

PVR-Inox

Estimate change



TP change



Rating change



Bloomberg	PVRINOX IN
Equity Shares (m)	98
M.Cap.(INRb)/(USDb)	101.7 / 1.2
52-Week Range (INR)	1748 / 826
1, 6, 12 Rel. Per (%)	9/-12/-29
12M Avg Val (INR M)	657

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Sales	67.4	74.9	83.0
EBITDA	7.8	9.2	10.5
Adj. PAT	1.4	2.4	3.3
EBITDA Margin (%)	11.6	12.3	12.6
Adj. EPS (INR)	14.2	24.4	33.5
EPS Gr. (%)	NA	71.6	37.0
BV/Sh. (INR)	732.3	756.7	790.2

Ratios

Net D:E	1.0	0.9	0.8
RoE (%)	2.0	3.3	4.3
RoCE (%)	3.2	4.3	5.3
Payout (%)	0.0	0.0	0.0

Valuations

P/E (x)	70.3	40.9	29.9
P/BV (x)	1.4	1.3	1.3
EV/EBITDA (x)	14.1	11.6	9.7
Div Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	27.5	27.5	27.8
DII	36.5	36.3	38.8
FII	19.7	20.4	18.1
Others	16.2	15.8	15.3

FII Includes depository receipts

CMP: INR1,036 TP: INR1,180 (+14%)

Neutral

Strong start to FY26; Box office momentum to remain strong

- PVR INOX delivered a strong start to FY26, with footfalls improving 12% YoY, driven by improved performance from Bollywood and a rebound in Hollywood collections. ATP grew 8% YoY and SPH rose 10% YoY to an all-time high for a 23% YoY growth in revenue.
- Cost discipline remained strong with fixed costs rising just ~3% YoY, due to various initiatives to make expenses more variable in line with revenue growth. As a result, pre-INDAS EBITDA came in at INR953m **(24% beat)** and margins expanded **6.5%** (115bp beat).
- Backed by a strong content slate across languages and tactical levers such as 'Blockbuster Tuesday', re-releases, and event streaming, management expects FY26 admissions to surpass FY24 levels (~150m).
- Nevertheless, PVR INOX's business remains highly sensitive to occupancy levels, which are dependent on the quality and consistency of content, a factor largely outside the company's control. While management remains optimistic about the FY26 content pipeline, even a 200-300bp decline in occupancy could materially impact screen-level economics and EBITDA performance, posing a downside risk to our current estimates.
- We raise our FY26-27E EBITDA by ~1-3%, driven by better cost controls. We **reiterate our Neutral rating with a TP of INR1,180**, premised on 12.5x pre-Ind-AS 116 Sep'27E EBITDA.

Sharp revenue recovery; strong beat on margins

- Consolidated revenue grew 23% YoY (18% QoQ) to INR14.7b (in line), driven by a recovery in box office collections.
 - **Ticketing revenue** at INR7.3b (+13% QoQ) rose 23% YoY, driven by 12% YoY increase in admissions (occupancy up ~165bp YoY to 22%) and 8% YoY improvement in ATP to INR254 (-1.5% QoQ). During 1Q, there were several INR1b+ GBOC movies, while the Hollywood slate improved with titles such as F1 and Mission Impossible.
 - **F&B revenue** at INR4.9b (+29% QoQ) rose 22% YoY, driven by higher spends per head (SPH), which grew 10% YoY to INR148 (+18% QoQ), and higher admissions.
 - **Ad revenues** grew 17% YoY (+14% QoQ) to INR1.1b.
- PVR INOX was back in the green with a **pre Ind-AS 116 EBITDA of INR953m** (24% ahead of our est. INR768m)
 - **Movie exhibition cost** at INR2.5b (+14% YoY) came in at ~38.5% as % of ticketing revenue (vs. 39% QoQ, 41% YoY).
 - **F&B COGS** at INR1.2b (+19% YoY), came in at ~24.3% of F&B sales (down 70bp YoY, 26.2% QoQ).
- However, the company reported a loss of INR334m (significantly lower QoQ and YoY, our est. of INR421m loss).
- It opened 20 new screens during the quarter, of which 14 were under FOCO and asset-light models. Additionally, 55 new screens are signed currently under FOCO and 72 under the asset-light model.
- Outlook: The company expects to open 90-100 new screens in FY26 (20 added so far in FY26TD).

Highlights from the management commentary

- **Box office trends:** PVR INOX delivered a robust 1QFY26 performance (revenue up 23% YoY), driven by strong performance by Hindi cinema (+38% YoY) and a rebound in Hollywood collections (+72% YoY), driven by several tentpole movies. Premium formats saw a 20% YoY growth in admissions, driven by improved Hollywood content slate. Management further indicated that 2QFY26 and 3QFY26 should see sustained momentum, driven by an improving content slate across languages.
- **Initiatives to improve footfalls:** Admissions rose 12% YoY to 34m, driven by initiatives focused on affordability (the INR99 'Blockbuster Tuesday' offer reactivated ~1m dormant users), and alternate content (IPL streaming, concerts, and re-releases, which added 0.5m admissions). July delivered the highest monthly footfalls in 18 months, and management remains confident on FY26 admissions exceeding FY24 levels (~150m).
- **F&B Performance:** F&B's SPH hit an all-time high of INR148 (up 10% YoY), primarily driven by better customer conversions rather than price hikes. Weekday value packs and refillable formats (for unlimited Pepsi and Popcorn) also improved the overall SPH.
- **Karnataka Draft Regulation impact:** The ticket price cap was a draft and is yet to be notified. The draft has received over 700 objections, and key details such as applicability on premium formats and tax inclusion/exclusion remain unclear at the moment. PVR INOX's Karnataka expansion plans remain unchanged due to the draft regulation.
- **Capex** guidance for FY26 remains at INR4.0-4.25b, of which INR2.5-2.6b has been earmarked for new screens. The capital-light strategy is expected to accelerate expansion, improve RoCE, and support further deleveraging (net debt down INR607m QoQ to INR8.9b).

Valuation and view

- A recovery in Hollywood collections and promising content slate bode well for PVR INOX, given its skew toward premium screening formats.
- Initiatives such as 'Blockbuster Tuesdays', curated re-releases, live sports screenings, and weekday value meal offers are driving an uplift in footfalls and SPH, aiding weekday monetization. These targeted interventions reflect a strategic effort to smoothen occupancy volatility and enhance per patron revenue, particularly during non-peak periods.
- Nevertheless, PVR INOX's business remains highly sensitive to occupancy levels, which are dependent on the quality and consistency of content, a factor largely outside the company's control. While management remains optimistic about the FY26 content pipeline, even a 200-300bp decline in occupancy could materially impact screen-level economics and EBITDA performance, posing a downside risk to our current estimates.
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Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26	FY26	Est. Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	
Net Sales	11,907	16,221	17,173	12,498	14,691	17,383	20,187	15,106	57,799	67,366	14,406	2
YoY Change (%)	-8.8	-18.9	11.1	-0.5	23.4	7.2	17.5	20.9	-5.4	16.6	21.0	
Total Expenditure	12,285	14,350	14,805	12,603	13,738	15,503	16,314	14,017	54,043	59,572	13,637	1
EBITDA	-378	1,871	2,368	-105	953	1,880	3,872	1,089	3,756	7,794	768	24
YoY Change (%)	-146.8	-56.2	16.9	-975.0	-352.1	0.5	63.5	-1,137.0	-47.3	107.5	-303.3	
Depreciation	1,164	1,266	1,194	1,212	1,123	1,209	1,209	1,591	4,836	5,132	1,209	-7
Interest	451	489	490	453	440	441	441	443	1,883	1,765	441	0
Other Income	179	198	215	355	188	243	243	297	947	971	249	-24
PBT before EO expense	-1,814	314	899	-1,415	-422	473	2,465	-647	-2,016	1,868	-633	33
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	-1,814	314	899	-1,415	-422	473	2,465	-647	-2,016	1,868	-633	33
Tax	(448)	90	217	(359)	(88)	119	620	(181)	-500.0	470.1	(212)	59
Rate (%)	24.7	28.7	24.1	25.4	20.9	25.2	25.2	28.0	24.8	25.2	33.5	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	-1,366	224	682	-1,056	-334	354	1,844	-466	-1,516	1,398	-421	21
Adj PAT	-1,366	224	682	-1,056	-334	471	2,458	-645	-1,516	1,398	-421	21
YoY Change (%)	209.8	-89.2	65.5	17.2	-75.5	110.4	260.5	-38.9	-232.6	-192.2	-53.8	