

12 November 2025

India | Equity Research | Results Update

Awfis Space Solutions

Real Estate

Growth story on track along with increased premiumisation focus

Awfis Space Solutions (Awfis) delivered a strong quarter with Q2FY26 revenue growing 26% YoY while IGAAP EBITDA of INR 520mn grew 18% YoY and mature centre occupancy at 84%. As of Sep'25, Awfis had 147,000 operational seats, and is on track to reach over 170,000 operational seats by Mar'26. The company is increasingly focusing on premiumisation to tap GCC demand. It guides for FY26 revenue growth of 30%, in line with I-Sec's estimate, and a marginal increase in IGAAP EBITDA margin. We estimate it to deliver 29% IGAAP EBITDA CAGR over FY25–28 and retain **BUY** with a revised TP of INR 868 (earlier INR 891) owing to higher capex, based on 18x Sep'27E IGAAP EBITDA of INR 3.2bn and adding net cash of INR 2bn. **Key risks:** Slowdown in flex demand and slower seat expansion.

Robust revenue traction; EBITDA margin sustains in mid-teens

Awfis reported Q2FY26 consolidated revenue of INR 3.7bn, up 26% YoY with overall occupancy at 74% and mature centre occupancy (>12 months) at 84%. It has started disclosing the IGAAP EBITDA (post all lease rental payments not captured under IND-AS income statement) since Q2FY25 and its FY25 IGAAP EBITDA stood at INR 1.7bn (up 2.5x YoY) with an IGAAP EBITDA margin of 13.9% vs. FY24 IGAAP EBITDA of INR 0.7bn at 8.1% EBITDA margin. H1FY26 IGAAP EBITDA of INR 1bn has grown 37% YoY at an EBITDA margin of 14.3%. The company attributes its mid-teen margin to higher operational efficiencies. As of Sep'25, it had 147,000 operational seats and 23,000 seats under fit-out/signed Lols (total 170,000 operational + committed pipeline) and is on track to reach over 170,000 operational seats by Mar'26.

Strong revenue and EBITDA CAGRs over FY25–28E

Awfis' strategy for expansion through the asset-light MA route, along with a combination of SL contracts, should enable it to grow operational seats at a 24% CAGR over FY25–28E. We assume minimal blended occupied seat price increase (4–5% like-to-like) over FY25–28E, with a steady state operational portfolio occupancy of 73% over FY25–28E as new centres take 6–12 months to fully mature. We estimate, the company may deliver 24% revenue CAGR over FY25–28 driven largely by seat expansion across cities. At the same time, we estimate it may clock a 29% IGAAP EBITDA CAGR over FY25–28 with EBITDA margin rising to 15.6% by FY28, from 13.9% in FY25, as the business sees operations of scale/higher contribution of premium offerings.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	12,075	15,582	19,244	23,068
IGAAP EBITDA	1,676	2,196	2,888	3,587
EBITDA Margin(%)	13.9	14.1	15.0	15.6
Net Profit	679	1,321	1,164	1,104
EPS (INR)	9.8	19.0	16.8	15.9
P/B (x)	9.6	7.4	6.2	5.4
P/E (x)	64.6	33.2	37.7	39.8
EV/IGAAP EBITDA (x)	25.0	19.1	14.5	11.7
RoCE (%)	46.3	41.6	47.9	41.7
RoE (%)	12.1	26.1	18.7	15.1

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Market Data

Market Cap (INR)	45bn
Market Cap (USD)	508mn
Bloomberg Code	AWFIS IN
Reuters Code	AWFI.BO
52-week Range (INR)	810 /546
Free Float (%)	63.0
ADTV-3M (mn) (USD)	2.9

Price Performance (%)	3m	6m	12m
Absolute	12.7	5.3	(19.0)
Relative to Sensex	8.7	(0.2)	(24.5)

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

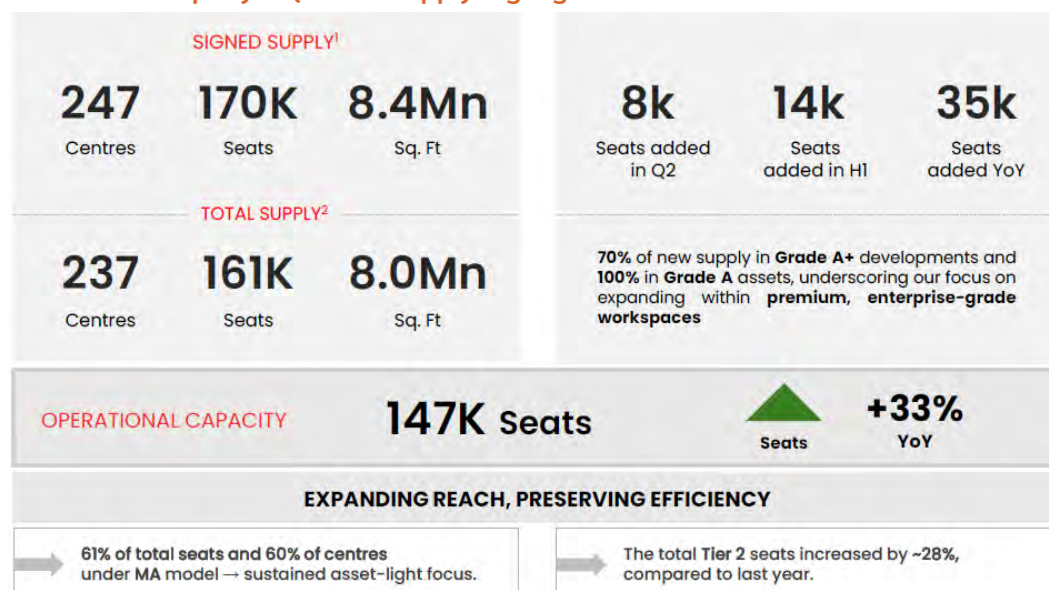
Previous Reports

12-08-2025: [Q1FY26 results review](#)27-05-2025: [Q4FY25 results review](#)

Exhibit 1: Q2FY26 consolidated result snapshot

(INR mn)	Q2FY26	Q2FY25	Q1FY26	YoY (%)	QoQ (%)
Total Operating income	3,669	2,924	3,347	25.5	9.6
Raw Materials	633	658	544	(3.9)	16.2
Personnel Cost	332	394	296	(15.6)	12.2
Other Expenses	1,381	870	1,241	58.7	11.2
Total Expenses	2,346	1,922	2,082	22.0	12.7
INDAS EBITDA	1,323	1,002	1,265	32.1	4.6
INDAS EBITDA margin (%)	36.1	34.3	37.8	180.5	(174.0)
IGAAP EBITDA	520	440	480	18.2	8.3
IGAAP EBITDA Margin (%)	14.2	15.0	14.3	(87.4)	(16.7)
Interest (Net)	469	304	460	54.4	2.1
Depreciation	951	647	885	47.1	7.5
Other Income	261	96	183	172.9	42.4
Exceptional items	0	240	0	NM	NM
Profit Before Tax	163	387	104	(57.8)	57.4
Taxation	4	0	4	NM	NM
Profit After Tax before MI/Associate	160	387	100	(58.7)	60.1
MI/Associate share	-	-	-		
Reported PAT	160	387	100	(58.7)	60.1
Net margin (%)	4.4	13.2	3.0	NM	137.3

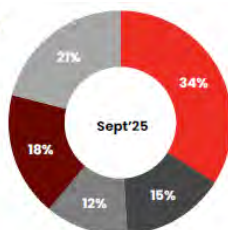
Source: I-Sec research, Company data

Exhibit 2: Company's Q2FY26 supply highlights

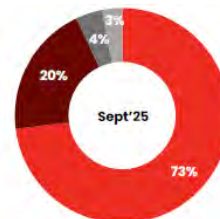
Source: Company, I-sec research, 1) Operational, Under Fitout and Centres with Signed LOI as of September 30, 2025, 2 - Operational and Under Fitout as of September 30, 2025

Exhibit 3: Company's demand cohorts

Catering to all seat cohorts...

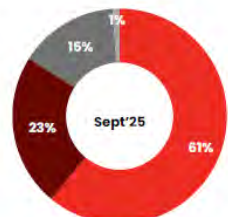
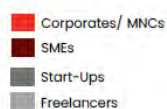


... and tenure buckets

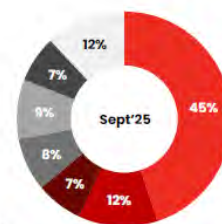


Creating a customizable solution that serves businesses of all types across industries

Diversified Client Mix

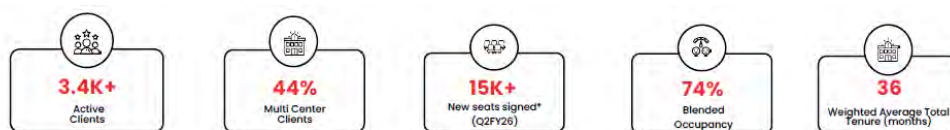


Across various sectors

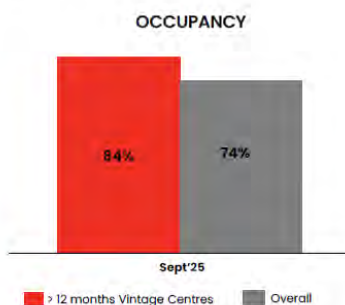


Source: Company, I-sec research, *LOI refers to Letters of Intent signed with space owners

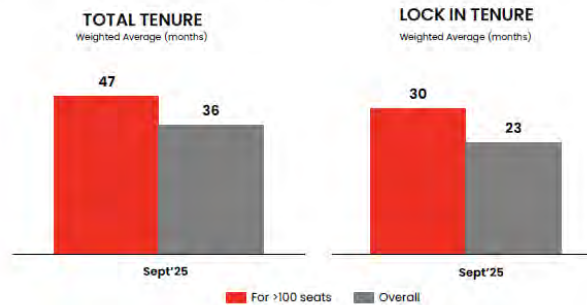
Exhibit 4: Company's occupancy and tenure profile



Rising occupancy with maturing vintage centres



Increasing total and lock in tenures for large seat cohorts



Source: Company, I-sec research

Valuation

Note: As per the existing accounting standards, under IND-AS, lease payment paid to space owners/landlords by co-working/flexible space operators is accounted below reported IND-AS EBITDA under the line items of financial expenses and depreciation, which does not give an accurate picture of EBITDA growth and EBITDA margin. Hence, we have calculated IGAAP EBITDA and EBITDA margin, which factor in the actual lease payments for the period.

Exhibit 5: Awfis key assumptions

(INR mn)	FY24A	FY25A	FY26E	FY27E	FY28E
End of Period # of Total Operational Seats	95,030	1,34,121	1,74,423	2,15,725	2,58,028
End of Period # of Occupied Seats	67,149	97,908	1,25,585	1,55,322	1,85,780
Blended Occupancy %	71%	73%	73%	73%	73%
Avg. Monthly Price per Occupied Seat	7,866	8,338	8,421	8,506	8,591
YoY Growth (%)	8.1	6.0	1.0	1.0	1.0

Source: Company data, I-Sec research

We believe, given Awfis' superior RoCE profile, which is likely to consistently range over 50% FY26E onwards and net cash balance sheet combined with an estimated 29% EBITDA CAGR over FY25–28, an EV/EBITDA of multiple of 18x is justified in line with hotel peers.

We retain our **BUY** rating with a revised TP of INR 868 (earlier INR 891) adjusting for higher capex based on 18x Sep'27E IGAAP EBITDA of INR 3.2bn and adding net cash of INR 2bn.

Key risks: Slowdown in overall office leasing across India and pricing competition among co-working flexible workspace operators.

Exhibit 6: Valuation of Awfis Space Solutions (Awfis)

Sep'27E IGAAP EBITDA (INR mn)	3,238
Awfis Enterprise Value (EV) in INR mn (18x EV/EBITDA)	58,280
Add: Net Cash as of Sep'27E (INR mn)	1,969
Awfis Equity Value (INR mn)	60,248
Equity Value per Share (INR)	868

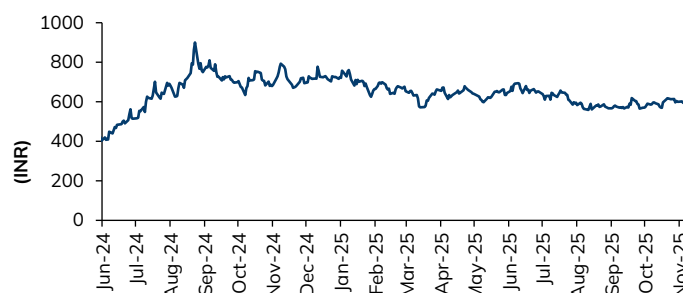
Source: Company data, I-Sec research

Exhibit 7: Shareholding pattern

%	Mar'25	Jun'25	Sep'25
Promoters	20.4	20.3	17.0
Institutional investors	52.7	54.0	62.1
MFs and others	24.3	29.5	33.9
FIs/Banks	7.1	0.8	1.4
Insurance	2.0	2.3	1.8
FIIIs	19.3	21.5	25.0
Others	26.9	25.7	20.9

Source: Bloomberg, I-Sec research

Exhibit 8: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 9: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales	12,075	15,582	19,244	23,068
Operating Expenses	8,052	10,288	12,729	15,033
EBITDA	4,024	5,294	6,515	8,036
EBITDA Margin (%)	33.3	34.0	33.9	34.8
IGAAP Adjusted EBITDA*	1,676	2,196	2,888	3,587
IGAAP Adjusted EBITDA Margin (%)	13.9	14.1	15.0	15.6
Depreciation & Amortization	2,758	2,648	3,123	3,712
Interest expenditure	1,360	1,792	2,213	2,653
Other Non-operating Income	532	559	587	616
Exceptional items	-251	50	50	50
PBT	688	1,362	1,716	2,236
Less: Taxes	9	41	551	1,133
PAT	679	1,321	1,164	1,104
Less: Minority Interest	-	-	-	-
Net Income (Reported)	679	1,321	1,164	1,104
Net Income (Adjusted)	428	1,371	1,214	1,154

Source Company data, I-Sec research, *post lease rental expenses

Exhibit 10: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	8,895	8,213	10,754	10,105
of which cash & cash eqv.	759	899	2,204	269
Total Current Liabilities & Provisions	5,939	6,799	8,180	9,619
Net Current Assets	2,955	1,414	2,575	485
Investments	-	-	-	-
Net Fixed Assets	5,112	5,496	6,583	9,171
ROU Assets	9,588	14,285	17,997	19,602
Capital Work-in-Progress	165	165	165	165
Total Assets	17,820	21,360	27,319	29,424
Liabilities				
Borrowings	234	134	34	1,034
Deferred Tax Liability provisions	-	-	-	-
Lease Liabilities	12,994	15,313	20,208	20,208
Equity Share Capital	710	710	710	710
Reserves & Surplus	3,883	5,204	6,368	7,472
Total Net Worth	4,592	5,913	7,078	8,181
Minority Interest	-	-	-	-
Total Liabilities	17,820	21,360	27,319	29,424

Source Company data, I-Sec research

Exhibit 11: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	4,114	5,676	5,894	3,683
Working Capital Changes	-497	-194	1,786	340
Capital Commitments	-2,068	-2,228	-2,404	-2,588
Free Cashflow	1,548	3,254	5,276	1,435
Other investing cashflow	37	-	-	-
Cashflow from Investing Activities	-2,031	-2,228	-2,404	-2,588
Issue of Share Capital	1,344	-	-	-
Interest Cost/Lease Rentals	-2,462	-3,014	-3,871	-4,371
Inc (Dec) in Borrowings	-121	-100	-100	1,000
Dividend paid	-	-	-	-
Others	-	-	-	-
Cash flow from Financing Activities	-1,239	-3,114	-3,971	-3,371
Chg. in Cash & Bank balance	346	140	1,306	-1,935
Closing cash & balance	759	899	2,204	269

Source Company data, I-Sec research

Exhibit 12: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Adjusted EPS (Diluted)	9.8	19.0	16.8	15.9
Cash EPS	49.5	57.2	61.8	69.4
Dividend per share (DPS)	66.1	85.2	101.9	117.8
Book Value per share (BV)	66.1	85.2	101.9	117.8
Growth (%)				
Net Sales	42.3	29.0	23.5	19.9
EBITDA	146.5	31.0	31.5	24.2
EPS (INR)	NM	220.1	-11.4	-5.0
Valuation Ratios (x)				
P/E	64.6	33.2	37.7	39.8
P/BV	9.6	7.4	6.2	5.4
EV / EBITDA	25.0	19.1	14.5	11.7
P / Sales	3.5	2.7	2.2	1.8
Dividend Yield (%)	-	-	-	-
Operating Ratios				
IGAAP EBITDA Margins (%)	13.9	14.1	15.0	15.6
Net Profit Margins (%)	5.6	8.5	6.1	4.8
Net Debt / Equity (x)	-0.1	-0.1	-0.3	0.1
Net Debt / EBITDA (x)	0.1	0.1	0.0	0.3
Profitability Ratios				
RoCE (%)	46.3	41.6	47.9	41.7
RoE (%)	12.1	26.1	18.7	15.1

Source Company data, I-Sec research

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