



Neutral

IPO Report

23rd July '25

Snapshot

Company is a managed workplace solutions company offering comprehensive, sustainable, and technology-driven workplace solutions dedicated to transforming the traditional office experience. Company's diverse solutions range from providing large corporate offices (hubs, i.e., the main office of company's clients wherein key functions, leadership teams, and primary operations are based, and is typically located in a central or strategic area) to small branch offices (spokes, i.e., smaller, decentralized office spaces of company's clients spread across different cities or regions) for enterprises and transforming the workplace experience of their employees by combining interiors, amenities and a host of value added services .

VALUATION

Company is bringing the issue at price band of Rs 225-237 per share at p/s multiple of approx. 4.7x on post issue basis. Company is one of the leading players in the large and growing Flexible Workspace Market in India. Company has acquisition Strategy with a focus on value creation and demand-driven locations. Company with its prudent business management practices with strong operational metrics has capital efficient model with resilience and comprehensive risk mitigation. However , looking after financials of company , we recommend "Neutral" to this ipo.

Price Band (Rs./Share)	225-237
Opening date of the issue	23 rd July '2025
Closing Date of the issue	25 th July '2025
No of shares pre issue	182,578,871 Eq Shares
Issue Size	Rs 700 Cr
Offer For Sale	Rs 50 Cr
Fresh Issue	Rs 650 Cr
Face Value (Rs/ share)	Rs 1/share
Bid Lot	63
Employee Discount	Rs 22/share

BIDDING DETAILS

QIBs (Including Anchor)	75% of the offer (Approx 2,21,04,431 Eq Shares)
Non-Institutional	15% of the offer (Approx 44,20,885 Eq Shares)
Retail	10% of the offer (Approx 29,47,257 Eq Shares)
Employee Reservation	Rs 1.5 Cr
Lead managers	ICICI Securities, JM Financial
Registrar to the issue	MUFG Intime India Pvt Ltd

WHAT WE LIKE

One of the leading players in the Large and Growing Flexible Workspace Market in India

Company is amongst the leading operators in Bengaluru as of March 31, 2025. Further, company's presence in seven non-Tier I cities in India, gives it an edge in expanding to high-potential regions. As of March 31, 2025, company serve over 769 clients across various sectors including information technology/information technology enabled services, manufacturing, automotives, engineering, aviation, banking, financial services and insurance, consulting, e-commerce, educational technology, logistics, pharmaceuticals, and healthcare.

Acquisition Strategy with a Focus on Value Creation and Demand-Driven Locations

As of March 31, 2025, renovated centers make up 25.22% of company's total portfolio. This approach not only enhances the quality of the supply but also allows company to leverage underutilized assets and grow returns. Through its hub-and-spoke model, company meet the needs of large enterprises requiring scalable solutions and smaller businesses seeking localized, flexible office setups.

Capital Efficient Model with Resilience and Comprehensive Risk Mitigation

Company have strategically adopted an asset-light model, focusing on leasing rather than owning properties. This model allows company to secure 10-year leases with a three-year lock-in period, extendable for another 10 years, ensuring flexibility and control in its arrangements with lessors. Company maintain termination rights in its leases, providing adaptability and risk mitigation in changing market conditions.



COMPANY BACKGROUND

Company complement its solutions through backward and forward integration capabilities. While backward integration focuses on asset renovation, upgradation and customized build-to-suit models, forward integration enables company to provide business-to-business (“B2B”) and business-to-customer (“B2C”) VAS to clients and their employees. These, coupled with company’s core offering of plug and play offices, enable it to serve the workspace value chain comprehensively.

Company manage a portfolio of 115 centers across 15 cities, consisting of 105 operational centres and 10 centres for which company have executed letters of intent, covering 8.40 million square feet of area under management (“AUM”) in super built-up area (“SBA”) with a total seating capacity of 186,719 as of March 31, 2025. Company have expanded its portfolio by 3.46 million square feet of AUM with the addition of 41 properties and five new cities between March 31, 2023 and March 31, 2025. In Bengaluru, company have a portfolio of 65 centers spanning 5.43 million square feet in AUM as of March 31, 2025.

Bengaluru currently is both the largest commercial office and flexible workspace market of India accounting for around 30% of the total flexible workspace stock amongst Tier I cities. Company is amongst the leading operators in Bengaluru as of March 31, 2025. (Source: CBRE Report) Company’s supply acquisition strategy prioritizes acquiring full buildings in high-demand micro-markets with robust infrastructure connectivity, low vacancy rates, and strong talent catchments. This targeted approach ensures the long-term relevance of company’s offerings while enabling it to scale rapidly. Company partner with landlords to not only lease new properties, but also transform non-institutional and aging Grade B properties into high-quality, green and modern workspaces. Company upgrade these properties by integrating interiors, amenities, technology, and sustainability initiatives. As of March 31, 2025, such renovated properties comprise 2.48 million square feet or 29.57% of its total portfolio. Company’s demand strategy of ‘enterprisefirst’ focuses on partnering with businesses seeking scalable, customizable and on-demand workspaces of large sizes for a long tenure. As of March 31, 2025, clients with over 300 seats, account for 63.06% of company’s total portfolio with an average lock-in of 36 months. Brand ‘IndiQube’ stands at the core of its business enabling it to serve, as of March 31, 2025, 769 clients of which 59.56% were acquired directly by company. Company believe the credibility of its brand is demonstrated by global capability centers (“GCCs”) comprising 43.56% of company’s clientele as of March 31, 2025. Further, the remaining 56.44% of company’s clientele as of March 31, 2025 comprises Indian enterprises. This demonstrates a balanced portfolio that bridges the needs of domestic businesses and multinational corporations.

Company’s business model is reflected in its strong financial and operational metrics, occupancy rate in steady state centers of 86.50%, return on capital employed of 34.21% and cash EBIT margins of 10.81% as of March 31, 2025. These metrics, along with a CRISIL A+/Stable credit rating as of March 31, 2025, highlight company’s financial stability and underscore company’s operational consistency and ability to retain high-value enterprise clients.

Business Offerings

Company have categorized its workspace solutions into different business segments catering to clients within and outside the ecosystem of its leased properties. At the core of company’s offerings is ‘IndiQube Grow’, which serves as Company’s solution for providing plug and play workspaces that incorporate interiors, technology, facility management and VAS. IndiQube Grow represents a holistic workplace solution, encompassing the essential elements required by enterprises.

To service specialized client requirements, company have developed four additional verticals that extend and complement its core offering, as elaborated below:

- **IndiQube Bespoke:** Under IndiQube Bespoke, company offer customizable design and build solutions, from concept to completion, allowing clients to create workspaces that reflect their brand identity and operational requirements within their own premises. From design to turnkey project execution and maintenance, company’s approach ensures that each workspace is tailored to client specifications.
- **IndiQube One:** Under IndiQube One, company offer 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:** Company’s MiQube platform integrates technology solutions and interconnected smart devices that serve clients, their employees, and enable company’s frontline facility management teams to deliver consistent employee experiences, facility operations, and workspaces. These solutions include company’s community application, a tenant platform, service delivery application and a network of interconnected devices.
- **IndiQube Cornerstone:** Under IndiQube Cornerstone, company renovate aging properties through technological upgrades, amenities, green initiatives, and designed interiors. By collaborating with landlords, company enhance assets to improve operational efficiency, thereby creating distinctive and appealing spaces.



INVESTMENT RATIONALE

Prudent Business Management Practices with Strong Operational Metricsscalable proprietary technology platform

Company concentrate on leasing large to midsized full buildings over fractional spaces and as of March 31, 2025, 64.71% of company's portfolio consists of full buildings. A large number of company's properties are in hub and spokes clusters resulting in concurrent allocation of manpower and resources. This approach not only bolsters cost efficiency but also strengthens company's market position in sought-after micro-markets. Company's property lease structures are aligned with client lock-ins, where landlords typically have a three-year lock-in period, while clients have a weighted average lock-in tenure of 33 months, as of March 31, 2025. This synchronization ensures operational stability and minimizes risks associated with early lease terminations. Company's lease structure also allows it to manage revenue escalation provisions effectively, ensuring predictable cash flows and financial stability.

Experienced Leadership and Prominent Investor Base

Company is led by experienced Promoters, and a professional management team with experience in the workspace industry and a proven track record of performance. Company's Promoters are Rishi Das, Meghna Agarwal and Anshuman Das. Rishi Das, is an alumnus of IIT Roorkee, its Chief Executive Officer, has a diverse entrepreneurial experience of over two and half decades. He was the co-founder of CareerNet, which is a talent solutions provider in India. Meghna Agarwal, an alumnus of IMT Ghaziabad is company's co-founder and Chief Operating Officer, has an extensive experience of 20 years in operations and business management. Meghna Agarwal has been recognized with several 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. She along with Rishi Das was also recognized, (i) as emerging thought icons by Economic Times Power Icons 2020 and (ii) amongst the 'Power Couples' by the Entrepreneur Media in their March 2022 edition. She was recognized in the list of women entrepreneurs of India and businesses on the rise in 2021 by the Startup Reporter. She was also featured as one of the most influential women entrepreneurs in India in the Indian Startup News. She was selected amongst the 100 Wonder Women in India for 2022 by the Indian Television. She was featured in the list of top 10 innovative business leaders by India Today and was also listed amongst Shepreneurs, Women to Watch by the Entrepreneur Media.



OBJECTS OF OFFER

The Offer comprises of a Fresh Issue of Equity Shares, aggregating to ₹6,500.00 million by Company and Offer for Sale of Equity Shares aggregating to ₹500.00 million.

Company proposes to utilize the Net Proceeds towards funding the following objects:

1. Funding capital expenditure towards establishment of new centers;
2. Repayment/pre-payment, in full or in part, of certain borrowings availed by Company; and
3. General corporate purposes

RISKS

For Fiscals 2025, 2024 and 2023, 88.84%, 91.82% and 93.18% of company's revenue from operations, respectively, was derived from its centers in Bengaluru, Pune and Chennai collectively. Any adverse developments affecting company's centers in these locations, could have an adverse effect on its business, results of operations and financial condition.

Source:RHP

INDUSTRY OVERVIEW

Indian Office Market – Overview

India recorded a gross absorption⁴³ of 66.6 Mn sq. ft. in CY2019. Office demand slowed across all cities post- March 2020 due to the impact of the global pandemic and local lockdowns in CY2020 and CY2021. Globally and in India, companies paused decisions on office take-up as management teams and corporate real estate decisionmakers started focusing more on managing short-term business continuity priorities and thereafter assessing future growth plans and office accommodation strategies.

The office sector in India exhibited recovery in CY2022 as occupier sentiments improved with the relaxation of the pandemic led restrictions and a return to office driven by improved vaccination rates across regions. As a result, strong leasing performance was observed in CY2022 (62.0 Mn sq. ft. gross absorption) in comparison to CY2021 (44.8 Mn sq. ft. of gross absorption). Led by a steady space take-up in CY2023, the office market in India recorded gross absorption figures at 68.0 Mn sq. ft, representing a y-o-y growth of 9.7% vis-à-vis the previous year and an increase of approximately 52% over CY2021.

Enhanced by domestic growth, improved mobility and increased leasing activity by both domestic and global corporates, the office sector in India witnessed record leasing of 78.9 Mn sq. ft during CY2024. The office absorption for Q1 CY2025 stood at 17.4 Mn sq. ft. against the supply completion of 10.2 Mn sq. ft.

Ownership Classification of Office Stock

Out of the overall commercial office organized stock across the top 9 cities⁴⁵ in India, approximately 70.2% is non-institutionally⁴⁶ owned as of March 31, 2025. Further, institutionally⁴⁷ held stock accounted for nearly 29.8% of total stock. Institutional assets in India have grown at a CAGR of approximately 6.5%, from approximately 156 Mn sq. ft. in 2016 to approximately 263 Mn sq. ft. as at March 31, 2025. Prominent cities like Bengaluru, Chennai, Hyderabad and Mumbai account for approximately 71% of the total institutionally held stock.


Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25
Total Revenue (A)	5797.38	8305.73	10592.86
Total Expenditure (B)	3430.48	6042.37	4427.44
EBIDTA	2366.90	2263.36	6165.42
EBIDTA Margin	40.83	27.25	58.20
Other Income	215.37	370.87	436.45
Depreciation	2981.50	3922.43	4871.39
EBIT	-399.23	-1288.20	1730.48
Interest	1880.08	2560.02	3303.51
PBT	-2279.31	-3848.22	-1573.03
Share of profit in Asso	0.00	0.00	0.00
PBIT	-2279.31	-3848.22	-1573.03
Exceptional	0.00	0.00	0.00
PBT	-2279.31	-3848.22	-1573.03
Tax	-298.22	-433.14	-176.86
PAT	-1981.09	-3415.08	-1396.17
NPM	-34.17	-41.12	-13.18
ROE%	--	-261.43	--
EPS	-15.28	-26.09	-7.65
Eq Cap	1.83	1.83	130.18
Net Worth	-3,081.01	1,306.33	-31.11

(Source: RHP)

Peer Comparison

Company Name	Face Value	EPS	P/E	ROE %	NAV
<i>Indiquebe Spaces Limited (formerly known as Indiquebe Spaces Private Limited, Innovent Spaces Private Limited)</i>	1.00	-7.65	---	---	-0.24
Peers					
Awfis Space Solutions Limited	10.00	9.75	66.66	14.78	64.71

(Source: RHP)



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