



May 19, 2026

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block G.  
Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051  
**(Symbol: CONNPLEX)**

**Sub: Transcript of Earnings Conference Call for the half year ended on March 31, 2026**

Dear Sir / Madam,

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings conference call on financial performance of the Company for the half year ended on March 31, 2026.

This is for your information and record.

Yours sincerely,

**For, Connplex Cinemas Limited**  
**(Formerly known as VCS Industries Limited)**

**Anish Tulshibhai Patel**  
**Managing Director**  
**DIN: 07823715**





**Connplex Cinemas Limited**  
**H2FY26 Earnings Conference Call**

**CORPORATE PARTICIPANTS:**

**Mr. Anish Patel**

Managing Director

**Mr. Rahul Dhyani**

Joint Managing Director

**Mr. Pujan Thakkar**

Chief Financial Officer

**Moderator**

Good evening, ladies and gentlemen. I'm Akash, moderator for the conference call. Welcome to Connplex Cinemas Limited H2 FY26 Earnings Conference Call. As a reminder, all participants will be in 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 "\*" and then "0" on your touch-tone telephone. Please note, this conference is being recorded.

I would now like to hand over the floor to Mr. Arpit Mundra from EY Team.

Thank you, and over to you, sir.

**Arpit Mundra**

Thank you, Akash. Good evening, everyone.

On behalf of the management, I am pleased to welcome you all to Connplex Cinemas Limited's earnings conference call to discuss the H2FY26 & FY26 financial results. Today, from the management side, we have with us Mr. Anish Patel, Managing Director and Mr. Rahul Dhyani, Joint Managing Director.

Please note, a copy of the disclosures is available in the Investors section of the website as well as on the stock exchange. Anything said on this call, which reflects the outlook for the future, or which could be construed as a forward-looking statement, must be reviewed in conjunction with the risks that the company faces.

Now I shall hand over the call to Rahul Sir for his opening remarks. Over to you, sir. Thank you.

**Rahul Dhyani**

Thank you, Arpit, for the introduction.

Good evening investors, stakeholders, franchise partners, and analysts. Welcome to Connplex Cinemas Limited's earnings conference call to discuss our performance for the second half year ended and full year ended March 31, 2026.

We concluded our Board meeting earlier today, and I hope you have had the opportunity to review our financial results and the investor presentation that has been uploaded on the stock exchanges and on our company website.

I am Rahul Dhyani, Joint Managing Director of Connplex Cinemas. At Connplex, we continue to remain committed to our vision of building India's own smart, scalable, and premium cinema network delivering immersive entertainment experiences while creating long-term value for stakeholders.

FY26 saw a step-up in our operational footprint as we expanded to 41 cinemas with 113 screens across 9 states. We added 30 screens in H2FY26 itself, demonstrating accelerated execution. From a portfolio perspective, strong presence in Tier 1, Tier 2, Tier 3, and emerging markets, which continue to be our focus. Balanced expansion across express, signature and luxuriance formats to cater to varied customer segments.

We delivered strong operating metrics during the year with total footfalls increased to 27.63 lakh admits, up ~63% YoY. Average Ticket Price increased to ₹264, up ~6% YoY. Spend per head improved to ₹95, reflecting stronger F&B contribution. This reflects improved content quality and consumption trends, continued success of our premium yet affordable cinema formats, rising contribution from ancillary revenue streams.

Connplex continues to benefit from a diversified revenue structure with movie exhibition (ticket sales) at ₹6,213 lakhs, cinema making / franchise fees at ₹6,481 lakhs, F&B revenue at ₹782 lakhs, Advertising revenue at ₹291 lakhs. This balanced mix ensures lower dependency on any single segment, improved stability across business cycles, strong operating leverage with scale.

Our expansion strategy remains focused and disciplined with continued focus on asset-light FOFO and FOCO franchise models, expansion in underpenetrated and high-growth markets and focus on faster breakeven and capital efficiency. Looking ahead we have 230+ upcoming screens planned across FY27 and FY28 pipeline.

From an industry perspective, FY26 marked one of the strongest years of recovery for the Indian cinema exhibition sector. The Indian box office witnessed a sharp revival, with overall collections growing between 15% to 20% on a YoY basis. The year saw the return of both mid-scale and large-scale films, with more than 15 films crossing the ₹100 crore box-office milestone. Hindi cinema, in particular, witnessed a strong recovery, growing over 50% YoY, while regional cinema — especially Telugu and Tamil — continued to deliver consistent performance. Successful films such as *Dhurandhar*, *Dhurandhar: The Revenge*, *Saiyaara*, *Coolie*, *War 2*, *Mahavatar Narsimha*, *Housefull 5*, and *Sitaare Zameen Par* demonstrated that high-quality content continues to be the primary driver of theatrical footfalls. At the same time, star-driven franchises like *Jolly LLB 3*, *Raid 2*, and *Kesari: Chapter 2* also performed strongly, reinforcing confidence in the long-term fundamentals of the exhibition business.

Looking ahead, we are encouraged by the strength and diversity of our FY27 content pipeline, which reflects a healthy blend of large-scale franchises, sequels, and marquee original titles. The upcoming slate includes highly anticipated films such as *Pati Patni Aur Woh Do*, *Chand Mera Dil*, *Cocktail 2*, *Welcome to the Jungle*, *Dhamaal 4*, *Alpha*, *Bhediya 2*, *Awarapan 2*, *Drishyam 3*, *Ramayana: Part 1*, *King*, *Love and War*, *Thalaivar 173*, *Petty*, *Toxic*, *Jailer*, *Tool Spirit*, *Masters of the Universe*, *Toy Story 5*, *The Odyssey*, *Spider-Man: Brand New Day*, and *Avengers: Doomsday*, along with several other films currently in various stages of development and release planning. This diverse and well-balanced slate gives us strong confidence in sustained footfall momentum, improved screen utilization, and continued growth in theatrical consumption going forward.

In summary, FY26 has been a defining year for Connplex Cinemas, marked by strong scale expansion, improved operating metrics, diversified revenue growth, and consistent execution of our asset-light strategy. As we move into the next phase of growth, we remain confident in our ability to scale responsibly, enhance profitability, and capitalize on the long-term opportunity in India's evolving cinema exhibition landscape.

With this, I would now like to hand over the call to Mr. Anish Patel, Managing Director, for his remarks.

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**Anish Patel**

Thank you, Rahul.

Good evening, everyone presents on the call today with us.

On behalf of the management team at Connplex Cinemas Limited, I welcome you to our H2FY26 and FY26 earnings call. We appreciate your continued trust and support as we progress in building a differentiated and scalable cinema platform in India.

FY26 has been a landmark year for Connplex, marked by strong operational expansion, robust financial growth, and strategic execution. Our performance reflects both favorable industry tailwinds and our focused execution strategy in underpenetrated markets.

From an industry parlance, during FY26, the Indian cinema industry witnessed a clear and sustained recovery, driven by improving consumer sentiment, normalization of out of home entertainment, and a structurally stronger content environment. The year saw cinema regain its position as a preferred entertainment destination, particularly in Tier II and Tier III cities.

Overall, FY26 was benefited from a well balanced release of movies across languages, genres, and budgets. The steady release calendar covering regional cinema, big budget Hindi releases, and select Hollywood content helped maintain footfalls throughout the year rather than being dependent on a few blockbuster weekends.

On top of that, the audiences increasingly demonstrated a renewed preference for the big screen experience, especially for event films and family oriented content. This trend supported higher occupancy levels and longer theatrical windows, strengthening the economics of cinema exhibition.

Smaller cities continued to emerge as key growth drivers for the sector. Rising discretionary income, limited alternative entertainment options, and growing acceptance of organized multiplex formats led to structurally higher footfalls and better screen productivity in these markets.

In FY26, we saw continued growth in high margin ancillary revenues such as food & beverage, on screen advertising, private screenings, and space rentals.

From capacity addition perspective, the pace of new screen additions remained measured across the industry, which helped avoid oversupply and supported healthy occupancies and pricing discipline for existing cinemas.

Basis the industry dynamics, now Let me walk you through the key financial highlights and performance of Connplex Cinemas for H2FY26 vs H2FY25:

- ▶ Revenue grew by 52% YoY to ₹8,346 lakhs, driven by strong growth in ticket sales, food & beverage revenues, space rentals/private events, and advertising income.
- ▶ EBITDA increased by 27% YoY to ₹1,707 lakhs during the period.
- ▶ EBITDA Margin stood at 20.46%, a decline of 403 bps YoY, primarily due to higher operational and expansion-related costs.
- ▶ PAT grew by 39% YoY to ₹1,303 lakhs, with PAT Margin at 15.6%, compared to 17.1% in the same period last year.

The key financial highlights for FY26 vs FY25 are:

- ▶ Revenue grew by 54% YoY to ₹14,752 lakhs, driven by strong growth in ticket sales, food & beverage revenues, space rentals/private events, and advertising income.
- ▶ EBITDA increased by 33% YoY to ₹3,493 lakhs during the period.
- ▶ EBITDA Margin stood at 23.68%, a decline of 377 bps YoY, primarily due to higher operational and expansion-related costs.
- ▶ PAT grew by 37% YoY to ₹2,608 lakhs, with PAT Margin at 17.7%, compared to 19.8% in the same period last year.
- ▶ The total debt as on FY26 is almost Nil providing adequate room to raise debt in future. Total Net worth as on FY26 is Rs.13,432 Lakhs.
- ▶ The company has comfortable net cash position at ₹ 7,615 Lakhs as of March'26.

I'm also happy to announce that this year we got the patent of the process patent of non-ECI servers connected on active LED screens, which we call the future of cinematic experience.

To conclude, FY26 has been a defining year for Connplex Cinemas, marked by strong operational expansion, industry-leading growth metrics, robust financial performance and a scalable and differentiated business model.

Looking ahead to FY27 and beyond, we expect strong double-digit volume growth, supported by screen additions and rising footfall trends, we foresee continued revenue growth momentum driven by both ticket and non-ticket streams. We expect margin stability, supported by operating leverage and cost optimization. We will continue expansion in newer states and deeper penetration in our existing markets. Our long-term vision is to establish Connplex as a leading, scalable, and profitable cinema chain across India's high-growth markets.

I would like to thank all our investors, partners, and stakeholders for their continued trust and support. We look forward to engaging with you further during the Q&A session. With this, I shall now request the moderator to open the floor for Q&A session.

**Moderator**

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press "\*" and "1" on a telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing "\*" and "1" again. The first question comes from Mr. Pranav Pal from Prudent Equity. Please go ahead,

**Pranav Pal**

My question is: in FY25, you added 17 screens and achieved 60% growth. However, in H2, you added 30 screens—almost double—yet growth was only 54%. What explains the decline in growth despite the significantly higher number of screens added?

**Anish Patel**

Yes, I'd frame it a bit differently. Post-IPO, we have actually achieved around 54% year-on-year revenue growth. To support this growth, we incurred additional costs, particularly in employee and administrative expenses, including marketing and advertising to onboard more franchise partners.

Also, several cinemas were already under development in H1 and were completed and became operational in H2. So, the revenue and expansion are part of an ongoing process, especially since we handle EPC and cinema development for our franchisees.

**Pranav Pal**

But that is recognizing the revenue only, right, the expenses and also how come revenue didn't grow as much as it did last year?

**Anish Patel**

The revenue and growth?

**Pranav Pal**

Let me reframe my question. In FY25, you increased your screen count from 49 to 66 and achieved around 60% revenue growth. However, in the current period, although you added 30 screens, the growth was only 54%. I'm trying to understand the relationship between the number of screens added and revenue growth.

As you mentioned, the average revenue recognized per screen is about INR 2.5 crore, which implies roughly INR 70 crore for 30 screens. However, the reported revenue from cinema construction is around INR 62 crore. So, could you help explain this gap and how screen additions translate into revenue growth?

**Anish Patel**

Yes, let me explain. Also, I'd request you to speak a bit louder, as the audio is quite faint on my end.

Our business operates across two verticals: one is cinema development (EPC), and the other is operations, from which we earn royalty income. Cinema development is an ongoing process. Some cinemas were already under construction and revenue was recognized in H1, but they were not yet operational during that period.

Since the construction timeline for a cinema typically ranges from three to four and a half months, there is a difference between when revenue is recognized and when the cinemas become operational. As a result, H1 and H2 reflect different stages of this cycle. Overall, cinema development continues as a rolling process, which is what I'm trying to convey.

**Pranav Pal**

Okay, I feel my earlier question wasn't fully addressed, but I'll move on. Previously, when I asked about the improvement in margins to 28%, you mentioned it was driven by a higher contribution from the luxury segment.

However, now the luxury segment accounts for about 30% of your screens, yet margins have declined by around 800 basis points. So, how do you explain this contradiction? Also, what kind of margin trajectory should we expect going forward?

**Anish Patel**

Going forward, we expect margins to remain sustainable. With a strong pipeline of screens set to become operational across FY27 and FY28, we anticipate a steady improvement as more screens come online. Overall, margins should stabilize and gradually grow in line with the increasing number of operational screens.

**Pranav Pal**

Okay.

**Moderator**

Thank you. So next question comes from the line of Mr. Parikshit from PKEDAY. Please go ahead, sir.

**Parikshit**

Congratulations on your results. Hi, Anish. So, I wanted to check, first -- the revenue breakup that you have given in the first slide, that unfortunately is not adding up to INR 145 crores, which is the total revenue without other revenue. It's adding up to about INR 136 crores. So, what is the last INR 9 crores, attributed to? Can you help me understand?

**Anish Patel**

So, this income primarily relates to our recent leasing model. We lease the cinema space from developers and then sublease it to our franchise partners. Essentially, the amount we collect from the franchisee is passed through to the developer, as it's a lease-sublease arrangement.

This model also gives us greater control over our cinemas. Earlier, we primarily had operational or technological control, but now we also have control over the real estate. The rental terms we secure from developers are generally favorable due to our scale, and we pass these on—more or less at similar rates—to our franchise partners.

**Parikshit**

Got it. So, in H1, the income from sublease was INR 2.25 crores. For H1 plus H2, it's INR 9 crores. That seems to have blown up quite a bit.

**Anish Patel**

Well, it's INR 4.49 crore.

**Parikshit**

Then there is another difference of INR 5 crores again then, Anish, because then that explains INR 5 crores of it. Another INR 4 crores is also then missing.

**Anish Patel**

You're looking it from the presentation, or?

**Parikshit**

Yes. So, I am basically tallying you have given -- in your statements, you have given a total revenue of INR 145 crores for the FY26.

**Anish Patel**

It's on the page number 5 on the PPT?

**Parikshit**

Yeah. In your presentation, slide number 5, you have broken down the different segments. But when I add those up, that is coming to around INR 136 crores. Unless I mistaken, that's the number that I have managed to compute.

**Anish Patel**

It's INR 143 crore. Can you just add this one more time?

**Parikshit**

Okay. No problem. That's my mistake, and I'm sorry. So, can I just request in general that -- can you break up the financial statement between your two business segments so that we are able to see, what is contributing, how much profit and revenue to the overall business?

**Anish Patel**

Perfect.

**Parikshit**

Right now, segregating the two is getting a little bit confusing. I've spent a lot of time and reached a lot of Mr. Poojan's time throughout this half year trying to break down that statement. If you can just present it in that manner, it might become easier for everyone.

**Anish Patel**

Yes, yes. So, in our financial numbers, the cinema making is of INR 64.81 crore. The ticketing, revenue stood at INR 62.13 crore. F&B is at INR 7.82 crore, then 3D glass sales is at INR 0.30 crore, screening charges INR 0.04 crore, and VPF we received it was INR 3.18 crore. Advertisement, which grew up substantially, and it is at INR 2.91 crore. And BookMyShow share is at INR 1.99 crore.

**Parikshit**

No. Perfect, perfect. I'm requesting the same thing, and maybe not on this call, but in the future, in terms of cost as well, allocating the cost within the two different business segments.

**Anish Patel**

Yes. So, see, as I told you -- as a company, we operate on two things, right? And so, the income comes in and the expenses are there. So, it is difficult to determine separate margins of Cinema setup business and operational business. Because a substantial portion of the expenditure are common and interlinked across the business operations.

**Parikshit**

Surely, only the overhead indirect employees will be shared between the two. The direct employees and all the other cogs related to the actual construction or actual viewing of the theater would be split cleanly between the two.

**Anish Patel**

Yes, but overall, the company is managed collectively by the entire team, who work very diligently and in coordination. For instance, once the development team completes a project to a certain stage, the F&B team—responsible for both existing and new cinemas—steps in to set up the food and beverage operations. Similarly, the programming team also becomes involved.

So, operations are shared, interconnected, and collaborative across different functions. That said, on a more specific level, we can discuss and provide further details with you separately after this.

**Parikshit**

Got it. Thank you. That would be great. The other thing is that I noticed that the number of theaters that you have built, the number of screens you have built in H1 and H2 are more or less the same. Are we expecting the speed of construction to increase, or this is the speed at which we are hoping to maintain? Because this is, of course, a very good speed. Don't get me wrong. I'm just trying to understand our ambitions.

**Anish Patel**

No. H1 and H2 has different speed. H1, we had, 17. H2, we got 30 screens. And currently, we are with almost 40-45 screens making up. We're adding cinemas into good states. And currently, almost 40-45 cinemas are undergoing the construction, which we expect to open up before September 26.

**Parikshit**

Okay. Got it.

**Anish Patel**

So Parikshit, basically, if you look at the pattern here on a faster scale. We are growing, half yearly to half yearly. And I think 'FY27, 'FY28, we are positioned for more growth and more speed.

**Parikshit**

So, again, I know, I'm really sorry if my data is incorrect, but in at the end of H1 '25, you were at 58 screens. At the end of H1 '26 -- that is a whole year later, you were at the end of 83 screens. That makes sense. And do you have any guidance for next year?

**Anish Patel**

In terms of screen additions, we already have a pipeline in place. Based on our current plans and assumptions, we expect to add around 80–85 more screens in FY26–27, and potentially even exceed 100.

Similarly, for FY27–28, we are targeting a growth of approximately 25% or thereabouts.

**Parikshit**

Got it. 25% in terms of number of screens?

**Anish Patel**

Screens. Yes.

**Parikshit**

Sure. Okay.

**Moderator**

Thank you. The next question comes from the line of Mr. Pruthul Shah from Anubhuti Advisors. Please go ahead, sir. Pruthul Shah, sir, you can go ahead with the question, sir.

**Pruthul Shah**

Thank you for the opportunity, sir. I wanted to understand the breakup of the INR 66 crore reported under current investments, as there has been a significant year-on-year increase from around INR 9 crore last year. Could you please explain what has driven this change and provide a detailed bifurcation of this line item?

**Anish Patel**

It's the IPO fund, actually.

**Pruthul Shah**

So have we parked that in a short-term FD --

**Anish Patel**

Yes, exactly. We parked it to the short term because this year we have to utilize it.

**Pruthul Shah**

Got it. So, what I was referring to is result in the September cash flow, it was -- in the FD proceeds of the IPO, that was the line item in the cash flow. But if we see the full-year cash flow, that line item is blank. So, have we redeemed the FD and changed to some another FD? Something like that has happened for the IPO proceeds?

**Anish Patel**

No, the fixed deposits are primarily from the IPO proceeds.

**Pruthul Shah**

Okay. But basically -- because we are going to utilize, that fund in less than one year, and hence, we have classified it in our current asset, is it right?

**Anish Patel**

Yes, yes. Exactly.

**Pruthul Shah**

Okay. Got it, sir. And just one last question for the full-year '26, '27, what would be your screen guidance as of March 27?

**Anish Patel**

We applied for 85 screens. So Rahul is basically very bullish on screens, and we are trying to, you know, surpass three-digits into that.

**Pruthul Shah**

Okay. Okay. And there any new state that we are exploring?

**Anish Patel**

Yes, we're expanding into multiple regions, including Jammu & Kashmir, Chhattisgarh, Nagaland, Telangana, and Punjab. We are also entering Bangalore. Additionally, we already have a presence in Hyderabad and are planning to add three more cinemas there.

**Pruthul Shah**

Okay. Great.

**Anish Patel**

And we're also entering Bangalore. In terms of expansion, we are planning around eight cinemas in Gujarat, four in Chhattisgarh, and six in Bihar, where we already have a strong presence of screens. In Telangana, we are adding two more cinemas, in Jharkhand three more, and in Jammu & Kashmir, one new cinema. Eventually, we're coming up in six states

**Pruthul Shah**

Got it. So essentially, you are diversifying beyond Gujarat and not focusing solely on that region, but actively expanding and exploring opportunities in multiple other states, correct?

**Anish Patel**

Yes, that's right. While Gujarat, Maharashtra, Bihar, Telangana, and Andhra Pradesh remain our key focus markets—where we already have a strong presence and established footprint—we are also expanding into newer regions. These existing markets continue to perform well in terms of

collections, but we are simultaneously entering new markets such as Odisha and Jharkhand to broaden our reach.

**Pruthul Shah**

Got it. Yeah. That's it from my side. Thank you so much, sir.

**Anish Patel**

Thank you.

**Moderator**

Thank you so much, sir. The next question comes from the line of Mr. Ankur Gulati from Genuity Capital. Please go ahead, sir. And I would request you to speak little louder. Thank you.

**Ankur Gulati**

Anish, 30 screens were added in the second half, correct? The revenue from screens in the first half was around ₹30 crore, and the total revenue booked is ₹62 crore. This implies roughly ₹1.1–₹1.25 crore per screen for this period. Am I interpreting these numbers correctly?

**Anish Patel**

Let us complete the full question, Mr. Gulati.

**Ankur Gulati**

Alright. Regarding the remaining screens under development, I understand that in H1 FY25, a portion of the advance received was recognized as revenue. For the second half of this financial year, for the screens currently under construction, has any advance revenue been booked, or will that be recognized in the next period?

**Anish Patel**

Yes, that would have happened partly because a portion of the revenue would already have been recognized. It is actually an ongoing process.

**Ankur Gulati**

So, on average, approximately ₹5–10 lakh advance got booked per screen, roughly speaking.

**Anish Patel**

Per screen, the franchise fee is INR 5 lakh, which is upfront and non-refundable. Apart from that, a significant amount is received for cinema development, and that revenue is recognized gradually over time. Overall, currently we have customer advances of nearly INR 13 crore.

**Ankur Gulati**

Alright. If you exclude the construction-related portion and consider only the exhibition business, could you share what the gross profit was in H2 in percentage terms?

**Anish Patel**

In percentage terms, I think it should be around 20%, somewhere in the range of 20% to 23% EBITDA.

**Ankur Gulati**

20% EBITDA, exhibition, sir.

**Anish Patel**

Because, you know, this also includes the VPF income. And the VPF we don't share it with the franchise partner. And this year, the VPF was INR 3.18 crore. So, this year, they had a good portion.

**Ankur Gulati**

What was the EBITDA margin on the construction business in H2?

**Anish Patel**

Construction is little bit higher. It's around 25-30%.

**Ankur Gulati**

Alright sir, on ₹32 crore, at a 25% margin, around ₹8 crore EBITDA has come from that segment. The remaining ₹9 crore EBITDA has come from ₹53-54 crore revenue. Is that fair? Are these numbers correct?

**Anish Patel**

Yeah. But as I told you, it also includes the VPF also.

**Ankur Gulati**

And in this employee cost and other operating expenses, was there any major addition? Earlier, the other operating expense was around ₹8 crore, and now it has become ₹10 crore. So, what has been added here? Also, the employee cost has increased from ₹3.8 crore to ₹6.2 crore, which is almost a 50–60% increase. What is the reason for this on a half-yearly basis?

**Anish Patel**

While expenses are incurred on a monthly basis, only a small portion has been recognized so far. This is because we have taken a more aggressive approach toward brand positioning—expanding our workforce and increasing advertising spends across platforms like Meta, newspapers, and other franchise marketing channels. We believe these higher upfront investments will deliver returns and support growth in the coming year.

**Ankur Gulati**

Okay, alright. Thanks. I'll move back to the queue.

**Moderator**

Thank you, sir. The next question comes from the line of Mr. Hardik Gandhi from HPMG shares and securities. Please go ahead, sir.

**Hardik Gandhi**

Congratulations, Anish, on an absolute set of numbers. Just wanted to understand a few things. If again, going back on one of the questions our earlier participant mentioned that given our increase in the signature and luxuriance models, right?

Our average ticket price has just increased by 6% even though there were two -- I think two big blockbusters in the H2. So, wanted to know what was the reason for subdued average ticket price even though there were good movies as well as are these two models increased?

**Anish Patel**

Mr. Gandhi, the key point is that Luxuriance properties were opened at different times, so their operating periods vary. For instance, one of our Luxuriance properties in Pune—an excellent theatre under the KT brand—was launched in March, which meant we were able to recognize revenue from it only for a limited number of days, even though its performance metrics are reflected in H2.

Similarly, several cinemas were launched towards the latter part of H2, so their full revenue contribution will only be realized in the current year.

We are continuing to scale up Luxuriance properties, as they deliver significantly higher average ticket prices (ATP) and spend per head (SPH) within our portfolio. As a result, their impact on overall operating performance will be more visible going forward.

**Hardik Gandhi**

Right. Right.

**Hardik Gandhi**

Right. The second question I had was, again, applying on that, given there is a little confusion on the revenue recognition for the for the cinema making. Because, again, if I was just trying to extrapolate numbers, H1, we did roughly INR 30 crores roughly from cinema making franchise fees, right? Of which we had roughly 17 screens edition.

So that was roughly translating to INR 1.17 crore per screen. Now, this second half, there is a INR 65 crores franchisee – again, the cinema making. When divided by the number of cinemas, it is translating to INR 2.16 crore per screen, right?

So you mentioned on an average, we make INR 2.5 crore per screen. So, when and how is it recognized? How should one understand it?

**Anish Patel**

I believe the numbers may be slightly different from what we had indicated earlier. Currently, we are focusing more on building premium, high-quality cinemas, supported by stronger brand recognition and increasing market acceptance of our offerings.

Additionally, certain locations require higher seating capacities, and Luxuriance properties involve comparatively higher investment. All these factors combined are driving an increase in the per-screen pricing.

**Hardik Gandhi**

Right. So that's not an issue. But I'm trying to say that on an average, if we mentioned that we are supposed to earn INR 2.5 crores per screen, right, then it is not translating into 2.5 crores per screen.

We added 30. So,  $30 \times 2.5$ , we should end up at INR 75 crores versus we ended up at, I think we ended up at 65, right? So that there is a INR 10 crore gap, which we don't know if it is recognized in later half H1 next year, or is it already recognized before in H1 FY26? So, there's a mismatch there, which I'm trying to mention.

**Pujan Thakkar**

Sir, what happens in terms of revenue recognition is that the revenue related to the setting up of cinemas is recognized at the time of completion. Operational revenues, however, can commence at any point during the year after the licensing process is completed.

So, although we currently have 113 operational screens, it is possible that we may have already recognized revenue for some theatres that are ready but are scheduled to open only in May.

**Hardik Gandhi**

Correct. So, is there any revenue that is still pending? Technically, there should be some revenue pending, right sir? That is what I am trying to understand.

**Pujan Thakkar**

No, no. Revenue is recognized once the cinema is ready and handed over. However, the cinema becomes operational only after all licensing processes are completed. Sometimes the franchise partner may also decide on an auspicious launch date and choose not to start operations immediately. So, there can be a time gap because of these factors.

**Hardik Gandhi**

Sir, the basic question everyone is asking is this: we are charging around ₹2.5 crore for one cinema screen, correct? And the total screen additions this quarter were 30 operational screens, correct? So technically, around ₹75 crore of revenue should have been reflected in our books.

**Pujan Thakkar**

Out of this, around 10 screens had already been completed last year, but the licenses in Bihar were pending due to the elections. As a result, those screens became operational only this year.

**Hardik Gandhi**

Right, this is what I am trying to understand — whether there are any arrears or deferred revenues from the existing operational screens that will be recognized in the next half. That makes sense.

**Anish Patel**

Okay. Okay.

**Hardik Gandhi**

I'll join back in the queue. Thank you for answering. All the best.

**Moderator**

Thank you, sir. Ladies and gentleman, if you have a question, please press "\*" and "1" on a telephone keypad. I repeat, if you have any question, please press "\*" and "1" on a telephone keypad. The next question comes from the line of Mr. Rushin Shah from Molecule Venture.

**Rushin Shah**

Sir, I have one question—what led to the significant increase in our inventory days, which have almost doubled compared to FY25?

**Anish Patel**

Inventory has increased mainly due to our aggressive growth and expansion in cinema development. As we ramp up construction and project execution, inventory builds up on the books, leading to a rise in inventory days.

**Moderator**

Rushin Shah, sorry to interrupt you. I would request you to speak little louder for a clear clarity on the question, sir.

**Anish Patel**

Inventory primarily consists of items such as acoustics and fabric work, electrical materials, seating (chairs), sound systems, carpets, lighting, F&B equipment, projector screens, and other furniture-related components.

**Rushin Shah**

And sorry if I'm asking this question again. What caused a reduction in EBITDA margin?

**Anish Patel**

So, I understand this is something I've explained multiple times. Post-IPO, we achieved strong revenue growth of around 54%, but this also required us to incur additional costs in employee and administrative expenses, leading to a temporary increase in these costs.

Looking ahead, we plan to optimize these expenses by rationalizing some non-performing resources. At the same time, these investments were necessary to support our growth at this stage. As we streamline costs going forward, it should help improve our margins.

**Rushin Shah**

So, can we expect 24%, 25% sort of margin going forward?

**Anish Patel**

20% would be a good number. This we are talking about PAT margin, and we expect an EBITDA margin in the range of 26% to 27%.

**Rushin Shah**

Okay. Thank you.

**Moderator**

Thank you so much, sir. The next question comes from the line of Mr. Purva Shah from Grobiz Fund. Please go ahead, sir.

**Purva Shah**

Yes. Thank you for the opportunity. I have two questions. On the margins front, sir, you mentioned about the EBITDA margins going down, but could you also give a comment on the gross margins? Because in H1 and H2, we see H1 46%, and H2 or the full year is 42%. But we see in FY24 and '25, it is 52% and 65% of gross profit margin. So, could you comment on that?

**Anish Patel**

I think it's basically the expenses which we, increased a little bit, and it is causing these numbers a little bit slowing it.

**Purva Shah**

So, with the 20% hit of margins, I don't think that only, here and there, your profit margins would be impacted by 20%. Could you give some insights on, how is it going down?

**Anish Patel**

Yes. As of 31st March 2025, we had 96 employees, which has now increased to 143. Correspondingly, employee costs have risen from INR 5.24 crore to INR 9.95 crore.

In addition, our advertising and marketing expenses have also gone up significantly. Last year (FY25), these were around INR 9.6 crore, and this year they have increased to INR 17.79 crore. This is primarily because we have been investing heavily across platforms such as Meta, Google ads, newspapers, exhibitions, and franchise expos to drive growth and brand visibility.

**Purva Shah**

Yes, sir. That is understood, but that is not included in the gross profit margins. These are included, these are deducted under the gross profit, correct. So, could you, give us some insights on the, cost of materials consumed? We don't have anything there. Anything on the purchases or the direct expenses that we have?

**Anish Patel**

So, I've already outlined the key cost components. These largely account for the increase in expenses, and aside from these, there are no major new cost heads that we have incurred. You can consider the expenses in line with what we have just explained.

**Purva Shah**

Thank you for the opportunity. If there's anything, I'll join back with you. Thank you.

**Anish Patel**

Thank you so much.

**Moderator**

Thank you so much, sir. The next question comes from the line of Mr. Ankit Kanodia from Zen Nivesh Company. Please go ahead, sir.

**Ankit Kanodia**

Thank you, and congratulations for good set of numbers. My one first question is basically related to we have grown from less than 25 screens to more than 100 screens in last few years. And the kind of expansion plan we have for the next two years, we must first we have to keep on thinking about the franchisee in mind and because that is our model. So, anything new we are doing for them, which attract them towards our model? Or are we going to continue what we have been doing?

Or would you like to throw some more color on that? That is my first question.

**Anish Patel**

Thank you, Ankit, for this question—you're absolutely right. Franchising is a key pillar of our business, and we treat our franchise partners more like long-term partners than just stakeholders.

We have strong relationships with them and focus heavily on building stickiness. We go above and beyond to support them whenever there are any requirements at the cinema level. We also actively engage with them by celebrating milestones such as first and second anniversaries.

Additionally, we incentivize repeat partnerships. For example, if an existing franchisee takes up another cinema, we reduce the royalty from 20% to 15% for the second location, which improves their profitability.

This approach strengthens our relationship and encourages franchisees to reinvest with us. As a result, we've seen a good number of repeat partnerships from franchisees this year.

**Ankit Kanodia**

Great. So, my next question is, saying one of the participants question you answered that you are opening four new screens in Bangalore. Do you mean Karnataka or you mean Bangalore itself?

**Anish Patel**

It's in Bangalore itself.

**Ankit Kanodia**

Okay. But in our PPT, we keep mentioning that our focus is Tier 2, Tier 3 underserved towns. Because in Bangalore, we see a cinema is already very, very covered. You see so many screens already. So, what is the rationale behind that, if I may have?

**Anish Patel**

Yes. So, when I say we are very much bullish on Tier 2, Tier 3, but that doesn't mean that we are not into Tier 1 or like, we have cinemas in Hyderabad also. We have cinemas in Pune also. We have cinemas in Ahmedabad, Gurgaon. So definitely, Tier 2, Tier 3 is our preference, but Tier 1 also has a space and Tier 1 also has a deal with a good amicable real estate rental and everything and attractive franchise partner.

And then Tier 1, business scales very well with a great ATP and SPH. So, we also do cinemas over there. So, it doesn't mean that we don't go to Tier 1 or big cities, but Tier 2, Tier 3 is our favorite. And we also have, few cinemas, as I told you, we based out in Ahmedabad, we have good number of cinemas over here also. Baroda, Surat -- we're coming up.

**Ankit Kanodia**

Sir, that answers my question. And I don't have any other question. Just one request.

**Anish Patel**

Yes.

**Ankit Kanodia**

I have a suggestion that could benefit all participants. If possible, from the next quarter onwards, it would be helpful to provide more detailed disclosures—particularly around gross margins and EBITDA margins, including the drivers behind any changes or declines. Greater clarity on these aspects would be very useful for all of us.

That's all from my side, sir. Thank you, and all the best.

**Anish Patel**

Thank you, Ankit. We will certainly work towards providing greater clarity going forward. As I mentioned earlier, the slight contraction in margins is primarily due to the additional expenses we have incurred, which are largely investments for the coming year.

These investments act as a growth catalyst and will help accelerate our performance in the future. Notably, the increase in headcount has mainly been in the franchise sales and cinema development teams, which are our key growth drivers. Other functions within the company have not seen any significant increase in staffing or costs.

**Moderator**

Thank you, sir. The next question comes from the line of Mr. Naman Jain from Infinity Growth Venture India. Please go ahead, sir.

**Naman Jain**

Yeah. So, I just wanted to understand, our revenue, maybe a model for our construction business of cinemas. For example, say, you started a cinema on, say, March 10, okay? And you end up making it by June 15, say, three or four months. So how do you recognize this revenue? If you started, say, on the year, I mean, you started in the year end.

**Anish Patel**

So, revenue recognition is, at the end of the completion.

**Naman Jain**

So you recognize the entire INR 2 crores or INR 2.5 crores, in July, right? June and July.

**Anish Patel**

Yes.

**Naman Jain**

Okay. Understood. So, you don't do it base on percentage of completion. But, other 40% of the cinema is completed, so you recognize 40%. You recognize the entire revenue at one shot -- once the cinema gets operational.

**Anish Patel**

Yes. Because it's basically a Trunkey project. So, we don't divide it into small, small parts.

**Naman Jain**

No. Because we wanted understand. How do you allocate the cost then? Because, say, March-May you have spent INR 60 lakhs or INR 70 lakhs. To approve check up with account, because you have not accounted the revenue against it. You'll be recording it in June, but the cost would have been booked in March, right?

**Pujan Thakkar**

That is carry forwarded as a WIP in the next year.

**Naman Jain**

Okay. Understood. And, one more question. So just a repeat of the previous questions with the correction of number that people had asked. So total, our construction business revenue was INR 64.8 crores for the whole year. And the total number of screens, including all the models were 47 screens, right?

**Anish Patel**

Yes. 47 screens.

**Naman Jain**

So now, as, you'd mentioned, 10 screens where, revenue was booked in the previous year. So, should I subtract that in TV revenue, or how should I look at it? For the average.

**Anish Patel**

We'll give you the exact number, but we give you the idea about, you know, how it is.

**Naman Jain**

Okay. Yeah. So, because I just wanted to understand. So, second half, you had added 30 more screens. And if I roughly multiply INR 2 crores, that itself comes up to INR 60 crores.

**Anish Patel**

Yes. Because, as we had mentioned earlier, some of our screens were already completed and pending. So, we will share the detailed numbers with you.

**Moderator**

Naman sir, sorry to interrupt you. I would request you to join back the queue one second for the more questions, sir. Thank you, sir. The next question comes from the line of Mr. Sourabh Gupta from Family Office. Please go ahead, sir.

**Sourabh Gupta**

Congratulations on the strong performance. I had a question—I'm based in Indore, and I came across a newspaper article mentioning that you already have over 300 screens. I've also heard that you are close to reaching 300 screens soon and may have already signed agreements with franchise partners for the same. Could you please clarify whether this is accurate?"

**Anish Patel**

Yes. So right now, we have 113 screens operational. We have an order book of 230 more screens. So we are almost at 343 screens, which is in our kitty.

**Sourabh Gupta**

Perfect. And you take typically six to eight months for those screens to become operation. So, my assumption is by the next year, all the 300 screens, I mean, those will be operational?

**Anish Patel**

As I mentioned, we are coming up in Bangalore and Ajmer. All the sign-ups are already in place, but the real estate developments are taking a little more time to materialize. Given the current market situation, real estate projects are getting slightly delayed.

What happens is that some of these real estate projects may come up over the next six to eight months, after which work on the cinemas will begin. Initially, the developer completes the required civil work and structural modifications, and only after those civil changes are handed over do we start our execution.

Accordingly, we have planned these projects across the 2025–2028 period. Some projects will be completed this year, while some are expected to come up only next year.

**Sourabh Gupta**

No, but still, for some projects, as you are saying, not all 125 screens will come this year. Some 125 screens will come next year, and in between, additional franchise sign-ups will also keep getting added.

**Anish Patel**

Yes, absolutely. It can also happen that some projects we were anticipating to go live in H2 may get shifted by another two to four months. Meanwhile, we continue to add new franchise partners month on month. Definitely, it is an ongoing process.

**Sourabh Gupta**

So is it that the guidance is still there? Because I think, okay, you can really achieve that guidance because you already have about 300 plus screens signed up, the franchise is signed up.

**Anish Patel**

So that's not the guidance actually. That's our vision and our dream to achieve four-digit in number of screens. But looking at the current situation, I think, we'll definitely surpass we'll achieve that dream because, month on month, we are also adding last month, we added around more than 15 screens in franchising.

**Sourabh Gupta**

And last question, operating leverage will kick in? Means you have or means operating margin will go more than 30% if I assume, like because your employee cost will be if you go up, your operating costs will less than employee cost and the cost, right? This is too or?

**Anish Patel**

No, no.

**Sourabh Gupta**

The 30% guidance in the future? Because, again, you are ticketing means from existing screens, you will be getting revenue sharing and keep sharing getting those revenue, right? So, your operating margin is exponentially increased, right? As you add more and more screens, apart from your 30% new build up.

**Anish Patel**

No, I don't believe operating expenses will increase exponentially in line with the number of screens. Currently, we are in a high-growth phase, which is why we have stepped up spending on employees, advertising, and related areas. This level of investment may moderate over time, while other operating expenses should remain relatively stable.

Our EBITDA margins remain sustainable, and expenses are expected to grow in a more measured way alongside the increase in screens. As we have communicated since our IPO, once we reach a scale of around 250–300 screens, the business benefits from a stable and recurring royalty income base, which supports strong and sustainable margins.

**Sourabh Gupta**

So, the simple question is this: right now, your net profit is around ₹25-26 crore on 100 screens. Assuming things continue as expected, can we consider that the profit may eventually reach around ₹300 crore on 1000 screens operational?

**Anish Patel**

So let me put it this way that -- so as a listed company, we remain very mindful of disclosures, norms, and hence, I may not provide you the very detailed forward-looking guidance. But as a company, we continue to maintain a strong expansion pipeline. And screen guidelines, yes, we have a great target of adding good number of screens. And leave it to your wisdom. You are intellectual enough, and you must have calculated out the numbers and the thing.

And I've also given you the relative increase or decrease in the expenses also. So, we maybe you might be on the right track.

**Sourabh Gupta**

Yes. Thanks a lot. As long as the 300-screen story holds true, I'm intact in my story side.

**Anish Patel**

Thank you so much, sir.

**Moderator**

Thank you so much, sir. The next question comes from the line of Mr. Madhur Rathi from Counter Cyclical Investments. Please go ahead, sir.

**Madhur Rathi**

Thank you for the opportunity. Sir, I wanted to understand, sir. We provide some minimum guarantee to the movie distributor. And if our franchisee, volume don't need that, we have to take some penalties. So what is that minimum guarantee, in terms of occupancy rate where for that, we will come out profitable, model?

**Anish Patel**

I mean, minimum guarantee for the movie, you're asking?

**Madhur Rathi**

Yes, sir. So, I read somewhere -- in some of our need that we provide some minimum guarantee to the distributor in terms of that there should be the minimum number of volume that we will, a particular franchise would, provide them. So yeah.

**Anish Patel**

So where did you read that?

**Madhur Rathi**

So, what would be the occupancy rate for our number of screens that we have that are maybe, less than one year, and the ones that are older than one year, if you could provide me that?

**Anish Patel**

Because, let me give the answer of the first question, primarily. So, we don't give any MG to the distributor or something like that. We are purely a national cinema sharing business, numbers, which are with all the major brands. And so basically, with the top five cinema changing the country. And it's purely revenue share with the producer-distributors. So there is no MG or something like that. It's not for an established cinema team like us.

**Madhur Rathi**

Got it. And, sir, on the occupancy front?

**Anish Patel**

The occupancy, we're doing good. I mean, it changes QoQ, depends upon the title and the season.

**Madhur Rathi**

No, sir. I'm asking about the whole of FY26. For FY26, what was the occupancy for screens that were older than one year and screens that were newer or less than one year since operations?

**Anish Patel**

So, I'll get that number precisely because, you know, we are a mix of, screens, which, say, screen open up in the last month, open up before two months of the year ending and this thing. So we are in ongoing process of the addition of the screen. So, their occupancy numbers, might have for the month on month or hardly for the quarter and everything. But I know our cinemas majorly does an occupancy of around 30% to 35% of our good cinemas. They do good occupancy.

**Madhur Rathi**

Right. And, sir, just a final question from my end, sir. What is this receivable that has increased from closer to 13 crores to, right now, closer to, I think, INR 21-22 crores, even when we have a 13 crores advantage from our customer for this EPC business? So, what is these receivables related to?

**Anish Patel**

These receivables are largely from the last week of March, right? The movie Dhurandhar was also at its peak during that period. So, what happens is that receivables include collections related to our VPF charges, advertisement charges, BookMyShow revenue sharing, and other settlements from the last week of the month. Since it was a strong blockbuster period, franchisee collections were also reflected under receivables.

However, currently, the receivable days stand at 52 days as compared to 50 days last year.

**Madhur Rathi**

Right. Sir, just a final question, sir. In terms of number of seats, how should I look at our business? So, we have given a guidance of 85 screen addition. So, in terms of seats, what number that should be?

**Anish Patel**

Basically, every cinema consists of around 75–80 seats. So, if we apply that thumb rule, we will be adding around 6,500–7,000 seats.

Also, as I mentioned regarding receivables, a major portion consists of VPF collections because the settlement cycle for these typically happens after two to two-and-a-half months. Therefore, a significant component of the receivables relates to such outstanding settlements.

**Madhur Rathi**

And sir, we reported ₹65 crore revenue for the full FY26 and ₹32crore revenue in H2. Is that correct, sir?

**Anish Patel**

Let us complete the question first.

**Madhur Rathi**

No, sir. That was the only question regarding that. I think there is some issue with the audio on my end.

So, in the EPC segment, we reported the entire ₹65 crore revenue for FY26.

**Anish Patel**

You are right.

**Moderator**

Thank you so much, sir. In the interest of time, that will be the last question for the day. Now I hand over the floor to the management for closing comments.

**Rahul Dhyani**

Thank you everyone, on behalf of the management of Connplex Cinemas Limited, we thank you all for joining us on our post earnings call today. We hope we have been able to address majority of your queries. You may reach out to me or our investor relation partner – Ernst and Young (EY) for any further queries that you may have, and they would connect with you offline.

Akash, we can now close the call. Thank you all.

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**Moderator**

Thank you so much, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Saba's conference call service. You may disconnect your lines now. Thank you and have a pleasant evening.