



“Wonderla Holidays Limited Q4 FY24 Earnings Conference  
Call”

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**MODERATOR: MR. RAHUL DANI – MONARCH NETWORK CAPITAL**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q4 FY'24 Earnings Conference Call of Wonderla Holidays Limited hosted by Monarch Network Capital.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "\*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rahul Dani from Monarch Network Capital. Thank you and over to you sir.

**Rahul Dani:** Yes, thank you, Michelle. Good afternoon. On behalf of Monarch Network Capital, we are delighted to host the senior management of Wonderla Holidays. We have with us, Mr. Arun sir – Managing Director of the Company, Mr. Saji – CFO and Mr. Dheeran –COO of the Company.

We will begin the call with the “Opening Remarks” from the Management and then move to Q&A. Thank you and over to you, sir.

**Arun K Chittilapilly:** Thank you. This is Arun K. Chittilapilly – Managing Director, would like to welcome all of you to this Q4 Earnings Call FY'24. Good afternoon and welcome to everyone. I extend a warm welcome to all of you to discuss the Q4 results. I'm accompanied by our CFO, Saji, and COO, Dheeran Choudhary.

I hope everyone had a chance to go through our results and investor presentation.

The year began with a strong start, maintaining our growth momentum established by the company in recent years. Our revenue from operations for the quarter amounted to Rs.99 crores and for the full year it was 483 crores, marking a year-on-year growth of 13%. During this year, we also achieved our highest ever EPS of Rs.28, clocking 6% year-on-year growth. We are also experiencing consistent growth in our marketing efforts and have been instrumental in raising awareness.

During the quarter, we have launched thrilling attraction called “Air Race” in Kochi. The quarter has been packed with excitement featuring themed celebrations, Women's Day, Holy Celebrations and Valentine's Day, etc., We also enriched our customers with two through festive periods and themed food product offerings. We had a Sunburn Event in Kochi Park, New Year Celebration at Hyderabad and a Live Concert by renowned singer Vijay Antony at Bangalore Park. Footfall for the quarter stood at 7 lakhs and footfall for the full year stood at 32.5 lakhs.

Despite a challenging fourth quarter, mainly because of drop in group footfalls in Kochi, our footfalls reflect the growing popularity of our attractions and effectiveness of our marketing efforts. Our team has worked diligently to maintain high standards of safety, cleanliness and customer service, contributing significantly to our positive guest feedback and repeat visitation.

ARPU for the quarter stood at Rs.1,349, an increase of 14%, and for FY'24 at Rs.1,430, registering a growth of 15%. Our increase in ARPU was driven by a healthy growth in non-ticket

revenue along with encouraging response from walk-in groups and all aspects of our customer base.

Throughout the year, we've been pioneering new paths. As mentioned in our previous calls, we are in discussions with the various state governments to start multiple projects.

Our Odisha Park is swiftly taking shape and we have just concluded the press launch of the park which will be open to public from 24th of May 2024. We are confident that this new addition will further enhance our growth and appeal and contribute to the revenue and footfalls in coming years.

As for our Chennai project, the initial groundwork including leveling and the workshop setup have been done and we hope to operationalize this park in FY'26.

As we look ahead, our outlook for future growth is incredibly bright. We are also confident that our focus on enhancing guest experiences, fostering innovation and strategically expanding our offerings will drive not just growth, but sustain excellence.

We are immensely grateful for the dedication of our team, our customers and steadfast support of our shareholders. Together, we are poised for even greater achievements.

With this, I would conclude my remarks and hand over the call to Saji – our CFO for detailed analysis of Financial Performance. Over to you, Saji.

**Saji K Louiz:**

Thank you, Arun. Good afternoon, everyone, and thank you for joining us for the Q4 & FY'24 Earnings Call.

I will provide you with the concise or view of our Financial Performance for both the quarter and the full year.

Starting with the Q4 FY'24 Financial Performance:

Our revenue excluding other income for the quarter stood at Rs.99.7 crores, grew by 1.1% on a YoY basis.

EBITDA for the quarter reached Rs.40.5 crores, degrew by 28 percentage on year-on-year basis. This was due to reduction in our footfall, increase in our payroll expenses and reduction in other income. EBITDA margin for the quarter stood at 38.7%. Adjusted EBITDA for the quarter stood at Rs.41.9 crores, a margin of 40 percentage after ESOP adjustment of Rs.1.33 crore.

Our profit after tax for the quarter stood at 22.6 crores, down by 35.5% on YoY basis and PAT margins stood at 21.6 percentage.

Now, focusing on FY'24 Financial Performance:

Revenue including other income for the year stood at Rs.506 crores, a substantial increase from the Rs.452.4 crores in the same period last year, representing a 11.8% year-on-year increase.

EBITDA for the year stood at Rs.250.1 crores as against Rs.234.6 crores same period last year, showing a 6.6% year-on-year increase. EBITDA margin for the year was 49.4%. Adjusted EBITDA for FY'24 was at Rs.251 crores as against Rs.235 crores for the same period last year with the margin of 49.7 percentage. As mentioned earlier, this is mainly after adjusting the ESOP expenses. Profit after tax for the year stood at Rs.157.9 crores, up by 6.1% on YoY basis. PAT margin stood at 31.2% for the year.

Moving on to Parkwise Footfall Numbers:

For Q4 FY'24 footfalls for Bengaluru Park stood at 2.43 lakhs, Kochi Park at 2.32 lakhs and Hyderabad Park stands at 2.34 lakhs, and for the year Bangalore Park 12.7 lakhs, Kochi Park 10.33 lakhs and Hyderabad 9.49 lakhs.

With this, now I conclude my speech and open the forum for Q&A session. Thank you.

**Moderator:** We will now begin the question-and-answer session. The first question is from the line of Angat Katdare from Sameeksha Capital. Please go ahead.

**Angat Katdare:** My first question is on footfall. If I look at the full year of FY'24 our footfall has decreased by 2%, while our ARPU has increased by 15% on YoY basis. Do you see this as a major reason for the fall in footfall or are there any other reasons for the same?

**Arun K Chittilapilly:** So the reason for footfall growth especially in this last quarter is because the change in our group sales. Normally, our Cochin park has a high contribution from group sales in January. That did not happen this year. Now the reason we are told is because of change in exam dates and also preponing of exams because of elections. So these are the two reasons that we were given. The other two parks I've not seen this issue. Only Cochin, I think the group footfalls degrew by 37%. So I'll hand over to Dheeran, he can elaborate on this further.

**Dheeran Choudhary:** So if you also see our ARPU growth is actually coming on back of driving our sales per head which is our non-ticket revenue. So we have been consistently making a lot of research in our F&B offerings and retail offerings and that is actually driving our overall ARPU growth. And again to second Arun, yes, overall for the year, there is a 2% degrowth in footfall. We also want to be mindful of the fact that we had a post-COVID pent up demand. So we are very positive on that demand we managed to almost keep our footfall stable while growing our ARPU at 15% and we consistently look at various opportunities that we can unlock which we are actually working in FY'25.

**Angat Katdare:** What will be the guidance for footfall and ARPU for FY'25?

**Arun K Chittilapilly:** Because our existing parks are already old assets and pretty much running at capacity, we don't see huge footfall growth potential, especially in Bangalore and maybe Kochi. We do feel there is footfall growth potential in Hyderabad. We do still feel that there is more potential for us to

unlock. But having said that, I think at a company level we are not expecting more than 5% footfall growth for FY'25. But the footfall growth and ARPU growth will be about 10% to 12%. And then the next phase of growth for us will come from our newer parks.

**Angat Katdare:** So just to clarify, 5% is for the existing parks, right?

**Arun K Chittilapilly:** Existing parks, yes, yes.

**Angat Katdare:** You mentioned that you are in talks with the four or five governments. So if you could share some update that would be helpful?

**Arun K Chittilapilly:** Nothing as of now, because this is election season. I think all of those conversations have been put on hold as of now because of code of conduct. We are waiting for normal government functioning to resume, then we will take up.

**Moderator:** The next question is from the line of Karan Khanna from Ambit Capital. Please go ahead.

**Karan Khanna:** Just a couple of questions, Arun. First, where you're expected to launch the Odisha Park later this month, how should one think about the revenue and margin expectations from this park in FY'25 and how soon do you expect this to become EBITDA breakeven? And question #2 is on the ARPU front. Given we've seen almost 15% growth in FY'24 over '23 and the similar growth in FY'23 over FY'20 also, how should one think of ARPU growth for the next two to three years, do you still see the ability to drive low to mid-teens ARPU growth without impacting footfall much at your existing parks?

**Arun K Chittilapilly:** So first part of the question, Bhubaneswar, we are actually soft launching from 24th onwards. I'm taking this call from Bhubaneswar. We just finished the press launch of the park. Tomorrow and day after we having a preview meet for some well-wishers and influencers and all that. And then the next week the park is opening. We are happy to say that we have finished the project in 13-months' time which I think is practically unheard of in this segment. So, we are very happy that the park is completely finished and we are open. Footfalls anyways, it's very hard to predict, but internally we are hoping to achieve at least 4 lakh footfalls. ARPU, again, it's hard to kind of give a guidance on that because first year we will be doing more promotions and just to get people excited about coming to this new park. But having said that, I think we are expecting about 4 lakh visitors at an ARPU of roughly Rs.800-1,000. So that's the way we are looking at it. This is our conservative estimate. In all likelihood, if weather and all these everything permits, we should do a little better than that also. But otherwise I think we are quite happy with the way it's come out. To your second part of the question, we are expecting an ARPU growth in our existing parks of around double digits, 10% this year because we've had huge ARPU growth in the last two years. So we may not look for a huge ARPU growth this year, but 10% I think is achievable. And like I said, marginal footfall growth is all we are projecting from our existing parks, because again coming off COVID high, there could be some fluctuations in footfalls like for example, last quarter what has happened is a school crowd especially for one park completely they didn't come around. So that whole business was not there. So these things can happen

because we are coming off COVID high. But I think we are more or less confident that we should be able to maintain marginal footfall growth and about 10% ARPU growth.

**Karan Khanna:** And if we think about the near-term trends because we are also seeing the election phase across the various markets, so are you seeing any softness in terms of footfall during the quarter because of the election or that's a non-event for you?

**Arun K Chittilapilly:** We've had some impact because of the heat wave, especially in Bangalore. The other two parks are okay. But again the whole quarter is not yet over and now I think in May there is a strong bounce back. So I mean, we'll have to wait for the end of the quarter to see the whole effect, but yes, heat wave did have some impact on footfalls.

**Karan Khanna:** And lastly on Chennai, any changes to the timeline or you're on track for commissioning in second or third quarter next year?

**Arun K Chittilapilly:** We will be commissioning most likely in the third quarter. We are trying to finish in second quarter because we would like to be ready before the third quarter. There could be some delays because of unseasonal rains plays havoc in Chennai sometime. So we hope that doesn't happen this year. If that doesn't happen and there is no delay, we should be able to open either in late Q2 or early Q3.

**Moderator:** We'll take the next question from the line of Shivam Agarwal from Equitree Capital. Please go ahead.

**Shivam Agarwal:** I have a couple of questions. The first is I just want your thought process on the franchisee model like if we just give our name to someone who want to develop a park, but it's for selecting the brand. Any thoughts on the franchisee kind of a thing?

**Arun K Chittilapilly:** Yes, we do want to get into management of parks without owning them. We have started a few discussions. Nothing has been done yet in the concrete steps. Our immediate goal is, as you know, we are trying to expand into other territories of India. Our preference would be to do this on our own. But then geographies where we don't have land parcels or if there is a local business person with land who's willing to partner and we are open to doing our joint venture as well and management contract, both are possible.

**Shivam Agarwal:** As you mentioned earlier that we are also looking for a potential park in Ahmedabad. But one of our competitors has already announced the park in Ahmedabad. So what is the thought process coming after that?

**Arun K Chittilapilly:** We are not going to comment on competitor, but they are not looking at a large park like us. We build large amusement parks. They're looking at a small park in the city area. We are looking at a large format park. So I think format itself will be different and we want larger footfalls like our parks typically get more than a million footfalls from each location. So from three parks, we get 3.5 million visitors. So that's the size that we are looking at. I think their parks are not as big. So I'm not really looking at that as a direct competition.

- Moderator:** The next question is from the line of Suruchi Parmar from NX Wealth Management. Please go ahead.
- Suruchi Parmar:** Our footfall is not that much growing and mostly the revenue is coming from the ARPU sales, the ARPU which is growing, the food portion rather than the ticket portion, correct. And if we see the mature parks in those footfall is not that much if you see Kochi, Bangalore, even Hyderabad. Now, the new parks which is coming, they have ARPU less than the matured ones and the footfalls we don't know right now how much it will be. So what is the percentage CAGR growth you are expecting in coming 2-3 years?
- Arun K Chittilapilly:** I already told you in our mature parks, we are not looking at large footfall growth, low single digit footfall growth is all we can expect, especially from Bangalore and Kochi. These are parks which are more than 15-years old. And ARPU growth is possible because the way we sell our F&B and retail, we are looking at double-digit growth in ARPU but low single digit growth in footfall. If you look at our new parks, of course, they will grow a little faster, because it's a new market and we are projecting only like 4 lakh visitors which is less than half of our existing park. So there is definitely room for us to grow there.
- Suruchi Parmar:** What percentage CAGR you are estimating like in '25-26?
- Arun K Chittilapilly:** Hard to estimate CAGR growth, because every project will be different like for example, Chennai will have a higher base of footfall, Bhubaneswar which is a Tier 2 city will have a lower base of footfall. So it's hard to predict. But we will definitely have double digit growth in footfalls for the next few years if you look at new and old parks together.
- Suruchi Parmar:** And what is your estimate of opening like new parks till FY'30? You have estimated some number I guess?
- Arun K Chittilapilly:** We are looking at another five more locations in addition to what we already have. One or two of them will get closed and before the end of this financial year and the rest we will announce as and when they are ready.
- Suruchi Parmar:** So this will be like completely your own investment or you will be doing it like on lease basis or something?
- Arun K Chittilapilly:** We prefer to do the lease one, but we could do both our own investment also or we could do management contracts, all three can be done.
- Suruchi Parmar:** It's not like any preference you can go any which ways?
- Arun K Chittilapilly:** It depends on the location and whether land is available or whether the partner is available, all those things.
- Moderator:** The next question is from the line of Mythili Balakrishnan from Alchemy Capital Management Private Limited. Please go.

- M Balakrishnan:** A couple of questions. I wanted to check with you what you mentioned about the Odisha profitability because while you covered the revenue part, you did not mention anything on how the EBITDA and the PAT would sort of look like?
- Arun K Chittilapilly:** See, it's hard to predict EBITDA and PAT, because it's a new project, but because it's an asset light model wherein we are spending less than Rs.200 crores for a pretty decent sized park, we are expecting it will be EBITDA positive from first year itself, and at the PAT level, it should be positive from year two or three.
- M Balakrishnan:** I also wanted to check with you about when we talk about footfalls especially the mature park, I just wanted to get a sense is there a capacity constraint based on the number of visitors the park can handle without getting into issues in terms of complaints and people unhappy about queue length, is that -?
- Arun K Chittilapilly:** There is a limit, for example, on a summer season, our parks are already running pretty full. So it's hard for us to justify higher footfalls. But there are like for example Q2 and Q4, we do feel that there is some more headroom for us to grow.
- M Balakrishnan:** But there is also some vacant space which is available in these parks and if you open more rides, then does that increase the capacity per se or is that something -?
- Arun K Chittilapilly:** It can be done with a larger investment wherein we open an entire new area into the park, not just one or two rides, slowly we can do that, but as of now, we are not looking at any large investments like that. But if we do large investments, definitely we can relook at adding more capacity also.
- M Balakrishnan:** And in terms of Hyderabad, we have seen a good kind of footfall growth which has happened and this was clearly an area of focus for us. Could you just tell us a little bit more about the marketing strategies that have worked for pushing footfalls in Hyderabad?
- Arun K Chittilapilly:** Hyderabad for us is relatively new. The park is about 7 years old in Hyderabad, out of which two years were COVID, so effectively we only had five years of operations in Hyderabad. So for us it's still a relatively new park. If you look at footfalls in Hyderabad compared to like for example, Kochi or Bangalore, it's only 70% of the other two parks, whereas we feel that it should be at par with the other parks. So we still feel there is a headroom for us to grow footfalls in Hyderabad. So accordingly, we are also spending higher in marketing, the idea of Wonderla Park to Hyderabad. And also we have not marketed extensively in Andhra Pradesh, we've only done Telangana till now. So we are slowly this year onwards we are marketing and we are pointing to our operators in other parts of the Telugu belt. So that also should help us to kind of get a larger catchment area. So these are some of the initiatives that we'll be doing. And also Hyderabad is also sensitive to offer. So we will be doing some offer-led marketing and event-led marketing as well.
- M Balakrishnan:** My last question is on Bangalore. I just wanted to confirm that the footfall declined by 9% this quarter, right?



- Arun K Chittilapilly:** Bangalore footfall, yes.
- M Balakrishnan:** Any particular reason for the Bangalore decline because it was chugging away at a very -
- Arun K Chittilapilly:** I think we lost our footfalls in Bangalore and Kochi. Kochi actually had the highest footfall decline followed by Bangalore. It's mostly to do with exams and because of exams preponed, I think a lot of schools and colleges cancelled their trips that they used to do to amusement park. So that is one of the reasons I think for us. This may or may not come back next year. So that's the only unfortunate thing here. We don't know whether we can predict it. To an extent only we can mitigate this. One of the reasons why we didn't see a big drop is because through other marketing initiatives we were able to claw back some footfall in February and March. So we lose one segment, we try to do other marketing for other cohorts and try to get footfalls there and which work to an extent. So that is why we didn't see a big dip in footfall and kind of it's still okay.
- Moderator:** The next question is from the line of Vivekkumar from Best Pals Research and Advisory LLP. Please go ahead.
- Vivekkumar:** How fast will we be announcing new projects? Are we waiting for elections because you have done a lot of MoUs. How fast will we be announcing and taking up or you want to wait till the Chennai parks CAPEX is over and then start looking at new projects?
- Arun K Chittilapilly:** No, no. We are already looking at other projects. It's just that we are not able to announce because this part of the government does not function during the election due to code of conduct. So we will not be able to sign anything in this period. Once the period is over, I think we can resume our dialogue with the different state governments.
- Vivekkumar:** So mostly you're looking at Gujarat, Punjab, Uttar Pradesh and Madhya Pradesh, right or any other -?
- Arun K Chittilapilly:** Yes, yes.
- Vivekkumar:** So second question, what are the long term drivers of your footfalls like how do you think, is it like you have to keep marketing and keep going into other places in and around periphery around the park or and are you tracking how often people come again repeat customers like how many people come every year, how many people come only once?
- Arun K Chittilapilly:** Yes, yes, so we do track our footfall where people come from and how people use different cohorts, use the park. There are some opportunities like I said for us to grow in some markets, in some markets they are already saturated, so we are not expecting growth in footfalls. For example, Bangalore Park for us is a high performing park and the base is so high that sometimes any small event can only lead to a decline in footfall because the park already is running at capacity in Q1 especially. So it's harder to figure out footfall growth, especially in Q1 or Q3. Q2 and Q4, this is actually we feel there is headroom to grow footfalls. But again these are exam seasons and these are low seasons. Q2 being a monsoon season and Q4 is usually the exam season. So that also plays into the footfall. So it's hard to predict how that thing affect footfalls.

Every year the story tends to be little different. For us, the best way to mitigate this is to be in more locations and I have always some projects in the pipeline.

**Vivekkumar:** So do you keep tracking how many people come every year, how often the customer comes back and how much –

**Arun K Chittilapilly:** We have people once a year only.

**Vivekkumar:** But how often they do repeat? I understand it's not –

**Arun K Chittilapilly:** More than 50% of our customers they repeat maybe once in two or three years.

**Vivekkumar:** So long-term drivers of footfall, what do you think it's like adding more because let's say you're saying Bangalore is already at peak capacity, so when will you think of adding capacity and trying to increase footfall there, are you not meeting the demand? I didn't understand. So when will you take -?

**Arun K Chittilapilly:** We are meeting the demand, but then because the business tends to be seasonal, sometimes during the highest season like there is not much headroom for us to grow footfalls, we have to look at growing footfalls in the non-peak season. But non-peak seasons are non-peak because there are other hurdles like weather and exams and all that which creates footfall barriers. So it's hard to kind of cut through that also. But we are always looking at new ways to see whether we can have especially more group footfalls. We are slowly changing our strategy and I will hand over to Dheeran, he can talk a little bit more about that.

**Dheeran Choudhary:** So I think from a long-term standpoint, we see the tourism and the tour operator segment as a big opportunity that we can unlock. I think that's a channel segment that can give us growth in Q2 and Q4 something that Arun also was mentioning, we see as a seasonal business, there is a downside and we have capacity that we can fulfill. We are also doubling down on a lot of our marketing strategies and you will actually see that in the coming year, in the next two years, we are going big on digital, we are actually in a digital transformation journey of sorts, where we are actually tracking our entire customer journey and giving them reasons to visit, we want to increase frequency for sure, we want to bring once in two or three years down to maybe once in six months and I think some of these strategies will definitely help us grow our footfall in the next two to four years. So the good news is that we understand the opportunities and we understand the potential on the areas that we would want to grow at.

**Vivekkumar:** So meanwhile you keep expanding the parks and keep doing these things and you get the growth when it comes, right?

**Arun K Chittilapilly:** Expanding the size of the parks is also not that easy because some of these parks are already pretty big and we cannot grow them further without substantial investment. So we need to weigh the pros and cons of it. But yes, we do keep adding attractions and also some of our parks like Bangalore and Kochi are now more than 15 years old. So, we are replacing old rides with new. So even though we are investing in new rides, it may not add to the capacity because we are

taking away some of the old rides and putting new instead of the old ones. So there are multiple issues there. But eventually yes, we can slowly increase the capacity of the park.

**Vivekkumar:** Till then, greater growth will be from locations, right?

**Arun K Chittilapilly:** More locations I think for us is the easier thing to do because there is also latent demand in a lot of these cities where there are no such avenues available currently.

**Vivekkumar:** That is why I was asking, like, how fast will you announce the new projects?

**Arun K Chittilapilly:** We are doing it as such as we can, as you can already see. I mean we hope to open a new park every financial year. So in this financial year, we are already opening this one. Next financial year, we will have Chennai, and the year after that, hopefully we will have something else to open as well.

**Moderator:** The next question is from the line of Dhruvesh Sanghvi from Prospero Tree. Please go ahead.

**Dhruvesh Sanghvi:** Can you explain how you have reorganized your teams considering, I mean, we are seeing some hire which has just not happened at the top but at the mid-level also and like how are you delegating because of course the work is going to increase and probably double up in the next two, three years with new bucks?

**Arun K Chittilapilly:** So the main changes happened. I think we are reorganizing the team because a couple of teams we are changing, we are reorganizing our sales team and our marketing team is going through a bit of a reorganization. Because of the way we are also going through a digital transformation, our IT team is also going through a substantial change. In fact, we have a new IT head has joined and so in the next one year, we will be investing I think about 4-5 crores in new tech for our parks. So those are some of the big areas. Also because we are doing multiple projects, at the same time we are also beefing up our projects team to such a point that we are able to do two projects simultaneously. So this is the first time that we are attempting that and we already have two teams, but if the need be, we can also add more teams to this. So we are just waiting for maybe more signing so that we can start to work on this, but mainly marketing, sales IT and new projects, these are the areas where you will see changes.

**Dhruvesh Sanghvi:** And the way you built the new park in 13 months, that's like really amazing, it's very good to hear that. Can we expect something similar in terms of Chennai park because that will be bigger?

**Arun K Chittilapilly:** Yes, Chennai park is more than twice the size of Bhubaneswar Park. So it's not that easy. Also, the single window clearance, all those things that we have in Odisha is not available there. So things take a little bit more time. Also, the kind of machinery that we are importing, a lot of new machines are coming to Chennai. So those things have lead times and as you know, there is also logistical delays in importing material from Europe and all that. 13-months is impossible for Chennai. But we hope to finish within two years.

**Dhruvesh Sanghvi:** The query was about let's say if we have 10 lakh people coming in our Bangalore park to materially improve it to let's say 50% growth over 7-8 years, we will have to have capacity

increases and we know that we are at an optimal capacity, we have the cash flows. Then why are we not taking the call to probably invest and add the capacities in the same area, if you can probably reanswer the same -?

**Arun K Chittilapilly:** There are a couple of issues there. One is the park is old. So a lot of investment that we are doing is replacing old machinery. So when we replace old machinery, the capacity does not improve, we are still incurring CAPEX, but the capacity may not change. And also for a meaningful capacity change, actually large areas have to be included into the park. So we don't do it like that. We usually add one or two rides per year and things like that. So over a period of time, yes, you will see like for example, now Bangalore Park is comfortably holding 11 lakh to 12 lakh visitors per year, which was a struggle maybe 3-4-5 years back. Now that is not there. So slowly it will change but it's not going to be a drastic thing because that means we will have to invest heavily and we are not sure whether it makes sense to do that.

**Moderator:** The next question is from the line of Saurabh Jain from HDFC Life Insurance Company Limited. Please go ahead.

**Saurabh Jain:** I just had a bookkeeping question. So, in terms of the drivers of growth of revenue, so basically footfalls into ARPU should be our revenue, right, for a particular park?

**Arun K Chittilapilly:** Yes.

**Saurabh Jain:** So my question is basically on selective park. So basically Bangalore, slide #7, if we see Q4 your footfall was 10%, ARPU was 14%, but still the revenue decline is 13%. So was there any one-off in the base quarter or why the numbers are not adding up?

**Saji K Louiz:** Yes, this is mainly because we had certain other income in all the parks where we have reversed some of the transitional credit of service tax, which has been provided in the books in the year of 2017-18 which has got a favorable order from the department and which got reversed in the books of accounts in the current year, which resulted in somewhere close to 9 crores of reversal in the other income in the current quarter as compared to the previous year. That's why the number is not tallying up. Bangalore, if you only see the operational revenue, there is about some three percentage YoY basis growth is available. On an overall basis for the quarter, we have about somewhere close to 1% year-on-year growth is available across all the parks plus resorts.

**Moderator:** The next question is from the line of Meet Jagani from Jagani Investments. Please go ahead.

**Meet Jagani:** My first question is just a follow up of the question asked by the previous participant. You said in the existing park we replace some of the old machineries or rides with new one. So what will be the amount of maintenance CAPEX that we would be doing in a particular year, any figure?

**Saji K Louiz:** We typically spend 10% of our top line from a particular park as we earmark with and keep it for adding new rides to the park.

**Meet Jagani:** New rides to the existing parks, right?

- Saji K Louiz:** Yes.
- Meet Jagani:** And there is a rise in employee expense this quarter. Is it to do with the Bhubaneswar Park?
- Saji K Louiz:** Bhubaneswar Park is getting capitalized for the time being. So the salary cost increase is mainly due to two reasons. There is actually 16% revision in the salary cost as compared to the previous year, and at the same time we had a headcount increase for this quarter as well as for the year, there was about some 16 number has added to the corporate team in the current year and even to the parks as well and then 38 numbers have been added during the full year. So mostly these are the two drivers which cost us increase in our salary cost. And apart from that from February onwards, we are accounting the ESOP expenses, company has granted ESOP to some of the senior employees, so the ESOP expenses are also getting accounted, started from the current quarter, which is about some Rs.1.3 crores in the current FY.
- Moderator:** The next question is from the line of Kanika Gupta from SG Investments. Please go ahead.
- Kanika Gupta:** I have two questions. I can see the dip in the margin of 28% quarter-on-quarter. So I just wanted to ask, is this margin dip is sustainable like till when we are waiting to see this decline in EBITDA margin, what are your view points on that?
- Saji K Louiz:** Yes, EBITDA margin in the current quarter, the dip is mainly because of two, three reasons. One is the salary change, which I already explained now because of the new addition to the team as well as 16% of provision in the salary rate in the current FY compared to the previous year, which costed us somewhere close to 4.3 crores for the current quarter. And at the same time, the operating expenses in that the overall employees where we have added about some 110 employees for the quarter and then 130 employees for the financial year, and then there is a wage increase of about some 21% for the FY and then rest of the things are related to the revision in the... sorry, 19% and 21% is the total wage increase, out of which 12% is due to the rate revision. These are two reasons. Apart from that, in the previous year, we had about 9 crores of service tax transitional credit reversal in Q4 of last FY and this year that particular reversal is not available, which has resulted in a reduction in our other income of about 9 crores in the current FY. So consolidately these are the two, three reasons which has resulted in EBITDA shrinkage and to add to that then there is a little reduction in the footfall as well.
- Kanika Gupta:** You said sustainable. Like in for FY'25 can you just provide us this will be there in the coming years as well?
- Saji K Louiz:** Sorry, I couldn't hear you properly.
- Kanika Gupta:** I'm saying that the dip which we have seen in this quarter, are we expecting in the future year like in FY'25 as well?
- Saji K Louiz:** In the next FY, Bhubaneswar Park into our kitty, there could be some little shrinkage in the margin percentage of about some three to four percentage. Apart from that we are not seeing any change in the operational margin levels.

- Kanika Gupta:** Next question is about the Wonderla Resort. As I could see that there is a decline in the occupancy despite the revenue has been increased and the average room rental has also been increased. So could you please explain or tell us like why the occupancy has been declined in the resort business as well?
- Saji K Louiz:** So the previous year we had a long stay customers guests were at the resort and then the current year this is mainly because of some of the industrial units next to our park, which is a bit of the industrial area and which was the major source of our resort occupancy. In the current year, there were no major long stays. So that's the reason why the occupancy has reduced to 55% in the current FY.
- Moderator:** The next question is from the line of Naman Shah from Monarch Network Capital. Please go ahead.
- Naman Shah:** I just had one question. I just wanted to understand on the CAPEX spend for the Chennai Park and total amount of CAPEX you are planning to spend?
- Saji K Louiz:** In Chennai Park, we had a revised budget expense of somewhere close to 515 crores and including the orders what we committed, we have about 194 crores has been committed or paid till 31st of March 2024. And then in Odisha Park, we had a budget of about 189 crores and we are at the last leg of completing it. So probably, we'll be finishing it up for maybe around 190 crores.
- Moderator:** The next question is from the line of Mukul Jain, an individual investor. Please go ahead.
- Mukul Jain:** One particular question is on the Odisha Park basically. So since the park is now starting, you would have estimated the amount of expenses which you're going to incur like the employee cost, the lease which you are going to pay and all sorts of that. So can you please give rough figure about that on an annual basis?
- Saji K Louiz:** Sorry, I couldn't hear you properly.
- Mukul Jain:** So basically, Odisha Park, you are about to start and you would have projected all the employee cost, the lease outflow which you have to do and the other expenses. So can you guide the internal estimate about your number for this park?
- Saji K Louiz:** So because it's being a new park, I would not be able to give you a guidance on that. But the lease payments are like a one-time payment, which we already included in our project cost, which was about somewhere close to Rs.6 crores. And then the major drivers is like our salary cost off-roll as well as the on-roll. The on-roll cost, there could be somewhere close to 10% to 12% hike from the present level after once you include Bhubaneswar Park into the kitty. And then for the off-roll, we will be having about some 300-plus employees on a monthly basis and per person the salary could be about 225,000 per month. As the projections and as being a new park, we are expecting almost like a breakeven from the current year of operations, and then maybe a single digit EBITDA in the current FY and maybe from the next year onwards then we would be able to generate enough EBITDA as well as for the PAT levels.

- Moderator:** The next question is from the line of Angat Katdare from Sameeksha Capital. Please go ahead.
- Angat Katdare:** I just have a follow up question on the CAPEX. You mentioned the revised CAPEX is 515 crores. If I recall, it was around 350 crores. Can you just provide a breakup of the revised CAPEX and how much of it is spent and does it include the land cost as well?
- Saji K Louiz:** Yes, it includes the land cost. Initially, we budgeted with a lesser number of rides for the Chennai Park and later on the number of rides has been revised. That's why the cost has increased into Rs.515 crores. So we already spent about some Rs.194 crores so far in the project including orders what we have committed.
- Moderator:** The next question is from the line of Sunil Shah from SRE PMS. Please go ahead.
- Sunil Shah:** Just to understand, if I'm looking from next five years, seven years point of view, what really should be done so that our footfalls, which are like about 35 lakhs can go up to say a crore or so? So on one side, we are having mature parks wherein we are talking about low single digit growth. So obviously the growth journey is going to be from new parks, and in the new parks this year we'll be having Bhubaneswar, next year we'll be having Chennai, post which we are planning Gujarat, Punjab, UP, MP, all those kind of things. So what about religious tourism? That has got a great potential. Are we planning anything for that segment, those areas and put up theme parks in that locality, those vicinity where actually the footfalls can be much, much higher. So any thought, any direction, anything on that if you could think or if you could just share something on those lines?
- Arun K Chittilapilly:** Religious tourism may have high footfall, but I think your ARPU will be very low. So if you look at all the parks which are around religious tourism, I think they also tend to be very, very low, maybe not even triple digits. So that's the only issue. We are in the business of running large format amusement park. So we want to stick to that. We have been invited by various state governments like for example, UP to do something in Ayodhya. We are still waiting for it to be a little more developed and then maybe we can do something there. But other than that we want to focus on metros where we have larger population living and we want to be a regional theme park in that sense, right. So because of that, I think we need a huge catchment population like for example in Bangalore, Kochi, Hyderabad, these are huge catchments, so like even after 20 years, we are still getting footfalls, there is no issue in terms of catchment. So that's the way we are looking at it. And we are currently in only four cities. There is a lot of cities that we want to cover. So that will be the strategy for us that we are going to be taking.
- Sunil Shah:** So then two points, one is we are looking at rolling out at least one theme park every year from here to for the next four to five years, every 13 months or so?
- Arun K Chittilapilly:** Roughly one every year or one every year and a half we should be able to start a new park.
- Sunil Shah:** And sir, this would be all internally funded because when you're doing the Chennai Park, that's a huge fund flow, more than Rs.500 crores. So going forward -

- Arun K Chittilapilly:** We will be looking at some fundraise. Some amount of debt depending on how many projects we sign in the next year or so, we'll take a call on that. We will be definitely doing some fundraise in the form of either debt or equity or most likely a combination of both.
- Sunil Shah:** But sir, once Chennai is rolled out, again, then the cash flows from there would help us to again come back to our original level of main net debt free company kind of a thing post the rollout of Chennai?
- Arun K Chittilapilly:** Yes, yes. I think we will not have too much debt, we don't need because all our assets will be EBITDA positive at any given point. So we will not see a huge cash burn at any point. Only the thing is for new projects, especially large projects, the investment needs to be covered.
- Sunil Shah:** We have clarity on Bhubaneswar and Chennai. Any indication on the other projects post Chennai rollout?
- Arun K Chittilapilly:** We will let you know whenever we sign. We are close to doing a few couple of deals, but whenever it's ready, we will let you know.
- Moderator:** Ladies and gentlemen, this will be the last question for today, which is from the line of Arun Selvan from Independent Advisors Private Limited. Please go ahead.
- Arun Selvan:** I just had a couple of questions. One was with respect to your useful life assumptions for the Odisha Park. Just want to understand what would be a thought process on it?
- Saji K Louiz:** For the rides?
- Arun Selvan:** For the general parks, I mean, how much kind of depreciation, how would you look at?
- Saji K Louiz:** Asset side for the plant and machinery like these rides and things like that we are depreciating over a period of 10 years.
- Arun Selvan:** And with respect to your mature parks with respect to Bangalore and Kochi, I'm guessing that most would have been already heavily depreciated, right, there's no change in that?
- Saji K Louiz:** Yes, these are common policy which we are following from the beginning. So there is no change in that. Across the parks we are using the same thing.
- Arun Selvan:** Another question I wanted to ask is like this from a qualitative perspective, how different are each of your parks? I mean if someone who goes to, let's say, Kochi or Bangalore, I'm just saying, what would be the variation in their experience if they come to, let's say, a different newer park like Bhubaneswar versus the older parks?
- Arun K Chittilapilly:** They are all different. They are not the same. They have commonalities in terms of some rides. They have common rides. But the experience is different. They are not the same. They're all different. Especially Bhubaneswar is completely different from everything else we have done. In fact, there are no hardly any common rides with other Parks. Chennai will also be a completely



different park. We will not have any too many common rides. Of course, some, like for example, our Iconic Sky Wheel and some Giant Wheel and some water slides, all that will be common but some of the other Hero Rides will be different.

**Arun Selvan:** So the Chennai Park will also be very different from the other parks as well?

**Arun K Chittilapilly:** They're all different. Now going forward, all our parks are going to be different.

**Arun Selvan:** And the last question that I have is actually a kind of a follow up from a previous question. This is with regard to the reinvestment that you would have to be putting in your parks. I think the last thing is that it's 10% of the top line from each park. Am I right?

**Arun K Chittilapilly:** Yes.

**Arun Selvan:** Would that be different for let's say the newer parks at Hyderabad and Bhubaneswar versus the more mature one?

**Arun K Chittilapilly:** Over a period of time they'll all be around the same, not different.

**Arun Selvan:** But then I mean, I was thinking that with Bhubaneswar especially now just starting, right, how long would it be before you have to actually start putting up newer rides in Bhubaneswar?

**Arun K Chittilapilly:** It's hard to say, but we might have to start putting the rides quickly if the crowd is huge. We are already sold out for the opening weekend of Bhubaneswar. So, I think it's going to start strong. So depending on the response we receive, we will have to add quickly or not so quickly, we will have to take a call later.

**Arun Selvan:** So higher the response, the faster the replacement?

**Arun K Chittilapilly:** Yes.

**Moderator:** As that was the last question for today, I would now like to hand the conference over to the management for closing comments. Over to you, sir.

**Arun K Chittilapilly:** Thank you all for joining Wonderla Holidays Q4 FY'24 Conference Call and we are happy that you've shown commitment to our company and our growth. We expect to deliver better numbers and growth going forward. We are bullish on this segment and we are looking forward to creating new adventure and amusement spaces for our Indian customers. With this, I would like to conclude. Thank you.

**Moderator:** Thank you, members of the management. Ladies and gentlemen, on behalf of Monarch Network Capital, that concludes this conference. We thank you for joining us and you may now disconnect your lines.