



IPO NOTE

AWFIS SPACE SOLUTIONS LIMITED


 Rating:
Neutral


ISSUE OFFER

Issue Opens on	MAY 22, 2024
Issue Close on	MAY 27, 2024
Total IPO size (cr)	₹598.93
Fresh issue (cr)	₹128.00
Offer For Sale (cr)	₹470.93
Price Band (INR)	364 - 383
Market Lot	39
Face Value (INR)	10
Retail Allocation	10%
Listing On	NSE, BSE

ISSUE BREAK-UP (%)

QIB Portion	<div style="width: 75%;"></div>	75%
NII Portion	<div style="width: 15%;"></div>	15%
Retail Portion	<div style="width: 10%;"></div>	10%

SHAREHOLDING (No. of Shares)

Pre Issue	Post Issue
66,075,779	69,417,816

INDICATIVE TIMETABLE

Finalisation of Basis of Allotment	28-05-2024
Refunds/Unblocking ASBA Fund	29-05-2024
Credit of equity shares to DP A/c	29-05-2024
Trading commences	30-05-2024

India-based Awfis Space Solutions Limited offers workspace solutions. The organization serves the needs of individuals, start-ups, SMEs, and large corporations by providing a broad range of flexible workspace solutions. Together with customized office spaces, mobility solutions, and flexible workspaces, co-working is the company's main offering. Along with these auxiliary services, Awfis Space Solutions Limited offers infrastructure services, food and drink, event hosting, and IT support.

OBJECTS OF THE ISSUE

- Funding capital expenditure towards the establishment of new centres.
- Funding the working capital requirements.

OUTLOOK & VALUATION

Awfis, a leading player in the rapidly expanding Indian workspace solutions market, leverages an integrated platform approach to cater to diverse space sourcing and demand needs. While the company exhibits promising top-line growth, achieving profitability remains a key challenge. Awfis has experienced negative cash flow in the past and operates in a highly competitive environment susceptible to macroeconomic fluctuations.

Given the negative EPS, a P/E ratio cannot be calculated. Considering the potential for future growth balanced against the current financial situation and competitive landscape, we recommend a neutral stance on the Awfis IPO. Investors should conduct thorough due diligence and closely monitor the company's progress before making a final decision.



KEY MANAGERIAL PERSONNEL

01

Amit Ramani

Chairman and Managing Director of the company. He has approximately 20 years of experience in the field of real estate and workplace solutions. He was previously associated with Nelson Planning and Designs Private Limited as the promoter and managing director. He has also worked with Nelson Worldwide, LLC, in his capacity as a senior vice president.

02

Rajesh Kharabanda

Additional Director (Non-Executive) on the Board of the Company. He has approximately 37 years of experience in the sports sector. He is the managing director of Freewill Sports Private Limited, and has been associated with them for 37 years. Further, he is serving as the chairman of the Sports Goods Manufacturers & Exporters Association, Jalandhar.

03

Ravi Dugar

Chief Financial Officer of the Company. He has 20 years of experience in finance. Before his association with the Company, he served as the chief financial officer – finance and accounts with Livguard Energy Technologies Private Limited, the vice president in the finance head fr-international with Bharti Airtel Limited.

04

Amit Kumar

Company Secretary and Compliance Officer for the Company. He has 10 years of experience in the legal and secretarial functions. Before his association with the Company, he served as the deputy manager – legal and secretarial with Rhea Retail Private Limited.



COMPANY PROFILE

- As of December 31, 2023, It has 169 total centers across 16 total cities in India, with 105,258 total seats and a total chargeable area of 5.33 million sq. ft.
- As of December 31, 2023, it has over 2,295 clients and has a presence in 52 micro markets in India.
- It leverages the industry experience of its in-house team of 63 designers and project managers, as of December 31, 2023, and relies on a trusted network of vendors to ensure quality control, cost, and operational efficiencies across its different projects.
- Its in-house sales team primarily handles client acquisition and executes transactions with its clients. It also engages with institutional real estate brokerages, as is the prevalent market practice, to identify and acquire clients for its centers.
- It sold 10,743, 23,981, 36,020, and 27,484 seats at its centers in Fiscals 2021, 2022, and 2023 and nine months ended December 31, 2023, respectively.

COMPETITIVE STRENGTHS

- Leadership in a large and growing marketplace.
- Innovating in the flexible workspace industry with the adoption of MA model.
- Growth through an integrated platform approach.
- Experienced and diverse senior management team.
- Diverse space sourcing and demand strategies.

KEY STRATEGIES

- Continue to build an industry-leading capital-efficient model.
- Expand in new and existing markets.
- Enhance the product and service offerings.
- Improving operational efficiency.

KEY CONCERNS

- The Company has a history of net losses, negative earnings per share (“EPS”), and return on net worth.
- It has experienced negative cash flows in previous Fiscals.
- Its growth may be negatively impacted by macroeconomic factors.
- It faces significant competitive pressures in its business.
- It has substantial capital expenditure and working capital requirements.

COMPARISON WITH LISTED INDUSTRY PEERS

There are no listed entities of comparable size and business model in India or abroad, which is comparable with the business.

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (RS. IN MILLION)	FY 2023	FY 2022	FY 2021
Equity Share Capital	301.34	301.34	301.34
Other Equity	1,392.30	645.87	1,206.19
Net Worth	1,693.64	947.21	1,507.53
Total Borrowings	69.54	42.99	26.72
Revenue from Operations	5,452.82	2,570.45	1,783.60
EBITDA	1,760.63	899.96	907.49
Loss before tax	(466.37)	(571.56)	(426.42)
Net loss for the year	(466.37)	(571.56)	(426.42)


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