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India | Equity Research | Sector Update

Media

No turnaround in sight in Q4FY25

Advertising revenue could decline both QoQ and YoY for TV broadcasting space in Q4FY25E. In our view, this is partly due to ad wallet recalibration into cricket (Champions Trophy and IPL). Also, our channel checks indicate brands pulled back spends in view of muted consumption in Jan'25. Subscription revenue may remain at broadly similar levels. Decline in ad revenue for ZEEL could be somewhat compensated by movie distribution revenue and IPL revenue (15% YoY growth) may support Sun TV. Despite Chaava's outperformance, movie exhibition space is likely to report weak numbers given some of the key Hollywood releases and Sikander performed below expectations. We estimate ~20% occupancy for PVR Inox in Q4FY25E with near breakeven cash EBITDA.

ZEEL

We estimate advertisement revenue to decline 6.0% QoQ/20.4% YoY to INR 8.8bn and subscription revenue to decline by 3.4% QoQ/flattish YoY to INR 9.5bn in Q4FY25E. We estimate ZEEL's consolidated revenue to grow QoQ by 5.3%, but decline 4.0% YoY to INR 20.8bn in Q4FY25E. We estimate EBITDA to decline 15% QoQ (up 28.8% YoY) to INR 2.7bn, while PAT is likely to increase by 5.9% QoQ to INR 1.7bn in Q4FY25E.

Sun TV

We estimate Sun TV's ad revenue to decline by 5.6%/5.0% QoQ/YoY to INR 3.1bn and subscription revenue to remain flattish QoQ/YoY to INR 4.4bn in Q4FY25E. We estimate Sun TV's standalone revenue to grow 17.6% QoQ and remain flattish YoY to INR 9.3bn. We envisage Sun TV's standalone EBITDA to grow 5.4% QoQ, but decline 10.4% YoY to INR 4.6bn. We estimate net profit to grow QoQ by 3.3%, but decline 10.1% YoY to INR 3.6bn in Q4FY25E.

PVR Inox

We estimate PVR-Inox's consolidated revenue to increase by 12.3% YoY, but decline 17.9% QoQ to INR 14.1bn. Ticket sales revenue is likely to grow 11.8% YoY (down 19.2% QoQ) to INR 7.1bn, whereas F&B revenue may decline 26.1% QoQ/6.8% YoY to INR 3.9bn. We estimate overall occupancy in Q4FY25E to decline to ~20%. We estimate ATP to decline by ~2.1% QoQ to INR 275 and SPH to decline by 10.7% QoQ to INR 125. We estimate cash (pre-INDAS) adj. EBITDA of INR 169mn and PAT loss of INR 1.7bn in Q4FY25E.

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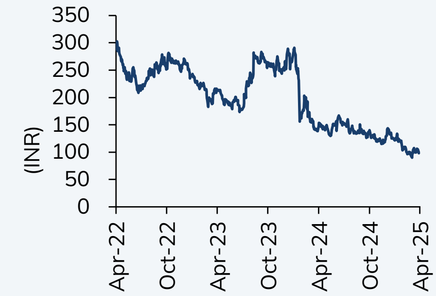
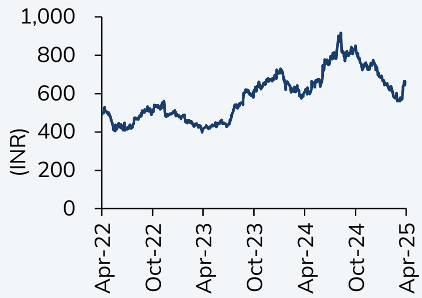
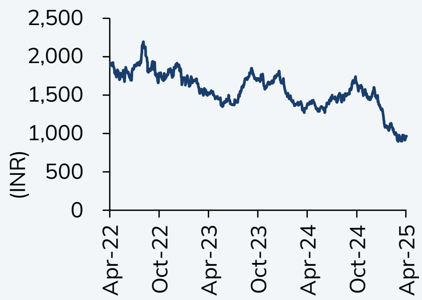
Zee TV



Sun TV



PVR Inox



Source: Bloomberg

Exhibit 1: Q4FY25 estimates (Zee, Sun TV, PVR Inox)

INR mn	Q4FY25E	Q3FY25	Q4FY24	QoQ (%)	YoY (%)
Zee					
Revenue	20,836	19,788	21,699	5.3%	-4.0%
EBITDA	2,707	3,184	2,102	-15.0%	28.8%
EBITDA margin	13%	16%	10%	-310bps	330bps
PAT	1,732	1,635	121	5.9%	1333.4%
Sun TV					
Revenue	9,333	7,936	9,271	17.6%	0.7%
EBITDA	4,556	4,321	5,086	5.4%	-10.4%
EBITDA margin	49%	54%	55%	-563bps	-603.5bps
PAT	3,585	3,472	3,988	3.3%	-10.1%
PVR Inox					
Revenue	14,105	17,173	12,564	-17.9%	12.3%
Adj. EBITDA (Pre Ind-AS)	169	2,368	12	-92.8%	1311.8%
EBITDA margin	1%	14%	0%	-1,259bps	110.6bps
PAT	-1,710	355	-1,297	NA	31.8%

Source: I-Sec research, Company data

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