“Wonderla Holidays Limited

Q3 FY‘24 Earnings Conference Call”

February 09, 2024

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

Moderator: Ladies and gentlemen, good day, and welcome to the Wonderla Holidays Q3 FY'24 Earnings Conference Call, hosted by Monarch Networth Capital. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal the operator by pressing star and zero on your touchtone phone. Please note that this conference is being recorded.

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

Rahul Dani: Yes. Thank you, Darwin. Good afternoon. On behalf of Monarch Networth Capital, we are delighted to host the senior management of Wonderla Holidays. And we have with us today Mr. Arun, the Managing Director of the company; Mr. Saji, CFO; and Mr. Dheeran, Chief Operating Officer. We will begin the call with the opening remarks from the management and then move to questions and answers.

Thank you, and over to you, sir.

Arun Chittilappilly: Hi. Good afternoon, everyone. This is Arun, MD of Wonderla Holidays. Thanks to everyone for joining the call. I extend a warm welcome to all of you to discuss the Q3 and 9 Months of FY'24 Results. Along with me is our CFO, Mr. Saji Louiz; and our COO, Mr. Dheeran Choudhary.

We continue to strengthen our management team, and I'm happy to announce that the appointment of Saji Louiz as CFO of Wonderla. Saji is a Chartered Accountant and brings with him a rich experience of over 15 years, spearheading end-to-end finance and account functions, entailing business, partnerships, business control and compliances, etc. On behalf of Wonderla, I extend a warm welcome to him.

We also have Mr. Dheeran Choudhary, our COO, who has joined us since June last year. He has a strong background in operations from companies like Zomato and Red Bull. He's also an INSEAD MBA alumni. Pleased to have these two colleagues with me.

I'm pleased to share the results that we have had in the quarter marked by several key achievements and positive financial results. Our revenue from operations for the quarter stood at INR123.6 crores, representing a 9.2% growth over last year's quarter. We are consistently growing in terms of both volume and value. Our marketing efforts have played a pivotal role in driving awareness and is reflected in footfall in our parks during the quarter.

We have successfully executed different formats of marketing campaigns during festive season for Diwali, Christmas and New Year, along with concerts like Sunburn at Kochi and New Year event at Hyderabad Park, contributing to overall footfall during the quarter. Footfall for the quarter stood at 9.45 lakhs, an increase of 3% Y-o-Y. And for the 9 months FY'24, footfall stood at 25.3 lakhs -- 25.43 lakhs, an increase of 1% Y-o-Y. This reflects the growing popularity of our attraction and effectiveness of our marketing efforts.

ARPU for the quarter stood at INR1,256, an increase of 6% Y-o-Y. And for 9 months FY'24, the ARPU was INR1,452, registering a growth of 15% Y-o-Y. The increase in ARPU is mainly driven by healthy growth in non-ticket revenue along with encouraging response from walk-in, group and all aspects of our customer base. We've seen an approximately 35% contribution of non-ticket revenue for the quarter against 25% in the last year.

In line with our commitment to innovation and growth, we have successfully launched new rides during this quarter in Hyderabad, which has been very well received by visitors. Additionally, our expansion plans remain on track and of opening parks in Orissa and Chennai. We have signed a MoU recently with Gujarat government to establish Wonderla as a tourist destination in Gujarat. This strategic move is aimed at tapping into new markets and further diversifying our revenue stream.

Looking ahead, we remain optimistic about future growth. We believe our continued focus on guest experience, innovation and expansion will drive sustained growth. We appreciate the dedication of our team members, loyalty of our customers and support of our shareholders.

Now I request our CFO, Mr. Saji Louiz, to delve into the financial results of the quarter.

Saji Louiz: Thank you, Arun, for introducing me and giving me an opportunity to be part of Wonderla family, looking forward to build the company's growth journey together. Good afternoon, everyone, and thank you for joining us for Q3 FY'24 earnings call. I will provide a brief overview of the financial performance of the quarter.

On quarterly performance, the revenue, including other income for the quarter, stood at INR129.5 crores as against INR117.7 crores, up by 10% Y-o-Y. EBITDA for the quarter stood at INR60.4 crores as against INR61 crores, marginally degrew by 1% Y-o-Y basis. EBITDA margin stood at 46.7 percentage. Profit after tax for the quarter stood at INR37.3 crores, down by 4%, and PAT margin stood at 28.8 percentage.

Moving to 9 months financial performance. Our revenue, including other income for 9 months FY '24, stood at INR401.1 crores as against INR339.7 crores, an increase of 18% Y-o-Y. EBITDA stood at INR209.5 crores, up by 18% Y-o-Y. Our EBITDA margin stood at 52.2%. Profit after tax for 9 months FY '24 stood at INR135.3 crores versus INR113.8 crores same period last year, up by 19% Y-o-Y. PAT margins for 9 months stood at 33.7 percentage, up by 20 bps Y-o-Y.

I now request the moderator to open the forum for question-and-answer session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Angad Katdare from Sameeksha Capital. Please go ahead.

Angad Katdare: My first question is related to your comments on the Bhubaneswar Park. You're guiding it will open in Q1, 3 months earlier. Can you just tell us, will it be in the first half of Q1 or will it be in the second half? Will we utilize the full Q1? That's my first. And the follow-up for that is, can you give us the time line for the Chennai Park as well? How is the progress going on?

Arun Chittilappilly: Thank you for the question. So we are hoping to open Bhubaneswar Park in the latter half of May. So we will definitely not get most of Q1. We expect to get all of June and maybe a little bit of May. Towards the end of May is when we are planning to open it. Earlier, we have planned that we might open only in the third quarter, but we are happy that we are able to open in the first quarter. Now regarding Chennai, we hope to open the park in the third quarter -- second or third quarter of FY '26.

Angad Katdare: Okay. And sir, what is the overall capex that we have spent on the upcoming 2 parks? And how much is still pending?

Arun Chittilappilly: For the Bhubaneswar Park, we are planning to -- our plan is to spend about some INR189 crores. And we have already spent about INR140 crores with respect to the Bhubaneswar Park. Chennai Park, we are starting only the land and other things we already procured. Other than that, other expenses are yet to begin, which was about somewhere close to INR80 crores.

Angad Katdare: Okay. Sir, we are seeing one of our competitors getting aggressive in expanding operations with the recent announcements to expand to Indore and other states, where we are also planning to put up a park in the near future. Any comments on the development of the new park planned in MP?

Arun Chittilappilly: I mean I don't know what is their plan currently, I'm not aware of. I think they have a couple of parks, which they already had. They've integrated into one company, but they are much smaller parks than our, and I don't know whether we'll be directly competing with them. Our offering in Indore will be large format amusement parks, not small parks. So we'll have to wait and see, but we are not really worried about that.

Moderator: Thank you. The next question is from the line of Jaiveer Shekhawat from Ambit Capital. Please go ahead.

Jaiveer Shekhawat: My first question is relating to Odisha Park, given that you're near commissioning, could you talk about your pricing and marketing strategy here?

Arun Chittilappilly: Pricing, roughly, we're looking at an ARPU of roughly INR1,000. And marketing, because it's a new park and so we will be spending a lot on that and we will make sure that it gets the proper reception it deserves. Also, the Government of Odisha has been very -- I mean they've literally campaigned our projects. So I'm expecting a lot of synergies to unlock with Odisha Tourism as well.

We hope to capitalize on a little bit of the summer season, even though we may not be able to get all of it. We will hope to get the last bits of May and then whole of June onwards, I think our park should be open. That's the current plan. We will get -- we will keep you updated as more information becomes available.

Jaiveer Shekhawat: Sure. That helps. Secondly, if I look at performance of footfalls at Kochi and Bangalore, there's a clear divergence. So one, what's driving 10 percentage plus growth in footfalls in Bangalore? And what's the reason behind decline in footfalls at Kochi, if you can explain that?

Arun Chittilappilly: So Bangalore is trending as expected in terms of footfall growth. Cochin, we didn't have good footfall growth in Q3, mainly because towards the end of December, we had a slight COVID scare in Kerala, and I think the public in Kerala react to these kind of adverse news a little more than other 2 markets. So if you look at footfalls in Bangalore and Hyderabad, they've grown, but Kochi has degrown. So mainly, it happened in December. Saji, you can give some more details.

Saji Louiz: Yes. Cochin, there is a slight dip in the footfall for the quarter ended. But if you see the 9 months ended also, there is only slight minus 4 percentage dip in the footfall. This whatever our MD has indicated, this COVID scare and that has actually resulted in dip in the footfall.

Jaiveer Shekhawat: So assuming that it was largely because of, say, one-off events, there were bomb blasts as well plus the COVID scare as well. I mean how do you see the revival of footfalls from next year onwards at Kochi? And then what's your expectation for Bangalore, Hyderabad as well?

Arun Chittilappilly: See, these are all matured parks, so we are not expecting huge growth in footfall, but we should be able to manage 3% to 5% footfall growth if you look at the whole year. Bangalore is outperforming right now and the hope is that we can outperform even in Hyderabad. Hyderabad footfalls are actually lower than compared to Cochin and Bangalore, which we feel is an anomaly. We hope to correct it in the next year.

Jaiveer Shekhawat: Sure. And if I see your ticketing revenue growth and non-ticketing revenue growth, again, there is a good divergence there. So one, what's behind the muted growth in ticketing revenue? And secondly, I mean, what's really driving the mid-teens kind of a growth in your non-ticketing revenue? And what's your outlook here?

Arun Chittilappilly: So if you compare to -- look at ATP growth, we have grown by, I think, 6% in ATP. The reason is this year, I think during Q3, we had a higher contribution of the group as against retail footfall in FY '23. So that's the main reason. The reason for better performance in NTR is because we've been focusing on that. And I think our NTR now comprises almost 35% of our revenue.

If you look at Q3 compared to 25% to 26% in the last corresponding period of last year. So there is a clear 10% improvement in terms of contribution from NTR and this is something that we have been talking about before as well. We hope to continue in this path.

Jaiveer Shekhawat: Sure. And my last question to you, Saji is, can you explain the reason for substantially higher OpEx during this quarter on both Y-o-Y and quarter-on-quarter basis in the other expenses?

Saji Louiz: Yes. This -- the variance in the expenses mainly because of the salary as well as for the whole employees cost. That is about 20% hike in the employee costs with respect to the outsourced employees, where we have about 10 percentage of salary freight hike and then 10 percentage of count hike also happened in the current year.

If you see the total hike, some 36% of my hike is happened in the operational cost, which is mainly because of the reasons whatever I already told. Another one is 20% hike happened with respect to the employee cost. This is mainly we have recruited about a net of 60 people in the company, which has resulted in an increased expenses in the current quarter and even in the 9 months ended period.

Other than that, we have done an additional advertisement and sales promotion activities, especially during the festival season, which has resulted in a little and even we have made some -- we have performed certain events also in the past, which has resulted in certain additional expenses for the marketing activities as well. Other than that, there are no other surprises in the expenses. 9 months also almost similar reason. Other than that, there are no other exceptional reasons for the quarter as well as for the 9 months.

Jaiveer Shekhawat: Sure. Understood. Team, wish you all the best for the Odisha Park.

Arun Chittilappilly: Thank you.

Moderator: Thank you. The next question is from the line of Prakhar Soni from Value Research. Please go ahead.

Prakhar Soni: So my question is related to the events which you said have been organized at the parks. So just to understand, have they contributed to overall profitability or because they have contributed certainly to the expenses, as you said, they have gone high because of the marketing...

Arun Chittilappilly: Yes, this will contribute to footfall for us. You've seen growth in footfalls, right?

Prakhar Soni: Yes. So that is due to the events, what have been organized? Is that...

Arun Chittilappilly: It's actually some total of not just events, it's all the marketing effort that we have done. So there are 2 parts to our marketing costs. One part is all events and all that. And then there is advertisement costs. And then there is also commissions that we pay out to our agents for group footfall, all those things have gone up in line with the footfall. And we had a higher percentage of people coming from group and which has led to a higher payout for commission. So all the things are put together in that cost.

Prakhar Soni: Okay. So going forward, any guidance you can give us on the like margin side? Like are they -- will they continue to stay in this?

Arun Chittilappilly: We are already at peak margin last year. So like it will be slightly lower as we have new parks coming into play, and we'll be adding employees to our costs. So margins like it's come down by 3% or 4% this quarter. That may continue for the next few years because we will be adding further people into the system and also marketing and promotion costs also will be in line. I mean it will only be going up as we have new parks to be launched, etc., But on a steady-state basis, the kind of margins that we are seeing where we hope to maintain our EBITDA north of 50%.

Prakhar Soni: Okay. And just one question related to the Odisha Park. As you said that it will be functional in first quarter, second half of the first quarter. So are we already -- when do we look for the stabilization of the park and good revenue churn from there?

Arun Chittilappilly: The first 6 months of the park will obviously be in the launch phase. After that, we can see stabilization.

Moderator: Thank you. The next question is from the line of Chandresh Malpani from Niveshaay Investment Advisors. Please go ahead.

Chandresh Malpani: Sir, my first question is on our expansion strategy. So like we are expanding into Bhubaneswar and Chennai, but what would be the -- your outlook on this government trust to promote these religious places. So are we looking to expand in those regions as well? And secondly, sir, on the Gujarat, that MOU, which we have signed, where would the park would be set up?

Arun Chittilappilly: We have been approached by UP government to set up parks in the religious centers, which are upcoming like Ayodhya and Varanasi. But we are still considering it not yet decided, because our parks are large format parks, we need to make sure that there is enough catchment for us to make sure that it's worth the investment. The Gujarat investment will come between Ahmedabad and Gandhinagar and close to GIFT City is what we are looking at.

Chandresh Malpani: Okay. And sir, our expansion would be asset-light going forward?

Arun Chittilappilly: It will be a mix of asset-light and asset-heavy, depending on the geography and what kind of land parcels are available. Some state governments are very proactive, and they're giving us land practically free like in Bhubaneswar and Indore, but other places like, for example, NCR, we are looking at this thing for projects as well. There, we will have to invest in land. So it just depends on the geography. I think Tier 1 or Tier 1I cities, it will be hard to find land on lease, but if it's available, then we are also open to doing that.

Chandresh Malpani: Okay. Sir, and lastly, what would be our target footfalls and ARPU for FY '25 considering Bhubaneswar plant coming in early. So any guidance on that park?

Arun Chittilappilly: Yes. For the existing park, you can consider about some 5% of growth we are expecting. And then for the Bhubaneswar park, maybe around 5 to 6 lakhs.

Chandresh Malpani: 5 lakhs to 6 lakhs?

Arun Chittilappilly: Yes, in a year.

Moderator: The next question is from the line of Richa from Equitymaster. Please go ahead.

Richa: I'm actually new to the company, so frankly bear with me. You had in the earlier calls, perhaps mentioned the plan for resort expansion as well in Hyderabad and Bangalore. So I mean, could you just give an update on that?

Arun Chittilappilly: We are in the process of expanding our resort in Bangalore. We're adding 40 rooms to the resort, and we are also adding an adventure park and convention center. This will take about a year to complete. So only in FY '26, we can expect the effects of this. We are going to use the next 1 year for construction.

Total investment, we are looking at between INR70 crores and INR80 crores, all put together. And with this, we'll also have a large convention center in Bangalore, which we don't have currently and also an adventure park, which is new -- it's something new that we are doing. Once these projects are stabilized, then we will look at replicating them in Hyderabad, which is our next candidate to do a resort project, but we will do it only after FY '26.

Richa: Okay. And sir, your Chennai Park is, I think, almost like Bangalore, when it comes to size and rides. So I mean, going by historical experience, once you launch a park, how much time does it take for it to get the kind of footfall that a mature park gets?

Arun Chittilappilly: The total footfall ramp up for a new park will take about 2 to 3 years. But I mean, we are expecting all our projects to be EBITDA positive from year 1 itself, thanks to our very efficient way of constructing and also because we manufacture a lot of the rides and technologies ourselves. It's our own -- we are vertically integrated to an extent where we actually design the park and make rides in-house.

So because of that, I think our capex less -- cost will be much lower than competition, and this is why you are seeing high EBITDA margins in Wonderla. So that will continue, and that will help us reduce any potential losses. And also, the fact that we are using an asset-light model. But in Chennai, we are -- we have actually bought land and we have built it as a greenfield project. But we do expect Chennai to give good Bangalore levels of performance after the ramp-up period. So we should be able to cross 1 million plus footfalls within 3 years or maybe even earlier than that. And also ARPU will be comparable or even slightly higher than Bangalore.

Richa: Okay. Okay. And sir, my last question is, these event-based revenues like Sunburn and all, are they getting captured in your metrics that you share for footfall and ticket? And if yes, where exactly do we get section in those metrics?

Arun Chittilappilly: This will come in non-ticket revenue because ticket revenue, if tickets are being sold, it will be done in -- it will be added as ticket. But otherwise, it mostly come in non-ticket revenue for most of the events.

Richa: And footfall is also capturing these event-based footfalls that are there?

Arun Chittilappilly: Only if it's unique footfall. Sometimes we do get people who buy the tickets and for the park and event together, so we don't duplicate that footfall, it will be shown as unique footfall.

Moderator: The next question is from the line of Angad Katdare from Sameeksha Capital. Please go ahead.

Angad Katdare: Sir, what will be the split of group and walk-ins for the quarter? And also, the ARPU split for this quarter between ticket and non-ticket? That will be helpful, sir.

Arun Chittilappilly: The 66% is the group and then balance is the general in the quarter.

Angad Katdare: For the ARPU, sir, ticket and non-ticket?

Saji Louiz: ARPU is generally INR1,256 for the quarter, which is -- ticket revenue will be somewhere close to INR890, balance INR366 will be the SPH. Non-ticket revenue is INR366.

Moderator: The next question is from the line of Monish Ghodke from HDFC Mutual Fund. Please go ahead.

Monish Ghodke: Sir, whenever we plan a new park, what kind of payback period do we target, payback period and return ratios?

Arun Chittilappilly: See, our payback period is between 7 and 8 years, full payback, and that's the kind of rough estimate. It could vary a little bit depending on how quickly the footfall ramps up in the park.

Saji Louiz: On that light model, we'll have a lesser payback period, which if you are purchasing land and then constructing a park, it will have like, as MD said, some 8 to 9 years it may take. But if it's asset-light model, maybe some 4 years or something like you will be able to break even. And payback will be within 3, 4, maximum of 4 years or something like that.

Monish Ghodke: Okay. And so what would be like replacement of rides, which we have to do? What would be the typical maintenance capex, which we have to do on an annual basis or, let's say, per park, if you can share? I mean, typically, like in a park, there will be an introduction of new -- yes.

Arun Chittilappilly: We will roughly spend about 10% of our top line. But next financial year, it will be slightly higher because I think we're spending about INR30 crores in Bangalore and I think INR15 crores in Kochi, right? So I think about INR45 crores is roughly the -- INR45 crores to INR50 crores we will be spending.

Monish Ghodke: So this will be spent on an annual basis, right, just to maintain the rides or to introduce new rides?

Arun Chittilappilly: All the existing parks will get 10% of capex as to add new rides and repair, maintenance, not repair, but any addition to the park in terms of restaurants or new rides, anything new facilities.

Monish Ghodke: Okay. And sir, what is our medium- to long-term strategies, like we will be like expanding this park? Like what are the plans? Like going and getting into adjacencies like maybe a water park or theme park, so what is your thought process overall, if you can share?

Arun Chittilappilly: We are already doing water parks and resorts and everything. Our immediate goal is to do geographical expansion because right now, we only have 3 parks operational and 2 under construction. We want to be in about 10 cities within -- we should have concrete plans of being in 10 cities by -- within the next few years. And that's the plan.

Of course, then we are also looking at how we can leverage technology. We are investing a lot into that in terms of how to use the data that we collect and how to improve customer experience and revenues for us. So these are the 2 kind of broad strategies from our side.

Monish Ghodke: Okay. And sir, any like -- so I recently started tracking this. So I'm not very much knowledgeable on this industry. But like if you see, let's say, a tie-up with some foreign company, let's say, Disney or something just to have those technology of rides and all, have you explored it?

Arun Chittilappilly: We are not looking -- see, Disney usually doesn't tie up with any other company. They will do their own parks, and those are very, very expensive, not workable for a country like India. So I mean, if there are other IPs in terms of technology we feel there is a need that we can leverage on it, we'll definitely be open to it.

Moderator: The next question is from the line of Ranodeep S from MAS Capital. Please go ahead.

Ranodeep S: So Arun, wanted to understand, you mentioned the near-term aspiration is to be in 10 cities. So I wanted to understand, do we have some thought around how many will be Tier 1 and how many will be Tier 2? I understand Tier 1, you look at INR400 crores to INR500 crores capex, and Tier 2 you look at around INR150 crores to INR200 crores capex. So any split of the 10 cities that you're looking at?

Arun Chittilappilly: We would like to do more Tier 1 cities, wherever possible. So for example, we are looking at NCR. We would like to do something in Bombay -- between Bombay and Pune also, in Maharashtra. And we are looking at other big cities, maybe like Kolkata. So -- but we have not really finalized places yet. It depends on what we find in terms of land acquisition and government support.

But we also want to go to Tier 2 cities because for us, it's a very easy entry into some of these geographies, and we find that we can dominate the market very easily. So it will be a mix of both. I can't give you the exact numbers, but I would say we will still focus on Tier 1, but we will also be open to Tier 2.

Ranodeep S: Sure, sure. And just an add-on question to that, there's been an immense focus towards Ayodhya. And UP government has already mentioned about something like Rama Land, right, which is like a theme park. So any thoughts around that? Will we be pitching for that?

Arun Chittilappilly: Yes. We've been approached by the UP government to do something like this. We are evaluating it. We have not yet frozen on anything because we already close to doing something in the NCR region in Noida through the UP government itself. So we don't want to do multiple projects in 1 state currently.

Our philosophy is we want to be in 1 large city in 1 state, preferably the largest. So for us, NCR makes the most sense. But we are open to evaluating proposals from the UP government. But I think it's still early days, but eventually, yes, we are open to it.

Ranodeep S: Sure. One last question. 1.4 billion nation FY '23, we saw 33 lakh footfall, right? What are your projections from, let's say, 2, 3 years down the line? Where do you see this number heading? Do we see a doubler in the next 3 years?

Arun Chittilappilly: Yes. I think once we have Chennai and Bhubaneswar stable, we will add 1.5 -- another 1.5 million to it, but this would take about 3, 4 years. By that time, of course, we will have other projects also in the pipeline. But again, it depends on how quickly we are able to ramp up footfalls in the new projects. But we are hoping that we should be able to do it in 2 to 3 years.

Moderator: The next question is from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Thank you for the opportunity.

Moderator: Sorry to interrupt. You are not clear. I can't hear you.

Madhur Rathi: Am I audible right now?

Moderator: Not really, sir. This is not clear.

Madhur Rathi: Is it better?

Moderator: Sir, we request you to please use the handset mode.

Madhur Rathi: I'll just join back in the queue.

Moderator: The next question is from the line of Prakhar Soni from Value Research. Please go ahead.

Prakhar Soni: Just one follow-up question on the expansion plans. Are we looking -- how are we looking to fund this? Like any plan for debt and equity, what exactly are we looking forward to?

Saji Louiz: Yes, it's a little too early to take a call on this. So we will be evaluating the -- both the plans, maybe a mix of it or something like that, maybe after the next year, not immediately.

Arun Chittilappilly: Currently, our cash flows will be able to -- we should be able to manage the current 2 projects with existing cash flows and cash accruals. But as and when we look at new projects and we sign on any new projects, at that point, we will be looking at some debt because we are currently debt-free.

We have no debt on the books. So we are open to taking some debt on. And then if the projects get -- if we are able to handle more execution simultaneously, at that point, we might even look at fully dilution, but like Saji said, we don't see that happening for at least the next 1 year.

Moderator: The next question is from the line of Vinay Nadkarni from Hathway Investments. Please go ahead.

Vinay Nadkarni: Yes. Just wanted to check out all the Wonderla products are exactly the same? Or do you change based on the customer profile in each location?

Arun Chittilappilly: Yes. All our parks are different. They are usually tailored to the -- our current -- I mean, our host city. For example, in Bangalore, we have heated pools, whereas in Kochi, where there is much warmer, there's no need for heated pools. So accordingly, we'll change depending on the weather patterns and the climate and the local taste, we will change our parks.

And we try not to -- I mean, our current three parks are -- there are commonalities between rides and experiences. But for example, in Chennai and Bhubaneswar, the rides and experience are going to be different.

Vinay Nadkarni: Okay. And that would impact the ARPUs also?

Arun Chittilappilly: Not really. ARPUs will be -- I think it's just a mix of rides that we are going to do will be different.

Vinay Nadkarni: And how do you then increase your ARPUs going forward?

Arun Chittilappilly: In fact, it should help us improve ARPU because we feel that we want to create more differentiation between our projects, so that if somebody has visited already a park in Cochin, he should still feel like going to our park in Chennai only because the experiences are going to be different. So that is what we're looking at.

Vinay Nadkarni: Yes, precisely my question. What I wanted to check was, what are the things that you people are looking for, how do you improve your ARPU going forward? Because that is -- footfalls are, of course, your marketing will drive. But for ARPUs, what is it that effort you're putting in?

Arun Chittilappilly: ARPU, like I said, new attractions, one. New F&B and non-ticket revenue options, new retail, addition of adventure park and nice facilities, resort, these are all for us ARPU enhancing. And non-ticket revenue for us has always been a focus, especially post COVID. So these are all methods to improve ARPU.

Vinay Nadkarni: Okay. Last question, is there any resistance -- upper resistance on ticket prices?

Arun Chittilappilly: So far, no. In fact, we've taken almost 30% improvement in our ARPU. If you look at FY '21 and FY '23 or FY '20 and FY '24 right now, there will be almost a 35% difference in our ARPU. So we've not seen a huge -- actually, we have not seen any impact of ticket prices, but it's also because I think people's preferences for nearby entertainment have changed, post COVID. I think there is a more focus on frequent but less expensive vacations for Indians. I think that is helping us as well.

Moderator: The next question is from the line of Mythili Balakrishnan from Alchemy Capital Management. Please go ahead.

Mythili Balakrishnan: A couple of questions. Just wanted to get a sense from you on -- you had mentioned the capacity utilization is sort of high in some of the places, such as Bangalore...

Moderator: Sorry, ladies and gentlemen, the line for the current participant seems to have dropped. We will proceed to the next question, which will be from the line of Madhur Rathi from Counter Cyclical Investments. Madhur Rathi, you may proceed with your question.

Madhur Rathi: Yes. I hope I'm audible right now?

Moderator: It's slightly better, sir. Please go ahead.

Madhur Rathi: Yes. Sir, I just wanted to clarify, you said 5% footfall growth in our existing park and 5% from Kochi for the FY'25? And what will be the margin growth for FY'25?

Saji Louiz: Not clear. Could you please repeat?

Madhur Rathi: Sir, we guided 5% footfall growth in our existing park, some 5% exposure from the Bhubaneswar Park. So what will be the value growth in FY'25?

Saji Louiz: So if you could see our ARPU rate is about INR1,256 for the quarter. And if you see for the 9 months, somewhere close to INR1,400. So existing park, maybe within that, you can just do calculation. And for the Bhubaneswar Park, we will be looking at about an ARPU of somewhere about INR1,000 or something like that.

Madhur Rathi: Okay. And sir, what is the average ARPU increase that we see in every year...?

Saji Louiz: ARPU increase will be roughly -- this time, it is about some 15 percentage for the 9 months ended. So when you do the lot of mix in our non-ticket revenue, the introduction of new products in our F&B as well as in the retail segment, this can improve a lot.

And then we are trying to improve the non-ticket revenue almost maybe up to 40 percentage of my total ARPU level. Presently, it is about some 25% to 30%, which eventually will improve my total ARPU -- enough for the time being.

Madhur Rathi: Okay. And sir, just one last question. So what will be the ticket price increase, every year?

Saji Louiz: Ticket price will be some 10% to 15% may increase on a year-to-year basis, it depends on the -- our final decision on the cost of inflation and other things.

Saji Louiz: Yes, between 5% and 10% every year ARPU improvement, you can expect.

Moderator: The next question is from the line of Vinay Nadkarni from Hathway Investments. Please go ahead.

Vinay Nadkarni: Yes. Upon getting the resort in your Bangalore plot, what is the kind of revenue growth you can anticipate in Bangalore? And would that also get captured in the ARPU? Or will it be captured separately?

Arun Chittilappilly: Yes. So the resorts will come as other end -- I mean some of it will come as -- it will be captured separately. We hope to double our revenues from our resort once -- when you -- at least double or even more than that. I will give you more details as the investment is -- right now, the investment is only being planned. It's not yet completed. The projection for revenue will be given once the investment, the plan is complete.

Vinay Nadkarni: Yes. But that would separate from...

Arun Chittilappilly: Even more than that.

Vinay Nadkarni: Yes. That metric should be different, right? If footfall, ARPU will not apply there, there would be something else that could apply, maybe the...

Arun Chittilappilly: I mean average room rental which will have an impact.

Moderator: Ladies and gentlemen, we have no further questions. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Arun Chittilappilly: Thank you, everyone, for joining this con-call for discussing the Q3 FY'24 earnings. We hope to continue on this momentum that we have created in the last two years. And we are excited to showcase our expansion plan and revenue potential of this sector. We remain confident and bullish of investing further into this segment. And hope to see you at our next call soon. Thank you.

Saji Louiz: Thank you.

Moderator: Thank you. On behalf of Monarch Networth Capital, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.