

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	PVRINOX IN
Equity Shares (m)	98
M.Cap.(INRb)/(USDb)	171.2 / 2.1
52-Week Range (INR)	1925 / 1336
1, 6, 12 Rel. Per (%)	4/5/-14
12M Avg Val (INR M)	1055

## Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Sales	37.5	69.6	80.0
EBITDA	3.2	12.3	14.8
Adj. PAT	-2.4	4.9	6.2
EBITDA Margin (%)	8.5	17.7	18.5
Adj. EPS (INR)	-24.8	50.4	63.0
EPS Gr. (%)	NM	NM	25.0
BV/Sh. (INR)	748.2	798.6	861.6

## Ratios

Net D:E	1.0	0.9	0.8
RoE (%)	-5.6	6.5	7.6
RoCE (%)	4.1	6.8	7.8
Payout (%)	0.0	0.0	0.0

## Valuations

P/E (x)	NM	34.5	27.6
P/BV (x)	2.3	2.2	2.0
EV/EBITDA (x)	57.8	14.7	12.0
Div Yield (%)	0.0	0.0	0.0

## Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	27.8	27.6	17.0
DII	37.2	33.1	27.1
FII	23.3	26.8	36.4
Others	11.7	12.4	19.6

FII Includes depository receipts

**CMP: INR1,745 TP: INR1,700 (-3%) Neutral**

## Strong occupancy drives profitability

- PVR-Inox's strong revenue growth of 89% YoY/53%QoQ (5% beat) was driven by healthy occupancy of 32.3%. Footfall grew 43% QoQ, translating into healthy EBITDA margins of 21.4% (est. 19.6%). ATP/SPH improved 12%/5% QoQ to INR276/INR136.
- The healthy content pipeline in 3QFY24 could help the company sustain the current occupancy level for the near term. Increased competition from OTT platforms will be a key monitorable as business remains highly sensitive to occupancy and even a 200-300bp impact could derail screen economics. We reiterate our Neutral rating with a TP of INR1,700.

## Healthy profitability (beat) driven by improved footfalls and overall growth

- Consolidated revenue grew 89% YoY/53% QoQ to INR20b (5% beat), driven by healthy overall growth across segments.
- Ticketing revenue jumped ~2x YoY to INR11.2b, aided by 25% YoY/12% QoQ growth in ATP to INR276 and ~11.3pp growth in occupancy to 32.3% as the quarter witnessed strong responses to releases.
- F&B revenue grew 89% YoY to INR6.4b, driven by 15% SPH growth and improved footfalls.
- EBITDA (pre IND-AS116) stood at INR4.3b and margins came in at 21.4% (est. 19.6%), driven by healthy revenue growth. Sequentially, EBITDA margins improved by ~15pp.
- Depreciation/interest income grew 35%/17% YoY to INR1.2b/INR486m, while other income declined 9% YoY to INR197m.
- Resultantly, the company reported PAT of INR2.1b vs. a loss of INR784m in 2QFY23 (35% beat).

## Highlights from the management commentary

- Expects 2HFY24 to perform better but remain below Q2FY24 levels given the cluster of big ticket movies released during the quarter
- Reduced net debt by ~INR3b in 1HFY24 and expects to end FY24 with a net debt-to-EBITDA ratio of 1x
- Expects FY24 ROCE in mid-teens, which should improve going forward with stability in earnings
- Reiterates its screen addition guidance at 160 in FY24; plans to close 60 non-performing screens in FY24

## Valuation and view

- Occupancy surged in 2QFY24 as the quarter witnessed strong footfalls of 48.4m on the back of several big-ticket movie releases across genres and languages. The release pipeline remains strong.
- Key things to watch out for: Sustained occupancy, a recovery in advertising revenue, increased risk of rising scale and the traction of movie releases over OTT platforms, as highlighted in our [report](#).

- The merged entity, with a revenue scale of ~INR80b as on FY25E and expected EBITDA margins of 18.5%, is currently trading at a significant discount of ~30% vs. pre-Covid at EV/EBITDA and P/E valuation of 12x/27.6x on FY25E basis.
- We expect business momentum to remain intact in 3QFY24 on the back of a healthy release pipeline. We value PVR-Inox at 12x FY25E EV/EBITDA to arrive at a TP of INR1,700. **We reiterate our Neutral rating on the stock.**

## Quarterly Performance

Y/E March	(INR m)											
	FY23E				FY24E				FY23*	FY24E	FY24	Est. Var
	1Q*	2Q*	3Q	4Q	1Q	2Q	3Q	4Q			2QE	(%)
<b>Net Sales</b>	<b>15,636</b>	<b>10,601</b>	<b>9,408</b>	<b>11,431</b>	<b>13,049</b>	<b>19,999</b>	<b>17,955</b>	<b>18,585</b>	<b>37,506</b>	<b>69,588</b>	<b>19,103</b>	<b>5</b>
YoY Change (%)	2961.1	860.3	49.4	33.9	-16.5	88.7	90.8	62.6	182.1	85.5	178.2	
Total Expenditure	12,513	10,655	8,124	11,378	12,241	15,723	14,443	14,875	34,304	57,282	15,360	2
<b>EBITDA</b>	<b>3,123</b>	<b>-54</b>	<b>1,284</b>	<b>53</b>	<b>808</b>	<b>4,276</b>	<b>3,512</b>	<b>3,711</b>	<b>3,202</b>	<b>12,306</b>	<b>3,743</b>	<b>14</b>
YoY Change (%)	-340.9	-95.7	140.0	-85.4	-74.1	-8,018.5	173.5	6,901.0	-237.4	284.3	-17,113.2	
Depreciation	894	906	619	1,196	1,111	1,220	1,127	1,049	3,029	4,507	1,127	8
Interest	415	417	389	419	464	486	470	461	1,589	1,881	470	3
Other Income	260	217	128	216	195	197	171	121	684	684	171	15
<b>PBT before EO expense</b>	<b>2,074</b>	<b>-1,160</b>	<b>404</b>	<b>-1,346</b>	<b>-572</b>	<b>2,767</b>	<b>2,086</b>	<b>2,321</b>	<b>-732</b>	<b>6,602</b>	<b>2,317</b>	<b>19</b>
Extra-Ord expense	0	0	0	108	0	0	0	0	108	0	0	
<b>PBT</b>	<b>2,074</b>	<b>-1,160</b>	<b>404</b>	<b>-1,454</b>	<b>-572</b>	<b>2,767</b>	<b>2,086</b>	<b>2,321</b>	<b>-840</b>	<b>6,602</b>	<b>2,317</b>	<b>19</b>
Tax	650	-376	152	1,402	-131	693	699	401	1589.0	1661.7	776	-11
Rate (%)	31.3	32.4	37.6	-96.4	22.9	25.0	33.5	17.3	-189.2	25.2	33.5	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>1,424</b>	<b>-784</b>	<b>252</b>	<b>-2,856</b>	<b>-441</b>	<b>2,074</b>	<b>1,387</b>	<b>1,920</b>	<b>-2,429</b>	<b>4,940</b>	<b>1,541</b>	<b>35</b>
<b>Adj PAT</b>	<b>1,424</b>	<b>-784</b>	<b>252</b>	<b>2,074</b>	<b>-441</b>	<b>2,074</b>	<b>1,387</b>	<b>1,920</b>	<b>-566</b>	<b>4,940</b>	<b>1,541</b>	<b>35</b>
YoY Change (%)	-200.3	-50.9	-214.4	-1,286.7	-131.0	-364.5	450.4	-7.4	-86.5	-972.7	-371.3	

\*Restated for merged entity E: MOFSL Estimates

## Other highlights

### Screen opening and KPIs:

- The company added 11 net new screens in 2QFY24, taking its total screen count to 1,708. In 1HFY24, it added 35 net screens with gross adds of 68 screens and closed 33 screens. Going ahead, it plans to close another 27 screens by the end of FY24.
- Occupancy at 32.3% improved significantly, driven by healthy responses to Bollywood and other releases. ATP/SPH improved 12%/5% QoQ to INR276/INR136.

### Balance Sheet and cash flow:

- Operating cash flows for 1HFY24 stood at INR7.7b, which comprised EBITDA of INR5b, other income of INR392m and WC release of INR2.2b (INR1.5b online ticket aggregators and capex for creditors).
- The fund was utilised for capex in 1HFY24 (INR3.7b) and net debt reduction of INR3.3b (to INR11b) as on Sep'23.

### Exhibit 1: Valuation summary

Particulars	Valuation
EBITDA FY25E (INR b)	14.8
Multiple	12
EV (INR b)	181
Net debt (INR b)	14
Target market cap (INR b)	167
No. of shares	0.1
<b>Target Price</b>	<b>1,700</b>
<b>CMP</b>	<b>1,745</b>
Upside	-3%

Source: MOFSL, Company

### Exhibit 2: Valuation summary

	FY24E	FY25E
<b>Ticket revenue (INR m)</b>		
Old	37,924	45,278
Actual/New	37,708	43,871
Change (%)	-0.6	-3.1
<b>F&amp;B revenue (INR m)</b>		
Old	23,418	27,966
Actual/New	23,210	27,207
Change (%)	-0.9	-2.7
<b>Ad revenue (INR m)</b>		
Old	4,368	5,148
Actual/New	4,403	5,153
Change (%)	0.8	0.1
<b>Total revenue (INR m)</b>		
Old	69,740	82,204
Actual/New	69,588	80,042
Change (%)	-0.2	-2.6
<b>EBITDA (INR m)</b>		
Old	12,081	15,770
Actual/New	12,306	14,771
Change (%)	1.9	-6.3
<b>EBITDA margin (%)</b>		
Old	17.3	19.2
Actual/New	17.7	18.5
Change (bp)	36	-73
<b>PAT (INR m)</b>		
Old	4,772	6,923
Actual/New	4,940	6,176
Change (%)	3.5	-10.8

Source: MOFSL, Company



## Takeaways from the management interaction

### Key Highlights:

- Expects 2HFY24 to perform better but remain below Q2FY24 levels given the cluster of big-ticket movies released during the quarter
- Reduced net debt by ~INR3b in 1HFY24 and expects to end FY24 with a net debt-to-EBIDA ratio of 1x
- Expects ROCE in mid-teens in FY24, which should improve going forward with stability in earnings
- Reiterates its screen addition guidance of 160 in FY24; plans to close 60 non-performing screens in FY24

## Detailed Highlights

### Performance:

- The company recorded the highest-ever admits, ATP and SPH in 2QFY24.
- The historic performance of Jawaan (INR7.5b) and Gadar-2 (INR6.5b), along with Hollywood and regional content supported revenue growth in 2Q.
- Volatility in Bollywood movies has settled and the company is confident about the content line-up in the coming period across segments and languages.

### Advertising revenues:

- Advertising expenses are expected surpass pre-Covid levels by FY25 on an absolute basis, while they may remain below pre-Covid levels on per screen basis.
- Advertising revenue surged in 2QFY24, backed by the release of big-ticket movies. The company expects a positive recovery in advertising revenues in 2HFY24 with improved traction.
- Advertisement revenue synergies have not picked up and may not see significant growth in FY24.

### KPI:

- ATP for 2QFY24 was on the higher front given the higher number of big-ticket releases. The company stated that this could moderate in 2HFY24.
- ATP growth for the merged entity has been a mix of regular increases in pricing and synergy mix benefits.
- Under F&B, both the companies have incorporated an improved menu, along with the synergy benefits, which will drive SPH.

### Expenses and promotion

- Rental costs increased mainly due to the addition of new screens, the impact of annual inflation and revenue share agreements with landlords in certain properties.
- Growth in personnel expenses was mainly driven by screen additions taken and additional footfalls.
- INR99 promotion was undertaken to correct the high price conception and drive higher conversion, which received a good response. The company will look to continue this for a longer period of time.
- The monthly subscription plan of INR699 is largely seen as advance by the company, wherein the ticket will be issued when the patron enters the hall.
- The passport program was not included in the southern market as the consumption pattern in the southern market is already high.

**Debt and capex:**

- The company added 68 new screens in 1HFY24 and exited 33 screens. It has planned to exit 60 screens by end of FY24.
- The company currently has a healthy pipeline of screen additions and has reiterated screen additions of 160 in FY24.
- The company in 1HFY24 reduced net debt by INR3.2b and further expects to end FY24 with positive FCF.
- It expects the expansion to be funded from internal accruals without putting pressure on debt profile.
- The company expects to attain a net debt-to-EBITDA of 1x by FY24, which could improve going ahead.
- The average cost of debt stands at 9% and will move in line with market rates.

**Other Highlights:**

- An exclusive window for Hindi movies is currently at 8 weeks and varies across other segments – TN and select regions at 4-6 weeks. It will look to standardize the window and take it to minimum 8 weeks across segments.
- The content line-up remains robust; hence, the company expects 3Q and 4Q to do well. However, it does not expect Q2 numbers to be repeated given the cluster of big-ticket movies released in 2QFY24.
- Expects ROCE in mid-teens in FY24, which should improvement moving forward with stability in earnings.
- Given the strong brand recall for both Inox and PVR, the company will continue to run both the brands individually, while the corporate will operate as a merged entity.

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

	2QFY23*	1QFY24	2QFY24	YoY (%)	QoQ (%)	2QFY24E	v/s est (%)
<b>Revenue</b>	<b>10,601</b>	<b>13,049</b>	<b>19,999</b>	<b>89</b>	<b>53</b>	<b>19,103</b>	<b>5</b>
Total operating cost	10,655	12,241	15,723	48	28	15,360	2
<b>EBITDA</b>	<b>-54</b>	<b>808</b>	<b>4,276</b>	<b>-8,019</b>	<b>429</b>	<b>3,743</b>	<b>14</b>
EBITDA margin (%)	-0.5	6.2	21.4	2,189	1,519	19.6	-178.8
Depreciation	906	1,111	1,220	35	10	1,127	8
<b>EBIT</b>	<b>-960</b>	<b>-303</b>	<b>3,056</b>	<b>-418</b>	<b>-1,109</b>	<b>2,616</b>	<b>17</b>
Interest	417	464	486	17	5	470	3
Other Income	217	195	197	-9	1	171	15
<b>PBT</b>	<b>-1,160</b>	<b>-572</b>	<b>2,767</b>	<b>-339</b>	<b>-584</b>	<b>2,317</b>	<b>19</b>
Share in Profit ad loss of JV	0	0	0	NM	NM	0	NM
<b>PBT</b>	<b>-1,160</b>	<b>-572</b>	<b>2,767</b>	<b>-339</b>	<b>-584</b>	<b>2,317</b>	<b>19</b>
Tax	-376	-131	693	-284	-629	776	-11
Tax rate (%)	32.4	22.9	25.0	-23	9	NM	NM
<b>Reported PAT</b>	<b>-784</b>	<b>-441</b>	<b>2,074</b>	<b>-365</b>	<b>-570</b>	<b>1,541</b>	<b>35</b>
<b>Adjusted PAT</b>	<b>-784</b>	<b>-441</b>	<b>2,074</b>	<b>-365</b>	<b>-570</b>	<b>1,541</b>	<b>35</b>

\*2QFY23 numbers restated ; Source: MOFSL, Company

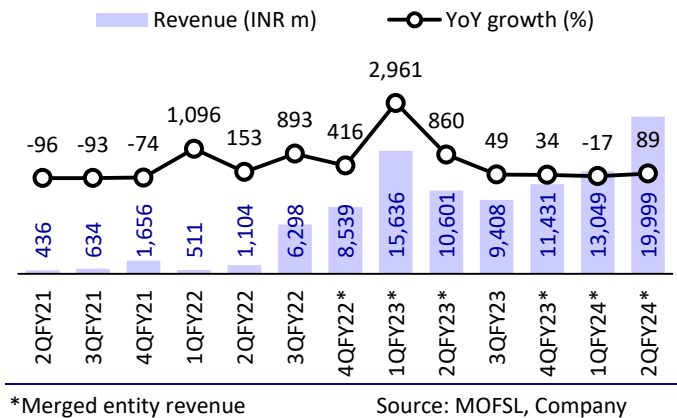
**Exhibit 4: KPI snapshot**

KPI	2QFY23	1QFY24	2QFY24	YoY (%)	QoQ (%)
Screens	854	1,697	1,708	100.0	0.6
Admits ('000)	25,000	33,900	48,400	93.6	42.8
Occupancy (%)	33.1%	22.4%	32.3%	-2.4	44.0
ATP (INR)	250	246	276	10.4	12.2
SPH (INR)	134	130	136	1.5	4.6

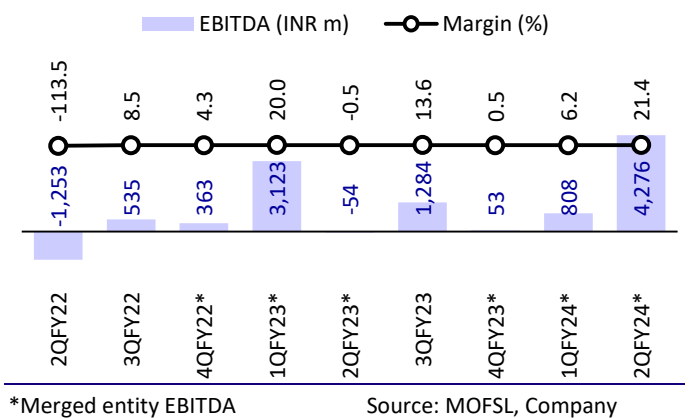
Source: MOFSL, Company

## Story in charts

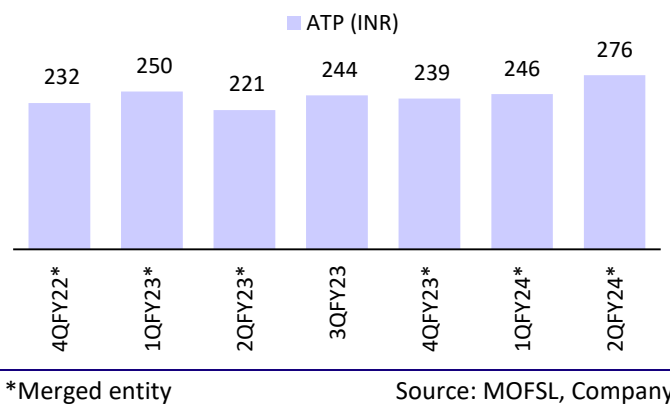
**Exhibit 5: Revenue grew 89% YoY**



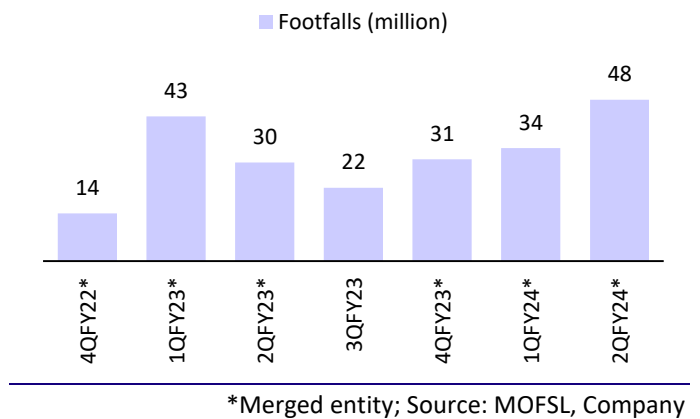
**Exhibit 6: EBITDA margins surged to 21.4%**



**Exhibit 7: ATP improved to INR276**



**Exhibit 8: Footfalls at 48m saw steep rise**



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

Movie	Region/ Language	Date
Leo	Tamil/Telegu/Hindi	19-10-2023
Ganpath	Bollywood	20-10-2023
Tejas	Bollywood	27-10-2023
Killer of the flower Moon	Hollywood	27-10-2023
Taylor Swift - The Eras Tour	Hollywood	03-11-2023
The Marvels	Hollywood	10-11-2023
Tiger 3	Bollywood	12-11-2023
Napoleon	Hollywood	24-11-2023
Ankh Micholi	Bollywood	27-11-2023
Animal	Bollywood	01-12-2023
Sam Bahadur	Bollywood	01-12-2023
Wonka	Hollywood	08-12-2023
Yodha	Bollywood	08-12-2023
Merry Christmas	Bollywood	08-12-2023
Aquaman	Hollywood	21-12-2023
Dunki	Bollywood	22-12-2023
Salaar	Telegu/Hindi/Kannada	22-12-2023
The Diplomat	Bollywood	11-01-2024
Arnamanai 4	Tamil	13-01-2024
Fighter	Bollywood	25-01-2024

Source: Company

## Financials and valuations

Consolidated - Income Statement								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Net Sales</b>	<b>30,856</b>	<b>34,144</b>	<b>2,769</b>	<b>13,294</b>	<b>37,506</b>	<b>69,588</b>	<b>80,042</b>	<b>92,253</b>
Change (%)	32.2	10.7	-91.9	380.2	182.1	85.5	15.0	15.3
Total Production Expenses	9,407	9,971	1,156	4,013	11,286	21,357	23,399	26,651
% of Sales	30.5	29.2	41.8	30.2	30.1	30.7	29.2	28.9
Personnel Expenses	3,373	3,938	2,171	2,651	4,389	6,709	7,604	8,764
% of Sales	10.9	11.5	78.4	19.9	11.7	9.6	9.5	9.5
Rent	5,091	5,659	1,196	3,213	7,654	12,235	14,087	16,144
% of Sales	16.5	16.6	43.2	24.2	20.4	17.6	17.6	17.5
Administrative & Other Expenses	7,122	8,815	3,249	5,749	10,975	16,981	20,181	21,855
% of Sales	23.1	25.8	117.4	43.2	29.3	24.4	25.2	23.7
<b>Total Expenditure</b>	<b>24,992</b>	<b>28,383</b>	<b>7,771</b>	<b>15,625</b>	<b>34,304</b>	<b>57,282</b>	<b>65,271</b>	<b>73,415</b>
% of Sales	81.0	83.1	280.7	117.5	91.5	82.3	81.5	79.6
<b>EBITDA</b>	<b>5,863</b>	<b>5,762</b>	<b>-5,003</b>	<b>-2,331</b>	<b>3,202</b>	<b>12,306</b>	<b>14,771</b>	<b>18,838</b>
Margin (%)	19.0	16.9	-180.7	-17.5	8.5	17.7	18.5	20.4
Depreciation	1,913	2,324	2,383	2,642	3,029	4,507	5,411	5,671
<b>EBIT</b>	<b>3,951</b>	<b>3,437</b>	<b>-7,386</b>	<b>-4,973</b>	<b>173</b>	<b>7,799</b>	<b>9,360</b>	<b>13,168</b>
Int. and Finance Charges	1,280	1,521	1,490	1,542	1,589	1,881	1,791	1,701
Other Income	331	378	336	777	684	684	684	684
<b>PBT bef. EO Exp.</b>	<b>3,002</b>	<b>2,294</b>	<b>-8,540</b>	<b>-5,738</b>	<b>-732</b>	<b>6,602</b>	<b>8,253</b>	<b>12,150</b>
EO Expense/(Income)	0	5	0	0	108	0	0	0
<b>PBT after EO Exp.</b>	<b>3,002</b>	<b>2,288</b>	<b>-8,540</b>	<b>-5,738</b>	<b>-840</b>	<b>6,602</b>	<b>8,253</b>	<b>12,150</b>
Current Tax	1,017	627	-2,539	-1,548	1,589	1,662	2,077	3,058
Deferred Tax	79	0	0	0	0	0	0	0
Tax Rate (%)	36.5	27.4	29.7	27.0	-189.2	25.2	25.2	25.2
Less: Minority Interest	-68	-5	3	0	0	0	0	0
<b>Reported PAT</b>	<b>1,838</b>	<b>1,656</b>	<b>-5,998</b>	<b>-4,190</b>	<b>-2,429</b>	<b>4,940</b>	<b>6,176</b>	<b>9,092</b>
<b>Adj. PAT</b>	<b>1,838</b>	<b>1,708</b>	<b>-6,010</b>	<b>-4,190</b>	<b>-566</b>	<b>4,940</b>	<b>6,176</b>	<b>9,092</b>
Change (%)	47.0	-7.1	-451.9	-30.3	-86.5	-972.7	25.0	47.2
Margin (%)	6.0	5.0	-217.1	-31.5	-1.5	7.1	7.7	9.9
<b>Net Profit</b>	<b>1,770</b>	<b>1,652</b>	<b>-5,994</b>	<b>-4,190</b>	<b>-2,429</b>	<b>4,940</b>	<b>6,176</b>	<b>9,092</b>

Consolidated - Balance Sheet								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	467	514	608	610	980	980	980	980
Total Reserves	14,490	14,289	17,726	13,094	72,319	77,259	83,435	92,527
<b>Net Worth</b>	<b>14,957</b>	<b>14,802</b>	<b>18,334</b>	<b>13,704</b>	<b>73,299</b>	<b>78,239</b>	<b>84,415</b>	<b>93,507</b>
Minority Interest	5	3	0	-3	-7	-7	-7	-7
Deferred Liabilities (net)	266	-2,049	-3,987	-5,926	-4,735	-4,735	-4,735	-4,735
Total Loans	11,039	48,723	47,524	51,959	80,519	78,519	76,519	74,519
Lease Liabilities		37,715	36,512	36,907	62,593	62,593	62,593	62,593
<b>Capital Employed</b>	<b>26,267</b>	<b>61,479</b>	<b>61,871</b>	<b>59,734</b>	<b>1,49,076</b>	<b>1,52,016</b>	<b>1,56,192</b>	<b>1,63,284</b>
Gross Block	38,193	71,953	70,227	72,192	1,63,232	1,69,732	1,76,232	1,82,732
Less: Accum. Deprn.	10,769	13,093	15,476	18,118	21,147	25,654	31,064	36,735
<b>Net Fixed Assets</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>	<b>1,45,997</b>
Right to use Assets		<b>30,047</b>	<b>27,554</b>	<b>26,783</b>	<b>53,746</b>	<b>53,746</b>	<b>53,746</b>	<b>53,746</b>
Capital WIP	2,208	1,547	2,172	645	2,473	2,473	2,473	2,473
<b>Total Investments</b>	<b>111</b>	<b>23</b>	<b>3</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>8,659</b>	<b>11,799</b>	<b>14,106</b>	<b>12,584</b>	<b>15,436</b>	<b>21,284</b>	<b>26,089</b>	<b>35,000</b>
Inventory	303	307	250	342	664	566	613	706
Account Receivables	1,839	1,893	307	707	1,825	3,813	4,386	5,055
Cash and Bank Balance	341	3,223	7,314	5,781	3,616	5,466	7,932	14,074
Loans and Advances	6,175	6,377	6,235	5,754	9,332	11,439	13,158	15,165
<b>Curr. Liability &amp; Prov.</b>	<b>12,135</b>	<b>10,750</b>	<b>9,161</b>	<b>7,573</b>	<b>10,922</b>	<b>15,822</b>	<b>17,540</b>	<b>20,189</b>
Account Payables	11,920	10,571	8,909	7,448	10,291	15,460	17,363	20,011
Provisions	215	180	252	126	631	362	178	178
<b>Net Current Assets</b>	<b>-3,477</b>	<b>1,049</b>	<b>4,945</b>	<b>5,011</b>	<b>4,515</b>	<b>5,462</b>	<b>8,548</b>	<b>14,811</b>
<b>Appl. of Funds</b>	<b>26,267</b>	<b>61,479</b>	<b>61,872</b>	<b>59,734</b>	<b>1,49,076</b>	<b>1,52,016</b>	<b>1,56,192</b>	<b>1,63,284</b>

E: MOFSL Estimates;

## Financials and valuations

Ratios								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Basic (INR)								
EPS	37.9	32.2	-98.7	-68.7	-24.8	50.4	63.0	92.8
Cash EPS	80.2	78.5	-59.7	-25.4	25.1	96.4	118.3	150.7
BV/Share	320.0	288.3	301.7	224.7	748.2	798.6	861.6	954.4
DPS	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	6.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)								
P/E	46.0	54.2	NM	-25.4	-70.3	34.5	27.6	18.8
Cash P/E	21.7	22.2	NM	-68.6	69.3	18.1	14.7	11.6
P/BV	5.4	6.0	5.8	7.8	2.3	2.2	2.0	1.8
EV/Sales	5.9	6.3	76.2	16.3	6.6	3.5	3.0	2.5
EV/EBITDA	30.9	37.5	NM	-77.2	57.8	14.7	12.0	8.9
Dividend Yield (%)	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return Ratios (%)								
RoE	13.8	11.1	-36.2	-26.2	-5.6	6.5	7.6	10.2
RoCE	12.5	10.7	-10.7	-10.5	4.1	6.8	7.8	10.2
RoIC	12.8	11.7	-14.3	-22.5	1.0	7.2	8.5	11.8
Working Capital Ratios								
Asset Turnover (x)	1.2	0.6	0.0	0.2	0.3	0.5	0.5	0.6
Inventory (Days)	4	3	33	9	6	3	3	3
Debtor (Days)	22	20	40	19	18	20	20	20
Creditor (Days)	141	113	1,175	204	100	81	79	79
Working Capital Turnover (Days)	-45	-23	-312	-21	9	0	3	3
Leverage Ratio (x)								
Current Ratio	0.7	1.1	1.5	1.7	1.4	1.3	1.5	1.7
Debt/Equity	0.7	3.3	2.6	3.8	1.1	1.0	0.9	0.8

Consolidated - Cash Flow Statement								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Net Profit / (Loss) Before Tax / EO	3,002	896	-9,388	-6,807	-2,089	6,602	8,253	12,150
Depreciation	1,913	5,425	5,748	6,144	3,010	4,507	5,411	5,671
Interest & Finance Charges	1,280	4,730	4,949	4,938	5,600	1,881	1,791	1,701
Direct Taxes Paid	-1,097	-295	72	99	1	-1,662	-2,077	-3,058
(Inc)/Dec in WC	4,007	-2,647	-803	434	-1,969	903	-620	-121
<b>CF from Operations</b>	<b>9,105</b>	<b>8,108</b>	<b>578</b>	<b>4,808</b>	<b>4,553</b>	<b>12,231</b>	<b>12,757</b>	<b>16,343</b>
Others	-331	-238	-4,705	-3,140	4,086	-684	-684	-684
<b>CF from Operating incl EO</b>	<b>8,774</b>	<b>7,870</b>	<b>-4,127</b>	<b>1,668</b>	<b>8,639</b>	<b>11,547</b>	<b>12,073</b>	<b>15,659</b>
(inc)/dec in FA	-14,630	-3,838	-1,166	-1,245	-6,339	-6,500	-6,500	-6,500
<b>Free Cash Flow</b>	<b>-5,856</b>	<b>4,033</b>	<b>-5,293</b>	<b>423</b>	<b>2,300</b>	<b>5,047</b>	<b>5,573</b>	<b>9,159</b>
(Pur)/Sale of Investments	99	0	0	0	0	0	0	0
Others	2,739	-66	-1,720	1,217	581	684	684	684
<b>CF from Investments</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>	<b>-5,816</b>
Issue of Shares	0	5,041	10,931	183	305	0	0	0
(Inc)/Dec in Debt	4,425	-674	1,768	1,553	1,260	-2,000	-2,000	-2,000
Interest Paid	-1,280	-1,151	-982	-1,246	-1,442	-1,881	-1,791	-1,701
Dividend Paid	-113	-360	0	0	0	0	0	0
Others	0	-4,965	-962	-2,658	-7,059	0	0	0
<b>CF from Fin. Activity</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>-3,701</b>
<b>Inc/Dec of Cash</b>	<b>14</b>	<b>1,857</b>	<b>3,742</b>	<b>-528</b>	<b>-4,055</b>	<b>1,850</b>	<b>2,466</b>	<b>6,142</b>
Add: Beginning Balance	328	-74	1,783	5,524	4,996	941	2,791	5,257
<b>Closing Balance</b>	<b>341</b>	<b>1,783</b>	<b>5,524</b>	<b>4,996</b>	<b>941</b>	<b>2,791</b>	<b>5,257</b>	<b>11,399</b>
Other balances		1,441	1,790	785	2,675	2,675	2,675	2,675
<b>Net Closing Balance</b>	<b>341</b>	<b>3,223</b>	<b>7,314</b>	<b>5,781</b>	<b>3,616</b>	<b>5,466</b>	<b>7,932</b>	<b>14,074</b>

E: MOFSL Estimates

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Explanation of Investment Rating	
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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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