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# Waterways Leisure Tourism Ltd.

23rd June, 2026

IPO NOTE

| Recommendation | Subscribe |
|---|---|
| Price Band | Rs.769-808 |
| Bidding Date | 23rd Jun –25th Jun |
| Book Running Lead Manager | Centrum Broking bLtd. |
| Registrar | MUFG Intime India Pvt.Ltd. |
| Sector | Hospitality, Entertainment, and cuisine |
| **Minimum Retail Application- Detail At Cut off Price** | |
| Number of Shares | 18 |
| Minimum Application Money | Rs.14544 |
| Payment Mode | ASBA |

| Consolidated Financials (Rs Cr) | FY25 | FY26 |
|---|---|---|
| Total Income | 590.6 | 579.7 |
| EBITDA | 208.4 | 110.2 |
| PAT | 168 | 52 |

| Valuations (FY26) | UpperBand |
|---|---|
| Market Cap (Rs Cr) | 5849 |
| Adj EPS | 7.2 |
| P/E | 112 |
| EV/EBITDA | 54 |
| Enterprise Value (Rs Cr) | 5961 |
| **Post Issue Shareholding Pattern** | |
| Promoters | 89.3% |
| Public | 10.7% |
| **Offer structure for different categories** | |
| QIB (Including Mutual Fund) | 75% |
| Non-Institutional | 15% |
| Retail | 10% |
| Post Issue Equity (Rs. in Cr) | 72.39s |
| Issue Size (Rs in Cr) | 585 |
| Face Value (Rs) | 2 |


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## BACKGROUND

Incorporated in FY20, Waterways Leisure Tourism Limited (WLTL) is India's only domestic ocean cruise operator under the brand name "Cordelia". Its current operations are concentrated in a single vessel, the MV Empress, which serves destinations such as Mumbai, Goa, Kochi, Chennai, Lakshadweep, Visakhapatnam, and Puducherry, along with routes to Sri Lanka, Thailand, Singapore, and Malaysia. The company also earns from onboard revenue streams like specialty dining, paid entertainment, shore excursions, Wi-Fi, spa services, and other guest amenities.

**Details of the Issue**

Issue is a fresh issue of 0.72 cr shares aggregating to Rs 585 cr and Company will be utilising the funds towards lease payments for 2 new vessels.

**Investment Rationale**

1. **Expansion of Vessels amidst growing demand** – Indian Overnight Ocean and coastal cruise industry is projected to grow at a CAGR of ~ 20%-25% during FY26 and FY31, driven by increase in total number of itineraries, infrastructure investments, growing domestic cruise adoption, and increased awareness about cruise travels. To respond to this demand, WLTL have entered into time charter agreements to lease two new cruise vessels, i.e. 'Norwegian Sky' and 'Norwegian Sun' each with a capacity of up to 2,004 and 1,936 guests respectively and should be operational by FY27 and FY28.
2. **Direct bookings to strengthen brand awareness** – Direct bookings contribute almost 62% of the total cabins and Co continues to focus on the same. Direct bookings reduce commissions paid to travel agents and improve margins. It also provides an additional opportunity to directly engage with the guests, enabling the Co to strengthen its brand awareness and deliver a more personalized and memorable experience.
3. **Outsourcing of Critical functions** - …including food and beverage, housekeeping, crewing, technical management and entertainment to specialized service providers. This approach helps improve operational efficiency, scalability and resource utilization while allowing the management to focus on core business activities.

**Valuation and Recommendation**

Cordelia is India's only domestic ocean cruise operator with ~79% market share by value in FY25. Company enjoys first-mover advantage in a category that's still <0.5% of Indian tourism vs 3-4% in US/China. Waterways doesn't own ships, instead charters them. Also, Company outsources F&B, housekeeping, crewing, and entertainment. All this results in lower capex and faster scaling along with negative working capital. Moreover, Company will be tripling its capacity by introducing 2 new vessels gradually by FY28 meeting the demand which is expected to grow at a CAGR of 20% in the coming years. Prima facie, valuation at 112x P/E and 54x EV/Ebidta of FY26 looks expensive; however, given the asset light business model of the company fuelled by expansion and growth opportunities, we recommend 'Subscribe' to the issue.

| Financials | FY24 | FY25 | FY26 |
|---|---|---|---|
| Net Revenues | 444 | 591 | 580 |
| Growth (%) | | 33.0% | -1.8% |
| Ebitda | 103 | 208 | 110 |
| Ebitda(Margin %) | 23.2% | 35.3% | 19.0% |
| PBT | (123) | 190 | 78 |
| Adjusted PAT | (123) | 168 | 52 |
| EPS | -17.0 | 23.2 | 7.2 |
| ROCE | -62.9% | 334.3% | 40.3% |
| EV/Sales | 13.4 | 10.1 | 10.3 |
| EV/ EBITDA | 57.8 | 28.6 | 54.1 |
| P/E | -47.7 | 34.8 | 112.2 |

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## Company Background

Incorporated in FY20, Waterways Leisure Tourism Limited (WLTL) is India's only domestic ocean cruise operator under the brand name "Cordelia". Its current operations are concentrated in a single vessel, the MV Empress, which serves destinations such as Mumbai, Goa, Kochi, Chennai, Lakshadweep, Visakhapatnam, and Puducherry, along with routes to Sri Lanka, Thailand, Singapore, and Malaysia. The company also earns from on-board revenue streams like specialty dining, paid entertainment, shore excursions, Wi-Fi, spa services, and other guest amenities.

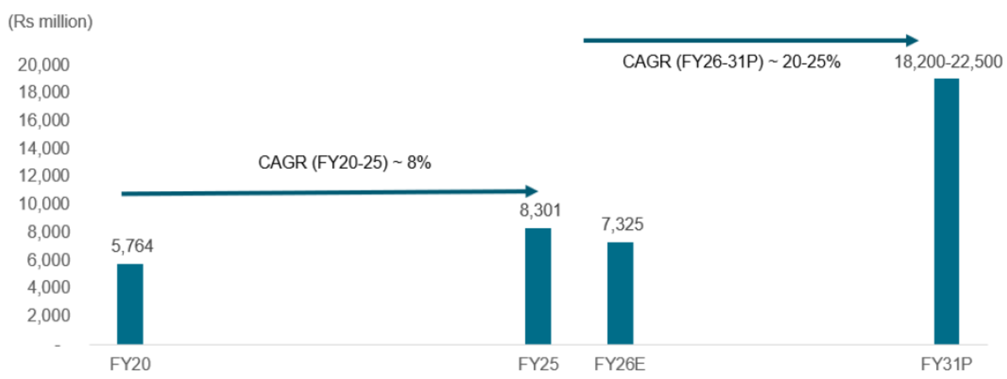
The "MV Empress" was built in 1990 and can accommodate a maximum of 2,005 passengers. The cruise vessel offers a spacious and comfortable experience. It features a variety of cabin options, including 796 cabins in total, with one chairman's suite, five suites, 63 mini suites, 416 ocean-view staterooms, and 311 interior staterooms.


## Industry Overview

The overnight ocean and coastal cruise industry in India is estimated to be valued at Rs. 8,30.1 cr in FY25, compared to Rs.576.4 cr in FY20, reflecting a CAGR of ~ 8% between FY20 to FY25. The industry witnessed a decline in FY21 due to Covid-19 pandemic and subsequent travel restrictions. However, the market rebounded in FY22 and FY23 owning to pent up demand for leisure travel and entry of domestic cruise liner, which improved accessibility of the cruises. Overall, the sector benefitted from increasing disposable incomes, rising aspirational travel among Indian consumers, and improved cruise infrastructure at key ports by government which aims to promote cruise tourism and enhance port connectivity. Compared to the global cruise industry, India's cruise tourism market is relatively nascent—with developing port infrastructure, growing consumer awareness.

However, given the nascent stage of cruise tourism in India, the projected growth trajectory remains contingent upon several critical monitorable factors. These include the pace and quality of port infrastructure development and modernization, the serviceability and operational efficiency of cruise liners operating in Indian waters, the expansion plans of cruise operators to the Indian market, stabilization of fuel prices and the extent of market penetration and adoption of cruise tourism among domestic travellers. Nonetheless, in medium term the market is projected to increase to Rs 1820 cr to Rs 2250 cr by FY31P, implying a CAGR of ~ 20% to 25% from FY26 to FY31, driven by increase in total number of itineraries, infrastructure investments, growing domestic cruise adoption, and increased awareness about cruise travels.

**Market size of overnight ocean and coastal cruise industry in India (₹ million)**




Source: Company, NBRR

## Investment Rationale

### Expansion of Vessels amidst growing demand

WLTL is one of the domestic ocean cruise operators in India offering luxurious and inherent Indian experiences. Its cruise vessel, the 'MV Empress', has a capacity to accommodate up to 2,005 guests with several cabins featuring private balconies that offer ocean views. It also provides a range of amenities, including multiple dining venues, a casino, a theater, a spa, swimming pools and various entertainment options such as live music, magic shows, and professional theatrical performances.

Indian Overnight Ocean and coastal cruise industry is projected to grow at a CAGR of ~ 20%-25% during FY26 and FY31, driven by increase in total number of itineraries, infrastructure investments, growing domestic cruise adoption, and increased awareness about cruise travels. To respond to this demand, WLTL have entered into time charter agreements to lease two new cruise vessels, i.e. 'Norwegian Sky' and 'Norwegian Sun' each with a capacity of up to 2,004 and 1,936 guests respectively and should be operational by FY27 and FY28.

### Direct bookings to strengthen brand awareness

WLTL provides guests with a variety of ways to book their cabins. Guests can book directly with through website, mobile application and over the phone or through third-party travel agents. Historically, the majority of the cabins have been booked directly with the Co, reflecting guests' trust and preference for its straightforward and efficient booking process.

As of March 31, 2026, the direct booking is supported by call centers which employs 148 cruise holiday experts, contributing to the efficiency and effectiveness of direct sales, ensuring seamless customer interactions and booking experiences.

Direct bookings contribute almost 62% of the total cabins and Co continues to focus on the same. Direct bookings reduce commissions paid to travel agents and improve margins. It also provides an additional opportunity to directly engage with the guests, enabling the Co to strengthen its brand awareness and deliver a more personalized and memorable experience.

| | FY26 | | FY25 | | FY24 | |
|---|---|---|---|---|---|---|
| | **No of cabins sold** | **% of Total Cabins** | **No of cabins sold** | **% of Total Cabins** | **No of cabins sold** | **% of Total Cabins** |
| **Cabins sold directly** | 47895 | 62.25% | 47195 | 62.98% | 36769 | 59.96% |
| **Cabins sold by third party** | 29041 | 37.75% | 27739 | 37.02% | 24556 | 40.04% |

Source: NBRR

## Outsourcing of Critical functions

WLTL has strategically outsourced critical cruise operations to enhance operational efficiency and scalability. It has entered into agreements with third-party service providers such as SA Cruise Services Limited, Apollo Export Warehouse LLC, Campbell Cruise & Yacht Management Limited, and Wizcraft Entertainment Agency Private Limited to manage the key operations which include food and beverages, housekeeping, crewing, technical management, deck and engine crew management, and entertainment.

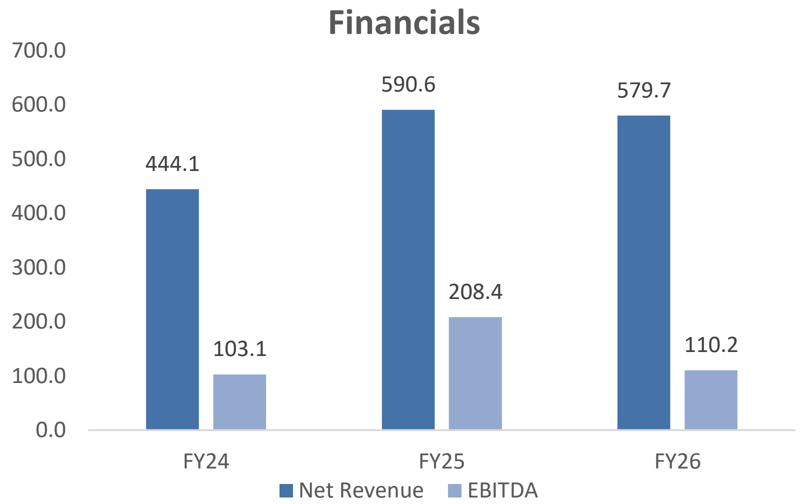
The expertise of these third-party service providers enables the Co to leverage their knowledge and resources, ensuring quality service delivery in customer service, food and entertainment while focusing on core business activities. This approach allows WLTL to optimize its labour costs and reduce operational expenses by minimizing overheads associated with maintaining full-time staff for these operations. This flexibility enables the firm to scale its operations based on seasonal demand, manage resources effectively and maintain the service standards. Outsourcing allows Co to concentrate on its core activities ensuring an enhanced customer experience and expanding the cruise offerings. This strategic focus helps WLTL to prioritize maintaining and improving the quality of its services and direct its efforts towards its guests ensuring they receive a satisfactory experience on board.

## Risks to recommendation

1. Cooperates through a single cruise vessel, the ‘MV Empress’.
2. Cooperates as the vessel operating entity, while the vessel owning entity is Bay Cruise Investment Inc.

## Financials

Revenues were down in FY26, mainly due to disruptions of indigo services and some accounting effect has affected the margins as well. Co cited travel disruptions — including effects from the India–Pakistan conflict and sector incidents (e.g., the IndiGo crisis in 2025) — that reduced demand and increased cancellations/attrition, hurting both occupancy and pricing power. However, going forward, management expects surge in demand and thus has planned for expansion in fleet.



## Valuation and Recommendation

Cordelia is India's only domestic ocean cruise operator with ~79% market share by value in FY25. Company enjoys first-mover advantage in a category that's still <0.5% of Indian tourism vs 3-4% in US/China. Waterways doesn't own ships, instead charters them. Also, Company outsources F&B, housekeeping, crewing, and entertainment. All this results in lower capex and faster scaling along with negative working capital. Moreover, Company will be tripling its capacity by introducing 2 new vessels gradually by FY28 meeting the demand which is expected to grow at a CAGR of 20% in the coming years. Prima facie, valuation at 112x P/E and 54x EV/Ebidta of FY26 looks expensive; however, given the asset light business model of the company fuelled by expansion and growth opportunities, we recommend 'Subscribe' to the issue.

## Peer Comparison

| FY26 | Samhi hotel | Indian Hotels | Taj GVK | Waterway Leisure | Royal Caribbean Cruises Ltd (In Cr. $) | Carnival Corporation & PLC | Norwegian Cruise Line Holdings Ltd |
|---|---|---|---|---|---|---|---|
| Revenue | 1,248 | 9,689 | 508 | 580 | 1,794 | 2,660 | 983 |
| CAGR (FY24-26) | 14% | 20% | 12% | 14% | 14% | 11% | 7% |
| EBITDA Margin | 34.6% | 33.0% | 30.5% | 19.0% | 37.0% | 23.4% | 27.8% |
| Asset Turns (x) | 0.3 | 0.5 | 0.3 | 2.9 | 0.6 | 0.7 | 0.5 |
| Wkg Cap Days | (23) | 126 | 35 | (23) | (200) | (122) | (145) |
| ROCE | 6.8% | 12.8% | 7.9% | 40.3% | 16.6% | 12.4% | 9.6% |
| ROE | 25.0% | 14.7% | 27.4% | 65.0% | 41.9% | 34.9% | 29.2% |
| Debt/Equity | 0.9 | 0.4 | 0.3 | 1.5 | 1.9 | 2.0 | 4.1 |
| EV/EBITDA | 17.4 | 34.0 | 13.5 | 54.1 | 13.9 | 8.8 | 8.3 |
| P/E | 6.7 | 49.4 | 5.1 | 112.2 | 20.0 | 13.2 | 9.7 |

## Financials

| P&L (Rs. Cr) | FY24 | FY25 | FY26 |
|---|---|---|---|
| Net Revenue | **444.1** | **590.6** | **579.7** |
| *% Growth* | | *33%* | *-2%* |
| Cost of material | 259 | 267 | 319 |
| Fuel | 92 | 93 | 84 |
| Employee Cost | 17 | 29 | 39 |
| *% of Revenues* | *3.9%* | *4.9%* | *6.7%* |
| Other expenses | 65 | 86 | 111 |
| Sales & Marketing expenses | 19 | 21 | 20 |
| **EBITDA** | **103.1** | **208.4** | **110.2** |
| *EBITDA Margin* | *23.2%* | *35.3%* | *19.0%* |
| Depreciation | 184 | 63 | 30 |
| Other Income | 8 | 7 | 7 |
| Interest | 35 | 38 | 9 |
| Expectional(Gain on account | 14 | **(76)** | 0 |
| **PBT** | **(122.69)** | **189.58** | **78.25** |
| *PBT Margin* | *-27.6%* | *32.1%* | *13.5%* |
| Tax | 0 | 21 | 26 |
| *Tax rate* | *0.0%* | *11.3%* | *33.4%* |
| **Adj PAT** | **(123)** | **168** | **52** |
| *PAT Margin* | *-27.6%* | *28.5%* | *9.0%* |
| *% Growth* | | *-237%* | *-69%* |
| **EPS (Post Issue)** | **-17.0** | **23.2** | **7.2** |

| Balance Sheet (Rs. Cr) | FY24 | FY25 | FY26 |
|---|---|---|---|
| Share Capital | 65 | 65 | 65 |
| Instruments equity in nature | 0 | 0 | 0 |
| Other Equity/non controlling interest | (183) | (32) | 15 |
| **Networth** | **(118)** | **33** | **80** |
| **Total Loans** | **293** | **56** | **118** |
| Other non-curr liab. (Deferred tab liab | 0 | 3 | 5 |
| Trade payable | 44 | 24 | 25 |
| Other Current Liab | 180 | 131 | 114 |
| **Total Equity & Liab.** | **399.20** | **247.37** | **341.78** |
| Property, Plant and Equipment | 72 | 66 | 58 |
| Intangible assets | 0 | 0 | 4 |
| Intangible assets under development | 0 | 2 | 0 |
| Goodwill/Right of Use | 245 | 24 | 14 |
| Non Currrent Financial assets | 39 | 6 | 24 |
| Other non Curr. assets | 0 | 0 | 140 |
| Inventories | 10 | 6 | 6 |
| cash and cash equivalents | 17 | 33 | 5 |
| Bank bal | 0 | 0 | 1 |
| Trade receivables(debtor) | 2 | 3 | 5 |
| Other Current assets | 14 | 107 | 86 |
| **Total Assets** | **399.200** | **247.374** | **341.779** |

| Ratios & Others | FY24 | FY25 | FY26 |
|---|---|---|---|
| Debt / Equity | (2.5) | 1.7 | 1.5 |
| EBITDA Margin (%) | 23.2% | 35.3% | 19.0% |
| PAT Margin (%) | -27.6% | 28.5% | 9.0% |
| Adj ROE (%) | 104.0% | 513.0% | 65.0% |
| Adj ROCE (%) | -62.9% | 334.3% | 40.3% |

| Turnover Ratios | FY24 | FY25 | 0 |
|---|---|---|---|
| Debtors Days | 2 | 2 | 3 |
| Inventory Days | 8 | 4 | 4 |
| Creditor Days | 36 | 15 | 16 |
| Asset Turnover (x) | 2.54 | 6.66 | 2.93 |

| Valuation Ratios | FY24 | FY25 | FY26 |
|---|---|---|---|
| Price/Earnings (x) | -47.7 | 34.8 | 112.2 |
| EV/ EBITDA (x) | 57.8 | 28.6 | 54.1 |
| EV/Sales (x) | 13.4 | 10.1 | 10.3 |
| Price/BV (x) | -49.5 | 178.4 | 72.9 |

Source: Company Data, NBRR

| Cash Flow (Rs. Cr) | FY24 | FY25 | FY26 |
|---|---|---|---|
| Profit Before Tax | (123) | 190 | 78 |
| Provisions & Others | 227 | 27 | 30 |
| **Op. profit before WC** | **104.5** | **217.0** | **108.5** |
| Change in WC | 126 | (89) | (186) |
| Less: Tax | (1) | 1 | (19) |
| **CF from operations** | **230.07** | **129.76** | **(96.44)** |
| Purchase of assets | (73.46) | (15) | (14.5) |
| Sale of property | 0.00 | 0 | 0.0 |
| Redemptionof fixed deposit | 3.53 | (48) | 36.4 |
| Loan (given) /repaid | (4.83) | 12 | (13.0) |
| interest received on bank deposits | 0.67 | 2 | 1.6 |
| interest received on loan given | 0.06 | 1 | 0.0 |
| Acquisition of subsidiary | (0.50) | (17) | 0.0 |
| **CF from Investing** | **(74.524)** | **(66.023)** | **10.475** |
| Payment of lease liabilities | (151) | (73) | (11) |
| Proceeds/ Repayment Borrowings | 5 | 25 | 71 |
| Issue of Equity shares | | | 0 |
| interest & div paid | (0) | (1) | (2) |
| **CF from Financing** | **(146.3)** | **(48.0)** | **58.6** |
| **Net Change in cash** | **9.209** | **15.749** | **(27.335)** |
| Cash & Bank at beginning | 8 | 17 | 33 |
| Effect of Exchange fluctuation | 0 | 0 | (0) |
| Cash & Bank at end | 17 | 33 | 5 |

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