

## PVRINOX Ltd

## The World cup Effect

- The First half of the Q3 for PVRINOX was affected by the worldcup which was being hosted in India. and the Company business was muted and saw a drop of 41% in the number of releases, since India was hosting the match and most of the matches were on weekend as well.
- Theatre occupancy rate was also decreased to 25% in December 2023 from 32% in September 2023.
- However, after the worldcup finished, Company resume it business and people were again going out to watch on Big Screen.
- There were significant releases in the November and Decemeber month,
- Animal which has a box office collection of IN 650 crores (Second highest grossing movie of all time), Followed by Salaar (INR 480 crores) and Dunki (INR 270 crores).
- Q3 was mostly affected by the World cup and I personally believe, Q4 might be affected by the Exam season..

Source: Company Filings

## Q3 CY2024 Result Update

- Revenue from operations grew by 67% YoY in the Q3 of CY2023 and on Quarterly basis it has led to a fall of -20%.
- On a quarterly growth basis, PVR Inox Ltd has generated -92.3% fall in its net profits since last 3-months.
- On quarterly growth basis, PVR Inox Ltd has generated -90.29% fall in its net profit margins since last 3-months.

Source: Company Filings

## Peer Comparison

Particulars	LTM Multiples (x)			FY24 Multiple (x)			FY25 Multiple (x)		
	EV/ Sales	EV/ EBITDA	P/E	EV/ Sales	EV/ EBITDA	P/E	EV/ Sales	EV/ EBITDA	P/E
<b>PVRINOX Ltd</b>	<b>5.77x</b>	<b>19.38x</b>	<b>-64.57x</b>	<b>4.88x</b>	<b>14.85x</b>	<b>-177.30x</b>	<b>3.32x</b>	<b>9.77x</b>	<b>243.05x</b>
GFL Ltd.	0.38x	0.39x	0.41x	0.24x	0.26x	0.28x	0.17x	0.18x	0.19x
Balaji Telefilms Ltd.	1.40x	-150.25x	-23.02x	1.20x	13.31x	30.42x	0.91x	4.51x	8.60x
Cineline India Ltd.	4.49x	14.73x	455.55x	3.24x	11.05x	248.89x	1.82x	6.21x	45.55x
Sun TV Network Ltd.	4.13x	6.19x	10.06x	3.74x	4.43x	9.08x	3.24x	4.28x	8.52x
Zee Ent. Enterprises Ltd.	1.63x	20.88x	282.64x	1.58x	14.99x	15.01x	1.52x	8.99x	11.25x

Source: Own Calculation

CMP : 1361

Target: 1783 (30%)

## Key Data

CMP	₹1,376
Market Cap	13,510
Book Value	₹758
₹Face Value	10.00
P/E ratio	-
BSE Code	532689
NSE Ticker	PVRINOX

## Industry

Sector : Entertainment  
 Sub Sector : Movie Theatres.  
 Classification: Mid cap.

## Financials Summary

Y/E DEC	FY21	FY22	FY23
Sales	749	1,655	3,829
EBITDA	133	431	1,115
PBT	-938	-680	-208
Net Income	-747	-488	-335

## Shareholding pattern (%)

As On	Mar-24	Dec-23
Promoter	27.84%	27.84%
FII	16.80%	21.80%
DII	40.21%	39.22%
Public	15.14%	11.10%

Ebitdad Rajat

Website to Download Full Report:

[www.Ebitdadrajat.in](http://www.Ebitdadrajat.in)

Research Analyst (SEBI-Unregistered)

Rajat Kulshrestha

[Ebitdadrajat@gmail.com](mailto:Ebitdadrajat@gmail.com)

+91 7042408216

## PVRINOX Ltd

## Advertisement Income per screen

- Performance for our Advertisement revenue:
  - Q1 FY'24 - INR 893million
  - Q2 FY'24 - INR 1,176million (+32% Growth)
  - Q3 FY'24 - INR 1,405million (+19% Growth)
- Advertisement revenue sources includes alot of options like inscreen ads, lobby displays, ticket counter displays and standees within the theatres.
- Reasons for higher income during December Month:
  1. Festive season push brands to do more advertising.
  2. Signing long term deals during this period
- Deals are also comes in two primary form:
  1. Price basis - based on pricing metrics, with agreement for both the parties.
  2. Volume contract - generally structured around volume commitments offering revenue generation
- when brand comes for marketing on our screens, there is a certain burn and that depend on 2 things,
  1. what kind of hype the movies creates in the market.
  2. Response from the consumers.

Generally, long term deals are stretch upto 3 to 5 months, and gives around 30-35% of the total ads business. or else company has go again for farming new ads business.,

*Source: Company Filings*

## Will emerge as a Food and Beverage Company

- Sales of movie ticket has comeback to the pre-covid level which is of 53%. and on the otherhand, Food and Beverages sales is striking out in numbers. and have surged from 26.75% to almost 33%.
- Company has realized that moviegoing experience is not longer limited to the screen, here F&B plays a pivotal role. Company has introduced promotions like Rs99 Weekly deal and weekend refill plans for Popcorn and Pepsi.
- An Interesting insight that i found through reading Concall is F&B spending is more of region specific than film specific. Culture plays a big trend, For instance, Family oriented films tends to relate higher F&B spending..
- F&B sales serves a lifeline for Multiplexes, since these kind of business have higher operational cost like Rent and Maintance, these gives higher margins and revenue contribution for the business, and less revenue sharing as comparing to 50-50% with distributors and Producers, in some cases it goes with 2.5% discount or premium with it.

*Source: Company Filings*

## PVRINOX Ltd

### Financial Summary

#### Profit and Loss Statement

Amt is in INR (Crore) Only

Particulars	2020	2021	2022	2023
Revenue	3,452.23	749.35	1,655.53	3,829.73
		-78%	121%	131%
EBITDA	1,113.84	133.82	431.53	1,115.95
		-88%	222%	159%
PBIT	571.38	-441	-182.87	362.63
PBT	89.59	-938.84	-680.71	-208.99
Net Income	27.3	-747.79	-488.24	-335.07
EPS	5.46	-132.25	-80.2	-42.16

Source: Ticker Tape

#### Balance Sheet Statement

Amt is in INR (Crore) Only

Particulars	2020	2021	2022	2023
Current Assets	754	1002	866	850
Non Current Assets	6674	6500	6457	15623
Total Assets	7428	7502	7323	16473
Current Liabilities	1290	1131	1434	2051
Non Current Liabilities	4657	4538	4519	7093
Total Liabilities	5947	5668	5953	9144
Total Equity	1481	1833	1370	7329
Total Liabilities & Shareholder's Equity	7428	7502	7323	16473

#### Cash flow Statement

Amt is in INR (Crore) Only

Financial Year	2020	2021	2022	2023
Cash from Operating Activities	787.04	-412.68	166.79	863.9
Cash from Investing Activities	-390.33	-288.63	-2.81	-339.26
Cash from Financing Activities	-211.03	1075.46	-216.81	-693.5
<b>Net Change in Cash</b>	<b>185.68</b>	<b>374.15</b>	<b>-52.83</b>	<b>-168.86</b>
Changes in Working Capital	-294.18	-73.1	53.24	-196.78
Capital Expenditures	385.05	116.74	124.9	635.95
Free Cash Flow	401.99	-529.42	41.89	227.95

Source: Own Calculation

## PVRINOX Ltd

## Valuation and Risk

*Amt in INR (Rupees only)*

EV/Sales	
Sales	2,454.0
EBITDA	2,372.0
Earnings	2,248.0
Valuation Multiple	EV/Sales
EV/Sales	2.88x
Enterprise Value	21,631
Less: Debt	8155
Add: Cash	581
Add: Minority Interest	-0.67
<b>Equity Value</b>	<b>14,056</b>
Outstanding Shares	9.8
<b>Equity Value Per share</b>	<b>1434.33</b>

*Source: Own Calculation*

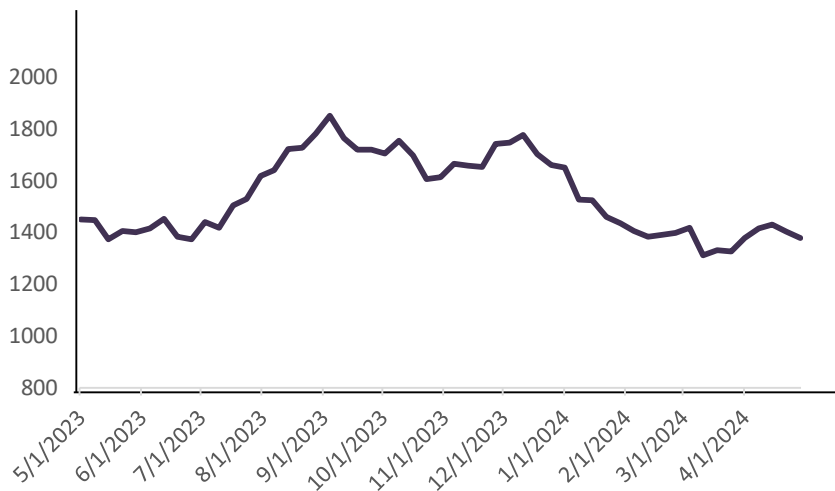
## Key takeaways from Valuations and it's Risk

- I have applied the Trading Comps Model, benchmarking PVRINOX against industry peers through key multiples like EV/Sales. **The Trading Comps Model suggested a valuation of Rs 1434 per share**, offering valuable insights into PVR's competitive standing within the market.
- As I present this valuation, it is crucial to recognize the dynamic nature of the market. Regular monitoring and reassessment will be essential to adapt to evolving risks and market conditions.

## PVRINOX Ltd

## Price Performance

PVRINOX Price Chart (Jan,2023 – April,2024)



Source: Yahoo Finance

## Technical Analysis Trends

Particular	Short Term	Medium Term	Long Term
Trend	Bearish	Sideways	Bullish
Resistance	1415	1435	1790
Support	1383	1365	1242

Source: Own Analysis

## Historical Performance

Data is on Daily Basis

1 Week	-0.37%
1 Month	0.56%
3 Months	36.08%
YTD	1.90%
1 Year	104.50%
3 Years	518.27%

Source: Moneycontrol

## Pivot Levels

Data is on Daily Basis

Type	R1	R2	PP	S1	S2
Classic	1422	1441	1376	1389	1375
Fibonacci	1421	1428	1376	1396	1388
Camarilla	1405	1408	1376	1399	1396

Source: Moneycontrol

## Moving Average

Data is on Daily Basis

5	1,403.51
10	1,408.74
20	1,396.40
50	1,373.63
100	1,482.34
200	1,570

Source: Moneycontrol

## Key takeaways from Price Performance

- The price chart for Company indicates a Sideways trend over the 1 day timeframe.
- The stock has experienced a consistent upward movement, reflecting positive investor sentiment and strong market demand especially after the Q3 results of FY2023.
- Notable support levels include 1367 and 1312 where the stock has shown resilience and rebounded in the past.
- A notable Sideways consolidation has been observed in PVRINOX in a Weekly timeframe.
- The Stock hasn't generated any returns in Last 1 Year.

**PVRINOX Ltd****Disclaimer**

The following analysis on PVRINOX Limited is provided for educational purposes only and should not be considered as investment advice. The information presented herein is based on publicly available data and sources believed to be reliable. However, no representation or warranty, expressed or implied, is made as to its accuracy, completeness, or reliability.

This equity research on PVRINOX Limited does not constitute a recommendation or solicitation to buy, sell, or hold any securities or financial instruments. It is essential to understand that investing in securities involves risks, and past performance is not indicative of future results.

Before making any investment decisions, it is strongly recommended to seek the guidance of a SEBI registered financial advisor or qualified professional who can assess your specific financial situation, risk tolerance, and investment objectives. They can provide personalized advice based on your individual circumstances.

The analysis provided herein is subject to change without notice and may not be updated regularly. The future performance of PVRINOX Limited or any other securities mentioned in this research may differ from the information presented due to various factors, including market conditions, economic trends, and company-specific developments.

The author of this report (Rajat Kulshrestha) do not assume any liability for any direct or indirect losses or damages that may arise from the use of this research or PVRINOX Limited on the information provided herein. Investors are solely responsible for their investment decisions and should conduct their own research and analysis before making any financial commitments.

The use of any trademarks, logos, or brand names in this research is for illustrative purposes only and does not imply endorsement or affiliation with the respective owners. By accessing and reading this research, you automatically acknowledge and agree to the terms of this disclaimer. If you do not agree with these terms, please refrain from using this research.