

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR1,297      TP: INR1,400 (+8%)      Neutral**

## Subdued performance; near-term outlook weak

Bloomberg	PVRINOX IN
Equity Shares (m)	98
M.Cap.(INRb)/(USD\$)	127.3 / 1.5
52-Week Range (INR)	1880 / 1248
1, 6, 12 Rel. Per (%)	-7/-35/-32
12M Avg Val (INR M)	1045

### Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	61.1	63.7	74.1
EBITDA	7.1	7.5	11.1
Adj. PAT	1.1	0.8	3.3
EBITDA Margin (%)	11.7	11.8	15.0
Adj. EPS (INR)	11.7	7.8	34.0
EPS Gr. (%)	LP	-33.2	336.1
BV/Sh. (INR)	747.3	755.1	789.0

### Ratios

Net D:E	1.1	1.0	0.0
RoE (%)	1.6	1.0	4.4
RoCE (%)	2.8	2.5	5.3
Payout (%)	0.0	0.0	0.0

### Valuations

P/E (x)	111.3	166.6	38.2
P/BV (x)	1.7	1.7	1.6
EV/EBITDA (x)	19.7	18.6	12.3
Div Yield (%)	0.0	0.0	0.0

### Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	27.8	27.8	27.5
DII	40.2	39.2	30.2
FII	16.8	21.8	31.2
Others	15.2	11.1	11.2

FII Includes depository receipts

- PVR-Inox reported a subdued quarter, with 22.6% occupancy and 0.1% EBITDA margin. Revenue declined 19% QoQ, led by weak ticketing and ad revenue, which, coupled with an increase in movie distribution and other expenses, led to EBITDA of INR12m (big miss).
- The 2024 general elections and T20 Cricket World Cup are likely to weigh on the 1QFY25 movie pipeline, which could lead to lower occupancy. Hence, we cut our EBITDA estimates by 24%/13% for FY25/FY26. Continued fluctuation in occupancy could remain a key monitorable, as the business remains highly sensitive to occupancy, and even a 200-300bp blip could derail the screen economics. **Reiterate Neutral with a TP of INR1,400.**

### Big miss in EBITDA; occupancy remains soft

- Consolidated revenues grew 10% YoY (-19% QoQ) to INR12.6b (in line) due to a decline in ticketing and ad revenues.
- EBITDA (pre Ind-AS 116) stood at INR12m (big miss) due to an increase in movie distribution expenses, print charges and other expenses (+900bp of sales QoQ), partially offset by a decrease in movie exhibition costs (-430bp QoQ). Reported margin stood at 0.1% (vs. 0.5%/13.1% in 4QFY23/3QFY24).
- Depreciation declined 11% QoQ and interest costs remained flat QoQ.
- Accordingly, reported loss stood at INR901m (vs. est. loss of INR967m).
- FY24 revenue/EBITDA grew by 17% /37% YoY, and PAT grew to INR1.1b (vs. a loss of INR539m in FY23).
- OCF jumped 5.8x to INR9.2b due to 37% YoY growth in EBITDA to INR8b and an increase in trade payable days. Capex was flat YoY at INR6.3b and interest payout grew 24% YoY to INR1.8b. As a result, FCF grew by INR1.1b (vs. INR6.2b outflow in FY23). Net debt fell by INR1.1b to INR13.1b in FY24.
- WC days stood at -134 in FY24 (vs. -126 days in FY23), led by an increase in trade payables.

### Highlights from the management commentary

- **Current environment:** The ongoing general election has impacted the flow of new releases in 1QFY25, which is expected to stabilize by mid-Jun'24.
- **Merger synergies:** The company had guided for annual EBITDA level synergies of INR2.25b during the merger, out of which around INR1.85-2.08b have been achieved. The full impact of these synergies would be visible when occupancy improves.
- **Net cash focus:** The company focuses on becoming a net cash company and evaluating monetization of real estate assets (INR3-4b) owned by the company and using the proceeds to reduce leverage.
- **Capital-light model:** It aims to reduce annual capex by exploring models like FOCO, where investment will be made by the property owner and PVR-Inox will be operating. It expects to reduce total capex in FY25 by ~25% YoY. This will improve ROCE, while margins may see a slight dip.

**Tanmay Gupta - Research Analyst** (Tanmay.Gupta@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

**Valuation and view**

- Occupancy moderated in 4Q as the quarter witnessed some normalcy across the releases and impact of the IPL and general elections.
- Stable occupancies, healthy recovery in advertising revenues, increased risk of rising scale, and the traction of movie releases over OTT platforms continue to be our key monitorables, as highlighted in our [report](#).
- The 2024 general elections and T20 Cricket World Cup are likely to weigh on the 1QFY25 pipeline, which could lead to lower occupancy. Hence, we cut our EBITDA estimates by 24%/13% for FY25/FY26.
- Maintaining occupancy and traction in ad revenues amid an increasing threat from deep-pocketed OTT players would remain a key catalyst for growth. We value PVR-Inox at 13x FY26E EV/EBITDA to arrive at our TP of INR1,400.

**Reiterate Neutral.****Quarterly Performance**

Y/E March	FY23E				FY24				FY23*	FY24	(INR m)	
	1Q*	2Q*	3Q*	4Q	1Q	2Q	3Q	4Q			FY24	Est. Var. %
<b>Net Sales</b>	<b>15,636</b>	<b>10,601</b>	<b>14,556</b>	<b>11,431</b>	<b>13,049</b>	<b>19,999</b>	<b>15,459</b>	<b>12,564</b>	<b>52,224</b>	<b>61,071</b>	<b>12,477</b>	<b>1</b>
YoY Change (%)	2961.1	860.3	131.1	33.9	-16.5	88.7	6.2	9.9	292.8	16.9	9.2	
Total Expenditure	12,513	10,655	12,466	11,378	12,241	15,723	13,434	12,552	47,012	53,950	12,174	3
<b>EBITDA</b>	<b>3,123</b>	<b>-54</b>	<b>2,090</b>	<b>53</b>	<b>808</b>	<b>4,276</b>	<b>2,025</b>	<b>12</b>	<b>5,212</b>	<b>7,121</b>	<b>303</b>	<b>-96</b>
YoY Change (%)	-340.9	-95.7	290.7	-85.4	-74.1	-8,018.5	-3.1	-77.4	-323.6	36.6	471.8	
Depreciation	894	906	919	1,196	1,111	1,220	1,254	1,122	3,915	4,707	1,244	-10
Interest	415	417	418	419	464	486	451	453	1,669	1,854	522	-13
Other Income	260	217	188	216	195	197	234	340	881	966	154	121
<b>PBT before EO expense</b>	<b>2,074</b>	<b>-1,160</b>	<b>941</b>	<b>-1,346</b>	<b>-572</b>	<b>2,767</b>	<b>554</b>	<b>-1,223</b>	<b>509</b>	<b>1,526</b>	<b>-1,309</b>	<b>-7</b>
Extra-Ord expense	0	0	244	108	0	0	0	0	352	0	0	
<b>PBT</b>	<b>2,074</b>	<b>-1,160</b>	<b>697</b>	<b>-1,454</b>	<b>-572</b>	<b>2,767</b>	<b>554</b>	<b>-1,223</b>	<b>157</b>	<b>1,526</b>	<b>-1,309</b>	<b>-7</b>
Tax	650	-376	662	1,402	-131	693	142	-322	2338.0	384.1	-341	-6
Rate (%)	31.3	32.4	95.0	-96.4	22.9	25.0	25.6	26.3	1489.2	25.2	26.1	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>1,424</b>	<b>-784</b>	<b>35</b>	<b>-2,856</b>	<b>-441</b>	<b>2,074</b>	<b>412</b>	<b>-901</b>	<b>-2,181</b>	<b>1,142</b>	<b>-967</b>	<b>-7</b>
<b>Adj PAT</b>	<b>1,424</b>	<b>-784</b>	<b>279</b>	<b>-1,458</b>	<b>-441</b>	<b>2,074</b>	<b>412</b>	<b>-901</b>	<b>-539</b>	<b>1,142</b>	<b>-967</b>	<b>-7</b>
YoY Change (%)	-200.3	-50.9	-226.6	734.3	-131.0	-364.5	47.7	-38.2	-87.1	-311.8	-334.8	

\*Restated for merged entity; MOFSL Estimates

## Other highlights

- Revenue breakup-
  - Ticketing revenues grew 6% YoY (-24% QoQ) to INR6.4b due to a) decline in occupancy QoQ to 22.6% (vs. 25%/21% in 3QFY24/ 4QFY23) and b) decline in ATP by 14% QoQ to INR233.
  - F&B revenues grew 17% YoY (-13% QoQ) to INR4.1b due to a) 2% QoQ decline in SPH to INR129 and b) 11% decline in admits.
  - Ad revenues grew 15% YoY (-26% QoQ) to INR1b.
- The company added 33 new screens across six properties in 4QFY24. It operates 360 cinemas with 1,748 screens across 112 cities in India and Sri Lanka.
- **Impact in 1QFY25 as well:** The ongoing general election has also impacted the flow of new releases in the current quarter, which is expected to stabilize by mid-Jun'24.
- **Market share gain:** PVR-Inox box office grew 19% vs. 13% growth in India Box Office.

### Exhibit 1: Valuation summary

Particulars	Valuation
EBITDA FY26E (INR b)	11.09
Multiple	13
EV (INR b)	146.40
Net Debt (INR b)	9.20
Target Market cap (INR b)	137.20
No. of shares	0.10
<b>Target Price</b>	<b>1,400</b>
<b>CMP</b>	<b>1,297</b>
Upside	8%

Source: MOFSL, Company

### Exhibit 2: Valuation summary

	FY25E	FY26E
<b>Ticket revenue (INR m)</b>		
Old	35,043	40,062
Actual/New	33,279	38,829
Change (%)	-5.0	-3.1
<b>Total revenue (INR m)</b>		
Old	66,430	76,004
Actual/New	63,662	74,117
Change (%)	-4.2	-2.5
<b>EBITDA (INR m)</b>		
Old	9,811	12,813
Actual/New	7,494	11,091
Change (%)	-23.6	-13.4
<b>EBITDA margin (%)</b>		
Old	14.8	16.9
Actual/New	11.8	15.0
Change (bp)	-300	-189
<b>PAT (INR m)</b>		
Old	2,536	4,655
Actual/New	763	3,327
Change (%)	-69.9	-28.5
<b>Adj. EPS (INR)</b>		
Old	25.9	47.5
Actual/New	7.8	34.0
Change (%)	-69.9	-28.5

Source: MOFSL, Company



## Takeaways from the management interaction

### Key Highlights:

- **Current environment:** The ongoing general election has also impacted the flow of new releases in 1QFY25, which is expected to stabilize by mid-Jun'24.
- **Merger synergies:** The company had guided for annual EBITDA level synergies of INR2.25b during the merger, out of which around INR1.85-2.08b have been achieved. The full impact of these synergies would be visible when occupancies improve.
- **Net cash focus:** The company focuses on becoming a net cash company and evaluating monetization of real estate assets (INR3-4b) owned by the company and using the proceeds to reduce leverage.
- **Capital Light model:** It aims to reduce our annual capex by exploring models like FOCO, where investment will be made by property owner and PVR INOX will be operating. It expects overall capex in FY25 to reduce by ~25% YoY. This will improve ROCE, while margins may see a slight dip.

### Detailed Highlights:

#### Current environment

- Significant volatility was observed in box office collections in FY24, with 4QFY24 being the weakest quarter.
- The ongoing general election has also impacted the flow of new releases in the current quarter, which is expected to stabilize by mid-Jun'24.

#### Guidance

- The company had guided for annual EBITDA level synergies of INR2.25b, which will be achieved over 12-24 months.
- During the year, the company achieved a total EBITDA level synergy of INR1.85-2.08b.
  - Of this, box office contributed ~INR 890-970m, F&B contributed ~INR 340-400m, savings on manpower & other overheads contributed ~INR620-710m.
  - The full impact of these synergies would be visible as occupancies improve.
- **Screen addition:** It expects to open ~120 new screens in FY25 and net screen addition of 50-60, as the company could close 70 screens in order to optimize cost.

#### Four key strategic priorities from the medium- to long-term perspective

1. Improve the profitability of the existing circuit through revenue enhancement by driving box office initiatives like Movie Passport, Cinema Lover's Day, screening of alternate content like film festivals, live concerts, key sporting and other events.
2. Focus on reducing costs by renegotiating rentals for operational cinemas, shutting down underperforming cinemas, reducing overhead costs and having a leaner organizational structure.
  - a. Closed 85 underperforming screens in FY24 and ~70 screens expected to be closed in FY25
3. Adopting a capital-light model, wherein it aims to reduce its annual capex by exploring alternate models like FOCO (franchisee owned, company operated), partnering with developers for jointly investing in new screen capex.

- a. Investment will be made by property owner and operations will be with PVR INOX.
  - b. Reduce overall capex in FY25 by ~25% YoY.
  - c. Plans to open about 120 new screens in FY25, prioritizing expansion efforts in South India.
4. Become net cash company over the next few years; evaluating monetization of real estate assets (INR3-4b) owned by the company and using the proceeds to reduce leverage.

#### Devyani International and PVR INOX announce strategic partnership for operating food courts in shopping malls

- Through this opportunity, PVR INOX will be able to pivot to a pre-ticketed F&B revenue stream as opposed to the current post-ticketed F&B revenue.
- Since the company wants to expand its F&B business, this will be the first step in that direction.
- Devyani and PVR INOX shall invest in the equity share capital of the proposed company in the ratio of 51:49 and to incorporate a new company for the development and operation of food courts situated within shopping malls in India.

#### Exhibit 3: Consolidated quarterly performance (INR m)

Quarterly performance (INR m)	4QFY23	3QFY24	4QFY24	YoY (%)	QoQ (%)	4QFY24E	v/s est (%)
<b>Revenue</b>	<b>11,431</b>	<b>15,459</b>	<b>12,564</b>	<b>10</b>	<b>-19</b>	<b>12,477</b>	<b>1</b>
Total operating cost	11,378	13,434	12,552	10	-7	12,174	3
<b>EBITDA</b>	<b>53</b>	<b>2,025</b>	<b>12</b>	<b>-77</b>	<b>-99</b>	<b>303</b>	<b>-96</b>
<i>EBITDA margin (%)</i>	0.5	13.1	0.1	-37	-1,300	2.4	233.4
Depreciation	1,196	1,254	1,122	-6	-11	1,244	-10
<b>EBIT</b>	<b>-1,143</b>	<b>771</b>	<b>-1,110</b>	<b>-3</b>	<b>-244</b>	<b>-941</b>	<b>18</b>
Interest	419	451	453	8	0	522	-13
Other Income	216	234	340	57	45	154	121
<b>PBT</b>	<b>-1,346</b>	<b>554</b>	<b>-1,223</b>	<b>-9</b>	<b>-321</b>	<b>-1,309</b>	<b>-7</b>
Exceptional Items	0	0	0	NM	NM	0	NM
<b>PBT</b>	<b>-1,346</b>	<b>554</b>	<b>-1,223</b>	<b>-9</b>	<b>-321</b>	<b>-1,309</b>	<b>-7</b>
Tax	1,402	142	-322	-123	-327	-341	-6
<b>Reported PAT</b>	<b>-2,748</b>	<b>412</b>	<b>-901</b>	<b>-67</b>	<b>-319</b>	<b>-967</b>	<b>-7</b>
<b>Adjusted PAT</b>	<b>-1,458</b>	<b>412</b>	<b>-901</b>	<b>-38</b>	<b>-319</b>	<b>-967</b>	<b>-7</b>

Source: MOFSL, Company

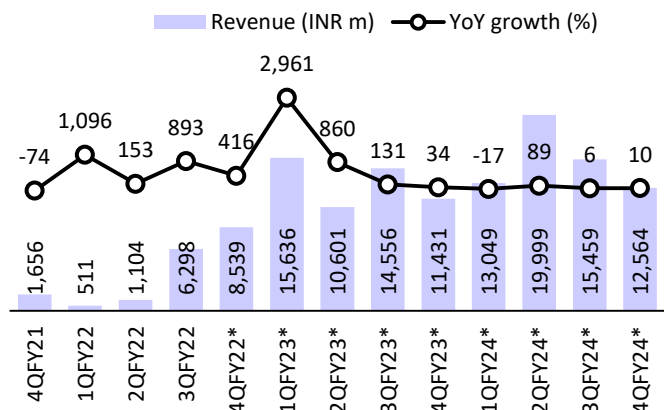
#### Exhibit 4: KPI snapshot

KPI	4QFY23	3QFY24	4QFY24	YoY (%)	QoQ (%)
Screens	1,569	1,708	1,718	9%	1%
Admits ('000)	29,600	36,500	32,600	10%	-11%
Occupancy (%)	21.0%	25.2%	22.6%	8%	-10%
ATP (INR)	221	271	233	5%	-14%
SPH (INR)	118	132	129	9%	-2%

Source: MOFSL, Company

## Story in charts

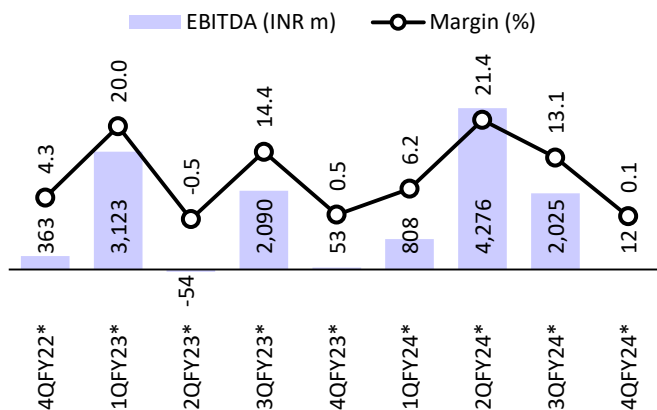
**Exhibit 5: Revenue up 10% YoY/down 19% QoQ**



\*Merged entity revenue

Source: MOFSL, Company

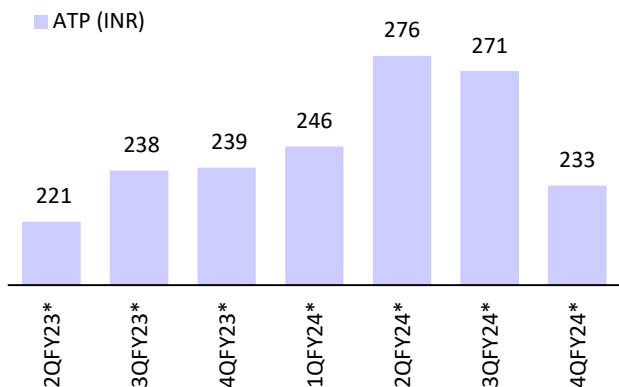
**Exhibit 6: EBITDA margin (Pre-Ind AS116) contracted to 0.1%**



\*Merged entity EBITDA

Source: MOFSL, Company

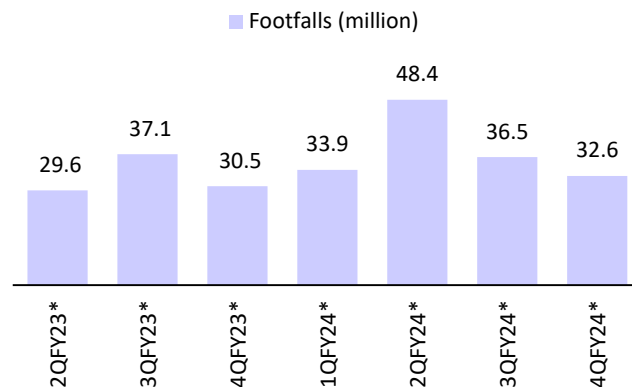
**Exhibit 7: ATP contracted QoQ to INR233**



\*Merged entity

Source: MOFSL, Company

**Exhibit 8: Footfalls fell to 33m**



\*Merged entity; Source: MOFSL, Company

## Financials and valuations

Consolidated - Income Statement								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Net Sales</b>	<b>30,856</b>	<b>34,144</b>	<b>2,769</b>	<b>13,294</b>	<b>52,224</b>	<b>61,071</b>	<b>63,662</b>	<b>74,117</b>
Change (%)	32.2	10.7	-91.9	380.2	292.8	16.9	4.2	16.4
Total Production Expenses	9,407	9,971	1,156	4,013	14,408	19,107	18,652	21,942
% of Sales	30.5	29.2	41.8	30.2	27.6	31.3	29.3	29.6
Personnel Expenses	3,373	3,938	2,171	2,651	5,375	6,573	7,527	8,523
% of Sales	10.9	11.5	78.4	19.9	10.3	10.8	11.8	11.5
Rent	5,091	5,659	1,196	3,213	10,426	11,928	12,508	13,341
% of Sales	16.5	16.6	43.2	24.2	20.0	19.5	19.6	18.0
Administrative & Other Expenses	7,122	8,815	3,249	5,749	16,803	16,342	17,480	19,219
% of Sales	23.1	25.8	117.4	43.2	32.2	26.8	27.5	25.9
<b>Total Expenditure</b>	<b>24,992</b>	<b>28,383</b>	<b>7,771</b>	<b>15,625</b>	<b>47,012</b>	<b>53,950</b>	<b>56,168</b>	<b>63,026</b>
% of Sales	81.0	83.1	280.7	117.5	90.0	88.3	88.2	85.0
<b>EBITDA</b>	<b>5,863</b>	<b>5,762</b>	<b>-5,003</b>	<b>-2,331</b>	<b>5,212</b>	<b>7,121</b>	<b>7,494</b>	<b>11,091</b>
Margin (%)	19.0	16.9	-180.7	-17.5	10.0	11.7	11.8	15.0
Depreciation	1,913	2,324	2,383	2,642	3,915	4,707	5,446	5,706
<b>EBIT</b>	<b>3,951</b>	<b>3,437</b>	<b>-7,386</b>	<b>-4,973</b>	<b>1,297</b>	<b>2,414</b>	<b>2,048</b>	<b>5,385</b>
Int. and Finance Charges	1,280	1,521	1,490	1,542	1,669	1,854	1,994	1,904
Other Income	331	378	336	777	881	966	966	966
<b>PBT bef. EO Exp.</b>	<b>3,002</b>	<b>2,294</b>	<b>-8,540</b>	<b>-5,738</b>	<b>509</b>	<b>1,526</b>	<b>1,020</b>	<b>4,447</b>
EO Expense/(Income)	0	5	0	0	352	0	0	0
<b>PBT after EO Exp.</b>	<b>3,002</b>	<b>2,288</b>	<b>-8,540</b>	<b>-5,738</b>	<b>157</b>	<b>1,526</b>	<b>1,020</b>	<b>4,447</b>
Current Tax	1,017	627	-2,539	-1,548	2,338	384	257	1,119
Deferred Tax	79	0	0	0	0	0	0	0
Tax Rate (%)	36.5	27.4	29.7	27.0	1489.2	25.2	25.2	25.2
Less: Minority Interest	-68	-5	3	0	0	0	0	0
<b>Reported PAT</b>	<b>1,838</b>	<b>1,656</b>	<b>-5,998</b>	<b>-4,190</b>	<b>-2,181</b>	<b>1,142</b>	<b>763</b>	<b>3,327</b>
<b>Adj. PAT</b>	<b>1,838</b>	<b>1,708</b>	<b>-6,010</b>	<b>-4,190</b>	<b>-539</b>	<b>1,142</b>	<b>763</b>	<b>3,327</b>
Change (%)	47.0	-7.1	-451.9	-30.3	-87.1	-311.8	-33.2	336.1
Margin (%)	6.0	5.0	-217.1	-31.5	-1.0	1.9	1.2	4.5
<b>Net Profit</b>	<b>1,770</b>	<b>1,652</b>	<b>-5,994</b>	<b>-4,190</b>	<b>-2,181</b>	<b>1,142</b>	<b>763</b>	<b>3,327</b>

Consolidated - Balance Sheet								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	467	514	608	610	980	980	980	980
Total Reserves	14,490	14,289	17,726	13,094	72,319	72,254	73,017	76,344
<b>Net Worth</b>	<b>14,957</b>	<b>14,802</b>	<b>18,334</b>	<b>13,704</b>	<b>73,299</b>	<b>73,234</b>	<b>73,997</b>	<b>77,324</b>
Minority Interest	5	3	0	-3	-7	-3	-3	-3
Deferred Liabilities (net)	266	-2,049	-3,987	-5,926	-4,735	-4,881	-4,881	-4,881
Total Loans	11,039	48,723	47,524	51,959	80,519	83,035	81,035	79,035
Lease Liabilities		37,715	36,512	36,907	62,593	65,858	65,858	65,858
<b>Capital Employed</b>	<b>26,267</b>	<b>61,479</b>	<b>61,871</b>	<b>59,734</b>	<b>1,49,076</b>	<b>1,51,385</b>	<b>1,50,148</b>	<b>1,51,475</b>
<b>Net Fixed Assets</b>	<b>27,425</b>	<b>58,860</b>	<b>54,751</b>	<b>54,074</b>	<b>1,42,086</b>	<b>1,44,781</b>	<b>1,44,932</b>	<b>1,45,726</b>
Right to use Assets		<b>30,047</b>	<b>27,554</b>	<b>26,783</b>	<b>53,746</b>	<b>54,917</b>	<b>54,917</b>	<b>54,917</b>
Capital WIP	2,208	1,547	2,172	645	2,473	2,464	2,464	2,464
<b>Total Investments</b>	<b>111</b>	<b>23</b>	<b>3</b>	<b>5</b>	<b>2</b>	<b>161</b>	<b>161</b>	<b>161</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>8,659</b>	<b>11,799</b>	<b>14,106</b>	<b>12,584</b>	<b>15,436</b>	<b>15,890</b>	<b>16,397</b>	<b>19,380</b>
Inventory	303	307	250	342	664	725	653	786
Account Receivables	1,839	1,893	307	707	1,825	2,346	2,093	2,437
Cash and Bank Balance	341	3,223	7,314	5,781	3,616	4,038	3,186	3,973
Loans and Advances	6,175	6,377	6,235	5,754	9,332	8,781	10,465	12,184
<b>Curr. Liability &amp; Prov.</b>	<b>12,135</b>	<b>10,750</b>	<b>9,161</b>	<b>7,573</b>	<b>10,922</b>	<b>11,911</b>	<b>13,806</b>	<b>16,255</b>
Account Payables	11,920	10,571	8,909	7,448	10,291	11,214	13,628	16,077
Provisions	215	180	252	126	631	697	178	178
<b>Net Current Assets</b>	<b>-3,477</b>	<b>1,049</b>	<b>4,945</b>	<b>5,011</b>	<b>4,515</b>	<b>3,979</b>	<b>2,591</b>	<b>3,124</b>
<b>Appl. of Funds</b>	<b>26,267</b>	<b>61,479</b>	<b>61,872</b>	<b>59,734</b>	<b>1,49,076</b>	<b>1,51,385</b>	<b>1,50,148</b>	<b>1,51,476</b>



## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>37.9</b>	<b>32.2</b>	<b>-98.7</b>	<b>-68.7</b>	<b>-22.3</b>	<b>11.7</b>	<b>7.8</b>	<b>34.0</b>
Cash EPS	80.2	78.5	-59.7	-25.4	34.5	59.7	63.4	92.2
BV/Share	320.0	288.3	301.7	224.7	748.2	747.3	755.1	789.0
DPS	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	6.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Valuation (x)</b>								
P/E	34.2	40.3	NM	-18.9	-58.3	111.3	166.6	38.2
Cash P/E	16.2	16.5	NM	-51.1	37.6	21.7	20.5	14.1
P/BV	4.1	4.5	4.3	5.8	1.7	1.7	1.7	1.6
EV/Sales	4.5	5.1	60.4	13.0	3.9	3.4	3.2	2.7
EV/EBITDA	23.5	30.0	NM	-58.5	27.1	19.7	18.6	12.3
Dividend Yield (%)	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Return Ratios (%)</b>								
RoE	13.8	11.1	-36.2	-26.2	-5.0	1.6	1.0	4.4
RoCE	12.5	10.7	-10.7	-10.5	-50.4	2.8	2.5	5.3
RoIC	12.8	11.7	-14.3	-22.5	-37.2	2.3	1.9	5.1
<b>Working Capital Ratios</b>								
Asset Turnover (x)	1.2	0.6	0.0	0.2	0.4	0.4	0.4	0.5
Inventory (Days)	4	3	33	9	5	4	4	4
Debtor (Days)	22	20	40	19	13	14	12	12
Creditor (Days)	141	113	1,175	204	72	67	78	79
Working Capital Turnover (Days)	-45	-23	-312	-21	6	0	-3	-4
<b>Leverage Ratio (x)</b>								
Current Ratio	0.7	1.1	1.5	1.7	1.4	1.3	1.2	1.2
Debt/Equity	0.7	3.3	2.6	3.8	1.1	1.1	1.1	1.0

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Net Profit / (Loss) Before Tax / EO	3,002	896	-9,388	-6,807	-2,089	-439	1,020	4,447
Depreciation	1,913	5,425	5,748	6,144	3,010	4,524	5,446	5,706
Interest & Finance Charges	1,280	4,730	4,949	4,938	5,600	7,913	1,994	1,904
Direct Taxes Paid	-1,097	-295	72	99	1	326	-257	-1,119
(Inc)/Dec in WC	4,007	-2,647	-803	434	-1,969	890	537	253
<b>CF from Operations</b>	<b>9,105</b>	<b>8,108</b>	<b>578</b>	<b>4,808</b>	<b>4,553</b>	<b>13,214</b>	<b>8,740</b>	<b>11,191</b>
Others	-331	-238	-4,705	-3,140	4,086	6,576	-966	-966
<b>CF from Operating incl EO</b>	<b>8,774</b>	<b>7,870</b>	<b>-4,127</b>	<b>1,668</b>	<b>8,639</b>	<b>19,790</b>	<b>7,774</b>	<b>10,225</b>
(inc)/dec in FA	-14,630	-3,838	-1,166	-1,245	-6,339	-6,269	-5,598	-6,500
<b>Free Cash Flow</b>	<b>-5,856</b>	<b>4,033</b>	<b>-5,293</b>	<b>423</b>	<b>2,300</b>	<b>13,521</b>	<b>2,177</b>	<b>3,725</b>
(Pur)/Sale of Investments	99	0	0	0	0	-161		
Others	2,739	-66	-1,720	1,217	581	164	966	966
<b>CF from Investments</b>	<b>-11,793</b>	<b>-3,903</b>	<b>-2,886</b>	<b>-28</b>	<b>-5,759</b>	<b>-6,266</b>	<b>-4,632</b>	<b>-5,534</b>
Issue of Shares	0	5,041	10,931	183	305	188	0	0
(Inc)/Dec in Debt	4,425	-674	1,768	1,553	1,260	-732	-2,000	-2,000
Interest Paid	-1,280	-1,151	-982	-1,246	-1,442	-1,792	-1,994	-1,904
Dividend Paid	-113	-360	0	0	0	0	0	0
Others	0	-4,965	-962	-2,658	-7,059	-10,589	0	0
<b>CF from Fin. Activity</b>	<b>3,033</b>	<b>-2,110</b>	<b>10,755</b>	<b>-2,168</b>	<b>-6,935</b>	<b>-12,925</b>	<b>-3,994</b>	<b>-3,904</b>
<b>Inc/Dec of Cash</b>	<b>14</b>	<b>1,857</b>	<b>3,742</b>	<b>-528</b>	<b>-4,055</b>	<b>599</b>	<b>-852</b>	<b>787</b>
Add: Beginning Balance	328	-74	1,783	5,524	4,996	941	1,540	688
<b>Closing Balance</b>	<b>341</b>	<b>1,783</b>	<b>5,524</b>	<b>4,996</b>	<b>941</b>	<b>1,540</b>	<b>688</b>	<b>1,475</b>
Other balances		1,441	1,790	785	2,675	2,498	2,498	2,498
<b>Net Closing Balance</b>	<b>341</b>	<b>3,223</b>	<b>7,314</b>	<b>5,781</b>	<b>3,616</b>	<b>4,038</b>	<b>3,186</b>	<b>3,973</b>

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing



Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online-reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA.

Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

#### Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company

- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

#### Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

#### Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

#### Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263;

www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.