PVR INOX | ADD

Announces buyback

PVR INOX has approved a tender-offer buyback of up to 2.07mn fully paid-up equity shares at INR 1,450/share for an aggregate consideration not exceeding INR 3,000mn. The maximum shares represent 2.11% of outstanding equity, while the buyback size represents 4.09%/4.07% of standalone/consolidated paid-up capital and free reserves at end-Mar'26. The offer price implies a 20% premium to the Aug 31 closing price. Promoters and promoter group members intend to participate, and Sep 4, 2026 is the record date. The Board/Buyback Committee may raise the price one working day before the record date and correspondingly reduce the number of shares without changing the aggregate size. The announcement follows PVR INOX reaching net cash of INR 807mn at end-Jun'26 versus net debt of INR 1,619mn at end-Mar'26. Management had indicated that investments towards growth would remain a priority while capital-return options were being evaluated. FY27 capex guidance was reduced to INR 3.5bn amid stronger asset-light and FOCO traction. The announcement is a notable capital-return milestone. We raise our target EV/EBITDA (pre-IndAS) multiple to 9x from 8x given the healthy content pipeline and revise TP to INR 1,270 (from INR 1,130). Maintain ADD.

- **Buyback announcement**: i) The board approved the purchase of up to 2,068,965 fully paid-up equity shares with a face value of INR 10 each. ii) The fixed price is INR 1,450/share, payable in cash, for a maximum consideration of INR 3,000mn. iii) The shares proposed to be repurchased represent 2.11% of existing paid-up equity capital. iv) Sep 4, 2026 is the record date for determining eligible shareholders.

- **Buyback terms: i**) The INR 3,000mn size represents 4.09%/4.07% of standalone/consolidated paid-up capital and free reserves at end-Mar'26. ii) The INR 1,450/share price is around 20% above the Aug 31 closing price. iii) Promoters and promoter group members, holding 27.53% as of Aug 28, intend to participate. iv) The Board/Buyback Committee may increase the price one working day before the record date and reduce the number of shares, with no change in aggregate size. v) Brokerage, filing fees, taxes, advisory fees, publication expenses and other transaction-related costs are excluded from the approved buyback size.

- **Tender offer process:** i) The buyback will use the proportionate stock-exchange mechanism. ii) Eligible shareholders on Sep 4 may tender at INR 1,450/share, subject to entitlement and acceptance. iii) Promoters may participate. iv) Final ratios and timelines will follow in the public announcement and letter of offer.

- **Balance sheet and capital allocation**: i) PVR INOX ended Jun'26 with net cash of INR 807mn, compared with net debt of INR 1,619mn at end-Mar'26. ii) Management had stated that investments towards growth would remain the priority while capital return, including a potential buyback, remained under evaluation. iii) FY27 capex guidance was reduced to INR 3.5bn from INR 4bn as asset-light and FOCO traction strengthened. iv) Management retained guidance for 90–100 gross screen additions, implying 80 net additions, with openings weighted towards Q2FY27/Q3FY27. v) The approved buyback follows the company's balance-sheet improvement and capital-allocation commentary while preserving its focus on screen expansion.

- **JMF view:** The buyback signals balance-sheet confidence; maintain ADD with revised target price of INR 1,270 (from INR 1,130 earlier).

Recommendation and Price Target	
Current Reco.	ADD
Previous Reco.	ADD
Current Price Target (12M)	INR1,270
Upside/(Downside)	5.1%
Previous Price Target	INR1,130
Change	12.4%

Key Data – PVRINOX IN	
Current Market Price	INR1,208
Market cap (bn)	INR118.6/US$1.2
Free Float (%)	72.4
Shares in issue (mn)	98.2
Diluted share (mn)	97.0
3-mon avg daily val (mn)	INR426.9/US$4.5
52-week range	INR1,285/900
Sensex/Nifty	76,957/24,080
INR/US$	95.2

Price Performance

%	1M	6M	12M
Absolute	6.8	18.1	7.8
Relative*	8.4	24.8	12.6

*To the NSE Nifty 50

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Financial Summary (INR mn)

Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Sales	57,799	66,462	75,157	81,846	89,195
Sales Growth (%)	-5.4	15.0	13.1	8.9	9.0
EBITDA (pre-IndAS)	3,756	8,698	12,692	13,951	15,740
EBITDA Margin (%)	6.5	13.1	16.9	17.0	17.6
Adjusted Net Profit	-2,793	2,273	4,667	6,594	9,015
Diluted EPS (INR)	-28.7	23.3	47.9	67.7	92.5
Diluted EPS Growth (%)	-	-	105.3	41.3	36.7
ROIC (%)	2.4	8.7	13.3	17.6	19.9
ROE (%)	-3.9	3.2	6.1	8.1	10.1
P/E (x)	-	35.0	25.2	17.8	13.1
P/B (x)	1.7	1.6	1.5	1.4	1.3
EV/EBITDA (x)	8.3	5.7	4.3	3.6	3.0
Dividend Yield (x)	-	-	-	-	-

Source: Company data, JM Financial. Note: Valuations as of August 31, 2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

PVRINOX - Financial Tables (Consolidated)

Income Statement (INR mn)

Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Sales	57,799	66,462	75,157	81,846	89,195
Sales Growth (%)	-5.4	15.0	13.1	8.9	9.0
Other Operating Income	-	-	-	-	-
Total Revenue	**57,799**	**66,462**	**75,157**	**81,846**	**89,195**
Cost of Goods Sold/Op. Exp	16,454	19,297	22,193	24,050	26,155
Personnel Cost	6,860	7,063	7,433	8,027	8,569
Other Expenses	19,069	19,152	19,796	21,413	23,329
EBITDA	**15,416**	**20,950**	**25,735**	**28,356**	**31,141**
EBITDA Margin (%)	26.7	31.5	34.2	34.6	34.9
EBITDA Growth (%)	-14.8	35.9	22.8	10.2	9.8
Depn. & Amort.	12,798	12,692	12,781	11,950	12,889
EBIT	2,618	8,258	12,954	16,407	18,253
Other Income	-	-	-	-	-
Finance Cost	8,095	7,328	8,034	9,209	9,379
PBT before Excep. & Forex	-3,740	2,764	6,191	8,748	11,959
Excep. & Forex Inc./Loss(-)	-	-	-	-	-
PBT	-3,740	2,764	6,191	8,748	11,959
Taxes	-934	508	1,548	2,187	2,990
Extraordinary Inc./Loss(-)	-	1,084	-	-	-
Assoc. Profit/Min. Int.(-)	-13	-17	-24	-33	-46
Reported Net Profit	-2,793	3,357	4,667	6,594	9,015
Adjusted Net Profit	**-2,793**	**2,273**	**4,667**	**6,594**	**9,015**
Net Margin (%)	-4.8	3.4	6.2	8.1	10.1
Diluted Share Cap. (mn)	97	97	97	97	97
Diluted EPS (INR)	**-28.7**	**23.3**	**47.9**	**67.7**	**92.5**
Diluted EPS Growth (%)	-	-	105.3	41.3	36.7
Total Dividend + Tax	-	-	-	-	-
Dividend Per Share (INR)	-	-	-	-	-

Source: Company, JM Financial

Balance Sheet (INR mn)

Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Shareholders Fund	70,534	73,787	78,454	85,048	94,063
Share Capital	982	982	982	982	982
Reserves & Surplus	69,533	72,805	77,472	84,066	93,081
Preference Share Capital	-	-	-	-	-
Minority Interest	19	-	-	-	-
Total Loans	14,908	7,586	7,586	7,586	7,586
Def. Tax Liab. / Assets (-)	-6,035	-5,532	-5,532	-5,532	-5,532
Other non-current liabilities / Lease Liabilities	64,249	61,447	64,291	66,543	68,753
Total - Equity & Liab.	**143,656**	**137,288**	**144,799**	**153,645**	**164,870**
Net Fixed Assets	90,096	87,716	82,322	82,417	82,354
Gross Fixed Assets	30,307	28,732	23,113	23,157	23,040
Intangible Assets	58,832	58,669	58,669	58,669	58,669
Less: Depn. & Amort.	-	-	-	-	-
Capital WIP	957	315	540	591	645
Investments	12	24	24	24	24
Current Assets	16,699	16,870	28,601	37,092	48,202
Inventories	802	732	732	732	732
Sundry Debtors	2,430	2,672	3,089	3,364	3,666
Cash & Bank Balances	5,225	5,883	15,619	23,166	33,239
Loans & Advances	15	10	10	10	10
Other Current Assets	8,227	7,573	9,152	9,821	10,555
Current Liab. & Prov.	12,921	13,303	14,881	16,136	17,515
Current Liabilities	13,412	11,696	13,360	14,415	15,573
Provisions & Others	-491	1,607	1,521	1,721	1,942
Net Current Assets	-2,111	-2,181	6,950	13,717	22,933
Other Non Current Assets/ROU Assets	55,812	52,077	55,851	57,835	59,906
Total - Assets	**143,797**	**137,636**	**145,147**	**153,993**	**165,218**

Source: Company, JM Financial

Cash Flow Statement (INR mn)

Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Profit before Tax	-3,740	2,764	6,191	8,748	11,959
Depn. & Amort.	12,798	12,704	12,781	11,950	12,889
Net Interest Exp. / Inc. (-)	7,657	6,804	6,763	7,659	6,294
Inc (-) / Dec in WCap.	3,398	238	1,058	312	342
Others	-885	-915	24	33	46
Taxes Paid	440	-1	-1,548	-2,187	-2,990
Operating Cash Flow	**19,668**	**21,594**	**25,269**	**26,514**	**28,540**
Capex	-3,335	-2,587	1,336	-1,651	-1,708
Free Cash Flow	16,333	19,007	26,606	24,863	26,832
Inc (-) / Dec in Investments	309	2,425	-	-	-
Others	-	-	-1,023	-468	-514
Investing Cash Flow	**-3,026**	**-162**	**313**	**-2,119**	**-2,222**
Inc / Dec (-) in Capital	32	-	-	-	-
Dividend + Tax thereon	-	-	-	-	-
Inc / Dec (-) in Loans	-2,281	-7,320	-	-	-
Others	-13,098	-13,303	-15,847	-16,848	-16,245
Financing Cash Flow	**-15,347**	**-20,623**	**-15,847**	**-16,848**	**-16,245**
Inc / Dec (-) in Cash	**1,295**	**809**	**9,736**	**7,547**	**10,073**
Opening Cash Balance	3,930	5,071	5,883	15,619	23,166
Closing Cash Balance	5,225	5,880	15,619	23,166	33,239

Source: Company, JM Financial

DuPont Analysis

Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Margin (%)	-4.8	3.4	6.2	8.1	10.1
Asset Turnover (x)	0.4	0.5	0.5	0.5	0.5
Leverage Factor (x)	2.1	2.0	1.9	1.9	1.8
RoE (%)	-3.9	3.2	6.1	8.1	10.1

Source: Company, JM Financial

Key Ratios

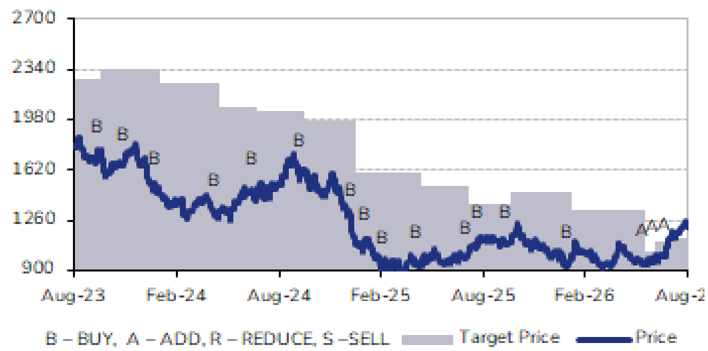
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
BV/Share (INR)	723.8	757.4	805.3	873.0	965.6
ROIC (%)	2.4	8.7	13.3	17.6	19.9
ROE (%)	-3.9	3.2	6.1	8.1	10.1
Net Debt/Equity (x)	0.1	0.0	-0.1	-0.2	-0.3
P/E (x)	-	35.0	25.2	17.8	13.1
P/B (x)	1.7	1.6	1.5	1.4	1.3
EV/EBITDA (x)	8.3	5.7	4.3	3.6	3.0
EV/Sales (x)	2.2	1.8	1.5	1.3	1.0
Debtor days	15	15	15	15	15
Inventory days	5	4	4	3	3
Creditor days	65	48	49	49	49

Source: Company, JM Financial

PVRINOX – Recommendation history table

Date	Recommendation	Target Price	% Change
26-Jul-26	ADD	1,130	2.7
7-Jul-26	ADD	1,100	6.4
17-Jun-26	ADD	1,034	-22.3
5-Feb-26	BUY	1,330	2.3
5-Feb-26	BUY	1,300	-11.0
19-Oct-25	BUY	1,460	5.8
28-Aug-25	BUY	1,380	0.0
6-Aug-25	BUY	1,380	-8.6
12-May-25	BUY	1,510	-6.2
11-Mar-25	BUY	1,610	0.0
7-Feb-25	BUY	1,610	0.6
15-Jan-25	BUY	1,600	-19.2
15-Oct-24	BUY	1,980	-2.9
23-Jul-24	BUY	2,040	-1.4
15-May-24	BUY	2,070	-8.0
1-Feb-24	BUY	2,250	-3.8
4-Dec-23	BUY	2,340	0.0
20-Oct-23	BUY	2,340	3.1
20-Oct-23	BUY	2,270	0.0
24-Aug-23	BUY	2,270	

PVRINOX – Recommendation history chart



APPENDIX I

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BUY	Expected return >= 15% over the next twelve months.
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SELL	Expected return < -10% over the next twelve months.

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