

FIRST LIGHT

09 December 2025

RESEARCH

[SECTOR REPORT] REAL ESTATE

Flex-work operators: prefer larger cohorts and longer leases

SUMMARY

[SECTOR REPORT] REAL ESTATE

- Demand is consolidating towards Grade A properties with amenities; an opportunity exists for flex-workspace operators to plug the gap
- Operators utilising strategies that deliver longer leases to larger tenant cohorts likely to outperform; benefit from superior earnings visibility
- EBITDA to grow by 28.6% over FY26E-28E and operators to trade at avg. EV/Adj. EBITDA multiple of ~12.5x implying avg. 1Y upside of ~+41.1%

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INDIQUBE (BUY) has the largest presence among peers in BLR (~5.9msf) — India's most active flex-workspace market. Their workspaces have consistently operated at higher occupancies vs peers (~79% average), demonstrating strong brand recall and high demand for space in its workspaces. We expect revenues to grow by 31.6% CAGR over FY26E-28E and the stock to trade at an EV/Adj. EBITDA multiple of 13.0x.

SMARTWORKS (BUY) operates a well-diversified portfolio of office assets, with significant presence in PUN (~31% of leasable area). The operator is unique in its scale and has consistently delivered higher average EBITDA margins vs peers. We expect revenues to grow by 24.4% CAGR over FY26E-28E and the stock to trade at an EV/Adj. EBITDA multiple of 14.0x.

WEWORK (BUY) operates a premium portfolio (7.7msf) of workspaces, concentrated mostly in BLR (~42% of leasable area). We believe the company benefits from strong brand recall and scale, helping the operator deliver the highest EBITDA margins amongst peers. We expect revenues to grow by 20.0% CAGR over FY26E-28E and the stock to trade at an EV/Adj. EBITDA multiple of 11.5x.

AWFIS (HOLD) operates a well-diversified portfolio of workspaces (~8msf) and is unique in its strategy of signing managed aggregation contracts with landlords that enable fast, asset-light expansion. We believe that the current rate of growth is unsustainable for the operator and expect them to moderate growth in favour of improving operating metrics. We expect revenues to grow by 25.5% CAGR over FY26E-28E and the stock to trade at an EV/Adj. EBITDA multiple of 11.5x.

We expect the flex-workspace operators in our coverage to grow EBITDA by 28.6% over FY26E-28E, as they increase leasable area, improve occupancy and operating margins. We expect the companies to trade at an average EV/Adj. EBITDA multiple of 12.5x, implying average 1Y upside of ~+41.1%.

Recommendation snapshot

Ticker	Price	Target	Rating
AWFIS IN	493	541	HOLD
INDIQUBE IN	204	345	BUY
SMARTWOR IN	447	662	BUY
WEWORK IN	596	818	BUY

Price & Target in Rupees | Price as of 5 Dec 2025



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BUY – Expected return >+15%

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Note: Recommendation structure changed with effect from 21 June 2021

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