



DALAL & BROACHA
STOCK BROKING PVT. LTD.

Analyst: Mayank Babla (022) 67141412

Q2 FY21 Result Update@ Dalal&Broacha

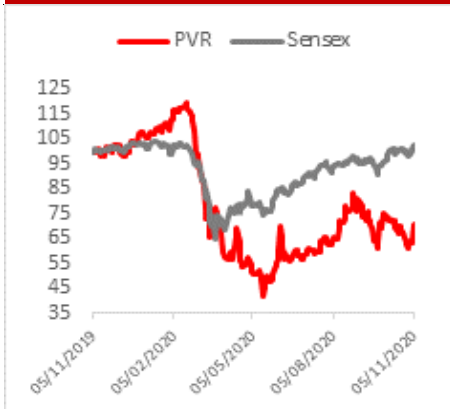
BUY

Current Price	1,220
Target Price	1,804
Upside	47%
52 Week Range	707/2083

Key Share Data

Market Cap (Rs.Bn)	67
Market Cap (US\$ Bn)	910
No of o/s shares (Mn)	55
Face Value	10
Monthly Avg.	
Vol(BSE+NSE)('000)	2795
BSE Code	532689
NSE Code	PVR
Bloomberg	PVRL:IN

Price performance



% Shareholding	9-Oct-20	Sep-20
Promoters	18.79	18.79
Public	81.21	81.21
Others	0.00	0.00
Total	100	100

PVR reported a good set of numbers in the 2nd quarter of no operations marked with decent cost control

- Revenue from operations at INR 405 Mn, +219% qoq / -96% yoy

Operating Expenses

- Employee Cost came in at INR 407 Mn, -40% qoq / -61% yoy
 - Other Expenses at INR 819 Mn, +37% qoq / -68% yoy
 - Movie exhibition cost at INR 3 Mn vs INR 0 / INR 1980 Mn in Q1FY21 / Q2FY20
 - F&B Cost came in at INR 17 Mn vs INR 7 Mn / INR 728 Mn in Q1FY21 / Q2FY20

EBITDA loss at INR (842) Mn vs loss of INR (1159) Mn and profit of INR 3181 Mn | qoq / yoy

- Depreciation & Amortization at INR 1419 Mn, -2% qoq / +2% yoy
 - Finance Cost at INR 1229 Mn, -1% qoq / +11% yoy

PBT loss at INR (2788 Mn) vs loss of INR (3418) Mn and profit of INR 736 Mn | qoq / yoy

Other Income: INR 702 Mn vs INR 427 Mn / INR 62 Mn in Q1FY21 / Q2FY20

- Tax expense stood at INR (951) Mn vs INR (1162) Mn / INR 258 Mn | qoq / yoy

PAT loss stood at INR (1840) Mn vs loss of INR (2256) Mn and profit of INR 258 Mn | qoq / yoy

Key Takeaways of the result:

- 16 states and UTs, where PVR has presence, have permitted cinemas to restart operations
- Out of 831 screens, company has permission to open 575+ screens
- Revenue (specifically F&B and Other operating Income of revenue) was reported during the quarter on the back of sale of F&B products in Zea Maze, PVR Lanka, gain on redemption of MF/investments, convenience fee (notional income recognized in P&L for income received in advance from ticket aggregators)
- Settlement reached with developers in >60 cinemas for Rent and CAM expenses. For balance developers, as far as CAM expense is concerned, company is expecting 30-50% discount on final settlement
- Aggressive rationalization on Employee cost front as manpower was reduced from 11,073 as on March 2020 and 6,376 in August 2020 to 6241 as of Sept 2020. Additional salary cuts of 25-50% implemented across the organization. One-time cost of INR 86 Mn on account of full and final settlement of employees which left
- PVR has launched several offers such as Movies at INR 99 as Everyday One Price, 25% off on F&B book a Private Screening at INR 2500 to entice customers to return to theatres

Consolidated Financials (In INR Mn)

YE March (Rs. mn)	Net Sales	% Growth	EBITDA	Margin (%)	PAT	PAT Margin (%)	EPS	Growth (%)	P/E (x)	EV/EBITDA	ROE (%)	ROCE (%)
FY19	30,856	32.2%	5,863	19.0%	1,894	6.1%	39.3	47.3%	31.1x	11.6x	15.9%	18.0%
FY20	34,144	10.7%	10,766	31.5%	269	0.8%	5.3	-86.5%	229.5x	10.1x	2.0%	12.0%
FY21e	11,271	(67.0%)	1,466	13.0%	-6,285	-55.8%	(121.8)	N.A.	-10.0x	76.1x	-48.0%	-6.9%
FY22e	39,717	252.4%	14,451	36.4%	2,801	7.1%	53.8	N.A.	22.7x	8.0x	24.9%	13.0%
FY23e	51,501	29.7%	18,530	36.0%	3,902	7.6%	75.1	39.6%	16.2x	6.4x	26.0%	13.8%

Source: Company, Dalal&Broacha Research



DALAL & BROACHA
STOCK BROKING PVT. LTD.

Analyst: Mayank Babla (022) 67141412

Q2 FY21 Result Update@ Dalal&Broacha

Content pipeline remains strong with movies like 83, Sardar Udham, Sooryavanshi, Bunty Aur Babli 2, Mumbai Saga, Toofan, KGF 2 and Jayesh Bhai Jordaar in Bollywood; Tennet, Wonder Woman 1984, Ghostbusters Afterlife, Free Guy in Hollywood and various other regional content.

Gross Debt: INR 12,791.3 Mn vs INR 12,670 Mn / 12,946.8 at the end of Q1FY21 / Q4FY20 respectively

Cash & Cash Equivalents: INR 3,771.9 Mn vs INR 3234.7 Mn at the end of Q4FY20

Q2FY21 Performance Review

INR Mn	Q2FY21A	Q1FY21	Q2FY20	Q-o-Q	Y-o-Y
Revenue	405	127	9732	219%	-96%
Op. Expenses					
Movie Exhibition Cost	3	0	1980		
F&B	17	7	728	139%	-98%
Employee Cost	407	682	1049	-40%	-61%
Other Expenses	819	597	2596	37%	-68%
Total Expenses	1246	1286	6551	-3%	-81%
EBITDA	-842	-1159	3181	-27%	
Depr. & Amortization	1419	1445	1395	-2%	2%
EBIT	-2260	-2604	1786	-13%	
Finance Cost	1229	1240	1111	-1%	11%
Other Income	702	427	62	65%	
PBT	-2788	-3418	736	-18%	
Tax Expenses	-951	-1162	258	-18%	
Current Tax	-951	-1162	258		
PAT	-1836	-2256	478	-19%	
Minority Interest	1	1	2		
Share of JV	-4	-2	-2		
PAT (after MI)	-1840	-2256	479	-18%	
EPS	-36	-44	9		

Source: Company, Dalal&Broacha Research

Valuation & Outlook

Maharashtra Government's order of opening up cinemas as follow up after the Central Government allowed theatres to open up in India earlier in October is a huge sentimental boost to the movie exhibition business. While initial period will be difficult and several promotional offers will be running to garner footfalls i.e lower ATP, SPH on a YoY basis, this situation is far better than what the exhibitors have gone through in the last six months. PVR has ample liquidity currently to sustain, survive and possibly expand (if situation improves further) and it seems, that worst for them is now over.

PVR is currently trading at an EV/EBITDA multiple of 8x / 6.4x FY22e / FY23e EBITDA (based on post IndAS reporting). We continue to remain positive on the long-term prospects of PVR and maintain a BUY rating on the stock with a target price of INR 1804 (based on ~8x FY23e EBITDA).



DALAL & BROACHA
STOCK BROKING PVT. LTD.

Analyst: Mayank Babla (022) 67141412

Q2 FY21 Result Update@ Dalal&Broacha

Profit & Loss A/c					
YE March (Rs. mn)	FY19	FY20	FY21F	FY22F	FY23F
Total Revenue	30856	34144	11271	39717	51501
Growth %	32%	11%	-67%	252%	30%
Less:					
Film Distributors Share	7019	7335	1872	8713	11502
F&B cost	2387	2637	767	3032	4181
Employee cost	3373	3938	2470	3051	4509
Rent	5059	0	0	0	0
Other expenses	7154	9469	4696	10470	12780
Total Operating Expenditure	24992	23379	9805	25266	32971
EBIDTA	5863	10766	1466	14451	18530
Growth %	46%	84%	-86%	886%	28%
EBITDA Margin (%)	19%	32%	13%	36%	36%
Less: Depreciation	1913	5425	5658	6487	9272
EBIT	3951	5341	-4192	7964	9259
EBIT Margin	13%	16%	-37%	20%	18%
Growth %	59%	35%	-178%	-290%	16%
Interest Paid	1280.1	4817.9	5799.3	4558.1	4447.5
Non-operating Income	331.4	377.9	1590.7	400.0	400.0
Exceptional Items	-	-	-	-	-
Profit Before Tax	3002	901	-8400	3806	5211
Adjusted PBT	3002	901	-8400	3806	5211
Tax	1096.6	627.4	-2113	1010	1313
Profit/(Loss) from JV	-12	-5	2	4	4
Net Profit	1894	269	-6285	2801	3902
Adjusted Profit	1894	269	-6285	2801	3902
Growth %	51%	-86%	-2441%	-145%	39%
Net Profit Margin (%)	6%	1%	-56%	7%	8%
Reported Diluted EPS Rs	39.3	5.3	-121.8	53.8	75.1
Growth %	47%	-86%	-2390%	-144%	40%
Adjusted Diluted EPS Rs	39.3	5.3	-121.8	53.8	75.1

Valuation Ratios					
YE March (Rs. mn)	FY19	FY20	FY21F	FY22F	FY23F
P/E (x)	31.1	229.5	-10.0	22.7	16.2
P/BV (x)	4.6	4.2	5.5	5.6	4.2
EV/EBIDTA (x)	11.6	10.1	76.1	8.0	6.4
EV/Sales	2.2	3.2	9.9	2.9	2.3
Market Cap./ Sales (x)	1.8	1.8	5.6	1.6	1.2
Dividend Yield (%)	0%	0%	0%	0%	0%

Ratio Analysis					
YE March (Rs. mn)	FY19	FY20	FY21F	FY22F	FY23F
RoE (%)	15.9%	2.0%	-48.0%	24.9%	26.0%
RoCE (%)	18.0%	12.0%	-6.9%	13.0%	13.8%
Current Ratio (x)	0.3	0.8	0.4	0.3	0.4
Dividend Payout (%)	6%	45%	0%	4%	3%
Interest Coverage (x)	3.1	1.1	-0.7	1.7	2.1
Debt to Equity Ratio	0.8	0.8	1.0	1.0	0.7

Balance Sheet					
Year to December	FY19	FY20	FY21F	FY22F	FY23F
ASSETS					
Current Assets					
Cash in hand and at banks	352	3,235	1,121	2,221	2,492
Short-term investments					
Accounts receivable	1,839	1,893	618	1,850	3,245
Loans & Advances	333	338	62	435	847
Other current assets	1,107	1,764	309	1,088	1,411
Total Current Assets	3,934	7,536	2,171	5,932	8,432
Non-current Assets					
Gross Block	20,056	22,750	24,530	29,130	34,480
Less Depreciation	5,157	6,392	8,699	11,421	15,314
Net Block	14,900	16,358	15,830	17,709	19,166
Capital Work in progress	2,208	1,547	700	1,100	1,100
Right of Use Assets		30,047	32,538	38,745	44,939
Others	4,371	3,797	1,544	4,135	6,632
Total non-current assets	21,578	51,760	50,623	61,699	71,848
TOTAL ASSETS	25,512	59,297	52,795	67,631	80,280
LIABILITIES AND EQUITY					
Current liabilities					
Trade & notes payable	7,287	6,187	4,014	9,358	11,288
Lease Liabilities		2,024	2,045	2,294	2,547
Others	2,362	2,777	1,235	4,353	4,938
Total Current Liabilities	11,713	11,739	8,692	19,401	24,323
Noncurrent liabilities					
Secured Loans	11,461	12,043	11,543	11,543	11,043
Lease Liabilities		35,691	36,077	40,468	44,916
Total noncurrent liabilities	11,461	47,734	47,620	52,011	55,959
TOTAL LIABILITIES	23,174	59,473	56,311	71,412	80,283
Goodwill	13,108	12,455	12,455	12,455	12,455
SHAREHOLDERS' EQUITY					
Share Capital	467	513	517	517	517
Retained Earnings	11,928	14,289	7,991	10,650	14,411
Total Shareholders' Equity	12,395	14,802	11,450	11,168	14,928



DALAL & BROACHA
STOCK BROKING PVT. LTD.

Analyst: Mayank Babla (022) 67141412

Q2 FY21 Result Update@ Dalal&Broacha

Disclaimer

Dalal & Broacha Stock Broking Pvt Ltd, hereinafter referred to as D&B (CINU67120MH1997PTC111186) was established in 1997 and is an integrated financial services player offering an extensive range of financial solutions and services to a wide spectrum of customers with varied needs ranging from equities to mutual funds to depository services.

D&B is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE). D&B along with its affiliates offers the most comprehensive avenues for investments and is engaged in the securities businesses including stock broking (Institutional and retail), depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.dalal-broacha.com

D&B is registered as Research Analyst with SEBI bearing registration Number INH000001246 as per SEBI (Research Analysts) Regulations, 2014.

D&B hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in any time in the past. It has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on D&B for certain operational deviations in routine course of business.

D&B offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by D&B (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

D&B or its associates may have financial interest in the subject company.

D&B or its associates do not have any material conflict of interest in the subject company.

The Research Analyst or Research Entity (D&B) has not been engaged in market making activity for the subject company.

D&B or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report.

Disclosures in respect of Research Analyst:

Whether Research Analyst or his/her relatives have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report:	No
Whether the Research Analyst or his/her relative's financial interest in the subject company.	No
Whether the research Analyst has served as officer, director or employee of the subject company	No
Whether the Research Analyst has received any compensation from the subject company in the past twelve months	No
Whether the Research Analyst has managed or co-managed public offering of securities for the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation or other benefits from the subject company or third party in connection with the research report	No

D&B and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein.

In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject D&B or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to D&B. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed



DALAL & BROACHA
STOCK BROKING PVT. LTD.

Analyst: Mayank Babla (022) 67141412

Q2 FY21 Result Update@ Dalal&Broacha

to any other party, without the prior express written permission of D&B. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of D&B or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Contact	Email ID	Contact No.	Sector
Mr. Kunal Bhatia	kunal.bhatia@dalal-broacha.com	022 67141442	Auto, Auto Ancillary, FMCG
Mrs.Charulata Gaidhani	charulata.gaidhani@dalal-broacha.com	022 67141446	Pharma /Healthcare
Mr. Mayank Babla	mayank.babladalal-broacha.com	022 67141412	I.T/Telecom/Media
Mr. Avinash Tanawade	avinash.tanawade@dalal-broacha.com	022 67141449	BFSI
Mr. Akshay Ashok	akshay.ashok@dalal-broacha.com	022 67141486	BFSI
Mr. Suraj Nandu	suraj.nandu@dalal-broacha.com	022 67141438	Associate

Address: - 508, Maker Chambers V, 221 Nariman Point, Mumbai 400 021. Tel: 91-22- 2282 2992, 2287 6173, (D) 6630 8667 Fax: 91-22-2287 0092
E-mail: research@dalalbroachaindia.com, equity.research@dalal-broacha.com