

Funds to be Raised

INR 150 Mn

Share Holding Pattern (%)

Sawan Laddha	80%
Splash India Pvt	15%
Other Investors	5%

Founded in 2017, Workie offers superior office space solutions including serviced offices, co-working spaces, and traditional lease options. It has presence over 14+ cities with footprints in Indore, Bengaluru, Pune, Jaipur, Chennai, Nagpur, Lucknow, Coimbatore, etc. Key Persons – Founder - Sawan Laddha, Sales - Mithila Somaiya, Finance - CA. Harshit Sanghvi and Project Manager - Chirag Bhawsar. Currently the total operational workspace is ~0.7Mn sqft and meanwhile the company has signed the contracts which will take the total workspace capacity to ~1Mn+ sqft. in FY24-25.

Business Models: They operate in two kinds of business models 1) Speculative and 2) Back to Back.

In speculative, the company signs with a property owner (Landlord) and then searches for clients, which causes higher expenses to the company, as they have to start paying rent, as well as occupancy rate remains low in such model. Besides, the company's focus is largely on back-to-back model, which is a key differentiator as compared to peers. In this model, the company first acquires the client and then according to their requirements they lease the property for office space. Thus, this leads to better operating savings as well as 100% occupancy since beginning.

Models in Office Space: In the office space, Workie offers clients with two more models which are 1) Furnished office and 2) Serviced office.

~60% revenue share is earned from furnished while 40% from Serviced office. In furnished office, they provide clients with furniture of their choice that is manufactured in-house while Serviced office provides one-stop solutions to clients with furniture along with CRM team and pantry services.

Agreement with client: If capex is worth more than ~10Mn then the agreement is of 24 months and if it is worth more than ~25Mn then the agreement will be of 36 months. In case of lock-in and notice it is ~3 to 6 months either side.

Plans going ahead: They have already raised capital of ~INR 168Mn in the month of May and it needs to be invested in the next 2-3 months. Additionally, ~INR 150Mn capital is to be raised in the coming months. Further, the company aims to increase debt equivalent to capital re-invested. Their focus would be to penetrate into the existing markets and new markets such as Hyderabad and Noida.

Key highlights: The company prefers Enterprise renting model, which means they would rent the entire office to single owner. In case of too large space for offices, then they offer co-working renting space model. They have all Partnered office and none of them is owned by them. Capex spent would be ~INR 1,200-1,500 per sqft for furniture. ~80% of the modular furniture can be re-use in case of deal cancellation. They do not have any fixed assets except for furniture and all of it is capitalized and depreciated for the period of ~10 years.

Outlook: 1) They offer Back-to-Back model so that there is 100% occupancy. 2) The company has their own manufacture unit for furniture, which aid better operating margins. 3) They have workers specialized in making furniture and works solely with them, so it is easy for them to deliver projects faster and on time. 4) Steady financials are expected post the total capital raised thus a) revenue is expected to grow at ~45% CAGR between FY25-29E. b) Currently, the company earns revenue only from its back to back business model while revenue from speculative business is still pending for accrual. c) For the next 4-5 years, EBITDA & PAT is expected to grow at ~45% CAGR & ~39% CAGR, respectively. d) Further, EBITDA margin are expected to be ~27.5% while PAT margins are expected to be around ~13-15%.

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Financial Statements

Financial Post Capital Deployed:

Key Performance Indicator (INR Mn)	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Revenue	756.2	1,211.6	1,694.9	2,385.6	3,356.9
EBITDA	207.9	333.2	466.1	656	923.1
Total Reinvestment	145.6	233.2	326.3	459.2	646.2
Reinvestments of Profits	145.6	233.2	326.3	459.2	646.2
Additional debt of 100% of profit	145.6	233.2	326.3	459.2	646.2
Total Reinvestment + Debt	291.1	466.5	652.5	918.5	1,292.4
Depreciation @ 10%	36.8	84.4	122.6	175.6	249.9
Interest @ 9.25%	15.8	26.6	43.2	64.8	94.1
PBT	155.4	222.2	300.3	415.7	579.2
PAT	116.3	166.3	224.8	311.1	433.4
Cash Profit (PAT + Depreciation)	153.1	250.7	347.3	486.6	683.3
ROCE (in %)	32.94%	30.98%	28.46%	27.42%	26.91%
EBITDA Margin (in %)	27.50%	27.50%	27.50%	27.50%	27.50%
PAT Margin (in %)	15.38%	13.73%	13.26%	13.04%	12.91%

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Stock Rating Scale

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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