

# **ADLABS** Entertainment Limited

August 1, 2016

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

**Sub.: Revised Investor Presentation on Q1 FY17 Results**

Further to our letter dated July 28, 2016 on the captioned subject, we enclose herewith revised Investor Presentation on financial results of the Company for the quarter ended June 30, 2016 and the same is also uploaded on the Company's website.

You are requested to take the same on records.

Thanking you,

Yours faithfully,  
For Adlabs Entertainment Limited



Madhulika Rawat  
Company Secretary & Compliance Officer  
(Membership No. A21728)

Encl: As above



Adlabs Entertainment Limited

Investor Presentation - July 2016



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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.



# 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** guest

## 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** guest

## 2016: Snow Park

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



# International Theme Concept...

Imagica has sourced rides from Leading Global OEM's & Designers...

SALLY  
CORPORATION

BOLLIGER & MABILLARD

WHITEWATER  
The Whitewater & Attractions Company

S&S WORLDWIDE

Premier Rides, Inc.  
Inspire. Create. Entertain.

SANDERSON

Neptune-Benson

ERM  
TECHNOLOGIES

ZAMPERLA

ATTRACTIONS  
INTERNATIONAL

...these OEMs have built marquee Attractions at  
*"best of the Global Parks"*



Hulk Roller Coaster  
Islands of Adventure  
Universal Studios  
Orlando



Soaring Over  
California  
Disney World, USA



Space Mountain  
Disneyland



Haunted Mansion  
Magic Kingdom  
Disneyland



Simpson  
Universal Studios  
Orlando



Dumbo, Magic  
Kingdom  
Disneyland



Buzz light year  
Magic Kingdom  
Disneyland Orlando



Bubble Show,  
Macau



Dinosaur Flume  
Ride  
Universal Studios  
Orlando



Pirates  
Magic Kingdom,  
Disneyland



Poseidon's Fury  
Islands of Adventure  
Universal Studios  
Orlando


























Mine Train  
Ocean Park  
Hong Kong



# India's First True International Theme Experience...

Creative customization of International rides helped us develop numerous attractions at Imagica

|                        |   |  |  |                        |   |                                 |  |
|------------------------|---|--|--|------------------------|---|---------------------------------|--|
| Nitro                  |    | I for India                            |    | Save The Pirate        |    | Zoobaloo                        |   |
| Deep Space             |    | Salimgarh                              |    | Bump It Boats          |    | Dare 2 Drop                     |   |
| Mr. India              |    | Tubby Takes Off                        |    | Wagon O Wheel          |    | Mambo Chai Chama Crazy Tea Cups |   |
| Alibaba & Chalis Chorr |    | Cinema 360 - Prince of the Dark Waters |    | Scream Machine         |    | The Magical Carousel            |   |
| Rajasaurus             |   | Splash Ahoy                            |   | Detective Bow Wow Show |   | Happy Wheels                    |  |
| Wrath Of Gods          |  | Gold Rush Express                      |  | Humpty's Fall          |  |                                 |  |

An assortment of international level attractions at Imagica provide an Immersive Entertainment Experience





# ...Global Scale, Quality & Safety

- Spread over 132 acres with 25 rides at Imagica, 14 rides at Aquamagica & high capacity
- Surplus land to add 3-4 rides over the next 5 years including one major ride or attraction every two years

Global  
Scale

International  
Quality

- Themed rides customized to Indian sensibilities designed and supplied by international vendors
- “Nitro” – largest roller coaster in India

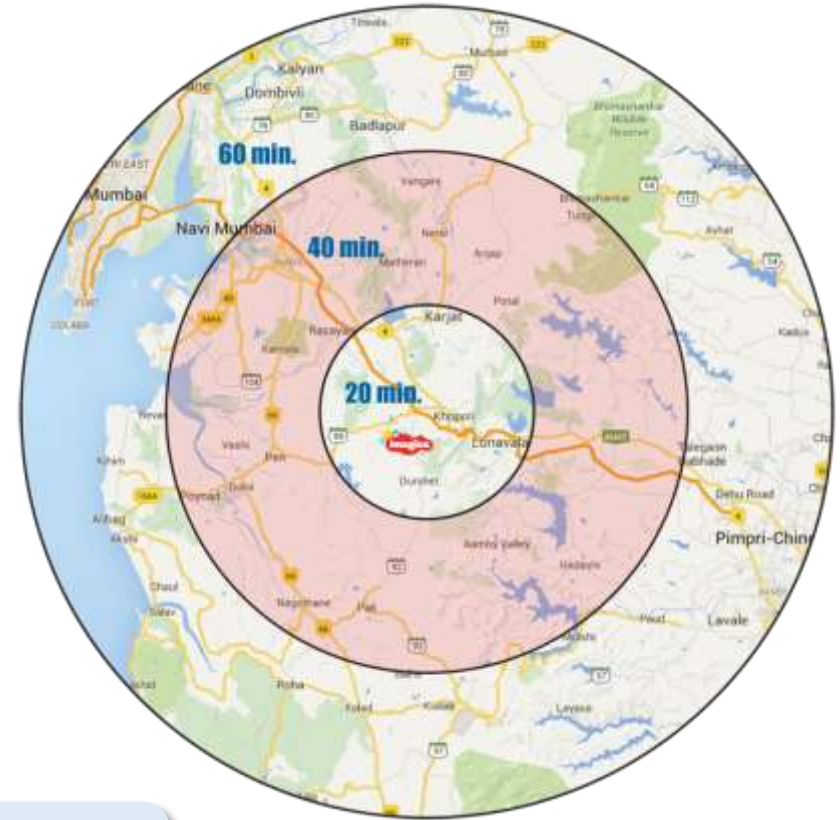
- Best in class Master Plan, Design & Services to build high Safety
- Vendors compliant with international standards – ASTM, European or EN Standard
- International safety certifications
- TUV SUD South Asia Pvt Ltd engaged to carry out inspection, testing and installation certification

World class  
design &  
safety



# ...Evolving into India's First Holiday Destination...

- Imagica has positioned itself as a tourist zone consisting of
  - Weekend hill retreats nearby Lonavala & Kandhala (20 mins away)
  - Connectivity to the Navi Mumbai Airport (25 mins away)
  - Pilgrim circuit as Ashtavinayak tourism, located in close proximity to Pali & Mahad Ganapati (30 mins away)
  - Also beach tourism in Alibaug, Kashid, Murud (Just 60 mins away)
- Proximity to Mumbai & Pune, 2 of the biggest city's of Maharashtra
- Connected via Mumbai-Pune Expressway



- Located on the Mumbai Pune Expressway
- 1-2 hours drive from Mumbai and from Pune
- Pick up and drop off service from designated locations in Mumbai and Pune



- Located 6 kms from Khopoli station, serviced regularly by the Mumbai suburban train services
- Free shuttle services to and from the Khopoli station at designated intervals



- Mumbai Airport at a distance of 79 kms
- Pune airport at a distance of 82 kms

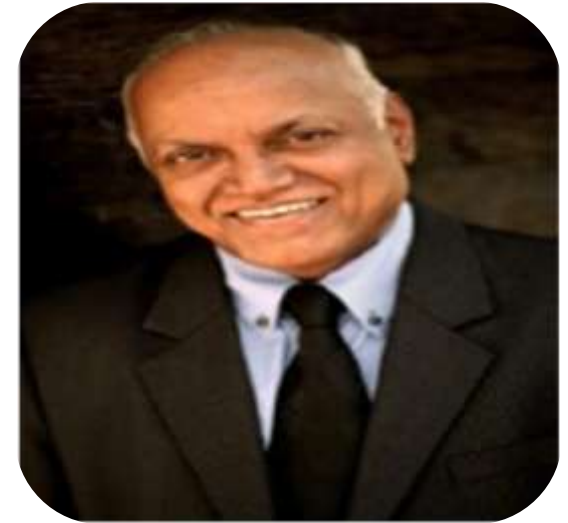




# ...Conceptualized by Entertainment Entrepreneur..



- Conceptualized and launched 'Adlabs Imagica' and in-charge of overall business operations
- More than three decades of experience in the Indian media and entertainment business including theatrical exhibition business and the digital cinema business in India
- Founded Adlabs Films Limited which went public in January 2001
- Served as the Chairman of the National Film Development Corporation set up by the Government of India and the President of the Film and Television Producers Guild of India



Mr. Manmohan Shetty  
Chairman & Managing Director

“

A Pioneer in film processing laboratory and production in India

”

Year 1978

“

A Pioneer in 'IMAX' & Multiplex Revolution in India

”

Year 2001

“

Thrive for Innovation & Thrill, he has conceptualized and launched **ADLABS IMAGICA**

”

Year 2013



# An International Theme Destination in India



theme park • water park • snow park • hotel



# Integrated Theme Park Destination

## An exciting opportunity for India



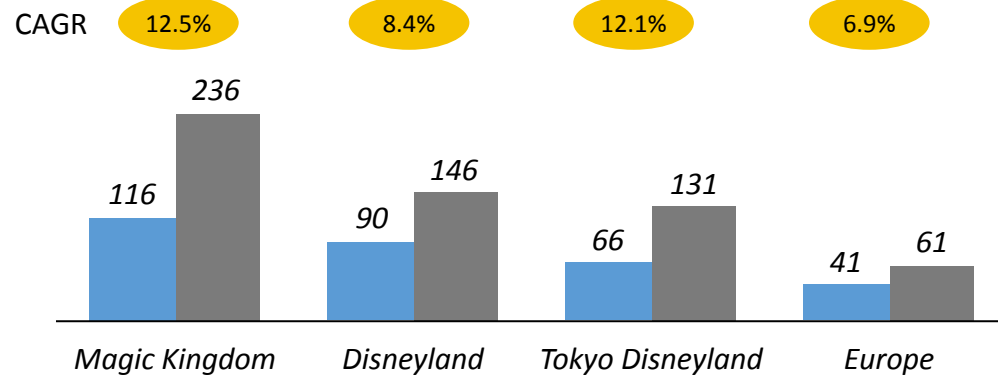
- Quality **Theme Parks across globe** have witnessed high footfalls and secular growth
- India lacks a High End family Entertainment Destination, Adlabs Imagica is a first and only such destination
- Burgeoning Indian middle class provide Favourable macroeconomic and demographic dynamics



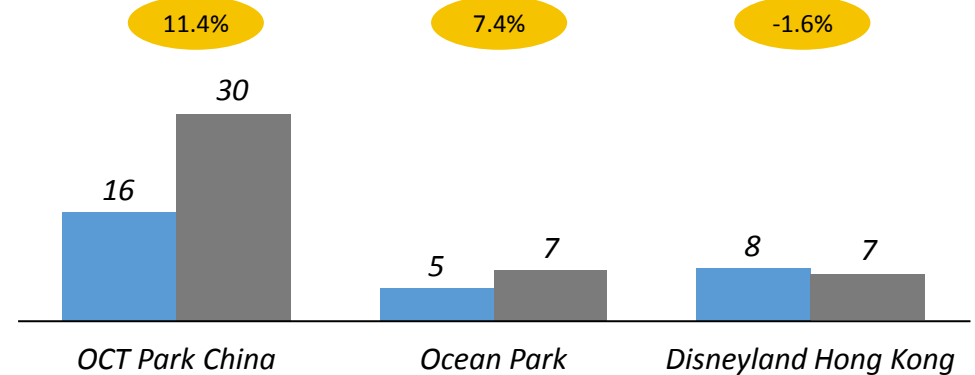


# Theme Parks – Secular Growth Story

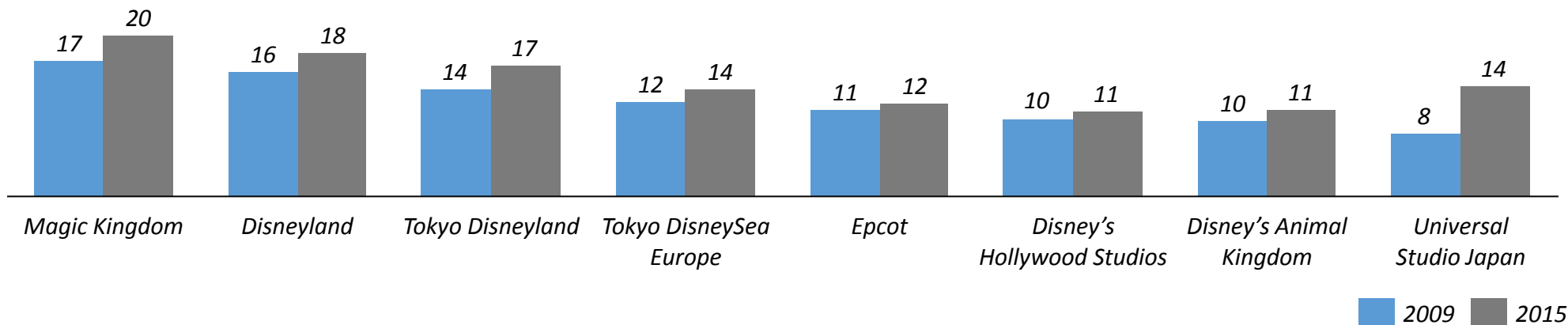
## Regional attendance (top 10 parks)



## Attendance at select Asian parks



## Attendance at select global theme parks

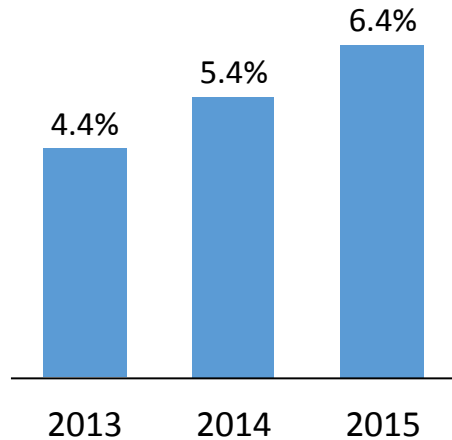


Large format parks have visitors in excess of 8-9 million per annum

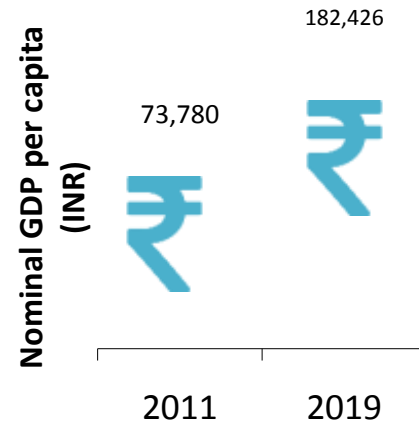


# Favourable macroeconomic and demographic dynamics in India

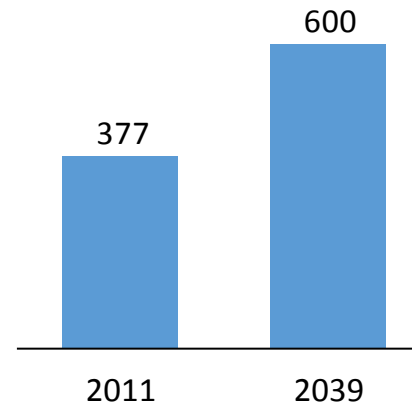
## Robust GDP growth



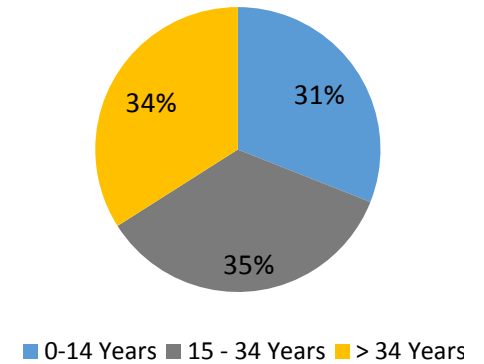
## Rising per capita incomes



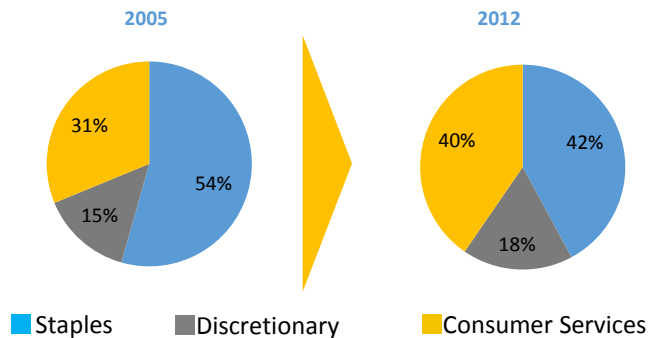
## Increasing urbanisation



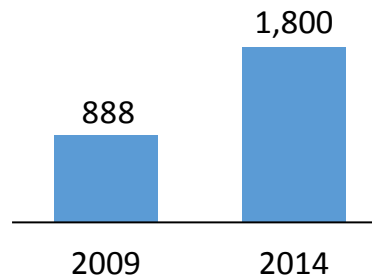
## Young population



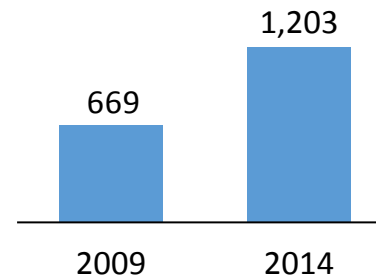
## Growing consumerism – share of spending



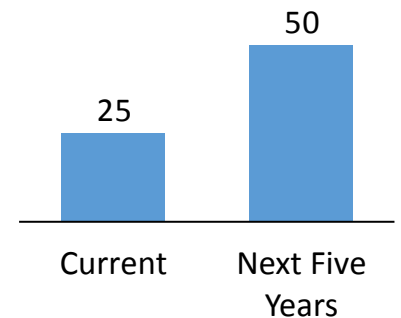
## No of multiplex screens



## Rise in domestic tourism



## Indian parks industry size



Source: India Brand Equity Foundation ('IBEF'), IHS, 2011 Census of India, IMaCS report, FICCI – KPMG report, India Tourism Statistics 2013, Corporate Catalyst Report on Tourism



# India lacks a High End family Entertainment Destination



| 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

**Significant gap in market for World Class Live Entertainment Destinations in India**  
**First mover advantage to AEL**





## Enhancing Footfalls

### Huge Potential in Primary Catchment Area

- Mumbai-Pune & Peripheral area provide the largest and the best demographic of catchment population across all of India
- Enhancing customer base to mid-strata

### Targeting Pan-India

- Marketed as Holiday Destination across India
- Tie-ups with various Travel & Tourism Intermediaries

## Increasing Entertainment Options

### New Attractions

- To add 3-4 rides & attractions over the next 5 years, including 1 major ride every 2 year
- Snow Park opened for guest in first week of April '16

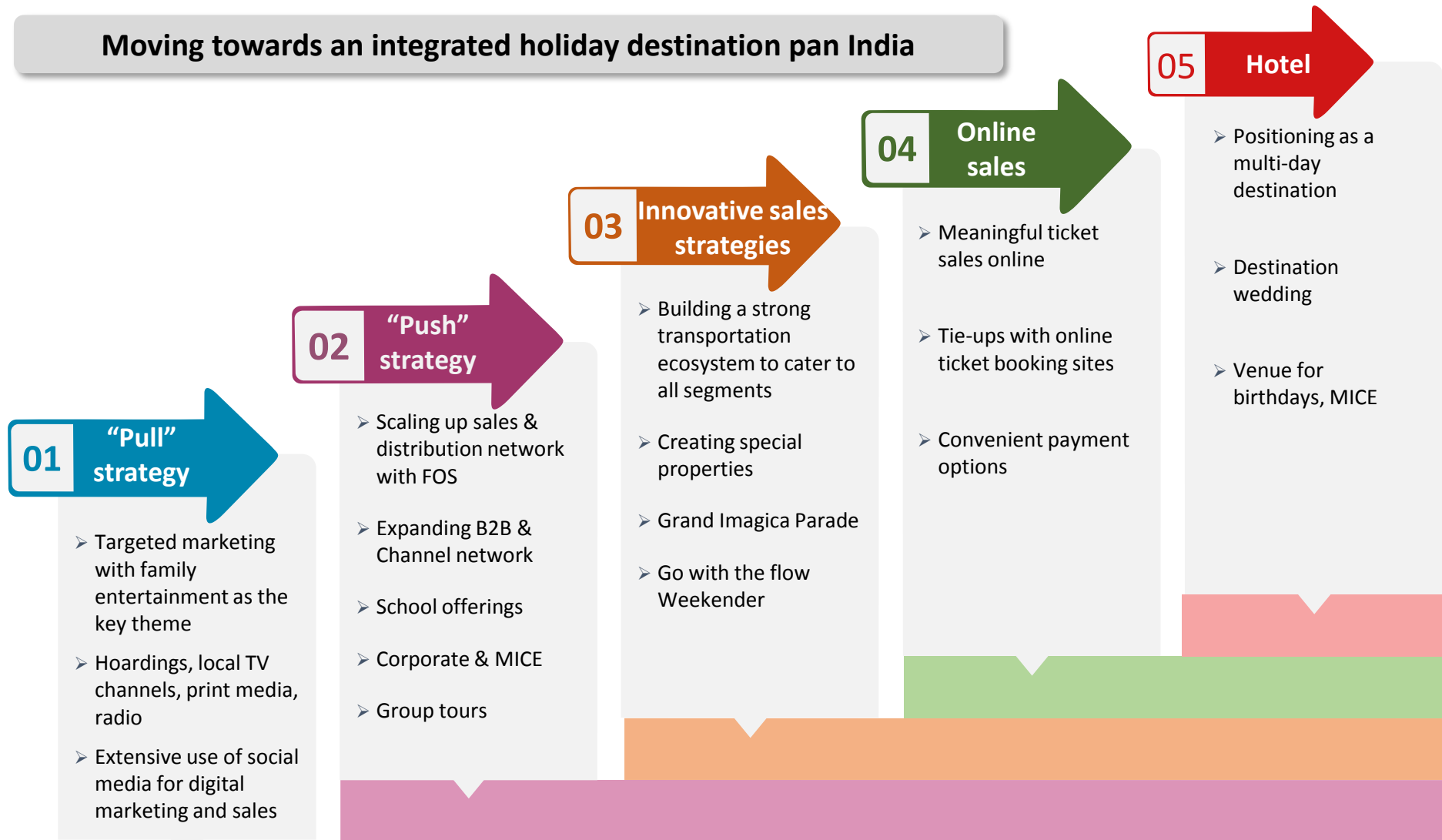
### New Holiday Destinations

Intend to set up integrated holiday destinations in other locations in India, either through parks owned and operated by us or through a partnership or a franchise model



# Multi pronged approach to increase visitors

## Moving towards an integrated holiday destination pan India



# Avenues to enhance non-ticketing revenues

## Sponsorships and alliances

- Sponsorship and alliances with other brands
- Brand activation at the park

## Food & Beverages

- Increase the per capita spend on F&B
  - Increase the number of meals
  - Adding beverage portfolio
- Promoting concepts like breakfast and dinner with characters
- Catering to evening events



## Tie-up opportunities

- Snow Park
- Adventure-course tower
- Tie-ups on a revenue share basis

## Merchandise and Intellectual property

- Licensing park characters
- Out of park sales on Imagica stores, website and other online portals
- Expanding product portfolio

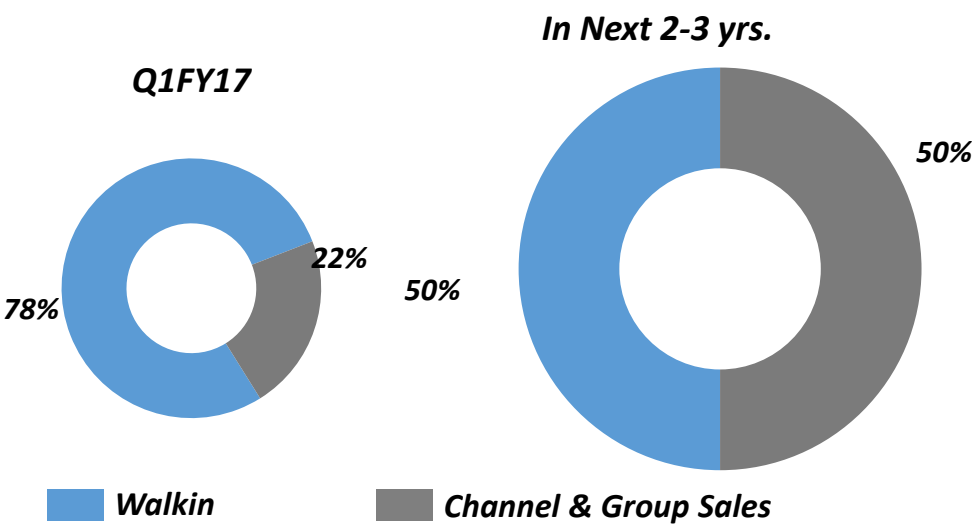




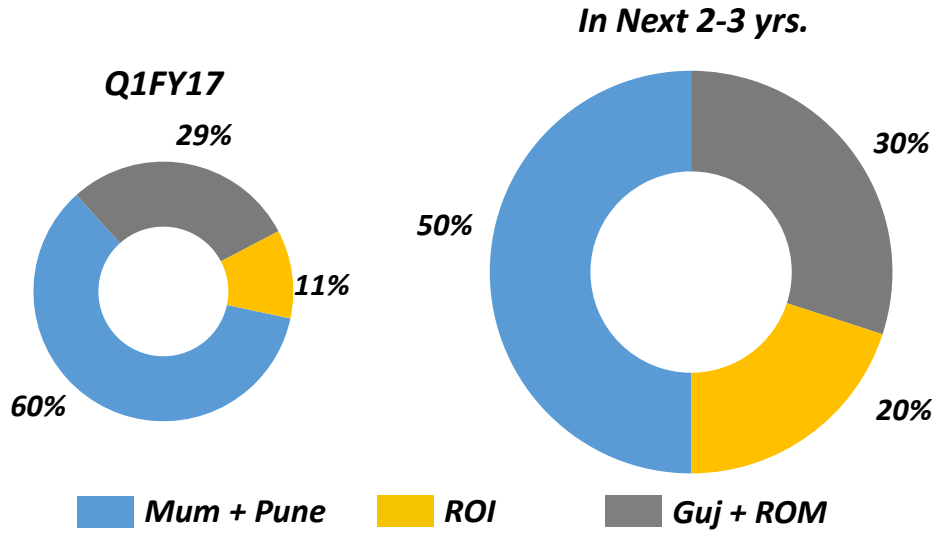
# Growth Strategies



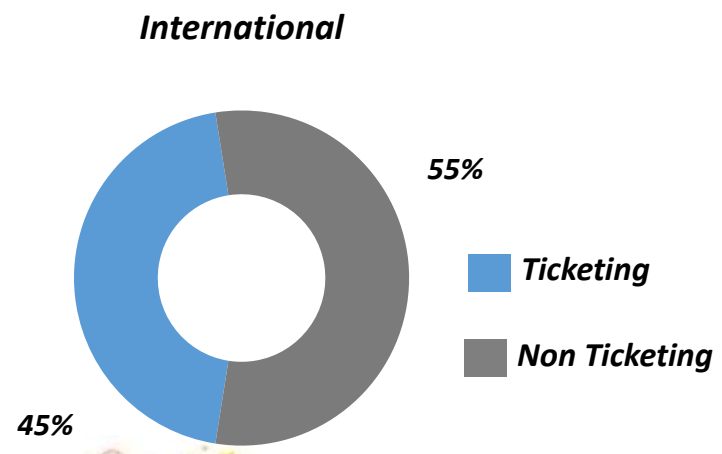
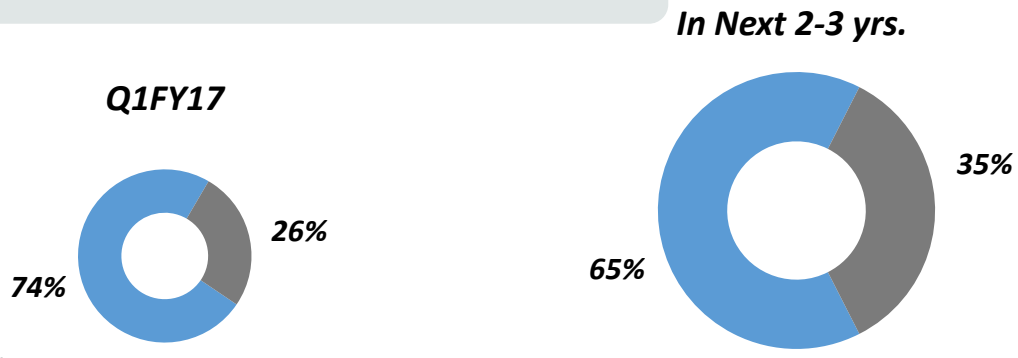
## Walkin V/s Channel & Group Sales



## Catchment Area



## Ticketing & Non-Ticketing\*

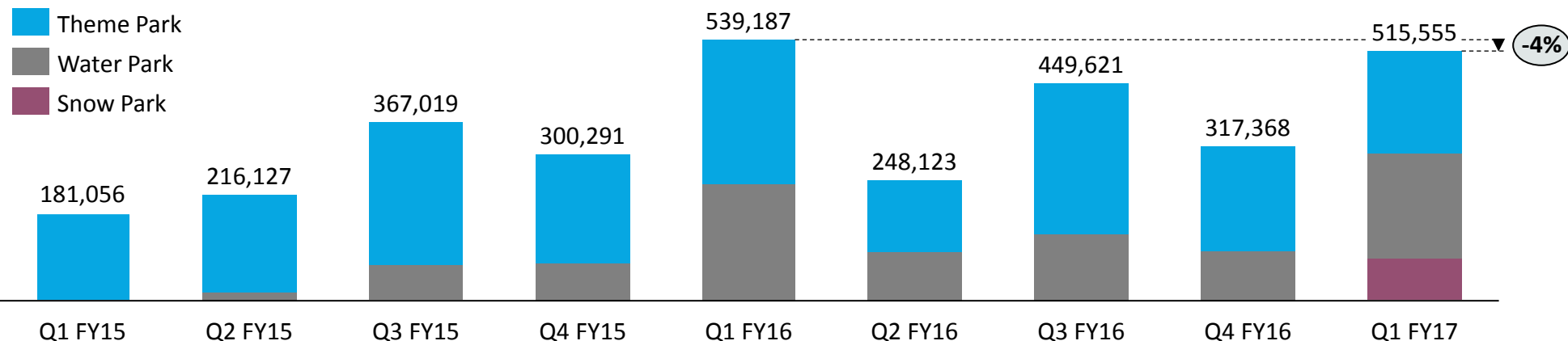


\* Excl. Hotel

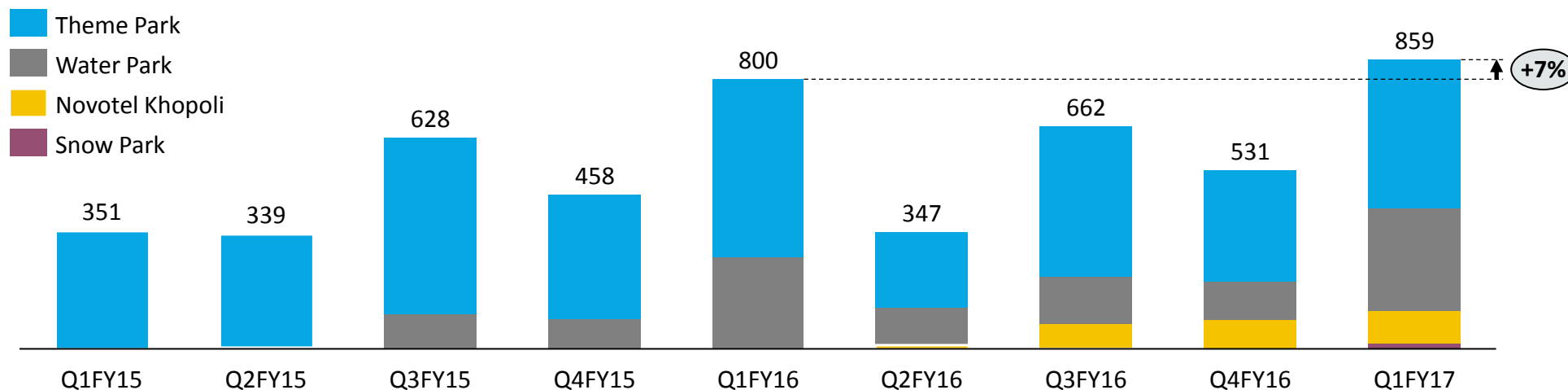


# Growing Footfalls and Revenue

## Total Number of Guests

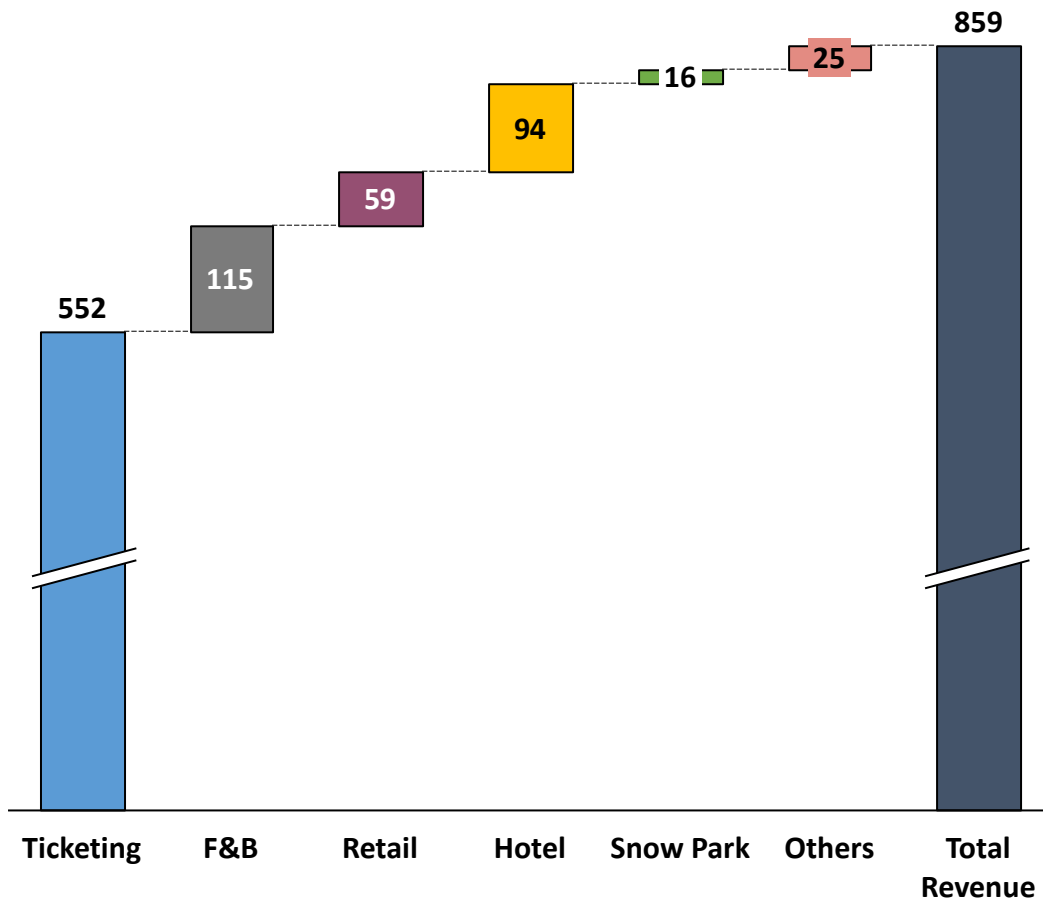


## Total Revenue ( in mn)

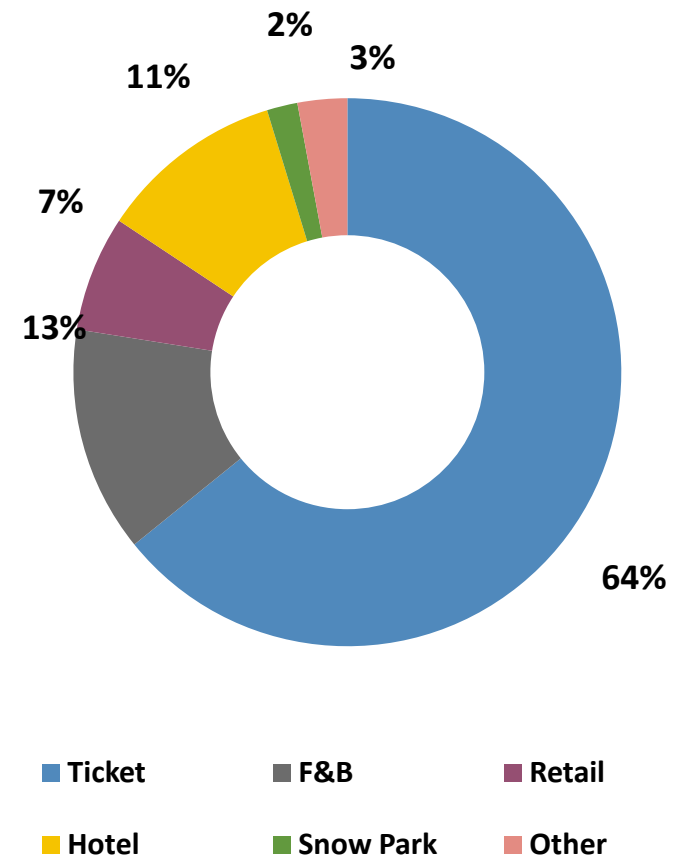


# Revenue Break-up

Q1FY17 Revenue Build-up (Rs. mn)

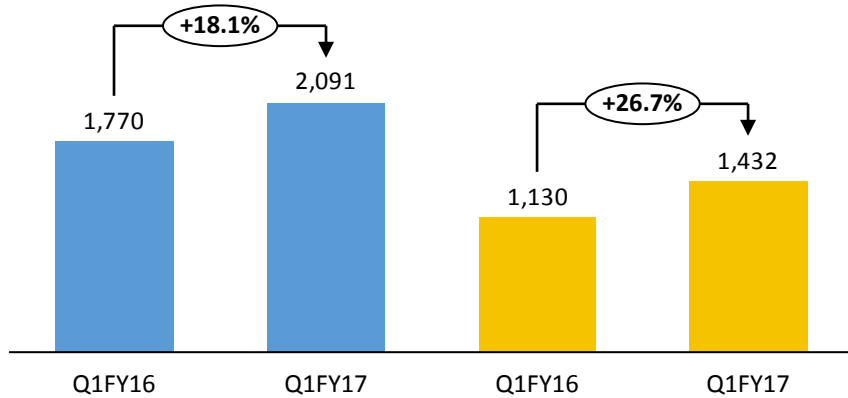


Q1FY17 Revenue Break-up

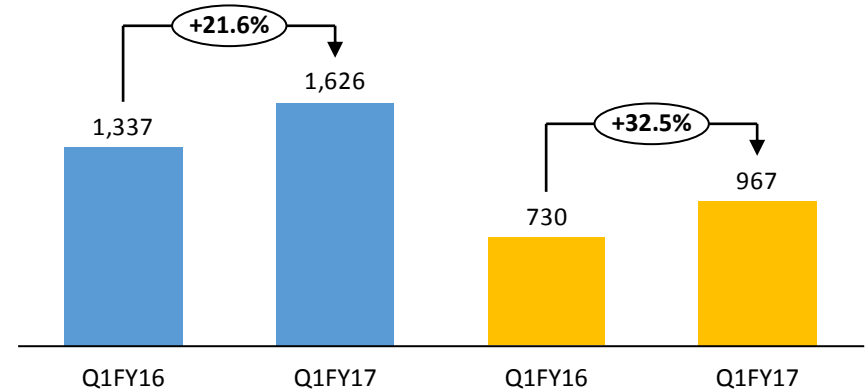


# ARPU Break-Up

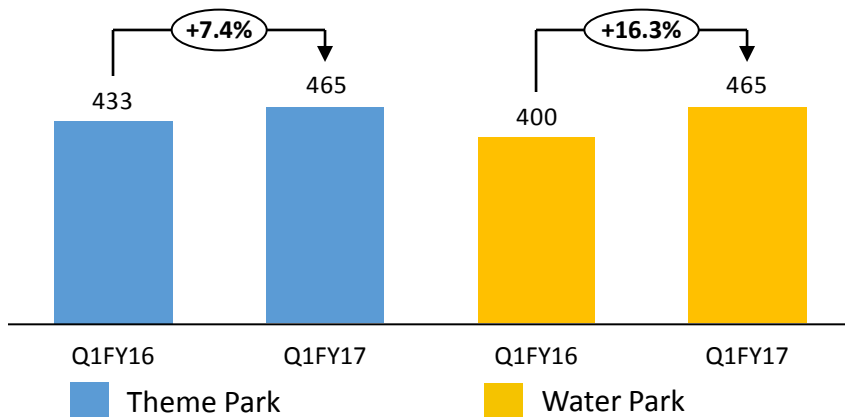
## ARPU (Rs.)



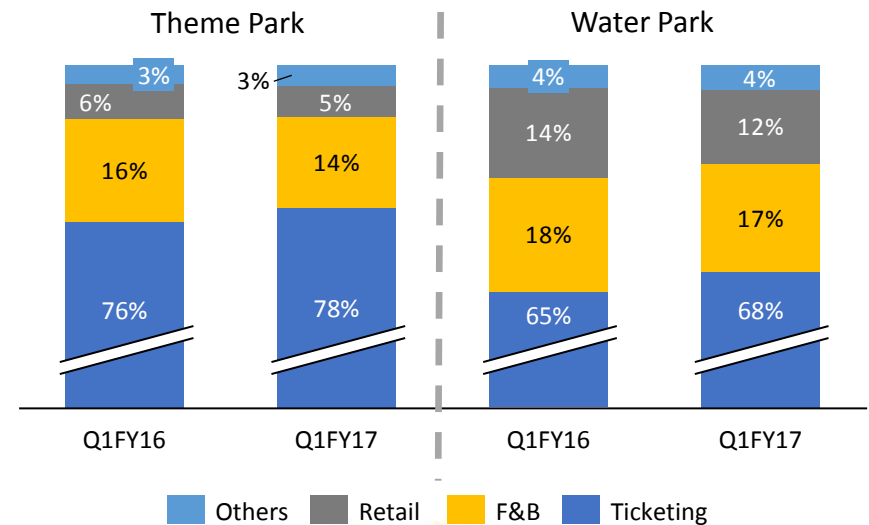
## ARPU - Ticketing (Rs.)



## ARPU – Non Ticketing (Rs.)



## ARPU Break Up (%)

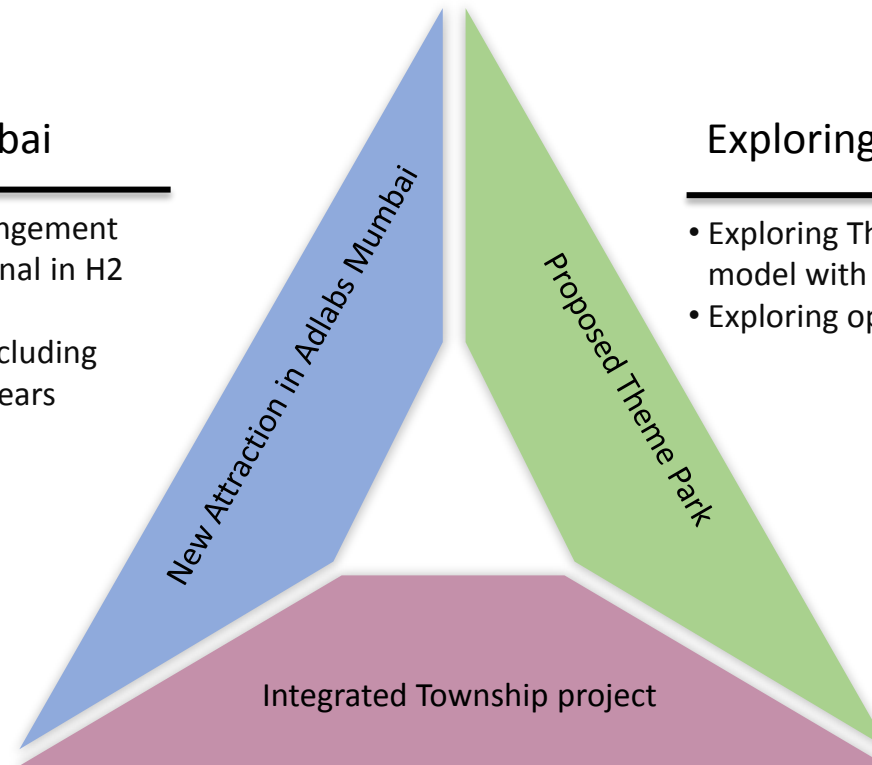




# Medium Term Strategies

## New Attraction at Adlabs Mumbai

- Adventure Park – (Revenue sharing arrangement with no Capex). Expected to be operational in H2 FY17
- To add 3-4 rides over the next 5 years including one major ride or attraction every two years



## Exploring Theme Parks

- Exploring Theme park project through a JV model with land owners in Hyderabad
- Exploring options in Delhi /NCR

## Monetization of Real Estate - Khapoli

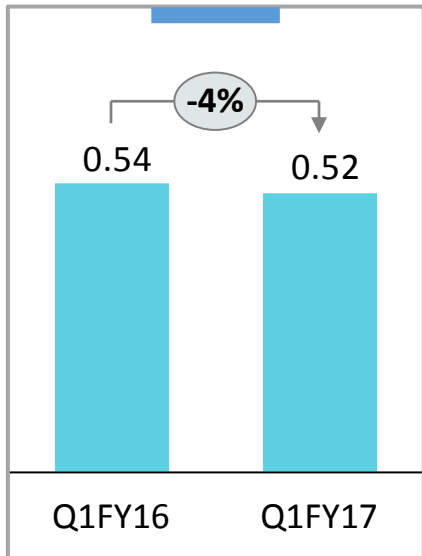
- Development of a township project at Adlabs Mumbai on the 170 acres of surplus land through a wholly owned subsidiary
- Opportunity to generate high cash flow



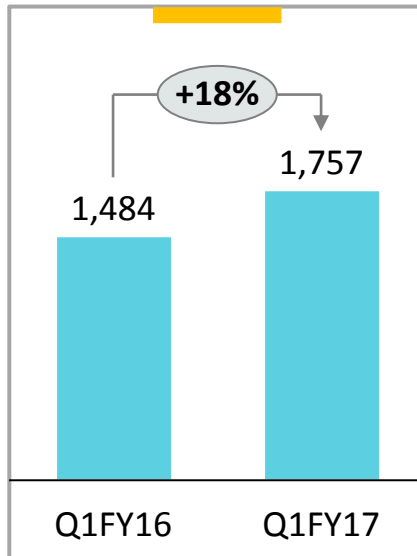
# Key Financial Highlights



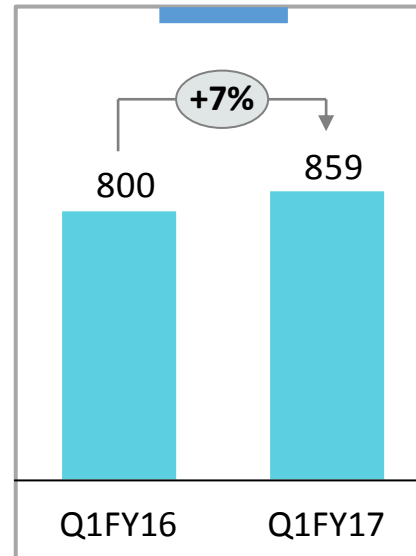
**Footfall**  
(mn)



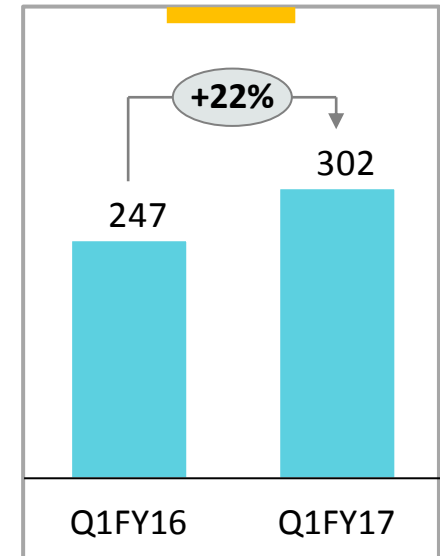
**ARPU**  
(Rs.)



**Revenue**  
(Rs. mn)



**EBITDA**  
(Rs. mn)



# Management Commentary

- FY17 will be a stabilisation year, wherein all the products are functioning together for the first time
- The positioning of the business has been redefined over Q1 FY17
  - The premium positioning of the parks, as was envisaged while setting up the project, has been brought back in focus
  - The communication and branding strategy has been totally revamped to reflect the premium positioning of the park
  - The pricing has also been realigned keeping in mind the premium positioning and the price inelasticity of the product. The following steps have been taken in this regard:
    - Ticket pricing has been moved to plus tax model
    - Low ARPU products such as Happy Tuesday, Wat-a-Wednesday, Lazy Sunday etc. have been discontinued
    - The focus is now on revenue maximisation and on driving ticketing and non-ticketing ARPU while maintaining footfalls





# Management Commentary



- Revenue grew by 7% and EBITDA by 22% YoY in Q1 FY17
  - EBITDA Margin improved by 428 bps to 35.2%
- Overall ARPU grew by 18% yoy for Q1FY17
  - ARPU grew by 18% in Theme Park and 27% in Water Park
- Ticketing ARPU improved by 21% YoY
  - Consistent focus of management to improve pricing
  - Discontinuation of low ARPU products like 'Happy Tuesday', Wat-A-Wednesday, etc
  - Ticket pricing moving towards plus tax model
- Non-catchment area including Gujarat contributes ~40% for Q1 FY17
- Since opening in April '16, our latest attraction Snow Park has received an over whelming response
  - Entertained ~88,000 guest in Q1 FY 17
- Average occupancy of ~88% at Novotel Imagica (NIK) with ARR of Rs. 10,000+ including F&B
  - Average ARR of Rs. 6,800+
  - Hosted 55+ corporates and 1 destination weddings



# Recent Updates



- **Received Locational Clearance for developing a 'Special Township'**
  - Receives Locational Clearance for Special Township from Government of Maharashtra
  - Approval comes under Special Township Policy 2006/ 2014 of the Government of Maharashtra
  - Approval is for 88 acres of land out of the total surplus land and in process of obtaining approval for the balance surplus land as well
- **Launched Snow Park**
  - In Joint venture with Acme Entertainment at no Capex
  - Revenue sharing model to provide operational efficiency
  - Built over an area of 30,000 sq. ft.
  - 100% natural snow
  - Real snowfall & sub-zero temperatures as well as a 50 foot tall snow dome



# Profitability Statement – Quarter

| Particulars (Rs. mn)                        | Q1 FY17        | Q1 FY16        | YoY        |
|---|----------------|----------------|------------|
| <b>Footfall* (Nos.)</b>                     | <b>515,555</b> | <b>539,187</b> | <b>-4%</b> |
| <b>Revenue</b>                              | <b>859.5</b>   | <b>800.1</b>   | <b>7%</b>  |
| Raw Material                                | 80.7           | 74.8           | 8%         |
| Advertisement, sales and marketing expenses | 151.0          | 143.0          | 6%         |
| Employee benefits expense                   | 155.9          | 154.8          | 1%         |
| Repairs and Maintenance                     | 28.7           | 42.5           | -32%       |
| Power, fuel and water                       | 48.0           | 41.8           | 15%        |
| Other expenses                              | 92.8           | 96.0           | -3%        |
| <b>EBITDA</b>                               | <b>302.3</b>   | <b>247.2</b>   | <b>22%</b> |
| <b>EBITDA Margin</b>                        | <b>35.2%</b>   | <b>30.9%</b>   |            |
| Other Income                                | 2.4            | 35.2           | -93%       |
| Depreciation                                | 242.8          | 207.8          | 17%        |
| Finance Cost                                | 291.9          | 273.3          | 7%         |
| <b>Profit Before Tax</b>                    | <b>-230.0</b>  | <b>-198.8</b>  | <b>-</b>   |
| Tax   | -37.7          | -43.5          | -          |
| <b>Profit after Tax</b>                     | <b>-192.3</b>  | <b>-155.24</b> | <b>-</b>   |

\* Excl. Hotel





# Profitability Statement – Full Year

| Particulars (Rs. mn)                        | FY16             | FY15             |
|---|------------------|------------------|
| <b>Footfall* (Nos.)</b>                     | <b>1,554,199</b> | <b>1,064,492</b> |
| <b>Revenue</b>                              | <b>2,339.8</b>   | <b>1,779.8</b>   |
| Raw Material                                | 247.9            | 161.1            |
| Advertisement, sales and marketing expenses | 425.3            | 333.5            |
| Employee benefits expense                   | 595.4            | 479.1            |
| Repairs and Maintenance                     | 139.7            | 70.9             |
| Power, fuel and water                       | 165.1            | 134.2            |
| Other expenses                              | 365.3            | 395.8            |
| <b>EBITDA</b>                               | <b>401.2</b>     | <b>205.2</b>     |
| <b>EBITDA Margin</b>                        | <b>17.1%</b>     | <b>11.5%</b>     |
| Other Income                                | 166.8            | 18.3             |
| Depreciation                                | 877.1            | 797.5            |
| Finance Cost                                | 1,106.0          | 1,145.7          |
| <b>Profit Before Tax</b>                    | <b>-1,415.2</b>  | <b>-1,719.6</b>  |
| Tax   | -503.9           | -648.0           |
| <b>Profit after Tax</b>                     | <b>-911.3</b>    | <b>-1,071.6</b>  |

\* Excl. Hotel



# Balance Sheet

| Rs. mn                                | Mar-16          | Mar-15          |
|---------------------------------------|-----------------|-----------------|
| <b>Shareholder's Fund</b>             | <b>6,160.2</b>  | <b>7,094.6</b>  |
| Share Capital                         | 799.0           | 799.0           |
| Reserves & Surplus                    | 5,361.2         | 6,295.7         |
| <b>Non-Current Liabilities</b>        | <b>9,607.6</b>  | <b>10,414.4</b> |
| Long Term Borrowings                  | 9,581.2         | 10,393.5        |
| Long term provisions                  | 26.4            | 20.9            |
| <b>Current Liabilities</b>            | <b>1,117.8</b>  | <b>2,531.1</b>  |
| Short Term Borrowings                 | 461.9           | 840.0           |
| Trade Payables                        | 316.0           | 284.1           |
| Other Current Liabilities             | 335.5           | 1,401.1         |
| Short-term provisions                 | 4.3             | 5.9             |
| <b>Total Equity &amp; Liabilities</b> | <b>16,885.6</b> | <b>20,040.1</b> |

| Rs. mn                        | Mar-16          | Mar-15          |
|-------------------------------|-----------------|-----------------|
| <b>Non-Current Assets</b>     | <b>16,295.7</b> | <b>15,636.4</b> |
| Fixed Assets                  | 13,818.7        | 14,733.2        |
| Non-Current Investments       | 1,061.7         | 4.2             |
| Other Non-Current Assets      | 119.9           | 107.7           |
| Deferred tax assets (net)     | 1,295.4         | 791.5           |
| <b>Current Assets</b>         | <b>589.9</b>    | <b>4,403.7</b>  |
| Inventories                   | 123.7           | 105.2           |
| Trade Receivables             | 37.9            | 58.9            |
| Cash and Bank Balances        | 202.7           | 3,935.8         |
| Short-term Loans and Advances | 1.2             | 3.6             |
| Other Current Assets          | 224.5           | 300.1           |
| <b>Total Assets</b>           | <b>16,885.6</b> | <b>20,040.1</b> |



# Positive Momentum



01

**~4 mn**

Achieved a milestone of entertaining ~4 mln guest since launch

02

**14,128**

Highest single day footfall of 14,128 at Imagica in December 2015

03

**85%+**

Avg. occupancy of ~88% at Novotel Imagica with ARR of Rs. 10,000+ in Q1FY17

04

**40%+**

Non-catchment including Gujarat activation has resulted in 40% contribution for Q1FY17

05

**4,800+**

Over 1,860 agents added since April 2015  
Total Agents base over 4,800

06

**5+**

We have initiated marketing coverage beyond catchment through Television campaigns

07

**2,70,000+**

Mobile APP launched on Android & IOS. Current downloads over 2.7 lakh

08

**20%+**

Digital Sales as % to overall ticket sales

09

**~20%**

Repeat Footfalls  
More than 1 time visit: 16%  
More than 2 times visit: 4%





# 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
- Tripadvisor's Certificate of Excellence 2015
- TRA Research
  - India's Most Attractive Brands 2015 – Entertainment category
- 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



**For further information, please contact:**

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