Not Rated Smartworks Coworking Spaces

Efficient scale-up

Real Estate | Visit Note | **September 15, 2025**

CMP (Rs): 518 | TP (Rs): NA

We met the management of Smartworks Coworking Spaces (SCS), to understand the ongoing industry trend and the company's growth plans. KTAs:

Terms of lease aimed at mitigating cash-flow risks

SCS primarily follows a straight lease business model, wherein it leases bare shell properties on long-term basis mainly from passive and non-institutional landlords. It usually enters into 10-15Y lease agreements (15% rentals escalation every 3Y) with landlords, wherein SCS has lock-in period of 60 months, while landlords are locked-in for the entire duration. On the other hand, lease agreements with clients are usually for 3-5Y (average tenure: 49 months for >300 seats). Rentals for clients have escalation of 5% pa; and clients are not permitted to terminate unless SCS causes a material breach.

Pricing strategy is devised to achieve rental revenue from clients, which is at least double the lease rentals that it owes to its landlords. Focus is on mid and large enterprises (>300 seats), which are sticky in nature with longer lock-in period and a high retention rate of >80%; hence, it mitigates the asset-liability mismatch risk. Largest client size has increased progressively, from deal size of >3,500 seats in FY23 to >6,300 seats in FY25. Contractual arrangements with clients as of FY25 cover SCS's rental obligations for FY26-27 toward the landlords. Further, SCS typically does not lease more than 30% space in a center to a single client, reducing client concentration risk (revenue contribution from the top-10 clients has significantly reduced, from 33% in FY19 to 19% in Q1FY26).

Rapidly scaled up; more additions under way

SCS's lease signed portfolio witnessed 31% CAGR to ~9msf in terms of super built-up by area (SBA), while total capacity seats increased 33% CAGR to 203,118 during FY20-25. Further, as of Q1FY26, SCS had SBA of ~12msf, of which 8.3msf is operational (rest under fit-outs, hand-over stage, and LOI). Currently, 190,000 seats are operational, and another ~40,000 to be added in FY26 are already contracted for. Further, it has signed LOI/term sheet for an additional 1.9msf space which translates into 43,000 seats; revenue from these would be realized in FY27. Overall, the operational seat-count is expected to increase from 190,000 to 275,000 within the next 4-5 quarters.

Making the campus space more capital-efficient

SCS typically does 20-25% pre-leasing before any center comes in. Within the first 12 months, it aims to reach 65-70% occupancy and achieve breakeven. Most initial opex incurred for a center is recovered by then. Post this, it typically recovers the entire payback with a steady-state ramp-up of occupancy in 30-32 months. Once the center stabilizes and recovers the capex, margins continue to stabilize, while ROCE keeps on improving. SCS's budgeted capex at ~Rs1,350/sqft and monthly center operation cost at Rs34-36/sqft range is lower than the industry average. Also, brokerage expense at 4% of revenue in FY22 has reduced to ~3%, as dependency on the brokerage system continues to reduce. SCS's RoCE is >13% currently and, with improvement in cash flow as well as capital efficiency, it aims to double this in the next 2-3 years.

Target Price – 12M	
Change in TP (%)	**NA**
Current Reco.	Not Rated
Previous Reco.	NA
Upside/(Downside) (%)	NA

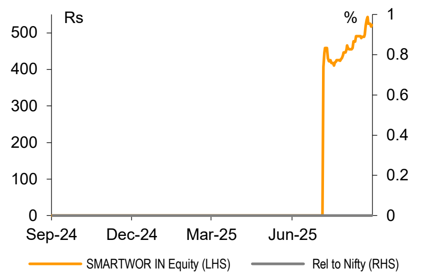
Stock Data	**SMARTWOR IN**
52-week High (Rs)	548
52-week Low (Rs)	393
Shares outstanding (mn)	114.1
Market-cap (Rs bn)	59
Market-cap (USD mn)	670
Net-debt, FY25 (Rs mn)	3,179.0
ADTV-3M (mn shares)	0
ADTV-3M (Rs mn)	0.0
ADTV-3M (USD mn)	0.0
Free float (%)	10.7
Nifty-50	25,114.0
INR/USD	88.3

Shareholding,Jul-25	
Promoters (%)	58.2
FPIs/MFs (%)	16.5/7.4

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	11.2	0.0	0.0
Rel. to Nifty	8.4	0.0	0.0

1-Year share price trend (Rs)



Smartworks Coworking Spaces: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
Revenue	NA	3,602	7,114	10,394	13,741
EBITDA	NA	2,062	4,240	6,597	8,573
Adj. PAT	NA	(699)	(1,010)	(500)	(632)
Adj. EPS (Rs)	NA	(9.1)	(13.0)	(6.3)	(6.1)
EBITDA margin (%)	NA	57.2	59.6	63.5	62.4
EBITDA growth (%)	NA	0	105.7	55.6	30.0
Adj. EPS growth (%)	NA	0	0	0	0
RoE (%)	NA	(122.5)	(138.8)	(122.6)	(80.0)
RoIC (%)	NA	(2.7)	10.1	18.6	21.4
P/E (x)	NA	(76.5)	(52.9)	(107.0)	(84.6)
EV/EBITDA (x)	NA	26.6	13.3	8.7	6.7
P/B (x)	NA	35.1	127.9	81.9	49.6
FCFF yield (%)	NA	1.9	4.2	8.4	11.2

Source: Company, Emkay Research

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Growing fast in the managed campus space

Smartworks Coworking Spaces (SCS) started operations in 2016, initially as a co-working space provider, catering primarily to startups/mid-size organizations. However, to bring stability to the business model, SCS started exploring larger enterprises that occupy a bigger workspace. Accordingly, in FY19 it pivoted its business model to become an office experience and managed campus platform for mid-to-large enterprises, to enable them to transition from conventional to fully managed workspaces.

SCS is among the larger managed campus operators, in terms of total stock, with a lease signed portfolio of ~9msf in terms of super built-up by area (SBA), witnessing 31% CAGR. However, total capacity seats saw 33% CAGR to 203,118 during FY20-25 (Exhibit 1). It has operations across 50 centers in 15 cities, such as Bengaluru, Pune, Hyderabad, Gurugram, Mumbai, Noida, and Chennai. Major presence is in the West (48% of portfolio) and the South (31%).

SCS specializes in serving large enterprises that have large teams, multi-city presence, and customized infrastructure and operational requirements. It has a diverse client base, including domestic corporates and MNCs, viz Google IT Services India, L&T Technology Services, Bridgestone India, Philips Global Business Services, Persistent Systems, Billionbrains Garage Ventures (Groww), and MakeMyTrip (India).

Currently, the company has 190,000 operational seats and another 15,000 are under fit-outs which would be added in the next quarter. After this, another 26,000 seats would be added in the following 2-3 quarters (~40,000 seats to be added in FY26; these are already contracted for). Further, SCS has signed LOI/term sheet for an additional 1.9msf space, which translates into 43,000 seats; revenue from these would be realized in FY27. Overall, the operational seat count is expected increase, from 190,000 to 275,000 within the next 4-5 quarters.

Exhibit 1: Scale of Smartworks

	FY25			Q1FY26		
	SBA (msf)	**No of centers**	**Seats capacity**	**SBA (msf)**	**No of centers**	**Seats capacity**
Operational centers	8.1	46	183,613	8.3	48	190,421
Fit-out centers	0.7	3	15,494	0.7	2	15,042
Centers yet to be handed over	0.2	1	4,011	1.1	4	26,085
Total	**9.0**	**50**	**203,118**	**10.1**	**54**	**231,548**

Source: Company, Emkay Research

Exhibit 2: Key operational metrics

Parameter	**FY22**	**FY23**	**FY24**	**FY25**
Number of cities	10	12	13	15
Number of Tier 1 cities	9	9	9	9
Number of centers	30	39	41	50
Operational centers		39	39	46
Super Built Up Area (msf)	4.0	6.2	8.0	9.0
Seat capacity in all centers	**86,416**	**137,564**	**182,228**	**203,118**
Seat capacity in operational centers	**86,416**	**137,564**	**163,022**	**183,613**
Number of occupied seats in operational centers	58,137	105,568	130,047	152,619
Occupancy rate in operational centers	**67%**	**77%**	**80%**	**83%**
Seat capacity for mature centers	49,405	86,063	144,959	161,744
Number of occupied seats for mature centers	43,498	75,027	125,776	143,415
Occupancy rate for mature centers	**88%**	**87%**	**87%**	**89%**
Number of clients	410	521	603	738
Seats - Retention rate	**76%**	**96%**	**88%**	**87%**

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions

Source: Company, Emkay Research

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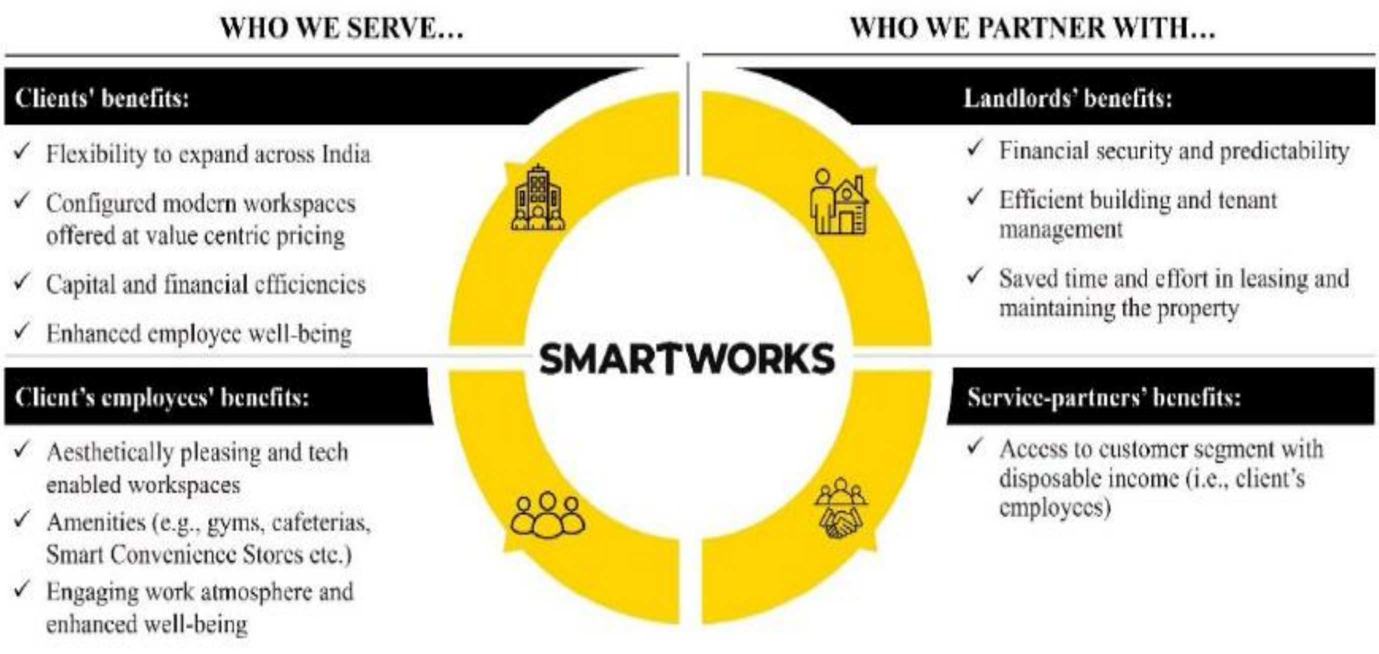
Exhibit 3: SCS – Landlords and clients



Source: Company

Exhibit 4: Rapidly expanding pan-India footprint

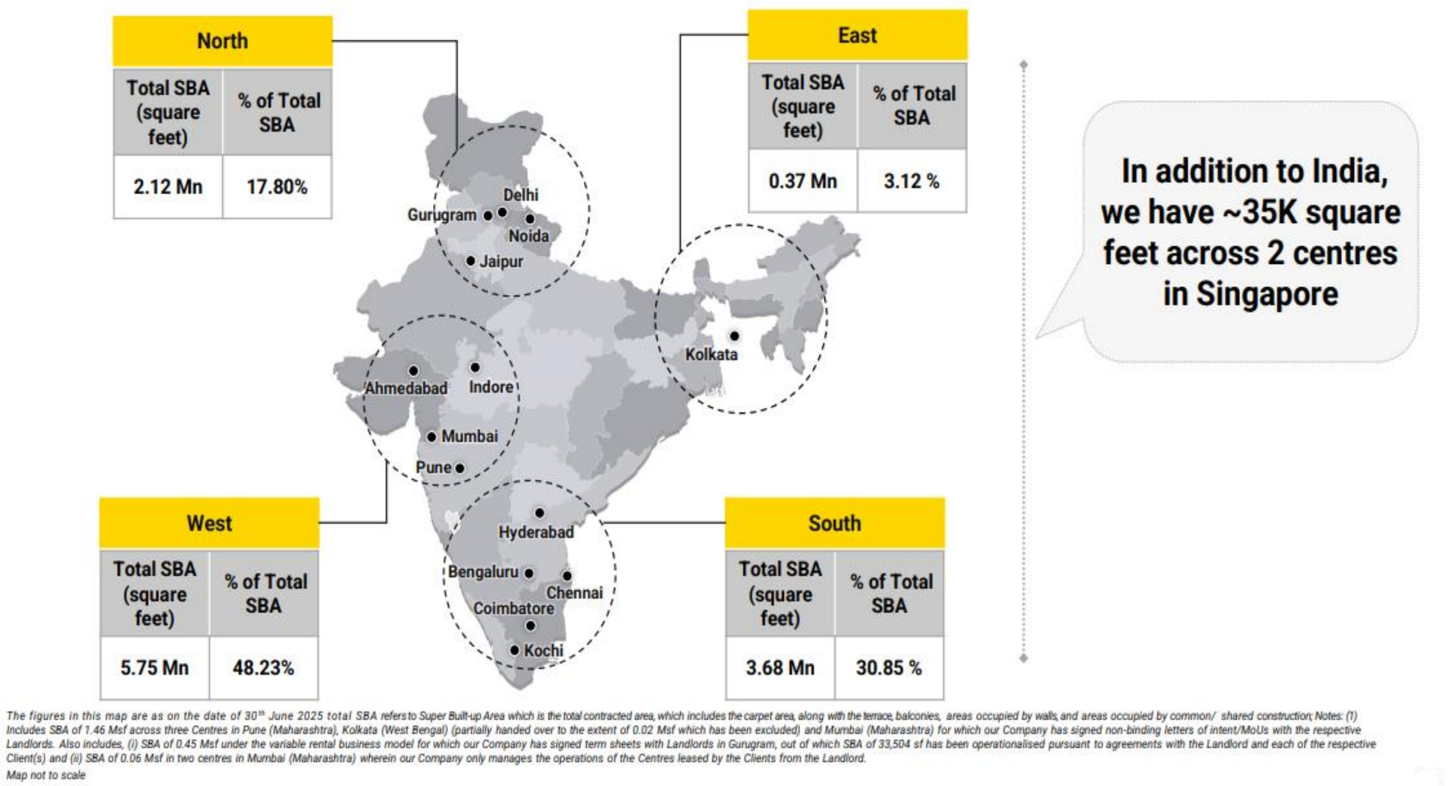


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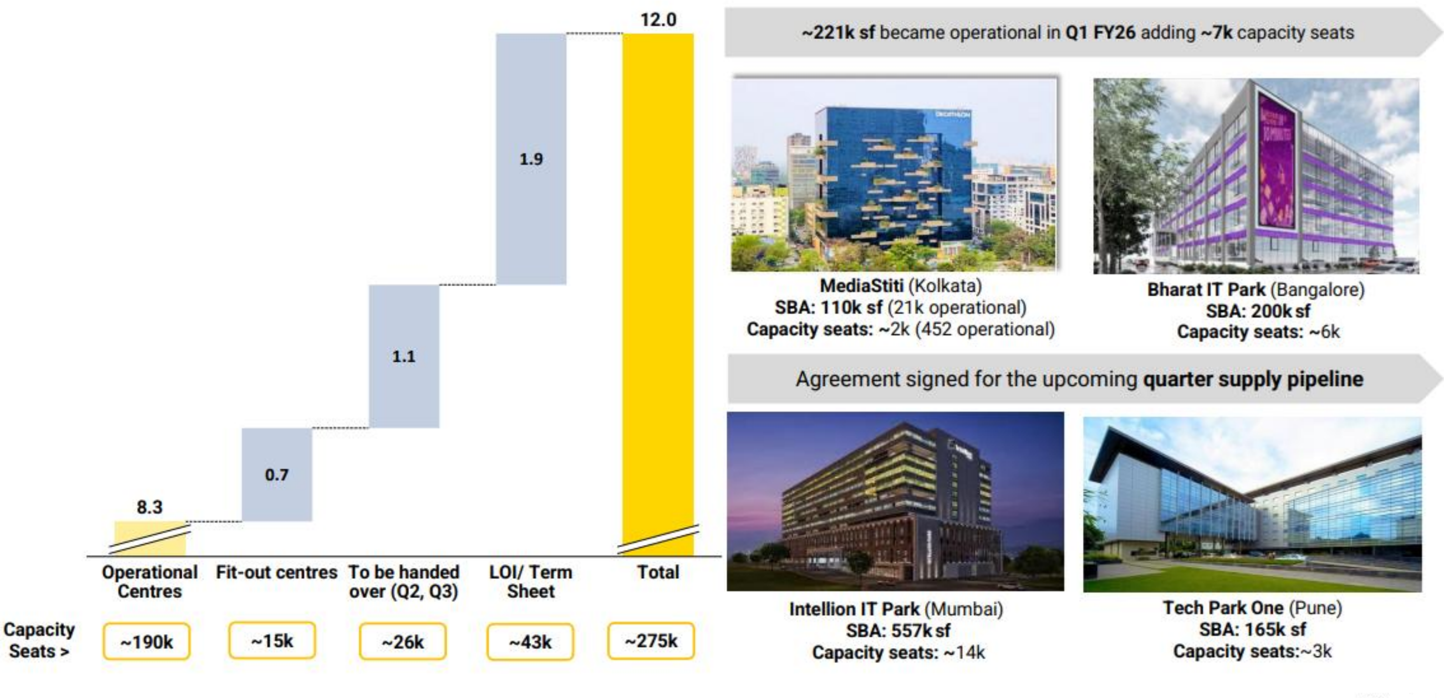
Exhibit 5: Seat addition, as of Q1FY26



Note: All data as of June 30, 2025, SBA – Super Built Up Area

Source: Company

Terms of leasing

The company primarily follows a straight lease business model, wherein it leases bare shell properties on long-term basis mainly from passive and non-institutional landlords. Such properties are then transformed into fully managed, tech-enabled, modern, and aesthetically pleasing centers. SCS typically assumes responsibility for both, the initial fit-out costs and ongoing building maintenance along with contracted lease rentals. Such workspaces are subsequently leased to enterprises that target to establish their offices in such centers.

From the landlords: SCS usually enters into long-term lease agreements with landlords with a typically 10-15Y lease term. While the lock-in period for SCS is usually 60 months, contractual arrangements ensure that landlords are locked-in for the entire duration of the lease agreement. Also, lease agreements with landlord typically have a rent-free period of 6-12 months. The contracts have a rentals escalation of 15% every three years. The company is typically entitled to terminate the lease agreement if there is any breach of its terms, subject to the notice period. SCS's landlords benefit from guaranteed rent, which makes them increase their exposure with the company (25% of its centers from developers or landlords who have leased multiple buildings to Smartworks).

To the clients: The agreements that SCS executes with its clients are usually for 36-60 months with lock-in periods typically ranging at 12-36 months (average client tenure is 49 months for >300 seats). Rentals for clients have an escalation rate of 5% every year (charges for usage of additional services are over and above this). Further, clients are not permitted to terminate the agreement during the lock-in period, unless SCS has breached any material terms. Nonetheless, the company is entitled to terminate the lease agreement during the lock-in period on account of any material breach, including default in payment by the client.

SCS caters to team sizes of <50 to >6,300 seats, with specific focus on mid and large enterprises with a requirement of >300 seats. Such enterprises are highly sticky, with a high retention rate of over 80%. The company's largest client has increased progressively with deal size >3,500 seats in FY23, >4,800 seats in FY24 and >6,300 seats in FY25. Going ahead, the company expects to continue receiving ~75% of the rental annuity income from the top-six cities.

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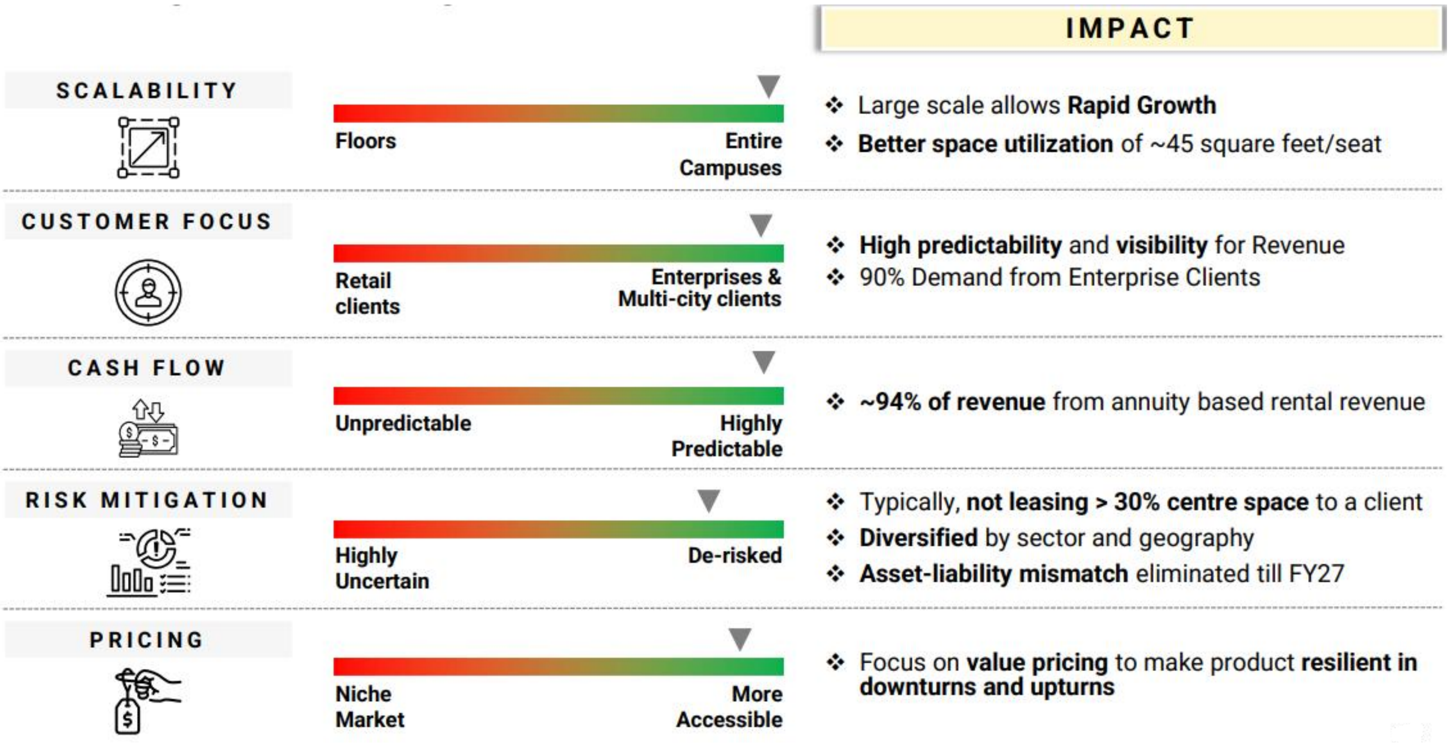
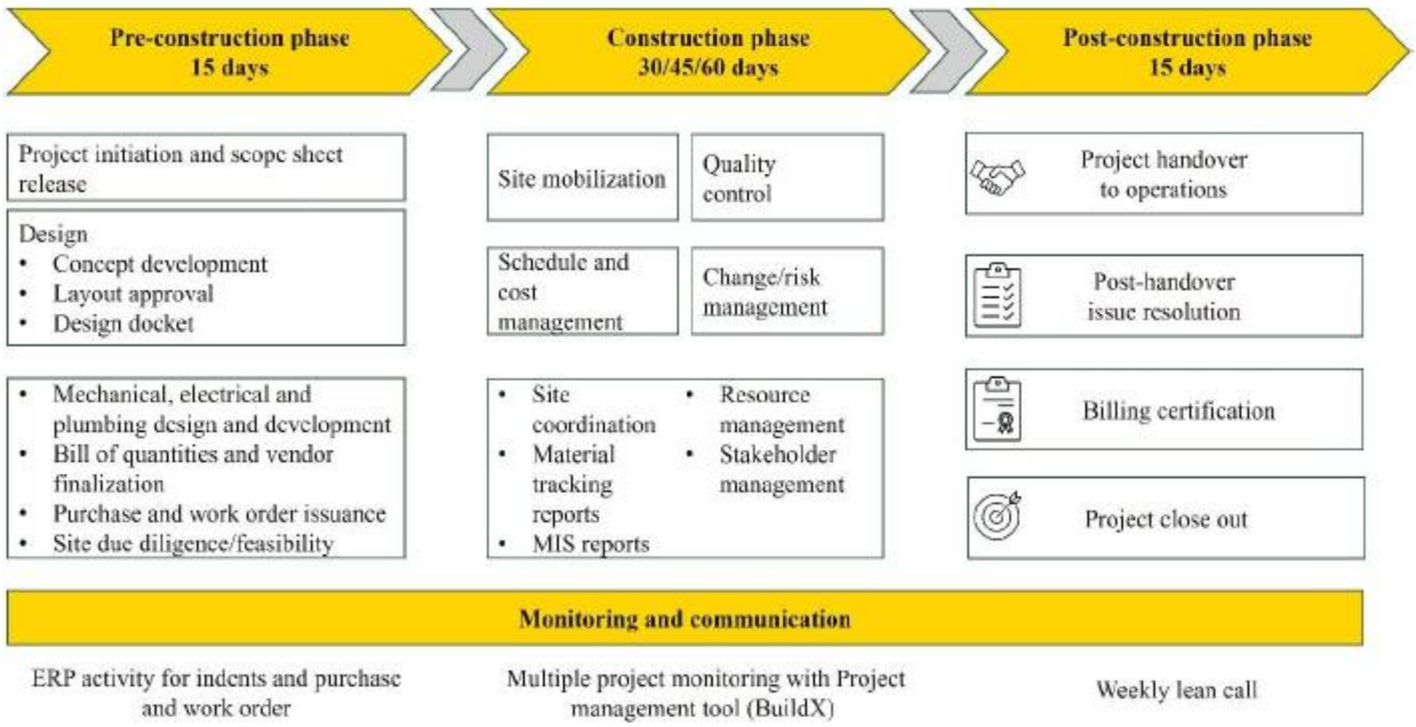
Exhibit 6: Business model well strategized for sustainable growth



Source: Company

Exhibit 7: SCS's project management process



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Mitigating the asset liability mismatch and client concentration risk

Asset liability mismatch risk mitigation: SCS's focus on mid-to-large enterprises drives longer lock-in periods and client retention (average client tenure is 49 months for >300 seats). On the other hand, the pricing strategy is devised to achieve rental revenue from clients, which is at least double the lease rentals that it owes to its landlords.

Per the existing contractual arrangements (as of FY25) with clients, the contracted lease rental income covers the company's rental obligations for FY26-27 toward the landlords.

Client concentration risk mitigation: SCS typically does not lease more than 30% space in a center to a single client. For instance, one of the largest clients in the Vaishnavi Tech Park (Bengaluru) center occupies only ~13% of total capacity seats. Further, at the company level, revenue contribution from the top-10 clients has significantly reduced, from 33% in FY19 to 19% in Q1FY26. In terms of industry mix, IT/ITeS contribute 42% of the rental revenue as of FY25.

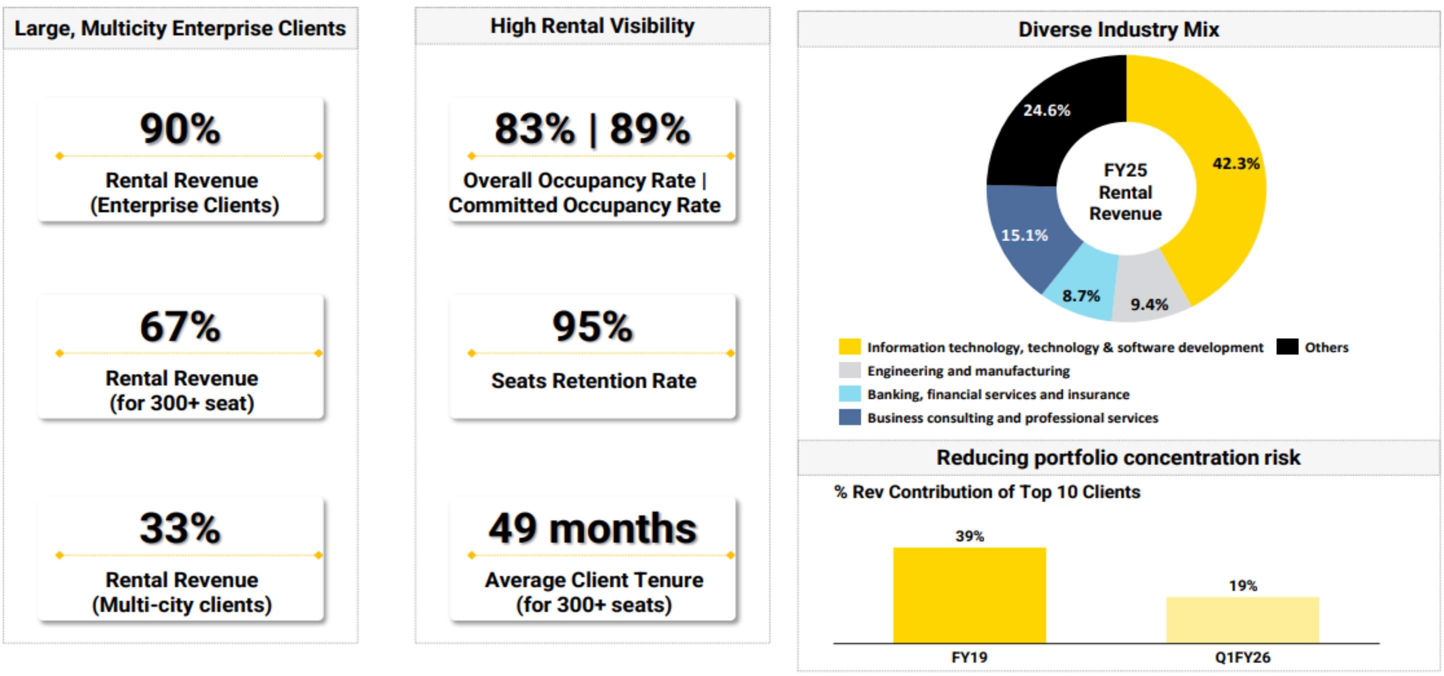
Occupancy in operational centers is >83%, while committed occupancy in these centers is ~89%. Revenue contribution from enterprise clients stood at ~90%, whereas that from multi-city clients stood at >30% in Q1FY26. Weighted average total tenure was 45 months, with the average lock-in tenure at ~33 months during the quarter.

Exhibit 8: Share of rental revenue from different client categories

Sector	Rental revenue (Rs mn)				Share in rental revenue			
	FY22	FY23	FY24	FY25	FY22	FY23	FY24	FY25
IT/ITeS	1,126	2,661	4,294	5,421	33%	40%	44%	42%
Engineering and manufacturing	464	815	1,095	1,235	14%	12%	11%	10%
BFSI	370	675	893	1,143	11%	10%	9%	9%
Business consulting/Professional services	263	492	872	1,789	8%	7%	9%	14%
Others	1,161	2,002	2,716	3,234	34%	30%	28%	25%
Total	**3,385**	**6,646**	**9,870**	**12,822**				

Source: Company, Emkay Research

Exhibit 9: Demand is enterprise-focused, de-risked and diversified across cities and sectors



Source: Company

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Exhibit 10: Weighted average tenure of clients

(no of months)	FY22	FY23	FY24	FY25
Weighted average total tenure	**45**	**46**	**46**	**46**
0-100 seats	34	34	35	45
101-300 seats	43	43	40	39
>300	48	49	49	50
Weighted average lock-in tenure	**28**	**30**	**30**	**32**
0-100 seats	19	22	24	23
101-300 seats	27	27	27	31
>300	31	32	33	34

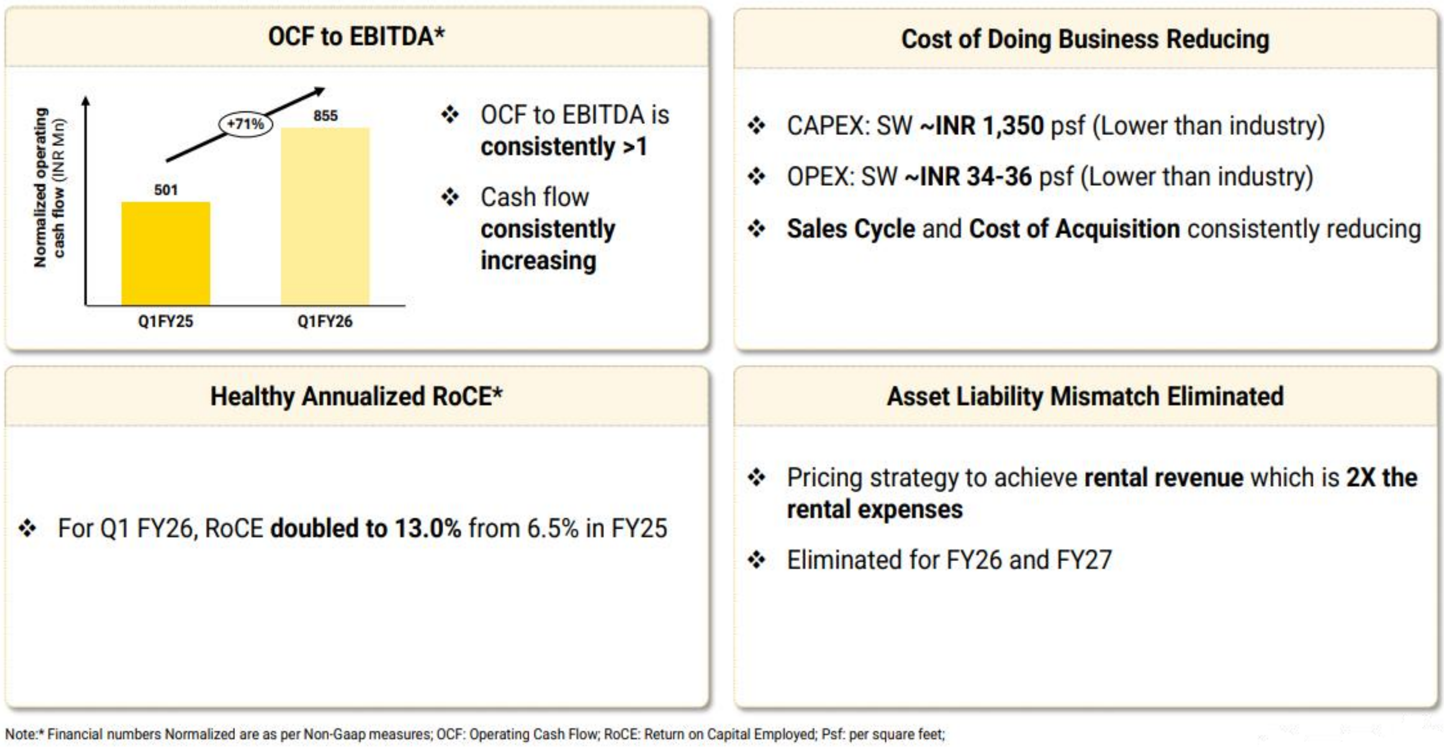
Source: Company, Emkay Research

Exhibit 11: Mitigating the client concentration risk

(Rs mn)	FY22	FY23	FY24	FY25
Rental Revenue	3,385	6,646	9,870	12,822
Rental Revenue from the top Client	167	165	268	565
Rental Revenue from the top 20 Clients	1,247	1,963	2,672	3,559
Percentage of Rental Revenue from the top Client	**5%**	**2%**	**3%**	**4%**
Percentage of Rental Revenue from the top 20 clients	**37%**	**30%**	**27%**	**28%**

Source: Company, Emkay Research

Exhibit 12: Stability, efficiency, and financial prudence



Source: Company

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Profitability curve of a campus center

SCS typically achieves 20-25% pre-leasing before any center is involved. Within 2-4 months of leasing a large campus, the company completes common areas like cafes, corridors, and aspirational amenities, and starts to build out the offices for the pre-filled commitment. It incurs ~Rs60,000/seat to build out all these seats, with nil participation of landlords, as its cost to build out such offices is among the lowest in the industry (economies of scale).

Within the first 12 months, it aims to reach 65-70% occupancy and achieve breakeven. Most initial operational expenditure incurred for a center is recovered by this time. Post this, it typically recovers the entire payback with a steady-state ramp-up of occupancy in 30-32 months. Once the center stabilizes and recovers the capex, margins continue to stabilize, though ROCE continues to improve.

With more seat additions, corporate costs (employee expenses and other corporate overheads) are spread across a higher SBA across the centers, providing better operating leverage. SCS has strategized to gravitate toward larger-size centers, to benefit from economies of scale, higher area efficiencies, better commercial terms with landlords, and more room for cost absorption. Accordingly, centers with SBA of >150,000sqft have seen ~27% CAGR during FY23-25.

Exhibit 13: Gravitating toward large-size centers

Center size (msf)	FY22	FY23	FY24	FY25
SBA of up to 150,000sqft	1.6	1.8	1.8	1.9
SBA of >150,000sqft	2.4	4.4	6.2	7.1
Total	**4.0**	**6.2**	**8.0**	**9.0**

Source: Company, Emkay Research

Exhibit 14: Normalized P&L

(Rs mn)	Q1FY25	Q1FY26	YoY growth	Q4FY25	QoQ growth	FY25
Revenue from operations	3,134	3,792	21%	3,584	6%	13,741
Reported EBITDA	**1,921**	**2,410**	**26%**	**2,324**	**4%**	**8,573**
Less: Repayment of lease liabilities	1,631	1,803		1,754		6,850
Normalized EBITDA	**290**	**607**	**109%**	**570**	**7%**	**1,722**
Normalized EBITDA margin	***9.3%***	***16.0%***		***15.9%***		***12.5%***
Less: Depreciation on fit-outs	302	374		299		1,270
Normalized EBIT	**-11**	**233**	**NA**	**271**	**-14%**	**452**
Less: Finance cost on borrowings	111	87		96		398
Add: Other Income	19	22		1		100
Normalized PBT	**-102**	**168**	**NA**	**176**	**-5%**	**155**
Normalized PBT margin	***-3.3%***	***4.4%***		***4.9%***		***1.1%***

Source: Company, Emkay Research

Exhibit 15: Normalized cash flows

(Rs mn)	FY22	FY23	FY24	FY25	Q1FY26
Reported cash flow operations	2,162	5,318	7,433	9,285	2,658
Interest paid on lease liabilities	-1,092	-1,970	-2,498	-2,791	-630
Payment of Principal portion of lease Liabilities	-1,000	-1,906	-3,038	-4,060	-1,174
Normalized operating cash flow (OCF)	**70**	**1,442**	**1,897**	**2,435**	**855**
PP&E, intangible assets, and CWIP (net of capital advance)	-1,116	-2,964	-2,632	-2,910	-911
Free cash flow	**-1,046**	**-1,522**	**-735**	**-476**	**-57**

Source: Company, Emkay Research

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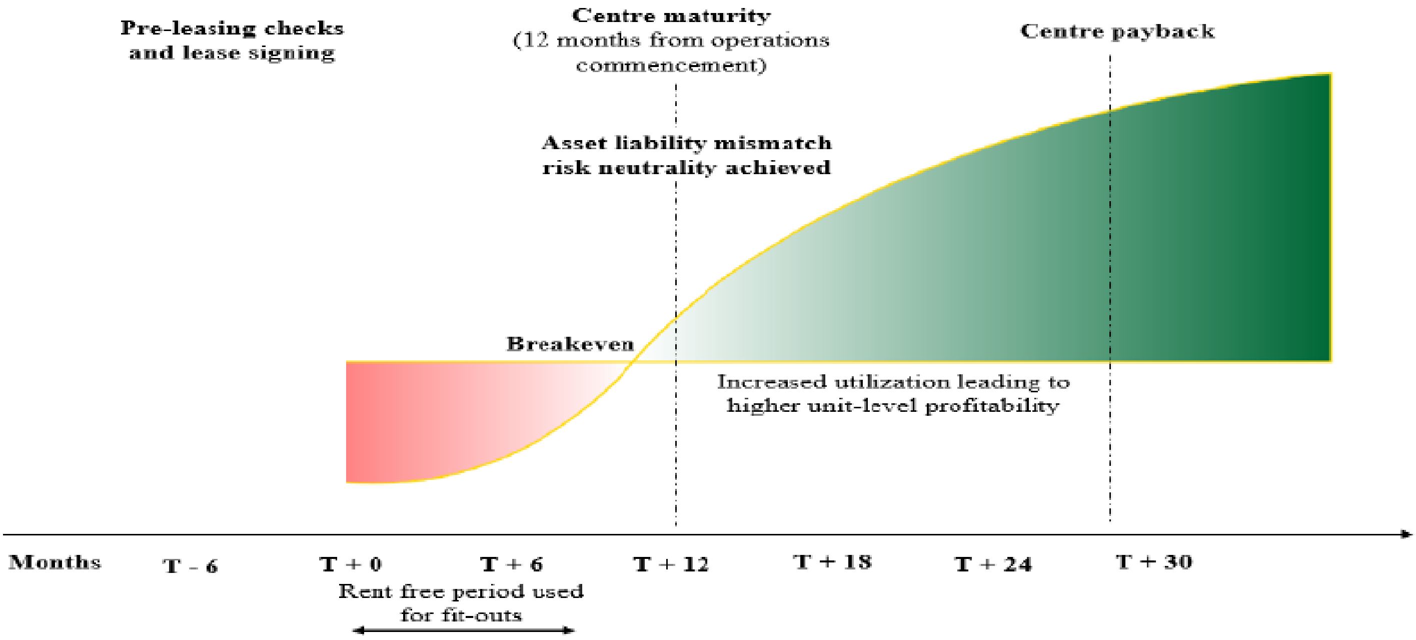
An efficient financial model

The company uses customer deposits to fund some of the capex for fit-outs, whereas long-term contracts enable securing lease rental discounting at competitive rates, using locked-in rental payments as a collateral. Use of capital is optimized through a strategic build approach, wherein initially it invests in common spaces and amenities, creating a ready infrastructure. Thereafter, office fit-outs are customized based on demand from clients, which reduces delivery time vis-à-vis capital efficiency and reduced upfront capital requirements.

Number of receivable days have been consistent at <10 for FY23-25, on the back of benefits of the advance rental model and ability to collect client receivables in a timely manner.

Payback period for SCS's mature centers is 30-32 months from the date of deployment of capital for fit-outs.

Exhibit 16: Economics of Smartworks's business model



Source: Company

Economics of the working space

SCS standardizes designs by using modular and reusable fit-outs, along with focus on achieving economies of scale, which reduces cost of doing business. Additionally, taking up the entire building unlocks better area efficiencies as well as cost optimization. SCS has the ability to standardize up to 75% of the materials used in office spaces. Capex as well as opex continue to go down with increase in scale of operations. Due to the higher scale, the company can procure materials directly from manufacturers which reduces capex cost. The company's proprietary platform—BuildX—brings together design, project, and procurement teams, enabling delivery of office in a fast-paced 2-month timeline.

Cost lower than the industry average: For a typical flexible workspace center across a prominent cluster of a tier-I city, the average fit-out cost is Rs2,400/sqft on leasable area, while the average monthly opex, including CAM charges, is typically in the Rs40-60psf range (per CBRE). On the other hand, SCS's budgeted capex was ~Rs1,350/sqft, while monthly operations cost for a center is in the Rs34-36/sqft range. On the other hand, brokerage expense was 4% of revenue in FY22 which has reduced to ~3% as dependency on the brokerage system continues to reduce.

SCS's RoCE is >13% currently and, with improvement in cash flow as well as capital efficiency, the company aims to double this in the next 2-3 years.

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Smartworks Coworking Spaces: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	**NA**	**3,602**	**7,114**	**10,394**	**13,741**
Revenue growth (%)	NA	0	97.5	46.1	32.2
EBITDA	**NA**	**2,062**	**4,240**	**6,597**	**8,573**
EBITDA growth (%)	NA	0	105.7	55.6	30.0
Depreciation & Amortization	-	2,119	3,562	4,727	6,360
EBIT	**NA**	**(58)**	**678**	**1,870**	**2,213**
EBIT growth (%)	NA	0	0	175.9	18.4
Other operating income	-	-	-	-	-
Other income	-	340	327	737	356
Financial expense	NA	1,224	2,367	3,283	3,363
PBT	**NA**	**(941)**	**(1,362)**	**(676)**	**(795)**
Extraordinary items	NA	0	0	0	0
Taxes	NA	(242)	(352)	(177)	(163)
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	**NA**	**(699)**	**(1,010)**	**(500)**	**(632)**
PAT growth (%)	NA	0	0	0	0
Adjusted PAT	**NA**	**(699)**	**(1,010)**	**(500)**	**(632)**
Diluted EPS (Rs)	**NA**	**(9.1)**	**(13.0)**	**(6.3)**	**(6.1)**
Diluted EPS growth (%)	NA	0	0	0	0
DPS (Rs)	**NA**	**0**	**0**	**0**	**0**
Dividend payout (%)	**NA**	**0**	**0**	**0**	**0**
EBITDA margin (%)	NA	57.2	59.6	63.5	62.4
EBIT margin (%)	NA	(1.6)	9.5	18.0	16.1
Effective tax rate (%)	NA	25.7	25.8	26.1	20.5
NOPLAT (pre-IndAS)	**NA**	**(43)**	**503**	**1,381**	**1,759**
Shares outstanding (mn)	-	77	78	79	103

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
Share capital	-	772	777	790	1,032
Reserves & Surplus	NA	369	(462)	(290)	47
Net worth	**NA**	**1,141**	**315**	**500**	**1,079**
Minority interests	-	-	-	-	-
Non-current liab. & prov.	NA	(644)	(996)	(1,172)	(1,336)
Total debt	**NA**	**2,476**	**5,154**	**4,274**	**3,978**
Total liabilities & equity	**NA**	**26,173**	**40,653**	**36,412**	**40,192**
Net tangible fixed assets	-	3,967	8,293	9,639	11,380
Net intangible assets	-	6	4	76	142
Net ROU assets	-	19,307	28,947	24,403	26,282
Capital WIP	-	869	419	633	1,355
Goodwill	-	-	-	-	-
Investments [JV/Associates]	-	-	-	-	-
Cash & equivalents	**NA**	**1,020**	**2,137**	**637**	**799**
Current assets (ex-cash)	NA	931	1,472	2,128	1,863
Current Liab. & Prov.	NA	1,778	3,086	3,887	4,980
NWC (ex-cash)	**NA**	**(847)**	**(1,614)**	**(1,759)**	**(3,117)**
Total assets	**NA**	**26,173**	**40,653**	**36,412**	**40,192**
Net debt	NA	1,456	3,017	3,637	3,179
Capital employed	NA	26,173	40,653	36,412	40,192
Invested capital	**NA**	**3,148**	**6,786**	**8,041**	**8,438**
BVPS (Rs)	NA	14.8	4.1	6.3	10.5
Net Debt/Equity (x)	NA	1.3	9.6	7.3	2.9
Net Debt/EBITDA (x)	NA	0.7	0.7	0.6	0.4
Interest coverage (x)	NA	0.2	0.4	0.8	0.8
RoCE (%)	**NA**	**15.6**	**22.1**	**50.9**	**52.3**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
PBT (ex-other income)	NA	(941)	(1,362)	(676)	(795)
Others (non-cash items)	-	(121)	(470)	(717)	(294)
Taxes paid	NA	(46)	(27)	(188)	304
Change in NWC	NA	(73)	1,250	1,004	346
Operating cash flow	**NA**	**2,162**	**5,318**	**7,433**	**9,285**
Capital expenditure	NA	(1,116)	(2,964)	(2,632)	(2,909)
Acquisition of business	-	-	-	-	-
Interest & dividend income	-	-	-	-	-
Investing cash flow	**NA**	**(946)**	**(3,066)**	**(1,922)**	**(2,761)**
Equity raised/(repaid)	NA	0	184	356	1,165
Debt raised/(repaid)	NA	1,080	2,307	(365)	(261)
Payment of lease liabilities	-	(1,000)	(1,906)	(3,038)	(4,060)
Interest paid	NA	(1,210)	(2,252)	(3,036)	(3,207)
Dividend paid (incl tax)	NA	0	0	-	-
Others	NA	(10)	(38)	311	(13)
Financing cash flow	**NA**	**(1,139)**	**(1,706)**	**(5,772)**	**(6,377)**
Net chg in Cash	NA	76	546	(260)	147
OCF	NA	2,162	5,318	7,433	9,285
Adj. OCF (w/o NWC chg.)	NA	2,234	4,068	6,429	8,939
FCFF	NA	1,046	2,355	4,801	6,376
FCFE	NA	(177)	(12)	1,518	3,013
OCF/EBITDA (%)	NA	104.9	125.4	112.7	108.3
FCFE/PAT (%)	NA	25.4	1.2	(303.9)	(476.9)
FCFF/NOPLAT (%)	**NA**	**(2,447.2)**	**468.6**	**347.6**	**362.4**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY21	FY22	FY23	FY24	FY25
P/E (x)	NA	(76.5)	(52.9)	(107.0)	(84.6)
EV/CE(x)	NA	15.2	10.3	12.0	11.3
P/B (x)	NA	35.1	127.9	81.9	49.6
EV/Sales (x)	NA	15.2	7.9	5.5	4.2
EV/EBITDA (x)	NA	26.6	13.3	8.7	6.7
EV/EBIT(x)	NA	(954.0)	83.4	30.5	25.8
EV/IC (x)	NA	17.4	8.3	7.1	6.8
FCFF yield (%)	NA	1.9	4.2	8.4	11.2
FCFE yield (%)	NA	(0.3)	-	2.6	5.1
Dividend yield (%)	NA	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	NA	(19.4)	(14.2)	(4.8)	(4.6)
Total asset turnover (x)	NA	1.0	0.8	0.9	1.1
Assets/Equity (x)	NA	6.0	12.8	29.1	16.4
RoE (%)	**NA**	**(122.5)**	**(138.8)**	**(122.6)**	**(80.0)**
DuPont-RoIC					
NOPLAT margin (%)	NA	(1.2)	7.1	13.3	12.8
IC turnover (x)	NA	2.3	1.4	1.4	1.7
RoIC (%)	**NA**	**(2.7)**	**10.1**	**18.6**	**21.4**
Operating metrics					
Core NWC days	NA	(85.9)	(82.8)	(61.8)	(82.8)
Total NWC days	**NA**	**(85.9)**	**(82.8)**	**(61.8)**	**(82.8)**
Fixed asset turnover	NA	1.4	0.9	0.9	0.9
Opex-to-revenue (%)	NA	12.7	9.5	7.4	7.3

Source: Company, Emkay Research

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SELL	>15% downside

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