

Company Overview

Indiqube Spaces operates as a managed workplace solutions provider, delivering end-to-end, sustainable, and tech-enabled office infrastructure designed to elevate the traditional workspace experience. The company offers a full suite of solutions catering to both large enterprise hubs and smaller branch offices (spokes), integrating workspace interiors, premium amenities, and a wide array of value-added services (VAS) to enhance employee productivity and workplace satisfaction. The company's value proposition is strengthened by its integrated operational model, as backward integration enables it to execute asset renovation, upgrades, and build-to-suit projects, while forward integration allows for the delivery of B2B and B2C services across its client base and their workforce. As of March 31, 2025, Indiqube manages a network of 115 centres spread across 15 cities, comprising 105 operational locations and 10 centres under signed letters of intent. The company has 8.40 million square feet under management in terms of super built-up area (SBA), accommodating a total seating capacity of approximately 186,719. Between March 2023 and March 2025, Indiqube has expanded its footprint by 3.46 million square feet through the addition of 41 new properties and its entry into five new cities. Bengaluru, its anchor market, remains the most significant in terms of portfolio size, with 65 centres aggregating 5.43 million square feet as of March 2025. Notably, Bengaluru accounts for over 30% of India's flexible workspace stock among Tier I cities, and Indiqube is a leading player in this market. Indiqube's demand strategy is centered around catering to enterprise clients with scalable, customizable workspaces. As of March 2025, clients occupying over 300 seats constitute 63.1% of its portfolio, with an average lock-in tenure of 36 months, underscoring the long-term and sticky nature of its clientele.

Objects of the issue

The company proposes to utilize net proceeds towards funding the following objects:

- ⇒ Funding capital expenditure towards the establishment of new centre;
- ⇒ Repayment/pre-payment, in whole or in part, of certain borrowings availed by the company ; and
- ⇒ General corporate purposes

Investment Rationale**One of the leading players in the large and growing flexible workspace market in India**

Indiqube Spaces is well-positioned to benefit from the long-term growth in India's flexible workspace market. As of March 31, 2025, the total flexible workspace stock in India exceeds 96 million sq. ft., with over 90% located in Tier-I cities. However, demand is now clearly increasing in non-Tier I markets as well. The total addressable market (TAM) for flexible workspaces is expected to expand significantly to 280–300 million sq. ft., with a market value of Rs. 730-960 billion by 2027. This presents a considerable opportunity for organized players with scale and presence. Furthermore, Indiqube operates in 15 cities (8 Tier-I and 7 non-Tier I), making it one of the few players with meaningful exposure across both developed and emerging markets.

Total Centres: 115

Total Area Under Management (AUM): 8.40 million sq. ft.

Seating Capacity: 186,719

Tier-I AUM: 7.89 million sq. ft. (105 centres)

Non-Tier I AUM: 0.51 million sq. ft. (10 centres)

This reach provides the company with a platform to tap into growth across multiple regions. Indiqube offers a comprehensive, full-stack workspace solution by integrating workspace leasing, interior design and build services, facility management, and technology-enabled offerings. This holistic model enhances client stickiness and drives better monetisation across its portfolio. As of March 2025, the company serves a total of 769 clients, of which 727 are based in Tier-I cities. Most clients opt for larger spaces with long-term commitments, resulting in strong revenue visibility and lower churn. In conclusion, Indiqube's strong presence in India's key office markets, early expansion into emerging cities, and end-to-end service offering uniquely position the company to capitalise on the growing demand for flexible, scalable, and technology-driven workspaces in the country.

Issue Details

Offer Period	23rd July, 2025 - 25th July, 2025
Price Band	Rs. 225 to Rs. 237
Bid Lot	63
Listing	BSE & NSE
Issue Size (no. of shares in mn)	295
Issue Size (Rs. in bn)	7
Face Value (Rs.)	1

Issue Structure

QIB	75%
NII	15%
Retail	10%

BRLM	ICICI Securities Ltd., JM Financial. Ltd.
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Registrar	MUFG Intime India Pvt. Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	70.90	60.10
Public	29.10	39.90
Total	100.00%	100.00%

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Indiqube Spaces Limited

Acquisition strategy with a focus on value creation and demand-driven locations

Indiqube's portfolio is strategically concentrated, with 85.4% of its properties located in key micro-markets across India as of March 31, 2025. These properties are carefully selected to ensure long-term market relevance and value creation. The company's strong presence in these high-demand locations enhances its ability to capture emerging opportunities, supported by rich local market intelligence. Accessibility is another key advantage; 41.7% of centres are within 3 km of operational metro stations and 39.1% are near upcoming metro lines, improving tenant convenience and increasing property appeal. Occupancy rates in the steady-state centre remain healthy at 86.5%, with non-Tier I cities leading at 96.2%. Within Tier-I markets, Chennai and Bengaluru stand out with low vacancy levels, according to CBRE. Indiqube's presence in these cities is significant, with a combined 6.66 million sq. ft. under management, accounting for 79.3% of the total portfolio. A key differentiator is Indiqube's focus on renovating underutilized Grade-B assets in central business districts, converting them into modern, tech-enabled workspaces. As of March 2025, 25.2% of its portfolio consists of such upgraded assets, enabling higher returns and improved asset quality. The company also leverages a hub-and-spoke model to balance scale and flexibility. Its Koramangala expansion in Bengaluru exemplifies this approach, beginning with smaller "spoke" properties in 2017 to test market fit, followed by a large "hub" of 215,550 sq. ft. in 2019. This micro-market now has 678,117 sq. ft. under management across multiple properties, demonstrating Indiqube's ability to scale systematically in high-demand urban areas. This strategy helps serve both large enterprises seeking scalable solutions and smaller businesses looking for localized flexibility.

Valuation

Indiqube Spaces is a managed workplace solutions provider that offers comprehensive, sustainable, and technology-enabled office infrastructure aimed at transforming the traditional workspace experience. Operating under the brand 'IndiQube', the company serves 769 clients as of March 31, 2025, with 43.5% comprising Global Capability Centres (GCCs) and 56.4% being Indian enterprises. The company focuses on acquiring properties in high-demand micro-markets with strong infrastructure connectivity and is expanding its footprint across both Tier I and non-Tier I cities. In non-core markets, it follows a managed aggregation model, collaborating with landlords through revenue/profit-sharing and shared capex structures. Indiqube achieved a payback period of 24 months from fit-out commencement, outperforming the industry average of 47-48 months. Its capex per square foot stands at Rs. 1,507, significantly lower than the industry average of Rs. 2,400 per sq. ft. (CBRE). Financially, the company has demonstrated strong growth, with total income rising from Rs. 601 crores in FY23 to Rs. 1,102 crores in FY25, a CAGR of 35.4%. Operational performance remains solid, with an 86.5% occupancy rate in steady-state centres, a 34.2% ROCE, and cash EBITDA margins of 10.8% as of FY25. Despite being loss-making, the company maintains healthy revenue streams and strong operating cash flows, reflecting sound business fundamentals. Client acquisition is driven through both brokerage partnerships and direct digital channels, with 60.8% of seats sold via brokers and 39.1% through direct sales in FY25. **At the upper price band of Rs. 237, Indiqube is valued at a FY25 EV/Adjusted EBITDA multiple of 40.8x, which is at a premium to peers. However, given its robust topline growth, operational efficiency, and scalable model, we recommend a 'SUBSCRIBE' rating to this issue for long-term investors.**

Key Risks

- ⇒ A large part of Indiqube's revenue comes from a few major cities. For FY25, FY24, and FY23, 88.8%, 91.8%, and 93.2% of revenue from operations, respectively, was generated from centres in Bengaluru, Pune, and Chennai. This geographic focus creates risks tied to specific locations, such as economic slowdown, regulatory shifts, infrastructure issues, or changes in local demand in these areas. Any negative developments in these cities could significantly affect the company's performance, financial results, and overall stability.
- ⇒ Indiqube's business is inherently vulnerable to fluctuations in the commercial real estate market. The company saw a decline in occupancy rates from 83.7% as of March 31, 2023, to 80.2% as of March 31, 2024, reflecting market volatility and changing tenant preferences. Additionally, rising commercial property prices can lead to higher leasing costs, which may negatively affect margins and overall profitability.
- ⇒ Indiqube has experienced net losses over the past three fiscal years, and losses may continue in the near future. Continued losses could negatively affect the company's operations, financial results, and cash flows, and might restrict its ability to invest in growth, expand, or secure favorable funding.

Indiqube Spaces Limited

Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Revenue			
Revenue from operations	5,797	8,305	10,592
Total revenue	5,797	8,305	10,592
Expenses			
Purchase of traded goods	289	389	519
Employee benefit expenses	435	637	758
Other expenses	2,705	5,015	3,149
Total operating expenses	3,429	6,041	4,426
EBITDA	2,368	2,264	6,166
Depreciation & amortization	2,981	3,922	4,871
EBIT	-613	-1,658	1,295
Finance costs	1,881	2,560	3,303
Other Income	215	371	437
Profit before Tax	-2,279	-3,847	-1,571
Total tax (Current + Deferred)	-298	-433	-176
Net Profit	-1,981	-3,414	-1,395
Diluted EPS	-15.2	-26.1	-7.6

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Cash Flow from operating activities	3,238	5,421	6,116
Cash flow from/(used in) investing activities	(1,737)	(1,926)	(2,590)
Net cash flows (used in) / from financing activities	(1,492)	(3,648)	(3,375)
Net increase/(decrease) in cash and cash equivalents	9	(153)	151
Cash and cash equivalents at the beginning of the period*	(182)	(172)	(325)
Cash and cash equivalents at the end of the period	(171)	(325)	(174)

Source: RHP, BP Equities Research

*(Op. Cash and cash equivalents include bank overdrafts, which is why the closing balance appears negative.)

Indiqube Spaces Limited

Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25
Assets			
Non-Current Assets			
Property, plant and equipment	3,923	4,944	6,477
Right of Use Assets	21,500	25,876	32,996
Capital work-in -progress	211	736	1,143
Intangible assets	41	29	76
Intangible assets under development	28	57	0
Financial Assets			
(i) Investments	10	10	0
(i) Other financial assets	1,293	1,506	1,917
Deferred Tax Assets (Net)	487	1,006	1,264
Other tax assets (Net)	406	133	197
Other Non-Current Assets	693	710	681
Total Non-current Assets	28,593	35,007	44,750
Current Assets			
Financial Assets			
(i) Trade Receivables	332	593	787
(ii) Cash and cash equivalents	104	4	59
(iii) Bank balances other than (ii) above	0	1	1
(iv) Other financial assets	203	210	175
Other current assets	460	866	1,078
Total Current Assets	1,100	1,673	2,101
Total Assets	29,693	36,679	46,852
Equity and Liabilities			
Equity Share Capital	2	2	130
Instruments entirely equity in nature	0	10	72
Other Equity	-3,083	1,294	-233
Total Equity	-3,081	1,306	-31
Non-Current Liabilities			
Borrowings	5,740	1,001	2,225
Lease Liabilities	21,171	26,249	34,218
Other Non Current Financial Liabilities	1,394	1,671	1,990
Provisions	48	70	114
Other non-current liabilities	141	168	259
Total Non-Current Liabilities	28,493	29,160	38,806
Current Liabilities			
Financial Liabilities			
(i) Borrowings	492	638	1,215
(ii) Trade Payables	271	441	543
(iii) Other financial liabilities	1,478	2,257	2,724
(iv) Lease Liabilities	1,856	2,597	3,220
Provisions	10	17	24
Other current liabilities	174	263	351
Total Current liabilities	4,281	6,213	8,077
Total Liabilities	32,774	35,373	46,883
Total Equity and Liabilities	29,693	36,679	46,852

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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