

Recommendation	Subscribe
Price Band	Rs. 615-648
Bidding Date	03 rd – 07 th Oct
Book Running Lead Manager	ICICI Sec Ltd JM Fin, Jeff Ind Pvt Ltd, 360 ONE Ltd, Kotak Mahindra Cap Ltd
Registrar	MUFG Intime India Private Limited
Sector	Workspace

Minimum Retail Application- Detail At Cut off Price	
Number of Shares	23
Minimum Application Money	Rs. 14904
Payment Mode	ASBA

Consolidated Financials (Rs Cr)	FY24	FY25
Total Income	1,665	1,949
Adj EBITDA	340	421
Adj PAT	-136	173

Valuations (FY25)	Upper Band
Market Cap (Rs Cr)	8,685
Adj EPS	12.93
PE	50
EV/ ADJ EBITDA	21
Enterprise Value (Rs Cr)	8968

Post Issue Shareholding Pattern	
Promoters	41.7%
Public	58.3%

Offer structure for different categories	
QIB (Including Mutual Fund)	75%
Non-Institutional	10%
Retail	15%
Post Issue Equity (Rs. in Cr)	134.0
Issue Size (Rs in Cr)	3000
Face Value (Rs)	10

Kavita Vempalli
Sr Research Analyst (022 62738034)

BACKGROUND

Launched in 2017, WeWork India Management (WWIM) is a leading premium flexible workspace operator in India, backed by Embassy Group. Co leases Grade A office spaces, designs, builds, and operates them as modern flexible workspaces suitable for enterprises, SMEs, startups, and individuals. Co operates across India's major office hubs, including Bengaluru, Mumbai, Pune, Hyderabad, Gurugram, Noida, Delhi, and Chennai. It's portfolio includes 114,077 desks across 68 operational centres, covering a total leasable area of 7.67 mn sq ft. and has been the largest operator in India in terms of total revenues.

Objects and Details of the Issue: The issue is a completely of offer for sale 4.63 cr shares aggregating to Rs. 3000 cr.

Investment Rationale:

1. Strong brand recognition in India and international presence.
2. Leadership in a rapidly growing market.
3. Backed by the Embassy Group and relationship with WeWork Global.
4. Presence in Grade A properties in top-tier micro markets and strong relationships with top developers.

Valuation and Recommendation:-

WeWork is a leader in India's premium flexible workspace market with robust growth metrics. The company is strategically positioned as a premium market leader to capitalize on the sustained shift towards hybrid work models in India. Revenue/adj EBITDA has grown steadily at a CAGR 22% /48% between FY23–FY25 and issue is available at a EV/adj EBITDA of 21.3x of FY25 earnings which we believe is reasonable and recommend 'Subscribe' to the issue considering India's strong demand for flexible offices and WeWork's brand leadership.

Financials	FY23	FY24	FY25
Net Revenues	1,315	1,665	1,949
Growth (%)		26.7%	17.1%
Adj Ebitda	191	340	421
Adj Ebitda (Margin %)	14.6%	20.4%	21.6%
PBT	-147	-136	-157
Adjusted PAT	-146	-136	173
Adj EPS	-10.95	-10.13	12.93
ROCE	7.2%	10.0%	9.9%
EV/Sales	6.8	5.4	4.6
EV/Adj EBITDA	46.9	26.4	21.3

Source: Company data, NBRR

Company Background

WeWork India Management Ltd, established in 2017, is a leading premium flexible workspace operator in India and has been the largest by revenue over the last three fiscals (according to CBRE). The company operates as the exclusive licensee of the WeWork brand in India and has progressively broadened its offerings from managed offices, private offices, serviced floors, and coworking spaces to digital and hybrid solutions, including WeWork All Access, WeWork On Demand, Virtual Office, and the SaaS-based WeWork Workplace. Its full-service model integrates workspace, facility management, IT, F&B, and community services, providing members with a seamless, capital-light office solution.



WeWork Enam Sambhav, Mumbai



WeWork 37 Cunningham, Bengaluru



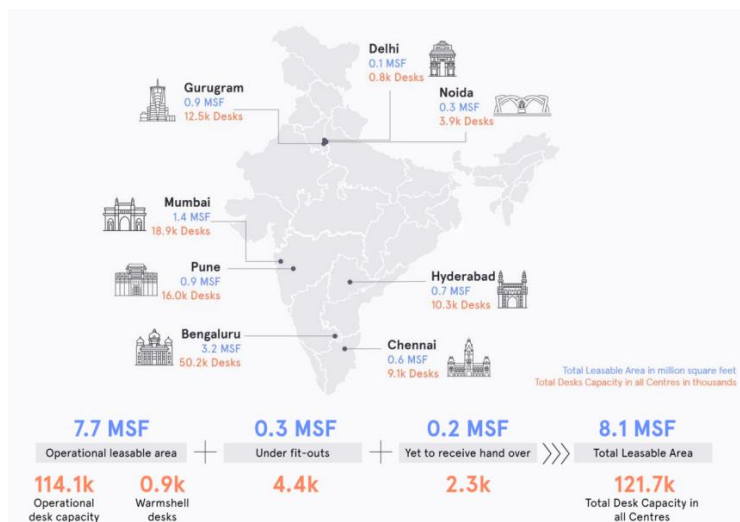
WeWork Prestige Tech Park, Bengaluru



WeWork Cherry Hills EGL, Bengaluru

Source: Company

Co operates across India's major office hubs, including Bengaluru, Mumbai, Pune, Hyderabad, Gurugram, Noida, Delhi, and Chennai. It's portfolio includes 114,077 desks across 68 operational centres, covering a total leasable area of 7.67 mn sq ft. and has been the largest operator in India in terms of total revenues.



Source: Company

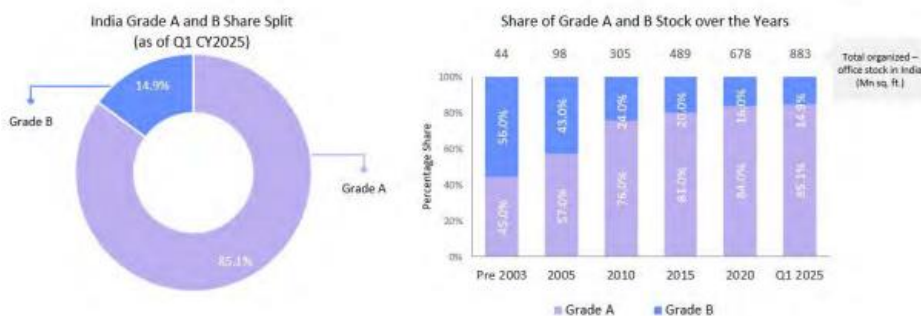
Industry Overview

India's office real estate market has demonstrated resilience despite pandemic-led disruptions. Gross absorption, which stood at 66.6 Mn sq. ft. in CY2019. The sector began to rebound in H1 CY2022, supported by the easing of restrictions, rising vaccination coverage, and a gradual return-to-office trend. This recovery translated into strong leasing momentum, with gross absorption reaching 62.0 Mn sq. ft. in CY2022, a significant improvement over 44.8 Mn sq. ft. in CY2021. The growth trajectory continued in CY2023, with gross absorption rising to 68.0 Mn sq. ft., reflecting a 9.7% YoY increase and a robust ~52% growth compared to 2021 levels.



Source: Co and CBRE

As of FY25, India's commercial office market comprised ~883 Mn sq. ft. of which 85.1% (~751 Mn sq. ft.) was classified as Grade A and the balance 14.9% (~132 Mn sq. ft.) as Grade B. The dominance of Grade A assets is expected to sustain, with its share projected to remain in the 85–87% range through 2027. Over the past two decades, Grade A office stock has expanded at a healthy CAGR of 14%, growing from 58 Mn sq. ft. in CY2005 to ~751 Mn sq. ft.



Source: Co and CBRE

India's office sector is anticipated to experience continued expansion. This growth is likely to be driven by the strategic expansion of portfolios by domestic and global firms, which coupled with planned investments, solidifies the sector's outlook.

Investment Rationale

Strong brand recognition in India and international presence

WWIL has emerged as a clear leader in the flexible workspace sector, consistently recording the highest search volumes from Oct 2023 to Dec 2024—four times that of its closest competitor during Oct 2023 to Sep 2024, and 3.5 times in CY24—underscoring its strong brand recognition and market dominance. AGR data further highlights WWIL's digital visibility, with 0.87 times the search volume for “coworking” and 1.48 times for “office space” during the same period.



Source: Co and NBRR

According to CBRE, Co has played a pivotal role in shaping the evolution of flexible workspace products and services in India. AGR also notes that WWIL consistently outperforms competitors across key customer perception metrics, particularly in brand name, global presence, flexible offerings, and community engagement, and ranks first in brand awareness—driven by its premium positioning, strategic locations, and vibrant member community—across users and non-users alike.

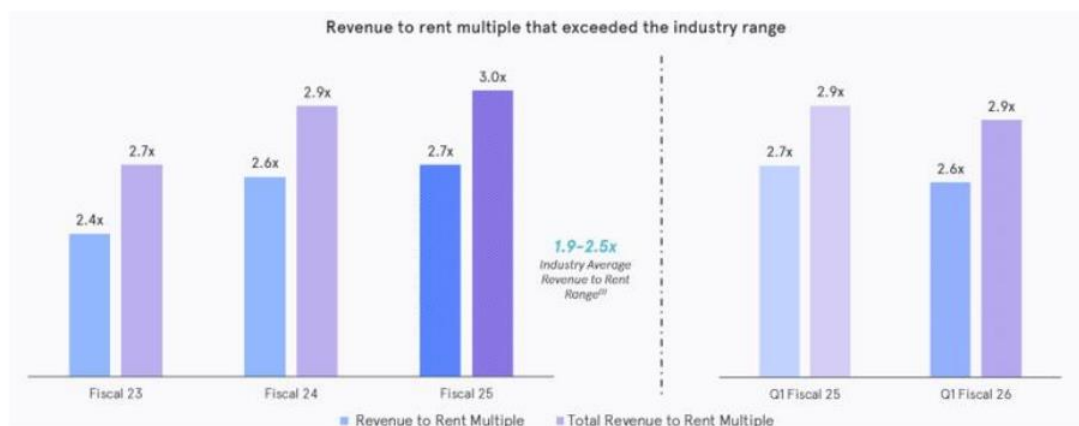
Co's member base has consistently grown over the past few years. Currently, it has 87,247 Members. Co's comprehensive product suite in Grade A buildings in prime markets and its focus on customer experience helps it attract a wide-set of marquee tenant including large enterprises, MNCs, startups and individuals. Few of them are shown in the picture below -



Source: Co

Leadership in a rapidly growing market

Co has established itself as a leading premium flexible workspace operator in India, consistently ranking as the largest by total revenue over the last three fiscals. As per the CBRE Report, as a premium flexible workspace operator, Co's average portfolio level revenue to rent multiple of 2.7 for FY25 exceeded the industry average which typically ranges between 1.9 to 2.5.



Source: Co, NBRR

Co's members have the flexibility to scale their workspaces up and down as needed, and the ability to use space by the day, by the month or for multiple years, with the ability to book office space seamlessly through the WeWork app. Many members use large, customized offices for multiple years in one building, and smaller spaces in other buildings within Co's network as required, providing them with a value proposition extending beyond a single office space, and reducing their need to liaise and negotiate with multiple operators.

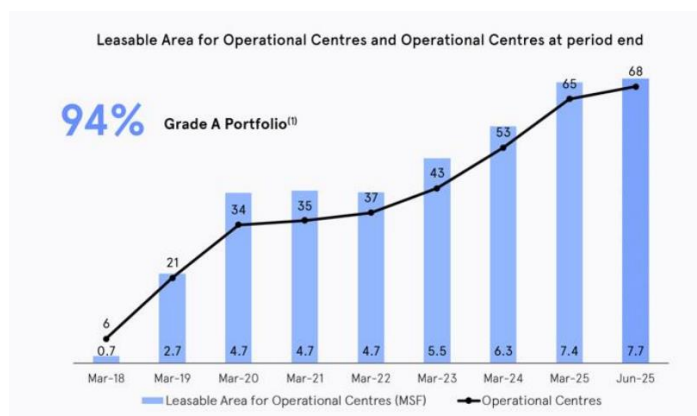
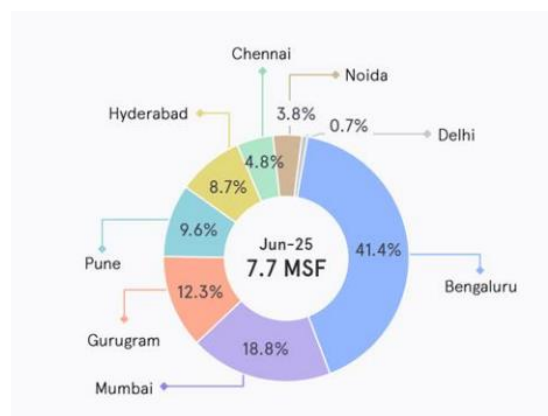
Backed by the Embassy Group and relationship with WeWork Global

The company is majority owned and promoted by Embassy Group, a leading real estate developer in India with over 30 years of experience and a portfolio exceeding 85 mn sq ft. Embassy Group is also the sponsor of Embassy REIT, India's first and Asia's largest office REIT by leasable area. Additionally, Co benefits from its strategic relationship with WeWork Global, a prominent global operator of flexible workspaces with ~ 600 wholly-owned and licensed locations across 35 countries. As an investor in the company and its exclusive brand licensor in India, WeWork Global enables seamless international access for the company's members through the WeWork app, enhancing global connectivity and brand value.

Presence in Grade A properties in top-tier micro markets and strong relationships with top developers

WWML have established multi-asset relationships with various prominent developers across major Tier 1 cities. Co offers high quality workspaces by designing, building and operating them to global standards. Grade A properties accounted for ~ 94% of Co's portfolio and are located in Tier 1 cities in India - Bengaluru, Mumbai, Pune, Hyderabad, Gurugram, Noida, Delhi, and Chennai. Tier 1 cities have witnessed healthy demand for office space due to their talent pools, infrastructure, job opportunities and relative business growth potential.

City Wise Split of Leasable Area



Source: Co, NBRR

Strong relationships with prominent developers



Co's longstanding and multi-asset relationships with various prominent developers allows it to negotiate leases with favorable terms and help grow its portfolio efficiently.

Valuation and Recommendation

WeWork is a leader in India's premium flexible workspace market with robust growth metrics. The company is strategically positioned as a premium market leader to capitalize on the sustained shift towards hybrid work models in India. Revenue/adj EBITDA has grown steadily at a CAGR 22% /48% between FY23–FY25 and issue is available at a EV/adj EBITDA of 21.3x of FY25 earnings which we believe is reasonable and recommend 'Subscribe' to the issue considering India's strong demand for flexible offices and WeWork's brand leadership.

Peer Group

FY25 (Rs in Crore)	Smartworks	Awfis Space Solutions	Average	WeWork
Revenue	1,374	1,208	1214	1,949
CAGR (FY23-25)	15%	49%	33%	22%
Adj EBITDA Margin	12.5%	13.9%	12%	21.6%
Asset Turns (x)	0.4	0.6	0.4	0.4
ROCE	6.7%	11.0%	7.3%	9.9%
ROE	-7.7%	14.8%	3.5%	63.9%
Debt/Equity	3.7	3.9	-436.2	1.5
EV/Adj EBITDA	57.0	32.1	34.5	21.3
P/E	-	59.6	12.0	67.8

Source: NBRR

Risks

1. History of proceedings initiated by Enforcement Directorate against Promoter & Chairman and SEBI against its group company.
2. Bengaluru and Mumbai centers comprised ~66% of its net membership fees in Q1FY26.
3. Top 10 landlords held ~34%/23% of total operational leasable area/ net membership fee in Q1FY26.

Financials

Consolidated

P&L (Rs. Cr)	FY23	FY24	FY25
Net Revenue	1,315	1,665	1,949
% Growth		27%	17%
Cost of Material/sub contract	1	2	17
% of Revenues	0.1%	0.1%	0.9%
Employee Cost	121	134	155
% of Revenues	9.2%	8.0%	8.0%
Other expenses	398	483	539
% of Revenues	30.2%	29.0%	27.7%
EBITDA	796	1,047	1,238
EBITDA Margin	60.5%	62.9%	63.5%
Adj Ebitda	191.30	339.70	421.30
Adj EBITDA Margin	14.6%	20.4%	21.6%
Depreciation	637	744	824
Other Income	108	72	75
Interest	414	508	598
Share of Profit/(Loss) of Assoc	0	-3	-2
Exceptional Item	0	0	-46
PBT	-147	-136	-157
Tax	-0	-0	-285
Tax rate	0%	0%	182%
PAT	-147	-135.8	128.2
Minority Int	-1	0	0.79
Adj PAT	-145.9	-135.8	173.3
% Growth		-7%	-228%
Adj EPS (Post Issue)	-11.0	-10.1	12.9

Ratios & Others	FY23	FY24	FY25
Debt / Equity	(1.7)	(1.4)	1.5
adj EBITDA Margin (%)	15%	20%	22%
PAT Margin (%)	-11%	-8.2%	6.6%
ROE (%)	50%	31%	64%
ROCE (%)	7%	10%	10%

Turnover Ratios	FY23	FY24	FY25
Debtors Days	19	18	16
Inventory Days	0	0	0
Creditor Days	29	16	10
Asset Turnover (x)	0.4	0.4	0.4

Valuation Ratios	FY23	FY24	FY25
Price/Earnings (x)	-59.2	-64.0	50.1
EV/Adj EBITDA (x)	46.9	26.4	21.3
EV/Sales (x)	7	5	5
Price/BV (x)	-30	-20	43

Balance Sheet (Rs. Cr)	FY23	FY24	FY25
Share Capital	55	55	134
Other Equity	-347	-492	66
Non controlling Int	-0	-0	1
Networth	-292	-438	200
Total Loans	486	626	310
Lease Liabilities	3,530	3,529	3,963
Other non-curr liab.	200	121	190
Trade payable	104	73	52
Other Current Liab	386	572	677
Total Equity & Liab.	4,414	4,483	5,392
Property, Plant and Equipment	569	675	908
Capital work-in-progress/Investment pr	68	191	77
Goodwill/Right of Use Assets/intangible	3,009	2,925	3,404
Non Current Financial assets	353	306	558
Other non Curr. assets	34	18	13
Inventories	0	0	1
cash and cash equivalents	50	21	24
Bank bal	1	3	3
Trade receivables(debtor)	70	80	83
Other Current assets	260	264	320
Total Assets	4,414	4,483	5,392

Cash Flow (Rs. Cr)	FY23	FY24	FY25
Profit Before Tax	-147	-133	-155
Provisions & Others	957	1,209	1,401
Op. profit before WC	810	1,076	1,246
Change in WC	164	57	50
Less: Tax	-33	28	-6
CF from operations	942	1,162	1,290
Purchase of assets	-330	-245	-372
Sale of property	0	0	0
Dividend & Interest	9	32	7
Proceeds from Sale/Redemption of Inve	-66	-181	61
CF from Investing	-386	-393	-304
Payment of lease liabilities	-674	-804	-1,000
Proceeds/ Repayment Borrowings	141	7	17
interest & div paid	-0	-0	-1
CF from Financing	-534	-797	-984
Net Change in cash	22	-29	2
Cash & Bank at beginning	28	50	21
Cash & Bank at end	50	21	24

Source: Company Data, NBRR

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