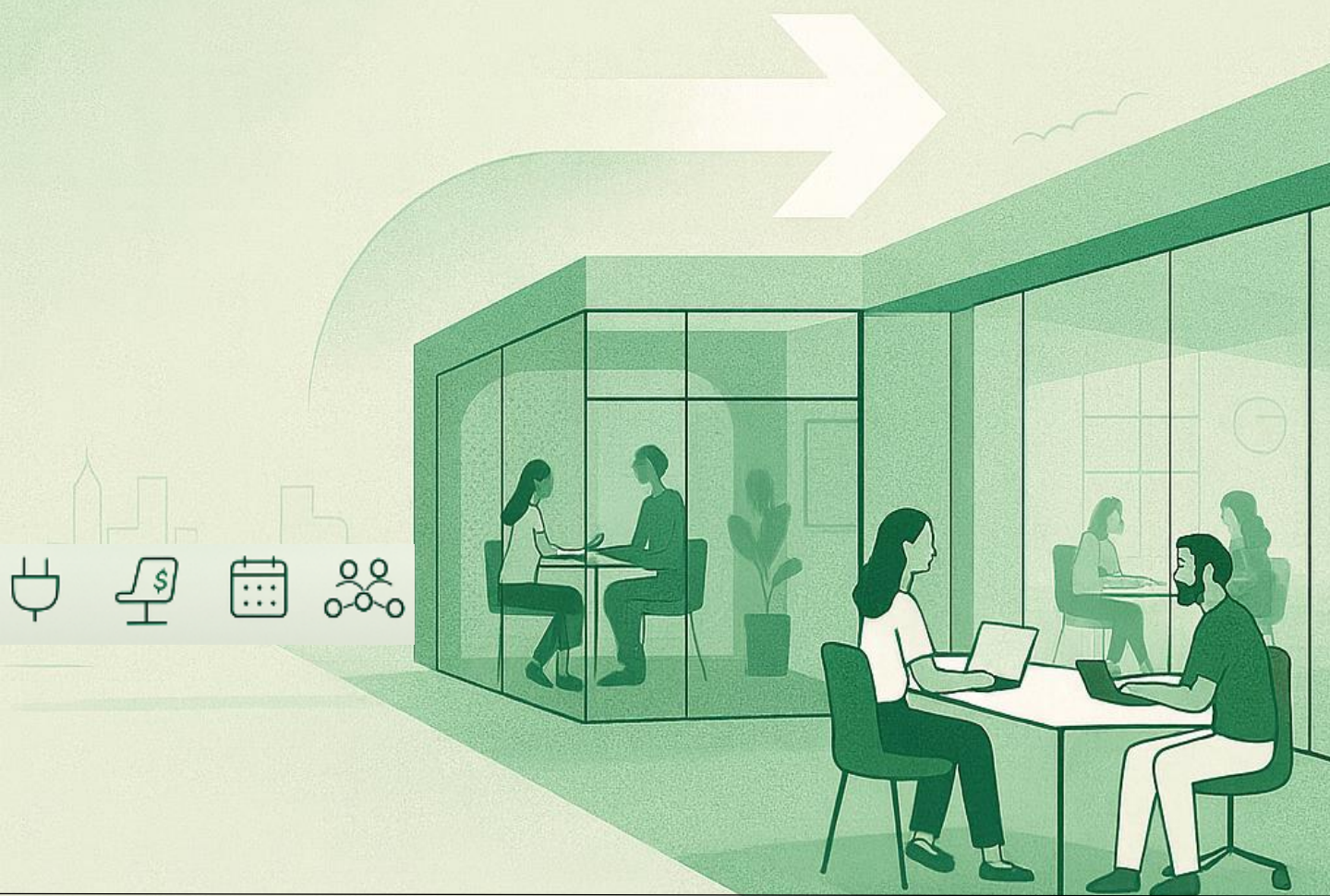


# FIDENT FINEPRINT

FLEX LEASING > HOTELS, MALLS, CINEMA, REITS

EDITION 2



October 2025



We are pleased to present the **Edition 2 of Fident Fineprint** - a research-led view on emerging megatrends.

Fident Fineprint is a focused lens on structural megatrends shaping India's growth story. In each Edition, we explore sectors undergoing meaningful transformation & highlight listed companies aligned with these themes and share how our portfolios are positioned to participate in these long-term opportunities.

In this Edition, we probe into the office leasing industry particularly focusing on **Flex Leasing (flexible workspace)**.

## Why are we overweight on flex workspace leasing?

Our philosophy at Fident is straight-forward -

We like businesses with favorable long-term prospects, strong capital allocation, robust cash flows, run by competent management & where the risk-reward is favorable. We believe flex workspaces is one such industry at the cusp of a strong mega trend.

To form a holistic view, we analyze various commercial leasing and real estate plays, their growth drivers and outlook to determine why flex leasing stands out due to its **high ROCE, asset light business model and strong growth**.

We have covered the following industries in this note:

- I. Hotels**
- II. Malls**
- III. Cinemas**
- IV. REITs**
- V. Flex Leasing**



## I. Hotels

### Current Landscape

- India currently has roughly 200k chain-affiliated rooms as of mid-2025 with average industry wide occupancies of **65%-70%**, average room rent (ARR) of **₹7,800–8,000**, & rent per available room (RevPAR) at INR 6000-7000, **35-40% above 2019 levels**.
- The industry is on a strong footing with a record **~47k** new keys signed in 2024, pointing to an accelerating pipeline.

### Industry Evolution

- Through FY12–20, the sector was still digesting the 2007–10 supply surge; occupancy levels hovered around **50–55%**, returns were muted, and brands focused on capex restraint and deleveraging.
- Post-Covid, demand snapped back & **domestic tourism started booming** with airports handling **>370m passengers in CY24**, pushing occupancy and ADRs to decadal highs.
- At the same time, brands leaned into **asset-light management/franchise** deals shunning away heavy capex investment and deleveraging the balance sheet. E.g. > 95% of the new hotel signings for IHCL were management contracts.

### Growth Outlook & View

- With a strong balance sheet, industry plans to add **>100k keys during FY25–29** on a base of 200k keys - a sizeable number that will test pricing power as it comes on stream. Ex of management contracts (still not an industry wide phenomenon), **ROCEs remain at 10-11%** with long payback periods.
- Cheaper fares, new routes, and **lower room rates across South Asia** are diverting Indian leisure spend abroad, e.g. Bali 2024 ADRs are at ₹9.8k while Phuket at ₹12k for a decent 4-star stays—often undercutting comparable Indian options.
- We prefer companies focusing on asset light management contracts vs owned/leased models that **cushion margins & ROCE** when RevPAR & occupancy growth slows.

## II. Malls

### Current Landscape

- India **has roughly 340 operational malls** across **~29 cities**, with **75-80%** concentrated in Tier-1 metros. The market is barbelled: A few Grade-A destination malls dominate GMV, while many **Grade-B centres** (especially in Tier-2/3) struggle to stay relevant.
- Step inside a top Grade-A mall in Mumbai or Delhi and you'll find it buzzing, with **occupancy at 95%+**. But scratch the surface and you'll see the other side: **ghost malls (vacancy >40%) have risen to ~64 in 2023** and in Tier-1 cities alone, 16 malls have been shut between 2019–23 despite new openings. The picture is clear that success is highly concentrated in a few assets.



## Industry Evolution

- Using the example of Phoenix mills we understand that capacity growth for this industry is **low** considering its inherent nature of high capex and operating cost. Over FY14–20, Phoenix Mills **grew revenue/EBITDA at a CAGR of 5%/6%**, with leverage peaking at **Debt/EBITDA of 5x**, and **average ROCE of 9%** for that period. The story is straightforward—capital efficiency lagged, so even a good operating franchise couldn't grow its capacity faster.
- Post-covid, revenue/EBITDA grew at a CAGR of **14%/17% CAGR** on rebounding footfalls and premiumisation led K-shaped recovery, however average ROCE still hovered at 8%.

## Growth Outlook & View

- While we are positive on India's discretionary consumption story, we prefer Grade-A malls in prime micro-markets with steady occupancies and rental growth.
- Valuations for Tier 1 mall companies like Phoenix mills that have exhibited strong growth in the recent past have rerated materially (**Current – 25x EV/EBITDA vs 10-year avg EV/EBITDA - 11x**) forcing us to have a slightly cautious outlook on the industry.

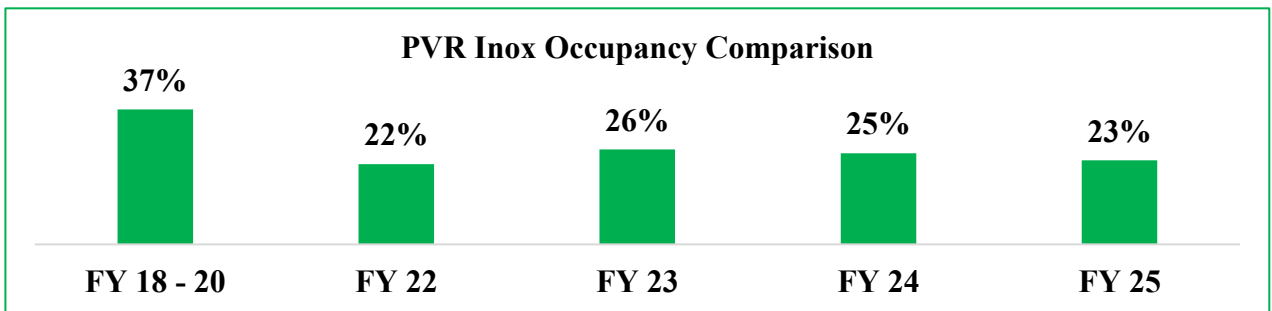
# III. Cinemas

## Current Landscape

- India has about **9,500 screens** (5,500 single screen + 4,000 multiplex). The multiplex base is **highly concentrated**: post-merger **PVR INOX has 1,750 screens** while **Cinépolis has 485 screens** together controlling well over half of multiplex capacity, mostly in prime malls and Tier-1/2 catchments.
- Cinemas are a **high fixed-cost model** (rent/MG, maintenance, staff, energy) with limited buffers, so cash flows swing with the film slate.

## Industry Evolution

- Pre-covid, multiplexes did better on the back of steadier movies and higher occupancies; however post-covid, occupancy have plummeted below pre-covid levels and are sharply **content driven**.



- While the industry witnessed decent consolidation & price hikes (F&B & ATP have grown **7-8% CAGR**) **profitability** continues to remain at **historic lows** mainly led by suboptimal occupancies.



## Growth Outlook And View

- The rise of OTT and short-form videos have raised the bar for content; thus, for weaker quality titles **occupancies slump to 15-17%**, pulling down averages. Low occupancies, erratic release calendars, and abysmal content quality keep the near-term view **cautious**.
- To curb upfront capex and balance-sheet risk, **alike hotels, cinemas like PVR** are shifting towards **revenue-share/variable-rent deals** (lower MGs, higher variable payout) and lighter fitouts to help cushion profitability in case of poor box office collections. This strategy shall improve return ratios and prompt **faster breakeven** for new capacities going forward.

## IV. REITS (Now classified as Equity)

### Current Landscape

- REIT is a listed trust that owns income-producing real estate, typically through SPVs; it pools investor money, owns/operates assets, and **passes most cash flows** through to unitholders.
- SEBI notified the **REIT framework in 2014**; the first listing was Embassy Office Parks REIT in April 2019. Four REITs are listed today: Embassy (office), Mindspace (office), Brookfield India REIT (office + some retail), and Nexus Select Trust (retail-malls).

### Industry Evolution

- As of Q4 FY25, Indian REITs collectively managed **~₹1.63 lakh crore of assets** which is about **12–15% of India’s Grade-A office** inventory (top 6–8 cities).

REIT	Focus	AUM FY25 (INR Crs)
Embassy Office Parks REIT	Grade-A offices (largest)	61,200
Mindspace Business Parks REIT	Grade-A offices	36,650
Brookfield India REIT	Offices (+ select retail)	38,000
Nexus Select Trust	Retail malls (+ some office/hotel/solar)	27,500

- SEBI Master Circular (Jul-2025) consolidates rules; **REITs are now classified as “equity”**, aiding MF/index inclusion and liquidity.

### Growth Outlook & View

- Large scale commercial office demand is healthy but not breakneck, growing annually at 6-8% CAGR. With high occupancies, organic growth will only come from rental escalations (**4–5% CAGR**), keeping medium-term total returns in a **moderate band** unless there’s outsized leasing or accretive M&A.



- Though inclusion in MFs post equity classification shall follow, we believe REITs are a slightly risk averse investment on account of two reasons:
  - SEBI's framework requires **≥80% in completed**, income-producing assets.
  - **≥90% of NDCF to be paid out**. This locks in yield but limits reinvestment, so external equity/debt drives much of growth. Thus, average returns even in the best of years gets limited to 10-12%.
- While we believe that REITs are a **good alternative to bonds in client portfolios**, it should **not be treated as a replacement for equities**.

Having discussed the outlook & view for the above sectors, lets deep dive into the flex workspace industry.

## V. Flex leasing / Flexible workspaces

Flex workspaces follow an asset light business strategy of low **upfront capex & pure-play** facility management contracts with back-to-back leases **alike those recently implemented by hotels and cinemas**. Thus, the unit economics are significantly better than those for standalone commercial offices.

Flex workspaces are **asset light**, operator run small scale offices useful for small to mid-scale companies having employee strength of upto 1000

**Flexibility and Customization:** Tenants can **customize** and purchase seats as per their need usually paying a bundled all-inclusive fee for all services

### What are Flex Workspaces?

There are **two co-working models**: **Co-working** (Small offices for startups) and **Managed office** (Large office >100 seats) .

**In terms of Leases:** Operators chose between Straight leases(No rev sharing) or Managed aggregation

**One Point of Contact:** In flex, a single operator sits between the landlord and occupier vs multiple vendors for multiple services (rent, CAM, housekeeping) in case of traditional leasing which helps in reducing the management bandwidth of startups



# Operating Models & Unit Economics Of Flex Leasing

## 1. Co-working And Managed Office

- Co-working is mainly for smaller businesses and startups with employee count upto 200.
- Managed Office essentially means managing the entire office infrastructure for large corporates (200 and above) and GCCs.

Particulars	Co-working	Managed Office
<b>Office size</b>	Up to 200 seats	Above 200
<b>Key players</b>	WeWork, Awfis (40%)	Indiqube, EFC, Smartworks, Awfis (60%)
<b>Revenue per seat</b>	Higher due to monthly/annual passes and low bargaining power WeWork: Rev per seat: Rs 18,000/m	Lower due to large office size and higher bargaining power Indiqube revenue per seat - Rs 8,000/m
<b>Occupancy &amp; tenure</b>	Higher churn; shorter tenures (upto 12 months)	Stickier occupancy; multi-year lock-ins common
<b>Client profile</b>	Freelancers, startups, SMEs, project teams	Mid-large enterprises, GCCs, regulated sectors needing privacy/compliance
<b>Growth</b>	15-18% CAGR over FY20-25	30% CAGR over FY20-25
<b>ROCE</b>	30%+ at centre level	20-25% at centre level

(Source Awfis, we-work DRHP)

### Preferred Model

Ideally managed office is a better business model considering the strong visibility of occupancy and cash flows and thus most of the flex operators are opting for this model, however a small mix of co-working in prime areas can work as a margin lever with higher revenue/seat for small co-working spaces.



## 2. Straight Lease Vs Managed Aggregation

- Straight leases are pure-play leases with no profit sharing with landlords, while managed aggregation model has lower rents with profit sharing agreements.

Particulars	Straight Lease Model (SL)	Managed Aggregation Model (MA)
<b>Fit out and other Capex cost</b>	Borne by the flex space operator	Large portion of the Capex is funded by landlords
<b>Landlord income</b>	Fixed monthly rent	Minimum guaranteed rent + Revenue sharing
<b>Operational risk</b>	Operator takes the risk of vacancy and operational expenditures	Revenue and expenditure both are shared with landlords
<b>ROCE (for lease operators)</b>	25%	35-40%
<b>Payback period</b>	36 months	18-24 months

(Source Awfis DRHP)

### **Unit Economics for a 100-seat flex workspace: Straight Lease & Managed Aggregation(MA)**

Unit economics (INR)	SL	MA
<b>Capex per seat</b>	1,00,000	40,000
<b>Revenue per seat (Average Rent/Revenue Ratio of 2.2x, 80% utilisation)</b>	1,37,280	75,504
<b>Rent paid per seat (6500 per seat)</b>	78,000	31,200
<b>Common area maintenance (CAM)</b>	15,000	15,000
<b>EBITDA</b>	44,280	29,304
<b>Depreciation</b>	20,000	8,000
<b>EBIT</b>	24,280	21,304
<b>ROCE</b>	24%	53%

(Source – Fident Asset Research, Concall notes)

### **Preferred Model**

Deploying straight-lease in prime, high-velocity micro-markets where pricing power and occupancies are durable while using managed-aggregation in peripheral or emerging corridors where absorption is uncertain, thereby de-risking capex and sharing volatility with landlords using a calibrated portfolio works best.



## Global Flex Leasing Industry

**Before understanding the outlook for the Indian flex leasing industry lets understand the global dynamics and the fall of WeWork:**

The global flex office industry is a **\$100 bn industry** with close to 35,000 centres (US – 45%) and is **growing at 10-12% annually**.

IWG is the largest global player in the industry, having 3,500 centres across 120+ countries. It reported CY24 revenues of \$3.7 bn growing at 12% CAGR over the last 3 years, while WeWork reported peak revenues of \$3.3 bn in 2020 before succumbing to the ALM challenges.

### Why WeWork failed globally?

- **Asset–liability mismatch:** Reliance on long-duration, fixed-rent master leases to serve short-duration leases created operating deleverage and downside asymmetry when occupancies softened.
- **Deficient unit economics and capital discipline:** Growth was prioritized over contribution margin and cash conversion resulting in persistent negative free cash flow.
- **Governance and disclosure risk:** Concentrated founder control, related-party exposures, and non-standard adjustments undermined market credibility. Inability to fund capex/vacancies during covid killed the balance sheet strength.

### Why IWG scaled

- **Risk-appropriate growth architecture:** Progressive migration to an asset-light mix (management agreements, franchises, and landlord partnerships) limited lease capital intensity and improved return on invested capital (ROIC).
- **Operating cadence and cost governance:** Scale procurement, standardized fit-outs, and disciplined SG&A kept breakeven occupancies lower and stabilized centre-level EBITDA even through covid & other cycles.
- **Hybrid-work alignment:** Network densification in suburban/commuter nodes and enterprise-grade solutions (managed offices, flex suites) captured structurally higher demand for variable term commitments.

The **Indian flex space operator's business model is aligned to IWG** with revenue share agreements, minimal asset liability mismatch and low churn providing comfort on the strength of the business model. Even for WeWork India was a turned out to be successful because of it following an asset light strategy with strong focus on occupancies and churn.



# Domestic Flex Leasing Industry

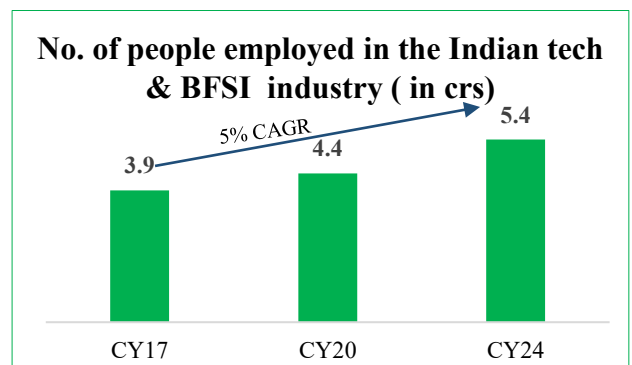
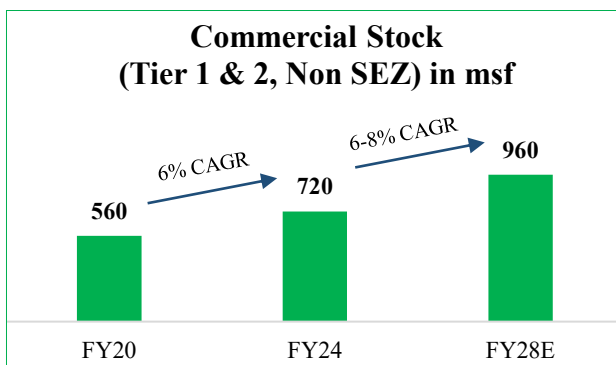
## Why are companies preferring flexible workspace?

- **Efficient Capital:** Efficient capital allocation: Operator (often with landlord) funds fit out capex of ₹50k–₹2 lakh/seat thereby freeing up front ended capital for startups.
- **Single Counterparty:** One contract/invoice covers interiors, furniture, IT/internet, housekeeping, security, and CAM; the operator also interfaces with the landlord **reducing the mindshare of small business from non-core activities.**
- **Hub & Spoke Led Hybrid Ready Model:** Companies can scale up/down across cities without committing to long leases. 1–36 months, make entry in a new micro-market, pilot a team, or right-sizing quickly easier while keeping a consistent workplace experience.
- **Large Pool Of Bundled Services:** Meeting rooms, day passes, event spaces and bundled IT are available on demand; **pricing can adjust monthly/quarterly** instead of waiting 3-year lease escalations in traditional offices.

## Why is it a superior business model as compared to other capex heavy traditional real estate plays?

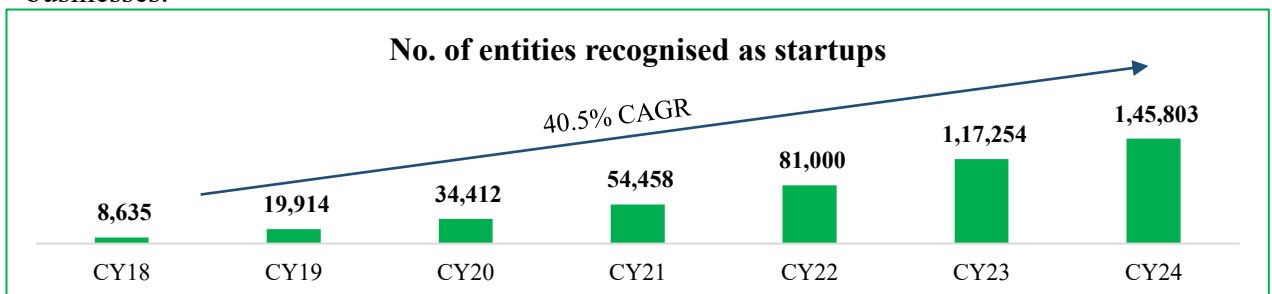
### 1. Strong Industry Tailwinds

Indian commercial office sector is growing on average at 6-8% largely in line with the headcount growth for the largest employers in the country i.e. BFSI and IT while the flex leasing industry has grown at **20-25% CAGR** over the last 5 years.



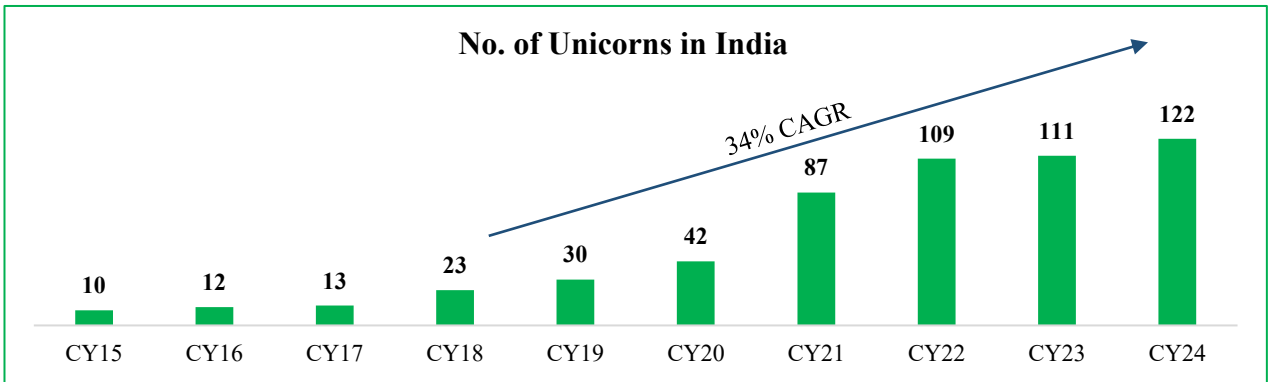
(Source - Indiqube DRHP)

Reason being small MSME's and startups growing at a much faster pace over the last 5-7 years thanks to Government's Startup mission & focus on ease of doing business for small businesses.





Similarly, Indian startups have gained massive scale over the last 5 years, with more than 100 startups reaching unicorn status. As scale increases, TAM for flex workspaces also expands.



(Source – WeWork DRHP)

## 2. Asset-light & high-ROCE

Flex operators enjoy greater pricing power with SME/start-up clients, while capex is largely limited to modular furniture fitouts (even minimal under managed-aggregation) and no large upfront payout due to back to back contracts. The result is **25–30% centre-level ROCE**, well above REITs, hotels, and other real-estate plays.

## 3. Revenue Diversification

Unlike office REITs where a handful of IT/BFSI anchors often drive >60% of rentals, Smartwork's **top 20 clients contribute 23%** to revenues. This dispersion curbs single-client dependence, cushions vacancy shocks (a 30–50 seat churn barely dents a center), and reduces tenants’ renegotiation leverage versus anchor-heavy portfolios. It also accelerates re-letting—smaller suites backfill faster via dynamic pricing and plug-and-play inventory—keeping occupancy and cash flows steadier through cycles.

## 4. High Industry Concentration

Top 5 players in the industry contribute close to 85% of the seating and revenue share, increasing pricing power, scale led operating efficiencies and resultantly better unit economics.

Particulars	Seats	Revenue (INR Crs)	No. of Centres
<b>WeWork India</b>	1,15,535	1,949	59
<b>Smartworks</b>	2,03,118	1,374	105
<b>Tablespace</b>	2,33,000	1,255	75
<b>Awfis Space Solutions</b>	1,34,121	1,208	208
<b>IndiQube</b>	1,53,830	1,059	50
<b>EFC</b>	60,000	774	57
<b>BHIVE workspace</b>	30,000	350	32
<b>COWRKS</b>	24,700	340	34
<b>Workafella</b>	17,000	117	12
<b>DevX</b>	14,144	159	28
<b>Top 5 market share</b>	<b>85%</b>	<b>84%</b>	<b>75%</b>





## 5. A play on both Tier 1 & Tier 2 India

### ▪ Tier 1 Market

Currently Tier 1 consists of > 90% of the flex workspace portfolio primarily due to higher availability of Grade A buildings (Certified & Compliant). Penetration in Tier 1 cities varies drastically with Bengaluru (12%) and Pune (9%) having the highest penetration of flex workspaces mainly due to higher share of IT businesses and startups. Penetration across other metro and tier 1 cities is still at a nascent stage as shown below:

City	Flex stock (MSF)	Flex penetration (% of city stock)	Grade-A stock (MSF)
<b>Bengaluru</b>	28.3	~11.5%	218.8
<b>Delhi-NCR</b>	13.2	~6.8%	157.9
<b>Pune</b>	11.1	~9.0%	85.8
<b>Hyderabad</b>	10.2	~6.6%	136.5
<b>Chennai</b>	7.4	~7.9%	78.5
<b>Mumbai</b>	7.2	~7.0%	156.9
<b>Kolkata</b>	1.7	~3.8%	29.6

(Source – DevX, Smartworks DRHP)

The growth outlook for Tier 1 market looks robust with penetration levels expected to cross 20% in Bangalore and Pune markets & 15% in other metro cities over the next 5 years with increasing supply of Grade A buildings for this industry. **We estimate a 23% supply CAGR over the next 5 years** for the Tier-1 Market indicating sufficient headroom for growth.

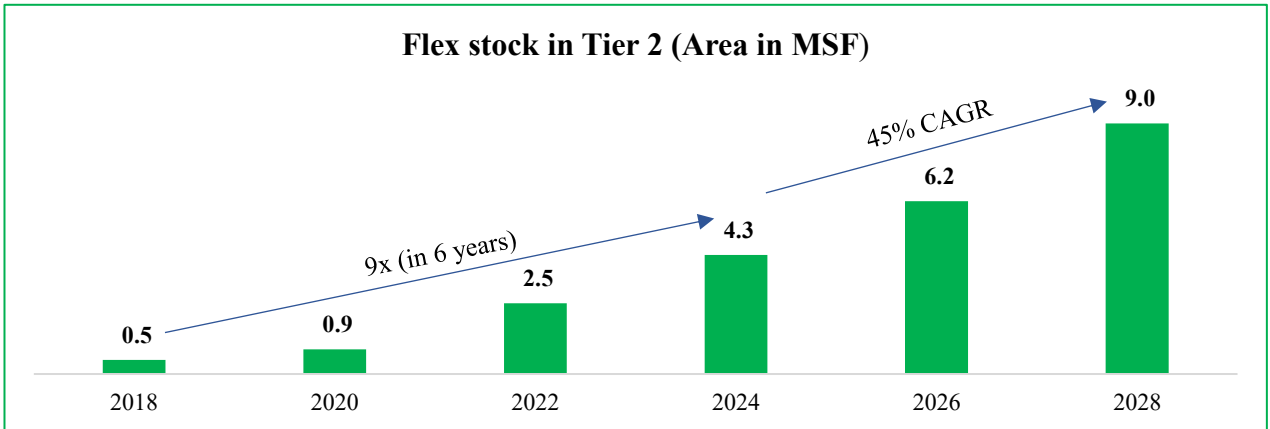
Particulars (MSF)	FY25	FY30	CAGR
<b>Office stock</b>	952	1275	6%
<b>Flex Office stock</b>	<b>81</b>	<b>225</b>	<b>23%</b>
<b><u>Penetration levels</u></b>			
<b>Bangalore</b>	10.5%	20.0%	
<b>Pune</b>	9.0%	20.0%	
<b>All other metro cities</b>	7.8%	15.0%	
<b>Penetration</b>	8.5%	17.6%	

(Source – Company presentations, Fident Asset research)



## ▪ Tier 2 market

Though Tier 2 cities form < 5% of the total flex office supply, the growth has been much higher as compared to Tier 1 cities. While the tier 2 flex office stock is up 9x in 6 years, we estimate the industry to grow at 45% CAGR for the next 3 years.



(Source – DevX DRHP, Fident Asset research)

## What is driving this growth?

- Flex operators help meet increasing **demand for hybrid workspaces** in tier 2-3 towns particularly for smaller offices/co-working spaces on pay per use basis.
- Even the centre level profitability is higher in Tier 2 cities due to lower rents (30-50% lower rentals), cheaper manpower & facility management costs with similar occupancies (**2.3-2.5x Rent/Revenue ratio vs 2-2.2x for Tier 1 cities**).
- Lack of Grade A certified buildings & proper amenities along with the **hassle to work with small size landlords**, leads to many small businesses opting for flex backed commercial offices in tier 2 cities vs standalone leases even at slightly higher cost.

## 6. Value Add Services - Important Growth Lever

### ▪ Interior Design & Built

- “**Design & Build**” (D&B) refers to providing turnkey interior solutions –workspace design and layout planning & fitouts & office interior construction. Originally offered fit-outs as a value-added service for tenants, fit-outs have evolved from a peripheral offering into a core revenue stream.
- **For Awfis** the D&B segment contributed ~**24% of its revenues** in FY25 while for EFC it contributed 40% to the FY25 consolidated revenues. Since this is an asset light business (mainly designing and labor-intensive civil work) the margins and ROCE are higher than the leasing business.
- Even manufacturing furniture for flex workspaces is a lucrative business. The larger players are expected to add close to 2-2.5 lakhs seats annually, with estimated market size of **₹3,000 crs** assuming a cost of ₹ 1-1.5 lakh per seat (40-45% of the total fit out costs). The market size, including the traditional office sector is much larger. EFC’s plant needs only ₹15–25 crs capex for **₹275–350 crs annual revenue capacity**, implying high asset turnover and ROCEs.



▪ **Other Value-added Services**

- **On-demand Solutions:** Hot desks, meeting & conference rooms on an hourly or daily basis provide access to common amenities of the centre on pay per use basis. These services are margin accretive considering their ad hoc nature.
- **Transport:** Employee transportation is a large whitespace. Ecos Mobility – A company mainly into employee transportation has grown revenues from ₹145 crs in FY22 to ₹615 crs in FY25 showcasing the increasing outsourcing opportunity in this segment. Awfis has recently partnered with Ecos to provide transportation to its tenants.
- **F&B:** Flex operators have digital integrations with a host of quick service players to provide on-the-go meal services at subsidized cost. Smartworks runs cafeterias, pop-ups and event catering through partnerships & no upfront kitchen capex.

As per **WeWork India DRHP**, it’s Hyderabad campus which has enhanced commute access, recreation, tech/digital services runs at ~**95–98%** occupancy vs micro-market occupancy of **86–89%**, dictating that better experience lowers churn and tightens occupancy.

**SUMMARY**

**(Flex workspaces standout on most parameters)**

Key Parameters	Hotels	Malls	Reits	Cinemas	Flex workspace
Supply growth	Medium	Low	Low	Medium	High
Demand/footfall Growth	Medium to high	Low	Medium	Low to medium	High
Gestation period	High	High	Medium	Medium	Low
Upfront investment	Very high	Very high	Very high	Medium to high	Low
ROCEs	Medium (10%-20% for MA)	Low (10-12%)	Low (8-10%)	Low (8-10%)	High (20-30%)
Industry Concentration	Medium	Medium	High	Low	High
Pricing power	Low to medium	Medium	Medium	Low to medium	Medium
Operating leverage	High	Low	Low	High	High
Substitution risk	Medium (OTAs/Airbnb)	High (Ecom)	Medium (WFH/hybrid)	Very High (OTT)	Low (Hybrid benefit)
Cash flow visibility (Contracted)	Low	Low	High	Low	High
Cyclicality	High	Low	Low	High	Low

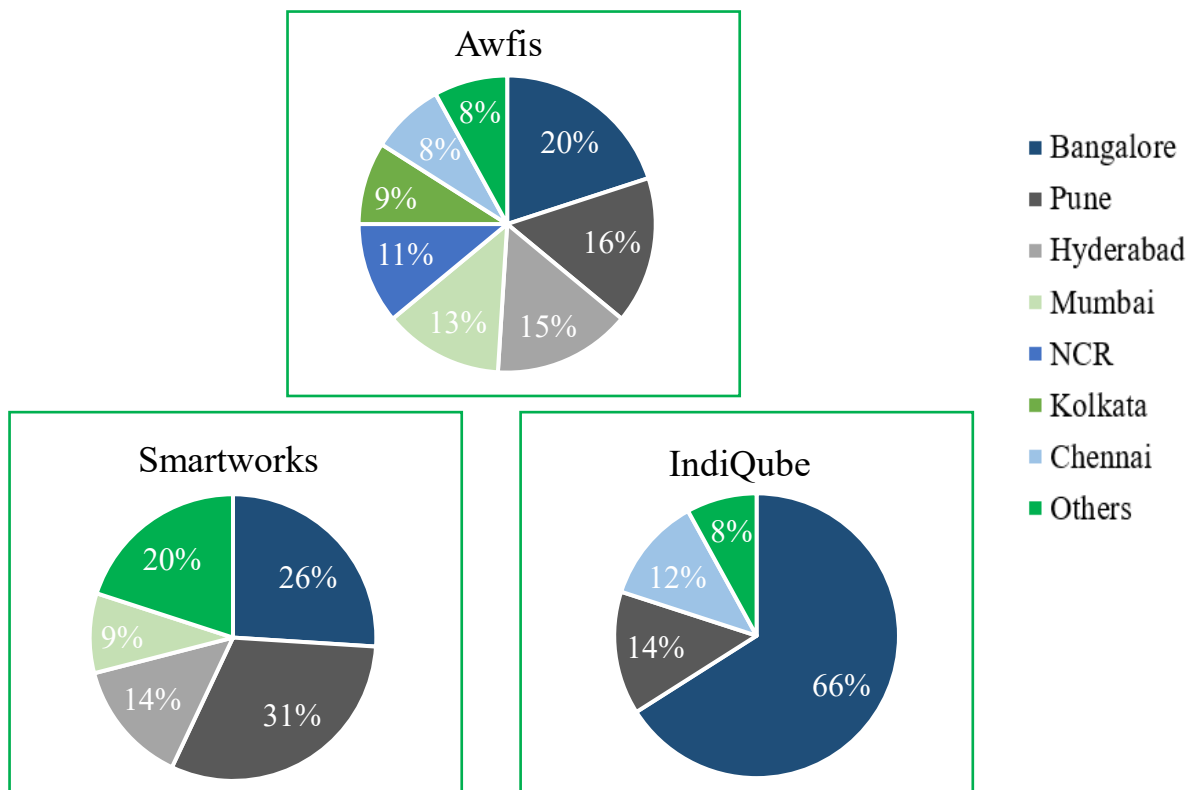


## Competitive Analysis

Particulars	Awfis	Smartworks	Indiqube	WeWork
<b>Landlord Model (SL vs MA)</b>	MA	MA	MA	SL
<b>Tenancy Model (CW vs MO)</b>	CW (50%), MO (50%)	MO (100%)	MO (100%)	CW (100%)
<b>Focus market (Tier 1/Tier 2)</b>	Tier 1: 90%, Tier 2: 10% Present across 9 tier 2 cities	Tier 1: 100%	Tier 1: 100%	Tier 1: 100%
<b>Property type</b>	Grade A + Grade B	Grade A	Grade A + Grade B	Grade A
<b>Seat capacity (FY25)</b>	1,35,000	1,83,000	1,86,719	1,09,572
<b>Occupancy (FY25)</b>	74%	83%	85%	77%
<b>Top 5/10 client concentration</b>	13%	15-17%	NA	15-17%
<b>Average centre size</b>	0.03 MSF	0.14 MSF	0.05 MSF	0.03 MSF

(Source – DevX DRHP, Fident Asset research)

**Awfis is the only player focussing both on Tier 1 & 2 Markets and resultantly the concentration risk is the lowest while growth is the fastest.**





**Also, decent mix of Co-working and managed office provides stability as well as margin levers.**

Awfis has the most diversified client base consisting of BFSI, IT, Engineering, Healthcare and consumer sectors across all major tier 1 & tier 2 cities. It mainly operates small centers with a geographically diversified office base with an efficient mix of both co-working and managed office. The Centre size and revenue from top 5 clients is one of the lowest in the industry, reducing the dependence on any large customer or geographical market.

**On growth and valuations – Awfis looks comfortably placed**

Particulars	FY23	FY24	FY25	FY23-25 CAGR
<b><u>Seats</u></b>				
Indiqube	97,537	1,22,766	1,53,830	26%
Smartworks	1,25,000	1,60,000	1,96,775	25%
Awfis	68,203	95,030	1,34,121	40%
WeWork	74,240	89,154	1,09,572	21%
<b><u>Revenue (INR Crs)</u></b>				
Indiqube	580	831	1,059	35%
Smartworks	711	1,039	1,374	39%
Awfis	545	849	1,208	49%
WeWork	1,314	1,665	1,949	22%
<b><u>Pre-Ind AS EBITDA (INR Crs)</u></b>				
Indiqube	-64	-156	114	NA
Smartworks	36	105	173	120%
Awfis	16	68	168	228%
WeWork	115	229	213	36%
<b><u>Pre-Ind AS EV/EBITDA</u></b>				
Indiqube			43	
Smartworks			37	
Awfis			24	
WeWork			44	



## Conclusion

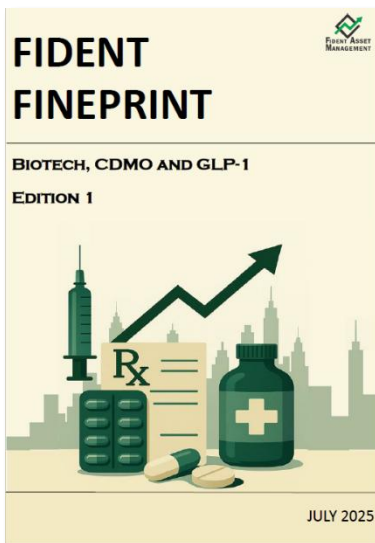
Indian flex leasing industry is undergoing a structural megatrend with a huge runway for growth both on the demand and supply side. Rising penetration of GCCs and increasing scale of small-scale businesses and startups bode well for this industry.

Few factors that are positive for this industry are:

1. Asset light business model
2. Inherently high ROCE
3. Strong growth but stable unit economics (low churn and decent revenue visibility)
4. Low customer concentration

**We prefer Awfis** amongst the various flex workspace players for its strong growth and decent valuations

## Previous Editions



[Edition 1\(Biotech, CDMO & GLP-1\)](#)



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