

## SMARTWORKS

## IPO NOTE

## SMARTWORKS COWORKING SPACES LIMITED



Rating:

**Neutral**

May apply for listing gains



## ISSUE OFFER

Issue Opens on	JULY 10, 2025
Issue Close on	JULY 14, 2025
Total IPO size (cr)	₹582.56 CR
Fresh issue (cr)	₹445.00 CR
Offer For Sale (cr)	₹137.56 CR
Price Band (INR)	₹387-407
Market Lot	36
Face Value (INR)	₹10
Listing At	NSE,BSE
Market Capitalization (cr)	₹4644.82 CR

## ISSUE BREAK-UP (%)

QIB Portion	49.6%
NII Portion	14.9%
Retail Portion	34.8%
Employee	0.7%

## INDICATIVE TIMETABLE

Basis of Allotment	15-07-2025
Refunds/Unblocking ASBA Fund	16-07-2025
Credit of Share to Demat A/c	16-07-2025
Listing Date	17-07-2025

Incorporated in 2015, Smartworks provides customized, tech-enabled managed office spaces with modern designs and amenities for businesses of all sizes, with a special focus on medium and large enterprises.

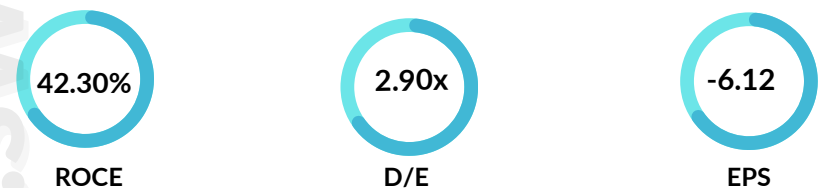
## OBJECTS OF THE ISSUE

- Repay loans to reduce debt.
- Invest in new centres and expansion.
- Use remaining funds for general business needs.

## FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2025	FY 2024	FY 2023
Equity Share Capital	1,03.190	79.013	77.691
Net Worth	107.5	50	31.4
Revenue	1374	1039.3	711.3
Ebitda Margins %	62.39%	63.47%	59.60%
Net Profit/Loss of the year	-63.18	-49.96	-101.05

## FINANCIAL RATIOS OF FY25



## OUTLOOK &amp; VALUATION

- Revenue nearly doubled from ₹711 crore in FY23 to ₹1,374 crore in FY25
- The company incurred net losses in the last two fiscal years.
- Smartworks appears undervalued relative to Awfis on EV/EBITDA terms, but that discount reflects execution risk and current lack of profitability.
- Prima facie the issue appears negatively priced, but has good cash surplus for the reported periods.
- Investors may apply for Short term listing gain.



## COMPANY PROFILE

- Smartworks leases large, bare-shell properties—primarily from passive or non-institutional landlords—on long-term contracts, typically spanning 10–15 years.
- The Company has leased, and they manage a total Super Built-up Area (SBA) of 8.99 million square feet as of March 31, 2025.
- As of March 31, 2025, the company served 738 clients with 152,619 seats. Currently, it has 728 clients and 169,541 seats, with 12,044 seats yet to be occupied.
- Smartworks is the largest managed campus operator in India by total leased stock, with a presence in 13 Indian cities and select international locations.



## COMPETITIVE STRATEGIES

- The Company intends to capitalise their market leadership, learnings, and expertise to further scale their core business.
- Enhance capital efficiency through variable rental business model and managed contracts.
- Scale up their new revenue streams, which are margin-accretive.
- Continue to build proprietary technology to improve operational efficiency and create opportunities for monetisation.



### KEY CONCERNS

- 75.19% of rental revenue comes from just four key cities.
- Heavy dependence on large clients needing 300+ seats increases risk.
- Failure to find right properties may hurt growth and profits.
- Past losses and negative cash flows may continue in future.
- Lease renewals depend on Landlords, risking higher costs or exits.

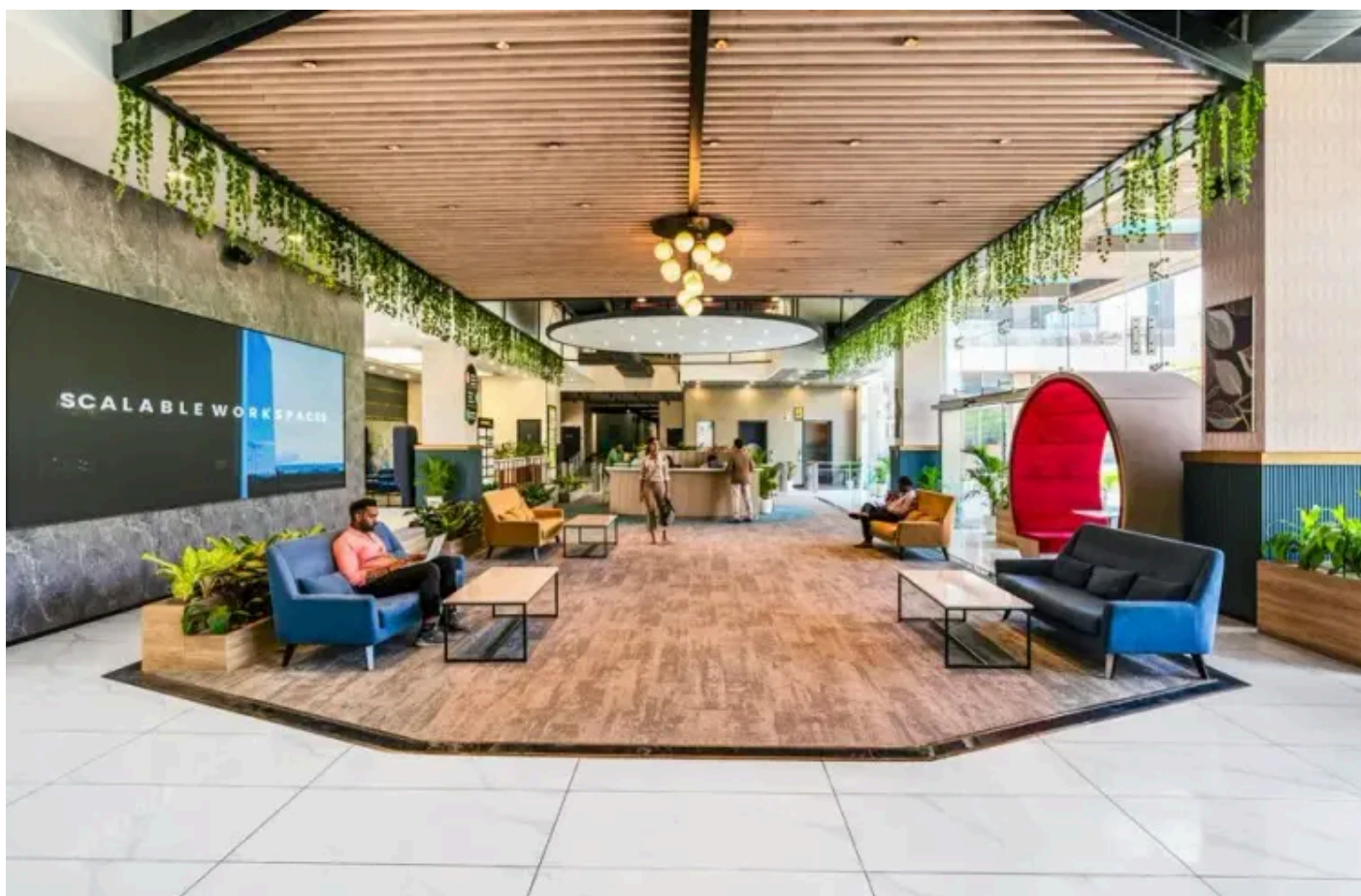


### KEY STRENGTHS

- The Company's market leadership backed by scale and steady growth.
- The Company's ability to lease and transform entire/large properties across India's key clusters into amenities rich 'Smartworks' branded Campuses.
- The Company's risk mitigating strategy allows them to build a financially stable business model.
- The Company's committed team led by strong leadership and management teams.

## COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (Basic)	NAV	P/E	Revenue (cr.)	RoNW%
Smartworks Coworking Spaces Limited	-6.18	1,078.81	-	13,74.05	-58.76
Peer Group					
Awfis Space Solutions Limited	9.75	4,592.19	63.18	1,208	14.78



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