

UFO Moviez India Limited

Result Update Q3 FY24



CMP INR 164

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UFO Moviez India Ltd.'s total revenues increased this quarter to INR 118 cr from INR 111 cr YoY, showing a growth of 6.8% YoY and a growth of 36.5% QoQ. In 9MFY24, the total revenues are down 6% to INR 291 cr, from INR 309 cr in 9MFY23 due to a sharp decrease in revenue from distributors of 28% YoY. The revenue mix changed from being INR 19 cr (17%) from advertisement, INR 35 cr (32%) from distributors and INR 56 cr (51%) from exhibitors in Q3FY23 to INR 38 cr (32%) from advertisement, INR 31 cr (27%) from distributors and remaining INR 48 cr (41%) from exhibitors in this quarter.

EBITDA grew at 86.6% YoY from INR 10 cr to INR 18 cr and a growth of 6.3% QoQ, due to a decrease in purchases of digital cinema equipment and lamps and other raw material cost by 13.8% YoY. The EBITDA margin declined by 437 bps QoQ to 15.4% in Q3FY24 from 19.8% QoQ but has improved by 658 bps YoY. The company recorded a PAT this quarter of INR 3 cr showing a growth from a loss of INR 3 cr in Q2FY23 and a growth of 141.5% QoQ.

The In-Cinema advertisement revenue grew from INR 18 cr to INR 34 cr showing a growth of 83% YoY. The revenue mix in the same changed from 76% & 24% to 68% & 32% from corporate+hyperlocal & government+PSU respectively.

In the Theatrical revenues segment the subsegment; content delivery charges revenue increased slightly from INR 23 cr in Q3FY23 to INR 23 cr in Q3FY24 showing a degrowth of 1.7% YoY. The VPF services gross revenue decreased from INR 5 cr to INR 4 cr showing a degrowth of 20.7% YoY while the net revenue decreased by 17.6% YoY from INR 17 cr to INR 14 cr in Q3FY24.

The company has a ROE of -4.95% and a ROCE of -0.97% and is currently trading at a CMP of INR 164.

Key Consolidated Financial Data (INR Cr, unless specified)

Particulars	Q3FY23	Q2FY24	Q3FY24	QoQ	YoY	9MFY23	9MFY24	YoY
Revenue	111	87	118	36.5	6.8	309	291	(6.0)
EBITDA	10	17	18	6.3	86.6	25	52	107
EBITDA Margin (%)	8.8	19.8	15.4			8.1	18.0	
Net Profit	0	3	5	39.2	-	(12)	10	-
Net Margin (%)	0	3.8	3.9			(3.8)	3.4	

Industry Entertainment

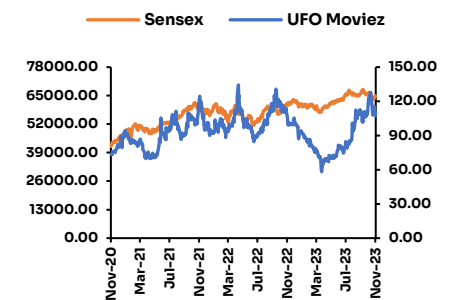
Scrip Details

Face Value (INR)	10.0
Market Cap (INR Cr)	633
Price (INR)	164
No of Sh O/S (Cr)	3.86
3M Avg Vol (000)	563
52W H/L (INR)	172/57
Div. Yield (%)	0.00

Shareholding (%)

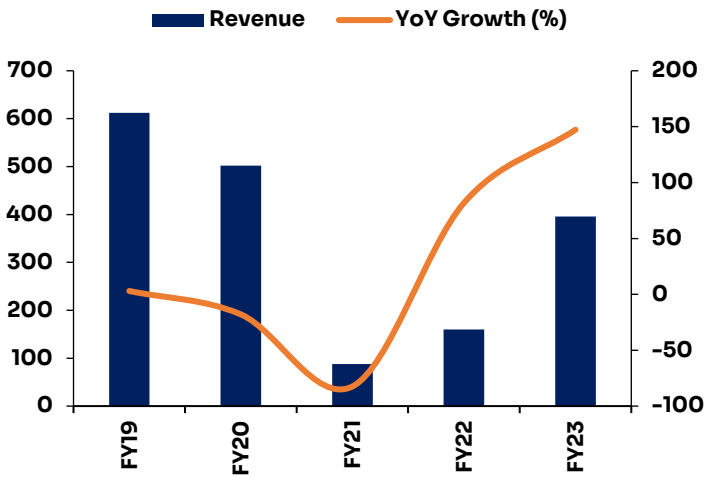
Promoter	22.48
FII	0.86
DII	24.51
Public	52.15
TOTAL	100.0

Price chart

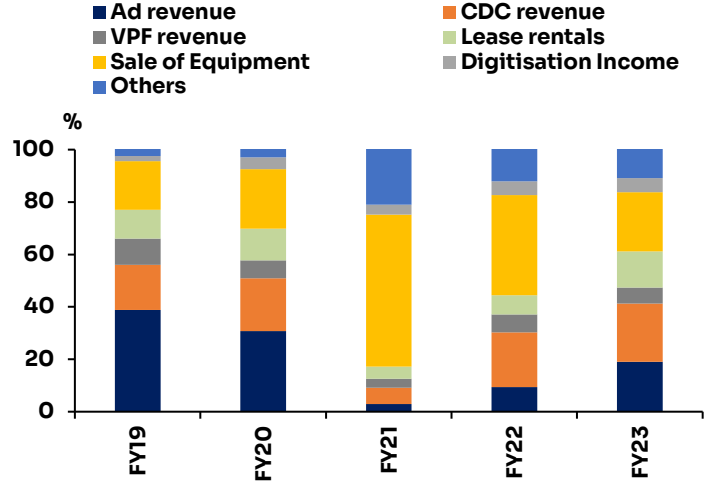


Financial Summary in Charts

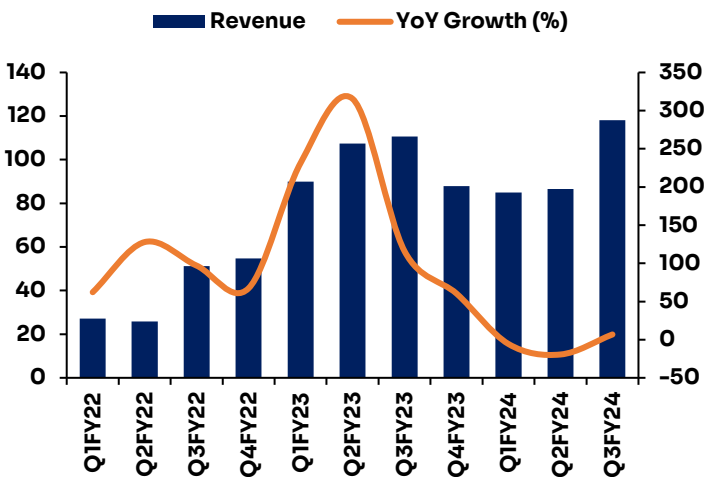
Revenue Growth



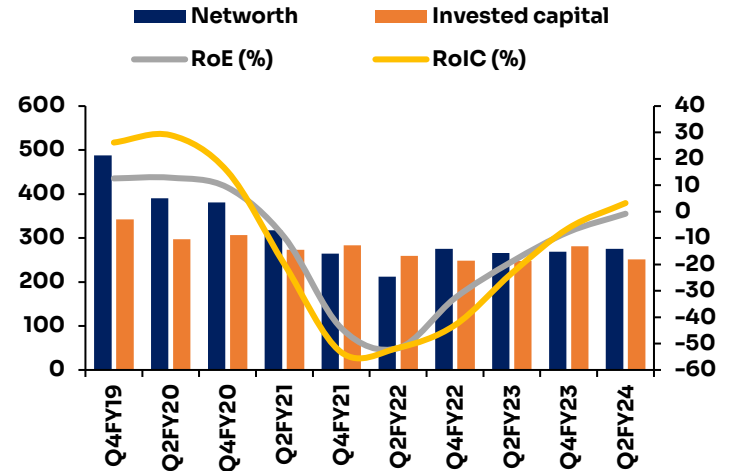
Revenue Mix



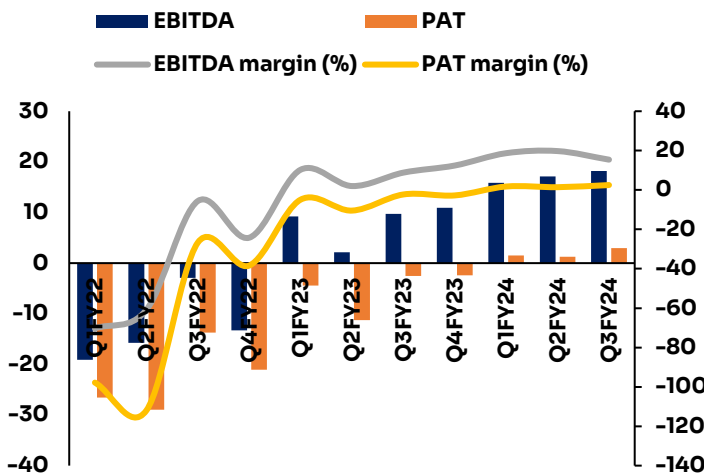
Revenue Growth



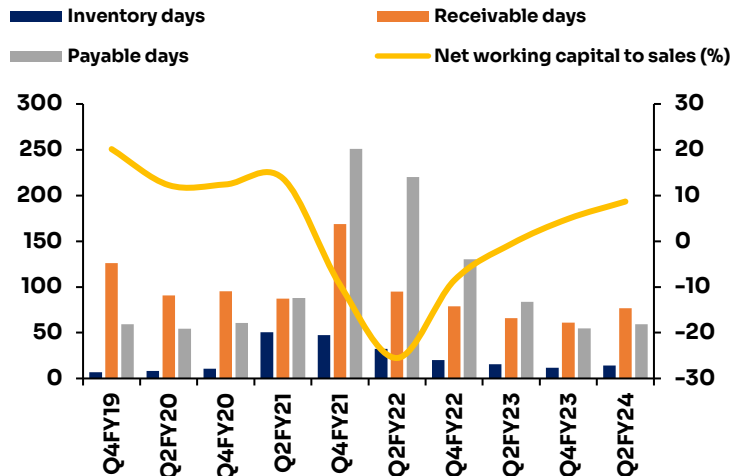
Improving Return Ratios



Improving Margins



Working Capital



Key Highlights of Q3FY24

Revenue mix

The revenue mix changed from Advertisement/Distributor/Exhibitor revenue from INR 50.7 cr (17%)/ INR 121.3 cr (39%)/ INR 136.1 cr (44%) in 9MFY23 to INR 91.1 cr (32%)/ INR 87.7 cr (30%)/ INR 110.7 cr (38%) in 9MFY24.

In-cinema advertisement operating parameters

The In-Cinema Advertisement Operating Parameters reveal that there are a total of 3,407 screens, with 2,105 considered prime screens and 1,302 categorized as popular screens. The Full House Seating Capacity, annualized, is approximately 1.7 billion.

In-Cinema Advertisement Revenue Analysis

The average revenue per screen has more than doubled YoY, from INR 54,020 in Q3FY23 to INR 101,715 in Q3FY24. The nine-month average revenue per screen has also increased significantly, from INR 143,197 in 9MFY23 to Rs. 252,012 in 9MFY24.

The advertisement sharing with exhibitors has decreased YoY, from 62.55% in Q3FY23 to 41.89% in Q3FY24. The nine-month advertisement sharing with exhibitors has also decreased, from 64.65% in 9MFY23 to 43.31% in 9MFY24.

Number of screens

The number of CDC category screens increased by 57 screens to a total of 3,100 YoY, the number of VPF category screens increased by 31 to a total of 387 screens. Thus, the total number of screens increased by 88 screens from a total of 3,399 in Q3FY23 to 3,487 in Q3FY24.

Key Management Personnel

Sr. No.	Name	FY22	FY23
1	Mr. Rajesh Mishra	CEO	P & CEO
3	Mr. Sanjay Gaikwad	MD	MD
4	Mr. Ashish Malushte	CFO	CFO
5	Ms. Kavita Thadeshwar	CS	CS
6	Mr. Kapil Agarwal	JMD	JMD
8	Mr. Anand Trivedi	ID	NED
9	Mr. Gautam Trivedi	ID	NED
10	Mr. Kanwar Bir Singh Anand*	-	ID
11	Mr. Rajiv Batra^	-	ID
12	Ms. Swati Mohan#	-	ID
14	Mr. Sanjeev Aga	ID	ID
15	Mr. S. Madhavan	ID	ID
16	Ms. Lynn de Souza	ID	ID
17	Mr. Ameya Hete	NED	NED

Source: Company reports

* appointed w.e.f. 26.05.2022

^ appointed w.e.f. 15.06.2022

appointed w.e.f. 15.06.2022

Financial Summary for UFO Moviez India Ltd

Fig in INR Cr (unless specified)	FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	FY23	Q1FY24	Q2FY24	Q3FY24
Revenue from operations	88.1	27.2	25.9	51.3	54.8	160.1	90.0	107.5	110.6	87.9	395.9	84.9	86.6	118.1
YoY Growth (%)	(82.5)	62.1	127.8	97.0	67.3	81.8	231.4	315.5	115.8	60.4	147.2	(5.7)	(19.4)	6.8
Raw Material Cost	43.3	18.7	12.6	11.4	10.8	49.7	13.0	24.2	26.1	12.3	70.9	12.4	11.0	22.5
RM Cost to Sales (%)	49.1	68.9	48.8	22.3	19.8	31.1	14.4	22.5	23.6	14.0	17.9	14.6	12.7	19.1
Employee Cost	51.8	12.8	12.4	17.5	26.4	69.0	25.6	25.5	25.5	21.8	98.4	19.2	20.8	27.3
Employee Cost to Sales (%)	58.8	47.1	47.8	34.2	48.1	43.1	28.4	23.8	23.0	24.8	24.9	22.6	24.1	23.1
Other Expenses	81.7	14.8	16.6	25.2	30.9	94.0	42.2	55.6	49.2	42.8	196.4	37.5	37.6	50.1
Other Expenses to Sales (%)	92.8	54.3	64.3	49.2	56.3	58.7	46.9	51.7	44.5	48.8	49.6	44.2	43.4	42.4
EBITDA	(88.7)	(19.1)	(15.8)	(2.9)	(13.3)	(52.6)	9.3	2.1	9.8	10.9	30.2	15.9	17.1	18.2
EBITDA Margin (%)	(100.7)	(70.3)	(60.9)	(5.6)	(24.2)	(32.8)	10.3	2.0	8.8	12.4	7.6	18.7	19.8	15.4
Net Profit	(117.6)	(26.7)	(28.3)	(13.0)	(18.9)	(86.9)	(2.5)	(9.2)	(0.3)	(1.2)	(13.2)	2.5	3.3	4.6
Net Margin (%)	(133.5)	(98.2)	(109.4)	(25.4)	(34.5)	(54.2)	(2.8)	(8.5)	(0.3)	(1.3)	(3.3)	3.0	3.8	3.9
Adjusted EPS	(30.6)	(6.9)	(7.4)	(3.4)	(4.9)	(22.6)	(0.7)	(2.4)	(0.1)	(0.3)	(3.4)	0.7	0.9	1.2
P/E (X)	(5.4)					(7.2)					(47.7)			
Adjusted BVPS	69.0					71.8					70.0			
P/BV (X)	2.4					2.3					2.3			
Enterprise Value	648.8					602.3					642.0			
EV/EBITDA (X)	(7.3)					(11.5)					21.2			
Net Worth	264.7					275.7					268.7			
Return on Equity (%)	(44.4)					(31.5)					(4.9)			
Capital Employed	358.8					362.6					349.2			
Return on Capital Employed (%)	(32.9)					(24.5)					(5.2)			
Invested Capital	283.8					248.3					280.9			
Return on Invested Capital (%)	(53.5)					(43.7)					(6.9)			
Cash Flow from Operations	(16.0)					(25.7)					6.1			
Cash Flow from Investing	7.4					(43.8)					14.6			
Cash Flow from Financing	7.7					72.3					(22.1)			
Net Cash Flow	(0.9)					2.8					(1.4)			
Free Cash Flow	(29.7)					(28.7)					(10.3)			
FCF to Revenue (%)	(33.7)					(17.9)					(2.6)			
FCF to EBITDA (%)	33.4					54.6					(34.2)			
FCF to Net Profit (%)	25.2					33.0					78.3			
FCF to Net Worth (%)	(11.2)					(10.4)					(3.9)			
Total Debt	94.1					86.9					80.5			
Net Debt	19.0					(27.4)					12.3			
Net Debt to Equity (X)	0.1					(0.1)					0.0			
Net Debt to EBITDA (X)	(0.2)					0.5					0.4			
Interest Coverage Ratio (X)	(11.6)					(9.3)					(1.7)			

Source: Ventura Research & Company update

Financial Analysis

Fig in INR Cr (unless specified)	FY19	FY20	FY21	FY22	FY23	Fig in INR Cr (unless specified)	FY19	FY20	FY21	FY22	FY23
Income Statement						Per share data & Yields					
Revenue	611.9	502.1	88.1	160.1	395.9	Adjusted EPS (INR)	17.3	10.1	(30.6)	(22.6)	(3.4)
YoY Growth (%)		(17.9)	(82.5)	81.8	147.2	Adjusted Cash EPS (INR)	36.5	28.6	(14.2)	(8.1)	9.5
Raw Material Cost	87.5	89.2	43.3	49.7	70.9	Adjusted BVPS (INR)	127.0	99.3	68.9	71.8	70.0
RM Cost to Sales (%)	14.3	17.8	49.1	31.1	17.9	Adjusted CFO per share (INR)	25.4	31.3	(4.2)	(6.7)	1.6
Employee Cost	91.7	85.6	51.8	69.0	98.4	CFO Yield (%)	15.5	19.1	(2.5)	(4.1)	1.0
Employee Cost to Sales (%)	15.0	17.0	58.8	43.1	24.9	Adjusted FCF per share (INR)	17.5	22.5	(7.7)	(7.5)	(2.7)
Other Expenses	271.7	212.7	81.7	94.0	196.4	FCF Yield (%)	10.7	13.7	(4.7)	(4.6)	(1.6)
Other Exp to Sales (%)	44.4	42.4	92.8	58.7	49.6	Solvency Ratio (X)					
EBITDA	160.9	114.7	(88.7)	(52.6)	30.2	Total Debt to Equity	0.2	0.2	0.4	0.3	0.3
Margin (%)	26.3	22.8	(100.7)	(32.8)	7.6	Net Debt to Equity	(0.2)	(0.1)	0.1	(0.1)	0.0
YoY Growth (%)		(28.8)	(177.4)	(40.7)	(157.5)	Net Debt to EBITDA	(0.7)	(0.4)	(0.2)	0.5	0.4
Depreciation & Amortization	73.6	71.0	63.0	55.8	49.5	Return Ratios (%)					
EBIT	87.4	43.6	(151.7)	(108.4)	(19.3)	Return on Equity	13.6	10.2	(44.4)	(31.5)	(4.9)
Margin (%)	14.3	8.7	(172.2)	(67.7)	(4.9)	Return on Capital Employed	9.9	7.0	(32.9)	(24.5)	(5.2)
YoY Growth (%)		(50.1)	(447.8)	(28.6)	(82.2)	Return on Invested Capital	23.6	13.0	(53.5)	(43.7)	(6.9)
Other Income	19.6	14.7	14.6	9.9	8.5	Working Capital Ratios					
Interest	11.0	10.1	13.1	11.6	11.1	Payable Days (Nos)	59	61	248	129	55
Exceptional Item						Inventory Days (Nos)	7	11	47	20	12
PBT	95.9	48.2	(150.2)	(110.1)	(21.9)	Receivable Days (Nos)	120	95	166	78	61
Margin (%)	15.7	9.6	(170.5)	(68.8)	(5.5)	Net Working Capital Days (Nos)	67	45	-34	-31	18
YoY Growth (%)		(49.7)	(411.6)	(26.7)	(80.1)	Net Working Capital to Sales (%)	18.4	12.4	(9.4)	(8.5)	4.9
Tax Expense	34.5	13.4	(33.4)	(19.9)	(1.3)	Valuation (X)					
Tax Rate (%)	35.9	27.8	22.2	18.0	5.8	P/E	9.5	16.2	(5.4)	(7.3)	(47.7)
PAT	61.4	34.8	(116.9)	(90.3)	(20.6)	P/BV	1.3	1.7	2.4	2.3	2.3
Margin (%)	10.0	6.9	(132.7)	(56.4)	(5.2)	EV/EBITDA	3.2	5.1	(7.3)	(11.5)	21.2
YoY Growth (%)		(43.3)	(435.8)	(22.8)	(77.2)	EV/Sales	0.8	1.2	7.4	3.8	1.6
Min Int/Sh of Assoc	5.1	4.0	(0.7)	3.4	7.4	Cash Flow Statement					
Net Profit	66.5	38.8	(117.6)	(86.9)	(13.2)	PBT	95.9	48.2	(150.2)	(110.1)	(21.9)
Margin (%)	10.9	7.7	(133.5)	(54.2)	(3.3)	Adjustments	50.6	35.1	30.2	59.2	59.7
YoY Growth (%)		(41.7)	(403.3)	(26.1)	(84.8)	Change in Working Capital	(14.4)	50.3	70.7	5.4	(33.1)
Balance Sheet						Less: Tax Paid	(34.5)	(13.4)	33.4	19.9	1.3
Share Capital	28.4	28.4	28.4	38.0	38.2	Cash Flow from Operations	97.6	120.3	(16.0)	(25.7)	6.1
Total Reserves	459.4	352.9	236.4	237.7	230.5	Net Capital Expenditure	(37.6)	(41.1)	(23.8)	(12.6)	(26.9)
Shareholders Fund	487.7	381.2	264.7	275.7	268.7	Change in Investments	(14.0)	82.6	31.2	(31.2)	41.5
Long Term Borrowings	37.1	33.5	60.1	50.5	22.2	Cash Flow from Investing	(51.6)	41.5	7.4	(43.8)	14.6
Deferred Tax Assets / Liabilities	(38.2)	(40.1)	(74.8)	(95.2)	(97.1)	Change in Borrowings	(13.2)	(31.9)	20.7	(11.3)	(11.7)
Other Long Term Liabilities	38.3	64.6	43.2	37.2	52.0	Less: Finance Cost	(11.0)	(10.1)	(13.1)	(11.6)	(11.1)
Long Term Trade Payables	0.0	0.0	0.0	0.0	0.0	Proceeds from Equity	0.0	0.0	0.0	95.2	0.7
Long Term Provisions	6.6	233.3	234.7	236.4	235.9	Buyback of Shares	0.0	0.0	0.0	0.0	0.0
Total Liabilities	531.5	672.6	527.9	504.7	481.6	Dividend Paid	(35.4)	(127.6)	0.0	0.0	0.0
Net Block	229.9	223.2	173.5	144.9	145.8	Cash flow from Financing	(59.6)	(169.6)	7.7	72.3	(22.1)
Capital Work in Progress	8.7	19.8	18.3	9.0	11.5	Net Cash Flow	(13.6)	(7.8)	(0.9)	2.8	(1.4)
Intangible assets under development	0.0	0.0	0.0	0.0	0.0	Forex Effect	1.1	(0.7)	(0.2)	(0.1)	0.5
Non Current Investments	12.0	17.8	24.7	22.3	28.1	Opening Balance of Cash	34.3	22.2	13.7	12.5	15.2
Long Term Loans & Advances	39.0	286.3	272.7	267.8	278.6	Closing Balance of Cash	22.2	13.7	12.5	15.2	14.3
Other Non Current Assets	6.4	4.5	6.5	4.9	13.3						
Net Current Assets	235.5	121.0	32.3	55.8	4.3						
Total Assets	531.5	672.6	527.9	504.7	481.6						

Source: Ventura Research & Company Financials

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