



“Wonderla Holidays Limited  
Q2 FY2021 Earnings Conference Call”

November 03, 2020



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**Moderator:** Ladies and gentlemen, good day and welcome to the Q2 FY2021 Earnings Conference Call of Wonderla Holidays Limited hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. I will now hand the conference over to Mr. Adhidev Chattopadhyay of ICICI Securities. Thank you and over to you Sir!

**Adhidev C:** Good morning everyone. On behalf of ICICI Securities, I would like to welcome everyone to the Q2 FY2021 Results Call of Wonderla Holidays. From the management of Wonderla today, we have with us Mr. Arun K. Chittilappilly, the Managing Director and Mr. Satheesh Seshadri, the Chief Financial Officer. I would now like to hand over the call to the management for their opening remarks. Over to you Sir!

**Arun K. Chittilappilly:** Good morning everyone. Thank you for the introduction. Welcome you to the conference call to discuss the Q2 results of Financial year 2021. We realize that many of you are still working from home and we hope that everyone stays safe and healthy.

The COVID-19 pandemic continues to have an unforeseen impact on individual’s families, communities, businesses and the world at large as you may already know. Let us take a moment to salute the people who are



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on the frontline, working around the clock to make sure that we are all safe.

Our parks remained closed for operations during the second quarter due to the lockdown. However, the entire team has been working on alternate scenarios preparing for the resumption of the businesses. We used this time to implement significant changes in the way we operate, reengineer our processes, expand various lines of business, and incorporated changes in our leadership and board of directors.

First, let me talk about certain changes to the leadership team. Mr. George Joseph, who was our JMD, has retired from active management due to the travel and health related restriction caused by the pandemic. He is now a Non-Executive Director on our Board. In his tenure as Joint Managing Director, he initiated some great cost optimisation efforts and setup foundations for expanding into new cities. The company recorded its highest ever EBITDA and significant margin expansion and profit generation. We thank him for his stellar leadership.

Now I have taken over as the Managing Director and I am excited to lead the company on its next journey of growth and transformation. I will be partnering with one of our Board members, R. Lakshminarayanan, who I also consider as a mentor. He has been designated as Non-Executive Vice Chairman. My father Kochouseph Chittilappilly, our Founder and Promoter, has retired from the Board. He will continue to guide us as a mentor and Chairman Emeritus.



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At Wonderla we are financially strong, resilient, committed and have a competent and dedicated workforce. We recognise that the business environment is changing in a fundamental, irreversible and rapid manner. I am now preparing with multiple strategic initiatives not just to anticipate the benefit from this change, but to actively drive it for our short and long-term competitive edge.

The leisure, entertainment and experiential businesses will grow substantially and we see a clear trend towards customers willing to pay a premium for world class experiences. In a world where people have been confined to their homes for over six months, there will be a significant demand for hygienic, healthy and active outdoor activities. We are eagerly waiting to welcome back our guests to our parks and resorts.

We are in the process of an enterprise wide digital transformation. We have just kick started the process. It will impact our effectiveness and efficiencies across every function and department. The technological advances focus on data analytics and creation of more interactive dynamic and immersive attraction, Wonderla is moving towards a more personalized and magical experience. We have been regularly engaging with customers throughout the lockdown via social media, but we would like to step up the growth efforts in a significant way going forward.

During the lockdown we have leveraged our existing infrastructure and in-house capabilities for some experiments in new business areas like a cloud kitchen, which we have started in the month of June. Currently, we



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have four outlets, two in Bengaluru, one each in Hyderabad and Cochin, still at a very incubation stage, so we are still learning as we go along.

In Q2, we also test launched a new initiative called Wonder Garden, a plant nursery-based offering. It was inaugurated by my father and the Founder, Mr. Kochouseph Chittilappilly. It offers a range of indoor and outdoor plants, we already have gardens set up in all of our parks to maintain our parks. We felt that this could be something that people could be looking at in the future, but of course we want to do it in a slightly different way and it is still in incubation stage.

Many entertainment parks across the world have resumed operations, albeit on a much smaller scale. Some parks saw a good response during the Halloween festivities last week. Despite suffering crippling growth during the pandemic, I think the global industry looks optimistic.

On September 30, 2020 under unlock 5.0, Ministry of Home Affairs has issued guidelines for cinema halls, entertainment parks, foods and so on and so forth where we are planning up our parks around middle of November. Last week guidelines were extended till November 30. Accordingly we have resumed the operations at our resort in Bengaluru from October 15.

As a gesture of respect and gratitude to the COVID warriors, we will be offering free entry to them from November 9 to November 12 in our Bengaluru Park. The park will be opened to general public from



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November 13. We have strengthened our safety protocols and the details are in the presentation. All our rides have been maintained in optimal conditions throughout the lockdown. As rides are spread over a vast stretch of land, social distancing measures will be easier to implement.

During these unprecedented times, we continue to optimise our costs and our team efforts have led to significant drop in expenses. We have continued to optimise our costs and we have reduced our costs to a bare minimum. As a result of these measures our monthly expenses have reduced from 10 Crores in March 2020 to less than 3 Crores in August 2020. Amusement Parks fulfill a fundamental and universal and timeless human desire to roam, play and experience thrills and as a cohort, for which there will not be a real substitute.

We do not see a permanent change because of the pandemic for the amusement park industry. I think they will come back. They will continue to provide unique irreplaceable source of experiences to cherish for a lifetime.

As a team we are united and optimistic to face the challenges and benefits from the opportunities and our team spirit and Indian culture binds us to understand the environment stronger. Thank you very much.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Rahul Ramaswamy from Perfect Research Fund. Please go ahead.



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**Rahul Ramaswamy:** Thank you for the opportunity Sir. Sir, I have some questions, I will be listing it together. Sir, assuming we are operating in normal times free of COVID in the long run, my first question is; Kochi's population is 30 lakhs and our target audience is generally the local population. What do you think is our long-term potential for the Kochi Park in terms of annual footfalls? Globally, parks have a merchandising contribution of 25% in revenues, how are we looking to increase our share in this vertical? For example, like Disney are we trying to create our own mascots or use Indian characters? Can you throw some light on customer loyalty schemes and the one customer analytics, do we maintain data on repeat customers and spending patterns? Lastly, is it right to look at global parks in terms of size of opportunity given the climate is not extreme there, and given our extreme summer and winters do you think the addressable market is much less in India?

**Arun K. Chittilappilly:** I think India does not have extreme climate, especially where our parks are situated. We have tropical weather, the right place to setup an amusement park. If we look at all the global parks, the ones which are in tropical weather are the ones which usually give the best business. It will be open throughout the year. Our parks are all in areas where we can be open 365 days so that takes care of one question. We do not look at only footfalls from Cochin. It may have a population of only 30 lakh, but we get about a million visitors in our park. It does not mean one part of the city coming to our park every year. Four cities attract footfalls from that area, and I do not think we have exhausted our market potential. Currently



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we do not have much data, we have a loyalty program, but it is a predigital, old kind of loyalty program. We have about 1,50,000 people who are in the loyalty program, We are now going to revamp that completely to a more digital system. We have just started work on that, so I cannot speculate more on that right now. I hope I have answered all the question.

**Rahul Ramaswamy:** Sir, if you could throw some light on the merchandize ?

**Arun K. Chittilappilly:** Merchandize is an area where we have not really focused on it yet. There is a huge scope to improve that as well because when people come to an amusement park, they are not making rationale decisions, they are all emotional decisions. So, there is a lot of spending and we need to be able to capitalize on that.

**Rahul Ramaswamy:** Thank you.

**Moderator:** Thank you. The next question is from the line of Tejas Shah from Spark Capital. Please go ahead.

**Tejas Shah:** Three questions from my side. First, on the reduced offering and opening up parks from November 13. What will be the breakeven footfalls that will need to achieve our neutral state on profitability?

**Satheesh Seshadri:** Good morning Tejas. We are going to re-open Bengaluru park on November 13 to the guests at a special price, which will be in the press. Only the land rides will be open and not the water park. This we will be





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extending it for a few weeks, and this is to reestablish and opening our park. Post opening, when we have all the three parks running, our cash break even will be around 1300 to 1350 per park per day.

**Tejas Shah:** But we will be operating only for weekends, not the weekdays initially?

**Satheesh Seshadri:** Initially that is the plan when we start the Bengaluru park on November 13, to open only Friday through Sunday and holidays and only dry park is allowed now by the government of Karnataka. So henceforth there will be a limited ride park operations and experience to the guests. I think going forward, the government will slowly open up water parks. We are awaiting the approval from the Telangana government and SOPs to allow us to open the park and in Cochin as you know, Section 144 is active in many parts of Kerala, so we are not opening now. So once everything stabilizes, we are planning to open other parks. Once all the three parks are operational and we are at the optimum level, we will be having a cash breakeven point of around 1300 per park per day.

**Tejas Shah:** Second question Arun, in the opening remarks you spoke about some of the costs cutting measures that you have taken. Some of the cost cutting across businesses are tactical in nature and not structural. If you can call out some of the cost measures that we have taken, which will remain with us even when the normalcy comes back?

**Arun K. Chittilappilly:** In fact our biggest cost is people cost, we have a significant number of contract employees who we are not paying salaries right now.



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We are only paying salaries for some critical employees and of course people on our payrolls but everyone has taken a pay cut. So, I think they are tactical, but that is what we need to survive. So, once the business comes back, I think a lot of the costs will come back, but I am hoping that it will be in a phased manner, we will have to wait and see.

**Tejas Shah:** That measures like shifting your head office?

**Satheesh Seshadri:** As Arun Sir, said, on a normal running the major expenses will be the wages and employee cost, staff costs and other operational expenses. Once the park operations resume we have to see how we will take it forward. Wonderla philosophy and DNA stands on cost prudence. So, we have always been a very cost prudent company and you will not see a big change in that, but yes there will be some efficiency improvement to this.

**Tejas Shah:** Sir, just last one on Chennai Park has the tax benefit extended and what is the status of the park? How much debt we will need to complete the projects in Chennai and Odisha?

**Arun K. Chittilappilly:** Because of COVID we have not been able to start work there and so we will renegotiate that whole thing with Chennai Government because we feel like the LBT is an unfair tax burden on the amusement park. Once that clearance is approved, we will start construction and then at that point we will decide whether we need debt. So that is the way we are looking at it.

**Tejas Shah:** Sir, Odisha?



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**Arun K. Chittilappilly:** Odisha is still at a very early stage. So, whenever we are able to finish our preliminary work, we will proceed with that. I do not see as a big ticket investment in Odisha. But for Chennai we will definitely relook at the tax burden because that will have an impact on the business of the company. So, we will be going back to the government.

**Tejas Shah:** That is all from my side. Thanks and Happy Diwali to the whole team.

**Moderator:** Thank you. The next question is from the line of Kaustav from Rare Enterprise. Please go ahead.

**Kaustav Bubna:** I had question on this Chennai land. Just wanted to get a little more in the detail so, currently we have the land and how long does it takes for construction? Let us say there are no hindrances in the way, how long does it take to construct a park?

**Arun K. Chittilappilly:** It takes about 18 months, one-and-a-half years.

**Kaustav Bubna:** You had started construction right before the lockdown happened?

**Arun K. Chittilappilly:** We have just finished land development, we still have not got approval from the government to start constructions yet, so whatever delays we are facing right now, are all delay from the government.

**Kaustav Bubna:** But they had agreed to defer that tax by five years after your parks is opened right, so where are we on that. I mean what makes you think that they would not agree to postpone it?



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**Arun K. Chittilappilly:** We have to get it in writing because, there is a huge tax implication if it does not get done. If we invest in the project, it is a huge loss for us and we are thinking about renegotiating, as in our current deal we are not happy with the five years window. We actually asked for a lifetime waiver of the tax LBT, because we feel that the tax is too high, so that negotiation is still going on, so once we have some clarity on that, we will start construction, but until such time we will not.

**Kaustav Bubna:** Is there a possibility that this land just goes unutilized and we have to sell it in case they do not cooperate or do you think that is a low probability?

**Arun K. Chittilappilly:** That is a very low probability, very unlikely, because they have invited us to set up the park. But as with all government things, there is no precedent to this also, there is no other company who has done this, so I think we will have to pave the way for this. We do feel that a large ticket investment cannot have LBT, over and above tax on the tickets.

**Kaustav Bubna:** On the Odisha Park, this will be on lease rate?

**Arun K. Chittilappilly:** Odisha Park land is on lease so practically there is not much land cost. We just have to look at the market potential and then decide. But again all that has been delayed right now, because we are not able to do any of those kind of surveys on the city.

**Kaustav Bubna:** Would you be able to tell me how much of the total fixed assets on your balance sheet is the Chennai land?



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**Satheesh Seshadri:** Rs.109 Crores including the land.

**Kaustav Bubna:** How much is the land?

**Satheesh Seshadri:** Land and land improvement is about Rs.88 Crores, Rs.109 Crores is the overall Chennai capex as on date.

**Kaustav Bubna:** Thanks.

**Moderator:** Thank you. The next question is from the line of Manoj Dua from Geometric Securities. Please go ahead.

**Manoj Dua:** Good morning Sir. My question is little bit of longer term in nature, after IPO I heard interview in which you said the Wonderla model has proved very viable, now the strategy is to replicate in many locations at faster pace, so what has been learning in last few year in terms of scalability?

**Arun K. Chittilappilly:** I think the biggest learning for us is the tax issues, because when we started this, when we went for IPO, the average tax on ticket on Wonderla was about 5% to 8%. Now because of GST it is about 18%, which is very high and places like Tamil Nadu, they charge extra tax 10% which makes it 28%, which practically makes project unviable. So that is the main change that and has slowed us our growth down. We are trying to rectify that, especially in Tamil Nadu. We are also trying through the association to change the GST slab for entertainment parks itself, because we feel that 18% tax on the ticket is too high. On something which is so high in capex. Other than that I think the people have propensity to spend



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and it is getting stronger. The other big change I see is that a lot of people are more digitally savvy now, in our marketing we need to be more digitally savvy to sell and to retain loyal customers.

**Satheesh Seshadri:** To add to what Arun Sir said, we are looking at asset light model approach, Odisha Park. Unlike the Chennai park where would be spending over Rs.300 Crores, Odisha park capex will be close to Rs.100 Crores,

**Manoj Dua:** Thank you.

**Moderator:** Thank you. The next question is from the line of Nitin Awasthi from East India Securities. Please go ahead.

**Nitin Awasthi:** Thank you for the opportunity. I just have a question on the new businesses that the company is focusing on, Wonder Kitchen. If you could just explain the thought process of the company behind this venture, how scalable does you think it is, how big can it get, how much investment would it require and what was the thought process going into this business?

**Arun K. Chittilappilly:** The thought process is very simple, because when we had no work to do for all our staff for so many months, we just thought of something to do which will keep some of our staff occupied and this is practically zero investment and still generate alternate source of income. There is really no investment for us to do this, we do not even need prime real estate but I think what we have learnt is that it is a highly scalable model. I think



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people are willing to spend money on food. As a brand if you are able to crack, with scale it will be a huge success. We can replicate this with minimum investment and it gives us a couple of advantages. It gives us a high recall value in customers mind, because we are not present, we have a very low repeat business, people do not go to amusement parks every day or every week or every month. Hence Wonder kitchen will help us to occupy more mind space of our target customer and also help us to cross sell and up sell amusement park and resort opportunities. It is still too early for us to say what is the market size. We are still trying to perfect the model first. Once we have that we will give you more updates on it.

**Nitin Awasthi:** When you say things like Cloud kitchens, would you be leveraging the app based delivery model or using the third party apps selling your products through them?

**Arun K. Chittilappilly:** We do both. Currently half of the people come and buy directly through us and I think about 30-40% happens through Swiggy and Zomato. I think Swiggy and Zomato are now growing faster, because we are a new brand with new products, so it takes its own time to grow, so I think that we will be using both channels.

**Nitin Awasthi:** Are the four kitchens that you are operating right now all breakeven?

**Arun K. Chittilappilly:** Sateesh will have more data on that.

**Sateesh Seshadri:** Not actually because due to COVID situation there have been some restrictions in some of the areas. We have also now geared up our



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marketing initiatives with the third party service providers and aggregators.

**Nitin Awasthi:** In all these cities are you competing with somebody on something, is it? Because you are a very big company which has entered this space. So, when you enter this space and bring a lot of credibility. Some people do not know who they are ordering from Swiggy, but if they order from you, they know the hygiene etc., would be of higher standards, because you already have an established brand. So, are there people or outlets who you are competing with?

**Arun K. Chittilappilly:** Not really. That is the funny thing. I mean, you are competing mostly with local cloud kitchens and very small companies. That is why I said it is a very new area for us, completely new. We are not really selling online on apps and it is completely new, but I think there is a lot of potential to put cost of doing this is very, very low and breakeven happens soon. Practically the reason why we are not breaking even now is because we are trying different experiments to see what people want. We want the food that we sell in Wonder Kitchen to reflect our brand philosophy of fun, so that will also take some time right now. We are still working on it. I think we will probably have an update maybe one or two quarters down the line not before that.

**Nitin Awasthi:** Thank you so much for leading the venture. Best of luck for all your new ventures going ahead.





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**Moderator:** Thank you. The next question is from the line of Ramakrishnan, an individual investor. Please go ahead.

**Ramakrishnan:** I have the same question just now which was repeated basically on the Wonder Kitchen and Wonder Garden. So, I think that is answered. Thank you very much.

**Moderator:** Thank you. The next question is from the line of Meet Jogani an individual investor. Please go ahead.

**Meet Jogani:** Are you looking for any other business initiatives like Wonder Kitchen and Wonder Garden?

**Arun K. Chittilappilly:** Not immediately because these two are just experiments for us and the reason why we started them is because the people have been out of work for so many months and we wanted to engage them in a meaningful way. But we are also finding that it has low cost, they are in synergistic businesses, especially the Wonder Kitchen, too early to say anything about the Garden business. I think the business for food is always going to be an evergreen business because as long as we are all alive everybody wants to eat and ordering food online is the new way to live, and I live like that. Throughout the lockdown I could not get anybody to come in to cook for me, so I used to depend on all these apps and delivery boys for my food. So, I think that is a big shift that has happened in India in terms of people opening up to food from outside. We can probably get into a nice niche. As I said we are looking at a fun food paradigm for our brand.



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It is too early to say how it is going to evolve because it could change months to month or day to day as it currently stands. As we have more experience in this area, I think we will be able to come up with something interesting and the hope is that we remain salient in our customers mind for a longer period of time rather than Wonderla being a brand which people may think about only once a year. So that is the thinking behind it. We hope to keep experimenting with this for some more time until some results come out and we will update all.

**Meet Jogani:** My next question is regarding the debt for our company over a longer period. Recently we did not borrow much. We built a room purely on our internal accruals, but on the other hand, capex will go up over the future am I right? Like just now a participant asked the capex on Odisha Park it is about 100 Crores but the Chennai park which according to you we noted a big model we will be spending around 300 Crores odd. So, why don't we borrow more and expand? Even if the park is there, we will expand for the revenue to segment it will take two or three more years for the revenue to come to the optimum level.

**Arun K. Chittilappilly:** For us we have no issue with capital. We can always borrow, and the issue has never been capital. The issue has always been because of the nature of the business is very brick and mortar and we have actually built in, we have to work with government and every host city that we are in. That creates its own set of delays and issues. For example, that is what happened in Chennai because we have been ready to build the park since 2017, but somehow we have not been able to do it because of delays from



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the government. So, unfavorable tax issues and those kinds of things created delays for us. I think we probably are the fastest company in the world to build an amusement park. We built our Hyderabad Park, which is about 300 Crores park in 20 months, which is the fastest that I know off and I have been studying this industry for the last 20 years. I do not see anybody who has been able to build a park faster than that. So building is not the issue. The issue is all the other stuff that comes before we can build it. Most of it is beyond our control, so capital has never been an issue.

**Meet Jogani:** Any plans to improve our manufacturing capacity, as it is a core competence? Any plans for that?

**Arun K. Chittilappilly:** We are manufacturing only for our own consumption. For us that is almost like our IT, and we do not want to part with that because that is a part of our competitive advantage. We can build rides and maintain them at a very low cost compared to our competitors. So, we do not see that as a big opportunity right now. Maybe later we could think of getting into manufacturing on a larger scale, but I think currently we have other issues to solve so we are not focusing.

**Meet Jogani:** Are you looking for any acquisition opportunities if you get in good terms like one of the big park of Maharashtra is on the verge of bankruptcy, your thoughts on that?



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**Arun K. Chittilappilly:** We are looking at those kinds of opportunities, but we will probably prefer to partner with them, but not as a full equity partner. We are open to managing and running parks because that is our strength. We can run and manage parks well. So, we are in talks with the other players who have gone down because of COVID and other issues. I think there are a lot of opportunities flying around right now post COVID. We are looking at all of them.

**Meet Jogani:** Thank you. Good luck.

**Moderator:** Thank you. The next question is from the line of Aditya Bapat from Equintas PMS. Please go ahead.

**Aditya Bapat:** Thanks a lot for the opportunity. My question is more related to the long term policy or strategy of the company. What I want to say is that your business is inherently one in which people should be coming together and enjoying together, coming in groups. So, obviously given the current situation it is totally against what people want right now. So, do you see that this is just an issue for the next few months till we have a vaccine in place, or is it something that you will work over on a longer term? Will you try to have more rides which are spaced apart?

**Arun K. Chittilappilly:** I do not think this is a long-term issue, maximum two, three years and either everybody will get the virus or everybody will get a vaccine. These are the only two ways it is going to end. So, either way it will get over in two, three years because people sitting at home and not going out



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and not meeting other people is counterintuitive and counterproductive towards the human condition. We as people always want to connect with other people or want to meet friends and family. No pandemic will be able to change that; however, deadly that pandemic is. From what I am seeing this pandemic is not as deadly as compared to the ones that have happened 100 years back, 500 years back. The only problem is we do not have anybody living from those pandemics to tell us how they survived it. But what I have seen is that human race provides many, many pandemics and we are still doing the same thing. I do not think long-term there is an issue, but for short-term maybe two, three years.

**Aditya Bapat:** Then whenever we construct a new park our theme for that or logic for that will not change? It will be in line with what we see?

**Arun K. Chittilappilly:** The same and compared to a movie theatre or any other form of entertainment, we are an open park. There is not really an indoor, closed thing. Contrary to what people are saying, I do not think water parks will accelerate spreading of virus, because here the water is sanitized. It is very unlikely that if that was the case then everybody who comes to an amusement park will get a cold because you should have got a cold and people would have been falling sick a lot. But that has not happened in the past. So, I do not think COVID is any different. It is also another form of virus. So, I do not think over the long-term there are any effects, but then it had changed the way people use technology and use certain services. We will have to adapt to those for sure.



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**Aditya Bapat:** Thank you. All the best.

**Moderator:** Thank you. The next question is from the line of Anuj Sharma from M3 Investment. Please go ahead.

**Anuj Sharma:** Arun congratulations. Good to see you back. My first question is, beyond parks do we also look to enter into adventure activities?

**Arun K. Chittilappilly:** We would not want to get into adventure sports by ourselves because that is more skill based and there are other companies who do this well. We might partner with them, for example in a resort. I do not think we want to get into it directly. But it is an allied activity. So we are open to doing it by partnering with other people.

**Anuj Sharma:** Any proposal on the table, Arun or it is just expectation?

**Arun K. Chittilappilly:** Which one?

**Anuj Sharma:** Adventure activities beyond what we do in our parks? Have we got something on the table or it is just a thought as of now?

**Arun K. Chittilappilly:** As of now like you asked me the question, so I am telling you that we are exploring it, but nothing is final yet.

**Anuj Sharma:** My second question is, it will be difficult for us to envisage what happens over the next three to five years. The incremental parks which would be in the northern or beyond south area? How do you look for expansion? There are neighbouring countries like Sri Lanka or Bangladesh, do we



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also have to have some plans going beyond India. Just your thoughts on new parks expansion? What are the key criteria you look at for opening?

**Arun K. Chittilappilly:** Obviously we look at weather and we look at the population size in a 300-500 km radius. We are a regional park and so we are more akin to Six Flags than a Disney. We are not a destination theme park like a Disney hence you can compare us to Six Flags in the US because they have multiple parks but they are all regional parks. So, that is the way we want to operate. There are opportunities in other countries. We have been approached by Sri Lanka and Bangladesh as well. We are currently exploring an opportunity in Sri Lanka to see whether we can partner with somebody, but it is too early to say whether we are going to take it up or not. So, these kinds of opportunities keep coming and we will keep exploring them. We find a space in terms of market price and the philosophy of running the park if it matches with the other person, we will definitely copartner with them.

**Anuj Sharma:** Just an extension, do we also look at the northern part of the country as a place to expand or south is our forte?

**Arun K. Chittilappilly:** We are open to the Northern part. But if for example, in Delhi I find the weather too extreme so we will have to close the park for four five months which is not favorable for our industry. Maybe then we will have to do something more indoor to keep away the weather and issues. That is what the parks in Dubai have tried. They have tried to make a lot of their parks indoors because the weather is bad. But I do not think Dubai



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experiment was successful. In spite of spending huge amount of money, I do not think any of those parks made any money. The northern part of the country definitely has more issues with weather and people wanting to go out during all times of the year, so we will have to see what we can do there.

**Anuj Sharma:** Thank you so much.

**Moderator:** Thank you. The next question is from the line of Sanket Goradia from VEC Investments. Please go ahead.

**Sanket Goradia:** Good to have you back, Arun. Just one question from me as we are broadly in outdoor entertainment company, are we looking to do something from a more indoor activity, to get into some kind of gaming for people who are in their homes, just as an extension?

**Arun K. Chittilappilly:** That is the other area that we are looking at, because how do we make ourselves relevant to people in the digital era where people are spending most of their time on phones especially kids who we target a lot. So that is also something that we are looking at. It is in very early stages to even talk about it, but yes it is of interest to us for sure.

**Sanket Goradia:** I understand it is too early, but is that something we are very serious about? In terms of exploring either gaming or some kind of app based work?





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**Arun K. Chittilappilly:** We are exploring it, but it is too early to comment, because I have just come on board. These are discussions we are having right now, but it is too early for us to make a concrete plan.

**Sanket Goradia:** Thank you. All the best.

**Moderator:** Thank you. Ladies and gentlemen due to time constraints that was the last question for today. I will now like to hand the conference over to the management for closing comments.

**Arun K. Chittilappilly:** Thank you all for attending the conference call for Q2 FY2021 of Wonderla Holidays. We are confident that we will come back stronger than ever and of course we will change with the times as well. I think what COVID has done is like a good reset to the whole world and stronger companies will definitely survive this and come out faster. We hope that we are in that category and we are working towards that. Thank you for your support.

**Moderator:** Thank you. On behalf of ICICI Securities Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.