

Estimate change	↔
TP change	↔
Rating change	↔



**SAVE THE DATE**  
**21<sup>st</sup> Aug - 25<sup>th</sup> Aug, 2023**  
Witness the unfolding of our  
grandeur event,  
as the curtain rises!  
**INDIA RISING | NATION ON THE MOVE**

Bloomberg	PVRINOX IN
Equity Shares (m)	98
M.Cap.(INRb)/(USDb)	153.4 / 1.9
52-Week Range (INR)	2212 / 1337
1, 6, 12 Rel. Per (%)	11/-18/-41
12M Avg Val (INR M)	1215

## Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Sales	37.5	66.9	82.2
EBITDA	3.2	11.4	15.4
Adj. PAT	-2.4	4.2	6.7
EBITDA Margin (%)	8.5	17.0	18.8
Adj. EPS (INR)	-24.8	43.2	68.2
EPS Gr. (%)	LP	LP	57.7
BV/Sh. (INR)	748.2	791.4	859.6

## Ratios

Net D:E	1.0	0.9	0.8
RoE (%)	-5.6	5.6	8.3
RoCE (%)	4.1	6.1	8.4
Payout (%)	0.0	0.0	0.0

## Valuations

P/E (x)	NM	36.2	23.0
P/BV (x)	2.1	2.0	1.8
EV/EBITDA (x)	52.4	14.5	10.3
Div Yield (%)	0.0	0.0	0.0

## Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	27.6	27.5	17.0
DII	33.1	30.2	26.2
FII	26.8	31.2	36.6
Others	12.4	11.2	20.3

FII Includes depository receipts

**CMP: INR1,566 TP: INR1,650 (+5%) Neutral**

## Sequential improvement; occupancy remains key monitorable

- PVR-INOX's EBITDA (pro forma) at INR808m (miss) improved QoQ but fell significantly YoY due to a 17% decline in revenue. ATP/SPH grew 2%/10% YoY to INR246/INR130. Occupancy declined notably YoY to 22.4%.
- Strong responses to recent big-ticket movies, along with a healthy pipeline, could drive a recovery in occupancy, which has been muted. However, volatility in the performance of Bollywood movies and increased competition from OTT platforms could drag down profitability. We reiterate our Neutral rating with a TP of INR1,650.

## EBITDA margins at 6.2% (miss) affected by lower occupancy

- Reported revenue grew 33% YoY/14% QoQ to INR13b (in line). Adjusted for the pro forma numbers (combined entity) for 1QFY23, total revenue declined 17% YoY in 1QFY24.
- Combined entity occupancy at 22.3% was down significantly YoY vs. 31.4% in 1QFY23 but slightly higher QoQ vs. 21.2% in 4QFY23. Admits (for combined entity) at 33.9m fell 22% YoY but grew 11% QoQ (better than occupancy recovery) as the number of shows per day recovered to 4.7 from 4.5.
- ATP/SPH improved 2%/10% YoY and 3%/9% QoQ to INR246/INR130.
- EBITDA (pre IND-AS116) stood at INR808m with margins of 6.2% (est. 7.5%), dragged down by higher opex.
- Adjusting for the pro forma numbers, EBITDA (excl. other income) was down 74% YoY with a margin contraction of ~14pp to 6.2%. EBITDA on a sequential basis improved to INR808m (vs. INR53m in 4QFY23), driven by improved revenues.
- Adjusting for an exceptional item and DTA write-off of INR1.3b in 4QFY23, net loss narrowed down to INR441m v/s loss of INR1.5b in 4QFY23.

## Highlights from the management commentary

- Expects recovery in 2QFY24 backed by MoM improvement from Jun'23 onward and strong responses to recent big-ticket releases
- Added gross 46 screens so far in FY24, which led to an increase in debt on a sequential basis; maintains screen addition guidance of 150-160 in FY24
- SPH synergies moving in line with plans and ATP synergies expected to flow in from 2QFY24 onward
- Expects ad revenues to revive in 3QFY24 on the back of festive period

## Valuation and view

- Occupancy remained weak in 1QFY24 but is now improving owing to good responses to recent big-ticket movies. While the pipeline remains strong, the sustained performance of Bollywood movies would remain a key monitorable to track occupancy.
- The merged entity, with an expected revenue scale of ~INR83b as on FY25E and expected EBITDA margins of 19%, is currently trading at 10x FY25E EV/EBITDA and 23x FY25E EPS.

- Volatility in the performance of Bollywood movies, a slower recovery in advertising revenues, increased risk of rising scale and the traction of movie releases over OTT platforms, as highlighted in our [report](#), continue to be our key monitorables.
- We expect the business to see some recovery in 2QFY24. Sustaining occupancy and recovery in ad revenue amid an increasing threat from deep-pocketed OTT players remain vital for growth. We value PVR-Inox at 11x FY25E EV/EBITDA to arrive at our TP of INR1,650. **We reiterate our Neutral rating on the stock.**

## Quarterly Performance

Quarterly Performance												(INR m)
Y/E March	FY23E				FY24E				FY23*	FY24E	FY24 1QE	Est. Var (%)
	1Q*	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	15,636	6,867	9,408	11,431	13,049	16,295	18,470	19,118	37,506	66,932	12,991	0
YoY Change (%)	2961.1	522.1	49.4	33.9	-16.5	137.3	96.3	67.2	182.1	78.5	32.4	
Total Expenditure	12,513	6,889	8,124	11,378	12,241	13,461	14,671	15,196	34,304	55,569	12,012	2
EBITDA	3,123	-22	1,284	53	808	2,833	3,800	3,922	3,202	11,363	979	-17
YoY Change (%)	-340.9	-98.2	140.0	-85.4	-74.1	-12,978.9	195.9	7,299.6	-237.4	254.9	-48.2	
Depreciation	894	610	619	1,196	1,111	1,127	1,127	1,142	3,029	4,507	1,127	-1
Interest	415	393	389	419	464	470	470	477	1,589	1,881	470	-1
Other Income	260	150	128	216	195	171	171	147	684	684	171	14
PBT before EO expense	2,074	-875	404	-1,346	-572	1,407	2,374	2,450	-732	5,659	-447	28
Extra-Ord expense	0	0	0	108	0	0	0	0	108	0	0	
PBT	2,074	-875	404	-1,454	-572	1,407	2,374	2,450	-840	5,659	-447	28
Tax	650	-307	152	1,402	-131	471	795	289	1589.0	1424.3	-150	-13
Rate (%)	31.3	35.1	37.6	-96.4	22.9	33.5	33.5	11.8	-189.2	25.2	33.5	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	1,424	-568	252	-2,856	-441	936	1,579	2,161	-2,429	4,235	-298	48
Adj PAT	1,424	-568	252	-441	-441	936	1,579	2,161	-350	4,235	-298	48
YoY Change (%)	-200.3	-64.4	-214.4	152.3	-131.0	-264.8	526.4	-590.0	-91.6	-1,309.5	-165.2	

\*Restated for merged entityE: MOFSL Estimates

## Other highlights

## Pro-forma performance of operating parameters:

- Segment-wise
  - Movie tickets/F&B were down 21%/12% YoY but up 15%/22% QoQ, led by improved footfalls and pricing.
  - Advertising revenues declined 4% YoY and 2% QoQ.
- Net debt increased to INR15.1b from INR14.3b as on Mar'23.

## Screen additions remain strong:

- The company added 17 (net) new screens in 1QFY24, taking its total screen count to 1,697.
- Occupancy remained flat QoQ at 22.3%, while ATP/SPH improved 3%/9% QoQ to INR246/INR130.

**Exhibit 1: Valuation summary**

Particulars	Valuation
EBITDA FY25E (INR b)	15.4
Multiple	11
EV (INR b)	176
Net Debt (INR b)	14
Target Marketcap (INR b)	162
No. of shares	0.1
<b>Target Price</b>	<b>1,650</b>
<b>CMP</b>	<b>1,566</b>
Upside	5%

Source: MOFSL, Company

**Exhibit 2: Valuation summary**

	FY24E	FY25E
<b>Ticket revenue (INR m)</b>		
Old	35,891	45,344
Actual/New	35,923	45,278
Change (%)	0.1	-0.1
<b>F&amp;B revenue (INR m)</b>		
Old	22,204	27,654
Actual/New	22,610	27,966
Change (%)	1.8	1.1
<b>Ad revenue (INR m)</b>		
Old	4,599	5,464
Actual/New	4,368	5,148
Change (%)	-5.0	-5.8
<b>Total revenue (INR m)</b>		
Old	66,549	82,275
Actual/New	66,932	82,204
Change (%)	0.6	-0.1
<b>EBITDA (INR m)</b>		
Old	10,800	15,330
Actual/New	11,363	15,443
Change (%)	5.2	0.7
<b>EBITDA margin (%)</b>		
Old	16.2	18.6
Actual/New	17.0	18.8
Change (bp)	75	15
<b>PAT (INR m)</b>		
Old	3,813	6,594
Actual/New	4,235	6,679
Change (%)	11.0	1.3

Source: MOFSL, Company



## Takeaways from the management interaction

### Key Highlights:

- Expects recovery in 2QFY24 backed by MoM improvement from Jun'23 and strong responses to recent big-ticket releases.
- Added gross 46 screens as on date in FY24, which led to an increase in debt on a sequential basis; maintains screen addition guidance of 150-160 in FY24.
- SPH synergies moving in line with plans and ATP synergies expected to flow in from 2QFY24 onward.
- Expects ad revenues to revive in 3QFY24 on the back of the festive period.

### Detailed Highlights:

#### Performance:

- 1QFY24 started on a slower note mainly due to weak content release, but it picked up in May'23 with good performances by Kerala Story, PS-II and some Hollywood movies.
- The company reported its highest-ever weekend admission in Jun'23 thanks to Adipurush, and thereafter it is witnessing better trends on MoM basis with reduced volatility in Hindi films' performance.
- The company expects a strong recovery in 2QFY24 on the back of robust content across languages and the success of Mission Impossible, Oppenheimer and Rocky Rani Ki Prem Kahani.
- Apart from the strong outperformance in recent Hollywood releases like Barbie and Oppenheimer, Imax and premium formats across metro cities have also seen good traction.
- Convenience Fee: The company stated that the contract with BMS ended in early 1QFY24. The revised contract is based on revenue sharing (vs. minimum guarantee earlier), which led to a decline in convenience fee for the quarter.
- The company stated that the backroom channels in Hollywood are now working and could soon see some resolution on strikes. It does not expect any delay in the release pipeline.

#### Ad revenues:

- The company has seen improvement in ad revenues in 2QFY23. It expects 3QFY24 to see recovery amid the festive season.
- It stated that sectors like telecom and durables expected to come back.
- The company indicated that the weak recovery was mainly due to long-term deals, which are expected to reverse in the coming period with improved box office performance.
- Does not see any structural impact; expects recovery with improved performance in box office.

#### Capex and Debt

- The company has opened 16 screens in 2QFY24 (46 screen adds in 1HFY24). It has maintained its target of 150-175 screen adds in FY24.

- The company closed 17 screens in 1QFY24, which is in line with its strategy of closing unprofitable screens. A bulk of screens that will be shut down are old properties where there are low chances of revival.
- The company sees further headroom for growth in the premium and luxe format screens. The expected share of these screens is expected to reach 15-20% going ahead.
- The company will look to increase penetration in Southern India. Out of total new screens to be added, 40-45% screen will be added in South India. It also looks to enter new cities.
- Most of new screens are mainly on minimum guarantee and revenue share. The company is also re-negotiating terms for some existing underperforming screens with landlords.
- The QoQ increase in debt was mainly to keep more cash on the balance sheet. The company has indicated the debt levels could see some volatility on QoQ basis due to screen adds and operating profit. It will, however, look to significantly reduce debt in 2-3 years.

#### **KPIs and operating parameters:**

- **Spend Per Head (SPH):**
  - The company indicated that a lot of work has already been done toward SPH synergies.
  - In addition to this, new SKUs at improved pricing have also been added to the offerings, e.g., few Inox properties are now selling non-veg SKUs.
  - The recent price cut in food and beverages is seeing good response.
- **ATP:**
  - 3% QoQ growth in ATP was healthy as it grew despite the lack of blockbuster movies.
  - It expects 2QFY24 to make up for ATP growth.
- The trailer show initiative witnessed good reaction with 22% occupancy. It stated that 40% audience who attended these shows went on to book movies ticket for trailers they watched.
- The higher number of shows in 1QFY24 led to flat occupancy despite growth in footfalls in 1QFY24.
- The company expects operating leverage to kick in with improved footfalls, which currently are below pre-Covid levels.

#### **Others:**

- **Alternate content:**
  - PVR-Inox is in process of signing contract to screen ICC WC matches.
  - Historically, many shows were mainly booked by corporates, which helped in keeping up with occupancy.
- The company confirmed that all merger-related expenses have been done with and none of them have been recognized in 1QFY24.
- **Merger synergies:**
  - The company stated that while SPH synergies are moving in line with plans, bulk of ATP synergies are expected to flow in from 2QFY24 onward.
  - Advertising revenues have been lagging, which will see some recovery with improved performance at the box office.

- Employee cost is expected to grow in line with inflation and depreciation expenses will move in line with screen addition.
- Loyalty program:
  - The company has close to 20m members each under the loyalty program.
  - It is now looking to re-vamp its loyalty program in Sep'23 with a view to push for higher consumption.

**Exhibit 3: Consolidated quarterly performance (INR m)**

	1QFY23	4QFY23	1QFY24	YoY (%)	QoQ (%)	1QFY24E	v/s est (%)
<b>Revenue</b>	<b>15,636</b>	<b>11,431</b>	<b>13,049</b>	<b>-17</b>	<b>14</b>	<b>12,991</b>	<b>0</b>
Total operating cost	12,513	11,378	12,241	-2	8	12,012	2
<b>EBITDA</b>	<b>3,123</b>	<b>53</b>	<b>808</b>	<b>-74</b>	<b>1,425</b>	<b>979</b>	<b>-17</b>
EBITDA margin (%)	20.0	0.5	6.2	-1,378	573	7.5	134.1
Depreciation	894	1,196	1,111	24	-7	1,127	-1
<b>EBIT</b>	<b>2,229</b>	<b>-1,143</b>	<b>-303</b>	<b>-114</b>	<b>-73</b>	<b>-148</b>	<b>104</b>
Interest	415	419	464	12	11	470	-1
Other Income	260	216	195	-25	-10	171	14
<b>PBT</b>	<b>2,074</b>	<b>-1,346</b>	<b>-572</b>	<b>-128</b>	<b>-58</b>	<b>-447</b>	<b>28</b>
Share in Profit ad loss of JV	0	108	0	NM	NM	0	NM
<b>PBT</b>	<b>2,074</b>	<b>-1,454</b>	<b>-572</b>	<b>-128</b>	<b>-61</b>	<b>-447</b>	<b>28</b>
Tax	650	1,402	-131	-120	-109	-150	-13
Tax rate (%)	31.3	-96.4	22.9	-27	-124	NM	NM
<b>Reported PAT</b>	<b>1,424</b>	<b>-2,856</b>	<b>-441</b>	<b>-131</b>	<b>-85</b>	<b>-298</b>	<b>48</b>
<b>Adjusted PAT</b>	<b>1,424</b>	<b>-1,458</b>	<b>-441</b>	<b>-131</b>	<b>-70</b>	<b>-298</b>	<b>48</b>

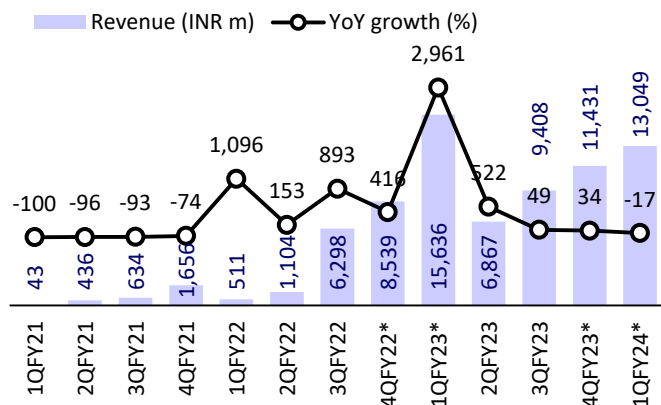
\*1QFY23 numbers restated ; Source: MOFSL, Company

**Exhibit 4: KPI snapshot**

KPI	1QFY23	4QFY23	1QFY24	QoQ (%)	YoY (%)
Screens	1550	1680	1697	1	9
Admits (Mn)	43.4	30.5	33.9	11	-22
Occupancy %	31.4	22.2	22.3	0	-29
Gross ATP (INR)	241	239	246	3	2
Gross SPH (INR)	118	119	130	9	10

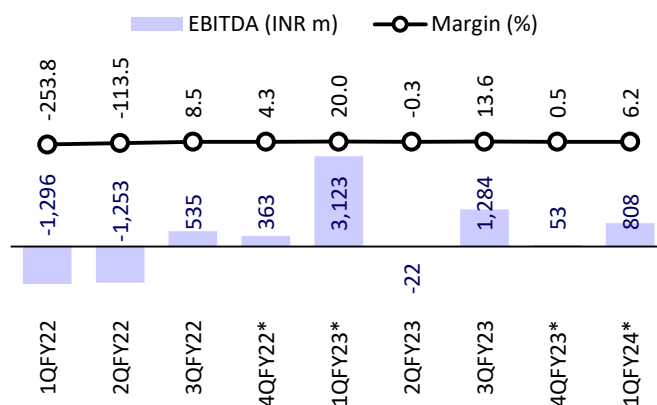
Source: MOFSL, Company

## Story in charts

**Exhibit 5: Revenue declined 17% YoY**


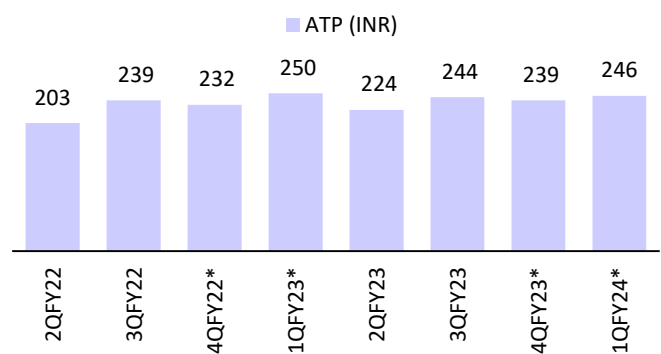
\*Merged entity revenue

Source: MOFSL, Company

**Exhibit 6: Consolidated EBITDA contracts YoY**


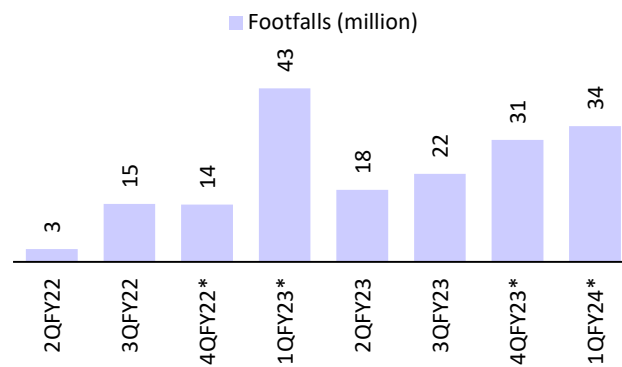
\*Merged entity EBITDA

Source: MOFSL, Company

**Exhibit 7: ATP improved to INR246**


\*Merged entity

Source: MOFSL, Company

**Exhibit 8: Footfalls declined YoY to 33.9m**


\*Merged entity; Source: MOFSL, Company

**Exhibit 9: Content Pipeline – List of big-ticket releases across languages**

Movie	Region/ Language	Date
Miss Shetty Mr Polishetty	Bollywood	04-08-2023
Jailer	Tamil	10-08-2023
Gadar 2	Bollywood	11-08-2023
OMG 2	Bollywood	11-08-2023
Bhola Shankar	Telegu	11-08-2023
Meg 2	Hollywood	04-08-2023
King of Kotha	Multiple	24-08-2023
Dream Girl 2	Bollywood	25-08-2023
Kushi	Multiple	01-09-2023
Jawan	Bollywood	07-09-2023
The Nun 2	Hollywood	08-09-2023
Salaar	Telegu	28-09-2023
The Great Indian Rescue	Bollywood	05-10-2023
The exorcist	Hollywood	13-10-2023

Source: Company



## Financials and valuations

Consolidated - Income Statement								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Net Sales</b>	<b>23,341</b>	<b>30,856</b>	<b>34,144</b>	<b>2,769</b>	<b>13,294</b>	<b>37,506</b>	<b>66,932</b>	<b>82,204</b>
Change (%)	10.1	32.2	10.7	-91.9	380.2	182.1	78.5	22.8
Total Production Expenses	6,967	9,407	9,971	1,156	4,013	11,286	20,174	24,400
% of Sales	29.8	30.5	29.2	41.8	30.2	30.1	30.1	29.7
Personnel Expenses	2,541	3,373	3,938	2,171	2,651	4,389	6,427	7,398
% of Sales	10.9	10.9	11.5	78.4	19.9	11.7	9.6	9.0
Rent	4,111	5,091	5,659	1,196	3,213	7,654	12,138	14,468
% of Sales	17.6	16.5	16.6	43.2	24.2	20.4	18.1	17.6
Administrative & Other Expenses	5,703	7,122	8,815	3,249	5,749	10,975	16,830	20,494
% of Sales	24.4	23.1	25.8	117.4	43.2	29.3	25.1	24.9
<b>Total Expenditure</b>	<b>19,323</b>	<b>24,992</b>	<b>28,383</b>	<b>7,771</b>	<b>15,625</b>	<b>34,304</b>	<b>55,569</b>	<b>66,761</b>
% of Sales	82.8	81.0	83.1	280.7	117.5	91.5	83.0	81.2
<b>EBITDA</b>	<b>4,018</b>	<b>5,863</b>	<b>5,762</b>	<b>-5,003</b>	<b>-2,331</b>	<b>3,202</b>	<b>11,363</b>	<b>15,443</b>
Margin (%)	17.2	19.0	16.9	-180.7	-17.5	8.5	17.0	18.8
Depreciation	1,537	1,913	2,324	2,383	2,642	3,029	4,507	5,411
<b>EBIT</b>	<b>2,481</b>	<b>3,951</b>	<b>3,437</b>	<b>-7,386</b>	<b>-4,973</b>	<b>173</b>	<b>6,856</b>	<b>10,033</b>
Int. and Finance Charges	837	1,280	1,521	1,490	1,542	1,589	1,881	1,791
Other Income	313	331	378	336	777	684	684	684
<b>PBT bef. EO Exp.</b>	<b>1,958</b>	<b>3,002</b>	<b>2,294</b>	<b>-8,540</b>	<b>-5,738</b>	<b>-732</b>	<b>5,659</b>	<b>8,926</b>
EO Expense/(Income)	6	0	5	0	0	108	0	0
<b>PBT after EO Exp.</b>	<b>1,952</b>	<b>3,002</b>	<b>2,288</b>	<b>-8,540</b>	<b>-5,738</b>	<b>-840</b>	<b>5,659</b>	<b>8,926</b>
Current Tax	489	1,017	627	-2,539	-1,548	1,589	1,424	2,247
Deferred Tax	216	79	0	0	0	0	0	0
Tax Rate (%)	36.1	36.5	27.4	29.7	27.0	-189.2	25.2	25.2
Less: Minority Interest	0	-68	-5	3	0	0	0	0
<b>Reported PAT</b>	<b>1,247</b>	<b>1,838</b>	<b>1,656</b>	<b>-5,998</b>	<b>-4,190</b>	<b>-2,429</b>	<b>4,235</b>	<b>6,679</b>
<b>Adj. PAT</b>	<b>1,250</b>	<b>1,838</b>	<b>1,708</b>	<b>-6,010</b>	<b>-4,190</b>	<b>-350</b>	<b>4,235</b>	<b>6,679</b>
Change (%)	27.1	47.0	-7.1	-451.9	-30.3	-91.6	-1,309.5	57.7
Margin (%)	5.4	6.0	5.0	-217.1	-31.5	-0.9	6.3	8.1

Consolidated - Balance Sheet								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	467	467	514	608	610	980	980	980
Total Reserves	10,286	14,490	14,289	17,726	13,094	72,319	76,553	83,232
<b>Net Worth</b>	<b>10,754</b>	<b>14,957</b>	<b>14,802</b>	<b>18,334</b>	<b>13,704</b>	<b>73,299</b>	<b>77,533</b>	<b>84,212</b>
Minority Interest	8	5	3	0	-3	-7	-7	-7
Deferred Liabilities (net)	-150	266	-2,049	-3,987	-5,926	-4,735	-4,735	-4,735
Total Loans	6,614	11,039	48,723	47,524	51,959	80,519	78,519	76,519
Lease Liabilities			37,715	36,512	36,907	62,593	62,593	62,593
<b>Capital Employed</b>	<b>17,226</b>	<b>26,267</b>	<b>61,479</b>	<b>61,871</b>	<b>59,734</b>	<b>1,49,076</b>	<b>1,51,310</b>	<b>1,55,989</b>
Gross Block	24,676	38,193	71,953	70,227	72,192	1,63,232	1,69,732	1,76,232
Less: Accum. Deprn.	8,856	10,769	13,093	15,476	18,118	21,147	25,654	31,064
Intangible assets- Goodwill	79	0	0	0	0	0	0	0
<b>Net Fixed Assets</b>	<b>15,899</b>	<b>27,425</b>	<b>58,860</b>	<b>54,751</b>	<b>54,074</b>	<b>1,42,086</b>	<b>1,44,079</b>	<b>1,45,168</b>
Right to use Assets			<b>30,047</b>	<b>27,554</b>	<b>26,783</b>	<b>26,783</b>	<b>26,783</b>	<b>26,783</b>
Capital WIP	1,017	2,208	1,547	2,172	645	2,473	2,473	2,473
<b>Total Investments</b>	<b>209</b>	<b>111</b>	<b>23</b>	<b>3</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>6,208</b>	<b>8,659</b>	<b>11,799</b>	<b>14,106</b>	<b>12,584</b>	<b>15,436</b>	<b>20,163</b>	<b>27,041</b>
Inventory	198	303	307	250	342	664	561	691
Account Receivables	1,556	1,839	1,893	307	707	1,825	3,667	4,504
Cash and Bank Balance	328	341	3,223	7,314	5,781	3,616	4,932	8,332
Loans and Advances	4,126	6,175	6,377	6,235	5,754	9,332	11,003	13,513
<b>Curr. Liability &amp; Prov.</b>	<b>6,107</b>	<b>12,135</b>	<b>10,750</b>	<b>9,161</b>	<b>7,573</b>	<b>10,922</b>	<b>15,407</b>	<b>18,695</b>
Account Payables	5,980	11,920	10,571	8,909	7,448	10,291	15,059	18,517
Provisions	127	215	180	252	126	631	348	178
<b>Net Current Assets</b>	<b>101</b>	<b>-3,477</b>	<b>1,049</b>	<b>4,945</b>	<b>5,011</b>	<b>4,515</b>	<b>4,756</b>	<b>8,346</b>
<b>Appl. of Funds</b>	<b>17,226</b>	<b>26,267</b>	<b>61,479</b>	<b>61,872</b>	<b>59,734</b>	<b>1,49,076</b>	<b>1,51,310</b>	<b>1,55,989</b>

E: MOFSL Estimates



## Financials and valuations

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>26.7</b>	<b>37.9</b>	<b>32.2</b>	<b>-98.7</b>	<b>-68.7</b>	<b>-24.8</b>	<b>43.2</b>	<b>68.2</b>
Cash EPS	59.6	80.2	78.5	-59.7	-25.4	27.3	89.2	123.4
BV/Share	230.1	320.0	288.3	301.7	224.7	748.2	791.4	859.6
DPS	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	9.0	6.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Valuation (x)</b>								
P/E	58.7	41.3	48.7	NM	-22.8	-63.2	36.2	23.0
Cash P/E	26.3	19.5	19.9	NM	-61.7	57.3	17.6	12.7
P/BV	6.8	4.9	5.4	5.2	7.0	2.1	2.0	1.8
EV/Sales	6.8	5.3	5.8	69.9	15.0	6.1	3.4	2.7
EV/EBITDA	39.7	28.0	34.5	NM	-69.8	52.4	14.5	10.3
Dividend Yield (%)	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Return Ratios (%)</b>								
RoE	12.2	13.8	11.1	-36.2	-26.2	-5.6	5.6	8.3
RoCE	10.4	12.5	10.7	-10.7	-10.5	4.1	6.1	8.4
RoIC	10.2	12.8	11.7	-14.3	-22.5	1.0	6.3	9.2
<b>Working Capital Ratios</b>								
Asset Turnover (x)	1.4	1.2	0.6	0.0	0.2	0.3	0.4	0.5
Inventory (Days)	3	4	3	33	9	6	3	3
Debtor (Days)	24	22	20	40	19	18	20	20
Creditor (Days)	94	141	113	1,175	204	100	82	82
Working Capital Turnover (Days)	-4	-45	-23	-312	-21	9	-1	0
<b>Leverage Ratio (x)</b>								
Current Ratio	1.0	0.7	1.1	1.5	1.7	1.4	1.3	1.4
Debt/Equity	0.6	0.7	3.3	2.6	3.8	1.1	1.0	0.9

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Net Profit / (Loss) Before Tax / EO	1,952	3,002	896	-9,388	-6,807	-2,089	5,659	8,926
Depreciation	1,537	1,913	5,425	5,748	6,144	3,010	4,507	5,411
Interest & Finance Charges	837	1,280	4,730	4,949	4,938	5,600	1,881	1,791
Direct Taxes Paid	-704	-1,097	-295	72	99	1	-1,424	-2,247
(Inc)/Dec in WC	699	4,007	-2,647	-803	434	-1,969	1,075	-190
<b>CF from Operations</b>	<b>4,320</b>	<b>9,105</b>	<b>8,108</b>	<b>578</b>	<b>4,808</b>	<b>4,553</b>	<b>11,698</b>	<b>13,691</b>
Others	-163	-331	-238	-4,705	-3,140	4,086	-684	-684
<b>CF from Operating incl EO</b>	<b>4,157</b>	<b>8,774</b>	<b>7,870</b>	<b>-4,127</b>	<b>1,668</b>	<b>8,639</b>	<b>11,014</b>	<b>13,007</b>
(inc)/dec in FA	-2,302	-14,630	-3,838	-1,166	-1,245	-6,339	-6,500	-6,500
<b>Free Cash Flow</b>	<b>1,856</b>	<b>-5,856</b>	<b>4,033</b>	<b>-5,293</b>	<b>423</b>	<b>2,300</b>	<b>4,514</b>	<b>6,507</b>
(Pur)/Sale of Investments	-190	99	0	0	0	0	0	0
Others	0	2,739	-66	-1,720	1,217	581	684	684
<b>CF from Investments</b>	<b>-2,491</b>	<b>-11,793</b>	<b>-3,903</b>	<b>-2,886</b>	<b>-28</b>	<b>-5,759</b>	<b>-5,816</b>	<b>-5,816</b>
Issue of Shares	0	0	5,041	10,931	183	305	0	0
(Inc)/Dec in Debt	-687	4,425	-674	1,768	1,553	1,260	-2,000	-2,000
Interest Paid	-837	-1,280	-1,151	-982	-1,246	-1,442	-1,881	-1,791
Dividend Paid	-113	-113	-360	0	0	0	0	0
Others	0	0	-4,965	-962	-2,658	-7,059	0	0
<b>CF from Fin. Activity</b>	<b>-1,637</b>	<b>3,033</b>	<b>-2,110</b>	<b>10,755</b>	<b>-2,168</b>	<b>-6,935</b>	<b>-3,881</b>	<b>-3,791</b>
<b>Inc/Dec of Cash</b>	<b>29</b>	<b>14</b>	<b>1,857</b>	<b>3,742</b>	<b>-528</b>	<b>-4,055</b>	<b>1,316</b>	<b>3,400</b>
Add: Beginning Balance	299	328	-74	1,783	5,524	4,996	941	2,257
<b>Closing Balance</b>	<b>328</b>	<b>341</b>	<b>1,783</b>	<b>5,524</b>	<b>4,996</b>	<b>941</b>	<b>2,257</b>	<b>5,658</b>
Other balances	0	0	1,441	1,790	785	2,675	2,675	2,675
<b>Net Closing Balance</b>	<b>328</b>	<b>341</b>	<b>3,223</b>	<b>7,314</b>	<b>5,781</b>	<b>3,616</b>	<b>4,932</b>	<b>8,332</b>

E: MOFSL Estimates

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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