

## Indiqube Spaces Ltd.

### Company Overview:

**Indiqube Spaces Ltd (ISL)** is a managed workspace solutions provider with diverse capabilities ranging from providing large corporate offices to small branch offices. As of Mar'25, the company has a managed portfolio of 115 centres (105 operational, 10 under letters of intent & agreements to lease) across 15 cities with a total Super Built-Up Area (SBA) of 8.4 mn sq ft and operational SBA of 6.9 mn sq ft. As of Mar'25, the company was amongst the leading operators in Bengaluru, which is the largest commercial office and flexible workspace market in India. The company's total and operational seat capacity stood at 1,86,719 seats and 1,53,830 seats respectively as of Mar'25 spread across Bengaluru, Pune, Mumbai, Chennai, Noida, etc. Further, the company serves over 769 clients as of Mar'25, which includes marquee names like Myntra, Zerodha, Siemens, MG motors, RedBus etc. GCCs (Global Capability Centers) comprise 43.6% of its client base as of 31<sup>st</sup> Mar'25.

### Key Highlights:

**1. Amongst the largest operators in a fast-growing market:** The flexible workplace stock in India is currently over 96 mn sq ft and is expected to grow to 280-300 mn sq ft by CY27, which represents a ~3x boom in the next 3 years. ISL is well positioned to capitalize on this opportunity through its comprehensive footprint of 115 centres across 15 cities. Further, the company is amongst the leading operators in Bengaluru, which is the largest commercial office and flexible workspace in India.

**2. Prudent business management practices:** ISL concentrates on leasing large to midsized full building over fractional spaces. Further, majority of the company's centres are in hub and spoke clusters resulting in concurrent allocation of manpower and resources. Its property lease structures are aligned, wherein the company typically signs 3-year lock-ins with landlords while its clients have a weighted average lock-in tenure of 33 months. The lease structures allow ISL to manage revenue escalation provisions effectively. This has resulted in the company having a payback period of 24.8 months (from fit-out commencement cycle), while the payback period is expected to be 47 to 48 months for a typical managed office operator.

**3. Capital efficient operating model:** The company's strategically adopted asset-light model focuses on leasing rather than owning the properties. This has allowed the company to secure 10-year leases with a 3-year lock-in period ensuring flexibility and control. Further, the company believes that its focus on capital efficiency and cost optimization is reflected in the capex per sq ft; which stood at Rs 1,507 per sq ft as of Mar'25 vs capex of ~Rs 2,400 per sq ft for a typical managed office.

**Valuation:** ISL is one of the customized managed workspace solutions offering company with a diversified client base. It has a healthy occupancy rate across most of the centers. ISL's Revenue/EBITDA/Adj. EBITDA have grown at a CAGR of 35.2%/61.4%/54.9% respectively between FY23-25. However, on a net basis the company is generating loss due to heavy depreciation. The free cash flow after adjusting for the lease payments remains negative. At the upper price band of Rs 237, ISL is valued at FY25 EV/Adj. EBITDA of 40.7x, which is at a premium to listed peers. We recommend investors to AVOID the issue and track company's performance post listing especially focusing on its capital efficiency. We believe companies like Awfis Space Solutions offer better investment opportunity within the coworking space which is currently profitable and trades at FY25 EV/Adj. EBITDA of 28.1x.

### Issue Details

Date of Opening	23 <sup>rd</sup> July 2025
Date of Closing	25 <sup>th</sup> July 2025
Price Band (Rs)	225 – 237
Offer for sale (Rs cr)	50
Fresh Issue (Rs cr)	650
Issue Size (Rs cr)	700
Issue Size (No. of shares)	3,11,11,111 – 2,95,35,865
Face Value (Rs)	1
Post Issue Market Cap (Rs cr)	4,758 – 4,977
BRLMs	ICICI Securities, JM Financial.
Registrar	MUFG Intime India Pvt Ltd.
Bid Lot	63 shares and in multiples thereof
QIB shares	75%
Retail shares	10%
NIB shares	15%
Employee Reservation (Rs cr)	1.5

### Objects of Issue

	Estimated utilization from net proceeds (Rs cr)
Funding capex requirements for establishment of new centres	462.6
Re-payment/Pre-payment of certain borrowings availed by the company	93.0
General corporate purposes^	94.4
<b>Total proceeds from fresh issue</b>	<b>650.0</b>

### Shareholding Pattern

Pre-Issue	No. of Shares	%
Promoter & Promoter Group	12,93,77,052	70.9
Public & Others	5,32,01,819	29.1
<b>Total</b>	<b>18,25,78,871</b>	<b>100.0</b>

Post Issue @ Lower Price Band	No. of Shares	%
Promoter & Promoter Group	12,71,54,830	60.1
Public & Others	8,43,12,930	39.9
<b>Total</b>	<b>21,14,67,760</b>	<b>100.0</b>

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	12,72,67,347	60.6
Public & Others	8,27,37,684	39.4
<b>Total</b>	<b>21,00,05,031</b>	<b>100.0</b>

Source: RHP, SSL Research

## Key Financials

Particulars (Rs cr)	FY23	FY24	FY25
Revenue from operations	579.7	830.6	1,059.3
EBITDA	236.7	226.3	616.5
Adj. EBITDA <sup>^1</sup>	47.7	113.3	114.5
PAT	(198.1)	(341.5)	(139.6)
EBITDA Margin (%)	40.8	27.3	58.2
Adj. EBITDA Margin <sup>^1</sup> (%)	8.2	13.6	10.8
PAT Margin (%)	-	-	-
RoE (%)	64.3	-	-
RoCE (%)	-	-	50.8

Source: RHP, SSL Research

<sup>^1</sup> Adj. EBITDA is EBITDA less payment of lease liabilities including interest and excluding the Loss on Fair valuation of financial liabilities

<sup>^2</sup> Pre-issue based on upper price band

CEPS: Cash EPS

## Risk Factors

- **Geographic concentration risk:** Although the company is present in 15 cities, it derived 93.2%/91.8%/88.8% of its FY23/FY24/FY25 revenue respectively from Bengaluru, Pune and Chennai combined.
- **Lease renewal risk:** Any failure to renew lease contracts from landlords may have an adverse impact on the company's operations.
- **Client retention risk:** Any failure of the company to retain existing clients or attract new clients may have an adverse impact on the company's operations.

## Growth Strategy

- Expand Area under Management by balancing market presence and micro market penetration.
- Enhance Average Revenue per sq ft through an integrated workspace solutions ecosystem.
- Onboard clients by becoming a preferred workspace outsourcing solutions partner.
- Scale Indiqube Bespoke and offer comprehensive office interiors solutions.
- Expand 'Sustainability as a Service' offerings.
- Leverage technology to expand client base.

## Key Operational Parameters – Centers

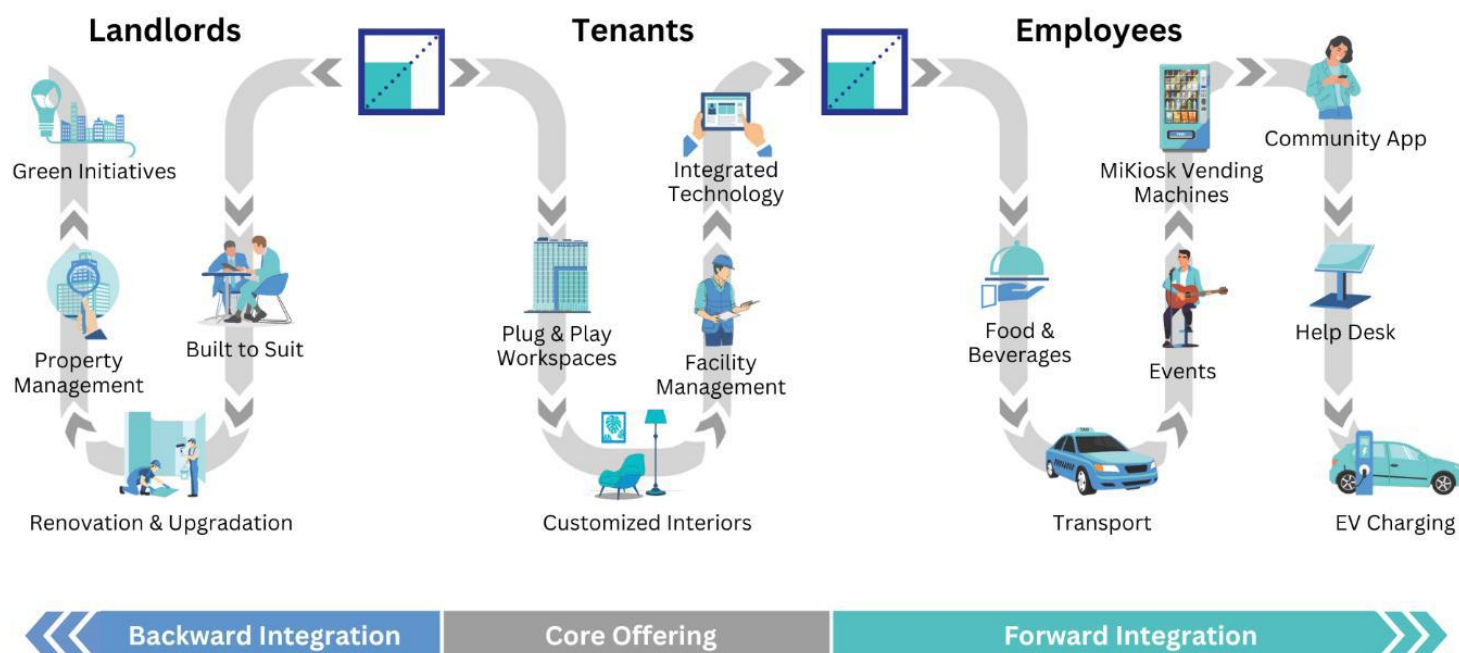
Particulars	FY23	FY24	FY25
Number of Clients	594	702	769
Number of Cities	10	12	15
Number of Centres	74	92	115
Total Super Built-Up Area (mn sq ft)	4.9	6.3	8.4
Active Super Built-Up Area <sup>^1</sup> (mn sq ft)	4.4	5.5	6.9

Source: RHP, SSL Research

<sup>^1</sup> Active Super Built-Up Area is the rentable SBA plus SBA under fit-outs.

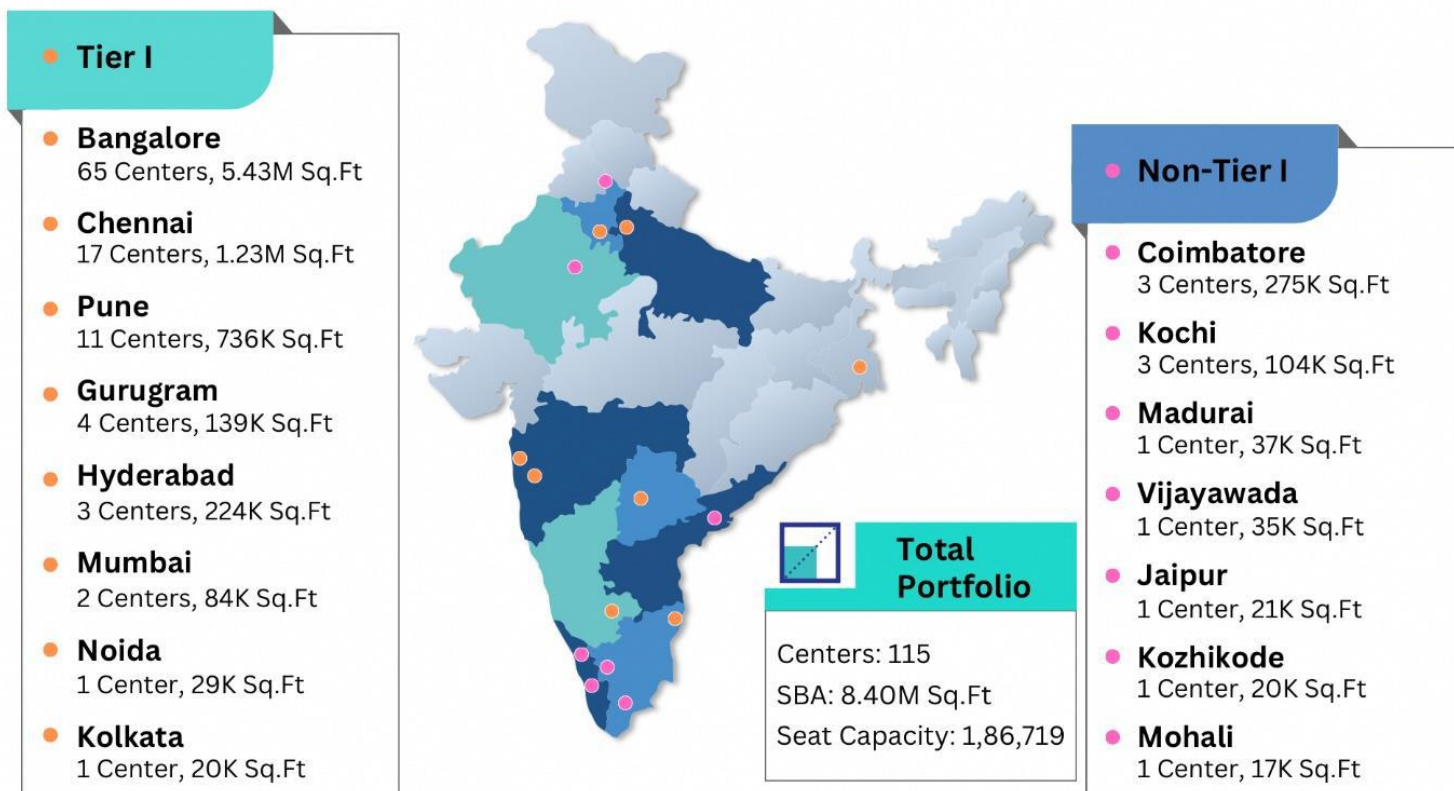
## Indiqube Spaces – Workspace Value-chain

### Workspace Value Chain



Source: RHP, SSL Research

## Geographical Network as of Mar'25



Source: RHP, SSL Research

## Client Base

### Our Clients



Source: RHP, SSL Research

## Occupancy Trend

Particulars	FY23	FY24	FY25
Rentable Area <sup>^1</sup> (mn sq ft) [A]	4.3	5.3	6.3
Occupied Area <sup>^2</sup> (mn sq ft) [B]	3.6	4.3	5.3
Actual Occupancy (%) [B/A]	83.7	80.2	85.1
Area under Letter of Intent (LoI) with clients (mn sq ft) [C]	0.3	0.2	0.4
Committed Area <sup>^3</sup> (mn sq ft) [D]	3.9	4.5	5.7
Committed Occupancy (%) [D/A]	91.1	84.0	90.7

Source: RHP, SSL Research

<sup>^1</sup> Rentable area refers to the SBA across centres where (i) ISL is receiving rent from clients or (ii) could potentially receive rent from clients.

<sup>^2</sup> Occupied area means the total SBA contracted with clients.

<sup>^3</sup> Committed Area refers to the sum of Occupied Area and Area under Letter of Intent with clients.

## Client Mix – Sector break-up

Particulars (% of client base)	FY23	FY24	FY25
IT/ITeS	53.2	50.4	51.2
BFSI & Consulting	23.6	21.7	18.6
Manufacturing, Automotive, Engineering, Aviation	7.2	10.3	11.7
Ecommerce & EdTech	3.7	3.3	3.0
Logistics, Pharmaceutical & Healthcare	5.6	6.3	6.0
Others	6.7	8.1	9.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: RHP, SSL Research

## Revenue Mix

Particulars	FY23		FY24		FY25	
	Rs cr	as a % of Revenue	Rs cr	as a % of Revenue	Rs cr	as a % of Revenue
Workspace Leases <sup>^1</sup>	515.2	88.3	741.6	88.9	926.5	87.3
Value Added Services	68.2	11.7	92.2	11.1	134.9	12.7
<b>Total</b>	<b>583.4</b>	<b>100.0</b>	<b>833.8</b>	<b>100.0</b>	<b>1,061.4</b>	<b>100.0</b>

Source: RHP, SSL Research

<sup>^1</sup> Workspace leases includes revenue from rentals, common area maintenance charges and electricity.

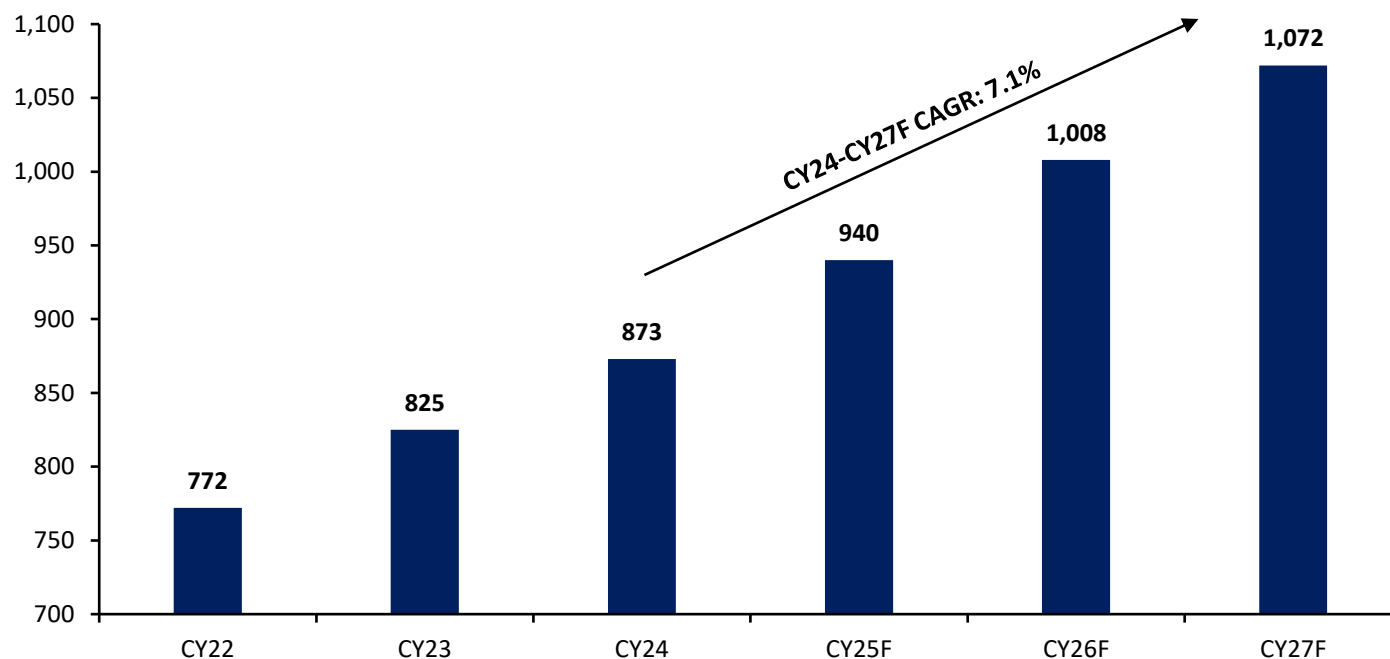
## Revenue to Rent Ratio

Particulars	FY23	FY24	FY25
Rental Revenue per sq ft (Rs) [A]	107.2	132.5	153.1
Rental Payment to Landlord per sq ft (Rs) [B]	55.3	56.8	63.2
Revenue to Rent ratio [A/B]	1.9	2.3	2.4

Source: RHP, SSL Research

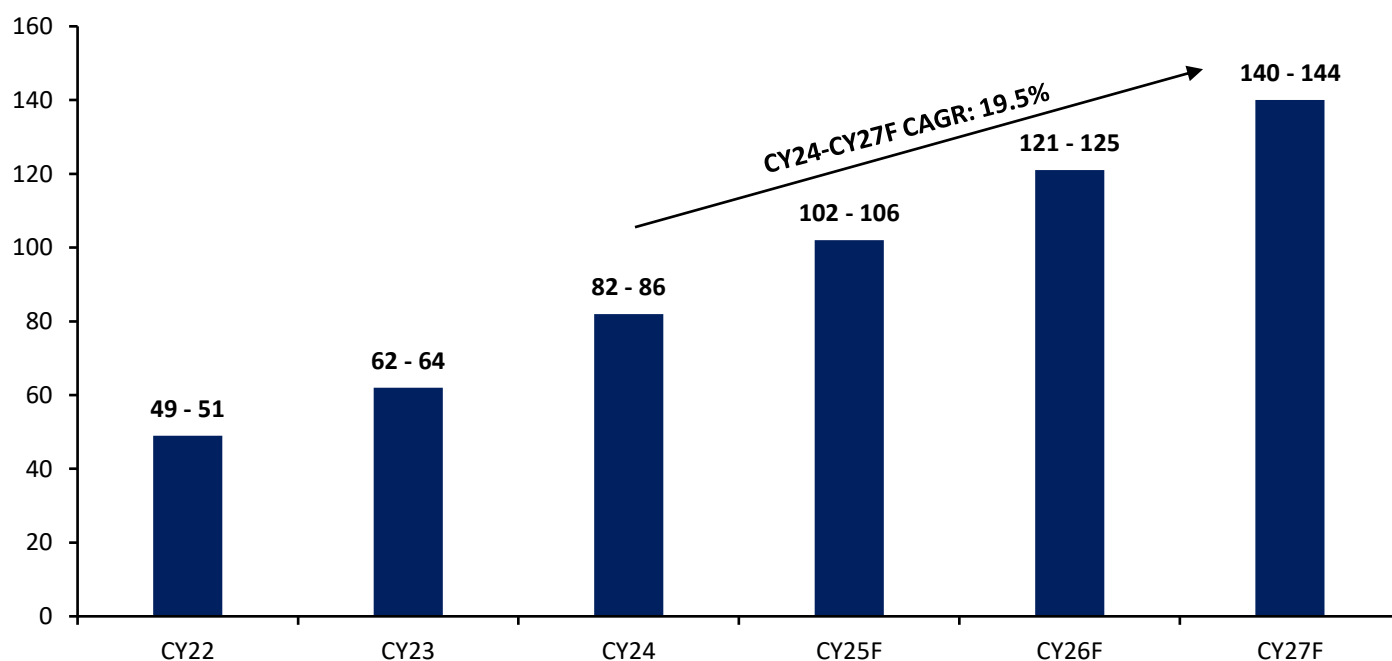
## Industry Overview

### Total Office Stock in Tier-1 cities, India (mn sq ft)



Source: RHP, SSL Research

### Flexible Workspace Stock in Tier-1 cities, India (mn sq ft)



Source: RHP, SSL Research

## Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	FY23	FY24	FY25
<b>Revenue from Operations</b>	<b>580</b>	<b>831</b>	<b>1,059</b>
<b>YoY growth (%)</b>	<b>-</b>	<b>43.3%</b>	<b>27.5%</b>
Purchase of Traded Goods	29	32	52
Employee Cost	44	64	76
Other Operating Expenses	271	501	315
<b>EBITDA</b>	<b>237</b>	<b>226</b>	<b>617</b>
<b>EBITDA margin (%)</b>	<b>40.8%</b>	<b>27.3%</b>	<b>58.2%</b>
EBITDA ex Loss on Fair Value of Fin Liab <sup>^3</sup>	349	495	617
<b>EBITDA margin (%)</b>	<b>60.1%</b>	<b>59.6%</b>	<b>58.2%</b>
<b>Cash EBIT/Adj. EBITDA<sup>^1</sup></b>	<b>48</b>	<b>113</b>	<b>115</b>
<b>Adj. EBITDA margin<sup>^1</sup> (%)</b>	<b>8.2%</b>	<b>13.6%</b>	<b>10.8%</b>
Other Income	22	37	44
Interest Exp.	188	256	330
Depreciation	298	392	487
<b>PBT</b>	<b>(228)</b>	<b>(385)</b>	<b>(157)</b>
Exceptional item	-	-	-
Tax	(30)	(43)	(18)
<b>PAT</b>	<b>(198)</b>	<b>(342)</b>	<b>(140)</b>
<b>PAT margin (%)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EPS</b>	<b>(11)</b>	<b>(19)</b>	<b>(8)</b>

BALANCE SHEET			
Particulars (Rs cr)	FY23	FY24	FY25
<b>Assets</b>			
Net Block	392	494	648
Capital WIP	21	74	114
Intangible Assets	4	3	8
Intangible Assets under development	3	6	-
Right of use assets	2,150	2,588	3,300
Other Non-current Assets	289	336	406
<b>Current Assets</b>			
Trade receivables	33	59	79
Cash and Bank Balances	10	-	6
Other Current Assets	66	108	125
<b>Total Current Assets</b>	<b>110</b>	<b>167</b>	<b>210</b>
<b>Current Liabilities &amp; Provisions</b>			
Trade payables	27	44	54
Other current liabilities	165	252	307
Short-term provisions	1	2	2
<b>Total Current Liabilities</b>	<b>193</b>	<b>298</b>	<b>364</b>
<b>Net Current Assets</b>	<b>(83)</b>	<b>(130)</b>	<b>(154)</b>
<b>Total Assets</b>	<b>2,776</b>	<b>3,370</b>	<b>4,321</b>
<b>Liabilities</b>			
Share Capital	-	-	13
CCCPS	-	1	7
Reserves and Surplus	(308)	129	(23)
<b>Total Shareholders' Funds</b>	<b>(308)</b>	<b>131</b>	<b>(3)</b>
<b>Total Debt</b>	<b>623</b>	<b>164</b>	<b>344</b>
Long Term Provisions	5	7	11
Lease Liabilities	2,303	2,885	3,744
Other Long-Term Liabilities	154	184	225
<b>Total Liabilities</b>	<b>2,776</b>	<b>3,370</b>	<b>4,321</b>



CASHFLOW STATEMENT			
Particulars (Rs cr)	FY23	FY24	FY25
Cash flow from Operating Activities	324	542	612
Cash flow from Investing Activities	(174)	(193)	(259)
Cash flow from Financing Activities	(149)	(365)	(337)
Free Cash Flow	155	359	359

RATIOS			
	FY23	FY24	FY25
<b>Profitability</b>			
Return on Capital Employed	-	-	50.8%
Return on Equity	64.3%	-	-
<b>Margin Analysis</b>			
EBITDA Margin	40.8%	27.3%	58.2%
Adj. EBITDA Margin <sup>^1</sup>	8.2%	13.6%	10.8%
Net Profit Margin	-	-	-
<b>Short-Term Liquidity</b>			
Current Ratio (x)	0.5	0.5	0.4
Quick Ratio (x)	0.5	0.5	0.4
Avg. Days Sales Outstanding	21	26	27
Avg. Days Payables	29	27	45
Fixed asset turnover (x)	0.2	0.3	0.3
Debt-service coverage (x)	-	-	0.3
<b>Long-Term Solvency</b>			
Total Debt / Equity (x)	-	1.3	-
Interest Coverage Ratio (x)	-	-	0.5
<b>Valuation Ratios<sup>^2</sup></b>			
EV/EBITDA (x)	20.9	19.8	7.6
EV/Adj. EBITDA <sup>^1</sup> (x)	103.6	39.6	40.7
P/CEPS (x)	-	-	-
P/B (x)	-	33.1	-
EV/Sales (x)	8.5	5.4	4.4
P/Sales (x)	7.5	5.2	4.1

<sup>^1</sup> Cash EBIT/Adj. EBITDA is EBITDA less payment of lease liabilities including interest.

<sup>^2</sup> Valuation ratios are based on pre-issue capital at the upper price band

<sup>^3</sup> The reclassification of the CCCPS from Equity to Financial Liability in FY23 and back to Equity in FY24 resulted in Loss during Fair valuation of Financial liabilities. This charge of Rs 112 cr in FY23 and Rs 269 cr in FY24 has been included in Other Expenses in the Income Statement

Source: RHP, SSL Research



## Peer Comparison (FY25)

Particulars (Rs cr)	Indiqube Spaces Ltd	Smartworks Coworking Spaces Ltd	Awfis Space Solutions Ltd	EFC (I) Ltd
<b>Financials</b>				
CMP (Rs)	237.0	456.5	646.9	343.8
Sales	1,059.3	1,374.1	1,207.5	656.7
EBITDA	616.5	857.3	402.4	327.7
Adj. EBITDA	114.5	172.2	162.0	-
Adj. Net Profit	(139.6)	(63.2)	42.8	140.8
Mkt Cap.	4,977.1	5,210.1	4,612.0	3,422.2
Enterprise Value	4,665.0	5,040.1	4,553.7	3,511.8
EBITDA Margin (%)	58.2	62.4	33.3	49.9
Adj. EBITDA Margin (%)	10.8	12.5	13.4	-
Net Profit Margin (%)	-	-	3.5	21.4
EV/EBITDA (x)	7.6	5.9	11.3	10.7
EV/Adj. EBITDA (x)	40.7	29.3	28.1	-
RoE (%)	-	-	9.3	25.9
RoCE (%)	50.8	17.5	37.2	31.7
EV/Sales	4.4	3.7	3.8	5.3
<b>Key Operating Metrics</b>				
Number of Cities	15	15	18	9
Number of Centres	115	50	230	79
Area Under Management (mn sq ft)	8.4	9.0	7.8	2.8
Total Capacity Seats	1,86,719	2,03,118	1,34,121	60,000+
Occupancy Rate (%)	85.1	83.1	73.0	90.0

For Indiqube Spaces Limited, the Market cap, P/E(x), EV/EBITDA (x) and EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band

Adj. EBITDA is EBITDA less payment of lease liabilities including interest and excluding the Loss on Fair valuation of financial liabilities

CMP as on 18<sup>th</sup> July, 2025

Source: RHP, Awfis Space Solutions & EFC (I) Investor Presentation, Smartworks Co Working Spaces (RHP), SSL Research

**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 &amp; 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:-

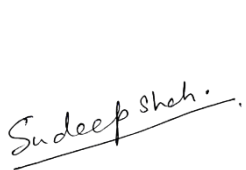
- (a) do not have any financial interests in the subject company mentioned in this Report; (b) do not own 1 or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict 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	DVP- 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](https://bit.ly/R_disclaimer02)


**Sudeep Shah**

DVP – Technical &amp; Derivative Research


**Sunny Agrawal**

DVP – Fundamental Research