“Wonderla Holidays Limited

Q2 and H1 FY27 Earnings Conference Call”

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MODERATOR: **MR. OMKAR BAGWE – MUFG INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Wonderla Holidays Limited Q2 and H1 FY27 Earnings Conference Call hosted by MUFG India Private Limited. As a reminder, all participant clients 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 now being recorded.

I now hand the conference over to Mr. Omkar Bagwe from MUFG Intime. Thank you, and over to you, sir.

Omkar Bagwe: Good afternoon, everyone. I welcome you all to the earnings conference call to discuss Q2 and H1 FY27 results of Wonderla Holidays Limited. To discuss our results we have with us from the management, Mr. Arun Chittilappilly, the Managing Director, Mr. Saji Louiz, Chief Financial Officer, and Mr. Dheeran Choudhary, Chief Operating Officer.

They will take you through the results, and then we will proceed to Q&A session. Before we proceed to the call, a small disclaimer. This conference may contain certain forward-looking statements about the company, which are based on the beliefs, opinions, and expectation as on date of this call. The actual results may differ materially.

These statements are not guarantee of future performance and involve risks and uncertainties that are difficult to predict. A detailed safe harbor statement is also given on the company's investor presentation.

Now, I would like to hand the call over to Mr. Arun Chittilappilly. Thank you and over to you, sir.

Arun Chittilappilly: Thank you. Good afternoon, everyone, and thank you for joining our Q2 and H1 FY27 earnings call. I'm joined today by Saji and Dheeran.

We began FY27 on a strong note, and that momentum has been carried on to the second quarter. In the quarter, income grew 42% year-on-year to INR126 crores, and EBITDA grew 90% to INR30 crores.

The EBITDA margin expanded to 24% from 18%. We also moved from a loss in Q2 last year to profit in this quarter. For the first half, the income grew 41% to INR378 crores and EBITDA grew 47% to INR150 crores at a margin of 40%.

Three factors drove this performance, the continued ramp-up of Chennai operations, steady growth across our existing parks, and strong quarter from our resorts business, all supported by focused sales and marketing.

First, Chennai Park, Q2 welcomed 1.90 lakh visitors, contributed approximately INR28 crores in revenue. For the first half, it recorded 4.32 lakh visitors, approximately INR73 crores in revenue.

Second, our existing parks, Bengaluru and Kochi, delivered their best ever Q2, and Hyderabad delivered best ever H1. Together, our parks Bengaluru, Kochi, Hyderabad, Bhubaneswar grew revenue by 8% year-on-year in the quarter, with footfalls up 6%. For the half year, they grew revenue by 13% with footfalls up by 7%.

Our resorts business delivered their best ever Q2, with the resorts growing 57% year-on-year. Hospitality is becoming increasingly meaningful contributor to our business. Spend per guest also moving in the right direction. It's grown 11% in Q2 and 16% in H1 as more guests take up our value-added and premium offerings.

Saji will take you through these metrics in detail.

Saji Louiz: Thanks, Arun. Good afternoon, everyone, and thank you for joining us for the Q2 FY27 earnings call. Let me take you through the financial performance beginning with Q2 of financial year 2027.

Our revenue from operations grew by 45% Y-o-Y basis to INR116.57 crores. Our existing parks, Bengaluru, Kochi, Hyderabad and Bhubaneswar, recorded a revenue growth of 8%, supported by 6% growth in footfalls and 2% growth in ARPU.

Chennai Park contributed INR28 crores in revenue during the quarter, with footfalls of 1.9 lakh during the quarter. EBITDA, including other income, increased by 90% Y-o-Y to INR30.11 crores, while the EBITDA margin remained strong at 24%.

Profit for the quarter stood at INR5 lakh compared to the losses in the corresponding quarter. The INR14.26 crores increase in EBITDA was led by Chennai. And Chennai Park contributed about INR10.37 crores, accounting for about 73% of the EBITDA increase.

Our existing parks contributed about INR1.83 crores, representing 13%. Our resort business contributed INR2.06 crores, accounting for the remaining 14 percentage. Our other income for the quarter stood at INR9.1 crores, primarily comprising gains received from our investments.

Overall, Chennai's contribution, supported by growth in our existing parks and resort business, drove the improvement in EBITDA. Our PAT improved by INR1.81 crores, primarily driven by the improvement of EBITDA.

This was partially offset by an INR10 crores increase in depreciation on account of commencement of operation at our Chennai Park and about some INR2.23 crores increase in our tax expenses, which include INR1.12 crores of a prior period taxes as well.

Turning to the guest spending. The average ticket price declined by 3% Y-o-Y to INR983. This was offset by an 11% increase in non-ticket revenue per guest to INR510, supported by our in-park spending initiatives. Consequently, average revenue per unit increased by 1% Y-o-Y to INR 1,491

H1 financial year 2027 performance.

Moving to half year performance, revenue from operations increased by 45% Y-o-Y to INR359.2 crores. Our existing park delivered about 13% of revenue growth, supported by 7% growth in footfall and 6% growth in ARPU.

Chennai contributed about INR73 crores in revenue during the half year with a footfalls over 4.32 lakhs. EBITDA, including other income, grew by 47% to INR152.1 crores, and profit after tax increased by 43% to INR72.8 crores. The INR48.57 crores increase in EBITDA, including other income, reflected from contribution from Chennai Park of about INR28.62 crores, accounting for about 58% of the EBITDA growth.

And our existing parks contributed about INR15.42 crores, representing 32% of the EBITDA growth. And then our resort business contributed INR4.71 crores, representing the remaining 10% of the EBITDA growth. And other income for the half year stood at INR18.6 crores, primarily comprising of gains from investments.

Our PAT increased by INR22.02 crores, supported by the higher EBITDA. This was partially offset by a INR21.5 crores increase in depreciation, mainly attributable to the Chennai Park, and an incremental tax expense of about INR5 crores. Our average ticket price for the half year stood at INR1,192. The non-ticket spend per guest increased by 16% to INR559, taking an average revenue per user up by 5% to INR1,750.

Moving on to the operating metrics for Q2 FY27, our footfalls across our parks were as follows: Bengaluru with 2.13 lakh, up by 9% on Y-o-Y basis; Kochi 2.02 lakh, up by 6%; Hyderabad of 0.99 lakhs, up by 7%; Bhubaneswar is about some 20,000, down by 20% Y-o-Y; Chennai is about some 1.9 lakh.

And for the half year, Bengaluru recorded about 5.56 lakh of footfall, up by 7%; Kochi 4.53 lakh, 6% of growth; Hyderabad about 3.9 lakh -- 3.90 lakhs, about 10 percentage; Bhubaneswar is about 1.91 lakh, almost like 1% degrowth; Chennai Park with 4.32 lakh of footfall.

This concludes the financial update. We will now be happy to take your questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Shamit Ashar from Ambit.

Shamit Ashar: Yes. Am I audible?

Moderator: Yes, sir.

Arun Chittilappilly: Yes.

Shamit Ashar: Congrats on a good quarter. So if I look at Chennai Park's ticket price of around INR948, that was, you know, 20% below the average of the last 3 quarters. And if we compare it to Bangalore Park, it was 10% lower for Quarter 2. So was this pricing strategy deliberately adopted to drive higher footfalls at Chennai Park in Q2?

And also, how should one look at the ARPUs at Chennai Park going forward, given that, you know, at launch, the ARPU of Chennai Park was broadly comparable to that of more mature

parks like Hyderabad and Bangalore? So that was my first question. And second, I wanted to know if there is any update on the new park announcement?

Dheeran Choudhary: Yes. Dheeran here. I'll take the first piece. So Chennai was 10% lesser than Bangalore because of just the pricing. Bangalore is priced at a higher point versus Chennai because it is our largest park.

Now, if you compare it versus the previous quarters, it's just a matter of the skew of footfall we got. So we have 2 channels: one is the retail channel and the groups channel. Q2 predominantly in Chennai had a lot more groups versus retail footfall, and groups are obviously a little bit more discounted versus retail, and that's why you see the change in ATP.

But we continue to remain bullish on the overall ARPU, and the non-ticketing revenue piece continues to be in line with our established mature parks, and I think we will be continuing to keep the ARPU stable and grow similar to Cochin and Hyderabad over a year period.

Shamit Ashar: Got it. So overall it will be lower than Bangalore, right?

Dheeran Choudhary: Yes, because Bangalore, the price itself is higher than the other parks.

Shamit Ashar: Got it.

Arun Chittilappilly: No update on the new parks yet. We are working on it. We will definitely let you know whenever there's an update.

Moderator: The next question comes from the line of Sonal Rajpal from ICICI Direct.

Sonal Rajpal: Hello, am I audible?

Moderator: Yes.

Sonal Rajpal: So congratulations for the strong results. So I had 3 questions. Firstly, for Chennai and Kochi, we are entering a seasonally weaker quarter led by Northeast monsoon. So how did you see footfall in Chennai, especially during Quarter 3, as it coincides with the festive season? Also recently, the East Coast witnessed Cyclone Arnab, which led to heavy rainfall across the East Coast.

So any impact do you think during those days to the Chennai and Bhubaneswar park? And secondly, what was the issue in Bhubaneswar park in Q2 FY27? Was it purely weather-led?

Dheeran Choudhary: Yes. Thank you for your question. So I'll take Chennai first, then come to Bhubaneswar. So in Chennai, this is actually in sense our first ever monsoon, as Chennai monsoons happen between mid-October to end-November. We are also kind of understanding the overall consumer trends and patterns.

But yes, the monsoons will have an impact on the footfall as we've seen, but we will only be able to get a better sense once we finish the whole year. So we are actually very first time looking

at monsoons in a year that we are operating at Chennai. Cochin, we are extremely bullish on Cochin.

In fact, it's not a weak quarter for Cochin because this is a big quarter for Cochin in terms of group business. And a lot of effort has been done in terms of revamping our GTM sales strategies.

And we've seen some good signs in Quarter 2, as you would have seen the results. And we continue to stay bullish that Quarter 3 will be a good quarter for Cochin, led by groups and then ending with Christmas season.

On the Bhubaneswar park, it was completely weather-led. There was a 900% growth in rains with about 20 out of 30 districts affected with extreme cyclones. And because of those weather disruptions, consumer sentiment was poor to drive footfall.

Moderator: The next question comes from the line of Vivek Kumar from Geometric Securities.

Vivek Kumar: Sir, am I audible?

Moderator: Yes, sir.

Vivek Kumar: So thanks for the very good numbers. So my first question is on the capital that like if you -- Arun sir has been guiding around, I'm not asking next year, this year. Around minimum of 3 parks in the next 4 years.

So in terms of capital, because we are -- means even though we did Chennai last year, we bought land long before. So given the land price have gone up, I understand that you do outskirts of the city, and it should not have been such an inflationary.

So how much would be a typical capital for a large park now? Let's say, and how many large parks can we expect in the next 3 years? At least some may be in work in progress, some may be fully done. New, large…

Arun Chittilappilly: So land parcel, the last time we bought was roughly INR100 crores for Chennai. For a city like Bombay, we might have to spend maybe close to INR 200 crores. But again, it's speculative. It's hard to say how it will be. Also land prices keep fluctuating, and this year, as there are a lot of -- there is a lot of uncertainty.

Land prices may go down, it may go up. We don't know what is going to happen. We are looking at least 1 big project in the next 1 or 2 years, and maybe 1 Tier 2 city. Maybe 2 large cities also is possible, but we will keep you updated.

Vivek Kumar: And in the next 3-4 years, can we expect at least 3 parks completed? 3-4 years, I'm not saying 1-2 years.

Arun Chittilappilly: Hard to say.

Vivek Kumar: With a very high probability...

Arun Chittilappilly: We will let you know when there is finality on it. It's hard for me to comment on it.

Vivek Kumar: At least next year...

Arun Chittilappilly: We are working on it. We are working. We want to do 3, but maybe 2 will happen. I don't know. We'll have to see.

Vivek Kumar: So at least next year we'll -- by this time next year, we'll have 1 project in hand fully completed -- sir, how are you seeing Hyderabad park, and when will reaching 1 million and Chennai...

Arun Chittilappilly: Can you wait in line now, my friend, because there are other people who are going to ask questions. You already asked your 3 questions. Please wait.

Moderator: The next question comes from the line of Keshav Garg from Counter Cyclical PMS.

Keshav Garg: Sir, my question is that what are the plans to increase non-ticketing revenue?

Dheeran Choudhary: I think we've been able to substantially grow our non-ticket revenue, and just not quarter-on-quarter, but I think across the 4 to 5-year CAGR, we've been able to grow at early double digits. So we've been able to kind of come to the global trends of almost having 30%-plus of non-ticket part of the entire ARPU.

And we continue to build on this. There are multiple strategies with respect to retail, F&B in terms of various product assortments that we continue to add based on customer feedback. And some of the past successes that we see, we've learned from that, and we continue to scale on those. Any more further details, granular details will be not okay to share beyond this.

Keshav Garg: No, sir. I am just trying to get the basic interested in the minor details. So the point being that at night when the park gets shut, then what can we do to increase the utilization? Basically, can't we do, like, parties, concerts, wedding? Can't we make some kind of banquet hall or auditorium if space is there? Basically, sir, during the daytime, the parks are making money for shareholders. At night, can something be done with the property which is just locked out at night?

Dheeran Choudhary: So our parks are not in highly dense populations. We are outskirts of city. So people's willingness to travel for a particular social event for 2-3 hours in the night is not viable. So selling weddings in parks is not as simple as that. Beyond that, we also have a lot of maintenance activities that go post the park being shut, which is very critical to ensure a safe experience is given to our guests.

So I think those technicalities also kind of have to be looked into when we keep our parks open beyond certain time. Having said that, we have a resort in Bangalore Park which we continue to leverage and build, and as you would have seen the numbers over the last couple of quarters, purely out of social and corporate events in the evenings.

Keshav Garg: Sir, and since the Zee Group is in some kind of financial trouble, and we are looking for a park in and around Bombay. Sir, so any possibility of acquiring EsselWorld?

Arun Chittilappilly: EsselWorld, I don't think is up for sale. I think they have some other issues. So they are not really looking to sell it. I think they have shut the operations. But we prefer to do on our own in a separate location.

It's not that difficult. I mean, for us it doesn't make any difference whether we get an existing park or we start from scratch. It might take 1 or 2 years more. But other than that, I mean, there is no real long-term change for us. So we prefer to do greenfield and more than take over somebody else's asset.

Keshav Garg: And sir, lastly, sir, you have been maintaining that we are at any point of time in talks with 3 to 5 state governments. Sir, so after Bhubaneswar, why isn't something materializing? I mean, aren't we getting any lucrative enough offer from any of the state governments?

Arun Chittilappilly: We are getting offers, but we also, we have our own internal metrics on whether it's viable for us. What is the revenue potential, all those things. So we will negotiate. We are negotiating. If it makes sense, we will do it. Otherwise, we won't do it. It's as simple as that.

Moderator: The next question comes from the line of Suhani Singh from ROS Capital.

Suhani Singh: So I just had a couple of questions. That despite strong EBITDA growth, the PAT remained almost flat in Q2. So when can we expect better earnings conversion as the Chennai Park stabilizes?

Saji Louiz: So EBITDA to PAT flattening you are asking, no?

Suhani Singh: Yes, sir.

Saji Louiz: This is mainly on account of a depreciation because you know that large parks we'll be investing about some INR500-odd crores. So the depreciation cost about some 7 percentage to 8 percentage of that expenses will be charging off to the P&L account. So initially it will be on a higher side. So it will be like a little softening of the PAT at this moment.

Suhani Singh: Okay. And sir, what is the outlook for footfall and ARPU growth across existing parks in H2 FY27?

Dheeran Choudhary: It's difficult to predict, and we don't want to speculate on numbers. Like just said earlier, we've had a good momentum for the first half, and we continue to stay bullish on this for the rest of the financial year.

Suhani Singh: Understood. Okay, it would be helpful if you could give us the expected timeline for Chennai to achieve optimal utilization and sustainable profitability.

Arun Chittilappilly: It'll take 2 years, 2 to 3 years.

Suhani Singh: Understood, sir. And one last question. Sir, how is the company addressing seasonality in footfall, particularly during non-holiday periods? And what initiatives are being undertaken to improve the weekday visitor numbers?

Dheeran Choudhary: So I think we are focusing on price-led, cohort-led interventions. And I think we've seen some good results in this lean season of quarter 2. And during these lean seasons, we also work on bringing larger groups that otherwise cannot afford our parks in the holiday season. And I think these are 2 initiatives that we continue to build on to increase our footfall in the lean seasons.

Moderator: The next question comes from the line of Pahal Sharma from DD Capital.

Pahal Sharma: Hello, am I audible?

Moderator: Yes.

Arun Chittilappilly: Yes.

Pahal Sharma: Yes. I have some set of questions with me. So my first question is that with ARPU growth remaining modest, so like what initiatives are being undertaken to improve ticket pricing and increase non-ticket revenue?

Dheeran Choudhary: Look, these are just input levers for the end outcome of revenue. Depending on seasonality, sometimes we have to take a bit of a dip in ARPU to drive more volume, which is the utmost importance because more people will also in turn increase better word of mouth, and especially in lean quarters. So I would not necessarily just focus on ARPU, but look at overall revenue growth, which has been extremely healthy for quarter 2 and H1 of FY27.

Pahal Sharma: Understood, sir. Understood. I wanted to ask that Bengaluru and Kochi delivered their best ever Q2 performance, right? So can management share the key drivers behind this growth and its sustainability?

Dheeran Choudhary: I would just say rigorous focus on executing and driving campaigns based on customer feedback.

Pahal Sharma: Okay. Hello?

Dheeran Choudhary: Yes.

Pahal Sharma: Yes. So like one more thing, that resort revenue recorded strong growth during the quarter...

Dheeran Choudhary: Could you go back on the line, please? There are other people waiting to ask questions.

Pahal Sharma: I'm really sorry, I can't hear you. Sorry.

Dheeran Choudhary: If you could go join the queue as there are other people waiting in the line, please.

Pahal Sharma: Yes, sure.

Moderator: The next question comes from the line of Rohit from ithoughtPMS.

Rohit: So sir, just wanted to follow-up on your earlier comment that you were quite bullish on Cochin. So just, I mean, if I look at the long-term numbers, of course, this quarter has been the best quarter for both these old parks, Cochin and Bangalore. But the footfall numbers for these, if I look at like slightly longer-term, they've not really grown that much.

So given this comment that you're saying that you're bullish and -- I just wanted to understand from you, is there a -- I mean, of course, you don't comment on how footfall will grow, etc., but is there a chance that we can look at like a new peak for them? Not in this year, but just sustainably, if you can maybe talk a bit about that?

Dheeran Choudhary: Yes. So yes, you're right that if you look at a long-term perspective, I think there is an anomaly in that, which is the pent-up demand that came during post-COVID in FY23, FY24. But I think, again, I would go back that we look at larger focus on input metrics.

So while over a long-term, we've not been able to reach the best ever footfall, we continue to focus on also looking at ARPU growth. And I think both these input metrics are delivering the end outcome of overall revenue growth, substance growing at a stable manner across the last 3, 4 years.

And we are actually very happy that we've been able to now grow beyond the post-COVID pent-up demand, which is a onetime anomaly, which tells us that at a CAGR level of 8% to 9% -- at a CAGR level of 8 to 9 years, we are seeing extremely healthy growth for an amusement park.

Rohit: Right. Right. And I mean, from a capacity increase point of view in Bangalore at least, are you -- I mean, given that if you are bullish on footfalls, is there also something that you're thinking in terms of adding some capacity in terms of Bangalore amusement park?

Dheeran Choudhary: So capacity adding capacity is done 2 ways. One is capex investments, which you would have seen over the last 2 years, we've done some substantial investments, bringing some flagship global rides. And the other part is also how do you look at timings, where you're not able to accommodate more people within same day. And I think both these variables we are working on based on peak demand.

Rohit: Okay. So you expect some kind of incremental investment in Bangalore, let's say in next 3, 4 quarters?

Dheeran Choudhary: We can't comment on that right now.

Rohit: Okay. And if you can maybe share Chennai, how has been like the start of Q3? How, I mean, is the momentum continuing?

Dheeran Choudhary: I mean, can't comment on our current quarter where the numbers are not out. But I think from a year perspective, so far we're very happy because it's been able to match some of our established parks like Hyderabad and Kochi.

Moderator: Thank you. The next question comes from the line of Krishna Prasad from Nudhan.

Krishna Prasad: In your view, for the Chennai park to get to Bangalore level footfall, how many years do you think it will take, sir?

Dheeran Choudhary: It should take about 3 years from what we see. But I think we will only know, we can only comment on this maybe after second or third year because it's just our first year. So we'll have to see how the Phase 2 of growth ramps up, which we will know only by end of FY28.

Moderator: Thank you. The next question comes from the line of Vivek Kumar from Geometric Securities.

Vivek Kumar: Sir, am I audible, sir?

Dheeran Choudhary: Yes.

Vivek Kumar: Sir, Arun sir mentioned that if it is not economical, we will not do it. So what, because we also want to grow from 5 parks to some, I don't know, 8, 9 parks in the next 5, 6 years. So what are the constraints? I know you cannot talk about locations and government, what exactly each government is offering you, but what are the constraints, which are in our view, maybe we are wrong as investors for, because we have been sitting, waiting for a new park for the last 2.5 years.

So now what are the constraints that are, is it just economics of a park or is it land or it's some government policy? What are the constraints in converting the -- converting some locations? So I'm not asking any specific, but any general constraints, which are the like delaying our new project launches. And I'm not saying...

Arun Chittilappilly: I think partly it's bit from the government side, then partly because land acquisition is also very tricky. So both the things are constraints.

Vivek Kumar: And you think these constraints are only delaying, but not denying? Like, because in the previous comment you mentioned if it doesn't make sense, we won't do…

Arun Chittilappilly: Land acquisition and government matters is, some delays are usual, as you know. So whenever it gets resolved, we will go forward with it.

Vivek Kumar: You are confident that in the next 3, 4 years we will add parks, right? It will not be like last 2, 3 years, like new parks and all. Announcement, I'm not saying...

Arun Chittilappilly: We started a new park.

Dheeran Choudhary: Yes. No, we are confident. We have the confidence. We will do it. Look the intent is there.

Arun Chittilappilly: But we can't take any rash decisions...

Dheeran Choudhary: Yes.

Arun Chittilappilly: Decisions on this…

Vivek Kumar: Yes, 100%. 100%. Yes, yes.

Arun Chittilappilly: And we will take a call.

Moderator: The next question comes from the line of Keshav Garg from Counter Cyclical PMS.

Keshav Garg: Sir, we had plans to make resorts in all the other properties on the lines of Bangalore parks. So what is the progress on that count?

Arun Chittilappilly: We are waiting for 1 full year of the new resort to complete, then we will take a call on where to expand it.

Keshav Garg: And sir, how much of the land in, let's say, percentage terms in other parks where the resort is not there, what percentage of the park is currently being unutilized so that a resort can be made or maybe some, some other thing can be contemplated?

Arun Chittilappilly: We have roughly 40% to 50% land is still available. Some parks like Hyderabad, it'll be less.

Keshav Garg: Sir, so can't we make some pre-engineered building kind of auditorium and banquet hall for marriages and such kind of events?

Arun Chittilappilly: We already have banqueting facilities in all our parks. So it's, I mean -- of course, we want to add a resort, but that we will wait and we'll take a call on it.

Keshav Garg: Right, sir. And sir, what about -- sir our -- do we have captive solar power for our operations?

Arun Chittilappilly: Yes, yes.

Keshav Garg: Sir, in all the parks?

Arun Chittilappilly: Yes.

Keshav Garg: Okay, great. Sir, my only suggestion was that sir...

Dheeran Choudhary: Can I get you now offline, my friend?

Keshav Garg: Yes, sure, sure.

Moderator: The next question comes from the line of Yash Mehta from CRED Securities.

Yash Mehta: I've got a, like, few set of questions. So firstly, what is the expected timeline for the Chennai Park to achieve operational utilization and contribute meaningfully to overall profitability?

Arun Chittilappilly: We just answered that question. It will take us 2 to 3 years.

Yash Mehta: Okay, okay. And next, so the EBITDA margins have also improved significantly during the quarter. So what do you think, how sustainable are these margins and what are the long-term margin potential?

Arun Chittilappilly: Long-term margin, it will become like our established parks like Hyderabad, Bangalore and Kochi. So its margins will continue to expand, but this is the first year, so it's very erratic. It might move up and down in different, different quarters. After 2 to 3 years, it will stabilize.

Yash Mehta: Understood, understood. And also can you brief about the company's expansion and capex plan for FY28? And are there any new locations under that?

Arun Chittilappilly: Yes, we are looking at 2 to 3 new locations, but no final call has been taken. We hope to conclude some of these deals before the end of this financial year, and we'll keep you updated.

Yash Mehta: Got it. And just the last question. So with like ARPU growth remaining relatively modest during this quarter, so what initiatives are being undertaken to improve ticket realizations and increase non-ticket spending?

Arun Chittilappilly: That we'll keep doing different activities. Some ARPU growth is actually, it's an average number, right? It's actually a derivative of all the tickets that we have sold at various different prices as a result of many different campaigns, many different offers and things like that. So it will keep varying and of course, Q1 will be the strongest and Q2 will be the weakest, and Q3 and Q4 will come somewhere in between.

Moderator: Thank you. The next question comes from the line of Nimesh Varma from Vexora Capital.

Nimesh Varma: I had 2 sets of questions. The first one being, what is the current capacity utilization across existing parks, and how much incremental footfall can be accommodated without significant additional capex?

Dheeran Choudhary: So if you look at a whole year perspective, I think we are -- we'll be at a 30% or 40% occupancy, but that is normal for these kind of parks. We can improve in off seasons, but it is much harder because we are also very -- the footfall are also dependent on weather and all lot of external conditions.

So I think 30% to 40% is a good occupancy. We could, I mean, as the years go by, we can accommodate more people in the leaner quarters. But that again, like I said, it's unpredictable. But we continue to do different interventions to see whether we can improve the occupancy.

Nimesh Varma: Got it, sir. And my other question would be, how does management plan to improve weekday footfall and reduce seasonality in visitor numbers?

Dheeran Choudhary: Look, like answered earlier, I think we are doing cohort-led pricing interventions and also working to bring in more group footfall in the weekdays and lean season.

Moderator: The next question comes from the line of Anurag Jain, an Individual Investor.

Anurag Jain: Sir, my question is related to capital allocation going forward. Basically, in the last time when the company did the 2 parks in Bhubaneswar and Chennai, there were 3 parks, 3 parks already there. So cash flows from there were used, and there was an equity dilution. Now going forward, we have 5 operational parks.

So what are your thoughts going forward in the next 5 years whenever we find some opportunity and we do get into newer parks? What do you think how the capital funding would happen for those new parks? Do you expect more equity dilution to fund those parks or the cash flows from these current 5 parks should be sufficient?

Arun Chittilappilly: We are not -- whatever equity dilution we had to do, we're already done. Now we are not looking to do any further equity dilution. I think we can with our own cash flows, we can fund most of the capex. Maybe some debt we might take at some point. But as of now, we don't need to dilute equity anymore.

Anurag Jain: This is good. And one more question I have. Overseas there is a trend for entertainment parks, amusement parks to offer insurance also, whether related to weather. So let's say, there is a weather disruption. If the customer has bought additional insurance from the park, then they can use that ticket some other day, some other time. So is this something Wonderla is doing or not?

Dheeran Choudhary: We have flexi tickets which anyways allow customers to change based on weather or any other emergency conditions that they have. So that's already implemented on our online booking portal.

Moderator: Ladies and gentlemen, we will take this as the last question for today. I now hand over to the management for closing comments. Over to you, sir.

Arun Chittilappilly: Thank you all for joining the Q2 and H1 of FY27 results discussion. Hope to see you guys again for the next call. We continue to remain bullish on the prospects of the company. Thank you.

Moderator: Thank you. On behalf of Wonderla Holidays Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.