DEV ACCELERATOR LIMITED

Neutral

Rating: Neutral

Issue Offer

Fresh Issue of 2,35,00,000 shares up to INR 1433.5 Mn by Promoters

Issue Summary	
Price Band (INR)	56-61
Face Value (INR)	2
Implied Market Cap (INR mn)	5,501.4
Market Lot	235
Issue Opens on	Sept 10, 2025
Issue Close on	Sept 12, 2025
No. of share pre-issue	6,66,87,515
No. of share post issue	9,01,87,515
Listing	NSE / BSE

Issue Break-up (%)	
QIB Portion	≤75
NIB Portion	≥15
Retail Portion	≥10

Book Running Lead Managers
Pantomath Capital Advisors Private Limited

Registrar
KFIN Technologies Limited

Shareholding Pattern		
	Pre-Issue	Post-Issue
Promoters	49.79%	36.81%
Public & Others	50.21%	63.19%

Objects of the issue

Capital expenditure for fit-outs in the Proposed Centers

Repayment and/or pre-payment, in full or part, of certain borrowings availed
by the Company including redemption of non-convertible debentures

General corporate purposes

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Dev Accelerator Ltd established in 2017, is a major operator in the Indian flex space market, with a significant presence in both Tier 1 and Tier 2 cities. As of May 31, 2025, the company manages 28 centers across 11 cities, serving over 250 clients with 14,144 seats and a total area of 860,522 square feet. The business is known for its comprehensive office space solutions, with a primary focus on managed office spaces for large corporations. This segment has been a major revenue driver, with longer average lease tenures contributing to a stable income stream. In addition to managed offices, the company provides co-working spaces and a range of other services, including design and execution, payroll management, facility management, and IT/ITes services, positioning itself as a comprehensive platform for flexible workplace needs.

Investment Rationale

Leading Position in Tier-2 Indian Cities

The company has a strong presence in India's emerging flexible workspace market, particularly in Tier-2 cities. It's one of the largest managed space operators in these markets and is well-positioned to capitalize on the rapid growth of this sector, as evidenced by the stock of flexible workspaces in Tier-2 cities nearly tripling since 2021.

Customer-Centric and Flexible Business Model

The company offers fully customizable office spaces with zero capital expenditure for clients, making it an attractive solution for businesses. Its in-house design and execution teams ensure quick turnaround times, and its integrated platform includes additional services like facility management, which allows clients to focus on their core operations. The company is diversifying how it acquires and manages its properties. In addition to the "straight lease" and "furnished by landlords" models, it is now utilizing the OpCo-PropCo model. This separates the operational functions from property ownership

High Occupancy Rates

The company consistently maintains high occupancy rates, which indicates strong customer satisfaction and demand for its services. The occupancy rate was 87.61% for Fiscal Year 2025 and 87.19% as of May 31, 2025.

Valuation & Outlook: **The company is a leading flexible workspace operator in Tier-2 Indian cities, benefiting from the rapid tripling of demand since 2021. With a customer-first model offering zero-capex customizable offices, quick in-house execution, and integrated services, it ensures strong client appeal. Its diverse property strategies, including the OpCo-PropCo model, boost scalability, while consistently high occupancy rates of over 87% reflect strong demand and customer stickiness. The company's ambitious expansion plans in both Tier-1 and Tier-2 Indian cities, as well as its first international venture in Sydney, Australia. At the upper band of INR 61, the issue is valued at a P/E ratio of 310.29x, based on FY25 EPS of INR 0.2. We are recommending a "Neutral" rating for this issue.**

Financial Information:

Particulars (INR Mn)	FY23	FY24	FY25
Revenue	699.11	1,080.87	1,588.75
Growth (% YoY)		54.60%	46.98%
EBITDA	298.81	647.39	804.57
Margins	42.74%	59.90%	50.64%
PAT	(128.30	4.37	17.73
Margins	(17.98)%	0.39%	1%
Debt	332.01	1,010.50	1,306.73

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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