



CREATING MILESTONES THROUGH INNOVATION ANNUAL REPORT 2017-18

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FY 2017-18 GROUP HIGHLIGHTS

REVENUE (₹ in crores)

2,365

↑ 8%

EBITDA (₹ in crores)

433

↑ 15%

PAT (₹ in crores)

124

↑ 29%

EPS (₹)

26.68

↑ 30%

NET WORTH (₹ in crores)

1,075

↑ 11%

NO. OF THEATRES

134 PROPERTIES
(ACROSS 51 CITIES &
19 STATES AND UTs)

↑ 7%

NO. OF SCREENS

625

↑ 9%

NO. OF SEATS

1,39,509

↑ 6%

↑ Y-O-Y GROWTH

Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should the known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.



CREATING MILESTONES THROUGH INNOVATION

Cinema has shaped India's culture and PVR has moulded how Indian audiences perceive and enjoy movies. Our 20-year journey is interspersed with dramatic enhancements of viewer experience through innovation and creative use of technology.

By bringing innovative technologies and truly novel experiences to the discerning masses, we have reimagined and reinvented modern moviegoing. Be it pioneering the multiplex culture in India or curating custom experiences, we have continuously created milestones throughout our exciting journey.

We are committed to making the Indian moviegoing experience progressively better for millions of Indians, with sound business logic and prudent investments.

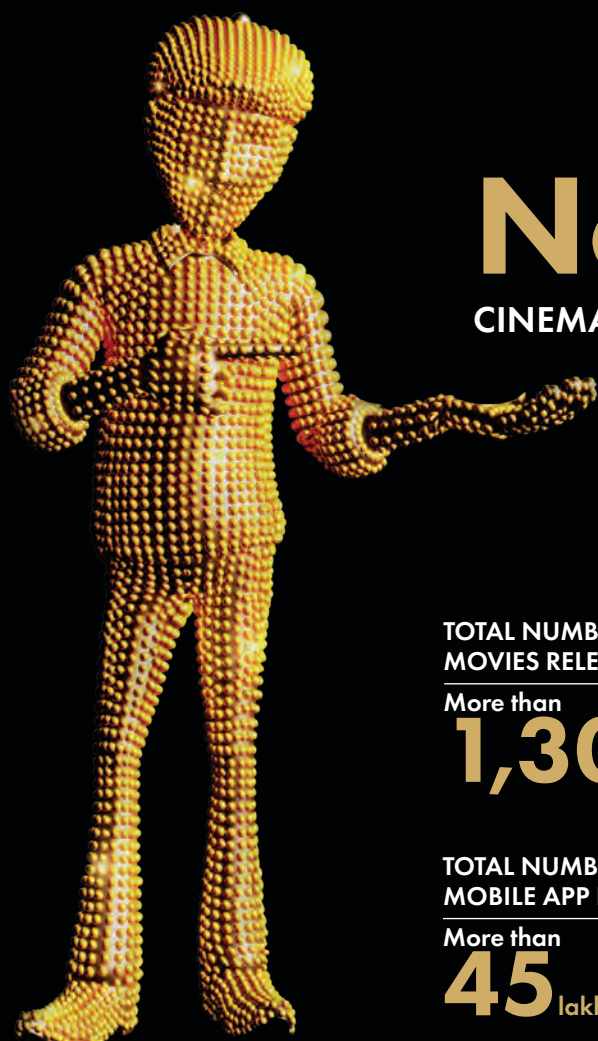
The world of PVR

PVR Limited (PVR) is the largest cinema chain in India. Started in 1997, PVR has been synonymous with 'movie-experiencing', having introduced multiple cinema formats through the years, across the length and breadth of the country. Supported by the complementing entities of the Group like the Movie Distribution business (PVR Pictures), the Gourmet Popcorn Manufacturing business (Zea Maize) and Movie on Demand business (Vkaaoo).

Besides a customer-centric approach and a growing business of high-quality cinemas, our Company devotes undivided focus to innovation and delivers the best movie-viewing experience. This makes us not only the biggest player in the industry, but also the most preferred.

No.1

CINEMA CHAIN IN INDIA



NO. OF SCREENS

625

NO. OF SEATS

1,39,509

TOTAL NUMBER OF
MOVIES RELEASED

More than

1,300

TOTAL NO. OF
SHOWS

More than

10 lakhs

TOTAL NO. OF
PVR LOYAL CUSTOMERS

More than

12 lakhs

TOTAL NUMBER OF
MOBILE APP DOWNLOADS

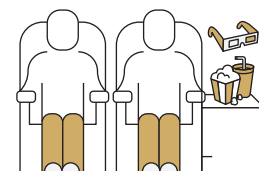
More than

45 lakhs

F&B MENU
CATEGORY

More than

50



WHAT SETS US APART



STRONG LOCATION
AND PRODUCT STRATEGY



CUTTING-EDGE
TECHNOLOGY



BEST-IN-CLASS
CONCESSIONS



LEADER IN ADVERTISEMENT
REVENUE



COMFORT AND
CONVENIENCE



PREMIUM GUEST
EXPERIENCE

HERITAGE OF CREATING UNIQUE EXPERIENCES: PVR IS THE **FIRST** IN THE INDUSTRY TO



LAUNCH
A MULTIPLEX IN INDIA



INTRODUCE THE GOLD
CLASS CINEMAS IN INDIA
AT PVR BANGALORE



INTRODUCE MOBILE-
BASED INFORMATION
AND
TICKETING SERVICE



TO LAUNCH A MOBILE
APP



LAUNCH
INTERACTIVE ONLINE
MAGAZINE
'MOVIES FIRST'



LAUNCH
A KIDS AUDITORIUM
CONCEPT



LAUNCH A RANGE OF
PACKAGED GOURMET
SNACKS CATEGORY



INTRODUCE SUB-BRAND
P[XL] PVR'S HOME
GROWN BIG MOVIE
SCREEN FORMAT



INTRODUCE VKAAO
– INDIA'S FIRST MOVIE-
ON-DEMAND SERVICE



LAUNCH INDIA'S FIRST
FULLY DIGITAL LOYALTY
PROGRAMME
'PVR PRIVILEGE'



CROSS 600 SCREENS
BENCHMARK

Business model

KEY DRIVERS

Strong location strategy

Service across social segments

Asset-light model

INPUTS

INFRASTRUCTURE

625
Screens

134
Cinemas

13
Formats

1,39,509
Seats

PRESENCE

51
Cities

19
States and UTs

RESOURCES

₹1,691 crores
Capex

More than
10,000
Employees

State-of-the-art technology

PARTNERSHIPS

Digital ticketing aggregators

Mall developers

Premium marketing brands

Film producers and distributors

BUSINESS ACTIVITIES AND REVENUE STREAMS



Box office admissions

55%
of Total Revenue
FY 2017-18



Advertising

13%
of Total Revenue
FY 2017-18



Food and Beverage (F&B)

27%
of Total Revenue
FY 2017-18



Others

5%
of Total Revenue
FY 2017-18

Synergies from PVR Pictures
— Distribution arm

Zea Maize — F&B arm with gourmet popcorn offering

Movie on demand
— Vkaao

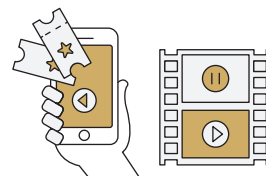


INDIA BOX OFFICE MARKET ENVIRONMENT

Largest producer of films globally

Second largest market in terms of footfalls

Underscreened market with huge potential



Strong brand value

Exceptional experience
on-and off-screen in terms of
latest technology, seats, sound

Robust CRM ecosystem



VALUE CREATED

FOR SHAREHOLDERS

- Total and per-screen revenue leadership
- Profit leadership
- Per-screen admission leadership
- Rising market capitalisation
- Strong expansion strategy

Read more on page 16

FOR PARTNERS

- Customer acquisitions for digital partners across cities
- Anchor tenant and assured rental revenue for developers
- Main source of revenue for film producers and distributors

FOR EMPLOYEES

- 15% Gender diversity of workforce

Read more on page 28

FOR PATRONS

- Over 7.6 crore patrons entertained
- Premium and technology-led guest experience
- Comfort and convenience
- Best-in-class concessions

Read more on page 18

FOR SOCIETY

- India's largest private child health programme impacting 3 lakh kids across 3,000 schools
- Childscape
- CineArt

Read more on page 30



Domestic box office collections contribute almost 3/4th of the film industry revenue

Revenues for the Indian film industry are expected to reach \$3.4 billion by 2020

Visible shift from single screens to multiplexes

Review of operations

Box Office

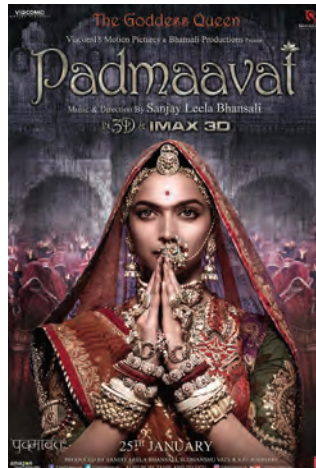
As the largest and one of the most premium film exhibition companies in India, we have reinvented the concept of 'entertainment' for all cinema-lovers, thereby building a stronger brand value.

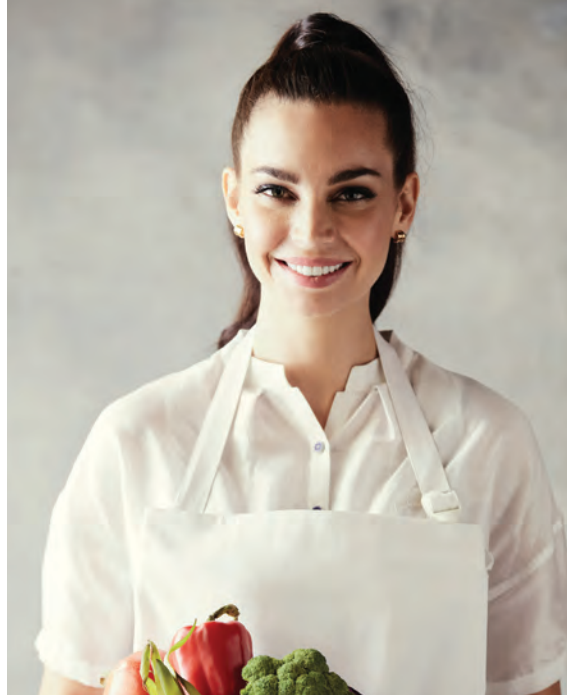
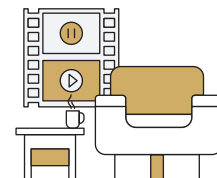
During the year, we witnessed a significant growth in revenue up on release of *Bahubali 2*, *Padmaavat*, *Tiger Zinda Hai*, *Golmaal Again*, *Toilet-Ek Prem Kata*, *Judwaa 2*, *Sonu Ke Titu Ki Sweeti*, *Raid* and *Padman* etc. These films had triumphed in fetching as many as 7.6 crores admissions. The net Box Office collection was up by 2% for our comparable properties and 11% overall, while revenue from food and beverages saw an increase of 1% in our comparable properties and 8% overall, at Group level.



7.6 crores

ADMISSIONS IN FY 2017-18

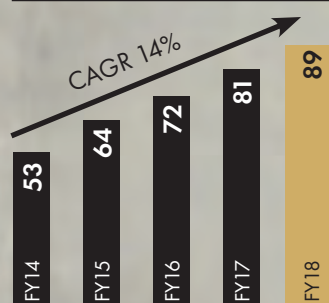




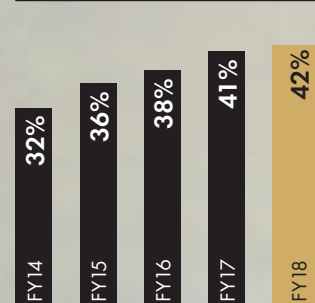
Food & Beverage (F&B)

In the Food & Beverage (F&B) segment, we offer the best-in-class variety of snacks and have introduced health snacks and gourmet cuisine as well. Our customer-conscious offerings have resulted in the highest F&B spend per patron compared to other industry peers. In fact, the contribution from F&B to our total revenue is the highest among all the players in the industry.

F&B SPEND PER PATRON (₹)



F&B SPEND PER HEAD AS PERCENT OF AVERAGE TICKET SIZE (%)

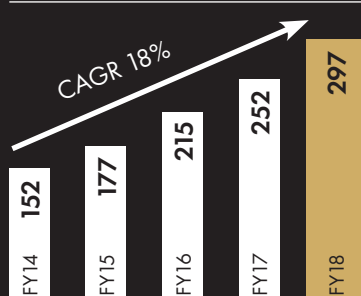


Advertisements

At PVR, we lead the screen advertisement space in India. In fact, our advertisement revenues are a near double of the closest peer. Our premium brand offering helps us garner premium pricing as well, which in turn helps us register better profit margins. Apart from having an exclusive tie-up with PepsiCo, we have partnered with several brands like Vivo, Oppo, OnePlus and others to display their advertisements in our premium screens.

ADVERTISEMENT REVENUE

(₹ in crores)



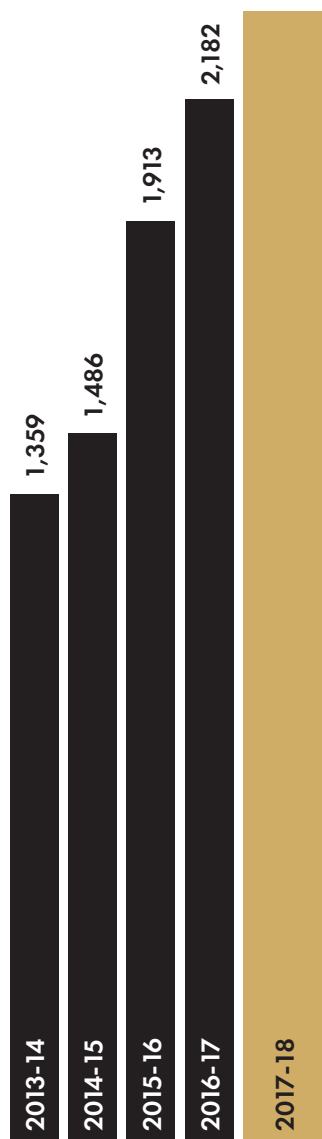
Key performance indicators

↑ 5 Year CAGR

REVENUE (₹ in crores)

2,365

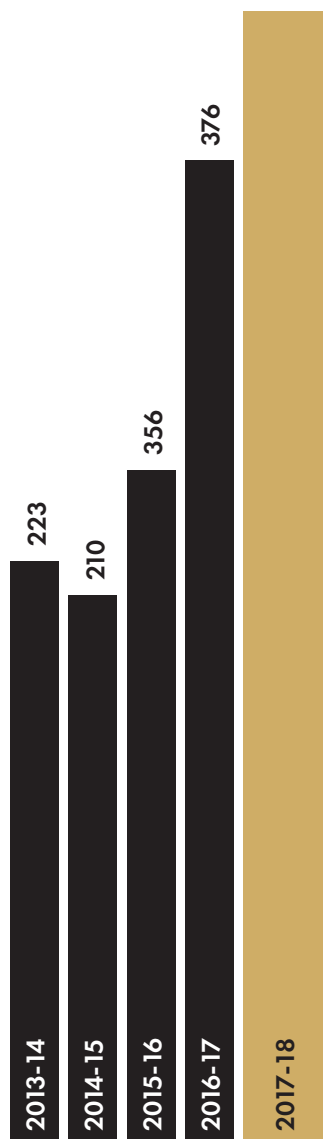
↑ 15%



EBITDA (₹ in crores)

433

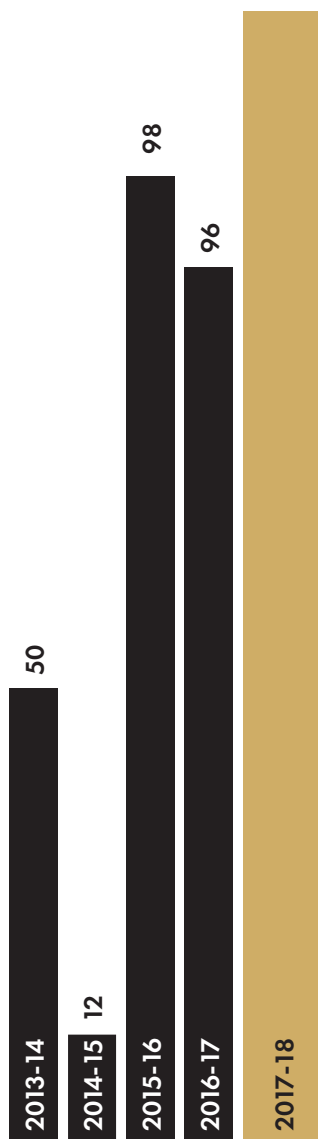
↑ 18%



PAT (₹ in crores)

124

↑ 25%



DILUTED EPS (₹)

26.57

↑ 18%

