Initiating Coverage

Choice Institutional Equities

Smartworks Coworking Spaces Ltd. (SMARTWORKS)

Powering India's Shift to Smarter Workspaces

December 01, 2025

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Smartworks Coworking Spaces Ltd.

Choice Institutional Equities

December 01, 2025 | CMP: INR 480 | Target Price: INR 630

Expected Share Price Return: 31.3% I Dividend Yield: 0.0% I Expected Total Return: 31.3%

Sector View: Positive

BUY

SMARTWORKS

Company Description

Smartworks Coworking Spaces Ltd (SMARTWORKS), India's largest enterprise-focused managed office platform, operates across 14 cities with a total super built-up area (SBA) of 14 msf and 9.1 msf already operational. It manages 61 centres and serves 760+ clients. Total seat capacity stands at 3.22 lakh seats (includes LOIs, under fit-out and centres yet to be handed over) with committed occupancy rate of 88%. Its B2B business model is anchored in long-term managed leasing contracts.

Company Information

BB Code	SMARTWORKS: IN EQUITY
ISIN	INE0NAZ01010
Face Value (INR)	10.0
52 Week High (INR)	618
52 Week Low (INR)	393
Mkt Cap (INR Bn)	55.1
Mkt Cap (USD Bn)	0.6
Shares Out. (Mn)	103.2
Free Float (%)	10.7
FY27E EPS (INR)	5.0

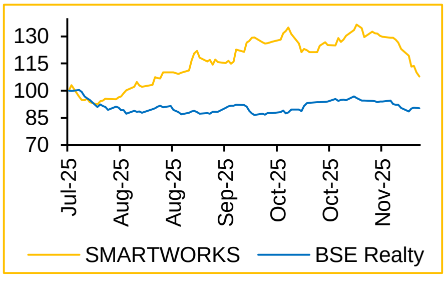
Shareholding Pattern (%)

	Sep-25
Promoters	58.18
FIIs	0.93
DIIs	9.03
Public	31.86

Relative Performance (%)

YTD	1 month	2 month	4 month
BSE REALTY	(4.4)	4.3	(0.8)
SMARTWORKS	(16.5)	(16.7)	16.8

Rebased Price Performance (%)



[Management Meet Take-away](#)

[Competition Landscape](#)

[Valuation Summary with Unit Economics](#)

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Strong Sectoral Tailwinds Prod Demand for Office Space

India's flexible workspace market is projected to expand at a CAGR of **13.7% (CY25-30E)**, **nearly twice the pace of the overall office market**, expanding from 98 msf in CY25E to 186 msf by CY30E. This growth will be driven primarily by **GCCs, BFSI and IT services**, supported by India's vast **STEM talent pool**, which accounts for **28% of the global supply**. The **number of GCC units** and their **office space absorption** are projected to expand at **~7% CAGR**, respectively, over the **next five years.**

Scale and Cost-efficiency Drive Market Leadership

SMARTWORKS has **pioneered India's managed office segment, achieving 6x growth in four years** through an **asset-light strategy** centred on Grade-A properties across major cities. By **leasing entire buildings and campuses** – primarily from **non-institutional landlords, such as HNIs and family offices (76% of its portfolio)** – the company secures favorable terms, cost-efficiency and economies of scale. **Its annuity-driven model offers REIT-like cash flow predictability while scaling up faster**, supported by efficient cost structures and high utilisation. Mature centres operate at 88% occupancy with payback achieved in just ~36 months. SMARTWORKS has one of the **lowest industry capex of INR 1,350 per sq ft and opex of INR 30–35 per sq ft**, this cost advantage leads to faster breakeven and stronger returns. Its enterprise-focused model serving clients like Google, Groww and EY, **clients with >300 seats and over 1,000 seats contributing 65% and 35%, respectively of H1FY26 revenue**, supporting sustainable growth.

Low-risk, Scalable Model Resilient Across Market Cycles

SMARTWORKS' business model is built to withstand market fluctuations through long-term agreements with both landlords (~15 years) and enterprise clients (~4 years), ensures stability in occupancy and rental income with a **revenue to rent ratio of 2.0x**. Revenue concentration is also well-managed — the **top 10 clients account for less than 20% of total income**, while **multi-city tenants contribute roughly 30**%, adding depth and diversification. A **balanced geographical footprint across 19 clusters in 9 Indian Tier 1 cities,** 4 Tier-2 cities and Singapore minimises regional dependence. **The Tier 1 focus ensures premium demand and lower vacancy risk.** Even during COVID-19, SMARTWORKS' mature centres maintained ~85% occupancy in their mature centres.

Valuation and View

We initiate coverage on SMARTWORKS with a **BUY** recommendation and target price of **INR 630**, which is an upside of **31%**, valuing the company at a **12 month forward EV/Adjusted EBITDA multiple of 15x, time-weighted.** Our **base case scenario** TP is INR 630/sh and **upside scenario** (10–20% probability event) fair value is INR 720/sh. On the other hand, our **downside scenario** (5–10% probability event) fair value is INR 547/sh. [(Bull Bear Case Scenario)](#)

Key Risks

SMARTWORKS relies heavily on GCCs and MNCs in IT and BFSI sectors, exposing it to sectoral slowdowns. Possible economic downturns or weaker startup funding may further dampen demand. With ~94% revenue from annuity rentals, it is highly vulnerable to demand shocks. Liquidity risk — trading volumes remain modest.

Key Financials

Particular (INR Mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	7,097	10,394	13,741	17,981	22,449	27,309
YoY (%)	97.0	46.4	32.2	30.9	24.8	21.7
EBITDA	4,223	6,597	8,573	11,269	14,122	17,235
YoY (%)	104.9	56.2	30.0	31.5	25.3	22.0
EBITDAM %	59.5	63.5	62.4	62.7	62.9	63.1
RPAT	(1,027)	(500)	(632)	67	569	894
ROE %	(326.5)	(99.9)	(58.6)	1.2	9.2	12.7
Normalised ROCE %	2.7	1.0	6.5	6.4	6.7	7.8
EV/EBITDA (x)	9.5	6.3	6.2	4.9	4.0	3.2

Source: Smartworks & Choice Institutional Equities

Report Structure

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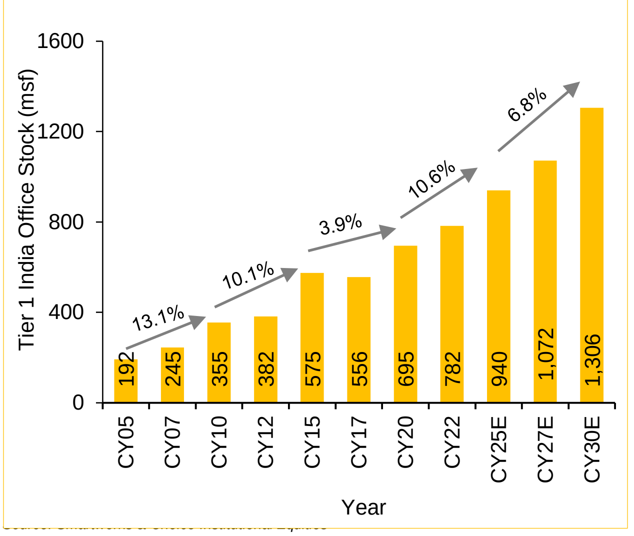
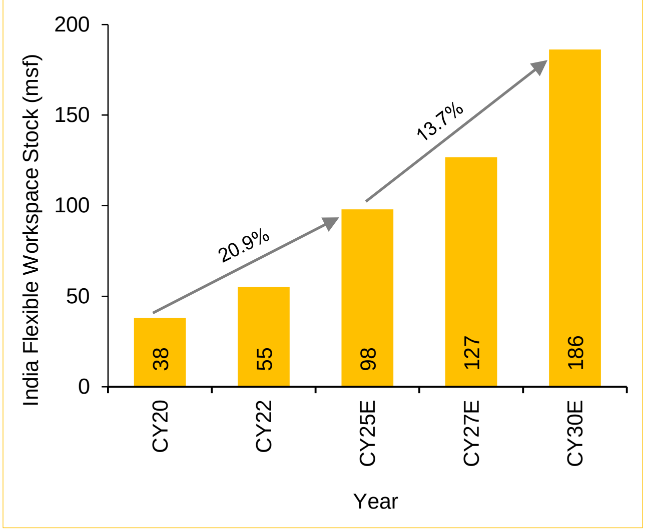
Graphs & Trends (1/2)

India's Flexible Workspace Stock to Expand at a CAGR of 13.7%, Almost Double the Office Space Growth

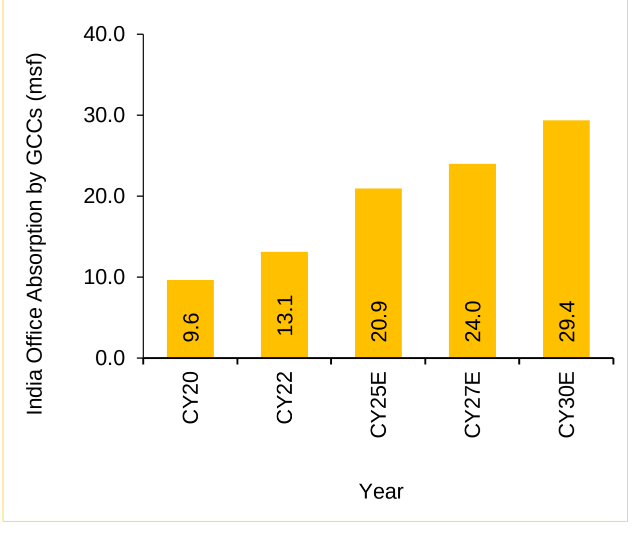


Source: Smartworks & Choice Institutional Equities



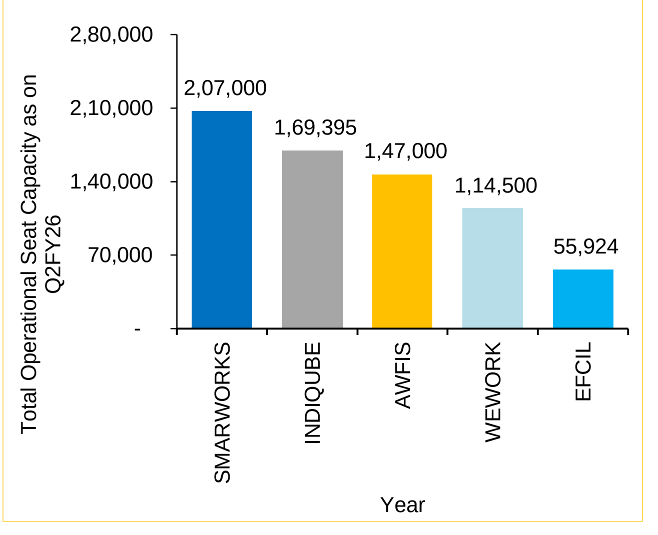
Source: Smartworks & Choice Institutional Equities

GCC Office Absorption to Rise at a CAGR of 7.1%



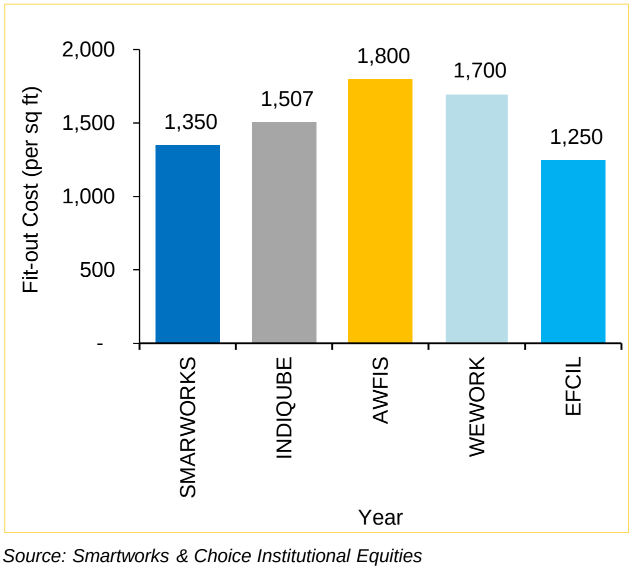
Source: Smartworks & Choice Institutional Equities

SMARTWORKS Is the Market Leader in Size and Scale

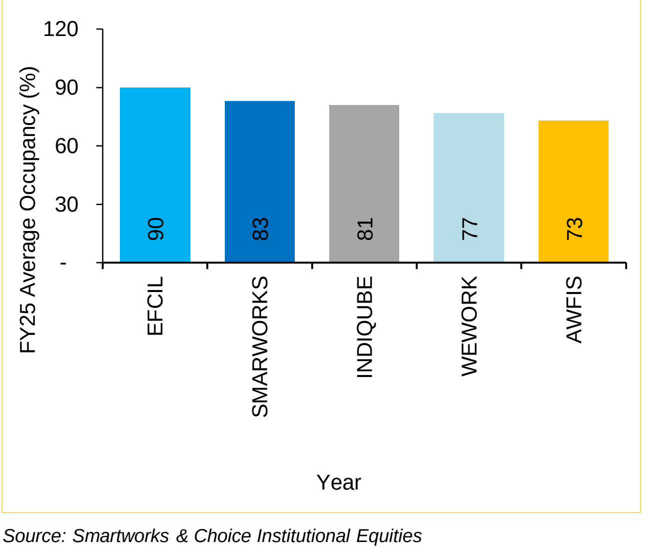


Source: Smartworks & Choice Institutional Equities

SMARTWORKS' Scale Facilitates Industry's Lowest Fit-out Costs While Sustaining Higher Occupancy



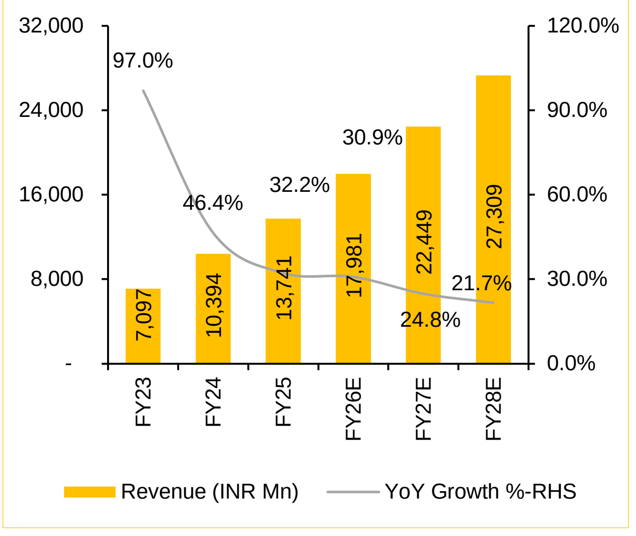
Source: Smartworks & Choice Institutional Equities



Source: Smartworks & Choice Institutional Equities

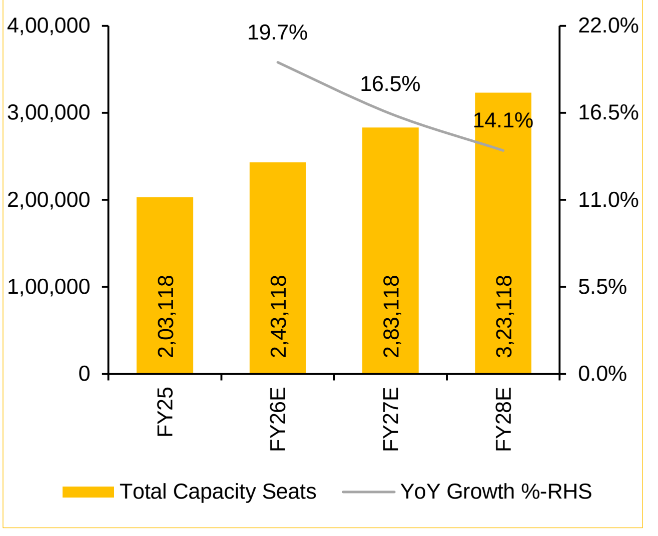
Graphs & Trends (2/2)

Revenue to Expand at a CAGR of 23.2% (FY25–28E)



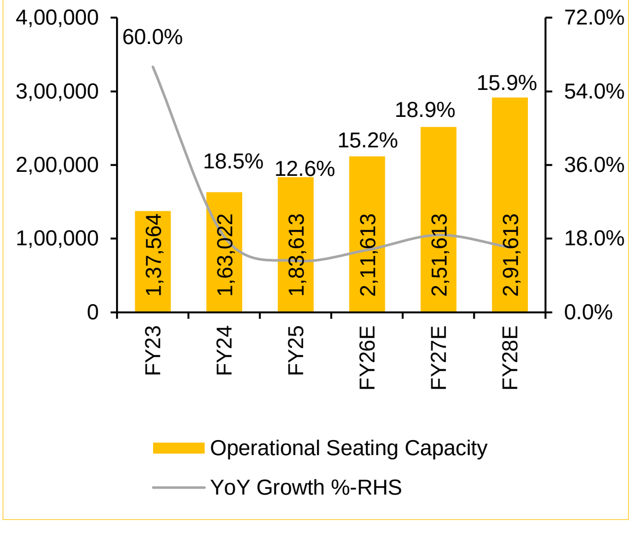
Source: Smartworks & Choice Institutional Equities

Seat Capacity to Expand at a CAGR of 16.7% (FY25–28E)



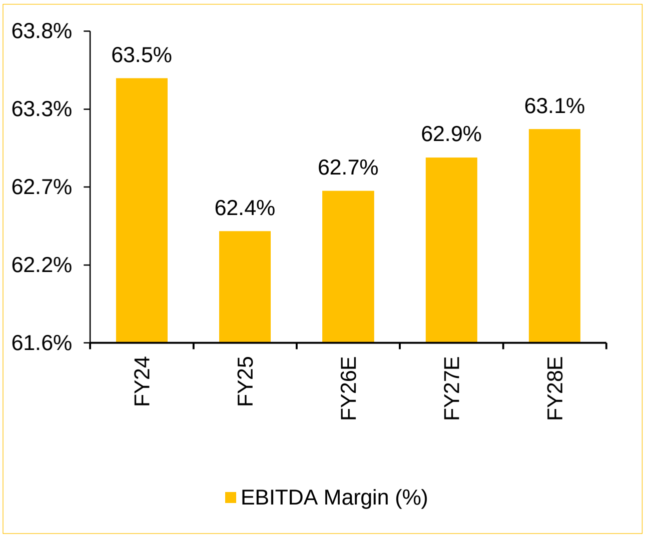
Source: Smartworks & Choice Institutional Equities

Operational Seat to Expand at a CAGR of 16.7%



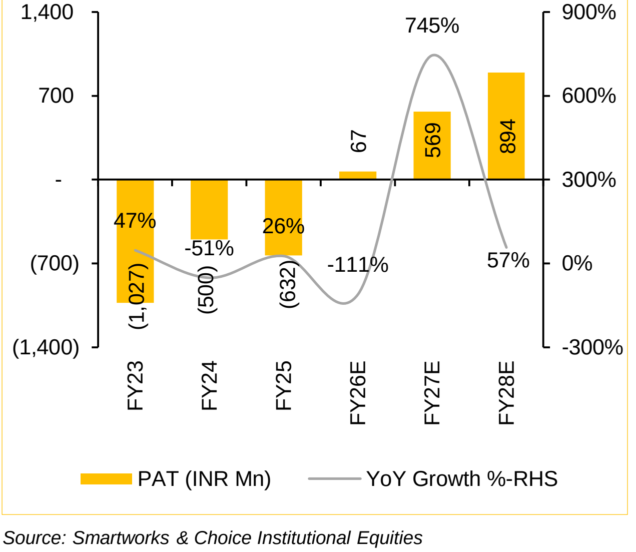
Source: Smartworks & Choice Institutional Equities

EBITDA Margin to improve as More Centres Mature



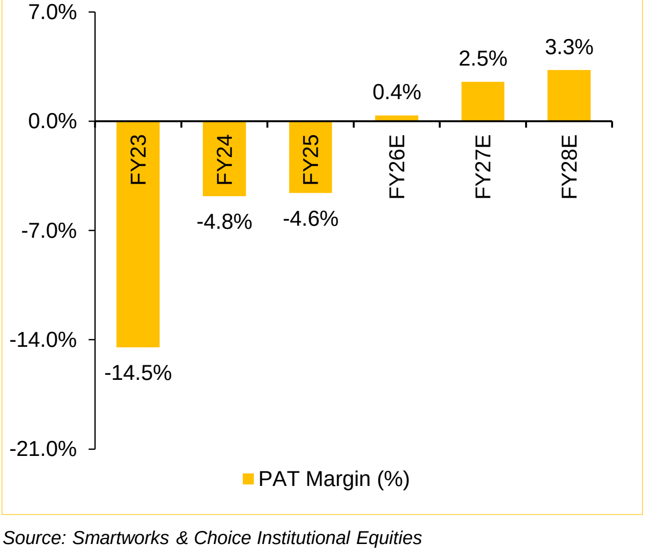
Source: Smartworks & Choice Institutional Equities

PAT to Expand at a CAGR of 264% (FY26E–FY28E)



Source: Smartworks & Choice Institutional Equities

PAT Margin Set for Positive Turnaround



Source: Smartworks & Choice Institutional Equities

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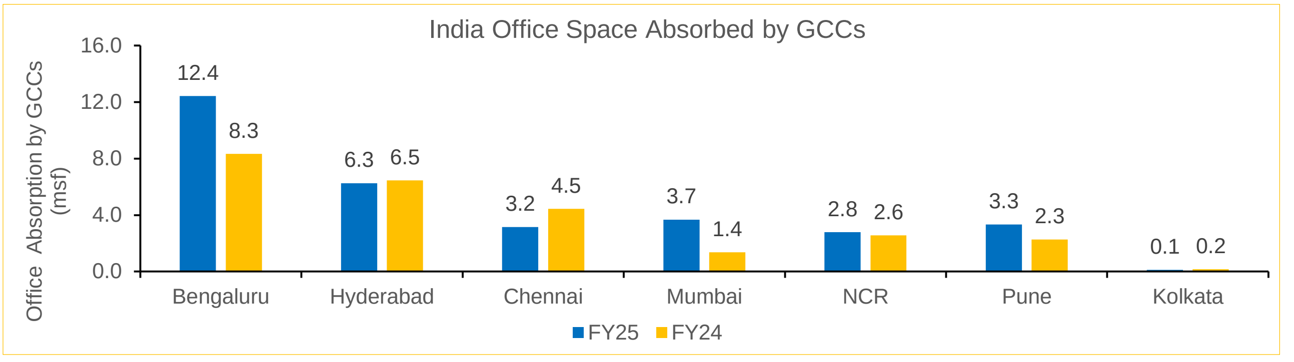
2.1 Strong Sectoral Tailwinds Prod Office Space Demand (1/3)

India's flexible workspace market will nearly double by CY30E

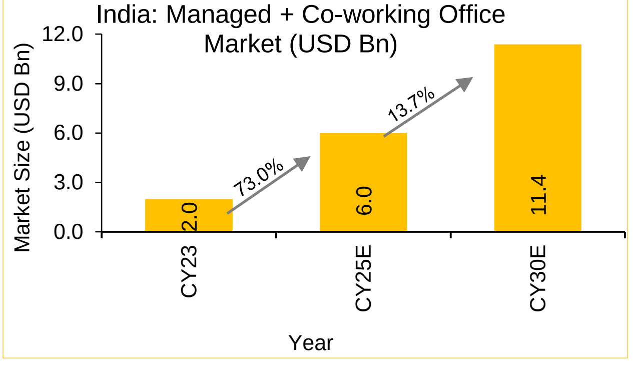
India's flexible workspace market is projected to expand at a CAGR of **13.7% (CY25–CY30E)**, **nearly twice the pace of the overall office market**, expanding from 98 msf in CY25E to 186 msf by CY30E. This growth will be driven primarily by **GCCs, BFSI and IT services**, supported by India's vast **STEM talent pool**, which accounts for **28% of the global supply**. The **number of GCC units in India** and their **office space absorption** are projected to expand at **6.7%** and **7.0% CAGR**, respectively, over the **next five years.**

In FY25, Bengaluru and Hyderabad Contributed 39% and 20%, Respectively, to India's GCC Office Leasing

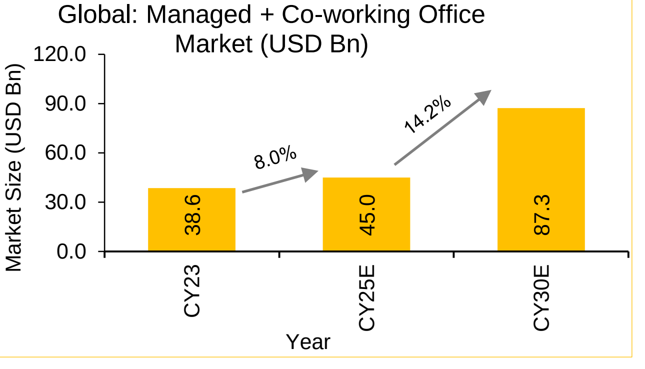


Source: CBRE, Choice Institutional Equities

India's Flexible Workspace Expected to Grow at a 13.7% CAGR Over Next Five Years, Mirroring Global Trends

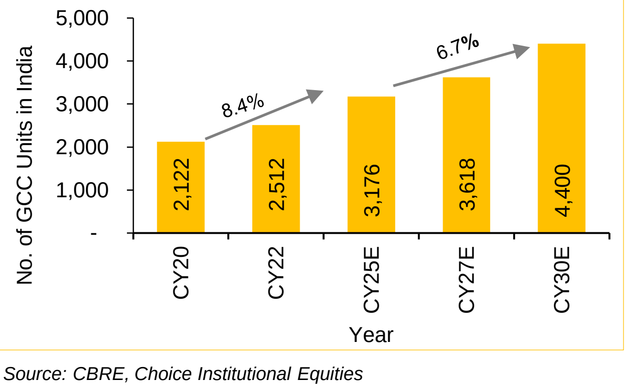


Source: EFC(I), Choice Institutional Equities

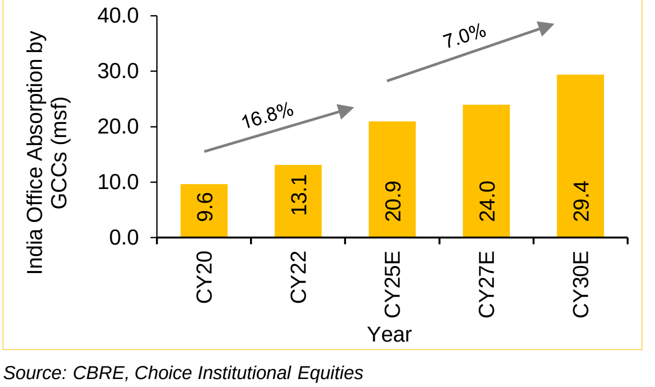


Source: EFC(I), Choice Institutional Equities

GCC Is and Would Be the Main Driver of Flexible Workspace Space Demand



Source: CBRE, Choice Institutional Equities



Source: CBRE, Choice Institutional Equities

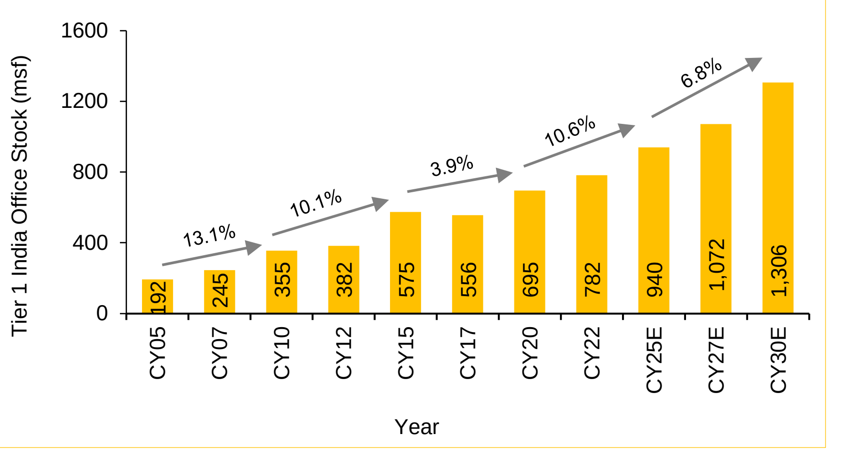
2.1 Strong Sectoral Tailwinds Prod Office Space Demand (2/3)

***GCCs**, IT Services and domestic start-ups are the key demand drivers for India's Flexible Workspace market – mainly managed space and co-working sector*

India's vast talent pool** and availability of **plug-and-play Grade-A offices** enable fast, capex-free setup making it an **ideal hub for GCCs

Strong Sectoral Tailwinds Driving Office Space Demand: We expect **India's managed space and co-working market to expand at a 13.7% CAGR**, growing from USD 6.0 Bn in CY25E to USD 11.4 Bn by CY30E. Growth is propelled by GCCs, IT services and startups, supported by India's STEM talent pool (28% of global supply). GCC employment is projected to touch 2.8 Mn by FY30E, **with office absorption reaching 26.1 msf by FY27E**.

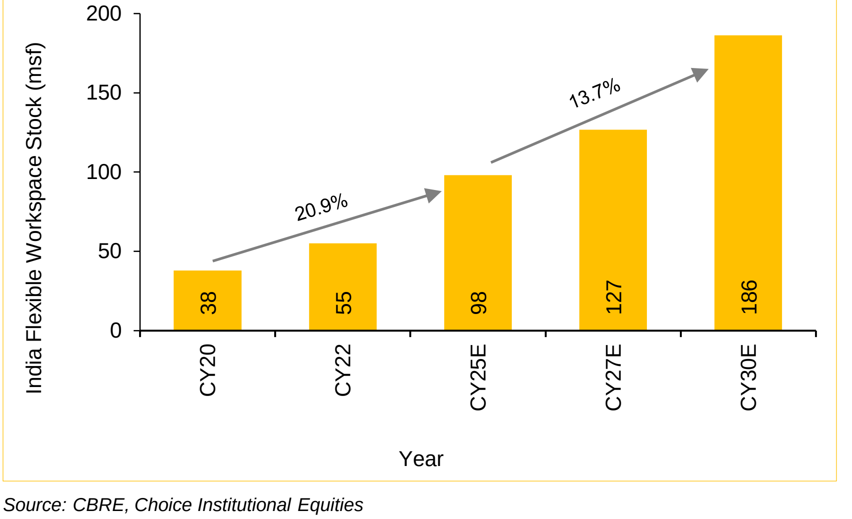
Flexible Workspace Market to Outperform India Office Over the Next 5 Yrs



Source: CBRE, Choice Institutional Equities

*India's flexible workspace stock, **10.4% of total office stock at present**, is projected to rise to **14.2% by CY30E.***

*Flexible workspaces are set to **grow 2x faster** than conventional leasing over the next few years*



Source: CBRE, Choice Institutional Equities

2.1 Strong Sectoral Tailwinds Prod Office Space Demand (3/3)

GCCs accounted for 39% India office space leasing by June 2025

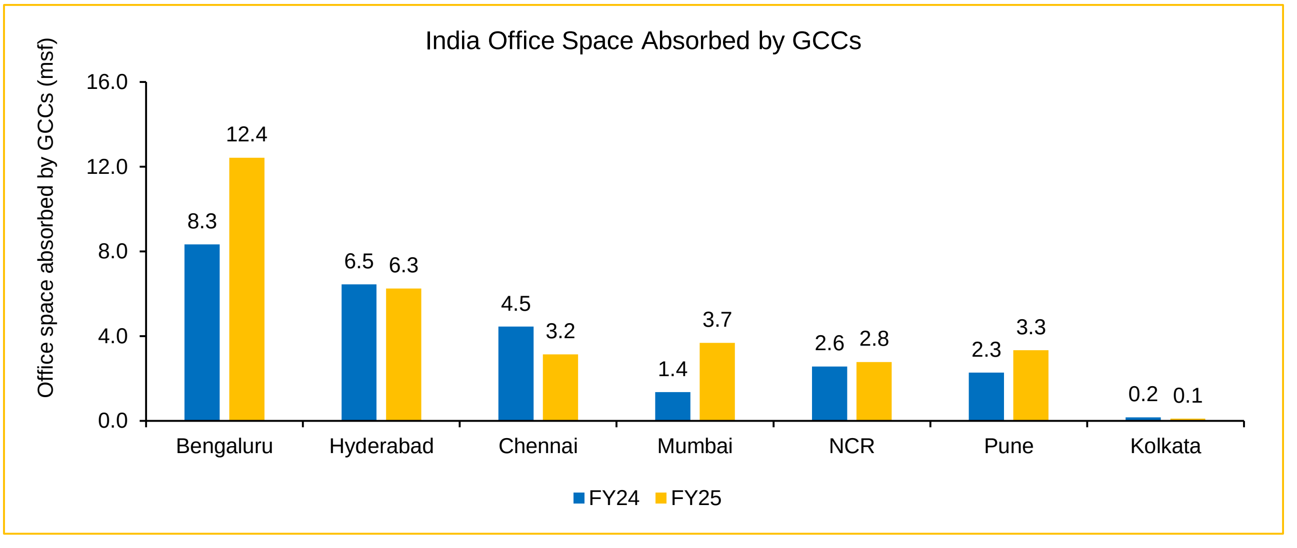
Global Capability Centres (GCCs) and Third-party IT Services Are the Main Drivers of Office Leasing in India

H1CY25 –
India office space leasing reached a record high of 48.9 msf, up 41% YoY, with an unprecedented surge in demand driven by strong leasing activity in Bengaluru, NCR and Pune. **GCCs accounted for 39% India office space leasing,** followed by third-party IT services (22%), flex operators (21%) and India-facing businesses (18%). Flexible Workspace Operators accounted for 21% of Indian office space leasing.

Source: Knight Frank

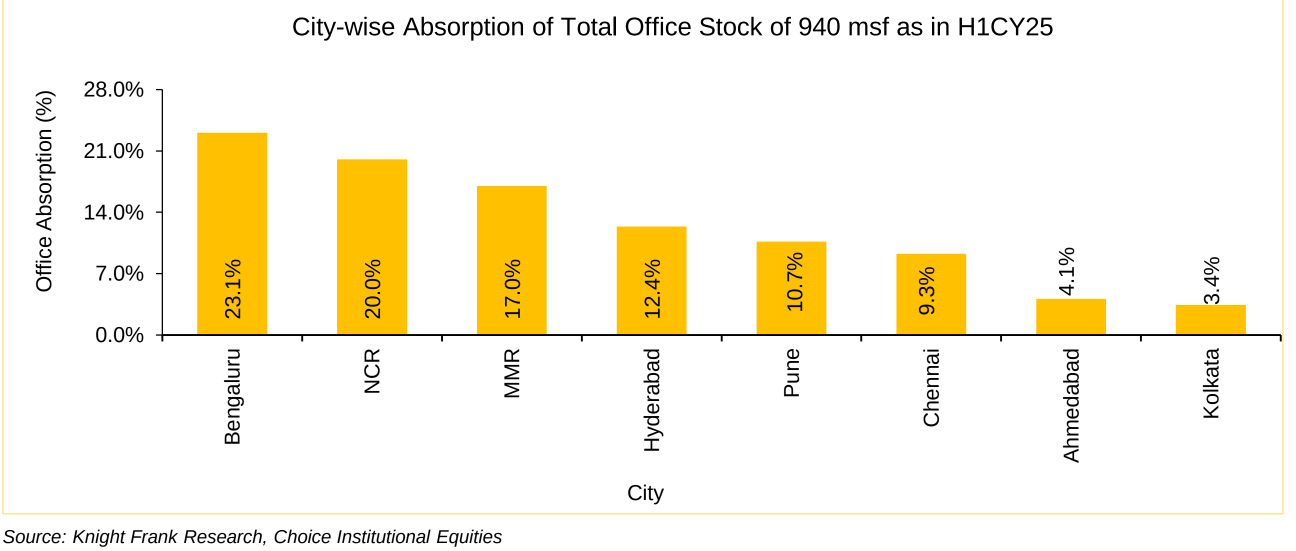
Visa Curbs, India Gains! From Wall Street to India's Streets –
Trump's move to impose a **USD 100,000 fee on new H-1B visa applications is pushing Wall Street banks to depend more on India-based support centres**. US banks, such as Citigroup, JPMorgan and Goldman Sachs, employ skilled, cost-efficient, large teams in India for trading support, risk management, tech, accounting and operations.

Bengaluru Is the Major Contributor in Office Absorption by GCCs



Source: CBRE, Choice Institutional Equities

City-wise, Bengaluru & NCR Lead Office Stock Absorption as in H1CY25



Source: Knight Frank Research, Choice Institutional Equities

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2.2 Scale and Cost-efficiency Drive Market Leadership (1/3)

***SMARTWORKS** is India's largest managed campus operator with a **total and leased SBA of 14.0 and 10.3 msf,** respectively*

*Plan to **add 2.5–3 msf annually** by leasing 7–8 large buildings*

***Industry-leading cost structure** of INR 1,350 psf CAPEX and INR 30–35 psf per month OPEX*

SMARTWORKS has **pioneered India's managed office segment, achieving 6x growth in four years** through an **asset-light strategy** centred on Grade-A properties across major cities. By **leasing entire buildings and campuses** – primarily from **non-institutional landlords, such as HNIs and family offices (76% of its portfolio)** – the company secures favorable terms, cost-efficiency and economies of scale. **Its annuity-driven model offers REIT-like cash flow predictability while scaling up faster**, supported by efficient cost structures and high utilisation. Mature centres operate at 88–93% occupancy with payback achieved in just 30–32 months. SMARTWORKS has the **lowest industry capex and opex at INR 1,350 and INR 30–35 per sq ft**, 12% and 30% below Indiqube and Awfis. This cost advantage leads to faster breakeven and stronger returns. Its enterprise-focused model – serving clients like Google, Groww, and EY – ensures stability, **with large clients (>300 seats) contributing 68% of FY25 revenue** and **other clients (with over 1,000 seats) accounting for 35% of H1FY26 revenue**, supporting long-term growth visibility.

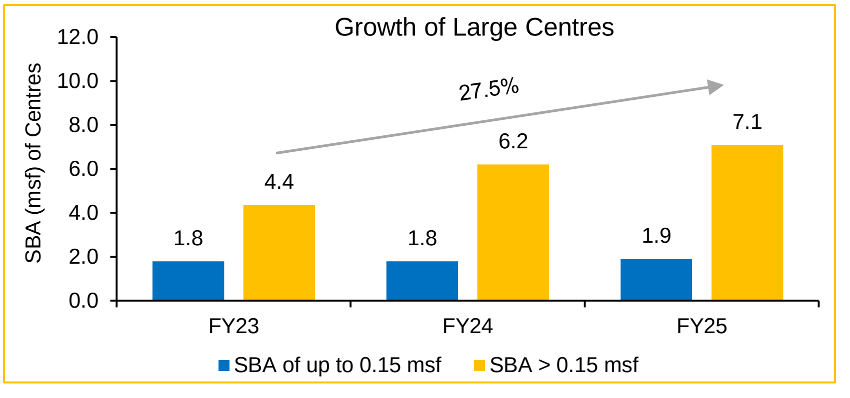
*Smartworks has **4 of the 5 largest leased flexible workspaces in India***

*Smartworks leads in large-format campuses, with the **highest number of centres exceeding 0.5 msf***

Growth Momentum in Large-centre Occupancy

SMARTWORKS has strategically **shifted its focus to larger centres** with a super built-up area (SBA) of over 0.15 msf, which have expanded at a CAGR of 27.5% between FY23 and FY25. These expansive centres offer multiple benefits, such as **greater operational efficiency, improved space utilisation, more attractive commercial terms with landlords and a stronger ability to absorb costs.** In November 2025, SMARTWORKS signed an agreement for the **World's Largest Flexible Workspace Campus over 0.815 msf** at Eastbridge, Mumbai by Hiranandani Group. which will go live in Q4FY26E.

*Large enterprises often maintain a multi-city presence across both, Tier 1 and Tier 2, cities. Their existing partnerships with such clients enable them to **anticipate evolving workspace needs and align their growth strategies** accordingly*



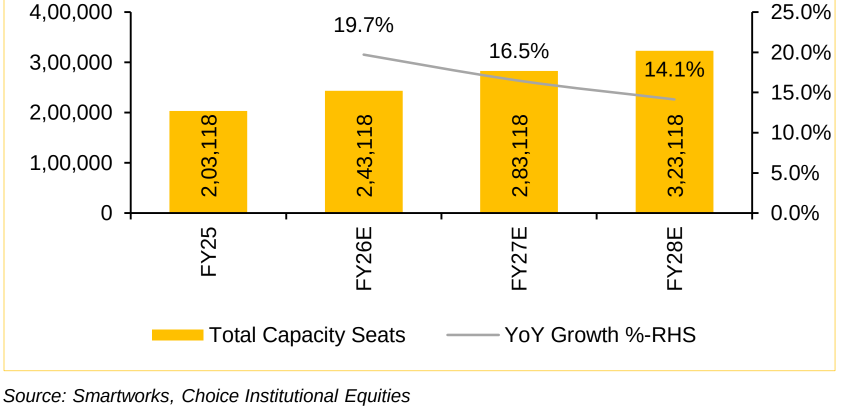
Source: Smartworks, Choice Institutional Equities

Total Capacity Seats to Expand by a 16.7% CAGR Over FY25–FY28E

*SMARTWORKS' total **seating capacity to expand by a 16.7% CAGR over FY25–FY28E so as** to reach **3,23,118 capacity seats.***

*This is equivalent to a 59.1% increase in capacity seats over **FY25–FY28E***

1 Seat = 45 sq ft

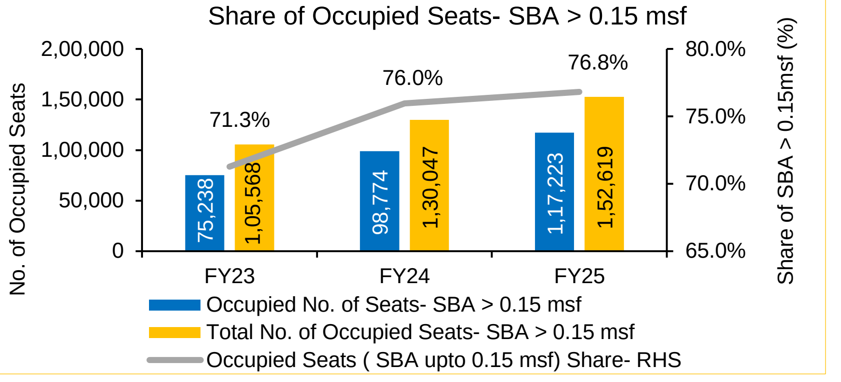


Source: Smartworks, Choice Institutional Equities

2.2 Scale and Cost-efficiency Drive Market Leadership (2/3)

The growth in Occupied Seats in these large centres is driving the overall occupancy with the **proportion of total occupied seats in such larger centres** increase by a **24.8% CAGR in two years**. Occupancy grew from **71.3% in FY22 to 76.0% in FY23 to 76.8% in FY25**.

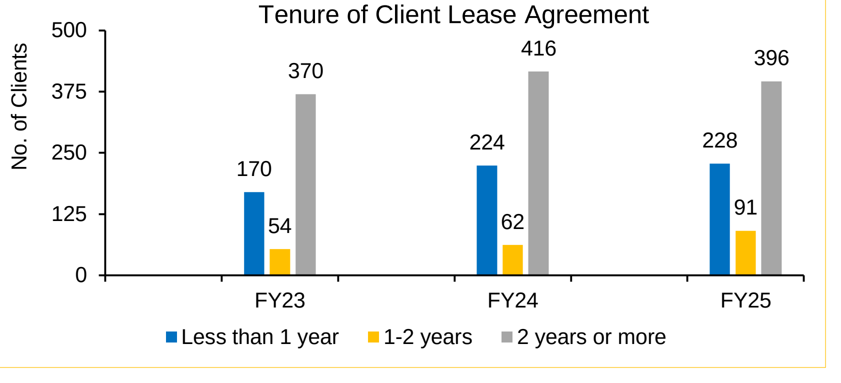
FY25
*No. of clients locked in for a tenure of **more than 2 years is 85.7% of its client base***



Source: Smartworks & Choice Institutional Equities

These **mid-to-large enterprises** typically enter into **long-term contractual arrangements**, committing to workspaces for extended tenures and lock-in periods. Such long-term commitments contribute to **enhanced business stability and greater revenue predictability**

*From FY23 to FY25, the number of **clients with lease agreements** ranging from **1 to 2 years, expanded at a CAGR of 30%, significantly outpacing** 16% CAGR recorded for clients with lease agreements of less than a year over the same period.*

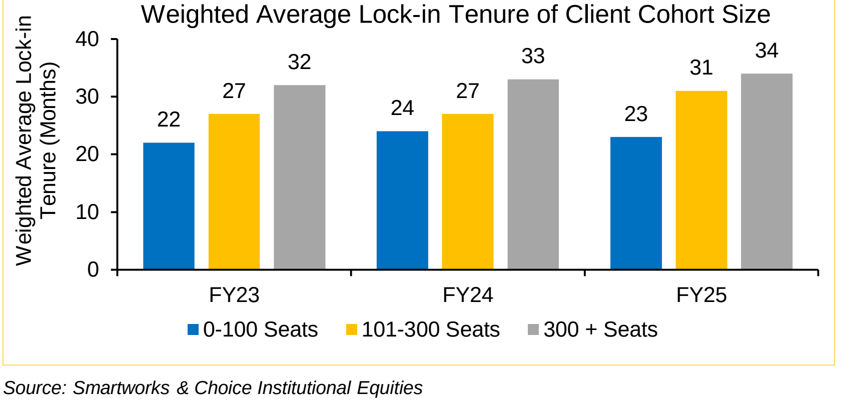


Source: Smartworks & Choice Institutional Equities

Mid-to-large enterprises sign long-term, lock-in contracts, ensuring stable occupancy and predictable revenue

SMARTWORKS **signs 10–15 year property leases (with a 5-year lock-in) and subleases space to its 300+** clients for an average tenure **of 34 months**

The company gains the financial flexibility to invest in high-quality, reusable and low-maintenance fit-outs, while also optimising installation costs.

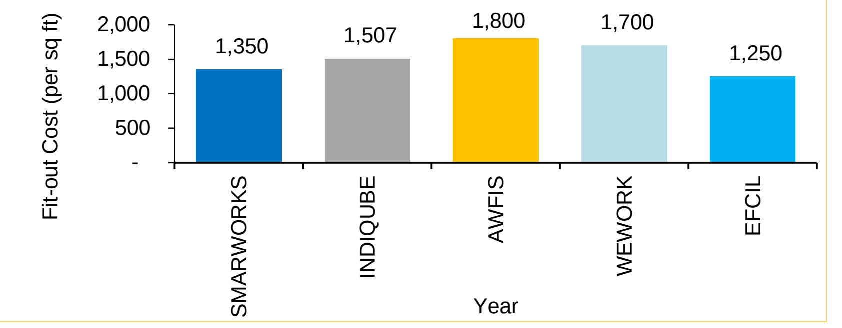


Source: Smartworks & Choice Institutional Equities

2.2 Scale and Cost-efficiency Drive Market Leadership (3/3)

Its large operational scale enables it to maintain a **comparatively low fit-out cost of around INR 1,350 per sq ft**. SMARTWORKS uses **standardised design, modular re-usable fit-outs and a cost-efficient sourcing strategy**. Since lease rentals are largely uniform across operators, **fit-out cost becomes the key driver of margins and payback period** in the flexible workspace segment.

*SMARTWORKS has the lowest fit-out cost of **INR 1,350 per sq ft***



Source: Smartworks, Choice Institutional Equities

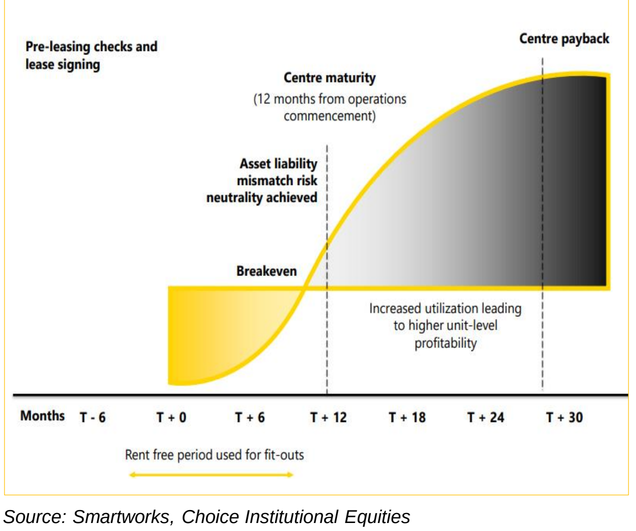
Scale and Cost-efficiency Leads to a Shorter Payback

- **Profitability is largely influenced by the maturity of centres**, categorised as 'mature' (operating for over 12 months) or 'developing' (12 months or less). Break-even period for its centres is 12 months with a 65% occupancy level.
- Smartworks payback period is significantly shorter than the industry average, with **mature centres averaging 30–32 months, compared to the industry's 51–52 months.** This is enabled by an efficient financial model that **leverages customer deposits and lease rental discounting to reduce capital strain**. Once all fit-out costs are recovered within 3 years, the centre becomes a cash machine which can fund the fit-out cost of its new centres in the pipeline.
- A phased build strategy – initially developing common areas and **customising fit-outs on demand –** ensures capital efficiency and faster delivery. Consistently low receivable days (under 10) highlight strong cash flow management through an advance rental model.
- **Refurbishment costs at renewal (post 3–5 years depending on lease tenure) is 20% of the total capex.**
- Corporate costs—mainly employee and overhead expenses—gain efficiency through operating leverage as they spread across a larger centre portfolio.

***Breakeven** period for its centres is 12 months.*

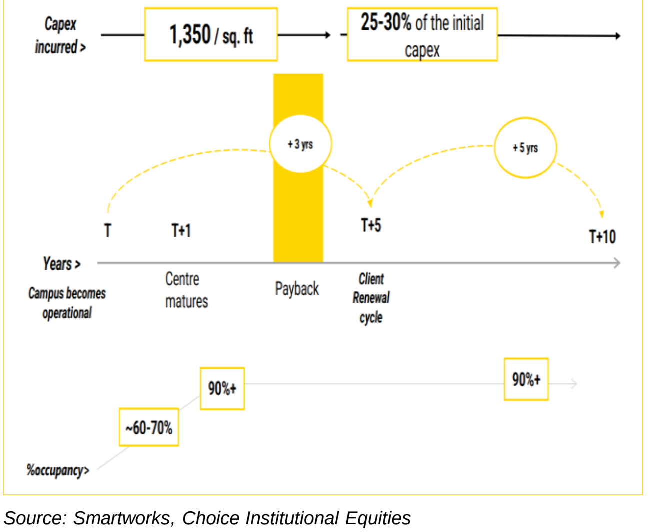
*Once fit-outs costs are recovered in 3 years, the **centre turns cash-generative** and **funds new fit-outs** for additional centres in the pipeline.*

Break-even Period of 12 Months @ 65% 0ccupancy



Source: Smartworks, Choice Institutional Equities

Centre Turns Cash Generative in 3 years



Source: Smartworks, Choice Institutional Equities

2.3 Low-risk, Scalable Model Resilient Across Market Cycles (1/2)

*SMARTWORKS **caps a client's exposure at 20%** in a particular centre.*

SMARTWORKS' business model is built to withstand market fluctuations through long-term agreements with both landlords (10–15 years) and enterprise clients (3-4 years). This ensures stability in occupancy and rental income with a **revenue to rent ratio of 2.0x**. Revenue concentration is also well-managed — the **top 10 clients account for less than 20% of total income**, while **multi-city tenants contribute roughly 30**%, adding depth and diversification. A **balanced geographical footprint across 17 clusters in 9 Indian Tier 1 cities,** 4 Tier-2 cities and Singapore minimises regional dependence. **The Tier 1 focus ensures premium demand and lower vacancy risk.** Even during COVID-19, when coworking demand collapsed, SMARTWORKS' mature centres maintained over 85% occupancy and stayed near breakeven point, highlighting strong operational and financial resilience through cycles.

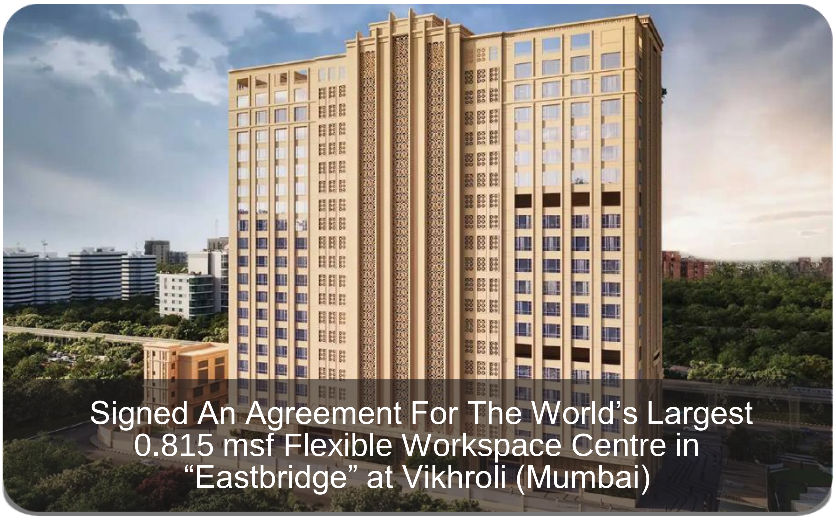
Benefit from a Diverse and Reputed Tenant Profile

SMARTWORKS solely enters into long-term and multi-location contracts

- SMARTWORKS has a **diversified client portfolio based on sectors and regions**. Client concentration risk is mitigated as they are **not leasing more than 20% of space in a particular centre to a specific client.**
- SMARTWORKS' focus is on providing aspirational and essential amenities to foster a vibrant workplace. Its **diverse client base** includes **major Indian corporates and MNCs**, such as Google, L&T Technology Services, Bridgestone, Philips, Persistent Systems, Groww and MakeMyTrip, **many of which have long-term, multi-location contracts.**
- SMARTWORKS offers flexible, tech-enabled and fully managed workspaces which meet diverse client requirements. These centres, located in prime areas and offered at value-centric pricing, **help clients**

*SMARTWORKS' partnerships with large enterprises, which **operate across Tier 1 and Tier 2 cities**, allow it to anticipate their workspace needs and **align its growth strategy accordingly***

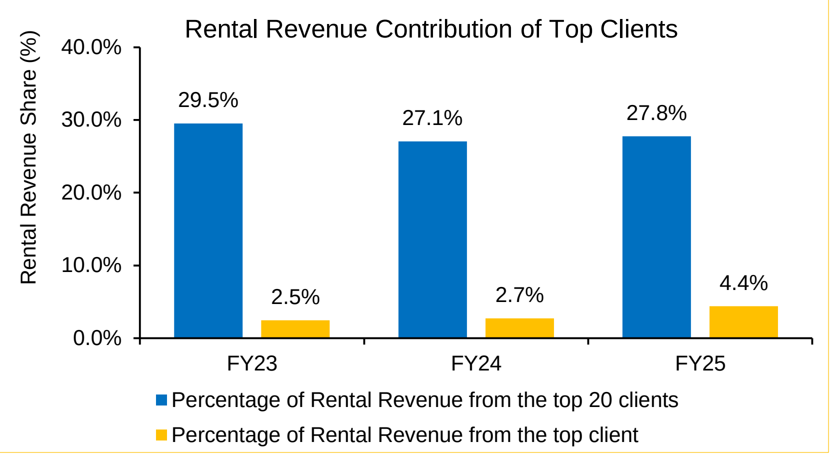
Key Growth Triggers Ahead



Source: Smartworks, Choice Institutional Equities

2.3 Low-risk, Scalable Model Resilient Across Market Cycles (2/2)

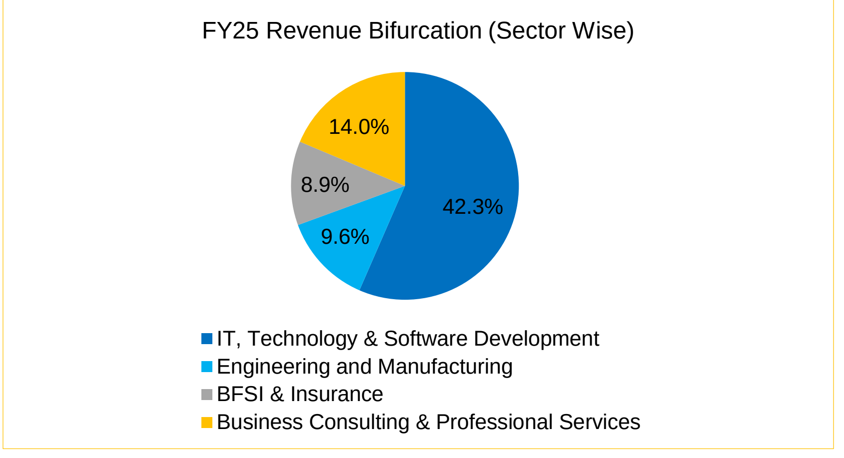
Dependence on the Top 20 Clients Decreasing Steadily Over Time



Source: Smartworks, Choice Institutional Equities

SMARTWORKS Client Diversification: It serves clients across various growth sectors, such as information technology, engineering, insurance, energy, Ed-tech, e-commerce, fintech and consulting.

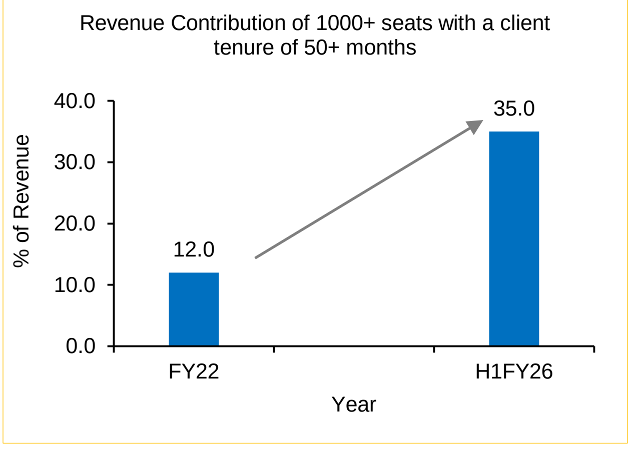
IT, tech & software development along with business consulting and professional services are the main demand drivers for SMARTWORKS



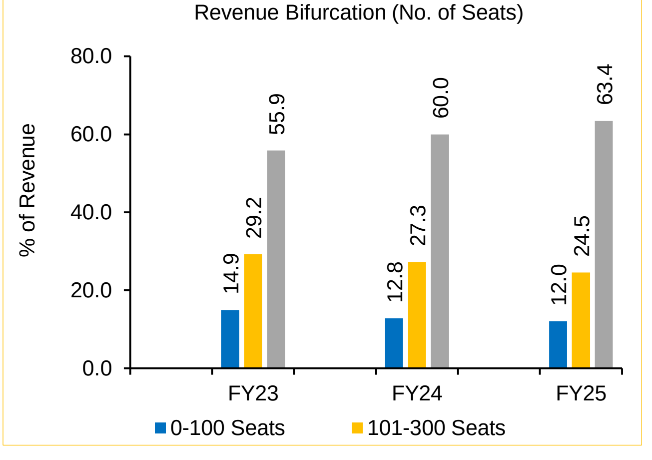
Source: Smartworks, Choice Institutional Equities

Majority of revenue of SMARTWORKS is derived from clients who occupy more than 300 seats. This share has been increasing since the last three years, from **55.9% in FY23 to 63.4% in FY25**.

Revenue Contribution from Large Cohort Sizes – 300+ and 1000+ Seats Has Been Increasing Over Time



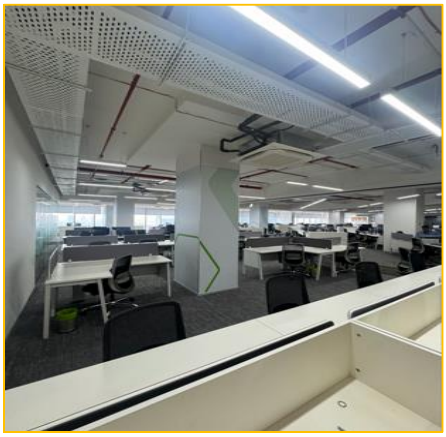
Source: Smartworks, Choice Institutional Equities



Source: Smartworks, Choice Institutional Equities

3.1 Management Meet Take-away, Key Risks and Valuation

Images from Our Site Visit



Management Meet Take-away

Met with the Founder – Neetish Sarda, Co-founder and Executive Director: Harsh Binani and Chief of Strategy & Investor Relations: Anirudh Tapuriah

- Confident of increasing the total SBA by 2.5–3 msf each year. Seeing robust demand for its managed office workspaces and guiding for 25–30% growth YoY without additional funding owing to **strong cash flow generation.**
- **MOAT** for their business is **strong cash flow generation** backed by their **asset-light business model. Revenue visibility** is backed by predictable cash flows.
- **Margin to improve** over the years driven by increased contribution from matured centres which have a higher occupancy rate of 88% and operational leverage.
- SMARTWORKS payback period is significantly shorter than the industry average, with mature centres **averaging 30–32 months. Capex in the form of fit-out cost is only incurred when the customer has pre-booked the seat.**
- They maintain strong relationships with developers, including large institutional ones, such as DLF, Raheja and Tata Realty.
- Despite the high base, demand from Global Capability Centres (GCCs) for office space absorption remains strong and is **expected to continue in the coming years**. Moreover, there is still considerable headroom for growth and deeper penetration of GCCs in the Indian market.

KEY RISKS

Possible slowdown in IT and BFSI sectors could affect the demand for SMARTWORKS office spaces. Because a significant portion of the demand for flexible and managed workspaces originates from GCCs and MNCs, particularly in the said two sectors. Furthermore, a broader economic downturn or a decline in startup funding could drag the overall office space requirements. Notably, SMARTWORKS derives ~94% of its revenue from annuity-based rental income, making it particularly vulnerable to industry-wide disruptions and demand shocks. Liquidity risk — trading volumes remain modest.

VIEW & VALUATION

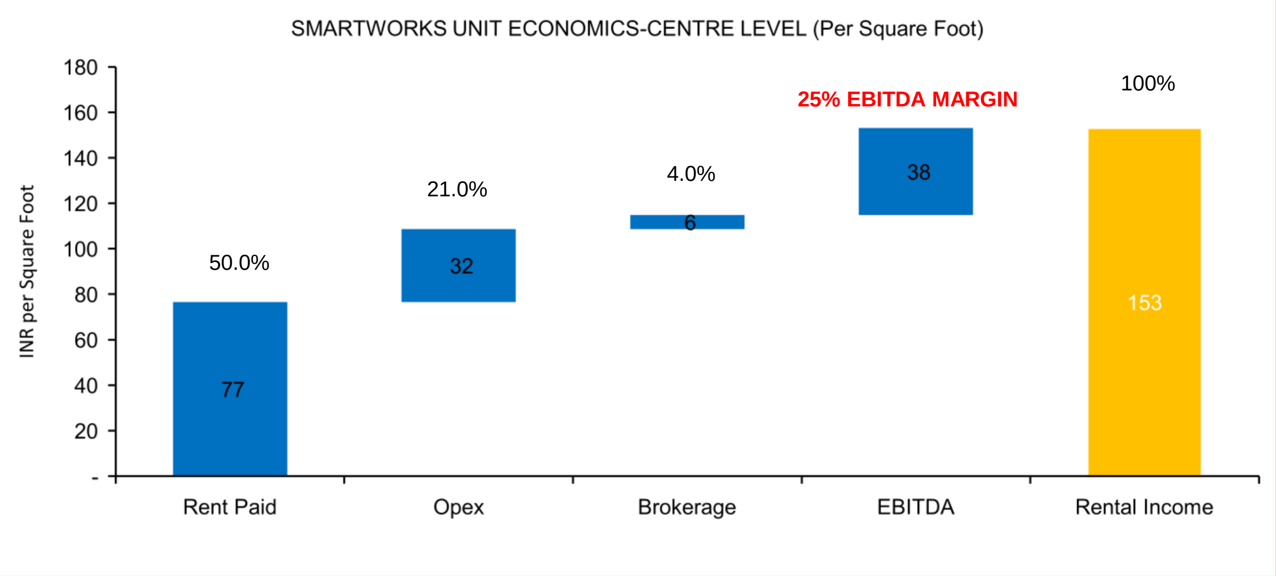
- We believe India's managed space and co-working market is projected to grow at a CAGR of 13.7% to USD11.4 Bn by 2030E, driven by demand from GCCs, IT services and startups
- The margin profile will increase over the years as SMARTWORKS scales up its seating capacity with increased contribution from matured centres
- SMARTWORKS is well established in the managed office space industry with a long-term affiliation with marquee clients. Its ability to identify buildings in strategic locations will go a long way in outperforming the average growth rates in managed office and flexible workspace industry. SMARTWORKS is expected to increase its Revenue, Operational Seat Capacity and EBITDA at a CAGR of 23.2% ,17.4% and 23.7%, respectively, from FY26E-28E.
- ***We initiate coverage on Smartworks Coworking Spaces Ltd with a 'BUY' recommendation and Target Price of INR 630, which is an upside of 31%, by valuing the company at a 12 month forward EV/Adjusted EBITDA multiple of 15x, time-weighted.***

3.2 Valuation Summary and Unit Economics

We employ an EV/Adjusted EBITDA-based valuation framework, wherein the leasing business Adjusted EBITDA is projected using a unitary EBITDA (EBITDA per seat) approach. We assign a 12 month forward EV/Adjusted EBITDA multiple of 15x, based on a time-weighted blend of 4 months of FY26 and 8 months of FY27, arriving at a target price of **INR 630 per share** — implying a 31% potential upside with a **BUY** rating.

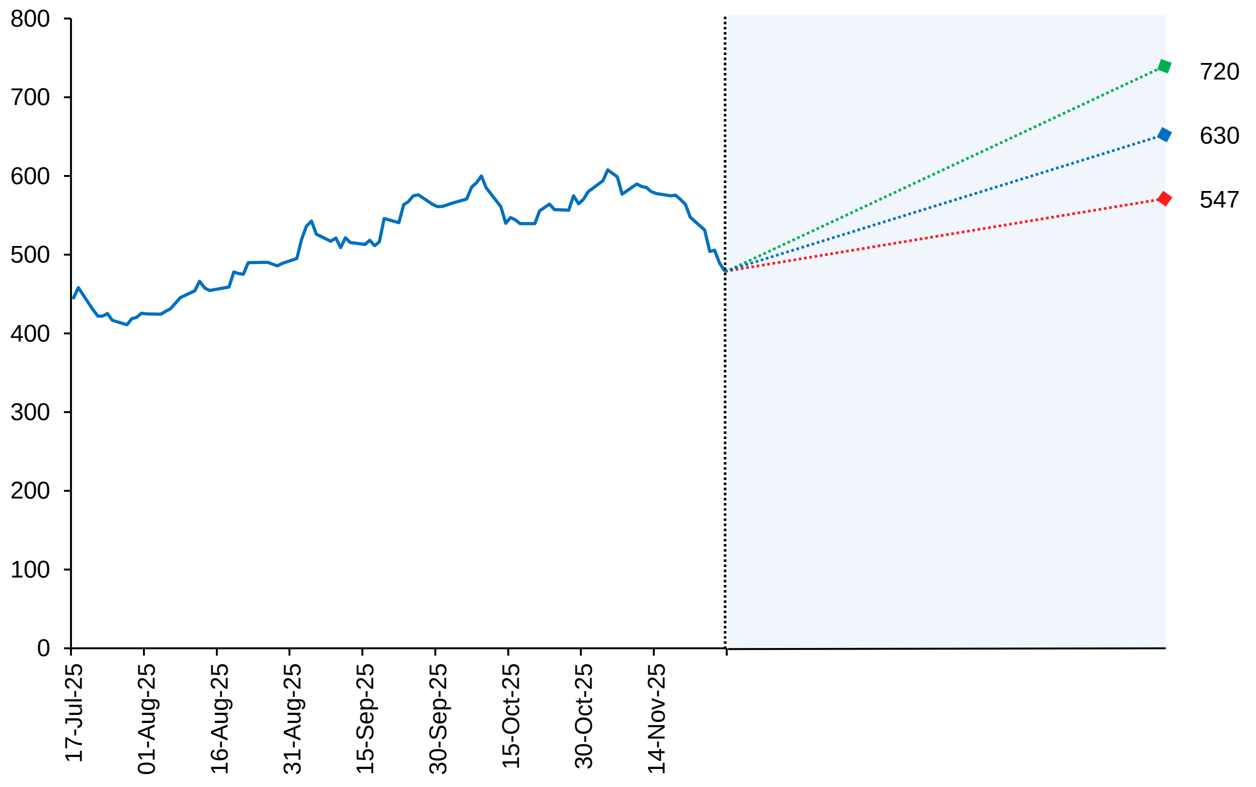
Particulars (INR Mn)	FY26E	FY27E	FY28E
Unitary Adjusted EBITDA Forecast & Valuation Framework			
Office Rental Business			
Total No. of Seats	2,11,613	2,51,613	2,91,613
Utilisation	85.0%	85.0%	85.0%
Seats Tied Up	1,79,871	2,13,871	2,47,871
Unitary Metrics (INR per seat year)			
Revenue	92,924	97,570	1,02,449
Rent Paid To Landlord	46,462	48,785	51,224
Other Overheads	23,231	24,393	25,612
Operating Profit (EBITDA)	**23,231**	**24,393**	**25,612**
EBITDA Margin	25.0%	25.0%	25.0%
Office Rental Business Adjusted EBITDA forecasts (INR Mn)			
Revenue	16,714	20,867	25,394
Less Lease Payments	8,357	10,434	12,697
Less Other Overhead	4,179	5,217	6,349
Adjusted EBITDA	**4,179**	**5,217**	**6,349**
Valuation Workings (INR Mn)			
EV/Adjusted EBITDA Multiple (x)	15.0	15.0	15.0
EV	**62,679**	**78,253**	**95,228**
Net Debt	351	1,315	651
Market Cap	**62,327**	**76,938**	**94,577**
Equity Value Per Share	546	674	829
Target Price (INR/Share) — Time-Weighted	**630**		

Source: Smartworks & Choice Institutional Equities



Source: Smartworks & Choice Institutional Equities

3.3 Bull and Bear Case



INR 720

50.1% Upside

BULL Case Assumptions

- Factoring in increase in operational seat capacity of 33,000 in FY26E, 45,000 in FY27E and 45,000 in FY28E
- Average occupancy of 85% from FY6E–FY28E
- Centre-level EBITDA margin of 27.5% over FY26E–FY28E

INR 630

31.3% Upside

BASE Case Assumptions

- Factoring in increase in operational seat capacity of 28,000 FY26E, 40,000 in FY27E and 40,000 in FY28E
- Average occupancy of 85% from FY6E–FY28E
- Centre-level EBITDA margin of 25.0% over FY26E–FY28E

INR 547

14.0% Upside

BEAR Case Assumptions

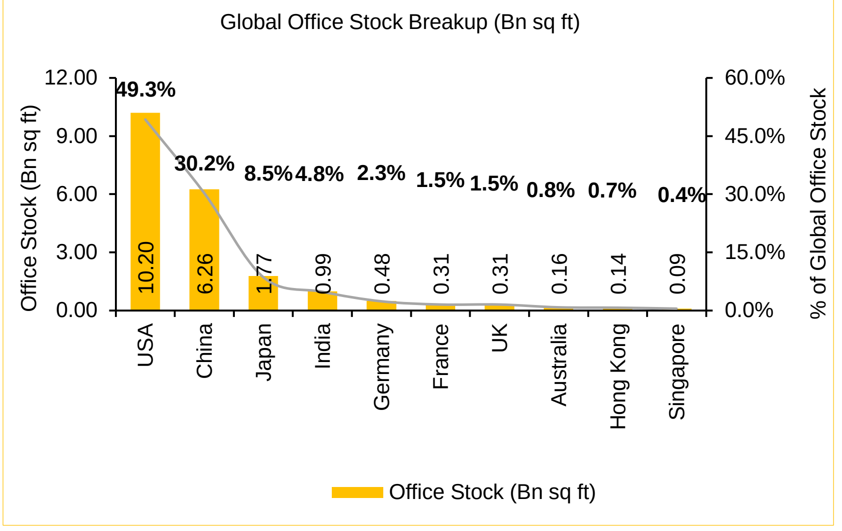
- Factoring in increase in operational seat capacity of 23,000 in FY26E, 35,000 in FY27E and 35,000 in FY28E
- Average occupancy of 85% over FY6E–FY28E
- Centre-level EBITDA margin of 22.5% from FY26E–FY28E

4.1 India Office Market vs Global Market

India's Commercial Office Sector: Scaled up for Growth, Built for Efficiency

- India ranks as the **fourth-largest commercial office market globally, with 0.99 Bn sq ft of office space** — trailing only the US (10.20 Bn sq ft), China (6.26 Bn sq ft), and Japan (1.77Bn sq ft). For context, **New York City alone has nearly 0.78 Bn sq ft**, almost matching India's total.

***India is the world's fourth-largest office market** with 0.99 Bn sq ft, nearly matching New York City's 0.78 Bn sq ft*



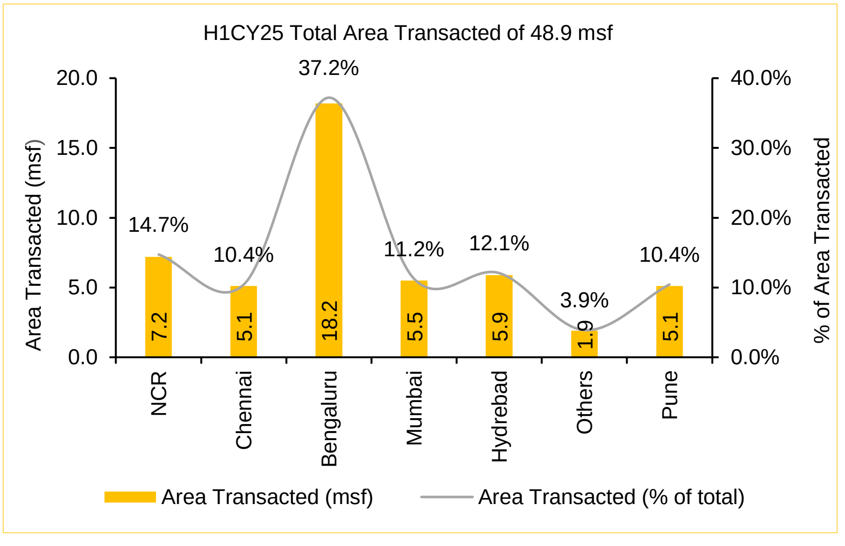
Source: Knight Frank Research, Choice Institutional Equities

*India's office stock, nearing **1 Bn sq ft**, is projected **to double by CY36–CY41**, driven by GDP growth, absorption trends and sector institutionalisation. At 12.7% CAGR, 2 Bn sq ft could be reached by CY36E*

- The US, which has over 1.43 Bn sq ft of vacant office space, **India's supply is closely aligned with demand**, **driven by key sectors, such as IT/ITeS, Global Capability Centres (GCCs) and professional services**. This contrasts with China's manufacturing-oriented office market.

- **India** is emerging as a **leader in the digital and AI economy**, with **0.53 Bn sq ft of high-quality Grade A office** space located in core business districts. The market is not only growing in size but also evolving in terms of quality, governance and institutional maturity.

Bengaluru Leads Office Space Absorption in H1CY25



Source: Knight Frank Research, Choice Institutional Equities

4.2 Distribution of Office Stock (1/2)

Office Stock Growth is Led by Bengaluru, NCR, & Hyderabad, Driven by GCC Expansion, Strong Tech & BFSI

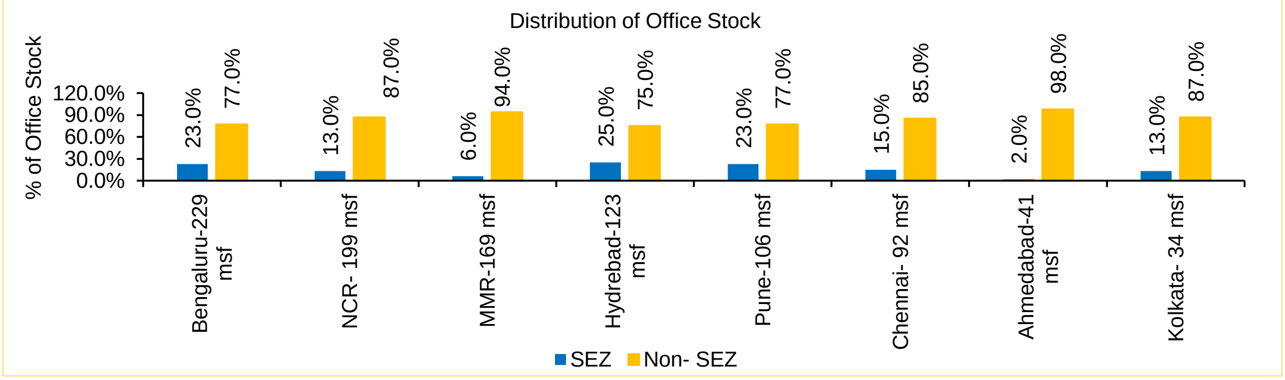
City	Office Stock as on H1CY25 (msf)	CY05- H1CY25 (CAGR %)	Key Drivers
Bengaluru	229	8.4%	Bengaluru, widely recognised as India's "Silicon Valley," is a **hub for IT/ITES and technology companies**. Its strong tech ecosystem, **abundant talent pool, and numerous GCCs continue to draw substantial investment**. Government support and comparatively lower costs also drive sustained demand for office space.
NCR	199	7.4%	NCR, known as **India's startup capital**, hosts a diverse range of sectors such as tech, BFSI, consulting, and government agencies. Its proximity to administrative hubs, large consumer market and **fast-paced infrastructure growth,** positions it as a key entry point for domestic and global businesses.
MMR	169	8.0%	MMR, India's financial capital, is the **hub of the BFSI sector, hosting key banks, financial institutions and regulators — RBI and SEBI**. It also serves as a major centre for media, entertainment and multinational companies, driving consistent demand for office space.
Hyderabad	123	9.2%	Benefiting from the **IT/ITES boom**, Hyderabad is home to **numerous large technology parks and global tech firms**. world-class infrastructure, favourable state policies and a **growing ecosystem for pharmaceuticals and life sciences** has further boosted creation of office stock.
Pune	106	8.9%	A **dual hub for IT and manufacturing**, is propelled by tech giants, startup and a**utomotive and engineering firms**. Its access to skilled talent from local institutions and **lower operational costs compared to Mumbai** make it a preferred business destination.
Chennai	92	7.6%	Chennai's focus on **technology and manufacturing** continues to drive office real estate growth. In addition to IT/ITES, it is a **major hub for automotive and electronics manufacturing.**
Ahmedabad	41	11.3%	Ahmedabad's office space growth is driven by its **strong manufacturing base in pharmaceuticals, chemicals, textiles and engineering**, driving demand from corporates, R&D centres and business services. Additionally, the GIFT City IFSC is rapidly emerging as the key hub for financial and professional services, attracting banks, fintechs and global firms.
Kolkata	34	3.2%	Kolkata, despite having the lowest office stock, is **seeing steady office absorption** led by **IT, BFSI and regional headquarters**. **Infrastructure upgrades** and rising interest from national firms are bolstering its office market fundamentals.
Total	**993**	**8.6%**	

Source: Knight Frank Research, Choice Institutional Equities

SEZ (Special Economic Zone) vs Non-SEZ Office Stock

*Future office supply will be largely **non-SEZ**, reflecting occupiers' preference for **flexibility, urban locations and easier compliance***

- **At present, only 17% of India's office stock is in SEZs, with 83% in non-SEZ areas**
- SEZ presence is limited in cities, such as Ahmedabad, MMR and NCR, while Bengaluru, Pune and Hyderabad hold most SEZ-driven stock
- With policy changes and the end of tax benefits leading to SEZ denotification, this share is set to decline further. **Future office supply is expected to be predominantly non-SEZ, aligning with occupiers' preference for flexibility, urban integration and simpler compliance.**

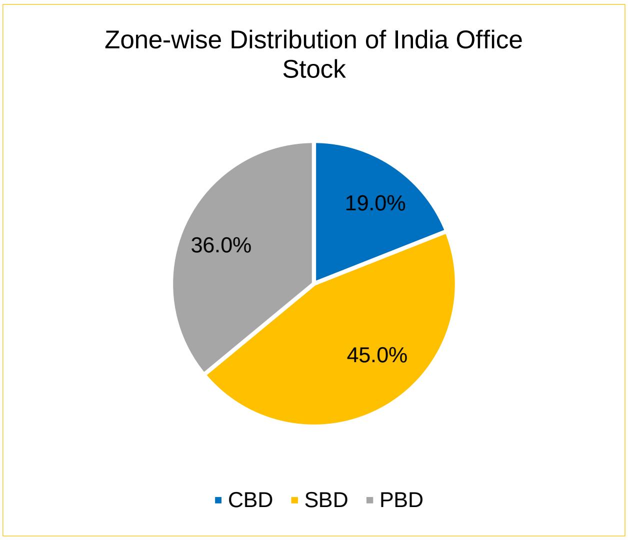


Source: Knight Frank Research, Choice Institutional Equities

4.2 Distribution of Office Stock (2/2)

Commercial properties are typically classified into distinct districts to guide rental and investment decisions-
1.**Central Business Districts (CBDs)**, located in city centres, are the most premium owing to strong infrastructure and connectivity
2. **Suburban Business Districts (SBDs)** provide modern offices at lower costs with good accessibility
3. **Peripheral Business Districts (PBDs)** are emerging hubs on city outskirts, often tied to industrial and IT growth

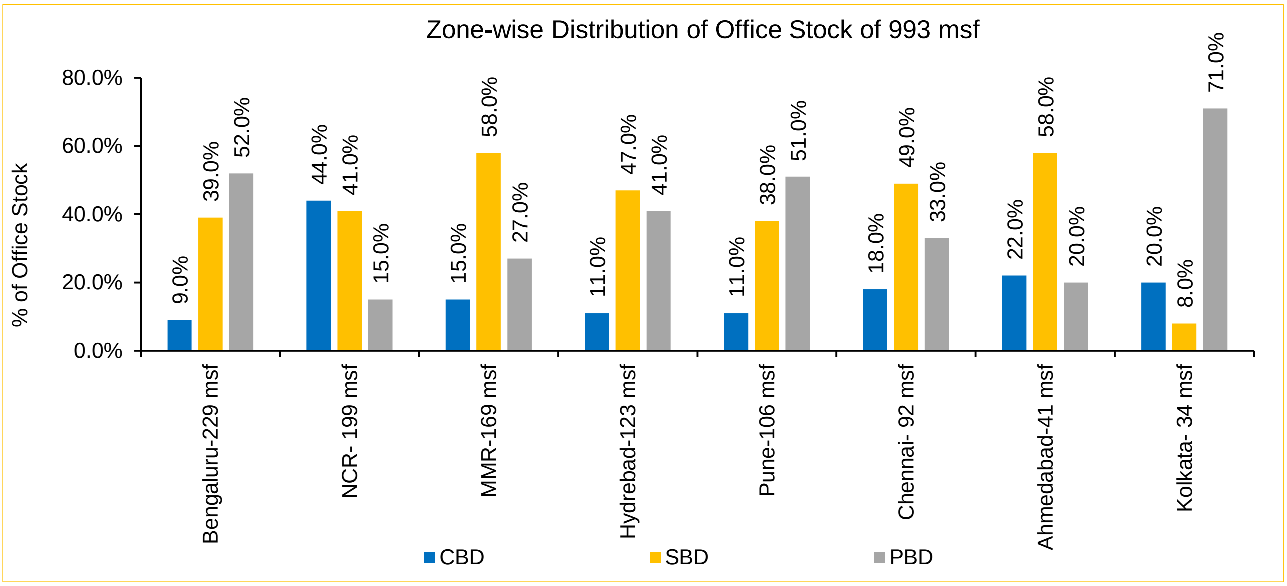
Evolving Office Geography: Shift from Core CBDs to Emerging SBD and PBD Hubs



Source: Knight Frank Research, Choice Institutional Equities

- **NCR** offers a balanced spread across CBD, SBD, and PBD, with the **highest CBD share (44%)**, led by Connaught Place and DLF Cyber City; **Noida-Greater Noida** is rapidly expanding in SBD and PBD zones.
- **Hyderabad (47%)** and **MMR (58%)** are shifting toward SBDs, driven by modern infrastructure, scalability, and competitive rents.
- **MMR's** commercial focus has moved from **Nariman Point** to **BKC and Andheri**, with **Thane and Navi Mumbai** emerging as key PBDs
- **PBDs dominate** in **Kolkata (71%)**, **Bengaluru (52%)**, and **Pune (51%)**, reflecting occupiers' shift from costly CBDs to modern, flexible corridors like **Whitefield** and **Electronic City** that support hybrid work.

- **A distinct trend is emerging**, with **CBD shares declining** and office stock increasingly concentrated in **SBD and PBD zones across major Indian cities**
- Mature markets like **MMR, Hyderabad, Bengaluru, and Pune** display stronger shifts toward **SBDs and PBDs**, driven by occupiers' preference for **modern, scalable, and cost-efficient spaces** outside traditional CBDs



Source: Knight Frank Research, Choice Institutional Equities

4.3 Classification of Office Stock (1/2)

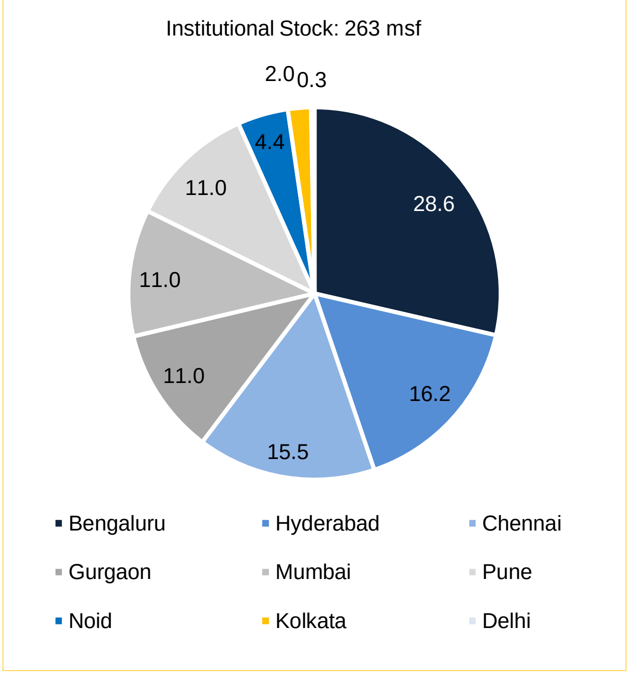
Demand for Grade A Spaces (85% of India's office stock) Is Led By MNCs, GCCs, IT/ITeS and BFSI Occupiers

Classification	Grade A	Grade B
Tenant Profile	MNCs, GCCs, IT/ITeS firms, BFSI, large enterprises	SMEs, startups, domestic firms, back offices
Total Built-Up Area	100,000 to 1 million+ sq ft	20,000 to 150,000 sq ft
Facilities & Amenities	Open plan office with large size floor plates, adequate ceiling height, 24 X 7 power back-up, supply of telephone lines, infrastructure for access to the internet, central air-conditioning, spacious and well-decorated lobbies, circulation areas, good lift services, sufficient parking facilities	Average floor plate sizes, flexible layout, adequate lobbies, provision of centralised or free-standing air-conditioning, adequate lift services and parking facilities
	Centralised building management and security systems	An integrated property management system might not be in place, while an external facade might be ordinary.
All India office stock segregation (%)	**85%**	**15%**

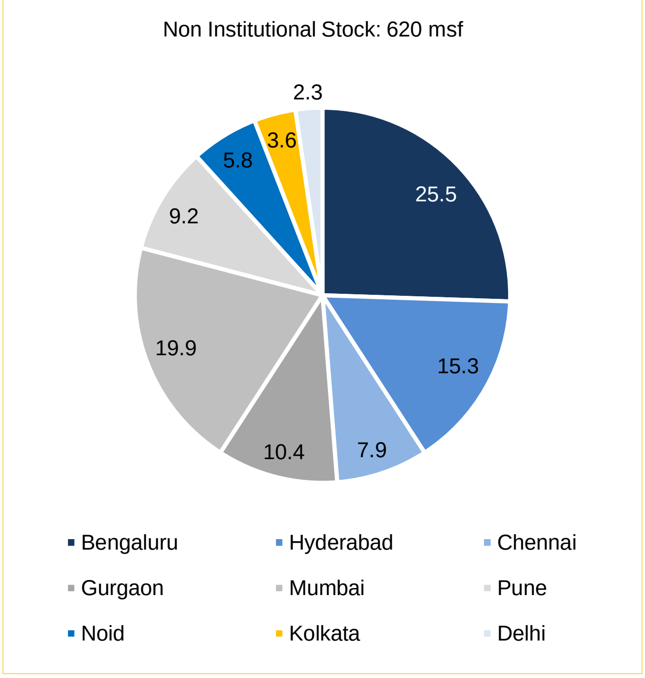
Source: Knight Frank & Choice Institutional Equities

Of India's Office Stock, Around 70% Is Non-institutional, Primarily Grade A and 61% Is Concentrated In Bengaluru, Mumbai and Hyderabad

Institutional Stock	Non- Institutional Stock
Office properties owned, developed, or managed by professional, large-scale real estate institutions, such as REITs, pension funds, private equity firms, or global/national developers.	Office spaces owned by individual landlords, smaller developers, or family-owned enterprises.
29.8% of total office stock	**70.2% of total office stock** **Grade A share: 78.7%, Grade B share: 21.3%**



Source: CBRE, Choice Institutional Equities



Source: CBRE, Choice Institutional Equities

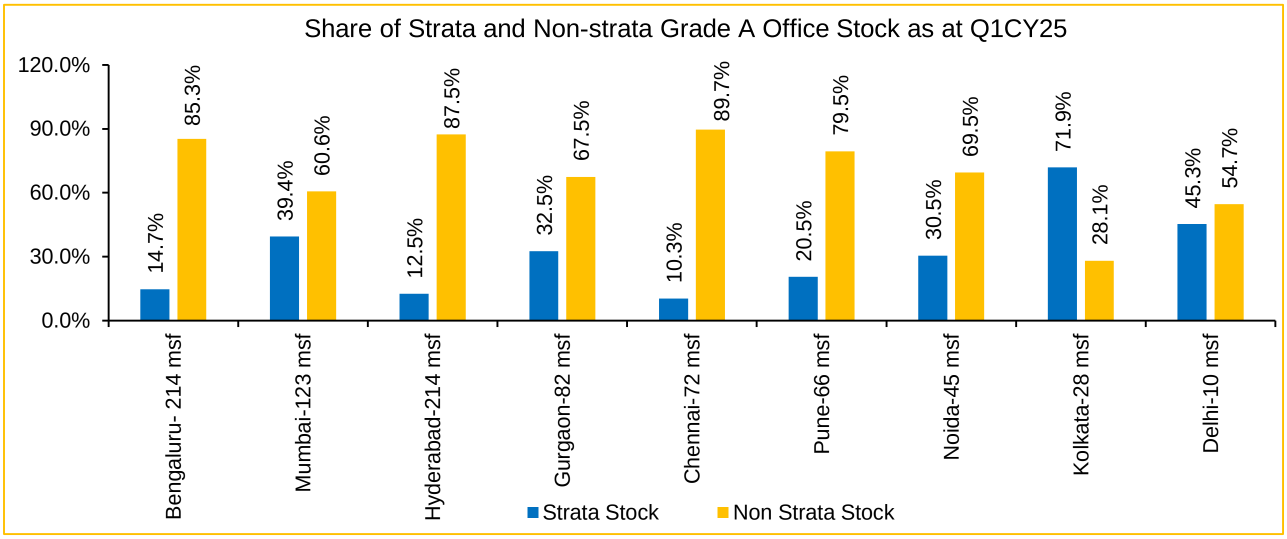
4.3 Classification of Office Stock (2/2)

Non-institutional stock is further classified as strata stock and non-strata stock -

Strata Stock	Non-strata Stock
Space that has been sold by the developers during its marketing stage to Investors, HNIs, end users and individuals	Space that is held/owned by the developers themselves
42% of total non-institutional stock	**58% of total non-institutional stock**
37% of total **Grade A** non-institutional stock	63% of total **Grade A** non-institutional stock
63% of total **Grade B** non-institutional stock	37% of total **Grade B** non-institutional stock

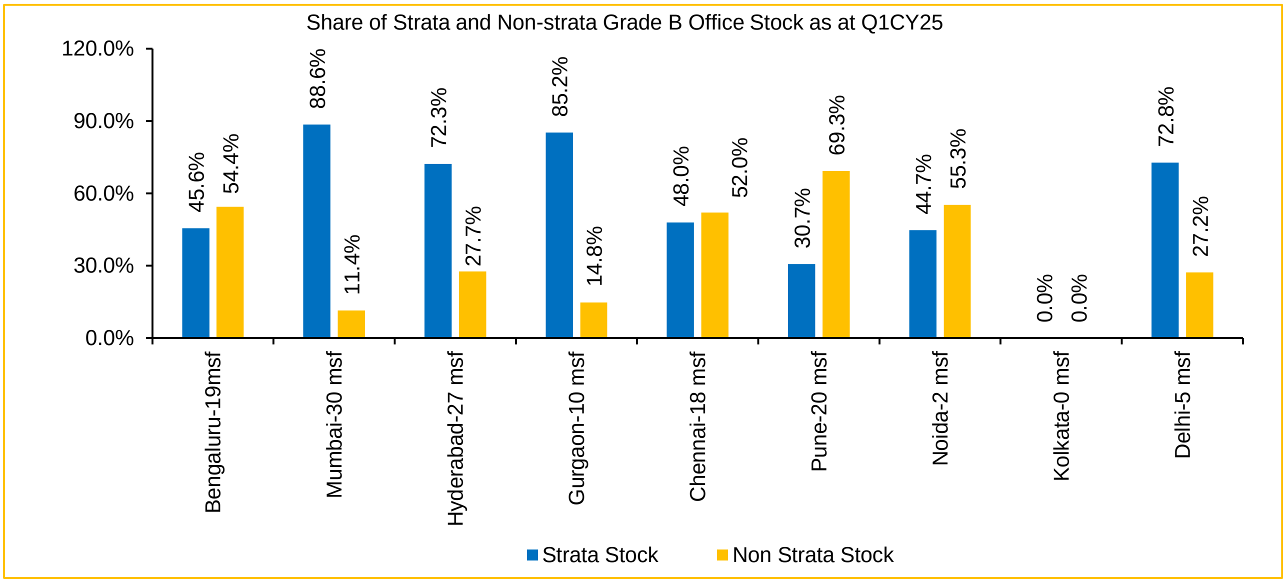
India's office market has transitioned from a fragmented, small-developer-led sector to a more organised one, driven by institutional players delivering Grade A, non-strata (lease) developments which benefit occupiers and developers.

In the Grade A Office Market, Most Cities, Except Delhi, Exhibit A Significantly Higher Share of Non-Strata Stock



Source: CBRE, Choice Institutional Equities

In the Grade B Office Market, Noida, Chennai, and Bengaluru Show A Balanced Mix of Strata and Non-strata Stock

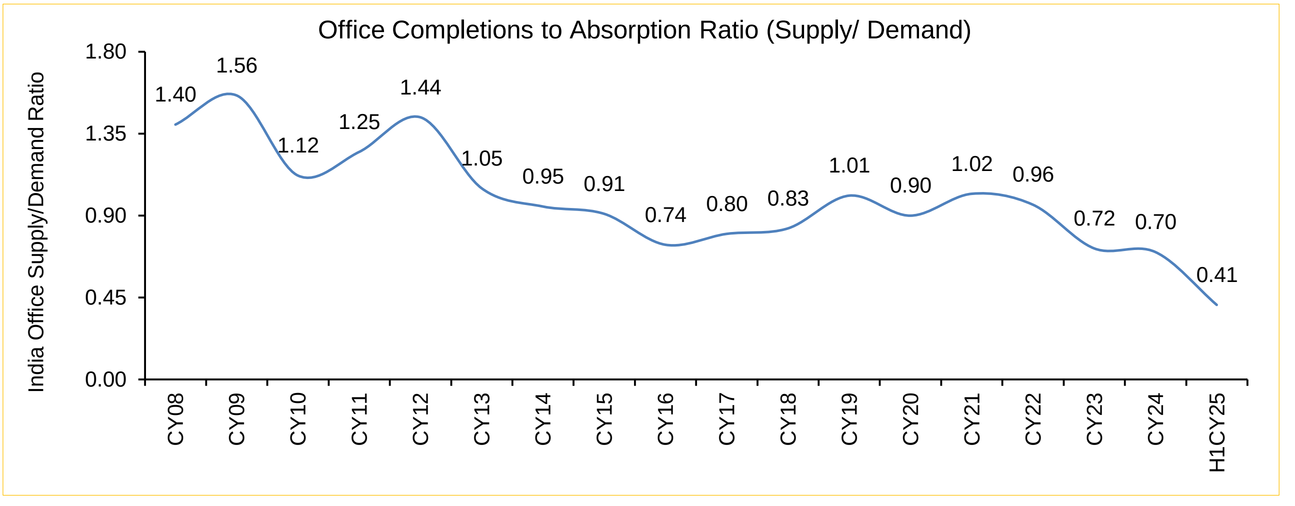


Source: Company & Choice Institutional Equities

4.4 Demand and Supply Dynamics

India's office market evolution is driven by strong demand, with **gross leasing expanding at a 5% CAGR from CY08 to CY24, while new supply rose by only 1% CAGR**. Post-pandemic, **absorption has consistently outpaced new completion**, tightening vacancies and reinforcing occupier confidence. In CY24, **leasing crossed 70 msf and H1CY25 has already seen 49 msf**, highlighting the market's resilience amid global uncertainty.

The **supply-to-demand ratio** has sharply **declined, from 1.40 in CY08 to 0.41 in H1CY25**, highlighting a **major shortfall in quality office space**

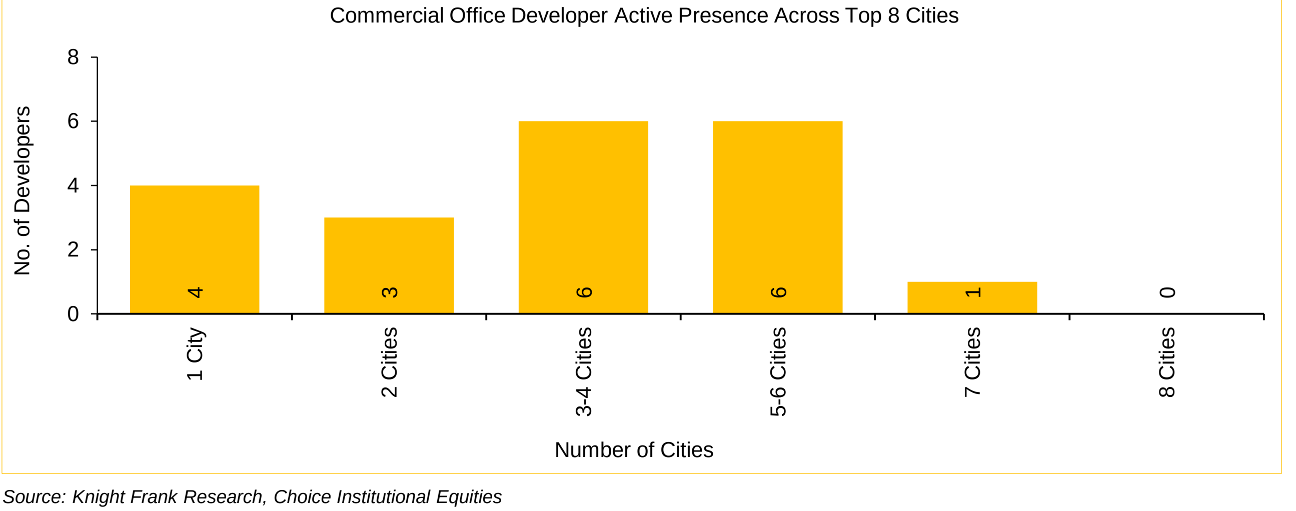


Source: Knight Frank Research, Choice Institutional Equities

Developer Landscape: Limited Geographic Footprint

- India's top 20 office space developers operate in all eight major markets (Ahmedabad, Bengaluru, Chennai, Hyderabad, Kolkata, MMR, NCR and Pune). **Only Awfis Space Solutions has a presence in as many as 18 cities**, followed by **SMARTWORKS and Indiqube at 15**.

- India's office space undersupply now stems less from post-COVID-19 caution and more from economics — **residential projects** yield 2–3x higher values, **quicker cash flows and easier approvals**, driving developers to **pivot away from commercial builds**.



Source: Knight Frank Research, Choice Institutional Equities

4.5 Demand Drivers (1/3)

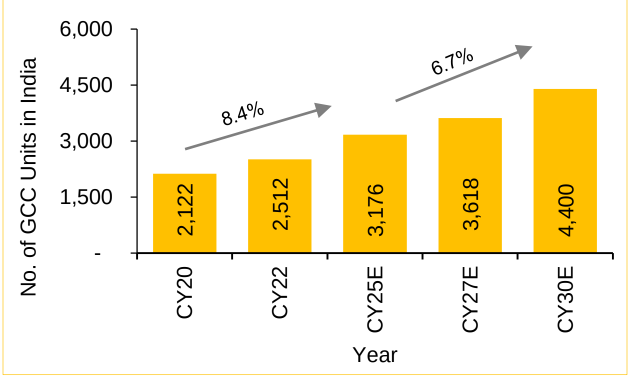
Key Drivers of Office Demand

1. English-speaking Talent Pool
India's vast talent pool—2.5M STEM graduates in FY23 (28% of global supply)—drives MNC, startup and domestic growth. Availability of skilled talent at a relatively lower cost is much lower as comparison to other global cities.

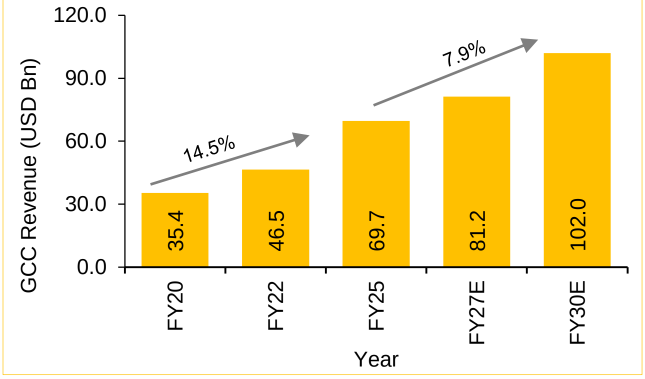
2. Competitive Cost Advantage
Availability of skilled talent at a relatively lower cost in comparison to other global cities

3. GCC Charting A New Tech Era and Driving Growth
Indian GCC ecosystem has become a sandbox for global companies driving organisation-wise transformative initiatives. 23% of the global 2000 MNCs have set up their GCCs in India. India houses over half of the world's GCCs

4. Domestic Firms Driving Leasing Across Major Cities
The Indian start-up ecosystem is the third-largest start-up ecosystem globally.

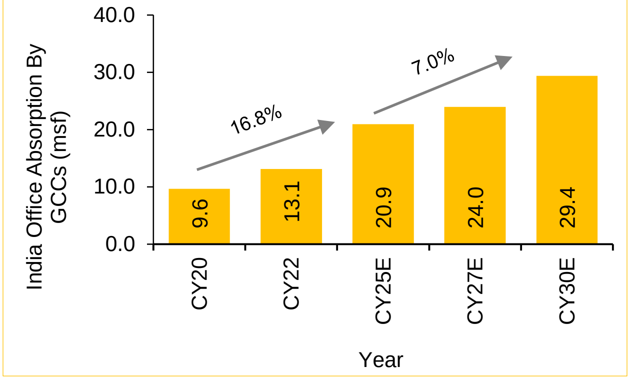


Source: Indiqube, Choice Institutional Equities

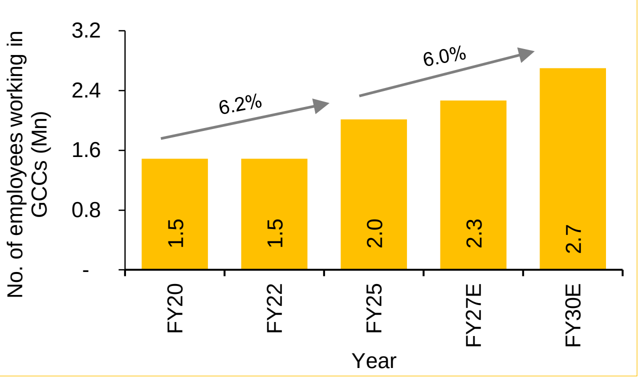


Source: CBRE, Choice Institutional Equities

Main Demand Driver: Expected Growth in GCC Office Absorption and No. of Employees Is 7% & 6%, Respectively

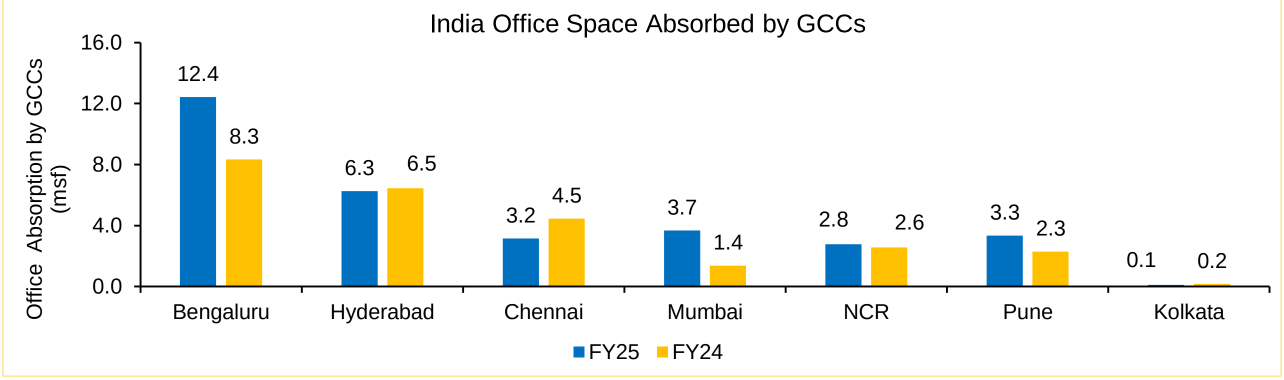


Source: CBRE, Choice Institutional Equities



Source: CBRE, Choice Institutional Equities

Office Space Absorption: Bengaluru Dominates With 39% Share, Highest YoY Growth of 49.4% in FY25

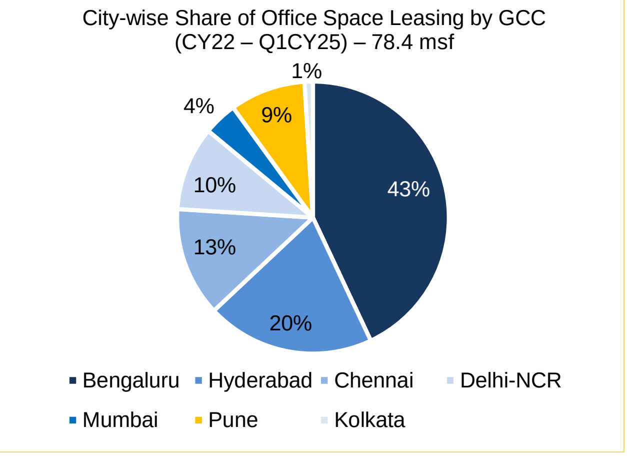


Source: CBRE, Choice Institutional Equities

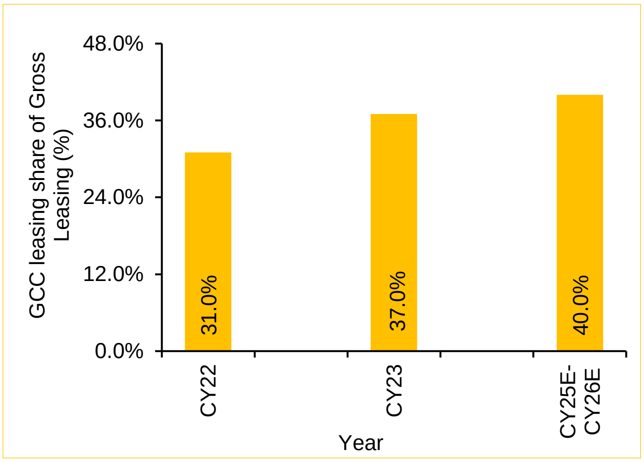
4.5 Demand Drivers (2/3)

Talent availability, digital skills and the presence of a strong industry ecosystem are some of the **key drivers for GCCs to set up centres in India**. As major occupiers in the commercial real estate space, GCCs are leading innovation and setting trends for other tenants. A growing number of new GCCs are establishing multi-functional centres focused **on ER&D, IT, and BPM**, playing a strategic role in driving transformation, developing new products, and serving as business hubs for their global headquarters. **The market is experiencing a dual trend** — expansion of existing firms into multifunctional centres and entry of smaller players seeking digital and technological upgrades. A preference for high-quality, technology-driven workspaces is evident, with **Grade A developments emerging as a focus for established players.**

GCC Share of Gross Leasing Is Projected to Rise to ~40% Next Year. Bengaluru and Hyderabad Are Primary Hubs, Together Accounting for 63% of Leasing Over The Past Three Years.

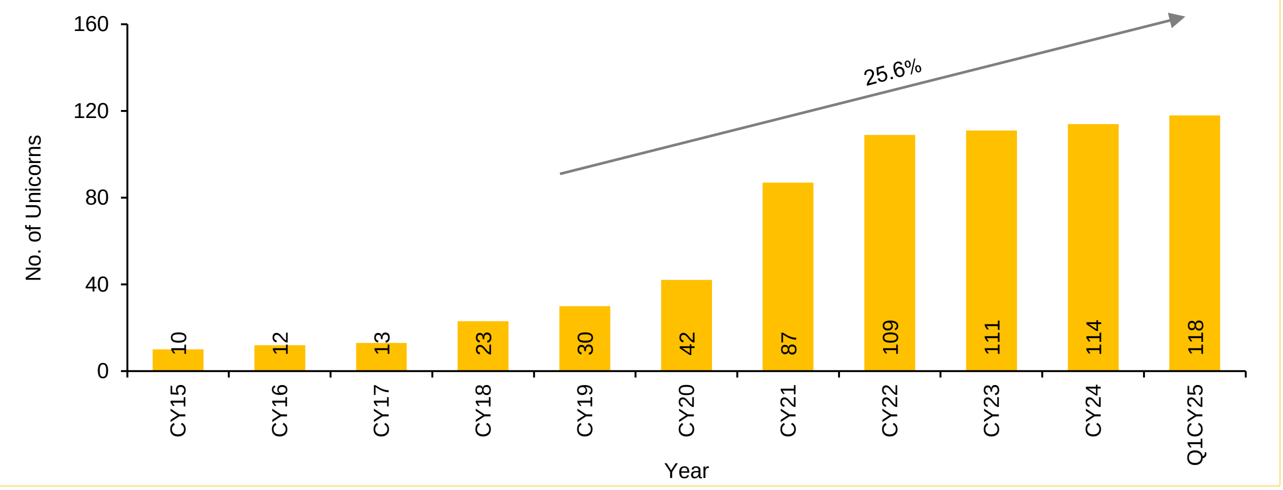


Source: CBRE, Choice Institutional Equities



Source: CBRE, Choice Institutional Equities

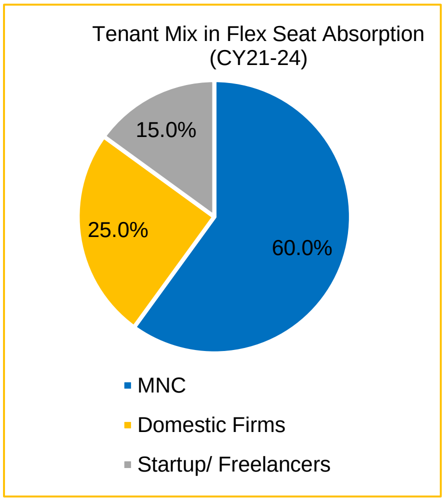
Rise of Startups and Unicorns in India: India is the world's third-largest startup ecosystem, with 1.58 lakh recognised startups as of Dec 2024, growing 13% YoY. These startups have generated 1.72 Mn direct jobs and **propelled strong demand for office and flexible workspaces**. Supported by government initiatives, such as Startup India and Atal Innovation Mission, the ecosystem has produced **118 unicorns by January 2025 (up from 30 in 2019, ~25.6% CAGR)**, reshaping India's economy and innovation landscape-



Source: CBRE & Choice Institutional Equities

4.5 Demand Drivers (3/3)

Indian- Domestic Firms and Startups Have Held About 40% Share



What Is Flexible Workspace and Its Sub Segments?

Flexible workspace refers to office solutions that offer **customisable, short- to medium-term occupancy** with minimal capex and agility greater than traditional leases. It includes various formats, such as:

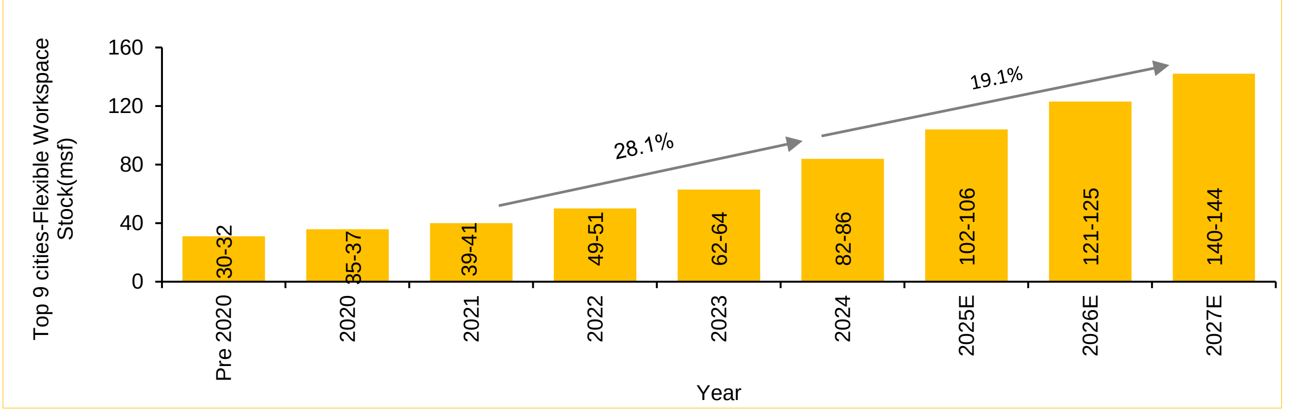
i) **Co-working Spaces:** Shared plug-and-play offices for **startups and freelancers**. Tenure is 1 month – 2 years.

ii) **Managed Offices:** Private, customised spaces managed end-to-end by operators for **enterprises**. Enterprise clients have a longer tenure of 3–6 years.

i) **Hybrid / On-demand Workspaces:** Network-based access models supporting **distributed and hybrid workforce of large teams**. Tenure is highly flexible (hourly/daily/monthly).

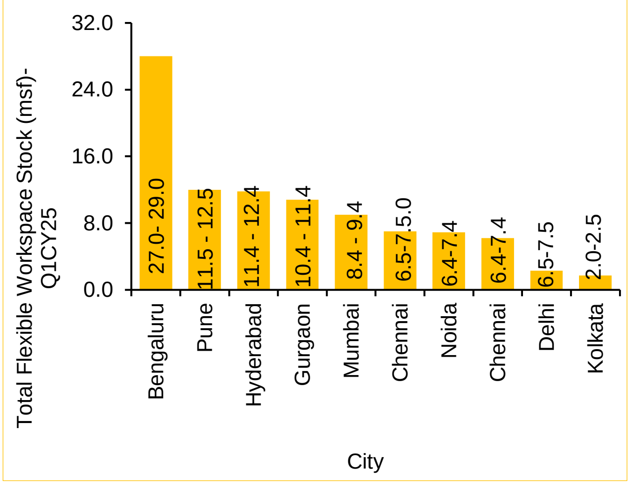
Sector-wise, Flexible Workspace Operators (FWS) have been the largest contributors to office space absorption, showing the highest growth since the past 3 years. Flexible workspaces are gaining traction among **startups and enterprises** for their **cost-efficiency, flexibility and employee-centric design**. Leading operators, backed by **nationwide networks and digital tools**, are enabling **hybrid and distributed work models**, driving demand across **both, Tier 1 and emerging, cities**.

90% of Flexible Workspace Stock Is In Top 9 Tier-1 Cities; Set To Expand at a Strong 19.1% CAGR

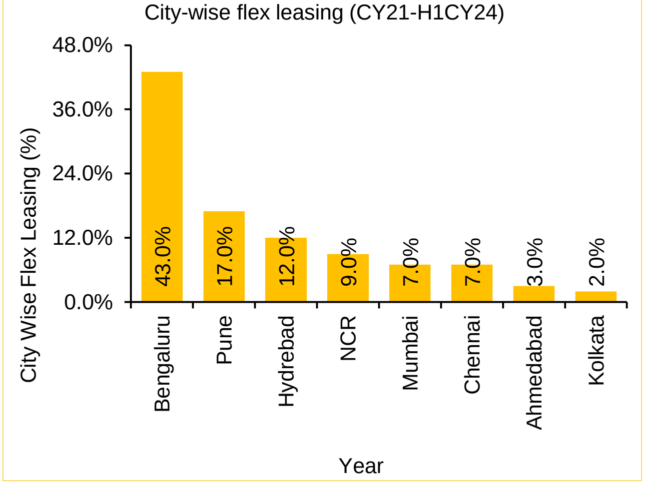


Source: Company & Choice Institutional Equities

Majority of India's Flexible Workspace Stock Is Concentrated In Bengaluru, Pune, Hyderabad & NCRs



Source: ICRA & Choice Institutional Equities

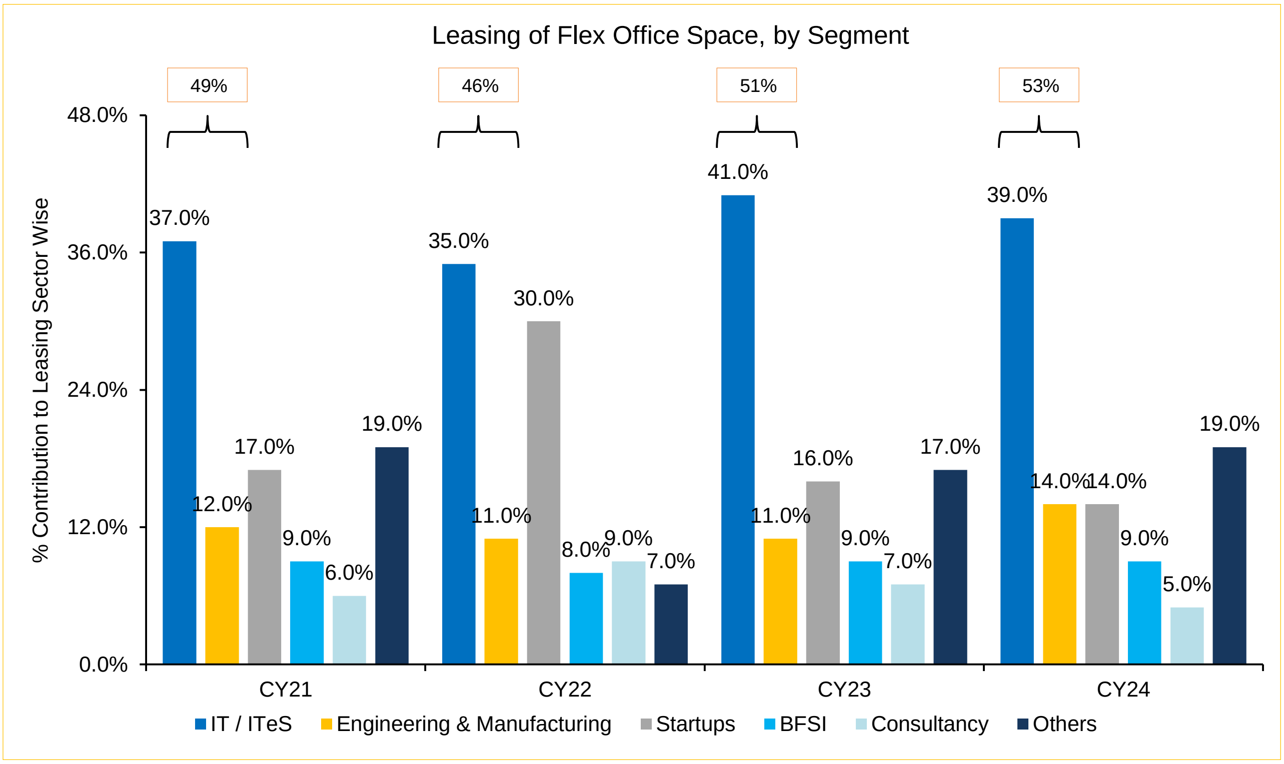


Source: ICRA & Choice Institutional Equities

4.6 Flexible Workspace Market – Summary

- **Technology companies (IT- Information Technology and ITeS- Information Technology Enabled Services**. and GCCs have been the leading demand contributors for flexible workspaces in India, followed by BFSI and E&M companies over the last 2--3 years.
- **MNC clients** contributed to **60% of all flex space absorption** in about 3 years
- Majority seats have been getting transacted in over 100 seats cohort categories in flexible workspace centres over the last 2--3 years.
- Amongst segments,.

IT/ITeS and Engineering & Manufacturing Together Made Up close to 50% of Flex Space Leasing



Source: ICRA & Choice Institutional Equities

5.1 Relative Comparison – Operational Metrics (1/2)

- **SMARTWORKS Is India's Largest Flexible Workspace Operator**
  Highest Operational Seat Capacity
  Strong Presence In Large Cohorts (300+ Seats)
- **SMARTWORKS Enjoys One of The Lowest Fit-Out Costs Per Sq Ft**

Details	SMARTWORKS	INDIQUBE	AWFIS	EFCIL	WE WORK
FY25 Revenue	13,741	10,593	12,075	657	19,492
FY25 EBITDA Margin (%)	**62.4**	58.2	33.3	49.9	63.5
Promoter Holding (%)	58.2	60.6	17.0	45.5	49.8
Operational No. of Seats (Q2FY26)	**2,07,000**	**1,69,395**	**1,47,000**	**55,924**	**1,14,500**
Total Seats (including fitout + handover pending)	**3,23,118**	**1,97,166**	**1,58,451**	**63,389**	**1,21,677**
FY25 Average Occupancy (%)	83	85	73	NA	77
Occupancy Rate > 12 month old seats (%)	87	87	84	90	81
Lock In Tenure for Clients in Months (Weighted Average)	34	33	24	36	28
% of Revenue from Top 5 Clients (%)	12	12	14	30	90
Capex/ Fit-out Cost per sq ft	**1,350**	1,517	1,800	1,250	2,000 (15% of total cost)
Larger Cohort Size/ % Total Seats (%)	**More than 300 seats-68%**	More than 300 seats-65%	More than 100 seats-59%	More than 100 seats - 65%	More than 300 seats-39.1%
% of Clients in IT Industry (%)	42	51	45	55	33
% of Clients in BFSI Industry (%)	9	19	11	15	18
Leasable SBA	**10.3**	6.7	8.3	3.2	7.7
No. of Tier 1 cities	10 (Including Singapore)	8	9	9	8
No. of Non-Tier 1 Cities	4	7	9	0	0
Total No of cities	14	16	18	10	8
No. of Centres	61	125	237	86	70
No. of Clients	760+	789	3,400+	680+	2,215
Revenue to Rent	2.0	2.3	2.5	2.0	2.7
Avg Rent per Seat per Month	7,700	8,000	7,500	7,000	19,850

Note: For We Work, have considered desks instead of seats, Net Average Revenue per Member / Billed Desk

Source: Choice Institutional Equities

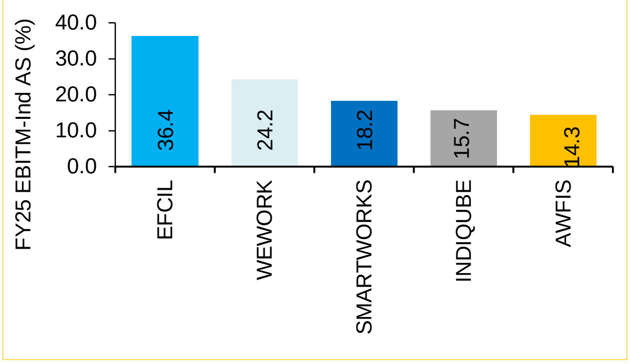
5.1 Relative Comparison – Valuation and Financial Metrics (2/2)

Companies	CMP (INR/sh)	MCAP (INR Bn)	RATING (INR/sh)	TP (INR/sh)	Dividend Yield (%)	EV/Total Seats			EV/EBITDA (x)			EV/OCF (x)		
						FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
SMARTWORKS	**480**	**54.92**	**BUY**	**630**	**0.0**	**0.23**	**0.20**	**0.17**	**4.9**	**4.0**	**3.2**	**4.7**	**3.9**	**3.1**
AWFIS	536	38.33	BUY	760	0.0	0.23	0.17	0.16	7.0	5.0	3.6	6.9	5.2	4.0
EFCIL	273	27.26	BUY	375	0.0	0.42	0.29	0.18	6.2	3.9	2.4	6.3	4.3	2.6

Source: Choice Institutional Equities

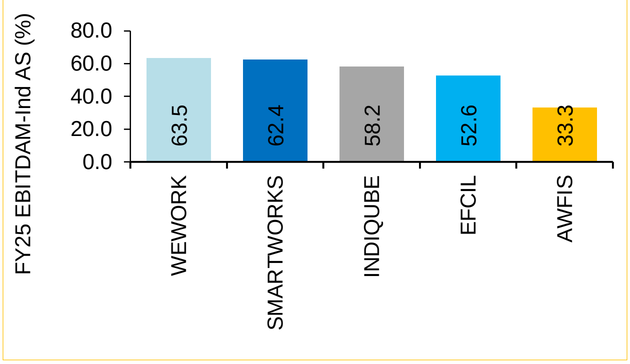
Companies	EBITDA CAGR % (FY25-28E)	EBITDA Margin (%)			PAT Margin (%)			Debt to Equity (x)			Return on Equity (%)		
		FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
SMARTWORKS	**26.2**	**62.7**	**62.9**	**63.1**	**0.4**	**2.5**	**3.3**	**0.5**	**0.4**	**0.3**	**1.2**	**9.2**	**12.7**
AWFIS	20.5	33.5	34.1	35.6	7.3	7.7	9.7	2.2	2.2	1.9	19.1	19.6	21.4
EFCIL	46.0	56.5	57.0	57.0	29.5	33.2	35.1	0.2	0.1	0.0	34.1	36.2	34.6

Source: Choice Institutional Equities

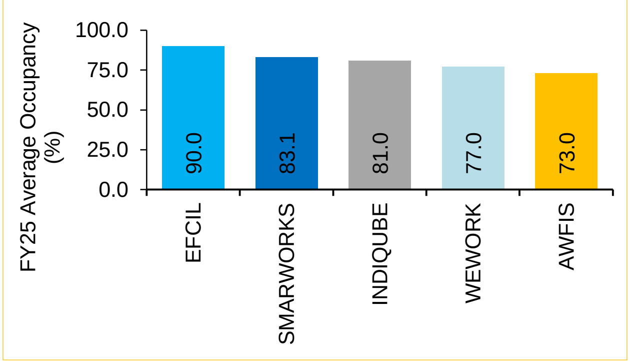


Source: Choice Institutional Equities

Among listed competitors in the managed office and flexible workspace sector, SMARTWORKS leads with the second highest EBITDA and third highest EBIT margin as per Indian accounting standards.



Source: Choice Institutional Equities



Source: Choice Institutional Equities

In terns of Operational parameters, SMARTWORKS has the second highest average occupancy rate. Increasing contribution of matured centres would increase its overall/blended occupancy rate.

5.2 SWOT Analysis and Porter's 5 Forces

SWOT

Strengths
- Enterprise-focused Model
- Asset-light, Scalable Strategy
- Geographic Diversification
- Lowest Capex & Operating Cost
- Faster Payback Period

Weakness
- High Dependence on Enterprise Clients
- Sector Concentration Risk

Opportunities
- Rising Demand for Flexible Workspaces
- Tier- 2 Expansion
- Ancillary Services

Threats
- Economic Slowdown
- Competition
- Cost Inflation

Porter's Five Forces

Competitive Rivalry – High
- Presence of key players such as, Awfis, Tablespace IndiQube, WeWork India and EFC(I) expanding aggressively
- Price competition remains intense in certain micro-markets, such as Bengaluru's Outer Ring Road and Gurgaon's Golf Course Extension, especially for smaller centres.

Threat of New Entrants – Moderate
- The asset-light managed workspace model, with low capital needs, heightens the risk of new entrants.
- SMARTWORKS' scale, brand, and client ties deter entrants; enterprise focus and access to Grade-A assets create a hard-to-replicate moat.

Bargaining Power of Buyers – Moderate
- Large enterprise clients hold some negotiating leverage due to their scale and long-term commitments.
- High retention (85%+ clients for over two years) indicates limited buyer influence.

Threat of Substitutes – Low
- The main alternatives are traditional office leasing or small coworking setups, both of which lack flexibility, scalability or managed services

Bargaining Power of Suppliers – Moderate
- 81% leasing from HNIs and family offices offers better terms and lowers reliance on institutional landlords.
- 5–10-year leases with rent escalation provide cost stability and reduce volatility.
- However, scarce Grade-A supply in prime markets strengthens landlord leverage.

6.1 Introduction – Company Profile & Market Footprint (1/5)

94% of revenue is derived from annuity

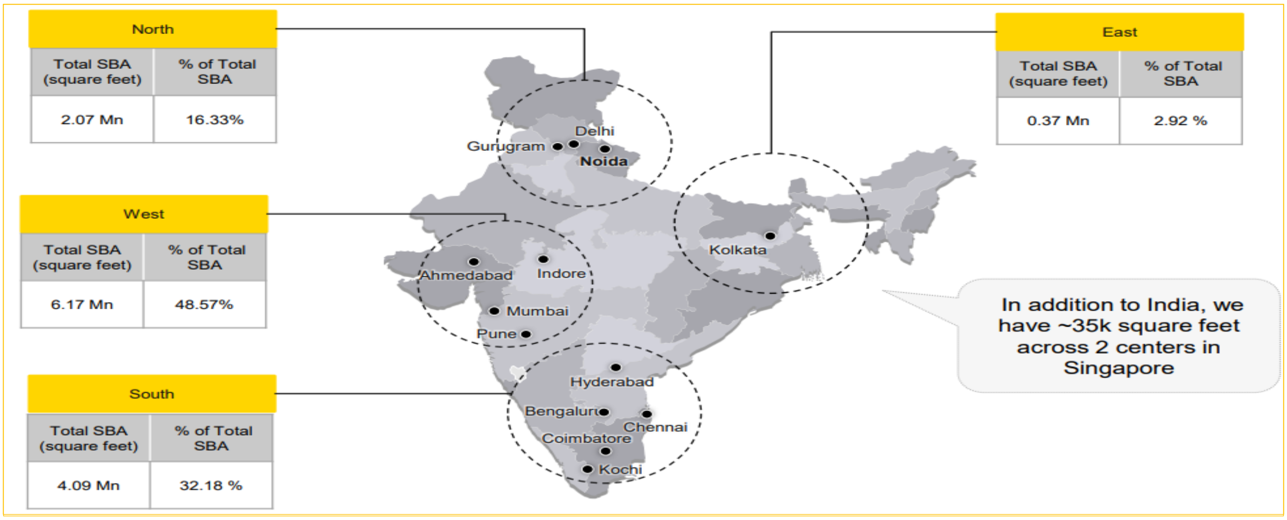
*Leases full campuses mainly from HNIs and family offices (**76% of portfolio)***

94% of SBA is present in key clusters in India

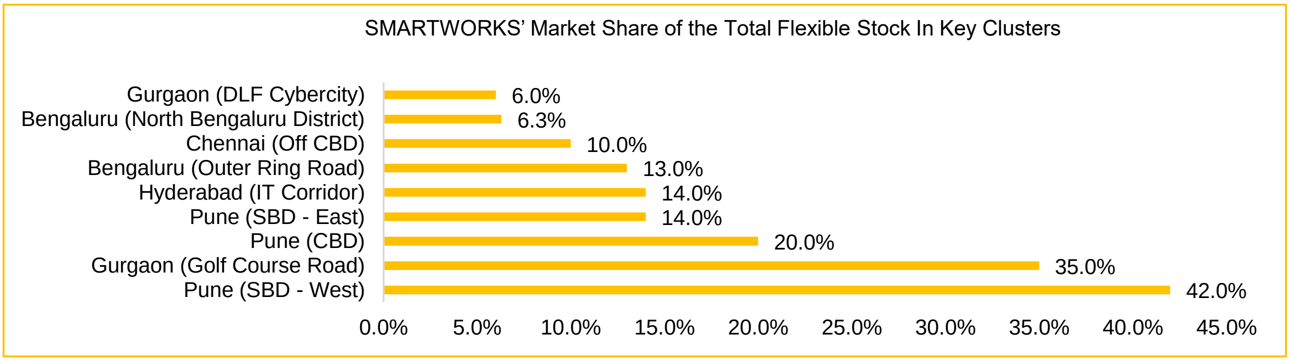
*SMARTWORKS leads in large-format campuses, recently securing the **world's largest flexible workspace centre of 0.815 msf** with the Hiranandani Group*

- SMARTWORKS is an office experience and managed campus platform. With 8 years of experience, it is **India's largest managed campus operator** among benchmarked peers. SMARTWORKS has a total SBA of 10.3 msf and total leasable SBA of in 61 centres cumulatively in 14 cities and total 2,35,000 capacity seats and 2,07,000 operational seats. SMARTWORKS derives 94% of its revenue from annuity-based rental revenue, providing significant stability and predictability.
- It operates in six **6 major cities in India and one Centre in Singapore,** with **80% of its revenue being derived from centres located in Pune, Bangalore, Hyderabad and Mumbai**. 94% of the SBA in (msf) is present in the key clusters in India. They also have a presence in Singapore with two centres on lease with a SBA of 35,036 sq ft.
- SMARTWORKS leases entire buildings and campuses—**primarily from non-institutional landlords** such as **HNIs and family offices (76% of its portfolio)**
- Leads in large-format campuses, with the highest number of centres exceeding 0.5 msf with a focus on **mid and large enterprises—typically requiring over 300 seats**. As of March 31, 2024, SMARTWORKS has four of the five largest-leased flexible workspaces in India and has recently signed an agreement for the **world's largest flexible workspace centre of 0.815 msf** at Eastbridge Mumbai by the Hiranandani group
- **Smartworks takes large, standalone buildings (not just floors) from landlords** and transforms them into branded campuses with amenities, such as cafes, crèches, gyms and sports zones.

Geographically Spread-out Portfolio In India and a Strong Presence In Key Clusters



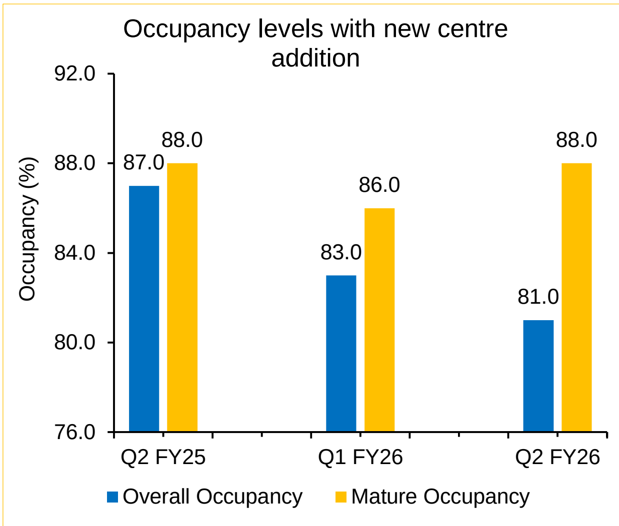
Source: Smartworks & Choice Institutional Equities



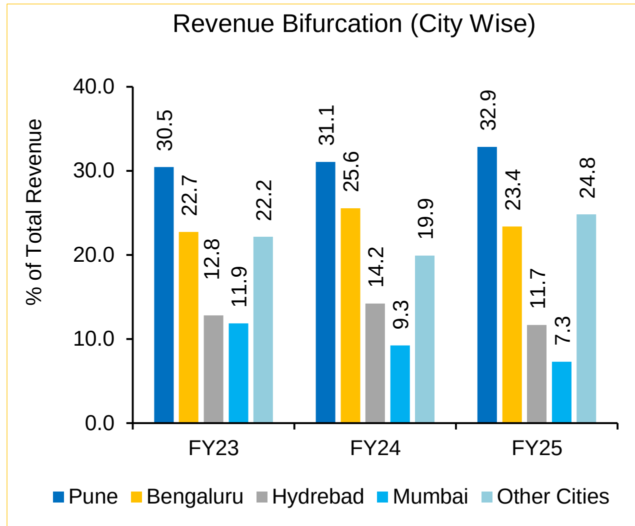
Source: Smartworks & Choice Institutional Equities

6.1 Introduction – Company Profile & Market Footprint (2/5)

SMARTWORKS Has a Strong Portfolio Presence Across Top Three Tier 1 Cities By Flex Space Absorption



Source: Smartworks & Choice Institutional Equities



Source: Smartworks & Choice Institutional Equities

Leadership of largest centres at India's Prime Locations

VTP (Bengaluru)
SBA: ~700K square feet
Capacity seats: ~19k

M-Agile (Pune)
SBA: ~689K square feet
Capacity seats: ~14k

TATA Realty Intellion IT Park (Mumbai)
SBA: ~557K square feet
Capacity seats: ~14K

DLF Commercial Tower- A (Gurgaon)
SBA: ~478K square feet
Capacity seats: ~10K

Source: Smartworks & Choice Institutional Equities

Source: Smartworks & Choice Institutional Equities

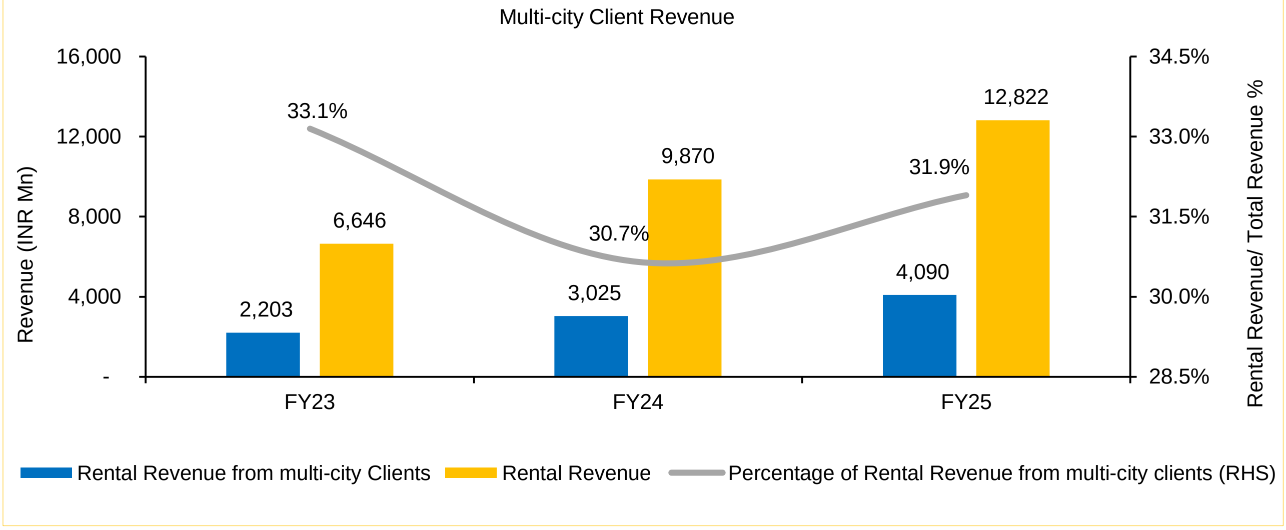
6.1 Introduction – Company Profile & Market Footprint (3/5)

As of March 31, 2025, **SMARTWORKS operates in 19 of the 28 key clusters in Tier 1 cities**, **which collectively account for around 80% of the flexible workspace stock** (Source: CBRE Report). **~94.37% of its managed SBA is located in these clusters**. They focus on leasing large, bare shell properties in prime areas and converting them into fully serviced, tech-enabled campuses with modern amenities. The table below shows total stock and flex stock along with **SMARTWORKS market share of some of the key clusters in India:**

Market	Key Cluster / Micro Market	Total Stock (msf)	Flex Stock (msf)	SBA Managed by Smartworks (msf)	Smartwork's Market Share of Total Stock	Smartwork's Market Share of Flex Stock
Pune	Secondary Business District - West	14.5	4.5–5.0	2.0	13.8%	44.5-%–40.0%
Gurgaon	Golf Course Road	10.0	1.6–2.1	0.7	6.5%	40.8%–31.1%
Pune	Central Business District	6.0	3.3–3.8	0.7	11.7%	21.2%–18.4%
Pune	Secondary Business District – East	16.5	2.0–2.5	0.3	1.9%	16.0%–12.8%
Hyderabad	IT Corridor	73.8	8.5–9.0	1.2	1.7%	14.3%–13.5%
Bengaluru	Outer Ring Road	75.0	7.2–7.7	1.0	1.3%	13.8%–12.9%
Chennai	Off CBD	10.3	1.7–2.2	0.2	1.9%	11.8%–9.1%
Bengaluru	North Bengaluru District	36.4	3.3–3.8	0.2	0.6%	6.9%–6.0%
Gurgaon	DLF Cybercity	12.3	1.5–2.0	0.1	0.8%	6.7%–5.0%

Source: Smartworks & Choice Institutional Equities

Strategic Growth Through Long-Term Client Partnerships
SMARTWORKS expands in Tier 1 and Tier 2 cities, **supporting client growth through multi-centre and multi-city solutions**. It offers tailored managed workspaces, aligning with clients' plans to drive retention and business. As of March 31, 2025, it operates in **five Tier 2 cities: Jaipur, Kochi, Indore, Coimbatore and Ahmedabad.**



Source: Smartworks & Choice Institutional Equities

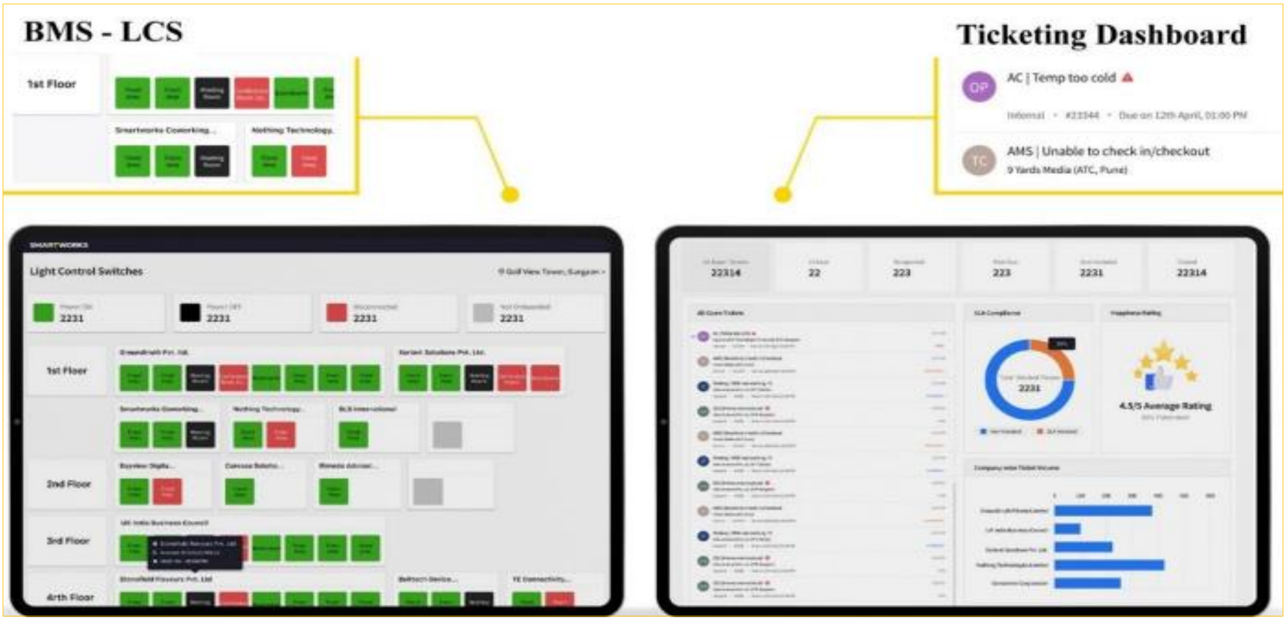
Choice
Institutional Equities

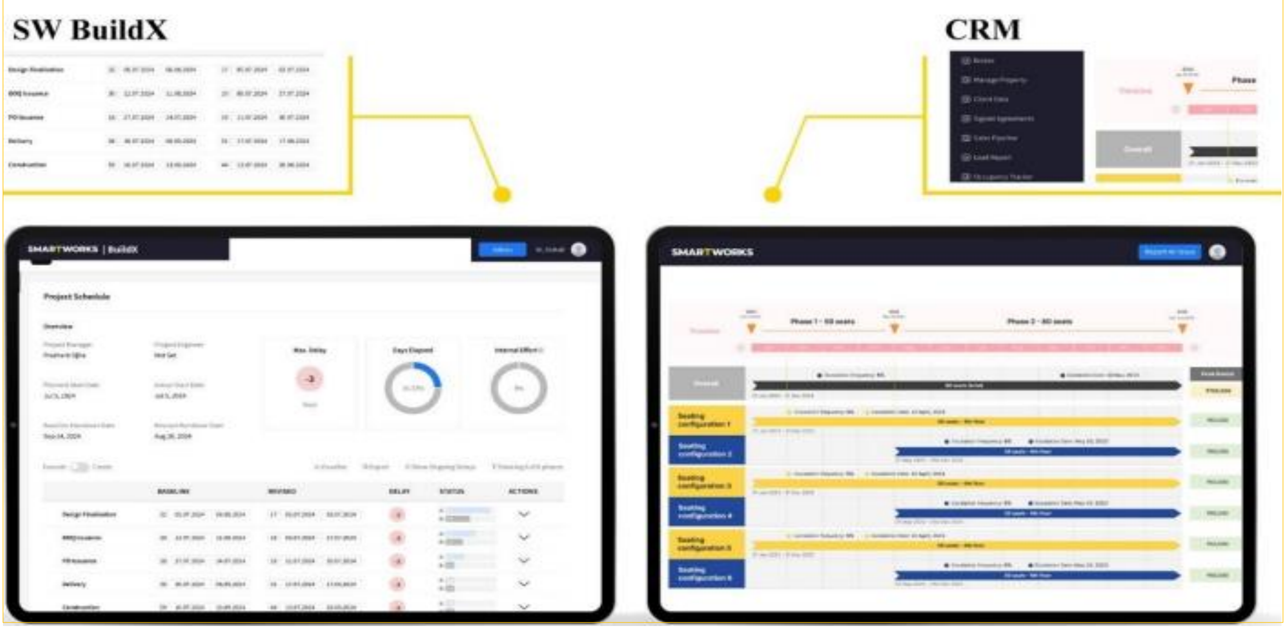
6.1 Introduction – Company Profile & Market Footprint (4/5)

Integrated Proprietary Technology Is Key For Execution – Able To Deliver Offices In Less Than 2 Months

SMARTWORKS' proprietary technology underpins their operations, offering in-house solutions that enhance client experience, streamline property management, boost efficiency, and ensure consistent service delivery-

- **BuildX**, which streamlines design and project management, shortens delivery timelines, and monitors site and vendor performance. Their **CRM** optimizes sales, while the **virtual building management system** automates energy use, manages IoT devices, integrates ticketing, and controls HVAC for efficiency.
- The **SW App** and **Client Portal** enhance tenant and employee experience, while proprietary tech collects and analyzes multi-touchpoint data, enabling efficient scaling, operational improvements, and risk mitigation.





6.1 Introduction – Company Profile & Market Footprint (5/5)

Strategically Shifting to Asset-light Variable Rental and Management Contract Model

Variable Rental Model

- SMARTWORKS covers capital expenditure, but **rental payments start only when the space is leased out.** Client deposits and landlord contributions offset upfront cost, **enhancing capital efficiency**, reducing occupancy risk and improving unit-level economics
- SMARTWORKS has signed term sheets with landlords in Gurugram for a Centre with a **SBA of 0.45 msf under the variable rental model**

Management Contract Model

- **Capital expenditure is shared** between the company and landlords **on the basis of** a pre-agreed ratio.

SMARTWORK OPERATIONS

Client Agreements
36 to 60 months, with lock-in periods of 12 to 36 months

Agreement
Clients pay fixed rent with ~5% annual escalation, plus charges for optional services, such as extra AC, meeting rooms, parking, printing, Wi-Fi and courier

Termination
I) Clients cannot exit during the lock-in period unless SMARTWORKS breaches the agreement, whereas SMARTWORKS can terminate the contract if the client defaults – for example, on payments.
II) Clients can terminate immediately if the company faces insolvency or if the landlord lease ends without suitable alternative premises

Marketing
SMARTWORKS uses a data-driven marketing strategy combining online/offline channels, PR, events and digital content to drive awareness and leads. Thought leadership, targeted campaigns and active social media strengthen brand visibility and engagement

Sales & Business Development
A 24-person sales team focuses on client acquisition and retention through multiple channels—digital, call centres, referrals, partners and brokers. Using CRM tools and an occupier directory, it emphasises relationship-building, customised solutions and seamless onboarding to strengthen long-term engagement

SmartVantage: The Purpose-built Solution for GCCs

To capture the expanding GCC opportunity, SMARTWORKS launched **SmartVantage**, a dedicated **GCC enablement platform** integrating workspace design, compliance, technology and partnerships. This positions SMARTWORKS as India's GCC partner of choice, and the management expects the GCC revenue to double in a couple of years.

Four Pillars powering the GCC success

Legal, Compliance & Registration - Setting up, licenses, tax Registration and regulatory forms

Talent & Workforce Solutions
Subcontracting, hiring and talent-on-demand networks

Operational Support
Financial audits, tax advisory, and process optimisation.

Innovation & Research
Support for R&D, benchmarking, and strategic insights

6.2 Key Managerial Personnel (1/2)

The leadership team, headed by Neetish Sarda, comprises a dynamic mix of experienced professionals and young entrepreneurs, with **diverse expertise in real estate, operations, finance and consulting**

Name	Designation	Qualification	Experience
 **Neetish Sarda**	Founder and Managing Director	Bachelor's Degree in Science (University of London).	Over 9 years of experience in the field of flexible workspaces.
 **Harsh Binani**	Co-Founder	Bachelor's Degree in Economics (honours) from Shri Ram College of Commerce, University of Delhi and a Master's in Business Administration from J.L. Kellogg School of Management, Northwestern University, USA, with Specialisation in Finance.	Associated with McKinsey & Company, Chicago, earlier. He has around 14 years of experience in management consulting and flexible workspace industry.
 **Anirudh Tapuriah**	Chief of Strategy and Investor Relations	Completed Executive Program in Business Management (IIM, Calcutta), CA (ICAI, India), CS (ICSI, India), CFA L2 (USA) and B.Com (St. Xaviers, Kolkata).	Earlier, associated with Shyam Steel Industries Limited as a Deputy General Manager in Business Strategy and SBI Capital Markets Limited as a Manager in the Project Advisory and Structured Finance Group. He has also been associated with Grant Thorton India LLP and DEN Networks Limited. He has been associated with SMARTWORKS since April 27, 2021.
 **Sahil Jain**	Chief Financial Officer	CA (ICAI, India), CS (ICSI,India),CFA L2 (USA) and BCom (St. Xaviers, Kolkata).	Associated with Religare Finvest Limited and Vision Comptech Integrators Limited as a Business Development and Administration Manager earlier. He was also associated with SMARTWORKS between 2018 and 2019 as the Vice President – Accounts.
 **Pratik Ravindra Agarwal**	Chief Business Officer	Bachelor's Degree in Science and a Diploma in Economics from the University of London.	Associated with SMARTWORKS since December 1, 2016.
 **Prashant Hakim**	Chief Operating Officer	Bachelor's Degree in Commerce from the University of Calcutta and a Post-Graduate Diploma in Business Management from the Indian Business Academy, Bangalore.	Associated with Ernst & Young LLP as Associate Vice-President and KPMG Global Services Private Limited as an Associate Director earlier. He has also been associated with Syven Global Services Private Limited, Thomson Reuters India Private Limited, Genpact India Private Limited and GE Capital International Services Private Limited. He has been associated with SMARTWORKS since November 1, 2018.

6.2 Key Managerial Personnel (2/2)

 **Gokul Nolambur Rajasekar**	Chief Technology Officer	Bachelor’s Degree in Electronics and Communication Engineering from Anna University, Chennai.	Associated with SMARTWORKS since March 2, 2022.
 **Punam Dargar**	Company Secretary and Compliance Officer	Engineering Degree from IIT Kharagpur and MBA from University of Rochester.	Associated with Jubilant Foodworks Limited as General Manager of Human Resources. She also served as the Head of Human Resources for Esme Consumer Private Limited and Human Resources Manager at ICICI Bank Limited. She has been associated with SMARTWORKS since May 15, 2024.
 **Kalpana Devnani**	Chief Human Resources Officer	Master’s Degree in Business Administration and Bachelor’s Degree in Engineering.	Associated with Jubilant Foodworks Limited as the General Manager of Human Resources, earlier. She also served as Head of Human Resources for Esme Consumer Private Limited and Human Resources Manager at ICICI Bank Limited. She has been associated with SMARTWORKS since May 15, 2024.

6.3 Key Milestones

2016

- Incorporation of the company and commencement of operations with support from promoters and their family members

2017

- Established Pan-India presence in nine Tier-1 cities with 12 centres

2018

- Pivoted their business model, transitioning from a co-working company to an office experience and managed campus platform by leasing large/entire properties and working with mid-to large Enterprise Clients

2019

- Crossed INR 1,000 Mn in revenue from operations. Total leased SBA stands at 1.4 msf
- Raised funding of INR 1,772 Mn, through issuance of CCPS to Space Solutions India Pte. Ltd. (formerly Lisbrine Pte Limited)

2020

- Launched ‘SW App’ and ‘IoT solutions’ for contactless processes during COVID-19

2021

- Revenue from operations in FY21 was ~INR 3,000 Mn from ~INR 1,000 Mn in FY19, which was during COVID-19

2021

- Revenue from operations in 2021 increased to ~INR 3,000 Mn from ~INR 1,000 Mn in FY19, which was during COVID-19.

2022

- Leased their largest centre of ~0.70 msf located in Vaishnavi Tech Park in Bengaluru. Evolved into a managed office platform

2023

- Deutsche Bank A.G., London Branch invested in SMARTWORKS by way of subscribing to 8,50,000 partly paid-up warrants each of INR 260
- Opened centres in four Tier-2 cities, namely, Jaipur, Indore, Ahmedabad and Kochi

2024

- Launched FaaS to provide tailored design and build solutions for customers’ offices with advance payments from Client.
- Crossed INR 10,000 Mn in revenue
- Expanded the business to Singapore by taking two business centres on lease in Singapore pursuant to purchase of certain assets of Keppel Real Estate Services Pte. Ltd.
- Raised funding by way of private placements of INR 1,680 Mn from Space Solutions India Pte. Ltd. (formerly Lisbrine Pte. Limited), Ananta Capital Ventures Fund 1, Plutus Capital and other investors.

2025

- SMARTWORKS gets listed in July 2025 with the current leased SBA stands at 10.1 msf.
- In September 2025, SMARTWORKS leased 0.56 msf campus at Intellion Park, Navi Mumbai, a marquee development by Tata Realty and Infrastructure Limited. Its Mumbai portfolio crosses 1 msf.
- In November 2025, SMARTWORKS signed an agreement for the world’s largest flexible workspace centre of 0.815 msf at Eastbridge Mumbai by the Hiranandani group.

7.1 Financials & Ratios

Income Statement (Consolidated in INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Revenue from Operations	10,394	13,741	17,981	22,449	27,309
Gross Profit	7,364	9,580	12,587	15,781	19,253
EBITDA	6,597	8,573	11,269	14,122	17,235
Depreciation	4,727	6,360	7,468	9,525	11,491
EBIT	2,607	2,569	4,251	5,159	6,427
Interest Expense	3,283	3,363	4,161	4,401	5,235
Other Income	737	356	450	561	683
APAT	(500)	(632)	67	569	894
EPS	(6.3)	(6.1)	0.6	5.0	7.8

Source: Smartworks & Choice Institutional Equities

Ratio Analysis

Particular	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenue	46.4	32.2	30.9	24.8	21.7
EBITDA	56.2	30.0	31.5	25.3	22.0
PAT	(51.4)	26.5	(110.7)	744.8	57.2
Margin Ratios (%)					
EBITDA Margin	63.5	62.4	62.7	62.9	63.1
PAT Margin	(4.8)	(4.6)	0.4	2.5	3.3
Profitability (%)					
ROE	(99.9)	(58.6)	1.2	9.2	12.7
Normalised ROCE	1.0	6.5	6.4	6.7	7.8
ROA	(1.5)	(1.7)	0.1	1.1	1.5
Valuation (x)					
PE	(76.1)	(78.8)	814.0	96.4	61.3
EV/ EBITDA	6.3	6.2	4.9	4.0	3.2
Price to Book	75.8	45.9	9.8	8.9	7.8

Source: Smartworks & Choice Institutional Equities

Balance Sheet (Consolidated in INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Net Worth	500	1,079	5,596	6,165	7,059
Lease Liabilities	26,295	28,028	36,156	41,931	46,360
Total Debt	4,274	3,978	2,978	2,338	2,038
Other Liabilities & Provisions	2,728	3,076	3,076	3,076	3,076
Total Net Worth & liabilities	**33,797**	**36,160**	**47,805**	**53,509**	**58,532**
Net Block (PPE + ROU)	34,041	37,662	47,888	56,135	61,515
Capital WIP	633.1	1,354.8	1,354.8	1,354.8	1,354.8
Investments	113	110	110	110	110
Cash & Bank Balance	524	689	2,626	1,023	1,387
Loans & Advances & Other Assets	4,032	4,830	4,830	4,830	4,830
Net Current Assets	(5,022)	(7,796)	(6,377)	(8,920)	(9,277)
Total Assets	**33,797**	**36,160**	**47,805**	**53,509**	**58,532**
Capital Employed	4,774	5,057	8,574	8,502	9,096
Net Debt	3,750	3,288	351	1,315	651
FCFF	4,770	6,375	7,952	10,672	14,699

Source: Smartworks & Choice Institutional Equities

Cash Flows (INR Mn)

Particular	FY24	FY25	FY26E	FY27E	FY28E
Cash Flows From Operations	7,433	9,285	11,696	14,494	17,619
Cash Flows From Investing	(1,922)	(2,761)	(3,744)	(3,822)	(2,920)
Cash Flows From Financing	(5,772)	(6,377)	(6,015)	(12,275)	(14,335)

Source: Smartworks & Choice Institutional Equities

DuPont Analysis

Particular	FY24	FY25	FY26E	FY27E	FY28E
ROE (%)	(99.9)	(58.6)	1.2	9.2	12.7
Net Profit Margin (%)	(4.8)	(4.6)	0.4	2.5	3.3
Asset Turnover (x)	0.3	0.4	0.4	0.4	0.5
Financial Leverage (%)	67.6	33.5	8.5	8.7	8.3
Du Pont Analysis (%)	(99.9)	(58.6)	1.2	9.2	12.7

Source: Smartworks & Choice Institutional Equities

Term	Explanation
Blended Occupancy	Blended occupancy refers to the combined occupancy rate across all centres, including both mature centres and newly launched centres under ramp-up. It provides a portfolio-level view of seat utilization, smoothing out differences in performance across individual locations
Centres	Centres refer to any facility (floor and building) with or without shared amenities or services for which lease agreement has been executed with the landlords. It includes the total number of operational centres, centres under fit outs and centres yet to be handed over by the landlord
Co-working Space	Shared plug-and-play offices for startups and freelancers. Tenure is 1 month – 2 years
Fit-out Cost Capitalised in Gross Block	Cost which includes depreciation on right of use asset, interest expense of lease liability incurred for the expected fit-out period is capitalised as part of leasehold improvement
Flexible Workspace	Office solutions that offer customisable, short- to medium-term occupancy with minimal capex and agility greater than traditional leases. It includes various formats, such as: Managed, co-working and hybrid
GCC (Global Capability Centre)	Offshore hub established by a multinational company to deliver high-value business, technology, and operational services. It centralises critical capabilities to drive efficiency, innovation, and global scale
Hybrid Workspace	Network-based access models supporting distributed and hybrid workforce of large teams. Tenure is highly flexible (hourly/daily/monthly)
IT (Information Technology)	The IT sector includes companies that develop, manage, and support computer systems, software, and digital infrastructure for businesses
ITeS (Information Technology–enabled Service)	The ITeS sector comprises services delivered using technology—such as BPO, customer support, data processing, and back-office operations—to enhance business efficiency
Mature Centres	Centres which are operational for more than 12 months from date of commencement of operations
Managed Workspace	Private, customised spaces managed end-to-end by operators for enterprises. Enterprise clients have a longer tenure of 3–6 years
MSF	Million square foot – unit of area measurement equal to 10,00,000 square feet, commonly used to quantify large real estate or commercial space
Number of Capacity Seats in all Centres	The maximum number of seats available across all our centres (operational centres + centres under fit outs + centres yet to be handed over by landlord)
Number of Clients	The customers of our company, which include enterprises, other companies, other legal entities and individuals which occupy Seats in our operational centres
Occupancy Rate in Operational Centres	The percentage of the occupied Seats out of capacity seats in operational centres
Occupancy Rate for Mature Centres	The percentage of occupied seats in all mature centres out of the capacity seats for all mature centres
Occupied Seats	The total number of seats contracted with our clients in our operational centres. This also includes the seats occupied by our company in the respective centres
Super Built-up Area (SBA)	The total leasable area of a property, including the usable area inside the unit plus a share of common spaces like lobbies, corridors, and amenities.
Seats Retention Rate	Seats retention rate is defined as the percentage of seats retained upon total seats due for retention. (i) seats retained refers to occupied seats by clients who chose to continue occupying seats after expiry of lock-in tenure during the year / period (ii) total seats due for retention refers to the total occupied seats by clients for which lock In tenure was due for expiry during the year / period

Source: Smartworks & Choice Institutional Equities

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Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

***Large Cap: More Than INR 20,000 Cr Market Cap**
***Mid & Small Cap: Less Than INR 20,000 Cr Market Cap**

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