

March 6, 2026

INDIA | REAL ESTATE |
INITIATING COVERAGE



Flexible Workspaces

From Niche to Mainstream



Enterprise-led
demand provides stability

Market share
consolidated at top

Initiate on
WeWork, Smartworks and
IndiQube with a BUY each

Flexible Workspaces From Niche to Mainstream

Flex workspaces are fully serviced, ready-to-use office solutions that allow businesses to lease space on flexible terms rather than committing to long-term traditional leases. Flexible workspaces are firmly embedded into the mainstream of India's office market; for context, flex stock in India burgeoned at a 24% CAGR from ~34msf in CY19 to ~100msf in CY25. Flex spaces now make up about one-fifth of the total Grade-A office space uptake, up from 10–15% a few years ago, reflecting occupiers' growing preference for flexible and experience-led workspace solutions.

The evolution of flex workspace in India can be divided into three phases. The initial phase was startup-led coworking focused on freelancers, SMEs and early-stage companies seeking low-cost, plug-and-play offices with minimal commitments. It was characterised by short tenures and high churn. The second phase marked increased adoption by mid-sized corporates using flex workspaces for satellite offices and project teams.

The current phase marks a structural shift towards enterprise/GCC-led demand, with larger seat commitments, longer contract tenures and campus-style managed offices. This transition has improved revenue visibility and institutionalised the sector, propelling it from traditional coworking to an integrated corporate RE solution.

We are initiating coverage on WeWork at BUY with a TP of INR 830, valuing it at 15x FY28E EV/EBITDA. We argue WeWork is a better play on the commercial office upcycle given its superior returns profile as well as growth trajectory than office REITs. Premium positioning, a net cash balance sheet and an inexpensive valuation make WeWork our top pick in the space. We value Smartworks at FY28E EV/EBITDA of 14x; initiate at BUY with a TP of INR 630. We are also initiating IndiQube at BUY with a TP of INR 280, valuing it at FY28E EV/EBITDA of 14x.

Enterprise-led demand provides stability: Demand from Global Capability Centres (GCCs) and large enterprises is reinforcing the long-term relevance of the flexible workspace model. Large organisations are increasingly adopting “core-plus-flex” real estate strategies, using flexible space for expansion teams, innovation hubs or temporary projects. This enterprise demand – characterised by relatively longer tenures (and low churn) – accelerates path to stabilisation. For the three companies, enterprises account for 50–90% of revenue and the share of 1,000+ cohorts is increasing consistently. The average enterprise seat uptake over 2026–27 is expected to be about 200,000 seats, marking a 25% jump over the seat uptake in the preceding two-year period.

Large operators benefit from lower stabilisation cycle: From an operator's perspective, project IRRs are highly sensitive to rental sourcing and revenue-to-rent multiples. At ~2x multiple, 90%+ stabilised occupancy and 5% escalations, a managed campus can deliver mid-teens' IRR over a five–seven-year horizon. However, institutionalised operators that optimise fit-out costs, achieve 2.2–2.4x multiple and stabilised occupancy within a year can deliver superior IRRs with capital payback under four years.

Intense competition but market share consolidated at top: While the industry is characterised by intense competition with c. 500 flex workspace operators managing ~2,200+ centres, the upper end of the market is driven by enterprise RFPs, wherein selection criteria extend beyond price to execution capability. Large corporates increasingly favour operators with multi-city presence, campus-scale developments, standardised fit-outs, consistent service quality and strong balance sheets. As enterprise demand rises, competitive edge shall gradually shift towards scalable, institutional platforms. The top four operators hold a combined market share of c. 35%; given their improved cash flow position and net cash balance sheets post-IPO imply they are well positioned to capture even a higher share of incremental supply.

Valuation comparables

Particulars	CMP	Mcap (USD bn)	Rating	TP	FY26E–28E CAGR (%)		EV/EBITDA	
					Revenue	EBITDA	FY27E	FY28E
Co-working (Pre-IND AS)								
WeWork India Management	449	0.7	BUY	830	24%	26%	10.0	8.2
Smartworks Coworking Spaces	395	0.5	BUY	630	26%	30%	10.8	8.3
IndiQube Office Spaces	171	0.4	BUY	280	24%	28%	9.1	7.3

Source: Company, Bloomberg, JM Financial, Note: CMP as of 6 March 2026

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JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

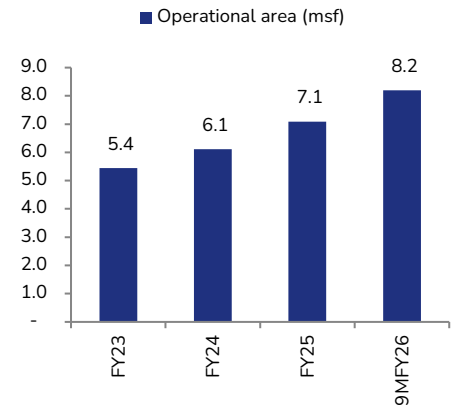
Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Investment Summaries

WeWork India Management

Launched in 2017, WeWork India (WeWork) is the largest flexible workspace operator (by revenue) providing high-quality, scalable office solutions to a diverse client base led by enterprises. The company's centres are largely located in Grade A technology parks and premium CBD assets, with over 80% of the portfolio concentrated in Bengaluru, Mumbai and the NCR. Its affiliation with Embassy Group (promoter) and WeWork Global facilitates access to prime office assets while strengthening its ability for tenant acquisition. It expanded seat capacity from 63k to 109k over FY22–25, clocking a 35% CAGR in revenue. We expect the pace of seat addition to sustain and estimate a revenue/EBITDA CAGR of 24%/26% over FY26–28E. Backed by a net cash balance sheet and healthy OCF, we expect WeWork to comfortably fund the capex for new centres. Valuing the stock at 15x FY28E EV/EBITDA yields a TP of INR 830; initiate with BUY. (For details, please click the company name above.)

WeWork

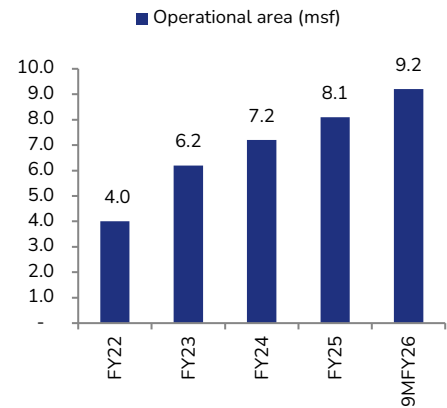


Source: Company, JM Financial

Smartworks Coworking Spaces

Smartworks is India's largest managed campus operator in terms of total AUM (rose from 12msf in Mar'25 to 15msf by Dec'25). It started operations in FY16 as a co-working space provider and pivoted to managed business in FY19 to cater to mid-to-large enterprises. It accelerated its expansion over FY22-25 by adding a total leasable area of 5msf, which translates into 40% CAGR. The company specialises in taking up large centres and driving operational efficiencies through scale and scope, thereby benefiting from operating leverage. Most of the large leases signed flex operators in India (above 0.5msf) have been taken up by Smartworks, with the largest centre of c.0.8msf located in Mumbai. Its demand profile is now increasingly anchored in large enterprises, which contribute ~90% of rental revenue, with ~35% coming from clients requiring more than 1,000 seats and over 30% from multi-city occupiers. It has also launched a dedicated platform to tap into growing demand from GCCs by offering ready-to-operate campuses along with ecosystem of partner-led services. We expect the company to achieve 26% CAGR in revenue over FY26E-28E led by a tied-up pipeline of c.15msf (only 9msf operational) and contractual growth in rentals. Ramp-up in occupancy and expanding mature footprint will drive higher growth in EBITDA at 30% CAGR. We assign 14x EV/EBITDA to FY28E normalised EBITDA, yielding a TP of INR 630; initiate coverage with BUY. (For details, please click the company name above.)

Smartworks

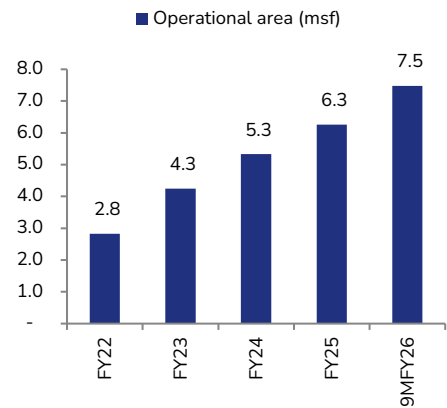


Source: Company, JM Financial

IndiQube Spaces

IndiQube has evolved from a single-building flexible workspace experiment to an integrated managed office platform of national scale in a decade. Founded in CY15, it has expanded its portfolio to an area under management (AUM) of c.9.5msf and 210k+ seats (end-3QFY26). The network spans 17 cities, including the recent entry in emerging markets such as Bhubaneswar, Indore, Kolkata and Mohali - a calibrated strategy of capturing enterprise and GCC demand beyond Tier-1 cities. Even as expansion remains broad-based, the portfolio remains strategically concentrated in key southern markets. These markets account for a disproportionate share of office absorption, ensuring stable long-term demand. Additionally, IndiQube is deepening its value-added services (VAS) and enterprise solutions such as design-and-build and workplace management. VAS contribution has risen to ~13% of revenue, indicating growing monetisation beyond core leasing and potential for other margin-accretive growth streams over time. We forecast a 24% revenue CAGR for FY26–28E, primarily driven by expanding seat capacity and 4–5% annual rental appreciation; Operating profits (EBITDA) are expected to align closely with revenue growth. We initiate with a BUY, valuing the stock at 14x FY28E EV/EBITDA with a Mar'27E TP of INR 280. (For details, please click the company name above.)

IndiQube

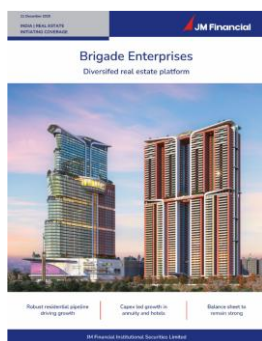


Source: Company, JM Financial

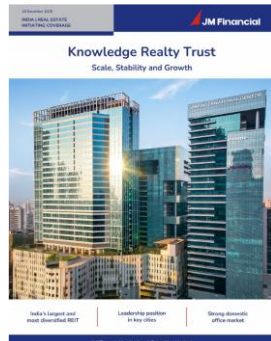
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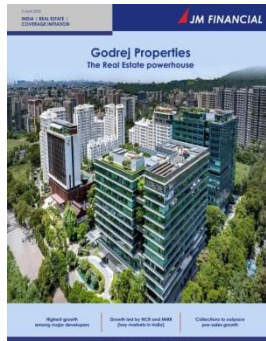
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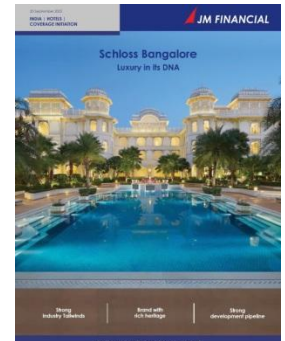
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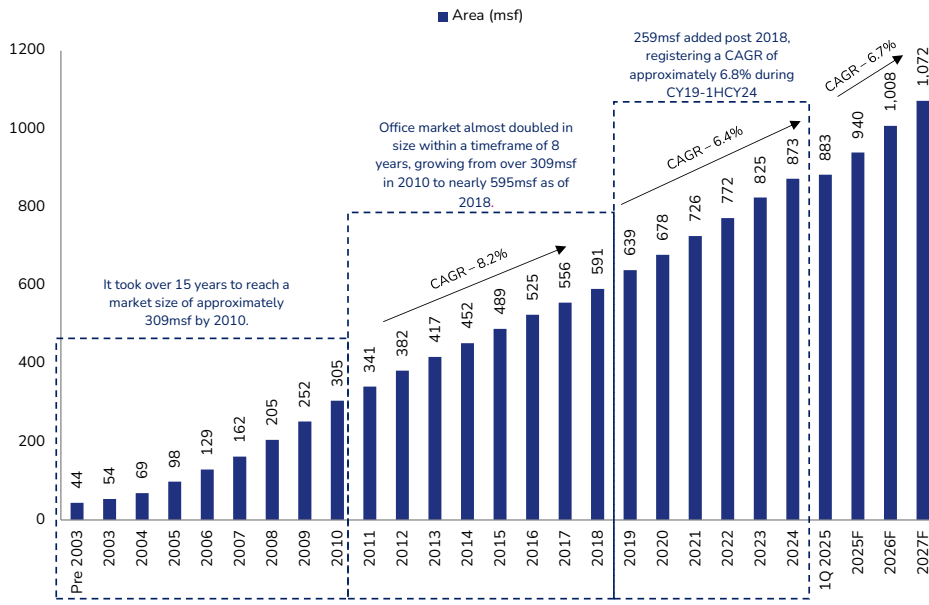
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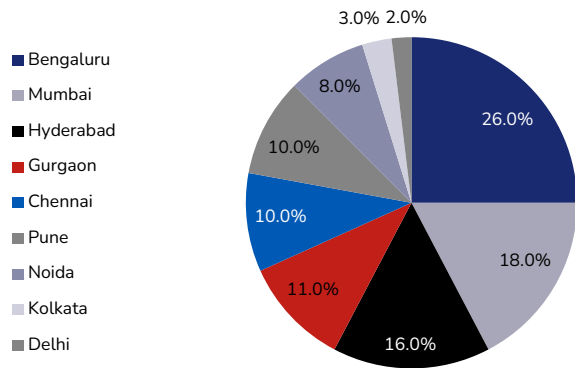
Focus Charts

Exhibit 1: India – Total office stock (pre-2003–2027F)



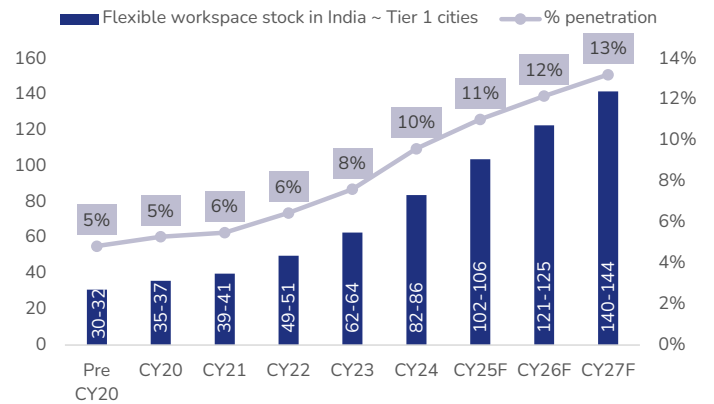
Source: CBRE Research, as of 1H CY24, Company

Exhibit 2: Top 9 cities in India – Bengaluru remains the largest market



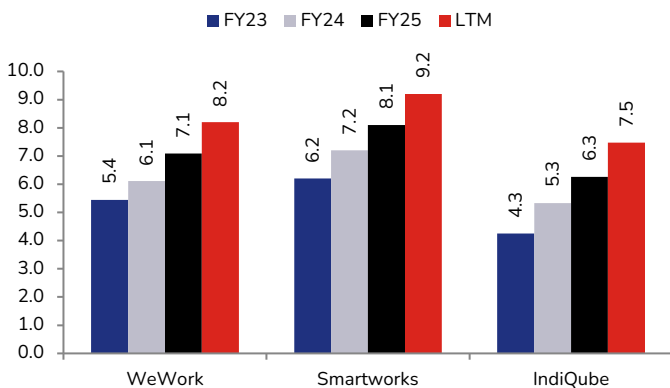
Source: Company, JM Financial

Exhibit 3: Flex penetration expected to reach 13% by CY27



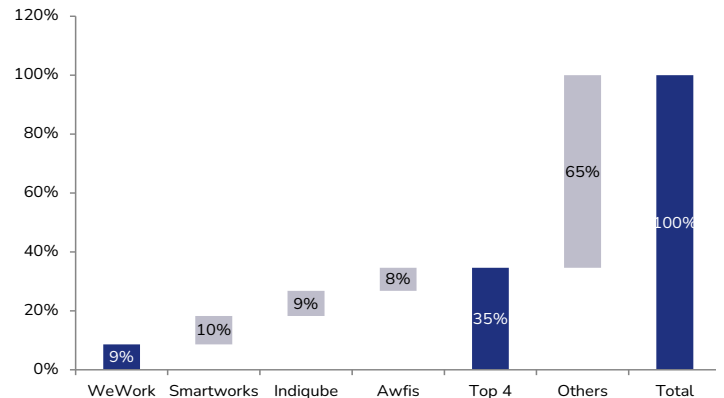
Source: Company, JM Financial

Exhibit 4: Operational footprint (msf) of three players



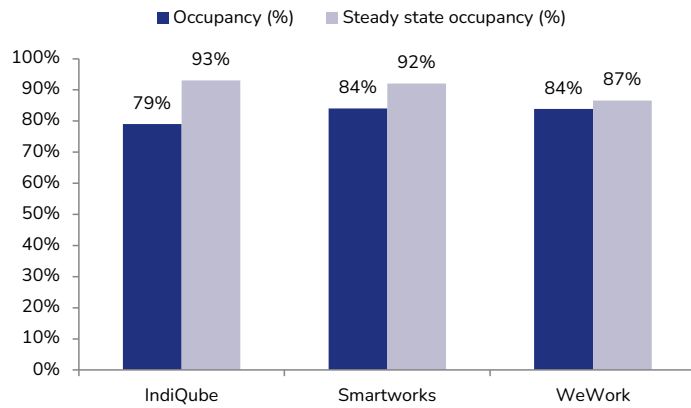
Source: Company, JM Financial

Exhibit 5: Top four players control over one-third market share



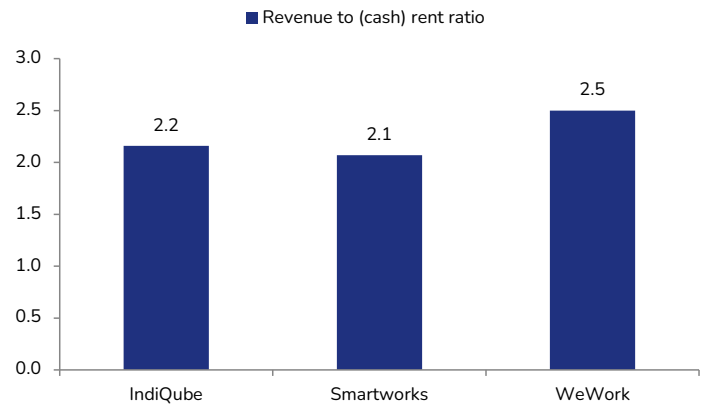
Source: Company, JM Financial

Exhibit 6: Occupancy and steady state occupancy trend



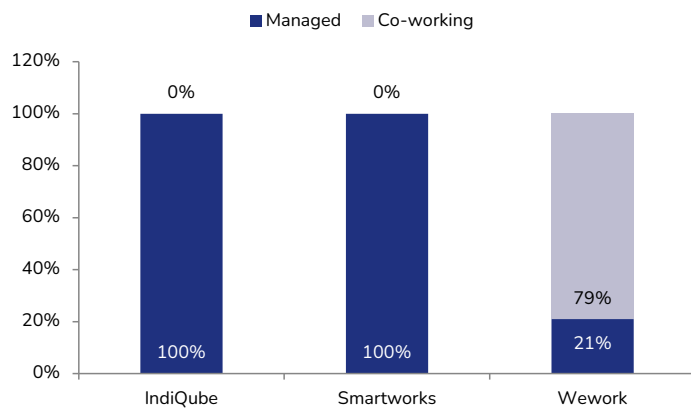
Source: Company, JM Financial

Exhibit 7: Revenue to rent ratio comparison



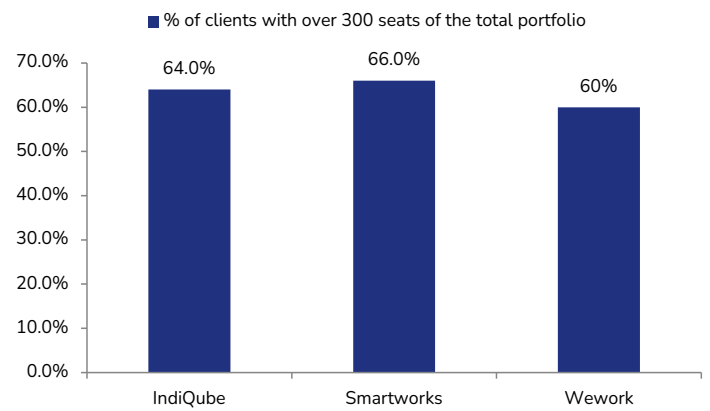
Source: Company, JM Financial

Exhibit 8: Portfolio split: Managed versus Co-working



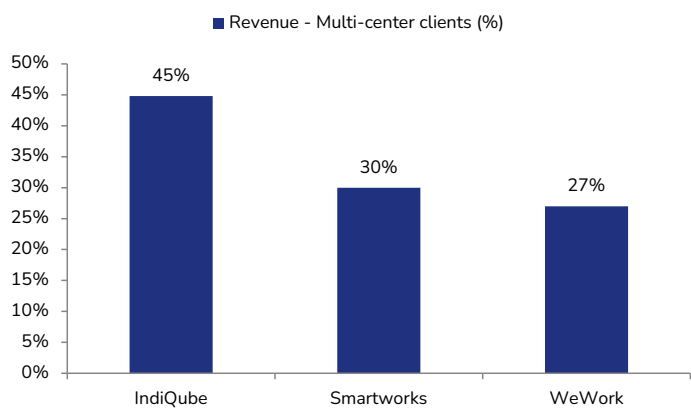
Source: Company, JM Financial

Exhibit 9: Large enterprise exposure, % of client with 300+ seats



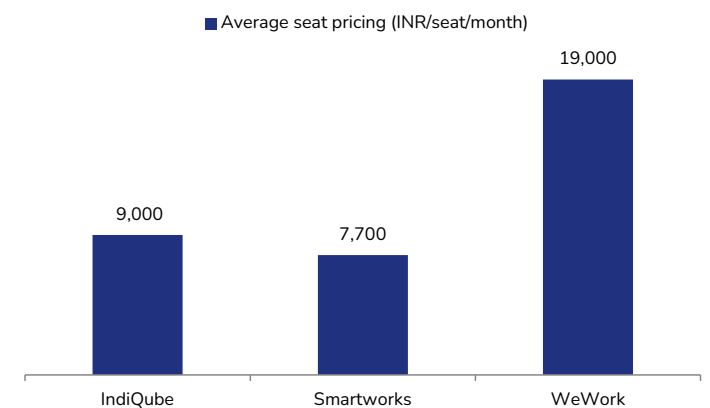
Source: Company, JM Financial

Exhibit 10: Revenue contribution from multi-centre clients



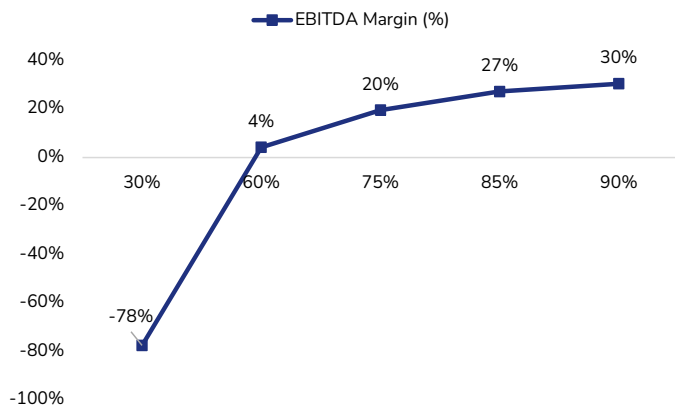
Source: Company, JM Financial

Exhibit 11: Average seat pricing comparison



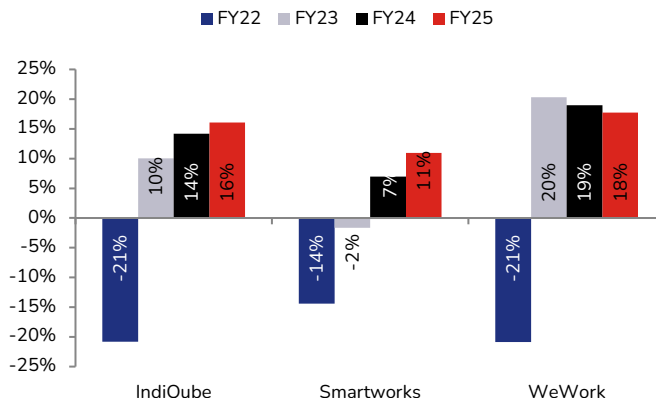
Source: Company, JM Financial

Exhibit 12: Operating leverage kicks-in post c. 60% occupancy



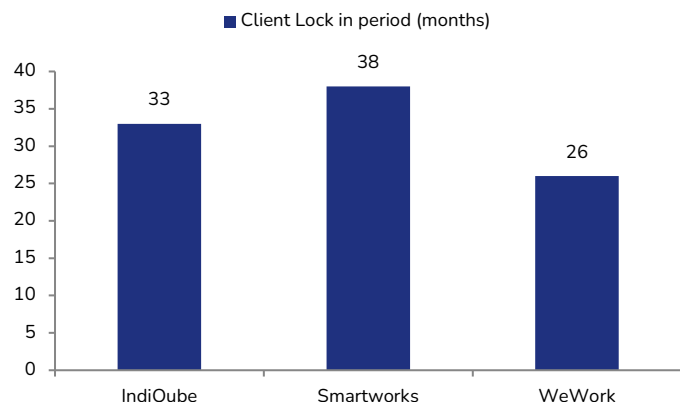
Source: Company, JM Financial

Exhibit 13: Return on capital employed



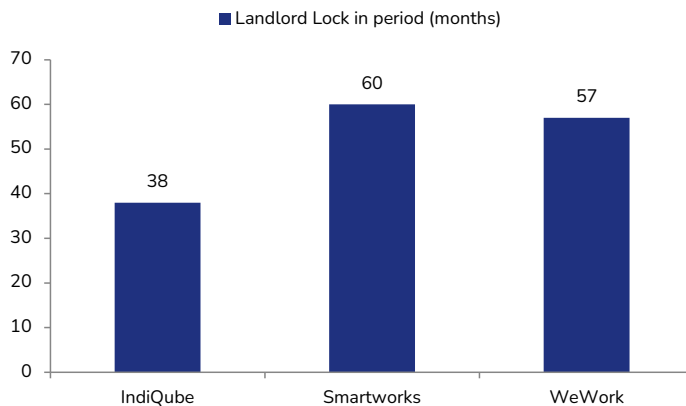
Source: Company, JM Financial

Exhibit 14: Client lock-in period



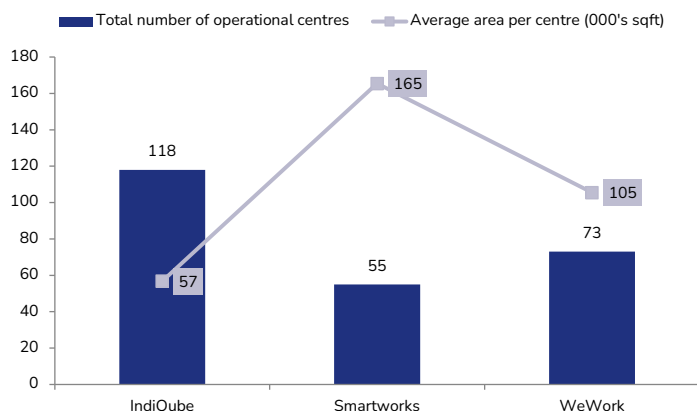
Source: Company, JM Financial

Exhibit 15: Landlord lock-in period



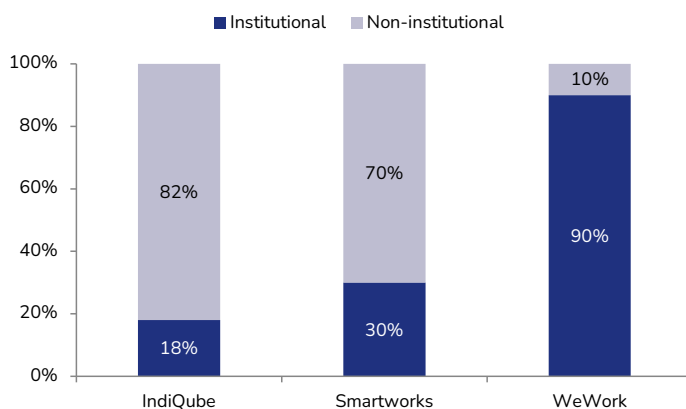
Source: Company, JM Financial

Exhibit 16: Total number of operational centres



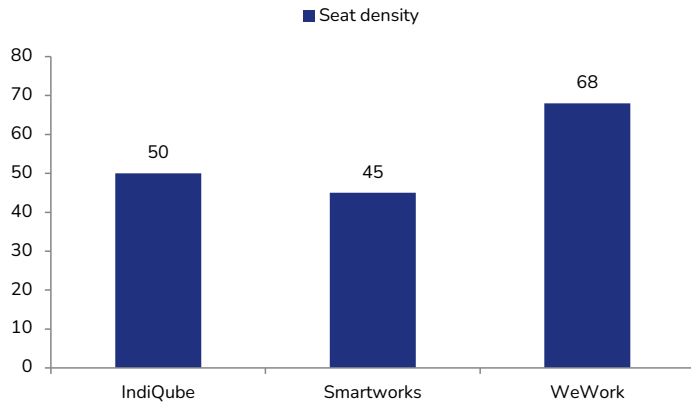
Source: Company, JM Financial

Exhibit 17: Institutional versus non-institutional portfolio split



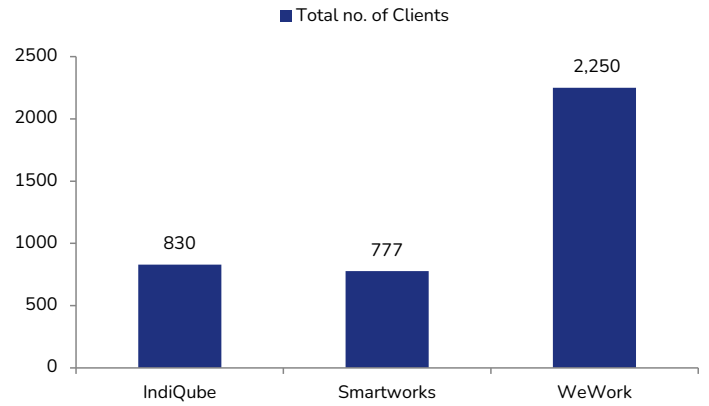
Source: Company, JM Financial

Exhibit 18: Seat density comparison across workspace



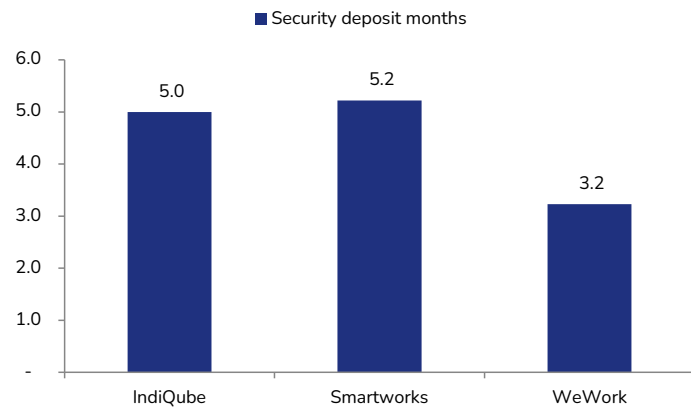
Source: Company, JM Financial

Exhibit 19: Total number of clients



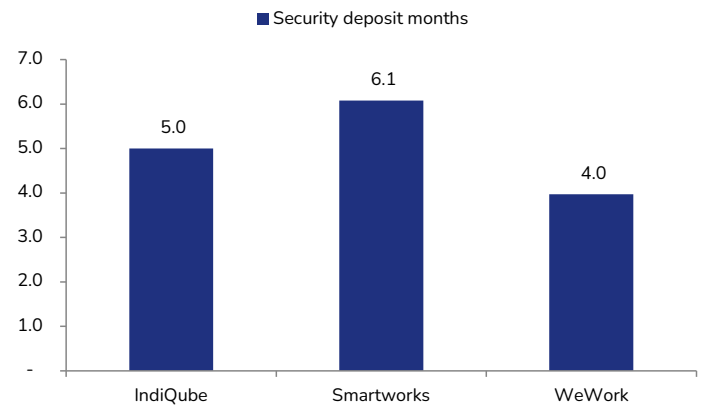
Source: Company, JM Financial

Exhibit 20: Client security deposit in months



Source: Company, JM Financial

Exhibit 21: Landlord security deposit in months



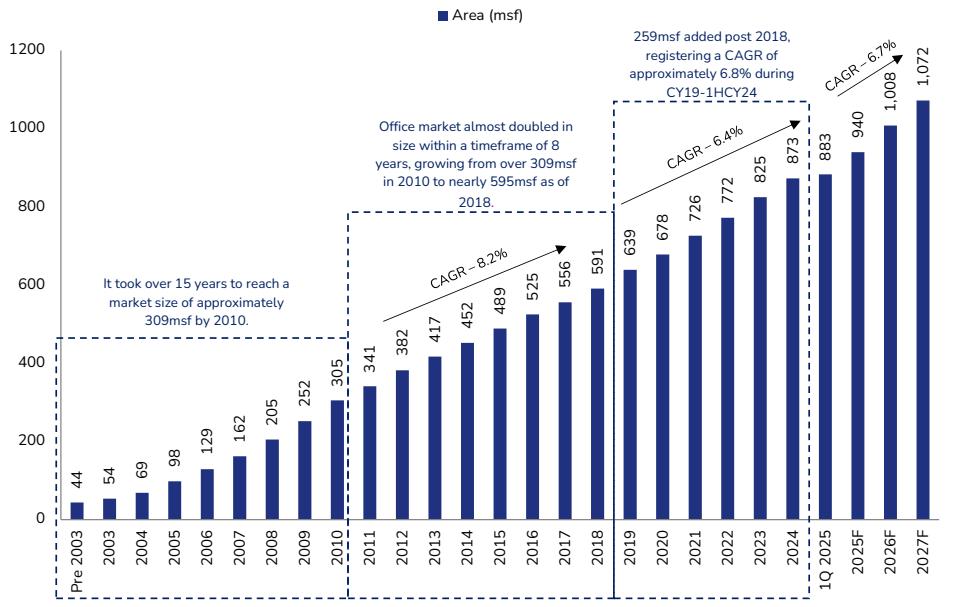
Source: Company, JM Financial

Industry Overview

India commercial office – Fourth-largest market in Asia

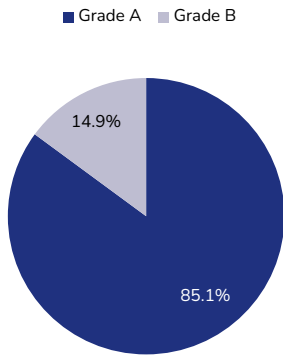
- India’s commercial office market has evolved into one of the largest and most institutionalised office ecosystems globally, underpinned by sustained growth in services-led employment and corporate formalisation. From fragmented standalone buildings pre-2000, the market transitioned to Grade-A business parks and integrated campuses post-2005 led by IT/ITeS expansion and SEZ development.
- Over the past decade, design standardisation, green-certified assets and amenity-rich campuses have become the norm. At end-Mar’25, India’s top-9 cities made up 880–900msf of organised office stock with a visible pipeline supporting mid-single-digit supply CAGR over medium term. The market is presently characterised by deeper institutional ownership, longer lease tenures and increasing occupier preference for scalable Grade A workspaces.

Exhibit 22: India – Total office stock (pre-2003–2027F)



Source: CBRE Research, as of 1HCY24, Company

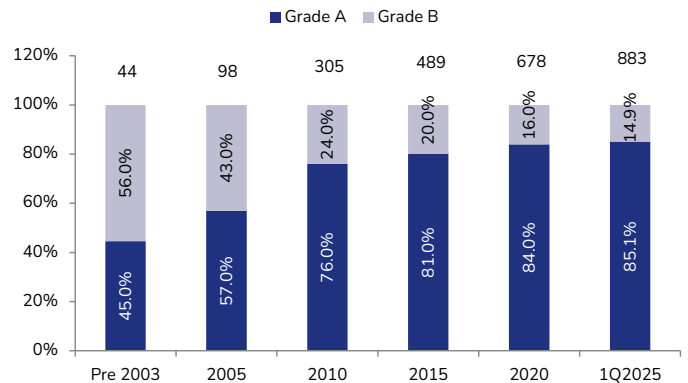
Exhibit 23: Grade A accounts for c. 85% of the stock...



Source: Company, JM Financial

- Demand remains concentrated in top 9 cities led by Bengaluru, the MMR and Hyderabad, which together form the core of India’s technology and corporate ecosystem. Bengaluru, the largest market in APAC, absorbed more office space than select APAC cities (Tokyo, Seoul and Singapore) combined over CY21–CY25, and it continues to dominate incremental absorption given its deep talent pool and GCC presence, while Hyderabad and Chennai benefit from cost competitiveness and infrastructure-led expansion.

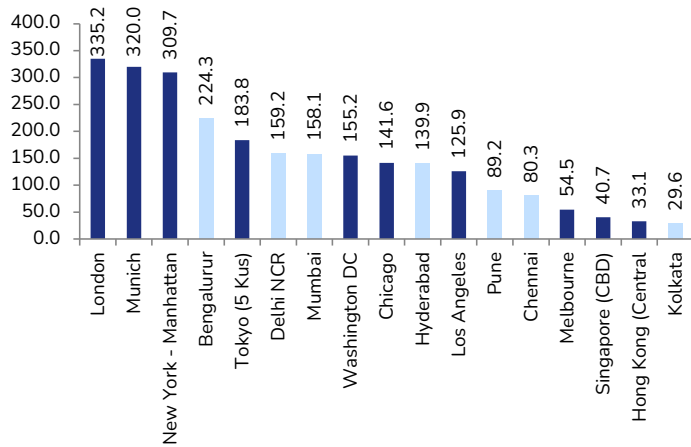
Exhibit 24: ...and share has increased rapidly over last two decades



Source: Company, JM Financial

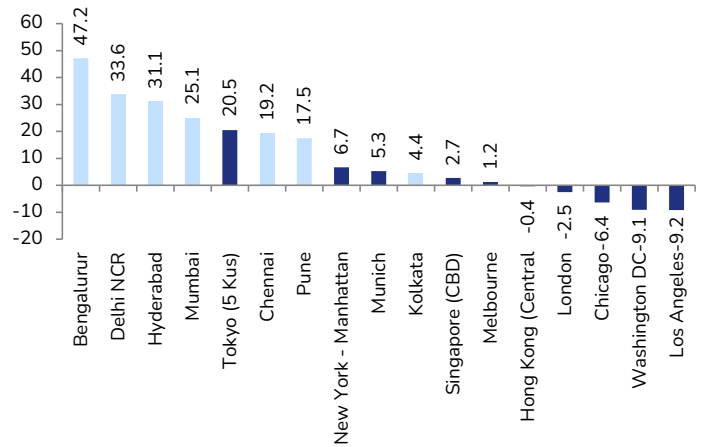
- The NCR and the MMR remain important enterprise hubs, though with greater sub-market dispersion and higher vacancy pockets. Demand is driven by IT/ITeS, GCCs, BFSI and large domestic corporates, with occupiers increasingly adopting distributed portfolios across multiple cities. Post-covid, return-to-office momentum, focus on employee experience and need for flexibility have reinforced demand for Grade-A assets in well-connected micro-markets.

Exhibit 25: Multiple Indian cities among top global markets



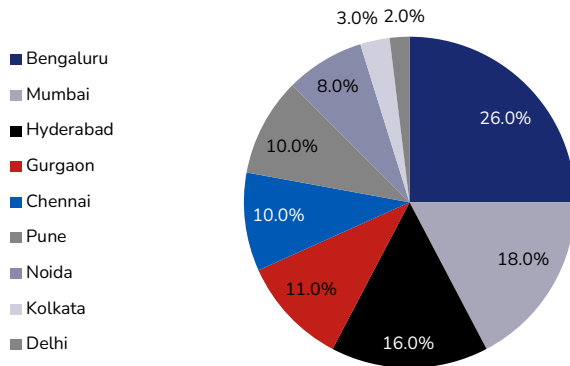
Source: Company, JM Financial

Exhibit 26: Bengaluru tops in terms of total absorption since CY21



Source: Company, JM Financial

Exhibit 27: Top 9 cities in India – Bengaluru remains largest market

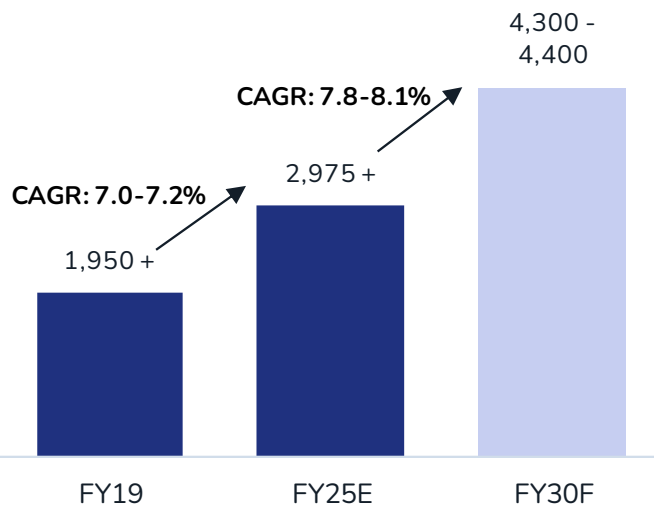


Source: CBRE Research, as of H1 CY2024, Company

GCCs – A structural demand driver

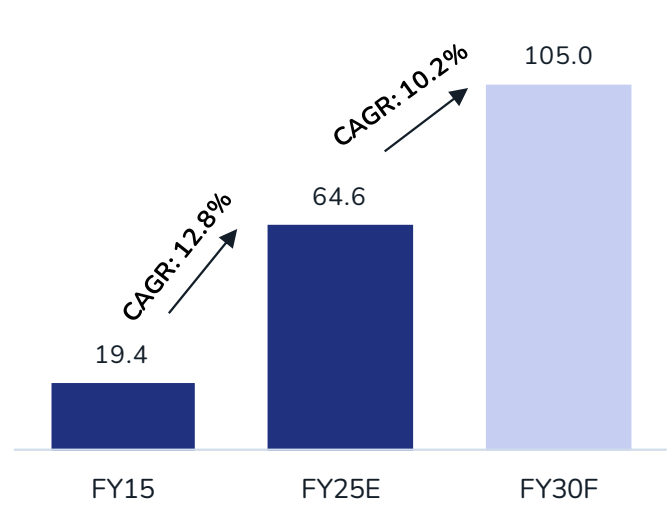
- GCCs have emerged as one of the most significant structural drivers of India’s commercial office demand. Over the past decade, multinational corporations have increasingly expanded their India-based centres beyond back-office functions to high-value activities such as engineering, R&D, digital transformation, AI/analytics and product development. India’s large, cost-efficient and technically skilled talent pool combined with improving infrastructure and mature developer ecosystems in cities such as Bengaluru, Hyderabad, Chennai, Pune and the NCR have reinforced this shift.
- India currently hosts 1,800+ GCCs, a figure projected to touch ~2,500 by 2030E, collectively employing 2.8–2.9mn professionals and contributing an estimated USD 105bn in revenue by the end of the decade.
- At present, GCCs account for a meaningful share of gross leasing across the top office markets and typically prefer large, Grade-A campuses with long tenures, supporting absorption stability and rental resilience. In CY25 alone, they accounted for about 40% of gross office leasing nationally (~31msf), and have absorbed nearly 100msf of office space across India’s top seven cities since CY21, underscoring their outsized impact on market dynamics.
- Importantly, continued additions of new global entrants and expansion by existing centres provide multi-year visibility to office demand, positioning GCC-led absorption as a core underpinning of India’s medium-term commercial real estate growth trajectory.

Exhibit 28: Number of GCCs in India



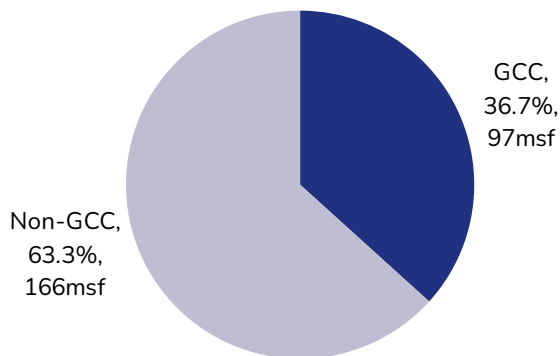
Source: NASSCOM GCC Annual Report 2024, JLL Research

Exhibit 29: GCCs’ revenue (USD bn)



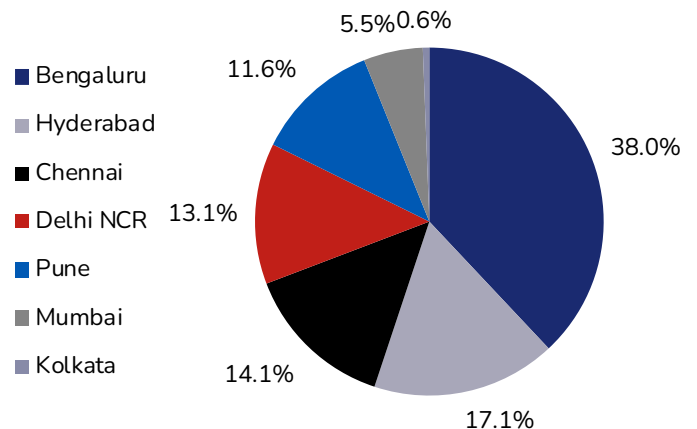
Source: NASSCOM GCC Annual Report 2024, JLL Research

Exhibit 30: Share of office space leasing by GCCs (CY21–1HCY25)



Source: NASSCOM, JLL Research

Exhibit 31: Distribution of GCC leasing across markets (CY21–1HCY25)

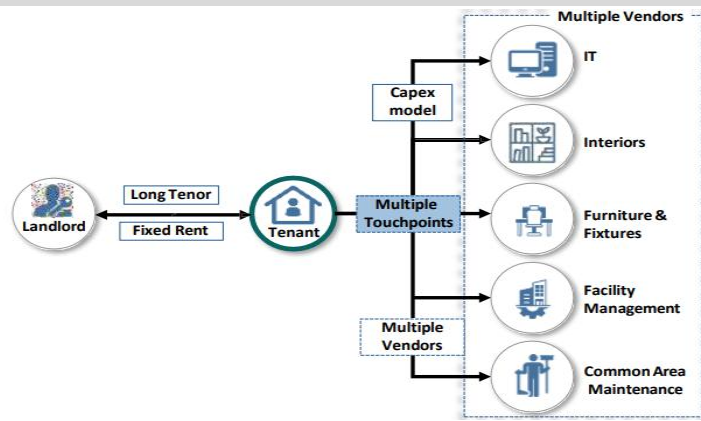


Source: NASSCOM, JLL Research

Flex Workspaces: Proxy to Commercial Upcycle

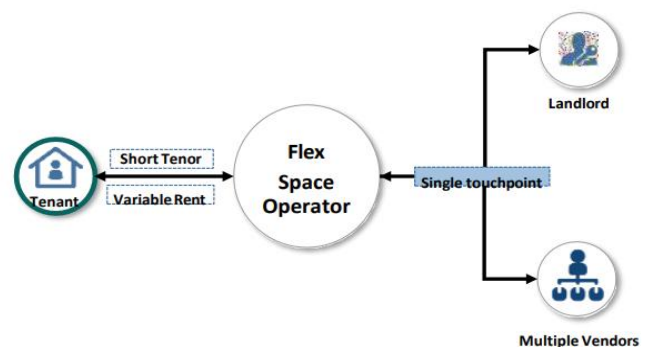
- Flex workspaces are fully serviced, ready-to-use office solutions that allow businesses to lease space on flexible terms rather than committing to long-term traditional leases. Unlike conventional offices that require significant upfront capex for fit-outs and long lock-ins, flex operators's strong suit is providing plug-and-play infrastructure, furniture, utilities, internet and facility management under a bundled, per-seat or managed-office pricing model.
- Clients can scale up or down based on workforce needs, making flex particularly attractive in dynamic hiring environments. The model has evolved from serving startups and freelancers to catering increasingly to large enterprises and GCCs, positioning flex workspaces as an outsourced real estate solution rather than just shared co-working spaces.

Exhibit 32: Traditional lease model



Source: Company, JM Financial

Exhibit 33: Flex lease model



Source: Company, JM Financial

- The evolution of flex workspace in India can be broadly divided into three phases. The initial phase was startup-led coworking, focused on freelancers, SMEs and early-stage companies seeking low-cost, plug-and-play offices with minimal commitments. This model was characterised by short tenures and higher churn. The second phase saw growing adoption by mid-sized corporates using flex for satellite offices and project teams.
- The current phase marks a structural shift toward enterprise and GCC-led demand, with larger seat commitments, longer contract tenures and campus-style managed offices. This transition has improved revenue visibility and institutionalised the sector, propelling it beyond traditional coworking towards an integrated corporate real estate solution. Key offerings include:
 - Coworking spaces**
Shared office environments offering hot desks and dedicated desks within a common workspace. Typically suited for freelancers, startups and small teams seeking affordability, networking and short-term flexibility.
 - Private offices (within Flex Centers)**
Enclosed office suites located inside larger flex facilities. Designed for SMEs or small corporate teams that require privacy while benefiting from shared amenities and flexible lease terms.
 - Managed offices**
Customised, fully serviced office solutions built and operated by flex providers for a single client. These spaces offer branding, tailored layouts and longer contract tenures, making them attractive to mid-sized and large enterprises.
 - Enterprise/campus solutions**
Large-format, often single-tenant facilities designed for corporates or GCCs. These resemble traditional leased offices in scale, but operate under flexible, asset-light managed service agreements.

■ Hub-and-spoke/ distributed workspaces

Multilocation solutions enabling companies to decentralise teams across micro-markets. This format supports hybrid work strategies and improves workforce accessibility while maintaining operational flexibility

Exhibit 34: Evolution of flex space market in India

Co-working spaces	Virtual offices	Enterprise/Managed Office	Enterprise Bespoke Model
<ul style="list-style-type: none"> Individual desks or meeting rooms available by the hour, day or week Various options available including Private offices, enclosed cabins, dedicated seats and hot desk Access to common areas, cafeteria and amenities No customisation and separate workspaces 	<ul style="list-style-type: none"> Subscription based membership allowing usage of prime office address while working remotely, providing support services like mail handling and storage facilities. Subscription flexibility available at firm level or individual employee level. Official business address can be used in all communication materials When required, access to community lounge and meeting spaces 	<ul style="list-style-type: none"> End-to-end custom built workplace in the existing centres Designed and developed as per company requirements Fully managed in terms of administration and upkeep as per company's standards Facilitation of branding and design guidelines 	<ul style="list-style-type: none"> Location will be selected as per company requirements Build-to-suit design as per company requirements Fully managed in terms of administration and upkeep of the workspace by the operator as per the enterprise protocols Facilitation of branding and design guidelines of the enterprises

Source: Company, JM Financial

Why flexible workspaces may remain relevant even as startups and enterprises scale up

- Contrary to earlier perception that flexible workspaces serve only as a temporary solution for early-stage companies, structural changes in workplace strategy suggest that many SMEs and startups may continue to retain flex capacity even after reaching scale. One of the primary reasons is **capital efficiency**. Flexible workspace solutions allow companies to avoid significant upfront investments in fit-outs, deposits, and facility management, enabling them to allocate capital towards core business activities such as product development, hiring and market expansion. This consideration often remains relevant even at scale, particularly in sectors characterised by rapid growth or uncertain demand cycles.
- Another key factor is **operational flexibility**. As organisations grow, headcount variability, project-based teams and geographic expansion become more common. Flexible workspaces provide the ability to quickly scale up or down, add satellite offices, or enter new cities without long lease commitments.
- The **outsourcing of non-core functions** also remains a structural advantage. Managing office infrastructure, utilities, compliance and employee experience requires significant operational bandwidth. Flexible workspace operators provide these services through a single integrated platform, allowing management teams to focus on core operations. For high-growth companies, this convenience and time saving can outweigh marginal cost differences vis-a-vis traditional leases.
- Importantly, demand from **GCCs and large enterprises** is reinforcing the long-term relevance of the flexible workspace model. Large organisations increasingly adopt “core-plus-flex” real estate strategies, using flexible space for expansion teams, innovation hubs or temporary projects. This enterprise demand not only stabilises occupancy across the sector, but also normalises flex as a mainstream office solution rather than a transitional one. As SMEs mature, they often mirror these practices, maintaining a mix of core and flexible capacity rather than fully migrating to conventional leases.
- Overall, the evolution of hybrid work, the need for capital efficiency and the increasing participation of enterprises and GCCs suggest that flexible workspaces are becoming a structural component of office portfolios rather than a stepping stone, thereby driving sustained demand in tandem with companies' scale-up ambitions.

Exhibit 35: Advantage of flex space leasing

Hybrid work adoption	Flex spaces have become a critical enabler of hybrid work, offering occupiers the flexibility to operate across multiple locations, support distributed teams, and provide employees with access to high-quality work environments
Portfolio agility	Flex spaces provide scalable real estate solutions that allow occupiers to realign footprints seamlessly in line with evolving business cycles and market dynamics
Operational services outsourcing	Opting for fully managed spaces enables organizations to manage most of the operational tasks with minimum band width and resources, allowing them to focus on their core business
Capital efficiencies	Flex spaces offer significant capital savings through lower upfront capex and relatively shorter lease tenures compared to traditional leases
Customization and bespoke offerings	Leading flex space operators now provide built-to-suit managed solutions where offerings are curated to meet specific occupier needs
Wider operator presence	Flex spaces support occupier expansion into newer geographies across multiple locations in Tier I & II cities, enabling quicker manpower deployment with relatively lesser risk
Technology integration	Flex spaces offer tech enabled workspaces with enhanced digital platforms for booking, space management, and analytics, helping occupiers to become competitive

Source: Company, JM Financial

Enterprises driving demand for flex spaces

- Demand momentum in flex spaces will continue to be anchored by enterprise clients, particularly technology firms, GCCs and a widening base of end-users across BFSI, consulting, engineering and healthcare domains. Colliers reckons average enterprise seat uptake over 2026–27E is expected to be around 200,000, marking a 25% jump over the seat uptake in the preceding two-year period.
- This surge will be driven by hybrid workplace strategies, portfolio decentralisation, GCC expansion and occupiers' growing preference for speed-to-market and capex-light solutions. With a strong supply pipeline and resilient demand fundamentals, India's flex market is well-positioned to enter its next phase of scale and maturity, with broader end-user participation and deeper penetration across both established and emerging office markets.

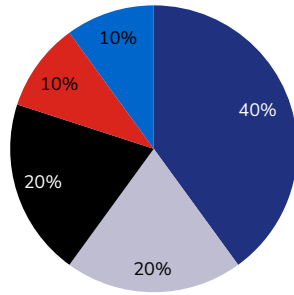
Exhibit 36: Large deals signed by flex operators in recent months

Tenant	Operator	Area (msf)	Location
Wolters Kluwer	Smartworks	0.17	Pune
UBS India	Smartworks	0.16	Pune
Wipro	Smartworks	0.17	Kolkata
BlackRock	Indiqube	0.14	Bengaluru
JP Morgan	WeWork	0.17	Hyderabad

Source: Company, JM Financial

Exhibit 37: Enterprise demand split by sector

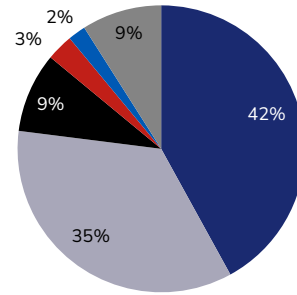
Technology BFSI Others Engg and Mftg Consulting



Source: Colliers, JM Financial

Exhibit 38: Enterprise demand split by country

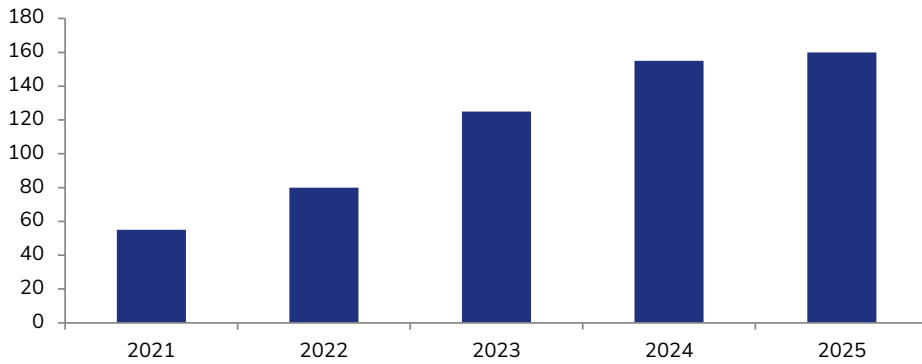
USA India UK Germany France Others



Source: Colliers, JM Financial

Exhibit 39: Seats taken up by enterprises have grown c. 3x since CY21

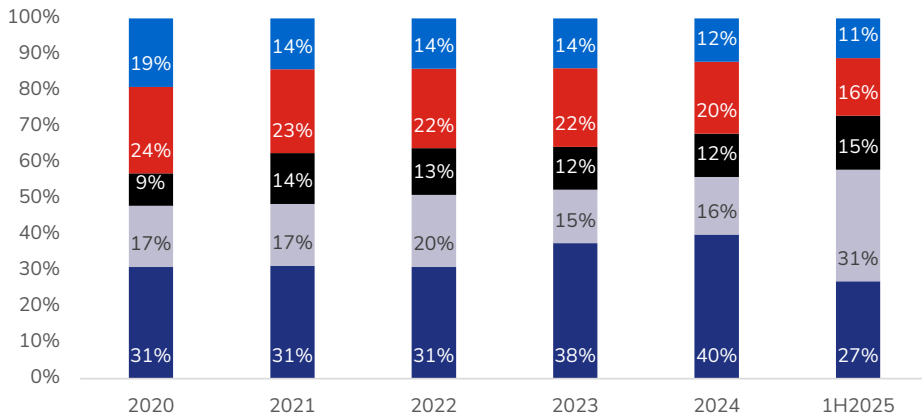
Number of seats (000s)



Source: Colliers, JM Financial

Exhibit 40: Demand for larger seat cohorts (>500) on the rise

>500 301-500 201-300 100-200 <100

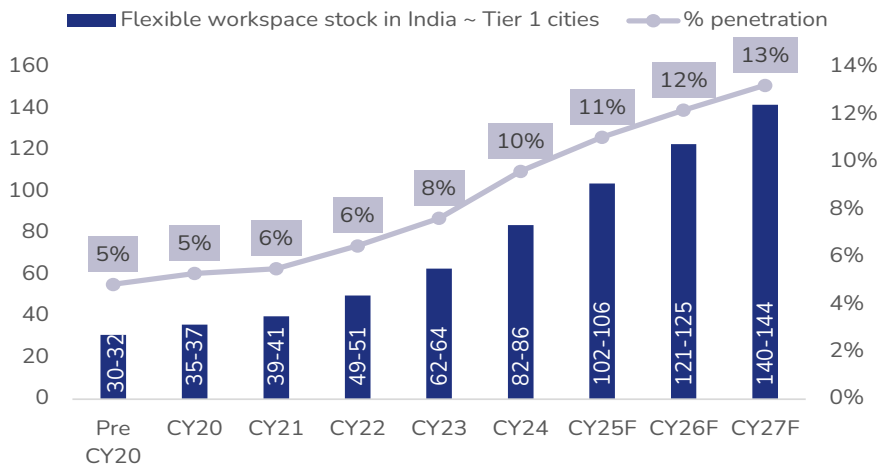


Source: JLL, JM Financial

Scale of flex spaces: Now one-fifth of total office absorption

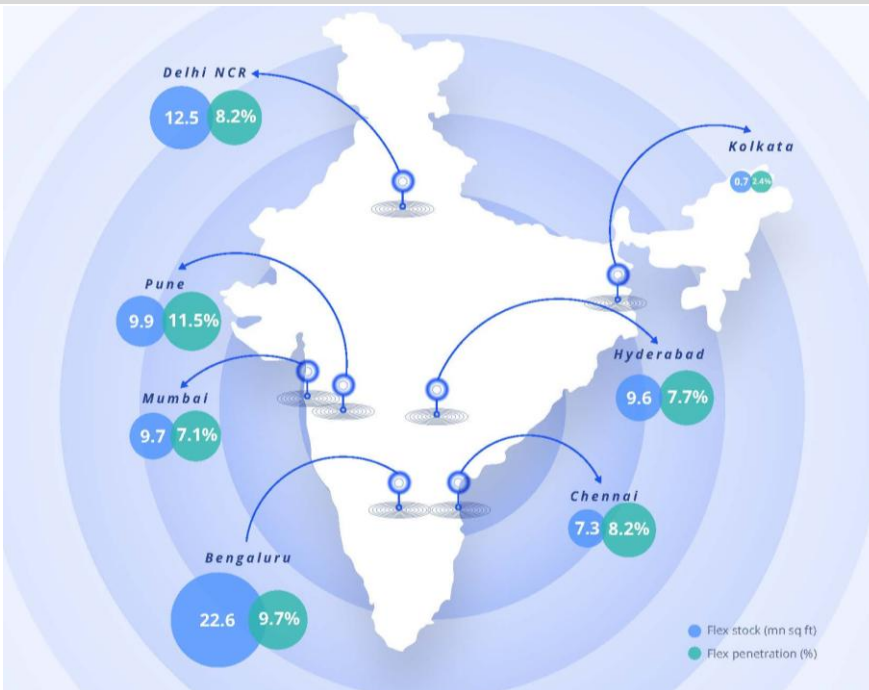
- Flexible workspaces have firmly embedded themselves into the mainstream of India's office market, moving beyond their early positioning as an alternative or short-term solution. The flex workspace stock in India burgeoned at a 24% CAGR from ~34msf in CY19 to ~100msf in CY25. Of this, over 90% is in tier-1 cities.
- Flex spaces now account for about one-fifth of the total Grade-A office space absorption, up from 10-15% a few years ago, reflecting occupiers' growing preference for flexible and experience-led workspace solutions. The rise of hybrid work models, prudence in the use of capital, the need for flexibility in workspace planning, and a shift in work culture are among the factors fuelling the demand for flexible workspaces.
- This has resulted in demand from diverse segments, from start-ups and small and medium-sized enterprises (SMEs) to large corporations. These organisations are looking at integrating flexible workspaces into their office portfolios as part of their 'Core+Flex' strategies.

Exhibit 41: Flex penetration expected to reach 13% by CY27



Source: JLL, JM Financial

Exhibit 42: Flex stock, penetration and share by city (2025E)



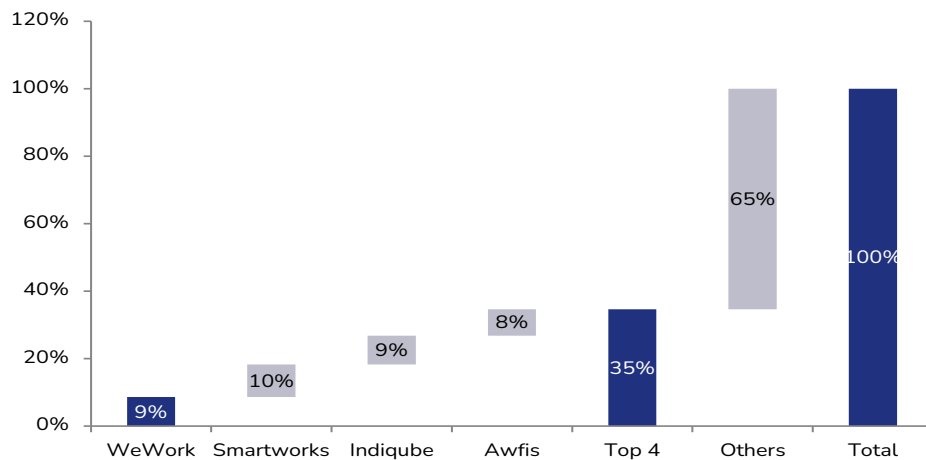
Source: Colliers, JM Financial

Note: Data pertains to Grade A, stock | Flex stock penetration refers to percentage of flex stock with respect to overall grade A office stock | 2025 figures are estimated on basis of recent trends

Intense competition but market share consolidated at top

- India is home to ~500 flex workspace operators managing ~2,200+ centres. Competitive intensity in India's flex workspace market is increasingly characterised by a two-speed dynamic. At the lower end, a large number of small and regional operators compete primarily on pricing flexibility, short-term contracts and day-pass offerings, often targeting niche micro-markets. While this segment benefits from low entry barriers, it remains more vulnerable to occupancy volatility, rental inflation and oversupply in select corridors.
- In contrast, the upper end of the market is driven by enterprise RFPs, wherein selection criteria extend beyond price to execution capability. Large corporates increasingly favour operators with multi-city presence, campus-scale developments, standardised fit-outs, consistent service quality and strong balance sheets. As enterprise demand rises, competitive advantage is gradually shifting towards scaled, institutional platforms. The top four operators hold a market share of c. 35%; aided by their improved cash flow position along with their net-cash balance sheets post-IPO, they are well positioned to capture even a higher share of incremental supply.

Exhibit 43: Top four players control over one-third market share



Source: Company, JM Financial

Unit economics of a managed centre

- To assess the operating dynamics for a typical managed office, the CBRE studied a facility with a leasable area of about 70,000sqft. Furthermore, a seat density of 60 sq. ft. on a leasable area has been considered for evaluating the expected number of seats for the centre.
- All assumptions provided below have been taken as per typical market standards seen for a potential centre providing a quality experience in an established micro-market of a tier-I city. The overall assessment has also been carried out using the above assumptions for the centre occupancy for a short to medium-term horizon.

Exhibit 44: Operator side – Key assumptions

S No.	Parameters	Comments
Capital Expenditure		
A	Cost of Fit-out	INR 2,400 per sq. ft. on leasable area based on cost benchmarks for fit out for a typical flexible workspace centre
B	Total Upfront Cost	Total upfront payment including fit-out cost and 5 months security deposit to the landlord
Recurring Expenditure		
C	Rentals to the space owner	Rentals of INR 102 / sq. ft. / month (basis market standards)
D	CAM charges to space owner	CAM Charges of INR 15 / sq. ft. / month (based on market standards)
E	Operating expenses	OPEX Charges of INR 35 / sq. ft. / month (based on market standards)
Revenue		
F	Revenue from Seats	Based on per-seat prices at a 2.4x revenue to rent multiple, 85% stabilized occupancy
G	Other Revenues	Typically ranges between 1-10%. Net revenue of 4-5% has been considered after adjusting for associated cost

Source: CBRE

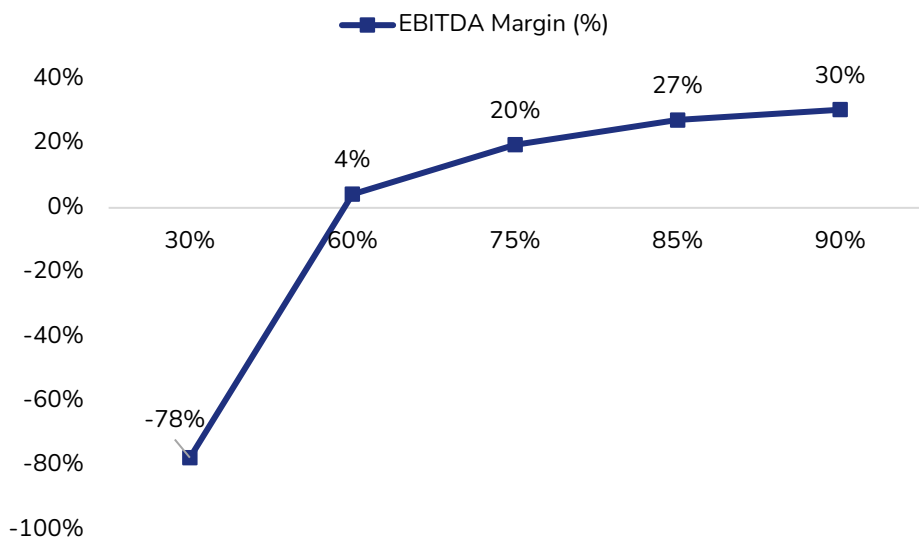
- We attempt to quantify the trajectory of operating leverage in a flex centre. With a revenue-to-rent ratio of 2.2x, centre-level breakeven is achieved at 55–60% occupancy, beyond which profitability inflects. Margins remain negligible at 60% occupancy (~1%), they expand sharply to ~17% at 75% occupancy and 25–28% at 85–90% (stabilised levels).
- This convex earnings profile is driven by largely fixed lease rentals and relatively stable CAM costs, with opex modelled at ~10% of revenue. Importantly, sub-scale occupancy (<60%) materially drags portfolio margins, underscoring the importance of pre-commitments and rapid ramp-up. Once stabilised, however, centers generate EBITDA margin in mid-to-high 20%, supporting strong cash flow conversion and portfolio-level operating leverage as the proportion of mature assets increases.

Exhibit 45: Margin profile over a centre's lifecycle

Particulars					
Area (sf)	10,000	10,000	10,000	10,000	10,000
Rent (from occupier) psf	161.0	169.1	177.5	186.4	195.7
Rent (to landlord) psf	70.0	73.5	77.2	81.0	85.1
CAM psf	9.0	9.5	9.9	10.4	10.9
Revenue to rent	2.3	2.3	2.3	2.3	2.3
Occupancy	30%	60%	75%	85%	90%
Revenue	5.8	12.2	16.0	19.0	21.1
Rent expense	8.4	8.82	9.3	9.7	10.2
CAM	1.1	1.1	1.2	1.3	1.3
Opex (10% of revenue)	0.6	1.2	1.6	1.9	2.1
Total Expenses	10.1	11.2	12.0	12.9	13.6
Centre level EBITDA	-4.3	1.0	3.9	6.1	7.5
Corporate overheads	0.2	0.5	0.8	1.0	1.1
Corporate EBITDA	-4.5	0.5	3.1	5.2	6.4
EBITDA Margin	-78%	4%	20%	27%	30%

Source: Company, JM Financial

Exhibit 46: Breakeven at c. 60% occupancy, after which operating leverage kicks in



Source: Company, JM Financial

Note: X-axis represent occupancy in %

Core versus flex – IRR economics from both perspectives

- Our analysis suggests that the economic rationale for flexible workspaces is structurally compelling for both occupiers and operators, albeit under different conditions.
- From an operator's perspective, project IRRs are highly sensitive to rental sourcing and revenue-to-rent multiples. At ~2x multiple, 90%+ stabilised occupancy and 5% escalations, a managed campus can deliver mid-teens IRRs over a five-to-seven-year horizon. However, institutionalised operators that optimise fit-out costs, achieve 2.2–2.4x multiple and stabilised occupancy within a year can deliver superior IRRs with capital payback under four years. Thus, rental arbitrage and enterprise-led stabilisation are the core determinants of capital efficiency.
- In essence, flex works because it aligns capital efficiency for occupiers with rental arbitrage and operational scale for operators, thereby creating a structurally viable ecosystem rather than a zero-sum trade-off.

Exhibit 47: An operator with 2x Revenue-to-rent, makes high-teen IRR in 6–7 years

Particulars	Avg Occupancy	Pricing per seat	Revenue	Rent+CAM	OPEX	EBITDA	Cash Flow
Fit-out capex							-78
Year 1	70%	9,000	75.6	59.0	18.0	-1.4	-1.4
Year 2	90%	9,450	102.1	61.4	18.7	21.9	21.9
Year 3	90%	9,923	107.2	63.9	19.5	23.8	23.8
Year 4	90%	10,419	112.5	66.4	20.2	25.9	25.9
Year 5	90%	10,940	118.1	69.1	21.1	28.0	28.0
Year 6	90%	11,487	124.1	71.8	21.9	30.3	30.3
Year 7	90%	12,061	130.3	74.7	22.8	32.8	32.8
IRR							17%

Source: Company, JM Financial

- Traditional leasing becomes increasingly attractive at scale as larger headcount improves space efficiency, reduces per seat capital intensity thereby enhancing IRR over longer tenures. However, even at larger scale, factors such as headcount volatility, evolving hybrid needs and geographic diversification (hub and spoke) can favour flexibility over optimization.
- Flex converts capex to opex while also transferring execution complexity (design, facilities management, compliance etc) to the operator. In sectors such as technology and GCCs, where hiring cycles and business mandates can shift, the flexibility may outweigh financial benefits making flex a rational choice.

Exhibit 48: Traditional lease becomes attractive lease at larger scale and long tenure

Particulars						
Area (sft)	30,000	57,000	81,225	102,885	122,176	139,281
Seats	500	1,000	1,500	2,000	2,500	3,000
Seat Density (sq ft per seat)	60	57	54	51	49	46
Year 0 Cash Flow (fit-out capex)	-75	-143	-203	-257	-305	-348
Net savings Year 1	6	16	30	48	68	92
Year 2	6	16	30	48	68	92
Year 3	6	16	30	48	68	92
Year 4	6	16	30	48	68	92
Year 5	6	16	30	48	68	92
Year 6	6	16	30	48	68	92
Year 7	6	16	30	48	68	92
Year 8	6	16	30	48	68	92
Year 9	6	16	30	48	68	92
Year 10	6	16	30	48	68	92
IRR	-4%	2%	8%	13%	18%	23%

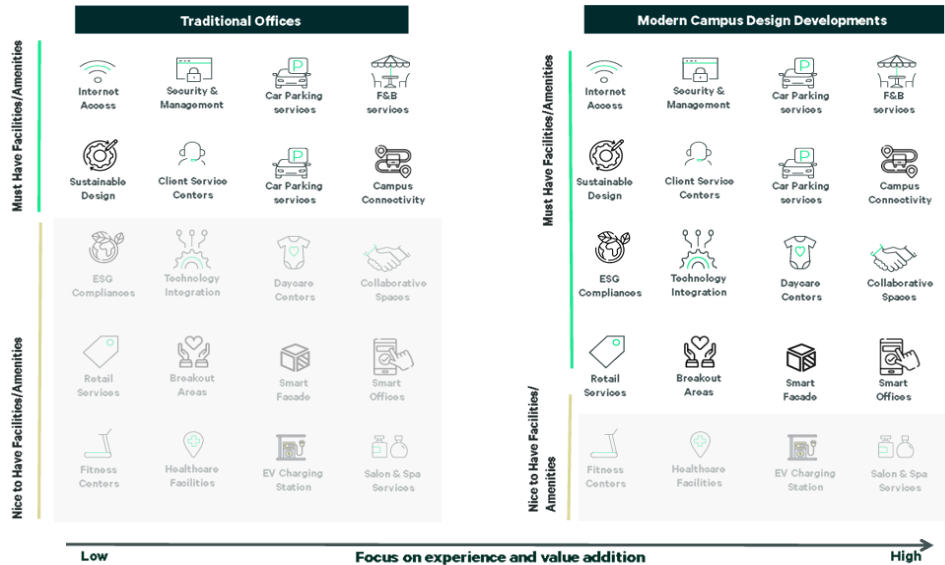
Source: Company, JM Financial

Note – Assumed seat density to decline by 5% for every 500-seat addition

VAS – Moving beyond core rentals

- The post-pandemic era marks a shift in occupiers' preferences and employees' expectations about the rising need for modern workplaces supported by improved technology and enhanced workplace experiences. This in turn is engendering hybrid-work policies. Nowadays, office parks have started focusing on providing amenities ('amenitisation') and creating collaborative environments, supported by technological interventions to create better in-office experiences.
- Value added services (VAS) in flex workspaces represent a substantive monetisation lever beyond the core seat rentals, spanning fit-outs, design and build, digital products, facility management and F&B. As enterprise clients seek integrated ecosystems, operators can deepen wallet share through bundled services and tech-enabled offerings.

Exhibit 49: Traditional and modern offices: What's on offer

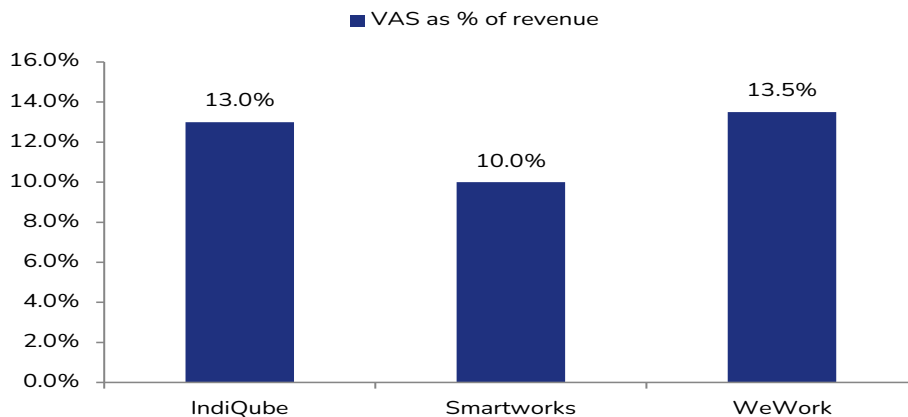


Source: Colliers, JM Financial

Smartworks, IndiQube and WeWork India are scaling up VAS with a distinct strategic intent.

- **Smartworks** embeds VAS within its enterprise-led campus model, positioning offerings such as Fitout-as-a-Service as margin-accretive extensions of managed offices.
 - **IndiQube** is building VAS as a parallel revenue engine with contributions to 13% of revenue, supported by its tech-enabled MiQube platform and an expanding bespoke Design-and-Build (DNB) model that allows it to monetise enterprise projects even where leases are client-signed.
 - **WeWork India's** key VAS offering, meanwhile, is a digital stack: all access, on-demand, workplace.

Exhibit 50: Value added services as a % of revenue

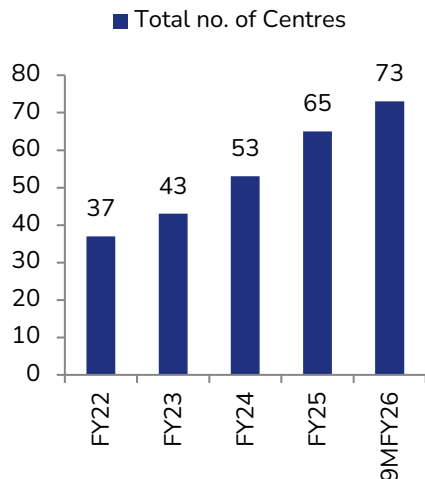


Source: Company, JM Financial

Comparative view through charts

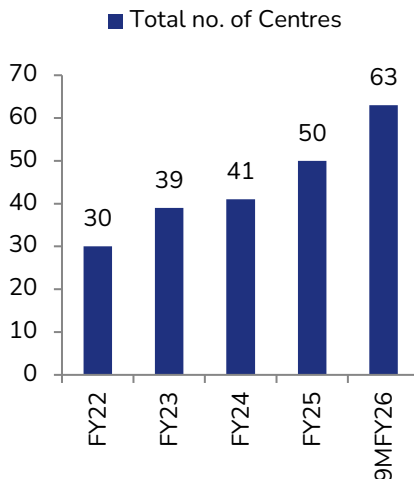
- In terms of operational footprint, all three companies are at 8-9msf as of 9MFY26. However, Smartworks has the largest tied-up pipeline of 15msf followed by WeWork at 11msf. Notably, Smartworks also has the least number of centers reflecting their strategy of signing large/full buildings and in contrast, Indiqube operates most number of centres given the relatively lower centre size.

Exhibit 51: WeWork



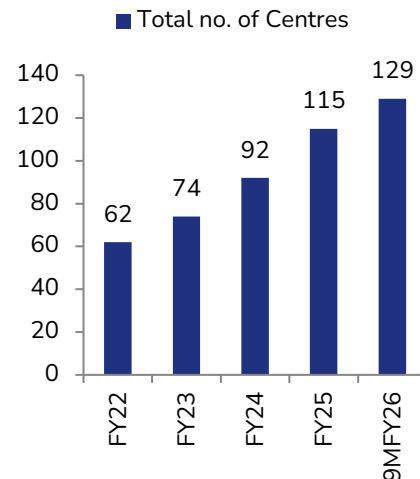
Source: Company, JM Financial

Exhibit 52: Smartworks



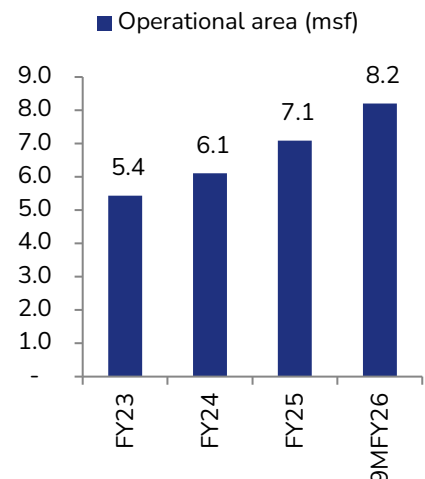
Source: Company, JM Financial

Exhibit 53: Indiqube



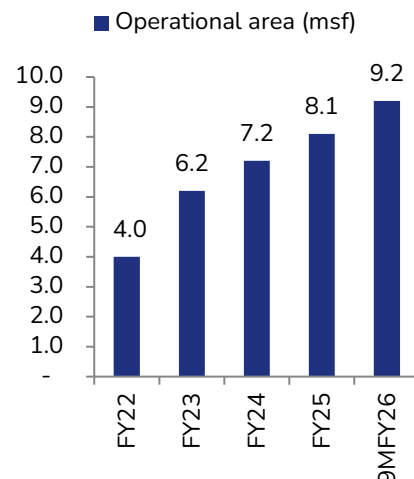
Source: Company, JM Financial

Exhibit 54: WeWork



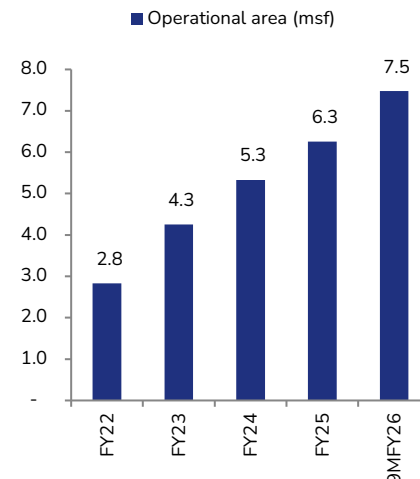
Source: Company, JM Financial

Exhibit 55: Smartworks



Source: Company, JM Financial

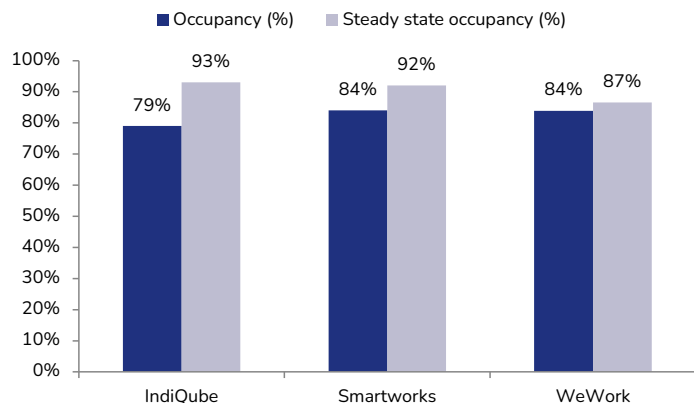
Exhibit 56: Indiqube



Source: Company, JM Financial

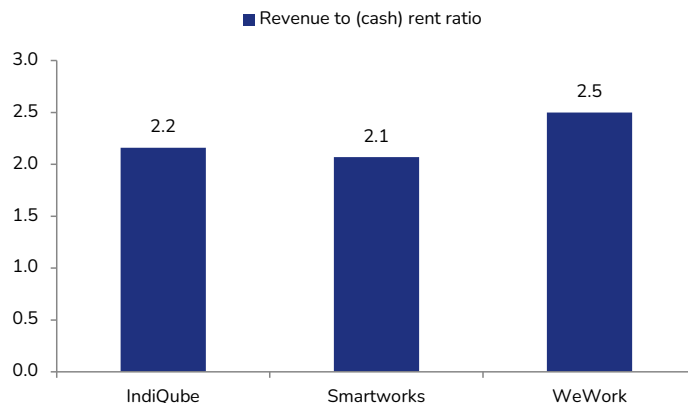
- Over the last four quarters, companies have witnessed rising occupancy in mature footprint (mature centre occupancy increased by 400-600 bps) which has resulted in higher incremental flow through to profitability thereby improving the return profile. For Indiqube, the overall occupancy is relatively lower than peers due to recent addition of 0.6msf to operational portfolio. The mature centre/steady state occupancy is c.90% for all the operators.

Exhibit 57: Occupancy and steady state occupancy trend



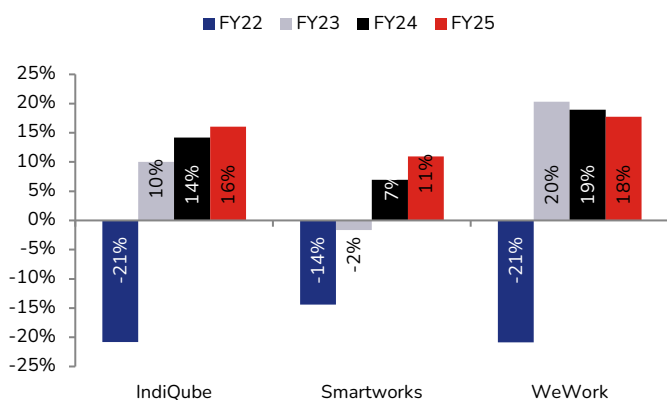
Source: Company, JM Financial

Exhibit 58: Revenue to rent ratio comparison



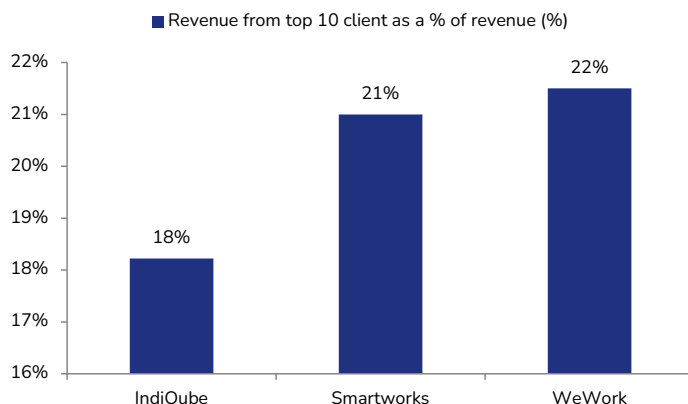
Source: Company, JM Financial

Exhibit 59: Return on capital employed



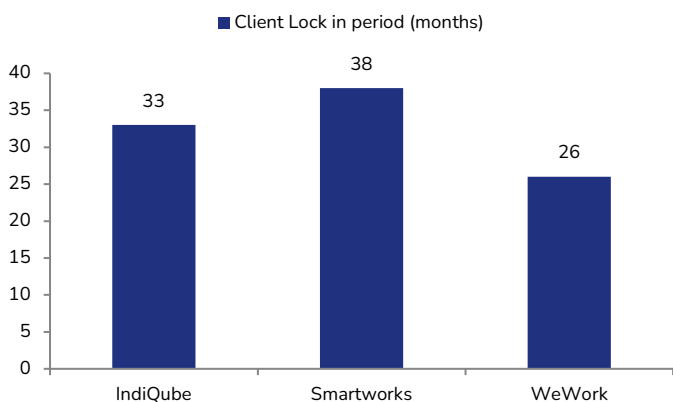
Source: Company, JM Financial

Exhibit 60: Revenue from top 10 clients as % of revenue



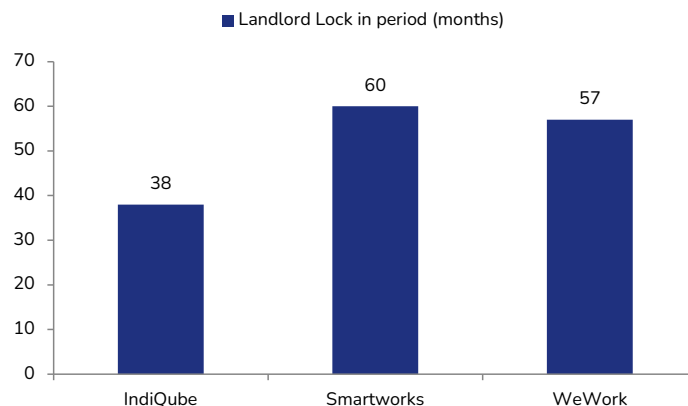
Source: Company, JM Financial

Exhibit 61: Client lock-in period



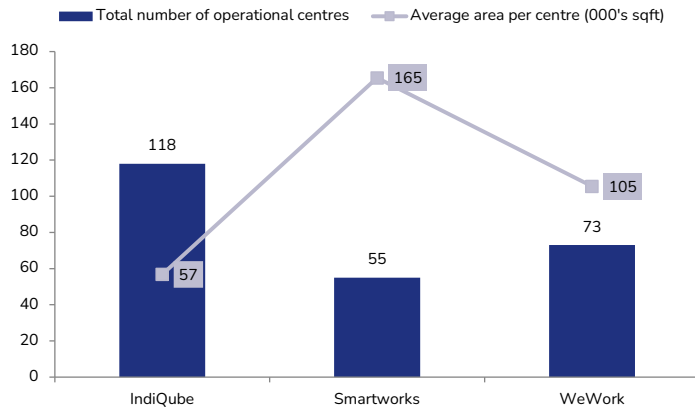
Source: Company, JM Financial

Exhibit 62: Landlord lock-in period



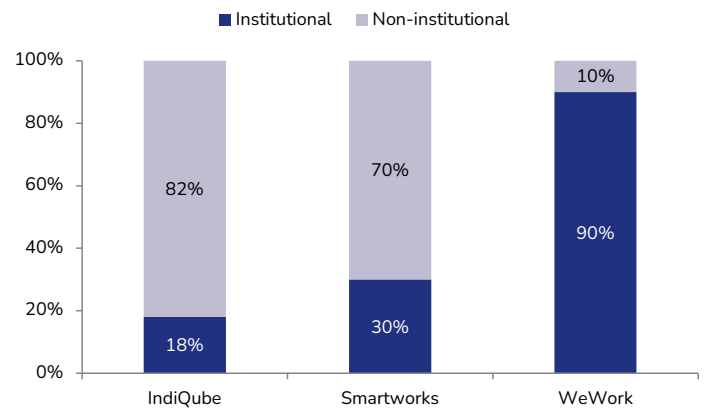
Source: Company, JM Financial

Exhibit 63: Total number of operational centres



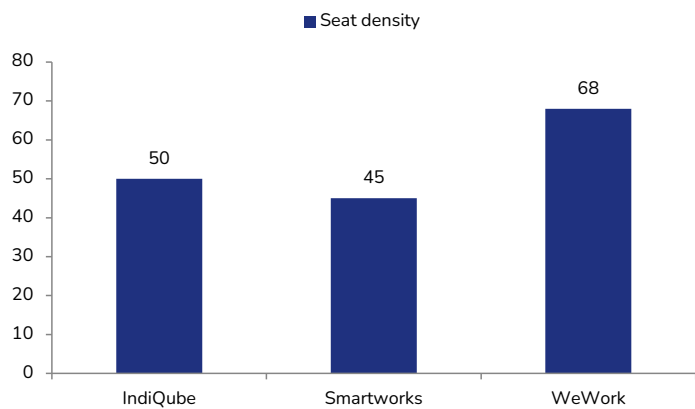
Source: Company, JM Financial

Exhibit 64: Institutional versus non-institutional portfolio split



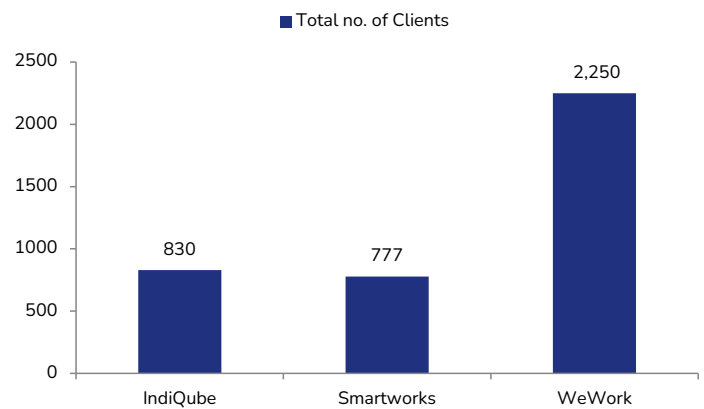
Source: Company, JM Financial

Exhibit 65: Seat density comparison across workspace



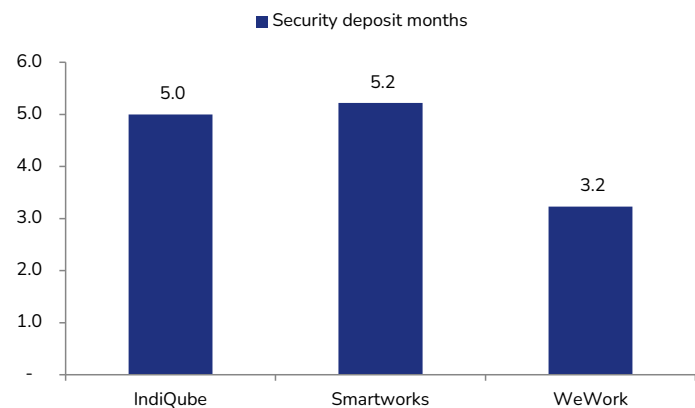
Source: Company, JM Financial

Exhibit 66: Total number of clients



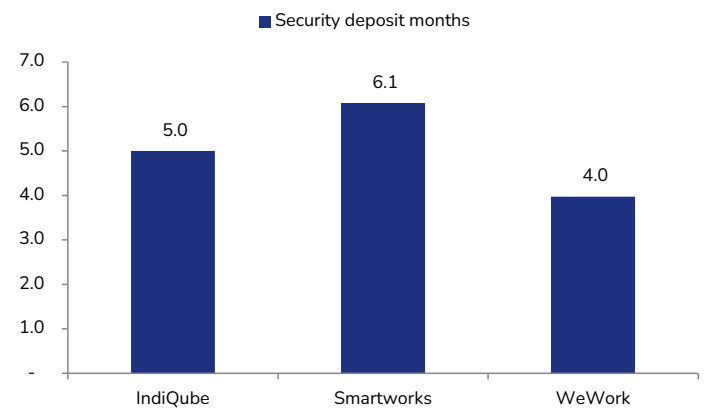
Source: Company, JM Financial

Exhibit 67: Client security deposit in months



Source: Company, JM Financial

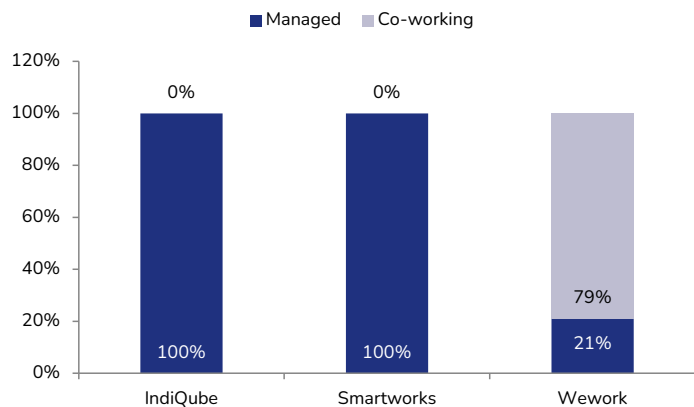
Exhibit 68: Landlord security deposit in months



Source: Company, JM Financial

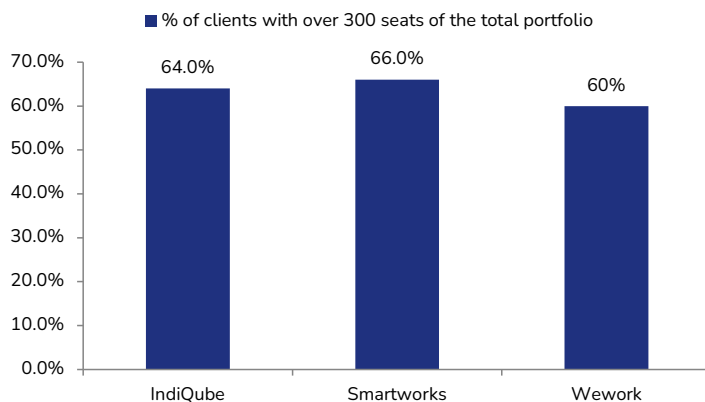
- All operators have high concentration of clients taking 300+ seats implying structural shift towards enterprise led demand. Smartworks and IndiQube, caters to mass market which is reflected in their pricing per seat. WeWork’s premium positioning along with relatively larger presence in Mumbai enables it to generate c.19k revenue per desk (c.2.5x more than peers).

Exhibit 69: Portfolio split: Managed versus Co-working



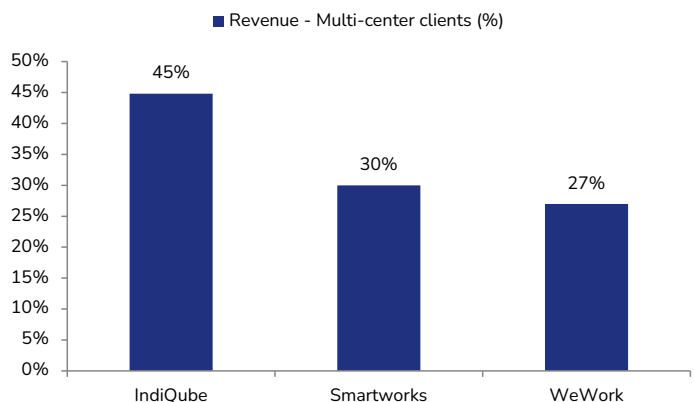
Source: Company, JM Financial

Exhibit 70: Large enterprise exposure, % of client with 300+ seats



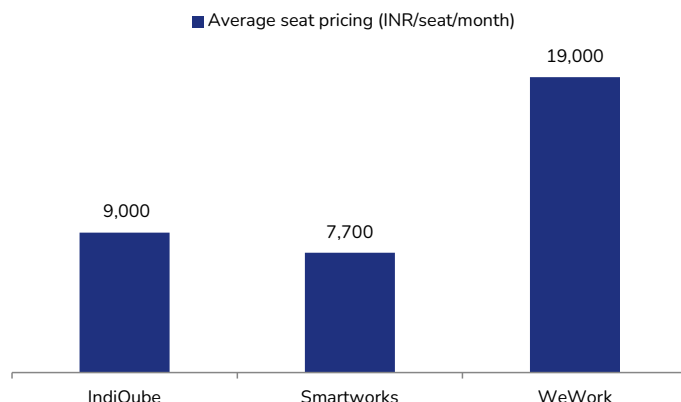
Source: Company, JM Financial

Exhibit 71: Revenue contribution from multi-center clients



Source: Company, JM Financial

Exhibit 72: Average seat pricing comparison



Source: Company, JM Financial

Valuation Comparables

- Flex workspace operators occupy a unique position in the broader real estate ecosystem, combining elements of commercial office and hospitality-styled operations. Both commercial asset owners (REITs) and flex operators benefit from the underlying demand for Grade A offices. However, REITs primarily grow through rent escalations and inorganically, while flex operators benefit from rising penetration within the Grade A stock – thereby offering a superior growth trajectory over medium term. While REITs stand to gain from ownership (value appreciation), their returns profile is restricted to mid-teens at stabilized level compared to 20%+ RoCE potential in the flex workspace business.
- Hotel owners benefited from the strong upcycle post pandemic which has now reached mid/mature stage with growth rates gradually tapering off. Both businesses – hotels and flex – have embedded operating leverage given their strong dependency on occupancy, but it is more pronounced in the case of hotels due to their brand premium/pricing power.
- Office demand in India continues to be strong with record leasing in CY25 and flex demand is being increasingly led by mid-to-large enterprises. Most operators' supply is tied-up till FY28 – thus providing relatively higher growth visibility in near term. However, the stocks are trading at sub-REITs multiples reflecting concerns around net hiring (led by AI disruptions), perceived cyclicality and margin drag by new centres among others, not to mention the apprehension towards the SMID space at large.
- Should the risk appetite in broader market normalise and flex space operators' earnings trajectories remains in-line with their post listing performance, the sentimental overhang could unwind, making space for multiples to better reflect the sector's growth and returns profile.

Exhibit 73: Workspace comparison with hotels and REITs

Particulars	CMP	Mcap (USD bn)	Rating	TP	FY26E-28E CAGR (%)		EV/EBITDA	
					Revenue	EBITDA	FY27E	FY28E
Co-working (Pre-IND AS)								
WeWork India Management	449	0.7	BUY	830	24%	26%	10.0	8.2
Smartworks Coworking Spaces	395	0.5	BUY	630	26%	30%	10.8	8.3
IndiQube Office Spaces	171	0.4	BUY	280	24%	28%	9.1	7.3
Hotels (Reported)								
Indian Hotels	624	9.8	BUY	845	11%	15%	22.6	20.3
ITC Hotels	167	3.8	BUY	235	9%	13%	20.6	18.5
Chalet Hotels	768	1.8	BUY	1,110	16%	17%	16.7	14.1
Ventive Hospitality	695	1.8	BUY	905	12%	13%	14.3	12.7
Leela Hotels	434	1.6	BUY	605	16%	17%	17.8	14.7
Lemon Tree	110	1.0	ADD	165	10%	11%	12.1	11.8
Juniper Hotels	210	0.5	BUY	410	15%	23%	10.0	8.7
Brigade Hotels	59	0.2	BUY	95	24%	28%	12.2	9.6
REITs (Reported)								
Embassy Office Parks	434	4.5	ADD	460	9%	9%	15.2	14.1
Knowledge Realty Trust	116	5.7	ADD	130	9%	9%	14.3	13.4
Mindspace Business Parks REIT	460	3.1	ADD	500	16%	31%	14.2	12.1
Brookfield India Real Estate Trust	346	2.9	BUY	385	21%	21%	14.8	13.6
Nexus Select Trust	156	2.6	BUY	180	7%	6%	14.7	13.8

Source: Bloomberg, Company, JM Financial

WeWork India Management | BUY

In a league of its own



Launched in 2017, WeWork India (WeWork) is the largest flexible workspace operator (by revenue) providing high-quality, scalable office solutions to a diverse client base led by enterprises. The company's centres are largely located in Grade A technology parks and premium CBD assets, with over 80% of the portfolio concentrated in Bengaluru, Mumbai and the NCR. Its affiliation with Embassy Group (promoter) and WeWork Global facilitates access to prime office assets while strengthening its ability for tenant acquisition. It expanded seat capacity from 63k to 109k over FY22–25, clocking a 35% CAGR in revenue. We expect the pace of seat addition to sustain and estimate a revenue/EBITDA CAGR of 24%/26% over FY26–28E. Backed by a net cash balance sheet and healthy OCF, we expect WeWork to comfortably fund the capex for new centres. Valuing the stock at 15x FY28E EV/EBITDA yields a TP of INR 830; initiate with BUY.

- Largest operator with premium positioning:** WeWork is a leading premium flex workspace operator with a portfolio of 11msf (8.5msf operational), which is 8% of total flex stock across top 7 cities, and the largest player by revenue. Superior brand recall along with Grade-A presence enables it to charge higher ARPM of INR 20k/desk/month, 2–2.5x comparable peers. This along with its ability to monetise space more efficiently by cross-selling ancillary services enhances centre-level margins (28-29%) and lowers breakeven thresholds (to about six months).
- Backed by Embassy group – a leading developer in India:** WeWork is owned and promoted by Embassy Group and has access to marquee buildings in Embassy Group's portfolio of office space (among top 10 tenants for Embassy REIT) along with promoter's execution capabilities, supply chain and vendor relations. WeWork also benefits from its relationship with WeWork Global, a flexible workspaces operator with c.600 wholly owned and licensed locations in 35 countries.
- Diverse and sticky client base:** WeWork achieved a milestone of 100k members in 3QFY26 and these clients are from diverse sectors including technology, BFSI and professional services. Deliberate focus on enterprise clients has resulted in 45% of the core revenue being generated from members with over 300 desks. It has also been successful in generating new business from existing members who accounted for 45-50% of the desk sold (excluding renewals) since FY23.
- Managed vertical provides scalability:** WeWork has rapidly scaled up the managed offices vertical in two years to c.26k desks, with potential to generate over INR 5bn annualised revenue. We view this positively given the fact that while co-working generates relatively higher RoCE and benefits from operating leverage, managed business enables the company to cater to larger enterprises and GCCs and offers higher scalability with predictable/stable cash flows. There exist certain synergies across both verticals given that the managed platform can tap the captive user base of co-working - as companies scale or stabilise headcount, they adopt managed offices.
- Financials and valuation:** WeWork has added 15-20k seats annually in FY22–25 and is on track to add 20-25k seats in near term. It has 3.2msf area under fit outs, lending visibility till FY28E. We expect its top line to compound at 24% over FY26–28E largely led by seat addition along with 4% annual growth in ARPM. We expect EBITDA growth to be higher at 26% CAGR led by ramp-up in new centres and positive operating leverage. Backed by a net cash balance sheet and healthy OCF, we expect WeWork to comfortably fund the capex for new centres. We value the stock at 15x FY28E EV/EBITDA and initiate with BUY rating and a Mar'27 TP of INR 830.

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Recommendation and Price Target

Current Reco.	BUY
Current Price Target (12M)	830
Upside/(Downside)	84.4%

Key Data – WEWORK IN EQUITY

Current Market Price	INR450
Market cap (bn)	INR60.4/US\$0.7
Free Float (%)	33.3
Shares in issue (mn)	134.0
Diluted share (mn)	134.0
3-mon avg daily val (mn)	INR75.1/US\$0.9
52-week range	INR664/447
Sensex/Nifty	78,919/24,450
INR/US\$	91.8

Price Performance

%	1M	6M	12M
Absolute	-22.4	0.0	0.0
Relative*	-17.3	0.0	0.0

*To the NSE Nifty 50

Financial Summary (Ind-AS)

	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	16,651	19,492	24,216	30,492	36,938
Sales Growth (%)	26.7	17.1	24.2	25.9	21.1
EBITDA	10,471	12,379	15,593	19,207	23,215
EBITDA Margin (%)	62.9	63.5	64.4	63.0	62.8
Adjusted Net Profit	-1,358	1,282	340	1,230	2,022
Diluted EPS (INR)	-10.1	9.6	2.5	9.2	15.1
Diluted EPS Growth (%)	-	-	-73.4	261.3	64.3
ROCE (%) (pre-tax)	11.2	13.2	14.7	16.8	17.8
ROE (%)	-	-	15.7	41.7	44.2
P/E (x)	-	47.1	177.3	49.1	29.9
P/B (x)	-	30.2	25.8	16.9	10.8
EV/EBITDA (x)	6.3	5.1	4.0	3.2	2.6
Dividend Yield (x)	-	-	-	-	-

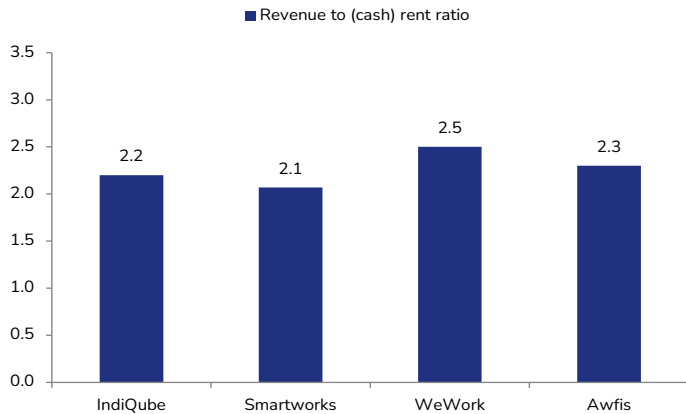
Source: Company data, JM Financial. Note: Valuations as of March 06, 2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

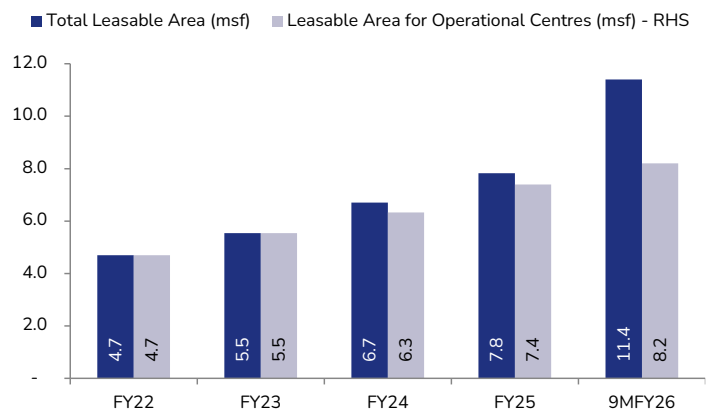
Focus Charts

Exhibit 1: WeWork revenue to rent multiple vis-a-vis other players



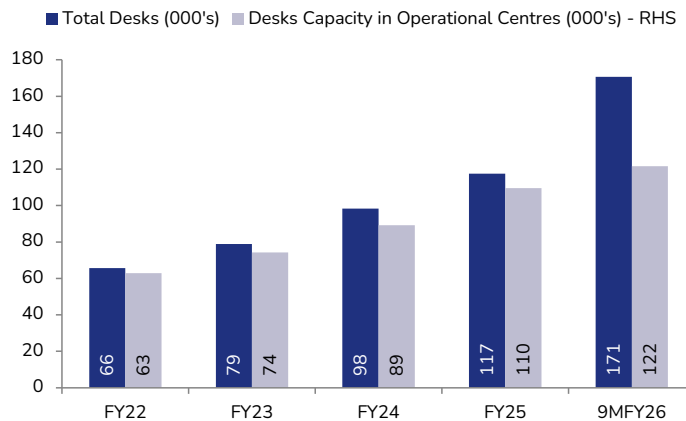
Source: Company, JM Financial

Exhibit 2: Leasable area for operational centres is 8.2msf



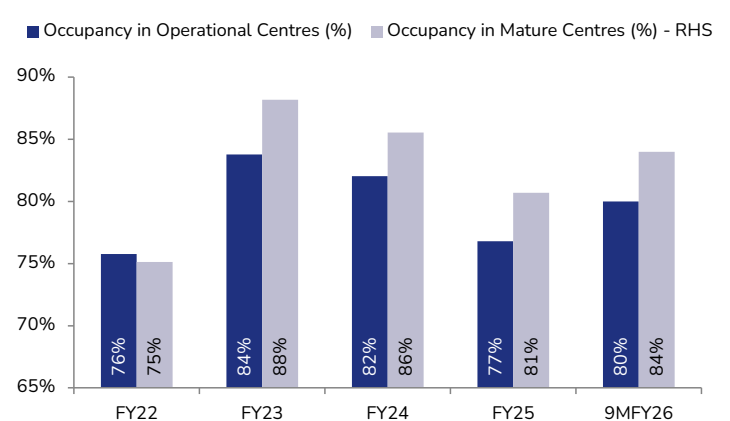
Source: Company, JM Financial

Exhibit 3: Total desks increased at 21 CAGR across FY22-25



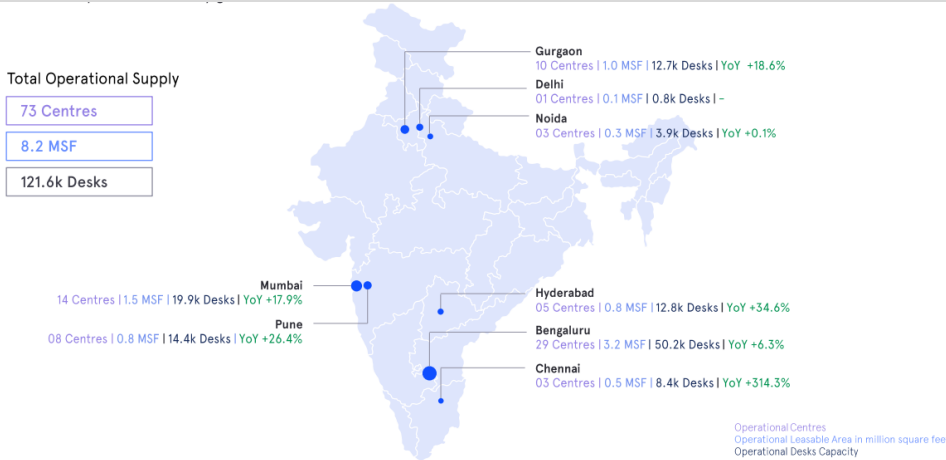
Source: Company, JM Financial

Exhibit 4: Stable matured centre occupancy



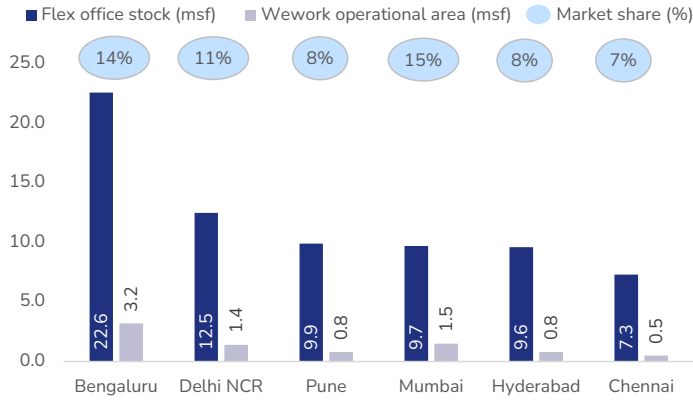
Source: Company, JM Financial

Exhibit 5: Deepening presence across top 8 cities



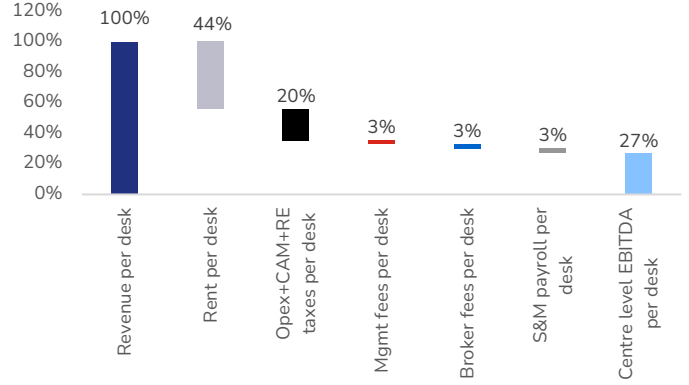
Source: Company

Exhibit 6: WeWork market share by city



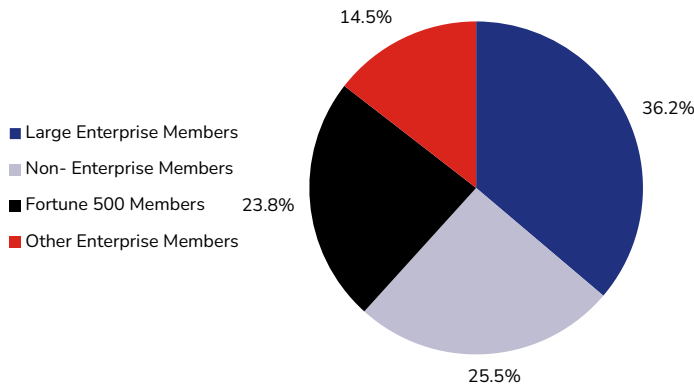
Source: Company, JM Financial
 Note: Operational area is considered with city wise total flex office stock

Exhibit 7: Portfolio centre-level EBITDA bridge



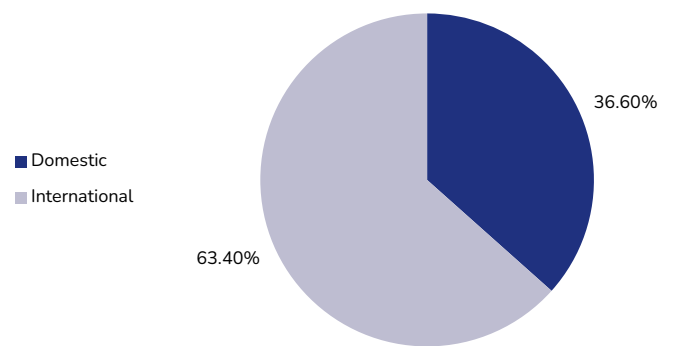
Source: Company, JM Financial

Exhibit 8: Revenue from core operations by member type



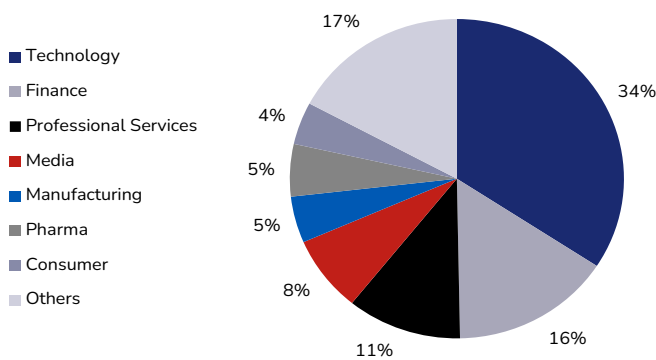
Source: Company, JM Financial

Exhibit 9: Revenue from core operations by domicile



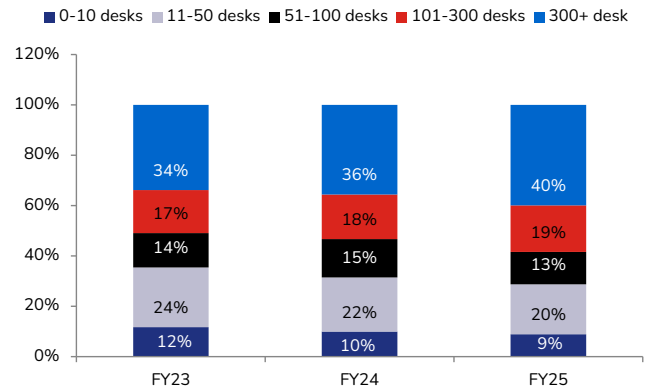
Source: Company, JM Financial

Exhibit 10: Revenue from core operations by sector



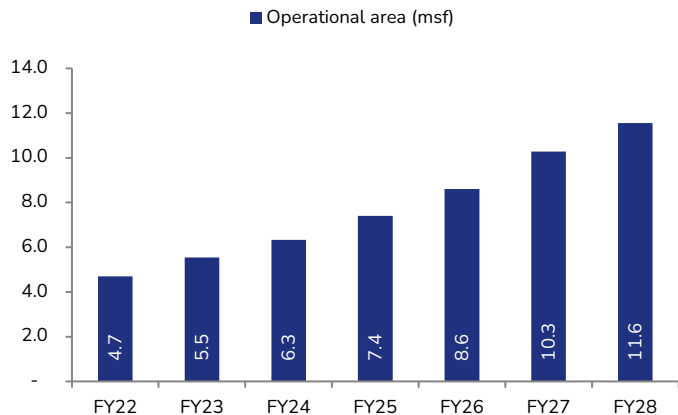
Source: Company, JM Financial

Exhibit 11: Net membership fees contribution by desk cohort



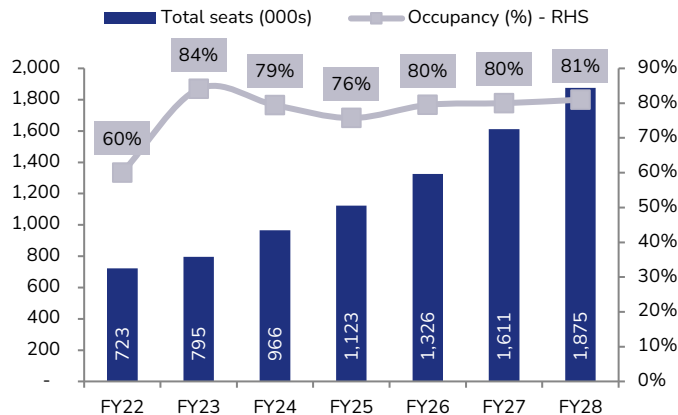
Source: Company, JM Financial

Exhibit 12: Operational area to expand at 16% CAGR across FY26–28E



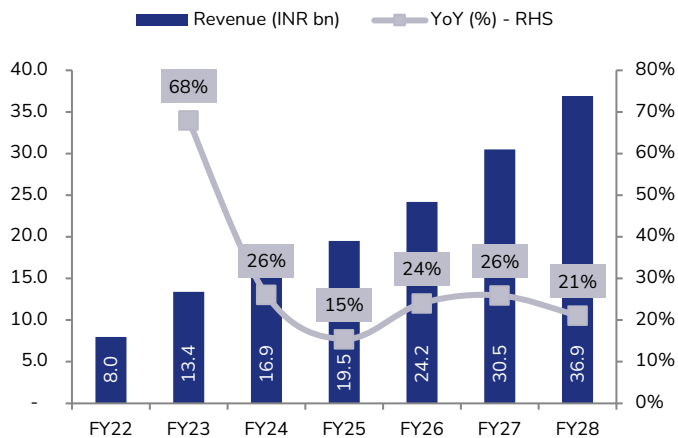
Source: Company, JM Financial

Exhibit 13: Occupancy to be stable at over 80%



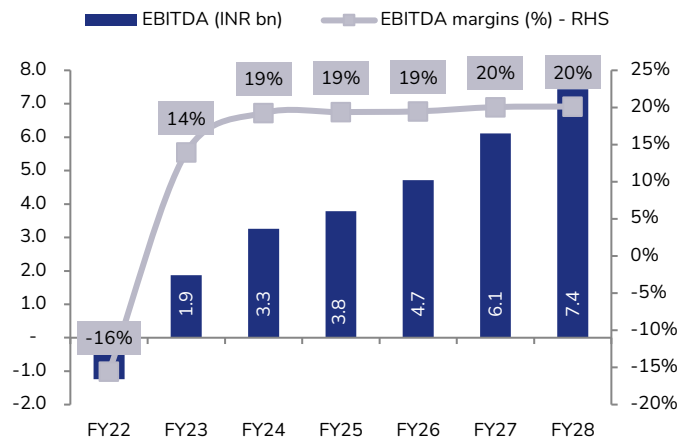
Source: Company, JM Financial

Exhibit 14: Revenue to grow 24% CAGR over FY26–28E



Source: Company, JM Financial

Exhibit 15: EBITDA to outpace revenue growth at 26% CAGR



Source: Company, JM Financial

Investment Thesis

Enterprise-led demand driving revenue visibility

- Flexible workspace demand in India continues to benefit from various drivers including enterprise portfolio optimisation, expansion of GCCs, and sustained growth in services-led employment. The performance post listing indicates that occupancy levels have strengthened even as the company has expanded capacity, suggesting that demand absorption is keeping pace with supply additions. Portfolio occupancy moved into the mid-80%, with mature centres operating at higher utilisation levels than recently opened centres, reinforcing the stability of the core portfolio.
- This trend supports the view that flex space is increasingly embedded within corporate real estate strategies rather than being used only as overflow capacity. While the sector remains economically sensitive, current operating metrics indicate improving demand visibility and a gradual reduction in volatility.

Operating leverage kicking in led by improving utilisation

- Recent quarterly results show strong revenue momentum, with revenue reaching roughly INR 6.4bn in 3QFY26, up 29% YoY, and occupied desks growing faster than overall capacity. This divergence between demand growth and capacity addition is a key indicator of emerging operating leverage in the model. As centres move from ramp-up to stabilisation, fixed costs are spread across a larger occupied base, supporting the potential for margin expansion. Additionally, sales velocity has improved materially over the past year, with desk sales rising sharply and accelerated stabilisation of growth centres.
- As this trend continues, incremental capacity additions could translate into disproportionately higher earnings over the medium term, although near-term profitability may remain influenced by ongoing expansion and fit-out costs. We expect 20% CAGR in revenue over FY26-28E led by seat additions and EBITDA can outpace topline growth with 25% CAGR during same period.

Managed office segment strengthening revenue predictability

- The managed office business is increasingly becoming a meaningful contributor to both growth and revenue visibility. The segment has scaled rapidly to approximately 26,000 desks and contributes over one-fifth of total revenue, with a strong multi-year growth trajectory. Importantly, managed office capacity is typically developed against committed demand, which reduces vacancy risk and improves capital efficiency compared with speculative centre launches.
- This model also aligns better with enterprise and GCC clients that prefer customised, longer-duration solutions. As managed offices increase as a proportion of incremental capacity, the overall portfolio mix could gradually shift toward more predictable revenue streams and improved return metrics. Over time, this may help moderate the cyclical nature typically associated with the flexible workspace business model.

Strengthening unit economics and sales velocity

- Operational indicators point to strengthening execution across leasing and centre ramp-up. In 9MFY26, desk sales increased ~41% YoY, while growth centres achieved occupancy levels materially ahead of historical stabilisation curves.
- Faster stabilisation shortens the payback period on fit-outs and reduces the duration of negative operating leverage, which is a critical driver of centre-level returns. At the same time, higher sales velocity and stronger enterprise demand suggest improvements in go-to-market execution and brand positioning. These trends imply that the company may be entering a phase where scale advantages begin to translate more visibly into improved unit economics. Sustained discipline in site selection, pricing, and capacity expansion will be important to ensure that these gains are preserved as the portfolio continues to grow.

Platform evolution towards an integrated workspace ecosystem

- The company intends to increase monetisation per member and improve customer stickiness through initiatives such as digital platforms, ancillary services, and a broader product suite. It now serves a wide spectrum of customers – from startups to enterprises and GCCs – allowing cross-selling opportunities across managed offices, flexible space, and services.
- While these adjacencies are still evolving and their financial contribution remains modest, successful execution could gradually diversify revenue streams and moderate cyclicality inherent in the traditional co-working model. Revenue through its value-added services and digital products together account for ~14% of total operating revenue.

Valuation

- Under Ind AS 116, lease arrangements are capitalized on the balance sheet, with future lease payments recognised as lease liabilities and corresponding right-of-use (ROU) assets. This accounting treatment elevates reported EBITDA, as lease rentals are excluded from operating expenses. To ensure comparability and better reflect the underlying operating economics, we normalise this distortion by reverting to a pre-Ind AS (IGAAP-like) framework.
- We assign 15x EV/EBITDA to FY28E EBITDA (IGAAP), yielding a TP of INR 830; initiate at BUY.

Exhibit 16: We initiate coverage with a TP of INR 830

Particulars	Mar'27E
I-GAAP EBITDA	7,435
Target multiple	15
Enterprise Value	111,528
Net Debt	329
Equity Value	111,857
No. of shares	134
One year TP	830

Source: Company, JM Financial

Investment Highlights

Grade-A presence and premium positioning

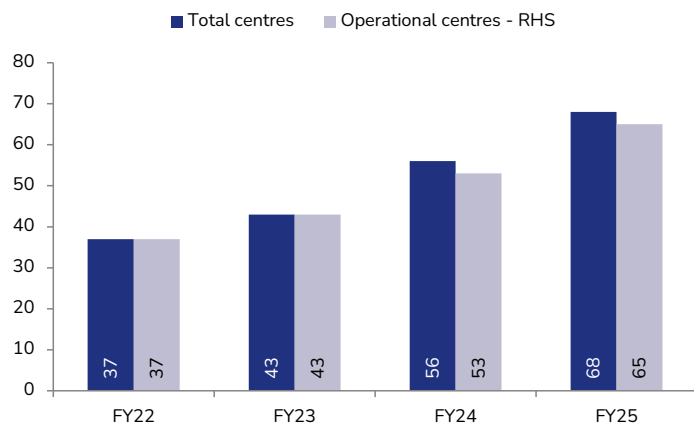
- Wework is a leading premium flexible workspace operator in India and is the largest operator by total revenue. It provides flexible office solutions to large enterprises, small and mid-size businesses, startups, as well as individuals. It has established multi-asset relationships with various prominent developers across major Tier 1 cities. As 3QFY26, the portfolio comprised 121k desks across 73 operational centres with an aggregate leasable area for operational centres of 8.2msf.
- It primarily takes Grade-A office space and has established multi-asset relationships with various prominent developers across major Tier 1 cities. The company has c.7.5msf or 93% of the operational portfolio in Grade A developments.
- Revenue from operations primarily comprises membership revenue generated through the flexible workspace and managed office solutions that it offers, and revenue from digital product offerings such as WeWork on Demand, WeWork All Access, Virtual Office, WeWork Workplace and service and ancillary revenue.
- As a premium flexible workspace operator, the company has achieved premium pricing with an average portfolio level revenue to rent multiple of 2.7 for 9MFY26, more than the industry average of 1.9 to 2.5.

Exhibit 17: Operational highlights

Particulars	3QFY26
Total area (msf)	11.4
Operational area (msf)	8.2
Operational Desk Capacity (000's)	121.6
Occupied desk (000's)	102.1
Occupancy (%)	84%
Centres	73
Mature centres (000's) - capacity	106.4
Mature centres (000's)	92.1
Occupancy at matured centres (%)	87%
Share of Mature centers	88%
Revenue to rent ratio	2.5

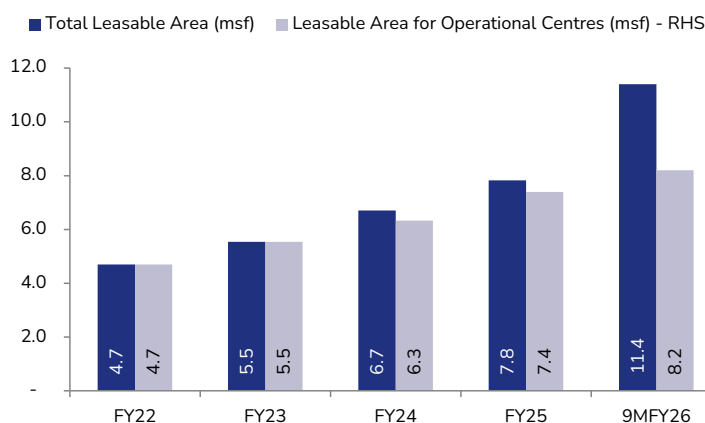
Source: Company, JM Financial

Exhibit 18: WeWork has added 35 operational centres since FY22



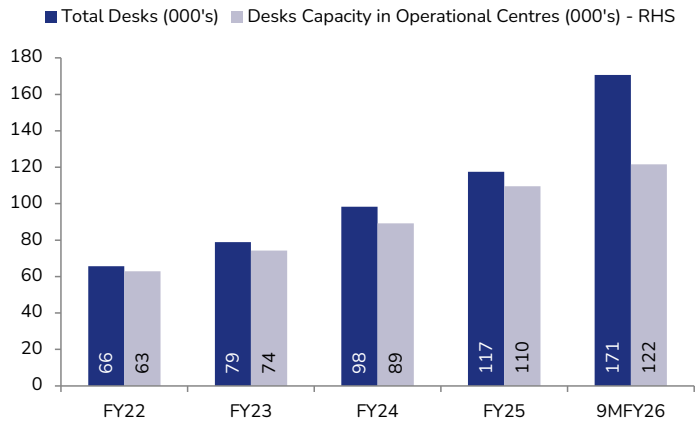
Source: Company, JM Financial

Exhibit 19: Leasable area for operational centres: 8.2msf



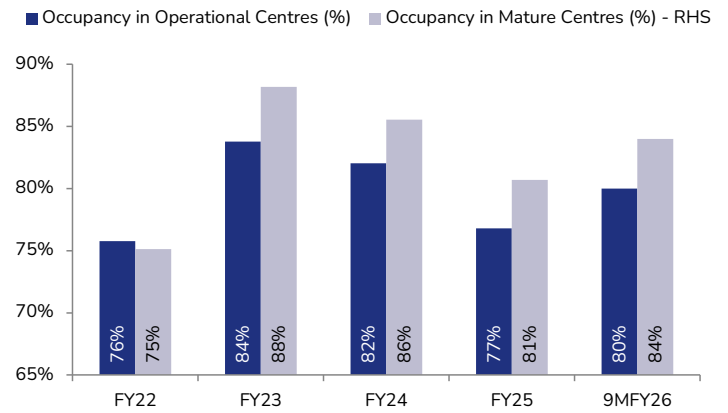
Source: Company, JM Financial

Exhibit 20: Total desks increased at CAGR of 21% over FY22–25



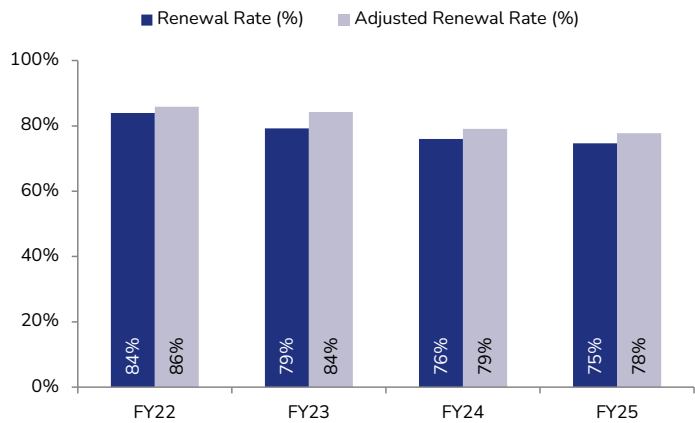
Source: Company, JM Financial

Exhibit 21: Stable matured centre occupancy



Source: Company, JM Financial

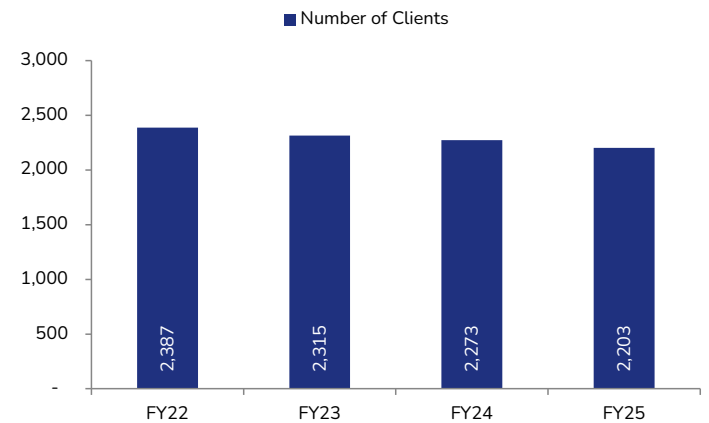
Exhibit 22: Renewal rate and adjusted renewal rate



Source: Company, JM Financial

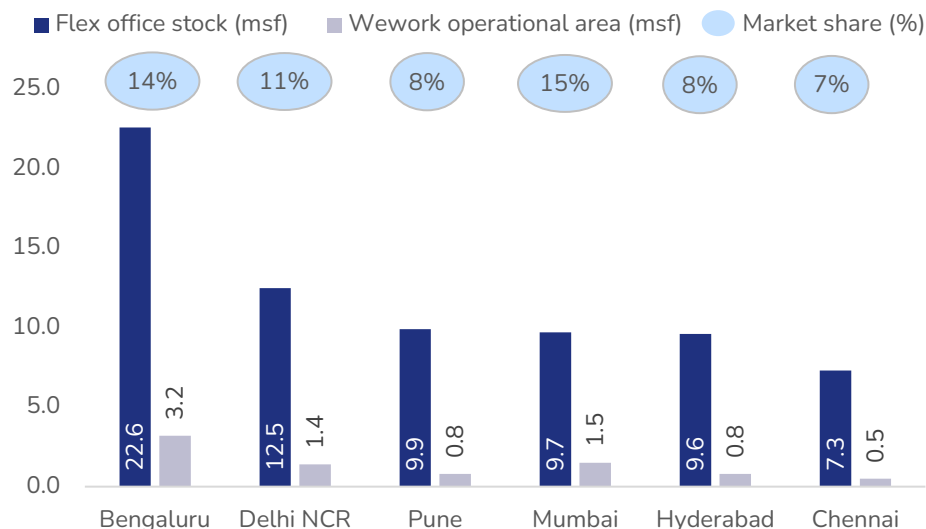
Adjusted renewal rate: It is calculated as Desks Renewed divided by the Total Desks due for Renewal for Core Operations less desks that were either pre-sold or in advanced stages of conversion for the same inventory with move-ins at higher pricing within one month of tenure expiry.

Exhibit 23: Total number of clients



Source: Company, JM Financial

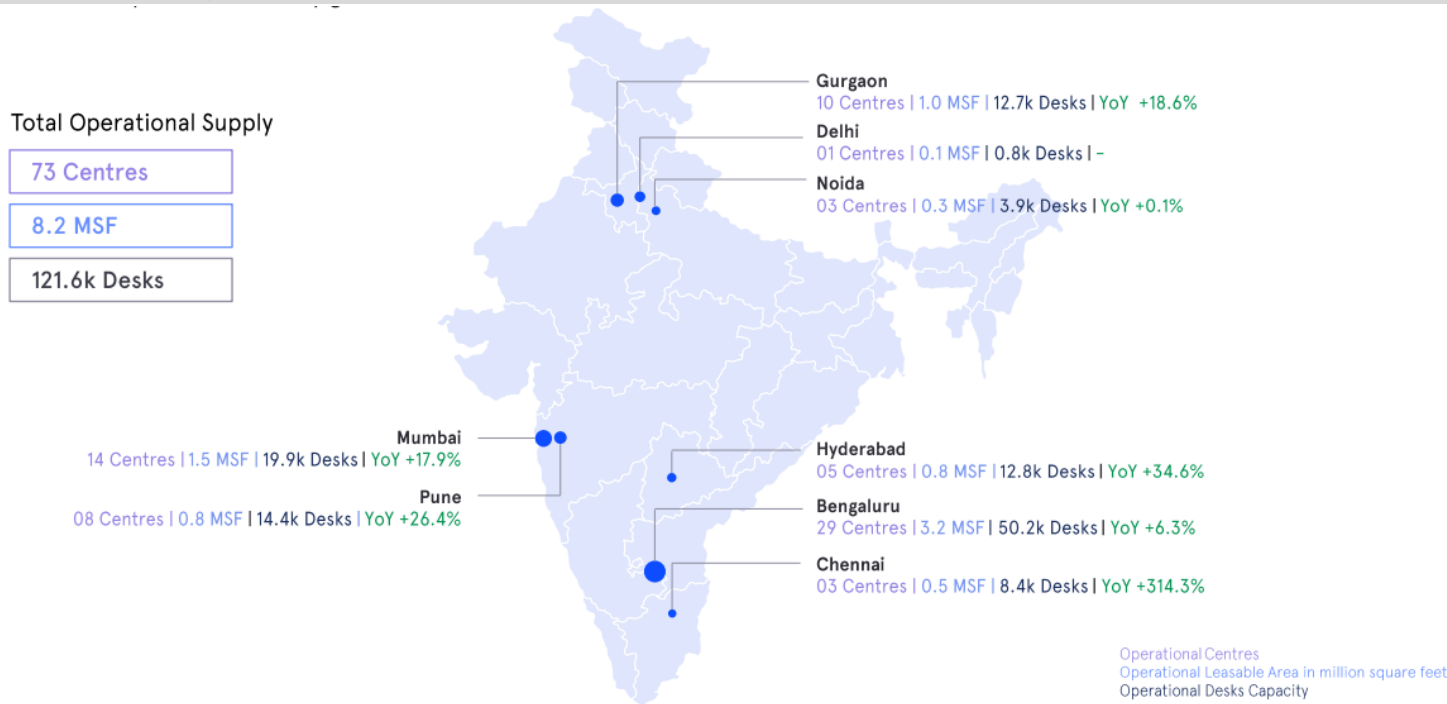
Exhibit 24: WeWork market share by city



Source: Company, JM Financial

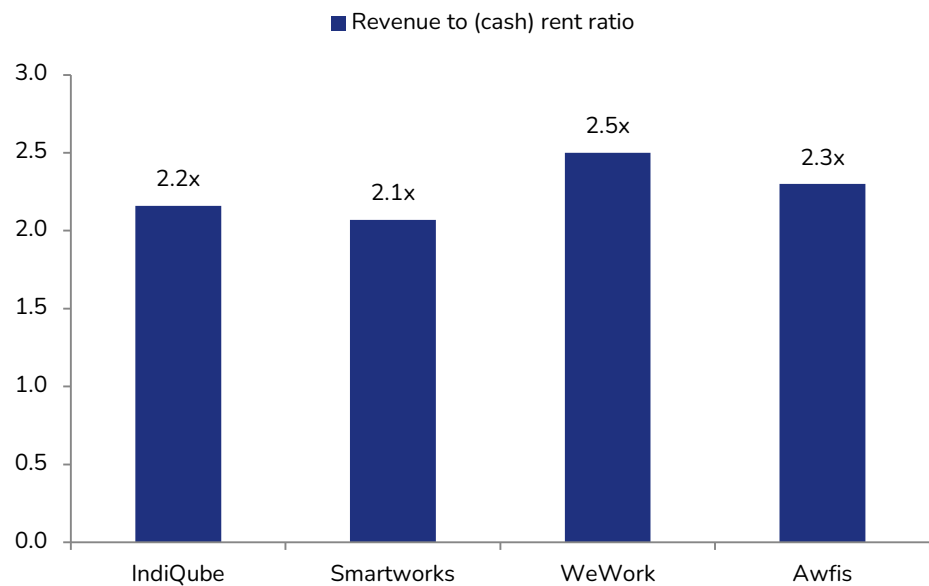
Note: Operational area is considered with city wise total flex office stock

Exhibit 25: Deepening presence across top 8 cities



Source: Company, JM Financial

Exhibit 26: WeWork revenue to rent multiple comparison with other players

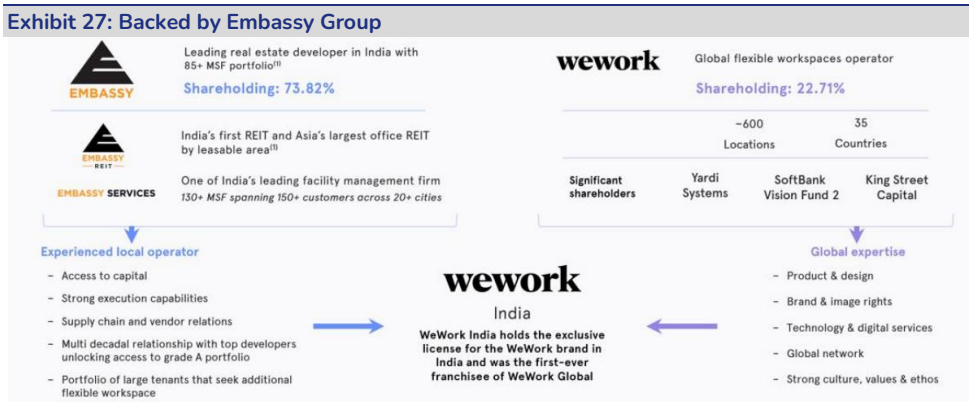


Source: Company, JM Financial

Backed by Embassy Group—among the largest office developers in India

- WeWork is one of the few flexible workspace operators in India backed by a major real estate developer. Its relationship with Embassy has provided it with an inherent understanding of the corporate real estate industry in India and helped it to establish multi-asset relationships with various prominent developers across major Tier 1 cities. The relationship with the Embassy Group also provides access to the latter’s portfolio of large tenants that seek additional, flexible workspaces.

- The company also benefits from its relationship with WeWork Global, a global flexible workspaces operator with approximately 600 wholly owned and licensed locations in 35 countries. It is the exclusive licensee of the WeWork Brand in India.



Source: Company

- The company has developed longstanding relationships with large property developers across key markets in India such as DLF, Prestige Estate Projects, Panchshil Realty, K Raheja Corp, Nesco, and Oberoi Realty. Additionally, the relationship with the Embassy Group and Embassy REIT gives it access to their portfolio of office space. As of Dec'25, it had leased two centres totaling 0.5msf in Bengaluru from Embassy Group, and nine centres with a cumulative leasable area of 1.5msf in three cities from Embassy REIT.

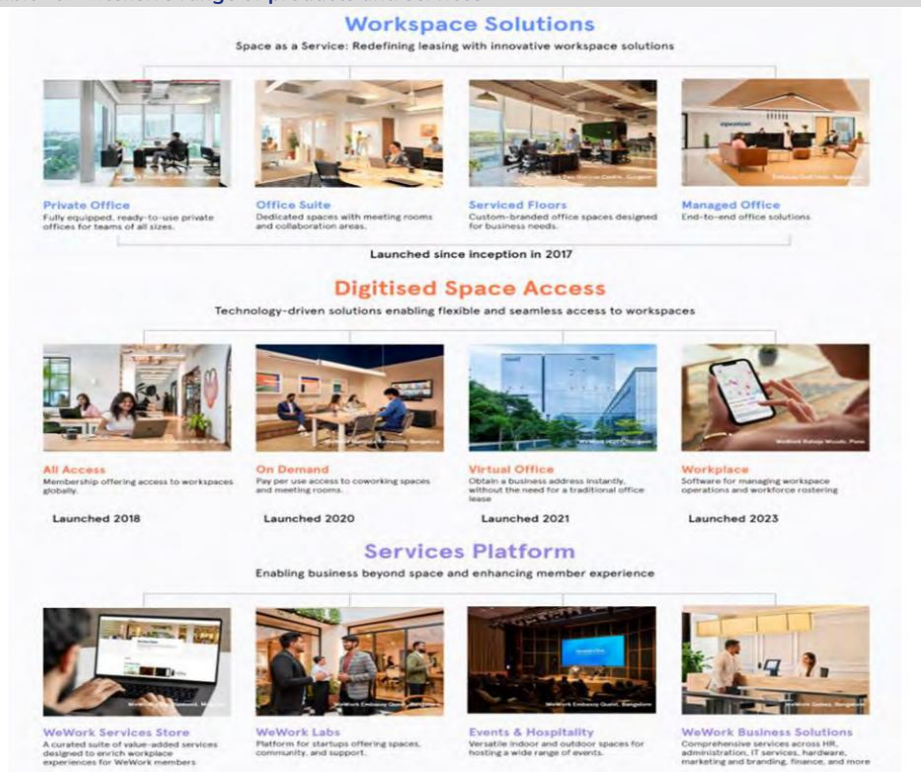


Source: Company

Extensive offerings with diversified revenue streams

- WeWork offers a wide variety of flexible workspace solutions including enterprise office suites, customised managed offices, private offices, co-working spaces, hybrid digital solutions with flexible lease terms that range from pay-per-use options to long-term contracts in its technologically integrated centres.
- The breadth of the product suite allows it to provide bespoke solutions, which enables clients to optimise their space mix across dedicated and shared spaces based on their usage patterns.

Exhibit 29: Extensive range of products and services



Source: Company

- In addition to its core operations, which generate revenue across private offices and managed offices, the company generates revenue through its value-added services and digital products, which together account for ~14% of its total operating revenue.

Diverse and sticky client base

- Its comprehensive product suite in Grade-A buildings in prime markets and focus on customer experience helps it attract a wide set of marquee tenants including large enterprises, MNCs, startups and individuals. The company's member base has consistently grown over the past few years and crossed 100k in Dec'25.
- The company has been successful in generating new business from existing members. Since FY23, 45-50% of the desk sold (excluding renewals) came from existing members who have upgraded with it.

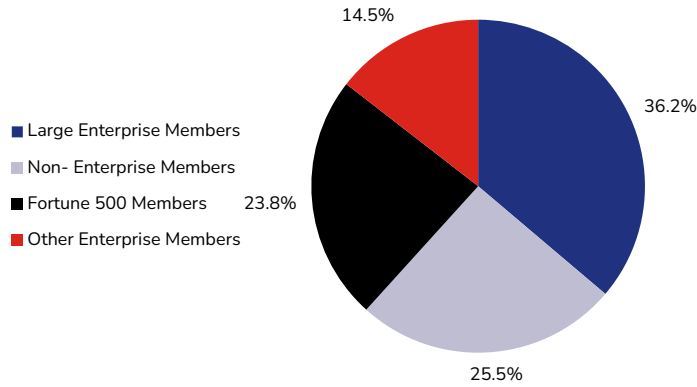
Exhibit 30: Marquee tenants including large enterprises, MNCs, startups and individuals



Source: Company

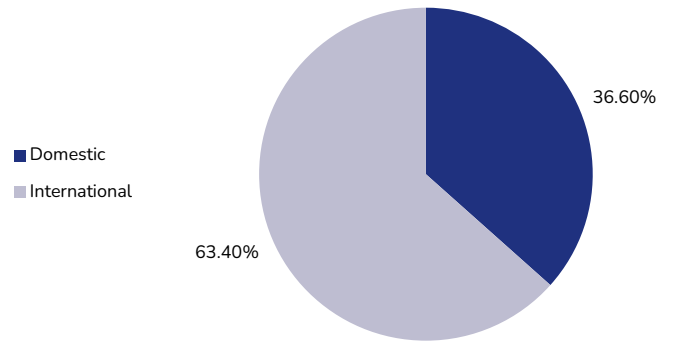
- The company's flexible workspace model caters to a broad set of members that require any number of desks, from 10 or fewer, to over 5,000. The composition of net membership fees by desk cohort has remained relatively consistent, as shown in the graphic below. As of Dec'25, 45% of its net membership fees was derived from members with over 300 desks.

Exhibit 31: Revenue from core operations by member type



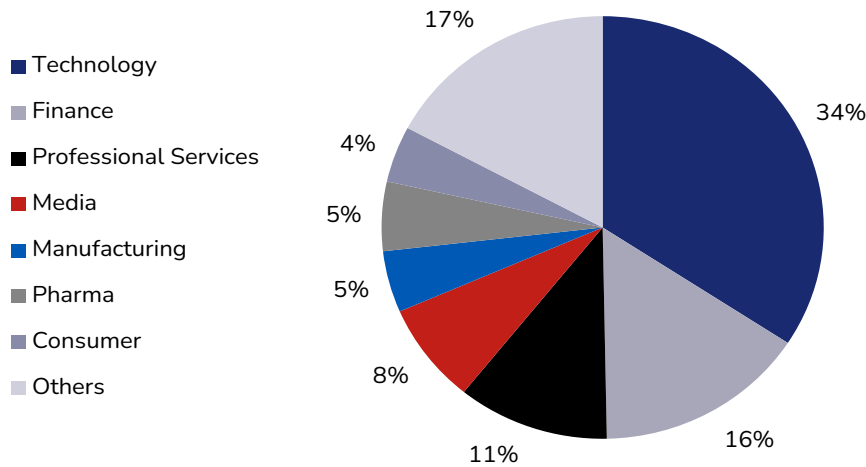
Source: Company, JM Financial

Exhibit 32: Revenue from core operations by domicile



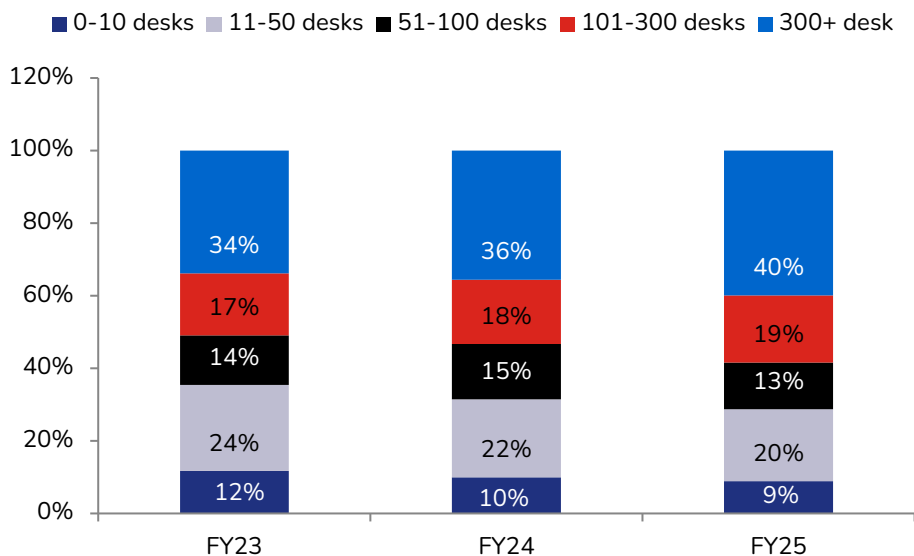
Source: Company, JM Financial

Exhibit 33: Revenue from core operations by sector



Source: Company, JM Financial

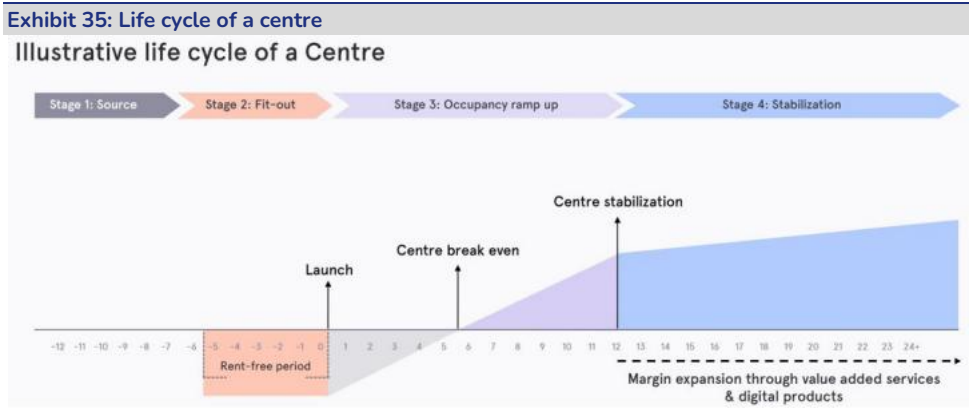
Exhibit 34: Net membership fees contribution by desk cohort



Source: Company, JM Financial

Premium positioning drives superior unit economics

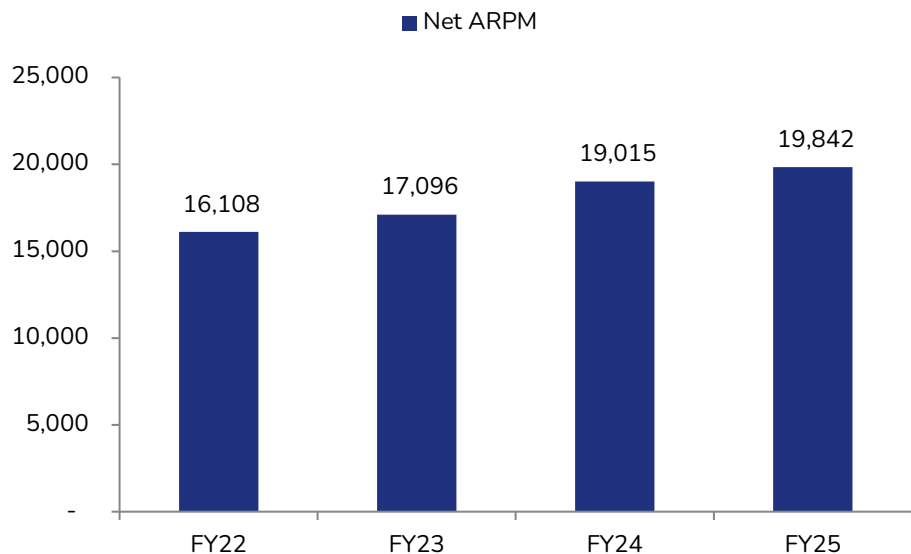
- A typical WeWork centre achieves operational breakeven at a relatively low occupancy of 55-56%, which is typically achieved within four to six months of launch. Incremental occupancy flows to unit-level occupancy as the cost base is largely fixed resulting in strong operating leverage as the centre matures. Occupancy levels depend on several factors, such as demand for, and comparable supply of, flexible workspace solutions in the micro-markets in which it operates, the pricing in comparison with competing properties, the attractiveness of the centres, the range of amenities available and the ability to provide space without significant delay.



Source: Company

- As highlighted earlier, the company has consistently achieved a revenue-to-rent multiple of c.2.6-2.7x exceeding the industry average of 1.9-2.5x. This reflects strong brand equity, Grade A locations and the ability to monetise space more efficiently through higher ARPM and cross-selling of ancillary services, directly enhancing centre-level margins and lowering breakeven thresholds.

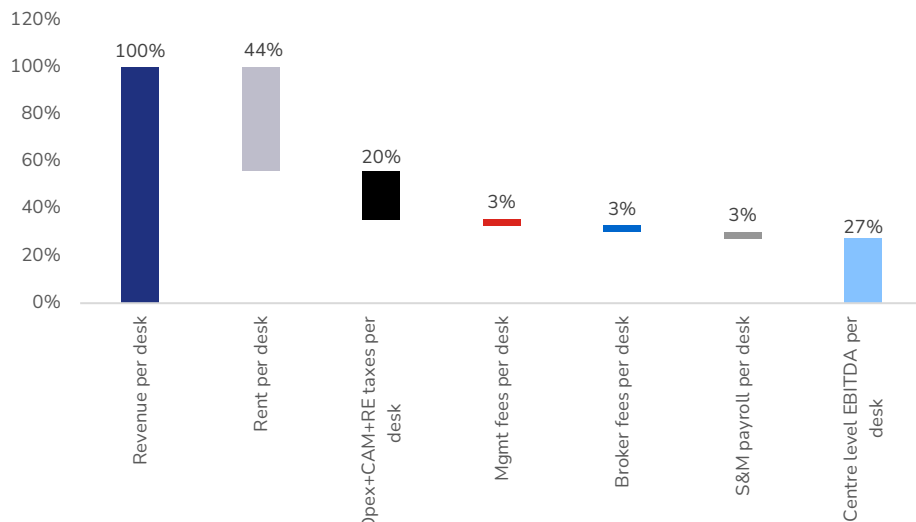
Exhibit 36: WeWork ARPM: More than 2x of peers



Source: Company, JM Financial

- On a stabilised basis, a typical centre generates 29–30% EBITDA margin (although a few mature ones have also achieved 40%) with a payback period of c.4 years even after factoring in refurbishment cycles and brokerage costs. This translates into higher return profile, underscoring the scalability of the model as new centres mature and portfolio mix improves. Adjusting for the initial drag from new centres, company generates c. 27% margin at portfolio level.

Exhibit 37: Portfolio centre-level EBITDA bridge



Source: Company, JM Financial

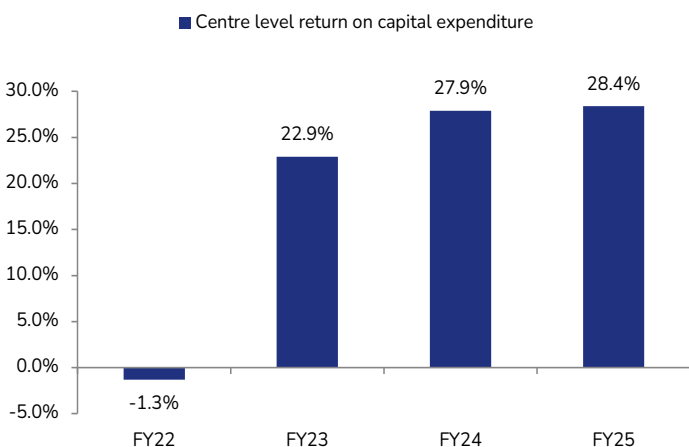
- The company has lowered the capital expenditure per desk and per sqft from FY23 to FY25, by leveraging economies of scale, localised sourcing, and innovative design strategies, which drove its centre-level returns on capital expenditure.

Exhibit 38: Over years, company has optimised capex...

Particulars	FY22	FY23	FY24	FY25
Capital expenditure per desk (INR)	2,55,891	1,60,648	1,60,276	1,46,786
Capital expenditure per sqft of leasable Leasable Area (INR)	3,299	2,610	2,573	2,363
Desk Density (sqft/desk)	78	62	62	62

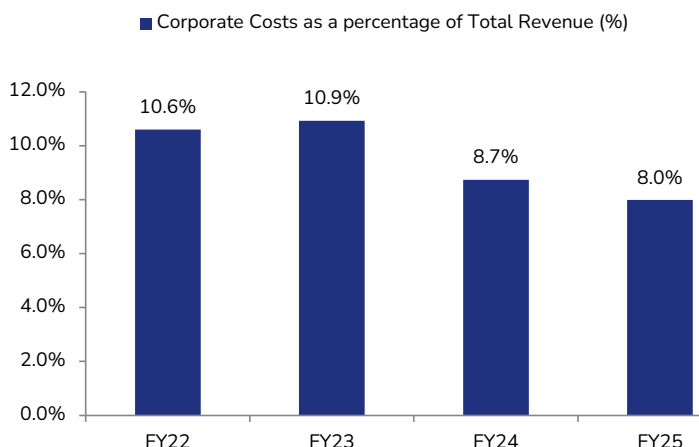
Source: Company, JM Financial

Exhibit 39: ...which has enhanced returns profile



Source: Company, JM Financial

Exhibit 40: Corporate overheads as % of total revenue dip to 8% in FY25



Source: Company, JM Financial

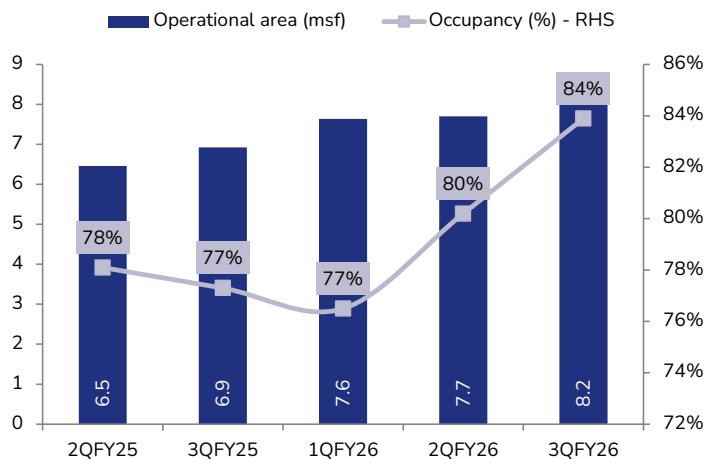
Pursuing stability and scalability through managed offices

- WeWork commenced its managed vertical in FY24 and within two years scaled its revenue to an annualised INR 5bn. As of Q3FY26, it accounts for 26k desks across 1.7msf, contributing 21% of revenue.
- WeWork-branded workspaces (co-working platform) primarily serve startups, MSMEs, project teams, and enterprises seeking speed, optionality, and distributed access. Managed offices cater to larger enterprises and GCCs that want to retain brand identity and exclusivity while outsourcing the entire workspace lifecycle.
- There are synergies in both the verticals given the fact that the managed platform can tap the captive user base of co-working because, as the companies scale or stabilise headcount, they adopt managed offices for specific teams or locations, while continuing to use WeWork-branded workspaces.
- Now that the managed business has become sizable, it enables WeWork to serve the entire lifecycle of a company, from early-stage teams to scaled enterprises and Fortune 500 clients occupying full buildings.
- The co-working business generates relatively higher RoCE as it carries lower capex/re-investment needs, higher operating leverage along with accretive optionalities in terms of VAS and digital products. Managed, on the other hand, is capital intensive with mid-teens return profile but offers higher scalability with predictable and stable cash flows.

Revenue to expand at 24% CAGR led by seats addition; EBITDA growth to be higher

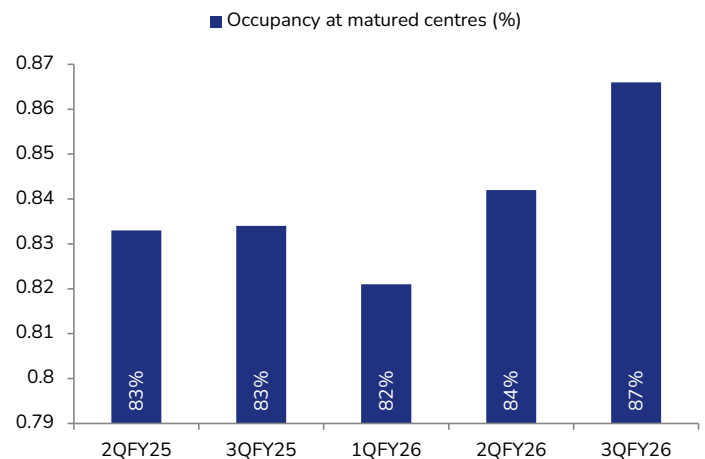
- In 3QFY26, WeWork reported revenue of INR 6.5bn (+29% YoY) driven by higher capacity and improved utilization. Consequently, EIBTDA grew by 59% YoY as it witnessed 400bps expansion in margins to 21% - implying operating leverage at play as occupancy in mature centres increased to 87% during the quarter.
- It has added 20k desks over the last 4 quarters across 11 new centres, representing a increase in capacity by 20% YoY. Likewise, company sold 38k desk in 9MFY26 (+41% YoY) with 50% of new desk sales coming from existing members.

Exhibit 41: Occupancy increased 700bps YoY to 84% in 3QFY26



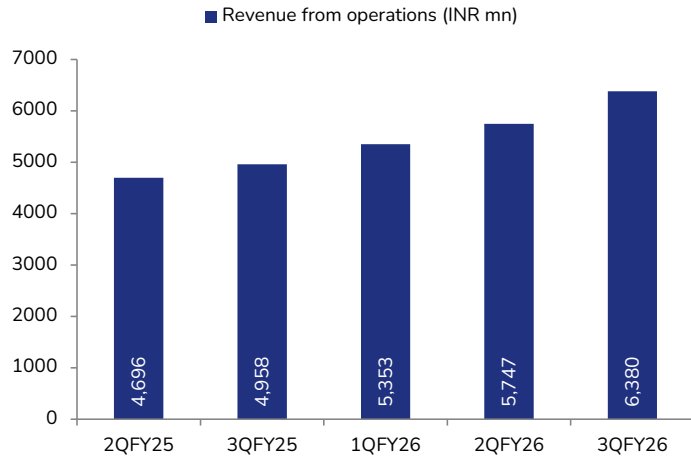
Source: Company, JM Financial

Exhibit 42: Occupancy at matured centres increased to 87% in 3QFY26



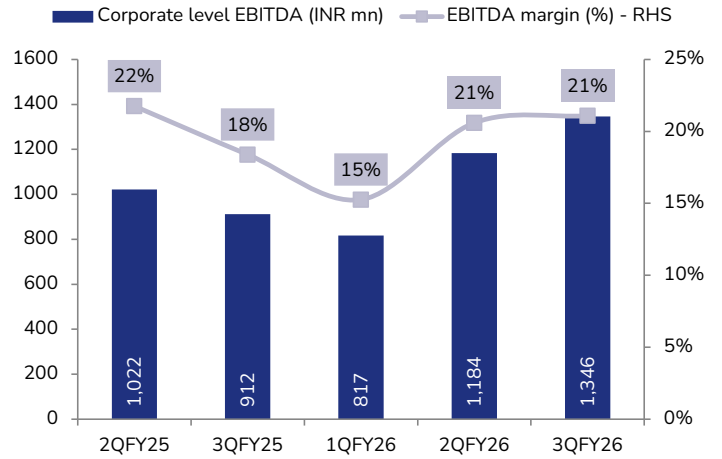
Source: Company, JM Financial

Exhibit 43: Revenue from operations increased 24% YoY in 3QFY26



Source: Company, JM Financial

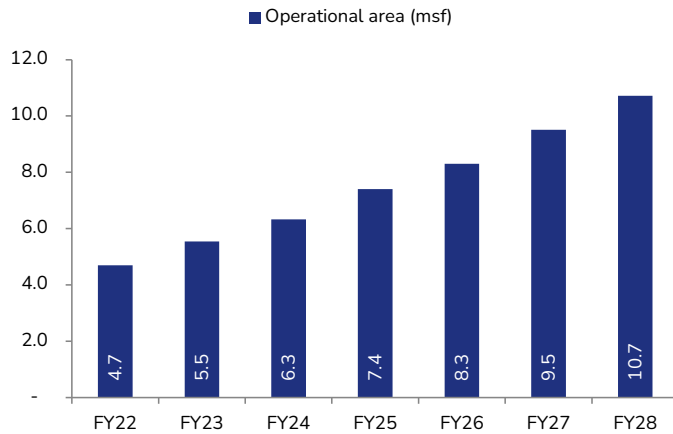
Exhibit 44: EBITDA margin up 270bps YoY to INR 1.3bn in 3QFY26



Source: Company, JM Financial

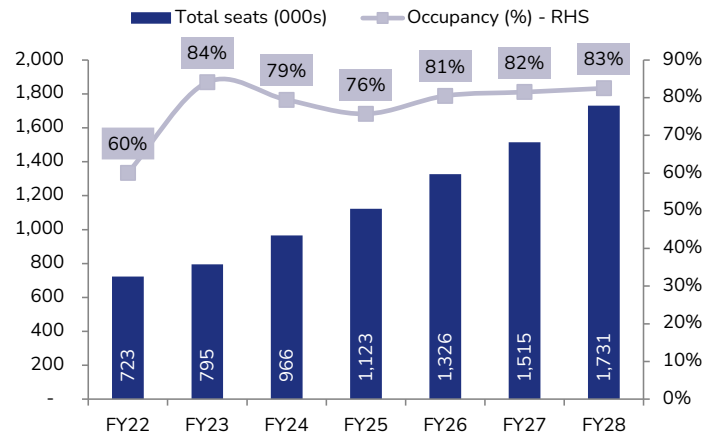
- WeWork has added 15-20k seats annually in recent years and is on track to add 20-25k seats annually in near term. It already has 3.2msf area under various stages of fit outs, which provides visibility till FY28. We expect the company to report 24% CAGR in topline over FY26-28E largely led by seat addition along with 4% annual growth in ARPM.
- VAS and digital streams were at c.16% of core rentals in FY25, and we have built in a similar trajectory in the near term.

Exhibit 45: Operational area to increase at 16% CAGR over FY26-28E



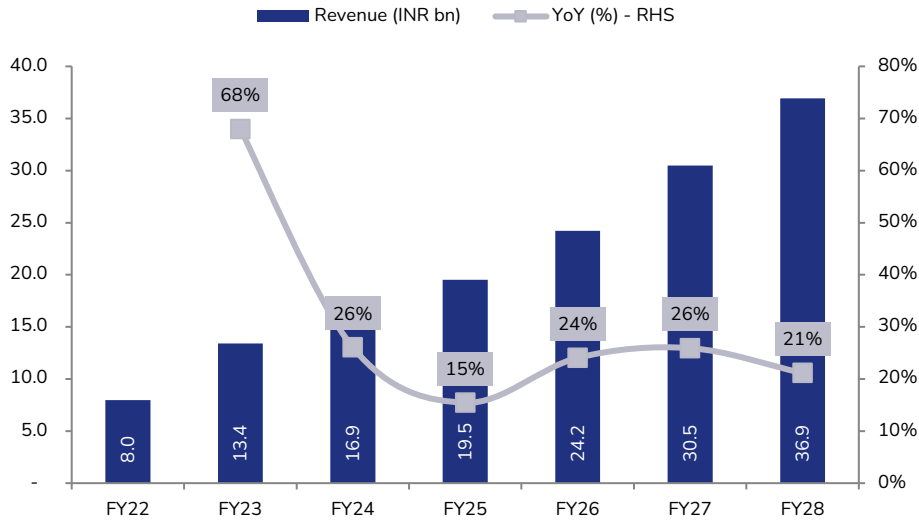
Source: Company, JM Financial

Exhibit 46: Occupancy to be stable at over 80%



Source: Company, JM Financial

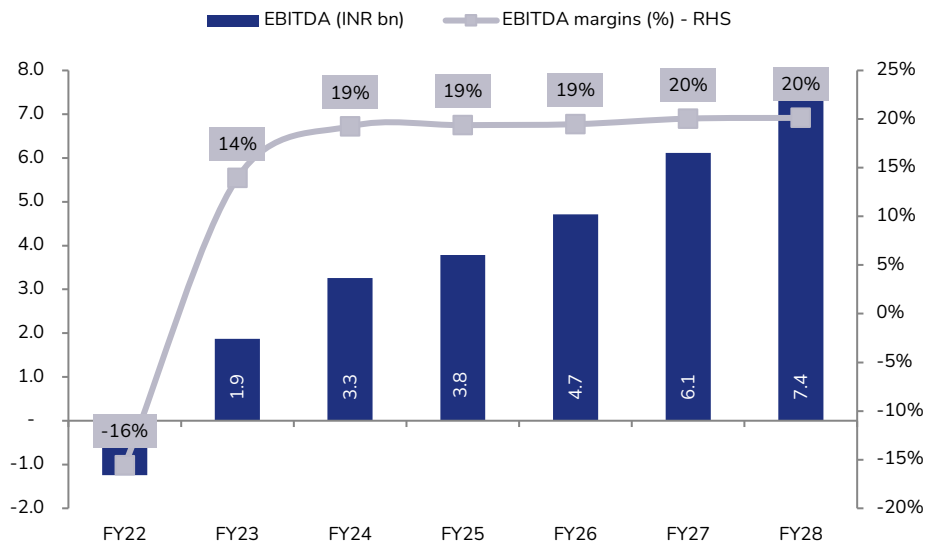
Exhibit 47: Revenue to grow 24% CAGR across FY26–28E



Source: Company, JM Financial

- We believe IGAAP EBITDA can outpace topline growth with 26% CAGR (post all lease rental payments and brokerage) over the same period driven by operating leverage, which would stem from steady overheads and operational efficiencies.

Exhibit 48: EBITDA to outpace revenue growth as margins continue to trend up



Source: Company, JM Financial

Company Overview

- Launched in CY17, WeWork India is a leading premium flexible workspace operator providing high-quality, scalable office solutions to a diverse client base including large enterprises, SMEs, startups and individual professionals. The company focuses on flexible workspace formats designed to address evolving workplace needs, enabling enterprises to optimise real estate costs while maintaining operational flexibility.
- WeWork operates across key Tier 1 office markets including Bengaluru, Mumbai, Pune, Hyderabad, Gurgaon, Noida, Delhi and Chennai. These cities continue to demonstrate strong office demand supported by deep talent pools, infrastructure development, employment opportunities and favourable business growth prospects. According to industry reports, office absorption across major markets was c.80msf+ in CY25 versus c.70.0msf of supply completion, reflecting healthy demand-supply dynamics. Gross absorption across these markets is expected to sustain at these levels in near term. Bengaluru represents the company's largest market and has emerged as one of Asia's leading office hubs by absorption and stock, accounting for over 30% of India's flexible workspace inventory among Tier 1 cities.
- The company's centres are predominantly located in Grade A technology parks, established business hubs and premium CBD assets, with over 85% of the portfolio concentrated in key flexible workspace clusters.. This strategic positioning enhances demand visibility, occupancy stability and pricing power.
- **Workspace solution:** WeWork offers a comprehensive portfolio of workspace solutions including private offices, enterprise office suites, customised managed offices, serviced floors, coworking spaces and hybrid digital workspace offerings. Flexible office memberships provide turnkey furnished offices with access to shared amenities such as meeting rooms, lounges, pantries and collaboration areas, along with 24/7 access flexibility.
- WeWork flexible workspace solutions:
 - Managed office solutions provide end-to-end customised offerings covering sourcing, design, build and operational management tailored to enterprise requirements. Serviced floors offer fully furnished private office floors with branding flexibility, dedicated amenities and customisation options suited for larger enterprise teams.
- **Value-added services:** Beyond physical workspaces, the company offers value-added services including workspace customisation, parking, event spaces, advertising, food and beverage services and infrastructure support. Digital offerings include WeWork On Demand (daily desk access), WeWork All Access (global membership access), Virtual Office solutions (business address services) and WeWork Workplace SaaS solutions for workspace management and workforce rostering.
- **Client profile:** The company's member base spans freelancers, startups, SMEs and large corporates across sectors including technology, financial services, professional services, manufacturing and consumer industries. Its enterprise client roster includes global corporates such as Amazon Web Services, JP Morgan, Commonwealth Bank of Australia Services, Discovery Communications, Deutsche Telekom Digital Labs and Grant Thornton Bharat, highlighting strong enterprise adoption of flexible workspace solutions.

Key Management Personnel

Exhibit 49: Board of directors and KMP

Particulars	Designation	Description
Mr Jitendra Mohandas Virwani	Chairman and Non-executive Director	He is a fellow of the Royal Institution of Chartered Surveyors. He is the chairman and managing director of the Embassy group of companies, including Embassy Property Developments Private Limited with over 28 years of experience in the real estate and property development sector. He is also a member of the Equestrian Federation of India.
Mr Karan Virwani	Managing Director and Chief Executive Officer	He holds a bachelor's degree in business administration from the University of Kent. He is responsible for overseeing critical operation and growth-oriented functions of the company. He started his career with Lounge Hospitality LLP, a startup venture that owns and operates premium restaurants manages residential club houses and outdoor catering in India and went on to working in the Chairman's Office at Embassy Property Developments Private Limited. He has been recognised in Forbes 30 Under 30 Asia List 2019, GQs Most Influential Young Indians 2018, and BWs Best CEO of a Flex Space.
Mr Adnan Mostafa Ahmad	Non-executive Nominee Director	He holds a Bachelor of Arts degree in international studies from Johns Hopkins University, where he graduated as a Fulbright Scholarship award recipient. At present, he is associated with Yardi Systems, Inc. as a senior advisor. Previously, he was associated with Willoughby Capital Holdings, LLC and Roystone Capital Management LP.
Ms Mahua Acharya	Independent Director	She holds an honorary academic degree in Master of Arts from Yale University. She currently serves on the board of directors of Gabriel India Ltd, Emergent Forest Finance Accelerator, USA as chairperson and Exicom Telesystems Limited. She was also previously associated with Convergence Energy Services Limited as managing director and chief executive officer, Brightspark Energy Private Limited as Chief of Staff and Global Green Growth Institute under the grade of assistant director general. She also serves as a member of the Expert Committee on Voluntary Carbon Markets, International Finance Services Centres Authority (IFSCA), Government of India.
Mr Manoj Kumar Kohli	Independent Director	He holds a bachelor's degree in commerce (honours) and a master's degree in business administration from the University of Delhi. He has also received a diploma in training and development from the Indian Society for Training and Development and a post-graduate diploma in personnel management from the New Delhi YMCA Institute of Management Studies. He was previously associated with SoftBank Group International as country head and Bharti Enterprises Limited as the managing director. He has been awarded at the NDTV Profit Business Leadership Awards 2009.
Ms Anupa Rajiv Sahney	Independent Director	She holds a bachelor's degree in arts (honors) in accountancy, finance & economics from the University of Essex. She currently serves on the board of directors of Borosil Limited and Goel Scientific Glass Works Limited. She is a member of the Institute of Chartered Accountants in England & Wales. She is amongst the first directors of Origami Consultants Private Limited and is on the board of advisors of the Balco Medical Centre, a unit of Vedanta Research Foundation.
Mr Clifford Noel Lobo	Chief Financial Officer	He has been associated with the company since 5 th Oct'20. He is responsible for financial strategy, financial operations, compliance and overall financial performance of the company. He holds a bachelor's degree in commerce from the Bangalore University and is a fellow member of the Institute of Chartered Accountants of India. Prior to joining the company, he was associated with ESPN Digital Media (India) Private Limited as director - finance and administration, and i2 Technologies India Private Limited as director - finance. He was also associated with Bharti Cellular Limited and Smithkline Beecham Pharmaceuticals (India) Limited.

Source: Company, JM Financial

Exhibit 50: Key management personnel

Director name	Designation
Mr Udayan Shukla	Company Secretary and Compliance Officer
Mr Vinayak Parameswaran	Chief Investment Officer
Ms Hiranmai Rallabandi	General Counsel & Chief Governance Officer
Mr Santosh Martin	Chief Revenue Officer
Mr Raghuvinder Singh Pathania	Head – Community and Building Operations
Mr Arnav Singh Gusain	Chief Supply Officer
Mr Debosmita Majumder	Chief Marketing Officer

Source: Company, JM Financial

Key Risks

- **CBD concentration:** The portfolio's concentration in core business districts supports pricing power but during downcycles, premium CBD assets may see slower seat absorption relative to peripheral locations.
- **Brand perception:** While the India arm has established leadership position with strong enterprise mix, association with global WeWork brand can influence clients/investors perception.
- **Landlord concentration:** Over 30% of leasable area is sourced from to 10 landlords and the loss of one or more of its top landlords due to the delay or inability to pay lease amounts on time, non-renewal of lease agreements, amongst other reasons, could have an adverse effect on its business

Financial Tables ()

Income Statement						(INR mn)
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E	
Net Sales	16,651	19,492	24,216	30,492	36,938	
Sales Growth (%)	26.7	17.1	24.2	25.9	21.1	
Other Operating Income	-	-	-	-	-	
Total Revenue	16,651	19,492	24,216	30,492	36,938	
Cost of Goods Sold/Op. Exp	16	27	-	-	-	
Personnel Cost	1,339	1,550	1,796	2,218	2,656	
Other Expenses	4,825	5,535	6,827	9,067	11,066	
EBITDA	10,471	12,379	15,593	19,207	23,215	
EBITDA Margin (%)	62.9	63.5	64.4	63.0	62.8	
EBITDA Growth (%)	31.6	18.2	26.0	23.2	20.9	
Depn. & Amort.	7,442	8,237	9,638	11,573	13,679	
EBIT	3,029	4,142	5,954	7,634	9,536	
Other Income	183	283	-	-	-	
Finance Cost	5,077	5,979	5,808	6,648	7,810	
PBT before Excep. & Forex	-1,328	-1,089	340	1,230	2,022	
Excep. & Forex Inc./Loss(-)	-	-459	-	-	-	
PBT	-1,328	-1,548	340	1,230	2,022	
Taxes	-3	-2,850	-	-	-	
Extraordinary Inc./Loss(-)	-	-	-	-	-	
Assoc. Profit/Min. Int.(-)	-33	-20	-	-	-	
Reported Net Profit	-1,358	1,282	340	1,230	2,022	
Adjusted Net Profit	-1,358	1,282	340	1,230	2,022	
Net Margin (%)	-8.2	6.6	1.4	4.0	5.5	
Diluted Share Cap. (mn)	134	134	134	134	134	
Diluted EPS (INR)	-10.1	9.6	2.5	9.2	15.1	
Diluted EPS Growth (%)	-	-	-73.4	261.3	64.3	
Total Dividend + Tax	-	-	-	-	-	
Dividend Per Share (INR)	-	-	-	-	-	

Source: Company, JM Financial

Cash Flow Statement						(INR mn)
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E	
Profit before Tax	-1,328	-1,548	340	1,230	2,022	
Depn. & Amort.	7,442	8,237	9,638	11,573	13,679	
Net Interest Exp. / Inc. (-)	5,077	5,979	5,808	6,648	7,810	
Inc (-) / Dec in WCap.	571	496	1,130	-1,324	-754	
Others	-429	-204	-194	-244	-296	
Taxes Paid	285	-61	-	-	-	
Operating Cash Flow	11,619	12,899	16,723	17,883	22,461	
Capex	-2,445	-3,723	-4,695	-5,320	-4,519	
Free Cash Flow	9,173	9,176	12,028	12,563	17,942	
Inc (-) / Dec in Investments	-	-	-	-	-	
Others	-1,489	687	194	244	296	
Investing Cash Flow	-3,934	-3,036	-4,501	-5,076	-4,224	
Inc / Dec (-) in Capital	-	5,013	-	-	-	
Dividend + Tax thereon	-	-	-	-	-	
Inc / Dec (-) in Loans	2,000	2,339	-301	-855	-713	
Others	-9,973	-17,190	-10,787	-13,125	-15,567	
Financing Cash Flow	-7,973	-9,838	-11,087	-13,980	-16,279	
Inc / Dec (-) in Cash	-289	25	1,135	-1,173	1,958	
Opening Cash Balance	499	211	236	1,370	197	
Closing Cash Balance	211	235	1,370	197	2,155	

Source: Company, JM Financial

Balance Sheet						(INR mn)
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E	
Shareholders Fund	-4,376	2,005	2,345	3,575	5,597	
Share Capital	548	1,340	1,340	1,340	1,340	
Reserves & Surplus	-4,923	657	997	2,227	4,249	
Preference Share Capital	-	-	-	-	-	
Minority Interest	-2	8	8	8	8	
Total Loans	6,258	3,102	2,802	1,947	1,234	
Def. Tax Liab. / Assets (-)	9	-2,850	-2,850	-2,850	-2,850	
Other non-current liabilities / Lease Liabilities	31,365	35,890	37,877	45,480	52,651	
Total - Equity & Liab.	33,247	40,997	43,023	51,002	59,482	
Net Fixed Assets	6,747	9,085	11,256	13,543	14,561	
Gross Fixed Assets	10,984	14,779	19,473	24,794	29,313	
Intangible Assets	-	-	-	-	-	
Less: Depn. & Amort.	4,237	5,694	8,217	11,251	14,752	
Capital WIP	-	-	-	-	-	
Investments	156	159	159	159	159	
Current Assets	37,925	41,823	42,365	49,304	58,131	
Inventories	1	7	7	7	7	
Sundry Debtors	802	832	1,027	1,288	1,556	
Cash & Bank Balances	211	236	1,370	197	2,155	
Loans & Advances	1,000	1,000	-	-	-	
Other Current Assets	35,911	39,749	39,962	47,812	54,414	
Current Liab. & Prov.	11,571	12,920	13,607	14,854	16,219	
Current Liabilities	33,370	37,758	39,160	47,192	53,990	
Provisions & Others	-21,799	-24,838	-25,553	-32,338	-37,771	
Net Current Assets	-6,284	-8,339	-9,744	-11,903	-11,043	
Other Non Current Assets/ROU Assets	32,638	37,242	38,502	46,353	52,955	
Total - Assets	33,247	40,997	43,023	51,002	59,482	

Source: Company, JM Financial

Dupont Analysis					
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin (%)	-8.2	6.6	1.4	4.0	5.5
Asset Turnover (x)	0.5	0.5	0.6	0.6	0.7
Leverage Factor (x)	-	-	19.4	15.9	12.1
RoE (%)	-	-	15.7	41.7	44.2

Source: Company, JM Financial

Key Ratios					
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	-32.6	14.9	17.4	26.6	41.7
ROCE (%) (pre-tax)	11.2	13.2	14.7	16.8	17.8
ROE (%)	-	-	15.7	41.7	44.2
Net Debt/Equity (x)	-	1.4	0.6	0.5	-0.2
P/E (x)	-	47.1	177.3	49.1	29.9
P/B (x)	-	30.2	25.8	16.9	10.8
EV/EBITDA (x)	6.3	5.1	4.0	3.2	2.6
EV/Sales (x)	4.0	3.2	2.6	2.0	1.6
Debtor days	18	16	15	15	15
Inventory days	0	0	0	0	0
Creditor days	43	26	28	27	28

Source: Company, JM Financial

Smartworks Coworking Spaces | BUY

Flex at full throttle

Smartworks is India's largest managed campus operator in terms of total AUM (rose from 12msf in Mar'25 to 15msf by Dec'25). It started operations in FY16 as a co-working space provider and pivoted to managed business in FY19 to cater to mid-to-large enterprises. It accelerated its expansion over FY22-25 by adding a total leasable area of 5msf, which translates into 40% CAGR. The company specialises in taking up large centres and driving operational efficiencies through scale and scope, thereby benefiting from operating leverage. Most of the large leases signed flex operators in India (above 0.5msf) have been taken up by Smartworks, with the largest centre of c.0.8msf located in Mumbai. Its demand profile is now increasingly anchored in large enterprises, which contribute ~90% of rental revenue, with ~35% coming from clients requiring more than 1,000 seats and over 30% from multi-city occupiers. It has also launched a dedicated platform to tap into growing demand from GCCs by offering ready-to-operate campuses along with ecosystem of partner-led services. We expect the company to achieve 26% CAGR in revenue over FY26E-28E led by a tied-up pipeline of c.15msf (only 9msf operational) and contractual growth in rentals. Ramp-up in occupancy and expanding mature footprint will drive higher growth in EBITDA at 30% CAGR. We assign 14x EV/EBITDA multiple on FY28E Normalised EBITDA and initiate coverage with a TP of INR 630.

- Transforming sub-prime assets to full-service centres:** Smartworks specialises in partnering with landlords, especially passive and non-institutional ones, to lease entire/large properties in key clusters in India. Smartworks transform these spaces into high-yield office centres and, in the process, also locks in lower rentals. Non-institutional landlords' share stood at 75% (3QFY26) and, post IPO, the company has also started actively sourcing supply from Grade A developers.
- Extracting efficiencies through scale:** Smartworks' scale enables it to lease large commercial assets on long tenures (typically 10–15 years) with meaningful lock-ins, allowing fit-out investments to be amortised over longer periods while maintaining execution flexibility. A centralised sourcing model and established vendor network support cost discipline and consistent delivery, with workspaces typically becoming operational within 45–60 days of contract execution. The standardised operating approach helps contain capital intensity, with average fit-out cost of ~INR 60,000 per seat (INR 1,300 psf), materially below industry benchmarks.
- Caters to all cohorts with focus on large enterprises:** Smartworks caters to the needs of all team sizes, from under 50 to over 4,800 seats, with focus on emerging mid and large enterprises that typically need over 300 seats. The company's ability to serve its pan-India customised infrastructure and operational requirements makes it a preferred partner for these enterprises. As of 3QFY26, 90% of its rental revenue continues to be from enterprise clients, with more than 70% coming from clients occupying over 300 seats, ensuring visibility and predictable cash flow.
- Financials and valuation:** Smartworks' operational footprint has grown at 23% CAGR over FY23-26E, leading to revenue growth of 37% CAGR. With a tied-up portfolio of c.15msf, the robust pace of commissioning is expected to continue in the near term and operational area should reach c.14msf by FY28E. Ramp-up in occupancy and expanding mature footprint shall drive higher growth in EBITDA at 26% CAGR during the same period. We assign 14x EV/EBITDA to FY28E EBITDA, yielding at TP of INR 630; initiate coverage at BUY.



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Recommendation and Price Target

Current Reco.	BUY
Current Price Target (12M)	630
Upside/(Downside)	55.9%

Key Data – SMARTWOR IN

Current Market Price	INR404
Market cap (bn)	INR46.1/US\$0.5
Free Float (%)	22.1
Shares in issue (mn)	114.3
Diluted share (mn)	114.3
3-mon avg daily val (mn)	INR34.2/US\$0.4
52-week range	INR619/376
Sensex/Nifty	78,919/24,450
INR/US\$	91.8

Price Performance

%	1M	6M	12M
Absolute	-12.2	-22.0	0.0
Relative*	-6.5	-19.8	0.0

*To the NSE Nifty 50

Financial Summary (Ind-AS)

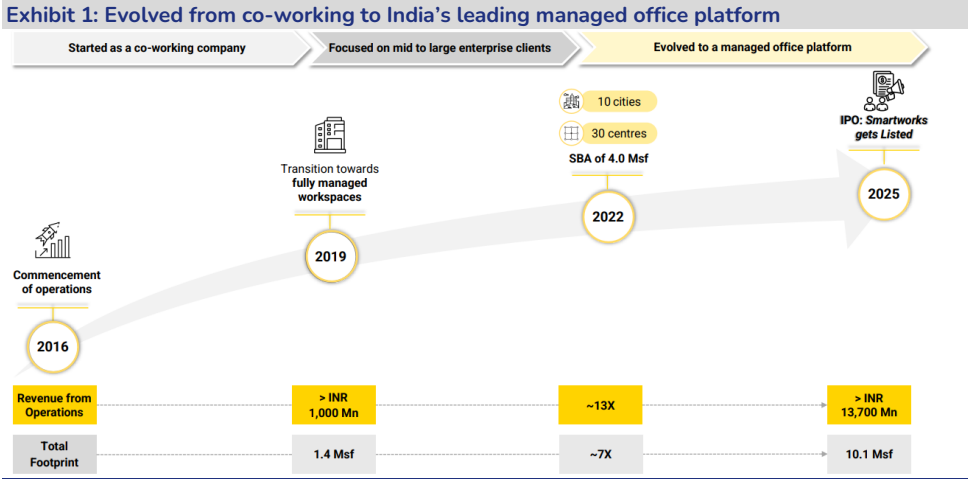
	(INR mn)				
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	10,394	13,741	17,871	23,062	28,428
Sales Growth (%)	46.1	32.2	30.1	29.0	23.3
EBITDA	6,597	8,573	11,963	15,447	19,353
EBITDA Margin (%)	63.5	62.4	66.9	67.0	68.1
Adjusted Net Profit	-500	-631	1,230	3,562	5,774
Diluted EPS (INR)	-4.4	-5.5	10.8	31.2	50.5
Diluted EPS Growth (%)	-	-	-	189.5	62.1
ROCE (%) (pre-tax)	7.2	7.4	11.9	17.9	23.9
ROE (%)	-122.6	-79.9	31.4	41.7	43.7
P/E (x)	-	-	37.5	12.9	8.0
P/B (x)	92.2	42.7	6.8	4.5	2.9
EV/EBITDA (x)	7.5	5.8	3.7	2.9	2.2
Dividend Yield (x)	-	-	-	-	-

Source: Company data, JM Financial. Note: Valuations as of March 06, 2026

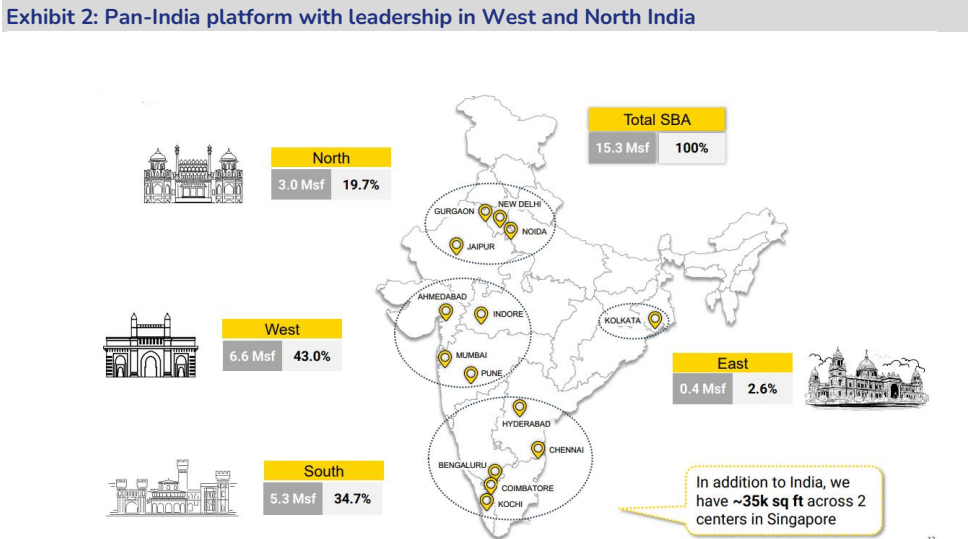
JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

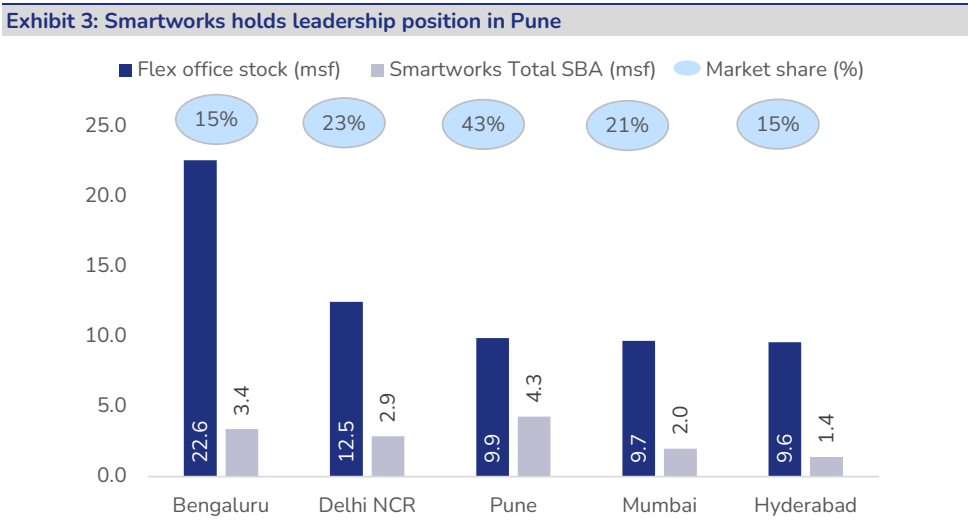
Focus Charts



Source: Company
 Years in the timeline are based on calendar years; Revenue is for Fiscal Year
 Msf: Million Square Feet, SBA: Super Built Up Area

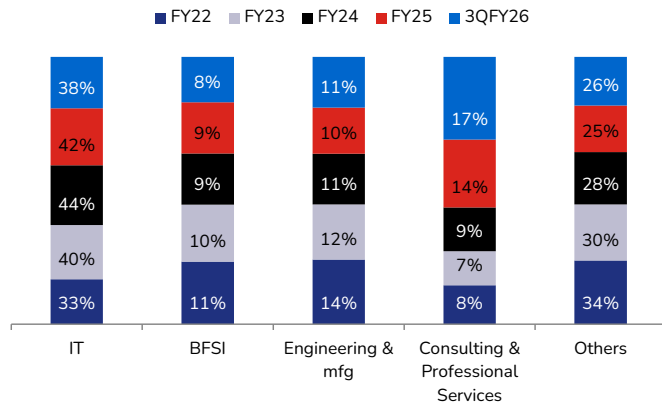


Source: Company
 Data as on 31st Dec '25; this includes 1.9msf that will become operational in the upcoming quarters



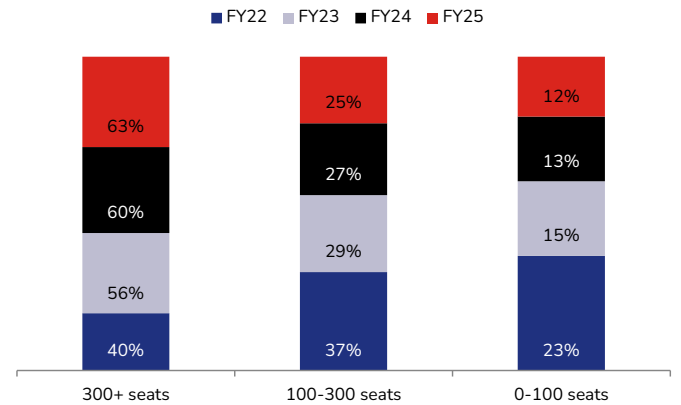
Source: Company, JM Financial

Exhibit 4: Client base spread across diverse sectors



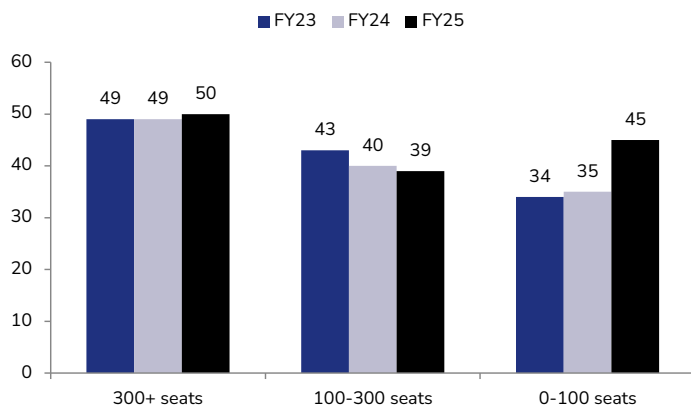
Source: Company, JM Financial

Exhibit 5: 300+ cohort accounts for 60%+ share in top line



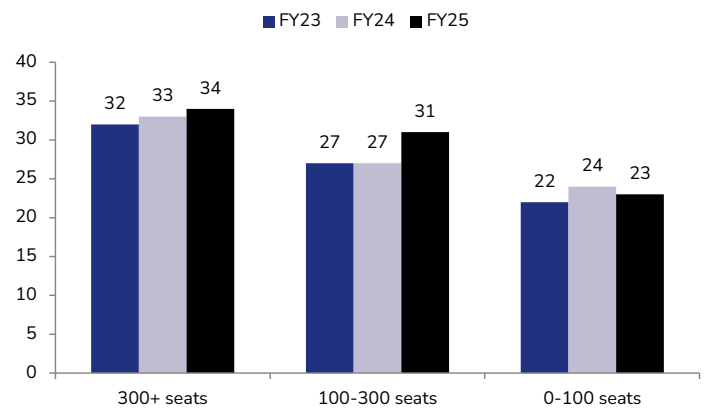
Source: Company, JM Financial

Exhibit 6: Weighted average lease tenure



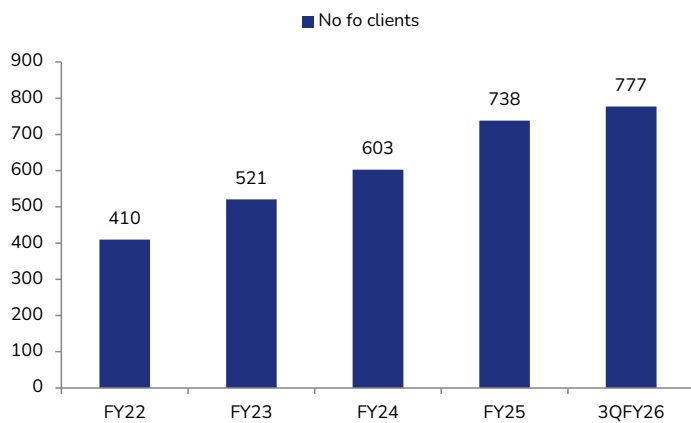
Source: Company, JM Financial

Exhibit 7: Weighted average lock-in tenure



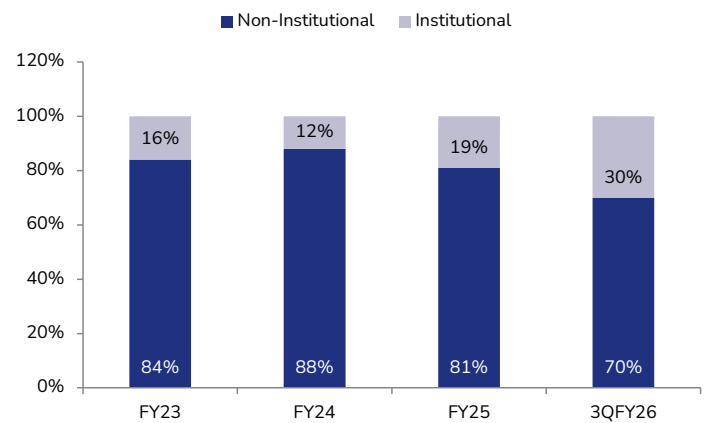
Source: Company, JM Financial

Exhibit 8: Consistent increase in client base...



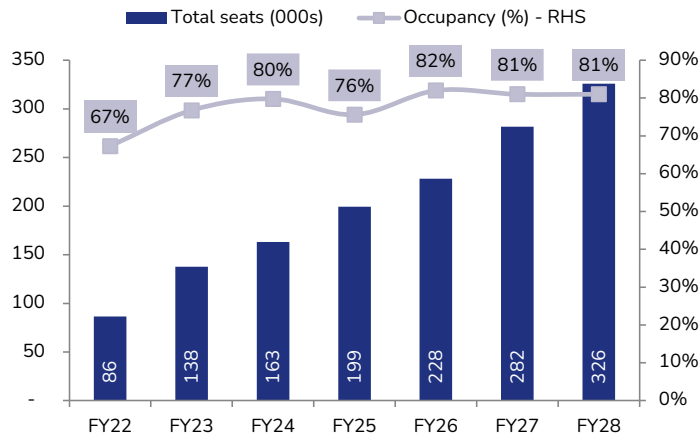
Source: Company, JM Financial

Exhibit 9: ...with gradual uptick in institutional supply



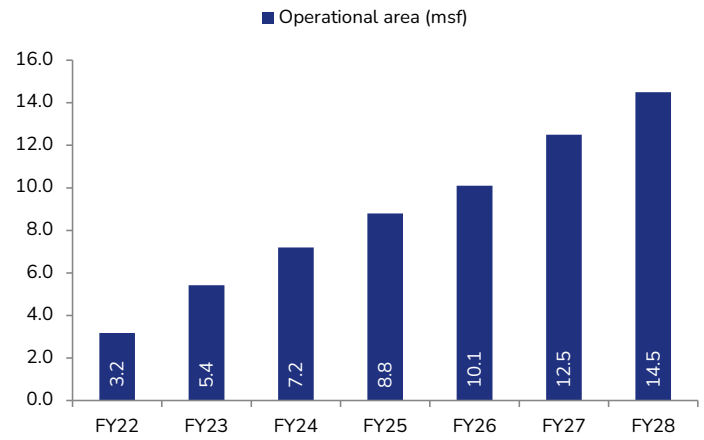
Source: Company, JM Financial

Exhibit 10: Occupancy to remain stable due to new additions



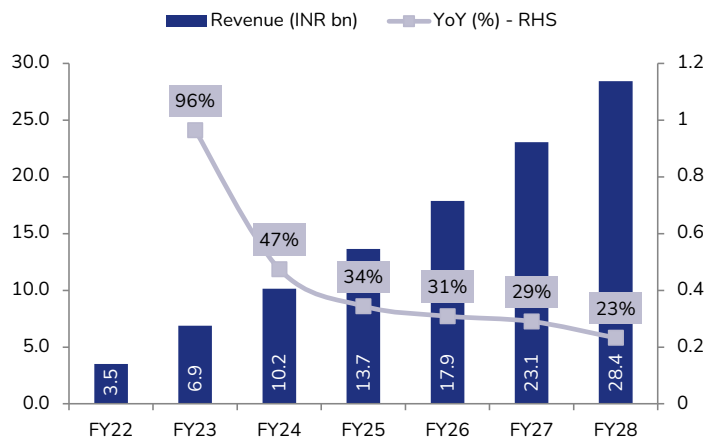
Source: Company, JM Financial

Exhibit 11: Operational area to increase at CAGR of 20% (FY26–28E)



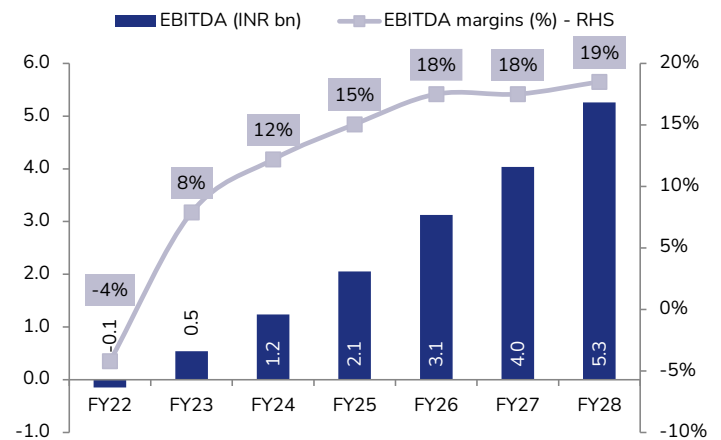
Source: Company, JM Financial

Exhibit 12: Revenue to increase at CAGR of 26% across FY26–28E



Source: Company, JM Financial

Exhibit 13: EBITDA margins to inch up gradually



Source: Company, JM Financial

Investment Thesis

Enterprise-led demand driving revenue visibility

- Smartworks' demand profile is increasingly anchored in large enterprises, which contribute ~90% of rental revenue, with ~35% coming from clients requiring more than 1,000 seats and over 30% from multi-city occupiers. Large-format deals typically carry longer tenures and higher stickiness, translating into annuity-like revenue and lower volatility.
- Average tenure for large seat clients is c.49 months, and seat retention levels remain high, indicating stable customer relationships and predictable renewal cycles. The increasing role of GCCs – already contributing over 15% of rental revenue and growing – adds a structural demand tailwind given their long-term, multi-location space requirements.

Portfolio maturity and operating leverage driving margin expansion

- Recent quarters indicate a clear operating leverage cycle, with revenue growing 34% YoY in 3QFY26, while normalised EBITDA increased faster, aided primarily by occupancy ramp-up and cost discipline rather than pricing actions. Mature centres typically operate at ~90%+ occupancy and deliver margin exceeding 27%, implying that incremental capacity reaching maturity can materially lift portfolio profitability.
- As the proportion of mature centres rises, incremental revenue increasingly converts to EBITDA and operating cash flow, creating a compounding effect at the portfolio level. This dynamic is already visible in expanding RoCE and improving OCF-to-EBITDA ratios, indicating improving unit economics and operating efficiency.

Capital-efficient model enabling self-funded growth

- Smartworks' business model is showing signs of transitioning toward self-funded growth, supported by strong operating cash flow and disciplined capital deployment. In 3QFY26, operating cash flows exceeded EBITDA (also partly aided by deposits), and management indicated that the platform could sustain 25–30% annual growth without incremental equity at scale. RoCE has expanded sharply, approaching c.20-21%, reflecting improving capital productivity as centres mature and payback periods shorten. Centre-level economics typically achieve payback within ~3 years and maintain high occupancy, thereafter, supporting reinvestment capacity and lowering external funding dependence over time.

Supply visibility and large-campus strategy supporting growth visibility

- The company has built significant forward supply visibility, with ~14msf of signed or visible pipeline and 100% supply visibility for FY27, while sourcing for FY28 is already underway (85% achieved). The strategy of leasing entire buildings or large campuses, often with pre-commitments from existing clients, reduces ramp-up risk and improves unit economics. Management commentary suggests Lols of over 1.6msf signed in a single quarter and a targeted addition of ~3msf annually, indicating sustained growth momentum with reasonable demand visibility.

Moving up GCC value chain through dedicated platform

- SmartVantage represents the company's attempt to shift from being a managed workspace provider to a broader GCC enablement partner. The platform addresses key bottlenecks faced by GCCs – speed of setup, regulatory compliance, and operational execution – by offering ready-to-operate campuses integrated with partner-led services such as staffing, legal, and compliance support, thus, enabling GCCs to become operational in as little as six to eight weeks.
- It is monetised through two channels – (1) GCC clients continue to contribute to core annuity rental revenue, preserving the predictability of the base business, (2) Smartworks earns take-rate income from partner-led services, like its ancillary revenue model, which typically carries higher margins due to minimal incremental capital requirements

Valuation

Under Ind AS 116, lease arrangements are capitalized on the balance sheet, with future lease payments recognised as lease liabilities and corresponding right-of-use (ROU) assets. This accounting treatment elevates reported EBITDA, as lease rentals are excluded from operating expenses. To ensure comparability and better reflect the underlying operating economics, we normalise this distortion by reverting to a pre-Ind AS (IGAAP-like) framework.

We assign 14x EV/EBITDA multiple on FY28E Normalised EBITDA (IGAAP) and initiate coverage with a TP of INR 630.

Exhibit 14: Initiate coverage with TP of INR 630

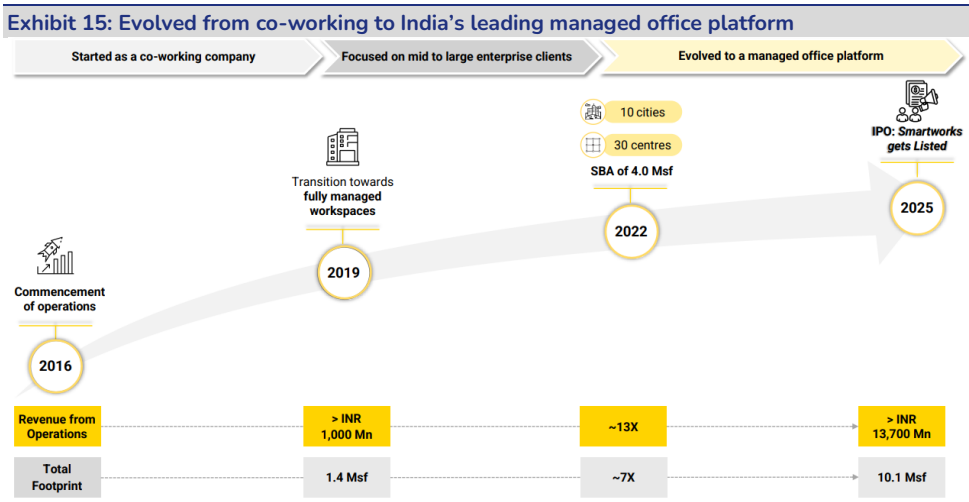
Particulars	Mar'27E
Normalised (I-GAAP) EBITDA	5,259
Target multiple	14.0x
Enterprise Value	73629
Net Debt	-1,414
Equity Value	72,215
No. of shares	114
TP	630

Source: Company, JM Financial

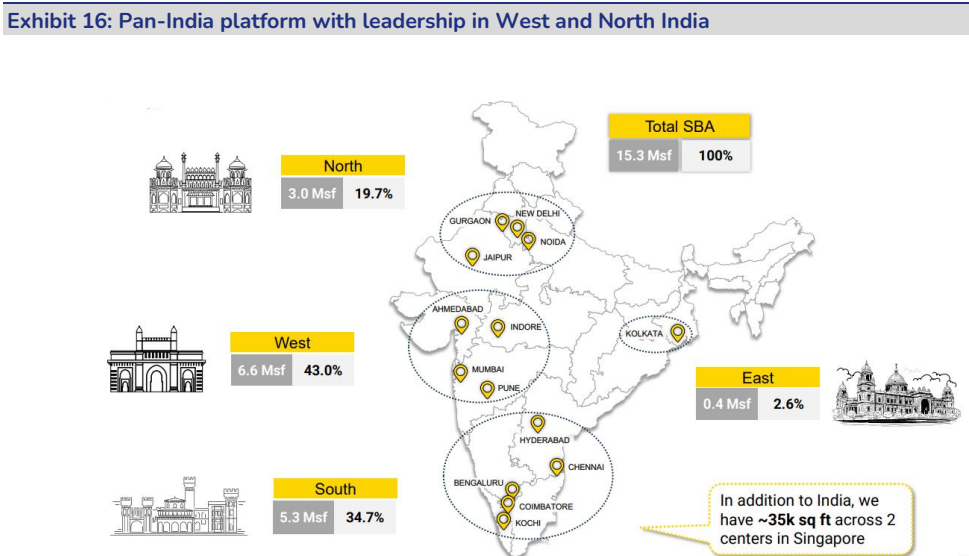
Investment Highlights

Largest managed office platform

- Smartworks is the largest managed campus operator in India, amongst the benchmarked peers, in terms of total AUM (rose from 12msf in Mar'25 to 15msf by Dec'25). The portfolio is spread across 63 centres in 15 cities with 254k seats (including ongoing fit outs).
- It started operations in FY16 as a co-working space provider, catering primarily to startups/mid-sized organisations and, in a span of two years, expanded to become a pan-India player with 12 centres across nine Tier-1 Indian cities. In FY19, Smartworks pivoted its business model to become an office experience and managed campus platform to address the requirements of mid-to-large enterprises, which occupy large workspaces and provides stability. Managed campuses also offer economies of scale, higher space efficiencies, lower operational costs and better commercial terms with landlords.
- In FY20, Keppel Ltd made an investment of INR 1.8bn, which enabled the company to expand its business and reach out to large companies and landlords with enhanced 'Keppel' brand association and credibility. Smartworks expanded its operations during FY22-25 by adding a total leasable area of 5msf, which translates into 40% CAGR.

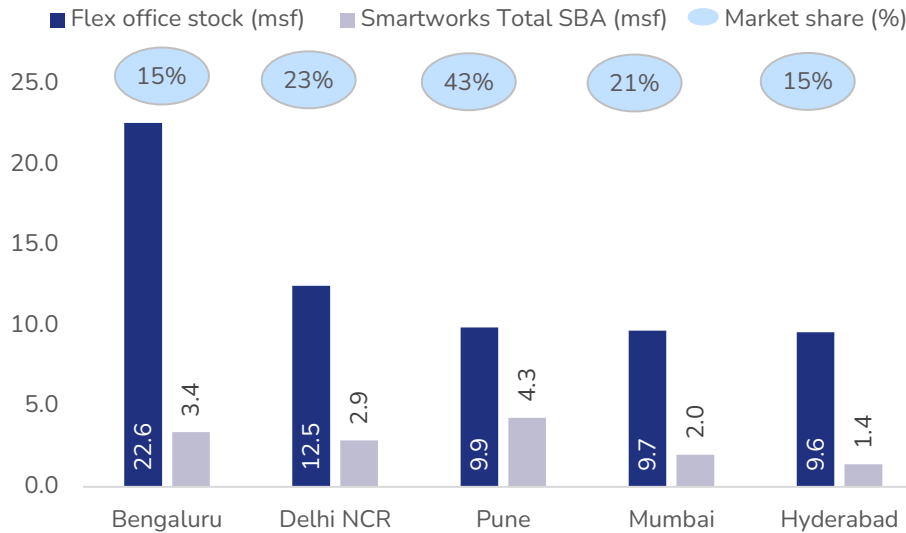


Source: Company
 Years in the timeline are based on calendar years; Revenue is for Fiscal Year
 Msf – Million Square Fee, SBA – Super Built Up Area



Source: Company
 Data as on 31st Dec'25; this includes 1.9msf that will become operational in the upcoming quarters

Exhibit 17: Smartworks holds leadership position in Pune



Source: Company, JM Financial

- As of Dec'25, amongst the benchmarked operators, it has five out of the seven largest lease signed centres in India in recent years – all of which are above 0.5msf in size, with the largest centre of c.0.8msf located in Regalia business park (Hiranandani), JVLR in Mumbai.

Exhibit 18: Track record of leasing large centres

Eastbridge (Mumbai) | SBA: 815k sq. ft. | Capacity seats: ~17k



Hiranandani
Creating better communities

Commenting on the association, **Mr. Niranjan Hiranandani, Founder & Chairman, Hiranandani Group** said, "Our partnership with Smartworks for Eastbridge reflects a shared belief in the future of large, people-first campuses. Eastbridge is more than just a development; it symbolizes how design, sustainability, and scale can come together to create truly global-standard workplaces. Smartworks' proven leadership and operational expertise make them the ideal partner to bring this vision to life."

Leadership of largest centres continues



Vaishnavi Tech Park | Bangalore | 700k sq.ft



M-Agile | Pune | 689k sq.ft



AP 81 | Pune | 645k sq.ft



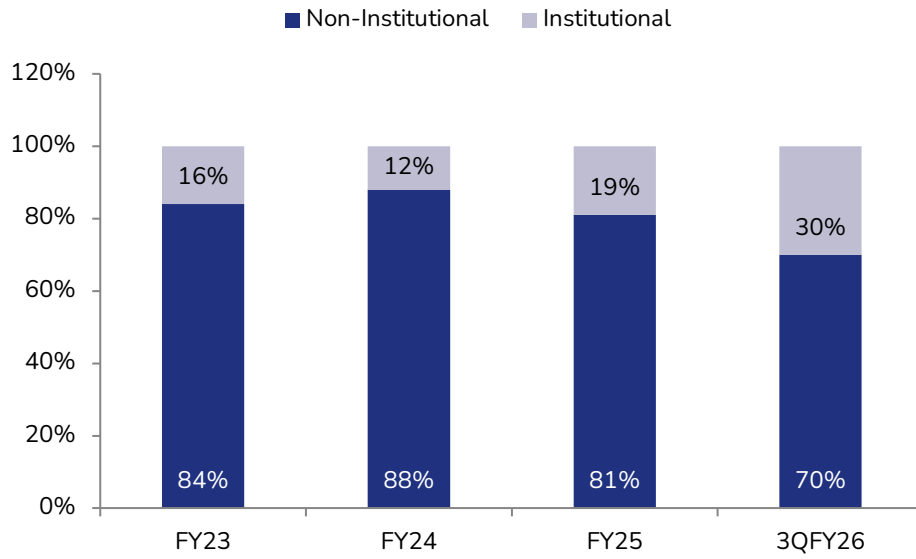
43 EQ | Pune | 613k sq.ft

Source: Company

Transforming sub-prime assets to full-service centres, benefiting from network effect

- Smartworks specialises in partnering with landlords, especially passive and non-institutional, to lease entire/large properties in key clusters in India. Non-institutional refers to office stock that is held /owned by the developers themselves or have witnessed investment by individual investors and HNI and /or combination of both.
- The passive and non-institutional landlords are often unable to manage their properties efficiently or attract tenants of repute. Smartworks acts as a reliable partner to transform their spaces into high-yield properties while reducing management bandwidth. Managed campus solutions can also help passive landlords who are not actively engaged in the marketing and leasing of their buildings to lease their entire development to a single tenant, i.e., the managed campus operator in one go.

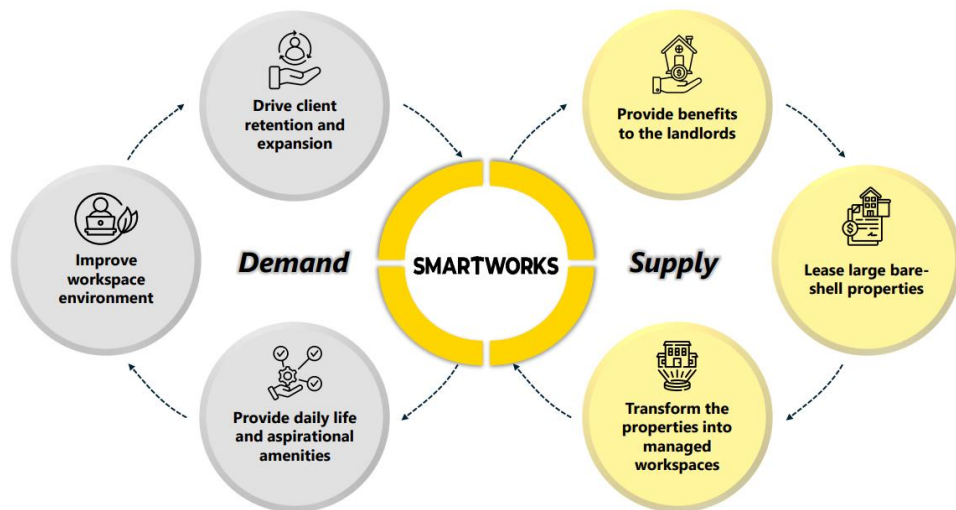
Exhibit 19: Non-institutional landlords now account for c. 70% of portfolio



Source: Company, JM Financial

- Post-IPO, brand reach and credibility have amplified, allowing the company to take up space with institutional developers like DLF, Tata Realty and Hiranandani; these developers now account for c.25% of the portfolio. It has taken up three centres with DLF – two in Gurugram and one in Hyderabad – with cumulative area of c.0.8msf. In Nov’25, the company signed the largest centre in flex space in India by leasing 0.8msf area at Eastbridge office development at Vikhroli (Mumbai), which is being developed by Hiranandani. Before signing a large centre, the company typically has pre-commitments to the extent of c.30-35% of the building driven by the interest generated from existing clients.
- The company already has supply visibility till FY28, so it has actively started sourcing supply at the greenfield stage, which offers relatively better unit economics and presents a larger window to market the asset, thereby enabling faster ramp-up of the asset.
- Smartworks benefits from network effects as its expanding presence across key clusters and cities makes it a preferred partner for enterprises seeking multi-city workspace solutions, thereby supporting client retention. A large operational portfolio also strengthens relationships with landlords, improving access to high quality properties.

Exhibit 20: Network effect plays out on both supply and demand side



Source: Company

Caters to all cohorts with focus on large enterprises

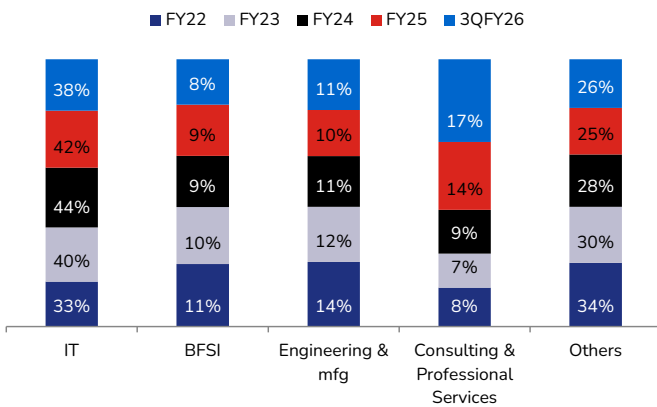
- Smartworks caters to the needs of all team sizes, from under 50 to over 4,800 seats, with focus on emerging mid and large enterprises that typically have a requirement of over 300 seats. Its ability to serve their pan-India customised infrastructure and operational requirements make the company a suitable preferred partner for these enterprises. Its largest client deal size has increased from over 2,000 seats in FY22 to over 3,500 seats in FY23 and over 4,800 seats in FY24, demonstrating its focus on serving large enterprises
- As of 3QFY26, 90% of the rental revenue continues to be from enterprise clients, with more than 60% coming from clients occupying over 300 seats, ensuring visibility and predictable cash flow.

Exhibit 21: Client base dominated by mid-to-large enterprises



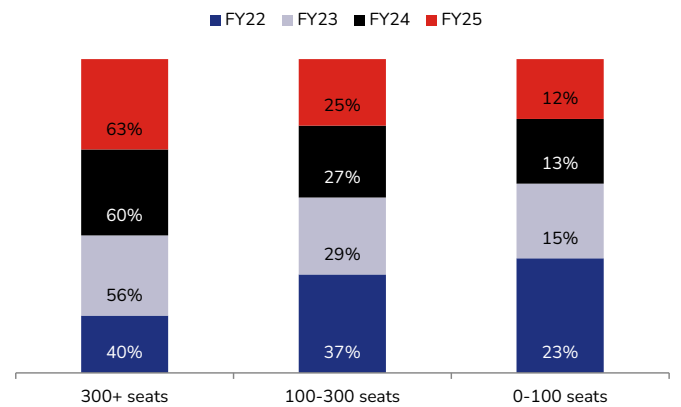
Source: Company

Exhibit 22: Client base spread across diverse sectors



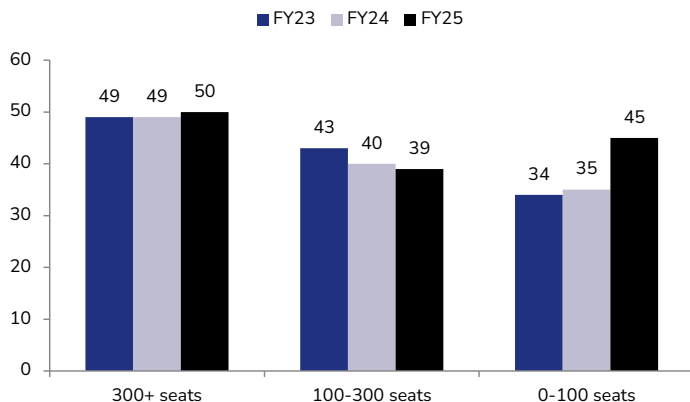
Source: Company, JM Financial

Exhibit 23: 300+ cohort accounts for 60%+ share in topline



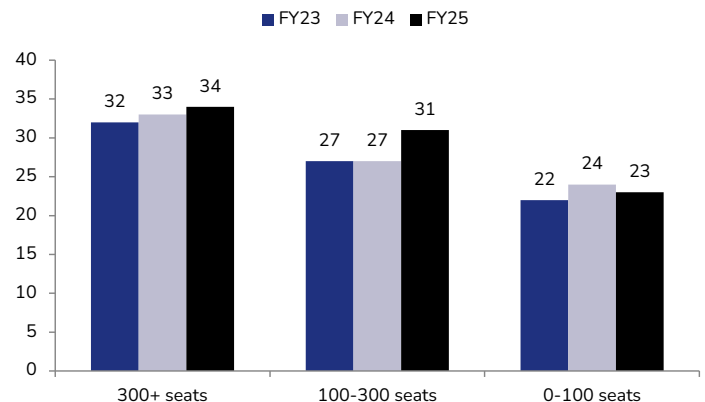
Source: Company, JM Financial

Exhibit 24: Weighted average lease tenure



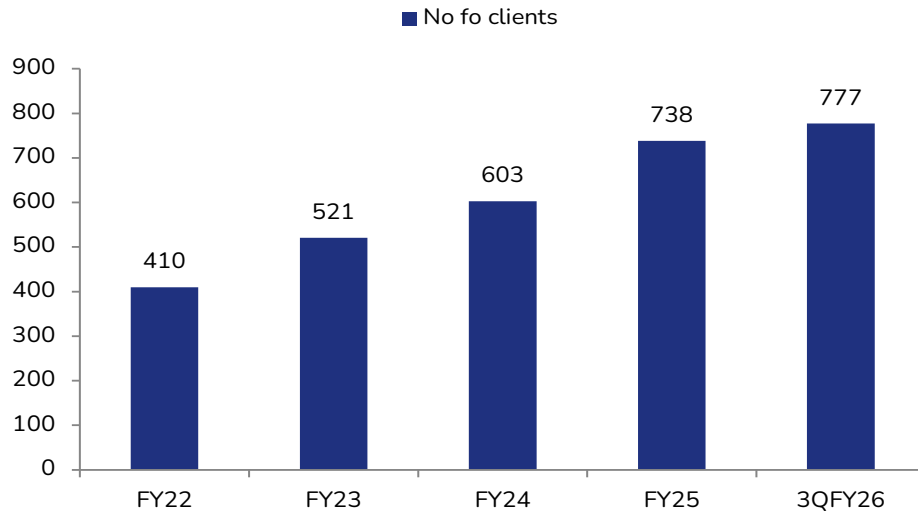
Source: Company, JM Financial

Exhibit 25: Weighted average lock-in tenure



Source: Company, JM Financial

Exhibit 26: Consistent increase in client base

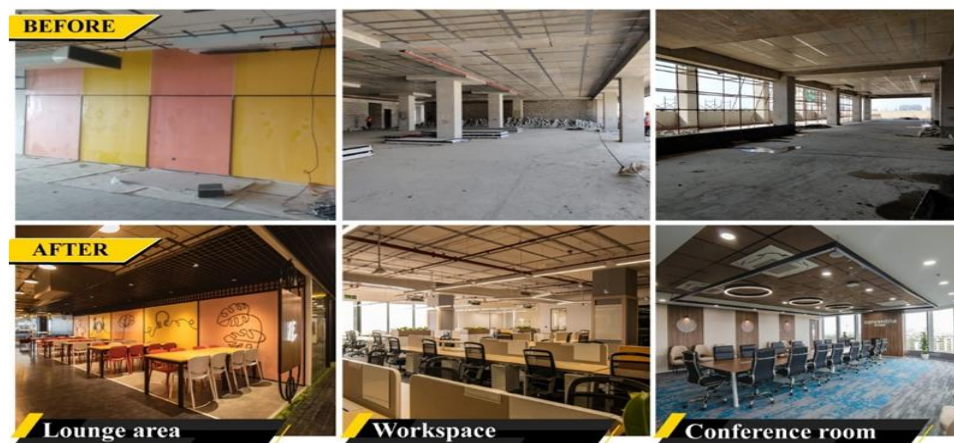


Source: Company, JM Financial

Extracting efficiency through scale of operations

- The company's scale of operations allows it to lease large or entire commercial assets for longer tenures, typically 10-15 years, with lock-in periods of up to five years. This leasing structure provides flexibility to invest in durable, reusable fit outs while spreading installation costs over longer periods. Smartworks also maintains a centralised sourcing strategy and a broad vendor network, which supports cost control and execution consistency across geographies.
- As a result, the company is generally able to complete fit outs and deliver ready-to-move-in workspaces within 45–60 days from contract execution. While scale benefits aid operational efficiency, the model also entails sustained capital commitments and exposure to long-term lease obligations
- The standardised operating model aimed at controlling workspace build-out and operating costs helps lower upfront capital intensity and enables scalability across locations. The company incurs a fit-out cost of ~INR 1,300psf on average, translating to ~INR 60,000 per seat, assuming average seat density of 60sqft. This compares with industry benchmarks of INR 80,000–210,000 per seat for leading operators, as per CBRE estimates. The company also uses customer deposits to fund some of its capital expenditure for fit outs.
- On the operating side, industry-wide operating expenses, including CAM charges, are typically INR 40–60psf p.m. for managed campuses in Tier I cities. In comparison, Smartworks reported monthly centre-level operating costs of INR 34–36psf, indicating a relatively lower cost base versus industry.

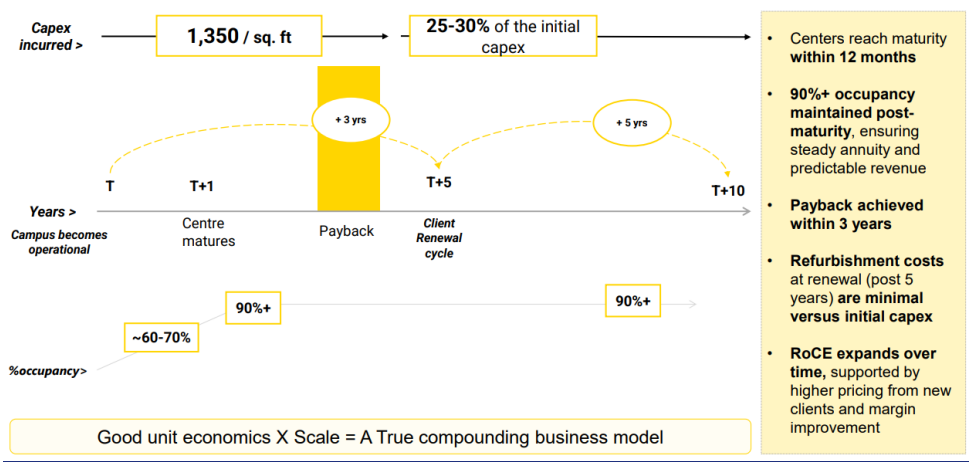
Exhibit 27: Transformation of bare shelled properties by Smartworks



Source: Company

- Hence, the company’s payback period – time for recovery of capital at centre level – is shorter than that of the industry. The payback period for an average operator is expected to be 51-52 months from the fit-out commencement cycle and nearly 45-46 months from the date of operations. However, the average payback period for Smartworks’ mature centres is 30-32 months from the date of deployment of capital for fit outs.

Exhibit 28: Strong centre-level economics with strong occupancy ramp-up and payback



Source: Company

SmartVantage – Moving up value chain in GCC infra

- SmartVantage represents the company’s attempt to shift from being a managed workspace provider to a broader GCC enablement partner. The platform addresses key bottlenecks faced by GCCs – speed of setup, regulatory compliance, and operational execution – by offering ready-to-operate campuses integrated with partner-led services such as staffing, legal, and compliance support, thus, enabling GCCs to become operational in as little as six to eight weeks.
- It is monetised through two channels – (1) GCC clients continue to contribute to core annuity rental revenue, preserving the predictability of the base business, (2) Smartworks earns take-rate income from partner-led services, like its ancillary revenue model, which typically carries higher margins due to minimal incremental capital requirements.
- Early traction is visible, with multiple large GCC deals signed and client conversations increasingly shifting from pure space requirements to holistic infrastructure solutions. Over time, SmartVantage could enhance deal sizes, improve client stickiness, and increase wallet share per enterprise, reinforcing Smartworks’ positioning as an integrated enterprise infrastructure platform rather than a conventional coworking operator.

ALM risk covered till FY30E

- All flex operators are exposed to ALM risk which basically stems from the fact that these companies fund long-term, fixed-cost obligations (rent to landlords) through short-term revenue streams (income from tenants)
- The company’s pricing strategy is to strive to achieve rental revenue from clients that is at least double the lease rentals it owes to its landlords. As of 3QFY26, in terms of the existing contractual agreements with the company’s clients and the balance the lease period with its clients, the contracted lease rental income covers its rental obligations till FY30 in terms of the lease agreements with its landlords.
- In terms of the existing contractual agreements and the balance tenure of lock-in period of lease with its clients, the contracted lease rental income from such balance lock-in period is INR 31bn, which effectively addresses the ALM risk for at least two years.

Exhibit 29: Minimal risk of asset liability mismatch

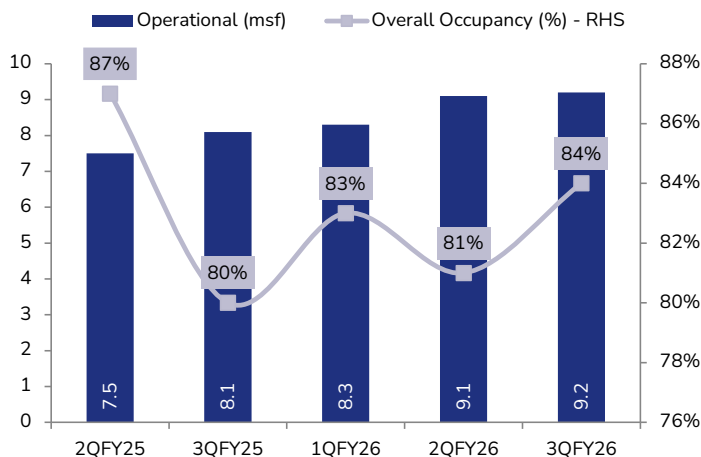
Particulars	Area (msf)	Committed occupancy (%)	Committed revenue (INR mn)	Committed lock in revenue (INR mn)	Committed lock in rental (INR mn)
Mature Footprint	7.8	93%	36,233	22,833	10,226
New Footprint	1.4	86%	11,445	8,984	4,860
Operational Footprint	9.2	92%	47,678	31,817	15,086

Source: Company, JM Financial

Strong revenue growth led by seat addition; operating leverage to drive EBITDA

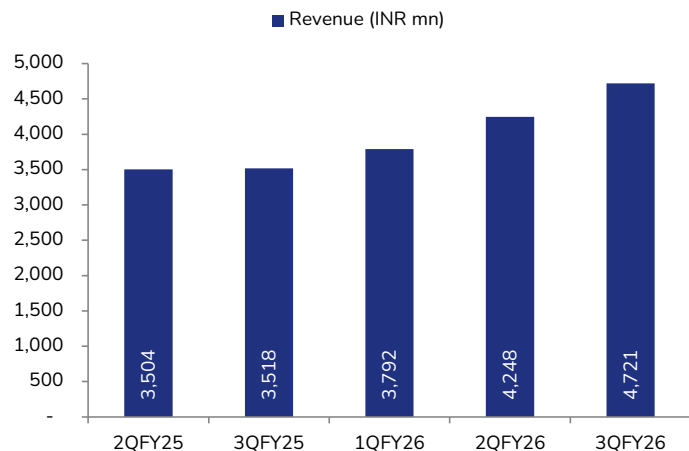
- Smartworks' operational footprint has grown at 33% CAGR over FY22-26E, leading to revenue growth of 50% CAGR. With a tied-up portfolio of c.15msf, the pace of new centres getting operationalised is expected to continue in the near term, and we expect it to reach 14.5msf by FY28E. This coupled with a relatively modest contribution from 4-5% rental growth in existing rent generating areas and path to maturity of recently commissioned centres will drive 26% CAGR in revenue over FY26-28E
- In 3QFY26, the company reported 34% YoY growth in revenue, but EBITDA was up by 86% YoY driven by 5pps improvement in margins to 18%. It achieved 32% margin on incremental revenue as occupancy in the overall portfolio increased by 4pps and mature portfolio expanded to 7.8msf (versus 7.2msf). Additionally, the company has been reporting margin expansion on sequential basis since 3QFY25 led by a growing mature footprint and ramp-up of occupancy.

Exhibit 30: Operational area increased to 9.2msf in 3QFY26...



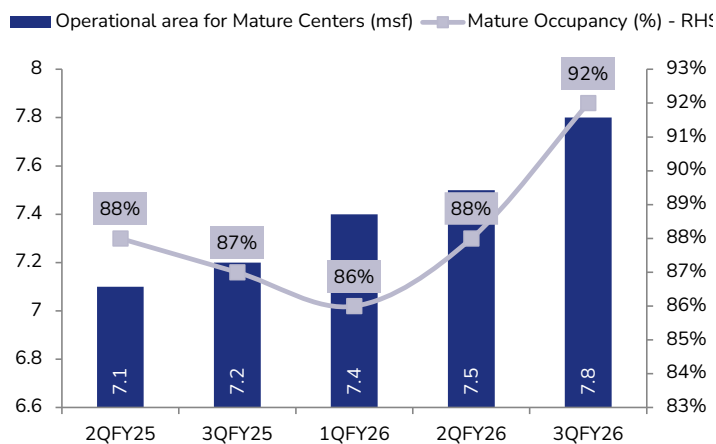
Source: Company, JM Financial

Exhibit 32: In 3QFY26, revenue grew 34% YoY...



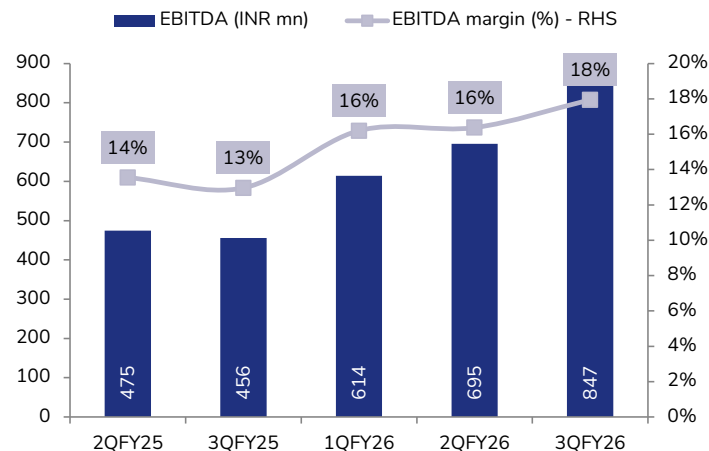
Source: Company, JM Financial

Exhibit 31: ...and mature footprint now stands at 7.8msf



Source: Company, JM Financial

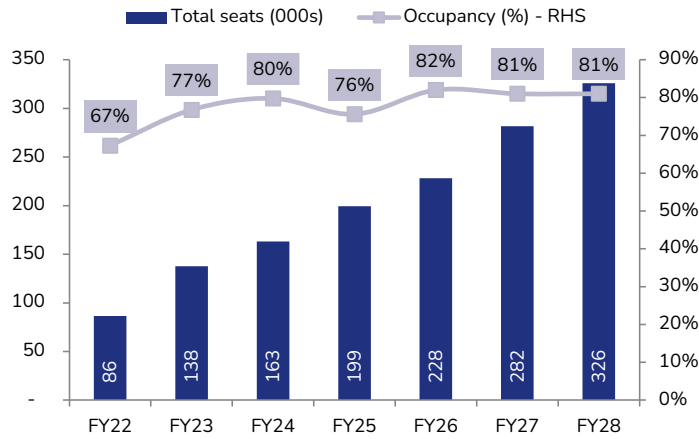
Exhibit 33: ...but EBITDA shot up 86% YoY due to margin expansion



Source: Company, JM Financial

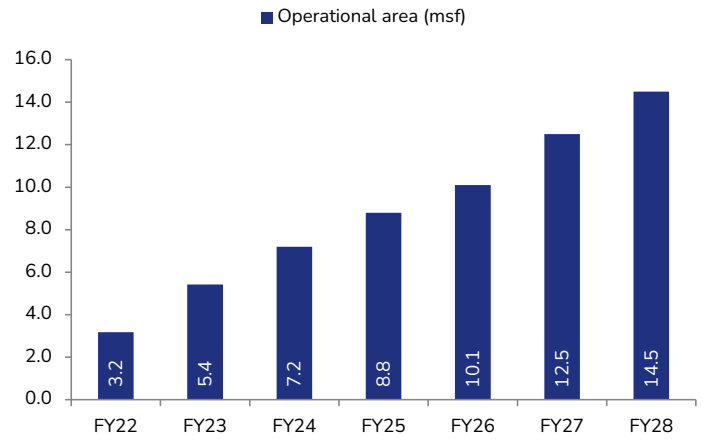
- We believe these factors will continue to drive higher growth in EBITDA over FY26–28E as the company has now achieved a scale where the initial drag from new centres is being comfortably absorbed by a large operational portfolio.

Exhibit 34: Occupancy to remain stable due to new additions



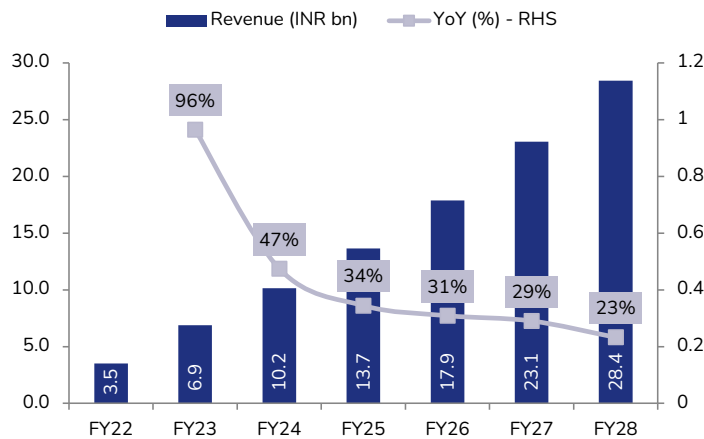
Source: Company, JM Financial

Exhibit 35: Operational area to increase at CAGR of 20% (FY26–28E)



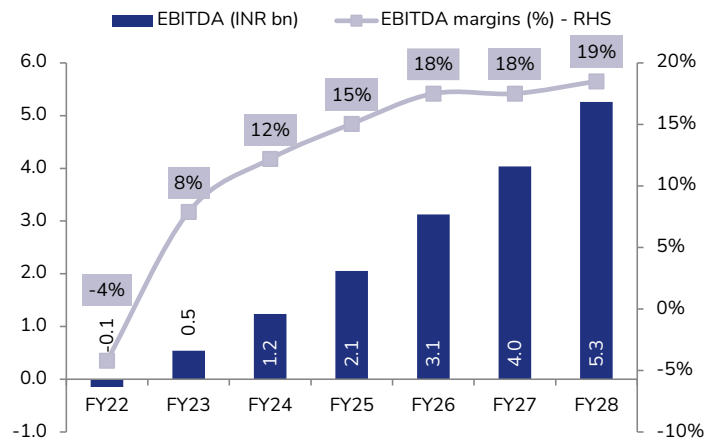
Source: Company, JM Financial

Exhibit 36: Revenue to increase at a CAGR of 26% across FY26–28E



Source: Company, JM Financial

Exhibit 37: EBITDA margins to inch up










Source: Company, JM Financial

Company Overview

- Managed campus platform:** Smartworks is a managed campus office platform providing customised, tech-enabled flexible workspace solutions primarily targeted at mid-to-large enterprises. It has emerged as one of the largest managed campus operators in India (Source: CBRE), offering value-centric pricing and enhanced workplace experience compared with traditional office formats. Its client base includes Indian corporates, multinational companies operating in India and startups.
- The company's operating model focuses on leasing large bare-shell properties in prime business locations and transforming them into fully serviced, amenity-rich managed campuses. These campuses provide integrated workplace solutions combining design, build, facility management and technology infrastructure, enabling clients to focus on core business operations while outsourcing workspace management.
- Smartworks differentiates itself through high-quality customised offices, scalable workspace solutions and access to a wide range of amenities including cafeterias, gyms, crèches, medical centres, convenience stores and collaborative zones. Its offerings are designed to support evolving enterprise workplace requirements, balancing flexibility, cost efficiency and employee experience.
- The company also operates an integrated managed campus ecosystem connecting key stakeholders including clients, landlords, employees and service partners. This ecosystem approach supports long-term client engagement while enhancing operational efficiency.
- To expand revenue streams, Smartworks launched value-added services (VAS) in FY23 through revenue-sharing partnerships offering services such as cafeterias, sports zones, convenience stores, gyms, crèches and medical centres. Key partners include Chaipoint, Park+, ClearTax, Nutritap and CloudKitch.
- In FY24, the company introduced Fit-out-as-a-Service (FaaS), providing tailored office design and build solutions leveraging its vendor ecosystem and design capabilities. Both VAS and FaaS represent asset-light, margin-accretive ancillary businesses that enable monetisation of existing clients while supporting new client acquisition.
- Overall, Smartworks positions itself as a comprehensive office experience platform combining workspace infrastructure, services and technology to deliver scalable, flexible and cost-efficient enterprise workspace solutions.
- Workspace experience in 45 to 60 days from the date of the contractual arrangement.

Exhibit 38: Smartworks: Offerings ecosystem

 Creche	 Smart parking	 Smart cafe/well-stocked pantry	 Medical room	 Training room	 Outdoor gaming zone	 IT support
 Reception	 Recreational zone	 Smart Store	 Gym	 FR enabled access & food ordering	 24/7 secured access	 Professional front desk support
 High-speed internet	 Utilities	 Business address	 Mail handling	 Office cleaning	 Shared meeting facilities	 Community events & activities

Source: Company

Key Management Personnel

Exhibit 39: Board of directors and key management personnel

Key Management	Designation	Description
Mr Atul Gautam	Chairman & non-executive director	He holds a bachelor's degree in science from University of Lucknow and a master's degree in western history from University of Lucknow. Prior to joining the company, he was associated with Punjab National Bank for over three decades. He has also been associated with the Indian Banks' Association as a senior advisor. He has around 42 years of experience in the field of banking and financial sector. He has been associated with the company as a director since 2024.
Mr Neetish Sarda	Founder & Managing director	He is responsible for overseeing critical operational and growth-oriented functions of the company. Neetish holds a bachelor's degree in science from University of London. He directs the C-suite/senior management and teams responsible for sales, business development, operations, product, and technology functions of the company. He has over nine years of experience in the field of flexible workspaces. He has been associated with Smartworks since its incorporation i.e. December 17, 2015. Grohe Hurun India Real Estate 100 recognised him as the youngest real estate leader in 2024.
Mr Harsh Binani	Co-founder & Executive director	He is responsible for overseeing finance, corporate and support functions of the company. He directs the C-suite/senior management and teams responsible for investor relations, finance and accounts, marketing, and human resource functions of the company. He holds a bachelor's degree in economics (honours) from Shri Ram College of Commerce, University of Delhi and a master's in business administration from J.L. Kellogg School of Management, Northwestern University, USA, with a specialization in finance. Prior to joining Smartworks, he was associated with McKinsey & Company, Chicago. He has around fourteen years of experience in management consulting and the flexible workspace industry. He has been associated with the company since 2017.
Mr. Ho Kiam Kheong	Non-Executive Director	Ho Kiam Kheong has more than 35 years of experience in real estate investment, development, and operations across geographies. He currently leads fund management and investment for Keppel Capital in India. He holds degrees in civil engineering and engineering science from the National University of Singapore and the University of Liverpool. He joined Smartworks in 2024.
Mr V K Subburaj	Independent Director	He holds a bachelor's and master's degree in science with specialisation in agriculture from Tamil Nadu Agricultural University, Tamil Nadu, and a doctor of philosophy in agriculture from Gandhigram Rural University, Tamil Nadu. He was an IAS Officer and served as the secretary to the Department of Pharmaceuticals, Ministry of Chemicals and Fertilisers, Government of India. He has over thirty-three years of experience in administration services in various Ministries of the Government of India. He has been associated with the company since 2024.
Mr Rajeev Rishi	Independent Director	He holds a bachelor's degree in arts and a bachelor's degree in law from Panjab University, as well as a diploma in advanced human resource management from Ross School of Business, University of Michigan, USA. He is a member of the Indian Institute of Banking. He has previously been associated with Indian Banks' Association, Oriental Bank of Commerce, Central Bank of India, and YES Trustee Limited. He has more than 37 years of experience in the banking sector of India and has been associated with the company since 2024.
Ms Pushpa Mishra	Independent Director	She holds a bachelor's degree in law the University of Calcutta. She has been enrolled with the Bar Council of West Bengal since November 19, 1997. She has been associated with the company since 2024.
Mr Sahil Jain	Chief Financial Officer	He is responsible for accounting, banking, and secretarial functions within the company. He holds a bachelor's degree in commerce from St. Xaviers College, Kolkata, and a general management program for young leaders conducted by the Indian Institute of Management, Bangalore. He is a fellow member of both the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India He was previously associated with Religare Finvest Limited as an executive trainee. He has been associated with the company since June 6, 2022.

Source: Company, JM Financial

Key Risks

- **Operating leverage and ramp-up risk:** With a campus-led large format strategy, profitability is highly sensitive to occupancy ramp-up. Delay in leasing large centers can disproportionately impact margins.
- **High revenue concentration in top cities:** A significant portion of Smartworks' rental revenue is derived from its top four cities of Pune, Bengaluru, Hyderabad, and Mumbai, accounting for a majority share of total revenues in recent fiscals. Any slowdown in enterprise demand, increased supply of Grade A office stock, or pricing pressure in these cities could materially affect occupancy, revenue growth, and margin stability.
- **Client concentration in large enterprises and replacement risk:** Smartworks primarily caters to mid-to-large enterprises, with a substantial portion of rental revenue generated from clients occupying more than 300 seats. While this enhances revenue scale and stability, it also increases dependence on large-ticket clients. Termination or downsizing by a few major clients could create meaningful vacancy and revenue loss. Given the customized fit-outs and capex undertaken for enterprise clients, replacing such clients may require additional capital expenditure and time, thereby impacting returns and cash flows.
- **Asset-liability mismatch and fixed lease commitment risk:** The company typically enters into long-term lease agreements with landlords while offering flexible and relatively shorter-tenure arrangements to clients, creating a structural asset-liability mismatch. In periods of economic slowdown or elevated client churn, Smartworks remains obligated to service fixed lease rentals irrespective of occupancy levels. This operating leverage can amplify earnings volatility and strain liquidity, particularly if vacancy levels rise or replacement demand weakens.

Financial Tables ()

Income Statement						(INR mn)
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E	
Net Sales	10,394	13,741	17,871	23,062	28,428	
Sales Growth (%)	46.1	32.2	30.1	29.0	23.3	
Other Operating Income	-	-	-	-	-	
Total Revenue	10,394	13,741	17,871	23,062	28,428	
Cost of Goods Sold/Op. Exp	3,029	4,160	4,021	5,189	6,254	
Personnel Cost	-	-	1,162	1,499	1,706	
Other Expenses	768	1,008	725	927	1,115	
EBITDA	6,597	8,573	11,963	15,447	19,353	
EBITDA Margin (%)	63.5	62.4	66.9	67.0	68.1	
EBITDA Growth (%)	55.6	30.0	39.6	29.1	25.3	
Depn. & Amort.	4,727	6,360	7,505	8,331	9,794	
EBIT	1,870	2,213	4,458	7,116	9,559	
Other Income	737	356	100	100	100	
Finance Cost	3,283	3,363	3,190	3,468	3,622	
PBT before Excep. & Forex	-676	-795	1,368	3,749	6,038	
Excep. & Forex Inc./Loss(-)	-	-	-	-	-	
PBT	-676	-795	1,368	3,749	6,038	
Taxes	-177	-164	138	187	264	
Extraordinary Inc./Loss(-)	-	-	-	-	-	
Assoc. Profit/Min. Int.(-)	-	-	-	-	-	
Reported Net Profit	-500	-631	1,230	3,562	5,774	
Adjusted Net Profit	-500	-631	1,230	3,562	5,774	
Net Margin (%)	-4.8	-4.6	6.9	15.4	20.3	
Diluted Share Cap. (mn)	114	114	114	114	114	
Diluted EPS (INR)	-4.4	-5.5	10.8	31.2	50.5	
Diluted EPS Growth (%)	-	-	-	189.5	62.1	
Total Dividend + Tax	-	-	-	-	-	
Dividend Per Share (INR)	-	-	-	-	-	

Source: Company, JM Financial

Cash Flow Statement						(INR mn)
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E	
Profit before Tax	-676	-795	1,368	3,749	6,038	
Depn. & Amort.	4,727	6,360	7,505	8,331	9,794	
Net Interest Exp. / Inc. (-)	3,283	3,363	3,190	3,468	3,622	
Inc (-) / Dec in WCap.	1,004	346	1,138	-375	1,233	
Others	-717	-294	-100	-100	-100	
Taxes Paid	-188	304	-138	-187	-264	
Operating Cash Flow	7,433	9,285	12,963	14,885	20,323	
Capex	-2,663	-2,910	-3,222	-4,109	-3,659	
Free Cash Flow	4,770	6,375	9,741	10,776	16,664	
Inc (-) / Dec in Investments	32	1	-	-	-	
Others	710	148	100	100	100	
Investing Cash Flow	-1,922	-2,761	-3,122	-4,009	-3,559	
Inc / Dec (-) in Capital	356	1,166	4,450	-	-	
Dividend + Tax thereon	-	-	-	-	-	
Inc / Dec (-) in Loans	-365	-261	-1,700	-200	-200	
Others	-5,025	-6,895	-8,917	-11,337	-14,116	
Financing Cash Flow	-5,034	-5,991	-6,167	-11,537	-14,316	
Inc / Dec (-) in Cash	478	533	3,674	-661	2,449	
Opening Cash Balance	224	-37	111	3,785	3,124	
Closing Cash Balance	701	497	3,785	3,124	5,573	

Source: Company, JM Financial

Balance Sheet						(INR mn)
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E	
Shareholders Fund	500	1,079	6,759	10,321	16,095	
Share Capital	790	1,032	1,141	1,141	1,141	
Reserves & Surplus	-290	47	5,618	9,179	14,953	
Preference Share Capital	-	-	-	-	-	
Minority Interest	-	-	-	-	-	
Total Loans	4,274	3,978	2,278	2,078	1,878	
Def. Tax Liab. / Assets (-)	-1,225	-1,407	-1,365	-1,365	-1,365	
Other non-current liabilities / Lease Liabilities	28,971	31,032	31,264	27,790	22,830	
Total - Equity & Liab.	33,744	36,089	40,300	40,188	40,802	
Net Fixed Assets	10,347	12,877	14,453	16,474	17,580	
Gross Fixed Assets	12,987	16,490	19,712	23,821	27,480	
Intangible Assets	76	142	142	142	142	
Less: Depn. & Amort.	3,348	5,110	6,756	8,843	11,397	
Capital WIP	633	1,355	1,355	1,355	1,355	
Investments	113	110	110	110	110	
Current Assets	29,839	32,186	38,721	40,709	46,277	
Inventories	-	-	-	-	-	
Sundry Debtors	141	255	259	336	423	
Cash & Bank Balances	701	497	3,785	3,124	5,573	
Loans & Advances	863	617	1,134	1,418	1,727	
Other Current Assets	28,134	30,818	33,543	35,831	38,554	
Current Liab. & Prov.	7,727	10,420	14,319	18,441	24,500	
Current Liabilities	28,407	30,793	34,188	36,991	40,028	
Provisions & Others	-20,681	-20,373	-19,869	-18,550	-15,528	
Net Current Assets	-5,075	-7,867	-7,801	-12,179	-15,072	
Other Non Current Assets/ROU Assets	27,187	29,634	32,203	34,447	36,849	
Total - Assets	33,744	36,089	40,300	40,188	40,802	

Source: Company, JM Financial

Dupont Analysis					
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin (%)	-4.8	-4.6	6.9	15.4	20.3
Asset Turnover (x)	0.3	0.4	0.5	0.6	0.7
Leverage Factor (x)	89.4	44.3	9.8	4.7	3.1
RoE (%)	-122.6	-79.9	31.4	41.7	43.7

Source: Company, JM Financial

Key Ratios					
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	4.4	9.4	59.2	90.3	140.9
ROCE (%) (pre-tax)	7.2	7.4	11.9	17.9	23.9
ROE (%)	-122.6	-79.9	31.4	41.7	43.7
Net Debt/Equity (x)	7.1	3.2	-0.2	-0.1	-0.2
P/E (x)	-	-	37.5	12.9	8.0
P/B (x)	92.2	42.7	6.8	4.5	2.9
EV/EBITDA (x)	7.5	5.8	3.7	2.9	2.2
EV/Sales (x)	4.8	3.6	2.5	2.0	1.5
Debtor days	5	7	5	5	5
Inventory days	-	-	-	-	-
Creditor days	117	82	123	122	128

Source: Company, JM Financial

IndiQube Spaces | BUY

Integrated managed office platform



IndiQube has evolved from a single-building flexible workspace experiment to an integrated managed office platform of national scale in a decade. Founded in CY15, it has expanded its portfolio to an area under management (AUM) of c.9.5msf and 210k+ seats (end-3QFY26). The network spans 17 cities, including the recent entry in emerging markets such as Bhubaneswar, Indore, Kolkata and Mohali - a calibrated strategy of capturing enterprise and GCC demand beyond Tier-1 cities. Even as expansion remains broad-based, the portfolio remains strategically concentrated in key southern markets. These markets account for a disproportionate share of office absorption, ensuring stable long-term demand. Additionally, IndiQube is deepening its value-added services (VAS) and enterprise solutions such as design-and-build and workplace management. VAS contribution has risen to ~13% of revenue, indicating growing monetisation beyond core leasing and potential for other margin-accretive growth streams over time. We forecast a 24% revenue CAGR for FY26-28E, primarily driven by expanding seat capacity and 4-5% annual rental appreciation; Operating profits (EBITDA) are expected to align closely with revenue growth. We initiate with a BUY rating, valuing the stock at 14x FY28E EV/EBITDA with a Mar'27 TP of INR 280.

- Strong presence in key markets; leadership in Bengaluru:** IndiQube manages a portfolio of 129 centres in 17 cities, covering 9.6msf of AUM with total active seating capacity of 172,863 at end-Dec'25. IndiQube has a combined AUM of c. 8.0msf across Bengaluru, Chennai and Pune, constituting 84% of its total portfolio. This gives IndiQube a competitive edge in marquee real estate markets in India and enables its centres to sustain high occupancy.
- Strategic expansion to Tier-II markets:** Guided by its Follow-the-Talent approach, management forayed into tier-2 cities in FY22, realising the growing preference for work closer to hometowns post-Covid. It signed up a 70k sft centre in Coimbatore, which was fully leased in a year. Since then, it has added three more centres, widening its footprint in this market to 375k sft. The success in Coimbatore has been pivotal in shaping IndiQube's strategy for other non-tier-I cities. Its presence now spans nine such markets with total AUM of c. 0.7msf (8% of total AUM).
- Tapping into adjacencies:** IndiQube has developed a portfolio of adjacent offerings - such as food & beverage services, employee transport, IT and design-and-build (DNB) solutions, classified under its VAS segment. Management's strategy is to leverage the VAS platform as a customer acquisition and wallet-share expansion tool, with potential to convert a portion of these relationships into long-term core leasing clients over time. The VAS segment accounted for 13% of top line in 1HFY26 compared with 11% in FY24, and shall make up 16% by FY28E.
- Financial summary:** The increased scale of operations propelled the OCF run rate to INR 1.5bn by 1HFY26 (from INR 640mn in 1HFY25); this shall improve further as newer centres come on stream. Management intends to sustain 25-30% growth in the near term, entailing annual capex of INR 3-4bn. We expect IndiQube to report a top-line CAGR of 26% over FY26-28E led by seat additions and 4-5% CAGR in rentals; IGAAP EBITDA shall largely track top-line growth, delivering margins of c. 19-20%.
- Valuation and view:** With a growing multi-city portfolio, improving occupancy and increasing share of enterprise clients, the business shall benefit from operating leverage coming from scale and ramp up in occupancy. We initiate with a BUY rating, valuing the stock at 14x FY28E EV/EBITDA with a Mar'27 TP of INR 280.

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Recommendation and Price Target

Current Reco.	BUY
Current Price Target (12M)	280
Upside/(Downside)	63.7%

Key Data – INDIQUBE IN

Current Market Price	INR171
Market cap (bn)	INR36.2/US\$0.4
Free Float (%)	35.1
Shares in issue (mn)	212.0
Diluted share (mn)	212.0
3-mon avg daily val (mn)	INR8.6/US\$0.1
52-week range	INR244/160
Sensex/Nifty	78,919/24,450
INR/US\$	91.8

Price Performance

%	1M	6M	12M
Absolute	0.0	-27.5	0.0
Relative*	6.5	-25.5	0.0

*To the NSE Nifty 50

Financial Summary (Ind-AS)

	(INR mn)				
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	8,306	10,593	14,329	18,146	22,202
Sales Growth (%)	43.3	27.5	35.3	26.6	22.4
EBITDA	2,263	6,165	8,977	11,383	13,878
EBITDA Margin (%)	27.3	58.2	62.6	62.7	62.5
Adjusted Net Profit	-3,415	-1,396	23	1,309	2,382
Diluted EPS (INR)	-16.1	-6.6	0.1	6.2	11.2
Diluted EPS Growth (%)	-	-	-	5,527.5	82.0
ROCE (%) (pre-tax)	-4.5	4.9	8.2	10.6	12.9
ROE (%)	-	-219.0	0.7	18.5	26.7
P/E (x)	-	-	1,558.3	27.7	15.2
P/B (x)	27.7	-	5.6	4.7	3.6
EV/EBITDA (x)	16.7	6.4	3.7	2.9	2.3
Dividend Yield (x)	-	-	-	-	-

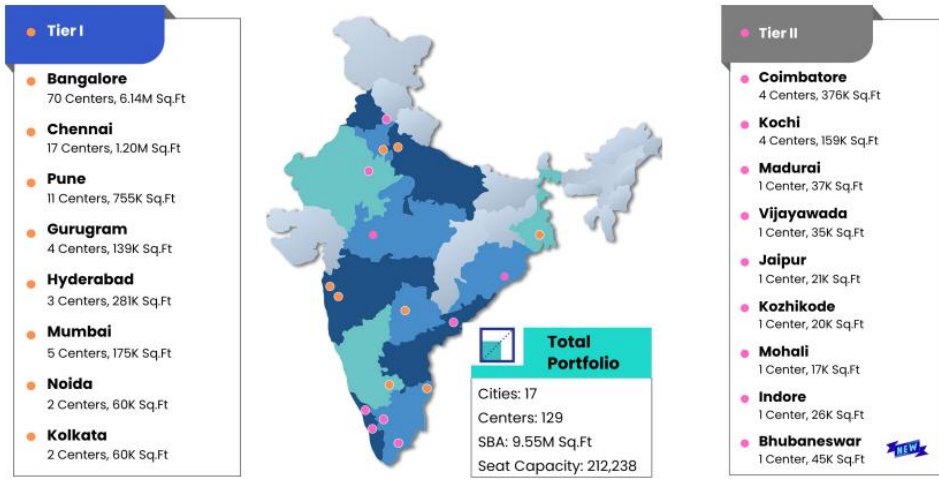
Source: Company data, JM Financial. Note: Valuations as of March 06, 2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

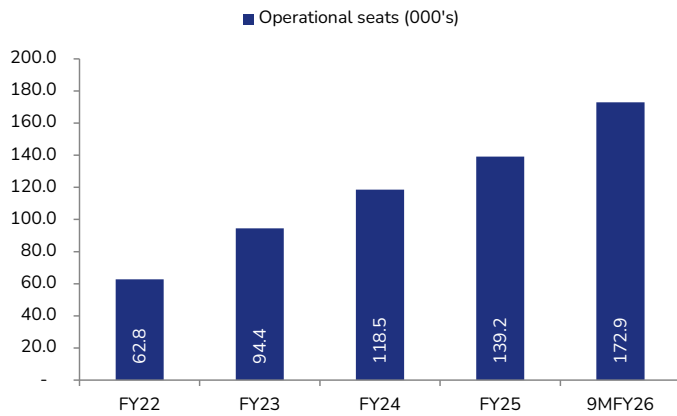
Focus Charts

Exhibit 1: IndiQube's strong suit: A footprint of c. 10msf with 90%+ in tier-1 cities



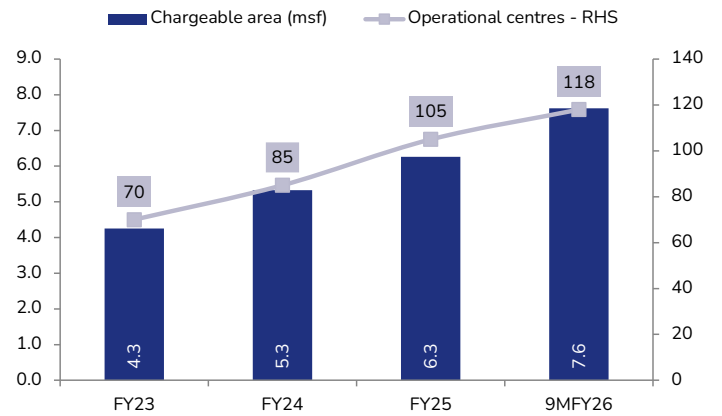
Source: Company, JM Financial

Exhibit 2: Operational seats have tripled since FY22...



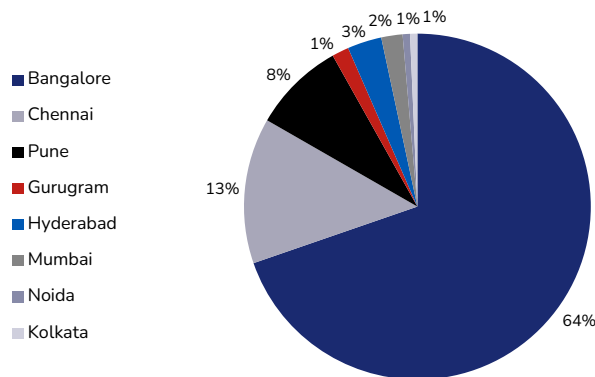
Source: Company, JM Financial

Exhibit 3: ...while chargeable area increased to c. 8msf



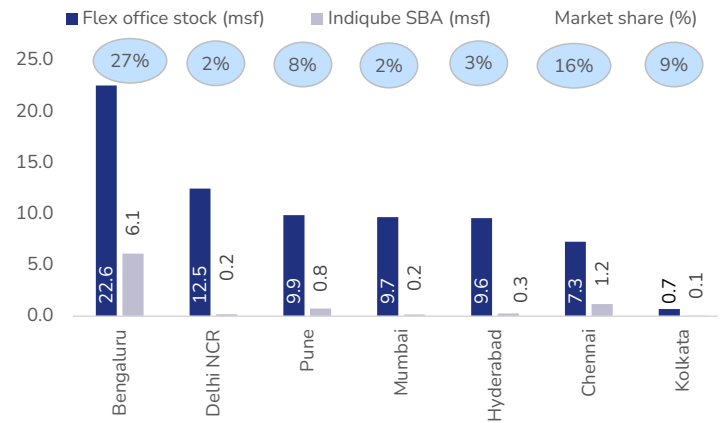
Source: Company, JM Financial

Exhibit 4: Bengaluru: Largest market with 64% share in its total AUM...



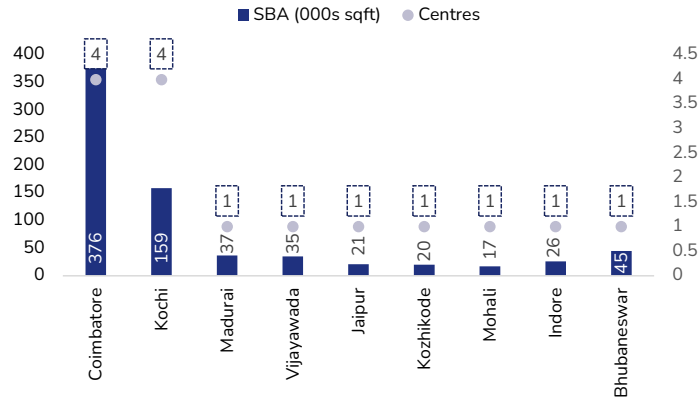
Source: Company, JM Financial

Exhibit 5:and a 27% share of total flex office stock



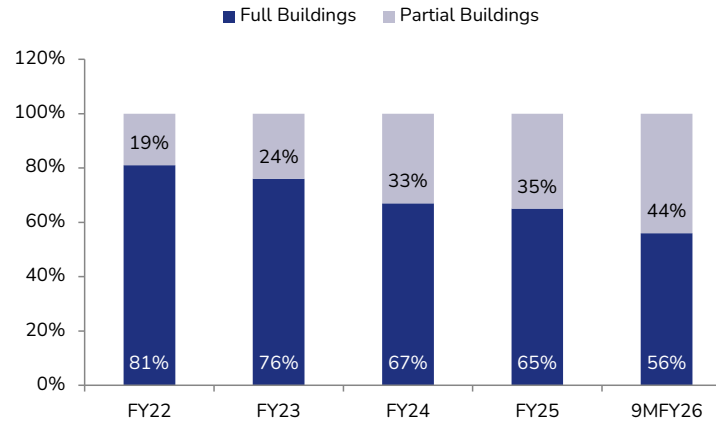
Source: Company, JM Financial

Exhibit 6: Among tier-II, IndiQube has sizable presence in Coimbatore



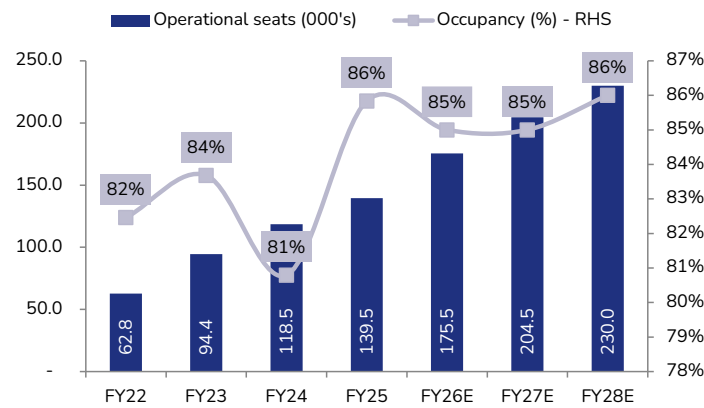
Source: Company, JM Financial

Exhibit 7: Full buildings account for c. 55% share in total centres



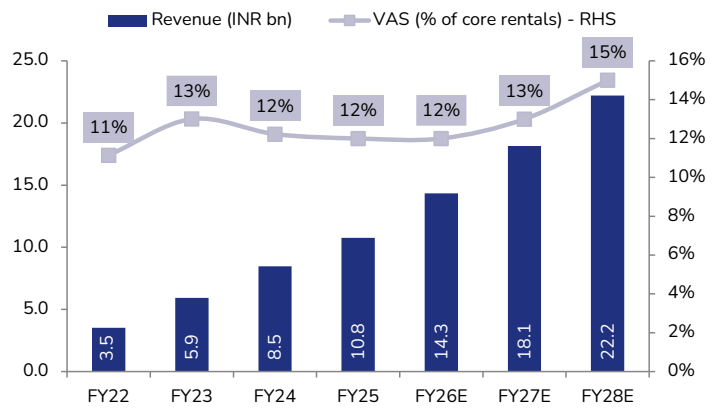
Source: Company, JM Financial

Exhibit 8: Occupancy to be stable around 85% going forward



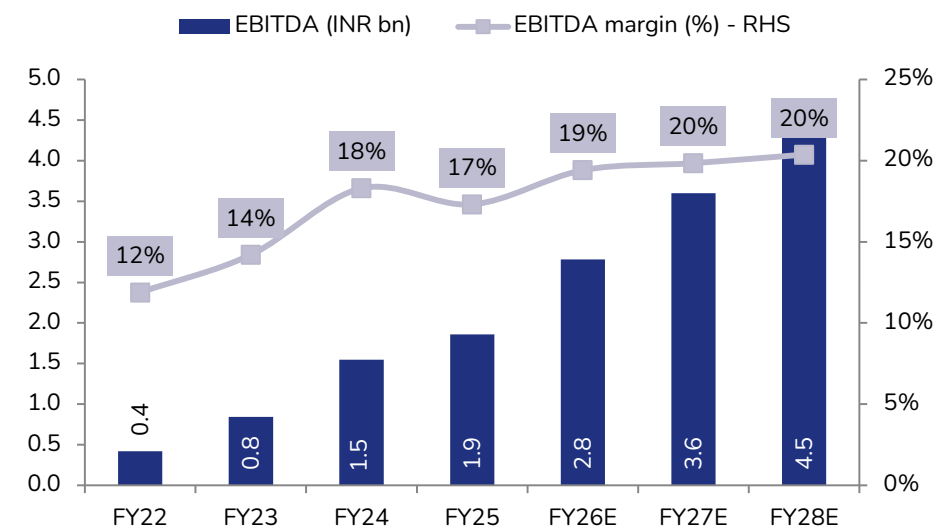
Source: Company, JM Financial

Exhibit 9: Seat additions to drive 24% CAGR in revenue over FY26-28E



Source: Company, JM Financial

Exhibit 10: EBITDA to expand at 28% CAGR over FY26-28E



Source: Company, JM Financial

Investment Thesis

Leadership in Bengaluru anchors portfolio strength

IndiQube manages a portfolio of 129 centres across 17 cities, covering 9.6msf (SBUA: super built-up area) of area under management (AUM) with total active seating capacity of 172,863, as at end-Dec'25. A dominant share of this footprint is concentrated in Bengaluru, where IndiQube operates 70 centres spanning c.6.0msf. Zooming out, IndiQube holds a combined portfolio of c.8.0msf across Bengaluru, Chennai and Pune, constituting 84% of its total portfolio.

Given Bengaluru is India's largest flexible workspace market, the positioning (80% portfolio thereof) allows the company to benefit from strong enterprise demand, mature commercial micro-markets and higher absorption trends, all feeding into higher occupancy and medium-term revenue visibility.

Integrated workspace ecosystem enables revenue diversification

Beyond core managed offices, IndiQube has built complementary verticals, namely interior design (Bespoke), facility and employee services (One), workplace technology (MiQube) and asset management (Cornerstone). This vertical ecosystem allows the company to participate across the workspace value chain - including design, fit-outs, operations and landlord services.

Management's strategy is to leverage its VAS platform as a customer acquisition and wallet-share expansion tool, with the potential to convert a portion of these relationships into long-term core leasing clients over time. The VAS segment accounted for 13% of top line in 1HFY26 compared with 11% in FY24, and is expected to reach 16% by FY28E.

Enterprise-led demand mix supports occupancy stability

The company's enterprise-first demand strategy focuses on large clients requiring scalable, customised offices with longer-tenure contracts, which typically enhances occupancy stability. A significant share of the portfolio is occupied by clients with large seat requirements and multi-year lock-ins, supporting predictable cash flows and reducing churn risk.

Demand sourcing is equally spread across three channels – internal sales/BD, expansion from existing tenants and property consultants – enabling access to both domestic enterprises and global capability centres. A significant portion of its occupancy (65%) is driven by clients leasing more than 300 seats. Also, GCCs account for a 40% client share and a c.55% share of revenue.

Ageing office stock augurs large TAM

Industry conditions are conducive for IndiQube's asset-light and refurbishment-led model given the large stock of ageing commercial buildings and high share of non-institutional ownership in India's office market. A meaningful proportion of office inventory in Tier-I cities is over a decade old, creating opportunities for refurbishment and repositioning to meet evolving occupier requirements.

Flexible workspace demand is also being driven by decentralisation, hub-and-spoke office strategies and expansion beyond Tier-I cities, aligning with its Follow-the-Talent strategy. With a total portfolio of 0.7msf across nine locations in non-Tier-I cities, IndiQube continues to tap into rising demand for flexible workspaces in high-growth regions beyond the metros and Tier cities.

Balance sheet supportive of high-growth targets

Over FY22–25, the company's operational area increased from 2.8msf to 6.3msf, translating to revenue/EBITDA CAGR of over 45%/68%. IndiQube has added 1.5–2.0msf annually in the recent past and is on track to sustain a similar run rate. This would entail annual capex of INR 3–4bn, which can be largely funded through accruals given its improved OCF run rate, not to mention INR 5bn raised from IPO, which has strengthened its liquidity position as balance sheet turned net cash.

Besides, IndiQube has c.2.0msf under various stages of fit-outs, which provides visibility till FY28E. We reckon the company would report a top-line CAGR of 26% over FY26–28E, largely led by seat additions along with 4–5% annual growth in rentals.

Valuation

Under Ind AS 116, lease arrangements are capitalized on the balance sheet, with future lease payments recognised as lease liabilities and corresponding right-of-use (ROU) assets. This accounting treatment elevates reported EBITDA, as lease rentals are excluded from operating expenses. To ensure comparability and better reflect the underlying operating economics, we normalise this distortion by reverting to a pre-Ind AS (IGAAP-like) framework.

We assign 14x EV/EBITDA multiple on FY28E Normalised EBITDA (IGAAP) and initiate coverage with a TP of INR 280.

Exhibit 11: Initiate coverage with TP of INR 280

Particulars	Mar'27E
Normalised (I-GAAP) EBITDA	3,923
Target multiple	14.0x
Enterprise Value	54,924
Net Debt	-4,031
Equity Value	58,955
No. of shares	210
One year TP	280

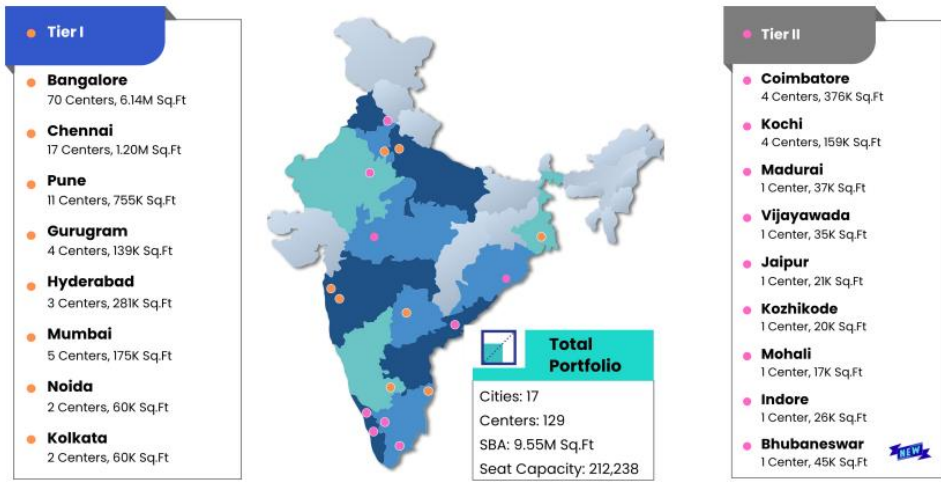
Source: Company, JM Financial

Investment Highlights

Leadership in Bengaluru; fully integrated platform

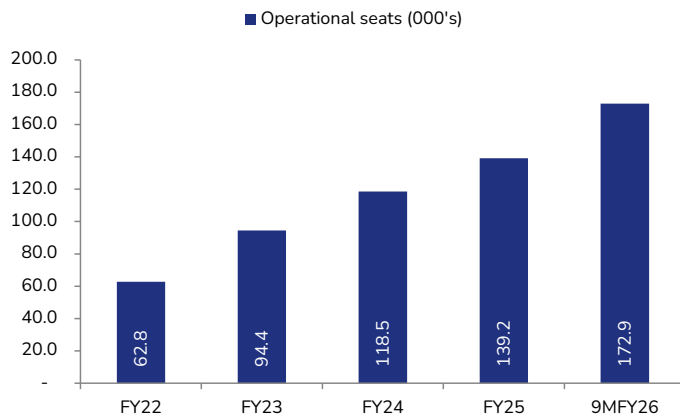
- IndiQube manages a portfolio of 129 centres across 17 cities, covering AUM of 9.6msf by super built-up area (SBA) with a total active seating capacity of 172,863 at end-Dec'25. The company expanded its portfolio by 3.7msf via addition of 41 properties and five new cities over FY22–25.
- IndiQube is the leader in Bengaluru with a portfolio of 70 centres spanning 6.1msf in AUM (end-Dec'25). This is notable since the city is both the largest commercial office and flexible workspace market of India with 30%+ of the total flexible workspace stock across tier-I cities.
- Among Tier-I markets, the company has established presence in Bengaluru, Chennai, Pune, Gurugram, Noida, Mumbai, Hyderabad and Kolkata. Additionally, it has forayed into nine non-tier-I cities, with Coimbatore and Kochi accounting for over 70% of non-tier-I stock.
- IndiQube has a combined portfolio of c.8.0msf across Bengaluru, Chennai and Pune, constituting 84% of its total portfolio (end-Dec'25). This gives the company a competitive advantage in major commercial real estate markets of India, enabling sustained occupancy levels.
- The company's presence in non-tier-I cities further strengthens its market reach. With a total portfolio of 0.7msf across nine locations in non-tier-I cities, it continues to tap into rising demand for flexible workspaces in high-growth regions. This geographic diversification allows it to balance scalability needs of large enterprises with the localised requirements of small and medium-sized businesses.

Exhibit 12: IndiQube's strong suit: A footprint of c. 10msf with 90%+ in tier-1 cities



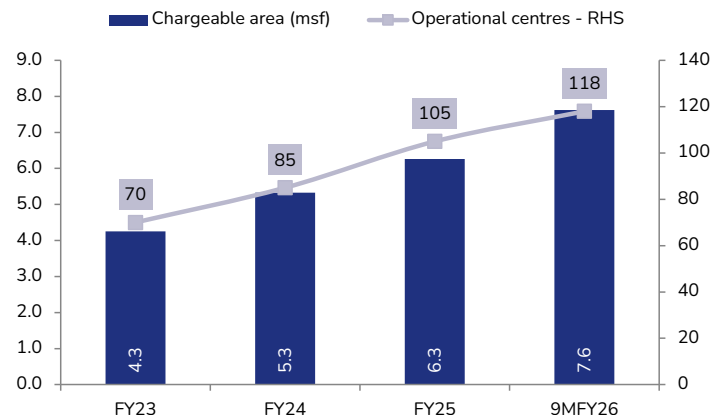
Source: Company, JM Financial

Exhibit 13: Operational seats have more than tripled since FY22



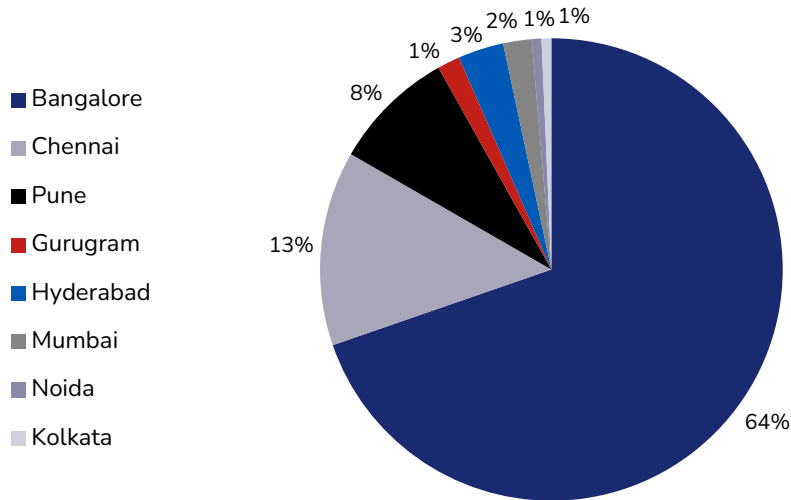
Source: Company, JM Financial

Exhibit 14: Chargeable area increased to c. 8msf



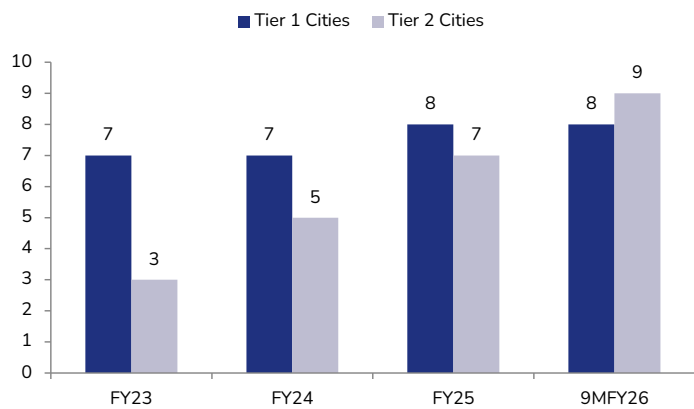
Source: Company, JM Financial

Exhibit 15: Bengaluru: Largest market for IndiQube with c. 64% share in total AUM



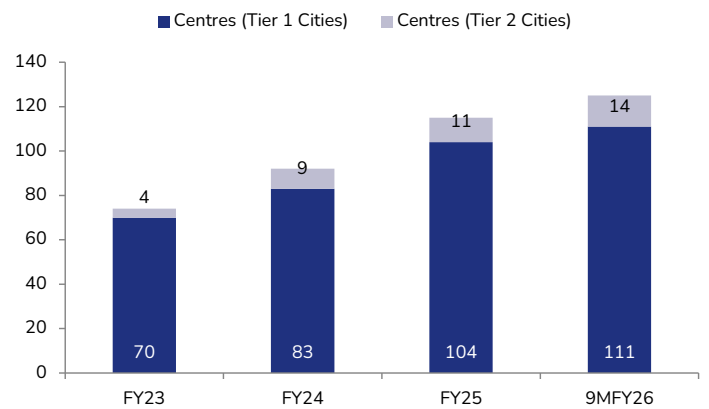
Source: Company, JM Financial

Exhibit 16: IndiQube now present in 8 tier-I and 9 tier-II markets...



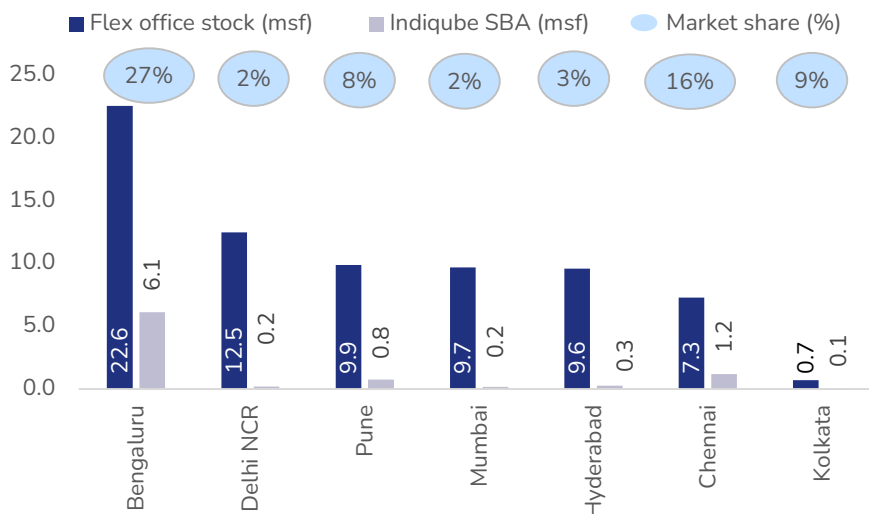
Source: Company, JM Financial

Exhibit 17: ...with 111 and 14 centres, respectively



Source: Company, JM Financial

Exhibit 18: Market share of 27% in Bengaluru

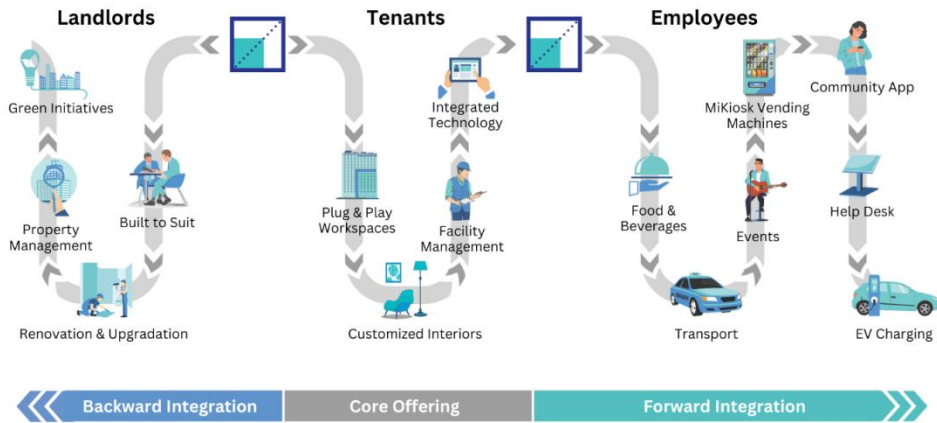


Source: Company, JM Financial

- IndiQube has evolved into a fully integrated platform spanning asset renovation, upgradation and customised build-to-suit services, in addition to providing B2B and B2C VAS to clients. These coupled with its core offering of plug-and-play offices enable IndiQube to serve the workspace value chain comprehensively.

Exhibit 19: IndiQube serves all key touch points of workplace value chain

Workspace Value Chain

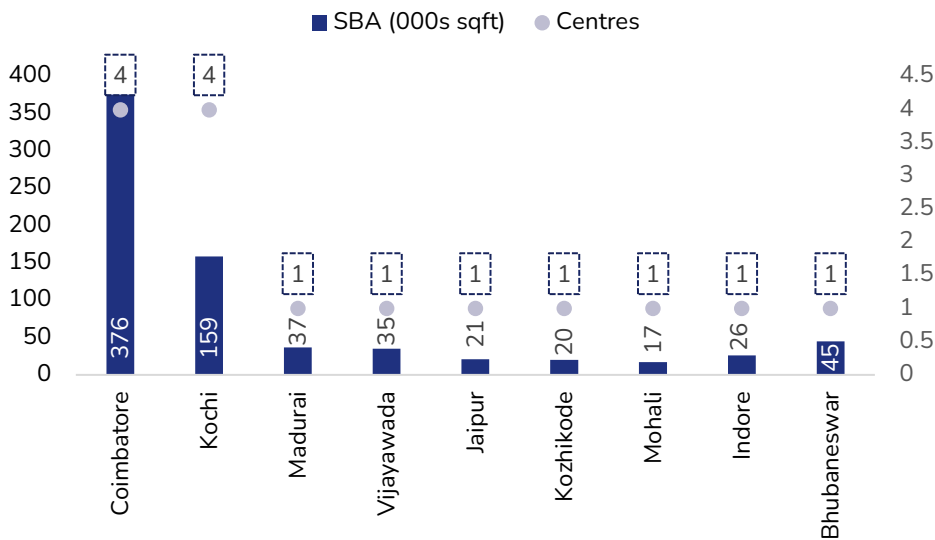


Source: Company, JM Financial

Strategic expansion to tier-2 cities

- Guided by its Follow-the-Talent approach, management decided to foray into tier-2 cities in FY22, realising the growing preference to work closer to hometowns, particularly post-pandemic. It signed up a 70k sft centre in Coimbatore, which was fully leased within a year. Since then, the company has added three more centres, widening its footprint in this market to 375k sft.
- IndiQube’s success in Coimbatore has been pivotal in shaping its strategy for other non-tier-1 cities. Its presence now extends to 9 such markets with total AUM of c. 0.7msf (8% of total AUM). Management highlights that a large part of demand for tier-2 centres is backed by existing clients in metro cities.

Exhibit 20: IndiQube serves all key touch points of workplace value chain



Source: Company, JM Financial

- GCCs in India are increasingly expanding into non-tier-I cities driven primarily by cost optimisation and talent availability. Their evolution towards higher-value functions such as analytics and product engineering has enabled greater geographic flexibility. Out of the total installed GCC talent, about 4% is in non-tier-I cities, and these markets aggregated c. 220+ GCCs in FY24, up from 90+ in FY19. Ahmedabad, Coimbatore, and Vadodara are the key hubs in non-tier-I cities with approximately 10% of GCCs—either newly set up or those that expanded in the past year.
- State governments of Karnataka and Tamil Nadu are crafting GCC-specific policies such as the Startup Tamil Nadu Policy and Karnataka Data Centre Policy intended to further support the growth of GCC in their respective regions.

Diversified client base with higher lock-ins

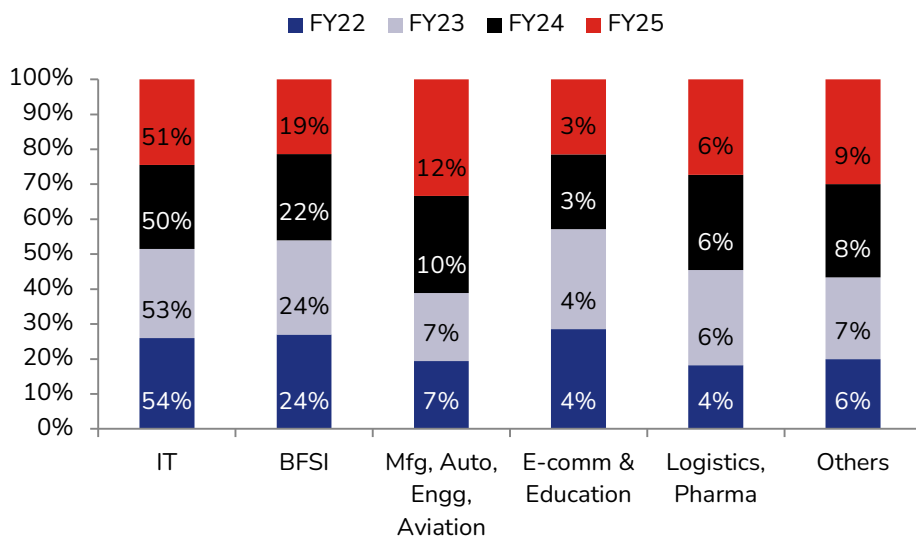
- At end-3QFY26, IndiQube served over 830 clients in various sectors, demonstrating its ability to cater to various business needs. Its client base comprises mid-to-large enterprise clients with a focus on those requiring scalable solutions across multiple centres and cities. The company’s clients include GCCs, Indian corporates, unicorns and startups across sectors such as IT/ITeS, manufacturing, automotives, engineering, aviation, BFSI and others.
- Seats occupied by a single client across multiple centres account for 27% of IndiQube’s total seats.

Exhibit 21: Client base: A healthy mix of mid-to-large enterprises



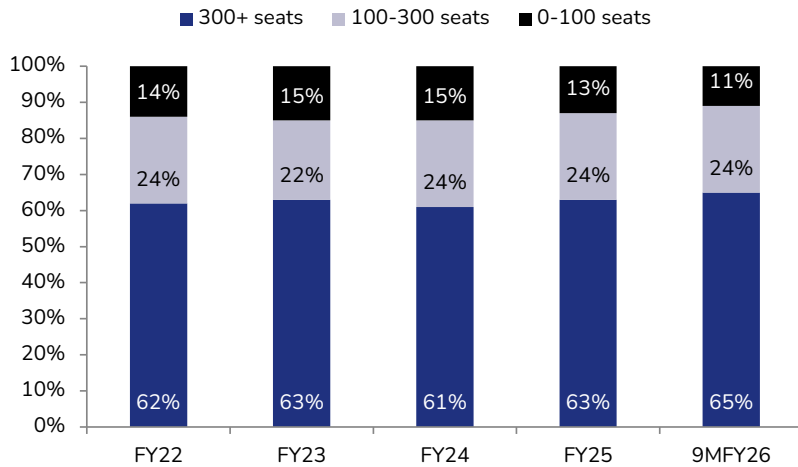
Source: Company, JM Financial

Exhibit 22: Clientele mix by sector



Source: Company, JM Financial

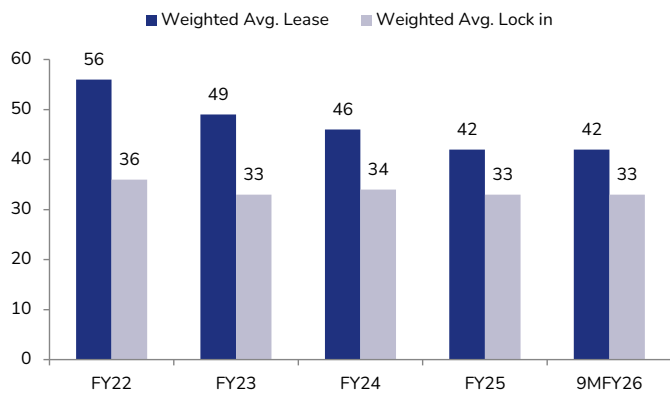
Exhibit 23: Cohort mix skewed towards 300+ seats category



Source: Company, JM Financial

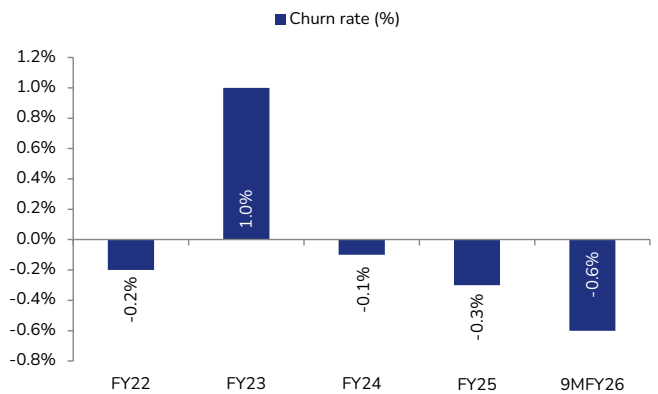
- Owing to its emphasis on enterprise clients, IndiQube aims to maintain long lease and lock-in tenures. The overall weighted average lease and lock-in tenures are for 44 months and 33 months, respectively. However, a significant portion of its occupancy (65%) is driven by clients leasing more than 300 seats and the average lease tenure for such large enterprises is 50 months, with a lock-in of 37 months. These long-term contracts not only secure a stable and recurring revenue stream, but also create opportunities to upsell VAS.

Exhibit 24: At portfolio level, weighted average lock-in is 33 months



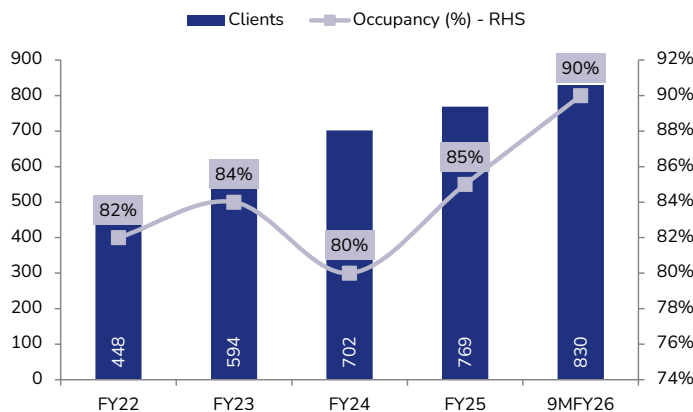
Source: Company, JM Financial

Exhibit 25: Significantly low churn rate



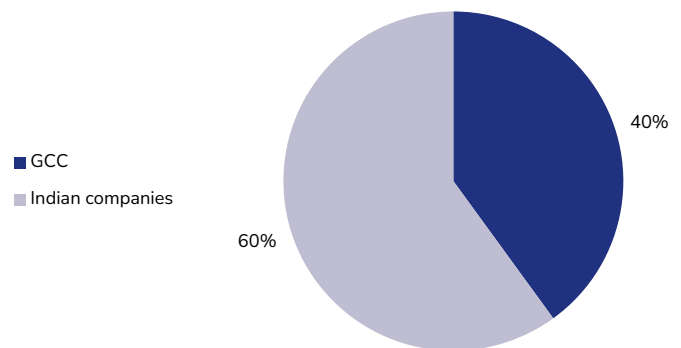
Source: Company, JM Financial

Exhibit 26: Client base has almost doubled since FY22



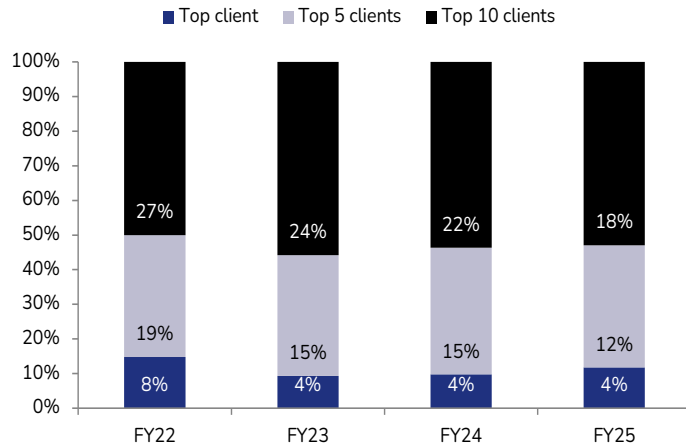
Source: Company, JM Financial

Exhibit 27: GCCs account for 40% share by area



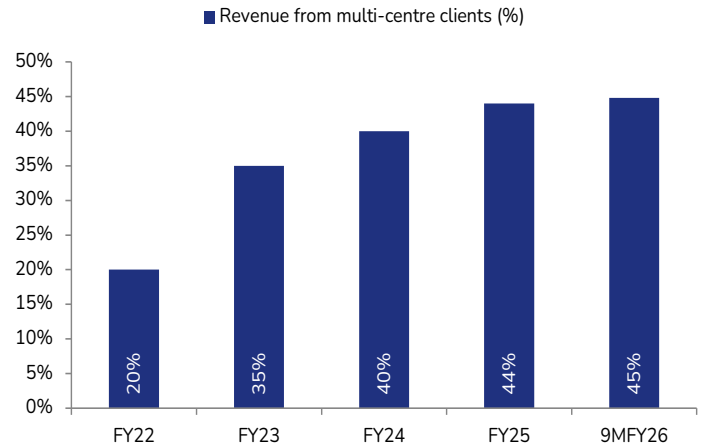
Source: Company, JM Financial

Exhibit 28: Dependency on top 10 clients declining



Source: Company, JM Financial

Exhibit 29: Clients with multi-centre presence account for 45% of revenue



Source: Company, JM Financial

Exhibit 30: IndiQube has traditionally maintained longer lease and lock-in tenures

Particulars	FY22	FY23	FY24	FY25	9MFY26
Weighted Average Lease	56	49	46	42	33
300+ seats	62	54	51	46	36
100–300 seats	51	45	41	37	31
0–100 seats	37	35	34	30	22
Weighted Average Lock-in	36	33	34	33	42
300+ seats	41	37	38	36	46
100–300 seats	32	31	32	31	36
0–100 seats	19	20	23	22	29

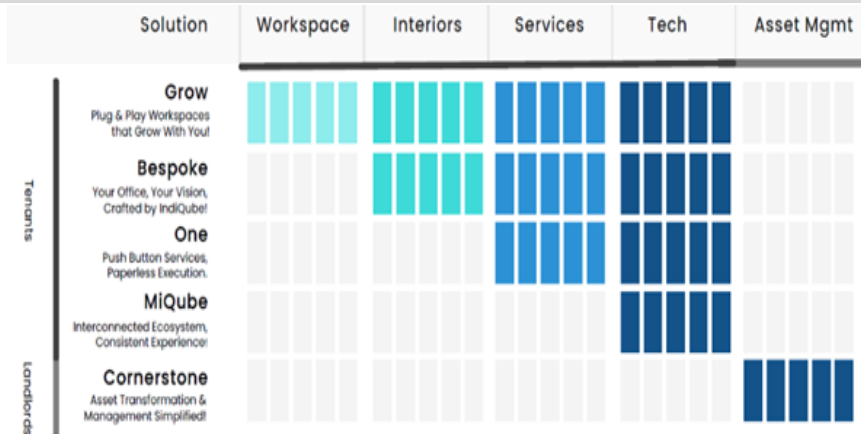
Source: Company, JM Financial

Tapping into adjacencies via comprehensive suite of offerings

- IndiQube’s core business involves leasing commercial office space and generating rental income from managed workspaces. In addition, the company has developed a portfolio of adjacent offerings – such as food and beverage services, employee transport, IT and design-and-build (DNB) solutions – which are classified under its (VAS) segment. These services are offered not only to existing workspace clients, but also to external customers, allowing the company to establish early engagement and broaden client relationships.
- Management’s strategy is to leverage the VAS platform as a customer acquisition and wallet-share expansion tool, with the potential to convert a portion of these relationships into long-term core leasing clients over time. This approach provides incremental revenue streams while supporting occupancy growth in the core workspace portfolio.
- The company has categorised its workspace solutions into different business segments, and at the core of its offerings is 'IndiQube Grow', which is its plug-and-play workspaces solution that incorporates interiors, technology, facility management and VAS.
 - **IndiQube Bespoke:** Focused on customisable design and build solutions, from concept to completion, allowing clients to create workspaces that reflect its brand identity and operational requirements within its own premises. From design to turnkey project execution and maintenance, the company’s approach ensures that each workspace is tailored to client specifications.
 - **IndiQube One:** Under IndiQube One, it offers comprehensive B2B and B2C solutions ranging from facility management, asset maintenance and plantation to catering and transportation services for the employees of its clients.

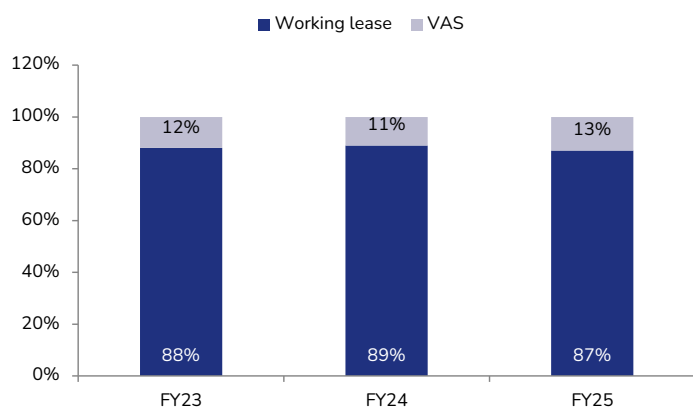
- **MiQube:** Its MiQube platform integrates technology solutions and interconnected smart devices that serves clients and employees and enables its frontline facility management teams to deliver consistent employee experiences, facility operations and workspaces. These solutions include its community application, a tenant platform, service delivery application and a network of interconnected devices.
- **IndiQube Cornerstone:** Under IndiQube Cornerstone, it renovates aging properties through technological upgrades, amenities, green initiatives and designed interiors. By collaborating with landlords, the company enhances assets to improve operational efficiency, thereby creating distinctive and appealing spaces.

Exhibit 31: Scope of various offerings by IndiQube



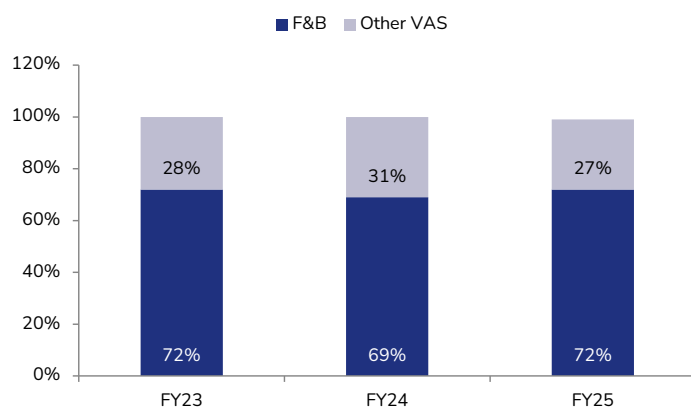
Source: Company

Exhibit 32: Share of VAS increased to 13% in FY25



Source: Company, JM Financial

Exhibit 33: Within VAS, F&B accounts for 27%

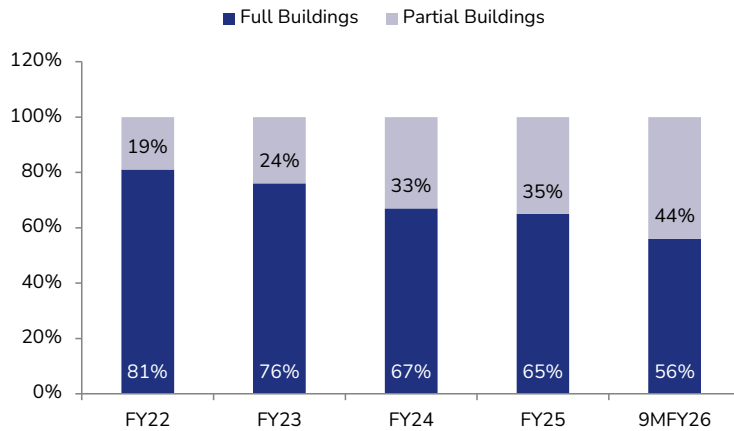


Source: Company, JM Financial

Leveraging hub-and-spoke through asset upgradation

- IndiQube’s supply strategy is centred on leasing properties in high-demand micro-markets with strong infrastructure connectivity, talent availability and low vacancy, followed by upgrading them into modern, technology-enabled workspaces. The company frequently partners with landlords to lease new buildings and also refurbishes ageing or non-institutional Grade B assets, integrating interiors, amenities and sustainability features. Such renovated properties accounted for c. 30% of its portfolio at end-Dec’25.

Exhibit 34: Full buildings account for c. 55% share in total centres



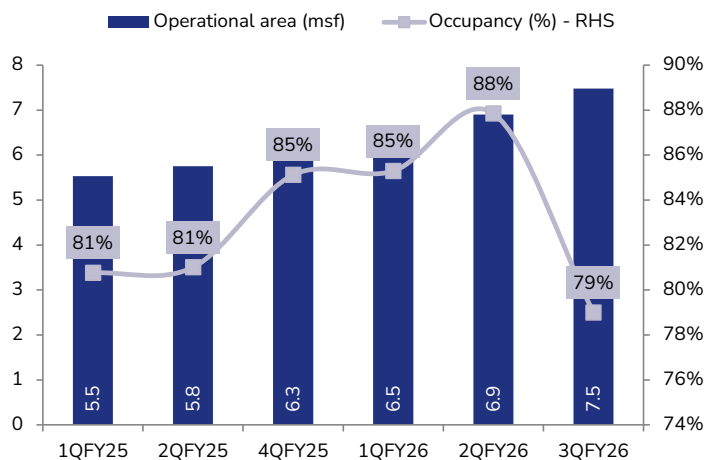
Source: Company, JM Financial

- The company's hub-and-spoke model enables it to build scale within dense micro-markets while catering to diverse client segments. Large campuses typically house premium enterprises and GCC clients and centralized amenities while smaller centres allow the company to serve startups and cost-sensitive occupiers at different price points. This structure improves asset utilisation and strengthens market penetration by creating clusters rather than isolated centres.
- It also helps overcome the limited availability of large buildings in prime locations by combining multiple smaller assets around a central hub. Over time, such clustering can enhance occupancy stability, client retention and operating efficiencies, supporting sustainable growth in mature and high-demand office corridors. While the company is gradually increasing the average size of centres, the satellite centres remain an integral part of the portfolio to preserve market coverage, pricing flexibility and accessibility.

Seat addition and VAS to drive revenue growth

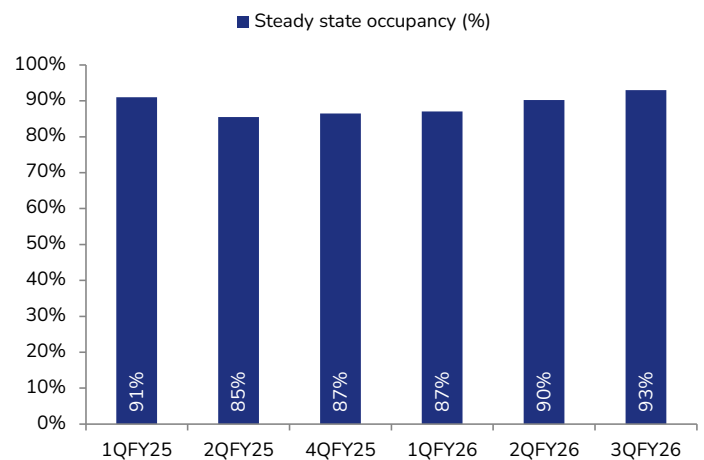
- In 3QFY26, the company reported 45% YoY growth in revenue, but EBITDA almost doubled YoY driven by 4pps improvement in margins to 18%. It achieved 31% margin on incremental revenue as steady state occupancy in the overall portfolio increased to 93%. In 9MFY26, revenue and EIBTDA grew by 37%/94% YoY and the visibility in near term remains strong given the c.2msf of tied-up pipeline at various stages of development.

Exhibit 35: Occupancy dropped in 3QFY26 due to addition of seats



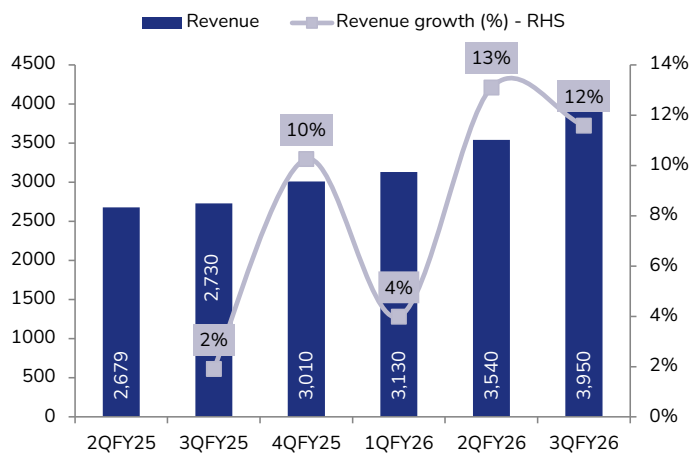
Source: Company, JM Financial

Exhibit 36: Matured centre occupancy increased 300bps QoQ



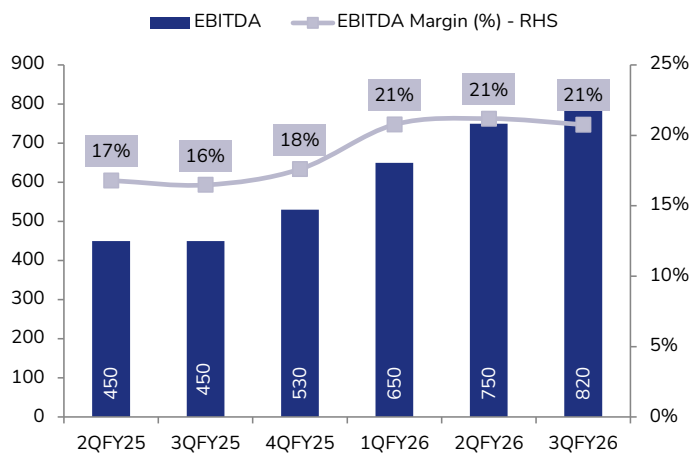
Source: Company, JM Financial

Exhibit 37: Revenue increased 45% YoY in 3QFY26



Source: Company, JM Financial

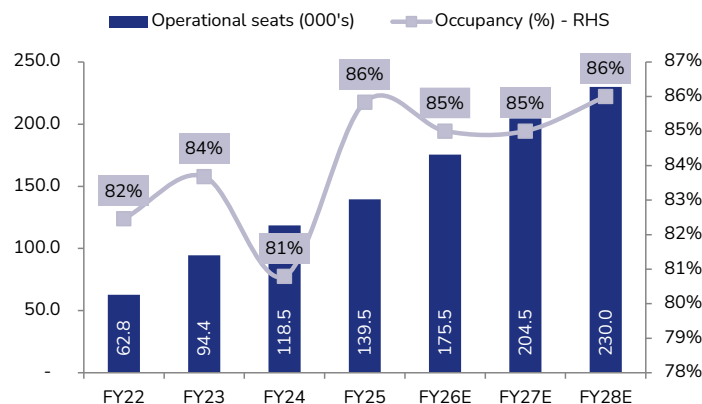
Exhibit 38: EBITDA margin increased 500bps YoY to 21%



Source: Company, JM Financial

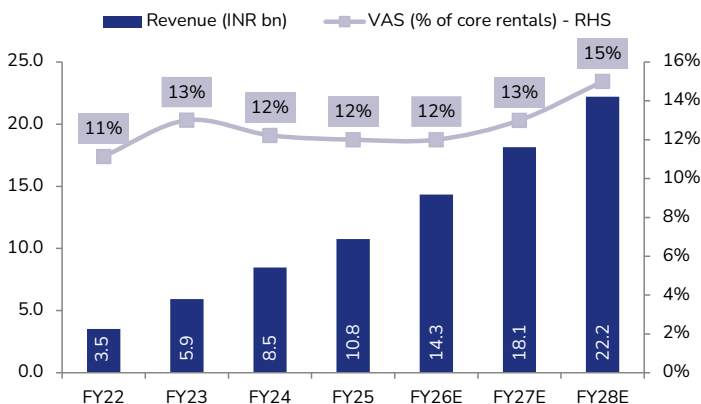
- IndiQube has added 1.5–2msf annually in recent years and is on track to sustain a similar run-rate. It has 2msf under various stages of fit-outs, which provides visibility till FY28E. We reckon the company would report a top-line CAGR of 26% over FY26–28E largely led by seat addition along with 4–5% annual growth in rentals.
- Contribution of VAS increased from 11% in FY24 to 13% in 1HFY26; given the strong emphasis on DNB, F&B and other categories, we expect its share to rise further to 15% by FY28E.

Exhibit 39: Occupancy to be stable around 85% going forward



Source: Company, JM Financial

Exhibit 40: Seat additions to drive 24% CAGR in revenue over FY26–28E

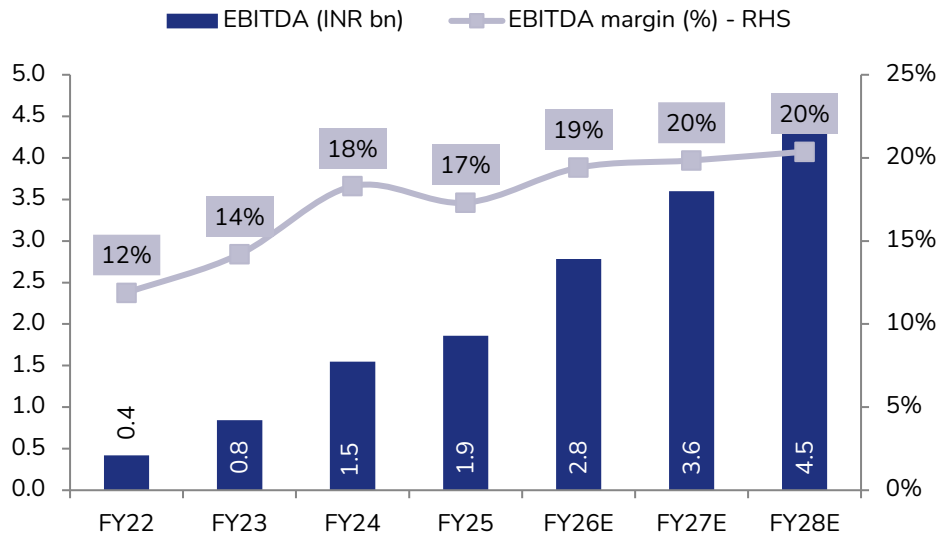


Source: Company, JM Financial

EBITDA to compound 28% with steady margins

- We believe IGAAP EBITDA will largely track top-line growth, resulting in a steady margin of c. 20%. The company has also invested in a ~20MW solar power plant to meet its captive energy requirements to a large extent; this has reduced overall power costs by nearly 50%. The initiative contributes to improved operating efficiencies and provides partial insulation from energy price volatility.
- However, a portion of these savings is offset by upfront costs associated with commissioning multiple new centres as the company continues to expand at a relatively fast pace (25%+ growth). Despite these expansion-related costs, the solar initiative helps support margin stability by lowering recurring operating expenses, enabling the company to sustain relatively steady margins during a phase of high growth and elevated initial investments.

Exhibit 41: Healthy EBITDA margins going forward

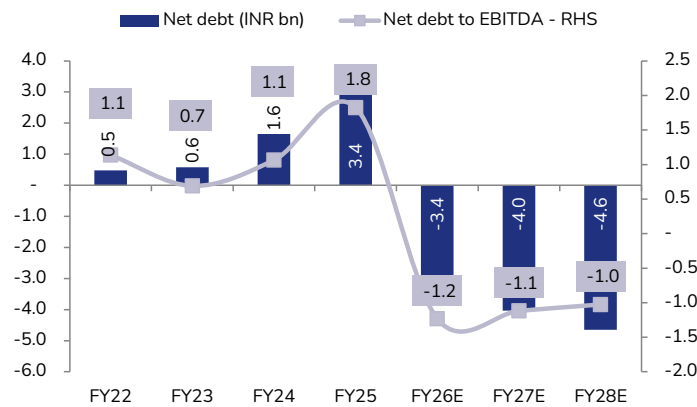


Source: Company, JM Financial

Strong liquidity position, cash flows to fund growth pipeline

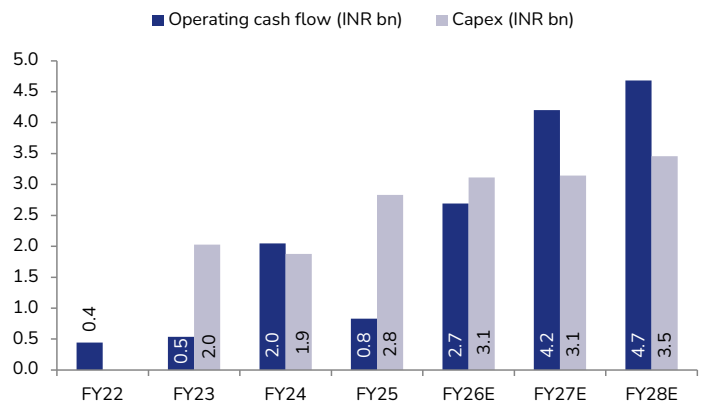
- Rapid expansion since FY22–25 more than trebled IndiQube’s operational area from 2.8msf to 6.3msf and lifted net debt to INR 3.8bn (c. 1x net D/E). The primary raise of INR 5bn strengthened the liquidity position, lifting balance sheet into net cash.
- The increased scale of operations sharply improved the OCF run rate to INR 1.5bn by end-1HFY26 (versus INR 640m in 1HFY25) and would improve further as more centres get operationalised. Management intends to maintain 25–30% growth in the near term, which would imply annual capex of INR 3–4bn. This can be comfortably funded via internal accruals.

Exhibit 42: IndiQube to remain net cash positive going forward



Source: Company, JM Financial

Exhibit 43: FY26E capex and OCF to remain in similar range

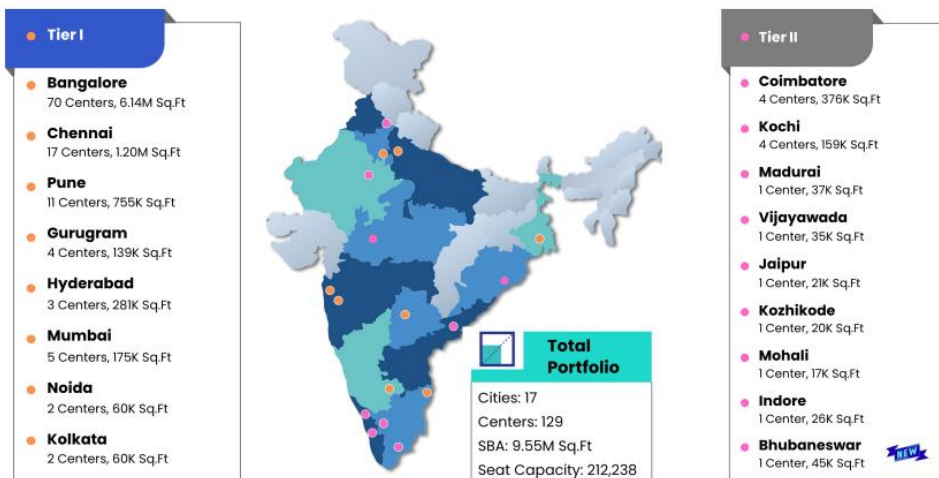


Source: Company, JM Financial

Company Overview

- IndiQube Spaces Limited operates as a managed workplace solutions provider offering comprehensive, sustainable and technology-driven office solutions. The company focuses on transforming the traditional office environment by combining workspace design, amenities and a range of value-added services. Its offerings cater primarily to enterprise clients and span a wide spectrum of workspace formats, ranging from large corporate headquarters (hubs) to smaller branch offices (spokes).
- **Portfolio:** IndiQube is a managed workspace platform in India scaling up rapidly by providing office solutions to startups, Global Capability Centres (GCCs) and large enterprises. The company operates in 16 cities and manages c. 9.14msf of workspaces. It integrates design, technology and hospitality elements to deliver work environments positioned for evolving enterprise requirements. IndiQube has a total of 801 clients, out of which 40% are GCCs.
- **Operating model:** IndiQube operates an integrated business model with both backward and forward integration. Backward integration is focused on asset renovation, upgradation, and the development of customised build-to-suit solutions. Forward integration allows IndiQube to offer business-to-business (B2B) and business-to-consumer (B2C) value-added services to its clients and their employees. These services are delivered alongside the company’s core plug-and-play office offerings, enabling IndiQube to address multiple layers of the workspace value chain and provide a more comprehensive workplace solution.
- IndiQube follows demand strategy of enterprise-first, focuses on partnering with businesses for scalable, customisable and on-demand workspace of large sizes for a long tenure. At end-Sep’25, 65% of occupied seats are at centres with 300+ seats. IndiQube has total 801 clients, out of which 40% are GCCs.
- **Backed by Westbridge:** IndiQube got a strategic boost in FY18 through investments from WestBridge Capital, which strengthened the company’s capital base and validated its managed workspace business model. The investment provided financial flexibility to scale up operations, expand geographical presence and enhance service capabilities while bringing in institutional expertise and governance rigour.

Exhibit 44: IndiQube pan-India portfolio



Source: Company, JM Financial

Key Management Personnel

Exhibit 45: Board of directors and key management personnel

Particulars	Designation	Description
Mr Rishi Das	Chairman, Executive Director and Chief Executive Officer	Mr Das is a Bachelor of Electrical Engineering from the University of Roorkee. He has been associated with the company since its incorporation and has nine years of experience in the co-working space industry. Prior to joining IndiQube, he co-founded and was associated with Careernet Technologies Private Limited as Chief Operating Officer and with Hirepro Consulting Private Limited as Chief Executive Officer. He also co-founded Innoprop Spaces Private Limited and Hirepro Technologies Private Limited. Currently, he is on the board of directors of Careernet Technologies Private Limited, Hirepro Consulting Private Limited, Hirepro Technologies Private Limited and Innoprop Spaces Private Limited.
Ms Meghna Agarwal	Chief Operating Officer and Executive Director	Ms Agarwal is a Postgraduate Diploma in Executive Management from Institute of Management Technology, Ghaziabad, and passed the final examination conducted by the Institute of Company Secretaries of India in June 2001. She has been associated with the company since 2018 and has six years of experience in the co-working space industry. Prior to joining IndiQube, she was associated with Careernet Technologies Private Limited as Vice President and had co-founded Ultrafines Minerals. Currently, she is on the board of directors of Innoprop Spaces Private Limited. Ms Agarwal has been conferred with various awards including Best Woman Performer in Business Innovations Award 2024, Business Woman Excellence Award 2021, and Young Achievers Award 2019 for Excellence in Real Estate.
Mr Anshuman Das	Non-Executive Director	Mr Das is a Bachelor of Technology (Textile Technology) from the Indian Institute of Technology, Delhi. He has been associated with the company since its incorporation and has nine years of experience in the co-working space industry. Prior to joining IndiQube, Mr Das co-founded and has been associated with Careernet Technologies Private Limited as its chief executive officer and with Hirepro Consulting Private Limited as its chief operating officer. He also co-founded Hirepro Consulting Private Limited, Innoprop Spaces Private Limited, and Hirepro Technologies Private Limited. Currently, he is on the board of directors of Careernet Technologies Private Limited, Hirepro Consulting Private Limited, Hirepro Technologies Private Limited, and Innoprop Spaces Private Limited.
Mr Sandeep Singhal	Non-Executive Nominee Director	Mr Singhal is a Bachelor of Technology (Chemical Engineering) from the Indian Institute of Technology, Delhi, and a Master of Science (Chemical Engineering) from University of Illinois. He has also completed a two-year Post-graduate Diploma in Management at the Indian Institute of Management, Ahmedabad. Mr Singhal has been associated with the company since 23 rd Jul'24. He is a professional with over 20 years of investment advisory experience, co-founder of WestBridge Capital and a designated partner of WestBridge Advisors LLP. Mr Singhal is also the investment manager of WestBridge AIF I.
Mr A.G. Muralikrishnan	Independent Director	Mr Murali holds a Bachelors' degree in science from University of Madras. He is a certified chartered accountant and a certified fellow of the Institute of Chartered Accountants of India. He has been associated with the company since Dec'24 and has 35 years of experience in the finance industry.
Mr. Rahul Matthan	Independent Director	Mr Matthan holds a Bachelors' degree in arts and law from National Law School of India University, Bengaluru. He has been associated with IndiQube since Dec'24 and has 30 years of experience in the legal industry. He is associated with Trilegal as a partner. He has been conferred with recognitions including 'Hall of Fame' for technology, media and telecommunications by the Legal 500, and 'Leading Individual' for Data Protection by the Legal 500.
Mr. Naveen Tewari	Independent Director	Mr Tewari holds a Bachelors' degree of technology in mechanical engineering from Indian Institute of Technology, Kanpur, and a Master's degree in general management from Harvard Business School. He is the chief executive officer and founder of the InMobi Group. He has been associated with the company since Dec'24 and has previously held diverse management positions.
Ms Sachi Krishana	Independent Director	Ms Krishana holds a Masters' degree of arts in personnel management and industrial relations from TATA Institute of Social Sciences. She has 20 years of experience in the field of human resources and was previously associated with Amazon Web Services India Private Limited as human resources director.
Mr Pawan J Jain	Chief Financial Officer	Mr Jain, a Chartered Accountant by profession, joined IndiQube on 11 th Jul'19 as Vice President – Finance. He is a Bachelor of Commerce from Nehru Memorial College, Hanumangarh, Maharshi Dayanand Saraswati University, Ajmer. Prior to joining the company, he was associated with Twenty Fourteen Hotels India Private Limited as Head – Banking Relations, Vikram Logistic and Maritime Services Private Limited, Coast Liners Private Limited (SVP Finance) and Anil N. Jain as a partner and audit manager. Mr Jain, a veteran with 22 years of Finance-related experience, heads financial operations at IndiQube.
Mr Pranav AK	Company Secretary and Compliance Officer	Mr AK joined the company on 15 th Nov'24. He is a Bachelor of Commerce (major in corporate affairs and administration) from Indira Gandhi National Open University. He is a certified company secretary and associate member of the Institute of Company Secretaries of India. Prior to joining IndiQube, Mr AK was associated with Malabar Group as Assistant Manager of Corporate Affairs, Seinsa Autofren India Private Limited as Company Secretary, JM & Associates, and VVS and Associates. He has six years of experience as company secretary and handles secretarial & legal compliance for IndiQube.
Mr Deepak Dadhich	Chief Business Officer	Mr Dadhich joined the company on 1 st Jul'17 as a Senior Vice President. He is a Bachelor of Metallurgical Engineering from the University of Roorkee. Prior to joining IndiQube, Mr Dadhich was associated with Hirepro Consulting Private Limited as Vice President, Infosys Limited as Senior Project Manager and Hindalco Industries Limited as Graduate Engineer Trainee. At IndiQube, he heads facilities and building operations.

Source: Company, JM Financial

Key Risks

- **Elevated geographic concentration risk:** IndiQube derives a significant proportion of its revenue from key cities such as Bengaluru, Pune, and Chennai. Any slowdown in enterprise hiring, particularly from IT/ITeS or GCC segments, increased supply of Grade A office space, or rental corrections in these cities could adversely impact occupancy and pricing.
- **GCC and enterprise hiring cyclicality:** While enterprise/GCC led demand improves stability (GCCs contribute over 50% to revenue), it is linked to global hiring cycles. Slowdown in GCC expansion or cost optimization initiatives could delay renewals

Financial Tables ()

Income Statement						(INR mn)
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E	
Net Sales	8,306	10,593	14,329	18,146	22,202	
Sales Growth (%)	43.3	27.5	35.3	26.6	22.4	
Other Operating Income	-	-	-	-	-	
Total Revenue	8,306	10,593	14,329	18,146	22,202	
Cost of Goods Sold/Op. Exp	390	520	623	686	754	
Personnel Cost	638	758	930	1,089	1,252	
Other Expenses	5,015	3,150	3,799	4,988	6,318	
EBITDA	2,263	6,165	8,977	11,383	13,878	
EBITDA Margin (%)	27.3	58.2	62.6	62.7	62.5	
EBITDA Growth (%)	-4.4	172.4	45.6	26.8	21.9	
Depn. & Amort.	3,922	4,871	5,895	6,845	7,959	
EBIT	-1,659	1,294	3,082	4,538	5,919	
Other Income	371	436	400	400	400	
Finance Cost	2,560	3,304	3,168	3,208	3,397	
PBT before Excep. & Forex	-3,848	-1,573	314	1,730	2,921	
Excep. & Forex Inc./Loss(-)	-	-	-	-	-	
PBT	-3,848	-1,573	314	1,730	2,921	
Taxes	-433	-177	290	421	540	
Extraordinary Inc./Loss(-)	-	-	-	-	-	
Assoc. Profit/Min. Int.(-)	-	-	-	-	-	
Reported Net Profit	-3,415	-1,396	23	1,309	2,382	
Adjusted Net Profit	-3,415	-1,396	23	1,309	2,382	
Net Margin (%)	-41.1	-13.2	0.2	7.2	10.7	
Diluted Share Cap. (mn)	212	212	212	212	212	
Diluted EPS (INR)	-16.1	-6.6	0.1	6.2	11.2	
Diluted EPS Growth (%)	-	-	-	5,527.5	82.0	
Total Dividend + Tax	-	-	-	-	-	
Dividend Per Share (INR)	-	-	-	-	-	

Source: Company, JM Financial

Cash Flow Statement						(INR mn)
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E	
Profit before Tax	-3,848	-1,573	314	1,730	2,921	
Depn. & Amort.	3,922	4,871	5,895	6,845	7,959	
Net Interest Exp. / Inc. (-)	183	268	189	50	50	
Inc (-) / Dec in WCap.	79	-14	329	-276	-299	
Others	4,882	2,698	2,979	3,158	3,347	
Taxes Paid	203	-134	-290	-421	-540	
Operating Cash Flow	5,422	6,116	9,416	11,085	13,439	
Capex	-1,835	-2,527	-3,114	-3,145	-3,458	
Free Cash Flow	3,586	3,589	6,302	7,941	9,981	
Inc (-) / Dec in Investments	-	-	-	-	-	
Others	-91	-63	-	-	-	
Investing Cash Flow	-1,927	-2,590	-3,114	-3,145	-3,458	
Inc / Dec (-) in Capital	-	-	-	-	-	
Dividend + Tax thereon	-	-	-	-	-	
Inc / Dec (-) in Loans	780	1,755	-2,460	-5	-	
Others	-4,376	-5,226	288	-7,400	-9,237	
Financing Cash Flow	-3,596	-3,471	-2,172	-7,405	-9,237	
Inc / Dec (-) in Cash	-101	56	4,130	536	744	
Opening Cash Balance	104	4	59	4,189	4,725	
Closing Cash Balance	4	59	4,189	4,725	5,470	

Source: Company, JM Financial

Balance Sheet						(INR mn)
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E	
Shareholders Fund	1,306	-31	6,420	7,729	10,111	
Share Capital	2	130	404	404	404	
Reserves & Surplus	1,305	-161	6,016	7,325	9,706	
Preference Share Capital	-	-	-	-	-	
Minority Interest	-	-	-	-	-	
Total Loans	1,640	3,440	980	975	975	
Def. Tax Liab. / Assets (-)	-1,076	-1,378	-1,378	-1,378	-1,378	
Other non-current liabilities / Lease Liabilities	28,089	36,467	38,058	39,140	39,353	
Total - Equity & Liab.	31,035	39,876	45,458	47,844	50,438	
Net Fixed Assets	5,709	7,696	9,632	11,292	12,934	
Gross Fixed Assets	6,270	8,757	11,871	15,015	18,473	
Intangible Assets	29	76	76	76	76	
Less: Depn. & Amort.	1,327	2,280	3,458	4,942	6,758	
Capital WIP	736	1,143	1,143	1,143	1,143	
Investments	10	1	-	-	-	
Current Assets	29,954	37,891	43,712	47,996	55,066	
Inventories	-	-	-	-	-	
Sundry Debtors	593	787	1,031	1,335	1,658	
Cash & Bank Balances	4	59	4,189	4,725	5,470	
Loans & Advances	-	-	-	-	-	
Other Current Assets	29,357	37,044	38,492	41,936	47,939	
Current Liab. & Prov.	5,644	6,976	9,149	12,708	18,826	
Current Liabilities	28,817	36,334	38,165	41,442	47,265	
Provisions & Others	-23,173	-29,359	-29,016	-28,734	-28,438	
Net Current Assets	-4,065	-4,875	-3,037	-5,565	-10,413	
Other Non Current Assets/ROU Assets	28,375	35,791	37,600	40,854	46,653	
Total - Assets	31,035	39,876	45,458	47,844	50,438	

Source: Company, JM Financial

Dupont Analysis					
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin (%)	-41.1	-13.2	0.2	7.2	10.7
Asset Turnover (x)	0.3	0.3	0.3	0.4	0.5
Leverage Factor (x)	-	55.8	13.4	6.6	5.5
RoE (%)	-	-219.0	0.7	18.5	26.7

Source: Company, JM Financial

Key Ratios					
Y/E	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	6.2	-0.1	30.3	36.5	47.7
ROCE (%) (pre-tax)	-4.5	4.9	8.2	10.6	12.9
ROE (%)	-	-219.0	0.7	18.5	26.7
Net Debt/Equity (x)	1.3	-	-0.5	-0.5	-0.4
P/E (x)	-	-	1,558.3	27.7	15.2
P/B (x)	27.7	-	5.6	4.7	3.6
EV/EBITDA (x)	16.7	6.4	3.7	2.9	2.3
EV/Sales (x)	4.6	3.7	2.3	1.8	1.4
Debtor days	26	27	26	27	27
Inventory days	-	-	-	-	-
Creditor days	27	45	39	32	27

Source: Company, JM Financial

APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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