

Retail Research	IPO Note
Sector: Flexible Workspace Solutions	Price Band (Rs): 56 - 61
05 th September 2025	Recommendation: NEUTRAL

Dev Accelerator Ltd.

Company Overview:

Dev Accelerator Ltd. (DAL) is a flex space operator (a third-party company that manages and run flexible workplaces) with presence in tier-I & tier-II markets across India. The company offers comprehensive office space solutions which includes sourcing office spaces, customizing designs, developing spaces and providing technology solutions. As of May'25, DAL has over 250 clients and 28 centers across 11 cities in India with 14,144 seats with SBA (Super Built-up Area) of 8,60,522 sqft under management. Flexible workspace solutions include managed office spaces, co-working spaces, design and execution services, payroll management services, facility management services and IT/ITes services. The company primarily caters to large corporates with an average lease tenure ranging between 5-9 years with lock-in periods of 3.5-5 years ensuring stable and predictable revenue stream.

Key Highlights:

1. Strong presence in tier-II markets: DAL is a prominent managed space operator in tier-II markets with presence in 6 cities. It has an operational footprint of ~0.6 mn sqft and more than 9,000 seats in Ahmedabad, Indore, Jaipur, Udaipur and Vadodara. Furthermore, the company maintains an average occupancy level of ~88% across these locations. The company plans to establish 8 new centres under straight lease model with a total estimated SBA of 9,40,961 sqft. in next two years.

2. Customer centric asset light business: DAL offers fully customisable office spaces tailored to specific business needs. Company's office space solutions are built within 90-120 days timeframe, ensuring prompt turnaround time with zero capex from client's end. Additionally, the company offers option to engage comprehensive facility management services, which includes housekeeping, security, and valet parking services. 21 Centers operate under the straight lease model wherein landlords lease space to operators at a fixed rental amount which helps to keep the balance sheet asset light.

3. Comprehensive client base. As of May'25, DAL has over 250 clients including domestic corporations and MNCs such as QX Global Services, Paperchase Accountancy India, Zomato, Wipfli India, etc. This underscores DAL's ability to meet the needs of various industries and business sizes.

Industry Outlook: India's grade A office stock is projected to grow at a CAGR of ~6.7% between Mar'25 and Dec'27 to reach 1,033 mn sqft. Flex space stock is estimated to reach ~135 mn sqft by CY28 (74 mn sqft as of CY24) aided by corporates prioritizing flexibility and talent retention.

Key Risks: The company does not own land and building at any centers. Any termination of lease contract would result in relocation costs and termination of client contracts. Furthermore, >50% of revenue comes from top 20 clients and >42% of centers are located in Gujarat which exposes it to client and geographical concentration risks.

Valuation: At the upper price band of Rs 61, the stock is trading at a Price/Sales and EV/EBITDA of 3.5x/6.6x, respectively on post-issue capital. The company turned around in FY24 and has generated a modest profit of Rs 1.8 cr in FY25. Lower profit is due to higher interest and depreciation costs on account of lease liability. The revenue, however, has registered an impressive CAGR of over 50% between FY23 and FY25 but D/E ratio of 2.4x as of FY25 is high (post-issue D/E is expected to moderate to ~1x). The promoter holding will reduce to ~37% post-issue due to dilution. We maintain a NEUTRAL view on the company and would like to monitor the performance of the company vis-à-vis its major peers post listing.

Issue Details	
Date of Opening	10 th September 2025
Date of Closing	12 th September 2025
Price Band (Rs)	56 - 61
Fresh Issue (Rs cr)	143.3
Issue Size (Rs cr)	143 @ upper band
Issue Size (No. of shares)	2,35,00,000
Face Value (Rs)	2.0
Post Issue Market Cap (Rs cr)	505 – 550
BRLMs	Pantomath Capital Advisors Pvt Ltd
Registrar	KFIN Technologies Ltd.
Bid Lot	235 shares and in multiples thereof
QIB shares	75%
Retail shares	10%
NIB shares	15%

Objects of Issue	
	Estimated utilization from net proceeds (Rs cr)
Capital expenditure for fit-outs in the Proposed Centers	73.1
Repayment and/or pre-payment, in full or part, of certain borrowings availed by the company including redemption of non-convertible debentures	35.0
General corporate purposes*	-
Total proceeds from fresh issue*	-

*To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	3,32,01,850	49.8
Public & Others	3,34,85,665	50.2
Total	6,66,87,515	100.0

Post Issue @Upper Price Band	No. of Shares	%
Promoter & Promoter Group	3,32,01,850	36.8
Public & Others	5,69,85,665	63.2
Total	9,01,87,515	100.0

Source: RHP, SSL Research

Financial Overview

Particulars (Rs cr)	FY23	FY24	FY25	FY22-FY24 CAGR (%)
Revenue	69.9	108.1	158.9	50.7
YoY (%)	-	54.6	47.0	-
EBITDA	29.9	64.7	80.5	64.1
YoY (%)	-	116.7	24.3	-
PAT	-12.8	0.4	1.8	-
YoY (%)	-	-	305.7	-
EBITDA Margin (%)	42.7	59.9	50.6	-
PAT Margin (%)	-	0.4	1.1	-
ROE (%)	-	1.5	3.2	-
ROCE (%)	-	15.2	15.2	-
D/E (x)	27.2	3.5	2.4	-
P/E (x)*	-	1,258.9	310.3	-
EV/EBITDA (x)*	19.5	10.1	6.6	-
CFO	26.5	7.6	93.8	-
CFI	-24.1	-40.9	-38.0	-
CFF	-3.7	33.3	-52.9	-
FCF	2.4	-26.8	82.1	-

*Note: P/E (x) and EV/EBITDA (x) are based on post-issue share capital @ upper price band

Peer Comparison – FY25

Particulars (Rs cr)	Dev Accelerator Ltd.	Awfis Space Solutions Ltd.	Smartworks Coworking Spaces Ltd.	Indiqube Spaces Ltd.	EFC (I) Ltd.
CMP (Rs @ UB)	61	580	522	230	325
Mkt Cap (@ UB)	550	4,133	5,963	4,821	3,240
Revenue	159	1,208	1,374	1,059	657
EBITDA	80	402	857	617	328
PAT	2	68	-65	-140	113
EBITDA Margin (%)	50.6	33.3	62.4	58.3	49.9
PAT Margin (%)	1.1	5.6	-4.7	-13.2	17.2
RoE (%)	0.9	14.8	-	-	20.8
P/E (x)	310.3	60.8	-	-	28.7
EV/EBITDA (x)	6.6	10.1	7.3	8.4	10.2
P/Sales (x)	3.5	3.4	4.3	4.6	4.9

Source: RHP, SSL Research.

For Dev Accelerator Ltd, financials based on FY25 data and the Market Cap, EV/EBITDA (x), P/Sales & P/E (x) are calculated on post-issue equity capital at the upper price band.

CMP of peer companies is as of 05th September, 2025.

SBICAP Securities Limited

(CIN): U65999MH2005PLC155485 | Research Analyst Registration No INH000000602

SEBI Registration No.: Stock Broker: INZ000200032 | CDSL: IN-DP-314-2017 | NSDL: IN-DP-NSDL-369-2014 | Research Analyst: INH000000602

IRDA/RW/IR2/2015/081 | IRDA/RW/IR1/2016/041 | IRDA: CA0103

Registered & Corporate Office: Marathon Futorex, A Wing, 12th Floor, N. M. Joshi Marg, Lower Parel, Mumbai-400013.

For any information contact us:

022-6854 5555**E-mail: helpdesk@sbicapsec.com | Web: www.sbisecurities.in****DISCLOSURES & DISCLAIMERS:**

Analyst Certification: The views expressed in this research report ("Report") accurately reflect the personal views of the research analysts ("Analysts") employed by SBICAP Securities Limited (SSL) about any and all of the subject issuer(s) or company(ies) or securities. This report has been prepared based upon information available to the public and sources, believed to be reliable. I/We also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

The Analysts engaged in preparation of this Report or his/her relative:-

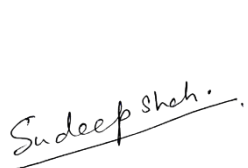
- (a) do not have any financial interests in the subject company mentioned in this Report; (b) do not own 1 or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the Report.

The Analysts engaged in preparation of this Report:-

- (a) have not received any compensation from the subject company in the past twelve months; (b) have not managed or co-managed public offering of securities for the subject company in the past twelve months; (c) have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (d) have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (e) has not received any compensation or other benefits from the subject company or third party in connection with the Report; (f) has not served as an officer, director or employee of the subject company; (g) is not engaged in market making activity for the subject company.

Name	Qualification	Designation
Sudeep Shah	MMS-Finance	VP- Technical & Derivative Research
Sunny Agrawal	B.E, MBA (Finance)	DVP - Fundamental Research
Rajesh Gupta	PGDBM (Finance), MA (Bus. Eco)	AVP - Fundamental Research
Monica Chauhan	C.A.	Research Analyst - Equity Fundamentals
Harsh Vasa	CA	Research Analyst - Equity Fundamentals
Sumeet Shah	B.E., CFA	Research Analyst - Equity Fundamentals
Sweta Padhi	MBA (Finance)	Research Analyst - Equity Fundamentals
Uday Chandgothia	B-Tech, MBA (Finance)	Research Associate - Equity Fundamentals
Arnav Sane	BMS (Finance)	Research Associate - Equity Fundamentals
Shubham Purohit	BMS (Finance)	Research Associate - Equity Fundamentals
Vinit Mishra	B.Com	Research Associate - Equity Fundamentals
Gautam Updhyaya	MBA (Finance)	Research Analyst - Equity Derivatives
Vinayak Gangule	BE (IT)	Research Analyst - Equity Technicals
Ashwin Ramani	B.Com	Research Analyst- Equity Technicals
Sagar Peswani	B.Tech (ECE)	Research Associate - Equity Technicals
Kalpesh Mangade	B.Com	MIS Analyst - Retail Research

For other Disclosures please visit: https://bit.ly/R_disclaimer02

**Sudeep Shah**

VP – Technical & Derivative Research

**Sunny Agrawal**

DVP – Fundamental Research