IPO REVIEW

WeWork India Management IPO

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- The company is the only licensee for WeWork Global in India.
- It has posted robust growth in its top and bottom lines for the reported periods.
- It has already turned the corner for FY25 and mulls improving its financial performance going forward.
- Based on its recent financial data, the issue prima facie appears aggressively priced.
- It’s a pure long term story considering the current trends.
- Well-informed/cash surplus investors may park moderate funds for long term.

About the Company

WeWork India Management Ltd. (WIML) is launched in 2017, and according to the CBRE Report, a leading premium flexible workspace operator in India, and has been the largest operator by total revenue in the past three Fiscals. According to the CBRE Report, it has played a significant role in the growth of the flexible workspace sector in India and been a key contributor for the evolution of flexible workspace products and services. WIML is the exclusive licensee of the WeWork Brand in India.

The company provides flexible, high-quality workspaces to customers (who it refers to as members) which include companies of all sizes: large enterprises, small and mid-size businesses, startups, as well as individuals. According to the CBRE Report, it has established multi-asset relationships with various prominent developers across major Tier 1 cities. The company leases primarily Grade A office space from such developers and, according to the CBRE Report, WIML designs, builds, and operates them as flexible workspaces as per global standards.

According to the CBRE Report, as at June 30, 2025, approximately 94%, or 7.07 million square feet, of its portfolio was in Grade A developments. According to the CBRE Report, it has one of the most extensive range of product and services. It offers flexibility to members by providing adaptable terms that allow companies to scale their workspace as their needs evolve. The strength of its brand and offerings along with the global network that it is a part of as the exclusive licensee of the WeWork Brand in India, has helped it attract and develop long-term relationships with global marquee brands, including Amazon Web Services India Private Limited, JP Morgan Services India Private Limited, Discovery Communications India, Deutsche Telekom Digital Labs Private Limited, CBA Services Private Limited and Grant Thornton Bharat LLP. As of June 30, 2025, its portfolio comprised 114,077 desks across 68 Operational Centres with an aggregate Leasable Area for Operational Centres of 7.67 million square feet. Its Revenue from Operations increased by 26.67% from Rs. 1314.52 cr. in Fiscal

2023 to Rs. 1665.14 cr. Fiscal 2024, and also increased by 17.06% to Rs. 1949.21 cr. in Fiscal 2025. Its Revenue from Operations increased by 19.32% to Rs. 535.31 cr. in the three months ended June 30, 2025 from Rs. 448.65 cr. in the three months ended June 30, 2024.

Its Adjusted EBITDA margin grew from 14.55% to 21.61% from Fiscal 2023 to 2025, and was 18.05% in the three months ended June 30, 2025. As derived from the CBRE Report, among its Benchmarked Peers, the company had 1.42 times the operational revenue and 2.45 times the Adjusted EBITDA of the next operator for Fiscal 2025. According to the CBRE Report, as a premium flexible workspace operator, its average portfolio level revenue to rent multiple of 2.7 for Fiscal 2025 exceeded the industry average which typically ranges between 1.9 to 2.5. For Fiscal 2025, WIML's Net ARPM and Revenue to Rent Multiple were Rs. 19842 and 2.68 respectively, and its Total ARPM and Total Revenue to Rent Multiple (each including revenue from digital products and value added services) was Rs. 22033 and 2.98 respectively. In the three months ended June 30, 2025, its Net ARPM and Revenue to Rent Multiple were Rs. 19085 and 2.61 respectively, and its Total ARPM and Total Revenue to Rent Multiple (each including revenue from digital products and value added services) was Rs. 21039 and 2.87 respectively.

WIML's amenitized and technologically integrated workspaces come with shared amenities including meeting rooms, event spaces, printing, mail and packaging, wellness rooms and recreational spaces. It provides complete facility management services, pantry services, security and housekeeping, making it convenient for businesses to work in a fully-serviced office environment equipped with high-speed internet. According to AGR, beyond office space, it creates a sense of community through modern design, collaborative environment, dedicated member experience teams, and curated activities that help businesses and their employees feel connected to their workplace. In return for an all-inclusive monthly membership fee that it charges members, it helps members avoid the challenges of finding and setting up their own office space, allow them to outsource the hassle of day-to-day operations to the company, and reduce their upfront capital expenditure.

The company operates in India's key office markets – Bengaluru, Mumbai, Pune, Hyderabad, Gurugram, Noida, Delhi, and Chennai. According to the CBRE Report, Tier 1 cities has witnessed healthy demand for office space due to their talent pools, infrastructure, job opportunities and relative business growth potential, and these markets have exhibited strong market dynamics with office absorption in 2024 at 78.9 million square feet, as compared to supply completion of 49.0 million square feet in the same year. Further, according to the CBRE Report, gross absorption for these markets in 2025 is forecasted to be 85.5 million square feet. Its largest presence is in Bengaluru, which, according to the CBRE Report, has emerged as one of the largest office markets by absorption in Asia between 2018 and March 2025 and is one of the largest in terms of total office stock. Also, according to the CBRE Report, Bengaluru is both the largest commercial office and flexible workspace market in India, accounting for around 30% of the flexible workspace stock amongst Tier 1 cities. WIML's Centres are located in Grade A technology parks, business hubs, and premium CBD buildings and, according to the CBRE Report, nearly 87% of its portfolio was located in

28 identified key clusters across Tier 1 cities for flexible workspaces in India as of June 30, 2025.

The company caters to a diverse member base, including a marquee roster of Fortune 500 companies, international and domestic companies, large enterprises, GCCs, MSMEs, startups, and individuals. For the three months ended June 30, 2025, its Enterprise Members contributed towards 75.67% of its Net Membership Fees, and International Clients contributed 65.93% of Net Membership Fees. It is majority owned and promoted by Embassy Group. It also benefits from its relationship with WeWork Global, a global flexible workspaces operator with approximately 600 wholly-owned and licensed locations in 35 countries and WIML is the exclusive licensee of the WeWork Brand in India. As of June 30, 2025, it had overall 583 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route secondary IPO of 46296296 equity shares worth Rs. 3000 cr. at the upper cap. The company has announced a price band of Rs. 615 – Rs. 648 per equity shares of Rs. 10 each. The issue opens for subscription on October 03, 2025, and will close on October 07, 2025. The minimum application to be made is for 23 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. The issue constitutes 34.54% of the post-IPO paid-up equity capital. This being 100% Offer for Sale (OFS) no funds are coming to company. The issue is being made to unlock listing benefits and provide exit to some of its stakeholders.

The company has reserved approx. 54012 equity shares (worth Rs. 3.50 cr. at the upper cap) for its eligible employees and offering them a discount of Rs. 60.00 per share, and from the rest, it has allocated not less than 75% for QIBs, not more than 15% for HNIs, and not more than 10% for Retail investors.

The sole Book Running Lead Manager (BRLM) to this issue are JM Financial Ltd., ICICI Securities Ltd., Jefferies India Pvt. Ltd., Kotak Mahindra Capital Co. Ltd., and 360 One Wam Ltd., while MUFG Intime India Pvt. Ltd., is the registrar to the issue. JM Financial Ltd., and Kotak Securities Ltd. are the syndicate members.

After having issued initial equity shares at par, the company issued further equity shares in the price range3 of Rs. 100 – Rs. 945.49 per share between February 2022 and January 2025. It has also issued bonus shares in the ratio of 0.40 for 1 in January 2025. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. 65.88, and Rs. 161.83 per share.

Post-IPO, its current paid-up equity capital of Rs. 134.02 cr. will remain same as this is an OFS. Based on the upper cap of the IPO price band, the company is looking for a market cap of Rs. 8684.71 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit/ -(loss), of Rs. 1422.77 cr. / Rs. – (146.81) cr. (FY23), Rs. 1737.16 cr. / Rs. – (135.77)

cr. (FY24), and Rs. 2024.00 cr. / Rs. 128.19 cr. (FY25). The company posted growth in its top and bottom lines for the reported periods, and has turned the corner for FY25. but for Q1 of FY26 ended on June 30, 2025, it posted a loss of Rs. – (14.15) cr. on a total income of Rs. 545.71 cr. against a loss of Rs. – (29.17) cr. on a total income of Rs. 461.29 cr., but hopes to achieve green bottom line for the full year.

For the last three fiscals, the company has posted an average negative EPS of Rs. – (0.53) (basic) and an average RoNW of 33.40%. The issue is priced at a P/BV of 45.96 based on its NAV of Rs. 14.10 as of June 30, 2025, and at a P/BV of 47.61 based on its post-IPO NAV of Rs. 13.61 per share (at the upper cap).

If we attribute FY26 annualized earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at negative a P/E. Based on FY25 earnings, the P/E stands at 67.78. Thus, the issue prima facie appears aggressively priced.

As of June 30, 2025, it had total 70 centres out of which 68 were operations with a desk capacity of 114077 with occupancy of 87247 desks (76.48% occupancy) with 2215 clients having a renewable rate of 70.13%. The company is outperforming on many counts against industry benchmark and enjoys its supremacy in the segment.

While company’s PAT margins data is missing, its RoCE margins were 30.32% (FY23), 54.05% (FY24), 37.52% (FY25), and 31.99% Q1-FY26), respectively for the referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has already adopted a dividend policy in October 2024, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Awfis Space, Smartworks Coworking, Indiqube Ltd., as their listed peers. They are currently trading at a P/E of 82.1, NA, and NA (As of October 01, 2025). However, they are truly not comparable on an apple-to-apple basis.

Merchant Banker's Track Record

The five BRLM associated with the offer has handled 101 pubic issues in the past three fiscals, out of which 22 issues closed below the offer price on listing date.

Conclusion / Investment Strategy

WIML is the only licensee for WeWork Global in India. It has posted robust growth in its top and bottom lines for the reported periods. It has already turned the corner for FY25 and mulls improving its financial performance going forward. Based on its recent financial data, the issue prima facie appears aggressively priced. It’s a pure long term story considering the current trends. Well-informed/cash surplus investors may park moderate funds for long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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