



“Wonderla Holidays Limited
Q2 FY ‘23 Earnings Conference Call”
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MANAGEMENT: **MR. ARUN CHITILAPPILLY – MANAGING DIRECTOR –
WONDERLA HOLIDAYS LIMITED**
**MR. SATHEESH SESHADRI – CHIEF FINANCIAL OFFICER –
WONDERLA HOLIDAYS LIMITED**

MODERATOR: **MR. ADHIDEV CHATTOPADHYAY – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to Wonderla Holidays Limited Q2 FY '23 Results Conference Call hosted by ICICI Securities. 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 and operator our pressing star and zero on your touchtone telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Adhidev Chattopadhyay from ICICI Securities Limited. Thank you and over to you, sir.

Adhidev Chattopadhyay: Good afternoon, everyone. On behalf of ICICI Securities, I'd like to welcome everyone to the Wonderla Holidays Limited Q2 FY '23 Results Call. Today from the management, we have with us Mr. Arun Chittilappilly, the Managing Director; and Mr. Satheesh Seshadri, the Chief Financial Officer. I'd now like to hand the call over to the management for their opening remarks. Over to you, gentlemen. Thank you.

Arun Chittilappilly: Good afternoon, everyone. This is Arun Chittilappilly, Managing Director of Wonderla Holidays. Welcome to our con call. So welcome to our Q2 and H1 FY '23 earnings call. Joining me on this call is Satheesh Seshadri, our CFO. I hope everyone had a great time over the recent festivities. I'm very proud to share that we've been consistently raising the bar with our performance and scaling new heights. We had a blockbuster results in Q1 FY '23 and as well as Q2, building on the strong momentum that we have registered the best ever revenue performance in our second quarter as well.

We have been at the forefront of the experiential industry in India, and people are increasingly exploring their adventurous side and looking for high thrill and that's what we have seen as a result in Q2. Historically, Q2 has been seasonally challenging, and a weak quarter marks a potential rain in Southern India. This year as well, we've had unseasonal rains in many parts of our -- including Bangalore, Kochi and Hyderabad.

Our strategic efforts are to drive footfall quite easily, we get a good response. Initiatives like add-on park site events, enhanced digital marketing, reaching the young audiences and judicious pricing strategy have enabled us to effectively pull our audience. We also ran very innovative marketing campaign like during Ganesh Chaturthi, during Onam, during Daughters Day, Grandparents Day, Independence Day, etcetera, etcetera. This was led to significant rise in in footfall, an improvement of 1,800 basis points from 58% in the corresponding COVID quarter of FY 20, 76% in Q2 FY '23.

Footfalls have gone from INR 3.5 lakhs to INR 4.7 lakhs in this quarter, a growth of 32%. Year-to-date, for the first half the growth of footfall is 26%. It's hardening to see that our efforts and our teams have made a tremendous response. All our parks have witnessed double-digit growth in footfall. Bangaluru 35%, Hyderabad 18%; and Kochi, 38%.

Our parks are a destination for all ages. We are taking this to the next level and positioning our park for marquee events. The Kochi Park hosted our first ever sun burn festival in the city, an electronic music festival headline by globally famous DJ Nucleya. The event attracted around 3,000 people. We're also consciously placing ourselves to become a destination of choice for people who celebrate festivals.

In this quarter, we celebrated a lot customers like independence Day, Navratri, Dusshera, special decorations and exclusive F&B offerings were also done for our visitors. We have a widely recognized and beloved brand, which is we are now leveraging to bring wallet share and grow our non-ticket revenue. We have exciting activities on weekends and improved merchandise has led to a 20% growth in spend per cap. Coupled with the calibrated heightened ticket prices, we've recorded a 22% increase in ARPUs.

Coming to our financial performance of the quarter. We have clocked a robust growth over the pre-COVID run rate from FY '20. Revenue has increased by 62% from 40% to 66%. EBITDA has more than doubled from INR 8 crores to INR 23 crores, up 159%. We also saw EBITDA margin expand by 100 basis points from 20% to 33%.

I'm happy to report that the strong growth has brought increased profitability. We have registered a PAT of INR 10.5 crores, with a PAT margin of 15%. For the first half of FY '23 compared to the corresponding period, revenue is at INR 215 crores with a growth of 36%. EBITDA has increased from INR 81 crores to INR 117 crores, a growth of 45%. EBITDA margin has stranded on 49% to 53%. PAT has grown at 78% increase from INR 42 crores to INR 75 crores.

Our parks provide an excellent avenue for families and parents bond together as in wonderful outdoor environment while making memories. Customer centricity is at the core of our resort. We are undertaking an ambitious project to enhance our customer engagement sand experience by expanding personalized offerings to our guest.

We thank you for your unwavering support and prices to deliver value in the long term. We can now proceed to Q&A.

Moderator: We take the first question from the line of Ashwini Agarwal from Demeter Advisors.

Ashwini Agarwal: So I have two questions. During the COVID years, you had taken a lot of steps to cut costs. Now as business comes back, some of these costs will need to be restored. So I was just wondering, that the margins that we are seeing in Q1 and Q2, have the costs normalized? Or will the cost normalize going ahead? So that's question number one.

And question number two is, if you can give us a granular update on Chennai. Maybe I'm reading it wrong. But in the footnote, the way I read I felt there was some progress in Chennai, but I could be wrong. So help me understand that?

Arun Chittilappilly: Satheesh, you want to take the call -- the question?

Satheesh Seshadri: Yes, during COVID levels, we were -- the priority was to cut the cost, and we brought down the cost to about INR 3.5 crores per month. Majorly, there was cut in the all the fixed cost and also reduction in the labour force and other things. But as we open the park, the resources are back, and we are working as a full one operation. In which case, they cost us back to the marginal situation. Plus the inflation of two years has improved in that.

And all the costs in terms of labour, maintenance, advertisement, and if the cost of goods for F&B is back on the levels, okay? That's number one. And on the Chennai project, we are closely following up with the government of Tamil Nadu to help us to waive that LBT issue. And we are hopeful that it is at a critical stage now. And I think we are positive, the government will heed to our requirement, and we will be getting some good news in the close future, is what we anticipate.

Moderator: We take the next question from the line of Jay Shah from KZB Investments.

Jay Shah: Congratulations on an excellent result in Q2, sir, which is usually quite challenging due to the rains. Mr. Arun, my question is for you. I recently read an interview wherein you mentioned -- and it's even therein your presentation, about the technical technological upgrade and enhancement that we are providing at the Bengaluru Park. So just with regard to that, if you could elaborate on the time line and the cost involved. And when would we be looking at it for all the amusement parks also?

Satheesh Seshadri: Sir, I will give you a prelude of this. We are working on upgrading of our variables. See, whenever a guest is coming, we want...

Arun Chittilappilly: I'll take that. Yes, I'll take that question. Yes. So what we feel is -- to how to interact our park and our staff in the park, we want to make that more efficient. Right now, a lot of park processes, are managed and we have very limited visibility on how people, how they spend inside the park and we don't have too much data on that. So what we are planning to do is, one is to use, like Satheesh said, use variables to collect more data.

The other part is also to try and build some software, which will help us also understand how people -- crowd inside and how -- which are the areas where people spend more time, which are the areas which are non-ticket areas where these people -- what are the kind of things to spend on in terms of non-ticket or what is the people's ordering behaviour, how people spend time on rides, queuing, lot of things. So wearables is a big part of it, but there is also a lot of other things that we have to do. So right now, it's a pilot.

We are just working on it, but we don't have a current -- I think it's going to cost us maybe in the region of maybe INR 5 crores, the whole thing. And this will take maybe 1 year, 1.5 years. And of course, once we have -- the piloted cost for us is about INR 2 crores. Once we ready the whole venture of, what do you call it -- once we are happy with the pilot and we see some results in that, and then we will only then at that point spend the remaining amount.

Jay Shah: This INR 5 crores is only for the Bengaluru amusement park, right?

Arun Chittilappilly: No. Yes, INR 5 crores, I think, is for Bangalore.

Jay Shah: So basically, what we're trying to do is we're trying to figure out the cluster formation, which are going to happen at the park, and then how you can optimize and make it efficient if I'm not mistaken.

Arun Chittilappilly: Yes, something like that. Yes. So that's the way we are going to do this, yes.

Jay Shah: And these wearables would have payables also, if I'm not wrong? So this...

Arun Chittilappilly: Yes. So the wearable is -- it has two components. One part is we can use it for payment. One is it's got a dual frequency bank, so we can actually absolutely track the person, how they're using -- I mean where they are exactly inside the park and stuff like that. So yes, it has two chips, which will help us both the payment and also tracking the person.

Jay Shah: And we're looking at the time line is around one year, sort of Q2 of next year?

Arun Chittilappilly: Sorry?

Jay Shah: We are looking to implement this by Q2 of next year, right?

Arun Chittilappilly: Yes. So we hope to have more clarity on this. We should be able to do the final testing by with another six months. And after that, we will see how we can roll out So the whole process, yes, by Q2 of next year.

Moderator: We'll take the next question from the line of Mr. Dhruvesh from ProsperoTree.

Dhruvesh: Sir, I missed the comments on Chennai project. The two parts that are ongoing, if you can elaborate what is the capex, which is already spent. And looking at

the cash flows now, can you get the confidence and urgency to move ahead with slightly more speed in achieving both the parks, including Chennai?

Arun Chittilappilly: Just can you give me repeat? Lost you a little bit.

Dhruvesh: So all I'm trying to say is the two parks, which are planned, if you can help us understand what is the spending, which is already done in the last six or 12 months, Odisha and....

Arun Chittilappilly: Sathesh can answer that question.

Dhruvesh: The second is in connection to that, looking at your existing cash flows and the better times that we may see in the next six months, you may be looking at more than INR 250 crores of cash flow this year. Is there a sense of urgency to probably get the Chennai theme or some other internal done so that we can see the fruits in the next three, four years for other two, three parks?

Arun Chittilappilly: Yes. Of course, I mean, we are trying to get Chennai and Bhubaneswar off the ground. So hopefully, but I am reasonably confident that we will be able to start both before the end of this financial year. We are planning to start the Odisha not next month. It will -- we already started work there. So I think in Odisha, we don't have too many delays. Chennai still -- we don't -- we have in word final the thing about the tax exemption yet. So until that happens, we can't do anything concrete on that. But what we are hearing is it should be done in the next -- I mean, hopefully, very soon. But that's the government matter, right? So could be one month, so could be one year. So we are hoping that it should be done in one month and maybe less than one year. That's what it was -- that's all I can say at this point.

Dhruvesh: What if done, of course will get started.

Arun Chittilappilly: Yes.

Dhruvesh: Is it not making you think that okay, now things have stabilized, bounced back so sharply? Let's move on with another two projects because...

Arun Chittilappilly: We also have interested money already there, right? So we want to create that also to a logical consistent Chennai is a big market for us. So we want to finish

that. And reasonably sure, it will get done. And we are looking at other opportunities also, but we don't want to do more than two projects simultaneously. So we are talking to other players in other states and something we could be looking at another project also. In case we feel that Chennai doesn't come through, definitely, we will look at another one. We'll start working on the other one.

Dhruvesh: Sure. And the numbers you were asking somebody to answer that.

Arun Chittilappilly: Satheesh?

Satheesh Seshadri Yes. So we have got about INR 330 crores for Chennai, of which we have already invested close to INR 115 crores. And Odisha is about INR 120 crores, and we have already invested about INR 70 crores in Odisha.

Moderator: We take the next question from the line of Mr. Bhavesh Choksi from GB Capital

Bhavesh Choksi: Congratulations on the good set of numbers. So what I wanted to ask was with respect to cash flows. So I noticed about an investment of INR 8 crores spend on the investing activities. So at least give us some light on that.

Satheesh Seshadri: It's more of a sustaining capex, which we have taken during the quarter.

Bhavesh Choksi: And the next question is with respect to, like we have registered good growth in footfall, but we are yet to see a significant uptake on the Hyderabad footfalls, Hyderabad path footfall. So like could you give us like how are you planning to upscale it?

Satheesh Seshadri: Could you please repeat that again?

Bhavesh Choksi: So my question was that we have registered a good growth in our footfalls, but we like to see a significant upside of footfalls in the Hyderabad park. So can you, like, help us, like, how you're planning to scale it up?

Arun Chittilappilly: Hyderabad has been one of our top performers. If you look at our first half, Hyderabad has outperformed. I think, Hyderabad, before COVID, Hyderabad used to do less than 20% of our revenues. Now as I understand it, it's almost 27% of my total revenue. So Hyderabad is definitely performing better. But

yes, I think there is definitely more to be unlocked in Hyderabad, especially in the group segment.

That, again, is something that we have to work, we are working on. It's not going to bounce back immediately because we are still building our sales thing in Telangana and those markets. I think next year, we will probably have a better group visibility. This year, because we are coming out of COVID, I think, group footfalls are very erratic. So sometimes we get them. Sometimes we don't get them. It just depends on -- there are so many factors at play. We are getting good footfalls. But yes, it can be better. I think in the next one year, we can see Hyderabad contributing even better.

Satheesh Seshadri: Just to add also for you, for the current two quarters, if you see compared to the pre COVID levels, we are 33% up, okay. On Hyderabad, there is still scope to improve. We are working on it, as MD told you.

Bhavesh Choksi: So this question was purely that just because the Kochi Park is older, right? But still, it is outperforming. So that is why.

Arun Chittilappilly: Yes, got it. He has answered you.

Moderator: We take the next question from the line of Mr. Sachin Kasera from Svan Investment.

Sachin Kasera: Congratulations for a good set of numbers. I had first question on the Chennai. So how fast can we try to reduce the time line, also receive the approval? Is it that simultaneously a lot of preparatory work? And hence, in a normal scenario, then time taken is 100, we'll be able to finish the project 60%, 70% of the time line?

Arun Chittilappilly: In Chennai, I think once we get our approval, we need roughly about 18 to 24 months to finish the park. We are opening to finish in 18 months, but it could take maximum 24 months. We will not take that -- more than that. So I think in about 2.5 years from now, keeping some time for this approval and all that to also come through. 2.5 years from now is a reasonable time.

Sachin Kasera: Sure. Secondly, I think you even talked about increasing share of ancillary revenues in the last conference call. Can you tell us how the trend has been for

this quarter? And any specific initiatives that you are looking to take to further increase the share of ancillary revenues and the overall revenues?

Arun Chittilappilly: Yes, we have done a lot of things. I think it will be there in our presentation also that we are doing a lot of non-ticket revenue. We want to improve cost-ticket. So a lot of things. We are revamping our restaurants. We are revamping our resorts also actually because the resort given a lot of room nights and pleasant surprise. So we are investing more in each of those verticals so that we can get more out of it. Yes. So you will see that coming to fruition in the next few quarters. Yes.

Sachin Kasera: Sure. And last question was, you had also indicated that you are looking at two more options for growth. One was if you could explore some sort of a franchise model. And second was the -- some of the surplus land that we may even after assuming the planned expansion for the existing parks. You were looking at some sort of...

Arun Chittilappilly: We've never said that we are going to sell land and existing cost. I think you have the wrong information.

Sachin Kasera: No, I did not say, I don't say that. I said that. You had mentioned that you could look at options of how to unlock and monetize...

Arun Chittilappilly: Yes, monetize. So we are looking at that. Yes. So we want to do more maybe adventure based activity. So that's what I already told you is the resort, and we will be using some of that land for expanding our resort back -- doing an adventure park adding more room to the resort, resort is running almost capacity now. So I think it's time for us to add capacity to our resort and then make it a slightly more larger business. And so that we can do the same at our other parks also. So we will be doing more experiments on that in our Bangalore Park in the next one year. And then once that comes through, we will do that in the other parks also.

Sachin Kasera: This would, this thing that you're in Bangalore would help you handle more visitors on a daily basis? Or if you could give us more details on that?

Arun Chittilappilly: Yes. So we don't have too much detail on it. Once it's ready, we will let you know.

Sachin Kasera: Sure. And are we also looking to extrapolate anything on the franchising side in terms of opening new parks on a more...

Arun Chittilappilly: We have been focusing more on doing projects in the last quarter. So we've not really looked at franchise. It is the only thing we've had too much to do. Once we do want to get Chennai Odisha, off the ground and that's what we've been working on. Franchising models are there, but it's not really -- actually, honestly, actively, we've not been able to follow it up, especially in the last quarter.

Moderator: We take the next question from the line of Mr. Venkatesh Subramanian from Logic Tree Investment Advisers.

V. Subramanian: Mr. Arun and team, congratulations on a very nice performance. I have two questions. So one is a big picture question, which is I think in your last call and in your presentation, you have highlighted it. Broadly, can you give us an idea, say, over a three year time line, three, 3.5 year time line, considering that by then, hopefully, Chennai would be commissioned, you want to make progress on Odisha. And last call, you had mentioned of some interest in Gujarat as well. Over a 3.5 year period, if I were to just watch and be a very passive participant in the growth of the company, where do you think we could be, A, in terms of footfalls, B, in terms of number of parks and C, in terms of ARPU at that point of time? I know that this could be, I'm not going to hold you. Just broadly, do you have like a vision saying three to four years from now, this is where we want to get to? And how to get there?

Arun Chittilappilly: Yes. I think in three years from now, we will definitely have two more parks up and running. So obviously, our number of footfalls would have at least gone up by a factor of 1.5x, is where we are right now or 1.6x And ARPU also would have three years, you can compound, let's say, about 7% per year. We're planning to take about 5% to 7% price hike every year. So its impact that.

V. Subramanian: Right. And apart from the two more parks, are you planning to initiate anything across other states and places?

Arun Chittilappilly: Yes, we will do that. But then again, like 2.5 years, if you want to see where revenues coming in from, I don't think it will be more than two parks in the

next two to three years. Two more parks will contribute revenue, but we will be definitely working on more projects also.

V. Subramanian: Anything on Gujarat, specifically?

Arun Chittilappilly: Gujarat also, we have been talks with the government, but we've not initiated any solid plan for Gujarat yet. Most likely, Ahmedabad the place that we want to do something. We have been talking to the government, and they've been proactive, but we are not sure whether we will invest directly or -- like somebody has mentioned we would do it in franchisee model. So we are exploring those kind of things, right now.

V. Subramanian: So just to summarize what you're saying is over the next three years, the realistic global thing is two parks and 1.5x the number of footfalls that we have. That's probably a goal.

Arun Chittilappilly: That's, something like that is possible, yes. .

V. Subramanian: Anything, any update on the gaming part, I think you had mentioned something in the last year's annual report?

Arun Chittilappilly: So in gaming, I think, so we will not be doing, because we are not a software company. We will be partnering with somebody, and we are looking to see how we can do that. So again, it at a very experimental stage. It probably want to take some time for us, before we can have a concrete plan on that front. Because also, we don't want to do what other people are doing in games like we are not going to some gambling, those kind of games. So I think it's also an evolving kind of feel. So we are observing it very closely. We are watching what's happening. And at some point, we will definitely want to get into it. So we are in the process, looing, meeting different companies and planning what they're doing. So it's more like a learning phase for us right now.

V. Subramanian: And then last one, which is the Q1 and Q2, considering that pre-COVID cost and during COVID cost, the current EBITDA margins and net profit margins broadly are sustainable over the next few quarters?

Arun Chittilappilly: I think so. We should be able to, of course, it will keep fluctuating a little bit. It will not be exactly the same. Every quarter it will show fairly different

numbers. But yes, I think this year, after the end of this year, I think we can probably have a new baseline on to how our numbers will be because this is still only two quarters of post-pandemic era, right? So I'm also eager to know how Q3 and Q4 will perform. Honestly, they're doing well. We are doing very well. But finally, the numbers and ratios we like to wait and see. But I think we should definitely do far better than what we've done pre-pandemic.

V. Subramanian: Okay. So currently, in October, November, you are quite doing quite well in the third quarter, broadly. Yes.

Arun Chittilappilly: Yes. We are doing a bit better than pre pandemic.

Moderator: We take the next question from the line of Himanshu Upadhyay from O3 Capital.

Himanshu Upadhyay : My question is on the group bookings. So what growth we are seeing? Is the mix changed dramatically? Or in Q2 FY '23 versus Q2 FY '20, are the group bookings remain the same proportion of footfalls what they were pre-COVID, some idea on that? And what can be the sustainability of this growth in football games? How do we understand that thing?

Satheesh Seshadri: Can I take this on, Arun, sir? .

Arun Chittilappilly: Yes. Sure.

Satheesh Seshadri: Yes, your observation is good. Compared to -- during the pre-COVID, we were groups were 42%, and walk-in was 58% in Q2. And now it is 23% and 77% The walk-in -- the retail footfall actually increased in Q2 of this year. But if you take an H1 scenario, okay, you take the complete H1, the scenario is 21% was groups and 79% was walk-in and 23% was groups and 77% was walk-in in current year.

So in H1 scenario, it is almost evened out, okay? But in Q2, yes, your observation is correct. The retail footfall were not just up. And going forward, these two quarters, if you take Q3 and Q4, it's normally a group quarter for Q3, and we can expect bigger groups for coming during this quarter. And the end of the year, we have the seasons, so we will have a good walk-in during the season time, that is starting from 15th of December.

Himanshu Upadhyay : And one thing, we had a lot of focus on group activities through schools and colleges and offices. So have all our channels started focusing? And are we back to pre-COVID level in terms of activations and everything on the group activities?

Satheesh Seshadri: On the activations on the groundwork on the legs on the road, everything is happening. And we have got a good traction of colleges and the corporates in Q1 and Q2, which was really good. And Q3 is normally the school group. So we are hoping that the school group comes back to us.

Himanshu Upadhyay : And the realization, how different are they? Let's say, group versus footfall?

Satheesh Seshadri: It's like a retail versus wholesale because the retail footfall is almost full ticket. And group footfall, the discount starts for anywhere between 20% and more than 30%, plus the commissions also there.

Himanshu Upadhyay : Sir, my question was, is it similar to pre-COVID, or are we able to reduce the discount in comparison to pre-COVID because there...

Satheesh Seshadri: We have reduced the, what we have done is we have increased the group size. Pre-COVID group size was 10 plus. Now we have made it 20 plus. So we have put a barrier has been increased for the group. So what we are trying to do is you come in a large number than you are for discount. We don't want to entertain a smaller number. Smaller number will be still the retail ticket and full toll ticket, yes.

Moderator: We take the next question from the line of Sourav Dutta from Minerva India Under-served.

Sourav Dutta: Just wanted to know if you can provide me the park-wise mix of walk-ins versus routes?

Arun Chittilappilly: For the H1 or Q2?

Sourav Dutta: For both possibly.

Arun Chittilappilly: Okay. I will just share it with you. Okay. Park-wise mix of walk group for H1 was like this, okay, annual park H1 is about 30...

Satheesh Seshadri: One second. Just a second. 86-14 at Hyderabad was 86 - 14; Kochi was 58-42. Bangalore was 85-15; and overall was about 77-23. That is the H1 numbers. I repeat it. Hyderabad was 86-14; Kochi was 58-42; and Bangalore was 85-15. And overall is 77-23. Walk-in vs group percentage in H1.

Sourav Dutta: For Q2?

Arun Chittilappilly: You want for Q2? Hyderabad was 81-19; Kochi was 68-32; Bangalore was 81-19; and overall was 76-24.

Moderator: We take the next question from the line of Ashwini Agarwal, Demeter Advisors.

Ashwini Agarwal: This is a follow-up to the opening remarks about second half -- or rather the current quarter also looking quite strong. So obviously, we are hearing of a lot of revenge tourism that is happening, and you might be benefiting from that as well. I mean is there any way for you to kind of figure out if this is an extraordinary period? Or do you think that this trend of strong footfall will continue into fiscal '24?

And connected question is that over the next four to six quarters, still Bhubaneswar and Chennai start kicking in maybe four to eight quarters from now. What's going to be driving the growth? Or is it going to be a record fiscal '23 and then probably consolidation in fiscal '24?

Arun Chittilappilly: Yes. I think so your guess is as good as mine in terms of how next year will be, will that be better or worse in this year is, I mean, we love looking at a crystal ball for that, and even that may not give you. But I think we should be able to hopefully grow on this and not see too much of a dip next year. I don't think there'll be a dip next year. That's what we are counting on. And also, I feel like at our group footfall will not have rebounded to pre-COVID levels, figuring more retail footfall.

So now will that pattern, say, next year? Again, we don't know, but I think we want to definitely improve this segment. So we do expect more upside there next year. So yes, I think next year would be more consolidation, but I think we'll see some growth also. That's what we are hoping for. And then, of course,

the further growth would happen from maybe new parks. It will happen in two years from now and onwards.

Ashwini Agarwal: So one question that I didn't ask, but I implied and I was wondering, is there any way for you to increase footfall at your current parks? Are there capacity issues especially during weekends or during the holiday season that you can address? Is there something that you could share with us?

Arun Chittilappilly: We are doing -- we do have capacity. I mean, of course, we don't get even footfall at any point in time. So they are highly fluctuating and volatile, depending on many, many factors. So remember, we'll be able to say that we will run at capacity every day, but it just doesn't work like that. Now one of the ways to improve your capacity utilization is to have more digital pre-sales. So that's what's happening now more on the online sales and more from the sales.

That ratio is going. It used to be 5% of the growth. And now it's more like 20% of my total sales. So that, I think, is a good indicator for us to-- so that we want to grow. And then hopefully, that will help us say that, the kind of football we'll have, for sure. But, I mean, it's still going to be, this business will always have an element of unpredictability to it. I don't mean we can completely wipe that out. Yes. Hope that answers your question.

Ashwini Agarwal: And another thing is that on sort of F&B and other products that you sell in the park, I mean, two, three years ago, you started in earnest. And I'm very happy to see -- and great job done by all of you in terms of the sales, which are other than the ticket sales, that's continuing to grow. Do you have any sense that you could share with us as to what's the headroom there? I mean you must have done an analysis that some people spend, let's say, INR 500, others spend nothing. And how do you activate...

Arun Chittilappilly: We are still building our intelligence in this aspect. Like I said, we really don't have too much insight on how people are spending and spending patterns. It's still -- we don't have too much intelligence there. We do know what the people are spending, and certain numbers of these restaurants are doing so much. But I don't have behaviour patterns of how people spend. So that will take -- like I said, once we have our system all in place, it's going to take us more time to understand how people spend.

But what we are doing in the meanwhile is to make sure that we have better offerings, we are seeing more non-ticket revenue spend. And that means that we are getting higher-paying customers compared to pre-COVID. Ticket prices also way higher. If you look at our ticket prices, it has gone up by almost 20%, 25% compared to pre-COVID. So that obviously is changing the profile of non-ticket spend also. So now according to that spend, we have to up the game in terms of non-ticket revenue.

So that is what we are doing right now. Now what ratio? I think 65 35 is possible in India, but the global -- this thing is about 60 40, but we may not get there because I think -- so that is the result also, and a lot of non-ticket spend have to grow. It will grow eventually. But I think right now, we are at 70, 75, 25. That can become maybe 65 35 or maybe 70 30 first; and then global is 65 35. So that's the way we look at it

Moderator: We take the next question from the line of Himanshu Upadhyay from o3 capital.

Himanshu Upadhyay: See, we have seen a significant growth in non-ticket revenue. So 311 has become 364 over last three years, okay? But can you give some an idea of what percentage of this growth in non-ticket revenue is from volume and value and more number of customers buying more, some...

Arun Chittilappilly: Satheesh will be able to give you more details on that.

Satheesh Seshadri: Yes, you are -- there is an impact on inflation also in this account, and we are done about 10% price increase. Okay, the balance is on account of volume there. And coming to the offerings, it is not just -- we can't tell the number on volume because the offerings we are trying experimenting various thematic food and also seasonal food items with our visitors, which have been very well welcomed by the visitors. So value, there has been a 10% decrease on account of inflation, and the remaining also on volume.

Himanshu Upadhyay: Okay. And any -- so the median -- this is 364 is mean, okay? And 311 was mean. But how is the median moved? Let's say, how many people are spending more on -- some more clarity on that. Or what we are doing has been helpful?

People are appreciating those services? How do you get a better understanding of that?

Satheesh Seshadri: Our NPS is more than 90%. We have continuously clocking in despite this good visitor improvements and growth. Our NPS has been consistently above 90%. And we are closely watching our customer service levels. We are focused on the customer experience. So it has been very consistent.

Himanshu Upadhyay: Sir, my question was on the non-ticket revenue. Let's say, X percentage of people were spending about 311. And now what is the number of people who will be -- so the percentage of people who are coming to the -- our space would be spending more. And one more thing. When the retail people are more, would have the...

Satheesh Seshadri: It is difficult to answer because we are not talking about one segment of people, okay? We are talking about a college group. We are talking about school group. We are talking about the corporate, okay, and also the walk-ins. The walk-ins normally spent -- that is 60% of the crowd do a good spend, okay? But if you take as crowd, walk-in or you take it as a group or college, the spend is going to be lesser, okay? I can very well put that. Nearly 60% of the people spend over INR 300, and the remaining 40 will spend INR 250 sub 300 rather.

Himanshu Upadhyay: So because what you stated earlier was the retail and the walk-in versus this has increased in this quarter versus Q2 FY '20. So again this footfall -- or the change in the footfall mix also helps in better...

Satheesh Seshadri: It will be -- one of the -- if you go back -- Arun has been insisting that currently, our group versus walk-in is at 40 60. We want to slowly move towards 75% walk-in and 25% group. So that is what our -- the more the retail, the ARPU will be better.

Moderator: Ladies and gentlemen, that was the last question for the day. I now hand the conference over to the company management for closing comments.

Arun Chittilappilly: Thank you all for attending our Q2 Investor Call. We hope to do better in the coming quarters. And like I said, I'm really looking forward to this year being a spectacular year for us. And yes, I hope to see you all soon. Thank you very much.



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Moderator: Thank you. On behalf of ICICI Securities, that concludes this conference call.
Thank you for joining us and you may now disconnect your lines.