

Bloomberg Code	INOL IN
No of share O/S (in cr)	12.2
Market Cap (in Rs. cr)	7,242
Face Value (in Rs)	10.00
Dividend Yield (%)	0.17
52 Wk High/Low	622/299

### **Key Highlights**

Inox Leisure Ltd reported revenue from operations of INR 582 cr in Q1FY23 marking a QoQ/YoY growth of 83.2%/2509.9%, respectively, led by an increase in footfall due to lesser Covid restriction and the release of block buster movies. Revenues recovered at a good speed as various states gradually allowed the cinemas to operate partially with certain restrictions during the quarter. For FY22, revenue came in at INR 684 cr, registering a growth of 545.8% on a YoY basis.

<b>Shareholding (%)</b>	
Promoters	44.04
Institutional	43.36
Public	12.60
Total	100.00

The company had undertaken various steps in order to reduce the operational costs. On these lines, the company had invoked the force majeure clause under various lease agreements for its multiplex premises. As a result, the rent and CAM charges for the shutdown period in FY21 and FY22 were not payable by the company. As per the clause, there was no rent concession during the quarter ended 30 June 2022.

For FY22, the company incurred a loss of INR 239 cr against a loss of INR 338 cr in the previous year. Q1FY23 registered the highest PAT ever at INR 57 cr that grew at 146.7% YoY and highest ever EBITDA at INR 210.4 cr with a margin of 36.2%. The company also had the highest ever Box office and F&B collection in Q1FY23 owing to the release of blockbusters in April and May. Spends per head stood at INR 96 with a 19% growth as opposed to INR 81 in FY20 during the pre covid phase.

## ***Concall Highlights***

- INOX reported its highest ever quarterly revenue at INR 582 cr. It also reported its highest ever average ticket price of INR 229. The quarter witnessed blockbuster movies like RRR, KGF: Chapter 2, Vikram, Bhool Bhulaiya 2 and Doctor Strange In The Multiverse of Madness.
- The Company expects a great turnaround going forward, owing to a content lineup in the upcoming Quarter with releases like Laal Singh Chaddha, Raksha Bandhan, Liger, Brahmastra and Vikram Vedha.
- Footfall during the quarter was at 184 lakhs and occupancy was at 29%.
- In Q1FY23 17 new screens opened with 3236 seats in 3 cities (Gurugram, Hyderabad, Kalaburagi). INOX now operates 692 screens across 163 multiplexes in 73 cities. The company plans to open a total of 77 new screens in FY23. All upcoming screens would be funded through internal accruals.
- As on 31 July 2022, INOX is net debt free. Gross debt stands at INR 81 cr.

## ***Valuation***

INOX is currently trading at FY24 forwarded EV/EBITDA of 11.96x.

## Financial Summary

Revenue, EBITDA, PAT and footfalls were severely impacted by Covid-19 in FY21.

The company added 3 new properties with 17 screens and 3262 seats in Q1FY23. They plan to open 77 screens in FY23.

As on 31 July 2022, INOX is net debt free. Gross debt stands at INR 81 cr.

Figures are in INR Cr	Q1FY23	Q1FY22	YoY (%)	Q4FY22	QoQ (%)	FY21	FY22	YoY (%)
Revenue from operations	582.0	22.3	2509.9	317.7	83.2	105.9	683.9	545.8
Cost of food & beverages consumed	36.4	1.4	2500.0	19.6	85.6	7.9	42.7	441.9
<b>F&amp;B Cost to Sales (%)</b>	<b>6.3</b>	<b>6.3</b>		<b>6.2</b>		<b>7.4</b>	<b>6.2</b>	
Exhibition Cost	159.3	5.8	2646.6	92.1	73.0	26.4	196.3	643.8
<b>Exhibition Cost to Sales (%)</b>	<b>27.4</b>	<b>26.0</b>		<b>29.0</b>		<b>24.9</b>	<b>28.7</b>	
Employee Cost	26.9	24.5	9.8	22.6	19.0	86.6	94.7	9.4
<b>Employee Cost to Sales (%)</b>	<b>4.6</b>	<b>109.9</b>		<b>7.1</b>		<b>81.8</b>	<b>13.8</b>	
Rent & Other Expenses	149.0	19.5	664.1	85.0	-75.3	-64.8	133.3	-305.7
<b>Rent &amp; Other expenses to Sales (%)</b>	<b>25.6</b>	<b>87.4</b>		<b>26.8</b>		<b>-61.2</b>	<b>19.5</b>	
EBITDA	210.4	-28.9	-828.0	98.4	113.8	49.8	216.9	335.3
<b>EBITDA Margin (%)</b>	<b>36.2</b>	<b>-129.6</b>		<b>31.0</b>		<b>47.1</b>	<b>31.7</b>	
Depreciation	75.3	72.8	3.4	73.5	2.4	283.2	293.8	3.7
Interest	65.8	64.4	2.2	64.3	2.3	251.1	257.9	2.7
Other Income	7.0	3.1	125.8	7.7	-9.2	42.2	21.8	-48.4
<b>Other Income to Sales (%)</b>	<b>1.2</b>	<b>13.9</b>		<b>2.4</b>		<b>39.9</b>	<b>3.2</b>	
Exceptional Income / Expenses	0.0	0.0		0.0		4.0	0.0	
Profit Before Tax	76.3	-163.0	146.8	-31.7	340.7	-446.2	-313.0	-29.9
<b>Tax Rate (%)</b>	<b>25.3</b>	<b>-25.2</b>		<b>-11.4</b>		<b>-21.2</b>	<b>-23.6</b>	
Profit After Tax	57.0	-122.0	146.7	-28.1	302.8	-337.5	-239.1	-29.2
<b>Profit Margin (%)</b>	<b>9.8</b>	<b>-547.1</b>		<b>-8.8</b>		<b>-318.7</b>	<b>-35.0</b>	
EPS	4.7	-10.0		-2.3	302.8	-27.6	-19.5	-29.2
Shareholder's Funds						633.0	692.0	9.3
BV per share						51.7	56.6	9.3
Net Debt						104.0	63.5	-39.0
Net Debt to Equity						0.2	0.1	-44.2
Net Debt to EBITDA						2.1	0.3	-86.0
RoE						-53.3	-34.6	
P/E						-21.5	-30.3	
P/B						11.4	10.5	
EV/EBITDA						147.4	33.7	

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