

1st February, 2023

To,
BSE Limited
P J Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051

Scrip Code: 532706

Symbol: INOXLEISUR

Dear Sir / Madam,

Sub.: Transcript of Conference Call with the Investors / Analysts.

The Company had organized a conference call with the Investors/Analysts on Monday, 30th January, 2023.

A copy of Transcript of conference call held with the Investors/Analysts is enclosed herewith and the same is also being uploaded on the Company's website at: <https://www.inoxmovies.com/Corporate.aspx?Section=3>.

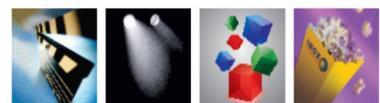
Kindly take the same on record.

Thanking you.

Yours faithfully,
For INOX Leisure Limited

Vishav Sethi
Company Secretary & Compliance Officer

Encl.: As above





“INOX Leisure Limited

Q3 FY ‘23 Results Conference Call”

January 30, 2023



MANAGEMENT: MR. SIDDHARTH JAIN – DIRECTOR – INOX LEISURE LIMITED

MR. ALOK TANDON – CHIEF EXECUTIVE OFFICER – INOX LEISURE LIMITED

MR. KAILASH GUPTA – CHIEF FINANCIAL OFFICER – INOX LEISURE LIMITED

MODERATOR: MR. ANKUR PERIWAL – AXIS CAPITAL LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to INOX Leisure Limited Q3 FY '23 Results Conference Call hosted by Axis Capital Limited. As a reminder all participant lines will be in the listen-only mode and there will be opportunity for you to ask question 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. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ankur Periwal from Axis Capital Limited. Thank you, and over to you, Mr. Periwal.

Ankur Periwal: Yes. Thank you, and good evening, friends, and welcome to INOX Leisure Limited's Q3 FY '23 Post Results Earnings Conference Call. The call will be initiated with a brief management discussion on the earnings performance, followed by an interactive Q&A session. Management team will be represented by Mr. Siddharth Jain, Director, INOX Leisure Limited; Mr. Alok Tandon, CEO, INOX Leisure Limited; and Mr. Kailash Gupta, CFO, INOX Leisure Limited.

We will start with the opening remarks from Mr. Alok on the business performance, followed by few words from Mr. Siddharth Jain, and then we'll open the session for Q&A session. Over to you, Alok, sir.

Alok Tandon: Thanks a lot, Ankur. Thanks a lot for the introduction. And hi, everyone, and a very good evening to all of you. I'm Alok Tandon. And with me, I've got my colleague, Mr. Kailash Gupta, who is the CFO of the company; and Mr. Siddharth Jain (Director) will also be joining us on the call. And I would like to welcome all of you and all the participants on this call to this quarterly earnings call, which we have.

Our Board has approved quarterly results for Q3 and for 9 months FY '23, and the same has been uploaded on the website of the stock exchanges and the company's website. The performance of the third quarter reflects the return of the usual hustle-bustle and cheerfulness in our cinemas, something which us, as well as the Indian cinema industry is known for.

And it was yet again the content that played a significant role in this comeback story. I take a lot of pride in sharing that we have once again topped our quarterly benchmarks with the highest ever quarterly average ticket price and spend per head, which go on to show that our bond with the consumers remain strong and enriching.

The quarter was blessed with some phenomenal blockbusters, including Avatar: The Way of Water; Kantara; Ponnaiyin Selvan - Part 1; and Drishyam Part 2, resulting in healthy footfalls. The company continued its drive to roll out consumer-centric innovations on content, technology and F&B front. With the live screening of FIFA World Cup Qatar 2022 and the ICC T20 Men's Cricket World Cup, INOX enthralled its sports loving audiences.

On the technology front, a revolutionary seat-integrated sound technology, AmpliX, was launched at INOX Megaplex in Mumbai, offering a 360 degrees spherical audio experience on cinema seats. We went on overdrive on the culinary front with the introduction of an area of

movie centric and seasonal specialties, ensuring a higher quarterly spend per head than ever before.

With Pathaan breaking the shackles and creating multiple records, the company expects a greater turnaround in the business going forward, thanks to the fascinating content lineup in the upcoming quarters with releases like; Shehzada, Selfie, Tu Jhoothi Main Makkaar, Bholaa, John Wick: Chapter 4, Ant-Man and the Wasp: Quantumania, Vaathi, Shaakuntalam and many more movies. We will continue to innovate on the content, F&B and the technology front and will remain committed to our endeavors of offering the best movie watching experience.

Pertaining to a merger with PVR, honorable National Company Law Tribunal, Mumbai bench has allowed the proposed scheme on January 12, 2023. A copy of the detailed order is already uploaded on the NCLT website. We have also provided the estimated timelines for the completion of the merger in our earnings presentation.

Now let me take you through the key highlights. In 9-months FY '23, INOX has made the highest screen addition in the industry of 45 screens. In Q3 FY '23, we have had the highest-ever quarterly average ticket price of INR 230 and SPH of INR 106. In 9-months FY '23, we have had the highest average ticket price at INR 226 and SPH at INR 101. We have a strong liquidity position. And as on January 28, 2023, we had INR 230 crores in cash and cash equivalents. We are the only national chain that is net debt-free.

Now if I look at some of the financial highlights of Q3 and 9 months FY '23, they are as follows. I just want to let you know that throughout our earnings presentation, we have compared Q3 and 9-month FY '23 with Q3 of and 9-months of FY '20, as we all know that FY '22 was impacted by COVID-19. Also, the figures exclude Ind AS 116 impact.

For Q3 FY '23, the revenue was at INR 522 crores, which is 1% increase as compared to INR 518 crores in Q3 FY '20. EBITDA is at INR 87 crores compared to INR 108 crores in Q3 FY '20. Adjusted PAT is calculated after excluding exceptional items, and deferred tax loss on account of business loss written off is at INR 40 crores as compared to INR 51 crores in Q3 FY '20. For 9-months FY '23, the revenue is at INR 1,492 crores as compared to INR 1,538 crores in 9-months FY '20. EBITDA is at INR 220 crores as compared to INR 308 crores in 9 months of FY '20. Adjusted PAT is at INR 92 crores compared to INR 144 crores in 9 months FY '20. In Q3 FY '23, the footfalls are at 153 lakhs as compared to 169 lakhs in Q3 FY '20. In Q3 FY '23, occupancy is at 23% compared to 27% in Q3 FY '20. ATP is at INR 230 compared to INR 204 in Q3 FY '20. SPH is at INR 106 for Q3 FY '23, which is a 31% increase as compared to INR 81 in Q3 FY '20.

For 9-months FY '23, the footfalls are at 453 lakhs as compared to 532 lakhs in 9 months FY '20. In 9 months FY '23, occupancy is at 23% as compared to 29% in 9 months FY '20. ATP is at INR 226 compared to INR 199, and SPH is at INR 101 which is 26% increase as compared to INR 80 for 9 months FY '20.

Our control over fixed costs has been phenomenal. We can see that from the numbers, which is already there in the presentation. When we compare Q3 and 9 months FY '23 and Q3 and 9 months FY '20 on a per screen basis, majority of our fixed costs have decreased. Employee benefit expenses, including agency manpower, has gone down from INR 72.2 crores in Q3 FY '20 to INR 66.6 crores in Q3 FY '23.

On a per screen basis, it has reduced from INR 12.7 lakhs per screen to INR 10 lakhs per screen, respectively, which is a 21% reduction. Power, fuel, R&M expenses have increased from INR 38.6 crores in Q3 FY '20 to INR 45.4 crores in Q3 FY '23. However, on a per screen basis, it is stable at INR 6.8 lakhs per screen. Rent & CAM have increased from INR 97.1 crores in Q3 FY '20 to INR 124.5 crores in Q3 FY '23, due to increase in number of screens, as I mentioned in power and fuel and R&M earlier.

But on a per screen basis, it has marginally increased from INR 17 lakhs per screen to INR 18.6 lakhs per screen, respectively, which is only a 9% increase. Other overheads has gone down from INR 35.8 crores in Q3 FY '20 to INR 32.4 crores in Q3 FY '23. On a per screen basis, it has reduced from INR 6.3 lakhs per screen to INR 4.8 lakhs per screen, respectively, which is a huge reduction of 24%. Our distributor share as a ratio of net box office collection went down from 45.3% in Q3 FY '20 to 43% in Q3 FY '23 and our F&B contribution has shown phenomenal improvement. F&B contribution has increased from 75.3% to 77.4% for Q3 FY '20 and Q3 FY '23, respectively.

In terms of the shareholding structure, as on January 27, 2023, FIIs owned about 19.16% of the company. The DIIs owned 24.72%, Promoter & Promoter Group hold 44.04% and public and other owned 12.08%. The share price as on January 27, 2023, was about INR 504.40, which gave the company a market capitalization of INR 6,171 crores.

The company added 4 new properties with 15 screens in Q3 FY '23. The 3-screen multiplex at CMR Mall, Gajuwaka, 4 screens at Centro Mall Mysore, 3 screens at Laila Mall, Vijaywada, and 5 screens at RCube, Monad, New Delhi.

Going forward, we plan to add and as we speak, in this quarter, we have already opened 2 screens in Connaught Place in Delhi. So, taking a total count to 722 screens. Going forward, we plan to add 6 more properties and 30 more screens till March 31, 2023. At present, we are operational in 18 states and 2 Union Territories present in 74 cities with 170 properties, 722 screens and approximately 1.6 lakh seats.

Beyond FY '23, we have signed up to the extent of nearly 115 more properties, 819 screens with 1.5 lakh seats. And once this entire pipeline is fully implemented, we will have 291 properties, 1,571 screens and 3.16 lakh seats.

In Q3 FY '23, we had movie like Avatar: The Way of Water, Kantara, Ponnaiyan Selvan: Part 1 and Drishyam 2, to just name a few. And we are delighted to inform you that we have a very healthy lineup of movies already waiting to be released and which I just spoke about earlier. As our capex is concerned, in the beginning of FY '23, we had organically planned to open 77

screens, out of which 47 have already opened. All 77 screens are being funded through internal accruals. The proposed acquisition of Luxe Cinemas, Chennai with 11 screens will be done through a mixture of debts and internal accruals.

I would also like to reiterate that our liquidity position is very strong. And as on January 28, 2023, we have INR 355 crores, which includes undrawn limits of INR 125 crores. Alternatively, we own 6 cinema properties and a head office. And as for the market valuation, if required, we can raise close to INR 400 crores by doing a sale leaseback of these properties. As of January 28, 2023, we have a gross debt of approximately INR 162 crores.

Well, this was a brief about the quarter which has gone by. And I would like to request Mr. Siddharth Jain to say a few words to everyone on this call.

Siddharth Jain:

Well, hello, everyone.. I thought I'd take this opportunity of speaking to all of you, as today is, of course, a very emotional day for us. It would be our last Board meeting, and it would also be our last earnings call. So, I just wanted to take this opportunity of really thanking all our stakeholders, of course, our investors, all the analysts, whether it was standing by us in our tough times or applauding us for our victories or showing us the right direction when it mattered the most. All of you have been phenomenal support system for us at INOX and our leadership team after being incorporated in 1999. It's been a tremendous journey of 24 years. We had 722 screens to date.

But today, we stand at a very, very exciting time. As the Hindi film industry, as everyone is seeing, is going through some historic moments right you know, we are going to start a new journey along with PVR. And I'm extremely excited about the potential of this company going forward and can't wait to see its journey.

And I want to thank all of you once again for being part of INOX for all these years, and I do hope you will continue to support the merged entity in the years forward. Once again, thank you for your support and encouragement and look forward to hearing all your suggestions and working with you and creating more value for all our stakeholders going forward. Thank you.

Alok Tandon:

Thank you. Thank you, Siddharth. Now we can open the floor for question and answers. And Kailash and I will be more than happy to answer any questions you have.

Moderator:

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

Abneesh Roy:

Yes. Thanks for the opportunity and congrats on very good numbers. My first question is, how is the pipeline of next 2 months? I understand that the movies which you mentioned, and Pathaan movie, obviously has done much better than initial expectations. So taking that into account, how is the next 2, 3 months because there is the exam season also? So historically, Feb end month has been a bit weak in terms of footfalls because of the exams.

So does anything change because of Pathaan's very good performance? Because in the past, whenever such a slowdown has happened in the Hindi, we have seen that, once a good movie

and good footfall happens, the consumer behavior also changes. So would you expect that to happen?

Alok Tandon:

So Abneesh, thanks for -- always being the first person to ask a question. Well, let me tell you, Pathaan, you rightly said, has done amazingly well. I think it's exceeded all possible expectations. And we at INOX are quite excited about the numbers which we are getting and the houseful shows we are getting. And as I said earlier in my opening remarks is that the hustle and bustle is back in the lobbies. And that's something which we all live for in the Cinema business.

Well, I would say that the upcoming movie lineup is also quite interesting with the Ant-Man coming. We have Vaathi in Tamil, we have Shaakuntalam in Telugu. Selfie is coming on 24th of February. We have Creed III, which is also an IMAX. So the movies which are there are quite nice.

If I look at the March month, we have the sun. We have this entertainer from Ranbir Kapoor and Shradha Kapoor called Tu Jhoothi Main Makkaar. We have SHAZAM: FURY OF THE GODS, which is again in IMAX. We have another IMAX movie. So we have spoiled for choice, as where IMAX is concerned. We have John Wick 4, chapter 4 coming. Bholaa in 3D looks very, very good, and we have Dasara in Telugu. So the lineup, I would say, till 30th March is, if you go by the entire slate, I would say, really outstanding.

Abneesh Roy:

Sure. One follow-up on that. So Pathaan, of course, has done well. It's a mass entertainer. So my follow-up question here is the 2 key issues of Hindi movies not doing well. Generally understood is that it was too niche content while South Indian movie are very mass entertainment, which Pathaan is. So is that issue getting addressed?

And second is, in terms of the pricing, et cetera, the marketing or say the number one hero, taking the bulk of the budget are those issues also now slowly getting addressed? I understand there's a lag effect before these issues can be addressed. But now 3, 4 quarters of very poor performance, mostly, has been there for Hindi movie industry. There have been 3, 4 exceptions, I understand that. But being a veteran, where is the Hindi movie industry in these 2 aspects?

Alok Tandon:

Well, Abneesh, I've always gone on record to say that you cannot write off the Hindi film industry, which is a 100-year-old industry. And the same thing has been proved with Pathaan. Earlier, we used to have hit, and then followed by a few movies which didn't do well at the box-office. And then again, a hit came and so all the cycle was there.

But unfortunately, this time, the movies which have not performed well, have all clubbed together. That does not mean that the Hindi movies have not done well. Well, if you look at quarter 1, if I remember right, we had Bhool Bhulaiyaa in Hindi. Then in Q2, we had Brahmastra. We had another movie we did well and Drishyam 2 has done exceedingly well in Q3. So you can't write-off the Hindi film industry. Yes, it so happened that there was a blip in between, where the stories which were told did not resonate with guests, that's something else, and that can happen to any industry.

And -- but I think that things are changing. Pathaan has proved that a good quality content does work, people come out and hordes to watch a movie. And I think it's just the beginning now. The line-up, which I just mentioned, I'm very hopeful that the movies will do well, and people will enjoy watching the movie on the large screens.

Abneesh Roy:

That's useful. Last question, essentially, when I see the numbers which you put out in terms of comparison with the pre-COVID. ATP is much higher. Occupancy is a bit lower. I understand the impact of the Hindi movies. But I'm just asking versus your pilot project of INR 75 on the International Cinema Day which you normally do every year?

And secondly, you also had this INR 99 pricing a few days back. Is there any pilot project which you have suggested that at this ATP, the occupancy could be a bit better or already you're doing, it is more of the Hindi movie issue that is dragging down the occupancy versus the pre-COVID?

Alok Tandon:

Well, I wouldn't call it a Hindi movie issue. I will just say it's quality of content, whether it's anything. Now you said that, yes, we had more occupancy in Q3 FY '20 because I think there were movies like War at that time, Housefull 4, we had Bala, we had Good Newwz, and we had Dabangg 3.

And in this Q3, we had Avatar and Drishyam 2. Yes, Kantara and PS-I did very well with Vikram Vedha, but then footfalls are comparatively low. So it all depends on the content we have.

When you talked about INR 75 and INR 99. Well, I would say, Abneesh, these are marketing efforts which we take. It's not that INR 75 will always get in great crowds. I always maintain and I always say that even if you price a movie free and if the content is not good, nobody will come in.

So today, what we have done is that where our average ticket price is concerned or where our spend per head is concerned, it all depends on three factors, which I say in every investor call: One is the cost structure of the property. Number two is the paying propensity of the people. And third is the newness of the film. And that will continue happening.

So to answer your question directly, that if we reduce our prices, will more people come in? The answer is no. What we are looking at is that sweet spot between footfalls and the ticket price. And for us, it's important to maximize our GBOC, and that's all what we all are looking for.

Moderator:

The next question is from the line of Jinesh Joshi from Prabhudas Lilladher.

Jinesh Joshi:

Sir, I have a question pertaining to the merger expense. I think your partner did not report any kind of merger expense this quarter. So how does it get decided as to who will bear this cost? And is there any further expense pertaining to merger that is expected to hit us in future?.

Kailash. Gupta:

So the -- Jinesh, let me take this question. So INOX has a substantial amount of the merger cost. That's why we have reported it separately. For the partner, probably, the cost is insignificant as compared to the size of the P&L. That's why they were not reported separately. I don't think you would expect anything larger in the combined balance sheet..

- Jinesh Joshi:** And any further expense which is expected to hit us or is everything booked for?
- Kailash Gupta:** Everything is booked for till now whatever is incurred. Of course, there could be some more costs which will come, but not pertain to the affairs, which we did till now. So probably, going forward, anything happens on the merger related or integration-related costs. Those cost will be added up as and when they incur..
- Jinesh Joshi:** Second question is with respect to our ad revenue recovery. So if I remember correctly, in the previous quarter, our ad revenue recovery over the pre-COVID base was at about 65%. And in this quarter, I think the recovery is at about 60% despite the content being good vis-à-vis previous quarter. So is there any specific reasons you would want to highlight over here?
- Alok Tandon:** No, Jinesh. It's not a matter of concern. We know that ad revenues are coming back. Media planners are speaking with us. And for them, cinema is a very important place where they can advertise. So I would not lay a lot of emphasis on a few percentage points up or down. But yes, we are inching towards our pre-COVID levels. And very soon, in the next couple of quarters, you will see those numbers.
- Jinesh Joshi:** One last question. Can you share what is our current share of online bookings? And has it changed materially post-COVID?
- Alok Tandon:** So post-COVID, yes, it's definitely gone up. So today, if I can say, about 60% to 62% comes from online booking.
- Moderator:** The next question is from the line of Arun Prasath from Avendus Spark.
- Arun Prasath:** My question is first related to the expense part. On a per screen basis, our employee expense, I believe -- as compared to the FY '20 and as well as the other overhead rates and of course, there is a corresponding reduction in the revenue per screen. When you look at the box-office revenue per screen, it is also lower by close to around 10 percentage to 20 percentage. So my question is, if you assume that the revenue per screen gets back to the pre-COVID levels or on a steady-state basis, it is going to be back, can we -- will there be any impact on the employee expense per screen? Or is it going to be more or less at the current levels on a per screen basis?
- Alok Tandon:** So Arun, let me tell you, for -- employee expense is a fixed cost, but revenue per screen does not matter at all. That's #1. Well, we have decreased a lot of expense. And as I said earlier that we did a lot of multitasking during COVID. We did a lot of training sessions with our team members. And we ensured that, we do not go back to the headcount, which we had pre-COVID, primarily because we wanted people to know about other departments and we wanted them to be -- to do multitasking.
- Going forward, I think you should see the same run rate. And I do not think that the per screen headcount should increase drastically.
- Arun Prasath:** So even if the footfall per screen goes back to the previous levels, we are confident that this will not go back?

- Alok Tandon:** Yes.
- Arun Prasath:** Second question is on the screens that is going to come after the merger. You have mentioned close to around 800 screens or close to 115 properties. Is most of this is only LOI stage or a detailed contract is done. If not, will we revisit the contractual terms with the developers by the combined entity. How we should look at this post screen, with post-merger screen additions, which will come?
- Alok Tandon:** Well, I think you should look at as 819 screens, which will be added to the merged entity. So that's how I look at it. Whether you are saying that they are inked or not, yes, let me tell you, all of these 819 screens are inked. So we've got supporting documents to show that. Yes, INOX Leisure Limited has a sign on them. So that's number two. Whether we will relook at the commercials, I doubt that will happen because these are already inked documents. And going forward, we'll continue with that.
- Arun Prasath:** So no scope for any new synergies coming from -- cost synergies coming from these lease properties?
- Alok Tandon:** Well, I would say cost synergies, there are other ways of looking at cost synergies, economies of scale, having the best practices to reduce electricity consumption, to have multitasking across all departments, to reduce man-power cost, to ensure that the might of the two companies, ensure the other overheads, which are there. So I would say that there are other ways also, Arun, of looking at it.
- Arun Prasath:** But at a property level, the scale wouldn't matter, whether we have 1,000 screens or 2,000 screens. The property level here at economics, how it is going to get affected by the merger, unless and until we do some kind of changes at the commercial to the commercial terms. That is something that I'm we are yet to understand?
- Alok Tandon:** Yes. As I said, Arun I doubt that any issue anything will change at the property level because properties are itself very, I would say wafer thinly managed.
- Moderator:** The next question is from the line of Girish Pai from Nirmal Bang.
- Girish Pai:** So I was asking about the windowing period, which had gone back to the normal level starting 1st of August 2022. But I do see that there are certain South India movies, which are still not adhering to it. So do you think that you can probably discipline them post merger? Is that the expectation one should have?
- Alok Tandon:** Well, Girish, no. I would say that I can only talk from INOX's point as of now as I'm conducting the INOX call. Well, I think every producer is following what was decided between the producer and INOX, our team that what the windowing pattern should be and the weeks they should be. So that's being followed.
- In the new entity, I don't know that I doubt that things will change. We, as a combined entity, will look at what the things have been signed between the producer and the company. So at that

time, instead of INOX, we'll be looking at the PVR as well as INOX combined entities. And I think that the things will be the same. As for the contract, which we will have with various producers, they will be honoring that, and we will be following that.

Girish Pai: Next single-screen theaters. I hear that with Pathaan a lot more single-screen theaters have opened up. So what is the view now? I mean, how many of the original single screen theaters that existed pre-pandemic are still operating as we speak right now? And do you think that there could be kind of diversion of footfalls from there to us or the formal industry, so to speak or the multiplex industry?

Alok Tandon: We're very happy that the single screens have opened up, and we need more screens to open up in India, whether it's a single screen or a multiplex screen. We need more screens. We need not we need more people to come to these properties to enjoy a movie.

Now how many screens have specifically opened for Pathaan, I don't have an answer to that. But I know that out of about 9,000 screens, there are about 3,200 to 3,300 multiplex screens, and rest are all single screens. And yes, you're absolutely right, the reports which are coming in is very heartening to know that people are going back to single screens and the movie is doing well. Exact headcount of the single screens I may not be able to give you.

Girish Pai: Yes. I wanted to ask about the convenience fee negotiation with both BMS and Paytm, which I think is probably on the annual. Would you be kind of renegotiating from the same terms in the upcoming whenever it happens?

Alok Tandon: Well, I cannot talk about the merged entity at all as of now because I don't know. But I can talk about the INOX numbers, which we have today, is that we have quite some time for us to renegotiate a deal with BMS as well as Paytm.

Moderator: The next question is from the line of Karan Taurani from Elara Capital.

Karan Taurani: My question is around authentication of the box office collections. So if you clearly look different numbers have been given everywhere. I am sure that as companies PVR, INOX also has been reporting numbers in terms of net box office. But I mean, are you kind of doing something to address this issue, because clearly, there is transparency at stake here. I mean I'm not saying that debating over numbers over here. But I mean, anything that can be done to address this issue from a long term or longer-term perspective. And any kind of measurement or any kind of benchmarking that can be done to actually authenticate box office. Because I mean social media is quite crazy. They were behind a film industry. And I mean it looks like now they're doing this in our industry wherein, they're kind of sharing lot of these things, where cinema halls, see for Pathaan versus the collection numbers are where they are. So, anything to be done in terms of authentication of box-office numbers that the industry is working towards?

Alok Tandon: Well, Karan, I think it's a sure sign I'm hearing about something called the authentic numbers are there or not there. Because for so many years I've been conducting these calls and no one has ever doubted the numbers which are reported either by the exhibitors or by the producers.

Now when you're seeing that social media is saying X, Y, Z. Well, I don't think that I should be commenting on what social media is saying. But you are in the industry, I'm in the industry, and we know what the numbers are. And I am not, I'm just hearing one number every day, and that's the final number. So, as you and me are in the industry, I think it's our duty to tell people that the numbers are accurate. The numbers are correct. And whatever the social media is talking about is wrong.

So even if there's an authentic portal, I don't know what do you mean that how can there be a portal which will give you all the numbers, but all the screens are reporting the numbers and sharing it with the producer of the movie; and we all are paying GST, so that numbers are in public domain also. So, I don't think that any change is required. It's people like you and me, I think we have to educate people that what's coming in social media may not be correct, and we have to take it with a pinch of salt.

Karan Taurani: And in fact, multiplexes have done the right wherein, they've been much more transparent as compared to what single screens would be and things are moving on the right path. But again, I mean there are certain attributions or certain questions being raised on the box office or authentication as well, so hence that's what. So anyways, I think that's fine. I got the answer.

Alok Tandon: You used the sentence much more transparent. We're 100% transparent.

Karan Taurani: Of course, of course. Exactly.

Alok Tandon: We are absolutely transparent.

Karan Taurani: And just a second question is around footfalls. I mean, of course, it's very important for Hindi content to come back. So, let's look at FY '24. I mean I know, INOX will be a part of the merged entity. But I'm sure every year, you have not been take these kind of ticket price hike because this year, last year, you probably took a hike of 15%, 20% or maybe sometimes more than that also in some of the quarters. But I mean it's very important for footfall to actually come back on a pre-COVID -- versus pre-COVID levels and F '24. So how do you see that panning out? Because I think that could really have a big negative impact in terms of overall growth. If you have just one leg of growth in the form of ticket prices, which may not be as high next year than it was last year. What's your take on that?

Alok Tandon: So Karan, let me correct you first. The ticket price increase has never been 15% or 20%. Never ever. What you are seeing today is a comparison between FY '20 numbers and FY '23 numbers.

Karan Taurani: Yes. Given the pre-COVID, yes.

Alok Tandon: No. Let me finish. Number two, Karan, we have had a CAGR of 5% year-on-year by for ticket prices. So, I don't know how that number 15% came up. Because if you see for Q3 FY '20, the ticket price was INR 204. And in Q3 FY '23, it is INR 230, which is a 13% increase. So I don't know how you've got that number of -- and this is over a period of three years. Yes, I think we can share with you our numbers of Q3 FY '21, Q3 FY '22. And Q3 FY '23 numbers are already there. You see it's a CAGR of 5%.

Karan Taurani: Yes. So I think the CAGR of 5% is fine. But the only thing is that this financial year, the 15% number has looked good. I mean it's probably had a big delta of the growth because things have opened up after three years completely. And you've taken that 5% CAGR, which is justified. But assuming that FY '24, you again take a 5% hike in terms of ticket prices. And the footfall does not recover or probably grows more than 1%, 2%, 3% on a Y-o-Y basis. How do we see things coming? Because clearly, what we are betting up on in terms of valuations for these companies is strong double-digit growth. So, I mean, of course, screen addition is there. But on per screen basis, also, do we kind of see a situation wherein, maybe, 10% of the footfalls versus the pre-COVID will never come back and we'll have to hang on because growth of 7% to 8% of ticket and footfall over the coming years.

Alok Tandon: So Karan, that's very difficult to say whether we lose 10% or not. Only time will tell. But looking at the lineup, which I've read out earlier, I think that's not a concern at all. We're talking about ticket price hike? Yes we will increase ticket prices at the rate of inflation year-on-year. We've always done that, and we will continue doing that. So that's not an issue at all.

The quality of content has been issue, which we all know that once a good movie comes, people come back to cinema halls. Then they want to see their stars on a large screen. They want to see uncompressed sound and crystal-clear images. And that's something which we are offering. So it's -- I don't think I'll be able to comment whether people will -- whether we have lost a certain percentage of people after COVID? I think only time will tell that. But I am very bullish about the Indian film industry. I'm very bullish that people will come to cinema halls because for us, , it's a celebratory thing to go to a cinema hall to watch with family and friends, and that will always continue happening, Karan.

Moderator: The next question is from the line of Preet from Centra Advisors.

Preet Malde: Actually, I wanted to understand how do we assess the growth of multiplexes? Do we see the industry, the film exhibition industry as a whole growing? Or do we see the multiplexes gulping off the share of single screens because at this point, in India, we have a screen density of around 7 screens per million people. And in INOX, we are seeing 30% occupancy rates. So how do we see the industry growing?

Alok Tandon: Well, we see the industry growing by the gross box office which is increasing year-on-year. We are seeing with more titles coming out year-after-year. We are also seeing great footfalls, whether it's a multiplex or a single screen, it's not either or. It is both. And that's how Preet, we judge whether the industry is doing well or not. So the industry has really increased, taken that COVID period, when there was nothing to show. But the gross box-office, domestic theatrical numbers have gone up year-on-year. And here, I'm only discounting the two years of COVID. Otherwise, the Indian film industry has always grown.

Preet Malde: So, what I was saying is, do we see the total number of screens as a whole grow? Or do we see the multiplexes are taking up the share of single screens?

- Alok Tandon:** No. Nobody is taking up the share of anybody. Everybody has got their own catchment, their own market and their own target audience. So, it's not that one is eating into the pie of the other. I think the entire cinema industry in India is growing, and that's important for us. And that's a very-very positive sign. And we all know India is very under screened. So, the more screens we have, the better it is everyone.
- Preet Malde:** I just wanted to understand one more thing. What is the share of our premium screens to the normal screens?
- Alok Tandon:** Well, I don't know premium sees when I define, I define premium screens as various formats also. So that's INSIGNIA, it's a IMAX, it's a ScreenX, it's our MX4D. So, if I look at everything, it's about 12% of the total seat count, of the total screen count.
- Preet Malde:** And how much does the ATP varies between normal screens and premium screens?
- Alok Tandon:** Drastically, I would say, the normal screen depends if it's -- see, it varies. I can't give you one number, Preet. It's a difference for MX4D. It's different for IMAX. It's a different INSIGNIA. It's different for ScreenX. It's different for Kiddles. But yes, it commands a higher average ticket price and average because the capex is also high in those formats. So yes, it is more, but very difficult to tell you that what the actual delta is.
- Preet Malde:** So, if I want a rough range, if you can just guide me on that.
- Alok Tandon:** Pardon, please?
- Preet:** A rough range of the difference between the two?
- Alok Tandon:** Roughly, see, again, it's very difficult. I said that if I'm selling a ticket at INR 200 somewhere, the IMAX maybe at INR 350, the ScreenX may be at INR 360. The INSIGNIA properties depending on where we are? Will have a different price range. So, there's no price range in this. Every property, every format has got a different pricing strategy.
- So I can't even tell you that MX4D across all properties in India will have the same price. No, it will not. It will vary from where it is, what's the location and what's the propensity of the people over there and what's the cost structure of the cinema. So, there's no range which I can give you, Preet.
- Moderator:** Thank you. I now hand the conference over to the management for closing comments.
- Alok Tandon:** Thanks a lot. As Mr. Siddharth Jain said, that this is the last investor call for INOX Leisure Limited. And we really thank all of you for supported us over all these years. And we, I think, tried our level best to incorporate all the suggestions which you gave us. Thank you very much.
- Kailash Gupta:** Thank you so much.
- Moderator:** Thank you very much. On behalf of Axis Capital Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.