

17 September 2025

India | Equity Research | Initiating Coverage

Indiqube Spaces

Real Estate

Front row seat to growth

We initiate coverage on Indiqube Spaces Ltd. (Indiqube) with a **BUY** rating and a target price of INR 334, based on 18x Sep'27E EV/IGAAP EBITDA (post all lease rental payments). Indiqube is led by an experienced management team, with an entrepreneurial track record since 1999. The company manages a portfolio of 120 centres across 15 cities, covering 8.7msf of area under management (AUM), as of Jun'25, of which 6.5msf is operational area with an overall portfolio occupancy of 85% in Q1FY26. The company stands out with its unique property sourcing model, emphasis on value-added-services (VAS; 13% of FY25 pure seat revenue) and a keen focus on the Bengaluru office market. **Key risks:** Slowdown in India's office leasing and competitive intensity in flexible workspaces.

29% revenue and 45% EBITDA CAGR over FY25–28E

We build in same-store revenue/seat growth of ~5% for operational seats over FY25–28E, in-line with our view on the flex spaces industry. We see the balance revenue contribution stemming from new seats, which are expected to grow at a 21% CAGR, and increased VAS revenue over the medium term, which was ~13% of pure seat revenue in FY25. We estimate operational area to rise to 11.1msf in FY28E, from 6.3msf in FY25 with portfolio occupancy hovering at ~85% levels. While we build in a 29% revenue CAGR over FY25–28E, we estimate a 45% IGAAP EBITDA CAGR (post all lease rental payments) over the same period with IGAAP EBITDA margins expanding 550bps to 18.7% in FY28E vs. 13.2% in FY25 due to the percentage of rental expense on fit-out/upcoming assets reducing as a percentage of operating revenue. Additionally, annual utility cost savings of INR 150–200mn from its solar power plant in Karnataka are estimated to contribute to margin expansion.

Valuation: Initiate with BUY; TP INR 334

We initiate coverage with a **BUY** rating on Indiqube and a target price of INR 334. We value the company on Sep'27E at an EV of INR 66.8bn at 18x Sep'27E EV/EBITDA of INR 3.7bn, at a 10% discount to our target multiple of 20x of its listed peer, Awfis Space Solutions, adjusting for six months discounting. Adding net cash of INR 3.2bn, as of Sep'27E, we derive an equity value of INR 70bn or INR 334/share.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	10,593	14,214	18,318	22,626
IGAAP EBITDA	1,399	2,299	3,203	4,226
EBITDA Margin (%)	13.2	16.2	17.5	18.7
Net Profit	(1,396)	(601)	(36)	507
EPS (INR)	(7.7)	(2.9)	(0.2)	2.4
P/B (x)	NM	8.4	8.4	7.7
P/E (x)	NM	NM	NM	94.9
EV/IGAAP EBITDA (x)	NM	19.8	14.0	10.2
RoCE (%)	27.1	35.8	60.6	63.8
RoE (%)	NM	NM	(0.6)	8.5

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Market Data

Market Cap (INR)	47bn
Market Cap (USD)	538mn
Bloomberg Code	INDIQUBE IN
Reuters Code	IDIQ.BO
52-week Range (INR)	240 /195
Free Float (%)	8.0
ADTV-3M (mn) (USD)	0.0

Price Performance (%)	3m	6m	12m
Absolute	0.0	0.0	0.0
Relative to Sensex	0.0	0.0	0.0

ESG Score	2023	2024	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Play on India's strong office leasing and flex space demand

The recovery in Indian office leasing seen in CY23 has led to a boom for office demand in CY24 with pan-India net absorption of 49msf vs. incremental supply of 43msf, leading to overall Grade A vacancy levels declining by 190bps YoY to 16.1%, as of Dec'24. With continued momentum in office demand led by global capability centres (GCCs), we estimate pan-India Grade A net absorption of 50msf in CY25E, 53msf in CY26E and 57msf in CY27E. We expect more than 50% of this demand to be driven by GCCs and envisage cumulative net absorption of 159msf over CY24–27E. Further, as per CBRE, occupiers are integrating flexible office spaces into their portfolio as part of their 'Core+Flex' strategies. CBRE's India Occupier Survey 2024 notes ~30% of the respondents expanding their presence in flexible office space as their primary portfolio strategy over the next 12 months. As per CBRE, Q2CY25 (Apr–Jun'25) saw flexible workspace operators having 19% share in overall leasing activity and 19% for CY24 (Jan–Dec'24). With flexible office space stock seeing sustained growth in demand, we expect the space to capture 15–20% of incremental office leasing over CY24–27E.

Demand-led and value-creation-supply acquisition strategy

The company's supply acquisition strategy is driven by value creation and an understanding of demand-led market dynamics. Indiqube focuses on acquiring properties in high-demand micro-markets, characterised by robust infrastructure connectivity. Central to this approach is its hub-and-spoke model, where it establishes certain large centres (hubs) in key micro-markets, complemented by smaller centres (spokes) within these micro-markets to ensure reach and accessibility. This model allows the company to cater to both large enterprises seeking scale and smaller businesses needing localised, flexible office solutions. Through this strategy, the company aims to meet growing demand for workspace solutions in both Tier-1 and non-Tier-1 cities in India, providing a comprehensive, on-demand platform that adapts to the needs of a dynamic workforce. CBRE has identified 33 key office micro markets across tier-I cities in India and 85.39% of its portfolio properties are located in these key micro markets of India.

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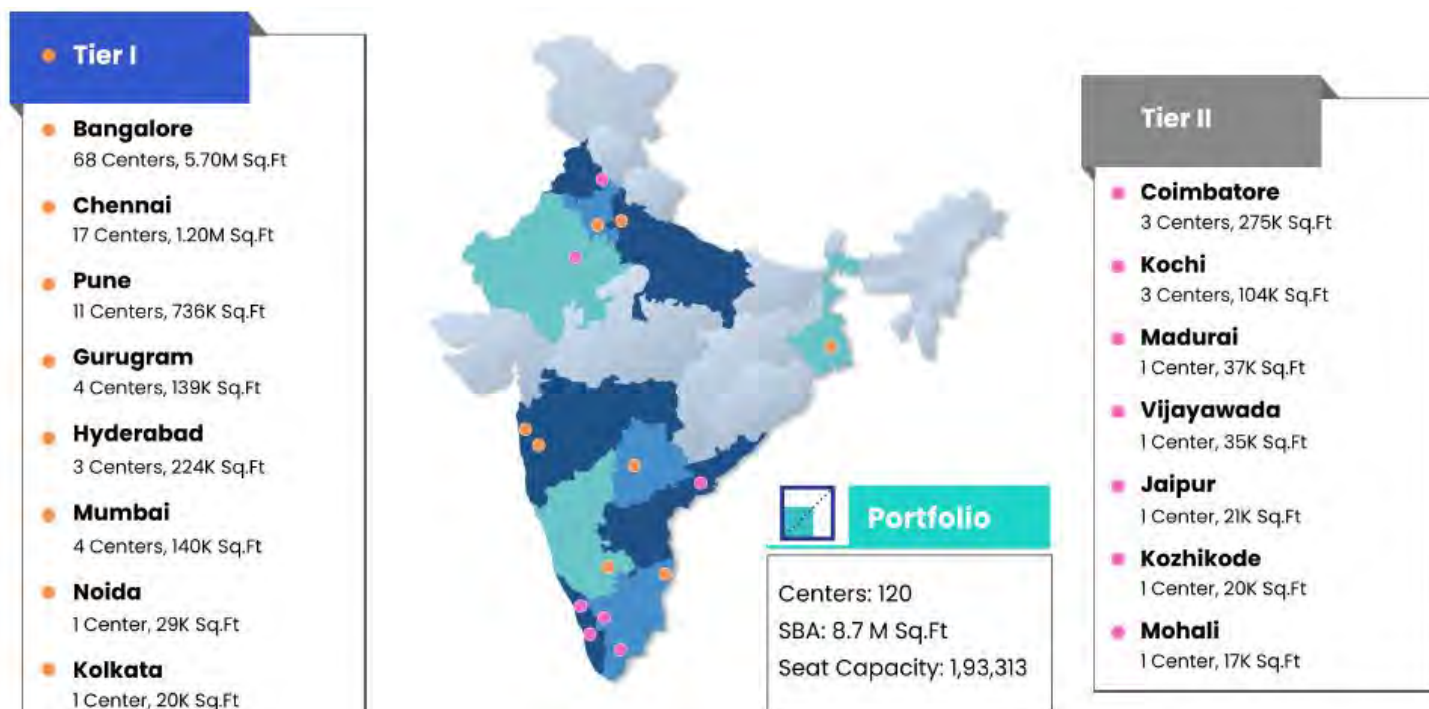
Company Profile

Indiqube is a managed workplace solutions company offering comprehensive, sustainable, and technology-driven workplace solutions dedicated to transforming the traditional office experience. Led by an experienced management, with entrepreneurial track record since 1999, the company's diverse solutions range from providing large corporate offices (hubs) to small branch offices (spokes) for enterprises and transforming the workplace experience of its employees by combining interiors, amenities and a host of **VAS**.

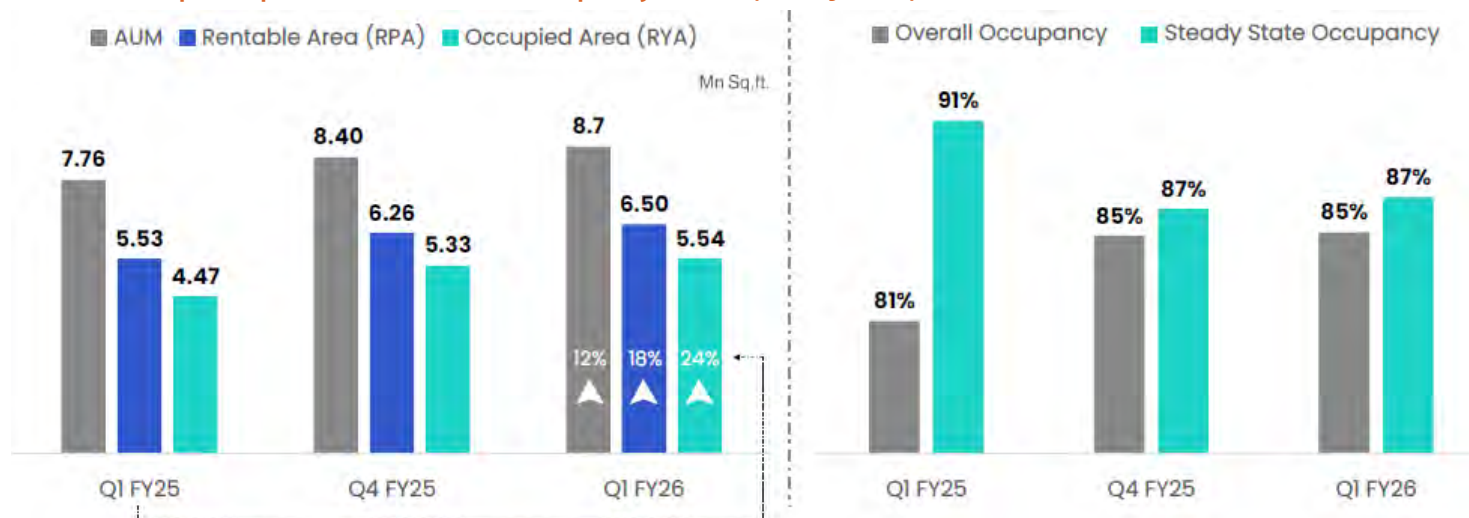
The company complements its solutions through backward and forward integration capabilities. While backward integration focuses on asset renovation, upgradation and customised build-to-suit models, forward integration enables the company to provide business-to-business (**B2B**) and business-to-customer (**B2C**) VAS to clients and their employees. These, coupled with the company's core offering of plug and play offices, enable it to serve the workspace value chain comprehensively.

As of Jun'25, Indiqube manages a portfolio of 120 centres across 15 cities, covering 8.70mn sq.ft. of AUM in super built-up area (SBA) with a total seating capacity of 193,000+ as of 30 Jun, '25. It has 6.5msf of rentable area or operational area as of Jun'25 with an overall portfolio occupancy of 85% in Q1FY26 and 87% steady state occupancy for the same period. Of these centres, 68 centres are in Bengaluru spread across 5.7msf. As per CBRE, Bengaluru currently is both the largest commercial office and flexible workspace market of India accounting for around 30% of the total flexible workspace stock amongst tier-1 cities. The company is amongst the leading operators in Bengaluru, as of 31 Mar'25.

The company's supply acquisition strategy prioritises acquiring full buildings in high-demand micro-markets with robust infrastructure connectivity, low vacancy rates, and strong talent catchments. This targeted approach ensures the long-term relevance of the company's offerings while enabling the company to scale rapidly. Indiqube partners with landlords to not only lease new properties, but also transform non-institutional and aging Grade B properties into high-quality, green and modern workspaces. The company upgrades these properties by integrating interiors, amenities, technology, and sustainability initiatives.

Exhibit 1: Indiqube's portfolio – existing and upcoming (as of Jun'25)

Source: Company, I-Sec research

Exhibit 2: Indiqube's portfolio – area and occupancy trends (as of Jun'25)

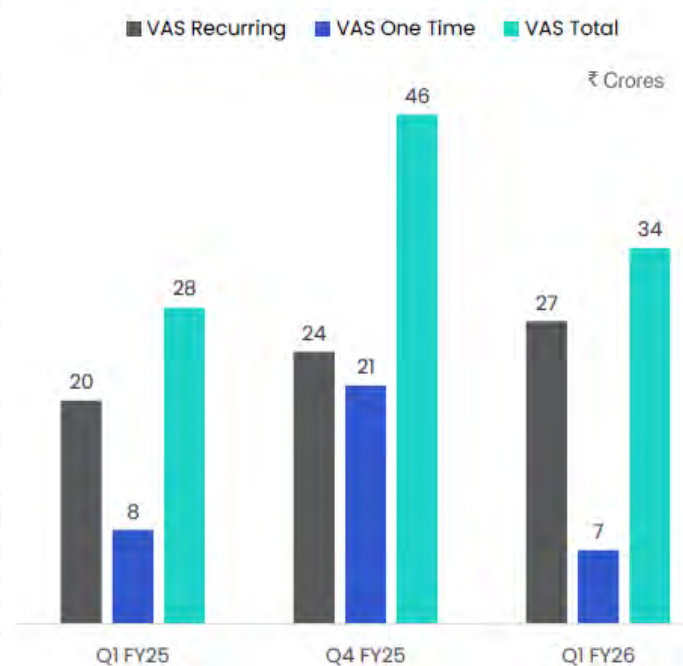
Source: Company, I-Sec research

As of 30 Jun'25, such renovated properties comprise 2.48msf or 29.57% of Indiqube's total portfolio. Its demand strategy of 'enterprise-first' focuses on partnering with businesses seeking scalable, customizable and on-demand workspaces of large sizes for a long tenure. As of 31 Mar'25, clients with over 300 seats, account for 63.06% of Indiqube's total portfolio with an average lock-in of 36 months.

Brand 'IndiQube' stands at the core of the company's business enabling it to serve, as of 31 Mar, '25, 769 clients of which 59.56% were acquired directly by the company. The credibility of the company's brand is demonstrated by **GCCs** comprising 43.56% of the company's clientele, as of 31 Mar'25. Further, the remaining 56.44% of its clientele, as of 31 Mar'25, comprises Indian enterprises. The company believes this demonstrates a balanced portfolio that bridges the needs of domestic businesses and multinational corporations.

Exhibit 3: Company's key KPIs, as of 30 Jun'25

PARTICULARS	Q1 FY25	Q4 FY25	Q1 FY26
AUM in SBA (Mn Sq.ft.)	7.76	8.40	8.70
Number of Cities by AUM	13	15	15
Number of Centers by AUM	103	115	120
Number of Clients	737	769	789
Active stock (Mn Sq.ft.)	6.12	6.92	7.39
Number of seats (under active stock)	1,35,915	1,53,830	1,64,278
Centres (under active stock)	93	105	111
Cities (under active stock)	12	14	15
Rentable area (Mn Sq.ft.)	5.53	6.26	6.50
Occupied seats	99,250	118,467	123,221
Occupied area (Mn Sq.ft.)	4.47	5.33	5.54
Occupancy %	80.76	85.12	85.29
Steady state occupancy (%)	91.00	86.50	87.09
Revenue to Rent Ratio	2.02	2.09	2.26
Brokerage % Revenue from Operations	2.89	2.37	2.49
Revenue - Multi-center clients (%)	35.21	35.89	33.94
Average Monthly Net churn rate (%)	-0.25	-0.22	-0.16



Source: Company data, I-Sec research

Experienced leadership

The company is led by experienced promoters, and a professional management team with experience in the workspace industry and a proven track record of performance. The company's promoters are Rishi Das, Meghna Agarwal and Anshuman Das.

Rishi Das, an alumnus of IIT Roorkee, is the CEO, and has a diverse entrepreneurial experience of over two and half decades. He was the co-founder of CareerNet, which is a talent solutions provider in India.

Meghna Agarwal, an alumnus of IMT Ghaziabad, is the company's co-founder and COO, and has an extensive experience of 20 years in operations and business management. Meghna Agarwal has been recognized with several awards, including her being featured among 'Shepreneurs Women to Watch' in 2023 by Entrepreneur Media, winning the 'Woman Entrepreneur of the Year' award at Startup Awards 2021 and 'Young Achievers Award' for excellence in real estate by ET Now in 2019.

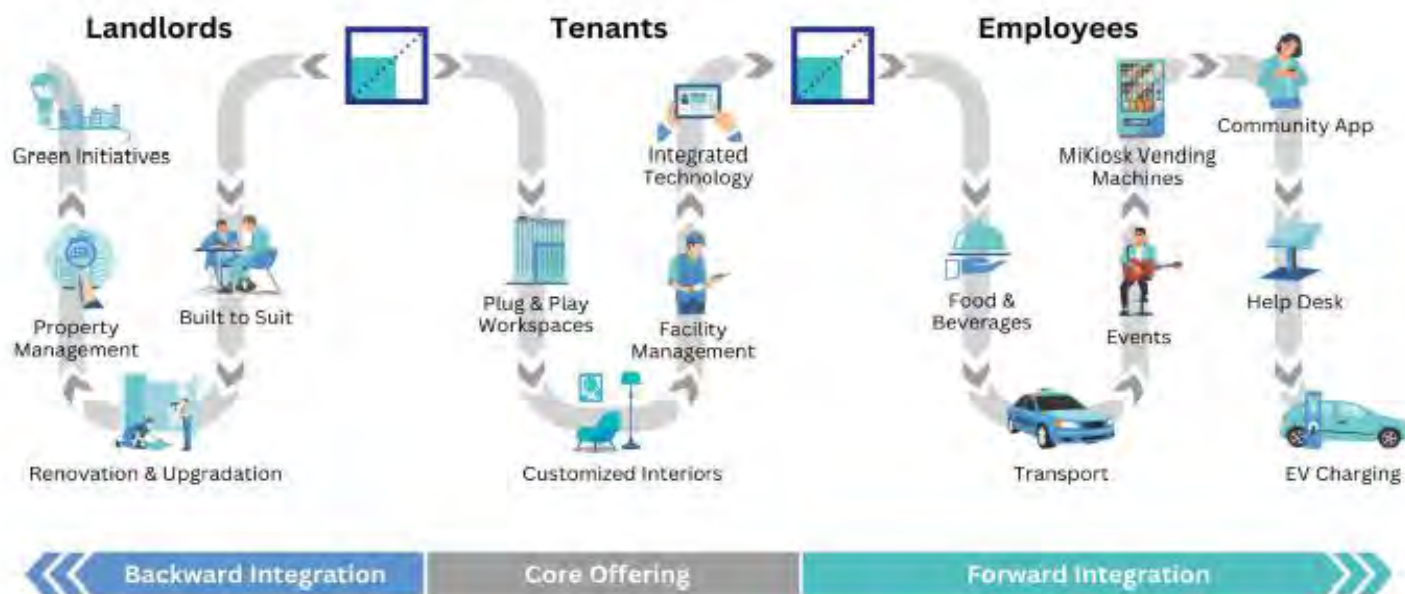
Anshuman Das, an alumnus from IIT Delhi, is a Non-Executive Director and has a diverse entrepreneurial experience of over two decades. He co-founded CareerNet and Hirepro Consulting Private Limited – he also currently serves as the CEO and COO, respectively, for these companies.

Under the leadership of the company's promoters, Indiqube has been ranked amongst India's fastest growing companies by The Economic Times and has been recognized as India's Growth Champion for four consecutive years from 2021 to 2023. The company has also been ranked amongst Asia-Pacific High-Growth Companies by Financial Times for 2023. In addition, the company has received several noteworthy awards including, 'The Green Champion Award' from CII & IGBC, The Economic Times 'Future Ready Organization 2023-24', 'Startup of the Year' in Entrepreneur Awards 2021, 'Best Co-working Space' at Startup Awards 2021, Breakthrough Enterprise award from YourStory in association with the Ministry of MSME in 2019.

Diversified business offerings to drive growth

Exhibit 4: Company's workspace value chain

Workspace Value Chain



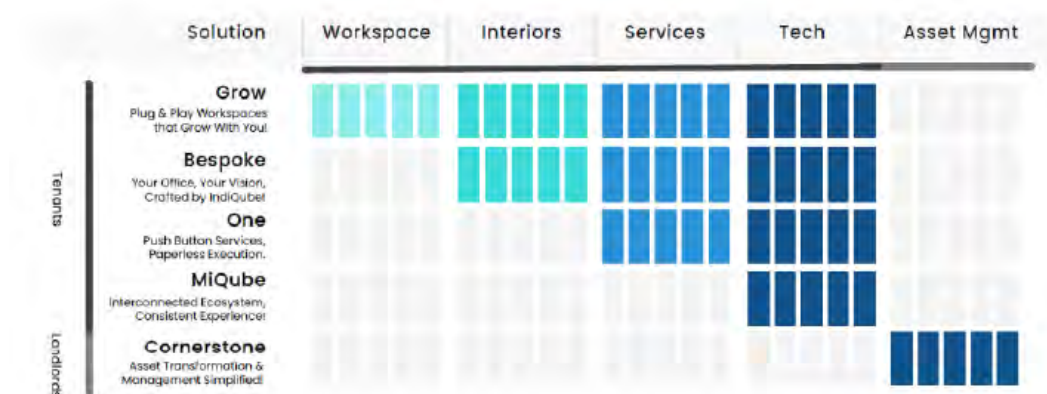
Source: Company data, I-Sec research

Indiqube has categorised its workspace solutions into different business segments catering to clients within and outside the ecosystem of the company's leased properties. At the core of the company's offerings is 'IndiQube Grow', which serves as the company's solution for providing plug and play workspaces that incorporate interiors, technology, facility management and VAS. IndiQube Grow represents a comprehensive workplace solution, encompassing the essential elements required by enterprises.

To service specialised client requirements, the company has developed four additional verticals that extend and complement its core offering, as elaborated below:

- *IndiQube Bespoke* offers customizable design and build solutions, from concept to completion, allowing clients to create workspaces that reflect their brand identity and operational requirements within their own premises. From design to turnkey project execution and maintenance, the company's comprehensive approach ensures that each workspace is tailored to client specifications.
- *IndiQube One* offers comprehensive B2B and B2C solutions ranging from facility management, asset maintenance and plantation to catering, and transportation services for the employees of the company's clients.
- *MiQube* platform integrates technology solutions and interconnected smart devices that serve clients, its employees, and enables the company's frontline facility management teams to deliver consistent employee experiences, facility operations, and workspaces. These solutions include the company's community application, a tenant platform, service delivery application and a network of interconnected devices.
- *IndiQube Cornerstone* aims to renovate aging properties through technological upgrades, amenities, green initiatives, and designed interiors. By collaborating with landlords, the company enhances assets to improve operational efficiency, thereby, creating distinctive and appealing spaces.

Exhibit 5: Scope of company's variety of offerings



Source: Company data, I-Sec research

Through this integrated portfolio, the company provides solutions to both enterprises and landlords for their workspace needs. The company believes this not only enhances the tenant experience, but also unlocks additional revenue generation opportunities.

Strategic focus on VAS to enhance revenues

While workspace leasing forms the core of the company's revenue, the company has strategically expanded its offerings to include various VAS, spanning interior design and build, facility management, food, transport, and technology solutions. The company's backward integration initiatives like asset renovation and upgradation, coupled with forward integration to offer B2B and B2C services to clients and its employees, along with the company's core offering of plug and play workspace solutions, enable it to serve the entire workspace value chain comprehensively.

Exhibit 6: Company's revenue from workspace and VAS for the periods indicated

Particulars	FY23		FY24		FY25	
	(INR mn)	(% of revenue from operations)	(INR mn)	(% of revenue from operations)	(INR mn)	(% of revenue from operations)
Workspace leasing*	5,152.40	88.87	7,415.84	89.29	9,264.96	87.46
VAS	681.65	11.76	921.99	11.10	1,349.21	12.74

Source: Company data, I-Sec research

Notes: *Includes rental charges, common area maintenance charges and electricity charges.

As of 31 Mar'25, 12.74% of the company's revenue originated from VAS. The company's revenue from provision of VAS has increased from INR 682mn in FY23 to INR 1,349mn in FY25, growing at a CAGR of 41%, which is higher than the revenue growth from its workplace leasing, which grew at a CAGR of 34% between FY23–25.

The company emphasises on providing F&B across its properties. It has become a key component of the company's VAS portfolio, and plays a crucial role in enhancing the employee experience for the company's clients. In FY23, the company provided F&B services to 238 clients across 55 properties, generating a revenue of INR 192mn (28.2% of the company's VAS revenue). In just two years, F&B services have witnessed rapid adoption and growing demand within the company's properties. In FY25, it served 373 clients across 84 properties, generating a revenue of INR 359mn from F&B services, having grown from FY23 at a CAGR of 37%.

Indiqube believes the growth trajectory of the revenue generated from F&B services illustrates its commitment to continuously enhancing the workspace experience and demonstrates the potential of VAS in driving revenue growth.

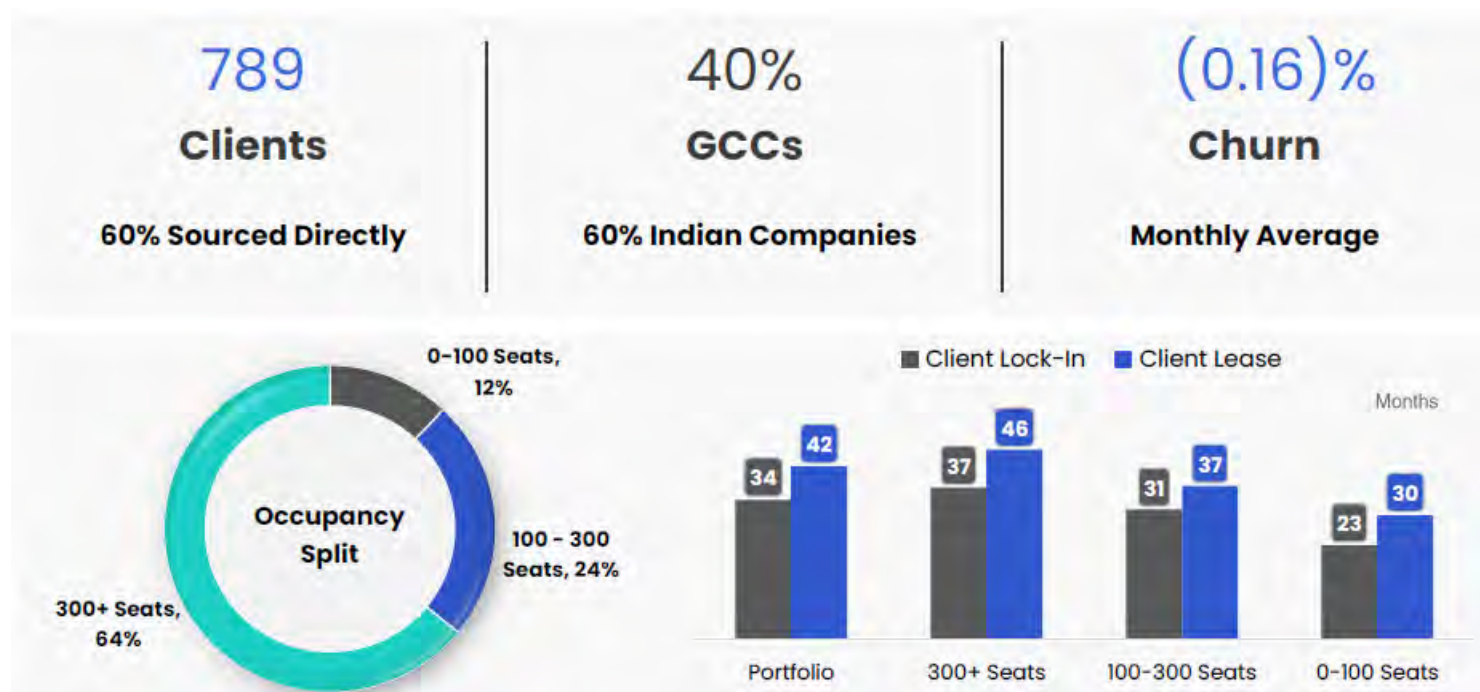
Diversified client base across sectors

As of 30 Jun'25, Indiqube has served ~789 clients across various sectors, demonstrating the company's ability to cater various business needs. The company's client base comprises mid-to-large enterprise clients, with focus on those requiring scalable solutions across multiple centres and cities.

The company's clients include GCCs, Indian corporates, unicorns as well as startups across sectors such as information technology/information technology enabled services, manufacturing, automotives, engineering, aviation, banking, financial services and insurance, consulting, e-commerce, educational technology, logistics, pharmaceuticals, and healthcare.

Indiqube prioritises nurturing and expanding existing relationships, and establishing a path for sustainable, organic growth. The company's emphasis on delivering tailored solutions and VAS has enabled it to maintain long-term relationships with key clients.

Exhibit 7: Indiqube's client profile, as of Jun'25

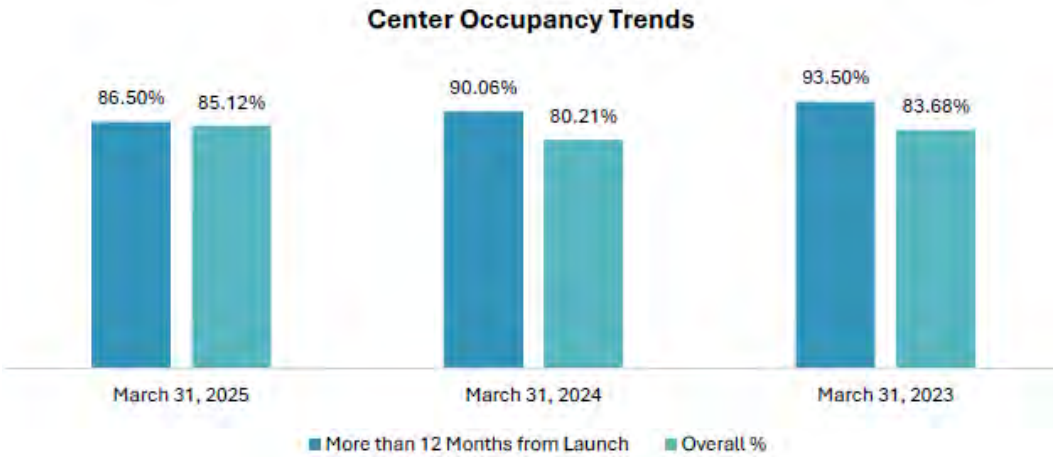


Source: Company, I-Sec research

The company's client acquisition strategy is a key differentiator, combining the strength of the company's in-house sales team with market research, targeted partnerships and digital initiatives to create a comprehensive approach. While the company collaborates with institutional real estate brokers to acquire clients, the company also deploys digital media advertising to boost the company's presence among target clients and capture demand through multiple channels.

In FY25, 39.13% of the company's seats were sold through direct channels while the remaining 60.87% were facilitated by brokerage partners. The company's direct channels included efforts by the company's in-house team client referrals, website leads, current client expansions and digital media campaigns. As a result of these integrated sales and marketing efforts, Indiqube aims to ensure faster occupancy of the company's buildings. Indiqube has achieved an occupancy rate of 86.5% in the company's steady state centres as of 31 Mar'25.

Exhibit 8: Occupancy percentage for Indiqube's centres as of the dates indicated along with the occupancy for centres by vintage from the launch date of the centres



Source: Company data, I-Sec research

Unique sourcing strategy

Indiqube's supply acquisition strategy is driven by value creation and an understanding of demand-led market dynamics. The company focuses on acquiring properties in high-demand micro-markets, characterised by robust infrastructure connectivity. Central to this approach is the company's hub-and-spoke model, where it establishes certain large centres (hubs) in key micro-markets, complemented by smaller centres (spokes) within these micro-markets to ensure reach and accessibility.

This model allows the company to cater to both large enterprises seeking scale and smaller businesses needing localised, flexible office solutions. Through this strategy, the company aims to meet the growing demand for workspace solutions in both tier-1 and non-tier-1 cities in India, providing a comprehensive, on-demand platform that adapts to the needs of a dynamic workforce. CBRE has identified 33 key office micro markets across tier-I cities in India and 85.39% of its portfolio properties are located in these key micro markets of India.

Further, the company leases commercial properties from landlords for 10 to 20 years and invest in upgrades, including interiors, amenities, technology, and sustainability initiatives. This enhances the property's appeal and functionality, improving the tenant experience. As of 31 Mar'25, the company's lease renewal rate with respect to leases up for renewal (leases with initial term of three to five years) with its landlords is 99.74%. The company's landlords comprise large real estate developers, high-net-worth individuals, family offices, and investment funds.

Exhibit 9: Split of institutional and non-institutional landlords as of 31 Mar'25

Classification of Landlords	Percentage of total AUM managed by the company as of June 30 2024
Institutional	14.08
Non-institutional	85.92

Source: Company data, I-Sec research

Out of the overall commercial office organized stock across the top nine cities in India, ~70% is non-institutionally owned as of 31 Mar'25. Further, nearly 52% of the completed office stock (in mn sq.ft.), across tier-1 cities, is more than 10 years old. The ageing stock has a large potential for asset upgradation and renovation as developments in city centres may require refurbishment to meet the requirements of the new-age workforce and changing occupier preferences (Source: CBRE).

The company believes this presents significant opportunities for asset transformation. By leveraging its expertise in property upgradation and partnering with property owners to deliver build-to-suit and client-specific solutions, the company continues to create offerings that meet client requirements. This approach not only strengthens the company's strategic partnerships by going beyond conventional leasing but also fosters trust with landlords.

One of the company's key strategies is the renovation and upgradation of older Grade B properties. Grade B refers to a development type; the tenant profile includes mid to small-sized corporates, average floor plate sizes, flexible layout, adequate lobbies, provision of centralized or free-standing air-conditioning, adequate lift services and parking facilities. An integrated property management system might not be in place, while an external façade might be ordinary. Multiple ownership might be a norm. The company looks for properties in central business districts, transforming them into technology-enabled workspaces. The company's renovated centres constitute 25.22% of its total centres as of 31 Mar'25.

Exhibit 10: Renovated portfolio split of the company

Source: Company data, I-Sec research

Additionally, the company has identified and created centres in proximity to metro stations, further enhancing accessibility and convenience. As of 31 Mar'25, out of 115 centres, the company had 48 centres which are within a distance of 3 kilometres from an operational metro station and 45 centres that are within a distance of 3 kilometres from a metro station that is planned to be operational in future. Such centres collectively comprised 80.87% of the company's total centres as of 31 Mar'25. The table below sets forth details in relation to proximity of the company's centres to operational and planned metro stations as of 31 Mar'25.

Exhibit 11: Indiqube's centres' proximity to operational/planned metro stations

Distance from Metro Station	Proximity to Operational Metro Stations		Proximity to Planned Metro Stations	
	Number of Centres	% Centres	Number of Centres	% Centres
Up to 3 kilometers	48	41.74	45	39.13

Source: Company data, I-Sec research

In FY22, the company strategically expanded its offerings to non-tier-1 cities. Post the Covid-19 pandemic, non-tier-1 cities have increasingly become relevant for companies to set up their satellite offices in, and the top 6 non-tier-1 cities, including Ahmedabad, Kochi, Indore, Vadodara, Jaipur and Coimbatore collectively contribute to majority of overall flexible workspace stock in these cities. Indiqube's presence, across seven tier-1 cities and six non-tier-1 cities, has enabled it to meet local demands. The company believes, this strategic expansion positions it as a key player in both established and emerging markets, driving growth for enterprises across India.

Through a data-driven selection process, the company evaluates factors such as leasing activity, and infrastructure developments to identify properties with high future potential. This approach ensures that the company's centres remain aligned with market needs and evolving client preferences, enabling the company to maintain high occupancy levels and low customer churn rates. The company had an occupancy rate of 86.50% in the company's steady-state centres as of 31 Mar'25.

In FY22, Indiqube noticed early trends of employees preferring to work from places closer to their hometowns. Going by the company's 'follow the talent' approach, The company decided to foray into non-tier-1 cities, and chose Coimbatore as the first non-tier-1 city. The company began operations in Coimbatore with a single property on Avinashi Road, spanning over 73,000sq.ft.. By FY23, the company had achieved a significant milestone of 100% occupancy in this property, underscoring strong demand. Over time, the company added two more properties, growing its total area under management in the city to 275,097sq.ft., out of which, 236,705sq.ft. is already operational, with an occupancy rate of 91.42% as of 31 Mar'25.

Office leasing surging, flex spaces see growing demand

Indian office: Market outlook

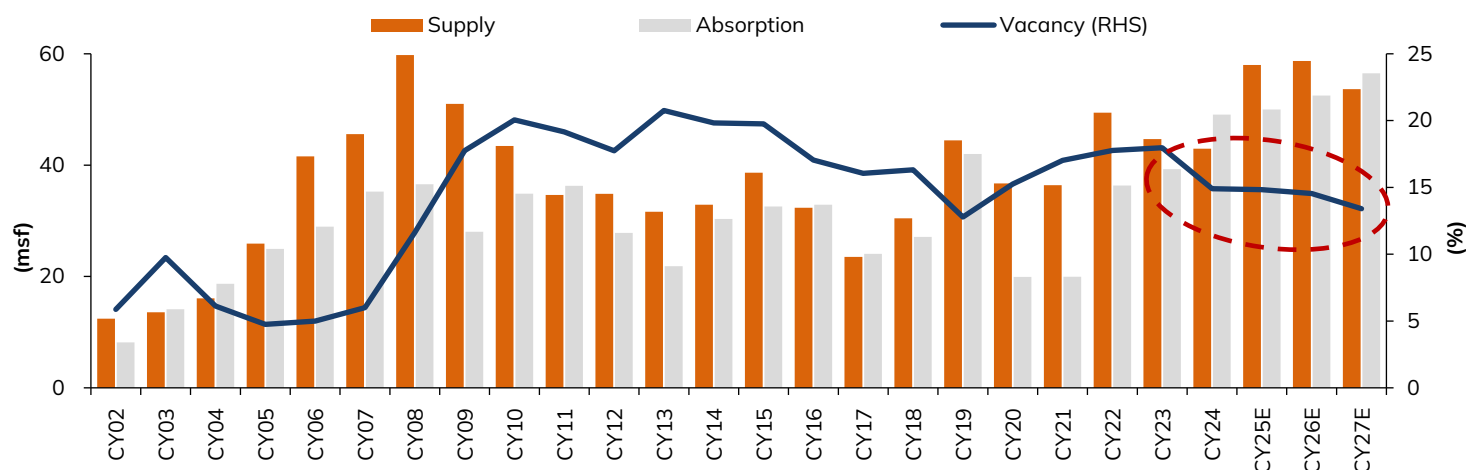
The Indian Commercial Real Estate (CRE) office market saw record leasing in CY19 with 42msf of annual net absorption. The office market had been in an upcycle over CY14–19 with rising rentals, falling vacancies, consolidation among developers and emergence of REITs. At the beginning of CY20 (Jan'20), the outlook was bright with healthy pre-leasing for upcoming supply. However, the evolving global situation owing to Covid-19 led to CY20 net office absorption of 20msf, which was a 50% YoY decline from CY19 levels with 20msf of net absorption in CY21 as well.

However, with net absorption of 36.4msf in CY22, of which 20.8msf was in H2CY22 itself (Jul–Dec'23), leasing momentum recovered strongly driven by a mix of the retreating Covid-19 impact, physical footfalls rising across offices and significant supply infusion of 49.4msf in CY22 that came with high levels of pre-commitments. This trend continued into CY23 too with net absorption of 39.3msf vs. new supply infusion of 44.7msf.

The recovery in office leasing seen in CY23 has led to a boom for office demand in CY24 with pan-India net absorption of 49msf vs. incremental supply of 43msf leading to overall Grade A vacancy levels declining by 190bps YoY to 16.1%, as of Dec'24.

With continued momentum in office demand led by GCCs, we estimate pan-India Grade A net absorption of 50msf in CY25E, 53msf in CY26E and 57msf in CY27E. We expect more than 50% of this demand to be driven by GCCs and envisage cumulative net absorption of 159msf over CY24–27E. However, this needs to be juxtaposed with incremental cumulative supply infusion of 182msf over the same period (CY24–27E) that may lead to headline industry vacancy levels inching up further. Hence, the ability of institutional landlords to retain or increase leasing market share remains key to driving up portfolio occupancies to over 90% (pre-Covid-19 levels of CY19).

Exhibit 12: India annual absorption – supply of offices and forecast



Source: Cushman & Wakefield, I-Sec Research estimates

Exhibit 13: India office – net absorption over CY19–27E

City (in msf)	CY20	CY21	CY22	CY23	CY24	H1CY25	CY25E	CY26E	CY27E
MMR	2.5	2.0	4.7	4.5	10.9	5.5	9.0	9.0	9.0
NCR	2.2	2.8	8.4	5.4	6.6	4.5	8.0	8.0	9.0
Bengaluru	6.2	7.7	10.4	12.0	14.1	6.0	13.0	15.0	16.0
Chennai	1.9	0.7	2.6	3.5	2.2	2.6	4.0	5.0	5.0
Hyderabad	5.5	5.3	5.3	7.0	8.9	3.1	7.0	8.0	9.0
Pune	1.0	1.1	4.0	5.6	5.0	4.3	7.5	6.0	7.0
Kolkata	0.6	0.5	0.9	1.3	1.5	0.8	1.5	1.5	1.5
Overall	19.9	20.0	36.3	39.3	49.1	26.7	50.0	52.5	56.5

Source: Cushman & Wakefield, I-Sec Research estimates

Focus on micro-markets rather than cities shall be crucial going forward

- At a pan-India level, across the country's seven tier-1 office markets, overall vacancy levels had risen by 520bps over CY19–23 (Dec'19–Dec'23) owing to the Covid-19 impact, resulting in work-from-home (WFH) and a hybrid model of working is still in place for majority IT/ITeS companies. However, with sustained leasing momentum since Mar'24, pan-India vacancy levels declined by 185bps in CY24 to 16.1%. Vacancy has further reduced to 14.9%, as of Jun'25, led by 26.7msf of net absorption in H1CY25 vs. incremental supply of 22.5msf.
- We envisage that with headline supply of 182msf scheduled for completion over CY24–27E (Jan'25–Dec'27) and assuming that annual net absorption ranges between 50–55msf, headline vacancy levels at pan-India and individual city levels may rise further over the next 24–30 months. However, the focus would be on individual micro-markets and Grade A institutional supply in respective cities/micro-markets.
- We believe, with supply-demand equilibrium remaining stable in preferred micro-markets such as Sarjapur/Whitefield in Bengaluru, Madhapur in Hyderabad, Cyber City in Gurugram, Kharadi in Pune and pre-toll OMR in Chennai, vacancies in these markets may rise marginally, even as overall vacancy levels may trend higher.
- Kolkata, Gachibowli in Hyderabad and non-CBD regions of Gurugram continue to suffer from the supply glut where current vacant office space is likely to take at least 24–36 months for absorption.

Exhibit 14: India Grade A office stock vs. vacancy

City (Jun'25)	Stock (msf)	% share of stock	Vacancy (%)	Occupied space (msf)	% share of occupied stock
MMR	120.3	16%	11%	106.9	16%
NCR	146.3	19%	21%	115.5	18%
Bengaluru	207.2	27%	9%	188.0	29%
Chennai	69.8	9%	14%	60.1	9%
Hyderabad	110.8	15%	23%	85.5	13%
Pune	81.8	11%	13%	71.1	11%
Kolkata	27.6	4%	16%	23.1	4%
Overall	764.0	100%	15%	650.1	100%

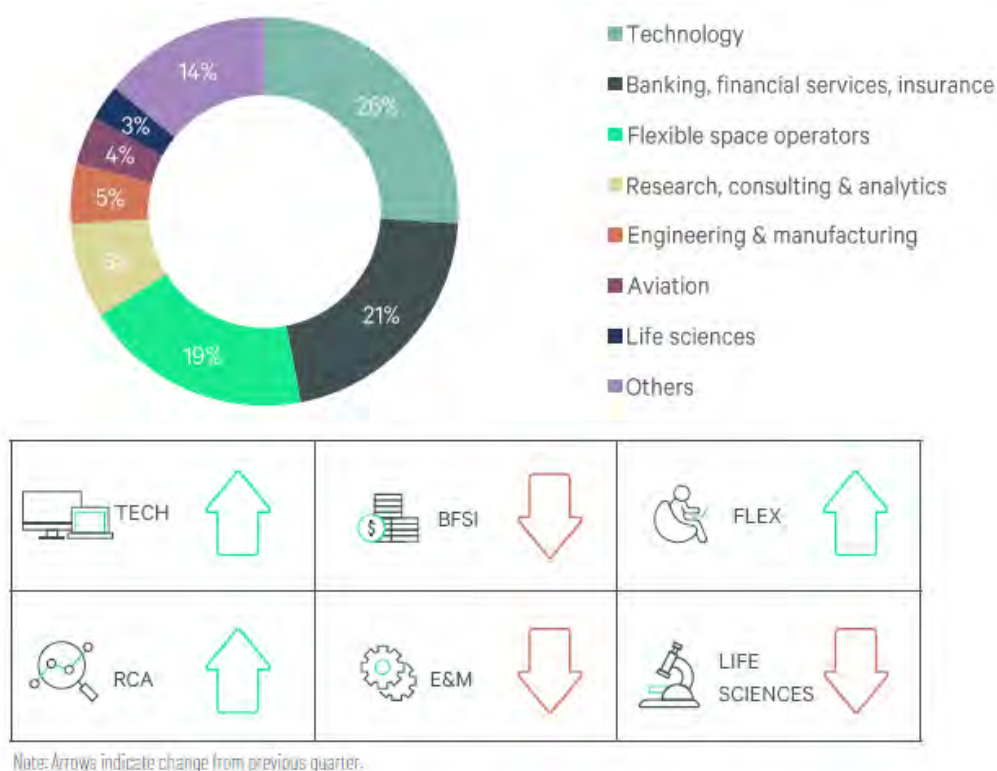
Source: Cushman & Wakefield, I-Sec Research

Exhibit 15: Grade A vacancy levels across cities

City	Mar'22	Mar'23	Mar'24	Mar'25	Jun'25
MMR	23.8%	20.4%	17.2%	12.7%	11.2%
NCR	26.6%	25.2%	24.9%	21.1%	21.1%
Bengaluru	9.6%	9.5%	10.0%	9.7%	9.3%
Chennai	13.6%	14.3%	17.4%	15.9%	13.9%
Hyderabad	17.3%	20.7%	25.2%	23.1%	22.9%
Pune	10.7%	10.7%	11.1%	11.2%	13.1%
Kolkata	30.6%	29.0%	24.2%	17.8%	16.4%
Overall	17.9%	17.3%	17.6%	15.4%	14.9%

Source: Cushman & Wakefield, I-Sec Research

As per CBRE, occupiers are integrating flexible office spaces into their portfolio as part of their 'Core+Flex' strategies. CBRE's India Occupier Survey 2024 notes ~30% of the respondents expanding their presence in flexible office space as their primary portfolio strategy over the next 12 months. As per CBRE, Q2CY25 (Apr–Jun'25) saw flexible workspace operators having 19% share in overall leasing activity and 19% for CY24 (Jan–Dec'24). With flexible office space stock seeing sustained growth in demand, we expect the space to capture 15–20% of incremental office leasing over CY24–27E.

Exhibit 16: India sectoral demand breakup for Q2CY25

Source: CBRE India, I-Sec research

Financial Analysis

Exhibit 17: Key operating assumptions for Indiqube at a portfolio level

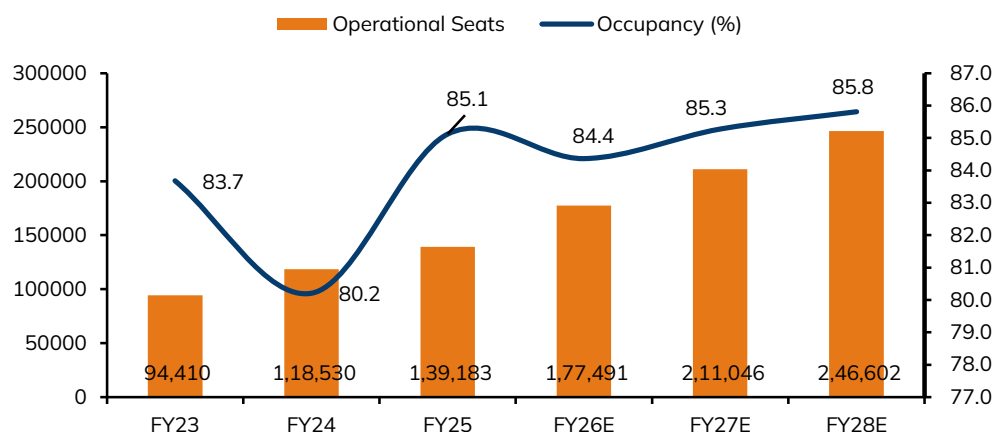
Details	FY23	FY24	FY25	FY26E	FY27E	FY28E
Operational Seats	94,410	1,18,530	1,39,183	1,77,491	2,11,046	2,46,602
Operational Area (msf)	4.25	5.33	6.28	7.99	9.50	11.10
Overall Portfolio Occupancy (%)	84%	80%	85%	84%	85%	86%

Source: I-Sec research, Company data, *IGAAP EBITDA is EBITDA post all lease rental payments

29% revenue CAGR over FY25–28E

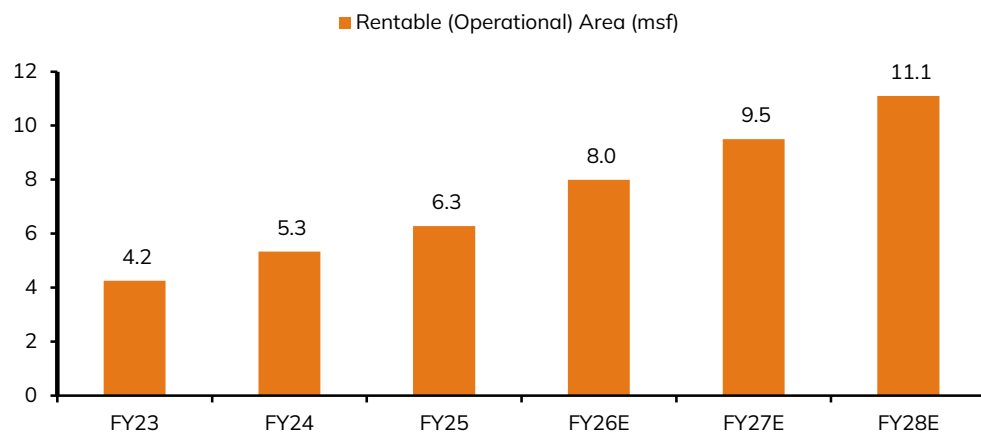
We build in same-store revenue/seat growth of ~5% for operational seats over FY25–28E, in line with our view on the flex spaces industry with balance revenue contribution from new seats, which are expected to grow at 21% CAGR, and increased VAS revenue over the medium term which was ~13% of pure seat revenue in FY25. We estimate operational area to rise to 11.1msf in FY28E from 6.3msf in FY25 with portfolio occupancy hovering around ~85% levels.

Exhibit 18: We estimate 21% seat CAGR over FY25–28 with flattish occupancy

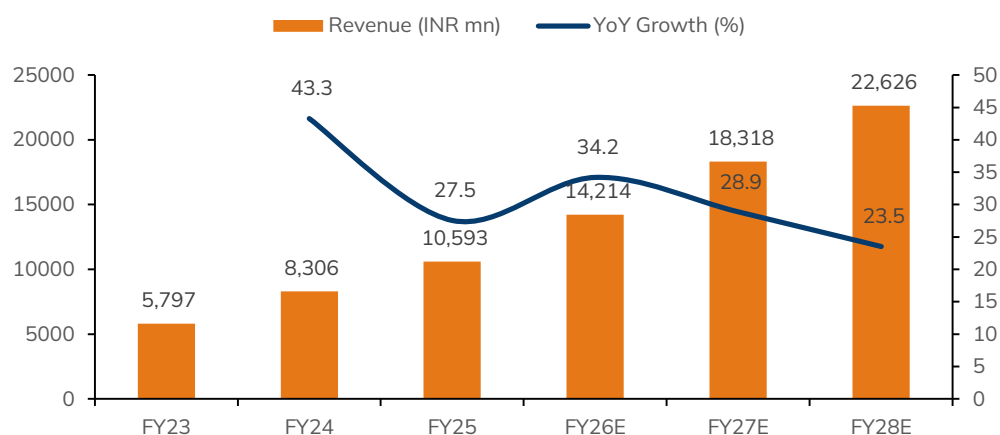


Source: Company, I-Sec research estimates

Exhibit 19: Company's operational area to grow to 11.1msf in FY28E



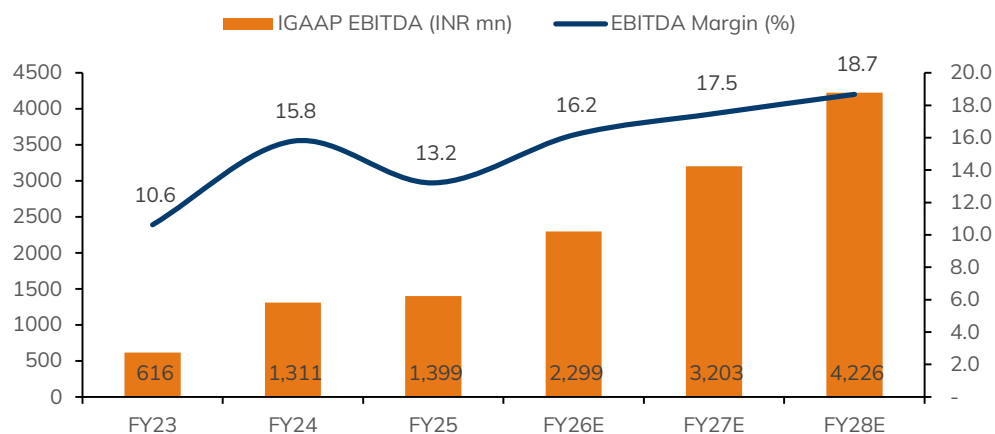
Source: Company, I-Sec research estimates

Exhibit 20: 29% revenue CAGR over FY25–28E

Source: Company, I-Sec research estimates

45% EBITDA CAGR over FY25–28E

While we build in 29% revenue CAGR over FY25–28E, we estimate 45% IGAAP EBITDA CAGR (post all lease rental payments) over the same period with IGAAP EBITDA margins expanding 550bps to 18.7% in FY28E vs. 13.2% in FY25 on account of the percentage of rental expense on fit-out/upcoming assets reducing as a percentage of operating revenue. In addition to this, annual utility costs savings of INR 150–200mn from solar power plant in Karnataka is estimated to contribute to margin expansion.

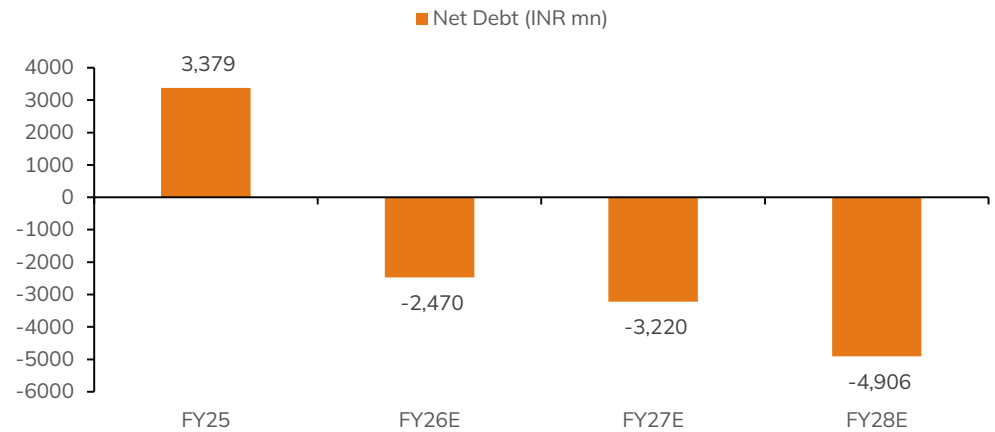
Exhibit 21: Indiqube's EBITDA to grow at 45% CAGR over FY25–28E

Source: Company, I-Sec research estimates

Net cash positive over FY26–28E even with expansion plans

Indiqube had INR 3.4bn of net debt, as of Mar'25, and has raised INR 6.5bn through its IPO in Jul'25, which implies net cash of INR 2.5–3bn, as of Jul'25. We expect annual capex of ~INR 3bn, which is expected to be funded through internal accruals; and we estimate the company to remain net cash over FY26–28E.

Exhibit 22: Indiqube to remain a net cash company over FY26–28E



Source: Company, I-Sec research estimates

Valuation

We initiate coverage with a **BUY** rating on Indiqube and a target price of INR 334. We value the company on Sep'27E at an EV of INR 66.8bn at 18x Sep'27E EV/EBITDA of INR 3.7bn at a 10% discount to our target multiple of 20x of its listed peer, Awfis Space Solutions, adjusting for six months discounting. Adding net cash of INR 3.2bn, as of Sep'27E, we derive an equity value of INR 70bn or INR 334/share.

Exhibit 23: Indiqube valuation

Particulars	
Sep'27E IGAAP EBITDA/Cash EBIT (INR mn)	3,715
Enterprise Value (EV at 18x EV/EBITDA) (INR mn)	66,863
Add; Net Cash as of Sep'27E (INR mn)	(3,220)
Indiqube Equity Value (INR mn)	70,083
Equity Value per Share (INR)	334

Source: Company data, I-Sec research

Exhibit 24: Peer comparison

Company	Revenue (INR mn)				IGAAP EBITDA (INR mn)				IGAAP EBITDA Margin (%)			
	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E
Indiqube Spaces	8,306	10,593	14,214	18,318	1,311	1,399	2,299	3,203	15.8	13.2	16.2	17.5
Awfis Space Solutions	8,488	12,075	15,704	19,823	680	1,676	2,213	2,975	8.0	13.9	14.1	15.0

Company	Operational Seats				EV/IGAAP EBITDA (x)			
	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E
Indiqube Spaces	1,18,530	1,39,183	1,77,491	2,11,046	NM	NM	19.8	14.0
Awfis Space Solutions	95,030	1,34,121	1,77,423	2,26,725	NM	22.3	16.8	12.4

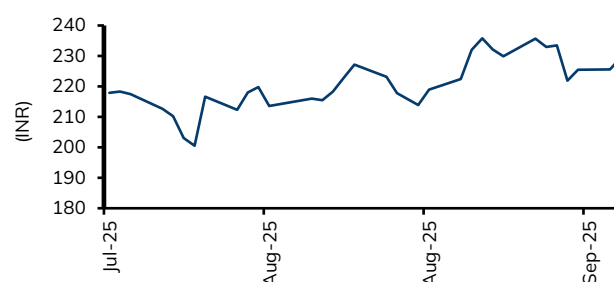
Source: Company data, I-Sec research estimates

Exhibit 25: Shareholding pattern

%	Jul'25
Promoters	60.6
Institutional investors	35.0
MFs and others	5.2
FIs/Banks	1.1
Insurance Cos	0.4
FIIIs	28.3
Others	4.4

Source: Bloomberg, I-Sec research

Exhibit 26: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 27: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales	10,593	14,214	18,318	22,626
Operating Expenses	4,427	5,109	6,102	7,584
INDAS EBITDA	6,165	9,105	12,216	15,041
INDAS EBITDA Margin (%)	58.2	64.1	66.7	66.5
IGAAP EBITDA*	1,399	2,299	3,203	4,226
IGAAP EBITDA Margin (%)	13.2	16.2	17.5	18.7
Depreciation & Amortization	4,871	5,992	7,055	8,230
Interest expenditure	3,304	4,230	5,987	7,295
Other Non-operating Income	436	200	220	242
PBT	(1,573)	(917)	(605)	(241)
Less: Taxes	(177)	(315)	(569)	(748)
PAT	(1,396)	(601)	(36)	507
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	(1,396)	(601)	(36)	507
Net Income (Adjusted)	(1,396)	(601)	(36)	507

Source Company data, I-Sec research, *EBITDA post all lease rental payments

Exhibit 28: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	2,101	6,718	7,543	9,563
of which cash & cash eqv.	60	4,454	4,959	6,644
Total Current Liabilities & Provisions	8,190	8,303	8,419	8,539
Net Current Assets	(6,090)	(1,585)	(877)	1,025
Investments	-	-	-	-
Net Fixed Assets	6,553	8,338	9,474	10,526
ROU Assets	32,996	36,963	39,370	42,137
Capital Work-in-Progress	1,143	1,143	1,143	1,143
Other assets	4,059	4,143	4,229	4,318
Total Assets	38,661	49,002	53,340	59,149
Liabilities				
Borrowings	3,440	1,984	1,739	1,739
Equity Share Capital	202	210	210	210
Reserves & Surplus	(233)	5,528	5,492	5,998
Total Net Worth	(31)	5,738	5,702	6,208
Minority Interest	-	-	-	-
Lease Liability	37,438	43,399	47,948	53,179
Other Liabilities	(2,186)	(2,118)	(2,049)	(1,977)
Total Liabilities	38,661	49,002	53,340	59,149

Source Company data, I-Sec research

Exhibit 29: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	6,130	9,421	12,786	15,789
Working Capital Changes	(14)	(127)	(221)	(233)
Capital Commitments	(2,527)	(3,119)	(2,835)	(3,122)
Free Cashflow	3,589	6,174	9,730	12,434
Other investing cashflow	(63)	200	220	242
Cashflow from Investing Activities	(2,590)	(2,919)	(2,615)	(2,880)
Issue of Share Capital	-	6,500	-	-
Lease rental costs	(5,020)	(6,807)	(9,013)	(10,815)
Inc (Dec) in Borrowings	1,886	(1,456)	(245)	-
Dividend paid	-	-	-	-
Others	(241)	(218)	(187)	(175)
Cash flow from Financing Activities	(3,375)	(1,980)	(9,445)	(10,991)
Chg. in Cash & Bank balance	152	4,394	504	1,686
Closing cash & balance	60	4,454	4,959	6,644

Source Company data, I-Sec research

Exhibit 30: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	(7.7)	(2.9)	(0.2)	2.4
Cash EPS	(2.2)	3.5	7.9	12.3
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	(0.2)	27.3	27.2	29.6
Growth (%)				
Net Sales	27.5	34.2	28.9	23.5
EBITDA	6.7	64.3	39.4	31.9
EPS (INR)	NM	NM	NM	NM
Valuation Ratios (x)				
P/E	NM	NM	NM	94.9
P/BV	NM	8.4	8.4	7.7
EV / IGAAP EBITDA	NM	19.8	14.0	10.2
EV / Sales	NM	3.2	2.4	1.9
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Net Debt/IGAAP EBITDA (x)	2.4	(1.1)	(1.0)	(1.2)
Net Debt/Equity (x)	NM	(0.4)	(0.6)	(0.8)
Profitability Ratios				
IGAAP EBITDA Margins (%)	13.2	16.2	17.5	18.7
Net Profit Margins (%)	(13.2)	(4.2)	(0.2)	2.2
RoCE (%)	27.1	35.8	60.6	63.8
RoE (%)	NM	(21.1)	(0.6)	8.5

Source Company data, I-Sec research

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