

February 13, 2025

Q3FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	97		108	
Sales (Rs. m)	4,810	5,391	5,093	5,679
% Chng.	(5.6)	(5.1)		
EBITDA (Rs. m)	2,146	2,487	2,335	2,673
% Chng.	(8.1)	(7.0)		
EPS (Rs.)	1.6	2.0	1.7	2.2
% Chng.	(7.0)	(7.1)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. m)	2,600	4,094	4,810	5,391
EBITDA (Rs. m)	963	1,732	2,146	2,487
Margin (%)	37.0	42.3	44.6	46.1
PAT (Rs. m)	318	724	947	1,180
EPS (Rs.)	0.7	1.3	1.6	2.0
Gr. (%)	9.5	93.8	25.6	24.6
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	6.2	7.1	6.8	7.4
RoCE (%)	1.6	6.7	7.4	8.3
EV/Sales (x)	13.8	10.0	8.7	7.7
EV/EBITDA (x)	37.2	23.8	19.6	16.7
PE (x)	108.0	55.7	44.4	35.6
P/BV (x)	4.3	3.2	2.8	2.6

Key Data IMAW.BO | IMAGICAA IN

52-W High / Low	Rs.103 / Rs.59
Sensex / Nifty	76,139 / 23,031
Market Cap	Rs.39bn / \$ 44.5m
Shares Outstanding	542m
3M Avg. Daily Value	Rs.65.26m

Shareholding Pattern (%)

Promoter's	74.09
Foreign	0.53
Domestic Institution	2.51
Public & Others	22.85
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	13.8	(22.3)	(12)
Relative	14.1	(19.5)	(7.1)

Jinesh Joshi

jineshjoshi@plindia.com | 91-22-66322238

Stuti Beria

stutiberia@plindia.com | 91-22-66322246

Dhvanit Shah

dhvanitshah@plindia.com |

Footfalls and pricing under pressure

Quick Pointers:

- Plans to raise Rs3,451mn via preferential allotment of equity & warrants to promoters & non-promoters at Rs73.5 per share
- Footfalls decline ~5% YoY on LFL basis

We cut our EBITDA estimates by 8%/7% for FY26E/FY27E respectively as we re-align our footfall and ARPU growth assumptions at parks in Khopoli, Lonavala and Shirdi. Imagicaaworld Entertainment Ltd (IEL) reported a subdued operational performance with EBITDA margin of 32.2% (PLe 44.1%) amid pressure on footfalls and pricing. On LFL basis, footfalls were down ~5% while implied blended ARPU was under pressure due to rise in ticketing volumes from schools that command lower realization. Nonetheless, we expect recovery in FY26E backed by 1) addition of 8 new rides at Lonavala 2) launch of 2 new shows at Sai Teertha 3) inauguration of a new trampoline park at Khopoli with 15+ new attractions and 4) launch of new water park in Indore. We have incorporated the dilution impact arising from preferential allotment and expect sales/EBITDA CAGR of 15%/20% over FY25E-FY27E. Retain BUY on the stock with an SOTP-based TP of Rs97 valuing the park/hotel business at EV/EBITDA multiple of 23x/21x (no change in target multiple).

Revenue increased 31.2% YoY: Top line increased 31.2% YoY to Rs919mn (PLe Rs992mn) due to consolidation impact of parks at Lonavala & Shirdi. Footfalls improved to 0.64mn (PLe 0.63mn), while implied blended ARPU stood at Rs1,207 (PLe Rs1,297) due to weak consumer spending and increased contribution from school business which commands lower realizations.

EBITDA margin at 32.2%: EBITDA increased by 7.1% to Rs296mn (PLe Rs438mn) with a margin of 32.2% (PLe 44.1%). Divergence at EBITDA level was led by higher other expenses of Rs334mn (PLe Rs263mn), up 49.4% YoY.

Adjusted PAT at Rs29mn: Adjusted PAT declined 70.7% to Rs29mn (PLe of Rs146mn). The PAT miss was due to pressure on footfalls & pricing, higher other expenses, and lower-than-expected other income of Rs13mn (PLe: Rs35mn).

Key highlights from our interaction with the management: 1) Funds raised from preferential allotment of equity & warrants will be utilized to fund the acquisition of Indore park, settle outstanding payments for the Wet & Joy parks and acquire an operational solar power plant. **2)** The timeline for conversion of 23.5mn warrants is 18 months. **3)** Hotel occupancy stood at ~55% with an ARR of ~Rs11,000 in 3QFY25. **4)** Implied blended ARPU stood at Rs1,207 and pricing pressure was evident due to subdued consumer spending and broader market slowdown. **5)** Board has approved acquisition of an 6.6 MW operational solar power plant for Rs160mn with an aim to reduce power cost. **6)** On LFL basis, footfalls declined ~5% in 3QFY25. **7)** Launched Imagicaa Arena Trampoline Park, featuring 15+ activities for all age groups with neon-lit trampolines, and immersive glow-in-the-dark elements at Khopoli. **8)** Two new shows, 'Kaliya Mardan 5D' and 'Mushak Maharaj,' were launched at Sai Teerth in 3QFY25.

Exhibit 1: Q3FY25 Result Overview - Consolidated (Rs mn)

Y/e March	3QFY25	3QFY24	YoY gr (%)	2QFY25	QoQ gr (%)	3QFY25E	Var %	9MFY25	9MFY24	YoY gr (%)
Net Sales	919	700	31.2	400	129.8	992	(7.4)	3,158	2,106	49.9
Expenditure										
Raw Materials	103	77	35.0	47	121.9	113	(8.4)	315	223	41.1
% of Net sales	11.2	10.9		11.6		11.4		10.0	10.6	
Personnel	185	124	49.7	176	5.5	179	3.7	543	369	47.1
% of Net sales	20.2	17.7		43.9		18.0		17.2	17.5	
Other Exp	334	224	49.4	215	55.0	263	27.1	938	651	44.1
% of Net sales	36.4	31.9		53.9		26.5		29.7	30.9	
Total Expenditure	622	424	46.9	438	42.3	554	12.3	1,795	1,243	44.5
EBITDA	296	277	7.1	(38)	NM	438	(32.4)	1,363	863	57.8
Margin (%)	32.2	39.5		(9.5)		44.1		43.1	41.0	
Depreciation	231	181	27.8	219	5.7	228	1.4	661	637	3.7
EBIT	65	96	(32.2)	(256)	NM	210	(69.0)	702	226	210.7
Interest	37	4	805.9	21	76.2	50	(25.6)	62	12	420.6
Other Income	13	36	(62.1)	28	(50.9)	35	(61.1)	65	73	(11.0)
Exceptional items	(3)	55	NM	(3)	NM	-	NM	23	(5,146)	NM
PBT	45	72	(37.9)	(246)	NM	195	(76.9)	682	5,433	(87.4)
Tax	13	29	(56.4)	(181)	NM	49	(73.8)	55	72	(24.3)
Tax Rate (%)	30.8	23.0		72.2		25.0		7.8	25.2	
Reported PAT	32	43	(25.4)	(66)	NM	146	(77.9)	628	5,361	(88.3)
Adjusted PAT	29	98	(70.7)	(69)	NM	146	(80.3)	650	215	202.7
OCI	2	1	178.1	0	NM	-		1	(1)	NM
Total comprehensive income	34	44	(21.8)	(66)	NM	146	(76.5)	628	5,360	(88.3)
Reported EPS	0.06	0.09	(34.0)	(0.12)	NM	0.27	(77.9)	1.16	11.46	(89.9)

Source: Company, PL

Exhibit 2: Segmental Breakup (Rs mn)

	3QFY25	3QFY24	YoY gr (%)	2QFY25	QoQ gr (%)
Segment Revenue					
Parks Division	769	557	38.0	289	166.3
Hotel Division	150	143	4.5	111	34.9
Segmental EBIT					
Parks Division	(17)	(35)	NM	(263)	NM
Hotel Division	82	131	(37.6)	6	1,212.0
EBIT Margin					
Parks Division	NM	NM	NM	NM	NM
Hotel Division	54.5%	91.1%	(3,665)bps	5.6%	4,886 bps

Source: Company, PL

Exhibit 3: SOTP Table

Particulars (Rs mn)	Methodology	Multiple	EBITDA - FY27E	EV
Parks	EV/EBITDA	23	2,301	52,912
Hotel	EV/EBITDA	21	186	3,907
Total EV				56,819
Less: Debt				600
Add: Cash				1,113
Equity Value				57,331
No of shares				589
TP (Rs)				97

Source: PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Net Revenues	2,600	4,094	4,810	5,391
YoY gr. (%)	3.8	57.5	17.5	12.1
Cost of Goods Sold	286	411	479	530
Gross Profit	2,314	3,683	4,331	4,861
Margin (%)	89.0	90.0	90.1	90.2
Employee Cost	503	722	761	806
Other Expenses	848	1,228	1,424	1,569
EBITDA	963	1,732	2,146	2,487
YoY gr. (%)	13.4	79.8	23.9	15.9
Margin (%)	37.0	42.3	44.6	46.1
Depreciation and Amortization	793	908	1,009	1,088
EBIT	170	824	1,136	1,399
Margin (%)	6.6	20.1	23.6	25.9
Net Interest	16	105	94	45
Other Income	185	90	220	220
Profit Before Tax	5,431	832	1,263	1,574
Margin (%)	208.9	20.3	26.3	29.2
Total Tax	22	85	316	393
Effective tax rate (%)	0.4	10.2	25.0	25.0
Profit after tax	5,409	747	947	1,180
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	318	724	947	1,180
YoY gr. (%)	28.2	127.5	30.8	24.6
Margin (%)	12.2	17.7	19.7	21.9
Extra Ord. Income / (Exp)	5,091	-	-	-
Reported PAT	5,409	747	947	1,180
YoY gr. (%)	51.5	(86.2)	26.8	24.6
Margin (%)	208.0	18.2	19.7	21.9
Other Comprehensive Income	2	-	-	-
Total Comprehensive Income	5,411	747	947	1,180
Equity Shares O/s (m)	482	566	589	589
EPS (Rs)	0.7	1.3	1.6	2.0

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Non-Current Assets				
Gross Block	16,231	25,551	25,706	27,016
Tangibles	15,782	25,092	25,236	26,536
Intangibles	449	459	469	479
Acc: Dep / Amortization	9,457	10,366	11,375	12,463
Tangibles	9,022	9,930	10,940	12,028
Intangibles	435	435	435	435
Net fixed assets	6,774	15,186	14,331	14,553
Tangibles	6,760	15,162	14,296	14,508
Intangibles	14	24	34	44
Capital Work In Progress	541	287	1,300	81
Goodwill	-	-	-	-
Non-Current Investments	100	6	7	8
Net Deferred tax assets	1,939	1,854	1,539	1,145
Other Non-Current Assets	54	12	14	16
Current Assets				
Investments	-	-	-	-
Inventories	160	213	237	236
Trade receivables	41	56	66	74
Cash & Bank Balance	1,057	713	1,231	1,113
Other Current Assets	125	176	183	205
Total Assets	10,977	18,705	19,126	17,662
Equity				
Equity Share Capital	4,819	5,657	5,892	5,892
Other Equity	3,126	6,934	9,372	10,552
Total Networkth	7,945	12,591	15,264	16,444
Non-Current Liabilities				
Long Term borrowings	-	1,000	1,000	500
Provisions	1	1	1	1
Other non current liabilities	-	4,000	2,000	-
Current Liabilities				
ST Debt / Current of LT Debt	2,522	501	251	101
Trade payables	237	314	356	384
Other current liabilities	272	299	255	232
Total Equity & Liabilities	10,977	18,705	19,126	17,662

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	5,431	701	947	1,180
Add. Depreciation	793	908	1,009	1,088
Add. Interest	16	105	94	45
Less Financial Other Income	185	90	220	220
Add. Other	(5,176)	-	-	-
Op. profit before WC changes	1,064	1,715	2,050	2,313
Net Changes-WC	6	123	262	361
Direct tax	(8)	-	-	-
Net cash from Op. activities	1,062	1,838	2,312	2,674
Capital expenditures	(637)	(9,056)	(1,158)	(81)
Interest / Dividend Income	5	-	-	-
Others	(12)	4,067	(2,027)	(2,024)
Net Cash from Invt. activities	(644)	(4,988)	(3,185)	(2,105)
Issue of share cap. / premium	4	3,945	1,726	-
Debt changes	(11)	(1,021)	(250)	(650)
Dividend paid	-	-	-	-
Interest paid	(17)	(105)	(94)	(45)
Others	-	(13)	9	7
Net cash from Fin. activities	(23)	2,805	1,391	(688)
Net change in cash	394	(345)	519	(119)
Free Cash Flow	425	(7,218)	1,155	2,593

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25E	FY26E	FY27E
Per Share(Rs)				
EPS	0.7	1.3	1.6	2.0
CEPS	2.3	2.9	3.3	3.8
BVPS	16.5	22.3	25.9	27.9
FCF	0.9	(12.8)	2.0	4.4
DPS	-	-	-	-
Return Ratio(%)				
RoCE	1.6	6.7	7.4	8.3
ROIC	8.8	9.3	11.2	14.1
RoE	6.2	7.1	6.8	7.4
Balance Sheet				
Net Debt : Equity (x)	0.2	0.1	-	0.0
Net Working Capital (Days)	(5)	(4)	(4)	(5)
Valuation(x)				
PER	108.0	55.7	44.4	35.6
P/B	4.3	3.2	2.8	2.6
P/CEPS	30.9	24.7	21.5	18.5
EV/EBITDA	37.2	23.8	19.6	16.7
EV/Sales	13.8	10.0	8.7	7.7
Dividend Yield (%)	-	-	-	-

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Net Revenue	566	1,840	400	919
YoY gr. (%)	5.1	83.4	11.5	31.2
Raw Material Expenses	63	165	47	103
Gross Profit	504	1,675	353	815
Margin (%)	88.9	91.0	88.4	88.8
EBITDA	172	1,104	(38)	296
YoY gr. (%)	19.2	121.0	NA	7.1
Margin (%)	30.4	60.0	(9.5)	32.2
Depreciation / Depletion	155	211	219	231
EBIT	17	893	(256)	65
Margin (%)	3.0	48.6	(64.2)	7.1
Net Interest	4	4	21	37
Other Income	40	24	28	13
Profit before Tax	(2)	884	(246)	45
Margin (%)	(0.4)	48.0	(61.7)	4.9
Total Tax	(51)	222	(181)	13
Effective tax rate (%)	NM	25.2	NM	28.4
Profit after Tax	48	661	(66)	32
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	103	691	(69)	29
YoY gr. (%)	NA	179.4	NA	(70.7)
Margin (%)	18.3	37.6	(17.4)	3.1
Extra Ord. Income / (Exp)	-	30	(3)	(3)
Reported PAT	48	661	(66)	32
YoY gr. (%)	NA	(88.8)	NA	(25.4)
Margin (%)	8.5	35.9	(16.5)	3.5
Other Comprehensive Income	3	(2)	-	2
Total Comprehensive Income	51	660	(66)	34
Avg. Shares O/s (m)	482	542	542	542
EPS (Rs)	0.2	1.3	(0.1)	0.1

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Jan-25	BUY	108	71
2	10-Nov-24	BUY	110	74
3	08-Oct-24	BUY	116	80
4	07-Aug-24	BUY	116	79
5	08-Jul-24	BUY	112	76
6	31-May-24	BUY	111	78
7	24-May-24	BUY	108	80

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Chalet Hotels	BUY	1,064	767
2	Delhivery	Hold	340	315
3	DOMS Industries	BUY	3,370	2,637
4	Imagicaaworld Entertainment	BUY	108	71
5	Indian Railway Catering and Tourism Corporation	Hold	809	751
6	InterGlobe Aviation	BUY	5,246	4,162
7	Lemon Tree Hotels	BUY	175	145
8	Mahindra Logistics	Hold	399	354
9	Navneet Education	Hold	150	140
10	Nazara Technologies	BUY	1,201	985
11	PVR Inox	Hold	1,215	1,090
12	S Chand and Company	BUY	305	189
13	Safari Industries (India)	BUY	2,783	2,383
14	TCI Express	BUY	1,021	791
15	V.I.P. Industries	BUY	463	374
16	Zee Entertainment Enterprises	Hold	137	121

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Jinesh Joshi- MS(Finance) and CFA, Ms. Stuti Beria- MBA Finance, Mr. Dhvanit Shah- CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Jinesh Joshi- MS(Finance) and CFA, Ms. Stuti Beria- MBA Finance, Mr. Dhvanit Shah- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com