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9th September, 2025

IPO Details	
Price Band (INR)	INR 56 – INR 61
Face Value (INR)	2
Issue Open/Closing Date	Sept 10, 2025 to Sept 12, 2025
Fresh Issue (in INR crores)	143.4
OFS (in INR crores)	-
Total Issue (in INR crores)	143.4
Implied Market Cap (in INR crores; at higher band)	550.14
Object of the Issue	- CAPEX for fit-outs in the centres and for security deposits of the new centres - Repayment and/or pre-payment, in full or part, of certain borrowings

Strengths
Tier-2 leadership and strong occupancy
Positioned to benefit from structural flex growth
Pan-India network with multi-model procurement
Enterprise-grade solutions

Risk
Lease obligations and model risk
Occupancy and client concentration sensitivity
Competitive intensity

Particular (in INR crores)	FY23	FY24	FY25
Revenue	69.91	108.09	158.88
EBITDA	21.59	43.25	62.27
EBITDA Margin	30.9%	40.0%	39.2%
PAT	-12.83	0.44	1.77
PAT Margin	-18.35%	0.40%	1.12%
EPS (in INR)	-47.49	0.15	0.62
ROE (in %)	-1049.9%	1.5%	3.2%
ROCE (in %)	3.7%	17.3%	26.0%
Fixed Asset T/O	2.21	1.94	2.62

About the Company:

- DevX operates flexible workspaces – primarily enterprises/managed offices and bespoke “built-to-suit” solutions—across Tier-1 and Tier-2 Indian cities. As of May 31, 2025, it had 28 centres (21 straight-lease, one revenue-share, and six furnished by landlord). The GIFT City centre runs on a revenue-share with a 60% share and a minimum guarantee.
- The company highlights a pan-India presence across 11 cities with SBA around 860,522 sq ft under management (as of May 31, 2025).
- As per Jones Lang LaSalle, a global real estate services and investment management firm headquartered in Chicago, DevX is one of the largest Tier-2 managed space operators with around 0.6 mn. Sq. ft. and around 9000 seats, averaging the occupancy level of around 87-88% across Tier-2 locations.

Industry Outlook:

India’s flexible workspace industry is set for rapid growth, with supply expected to rise from 80 mn sq. ft. in 2024 to around 125–126 mn sq ft by 2027–28, taking the market to USD 9 billion. Leasing momentum is strong, with demand up 57% in 2024 and continuing into 2025, led by tech and large enterprises. Occupancy remains high at 80–90% in key cities, while flex’s share of office stock is projected to nearly double to around 13% by FY27. Growth is spreading beyond Tier-1 to Tier-2 cities, positioning India as one of APAC’s fastest-growing flex markets, supported by hybrid work and corporates’ need for scalable, cost-efficient offices.

Expansion into Tier-2 markets:

DevX’s strongest lever lies in its Tier-2 city strategy, where it is already a market leader. Flex stock in Tier-2 markets has grown nearly ninefold since 2018, with demand driven by cost advantages, growing corporate presence, and hub-and-spoke workplace models. DevX’s deep penetration, strong occupancy (around 87–88%), and first-mover positioning in these cities give it a structural edge as larger enterprises increasingly look beyond Tier-1 metros for managed space solutions.

Scaling Pan-India Footprint:

The company’s 28 centers across 11 cities and its expansion pipeline signal a deliberate strategy to scale capacity in both Tier-1 and Tier-2. Planned additions under straight-lease and furnished by landlord models provide flexibility to accelerate growth while balancing capital intensity. A wider geographic spread also reduces reliance on a single region, allowing DevX to capture demand from multiple corporate clusters.

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Managed Office Model Momentum:

Globally and in India, managed office solutions are growing faster than conventional coworking. Post-COVID, enterprises prefer customized, turnkey managed spaces that allow flexibility without large upfront capital outlay. The company’s enterprise-grade focus positions it squarely in this growth pocket. Its ability to offer built-to-suit solutions and long-term managed contracts enhances client stickiness and ensures recurring revenues.

Diversified Business Models:

DevX’s use of straight-lease, revenue-share, and furnished-by-landlord models is a competitive advantage. This multi-model approach enables the company to scale quickly without incurring significant CAPEX. The revenue-share format, especially with minimum guarantees, reduces upfront risks while enhancing partnership-driven expansion in premium locations. This diversified procurement model can become a key driver of faster growth at optimized returns.

Upcoming International Expansion:

DevX has signed a Letter of Intent for a Sydney center, expected to go live in FY26. This step signals entry into international markets, which not only diversifies revenue streams but also enhances brand equity. If executed well, this move could open opportunities in other global hubs, supporting long-term growth beyond India.

Improving Occupancy and Utilization:

Sustained around 85–90% occupancy rates in core Tier-2 markets reflect resilient demand. Higher utilization directly boosts revenue productivity from existing assets and strengthens fixed asset turnover. As more centers ramp up to optimal occupancy, operating leverage improves, aiding profitability growth in tandem with top-line expansion.

Valuation and view:

DevX has carved a niche as a Tier-2 market leader in managed workspaces with strong occupancies and enterprise-focused solutions. Its multi-model approach balances growth and capital efficiency, while revenue and ROCE have improved sharply. Expansion into Tier-1 and an upcoming overseas foray add long-term potential. Owing to such developments, we recommend to **Subscribe**.

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