



“Wonderla Holidays Limited
3Q and FY25 Earnings Conference Call”

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MODERATOR: MR. KARAN KHANNA – AMBIT CAPITAL

Moderator: Ladies and gentlemen, good day, and welcome to Wonderla Holidays Limited 3Q and FY25 Earnings Conference Call hosted by Ambit 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Karan Khanna from Ambit Capital. Thank you, and over to you, Mr. Khanna.

Karan Khanna: Thank you, and good afternoon, everyone. On behalf of Ambit Capital, I would like to welcome you all to 3Q and 9MFY25 Earnings Call for Wonderla Holidays Limited. From the management, we have with us Mr. Arun Chittilappilly, Managing Director; Mr. Saji Louiz, CFO; and Mr. Dheeran Choudhary, Chief Operating Officer of the company.

We would like to now begin the call with opening remarks from the management, following which we will have the forum open for an interactive question-and-answer session. Thank you, and over to you, Arun and Saji.

Arun Chittilappilly: Thank you, Karan. Good afternoon, everyone. This is Arun, Chairman and Managing Director of Wonderla Holidays. We are happy to present the 3Q and 9MFY25 financial results. We are, first of all, pleased to announce the successful completion of our recent fundraise through a QIP process, which generated significant interest and support from marquee investors. We appreciate the trust and confidence shown by the investor community in our growth strategy and long-term vision.

This quarter was encouraging, but also challenging for Wonderla, signalling some recovery that we've seen in -- especially in our Hyderabad Park. We have seen the best ever Q3 for Hyderabad since about 8 years of operations. Revenue for the quarter was INR121.5 crores, a degrowth of 2% compared to the previous year. The dip in revenues were mainly due to lower turnout in some of the key locations like Bhubaneswar and Cochin.

Our footfall for the quarter stood at INR9.18 lakhs. In terms of strategic initiatives, we've made significant strides across several key areas. We are on a digital transformation path and recently, our website has been revamped. And we are also in the process of doing many other initiatives, including ticket booking and POS. This initiative blends for both in-park and digital engagement.

So we've also relaunched our Mascot Chikku with the new attraction in our Kochi Park, also will be rolled out to our other parks. We also hosted some vibrant events such as our -- as WonderCon Bhubaneswar, Halloween in Bangalore and festive celebrations like Christmas and New Year. These events, combined with special promotions have played a key role in maintaining footfall and enhancing overall guest experience.

Additionally, we continue to see a rise in online bookings, particularly across our established parks like Kochi, Bangalore and Hyderabad, reflecting our successful efforts to adapt to a

shifting customer preferences and expand our online presence. With our continued focus on growing non-ticket revenue, our customer spend per head has grown by 9% and 12% for Q3 and 9 months, respectively.

On the expansion front, we are excited to share that our Chennai Park is slated to begin operations towards the end of the next financial year, most likely open -- will be open for commercial operations from December. The extension of our resort at Bengaluru is also proceeding at the right direction, and we expect to launch this by the beginning of next financial year.

All other sustaining capex activities across the parks are progressing as per schedule. We are excited by a lot of -- the tremendous opportunities that lie ahead to broaden our past portfolio and strengthen our position in the industry. Our outlook for growth is positive, especially long term, and we are confident of the industry growth, especially in India, which has a young population, etc.

With that, I would like to conclude my remarks and hand over to Saji, our CFO, for a detailed financial analysis.

Saji Louiz:

Thank you, Arun. Good afternoon, everyone, and thank you for joining the earnings call for Q3 and 9 months period ended FY '25. I'm happy to provide a comprehensive overview of financial performance for the quarter. Revenues for the quarter stood at INR121.5 crores compared to INR123.6 crores in the same period last year, reflecting a year-on-year minor degrowth of 1.7%.

Our EBITDA, including other income for the quarter was INR42.2 crores, down by 30.3% on a year-on-year basis. EBITDA margin for the quarter stood at 33.3%. Additionally, our profit after tax for the quarter amounted to INR20.3 crores, representing a degrowth of 45.7% compared to the previous year. PAT margins for the quarter stood at 16.1%.

Moving to the 9 months financial performance. Our turnover -- revenue reached INR361.8 crores, down by 5.6 percentage on Y-o-Y basis. EBITDA, including other income for the 9 months stood at INR140.9 crores, down by 32.8% on Y-o-Y basis. EBITDA margin stood at 37.5%. The profit after tax stood at INR98.3 crores and the margins are at 26.2% for the 9 months ended FY '25. In terms of our average revenue per user, our Q3 FY '25 stood at INR1,272 and for the 9 months, it stood at INR1,472.

Now moving on to our footfall metrics for our parks. For the quarter, our Bangalore Park recorded a footfall of 2.99 lakhs. Cochin Park welcomed about some 2.57 lakh visitors. Hyderabad Park achieved a footfall of 3.28 lakhs and then the newly launched Bhubaneswar Park recorded a quarterly footfall of about 34,000.

For the 9 months period, Bangalore at 8.54 lakhs, Cochin at INR6.7 lakhs, Hyderabad at 7.19 lakhs and then Bhubaneswar at 1.28 lakhs of visitors. Our average room rent at our Wonderla Resort as on -- for 9 months period stood at INR5,770 while occupancy stood at 52 percentage.

With that, I would like to conclude my remarks and open the floor for Q&A session. Thank you for your attention and then continued support.

Moderator: Thank you very much. We will now begin the question-and-answer session. We have our first question from the line of Himanshu Upadhyay: from BugleRock PMS.

Himanshu Upadhyay: Can you give some idea why the Q3 numbers were -- footfall was significantly bad for Bangalore and Kochi. And generally, Q3 is the 30% of the footfalls in a year. So some thoughts on that. And because in the last conference call, we stated that Diwali and Dussehra have been very good. So what happened in December? Some thoughts on that will be helpful?

Dheeran Choudhary: Yes. This is Dheeran here. So what happened in Bengaluru was we had a great Dussehra, but the second half, which is also a critical part in October, there was the sudden unexpected monsoon. In fact, you would have read news about Bangalore being under the flood. So it kind of derailed our entire revenue for 2 weeks, which kind of caused the dip. And in Cochin, we saw good growth in our retail footfall, but this was a big year for groups.

And unfortunately, due to certain health concerns, there was this whole meningitis issue that was playing in Cochin, a lot of school groups refrained from coming this year to the park. So that's why Cochin dipped. And Cochin also had -- the Kerala area also sent some groups closer to the Bangalore Park. So these were the 2 large challenges and concerns that caused the dip in Cochin and Bangalore.

Himanshu Upadhyay: Okay. And one thing. In Bhubaneswar, last quarter, we were at 93,000 footfalls, okay? And Q3, again, which was a festival, it fell down to 35,000 footfalls. And we are expecting that to do 3 lakh to 4 lakh footfall in first year. And we also stated that if we are seeing that footfalls are low, we can offer discounts and have good footfalls as the ARPU is still better than what we were expecting. So can you throw some light on what are the situation or what happened in Bhubaneswar means?

Dheeran Choudhary: So your numbers are not correct. Overall, for the first half of the year was 93,000. But last quarter, we had roughly about -- quarter 2, we had 24000 footfalls. So we actually, in quarter 3 versus quarter 2, grew our footfall by 42% quarter-on-quarter basis.

Arun Chittilapilly: (12:01) But the issue, I think weather is one of the issues we had. We had 2 cyclone events there. And also, I think because it's the first year.

And we don't -- I mean, we are new in the category actually in Bhubaneswar, most of the water parks that are existing in that area, they are operational mostly during summer only. And so the whole idea of going out to an amusement park during a winter season doesn't exist there. So we have to create the category. So I think that these are the 2 issues that we faced in Bhubaneswar.

Mostly the inclement weather like during Christmas also, which would have been a nice -- it would have been a nice season for us. There was a cyclone in Bhubaneswar, if you recall. So I think that's -- those are the 2 issues. I think going forward, especially from March onwards, I think we should be able to see good footfalls in Bhubaneswar.

Himanshu Upadhyay: Okay. Because in Hyderabad also when we launched in the first year, we were expecting -- we did around 6 lakhs plus footfalls. And here, even it seems 2 lakh could be...

Arun Chittilappilly:

Yes. This year, we didn't have the whole year in Bhubaneswar. I think like the majority of the summer was already over by the time we opened. So it's not really an ideal time. We just got like 1 month, I think, for summer. So I think summer is the main season in Bhubaneswar. So March, April, May, June seems to be the biggest footfall driving month in Bhubaneswar, and we missed most of it. We only got June. And then we opened, I think, on May 27, if I'm not mistaken.

So I think going forward, I think we'll get that. But I think Q3 also, there is a chance for us to get good footfall, but I think we will have to now -- this Q3, we couldn't get because there was a lot of warnings and cyclone warnings and all that. And so when that happens, especially in Orissa, they are prone to cyclones, People don't go out. So I think that's the main issue. I think we should be able to get back that in the next year.

Himanshu Upadhyay:

And any lessons to learn from this market on 9 months since what we have operated for smaller theme parks like Bhubaneswar, where we were -- we would like to build a park in INR200 crores plus. So what has been the experience? And do you think the business model makes still sense and...?

Arun Chittilappilly:

See, we still haven't finished 1 year as it's only been -- officially, the park was opened in September, and we had a soft launch phase from June to September. So I mean, we are -- technically, we are open only -- I mean, officially opened from September onwards because the park itself was not fully complete. So I think this financial year -- I mean, next financial year -- if you ask me, that is when we'll have a full idea of it. So I would say that it's -- I mean, I'm too early to say anything.

We are still bullish on the market because if you look at our ARPUs and spends and all that are very high. So that gives us a lot of confidence that there is -- and also if you -- I don't know whether you remember, but when we opened, the first 40 days was extremely crowded. In fact, we had to return a lot of people, and we couldn't accommodate all the people that came to the park.

So definitely, there is scope to do this. But I think it's highly seasonal in that market. So we will need to work accordingly. So that's -- so far, that's the learning. The potential is there, but I think it's also a highly seasonal market. And that tends to happen in a new park, especially in a place like Bhubaneswar where there are no existing amusement parks. So I think you can expect that.

Himanshu Upadhyay:

And one last question. Any progress on new projects? Or where are we stuck up with new projects? Now we have...

Arun Chittilappilly:

These are all with the government. So I mean, it's in the government's table. So we are waiting for some kind of closure on the deal. I think we should be able to announce something soon. We will keep you updated. Nothing has changed from our side. We are still -- as far as we are concerned, we are going ahead. But I think, of course, we are focusing mostly to kind of finish our Chennai project now. But I think we will announce one -- at least we should be able to announce one more occasion soon. We will keep you posted.

Himanshu Upadhyay: (15:30)

Okay thanks, I'll join back in the queue.

- Moderator:** We have our next question from the line of Naman Shah from Monarch Network Capital.
- Naman Shah:** Just one question from my side. Just wanted to understand on what are we doing to kind of increase our revenue and footfalls in existing parks? Because there, we are kind of seeing a lot of decline. So are we doing any incremental capex to kind of enhance our experience in the existing parks?
- Arun Chittilappilly:** Yes, yes. So we are doing a lot of incremental capex, especially in the older parks like Cochin and Bangalore. We are opening a new attraction. We have just opened a new attraction in Cochin at end of December, which is our Adventures of Chikku, right? And that will be rolled out to Bangalore and Hyderabad as well. I think it will be done as we speak. Then we are also launching a large attraction in Bangalore virtual attraction, which is already there in Hyderabad, but it's not there in the other parks.
- So -- and then also, we are probably adding some big rides to Bangalore and Cochin as well going forward because they are all much older parks. But we have also incrementally done capex, and we are also looking at adding some new restaurants to our older parks. So these things are happening. But the issue -- what has happened in the last quarter has nothing to do with that. I think we already -- the main issue was inclement weather and some group footfall that got diverted. I mean, we didn't get the group footfalls in Cochin.
- So these are the 2 main issues. But if you look at our general footfalls have been growing. So I think that gives us confidence that once the season kind of stabilizes, it should be fine. And Q4 anyway is not a very big quarter for us in terms of footfall. So far, I think we are flattish. Like I said, we are not expecting growth in this year. But going into the next financial year, we can definitely see growth, and that's how we are looking at it.
- Naman Shah:** Okay. Okay. And what led to such -- I mean, the footfalls in Hyderabad have been impressive this quarter. Is there any marketing or advertisement spend that led to such an outcome?
- Arun Chittilappilly:** No. Actually, the footfalls growth in Hyderabad has happened mostly from groups, which actually like we've not had huge group footfalls in Hyderabad from the beginning. But this year, we've been able to crack that. And so I think group footfall has disproportionately increased our Hyderabad footfalls. And I think we want to see a similar effect coming in our other markets also. We will expect to see that -- Dheeran will talk about it.
- Dheeran Choudhary:** It's also, if you see operationally, it's only 8 years old. So it's a newer market, and we definitely see a lot more potential. So that's something that we've been actually able to juice out in the last quarter. And we continue to stay bullish on Hyderabad being a big growth driver for us in the coming years.
- Naman Shah:** Right. So how much did group contribute to the revenue?
- Dheeran Choudhary:** Group footfall was about 42% to 45% of the overall.
- Arun Chittilappilly:** But that is annually, but this quarter it will be higher.

- Dheeran Choudhary:** This quarter is about 42% to 45%, which is -- last year, it was at about 36%, 37% because groups outgrew general footfall, we've been able to increase the SKU. But this is only for this quarter because it's usually the quarter when the school picnics happen.
- Naman Shah:** Right. And last question, sir. Just wanted to know the ARPU for Bhubaneswar for this quarter.
- Dheeran Choudhary:** For the year basis, it's about INR1,200 plus.
- Naman Shah:** Yes. And for this quarter?
- Dheeran Choudhary:** This quarter because...
- Arun Chittilappilly:** INR900 I think.
- Saji Louiz:** It's about INR1,030.
- Dheeran Choudhary:** INR1,030 because you get school groups, again, in Bhubaneswar also, we've been able to -- almost 45% to 50% of the footfalls in normal groups grew and groups usually because these are bulk deals, they come at a lesser average ticket price. That's why the difference in ARPU. But on a year basis so far, it's INR1,200.
- Naman Shah :** Okay that's it from my side.
- Moderator:** The next question is from the line of Angad Katdare from Sameeksha Capital.
- Angad Katdare:** My first question is regarding -- we have appointed a business head for tours and travels in the last quarter. Is this a new division? Like just wanted some rationality on the same. And if you could throw some light on the same.
- Dheeran Choudhary:** So we always had a business head for our tourism business. It comes under our overall group's business. We always had a business head managing the tour operator business. And obviously, now because we are -- we scale Bhubaneswar, we scale Chennai, we definitely feel that with also the government investing on tourism, we definitely feel in the mid- to long term, there is a good opportunity to work with large OTAs, tour operators to bring in the incoming FIT tourists across all our locations.
- So we want to build that business robustly. So that's something more of a midterm strategic initiative.
- Angad Katdare:** Okay. One bookkeeping question on the other expenses have increased to INR49 crores this quarter, a substantial jump. What has driven that?
- Saji Louiz (21:35):** There are a couple of things in the expenses front. If you can see we have this employee stock option plan release in last year, which is having an expense of about INR2 crores in every quarter. And then apart from that, we spend about INR3 crores, INR3.5 crores for our marketing, almost for onetime expenses. This is for the video shoots for Dussehra activities and all. Apart from these exceptions, there are no more additional spend during the quarter.

And then we have made a little bit of staff expansion compared to the last year. We have made about some 67 number of people joined our company when you compare with the previous quarter.

Angad Katdare: Okay. And if I look at the 9 months period, our average ticket price has fallen by 2%. So for this year, -- is it safe to say that going forward, our focus will be on increasing footfall, so that will like.

Dheeran Choudhary: Yes.

Arun Chittilappilly: Yes. So I think, see, the way we look at ticket prices, it's also a function of demand. So whenever we see demand weakening maybe because of weather or other issues and we see intent to visit is low, we play with pricing. So we are slowly going towards a dynamic pricing kind of a model that we use discounts and other methods, mostly for online footfall. So that's why you'll see ATPs will keep fluctuating a little bit, especially in Q2, Q3 and Q4.

Angad Katdare: Any comments on the guidance for FY '26 on the ARPU and footfall side?

Arun Chittilappilly: We don't give guidance, but we are hoping that Q1 of FY '26 should be stronger because that's the first time we will have an entire Q1 for Bhubaneswar. And also, I think Bhubaneswar, we are still in the kind of a launch -- semi-launch phase in the last year. So I think this is the first time. I think next financial year, we hopefully -- March onwards, we can see Bhubaneswar numbers pick up. Other than that,

I think our footfalls in the existing other markets like Bangalore, especially and Cochin were lower last year summer. So hopefully, we can see a recovery in that also.

Angad Katdare: Thankyou, I 'll get back in the queue.

Moderator: The next question is from the line of Prolin Nandu from Edelweiss Public Alternatives.

Prolin Nandu: Just on the footfall side, right? I mean, this year has been quite peculiar in sense that there have been a lot of weather-related issues, exigencies, which have probably related to lower footfall. But I just wanted to understand that one of the reasons why we embarked upon, we raised money was to probably grow aggressively, and we could see demand after COVID had shot up, right?

Does the experience this year anyway change our long-term outlook in terms of a mature park being able to generate a footfall of, let's say, 10 lakhs per year or that assumption still holds true?

Arun Chittilappilly: Yes, yes. It still holds. It still holds. See, inclement weather is always going to be an outlier, and it's not going to -- you can throw off any number for any kind of discretionary spend, especially wherein you want people to actually travel to a location and experience that any kind of tourist places is susceptible to inclement weather. So that is the one wildcard that we will not be able to predict for.

But other than that, I think we are not seeing any kind of -- we are not changing our strategy because we feel that there is demand. ARPUs are strong. So I mean, in that sense, we are not worried about it. And also the lack of other amusement parks also. So there are not too many

direct comparisons for us. Most of the markets that we operate, we are the #1 player. So I don't see any other long-term issues.

Prolin Nandu: Sure. So let's say, if we remove some of these days or one of these -- some weather-related issues, do we continue to see the trend of, let's say, pent-up demand, which we had seen post-COVID.

Arun Chittilappilly: There's no pent-up demand anymore. I think demand has normalized. So that pent-up demand phenomenon happened only in '22 and '23. So now I think we are coming to a more of a normal situation. But I think some of these weather events, if you can remove, I think we'll see -- I mean, we can look at a better footfalls from that perspective, I think.

Prolin Nandu: Understood. So that 1 million still holds, right? I mean, on an average...

Arun Chittilappilly: Yes. No, we want more than that. 1 million is not good enough for us anymore. So...

Prolin Nandu: Great. That's good to know. Good to know. So and some of -- you have made some investments also, right, made some changes also, right? So let's say, in '26, you mentioned that some of the parks are older, you are adding new rides there. So does it mean that, let's say, when we enter Q1 of FY '26, we will have dual levers of having these changes also which we have made and then footfall should also normalize.

And because demand comes back, we will be comfortable in getting back to our long-term 5% kind of ARPU increases. Is that a right way to probably summarize how you look at FY '26 right now?

Arun Chittilappilly: Yes. I think last year, like I said, this financial year has been tough for footfall growth. In fact, our footfalls have degrown in especially the older markets and even in Bangalore, which is our biggest park. So we have done a substantial investment in new rides in all these parks. So I think these will kick in by the end of this -- by March, I think we'll be opening the latest attraction.

We are opening a new attraction in Bhubaneswar also because Bhubaneswar, what has happened is when the people come, they all come -- seem to come in that very 3, 4-month window, we have huge footfalls coming. And last year, what happened was we were not ready and we were not able to accommodate a lot of those visitors. So I think we are doing some corrective action there.

So I think for summer, we'll be ready with some new attractions even in Bhubaneswar also. So Bhubaneswar, Cochin, Bangalore, even Hyderabad, all 4 parks will have new attractions going into summer. So I think we should be able to accommodate more footfalls, and we should be able to market it more effectively as well.

Prolin Nandu: Sure. So just to understand these new attractions, are these in place of the older rides? Or are you using the land that you have, which is unutilized and expansion...

- Arun Chittilappilly:** It's a mix and match. Some are new attractions, like, for example, the new attraction, Bhubaneswar is a new attraction, which we didn't have before. Bangalore, we have discontinued an old attraction, and we are making into a new attraction, a theatre attraction.
- Prolin Nandu:** Understood. And I saw your LinkedIn update as well, and you mentioned on this call as well. Am I correct that you are expecting December '25 to be the date or month in which your Chennai Park will be -- will start?
- Arun Chittilappilly:** December 2025, we are hoping to open the park to public. A soft launch at least, not a full launch, but at least a soft launch will be done by December 2025.
- Prolin Nandu:** Okay. Okay. And so it's on -- in line with whatever we were expecting, right? There have been no delays there.
- Arun Chittilappilly:** We were supposed to open in June or July of '25, but that is delayed to December '25. That's the only change.
- Prolin Nandu:** Okay. Understood. And just in terms of the pipeline, right, you mentioned that the ball is maybe not in our court and it's at the government's end. But in terms of our outlook of maybe building the capabilities of maybe starting 2 to 3 new parks in a year rather than just in a year. Is the pipeline in terms of adding new states, new states showing interest, is that increasing? Or is that -- how should one think about them?
- Arun Chittilappilly:** There's no change there. It's just that they have their own procedural delays in doing this kind of activity. So any time the government has to release or part with land, there is a lot of procedure, so I think that is some -- those delays, I think that is what keeping them. But other than that, from our side, there is no lack of interest or I mean the government is also -- governments have also been very, very supportive, especially UP government, Madhya Pradesh.
- So we are following up with them. And hopefully, we'll have some results. We will update you.
- Moderator:** The next question is from the line of Yashodhan Nerurkar from Ionic Wealth.
- Yashodhan Nerurkar:** So firstly, I wanted to know about the QIP. So after listing -- this is the first time you will be raising funds. And I mean, basically, you've been generating a lot of cash anyway that the last 2 years, if I have to consider, it's almost INR180 crores and INR200 crores. Before that also you are averaging somewhere INR100 crores. So if you have raised the QIP -- funds through QIP, can you just explain how and how the funds are going to be used? What is the utilization going to be like? And in how much span are you going to utilize it?
- Arun Chittilappilly:** So the QIP fund mostly will be used for Chennai and some of it will be used for our other new projects and some of it will be used for our existing projects like Bangalore. So these are between Bangalore, Chennai and some new projects. This is how the new -- this QIP will be used for that.
- Yashodhan Nerurkar:** Will be fair to say that...

- Arun Chittilappilly:** Chennai will be used quickly. Bangalore also will be used within a year, it will be finished. And that the general corporate purposes, we have kept some money. So that could be used for the new projects.
- Yashodhan Nerurkar:** Right. And -- I mean, would it be fair to say that more than 50% of the funds raised will be used for Chennai? Or would it be equally split between others?
- Arun Chittilappilly:** Around 50%.
- Yashodhan Nerurkar:** 50% for Chennai?
- Arun Chittilappilly:** Yes.
- Yashodhan Nerurkar:** Okay. And I mean, this -- and the previous quarter has seen some sharp rise in employee expenses over the previous year. So that is on account of addition of newer employees for the newer parks.
- Arun Chittilappilly:** Newer parks and Bhubaneswar, for example, in the existing parks also, we have added some people because we are -- from a 3-location company, we are becoming a 5, 6 location company. So some extra hands are required. So that's.
- Yashodhan Nerurkar:** And you mentioned you added some 67 employees. I mean, did I get it right? Or...
- Dheeran Choudhary:** Yes.
- Arun Chittilappilly:** Yes, I think half of them are on the sales team, right?
- Dheeran Choudhary:** So we are increasing the presence in some of our sales markets. So sales and marketing will see some increase in employees.
- Yashodhan Nerurkar:** Okay. Okay. And just wanted to get a sense on what is your plan? See, I mean, we know that to some extent, this is a cyclical business. The footfalls aren't always going to be rising continuously. But what is your plan as to increase the footfalls on a consistent basis? And again, I mean, when I look at the ticket prices, there's a hardcore ticket price and friendly spend.
- Arun Chittilappilly:** So I lost the last question...
- Yashodhan Nerurkar:** Can I repeat?
- Arun Chittilappilly:** Yes, please.
- Yashodhan Nerurkar:** Yes. So basically, I was just asking this question, I mean, this company in the business is of a nature where the footfalls are going to be a little cyclical, right? And again, the weather is a factor on which we don't have any control. So one, how -- like what are your plans over a longer term to increase the footfalls on a little consistent basis? That's one. And secondly, if I look at the ARPU, that is majorly based on 2 components. One is the ticketing price and one is the food and beverage.

Now food and beverage, again, wouldn't be in your control, but again, the ticketing price would be in your control, where you can't increase the ticket rate sharply, where you would see lesser footfalls. But again, I mean, you can dynamically play it around. So what is your overall -- how would you make sure that the ticketing revenues are good enough as well as the footfall increases consistently over a period of time?

Arun Chittilappilly:

See, I think the business -- any kind of tourism business will always have weather being one of the issues that can create dips in footfalls. And that I don't think we can change. We can do a couple of things. One is to have more geographies where we can -- so we can hedge our -- we can grow in size and also hedge our bet in terms of weather issues. The other thing is we have more tickets sold online and booked in advance so that we can lock in footfall.

So we are doing both. And if you see our footfall, almost more than 50% or 55% of our footfall -- general footfall is now prebooked and online footfall. So that, I think, is something that we will keep growing. Like I said, we are investing heavily in our sales and marketing so that we are -- and also, we are also investing in our digital transformation.

So all these things will help us to make sure that a lot of our footfalls are prebooked days or months in advance so that we are not dependent on these last-minute cancellations. So that is one strategy. And of course, the other one is to be geographically in diverse locations so that one or even if there is inclement weather issues, the footfalls will come from multiple locations.

So these are the 2 things that we can do. And also having newer attractions, which are -- we have more -- especially going to other cities where we're having more covered areas and things like that. So insulated a little bit from the weather, but we can't completely eliminate that factor.

Yashodhan Nerurkar:

And by any chance, do you keep a tab on the repeat customers or the same customer, is he coming, you do? And any idea if you can share like what percentage of the total footfall would that be?

Saji Louiz:

I think almost 30%, 40% of our footfall is people who have visited us before.

Yashodhan Nerurkar:

In the same year, you're talking about, right, in the same financial year?

Saji Louiz:

I mean they have visited -- the same year will be less than 10%.

Yashodhan Nerurkar:

Okay. Fair enough. Fair enough.

Saji Louiz (38:09):

And one more thing is ARPU is a combination of ATP and SPH. SPH is also we maintain in our parks. So entire restaurants chain in our parks are managed and operated by Wonderla. I mean we also do a lot of interventions to get more revenue out of non-ticket revenue. You can see...

Yashodhan Nerurkar:

Correct.

Saji Louiz:

About 9% and 12% of growth is there even in Q3 and 9 months period.

Yashodhan Nerurkar:

Okay. Fair enough. Fair enough. That's it from my side.

- Moderator:** We have our next question from the line of Vedant Bhasin from Minerva India.
- Vedant Bhasin:** Number one, if you could just quantify the impact of precipitation in each park because I think we've spoken about the weather events quite a bit. I just wanted to know if you can maybe tell us how much footfall would have been if not for those days lost because of rain.
- Arun Chittilappilly:** Hard to quantify, but I mean if you look at our footfall has degrown by about roughly 14%, right? In our existing park.
- Saji Louiz:** Bangalore about some 14% and even the Cochin Park also same.
- Arun Chittilappilly:** Bhubaneswar also I think we lost maybe about 30,000, 40,000 people because of that. So I think if you look at the dip itself, it's a good indicator of what kind of footfalls we would have lost in that -- in those weather events. Mostly weather events is what played against us in the last quarter.
- Dheeran Choudhary:** But to give you a sense, Christmas was a clean weather, good occasion. Our campaigns were successful. We saw double-digit growth in footfalls, right? So when we see that.
- Arun Chittilappilly:** But except Bhubaneswar, where there was...
- Dheeran Choudhary:** Except Bhubaneswar...
- Arun Chittilappilly:** Park on park.
- Dheeran Choudhary:** We saw growth of double digits. So when there is a good weather and we are able to run campaigns successfully, we are able to see that we are able to generate demand.
- Vedant Bhasin:** Got it. So maybe about 20,000, 30,000 is what we lost in Bhubaneswar. And then would you say similar numbers in Kochi and Bangalore?
- Arun Chittilappilly:** Kochi, I think we lost more.
- Dheeran Choudhary:** We lost a lot more because groups in quarter 3 plays a big piece. So we would have lost 60,000, 70,000 because of the meningitis issues that were in all schools. So I would say Cochin would be a lot more.
- Vedant Bhasin:** Okay. And Bangalore, similar then to Kochi.
- Dheeran Choudhary:** Almost like 50,000 roughly in both the parks, each of it.
- Vedant Bhasin:** Okay. Got it. And next, this was a more general question. So Hyderabad, we've seen now it's sort of come to fruition. It's come to sort of a stable region where the footfalls are growing. So would you say in general park when you set it up, it would take maybe 5-plus years for it to get to such a stage? Or is it sort of special in Hyderabad?
- Arun Chittilappilly:** I think it depends on the market. Some markets, it come quickly. Like, for example, Cochin, we had -- yes, I mean, I think for -- to reach 1 million footfalls, I think it takes about 5, 6 years.

- Dheeran Choudhary:** Five, six years. Hyderabad is a bit off because after 4 years of starting, it was shut for 2 years because of COVID. So it was -- again, we had to restart. So it had a break. But yes, I think our last metro city would take 4 to 5 years to get to at least 1 million footfalls.
- Vedant Bhasin:** Got it.
- Arun Chittilappilly:** That we are hoping that in Chennai it will happen a little faster because we are a much more well-known brand in South.
- Vedant Bhasin:** Right. Okay. And if you could maybe just give a capex guidance for next FY '26, FY '27?
- Arun Chittilappilly:** Presently whatever is as per object as per QIP, which is for our Chennai Park and then certain other extension in our existing parks like Bangalore, one ride and then the refurbishment of our resort, all those things are already planned as per the QIP. And apart from that, we generally spend about some 10% of revenue towards the capital expenses as a ride expansion or maybe restaurant building and combination of this.
- Vedant Bhasin:** Okay. So maybe in the INR400 crores to INR500 crores range?
- Arun Chittilappilly:** You're talking -- including the new park and other facilities? Yes.
- Vedant Bhasin:** Yes, yes. Got it. And one last question I had. So you had mentioned on some earlier calls that it takes about INR300 crores to INR500 crores to set up a new park, and it took around INR200 crores for Bhubaneswar. So would it be fair to assume that since Bhubaneswar is leased, about INR200 crores is the cost for setting up just the rides. Is that fair?
- Arun Chittilappilly:** Yes, yes. Not the rides, the entire park, there are a lot of things. Setting up a park for us in a Tier 2 city, you're looking at around INR200 crores and for a large city, about INR500 crores.
- Vedant Bhasin:** Okay. And so how much would be exactly the rides cost be? So out of this INR200 crores, how much do you think was spent on rides?
- Arun Chittilappilly:** I would say 60%. 60% will go on rides, 40% will be other things, buildings, restaurants, pathways.
- Dheeran Choudhary:** Utilities.
- Arun Chittilappilly:** Utilities sort of thing.
- Vedant Bhasin:** Okay. So about INR120 crores. And this INR120 crores, is it mainly imported because I think there was talk some time back about maybe manufacturing our own rides, some of them as well.
- Arun Chittilappilly:** I would say half of them are made by us and the other half would be imported.
- Vedant Bhasin:** Thankyou so much
- Moderator:** We have our next question from the line of Monish Ghodke from HDFC Mutual Fund.
- Monish Ghodke:** Sir, how much annualized footfall you expect in Bhubaneswar on a normalized basis?

- Arun Chittilappilly:** I think once it kind of fully matures, we are expecting between 5 lakhs and 6 lakhs, 5 lakhs to 6 lakhs footfalls.
- Monish Ghodke:** Okay. And by when do you expect it to reach that number?
- Arun Chittilappilly:** Four, five years.
- Monish Ghodke:** Okay. And sir, once it -- I mean, at what level it should breakeven? I believe, I mean...
- Arun Chittilappilly:** Two lakhs, it will breakeven. 2 lakhs or 2.5 lakhs.
- Dheeran Choudhary:** 2 lakhs.
- Arun Chittilappilly:** 2 lakhs.
- Monish Ghodke:** Okay. And that by when you expect to have that kind of footfall?
- Arun Chittilappilly:** That should happen next year. Next financial year, it will happen.
- Monish Ghodke:** Okay. And sir, I believe we are also planning a park in Madhya Pradesh, right? So how much capex are we doing there?
- Arun Chittilappilly:** Similar, INR200 crores kind of size.
- Monish Ghodke:** So that would also take like 3, 4 years to get matured, right?
- Arun Chittilappilly:** Maybe a little faster because it's a slightly bigger city. But yes, it's hard to predict at this point.
- Monish Ghodke:** But then, sir, if I see the payback period of this business, then it comes to like 8 to 10 years, right?
- Arun Chittilappilly:** Within 8 years, I think we are expecting.
- Saji Louiz:** It's capital heavy, so front-loaded everything. So it will just 4 to 5 years for a smaller park, maybe 7, 8 years it will take for a large park, like even in Tier 1 cities and all, it will take some 7 to 8 years.
- Monish Ghodke:** Okay. And sir, I know I think you have answered this before. I mean the kind of degrowth we had, it was because of some weather factors or some specific issue like some virus. But are you seeing any kind of cyclical slowdown or any kind of overall consumption?
- Arun Chittilappilly:** The small impact of that also is there.
- Dheeran Choudhary:** I think clearly, the macro environment factors, a lot of other consumer companies have also stated out about the slowdown in discretionary spend. So I think that also implies to us.
- Monish Ghodke:** Thankyou
- Moderator:** We have our next question from the line of Amit Agicha from HG Hawa.

- Amit Agicha:** First and foremost, congratulations to the entire team at Wonderla Holidays on exceptional achievement of being India's most visited amusement park. Most of my questions have been answered. Like I just wanted to know like what are the total number of employees the company has and the new park, which is coming up in MP, where is the location?
- Dheeran Choudhary:** We have 800 to 850 people are there on on-rolls and then we have about some 1,800 people will be there on off-rolls as well as of now. It will grow. And when we have a new park, every park will have at least 700 to 800 new employees. The new park in Madhya Pradesh, we are planning between Madhya Pradesh -- sorry, between Indore and Bhopal. Can you hear us?
- Moderator:** Amit sir? As there is no response, we'll move on to the next question. The next question is from the line of **Krutika Prabhudesai** from Mirae Asset Sharekhan.
- Krutika Prabhudesai:** So first on the footfalls, we have around 23.7 lakh footfalls for 9 months. And sir just mentioned that we expect footfalls to be flat for FY '25. So is it that Q4, we see a good amount of growth in footfalls, your view on the same?
- Arun Chittilappilly:** No, what I meant by flat is like quarter-on-quarter, it should be flattish. We are not expecting much growth in Q4 because Q4 is anyway not much of a weakish quarter. And any growth in footfall usually happens in Q1 or Q3 for us usually.
- Krutika Prabhudesai:** Okay. Okay. All right. And also on the margin front, for 9 months, whatever we have margin of around 37% for EBITDA margin. So for the full year and for the next 1 or 2 years, what do we expect the margins to move ahead?
- Saji Louiz (49:25):** So it depends on when we are opening up the park, generally, there will be expenses, which is not corresponding to the revenue what they generate, so which can impact our EBITDA for a temporary purpose -- temporary period. this can be about 35% to 40% if you historically observe the EBITDA margin of the company, so you can see about pre-COVID, it was about some 35% to 40%. And after COVID, after adding another 2 years, post-COVID, it's about some 40%. So it's always -- 35% to 40% would be the expectation, I feel.
- Krutika Prabhudesai:** **Thankyou that it from my side.**
- Moderator:** We have our next question from the line of Kaustubh Pawaskar from ICICI Securities.
- Kaustubh Pawaskar:** Sir, my question is on the non-ticketing revenue. So this quarter, we have seen Bangalore, Kochi non-ticketing revenues growing by around high single digit. So should we expect consistent kind of growth in non-ticketing revenues in this range only high single digit to low double digit, considering the fact that you are putting a lot of investment to increase the contribution of non-ticketing revenues?
- Dheeran Choudhary:** Yes. I think a lot of investments are made to continue to build on our non-ticketing revenue. If you look at our last 4 years CAGR also, we've been at about 11%. And we continue -- we are bullish on driving our ARPU through our non-ticketing revenue. So we expect moving forward also anywhere between 9% to 11%, we want to build our sales per head.

- Kaustubh Pawaskar:** And just one long-term continuing to this question. Non-ticketing revenues generally have better margins than what -- the ticketing revenues.
- Arun Chittilappilly:** It's almost the same, 50% margin.
- Kaustubh Pawaskar:** Okay. It is almost the same. Okay. Because I just wanted to understand whether mix, if you -- once the mix improves, whether that will also add on to your margins going ahead. Just wanted to understand that part.
- Arun Chittilappilly:** It depends on our product assortment, our menu mix. So there are a lot of permutation combinations, but usually, it's similar. We keep learning and trying to improvise to see how we can optimize it. But so far, it's similar.
- Kaustubh Pawaskar:** Thankyou
- Moderator:** We have our next question from the line of Angad Katdare from Sameeksha Capital.
- Angad Katdare:** Sir, my follow-up question is on the -- you mentioned that the new park may be announced in the near future. Will we need more capital for the same?
- Saji Louiz:** No, no, we will not need any more capital. It will be -- all the future thing will be done through a combination of internal accruals and maybe some debt.
- Angad Katdare:** Okay. And how much debt are we comfortable debt to equity?
- Saji Louiz:** It's about some 30% of the total spend, that is what we are thinking of from the debt.
- Moderator:** The next question is from the line of Richa from Equitymaster.
- Richa:** My question is that this Chennai Park has been shifted by a few months. So has there also been some escalation in the capex that was estimated for the park? And if so, what is the expected capex?
- Saji Louiz:** No, we don't expect any escalation in the course because we already placed the order. There's only a slight delay because of some weather and other conditions. So we are not expecting any increase in the cost of...
- Arun Chittilappilly:** Only inclement weather that is part of the delay. I mean all our costs are [Inaudible 51:45] only. There is not much. Maybe some small change here and there can happen, but nothing major.
- Richa:** So this cost is around INR5 billion. Am I correct?
- Saji Louiz:** Yes, INR515 crores.
- Richa:** Okay, INR515 crores. Okay. And sir, for the Chennai Park, what kind of time line do you foresee for the park to breakeven? Like I think for Orissa, you mentioned FY '26, but...
- Arun Chittilappilly:** Within the first full year of operations, I think we should be able to break even.

- Richa:** Okay. Okay. And is there any time line for MP Park?
- Arun Chittilappilly:** It will be soft launch period. And then after that, I think we should be able to break even.
- Richa:** Okay. And is there any time line for the MP Park? Like when can we expect it to come up?
- Arun Chittilappilly:** We don't know the time line. We will keep you updated once we have some...
- Richa:** Thankyou and all the best.
- Moderator:** Ladies and gentlemen, that will be the last question for today. And I now hand the conference over to the management for closing comments. Over to you, sir.
- Arun Chittilappilly:** Thank you all for joining Wonderla Holidays 3QFY25 results update. We continue to be bullish on the sector, and we hope to take the Wonderla brand to more cities and give better experience to all our guests. Hope to see you in the next call. Thank you again.
- Moderator:** Thank you. On behalf of Ambit Capital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.