

PVR Ltd

PVR is engaged in the business of Movie exhibition, distribution & production and also earns revenue from sale of food & beverages. PVR has been delivering strong growth and reported 18% revenue CAGR for 5 years ended FY19. Net profit also grew by a stronger 28.8% during the said period. In 1QFY19 also the company registered a strong 26% sales growth owing to higher footfalls and f&b collections, while average ticket price decreased by 6.5% yoy. Advertisement income also rose by 28% yoy. Simultaneous to the sales growth and a slow movement in expenses, EBITDA margin widened by a whopping 1,195bps. As a result PAT also increased and RoE improved.

Players in the film exhibition industry have great scope to grow as the industry is underpenetrated. Companies like PVR are in a sweet spot now and PVR itself is trying to get into all the geographies by putting up new screens and by way of acquiring small players. The company added 36 new screens in FY20 and has a total count of 794 screens, of which 78 are premium screens. The overall screen guidance for FY20 is 80-100 screens. The company indicated that they are planning to spend US\$10 million (mn) on the distribution business.

Currently, the debt-equity is maintained at 0.9x. It delivers an RoE of 16.5% and also pays out dividend. Hence Buy.

BUY

CMP ₹1,847

Stock Info

Sector	Entertainment
Market Cap (₹ cr)	89,353
Beta	1.1
52 Week High / Low	1898/1099
Avg. Daily Volume	22,434
Face Value (₹)	10
BSE Sensex	38,594
Nifty	11,440
Reuters Code	PVRL.BO
Bloomberg Code	PVRL IN

Shareholding Pattern (%)

Promoters	19.6
MF / Banks / Indian Fls	10.6
FII / NRIs / OCBs	58.3
Indian Public / Others	11.6

Abs. (%)	3m	1yr	3yr
Sensex	(2.1)	5.3	36.4
PVR	13.7	47.4	52.8

Jaikishan Parmar

022 – 3935 7600 Ext: 6810

jaikishan.parmar@angelbroking.com

Research Team Tel: 022 - 39357600

 E-mail: research@angelbroking.com

 Website: www.angelbroking.com

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Disclosure of Interest Statement

PVR Ltd

1. Financial interest of research analyst or Angel or his Associate or his relative	No
2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives	No
3. Served as an officer, director or employee of the company covered under Research	No
4. Broking relationship with company covered under Research	No

Ratings (Based on expected returns over 12 months investment period):

Buy (> 15%)

 Accumulate (5% to 15%)
 Reduce (-5% to -15%)

 Neutral (-5 to 5%)
 Sell (< -15)