



## LONG TERM SUBSCRIBE

### IPO Report

02<sup>nd</sup> Oct'25

#### Snapshot

Launched in 2017, company is, according to the CBRE Report, a leading premium flexible workspace operator in India, and have been the largest operator by total revenue in the past three Fiscals. According to the CBRE Report, company have played a significant role in the growth of the flexible workspace sector in India and been a key contributor for the evolution of flexible workspace products and services. Company is the exclusive licensee of the WeWork Brand in India. Company provide flexible, high-quality workspaces to its customers (who company refer to as members) which include companies of all sizes: large enterprises, small and mid-size businesses, startups, as well as individuals. According to the CBRE Report, company have established multi-asset relationships with various prominent developers across major Tier 1 cities.

#### VALUATION

Company is bringing the issue at price band of Rs 615-648 per share at ev/ebidta multiple of approx. 6.5x on post issue FY25 basis.

Company has strong brand recognition and leadership in India and international presence and leadership in a rapidly growing market and company is majority owned and promoted by Embassy Group which, is a leading real estate developer in India & has presence in Grade A properties in top-tier micro markets and strong relationships with top developers

Hence, we recommend “Long term Subscribe” to the issue.

|                                  |                                  |
|----------------------------------|----------------------------------|
| <b>Price Band (Rs./Share)</b>    | <b>615-648</b>                   |
| <b>Opening date of the issue</b> | <b>03<sup>rd</sup> Oct'2025</b>  |
| <b>Closing Date of the issue</b> | <b>07<sup>th</sup> Oct '2025</b> |
| <b>No of shares pre issue</b>    | 13,40,23,259 Eq Shares           |
| <b>Issue Size</b>                | Rs 2847-3000 Cr                  |
| <b>Offer For Sale</b>            | Rs 2847-3000 Cr                  |
| <b>No of Shares</b>              | 46,296,296 Eq Shares             |
| <b>Face Value (Rs/ share)</b>    | Rs 10/share                      |
| <b>Bid Lot</b>                   | 23                               |
| <b>Employee Discount</b>         | Rs 60/share                      |

#### BIDDING DETAILS

|                                |  |
|--------------------------------|--|
| <b>QIBs (Including Anchor)</b> | 75% of the offer (Approx 3,46,77,583 Eq Shares)                                      |
| <b>Non-Institutional</b>       | 15% of the offer (Approx 69,35,516 Eq Shares)  |
| <b>Retail</b>                  | 10% of the offer (Approx 46,23,677 Eq Shares)  |
| <b>Employee Reservation</b>    | Rs 3.5 Cr  |
| <b>Lead managers</b>           | JM Financial, ICICI Securities, Jefferies India, Kotak Mahindra Capital, 360 ONE WAM |
| <b>Registrar to the issue</b>  | MUFG Intime India Pvt. Ltd   |

#### WHAT WE LIKE

##### *Strong brand recognition and leadership in India and international presence*

According to AGR, as a pioneer in the flexible workspace sector, WeWork India consistently recorded the highest search volume throughout October 2023 to December 2024 (being 4 times that of company's closest competitor in the period of October 2023 to September 2024, and 3.5 times its closest competitor in 2024), which underscores company's strong brand recognition and leadership in India. According to AGR, for the period of October 2023 to September 2024, WeWork India had 0.87 times the search volume for “coworking”, and 1.48 times the search volume for “office space”.

##### *Leadership in a rapidly growing market*

According to the CBRE Report, company is a leading premium flexible workspace operator in India and have been the largest operator by total revenue in the last three Fiscals. Company's Total income increased by 22.10% from ₹14,227.74 million in Fiscal 2023 to ₹17,371.64 million in Fiscal 2024, and also increased by 16.51% from ₹17,371.64 million from Fiscal 2024 to ₹20,240.01 million in Fiscal 2025, and increased by 18.30% from ₹4,612.85 million in the .three months ended June 30, 2024 to ₹5,457.13 million in the three months ended June 30, 2025.

##### *Backed by the Embassy Group, one of India's top developers, and relationship with WeWork Global, a global flexible workspaces operator*

Company is majority owned and promoted by Embassy Group. According to the CBRE Report, Embassy Group is a leading real estate developer in India. Embassy Group has over 30 years of experience in the real estate development business and, according to the CBRE Report, has a portfolio of more than 85 million square feet of real estate in India, and is the sponsor of Embassy REIT, India's first REIT and Asia's largest office REIT by leasable area..



## COMPANY BACKGROUND

Company lease primarily Grade A office space from such developers and, according to the CBRE Report, company design, build, and operate them as flexible workspaces as per global standards. According to the CBRE Report, as at June 30, 2025, approximately 94%, or 7.07 million square feet, of company's portfolio was in Grade A developments. According to the CBRE Report, company have one of the most extensive range of product and services. Company offer flexibility to members by providing adaptable terms that allow companies to scale their workspace as their needs evolve. The strength of company's brand and offerings along with the global network that company is a part of as the exclusive licensee of the WeWork Brand in India, has helped company attract and develop long-term relationships with global marquee brands, including Amazon Web Services India Private Limited, JP Morgan Services India Private Limited, Discovery Communications India, Deutsche Telekom Digital Labs Private Limited, CBA Services Private Limited and Grant Thornton Bharat LLP.

As at June 30, 2025, company's portfolio comprised 114,077 desks across 68 Operational Centres with an aggregate Leasable Area for Operational Centres of 7.67 million square feet. Company's Revenue from Operations increased by 26.67% from ₹13,145.18 million in Fiscal 2023 to ₹16,651.36 million in Fiscal 2024, and also increased by 17.06% from ₹16,651.36 million in Fiscal 2024 to ₹19,492.11 million in Fiscal 2025. Company's Revenue from Operations increased by 19.32% to ₹5,353.10 million in the three months ended June 30, 2025 from ₹4,486.51 million in the three months ended June 30, 2024. Company's Adjusted EBITDA margin grew from 14.55% to 21.61% from Fiscal 2023 to 2025, and was 18.05% in the three months ended June 30, 2025. As derived from the CBRE Report, among company's Benchmarked Peers, company had 1.42 times the operational revenue and 2.45 times the Adjusted EBITDA of the next operator for Fiscal 2025. According to the CBRE Report, as a premium flexible workspace operator, company's average portfolio level revenue to rent multiple of 2.7 for Fiscal 2025 exceeded the industry average which typically ranges between 1.9 to 2.5. For Fiscal 2025, company's Net ARPM and Revenue to Rent Multiple were ₹19,842 and 2.68 respectively, and its Total ARPM and Total Revenue to Rent Multiple (each including revenue from digital products and company's value added services) was ₹22,033 and 2.98 respectively. In the three months ended June 30, 2025, company's Net ARPM and Revenue to Rent Multiple were ₹19,085 and 2.61 respectively, and its Total ARPM and Total Revenue to Rent Multiple (each including revenue from digital products and company's value added services) was ₹21,039 and 2.87 respectively.

Company operate in India's key office markets – Bengaluru, Mumbai, Pune, Hyderabad, Gurugram, Noida, Delhi, and Chennai. According to the CBRE Report, Tier 1 cities have witnessed healthy demand for office space due to their talent pools, infrastructure, job opportunities and relative business growth potential, and these markets have exhibited strong market dynamics with office absorption in 2024 at 78.9 million square feet, as compared to supply completion of 49.0 million square feet in the same year. Further, according to the CBRE Report, gross absorption for these markets in 2025 is forecasted to be 85.5 million square feet. Company's largest presence is in Bengaluru, which, according to the CBRE Report, has emerged as one of the largest office markets by absorption in Asia between 2018 and March 2025 and is one of the largest in terms of total office stock. Also according to the CBRE Report, Bengaluru is both the largest commercial office and flexible workspace market in India, accounting for around 30% of the flexible workspace stock amongst Tier 1 cities.

Company's Centres are located in Grade A technology parks, business hubs, and premium CBD buildings and, according to the CBRE Report, nearly 87% of company's portfolio was located in 28 identified key clusters across Tier 1 cities for flexible workspaces in India as at June 30, 2025.

## OBJECTS OF OFFER

The objects of the Offer are to (i) carry out the Offer for Sale of up to 46,296,296 Equity Shares of face value of ₹ 10 each aggregating to by the Selling Shareholders and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges.

## RISKS

Company have incurred net losses, had negative Restated Earnings / (loss) per equity share – Basic and negative Restated Earnings / (Loss) per equity share - Diluted in the three months ended June 30, 2025, the three months ended June 30, 2024, Fiscals 2024 and 2023 and had net decrease in cash and cash equivalents in the three months ended June 30, 2025, the three months ended June 30, 2024 and Fiscal 2024, and may continue to do so in the future. If company is unable to generate and sustain increased revenues while managing company's expenses to achieve profitability, company's business, results of operations, cash flows and financial condition may be adversely impacted.

Source:RHP



| Financials              | FY23      | FY24      | FY25     | Q1FY26   |
|-------------------------|-----------|-----------|----------|----------|
| Total Revenue (A)       | 13455.50  | 17188.47  | 19957.49 | 5451.22  |
| Total Expenditure (B)   | 5189.08   | 6180.34   | 7112.69  | 1995.46  |
| EBIDTA                  | 8266.42   | 11008.13  | 12844.80 | 3455.76  |
| EBIDTA Margin           | 61.44     | 64.04     | 64.36    | 63.39    |
| Other Income            | 772.24    | 183.17    | 282.52   | 5.91     |
| Depreciation            | 6366.97   | 7441.74   | 8237.30  | 2234.92  |
| EBIT                    | 2671.69   | 3749.56   | 4890.02  | 1226.75  |
| Interest                | 4140.53   | 5077.08   | 5978.94  | 1364.28  |
| PBT                     | -1468.84  | -1327.52  | -1088.92 | -137.53  |
| Share of profit in Asso | 0.00      | -33.11    | -19.91   | -3.45    |
| PBIT                    | -1468.84  | -1360.63  | -1108.83 | -140.98  |
| Exceptional             | 0.00      | 0.00      | -459.06  | 0.00     |
| PBT                     | -1468.84  | -1360.63  | -1567.89 | -140.98  |
| Tax                     | -0.74     | -2.90     | -2849.74 | 0.49     |
| PAT                     | -1468.10  | -1357.73  | 1281.85  | -141.47  |
| NPM                     | -10.91    | -7.90     | 6.42     | -2.60    |
| ROE%                    | --        | --        | 63.80    | -7.46    |
| EPS                     | -11.52    | -10.73    | 9.93     | -1.05    |
| Eq Cap                  | 548.06    | 548.06    | 1,340.23 | 1,340.23 |
| Net Worth               | -2,923.69 | -4,376.45 | 2,004.59 | 1,896.82 |

(Source: RHP)



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