

## PVR INOX (PVRINOX) - BUY

### Result Update

|   |                                   |
|---|-----------------------------------|
| Current Market Price (CMP)<br><b>Rs. 1026</b> | Fair Value (FV)<br><b>Rs.1500</b> |
|---|-----------------------------------|

### Rationale:

- PVR INOX reported Rs1.4 bn EBITDA (pre-Ind AS 116) in 4Q, taking FY26 EBITDA to Rs870 cr (~13% margin), a new post-pandemic high.
- We believe that cinema-going trends are improving and risks presented by OTTs are plateauing.
- The content cycle remains somewhat volatile.
- PVR INOX's cost initiatives, capital-light expansion and monetization of non-core assets (4700BC) have materially reduced net debt.
- We marginally raise forecasts and increase the FV to Rs1,500 (Rs1,400 earlier). Reiterate BUY
- We raise FY27-28E EBITDA by 1-2%, but EPS goes up 3-7% due to higher other income.
- We roll forward and revise our FV to Rs1,500, valuing the company at 12X June 2028E EV/ EBITDA. Maintain BUY.
- We expect earnings to grow 52.0% in FY27E and 30.7% in FY28E.

### 👍 Positives:

- Ticket sales stood at Rs820 cr (~1.2% beat), up 27% yoy.
- Fixed costs per screen have reported a CAGR of just 1% over the past six years.
- 55% of FY26's new screens were capital-light; capex was down 24% in FY26.
- Net Debt down 90% since the merger to Rs160 cr as of March 2026.

### 👎 Negatives:

- Footfalls grew ~1.6% yoy to 31 mn as occupancy stood at 23.9% (KIE: 24.4%).



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

## RATING SCALE (PRIVATE CLIENT GROUP)

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- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
- REDUCE** – We expect the stock to deliver -5% - +5% returns over the next 12 months
- SELL** – We expect the stock to deliver < -5% returns over the next 12 months
- NR** – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
- NM** – **Not Meaningful.** The information is not meaningful and is therefore excluded.
- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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