

Smartworks Coworking Spaces Ltd.

July 09, 2025



SMARTWORKS

Smartworks Coworking Spaces Ltd. is an office experience and managed campus platform. As of March 31, 2024, Smartworks was the largest managed campus operator among benchmarked operators in terms of total stock, with a lease-signed portfolio of 8 million sq. ft. As of March 31, 2025, the company has leased and manages a total super built-up area of 8.99 million sq. ft. Smartworks typically focuses on leasing entire or large bare shell properties in prime locations from landlords and transforming them into fully serviced, aesthetically pleasing, and tech-enabled campuses with daily-life and aspirational amenities.

Investment Rationale:

Smartworks’ Market Leadership Backed by Scale and Growth

- Largest managed campus operator among peers as of Mar’24 with 8.0 mn sq. ft. lease-signed.
- Expanded to 8.99 mn sq. ft. by Mar’25 across 50 centres in 15 cities with 203,118 seats.
- Operates four centres above 0.5 mn sq. ft., including a 0.7 mn sq. ft. flagship in Bengaluru.
- Achieved 20.8% CAGR in SBA (Mar’23–Mar’25) and 38.98% revenue CAGR (FY23–FY25).
- Presence across key commercial hubs including Bengaluru, Pune, Gurugram, Hyderabad, and Mumbai.

Focus on Large Enterprise Clients and Multi-city Relationships

- Serves team sizes from <50 to >6,300 seats, with core focus on 300+ seat enterprise clients.
- Largest client deals included 6,300+ seats in FY25, 4,800+ in FY24, and 3,500+ in FY23.
- Long-term contracts and lock-ins enhance business visibility and revenue stability.
- 31.9% of FY25 rental revenue came from clients operating in multiple cities.

Capital-efficient Expansion through New Leasing Models

- Primarily operates under straight lease model with 8.99 mn sq. ft. under management as of Mar’25.
- Expanding into variable rental model where rent triggers only after client occupancy.
- Capital efficiency achieved via client deposits and landlord contributions.
- Also adopting management contracts with shared capex for new and emerging markets.
- Signed 450,000 sq. ft. under variable rental model in Gurugram; 33,504 sq. ft. operational by Jun’25.

Building New Margin-accretive Revenue Streams

- Access to 738 clients and 100,000+ employees enables monetization beyond leasing as of March 31, 2025.
- Introduced VAS in FY23 through partnerships with brands like Chaipoint, Park+, and ClearTax.
- VAS revenue has potential to contribute up to 10% of centre-level income.
- Launched Fit-out-as-a-Service (FaaS) in FY24 for enterprise clients with owned or leased offices.
- Completed a 99,429 sq. ft. FaaS project in Apr’24; aims to scale this high-margin business segment.

Strong Financial Performance:

- Smartworks is the largest managed campus operator among benchmarked players in terms of total stock as of March 31, 2024.
- The company added 2.83 million sq. ft. to its portfolio between FY23 and FY25, recording a CAGR of 20.80%.
- Revenue from operations nearly doubled from ₹7,113.92 million in FY23 to ₹13,740.56 million in FY25, reflecting a strong CAGR of 38.98%.
- Adjusted EBITDA rose sharply from ₹363.60 million in FY23 to ₹1,722.30 million in FY25, registering an impressive CAGR of 117.64%.
- Operating cash flow after adjusting for payment of principal portion of lease liabilities and interest paid on lease liabilities increased from ₹1,444.1 million in FY23 to ₹2,434.8 million in FY25, at a CAGR of 30%.
- Cash flows stood at 1.4 times the adjusted EBITDA in FY25, indicating strong capital efficiency and balance sheet resilience.

Valuation and Outlook: Smartworks is strategically positioned to capitalize on the growth trajectory of India’s flexible workspace market. The flexible workspace segment is witnessing accelerated adoption, with total flexible stock in Tier I cities forecast to expand from 82–86 million sq. ft in CY2024 to 140–144 million sq. ft by CY2027, registering a robust CAGR of 18 to 20%. The total addressable market is expected to grow to 280 to 300 million sq. ft (₹730,000 to 960,000 million in value) by FY27, highlighting ample headroom for market expansion. Smartworks, with its SBA of 8.99 million sq. ft across 50 centres in 15 cities, commands a leadership position in the managed office space segment. The company’s SBA has grown at a CAGR of 20.80% from FY23 to FY25, while revenue from operations has grown at 38.98% CAGR during the same period, significantly outpacing industry averages. Moreover, Smartworks’ SBA growth of 38.37% CAGR in Tier I cities between 2020 and 2024 exceeds the broader industry CAGR of approximately 23 to 24 %, reinforcing its ability to scale efficiently and capture market share. The company has further added 1.93 million sq. ft as of 30th June 2025. On the supply side, Smartworks continues to unlock new market potential by converting underutilized or expiring lease assets into high-yield managed campuses. Smartworks has demonstrated strong cash generation capabilities, with OCF after adjusting for payment of principal portion of lease liabilities and interest paid on lease liabilities rising from ₹1,444.1 million in FY23 to ₹2,434.8 million in FY25, representing a CAGR of 30%. The fact that operating cash flows in FY25 stood at 1.4x of adjusted EBITDA underscores its capital efficiency and enhances its ability to self-fund future growth and navigate market cycles with resilience. Smartworks has reported a consistent growth in scale, revenue, and profitability over the last 3 years. It is the largest managed campus operator among the benchmarked operators in terms of total stock. The company added 2.83 million square feet to its overall portfolio in the last two years, reflecting a CAGR of 20.80% between 2023-2025. We recommend subscribe to the issue due to its’ market leadership, robust financial trajectory over the last 3 years, high-growth ancillary services, and transition to hybrid leasing models position the company well to sustain above-industry growth.

Key Financial & Operating Metrics (Consolidated)

In INR mn	Revenue	YoY (%)	Adjusted EBITDA	Adjusted Ebitda %	PAT	EPS	ROE	ROCE
FY23	7113.92	97.48	363.6	5.11	-1010.46	-9.79	-139.04	22.11
FY24	10393.64	46.10	1060.37	10.2	-499.57	-4.84	-123.28	50.91
FY25	13,740.56	32.2	1722.3	12.53	-631.79	-6.12	-80.03	50.8

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Issue Snapshot

Issue Open	10-Jul-25
Issue Close	14-Jul-25
Price Band	INR 387 - 407
Issue Size (Shares)	1,09,33,661
Market Cap (mln)	INR 46448

Particulars

Fresh Issue (INR mln)	INR 4450
OFS Issue (INR mln)	INR 1375.55
QIB	50%
Non-institutionals	35%
Retail	15%

Capital Structure

Pre Issue Equity	10,31,89,592
Post Issue Equity	11,41,23,253
Bid Lot	36 Shares
Minimum Bid amount @ 387	INR 13932
Maximum Bid amount @ 407	INR 14652

Share Holding Pattern

	Pre Issue	Post Issue
Promoters	65.19%	55.98%
Public	35.00%	44.02%

Particulars

Face Value	INR 10
Book Value	INR 48.45
EPS, Diluted	INR -5.54

Objects of the Issue

1. Repayment/Prepayment of borrowings- ₹1140 million
2. CAPEX in new centres- ₹2258.40
3. General Corporate Purposes

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Smartworks Coworking Spaces Ltd. is an office experience and managed campus platform. As of March 31, 2024, Smartworks was the largest managed campus operator among benchmarked operators in terms of total stock, with a lease-signed portfolio of 8 million sq. ft. As of March 31, 2025, the company has leased and manages a total super built-up area of 8.99 million sq. ft.

Smartworks typically focuses on leasing entire or large bare shell properties in prime locations from landlords and transforming them into fully serviced, aesthetically pleasing, and tech-enabled campuses with daily-life and aspirational amenities. These campuses are equipped with modern and aesthetically pleasing designs using an extensive design library, integrated proprietary technology solutions, and amenities such as cafeterias, sports zones, smart convenience stores, gymnasiums, crèches, and medical centres.

The company's centres offer clients' employees a modern, attractive, and aesthetically pleasing work environment. It caters to the needs of teams of all sizes, from under 50 to over 6,300 seats, with a specific focus on mid-to-large enterprises having a requirement of over 300 seats.

The Company's scale:

Smartworks' managed campus platform comprises a total Super Built-up Area (SBA) of 8.99 million square feet across 50 centres in 15 cities, including Bengaluru (Karnataka), Pune (Maharashtra), Hyderabad (Telangana), Gurugram (Haryana), Mumbai (Maharashtra), Noida (Uttar Pradesh), and Chennai (Tamil Nadu), with a total seating capacity of 203,118 as of March 31, 2025.

As on June 30, 2025, Smartworks had signed non-binding letters of intent/MoUs with landlords for an additional Super Built-up Area (SBA) of 1.46 million square feet across three centres in Pune (Maharashtra), Kolkata (West Bengal) (partially handed over to the extent of 0.02 million square feet, which has been excluded), and Mumbai (Maharashtra). Additionally, Smartworks had signed term sheets with landlords in Gurugram for a centre with a total SBA of 450,000 square feet under the variable rental business model, of which 33,504 square feet had been operationalised pursuant to agreements entered into with the landlord and the respective clients. As of March 31, 2025, Smartworks' operational centres served 738 clients occupying 152,619 seats. As on June 30, 2025, the company had 728 clients with 169,541 seats, out of which 12,044 seats were yet to be occupied at the operational centres by the respective clients.

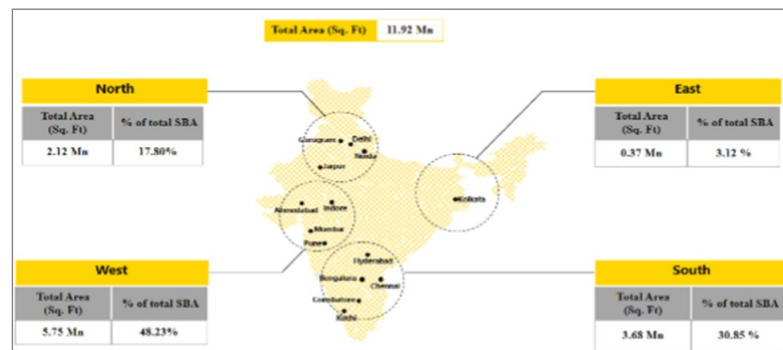
Committed seat capacity:

Capacity Seats in Operational Centres (A)	190,421
Committed Seats (B)	169,541
Committed Occupancy Rate (B/A x 100)	89.03%

Smartworks has leased two centres in Singapore with a total SBA of 35,036 square feet, serving 83 clients as of June 30, 2025. Singapore has emerged as a strategic location for corporate headquarters in the

Asia-Pacific region, and Smartworks' presence there positions the company to tap into additional business opportunities across both India and Singapore. In India, Smartworks has four leased centres each exceeding 0.5 million square feet, including its largest centre of approximately 0.7 million square feet located at Vaishnavi Tech Park in Sarjapur, Outer Ring Road, Bengaluru. The company has consistently outperformed its own benchmarks in securing large campuses. The Bengaluru centre surpassed Smartworks' other major campuses such as M-Agile in Pune with an SBA of 0.69 million square feet and AP-81 in Pune with an SBA of 0.55 million square feet. As of March 31, 2025, the average centre size operated by Smartworks is 0.18 million square feet.

The below diagram shows the scale and Pan-India presence as on June 30, 2025:



Smartworks' operating model | Office experience and managed Campus platform:

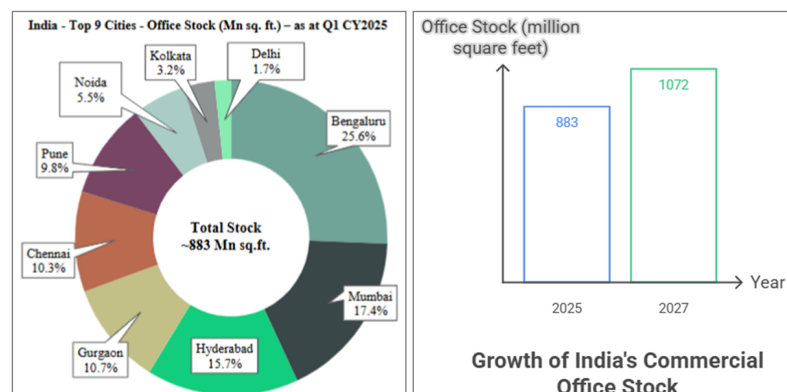
Smartworks typically focuses on leasing entire or large bare shell properties in prime locations from landlords and transforming them into fully serviced, aesthetically designed, and tech-enabled campuses equipped with daily-life and aspirational amenities. The centres provide clients' employees with a modern, attractive, and well-designed work environment. Smartworks caters to clients of all team sizes, ranging from under 50 to over 6,300 seats, with a specific emphasis on mid-to-large enterprises requiring more than 300 seats.

The below table set forth details of Rental Revenue from Enterprise Clients during the Fiscals indicated:

Particulars	Fiscals		
	2025	2024	2023
Rental Revenue from Enterprise Clients (in ₹ million)	11,345.68	8,847.99	6,044.91
Rental Revenue (in ₹ million)	12,821.65	9,870.26	6,645.82
Percentage of Rental Revenue from Enterprise Clients	88.49%	89.64%	90.96%

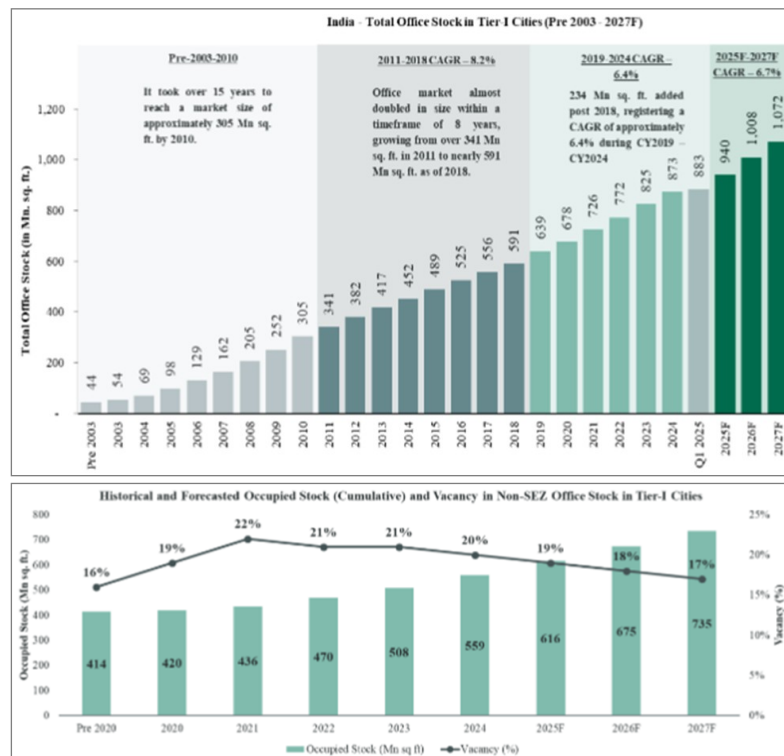
Industry Overview:

India's commercial office stock stands at an estimated 883 million square feet as of March 31, 2025. It is forecast to grow at a CAGR of 6.7% to 1,072 million square feet by the end of 2027.



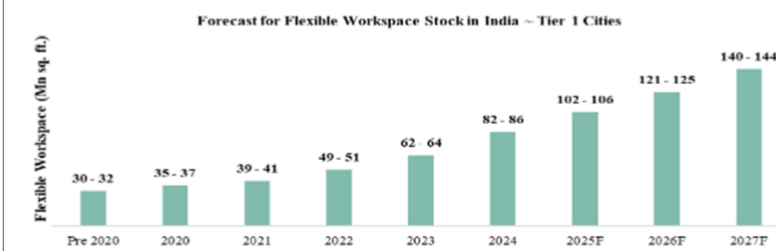
Flexible workspace solutions are becoming an integral part of the modern work culture, catering to diverse working styles and introducing flexibility to the commercial office market. The total flexible workspace stock, ranging between 82–86 million square feet by the end of CY2024, is forecast to grow to approximately 140–144 million square feet across Tier 1 cities by the end of CY2027, with a CAGR of approximately 18–20%. The total addressable market for flexible workspace operators represents a sizeable opportunity of 280–300 million square feet (in terms of area) and ₹730,000–960,000 million (in terms of value) by 2027.

Evolution of Office Stock in India:



Forecasts for Stock of Flexible Workspaces in India

The forecasts for market size for flexible workspaces in India for all the top 9 tier 1 cities is outlined below:



The total addressable market for the flexible workspace segment is expected to be approximately 280-300 Mn sq. ft.:

Parameters	2027F
Total Stock (Non-SEZ Office) by 2027F - Mn sq. ft.	884
Total Occupied Stock (Non-SEZ Office) by 2027F - Mn sq. ft.	735
Vacant Stock (Non-SEZ Office) by 2027F - Mn sq. ft.	149
Expected Stock of Flexible Workspace in 2027F (Tier 1)	140 - 144
Total Addressable Market for Flexible Workspace by 2027F - Mn sq. ft.	280 - 300
Total Addressable Market for Flexible Workspace by 2027F - ₹ Bn	730 - 960
TAM Calculation (₹ Bn)	
Weighted Average Rent for Non-SEZ Stock (India Level) - ₹/sq. ft./month	110
Revenue to Rent Multiple (Lower End)	1.9
Revenue to Rent Multiple (Upper End)	2.5
Total Addressable Market (Lower End) - ₹ Bn	730
Total Addressable Market (Upper End) - ₹ Bn	960

highlighting the growing preference for larger, scalable solutions. This shift presents a significant market opportunity for Smartworks, supported by its pan-India presence, value-driven pricing strategy, and focus on leasing entire or large properties.

The flexible workspace stock in Tier I cities expanded from over 35 million square feet at the end of 2020 to more than 82 million square feet by the end of 2024, reflecting a CAGR of approximately 23 to 24 %. Smartworks, being among the first operators to offer managed office solutions, has leveraged its robust business model and mid-to-large enterprise leasing strategy to drive SBA growth in Tier I cities at a CAGR of 38.37 % between 2020 and 2024. This growth rate has outpaced the broader industry by more than 1.5 times in terms of total SBA during the same period. Smartworks continues to benefit from both supply-side expansion and increasing demand in the managed workspace segment to further scale its business.

Market Opportunity for Smartworks:

Supply opportunity:

India's commercial office stock stood at an estimated 883 million square feet as of March 31, 2025, and is projected to grow at a CAGR of 6.7% to reach 1,072 million square feet by the end of 2027. The stock is concentrated in the top nine cities comprising Bengaluru, Mumbai Metropolitan Region (MMR), Hyderabad, Gurugram, Chennai, Pune, Noida, Kolkata, and Delhi in order of market size. The Indian office market remains predominantly fragmented, with 70.2% of the total organized commercial stock being non-institutionally owned as of March 31, 2025.

Smartworks has built a mutually beneficial proposition by partnering with passive and non-institutional landlords, typically leasing their entire or large bare shell properties. The company leases a mix of newly constructed properties as well as existing assets transitioning from expiring leases. For instance, Golf View Corporate Towers Tower B in Gurugram, with an SBA of 144,626 square feet, and Maple Corporate Park in Noida, with an SBA of 270,000 square feet, previously occupied by a global consulting firm and a major Indian IT multinational respectively, have now been leased by Smartworks. The company's proven success in converting such existing properties into its managed campuses reflects a growing preference among landlords for the Smartworks model over traditional leasing arrangements. This shift has unlocked an additional addressable market for the company.

Demand opportunity:

Supported by the country's steady economic growth, domestic companies are emerging as a strong driver of office space demand in India. With the availability of new and experienced talent, a supportive regulatory framework, and access to high-quality, cost-effective real estate, India is becoming one of the preferred destinations for offices of global capability centers and multinational corporations. These companies are increasingly evaluating flexible workspaces to expand their operations in India, as such spaces allow for outsourcing of non-core functions such as office experience and cost-effective operational management. This trend is further supporting the growing demand for flexible workspace solutions.

Occupiers are showing a strong preference for modern integrated office parks that offer a range of amenities including food and beverage outlets, outdoor open areas, fitness and wellness centers, and community engagement initiatives. As the use cases for flexible workspace solutions evolve, organizations are also beginning to consider them as viable options for relocation, consolidation, and other operational shifts following the expiry of traditional leases. The share of flexible workspaces in non-SEZ occupied office stock across Tier I cities has risen significantly from 7 to 9 % before 2020 to 14 to 16 % by the end of 2024.

Smartworks is well-positioned to capitalize on these dual tailwinds. The number of companies allocating more than 10 % of their office space to flexible formats is expected to increase substantially by 2026. Over the past two to three years, most seat transactions in flexible workspace centres have occurred in cohorts of over 100 seats, highlighting the growing preference for larger, scalable solutions.



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The below table shows the total stock and flex stock of some of the key clusters in India:

Market	Key Cluster	Total Stock (in million sq. ft.)	Flex Stock (in million sq. ft.)	SBA Managed by Smartworks (in million sq. ft.)	Market Share of Smartworks (Total Stock) (%)	Market Share of Smartworks (Flex Stock) (%)
Pune	Secondary Business District-West	14.5	4.5-5.0	0.65	13.81%	44.69%-40.04%
Gurgaon	Golf Course Road	6	3.3-3.8	0.7	11.58%	40.81%-31.10%
Pune	Central Business District	10	2.0-2.5	0.7	21.23%	18.44%-21.26%
Pune	Secondary Business District-East	16.5	2.0-2.5	0.32	1.94%	12.90%-16.00%
Hyderabad	IT Corridor	75.8	8.5-9.0	1.22	1.63%	14.30%-15.32%
Bengaluru	Outer Ring Road	75	7.2-7.7	0.99	1.32%	13.75%-12.91%
Chennai	Off CBD	10.3	1.7-2.2	0.2	1.94%	11.76%-9.09%
Bengaluru	North Bengaluru District	36.4	3.3-3.8	0.23	0.62%	6.99%-6.03%
Gurgaon	DIF Cybercity	12.3	1.5-2.0	0.1	0.81%	6.67%-5.00%

Investment Rationale:

Smartworks' market leadership backed by scale and steady growth: As of March 31, 2024, Smartworks was the largest managed campus operator among benchmarked players in terms of total stock, with a lease-signed portfolio of 8 million square feet. The company has a total of four lease-signed centres in India exceeding 0.5 million square feet in size, with the largest centre spanning approximately 0.7 million square feet

located at Vaishnavi Tech Park in Sarjapur, Outer Ring Road, Bengaluru.

Smartworks' managed campus platform comprises a total SBA of 8.99 million square feet across 50 centres in 15 cities including Bengaluru (Karnataka), Pune (Maharashtra), Hyderabad (Telangana), Gurugram (Haryana), Mumbai (Maharashtra), Noida (Uttar Pradesh), and Chennai (Tamil Nadu), with a total capacity of 203,118 seats as of March 31, 2025. The detailed break-up is provided in the table below.

Particulars	As on March 31, 2025			As on June 30, 2025		
	SBA (in million square feet)	Number of Centres	Capacity Seats	SBA (in million square feet)	Number of Centres	Capacity Seats
Operational Centres*	8.09	46	183,613	8.31	48*	190,421
Fit-outs Centres	0.72	3	15,494	0.70	2	15,042
Centre(s) yet to be handed over ⁽¹⁾	0.18	1	4,011	1.07	4*	26,085
Total	8.99	50	203,118	10.08	54	231,548

Smartworks' pan-India presence across key clusters, value-centric pricing strategy, and capability in leasing entire or large properties make it a preferred partner for clients in the mid-to-large enterprise segment. This is reflected in the strong growth achieved, with a CAGR of 20.80 % in total SBA managed between March 31, 2023, and March 31, 2025, and a CAGR of 38.98 % in revenue from operations between Fiscal 2023 and Fiscal 2025.

Leveraging its operational scale and consistent growth, Smartworks has emerged as an industry leader. Over the past eight years, the company has successfully built a strong pan-India brand with a proven track record in managing workspaces. The strength of the Smartworks brand, combined with its early-mover advantage in offering managed office solutions, positions the company to capture greater market share while enhancing operational efficiencies through economies of scale.

Smartworks' focus on acquiring Enterprise Clients with higher Seat requirements as well as emerging mid-to-large Enterprises, and grow with them: Smartworks caters to clients across all team sizes, ranging from under 50 to over 6,300 seats, with a specific focus on mid and large enterprises that typically require more than 300 seats. The company's ability to meet customized infrastructure and operational needs makes it a preferred partner for such clients. Smartworks' largest client deal involved over 6,300 seats in Fiscal 2025, over 4,800 seats in Fiscal 2024, and over 3,500 seats in Fiscal 2023, underscoring its strong value proposition and commitment to serving large enterprises. The table below presents the %age of rental revenue derived from different seat cohorts for the respective fiscals:

(in ₹ million, unless stated otherwise)

Seats cohorts	Rental Revenue for Fiscal 2025	As a percentage of total Rental Revenue for Fiscal 2025	Rental Revenue for Fiscal 2024	As a percentage of total Rental Revenue for Fiscal 2024	Rental Revenue for Fiscal 2023	As a percentage of total Rental Revenue for Fiscal 2023
0-100	1,542.06	12.03%	1,260.92	12.77%	993.09	14.94 %
101-300	3,145.96	24.54%	2,689.31	27.25%	1,941.17	29.21 %
More than 300	8,133.63	63.44%	5,920.03	59.98%	3,711.56	55.85 %
Total	12,821.65	100.00%	9,870.26	100.00%	6,645.82	100.00%

These mid-to-large enterprises typically enter into long-term contractual arrangements, committing to workspaces for extended tenures and lock-in periods. Such long-term commitments contribute to greater business stability and improve revenue predictability for Smartworks. The below table illustrates weighted average total tenure and weighted average lock-in tenure based on Seat cohorts as of the dates indicated:

Particulars	As of March 31, 2025	As of March 31, 2024	As of March 31, 2023
Weighted average total tenure (in months)	46	46	46
0-100 Seats	45	35	34
101-300 Seats	39	40	43
300+	50	49	49

Large enterprises typically maintain a presence across multiple cities and centres, including both Tier 1 and Tier 2 locations. Smartworks' existing partnerships with such clients enable the company to anticipate their evolving workspace needs and align its expansion strategy accordingly. In Fiscal 2025, 31.90 % of Smartworks' rental revenue was generated from clients with operations in multiple cities.

Enhancing capital efficiency through variable rental business model and managed contracts: Smartworks has leased and manages a total SBA of 8.99 million square feet as of March 31, 2025, primarily operating under a straight lease model. The company's scale has contributed to the establishment of its brand and leadership position in the industry. Looking ahead, Smartworks aims to strategically diversify into variable rental and management contract models.

Under the variable rental model, capital expenditure is incurred by the company, while rental obligations commence only after the respective space has been leased to clients. This model is capital-efficient, as client security deposits and landlord contributions toward building improvements help offset the capital investment. It also reduces business risk by eliminating occupancy-related exposure and improves unit-level economics.

In the management contract model, capital expenditure is shared with landlords in a pre-agreed ratio. Smartworks plans to leverage both models to expand into new and emerging markets. As of June 30, 2025, the company had signed term sheets with landlords in Gurugram for a centre with a total SBA of 450,000 square feet under the variable rental model, of which 33,504 square feet had already been operationalised through agreements with the landlord and respective clients.

Scaling up new revenue streams, which are margin-accretive: Smartworks has developed strong capabilities in delivering bundled solutions by leveraging its sourcing, technology, and design expertise. As of March 31, 2025, the company has access to a broad ecosystem comprising 738 clients and their employees, totalling over 100,000 individuals, as well as landlords and service partners. This scale provides a strong foundation for monetising its capabilities across ancillary business lines through cross-selling.

Smartworks started offering VAS from FY23 through revenue-sharing partnerships with service partners such as Chaipoint (Mountain Trail Foods Private Limited), Park+ (Parviom Technologies Private Limited), ClearTax (Defmacro Software Private Limited), Nutritap Technologies Private Limited, and CloudKitch Private Limited. Typically, the revenue from such value-added services offered by the operators has been observed to usually range between 0%-10% of the overall revenue generated by the centre. Hence, this represents a vast untapped market opportunity, which can be capitalised by scaling Smartworks' service partnership relations and diversifying our VAS offerings by providing daily-life and aspirational amenities to our clients' employees, leading to an increase in revenue through VAS. By expanding service partnerships and diversifying VAS offerings to include daily-life and aspirational amenities for clients' employees, Smartworks aims to enhance overall revenue contribution from this segment.

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In 2024, Smartworks launched Fit-out-as-a-Service (FaaS) for enterprises with their own or self-leased managed offices. With rising demand for tech-enabled design and build services, the company is using its in-house design team, extensive design library, and broad vendor network to deliver modern, compliant, and cost-efficient office fit-outs. These solutions are offered at value pricing by leveraging economies of scale. In April 2024, Smartworks executed a fit-out arrangement with First Source Limited for an office space spanning 99,429 square feet. The company plans to expand this business line in the coming years, creating a new revenue stream and contributing to overall business growth.

Strong financial performance: Smartworks coworking spaces have reported a consistent growth in scale, revenue, and profitability over the last three years. Smartworks is the largest managed campus operator among the benchmarked operators in terms of total stock. The company added 2.83 million square feet to its overall portfolio in the last two years, reflecting a CAGR of 20.80% between 2023–2025.

Revenue from Operations almost doubled, increasing from ₹7,113.92 million in FY23 to ₹13,740.56 million in FY25, reflecting a CAGR of 38.98%, whereas adjusted EBITDA rose from ₹363.60 million in FY23 to ₹1,722.30 million in FY25, showing strong growth at a CAGR of 117.64% during the same period.

Smartworks has demonstrated even more impressive growth in its cash flows, reflecting the capital efficiency and increasing strength in its balance sheet. Operating cash flow after adjusting for payment of principal portion of lease liabilities and interest paid on lease liabilities increased from ₹1,444.1 million in FY23 to ₹2,434.8 million in FY25, at a CAGR of 30%.

Against the adjusted EBITDA of ₹1,722.30 million, 1.4x higher cash flows represent the key strength of the company.

Valuation and Outlook: Smartworks is strategically positioned to capitalize on the growth trajectory of India's flexible workspace market. The flexible workspace segment is witnessing accelerated adoption, with total flexible stock in Tier I cities forecast to expand from 82–86 million sq. ft in CY2024 to 140–144 million sq. ft by CY2027, registering a robust CAGR of 18 to 20%. The total addressable market is expected to grow to 280 to 300 million sq. ft (₹730,000 to 960,000 million in value) by FY27, highlighting ample headroom for market expansion. Smartworks, with its SBA of 8.99 million sq. ft across 50 centres in 15 cities, commands a leadership position in the managed office space segment. The company's SBA has grown at a CAGR of 20.80% from FY23 to FY25, while revenue from operations has grown at 38.98% CAGR during the same period, significantly outpacing industry averages. Moreover, Smartworks' SBA growth of 38.37% CAGR in Tier I cities between 2020 and 2024 exceeds the broader industry CAGR of approximately 23 to 24 %, reinforcing its ability to scale efficiently and capture market share. The company has further added 1.93 million sq. ft as of 30th June 2025. On the supply side, Smartworks continues to unlock new market potential by converting underutilized or expiring lease assets into high-yield managed campuses. Smartworks has demonstrated strong cash generation capabilities, with OCF after adjusting for payment of principal portion of lease liabilities and interest paid on lease liabilities rising from ₹1,444.1 million in FY23 to ₹2,434.8 million in FY25, representing a CAGR of 30%. The fact that operating cash flows in FY25 stood at 1.4x of adjusted EBITDA underscores its capital efficiency and enhances its ability to self-fund future growth and navigate market cycles with resilience. Smartworks has reported a consistent growth in scale, revenue, and profitability over the last 3 years. It is the largest managed campus operator among the benchmarked operators in terms of total stock. The company added 2.83 million square feet to its overall portfolio in the last two years, reflecting a CAGR of 20.80% between 2023–2025. We recommend subscribe to the issue due to its' market leadership, robust financial trajectory over the last 3 years, high-growth ancillary services, and transition to hybrid leasing models position the company well to sustain above-industry growth.

Peer Comparison

Name of the Company	Revenue from Operations (₹ million)	Closing Price on July 07, 2025 (₹)	EV/EBITDA	EPS (Diluted) (₹)	Market Capitalization (₹ million)
Smartworks Coworking Spaces Ltd	13,740.56	407	5.34	-6.18	46448.00
Awfis Space Solutions Ltd	12,075.35	629.95	12.7	9.67	43,690.00

Financial Parameters		Smartworks			Awfis		
Particulars	Unit	FY23	FY24	FY25	FY23	FY24	FY25
Revenue from Operations	₹ million	7,113.92	10,393.64	13,740.56	5,452.82	8,488.19	12,075.35
Revenue Growth	%	97.48%	46.10%	32.20%	-	55.67%	42.26%
Total Income	₹ million	7,440.70	11,131.10	14,096.69	5,657.87	8,743.08	12,618.65
Total Income Growth	%	-	49.60%	26.64%	-	54.42%	44.12%
EBITDA	₹ million	4,239.98	6,596.70	8,572.64	1,760.17	2,633.52	4,018.57
EBITDA Margin	%	59.60%	63.47%	62.39%	32.26%	30.92%	33.30%
Adjusted EBITDA	₹ million	363.6	1,060.37	1,722.30	-	-	-
Net Profit / (Loss)	₹ million	-1,010.46	-499.57	-631.79	-466.37	-175.67	678.7
Net Profit Margin (as % of Total Income)	%	-13.58%	-4.49%	-4.48%	-8.24%	-2.01%	5.60%
Total Equity	₹ million	314.66	500.07	1,078.81	1,693.64	2,514.31	4,592.19
Capital Employed	₹ million	3,055.13	3,770.66	4,071.32	9,045.33	13,890.99	25,069.18
Total Assets	₹ million	44,735.03	41,470.84	46,508.54	30,605.10	36,198.79	46,998.76
ROCE	%	11.90%	28.12%	42.30%	6.39%	7.97%	10.45%

Operational Parameters		Smartworks			Awfis		
Particulars	Unit	FY23	FY24	FY25	FY23	FY24	FY25
Cities	No. of cities	12	13	15	16	17	18
Centres	No. of centres	39	41	50	119	126	230
Operational Centres	No. of centres	31	39	46	114	119	160
Super Built-Up Area	Million sq. ft.	6.8	8	8.99	-	-	-
Capacity Seats (Total)	Seats	1,37,564	1,82,228	2,03,118	68,203	95,030	1,34,121
Capacity Seats in Operational Centres	Seats	1,37,564	1,63,022	1,83,613	63,184	90,358	1,28,940
Occupied Seats in Operational Centres	Seats	1,05,568	1,30,047	1,52,619	51,104	70,829	94,048
Occupancy Rate in Operational Centres	%	76.74%	79.77%	83.12%	74.98%	78.37%	73.00%
Number of Clients	No. of clients	521	603	738	1,967	2,459	3,000+
Seat Retention Rate	%	96.24%	88.27%	86.83%	-	-	-

Smartworks Coworking Spaces Ltd.

July 09, 2025



Income Statement				Balance Sheet			
Y/E (INR mn)	FY23	FY24	FY25	Y/E (INR mn)	FY23	FY24	FY25
Revenue	7,113.92	10,393.64	13,740.56	Source of funds			
Expenses:				Equity Share Capital	776.91	790.13	1031.90
Operating expenses	2200.24	3029.41	4160.34	Reserves	-464.38	-292.19	46.91
Employee Cost	408.37	496.08	653.69	Total Share holders funds	314.66	500.07	1078.81
Total Expenses	2,873.94	3,796.94	5,167.92	Total Debt	5,153.89	4,273.50	3,977.70
EBITDA	4,239.98	6,596.70	8,572.64	Current Liabilities	7,817.04	9,550.03	12,166.22
EBITDA Margin %	59.6	63.47	62.39	Trade Payables	997.14	1220.25	1158.8
Adjusted EBITDA	363.6	1060.37	1722.3	Total Non-Current Liabilities	35,607.38	30,248.63	33,263.51
Adjusted EBITDA Margin %	5.11	10.2	12.53	Total Liabilities	43,739.08	40,298.73	46,508.54
Interest	2,366.56	3,283.18	3,363.38	Application of funds			
Depreciation	3562.46	4727.20	6359.98	Fixed Assets	37244.34	34116.77	37661.78
Other Income	326.78	737.46	356.13	Cash and Bank	2137.22	701.25	689.30
PBT	-1,362.26	-676.22	-794.59	Current Assets	3597.70	2651.59	2552.57
PAT	-1,010.46	-499.57	-631.79	Trade Recievables	143.18	140.92	255.31
EPS	-9.79	-4.84	-6.12	Other current assets	1176.77	1322.67	1183.87
				Total Assets	43,739.08	40,298.73	46,508.54
Cash Flow				Key Ratios			
Y/E (INR mn)	FY23	FY24	FY25	Y/E (INR mln)	FY23	FY24	FY25
Profit Before Tax	-1362.26	-676.22	-794.59	Growth Ratio			
Adjustment	5457.69	7292.95	9,429.29	Net Sales Growth(%)	97.48	46.10	32.2
Changes In working Capital	1250.36	1004.19	346.29	EBITDA Growth(%)	90.19	60.60	29.95
Cash Flow after changes in Working Capital	5345.79	7620.92	8,980.99	PAT Growth(%)	-44.55	50.56	26.47
Tax Paid	-27.47	-187.92	304.17	Margin Ratios			
Cash From Operating Activities	5318.32	7433.00	9,285.16	EBITDA	59.6	63.47	62.39
Cash Flow from Investing Activities	-3066.30	-1921.59	-2,670.72	PBT	-19.15	-6.51	-5.78
Cash from Financing Activities	-1705.81	-5771.80	-6377.07	PAT	-14.2	-4.81	-4.6
Net Cash Inflow / Outflow	546.21	-260.39	147.32	Return Ratios			
Opening Cash & Cash Equivalents	-322.57	223.64	-36.75	ROA	-2.82	-1.19	-1.46
Closing Cash & Cash Equivalent	223.64	-36.75	110.57	ROE	-139.04	-123.28	-80.03
				ROCE	22.11	50.91	50.8
				Turnover Ratios			
				Asset Turnover(x)	0.20	3.88	0.32
				Fixed Asset Turnover (x)	0.20	0.23	0.38
				Solvency Ratios			
				Total Debt/Equity(x)	16.49	8.58	3.69
				Current Ratio(x)	0.46	0.28	0.21
				Interest Cover(x)	0.42	2.01	0.76
				Valuation Ratios			
				P/E	-	-	-66.47
				EV/EBITDA	-	-	5.34
				EV/Sales	-	-	3.33
				P/B	-	-	8.4

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