“Wonderla Holidays Limited
Q1 FY27 Earnings Conference Call”
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Moderator: Ladies and gentlemen, good day, and welcome to Wonderla Holidays Limited Q1 FY27 Earnings Conference Call, hosted by MUFG Intime. As a reminder, all participants' lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star and zero on your touchtone phone. Please note that this conference is being recorded.

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

Omkar Bagwe: Good afternoon, everyone. I welcome you all to the earnings conference call to discuss Q1 FY27 results of Wonderla Holidays Limited. To discuss our results, we have with us from the management, Mr. Arun Chittilappilly, the Managing Director; Mr. Saji Louiz, Chief Financial Officer; and Mr. Dheeran Choudhary, Chief Operating Officer. They will take you through the results, and then we will proceed to Q&A session.

Before we proceed to the call, a small disclaimer. This conference may contain certain forward-looking statements about the company, which are based on the beliefs, opinions and expectations as on date of this call. The actual results may differ materially. These statements are not guarantee of future performance and involve risks and uncertainties that are difficult to predict. A detailed safe harbor statement is also given on Page 2 of company's investor presentation.

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

Arun Chittilappilly: Thank you. Good afternoon, everyone, and thanks for joining us. I hope all of you have had an opportunity to review our financial results for the first quarter of FY27. We are pleased to report that we have delivered one of our best quarters ever, making another important milestone in our growth journey.

During the quarter, we recorded an income of INR252 crores, representing 41% year-on-year growth, while EBITDA grew 39% to INR122 crores. Our footfall crossed 12.25 lakh visitors, up 33% over the same period last year, reflecting the continued strength of our brand and growing demand for quality leisure experiences.

This performance was broad-based. Our existing parks continue to deliver healthy growth, driven by higher guest volumes and as well as improved guest spending. Revenue from our mature parks grew by approximately 15%, supported by 7% growth in ARPU and sorry, 8% growth in ARPU and 7% growth in footfall.

Our Chennai Park continues to scale up exactly as we had envisaged. In our first year of operations, the park contributed approximately INR45 crores in revenues and over 2.4 lakh visitors during the quarter. As the market matures and awareness continues to build, we remain confident that Chennai will become an increasingly significant contributor to our long-term growth. Beyond our parks, we are also encouraged by our hospitality business. Both our resort offerings delivered their best and along with Hyderabad Park, delivered their best ever quarter.

Our focus remains unchanged. We continue to invest in guest experience and expanding premium offerings and improving operational efficiency. As our newer assets continue to mature and our existing parks deepen their market penetration, we believe that Wonderla is well positioned to sustain profitable growth in the coming quarters.

With that, I would like to hand over to our CFO, Saji, who will take you through the financial performance.

Saji Louiz: Thank you, Arun. Good afternoon, everyone, and thank you for joining us for the Q1 FY 2027 earnings call. Let me take you through the key highlights of our performance during the quarter. Our revenue from operations increased by 44% Y-o-Y basis to INR243 crores. Our existing parks, Bengaluru, Kochi, Hyderabad and Bhubaneswar, delivered a healthy 15% revenue growth, driven by 7% growth in footfall and 8% growth in ARPU.

Our new asset, Chennai Park, contributed INR45 crores in revenue during the quarter with a footfall of 2.42 lakhs. EBITDA including other income stood at INR122 crores, registering a 39% Y-o-Y growth, while EBITDA margin remained strong at 48%. Profit after tax for the quarter stood at INR72.79 crores, translating into a PAT margin of 29%.

Let me now explain the key drivers behind the INR34.48 crores increase in EBITDA, including other income. Our existing parks contributed INR15.93 crores, accounting for 46% to the EBITDA growth. Chennai Park contributed INR21.86 crores, representing 64% of EBITDA growth as the park continues to scale up well.

Our resort business added about INR3.19 crores, contributing 9% to the EBITDA growth. The above said gains are partially offset by an increase of INR6.5 crores in the corporate overhead, primarily reflecting investments made to strengthen the organization and support our expanding operations as well.

During the quarter, company also earned INR9.47 crores as other income, predominantly from interest and gains on investments. Overall, the EBITDA bridge demonstrates that the growth was driven by a healthy performance across our operating business, led by continued momentum in our existing parks and successful scale-up of our Chennai Park.

Our PAT increased by INR20.22 crores, primarily driven by the improvement of EBITDA. This was partially offset by INR11.49 crores increase in depreciation, mainly on account of Chennai Park becoming operational, and an incremental tax expense of INR2.75 crores.

Moving on to the operating metrics. For Q1 FY 2027, footfalls across our parks were as follows: Bangalore Park, 3.43 lakhs, up by 6% Y-o-Y; Kochi Park, 2.5 lakhs, up by 6% Y-o-Y; Hyderabad Park, 2.9 lakhs, up by 11% on Y-o-Y basis; Bhubaneswar Park, 1 lakhs, up by 4%; Chennai being a new park, 2.42 lakhs.

Our average ticket price for the quarter stood at INR1,310, registering a 2% Y-o-Y increase. Average non-ticket spend per guest increased by 20% Y-o-Y basis to INR591, reflecting a continued strength in our in-park spending initiatives. As a result, average revenue per user, the ARPU, increased by 7% Y-o-Y to INR1,901.

With that, I would like to conclude the financial update. We will now be happy to take your questions. Thank you.

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

Shamit: Congrats on a good set of numbers. So a couple of questions from my end. if you look at your ex-Chennai Park, the footfall grew by 7% year-on-year this quarter after a mixed trend over the last few quarters. So should we view this current growth rate as sustainable going forward in the other parks? And also, on your margin, so once Chennai Park matures, what kind of margin trajectory are you expecting?

Arun Chittilappilly: See, footfall growth is unpredictable by its very nature. Every quarter, it will keep varying. So this quarter was good, and we are hoping that for the remainder of the quarters, it will be good as well. Having said that, I think this year has started on a strong note. So I think we are hopeful that this year should continue.

Chennai margin should be in line with other margins as it progresses. It's still the first year, so it's hard for us to kind of tell you how it's exactly going to be. But long term, it will give the same margins as other parks or at par.

Shamit: Got it. But any particular initiatives did you take in those parks, which led to this footfall growth?

Arun Chittilappilly: We have done our usual, summer is the time when a lot of families come and visit us. And I think the weather was favorable. So many things, factors have helped us. And I think our marketing also, every function of ours also played a part. So it's nothing unusual there.

Shamit: And how was July looking for other parks, as well as Chennai, in terms of footfalls?

Arun Chittilappilly: So far, it's looking good. But again, like I said, July is just 1 month. So we'll have to wait and see for the remainder of the quarter and see how it goes.

Moderator: The next question is from the line of Vinod Krishna from Avendus Wealth.

Vinod Krishna: My question is on Chennai Park. So how should we see this year itself, we'll go to 1 million. Or normally other parks take 3 to 4 years to peak. So how are management looking at it?

Arun Chittilappilly: A couple of years, for sure. I mean, we will not reach 1 million in 1 year. That may not happen because like I said, it's a new park, so it's hard to predict how the footfalls will come about. But it's a strong start for sure. So let's hope, I mean, it's going to be a strong start. But exact how the footfalls are going to pan out, again, it's hard to predict.

Vinod Krishna: And sir, should we assume that 10% of every park revenue goes into new rides or new capex into the same park? Can we assume that...

Arun Chittilappilly: Yes, roughly. Yes.

Vinod Krishna: Sir, my last question is 10% of revenues, yes.

Arun Chittilappilly: Yes.

Vinod Krishna: Sir, my last question is on the, now that we have all the South India is done. So when should we -- okay, let me ask this way, like in the next 3, 4 years, what are the minimum number of parks we should be adding, and most of it will be large or mid parks? Or how are you looking at it? Because there's no clarity on that part alone. I think that's what is being an overhang on the company also. So...

Arun Chittilappilly: Yes. So we hope to do a couple of big projects and maybe a couple of small ones as well. We will keep you posted, like I said earlier. And I think by the end of this year, we will have some update on that. Again, we can't speculate on which one will close. We are working on many parallel cities, so and which I've said in past calls as well. Once we close something, we will keep you updated, and we'll take it from there. So we are working on both small and medium parks.

Vinod Krishna: So in the next 3 to 4 years, at least 2 large parks can we assume?

Arun Chittilappilly: We'll definitely work on 1 or 2 parks large parks, and then maybe 1 or 2 small ones as well.

Vinod Krishna: In the next 4 years. So around 3 to 4 parks should be there over the next 3 to 4 years. So by the end of this year, you're saying, before December, you'll announce something, 1 park at least?

Arun Chittilappilly: Yes. Before the end of the financial year, we will have something to announce.

Vinod Krishna: Also on the resort side, how are you thinking? Is it just around the parks? Or you also like THE ISLE one, you are also ready to do resort as a separate adjacent business? Because that's been extremely successful for us.

Arun Chittilappilly: Yes. So we're looking at expanding into that vertical as well. So we will definitely, again, expand into other cities. Maybe initially, we will start with the cities where we have already projects. And then, we are also open to looking to other cities like -- other places like Goa to do resort alone -- stand-alone resort projects also. We will keep you updated, like I said, once we announce something.

Moderator: The next question is from the line of Abhishek Shankar from ICICI Direct.

Abhishek Shankar: Congrats on the good set of results. So my question is again regarding the parks. What happened exactly during this quarter in Hyderabad that we're seeing such a large growth? Is it because we had a lower base? Or is it some initiatives that we took in Hyderabad? And how is the new roller coaster ride doing in Bangalore? Is it leading to some incremental growth there I mean, incremental interest from people?

Dheeran Choudhary: Yes. So actually, from all our large parks, the older parks, if you see Kochi, Bangalore, -- Hyderabad is still one of the newer parks. Keeping the 2 years of COVID aside, it was only operational for 8 years. So we did have some more juice to squeeze in terms of ramping up footfall. And I think our investments that we made in terms of marketing and kind of building for the brand in Hyderabad over the last few months kind of gave us that benefit in terms of a much higher footfall growth compared to Bangalore, which is 20 years, and Kochi, which is 25 years. So that's the reason why you see a higher growth in Bangalore.

On your next question, the new roller coaster has been received extremely well. The customer dwelling time, customer experience scores are really up. And when we add such global-standard rides, it definitely becomes a star attraction for people to come and visit the park again. So it increases frequency, which in turn drives more footfall.

Abhishek Shankar: Yes. So just another question that we currently, the rainfall deficit has reduced, but there is some rainfall deficit that is still there. So do you see any directives coming from the government regarding the park operations? We've seen something in Mumbai, though. But in South also, we are seeing some rainfall deficit. So what are the thoughts...

Arun Chittilappilly: As of now, there is no issue. I think rainfall has been actually very strong in the last few days. But again, we can't predict these things. We'll have to wait and see. As of now, it's all fine.

Abhishek Shankar: Okay. And last question, is there any disruption in Kochi Park? In the last 3, 4 days, there has been heavy rainfall in Kerala. That's why...

Arun Chittilappilly: Yes. Whenever there is heavy rainfall and landslide, some disruption will be there. We are not -- in our area, there is not much issues. But of course, there are disruptions in the state, and definitely, that will have some effect on footfall also.

Moderator: The next question is from the line of Navin from ithoughtPMS.

Navin: Congratulations on a great start to the Chennai Park and a good set of numbers. So just a couple of questions from my end regarding the parks. So, with respect to Bhubaneswar, right, so even in the commentary, you had alluded that you will be looking to add more smaller parks in the future.

And just looking at the ASP numbers for Bhubaneswar, they've been flattish for the last couple of quarters, maybe even the last 1 year, 1.5 years. So, I just wanted to understand broadly, is there are there any learnings we are taking from like doing the smaller park, smaller format that will carry on to newer parks?

Arun Chittilappilly: See, Bhubaneswar for us, as far as we are concerned, it's like an experiment. We've never done a small park before. So, I think we are still learning. But I think because it's a category-creating kind of asset, sometimes the footfall growth will be slower. But I think long term, we are hopeful that Tier 2 or Tier 3 also can support parks of small size. We are not worried. It's already EBITDA positive, so we're not really worried about it.

Of course, we will have to do more experiments to see how we can attract more footfall from neighboring areas, etcetera. That I hope answers the question. And we are not shying away from looking at other smaller cities. But of course, I think our focus is on larger cities because for the same effort -- maybe more capex, but I think the effort -- returns are better from larger cities as well. But having said that, we do have so many smaller cities. So we will pick and choose based on what is available and what the governments are offering us. And that's the way we look at it.

Navin: Got it. One small follow-up would be, so is my understanding right in the sense that we'll do smaller format only in the Tier 2, Tier 3 kind of locations?

Arun Chittilappilly: Yes. Smaller format, we will be doing in the smaller locations, yes.

Navin: Got it. Yes. So, the next question is going to be on the Chennai Park, right? So if I -- just correct me if I'm wrong, but I heard that it contributed INR21 crores to the EBITDA itself. Am I right? That's what the CFO mentioned?

Arun Chittilappilly: Yes.

Navin: Yes. So, if I just do some basic math, just multiply the footfall and the ARPU, I'm getting around INR45 crores of revenue. So, would it be right to assume that the Chennai Park is already at the like mature park level of margins? So, what is expected...

Arun Chittilappilly: Yes. For now, it is. But then, we don't have a full picture until we finish a year because every quarter is different, and the footfalls can vary. For example, Q2 is a much weaker quarter compared to Q1. So, we'll have to wait and see how it all pans out. But as of now, yes, for a quarter like Q1, I think it is tracking similar to other larger parks, which is very healthy.

Navin: Got it. And is the ramp-up for a new park generally this quick? Or is -- are you surprised by Chennai?

Arun Chittilappilly: It's one of the fastest ramp-ups that we've had. But I think, again, like I said, we caution, until the year is over, we don't know how it's going to play out because the highs tend to be higher and the lows tend to be lower in a new park, a new business. But we'll and as of now, we are hopeful that it will track like a mature park.

Navin: Got it. And just one like kind of a long-term kind of a question. So I believe we have discussed in earlier quarters like the concept of IPs for parks, and if we don't license them, our own IPs maybe. So, like I think we are not really like going for anything like that. But is there any change in view? Or if you could just broadly outline your view on IP and parks and if they would work for our format?

Arun Chittilappilly: See, paying foreign money for IP and then getting that to India, I don't think it works financially. So we believe in creating our own IP. And that is the way we've been working. Of course, we are open to partnerships and things like that. So from time to time, if we find something that's useful and relevant to our audience, we will definitely work on that. But other than that, we would like to use proprietary IP wherever possible.

Navin: I'm sorry, sir. So, a small follow-up would be like I'm not referring to the rides. For example, one of our competitors, they tied up with Chhota Bheem and like Mr. India, and they have some rides based on that, right, something along those lines. They don't even need to be foreign.

Arun Chittilappilly: did that lead to any footfall or revenues? I don't think so, right? So, I mean, for me, finally, it all comes down to whether it makes financial sense. So, we'll take it as it comes. Whenever there are opportunities, we do discuss with various companies from all over the world to see whether we can do something, but it has to make sense.

Moderator: The next question is from the line of Girish Raj from Bryanston Investments.

Girish Raj: The result is very encouraging. But when we look at the Bhubaneswar performance, I just want to understand how much management bandwidth is allocated for this particular asset at this point of time?

Arun Chittilappilly: I would say 1/5.

Girish Raj: 1/5. Okay. So equally spread.

Arun Chittilappilly: Yes. We will definitely spend time on all of them.

Girish Raj: Got it. There seems to be a step-up in the Bangalore and Hyderabad ARPU. ARPU is something which we control, while we don't control the footfall. is this a new base to work on? And is it because of the new attraction like roller coaster, which is added? Your comments would help.

Dheeran Choudhary: So I think there are 2 large reasons for this. I think one is the kind of cohorts that we are targeting and want to bring to our parks, especially during the summer seasons. These are high-spending cohorts. But I think the main focus is, how do we create and premiumize in-park experiences? And these are not just ride-based, but just increase and enhance the dwelling time, make the experiences a lot more immersive.

And this has led to the non-ticketing spend kind of growing exponentially high for us, like the CFO has stated, and that's actually the major contributor for ARPU. And we feel that there is still a lot more room if you are able to give the right kind of value proposition for customers to come into our parks and spend. And I think we keep innovating and taking a lot more initiatives in building in-park experiences, which are outside of rides, to build.

Girish Raj: Got it. But the question is, since there is a step-up already compared to previous years, is this a new base to work on for...

Dheeran Choudhary: At a CAGR level, our ARPUs over the last 4 years has been growing at 8%, right? So we've already been -- we've already like started growing fairly well, and we are now at a high base. So we cannot expect similar growth. We continue to dig deep and look at more initiatives and innovate more but cannot comment whether we will get similar kind of growth every quarter.

Moderator: The next question is from the line of Richa Agarwal from Equitymaster.

Richa Agarwal: Congrats on a good set of numbers, sir. Sir, my question is related to capital intensity that would be required to set up new parks. If you have to set up a park like Chennai or Orissa now, how much this capital intensity per acre -- or maybe even park-wise, if you could comment on what kind of capital would be required? And what is the IRR or payback period mix that you would like to look at while considering a new park expansion?

Saji Louiz: No, the capital requirement is completely dependent upon the kind of parks we do, whether it is a Tier 2 city or whether it's a Tier 1 city. So generally, we look at it like a payback period. So, for larger parks, we'll get about 7 to 8 years, or 6 to 7 years. And then, for a small format of parks, we can get a ramped-up payback of about some 4 to 5 years. Again, this is a ballpark number. This can change. It depends on the real scenario at the park level.

Chennai Park, recently, we concluded about INR570 crores to INR600 crores of capex for setting up our 40-plus rides. But earlier days, it was slightly lesser. So now with Bhubaneswar Park, if you could see, it's about some INR190 crores of capital expense for setting up the park.

Richa Agarwal: Okay. And sir, could you also comment on what kind of seasonality we should look at across different parks? And what are you doing to just counter the effect of the variation in different quarters?

Dheeran Choudhary: See, our largest quarters are usually quarter 1 and 3, as you could have seen historically. Quarter 1 is also a quarter which drives more volume and value. Quarter 3, because it's a largely group-dependent business, is more volume-led. I can't comment much on Chennai because we are yet to see a full year. We will only know as the whole year gets over. I think apart from that, in quarter 2, quarter 4, we continue to invest on other initiatives and other cohorts that we feel have the time, especially on peak days. So we run multiple campaigns for that. But quarter 1 and quarter 3 will always be our largest quarters.

Richa Agarwal: Okay. And sir, my last question is, I mean, keeping the seasonality in mind, what would be a conservative figure for, what kind of footfall at peak level are possible across all these 5 parks? Yes, what is the number that you aspire for that, from your mature and new parks, if you combine? At maturity, is there any structural limit to the footfall keeping the seasonality in mind?

Arun Chittilappilly: We can handle maybe up to 1.2 million, 1.3 million visitors for a large park. And then, maybe the small park can handle like Bhubaneswar can handle maybe like 5 lakhs or something like that. That's the structural limit. Yes.

Moderator: The next question is from the line of Harsh from AART Ventures.

Harsh: Congratulations on good set of numbers. My question is related to the segmental data which we published. Under operating revenue, there is a sharp increase in the other segment from INR38 crores to INR63 crores. Can you elaborate on that?

Saji Louiz: Could you please explain, where is the difference, you are saying?

Harsh: Under segmental revenue, which we give in our press release, -- other operating revenue, which has grown from INR39 crores to INR64 crores -- INR63 crores. So can you elaborate on that? What leads to the sharp jump?

Saji Louiz: Other nonoperating, we usually do 1 segment basically for the parks. And then, resort and other income will be coming as a unreported segment, mainly THE ISLE-related resort of ours, Wonderla, Terrea and ISLE. This will be the other segment.

Arun Chittilappilly: The resort business is part of that, yes.

Saji Louiz: And then, other income.

Moderator: The next question is from the line of Akhilesh Pathak from Smart Sync Services.

Akhilesh Pathak: First of all, congratulations for a great set of numbers, Arun and team. My question is regarding the parks that may be coming up in future. Are you looking for the same kind of model which you had in Bhubaneswar, where you leased land from government, 50-acre land at a very low cost. So the entire infrastructure cost actually became minimal, and that was a very asset-light model. So are there plans for a similar kind of model?

Arun Chittilappilly: We'll definitely look at asset-light models wherever possible. We can't say which -- we might be able to do it in a larger city also. We are exploring it, but it depends on the each deal in each city is going to be different. The offering also will be tailored accordingly. So it's hard to predict which one will be asset-light or how it's going to be. But if, there is scope to do that as well, yes.

Akhilesh Pathak: Another question is, are we looking at timeshare kind of model and vacation ownership for the resorts that we are building?

Arun Chittilappilly: Not really. I think we want to be in the -- we prefer being in the retail space. Timeshare is not something that we are looking at. Once maybe we have a bouquet of resorts across maybe multiple states, then at that point, I think it makes more sense.

Moderator: The next question is from the line of from Abhishek Shankar from ICICI Direct.

Abhishek Shankar: So last time, you had reiterated that you would be looking at 50% -- 40% to 50% mix of non-ticketing revenues, which currently stands at around I think 30%. So does that stand as of now? And also, on mature parks, you had said that you will be delivering around low-single-digit footfall and larger part of growth will be aided through ARPU. So are we retaining same mix?

Arun Chittilappilly: Yes, your assumption is correct. That's it.

Moderator: The next question is from the line of Yash Mishra from SKS Capital and Research.

Yash Mishra: So I had a simple question. How much of your current quarter blowout performance has been due to weak monsoons and how much of that is normalized? If you can give us some color of that?

Arun Chittilappilly: I mean, the monsoon starts usually from June. So not really a big -- it doesn't really affect our first quarter performance that much. June is not a very strong month. Our highest footfalls come in May. So May, luckily, we didn't have any unseasonal rains. Usually, sometimes we have unseasonal rains, and that is what causes some dip in footfall and things like that. This year, we didn't have any of those.

Yash Mishra: So compared to last year, same quarter, was there unseasonal rains in May? Was the base lower for this...

Arun Chittilappilly: I think there was less rain this year, I think, generally because of the super El Nino. I think -- but even otherwise, I think rains have been less. I mean, May is usually not a rainy month. But in the last few years, it's been erratic. So, that is probably one of the reasons why we...

Yash Mishra: So certainly, the strong performance this quarter, some part of it can be attributed to weak monsoons this year?

Arun Chittilappilly: Yes. I mean, it's early to say. We'll have to wait for the monsoon season to be over to actually make a...

Yash Mishra: I'm saying purely for the first quarter. I'm talking about May, June.

Arun Chittilappilly: Like I said, it's not much monsoon really didn't have much of a role to play. So it's hard to again, we can't put a finger on it like that.

Dheeran Choudhary: But there were other variables. We had elections in 2 states. One is Kerala, Tamil Nadu. In fact, it was the first year of -- first summer for Chennai. We also had a lot of the war issues in Gulf. There was a lot of inflationary pressure on our F&B. So I think overall, we've been able to be agile and overcome some of these external environments and still deliver a decent set of numbers.

Yash Mishra: Okay. And just a follow-up question to understand how much of the scale-up is possible in your existing parks as in just to understand, get some color on how optimally are all the parks operating, especially the new ones? And what's the headroom for growth there?

Arun Chittilappilly: Like I said, each park -- large park can handle 1.2 million to 1.3 million visitors and the small park can handle maybe 5 lakh, 5.5 lakh visitors. So, that will give you an answer.

Yash Mishra: So basically from like-to-like, there is expected to be normalized growth in terms of, as the parks mature and stabilize, the newer parks?

Arun Chittilappilly: Yes.

Moderator: The next question is from the line of Nikhil from SIMPL.

Nikhil: Two questions. One is on this quarter. In your initial statement, you mentioned something about expenses we've done, higher expenses to build, at the organization level. So can you just repeat it? Because the other expenses have increased significantly. So if you can just repeat what -- and are these one-off in nature? Or will they continue?

Saji Louiz: See, other expense increase of overhead expenses, you are referring to?

Nikhil: Yes.

Saji Louiz: This is mainly the digital transformation expenses compared to the previous quarter because we started the new POS in our parks only from July month. So all those digital transformations has costed us about some INR1.5 crores incrementally. And then, there are certain regular expenses related to marketing and other things are very small minuscule level. And that is the maximum amount of what we spend in the corporate overhead levels.

Nikhil: Okay. Sir, would the marketing be on a higher end even in this quarter? Because even in March, we had a higher marketing spend because of the Chennai Park. So even this quarter, it's above our normal average?

Saji Louiz: If you compare the previous quarter, about some INR5 crores of additional marketing expense, when you compare to the previous corresponding quarter. This is apart from the Chennai piece. So mainly, we did a little bit of branding in certain markets, and apart from that, we did a little bit of performance marketing. And then, as a result, we could see our footfall also growing in all the cities.

Nikhil: Okay. And second question is on the resorts. So I think when we launched ISLE, our idea was that probably, we will replicate this model to other parks as well. So based on what we've seen in last 1 quarter or like last 4, 5 months, how should we think about future resort investments for other parks?

Arun Chittilappilly: We are looking at to see how we can replicate. We are very happy with the performance of ISLE and Terrea. So but again, like I said, it's still new. So we are waiting to see how the full year pans out, and then we will take a call. But definitely, we will most likely, we will take it to other cities, and that plan remains, yes.

Nikhil: One conceptual question. See, is it a necessity that a resort would make sense if the park is large enough taking 1 or 2 days to finish, complete? Or is it like even without a park not being very large, a resort can be a part of the system? How should one think about it?

Arun Chittilappilly: We're still figuring it out. Like I said, we will know the answers to all that only after a year, still very new. So we are waiting for a year to complete, then we'll take a call.

Nikhil: And for the current resort, the people who have come would have done the park paid and then gone back? Or is it have...

Arun Chittilappilly: Majority, yes. There are people who don't use the park also, but the majority would be park guests.

Moderator: The next question is from the line of Anuj Sharma from SteadFort Investment Managers.

Anuj Sharma: Congratulations. Just in terms of your future parks, see, we have been operating in this size of park of 40 to 80 acres. Do you see that the size of large parks given, can the country take bigger parks from 100 to 150 acres? Or do we believe this is the sweet spot we would like to operate for large parks?

Arun Chittilappilly: For our model, we like to do it in this size. Like 70 to 80 acres is what we have done. Maybe in a larger city like Bombay, maybe it can be a little bigger also. But yes, that's the way we look at it. But not like a very big I don't think a huge investment, that kind of park, I don't think makes sense in a country like India.

Anuj Sharma: Okay. And in Chennai Park, did you see any difference in consumer behavior? Any particular observation in the Chennai park, anything which you'd want to implement in the future parks?

Arun Chittilappilly: Not really. I mean, the people of Tamil Nadu are already, they already know our parks. A lot of them have already visited some of our parks in other cities. So for us, it's just a new market that was waiting to be tapped. So I don't see any huge change in behavior. There's kind of similar behavior.

Anuj Sharma: Okay. And the replicability between Bangalore and Chennai would be how much now, or the difference, the unique rides between these 2 parks?

Arun Chittilappilly: There are, I would say, 30% of the rides are different, and the remaining 70% -- 60%, 70% are similar.

Anuj Sharma: Okay. And that would be a thumb rule for all the parks, 70% being common and 30% being unique?

Arun Chittilappilly: I would say 50%, 60% will be similar. Yes, it can vary a little bit here and there, but yes, more or less.

Moderator: The next question is from the line of Ankit Shah from White Equity Investment Advisors.

Ankit Shah: Sir, there is some Miss India World event that is planned in our resort and park. Can you talk a little bit about it? And also keen to understand whether the parks or resorts will be shut for visitors during that period. And how one should look at it?

Dheeran Choudhary: So this is just part of our strategic partnerships that we do to build our resort as a premium destination. And this was just one of the many marketing initiatives and partnerships that we did. We don't completely shut down our resort for such initiatives. It goes along with the existing business activities.

Moderator: The next question is from the line of Hardick from Vireya Capital.

Hardick: Congratulations on a good set of numbers. So from our size perspective, now we have crossed INR400-plus crores of net cash on balance sheet, and now we will have the financial ability to open more parks in quick succession. So just wanted to check, in case the opportunity arises, do we have the management bandwidth to, let's say, open 2 parks a year or 2 parks in 2 years or something like that in quick succession?

Arun Chittilappilly: We've already done that in the past, so we can do parallelly 2 amusement park projects or maybe a resort project, etcetera. This can be done, yes.

Hardick: Okay. Perfect. The other question was a follow-up on the comment you made on the footfall capacity of the large parks. You mentioned about 1.2 million to 1.3 million footfall that can be accommodated. I just wanted to clarify something. This assumes when you use the extra land parcel that is available in these parks and you add more rides, that's when we will reach it?

Arun Chittilappilly: I'm just talking about as-is condition.

Hardick: Sorry?

Ankit Shah: It's talking about as-is condition. We are not using all the extra land. If you do all that, I think, of course, we can add more visitors.

Hardick: Interesting. So then, what would be needed to reach this 1.3 million number? Because right now, I think we only did 1.3 million in Bangalore, I believe, in one of the years. Otherwise, we've always done less than that. So...

Arun Chittilappilly: Because when we do that kind of numbers, it also create a lot of negative publicity and it gets some a lot of overcrowding happens. So, I think it takes, once we have sustaining high footfalls on certain months, then that's when we always -- that's when we think about increasing our capacity in some areas.

So we are already doing that. So slowly, slowly, the park capacity will increase. So like 2, 3 years back, if you had asked me, I would say the capacity was like 1.1 million. Now, I think we can comfortably handle more than that. So I think slowly the park capacity will increase as we add more attractions. So that's the way we look at it.

Hardick: Yes. With your permission, if I can ask a follow-up.

Arun Chittilappilly: Sure.

Hardick: Yes. So some couple of quarters, some time ago, you had mentioned about the excess land available in some of your parks. Broadly, that excess land position is the same. We still have surplus land available in...

Dheeran Choudhary: Yes, we have excess land. We always keep excess land because we might want to build a resort or we might want to extend a park or we might want to add a roller coaster. These things all take a lot of real estate. So I think we always keep excess land.

Hardick: Okay. Just final one from my side. What would be the maintenance capex and some marginal capex that we might do for this year?

Saji Louiz: Generally, we keep about 10% of our top line for the expansion purpose or maybe for adding new attraction to the existing park. 6%, 7% of my top line will be for the maintenance capital.

Moderator: The next question is from the line of Manoj from Geometric.

Manoj: Congratulations on a good set of numbers. So my question is regarding business development for new park. It has been around 18 months since our QIP. And I understand that putting a park, specifically a big park, choosing a city is very important and the location in the city and the agreement with the government. So what has been our experience for the last 18 months for the selection of new large parks specifically?

What goes on the ground so that we can understand what are the procedures, what are the things before selection to understand the pace in the future for 5, 7 years, how many parks can come? Can you just give some description of what has happened in 18 months so that we can learn better on that?

Arun Chittilappilly: It's hard to give a description on that because a lot of it is our proprietary thing as well. So but we always keep scouting for new locations to see whether there are suitable properties available to do this and in suitable locations. It keeps varying. Like it's not easy to find large parcels of land at a reasonable price in most cities, as you know.

So it's very difficult to find land, good land for acquiring without any encumbrances. Then it's also difficult to get a lot of these licenses and land use changes, etcetera, which is why we usually talk to governments also, parallelly, when we do this. As I said, we are in advanced talks with at least 3 or 4 state governments. Hopefully, we will close something. And at that point, we will let you know what has closed.

Manoj: Okay. My second question was regarding the capacity. As you told, that you can increase the capacity by adding more rides. So but any city-wise, do you think -- even we have the extra land, we may put a resort. That's a different thing. For number of visitors, do you think any -- there is a limit to the number of -- for 1 city that after adding more rides, it won't be that much useful. Any sense of color on that?

Arun Chittilappilly: It's hard to predict that. Again, we'll have to -- as it goes -- as time goes by, we are able to handle more visitors and get higher ARPU. So that is our strategy. We don't want to fill up the parks too much also because then it also negatively affects our customer experience, and then it hampers repeat visits, etcetera. So we have to find that right balance because nobody wants to go to a park which is extremely overcrowded. It's also a safety risk. So we have to -- it's a delicate balance that we have to do.

Manoj: Okay. My last question is regarding F&B income. How do you see this F&B increasing or staying there as compared to the pass ticket? And how do you see it in the future?

Arun Chittilappilly: The share of non-ticket revenue will increase. And as you've already seen, it is already increasing. I think people are willing to spend more on food and retail and resorts, etcetera. So I think you will slowly see that part of the contribution increasing as such.

Moderator: The next question is from the line of Parin Parikh from PKP Capital.

Parin Parikh: First about the parks. You mentioned that Hyderabad Park results are kind of a growth engine. But if I look at the footfall for last trailing 12 months and compare it to the previous period, that is the year before, there is no growth over there. So can you please comment on that?

Dheeran Choudhary: I'm not sure if that's the right way to look at it because we are a seasonal business.

Parin Parikh: Yes, that's how I included all 12 months. So I'm talking about trailing 12 months, which is 895,000 footfall, as compared to 893,000 in the corresponding period year before. So I was -- am I missing something here?

Dheeran Choudhary: But we made some disproportionate investments like our CFO earlier also said in terms of marketing and building the brand and further penetrating more footfall for the AP-Telangana, and we've been seeing early results. And we continue to look at opportunities to further grow because we feel that Hyderabad has the potential to do a bit more. And it's been a good start to the financial year. And hopefully, if this momentum continues, we will be able to showcase similar growth for the entire FY versus the previous financial year.

Parin Parikh: That will be fantastic. About the Chennai Park, I just wanted to understand what the area of land is presently developed for the park?

Arun Chittilappilly: 40%, 50% is developed.

Parin Parikh: So we had 61.87 acres, if I'm not wrong. Should I assume that about 30 acres is developed for the park?

Arun Chittilappilly: Yes.

Parin Parikh: That's right. Great. About the resorts, fantastic performance, and the top line as well as the occupancy has shown really good numbers. What's the EBITDA for this INR9.61 crores, which we have talked in the June quarter?

Saji Louiz: We don't give EBITDA for our resort business. It's part of our...

Arun Chittilappilly: Overall business.

Saji Louiz: But it's very profitable for us. So like I said, it's also new. So once we have a full year of operations, we can give you better details. But we usually don't give out EBITDA numbers for our resort business.

Parin Parikh: No worries. I can understand that. I think we have about 123 rooms put together across both the formats in the resort. So -- and any further plans looking at this occupancy? I mean, are we having this kind of a better occupancy? Is this a one-off event? Or do we see a regular traction going forward?

Moderator: Sorry to interrupt you, sir. Can we request you to return to the question queue for a follow-up question as there are several participants waiting?

Parin Parikh: Okay.

Moderator: The next question is from the line of Rajveer Singh from Vivek Investment Managers.

Rajveer Singh: I have a couple of questions. My first question is on the safety culture of our company. So given that for a theme park operator, a single major accident can damage public press for years, even if the financial impact is initially limited, therefore, can you just talk about the safety metrics that we follow internally? For example, near-miss incidents, preventive maintenance or third-party audit scores, etcetera.

Arun Chittilappilly: We have our own,we do our own preventive maintenance, and a lot of that information can be seen on our website. I would not like to go into detail here but suffice to say that we follow the best practices in terms of safety and maintenance. And I think we have huge teams who maintain, and we actually have teams who design, build, operate and maintain the rides. So I think we have a huge team which manages this. So I think we are pretty well sorted, and this is not something that's new to us. So, a lot of this information is available, and you can get it on our website.

Rajveer Singh: All right. Sounds good. My second question is about the...

Moderator: Sorry to interrupt you, sir. Can we request you to kindly return to the question queue for the follow-up question?

Rajveer Singh: I just asked one question. That's okay. I can go back to the queue.

Moderator: Ladies and gentlemen, in the interest of time, that was the last question for today. I would now like to hand the conference over to management for closing comments.

Arun Chittilappilly: Thank you all for attending our conference call to discuss the first quarter performance for FY27. We continue to be optimistic about the future prospects of the company, and we will keep you updated on all our latest updates. Hope to see you at the next call. So thank you all for joining.

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