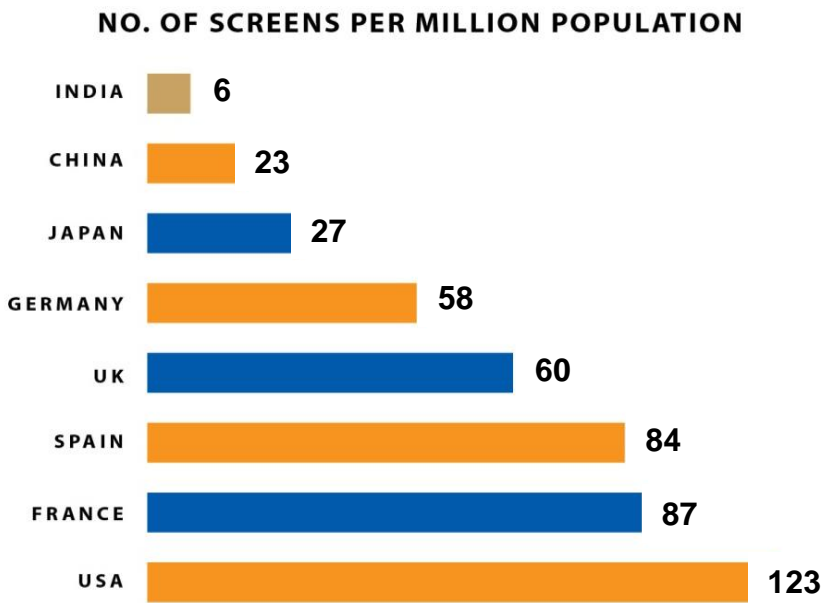
- 6th Largest movie market in the world

# India – A High Growth Box Office Market

- Under screened market with huge potential for growth

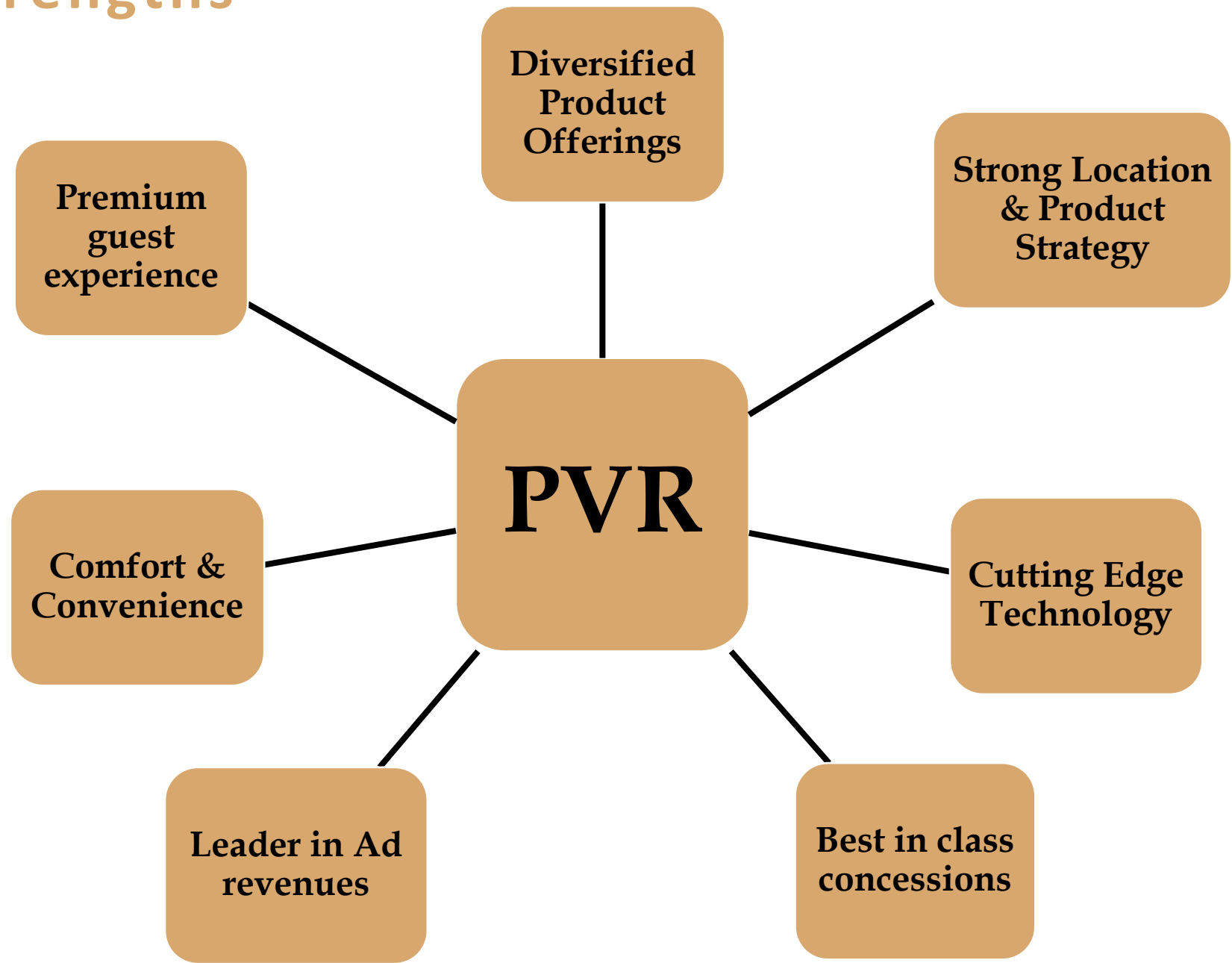


Source: CRISIL Research Report May, 2016



- Modern day Multiplexes are growing & single screens are shutting down

# Our Key Strengths





# Diversified Product Offerings



- 7 Star movie experience along with fine dining
- One of a Kind movie experience

**4 Screens**



- Luxurious comfortable Reclining seats
- Gourmet menu with live kitchen
- Intended for an audience who desire a great, exclusive experience

**28 Screens**



- Premium seating
- 7.1 Dolby Surround System
- 4k digital projection with 3D screens

**119 Screens**



- Comfortable seating, with wider legroom
- Mainstream cinema with latest amenities

**398 Screens**



- Caters to Tier 3 markets
- Hygienic environment with basic facilities

**20 Screens**

**Total 569 Screens**

# Strong Location Strategy

- “A+ Site” real estate locations providing competitive advantage
- Anchor tenant in more than 60% of top 20 Malls in India
- Asset light model with no ownership of real estate
- Long term rental agreements (15-20 years) and has established strong relationships with marquee mall developers in the country
- 5 mn sq.ft. of existing real estate with another 4 mn signed for future rollout - Doesn't own real estate

## Present in leading Indian malls (representative list)



**PVR is the most preferred multiplex chain for Mall developers**

# Aggregation of Leading Screening Technologies

## DIGITAL SCREENS

- 100% Digital Screens using 4K and 2K DCI compliant projectors

**doremi** **CHRISTIE®**

## 4DX Technology

- Revolutionary cinematic experience stimulating all five senses



## Playhouse

- Dream world for kids with child themed colorful wall art
- Bean bag sitting sets and Audi slider & handpicked kids menu



## IMAX

- Largest IMAX installations in India – 4 IMAX screens



## PVR ICON

- Magnificent lobby space with interactive kiosks and large video walls
- Best technology and premium experience



## 3D Technology

- Highest 3D installations in India
- All properties are 3D enabled



## DOLBY ATMOS

- Largest partnership with Dolby Atmos in India



# Highest Admissions Per Screen Across The Globe

Cinema Chains	ADMISSIONS (000)	SCREENS	ADMISSIONS PER SCREEN (000)
PVR <sup>1</sup>	69,600	516	135
US & MEXICO MARKET			
Regal <sup>2</sup>	217,000	7,307	30
AMC <sup>2</sup>	197,000	5,426	36
Cinemark <sup>2</sup>	264,000	5,840	45
Carmike <sup>2</sup>	59,100	2931	20
Cinepolis <sup>2</sup>	262,000	4,700	56
ASIA MARKET			
Major- Thailand <sup>3</sup>	29,718	610	49
CGV- Korea <sup>3</sup>	101,000	833	121
EUROPEAN MARKET			
Cineworld- UK <sup>3</sup>	82,900	1875	44
Odeon and UCI Cinemas-UK <sup>3</sup>	78,500	2,227	35

[1] Figures are for FY 2016

[2] Figures are for CY 2015

[3] Figures are for CY 2014

# PVR Launches VKAAO – Movies on Demand @ THEATRES

- Vkaao is an online (web and app) platform enabling consumers to watch any movie of their choice at their choice of the theatre as well as date and time
- This concept is called Movies on Demand (MoD) @ Theatres and primarily works on the concept of crowdsourcing
- The platform enables the consumer to invite enough people to join in for a show to be financially viable, and hence watch the movie of their choice at a theatre
- A library of over 500 films (Hollywood, Bollywood, and regional movies which will increase to more than 2,000 titles

- Improve Occupancy for PVR – Especially in weekdays & slow months

## PVR Advantage:

- Prime Theatre Inventory – More than 120 theatres across 48 cities
- PVR Pictures: In-house movie library close to 400 titles (50+ Oscar nominated movies and other Hollywood blockbusters in India )
- Digital Reach (~7 Million unique subscriber base and 0.5 Million Mobile App downloads)

## An Integrated MOD platform for Indian Market

- Analytics and intelligence driven movie discovery
- Recommendation engine built in line with industry best practices, similar to Netflix

Personalized Movie Recommendations



- Hollywood, Bollywood, Regional and Foreign language movies
- Attract audience of all demographics and preferences

Wide spectrum of commercial and niche movies



- Movie screenings for occasions like B'day parties, family functions and other festivities

- Experiential consumption of select movies

Bulk booking option for special occasions



- Social media engine developed to enable crowdsourcing

- Mobile app to ensure better reach and accessibility of the product

Digitally advanced product





More than 500 movies in the library, ranging from Hollywood commercial hits to Bollywood classics to regional specials



vkao

# Best in Class Concessions

- Enhanced F&B offerings

BROWN BREAD SANDWICHES,  
SALAD, GRILLED CHICKEN SKEWERS,  
DIET POPCORNS,  
BAKED POTATO FINGERS, LASSI

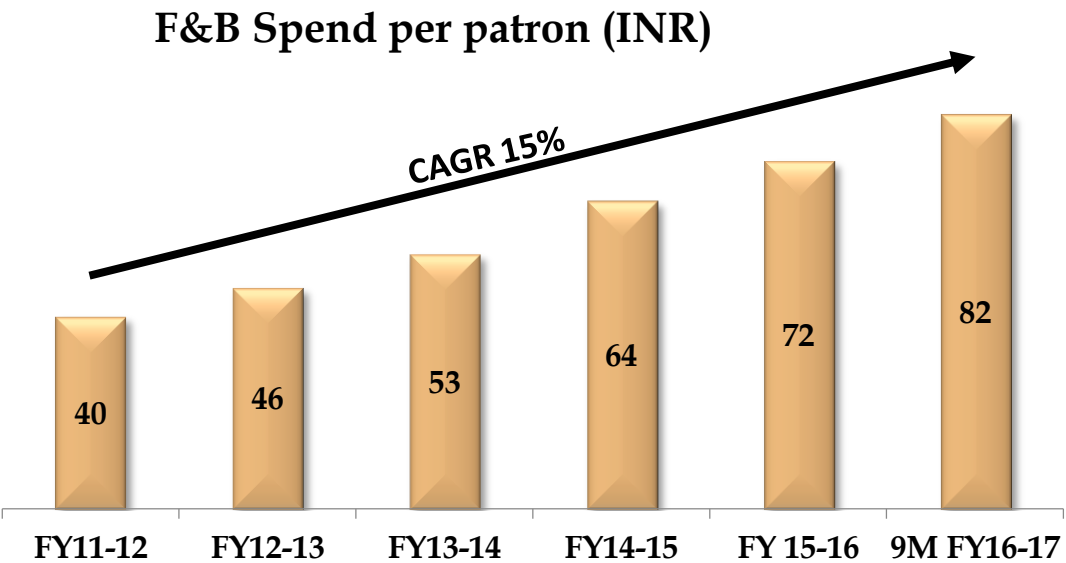
FILMILICIOUS  
GOES HEALTHY AT



HIGH  
ON TASTE  
LOW  
ON FAT



- Highest F&B spend per patron

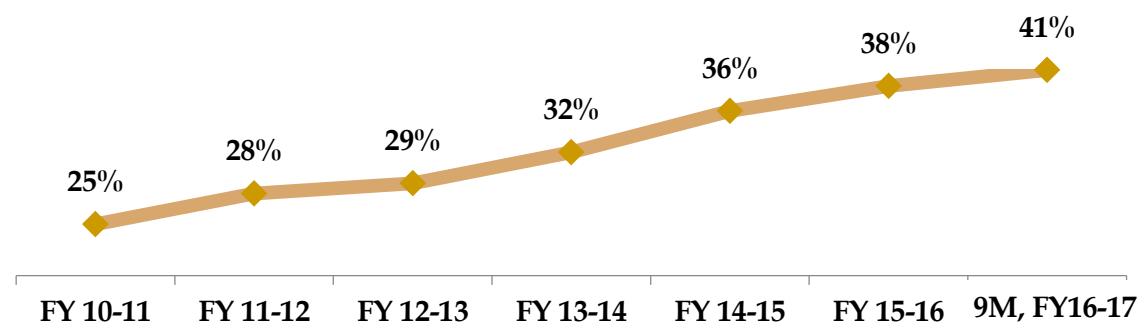


# Best in Class Concessions

- Huge potential for growth

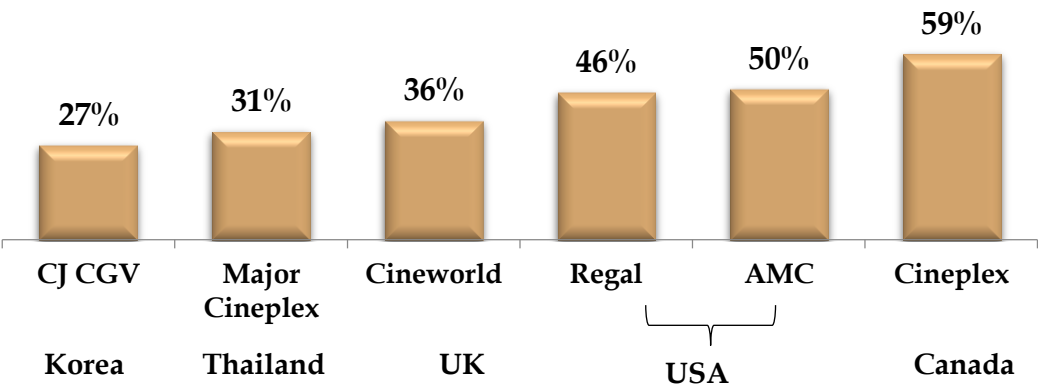
## PVR

F&B Spend Per Head as a % of  
Average Ticket Price



## International Chains

F&B Spend Per Head as a %  
of Average Ticket Price



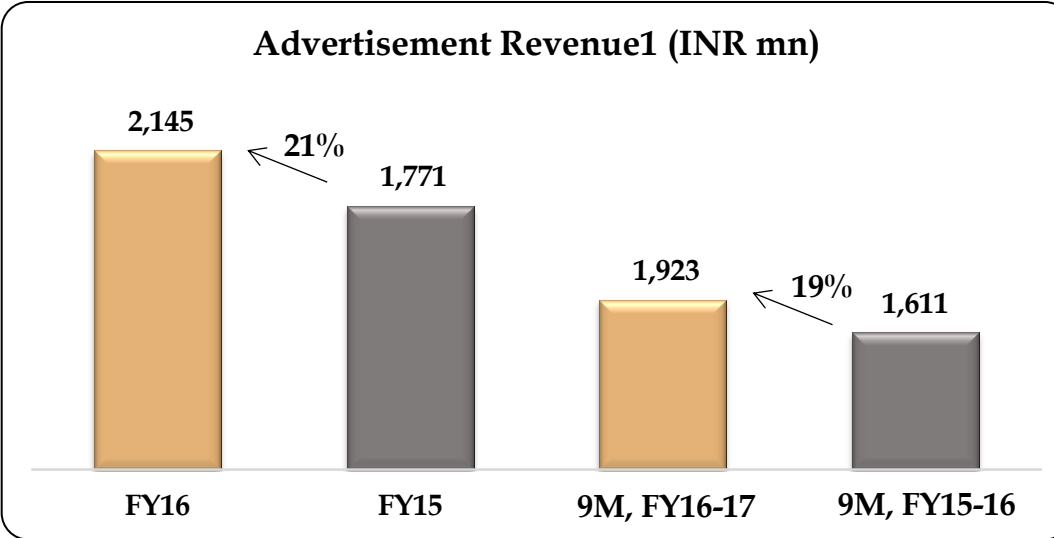
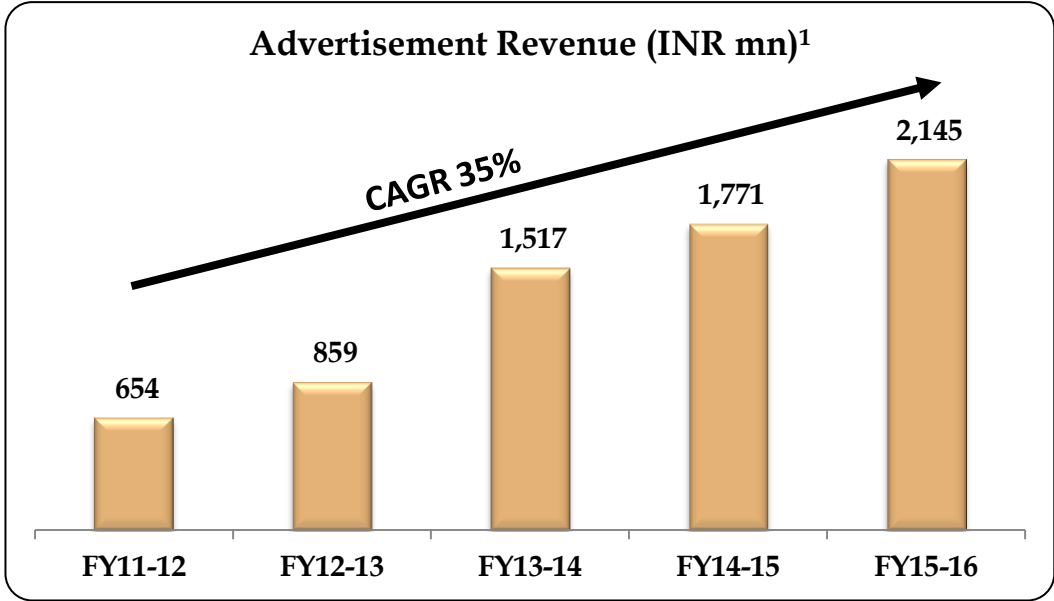
Data: Company Financials (12 months CY15)

India has an unique concept of intermission giving opportunity to sell concession twice  
Relatively lower F&B spend vis-à-vis other global players



# Leader in Advertisement Revenues

- Premium brand recognition leading to pricing premium
- Partnership with multiple brands across sectors
- Advertisement revenues 2X of the nearest competitor

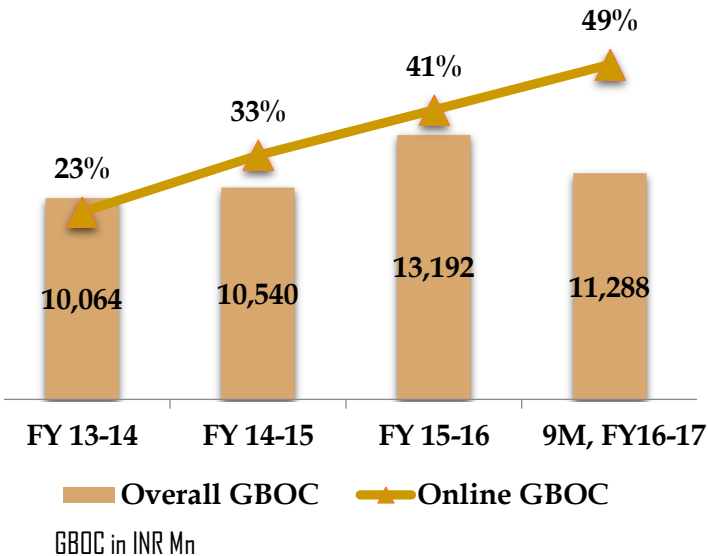
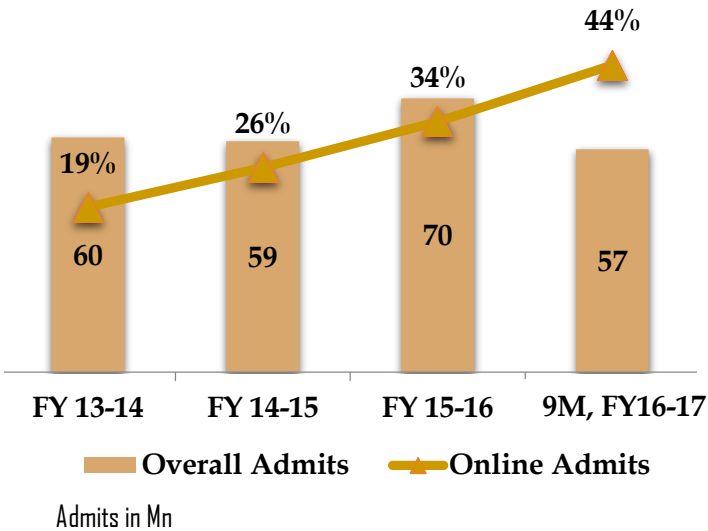


[1] Consolidated

# Comfort and Convenience – Rising Online Penetration

- Online ticket booking is extremely convenient, saves time and make cinemas more accessible to consumers
- PVR's own mobile app allows consumers to select movie, cinema, time slot, seat and also pre order food and beverages
- Rising online penetration will continue to boost convenience fee revenue and footfalls

Tied up with BookMyShow, Paytm & Justdial to leverage growth in online penetration



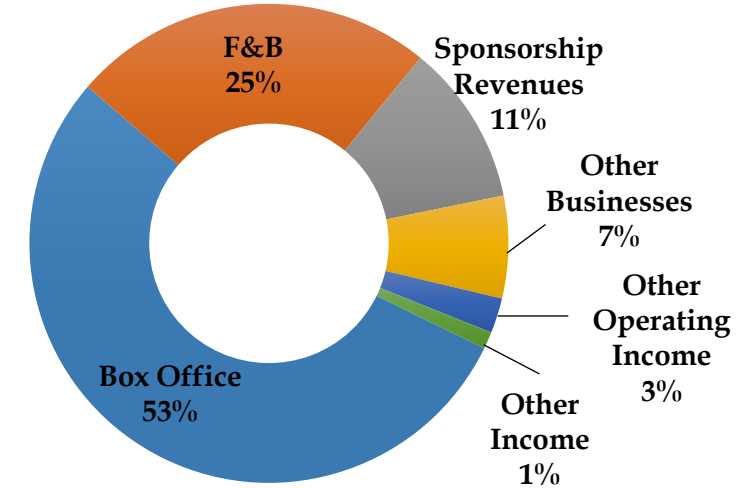
# 9M, FY16-17 Performance Snapshot - Consolidated

Particulars (INR mn)	9 Months <sup>1</sup>		
	FY 2016-17	FY 2015-16	Growth
Income	166,216	146,108	14%
Expenses	136,352	118,039	16%
<b>Operating Profit</b>	<b>29,864</b>	<b>28,069</b>	<b>6%</b>
<b>Operating Profit Margin</b>	<b>18.0%</b>	<b>19.2%</b>	<b>-1.2%</b>
Other Income	1,333	2,283	-42%
<b>EBITDA</b>	<b>31,197</b>	<b>30,352</b>	<b>3%</b>
<b>EBITDA Margin</b>	<b>18.6%</b>	<b>20.5%</b>	<b>-1.9%</b>
Depreciation	10,210	8,176	25%
<b>EBIT</b>	<b>20,987</b>	<b>22,176</b>	<b>-5%</b>
Finance Cost	5,896	6,159	-4%
<b>PBT before Exceptional item</b>	<b>15,091</b>	<b>16,017</b>	<b>-6%</b>
Exceptional Item	(258) <sup>2</sup>	(627)	-59%
<b>PBT after Exceptional item</b>	<b>14,833</b>	<b>15,390</b>	<b>-4%</b>
Tax	5,251	4,899	7%
<b>PAT</b>	<b>9,582</b>	<b>10,491</b>	<b>-9%</b>

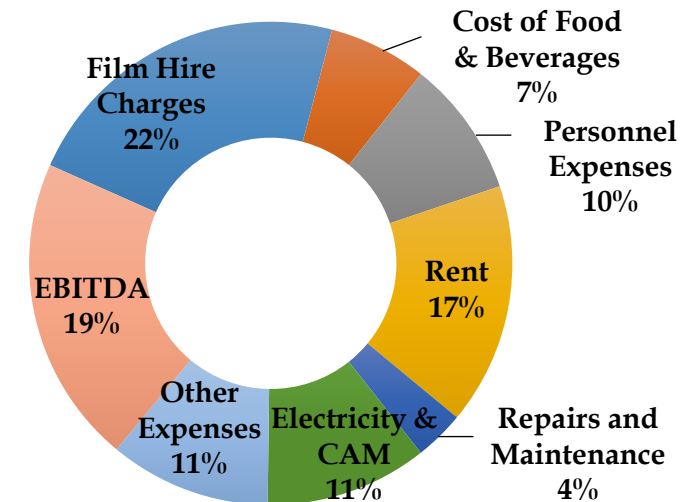
[1] With effect from 1st April, 2016 PVR has adopted new accounting standard "Ind-AS". The financial results summary for the period ended 31 Dec 2015 is prepared in accordance with Ind-AS

[2] Exceptional items in financial results includes write-off of assets on discontinuance of operations at a property

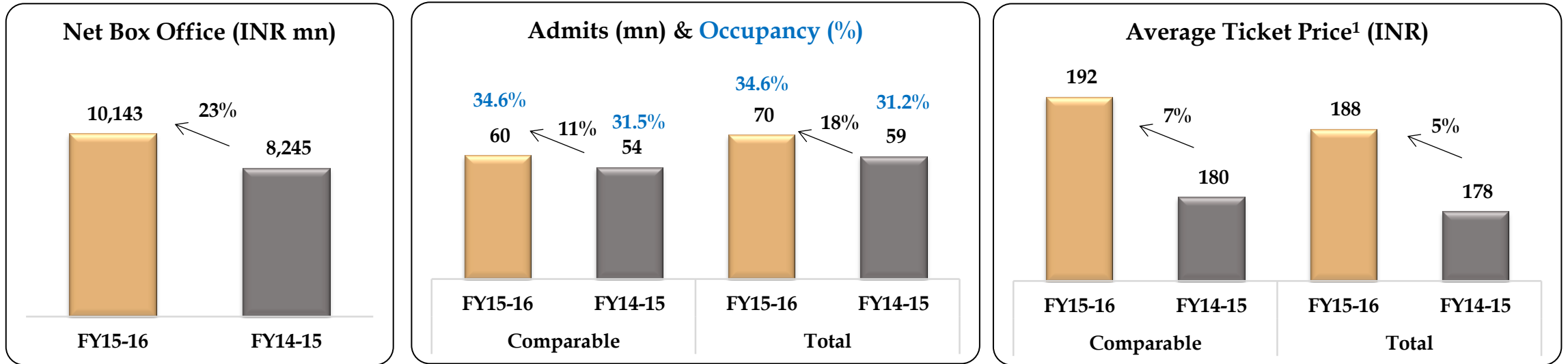
FY 15-16 Revenue Mix



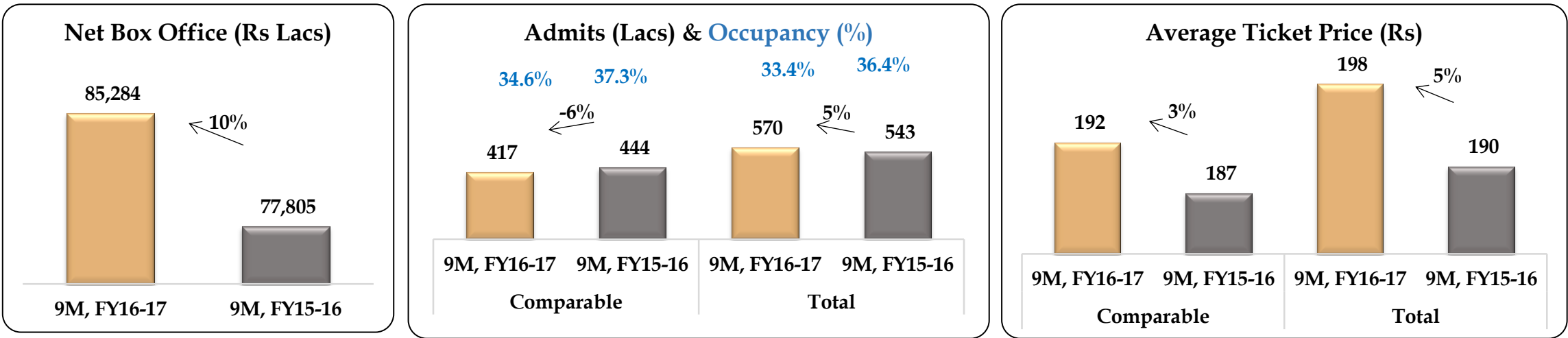
FY15-16 Expenditure Mix (% of Revenues)



# Box Office Performance – FY 2015-16

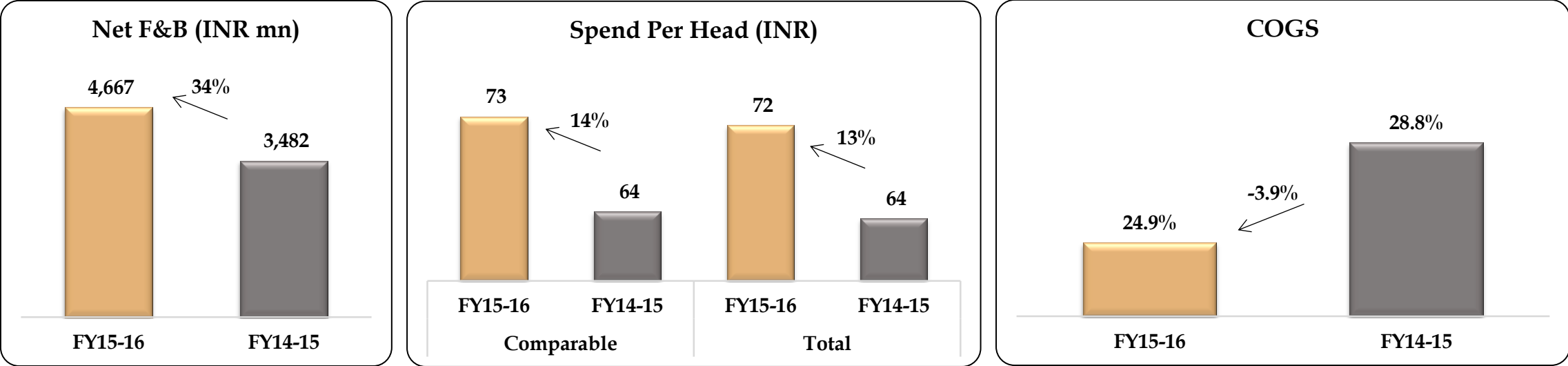


# Box Office Performance – 9M, FY 2016-17

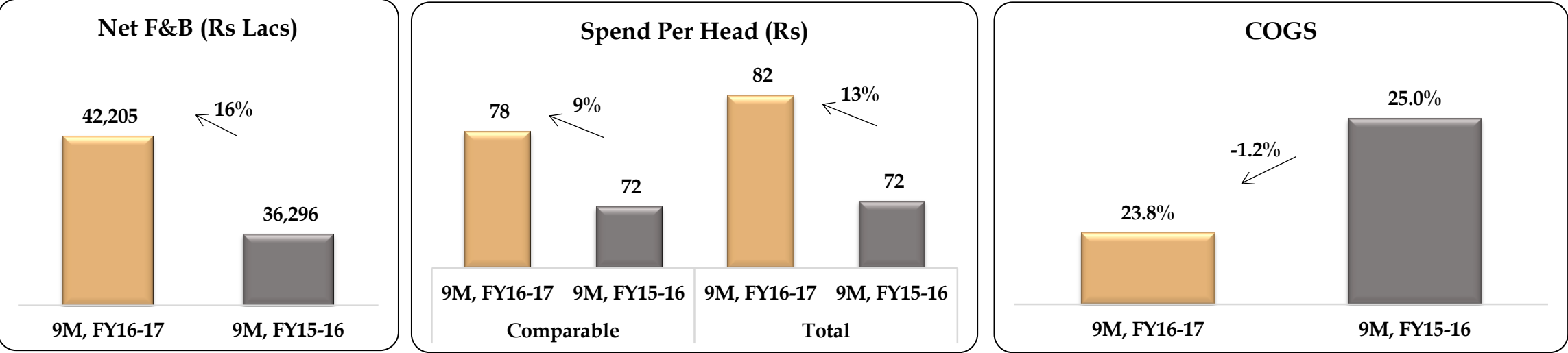


[1] ATP includes 3D Glasses upcharge

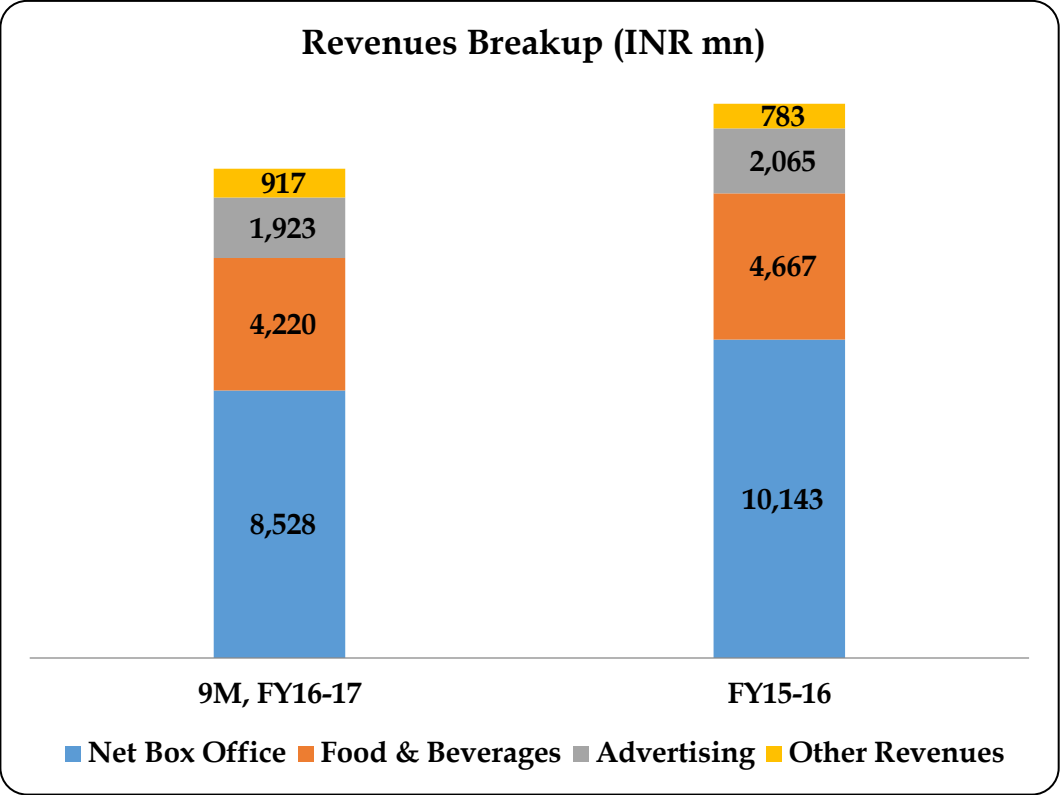
# F&B Performance – FY 2015-16



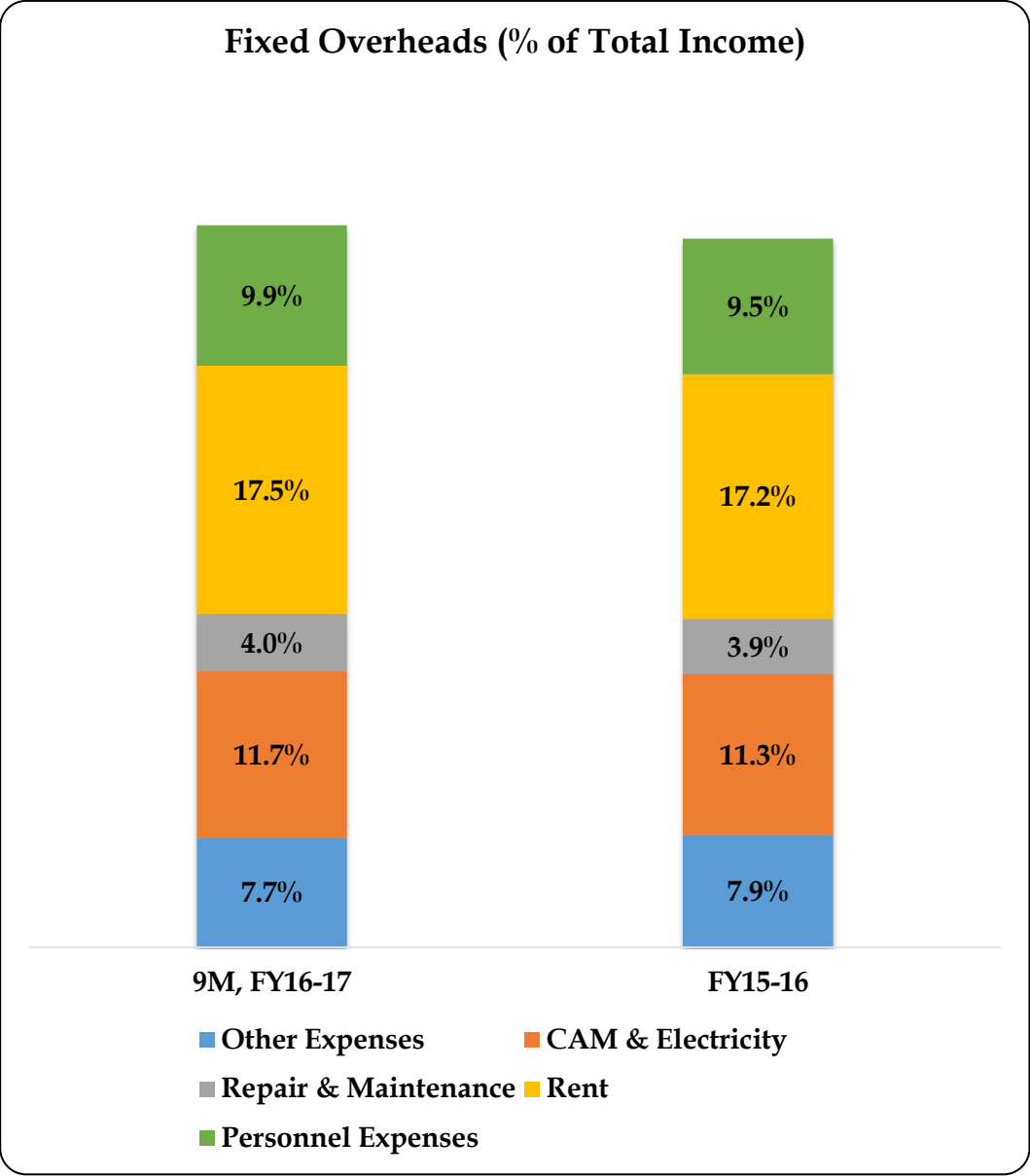
# F&B Performance – 9M, FY 2016-17



# Revenue & Expenditure Analysis – 9M, FY16-17 & FY15-16



% Share	9M, FY16-17	FY15-16
Net Box Office	54.7%	57.4%
Food & Beverages	27.1%	26.4%
Advertising	12.3%	11.7%
Other Revenues	5.9%	4.4%



# GST - Game changer for the Exhibition Industry

- GST will replace the multiplicity of taxes such as Entertainment Tax, VAT and Service Tax with one single GST rate
- Will benefit from reduction in effective indirect tax rate
- Input tax credit will be available for set off against the output tax liability (*Service tax paid today on Rent, CAM, electricity, Security, Housekeeping etc is not available for set off against output liability of Entertainment tax and VAT*)
- GST rate is expected to be 18%

## Ticket Sales (Positive Impact)

The entertainment tax of 27% will reduce to GST rate

**1.6%**  
**impact on margin**

## F&B Sales (Negative Impact)

VAT of 11% will increase to GST rate

**-1.3%**  
**impact on margin**

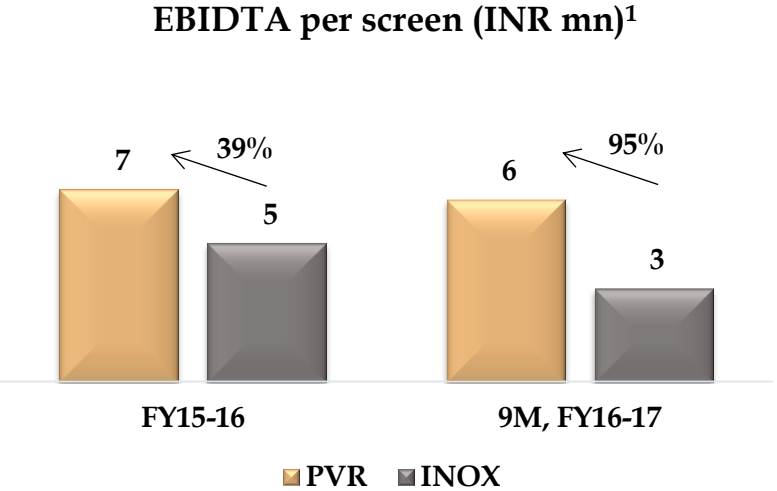
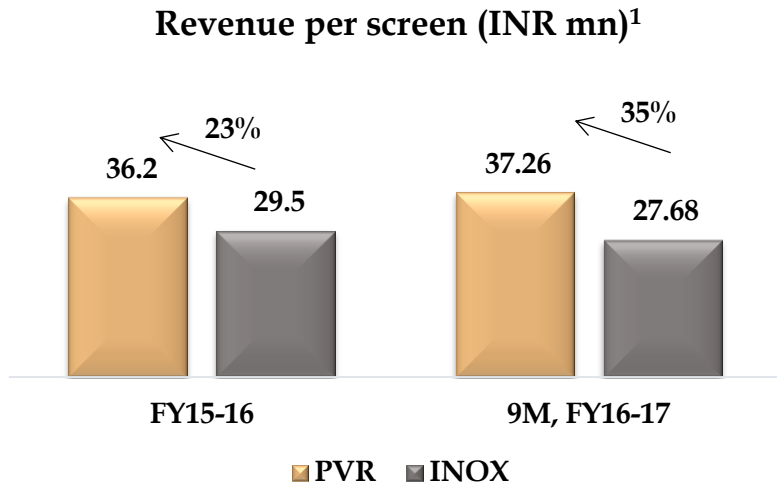
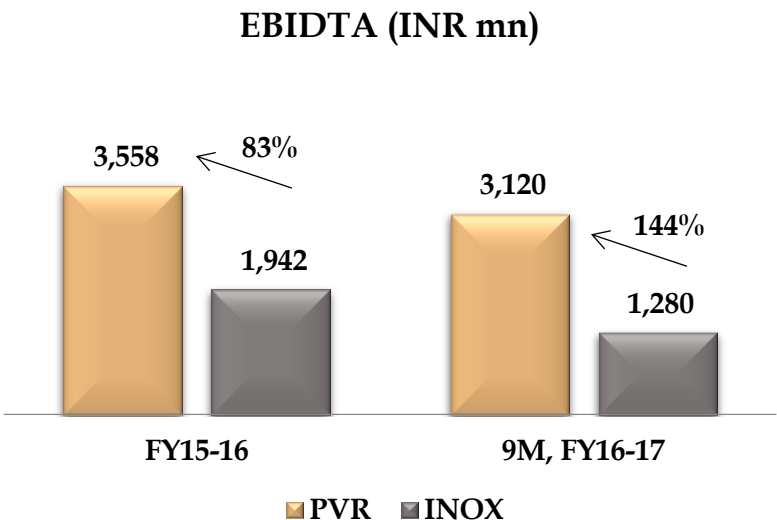
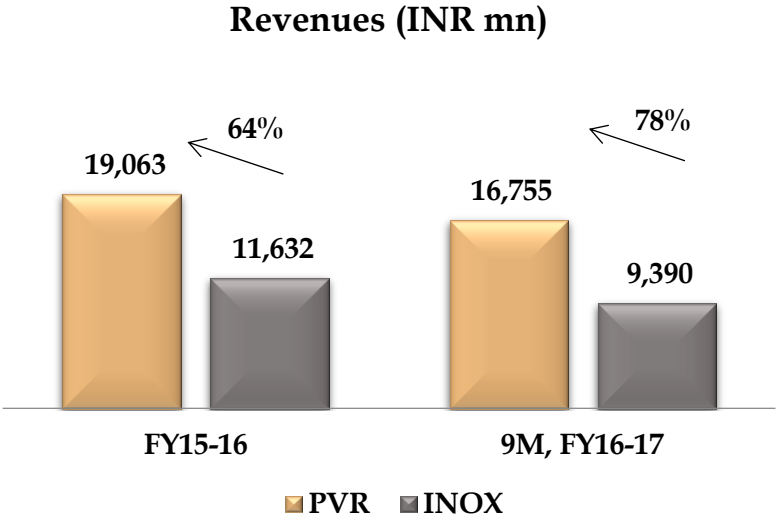
## Expenses (Positive Impact)

Tax Credit available on most of the expenses

**2.5%**  
**impact on margin**

**Overall impact on EBITDA Margin expected to be 2.5% – 3.0%**

# Superior Financial Performance vs Competition



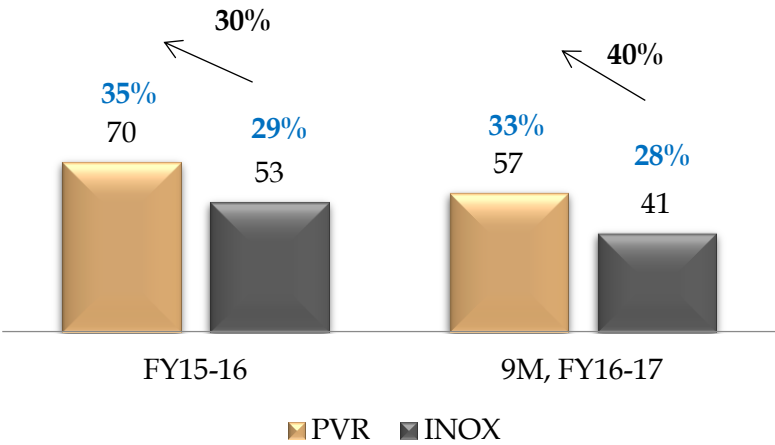
**PVR outperforms the industry**

[1] Revenue & EBITDA per screen has been calculated after annualizing 9M,FY16-17 performance

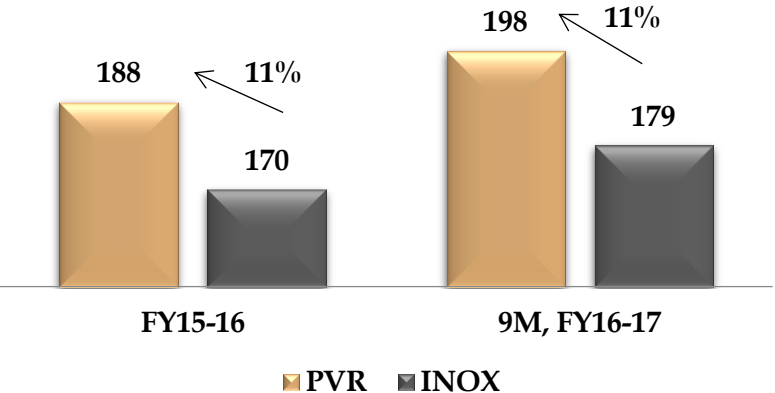


# Superior Operating Performance vs Competition

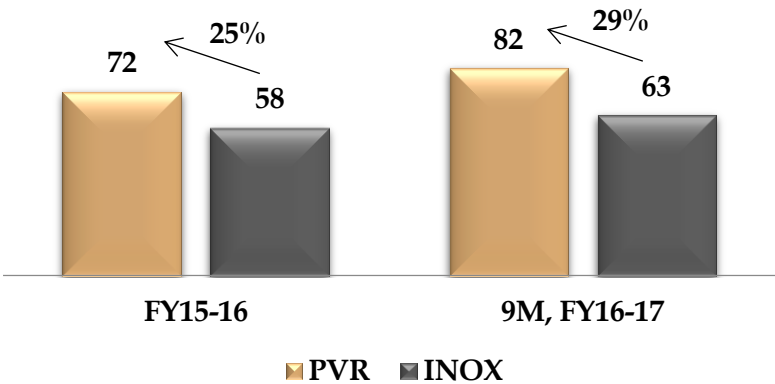
Admits (mn) & Occupancy (%)



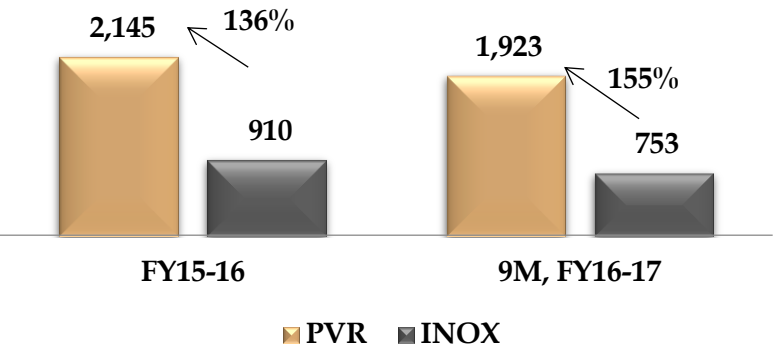
ATP (INR)



SPH (INR)

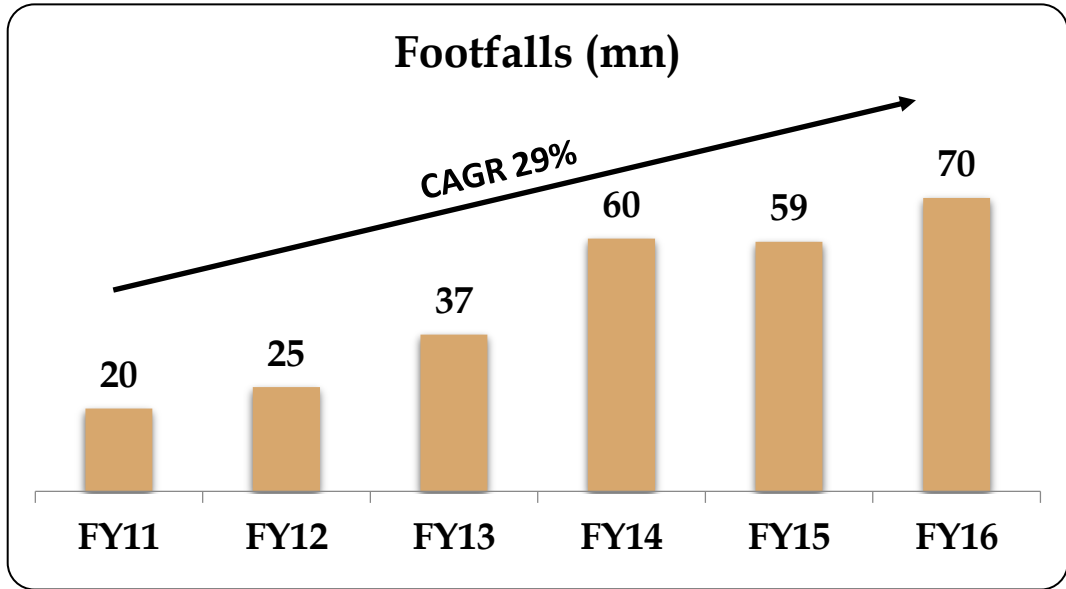
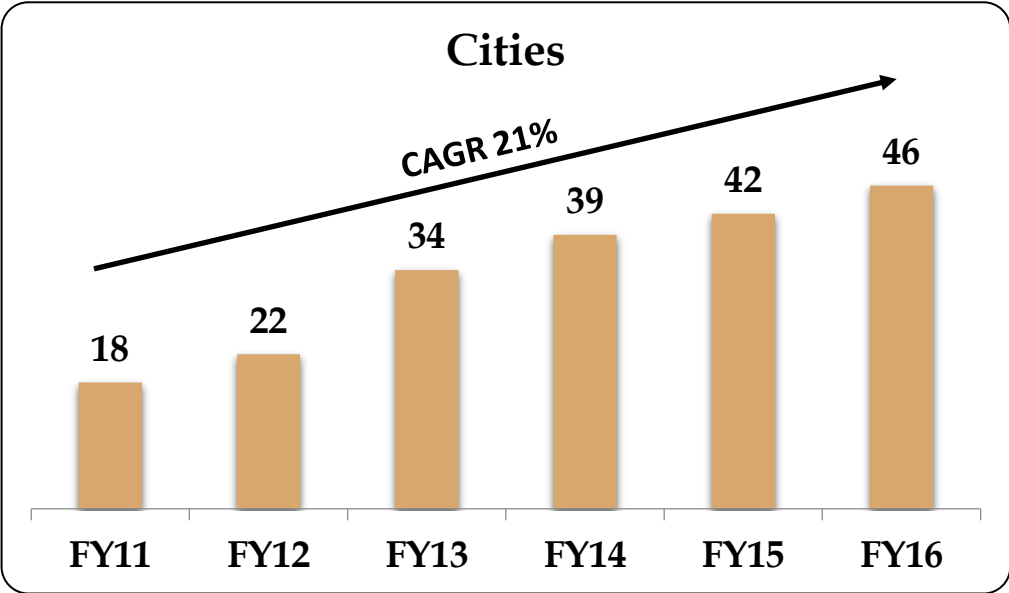
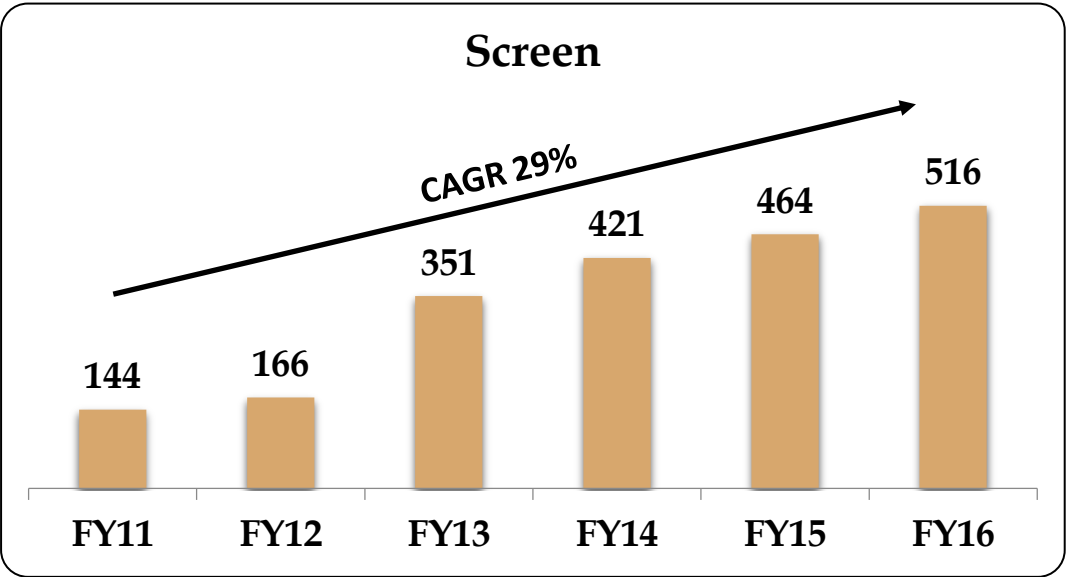
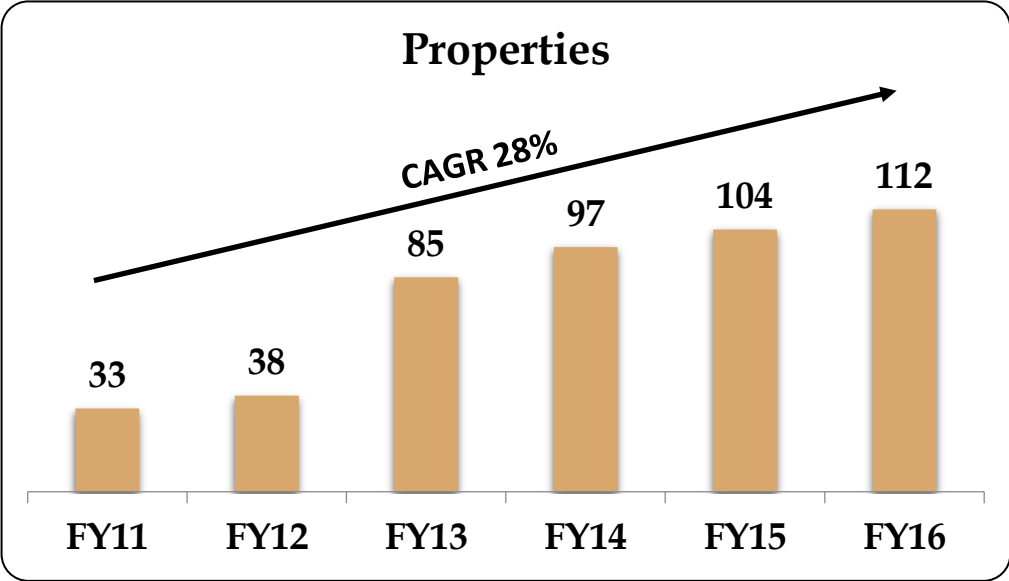


Sponsorship Revenues (INR mn)

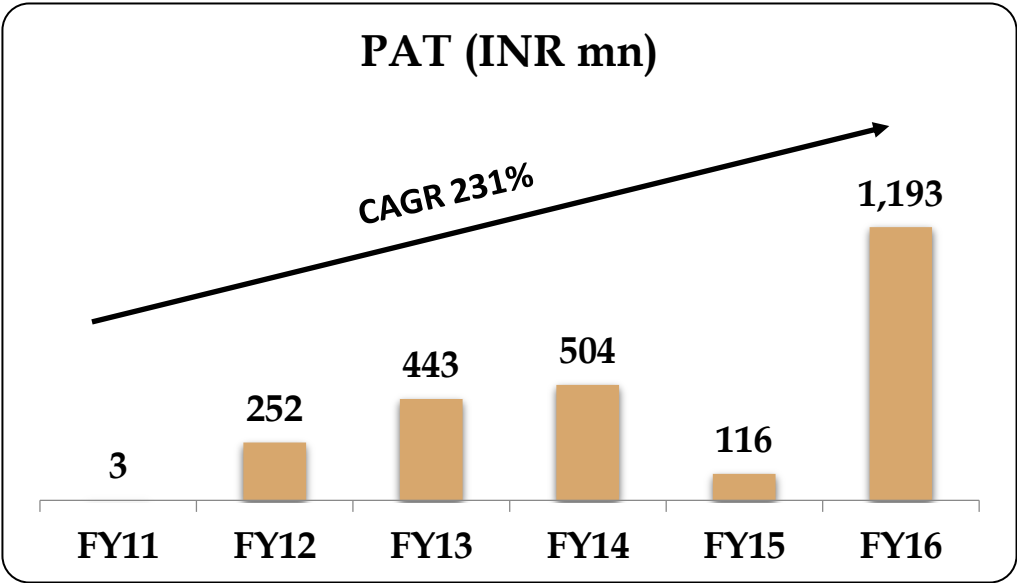
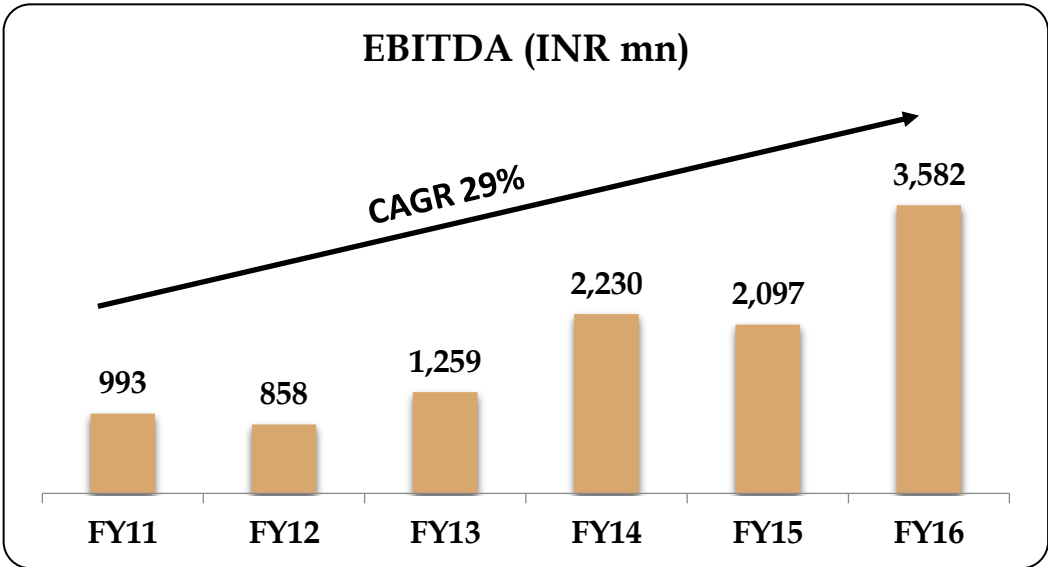
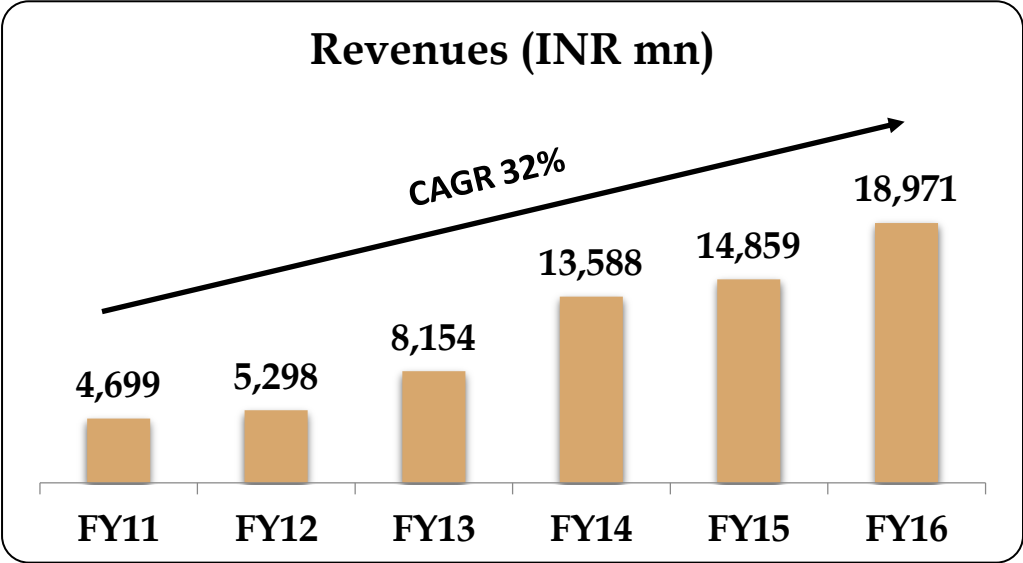


PVR outperforms the industry

# Robust Growth



# Strong Financial Performance



THANK YOU !