

Dreamfolks Services

29 May 2026

Operator: Good day and welcome to the Dreamfolks Services Ltd. Q4 and FY26 earnings conference call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vibhor Jain, Head of Investor Relations. Thank you and over to you, sir.

Vibhor Jain: Thank you, Robin. Good evening everyone. I welcome you all to the Dreamfolks Q4 and FY26 earnings call. We have with us Ms. Liberatha Kallat, Chairperson and Managing Director of the company, Mr. Balaji Srinivasan, Executive Director and Chief Technology Officer, Mr. Shekhar Sood, Chief Financial Officer, and Mr. Sandeep Sonawane, Chief Business Officer. Now, before I hand over the call to Ms. Liberatha Kallat, I would like to highlight that the safe harbor statement is on the last slide of the investor presentation and it is assumed to be read and understood. Over to you, ma'am.

Liberatha Kallat: Good evening everyone and thank you for joining us today for the Dreamfolks Services Ltd. Q4 and full year FY26 earnings call. We genuinely appreciate your time and continued confidence in our company. Earlier today, we announced our financial results for the quarter and year ended March 31, 2026. The detailed financial and investor presentation have been made available on the stock exchange as well as on our website, and we hope you have had an opportunity to review them.

FY26 has been a transformational year in Dreamfolks' history, one that tested our resolve, challenged our operating model, and ultimately sharpened our strategic focus. As we close this fiscal year, I am proud to say that the actions we have taken, some of them bold and some of them painful, have fundamentally repositioned Dreamfolks for its next chapter of sustainable, diversified growth.

This year witnessed significant structural changes across the credit card ecosystem in India. First, a broad transition from unlimited lounge access models to spend-based access frameworks. Second, a meaningful transformation in how banks are redesigning their customer value proposition, moving beyond cluttered domestic airport lounges to more personalized, lifestyle-oriented benefit programs. While these changes had a visible near-term impact on volumes across the industry, they also accelerated a shift that aligned well with our long-term strategy.

Looking back at FY26, the global travel and aviation industry faced significant headwinds driven by the ongoing conflict in the Middle East. Airspace restrictions and a caution in international travel sentiment created temporary pressure on overall passenger traffic volume across the industry. However, Dreamfolks' business fundamentals remained deeply resilient. As the geopolitical situation stabilizes and flight corridors normalize, we anticipate a swift recovery and accelerated growth, positioning us perfectly to capture pent-up travel demand.

At Dreamfolks, we have deliberately evolved from a single service aggregator into a comprehensive travel and lifestyle benefit platform. Today, we are not just enabling lounge access; we are powering end-to-end customer engagement for our partners through a diversified, technology-led ecosystem spanning travel, lifestyle, wellness, and curated experiences.

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A defining highlight of this transformation has been the significant expansion of our lifestyle services portfolio, such as spa at leading wellness centers, access to members-only social clubs, room upgrades at star hotels, airport transfers, beauty at star hotels, and coffee at top brands in malls. Our expansion into lifestyle services perfectly aligns with structurally sound headwinds in the lifestyle and wellness economy. The wellness tourism in India is set to scale from nearly \$31 billion this year to over \$43.7 billion by 2031 at a 7.2% CAGR.

Our core lounge offerings, including global airport lounges and railway lounges, have further strengthened their market position through the strategic organic and inorganic initiatives undertaken during the year. First, we acquired 10-11 Hospitality in November 2025. This acquisition provides direct ownership and operational control over premium railway lounge infrastructure, enhancing service quality, improving unit economics, and reducing reliance on third-party operators. We have now expanded our railway lounge footprint across key locations, including Chennai, Mumbai, and Vadodara, which are already operational, while Lucknow is expected to commence operations soon, positioning the company to capitalize on India's ongoing railway modernization and premium travel growth.

Second, the ongoing acquisition of Easy Travel is part of the company's strategic vision to accelerate international expansion and strengthen our position as a global travel and lifestyle experience platform. The acquisition provides access to Easy Travel's established international distribution network, global partnerships, and technology-driven platform, significantly enhancing the company's reach across high-growth regions such as the Middle East. It also enables Dreamfolks to diversify its client base, deepen relationships with global enterprise partners, and scale its global lounge and mobility offerings while creating operational and technological synergies that support long-term sustainable growth.

All these services are designed to integrate seamlessly into the evolving value propositions of our banking and card partners while also forming the backbone of the Dreamfolks Club membership ecosystem. This diversification not only enhances our growth potential but also structurally reduces dependency on any single service line or geography.

Now I would like to highlight some of the milestone achievements during the year. Our global business has been the most exciting growth story of FY26. Transaction volumes from our global lounge program have exhibited a strong growth of 140% year-on-year, validating the strength of our international strategy and the quality of our platform. Moreover, our global lounge network now covers over 1,000 airport touchpoints. This momentum reflects the disciplined execution of our global go-to-market strategy.

An important chapter of the year has been our entry into the D2C segment through Dreamfolks Club 2.0, our enhanced membership platform. This offering has evolved from an airport-centric proposition into a comprehensive travel and lifestyle membership encompassing global lounges, access to members-only clubs, golf, wellness, dining, and other curated experiences. Through this B2C foray, we are making meaningful investments in building awareness and demand.

We are also in advanced stages of enabling our premium services for multiple global banks and card networks in Southeast Asia, a significant development that will open a new revenue stream and validate our platform's readiness for large-scale international deployments. Another exciting update

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is our recent launch of a boarding pass-based benefits program with one of the leading banks in India. The program reflects the evolving customer value proposition in the premium card segment where the banks are increasingly moving beyond traditional lounge access towards more personalized and experience-led benefits. By leveraging Dreamfolks' integrated platform, this program delivers a seamless and elevated travel experience for customers while also showcasing the company's capability to design, manage, and scale differentiated travel and lifestyle programs for major banking partners.

Dreamfolks Services Ltd. has also been recognized with several prestigious accolades that reflect our commitment to innovation, customer excellence, and workplace culture. The company was honored with the "Most Innovative Emerging Technology Implementation" award at the 9th annual India Banking Summit and Awards. We also received the "Customer Experience Excellence Institution of the Year" gold at the 5th edition of the BW Businessworld Fintech Awards, recognizing our dedication to delivering seamless and impactful customer experiences. Adding to these achievements, Dreamfolks has also been recognized as a "Great Place to Work" for the second year in a row, a testament further bolstered by two of our managers receiving the prestigious "Great Manager to Work With" certification. This recognition reaffirms our belief that a strong, people-centric culture is the foundation of sustainable success.

One of our key priorities this year has been to deepen engagement with our existing banking and card network partners rather than simply pursuing new client acquisition. We believe that the strength of our existing relationships represents a significant untapped potential. A clear example of this approach is the activation of lifestyle services such as "Coffee on the Go" with clients who already use our lounge access infrastructure. By extending the breadth of our service catalog within existing integrations, we increase wallet share, improve client stickiness, and create more diversified recurring revenue streams without proportional incremental costs.

Turning to our financial performance for the year ended March 31, 2026, the company reported revenue of 660 crores. The adjusted EBITDA, after adjusting for non-cash expenses and impairment charges, stood at 25 crores. While near-term profitability has been affected by the structural transition in our domestic business, which used to contribute more than 90%, we believe with the rapid adoption of new-age lifestyle services and deeper integration in the global and railway lounge business segment, we should be able to grow bigger than ever. Despite these headwinds, our balance sheet remains strong and resilient. We closed the quarter with cash in hand of 150 crores, providing significant financial flexibility to execute our strategic initiatives. Our net worth as of March 31, 2026, stands at a healthy 313.8 crores, a position that underscores our ability to invest in growth while maintaining financial discipline through this period of transformation.

As we move into the next fiscal year, our strategic priorities are clear. We will continue to scale our global operations, deepen client diversification, accelerate the adoption of our lifestyle services, and strengthen our technology leadership. These are not aspirational goals; they are backed by existing client relationships and escalated ongoing contracts, as well as customer momentum that we have built through FY26. We remain confident that the investments we have made in platform, people, partnership, and geographies will translate into meaningful value creation as industry conditions normalize and our newer revenue streams gain scale. I would like now to hand over to Shekhar for detailed financial updates.

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Shekhar Sood: Thank you, Liberatha. Good evening everyone. I will now take you through our financial performance for the full year and quarter ended March 31, 2026. For full year FY26, the company reported consolidated revenue of approximately 660.30 crores against 1,291.9 crores in FY25. The decline was primarily caused by the structural reset in our domestic lounge business. Gross profit for the full year FY26 stood at approximately 74.2 crores, which was 150.1 crores in FY25. Adjusted EBITDA for FY26 stood at 25 crores against 102.1 crores last year. The PAT for the full year FY26 was 11.6 crores compared to 65.1 crores in FY25.

For Q4 FY26, we reported a revenue of 52.60 crores with gross profit at negative 6.1 crores. Adjusted EBITDA and profit after tax came in at negative 13.4 crores and negative 13 crores respectively. We closed the year with cash and cash equivalents of 150 crores, providing meaningful financial flexibility to fund our growth priorities without compromising financial discipline. Our net worth as of March 31, 2026, stands at 313.8 crores, up 4.3% compared to the same period last year. With that, I open the floor for questions. Thank you.

Operator: Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to please use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Our first question comes from the line of Bala Murali Krishna with Oman Investment Advisors. Please go ahead.

Bala Murali Krishna – Oman Investment Advisors: Hi. My first question is regarding the international lounge services which you are targeting to grab in this year. Since the listing, we have not been able to obtain any deals from the international markets, either the Middle East or Southeast Asia. How are you confident that we can grab a deal now? At that time, we had lounge services in India, but now that is also not in our hands. How will this thought process give you a chance?

Management: Thank you, Bala. That is a great question because that is clearly our focus. In the presentation, we mentioned that we are actually growing at 140% in terms of global lounge volume with respect to passenger numbers versus last year. So yes, we are seeing great momentum. To answer your question, I may not be able to specifically tell you who the clients are, but we do have many clients; otherwise, this 140% growth would not have come. The Middle East and Southeast Asia definitely remain our focus. You will soon hear from us when we sign the contracts as to what kind of clients we have added in this entire year. So the focus remains and, despite global headwinds, we are increasing global lounge volume by 140%.

Management: Bala, just to add to what was mentioned, we have already onboarded many clients right now. You are right that we have been talking about the Middle East and Southeast Asia for a couple of years. But before we started our client onboarding for these regions, it was important for us to curate the complete network. Looking at the way the network has been built, just as we were strongest and had 100% lounge coverage in the India market, it is also important that in our global reach we should have equivalent coverage when we offer it to a global client. I would say that for these years we were working on the coverage and the technology, which needs to be differentiated in the global market, and those things are ready. We have clients onboarded in Southeast Asia, and parallelly there is a lot of work going on in the Middle East market as well. To answer you, the work

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was done initially for a couple of years in terms of building the solution and the network, and now the acquisition of clients has already started.

Bala Murali Krishna – Oman Investment Advisors: As a follow-up on that, when can we expect some deals to be finalized? Also, when it comes to the Middle East or Southeast Asia, it is not like India where we approach banks directly. I think there the card network providers are the potential customers for us, right?

Management: It is both ways. It is not just that. Yes, there are certain markets where the networks are managing the program, but there are banks as well. Also, it is not limited to airport lounges. If you look at it, the way the package and solution are built, it is more about travel and lifestyle services. The offerings are different and they are for both the banks and the network providers.

Bala Murali Krishna – Oman Investment Advisors: Okay. Is there any timeline on when we can see some news from this?

Management: As we told you, we have already started onboarding and have grown by 140%, and you will start seeing these numbers going up.

Bala Murali Krishna – Oman Investment Advisors: Fine. On the receivables side, we still have 130 crore receivables. In the past two quarters, the cumulative revenue itself is 100 crores. When do you think this receivable should come down?

Management: On December 31, there were some dues receivable from debtors. However, post March 31, we have done significant collection and that number has reduced to a large extent.

Bala Murali Krishna – Oman Investment Advisors: Great. Lastly, on the railway lounges, earlier when we were the predominant player in Indian airport lounge services, this business was very small and we were not as focused on it. In past calls, I heard that we are targeting around 500 crores in revenue in 5 years. How confident are you to achieve this number, and what are the growth drivers with only four or five lounges? Even if we increase the lounge count to 20, as the average revenue per passenger is very low compared to airport lounges, how can you achieve a 500 crore revenue target in the coming 5 years?

Management: We were definitely focusing on railways even when we had the India airport lounges. It is not something we were ignoring. The acceleration is clearly there. However, the railway ecosystem in India is dependent on how fast the modernization of these stations happens. We are waiting for that. The good news is that we have started a few stations; we added Vadodara, Mumbai, and we are adding Lucknow very soon. If I were to draw a parallel to what China or Russia has in terms of total railway lounges, we are nowhere close yet. Plus, the food and beverage macros remain very positive and bullish. A lot of F&B companies want to get into this and we want to ride that wave. Yes, our plan of 500 crores in 5 years remains clear and intact, and we are growing significantly in railways. We should have not less than 50 lounges to really bring that scale and multiplying factor. We currently have 100% lounge cover as far as railway lounges are concerned in India.

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Bala Murali Krishna – Oman Investment Advisors: Okay. And is there any traction on the B2C cards we are issuing?

Management: Since we have always been a B2B player, you can imagine the kind of investment and effort required to get into B2C. We just started almost 5 or 6 months ago and are seeing very encouraging numbers. We are being very careful because we have to balance our business priorities, as global expansion is a very high priority. We are cautious about putting the cart before the horse, so our investments are in line with the revenues we are generating or the future revenue we see. We are not going full throttle yet, but we are focusing on it. You may have seen on social media that we have released a special status positioning for Dreamfolks and some films. We are cautious in recalibrating our approach, but we see huge potential. This also helps us in guiding our banking clients to create these kinds of consumer value propositions for their card offerings.

Bala Murali Krishna – Oman Investment Advisors: Thank you. That is all from my side. All the best.

Operator: Thank you. Participants who wish to ask questions may press star and one on their touchtone telephones. We have a follow-up question from the line of Bala Murali Krishna with Oman Investment Advisors. Please go ahead.

Bala Murali Krishna – Oman Investment Advisors: Thanks for the opportunity again. Can you put a number on the growth rate for the current year? Have we onboarded international clients? With the current run rate of 50–60 crores per quarter, where do you see this year ending up?

Management: You should look at us in terms of growth percentage rather than asking specifically how the year will end. I may not be able to give you that exact figure, but you should be encouraged by the numbers we are discussing. You can calculate the current run rate of global lounges at 140%, and we are accelerating. Every single month we are accelerating this growth. This should lead to good numbers, but you should look at us from a long-term perspective of at least 2 years, rather than the short term. This is a transformational year for us. Until September last year, we had a 90% contribution from Indian lounges, whereas this year it is absolutely new business. We also mentioned a marquee client whose account we acquired and the program is running very well. It just started this month, and we will keep working with all the banks because we have strong existing relationships with them.

Bala Murali Krishna – Oman Investment Advisors: Do you think the break-even should come this year?

Management: FY27 is a transition time for us. We are working through a complete industry change in the India market. Globally, we are still onboarding more lounges to create a tier-one network. Yes, it is a transition moment in FY27, but we should start seeing the break-even maybe a year later.

Bala Murali Krishna – Oman Investment Advisors: Okay, thank you.

Operator: Thank you. We have no further questions. I would now like to hand the conference over to the management for closing comments. Over to you.

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Management: Thank you all for joining our earnings conference call today. We hope your queries have been addressed, but for any further information, please reach out to our Investor Relations team. On behalf of the entire Dreamfolks family, I want to express our gratitude for your continued trust and patience through what has been a year of meaningful transformation. We are building something durable—a platform that is more global, more diversified, and more technologically advanced than at any point in our 13-year history. We look forward to sharing our progress with you in the quarters ahead. Thank you, take care, and good night.

Operator: Thank you. On behalf of Dreamfolks Services Ltd., that concludes this conference. Thank you all for joining us. You may now disconnect your lines.

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