Retail Equity Research

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Initiating Coverage

Wonderla Holidays Ltd.

Sector: Entertainment

BUY

24th March 2025

Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Small Cap	WONH:IN	76,906	WONDERLA	538268	12 Months

Target	**Rs.799**
CMP	**Rs.666**
Return	**+20%**

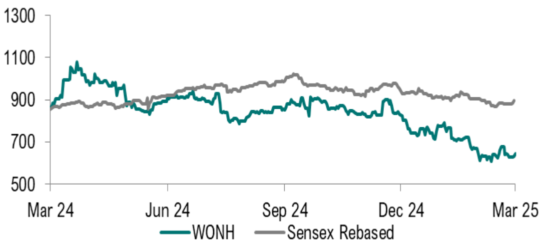
Data as of: 21-03-2025

Company Data	
Market Cap (Rs. cr)	4,231
52 Week High — Low (Rs.)	1,107 - 599
Enterprise Value (Rs. cr)	4,167
Outstanding Shares (Rs cr)	6.3
Free Float (%)	37.7
Dividend Yield (%)	0.36
6m average volume (cr)	0.01
Beta	0.69
Face value (Rs)	10.0

Shareholding (%)	Q1FY25	Q2FY25	Q3FY25
Promoters	69.8	69.8	62.2
FII's	3.8	3.6	7.4
MFs/Institutions	5.9	6.9	12.1
Public	20.4	19.7	18.3
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-22.3%	-25.8%	-25.6%
Absolute Sensex	-6.1%	-9.5%	3.5%
Relative Return	-16.2%	-16.3%	-29.2%

*over or under performance to benchmark index



Y.E March (cr)	FY25E	FY26E	FY27E
Sales	465	539	663
Growth (%)	-3.8	16.0	23.0
EBITDA	147	176	260
EBITDA Margin (%)	31.6	32.7	39.2
Adjusted PAT	78	99	159
Growth (%)	-50.4	26.9	60.1
Adjusted EPS	12.4	15.7	25.1
Growth (%)	-50.4	26.9	60.1
P/E	54.0	42.5	26.5
P/B	2.5	2.4	2.2
EV/EBITDA	25.9	22.1	15.1
ROE (%)	4.6	5.6	8.3
D/E	0.0	0.0	0.0

Growth Ride: New Parks, New Adventures

Wonderla Holidays Ltd. (WHL) is a leading chain of amusement parks in India, operating four major parks in Kochi, Bengaluru, Hyderabad, and Bhubaneswar. The company offers a wide range of land and water rides and provides food and beverages through its restaurants and food courts inside the park.

- The new park additions in Bhubaneswar and the upcoming Chennai park are expected to significantly increase overall footfall. We project revenue growth of 16% in FY26 and 23% in FY27, supported by increased footfall and Average Revenue Per User (ARPU) growth.
- ARPU has shown an 11% CAGR from FY13 to FY24, and we expect it to grow in a similar pace to ~Rs.1580 by FY27. We believe the upcoming Chennai park will achieve ARPU levels similar to established centres like Bangalore and Kochi, supporting this growth.
- New park openings typically result in initial margin dilution due to higher setup and operational costs, such as employee expenses. However, as footfall ramps up, margins are expected to increase, making this dilution short-term.
- Active expansion plans, including the upcoming Chennai park, and discussions with the government for expansion North India through an asset-light model, pave the way for a bright future.
- The company's debt-free status enables efficient resource allocation for growth, ensures financial stability, and facilitates effective management of cash flow fluctuations.

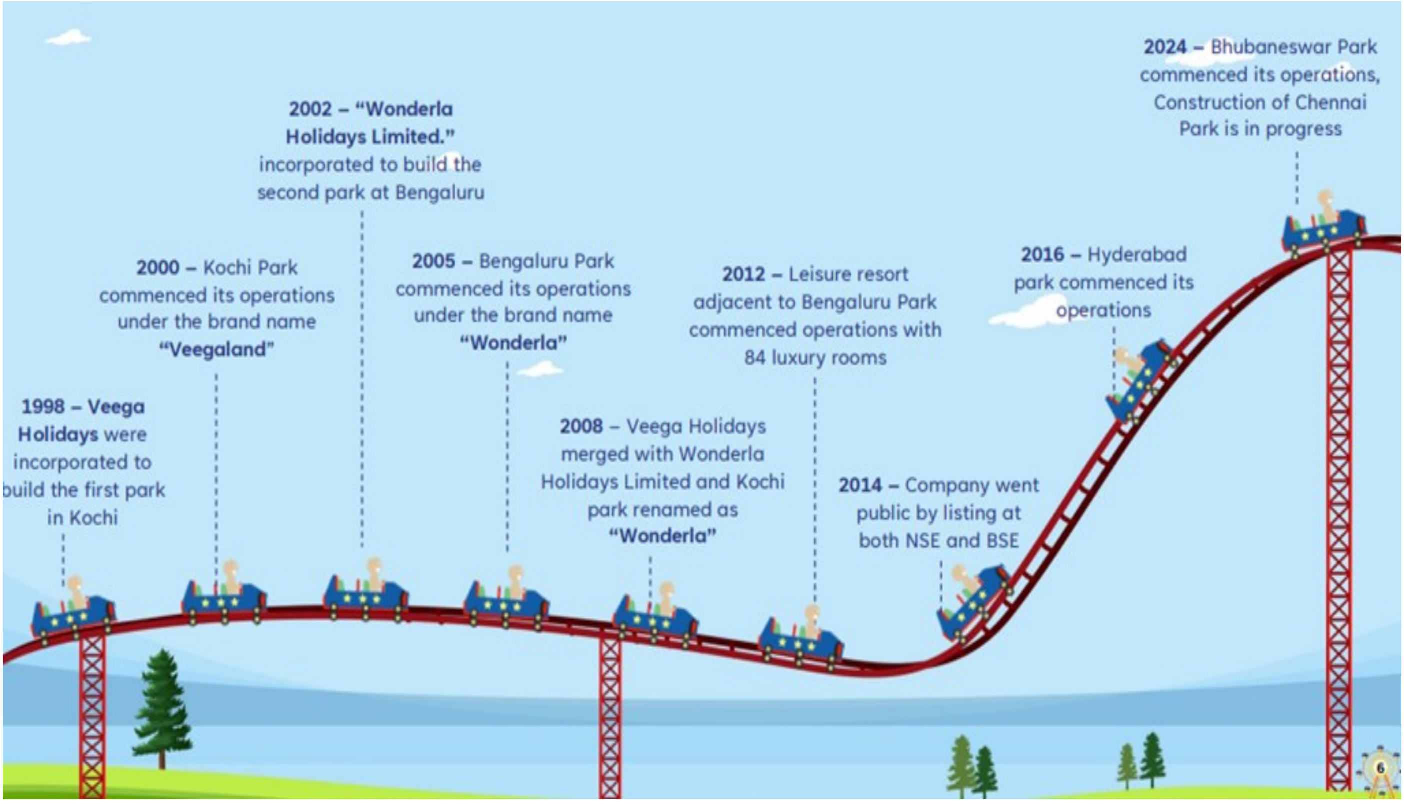
Favourable Market Conditions and Strategic Expansion

Wonderla is a leading name in the amusement park industry, is set for expansion, driven by favorable market conditions. Key growth factors include a rising youth population, increasing disposable income, a lack of diverse entertainment options, and government support. Moreover, WHL's asset-light expansion strategy into new regions enhances scalability and efficiency, allowing the company to leverage market opportunities and build a strong foundation for future growth.

Outlook & Valuation

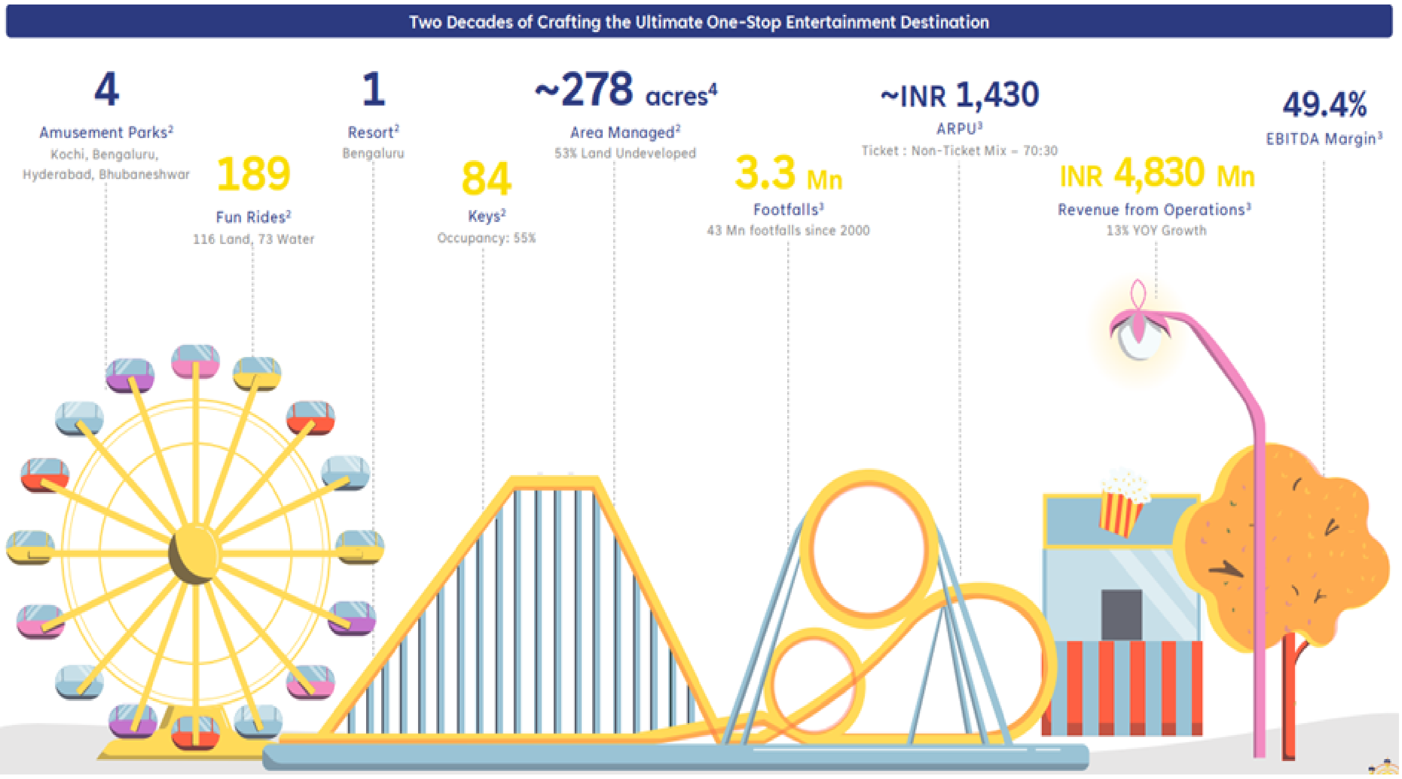
WHL's innovative marketing strategies have effectively increased visitor engagement and footfall. The company is projected to achieve a 19% revenue CAGR over the next two years from FY25E, driven by the expansion of new parks and rising demand for entertainment destinations, particularly in Bhubaneswar and the upcoming Chennai park. Although ongoing expansions may temporarily impact margins, a swift recovery is expected due to the strategic location of the Chennai park. **We assign a valuation of 18.5x FY27E EV/EBITDA, reflecting the long-term average and initiate coverage with an BUY rating, setting a target price of Rs.799.**

Company Overview



Source: Company, Geojit Research.

Wonderla Holidays Ltd. is a leading amusement park chain in India, renowned for its exhilarating rides and family-oriented attractions. The company manages four major amusement parks in India. Operating through two key segments—Amusement Parks and Resorts, — Wonderla offers a diverse range of land and water rides, retail merchandise, and an array of dining options through its restaurants and food courts. Recognized for its stringent safety and hygiene standards, Wonderla remains a preferred destination for families and adventure enthusiasts.



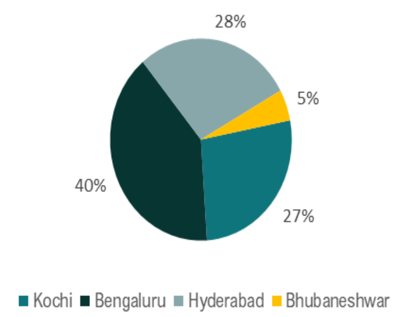
Source: Company, Geojit Research.

Water Parks

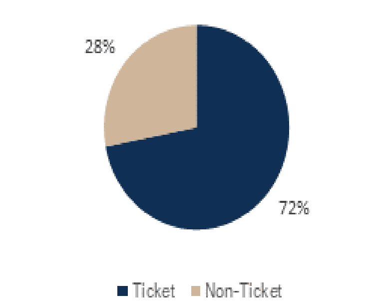
	Kochi	Bengaluru	Hyderabad	Bhubaneshwar	Chennai (WIP)
Commenced on	2000	2005	2016	2024	2025(expected)
Facilities	Total rides: 56 Land rides:34 Wet rides:22	Total rides: 60 Dry rides:39 Wet rides:21	Total rides: 52 Dry rides:31 Wet rides:21	Total rides: 12 Dry rides:09 Wet rides:21	Total rides: 42 Dry rides:26 Wet rides:16
Land area	94 acres	82 acres	52 acres	51 acres	64 acres
Area utilized	28%	54%	73%	61%	68%
Nearest connectivity	100 m 26 km 15 km	2 km 69 km 11 km	1 km 15 km 31 km	6 km 25 km 28 km	3 km 41 km 50 km

Source: Company, Geojit Research.

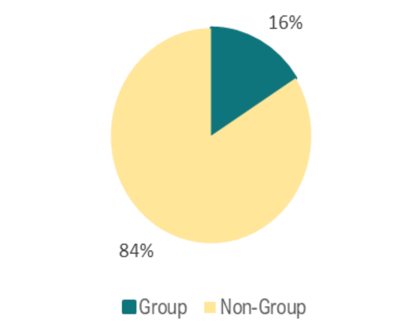
Revenue Mix by Park



Ticket & Non-Ticket Revenue



Group & Non Group Revenue



**Based on H2FY25 data*

Source: Company, Geojit Research.

Wonderla Resort, Bengaluru

Source: Company, Geojit Research.

- WHL owns a three-star resort in Bengaluru, launched in March 2012, located near the Bengaluru amusement park.
- Wonderla Resort is a leisure destination with 84 keys.
- Key amenities include banquet halls, a boardroom, open lawn area, conference rooms, a multi-cuisine restaurant, and a well-equipped gym.
- The resort covers 8,900 sq. ft. and has a capacity of 800 guests.
- It maintains an average occupancy rate of 45-60%.
- The resort contributes ~5% to the company's consolidated revenue

Expanding Fun: Upcoming Developments

- **Brand Expansion:** Expanding beyond South India to other regions.
- **Asset-Light Model:** New parks will be added through an asset-light model, with MoUs with governments being established to help reduce costs and enhance operational efficiency.
- **Major Locations:** A new park in Chennai is expected to be operational by the end of FY26. Exploring opportunities in Indore, Mohali, Noida, Ahmedabad, Gujarat and Goa.
- **Improving Existing Parks:** Plans are in place to expand and enhance existing amusement parks to improve customer experience, increase footfall, and optimize operational capacity by developing undeveloped land within the existing parks.
- **Resort Expansion:** Setting up 39 additional keys with Wonderla Glamping Pods in Bengaluru to add room inventory, minimize ARR, and utilize owned land.
- **Funding:** Projected capex of Rs.1200-1500 cr over the next 2-3 years. Rs.540 cr raised through QIP, with the rest from debt and internal accruals. The fund from QIP will primarily be used for the Chennai project, with some allocated to other new projects.

Industry Overview

- **High Initial Investment and Early Losses:** Theme parks require large upfront investments, often leading to losses in the first few years. Profitability improves as the park attracts more guests and operating costs level out.
- **Visitor Growth and Profit Margins:** Once a theme park breaks even, increasing visitor numbers drive higher profit margins, as fixed costs stay the same while revenue grows.
- **Factors Affecting Profitability Timing:** The time it takes for a theme park to become profitable depends on its investment size, location, offerings, and how it is perceived by the local community.

Top Theme Parks in India by Size & Rating

India is home to a wide range of theme parks that offer a blend of excitement, entertainment, and recreation for visitors of all ages. These parks vary in size, with some standing out as the largest in the country. The following tables ranks India's top theme parks based on their size & rating, showcasing their vast spaces and diverse attractions. In addition to traditional theme parks, the country also features unique destinations such as film cities and waterparks, catering to a broad spectrum of interests and preferences.

Key Theme Parks in India

Parks	Location	Area (acer)	No.of rides
Ramoji Film City	Hyderabad, Telangana	~1,700	-
Imagicaa Adlabs[1]	Lonavala, Maharashtra	~220	~150
Wonderla	Kochi, Kerala	94	56
Wonderla	Bengaluru, Karnataka	82	60
EsselWorld	Mumbai, Maharashtra	65	70
Adventure Island	Delhi	62	24
Queensland	Chennai, Tamil Nadu	70	51
Wonderla	Hyderabad, Telangana	52	52
Wonderla	Bhubaneswar, Odisha	51	21
Nicco Park	Kolkata, West Bengal	40	38
Della Adventure Park	Lonavala, Maharashtra	48	50+

Source: Company, Geojit Research.

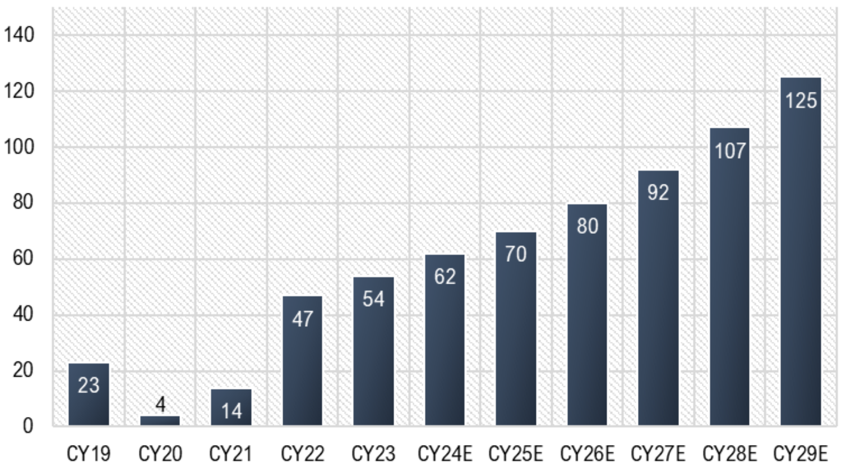
[1] *Imagica Adlabs: consolidated number for 7 parks spread across Western belt of India*

Top Theme Parks In India Recommendations by TripAdvisor

1.Della Adventure Park
2. Ramoji Film City
3. Wonderla, Bengaluru
4. Snow Kingdom, Mumbai
5. KidZania Mumbai
6. Essel World
7. Snow Kingdom, Chennai
8. VGP Universal Kingdom
9. Wonderla, Kochi
10. Wonderla, Hyderabad

Source: Trip Advisor, Geojit Research.

Indian Amusement Park Market Size *(in Rs. Billion)*



Source: CMI-Custom market insights, industry, Geojit Research

- The Indian amusement park industry was valued at Rs.23 billion in CY19. However, the outbreak of the COVID-19 pandemic severely impacted the sector, causing a sharp decline to Rs. 4 billion in CY20 as parks were forced to close and foot traffic drastically reduced.
- Looking forward, the industry is projected to grow at a CAGR of 15% from CY23 to CY29F, reaching an estimated value of Rs. 125 billion by 2029.
- Growth in this segment is expected to be driven by a surge in demand for entertainment and leisure, supported by a growing tourism sector and increasing disposable income.

Demand Drivers of Indian Amusement Park Industry

Youth Demand Drives Growth

The expanding youth population is a key driver of consumer expenditure, particularly in the entertainment sector. As this demographic continues to grow, there is a noticeable increase in demand for high-energy attractions and parks that cater to their interests. Millennials and Gen Z are shifting their focus from material goods to memorable experiences, fuelling the rise in popularity of theme parks. These generations are prioritizing unique, immersive adventures over traditional purchases, making theme parks an ideal destination for both individual enjoyment and shared social moments with friends and family. This evolving trend ensures that amusement parks continue to thrive as they meet the growing demand for engaging, experiential leisure activities.

Rising Disposable Income

As disposable income increases, consumers are spending more on leisure and entertainment. This shift is driving growth in industries like amusement parks, where people are willing to pay for experiences that offer fun and relaxation. Higher disposable income allows families to prioritize outings and activities, fuelling demand for recreational destinations and contributing to the continued expansion of the leisure sector.

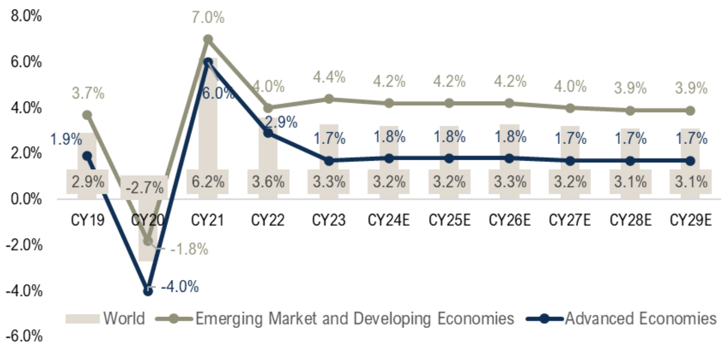
Urban Expansion

As urban populations rise, so does the demand for entertainment options. With higher incomes and fewer leisure alternatives, city dwellers are increasingly turning to amusement parks for family-friendly activities. Investments in infrastructure are enhancing accessibility, making these parks more convenient destinations, while modern amenities meet the expectations of urban audiences.

Government Initiatives and Support

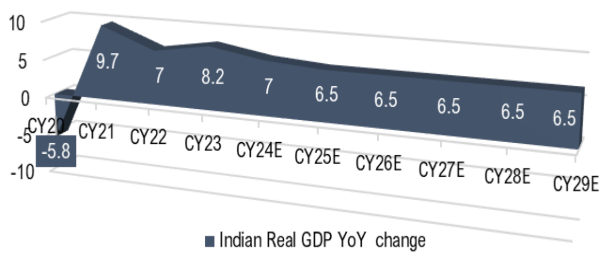
The Indian government has played a key role in promoting the growth of the leisure and entertainment industry, with a focus on enhancing infrastructure and accessibility. Investments in better roads, transportation networks, and connectivity have made it easier for people to visit amusement parks. Furthermore, several state governments offer financial incentives, such as tax breaks and subsidies, to attract investors and support the development of new parks, creating a favourable environment for the expansion of the sector.

Global Growth Outlook Projections (Real GDP, YoY change in %)



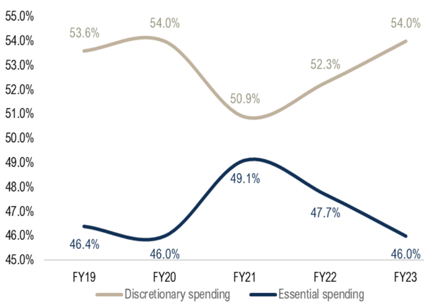
Source: IMF- World Economic Outlook Database, Geojit Research

Real GDP Projections– India



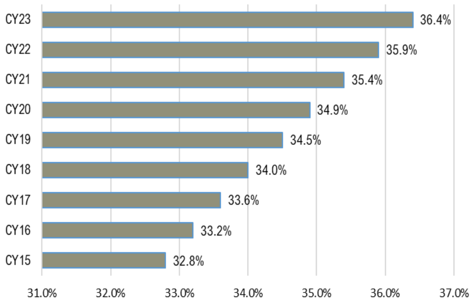
Source: IMF- World Economic Outlook Database, Geojit Research

Household Spending Patterns



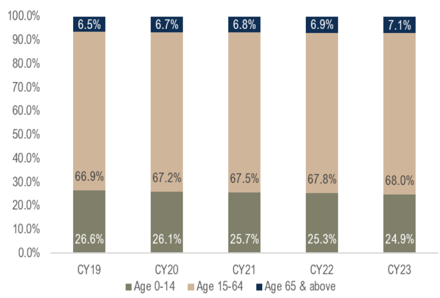
Source: MOSPI, Geojit Research

Indian Urbanisation Trend



Source: World Bank Database, Geojit Research

Age Distribution of Population



**Indian population as a % of total population*

Source: World Bank Database, Geojit Research

Strategic Strengths and Market Position of Wonderla

1

Leading South Indian Player

Wonderla is a major force in the South Indian amusement park industry, renowned for its cutting-edge rides and exceptional entertainment experiences. With locations in Kochi, Bengaluru, and Hyderabad, Wonderla offers a wide range of attractions that cater to all ages, making it a popular destination for family outings. The park's commitment to safety, innovation, and customer satisfaction has helped solidify its position as a key force in the region's leisure and tourism sector.

2

In-House Ride Design and Production Strength

In-house ride design and manufacturing offer better control over quality, safety, and innovation, while reducing reliance on external suppliers and cutting costs. This expertise enables faster updates and tailored attractions, helping maintain a competitive edge in the amusement park industry.

3

Debt-Free Pathway

The company's prudent capital allocation strategy and debt-free approach enable it to focus on sustainable growth and financial stability. By keeping a low-debt profile, the company ensures financial stability and reflects its prudent financial management. This strong financial foundation allows for effective resource allocation towards growth initiatives and strategic investments, while supporting self-funded expansion.

4

Dynamic Pricing Strategy to Drive Footfalls

To drive consistent footfall, the company employs a flexible pricing strategy, offering lower prices on weekdays and premium rates during weekends and peak seasons. This approach helps attract visitors during quieter times while maximizing revenue when demand is higher. Additionally, fast-track tickets are available, providing visitors with exclusive access to rides, further enhancing the overall experience.

5

Ample Capacity and Expansion Potential for Future Growth

The company owns additional land that can support further expansion, such as the addition of new rides or food stalls, without significant additional investment. This excess capacity and available land provide a solid foundation for the company to meet increasing demand, while also driving revenue and profitability growth in the years ahead.

6

Diversification of Offerings

The company has adopted innovative marketing strategies to enhance visitor engagement and footfall. It has hosted major events such as a Christmas party, a New Year's celebration, a live concert featuring renowned musicians, as well as Dussehra and Halloween festivities. These events have successfully drawn large crowds, reinforcing Wonderla's position as a premier entertainment destination.

7

Driving Engagement Through Marketing

Effective marketing plays a crucial role in attracting new visitors and driving repeat attendance. Wonderla employs a strategic mix of direct marketing methods, including personal sales, college activations, and festival kiosks, alongside indirect approaches through partnerships with tour operators and sales agents across southern India. Additionally, the company is strengthening its digital presence with initiatives such as online ticket booking and POS integration, leading to a rise in online bookings at its established parks. This success highlights Wonderla's ability to adapt to changing customer preferences while expanding its digital reach.

Investment rationale

Strategically chosen locations

Wonderla Holidays Limited operates four amusement parks, with one currently under development. Each park strategically located on the outskirts of major cities, ensuring easy access via road, rail, and air. These parks are situated in cities with populations exceeding 10 lakh, enabling Wonderla to tap into a large and diverse customer base. With well-chosen sites, Wonderla maximizes both convenience and visibility, catering to a wide audience from both urban and surrounding areas.

GDP per Capita (INR)

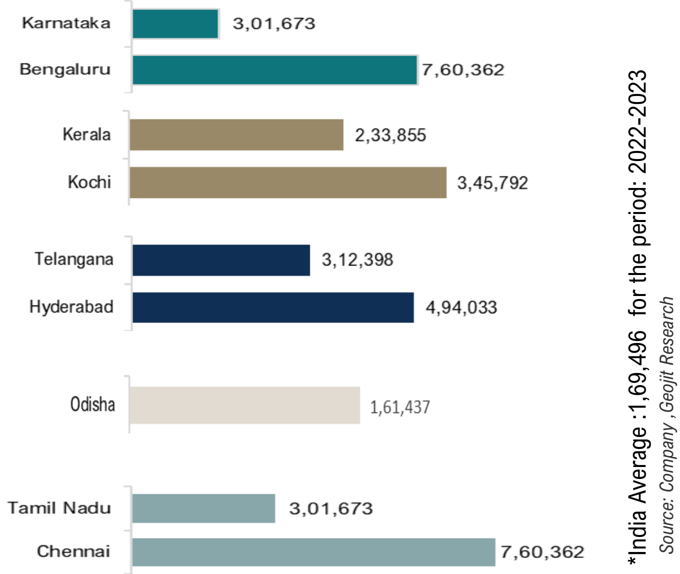
Bengaluru,
Known as the Silicon Valley of India
population : 12 million

Kochi
The commercial capital of Kerala
Population : 3 million

Hyderabad
known as the City of Nizams,
Population of 10 million

Bhubaneswar
known as the Temple City of India
Population : 1 million

Chennai
Cultural Capital of South India
Population : 7 million



Asset light expansion model for future growth

Wonderla aims to expand its operations and strengthen its brand by establishing new amusement parks across India, thereby reaching a broader customer base. To achieve this, the company will implement an asset-light model, optimizing costs and improving operational efficiency. This model allows for better resource allocation, a lean operational structure, and the flexibility to adapt to dynamic market conditions.

For the Wonderla Bhubaneswar park, the company applied the asset-light expansion strategy by entering into a leasehold agreement with the state government for land acquisition, rather than purchasing land outright, as was done for other parks. This approach results in reduced capital expenditure and supports sustainable growth. The use of lease agreements will enable Wonderla to focus on enhancing the customer experience and expanding its offerings while minimizing the financial burden associated with land acquisition.

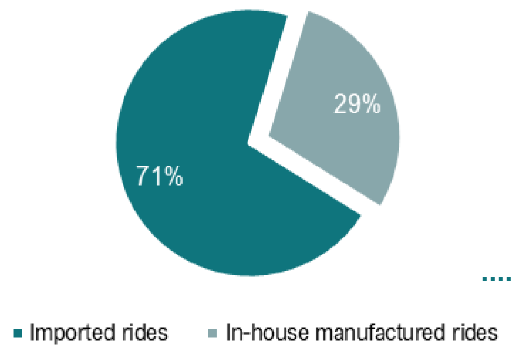
This strategy offers significant benefits, including reduced upfront investments, allowing the company to allocate capital more effectively toward park development, infrastructure, and marketing. Additionally, long-term leases provide stability and flexibility, enabling Wonderla to maintain control over its operations without the financial burdens of land ownership. This approach will position Wonderla to scale efficiently, quickly enter new markets, and respond to regional demand, ensuring sustained growth and a competitive edge in the evolving amusement park industry.

Active Marketing Initiatives

Source: Company,Geojit Research

Leveraging In-House Manufacturing for Quality and Innovation

- Wonderla has dedicated in-house development and assembly facilities at each of its amusement parks, enabling the company to design, develop, and execute a significant portion of its rides and attractions internally.
- Wonderla's in-house capabilities allow for the customization and modification of rides to suit the specific needs of each park and to align with customer preferences, offering a unique and tailored experience at every location.
- This approach results in several cost efficiencies, such as significant savings on import duties and improvements in maintenance processes, helping the company manage costs effectively.
- Rather than investing in entirely new rides, Wonderla prioritizes the repair and refurbishment of existing rides, ensuring they remain operational for longer periods while optimizing overall costs.
- In addition to creating new rides in-house, WHL also acquires pre-owned rides from various sources, including other manufacturers, operators, and closed amusement parks both within India and internationally, further enhancing its ride portfolio.



Source: Company, Geojit Research

Imported & in-house

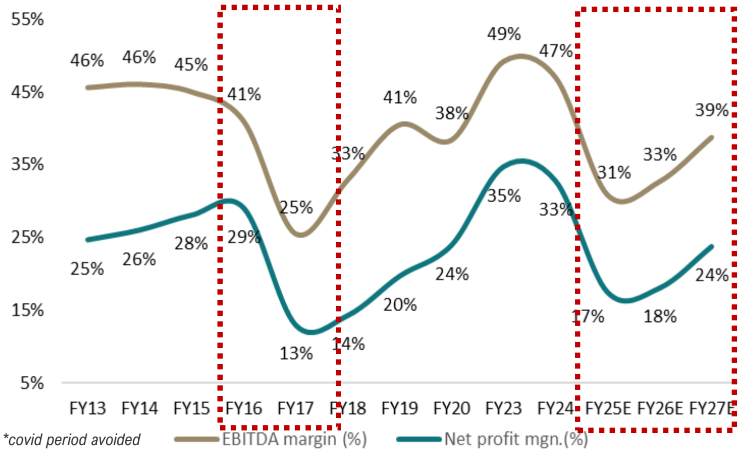
The company has successfully developed 55 rides, which make up approximately 29% of the total rides across its parks. These include distinctive attractions like the 'Sky Wheel,' 'Sky Tilt,' 'VR Coaster,' 'Boomerang,' and 'Wonder Splash.'

Major attractions

Source: Company, Geojit Research

Financial Highlights

Stronger Margins Indicating Operational Excellence



*covid period avoided

Source: Company, Geojit Research

2016 : Hyderabad Park, 2025: Bhubaneshwar Park,2026E Chennai Park

- WHL has demonstrated strong performance with higher double-digit margins, indicating operational efficiency.
- The commencement of operations at the new Bhubaneswar park in FY25 and lower footfalls due to seasonal impact has led to a reduction in margins for FY25.
- Margins are expected to improve from FY26, though the pace of recovery may be slower due to the opening of a new park in Chennai at the end of FY26.
- New park openings typically result in margin dilution in the initial phase due to higher initial setup cost and operational costs, such as employee expenses.

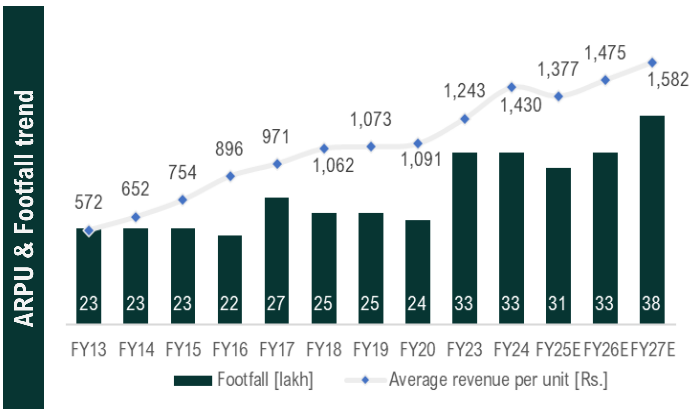
Wonderla vs. Peer

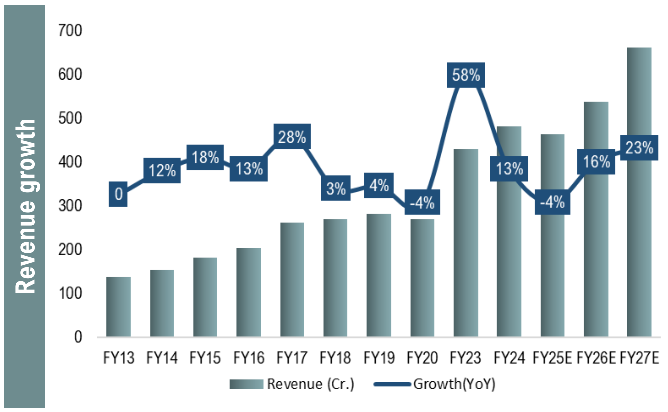
	EBITDA Margin				ROE				ROCE			
	FY19	FY20	FY23	FY24	FY19	FY20	FY23	FY24	FY19	FY20	FY23	FY24
Wonderla	41%	39%	50%	47%	6%	7%	16%	14%	10%	8%	22%	20%
Imagicaa world	-20%	-5%	34%	37%	-748%	118%	-114%	105%	-5%	-27%	13%	3%

* *imagicaa world reported higher profit because of one time expense is the reason for spike in PAT margin in year FY23,FY24* *Source: Geojit Research*

- Imagica Entertainment is a comparable peer to Wonderla in terms of business model and market size.
- Wonderla consistently demonstrates more stable margins and returns compared to Imagica, indicating a more efficient and resilient business model.
- The stability in margins and returns reflects Wonderla's superior operational efficiency.
- Continued investment in expansion and innovation positions it well for long-term growth, further solidifying its competitive edge in the amusement park industry.

Key metrics trend and revenue

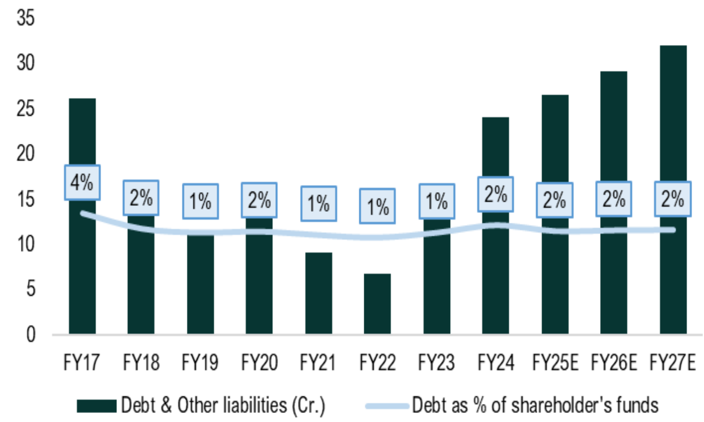




Source: Company, Geojit Research *covid period avoided *Source: Company, Geojit Research*

- Wonderla operates as a seasonal business, making footfall fluctuations challenging to forecast due to climate changes and other factors. As the number of visitors increases, revenue will grow accordingly. The COVID-19 pandemic significantly impacted overall performance.
- Historically, footfall has remained relatively flat, with significant shifts occurring only when new parks are added. We anticipate footfall to grow at a CAGR of approximately 9-11% over the next two years (FY26 and FY27) with the addition of two new parks in Bhubaneswar and Chennai.
- The ARPU has shown a CAGR of 11% from FY13 to FY24, and we expect this growth trend to continue.
- Combining these metrics, we project a revenue CAGR of 19% over the next two years from FY25E.

Low Debt Position Supporting Strategic Growth



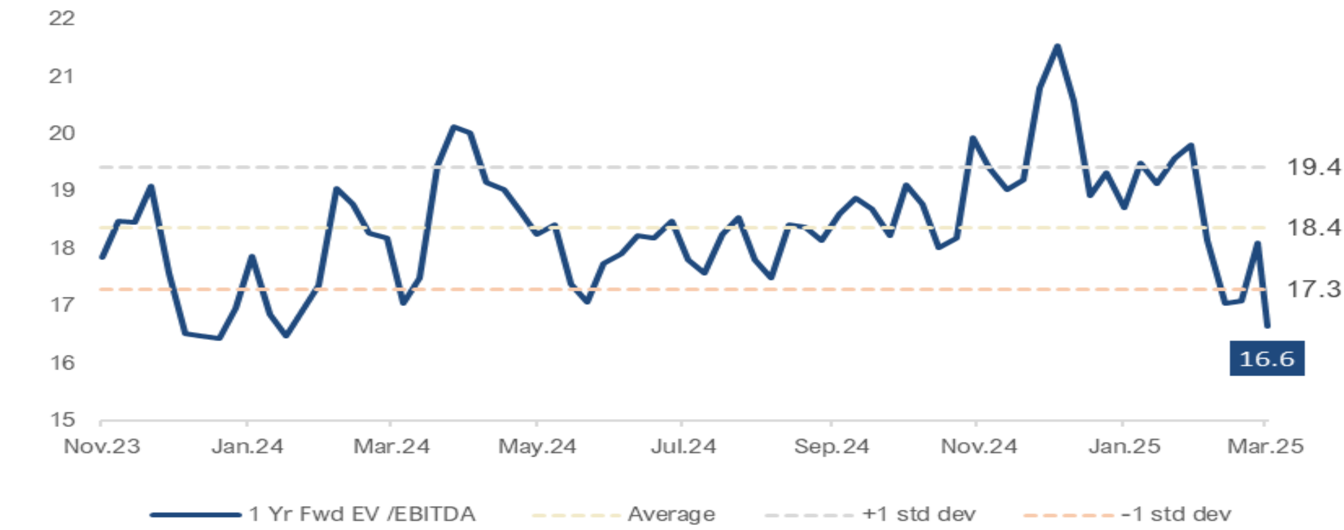
Source: Company, Geojit Research.

- The company has maintained a low-debt profile, reflecting disciplined financial management.
- This approach ensures a strong balance sheet, enabling the funding of strategic initiatives, seizing growth opportunities, and managing cash flow fluctuations effectively.
- By keeping debt levels low, the company minimizes financial risk and retains flexibility for growth.
- Strong cash flow supports self-funded expansion and reinvestment in the business.
- While planning for park expansions, management has indicated a modest increase in debt. However, we expect this to materialize only after FY27, as the current cash inflow from the QIP is expected to sufficiently support the expansion.

Valuation

Wonderla has consistently devised and implemented innovative marketing strategies to enhance visitor engagement and drive footfall across its parks. The company is expected to demonstrate significant revenue growth, with a projected revenue CAGR of 19% over the next two years from FY25E. This growth is supported by an anticipated increase in footfalls as the new Bhubaneswar park's performances gain traction and the expected commencement of the Chennai Park by FY26. The Average Revenue Per User is projected to be in the range of 6-7%. While the addition of new parks typically results in a temporary dip in margins, we anticipate a swift margin recovery due to the strategic location of the new Chennai Park, which is expected to ramp up operations at a faster pace.

From a valuation perspective, the company is currently trading at a discount of 16.6x one-year forward EV/EBITDA multiple, compared to the average valuation of 18.5x. Therefore, we are valuing the entity at at the long-term average of 18.5x FY27E EV/EBITDA. We initiate coverage with an BUY rating, with a target price of Rs 799.



Source: Bloomberg, Geojit Research.

Industry Risks

- **Health and Safety Risks:** Any safety-related incident could lead to negative publicity, temporarily affecting visitor footfall. However, the company has implemented stringent safety protocols to mitigate such risks.
- **Weather-Related Disruptions:** Unfavourable weather conditions, including storms and unseasonal rainfall, may significantly impact visitor turnout.
- **Project Execution Delays:** Delays in project completion could adversely affect revenue generation and profitability.
- **Seasonal Revenue Fluctuations:** With approximately 35% of annual revenue generated in the April–June quarter, the company employs a flexible staffing strategy to optimize operational efficiency and mitigate the impact on profitability.
- **Macroeconomic Factors:** A decline in consumer discretionary spending due to economic downturns could result in lower visitor numbers, impacting overall business performance.

Consolidated Financials

Profit & Loss

Y.E March (Rs cr)	FY23A	FY24A	FY25E	FY26E	FY27E
Sales	**429**	**483**	**465**	**539**	**663**
% change	*236.5*	*12.5*	*-3.8*	*16.0*	*23.0*
EBITDA	**211**	**227**	**147**	**176**	**260**
% change	*945.8*	*7.4*	*-35.3*	*20.0*	*47.4*
Depreciation	35	38	60	64	70
EBIT	**176**	**189**	**87**	**113**	**190**
Interest	0	0	1	1	1
Other Income	23	23	19	22	24
PBT	**199**	**211**	**105**	**133**	**212**
% change	*1,661.2*	*6.1*	*-50.4*	*27.1*	*59.5*
Tax	50	53	26	34	53
Tax Rate (%)	25	25	25	25	25
Reported PAT	**149**	**158**	**78**	**99**	**159**
Adj.*	0	0	0	0	0
Adj. PAT	**149**	**158**	**78**	**99**	**159**
% change	*1,670.6*	*6.1*	*-50.4*	*26.9*	*60.1*
No. of shares (cr)	**5.7**	**5.7**	**6.3**	**6.3**	**6.3**
Adj EPS (Rs)	**23.5**	**24.9**	**12.4**	**15.7**	**25.1**
% change	*1,670.6*	*6.1*	*-50.4*	*26.9*	*60.1*
DPS (Rs)	2.5	2.5	2.5	2.5	2.5

Balance Sheet

Y.E March (Rs cr)	FY23A	FY24A	FY25E	FY26E	FY27E
Cash and cash eq.	136	124	442	351	331
Accts. Receivable	1	3	3	3	3
Inventories	9	13	14	11	13
Other Cur. Assets	20	19	29	33	39
Investments	120	90	90	90	90
Gross Fixed Assets	1,073	1,134	1,496	1,721	1,929
Net Fixed Assets	713	747	1,070	1,247	1,400
CWIP	42	171	125	113	102
Intangible Assets	13	12	18	21	24
Def. Tax (Net)	-74	-71	-70	-70	-69
Other Assets	18	54	57	60	63
Total Assets	**999**	**1,163**	**1,778**	**1,858**	**1,996**
Current Liabilities	28	34	42	37	29
Provisions	8	10	12	12	12
Debt Funds	5	5	6	6	7
Other Liabilities	8	19	21	23	25
Equity Capital	57	57	63	63	63
Res. & Surplus	893	1,038	1,634	1,717	1,861
Shareholder Funds	950	1,095	1,697	1,781	1,924
Total Liabilities	**999**	**1,163**	**1,778**	**1,858**	**1,996**
BVPS	141.6	167.9	193.5	267.6	280.8

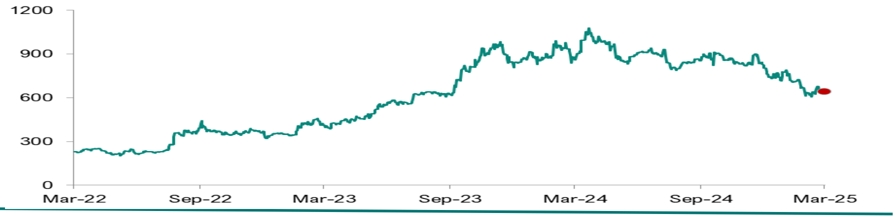
Cash Flow

Y.E March (Rs cr)	FY23A	FY24A	FY25E	FY26E	FY27E
Net inc. + Depn.	**184**	**196**	**138**	**163**	**229**
Non-cash adj.	4	-22	1	1	1
Changes in W.C	4	4	0	-4	-15
C.F. Operation	**192**	**178**	**139**	**160**	**216**
Capital exp.	-44	-223	-382	-240	-224
Change in inv.	-47	41	42	10	10
Other inv.	-73	24	-5	-5	-6
C.F - Investment	**-164**	**-158**	**-345**	**-235**	**-219**
Issue of equity	0	0	540	0	0
Issue/repay debt	-7	-1	2	1	0
Dividends paid	0	-14	-16	-16	-16
Other finance.CF	0	-1	-1	-1	-1
C.F - Finance	**-8**	**-16**	**525**	**-17**	**-17**
Chg. in cash	20	4	318	-92	-20
Closing Cash	26	29	348	256	236

Ratios

Y.E March	FY23A	FY24A	FY25E	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	49.3	47.0	31.6	32.7	39.2
EBIT margin (%)	41.1	39.1	18.8	20.9	28.6
Net profit mgn.(%)	34.7	32.7	16.9	18.4	24.0
ROE (%)	15.7	14.4	4.6	5.6	8.3
ROCE (%)	25.2	21.3	10.2	10.0	14.5
W.C & Liquidity					
Receivables (days)	1.2	2.2	2.3	2.1	1.7
Inventory (days)	36.1	44.4	37.8	24.9	26.3
Payables (days)	98.6	111.4	113.9	83.9	55.9
Current ratio (x)	7.5	4.5	8.8	7.8	8.4
Quick ratio (x)	7.2	4.2	8.6	7.6	8.2
Turnover &Leverage					
Gross asset T.O (x)	0.4	0.4	0.3	0.3	0.3
Total asset T.O (x)	0.4	0.4	0.3	0.3	0.3
Int. covge. ratio (x)	0.0	0.0	0.0	0.0	0.0
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	10.8	8.3	8.2	7.2	5.9
EV/EBITDA (x)	22.0	17.7	25.9	22.1	15.1
P/E (x)	32.0	26.2	54.0	42.5	26.5
P/B (x)	5.0	3.8	2.5	2.4	2.2

Price History



Source: Bloomberg, Geojit Research.

Date	Rating	Target
24-March-2025	Buy	799

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%
Not rated/Neutral			

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition: Upgrade No Change Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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