

DreamFolks  
*Your Airport Experience Amplified!*

**Dream folks Services**  
**Limited**

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# Contents

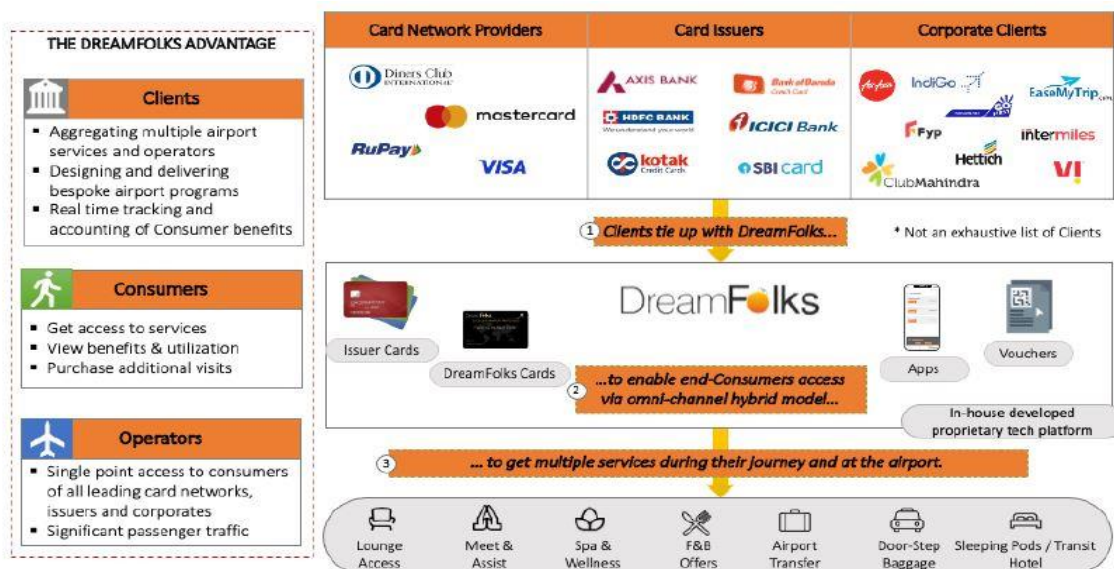
- Offer Details
- About the Company
- What is Working for the Company?
- What is not Working for the Company?
- Financial Statements
- Our Recommendation

## Offer Details

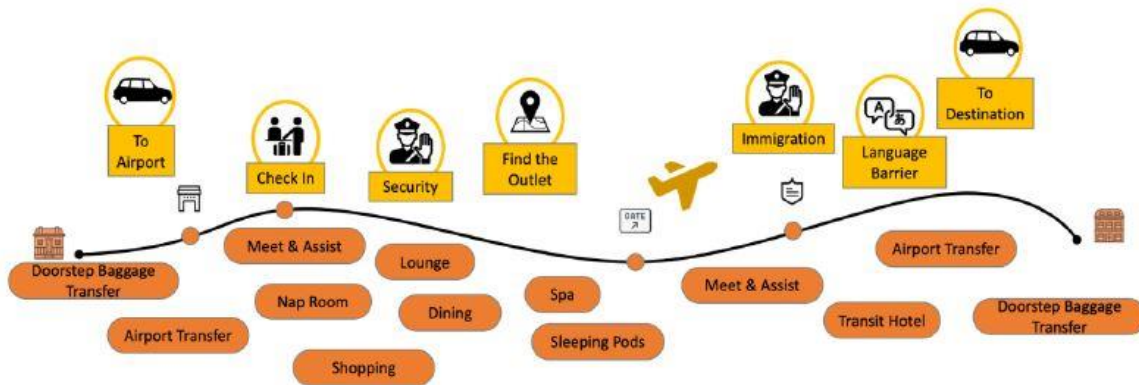
<b>IPO Size</b>	<b>Rs. 562.10 Cr.</b>
<b>Shares Face Value</b>	<b>Rs.2</b>
<b>Offer for Sale</b>	<b>17242368 shares of Rs. 2 (aggregating up to Rs. 562.10 Cr.)</b>
<b>Shares price band</b>	<b>Rs.308 to Rs.326 per share</b>
<b>Lot</b>	<b>46 shares</b>
<b>Dream folks Services Opening Date</b>	<b>August 24, 2022</b>
<b>Dream folks Services Closing Date</b>	<b>August 26, 2022</b>

## About the Company

- Dream Folks services Limited is **India's largest airport service aggregator platform** facilitating an enhanced airport experience to airport passengers.
- It is a **technology driven platform and an asset light business.**
- **It integrates global card networks operating in India (Card Networks), credit card and debit card issuers (Card Issuers) and other corporate clients, in India, including airline companies (Corporate Clients and along with Card Networks and Card Issuers, the Clients)** with various airport lounge operators and other airport related service providers (**collectively, the Operators**) on a unified technology platform.
- The company **started in the year 2013** by facilitating lounge access services for the customers of MasterCard and it currently provides **services to all the card networks** operating in India including Visa, MasterCard, Rupay etc. and many of India's prominent card issuers including ICICI bank, Axis bank, Kotak Mahindra Bank, HDFC Bank Limited and SBI cards and payments services Limited.
- The company has **80% market share in Lounge access in India.**



- As on March 31st 2022, **Company has 50 clients** including the card networks and many of India's prominent card issuers.
- The **customers include airlines, telecommunication's company, online travel agent and other corporates in India.**
- The **revenues of the company are primarily based on the number of unique times customers avail the services.**



*Fig: Our services cover the entire consumer journey - from door-step to the airport, within the airport, and again from the airport to the door-step at the destination.*

- **The Following services are offered by the company:**
  - 1) Lounge access
  - 2) Food and beverage offering
  - 3) Spa Services
  - 4) Meet and assist.
  - 5) Airport transfer services
  - 6) Transit Hotel/ Nap room access
  - 7) Baggage transfer

## **What is working for company?**

- **Assets Light Business Model:** Company is Utilizing a **technology-driven platform**, and is India's largest airport service aggregator platform which enables customers to enjoy an improved airport experience. **Company asset-light business model** integrates global card networks operating in India.
- **Market Share:** Company has **market share of over 95% of all India issued credit card and debit card** also around 68% of the overall lounge access volume in India. Company has global footprint extending to **1,416 Touch-points in 121 countries across the world** out of which, **244 Touch-points are present in India** and **1,172 Touch-points overseas**.
- **First Mover Advantage:** With a **market share of more than 80% in India's domestic lounge access market**, the company's **first mover advantage in the business of lounge access** aggregators has allowed them to dominate the sector.
- **Strong Client Base:** Company has **50 Clients** including the Card Networks and many of India's prominent Card Issuers. **Company has long association with a number of our Clients.** Company's Client portfolio includes prominent airlines, a telecommunication company, an online travel agency (OTA) and other corporates in India who generally make available these services to customers of their choice. As of March 31, 2022, **9.79 million Passengers**, cumulatively had availed the services.
- Company has **100% coverage** of operational lounges in Indian airports.

- **Connections with prestigious clients**, such as leading Indian and international banks and corporations and global card network supplier and has **tie-ups with all the 5 Card Networks operating in India** including Visa, Master Card, Diners/Discover and RuPay.
- **Experienced promoters and management team with strong domain expertise**: Each member of company's senior management team has over 2 decades of experience in different aspects of business operations and across industries sectors.
- **Platform of proprietary technologies that guarantees scalability**: One of the key aspects of business model is a strong focus on technology. Company's technology platform is aimed at ensuring that all entities on or availing the platform i.e., Client, Operators and Consumer, have a 'hassle-free' experience. Company platform addresses aspects such as benefits calculation and accounting, provides real time visibility of transactions to Clients and Consumers, which reduces potential fraud and abuse, as well as provide the platform for Clients to run usage and spend based campaigns for the users.



## What is not working for company?

- The business of the **company is cyclical** and dependent on the travel industry.
- The success of the company is **dependent on its relationship with the airport lounge operators**. The company enters into a contract for a period of 4 years or more with airport lounge operators for providing various services.
- There is a **risk of revenue concentration**. The top 5 clients of the company contribute about 84.91% of the total revenue.
- Currently the company is **only focused on India and has very less global presence**.
- Threat of airport lounge operators forward integrating and tying up directly with card networks and card issuers themselves which will directly impact our business
- Since the company is a technology based platform, **any failure in the technology platform will affect the business**.
- **The entire IPO is an offer for sale** and company will not receive any proceeds from the same.

# Financial Statements

## Profit & Loss Statement

<b>(All amounts are in INR millions unless otherwise stated)</b>				
<b>Particulars</b>	<b>Note</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>Income</b>				
Revenue from operations	21	2,824.98	1,056.33	3,670.43
Other income	22	14.91	24.76	7.65
<b>Total income</b>		<b>2,839.89</b>	<b>1,081.09</b>	<b>3,678.08</b>
<b>Expenses</b>				
Cost of services	23	2,372.66	875.41	2,995.62
Employee benefits expenses	24	165.53	126.39	179.28
Finance costs	25	14.31	7.45	7.05
Depreciation and amortization expenses	26	21.29	15.54	15.88
Other expenses	27	61.34	58.31	44.68
<b>Total expenses</b>		<b>2,635.13</b>	<b>1,083.10</b>	<b>3,242.51</b>
<b>Profit / (loss) before tax</b>		<b>204.76</b>	<b>(2.01)</b>	<b>435.57</b>
<b>Tax expense</b>				
	29			
Current tax		47.82	-	103.18
Tax expense related to earlier years		0.23	-	0.00
Deferred tax (credit)/charge		(5.81)	12.49	15.56
<b>Total tax expenses</b>		<b>42.24</b>	<b>12.49</b>	<b>118.74</b>
<b>Profit / (loss) after tax for the year</b>		<b>162.52</b>	<b>(14.50)</b>	<b>316.83</b>
<b>Other comprehensive income / (loss)</b>				
Items that will not be reclassified subsequently to Profit and Loss				
- Remeasurement gain / (loss) on defined benefit obligation		4.68	3.17	(4.51)
Income tax relating to items that will not be reclassified to Profit and Loss		(1.18)	(0.80)	1.14
<b>Total other comprehensive income / (loss) for the year</b>		<b>3.50</b>	<b>2.37</b>	<b>(3.37)</b>
<b>Total comprehensive income / (loss) for the the year</b>		<b>166.02</b>	<b>(12.13)</b>	<b>313.46</b>
<b>Profit / (loss) after tax for the year attributable to :</b>				
- Owners		162.52	(14.50)	316.83
- Non-controlling interest		0.00	(0.00)	0.00
<b>Other comprehensive income/(loss) for the year attributable to :</b>				
- Owners		3.50	2.37	(3.37)
- Non-controlling interest		-	-	-
<b>Total comprehensive income/(loss) for the year attributable to :</b>				
- Owners		166.02	(12.13)	313.46
- Non-controlling interest		0.00	(0.00)	0.00
<b>Earnings / (loss) per equity share<sup>a</sup></b>				
	30			
Basic		3.11	(0.28)	6.06
Diluted		2.98	(0.28)	6.06
Face value per share **		2	2	2

# Balance Sheet

(All amounts are in INR millions unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4A	29.77	38.30	52.89
Capital work in progress	4B	-	0.43	6.40
Intangible assets	4C	45.47	2.61	1.18
Right of use assets	4A	64.17	73.66	-
Investment property	5	17.92	271.01	-
Financial assets				
Other financial assets	6(a)	27.19	24.72	25.82
Deferred tax assets (net)	8	12.38	7.75	21.04
Other non-current assets	9(a)	210.06	186.61	105.72
<b>Total non-current assets</b>		<b>406.96</b>	<b>605.09</b>	<b>213.05</b>
<b>Current assets</b>				
Financial assets				
Trade receivables	10	906.56	395.49	685.24
Cash and cash equivalents	11	10.96	100.00	321.34
Other bank balances	12	134.72	-	-
Other financial assets	6(b)	82.74	50.91	28.56
Other current assets	9(b)	61.97	18.98	56.75
Current tax assets	7	82.92	54.55	72.65
<b>Total current assets</b>		<b>1,279.87</b>	<b>619.93</b>	<b>1,164.54</b>
<b>Total assets</b>		<b>1,686.83</b>	<b>1,225.02</b>	<b>1,377.59</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	13	104.50	47.50	47.50
Other equity	14	717.15	595.49	607.62
<b>Total equity attributable to the owners of the Company</b>		<b>821.65</b>	<b>642.99</b>	<b>655.12</b>
Non-controlling interest		0.00	0.00	0.00
<b>Total equity</b>		<b>821.65</b>	<b>642.99</b>	<b>655.12</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	15(a)	10.22	12.85	20.10
Lease liabilities	19(a)	64.30	63.33	-
Provisions	17(a)	16.96	18.35	22.24
<b>Total non-current liabilities</b>		<b>91.48</b>	<b>94.53</b>	<b>42.34</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	15(b)	2.53	7.34	10.81
Lease liabilities	19(b)	5.46	11.10	-
Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises	20	422.27	211.81	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	20	290.80	97.10	561.37
Other financial liabilities	16	14.01	26.59	53.32
Other current liabilities	18	35.84	130.14	53.54
Provisions	17(b)	2.79	3.42	1.09
<b>Total current liabilities</b>		<b>773.70</b>	<b>487.50</b>	<b>680.13</b>
<b>Total equity and liabilities</b>		<b>1,686.83</b>	<b>1,225.02</b>	<b>1,377.59</b>

# Cash Flow Statement

(All amounts are in INR millions unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flow from operating activities</b>			
<b>Profit / (loss) before tax</b>	<b>204.76</b>	<b>(2.01)</b>	<b>435.57</b>
<u>Adjustments :-</u>			
Depreciation / Amortization	21.29	15.54	15.88
Share based payment expenses (ESOP)	12.64		
Assets written off	0.03	1.41	-
Provision for expected credit Loss	(0.08)	0.06	(1.95)
Bad debts	1.25		
Finance costs	14.31	7.31	6.86
Interest income	(2.72)	(13.89)	(3.76)
Profit on disposal of investment	(10.62)	(9.06)	-
Profit on sale of property, plant and equipment	-	(0.03)	(0.01)
<b>Operating profit/(loss) before working capital changes</b>	<b>240.86</b>	<b>(0.67)</b>	<b>452.59</b>
<b>Adjustments for working Capital changes:</b>			
Increase/(decrease) in trade payables and other financial liabilities	391.58	(279.19)	140.06
(Decrease) / increase in provisions and other payables	(91.65)	(10.96)	17.49
(Increase)/Decrease in trade receivables and other financial assets	(546.54)	287.04	(257.39)
(Increase)/Decrease in other assets	(39.19)	48.22	31.17
<b>Change in working capital</b>	<b>(285.80)</b>	<b>45.10</b>	<b>(68.67)</b>
<b>Cash (used in)/ generated from operating activities post working capital changes</b>	<b>(44.94)</b>	<b>44.43</b>	<b>383.92</b>
Income taxes (paid)/refund received	(76.42)	18.12	(159.54)
<b>Net cash generated from operating activities (A)</b>	<b>(121.36)</b>	<b>62.55</b>	<b>224.38</b>
<b>B. Cash flow from investing activities</b>			
Paid towards purchase of property, plant & equipment and investment property	(27.25)	(359.04)	(71.24)
Proceeds from sale of property, plant & equipment	(2.86)	0.45	0.01
Paid towards purchase of intangible assets	(42.86)	-	-
Proceeds from sale of investment property	263.71	76.16	-
Proceeds from / (Investment in) bank deposits	(134.72)	-	70.06
Interest received	2.72	13.89	3.76
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>58.74</b>	<b>(268.54)</b>	<b>2.59</b>
<b>C. Cash flow from financing activities</b>			
Proceeds/(repayment) of borrowings	(7.44)	(10.72)	10.49
Payment of lease liabilities	(11.81)	(1.96)	-
Finance cost paid	(7.17)	(2.68)	(3.49)
<b>Net cash (used in)/generated from financing activities (C)</b>	<b>(26.42)</b>	<b>(15.36)</b>	<b>7.00</b>
<b>Net (decrease)/increase in cash and cash equivalents ( A+B+C)</b>	<b>(89.04)</b>	<b>(221.34)</b>	<b>233.97</b>
<b>Cash and cash equivalents (Opening Balance)</b>	<b>100.00</b>	<b>321.34</b>	<b>87.37</b>
<b>Cash and cash equivalents (Closing Balance)</b>	<b>10.96</b>	<b>100.00</b>	<b>321.34</b>
<b>Change in cash &amp; cash equivalents</b>	<b>(89.04)</b>	<b>(221.34)</b>	<b>233.97</b>

## **Our Recommendation**

We recommend you to **SUBSCRIBE** to this IPO on the following parameters:

- The company is **profitable having no debt.**
- Travelling industry facing **tailwinds** post pandemic.
- The company has **no private equity.** It is a Platform based asset light business model.
- The **Valuation of company is high** and it the only point of concern.
- The company has **First Mover advantage** as there is no such companies in India it's peer are only present in china and UK.

Subscribe for the IPO: <http://ipo.jainam.in/#/home>

