

Efficient utilisation and growth; AI cloud looms large

- Flex-workspace operators grew operational leasable area to ~35msf (+13.1% YTD FY26, +4.6% QoQ); on track to add ~5.5msf/Y
- Occupancy improved to ~81.8% (+230bps YTD FY26, +130bps QoQ) driven by efficient leasing and a higher proportion of mature centres
- Growth to be driven by improved utilisation and measured growth, but AI led disruptions merit caution; cut EV/Adj. EBITDA multiple to 9.3x

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Flex-workspaces operators expanded leasable area to ~35msf, on-track for stable growth of ~5.5msf/Y (in-line with 3Y avg.). Operators seem to have zeroed in on an appropriate size of centres for their individual strategies (average centre size of ~0.1msf) that optimize for presence in core markets and utilisation. Over FY26E-28E, we expect flex-workspace operators within our coverage, to expand operational leasable area at an annualised rate of 18.9% as they adjust growth to optimise utilisation of their workspaces.

Average blended occupancy improved to ~81.8% (+230bps YTD FY26, +130bps QoQ) helped by the efficient leasing of the new space added into the portfolio and a higher proportion of mature centres. Going forward however, we believe that the disruption in IT functions triggered by the advent of AI and its applications, is likely to affect leasing and occupancy negatively.

Revenue from operations increased 32.2% YoY (average) on the back of improved occupancy and increased contributions from VAS. We expect VAS to make up a bigger portion of operating revenues as operators expand their offerings and monetise their work-spaces more efficiently.

We estimate that the effective leasing by IT/ITeS tenants has been ~44% of total office leasing over CY18-CY25. Despite trending lower over the period, these tenants continue to be one of the major drivers of office leasing pan India. Outsourced roles have moved up the value chain, however, a majority of these outsourced roles still remain non-critical and ripe for elimination as a result of productivity gains from increasingly sophisticated AI applications. Though we remain up-beat about the overall demand for flex-workspaces and the management of these workspaces by operators, we build in some scepticism around the leasing demand from IT/ITeS companies and **adjust our EV/Adj. EBITDA multiple lower to ~9.3x (11.4x previously)**. Accordingly, we adjust 1Y TPs lower by an average of ~18%.

Recommendation snapshot

Ticker	Price	Target	Rating
AWFIS IN	298	335	HOLD
INDIQUBE IN	175	233	BUY
SMARTWOR IN	416	543	BUY
WEWORK IN	530	765	BUY

Price & Target in Rupees | Price as of 25 Feb 2026



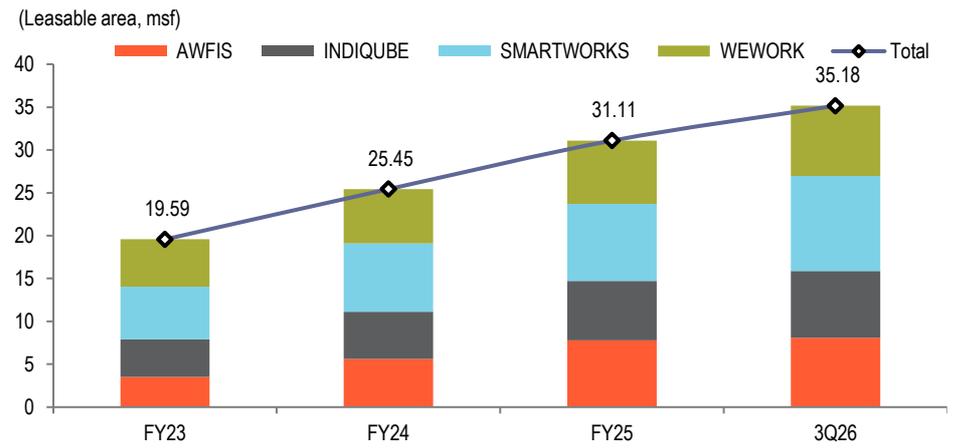
Stable Growth of Leasable Area

Flex-workspaces operators under our coverage, collectively grew their operational leasable area to ~35msf (+13.1% YTD FY26, +4.6% QoQ). Assuming no material change to the pace of expansion, **we expect operators to manage ~37msf of workspaces by Q4 FY26, implying growth of 17.4% (YoY)**, lower than annualised growth achieved over FY24-FY25 (26.0%). However, we do not expect any change in the absolute leasable area added collectively by these operators (~5.5msf/Y).

SMARTWORKS continues to operate the largest workspaces (~0.20msf) and AWFIS the smallest (~0.03msf). Operators seem to have zeroed in on an appropriate size of centres for their individual strategies, with average centre size of ~0.10msf, unchanged over YTD FY26 (centre sizes increased on average over FY24-25 at an annualised rate of 4.4%).

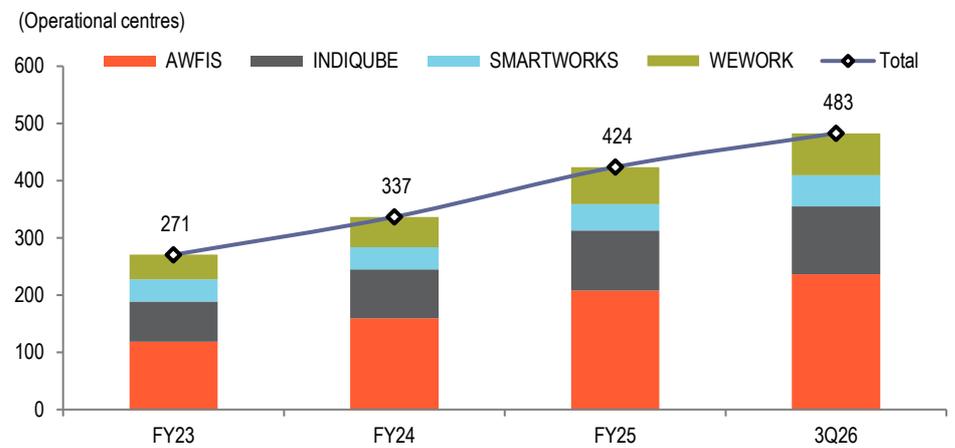
Over FY26E-28E, **we expect flex-workspace operators within our coverage, to expand operational leasable area at an annualised rate of 18.9% as they adjust growth to optimise utilisation of their workspaces.**

Fig 1 – Leasable area has grown by ~5.5msf/Y



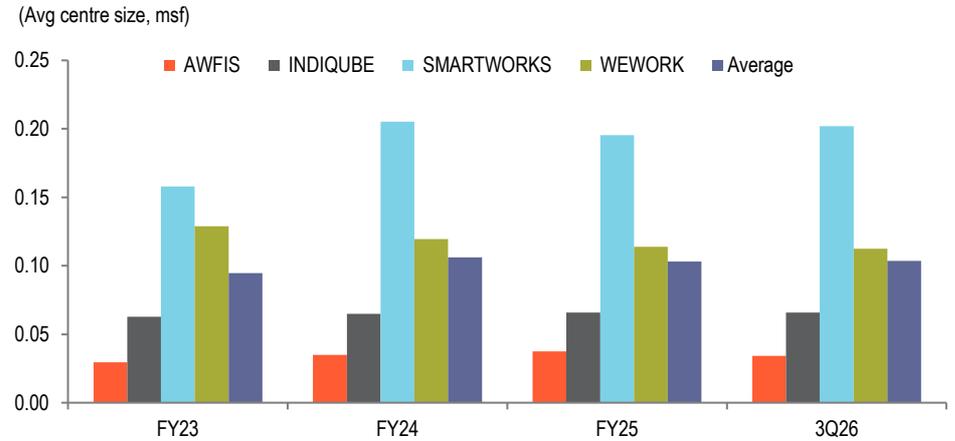
Source: Company, BOBCAPS Research

Fig 2 – Operational centres growing at an annualised rate of ~25%



Source: Company, BOBCAPS Research

Fig 3 – Operators seem to have found an appropriate centre size for their respective strategies



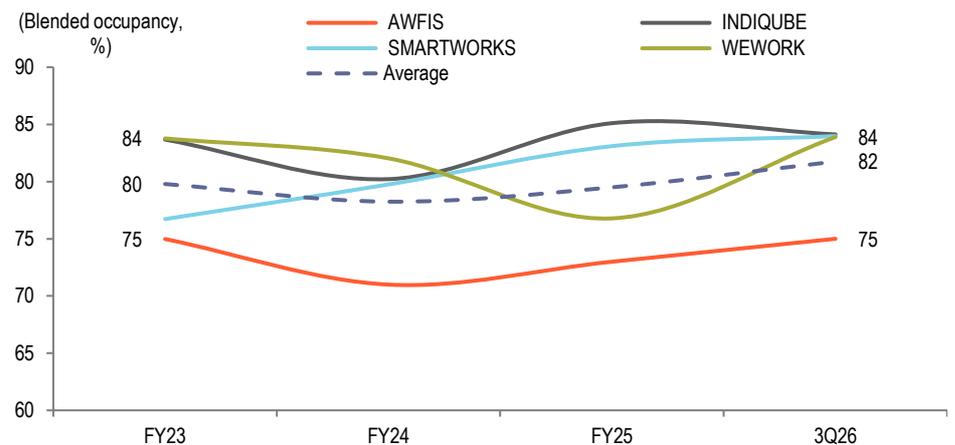
Source: Company, BOBCAPS Research

Improved Utilisation and Incremental Revenues from VAS Driving Margins

Average blended occupancy improved to ~81.8% (+230bps YTD FY26, +130bps QoQ) helped by **the efficient leasing of the new space added into the portfolio and a higher proportion of mature centres.**

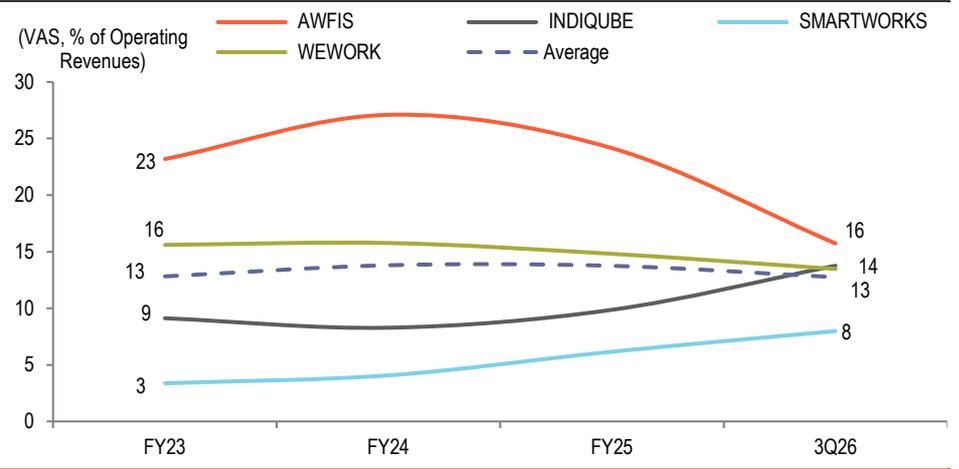
Revenue from operations increased 32.2% YoY (average) on the back of improved occupancy and increased contributions from VAS. VAS made up ~13% of operating revenues on average, and **operators expect VAS to make up a bigger portion of operating revenues as they expand their offerings and monetise their work-spaces more efficiently.**

Fig 4 – Improved blended occupancy as operators prioritise utilisation over growth



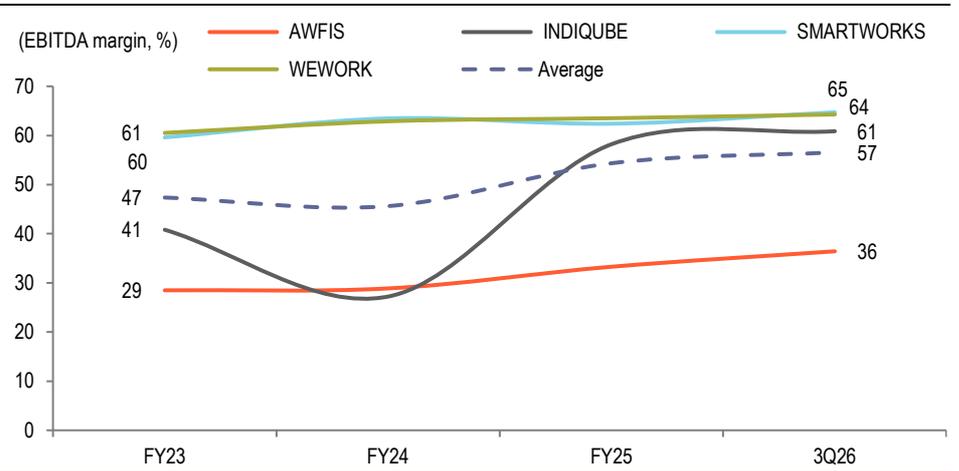
Source: Company, BOBCAPS Research

Fig 5 – VAS an increasing portion of operating revenues



Source: Company, BOBCAPS Research

Fig 6 – EBITDA margins being driven by higher occupancy and contributions from VAS



Source: Company, BOBCAPS Research

Valuation

IT/ITeS tenants have made up a progressively lower portion of total office leasing volumes since CY2018 (40% to 27% in CY25). Over the period, flex-office operators have emerged to drive office leasing, making up ~23% of total office leasing in CY25 (from ~7% in CY18). However, since ~42% of the rents to flex-workspace operators are owed by IT/ITeS tenants, **we estimate that the effective leasing by IT/ITeS tenants has been ~44% of total office leasing over CY18-CY25**. Despite trending lower over the period, these tenants continue to be one of the major drivers of office leasing pan India.

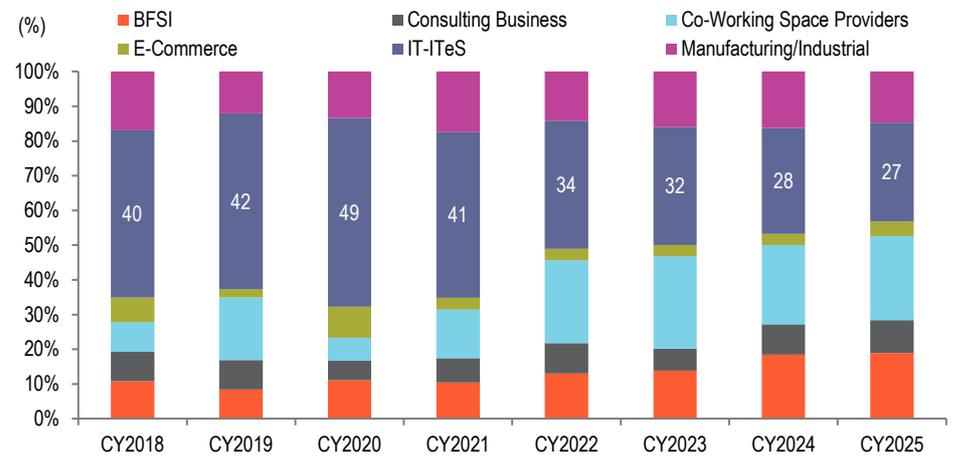
We believe that the disruption in IT functions triggered by the advent of AI and its applications is likely to affect leasing and occupancy negatively. Despite out-sourced roles moving up the value chain, a majority of these outsourced roles still remain non-critical and ripe for elimination as a result of productivity gains from increasingly sophisticated AI applications. Since Jan 2026 (recent wave of AI related disruptions), stocks have corrected ~22% reflecting the scepticism around the performance of these

operators. Echoing this sentiment, **we adjust our EV/Adj. EBITDA multiple lower to ~9.3x (11.4x previously).**

More specifically, the 1Yfwd EV/Adj. EBITDAx for:

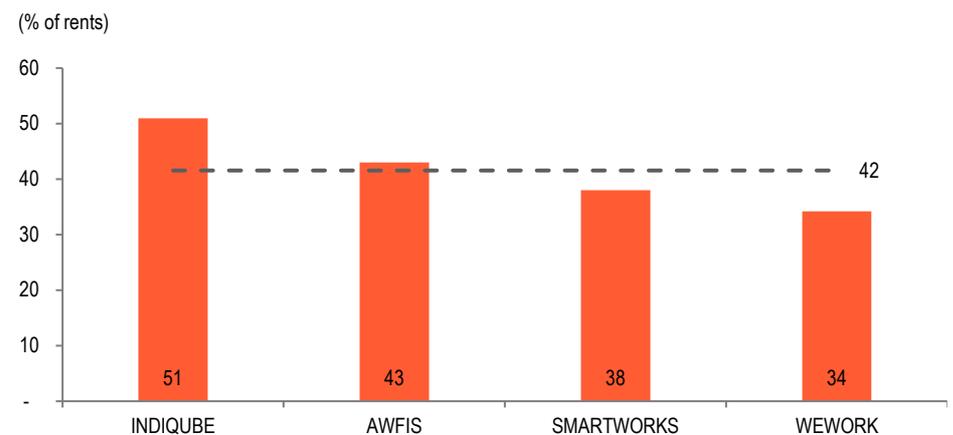
- **WEWORK** has been adjusted to 9.5x (from 10.5x) reflecting its high margin business model (premium offering) and measured growth to prioritise utilisation
- **INDIQUBE** has been adjusted to 9.0x (from 10.5x) reflecting its efficient utilisation of workspaces and high exposure to IT/ITeS tenants (~51%)
- **SMARTWORKS** has been adjusted to 10.0x (from 14.0x) reflecting its high margin business model (scale) and access to large-format spaces for growth
- **AWFIS** has been adjusted to 8.5x (from 10.5x) reflecting its low utilisation and inefficient pace of growth

Fig 7 – IT/ITeS tenants continue to drive office leasing



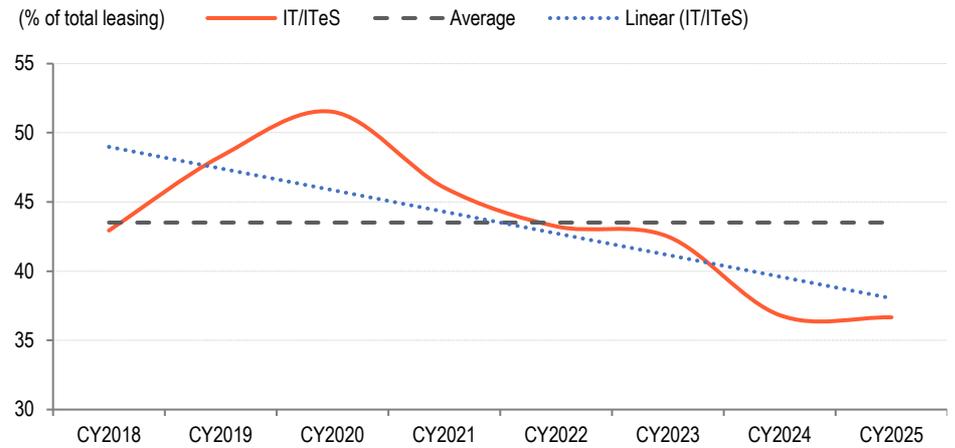
Source: BOBCAPS Research, ANAROCK

Fig 8 – IT/ITeS tenants contribute ~42% of rents to flex-workspace operators



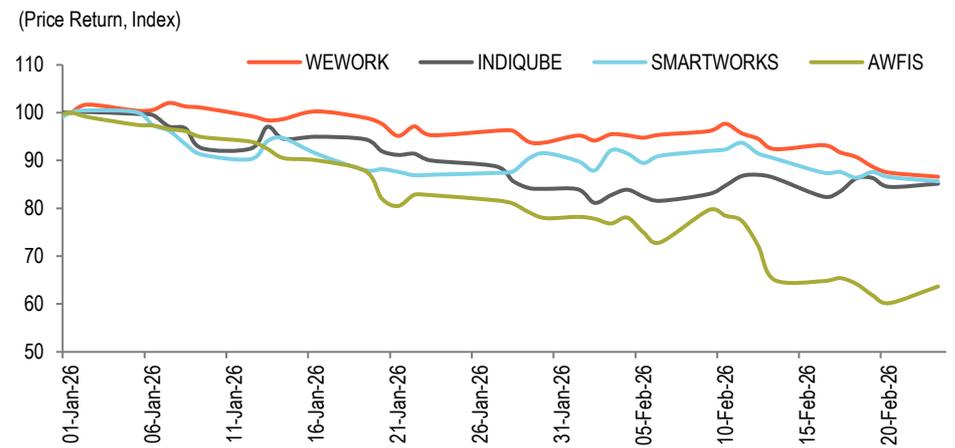
Source: Company, BOBCAPS Research

Fig 9 – Despite trending lower since CY18, IT/ITeS tenants account for a major portion of office leasing



Source: BOBCAPS Research, ANAROCK

Fig 10 – Flex-workspace operator stocks have corrected ~22%



Source: Bloomberg, BOBCAPS Research

Fig 11 – Valuation Table

	FY24-25 EBITDA Growth (%)	TTM EV/Adj. EBITDAx	NTM EV/Adj. EBITDAx	FY26E-28E EBITDA Growth (%)	Justified EV/Adj. EBITDA multiple
AWFIS	60.8	11.5x	9.4x	18.5	8.5x
WEWORK	24.7	11.0x	6.8x	28.0	9.5x
INDIQUBE	61.4	8.5x	5.3x	34.8	9.0x
SMARTWORKS	42.2	12.9x	8.2x	28.1	10.0x
Flex-Work Average	47.3	11.0x	7.5x	27.3	9.3x

Source: Company, BOBCAPS Research

Fig 12 – Valuation assumptions

	AWFIS	WEWORK	SMARTWORKS	INDIQUBE
Effective Tax rate (%)	25	25	25	25
r_f (%)	6.64	6.64	6.64	6.64
r_m (%)	11.38	11.38	11.38	11.38
Beta (%)	1.03	0.57	0.35	0.29
r_e (%)	11.5	9.3	8.3	8.0
r_d (%)	13.8	9.9	10.0	9.3
D/D+E (%)	0.9	0.1	4.5	7.0
E/D+E (%)	99.1	99.9	95.5	93.0
WACC (%)	11.6	9.3	8.4	8.1
5Q-8QE Adj. EBITDA	2,868.12	10,788.21	6,197.99	5,453.34
EV	33,710.57	88,858.93	157,509.01	84,658.72
Gross Debt	185.87	101.43	2,327.00	2,832.89
Cash	953.95	89.68	768.34	822.21
Equity Value	34,478.65	88,847.18	155,950.35	82,648.04
Shares Outstanding	72.67	134.02	114.13	210.29
Implied EV/Adj. EBITDA Multiple	11.8x	8.2x	25.4x	15.5x
Justified EV/Adj. EBITDA multiple	8.5x	9.5x	10.0x	9.0x

Source: Company, BOBCAPS Research

Key Risks

- Slowdown in the expansion of operational leasable area
- Deterioration in blended occupancy from unsustainable growth in leasable
- Reversal in demand for flexible-workspaces, especially during market downturns/AI led disruptions

Stock performance

Fig 13 – AWFIS

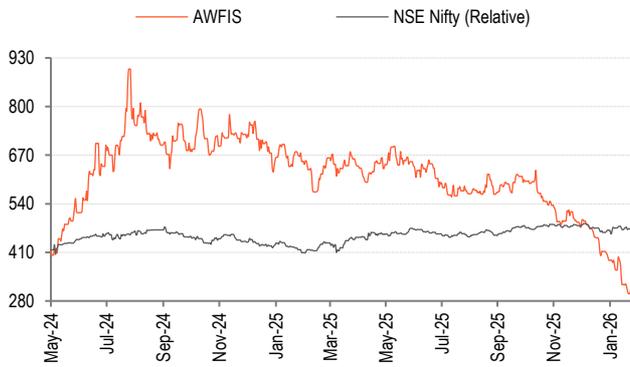


Fig 14 – INDIQUBE

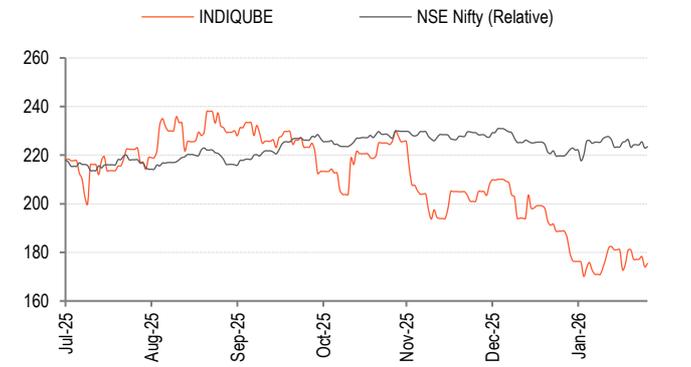
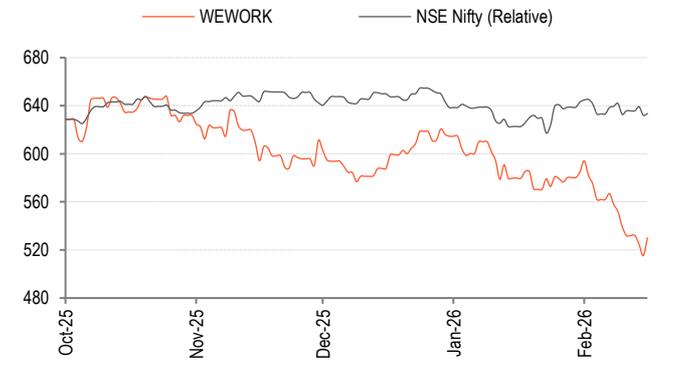


Fig 15 – SMARTWOR



Fig 16 – WEWORK



Source: NSE

Financials – AWFIS

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	8,748	12,607	15,881	19,051	23,599
EBITDA	2,454	4,024	5,317	5,842	6,691
Depreciation	(1,960)	(2,758)	(3,675)	(3,609)	(3,957)
EBIT	494	1,265	1,643	2,233	2,735
Net interest inc./(exp.)	(930)	(1,361)	(1,881)	(2,278)	(2,563)
Other inc./(exp.)	260	532	1,061	1,436	1,779
Exceptional items	0	251	0	0	0
EBT	(176)	688	823	1,392	1,951
Income taxes	0	(9)	(19)	(30)	(43)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	(176)	679	804	1,361	1,908
Adjustments	0	0	0	0	0
Adjusted net profit	(176)	679	804	1,361	1,908

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	1,310	2,011	2,913	3,282	4,123
Other current liabilities	3,220	5,201	6,836	8,060	9,110
Provisions	63	86	100	100	100
Debt funds	6,594	12,736	14,607	16,559	19,056
Other liabilities	280	443	471	471	471
Equity capital	193	710	715	715	715
Reserves & surplus	2,321	3,883	4,817	6,179	8,087
Shareholders' fund	2,514	4,592	5,533	6,894	8,802
Total liab. and equities	13,981	25,070	30,459	35,365	41,662
Cash and cash eq.	44	400	1,747	4,038	7,214
Accounts receivables	748	1,208	1,549	1,883	2,281
Inventories	2	1	6	6	6
Other current assets	2,249	3,549	4,264	4,231	4,695
Investments	0	0	0	0	0
Net fixed assets	3,341	5,083	6,521	8,673	11,301
CWIP	82	165	61	61	61
Intangible assets	18	17	31	31	31
Deferred tax assets, net	403	541	763	763	763
Other assets	7,094	14,107	15,516	15,679	15,310
Total assets	13,981	25,070	30,459	35,365	41,662

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	2,290	3,626	6,516	7,986	9,569
Capital expenditures	(1,439)	(1,988)	(1,982)	(2,152)	(2,628)
Change in investments	(213)	(372)	135	0	0
Other investing cash flows	(11)	268	(13)	0	0
Cash flow from investing	(1,626)	(2,031)	(1,831)	(2,152)	(2,628)
Equities issued/Others	3,387	1,344	77	0	0
Debt raised/repaid	241	(89)	(206)	(64)	(64)
Interest expenses	(28)	(31)	(20)	(18)	(9)
Dividends paid	0	0	0	0	0
Other financing cash flows	(4,245)	(2,462)	(3,187)	(3,462)	(3,691)
Cash flow from financing	(645)	(1,239)	(3,337)	(3,543)	(3,764)
Chg in cash & cash eq.	18	355	1,348	2,290	3,176
Closing cash & cash eq.	44	400	1,747	4,038	7,214

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	(2.8)	9.8	11.3	19.0	26.7
Adjusted EPS	(2.8)	9.8	11.3	19.0	26.7
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	39.9	66.0	77.4	96.4	123.1

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	2.5	1.7	1.4	1.1	0.9
EV/EBITDA	8.8	5.4	4.1	3.7	3.2
Adjusted P/E	(106.9)	30.6	26.5	15.7	11.2
P/BV	7.5	4.5	3.9	3.1	2.4

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	100.0	98.7	97.7	97.8	97.8
Interest burden (PBT/EBIT)	(35.5)	54.3	50.1	62.3	71.3
EBIT margin (EBIT/Revenue)	5.6	10.0	10.3	11.7	11.6
Asset turnover (Rev./Avg TA)	75.1	64.6	57.2	57.9	61.3
Leverage (Avg TA/Avg Equity)	5.5	5.5	5.5	5.3	4.9
Adjusted ROAE	(8.3)	19.1	15.9	21.9	24.3

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	54.6	44.1	26.0	20.0	23.9
EBITDA	57.8	64.0	32.1	9.9	14.5
Adjusted EPS	65.6	449.5	15.4	69.1	40.2
Profitability & Return ratios (%)					
EBITDA margin	28.1	31.9	33.5	30.7	28.4
EBIT margin	5.6	10.0	10.3	11.7	11.6
Adjusted profit margin	(2.0)	5.4	5.1	7.1	8.1
Adjusted ROAE	(8.3)	19.1	15.9	21.9	24.3
ROCE	7.2	8.5	9.6	10.8	12.7
Working capital days (days)					
Receivables	31	35	35	35	35
Inventory	0	0	0	0	0
Payables	79	91	91	91	91
Ratios (x)					
Gross asset turnover	0.8	0.6	0.6	0.6	0.6
Current ratio	0.7	0.7	0.8	0.9	1.1
Net interest coverage ratio	0.5	0.9	0.9	1.0	1.1
Adjusted debt/equity	4.6	4.5	4.5	4.1	3.7

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – INDIQUBE

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	8,677	11,029	15,319	20,385	25,808
EBITDA	2,263	6,165	8,895	12,089	15,115
Depreciation	(3,922)	(4,871)	(6,537)	(8,196)	(9,628)
EBIT	(1,659)	1,294	2,358	3,893	5,487
Net interest inc./(exp.)	(2,560)	(3,304)	(4,461)	(5,199)	(6,133)
Other inc./(exp.)	371	436	746	1,049	1,328
Exceptional items	0	0	0	0	0
EBT	(3,848)	(1,573)	(1,358)	(257)	682
Income taxes	433	177	341	241	241
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	(3,415)	(1,396)	(1,017)	(16)	924
Adjustments	0	0	0	0	0
Adjusted net profit	(3,415)	(1,396)	(1,017)	(16)	924

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	442	544	552	684	888
Other current liabilities	5,770	7,533	9,288	10,807	12,623
Provisions	70	114	140	140	140
Debt funds	1,001	2,225	1,748	1,748	1,748
Other liabilities	28,089	36,467	47,059	56,081	66,844
Equity capital	2	130	210	210	210
Reserves & surplus	1,305	(161)	4,821	5,163	6,512
Shareholders' fund	1,306	(31)	5,031	5,373	6,722
Total liab. and equities	36,679	46,851	63,817	74,833	88,965
Cash and cash eq.	4	59	917	2,153	4,636
Accounts receivables	593	787	1,120	1,462	1,851
Inventories	0	0	0	0	0
Other current assets	1,076	1,254	4,867	4,909	4,959
Investments	10	0	0	0	0
Net fixed assets	4,944	6,477	8,362	11,188	14,557
CWIP	736	1,143	1,057	1,414	1,840
Intangible assets	86	76	61	61	61
Deferred tax assets, net	1,006	1,264	1,556	1,556	1,556
Other assets	28,225	35,791	45,874	52,086	59,501
Total assets	36,679	46,851	63,817	74,833	88,965

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	5,422	6,116	9,348	12,041	15,313
Capital expenditures	(1,835)	(2,527)	(2,715)	(2,825)	(3,369)
Change in investments	(38)	(25)	(4,366)	0	0
Other investing cash flows	(53)	(37)	(3)	0	0
Cash flow from investing	(1,927)	(2,590)	(7,085)	(2,825)	(3,369)
Equities issued/Others	0	0	6,169	0	0
Debt raised/repaid	355	1,886	(1,252)	0	0
Interest expenses	(183)	(241)	(312)	(265)	(261)
Dividends paid	0	0	0	0	0
Other financing cash flows	(3,820)	(5,020)	(6,277)	(7,715)	(9,200)
Cash flow from financing	(3,648)	(3,375)	(1,173)	(7,980)	(9,461)
Chg in cash & cash eq.	(153)	152	1,091	1,236	2,483
Closing cash & cash eq.	(326)	(174)	917	2,153	4,636

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	(26.1)	(7.6)	(4.4)	(0.1)	4.0
Adjusted EPS	(26.1)	(7.6)	(4.4)	(0.1)	4.0
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	10.0	(0.2)	21.9	23.4	29.3

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	4.3	3.3	2.4	1.8	1.4
EV/EBITDA	16.3	6.0	4.1	3.1	2.4
Adjusted P/E	(6.7)	(22.9)	(39.6)	(2,587.6)	43.6
P/BV	17.6	(1,029.6)	8.0	7.5	6.0

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	88.7	88.8	74.9	6.1	135.4
Interest burden (PBT/EBIT)	232.0	(121.6)	(57.6)	(6.6)	12.4
EBIT margin (EBIT/Revenue)	(19.1)	11.7	15.4	19.1	21.3
Asset turnover (Rev./Avg TA)	26.1	26.4	27.7	29.4	31.5
Leverage (Avg TA/Avg Equity)	(37.4)	65.5	22.1	13.3	13.5
Adjusted ROAE	384.9	(219.0)	(40.7)	(0.3)	15.3

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	44.3	27.1	38.9	33.1	26.6
EBITDA	(4.4)	172.4	44.3	35.9	25.0
Adjusted EPS	(70.7)	70.7	42.0	98.5	6040.0
Profitability & Return ratios (%)					
EBITDA margin	26.1	55.9	58.1	59.3	58.6
EBIT margin	(19.1)	11.7	15.4	19.1	21.3
Adjusted profit margin	(39.4)	(12.7)	(6.6)	(0.1)	3.6
Adjusted ROAE	384.9	(219.0)	(40.7)	(0.3)	15.3
ROCE	(4.9)	2.8	4.8	6.9	8.1
Working capital days (days)					
Receivables	26	27	25	25	25
Inventory	0	0	0	1	0
Payables	27	45	33	33	33
Ratios (x)					
Gross asset turnover	0.3	0.3	0.3	0.3	0.3
Current ratio	0.3	0.3	0.7	0.7	0.8
Net interest coverage ratio	(0.6)	0.4	0.5	0.7	0.9
Adjusted debt/equity	27.1	(1,507.0)	11.7	12.9	12.2

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – SMARTWOR

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	11,131	14,097	18,181	23,139	27,993
EBITDA	6,597	8,573	11,294	14,582	18,007
Depreciation	(4,727)	(6,360)	(8,213)	(9,668)	(10,822)
EBIT	1,870	2,213	3,082	4,914	7,186
Net interest inc./(exp.)	(3,283)	(3,363)	(3,702)	(4,310)	(4,917)
Other inc./(exp.)	737	356	571	641	641
Exceptional items	0	0	0	0	0
EBT	(676)	(795)	(50)	1,245	2,909
Income taxes	177	163	13	(319)	(735)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	(500)	(632)	(37)	926	2,174
Adjustments	0	0	0	0	0
Adjusted net profit	(500)	(632)	(37)	926	2,174

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	1,220	1,159	2,214	2,606	3,083
Other current liabilities	8,330	11,007	12,522	14,205	16,138
Provisions	53	71	83	83	83
Debt funds	2,397	2,160	1,348	1,348	1,348
Other liabilities	28,971	31,032	42,782	49,087	56,322
Equity capital	790	1,032	1,143	1,143	1,143
Reserves & surplus	(290)	47	3,987	4,913	7,087
Shareholders' fund	500	1,079	5,129	6,055	8,229
Total liab. and equities	41,471	46,509	64,080	73,385	85,204
Cash and cash eq.	388	497	1,489	4,225	8,111
Accounts receivables	141	255	383	477	580
Inventories	0	0	0	0	0
Other current assets	2,123	1,801	3,577	3,730	3,906
Investments	113	110	66	66	66
Net fixed assets	9,639	11,380	15,301	17,746	20,677
CWIP	633	1,355	561	561	561
Intangible assets	161	175	178	178	178
Deferred tax assets, net	1,172	1,336	2,890	2,890	2,890
Other assets	27,102	29,601	39,635	43,513	48,234
Total assets	41,471	46,509	64,080	73,385	85,204

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	7,433	9,285	11,921	15,210	18,294
Capital expenditures	(2,663)	(2,910)	(3,374)	(2,445)	(2,932)
Change in investments	(109)	18	29	0	0
Other investing cash flows	850	132	(1,368)	0	0
Cash flow from investing	(1,922)	(2,761)	(4,713)	(2,445)	(2,932)
Equities issued/Others	684	1,168	4,451	0	0
Debt raised/repaid	(365)	(261)	(1,368)	0	0
Interest expenses	(537)	(417)	(288)	(232)	(232)
Dividends paid	0	0	0	0	0
Other financing cash flows	(5,554)	(6,867)	(8,635)	(9,798)	(11,244)
Cash flow from financing	(5,772)	(6,377)	(5,839)	(10,030)	(11,476)
Chg in cash & cash eq.	(260)	147	1,369	2,735	3,887
Closing cash & cash eq.	(37)	111	1,489	4,225	8,111

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	(6.3)	(6.1)	(0.4)	8.1	19.0
Adjusted EPS	(6.3)	(6.1)	(0.4)	8.1	19.0
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	6.3	10.5	44.9	53.1	72.1

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	4.3	3.4	2.6	2.1	1.7
EV/EBITDA	7.2	5.5	4.2	3.3	2.6
Adjusted P/E	(65.8)	(68.0)	(1,137.0)	51.3	21.8
P/BV	65.7	39.8	9.3	7.8	5.8

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	73.9	79.5	74.9	74.4	74.7
Interest burden (PBT/EBIT)	(36.2)	(35.9)	(1.6)	25.3	40.5
EBIT margin (EBIT/Revenue)	16.8	15.7	16.9	21.2	25.7
Asset turnover (Rev./Avg TA)	25.8	32.0	32.9	33.7	35.3
Leverage (Avg TA/Avg Equity)	105.8	55.7	17.8	12.3	11.1
Adjusted ROAE	(122.6)	(80.0)	(1.2)	16.6	30.4

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	49.6	26.6	29.0	27.3	21.0
EBITDA	55.6	30.0	31.7	29.1	23.5
Adjusted EPS	51.4	3.2	94.0	2316.9	134.8
Profitability & Return ratios (%)					
EBITDA margin	59.3	60.8	62.1	63.0	64.3
EBIT margin	16.8	15.7	16.9	21.2	25.7
Adjusted profit margin	(4.5)	(4.5)	(0.2)	4.0	7.8
Adjusted ROAE	(122.6)	(80.0)	(1.2)	16.6	30.4
ROCE	3.1	4.5	5.9	8.5	10.8
Working capital days (days)					
Receivables	5	7	7	7	7
Inventory	0	0	0	0	0
Payables	147	102	142	142	142
Ratios (x)					
Gross asset turnover	0.3	0.3	0.3	0.3	0.4
Current ratio	0.3	0.2	0.4	0.5	0.7
Net interest coverage ratio	0.6	0.7	0.8	1.1	1.5
Adjusted debt/equity	81.9	42.1	11.5	11.1	9.4

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – WEWORK

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	17,372	20,240	24,722	32,375	40,524
EBITDA	10,471	12,379	15,837	20,779	25,955
Depreciation	(7,442)	(8,237)	(9,648)	(12,070)	(14,699)
EBIT	3,029	4,142	6,190	8,710	11,256
Net interest inc./(exp.)	(5,077)	(5,979)	(6,021)	(6,932)	(8,042)
Other inc./(exp.)	687	728	443	552	673
Exceptional items	0	(459)	0	0	0
EBT	(1,361)	(1,568)	611	2,329	3,886
Income taxes	3	2,850	(118)	(582)	(972)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	(1,358)	1,282	493	1,747	2,915
Adjustments	0	0	0	0	0
Adjusted net profit	(1,358)	1,282	493	1,747	2,915

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	732	516	666	818	1,027
Other current liabilities	12,133	13,411	17,680	20,692	24,118
Provisions	62	87	94	94	94
Debt funds	4,964	2,095	1,736	1,572	1,572
Other liabilities	31,313	35,803	43,896	52,654	62,118
Equity capital	548	1,340	1,340	1,340	1,340
Reserves & surplus	(4,925)	664	1,202	2,949	5,864
Shareholders' fund	(4,376)	2,005	2,543	4,290	7,204
Total liab. and equities	44,828	53,917	66,615	80,120	96,133
Cash and cash eq.	211	236	(1,258)	(1,077)	(180)
Accounts receivables	802	832	1,188	1,504	1,871
Inventories	1	7	6	6	6
Other current assets	4,303	3,539	3,876	4,255	4,663
Investments	0	21	43	43	43
Net fixed assets	6,747	9,085	13,099	20,054	27,904
CWIP	149	337	424	424	424
Intangible assets	29,255	34,043	42,115	47,216	53,087
Deferred tax assets, net	0	2,850	2,852	2,852	2,852
Other assets	3,361	2,969	4,270	4,844	5,464
Total assets	44,828	53,917	66,615	80,120	96,133

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	11,619	12,900	16,422	21,095	26,398
Capital expenditures	(2,445)	(3,723)	(5,774)	(6,955)	(7,849)
Change in investments	(244)	57	(183)	0	0
Other investing cash flows	(1,245)	629	(1,350)	(1,266)	(1,429)
Cash flow from investing	(3,934)	(3,037)	(7,307)	(8,221)	(9,278)
Equities issued/Others	0	5,013	0	0	0
Debt raised/repaid	2,000	(3,273)	1,466	0	0
Interest expenses	(890)	(751)	(358)	(306)	(283)
Dividends paid	0	0	0	0	0
Other financing cash flows	(8,245)	(10,008)	(10,497)	(12,087)	(14,339)
Cash flow from financing	(7,973)	(9,838)	(10,609)	(12,693)	(16,223)
Chg in cash & cash eq.	(289)	25	(1,494)	181	897
Closing cash & cash eq.	211	236	(1,258)	(1,077)	(180)

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	(10.7)	9.9	3.3	13.0	21.7
Adjusted EPS	(10.7)	9.9	3.3	13.0	21.7
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	(34.6)	15.6	19.0	32.0	53.8

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	4.2	3.6	2.9	2.2	1.8
EV/EBITDA	6.9	5.9	4.6	3.5	2.8
Adjusted P/E	(49.4)	53.4	158.9	40.8	24.4
P/BV	(15.3)	33.9	27.9	16.6	9.9

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	99.8	(81.8)	80.7	75.0	75.0
Interest burden (PBT/EBIT)	(44.9)	(37.9)	9.9	26.7	34.5
EBIT margin (EBIT/Revenue)	17.4	20.5	25.0	26.9	27.8
Asset turnover (Rev./Avg TA)	39.1	41.0	41.0	44.1	46.0
Leverage (Avg TA/Avg Equity)	(12.2)	(41.6)	26.5	21.5	15.3
Adjusted ROAE	37.2	(108.1)	21.7	51.1	50.7

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	22.1	16.5	22.1	31.0	25.2
EBITDA	31.6	18.2	27.9	31.2	24.9
Adjusted EPS	6.9	192.6	(66.4)	289.9	67.0
Profitability & Return ratios (%)					
EBITDA margin	60.3	61.2	64.1	64.2	64.0
EBIT margin	17.4	20.5	25.0	26.9	27.8
Adjusted profit margin	(7.8)	6.3	2.0	5.4	7.2
Adjusted ROAE	37.2	(108.1)	21.7	51.1	50.7
ROCE	6.6	5.3	9.5	12.8	14.5
Working capital days (days)					
Receivables	18	16	16	16	16
Inventory	41	53	97	38	27
Payables	43	26	26	26	26
Ratios (x)					
Gross asset turnover	0.4	0.4	0.4	0.4	0.5
Current ratio	0.4	0.3	0.2	0.2	0.3
Net interest coverage ratio	0.6	0.7	1.0	1.3	1.4
Adjusted debt/equity	(11.2)	25.9	25.2	17.7	12.3

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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