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Institutional Equities

PVRINOX Ltd. (PVRINOX)

Film Exhibition | 1QFY26 Result Preview

04 July, 2025

Bollywood and Hollywood content hit the right spot

Key Points

- 1QFY26 will likely bring back momentum with occupancies closer to ~24% on the back of strong content across all genres. After a disappointing FY25, 1QFY26 saw momentum return in terms of content and movie releases across genres. This will lead to better ATP and SPH, which we believe will be up 8-10% on YoY basis respectively, along with revival in advertisement income, which is the highest margin business for PVRINOX.

- The highest grossing film for 1QFY26 was 'Raid 2' with a GBOC of over Rs2bn in India. Other movies from the Bollywood genre too did well with 'Housefull 5' at Rs1.9bn, 'Kesari 2' at Rs1bn, 'Bhool Chuk Maaf' at Rs820mn, and 'Sitare Zameen Par' at more than Rs2bn and still continuing the theatrical run. Hollywood releases which made a mark were 'Mission Impossible: Final Reckoning' at Rs1.2bn and 'F1' at Rs210mn, which is still running in theatres. The regional genre continues the momentum and has now become a consistently performing genre with multiple strong performers like 'Good Bad Ugly' at Rs1.9bn, 'Thudarum' at Rs1.5bn, 'Jaat' at over Rs1bn, 'Hit: The Third Case' at Rs950mn, and 'Retro' at Rs720mn. However, the market share of PVRINOX in the regional BO is only ~15%.

- We expect strong YoY revenue growth and positive EBITDA margins on the back of resurgence in Bollywood and Hollywood content where PVRINOX has a larger share of 35-40% and 60-65%, respectively. Continued momentum in these genres are crucial for PVRINOX and the line-up for FY26 looks promising. The first 6 months of CY26 for all-India box office are trending ~25-30% higher as compared to the first 6 months of CY25.

- As content has hit the right spot in 1QFY26, we believe there will be a footfall growth of ~10% on YoY basis as audiences embrace the theatrical experience. As multiple movies across all genres performed well in 1QFY26, PVRINOX did not push the re-release strategy this quarter and will push re-releases only when there is low volume of releases or lack of attractive content.

- PVRINOX has been conservative in capital deployment with just 43 net screens added in FY24 (38 additions) and FY25 (5 additions). It added 20 screens in 1QFY26 with 9 in the FOCO model, 5 in the asset-light model, and 6 in the traditional model. There were no screen closures in 1QFY26. It also set a target of adding 100 screens each in FY26 and FY27.

- Things to focus on in the call: 1) when can advertising revenue cross pre-pandemic levels? 2) Details about its ongoing efforts to make the entity asset light by focusing on management contracts. 3) By when will the net debt become zero? 4) Update on experiments in ticket pricing and its new initiatives to increase occupancy levels. 5) Update on JV with Devyani International.

Exhibit 1: Summary of financial performance by PVRINOX for 1QFY26E

Company	Net sales		EBITDA		*EBITDA margin (%)*		PAT	
(Rsmn)	1QFY26E	*YoY (%)*	1QFY26E	*YoY (%)*	*1QFY25*	*1QFY26E*	1QFY26E	*YoY (%)*
PVR-INOX	14,491	*21.7*	1,009	*NA*	*-3.2*	*7.0*	(293)	*NA*

*Source: Company, Nirmal Bang Institutional Equities Note: *Reported EBITDA numbers could be different, as IndAS116 has been implemented from 1QFY20. Our EBITDA numbers are pre-IndAS 116. The PVR and INOX numbers were merged from 4QFY23*

Please refer to the disclaimer towards the end of the document.

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