

Jul-Sep'25 Earnings Preview

Cinemas glitter but parks jitter

Media: Industry-wide BO collections increased by 20.2% YoY to ~Rs31.7bn in 2QFY26E, primarily driven by titles like Saiyaara, Coolie, Mahavatar Narsimha, and War 2. Post COVID, this has been the third instance wherein industry-wide BO collections have surpassed ~Rs30bn mark led by strong performance from Bollywood and Hollywood movies. Accordingly, we expect PVRINOX IN's footfalls to increase 13.5% YoY to 44.0mn with a pre-IND AS EBITDA margin of 15.4% in 2QFY26E. As for broadcasting, Z IN's performance is likely to be weighed down by weak advertising environment while EBITDA margin is set to collapse to a single-digit mark of 6.0% due to higher content cost and A&P expenses amid launch of two new channels.

Entertainment: While headwinds in Kiddopia persist, consolidation of Curve Games, Fusebox, and Smaash is likely to support the growth trajectory for NAZARA IN. As for IMAGICAA IN, we expect footfalls to remain flat YoY to 0.25mn in a seasonally weak quarter with an EBITDA loss of Rs60mn.

Top pick: While Z IN is likely to report weak performance due to higher content cost and A&P spends amid launch of two new channels, EBITDA losses in ZEE5 are likely to decline by ~40-50%. With launch of new content, improvement in viewership share and re-entry of ZEE Anmol into the FTA category, we expect back-ended recovery in ad-revenues and margin trajectory. We maintain BUY with a TP of Rs161 (14x FY27E EPS).

Multiplex: Industry-wide BO collections (including regional movies) increased by 20.2% YoY to ~Rs31.7bn in 2QFY26E aided by movies like Saiyaara, Coolie, Mahavatar Narsimha, and War-2. Apart from these titles, movies like They Call Him OG, Lokah Chapter 1, Jurassic World-Rebirth, Jolly LLB 3, Su from So, Mirai, Hari Hara Hera Mallu and The Conjuring: Last Rites aided overall BO collections. Accordingly, we expect PVRINOX IN to report 13.5% YoY growth in footfalls to 44.0mn, with a pre-IND AS EBITDA margin of 15.4%. We maintain 'HOLD' on the stock with a TP of Rs1,191 (10.5x FY27E EBITDA; target multiple reduced from 11x to 10.5x as we roll forward).

Broadcasting: We expect Z IN to report a 2.6% YoY decline in top-line to Rs19.5bn led by weak ad-environment. Ad revenue is expected to decline by 12.3% YoY while subscription revenue is likely to witness a slight uptick of 4.1% YoY in 2QFY26E. EBITDA margin is likely to plummet to 6.0% led by higher content cost and A&P expenses amid launch of two new channels. Given weak performance in 2QFY26E, we cut our EPS estimates by 33%/9% for FY26E/FY27E but retain BUY on the stock with a TP to Rs161 (14x FY27E EPS; no change in target multiple) as we expect improvement in ad-environment and benefits of new channel launches to materialize from 2HFY26E.

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Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
Imagicaaworld Ent.	BUY	56	74
Nazara Technologies	HOLD	279	252
PVR Inox	HOLD	1,110	1,191
Zee Ent. Enterprises	BUY	113	161

Source: PL

Top Picks

Zee Entertainment Enterprises

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Entertainment: NAZARA IN's top-line is expected to increase by 70.8% YoY to Rs5,447mn in 2QFY26E driven by consolidation of Curve Games, Fusebox and Smaash. We expect EBITDA margin of 11.0% as consolidation of low margin e-sports entity, Nodwin, will be for a period of ~45 days. Nonetheless, this quarter is likely to be impacted by write-down of investment in PokerBaazi. After adjusting for bonus and split and excluding PokerBaazi from our SoTP valuation matrix, we arrive at a TP of Rs252 as we roll-forward our valuation to Sep-27E. We maintain HOLD on the stock.

We expect IMAGICAA IN's topline to remain flat at Rs403mn in a seasonally weak quarter due to extended monsoons. We expect footfalls of 0.25mn with an EBITDA loss of Rs60mn in 2QFY26E. We expect the new water park at Ahmedabad to begin operations in FY29E and have re-aligned our capex and debt assumptions over the next 3 years. We maintain 'BUY' with a TP of Rs74 valuing the parks/hotels business at 21x FY27E EBITDA (no change in target multiple).

Exhibit 2: Q2FY26 Result Preview (Rs mn)

Company Name		Q2FY26E	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	Remark
Imagicaaworld Entertainment	Sales	403	400	0.7	1,481	(72.8)	We expect Imagicaa's revenue to remain flat at Rs403mn on account of heavy monsoon. We anticipate footfalls of ~0.25mn while blended ARPU is expected to increase by 1.5% YoY to Rs1,172. Imagicaa is expected to report an EBITDA loss of Rs60mn in 2QFY26E.
	EBITDA	-60	-38	NA	726	NA	
	Margin (%)	-14.8	-9.5	NA	49.0	NA	
	PBT	-273	-250	NA	460	NA	
	Adj. PAT	-205	-69	NA	453	NA	
Nazara Technologies	Sales	5,447	3,189	70.8	4,988	9.2	Nazara's top-line is expected to increase by 70.8% YoY to Rs5,447mn led by consolidation of Curve Games, Fusebox and Smaash. During the quarter, Nodwin's consolidation will be for a period of ~45 days while there is a probability of investment write down in Pokerbaazi. We anticipate EBITDA margin of 11.0% while PAT is expected to increase 9.2% YoY to Rs260mn (excluding write down from PokerBaazi).
	EBITDA	599	252	137.9	474	26.2	
	Margin (%)	11.0	7.9	310 bps	9.5	148 bps	
	PBT	528	230	129.7	549	(3.8)	
	Adj. PAT	260	238	9.2	-125	NA	
PVR Inox	Sales	18,272	16,221	12.6	14,691	24.4	We expect PVR-Inox to report revenues of Rs18.3bn with footfalls of 44mn (up 13.5% YoY) in 2QFY26E. Movies like Saiyaara, Coolie, Mahavatar Narsimha, War 2, They Call Him OG, Lokah: Chapter 1, Jurassic World: Rebirth and Jolly LLB 3 have surpassed Rs1bn mark during the quarter. We expect ATP/SPH of Rs262/Rs135 respectively, with an occupancy of 27.3%. For 2QFY26E, we expect PVR-Inox to report pre-IND AS EBITDA margin of 15.4%.
	EBITDA	5,857	4,793	22.2	3,973	47.4	
	Margin (%)	32.1	29.5	251 bps	27.0	501 bps	
	PBT	1,182	-147	NA	-702	NA	
	Adj. PAT	887	-118	NA	-539	NA	
Zee Entertainment Enterprises	Sales	19,494	20,007	(2.6)	18,248	6.8	We expect ZEE to report a 2.6% YoY decline in top-line to Rs19.5bn due to continued headwinds faced on the advertising side. Ad revenue is expected to decline 12.3% YoY while subscription revenue is likely to see a marginal increase of 4.1% YoY in 2QFY26E. EBITDA margin is estimated to compress to 6.0% due to higher content cost and A&P spends, while adjusted PAT is expected to decline 70.1% YoY to Rs588mn.
	EBITDA	1,170	3,210	(63.6)	2,280	(48.7)	
	Margin (%)	6.0	16.0	-1004 bps	12.5	-649 bps	
	PBT	789	2,754	(71.3)	1,971	(59.9)	
	Adj. PAT	588	1,964	(70.1)	1,328	(55.7)	

Source: Company, PL

Exhibit 3: Valuation Summary

Company Names	S/ C	Rating	CMP (Rs)	TP (Rs)	MCap (Rs bn)	Sales (Rs mn)				EBITDA (Rs mn)				PAT (Rs mn)				EPS (Rs)				RoE (%)				PE (x)			
						FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Imagicaaworld Entertainment	C	BUY	56	74	33.0	4,102	3,701	4,673	5,431	1,755	1,470	2,200	2,578	789	374	798	1,050	1.4	0.6	1.4	1.8	7.9	2.8	5.3	6.6	40.2	88.3	41.4	31.4
Nazara Technologies	C	HOLD	279	252	103.5	16,239	19,099	19,564	21,793	1,535	2,707	3,195	3,946	1,187	991	1,614	2,225	3.4	2.7	4.4	6.0	4.9	3.1	4.5	5.9	82.5	104.4	64.1	46.5
PVR Inox	C	HOLD	1,110	1,191	108.6	57,799	65,745	73,012	80,865	15,416	19,967	23,873	26,647	-2,796	954	3,655	5,736	-28.5	9.7	37.2	58.4	-4.0	1.3	4.9	7.1	-38.9	114.2	29.8	19.0
Zee Entertainment Enterprises	C	BUY	113	161	108.4	82,941	83,367	90,134	97,613	11,962	10,504	16,585	19,035	7,701	6,431	11,033	12,865	8.0	6.7	11.5	13.4	6.9	5.5	8.9	9.6	14.1	16.9	9.8	8.4

Source: Company, PL

S=Standalone / C=Consolidated

Note: Nazara's TP is adjusted for split, bonus and minority investment in PokerBaazi

Exhibit 4: Change in Estimates

	Rating		Target Price			Sales						PAT						EPS					
						FY26E			FY27E			FY26E			FY27E			FY26E			FY27E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Imagicaaworld Entertainment	BUY	BUY	74	77	-4.0%	3,701	3,701	0.0%	4,673	4,673	0.0%	374	415	-9.9%	798	955	-16.5%	0.6	0.7	-9.9%	1.4	1.6	-16.5%
Nazara Technologies	HOLD	HOLD	252	336	-25.0%	19,099	18,546	3.0%	19,564	19,338	1.2%	991	926	7.0%	1,614	1,583	1.9%	2.7	2.5	7.0%	4.4	4.3	1.9%
PVR-Inox	HOLD	HOLD	1,191	1,052	13.2%	65,745	65,744	0.0%	73,012	73,012	0.0%	954	950	0.4%	3,655	3,655	0.0%	9.7	9.7	0.4%	37.2	37.2	0.0%
Zee Ent. Enterprises	BUY	BUY	161	177	-9.0%	83,367	87,095	-4.3%	90,134	94,216	-4.3%	6,431	9,532	-32.5%	11,033	12,129	-9.0%	6.7	9.9	-32.5%	11.5	12.6	-9.0%

Source: Company, PL

Acc=Accumulate / C=Current / P=Previous

Note: Nazara's TP is adjusted for split, bonus and minority investment in PokerBaazi

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Chalet Hotels	BUY	1,071	882
2	Delhivery	Accumulate	466	430
3	DOMS Industries	BUY	3,087	2,503
4	Imagicaaworld Entertainment	BUY	77	61
5	Indian Railway Catering and Tourism Corporation	BUY	850	725
6	InterGlobe Aviation	BUY	6,517	5,740
7	Lemon Tree Hotels	BUY	170	142
8	Mahindra Logistics	Hold	383	408
9	Navneet Education	Hold	136	140
10	Nazara Technologies	Hold	1,345	1,413
11	PVR Inox	Hold	1,052	1,036
12	S Chand and Company	BUY	286	192
13	Safari Industries (India)	BUY	2,434	2,101
14	Samhi Hotels	BUY	300	205
15	TCI Express	Hold	707	693
16	V.I.P. Industries	Hold	455	450
17	Zee Entertainment Enterprises	BUY	177	134

PL's Recommendation Nomenclature

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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