

PVR INOX

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Outperformer
Price (INR)	1,087
12 month price target (INR)	1,605
52 Week High/Low	1,658/826
Market cap (INR bn/USD bn)	107/1.2
Free float (%)	81.2
Avg. daily value traded (INR mn)	458.2

SHAREHOLDING PATTERN

	Sep-25	Jun-25	Mar-25
Promoter	27.53%	27.53%	27.53%
FII	19.71%	20.39%	19.21%
DII	36.52%	36.30%	40.03%
Pledge	9.4%	10.2%	10.2%

FINANCIALS

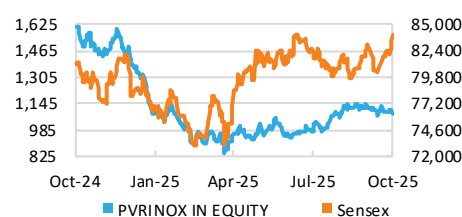
(INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	57,799	68,318	80,066	92,603
EBITDA	15,416	20,644	24,288	28,129
Adjusted profit	(2,796)	4,473	7,678	9,491
Diluted EPS (INR)	(28.5)	45.5	78.2	96.7
EPS growth (%)	nm	nm	71.7	23.6
RoAE (%)	(3.9)	6.1	9.7	10.9
P/E (x)	nm	24.0	14.0	11.3
EV/EBITDA (x)	16.0	11.5	9.3	7.5
Dividend yield (%)	0	0	0	0

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY27E	FY28E	FY27E	FY28E
Revenue	80,066	92,603	2.4	2.5
EBITDA	24,288	28,129	3.6	3.4
Adjusted profit	7,678	9,491	4.8	5.1
Diluted EPS (INR)	78.2	96.7	4.8	5.1

PRICE PERFORMANCE



Bollywood aids impressive recovery

PVR INOX posted a strong Q2FY26 with revenue (up 12% YoY) and EBITDA (up 28% YoY) marginally beating our estimates. Notably, it turned in a net profit of INR1.1bn after two loss-making quarters. Footfall of 44.5mn marks a nine-quarter high. Ad revenue rose 15% YoY, marking its second-best quarter post-pandemic. SPH fell 9% QoQ to INR134 due to a higher mix of religious and teenage audience (value conscious) and Tuesday offering making up 15–17% footfall.

With Q2FY26 numbers far superior than Q1FY26's, we expect momentum to sustain, indicating a better H2 than H1 given a solid content line-up. All in all, we are increasing FY27E/28E EBITDA by 4%/3%, yielding a revised TP of INR1,605 (earlier INR1,530); 'BUY'.

Encouraging signs of box office recovery

What we like: Occupancy levels improved 302bp YoY/670bp QoQ to 28.7%. Net box office collections (BO) grew 17% YoY led by Hindi (BO up 21% YoY) and Hollywood (BO up 97% YoY), and 12 films grossing over INR1bn BO—implying less reliance on INR5bn BO films. Post-Ind AS EBITDA margin expanded 401bp YoY/651bp QoQ to 33.6%. PVR INOX debt now stands at INR6.2bn, reducing INR3.3bn versus H2FY25 led by strong operating cash flows and a calibrated capital allocation approach. Net screen additions were 22 in Q2, and it is on track to open 100 new screens in FY26.

What we do not like: SPH decreased 1.4% YoY/9% QoQ to INR134. Regional films' BO collections grew merely 3% YoY. Other operating income fell 33% YoY due to a dip in income from distribution of films (down 47% YoY).

Pipeline: Q3FY26 has a strong pipeline with releases such as *Thamma* (distributed by PVR INOX), *Dhurandhar*, *Avatar: Fire and Ash*, and *Alpha*. Notably, *Kantara Chapter 1* released few days ago has mopped up strong domestic collections of INR4.9bn.

Q2FY26 earnings call highlights: PVR INOX is well positioned to drive robust audience traction and sustained footfalls in H2FY26 aided by a strong, diverse and multi-language release slate. SPH decline is attributable to: i) strong performance of a religious film, wherein some viewers avoided F&B (due to canteen serving non veg); ii) a higher mix of teenage audiences with low F&B spends; and iii) 15–17% footfalls coming from the Tuesday Saver Offer, which attracts value-conscious customers. In FY26, PVR INOX plans to distribute 8–10 Hindi films (mid and big films) and 15–20 Hollywood films. 132 screens signed under capital-light (FOCO and asset-light) model, and are expected to be operational over 18–24 months. The company aims for a mix of 50:50 between owned and capital-light screens. The asset-light model shall continue to have a higher share than the FOCO model.

Financials

Year to March	Q2FY26	Q2FY25	% Change	Q1FY26	% Change
Net Revenue	18,230	16,221	12.4	14,691	24.1
EBITDA	6,117	4,793	27.6	3,973	54.0
Adjusted Profit	1,056	(118)	NM	(540)	NM
Diluted EPS (INR)	10.8	(1.2)	NM	(5.5)	NM

Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	57,799	68,318	80,066	92,603
Gross profit	41,345	47,971	56,154	64,892
Employee costs	6,860	7,788	9,048	10,372
Other expenses	19,069	19,539	22,819	26,392
EBITDA	15,416	20,644	24,288	28,129
Depreciation	12,798	10,147	10,093	10,085
Less: Interest expense	8,095	6,650	6,305	7,940
Add: Other income	1,737	2,084	2,293	2,568
Profit before tax	(3,740)	5,932	10,182	12,672
Prov for tax	(934)	1,459	2,505	3,181
Less: Other adj	(3)	0	0	0
Reported profit	(2,796)	4,473	7,678	9,491
Less: Excp.item (net)	0	0	0	0
Adjusted profit	(2,796)	4,473	7,678	9,491
Diluted shares o/s	98	98	98	98
Adjusted diluted EPS	(28.5)	45.5	78.2	96.7
DPS (INR)	0	0	0	0
Tax rate (%)	25.0	24.6	24.6	25.1

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
Average Ticket Price	259.0	279.7	300.4	322.7
Spend Per Head (SPH)	134.0	146.1	157.7	170.4
Footfall growth (%)	(9.6)	10.8	9.6	7.7
EBITDA margin (%)	26.7	30.2	30.3	30.4
Net profit margin (%)	(4.8)	6.5	9.6	10.2
Revenue growth (% YoY)	(5.4)	18.2	17.2	15.7
EBITDA growth (% YoY)	(14.8)	33.9	17.7	15.8
Adj. profit growth (%)	773.8	nm	71.7	23.6

Assumptions (%)

Year to March	FY25A	FY26E	FY27E	FY28E
GDP (YoY %)	6.0	6.0	6.0	6.0
Repo rate (%)	4.0	4.0	4.0	4.0
USD/INR (average)	85.0	89.0	90.0	91.0
Screen addition	5.0	100.0	150.0	150.0
Exhibition cost (%)	20.4	21.6	21.7	21.7
F&B COGS (% of sales)	8.1	8.1	8.2	8.2
Debtors days	15.3	15.0	16.0	16.0
Inventory days	17.8	18.0	25.0	25.0
Payable days	166.9	150.0	140.0	140.0

Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	nm	24.0	14.0	11.3
Price/BV (x)	1.5	1.4	1.3	1.2
EV/EBITDA (x)	16.0	11.5	9.3	7.5
Dividend yield (%)	0	0	0	0

Source: Company and Nuvama estimates

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	982	982	982	982
Reserves	69,533	74,006	81,683	91,174
Shareholders funds	70,515	74,988	82,665	92,156
Minority interest	19	19	19	19
Borrowings	72,823	66,138	59,932	53,698
Trade payables	18,886	18,725	18,535	18,992
Other liabs & prov	381	381	381	381
Total liabilities	162,624	160,250	161,532	165,245
Net block	80,375	74,428	68,835	63,550
Intangible assets	58,687	58,687	58,687	58,687
Capital WIP	957	957	957	957
Total fixed assets	140,019	134,072	128,479	123,194
Non current inv	0	0	0	0
Cash/cash equivalent	5,289	8,283	13,821	22,010
Sundry debtors	2,430	2,808	3,510	4,059
Loans & advances	15	15	15	15
Other assets	8,970	9,171	9,806	10,066
Total assets	162,624	160,250	161,532	165,245

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	(2,796)	4,473	7,678	9,491
Add: Depreciation	12,798	10,147	10,093	10,085
Interest (net of tax)	8,095	6,650	6,305	7,940
Others	(1,827)	(2,084)	(2,293)	(2,568)
Less: Changes in WC	3,398	(4,425)	(4,733)	(3,587)
Operating cash flow	19,668	14,759	17,050	21,361
Less: Capex	3,243	4,200	4,500	4,800
Free cash flow	16,425	10,559	12,550	16,561

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	(3.9)	6.1	9.7	10.9
RoCE (%)	3.0	8.8	11.6	14.3
Inventory days	18	18	25	25
Receivable days	15	15	16	16
Payable days	167	150	140	140
Working cap (% sales)	(14.6)	(6.9)	2.9	11.8
Gross debt/equity (x)	1.0	0.9	0.7	0.6
Net debt/equity (x)	1.0	0.8	0.6	0.3
Interest coverage (x)	0.3	1.6	2.3	2.3

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	772.9	nm	71.7	23.6
RoE (%)	(3.9)	6.1	9.7	10.9
EBITDA growth (%)	(14.8)	33.9	17.7	15.8
Payout ratio (%)	nm	0	0	0

Exhibit 1: Trends at a glance

Particulars	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net revenue (INR mn)	19,999	15,459	12,564	11,907	16,221	17,173	12,498	14,691	18,230
Post IndAS EBITDA (INR mn)	7,068	4,724	2,784	2,515	4,793	5,277	2,831	3,973	6,117
Pre IndAS EBITDA (INR mn)	4,473	2,259	352	(199)	2,069	2,583	250	1,141	3,273
Post IndAS PAT (INR mn)	1,663	128	(1,295)	(1,787)	(118)	360	(1,250)	(540)	1,056
Pre IndAS PAT (INR mn)	2,073	412	(901)	(1,366)	224	681	(1,058)	(335)	1,265
ATP (INR)	276	271	233	235	257	281	258	254	262
Net box office (INR mn)	11,193	8,308	6,353	5,935	8,376	8,791	6,447	7,281	9,834
Ad revenues (INR mn)	1,176	1,405	1,045	934	1,093	1,486	962	1,096	1,256
F&B revenue (INR mn)	6,412	4,763	4,132	4,018	5,232	5,209	3,811	4,919	5,882
Footfalls (mn)	48.4	36.5	32.6	30.4	38.8	37.3	30.5	34.0	44.5
No. of screens	1,702	1,708	1,748	1,754	1,747	1,728	1,743	1,745	1,761
SPH (INR)	136	132	129	134	136	140	125	148	134
Occupancy	32	25	23	20	26	26	21	22	29
Net debt (INR Mn)	16,848	16,081	12,940	13,195	11,531	9,958	9,522	8,915	6,188
EBITDA Margin (%)									
Post IndAS	35.3	30.6	22.2	21.1	29.5	30.7	22.7	27.0	33.6
Pre IndAS	22.1	14.4	2.7	(1.6)	12.6	14.9	1.9	7.7	17.8
Regional distribution of screens									
North	458	463	459	459	459	462	473	471	471
East	134	138	139	139	139	136	136	136	140
West	342	345	367	372	369	365	365	365	369
South	546	549	572	579	573	573	568	572	580
Central	222	217	211	205	207	192	201	201	201
Total screens	1,702	1,712	1,748	1,754	1,747	1,728	1,743	1,745	1,761

Source: Company, Nuvama Research

Launches India's first luxury dine-in cinema at Bengaluru mall

- PVR INOX has introduced a novel concept in the Indian cinema industry—a luxury dine-in cinema. It is located in the eight-screen multiplex at M5 ECity Mall in Bengaluru. The cinema maintains a traditional rake design with different seating heights and angular tables to ensure an uninterrupted view of the screen for all guests.
- With the launch of the dine-in experience, the company expects an occupancy of 40–45%, significantly well above its eight-quarter average of 24%, underscoring potential upside in premium offerings.

Capex and expansion

- The project was managed within the typical capital expenditure of approximately INR30mn per screen for a mainstream cinema, indicating a cost-conscious approach for this pilot project.
- PVR INOX plans to expand to other locations within the next six–eight months once the proof of concept is established.

Pricing

- PVR's dine-in cinemas are positioned as a premium pricing segment, reflecting the enhanced experience of in-theatre dining and luxury seating. The pricing strategy aims to balance occupancy with revenue uplift attracting both premium moviegoers and food & beverage spenders.
- The pricing for the dine-in experience follows a dynamic model, varying depending on the event or content being shown. Prices may go higher for premium artists or events and lower for corporate or educational bookings. Currently *Kantara: A Legend Chapter-1* (Hindi movie) is being shown in the dine-in cinema. Following is the ticket cost with food and beverages priced separately.

Exhibit 2: Ticket pricing

Movie name	Show time	3 Seater Table Price	2 Seater Table Price
Kantara: A Legend Chapter-1 (Hindi)	8.00 Pm	1300	1000
	4.35 Pm	1150	950
	8.00 Pm	1300	1000

Source: Nuvama Research

Management commentary

Mr Ajay Bijli, MD, PVR INOX, said, "With the launch of our new multiplex at M5 ECity Mall, we are inviting audiences to experience cinema in an entirely new way. From India's first dine-in auditorium restaurant to immersive technology and thoughtfully curated food experiences, this property brings everything our guests love under one roof. It is a space designed to celebrate films, lifestyle, and shared moments—making every visit a unique and memorable experience"

Exhibit 3: PVR INOX launches India's first luxury dine-in cinema



Source: Company, Nuvama Research

Exhibit 4: Key commentary on outlook by management

Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Plans to open 110-120 new screens while exiting 70 underperforming screens in FY25. Q3FY25 to be the strongest quarter of the fiscal year, driven by major releases in November and December. Long-term screen expansion target is ~100 screens per year, with 15% being franchisee-owned and 35-50% following an asset-light model. Reduce gross debt levels over the next couple of years using free cash flow. The first outlet under the partnership with Devyani International is scheduled to open in mid-December.	Targeting 110 new screen openings for the year, with 35-40% of new screens. Capex guidance of INR4-5bn for FY26. Occupancy levels are at ~25% with EBITDA margins at ~15%. It is on track to reach pre-covid margins of ~18% as footfalls increase. Expanding through capital-light growth model with 100 screens signed (31 management contract, 69 asset-light), expected to reduce capital intensity while maintaining growth. The company expects food inflation to continue, and it is planning 5-7% price hikes in certain segments. The company is talks with the BCCI and other bodies to see if cricket matches can be screened.	Expects to open 100-110 new screens in FY26 out of which majority will be under the capital light model. Given a strong content pipeline in both Hollywood and Bollywood, it expects a strong comeback in FY26. An asset-light model would reduce capex leading to higher cash flows, which shall be used in debt reduction. Going forward, the company expects film hire cost to be in the range of 44.5%- 46%. Capex guidance for FY26 is at ~4.25bn out of which INR2.5-3bn would be spent on new projects and the rest on maintenance capex.	Expects to open 90-100 new screens in FY26 (earlier guided for open 100-110). Management fee is expected to increase as new screens get added under the FOCO model. It expects footfalls in FY26 to top FY24's. Plans to continue debt reduction as operating cash flows improve. Capex guidance of INR4-4.25bn for FY26, including INR2.5-2.6bn for new screens, INR700-750mn on renovation and rest on maintenance. It does not plan to extend Blockbusters Tuesday (INR99 ticket) to one more day. With the asset-light strategy, EBITDA margin is expected to remain same with a better RoCE.	It is on track to open ~100 screens in FY26 (34 net screens added in H1FY26). 132 screens signed under capital-light (FOCO and asset-light) model and expected to be operational over 18-24 months. Aims to maintain ratio of 50:50 mix between owned screens and capital-light model screens. Under Capital light model, Asset light model shall have higher share as compared to FOCO model. Q3 and Q4 expected to remain strong given festive quarter and movie pipeline. Plans to distribute 8-10 Hindi films and 15-20 Hollywood films in FY26.

Source: Company, Nuvama Research

Exhibit 5: Key commentary on operating margins and revenue drivers by management

Particulars	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Revenue	Revenue declined 19% YoY. Box office/F&B revenue fell 25.2%/18.4% YoY—attributable to a high base and a slow release season. Ad revenue fell 7.1% YoY.	Revenue grew 11.1% YoY. Box office/F&B revenue rose 5.8%/9.4% YoY. Ad revenue increased 5.8% YoY.	Revenue was flat YoY. Box office revenue inched up 3.5% YoY. F&B/ad revenue dipped 7.8%/7.9% YoY.	Revenue grew 24% YoY. Box office (BO) revenue increased 23% YoY. Ad revenue grew 17% YoY, marking its highest-ever Q1 quarter post-pandemic	Revenue grew 12% YoY. Box office revenue increased 17.4% YoY. Ad revenue grew 15% YoY, marking its second best quarter post-pandemic
Margin	EBITDA margin declined 579bp to 29.5% YoY.	EBITDA margin at 30.7% came in flat YoY, but expanded 118bp sequentially.	EBITDA margin at 22.7% was flat YoY.	EBITDA margin expanded 592bp YoY/439bp QoQ to 27%	EBITDA margin expanded 400bp YoY/651bp QoQ to 27%

Source: Company, Nuvama Research

Exhibit 6: Overall box office performance



Source: Company, Nuvama Research

Exhibit 7: Expense analysis – Consolidated

Particulars (INR Mn)	Q2, FY'26	Q2, FY'25		H1, FY'26	H1, FY'25	
Weighted Average Screens ⁽¹⁾	1,700	1,708	-0.4%	1,695	1,705	-0.6%
Variable Cost	Reported (A)	Reported (B)	YoY Change (%) (A / B-1)	Reported (A)	Reported (B)	YoY Change (%) (A / B-1)
FHC (%)	45.5%	44.9%	58 bps	45.7%	44.4%	128 bps
COGS (%)	21.7%	25.0%	-336 bps	22.5%	24.8%	-235 bps
Fixed Cost						
Rent	3,282	3,128	4.9%	6,462	6,157	5.0%
CAM	932	909	2.5%	1,859	1,800	3.3%
Personnel	1,926	1,773	8.6%	3,652	3,416	6.9%
Electricity & Water / Utilities	1,050	1,092	-3.8%	2,073	2,158	-3.9%
Other Expenses ex Movie Dist., Print	1,984	1,884	5.3%	3,772	3,663	3.0%
Total Fixed Expenses ex Movie Dist.	9,174	8,786	4.4%	17,818	17,194	3.6%
Movie Dist., Print charges ⁽²⁾	429	977	-56.1%	1,523	1,398	8.9%
Total Fixed Expenses incl. Movie Dist.	9,603	9,763	-1.6%	19,341	18,592	4.0%

Consolidated Financials

(1) Weighted average screens has been calculated basis the actual no. of days of operations of each cinema during the period, excluding 58 management screens across 15 cinemas

(2) Expenses relating to Distribution of movies

Source: Company, Nuvama Research

Q2FY26 conference call takeaways

Detailed takeaways

Outlook

Industry trends

- Audiences are returning consistently with fatigue of staying home creeping in, resulting in a steady movie supply and consistent content quality to keep footfalls healthy through FY26.
- Producers are increasingly aligning with a longer theatrical window post-Aamir Khan's approach with *Sitaare Zameen Par*. Management believes this shift will strengthen theatrical economics.
- Post Mahavatar Narsimha's success, management expects more animation and genre-diverse films in Indian cinema opening new audience cohorts and long-term opportunities.
- Management does not expect any extreme near-term impact from this Karnataka price cap in the near term due to a High Court order, thereby continuing to maintain uniform pricing flexibility across states.

Expected performance from H2

- Content pipeline for H2FY26 is very encouraging supported by a strong and diverse multi-language release slate with marquee titles across Bollywood and Hollywood
- Advertising traction is expected to remain strong led by FMCG, banking, textile, e-commerce, jewellery and auto. Management expects consumption tailwinds and festive season to drive further advertisement growth in Q3FY26
- Company plans to distribute 8–9 Hindi films and 15–20 Hollywood films annually in line with its historical trend.

Future strategy

- PVR INOX plans to maintain a 50:50 mix between owned and capital-light models. 132 screens are already signed under this strategy, which are to be rolled out over the next 18–24 months. The focus remains on disciplined growth, deleveraging and cash conservation.
- Management is optimistic but cautious about the dine-in format. The Bengaluru cinema is currently a proof of concept (POC), and early response has been very positive, reinforcing confidence that such experiential formats can create a new premium revenue stream.
- The company ended Q2FY26 with around INR6,800mn in cash, part of which will be considered over the next six months for debt prepayment and content acquisition.
- Management expects minimal disruption from the T20 World Cup in Q4FY26. The company also sees potential to monetise major matches through live screenings.
- It is on track to open ~100 screens in FY26 (34 net screens added in H1FY26).

Dine-in cinema concept (Bangalore Pilot)

- Launched India's first dine-in cinema in Bangalore under the pilot phase.
- Objective: elevate the cinematic experience by merging F&B and entertainment for consumers.
- Inspired by a similar model from one of South Korean group, which has been highly successful.
- Targeted at a certain demographic premium and niche audience.
- The company sees early success and intends to scale selectively across major cities once the pilot stabilises.

Hindi film recovery

- Strong comeback of Hindi films driven by consistent content flow.
- Films such as Saiyaara, Mahavatar Narsimha, Sitara Zameen Par and Jolly LLB 3 performed well.
- It is a more of a volume-led recovery as a steady pipeline of releases across scales ensuring sustained footfalls.
- In Q2, 22 films crossed INR1bn and 42 films in H1.
- Hindi films contributed 46% of PVR's box office revenue.

SPH

- SPH declined sequentially due to audience composition — higher turnout of viewers avoiding non-veg serving canteens and younger cohorts (*Saiyaara*) less inclined to spend on F&B.
- Tuesdays have emerged as a key trend, contributing 15–17% of footfalls.

Key highlights of the quarter

- Admits at 44.5mn are up 14.7% YoY/30.9% QoQ; ATP at INR262 is up 2% YoY/3.1% QoQ. SPH of INR134 is down 1.5% YoY/9.5% QoQ.
- Management highlighted that the robust performance in H1FY26 was broad-based across Hindi, Hollywood, and regional languages, and not dependent on one or two mega-hits. This indicates a structural recovery in theatrical demand rather than a cyclical or event-driven bounce-back.
- Achieved the highest admissions in the past two years driven by robust ATP and SPH.
- In Q2FY26, gross block office collection stood at INR 8,633 up 21% YoY. Net box office collection stood at INR9,834mn, up 17.4% YoY.
- FY26 advertisement revenue rose 15% YoY to INR1,256mn reaching its highest level post-pandemic driven by improved occupancy and strong content performance.
- Overall, occupancy stayed at 28.7% during Q2FY26 up 30.5% YoY/11.7% QoQ.
- Cinema and screen counts remained flat YoY at 353 and 1,757 respectively.

- Increase in ad income was driven by longer campaigns due to blockbuster-led visibility.
- Higher footfalls are coming from a shift in audience preference. People are now more interested in good stories than just big stars, and filmmakers are responding to this change.

Bollywood performance

- PVR's Bollywood gross collection stood at INR5420mn, up 21% YoY led by 'Saiyaara', 'Mahavtar Narsimha' and 'War 2'.
- Consecutive box-office successes and a consistent Hindi release pipeline have driven strong momentum for Bollywood in Q2FY26 highlighting a clear shift where compelling content is outweighing star power.
- Healthy performance driven by four INR1bn-plus films and less reliance on big-ticket blockbusters.

Hollywood performance

- GBOC stood at INR2,860mn, up 97% YoY.
- Successful franchisee titles such as F1: The Movie, Jurassic World: Rebirth, The Conjuring: Last Rites Drive Hollywood Box Office.

Regional performance

- PVR INOX GBOC remained increased 3% YoY at INR3080mn.
- Kannada GBOC increased 110.0% YoY in Q2FY26 primarily led by movie 'Su from So'.
- Malayalam GBOC increased 40% YoY in Q2FY26 primarily led by movie Lokah Chapter 1.

Screen count

- Q2FY26 saw the addition of 22 leased screens contributing to a net H1FY26 screen addition of 34.
- It has signed 44 new screens under the FOCO model and 88 screens under the asset-light model.
- As on 15th October 2025, the company has diversified network of 1,761 screens across 111 cities.
- Weighted average screens for Q2FY26 stood at 1,700 which is a decrease of 8 screens as compared to Q2FY25

Debt reduction

- Net debt stood at INR 6,188mn as on Sep -25 compared with INR 9,522mn in Mar-25.
- Following the merger the company's debt levels have been more than halved strengthening the balance sheet
- Improved emphasis on free cash flow generation is likely to support a reduction in net debt levels.

Content line-up

- Hollywood movies include: The Black Phone 2 , Predator Badlands, Now You See Me: Now You Don't ; The Running Man.
- Bollywood movies include: Thama, Ek Deewane ki Deewaniyat, Bahubali the epic, De De Pyaar De 2.

CCI probe

- PVR INOX charges Virtual print fee to all domestic producers except Hollywood as it has already seen a global sunset of VPF.
- VPF remains an industry-wide practice among all Indian exhibitors. It is charged to recoup continuing investments in digital cinema technology.
- CCI order is under investigation.

Others

- In terms of advertising, top sectors were FMCG, banking, textile, E-com, jewellers and automobiles.
- The CCI order is under investigation, not a final finding for VPF.

Exhibit 8: Consolidated financial snapshot (INR mn)

Year to March	Q2FY26	Q2FY25	% change	Q1FY26	% change
Total Net Revenues	18,230	16,221	12.4	14,691	24.1
Exhibition cost	4,676	3,257	43.6	3,898	20.0
Food and Beverages cost	1,309	1,330	(1.6)	1,196	9.4
Employee expenses	1,926	1,773	8.6	1,726	11.6
Other costs	4,202	5,068	(17.1)	3,898	7.8
Total expenditure	12,113	11,428	6.0	10,718	13.0
EBITDA	6,117	4,793	27.6	3,973	54.0
D&A expense	3,167	3,294	(3.9)	3,085	2.7
EBIT	2,950	1,499	96.8	888	232.2
Less: Finance costs	1,883	2,064	(8.8)	1,914	(1.6)
Add: Other income	359	418	(14.1)	324	10.8
Profit before tax	1,426	(147)	NM	(702)	NM
Provision for Tax	369	(26)	NM	(158)	NM
Less: Minority Interest	(1)	3	NM	4	NM
Add: Share of profit from Associates	-	-	-	-	-
Reported Profit	1,056	(118)	NM	(540)	NM
Adjusted Profit	1,056	(118)	NM	(540)	NM
No. of Diluted shares outstanding (mn)	98.2	98.2		98.2	
Adjusted Diluted EPS	10.8	-1.2	NM	-5.5	NM
as % of net revenues					
Exhibition cost	25.7	20.1	557	26.5	(88)
Cost of F&B	7.2	8.2	(102)	8.1	(96)
Employee cost	10.6	10.9	(37)	11.7	(118)
Other costs	23.0	31.2	(819)	26.5	(348)
EBITDA	33.6	29.5	401	27.0	651
Net profit	5.8	-0.7	650	-3.6	944

Source: Company, Nuvama Research

Company Description

PVR INOX Limited is the largest film exhibition company in India with 1743 screens across 111 cities (India and Sri Lanka). Since their inception, both PVR and INOX have created iconic cinema brands with storied histories of achieving significant milestones and setting benchmarks in the film exhibition industry. With a collective heritage of transforming out-of-home entertainment in the country, the merged company offers a wide range of cinema services such as child friendly audis, the latest screening technology, superior sound systems, and wide range of F&B offerings, film and non-film content and an array of formats in the premium screen category.

Investment Theme

With its primary focus on the movie exhibition business, the combined entity (PVR+INOX) will continue to ramp up margin-accretive segments such as F&B revenues and advertisement revenues, which in our view will drive the EBITDA expansion for the business. Aggressive expansion and focus on innovation to deliver growth for the business over the longer term.

Key Risks

- Unavailability of quality content.
- Slowdown in consumer discretionary spends.
- Delay in rollout of proposed multiplexes.
- Competition from other forms of entertainment such as OTT platforms and digital video platform.

Additional Data

Management

CEO - Revenue & ops	Gautam Dutta
CEO - Growth & investments	Pramod Arora
CFO	Mr. Gaurav Sharma
MD	Ajay Bijli
Auditor	S.R. Batliboi & Co. LLP

Holdings – Top 10*

% Holding		% Holding	
Nippon Life Ind	8.50	Prudential PLC	3.12
ICICI prudentia	6.82	Vanguard Group	3.01
HDFC Asset Mana	5.68	ICICI prudentia	2.17
Kotak Mahindra	4.36	SBI Funds Manag	1.98
SBI Life Insura	3.40	Blackrock Inc	1.87

*Latest public data

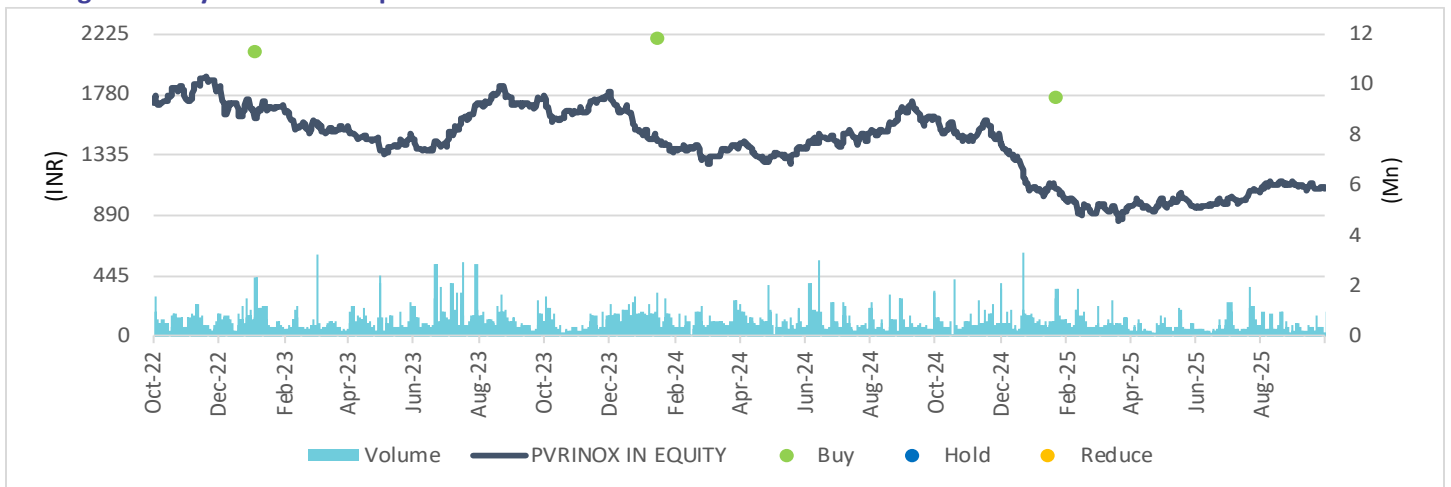
Recent Company Research

Date	Title	Price	Reco
06-Aug-25	OTT fatigue spurring BO revival; <i>Result Update</i>	1,035	Buy
12-May-25	More visibility in Regional and Hollywood; <i>Result Update</i>	969	Buy
17-Mar-25	Strong uptick in first two months; <i>Nuvama Flash</i>	900	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
16-Oct-25	Zee Entertainment	Channel launch expenses single margin; <i>Result Update</i>
03-Oct-25	Media and Entertainment	PVR INOX—Sole bright spot this quarter; <i>Sector Update</i>
17-Sep-25	SAREGAMA INDIA	Paid subscriptions: next growth engine; <i>Visit Note</i>

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	205
Hold	<15% and >-5%	68
Reduce	<-5%	37

DISCLAIMER

Nuvama Wealth Management Limited (defined as “NWML” or “Research Entity”) a company duly incorporated under the Companies Act, 1956 (CIN No L67110MH1993PLC344634) having its Registered office situated at 801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 is regulated by the Securities and Exchange Board of India (“SEBI”) and is licensed to carry on the business of broking, Investment Adviser, Research Analyst and other related activities. Name of Compliance officer: Mr. Abhijit Talekar, E-mail address: researchcompliance@nuvama.com Contact details +91 9004510449 Investor Grievance e-mail address- grievance.nwm@nuvama.com

This Report has been prepared by NWML in the capacity of a Research Analyst having SEBI Registration No.INH000011316 and Enlistment no. 5723 with BSE and distributed as per SEBI (Research Analysts) Regulations 2014. This report does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 includes Financial Instruments and Currency Derivatives. The information contained herein is from publicly available data or other sources believed to be reliable. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in Securities referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. The investment discussed or views expressed may not be suitable for all investors.

This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NWML and associates, subsidiaries / group companies to any registration or licensing requirements within such jurisdiction. The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose possession this report comes, should observe, any such restrictions. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. NWML reserves the right to make modifications and alterations to this statement as may be required from time to time. NWML or any of its associates / group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. NWML is committed to providing independent and transparent recommendation to its clients. Neither NWML nor any of its associates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including loss of revenue or lost profits that may arise from or in connection with the use of the information. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. Past performance is not necessarily a guide to future performance. The disclosures of interest statements incorporated in this report are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. The information provided in these reports remains, unless otherwise stated, the copyright of NWML. All layout, design, original artwork, concepts and other Intellectual Properties, remains the property and copyright of NWML and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the copyright holders.

NWML shall not be liable for any delay or any other interruption which may occur in presenting the data due to any reason including network (Internet) reasons or snags in the system, break down of the system or any other equipment, server breakdown, maintenance shutdown, breakdown of communication services or inability of the NWML to present the data. In no event shall NWML be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by the NWML through this report.

We offer our research services to clients as well as our prospects. Though this report is disseminated to all the customers simultaneously, not all customers may receive this report at the same time. We will not treat recipients other than intended recipients as customers by virtue of their receiving this report.

NWML and its associates, officer, directors, and employees, research analyst (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the Securities, mentioned herein or (b) be engaged in any other transaction involving such Securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company(ies) discussed herein or act as advisor or lender/borrower to such company(ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance. (c) NWML may have proprietary long/short position in the above mentioned scrip(s) and therefore should be considered as interested. (d) The views provided herein are general in nature and do not consider risk appetite or investment objective of any particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with NWML.

NWML or its associates may have received compensation from the subject company in the past 12 months. NWML or its associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. NWML or its associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. NWML or its associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. NWML or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. Research analyst or his/her relative or NWML's associates may have financial interest in the subject company. NWML and/or its Group Companies, their Directors, affiliates and/or employees may have interests/ positions, financial or otherwise in the Securities/Currencies and other investment products mentioned in this report. NWML, its associates, research analyst and his/her relative may have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (i) exchange rates can be volatile and are subject to large fluctuations; (ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs and Currency Derivatives, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Research analyst has served as an officer, director or employee of subject Company in the last 12 month period ending on the last day of the month immediately preceding the date of publication of the Report.: No

NWML has financial interest in the subject companies: No

NWML's Associates may have actual / beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report.

Research analyst or his/her relative may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report

NWML has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of research report: No

Subject company may have been client during twelve months preceding the date of distribution of the research report.

There were no instances of non-compliance by NWML on any matter related to the capital markets, resulting in significant and material disciplinary action during the last three years. A graph of daily closing prices of the securities is also available at www.nseindia.com

Artificial Intelligence (“AI”) tools may have been used (i) during the information gathering stage for compiling or collating the data from-(a) publicly available data sources; (b) databases to which NWML subscribes; and (c) internally generated research data, and/or (ii) for compiling summaries of the report.

Analyst Certification:

The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Additional Disclaimers**Disclaimer for U.S. Persons**

This research report is a product of NWML, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by NWML only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, NWML has entered into an agreement with a U.S. registered broker-dealer, Nuvama Financial Services Inc. (formerly Edelweiss Financial Services Inc.) ("NFSI"). Transactions in securities discussed in this research report should be effected through NFSI.

Disclaimer for U.K. Persons

The contents of this research report have not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 ("FSMA").

In the United Kingdom, this research report is being distributed only to and is directed only at (a) persons who have professional experience in matters relating to investments falling within Article 19(5) of the FSMA (Financial Promotion) Order 2005 (the "Order"); (b) persons falling within Article 49(2)(a) to (d) of the Order (including high net worth companies and unincorporated associations); and (c) any other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons").

This research report must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this research report relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this research report or any of its contents. This research report must not be distributed, published, reproduced or disclosed (in whole or in part) by recipients to any other person.

Disclaimer for Canadian Persons

This research report is a product of NWML, which is the employer of the research analysts who have prepared the research report. The research analysts preparing the research report are resident outside the Canada and are not associated persons of any Canadian registered adviser and/or dealer and, therefore, the analysts are not subject to supervision by a Canadian registered adviser and/or dealer, and are not required to satisfy the regulatory licensing requirements of the Ontario Securities Commission, other Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and are not required to otherwise comply with Canadian rules or regulations regarding, among other things, the research analysts' business or relationship with a subject company or trading of securities by a research analyst.

This report is intended for distribution by NWML only to "Permitted Clients" (as defined in National Instrument 31-103 ("NI 31-103")) who are resident in the Province of Ontario, Canada (an "Ontario Permitted Client"). If the recipient of this report is not an Ontario Permitted Client, as specified above, then the recipient should not act upon this report and should return the report to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any Canadian person.

NWML is relying on an exemption from the adviser and/or dealer registration requirements under NI 31-103 available to certain international advisers and/or dealers. Please be advised that (i) NWML is not registered in the Province of Ontario to trade in securities nor is it registered in the Province of Ontario to provide advice with respect to securities; (ii) NWML's head office or principal place of business is located in India; (iii) all or substantially all of NWML's assets may be situated outside of Canada; (iv) there may be difficulty enforcing legal rights against NWML because of the above; and (v) the name and address of the NWML's agent for service of process in the Province of Ontario is: Bamac Services Inc., 181 Bay Street, Suite 2100, Toronto, Ontario M5J 2T3 Canada.

Disclaimer for Singapore Persons

In Singapore, this report is being distributed by Nuvama Investment Advisors Private Limited (NIAPL) (Previously Edelweiss Investment Advisors Private Limited ("EIAPL")) (Co. Reg. No. 201016306H) which is a holder of a capital markets services license and an exempt financial adviser in Singapore and (ii) solely to persons who qualify as "institutional investors" or "accredited investors" as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Pursuant to regulations 33, 34, 35 and 36 of the Financial Advisers Regulations ("FAR"), sections 25, 27 and 36 of the Financial Advisers Act, Chapter 110 of Singapore shall not apply to NIAPL when providing any financial advisory services to an accredited investor (as defined in regulation 36 of the FAR. Persons in Singapore should contact NIAPL in respect of any matter arising from, or in connection with this publication/communication. This report is not suitable for private investors.

Disclaimer for Hong Kong persons

This report is distributed in Hong Kong by Nuvama Investment Advisors (Hong Kong) Private Limited (NIAHK) (Previously Edelweiss Securities (Hong Kong) Private Limited (ESHK)), a licensed corporation (BOM -874) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to Section 116(1) of the Securities and Futures Ordinance "SFO". This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The report also does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of any individual recipients. The Indian Analyst(s) who compile this report is/are not located in Hong Kong and is/are not licensed to carry on regulated activities in Hong Kong and does not / do not hold themselves out as being able to do so.

INVESTMENT IN SECURITIES MARKET ARE SUBJECT TO MARKET RISKS. READ ALL THE RELATED DOCUMENTS CAREFULLY BEFORE INVESTING. REGISTRATION GRANTED BY SEBI, MEMBERSHIP OF RAASB AND CERTIFICATION FROM NISM IN NO WAY GUARANTEE PERFORMANCE OF NWML OR PROVIDE ANY ASSURANCE OF RETURNS TO INVESTORS AND CLIENTS.

Abneesh Roy
Head of Research Committee
Abneesh.Roy@nuvama.com
