

February 9, 2026

“Dhurandhar” led strong performance ...

About the stock: PVR Inox is the market leader in multiplex space in India. Currently, it operates 1,791 screens in 112 cities across India and Sri Lanka

- Going ahead, the company has a strong content pipeline, which should drive healthy performance.

Q3FY26 Performance: PVR Inox performance was driven by content performance (especially Dhurandhar) in Q3. Reported revenue came in at ₹ 1880 crore, (up 9.5% YoY) with box office revenue of ₹ 1006 crore (up 14.4% YoY). The footfalls were up ~8.6% YoY at 40.5 million and (Average Ticket Prices) ATP at ₹ 293 was up 4.3% YoY. Ad revenues were down ~21% YoY at ₹ 118 crore. F&B revenues were up 14% YoY at ₹ 594 crore. EBITDA (without impact of Ind AS116) was at ₹ 316 crore, up 33% YoY, given the strong operating performance. Margin at 16.8% was up 300 bps YoY.

Investment Rationale

- Strong content performance drive footfall recovery; Pipeline healthy:** We note that Q3 performance was driven by content performance (especially Dhurandhar), albeit performance across language remained strong. **Top performing movies included Dhurandhar in Hindi, Kantara 2 in regional along with Avatar 3 in Hollywood.** Going ahead, box office is also expected to see a star-studded pipeline across all languages such as Dhurandhar 2, Toxic, O Romeo, Drishyam 3, Star Wars: The Mandalorian and Grog, Mortal Combat 2, etc in H1CY26. **Accordingly, we expect footfalls of 173 mn in FY28 (10% CAGR over FY25-27), driving 13.3%/14.3% CAGR in Box office/ Food & Beverages (F&B) revenues over FY25-28E to ₹4,302 crore/ ₹2,725 crore in FY28.**
- On track to be net debt free; Monetises 4700 BC; Margins to improve with footfalls recovery:** Net debt stood at ₹ 365 crores, vs. ₹ 952 crore in FY25 driven by strong operating cash flows, a capex-light strategy, and screen rationalisation. **The company is on track to become net debt free with cash proceeds of ₹ 226.8 crore from the sale of Zea Maize (4700 BC) in January 2026 to further reduce the net debt.** For FY26, it expects to add 90-100 screens, while it is targeting 150 screens additions in FY27 with capex of ₹ 350-400 crore. **With footfall recovery, we expect margins to inch up ahead. We have baked in EBITDA margins (ex- IND AS) of 13.2%/14.8%/15.8* in FY26E/FY27E/FY28E respectively vs. 6.5% in FY25.**

Rating and Target Price

- We maintain a positive outlook on the company, as we believe that PVR inox is one of the proxies of consumption.
- We assign **BUY rating, valuing it at a target of ₹1,320**, at 11.5x FY27 ex-IND AS EBITDA).

Key Financial Summary

(Year-end March)	FY23	FY24E	FY25E	5 yr CAGR (FY20-25)	FY26E	FY27E	FY28E	3 yr CAGR (FY25-28)
Net Sales (₹ crore)	3,750.7	6,107.1	5,779.9	NA	6,760.8	7,563.6	8,220.0	12%
EBITDA (₹ crore)	1,047.7	1,810.1	1,541.6	NA	2,115.4	2,410.7	2,647.7	20%
Net Profit (₹ crore)	(335.1)	(32.0)	(200.9)	NA	175.8	282.1	408.9	LP
EPS (₹)	(34.2)	(3.3)	(20.5)		17.9	28.7	41.6	
P/E (x)	NM	NM	NM		57.6	35.9	24.8	
Price / Book (x)	1.4	1.4	1.4		1.4	1.4	1.3	
EV/EBITDA (x)	56.7	25.0	45.9		18.6	14.0	7.3	
RoCE (%)	2.4	4.9	3.3		6.9	8.5	15.8	
RoE (%)	(4.3)	(0.4)	(2.8)		2.9	3.8	5.2	

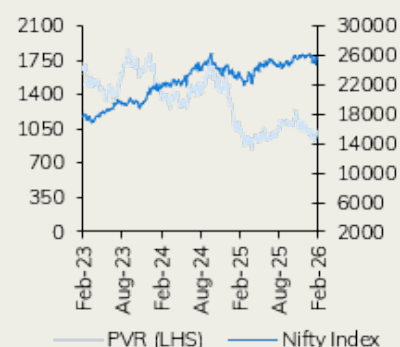
Source: Company, ICICI Direct Research * Given the PVR Inox merger numbers prior to FY23 are not comparable.

PVR INOX**Particulars**

Particulars	Amount
Market Cap (₹ Crore)	10,242
Total Debt (₹ Crore)	1,093
Cash & Equi. (₹ Crore)	728
EV (₹ crore)	10,607
52 week H/L (₹)	1250 / 830
Equity capital (₹ crore)	9.8
Face value (₹)	10.0

Shareholding pattern

	Mar-25	Jun-25	Sep-25	Dec-25
Promoters	27.5	27.5	27.5	27.5
DII	20.4	19.7	21.8	34.5
FII	36.3	36.5	35.4	21.2
Other	15.8	16.2	15.3	16.8

Price Chart**Key risks**

- Weakness in content pipeline
- Delay in footfall recovery

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Performance highlights and Outlook

- **Revenue Performance:** Reported revenue came in at ₹ 1880 crore, (up 9.5% YoY) with box office revenue of ₹ 1006 crore (up 14.4% YoY), driven by strong content performance.
- **Segment Performance:** The footfalls were up ~8.6% YoY at 40.5 million and (Average Ticket Prices) ATP at ₹ 293 was up 4.3% YoY. F&B revenues were up 14% YoY at ₹ 594 crore with spends per head at ₹ 146, was up 4.3% YoY. Ad revenues were down ~21% YoY at ₹ 118 crore. The decline in advertising income was attributed to lower advertiser demand and fewer high-impact releases. Management expects advertising revenue to recover with a consistent content slate ahead.
- **Margin Performance:** EBITDA (without impact of Ind AS116) was at ₹ 316 crore, up 33% YoY, given the strong operating performance. Margin at 16.8% was up 300 bps YoY. Ex-IND AS PAT was at ₹ 115 crore, was up 68.7% YoY. On a reported basis, EBITDA Margin came at 33.1%, down ~45 bps QoQ/ up 238 bps YoY.
- **Screen additions:** The company continues to pursue a capital-light expansion strategy. In Q3, it added 20 new screens and closed 3 underperforming screens (22 screens added in Q2). For FY26, it expects to add 90-100 screens, while it is targeting 150 screens additions in FY27 with capex of ₹ 350-400 crore. Management also added that currently 149 screens have been signed under the capital-light model (95 screens under asset light and 54 under FOCO), which are expected to open over the next 18-24 months. Note that in FOCO model, full investment is being done by the developer and Franchise and PVR would get the management fee of typically (6-10% of profits). Under the Asset light model developer would be investing 40-80% with 15-20% revenue share and rest is done by the company.
- **Debt Levels:** Net debt stood at ₹ 365 crores, vs. ₹ 952 crore in FY25. Strong operating cash flows, a capex-light strategy, and screen rationalisation have aided debt reduction in H1FY26. The company is on track to become net debt free with cash proceeds of ₹ 226.8 crore from the sale of Zea Maize (4700 BC) in January 2026 to further reduce the net debt

Exhibit 1: Ex-IND AS P&L Estimates

(Year-end March)	FY25	FY26E	FY27E	FY28E
Total operating Income	5,780	6,761	7,564	8,220
Growth (%)	-5.4	17.0	11.9	8.7
Film Distributors Cost	1,178	1,470	1,694	1,828
F&B Cost	467	508	594	654
Employee Expenses	686	746	800	838
Other Expenses	3,073	3,144	3,354	3,604
Total Operating Expenditure	5,404	5,869	6,442	6,924
EBITDA	376	892	1,121	1,296
Growth (%)	-47.0	137.4	25.7	15.6
Margins (%)	6.5	13.2	14.8	15.8
Depreciation	484	460	560	608
Interest	188	161	119	83
Other Income	174	87	100	100
Exceptional Items	0	45	0	0
PBT	-123	314	543	704
MI/PAT from associates	-1	-2	-4	-4
Total Tax	-50	76	137	178
PAT	-73	238	406	527
Growth (%)	-163.5	-427.2	70.9	29.8
EPS (₹)	-7.4	24.2	41.3	53.7

Source: Company, ICICI Direct Research

Exhibit 2: KPI Trends

(Year-end March)	FY25	FY26E	FY27E	FY28E
Box office Revenues	2,955	3,576	3,986	4,302
YoY	-10%	21%	11%	8%
F&B	1,827	2,176	2,475	2,725
YoY	-7%	19%	14%	10%
Ad	448	453	520	575
YoY	-1%	1%	15%	11%
Others	551	555	582	618
YoY	32%	1%	5%	6%
ATP	259	270	275	280
YoY	0%	4%	2%	2%
Footfalls (mn)	137	157	172	183
YoY	-10%	14%	10%	6%
Screens	1,723	1,799	1,889	1,979

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 3: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26E	FY27E	FY28E
Total operating Income	5,780	6,761	7,564	8,220
Growth (%)	-5.4	17.0	11.9	8.7
Film Distributors Cost	1,178	1,470	1,694	1,828
F&B Cost	467	508	594	654
Employee Expenses	686	746	800	838
Other Expenses	1,907	1,921	2,065	2,252
Total Operating Expenditure	4,238	4,645	5,153	5,572
EBITDA	1,542	2,115	2,411	2,648
Growth (%)	-14.8	37.2	14.0	9.8
Depreciation	1,219	1,251	1,384	1,456
Interest	791	740	814	811
Other Income	174	148	160	160
Exceptional Items	0	45	0	0
PBT	-295	228	372	541
MI/PAT from associates	-1	-2	-4	-4
Total Tax	-93	54	94	136
PAT	-201	176	282	409
Growth (%)	LP	-187.5	60.4	45.0
EPS (₹)	-20.5	17.9	28.7	41.6

Source: Company, ICICI Direct Research

Exhibit 4: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26E	FY27E	FY28E
PAT	-201	176	282	409
Add: Depreciation	1,219	1,251	1,384	1,456
Add: Interest Paid	791	740	814	811
(Inc)/dec in Current Assets	22	-106	-137	-146
Inc/(dec) in CL and Provisions	176	-20	-73	-43
Others	0	0	0	0
CF from operating activities	2,008	2,040	2,271	2,486
(Inc)/dec in Investments	15	0	0	0
(Inc)/dec in Fixed Assets	-260	-350	-380	-400
Others	-586	-328	-615	-656
CF from investing activities	-832	-678	-995	-1,056
Issue/(Buy back) of Equity	0	0	0	0
Inc/(dec) in loan funds	-227	-301	-400	-200
Dividend paid & dividend tax	-23	-23	-23	-23
Less: Interest Paid	791	740	814	811
Others	-1,591	-1,480	-1,629	-1,622
CF from financing activities	-1,050	-1,064	-1,237	-1,034
Net Cash flow	126	298	38	397
Opening Cash	404	530	828	867
Closing Cash	530	828	867	1,263

Source: Company, ICICI Direct Research

Exhibit 5: Balance Sheet ₹ crore

(Year-end March)	FY25	FY26E	FY27E	FY28E
Liabilities				
Equity Capital	98	98	98	98
Reserve and Surplus	6,953	7,107	7,366	7,752
Total Shareholders funds	7,052	7,205	7,464	7,850
Total Debt	1,491	1,190	790	590
Others	6,420	6,291	6,186	5,760
Total Liabilities	14,962	14,686	14,440	14,201
Assets				
Total Fixed Assets	3,267	3,157	2,977	2,769
Investments	1	1	1	1
Right of Use	4,992	4,251	3,786	3,019
Goodwill on Consolidation	5,743	5,743	5,743	5,743
Debtors	243	296	332	360
Inventory	80	94	105	114
Loans and Advances	2	2	2	2
Other Current Assets	227	266	357	466
Cash	529	828	867	1,263
Total Current Assets	1,081	1,486	1,662	2,205
Total Current Liabilities	1,300	1,280	1,207	1,164
Net Current Assets	-219	206	455	1,040
Other Non Current Assets	1,178	1,328	1,478	1,628
Application of Funds	14,962	14,686	14,440	14,200

Source: Company, ICICI Direct Research

Exhibit 6: Key ratios

(Year-end March)	FY25	FY26E	FY27E	FY28E
Per share data (₹)				
EPS (Diluted)	-20.5	17.9	28.7	41.6
Cash EPS	103.7	145.2	169.7	189.9
BV	718.1	733.7	760.1	799.4
DPS	1.4	1.4	1.4	1.4
Cash Per Share	53.9	84.3	88.2	128.6
Operating Ratios (%)				
EBITDA Margin	26.7	31.3	31.9	32.2
EBIT / Net Sales	5.6	12.8	13.6	14.5
PAT Margin	-3.5	3.1	3.7	5.0
Inventory days	5.1	5.1	5.1	5.1
Debtor days	15.3	16.0	16.0	16.0
Creditor days	47.5	40.0	35.0	33.0
Return Ratios (%)				
RoE	-2.8	2.9	3.8	5.2
RoCE	3.3	6.9	8.5	15.8
RoC	11.0	29.5	35.3	42.1
Valuation Ratios (x)				
P/E	-50.4	57.6	35.9	24.8
EV / EBITDA	45.9	18.6	14.0	0.0
EV / Net Sales	3.0	2.4	2.1	1.2
Market Cap / Sales	1.8	1.5	1.3	1.2
Price to Book Value	1.4	1.4	1.4	1.3
Solvency Ratios				
Net Debt/EBITDA	0.6	0.2	0.0	-0.3
Net Debt / Equity	0.1	0.1	0.0	-0.1
Current Ratio	0.7	0.8	1.0	1.2
Quick Ratio	0.6	0.7	0.9	1.1

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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