

## Safe Harbor



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# Company Overview



## **DreamFolks | Business Overview**





Card Network **Providers** 



Banks & Card Issuers



**Airlines** 



**Online Travel** Agents



Enterprise Set-ups



Others







**DreamFolks Cards** 

Clients tie-up with DreamFolks...



...to enable their end-Consumers access services via Omni-channel mode...





Apps

Vouchers

**In-house developed Proprietary Tech Platform** 

... to get multiple services during their journey at the Airport





Access



Meet & Assist



Spa & Wellness



F&B Offers



Airport Transfer



Door-Step Baggage



Sleeping Pods / Transit Hotel

# **DreamFolks | India's Largest Airport Service Aggregator Platform**



# DreamFolks

#### **Dominant Airport Lounge Access Provider**



**100% coverage across all 60** Airport lounges operational in India <sup>2</sup>



Market share of ~95% of all India issued card based access to domestic lounges in India (FY22)

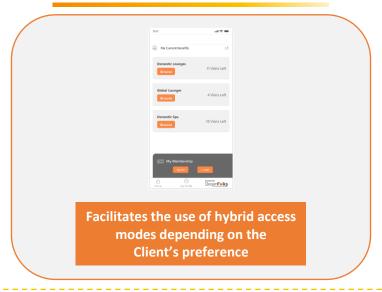


**68% share** of the overall lounge access volume in India (FY22)\*

#### Marquee Clients – Entrenched Relationships



### **Proprietary Technology Platform**



~1,450

# of direct Touch Points^2 ~540

# of Cities covered<sup>2</sup>

121

# of Countries covered<sup>2</sup>

3.6 Mn

# of Paxes<sup>2</sup>

**52** 

# of Clients<sup>2</sup>

60

# of Full-time Employees<sup>2</sup>

3,328 Mn

Total Income (INR)<sup>2</sup>

~23.4%

3 Yr Revenue CAGR\* (FY17-FY22) 379 Mn

Profit Before Tax (INR)<sup>2</sup>

69.0%

ROCE<sup>2 (non-</sup>annualized)

50.6% ROE<sup>2 (non-</sup>

ROE<sup>2 (non-</sup> annualized)



# Industry Details



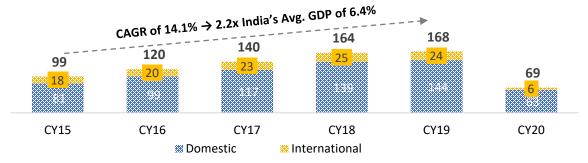
## Indian Air Travel Market - A Multi-Decade Growth Opportunity

Indian Air Passenger Traffic expected to grow ~6x from ~175 mn travelers in 2019 to 1 bn travelers in 2040 vs 2x growth for Global Market

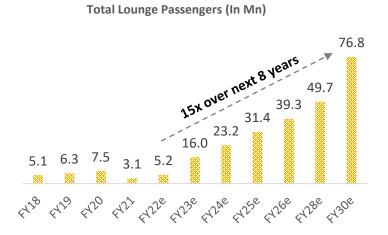


### Strong Correlation between India's GDP Growth and Total Air Passenger Traffic

GDP Growth (%)	8.3%	6.8%	6.5%	4.0%
Passenger Traffic Growth (%)	20.6%	16.9%	17.5%	2.3%

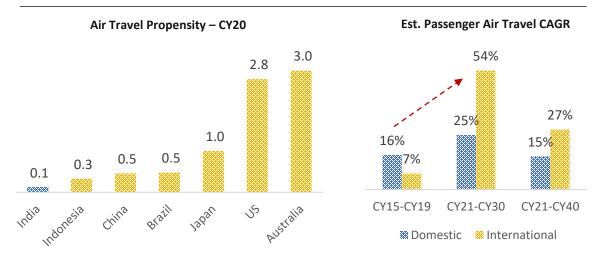


### Lounge Market in terms of Passengers is estimated to reach ~70 mn at CAGR of ~41.8%



- Due to Covid, no. of passengers availing lounge services declined in FY21 & FY22e
- FY23e onwards, with recovery in Air Traffic and rising base of Credit / Debit card passenger, footfall in Airport Lounges expect to grow 15x till FY30e
- Market size in terms of value expected to grow from INR 3.6 bn in FY22e to INR 58.6 bn in FY30e at a CAGR of 43.1%

## India's low Air Travel Propensity augurs multi decade Air Passenger Traffic Growth



## Key factors contributing to the overall Indian Air Travel growth

Rising preference of Air Travel amongst travelers over rail and road

Jump in India' Ease of Doing Business - Enhanced economic activity

Rising class of leisure travelers – 72% extend business trip for leisure

Declining Air travel cost compared to AC Rail travel

Gol push through UDAN Scheme – Increase Air Travel in Tier 2 & Tier 3 cities

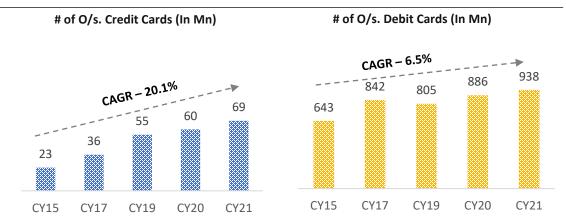
Rising Air Passenger traffic to increase demand for Airport and related services like Lounges – DreamFolks to benefit from rising footfall at Airport lounges

Source – Frost & Sullivan Report

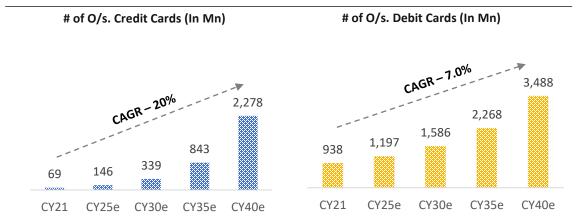
## Indian Credit & Debit Card Industry – Increasing User Base to Drive Growth



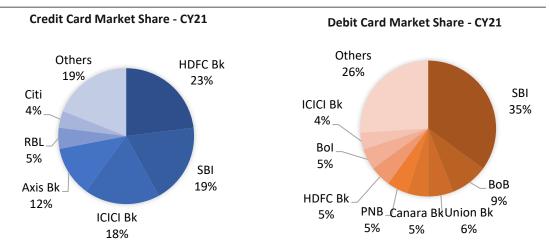
## Rising base of Credit & Debit Card Users led by push towards digital economy...



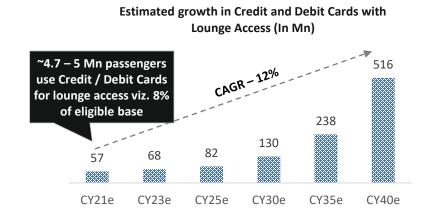
## Favorable demographics and faster digital penetration to further expand the base



### Top 5 card issuers holds majority of Credit & Debit Card Market share



### Huge head room for growth in Credit / Debit card-based Airport Lounge Access



For Card Issuers,
providing lounge access
to their Consumers
at Airport is
increasingly becoming
a key aspect of their
customer acquisition
and loyalty program

Increasing Credit & Debit cards base bodes well for DreamFolks – Key beneficiary from Bank led Card Loyalty Programs targeting Airport Lounge Access

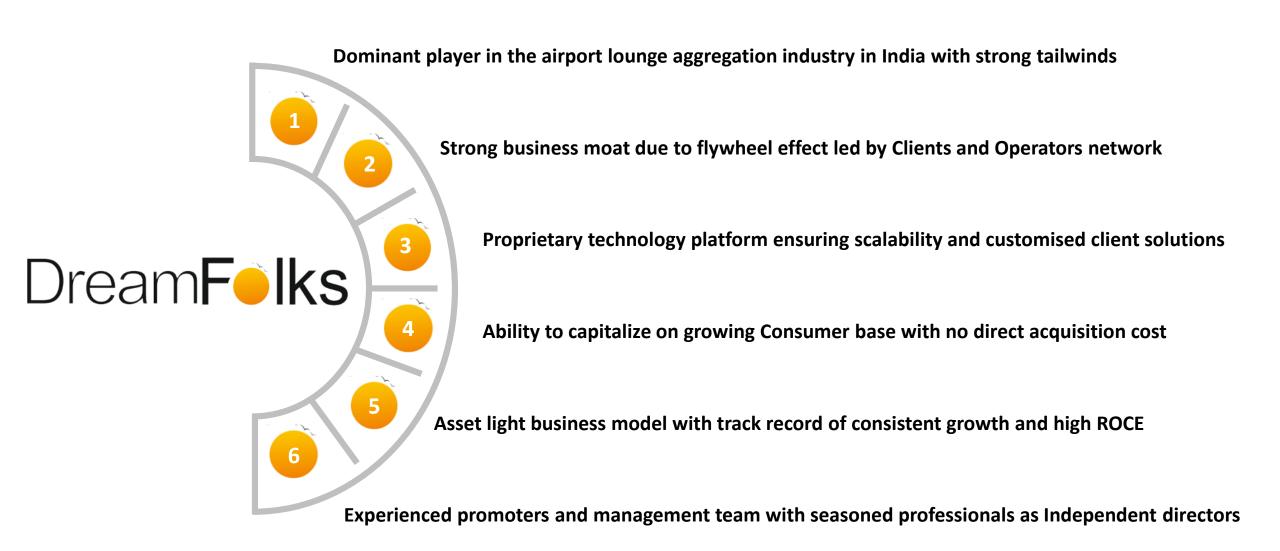
Source – Frost & Sullivan Report



# Key Strengths



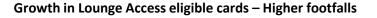


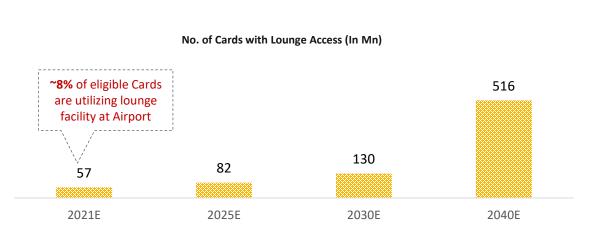




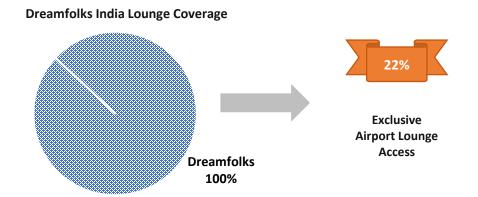
# Dominant player in the airport lounge aggregation industry in India with strong tailwinds (1/2)



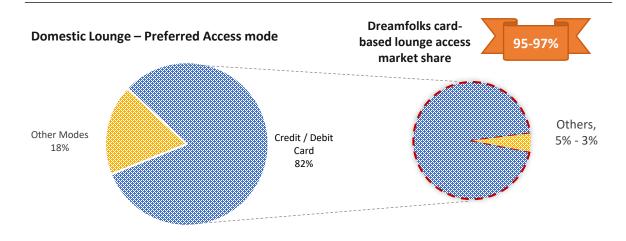




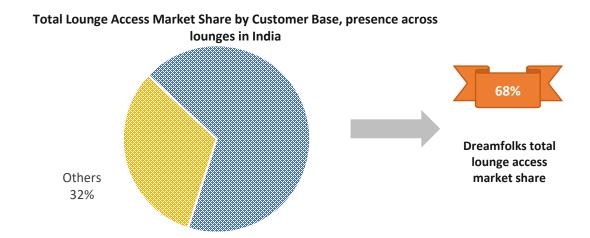
DreamFolks has 100% lounge coverage in India with significant exclusivity...



### DreamFolks is the dominant player in card-based lounge access



... and a dominant market share of the Total Lounge Access Market



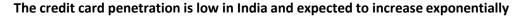
Growing Air Travelers + Higher Card Users with Lounge Access → Increase in Airport Lounge Usage → DreamFolks well poised for growth with dominance

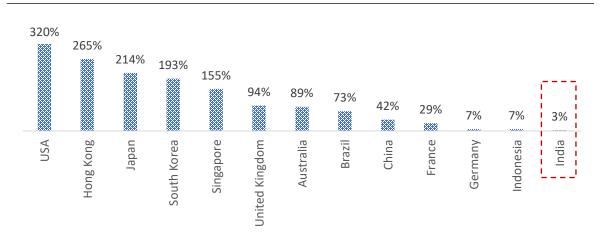
Source – Frost & Sullivan Report



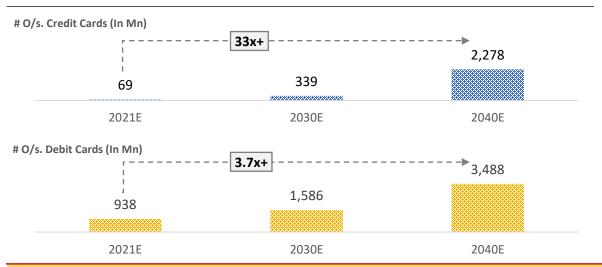
## Dominant player in the airport lounge aggregation industry in India with strong tailwinds (2/2)



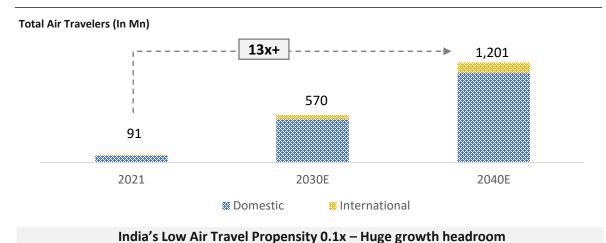




### Credit Cards User Base to grow by ~33x by next 2 decades



### Indian Air Travel Market expected to grow ~13x+ by 2040



## Leading to significant expansion in India Airport Infrastructure

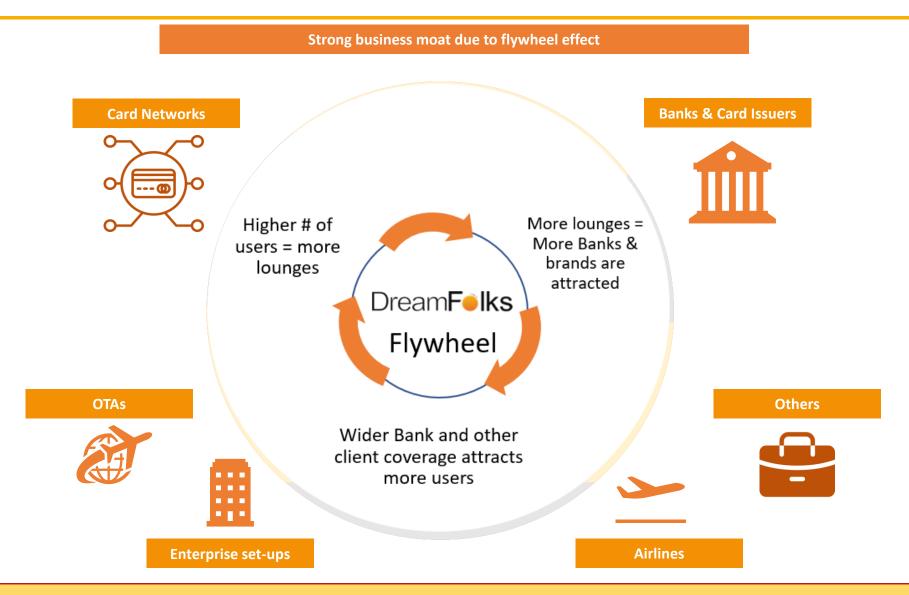


Growing Air Travelers + Higher Card Users with Lounge Access → Increase in Airport Lounge Usage → DreamFolks well poised for growth with dominance

12 Source - Frost & Sullivan Report

## Strong business moat due to flywheel effect led by Clients and Operators network

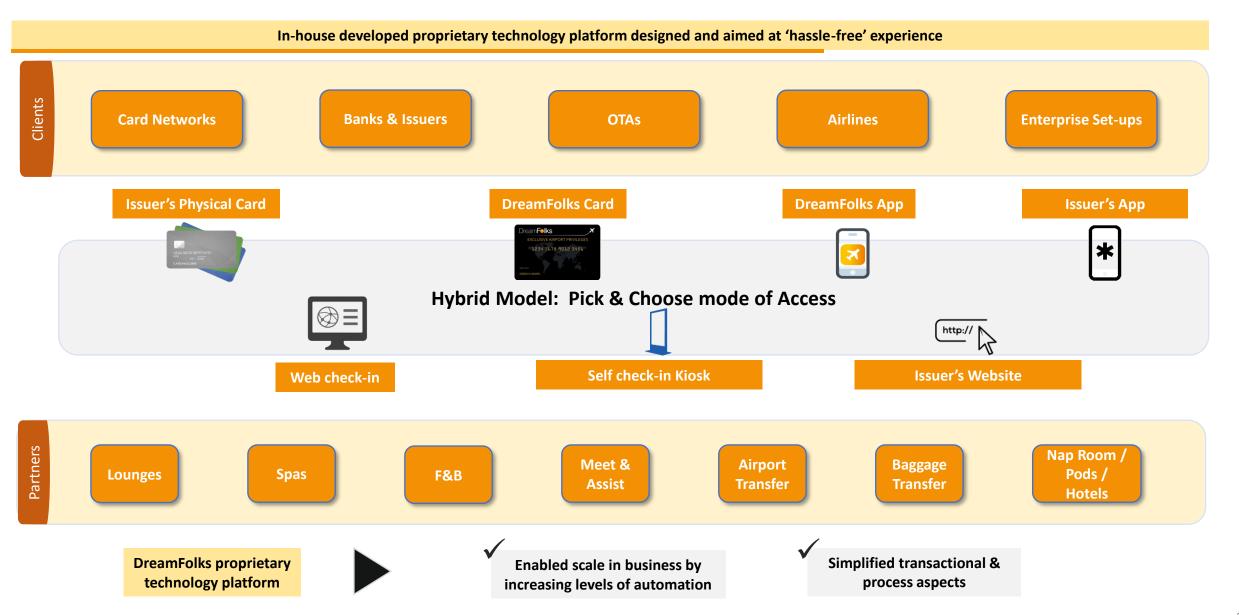




Build a successful bridge between Clients and Airport Lounge Operators → Creates Interdependencies for DreamFolks service offerings

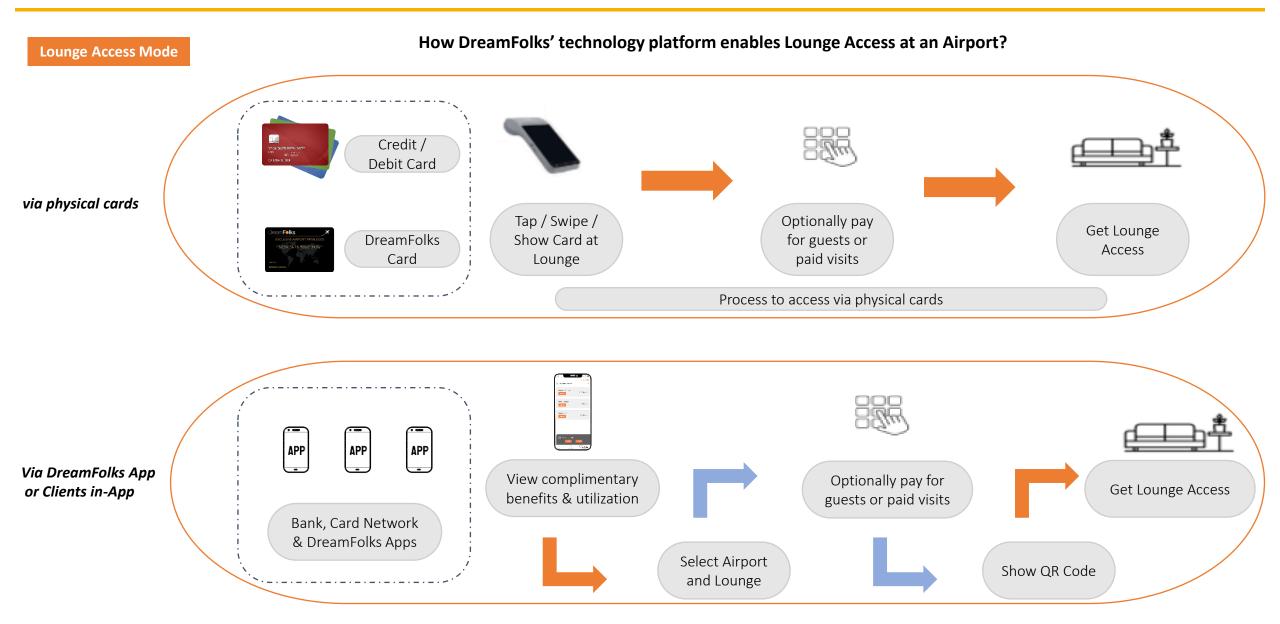
# Proprietary technology platform that ensures Scalability...





# Proprietary technology platform that enables Omni-channel Access...

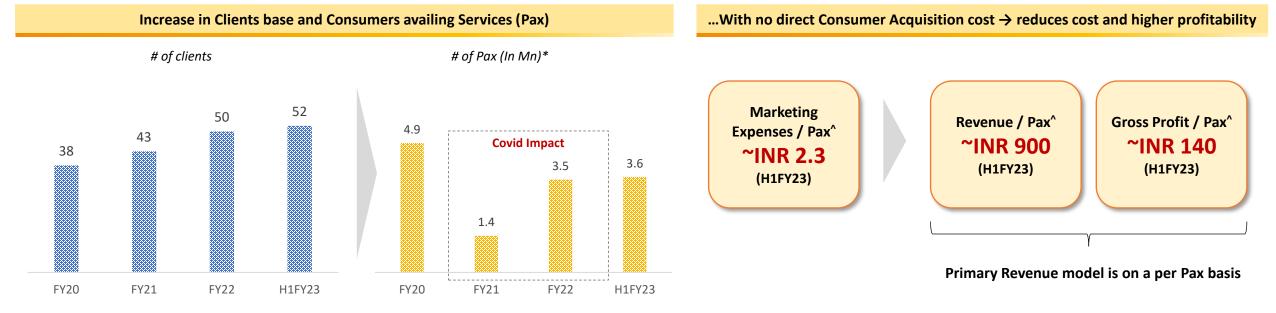






# Ability to capitalize on growing Consumer base with no associated costs of direct Consumer acquisition





## Acquisition of the Consumers i.e. Paxes is done by Clients – No Consumer acquisition cost

- $\checkmark$  Increasing no. of Clients + Paxes utilizing multiple services at Airport  $\Rightarrow$  Increasing Consumers availing lounge facilities and other services
- ✓ Acquisition of Consumers (Pax) is entirely done by Clients **No Consumer acquisition cost for DreamFolks**
- ✓ Clients leverage DreamFolks technology driven solutions and platform to provide value added services to the Consumers as part of their customer engagement

## DreamFolks long standing association with Clients – Ability to retain clients and continue to derive healthy revenues

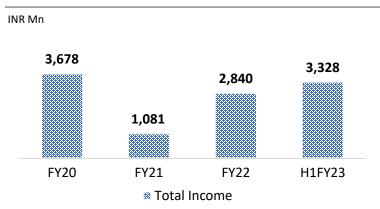


# Asset and human resource light business model with a strong track record of delivering consistent growth

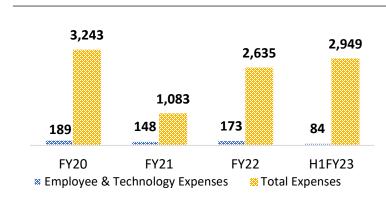


## Asset Light business model → Proven ability to scale up business with minimal incremental capital → High operating leverage business

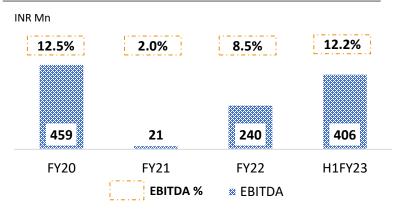
Revenue has seen a consistent growth, albeit impacted by the Covid pandemic...



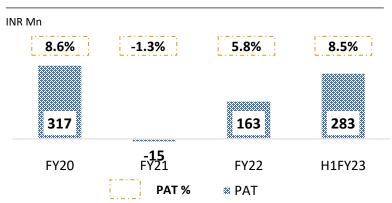
Apart from Cost of Services, operational expenses are relatively minimal – Low Employee & Technology Cost



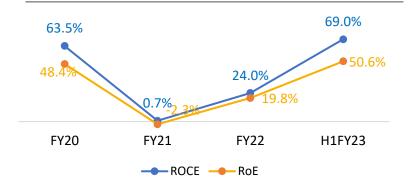
No direct consumer acquisition cost and high operating leverage – Healthy EBIDTA profile



# With minimal finance cost and depreciation, track record generating profits



# Strong profitability profile and asset light business model - High capital efficiency & returns profile



DreamFolks strong internal accruals, superior returns and efficient working capital management are testament of efficient and prudent financial management

# Experienced promoters and management team with strong domain expertise



## Senior management team with over 2 decades of experience in different aspects of business operations and across sectors



Ms. Liberatha Kallat, Chairperson and Managing Director

- Over 2 decades of experience in the hospitality sector
- Forefront of incubating the Lounge Access Industry
- Responsible for the business strategy, management
- Earlier associated with Taj GVK Hotels & Resorts Ltd,
   PepsiCo. India, Premium Port Lounge and Pernod Ricard

10 most inspiring Entrepreneurs to watch globally – Innovative Zone (2022)

10 best entrepreneurs Industry Era Magazine (2021) Woman Entrepreneur of the Year Award (2019)





## Ms. Giya Diwaan, Chief Financial Officer

- Experience in business operations, corporate finance, accounting, regulatory, legal and secretarial compliances, and strategy across Fintech, Internet Commerce Technology companies
- A chartered accountant and an IIM Lucknow alumnus
- Earlier associated with Times Internet, Musafir.com,
   Awfis, Itz Cash Card and Resources Global Professional





Mr. Balaji Srinivasan, Chief Technical Officer and Executive Director

- Experienced in the technology sector
- Earlier held senior management positions at Genpact India Private
   Limited and at start-up ventures such as FarEye



Global FinTech Excellence in Leadership Award

Elets (Banking & Finance) (2022)

## **Backed by an Experienced Board of Directors**

Mr. Mukesh Yadav
Promoter & Non-Executive
Director

~20 years of experience and has been associated with DreamFolks since 2011 Mr. Dinesh Nagpal Promoter & Non-Executive Director

~20 years of experience and has been associated with DreamFolks since 2011 Mr. Sharadchandra Abhayankar Independent Director

~33+ years of experience and a Senior Partner in corporate advisory at Khaitan & Co since 2011 Mr. Mario Anthony Nazareth Independent Director

Associated with M&M Ltd for ~4 decades and served as Group Chief Internal Auditor Ms. Aditi Balbir Independent Director

Experienced in Travel Sector and founder in the hospitality space of V Resorts and CEO of Eco Veekends Pvt Ltd Mr. Sudhir Jain,
Independent Director

~20 years of association with Minda Industries and served as ED & Group CFO at Minda Industries Ltd



# Q2 & H1 FY23 Highlights



# **Management Commentary**





**Liberatha Kallat** *Chairperson and Managing Director* 

"With the opening of borders over the past couple of quarters, combined with the boom in leisure travel as part of the revenge travel trends that we observe across the globe, the propensity for air travel is higher than ever before. Lounge access is no longer limited to business travel and with additional waiting times at airports, the need and desire to access lounges is rising steadily. Post covid travel has given birth to a new segment.... the family and leisure traveller in addition to the existing business travel segment thereby creating a larger target base for us to work with.

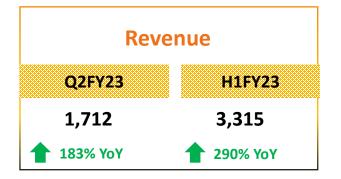
We at DreamFolks have helped facilitate lounge access to majority of the total travellers who accessed lounges in FY22. With the number of airports and lounges increasing at a rapid pace, in sync with an equally strong rise in air traffic and card user base, who are willing to access lounges, we find ourselves in an exceptionally advantageous position to capitalize on these tailwinds and use our dominant position and first-mover advantage to capture the market even further. Conversion rates of the total air travellers have increased sharply over the past few quarters indicating a staggering growth and we are confident of the large headroom for growth that lies ahead of us.

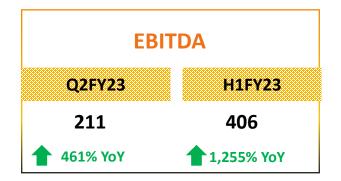
Talking about our Financial Performance, our Revenue for the quarter stood at Rs. 1,712 Mn and the same for the half-year stood at Rs. 3,315 Mn, indicating a growth of 183% and 290% YoY respectively. Our EBITDA Margins of 12.3% have improved significantly over the course of this quarter as compared to the previous year.

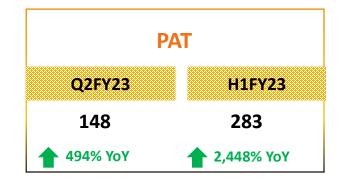
We operate on an asset light model, with optimal operating expenses and have our own Research & Development initiatives within the organization, which does not warranty large investments. We are confident of maintain a healthy profitability and finance any future scale-ups with internal accruals"

# Performance Highlights: Q2 & H1 FY23









## **Business Update**

➤ Air Traffic - Strong growth of ~110% in domestic air traffic in H1FY23 which has surpassed pre-covid level. Whereas the domestic air traffic grew by ~60% in Q2 FY23 as compared to Q2 FY22.

## DFSL Passengers:

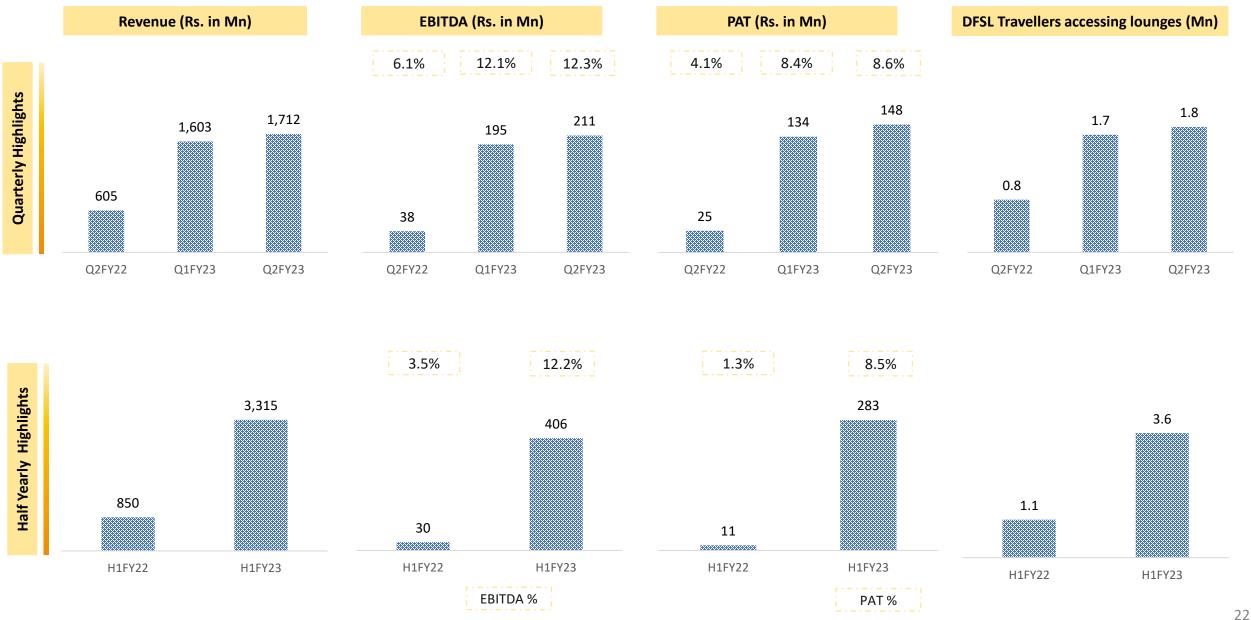
- Number of passengers availing lounge access & other touchpoints through us has grown at a healthy rate of ~240% yoy in H1 FY23 and ~140% in Q2 FY23.
- In H1FY23, passengers accessing the airport lounges stood at 3.6 million compared to 1.1 million in H1FY22 reflecting the recovery in the travel industry growth.
- For Q2 FY23, passengers accessing the airport lounges stood at 1.8 million compared to 0.76 million in Q2 FY22.
- ➤ In addition to lounge access, the company has witnessed strong footfall at other touchpoints like Meet & Assist, Food & Beverages, Airport Transport etc.

## **Recent Developments**

- ASPIRE Lounges Australia Delighted to tie up with ASPIRE Lounges Australia. With this partnership, air travelers can now experience exclusive luxury lounge access in Sydney, Melbourne, Perth and Brisbane as part of 66 Aspire Branded Lounges globally.
- Dhanlaxmi Bank Tie-up for access to Indian Lounges for their customers
- ➤ FCM Travel Corporate tie-up to provide their customers with domestic lounge access, Meet & assist and Airport Transfer Services

# Performance Highlights: Q2 & H1 FY23





# **Profit & Loss Statement**



Particulars (Rs. in Mn)	Q2FY23	Q2FY22	YoY%	Q1FY23	QoQ%	H1FY23	H1FY22	YoY%
Revenue from operations	1,712	605		1,603		3,315	850	
Other income	11	9		2		13	12	
Total income	1,723	614	181%	1,605	7%	3,328	862	286%
Cost of Services	1,444	511		1,351		2,794	716	
Employee benefits expenses	46	48		38		84	89	
Other expenses	22	17		21		43	28	
EBITDA	211	38	461%	195	8%	406	30	1,255%
EBITDA Margin (%)	12.3%	6.2%	610 bps	12.1%	18 bps	12.2%	3.5%	872 bps
Depreciation and amortization expenses	9	5		8		17	11	
Finance costs	6	2		4		10	7	
Profit / (loss) before tax	196	30		182		379	13	
Tax Expense	48	5		48		96	2	
Profit after tax	148	25	494%	134	10%	283	11	2449%
Profit after tax (%)	8.6%	4.1%	453 bps	8.4%	23 bps	8.5%	1.3%	720 bps
EPS (Rs.)	2.84	0.48		2.57		5.41	0.21	

# **Balance Sheet**



Assets (Rs. in Mn)	As on 30th September 2022	As on 31st March 2022	
Non - current assets			
Property, plant and equipment	32	30	
Intangible assets	38	45	
Right of use assets	59	64	
Investment property	80	18	
Financial assets			
Other financial assets	60	27	
Deferred tax assets (net)	17	12	
Other non-current assets	87	210	
Total non - current assets	374	407	
Current assets			
Financial assets			
Trade receivables	1,597	907	
Cash and cash equivalents	145	11	
Other bank balances	225	135	
Other financial assets	200	83	
Other current assets	24	62	
Current tax assets (net)	64	83	
Total current assets	2,254	1,280	
Total assets	2,628	1,687	

Equity and Liabilities (Rs. in Mn)	As on 30th September 2022	As on 31st March 2022	
Equity			
Share capital	105	105	
Other equity	1,012	717	
Total equity	1,117	822	
Liabilities			
Non - current liabilities			
Financial liabilities			
Borrowings	9	10	
Lease liabilities	61	64	
Provisions	16	17	
Total non-current liabilities	86	91	
Current liabilities			
Financial liabilities			
Borrowings	1	3	
Lease liabilities	7	5	
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	679	422	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	567	291	
Other financial liabilities (refer Note 9)	136	14	
Other current liabilities	30	36	
Provisions	6	3	
Total current liabilities	1,425	774	
Total equity and liabilities	2,628	1,687	

# **Cash Flow Statement**



Particulars	H1FY23	H1FY22
Profit / (loss) before tax	379	13
Adjustments	33	6
Operating Profit before working capital changes	412	19
Adjustments for working Capital changes	-216	40
Cash (used)/generated from operating activities post working capital changes	196	59
Income taxes (paid)/received	-82	-24
Net Cash used in Operating activities (A)	114	34
Net Cash generated / (used in) Investing Activities (B)	34	159
Net cash generated from / (used in) financing activities (C)	-14	-12
Net increase in cash and cash equivalents (A+B+C)	134	181
Cash and cash equivalents at the beginning of the period	11	100
Cash and cash equivalents at the end of the period	145	281



# Historical Financials



# **Profit & Loss Statement**



Particulars (Rs. in Mn)	FY22	FY21	FY20
Revenue from operations	2,825	1,056	3,670
Other income	15	25	8
Total income	2,840	1,081	3,678
Cost of Services	2,373	875	2,996
Employee benefits expenses	166	126	179
Other expenses	61	58	45
EBITDA	240	22	458
EBITDA Margin (%)	8.5%	2.0%	12.5%
Depreciation and amortization expenses	21	16	16
Finance costs	14	7	7
Profit / (loss) before tax	205	-1	435
Tax Expense	42	12	119
Profit After Tax	163	-13	316
Profit After Tax (%)	5.7%	-1.2%	8.6%

# **Balance Sheet**



Particulars (Rs. in Mn)	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020	
ASSETS				
Property, plant and equipment	30	38	53	
Capital work in progress	0	0	6	
Other intangible assets	46	3	1	
Right of use assets	64	74	-	
Investment property	18	271	-	
Financial assets				
Other financial assets	27	25	26	
Deferred tax assets (net)	12	8	21	
Other non-current assets	210	187	106	
Total non - current assets	407	605	213	
Financial assets				
Trade receivables	906	395	685	
Cash and cash equivalents	11	100	321	
Other bank balances	135	-	-	
Other financial assets	83	51	29	
Other current assets	62	19	57	
Current tax assets	83	55	73	
Total current assets	1,280	620	1,165	
Total assets	1,687	1,225	1,378	

Particulars (Rs. in Mn)	As on March 31, 2022	As on March 31, 2021	As on March 31, 2020
EQUITY AND LIABILITIES			
Share capital	105	48	48
Other equity	717	595	608
Total equity	822	643	655
Non - current liabilities			
Borrowings	10	13	20
Lease Liabilities	64	63	-
Provisions	17	18	22
Total non - current liabilities	91	95	42
Financial liabilities			
Borrowings	3	7	11
Lease Liabilities	5	11	-
<u>Trade payables</u>			
(i) Total outstanding dues of M&SE	422	212	-
(ii) Total outstanding dues of creditors other than M&SE	291	97	561
Other financial liabilities	14	27	53
Other current liabilities	36	130	54
Provisions	3	3	1
Total current liabilities	774	488	680
Total equity and liabilities	1,687	1,225	1,378

# **Cash Flow Statement**



Particulars (Rs. in Mn)	FY22	FY21	FY20
Profit / (loss) before tax	205	-2	436
Adjustments	36	1	17
Operating Profit before working capital changes	241	-1	453
Adjustments for working Capital changes	-286	45	-69
Cash (used)/generated from operating activities post working capital changes	-45	44	384
Income taxes (paid)/received	-76	18	-160
Net Cash used in Operating activities (A)	-121	63	224
Net Cash generated / (used in) Investing Activities (B)	59	-269	3
Net cash generated from / (used in) financing activities (C)	-26	-15	7
Net increase in cash and cash equivalents ( A+B+C)	-89	-221	234
Cash and cash equivalents at the beginning of the period	100	321	87
Cash and cash equivalents at the end of the period	11	100	321



# Annexures



# **Successful Listing on Stock Exchanges**









- Listing on 6<sup>th</sup> September 2022
- > IPO subscribed 56.68 times
- The public issue subscribed
  - 43.66 times in the retail category
  - 70.53 times in QIB
  - 37.66 times in the NII







#### **Empowering Girl Child**

- · Aiding Two schools in Gurgaon, Haryana
- To protect, safeguard, educate and empower the girl child
- Employees and Management team actively volunteers for the distribution

"We firmly believe that by educating and empowering a girl child, we are facilitating the growth and development of an empowered woman, who has the potential to contribute immensely to the empowerment of our nation. These little girls have dreams which can transform into bright visions given the right support, opportunities, and budding environment. We believe in any kind of gender bias, merit is all that matters. These girls need the right kind of backing & platform to showcase their merit and that is exactly what we at DreamFolks aim to do. Our objective is to contribute as a catalyst for their advancement."









Under MISSION SAKSHAM, our employees participated in multiple volunteering activities at Govt. Model Sanskriti Primary School, Tigra, Gurugram. We supported them with the necessary repairs, installation of water coolers, new blackboards, and provision of textbooks, notebooks, bags, and stationery.





Woman Entrepreneur of the Year 2022 by Entrepreneur India (Liberatha Kallat – Chairperson & MD) (Sep 2022) Super Woman of Tourism for Business Leadership at TAFI Convention, Malaysia (Liberatha Kallat – Chairperson & MD) (Sep 2022)





ET Inspiring Women Leaders (North) by Economic Times (Liberatha Kallat – Chairperson & MD) (Apr 2022)

Woman of Excellence Award by Indian Achievers' Forum (Liberatha Kallat – Chairperson & MD) (June 2022)



## Accolades (2/2)





FuTech Award 2022 by Financial Express under the category Best Use of Technology to Revolutionise Customer Experience (Sep 2022)

Global FinTech Excellence in Leadership by **Elets Banking and Finance** (Balaji Srinivasan -Executive Director & CTO) (Sep 2022)







Woman Icon of the Year by UBS Forums at 3rd Edition of Women Empowerment Summit & GIWL Awards 2022 (CFO - Giya Diwaan) (May 2022)

Innovator Award by the BIG CIO SHOW & AWARDS, Trescon (Balaji Srinivasan - Executive Director & CTO) (May 2022)



