

“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 183 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).

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

Research Analyst

Bhupendra Tiwary, CFA
bhupendra.tiwary@icicisecurities.com

CA Anjini Sharma
anjini.sharma@icicisecurities.com

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.

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

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

**ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

ANALYST CERTIFICATION

I/We, Bhupendra Tiwary, CFA, MBA (Finance), Anjini Sharma, CA, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments 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. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. 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 of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall 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. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. 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. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report.