

20 May 2024

India | Equity Research | Q4FY24 results review

Wonderla Holidays

Hotels

Weak quarter, growth plans on track

Wonderla Holidays (Wonderla) delivered weak operational performance in Q4FY24 – revenue flat YoY, at INR 1bn (I-Sec estimate: 7% YoY revenue growth), owing to footfalls declining 12% YoY in the absence of large groups in Jan'24 at its Bengaluru/Kochi parks. As per management, the Odisha Park is set to open in May'24; Chennai park is on track for a H1FY26 opening. Wonderla continues to engage with state governments across India (Gujarat/Madhya Pradesh/Uttar Pradesh/Punjab) for new parks. With FY24's weak performance, we cut our FY25E/26E revenue by 3–4%; and FY25E/26E EBITDA by 9–10%, factoring-in higher employee costs and other expenses. We retain **BUY** with a revised TP of INR 1,146 (earlier INR 1,221) based on 20x Mar'26E EV/EBITDA. Key risks are decline in footfalls and/or pricing.

Weak operational performance

In Q4FY24, overall footfalls across Bengaluru, Kochi and Hyderabad saw a mixed performance (YoY-basis) with the figure slipping 12% to 0.71mn (I-Sec estimate: flattish footfalls YoY). Bengaluru footfalls declined 10%, Kochi declined 23% while Hyderabad footfalls were flat YoY and management attributes this to the absence of large groups in Jan'24 as exams were advanced to the month. However, with Q4FY24 ARPU up 14% YoY to INR 1,349, Q4FY24 revenue of INR 1bn was flat YoY with EBITDA declining 16% YoY to INR 0.35bn owing to higher employee expenses/other expenses, growing 34%/10% YoY given the increase in permanent employees. For FY24, overall, revenue was up 13% YoY to INR 4.8bn with footfalls declining 2% and ARPU up 15%; EBITDA grew 8% YoY to INR2.3bn. As per company guidance, overall footfall growth for FY25 is likely to be in low single-digits, especially in Bengaluru and Kochi, with focus on increasing ARPU by 10–12%.

Odisha park on track to open in May'24; Chennai in Sep'25

As per company, construction work on the new Odisha park is progressing well; Chennai park's construction commenced in Oct'23 (cumulative capex of INR 4bn for both parks over FY24–25E). As per management, the Odisha park is set to open in May'24 while the Chennai park is on track to open in H1FY26 (no change to our estimate). Wonderla continues to engage with state governments (Gujarat/Madhya Pradesh, Uttar Pradesh/Punjab) for new parks. Factoring in the weaker FY24 performance, we have cut our FY25/26E revenue estimates by 3–4% while we have cut FY25/26E EBITDA estimate by 9–10% factoring in higher employee costs and other expenses owing to earlier commissioning of Odisha and Chennai Parks.

Financial Summary

Y/E March (INR mn)	FY23A	FY24A	FY25E	FY26E
Net Revenue	4,279	4,830	5,635	6,986
EBITDA	2,102	2,272	2,545	3,068
EBITDA Margin (%)	49.1	47.0	45.2	43.9
Net Profit	1,490	1,580	1,765	2,012
EPS (INR)	26.3	27.9	31.2	35.6
P/B (x)	5.2	4.5	3.9	3.4
P/E (x)	33.1	31.2	28.0	24.5
EV/EBITDA (x)	22.8	21.2	19.1	15.2
RoCE (%)	12.4	13.0	12.4	12.9
RoE (%)	15.7	14.4	14.0	13.8

Adhidev Chattopadhyay

adhidev.chattopadhyay@icicisecurities.com
+91 22 6807 7451

Saishwar Ravekar

saishwar.ravekar@icicisecurities.com

Market Data

Market Cap (INR)	49bn
Market Cap (USD)	592mn
Bloomberg Code	WONH IN
Reuters Code	WOHL.NS
52-week Range (INR)	1,107 /449
Free Float (%)	30.0
ADTV-3M (mn) (USD)	1.4

Price Performance (%)	3m	6m	12m
Absolute	(10.0)	(7.4)	83.9
Relative to Sensex	(12.0)	(19.7)	63.8

Earnings Revisions (%)	FY25E	FY26E
Revenue	(3.3)	(3.9)
EBITDA	(9.3)	(10.2)
EPS	(11.0)	(11.8)

Previous Reports

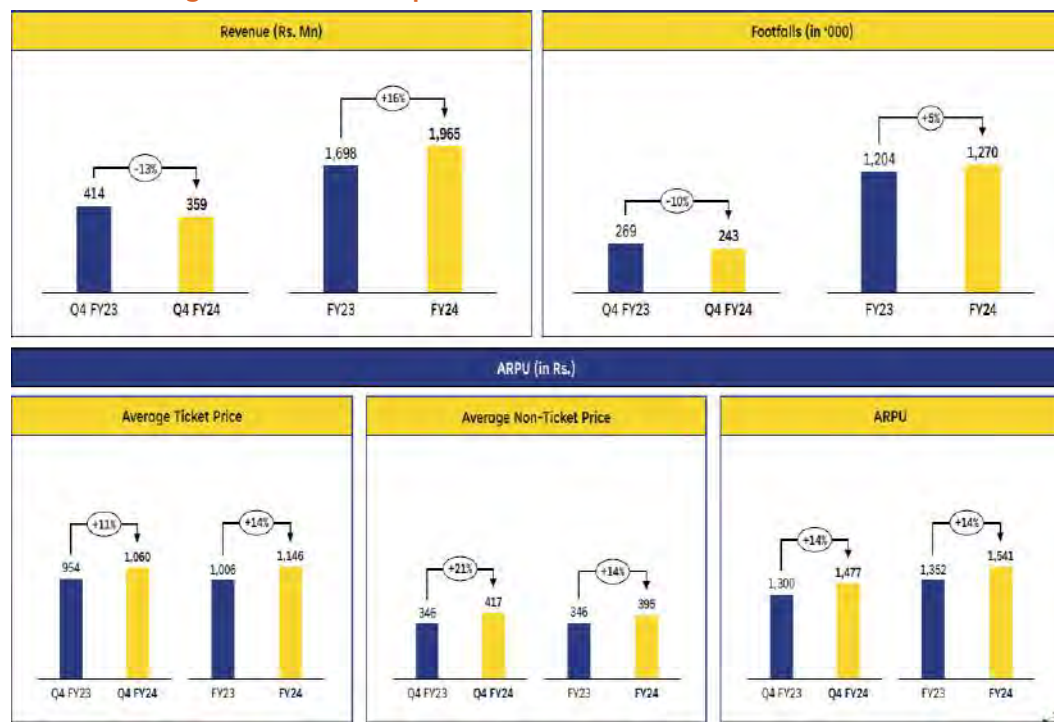
13-02-2024: [Q3FY24 results review](#)

21-01-2024: [Company update](#)

Exhibit 1: Q4FY24 results snapshot

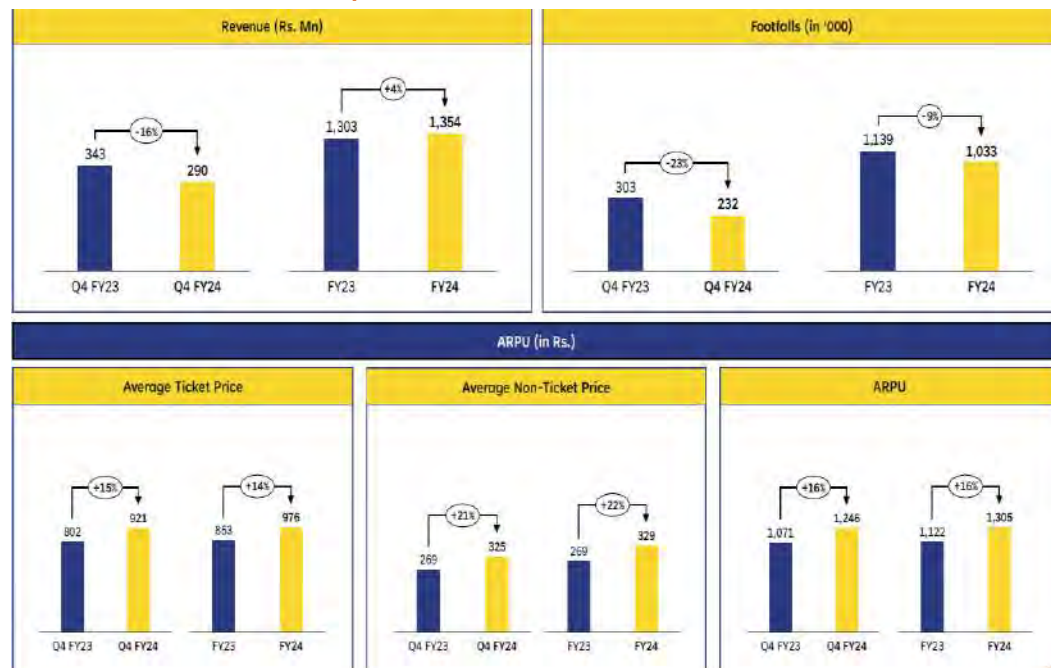
Year ending March (INR mn)	Q4FY24	Q4FY23	Q3FY24	YoY (%)	QoQ (%)
Total Footfalls (mn)	0.71	0.80	0.95	-11.8	-25.0
Total Operating income	997	986	1,236	1.1	(19.3)
Raw Materials	112	107	138	4.8	(18.6)
Personnel Cost	170	127	149	33.6	14.3
Other Expenses	360	328	404	9.8	(10.9)
Total Expenses	643	563	691	14.2	(7.0)
EBITDA	354	423	545	(16.3)	(35.0)
EBITDA margin (%)	35.5	42.9	44.1	(739.5)	(855.3)
Interest (Net)	2	1	2	134.9	(6.7)
Depreciation	101	90	99	12.6	1.8
Other Income	51	140	60	(63.3)	(13.7)
Others	0	0	0	NM	NM
Profit Before Tax	303	473	503	(36.0)	(39.8)
Taxation	77	122	130	(36.9)	(40.8)
Profit After Tax before ext. items	226	351	374	(35.7)	(39.5)
Extraordinary items	-	-	-		
Reported PAT	226	351	374	(35.7)	(39.5)
Adjusted PAT	226	351	374	(35.7)	(39.5)

Source: I-Sec research, Company data

Exhibit 2: Bengaluru Park FY24 performance

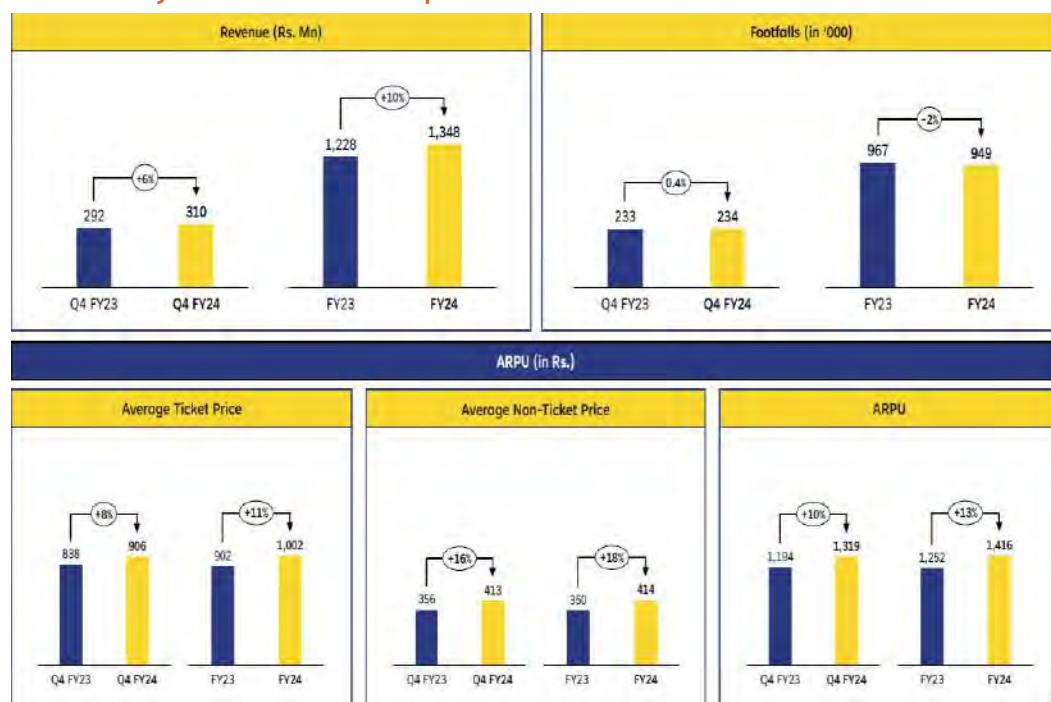
Source: I-Sec research, Company data

Exhibit 3: Kochi Park FY24 performance



Source: I-Sec research, Company data

Exhibit 4: Hyderabad Park FY24 performance



Source: I-Sec research, Company data

Exhibit 5: New portfolio additions update

Odisha Park
The Park is Scheduled to open its gates on 24th May 2024.



Chennai Park
Preliminary construction work like site levelling, workshop setup has been commenced.



- Active discussions with Madhya Pradesh, Uttar Pradesh, Punjab and Goa State Governments is on track.
- Signed MoU with Gujarat Government during Vibrant Gujarat Summit.



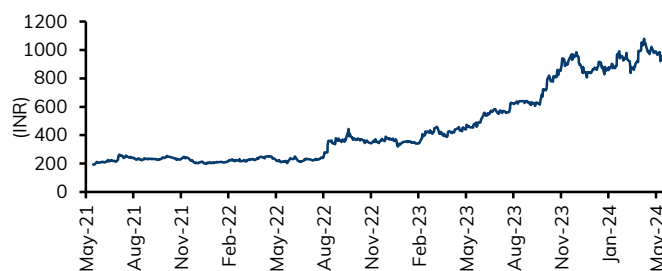

Source: I-Sec research, Company data

Exhibit 6: Shareholding pattern

%	Sep'23	Dec'23	Mar'24
Promoters	69.7	69.7	69.7
Institutional investors	8.3	8.8	9.0
MFs and others	3.2	3.2	3.2
FIs/Banks	-	-	-
Insurance	-	-	0.3
FIIIs	5.1	5.6	5.5
Others	22.0	21.5	21.3

Source: Bloomberg

Exhibit 7: Price chart



Source: Bloomberg

Financial Summary

Exhibit 8: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Net Sales	4,279	4,830	5,635	6,986
Operating Expenses	2,177	2,559	3,089	3,918
EBITDA	2,102	2,272	2,545	3,068
EBITDA Margin (%)	49.1	47.0	45.2	43.9
Depreciation & Amortization	352	382	439	466
Interest expenditure	3	6	6	6
Other Non-operating Income	245	230	253	278
Recurring PBT	1,992	2,113	2,353	2,874
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	502	534	588	862
PAT	1,490	1,580	1,765	2,012
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	1,490	1,580	1,765	2,012
Net Income (Adjusted)	1,490	1,580	1,765	2,012

Source Company data, I-Sec research

Exhibit 9: Balance sheet

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Total Current Assets	1,877	2,183	2,094	3,947
of which cash & cash eqv.	1,357	1,239	844	2,565
Total Current Liabilities & Provisions	520	676	981	1,156
Net Current Assets	1,357	1,507	1,113	2,792
Investments	1,203	901	901	901
Net Fixed Assets	7,263	7,586	7,247	10,881
ROU Assets	-	-	-	-
Capital Work-in-Progress	453	1,708	4,008	508
Total Intangible Assets	-	-	-	-
Other assets	-	-	-	-
Deferred Tax Assets	-	-	-	-
Total Assets	10,275	11,702	13,269	15,082
Liabilities				
Borrowings	-	3	3	3
Deferred Tax Liability	778	752	752	752
provisions	-	-	-	-
other Liabilities	-	-	-	-
Equity Share Capital	566	566	566	566
Reserves & Surplus	8,931	10,380	11,947	13,761
Total Net Worth	9,496	10,946	12,513	14,327
Minority Interest	-	-	-	-
Total Liabilities	10,275	11,702	13,269	15,082

Source Company data, I-Sec research

Exhibit 10: Cashflow statement

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Operating Cashflow	1,883	1,742	1,957	2,206
Working Capital Changes	38	(134)	(33)	41
Capital Commitments	(440)	(2,230)	(2,400)	(600)
Free Cashflow	1,480	(622)	(476)	1,647
Other investing cashflow	(1,201)	650	253	278
Cashflow from Investing Activities	(1,641)	(1,581)	(2,147)	(322)
Issue of Share Capital	0	3	-	-
Interest Cost	(3)	(6)	(6)	(6)
Inc (Dec) in Borrowings	3	-	-	-
Dividend paid	(77)	(155)	(165)	(198)
Cash flow from Financing Activities	(77)	(159)	(171)	(204)
Chg. in Cash & Bank balance	202	(131)	(394)	1,721
Closing cash & balance	1,357	1,239	844	2,565

Source Company data, I-Sec research

Exhibit 11: Key ratios

(Year ending March)

	FY23A	FY24A	FY25E	FY26E
Per Share Data (INR)				
Adjusted EPS (Diluted)	26.3	27.9	31.2	35.6
Cash EPS	32.6	34.7	38.9	43.8
Dividend per share (DPS)	2.5	2.5	3.0	3.0
Book Value per share (BV)	167.9	193.5	221.2	253.2
Growth (%)				
Net Sales	235.5	12.9	16.6	24.0
EBITDA	938.9	8.1	12.0	20.5
EPS (INR)	(1,666.4)	6.0	11.7	14.0
Valuation Ratios (x)				
P/E	33.1	31.2	28.0	24.5
P/BV	5.2	4.5	3.9	3.4
EV / EBITDA	22.8	21.2	19.1	15.2
Dividend Yield (%)	0.3	0.3	0.3	0.3
Operating Ratios				
EBITDA Margins (%)	49.1	47.0	45.2	43.9
Net Profit Margins (%)	34.8	32.7	31.3	28.8
Net Debt / Equity (x)	(0.1)	(0.1)	(0.1)	(0.2)
Net Debt / EBITDA (x)	(0.6)	(0.5)	(0.3)	(0.8)
Profitability Ratios				
RoCE (%)	12.4	13.0	12.4	12.9
RoE (%)	15.7	14.4	14.0	13.8

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Adhidev Chattopadhyay, MBA (Finance); Saishwar Ravekar, MBA; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: [Mr. Prabodh Avadhoot](mailto:Mr.Prabodh.Avadhoot) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
