

PVR

Strong content drives footfalls

India Equity Research | Media

PVR's Q4FY17 revenue and PAT came in line. Key positives were: i) 23.9% YoY spurt in F&B aided by 19% YoY increase in footfalls; ii) 16% YoY rise in ad revenue, albeit on base of 19.3% YoY (Inox's 2.4% YoY rise on low base); and iii) 23.4% YoY jump in net box office collection aided by 4.4% YoY ATP growth. Though the company only opened 38 screens in FY17 (regulatory approval delays), it continues to guide for 50-60 new screens every year (our estimate: 55 and 50 in FY18 and FY19, respectively). We believe, Karnataka High Court's judgement on free ticket pricing on weekends and public holidays could set a precedent for other states like Tamil Nadu. PVR continues to innovate with offerings like 'Vkaao' (enabling consumers to watch movies of choice) and 'drive-in theatres', which will hold it in good stead over the long term. Maintain 'BUY'.

Strong content boosts ATP and footfalls

PVR's like-to-like (LTL) ATP increased 2% YoY aided by good content, while LTL SPH jumped 4% YoY. Though the company refrained from guidance, it mentioned that it expects strong growth in ATP and SPH (our estimate: 4% YoY ATP growth and 5% YoY SPH growth in FY18). LTL foot fall increased 7% YoY aided by strong content (*Raees, Kaabil, Jolly LLB*).

Q4FY17 conference call: Key takeaways

Dangal, Kaabil and *Raees* resulted in one of the best Januaries for PVR. Q4FY17 ad growth was impacted due to regulatory issue. **We expect 18% YoY ad growth in FY18** aided by new screens and increase in ad revenues in DT Cinema screens. The company closed 4 screens in Q4FY17. **PVR has entered Sri Lanka and is planning to open screens (in early stage)**. DT Cinema's revenue contribution stood at 10% in Q4FY17.

Outlook and valuations: Premium show; maintain 'BUY'

We remain enthused by PVR's dominance and expansion in exhibition business and envisage it to continue to benefit from strong content pipeline (*Baahubali 2: The Conclusion, Tubelight, Wonder Women, Despicable Me 3* etc) in FY18. **Screen expansion will be key monitorable**. We maintain 'BUY/SO' with target price of INR1,573. At CMP, the stock is trading at 38.6x FY18E and 26.7x FY19E EPS.

EDELWEISS 4D RATINGS

Absolute Rating	BUY
Rating Relative to Sector	Outperform
Risk Rating Relative to Sector	Medium
Sector Relative to Market	Overweight

MARKET DATA (R: PVRL.BO, B: PVRL IN)

CMP	: INR 1,448
Target Price	: INR 1,573
52-week range (INR)	: 1,660 / 831
Share in issue (mn)	: 46.7
M cap (INR bn/USD mn)	: 68 / 1,047
Avg. Daily Vol.BSE/NSE('000)	: 199.0

SHARE HOLDING PATTERN (%)

	Current	Q3FY17	Q2FY17
Promoters *	20.2	25.2	25.2
MF's, FI's & BK's	29.8	30.6	28.7
FII's	38.9	31.0	32.6
Others	11.1	13.2	13.4
* Promoters pledged shares (% of share in issue)	:	Nil	

PRICE PERFORMANCE (%)

	Stock	Nifty	EW Media Index
1 month	(10.2)	3.4	(5.2)
3 months	11.8	8.4	2.9
12 months	71.6	17.7	21.7

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Financials		(INR mn)						
Year to March	Q4FY17	Q4FY16	% change	Q3FY17	% change	FY17	FY18E	FY19E
Revenues	4,826	4,077	18.4	5,309	(9.1)	21,628	25,991	29,849
EBITDA	467	359	30.1	799	(41.5)	3,570	4,894	6,286
Adj. Profit	15	(9)	(264.0)	239	(93.9)	999	1,751	2,533
Adj. dil. EPS	0.3	(0.2)		5.1		21.4	37.5	54.3
Diluted P/E (x)						67.7	38.6	26.7
ROAE (%)						10.4	16.2	19.8

Table 1: Trends at a glance

	PVR							
	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17
ATP (INR)	183	187	200	182	195	202	199	190
Net box office (INR mn)	2,742	2,746	2,512	2,144	3,056	2,781	2,692	2,646
Ad revenues (INR mn)	457	461	693	455	515	624	784	527
F&B revenue (INR mn)	1,298	1,196	1,136	1,037	1,475	1,396	1,349	1,285
Footfalls (mn)	19.0	18.8	16.5	15.3	20.7	18.5	17.9	18.2
No. of screens	474	477	491	524	551	557	569	579
SPH	74	68	74	73	78	84	83	78
<i>Zone wise screen break up</i>								
North	140	140	140	162	191	191	191	194
East	18	18	18	18	18	18	18	22
West	211	214	223	219	217	223	235	238
South	105	105	110	125	125	125	125	125
Total screens	474	477	491	524	551	557	569	579
<i>Key metrics</i>								
Ad revenues per screen	1.0	1.0	1.4	0.9	0.9	1.1	1.4	0.9
EBITDA margin (ex ad revenues)	15.2	10.4	3.7	0.3	12.6	6.2	0.4	(1.4)
EBITDA margin	23.1	19.1	17.0	11.3	20.5	16.8	15.1	9.7
ATP/SPH ratio	2.5	2.8	2.7	2.5	2.5	2.4	2.4	2.4
Footfalls per screen ('000)	40.1	39.4	33.6	29.2	37.6	33.2	31.5	31.4
<i>YoY growth</i>								
ATP	6.4	3.3	8.1	8.3	6.6	8.0	(0.5)	4.4
Net box office	35.0	20.3	8.9	35.8	11.5	1.3	7.2	23.4
Ad revenues	27.5	13.5	28.6	19.3	12.7	35.3	13.1	16.0
F&B revenue	45.9	31.7	12.9	49.9	13.7	16.8	18.8	23.9
Footfalls	25.0	19.7	3.1	25.4	8.9	(1.6)	8.5	19.0

* are as per IGAAP

Source: Company, Edelweiss research

Q4FY17 conference call: Key highlights

Ad growth

- ✓ Q4FY17 ad growth was impacted by regulatory issue. Advertisements need prior sensor certificate from government before they can be shown on screens resulting in delay.
- ✓ As of now, PVR does not expect any impact from GST on ad revenue.

ATP

- ✓ The competitor (Carnival Cinemas) has started a subscription based plan.
- ✓ It has not impacted PVR's business. PVR has pay per view pricing plan.
- ✓ The company does not see any merit, as of now, in trying a subscription based plan
- ✓ Though the company does not give guidance, management stated that ATP and SPH will post strong growth in FY18.

Rent cost

- ✓ It grew as part of IND-AS classification.
- ✓ Further, some of the properties came up for renewal.

Ticket cap

- ✓ The ticket cap case is pending in Karnataka High Court.
- ✓ However, the High Court has allowed free pricing on weekends and public holidays in Karnataka
- ✓ If the order is passed in Karnataka High Court, it could set the precedent for other states like Tamil Nadu.

GST

- ✓ Though in many places PVR has to pay 30% entertainment tax, the company enjoys various deductions.
- ✓ 75% screens, after adjusting for deductions, pay 20% tax rate.
- ✓ Hence, PVR was surprised at 28% GST rate.

Other key takeaways

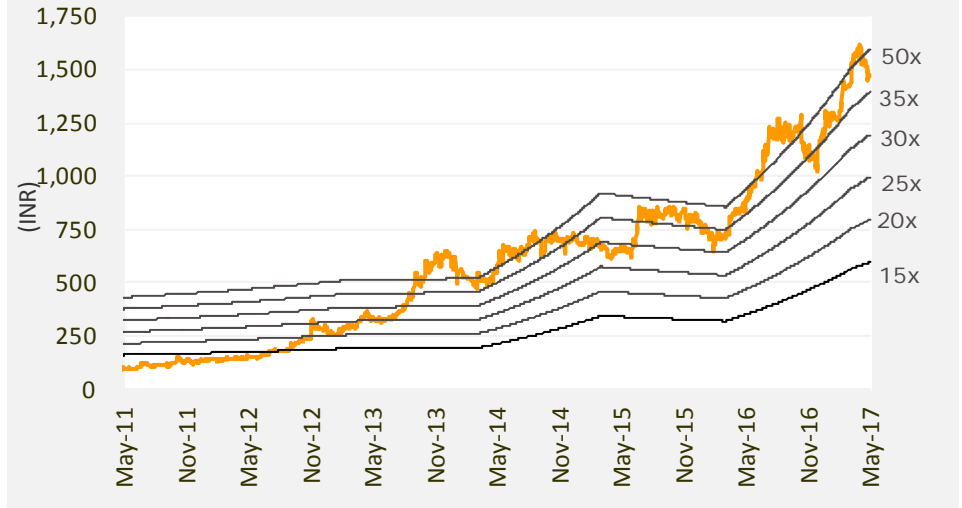
- ✓ PVR closed 4 screens in Q4FY17.
- ✓ It expects 40-50% screen growth in South India.
- ✓ 55% of PVR's footfalls were in Hindi genre in FY17 (similar to FY16). Hollywood contributed 22% of footfalls (19% in FY16) and regional contributed 23% of footfalls in FY17 (26% in FY16).
- ✓ The company has entered new market Sri Lanka. It is at an early stage.
- ✓ DT Cinema's contribution stood at 10% of revenue

Outlook and valuations: Positive; maintain 'BUY'

We remain enthused by PVR's pricing power with regards to ATP, F&B and advertising. We expect the company to be a key beneficiary of possible uptick in urban consumption. Further, the Union Cabinet has approved 7 CPC recommendations, implying ~24% aggregate hike in government employees' incomes, boosting disposable incomes is positive for multiplexes. With the acquisition of DT Cinemas, the company will enhance its market share in all key cities, which will drive growth once consumption picks up. Bargaining power of the combined entity is expected to improve significantly.

Though the anti-profiteering clause will affect EBITDA margin, we expect margin boost due to input/output tax set off. We expect it to continue to benefit from robust content pipeline. Screen expansion will be the key monitorable. We maintain target P/E of 29x to FY19E; target price is pegged at INR1,573. We maintain '**BUY/ Sector Outperformer**'.

Chart 1: PVR's 1-year forward PE band



Source: Bloomberg, Edelweiss research

Fig. 1: Carnival pricing strategy

UNLIMITED NEW MOVIES AT CARNIVAL CINEMAS
FOR ₹149* ONLY (30 DAYS)

MOVIECARD™
 #UNLIMITEDMOVIES
₹149
 WEEKDAYS

Haq Se Dekho!

COMING SOON

TUBELIGHT
 "Kya tumhe yakeen hai?"

SACHIN
 A BILLION DREAMS
 FATHER BROTHER PRACTICE

TRANSFORMERS

BAYWATCH
 JOHNSON EF RIDE CHOPRA

Source: Edelweiss research

Financial snapshot

(INR mn)

Year to March	Q4FY17	Q4FY16	% change	Q3FY17	% change	FY17	FY18E	FY19E
Net revenues	4,826	4,077	18.4	5,309	(9.1)	21,628	25,991	29,849
Exhibition cost	1,118	877	27.5	1,167	(4.2)	4,652	5,480	6,266
Cost of F&B	335	274	21.9	347	(3.5)	1,401	1,750	2,017
SG&A	1,362	1,254	8.7	1,429	(4.7)	5,899	7,018	7,552
Employee expenses	538	503	7.1	576	(6.5)	2,205	2,599	2,925
Rent expense	1,005	810	24.2	991	1.4	3,902	4,250	4,803
Total expenditure	4,358	3,718	17.2	4,509	(3.4)	18,058	21,097	23,563
EBITDA	467	359	30.1	799	(41.5)	3,570	4,894	6,286
Depreciation	363	334	8.8	345	5.3	1,384	1,661	1,825
EBIT	105	26	305.4	455	(77.0)	2,186	3,233	4,461
Other income	171	164	4.4	111	53.6	189	207	228
Interest	216	223	(3.3)	204	5.8	806	820	900
Add: Prior period items								
Add: Exceptional items	(15)	(53)	NA			(41)		
Profit before tax	45	(86)	(152.4)	363	(87.6)	1,528	2,621	3,789
Provision for taxes	45	(23)	(292.7)	127	(64.7)	570	865	1,250
Minority interest	1	(1)	(160.0)	(4)	(116.2)	1	5	5
Associate profit share								
Reported net profit	-	(62)	NA	239	NA	958	1,751	2,533
Adjusted Profit	15	(9)	(264.0)	239	(93.9)	999	1,751	2,533
Diluted shares (mn)	47	47		47		47	47	47
Adjusted Diluted EPS	0.3	(0.2)	(264.0)	5.1	(93.9)	21.4	37.5	54.3
Diluted P/E (x)						67.7	38.6	26.7
ROAE (%)						10.4	16.2	19.8
Tax Rate						37.3	33.0	33.0
Exhibition cost (% of revenue)	23.2	21.5		22.0		21.5	21.1	21.0
Cost of F&B (% of revenue)	6.9	6.7		6.5		6.5	6.7	6.8
Employee cost	11.2	12.3		10.8		10.2	10.0	9.8
Rent	20.8	19.9		18.7		18.0	16.4	16.1
SG&A	28.2	30.7		26.9		27.3	27.0	25.3
EBITDA	9.7	8.8		15.1		16.5	18.8	21.1
Adjusted net profit	0.3	(0.2)		4.4		4.6	6.8	8.5

Company Description

PVR was incorporated in 1995 pursuant to a JV with Village Roadshows, one of the largest cinema exhibition companies in the world. It opened its first multiplex in Delhi in 1997. In November 2002, Village Roadshows divested its stake in PVR as part of an overall strategy to rationalise its operations across 18 countries. Since then, PVR has come a long way and is presently one of the leading multiplex players in India with 501 screens across 111 properties. PVR is also present in the movie distribution business through its subsidiary PVR Pictures. It has also ventured into retail entertainment and management of food courts to diversify its revenue stream

Investment Theme

PVR has 501 screens as of March 2016. The company plans to add 60-70 screens annually for the next few years. With its primary focus on the movie exhibition business, PVR has decided to go slow in the bowling business and loss-making movie production business. Increasing 3D content will further enhance revenues. DT Cinemas acquisition is expected to create operating synergies going ahead.

Key Risks

- Unavailability of quality content
- Slowdown in consumer discretionary spends
- Delay in rollout of proposed multiplexes
- Competition from other forms of entertainment

Financial Statements

Key Assumptions

Year to March	FY16	FY17	FY18E	FY19E
Macro				
GDP(Y-o-Y %)	7.2	6.5	7.1	7.7
Inflation (Avg)	4.9	4.8	5.0	5.2
Repo rate (exit rate)	6.8	6.3	6.3	6.3
USD/INR (Avg)	65.0	67.5	67.0	67.0
Company				
Sales assumptions				
Ad revenue growth (%)	16.6	18.6	18.0	18.0
Average Ticket Price	188.0	196.0	203.8	212.0
Footfalls (mn)	70	75	86	96
F&B revenues (% of rev.)	21.4	21.9	23.3	23.5
SPH (INR)	72.0	81.0	80.8	84.1
Cost assumptions				
F&B COGS (% of F&B rev)	26.7	25.4	25.2	25.0
Personnel cost(% of rev)	9.9	10.2	10.0	9.8
Rent exp (% of rev)	17.6	18.0	16.4	16.1
Financial assumptions				
Tax rate (%)	29.8	36.3	33.0	33.0
Capex (INR mn)	2,188	6,798	2,515	2,544
Debtor days	16	16	16	16
Inventory days	11	12	12	12
Payable days	119	181	181	181
Cash conversion cycle	(92)	(153)	(153)	(153)
Int rate on debt (%)	11.9	11.6	10.2	10.3
Dep. (% gross block)	7.7	6.3	8.0	7.8

Income statement

(INR mn)

Year to March	FY16	FY17	FY18E	FY19E
Net revenue	18,811	21,628	25,991	29,849
Film exhibition cost	4,198	4,652	5,480	6,266
COGS of F&B	1,248	1,401	1,750	2,017
Employee costs	1,859	2,205	2,599	2,925
Rent expense	3,316	3,902	4,250	4,803
Total SG&A expenses	4,950	5,899	7,018	7,552
Total operating expenses	15,571	18,058	21,097	23,563
EBITDA	3,240	3,570	4,894	6,286
Depreciation	1,151	1,384	1,661	1,825
EBIT	2,089	2,186	3,233	4,461
Add: Other income	319.00	188.6	207.46	228.21
Less: Interest Expense	840	806	820	900
Add: Exceptional items	(116)	(41)	-	-
Profit Before Tax	1,453	1,528	2,621	3,789
Less: Provision for Tax	467	570	865	1,250
Less: Minority Interest	5	1	5	5
Reported Profit	981	958	1,751	2,533
Exceptional Items	(116)	(41)	-	-
Adjusted Profit	1,097	999	1,751	2,533
Shares o/s (mn)	47	47	47	47
Diluted shares o/s (mn)	47	47	47	47
Adjusted Diluted EPS	23.5	21.4	37.5	54.3
Dividend per share (DPS)	2.0	1.5	2.8	4.1
Dividend Payout Ratio(%)	9.5	7.5	7.5	7.5

Common size metrics

Year to March	FY16	FY17	FY18E	FY19E
Film exhibition cost	22.3	21.5	21.1	21.0
COGS of F&B	6.6	6.5	6.7	6.8
Staff costs	9.9	10.2	10.0	9.8
Rent expense	17.6	18.0	16.4	16.1
S G & A expenses	26.3	27.3	27.0	25.3
EBITDA margins	17.2	16.5	18.8	21.1
Net Profit margins	5.9	4.6	6.8	8.5

Growth ratios (%)

Year to March	FY16	FY17	FY18E	FY19E
Revenues	27.4	15.0	20.2	14.8
EBITDA	61.4	10.2	37.1	28.4
Adjusted Profit	634.6	(8.9)	75.3	44.7
EPS	546.8	(8.9)	75.3	44.7

Balance sheet		(INR mn)			
As on 31st March	FY16	FY17	FY18E	FY19E	
Share capital	467	467	467	467	
Reserves & Surplus	8,228	9,183	10,776	13,081	
Shareholders' funds	8,695	9,650	11,243	13,548	
Minority Interest	401	405	410	416	
Short term borrowings	882	1,251	1,200	1,200	
Long term borrowings	5,741	6,050	7,500	7,500	
Total Borrowings	6,623	7,301	8,700	8,700	
Long Term Liabilities	87	71	71	71	
Def. Tax Liability (net)	93	(424)	(424)	(424)	
Sources of funds	15,899	17,004	20,001	22,312	
Gross Block	13,700	16,346	18,761	21,205	
Net Block	8,824	10,447	11,361	12,151	
Capital work in progress	550	1,056	1,056	1,056	
Intangible Assets	1,282	4,640	4,509	4,437	
Total Fixed Assets	10,655	16,143	16,926	17,644	
Non current investments	16	-	-	-	
Cash and Equivalents	2,674	299	1,896	3,862	
Inventories	205	190	282	259	
Sundry Debtors	901	1,021	1,155	1,326	
Loans & Advances	3,792	2,226	2,226	2,226	
Other Current Assets	866	1,945	1,945	1,945	
Current Assets (ex cash)	5,763	5,383	5,608	5,757	
Trade payable	2,029	3,984	3,591	4,115	
Other Current Liab	1,180	837	837	837	
Total Current Liab	3,209	4,821	4,428	4,951	
Net Curr Assets-ex cash	2,554	562	1,180	806	
Uses of funds	15,899	17,004	20,001	22,312	
BVPS (INR)	186.2	206.7	240.8	290.2	

Free cash flow		(INR mn)			
Year to March	FY16	FY17	FY18E	FY19E	
Reported Profit	981	958	1,751	2,533	
Add: Depreciation	1,151	1,384	1,661	1,825	
Interest (Net of Tax)	590	513	549	603	
Others	447	186	69	74	
Less: Changes in WC	(204)	(1,651)	618	(374)	
Operating cash flow	3,373	4,691	3,412	5,410	
Less: Capex	2,188	6,798	2,515	2,544	
Free Cash Flow	1,185	(2,107)	897	2,866	

Peer comparison valuation

Name	Market cap (USD mn)	Diluted P/E (X)		EV / EBITDA (X)		ROAE (%)	
		FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
PVR	1,047	38.6	26.7	15.3	11.6	16.2	19.8
DB Corp	1,040	15.2	13.2	8.4	7.1	26.7	28.5
Sun TV Network	4,864	26.2	23.0	14.9	12.8	28.8	30.7
Zee Entertainment Enterprises	7,764	33.7	28.2	21.7	18.1	21.0	22.0

Source: Edelweiss research

Cash flow metrics					
Year to March	FY16	FY17	FY18E	FY19E	
Operating cash flow	3,373	4,691	3,412	5,410	
Investing cash flow	(5,252)	(4,180)	(2,307)	(2,316)	
Financing cash flow	1,851	(213)	421	(1,128)	
Net cash Flow	(27)	298	1,526	1,966	
Capex	(2,188)	(6,798)	(2,515)	(2,544)	
Dividend paid	(94)	(72)	(131)	(190)	

Profitability and efficiency ratios

Year to March	FY16	FY17	FY18E	FY19E
ROAE (%)	16.2	10.4	16.2	19.8
ROACE (%)	17.4	14.4	18.2	21.8
Inventory Days	11	12	12	12
Debtors Days	16	16	16	16
Payable Days	119	181	181	181
Cash Conversion Cycle	(92)	(153)	(153)	(153)
Current Ratio	2.6	1.2	1.7	1.9
Gross Debt/EBITDA	2.0	2.0	1.8	1.4
Gross Debt/Equity	0.7	0.7	0.7	0.6
Adjusted Debt/Equity	0.7	0.7	0.7	0.6
Interest Coverage Ratio	2.5	2.7	3.9	5.0

Operating ratios

Year to March	FY16	FY17	FY18E	FY19E
Total Asset Turnover	1.3	1.3	1.4	1.4
Fixed Asset Turnover	2.0	1.7	1.7	1.8
Equity Turnover	2.8	2.3	2.4	2.3

Valuation parameters

Year to March	FY16	FY17	FY18E	FY19E
Adj. Diluted EPS (INR)	23.5	21.4	37.5	54.3
Y-o-Y growth (%)	546.8	(8.9)	75.3	44.7
Adjusted Cash EPS (INR)	48.1	51.0	73.1	93.3
Diluted P/E (x)	61.6	67.7	38.6	26.7
P/B (x)	7.8	7.0	6.0	5.0
EV / Sales (x)	3.8	3.5	2.9	2.4
EV / EBITDA (x)	22.2	21.0	15.3	11.6
Dividend Yield (%)	0.1	0.1	0.2	0.3

Additional Data

Directors Data

Ajay Bijli	Promoter, Executive Director	Sanjeev Kumar	Executive Director
Vicha Poolvaraluk	Non Executive, Non Independent	Vikram Bakshi	Non Executive, Independent
Sanjai Vohra	Non Executive, Independent	Sanjay Khanna	Non Executive, Independent
Renuka Ramnath	Non Executive, Non Independent	Ravinder Singh Thakran	Non Executive, Non Independent
Amit Burman	Non Executive, Non Independent	Sanjay Kapoor	Additional Director
Narayan Ramachandran	Alternate Director		

Auditors - S.R. Batliboi & Co.

**as per last annual report*

Holding – Top10

	Perc. Holding		Perc. Holding
Berry Creek Inv Ltd	7.67	Gray Birch Inv Ltd	6.33
Plenty Pvt Eq Fund I Ltd	4.21	Multiple Pvt Eq Fu I Ltd	3.79
Baron Capital Inc	3.21	Reliance Capital Trustee Co Ltd	3.17
Bnp Paribas	3.04	Plenty Pvt Equity Fii	2.98
Prudential Icici Asset Mgmt Co	2.65	Artisan Partners Ltd Partnership	2.49

**as per last available data*

Bulk Deals

Data	Acquired / Seller	B/S	Qty Traded	Price
17 Mar 2017	Vanguard Funds Public Ltd Company Vanguard Ftse All Wor	Buy	321955	1412.38
18 Jan 2017	Sanjeev Kumar	Sell	350000	1260.00
18 Jan 2017	Ajay Bijli	Sell	1985000	1260.00
18 Jan 2017	Multiples Pvt Equity Fund	Sell	389961	1260.00
18 Jan 2017	Gray Birch Investment Ltd	Buy	2958888	1260.00
18 Jan 2017	Multiples Pvt Equity Fund Ii Llp	Sell	233927	1260.00
28 Jun 2016	Merrill Lynch Markets Singapore Pte. Ltd.	Buy	250000	953.00
28 Jun 2016	Merrill Lynch Capital Markets Espana Sa Sv	Sell	250000	953.00

**in last one year*

Insider Trades

Reporting Data	Acquired / Seller	B/S	Qty Traded
03 Apr 2017	N C Gupta	Sell	89000.00
03 Apr 2017	Sudha Gupta	Buy	89000.00
03 Apr 2017	Aamer Krishan Bijli	Sell	47000.00
03 Apr 2017	Selena Bijli	Buy	47000.00
03 Apr 2017	Selena Bijli	Buy	47000.00

**in last one year*

Company	Absolute reco	Relative reco	Relative risk	Company	Absolute reco	Relative reco	Relative Risk
DB Corp	BUY	SP	M	DEN Networks	HOLD	SP	H
Dish TV India	BUY	SP	M	Hathway Cable & Datacom	BUY	SP	M
Jagran Prakashan	BUY	SP	M	PVR	BUY	SO	M
Sun TV Network	BUY	SO	H	Zee Entertainment Enterprises	BUY	SO	M

ABSOLUTE RATING

Ratings	Expected absolute returns over 12 months
Buy	More than 15%
Hold	Between 15% and - 5%
Reduce	Less than -5%

RELATIVE RETURNS RATING

Ratings	Criteria
Sector Outperformer (SO)	Stock return > 1.25 x Sector return
Sector Performer (SP)	Stock return > 0.75 x Sector return
	Stock return < 1.25 x Sector return
Sector Underperformer (SU)	Stock return < 0.75 x Sector return

Sector return is market cap weighted average return for the coverage universe within the sector

RELATIVE RISK RATING

Ratings	Criteria
Low (L)	Bottom 1/3rd percentile in the sector
Medium (M)	Middle 1/3rd percentile in the sector
High (H)	Top 1/3rd percentile in the sector

Risk ratings are based on Edelweiss risk model

SECTOR RATING

Ratings	Criteria
Overweight (OW)	Sector return > 1.25 x Nifty return
Equalweight (EW)	Sector return > 0.75 x Nifty return
	Sector return < 1.25 x Nifty return
Underweight (UW)	Sector return < 0.75 x Nifty return

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Coverage group(s) of stocks by primary analyst(s): Media

DB Corp, DEN Networks, Dish TV India, Hathway Cable & Datacom, Jagran Prakashan, PVR, Sun TV Network, Zee Entertainment Enterprises

Recent Research

Date	Company	Title	Price (INR)	Recos
29-May-17	Jagran Prakashan	In-line performance; Radio City's prospects bright; <i>Result Update</i>	177	Buy
26-May-17	Sun TV Network	Ad disappoints again; subscription remains robust ; <i>Result Update</i>	809	Buy
24-May-17	Dish TV	Demonetisation hurts ARPU; <i>Result Update</i>	91	Buy

Distribution of Ratings / Market Cap

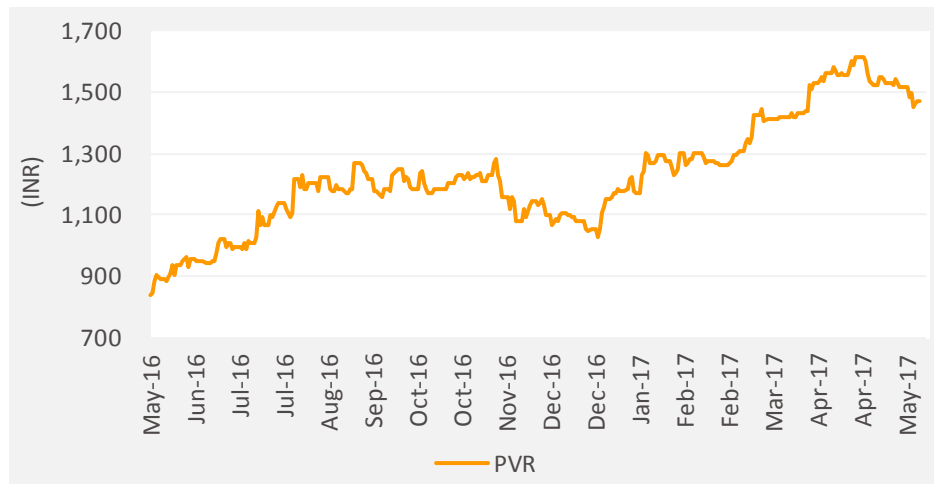
Edelweiss Research Coverage Universe

	Buy	Hold	Reduce	Total
Rating Distribution*	161	67	11	240
* 1stocks under review				
	> 50bn	Between 10bn and 50 bn	< 10bn	
Market Cap (INR)	156	62	11	

Rating Interpretation

Rating	Expected to
Buy	appreciate more than 15% over a 12-month period
Hold	appreciate up to 15% over a 12-month period
Reduce	depreciate more than 5% over a 12-month period

One year price chart



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