Wonderla Holidays Ltd — May 2026 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Strong Beat (Margins & PAT) **One-line:** The thesis is strengthening as the Chennai Park launch successfully reversed the Q3 margin compression, proving that the business can absorb structural wage hikes through operating leverage and premiumization.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance	**Strong Beat**	Revenue grew 40% YoY; EBITDA margins expanded to 35.2% vs. 23.9% in Q3.	□
Earnings Quality	**Neutral**	Boosted by reversal of Q3 labor-code provisions, but core operations are robust.	□
Guidance Confidence	**Strong**	Management remains committed to 5 more parks in 5 years despite land acquisition friction.	□
Management Credibility	**High**	Successfully ramped Chennai to mature-park EBITDA margins (30%) in its first full quarter.	□
Business Quality Signal	**Improving**	Transformation into a "Metropolitan Destination" model is yielding higher ARPU (□1,536).	□
Key Q&A Exchange	**Q2: Chennai Maturity**	Mgmt believes Chennai can "rival Bangalore" (1M+ pax) within 3-4 years.	□
The Street's Anxiety	**Footfall Stagnation**	Anxiety over flattish mature parks; Mgmt blamed weather/ regulatory bans in HYD.	□
Capital Cycle Stage	**Harvesting / Re-investing**	Harvesting Chennai/BBS; actively scouting land for Mumbai/ Ahmedabad.	□
Margin Trajectory	**Improving**	Recovery to 35% from Q3 lows; targeting 40-45% sustainable long-term margins.	□
Pricing Power	**Expanding**	Realizations grew despite "uncertain discretionary spend" environment.	□
FCF Conversion & Quality	**Strong**	Debt-free with □424 Cr in cash/investments to fund the next growth leg.	□
Competitive Moat Signals	**Stable**	Brand recall and in-house ride manufacturing continue to provide cost/entry barriers.	□
Balance Sheet Strength	**Exceptional**	Net cash of ~□422 Cr; negligible debt of □1.53 Cr.	□
Working Capital Efficiency	**Stable**	Negative working capital model persists; high cash conversion.	□
Mgmt Guidance Track Record	**Reliable**	Delivered Chennai operations and "The Isle" on schedule.	□
Key Vulnerability	**Geography/Weather**	High sensitivity to monsoon and heatwaves in concentrated Southern clusters.	□
Management Tone	**Confident**	Posture was opportunistic regarding land deals and satisfied with new park ramp-ups.	□

Sentiment: □Positive

Key Takeaways (Positives & Negatives): * **Positives:** The **Chennai Park** has achieved immediate operational viability, delivering a 30% EBITDA margin in Q4 and contributing 1.91L footfalls. The **Resort business** hit record levels, proving the "Isle" expansion and premiumization strategy (7-12% ADR growth) is de-risking the seasonal volatility of the park business. **Balance sheet strength** remains the primary moat; with □424 Cr in liquidity, Wonderla can self-fund its next mega-park without equity dilution or debt. * **Negatives: Hyderabad** continues to be the "problem child," with annual footfalls down 7% YoY due to regulatory bans on school groups and weather issues. **Margin expansion** in the quarter was partially aided by a reversal of labor-code provisions from Q3, making the PAT growth look slightly more aggressive than core operating trends. * **The Street's Primary Concern:** Analysts are fixated on why mature parks are flattish in volume. Management's response—that they are trading volume for ARPU and non-ticket revenue—is valid, but investors will watch if footfalls can break the 1M ceiling in Bangalore/Hyderabad in FY27. * **Watchpoint:** Land acquisition closure for the "next big city" (Mumbai/Delhi/Ahmedabad). A deal announcement in FY27 is the next major valuation catalyst.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: PPT figures primary; Concall used for commentary and ARPU.

Metric	Current Qtr (Q4 FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue (□Cr)	135.0	↑ 39.6%	→	↑	Driven by Chennai expansion and healthy ARPU trends.
Gross Margin (%)	100.0%	→	→	→	Park business has negligible COGS.
EBITDA (□Cr)	50.0	↑ 63.7%	↑ 55.4%	↑	PPT reports 5,000.9 Lakhs; reversal of Q3 provisions helped.
EBITDA Margin %	35.2%	↑ 680 bps	↑ 1130 bps	↑	Recovery post-Chennai launch costs and labor-code catch-up.
PAT (□Cr)	16.4	↑ 49.2%	↑ 13.1%	↑	PPT reports 1,642.3 Lakhs.
EPS (□)	2.59	↑ 48.8%	↑ 13.6%	↑	Reflects improved operating leverage.
Footfalls (Lakhs)	8.79	↑ 30.2%	↓ 4.1%	↑	Growth purely driven by new Chennai operations (1.91L).
ARPU (□)	1,536	↑ 7.2%	↑ 11.5%	↑	Strong F&B/Retail spend and premiumization at The Isle.
Net Debt / (Cash) (□Cr)	(422.5)	↓	↓	→	Cash+Investments □424.1 Cr vs Borrowings □1.53 Cr.
Working Capital (Days)	Negative	→	→	→	Standard cash-and-carry model; DSO is negligible.

2B. SEGMENT BREAKDOWN

Segment	Footfall (L)	YoY Growth	Margin	Trend	vs Co. Avg	Key Development
Chennai	1.91	New	30.0%	↑	In-line	Ramp-up in line with mature parks; 75k in Dec launch month.
Bhubaneswar	~0.50	↑	<30%	↑	Below	Targeting 2.5L footfalls in FY27 (20% growth).
Hyderabad	Not Stated	↓	>40%	↓	Above	Annual footfalls down 7% due to school group bans.
Bangalore	Not Stated	→	>45%	→	Above	"The Isle" driving resort growth; new coaster to launch Q1 FY27.
Resort/Hosp.	N/A	↑	High	↑	Above	ADR expected to grow 7-12% post-refurbishment.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	**Footfall (BBS)**	2.5 Lakhs for FY27.	Needs 25% growth over FY26 (2L). Feasible.	**New Target**	**Low**
Guidance	**Capex (FY27)**	□35 - 40 Crore.	Sustaining capex only; implies no new park construction in FY27.	**Lowered**	**Medium**
Guidance	**Expansion**	Add 5 parks in 5 years.	Requires 1 launch per year. Chennai/ BBS delivered, next is overdue.	**Delayed**	**High**
Guidance	**Margins**	Return to 40% levels.	Feasible as Chennai launch costs fade and provisioning stabilizes.	**On Track**	**Low**
Strategy	**Hospitality**	Integrate resorts at all parks.	Plan to add resorts in HYD/Kochi next.	**Delivered (BLR)**	**Low**
Macro	**Competition**	Direct competition "minimal".	Hyderabad competition is RFC (not direct); Chennai has smaller parks.	**Consistent**	**Low**

4. ANALYST Q&A

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Cred.	Verdict
1	4.5	Shamit Ashar / Ambit	Footfalls	Business Overview	"Any reason for the moderation in footfalls in Chennai [Dec vs Q4 average]?"	Management clarified that December was a launch and holiday month, but Q4 performance remained in line with mature parks. Strong initial absorption in Chennai de-risks the capital investment of □611 Cr.	None	4.0	Logical
2	5.0	Keshav Garg / Counter Cyclical	Growth	Capex and Allocation	"What time generally we shut the park... any possibility for nightlife-related activities?"	Management prioritizes family safety and does not intend to build a "core liquor business" despite 1-day licenses for corporate groups. This confirms the "family-first" brand moat is non-negotiable, limiting high-margin alcohol sales.	None	5.0	Brand Guardrail
3	4.0	Ankit Kanodia / Zen Nivesh	Industry	Management Commentary	"Is there an industry problem where footfalls are not coming... people are not coming to parks?"	Management dismissed industry stagnation, pointing to global expansion trends and Chennai's expected 7-8 lakh annual contribution. Long-term	None	3.5	Confident

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						thesis remains a capacity-expansion story, not a same-store-sales story.			
4	4.5	Prolin Nandu / Edelweiss	Growth	Capex and Allocation	"It's been almost 18 months since we raised money [QIP]... why the delay on decision-making for expanding?"	Management admitted to a recalibration toward Tier-1 cities (Mumbai/ Ahmedabad) where land deals are more complex and gestation is longer. Capital sitting idle on the balance sheet is a drag on ROE until the next land deal closes.	Exact City	3.0	Pragmatic
5	3.5	Girish / Bryanston	Financials	Financials	"What is the capital work in progress of INR 102.9 crores related to?"	Management identified new rides like the Sky Wheel (Chennai) and a new roller coaster (Bangalore) to be capitalized in Q1 FY27. Continuous ride innovation is required to maintain the 2-3 year repeat visit cycle.	None	5.0	Quantified
6	4.0	Aditya / SIMPL	Margins	Financials	"Why are our EBITDA margins at	Management cited corporate	None	4.0	Transparent

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					30% [Full Year]... older parks generate 40%?"	cost centers, ESOP expenses, and Chennai launch costs for the optical dilution. As Chennai matures, consolidated margins should gravitate back toward the 40% steady-state level.			
7	4.0	Vinod Krishna / Avendus	Strategy	Capex and Allocation	"Should we see [Resorts] as an adjacent business... or only around the parks?"	Management views resorts as a synergy play to capture "staycation" demand post-COVID, with plans to expand resorts to all existing parks. This transforms Wonderla from a day-trip park to a 2-3 day destination, significantly increasing LTV per customer.	None	4.5	Thesis Shift
8	3.0	Richa / Equitymaster	Strategy	Management Commentary	"In the mature countries, non-ticket revenue will be higher than ticket revenue... do you see it moving to 50-50?"	Management expects non-ticket revenue to reach 50% in the next 4-5 years from the current ~30%. This shift is the primary lever for margin	None	3.5	Directional

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Cred.	Verdict
						expansion in a high-fixed-cost business.			

PATTERN FLAGS & SENTIMENT Analyst anxiety has shifted from "Will Chennai launch?" to "Why isn't the next park ready?". The QIP funds (raised 18 months ago) are viewed as "lazy capital" by the street, leading to friction regarding the pace of land acquisition in Tier-1 cities. Management remained defensive but firm on not overpaying for land or compromising on city quality.

Analyst Sentiment Verdict: Optimistic but Impatient. The community is impressed by the immediate margin contribution of Chennai (30%), which is faster than the typical 2-year break-even curve. However, the lack of a "hard launch date" for Mumbai/Delhi remains a valuation overhang. Management's credibility is high on operational delivery but under scrutiny for capital deployment speed.

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5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q3 FY26)	This Quarter (Q4 FY26)	Direction
EBITDA Margin	23.9% (Depressed)	35.2% (Recovered)	↑ Improving
Chennai Contribution	1 month (75k footfalls)	Full Quarter (1.91L footfalls)	↑ Harvesting
Net Cash Position	~₹430 Cr (est)	₹422.5 Cr	→ Stable
Capex Outlook	High (Chennai completion)	Low (₹35-40 Cr sustaining)	↓ Consolidation
Earnings Drivers	Volume + Launch Costs	ARPU + Operating Leverage	↑ Quality
Labor Code Impact	₹8 Cr One-time Hit	Provision Reversals	↑ Positive One-off
Thesis Status	Execution Phase	Ramp-up Phase	↑ Mature

Investor Notes: * **Thesis Change:** None. The core "Rollout and Destination" thesis is validated by Chennai's 30% first-quarter EBITDA margin. * **Earnings Quality:** CFO-to-PAT remains strong. Q4 PAT of ₹16.4 Cr is of high quality, though assisted by the ₹5,000 Lakhs EBITDA performance which included provision reversals. * **Operational Lever:** Non-ticket revenue (30% of mix) is the metric to watch. If Wonderla can push this to 40% by FY27 through the "Isle" and premium F&B festivals, margins will structurally break above 40%. * **Strategic Risk:** The "waiting game" for Tier-1 land deals. If no new park is announced by Q2 FY27, the market may de-rate the stock as a "mature utility" rather than a "growth compounder."

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