

October 24, 2025

Strong content performance ...

About the stock: PVR Inox is the market leader in multiplex space in India. Currently, it operates 1,761 screens in 111 cities across India and Sri Lanka

- Going ahead, the company has a strong content pipeline, which should drive H2FY26 performance.

Q2FY26 Performance: Reported revenue came in at ₹ 1823 crore, (up 12.4% YoY) with box office revenue of ₹ 983 crore (up 17.4% YoY). The footfalls were up ~15% YoY at 44.5 million and (Average Ticket Prices) ATP at ₹ 262 was up 1.9% YoY. Ad revenues were up ~15% YoY at ₹ 126 crore. F&B revenues were up 12.4% YoY at ₹ 588 crore. EBITDA Margin (ex Ind AS) at 16.8% was up 531 bps YoY.

Investment Rationale

- Strong content performance drive footfall recovery; Pipeline healthy:** We note that Q2 witnessed the second best quarter post pandemic, as overall content performance across language remained strong. Top performing movies included Saiyaara in Hindi, Mahavatar Narsimha in regional along with F1: The Movie in Hollywood, alongwith host of other movies across languages. Going ahead, box office is also expected to see a star-studded pipeline across all languages such 120 Bahadur, Tere Ishq Mein, Avatar Fire and Ash, Dhurandhar, Anaconda and Mardaani 3 in Q3. **Accordingly, we expect footfalls of 172 mn in FY27 (12% CAGR over FY25-27), driving 14.5%/15.8% CAGR in Box office/ Food & Beverages (F&B) revenues over FY25-27E to ₹3,871 crore/ ₹2,452 crore in FY27.**
- Continued debt reduction; Margins to improve with footfalls recovery:** Net debt stood at ₹ 619 crores, vs. ₹ 952 crore in FY25 driven by strong operating cash flows, a capex-light strategy, and screen rationalisation. The company continues to pursue a capital-light expansion strategy. The management stated that that currently 132 screens have been signed under the capital-light model, which are expected to open over the next 18–24 months. We also note that the company continues to pilot new concepts like “Smart Screens” and the “Dine-in Cinema” format, aimed at Tier 2/3 towns and premium urban audiences, respectively. We expect margins to recover as content performance and ad recovery led operating leverage kicks in. **Thus, we have baked in EBITDA margins (ex- IND AS) of 13.3%/15.3% in FY26E/FY27E 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 ₹1,440**, at 12.5x FY27 ex-IND AS EBITDA).

Key Financial Summary

(Year-end March)	FY22	FY23	FY24E	FY25E	5 yr CAGR (FY20-25)	FY26E	FY27E	2 yr CAGR (FY25-27)
Net Sales (₹ crore)	1,331.0	3,750.7	6,107.1	5,779.9	NA	6,783.7	7,452.9	14%
EBITDA (₹ crore)	105.7	1,047.7	1,810.1	1,541.6	NA	2,125.5	2,439.2	26%
Net Profit (₹ crore)	(488.2)	(335.1)	(32.0)	(200.9)	NA	75.5	254.8	LP
EPS (₹)	(49.8)	(34.2)	(3.3)	(20.5)		7.7	26.0	
P/E (x)	NM	NM	NM	NM		152.0	45.0	
Price / Book (x)	8.4	1.6	1.6	1.6		1.6	1.6	
EV/EBITDA (x)	152.2	60.8	26.9	49.5		20.0	10.2	
RoCE (%)	(2.8)	2.4	4.9	3.3		6.5	14.2	
RoE (%)	(35.6)	(4.3)	(0.4)	(2.8)		1.1	3.5	

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

PVR INOX

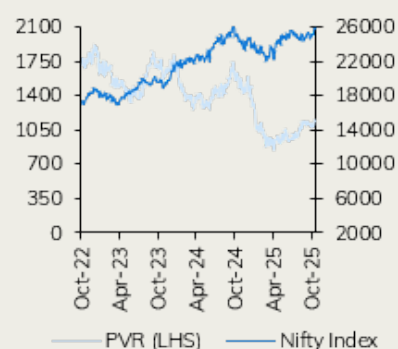
Particulars

Particulars	Amount
Market Cap (₹ Crore)	11,293
Total Debt (₹ Crore)	1,298
Cash & Equi. (₹ Crore)	679
EV (₹ crore)	11,912
52 week H/L (₹)	1620 / 830
Equity capital (₹ crore)	9.8
Face value (₹)	10.0

Shareholding pattern

	Dec-24	Mar-25	Jun-25	Sep-25
Promoters	27.5	27.5	27.5	27.5
DII	19.2	20.4	19.7	21.8
FII	40.0	36.3	36.5	35.4
Other	13.3	15.8	16.2	15.3

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 ₹ 1823 crore, (up 12.4% YoY) with box office revenue of ₹ 983 crore (up 17.4% YoY), driven by strong content performance.
- **Segment Performance:** The footfalls were up ~15% YoY at 44.5 million and (Average Ticket Prices) ATP at ₹ 262 was up 1.9% YoY. This resulted in 17.4% growth in box office revenues at ₹ 983 crore. The Ad revenues were up ~15% YoY at ₹ 126 crore. F&B revenues were up 12.4% YoY at ₹ 588 crore. F&B spends per head came at ₹134. Convenience fee stood at ₹58 crore, down 11% QoQ/ up 10% YoY.
- **Margin Performance:** EBITDA (without impact of Ind AS116) was at ₹ 307 crore, up 64% YoY, given the strong operating performance. Margin at 16.8% was up 531 bps YoY. Ex-IND AS PAT was at ₹ 126.5 crore, up 462% YoY. On a reported basis, EBITDA Margin came at 33.6%, up ~651 bps QoQ/401 bps YoY.
- **Screen additions:** The company continues to pursue a capital-light expansion strategy. In Q2, it added 22 new screens (20 screens added in Q1). It also added that currently 132 screens have been signed under the capital-light model, which are expected to open over the next 18–24 months. We note that earlier, For FY26, the management has guided the capex to be in the range of ~₹400-425 crore, which is likely to be lower now, as per our understanding. Management reiterated its target to maintain a 50:50 mix between capital-light formats (FOCO + asset-light) and own-capex screens. 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. We also note that the company is piloting new concepts like “Smart Screens” for Tier 2/3 towns and the “Dine-in Cinema” format in Bengaluru, aimed at premium urban audiences
- **Debt Levels:** Net debt stood at ₹ 619 crores, vs. ₹ 952 crore in FY25. Strong operating cash flows, a capex-light strategy, and screen rationalisation have aided debt reduction in H1FY26.

Exhibit 1: Ex-IND AS P&L Estimates

(Year-end March)	FY24	FY25	FY26E	FY27E
Total operating Income	6,107	5,780	6,784	7,453
Growth (%)	62.8	-5.4	17.4	9.9
Film Distributors Cost	1,411	1,178	1,500	1,645
F&B Cost	499	467	527	613
Employee Expenses	657	686	718	729
Other Expenses	2,831	3,073	3,136	3,324
Total Operating Expenditure	5,399	5,404	5,880	6,310
EBITDA	708	376	903	1,143
Growth (%)	121.1	-47.0	140.5	26.5
Margins (%)	11.6	6.5	13.3	15.3
Depreciation	471	484	543	596
Interest	185	188	161	143
Other Income	102	174	138	152
Exceptional Items	0	0	0	0
PBT	154	-123	338	556
MI/PAT from associates	-1	-1	-2	-4
Total Tax	38	-50	94	127
PAT	114	-73	244	429
Growth (%)	NM	-163.5	-435.9	75.8
EPS (₹)	11.6	-7.4	24.8	43.7

Source: Company, ICICI Direct Research

Exhibit 2: KPI Trends

(Year-end March)	FY24	FY25	FY26E	FY27E
Box office Revenues	3,280	2,955	3,560	3,871
YoY	73%	-10%	20%	9%
F&B	1,958	1,827	2,186	2,452
YoY	64%	-7%	20%	12%
Ad	452	448	505	570
YoY	56%	-1%	13%	13%
Others	417	551	532	560
YoY	12%	32%	-3%	5%
ATP	259	259	267	269
YoY	8%	0%	3%	1%
Footfalls (mn)	151	137	159	172
YoY	59%	-10%	16%	8%
Screens	1,718	1,723	1,797	1,877
Net Debt	1,298	962	624	176

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 3: Profit and loss statement ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Total operating Income	6,107	5,780	6,784	7,453
Growth (%)	NA	-5.4	17.4	9.9
Film Distributors Cost	1,411	1,178	1,500	1,645
F&B Cost	499	467	527	613
Employee Expenses	657	686	718	729
Other Expenses	1,729	1,907	1,913	2,027
Total Operating Expenditure	4,297	4,238	4,658	5,014
EBITDA	1,810	1,542	2,125	2,439
Growth (%)	NA	-14.8	37.9	14.8
Depreciation	1,219	1,219	1,333	1,418
Interest	791	791	829	838
Other Income	157	174	138	152
Exceptional Items	0	0	0	0
PBT	-44	-295	101	335
MI/PAT from associates	-1	-1	-2	-4
Total Tax	-11	-93	28	85
PAT	-32	-201	75	255
Growth (%)	NA	LP	-137.6	237.7
EPS (₹)	-3.3	-20.5	7.7	26.0

Source: Company, ICICI Direct Research

Exhibit 4: Cash flow statement ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
PAT	-32	-201	75	255
Add: Depreciation	1,219	1,219	1,333	1,418
Add: Interest Paid	791	791	829	838
(Inc)/dec in Current Assets	-86	22	-108	-124
Inc/(dec) in CL and Provisions	41	176	-194	-3
Others	0	0	0	0
CF from operating activities	1,934	2,008	1,936	2,384
(Inc)/dec in Investments	-16	15	0	0
(Inc)/dec in Fixed Assets	-622	-260	-420	-450
Others	-362	-586	-327	-625
CF from investing activities	-1,000	-832	-747	-1,075
Issue/(Buy back) of Equity	0	0	0	0
Inc/(dec) in loan funds	-75	-227	-301	-400
Dividend paid & dividend tax	-23	-23	-23	-23
Less: Interest Paid	791	791	829	838
Others	-1,585	-1,591	-1,658	-1,675
CF from financing activities	-892	-1,050	-1,153	-1,261
Net Cash flow	42	126	36	48
Opening Cash	362	404	530	566
Closing Cash	404	530	566	614

Source: Company, ICICI Direct Research

Exhibit 5: Balance Sheet ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Liabilities				
Equity Capital	98	98	98	98
Reserve and Surplus	7,225	6,953	7,007	7,239
Total Shareholders funds	7,324	7,052	7,105	7,337
Total Debt	1,718	1,491	1,190	790
Others	6,655	6,420	6,284	6,129
Total Liabilities	15,696	14,962	14,579	14,256
Assets				
Total Fixed Assets	3,490	3,267	3,144	2,998
Investments	16	1	1	1
Right of Use	5,492	4,992	4,243	3,741
Goodwill on Consolidation	5,743	5,743	5,743	5,743
Debtors	235	243	297	327
Inventory	73	80	94	103
Loans and Advances	2	2	2	2
Other Current Assets	265	227	267	352
Cash	404	529	566	614
Total Current Assets	978	1,081	1,226	1,397
Total Current Liabilities	1,124	1,300	1,106	1,103
Net Current Assets	-147	-219	119	294
Other Non Current Assets	1,102	1,178	1,328	1,478
Application of Funds	15,696	14,962	14,579	14,256

Source: Company, ICICI Direct Research

Exhibit 6: Key ratios

(Year-end March)	FY24	FY25	FY26E	FY27E
Per share data (₹)				
EPS (Diluted)	-3.3	-20.5	7.7	26.0
Cash EPS	120.9	103.7	143.4	170.4
BV	745.8	718.1	723.5	747.1
DPS	1.4	1.4	1.4	1.4
Cash Per Share	41.1	53.9	57.6	62.5
Operating Ratios (%)				
EBITDA Margin	29.6	26.7	31.3	32.7
EBIT / Net Sales	9.7	5.6	11.7	13.7
PAT Margin	-0.5	-3.5	1.1	3.4
Inventory days	4.3	5.1	5.1	5.1
Debtor days	14.0	15.3	16.0	16.0
Creditor days	38.9	47.5	31.0	31.0
Return Ratios (%)				
RoE	-0.4	-2.8	1.1	3.5
RoCE	4.9	3.3	6.5	14.2
RoC	19.0	11.0	25.6	33.8
Valuation Ratios (x)				
P/E	-358.4	-57.1	152.0	45.0
EV / EBITDA	26.9	49.5	20.0	10.2
EV / Net Sales	3.1	3.2	2.7	1.6
Market Cap / Sales	1.9	2.0	1.7	1.5
Price to Book Value	1.6	1.6	1.6	1.6
Solvency Ratios				
Net Debt/EBITDA	0.7	0.6	0.3	0.1
Net Debt / Equity	0.2	0.1	0.1	0.0
Current Ratio	0.8	0.7	1.1	1.2
Quick Ratio	0.7	0.6	0.9	1.0

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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