

One Stop Investment Avenue



GEPL
CAPITAL

IPO Note

DreamFolks Services Limited

24th August, 2022





Date: 24-Aug-2022

Details of the Issue	
Price Band	₹ 308 - ₹ 326
Issue Size	₹ 562 Cr
Face Value	₹ 2
Bid Lot	46
Listing on	BSE, NSE
Post Issue Mcap	Rs. 1703 Cr
Investment Range	Rs.14,168-14,996

Important Indicative Dates (2022)	
Opening	24-Aug
Closing	26-Aug
Basis of Allotment	01-Sep
Refund Initiation	02-Sep
Credit to Demat	05-Sep
Listing Date	06-Sep

Lead Manager	
Motilal Oswal Investment Advisors Limited.	
Equirus Capital Private Limited	
Link Intime India Private Limited	

No of shares	
Fresh Issue of Shares	0
Offer for Sale Shares	17,242,368
Total No of Shares	17,242,368

Offer Details	
Offer Size	Rs. 562 Cr.
Fresh Issue	Rs. 0 Cr (0%)
OFS	Rs 562Cr (0%)

Type	In Rs Cr	No of Shares (Mn)	% of Issue
QIB	421.58	12.93	75%
NIB	84.32	2.58	15%
Retail	56.21	1.72	10%
Empty.	0	0	0
Total	562.10	17.24	100%

Type In MN	Pre-Issue		Post-Issue	
	No. Shares (Mn)	% of Total	No. of Shares	% of Total
Promoter	52.24	100	35.0	67%
Public	0	0	17.2	33%
Total	52.25	100	52.2	100%

Company Profile

Dreamfolks services Pvt Ltd is a dominant player and India's largest airport service aggregator platform (with a share of over 80% in the domestic lounge access market) facilitating Services an enhanced airport experience to passengers leveraging a technology driven platform. Company's business model starts from global card networking and issuing services and other airport related services.

Business Highlights & Services

1. Provides Integrated global card networking services to airlines companies including corporate client in India.
2. Issues Debit and Credit Card Services to airlines companies and corporate clients in India.
3. Bouquet services included wide range of option for their customer.
4. Other airport related services, which include lounges, food and beverage, spa, meet and assist, airport transfer, nap room access, baggage transfer.

Companies dominance is underpinned by facilitating access to 100% of the 54 lounges currently operational in India, and they also enjoyed a market share of over 95% of all India issued credit card and debit card (Card Based) access to airport lounges in Fiscal 2022. Additionally, in Fiscal 2022 they also accounted for around 68% of the overall lounge access volume in India. Further, as at March 31, 2022 through their partnerships with other service providers, Dreamfolks has a 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.

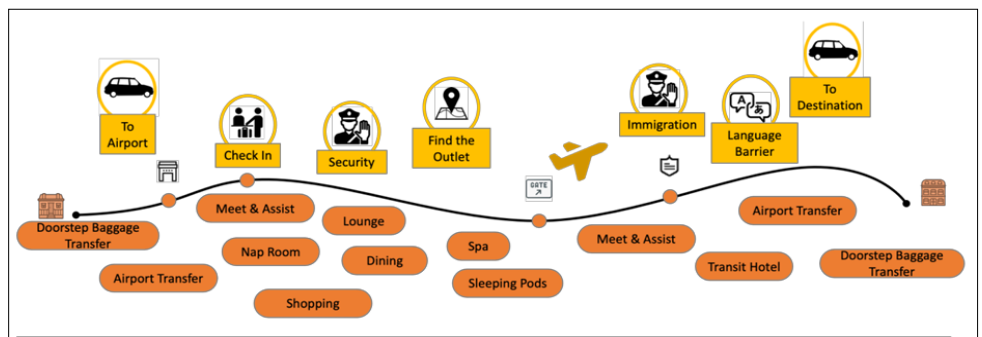


Exhibit:1 Company Serving Across All Touchpoints during Air Journey of Passenger.

Utilization of IPO Proceeds

The issue is 100% offer for sale, The proceeds of the Offer for Sale which shall be available to the Selling Shareholders.

Company's Promoter

The Company was incorporated as Dreamfolks Services Private Limited on 24th April 2008. Liberatha Peter Kallat, Mukesh Yadav and Dinesh Nagpal are the company promoters. Currently, Promoters collectively hold 5,22,49,600 Equity Shares, representing 100.00% of the pre-offer issued, subscribed and paid-up Equity Share capital of the company.

Board of Directors

It boards of directors include Liberatha Peter Kallat who is the Promoter, Chairperson and Managing Director of the company. Mukesh Yadav and Dinesh Nagpal, the Non-Executive Director and Promoter on the Board of the company. Sharadchandra Damodar Abhyankar, Mario Anthony Nazareth, Aditi Balbir, Sudhir Jain the Independent Director on the Board of the company.



Company's Competitive Strength :

- Dominant player in the airport lounge aggregation industry in India with strong tailwinds.
- Experienced promoters and Expert management team within the industry.
- Proprietary technology platform that ensures scalability.
- Entrenched relationships with marquee Clients including global card network providers in India and prominent Indian and global banks and corporates.
- Strong business moat due to flywheel effect led by Clients and Operators network.
- Ability to capitalize on growing Consumer base with no associated costs of direct Consumer acquisition.
- Asset and human resource light business model with a strong track record of delivering consistent growth.

Key Strategies Implemented by Company

- Increasing wallet share with client.
- Maintain 100% lounge coverage.
- Tap into new sector.
- Expand client base in existing sector
- Target new high growth in global market
- Keep updating and developing platform technologies

Particulars	2022	2021	2020
Equity Share Capital	10.45	4.75	4.75
Reserves	71.72	59.55	60.76
Net worth as stated	82.17	64.30	65.51
Revenue from Operations	282.50	105.63	367.04
EBITDA as stated	24.04	2.09	45.85
EBITDA (%) as stated	8.46	1.94	12.47
Profit Before Tax	20.48	(0.20)	43.56
Net Profit for the period	16.25	(1.45)	31.68
Net Profit (%) as stated	5.75%	(1.37%)	8.63%
EPS (₹)	2.98	(0.28)	6.06
RoNW (%)	19.78	(2.25)	48.36
Net Asset Value (₹)	15.73	12.31	12.54

Valuations and Recommendation:

- DreamFolks Services Ltd's earnings for 2022 arrives at Rs 16.25 Cr which bring a earnings multiple of 104.8(x) on its PAT on a Post Issue Market Capitalization of Rs 1703 Cr.
- As per RHP, Company operates in an industry which has no listed peers. Therefore, there are no directly comparable metrics to evaluate Company. However The air Travel is underpenetrated as compare to road, IN the Long run company to benefit from Higher no of ports planned by Central Govt. The company commands better Return ratios due asset light nature of operations.
- The IPO is Fully priced as per valuations metrics.
- We Assign "SUBSCRIBE FOR LONG TERM" rating to the issue.



Notes

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