



**ALL ABOUT**

# DreamFolks

*Your Airport Experience Amplified!*

**SECTOR AIRPORT SERVICE PROVIDER**

**IPO**

**Issue Opens - AUGUST 24 - AUGUST 26**

**Price Band**

**₹308 - ₹326**

**Face Value**

₹2

**Lot Size**

46 SHARES

**Issue Size**

₹562 CR

**Issue Type**

BOOK BUILT

[Research@ganeshstock.com](mailto:Research@ganeshstock.com)



# Important Events

**Issue Size**

**INR 562 Cr**

**Offer for Sale**

**17,242,368 shares**

**Min./Max. lot**

**1 / 13 Lot**

**Basis of Allotment**

**Sep 1, 2022**

**Initiation of Refunds**

**Sep 2, 2022**

**Credit of Shares to Demat**

**Sep 5, 2022**

**Dreamfolks listing date**

**Sep 6, 2022**

## Promoters

- LIBERATHA PETER KALLAT
- MUKESH YADAV
- DINESH NAGPAL

**PRE ISSUE SHARE HOLDING - 100% AND POST ISSUE SHARE HOLDING 67%**



# ABOUT COMPANY

- DreamFolks is a dominant participant and India's biggest airport provider aggregator platform facilitating an improved airport enjoy to passengers leveraging a generation pushed platform. They facilitate clients get entry to offerings like Lounges, Food & Beverage, Spa, Meet & Assist, Airport Transfer, Transit Hotels /Nap Room Access, Baggage Transfer and different offerings.
- Over the years, They've got converted from being an airport living room get entry to aggregator to an cease-to-cess generation answers company for designing and turning in offerings that beautify the airport enjoy.
- Their asset-mild commercial enterprise version integrates international card networks working in India, credit score card and debit card issuers and different company customers in India, together with airline organizations with diverse airport living room operators and different airport associated provider vendors on a unified generation platform.



# PRODUCT PORTFOLIO

Company facilitates customers of Clients' (Consumers) access to the following airport related services

1. Lounges
2. Food and beverage
3. Spa
4. Meet and assist
5. Airport transfer
6. Transit hotels / nap room access and
7. Baggage transfer

## OBJECTS OF THE OFFER

THE COMPANY WILL NOT DIRECTLY RECEIVE ANY PROCEEDS FROM THE OFFER AND THE ENTIRE OFFER PROCEEDS WILL BE RECEIVED BY THE SELLING SHAREHOLDERS, IN PROPORTION TO THE OFFERED SHARES SOLD BY THE RESPECTIVE SELLING SHAREHOLDERS AS PART OF THE OFFER.



# TRACK RECORD OF FINANCIAL PERFORMANCE

- REVENUE FROM OPERATIONS INCLUDES REVENUE FROM THE SALE OF SERVICES, SUCH AS CONTRACTS WITH CLIENTS FOR **LOUNGE ACCESS FEES, MEMBERSHIP FEES, AND OTHER FEES.**
- THE COMPANY REPORTS REVENUE OF **RS 367 CR, RS 108 CR AND RS 284 CR FOR FY20, 21 AND 22 RESPECTIVELY.**
- PROFITS DECREASED FROM RS 316.83 CR IN FY2020 TO RS. 162 CR IN FY 2022. **NET LOSS REPORTED IN FY21 WAS THE LOWEST AT RS 14.5 CR.**
- EARNINGS DECREASED AS MARGINS DECLINED. THE EPS FOR **FY2020, FY21 AND FY22 WERE 6.67, -0.25 AND 3.11 RESPECTIVELY.**
- Average **EPS of 2.96** and average **RoNW of 21.96%** for the last three financial years.



# STRENGTHS

- Dreamfolks is a dominant player in the airport lounge aggregation industry in India.
- Asset and human resource light business model with a strong track record of delivering consistent growth
- Company has a strong business moat due to the flywheel effect led by clients and operator network.
- Experienced promoters and management team with strong domain expertise

# RISKS

- The company's margins are declining. Its margins were Rs 31.7 crores in FY20 (equal to 8.6% of revenue) compared to Rs 16.3 crores in FY22 (equal to 5.7% of revenue).
- The offer's objects are entirely for sale (OFS). The proceeds would be distributed to the selling shareholders, with no benefit to the company.
- The company's success is also dependent on its relationship with airport lounge operators, which accounts for 98.5% of total revenue in the last three years on average. Even this exposes the company to risk..



# Valuation and Outlook

IN TERMS OF VALUATION, THE ISSUE PRICE RANGE IS 308 TO 326 THE UPPER END OF THE PRICE RANGE IS 326 AND 3.11 EPS FOR FY22, RESULTING IN A P/E RATIO OF 104.8X. REVENUE DECREASED 12% CAGR, WHILE PAT DECREASED 28%.

BECAUSE THERE ARE NO LISTED PEERS, WE CANNOT DETERMINE WHETHER THE ISSUE PRICE IS UNDERPRICED OR OVERPRICED, ACCORDING TO THE RHP. HOWEVER, WITH A P/E RATIO OF MORE THAN 104.8X, WE CAN DEFINITELY SAY THAT DREAMFOLKS' IPO PRICE IS OVERPRICED.

DREAMFOLKS HAS NOT LISTED COMPETITORS, BUT WHEN COMPARED TO GLOBAL PLAYERS SUCH AS DRAGON PASS OR COLLISION GROUP, THE CAGR REVENUE OF DREAMFOLKS IS AROUND 55%, WHICH IS SIGNIFICANTLY HIGHER THAN ITS NEAREST COMPETITOR.

AS OF 22/08, THE GMP WAS AROUND 24-25%, SO WE WOULD ONLY RECOMMEND TO "APPLY" FOR AN IPO FOR LONG-TERM (3-5-YEAR) OR DECENT LISTING GAIN.

