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India | Equity Research | Results Update

Sun TV Network

Media

Subscription, movie distribution and UK cricket compensate for ad decline

Sun TV's ad revenue in Q2FY26 was weak (down 12.9% YoY) as FMCG companies continued to divert budgets towards digital platforms. However, subscription revenue grew 9% YoY. The company had acquired 100% stake in Sunrisers Leeds Limited, diversifying cricket revenue beyond IPL. This has contributed INR 945mn in revenue and INR 222mn in PBT. Movie distribution contributed INR 3.8bn (up from 1bn in Q2FY25) aided by 'Coolie' success. Interim dividend was INR 3.75/share. We believe a higher payout ratio in FY26 would be a key trigger for the stock. Given INR 78bn of cash in hand and inexpensive valuations, we maintain **BUY**; advertising revenue recovery remains a key monitorable.

Q2FY26 performance (consolidated)

Sun TV's revenue was flattish QoQ/up 39.1% YoY to INR 13bn. EBITDA was INR 7.9bn, up 26.7% QoQ/45.1% YoY with EBITDA margin at 60.3%. Net profit was down 33% QoQ/13.4% YoY to INR 3.5bn. Sun TV acquired 100% stake in Sunrisers Leeds Limited, which reported revenue/PBT of INR 945mn/INR 222mn. Sun TV declared an interim dividend of INR 3.75/share in Q2FY26.

Q2FY26 performance (standalone)

Domestic subscription revenue was flattish QoQ/up 9% YoY to INR 4.8bn. Advertisement revenue was flattish QoQ/down 12.9% YoY to INR 2.9bn. Overall revenue was down 7% QoQ/up 29.9% YoY to INR 11.7bn. EBITDA was INR 7.5bn, up 21.5% QoQ/41.8% YoY with EBITDA margin at 64.2%. Net profit was INR 3.3bn.

Valuation

We believe, ad revenue for Sun TV is poised to grow in H2FY26E over a weak base. Also, revenue from cricketing franchises may grow steadily henceforth. We believe, given Sun's inexpensive valuations, the stock is likely to re-rate once there are signs of recovery in ad revenue; hence, we maintain **BUY**.

We value the stock at an unchanged TP of INR 725, based on ~17x 1-year forward EPS (FY27E). Key risks: Slower-than-expected recovery in ad spends in GEC; and decline in revenue from IPL.

Financial Summary

Y/E (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Revenue	42,821	40,151	41,802	42,331
EBITDA	26,381	21,327	20,901	21,166
EBITDA Margin (%)	61.6	53.1	50.0	50.0
Net Profit	19,251	17,029	16,604	16,815
EPS (INR)	48.6	44.8	42.3	42.8
EPS % Chg YoY	12.4	(7.9)	(5.6)	1.3
P/E (x)	11.6	12.6	13.3	13.2
EV/EBITDA (x)	8.1	10.0	9.9	9.3
RoCE (%)	20.0	13.9	12.1	11.9
RoE (%)	18.3	14.6	13.0	12.1

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Market Data

Market Cap (INR)	222bn
Market Cap (USD)	2,501mn
Bloomberg Code	SUNTV IN
Reuters Code	SUTV.BO
52-week Range (INR)	784 /506
Free Float (%)	25.0
ADTV-3M (mn) (USD)	3.3

Price Performance (%)	3m	6m	12m
Absolute	(2.1)	(9.7)	(22.9)
Relative to Sensex	(7.0)	(13.6)	(31.9)

ESG Score	2023	2024	Change
ESG score	60.9	62.0	1.1
Environment	43.6	48.5	4.9
Social	62.8	59.8	(3.0)
Governance	65.8	70.7	4.9

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

08-08-2026: [Q1FY26 results review](#)

02-06-2025: [Q4FY25 results review](#)

Exhibit 1: Q2FY26 result review

Standalone (in INR mn)	Q2FY26	Q1FY26	Q2FY25	QoQ (%)	YoY (%)	Q2FY26E	Diff.
Revenue	11,690	12,568	9,002	-7.0	29.9	10,339	13.1
Cost of revenue	2,488	2,422	2,196	2.7	13.3	2,650	-6.1
Employee Benefit Expenses	751	745	731	0.9	2.8	750	0.2
Other cost	951	3,229	785	-70.5	21.2	1,100	-13.6
EBITDA	7,499	6,172	5,290	21.5	41.8	5,839	28.4
EBITDA (%)	64.2%	49.1%	58.8%	1504 bps	538 bps	56.5%	767 bps
PAT after minority interest	3,298	5,287	3,982	-37.6	-17.2	4,332	-23.9
PAT (%)	28.2%	42.1%	44.2%	-1386 bps	-1603 bps	41.9%	-1369 bps

Source: I-Sec research, Company data

Exhibit 2: Shareholding pattern

%	Mar'25	Jun'25	Sep'25
Promoters	75.0	75.0	75.0
Institutional investors	17.3	17.2	16.9
MFs and others	9.7	9.6	9.5
FIs/Banks	0.0	0.0	0.0
Insurance	0.7	0.7	0.7
FIIIs	6.9	6.9	6.7
Others	7.7	7.8	8.1

Source: Bloomberg, I-Sec research

Exhibit 3: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 4: Profit & Loss

(INR mn, year ending)

	FY24A	FY25A	FY26E	FY27E
Net Sales	42,821	40,151	41,802	42,331
Operating Expenses	16,440	18,824	20,901	21,166
EBITDA	26,381	21,327	20,901	21,166
EBITDA Margin (%)	61.6	53.1	50.0	50.0
Depreciation & Amortization	5,317	5,392	5,386	5,454
EBIT	21,064	15,935	15,515	15,711
Interest expenditure	86	134	140	141
Other Non-operating Income	5,050	6,975	7,262	7,354
Recurring PBT	26,028	22,776	22,637	22,924
Profit / (Loss) from Associates	103	(49)	(49)	(49)
Less: Taxes	6,873	5,133	5,978	6,053
PAT	19,155	17,643	16,660	16,871
Less: Minority Interest	7	7	7	7
Extraordinaries (Net)	-	558	-	-
Net Income (Reported)	19,258	17,036	16,611	16,822
Net Income (Adjusted)	19,251	17,029	16,604	16,815

Source Company data, I-Sec research

Exhibit 5: Balance sheet

(INR mn, year ending)

	FY24A	FY25A	FY26E	FY27E
Total Current Assets	67,984	80,777	91,224	1,01,433
of which cash & cash eqv.	4,008	4,231	11,924	21,890
Total Current Liabilities & Provisions	8,387	8,646	9,126	9,241
Net Current Assets	59,597	72,131	82,099	92,192
Investments	4,399	3,758	3,758	3,758
Net Fixed Assets	8,241	7,562	8,492	9,434
ROU Assets	268	4,237	4,237	4,237
Capital Work-in-Progress	74	173	173	173
Total Intangible Assets	9,658	6,935	6,935	6,935
Other assets	23,586	22,923	22,923	22,923
Deferred Tax Assets	-	-	-	-
Total Assets	1,05,822	1,17,719	1,28,616	1,39,651
Liabilities				
Borrowings	-	-	-	-
Deferred Tax Liability	-	-	-	-
provisions	-	-	-	-
other Liabilities	399	1,176	1,176	1,176
Equity Share Capital	1,970	1,970	1,970	1,970
Reserves & Surplus	1,03,390	1,14,502	1,25,400	1,36,435
Total Net Worth	1,05,360	1,16,473	1,27,370	1,38,405
Minority Interest	63	70	70	70
Total Liabilities	1,05,822	1,17,719	1,28,616	1,39,651

Source Company data, I-Sec research

Exhibit 6: Quarterly trend

(INR mn, year ending)

	Dec-24	Mar-25	Jun-25	Sep-25
Net Sales	7,936	9,090	12,568	11,690
% growth (YOY)	(10.4)	-2.0	-1.5	29.9
EBITDA	4,321	4,269	6,172	7,499
Margin %	54.5	47.0	49.1	64.2
Other Income	1,341	2,269	1,805	1,314
Net profit	3,472	3,622	5,287	3,298

Source Company data, I-Sec research

Exhibit 7: Cashflow statement

(INR mn, year ending)

	FY24A	FY25A	FY26E	FY27E
Operating Cashflow	21,713	16,631	12,509	14,844
Working Capital Changes	1,392	638	(2,274)	(127)
Capital Commitments	(5,111)	(3,836)	(6,316)	(6,396)
Free Cashflow	16,602	12,795	6,193	8,448
Other investing cashflow	(8,023)	(6,824)	7,262	7,354
Cashflow from Investing Activities	(13,134)	(10,660)	946	958
Issue of Share Capital	-	-	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	(6,601)	(5,911)	(5,762)	(5,835)
Others	(370)	(267)	-	-
Cash flow from Financing Activities	(6,971)	(6,179)	(5,762)	(5,835)
Chg. in Cash & Bank balance	1,609	(208)	7,693	9,967
Closing cash & balance	2,921	2,730	10,423	20,390

Source Company data, I-Sec research

Exhibit 8: Key ratios

(Year ending)

	FY24A	FY25A	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	48.6	44.8	42.3	42.8
Adjusted EPS (Diluted)	48.6	44.8	42.3	42.8
Cash EPS	62.3	56.9	55.8	56.5
Dividend per share (DPS)	16.7	15.0	14.6	14.8
Book Value per share (BV)	267.3	295.5	323.2	351.2
Dividend Payout (%)	0.3	0.3	0.3	0.3
Growth (%)				
Net Sales	13.5	(6.2)	4.1	1.3
EBITDA	10.2	(19.2)	(2.0)	1.3
EPS (INR)	12.4	(7.9)	(5.6)	1.3
Valuation Ratios (x)				
P/E	11.6	12.6	13.3	13.2
P/CEPS	9.0	9.9	10.1	10.0
P/BV	2.1	1.9	1.7	1.6
EV / EBITDA	8.1	10.0	9.9	9.3
P / Sales	5.2	5.5	5.3	5.2
Dividend Yield (%)	3.0	3.0	3.0	3.0
Operating Ratios				
Gross Profit Margins (%)	-	-	-	-
EBITDA Margins (%)	61.6	53.1	50.0	50.0
Effective Tax Rate (%)	26.4	22.5	26.4	26.4
Net Profit Margins (%)	44.7	43.9	39.9	39.9
NWC / Total Assets (%)	-	-	-	-
Net Debt / Equity (x)	-	-	-	-
Net Debt / EBITDA (x)	-	-	-	-
Profitability Ratios				
RoCE (%)	20.0	13.9	12.1	11.9
RoE (%)	18.3	14.6	13.0	12.1
RoC (%)	19.4	16.0	13.7	12.8
Fixed Asset Turnover (x)	-	-	-	-
Inventory Turnover Days	-	-	-	-
Receivables Days	143	143	143	143
Payables Days	24	24	24	24

Source Company data, I-Sec research

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