kotak Securities

Dated: 2nd January 2026

PVR INOX (PVRINOX) - BUY

Company Update

Current Market Price (CMP)	Target Price
Rs.1017	**Rs.1380**

Rationale:

- We expect 3Q to be the second consecutive quarter of 27%+ occupancy.
- We expect mid-teen EBITDA margin for PVR INOX.
- Industry GBOC (box office) in Q3 was similar to Q2, despite the failure of Avatar versus high expectations.
- Q4 movie pipeline appears strong and presents an upside risk to our FY2026E EBITDA estimate.
- We believe the recent stock correction is overdone.
- We expect earnings to grow 122.4% in FY27E and 26.4% in FY28E.
- Reiterate BUY with an unchanged FV of Rs1,380, valuing PVR INOX at 12.5X December 2027E EV/ EBITDA.

Positives:

- There is improving cinema-going trends and FCF generation (capital-light expansion).
- Industry collections in 3Q have been similar to 2Q, despite failure of Avatar.
- PVR INOX could report another quarter of 27%+ occupancy and mid-teen margin.
- 4QFY26 pipeline appears strong, led by both Bollywood/regional movies.

Negatives:

- The company has zero dividend yield.

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.

RS – **Rating Suspended.** Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.

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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