kotak Securities

Dated: 17th November 2025

Sun TV Network (SUNTV) - ADD

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.563	**Rs.650**

Rationale:

- Sun TV's ad revenues declined 13% yoy in 2Q, while domestic subscriptions grew 9%.
- The movie business (Coolie) registered ~Rs380 cr in sales.
- Headwinds in the core business are not abating.
- Potential re-rating in valuation of the sports business (UNSP has initiated a strategic review of RCB) could be key for the stock.
- We raise the valuation of the sports business to Rs10000cr (from Rs8200cr) and increase our FV to Rs650.
- Upgrade to ADD from REDUCE.
- We expect earnings to grow by 4.0% in FY27E & grow by 3.5% in FY28E.
- Stock is currently trading at valuation of 13.2x P/E FY28E EPS.

Positives:

- Domestic subscription revenues grew 9% yoy to Rs470 cr (~3.8% beat).
- Potential re-rating in the valuation of the sports business could be key for the stock.

Negatives:

- Sun's ad revenues declined 12.9% yoy to Rs290 cr (6.3% miss).
- Business impacted by subdued FMCG spending and the leader's market share loss.
- We do not expect a recovery in Sun TV's linear ad spends in the near term.

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

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.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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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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