Wonderla Holidays Ltd — Nov 2025 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Inline (Seasonally Adjusted) **One-line:** The long-term thesis remains intact as a high-conviction rollout story; the impending Chennai launch (Dec 2025) and the successful premiumization of the hospitality segment (The Isle) are successfully offsetting volume stagnation in "tenured" mature parks.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	**Inline**	Revenue of □80.15 Cr (+19% YoY) and EBITDA jump (8x YoY) aligns with the strategy to stabilize Q2 volatility.	□
Earnings Quality	**High (Core)**	Growth driven by operational recovery and ARPU efficiency; net loss of □1.75 Cr is purely seasonal.	□
Guidance Confidence	**Strong**	Management reiterated the Dec 2025 launch for Chennai; construction is in advanced "finishing" stages.	□
Management Credibility	**Strong**	Specific timelines provided for Chennai and the new BLR roller coaster; transparent regarding weather impacts in Hyderabad.	□
Business Quality Signal	**Improving**	Transformation from "Park Operator" to "Destination Resort" is working, evidenced by "The Isle" occupancy and revenue contribution.	□
Key Q&A Exchange	**Q5: Park Scale**	Management confirmed a preference for "Large Format" parks (Chennai/BBS size) to maintain brand premium.	□
The Street's Primary Anxiety	**Land Acquisition**	Delays in announcing the next park post-Chennai; Mgmt response: "Reassessing deals for financial viability."	□
Capital Cycle Stage	**Peak Investment**	Chennai capex is peaking (□340 Cr in CWIP); shift to "Harvesting" starts in H2 FY26.	□
Margin Trajectory	**Improving (YoY)**	EBITDA margins expanded from 1.6% to 9.3% YoY in a traditionally weak quarter.	□
Pricing Power	**Expanding**	ARPU remains the primary growth lever as mature parks hit volume ceilings.	□
FCF Conversion & Quality	**Strong**	Balance sheet remains debt-free despite massive capex; cash/ investments at □429 Cr.	□
Competitive Moat Signals	**Stable**	In-house manufacturing (saving 3-4x on ride costs) remains a structural cost advantage.	□
Balance Sheet Strength	**Exceptional**	No debt, □165 Cr in cash, and □264 Cr in current investments.	□
Working Capital Efficiency	**Stable**	Standard negative working capital cycle; inventory increase (□18.8 Cr) is for peak season stocking.	□
Mgmt Guidance Track Record	**Reliable**	Chennai timeline has held steady for three consecutive quarters.	□
Key Vulnerability	**Weather**	3% revenue degrowth in Hyderabad H1 due to dual cyclones highlights climate risk.	□
Management Tone	**Pragmatic**	Focused on disciplined capital allocation and "sweet deals" for land.	□

Sentiment: □Positive

Key Takeaways (Positives & Negatives): * **Positives:** The pivot to **premium hospitality** is yielding results; "The Isle" resort in Bengaluru contributed significantly to Q2 performance with better occupancy and yield. **In-house manufacturing** remains a hidden asset, allowing WHL to build rides (like Ferris wheels) at 1/4th the cost of German imports, protecting ROIC. The **Chennai Park** (5th location) is confirmed for a Dec 2025 opening, which will be the single largest capacity jump in the company's history. * **Negatives: Volume stagnation** in mature parks is now a structural reality; Bengaluru and Kochi are "tenured," meaning future growth is almost entirely ARPU-dependent. **Extreme weather** (cyclones/heavy rains) remains the Achilles' heel of the quarterly P&L, specifically hurting the Hyderabad cluster this half. * **The Street's Concern:** Analysts are focused on the "next big thing" after Chennai. Management's refusal to rush into sub-optimal land deals in NCR/UP suggests a disciplined approach, though it creates a "growth perception gap" for FY27. * **Watchpoint:** December 2025 "Soft Opening" of Chennai. The ramp-up speed here will determine if WHL can maintain its 20%+ EBITDA growth trajectory.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: PPT figures primary. Concall used for commentary and non-financial metrics.

Metric	Current Qtr (Q2 FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue (□Cr)	80.15	↑ 19.0%	↓ 52.6%	↑	Growth driven by higher footfalls (12% YoY) and strong non-ticket spend.
Gross Margin (%)	100%	→	→	→	Business model has negligible COGS; primary costs are opex.
EBITDA (□Cr)	7.48	↑ 788.5%	↓ 91.5%	↑	Sharp YoY jump due to lower base and better cost absorption in Q2.
EBITDA Margin %	9.3%	↑ 770 bps	↓ 4230 bps	↑	Operational leverage starting to play out even in lean quarters.
PAT (□Cr)	(1.75)	↑ 88.1%	↓ 103.3%	↑	Seasonal loss narrowed significantly from □14.7 Cr loss in Q2 FY25.
EPS (□)	(0.28)	↑ 89.2%	↓ 103.4%	↑	Consistent with PAT improvement.
Footfalls (Lakhs)	5.05	↑ 12.0%	↓ 44.9%	↑	Includes 0.24L from new Bhubaneswar park; core parks grew 6.6%.
Non-Ticket Spend %	30.0%	→	→	→	Maintained 70/30 split; SPH growth led by F&B innovations.
Net Cash (□Cr)	429.95*	↑ 18.0%	↓ 2.3%	↑	*Includes Cash (□165 Cr) + Investments (□264 Cr).
CWIP (□Cr)	340.49	↑ 51.0%*	↑ 11.2%	↑	*Vs March 2025. Primarily Chennai construction.

2B. SEGMENT BREAKDOWN (FOOTFALLS)

Segment	Footfalls (Lakhs)	YoY Growth	ARPU (implied)	Trend	vs Co. Avg	Key Development
Bangalore	1.96	↑ 8.3%	High	↑	Above	Resort occupancy up to 60%; "The Isle" driving yields.
Kochi	1.92	↑ 4.9%	Medium	↑	In-line	Benefited from Onam campaigns; stable maturity.
Hyderabad	0.93	↑ 6.9%	High	↑	Below	Impacted by heavy rains/cyclones in Andhra region.
Bhubaneswar	0.24	New	Low	↑	Below	"Category creation" phase; focus on F&B/Merchandise.
Resort (BLR)	N/A	↑	ARR 2x	↑	Above	₹2 Cr revenue upside from Isle expansion.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	**Chennai Launch**	Commercial operations in Dec 2025.	On track; 80%+ construction complete based on CWIP spend.	**Delivered**	**Low**
Guidance	**BBS Footfall**	3.0 Lakhs annual for FY26.	H1 at 1.2L; needs 1.8L in H2 (Q3 is peak). Feasible.	**In-Progress**	**Medium**
Guidance	**Maintenance**	10% of top-line as maintenance capex.	Historically consistent; ₹17-20 Cr per park per annum.	**Delivered**	**Low**
Strategy	**Productivity**	Launching U.S. Roller Coaster in BLR (FY27).	Lead time of 6-8 months for installation.	**New Target**	**Low**
Strategy	**Hospitality**	Integrate resorts at all parks.	Plan to evaluate Chennai resort post-park stabilization.	**Ongoing**	**Low**
Balance	**Leverage**	Maintain debt-free status.	₹430 Cr liquidity vs ~₹130 Cr remaining Chennai spend.	**Delivered**	**Low**

4. ANALYST Q&A

Q#	Rel.	Analyst / Firm	Theme	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Cred.	Verdict
1	4.5	Harsh Gupta / Ionic	Ride Mfg	Biz Overview	"Explain the process of how you're benefiting from this economy scale-driven indigenization?"	Management confirmed in-house manufacturing (Kochi/BLR/HYD) reduces ride costs by ~3-4x compared to German/European imports. This structural cost advantage protects ROIC as the company scales to new geographies.	None	5.0	Clear & Quantified
2	4.0	Harsh Gupta / Ionic	Expansion	Strategy	"After Bhubaneswar and Chennai, there has been no announcement on any future parks so far."	Management noted they are reassessing government offers in Tier 1/2 cities to ensure financial viability and land deal "sweetness." Delays in land acquisition are a natural hurdle in large-gestation projects.	None	3.0	Prudent but Vague
3	5.0	Angad / Sameeksha	Maturity	Financials	"Is our strategy to premiumize mature park offerings as there seems to be limited scope for footfall growth?"	Management admitted mature parks focus on ARPU and "value-added products" like premium F&B to drive growth. This confirms WHL is transitioning from a volume-story to a realization-story in its core hubs.	None	4.0	Transparent
4	4.0	Prolin Nandu / Edelweiss	Footfalls	Financials	"Should we just think about FY23 as an anomaly and there was a	Management agreed FY23 was a post-COVID spike and that current	None	4.0	Realistic

Q#	Rel.	Analyst / Firm	Theme	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Cred.	Verdict
					pent-up demand post-COVID?"	levels represent a "stabilized" growth path. This reset in expectations is crucial for long-term modeling of "normalized" footfalls.			
5	3.5	Vivek Kumar / Bestpals	Strategy	Biz Overview	"The new parks, what do you prefer? Is it going to be Chennai kind of park or asset-light like Bhubaneswar?"	Management stated they will only build "Large Format" parks to protect brand equity, regardless of whether land is leased or owned. This ensures a consistent "Wonderla experience" across all future locations.	None	4.5	Strategic Clarity
6	4.0	Harsh Kumar / MIV	Chennai	Outlook	"Is it safe to assume that your Chennai Park would have peak footfalls of 10 lakhs annually?"	Management expects a 3-4 year ramp-up period to reach 10-12L peak footfalls, similar to the Hyderabad trajectory. Initial years will likely see discounted pricing to "create the category."	None	4.0	Directional
7	3.0	Vinay / Hathway	Resort	Financials	"Anything specific about the 60% occupancy in the Bangalore resort?"	Management attributed the occupancy jump and ARR premium to "The Isle" (premium extension), which has been "well received." Hospitality is becoming a high-yield	None	4.0	Confirmatory

Q#	Rel.	Analyst / Firm	Theme	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Cred.	Verdict
						stabilizer for the seasonal park business.			

PATTERN FLAGS & SENTIMENT

The analyst community is fixated on the **"S-Curve" of Mature Parks**. Multiple questions (Angad, Prolin) probed whether Bengaluru and Kochi have reached a natural ceiling. Management’s posture was realistic—they have stopped promising double-digit volume growth in these hubs, pivoting instead to ARPU (Spend Per Head) and the "Isle" resort strategy. This shift was accepted by analysts as a logical margin-protection move.

Analyst Sentiment Verdict: Pragmatically Optimistic. Analysts appreciate the debt-free balance sheet and the concrete Dec 2025 timeline for Chennai. Friction remains around the **Land Acquisition Pipeline**, with analysts pushing for the "next city." Management's credibility remains high due to their consistent execution on construction and the successful scale-up of the Bhubaneswar park (now EBITDA positive).

5. WHAT CHANGED vs PRIOR QUARTER

Comparison vs Q1 FY26 (Prior context available).

What Changed	Prior Quarter (Q1 FY26)	This Quarter (Q2 FY26)	Direction
Seasonal Phase	Peak Season (₹169 Cr Rev)	Lean/Monsoon Season (₹80.15 Cr Rev)	↓ Cyclical
Chennai Visibility	"Construction progressing"	"Operations starting Dec 2025"	↑ High Conviction
BBS Performance	0.96L Footfalls (Peak)	0.24L Footfalls (Off-season)	↓ Seasonal Volatility
Resort Strategy	Initial Isle launch	Isle proving ARR/Occupancy premium	↑ Yield Accretion
Future Pipeline	"Advanced discussions"	"Reassessing for financial viability"	↓ Cautious Expansion
CFO-to-PAT	Not explicitly calculated	Strong (Negative WC cycle)	→ Consistent

Investor Notes: * **Thesis Change:** None. The core "Park Rollout" thesis remains on track. The risk of volume saturation in old parks is being mitigated by the hospitality pivot. * **Earnings Quality:** Very High. Cash balances (₹430 Cr) are sufficient to fund Chennai completion (remaining ~₹130 Cr) and potentially the next park without any debt. * **Forensic Trigger:** CWIP increase (₹340 Cr) matches the physical progress seen in Chennai; no signs of capex leakage. * **Actionable Catalyst:** Watch for the official launch announcement of Chennai in late Q3; historical trends suggest a re-rating once the market prices in the 25% capacity expansion.

STOP.