PVR Inox (PVRLIM)

CMP: ₹1,490 | Target ₹ 1,760 (18%) | Target Period: 12 months | BUY

October 29, 2026

Strong content performance drives a solid show!

About the stock: PVR Inox is the market leader in multiplex space in India. Currently, it operates 1,799 screens in 114 cities across India and Sri Lanka.

Q2FY27 performance: Reported revenue came in at ₹ 2,105 crore (up 15.5% YoY). Ticketing revenue stood at ₹ 1,160 crore (up 18% YoY), supported by a 4% YoY increase in footfall to 46.3 million and a 13.7% YoY increase in Average Ticket Prices (ATP) to ₹ 298. Occupancy improved to 30.4% vs. 28.7% in the base quarter. F&B revenue grew 13.6% YoY to ₹ 668 crore, with spend per head at ₹ 153 (up 14.2% YoY). Ad revenues grew 4.3% YoY to ₹ 130 crore. EBITDA (without impact of Ind AS116) was at ₹ 448 crore (up 45.8% YoY), with margin at 21.3% was up 442 bps YoY, led by operating leverage benefits.

Investment Rationale:

- **Strong content performance:** We note that Q2 performance was driven by a diversified slate across Hollywood, Hindi and regional cinema. Key contributors included ***Spider-Man: Brand New Day, The Odyssey, Hanuman Ansh, Mirzapur: The Movie and Toxic***. Going ahead, the content pipeline ***includes Ramayana Part 1, King, Love & War, Avengers: Doomsday and Dune Part 3.*** Management expects the strong content slate to support momentum in H2FY27, while premium formats and improved monetisation of ticketing and F&B should support revenue growth. **Accordingly, we expect footfalls of 179 mn in FY28, driving 10%/14% CAGR in Box office/ Food & Beverages (F&B) revenues over FY25-28E to ₹4,307 crore/ ₹2,729 crore in FY28**.
- **Margin expansion, capital-light screen additions and shareholder return policy in place:** Cost rationalisation, merger synergies and operating leverage lifted adjusted EBITDA margins to 21.3% in Q2FY27. The company generated free cash flow of ₹604 crore in H1FY27 and repaid debt of ₹259 crore. Net cash stood at ₹141 crore at September-end, despite the ₹300 crore maiden share buyback. Management reiterated FY27 gross screen addition guidance of 90–100 screens, with 150–175 annual additions targeted from FY28, supported by capital-light formats such as SMART Cinemas. The Board has adopted a policy to return ~30% of annual surplus cash flow to shareholders through dividends and/or buybacks, subject to growth requirements and balance-sheet discipline. With TTM ROCE improving to 16.5%, PVR Inox is positioned to expand its footprint while maintaining capital efficiency **We have baked in EBITDA margins (ex- IND AS) of 16.4%/16.2% 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 **₹1,760**, at 12x FY28 ex-IND AS EBITDA).

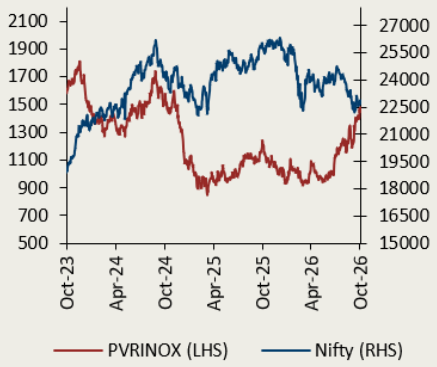
Particulars

Particulars	Amount
Market Cap (₹ Crore)	14,319
Total Debt (₹ Crore)	759
Cash & Equi. (₹ Crore)	597
EV (₹ crore)	14,481
52 week H/L (₹)	1520/907
Equity capital (₹ crore)	9.6
Face value (₹)	10.0

Shareholding pattern

	Mar-26	Jun-26	Sep-26	Oct-26
Promoters	27.5	27.5	27.0	27.6
FII	36.4	35.7	33.6	34.2
DIIs	17.9	18.1	19.1	19.7
Public	18.2	18.7	20.3	18.6

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	7,665.9	8,202.0	11%
EBITDA (₹ crore)	1,810.1	1,541.6	2,095.4	NA	2,559.9	2,702.6	14%
Adj. Net Profit (₹ crore)	(32.0)	(200.9)	240.0	NA	595.3	632.1	62%
EPS (₹)	(3.3)	(20.5)	34.0		61.9	65.8	
P/E (x)	NM	NM	43.5		23.9	22.5	
Price / Book (x)	2.0	2.1	2.0		1.9	1.8	
EV/EBITDA (x)	30.8	56.4	23.5		15.9	10.0	
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 ₹2,105 crore, up 15.5% YoY. For H1FY27, revenue stood at ₹3727.3 crore, up 14.7% YoY.
- **Segmental Performance**: Footfalls grew 4% YoY to 46.3 million, with occupancy at 30.4%. Average Ticket Price (ATP) increased 13.7% YoY to ₹298, supported by a strong content slate and premium-format demand. Ticketing revenue grew 18% YoY to ₹1,160 crore. F&B revenue increased 13.6% YoY to ₹668 crore, with Spend per Head (SPH) at ₹153, up 14.2% YoY. Advertising revenue grew 4.3% YoY to ₹130 crore, with growth constrained by a limited number of major releases during H1**. Management expects Ad revenues to recover in H2, led by blockbuster releases.**
- **Margin performance**: EBITDA (without impact of Ind AS116) was at at ₹475 crore, up 44% YoY, with margins at 21.3%, up 442 bps YoY, driven by operating leverage, merger synergies and cost rationalisation. PAT (without impact of Ind AS116), more than doubled, increasing 111% YoY to ₹273.3 crore with a PAT margin of 12.8%.
- **Industry Trends**: India's gross box office collections grew 23% YoY to ₹4,443 crore, the highest-ever quarterly collection. **English-language cinema grew 87% YoY to ₹1,024 crore, led by *Spider-Man: Brand New Day* (₹608 crore) and *The Odyssey* (₹233 crore). Hindi collections were led by *Hanuman Ansh* (₹351 crore) and *Mirzapur: The Movie* (₹267 crore), while regional cinema remained strong with titles such as *Toxic* and *Jana Nayagan*.** The company indicated that producers are returning to theatrical-first release windows, establishing a more consistent pipeline across micro-budget, mid-tier, and large-scale tentpole films. **Upcoming releases include *Ramayana Part 1*, *King*, *Love & War*, *Avengers: Doomsday* and *Dune Part 3*.**
- **Screen addition**: Management reiterated guidance for 90–100 gross screen additions in FY27, with most openings expected in H2 and through capital-light formats. **During H1FY27, the company opened 24 screens across six cinemas and exited 25 screens, loss-making. FY27 capex guidance stands at ₹300–320 crore.** From FY28, management expects 150–175 gross screen additions annually. The company launched its proprietary "SMART Cinemas" format in Muzaffarpur, Bihar, to penetrate under-screened Tier-3 and Tier-4 markets, offering 25-30% lower setup Capex and Opex costs. **Medium-term plans envisage expanding this format across identified opportunities in 300 cities, with a pipeline of around 100 SMART Cinemas signed for the next 12–18 months.**
- **Leverage**: The company remained net cash positive at ₹141 crore as of September 2026, compared with ₹81 crore in June, despite completing its maiden share buyback of ₹300 crore. H1FY27 free cash flow stood at ₹604 crore, with debt repayment of ₹259 crore. **The Board approved a capital allocation policy targeting the return of around 30% of annual surplus cash flow to shareholders through dividends and/or buybacks, while maintaining net debt/EBITDA within 0.5x after distributions.**
- **Other Highlights:**
  - i) Online ticketing penetration increased to 72% in Q2FY27 from 68.6% in Q2FY26, supporting 25% YoY growth in convenience fee income.
  - ii) F&B initiatives include home delivery, Grab & Go counters, outdoor catering, and in-house food brands. Popcorn and Pepsi account for approximately 60% of F&B sales, while vendor renegotiations, logistics improvements and automation supported margins.
  - iii) **Management revised the useful life of projectors from 10 to 15 years and IT equipment from 3 to 5 years, reducing annual depreciation by ₹35–40 crore, including a ₹21.1 crore benefit in Q2FY27**.
  - iv) TTM ROCE improved to 16.5% from 10.2% in FY26, reflecting improved capital efficiency and operating performance.

Exhibit 1: Quarter performance

	Q2FY27	Q2FY26	Q1FY27	YoY (%)	QoQ (%)	Comments
Revenue	2,105.1	1,823.0	1,622.2	15.5	29.8	Healthy content Performance drove topline growth
Other Income	34.2	35.9	26.1	-4.7	31.0	
Employee Expenses	192.6	192.6	176.9	0.0	8.9	
Film Distributors share	496.8	424.7	345.9	17.0	NA	
F&B Cost	143.4	130.9	118.0	9.5	21.5	
Rent	0.0	0.0	0.0	NA	NA	
Repairs and Maintenance	503.0	463.1	452.9	8.6	11.1	
EBITDA	769.3	611.7	528.5	25.8	45.6	Margins expansion led by operating leverage
EBITDA Margin (%)	36.5	33.6	32.6	299 bps	397 bps	
Depreciation	295.9	316.7	314.5	-6.6	-5.9	
Interest	156.5	188.3	164.5	-16.9	-4.9	
Less: Exceptional Items	0.0	0.0	0.0	NA	NA	
Total Tax	87.7	36.9	19.2			
PAT	263.1	105.7	56.5			

Source: Company, ICICI Direct Research

Exhibit 2: Ex-Ind-AS Financials

(Year-end March)	FY26	FY27E	FY28E
Total operating Income	**6,646**	**7,666**	**8,202**
Growth (%)	15.0	15.3	7.0
Film Distributors Cost	1,460	1,720	1,843
F&B Cost	470	562	628
Employee Expenses	706	766	822
Other Expenses	3,138	3,362	3,582
Total Operating Expenditure	5,774	6,409	6,875
EBITDA	**872**	**1,257**	**1,327**
Growth (%)	132.1	44.1	5.6
Margins (%)	**13.1**	**16.4**	**16.2**
Depreciation	469	422	476
Interest	151	79	53
Other Income	96	96	108
Exceptional Items	-108	0	0
PBT	457	852	907
MI/PAT from associates	-1	-2	-4
Total Tax	69	214	228
PAT	**387**	**638**	**678**
Growth (%)	NM	64.9	6.3
EPS (₹)	**39.4**	**66.4**	**70.6**

Source: Company, ICICI Direct Research

Exhibit 3: Key Metrics

(Year-end March)	FY26	FY27E	FY28E	FY25-28 CAGR
Box office Revenues	3,536	4,047	4,307	10.4%
YoY	20%	14%	6%	
F&B	2,088	2,532	2,729	14.3%
YoY	14%	21%	8%	
Ad	464	518	565	10.4%
YoY	4%	12%	9%	
Others	559	569	601	
YoY	1%	2%	6%	
ATP	280	288	287	1.2%
YoY	8%	3%	-1%	
Footfalls (mn)	150	167	179	9.2%
YoY	9%	11%	7%	
Screens	1,798	1,868	1,988	5.2%

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**	**7,666**	**8,202**
Growth (%)	15.0	15.3	7.0
Film Distributors Cost	1,460	1,720	1,843
F&B Cost	470	562	628
Employee Expenses	706	766	822
Other Expenses	1,915	2,059	2,206
Total Operating Expenditure	4,551	5,106	5,499
EBITDA	**2,095**	**2,560**	**2,703**
Growth (%)	35.9	22.2	5.6
Depreciation	1,270	1,243	1,336
Interest	733	644	667
Other Income	184	120	140
Exceptional Items	-108	0	0
PBT	384	793	840
MI/PAT from associates	-1	-2	-4
Total Tax	51	199	212
PAT	**334**	**595**	**632**
Growth (%)	LP	78.2	6.2

Source: Company, ICICI Direct Research

Exhibit 5: Cash flow statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E
PAT	**334**	**595**	**632**
Add: Depreciation	1,270	1,243	1,336
Add: Interest Paid	733	644	667
(Inc)/dec in Current Assets	32	-149	-100
Inc/(dec) in CL and Provisions	31	28	-43
CF from operating activities	**2,399**	**2,362**	**2,492**
(Inc)/dec in Investments	-1	0	0
(Inc)/dec in Fixed Assets	-237	-330	-370
Others	-579	-452	-685
CF from investing activities	**-817**	**-782**	**-1,055**
Issue/(Buy back) of Equity	0	-2	0
Inc/(dec) in loan funds	-732	-329	-200
Dividend paid & dividend tax	-23	-112	-169
Less: Interest Paid	733	644	667
Others	-1,838	-1,587	-1,333
CF from financing activities	**-1,861**	**-1,386**	**-1,035**
Net Cash flow	-279	194	401
Closing Cash	**592**	**786**	**1,187**

Source: Company, ICICI Direct Research

Exhibit 6: Balance sheet ₹ crore

(Year-end March)	FY26	FY27E	FY28E
Liabilities			
Equity Capital	98	96	96
Reserve and Surplus	7,281	7,465	7,929
Total Shareholders funds	7,379	7,561	8,025
Total Debt	759	429	229
Others	6,144	6,223	6,268
Total Liabilities	**14,282**	**14,213**	**14,522**
Assets			
Total Fixed Assets	3,035	2,943	2,838
Investments	2	2	2
Right of Use	4,633	4,091	3,711
Goodwill on Consolidation	5,737	5,737	5,737
Debtors	267	336	360
Inventory	73	84	90
Loans and Advances	1	1	1
Other Current Assets	179	248	318
Cash	592	786	1,187
Total Current Assets	1,112	1,455	1,956
Total Current Liabilities	1,331	1,359	1,315
Net Current Assets	-219	97	641
Other Non Current Assets	1,093	1,343	1,593
Application of Funds	**14,282**	**14,213**	**14,522**

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

(Year-end March)	FY26	FY27E	Y28E
Per share data (₹)			
EPS (Diluted)	34.0	61.9	65.8
Cash EPS	163.4	191.3	204.8
BV	751.4	786.8	835.0
DPS	1.4	1.4	1.4
Cash Per Share	60.2	81.7	123.5
Operating Ratios (%)			
EBITDA Margin	31.5	33.4	33.0
EBIT / Net Sales	12.4	17.2	16.7
PAT Margin	3.6	7.8	7.7
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	7.9	7.9
RoCE	7.0	10.1	18.0
Valuation Ratios (x)			
P/E	43.5	23.9	22.5
EV / EBITDA	23.5	15.9	10.0
EV / Net Sales	3.1	2.6	1.6
Market Cap / Sales	2.1	1.9	1.7
Price to Book Value	2.0	1.9	1.8
Net Debt/EBITDA	0.1	-0.1	-0.4

Source: Company, ICICI Direct Research

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