



**ADLABS**  
Entertainment Limited

badi interesting  
jagah hai...

Investor Presentation – May 2018

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Adlabs Entertainment Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

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



# Imagica : Heralding a new era in outdoor entertainment



- India's first true theme park and family entertainment destination, which has deployed the latest technology from reputed international vendors and conceptualizing unique and indigenous themes customized to appeal to the rapidly growing Indian consumers.
- A 'mega-tourism' project recognized by Govt. of Maharashtra, situated off the Mumbai-Pune Expressway ensuring excellent connectivity to key metros of Mumbai, Pune and other cities – one of the best catchments in India
- Has become a well established brand and a preferred entertainment destination serving >6.5mn visitors within a short span of time.
- Project conceptualized and pioneered by Indian media and entertainment entrepreneur, Manmohan Shetty, having over 30 years of rich & varied experience.
  - Promoter's impeccable credentials have gone a long way in successful execution and financial closure for this first of its kind venture in India



# Management Team

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

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



**Col Ashutosh Kale,  
Joint CEO**

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



**Mr. Dhimant Bakshi,  
Joint CEO**

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



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

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



# India's First and Only Global Scale Theme Leisure & Entertainment Destination



## 2013: Theme Park

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

## 2015: Novotel Imagica

**287** keys family hotel to be managed under the name "Novotel Imagica Khopoli"



## 2014: Water Park

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

## 2016: Snow Park

**India's Largest** Snow Park with **100%** natural snow spread over **15,000** sqft. snow area

## 2018: House of Stars

**India's First** Bollywood Hall of Fame with **interactive life-size figurines** of leading film actors



# Key milestones & customer testimonials

Achieved a milestone of entertaining **over 6.5mn** guests since launch

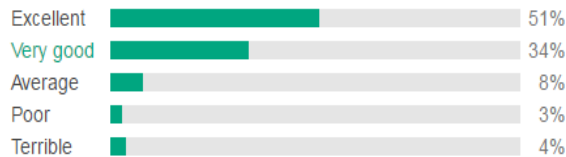
Non-catchment including Gujarat activation has resulted in **~35%** contribution for FY17

Highest ever footfall on New Years Eve i.e. 31<sup>st</sup> December 2016 of **over 12,000**

## Theme Park Rating

4.0 

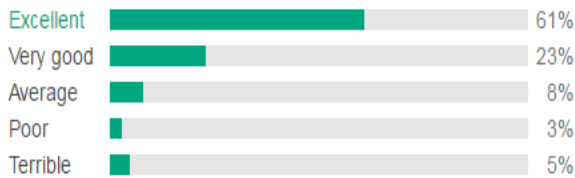
2,548 reviews



## Water Park Rating

4.5 

1,480 reviews



### TRIPADVISOR

5/5

(Ratings)

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

5/5

(Ratings)

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

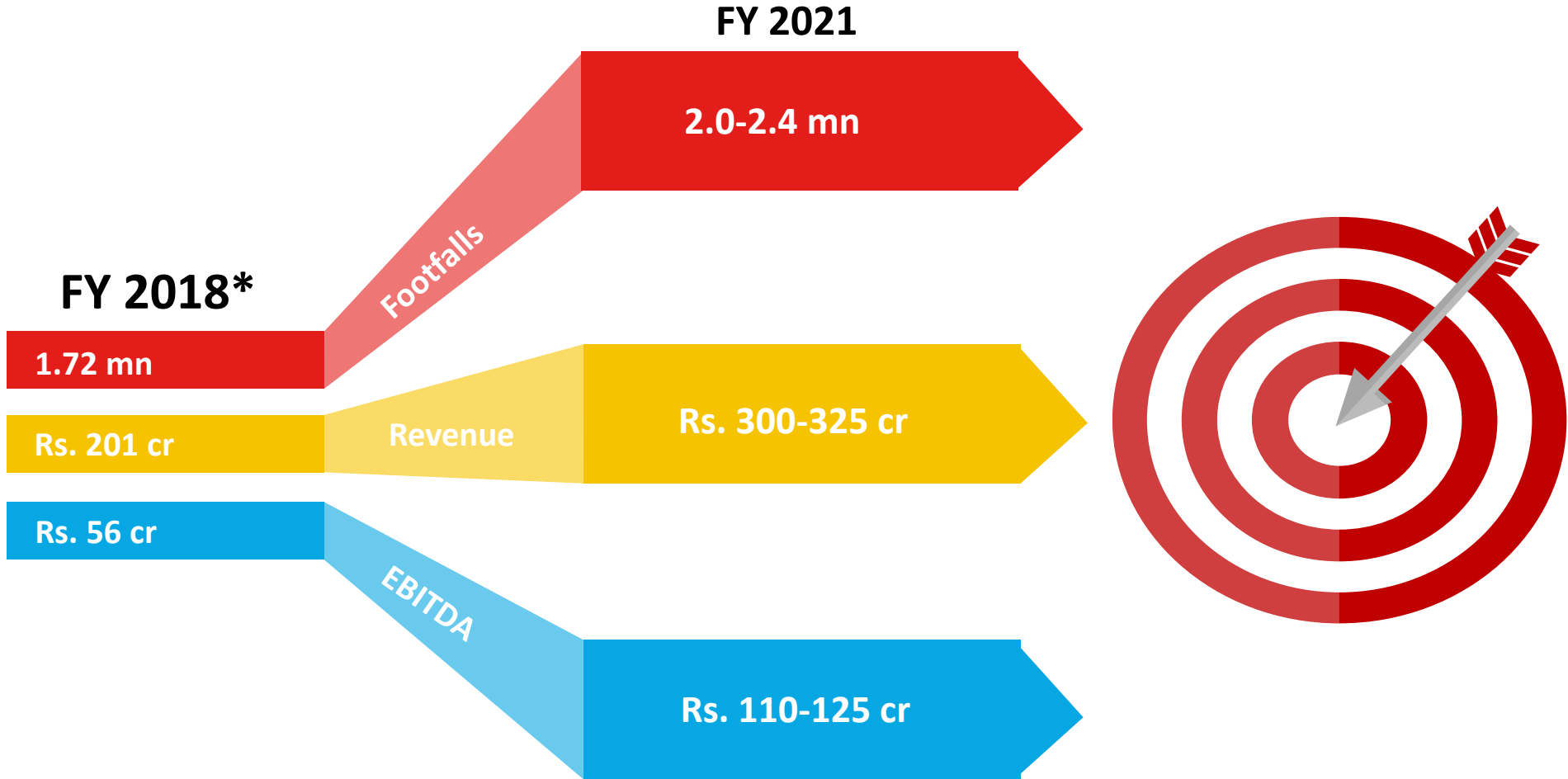
4/5

(Ratings)

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



# Vision 2021



\*Excl. Hotel



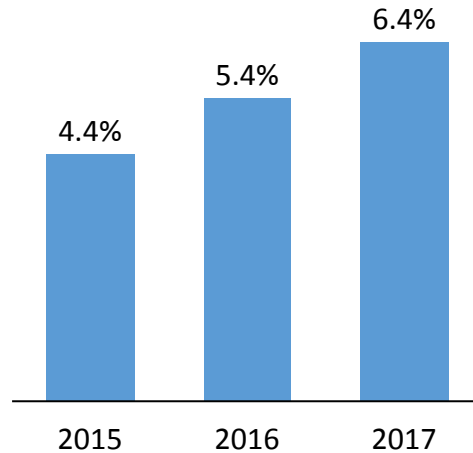
# Demographics and macroeconomics: Strong cues for growth in consumer discretionary spending



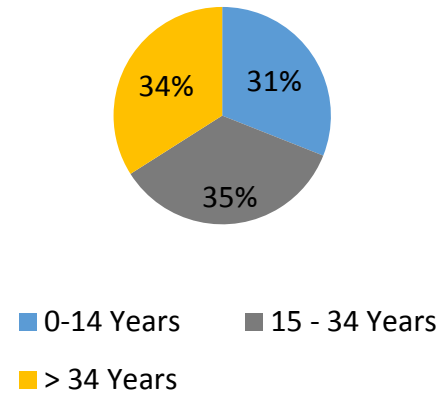
**Favorable Demographics**

*Strong growth, working population & rise in household incomes*

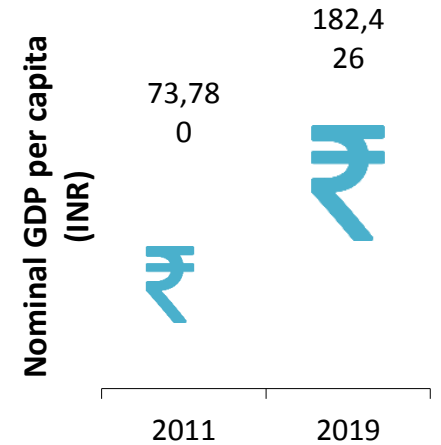

**Robust GDP growth**



**Young population**



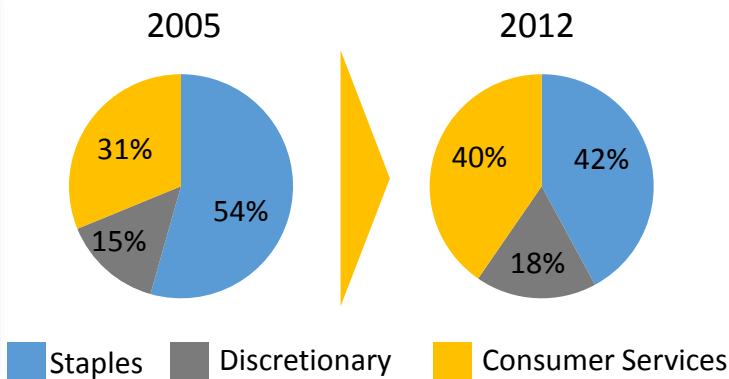
**Rising per capita incomes**

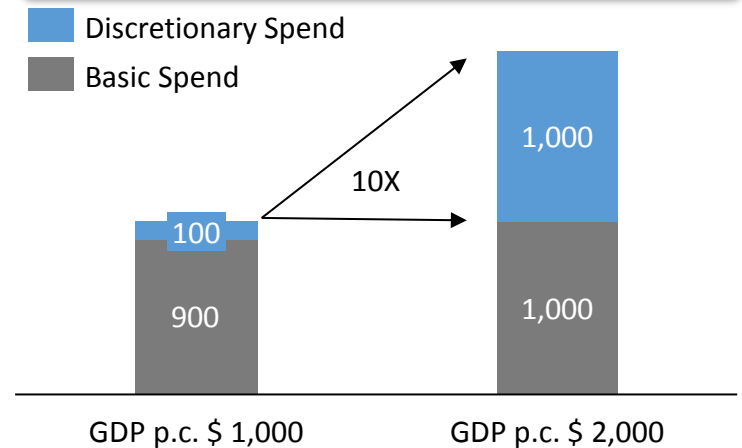
**Shift in consumption patterns**

*Growth in leisure activities outpacing growth in GDP per capita*

**Growing consumerism – share of spending**



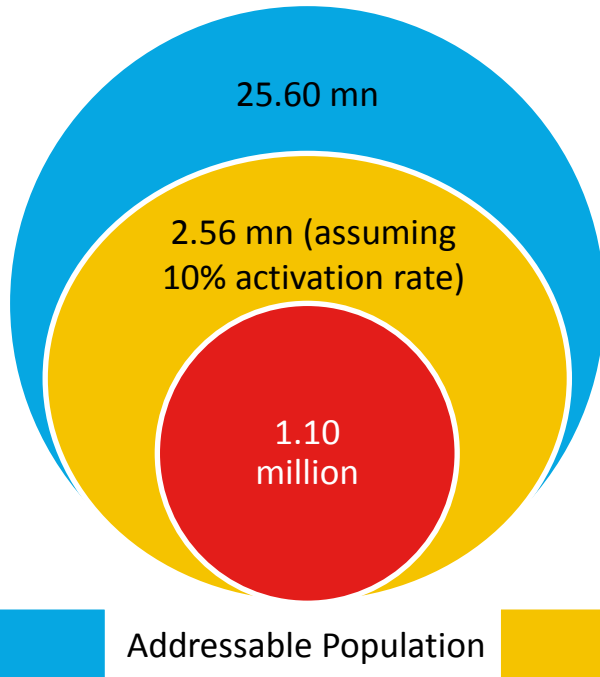
**GDP Per Capita x 2 = Discretionary Spend 10X**



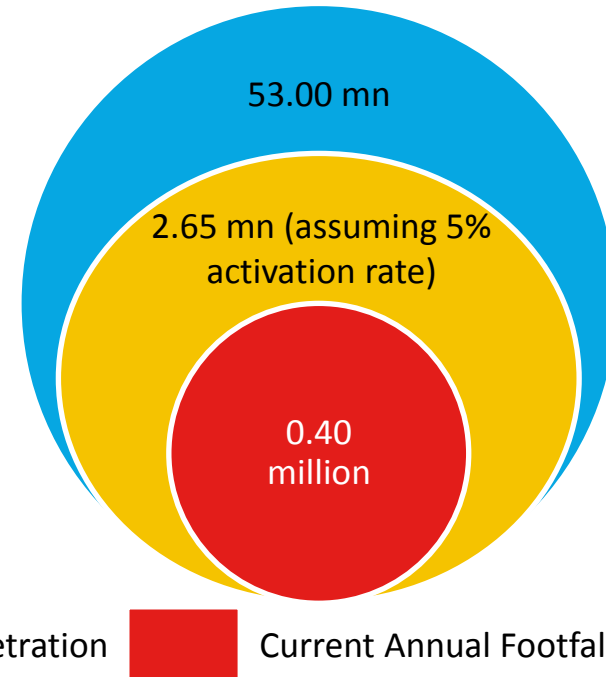


# India – Still an underpenetrated market

## Primary Catchment Potential



## Secondary Catchment Potential



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



# India lacks a complete family entertainment destination

*Imagica has a critical first mover advantage*



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

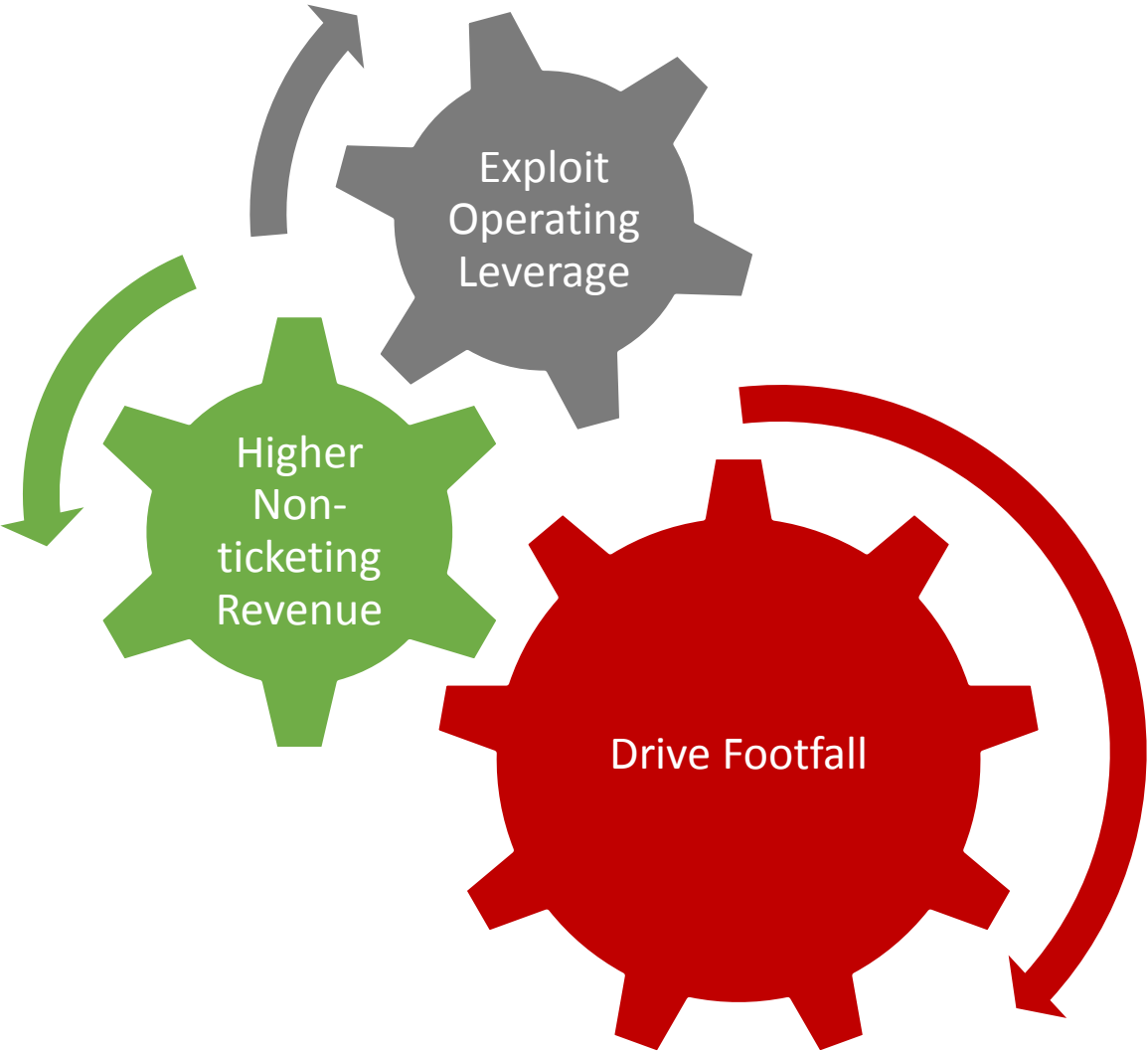
Consumer Options	Availability	Concepts	Average Cost
Theatre	Yes	The Comedy Store, Prithvi Theatre, NCPA etc.	INR.800- INR.1,000 per person for 2-3 hours of entertainment
Standard Amusement Parks	Yes	Essel World & Water Kingdom	INR.800-1,000/- with no major attractions and they lack scale and ambience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

Lack of Entertainment Destinations in and around Mumbai

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

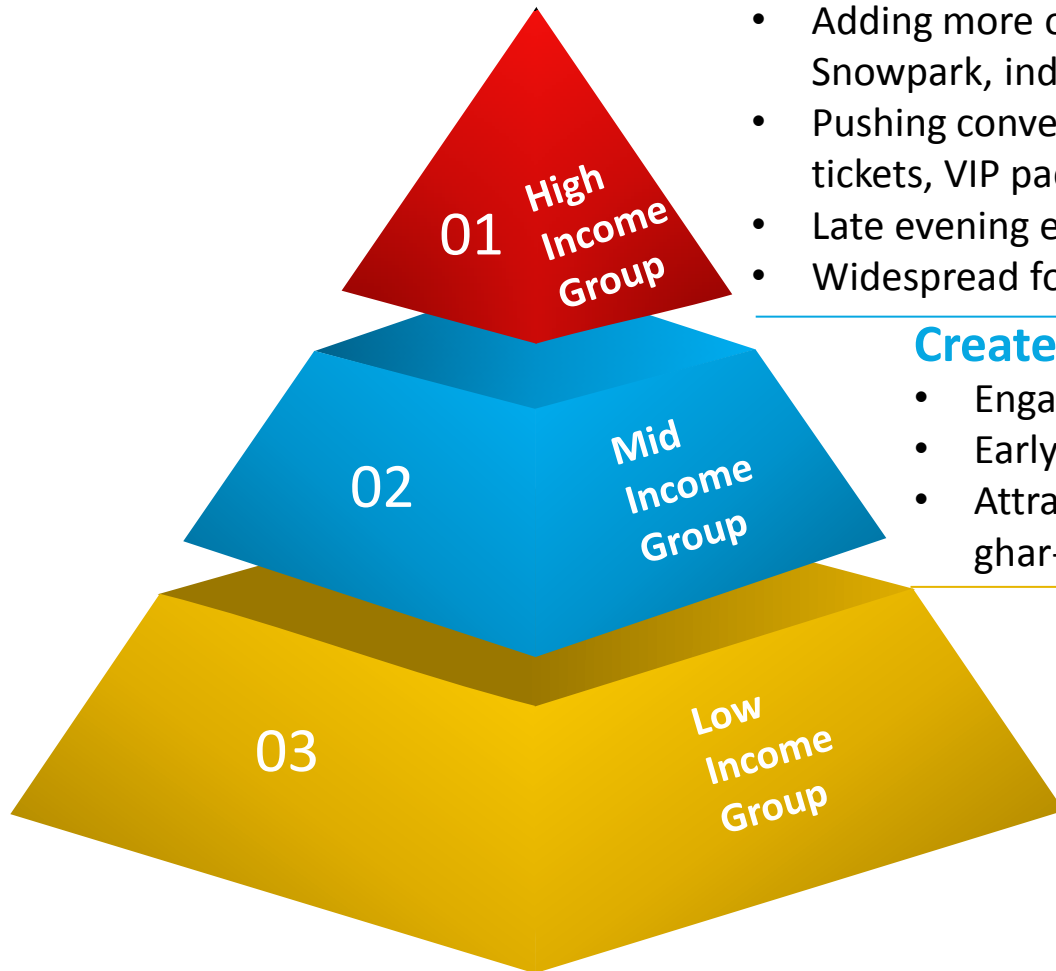


# Key gears for growth



# Strategies to Drive Footfalls – Targeting all income segments

## STRATEGIES FOR EACH INCOME SEGMENT



### Activate higher spending and time at the parks

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

### Create reasons for visitation

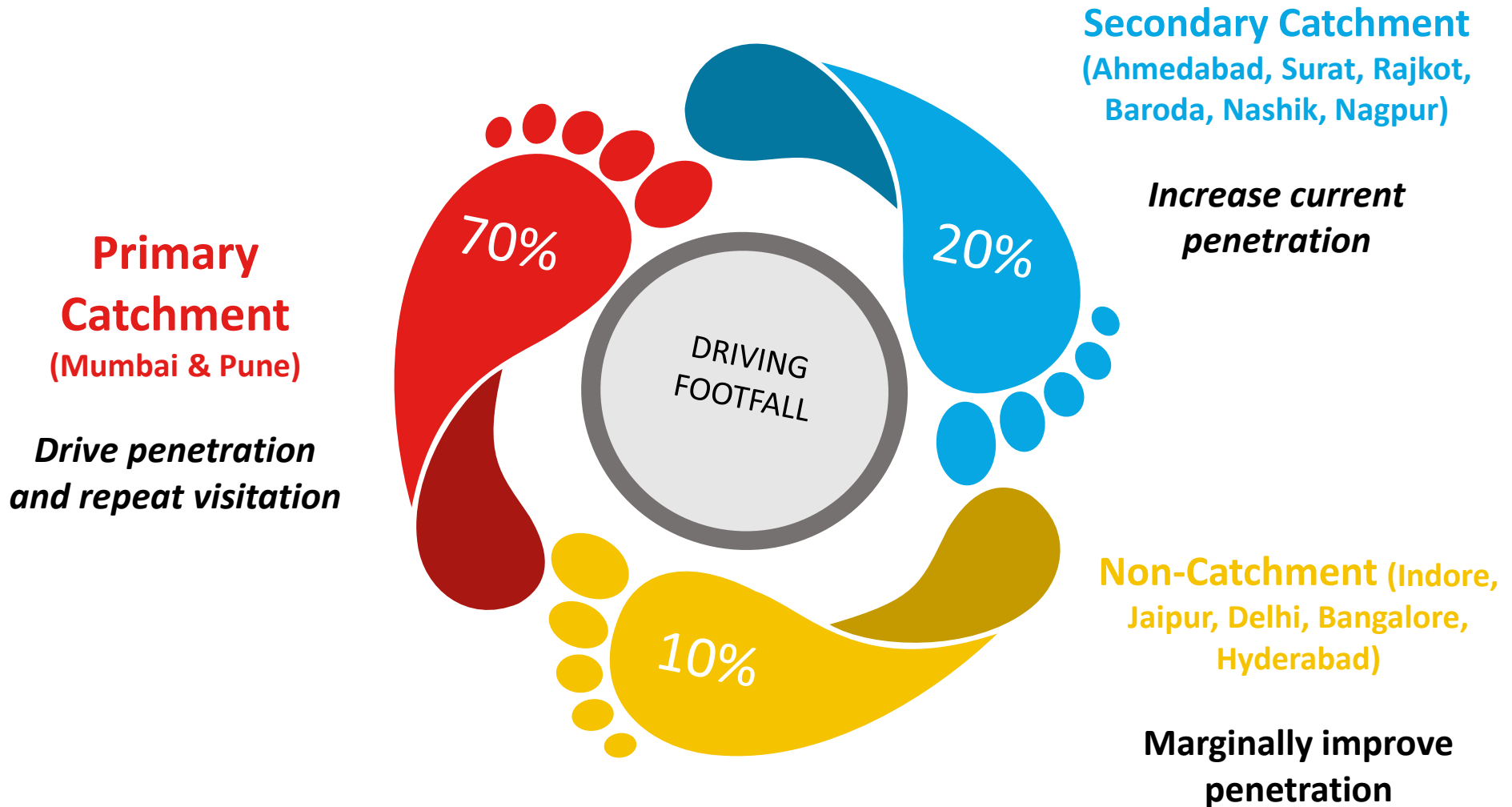
- Engaging events during festive seasons
- Early bird discounts during Tuesdays and Wednesdays
- Attractive packages to suit budgets and needs like ghar-se-ghar-tak, bus pick-up & drop service

### Bespoke solution as per wallet size

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



# Strategies to Drive Footfalls – Catchment-wise



# Strategies to Drive Footfalls – Catchment-wise

## Primary Catchment

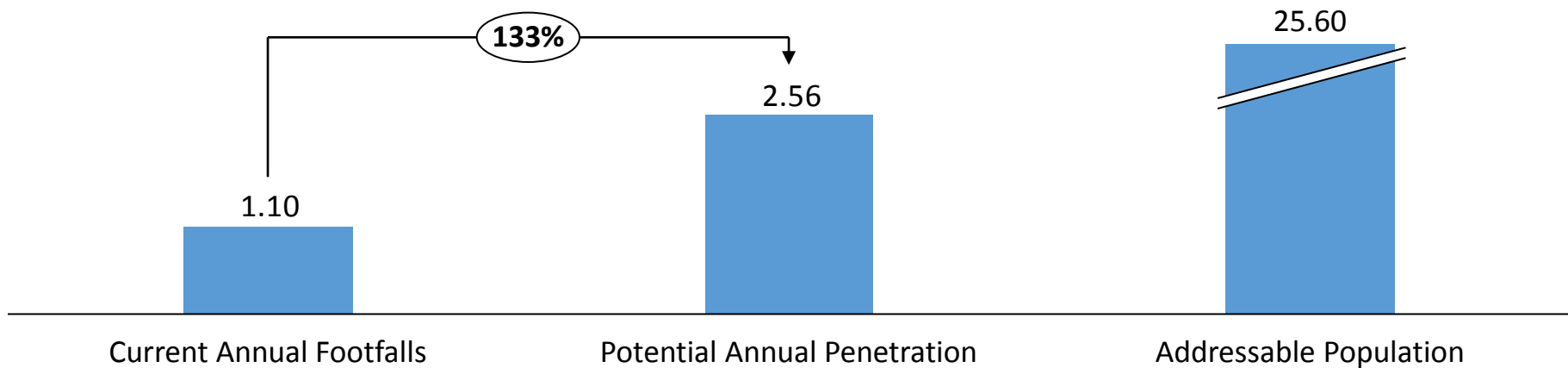


### Primary Catchment (Mumbai & Pune)

*Drive penetration and repeat visitation*

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

### Primary Catchment Potential (in Million)



# Strategies to Drive Footfalls – Catchment-wise

## Secondary Catchment

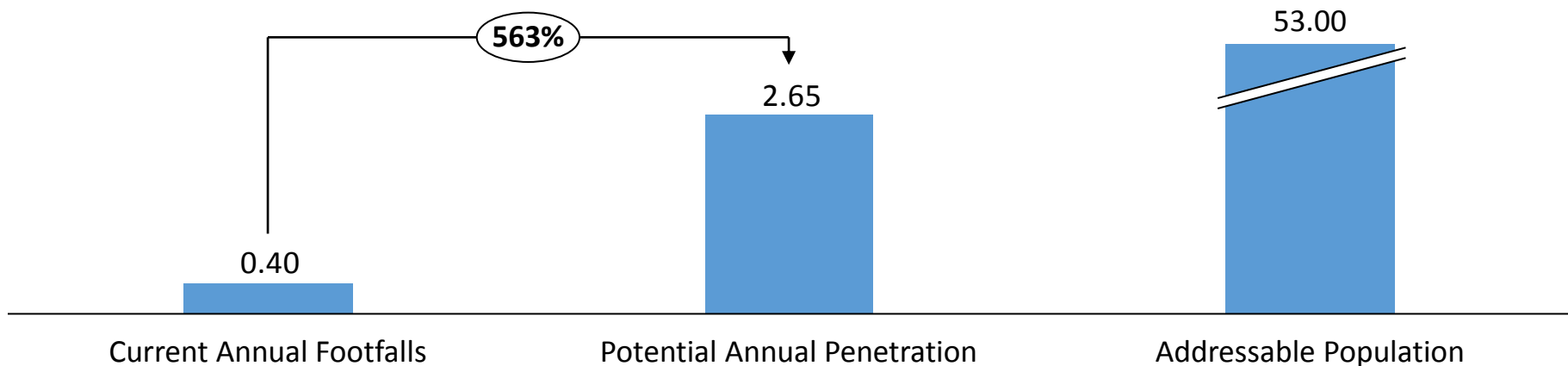


### Secondary Catchment (Ahmedabad, Surat, Rajkot, Baroda, Nashik, Nagpur)

#### Increase current penetration

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

#### Primary Catchment Potential (in Million)



# Strategies to Drive Footfalls – Catchment-wise

## *Non-Catchment and Repeat Visitation*



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

*Marginally improve penetration*

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

---

### **Drive Repeat Visitation**

*Increase the reasons to revisit*

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





# Strategies to enhance non-ticketing revenues



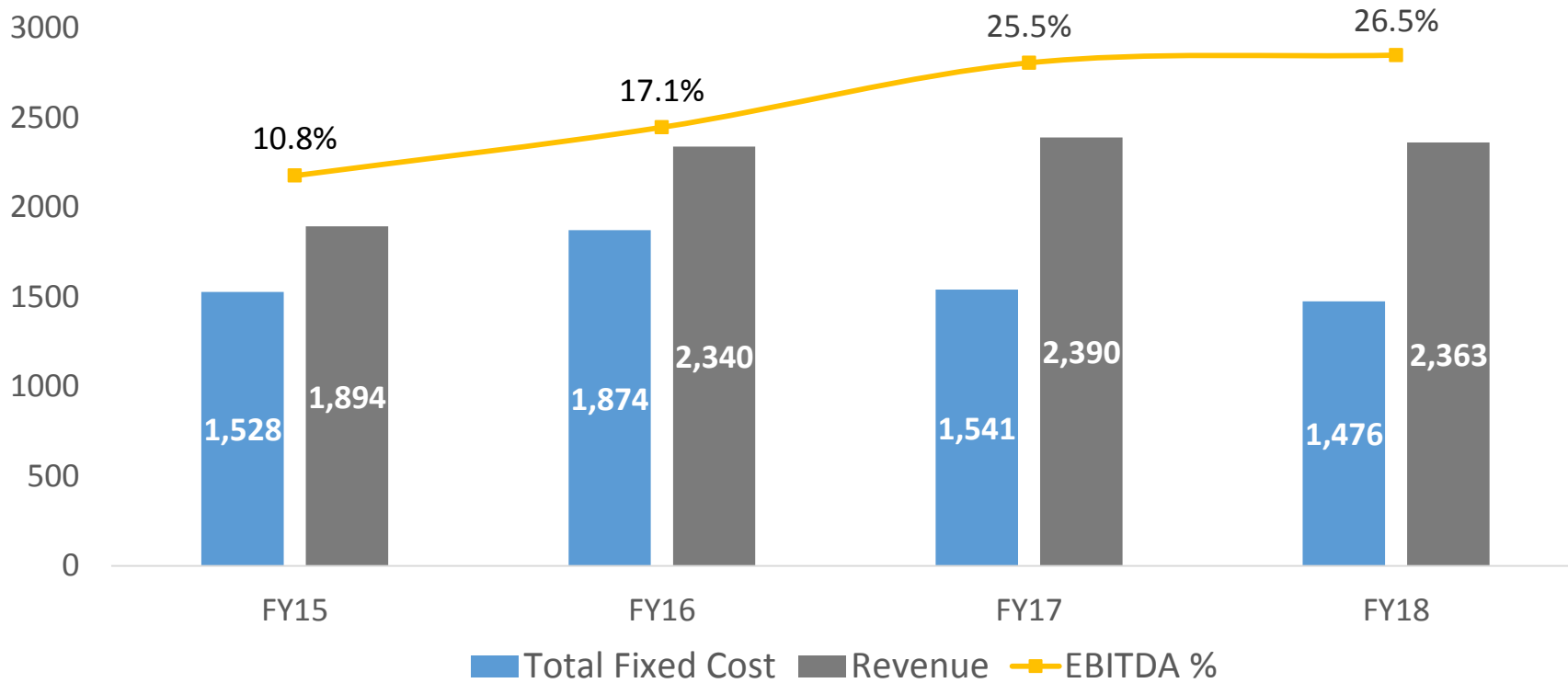
- Increase the per capita spending on F&B
  - Promoting combo-packages including meals at the parks
  - Adding beverage portfolio
- Promoting concepts like breakfast and dinner with characters
- Catering to evening events

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

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



# Exploit Operating leverage



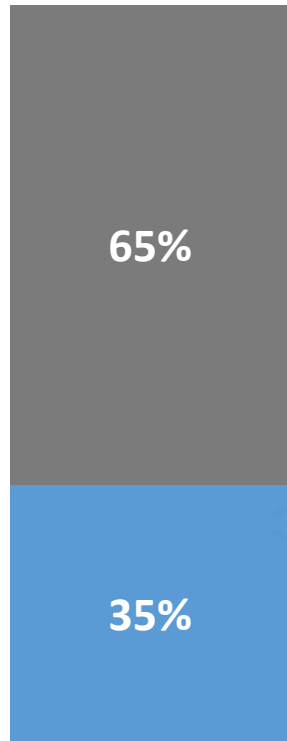
- AEL has a high operating leverage, with >80% of current costs being fixed in nature
- Post recoupment of fixed costs, EBITDA growth can be exponential
- Management continues to put its efforts on cost rationalization – scope for further reducing utility costs etc.



# Debt reduction initiatives

*Sizable debt reduction and interest savings to be seen in FY19*

■ Balance Debt ■ Debt Reduction



Current Debt

- The management believes that its core strength lies in operating and managing the parks business while exploitation of surplus land and the hotel are the non-core businesses of the company.
- The board of AEL has approved the below transactions

## Sale of Land

- Divestment of ~204 acres of land to an identified buyer
- Overall consideration of ~ **Rs. 150 Crores**

## Sale of Hotel

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

- The company is awaiting lenders approvals for the above.

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



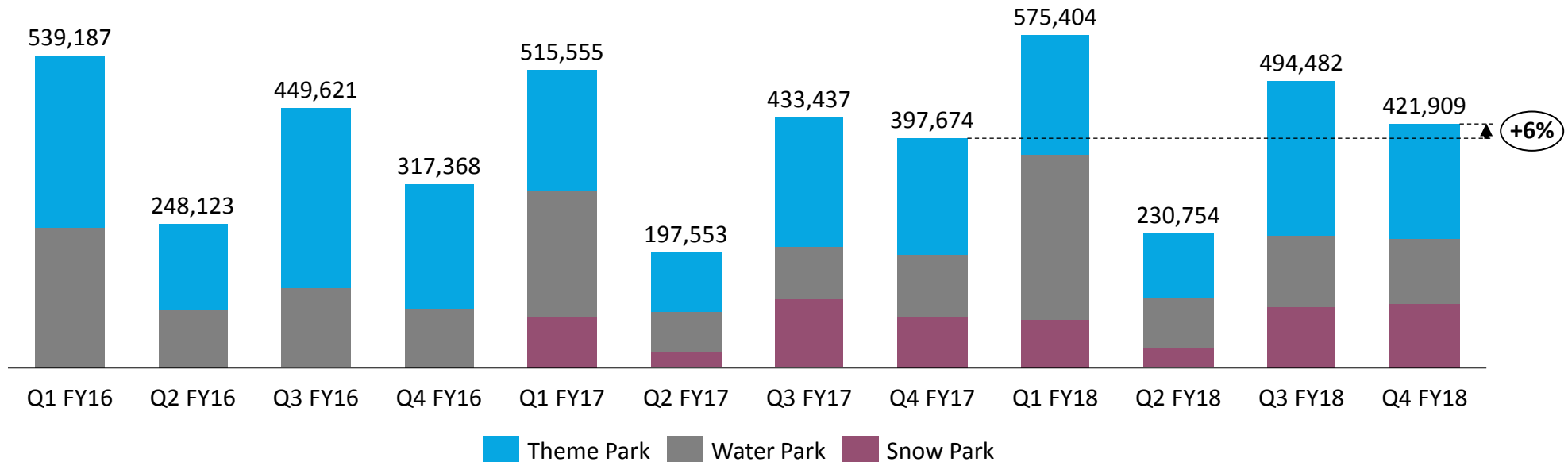


## Financials Section



# FY18 Footfalls continue to be a strong growth driver

## Total Number of Guests

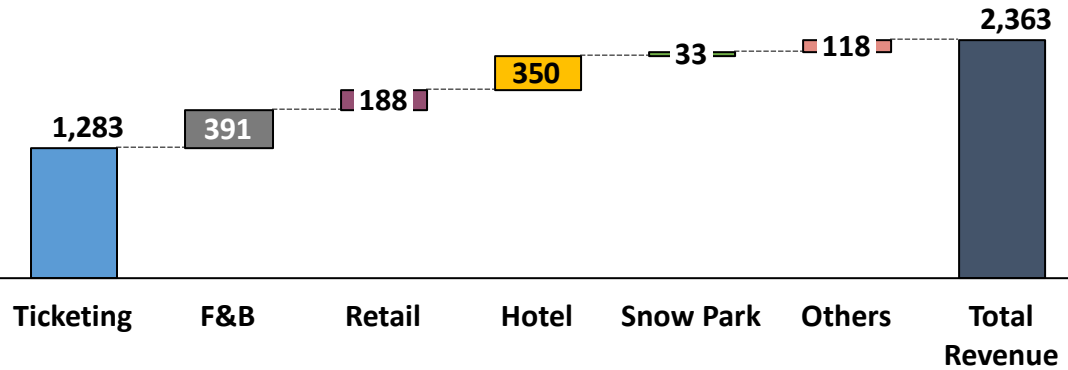


- For FY18, footfall grew by 12% to 17.23 lakh vs 15.44 lakh in FY17
  - Robust growth seen in Water park Footfalls which grew by 26% for FY18
- Footfall for Q4 stands at 4.22 lakh vs. 3.98 lakh, recording a growth of 6%
  - Snow Park showed strong growth in footfall growing at 22% YoY

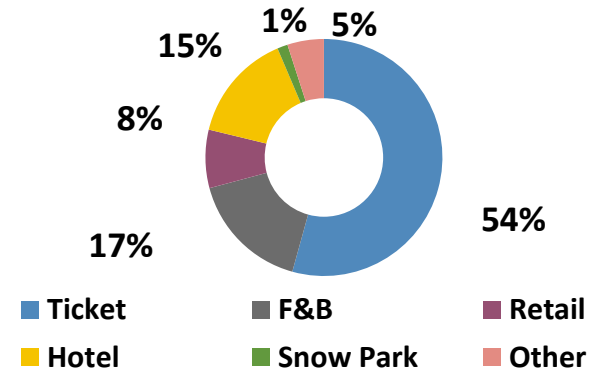


# Revenue Break-up – Full Year

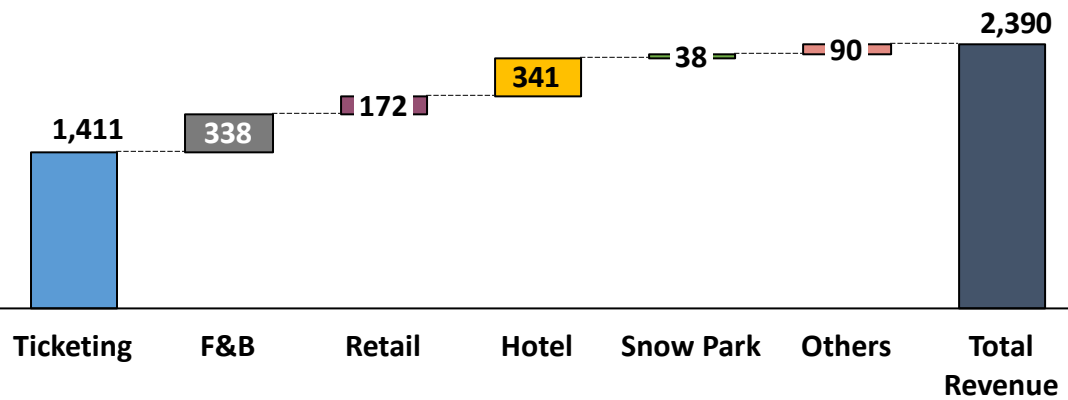
### FY18 Revenue Build-up (Rs. mn)



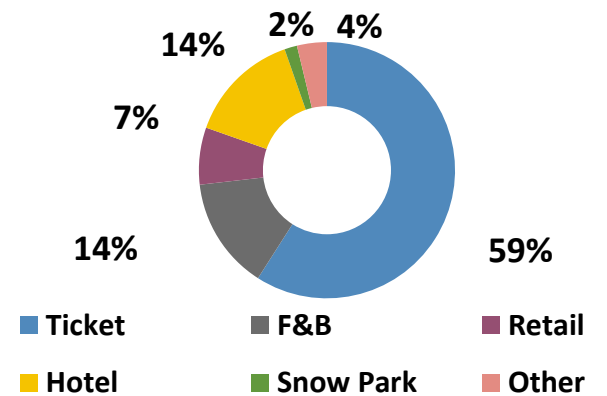
### FY18 Revenue Break-up



### FY17 Revenue Build-up (Rs. mn)



### FY17 Revenue Break-up

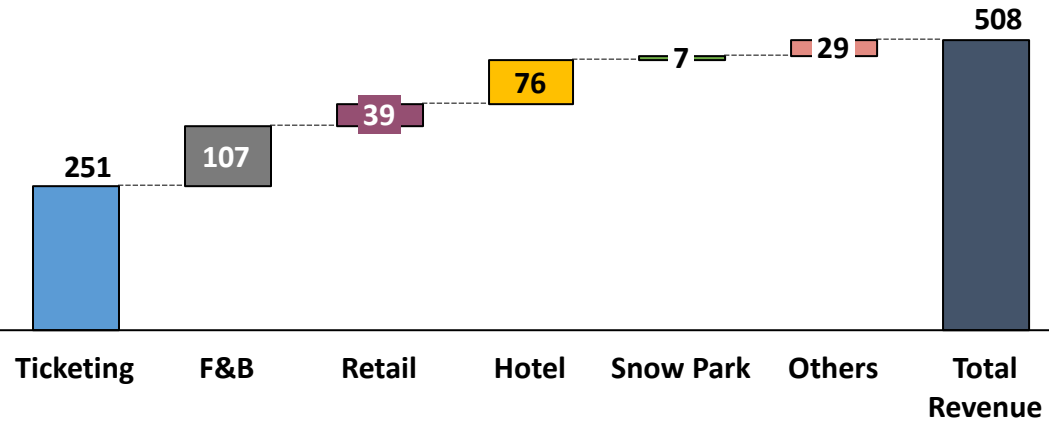


F&B includes only park F&B revenues, Hotel revenues include Room + F&B revenues.

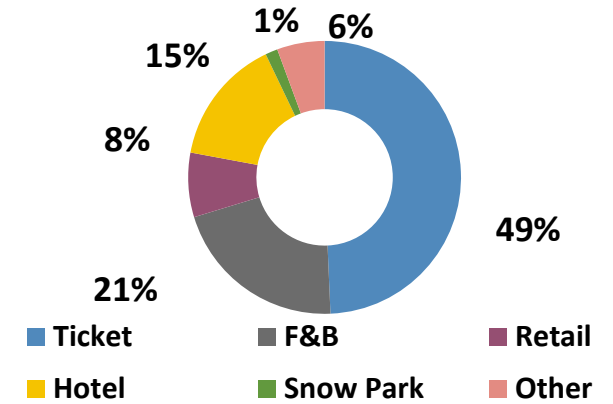


# Revenue Break-up – Quarter

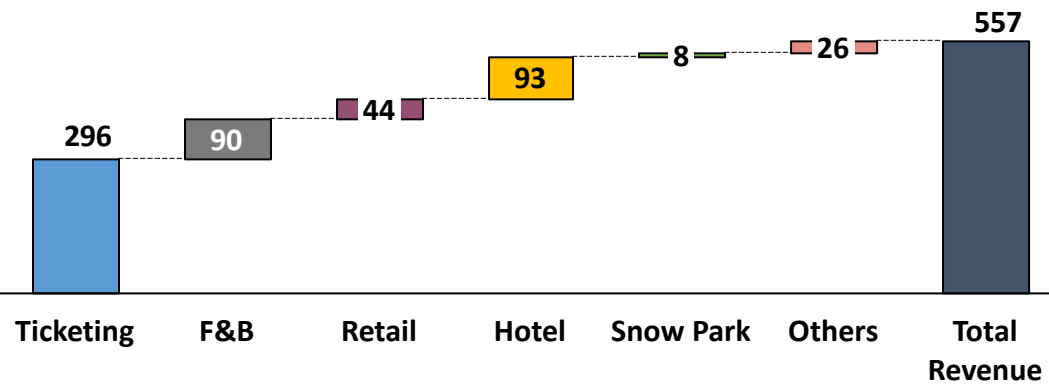
### Q4 FY18 Revenue Build-up (Rs. mn)



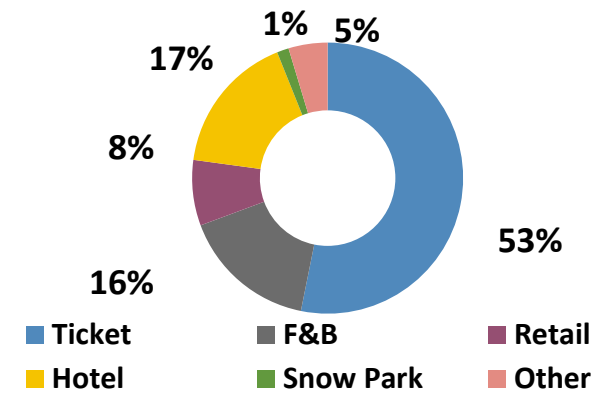
### Q4 FY18 Revenue Break-up



### Q4 FY17 Revenue Build-up (Rs. mn)



### Q4 FY17 Revenue Break-up

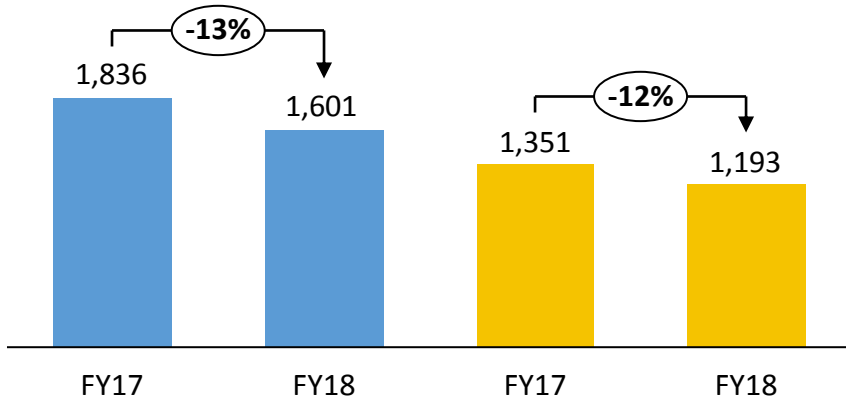


F&B includes only park F&B revenues, Hotel revenues include Room + F&B revenues.

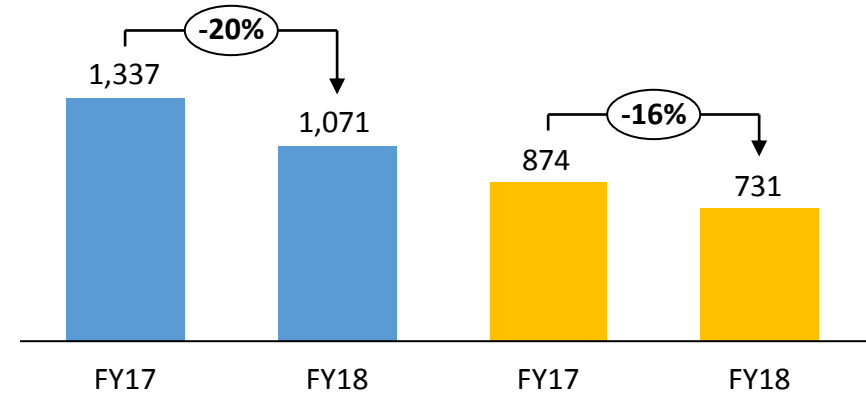


# ARPU Break-Up: Full Year

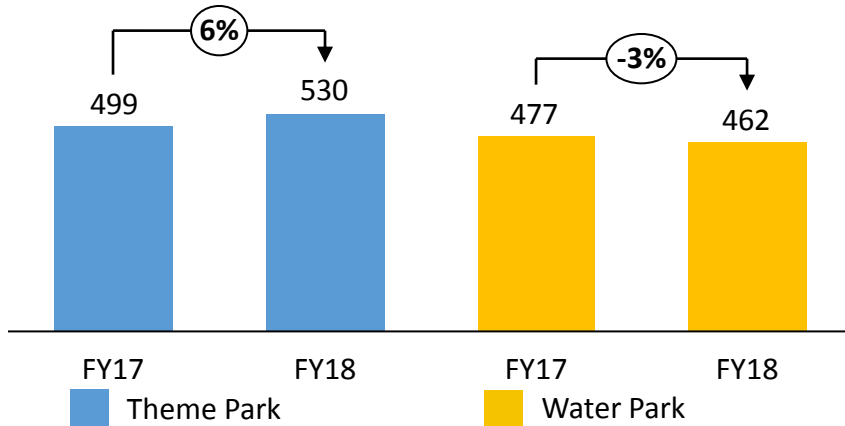
### ARPU (Rs.)



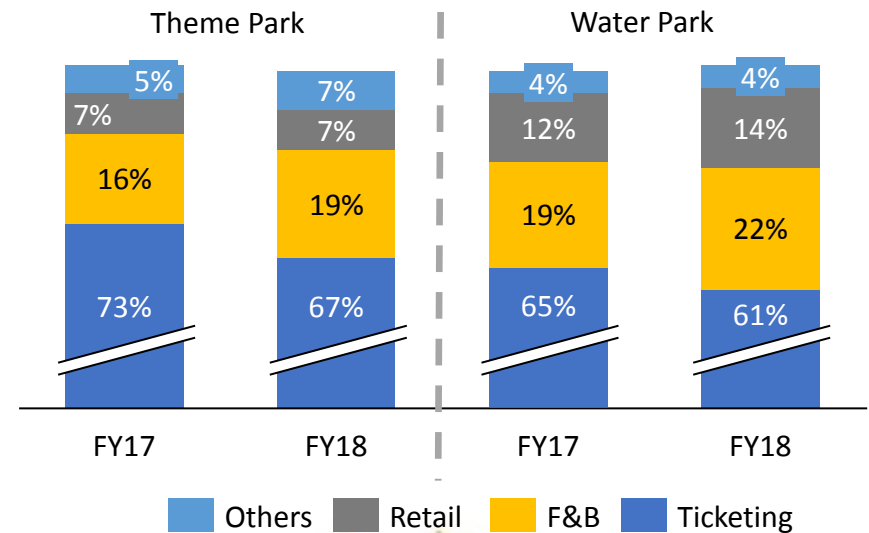
### ARPU - Ticketing (Rs.)



### ARPU - Non Ticketing (Rs.)



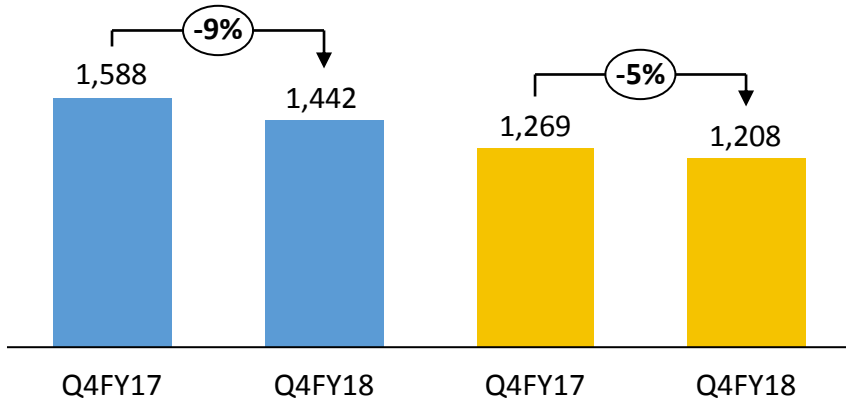
### ARPU Break Up (%)



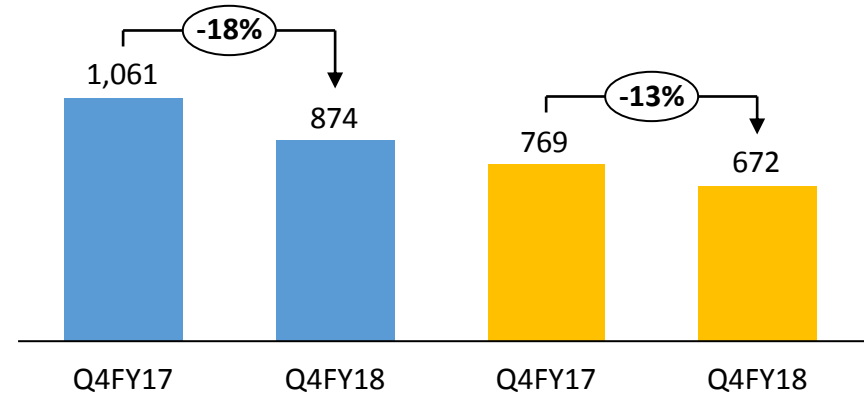


# ARPU Break-Up: Quarter

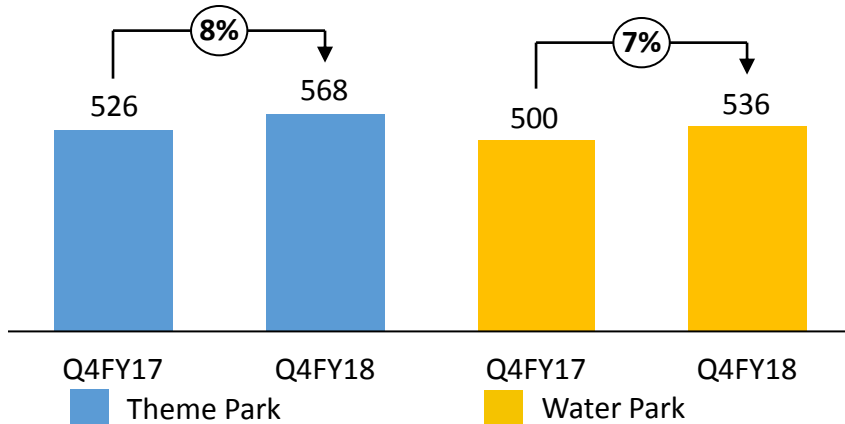
### ARPU (Rs.)



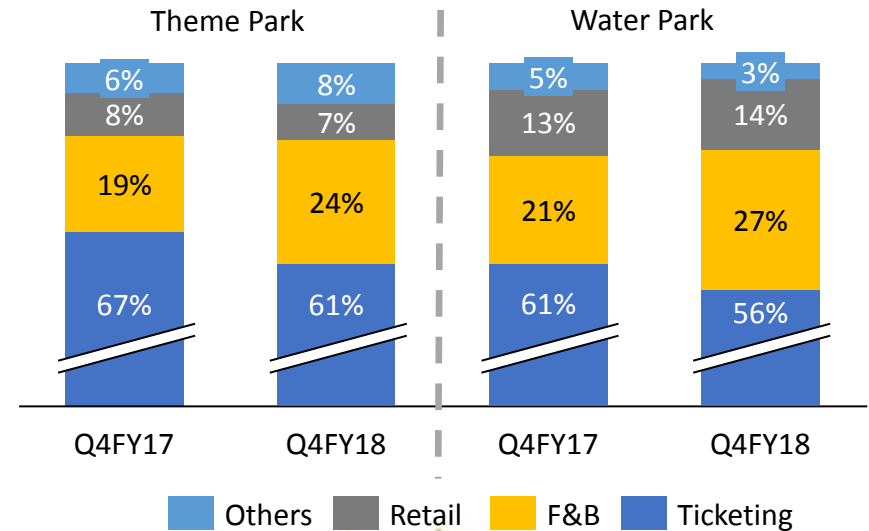
### ARPU - Ticketing (Rs.)



### ARPU - Non Ticketing (Rs.)



### ARPU Break Up (%)



- Performance for FY 2017-18 vis-à-vis FY 2016-17
  - Footfall stands at 17.22 lakh vs. 15.44 lakh, recording a growth of 12%. While, Theme Park and Water Park footfalls combined grew by 14%
  - Revenue held ground at Rs. 236.29 crore vs. Rs. 238.99 crore in FY17, despite a much higher indirect tax regime
  - EBITDA stands at Rs. 62.67 crore vs. Rs. 60.85 crore recording a growth of 3%
- For FY18, total ticketing revenue for the Theme Park and Water Park declined by 10% YoY, while the non-ticketing revenue grew by 18% YoY
  - Total ARPU for the Theme Park and Water Park declined by 21% over FY17, primarily due to the GST impact absorbed, some increase in guest mix towards water park & deal day offers impact.
  - However, Non ticketing revenue continues to display good growth, up ~18% from Rs. 60.0 crore to Rs. 70.8 crore
  - For FY18, SGST component of GST which should have been refunded (in lieu of E-Tax exemption) is Rs 10.46 crore. Adjusted for the above, the Revenue should have been up by 3% (instead of -1%) to Rs 246.74 crore and EBITDA should have been up by 20% (instead of 3%) to Rs. 73.13 crore.
  - The company is following up with Maharashtra State Government to get the refund of SGST (in lieu of the E-Tax exemption awarded to AEL).



- Performance for Q4 FY 2017-18 vis-à-vis Q4 FY 2016-17
  - Footfall for Q4 stands at 4.22 lakh vs. 3.98 lakh, recording a growth of 6%
  - Revenue for Q4 stands at Rs. 50.83 crore vis-a-vis Rs. 55.67 crore a de-growth of 9%
  - EBITDA for Q4 stands at Rs. 12.63 crore vis-a-vis. Rs. 11.83 crore signifying a growth of 7%
- For Q4 FY18, total ticketing revenue for the Theme Park and Water Park declined by 17% YoY, while the non-ticketing revenue grew by 11% YoY
  - Total ARPU for the Theme Park and Water Park declined by 17% over the corresponding quarter in FY17, mainly due to the GST impact absorbed by the company
  - However, Non ticketing revenue continues to display good growth, up ~11% from Rs. 15.9 crore to Rs. 17.8 crore
  - In Q4 FY18, SGST component of GST which should have been refunded (in lieu of E-Tax exemption) is Rs 2.73 crore. Adjusted for the above, the Revenue should have been down by 4% (instead of -9%) to Rs 246.74 crore and , the EBITDA should have been up by 30% (instead of 7%) to Rs. 15.35 crore.
  - The company is following up with Maharashtra State Government to get the refund of SGST (in lieu of the E-Tax exemption awarded to AEL).



# Profitability Statement – Full Year



Particulars (Rs. mn)	FY18	FY17	YoY
<b>Footfall* (Nos.)</b>	<b>1,722,549</b>	<b>1,544,219</b>	<b>12%</b>
<b>Revenue</b>	<b>2,362.9</b>	<b>2,389.9</b>	<b>-1%</b>
Raw Material	259.7	240.6	8%
Advertisement, sales and marketing expenses	395.4	394.9	0%
Employee benefits expense	485.5	558.1	-13%
Repairs and Maintenance	91.1	105.6	-14%
Power, fuel and water	169.2	159.4	6%
Other expenses	335.2	322.7	4%
<b>EBITDA</b>	<b>626.7</b>	<b>608.5</b>	<b>3%</b>
<b>EBITDA Margin</b>	<b>26.5%</b>	<b>25.5%</b>	<b>+106 bps</b>
Other Income	9.9	5.2	92%
Depreciation	924.2	944.7	-2%
Finance Cost	1,264.2	1,198.9	5%
<b>Profit Before Tax</b>	<b>-1,551.7</b>	<b>-1,530.0</b>	<b>-</b>
Tax	-	-358.7	-
<b>Profit after Tax</b>	<b>-1,551.7</b>	<b>-1,171.4</b>	<b>-</b>
Other Comprehensive Income	-2.6	-0.3	-
<b>Total Comprehensive Income</b>	<b>-1554.4</b>	<b>-1171.7</b>	<b>-</b>

\* Excl. Hotel



# Profitability Statement – Quarter

Particulars (Rs. mn)	Q4 FY18	Q4 FY17	YoY
<b>Footfall* (Nos.)</b>	<b>421,909</b>	<b>397,674</b>	<b>6%</b>
<b>Revenue</b>	<b>508.3</b>	<b>556.7</b>	<b>-9%</b>
Raw Material	57.8	61.5	-6%
Advertisement, sales and marketing expenses	77.2	97.9	-21%
Employee benefits expense	86.1	135.5	-36%
Repairs and Maintenance	22.8	28.8	-21%
Power, fuel and water	38.2	29.5	29%
Other expenses	100.0	85.2	17%
<b>EBITDA</b>	<b>126.3</b>	<b>118.3</b>	<b>7%</b>
<b>EBITDA Margin</b>	<b>24.8%</b>	<b>21.3%</b>	<b>+359 bps</b>
Other Income	7.7	0.3	2675%
Depreciation	226.1	226.5	0%
Finance Cost	308.7	299.1	3%
<b>Profit Before Tax</b>	<b>-400.7</b>	<b>-407.0</b>	<b>-</b>
Tax	-	-95.2	-
<b>Profit after Tax</b>	<b>-400.7</b>	<b>-311.8</b>	<b>-</b>
Other Comprehensive Income	-5.9	-0.2	-
<b>Total Comprehensive Income</b>	<b>-406.7</b>	<b>-312.0</b>	<b>-</b>

\* Excl. Hotel



# Balance Sheet



theme park • water park • snow park • hotel

Equity & Liabilities (Rs. mn)	Mar-18	Mar-17
<b>Equity</b>	<b>4,091.1</b>	<b>4,997.2</b>
Equity Share Capital	880.6	799.0
Other Equity	3,210.5	4,198.2
<b>Non-Current Liabilities</b>	<b>8,925.4</b>	<b>9,900.6</b>
Financial Liabilities		
- Borrowings	8,911.5	9,868.2
Long-term provisions	13.9	32.4
<b>Current Liabilities</b>	<b>2,791.1</b>	<b>1,524.1</b>
Financial Liabilities		
- Borrowings	837.7	564.4
- Trade payables	274.6	306.3
- Other Financial Liabilities	1,290.0	401.0
Other current liabilities	386.3	250.6
Short-term provisions	2.5	1.8
<b>Total Equity &amp; Liabilities</b>	<b>15,807.6</b>	<b>16,421.8</b>

Assets (Rs. mn)	Mar-18	Mar-17
<b>Non-Current Assets</b>	<b>15,236.0</b>	<b>16,092.8</b>
Fixed Assets		
- Property, plant and equipment	11,331.3	12,043.9
- Capital work- in-progress	862.0	948.6
- Other intangible assets	219.0	268.1
- Intangible assets under development	5.4	5.4
Financial assets		
- Non-Current investments	1,061.8	1,061.7
- Others	5.3	4.6
Deferred tax Assets (net)	1,654.1	1,654.1
Other Non-Current Assets	97.2	106.4
<b>Current Assets</b>	<b>571.6</b>	<b>329.0</b>
Inventories	142.9	133.8
Other Financial Assets		
- Trade receivables	51.2	35.8
- Cash and cash equivalents	28.4	71.0
- Other Bank Balances	0.4	1.0
- Short-term Loans and Advances	127.2	0.6
- Others	35.0	3.7
Current tax assets	32.6	23.5
Other Current Assets	154.0	59.7
<b>Total Assets</b>	<b>15,807.5</b>	<b>16,421.8</b>



# Awards & Recognitions



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



**For further information, please contact:**

---

**Company :**

Adlabs Entertainment Ltd.  
CIN: L92490MH2010PLC199925

Mr. Khelan Shah  
[Khelan.shah@adlabsentertainment.com](mailto:Khelan.shah@adlabsentertainment.com)

[www.adlabsimagica.com](http://www.adlabsimagica.com)

---

**Investor Relations Advisors :**

Strategic Growth Advisors Pvt. Ltd.  
CIN: U74140MH2010PTC204285

Mr. Jigar Kavaiya - [jigar.kavaiya@sgapl.net](mailto:jigar.kavaiya@sgapl.net)  
+91-9920602034

Mr. Rohan Adhiya - [rohan.adhiya@sgapl.net](mailto:rohan.adhiya@sgapl.net)  
+91-9833219522

[www.sgapl.net](http://www.sgapl.net)

