



Company Background

PVR INOX, founded as PVR in 1997, is India's largest and leading film exhibition company. PVR pioneered the multiplex revolution in India with the launch of its first multiplex in New Delhi in 1997, while INOX entered the multiplex business in 2002. PVR and INOX merged in 2023 to create **PVR INOX Limited**, strengthening its position as India's largest cinema exhibition chain. The company focuses on providing a premium big-screen entertainment experience through innovation, operational excellence and a wide range of cinema formats. As of FY26, PVR INOX operates **1,782 screens across 113 cities and 355 cinemas**, with approximately **3.65 lakh seats**, making it the largest organised cinema exhibition network in India.

What We Think:

We believe the movie exhibition industry is witnessing a gradual recovery as consumers increasingly return to outdoor entertainment and the cinema-going culture regains momentum. Following the PVR–INOX merger, PVR INOX has strengthened its position as the leading organised entertainment platform in India, while the company is also steadily reducing its debt and expanding its screen network through an increasingly asset-light model, helping manage upfront capex requirements. At the same time, rising consumer preference for differentiated and higher-quality viewing experiences is driving demand for premium formats such as IMAX, 4DX and other experiential screens. Premium formats currently account for ~16% of PVR INOX's screen portfolio, and the company continues to increase this mix, which could support higher ticket prices, occupancy and overall revenue per screen.

Why We Think So

1. Revival in Cinema & Premiumization:

The recovery in out-of-home entertainment and renewed consumer interest in movies is supporting cinema footfalls. At the same time, consumers are increasingly willing to pay for differentiated experiences such as **IMAX, 4DX and other premium formats**, which can drive higher average ticket prices and spend per customer. PVR INOX is increasing the share of premium screens, currently at ~16% of its portfolio.

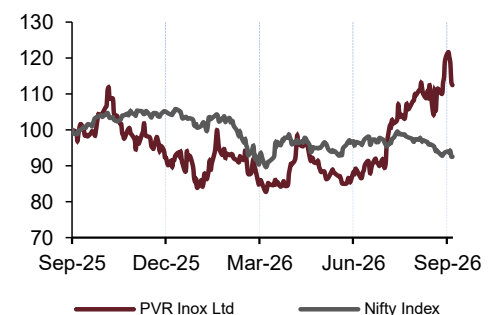
Rating	TP (Rs)	Up/Dn (%)
BUY	1,510	20

Market Data

Current price	Rs	1,257
Market Cap (Rs.Bn)	(Rs Bn)	123
Market Cap (US\$ Mn)	(US\$ Mn)	1,277
Face Value	Rs	10
52 Weeks High/Low	Rs	1357.8 / 900.05
Average Daily Volume	('000)	704
BSE Code		544057
Bloomberg		PVRINOX.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Jun-26	Mar-26
Promoters	27.53	27.53
Public	72.47	72.47
Total	100.00	100.00

Source: Bloomberg

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2. Strong Content Pipeline:

The theatrical content pipeline is improving, with production houses increasingly prioritizing theatrical releases and investing in larger, higher-production-value films. Upcoming movies such as Ramayana, Raaka, Dragon, Drishyam 3, King, Varanasi, Dune: Part Three, Avengers: Domsday and many more across languages and genres are expected to support sustained footfalls and box-office collections.

3. Asset-Light Expansion + Deleveraging:

PVR INOX is expanding its screen network while increasingly adopting an asset-light approach, helping moderate upfront capex requirements. Alongside this, systematic debt reduction should strengthen the balance sheet and improve financial flexibility, allowing the company to add screens without proportionately increasing capital intensity.

4. Scale Advantage & Multiple Revenue Streams:

Following the PVR–INOX merger, the company has created a large pan-India cinema network, giving it greater scale across locations and formats. Its revenue is also diversified beyond movie tickets through F&B, advertising and other ancillary income, while premiumization and higher consumer spending can further increase revenue per customer.

Financial & Outlook Highlights

PVR INOX is expected to deliver Revenue, Adjusted EBITDA and Adjusted PAT CAGR of 13%, 18% and 40% over FY26–29E, driven by premiumization, improving content mix and operating leverage. Systematic debt reduction and improving asset-light expansion should further strengthen profitability, supporting PAT growth ahead of revenue.

Valuation

PVR INOX currently trades at 17x FY29E EPS, which appears attractive given its growth visibility and strong pipeline. **Applying a target multiple of 21x FY29E earnings yields a target price of ₹1,510 per share, implying an upside potential of approximately 20% from current levels.**

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