

# Equity Research Report

## Dreamfolks Services Ltd.

### About the Company

DreamFolks Services Limited, India’s largest airport service aggregator with over 95% market share in the domestic card-based lounge access market, operates on an asset-light, tech-enabled platform that connects over 1,400 global touchpoints across 121 countries—including airport lounges, transit hotels, spas, and luxury experiences—serving top clients like Visa, Mastercard, and leading Indian banks, while expanding its portfolio beyond airports to railways and lifestyle services, reflecting a strong growth trajectory driven by increasing air travel demand, strategic geographic expansion (such as entry into Southeast Asia), consistent revenue growth, and a scalable, cost-efficient model that positions the company uniquely in the premium travel services space.

It has diversified service portfolio, enabling it to maintain a competitive edge in a high-growth sector, and capitalize on evolving consumer preferences, rising disposable income, and an increasing appetite for convenience and premium experiences among modern travelers, while mitigating operational risks through strategic partnerships and a non-capex intensive structure that ensures higher return on capital employed and long-term profitability.

Overall View

- Sustained Growth Momentum:** DreamFolks continues to benefit from strong domestic travel demand and growing adoption of airport services, supported by its asset-light, tech-driven model; expansion into Southeast Asia and new lifestyle offerings are expected to further boost growth in H2FY25.
- Service Mix Optimization:** Gross margins improved due to a favorable shift towards high-margin, non-lounge services such as meet & assist, spa, airport transfers, and luxury access, along with reduced service acquisition costs from scale efficiencies.
- Volume-Led Scalability:** Unlike traditional models, DreamFolks’ growth is volume-driven rather than capex-led, enabling better operating leverage, higher return ratios, and improved profitability as service volumes scale across geographies.

### Key Highlights

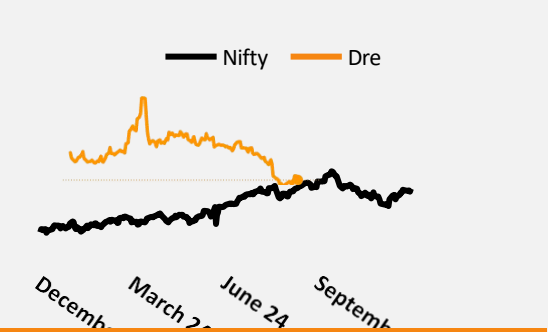
- DreamFolks Services Limited** reported a revenue of ₹320.8 crore for Q1FY25, marking a strong year-over-year growth driven by higher passenger footfall and increased demand for value-added travel services.
- The PAT stood at ₹18.45 crore for the quarter, reflecting the company’s consistent profitability and improved operational efficiency.
- DreamFolks expanded its global presence by appointing senior leadership in Singapore, signaling its strategic entry into Southeast Asian markets.
- A strong shift in customer preference towards premium experiences like meet-and-assist, spa, and luxury transport services contributed to a favorable product mix and better gross margins



Recommendation -	XXX
CMP -	256.75
Target Price -	XXX

Stock Data	
Nifty	:24,757.30
52 weeks H/L (INR)	:522/209
Market Cap (INR Cr.)	:1,366
O/S shares (Cr.)	:5.33
Dividend Yield %	:0.77%
NSE Code	:Dreamfolks

### Relative Stock Performance - 1Y



### Absolute Return

1 Year	: -46.0%
3 Years	: %
5 Years	: %

### Shareholding pattern

Promoters	:65.72%
FIIs	:0.98%
DIIIs	:3.49%
Government	:0.0%
Public	:29.81%

### Financial Summary

In INR MM.	FY24	FY25E	FY26E
Net Revenue	11,349	13,047	14,628
Growth YOY%	47%	15%	12%
EBITDA	953	1,095	1,228
EBITDA %	8.4%	8.4%	8.4%
Adj PAT	697	807	912
ROE %	29.39%	25.65%	22.67%
Adj EPS (INR)	1.3	1.5	1.7
EV/EBITDA	14.2	12.3	11.0

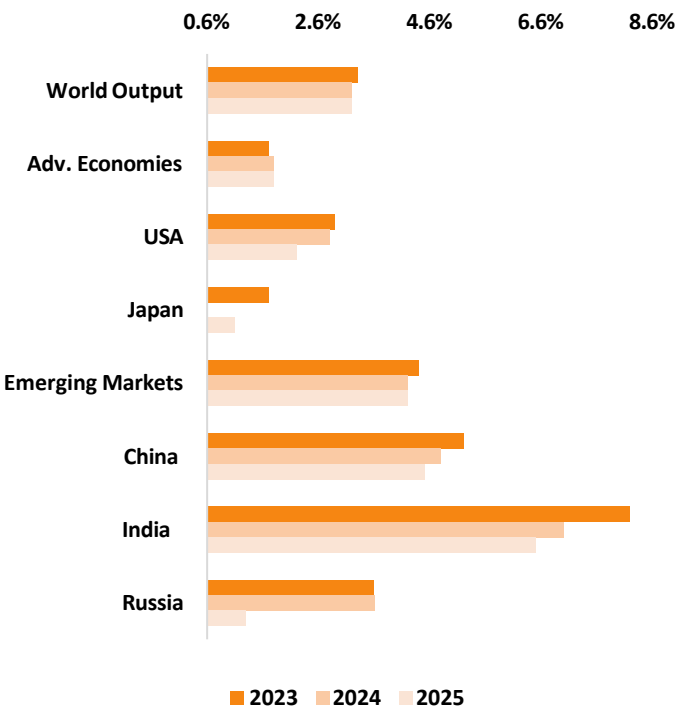
Economic analysis

Global Economy

The Federal Reserve is anticipated to implement up to three **rate cuts of 0.25%** in the future after maintaining rates at 5.5% since September 23. Central banks in industrialized economies have begun to lower rates following a protracted period of rate hikes. It is anticipated that this will significantly affect the global GDP, particularly in industries like manufacturing. Following a downward trend in global inflation from 6.7% in 2023 to 5.8% in 2024 and 4.3% in 2025, this is being done. However, the IMF predicts that developed economies will meet the inflation targets before developing nations do.

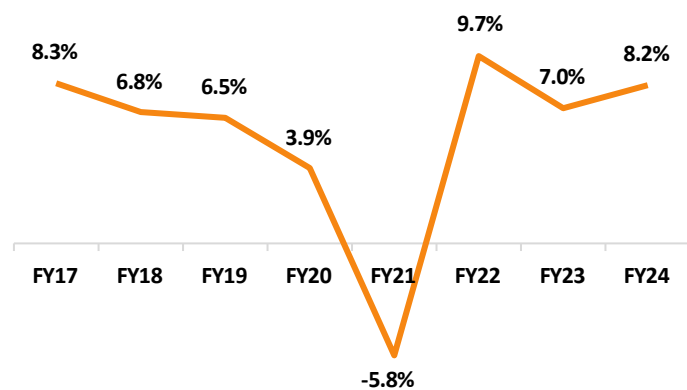
The world economy is expected to grow at a steady pace of **3.2%** in 2024 and 2025 which is **below the historical average of 3.8%**. The **main reason for that is estimated to be protective policies by nations** due to the geopolitical tensions which will reduce productive growth and drive the commodity prices further high. **Advanced economies are projected to grow** from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025, **primary drivers of this being gradual ease in monetary policy and a expected recovery in real income growth** while emerging markets are expected to be stable at 4.2% in 2024 and 2025.

Global GDP Growth (%)



Source: IMF

GDP Growth Rate (%)



Source: Trading Economics, MoSPI

Indian Economy

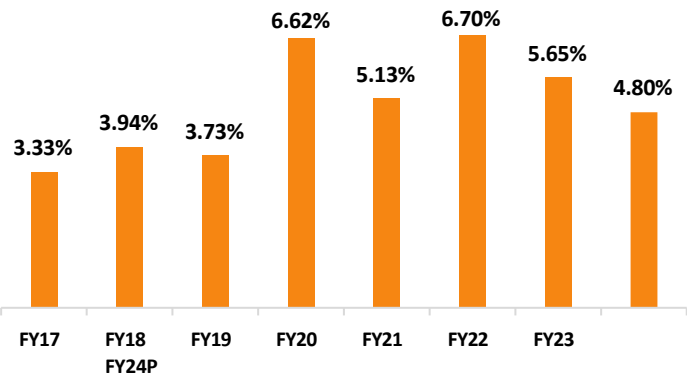
India has emerged as the **world's fourth-largest economy**, overtaking Japan in FY25, and continues to demonstrate **strong long-term growth prospects**. The economy recorded a robust 8.2% growth in FY24, largely supported by **resilient domestic demand and stable consumption trends**. However, this momentum is expected to **ease slightly**, with GDP growth **forecasted at 7% in FY25 and 6.5% in FY26**, as the Reserve Bank of India's (RBI) tight monetary policy, including **high interest rates**, begins to **weigh on corporate borrowing and capital investment**.

**Inflation remains a critical challenge.** In October 2024, inflation reached 6%, the upper limit of the RBI's target range. Recognizing the risks of further inflationary pressures, the RBI refrained from rate cuts during its December Monetary Policy Committee (MPC) meeting. Instead, it reduced the Cash

Reserve Ratio (CRR) to 4%, ensuring liquidity while maintaining price stability. The central bank's cautious approach stems from concerns that premature rate cuts could inject excess liquidity, potentially spiking inflation. **However, a favorable rabi harvest is expected to ease food price pressures, providing some relief in the near term.**

Source: Trading Economics

Inflation Trend over the Years

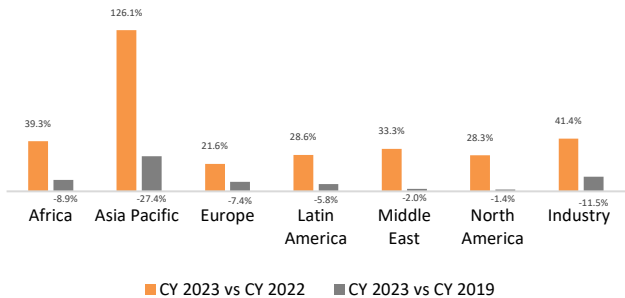


Aviation Industry

Global Aviation Industry

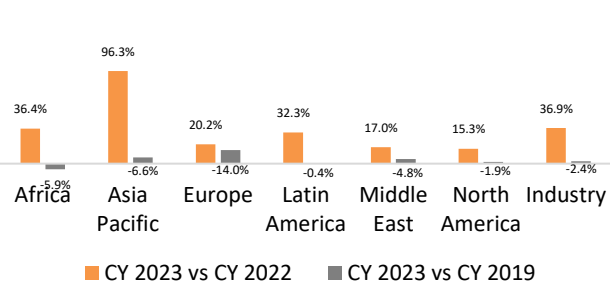
The year 2023 marks the comeback of airline industry with strong air travel demand, after four years of pressure on the passenger growth, as a result of pandemic shock. According to International Air Transport Association (IATA), The global domestic airline traffic (RPKs) in CY2023 has surpassed **CY2019 peak by 3.6% and rose by 30.2% over CY2022**. The world’s three largest domestic passenger markets, viz, China, the United States, and India contributed most of the industry performance growth in CY2023 the total passenger traffic which is measured by Revenue Passenger Kilometres (RPKs), **grew by 36.9% in CY2023** over CY2022 and was 94.1% of pre-pandemic CY2019 levels. In CY2023, the passenger carrying capacity, which is measured by Available Seat Kilometres (ASKs), **grew by 24.1% over CY2022**, which was 94.4% of pre-pandemic CY2019 levels.growing by 138.8%, 9.4% and 22.4%, YoY respectively. While the three markets had exceeded **CY2019 peak RPKs by 7.1%, 3.2% , and 5.3%**, respectively. Japan and Australia were the only two markets lagging 2019 peak RPKs though shown significant YoY growth of 30.7% and 14.8% in CY2023.

International RPKs Growth by Market



During CY2023, most governments through the International Civil Aviation Organization unveiled five roadmaps addressing aircraft technology, energy infrastructure, operations, finance and major being policy consideration of setting a target of 5.0% reduction in carbon dioxide emissions through Sustainable Aviation Fuels to achieve net zero carbon emissions by CY2050F. As per IATA, during CY2023, despite high crude oil prices, strong USD against many other currencies, and constant inflation throughout the world, the aviation industry has adapted to the changing environment and reported revenues more than CY2019 levels with operating profits rebounded to CY2018 levels. IATA expects operating margin to increase to 5.7% and net profits to clock USD 27.4 billion in CY2023F

Global RPKs Growth by Market



Key Trends in the Global Aviation Market

The global aviation industry is undergoing a significant transformation, marked by strong recovery, technological advancements, and evolving passenger preferences. After the severe impact of the COVID-19 pandemic, the sector has bounced back robustly, with air travel demand steadily returning to and even surpassing pre-pandemic levels in many regions. According to the International Air Transport Association (IATA), **global air passenger traffic is expected to reach 4.7 billion in 2024**, indicating a full recovery and highlighting the sector’s resilience.

One of the most prominent trends is the increasing passenger traffic, particularly in **emerging economies such as India, China, Southeast Asia, and the Middle East**. These regions are experiencing rapid urbanization, a growing middle class, and rising disposable incomes, all of which are contributing to higher domestic and international air travel. India, for instance, has seen consistent **double-digit growth in domestic air traffic**, positioning itself as one of the fastest-growing aviation markets globally.

Governments and private players are investing significantly in airport infrastructure development. New terminals, lounges, and runways are being built to handle increased passenger traffic. In India, over 200 airports are planned or under development as part of the UDAN scheme and public-private partnership initiatives.

Airlines, airports, and service aggregators are forming strategic alliances to create seamless, bundled service offerings. This trend enhances customer retention and cross-platform engagement.

Aviation Industry

Indian Aviation Industry

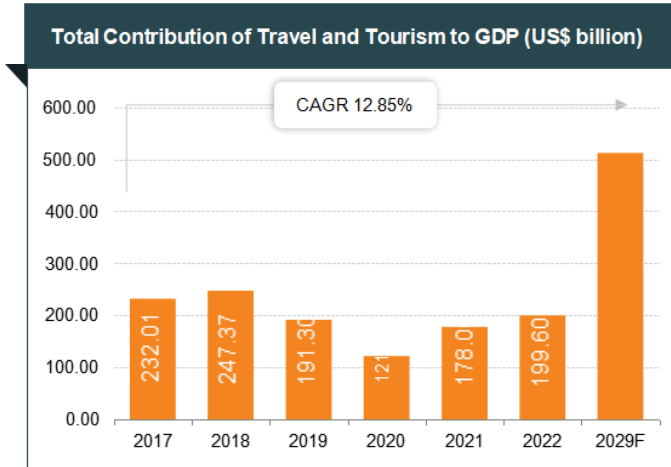
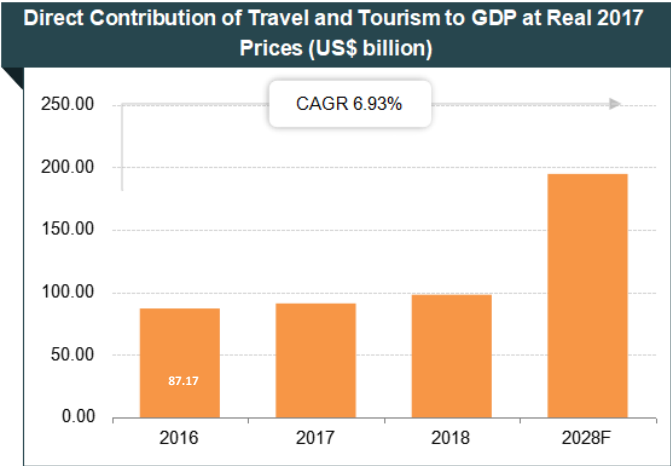
The Indian hospitality industry has exhibited remarkable resilience by adeptly navigating through periods of volatility and economic uncertainty. By adopting leaner and more efficient cost structures, major hotel chains and hospitality companies have not only achieved higher profitability but also significantly strengthened their balance sheets. This strategic fiscal prudence has enabled these entities to better withstand market fluctuations and capitalize on emerging opportunities. India, currently the world's sixth-largest domestic travel market, is experiencing rapid growth. This expansion is driven by a growing middle class, with travel spending in the country increasing by approximately 9% annually. In 2023, foreign exchange earnings from tourism amounted to USD 28.07 billion. As per the Ministry of Tourism, the foreign tourist arrivals in India during CY2023 increased by 43.5% from 6.4 million to 9.2 million tourists. However, it is still 15.5% short of CY2019 foreign tourist arrivals.<sup>25</sup> Further, India is becoming a favoured destination for travellers, partly due to escalating conflicts in West Asia and the redirection of foreign tourists from China following the Covid-19 pandemic.

Technological integration in the hospitality industry is anticipated to be a pivotal game-changer in the coming years. Innovations such as contactless check-ins, digital concierge services, and bespoke experiences tailored to individual guest preferences are set to revolutionize operational efficiency and significantly enhance customer satisfaction. Hotels and resorts that proactively embrace these technological advancements are likely to gain a substantial competitive edge, attracting a discerning clientele that values convenience and personalized service.

Indicating it will reach a valuation of USD 17.2 billion by CY2024F. The market is expected to expand at a CAGR of 10.5%, attaining a staggering USD 28.4 billion by CY2029F.<sup>27</sup> This robust growth trajectory is mirrored in the domestic travel segment, where similar upward trends have been observed, reflecting the sector's dynamic expansion.

India's tourism and hospitality industry aims to surpass USD 59 billion in revenue by 2028F. Foreign Tourist Arrivals (FTAs) in India are expected to reach 30.5 million by 2028F. By 2030F, India's domestic travel market is projected to surpass those of Japan and Mexico, becoming the fourth largest globally. India aims to achieve a USD 3 trillion tourism economy by 2047F, with adventure tourism contributing USD 800 billion.

- In 2022, the

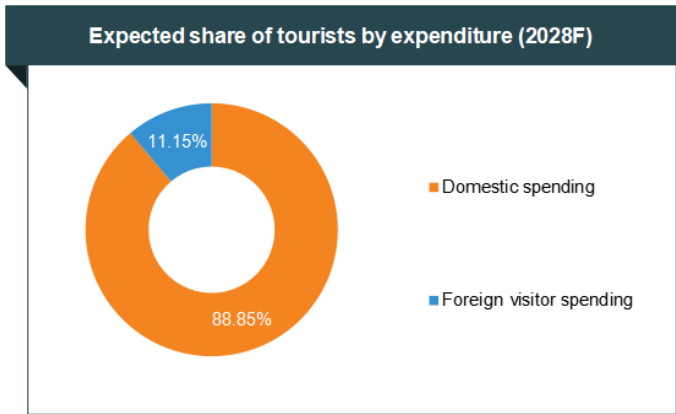


Travel & Tourism sector contributed US\$ 199.6 billion to the GDP, accounting for 5.9% of the total GDP.

- The Indian travel and tourism industry is expected to record an annual growth at 7.1% per annum.
- According to WTTC, In 2022, the Travel & Tourism sector directly created 16,897,826 jobs, representing 3.5% of total employment.
- These jobs encompass roles in hotels, travel agencies, airlines, and other passenger transportation services (excluding commuter services).
- Tourism is the third-largest foreign exchange earner for the country.

Source-IBEF.in

Domestic consumers to lead growth



The percentage share of foreign tourist arrivals in India during October 2024 among the top five source countries was highest from USA (16.40%), followed by Bangladesh (15.66%), UK (11.39%), Canada (5.96%) and Australia (5.21%).

- Domestic visitor spending increased by 20.4% in 2022, only 14.1% below 2019. International visitor spending rose by 81.9% in 2022, but remained 40.4% below 2019 levels.
- Domestic travel is anticipated to further increase to US\$ 405.8 billion by 2028F.
- Ministry of Tourism organized the National Conference of State Tourism Ministers from 18th to 20th September 2022 in Dharamshala, Himachal Pradesh to bring in diverse perspectives from all the States and Union Territories of India on tourism development and growth and to create a direct dialogue with the States on Schemes, policies and steps being taken at a national level for overall tourism improvement in India.
- India as a 360-degree destination was promoted by the Ministry of Tourism to the international travel industry through participation in major international travel exhibitions like Arabian Travel Mart, Dubai and World Travel Market, and London, etc.

Source - IBEF

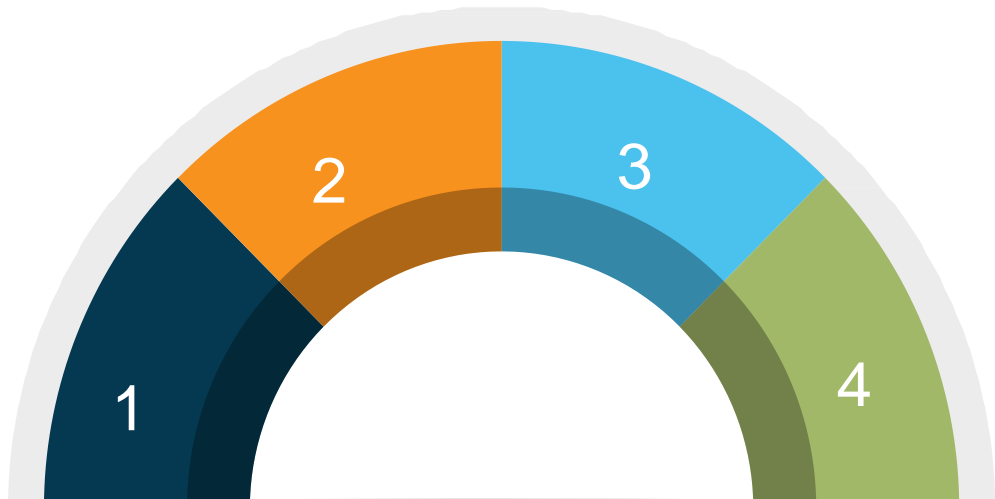
1. Hotels.

- The Indian hospitality sector is expected to see a 7-9% revenue growth in FY25 and 6-8% in FY26, with pan-India premium hotel occupancy improving from 70-72% in FY25 to 72-74% in FY26. This growth is driven by strong domestic demand, including leisure, Meetings, Incentives, Conferences, and Exhibitions (MICE), and business travel (ICRA report). The Indian hotel market including domestic, inbound and outbound was estimated at ~US\$ 32 billion in FY20 and is expected to reach ~US\$ 52 billion by FY27. from 70-72% in FY25 to 72-74% in FY 2026.

2. Airlines

- Domestic air traffic rose to 14.93 million passengers in December 2024, surpassing November's 14.25 million and October's 13.66 million, DGCA data showed.
- In the last five years, the number of airline passengers increased from 60 million in 2013-14 to 145 million, and 400 million passengers are expected to travel by 2027.

# Growth drivers for the tourism market



## 1. Rising FDI

- Cumulative FDI equity inflow in the Hotel and Tourism industry is Rs. 1,14,320 crore (US\$ 18.12 billion) during the period April 2000- September 2024. This constitutes 2.56% of the total FDI inflow received across sectors.
- Carlson Group currently has 94 operating hotels and is planning to add about 30 more hotels by the end of 2023.

## 2. Infrastructure

- Tourism tends to encourage the development of multiple-use infrastructure including hotels, resorts & restaurants, transport infrastructure (aviation, roads, shipping & railways) and healthcare facilities.
- More than half of the Ministry of Tourism’s budget is channelized for funding the development of destinations, circuits, mega projects as well as rural tourism infrastructure projects.
- Prime Minister Mr. Narendra Modi inaugurated 9 tourism infrastructure projects worth Rs. 469 crore (US\$ 56.4 million) under Swadesh Darshan and PRASHAD schemes, alongside 43 other projects totaling Rs. 963 crore (US\$ 115.9 million). The launch events occurred simultaneously across 52 destinations, featuring interventions such as pilgrim facilitation centers, ghat development, and heritage site enhancements.

## 3. Growing Demand

- Domestic expenditure on tourism is expected to rise due to the growing income of households.
- Several niche offerings such as medical tourism & eco-tourism are expected to create more demand.
- By 2029, India’s tourism sector is expected to reach Rs. 35 trillion (US\$ 488 billion) with a growth of 6.7% and accounting for 9.2% of the total economy.

## 4. Policy Support

In the 2024 interim Budget, Finance Minister Ms. Sitharaman Nirmala allocated Rs. 2,449.62 crore (US\$ 294.8 million) to the tourism sector, a 44.7% increase from the previous fiscal year.

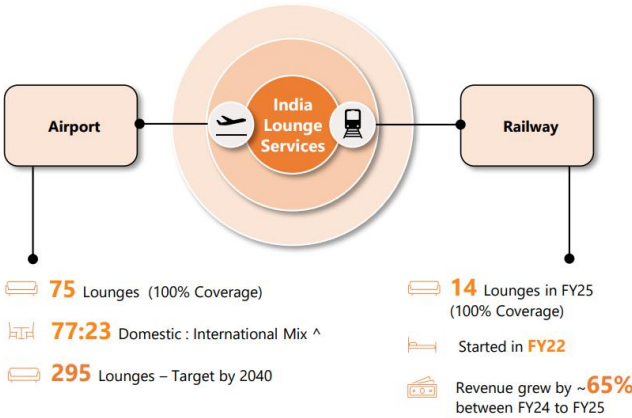
An amount of US\$ 30.25 million has been allocated for the PRASHAD Scheme aiming for the holistic development of selected pilgrimage destinations in the country.



# Earnings Call Analysis

## Q4 FY 2025

- Dreamfolks Services Ltd reported a strong financial performance in FY2025, showcasing consistent growth across all key metrics. The company achieved a **total revenue of ₹12,919 million**, driven by increased passenger volumes and the rising demand for airport lounge and related services. **The adjusted EBITDA stood at ₹1,021 million**, reflecting operational efficiency and cost control, resulting in a healthy EBITDA margin.
- Profit After Tax (PAT) came in at ₹651 million**, highlighting robust bottom-line growth. Furthermore, the **company's Return on Capital Employed (ROCE) was an impressive 29.7%**, and



The company continued to diversify its offerings beyond lounges by expanding into meet-and-greet, food and beverage, spa, and baggage-related services, showing strong traction from frequent flyers and business travelers. In Q4 FY2025, Dreamfolks onboarded new airline partners and strengthened its relationships with credit card issuers and loyalty programs.

## FY 2025 Business Updates



Source – Company report

## Management Outlook

It has expressed a **confident and forward-looking outlook**, grounded in the company’s consistent performance and the growing opportunities within the aviation ecosystem. With air travel witnessing a steady rebound and customer preferences shifting toward **premium and hassle-free airport experiences**, the company aims to **leverage its dominant market position** and **asset-light business model** to scale rapidly and profitably. Management’s strategy centers on **diversifying its service portfolio** beyond lounge access into areas such as **meet-and-greet services, airport transfers, baggage handling**, and **wellness offerings** like spa and shower services. These value-added services are designed to enhance customer satisfaction, increase wallet share, and drive **higher revenue per passenger**.

Additionally, the company intends to expand its footprint in **Tier-2 and Tier-3 cities**, which are experiencing growing air traffic due to increased connectivity and rising disposable incomes.

Simultaneously, Dreamfolks is also exploring **international expansion**, particularly in regions with high passenger traffic and underserved premium airport services. A key part of its growth strategy is the integration of **technology and data analytics**, aimed at enhancing the customer journey, enabling **personalized service offerings**, and improving operational efficiency. By investing in AI, mobile platforms, and backend automation, the company seeks to strengthen its digital infrastructure and offer a seamless user experience.

Furthermore, Dreamfolks will continue to build strategic alliances with **banks, credit card issuers, and loyalty platforms**, reinforcing its B2B2C approach and expanding its partner network. The management remains focused on **delivering sustainable profitability**, improving **EBITDA margins**, and ensuring strong returns through **capital efficiency**. Overall, Dreamfolks envisions becoming a **global leader. airport service aggregation**, driven by innovation, customer-centricity, and long-term value creation for all stakeholders.

## Business Client Ecosystem





## Leadership Analysis



**Liberatha Peter Kallat**

- Liberatha Peter Kallat is the Promoter, Chairperson, and Managing Director of Dreamfolks Services Ltd., holding a science degree from Andhra University.
- Her leadership has been recognized through awards such as 'Woman Entrepreneur of the Year 2022', 'Woman Icon of the Year 2022', 'Business Leader of the Year 2023..



**Balaji Srinivasan**

- Balaji Srinivasan is the Executive Director and Chief Technology Officer of our Company, having joined in 2019.
- He held senior positions at start-up ventures like FarEye and was Vice-President at Genpact India Private Limited.



**Mukesh Yadav**

- Mukesh Yadav is our Company's Promoter and Non-Executive Director since 2011
- He has directed companies like Whistling Heights Resorts Pvt. Ltd., Urban Land Management Pvt. Ltd., and Yashna Infratech Pvt. Ltd.



**Dinesh Nagpal**

- Dinesh Nagpal is our Company's Promoter and Non-Executive Director.
- He has over 20 years of experience and has served as a director in companies like Ankur Propmart Pvt. Ltd., Urban Land Management Pvt.

Leadership Analysis



Sharad. Da. Abhyanka

- He is our Company's Independent Director with extensive legal expertise.
- He serves on the Advisory and Drafting Committee of the NSE Centre for Excellence in Corporate Governance.



Prerna Kohli

- Ms. Prerna Kohli is a distinguished Clinical Psychologist and a four-time Gold Medalist in Psychology.
- She has contributed extensively to both academic and popular psychology literature. As the founder of Mindtribe, she offers holistic workshops focusing on life balance, self-awareness, and inner peace.



Ravindra Pandey

- Mr. Ravindra Pandey is a seasoned banker with 37 years at State Bank of India, holding leadership roles. across diverse banking areas such as Digital and International Banking, Credit Management, and Compliance.
- He is an alumnus of IIM Lucknow, and earned his CAIIB from the Indian Institute of Banking & Finance.

Source – Company report

Leadership Analysis

Commentary

Dreamfolks Services Ltd is spearheaded by a strong, experienced, and visionary leadership team, with Ms. Liberatha Peter Kallat at the helm as the Promoter, Chairperson, and Managing Director. Under her leadership since 2014, the company has successfully scaled its business using an asset-light aggregator model, becoming a market leader in airport lounge access and travel-related services in India.

Ms. Kallat brings extensive cross-industry experience from global brands such as Taj GVK Hotels & Resorts, PepsiCo India, and Pernod Ricard India, which has helped her craft customer-centric strategies and forge strong B2B partnerships. Her leadership is characterized by strategic clarity, innovative thinking, and a deep understanding of the aviation and hospitality ecosystems.

The management team also includes seasoned professionals with expertise in finance, operations, technology, and customer engagement, ensuring effective execution of the company’s expansion plans. Their focus on scalability, digital transformation, and service diversification reflects a long-term vision to position Dreamfolks as a global airport experience enabler.

The leadership’s ability to maintain profitability, innovate through tech-driven personalization, and navigate post-pandemic recovery challenges demonstrates resilience and adaptability. Their continued investments in operational efficiency and expansion into new markets—both domestic and international—reinforce confidence in the company’s sustainable growth trajectory.

Shareholding Pattern

	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Promoters	67.00%	67.00%	67.00%	66.02%	66.02%	66.02%	66.02%	66.02%	65.96%	65.72%	65.72%
FIIIs	11.78%	11.50%	11.16%	11.94%	5.65%	5.22%	5.35%	3.88%	3.55%	2.52%	0.98%
DIIIs	7.08%	8.67%	9.31%	8.92%	6.12%	9.23%	8.02%	9.30%	7.84%	7.59%	3.49%
Public	14.15%	12.83%	12.53%	13.13%	22.21%	19.53%	20.61%	20.79%	22.64%	24.16%	29.81%

Source- Screener

Commentary

- For the quarter ended March 2025, total promoters' stake in DREAMFOLKS SERVICES remained unchanged at 65.72%.
- Meanwhile, mutual funds decreased their stake by 3.99%. As of March 2025, mutual funds held 3.12% stake in DREAMFOLKS SERVICES.
- Overall, institutional holding in DREAMFOLKS SERVICES decreased by 5.65% and stood at 04.47% as of March 2025

Source – Company report

Leadership Analysis

Remuneration Analysis

	Male		Female	
	Number	Median remuneration/ Salary/ Wages of respective category	Number	Median remuneration/ Salary/ Wages of respective category
*Board of Directors (BoD)	6	93,05,391	2	1,00,00,008
Key Managerial Personnel	1	93,05,391	3	1,00,00,008
Employees other than BoD and KMP	67	9,37,172	12	4,40,289
Workers	1	21,590	1	21,590

\*Remuneration does not include perquisites under the Income Tax Act.

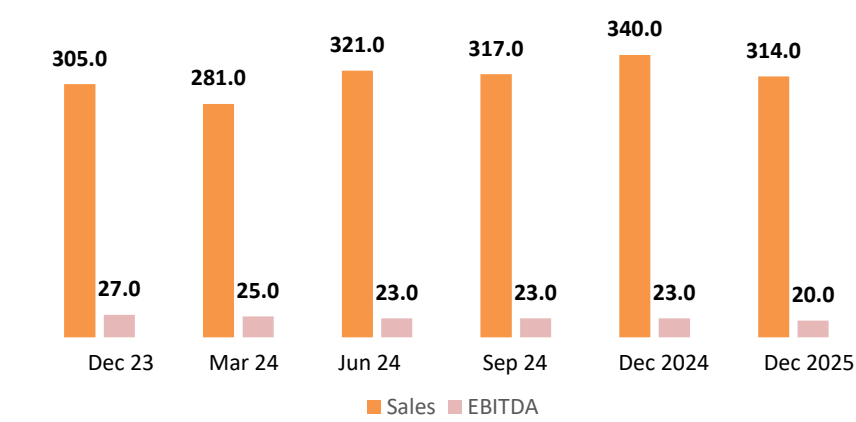
	FY 23-24	FY 22-23
Gross wages paid to females as % of total wages.	38	50

Financial Statement Analysis

Quarterly Income Statement

	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Revenue	305.0	281.0	321.0	317.0	340.0	314.0
Revenue % Growth		-7.9%	14.2%	-1.2%	7.3%	-7.6%
Expenses	278.0	256.0	298.0	294.0	317.0	294.0
EBITDA	27.0	25.0	23.0	23.0	23.0	20.0
EBITDA %	8.9%	8.9%	7.2%	7.3%	6.8%	6.4%
Other Income	1.0	1.0	2.0	1.0	2.0	4.0
Interest	0.0	0.0	0.0	1.0	0.0	2.0
Depreciation	1.0	1.0	1.0	1.0	1.0	1.0
Profit before tax	27.0	24.0	23.0	22.0	24.0	21.0
PBT % Growth		-11.1%	-4.2%	-4.3%	9.1%	-12.5%
Tax %	0.3	0.3	0.3	0.3	0.3	0.3
Net Profit	20.0	18.0	17.0	16.0	17.0	15.0
Net Profit % Growth	6.6%	6.4%	5.3%	5.0%	5.0%	4.8%
NP % Growth Y-O-Y		-10.0%	-5.6%	-5.9%	6.3%	-11.8%

Revenue vs EBITDA



Yearly Income Statement

	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Revenue	248.0	367.0	106.0	282.0	773.0	1135.0	1292.0
Revenue % Growth		48.0%	-71.1%	166.0%	174.1%	46.8%	13.8%
Expenses	225.0	322.0	106.0	260.0	674.0	1041.0	1203.0
EBITDA	23.0	45.0	0.0	23.0	99.0	94.0	89.0
EBITDA %	9.0%	12.0%	0.0%	8.0%	13.0%	8.0%	7.0%
Other Income	0.0	1.0	2.0	1.0	3.0	3.0	9.0
Interest	0.0	1.0	1.0	1.0	1.0	1.0	4.0
Depreciation	1.0	2.0	2.0	2.0	4.0	4.0	4.0
Profit before tax	22.0	44.0	0.0	20.0	97.0	92.0	90.0
Tax %	0.3	0.3	6.3	0.2	0.3	0.3	0.3
Net Profit	15.0	32.0	-1.0	16.0	73.0	69.0	65.0
Net Profit % Growth		6.0%	8.7%	-0.9%	5.7%	9.4%	6.1%
Net Profit % Growth Y-O-Y			113.3%	-103.1%	-1700.0%	356.3%	-5.5%

1. Revenue Recovery & Growth:  
Dreamfolks Services Limited experienced a major revenue dip in FY21 due to the pandemic, but revenue bounced back strongly from ₹106 Mn in FY21 to ₹1,292 Mn in FY25, showing resilience and market recovery, although the growth rate is now slowing.
2. Profitability & EBITDA Trends:  
EBITDA and Net Profit took a hit in FY21, with zero EBITDA and negative PAT, but recovered to ₹99 Mn and ₹73 Mn respectively by FY23. However, by FY25, both EBITDA and PAT have slightly declined, indicating margin pressure and rising expenses.
3. Operational Efficiency & Expense Management:  
Operating expenses have risen faster than revenue in recent years, compressing EBITDA margins (from 13% in FY23 to 7% in FY25). Despite low interest and stable depreciation, maintaining profitability now depends on cost control and improved efficiency.

Balance Sheet



	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Equity Capital	5	5	5	10	10	11	11
Reserves	29	61	60	72	146	226	290
Borrowings	2	3	9	8	7	6	11
Other Liabilities	53	69	49	78	159	176	187
Total Liabilities	89	138	123	169	323	419	499
Fixed Assets	4	5	39	16	14	12	16
CWIP	0	1	0	0	0	0	0
Investments	0	0	0	0	44	44	70
Other Assets	86	132	84	153	264	363	413
Total Assets	89	138	123	169	323	419	499

Cash Flow Statement

	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Cash from Operating Activity -	18	22	6	-12	50	22	57
Profit from operations	24	45	0	25	102	100	97
Receivables	12	-26	29	-55	-114	-60	-30
Payables	10	14	-28	39	70	22	2
Other WC items	-18	5	4	-13	10	-6	14
Working capital changes	4	-6	5	-29	-34	-44	-14
Direct taxes	-10	-16	2	-8	-19	-34	-25
Cash from Investing Activity -	-7	0	-27	6	-30	-15	-46
Fixed assets purchased	0	-7	-36	-5	-1	-2	-1
Fixed assets sold	0	0	0	0	0	0	1
Investments purchased	0	0	0	-3	-45	0	-594
Investments sold	0	0	8	26	8	2	551
Interest received	0	0	1	0	1	2	2
Acquisition of companies	0	0	0	0	-1	-1	0
Other investing items	-7	7	0	-13	9	-16	-4
Cash from Financing Activity -	-5	1	-2	-3	-2	2	-8
Proceeds from shares	0	0	0	0	0	7.48	2.35
Proceeds from borrowings	0	1.05	0	0	0	0.4	0
Repayment of borrowings	-5.16	0	-1.07	-0.74	-0.25	-0.98	-0.23
Interest paid fin	-0.32	-0.35	-0.27	-1.13	-0.63	-0.58	-1.03
Dividends paid	0	0	0	0	0	-2.65	-7.96
Financial liabilities	0	0	-0.2	-1.18	-1.18	-1.2	-2.72
Other financing items	0	0	0	0	0	0	1.36
Net Cash Flow	5	23	-22	-9	18	9	3

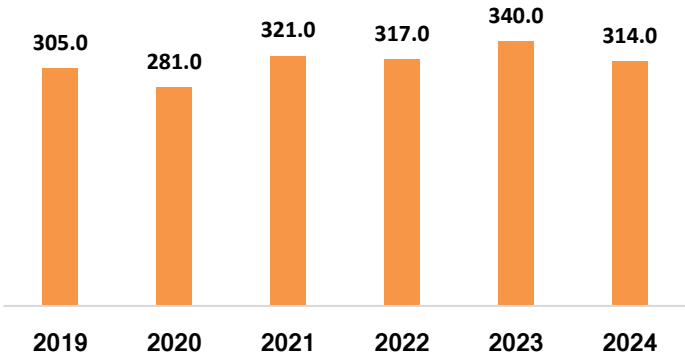
Source - Screener



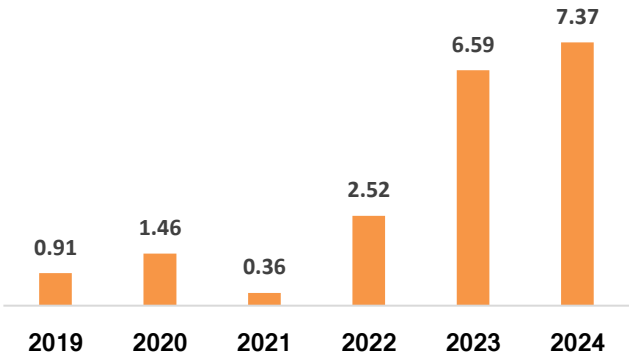
Financial Summary

DreamFolks

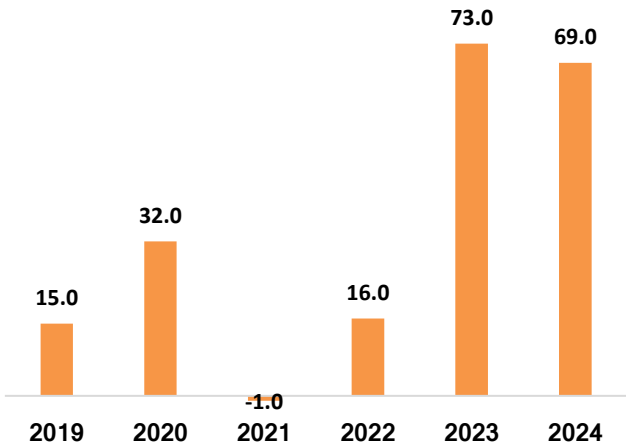
Revenue From Operation



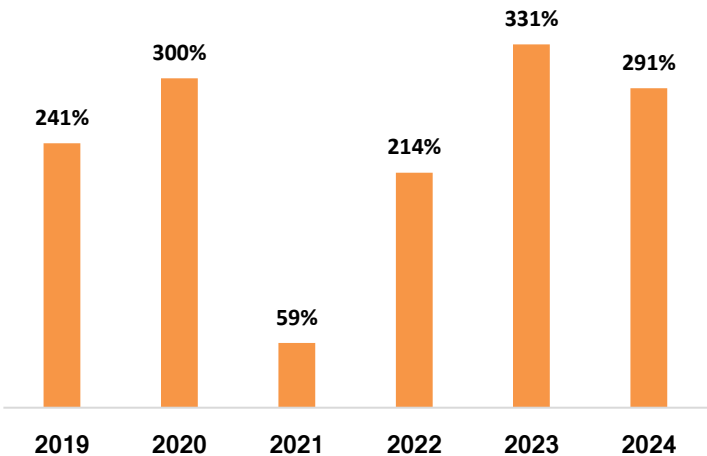
EPS (Earning Per Share)



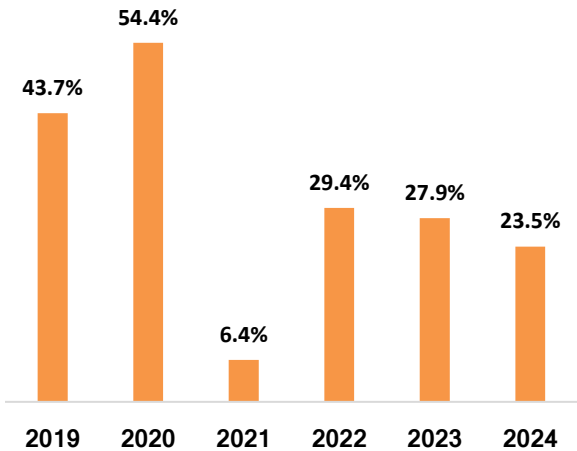
Net Profit



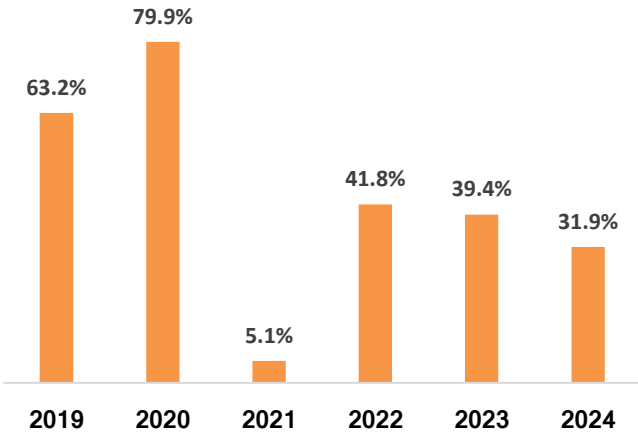
Asset Turnover Ratio



Return On Assets



Return on Capital Employed



## Qualitative Analysis

### SWOT Analysis

#### Strengths

- **Market Leadership:** Dreamfolks holds a dominant position in India's airport lounge aggregation industry, with an estimated market share exceeding 90%, giving it significant competitive advantage and strong brand recall.
- **Robust B2B Network:** The company has established long-standing partnerships with major card networks and financial institutions, ensuring a consistent and scalable customer acquisition pipeline.
- **Asset-Light Business Model:** Operating as an aggregator without owning physical infrastructure allows Dreamfolks to scale efficiently, maintain low capital intensity, and achieve attractive margins.
- **Diversified Service Portfolio:** The company has expanded its offerings beyond lounge access to include services such as airport transfers, meet & assist, and spa services, contributing to increased customer stickiness and revenue per user.

#### Weakness

- **Client Concentration Risk:** A substantial portion of Dreamfolks' revenue is concentrated among a few key institutional clients, posing a material risk in the event of client attrition or renegotiation of terms.
- **Limited Pricing Power:** As an intermediary service provider, Dreamfolks has restricted control over pricing, which may impact margins in a highly competitive market environment.
- **Dependence on Travel Industry:** The company's performance is inherently linked to trends in air travel and aviation, which are cyclical and susceptible to macroeconomic shocks, geopolitical events, or pandemics.

Opportunities

**1. Expansion into International Markets**

Dreamfolks has already established itself as the leading airport lounge aggregator in India, which serves as a strong foundation for global expansion. By partnering with international lounge operators, concierge services, and airport authorities, the company can replicate its asset-light model across strategic geographies. This will not only diversify its revenue base but also enhance brand visibility in high-traffic transit hubs, creating a seamless travel experience for global Indian travelers and corporate clients.

**2. Growth in Domestic Air Travel**

India’s domestic aviation market is experiencing exponential growth due to rising income levels, government infrastructure initiatives, and increased air travel penetration in Tier II and Tier III cities. Dreamfolks is well-positioned to benefit from this trend as more passengers seek premium travel experiences. As air passenger traffic continues to rise, the demand for lounge access and related airport services will also expand, enabling the company to scale organically within the country.

**3. Strategic Cross-Selling**

With access to a high-value clientele through its B2B partnerships with banks and credit card issuers, Dreamfolks has a unique opportunity to cross-sell curated travel-related services. This includes bundled airport experiences (e.g., lounge + spa + cab transfer) or premium memberships tailored to frequent travelers. Through advanced customer analytics and digital personalization, the company can boost per-user revenue, improve service adoption rates, and deepen customer loyalty.

**4. Partnerships with Fintechs and Neo-Banks**

The rise of fintech platforms and neo-banks has disrupted traditional financial services and opened new avenues for customer acquisition. Dreamfolks can collaborate with these digital-native financial players to bundle its offerings as a value-added service in lifestyle-driven financial products. These partnerships could help tap into tech-savvy, younger audiences and unlock access to untapped urban and semi-urban markets, boosting long-term growth.

Threats

- **Rising Competitive Intensity:** The growing interest of new entrants and potential backward integration by large financial service providers may challenge Dreamfolks’ market share.
- **Regulatory Uncertainty:** Any adverse changes in the regulatory landscape governing banking, financial services, or aviation could affect the company’s operations and compliance costs.
- **Macroeconomic Headwinds:** Economic downturns, inflationary pressures, or changes in consumer discretionary spending could negatively impact travel-related expenditures and demand for Dreamfolks’ services.



Peer Comparison

Name	CMP Rs.	Debt	Mar Cap.	P/E	Cash End	Revenue	Net Profit	EV/EBITDA
Dreamfolks Service	255.6	1,064.0	13,606.1	20.9	586.9	12,918.8	650.5	13.5
Eco Recyc.	641.3	719.0	12,375.0	52.9	29.2	439.6	233.8	37.3
Oriental Rail	178.0	28,461.0	11,488.3	40.7	1,232.9	6,340.5	282.1	19.0
Signpost India	213.0	13,700.0	11,338.7	22.4	378.3	4,458.1	507.0	10.9

Stock Chart



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