

## Apr-Jun'25 Earnings Preview

### Recovery remains sluggish

**Media:** Industry-wide BO collections increased by 26.8% YoY to ~Rs24.7bn in 1QFY26E, primarily driven by titles like Housefull 5, Raid 2, Good Bad Ugly, Sitaare Zameen Par, Thudarum and Mission Impossible-The Final Reckoning. While the quarter lacked an outright blockbuster there were multiple movies in BO bracket of Rs1-2bn, bringing in the much-needed stability in content flow after a long time. Accordingly, we expect PVRINOX IN's footfalls to increase 10.2% YoY to 33.5mn with a pre-IND AS EBITDA margin of 5.4% in 1QFY26E. As for broadcasting, Z IN's performance is likely to be weighed down by a weak advertising environment while EBITDA margin is set to decline 80bps YoY to 12.0% due to higher A&P spends (new logo was unveiled in June-25).

**Entertainment:** While headwinds in Kiddopia and Nodwin businesses persist, consolidation of Curve Games, Freaks 4U and Fusebox is likely to support the growth trajectory for NAZARA IN. As for IMAGICAA IN, we expect footfalls to increase 2.0% YoY to 1.24mn led by inauguration of water park in Indore with an EBITDA margin of 58.7% in 1QFY26E.

**Top pick:** Z IN is our top pick in the media & entertainment space as fund infusion by promoters to the tune of ~Rs22.4bn via warrants conversion over the next 18 months lends better execution comfort on achieving 1) TV viewership share of ~17.5%, 2) ad-revenue growth of ~8-10% and 3) EBITDA margin of ~18-20% in FY26E. We maintain BUY with a TP of Rs179 (15x FY27E).

**Multiplex:** Industry-wide BO collections (including regional movies) increased by 26.8% YoY to ~Rs24.7bn in 1QFY26E. Movies like Housefull 5, Raid 2, Good Bad Ugly, Sitaare Zameen Par, Thudarum and Mission Impossible-The Final Reckoning, surpassed Rs1bn mark during the quarter. Amid decent performance from Bollywood & Hollywood (movies like Final Destination and How to Train Your Dragon have also done well), we expect PVRINOX IN to report 10.2% YoY increase in footfalls to 33.5mn, with a pre-IND AS EBITDA margin of 5.4%. We maintain 'HOLD' on the stock with a TP of Rs1,045 (11x Sep'26E EBITDA; no change in target multiple).

**Broadcasting:** We expect Z IN to report a 7.4% YoY decline in top-line to Rs19.7bn, mainly due to weak ad environment and dry movie calendar. Ad revenue is expected to decline 12.7% YoY while subscription revenue is likely to witness a slight uptick of 4.0% YoY in 1QFY26E. EBITDA margin is expected to decline 80bps YoY to 12.0%, weighed down by a higher A&P expense during the quarter. While performance of 1QFY26E inspires little confidence on achieving aspirational goals laid out for FY26E, we expect the recovery to be back ended and retain BUY on the stock with a TP of Rs179 (15x FY27E EPS; no change in target multiple).

**Entertainment:** Despite the ongoing headwinds in Kiddopia and Nodwin, NAZARA IN's top-line is expected to increase by 94.8% YoY to Rs4,872mn in 1QFY26E, driven by consolidation of Curve Games, Freaks 4U, Fusebox, and change in revenue recognition policy of Space & Time. We anticipate EBITDA margin of 10.0% and maintain 'HOLD' rating on the stock with an SOTP-based TP of Rs1,241.

July 9, 2025

#### Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
Imagicaaworld Ent.	BUY	66	93
Nazara Technologies	HOLD	1,357	1,241
PVR Inox	HOLD	972	1,045
Zee Ent. Enterprises	BUY	146	179

Source: PL

### Top Picks

#### Zee Entertainment Enterprises

Jinesh Joshi

jineshjoshi@plindia.com | 91-22-66322238

Stuti Beria

stutiberia@plindia.com | 91-22-66322246

Dhvanit Shah

dhvanitshah@plindia.com | 91-22-66322258

We expect IMAGICAA IN's topline to increase by 3.4% YoY to Rs1,903mn driven by the operationalization of new park at Indore. We expect footfalls to increase by 2.0% YoY to 1.24mn (footfall growth challenges continue to persist on LFL basis) with an EBITDA margin of 58.7% for the quarter. We maintain 'BUY' with a TP of Rs93 valuing the parks/hotels business at 23x/21x FY27E EBITDA (no change in target multiple).

**Exhibit 2: Q1FY26 Result Preview (Rs mn)**

Company Name		Q1FY26E	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Remark
<b>Imagicaaworld Entertainment</b>	Sales	1,903	1,840	3.4	944	101.6	We expect Imagicaa's revenue to increase 3.4% YoY to Rs1,903mn driven by inauguration of new water park at Indore. We anticipate footfalls of ~1.24mn, while blended ARPU is expected to be up by 2.0% YoY to Rs1,418. Imagicaa is expected to report an EBITDA margin of 58.7% with a PAT of Rs742mn in Q1FY26E aided by higher other income (subsidy arising from operationalization of Indore Park is captured here).
	EBITDA	1,117	1,104	1.1	405	176.0	
	Margin (%)	58.7	60.0	-133 bps	42.9	1583 bps	
	PBT	989	913	8.2	157	531.5	
	Adj. PAT	742	691	7.3	151	389.9	
<b>Nazara Technologies</b>	Sales	4,872	2,501	94.8	5,202	(6.3)	Nazara's top-line is expected to increase by 94.8% YoY to Rs4,872mn led by consolidation of Curve games, Freaks 4U, Fusebox and change in revenue recognition policy of Space & Time. We anticipate an EBITDA margin of 10.0%, while PAT is expected to remain flat YoY to Rs226mn.
	EBITDA	487	249	95.3	510	(4.6)	
	Margin (%)	10.0	10.0	3 bps	9.8	18 bps	
	PBT	326	347	(6.1)	112	191.3	
	Adj. PAT	226	226	(0.1)	159	42.5	
<b>PVR Inox</b>	Sales	14,306	11,907	20.1	12,498	14.5	We expect PVR-Inox to report revenues of Rs14.3bn with footfalls of 33.5mn (up 10.2% YoY) in 1QFY26E. We expect ATP/SPH of Rs254/Rs145 respectively, with an occupancy of 21.2% in 1QFY26E. We expect pre IND AS EBITDA margin of 5.4% for the quarter versus a loss of Rs381mn in 1QFY25.
	EBITDA	3,735	2,515	48.5	2,831	31.9	
	Margin (%)	26.1	21.1	499 bps	22.7	346 bps	
	PBT	-1,190	-2,381	NA	-1,675	NA	
	Adj. PAT	-892	-1,787	NA	-1,248	NA	
<b>Zee Entertainment Enterprises</b>	Sales	19,733	21,305	(7.4)	21,841	(9.7)	We expect ZEEL to report a 7.4% YoY decline in top-line to Rs19.7bn due to continued headwinds in the advertising market. Ad revenue is expected to decline 12.7% YoY, while subscription revenue is likely to see a marginal increase of 4.0% YoY in 1QFY26E. EBITDA margin is estimated at 12.0%, while adjusted PAT is expected to decrease 9.6% YoY to Rs1,404mn.
	EBITDA	2,368	2,717	(12.8)	2,852	(17.0)	
	Margin (%)	12.0	12.8	-75 bps	13.1	-106 bps	
	PBT	1,885	2,084	(9.6)	2,619	(28.0)	
	Adj. PAT	1,404	1,554	(9.6)	1,761	(20.3)	

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	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E
Imagicaaworld Entertainment	C	BUY	66	93	37.5	2,692	4,102	4,779	5,148	1,055	1,755	2,186	2,408	320	789	1,022	1,153	0.7	1.4	1.7	2.0	6.6	7.9	7.4	7.3	99.8	47.6	38.2	33.9
Nazara Technologies	C	HOLD	1,357	1,241	118.9	11,383	16,239	23,309	26,418	1,279	1,535	2,460	3,262	713	869	1,372	1,867	9.3	9.9	14.8	20.2	4.6	3.6	4.3	5.2	145.7	136.8	91.6	67.3
PVR Inox	C	HOLD	972	1,045	95.1	61,071	57,799	64,720	71,656	18,101	15,416	20,106	23,923	-320	-2,796	304	2,942	-3.3	-28.5	3.1	30.0	-0.4	-4.0	0.4	4.0	-297.9	-34.1	313.4	32.4
Zee Entertainment Enterprises	C	BUY	146	179	140.1	86,372	82,941	88,630	95,876	9,071	11,962	15,865	18,983	4,738	7,701	10,388	13,486	4.9	8.0	10.8	11.9	4.4	6.9	8.7	9.7	29.6	18.2	13.5	12.2

Source: Company, PL

S=Standalone / C=Consolidated

**Exhibit 4: Change in Estimates**

	Rating		Target Price			Sales						PAT						EPS					
						FY26E			FY27E			FY26E			FY27E			FY26E			FY27sE		
	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	93	93	0.0%	4,779	4,779	0.0%	5,148	5,148	0.0%	1,022	1,022	0.0%	1,153	1,153	0.0%	1.7	1.7	0.0%	2.0	2.0	0.0%
Nazara Technologies	HOLD	HOLD	1,241	1,241	0.0%	23,309	23,309	0.0%	26,418	26,418	0.0%	1,372	1,372	0.0%	1,867	1,867	0.0%	14.8	14.8	0.0%	20.2	20.2	0.0%
PVR-Inox	HOLD	HOLD	1,045	1,040	0.5%	64,720	64,769	-0.1%	71,656	71,656	0.0%	304	287	6.1%	2,942	2,942	0.0%	3.1	2.9	6.1%	30.0	30.0	0.0%
Zee Ent. Enterprises	BUY	BUY	179	179	0.0%	88,630	88,630	0.0%	95,876	95,876	0.0%	10,388	10,388	0.0%	13,486	13,486	0.0%	10.8	10.8	0.0%	11.9	11.9	0.0%

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	1,130	875
2	Delhivery	BUY	387	321
3	DOMS Industries	BUY	3,087	2,456
4	Imagicaaworld Entertainment	BUY	93	68
5	Indian Railway Catering and Tourism Corporation	BUY	864	775
6	InterGlobe Aviation	BUY	6,084	5,462
7	Lemon Tree Hotels	BUY	174	139
8	Mahindra Logistics	Hold	287	310
9	Navneet Education	Hold	145	143
10	Nazara Technologies	Hold	1,241	1,274
11	PVR Inox	Hold	1,040	966
12	S Chand and Company	BUY	286	229
13	Safari Industries (India)	BUY	2,437	1,960
14	Samhi Hotels	BUY	313	192
15	TCI Express	Hold	816	761
16	V.I.P. Industries	BUY	404	338
17	Zee Entertainment Enterprises	BUY	179	144

## PL's Recommendation Nomenclature

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

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**Prabhudas Lilladher Pvt. Ltd.**

**3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209**

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