PVR Inox (PVRLIM)

CMP: ₹1,120 | Target ₹ 1,400 (25%) | Target Period: 12 months | BUY

July 27, 2026

Healthy Performance; Balance Sheet continues to strengthen...

About the stock: PVR Inox is the market leader in multiplex space in India. Currently, it operates 1,779 screens in 113 cities across India and Sri Lanka.

Q1FY27 performance: Reported revenue came in at ₹ 1622 crore, (up 10.4% YoY) with box office revenue of ₹ 837 crore (up 15% YoY). The footfalls were up ~7.6% YoY at 36.6 million and (Average Ticket Prices) ATP at ₹ 273 was up 7.5% YoY aided by dynamic pricing supported by AI-based pricing tools, higher mix of premium formats and Premium Hollywood releases. Ad revenues were down ~2% YoY at ₹ 107 crore. F&B revenues were up 13.4% YoY at ₹ 594 crore, with Spends per head of ₹ 161, up 8.8% YoY. EBITDA (without impact of Ind AS116) was at ₹ 210 crore, vs. ₹ 95 in base quarter, given the strong operating performance. Margin at 12.9% was up 643 bps YoY, led by operating leverage benefits.

Investment Rationale:

- **Regional/Hollywood drive performance in Q1:** We note that Q1 performance was driven by steady content performance in Hindi content, coupled with healthy growth in English/Regional content. **Top performing movies during Q1 included *Dhurandhar - The Revenge (residual collections in Q1), Bhoot Bangla, Obsession, Michael etc***. Going ahead, FY27 content pipeline remains broad-based across Hindi, regional, and Hollywood cinema with key titles including ***Drishyam 3, Ramayana Part 1, King, Love and War, Toxic, Jailer 2, Avengers: Doomsday, Spider-Man: Brand New Day, Dune 3***. We expect H2FY27 for PVR Inox to be a strong half with blockbuster slate likely to boost footfalls. **Accordingly, we expect footfalls of 177 mn in FY28, driving 9%/12% CAGR in Box office/ Food & Beverages (F&B) revenues over FY25-28E to ₹4,216 crore/ ₹2,641 crore in FY28**.
- **Turns Net debt free; Margins to inch up with improved footfalls from blockbuster slate:** The company turned net debt free with net cash of ₹ 80 crore vs. net debt of ₹ 162 crore in Q4 driven by strong operating cash flows, a capex-light strategy, and screen rationalisation. It **is targeting 90-100 gross screens additions (80 on net basis) in FY27 with capex of ₹ 350 crore, with majority of new screens under capital-light formats such as FOCO and asset-light models**. It sees long-term opportunity of nearly 1,000 additional screens over five years without materially increasing leverage due to the asset-light model. **With footfall recovery, we expect margins to inch up ahead. We have baked in EBITDA margins (ex- IND AS) of 14.5%/15.5% in FY27E/FY28E respectively vs. 13.1% in FY25.**

Rating and Target Price: We retain our 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 **₹1,400**, at 10x FY28 ex-IND AS EBITDA).

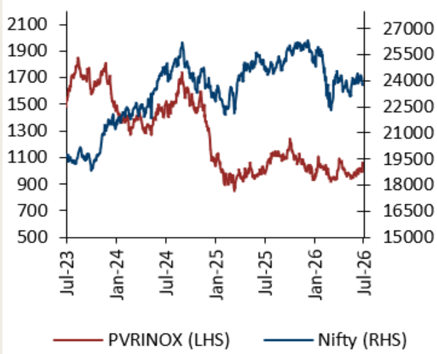
Particulars

Particulars	Amount
Market Cap (₹ Crore)	10,989
Total Debt (₹ Crore)	759
Cash & Equi. (₹ Crore)	597
EV (₹ crore)	11,150
52 week H/L (₹)	1250 / 907
Equity capital (₹ crore)	9.8
Face value (₹)	10.0

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoters	27.5	27.5	27.5	27.5
FII	21.8	34.5	36.4	35.7
DIIs	35.4	21.2	17.9	18.1
Public	15.3	16.8	18.2	18.7

Price Chart



Key risks

- Weak content performance
- Weaker recovery in ad revenues

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

(Year-end March)	FY24	FY25	FY26	5 yr CAGR (FY21-26)	FY27E	FY28E	2 yr CAGR (FY26-28)
Net Sales (₹ crore)	6,107.1	5,779.9	6,646.2	NA	7,138.9	8,073.1	7%
EBITDA (₹ crore)	1,810.1	1,541.6	2,095.4	NA	2,305.2	2,592.1	7%
Adj. Net Profit (₹ crore)	(32.0)	(200.9)	240.0	NA	302.7	394.6	18%
EPS (₹)	(3.3)	(20.5)	34.0		30.8	40.2	
P/E (x)	NM	NM	32.9		36.3	27.8	
Price / Book (x)	1.5	1.6	1.5		1.4	1.4	
EV/EBITDA (x)	26.2	47.8	19.8		16.3	7.9	
RoCE (%)	4.9	3.4	7.0		7.6	16.0	

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 at ₹ 1622 crore, (up 10.4% YoY) with box office revenue of ₹ 837 crore (up 15% YoY).
- **Segmental Performance**: The footfalls were up ~7.6% YoY at 36.6 million and (Average Ticket Prices) ATP at ₹ 273 was up 7.5% YoY, aided by dynamic pricing supported by AI-based pricing tools, higher mix of premium formats (IMAX, 4DX, ScreenX, ICE, Insignia, Luxe) and Premium Hollywood releases. F&B revenues were up 13.4% YoY at ₹ 594 crore, with Spends per head of ₹ 161, up 8.8% YoY, with 70% value growth and 30% volume growth. Ad revenues were down ~2% YoY at ₹ 107 crore, as focus of advertisers remained only big-ticket releases**. Management expects Ad revenues to recover in H2, led by blockbuster releases**
- **Margin performance**: EBITDA (without impact of Ind AS116) was at ₹ 210 crore, up 119% YoY, given the strong operating performance YoY and sustained cost rationalisation. Margin (without impact of Ind AS116) at 12.9% was up 643 bps YoY, led by operating leverage benefits. PAT (without impact of Ind AS116) stood at ~₹ 70.5 crore, vs. loss in the base quarter.
- **Industry Trends**: India box office grew 20% YoY in Q1FY27, driven by a diversified slate across Hindi, regional and Hollywood films rather than a few mega blockbusters which we have witnessed in recent past. Management highlighted that success is now coming from a wider variety of films, indicating healthier industry dynamics compared to dependence on ₹500 crore+ titles. We note that upcoming major releases in FY27 (largely in H2) include ***Drishyam 3, Ramayana Part 1, King, Love and War, Toxic, Jana Nayagan, Jailer 2, Avengers: Doomsday, Spider-Man: Brand New Day, Dune 3***
- **Screen addition**: The management guided for gross additions of 90–100 screens in FY27 with **net additions expected around 80 screens after closures. The management also added that due to delayed regulatory approvals, screen openings shifted into Q2/Q3. Also, FY27 CapEx was revised down to around ₹350 crore from ₹400 crore** with Higher contribution from FOCO (asset-light) model reducing capital intensity. The management also stated that larger share of CapEx will now go towards refurbishment of existing premium assets. Furthermore, they added that nearly 300 underserved Tier 2/3 cities remain attractive. It sees long-term opportunity of nearly 1,000 additional screens over five years without materially increasing leverage due to the asset-light model.
- **Leverage**: The company turned net debt free with net cash of ₹ 80 crore vs. net debt of ₹ 162 crore in Q4. Strong operating cash flows, a capex-light strategy, non-core asset monetisation and screen rationalisation have aided debt reduction.
- **Other Highlights:**

  i) Online Ticking penetration increased to 69% aided by content mix and aggressive marketing across owned platforms as well as aggregators (BookMyShow, District). Convenience fee income benefited accordingly driven by digital promotions, aggregator partnerships, higher ATP, and increased admissions. In Q1, Convenience fee income at ₹ 62 crore, was up 29% YoY

  ii) A newly launched app and web monetisation stream is guided at an annualised run-rate of INR 20–30mn

  iii) Alternate programming, including live screenings of the IPL and the FIFA World Cup, carries a higher blended ATP than cinema ATP

Exhibit 1: Quarter performance

	Q1FY27	Q1FY26	Q4FY26	YoY (%)	QoQ (%)	Comments
Revenue	1,622.2	1,469.1	1,547.3	10.4	4.8	Healthy Regional and Hollywood Performance drove topline growth
Other Income	26.1	32.4	76.6	-19.4	-65.9	
Employee Expenses	176.9	172.6	177.8	2.5	-0.5	
Film Distributors share	345.9	280.4	350.7	23.4	NA	
F&B Cost	118.0	119.6	108.1	-1.3	9.2	
Rent	0.0	0.0	0.0	NA	NA	
Repairs and Maintenance	452.9	499.2	458.9	-9.3	-1.3	
EBITDA	528.5	397.3	451.8	33.0	17.0	Margins expansion led by operating leverage
EBITDA Margin (%)	32.6	27.0	29.2	554 bps	338 bps	
Depreciation	314.5	308.5	330.5	1.9	-4.8	
Interest	164.5	191.4	173.0	-14.1	-4.9	
Less: Exceptional Items	0.0	0.0	-167.4	NA	NA	
Total Tax	19.2	-15.8	5.8			
PAT	56.5	-54.0	186.7			
Key Metrics						
Footfalls (mn)	36.6	34.0	30.5	7.6	11.5	
Occupancy (%)	25.3	22.9	20.2	10.5	13.1	
SPH (₹)	161.0	148.0	125.0	8.8	18.4	
ATP (₹)	273.0	254.0	258.0	7.5	-1.6	

Source: Company, ICICI Direct Research

Exhibit 2: Ex-Ind-AS Financials

(Year-end March)	FY26	FY27E	FY28E
Total operating Income	**6,646**	**7,139**	**8,073**
Growth (%)	15.0	7.4	13.1
Film Distributors Cost	1,460	1,559	1,792
F&B Cost	470	533	641
Employee Expenses	706	724	764
Other Expenses	3,138	3,297	3,625
Total Operating Expenditure	5,774	6,112	6,822
EBITDA	**872**	**1,026**	**1,251**
Growth (%)	132.1	17.7	21.9
Margins (%)	**13.1**	**14.4**	**15.5**
Depreciation	469	507	573
Interest	151	75	53
Other Income	96	90	100
Exceptional Items	-108	0	0
PBT	457	535	725
MI/PAT from associates	-1	-3	-4
Total Tax	69	135	183
PAT	**387**	**400**	**542**
Growth (%)	NM	3.4	35.6
EPS (₹)	**39.4**	**40.7**	**55.2**

Source: Company, ICICI Direct Research

Exhibit 3: Key Metrics

(Year-end March)	FY26	FY27E	FY28E	FY25-28 CAGR
Box office Revenues	3,536	3,691	4,216	9.2%
YoY	20%	4%	14%	
F&B	2,088	2,361	2,672	13.1%
YoY	14%	13%	13%	
Ad	464	507	550	8.9%
YoY	4%	9%	8%	
Others	559	580	635	
YoY	1%	4%	10%	
ATP	280	280	283	0.5%
YoY	8%	0%	1%	
Footfalls (mn)	150	157	177	8.7%
YoY	9%	5%	13%	
Screens	1,798	1,873	1,963	4.5%

Source: Company, ICICI Direct Research

Financial summary

Exhibit 4: Profit and loss statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E
Total operating Income	**6,646**	**7,139**	**8,073**
Growth (%)	15.0	7.4	13.1
Film Distributors Cost	1,460	1,559	1,792
F&B Cost	470	533	641
Employee Expenses	706	724	764
Other Expenses	1,915	2,019	2,284
Total Operating Expenditure	4,551	4,834	5,481
EBITDA	**2,095**	**2,305**	**2,592**
Growth (%)	**35.9**	**10.0**	**12.4**
Depreciation	1,270	1,330	1,430
Interest	733	712	820
Other Income	184	116	180
Exceptional Items	-108	0	0
PBT	384	380	522
MI/PAT from associates	-1	-3	-4
Total Tax	51	80	132
PAT	**334**	**303**	**395**
Growth (%)	**LP**	**-9.4**	**30.4**

Source: Company, ICICI Direct Research

Exhibit 5: Cash flow statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E
PAT	**334**	**303**	**395**
Add: Depreciation	1,270	1,330	1,430
Add: Interest Paid	733	712	820
(Inc)/dec in Current Assets	32	-103	-134
Inc/(dec) in CL and Provisions	31	-66	29
CF from operating activities	**2,399**	**2,176**	**2,540**
(Inc)/dec in Investments	-1	0	0
(Inc)/dec in Fixed Assets	-237	-420	-450
Others	-579	-446	-534
CF from investing activities	**-817**	**-866**	**-984**
Inc/(dec) in loan funds	-732	-329	-200
Dividend paid & dividend tax	-23	-23	-23
Less: Interest Paid	733	712	820
Others	-1,838	-1,424	-1,640
CF from financing activities	**-1,861**	**-1,064**	**-1,043**
Net Cash flow	-279	245	512
Opening Cash	870	592	837
Closing Cash	**592**	**837**	**1,349**

Source: Company, ICICI Direct Research

Exhibit 6: Balance sheet ₹ crore

(Year-end March)	FY26	FY27E	FY28E
Liabilities			
Equity Capital	98	98	98
Reserve and Surplus	7,281	7,560	7,932
Total Shareholders funds	7,379	7,658	8,030
Total Debt	759	429	229
Others	6,144	6,248	6,324
Total Liabilities	**14,282**	**14,336**	**14,583**
Assets			
Total Fixed Assets	3,035	2,948	2,825
Investments	2	2	2
Right of Use	4,633	4,110	3,614
Goodwill on Consolidation	5,737	5,737	5,737
Debtors	267	313	354
Inventory	73	79	89
Loans and Advances	1	1	1
Other Current Assets	179	231	313
Cash	592	837	1,349
Total Current Assets	1,112	1,461	2,107
Total Current Liabilities	1,331	1,265	1,294
Net Current Assets	-219	195	812
Other Non Current Assets	1,093	1,343	1,593
Application of Funds	**14,282**	**14,336**	**14,583**

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

(Year-end March)	FY26	FY27E	Y28E
Per share data (₹)			
EPS (Diluted)	34.0	30.8	40.2
Cash EPS	163.4	166.2	185.8
BV	751.4	779.9	817.7
DPS	1.4	1.4	1.4
Cash Per Share	60.2	85.2	137.4
Operating Ratios (%)			
EBITDA Margin	31.5	32.3	32.1
EBIT / Net Sales	12.4	13.7	14.4
PAT Margin	3.6	4.2	4.9
Inventory days	4.0	4.0	4.0
Debtor days	14.7	16.0	16.0
Creditor days	32.7	32.0	32.0
Return Ratios (%)			
RoE	3.3	4.0	4.9
RoCE	7.0	7.6	16.0
RoIC	28.9	34.3	42.0
Valuation Ratios (x)			
P/E	32.9	36.3	27.8
EV / EBITDA	19.8	16.3	7.9
EV / Net Sales	2.6	2.4	1.2
Market Cap / Sales	1.7	1.5	1.4
Price to Book Value	1.5	1.4	1.4

Source: Company, ICICI Direct Research

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