

CMP - 505

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## About the Company

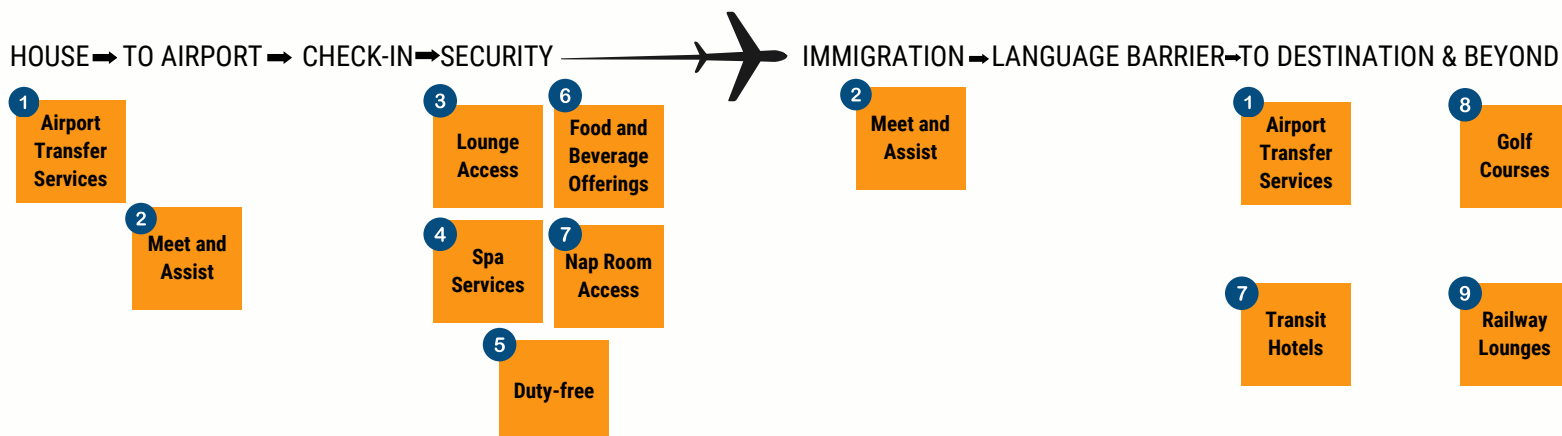
DreamFolks is a dominant player and India's largest airport service aggregator platform facilitating an enhanced airport experience to passengers leveraging a technology driven platform. They facilitate customers access to services like Lounges, Food & Beverage, Spa, Meet & Assist, Airport Transfer, Transit Hotels /Nap Room Access and other services.

Over the years, They have transformed from being an airport lounge access aggregator to an end-to-end technology solutions provider for designing and delivering services that enhance the airport experience. They have crafted their service proposition to provide Clients the option of offering a wide-ranging bouquet of Services to the Consumers. Their asset-light business model integrates global card networks operating in India, credit card and debit card issuers and other corporate clients in India, including airline companies with various airport lounge operators and other airport related service providers on a unified technology platform.

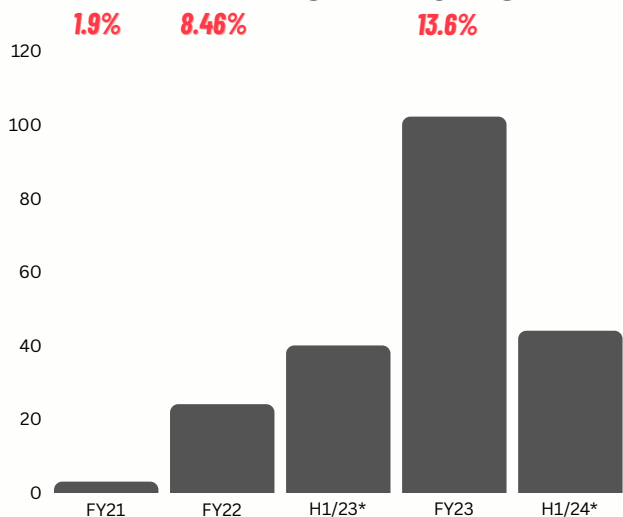
## Recent Quarter Highlights

- Compared to the same period last year, when total revenue was Rs. 171crore, the quarter that concluded on September 30, 2023 saw total revenue of Rs. 282 crore. EBITDA for Q2 FY24 stood at Rs. 25 Crores in Q2 FY24 as against Rs. 21 Crores, up by 18.1% Y-o-Y In Q2FY24, EBIT margin was 8.28% compared to 11.41% in Q2FY23.
- In the second quarter of FY24, net profit was Rs. 17.85 crore as opposed to Rs. 14.82 crore in the same quarter of FY23. PAT margin decreased from 8.6% in Q2FY23 to 6.24% in Q2FY24.
- In comparison to Q2FY23, basic earnings per share (EPS) for Q2FY24 were Rs. 2.84 as opposed to Rs. 3.37 in Q2FY24.
- For H1 FY24 our revenue recorded a robust growth of 65.6% Y-o-Y from Rs. 332 Crores to Rs. 549 Crores. Gross profit was up by 21.9% Y-o-Y at Rs. 63 Crores in H1 FY24 as against Rs. 52 Crores in the corresponding period of last year. EBITDA for H1 FY24 stood at Rs. 44 Crores as against Rs. 40 Crores in H1 FY23. PAT for H1 FY24 stood at Rs. 31 Crores as against Rs. 28 Crores in the corresponding period of last year. EPS for H1 FY24 stood at Rs. 5.82 per share.

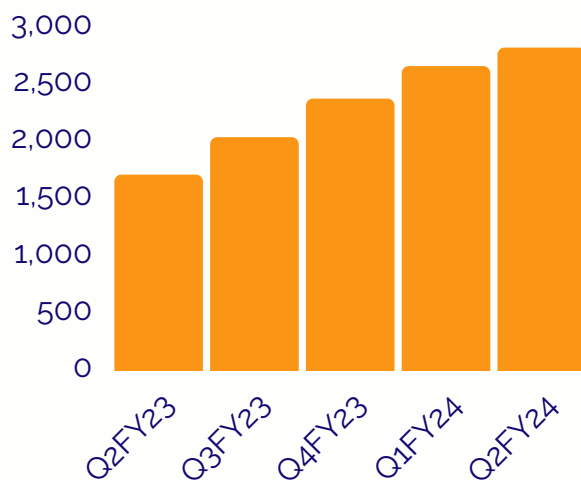
### SERVICE PORTFOLIO



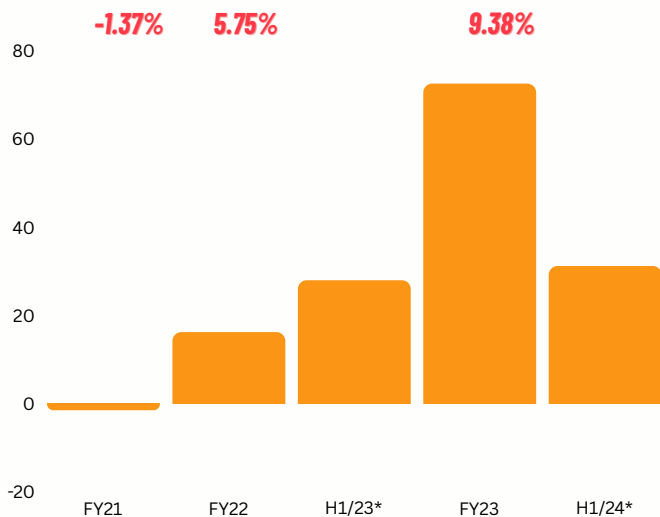
### EBITDA VS MARGINS



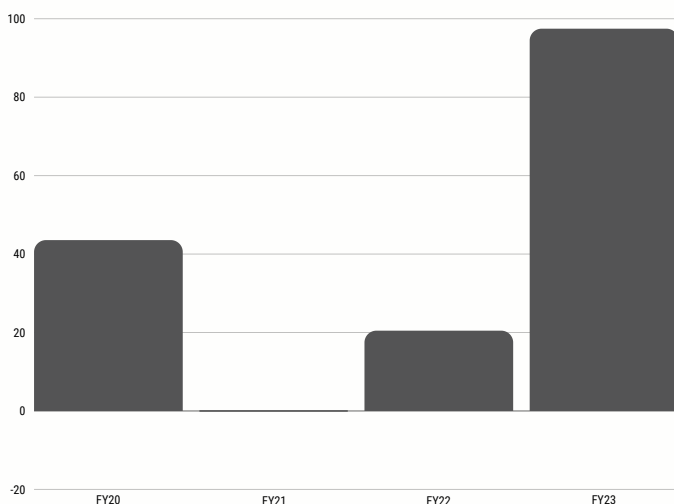
### TOTAL REVENUE



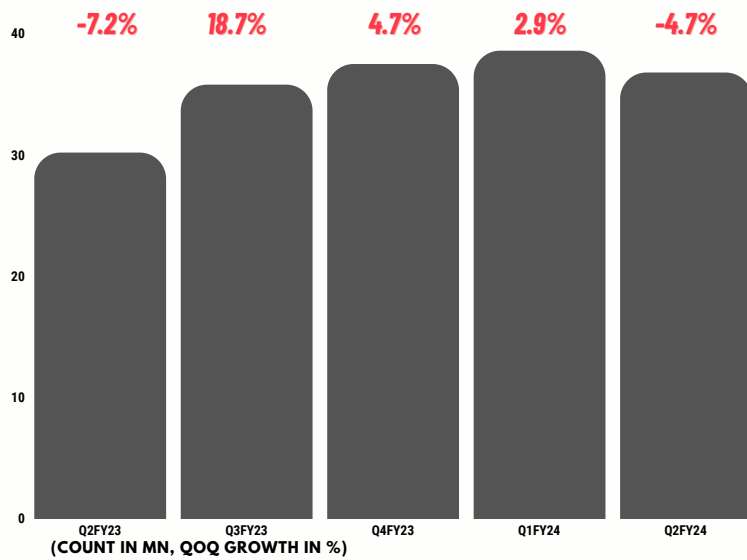
### PAT VS MARGINS



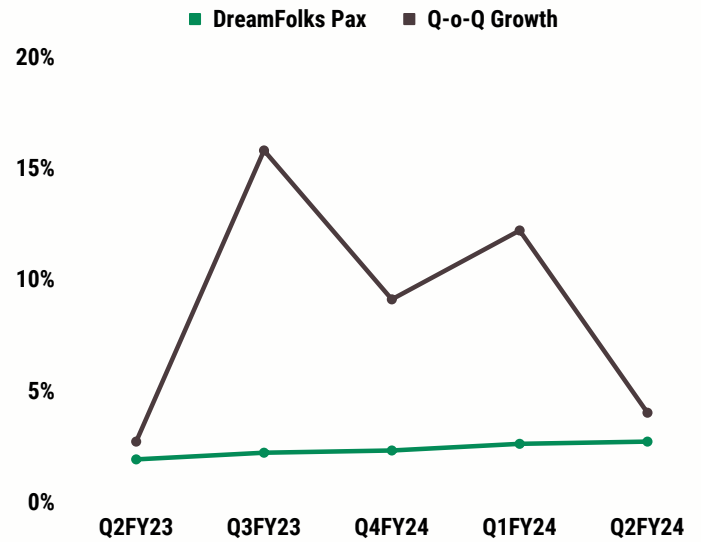
### NET CASH FLOW FROM OPERATIONS



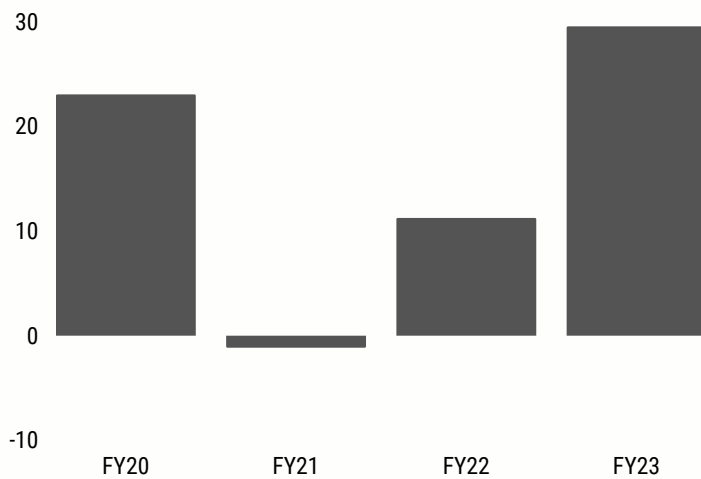
### DOMESTIC PASSENGER TRAFFIC



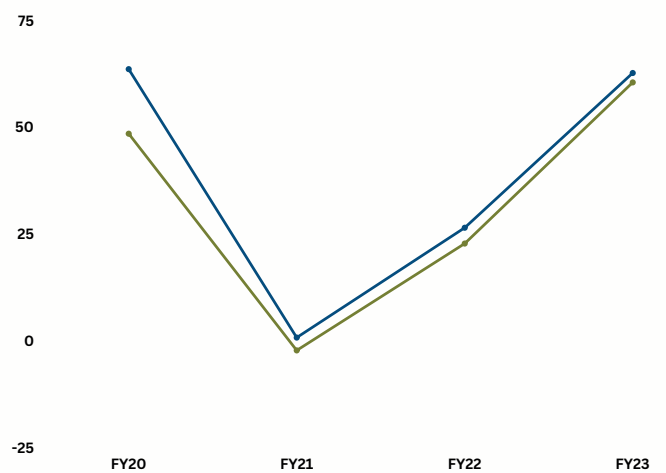
### DREAMFOLKS PAX



### RETURN ON ASSETS (%)



### ROCE & ROE (%)



### NET WORTH (INR MN)



### Historical Financial Statement - DREAMFOLKS SERVICES LTD

Years	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	LTM
<b>Income Statement</b>						
Sales	₹ 248.3	₹ 367.0	₹ 105.6	₹ 282.5	₹ 773.2	₹ 990.5
Sales Growth	49.57%	47.83%	-71.22%	167.44%	173.71%	28.10%
COGS	₹ 221.6	₹ 317.6	₹ 100.5	₹ 254.4	₹ 663.4	₹ 888.0
COGS % Sales	89.24%	86.53%	95.13%	90.04%	85.80%	89.65%
<b>Gross Profit</b>	<b>₹ 26.71</b>	<b>₹ 49.43</b>	<b>₹ 5.14</b>	<b>₹ 28.14</b>	<b>₹ 109.80</b>	<b>₹ 102.50</b>
Gross Margins	10.76%	13.47%	4.87%	9.96%	14.20%	10.35%
Selling & General Expenses	₹ 3.29	₹ 4.33	₹ 5.51	₹ 5.56	₹ 10.84	
S&G Exp % Sales	1.33%	1.18%	5.22%	1.97%	1.40%	0.00%
<b>EBITDA</b>	<b>₹ 23.42</b>	<b>₹ 45.10</b>	<b>₹ 0.37</b>	<b>₹ 22.58</b>	<b>₹ 98.96</b>	<b>₹ 106.15</b>
EBITDA Margins	9.43%	12.29%	-0.35%	7.99%	12.80%	10.72%
Interest	₹ 0.40	₹ 0.71	₹ 0.75	₹ 1.47	₹ 1.29	₹ 0.92
Interest % Sales	0.16%	0.19%	0.71%	0.52%	0.17%	0.09%
Depreciation	₹ 1.36	₹ 1.59	₹ 1.55	₹ 2.13	₹ 3.50	₹ 3.58
Depreciation%Sales	0.55%	0.43%	1.47%	0.75%	0.45%	0.36%
<b>Earnings Before Tax</b>	<b>₹ 21.66</b>	<b>₹ 42.8</b>	<b>(₹ 2.7)</b>	<b>₹ 19.0</b>	<b>₹ 94.2</b>	<b>₹ 101.7</b>
EBT % Sales	8.72%	11.66%	-2.53%	6.72%	12.18%	10.26%
Tax	₹ 6.6	₹ 11.9	₹ 1.3	₹ 4.2	₹ 24.9	₹ 26.1
Effective Tax Rate	30.42%	27.76%	-46.82%	22.29%	26.46%	25.70%
<b>Net Profit</b>	<b>₹ 15.1</b>	<b>₹ 30.9</b>	<b>(₹ 3.9)</b>	<b>₹ 14.8</b>	<b>₹ 69.3</b>	<b>₹ 75.5</b>
Net Margins	6.07%	8.42%	-3.71%	5.22%	8.96%	7.63%
No of Equity Shares	0.48	0.48	0.48	5.22	5.22	5.22
Earnings per Share	₹ 31.40	₹ 64.42	₹ 8.17	₹ 2.83	₹ 13.27	₹ 14.47
EPS Growth %	29.47%	105.18%	-112.68%	-134.60%	369.49%	9.07%
Dividend per Share	-	-	-	-	-	-
Dividend payout ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Retained Earnings	100.00%	100.00%	0.00%	100.00%	100.00%	100.00%

### Cash Flow Statements

Cash from Operating Activities	-	₹ 22.4	₹ 6.3	(₹ 11.7)	₹ 49.8
Cash from Investing Activities	-	₹ 0.3	(₹ 26.9)	₹ 5.9	(₹ 30.2)
Cash from Financing Activities	-	₹ 0.7	(₹ 1.5)	(₹ 3.1)	(₹ 2.1)
<b>Net Cash Flow</b>	-	<b>₹ 23.4</b>	<b>(₹ 22.1)</b>	<b>(₹ 8.9)</b>	<b>₹ 17.6</b>

### Balance Sheet

Equity Share Capital	₹ 4.8	₹ 4.8	₹ 4.8	₹ 10.5	₹ 10.5
Reserves	₹ 29.4	₹ 60.8	₹ 59.6	₹ 71.7	₹ 146.3
Borrowings	₹ 2.0	₹ 3.1	₹ 9.5	₹ 8.3	₹ 7.3
Other Liabilities	₹ 52.9	₹ 69.2	₹ 48.7	₹ 78.3	₹ 158.4
<b>Total Liabilities</b>	<b>₹ 89.2</b>	<b>₹ 137.8</b>	<b>₹ 122.5</b>	<b>₹ 168.7</b>	<b>₹ 322.4</b>
Fixed Assets Net Block	₹ 3.6	₹ 5.4	₹ 38.6	₹ 15.7	₹ 13.1
Capital Work in Progress	-	₹ 0.6	₹ 0.0	-	₹ 0.0
Investments	₹ 0.0	₹ 0.0	₹ 0.0	₹ 0.0	₹ 45.9
Other Assets	₹ 24.3	₹ 31.1	₹ 34.4	₹ 47.7	₹ 24.9
<b>Total Non Current Assets</b>	<b>₹ 27.8</b>	<b>₹ 37.1</b>	<b>₹ 73.0</b>	<b>₹ 63.5</b>	<b>₹ 84.0</b>
Receivables	₹ 45.6	₹ 68.5	₹ 39.6	₹ 90.7	₹ 201.9
Inventory	-	-	-	-	-
Cash & Bank	₹ 15.7	₹ 32.1	₹ 10.0	₹ 14.6	₹ 36.5
<b>Total Current Assets</b>	<b>₹ 61.3</b>	<b>₹ 100.7</b>	<b>₹ 49.5</b>	<b>₹ 105.2</b>	<b>₹ 238.4</b>
<b>Total Assets</b>	<b>₹ 89.2</b>	<b>₹ 137.8</b>	<b>₹ 122.5</b>	<b>₹ 168.7</b>	<b>₹ 322.4</b>

## RATIO ANALYSIS

### Ratio Analysis of - TATA MOTORS LTD

Years	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Trend	Mean	Median
SalesGrowth	49.57%	47.83%	-71.22%	167.44%	173.71%		40.81%	0.00%
EBITDA Growth	31.13%	92.57%	-100.82%	-6202.70%	338.26%		-649.06%	0.00%
EBIT Growth	30.48%	97.60%	-106.24%	-810.86%	396.15%		-43.65%	0.00%
Net Profit Growth	29.47%	105.18%	-112.68%	-476.28%	369.49%		-9.42%	0.00%
Dividend Growth	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%
Gross Margin	10.76%	13.47%	4.87%	9.96%	14.20%		6.52%	7.41%
EBITDA Margin	9.43%	12.29%	-0.35%	7.99%	12.80%		5.29%	4.00%
EBIT Margin	0.71%	0.63%	2.18%	1.27%	0.62%		0.62%	0.62%
EBT Margin	8.72%	11.66%	-2.53%	6.72%	12.18%		4.68%	3.36%
Net Profit Margin	6.07%	8.42%	-3.71%	5.22%	8.96%		3.20%	2.61%
SalesExpenses%Sales	1.33%	1.18%	5.22%	1.97%	1.40%		1.23%	1.17%
Depreciation%Sales	0.55%	0.43%	1.47%	0.75%	0.45%		0.42%	0.44%
OperatingIncome%Sales	0.71%	0.63%	2.18%	1.27%	0.62%		0.62%	0.62%
Return on Capital Employed	60.91%	63.42%	-2.60%	22.62%	58.20%		26.74%	11.31%
Retained Earnings%	100.00%	100.00%	0.00%	100.00%	100.00%		50.00%	50.00%
Return on Equity%	44.09%	47.19%	-6.10%	17.95%	44.19%		20.87%	8.98%
Self Sustained Growth Rate	44.09%	47.19%	0.00%	17.95%	44.19%		21.48%	8.98%
Interest Coverage Ratio	55.15x	61.28x	-2.56x	13.91x	74.00x		0.00x	0.00x
CFO/Sales	8.18%	6.26%	10.20%	11.61%	5.13%		9.55%	10.70%
CFO/Total Assets	0.00%	16.29%	5.11%	-6.95%	15.45%		2.99%	0.00%
CFO/Total Debt	0.00%	726.21%	66.10%	-142.06%	9.75%		66.00%	0.00%

## WHAT SHOULD INVESTORS DO?

They have begun selling golf to a select group of their consumers as one of their services. This is a move in the right direction for their aim to increase the wallet share of other services and diversify their revenue mix. Furthermore, they have expanded their reach into another nation in Southeast Asia by joining the Malaysian market. Additionally, they have partnered with the top visa service provider to provide doorstep visa services and upscale lounges at visa processing facilities.

Regarding the industry perspective, it is anticipated that the travel sector will expand at a compound annual growth rate (CAGR) of 9%, rising from \$75 billion in FY20 to \$125 billion in FY27. This growth will be fueled by a number of factors, including the growing middle class, increased urbanization, and a shift in consumer preferences toward travel and novel experiences. They are putting a lot of effort into geographical diversification.

outstanding return ratios have been maintained by their outstanding profitability and adept operation management; on a year-over-year basis, ROE was 15.7% and ROCE was 20.4%. We are keeping our Upgrade rating on DreamFoks For the Targets of 570-580



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