



Jan-Mar'25 Earnings Preview

Dim lights on the big screen & small

Media: Industry-wide BO collections increased by 13.3% YoY to ~Rs21.9bn in 4QFY25E, primarily driven by 6 regional titles like Sankranthiki Vasthunam, Game Changer, Dragon, Daaku Maharaaj, Vidaamuyarchi, and Empuraan. In contrast, only 2 Bollywood films viz; Chhaava and Sky Force managed to cross the Rs1bn mark during the quarter. Given the dominance of regional content in 4QFY25E, where PVR-Inox has relatively lower market share, we expect footfalls to decline 6.4% YoY to 30.5mn, with a pre-IND AS EBITDA loss of Rs366mn. As for broadcasting, ZEEL's performance is likely to be weighed down by a weak advertising environment. We expect an EBITDA margin of 12.5% in 4QFY25E, impacted by a higher contribution from the movie business, which typically commands lower margins.

Entertainment: While headwinds in Kiddopia, Nodwin, Real Money Gaming & Ad-Tech businesses persist, consolidation of Freaks 4U, Fusebox, and Space & Time is likely to support the growth trajectory for Nazara. For Imagicaaworld Entertainment (Imagicaa), we expect healthy performance for the quarter. Accordingly, we expect footfalls of 0.64mn (up 135.2% YoY led by the consolidation of parks at Lonavala & Shirdi) and an EBITDA margin of 36.7%. Imagicaa remains our preferred pick in the media & entertainment universe with a TP of Rs97.

Multiplex: Industry-wide BO collections (including regional movies) increased by 13.3% YoY to ~Rs21.9bn in 4QFY25E. Movies like Chhaava, Sankranthiki Vasthunam, Game Changer, and Sky Force, surpassed Rs1bn mark during the quarter. However, we expect PVR-Inox to report a 6.4% YoY decline in footfalls to 30.5mn, with a pre-IND AS EBITDA loss of Rs366mn, as the quarter was dominated by regional films where PVR-Inox has lower market share. Given the subdued performance in 4QFY25E, and regional-heavy content pipeline ahead, we cut our pre-IND AS EBITDA estimates by 19.2%/7.9% for FY26E/FY27E respectively. We maintain 'HOLD' on the stock with a TP of Rs1,027 (11x Sep'26E EBITDA).

Broadcasting: We expect ZEEL to report a 3.8% YoY decline in top-line to Rs20.9bn, impacted by continued headwinds in advertising revenue. Ad-revenue is expected to decline 22.5% YoY, while subscription revenue is likely to remain flattish in 4QFY25E. EBITDA margin is estimated at 12.5%, weighed down by a higher contribution from the low-margin movie segment. Given slower-than-expected recovery in the ad environment, we have cut our EPS estimates by 12.1%/10.4%/9.9% for FY25E/FY26E/FY27E respectively. We maintain 'HOLD' rating on ZEEL with a TP of Rs123 as we roll forward our valuation to FY27E (10x FY27E EPS).

Entertainment: Despite the ongoing headwinds in Kiddopia, Nodwin, Real Money Gaming and Ad-Tech, Nazara's top-line is expected to increase by 96.9% YoY to Rs5,241mn in 4QFY25E, driven by consolidation of Freaks 4U, Fusebox, and change in revenue recognition policy of Space & Time. We anticipate an EBITDA margin of 9.0% and maintain 'BUY' rating on the stock with an SOTP-based TP of Rs1,127.

April 9, 2025

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
Imagicaaworld Ent.	BUY	67	97
Nazara Technologies	BUY	973	1,127
PVR Inox	HOLD	884	1,027
Zee Ent. Enterprises	HOLD	108	123

Source: PL

Top Picks

Imagicaaworld Entertainment

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Imagicaa is expected to report a healthy quarter, and we anticipate top-line growth of 55.7% YoY to Rs882mn driven by the consolidation of parks at Lonavala and Shirdi. We expect footfalls to increase by 135.2% YoY to 0.64mn with an EBITDA margin of 36.7% for the quarter (30.4% in 4QFY24). We maintain 'BUY' with a TP of Rs97 valuing the parks/hotels business at 23x/21x FY27E EBITDA (no change in target multiple).

Exhibit 2: Q4FY25 Result Preview (Rs mn)

Company Name		Q4FY25E	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	Remark
Imagicaaworld Entertainment	Sales	881	566	55.7	919	(4.0)	We expect revenue to increase 55.7% YoY to Rs882mn driven by the consolidation of parks at Lonavala and Shirdi. We anticipate footfalls of ~0.64mn, while blended ARPU is expected to decline 27.5% YoY to Rs1,158. Imagicaa is expected to report an EBITDA margin of 36.7% with a PAT of Rs32mn in 4QFY25E.
	EBITDA	299	172	73.2	296	0.8	
	Margin (%)	33.9	30.4	343 bps	32.2	163 bps	
	PBT	33	53	(37.6)	41	(20.7)	
	Adj. PAT	8	103	(92.7)	29	(73.8)	
Nazara Technologies	Sales	5,241	2,662	96.9	5,347	(2.0)	Nazara's top-line is expected to increase by 96.9% YoY to Rs5,241mn led by consolidation of Freaks 4U, Fusebox and change in revenue recognition policy of Space & Time. We anticipate an EBITDA margin of 9.0%, while PAT is expected to increase 164.9% YoY to Rs221mn.
	EBITDA	472	292	61.6	523	(9.8)	
	Margin (%)	9.0	11.0	-197 bps	9.8	-78 bps	
	PBT	348	189	83.5	257	35.4	
	Adj. PAT	221	86	158.7	307	(27.9)	
PVR Inox	Sales	12,941	12,564	3.0	17,173	(24.6)	We expect PVR-Inox to report revenues of Rs12.9bn with footfalls of 30.5mn (down 6.4% YoY) in 4QFY25E. Movies like Chhaava, Sankranthiki Vasthunam, Game Changer, Dragon and Sky Force, surpassed Rs1bn mark during the quarter. We expect ATP/SPH of Rs256/Rs125 respectively, with an occupancy of 21.0%. For 4QFY25E, we expect PVR-Inox to report pre-IND AS EBITDA loss of Rs366mn.
	EBITDA	2,529	2,784	(9.2)	5,277	(52.1)	
	Margin (%)	19.5	22.2	-262 bps	30.7	-1119 bps	
	PBT	-2,271	-1,752	NA	463	NA	
	Adj. PAT	-1,701	-1,295	NA	360	NA	
Zee Entertainment Enterprises	Sales	20,874	21,699	(3.8)	19,788	5.5	We expect ZEEL to report a 3.8% YoY decline in top-line to Rs20.9bn due to continued headwinds in advertising revenue. Ad revenue is expected to decline 22.5% YoY, while subscription revenue is likely to remain flattish in 4QFY25E. EBITDA margin is estimated at 12.5%, while adjusted PAT is expected to increase 237.2% YoY to Rs1,343mn.
	EBITDA	2,612	2,103	24.2	3,184	(18.0)	
	Margin (%)	12.5	9.7	282 bps	16.1	-358 bps	
	PBT	2,031	1,415	43.5	2,786	(27.1)	
	Adj. PAT	1,343	398	237.2	2,422	(44.6)	

Source: Company, PL

Exhibit 3: Valuation Summary

Company Names	S/ C	Rating	CMP (Rs)	TP (Rs)	MCap (Rs bn)	Sales (Rs mn)				EBITDA (Rs mn)				PAT (Rs mn)				EPS (Rs)				RoE (%)				PE (x)			
						FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E
Imagicaaworld Entertainment	C	BUY	67	97	37.7	2,600	4,064	4,792	5,373	963	1,686	2,135	2,475	318	683	939	1,172	0.7	1.2	1.6	2.0	6.2	6.7	6.8	7.4	101.0	55.3	41.9	33.5
Nazara Technologies	C	BUY	973	1,127	89.9	11,383	16,278	21,579	24,555	1,279	1,497	2,607	3,276	713	993	1,620	1,995	9.3	10.7	17.5	21.6	4.6	3.5	4.4	5.1	104.4	90.6	55.5	45.1
PVR Inox	C	HOLD	884	1,027	86.5	61,071	58,242	64,448	71,067	18,101	15,114	20,030	23,809	-320	-3,247	172	2,782	-3.3	-33.1	1.8	28.4	-0.4	-4.6	0.2	3.8	-270.9	-26.7	502.6	31.2
Zee Entertainment Enterprises	C	HOLD	108	123	103.7	86,372	81,974	87,387	94,262	9,071	11,722	15,118	17,910	4,738	7,282	9,710	11,784	4.9	7.6	10.1	12.3	4.4	6.5	8.3	9.4	21.9	14.2	10.7	8.8

Source: Company, PL

S=Standalone / C=Consolidated

Exhibit 4: Change in Estimates

	Rating		Target Price			Sales						PAT						EPS					
						FY25E			FY26E			FY25E			FY26E			FY25E			FY26E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Imagicaaworld Entertainment	BUY	BUY	97	97	-0.6%	4,064	4,094	-0.7%	4,792	4,810	-0.4%	683	724	-5.7%	939	947	-0.8%	1.2	1.3	-5.7%	1.6	1.6	-0.8%
Nazara Technologies	BUY	BUY	1,127	1,117	0.9%	16,278	16,190	0.5%	21,579	21,394	0.9%	993	1,081	-8.1%	1,620	1,588	2.0%	10.7	11.7	-8.1%	17.5	17.2	2.0%
PVR-Inox	HOLD	HOLD	1,027	1,215	-15.5%	58,242	61,918	-5.9%	64,448	68,687	-6.2%	-3,247	-1,061	NA	172	1,732	-90.0%	-33.1	-10.8	NA	1.8	17.7	-90.0%
Zee Ent. Enterprises	HOLD	HOLD	123	137	-10.4%	81,974	84,757	-3.3%	87,387	92,190	-5.2%	7,282	8,153	-10.7%	9,710	10,838	-10.4%	7.6	8.5	-10.7%	10.1	11.3	-10.4%

Source: Company, PL

Acc=Accumulate / C=Current / P=Previous

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Chalet Hotels	BUY	1,064	767
2	Delhivery	Hold	340	315
3	DOMS Industries	BUY	3,370	2,810
4	Imagicaaworld Entertainment	BUY	97	71
5	Indian Railway Catering and Tourism Corporation	Hold	809	751
6	InterGlobe Aviation	BUY	5,861	5,087
7	Lemon Tree Hotels	BUY	175	145
8	Mahindra Logistics	Hold	399	354
9	Navneet Education	Hold	150	140
10	Nazara Technologies	BUY	1,117	921
11	PVR Inox	Hold	1,215	1,090
12	S Chand and Company	BUY	305	189
13	Safari Industries (India)	BUY	2,783	2,383
14	TCI Express	BUY	1,021	791
15	V.I.P. Industries	BUY	463	374
16	Zee Entertainment Enterprises	Hold	137	121

PL's Recommendation Nomenclature

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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