

Wonderla Holidays

spotlight

The Idea Junction



World of wonders

Adrenalin for growth ride

- Wonderla Holidays (WONH) is one of the largest operators of amusement parks in India and owns and operates two amusement parks under the brand name Wonderla situated at Kochi and Bangalore.
- WONH came up with an IPO raising INR1.8b for the development of Hyderabad Park, which is expected to be operational from FY17.
- Company has been successful in increasing the footfalls at 9% CAGR over the last five years from 1.61m visitors in FY10 to 2.29m in FY14.
- WONH has a flexi pricing policy for peak season and offseason to ensure growth in footfalls in offseason. Its weekend prices are ~25% higher than weekday prices and peak season prices are 8-10% higher than offseason prices.
- 30-40% of Wonderla's visitors are either teenagers/students. Also, "Wonderla Privilege Card" is introduced as a loyalty program to attract repeat visits.
- We expect earnings to post 19% CAGR from INR11 to INR15.6 over FY15E-17E, primarily driven by higher realization growth and opening of new park (Hyderabad). The stock trades at 16.2x FY16E and 12.7x FY17E earnings.

Strong brand equity complements first mover advantage

WONH's promoters have experience of over 14 years in operating an amusement park. After having launched their first park in 2000 in Kochi under the name Veegaland they successfully launched the second park in Bangalore in 2005 as Wonderla. There are only 15-16 large players in India who operate large parks and Wonderla is one of them. WONH has first mover advantage in Kochi and Bangalore where there are only few medium and small parks but not a single large park. WONH has excess land available in both the parks for future expansion.

Hyderabad and Chennai park projects to ensure long term sustainability

Wonderla is coming up with its new amusement park in Hyderabad spread over 49 acres of land (27 acres developed). The park is expected to be operational from FY17 and to part fund the parks, Wonderla came up with a public offering raising INR1.8b. Development of a park takes 20-24 months post approvals and 8-9 years for pay-back. Company has not added a single park in the past 9 years and is now aggressively expanding business with the addition of two new parks in Hyderabad and Chennai (proposed) which will drive long term growth.

Spotlight is a new offering from the Research team at Motilal Oswal. While our Coverage Universe is a wide representation of investment opportunities in India, there are many emerging names in the Mid Cap Universe that are not under coverage. Spotlight is an attempt to feature such mid cap stocks by visiting such companies. We are not including these stocks under our active coverage at this point in time. Motilal Oswal Research may or may not follow up on stocks under Spotlight.

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Stock Info

Bloomberg	WONH IN
CMP (INR)	198
Equity Shares (m)	56.5
M.Cap. (INR b)/(USD b)	11.2/0.2
52-Week Range (INR)	226/125
1,6,12 Rel. Perf. (%)	12/-/-

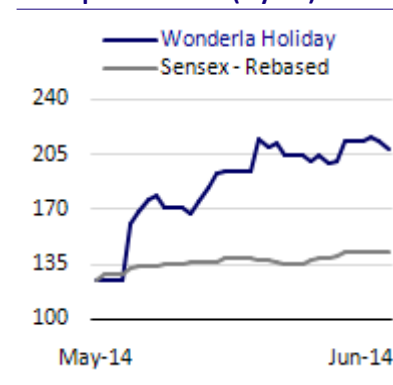
Financials & Valuation (INR m)

Y/E March	2015E	2016E	2017E
Sales	1,783	2,025	2,642
EBITDA	826	946	1,189
NP	477	532	679
EPS (INR)	11.0	12.2	15.6
Growth (%)	15.6	11.5	27.7
BV/Share (INR)	81.9	91.2	103.3
RoE (%)	18.9	14.2	16.1
RoCE (%)	27.5	21.1	24.0
P/E (x)	18.0	16.2	12.7
P/BV (x)	2.4	2.2	1.9

Shareholding pattern (%)

As on	May-14
Promoter	71.0
Domestic Inst.	5.0
Foreign	2.6
Others	21.4

Stock performance (1 year)



RED: Caution
AMBER: In transition
GREEN: Interesting



Stable growth in footfalls, pricing

WONH has been successful in increasing the footfalls at 9% CAGR over the last five years from 1.61m visitors in FY10 to 2.29m in FY14. The type of visitor is categorized in three ways: 1) Educational Institutions, 2) Corporate houses/Group bookings and 3) General walk-in customers. Around 60-62% of the Kochi customers and 70% of Bangalore customers are walk-in and rest are either group booking or institutional visitors. Company has been taking a 10% price hike every year for the last five years; equity testimony of strong brand recall. Average realization per visitor (including ticket sales, food and beverages, product sale etc) on a consolidated basis has increased from INR414 in FY09 to INR652 in FY14, marking 10% CAGR.

Flexi-pricing ensures continuity in footfalls

WONH has a flexi-pricing policy for peak season and offseason to ensure growth in footfalls in offseason. Amusement parks attract larger crowd on weekends, thus weekend prices are at 25% premium over weekday. Rates are also differentiated based on the festive season, with the rate quote at 8-10% premium compared to regular weekend rates. Wonderla also offers "Fast Track" tickets to reduce waiting time, which commands 100% premium over regular prices. Only 250 tickets (0.8% of total tickets) per day are offered as "Fast Track" tickets.

15-17% F&B revenue growth to drive margin expansion

Food and beverages contribute 3-4% of the total revenue for WONH. Wonderla has entered into revenue sharing model with 6 restaurants charging 25% of their revenue. Company has taken over the operation of one restaurant "Waves Restaurant" at Bangalore and Kochi Park since November 2012 and April 2013 respectively there-by driving growth. Also small kiosks and shops are set up which sell the food items at MRP. Average realization per visitor in F&B has improved by 21% CAGR from INR12 in FY09 to INR37 in FY14. We expect food and beverages revenues to grow at 15-17% over the next 3 years.

Bangalore Resort enhances destination park theme

With the introduction of resort, Wonderla Amusement park has become a "destination" park as against "one day attraction" like most parks in India. WONH launched its first leisure resort, Wonderla Resort with 84 luxury rooms laced with amenities, beside the amusement park in Bangalore in March 2012. Resort revenue forms only 4% of the overall revenue, however we believe that the resort will act as a big driver to attract footfalls over the long term.

Wonderla Privilege Card - an innovative marketing mantra

As 80% of the amusement park's revenue comes from entry fees, innovative schemes are needed to ensure regular footfalls. 30-40% of Wonderla's visitors are either teenagers/student. Wonderla Privilege Card (10% of the revenue) is a loyalty program whereby visitors are given discounts (10-20% of the the ticket price) for repeat visits. A card holder is eligible for 4 discounted tickets per day. Additionally, on purchase of 12 tickets through the privilege card entitles a visitor to a free visit in the park.

Attractive valuation at 12.7x FY17E earnings

We expect WONH's revenue to clock 22% CAGR to INR2.6b over FY15E-17E and PAT CAGR of 19% to INR679m over FY15E- FY17E. The stock trades at 16.2x FY16E and 12.7x FY17E earnings. Given its strong industry positioning, multiple growth opportunities and high entry barrier, we believe WONH is rightly positioned to ride the growth wave.

Company description

Wonderla Holidays is one of the largest operators of amusement parks in India which currently owns and operates two amusement parks under the brand name 'Wonderla', situated at Kochi and Bangalore. Company is in the process of setting up the third amusement park in Ranga Reddy district of Andhra Pradesh, Wonderla Hyderabad. Company raised INR1.8b from an IPO for the development of Hyderabad Park. It also owns and operates a resort besides the amusement park in Bangalore under the brand name 'Wonderla Resort', which has been operational since March 2012.

Mr Kochouseph Chittilappill, the promoter, in the year 1996 had incorporated V-Guard Industries Ltd, which is listed on BSE and NSE since 2008. Wonderla launched its first amusement park in Kochi in the year 2000, by the name 'Veegaland' and second amusement park in Bangalore in the year 2005, by the name 'Wonderla'. Pursuant to a scheme of amalgamation, the erstwhile 'Veega Holidays and Parks Private Ltd' which owned and operated 'Veegaland', merged with Wonderla with effect from April 1, 2008 and consequently both the amusement parks are being operated under the name 'Wonderla'.

Amusement parks offer a wide range of water and land-based attractions catering to all age groups. Company has 22 water-based attractions and 33 land-based attractions at Wonderla Kochi, situated on 93.17 acres of land and 20 water-based attractions and 35 land-based attractions at Wonderla Bangalore, situated on 81.75 acres. Company recorded total footfalls of 2.34m in FY13 and 2.29m in FY14 across the two amusement parks in Kochi and Bangalore. Total Footfalls across the two amusement parks have posted a CAGR of 7.42% from FY11 to FY13.

The resort operated under the name, Wonderla Resort, is a 'Three Star' leisure resort located beside the amusement park in Bangalore comprising of 84 luxury rooms, with amenities including banquet halls, a board room, conference rooms, a multi-cuisine restaurant, a solar heated swimming pool, recreation area, kids' activity centre and a well equipped gym. Company has also acquired 49.57 acres of land for setting up the proposed amusement park in Ranga Reddy district of Andhra Pradesh.

Strong brand equity coupled with first mover advantage

WONH creates strong brand equity over a decade

- Wonderla has created a strong brand equity over 14 years due to its experienced management and continuous focus on enhancing customer experience through quality service.
- The promoters launched the first amusement park in 2000 in Kochi under the name “Veegaland” and later on successfully launched the second park in Bangalore in 2005 as “Wonderla”.
- Amusement parks operate for 365 days from 11am-7pm and no alcohol-based beverages are allowed in the park.
- WONH has spare land parcels in Kochi and Bangalore for expansion and also has acquired freehold land in Hyderabad for setting up a park.

Over 14 years of operating experience with first mover advantage

Operating experience is a key requirement for successful working of an amusement park. Wonderla’s management has operational experience in the amusement park industry for over a decade. The promoters launched the first amusement park in 2000 in Kochi under the name Veegaland and later successfully launched the second park in Bangalore in 2005 under as Wonderla. Pursuant to the amalgamation scheme, Veega Holidays and Parks Private Ltd that operated the amusement park at Kochi was amalgamated and both the parks now operate under the common brand name “Wonderla”. Amusement parks operate for 365 days from 11am-7pm and alcohol-based beverages are not allowed inside.

Acquisition of land – strong entry barrier

Land cost and its related clearances are the strongest entry barrier in development of an amusement park. Closer the land is to a city, costlier it will be. Most of the large parks require huge investment in land. The past six to seven years saw a huge run-up in land costs, thus making an amusement park investment very expensive.

Proximity to city – a big advantage

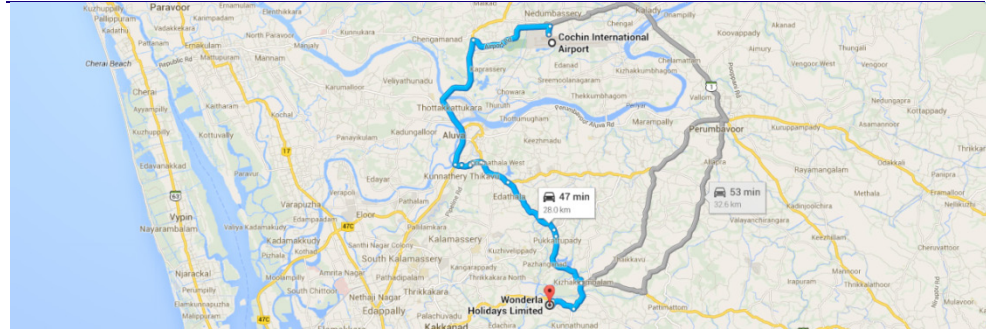
Attractive location and its proximity to a city ensure footfalls addition. WONH’s three parks -- Kochi, Bangalore and Hyderabad -- are situated in the proximity of the main city. Wonderla Kochi is located in Pallikkara, 15km from central Kochi, while Wonderla Bangalore is located off the Bangalore-Mysore highway, 28km from central Bangalore. Wonderla Hyderabad is in the Ranga Reddy District, Andhra Pradesh, ~27km from central Hyderabad, 33km from Secunderabad Railway Station and 12km from Hyderabad Airport.

Land availability for future expansion

Park	Available Land (acres)	Developed Land (acres)	Balance for future expansion (acres)	Wet and Dry Rides (nos.)
Kochi Park	93.17	28.75	64.42	55
Bangalore	81.75	39.20	42.55	55
Hyderabad	49.50	27.00	22.50	42

Source: Company, MOSL

Wonderla Kochi - 28km from Cochin International Airport



Source: Company, MOSL

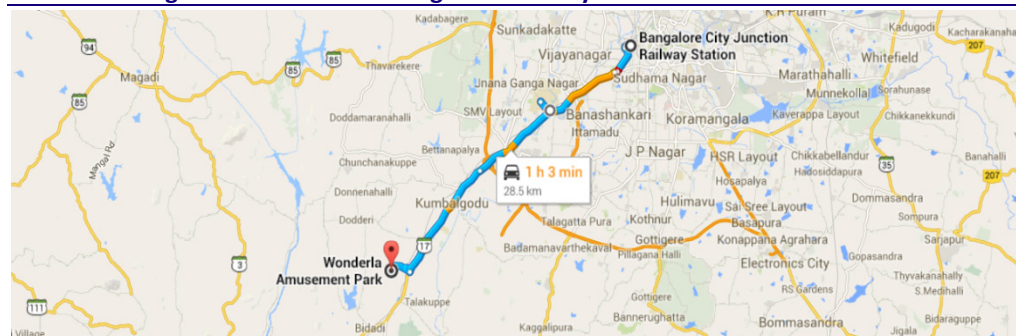
Wonderla – Kochi Park



Source: Company, MOSL



Wonderla Bangalore – 28km from Bangalore Railway Station



Source: Google maps, MOSL

Wonderla Bangalore Park



Source: Company, MOSL



Multiple growth drivers

Amusement parks on the cusp of growth

- Wonderla has been successful in increasing footfalls at 9% CAGR over last five years from 1.61m visitors in FY10 to 2.29m in FY14.
- It has developed an in-house manufacturing facility in Kochi to manufacture/construct amusement rides and attractions, apart from the rides procured from manufacturers within and outside India.
- Introduction of the Bangalore resort transformed Wonderla into a “destination” park, against “one day” attraction like most other parks in India.
- Wonderla has flexi pricing policy. Weekend prices are at 25% premium than weekday prices. Also festive season prices are at 8-10% premium than regular ones. Company issues 250 “Fast Track” tickets which command 100% premium over regular prices.
- Wonderla has introduced innovative marketing strategy to attract repeat visitors. Wonderla Privilege Card offers discount in the range of 10-20% for repeat visitors.
- Food and Beverages contribute 3-4% of the total revenue for Wonderla. Company has entered into 25% revenue sharing model with six restaurants, which directly expands earnings.
- 1Q and 3Q are the best performing periods for amusement parks. Together they contribute ~60% of total revenue.
- Management believes that an amusement park is not a price sensitive market. It has been taking 10% price hike every year for the last five years, signifying the brand equity.

Absence of major competition provides pricing power

As amusement parks are a capital intensive industry, there are very few pan India players. The industry is divided into three categories:

1. Large parks (investment >INR700m),
2. Medium parks (investment of INR300-700m),
3. Small parks (investment <INR300m).

Wonderla is a large park and there are only 15-16 large amusement parks in India. As there are no large amusement parks in the locations where Wonderla is situated, it is a huge advantage for the company. Though there are few small and medium sized parks in Kochi and Bangalore respectively, they cannot compete with Wonderla. Management believes that an amusement park is not a price sensitive market and has been taking 10% price hike every year for the last five years, signifying the brand equity. The new park coming up in Hyderabad may face competition from already existing large players like Ramoji Studio. However, as Ramoji is a film city, it caters to a different set of attraction and thus is not a direct competitor.

Wonderla has been taking 10% price hike every year for the last five years, signifying the brand equity

Competitive landscape of amusement parks

Parks	Location	Size in acres	Rides (Dry)	Rides (Wet)	Pricing Strategy	Entry rate	Annual Average footfalls (m)	Revenues FY12 (INR m)
Essel World & Water Kingdom	Mumbai	64	Y	Y	Separate entry fees for amusement park and water park	INR590-690 (For either of amusement park or water park)	1.8	569
Nicco Park	Kolkata	40	Y	Y	Separate entry fees for amusement park and water park	Dry Park Package - 340 Water Park Package - 290	1.7	311
Wonder La	Kochi	93	Y	Y	Single entry fees	INR460 - 600	1.2	517
Wonder La	Bangalore	83	Y	Y	Single entry fees	INR590 - 790	1.1	627
Ocean Park	Hyderabad	20	Y	Y	Separate entry fees for water park, snow park	INR300	N.A.	N.A.
Ramoji Film City	Hyderabad	1,666	Y	Y	Single entry fees	INR600	1.5	N.A.
Adventure Island & Metro Walk	Rohini	62	Y	Y	Single entry fees	INR500	N.A.	N.A.
Entertainment City	Noida	44	Y	Y	Single entry fees as well as pay-as-you-go	INR450	N.A.	N.A.
Kishkinta	Chennai	120	Y	Y	Single entry fees	INR450	N.A.	N.A.
Queensland	Chennai	70	Y	Y	Single entry fees	INR350	N.A.	N.A.
VGP Universal	Chennai	N.A.	Y	Y	Single entry fees	INR200	N.A.	N.A.
MGM Dizze World	Chennai	27	Y	Y	Single entry fees	INR500	N.A.	N.A.
GRS Fantasy Park	Mysore	30	Y	Y	Single entry fees	INR395	N.A.	N.A.
Mount Opera	Hyderabad ad	55	Y	Y	Single entry as well as pay-as-you-go	INR360	N.A.	N.A.
Athisayam	Madurai	40	Y	Y	Single entry fees	INR500	N.A.	N.A.
Black Thunder	Mettupalayam	65	Y	Y	Single entry fees	INR450	0.5	N.A.
Appu Ghar	Pune	N.A.	Y	-	Pay as you go	Approx. INR30 per ride	N.A.	N.A.
Fun N Food Village	New Delhi	10	Y	Y	Single entry fees	INR300	0.5	N.A.

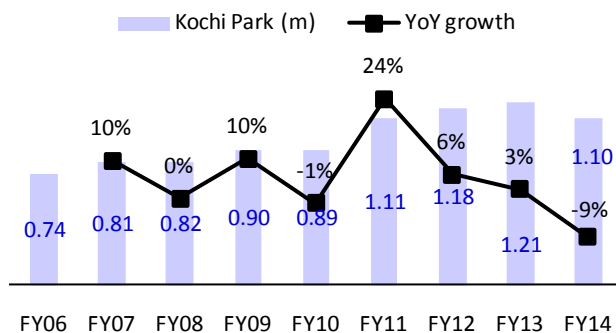
Source: DRHP, MOSL

Steady growth in footfalls

Wonderla has been successful in increasing the footfalls at 9% CAGR over last five years from 1.61m visitors in FY10 to 2.29m visitors in FY14

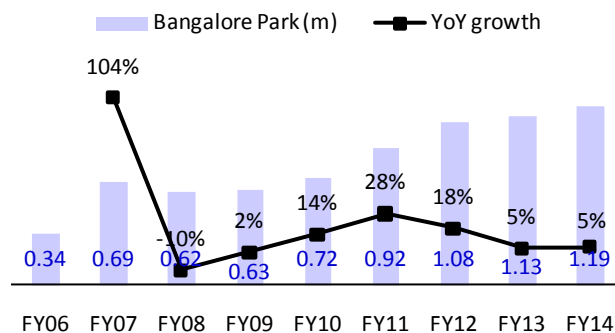
One of the biggest growth drivers for an amusement park is increased footfalls. Wonderla has been successful in increasing the footfalls at 9% CAGR over the last five years from 1.61m visitors in FY10 to 2.29m visitors in FY14. Bangalore Park's (being the new market) footfall growth is higher compared to Kochi. Bangalore market has grown from 0.7m in FY10 to 1.19m in FY14, marking a CAGR of 11%, while Kochi has grown from 0.89m to 1.1m during the same period, marking a CAGR of 4%. Types of visitors are categorized as: 1) Educational Institutions, 2) Corporate houses/Group bookings and 3) General walk-in customers. 60-62% of the Kochi customers and 70% of the Bangalore customers are walk-in and rest being either Group booking or institutional visitors.

Kochi park footfall trend



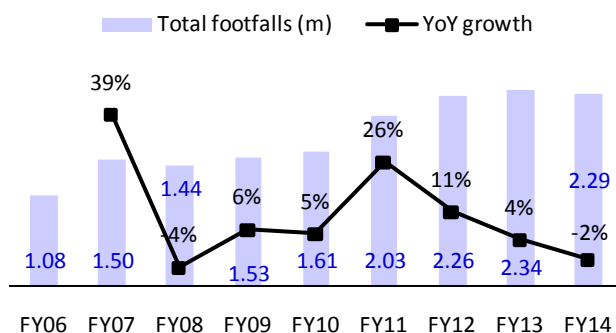
Source: Company, MOSL

Bangalore park footfall trend



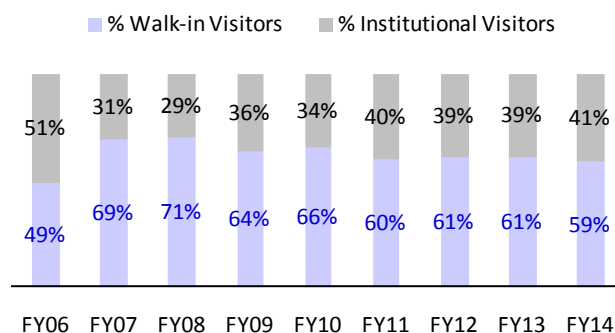
Source: Company, MOSL

Total footfall trend



Source: Company, MOSL

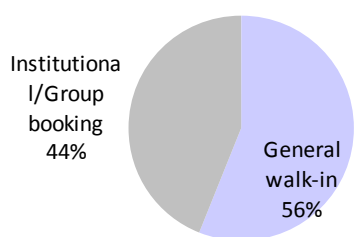
Consolidated footfall break-up on types of visitors



Source: Company, MOSL

Kochi park - types of visitors

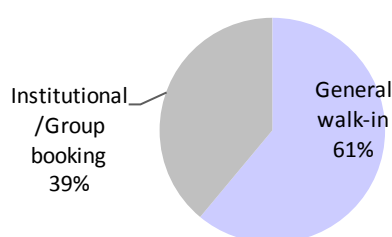
Type of Visitor for FY14 - Kochi



Source: Company, MOSL

Bangalore park - types of visitors

Type of Visitor for FY14 - Bangalore



Source: Company, MOSL

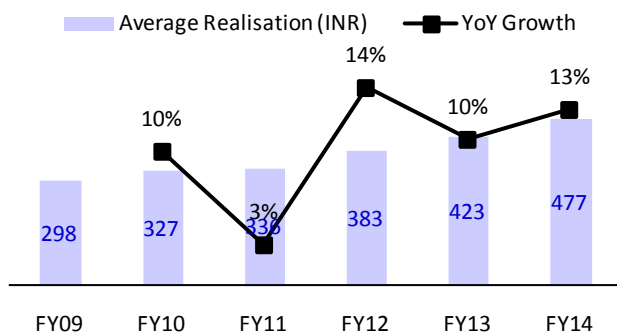
Flexi-pricing further ensures growth in footfalls

Amusement parks attract larger crowd on weekends, thus weekend prices are at 25% premium than weekday prices

Wonderla has a flexi pricing policy for peak season and offseason to ensure continuity of footfall in offseason. As amusement parks attract larger crowd on weekends, prices are at 25% premium than weekday prices. Rates are also differentiated based on the festive season. Festive season rates quote at 8-10% premium than regular weekend rates. Festive seasons for Bangalore are Onam, Dussherra, Christmas and New Years Eve, while for Kochi they are Onam, Ramzan, Christmas and New Years Eve. Wonderla also offers discounts ranging from 10-30% for group bookings and corporate booking. It books revenue "net of discounts" and

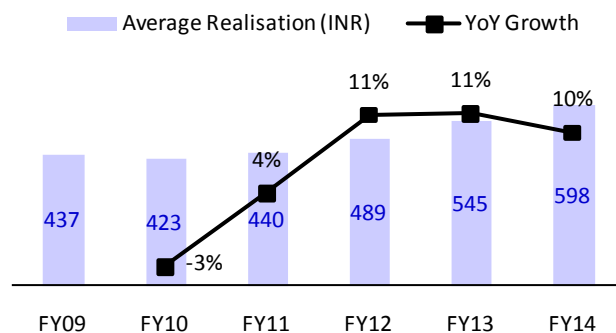
“net of taxes”, thus reflecting prudent accounting. Another innovative pricing used by Wonderla is “Fast Track” pricing strategy, which commands 100% premium over regular prices. Company issues 250 tickets per day as fast track tickets, which reduce the average waiting time for a visitor substantially. Even though average realization is high in Fast Track prices, Wonderla is planning to limit the number of tickets to 250 per day.

Average realization of ticket sales in Kochi Park



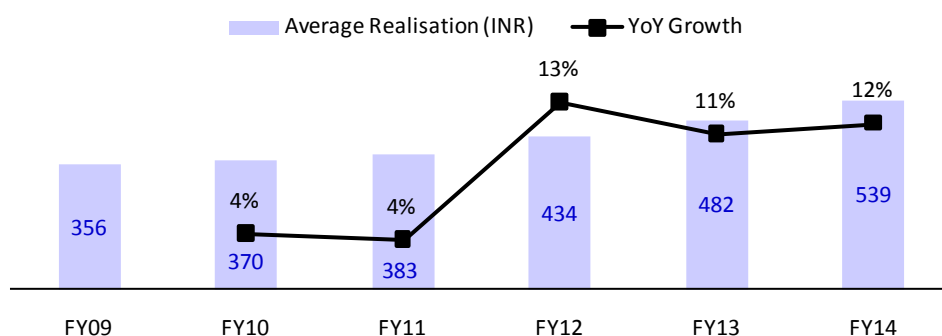
Source: Company, MOSL

Average realization of ticket sales in Bangalore Park



Source: Company, MOSL

Consolidated average ticket sales realization



Source: Company, MOSL

General ticket prices (INR)

Day	Timings	Adult Bangalore	Adult Kochi	Child Bangalore	Child Kochi
Weekdays	11:00AM - 06:00PM	700	580	540	470
Saturday/Sunday & Public Holidays	11:00AM - 07:00PM	870	730	640	590
Peak Seasons Weekends	11:00AM - 07:00PM	940	800	710	650
Peak Seasons Weekdays	11:00AM - 07:00PM	770	650	620	530

Source: Company, MOSL

Fast Track ticket prices (INR)

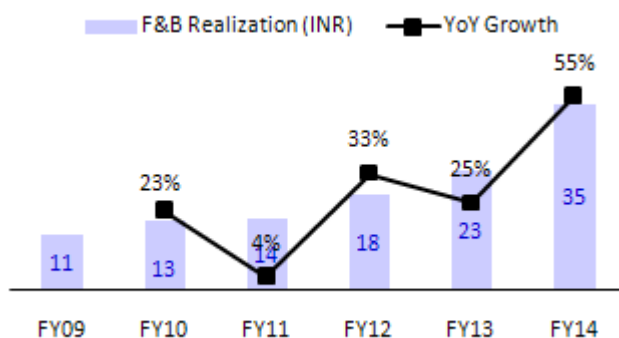
Day	Timings	Adult Bangalore	Adult Kochi	Child Bangalore	Child Kochi
Weekdays	11:00AM - 06:00PM	1,400	1,160	1,080	940
Saturday/Sunday & Public Holidays	11:00AM - 07:00PM	1,740	1,460	1,280	1,180
Peak Seasons Weekends	11:00AM - 07:00PM	1,880	1,600	1,420	1,300
Peak Seasons Weekdays	11:00AM - 07:00PM	1,540	1,300	1,240	1,060

Source: Company, MOSL

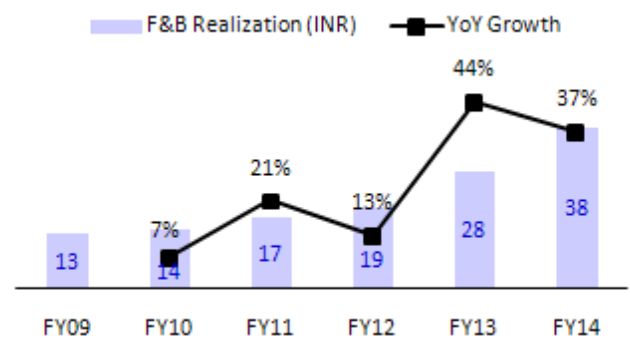
15-17% F&B revenues growth to drive margin expansion

Wonderla has entered into a revenue sharing agreement to receive 25% of the revenue as its share, which directly improves earnings

Food and Beverages contribute 3-4% of the total revenue for Wonderla. There are two sources of revenue in F&B segment. First, revenue from its own operating restaurant and second is the revenue sharing model with other outsourced restaurants. At both the amusement parks, Wonderla has seven operational restaurants which offer various cuisines, including South Indian, North Indian, Chinese and Continental etc. Of the total seven restaurants each in Kochi and Bangalore, company has taken over the operation of one named Waves Restaurant at Bangalore and Kochi Park since November 2012 and April 2013 respectively. Company follows a revenue sharing model with other six contractors for the operation of restaurants. Wonderla has entered into a revenue sharing agreement to receive 25% of the revenue as its share, which directly improves earnings. Outside food is prohibited in the park, though all food items are sold at maximum retail price inside the park. Food and Beverages revenue is expected to grow at 15-17% over next three years. F&B realization per visitor has increased from INR12 in FY09 to INR37 in FY14, clocking 21% CAGR.

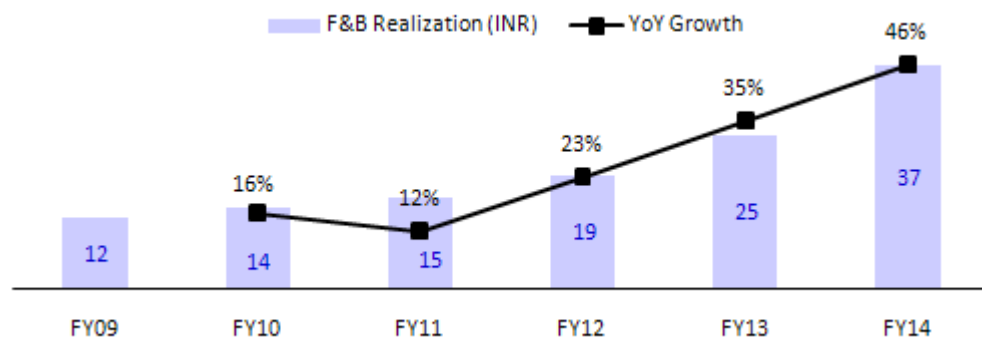
Kochi Park F&B realization per visitor

Source: Company, MOSL

Bangalore Park F&B realization per visitor

Source: Company, MOSL

Consolidated F&B realization trend



Source: Company, MOSL

List of restaurants in each park

No.	Wonderla Kochi	Wonderla Bangalore
1	Waves Restaurant (company owned)	Waves Restaurant (company owned)
2	Vintage Chimney Restaurant	Chillies Restaurant
3	Spice Garden Restaurant	Greens Restaurant
4	Wood House Restaurant	Courtyard Restaurant
5	Vintage Kitchen Restaurant	Parkview Restaurant
6	Valley View Restaurant	Wonder Chick
7	Park View Restaurant	Pizza Corner

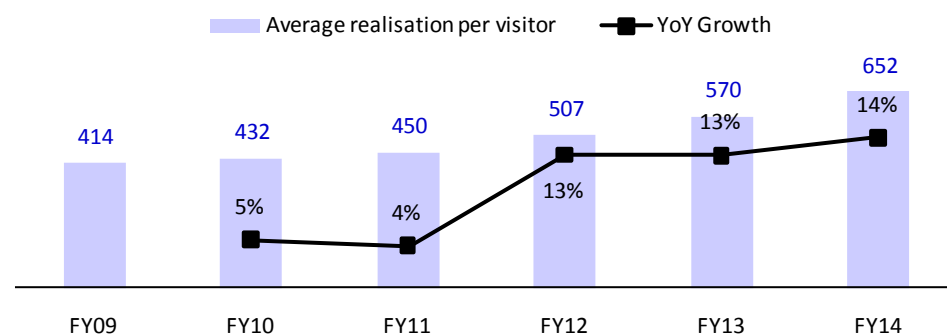
Source: Company, MOSL

Realization growth with addition of new rides

Addition of new rides is the key footfall driver for an amusement park. Addition of new and innovative attractions not only improves footfall, but also gives Wonderla huge pricing power advantage. However, to sustain the footfall growth, it is vital to have additions of new rides/attractions that allure the crowd. Company has been successful in adding new attractions in both Hyderabad and Kochi parks. In FY14, Wonderla added four rides (including wet and dry) in Bangalore Park. Going forward, management believes that it will be able to add a ride annually to keep the excitement rolling. This ensured a growth in total realization per visitor from INR414 in FY09 to INR652 in FY14, marking 10% CAGR.

Management believes that the company will be able to add a ride annually to keep the excitement rolling

Total realization per visitor trend



Source: Company, MOSL

80% of the park's revenue comes from entry fees and hence innovative schemes are needed to ensure regular footfalls

Wonderla Privilege Card - an innovative marketing strategy

Company has launched innovative marketing schemes to attract various categories of visitors. 80% of the park's revenue comes from entry fees and hence such innovative schemes are needed to ensure regular footfalls. Amusement parks largely target the young population between the age group of 15-35 years. 30-40% of Wonderla's visitors are either teenagers/student. Wonderla Privilege Card is a loyalty program whereby visitors are given discounts for repeat visits. The privilege membership card comes free with a minimum purchase of four tickets at full rate without any discounts. On the next visit, a visitor enjoys the discount ranging from 10-20% of the ticket price. Currently 10% of company's ticket revenue comes from the privilege card. A card holder is eligible for 4 discounted tickets per day. Purchase of 12 tickets through the card entitles him to a free visit in the park.

Benefit of Wonderla Privilege Card holder

Seasons	Period	Discount
Peak Season	1st April – 15th June; 16th September – 31st January	10%
Offseason	16th June -15th September; 1st February – 31st March	20%

Source: Company, MOSL

Bangalore Resort – making it a destination park

Amusement parks are one-day entertainment concepts in India, whereby visitors arrive in the morning and leave at the end of day, making the parks a “one day” attraction. However, with the introduction of company's resort, it has become more of a “destination” park. Wonderla launched its first leisure resort by the name “Wonderla Resort” besides the amusement park in Bangalore in March 2012. The resort comprises of 84 luxury rooms with amenities including banquet halls, a board room, conference rooms, a multi-cuisine restaurant, rest-o-bar, a solar heated swimming pool, recreation area, kids' activity center and a well-equipped gym. This resort has complete facilities compared to others -- 24-hour dining facility, LCD television, Wi-Fi connectivity etc. It has four banquets spread across 8,900sqft, which can accommodate 800 guests and also has a board room. Thus, the resort can host multiple events like weddings, corporate meetings, parties etc. Occupancy rate for FY13 was 34% and for FY14 was 33%. This will enhance the footfall growth going forward.

With the introduction of resort, Wonderla has become more of a “destination” park, as against “one day” attraction

Wonderla Resort - Bangalore



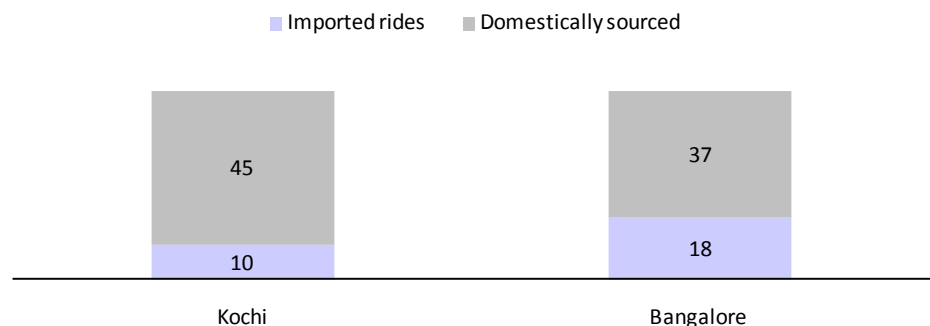
Source: Company, MOSL

As of January 31, 2014,
Wonderla has
manufactured/constructed
42 rides/attractions

In-house manufacturing reduces external reliance and brings innovation

Wonderla has developed an in-house manufacturing facility in Kochi to manufacture/construct amusement rides and attractions, apart from the amusement rides procured from manufacturers within and outside India. The in-house manufacturing facility enables the company to implement ideas and concepts. For the manufacture/construction of rides, it domestically sources the required raw materials such as steel, aluminum, ropes, pulleys etc. As of January 31, 2014, company manufactured/constructed 42 rides/attractions. Of the total 55 attractions, Wonderla Kochi and Bangalore has 10 and 18 rides imported respectively. Balance is either in-house manufactured or domestically sourced. In-house manufacturing benefits Wonderla with certain cost efficiencies such as saving on import duties and other costs, besides improving the efficiency in rides maintenance.

In-house manufacturing/imported rides



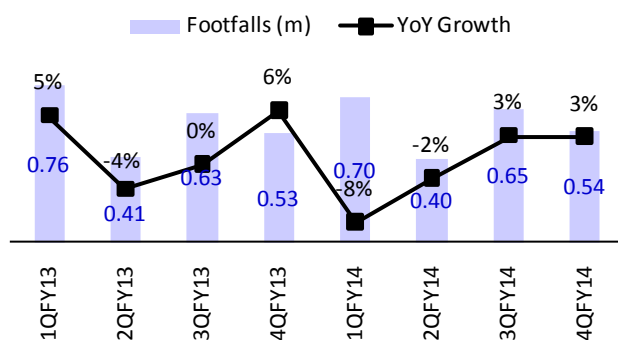
Source: Company, MOSL

1Q and 3Q are the best performing periods for amusement parks, contributing ~60% of the total revenue for Wonderla

1Q and 3Q are seasonally best quarters

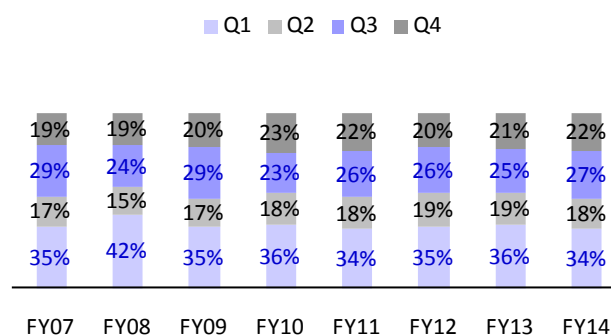
Amusement park is a seasonal business whereby 1Q and 3Q are the best periods compared to other two. In south, monsoon sets in June and goes on till September. Thus, footfalls are lower in 2Q. As mentioned above, most visitors are either students or teenagers and affect footfalls during examination season. Thus, even 4Q witnesses a slowdown in footfalls. 1Q and 3Q together contribute ~60% of the total revenue for Wonderla.

Quarterly Footfalls trend (m)



Source: Company, MOSL

1Q and 3Q contribute ~60% of annual revenue



Source: Company, MOSL

Post initial paper work, 20-24 months are needed for construction and the park to be fully operational

Elongated payback period keeps competition at bay

Setting up an amusement park is a capital intensive process. It not only requires huge investment, but also its payback period is as high as 8-9 years. Hence, competitive intensity is relatively low. Post conception of an idea to set up an amusement park, it requires 6-12 months for the paperwork and obtaining approvals to begin construction. Post that, 20-24 months are needed for construction and the park to be fully operational. Time required for initial paper work itself can get stretched depending on the states approvals. For example, Wonderla Hyderabad Park took six to seven months of initial paper work; final approvals are still pending and land for Chennai Park is yet to be acquired.

Wonderla's management has kept hygiene and safety as top priority to enrich the experience of visitors

High safety and hygiene standards ensure visitors satisfaction

Maintaining high safety standards is the primary requirement for any amusement park. Clean and hygienic environment ensures high customer satisfaction and repeat visits. Wonderla's management has kept hygiene and safety a top priority to enrich the experience of visitors. Company has set up extensive water filtering at Wonderla Bangalore and Wonderla Kochi and recycling systems for each pool and a quality control laboratory for the purpose of carrying out quality checks on samples of water collected at regular intervals. It has also installed lightning arrestors as a precautionary measure against lightning hazards. Apart from this, to ensure continuous supply of power, company has generators with a combined capacity of 4.9mva to ensure continuous supply of power. Thus, these facilities together ensure an enriched experience for visitors.

New properties to drive long term growth

Wonderla Hyderabad and Chennai set to maintain growth momentum

- Wonderla is in the process of setting up its third amusement park in Ranga Reddy District of Hyderabad, which is ~27kms from central Hyderabad, 33kms from Secunderabad Railway Station and 12kms from Hyderabad Airport. The park is expected to be operational from FY17.
- Company has already acquired 49.5 acres of land, of which it intends to develop 27 acres with 24 dry rides and 18 wet rides.
- Wonderla plans to continue to expand business operations and further develop its brand 'Wonderla' by setting up new amusement parks in other parts of India. Thus, management is in the process of identifying a suitable parcel of land in Chennai for setting up amusement parks.

Wonderla Hyderabad – a new attraction

In Hyderabad, Wonderla is planning to develop 10 imported land rides, 14 indigenous land rides and 18 indigenous water rides

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Detailed cost of Hyderabad Park

No.	Particulars	Cost (INR m)	Amount already deployed (INR m)	Balance funded through IPO proceeds and Debt
1	Land, land development and civil construction	994	255	739
2	Amusement rides	1,067	97	970
3	Machinery and equipments	261	1	261
4	Furnishing and vehicles	114	2	113
5	Consultants fees	24	4	20
6	Pre-operative expenses	63	19	44
7	Contingencies	38	-	38
Total		2,560	377	2,183

Source: Company, MOSL

Wonderla Chennai in pipeline

Management is in the process of identifying a suitable parcel of land in Chennai to set up amusement parks

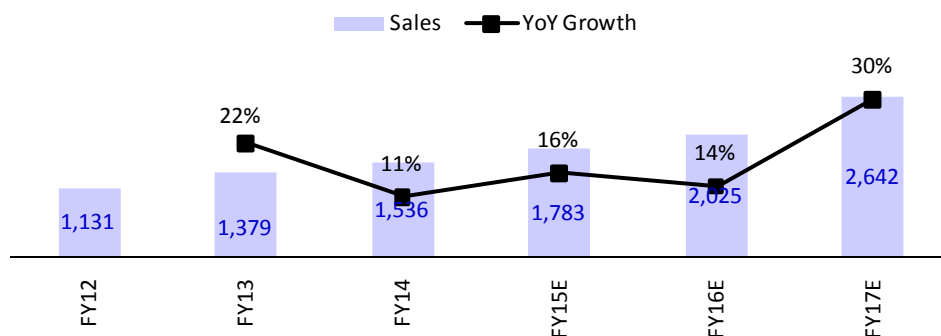
Company intends to expand its business operations and develop its brand 'Wonderla' by setting up new amusement parks in other parts of India and thereby cater to a wider customer base. It plans to capitalize on experience and expertise in the amusement park industry and leverage the existing goodwill associated with the brand to establish and expand amusement parks in newer geographies. Hence, management is in the process of identifying a suitable parcel of land in Chennai for setting up amusement parks. The project approval for Hyderabad Park is in the final stage, while company is in the process of identifying land in Chennai.

Financial Outlook

Revenue expected to grow at 21.7% over FY15E-17E

We expect company's revenue to grow at 21.7% CAGR from INR1.8b in FY15E to INR2.6b in FY17E. The growth in revenue will be primarily driven by increase in footfalls by Hyderabad park.

Sales growth trend (INR m)

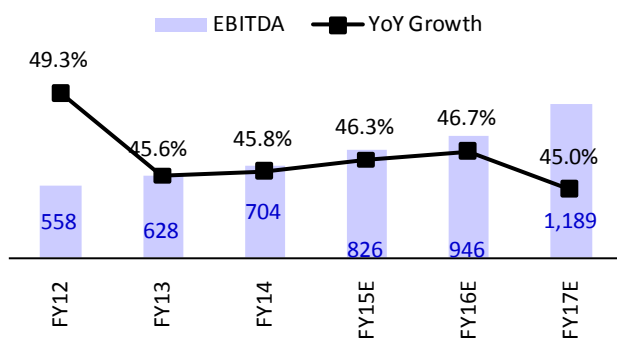


Source: Company, MOSL

PAT to grow at 19% CAGR over FY15E-17E

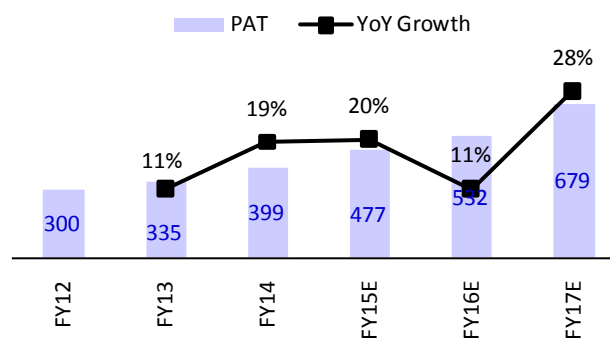
With the addition of Hyderabad park margins are initially expected to dip from 46.3% in FY15E to 45% in FY17E. PAT is expected to grow at 19.3% CAGR from INR477m in FY15E to INR679m in FY17E.

EBITDA trend (INR m)



Source: Company, MOSL

PAT growth trend (INR m)



Source: Company, MOSL

Key management team

Experienced board



Mr. George Joseph



Mr. Kochouseph Chittilappilly



Mr. Arun Chittilappilly

- **Mr George Joseph, Chairman, Non-Executive Director (Independent):** Mr George Joseph was appointed as an additional Director of the company on June 27, 2011 and as Director and Chairman on September 12, 2011. He holds a bachelor's degree in commerce from Kerala University. He is a Certified Associate of the Indian Institute of Bankers and an Associate of the Institute of Bankers, London. Prior to being appointed on board, he acted as chairman and managing director of Syndicate Bank and worked in Canara Bank for over 37 years in various capacities from 1969 to 2006. He is also the non-executive independent director of Muthoot Finance Ltd.
- **Mr Kochouseph Chittilappilly, Non-Executive Director:** Mr Kochouseph Chittilappilly is one of the promoters and has been a Director since incorporation. He holds a post graduate degree in physics from Calicut University. He has 15 years of experience in the amusement park industry. He and Parks Ltd in Kochi, Kerala and later expanded the amusement park business by establishing Wonderla in Bangalore in 2002. He is also the chairman of V-Guard Industries Ltd and director on the board of several other companies.
- **Mr Arun Kochouseph Chittilappilly, Managing Director:** Mr Arun Kochouseph was appointed as the Director on December 22, 2003. He has been the Managing Director since April 1, 2012. He holds a masters degree in industrial engineering from Swinburne University of Technology, Victoria, Australia. He has been actively involved in the day to day operations and management of the company since 2003. He has over 11 years of experience in the amusement park industry.
- **Mr Ramachandran Panjan Moothedath, Non-executive Independent Director:** Mr Ramachandran Panjan Moothedath was appointed as the Director on August 9, 2012. He holds a diploma in financial management from University of Mumbai. He had set up Jyothy Laboratories in 1983 as a sole proprietorship firm and is currently the chairman and managing director of Jyothy Laboratories Ltd, the managing director of Jyothy Fabricare Services Ltd and director on the board of four other companies. He has over 31 years of experience.
- **Ms Priya Sarah Cheeran Joseph, Whole-time Director:** Ms Priya Sarah Cheeran Joseph was appointed Director on December 22, 2003. She was appointed as a non-executive director of the company from March 1, 2013. She holds a post graduate degree in public health from University of Melbourne, Australia. She has been involved in the operations of food and beverages and human resource departments of the company since 2005, when it started commercial operation. She is also actively involved with the corporate social responsibility related initiatives of the company. She has over 11 years of experience in the amusement park industry.

Key risks

- **Accidental risk:** Any occurrence of accidents or mishaps at amusement parks exposes the company to possible financial liabilities and legal proceedings resulting in adverse publicity for the company. These developments include legal proceedings and third party claims etc. However, as per our interaction with the management, so far only six to seven casualties have happened of which five were due to cardiac arrest. Only one case is pending disposal.
- **Concentrated revenue stream:** Wonderla generated 85% and 83% of income through entry fees in FY13 and FY14 respectively. Thus, a large portion of the revenue is dependent on the income generated from the sale of entry tickets as opposed to the sale of merchandise, food and beverages. Any competition which forces the company to reduce ticket prices will have an adverse impact on financials.
- **Reduction in consumer discretionary spending:** Visiting amusement parks is a part of discretionary spending and is perceived to be a leisure activity. Thus, its business is dependent on factors influencing the discretionary spending. Any adverse change in economic condition which leads to decrease in discretionary spending can affect the business substantially.
- **Inability to find locations to open and operate amusement parks:** Future growth of the company resides in opening of amusement park in different locations. However, inability to find locations to open and operate amusement parks on commercially viable terms and successfully acquire the requisite land could adversely affect the business model.
- **Dependence on South India cities:** Company generates revenue primarily from the southern Indian city visitors as its amusement parks are situated in South India. If southern India experiences an event negatively affecting its economy, such as a local economic downturn, a natural disaster, a contagious disease outbreak or a terrorist attack etc, company's business will be significantly affected.

Industry overview

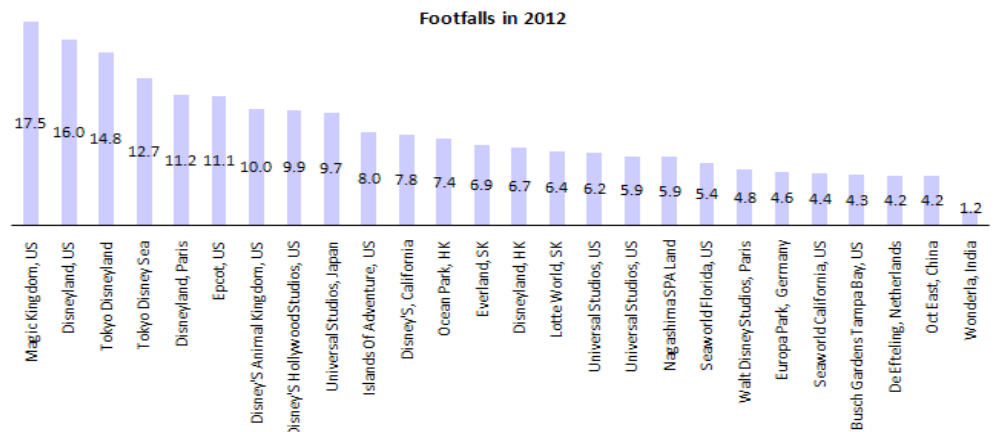
Indian amusement park industry yet to reach a peak

Indian amusement park industry still at nascent stage

Indian amusement park industry is growing in terms of footfalls though still at very nascent stage compared to its global peers. It witnesses an annual footfall of ~58-60m

The size of amusement park industry in India is estimated to be ~INR26b with ~150 amusement parks in India. Indian amusement park industry started with Appu Ghar in 1984. In late 90's other large players like Essel World and Nicco Park started their operations in Mumbai and Kolkata respectively. Indian amusement park industry is growing in terms of footfalls though still at a very nascent stage compared to its global peers. It witnesses an annual footfall of ~58-60m. The primary drivers to attract footfalls are size of the park, proximity of location and innovative offerings. Water parks are more popular in India due to the hot and humid weather. Industry is segmented into three categories of parks: large parks (>INR70m capex), medium parks (INR30m-70m capex) and small parks (<INR30m capex). Footfalls depend on the size of park ranging from >0.5m for large parks to <0.3m for small parks.

Top 25 amusement parks of the world and Wonderla



Source: Theme Index Report, MOSL

Industry segmentation

Parameters/Classification	Large parks	Medium parks	Small parks
Capex (INR)	>70m	30-70m	<30m
Area Covered	>40 acres	10-40 acres	<10 acres
Average Ticket price (INR)	>400	250-400	~250
Footfalls	>0.5m	0.3-0.5m	<0.3m
Location	Metros and outskirts	Outskirts of Metros, Tier I cities	Tier II cities, small towns, outskirts of metro and Tier I cities
Few Players	Essel World (Mumbai), Nicco Park (Kolkata), Wonderla (Kochi & Bangalore), Kishikinta (Chennai)	GRS Fantasy Park (Mysore), Ocean Park (Hyderabad)	Fun N Food Kingdom (Dehradun)
Number of Parks	16-18	40-45	85-95

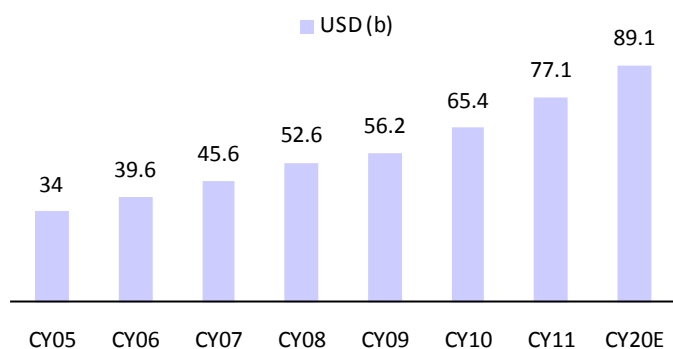
Source: Company, MOSL

Domestic tourism industry posted 13% CAGR in the past six to seven years. It is expected to increase from USD77b in CY11 to USD89b in CY20

Tourism sector and leisure spend to increase substantially

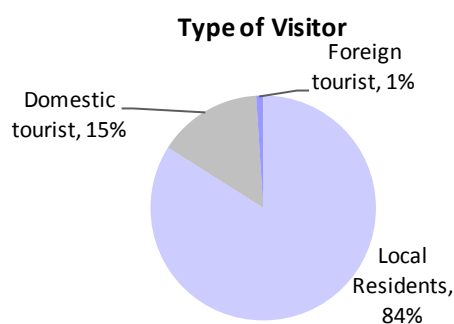
The domestic spend on tourism in India is expected to rise significantly which is the one of the biggest growth driver for the industry. Domestic tourism industry has clocked 13% CAGR in past six to seven years. It is expected to increase from USD77b in CY11 to USD89b in CY20. With rising income levels, Indians are spending more on tourism related activities. Holidaying, leisure and recreation related tourism constitutes major part of the domestic tourism. Local residents form majority of the footfall (84%) followed by domestic tourist, which form 15%. Foreign tourism constitutes negligible part, <1%, of total visitors in the park.

Domestic spend on tourism to rise significantly till CY20



Source: Ministry of Tourism, MOSL

Local residents form maximum % of footfalls



Source: E&Y Report, MOSL

A total pile of INR175b worth of investment is expected to be deployed in 12 major projects over next three to four years

Large flow of investment expected to be deployed in next 3-4 years

With an increase in tourism, amusement park industry is expected to be the large beneficiary. A total pile of INR175b worth of investment is expected to be deployed in 12 major projects over next three to four years. One of the most-awaited projects is coming up in Surat spread across mammoth ~3,200 acres of land. The investment in this project is expected to be INR95-100b, making it the biggest amusement park in India. Some of these large projects may avail viability gap funding from state governments. Most projects are expected to come up in Tier 2 and 3 cities due to difficulties faced in land acquisition. A total addition of 4,500 acres of capacity in next three to four years will be one of the major drivers for the industry. As per the report published by CARE, 10-15% of the footfall growth is expected, which will drive footfalls to 78-80m by FY18. Revenue is expected to grow by 15-18% on account of rising footfalls and increased spend on other items like food and beverages, spas etc.



Huge project pipeline across India

Estimated Project	Location	Promoter/JV	Investment (INR b)	Year of Completion	Size (Acres)	Theme/attraction
Sea World	Singhudurg, Konkan, Maharashtra	Proposed by GoM, to be undertaken on PPP basis, parties yet to be decided.	5 - 5.1	2015	150	Glass-enclosed underwater tunnels having 3,000 kinds of marine animals. Will replicate the Sea World park in USA. Will have attractions like dolphins, theme restaurants, school about animal life lessons, etc.
Theme Park	Nagpur, Maharashtra	Landmark Entertainment	15	Early stages of planning	300	Theme parks based on concepts like Jurassic Park, Terminator and Spiderman.
MGM Lavasa Hollywood Theme Park	Lavasa, Maharashtra	MGM - Lavasa	4.5	2014	75	India's first Hollywood theme park.
Spaceworld Theme Park	Lavasa, Maharashtra	Space Investment Company - Lavasa	4	2013	65	India's first edutainment theme park. Already under construction.
Adlabs Imagica	Khopoli, Maharashtra	Adlabs Entertainment	16	2013	297	A replica of Disneyland, phase I - 21 international standards rides including India's largest roller coaster and 4D stimulation rides, phase II and III - water park and a 3-star hotel. Phase I scheduled to open in the first half of 2013.
Wonderla	Hyderabad, Andhra Pradesh	Wonderla Holidays	2.3	2015	46	Amusement park combined with a five star hotel.
Wonderla	Chennai, Tamil Nadu	Wonderla Holidays	N.A.	2015	N.A.	Embedded with water park
Appu Ghar	Gurgaon, Haryana	International Amusement Ltd	4	2013	58	Come back of India's first amusement park, will include amusement park, water park, FEC, themed retail complex,
Surat Theme Park	Surat, Gujarat	Atlanta Ltd	95 - 100	2014-2016	3,200	One of Asia's largest theme parks and may be bigger than Disneyland in California, Paris and Tokyo.
Krishna Lila Theme Park	Bangalore, Karnataka	ISKCON (International Society for Krishna Consciousness)	3.5	2016-17	28	Will be set up to spread the awareness of vedic heroes (Ram, Krishna, Hanuman, etc). Contains two temples, a 4-D theatre, expos, puppetry workshops, story-telling for children and costume shows. Already under construction.
Jaipur Mega Tourism City	Jaipur, Rajasthan	International Amusement Ltd	25	Early stages of planning	300	A mega tourism city comprising of themed retail, golf course, water park, FEC, resorts, villas, etc. Already under construction.
Naya Raipur Amusement Park	Naya Raipur, Chhattisgarh	Proposed by NRDA, to be undertaken on PPP basis, parties yet to be decided.	0.23	Early stages of planning	40	A recreational cum amusement park having various amusement and water rides for kids and adults. Parties yet to be decided.
Adventure Island and Metro Walk	Rohini, Delhi	50:50 JV of International Amusement Ltd and Unitech	2 - 3	Completed	62	Amusement park spread over 24 acres, retail mall of 200,000 sq ft
Entertainment City Phase I	Noida, Delhi	50:50 JV of International Amusement Ltd and Unitech	10 - 11	Phase I completed, Phase II expected completion	147	A mega complex area having amusement park (Worlds of Wonder), retail space and health club, small water park, shopping mall with a 5-star hotel.

Source: DRHP, MOSL

Almost 75-85% of the revenue comes from the sale of tickets. Share of F&B is 15-20%, which is lower than global peers

Ticket sales contribution to revenue high compared to global peers

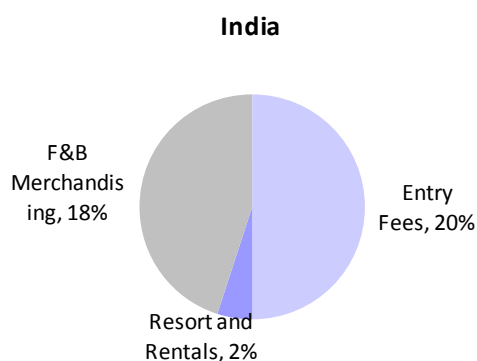
Ticket sales form the major source of revenue stream for amusement parks in India. Almost 75-85% of the revenue comes from sale of tickets. Share of F&B is 15-20%, which is lower than global peers. Resort and rentals revenue currently form negligible portion of the revenue (~2%), which is expected to increase as visitor preferences change and amusement parks become more of a destination tourism than a single day entertainment. Globally, entry fee, food and beverages and resorts and rentals contribute similar proportion to revenue.

Contribution from various revenue streams

Stream of Revenue	% Contribution to overall revenue	Description
Entry Fees/Ticket Sales	75-80%	As most of the amusement parks in India deploy 'single ticket for entry', entry fee has a considerable contribution
Food & Beverages	15-20%	As most of the amusement park visits are day long, food and beverages consumption is considerable. However much lower than its globally peers
Gifts, Souvenirs and other retail items	3-4%	Items like clothes, caps, bags, goggles, cosmetics along with souvenirs especially for the outstation visitors.
Sponsorships and advertisement	<1%	Selling the free space for advertising
Resort, Banquets, Lawns etc	<1%	Overnight stay as well as corporate events
Miscellaneous Rentals	<1%	Photo and video shooting, concerts live shows, wedding receptions and other events. Most of the water parks provide swimming costumes and locker facility for a charge

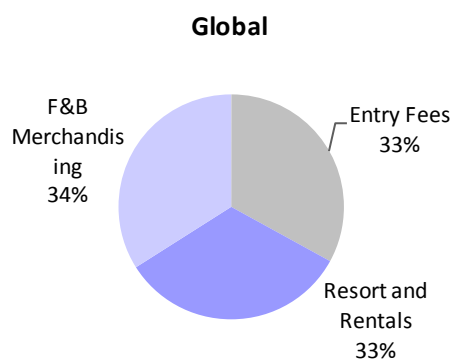
Source: Company, MOSL

Revenue composition in India



Source: DRHP, MOSL

Revenue composition globally



Source: DRHP, MOSL

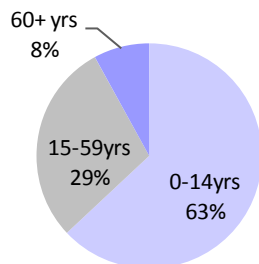
India, being one of the youngest countries in the world with the median age of 26.5 years, has majority of its population between 15-59 years, which will be the biggest growth driver for the industry

Favorable demographics for growth of industry

Amusement parks are targeted to attract young generation. India, being one of the youngest countries in the world with the median age of 26.5 years, has majority of its population between 15-59 years, which will be the biggest growth driver for the industry. Countries like the US, Japan and China have older population with median age of 37.1 years, 45.4 years and 35.9 years respectively. As per the study conducted by E&Y, in India, children are the key influences for amusement and theme parks visits. They generally come to parks in school groups or with families. But they constitute only 25% of the park visitors and balance 75% are adults. In India, around 28.50% of the population lies in the age group of 0-15 years, 63.40% in 15-59 years and 8.10% in 60 years and above, respectively.

India has the youngest population of the world

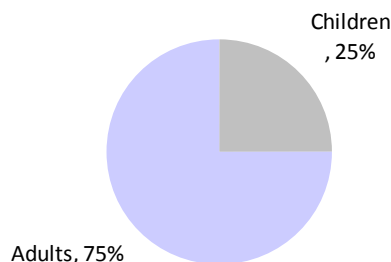
Age wise distribution India (2011)



Source: DRHP, MOSL

Children influence adults to visit parks

Visitors age profile



Source: DRHP, MOSL

Amusement park industry in India is highly concentrated with larger players like Essel Group, Nicco Park and Wonderla constituting most of the market

Industry concentrated with few larger players

Amusement park industry in India is highly concentrated with larger players like Essel Group, Nicco Park and Wonderla constituting most of the market. Most of the theme parks have both dry rides and wet rides. Amusement parks across India offer varied experience to users ranging from dry rides, wet rides, snow parks, resorts, shopping malls etc, though most of the rides remain similar in nature. Parks have different pricing strategy. Large parks like Essel World in Mumbai and Nicco Park in Kolkata charge separately for their water parks, while in others like Wonderla Bangalore and Kochi, Kishkinta in Chennai, dry and wet rides can be accessed on the same ticket. Encouraged by the global parks, Wonderla and Ramoji have come up with resorts making amusement park a “destination park” as against “one day attraction” like peers. Pricing strategy also differs across parks. Large parks in India have predominantly adopted ‘pay one price’ wherein the customer is entitled to unlimited use of rides after paying a single entry fees. Worlds of Wonder in Entertainment City, Noida provides both the options of ‘pay-one-price’ and ‘pay-as-you-go’.

Annexure

Products and services offered at amusement parks in India

Products/Services	Constituents	Fees structure
Amusement Park - Dry Rides	Giant wheels	Primarily included in the entry fees, sometimes as pay-as-you-go
	Merry-go-round	
	Toy trains	
	Rides	
	Swings	
Virtual games and indoor activities	Video games	Primarily included in the entry fees, sometimes as pay-as-you-go
	Bowling	
	Car race	
	air-hockey	
Snow park	Skiing	Separate entry fee, combined package or complementary with other rides
	Skating with other rides	
Water Park	Water Park	Separate entry fee, combined package or complementary with other rides. Generally separate rent is charged for swimming costumes.
	Water rides	
	Waves pool	
	Swimming pool	
	Rain Dance floor	
Food and beverages	Restaurants	Not included in entry fees
Spa and health club	Spa	Separate payment, sometimes complementary with amusement park or resort
	Aromatherapy	
	Body massage	
	Other recreational Services	
Resort	Lodging	Separate payment
	Restaurant Separate payment	
	Banquet Hall	
Golf course	Golf course	Separate payment sometimes complementary with resort
Shopping Mall	Sports	Separate payment sometimes complementary with
	Tournaments resort	
	General Merchandise	
Gift store	Gifts	Separate Payment

Financials and valuations

Income statement (INR Million)

Y/E March	2012	2013	2014	2015E	2016E	2017E
Net Sales	1,131	1,379	1,536	1,783	2,025	2,642
Change (%)	26.2	21.9	11.4	16.1	13.6	30.5
EBITDA	558	628	704	826	946	1,189
EBITDA Margin (%)	49.3	45.6	45.8	46.3	46.7	45.0
Depreciation	116	119	132	166	207	245
EBIT	442	510	572	659	739	944
Interest	11	22	16	10	0	0
Other Income	14	13	24	65	55	70
Extraordinary items	0	0	0	0	0	0
PBT	445	501	579	714	794	1,014
Tax	144	166	180	237	262	334
Tax Rate (%)	32.4	33.2	31.1	33.2	33.0	33.0
Reported PAT	300	335	399	477	532	679
Change (%)	0.9	11.4	19.2	19.6	11.5	27.7
Min. Int. & Assoc. Share	0	0	0	0	0	0
Adj Cons PAT	300	335	399	477	532	679

Balance sheet (INR Million)

Y/E March	2012	2013	2014	2015E	2016E	2017E
Share Capital	420	420	420	435	435	435
Reserves	518	795	1,079	3,122	3,527	4,054
Net Worth	938	1,215	1,499	3,557	3,962	4,488
Debt	225	85	203	0	0	0
Deferred Tax	34	2	33	33	33	33
Total Capital Employed	1,197	1,302	1,736	3,590	3,995	4,522
Gross Fixed Assets	2,078	2,426	2,573	3,753	5,233	5,433
Less: Acc Depreciation	868	986	1,118	1,285	1,491	1,737
Net Fixed Assets	1,210	1,440	1,455	2,468	3,741	3,696
Capital WIP	44	57	201	53	40	53
Investments	0	0	0	0	0	0
Current Assets	143	172	347	1,421	622	1,297
Inventory	18	28	33	50	56	77
Debtors	2	5	3	4	5	6
Cash & Bank	25	29	200	1,246	428	1,067
Loans & Adv, Others	98	110	110	121	133	148
Curr Liabs & Provns	200	367	267	352	409	524
Curr. Liabilities	97	246	126	183	206	281
Provisions	104	121	141	169	203	244
Net Current Assets	-57	-195	80	1,069	213	773
Total Assets	1,197	1,302	1,736	3,590	3,995	4,522

E: MOSL Estimates

Financials and valuations

Ratios

Y/E March	2012	2013	2014	2015E	2016E	2017E
Basic (INR)						
EPS	7.2	8.0	9.5	11.0	12.2	15.6
Cash EPS	9.9	10.8	12.6	14.8	17.0	21.3
Book Value	22.3	28.9	35.7	81.9	91.2	103.3
DPS	1.5	1.5	1.5	2.0	2.5	3.0
Payout (incl. Div. Tax.)	24.4	22.0	18.5	21.3	23.9	22.5
Valuation(x)						
P/E			20.8	18.0	16.2	12.7
Cash P/E			15.7	13.4	11.6	9.3
P/BV			5.5	2.4	2.2	1.9
EV/Sales			7.3	5.6	5.3	3.8
EV/EBITDA			15.9	12.0	11.4	8.5
Dividend Yield (%)			0.8	1.0	1.3	1.5
Profitability Ratios (%)						
RoE	36.5	31.1	29.4	18.9	14.2	16.1
RoCE	44.4	42.5	39.7	27.5	21.1	24.0
Turnover Ratios (%)						
Asset Turnover (x)	0.9	1.1	0.9	0.5	0.5	0.6
Debtors (No. of Days)	0.6	1.3	0.8	0.8	0.8	0.8
Inventory (No. of Days)	5.9	7.4	7.9	10.2	10.1	10.6
Creditors (No. of Days)	61.4	119.6	55.2	69.7	69.7	70.5
Leverage Ratios (%)						
Net Debt/Equity (x)	0.2	0.1	0.1	0.0	0.0	0.0

Cash flow statement

(INR Million)

Y/E March	2012	2013	2014	2015E	2016E	2017E
OP/(Loss) before Tax	445	501	579	714	794	1,014
Depreciation	116	119	132	166	207	245
Others	0	0	0	0	0	0
Interest	11	22	16	10	0	0
Direct Taxes Paid	-139	-151	-180	-237	-262	-334
(Inc)/Dec in Wkg Cap	18	-3	-66	57	38	79
CF from Op. Activity	447	486	482	711	776	1,004
(Inc)/Dec in FA & CWIP	-392	-374	-291	-1,033	-1,467	-212
(Pur)/Sale of Invt	0	0	0	0	0	0
Others	4	3	0	0	0	0
CF from Inv. Activity	-388	-371	-291	-1,033	-1,467	-212
Inc/(Dec) in Net Worth	0	0	0	1,682	0	0
Inc / (Dec) in Debt	46	-15	118	-203	0	0
Interest Paid	-11	-23	-16	-10	0	0
Divd Paid (incl Tax)	-73	-73	-74	-102	-127	-152
CF from Fin. Activity	-37	-111	-19	1,367	-127	-152
Inc/(Dec) in Cash	22	4	172	1,046	-818	639
Add: Opening Balance	3	25	29	201	1,246	428
Closing Balance	25	29	201	1,246	428	1,067

E: MOSL Estimates

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