

Rating: Neutral

Issue Offer

Fresh Issue of 51,00,000 equity shares amounting to INR 902.7 Mn

Issue Summary

Price Band INR	168-177
Face Value INR	10
Implied Market Cap INR Mn.	3,380.7
Market Lot	800
Issue Opens on	Aug 7, 2025
Issue Close on	Aug 11, 2025
No. of share pre-issue	14,000,000
No. of share post issue	19,100,000
Listing	NSE SME

Issue Break-up %

Market Maker Shares	5.02%
QIB Portion	47.47%
Retail Portion	33.25%
NII Portion	14.26%

Registrar

MUFG Intime India Pvt Ltd

Book Running Lead Managers

Beeline Capital Advisors Pvt Ltd

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	95.36%	69.90%
Public & Others	4.64%	30.10%

Objects of the issue

- Investment in acquiring a new corporate office to strengthen infrastructure.
- Upgradation of cinema technology with advanced LED screens and projectors.
- Allocation towards working capital to support smooth daily operations.

Connplex Cinemas Limited is an entertainment company that is transforming the cinema experience across India. It operates on an asset-light franchise model, which includes both Franchise-Owned, Franchise-Operated (FOFO) and Franchise-Owned, Company-Operated (FOCO) agreements. This model allows the company to minimize capital expenditure and achieve rapid market penetration. The company caters to diverse markets and clientele with three distinct cinema models ExprConnplexess (compact), Signature (refined), and Luxuriance (opulent). The company's key revenue streams are derived from movie exhibitions, food and beverages, advertising, franchise fees, and private events.

Investment Rationale

Superior Cinema Experience Backed by Advanced Technology: Delivering a premium cinema experience beyond traditional movie chains. Features include plush recliner seating, immersive surround sound systems, and high-definition screens. Continuous investment in cutting-edge technology such as Dolby Atmos and advanced 2K projectors. Every screening feels personalized, attracting discerning and quality-conscious audiences.

Robust Franchisee Support System & Quick Setup Process : Comprehensive support covering location selection, construction, operations, and marketing. Fast setup enabled by modular cinema designs and strong vendor partnerships. Efficient rollout and guidance help franchisees meet high brand standards and achieve faster profitability. Rapid expansion across markets driven by streamlined setup and scalable franchise models.

Strong and Diversified Revenue Streams: Multiple revenue sources beyond box office, including cinema making Food and beverage sales and revenue-sharing In-cinema advertising Private events like corporate screenings and parties Customized F&B menus tailored to local tastes drive higher patron spending. Advertising adds extra revenue without affecting the viewing experience. Off-peak hours utilized effectively through event hosting, maximizing facility usage.

Strategic Expansion in Emerging Markets: Focus on growth in Tier 2, 3, and 4 cities, where competition is limited. Targeting high-demand, underserved regions with cost-effective cinema models. Successfully filling the entertainment gap in semi-urban and rural areas. Establishing strong brand presence and capturing significant market share in these locations.

Valuation and View: Connplex Cinemas Limited is an entertainment company experiencing rapid expansion and growth throughout India. Its business model is based on an asset-light franchise approach, which allows it to quickly penetrate various markets. The company provides a diverse range of cinema experiences through its distinct models, which are designed to appeal to different customer segments, from compact and efficient to refined and opulent. The company has demonstrated strong financial performance, with key metrics such as revenue and profit showing significant growth over a recent period. This success is supported by a notable operational presence across several states. The capital raised is intended to cover major expenditures, including investments in a new corporate office and technological upgrades like new screens and projectors. A portion of the funds will also be used to support ongoing business operations and for general corporate needs. Looking ahead, the company aims to continue its expansion, increase revenue from non-ticket sources like food and beverages, and enhance the overall premium cinema experience for its patrons.. **At the upper band of INR 177, the issue is valued at a P/E ratio of 17.78x, based on Annualized PAT of FY25 EPS of INR 9.95. We are recommending a "Neutral" for this issue currently.**

Abhishek Jain
abhishek.jain@arihantcapital.com
022-422548871

Khushi Parekh
Khushi.parekh@arihantcapital.com
022-42254876

Arihant Research Desk

Email: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office

#1011, Solitaire Corporate Park
Building No. 10, 1st Floor
Andheri Ghatkopar Link Road
Chakala, Andheri (E)
Mumbai – 400093
Tel: (91-22) 42254800

Registered Office

6 Lad Colony,
Y.N. Road,
Indore - 452003, (M.P.)
Tel: (91-731) 4217100/101
CIN: L66120MP1992PLC007182

Stock Rating Scale**Absolute Return**

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

**Research Analyst
Registration No.****Contact****Website****Email Id**

INH000002764

SMS: 'Arihant' to 56677

www.arihantcapital.com

instresearch@arihantcapital.com

Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

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Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800