WEWORK INDIA MANAGEMENT LIMITED
(Formerly known as WeWork India Management Private Limited)
Regd. Office: 6th Floor, Prestige Central, 36 Infantry Road
Shivaji Nagar Bengaluru, Karnataka, 560001
Email: cswwi@wework.co.in; Website: https://wework.co.in/
Telephone no.: 080-37880881
CIN: L74999KA2016PLC093227

July 23, 2026

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

**Symbol: WEWORK**

Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Fort, Mumbai – 400 001

**Scrip Code: 544570**

Dear Sir/ Madam,

**Subject: Transcript of Q1 FY27 Earnings Call**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Q1 FY27 Earnings Call held on July 17, 2026.

The aforesaid transcript is also being made available on the website of the Company at https://wework.co.in/investors-relations/shareholders-information/#analysts.

This is for your information and records.

Yours faithfully,

For **WeWork India Management Limited**

UDAYAN SHUKLA
Digitally signed by UDAYAN SHUKLA
Date: 2026.07.23 13:08:28 +05'30'

**Udayan Shukla**
Company Secretary & Compliance Officer
*Membership No.: F11744*

*Encl.: As above*

“WeWork India Management Limited

Q1 FY27 Earnings Call”

July 17, 2026

**MANAGEMENT:** **MR. KARAN VIRWANI – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – WEWORK INDIA MANAGEMENT LIMITED**
**MR. CLIFFORD LOBO – CHIEF FINANCIAL OFFICER – WEWORK INDIA MANAGEMENT LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to WeWork India Management Limited's Q1 FY27 Earnings Conference Call. The presentation in this call is a concise version of the presentation uploaded on the company's website and shared with the stock exchanges.

This conference call may contain forward-looking statements about the company which are based on beliefs, opinions, and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Participants connected on webcast may click on the "Ask a Question" tab to join the question queue after the management's opening remarks. Please note that this conference is being recorded.

I now hand the conference over to Mr. Karan Virwani, MD and CEO. Thank you, and over to you, sir.

**Karan Virwani:** Thank you, Michelle. Good morning and thank you for joining us for our first quarter FY27 results. Before we get into the numbers, one frame of how to read this quarter: look at us on a year-over-year basis, not sequentially, for two reasons. We are in a growth cycle, and in a growth cycle, fixed costs arrive before revenue does.

When we sign new centers, rent and operating expenses start immediately, the desks fill up over the quarters that follow. So any quarter where we are expanding hard will look softer sequentially, even as the business underneath it gets stronger. This is not a warning sign, it is a model working as it is designed.

Second, Q4 of FY26 carried a one-time customization revenue that isn't a recurring feature of this business. Stack Q1 FY27 against the quarter sequentially, and you're not comparing it like-for-like. Year-on-year is the fair test. It measures us against ourselves at the same point in last year's cycle, before this year's capex and without last year's one-offs. And on that basis, every metric is compounding.

Let's zoom out for a second because this is a good market to be compounding in. India's flex space keeps taking share from traditional leasing. Quarter after quarter, it is no longer an experiment for occupiers. It is core to how enterprises plan real estate. WeWork India sits at the forefront of that shift, the largest branded flex network in the country, concentrated in markets where the enterprise and GCC demand is growing the fastest.

Everything I'm about to walk you through is what leading that market looks like. And with that, let's get into the operational performance. We closed the quarter at 79 centers across eight cities, 9.1 million square feet operational, and about 133.6 thousand desks. 11 more centers and nearly 20,000 more desks than a year ago, growth of just over 18.5%, right in line with the pace of the flex category itself.

We serve about 113,000 members today, up 26,000 over the year, close to a 30% growth. Members are growing faster than desks. We added roughly 7,000 more members than desks in this year. That's why occupancy climbed to about 84.9%, even as we keep adding space, more than 8 points higher than a year ago.

Mature centers are running at 87.5%, and NPS stood strong at a +78. And the base is sticky; 52% of desk sales in the network come from existing members, with renewal rates up to 84% this quarter. That engine behind us -- that's the engine behind this year's expansion.

Revenue for the quarter was up to INR698 crores, up 28.5% year-on-year. EBITDA was INR138 crores and a 19.8% margin, which is up 69% from last year. PAT was about INR 53.2 crores, which is against INR8.4 crores last year, roughly a 6.5x jump and a 608 bps margin expansion.

One number needs context before Cliff walks you through the details. Q4 FY26 included a one-time customization revenue I mentioned a moment ago; it won't repeat this quarter. And the second reason year-on-year and non-sequential is the right lens today. On capital, ROCE was up 28.6% this quarter, more than 3x where we stood a year ago.

Free cash from operations grew 176%, and net debt is down close to 90%, even as we nearly doubled our capex. FCFF came in negative INR46.1 crores simply because H1 is a growth-intensive quarter or growth-intensive half of the year. INR188 crores of that capex landed in this quarter alone. So growth costs come first and then returns follow.

Just a closer look at the market that we operate in. Q2 calendar year '26 leasing hit 24.6 million square foot, a record quarter capping a record first half of 45.5 million square foot. Flex led that market for the third straight quarter, up 89% to 11.4 million square foot in the first half.

Its share of all office leasing has more than doubled in five quarters into 27%. Roughly 55% of India's occupiers already use flex, and we're on track for about two-thirds by 2027. Domestic companies now account for 46% of leasing, and more than half of that goes to flex operators.

Premiumization is riding alongside it; 76% of the quarter's completions were in green-certified and 70% of leasing went into buildings that are under 10 years old, exactly the class of assets that we operate in. Our footprint sits across the eight cities where India's business growth is concentrated.

Bangalore remains home and our largest market, 30 centers and nearly 52,000 desks. Around it, new corridors are scaling fast, Hyderabad is up 68%, Chennai is up 66%, Delhi more than tripled off a smaller base, Gurgaon up 23%. We're consolidating in home and building where demand is moving the fastest.

We operate 9.1 million square foot today, add signed leases and LOIs of another 2.9 million, and total contracted capacity is about 12 million square foot, about 179,000 desks. That's a 32% capacity growth and nearly 44,000 desks that are already locked in. First half additions are on track for 22,000 desks in this heavy opening stretch of the cycle. By March of 2027, we expect to be operating about 10.3 million square foot and around 155,000 desks. Beyond that, FY28 and FY29 supply is already in negotiation.

Demand is showing up in sales. We sold about 12,700 desks this quarter, which is up 28% year-over-year. April was our single biggest sales month with about 7,500 desks, and we did this without discounting, pricing multiples held steadily through the year. Worth repeating, 52% of what we sold went to members that are already with us, and that's not a one-quarter trend, that's been the base compounding.

On who drives the revenue, 77% came from enterprise members, 65% from global companies, and North America riding the GCC wave is 46% of the revenue on its own. No single sector dominates, technology leads at 28%, BFSI at 17%, and the rest is well spread. Our top 10 members are just 22% of revenue combined, and there's no concentration risk here.

That's the demand side, a growing market, record sales, and an expanding base. Let me also give you the underlying contracted picture before I hand it over to Cliff for the details. The best place to start is what's already contracted, locked-in revenue, future revenue of our members that our members have already signed up for stands at about INR3,363 crores, which is up 60% from INR2,105 crores last year.

Locked-in rent obligations only grew 30% in the same period. So contracted revenue is growing twice as fast as contracted cost. For every rupee of new rent that we committed to this year, we added almost INR4.7 of contracted revenue.

With that, let me hand it over to Cliff to talk you through our occupancy metrics and the rest of the financials.

**Clifford Lobo:** Thank you, Karan. Good morning, everyone. Karan mentioned members grew faster than capacity. Here's the consistency behind that. Capacity grew 17% year-over-year, members grew 30%. Member growth ran at 1.7x the pace of capacity addition. Portfolio occupancy moved from 76.5% a year ago to 84.9% today. Look specifically at growth centers, those open less than 12 months.

A year ago, that cohort sat at 45% occupancy, today's growth centers are at 65%. There's a timing element to that, but it also shows new buildings filling up meaningfully faster than they used to, which matters given how much supply we're adding.

Total revenue, which is core workspace, VAS, and digital combined, came to INR698 crores for the quarter, up 28.5% year-on-year. Every segment grew year-on-year. Revenue from operations was INR687 crores, up 28%. Core workspace grew 30% to INR603 crores, value-added services grew 10%, and digital grew 27% to INR26 crores.

Digital is still under 4% of revenue, but those four products monetize the same square foot more than once and run at close to an 80% EBITDA margin. The stack contributes materially more to the bottom line than the top line. This quarter's shareholder letter has a full spotlight on it, worth a read.

On a sequential basis, both core workspace and digital grew. Core up 3.4% and digital up 22%, which shows the underlying business compounding steadily every quarter-to-quarter. Now the one number that needs context, our VAS line includes parking, facilities, customization, and late fees. Last quarter, we recorded about INR47 crores of customization income, this quarter, it was INR9.5 crores.

That's not a slowdown. On the ground, customization demand remains strong, but by its nature, this revenue is lumpier across quarters, tied to when specific fit-out projects close. Strip customization out, and the rest of VAS grew about 20% quarter-on-quarter. This is exactly why Karan opened by framing today's numbers year-on-year. A quarter that includes a large one-off like last quarter customization income will never compare cleanly to one that doesn't.

On profitability, center-level EBITDA was INR186 crores, up 52% over the last year at a 27.8% margin, nearly a 5-point improvement. The cost side explains why. Rent per square foot was flat over the year. Opex per square foot only rose 5.6%, while revenue grew 28%. That gap is our operating leverage. Portfolio break-even occupancy is just 56.6%, and even our newest growth centers are comfortably above that.

Sequentially, center-level EBITDA moved from INR212 crores to INR186 crores, a dip of INR27 crores, entirely explained by the INR37 crores of higher customization income recognized last quarter. The underlying business is more profitable, not less. Mature center EBITDA actually grew from INR173 crores in Q4 FY26 to INR181 crores in Q1 FY27.

At the company level, EBITDA was INR138.3 crores, up 69%, with a margin at 19.8% against 15% a year ago. PAT was INR53.2 crores against INR8.4 crores, with a PAT margin moving from 1.5% to 7.6%. The sequential dip here is the same story. It's the flow-through of last quarter's large customization revenue and not a change in trajectory of the business.

As we begin our capex cycle, roughly 22,000 desks in H1 of FY27, it's worth contrasting against the last expansion, which started exactly a year ago. EBITDA grew from INR81 crores to INR138 crores, margin from 15% to 20% year-on-year. Last year's cycle came with a margin dip of almost 6 points, this time it's roughly half that. The portfolio is more resilient, and the drag from heavy expansion is shrinking with each cycle.

This kind of margin expansion and contraction is a natural part of any growth cycle, driven by occupancy ramp and one-time income like customization that comes with capacity expansion. It's precisely why we're asking you to read this quarter and every growth cycle quarter on a year-on-year basis.

Capital returns tell the same story. ROCE was 28.6% this quarter against 9.1% a year ago. We've tripled our return on capital in a year where we've also expanded the capital base. Which brings us to cash and the balance sheet.

Free cash from operations was INR141.9 crores, up 176%. We've invested INR188 crores of capex this quarter, nearly double last year. And even so, FCFF was negative INR46 crore, essentially flat with a year ago.

We doubled our investment in growth, and our own operations absorbed all of it. Net debt is INR31.6 crores, down 89% from INR297 crores a year ago, against INR371 crores of cash on hand. Net debt to EBITDA is 0.06x, cost of borrowing is down from 10.4% to 8.5%, and our rating moved from an A- to an A+ over the year.

Handing it back to Karan to take you through some more.

**Karan Virwani:** Thank you, Cliff. So before we close, a few minutes on what defines our next chapter. Everything so far is the physical network. But our 113,000 members don't just need desks. When we asked them, the answer was consistent: they buy dozens of business services beyond the workspace, which include transport, hiring, insurance.

All of this is scattered across vendors, negotiations, and invoices. They told us that they'd rather do all of this through us, and that was a clear opportunity to get a larger share of what the members already spend with customers who already trust us.

So on the 15th of July, we launched Member Services, a business services platform built exclusively for our members that lives inside the WeWork India app. Here's how it works. We created a marketplace of business service partners and negotiated enterprise-level pricing and standards with each one of them. Every member gets those terms, whether you're a Fortune 500 or a five-person startup, there's no difference.

It works across every WeWork India location on a single platform, one place to discover services, engage partners, manage billing, and with us running the workflow. We're starting with what members asked for the most, which is admin and IT, which includes employee transport, hardware rentals, network services, and HR, hiring, staffing, insurance, well-being. A dedicated set of services for GCCs as well, which include setup, legal, accounting, talent, finance, and marketing.

Legal, marketing, and sustainability will follow in the coming phases. This is what we mean when we say work is evolving from standalone workspaces into integrated ecosystems. We spent years building the physical network and the technology layer on top of it, Member Services is that layer taking shape.

Let me leave you with the year-on-year picture, because it says everything about the business and where the business is headed. Revenue up 28%, EBITDA up 69%, profit is up six times, return on capital tripled, net debt is down 90%.

Our biggest sales month ever, we had more than half of it coming from members itself growing with us, and the deepest committed supply chain in our -- or supply pipeline in our history. FY27 is a year of growth, and the case for it has never been cleaner.

Thank you for your confidence that you continue to place with us, and with that, I'm happy to take your questions.

**Moderator:** Thank you very much sir. We will now begin with question-and-answer session. The first question is from Adhidev Chattopadhyay from ICICI Securities. Please go ahead.

**Adhidev Chattopadhyay:** Yes, good morning, everyone and thanks for the opportunity. I have a couple of questions. First is on the 15,000 to 16,000 seats which we may open in this current quarter. Will there again be some customization revenue one-time which may be booked as you get into the second quarter? And how should we look at the profitability of the new seats, how quickly they would ramp up to EBITDA break-even? That is the first question.

Our second question is we had given a capex guidance of INR500 crores to INR600 crores for the year in the last quarter. So, do we stick to that guidance or is there any revision to that number? Thank you, these are my questions.

**Karan Virwani:** Thank you. So yes, we have close to about another 20,000 seats that are basically going to open between the last quarter and essentially by October. Like we mentioned, there's almost 6,000 of those that are opening which are managed office deals already signed up, some of which have already opened in July. As we sit, July already saw almost sort of 6,000 desks open in the last sort of 15 days.

Margins are holding as expected, and if you look at the growth center occupancy, it's already well above break-even. So, all the buildings are actually delivering profitability. All the cohorts are delivering profitability to the business. We see that, that will continue to kind of ramp up and the sales velocity that we're on, also kind of holds good to make sure that these buildings are actually ramping up in the way that we want.

In terms of customization revenue, I'd probably just touch on that a little bit. We have always had customization revenue as a part of our VAS over the years. Typically, we used to do between INR30 crores and INR50 crores of customization revenue.

Last year, because we did some extremely large managed office deals like JP Morgan, T-Mobile, Amazon, etcetera, there was a huge amount of customization that these companies' kind of asked for, which led to this kind of revenue growth, these one-time revenues actually hitting in basically in Q3 and Q4 of last year.

With that lumpiness, or maybe to avoid the lumpiness, what we decided to do is actually change the treatment of customization in this coming year. So, in terms of customization where we have centers already built out and members sort of ask for us, we will continue to recognize those as in one-time sort of revenues.

But these large customizations which actually are specifically to one customer in managed office, what we are going to start doing is basically amortizing it over the complete term of the member's commitment itself.

So, this will now from this year onwards actually smoothen out any type of lumpiness that we basically saw last year, and you'll have a more recurring base of customization revenue as the quarter's kind of flow through. So typically, in the range of between INR10 crores to INR15 crores in a quarter is what we kind of expect will be run rate when you look at this customization kind of revenue. Some quarters will be a little bit higher, some quarters will be lower, but that's really the range that we're looking at for this coming year.

So ideally, we don't have this issue again popping up; it was just because of a very big growth year last year and some large deals that we did that, this kind of even took us by surprise as we went through the year. Now in terms of the capex cycle, we hold good on the guidance of between INR500 crores to INR600 crores, and that is the visibility that we have today.

There might be some change if large managed offices come through the year, and we have to deploy some large capex for delivering those, but that we will know pretty much by the next quarter if any of that's going to hit basically by the end of this year.

**Adhidev Chattopadhyay:** Sure, sure. That is very clear and concise. Yes, thank you and all the best.

**Karan Virwani:** Thank you.

**Moderator:** Thank you. The next question is from Abhinav Sinha from Jefferies. Please go ahead.

**Abhinav Sinha:** Hi, Karan. A couple of questions. So firstly, on customization revenues, what are the margins on this business?

**Karan Virwani:** So typically, it's actually like a full flow-through. The cost that we have is similar to our other -- the rest of our business or normal business, which is essentially just the fit-out cost that we kind of put through into the space. So, this is all revenue that basically flows directly to the bottom line, and it always has been.

So, there's no real P&L cost apart from the regular corporate overheads and the management fee, and all these other variable costs that we have with our regular revenue itself. There are just no COGS like rent, etcetera, that actually pertain to this revenue stream.

**Abhinav Sinha:** Okay. So secondly, last year if I remember, we had like much higher openings in the first quarter as a proportion of the year and also the margin dip was higher. And now it appears that in Q2, our openings should be higher than this quarter, right? Maybe close to 15,000-odd, I guess. So, should we see like a margin dip in Q2 as well on a year-on-year basis or maybe even on a quarter-on-quarter basis?

**Karan Virwani:** We don't foresee the margin dipping; we actually see potentially the margin moving upwards because of the large managed offices that are a component of that expansion coming up in Q2. So nearly 7,000 seats will be managed office that opens in this quarter. And also, the other centers that we have ramping up, we actually have good pipeline and some of that sale is actually happening.

To be honest the delay was -- like these seats were actually meant to open in Q1, they just kind of moved literally like a week or two because of some of the design changes that some of these customers asked for, and then one or two centers we intentionally moved to July rather than June because we just wanted like a better opening for them. So, we feel like we're in a good place. You'll actually see, like we did last year, the margin sort of expanding through the year.

And as coming quarters come up, I think that slide is why we wanted to kind of just show that where the base is starting much higher than we did last year in the new capex cycle. And we've actually been able to manage to hold the suppression a lot better this year in order to give it a much smoother outlook for the remaining part of the year.

**Abhinav Sinha:** Great, thanks and all the best.

**Karan Virwani:** Thank you.

**Moderator**: Thank you. The next question is from Siddhant Mayecha from Tusk Investments. Please go ahead.

**Siddhant Mayecha:** Hi Karan, hi Cliff. Thanks for the presentation. Just quick question, if you could throw some color on the contract backlog, like how do we read that? Is this committed rent over the next 27 months?

**Karan Virwani:** Sorry, yes. The INR3,363 crores are current average commitment over the portfolio average which you're right is about 27 months. As you can see, that's growing -- basically has grown almost like 60% year-over-year, and on a sequential basis also is sort of growing almost like 15%. That will consistently keep adding as the year goes, and as these buildings ramp up, and we obviously do new sales as well, while rental which is the committed cost that we have, has only kind of moved up about INR200 crores in the same period.

**Siddhant Mayecha:** Got it, got it. So just one follow-up question in that case. If I'm reading this right, if it's INR3,400 over the next 27 months, that's about INR400-odd crores a quarter, but the current operating rent is about INR600 crores. So, is the INR200 crores non-contracted rent or how do I interpret that?

**Karan Virwani:** So just to clarify, these are the -- this is the remaining amount of commitment that we have, not exactly like the 27 months. It's actually the amount of value that we have remaining in the contracts. So, each month some contracts are coming closer to expiry while we're adding basically new contracts at an average of basically 27 months. So, this number will constantly keep compounding to that scale.

And it obviously doesn't account for renewals as well. As you saw, we had about 84% renewal rate in this quarter. So, you'd at least assume that there'll be an 84% renewal on INR3,600 -- on INR3,300, and then any additions from all of the new velocity or the new sales that we add in the coming quarter.

**Siddhant Mayecha:** Got it, thanks guys. Thanks, Karan.

**Karan Virwani:** And sorry, just the other added thing on this is, obviously the leases or the rental cost, a lot of it has already hit. So, this gap should actually increase as these sorts of like commitments keep compounding on top.

**Siddhant Mayecha:** Got it.

**Moderator:** Thank you. The next question is from Yashas Gilganchi from BOB Capital Markets Limited. Please go ahead.

**Yashas Gilganchi:** Hello, good morning. Thank you for taking my questions. How has the supply pipeline changed since last quarter? Any light you can shed on what could be the approximate supply addition post FY27, maybe through FY29?

**Karan Virwani:** Yes, so we added -- we've made operational close to about half a million square feet just in the last quarter, which is roughly about 7,000 seats that have actively opened. Like we spoke about last quarter, for FY27, we are largely locked up or we've already signed up what we're looking to kind of open within this year.

So, 10.3 won't move meaningfully between now and the end of the year. Even for next year, we already have identified our pipeline. We're in the process of basically signing LOIs and leases which over the next quarter we'll see more -- we'll probably show you more of a solid amount for FY28.

But you could consider that it would be in a similar range as the kind of growth that we've basically seen from last year to this year. So, 10.5 will be somewhere actually closer to basically 12-odd million open. A lot of the AUM that you're seeing even beyond March of 2027 are deals that we signed for FY28, FY29.

There are some under-development assets also that have been locked up in that portfolio. But we're on track to consistently deliver what we need to. We see no issue on the supply side. And we consciously also take a call not to sign up like crazy amount upfront, like too much in advance because we want that agility in the case that you want to either contract some capacity growth or potentially expand it also.

So, we think this visibility of roughly about like 12 months of 100%, 18 months of like roughly about 90%, and maybe 24 months of about 80% is a good place to kind of be, and that's how we continue to kind of roll out the AUM growth.

**Yashas Gilganchi:** Okay, understood. And I understand that VAS revenue as a percentage of total revenues were lower largely because of the lower customization revenues. But going forward, do we expect a change in the level of VAS revenues or what's a good level to assume on a full-year basis?

**Karan Virwani:** I think we've historically been at 13% to 15% VAS revenues. We think that we'll hold basically at those levels consistently. So, 11% to 12% on VAS plus about 3% to 4% on digital, which is what stacks up to that sort of 16%. And that's sort of the levels that we continue to see. We're hoping obviously with the launch of Member Services over time there'll be some addition to the bottom line or the margin that this revenue kind of delivers for us, but I would keep it to this guidance.

The other thing that you can see that is growing is digital, which is growing at faster than the rate of sort of like core revenue. That's another place where you'll see some margin expansion, and maybe some higher contribution as we get through the year.

**Yashas Gilganchi:** All right, that's clear. Thanks, Karan. Have a nice day.

**Karan Virwani:** Thank you.

**Moderator:** Thank you. The next question is from Aliasgar Shakir. Please introduce yourself providing your organization name and proceed with the question.

**Aliasgar Shakir:** Yes, hi. This is Ali from Motilal Oswal Mutual Fund. So just wanted to, I mean clarify in terms of your growth guidance, you know, I mean I think we had an indication that we would probably grow somewhere close to about 20% in terms of pre-Ind AS EBITDA. So, I just wanted to clarify just too much noise in this quarter one you mentioned VAS revenue is down because of whatever one-time accounting that you guys did that is now ironed out, you know, over the course of the period.

Second, you mentioned obviously you have significant additions which probably, you know, impacted your EBITDA. So, I mean, now that obviously you know, would continue to add more seats even next quarter as you have mentioned maybe 15,000 seats.

So, will the trajectory of pre-Ind AS EBITDA growth of 20% kind of what was indicated will continue for the full-year basis if we, you know, declutter the noise on a quarterly basis? And you know, I mean when this addition happens, seat additions happen, what kind of impact, you know, do we expect on a quarterly basis? That's my question.

**Karan Virwani:** Yeah, sure. So, I think, you know, the growth obviously you want to look at is on a year-on-year basis, right? And if you look at that year-on-year, the EBITDA growth has been almost 70%. So, I think we 100% feel very confident that, you know, even as the expansion rolls out and the year rolls out, we will definitely meet the guidance of 20% plus EBITDA growth and sort of earnings sorry, revenue and EBITDA growth of, you know, over 20%.

And like I mentioned earlier as well, with the new additions coming up, we don't see any, you know, major impact on the margin or the margin percentage. In fact, there will be, you know, really like an expansion in the margin from its current levels for sure. With all of the rollout basically happening by October, we have almost two quarters post that to really drive, you know, portfolio growth and occupancy growth. All of that, as you can imagine, will basically flow through to the bottom line and will continue to balloon EBITDA as Q3 and Q4 actually come about.

We're already starting with such a, you know, much higher base, nearly INR60 crores of growth just from last year to this year on the EBITDA base itself, right? So, we you know, just think of this as a starting point similar to we having last year, right, where we started basically at a base of 82, we ended at about INR165 crores.

Today we're starting with a base of 138 and we will, you know, sort of end at obviously a much higher level by Q4. Maybe not as much of a steep like step-up, but there will be consistent growth as we go quarter over quarter.

**Aliasgar Shakir:** Okay, this is clear. So basically 20% annualized growth will be intact. But just a quick clarification here. So, in terms of quarterly how the, you know, it should play out. Do you think because you are going to add 15,000 seats in Q2, of course year-on-year you could still be better but quarter-on-quarter it may not meaningfully improve, yeah, and the entire growth that you're talking about 20% will be back-ended in Q3, Q4?

**Karan Virwani:** No, it will improve each quarter. The base itself will go up each quarter. So definitely expect a growth on, you know, 138 in the coming quarters and expect that the margin of between 19% to 20% will continue to hold as the expansion happens, also as the next quarter comes about. We already have decent visibility of the portfolio.

We're already pretty much like, you know, July is done, we know what the next two months what they look like. We've had some large move-ins of deals. We've done a large deal for, you know, Cognizant, which is opening in Chennai. We have, you know, which has already opened in this month itself. And we're feeling good about the next quarter; it will just continue to compound.

**Aliasgar Shakir:** Okay, I'm just unclear why the impact will not be there in Q2 because if Q1 you had 6,000-7,000 seats and the impact was so meaningful, then why in Q2 despite adding such a large number of seats and occupancy may not be at optimum level, you think the impact may not be there?

**Karan Virwani:** So, a lot of the seat additions in this quarter was largely WeWork branded speculative seat additions. A larger portion of next quarter's additions are actually managed office, so there's already some demand back which, you know, these centres will be opening at basically higher occupancies than, you know, than we did in this quarter.

Over and above that, even the other WeWork spaces that we have lined up, we have already pre-filled and sold some of those seats, so we feel good about, you know, the expansion or sort of the margin kind of holding. And, you know, in some cases, we'll have some operational rent-free and all of that as well, which will help the business.

**Aliasgar Shakir:** Understood. Okay, thank you so much. Very clear and nice. Thanks for your details. Thanks.

**Karan Virwani:** Thank you.

**Moderator:** Thank you. The next question is from Girish Choudhary from Avendus Spark. Please go ahead.

**Girish Choudhary:** Yeah, hi. Thanks for the opportunity. Some of my questions have been answered, but I have one more. If you could help us understand, we have seen a slight dip in the matured centre occupancy rates, right? And even if I look at the number of seats sold during the quarter was around 12,700, and you've done 7,500 just in the month of April, right? But the net addition is only 3,100, right? Which implies around 9,000-odd exits. So, if you could just help us understand the nature of the exits.

**Karan Virwani:** So, I think what you want to look at first is the overall capacity itself, right? If you look at the slide, March of 26 mature building centres had about 110,000 seats, but as of this quarter, they are about 118,000 seats. So almost 8,000 seats based on last year's expansion have now moved into the mature building cohort. Within that, the member count basically grew almost, you know, 5,000 desks between 98,000 to about 103,000. So, while there is a slight dip in the mature cohort, it's largely driven by the extra added capacity that, you know, actually entered this cohort in the last quarter itself.

And the total base, so if you look at the EBITDA margin, the centre-level EBITDA margin, you know, basically of the mature cohort, right, is roughly holding flat at basically about 28% even with this new capacity coming up, which is not reflected maybe in this slide but probably in the other earnings presentation which we have, you know, posted on the website.

But essentially, you'll see that with the increase in the occupancy or even with a slight dip in the occupancy but larger capacity actually moving into the mature building cohort, the base of the EBITDA itself has increased and the EBITDA margin of that cohort is actually holding.

**Girish Choudhary:** Okay, got it.

**Karan Virwani:** Yeah. And just to maybe point out further, like the growth centres, right, like while it's at 64% or 65%, you imagine a lot of these centres have actually opened just last month, right, or basically in the last three months itself. And it's still holding at, you know, roughly about 65%, which is far above our break-even occupancies, even with a lot of that expansion happening in the last sort of 30 days, 45 days as well.

**Moderator:** Mr. Choudhary, I hope that answers all your questions.

**Girish Choudhary:** Yeah, thanks, thanks a lot.

**Moderator:** Thank you. The next question is from Sourabh Gilda from JM Financial. Please go ahead.

**Sourabh Gilda:** Yeah, Hi. Am I audible?

**Moderator:** Yes, you are. Please proceed.

**Sourabh Gilda:** Yeah, thanks. So, most of my questions are answered. So just, you know, on the growth centres part, the in terms of capacity, the net decline is just 0.5 or rather 5,000 seats, but the decline in occupancy is rather significant from 73 to 65. So how should one read this? So, this is largely the drag led by the new additions that has happened during the quarter or is it something else?

**Karan Virwani:** Two things. One is a bunch of that cohort moved to mature, like we kind of mentioned, right? So about 8,000 seats that were sitting basically, you know, some of the seats that basically were sitting in growth as of last quarter have now moved to mature. So almost 8,000 shifted cohorts to mature, while 7,000 new additions came in basically in this quarter, and that's the shift in the capacity that, you know, you're seeing.

So, like I just mentioned, about 7,000 desks which have just opened in the last three months are sitting in this growth cohort. Those are fresh new members, fresh new ramp-up, you know, that we're seeing. So, it's not a like-to-like comparison in terms of the actual buildings from last quarter and then this quarter itself.

**Sourabh Gilda:** So, got it, very clear. And just a question on capacity addition. So, we have been, you know, although on a small base, but the capacity addition on a year-on-year basis has been drastic in cities like NCR, Hyderabad, Chennai. So just as you, you know, stabilized your capacity in these centres or expand your base in these new markets, do you see any change in margin profile in the way these different markets operate?

**Karan Virwani:** Um, I think so yeah, I mean there are different margin profiles and type of centres in each of these markets. So just taking Delhi, you know, as an example, we opened basically in Aerocity, which is an extremely premium, you know, micro-market. We opened one centre there; we're expected to open another centre there towards the end of the year or maybe, you know, next year depending on when the delivery of that happens.

These are priced, you know, at between INR25,000 to INR35,000 a desk, so they are definitely higher-priced markets. Hyderabad, Chennai, where you're seeing a lot of that growth, some of that is coming from large managed offices that we've done, so the margin profiles there are significantly higher, but the pricing will be almost half of that of Delhi.

So, margin profiles, you know, in the southern markets will be slightly stronger because the spread that we're able to make there is larger, you know, between 2.8 to maybe even higher than 3x, versus the spread that we're able to make in more expensive centres is typically, you know, slightly lower, but the quantum of EBITDA ends up being bigger just because of the price. But overall, we're holding the revenue to rent ratio across markets like we mentioned at basically 2.9x to 3x.

**Sourabh Gilda:** So, got it, that's very clear. Thank you so much.

**Moderator:** Thank you. The next question is from Sukhman Arora from Waterfield Advisors. Please go ahead.

**Sukhman Arora:** Hi. I'm a little confused on customization revenue. Is this revenue generated from designing the space that may belong to the client or is it part of the managed office offering? That's question one, and I'll ask another question once you respond to this.

**Karan Virwani:** So typically, what we've always been doing, you know, before we really started doing extremely large managed offices, is that we would build space that was designed as a WeWork, and customers would come and they continue to come and ask us to make changes, either add cabins, you know, they want to, you know, collapse different offices and make a larger office, they need higher networking type of customization, etcetera.

So, for all of this, we typically used to just charge them one-time to deliver the work, and that was how our customization revenue has been over the last, you know, sort of eight years, and it continued to slowly build from a small revenue stream to, you know, a run rate of basically around INR50 crores prior to last year.

Then what happened last year was we started getting and doing these extremely large managed office deals where initially we would spend or build out the space for these customers, but as they sort of moved in or as they started like continued through the design process, they continued to ask for specking up of the space, making changes, adding, you know, new spend, etcetera. which was over and above what we had priced the deal at or what we had actually committed in terms of pricing.

So, they said that for anything that we're asking for basically over and above what we've already priced in the contract, we're willing to pay you upfront for the spends. And hence, we actually bill them upfront and recognize that revenue upfront.

I think what we're saying we're going to do we see this as something that will constantly keep reoccurring as we do these large managed office deals; we're already seeing it in some of the deals that we have coming up.

But in order to avoid this lumpiness and to avoid this, sequential issue that we've had basically from last quarter to this quarter, what we decided to do was to treat them as amortized over the contract term when they're actually these large, you know, pertaining specifically to one client and one type of customization in managed office, and kind of pushed with it because these assets essentially belong to us and we can really amortize it over the contract term of the customer.

From a cash basis, you will see that our cash flow will increase in quarters where we actually get this upfront, sort of customization, but the revenue will be a lot more-smoother. So, from a cash flow perspective, it will help us in continuing to deliver the capex spend with all of the accruals that we have, but the revenue will be smoothed out through the contract term.

Over the next few years, you will see this revenue stream continuously building up as we do basically more managed office deals with this customization revenue, and we expect that the customization revenue becomes a significant portion of the overall revenue over the next few years.

**Sukhman Arora:** Understood, this is helpful. So, my second question is managed office is basically built-to-suit office space. So, what stops REITs from doing this because a lot of REITs already do built-to-suit solutions for their clients? Can there be potential competition coming in from REITs? Just a fundamental question.

**Karan Virwani:** So, I think, you know, fundamentally what we're seeing in the market is customers opting for an operator not because they are looking at space just in a single asset or a single location; they want a partner that can help them basically through their entirety of their growth. So typically, customers use us in multiple formats.

You know, I'll just give you an example for Amazon. Amazon has seats with us in Bangalore in a WeWork space, in Pune with us in a WeWork space, and we just delivered a managed office for them in Chennai which is, you know, in -- which is a much larger dedicated customized space for them.

And by having this sort of relationship, having the ability to come to one operator who can, you know, manage my entire workspace requirements or infra requirements across the country or even actually globally in our case, is, you know, one of the added advantages here. Secondly, you know, a lot of REITs don't want to get into basically managing the FM part, you know, of these customers.

It's a high service level, high experience level ask that a lot of these customers are asking for internally itself, right? And we are able to do that because we specialize in that and we understand what these kind of customers want. Are there customers that just go to, you know, landlords and say fit out this space? 100%. I think that will, you know, obviously continue. But as you can see, occupiers that are using flex are now about almost 55%, right?

So, there's a clear shift in what and how customers want to operate this real estate, want to keep it liquid. The other thing is that with REITs, you have to give a longer commitment. You know, they're not willing to do deals at three years or five years; they want you to give a nine-year commitment, and if they're investing the capex, they will definitely need that commitment.

However, we are able to, you know, offer more flexibility because we have the confidence that if that customer moves out, we can re-lease that space or we can convert it into a WeWork or whatever it is, right?

So, it's just a layer on top of, you know, the underlying asset class similar to maybe what you've seen in hotels and hospitality, right, where an operator and branded-led play becomes basically the marriage between the asset ownership and what the customer and the customer experience layer wants. That's really what we're kind of basically bringing together.

**Sukhman Arora:** This is helpful. Thank you.

**Moderator:** Thank you. The next question is from Muralikrishnan from Sundaram Mutual Fund. Please go ahead.

**Muralikrishnan:** Yeah, am I audible?

**Moderator:** Yes.

**Muralikrishnan:** Yeah, thanks. So just one question. So, on this, you know, how should one read about the actual brokerage outflow and the accrual part? Just, you know, you can explain on the flow of movement from being recognized and the payments. So yeah, that's the only question I had.

**Clifford Lobo:** Yeah, sure. So let me take that. So, brokerage typically is amortized over the period of the commitment term or the term of the deal. So, the cash flow is an immediate outflow because, you know, it's invoiced and paid immediately, but the recognition of expense is over the term of the contract. So that's how it works. So, you will always see a disconnect between what the cash out is and what the P&L number is.

**Muralikrishnan:** Understood, Cliff. Understood, yeah. Thanks.

**Moderator:** Thank you. The next question is from Rishith Shah from Axis Capital. Please go ahead.

**Rishith Shah:** Yes, hi. Good morning, thanks for the opportunity. So just one question regarding the two new segments, relatively new segments, one is Rivet and now the Services segment. So, in your view, how -- I mean how big can these segments be one year, two years down the line and how you're thinking about the margins on these segments? That's it.

**Karan Virwani:** So, you know, Rivet I think we've spoken about before. It's at a very nascent stage. We, you know, have some good pipeline for this year. As you can see, we've not actually booked any major revenue in this quarter, but we see some coming through over the next three quarters, so it will, you know, it will increase as the year goes by. But I would look at both of these as really incremental, right, to the bottom line really.

And the way that we see the flow-through is direct to earnings because none of these have any rental kind of cost, they don't have any asset type of, you know, need, there's no capex requirement to actually like grow these businesses.

So, Rivet is, you know, anywhere between let's like a 10% to 15% margin business, but it's a complete 10% to 15% flow-through to PAT directly. Even with Member Services, you know, our take rate on a lot of these services -- so we have two levels of pricing that we -- or like monetization that we have here.

One is a listing fee where these service partners are providing us or paying us an initial listing fee itself to be part of the platform, and then we have a take rate of anywhere between, you know, 6% to going up to almost 16% depending on the type of service as of right now. That take rate could definitely increase as we start providing more value and actually start seeing, you know, revenues flow through.

On Member Services specifically, the way that we are, you know, operating is basically like an e-commerce platform of service where we're facilitating this kind of exchange between the service provider and the customer. And, you know, in a lot of cases actually you'll not actually see this flow-through revenue, but you'll see it flow-through, you know, flow-through basically like margin.

There'll be one or two services where we recognize the top line, but what we've decided to do is actually make this a pure margin type, you know, business, so actually it will just add basically to the bottom line and the margin expansion on the business.

**Rishith Shah:** Perfect, makes sense. Thank you so much for the answer.

**Moderator:** Thank you. The next question is from Ankit Minocha from Adezi Ventures Family Office. Please go ahead.

**Ankit Minocha:** Yeah, hi. Good morning. So, Karan, I just wanted to understand that this is about the promoter pledge. So, I mean, could you explain the reason for the promoter share pledge and if there are any kind of plans to reduce it in FY27 or in the short term?

**Karan Virwani:** Yeah. So, you know, when we did the IPO basically last year in October, our plans were to, you know, to raise roughly about INR4,000 crores. We pulled that amount back for a variety of reasons, largely, you know, pricing itself.

So, when we reduced INR4,000 crores to about INR3,000 crores, what happened was a stub of the debt that we would have loved to have paid off, you know, remained, which was about INR570-odd crores, you know, which continues to be what is pledged against the shares.

And today, I think it's roughly about 15%, you know, or maybe, yeah, around 15% of our shares that are pledged. As the market cap has improved, we see that pledge releasing slightly. You'll sort of like see some of those shares, I think maybe around 30 lakh shares will get released in the coming quarter.

So that pledge amount should come down. Our endeavor is 100% to try to, you know, get this removed or pay off the debt within this financial year, either by sale of assets in the parent business and proceeds actually going out to paying this off, or if the pricing, comes to a level that we feel is okay, we would do a block to essentially kind of clear this off, right, and keep this actually completely unpledged. I think that's the direction that we're going with -- yeah, and that's the intention on the business.

**Ankit Minocha:** Yeah, thanks. That's really clear. Appreciate it and wish you guys best of luck on that front.

**Karan Virwani:** Thank you.

**Moderator:** Thank you. The next question is from Hitaindra Pradhan from Maximal Capital. Please go ahead.

**Hitaindra Pradhan:** Yeah, hi. Thanks for the opportunity. So, sir, just wanted to understand, I mean since there is lot of renewal coming in, so what are the cost outlays, you know, when the there is a renewal that happen especially for the managed offices part in terms of the refurbishment or anything?

**Karan Virwani:** You're referring to renewals of leases?

**Hitaindra Pradhan:** Yeah.

**Karan Virwani:** Or of managed office transactions?

**Hitaindra Pradhan:** Managed office transactions when like, you know, suppose a client is renewing. So, what are the terms in terms of the cost outlays like the refurbishment and all?

**Karan Virwani:** If a client is leaving in a managed office situation, typically there is no cost outlay. We have back-to-back commitments with our landlords, and the way that we price those deals also is, you know, recovery of the capex within the term of the client itself.

And so, from all respects, we have, you know, basically no risk over there. If a customer leaves, we end up -- we either leave the asset or if we are able to re-lease it, we'll re-lease it and that will give another kicker to the portfolio.

But in some cases, or, you know, in other cases, we would actually like kind of exit. We have had, you know, our first managed office which is Microsoft, which was a five-year contract. We've seen a further 5 plus 5 renewal already happen on that contract. So, we've continued with the real estate, we've continued, you know, sort of like billing them.

We've given them the benefit of, you know, the capex sort of being paid off and reduced that from their total outlay, but other than that, we continue to, you know, operate that space and continue to make the margin that we would have.

**Hitaindra Pradhan:** So, in terms of refurbishment, I mean we are not specifically doing anything when the client is renewing, I mean am I understanding correctly or we do like, you know, minimal amount?

**Karan Virwani:** We do -- so as we run the WeWork side of the portfolio or these branded spaces, we do regular refurbishments, you know, at intervals of right now we're doing it at year six and seven of, a lot of those spaces where we're basically putting in anywhere between 5% to, you know, of the 5% to 10% of the initial capex back into the space.

When it comes to managed offices, I would say that typically like the next customer has a higher ask in terms of what they want, how they want to customize the space, so potentially another opportunity for this customization revenue that we've kind of spoken about where we will be able to refurb and do it based on those the designs that these company -- these kind of companies ask for. And that will be driven by the customer or the next customer if and when they choose to kind of take up that space.

**Hitaindra Pradhan:** Understood. Yeah, that's helpful. 5% to 10% like regular like refurb that goes, yeah. That's clear. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, we will take that as the last question for today. I will now hand the conference back to Mr. Karan Virwani for closing comments. Thank you and over to you, sir.

**Karan Virwani:** Great. I want to thank you all for joining this quarter's earnings call. Like we said, you know, the business is in extremely strong momentum. We're actually leading, you know, the flex industry, which is now really, the showstopper amongst commercial real estate. We continue to be the market leaders in that space. And the way that the underlying business is growing just on a year-over-year basis, the demand pipeline that we see, and the control on costs and the just the ability to expand the margins that will happen through the year.

We feel confident about FY27 being another strong year for the business and leading that into FY28 as well. So, you will see over the next few quarters, you know, some of this sequential noise will play itself out, the year-over-year growth will continue to compound, and we're here committed to actually deliver, you know, for shareholder returns.

And we just want to thank you all for trusting us over the last quarter or so, you know, we've meaningfully improved the picture of the stock and we've seen a lot of up-tick, and we hope we want to continue that momentum as the year kind of goes by.

**Moderator:** Thank you, members of the management. Thank you, sir. On behalf of WeWork India Management Limited, that concludes this conference. We thank you for joining us and you may disconnect your lines now. Thank you.