

| IPO Details | | Company Background | | | | | |
|---|--|---|--------------|--------|--------|---------|--|
| Opening Date | May 22, 2024 | <ul style="list-style-type: none"> Awfis Space Solutions was incorporated in Dec 2014 and has its registered office in New Delhi. The Company is a workspace solution provider in India. The company offers a wide range of flexible workspace solutions, catering to the needs of individuals, start-ups, SMEs, and large corporations. The company's core solution is co-working, including flexible workspaces, custom office spaces, and mobility solutions. The Company also provides supporting services such as food and beverages, IT support, infrastructure services, and event hosting. The company operates 169 centres across 16 cities in India, with a total of 1,05,258 seats and a chargeable area of 5.33 million sq. ft. The company has expanded its business offerings and now provides in-house fit-out and facility management services at its centres. The company had a team of 3053 employees on the payroll as on 31st December 2023. | | | | | |
| Closing Date | May 27, 2024 | | | | | | |
| Stock Exchange | BSE, NSE | | | | | | |
| Lot Size | 36 Shares | | | | | | |
| Issue Price | ₹364 to ₹383 per share | | | | | | |
| Issue Size | Aggregating up to 598.93 Cr. | | | | | | |
| Fresh Issue | Aggregating up to 128.00 Cr. | | | | | | |
| Offer for Sale | Aggregating up to 470.93 Cr. | | | | | | |
| Application Amount (Price at Upper Band) | Min. Inv. - ₹ 14,937 (39 shares) Max. Inv. - ₹ 1,94,181 (507 shares) | | | | | | |
| IPO Objective | | | | | | | |
| 1. Funding the Working capital requirements | | | | | | | |
| 2. General Corporate Purposes | | | | | | | |
| 3. Funding capital expenditure towards establishment of new centres | | | | | | | |
| Pre-Issue Shareholding | | | | | | | |
| Category | No. of Shares | % of Total Shares | | | | | |
| Promoter & Promoter Group | 2,74,44,403 | 41.53% | | | | | |
| Public | 3,86,31,376 | 58.47% | | | | | |
| Promoter of the Company | | | | | | | |
| 1. Amit Ramani | | | | | | | |
| 2. Peak XV Partners Investments V | | | | | | | |
| Competitive Strengths | | | | | | | |
| 1. Leadership in large and growing marketplace. | | | | | | | |
| 2. Innovating in flexible workspace industry with the adoption of MA model. | | | | | | | |
| 3. Diverse space sourcing and demand strategies. | | | | | | | |
| 4. Growth through integrated platform approach. | | | | | | | |
| 5. Deliver strong financial & operating metrics. | | | | | | | |
| 6. Experienced and diverse senior management team. | | | | | | | |
| | | Market Capitalization (In Cr.) | | | | | |
| | | Pre-Issue | Post-Issue | | | | |
| | | ₹ 2,531 | ₹ 2,659 | | | | |
| | | Financial Summary (In Cr.) | | | | | |
| | | For the Period Ended | Mar-21 | Mar-22 | Mar-23 | Dec-23 | |
| | | Total Assets | 508.58 | 559.69 | 930.61 | 1352.24 | |
| | | Net Assets | 150.75 | 94.72 | 169.36 | 247.19 | |
| | | Total Borrowings | 2.97 | 12.11 | 10.92 | 97.13 | |
| | | Total Revenue | 216.02 | 279.12 | 565.79 | 633.70 | |
| | | Profit After Tax | -42.66 | -57.16 | -46.63 | -18.94 | |
| | | Tentative Timeline | | | | | |
| | | Opening Date | May 22, 2024 | | | | |
| | | Closing Date | May 27, 2024 | | | | |
| | | Basis of Allotment | May 28, 2024 | | | | |
| | | Initiation of Refunds | May 29, 2024 | | | | |
| | | Credit of Shares to Demat | May 29, 2024 | | | | |
| | | Listing Date | May 30, 2024 | | | | |

Company Background and Analysis

Awfis Space Solutions was incorporated in Dec 2014 and has its registered office in New Delhi. The Company is the largest flexible workspace solutions company in India as on December 31, 2023, based on total number of centres. The Company ranked 1st among the top 5 benchmarked players in the flexible workspace segment with presence in 16 cities in India. The Company is present in the maximum number of micro-markets in India and has 169 total centres across 16 total cities in India, with 105,258 total seats and total chargeable area of 5.33 million sq. ft., of which 31 centres and 25,312 seats are under fit-out with chargeable area owners for 13 additional centres, with 10,859 seats aggregating to 0.55 million sq. ft. The Company has over 2,295 clients and have presence in 52 micro markets in India.

The Company's core solution is co-working solutions which includes flex workspaces, customised office spaces and mobility solutions. Over time, the Company has evolved from a co-working space to an integrated workspace solutions platform. The Company has built capabilities to design, build, maintain, and manage a wide range of flexible workspace requirements such as Awfis Transform (construction and fit-out services business segment) and Awfis Care (facility management services business segment). The Company also provides allied services ranging from food and beverages, IT support services and infrastructure services such as storage and customisation to event hosting and meeting arrangements.

In addition, the Company has two distinctive formats for workspaces with their own unique propositions, branding, audience, and purpose, i.e., Awfis value offerings and Awfisgold premium offerings.

The Company adopted two differentiated models for sourcing and procuring workspaces, namely the straight lease (SL) model and the managed aggregation (MA) model. One of the key strategies of the Company for space procurement over time was to transition to an asset-light, low risk MA model from a SL model.

The capital expenditure for fitting out the property is entirely borne by the Company in SL model and in MA model, the developers or space owners may typically incur capital expenditure on fit-out, in part or full, the remainder being borne by the operator (if any). The Minimum Guarantee at MA centres was on an average 45.88% of the micro-market rental.

Project management has a skilled team of 63 designers and project managers, operations department is made up of 184 employees, sales department is made up of 54 employees, information technology team of 19 persons. Different functionalities have permanent employees totalling to 3053 employees from all the fields.

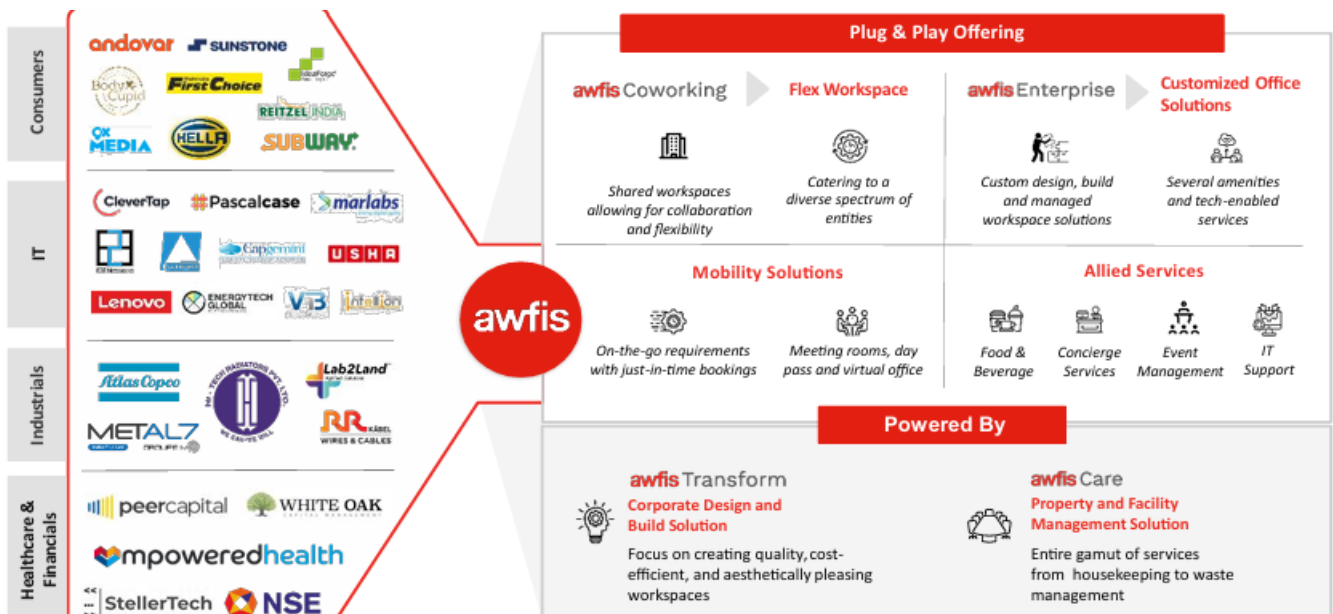
Revenue bifurcation is mentioned below-

(in Cr.)

| Particulars | Mar-21 | | Mar-22 | | Mar-23 | | Dec-23 | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Amt | % | Amt | % | Amt | % | Amt | % |
| Co-working space on rent and allied services | 161.98 | 90.82 | 196.40 | 76.39 | 418.85 | 76.81 | 451.11 | 73.17 |
| Construction and fit-out projects | 11.49 | 6.44 | 48.73 | 18.95 | 105.02 | 19.26 | 147.29 | 23.89 |
| Others | 4.89 | 2.74 | 11.98 | 4.66 | 21.42 | 3.93 | 18.10 | 2.94 |
| Total | 178.36 | 100.00 | 257.11 | 100.00 | 545.28 | 100.00 | 616.50 | 100.00 |

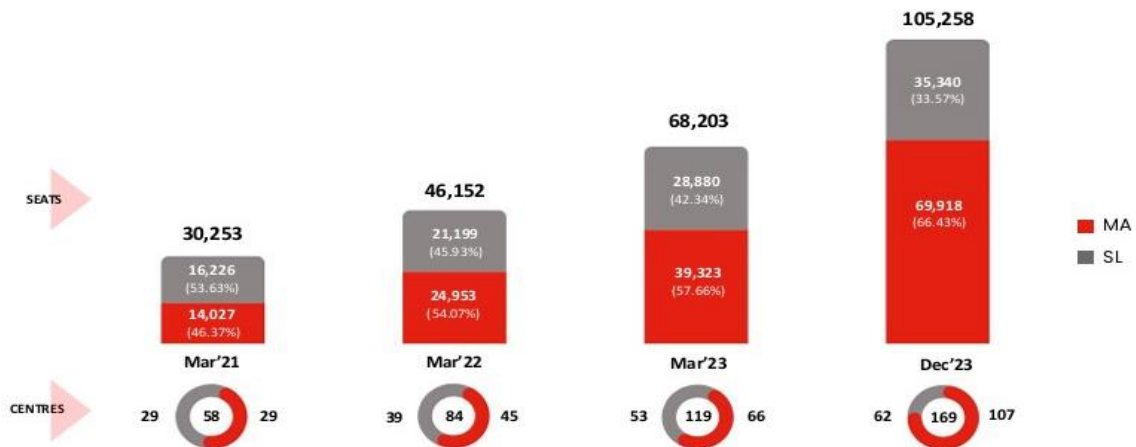
Overall, the company offers a wide range of flexible workspace solutions, catering to the needs of individuals, start-ups, SMEs, and large corporations. The adaptation of MA model has given high return on capital employed. The cohort of over 100 seats steadily increased from 49.67% in FY21 to 56.50% for the period ended Dec 23, demonstrating the growing confidence of clients with larger cohorts in the Company. The weighted average of total tenure and lock-in tenure of service arrangements increased from 19.84 and 14.78 months as of FY21 to 31.76 and 23.33 months as on Dec 23, respectively. The Net Promoter Score has increased from 49% in FY21 to 70% as on June 24. The renewal rate for Space Owner Agreements which were up for renewal of the centres was 93.33% in FY23, thereby demonstrating the trust vested in space owners. Out of total Net Proceeds, Rs.42.30 Cr. is to be used for the objective of funding capital expenditure towards the establishment of new centres and Rs.54.37 Cr. is to be used for working capital requirements which can help in the growth and sustainability of the company.

Exhibit 1: Awfis Workspace solutions platform-



(Source: prospectus)

Exhibit 2: Split of centres and seats under MA and SL model-



Mar'21, 22 and 23 data is for operational centers/seats

Dec'23 data is for Total centers/seats which includes 138 operational centers + 31 fit-out centers and 79,946 operational seats + 25,312 fit-out seats.

24 fit-out centers and 19,475 seats have been signed under the MA model.

Total has been provided for December 31, 2023 as historical under fit-out centers/seats have been converted to operational centers/seats in Fiscal 2021, 2022 and 2023.

(Source: prospectus)

Business Strategies**1. Continue to build an industry leading capital efficient model-**

The company has increased the percentage of operational centres and seats under the MA model from 50.00% and 46.37%, respectively, in FY21 to 55.46% and 57.66%, respectively, in FY23. This includes 24 centres and 19,475 seats that are currently in the process of being fitted out. The Company is also focused on developing mid-size centres. The Company is to focus on centre size combined with the MA model is designed to meet the needs of space owners and clients, thereby bridging both supply and demand factors in the ecosystem.

2. Expand in new and existing markets –

The company evaluates potential locations and cities for expansion carefully, based on multiple criteria (including client demands, availability of office infrastructure and 226 demographic profile). The Company's existing network, spread across 9 Tiers 1 and 7 Tier 2 cities, provides a foundation that helps them expand into new areas in a more feasible and efficient manner. They plan to further expand network in high-demand micro-markets within these Tier 1 cities, thereby reinforcing their presence in these markets. Moreover, they have identified new Tier 2 cities such as Lucknow, Guwahati and Vijayawada to enter in the near future.

3. Enhance the product and service offerings –

The company intends to provide a tailored workspace solution for each client that aligns to their unique needs. It also intends to increase focus on Awfis Transform, allied services and Awfis Care, thereby broadening the reach of these services to a wider range of clients. The Company aims to enhance workspace through new design innovations including modern design and build practices, integration of technology and providing a wider variety of facility management services leading to evolving and diversifying the product portfolio in line with the industry needs.

4. Improving operational efficiency –

The Company aims to build a stronger vendor base thereby providing cost efficiencies and leverage tech-enabled processes and tools to streamline operations across all departments and across the vast network of centres. They also aim to leverage new-age technologies to optimize operations and service delivery. They intend to improve human capital by providing training programs and workshops and believe that will help increase the efficiency of workforce.

Competitive Scenario and Peer Mapping**Competition**

The flexible workspace industry in India is marked by a diverse landscape, comprising large national operators, regional players, and local companies of varying sizes. Bargaining power of the suppliers is light and same for the bargaining power of customers. There are over 430 flexible workspace operators and the top 10 operators (by portfolio size) account for almost 60% of the overall pan-India flex stock. Among the competitors, operators such as WeWork, Smartworks, Tablespace, and Indiqube are some of the prominent operators in India.

Peer Analysis

The Company believes that there are no listed entities of comparable size and business model in India or abroad, which is comparable with their business.

Industry Overview

Exhibit 1: Split of Office Stock for Tier 1 Cities as of December 31st 2023

Tier 1 Office Stock (million sq. ft.) – as of December 31, 2023

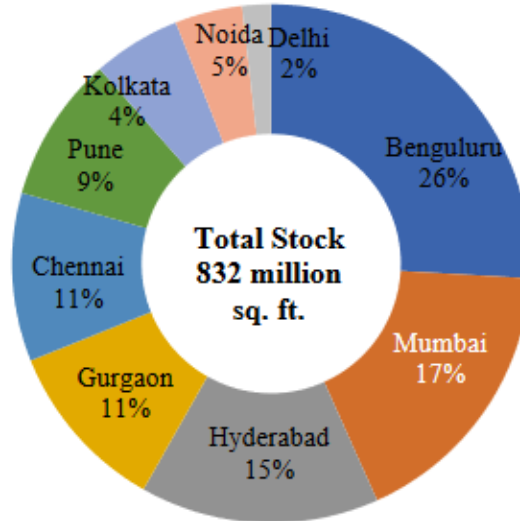
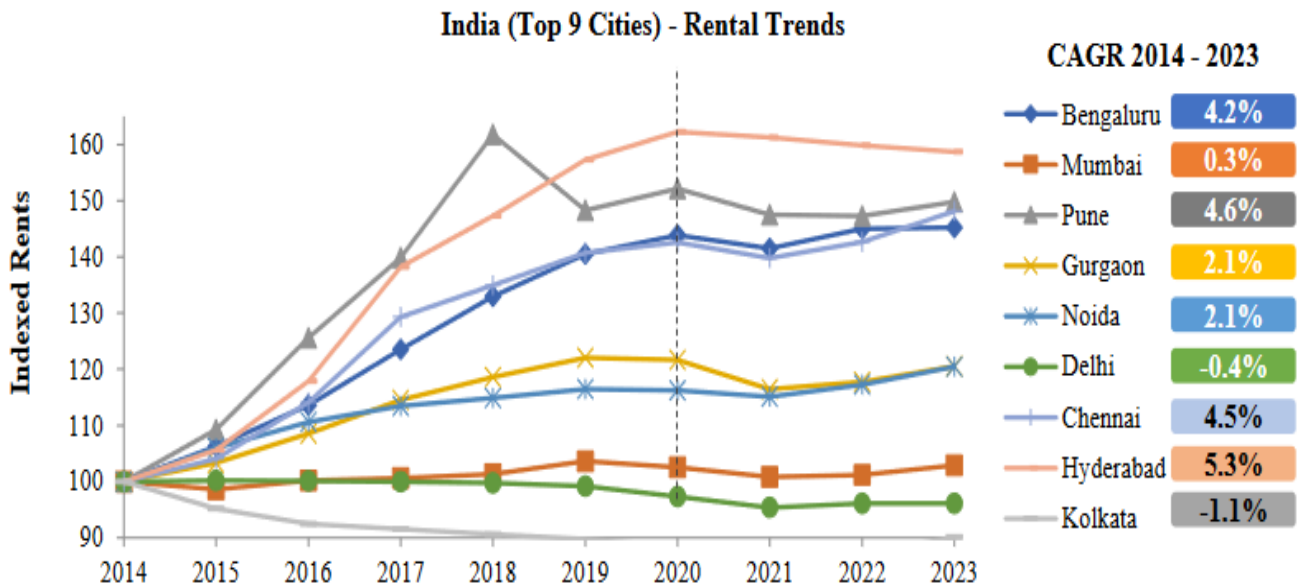


Exhibit 2: Trend of Rents for Office Spaces in India



(Source: prospectus)

Indian WorkSpace/Office Rental Industry –

India boasts a robust office rental market, backed by a skilled workforce, well-developed infrastructure, and a strong economy. As of December 2023, the organized office space stock stands at a significant 832 million sq. ft., concentrated in major cities like Bengaluru, Mumbai, Hyderabad, and Chennai. This organized segment excludes an estimated 600-730 million sq. ft. of unorganized office space in Tier 1 cities.

Traditional Office Space: Growth and Challenges-

Key markets like Bengaluru, Pune, Hyderabad, and Chennai have witnessed consistent rent growth since 2014, driven by limited prime location supply and strong demand from technology companies. Other major cities like Mumbai, Gurgaon, and Noida have also seen growth, albeit at a slower pace. The COVID-19 pandemic caused a temporary dip in rental growth in 2020-21, but the outlook is positive for a marginal uptick in established submarkets, especially those offering high-quality space in prime locations.

The Rise of Flexible Workspaces-

The concept of flexible workspaces is revolutionizing the office rental landscape. This trend caters to the needs of small and medium enterprises (SMEs) and mid-sized corporates seeking affordable, well-equipped office spaces with flexible lease terms and lower security deposits. Serviced offices, executive suites, and business centres have been the dominant players in this segment for the past decade.

Factors Driving the Growth of Flexible Workspaces-

- **Enterprise Focus:** More companies, including established ones, are embracing flexible spaces for their scalability, cost-effectiveness, and ability to accommodate a fluid workforce.
- **Cost Optimization:** Flexible workspaces eliminate the upfront capital expenditure required for setting up a traditional office. Tenants pay a fixed monthly rent that includes operational costs.
- **Workforce Fluidity:** Flexible spaces cater to companies with uncertain headcount projections, phased growth plans, and mobile workforces.
- **Reverse Migration:** Due to the pandemic, some workers have relocated to their hometowns. This has increased the demand for flexible workspaces as companies adopt decentralized operations and a "hub and spoke" model.
- **New Age Entrepreneurs and SMEs:** This segment values flexible spaces for their end-to-end service offerings, allowing them to focus on core business activities.
- **Workplace Evolution:** The shift towards hybrid and distributed work models may lead to companies reducing their office footprint in expensive areas. This will further boost the demand for flexible spaces.
- **Start-Up Boom in Tier 1 and 2 Cities:** The growing start-up ecosystem, particularly in cities like Bengaluru and Mumbai, is driving the demand for flexible workspaces due to their affordability and convenient locations.

Overall, India's office rental market presents a dynamic picture. Traditional office space remains strong, with a positive outlook for rental growth in prime locations. However, the rise of flexible workspaces is undeniable, driven by factors like cost optimization, workforce flexibility, and the evolving needs of businesses.

(Source: prospectus)

Key Managerial Personnel

Amit Ramani, aged 50 years, is one of the Promoters, Chairman and Managing Director on the Board of the Company. He holds a bachelor's degree in architecture, a master's degree in architecture and a master's degree in science. He has approximately 20 years of experience in the field of real estate and workplace solutions. He has been recognised by The Economic Times – most promising business leaders of Asia 2019-2020, for demonstrating exemplary leadership qualities. He has also been recognised as one of the top 100 great people managers in the country, as part of the great people manager study 2023.

Peak XV Partners Investments V (formerly known as SCI Investments V) is one of the Promoters of the Company. It was incorporated on September 3, 2015, as an investment holding company, under the laws of Mauritius.

Rajesh Kharabanda, aged 55 years, is a Non-Executive Director of the Company. He holds a bachelor's degree in commerce. He has approximately 37 years of experience in the sports sector. He is the managing director of Freewill Sports Private Limited and has been associated with them for 37 years.

Arjun Bhartia, aged 37 years, is a Non-Executive Director of the Company. He holds a bachelor's degree in arts. He has 7 years of experience in managerial positions. He is currently serving as the promoter and director of Jubilant Consumer Private Limited. He has previously served as an associate consultant with Bain & Company India Private Limited.

Anil Parashar, aged 65 years, is an Independent Director of the Company. He is an associate member of the Institute of Chartered Accountants of India. He has over 27 years of experience in the financial sector. He is currently the whole-time director of InterGlobe Technology Quotient Private Limited. He has been inducted as a member to the CFO India Hall of Fame in recognition of an exemplary career and a lifetime of contribution to the world of finance.

Radhika Jaykrishna, aged 54 years, is an Independent Director of the Company. She holds a bachelor's degree in commerce and she has passed the final examination held by the Institute of Cost Accountants of India. She has 8 years of experience in managerial roles, investment portfolios management and real estate sectors. She currently serves as the director at Rex-Tone Industries Limited and Rex-Tone Digital Private Limited. She is the principal officer at Hunter Wealth Management LLP and the partner at Pluto Associates LLP.

Sanjay Shah, 60 years, is an Independent Director of the Company. He holds a bachelor's degree in technology (B.Tech) in aeronautical engineering and a master's degree in science (M.S.) with a major in computer science and applications. He has over 18 years of experience in computer engineering, software and logistics sectors. He is currently serving as the chief operating officer – India / South-East Asia with National Entrepreneurship Network.

Ravi Dugar is the Chief Financial Officer of the Company. He is responsible for preparing and reviewing budgets and financial statements financial planning and providing strategic directions. Further, he drives the fund-raising activity along with the stakeholder management and the audit management in the Company. He is an associate member of the Institute of Chartered Accountants of India. He has 20 years of experience in finance.

Amit Kumar is the Company Secretary and Compliance Officer of the Company. He is responsible for the investor and other stakeholders' relationships. He holds a bachelor's degree in arts and a master's degree in business administration and is an associate member of the Institute of Company Secretaries of India. He has 10 years of experience in the legal and secretarial functions.

Deepayan Sen is the head of Real Estate and Leasing department of the Company. He is responsible for forecast, understand, evaluate and build the supply strategy for business growth and opportunity. He holds a certificate of business professional programmer from Department of Electronics and Accreditation of Computer Class (DOEACC) Society and he has cleared intermediate examination of the Institute of Costs and Works Accountants of India. He has 16 years of experience in the real estate sector.

To conclude, the company has 2 promoters and one of them is individual promoter involved in the management. The Promoter has vast experience in the industry in which the company operates in. The Directors of the company have diverse as well as vast experience in the industry in which the company operates in and in the fields which help in the growth of the business.

Financial Snapshot

| Profit and Loss Statement | | | | | (In Cr.) |
|---|----------------|----------------|---------------|---------------|-----------------|
| Particulars | FY 21 | FY 22 | FY 23 | Dec-23 | |
| Revenue from Operations | 178.36 | 257.45 | 545.28 | 616.50 | |
| Other Income | 37.66 | 21.67 | 20.51 | 17.20 | |
| Total Income | 216.02 | 278.71 | 565.79 | 633.70 | |
| Expenses | | | | | |
| Sub-contracting cost | 9.64 | 41.87 | 90.47 | 124.29 | |
| Purchase of Stock- in- Trade | 1.39 | 4.34 | 12.53 | 17.88 | |
| Changes in Inventories of traded goods | -0.05 | -0.33 | 0.14 | 0.21 | |
| Employee Benefit Expenses | 31.84 | 54.15 | 95.80 | 99.20 | |
| Finance Costs | 46.56 | 48.72 | 72.72 | 69.16 | |
| Depreciation and amortisation expenses | 86.84 | 98.43 | 149.98 | 145.28 | |
| Other expenses | 82.46 | 88.69 | 190.78 | 196.62 | |
| Total Expenses | 258.68 | 335.87 | 612.42 | 652.64 | |
| Earnings Before Interest, Taxes, Depreciation & Amortization | 53.08 | 68.32 | 155.56 | 178.30 | |
| EBITDA Margin | 29.76% | 26.58% | 28.53% | 28.92% | |
| Profit/(Loss) for the year | -42.66 | -57.16 | -46.63 | -18.94 | |
| Net Profit Margin | -19.75% | -20.51% | -8.24% | -2.99% | |

| Balance Sheet | | | | | (In Cr.) |
|---|---------------|---------------|---------------|-----------------|-----------------|
| Particulars | FY 21 | FY 22 | FY 23 | Dec-23 | |
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, Plant and Equipment | 96.41 | 120.68 | 247.14 | 282.96 | |
| Capital Work-in-progress | 0.13 | 8.69 | 0.45 | 4.86 | |
| Right of Use Assets | 202.90 | 218.65 | 404.46 | 576.53 | |
| other Intangible assets | 0.55 | 0.84 | 1.29 | 1.91 | |
| Intangible assets under development | - | - | 0.32 | 0.46 | |
| Financial Assets | | | | | |
| (ii) Other Financial Assets | 48.73 | 59.14 | 89.76 | 147.46 | |
| Non-current Tax Assets (Net) | 6.14 | 12.86 | 26.12 | 40.81 | |
| (i) Other non-current Assets | 2.85 | 16.70 | 22.45 | 25.02 | |
| Total Non-Current assets | 357.71 | 437.57 | 791.98 | 1,080.00 | |
| Current Assets | | | | | |
| Inventories | 0.21 | 0.54 | 0.395 | 0.19 | |
| contract assets | - | 7.05 | 5.786 | 53.65 | |
| Financial Assets | | | | | |
| (i) Investments | 42.14 | 16.39 | - | - | |
| (ii) Trade Receivables | 15.387 | 30.72 | 48.48 | 90.39 | |
| (iii) Cash and Cash Equivalents | 9.69 | 5.31 | 5.6 | 8.595 | |
| (iv) Bank Balances other than (iii) above | 32.21 | 0.326 | 12.5 | 0.135 | |
| (vi) Other Financial Assets | 8.14 | 18.548 | 19.177 | 71.842 | |
| Other current assets | 43.12 | 43.248 | 46.69 | 47.431 | |
| Total Current assets | 150.88 | 122.12 | 138.63 | 272.23 | |
| Total Assets | 508.58 | 559.69 | 930.61 | 1,352.24 | |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share Capital | 30.134 | 30.134 | 30.134 | 19.152 | |
| Other Equity | 120.619 | 64.587 | 139.23 | 228.03 | |

| Balance Sheet | | | | | (In Cr.) |
|---|---------------|---------------|---------------|-----------------|-----------------|
| Total Equity | 150.75 | 94.72 | 169.36 | 247.19 | |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| Financial Liabilities | | | | | |
| (i) Long term borrowings | 0.295 | 7.808 | 3.969 | 17.503 | |
| (ii) Lease Liabilities | 201.917 | 192.199 | 376.99 | 551.812 | |
| (iii) Other Financial Liabilities | 40.923 | 37.133 | 75.792 | 94.46 | |
| Net employee defined benefit liabilities | 1.076 | 1.56 | 1.62 | 2.14 | |
| Other non-current liabilities | 4.671 | 13.218 | 22.418 | 27.32 | |
| Total Non-current liabilities | 248.88 | 251.92 | 480.78 | 693.24 | |
| Current liabilities | | | | | |
| Financial Liabilities | | | | | |
| (i) Short term borrowings | 2.672 | 4.299 | 6.954 | 6.217 | |
| (ii) Lease Liabilities | 56.882 | 93.748 | 111.964 | 133.776 | |
| (iii) Trade Payables | | | | | |
| -total outstanding dues of micro enterprises and small enterprises | 0.214 | 0.422 | 0.214 | 0.284 | |
| -total outstanding dues of creditors other than micro enterprises and small enterprises | 27.55 | 44.694 | 50.614 | 103.579 | |
| (iv) Other Financial Liabilities | 8.718 | 48.028 | 76.235 | 74.732 | |
| Contract Liabilities | 5.325 | 9.04 | 14.336 | 66.466 | |
| Other current liabilities | 5.446 | 9.44 | 16.538 | 21.83 | |
| Short term provisions | 1.938 | 2.964 | 2.864 | 4.057 | |
| Net employee defined benefit liabilities | 0.2 | 0.418 | 0.738 | 0.88 | |
| Total Current liabilities | 108.95 | 213.05 | 280.46 | 411.83 | |
| Total Liabilities | 357.83 | 464.97 | 761.24 | 1,105.06 | |
| Total Equity and Liabilities | 508.58 | 559.69 | 930.61 | 1,352.25 | |

| Cash Flow Statement | | | | | (In Cr.) |
|---|--------------|--------------|--------------|---------------|-----------------|
| Particulars | FY 21 | FY 22 | FY 23 | Dec-23 | |
| Net Cash Flow from Operating Activities | 57.44 | 82.69 | 195.19 | 194.66 | |
| Net Cash Flow from Investing Activities | -37.74 | -7.22 | -170.11 | -162.37 | |
| Net Cash Flow from Financing Activities | -16.69 | -79.86 | -27.77 | -26.31 | |

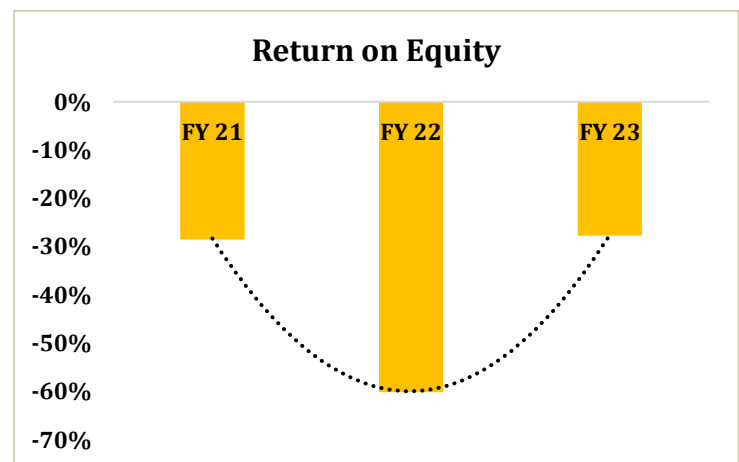
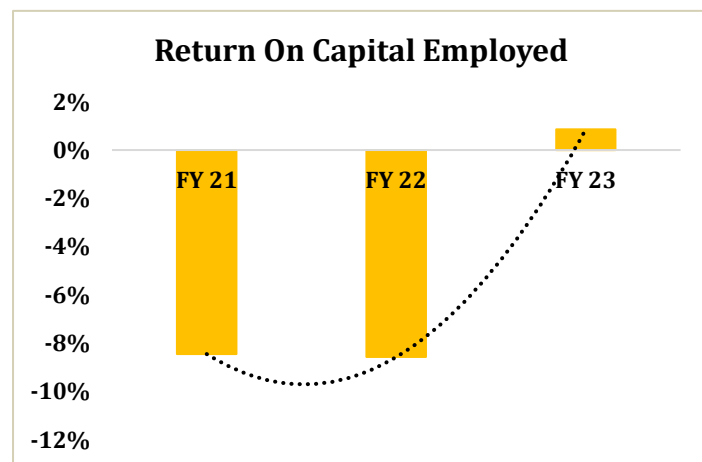
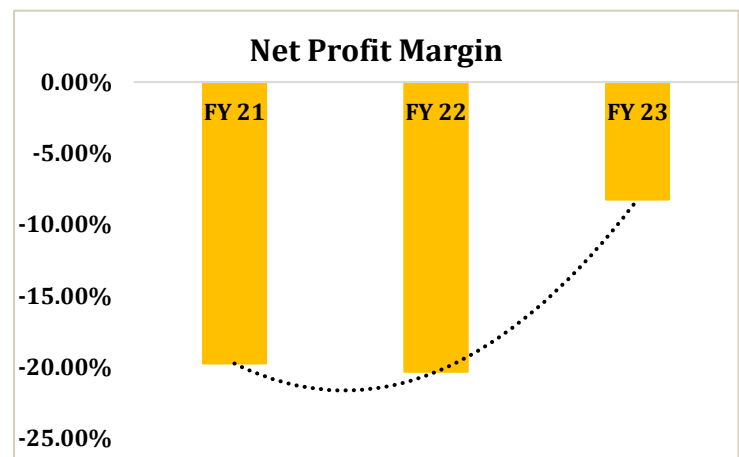
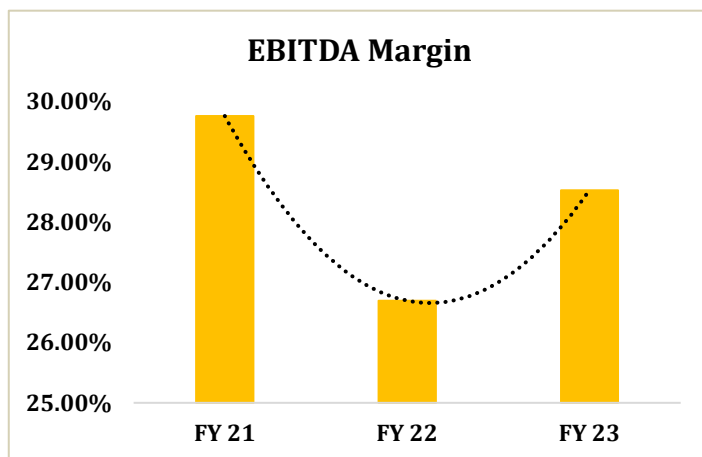
| Ratio Sheet | | | | |
|------------------------------|--------------|--------------|--------------|----------------|
| Particulars | FY 21 | FY 22 | FY 23 | Dec-23* |
| Per Share Data | | | | |
| Diluted EPS | -8.38 | -10.68 | -8.11 | 20.23 |
| BV per share | 21.72 | 13.65 | 24.40 | 61.49 |
| Operating Ratios | | | | |
| EBITDA Margins | 29.76% | 26.58% | 28.53% | 49.08% |
| PAT Margins | -19.75% | -20.51% | -8.24% | 16.62% |
| Inventory days | 0.42 | 0.76 | 0.26 | 0.08 |
| Debtor days | 31.49 | 43.62 | 32.45 | 40.32 |
| Creditor days | 918.75 | 356.36 | 180.12 | 200.90 |
| Return Ratios | | | | |
| RoCE | -8.45% | -8.69% | 0.86% | 45.36% |
| RoE | -28.30% | -60.35% | -27.53% | 32.91% |
| Valuation Ratios (x)* | | | | |
| EV/EBITDA | 49.96 | 39.01 | 17.13 | 6.58 |
| Market Cap / Sales | 14.91 | 10.34 | 4.88 | 3.23 |

| Ratio Sheet | | | | |
|-------------------------|--------|--------|--------|-------|
| P/E | -45.70 | -35.86 | -47.23 | 18.93 |
| Price to Book Value | 17.64 | 28.07 | 15.70 | 6.23 |
| Solvency Ratios | | | | |
| Debt / Equity | 0.02 | 0.13 | 0.06 | 0.10 |
| Current Ratio | 1.38 | 0.57 | 0.49 | 0.66 |
| Quick Ratio | 1.38 | 0.57 | 0.49 | 0.66 |
| Asset Turnover | 0.35 | 0.46 | 0.59 | 0.46 |
| Interest Coverage Ratio | -0.73 | -0.62 | 0.08 | 2.27 |

*Annualized Figures

*Valuation Ratios are calculated using the current Issue Price.

Financial Charts



Key Risk Factors

1. The Company has history of net losses, negative earnings per share and return on net worth. Their inability to achieve these goals may have an adverse effect on the business, results of operations, cash flows and financial condition.
2. The Company has entered into long-term fixed cost leases, i.e., SL for 1.94 million sq. ft. covering 62 total centres which may result in adverse impact in liquidity, results of operations, cash flows and profitability.
3. There are certain outstanding legal cases involving the Company amounting to Rs. 339.78 Cr. An adverse outcome of which may adversely affect the business, reputation, cash flows and results of operations.

Track Record of Lead Manager(s)

The lead managers to the issue are ICICI Securities Limited, Axis Capital Limited, IIFL Securities Limited and Emkay Global Financial Services Limited. A table has been set below highlighting the details of the IPO of the recent companies handled by the Lead Manager(s) in recent times –

ICICI Securities Limited -

| Sr. No. | Company Name | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|--------------------------------|-------------------|----------------------------|--------------|------------|
| 1. | Aadhar Housing Finance Limited | 3,000.00 | 315.00 | May 15, 2024 | 348.00 |
| 2. | JNK India Limited | 649.47 | 415.00 | Apr 30, 2024 | 644.00 |
| 3. | Bharti Hexacom Limited | 4,275.00 | 570.00 | Apr 12, 2024 | 961.00 |

ICICI Securities Limited has had 76 mandates in the last three years.

Axis Capital Limited -

| Sr. No. | Company Name | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|------------------------|-------------------|----------------------------|--------------|------------|
| 1. | TBO Tek Limited | 1,550.81 | 920.00 | May 15, 2024 | 1,464.00 |
| 2. | Vodafone Idea Limited | 18,000.00 | 11.00 | Apr 25, 2024 | 13.30 |
| 3. | Bharti Hexacom Limited | 4,275.00 | 570.00 | Apr 12, 2024 | 961.00 |

Axis Capital Limited has had 67 mandates in the last three years.

IIFL Securities Limited -

| Sr. No. | Company Name | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|---|-------------------|----------------------------|--------------|------------|
| 1. | JNK India Limited | 649.47 | 415.00 | Apr 30, 2024 | 644.00 |
| 2. | Bharti Hexacom Limited | 4,275.00 | 570.00 | Apr 12, 2024 | 961.00 |
| 3. | Bharat Highways Infrastructure Investment Trust | 2,500.00 | 100.00 | Mar 12, 2024 | 106.00 |

IIFL Securities Limited has had 19 mandates in the last three years.

Emkay Global Financial Services Limited -

| Sr. No. | Company Name | Issue Size in Cr. | Issue Price/Share (In INR) | Listing Date | CMP* (INR) |
|---------|----------------------------|-------------------|----------------------------|--------------|------------|
| 1. | JG Chemicals Limited | 251.19 | 221.00 | Mar 13, 2024 | 241.00 |
| 2. | Ethos Limited | 472.29 | 878.00 | May 30, 2022 | 2,475.00 |
| 3. | Heranba Industries Limited | 625.24 | 627.00 | Mar 05, 2021 | 324.00 |

Emkay Global Financial Services Limited has had 3 mandates in the last three years.

*CMP for the above-mentioned companies is taken as of 20th May 2024.

As per the offer document from the above-mentioned mandates, JG Chemicals Limited and Ethos Limited have opened a discount and the remaining mandates have opened at a premium on the listing date.

Recommendation

The company has been in the industry since 2014 and thus has very good experience in the industry. The company has seen an increasing trend in its top-line financials. The company's management overview is good.

The P/E on a post-IPO and annualized basis is around 18.93 times which makes it fairly priced by looking at the performance of the company and its peers. The Sector P/E is 37.80 times.

The company is operating in a growing retail workspace sector. The company has had net losses for three years, but it has had operating profits for three financial years and the period ended in December 2023. The major factor contributing to the net loss is the depreciation which is not a worrying factor for the company. However, the company's current strategy is to raise funds for working capital, using questionable financial metrics, further covering its true financial health. This raises concerns about transparency, making it a risky investment at this time. **Specifically, the questionable financial metrics involve calculating payable days using revenue and cost of goods sold (COGS) instead of purchases, distorting the working capital days and portraying an inaccurate financial picture.** Pointing out that the company consistently exhibited surplus working capital for three fiscal years, including the period ending December 2023, yet abruptly depicts a shortfall in the projected figure, attempting to rationalize an objective that appears improper, amplifies doubts regarding the quality of the estimated figure. Thus, for the above-mentioned points we believe one should **AVOID** applying to this company.

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