



theme park • water park • snow park • hotel

February 09, 2018

The Manager DCS - CRD BSE Limited Phiroze Jeejeeboy Towers Dalal Street, Fort, Mumbai- 400 001 Fax No.: 22722037/39/41/61/3121/3719 <u>BSE Scrip Code: 539056</u>	The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (E) Mumbai- 400 051 Fax No.: 26598237/38 <u>NSE Scrip Symbol: ADLABS</u>
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Dear Sirs,

Sub.: Investor presentation on Q3 & 9month ended FY18 Results

Pursuant to the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith an investor presentation on financial results of the Company for the quarter and nine month ended December 31, 2017 and the same is also uploaded on Company's website.

You are requested to take the same on records.

Thanking you,

Yours faithfully,
For **Adlabs Entertainment Limited**

Mayuresh Kore
Chief Financial Officer

Encl: As above

Adlabs Entertainment Ltd.



ADLABS
Entertainment Limited

**badi interesting
jagah hai...**

Investor Presentation – February 2018

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This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the company.



Imagica : Heralding a new era in outdoor entertainment



- India's first true theme park and family entertainment destination, which has deployed the latest technology from reputed international vendors and conceptualizing unique and indigenous themes customized to appeal to the rapidly growing Indian consumers.
- A 'mega-tourism' project recognized by Govt. of Maharashtra, situated off the Mumbai-Pune Expressway ensuring excellent connectivity to key metros of Mumbai, Pune and other cities – one of the best catchments in India
- Has become a well established brand and a preferred entertainment destination serving nearly 6.0 mn visitors within a short span of time.
- Project conceptualized and pioneered by Indian media and entertainment entrepreneur, Manmohan Shetty, having over 30 years of rich & varied experience.
 - Promoter's impeccable credentials have gone a long way in successful execution and financial closure for this first of its kind venture in India



Management Team

**Mr. Manmohan Shetty,
Chairman & Managing Director**

- A veteran from the film industry
- A Pioneer in film processing, 'IMAX' technology & Multiplex Revolution in India



**Col Ashutosh Kale,
Joint CEO**

- Over two decades of experience in the safety and security largely serving the Indian Army
- He has worked with Go Air and has been awarded by United Nations



**Mr. Dhimant Bakshi,
Joint CEO**

- Over two decades of experience in Retail
- Has worked with Future Group, Reliance Retail, Shoppers Stop, Globus & Piramyd Retail.



**Mr. Mayuresh Kore,
Chief Financial Officer**

- 14+ years of experience in Project Finance, Treasury and Investment Banking
- Has worked with Centrum Finance Ltd, Walkwater Media Ltd. and Adlabs Films Ltd



First and Only Global Scale Theme Destination in India



2013: Theme Park

All-weather theme park spread over **132** acres with **25** rides and attractions targeted at visitors of all age groups with an estimated daily capacity of **15,000** guests

2015: Novotel Imagica

287 keys family hotel to be managed under the name “Novotel Imagica Khopoli”

116 keys (Phase I) opened to public on 16th Sept 2015



2014: Water Park

A Mykonos theme based water park with **14** water slides and wave pools with an estimated daily capacity of **5,450** guests

2016: Snow Park

India's Largest Snow Park with **100%** natural snow



Key milestones & customer testimonials

Achieved a milestone of entertaining nearly **6.0 mn** guests since launch

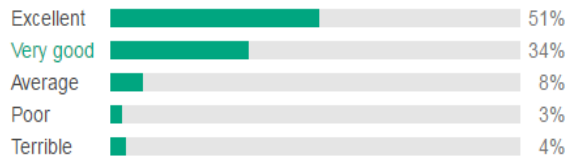
Non-catchment including Gujarat activation has resulted in **~35%** contribution for FY17

Highest ever footfall for New Years i.e. 31st December 2017 of **~ 14,000**

Theme Park Rating

4.0 

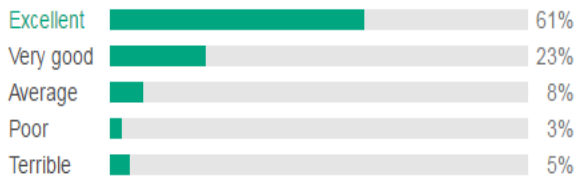
2,548 reviews



Water Park Rating

4.5 

1,480 reviews



TRIPADVISOR

5/5

(Ratings)

“I visited lots of amusement park in America, London, Singapore and Malaysia but Imagica is the best amusement park in India...i visited last week with my family and I really enjoyed, spl. Scream machine,nitro and deep space is the excellent rides in imagica..very safe rides, reasonable price compare to other countries amusement park, food is very costly and not good also..but park is fantastic...”

5/5

(Ratings)

“A must visit place if you stay in Mumbai Pune, opt for the Ghar Se Ghar Tak Package, it includes everything and it is value for money.”

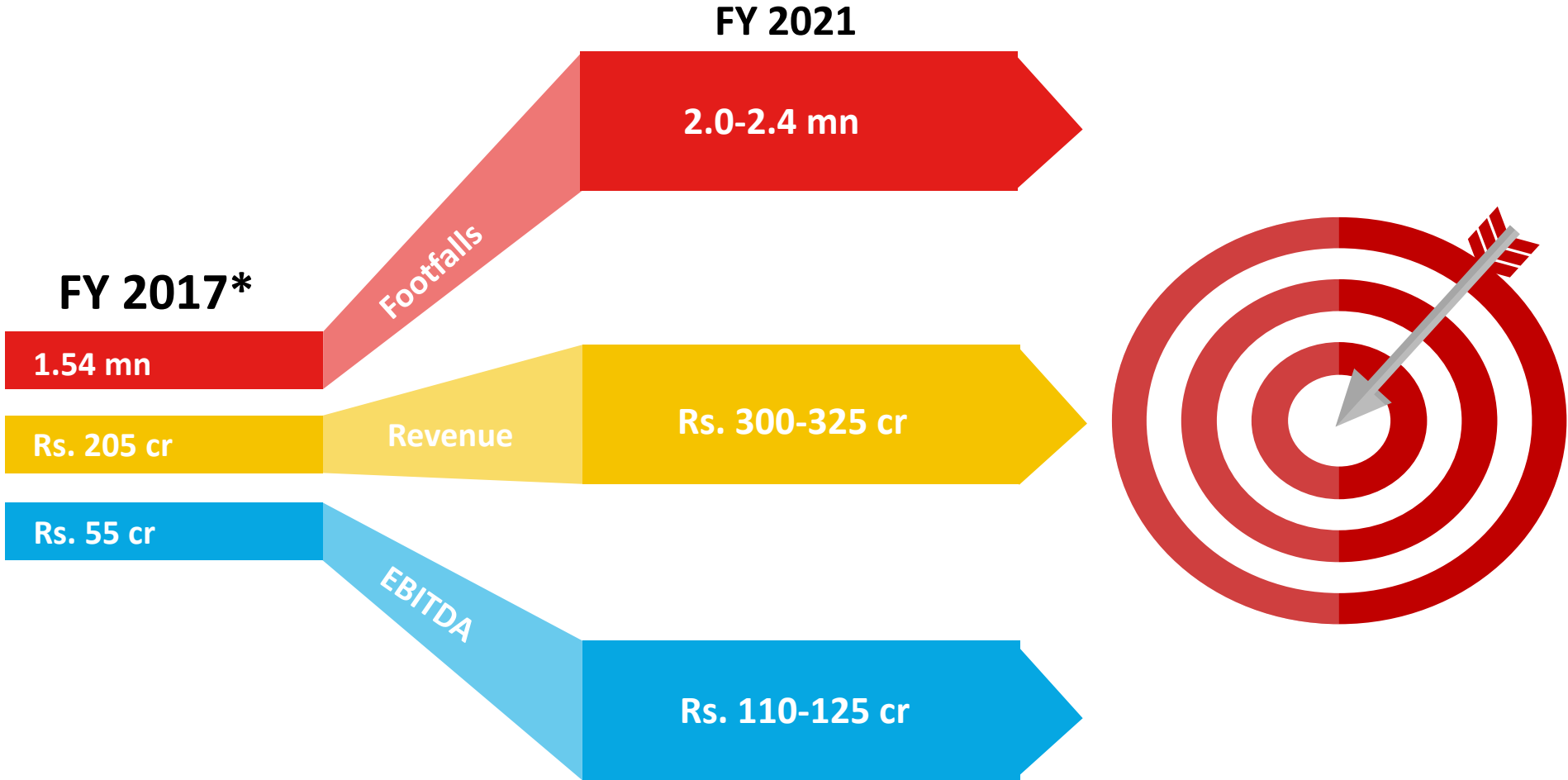
4/5

(Ratings)

“Visited today with my two grown up sons, got there just on opening so got into rides pretty easy, later in the day there were longer rides for some slides. They were all top class rides and great fun. We also ate a thalli meal which seemed good value and was nice. Even though it rained the whole time we were there we had a good day, spending solid 5 hours wet...”



Vision 2021



*Excl. Hotel



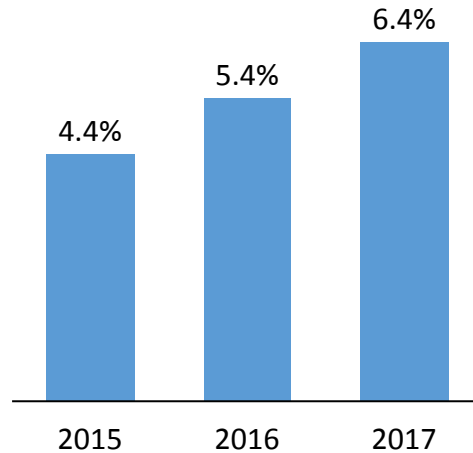
Demographics and macroeconomics: Strong cues for growth in consumer discretionary spending



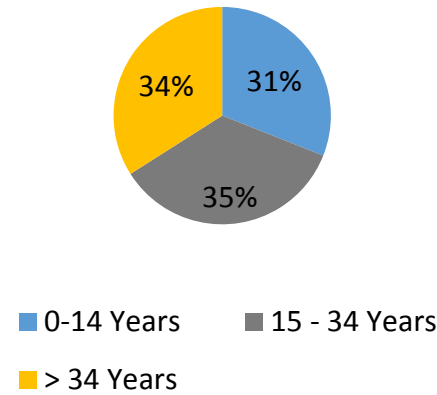
Favorable Demographics

Strong growth, working population & rise in household incomes

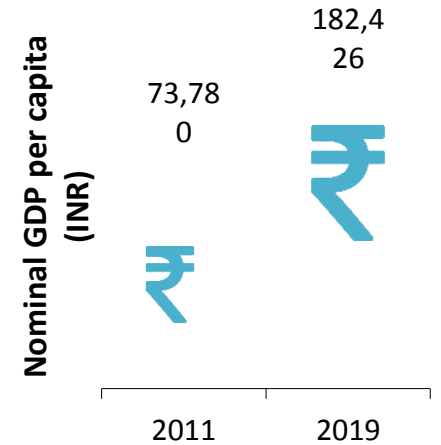

Robust GDP growth



Young population



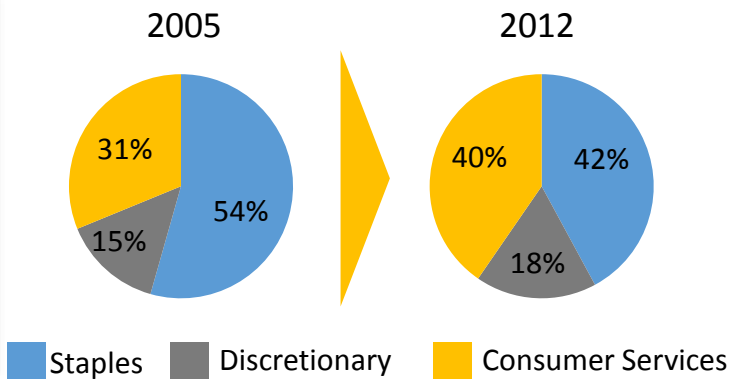
Rising per capita incomes

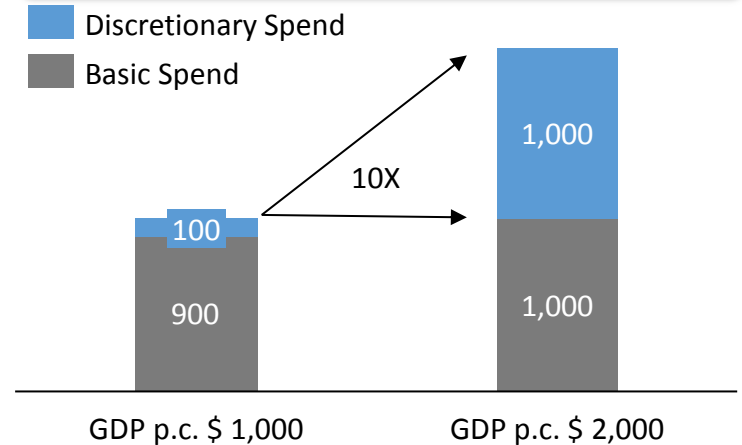
Shift in consumption patterns

Growth in leisure activities outpacing growth in GDP per capita

Growing consumerism – share of spending

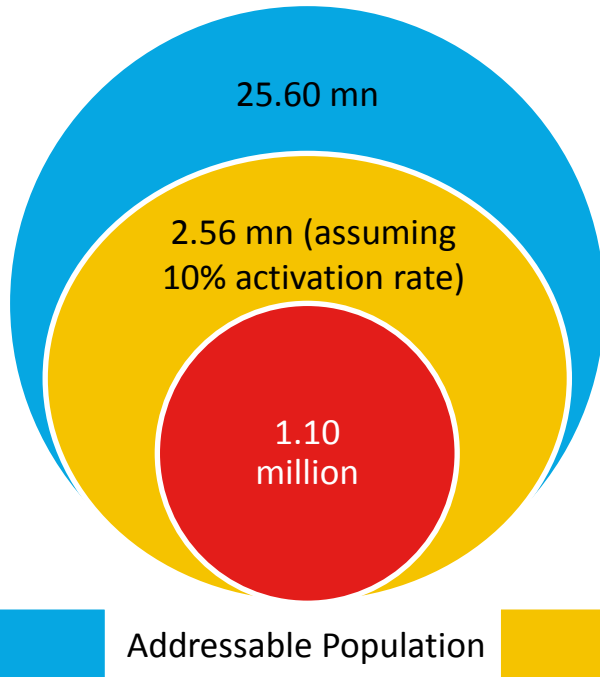


GDP Per Capita x 2 = Discretionary Spend 10X

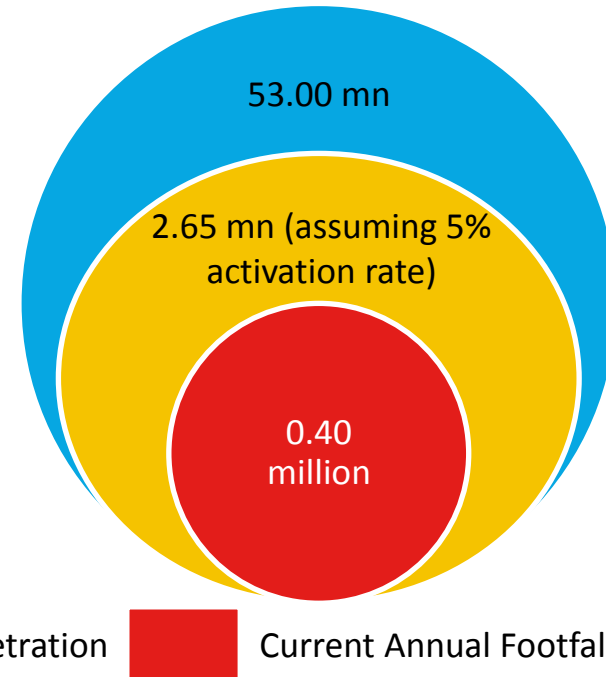


India – Still an underpenetrated market

Primary Catchment Potential



Secondary Catchment Potential



- Addressable population for the primary and secondary catchment are 25.6mn and 53mn, respectively
- Till now, Imagica has only activated 15% of the of the addressable population in the catchments
- Currently, Annual activation is at 4% and 2% for primary catchment and secondary catchment, respectively
- It has a potential to activate 10% and 5% of the primary and secondary catchment, which would lead to an annual unique visitation of 2.56mn and 2.65mn for primary and secondary catchment, respectively



India lacks a complete family entertainment destination

Imagica has a critical first mover advantage



Significant gap in market for World Class Live Entertainment Destinations in India

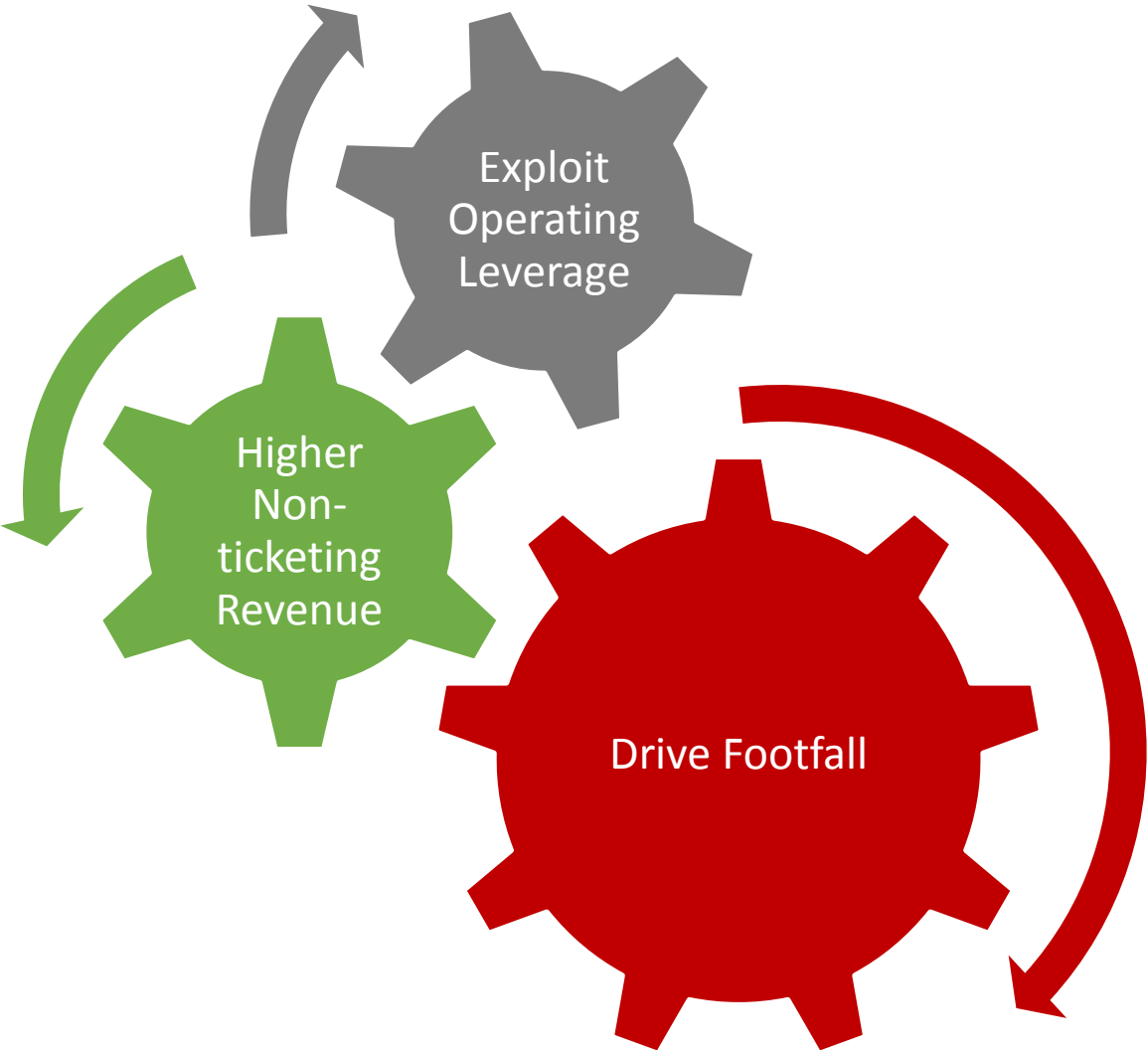
Consumer Options	Availability	Concepts	Average Cost
Theatre	Yes	The Comedy Store, Prithvi Theatre, NCPA etc.	INR.800- INR.1,000 per person for 2-3 hours of entertainment
Standard Amusement Parks	Yes	Essel World & Water Kingdom	INR.800-1,000/- with no major attractions and they lack scale and ambience
Family Entertainment Destinations	Yes	Malls (Retail, Dining, Pubs, Cinema)	INR.1000/- onwards for a family
Weekend Get away Destinations	Yes	Aamby Valley City, Lavasa, Kashid, Lonavala etc.	INR 3,000 onwards per day
Full Fledged Entertainment Destination with Theme park, Water park, Retail, Dining etc.	No	Non Existent	Towards the highest end of live entertainment value chain

Lack of Entertainment Destinations in and around Mumbai

Imagica enjoys high entry barriers in this space due to factors such as large land parcel requirements, sizable capital investment, intricate design and creative conceptualization, long construction and set-up period, thus deterring potential competition

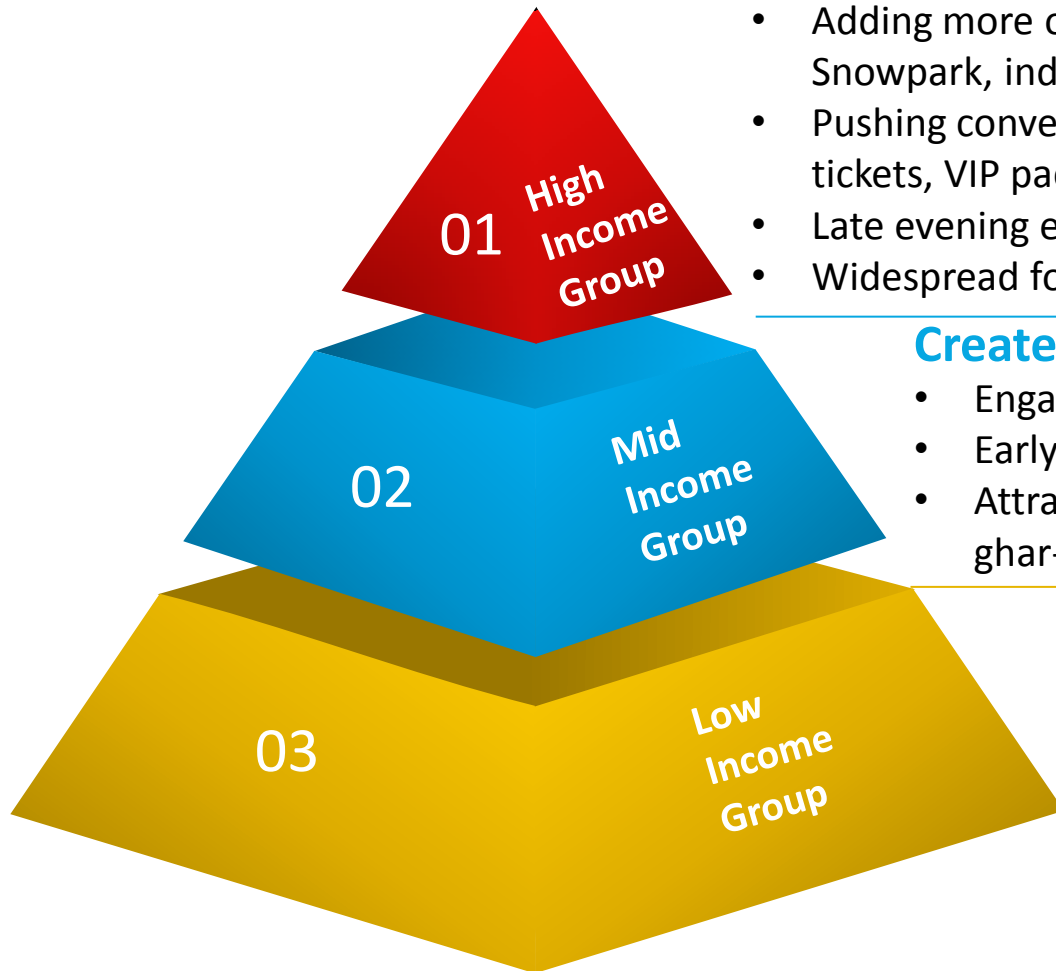


Key gears for growth



Strategies to Drive Footfalls – Targeting all income segments

STRATEGIES FOR EACH INCOME SEGMENT



Activate higher spending and time at the parks

- Adding more options for increased spending and time at the park like Snowpark, indoor gaming zone etc.
- Pushing convenience products and family packages like Express tickets, VIP packages
- Late evening events to add more entertainment options
- Widespread food and drinking options

Create reasons for visitation

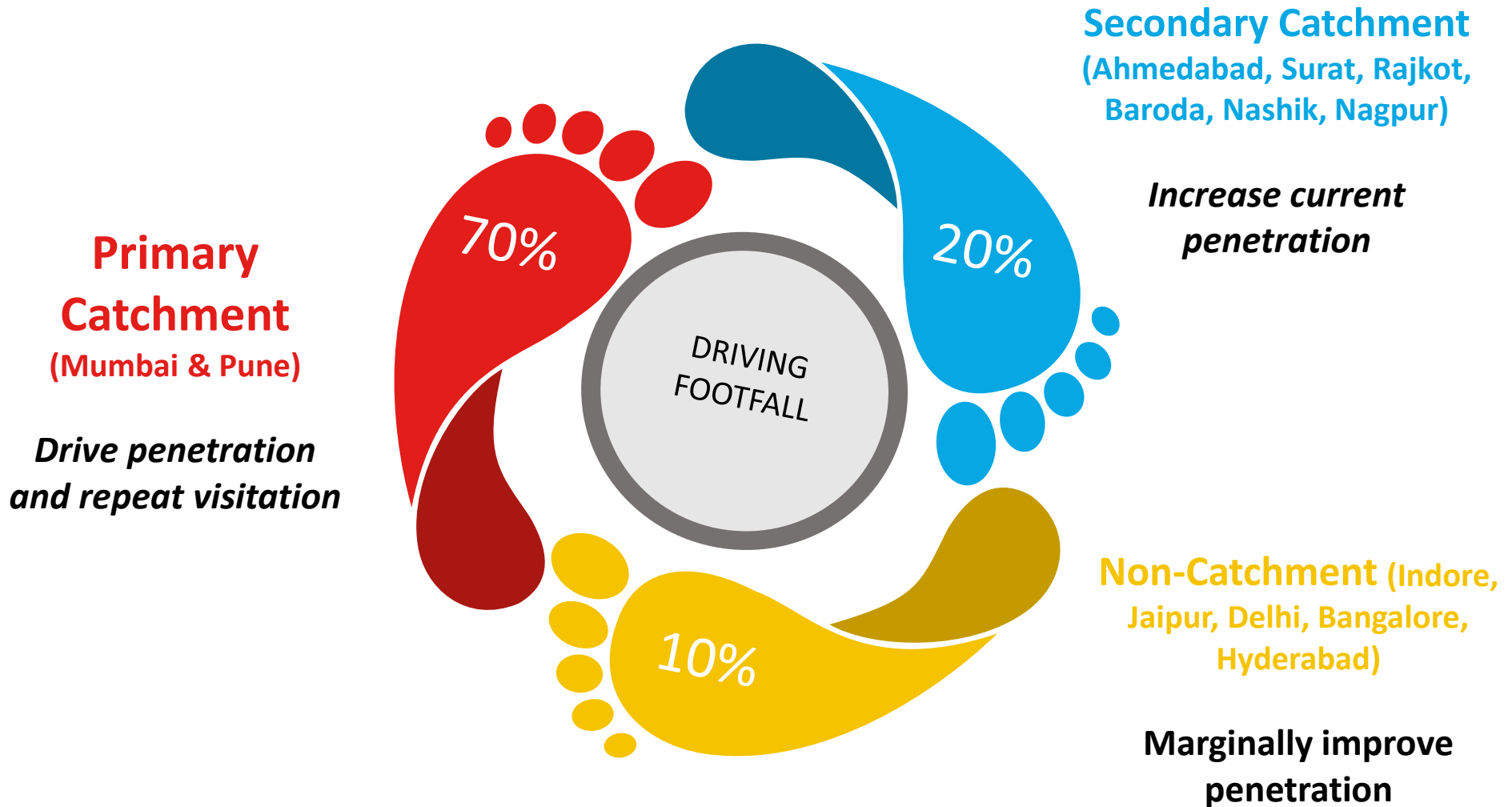
- Engaging events during festive seasons
- Early bird discounts during Tuesdays and Wednesdays
- Attractive packages to suit budgets and needs like ghar-se-ghar-tak, bus pick-up & drop service

Bespoke solution as per wallet size

- Tie-ups with organizations of large workforce
- Custom offers for low income group



Strategies to Drive Footfalls – Catchment-wise



Strategies to Drive Footfalls – Catchment-wise

Primary Catchment

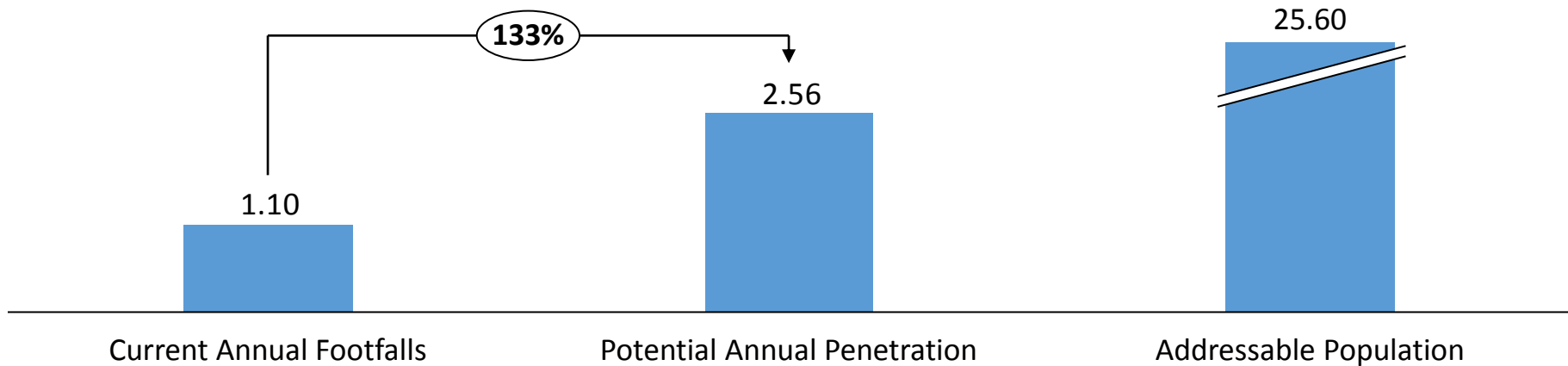


Primary Catchment (Mumbai & Pune)

Drive penetration and repeat visitation

- Easing access to transportation
- Maintain newness by adding event based propositions
- Increasing Tie-ups with mid-to-large corporates
- Drive youth footfall with college specific products
- Increase brand tie-ups and alliances

Primary Catchment Potential (in Million)



Strategies to Drive Footfalls – Catchment-wise

Secondary Catchment

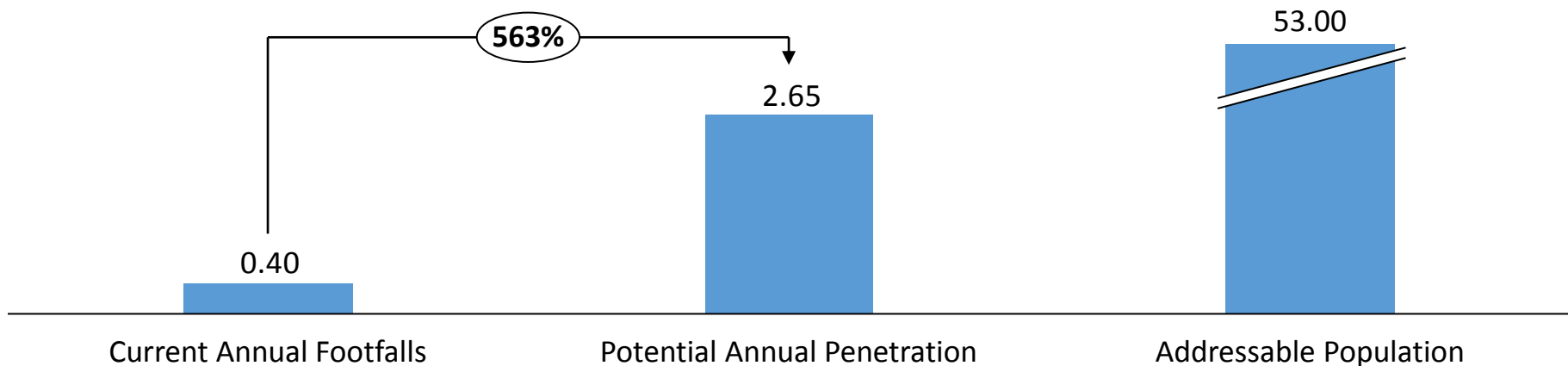


Secondary Catchment (Ahmedabad, Surat, Rajkot, Baroda, Nashik, Nagpur)

Increase current penetration

- Increase base of agents in each city
- Improve corporate tie-ups
- Insertion of Imagica travel packages
- Increasing awareness through marketing
- Tie-ups with Budget Hotels near Imagica

Primary Catchment Potential (in Million)



Strategies to Drive Footfalls – Catchment-wise

Non-Catchment and Repeat Visitation



Non-Catchment (Indore, Jaipur, Delhi, Bangalore, Hyderabad)

Marginally improve penetration

- Increase base of agent network
- Increasing awareness through marketing
- Tie-ups with budget hotels near Imagica
- Increase corporate travel desk tie-ups
- Create Imagica packages along with nearby attractions

Drive Repeat Visitation

Increase the reasons to revisit

- Addition of new attractions like Snowpark, Increase in events and added attractions
- Pushing multi visit products like Imagica Passport



Strategies to enhance non-ticketing revenues



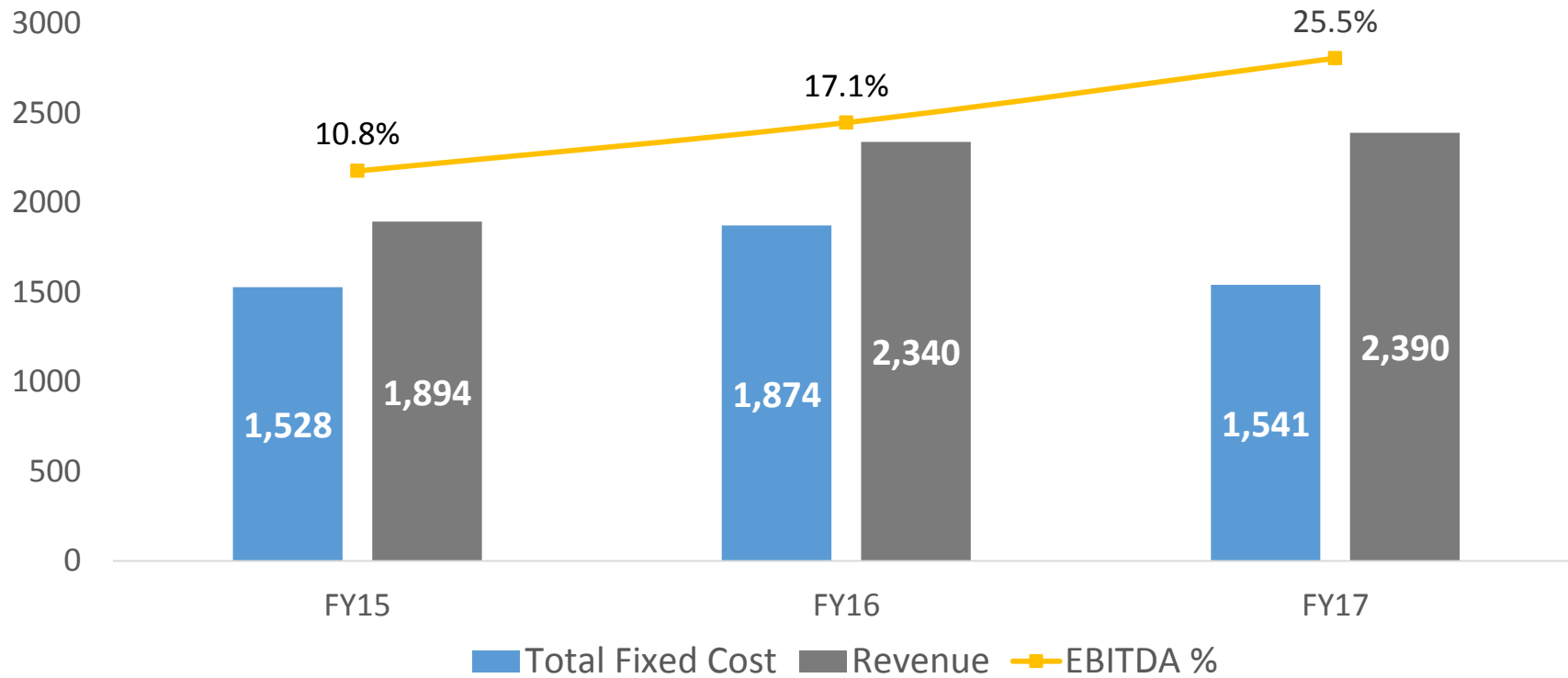
- Increase the per capita spending on F&B
 - Promoting combo-packages including meals at the parks
 - Adding beverage portfolio
- Promoting concepts like breakfast and dinner with characters
- Catering to evening events

- Leveraging existing Intellectual Property
- Out of park sales on Imagica stores, website and other online portals
- Expanding product portfolio

- Destination for weddings and events (corporate offsite etc)
- Sponsorship and alliances with other brands
- Brand activation at the park



Exploit Operating leverage



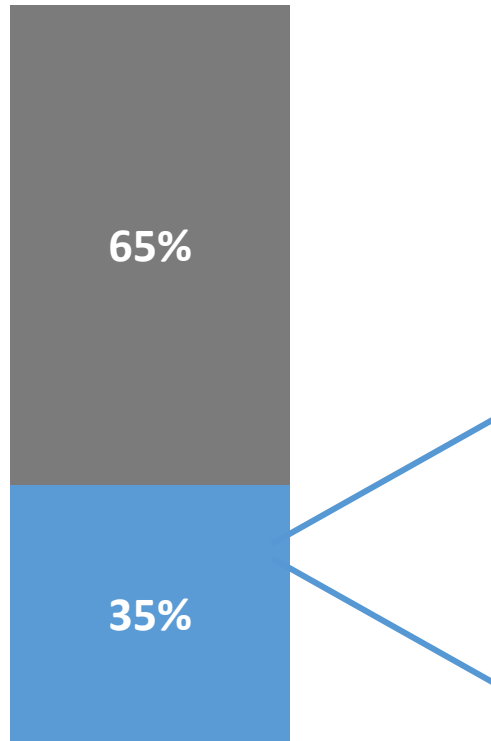
- AEL has a high operating leverage, with >80% of current costs being fixed in nature
- Post recoupment of fixed costs, EBITDA growth can be exponential
- Management continues to put its efforts on cost rationalization – scope for further reducing utility costs etc.



Debt reduction initiatives

Sizable interest savings to be seen in FY19

■ Balance Debt ■ Debt Reduction



Current Debt

- The management believes that its core strength lies in operating and managing the parks business while exploitation of surplus land and the hotel are the non-core businesses of the company.
- Subject to lenders and shareholders approval, in November 2017 the board of AEL has approved the below transactions:

Sale of Land

- Divestment of ~204 acres of land to an identified buyer
- Bank debt of ~**150 Crores** taken-over by the buyer

Sale of Hotel

- Sale of hotel 'Novotel Imagica Khopoli' and additional land admeasuring 8.9 acres
- Overall consideration of ~**Rs. 212 Crores**

- The above measures will help in reducing the overall outstanding debt by ~**35%**.
- Pursuant to above sale, AEL shall still be left with unutilized land of ~30 acres for additions/expansions to the park attractions.



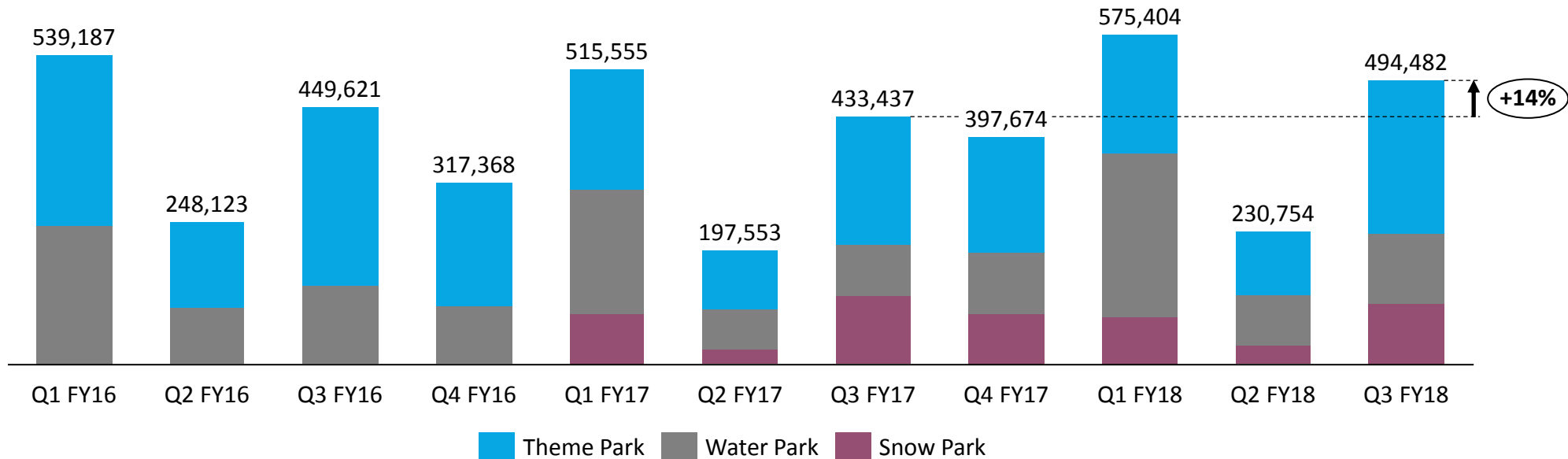


Financials Section



FY18 Footfalls continue to be a strong growth driver

Total Number of Guests

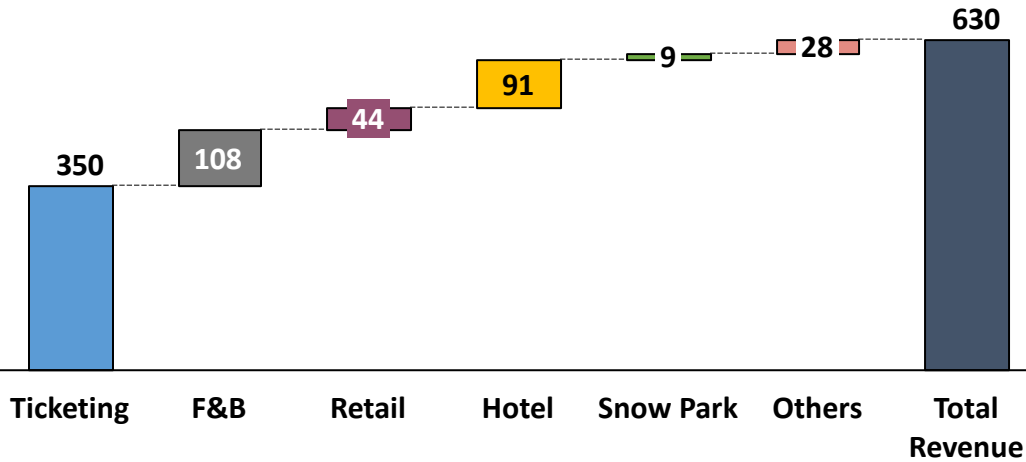


- Footfall for Q3 stands at 4.94 lakh vs. 4.33 lakh, recording an impressive growth of 14%
 - Robust growth seen in Theme park Footfalls at 18% YoY
 - Water Park continue to show strong growth in footfall growing at 38% YoY
- For 9M FY18, footfall grew by 13% to 13.00 lakh vs 11.47 lakh in 9M FY17

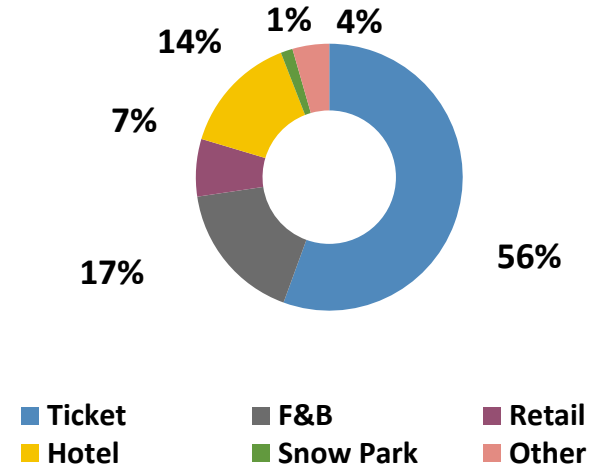


Revenue Break-up – Quarter

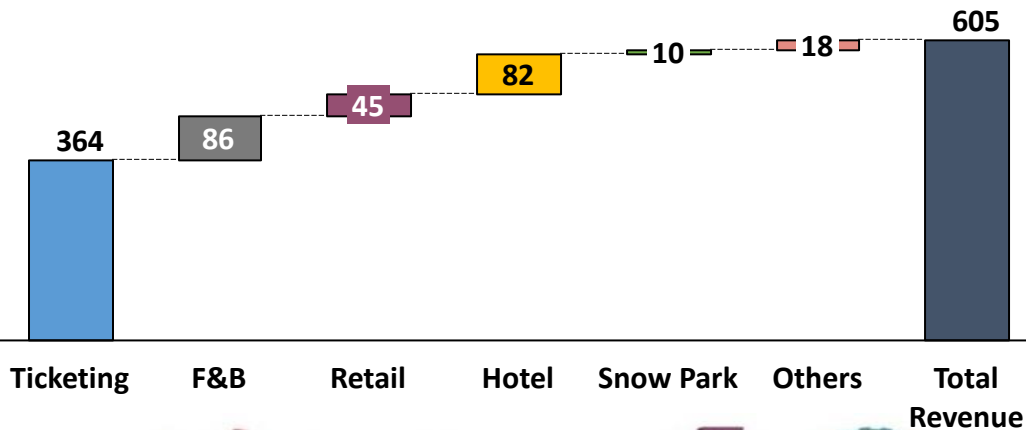
Q3 FY18 Revenue Build-up (Rs. mn)



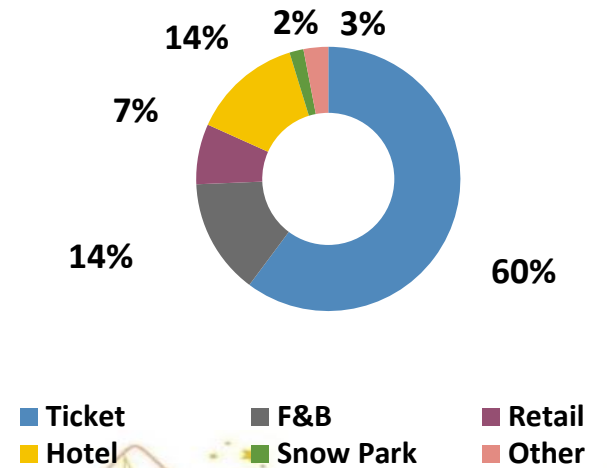
Q3 FY18 Revenue Break-up



Q3 FY17 Revenue Build-up (Rs. mn)

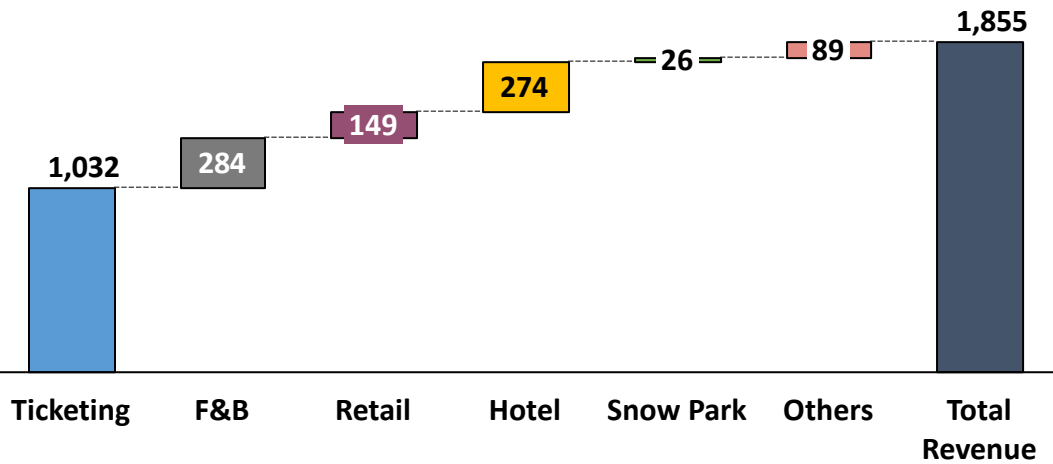


Q3 FY17 Revenue Break-up

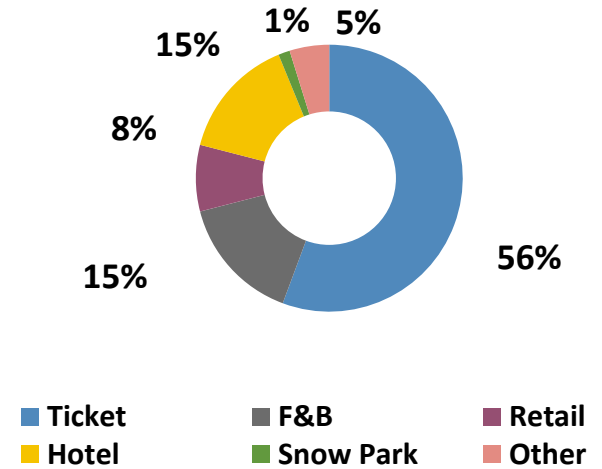


Revenue Break-up – Nine Months

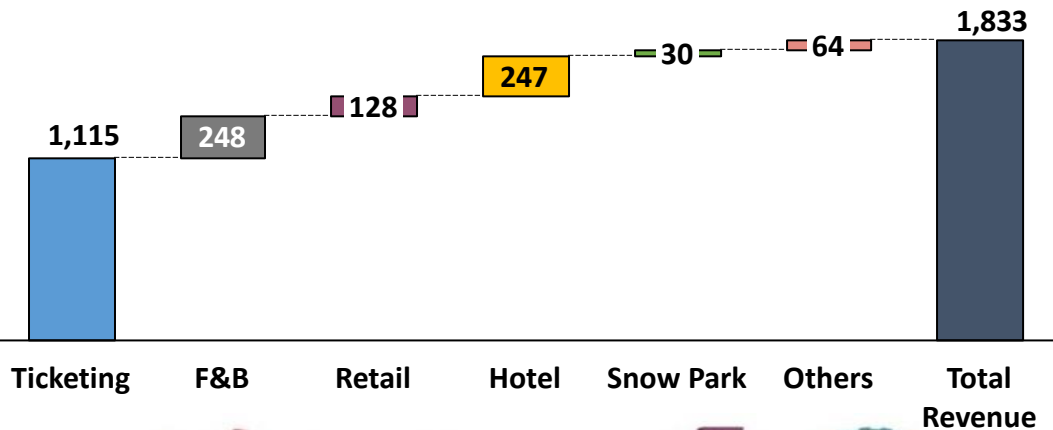
9M FY18 Revenue Build-up (Rs. mn)



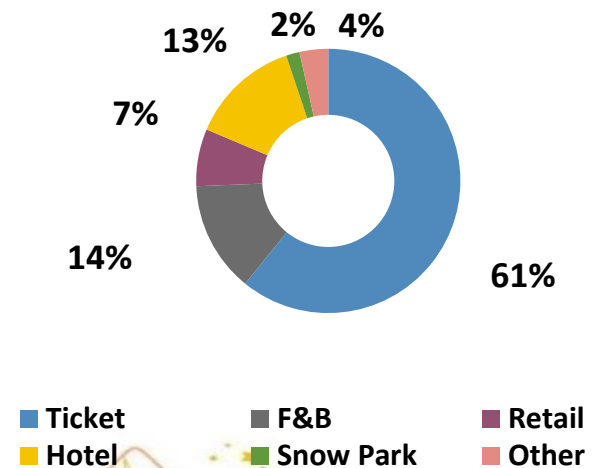
9M FY18 Revenue Break-up



9M FY17 Revenue Build-up (Rs. mn)

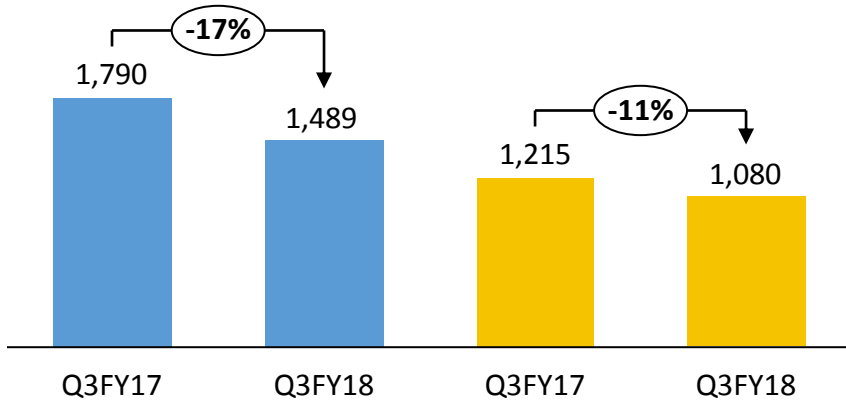


9M FY17 Revenue Break-up

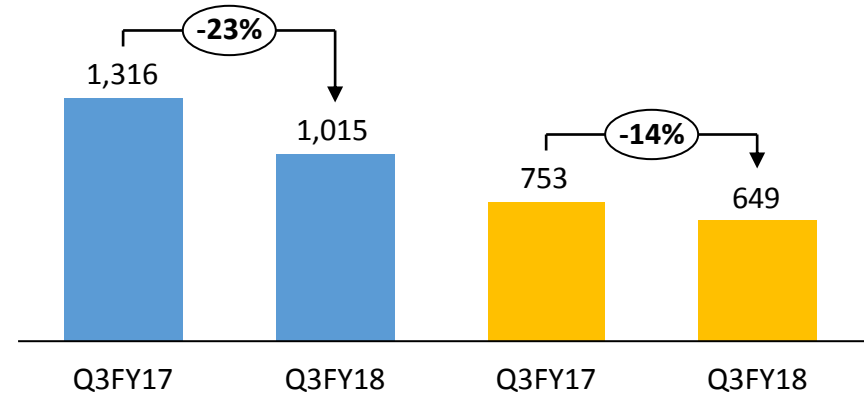


ARPU Break-Up: Quarter

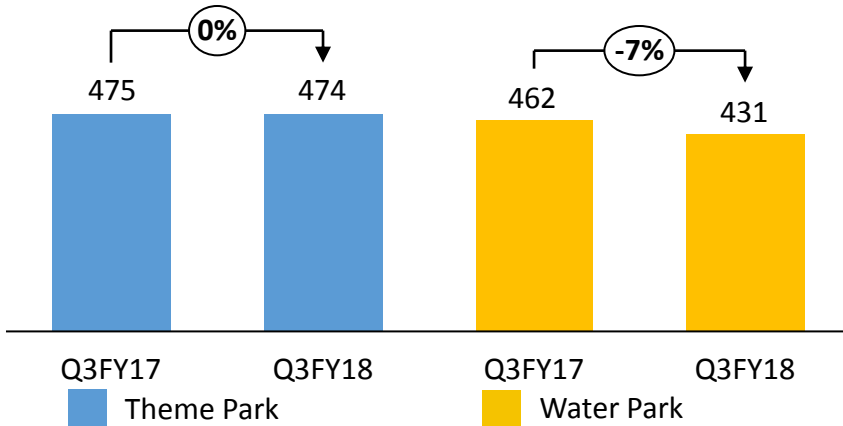
ARPU (Rs.)



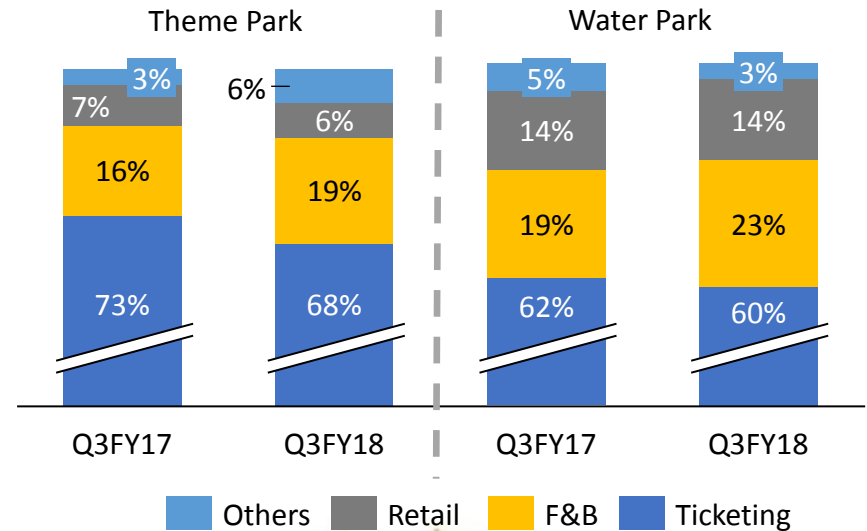
ARPU - Ticketing (Rs.)



ARPU - Non Ticketing (Rs.)

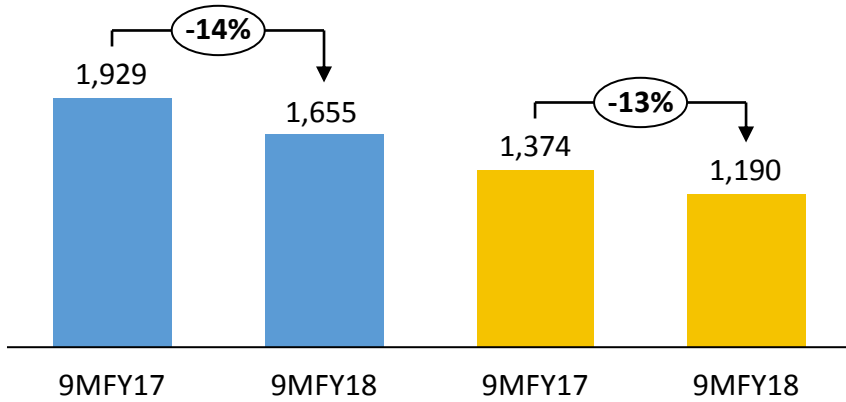


ARPU Break Up (%)

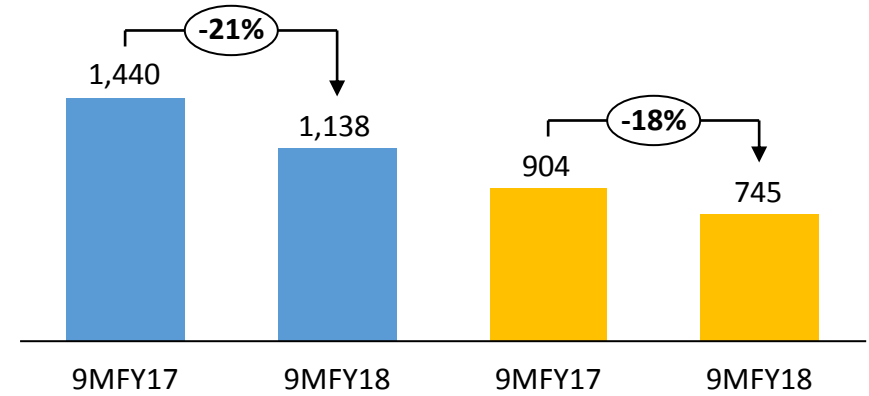


ARPU Break-Up: Nine Months

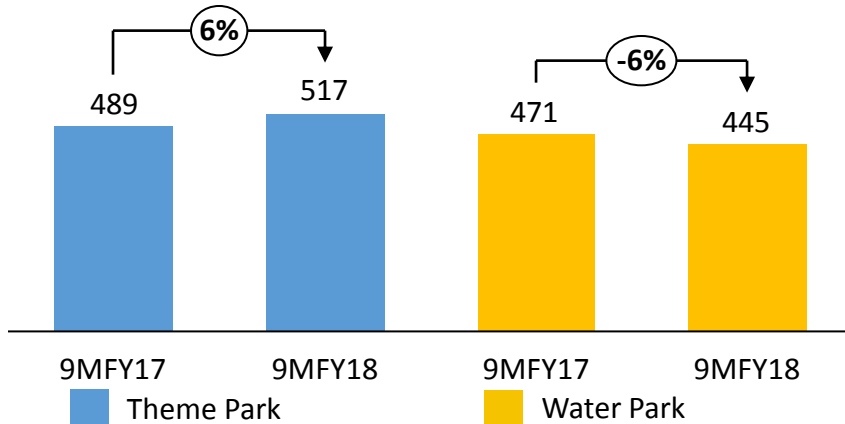
ARPU (Rs.)



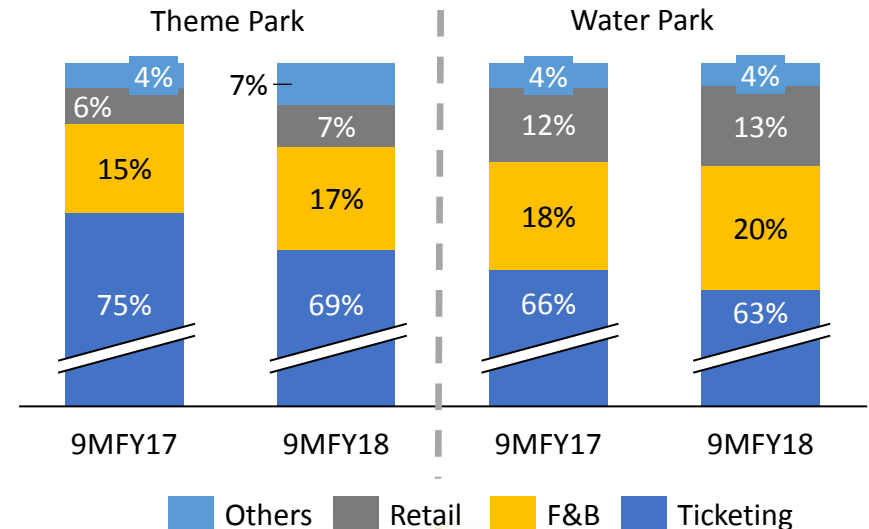
ARPU - Ticketing (Rs.)



ARPU - Non Ticketing (Rs.)



ARPU Break Up (%)



- Performance for Q3 FY 2017-18 vis-à-vis Q3 FY 2016-17
 - Footfall stands at 4.94 lakh vs. 4.33 lakh last year, recording an impressive growth of 14%
 - Revenue stands at Rs. 62.97 crore vis-a-vis Rs. 60.46 crore last year signifying a growth of 4%
 - EBITDA grew by 11% YoY to Rs. 19.67 crore vis-a-vis. Rs. 17.71 crore in 3Q FY17
- For Q3 FY18, total ticketing revenue for the Theme Park and Water Park declined by 4% YoY, while the non-ticketing revenue grew by 21% YoY
 - Total ARPU for the Theme Park and Water Park declined by 16% over the corresponding quarter in FY17, mainly due to the GST impact absorbed by the company as well as re-introduction of deal days in Q4 FY17
 - However, Non ticketing revenue continues to display strong growth, up ~21% from Rs. 14.9 crs to Rs. 18.0 crs
 - In Q3 FY18, SGST component of GST which should have been refunded (in lieu of E-Tax exemption) is Rs 5.22 crore. Adjusted for the above, the revenue should have been up by 13% (instead of a 4%) to Rs. 68.19 and EBITDA revenue should have been up by 40% (instead of a 11%) to Rs. 24.89 crs
 - The company is in discussions with Maharashtra State Government to get the refund of SGST (in lieu of the Entertainment Tax exemption awarded to AEL), which stands at Rs. 7.83 cr as of December 31, 2017
- Novotel Imagica continues with strong performance
 - For Q3 FY18, Novotel Imagica has recorded an improved occupancy of ~ 76% and overall ARR (incl F&B) of ~Rs. 11,266. Total Revenues from Hotel segment improved by 11% over the corresponding quarter last year
- In Jan 2018, Adlabs Entertainment Ltd. has been announced winners of the “Best Customer Experience in the Services Sector” category, at the Customer Experience Awards by Zendesk



Profitability Statement – Quarter & Nine Months



Particulars (Rs. mn)	Q3 FY18	Q3 FY17	9MFY18	9MFY17
Footfall* (Nos.)	494,482	433,437	1,300,640	1,146,545
Revenue	629.8	604.6	1,854.5	1,833.2
Raw Material	67.2	59.0	201.9	179.1
Advertisement, sales and marketing expenses	106.3	97.0	318.2	297.0
Employee benefits expense	125.8	128.8	399.3	422.6
Repairs and Maintenance	22.8	22.7	68.3	76.8
Power, fuel and water	38.4	43.5	131.0	129.9
Other expenses	72.5	76.4	235.2	237.6
EBITDA	196.7	177.1	500.5	490.2
EBITDA Margin	31.2%	29.3%	27.0%	26.7%
Other Income	0.3	0.8	2.2	4.9
Depreciation	234.0	232.3	698.2	718.3
Finance Cost	320.3	309.6	955.5	899.9
Profit Before Tax	-357.2	-364.0	-1,151.0	-1,123.0
Tax	0.0	-136.3	0.0	-263.5
Profit after Tax	-357.2	-227.7	-1,151.0	-859.5
Other Comprehensive Income	2.40	-1.43	3.05	-0.31
Total Comprehensive Income	-354.8	-229.2	-1,148.0	-859.8

* Excl. Hotel



Profitability Statement – Full Year



Particulars (Rs. mn)	FY17	FY16	YoY
Footfall* (Nos.)	1,544,219	1,554,199	-1%
Revenue	2,389.9	2,339.8	2%
Raw Material	240.6	247.9	-3%
Advertisement, sales and marketing expenses	394.9	425.3	-7%
Employee benefits expense	558.1	595.4	-6%
Repairs and Maintenance	105.6	139.7	-24%
Power, fuel and water	159.4	165.1	-3%
Other expenses	322.7	365.3	-12%
EBITDA	608.5	401.2	52%
EBITDA Margin	25.5%	17.1%	831 bps
Other Income	5.2	166.8	-97%
Depreciation	944.7	877.1	8%
Finance Cost	1,198.9	1,106.0	8%
Profit Before Tax	-1,530.0	-1,415.2	-
Tax	-358.7	-503.9	-
Profit after Tax	-1,171.4	-911.3	-
Other Comprehensive Income	-0.3	2.1	-
Total Comprehensive Income	-1,171.7	-909.3	-

* Excl. Hotel



Balance Sheet



theme park • water park • snow park • hotel

Equity & Liabilities (Rs. mn)	Dec-17	Mar-17
Equity	4,498.17	4,997.59
Equity Share Capital	880.62	798.98
Other Equity	3,617.55	4,198.61
Non-Current Liabilities	9,279.10	9,900.60
Financial Liabilities		
- Borrowings	9,247.39	9,868.19
Long-term provisions	31.71	32.41
Current Liabilities	2,377.21	1,523.65
Financial Liabilities		
- Borrowings	716.16	564.44
- Trade payables	326.10	305.88
- Other Financial Liabilities	870.24	400.94
Other current liabilities	460.84	250.61
Short-term provisions	3.88	1.78
Total Equity & Liabilities	16,154.47	16,421.83

Assets (Rs. mn)	Dec-17	Mar-17
Non-Current Assets	15,469.95	16,091.64
Fixed Assets		
- Property, plant and equipment	11,547.09	12,043.94
- Capital work- in-progress	862.75	948.61
- Other intangible assets	231.24	268.09
- Intangible assets under development	5.39	5.39
Financial assets		
- Non-Current investments	1,061.82	1,061.72
- Others	4.61	4.61
Deferred tax Assets (net)	1,654.06	1,654.06
Other Non-Current Assets	103.01	105.23
Current Assets	684.52	330.19
Inventories	141.33	133.77
Other Financial Assets		
- Trade receivables	55.18	35.79
- Cash and cash equivalents	131.44	71.04
- Other Bank Balances	0.99	1.00
- Short-term Loans and Advances	0.65	0.55
- Others	324.75	64.54
Current tax assets	30.18	23.51
Total Assets	16,154.47	16,421.83



Awards & Recognitions



- OTM Award for Excellence
 - Most Promising New Destination Award, 2015
- Voted among the Top 10 Amusement parks in Asia
- TripAdvisor's Traveller's Choice Award 2015 & 2017
 - Imagica Water Park Ranked 14th among the top 25 water parks in the World by Tripadvisor (2017)
- **Winner of "Best Customer Experience in the Services Sector" at Customer Experience Awards by Zendesk at The Customer FEST Show 2018**
- IAAPI Awards 2017 - Most Innovative Rides & Attractions – Winner
- Kids Stop Press' Digital Awards 2017 – Best Outdoor Park
- IAAPI Awards 2016
 - Print Media – Winner
 - Electronic Media – TV Channel – Winner
- Hotel Investment Conference South East Asia
 - Novotel Imagica Khopoli Awarded the Best New Hotel of the Year – "Upper Mid Scale Segment"
- Imagica gets ISO certified for Integrated Management Systems by Bureau Of Indian Standards (BIS)
 - Quality Management System- IS/ISO 9001:2008
 - Environmental Management System-IS /ISO 14001:2004
 - Occupational Health and Safety Management system – IS 18001:2007
- TRA Research
 - India's Most Attractive Brands 2015 – Entertainment category



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