



ADLABS
Entertainment Limited

**badi interesting
jagah hai...**

Investor Presentation – November 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 >7.5mn 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 7.5mn** guests since launch

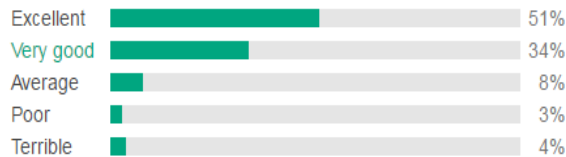
Non-catchment including Gujarat activation has resulted in **~35%** contribution for FY17

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

Theme Park Rating

4.0 

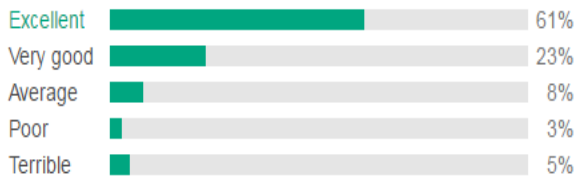
2,548 reviews



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...”



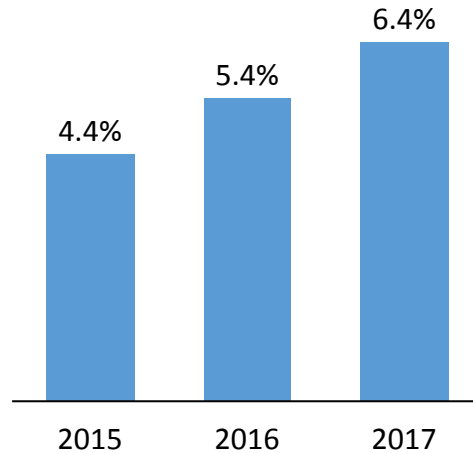
Demographics and macroeconomics: Strong cues for growth in consumer discretionary spending



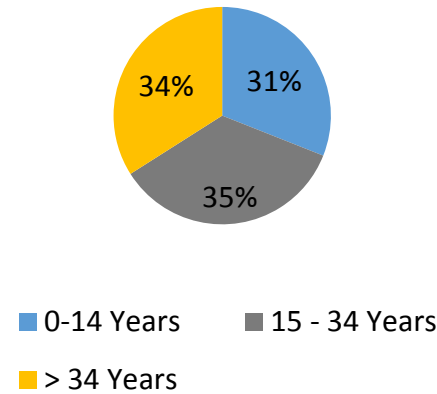
Favorable Demographics

Strong growth, working population & rise in household incomes

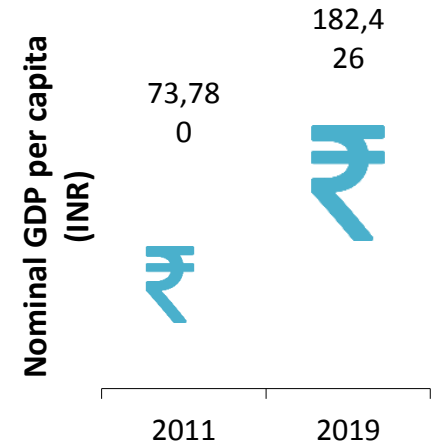

Robust GDP growth



Young population



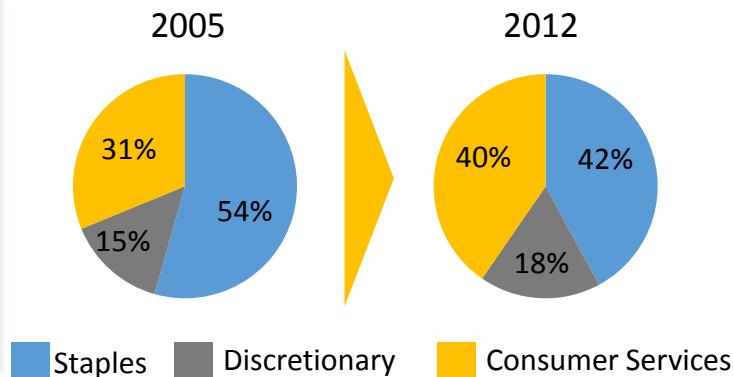
Rising per capita incomes

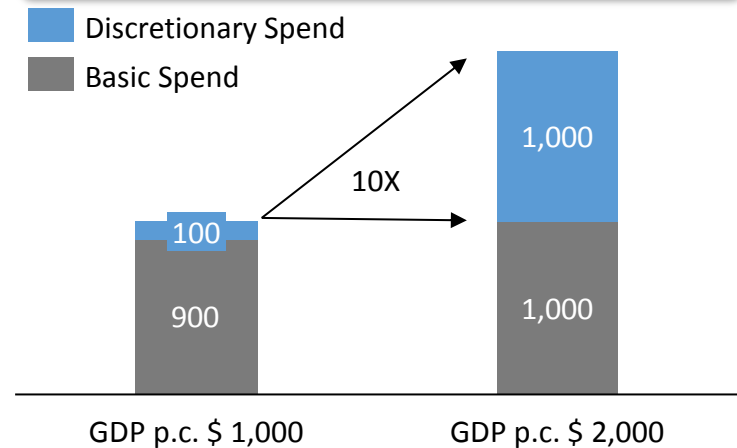
Shift in consumption patterns

Growth in leisure activities outpacing growth in GDP per capita

Growing consumerism – share of spending

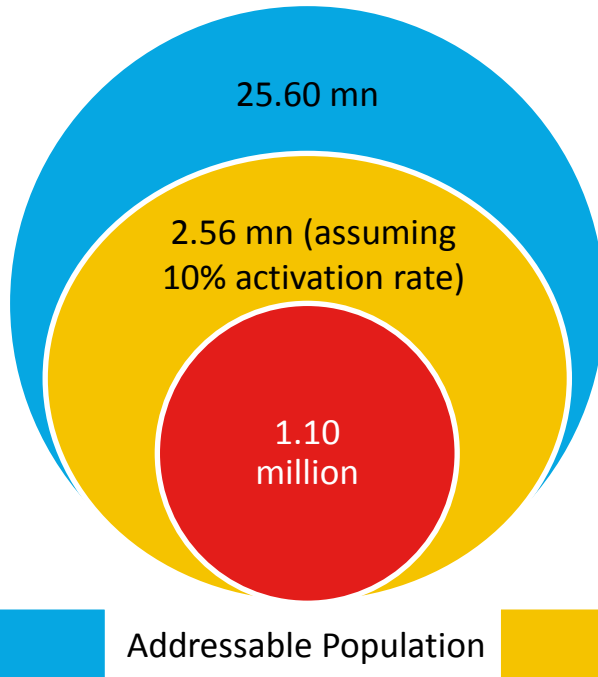


GDP Per Capita x 2 = Discretionary Spend 10X

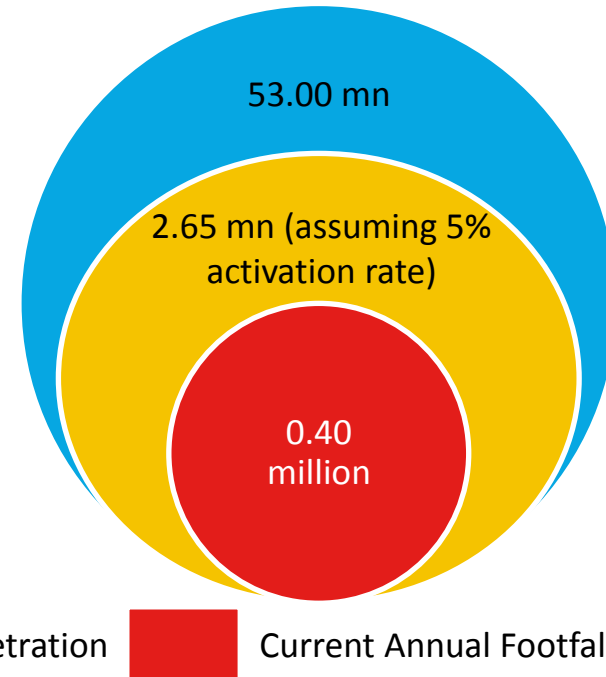


India – Still an underpenetrated market

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 17% 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

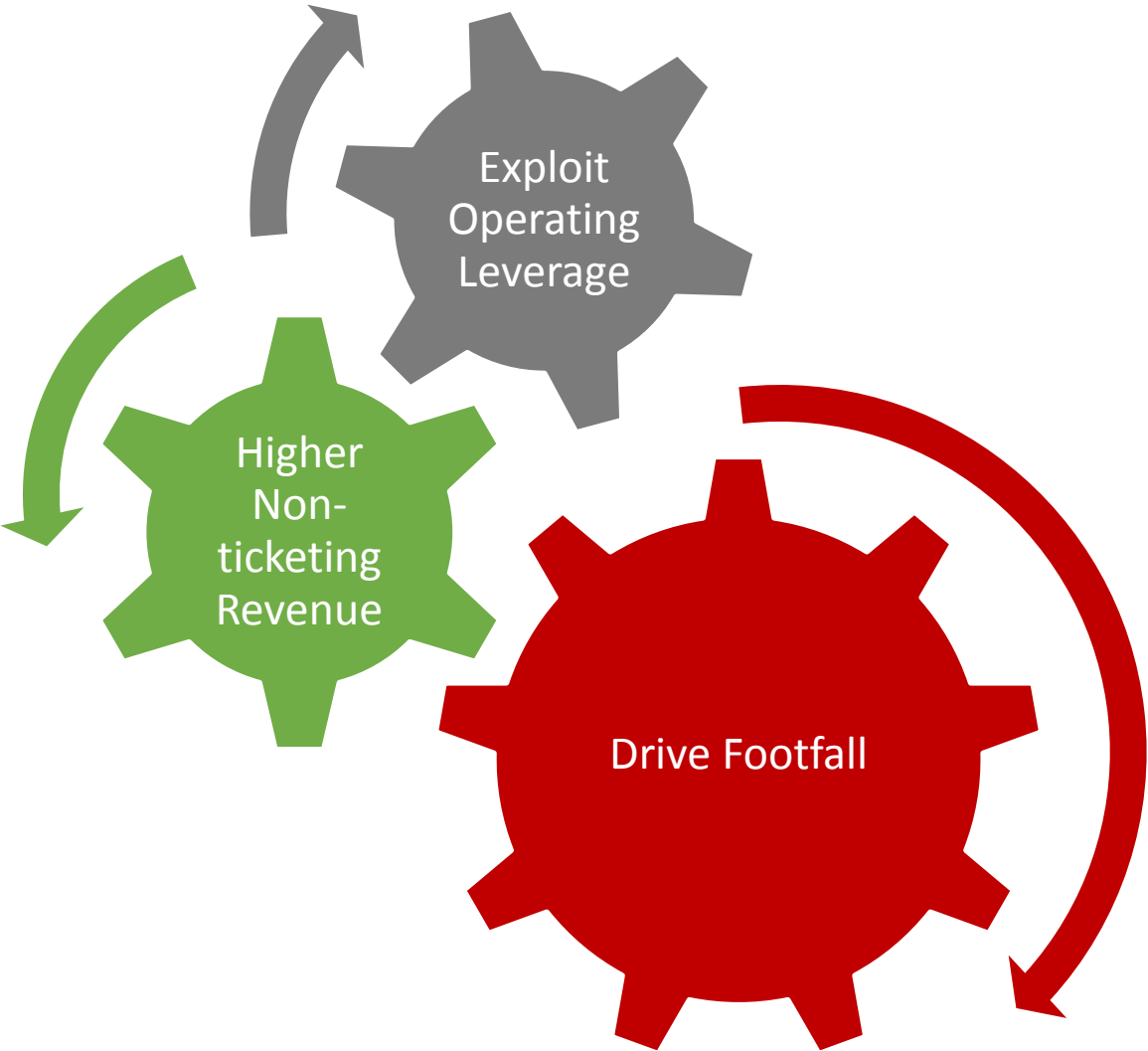
Consumer Options	Availability	Concepts	Average Cost
Theatre	Yes	The Comedy Store, Prithvi Theatre, NCPA etc.	INR.800- INR.1,000 per person for 2-3 hours of entertainment
Standard Amusement Parks	Yes	Essel World & Water Kingdom	INR.800-1,000/- with no major attractions and they lack scale and ambience
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

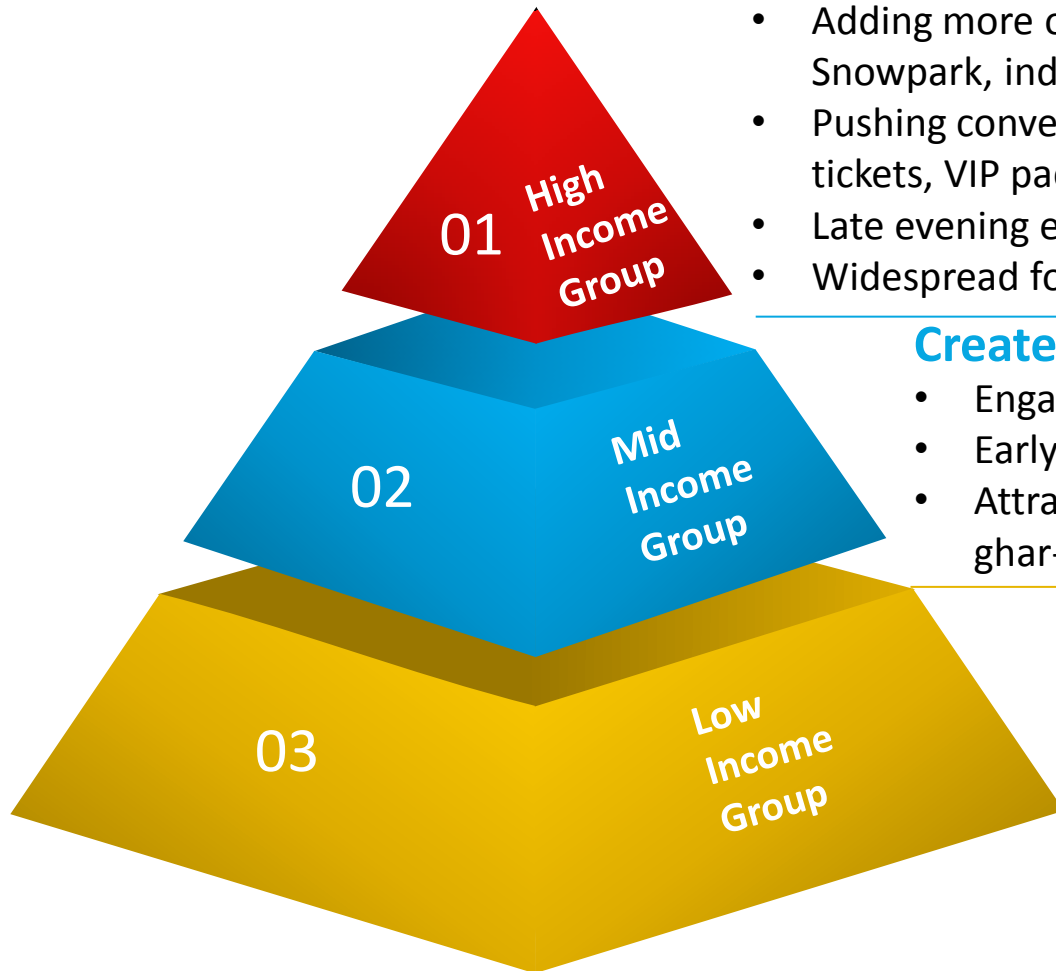


Key gears for growth



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



Differentiated Product - Entertainment

Imagica continue to add new attractions and entertainment



1st of its kind association in India of a popular TV/ movie character in a Theme park

- **Permanent home** for Chhota Bheem – most popular kid's character in India
- Chhota Bheem & friends – join Stars of Imagica (Grand Imagica Parade)

India's first official 'Bollywood Hall of Fame'

- In association with India's best production houses such as Dharma Productions, Fox Star Studios India, Arka Mediaworks and more
- Indoor entertainment attraction - interactive life-size figurines of popular Bollywood actors amidst iconic movie scenes

1st of its kind novel concept in India offering an unique experience and multiple facilities under one roof

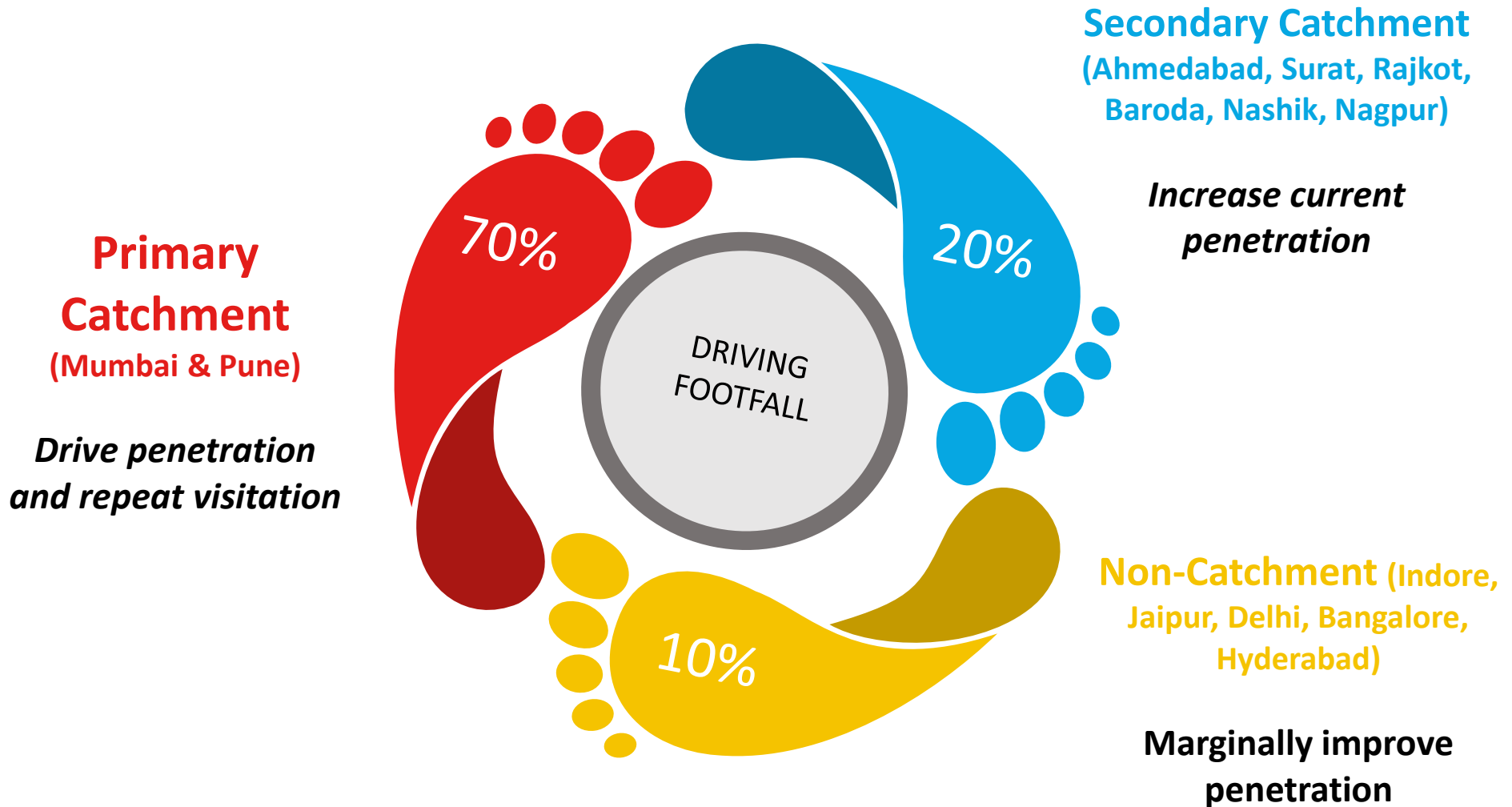
- Provides ONE a glimpse into a world of non-stop entertainment, partying, shopping and varied food and beverage options to choose from at a nominal price point

India's first 3D + Augmented Reality Park

- World of optical illusion with state-of-the-art gallery of canvas paintings and 3D images
- Subjects an individual to unique trickery by getting lost in the world of visual deception
- For a perfect time with your friends and family



Strategies to Drive Footfalls – Catchment-wise



Strategies to Drive Footfalls – Catchment-wise

Primary Catchment

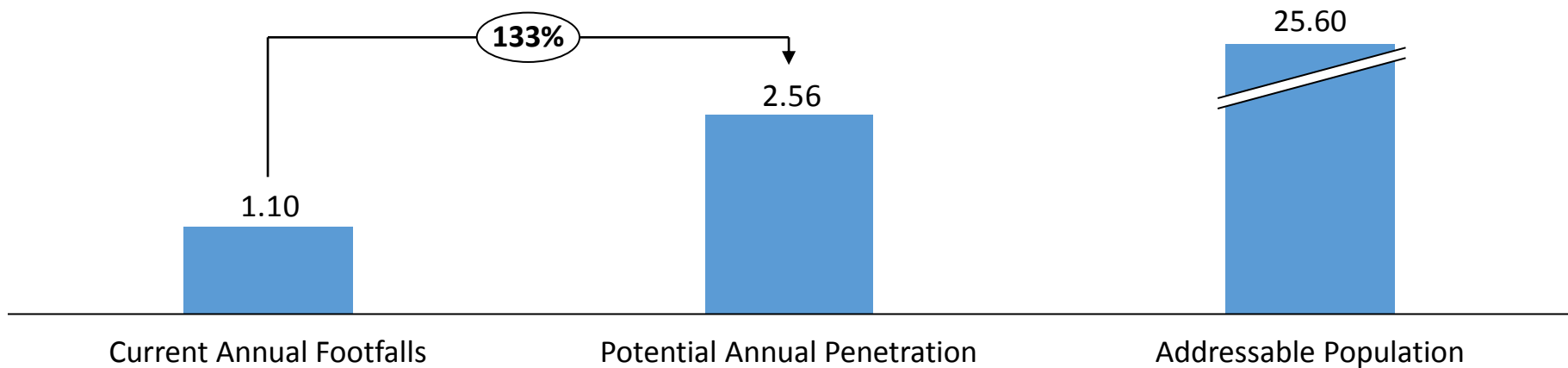


Primary Catchment (Mumbai & Pune)

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

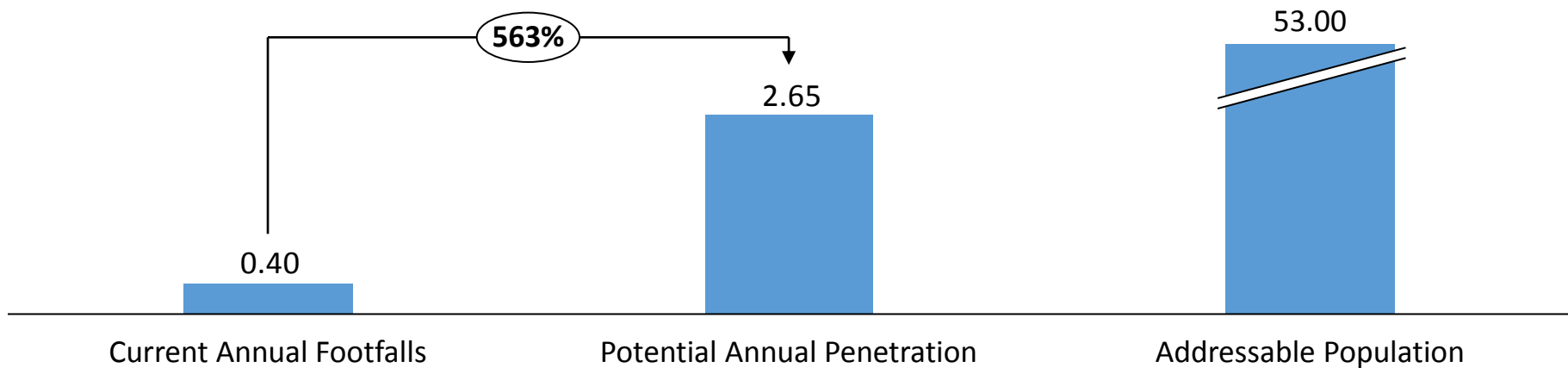


Secondary Catchment (Ahmedabad, Surat, Rajkot, Baroda, Nashik, Nagpur)

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



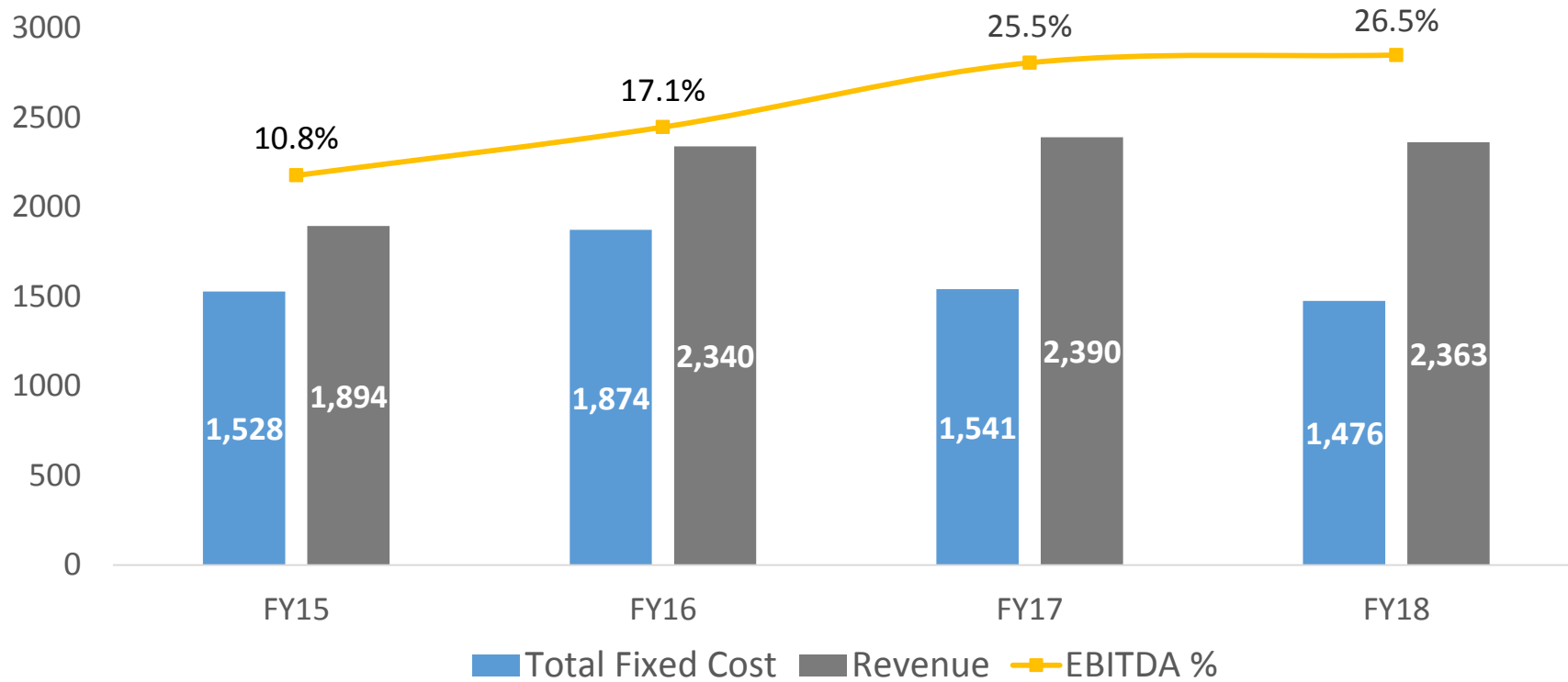
- Increase the per capita spending on F&B
 - Promoting combo-packages including meals at the parks
 - Adding beverage portfolio
- Promoting concepts like breakfast and dinner with characters
- Catering to evening events

- 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.



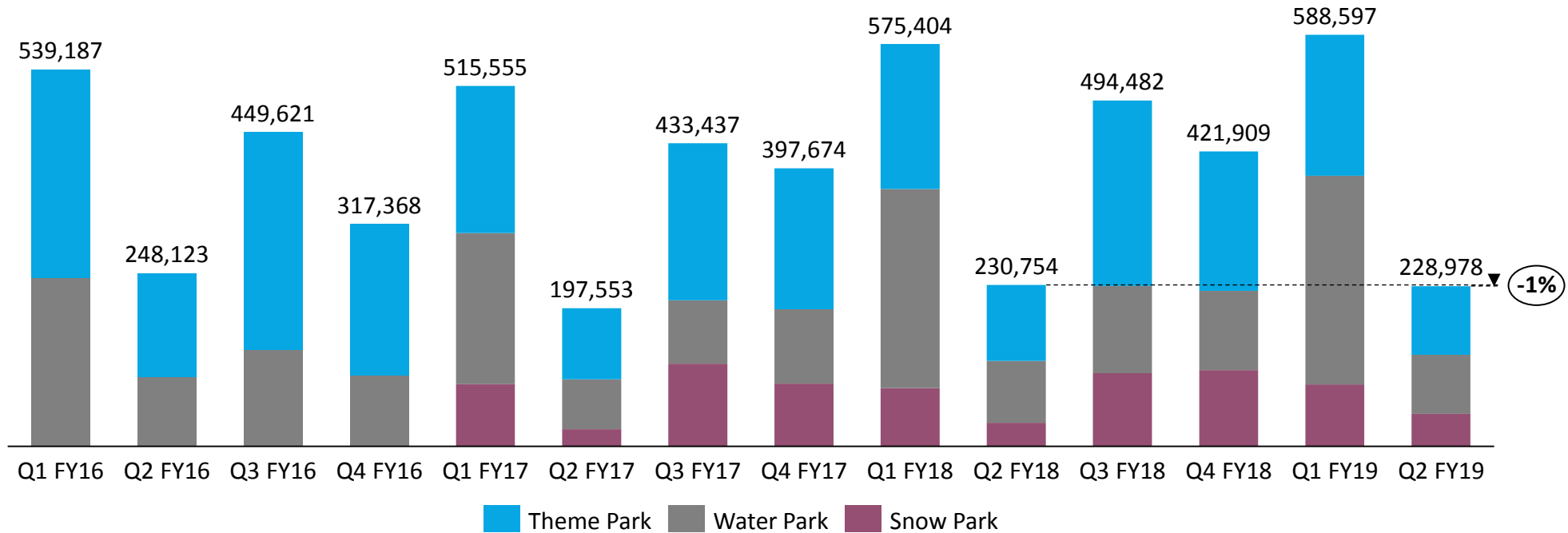


Financials Section



Footfalls during Q2 FY19

Total Number of Guests

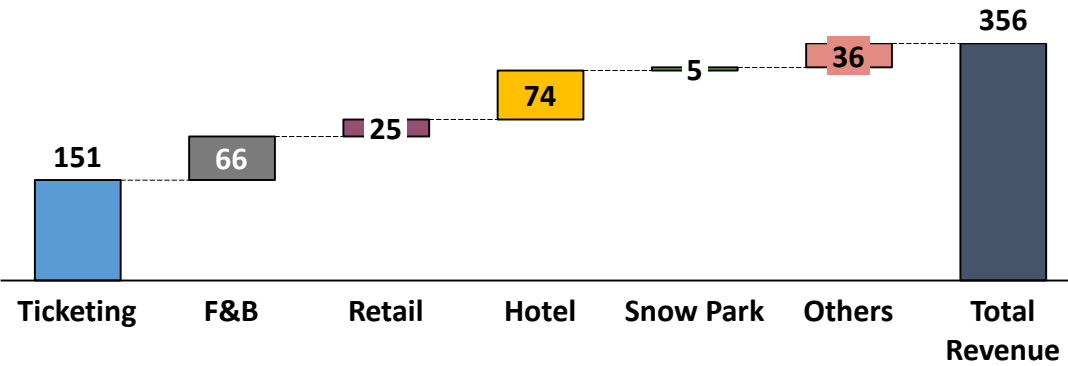


- For Q2FY19, footfall reduced by 1% to 2.29 lakh vs 2.31 lakh in FY17
 - Footfalls for Theme Park and Water Park impacted due to higher Rainfall intensity in the region
 - Snow Park showed good growth of 38% YoY in footfall

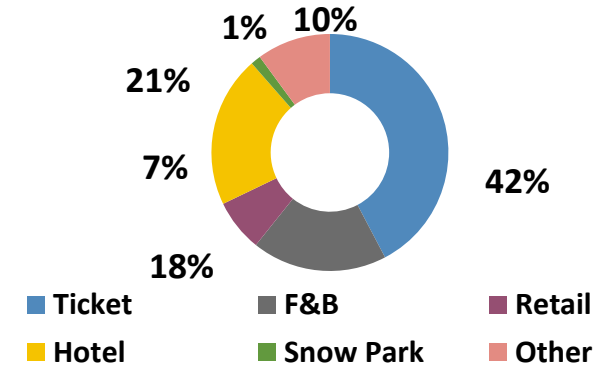


Revenue Break-up – Quarter

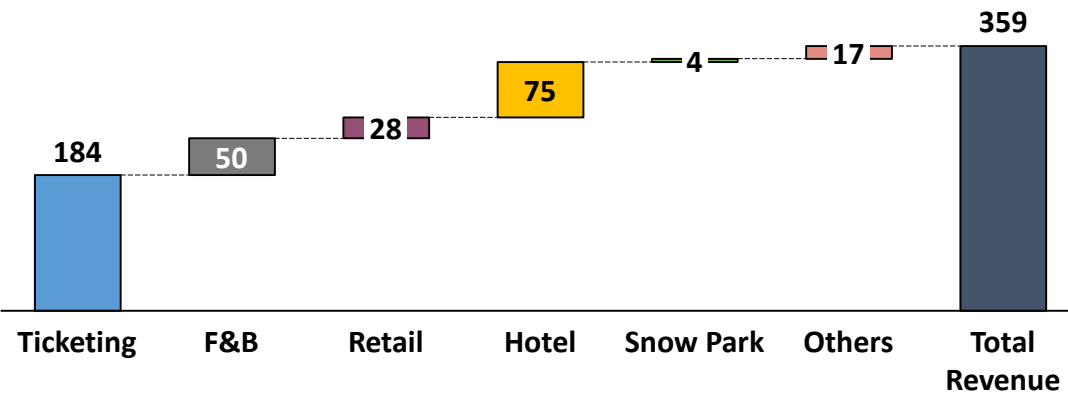
Q2 FY19 Revenue Build-up (Rs. mn)



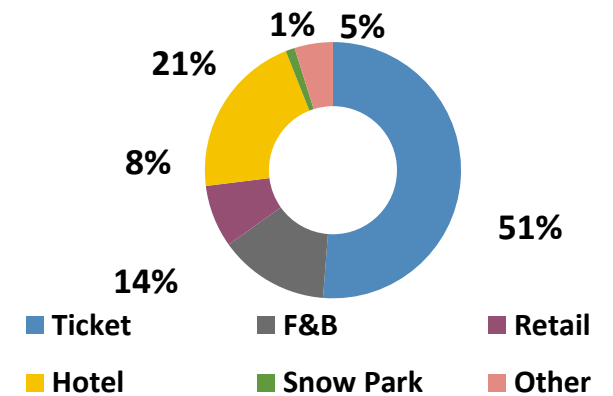
Q2 FY19 Revenue Break-up



Q2 FY18 Revenue Build-up (Rs. mn)



Q2 FY18 Revenue Break-up

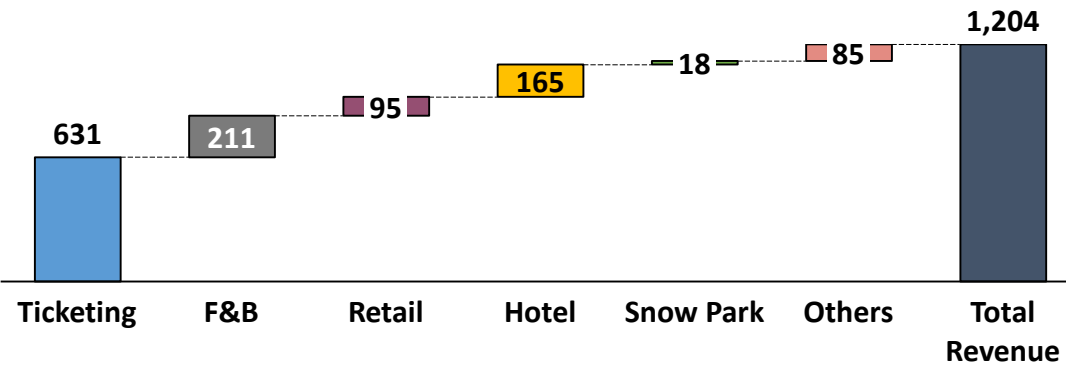


F&B includes only park F&B revenues, Hotel revenues include Room + F&B revenues.

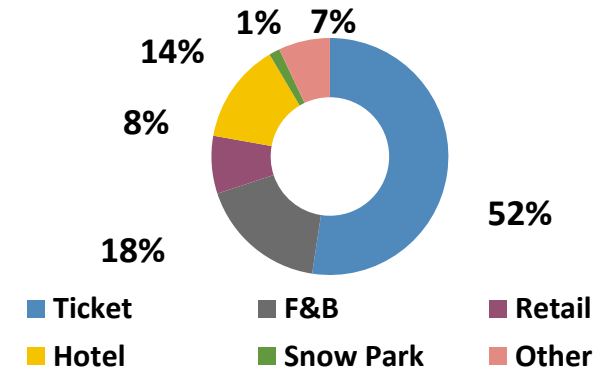


Revenue Break-up – Half Year

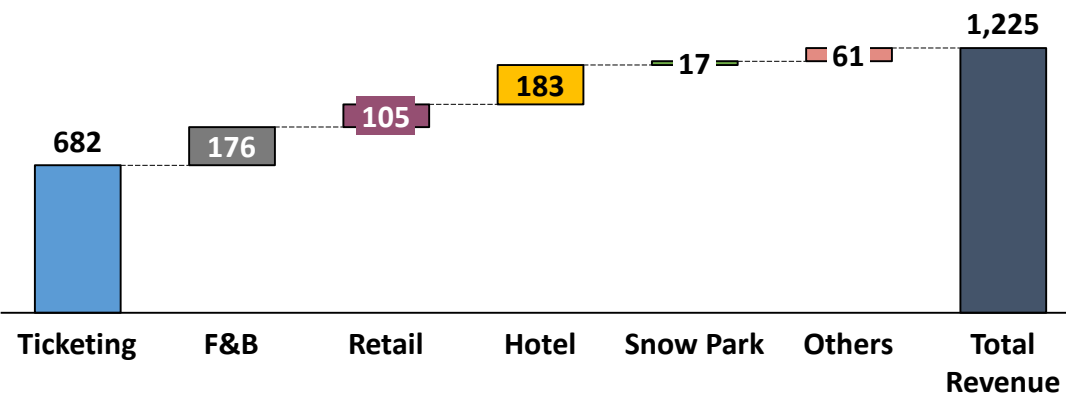
H1 FY19 Revenue Build-up (Rs. mn)



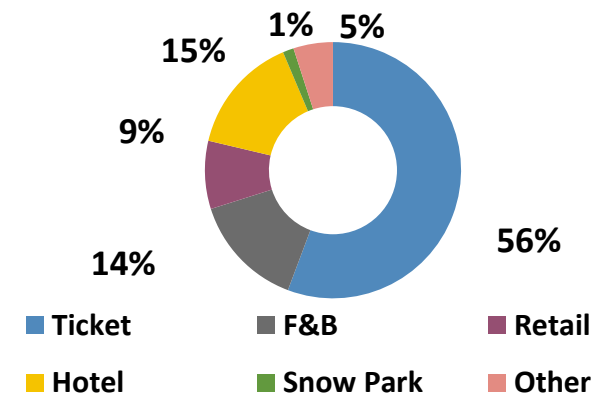
H1 FY19 Revenue Break-up



H1 FY18 Revenue Build-up (Rs. mn)



H1 FY18 Revenue Break-up

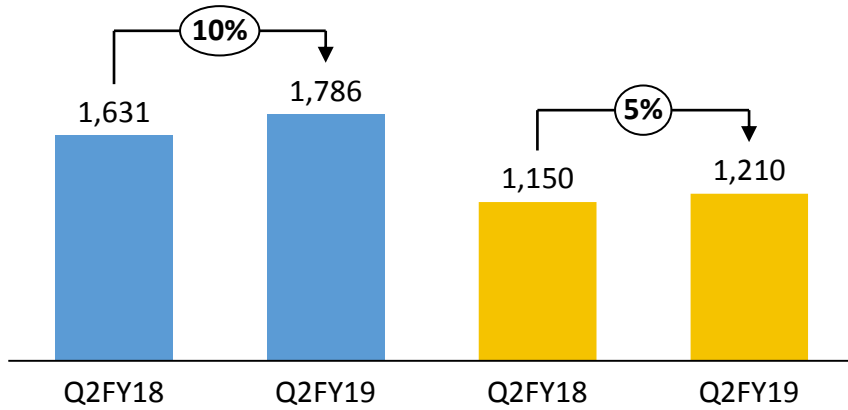


F&B includes only park F&B revenues, Hotel revenues include Room + F&B revenues.

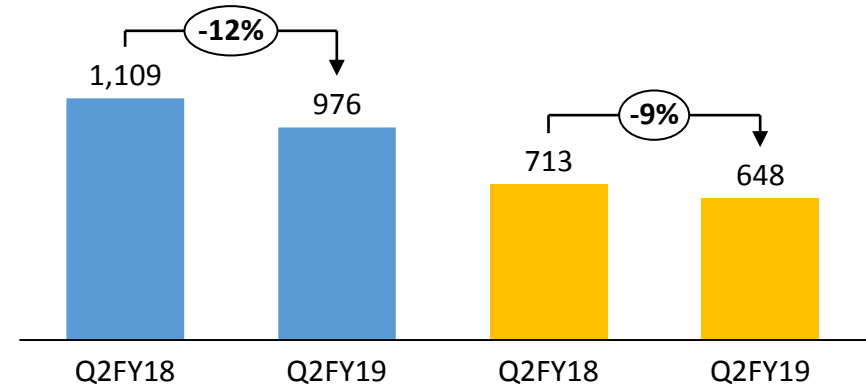


ARPU Break-Up: Quarter

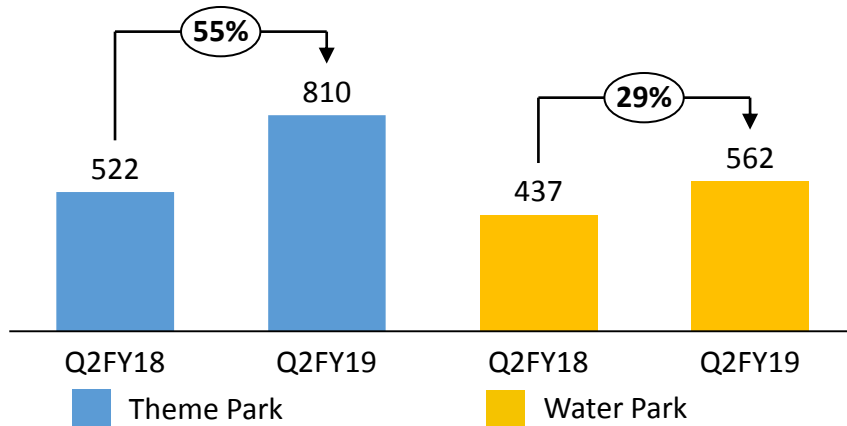
ARPU (Rs.)



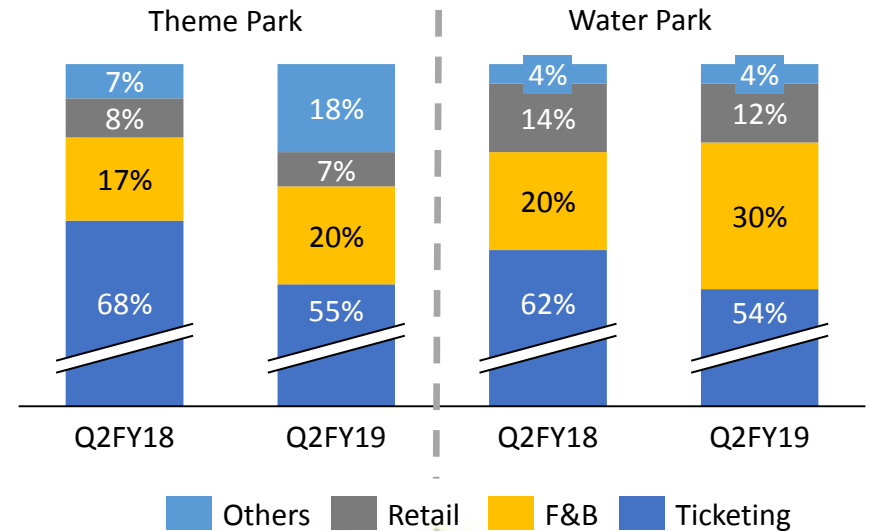
ARPU - Ticketing (Rs.)



ARPU - Non Ticketing (Rs.)

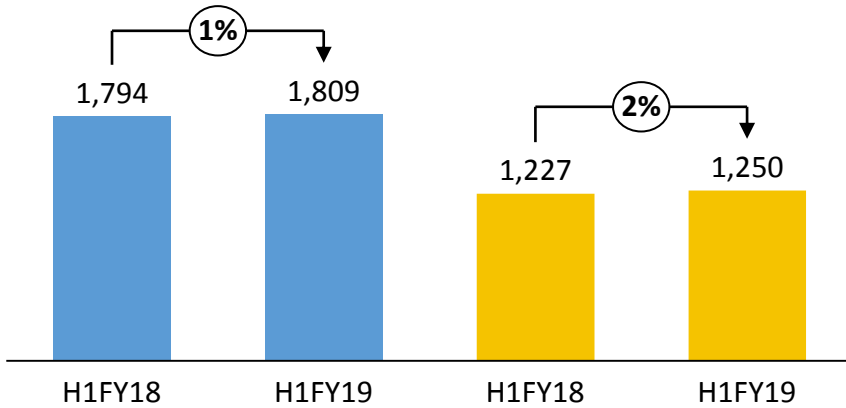


ARPU Break Up (%)

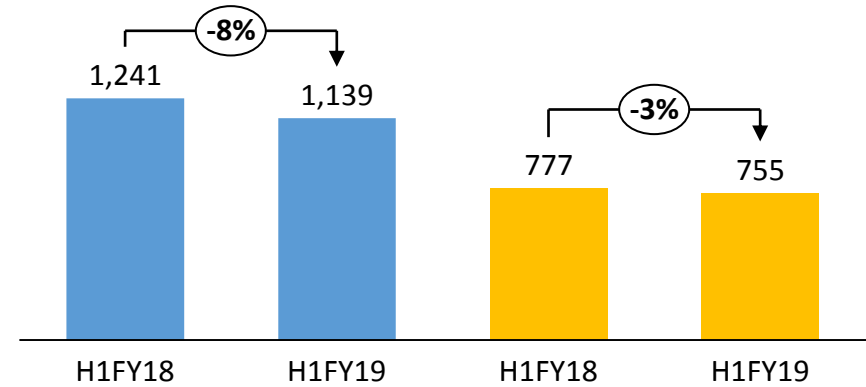


ARPU Break-Up: Half Year

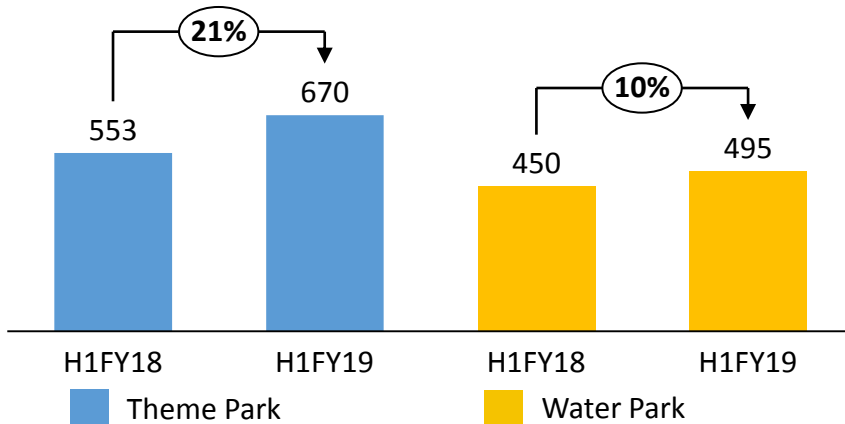
ARPU (Rs.)



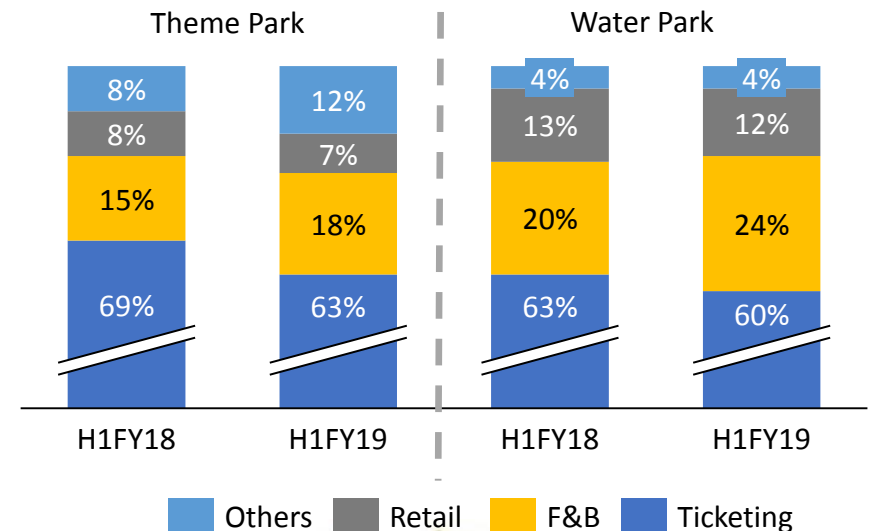
ARPU - Ticketing (Rs.)



ARPU - Non Ticketing (Rs.)



ARPU Break Up (%)



Management Commentary – Q2 FY19

- For Q2 FY19, total ARPU for the Theme Park and Water Park improved by 7% YoY
 - Ticketing ARPU for the Theme Park and Water Park declined by 11% over the corresponding quarter in FY18, mainly due to the GST impact absorbed by the company
 - However, Non ticketing ARPU improved by a staggering 44% over the corresponding quarter in FY18, due to various initiatives taken by the management to increase visitor spending on F&B
- Performance for Q2 FY 2018-19 vis-à-vis Q2 FY 2017-18
 - Footfall for Q2 stands at 2.29 lakh vs. 2.30 lakh
 - Revenue for Q2 remained flat at Rs. 35.63 crore vis-a-vis Rs. 35.86 crore
 - EBITDA for Q2 improved to a loss of Rs. 0.62 cr in Q2 FY19 from a loss of Rs. 1.85 cr in Q2 FY18
- Footfall conversion was noteworthy in our smaller ticketed attractions like Snow Park (SP), House of Stars (HOS), and Eyelusion
 - SP footfall grew by 38% to 46,176 footfall in the quarter
 - In Q2, new ticketed attractions of House of Stars and Eyelusion showed good promise



Profitability Statement – Half year & Quarter



Particulars (Rs. mn)	H1 FY19	H1 FY18	YoY	Q2 FY19	Q2 FY18	YoY
Footfall* (Nos.)	817,575	806,158	1%	228,978	230,754	-1%
Revenue	1,203.6	1,224.8	-2%	356.3	358.6	-1%
Raw Material	121.5	134.7	-10%	39.2	44.0	-11%
Advertisement, sales and marketing expenses	201.4	212.0	-5%	70.5	79.9	-12%
Employee benefits expense	260.7	273.5	-5%	127.1	132.1	-4%
Repairs and Maintenance	51.4	45.5	13%	21.3	19.2	11%
Power, fuel and water	88.2	92.6	-5%	36.3	38.7	-6%
Other expenses	139.8	162.7	-14%	62.6	63.2	-1%
EBITDA	340.8	303.7	12%	-0.6	-18.5	-
EBITDA Margin	28.3%	24.8%	350 bps	-0.2%	-5.2%	-
Other Income	3.6	1.8	95%	1.3	0.2	497%
Depreciation	474.5	464.2	2%	243.6	234.8	4%
Finance Cost	633.6	635.2	0%	312.2	315.5	-1%
Profit Before Tax	-763.7	-793.8	-	-555.1	-568.6	-
Tax	-	-	-	-	-	-
Profit after Tax	-763.7	-793.8	-	-555.1	-568.6	-
Other Comprehensive Income	2.23	0.90	-	0.83	0.58	-
Total Comprehensive Income	-761.5	-792.9	-	-554.3	-568.0	-

* Excl. Hotel



Balance Sheet



Equity & Liabilities (Rs. mn)	Sep-18	Mar-18
Equity	3,330.0	4,091.1
Equity Share Capital	880.6	880.6
Other Equity	2,449.4	3,210.5
Non-Current Liabilities	8,013.0	8,925.4
Financial Liabilities		
- Borrowings	7,999.4	8,911.5
Long-term provisions	13.6	13.9
Current Liabilities	4,057.6	2,791.1
Financial Liabilities		
- Borrowings	808.5	837.7
- Trade payables	319.6	274.6
- Other Financial Liabilities	2,559.5	1,290.0
Other current liabilities	364.9	386.3
Short-term provisions	5.1	2.5
Total Equity & Liabilities	15,400.6	15,807.5

Assets (Rs. mn)	Sep-18	Mar-18
Non-Current Assets	14,812.0	15,236.0
Fixed Assets		
- Property, plant and equipment	11,772.3	11,331.3
- Capital work- in-progress	12.8	862.0
- Other intangible assets	205.3	219.0
- Intangible assets under development	5.4	5.4
Financial assets		
- Non-Current investments	1,061.8	1,061.8
- Others	5.3	5.3
Deferred tax Assets (net)	1,654.1	1,654.1
Other Non-Current Assets	95.1	97.2
Current Assets	588.6	571.6
Inventories	132.0	142.9
Other Financial Assets		
- Trade receivables	36.7	51.2
- Cash and cash equivalents	36.4	28.4
- Other Bank Balances	0.9	0.4
- Short-term Loans and Advances	140.9	127.2
- Others	34.9	35.0
Current tax assets	34.6	32.6
Other Current Assets	172.1	154.0
Total Assets	15,400.6	15,807.5



Profitability Statement – Full Year



Particulars (Rs. mn)	FY18	FY17	YoY
Footfall* (Nos.)	1,722,549	1,544,219	12%
Revenue	2,362.9	2,389.9	-1%
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%
EBITDA	626.7	608.5	3%
EBITDA Margin	26.5%	25.5%	+106 bps
Other Income	9.9	5.2	92%
Depreciation	924.2	944.7	-2%
Finance Cost	1,264.2	1,198.9	5%
Profit Before Tax	-1,551.7	-1,530.0	-
Tax	-	-358.7	-
Profit after Tax	-1,551.7	-1,171.4	-
Other Comprehensive Income	-2.6	-0.3	-
Total Comprehensive Income	-1,554.4	-1,171.7	-

* Excl. Hotel



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

www.adlabsimagica.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.
CIN: U74140MH2010PTC204285

Mr. Jigar Kavaiya - jigar.kavaiya@sgapl.net
+91-9920602034

Mr. Rohan Adhiya - rohan.adhiya@sgapl.net
+91-9833219522

www.sgapl.net

