

Zee Entertainment Enterprises (Z IN)

**Q4FY26
Result Update**

May 20, 2026

 Estimate Change | Target | Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		BUY	
Target Price	91		122	
Sales (INR mn)	85,487	90,993	88,677	95,999
% Chng.	(3.6)	(5.2)		
EBITDA (INR mn)	11,028	13,103	13,745	16,032
% Chng.	(19.8)	(18.3)		
EPS (INR)	7.5	9.1	9.4	11.1
% Chng.	(20.2)	(18.0)		

Key Data

ZEE.BO | Z IN

BSE Code	505537
NSE Code	ZEEL
52-W High / Low	INR 151 / INR 68
Face Value	1
Sensex / Nifty	75,318 / 23,659
Market Cap	INR 80 bn / \$ 823 mn
Shares Outstanding	960.52 mn
3M Avg. Daily Value	INR 1,320.16 mn

Shareholding Pattern (%)

Promoters	3.99
FII's	25.33
Mutual Funds	4.86
Domestic Institutions	6.04
Public & Others	59.78
Promoter's Pledge	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(5.3)	(8.5)	(15.7)	(32.5)
Relative	(1.3)	0.6	(4.1)	(27.3)

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	82,941	80,989	85,487	90,993
EBITDA (INR mn)	11,962	3,463	11,028	13,103
Margin (%)	14.4	4.3	12.9	14.4
PAT (INR mn)	7,701	6,365	7,229	8,779
EV (INR mn)	58,016	54,367	47,950	47,743
Total Debt (INR mn)	2,398	1,941	1,941	1,941
C&C Eq. (INR mn)	7,204	7,978	14,395	14,601
EPS (INR)	8.0	6.6	7.5	9.1
Gr. (%)	62.5	(17.3)	13.6	21.4
DPS (INR)	2.4	2.0	1.9	2.3
Yield (%)	2.9	2.4	2.3	2.8
RoE (%)	6.9	5.5	6.0	7.0
RoCE (%)	8.0	1.1	7.2	8.3
EV/Sales (x)	0.7	0.7	0.6	0.5
EV/EBITDA (x)	4.9	15.7	4.3	3.6
PE (x)	10.3	12.5	11.0	9.1
P/BV (x)	0.7	0.7	0.6	0.6

Margins hit due to change in movie amortization policy

Quick Pointers

- Accelerated charge of INR4,084mn due to change in movie amortization policy drags profitability
- Adjusting for the Middle East crisis, ad-revenues would have grown by low single digit in 4QFY26

We cut our EPS estimates by 20%/18% for FY27E/FY28E and downgrade Z IN to ACCUMULATE (earlier BUY) with a TP of Rs91 (10x FY28E EPS; earlier 11x) as we fine tune our domestic ad-revenue growth forecast and operating cost assumptions given change in movie amortization policy. Z IN reported weak operational performance with EBITDA loss of INR2,686mn (PL EBITDA profit INR2,219; CE INR2,183mn) due to an accelerated charge of INR4,084mn arising from a change in movie amortization policy. Nonetheless, ad-revenues showed some signs of recovery with growth hovering around the low single digit mark adjusting for crisis ridden March. We expect revenue CAGR of 4.0% over FY26-FY28E with EBITDA margin of 12.9%/14.4% in FY27E/FY28E. Z IN trades at 11x/9x our FY27E/FY28E EPS. Downgrade to ACCUMULATE with a TP of Rs91 (10x FY28E EPS).

Top line decreased by 7.3% YoY: Revenue declined by 7.3% YoY to INR20,248mn (PL E INR21,301mn; CE INR21,048mn). Ad revenues declined by 3.5% YoY to INR8,080mn (PL E INR8,444mn) due to the ongoing Middle East crisis. Subscription revenues increased by 3.9% YoY to INR10,247mn (PL E INR10,341mn), led by subscriber additions in digital business, and other sales and services revenue decreased by 46.7% YoY to INR1,921mn (PL E INR2,571mn) due to muted performance by studio business.

Adjusted EBITDA margin stood at 6.9%: EBITDA loss stood at INR2,686mn. Adjusting for an additional inventory charge of INR4,084mn due to change in amortization policy of movie business, adjusted EBITDA for the quarter stood at INR1,398mn (PL EBITDA INR2,219mn; CE INR2,183mn) with an adjusted margin of 6.9%. Loss stood at INR1,037mn for 4QFY26. However, after adjusting for a fair value gain on financial instruments of INR138mn, and for the revised amortization expense of INR4,084mn, the adjusted PAT stood at INR2,907mn (PL E Rs1,316mn; CE Rs1,350mn).

ZEE5 turns EBITDA positive for 2nd consecutive quarter: ZEE5's revenue increased by 71.1% YoY to INR4,700mn during the quarter, with EBITDA loss of INR84mn (Adjusting for the inventory charge, ZEE5 reported a positive EBITDA in 4QFY26). 45 new shows/movies were launched including 11 originals in 4QFY26.

Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
Net Sales (INR mn)	21,301	20,248	-5.0	21,841	-7.0
EBITDA (INR mn)	2,219	-2,686	NA	2,852	NA
Margin (%)	10.4	NA	NA	13.1	NA
PAT (INR mn)	1,316	2,907	121.0	1,761	65.0

Source: Company, PL

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Con-call highlights: 1) The 7-language strategy adopted in the digital business has led to improved revenue during the year. 2) ZEE TV, Z IN's flagship Hindi GEC channel, reported a robust 40% growth in GRPs. 3) Barring the disruptions in Mar'26, advertising segment would have witnessed a low single digit growth in 4QFY26. 4) Z IN recently made three strategic investments. It invested ~INR200mn in Core Private Limited to strengthen its live business segment. It also invested ~INR1,160mn in Phantom Digital Effects Limited to support its production and studio business. Additionally, it invested ~INR1,000mn in ZBullet Enterprises Limited to expand its presence in micro-drama segment. 5) Major rationalization has been done on the manpower side during the year leading to 16.5%/9.1% decline in employee benefit expenses in 4QFY26/FY26 respectively. 6) The movie amortization policy was revised during the quarter, resulting in higher amortization expense. Earlier, movies were amortized on a straight-line basis over five years. Under the revised policy, 50% of the cost will be amortized in the first two years, while the remaining 50% will be amortized over the next three years. 7) Z IN's network share declined sequentially to ~17.4% due to T20 world cup and Bengal elections. 8) Bad debt to the tune of ~INR700mn has been provisioned for FY26 considering the age of the debtors.

Exhibit 1 : 4QFY26 Result Overview - Consolidated (INR mn)

Consolidated (Rs mn)	Q4FY26	Q4FY25	YoY gr.	Q4FY26E	Var	Q3FY26	QoQ gr.	FY26	FY25	YoY gr.
Net Sales	20,248	21,841	-7.3%	21,301	-4.9%	22,801	-11.2%	80,989	82,941	-2.4%
Operational cost	15,048	12,819	17.4%	11,577	30.0%	13,056	15.3%	48,594	45,172	7.6%
As a % of sales	74.3%	58.7%		54.4%		57.3%		60.0%	54.5%	
Employee expenses	1,920	2,300	-16.5%	2,192	-12.4%	2,161	-11.2%	8,424	9,266	-9.1%
As a % of sales	9.5%	10.5%		10.3%		9.5%		10.4%	11.2%	
Other expenses	1,642	870	88.7%	1,702	-3.5%	1,695	-3.1%	6,257	5,075	23.3%
As a % of sales	8.1%	4.0%		8.0%		7.4%		7.7%	6.1%	
A&P spends	4,324	3,000	44.1%	3,610	19.8%	3,484	24.1%	14,251	11,466	24.3%
As a % of sales	21.4%	13.7%		16.9%		15.3%		17.6%	13.8%	
Total Expenditure	22,934	18,989	20.8%	19,082	20.2%	20,396	12.4%	77,526	70,979	9.2%
EBITDA	(2,686)	2,852	NM	2,219	NM	2,405	NM	3,463	11,962	-71.0%
<i>EBITDA Margin</i>	<i>NM</i>	<i>13.1%</i>		<i>10.4%</i>		<i>10.5%</i>		<i>4.3%</i>	<i>14.4%</i>	
Depreciation	473	639	-26.0%	598	-20.9%	537	-11.9%	2,172	2,785	-22.0%
EBIT	(3,159)	2,213	NM	1,621	NM	1,868	NM	1,291	9,177	-85.9%
<i>EBIT Margin</i>	<i>NM</i>	<i>10.1%</i>		<i>7.6%</i>		<i>8.2%</i>		<i>1.6%</i>	<i>11.1%</i>	
Interest	149	81	84.0%	111	34.0%	92	62.0%	448	327	37.0%
Other income	763	362	110.8%	287	166.3%	184	314.7%	1461	1234	18.4%
Fair value (gain)/loss on financial instruments	(138)	(125)	NM	-	NM	(151)	NM	(524)	(159)	NM
PBT before exceptional items	(2,407)	2,619	NM	1,796	NM	2,111	NM	2,828	10,243	-72.4%
Exceptional items	-	-	NM	-	NM	(94)	NM	(94)	(986)	NM
Share of profit in associates and joint ventures	-	1	NM	-	NM	-	NM	2	4	-50.0%
PBT	(2,407)	2,620	NM	1,796	NM	2,017	NM	2,736	9,261	-70.5%
Tax	(1,370)	734	NM	481	NM	469	NM	23	2,387	-99.0%
<i>Tax Rate</i>	<i>NM</i>	<i>28.0%</i>		<i>26.8%</i>		<i>23.3%</i>		<i>0.8%</i>	<i>25.8%</i>	
PAT	(1,037)	1,886	NM	1,316	NM	1,548	NM	2,713	6,874	-60.5%
<i>PAT Margin</i>	<i>NM</i>	<i>8.6%</i>		<i>6.2%</i>		<i>6.8%</i>		<i>3.3%</i>	<i>8.3%</i>	
Other comprehensive income	759	34	2132.4%	-	NM	183	314.8%	1,586	411	285.7%
Adjusted PAT	2,907	1,761	65.1%	1,316	120.9%	1,491	95.0%	6,365	7,701	-17.3%
Loss from discontinued operations	-	(2)	NM	-	NM	-	NM	-	(79)	NM
PAT/Loss including discontinued operations	(1,037)	1,884	NM	1,316	NM	1,548	NM	2,713	6,795	-60.1%
EPS (Rs)	(1.1)	2.0	NM	1.4	NM	1.6	NM	2.8	7.2	-60.5%
Adjusted EPS	3.0	1.8	65.0%	1.4	120.9%	1.6	95.0%	6.6	8.0	-17.3%

Source: Company, PL

Exhibit 2 : Domestic ad-revenue declined by 2.7% YoY in 4QFY26 (INR mn)

Particulars (INR mn)	Q4FY26	Q4FY25	YoY gr.	Q3FY26	QoQ gr.
Domestic ad-revenue	7,574	7,786	-2.7%	7,964	-4.9%
As a % of ad-revenue	93.7%	93.0%		93.5%	
International ad-revenue	506	589	-14.1%	551	-8.2%
As a % of ad-revenue	6.3%	7.0%		6.5%	
Total ad-revenue	8,080	8,375	-3.5%	8,515	-5.1%
Domestic subscription revenue	9,248	8,855	4.4%	9,632	-4.0%
As a % of subscription-revenue	90.3%	89.8%		91.7%	
International subscription revenue	999	1,010	-1.1%	870	14.8%
As a % of subscription-revenue	9.7%	10.2%		8.3%	
Total subscription revenue	10,247	9,865	3.9%	10,502	-2.4%
Other sales & services	1,921	3,601	-46.7%	3,784	-49.2%
Total Revenues	20,248	21,841	-7.3%	22,801	-11.2%

Source: Company, PL

Exhibit 3 : ZEE5 reports highest revenue till date in 4QFY26

Particulars	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Global MAU	NA	NA	NA	NA	NA	NA	NA	NA
Global DAU	NA	NA	NA	NA	NA	NA	NA	NA
Average watch time (per viewer/per month)	NA	NA	NA	NA	NA	NA	NA	NA
Revenue	Rs2,237mn	Rs2,363mn	Rs2,413mn	Rs2,747mn	Rs2,900mn	Rs3,108mn	Rs4,180mn	Rs4,700mn
EBITDA	Rs(1,777mn)	Rs(1,588mn)	Rs(1,362mn)	Rs(753mn)	Rs(658mn)	Rs(312mn)	Rs564mn	Rs(84)mn
Number of shows/originals/movies released	13	16	14	16	17	26	39	45

Source: Company, PL

Exhibit 4 : Movie rights constitute 72% of the content pie in 4QFY26

Particulars (Rs bn)s	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	FY24	FY25	FY26
Movie Rights	45.8	47.0	46.1	64.1	49.1	49.6	49.2	44.0	47.5	50.8	48.0
As % of total	65%	67%	66%	90%	70%	71%	71%	72%	64%	72%	71%
Shows	9.9	9.1	9.1	8.6	8.4	8.4	8.3	10.0	10.4	9.2	8.8
As % of total	14%	13%	13%	12%	12%	12%	12%	16%	14%	13%	13%
Movie production, Music & Others	9.9	8.4	9.1	6.5	9.1	9.1	9.0	7.9	11.9	8.5	8.8
As % of total	14%	12%	13%	9%	13%	13%	13%	13%	16%	12%	13%
Content advances & deposits	4.9	4.9	5.6	-4.2	2.8	2.8	2.8	2.4	5.2	2.8	2.7
As % of total	7%	7%	8%	-6%	4%	4%	4%	4%	7%	4%	4%
Grand Total (Inventory & advances/deposits)	70.5	70.1	69.9	71.5	70.2	69.9	69.3	61.0	74.2	70.5	67.6

Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	82,941	80,989	85,487	90,993
YoY gr. (%)	(4.0)	(2.4)	5.6	6.4
Cost of Goods Sold	45,172	48,594	45,736	48,226
Gross Profit	37,769	32,395	39,751	42,767
Margin (%)	45.5	40.0	46.5	47.0
Employee Cost	9,266	8,424	9,062	9,645
Other Expenses	5,075	6,257	6,412	6,824
EBITDA	11,962	3,463	11,028	13,103
YoY gr. (%)	31.9	(71.0)	218.4	18.8
Margin (%)	14.4	4.3	12.9	14.4
Depreciation and Amortization	2,785	2,172	2,308	2,457
EBIT	9,177	1,291	8,720	10,646
Margin (%)	11.1	1.6	11.0	12.0
Net Interest	327	448	299	227
Other Income	1,393	1,985	1,282	1,365
Profit Before Tax	9,257	2,734	9,703	11,784
Margin (%)	11.2	3.4	11.4	13.0
Total Tax	2,387	23	2,474	3,005
Effective Tax Rate (%)	25.8	0.8	26.0	26.0
Profit After Tax	6,870	2,711	7,229	8,779
Minority Interest	-	-	-	-
Share Profit from Associate	4	2	-	-
Adjusted PAT	7,701	6,365	7,229	8,779
YoY gr. (%)	62.5	(17.3)	13.6	21.4
Margin (%)	9.3	7.9	8.5	9.6
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	6,874	2,713	7,229	8,779
YoY gr. (%)	245.0	(60.5)	166.4	21.4
Margin (%)	8.3	3.3	8.5	9.6
Other Comprehensive Income	411	1,586	-	-
Total Comprehensive Income	7,285	4,299	7,229	8,779
Equity Shares O/s (mn)	961	961	961	961
EPS (INR)	8.0	6.6	7.5	9.1

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	24,642	25,828	28,225	30,999
Tangibles	16,654	17,531	18,728	20,002
Intangibles	7,988	8,297	9,497	10,997
Acc: Dep / Amortization	18,380	20,552	22,860	25,317
Tangibles	11,148	12,560	14,060	15,657
Intangibles	7,232	7,992	8,800	9,660
Net Fixed Assets	6,742	5,746	5,835	6,152
Tangibles	5,986	5,441	5,138	4,814
Intangibles	756	305	697	1,337
Capital Work In Progress	40	86	86	86
Goodwill	3,304	3,310	3,310	3,310
Non-Current Investments	1,502	964	1,101	1,145
Net Deferred Tax Assets	4,101	4,506	2,135	1,885
Other Non-Current Assets	3,383	7,169	3,708	3,449
Current Assets				
Investments	11,564	12,303	12,303	12,303
Inventories	67,748	65,123	66,750	71,049
Trade Receivables	15,325	17,243	17,566	18,697
Cash & Bank Balance	12,500	14,935	21,352	21,558
Other Current Assets	7,636	5,507	6,839	7,279
Total Assets	137,341	142,155	145,399	151,577
Equity				
Equity Share Capital	961	961	961	961
Other Equity	114,373	116,338	121,759	128,344
Total Networth	115,334	117,299	122,720	129,304
Non-Current Liabilities				
Long Term Borrowings	2,398	1,941	1,941	1,941
Provisions	1,579	1,413	1,368	1,365
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade Payables	11,907	14,669	13,584	13,711
Other Current Liabilities	6,123	6,851	5,804	5,274
Total Equity & Liabilities	137,341	142,155	145,399	151,577

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	9,261	2,736	9,703	11,784
Add. Depreciation	2,785	2,172	2,308	2,457
Add. Interest	296	294	299	227
Less Financial Other Income	1,393	1,985	1,282	1,365
Add. Other	(487)	(1,187)	3,408	(465)
Op. Profit before WC Changes	11,855	4,015	15,719	14,002
Net Changes-WC	739	5,134	(3,035)	(5,303)
Direct Tax	(734)	(2,068)	(2,474)	(3,005)
Net Cash from Op. Activities	11,860	7,081	10,210	5,694
Capital Expenditures	(880)	(1,551)	(2,397)	(2,774)
Interest / Dividend Income	583	506	-	-
Others	(15,738)	(1,946)	711	(292)
Net Cash from Inv. Activities	(16,035)	(2,991)	(1,686)	(3,066)
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	1,997	(13)	-	-
Dividend Paid	(961)	(2,334)	(1,807)	(2,195)
Interest Paid	(120)	(177)	(299)	(227)
Others	(688)	(870)	-	-
Net Cash from Fin. Activities	228	(3,394)	(2,106)	(2,422)
Net Change in Cash	(3,947)	696	6,418	206
Free Cash Flow	10,944	5,477	7,813	2,920

Source: Company, PL

Quarterly Financials (INR mn)

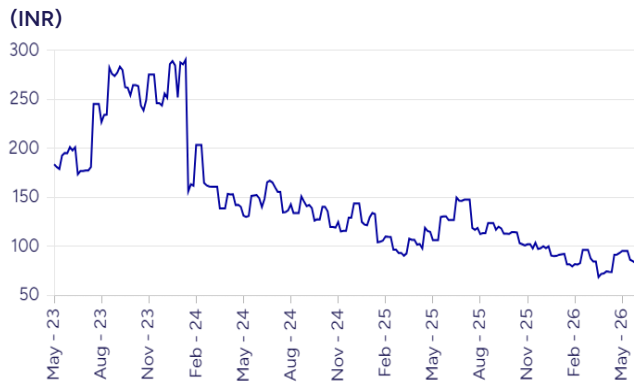
Y/e Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Net Revenues	18,248	19,692	22,801	20,248
YoY gr. (%)	(14.3)	(1.6)	15.2	(7.3)
Raw Material Expenses	9,710	10,780	13,056	15,048
Gross Profit	8,538	8,912	9,745	5,200
Margin (%)	46.8	45.3	42.7	25.7
EBITDA	2,280	1,464	2,405	(2,686)
YoY gr. (%)	(16.1)	(54.4)	(24.5)	(194.2)
Margin (%)	12.5	7.4	10.5	(13.3)
Depreciation / Depletion	591	571	537	473
EBIT	1,689	893	1,868	(3,159)
Margin (%)	9.3	4.5	8.2	(15.6)
Net Interest	77	130	92	149
Other Income	359	390	335	901
Profit before Tax	1,971	1,153	2,017	(2,407)
Margin (%)	10.8	5.9	8.8	(11.9)
Total Tax	535	389	469	(1,370)
Effective Tax Rate (%)	27.1	33.7	23.3	56.9
Profit After Tax	1,436	764	1,548	(1,037)
Minority Interest	-	-	-	-
Share Profit from Associate	1	1	-	-
Adjusted PAT	1,328	639	1,491	2,907
YoY gr. (%)	(14.5)	(67.5)	(38.4)	65.1
Margin (%)	7.3	3.2	6.5	14.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,437	765	1,548	(1,037)
YoY gr. (%)	14.4	(63.5)	(5.4)	(155.0)
Margin (%)	7.9	3.9	6.8	(5.1)
Other Comprehensive Income	132	512	183	759
Total Comprehensive Income	1,569	1,277	1,731	(278)
Avg. Shares O/s (mn)	961	961	961	961
EPS (INR)	1.5	0.8	1.6	(1.1)

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	8.0	6.6	7.5	9.1
CEPS	10.9	8.9	9.9	11.7
BVPS	120.1	122.1	127.8	134.6
FCF	11.4	5.7	8.1	3.0
DPS	2.4	2.0	1.9	2.3
Return Ratio (%)				
RoCE	8.0	1.1	7.2	8.3
ROIC	7.6	1.4	7.4	8.4
RoE	6.9	5.5	6.0	7.0
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	313	305	302	305
Valuation (x)				
PER	10.3	12.5	11.0	9.0
P/B	0.6	0.6	0.6	0.6
P/CEPS	7.5	9.3	8.3	7.0
EV/EBITDA	4.8	15.6	4.3	3.6
EV/Sales	0.6	0.6	0.5	0.5
Dividend Yield (%)	2.9	2.4	2.2	2.7
FCFF Yield (%)	13.7	6.8	9.8	3.6
PEG Ratio	0.1	-	0.8	0.4

Source: Company, PL

Price Chart

Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Apr-26	BUY	122	79
2	23-Jan-26	BUY	133	85
3	07-Jan-26	BUY	158	92
4	17-Oct-25	BUY	161	109
5	07-Oct-25	BUY	161	113
6	23-Jul-25	BUY	177	134
7	09-Jul-25	BUY	179	146
8	04-Jul-25	BUY	179	144
9	09-May-25	BUY	137	111
10	09-Apr-25	Hold	123	108

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Apeejay Surrendra Park Hotels	BUY	207	114
2	Chalet Hotels	BUY	994	785
3	Delhivery	BUY	534	476
4	DOMS Industries	Buy	2883	2330
5	Flair Writing Industries	BUY	387	296
6	Imagicaaworld Entertainment	BUY	64	42
7	Indian Railway Catering and Tourism Corporation	BUY	850	532
8	InterGlobe Aviation	HOLD	5203	4449
9	Lemon Tree Hotels	BUY	164	113
10	Mahindra Logistics	Buy	504	406
11	Navneet Education	Reduce	119	156
12	Nazara Technologies	Buy	319	267
13	PVR Inox	Buy	1309	1026
14	S Chand and Company	BUY	291	185
15	Safari Industries (India)	BUY	1953	1427
16	Samhi Hotels	BUY	268	154
17	TCI Express	BUY	694	514
18	V.I.P. Industries	Sell	245	303
19	Zee Entertainment Enterprises	BUY	122	79

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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