

“Dhurandhar 2” drives Q4 performance ...

About the stock: PVR Inox is the market leader in multiplex space in India. Currently, it operates 1,798 screens in 112 cities across India and Sri Lanka

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

Q4FY26 Performance: PVR Inox performance was driven by content performance (especially Dhurandhar 2) in Q4. Reported revenue came in at ₹ 1547 crore, (up 23.8% YoY) with box office revenue of ₹ 819 crore (up 27% YoY). The footfalls were up ~2% YoY at 31 million and (Average Ticket Prices) ATP at ₹ 315 was up 22% YoY. Ad revenues were up ~14.8% YoY at ₹ 110 crore. F&B revenues were up 26.5% YoY at ₹ 482 crore. EBITDA (without impact of Ind AS116) was at ₹ 142 crore, vs loss in base quarter, given the strong ATP. Margin were at 9.2% vs. loss in the base quarter.

Investment Rationale

- Dhurandhar 2 drives Q4 performance; Pipeline healthy:** We note that Q4 performance was driven by content performance (especially Dhurandhar 2). **Top performing movies during Q4 included Dhurandhar - The Revenge, Border 2, and Project Hail Mary.** Going ahead, FY27 content pipeline remains broad-based across Hindi, regional, and Hollywood cinema with key titles including **Cocktail 2, Dhamaal 4, Welcome to the Jungle, Ramayana Part 1, Toxic, Jailer 2, Spider-Man, Avengers Domsday, Dune 3, and Jumanji.** Accordingly, we expect footfalls of **177 mn in FY28, driving 9%/12.9% CAGR in Box office/ Food & Beverages (F&B) revenues over FY25-28E to ₹4,201 crore/ ₹2,661 crore in FY28.**
- On track to be net debt free; Margins to improve with footfalls recovery:** Net debt stood at ₹ 162 crores, vs. ₹ 365 crore in FY25 driven by strong operating cash flows, a capex-light strategy, and screen rationalisation. It is **targeting 120 screens additions in FY27 with capex of ₹ 350-400 crore, with 55-60% under capital-light formats such as FOCO and asset-light models.** The company also launched the ‘Smart Screens’ initiative targeting smaller cities with 30-40% lower capex per screen and plans to open 28-30 such screens in FY27. **With footfall recovery, we expect margins to inch up ahead. We have baked in EBITDA margins (ex- IND AS) of 13.2%/14.9% in FY27E/FY28E respectively vs. 13.1% 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 **maintain BUY rating, valuing it at a target of ₹1,300**, at 10x FY28 ex-IND AS EBITDA).

PVR INOX

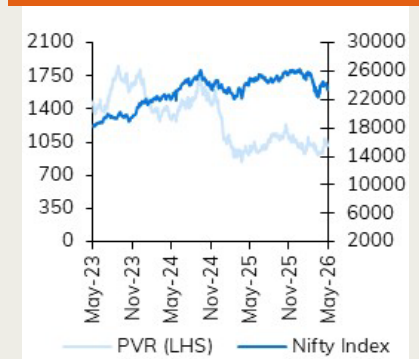
Particulars

Particulars	Amount
Market Cap (₹ Crore)	10,066
Total Debt (₹ Crore)	759
Cash & Equi. (₹ Crore)	597
EV (₹ crore)	10,227
52 week H/L (₹)	1250 / 992
Equity capital (₹ crore)	9.8
Face value (₹)	10.0

Shareholding pattern

	Jun-25	Sep-25	Dec-25	Mar-26
Promoters	27.5	27.5	27.5	27.5
DII	19.7	21.8	34.5	36.4
FII	36.5	35.4	21.2	17.9
Other	16.2	15.3	16.8	18.2

Price Chart



Key risks

- Weakness in content pipeline
- Delay in footfall recovery

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Key Financial Summary

(Year-end March)	FY23	FY24	FY25	FY26	5 yr CAGR (FY20-25)	FY27E	FY28E	3 yr CAGR (FY26-28)
Net Sales (₹ crore)	3,750.7	6,107.1	5,779.9	6,646.2	NA	7,161.7	8,033.0	7%
EBITDA (₹ crore)	1,047.7	1,810.1	1,541.6	2,095.4	NA	2,234.6	2,544.5	7%
Adj. Net Profit (₹ cror)	(317.7)	(32.0)	(200.9)	240.0	NA	233.7	380.1	17%
EPS (₹)	(34.2)	(3.3)	(20.5)	34.0		23.8	38.7	
P/E (x)	NM	NM	NM	29.8		42.6	26.2	
Price / Book (x)	1.4	1.4	1.4	1.4		1.3	1.3	
EV/EBITDA (x)	56.1	24.8	45.1	18.6		16.8	7.5	
RoCE (%)	2.4	4.9	3.4	7.0		7.6	16.0	
RoE (%)	(4.3)	(0.4)	(2.8)	3.3		3.1	4.8	

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

Performance highlights and Outlook

- Revenue Performance:** Reported revenue came in ₹ 1547 crore, (up 23.8% YoY) with box office revenue of ₹ 819 crore (up 27% YoY), with box office revenue of ₹ 819 crore (up 27% YoY), driven by Dhurandhar 2 performance
- Segment Performance:** The footfalls were up ~2% YoY at 31 million and (Average Ticket Prices) ATP at ₹ 315 was up 22% YoY. Ad revenues were up ~14.8% YoY at ₹ 110 crore. F&B revenues were up 26.5% YoY at ₹ 482 crore with spends per head (SPH) at ₹ 165, was up 32% YoY. **The muted show in advertising income was attributed to the postponement of big-ticket releases, though management expects a recovery in H2FY27. For FY26, admissions stood at 150mn (+10% YoY) while ATP was ₹ 280, up 8% YoY and SPH was at ₹ 147, up 10% YoY**
- Margin Performance:** EBITDA (without impact of Ind AS116) was at ₹ 142 crore, vs loss in base quarter, given the strong ATP. Margin were at 9.2% vs. loss in the base quarter. Ex-IND AS PAT was at ₹ 178.8 crore, vs. loss on reported basis. On a reported basis, EBITDA Margin came at 29.2%, up 655 bps YoY.
- Industry Trends:** India box office grew 11% YoY to all-time high of ₹ 13,519 crore in FY26. Bollywood collections rose 55% YoY, marking strongest-ever year for Hindi cinema. English cinema also strong with 54% growth aided by robust Hollywood slate. **Mid-budget films (₹100–200 crore grossers) contribution improved from 12% to 20%, indicating healthier content diversification. Management highlighted that theatrical-first model becoming dominant again. In CY22, there were 217 films released theatrically with 105 direct-to-OTT releases, while in CY26, there were 470 theatrical-first releases with only ~30 OTT-first releases.**
- Screen additions:** The company continues to pursue a capital-light expansion strategy. **In FY26, the company added 93 new screens (in line with guidance of 90-100 screens) and exited 18 underperforming screens, taking the total screen count to 1,798 across 359 cinemas in 113 cities in India and Sri Lanka.** For FY27, it is targeting 120 screens additions in FY27 with capex of ₹ 350-400 crore, with 55-60% under capital-light formats such as FOCO and asset-light models. The company also launched the 'Smart Screens' initiative targeting smaller cities with 30-40% lower capex per screen and plans to open 28-30 such screens in FY27. Management also added that under its capital light growth strategy, the company has 138 screens signed in the pipeline, of which 52 screens are under the FOCO model and 86 screens under the asset-light model and to be rolled out over the next 18 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 ₹ 162 crores, vs. ₹ 365 crore in Q3. Strong operating cash flows, a capex-light strategy, non-core asset monetisation and screen rationalisation have aided debt reduction.** We note that the management intends to bring gross debt down to ₹ 500 crores (from ₹759 crores) and aims to become net cash positive in the near future

Exhibit 1: Ex-IND AS P&L Estimates

(Year-end March)	FY25	FY26	FY27E	FY28E
Total operating Income	5,780	6,646	7,162	8,033
Growth (%)	-5.4	15.0	7.8	12.2
Film Distributors Cost	1,178	1,460	1,593	1,785
F&B Cost	467	470	535	639
Employee Expenses	686	706	794	831
Other Expenses	3,073	3,138	3,294	3,585
Total Operating Expenditure	5,404	5,774	6,216	6,840
EBITDA	376	872	946	1,193
Growth (%)	-47.0	132.1	8.5	26.1
Margins (%)	6.5	13.1	13.2	14.9
Depreciation	484	469	508	570
Interest	188	151	76	41
Other Income	174	96	100	100
Exceptional Items	0	-108	0	0
PBT	-123	457	461	681
MI/PAT from associates	-1	-1	-4	-4
Total Tax	-50	69	116	172
PAT	-73	387	345	510
Growth (%)	NM	NM	-10.8	47.8
EPS (₹)	-7.4	39.4	35.1	51.9

Source: Company, ICICI Direct Research

Exhibit 2: KPI Trends

(Year-end March)	FY25	FY26	FY27E	FY28E
Box office Revenues	2,955	3,536	3,748	4,201
YoY	-10%	20%	6%	12%
F&B	1,827	2,088	2,328	2,661
YoY	-7%	14%	11%	14%
Ad	448	464	500	550
YoY	-1%	4%	8%	10%
Others	551	559	586	621
YoY	32%	1%	5%	6%
ATP	259	280	280	283
YoY	0%	8%	0%	1%
Footfalls (mn)	137	150	159	177
YoY	-10%	9%	6%	11%
Screens	1,723	1,798	1,888	1,978

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 3: Profit and loss statement				
	₹ crore			
(Year-end March)	FY25	FY26	FY27E	FY28E
Total operating Income	5,780	6,646	7,162	8,033
Growth (%)	-5.4	15.0	7.8	12.2
Film Distributors Cost	1,178	1,460	1,593	1,785
F&B Cost	467	470	535	639
Employee Expenses	686	706	794	831
Other Expenses	1,907	1,915	2,005	2,233
Total Operating Expenditure	4,238	4,551	4,927	5,489
EBITDA	1,542	2,095	2,235	2,544
Growth (%)	-14.8	35.9	6.6	13.9
Depreciation	1,219	1,270	1,334	1,433
Interest	791	733	793	809
Other Income	174	184	180	200
Exceptional Items	0	-108	0	0
PBT	-295	384	287	503
MI/PAT from associates	-1	-1	-4	-4
Total Tax	-93	51	57	127
PAT	-201	334	234	380
Growth (%)	NM	LP	-30.0	62.6
EPS (₹)	-20.5	34.0	23.8	38.7

Source: Company, ICICI Direct Research

Exhibit 4: Cash flow statement				
	₹ crore			
(Year-end March)	FY25	FY26	FY27E	FY28E
PAT	-201	334	234	380
Add: Depreciation	1,219	1,270	1,334	1,433
Add: Interest Paid	791	733	793	809
(Inc)/dec in Current Assets	22	32	-105	-128
Inc/(dec) in CL and Provisions	176	31	-62	19
Others	0	0	0	0
CF from operating activities	2,008	2,399	2,195	2,513
(Inc)/dec in Investments	15	-1	0	0
(Inc)/dec in Fixed Assets	-260	-237	-420	-450
Others	-561	-579	-513	-539
CF from investing activities	-806	-817	-933	-989
Issue/(Buy back) of Equity	0	0	0	0
Inc/(dec) in loan funds	-227	-732	-429	-200
Dividend paid & dividend tax	-23	-23	-23	-23
Less: Interest Paid	791	733	793	809
Others	-1,586	-1,838	-1,586	-1,617
CF from financing activities	-1,044	-1,861	-1,246	-1,032
Net Cash flow	157	-279	16	492
Opening Cash	714	870	592	608
Closing Cash	870	592	608	1,100

Source: Company, ICICI Direct Research

Exhibit 5: Balance Sheet				
	₹ crore			
(Year-end March)	FY25	FY26	FY27E	FY28E
Liabilities				
Equity Capital	98	98	98	98
Reserve and Surplus	6,953	7,281	7,491	7,848
Total Shareholders funds	7,052	7,379	7,589	7,947
Total Debt	1,491	759	329	129
Others	6,420	6,144	6,241	6,312
Total Liabilities	14,962	14,282	14,160	14,388
Assets				
Total Fixed Assets	3,267	3,035	2,946	2,826
Investments	1	2	2	2
Right of Use	4,992	4,633	4,167	3,664
Goodwill on Consolidation	5,743	5,737	5,737	5,737
Debtors	243	267	314	352
Inventory	80	73	79	88
Loans and Advances	2	1	1	1
Other Current Assets	227	179	232	312
Cash	529	592	608	1,100
Total Current Assets	1,081	1,112	1,233	1,853
Total Current Liabilities	1,300	1,331	1,269	1,288
Net Current Assets	-219	-219	-36	565
Other Non Current Assets	1,178	1,093	1,343	1,593
Application of Funds	14,962	14,282	14,160	14,388

Source: Company, ICICI Direct Research

Exhibit 6: Key ratios				
(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (₹)				
EPS (Diluted)	-20.5	34.0	23.8	38.7
Cash EPS	103.7	163.4	159.7	184.6
BV	718.1	751.4	772.9	809.2
DPS	1.4	1.4	1.4	1.4
Cash Per Share	53.9	60.2	61.9	112.0
Operating Ratios (%)				
EBITDA Margin	26.7	31.5	31.2	31.7
EBIT / Net Sales	5.6	12.4	12.6	13.8
PAT Margin	-3.5	3.6	3.3	4.7
Inventory days	5.1	4.0	4.0	4.0
Debtor days	15.3	14.7	16.0	16.0
Creditor days	47.5	32.7	32.0	32.0
Return Ratios (%)				
RoE	-2.8	3.3	3.1	4.8
RoCE	3.4	7.0	7.6	16.0
RoC	11.0	28.9	31.7	40.1
Valuation Ratios (x)				
P/E	-49.6	29.8	42.6	26.2
EV / EBITDA	45.1	18.6	16.8	7.5
EV / Net Sales	2.9	2.4	2.2	1.1
Market Cap / Sales	1.7	1.5	1.4	1.2
Price to Book Value	1.4	1.4	1.3	1.3
Solvency Ratios				
Net Debt/EBITDA	0.6	0.1	-0.1	-0.4
Net Debt / Equity	0.1	0.0	0.0	-0.1
Current Ratio	0.7	0.8	0.9	1.0
Quick Ratio	0.6	0.7	0.8	0.9

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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