

WeWork India Management Ltd- IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
3 October 2025	7 October 2025	₹615-648	Neutral

Investment Summary

WeWork India Management Limited, incorporated in 2016, operates 68 Operational Centre's across eight cities with a total desk capacity of +114,000 and 7.67 million sq. ft. of leasable area as of June 30, 2025. Revenue from Operations grew 17.1% YoY to ₹19,492 million in Fiscal 2025, while Adjusted EBITDA margins expanded to 21.6% from 14.6% in Fiscal 2023, reflecting strong operational leverage. The Company continues to outperform peers, delivering 1.42x operational revenue and 2.45x Adjusted EBITDA relative to the next largest operator, with portfolio-level revenue-to-rent multiples of 2.7x exceeding the industry average. Net ARPM and Total ARPM for FY25 stood at ₹19,842 and ₹22,033 respectively, highlighting premium pricing capability. WeWork India's leadership in India and global presence, combined with its focus on capital efficiency and self-sustaining growth, underpins strong financial performance and scalable operations. The Company's strong brand recognition and high-quality portfolio position it well to capture continued demand in the flexible workspace market.

Company Overview

WeWork India is India's licensed operator of the global WeWork brand, offering flexible workspace solutions across Tier-1 cities like Bengaluru, Mumbai, Gurugram, Pune, Hyderabad, Noida, Chennai and Delhi through long-term, fixed-rent leases that are sub-let to members on shorter-duration contracts. They cater to a diverse member base, including Fortune 500 companies, international and domestic companies, large enterprises, GCCs, MSMEs, start-ups, and individuals. As of June 30, 2025; the company operated 68 centres with 7.35–7.67 million sq. ft. of leasable area, +1,14,000 desks and 87,000 members, with a portfolio heavily concentrated in Bengaluru and Mumbai and predominantly Grade-A stock.

WeWork India has progressively offered various products/solutions in the Indian flex market, with some key offerings including

- Private Offices, Office Suite, Serviced Floors, Managed Office (2017)
- WeWork All Access - membership offering access to WeWork centres globally
- WeWork Labs – platform for start-ups (2018)
- Events & Hospitality Services (2019)
- WeWork On Demand (Pay-per-use workspace offering, 2020)
- Virtual Office, WeWork Business Solutions – services across HR, admin, IT, hardware, branding, marketing, etc. (2021)
- WeWork Workplace – software for managing workspace operations and rostering (2024)

Business Model

WeWork India Management Limited operates by leasing buildings from landlords, undertaking fit-outs, and transforming these spaces into fully managed, modern, and technology-enabled offices for its clients. Under this leased model, revenue primarily comes from membership fees for flexible workspace and managed office solutions, serving enterprises, SMEs, startups, and individual professionals with customizable lease options ranging from daily access to multi-year contracts.

In addition, WeWork India operates an operator model, managing properties on behalf of landlords as "WeWork"-branded Centre's. Under this structure, the Company retains a portion of the revenue generated while landlords bear operational expenses and fit-out costs. This approach allows WeWork India to expand its presence with lower capital deployment, while still leveraging its expertise in operations, community management, and technology to drive occupancy and revenue performance.

Finally, the Company generates ancillary revenue through value-added services which includes offerings such as space customization, parking, IT and technology support, facility management, and fit-out rentals. It also monetizes digital products, including WeWork On Demand, All Access, Virtual Office, and WeWork Workplace, enabling members to scale their workspace flexibly and access office resources seamlessly across WeWork's network.

Financial Snapshot

Metric	FY23	FY24	In (Cr) FY25
Revenue	1,315	1,665	1,949
EBITDA	796	1,047	1,236
Net Profit	-147	-136	128
EBITDA Margin (%)	60.5%	63%	63.4%
PAT Margin (%)	-11%	-8%	6.5%
EPS (Basic) (₹)	-	-	9.6

Investment Rationale

1. Strong brand recognition and leadership in India and international presence

WeWork India has established strong brand leadership in the country's flexible workspace sector, consistently recording the highest search volumes-4x that of its closest competitor between October 2023 and September 2024, and 3.5x in 2024 alone, according to AGR. It also commands 0.87x the search volume for "co-working" and 1.48x for "office space," underscoring broad relevance beyond its category. WeWork India has played a pivotal role in shaping the growth and evolution of the flexible workspace ecosystem. WeWork India outperforms peers on key customer perception metrics, ranking first in overall brand awareness-driven by its premium positioning, global presence, flexible offerings, strategic locations, strong community engagement and a customer centric approach.

2. Backed by the Embassy Group, one of India's top developers, and relationship with WeWork Global, a global flexible workspaces operator

WeWork India is majority owned and promoted by Embassy Group, one of India's leading real estate developers with over 30 years of experience and a portfolio exceeding 85 million sq. ft. Embassy Group, also the sponsor of India's first and Asia's largest office REIT, provides WeWork India with access to marquee assets, large corporate tenants, strong execution capabilities, financing networks, and vendor relationships. As of June 30, 2025, WeWork India leased 0.20 million sq. ft. across two centres from Embassy Group and 1.16 million sq. ft. across ten centres from Embassy REIT. In addition, the Company benefits from its partnership with WeWork Global, a leading global flexible workspace operator with ~600 locations across 35 countries, under which WeWork India holds exclusive rights to the brand in India. This relationship enhances cross-border connectivity, enabling members' employees to seamlessly access the global network through the WeWork app.

3. Presence in Grade A properties in top-tier micro markets and strong relationships with top developers

WeWork India has built a high-quality portfolio concentrated in Grade A properties across Tier 1 cities-Bengaluru, Mumbai, Pune, Hyderabad, Gurugram, Noida, Delhi, and Chennai-which accounted for ~94% (7.07 mn sq. ft.) of its portfolio as of June 30, 2025. These cities continue to drive strong office demand, with gross absorption of 78.9 mn sq. ft. in 2024 against supply of 49.0 mn sq. ft., and a 2025 forecast of 85.5 mn sq. ft. The Company has established multi-asset relationships with leading developers, enabling efficient portfolio expansion and favourable lease terms, with only 15.13% of its operational leasable area taken from Embassy REIT and 2.59% from Embassy Group. As of June 30, 2025, the portfolio had a weighted average lease tenure of 8.48 years and an initial lock-in of 4.11 years, with a weighted average outstanding lock-in of just 10 months, supported by a rent-free period averaging over 5 months.



4. One of the most extensive range of products and services in the industry

WeWork India offers one of the most extensive product and service ranges in the flexible workspace industry, spanning enterprise office suites, customized managed offices, private offices, co-working spaces, hybrid digital solutions, and flexible lease terms from pay-per-use to long-term contracts. According to CBRE, its Centres are designed, built, and operated to global standards, making them a preferred choice for both domestic and international corporations. Members benefit from the ability to seamlessly scale usage-from daily and monthly access to multi-year commitments-via the WeWork app. This breadth enables tailored solutions for clients across their growth journey, positioning WeWork India as a comprehensive workspace partner. By providing value across dedicated and shared spaces within its network, the Company reduces customer friction, enhances stickiness, and strengthens its role as a long-term workspace solutions provider.

5. Consistently growing high-quality, diverse and sticky member base

WeWork India's member base grew to 87,247 as of June 30, 2025, driven by its premium product suite in Grade A buildings and strong customer experience. Stickiness remains high, with 34-58% of desks sold (ex-renewals) across FY23-FY25 and 2QFY26 coming from existing members upgrading. Net Membership Fees grew at a 32.5% CAGR from FY23 to FY25, reaching 43,061 mn as of June 30, 2025 (vs. 23,305 mn as of March 31, 2023). The base is diversified, with 40.6% of fees from members with 300+ desks, 19.7% from 101-300 desks, and the rest from SMEs and start-ups. Membership tenure has improved to 26 months (31 months for large enterprises), up from 22 months in FY23, while 84-93% of desks in Core Operations have remained locked-in, ensuring long-term visibility and stable cash flows.

6. Focus on premium pricing, capital efficiency, self-sufficient growth and robust balance sheet management driving financial performance

WeWork India has delivered strong financial growth while maintaining capital efficiency and premium positioning. Desk capacity in operational centres expanded to 114,077 as of June 30, 2025 (vs. 92,033 in June 2024 and 74,240 in March 2023), with consistently high occupancy levels. Revenue from Operations rose 26.7% YoY in FY24 to ₹16,651 mn, and further grew 17.1% in FY25 to ₹19,492 mn, alongside 19.3% YoY growth in 1QFY26. According to CBRE, the Company commands premium pricing, with a portfolio-level revenue-to-rent multiple of 2.7x in FY25, above the industry average of 1.9-2.5x. Prudent cost control has kept non-variable operating expenses stable, supporting strong Centre-Level EBITDA margins and lowering break-even occupancy thresholds, thereby reinforcing self-sustaining growth and balance sheet resilience.

Key Risks

1. Legal Outstanding Litigation Risk

Proceedings under the Prevention of Money Laundering Act, 2002 have been initiated against WeWork India's Promoter and Chairman, Jitendra Mohandas Virwani, with certain appeals currently pending before the High Court. Several criminal proceedings have been initiated against Independent Director Manoj Kumar Kohli in connection with his past directorships. Any adverse outcome or negative publicity could materially affect the Company's reputation, business operations, and prospects, and may divert management's time and attention.

2. Financial Performance and Profitability Risk

WeWork India has reported consistent net losses and negative earnings per share across recent quarters and fiscals, coupled with periodic declines in cash balances. While the Company reported a Profit After Tax (PAT) of ₹128 crore in FY25, this was primarily driven by a one-time non-cash deferred tax credit of ₹285 crore, and therefore does not reflect underlying operational profitability. Excluding this exceptional adjustment, the Company remained loss-making at 156.8 Cr during the year. If WeWork India is unable to achieve sustainable revenue growth while maintaining stringent cost controls, its profitability, cash flows, and overall financial health could face significant challenges.

3. Credit Rating Sensitivity

WeWork India currently holds an A- (Stable) rating from ICRA, upgraded from BBB- in 2023. While no downgrade has occurred, any future downgrade could increase borrowing costs, limit access to capital, and adversely impact the Company's financial condition, cash flows, and growth prospects.

4. Revenue Concentration

A significant portion of WeWork India's Net Membership Fees is concentrated in Bengaluru and Mumbai—66–71% across FY23–FY25 and recent quarters. Any adverse developments in these markets or Centres could materially impact the Company's business, operations, and financial condition.

5. Restructuring of WeWork International

In November 2023, WeWork Inc. along with certain affiliated entities initiated Chapter 11 bankruptcy proceedings in the U.S. to restructure its debt obligations. Although WeWork Inc. has since emerged from Chapter 11, there remains a risk that prospective or existing members, landlords, or investors may continue to associate the company with the bankruptcy process or view it as being directly tied to WeWork Inc., potentially impacting business operations and reputation. Additionally, in the event that WeWork Inc. were to file for Chapter 7 bankruptcy with the intent of liquidation, the ownership of the "WeWork" trademark by the WeWork Inc. group could prevent WIML from retaining rights to the brand name, which would have a significant negative effect on its business.

IPO Details and Use of Proceeds

Parameter	Details
Issuer	WeWork India Management Ltd.
IPO Structure	Offer for Sale
Issue Size	4.62 Cr shares (aggregating up to ₹3,000.00 Cr)
Price Band	₹615 to ₹648 per share
Face Value	₹10 per share
Post-Issue Market Cap	₹8684.71 Cr (at upper price band)
IPO Opening Date	October 3, 2025
IPO Closing Date	October 7, 2025
Listing	BSE & NSE
Promoter Holding (Pre/Post)	73.56% → 48.07%
Book Running Lead Manager(s)	JM Financial Ltd.
Use of Proceeds	Offer for sale (The Company will not receive any proceeds from the Offer)

Valuation and Recommendation

On post-issue numbers, FY PAT of ₹128 Cr and a diluted share count of 13.4 Cr imply an EPS of ~₹9.6 and a post-issue P/E of ~67.5x. At this valuation, the issue appears fully priced and at a premium to most listed peers on headline earnings multiples, leaving limited margin of safety despite the company's growth opportunity. While proceeds may strengthen the balance sheet and support expansion, we believe near-term returns hinge on flawless execution and sustained profitability; any normalization in growth or margins could compress multiples. Given the elevated valuation relative to peers and fundamentals, we assign a **Neutral** recommendation on the IPO.

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