

**August 14, 2025**

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| To,<br>The Secretary, Listing Department<br>BSE Limited<br>P. J. Towers,<br>Dalal Street<br>Mumbai – 400001<br><b>Scrip Code:</b> 543591 | To,<br>The Listing Manager, Listing Department<br>National Stock Exchange of India Limited<br>Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C-1,<br>Block G, Bandra Kurla Complex,<br>Bandra (E), Mumbai- 400051<br><b>Symbol:</b> DREAMFOLKS |
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**Subject: Transcript of Earnings Conference Call conducted on August 07, 2025**

Dear Sir(s)/ Madam(s),

This intimation is being provided in continuation of earlier communication regarding the Earnings Conference Call for the quarter ended June 30, 2025, in compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI LODR Regulations”).

The Board of Directors of the Company at its meeting held on August 07, 2025 inter alia approved the Financial Results of the Company for the quarter ended June 30, 2025. The Company hosted Earnings Conference Call on August 07, 2025. In this connection and in compliance with Regulation 30 read with Para A of Part A of Schedule III of the SEBI LODR Regulations, we enclose herewith the transcript of the ‘Dreamfolks Services Limited Q1 FY’ 26 Earnings Conference Call’.

The above information will also be available on the website of the Company at [www.dreamfolks.com](http://www.dreamfolks.com).

You are hereby requested to take the above intimation on record.

Thanking You!

Yours Faithfully

**For Dreamfolks Services Limited**



**Harshit Gupta**  
**Company Secretary and Compliance Officer**

**Encl:** as above



“Dreamfolks Services Limited  
Q1 FY '26 Earnings Conference Call”  
07<sup>th</sup> August 2025

**Disclaimer:** E&OE. This transcript has been edited for factual errors. In case of discrepancy, the audio recording uploaded on stock exchange on 07th Aug 2025, will prevail.

**MANAGEMENT: MS. LIBERATHA KALLAT – CHAIRPERSON AND  
MANAGING DIRECTOR  
MR. BALAJI SRINIVASAN – EXECUTIVE DIRECTOR AND  
CHIEF TECHNOLOGY OFFICER  
MR. SHEKHAR SOOD – CHIEF FINANCIAL OFFICER  
MR. SANDEEP SONAWANE – CHIEF BUSINESS OFFICER**

**Moderator:** Ladies and gentlemen, good day, and welcome to Dreamfolks Services Limited Q1 FY '26 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 call, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded.

Before we begin, let me remind you that this discussion may contain forward-looking statements, and may involve known or unknown risks, uncertainties and other factors. It may be viewed in conjunction with the company's business risk that could cause future results, performance or achievements to differ significantly from what is being expressed or implied by such forward-looking statements.

Today, on this call, we have with us Ms. Liberatha Kallat, Chairperson and Managing Director; Mr. Balaji Srinivasan, Executive Director and Chief Technology Officer; Mr. Shekhar Sood, Chief Financial Officer; and Mr. Sandeep Sonawane, Chief Business Officer.

I now hand the conference over to Ms. Liberatha. Thank you, and over to you, ma'am.

**Liberatha Kallat:** Good evening, everyone, and thank you for joining us for Dreamfolks Services Q1 FY '26 Earnings Call. We appreciate your continued trust as we share our Q1 FY '26 results, strategic priorities, industry context and our long-term vision for sustainable value creation.

For the quarter ended June 30, 2025, Dreamfolks delivered a steady set of results, reflecting our focus on execution, diversification and operational efficiency. Our revenue for the quarter stood at INR 349 crores, showing year-on-year growth of 8.8%. Adjusted EBITDA came in at INR 30 crores with margin of 8.7%, showcasing an increase of 18.7% year-on-year and PAT at INR 21 crores.

Our non-lounge services also continued to grow, validating our strategy of evolving from a lounge aggregator into a broader travel and lifestyle experience platform. Dreamfolks was built on a simple principle, democratize aspirational services and make them accessible to not few but many, enriching every stage of the traveller's journey.

Our investment in service diversification, technological enhancements and long-term partnerships remain intact. The industry landscape is continuously evolving. Although in the past, the private airport operators claimed to reduce reliance on facilitators of

lounge access, a new dynamic has emerged - they have essentially become lounge aggregator themselves at all the airports across India.

In response to these shifts, Dreamfolks is actively accelerating its efforts to expand other services. We project that services beyond our lounge offerings will contribute approximately one third of our total revenue quicker than we expected. Now I would also like to address some recent developments.

While we have seen few banks shift their partnership and others may be facing pressure to do the same, I want to emphasize that our agreements with all clients remain firmly in place. We are working closely with them to integrate our new service offerings beyond airport lounges, a strategic initiative that we believe will yield significant results over time.

Our focus is on developing new packages and redefining our customer value proposition to ultimately enhance the end consumer experience. Our major focus now is on further expanding our presence in Southeast Asia and Middle East countries by forming strategic partnerships with key players in those locations and to continue to reduce dependency on one service by scaling adjacent and innovative offerings such as golf, railway lounges, wellness packages, Coffee at Malls and access to premium social clubs, all designed to serve the modern traveller and urban customer beyond airport touch points.

With the addition of new services, we are also parallelly working on developing our technology to get more agile to cater to the evolving needs of our clients. We will continue to strategically diversify our portfolio by focusing on two key areas. First, we will continue to build and expand our service beyond the airport ecosystem.

Simultaneously, we are committed to broadening our client base to include a wide range of partners across enterprises, ensuring a more resilient and dynamic business model for the future. On the enterprise front, we are building sticky, high retention revenue streams. In the last 1 year, we have onboarded over 40 new enterprise clients in the Travel and Lifestyle industry.

We are deploying bundled offerings, including social club, coffee at mall, travel dining and other wellness and entertainment services to drive workforce engagement and client loyalty. These services tap into growing demand for micro conveniences and premium experiences in everyday spaces beyond metro cities where discretionary spending is rising.

By expanding our reach into malls, rail hubs and transit clusters, we are extending our brand promise from travel only to lifestyle mobility while staying scalable and margin

positive. Our geographical deepening continues to be a key strategic lever. Domestically, we are expanding our presence across India with increasing penetration in non-metro cities where infrastructure growth and aspirational travel are accelerating.

Globally, we serve travellers in 100+ countries with 3,000+ service touch points, including lounges, wellness services, golf offering across key global cities. This depth provides not just reach, but also resilience buffering against region-specific disruption while capturing demand across multiple ecosystems.

Now coming to the industry dynamics. India's credit and charge card market has seen strong momentum growing by nearly 28% in 2023, a further 15.3% in 2024, reaching Rs. 22.3 trillion. The total number of credit cards in circulation stood around 111 million by June 2025, and approximately 7% year-on-year increase. The market is projected to grow by about 14% in 2025, reaching Rs. 25.4 trillion in annual spend.

Looking ahead, Global Data forecasts a compound annual growth rate of roughly 11.5% between 2025 and 2029, pushing the credit and the charge market to Rs. 39.3 trillion by 2029. With the dominant distribution base through card networks, enterprise bundles and mobility focused integration, Dreamfolks is positioned as a facilitator of this modern lifestyle, building aspiration with accessibility across every transit touch point.

At the end, we are building a sustainable tech-enabled enterprise grounded in service excellence and powered by long-term partnerships. We are not just enabling travel, we are reshaping how modern Indian and global citizen experience moments, well-being and leisure in a fast-changing world. We are excited to shape the future of premium travel experience together.

Thank you for joining us in this journey. Over to you, Sandeep.

**Sandeep Sonawane:**

Thank you, Liberatha. As we reflect on the Q1 FY '26, I'm pleased to report a steady and purposeful start of the year. Despite the dynamic external environment, as you are aware of, we stayed focused on execution, delivering value through disciplined growth, strong partnerships and differentiated services. Our enduring relationship with our client remains our greatest strength. We are actively deepening these partnerships by collaborating to co-create new service models that extend beyond traditional airport lounge access.

We look forward to sharing more details on this front soon. We have been developing a suite of new cost-efficient services that deliver enhanced value for both client as well as customers. This strategic focus allows even low-end cards offer meaningful benefits, creating a more inclusive and robust ecosystem.

Furthermore, we are seeing great traction with our social club offerings, which are being adopted by various clients, including both enterprise and banks. We are actively expanding our program to include new benefits like Coffee at Malls and travel dining and are also collaborating with hotels to create unique offerings for our clients. This quarter, we remain committed to our strategies by onboarding new enterprise clients and expanding consumer touch points.

On the banking side, we launched several new programs, including partnerships with banks for 4 new programs. These programs reflect the continued confidence our partner places in our platform to deliver scalable, meaningful experiences. It also deepens our presence in financial services and reinforces the relevance of our access-led value proposition.

Our Enterprise segment gained further traction this quarter. We onboarded clients operating in travel and lifestyle, each highlighting the growth demand for bundled lifestyle-driven benefits that enhance corporate offerings. Our expanding base of enterprise partnerships further strengthens our role as a value enabler across diverse B2B2C use cases. We continue to build a strong and expansive network. Our global footprint also expanded, and we now offer almost access to 850 lounges worldwide, ensuring seamless travel experiences for our customers wherever they go.

In Lifestyle access services, our Golf portfolio showed strong momentum. We have added 60 new international touch points, expanding our global network to 800+ clubs and increasing our India presence to 64 clubs. Our new premium services like Coffee at Malls at almost more than 250 outlets and access to social clubs, across 3,000+ clubs across the globe is increasingly becoming popular.

This quarter reflects our focused approach on shaping long-term growth to 3 strategic levers. First, we are actively diversifying beyond lounge into offerings like Coffee at Malls, spa, wellness, access to social clubs, golf so on and so forth. Second, we continue to grow our enterprise portfolio by delivering curated programs, tailored to evolving client needs, especially in workforce engagement and wellness.

And of course, third, we are deepening our geographic footprint across India's non-metro cities as well as international markets, broadening our reach while balancing exposure. These levers, which are diversification, enterprise expansion and geographic scale form the foundation of our forward strategy.

They reduce category dependence and, of course, opens new pathways for sustainable high-margin growth. In summary, Q1 FY '26 has been a consistent and a forward-looking quarter. As we continue to execute with clarity and discipline, we remain

confident in the strength of our platform, the depth of our partnerships and the directions we are heading towards. Over to you, Balaji.

**Balaji Srinivasan:**

Thank you, Sandeep. I'm excited to share how our ongoing investments in technology and innovation are making a real difference, improving performance and strengthening our reputation as a trusted partner in various industries. We are at a pivotal point where we are making major transformation in our tech platform.

This strategic transformation is powered by a modern, cloud-based tech platform, enabling real-time collaboration, efficient growth and quick responses to customer feedback. This has evolved our system from a simple operational tool into a vital strategic asset, creating personalized and user-friendly experiences for our clients, tech-savvy customers.

With our in-house tech infra capability and adaptability, it helps us to be future-ready for the impressive expansion in enterprise client base and new services. We're also developing a flexible platform that allows customers to easily customize and bundle services.

One of the most exciting features of our platform is a smart system that helps customers use our services in a flexible manner. This technology allows people to choose from both traditional services and new modern ones, and they can mix and match these services depending on what fits their goals, preferences and budget.

Overall, our goal is to help customers provide more value to consumers. We are giving users more choices, more control, which means a better and more personalized experience for everyone using our platform. A key part of this strategy is leveraging our core strength, our fungible and spend-based models.

This unique approach allows us to offer a wide array of choices to the consumer, enabling us to serve a broader range of consumers ever than before. Importantly, our tech is integrated into our client systems, allowing us to create data-driven solutions that address real business needs.

We don't just provide tools. We work with our clients to develop long-term solutions. We are continuing to work on bespoke solutions for our global clients, corresponding to our focus in new regions of Southeast Asia, Middle East and other regions and also streamlining integration for dynamic pricing at both client and vendor end. In summary, our focus on innovation is changing the service landscape. We are building scalable systems that align with our client goals.

Our mission is clear: to drive measurable success while staying agile and responsive in a rapidly changing world. I will hand over to Shekhar for an update on the financials for the quarter ended on 30 June 2025. Over to you, Shekhar.

**Shekhar Sood:** Thank you, Balaji. A warm welcome to everyone joining today's call. We are pleased to share that the company has delivered a steady performance in the first quarter of FY '26. Let me now walk you through our Q1 FY '26 financial results. During this quarter, we posted operating revenue of INR 348.9 crores, up from INR 320.8 crores in Q1 FY '25, marking a year-on-year growth of 8.8%.

Gross profit stood at INR 46.6 crores, an increase of 24% over INR 37.6 crores in Q1 FY '25. Our gross margin stood at 13.3% in Q1 FY '26 compared to 11.7% in the same quarter last year. Adjusted EBITDA, excluding non-cash ESOP expenses, stood at INR 30.5 crores, reflecting a year-on-year increase of 18.7%. This resulted in an adjusted EBITDA margin of 8.7% in Q1 FY '26 compared to 8% in the same quarter last year. Our adjusted profit before tax stood at INR 29.5 crores, growing by 19.7% with an adjusted PBT margin of 8.4%.

Profit after tax for the quarter was INR 21.3 crores, up by 24% from the previous year and the PAT margin stood at 6.1% in Q1 FY '26 compared to 5.3% in the same quarter last year. Quarter-on-quarter basis, our revenue grew by 11.11%, while our adjusted EBITDA grew by 21.1%. As of June 30, 2025, our net worth stood at INR 322 crores, growing by 26.6% over Q1 FY '25, which was INR 254.5 crores.

Now I request the moderator to open the floor for questions.

Commentary for Q&A instructions is not included

**Moderator:** The first question is from the line of Narsik from Systematix. Please go ahead.

**Narsik:** I just want to understand as per July 1 circular you informed that banking customer has switch off the contract. So, you will inform the material revenue impact on the same. Can you please justify what will be the impact on our business?

**Sandeep Sonawane:** See, as Liberatha also mentioned in her speech that we are gauging as to what is the extent, we have already declared that 2 of the banks have already moved from our platform. And we feel there could be many more banks who are under pressure. In fact, we are aware of this. So, the extent of problem cannot be gauged at this point in time.

**Liberatha Kallat:** So just to actually add on that the contracts have not been cancelled with us. The contracts are still ongoing with all these clients. And there are different programs which are still running. And apart from that, there are other new additional programs, which are also in pipeline in terms of closure (finalization).



So, I would say that it is not that we have mentioned that partially the business of these clients have been impacted. However, if you actually see there is still a portion of business, which is still continuing with this client.

- Moderator:** The next question is from the line of Shreyans Mehta from Equirus.
- Shreyans Mehta:** First, can you quantify the number of pax which have visited our lounges during the quarter?
- Sandeep Sonawane:** For the quarter, 2.58 million.
- Shreyans Mehta:** Got it. And is there any one-off or any other income which we booked during the quarter because or is it primarily because of the hikes, which we might have taken during the quarter?
- Shekhar Sood:** No. So as far as other income is concerned, there is no exceptional income, which has been booked in the current quarter.
- Shreyans Mehta:** No, no. I'm not talking about the other income. Anything which we might have booked in the revenue from operations, the core operations? Any onetime income in case?
- Shekhar Sood:** Shreyans, there is nothing exceptional that has been booked there. It's purely normal business operations revenue.
- Liberatha Kallat:** The contracts Shreyans, from April, there is the price revision, right? So those are the changes which you can see in the revenue.
- Shreyans Mehta:** Got it. And secondly, I can understand the situation is still evolving. But what are we doing to stop the other services being moved from our platform because even that can be replicated by the competitor?
- Liberatha Kallat:** So actually, if you look at it, Shreyans, right now, I'm sure you are understanding what is happening, right? So, the competition was there in the past as well, but the competition was more in terms of, I would say, technology or commercial or packaging, right? But right now, the competition are not on these lines. It's more on, I would say, the real estate owner who is actually trying to get into this business, right? So I would not consider this as a competition.
- Now secondly, you're asking that whatever other things what we are developing, we would not have a competition. I would not say that there would not be a competition. But I would say that this type of things would not have. I would say that, yes, like in past, I said there were players who were coming and trying to compete. So, there would be players who would try here as well.

But I would say that it would take time for them because right now, what we are building in is, it is more in terms of creating a complete customer value proposition. Unlike the dependency was only on one particular benefit which was lounge. Right now, what we have created is not to have a dependency on one benefit, but rather we are actually building packages, and that's what the creation is.

Secondly, it is not focusing on travel. It is, I would say, these packages are more on non-airport related. There is travel included in this. There is lifestyle services in this. And I would say that like the real estate owners who are trying to get into this business, there would not be something such which will happen in what we have created now.

**Sandeep Sonawane:** And also, Shreyas, not to forget, see, the engine, the technology engine that we have, which Balaji has alluded to, and whatever integration that we have already done with the bank, that allows us to really tailor-made bespoke packages, which for any other operator to come and enter into this business and start delivering these kind of bespoke tailor-made solutions will be very, very difficult. The fungible model, the spend-based model will definitely be our strength, and it continues to be part of it.

**Moderator:** The next question is from the line of Neerav Shah, a Retail Investor.

**Neerav Shah:** I would like to know for this quarter 1, the revenue split or maybe percentage-wise, if you can provide on the lounge and the non-lounge services, sir?

**Sandeep Sonawane:** So, lounge services remained at close to 93% and rest was 7%. So, there is almost similar what we had actually quoted in the last quarter.

**Neerav Shah:** Got it. Now there must be apart from as ma'am has shared multiple times, there are ways that we are taking initiatives in other, wellness, maybe the coffee on the malls. Apart from that, are there any active discussions or maybe strategic initiatives to mitigate this volume because I'm sure from quarter 2, we might see a different number in that profit like percentage deviation, the business coming from the lounge access?

**Liberatha Kallat:** See, you're right. So apart from what we have spoken about the services, yes, we are also in talks for the strategic partnership, I would say. Rather, I would say, in terms of acquisitions, right? So we have shortlisted a couple of them. And once it is at the closing stage, for sure, we will announce those. And these acquisitions will surely help in company's top line and also the P&L.

**Moderator:** The next question is from the line of Vishal Mehta from IIFL Capital.

**Vishal Mehta:** Pardon my ignorance here, but while I understand that you have categorized your non-lounge services into broad categories, but if you can elaborate with few live examples on your non-lounge services that is both on your banking client side as well as on your

corporate client side, that would be helpful to understand really what you guys are probably building.

**Sandeep Sonawane:** So, I will put it in two buckets. There are services which are already live, and you are aware of all the services, and we have been mentioning quarter-on-quarter, like whether it is railways, whether it is spa. Also, there is another category of services that we have developed, which I did mention that I will talk a little later because as and when we bundle these and give it to the clients, which we are in discussion with, and you will also appreciate that these kinds of discussions take a little longer and the closure takes a little longer. So, you will soon hear from us.

And of course, golf also, we are bullish. I did mention about even access to the social clubs, because it's an exclusive service. The responses that we are getting from our clients, both bank as well as enterprise are really promising. And you will soon hear from us. I am not mentioning any other service at this point in time because I have to close the agreements. Only then I will be able to share that. Maybe in the next quarter call, earnings call, I think we should be able to share those.

**Vishal Mehta:** Okay. So, second question, would your margins here be dilutive compared to your lounge services at an EBITDA level, because you would obviously need more manpower and admin to take care of these small services, right, small and staggered services.

**Sandeep Sonawane:** So, I'll tell you two things, fine. So one is that all the services other than the lounge will always come at a slightly better margin that we have mentioned it many, many times, so point number one. And point number two, what was your second question, sorry?

**Vishal Mehta:** How will it affect the EBITDA?

**Sandeep Sonawane:** Okay. In terms of the GTM model that is required to acquire services, that also, if you were to look at it last year, we have increased our manpower. And I think whatever GTM model that we have adopted the current number of people should help us in terms of navigate through. However, obviously, every single year, whether it is technology side, whether it is operations, whether it is even commercial side, as and when we think there are people required, we will definitely take, which is part of our regular business as usual and budgeting. So, nothing special, which we did last year in terms of increasing manpower.

**Moderator:** The next question is from the line of Nilesh Doshi from Prospero Tree PMS.

**Nilesh Doshi:** I would like to ask the two major banks have shifted their business with the Dreamfolks. So why the Dreamfolks fails to retain them? What are the major causes,

whether it is the lounge operator offering the better deals, or are they not satisfied with the Dreamfolks Services? What is the exact reason why the Dreamfolks fails to retain them?

**Sandeep Sonawane:** See, frankly speaking, the fact that the same clients are working with us other than the lounge service, I think, gives you a rough idea as to whether the client is happy with us or not. As we speak, both the clients are also having some programs which are still running on our platform and continue, however small they might be. So that answers your question.

I think there are things which cannot be told, and I will refrain from saying anything. But just to give you a little bit of comfort that the clients are definitely happy with what we are doing. It's been 13 years we are working with these clients.

And the fact that they are wanting us to come out with newer and newer proposals shows this is a testament for what we have done in terms of technology and of course, the kind of services that their consumers are happy adopting or using. So, I don't want to say beyond this. So, to answer your question, yes there could be definitely more reasons. And I think we all of us are actually reading newspaper, watching televisions. I think the reasons are out there.

**Nilesh Doshi:** So I understand that what you want to say, and I understand that. Sir, so whether this lounge operator will directly offer the same offer, which they have offered to the Axis Bank as well as the ICICI Bank to some other bank.

And thereby, we may lose the further business because we are currently enjoying, or in the last presentation, it was mentioned that more than 90% or around 90% market share we are enjoying those who are accessing the lounge through the card. So will that market share come down substantially because still today, 93% revenue is coming from the lounge business. So, what is sustainability of our business?

**Liberatha Kallat:** So, if you have actually heard me in the speech as well, I have clearly mentioned that, yes, even the other clients are under pressure, and there are chances of this migration. And this is one of the reasons that why we have immediately changed our focus also in terms of getting the other services immediately integrated with the banks.

So, and we completely understand that, and I'm sure you also understand the way the market right now is because there are certain areas where we cannot have the control. One important thing what Sandeep actually mentioned to you that our client relationship, what we have, okay. Even though these clients who have migrated the lounge program, still continue to have the contracts with us. It's not that our contracts have been ended. Our contracts are still live.

There are programs which are still running with these clients. And furthermore, we are also in discussion with them for activating the other services as well and other programs as well. So initially, I would say that yes, lounge was the main product, our focus was, I would say, not as much how we were focusing on the lounge business was, I would say, the percentage was lower for the other business growing.

But right now, yes, the way the business dynamics have changed, I would say that our complete focus is to ensure that all the other services get integrated, and we launch it at the earliest. And let me also tell you that for the same thing, all the banks are supporting us because whatever is happening, even the banks or the clients are also not comfortable.

**Sandeep Sonawane:** And for the sustainable growth, Liberatha has already mentioned that there are a few acquisitions, partnerships that we are trying. And of course, our global focus will significantly increase from what we have done so far. So, this helps us in terms of giving assurance that, yes, our business model will be sustainable. Yes, there could be some hiccups. But I think in a long term, we stay committed to building our business.

**Nilesh Doshi:** So, can I summarize in one sentence that the lounge operator becomes the aggregator, and they have become direct competitor of the Dreamfolks, and they are grabbing the business from the Dreamfolks by hook or crook?

**Liberatha Kallat:** I would say that they're trying to become a competition only for the lounge business, but whatever the other new things what we are building up, they are not the competition for Dreamfolks.

**Moderator:** The next question is from the line of Navin from ithought PMS.

**Navin:** So, my first question is going to be related to the employee benefit expenses. I'm just seeing that for the last couple of quarters, it's been inching up. And the last time I asked about it, I was told that we are hiring to help with the business development side. So, I just want to understand that this incremental cost, is it mostly like value growth where you increase wages or are you still hiring more people aggressively?

**Sandeep Sonawane:** So, I did mention that whatever hiring that was done for growing the enterprise business was done. Whatever hiring that we will do will be business as usual. I hope that answers your question. So, I mean, business as usual this year.

**Navin:** So the next question is going to be about margins. So, correct me if I'm wrong, but I heard it improved slightly year-on-year from 11.7% to like around 13% this year.

**Liberatha Kallat:** Yes.

- Navin:** So, I just want to understand like do we know what drove this increase and whether it's structural or will we see it go back to the 11% - 12% level? Maybe something like a favourable product mix or something like that?
- Balaji Srinivasan:** Yes. See, actually, there is going to be a change of the product mix. And we are slightly at an early stage to make a conclusion of what or how it is going to shape up. So, I think at this stage, we are unable to make a comment on that. But we are happy with what we have delivered in Q1.
- Moderator:** The next question is from the line of Nitin Shah, an Individual Investor.
- Nitin Shah:** So, I would like to know what will be the percentage of client breakdown, like we have partnered with banks, credit cards, then OTAs, airlines. So which vertical contributes the most basically?
- Liberatha Kallat:** It's a mix between the banks and the enterprises.
- Nitin Shah:** Percentage revenue contribution from different verticals like banks, airlines, OTAs, the different customer verticals that we have.
- Sandeep Sonawane:** Yes, I think we can answer these questions, separately one-on-one, if needed.
- Nitin Shah:** Okay, okay.
- Sandeep Sonawane:** But broadly, we have already spoken. Other than the lounge service, I mean the margins are high. And also, if you were to look at it in terms of the client, so enterprise client would obviously have slightly better margins than the margins that we enjoy with the bank as a client.
- Nitin Shah:** Correct. Correct, sir. Okay. Got it. The next question would be what led to this margin uptick compared to the Q1 last year?
- Sandeep Sonawane:** So this is Business as Usual. I mean, there is always a push and pull whatever negotiations that we do. Basically, we get the rate escalation from the operator side or vendor side, and then we actually give to the client. So, it is basically that.
- Nitin Shah:** Okay. Would we be able to maintain, or could there be an upside to this? Any thought on this?
- Sandeep Sonawane:** I think Bala just answered this question that we are actually going to integrate or adopt more and more other services other than the lounge. And I did mention that those margins will be slightly better, so yes.

- Nitin Shah:** Yes, I understand the margins will be better, but the realization of the volumes are still pretty miniscule, say, about 6% to 7%, the non-lounge services, and would it be really that effective? That's the reason as of now or even for the next 1 or 2 years as well. So that's the reason I was asking, I mean, where would we get the traction from? That was what my main query actually then.
- Liberatha Kallat:** So I would say that right now, the way the model is, right, if you actually look at the model and what Sandeep was trying to explain was more into per pax transaction or a per transaction model, right? But however, right now, as we mentioned to you that we are actually building a complete CVP, which is a customer value proposition.
- In that, the model is slightly different. It is not actually going to be a per transaction, but it's a membership model. It's actually a package what we are building in. So it will be very difficult right now to actually talk about what the realization is going to be.
- Moderator:** The next question is from the line of Shreyans Mehta from Equirus Capital.
- Shreyans Mehta:** Can you quantify the revenue share from the two banks who have terminated the contract?
- Liberatha Kallat:** Shreyans, as we mentioned, they have not terminated the contract. The contract is still in place. And secondly, not all the programs are switched off. We are still continuing the program. And Sandeep has just mentioned that we will not be able to quantify that right now. Maybe in the next call, we will be able to actually give you these numbers.
- Shreyans Mehta:** So, I agree. I mean, not termination, that was a wrong word, but where they've cancelled the lounge part of the business.
- Liberatha Kallat:** Even in the lounge part, Shreyans, there are certain bins or certain cards which are still on our platform, so the migration is not 100% yet. There are programs that are still with Dreamfolks.
- Shreyans Mehta:** I mean to say, for example, if ICICI might have, say 8 or 10 variants. Of that, probably 5 would have transferred or would have moved away. So those would have moved from -- effective from July?
- Balaji Srinivasan:** I think, Shreyans, without getting into specifics because this is something that is part of a larger migration without getting into specifics of clients, I think Liberatha has already kind of made a summary of the whole process. But I think the larger picture, what Sandeep was trying to mention is that the point is we are not working with only lounges, there's a larger change that you will actually see in the next month or so and maybe you will -- of course, we will be sharing that in a larger group once it happens.

But the structuring of the benefits is not going to be limited to lounges going forward. And that is the change that we are working with our clients to see how it could happen, and it's going to happen fairly fast. So I think let's just wait for maybe a quarter and by then, we should have some interesting news to share with all of you.

**Moderator:** Ladies and gentlemen, due to interest of time, that was the last question for today. I now hand the conference over to Ms. Liberatha ma'am for closing comments.

**Liberatha Kallat:** Thank you all for joining our earnings conference call. We hope your queries have been answered. For any further queries or information, please contact our Investor Relations team at EY. On behalf of the company, I thank you all, once again, for your time and participation. Do take care of yourself, and goodbye. Thank you.

**Moderator:** Thank you, ma'am. On behalf of Dreamfolks Services Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.