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

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

Symbol: WEWORK

Scrip Code: 544570

Dear Sir/ Madam,

Subject: Transcript of Q4 FY26 Earnings Conference Call

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Q4 FY26 Earnings Conference Call held on May 22, 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
Company Secretary & Compliance Officer
Membership No.: F11744

Encl.: As above



“WeWork India Management Limited
Q4 FY26 Earnings Conference Call”

May 22, 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
MR. VINAYAK PARAMESWARAN – CHIEF INVESTMENT
OFFICER – WEWORK INDIA MANAGEMENT LIMITED**

Moderator:

Ladies and gentlemen, good day and welcome to WeWork India Management Limited's Q4 FY '26 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 the beliefs, opinions and expectations of the company as on the date of this call. These statements are not 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.

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

Karan Virwani:

Thank you, Michelle. Good morning, everyone, and thank you for joining us. FY '26 was our full year as a listed company and we closed it with the strongest set of numbers in our history, record occupancy, revenue, profit and cash. One quick note, all financials are numbers in I-GAAP equivalent and the Ind-AS reported adjustments are all in our investor presentation and shareholder letter so you can refer to them.

Let me start with the yearly performance. Revenue of INR2,477 crores, up 23%; EBITDA of INR499 crores, up 23%; PAT more than doubled to INR180 crores, up 134%, with the margin expanding nearly 341 basis points. Our portfolio occupancy stood at 86.9% and mature centers stood at 88.9%, both of them at all-time highs.

ROCE at about 28.3%, up over 317 basis points, and free operating cash at about INR586 crores, which is up 44%. The business is now self-funding and generating surplus cash of about INR126 crores in FY '26. We've exceeded Street's expectations on every meaningful metric this year, and every engine fired at the same time.

Before going into numbers, I want to spend a few minutes on the industry because context matters this year. 2025 was the third straight record year for Indian office leasing. 83 million square foot leased. India crossed a billion square foot of office stock. Within that, flex stock surpassed 100 million square foot for the first time, up three times from five years ago.

Flex is now the single largest occupier category in India, having 23% share of all new leasing in Q1 of this calendar year, ahead of IT services. Two more shifts worth flagging: domestic firms now lead demand with 43% of Q1 leasing, ahead of Americas-led demand for the first time. Within this, 70% of new leasing is in buildings under 10 years old and a Grade A portfolio, indicating the flight to quality is real. Flex is no longer the alternative to traditional real estate; it has become structural to how enterprises think about workspace.

One major question we've been asked most this year in every single investor conversation is what does AI do to office demand? And this was important enough that we commissioned a deep proprietary study with Redseer to answer it rigorously, covering the historical pattern, the AI demand wave, the GCC mechanism that turns hiring into office leasing, and resulting in the flex outcome.

I want to give you the conclusions over the next few slides. Every prior tech wave, mechanization, mass production, computing and cloud has only expanded India's office stock, not shrunk it. We went from no office market at all to around 50 million square foot during the IT era to about 200 million square foot by 2000 to almost 900 million square foot or 1 billion square foot now today. And the pattern is the same every single time.

More automation has actually led to more jobs, more offices and greater value created in India. So when people ask whether AI will shrink offices, history has already given us the answer four times in a row. Every tech wave has only expanded the office stack not contracted.

The data on AI specifically is even stronger. AI hiring in India is up 6x in six years. From 48,000 roles open to nearly 290,000 today, India is now ranked number two globally in the AI talent concentration. And 95% of enterprise plan to scale AI adoption over the next 18 to 24 months with roughly half having already established AI labs or centers of excellence in India.

Three structural advantages converge here, cost being the first. India remains the second cheapest large office market globally at about 5x to 11x below that of cities where customers are headquartered. Talent, almost 2.1 million STEM graduates a year, roughly a quarter of all the global software engineering talent available at 60% to 80% lesser cost than developed markets and demographics.

The median workforce age of about 28 to 29 against 38 to 40 in the U.S. and China gives us decades of runway ahead. Putting it all together, the study projects that 79 million or 80 million square foot of new net leasing office demand by 2030, which was over and above the pre-AI baseline.

GCCs remain one of the major mechanisms that's turning AI hiring into actual office leasing. The AI workforce within Indian GCCs is expected to grow fourfold by 2030 from about 181,000 today to over 700,000. The GCC leasing pipeline through 2030 is around 55 million square foot, almost double that of 2025.

And one important nuance for our category, 93% of firms report that their teams are more collaborative because of AI. Meeting room demand for AI augmented teams is up nearly 30% to 50%. So AI doesn't shrink the office. It changes how the office is used. And Flex is a format that captures it. By 2030, nearly one third of all Flex leasing seats will be AI-driven from about 7% today.

GCC Flex leasing is already compounding at about 28% a year. And the structural shift that ties it together is that 75% of enterprises now plan their real estate within a three-year horizon. Five-year-plus leases have collapsed from 40% of enterprises a few years ago to only 8% today. The

10-year lease size for predictable headcount no longer fits. Flex has become the structural answer to workforce volatility, whatever form that volatility takes.

Putting the study together, AI is hiring, GCCs are scaling and Flex is winning. India's Flex stock grows about 2.5x to about 257 million square foot by 2030. The point is simple. The category we operate in has multiple powerful tailwinds behind it. AI is one, the GCC build-out is another. The flight to quality is a third, and the structural shift away from long leases is a fourth. We don't depend on any one of them. The business is built to capture whichever combination plays out.

With that backdrop, let me zoom into the quarter. Cliff will walk you through all of this in detail shortly. So I'll just leave you with three headlines that matter. Starting with a bigger platform, filling faster than we're building it. We have 76 centers, 8.6 million square foot and about 11.6 million square foot of AUM, 110,000 members and a portfolio occupancy that's at an all-time high of about 87%. Layer on top of that is a world-class NPS of about 79. This is something that has always been our North Star and fueling the flywheel.

Getting into the quarter, revenue of about INR710 crores, up 29% year-over-year. EBITDA at about INR164.7 crores with a record margin of 23.2% and a PAT of almost INR80 crores with a margin of 11.2%. This is up almost 142% year-over-year. One of the key and most important metrics has been ROCE. ROCE exiting the year is at about 45.1%, and we have finally over-delivered on our net debt position. We actually ended net debt negative for the first time in our history and a two-notch credit upgrade to A+.

Now on some of the operational KPIs. We concentrated or we are concentrated where demand is today, and we're growing wherever demand is headed next. Bangalore leads with about 50,000 seats, Mumbai and Gurgaon both grew in capacity over 20% year-over-year. The fastest growth came from our emerging top corridors, Chennai, up 75% and Hyderabad up 34%.

The takeaway I want to leave you on this slide is simple. From where we stand today, there's about a 36% capacity growth already locked in, signed and contracted before FY '27 even begins. We have leases that are yet to be signed and LOIs that are still in discussion for time periods post that.

From a sales perspective, this was one of our best years ever. This year, we sold close to about 48,000 desks, which is almost 3.3 million square foot of leasing, our highest ever 12-month velocity, up 20% from last year. This is driven by broad-based growth across WeWork branded as well as managed office spaces. Every major sector grew with BFSI telecom leading. That is strengthening -- that is the strength of running a platform that serves every sector and every format of work.

When one wave slows, another picks up and the overall growth keeps compounding. And even as volume scale, pricing held revenue to rent at 2.6x and total revenue to rent at 3x, meaning we grew volumes without giving up pricing. And critically, more than half of these new desks came from existing members expanding within our network. expansion, not acquisition. That is what a plus 79-point NPS score translates to commercially. Members who rate us this highly renew, expand and refer.

Our revenue is anchored by enterprises and balanced across geographies and sectors. 77% of core revenue comes from enterprises with Fortune 500 alone contributing 28%. 65% comes from global members headquartered outside of India and across sectors, no single one dominates. With top 10 members taking up about 23% of our core revenue, this mix is the foundation of our revenue durability. It lets us serve demand across cycles and largely mirrors overall CRE activity in India.

And just look at what enterprises are actually doing inside our spaces today. Our spaces have a 24/7 command center monitoring pan-India operations for a major broadcaster, one of only two industrial automation R&D labs in India, AI development centers with GPU-ready workstations, EV testing facilities with battery infrastructure and broadcast studios, clean rooms for mobile product QA and a management school training campus. We're not just standard -- and these are not just standard offices. These are future-ready purpose-built environments that are built for the next wave of enterprise work demands.

With that, let me hand it over to Clifford to talk you through our financials.

Clifford Lobo:

Thank you, Karan. Let me take you through the financials in greater detail. Portfolio occupancy moved from 76.8% a year ago to 86.9% today. The headline, members grew twice as fast as capacity. Capacity was up 16%, but members are up 31%. Our spaces are filling faster than we're building them.

Mature centers, these are operational centers over 12 months, are 87% of our capacity, running at 90 -- almost 90%. Growth centers, those that are under a year are already at 73%, well ahead of where new centers typically ramp at this stage.

Q4 FY '26 total revenue stood at INR709.9 crores with a 10.9% growth sequentially and a 28.6% growth quarter-on-quarter. Revenue from operations of INR700 crores grew by 10% sequentially and 29% year-on-year. Core operations that are private offices and managed offices are at INR584 crores, 29% up year-on-year.

Within that, managed office itself has more than doubled its share to 21% in just two years. Value-added services came in at INR95 crores. That's a 35% increase and digital products encompassing All Access, Virtual Office, workplace and on-demand came in at INR21 crores, up 15%.

The annual view, same story, just at greater scale. Full year total revenue was at INR2,477 crores and grew 23.4% year-on-year. Revenue from operations of INR2,454 crores, up 24%. Core operations at INR2,077 crores are up 23%. VAS at INR295 crores is up 36% and digital revenue at INR82 crores are up 24%.

Now to the order book, the forward visibility of the business. Two things are happening at once. We're signing longer average commitment -- we're signing longer with average commitment terms up from 26 to 28 months and from 30 to 33 months for large enterprises. And we are locking in more value with remaining locked-in core revenue now at INR2,940 crores, up 34% year-on-year against a locked-in rental cost of only INR986 crores. That's a 3x positive multiple.

FY '27 opens with the strongest opening position of INR1,885 crores of core revenue already locked in, growing at a CAGR of 36% over the last two years. Each of the past three years opened with a locked-in base that the platform then compounded through new business, renewals and an expanding VAS and digital layer.

Center level EBITDA in Q4 of INR212 crores at a 31% margin is up 224 basis points year-over-year and 230 basis points sequentially. Rent per square foot only increased 0.9% over the year. Operating expenses per square foot stayed flat despite inflation. Portfolio breakeven occupancy is 54.8%. With our growth cohort at 72.9%, they are comfortably over these breakeven levels.

Q4 EBITDA of INR164.7 crores at 23.2%, up 42.8% year-on-year and 22.4% sequentially. EBITDA margin of 23.2% expanded by 231 basis points year-on-year and 218 basis points quarter-on-quarter. Q4 PAT of INR80 crores at 11.2% is up 142% year-on-year and 53.1% quarter-on-quarter, with margin up 525 basis points year-on-year and 309 basis points quarter-on-quarter.

For the full year, EBITDA stood at INR499 crores at a 20.2% margin, up 23%. PAT of INR179 crores is up 134%, more than 8x growth in just two years. So EBITDA scales and PAT compounds.

One slide that captures the rhythm of the business better than any other. Around 20,000 desks of capacity came online across Q3 FY '25 to Q1 FY '26, a concentrated rollout that landed in three back-to-back quarters. This resulted in margin bottoming to 15% in Q1 of FY '26. From there, recovery in a single quarter to 20.3% and every quarter since has stepped higher, 21% to 23.2%, a record in Q4.

The full year average tantamounted to 20.2%, and that is the number the business actually runs through the cycle. The mechanic is always the same. Fixed costs land on day one, revenue builds with maturity, margin recovers and then averages for the year. Q1 FY '27 alone brings in 14,000 desks. The same mechanic applies. But this time, over 40% of the new capacity is managed office. And as last year's curve demonstrates, whatever quarter -- whatever be the quarterly rhythm, the full year margin normalizes.

On the side note, FY '26 EBITDA margin of 20.2% includes a onetime cost of INR9 crores for the IPO. So excluding those costs, the normalized margin is 20.5%. ROCE for Q4 is 45.1%, up over 1,832 basis points year-on-year. For the full year, 28.3%, up 317 basis points. Finally, to cash and debt. Free operating cash for Q4 of INR234 crores. That's up 57% and a full year operating cash of INR586 crores, up 44%.

Our Q4 FY '26 EBITDA to OCF conversion is 1.4x, indicating a strong working capital management. Capex for the year was INR456 crores. Free cash flow after capex was INR129 crores for the year. That's up 286% year-on-year. On the balance sheet, we ended the year at a net debt negative of INR11.7 crores against INR215 crores of net debt a year ago.

Cost of borrowing fell 225 basis points to 8.5%. Credit rating upgraded two notches from an A- to A+. The combination is simple, high EBITDA, disciplined capex and compounding operating leverage. Our capital is working harder than it ever has.

With that, I will hand it back to Karan.

Karan Virwani:

Thank you, Cliff. So one thing to highlight before I close is Rivet. Rivet is a stand-alone design and build business for enterprises, landlords and developers with no WeWork center commitment required. It is the same in-house capability that we have delivered our own 8.6 million square foot, which is now offered to the market.

The economics of this are clean and straightforward flow-through of EBITDA to PBT, capital-light and no lease liability. Strategically, two things. It opens up every enterprise landlord and developer building workspace in India as a potential customer, not just those that are taking space with us. And second, we managed to retain growing customers within the WeWork ecosystem.

And finally, sustainability. Sustainability sits at the core of how we operate. Across energy, water, waste and renewables, we're committed to long-term targets that are amongst the most ambitious in our industry, backed by six globally recognized certifications across our portfolio. We are proud of the progress that we have made and even prouder of what it means building workspaces that give back to the environment and communities that we operate in.

So to close, FY '26 was the best year in our history. We outperformed on every meaningful metric, occupancy, revenue, EBITDA, PAT and ROCE. The category we operate in is being shaped by multiple powerful forces: the AI demand wave, the GCC build-out, flight to quality and the structural shift to how enterprises think about real estate.

The business is built to capture whatever combination of these play out and be ready for whatever comes next. FY '27 marks a shift in what WeWork India represents, no longer just a workspace operator, but part of the backbone that powers India's growth engine as it scales.

The order book is deep. The operating leverage is real. And now we're at the beginning -- and we're beginning to monetize the platform itself across our technology stack new adjacent services and the new network effects of 110,000 strong member base. We're building WeWork India for the future. Thank you for your continued trust, and now we're happy to take questions.

Moderator:

Thank you very much, sir. Ladies and gentlemen we will now begin the question and answer session. We'll take the first audio question from Adhidev Chattopadhyay from ICICI Securities. Please go ahead.

Adhidev Chattopadhyay:

Yes, good morning, everyone. Firstly, congratulations to the management for an excellent year. I may have missed it in the beginning, but if you could just help us understand in terms of the locked-in supply, you mentioned that we'll get to 150,000-plus seats, right? So is this a number for operation seats we should get to by the end of March next year? And consequently, any revenue guidance for the coming year? And what is the expected capex for the next year? So these are my questions. Yes. Thank you.

Karan Virwani:

Thank you. So yes. I'll quickly answer, and I'm not sure you can see the slide. But today, we're operating about 8.6 million square foot. What's locked in till March of next year, which is for this next financial year is roughly another 1.6 million or close to 2 million square foot. So we

will end March roughly at about 10.3 million, 10.4 million square foot, which will be about 155,000 desks from where we are today.

There are potential of this sort of like increasing based on some demand back deals that happen through the year or that might come through the year that I will add on top of this, if any. But this is the visibility that we have till March '27. Beyond that also, we have visibility of another 1.4 million, 1.5 million square foot, which is already signed, which will largely come on beyond -- between FY '28 and '29.

We're also continuously negotiating new deals, which we will update this group once it -- once those LOIs are signed. So as of right now, we have visibility of basically another 46,000 seats from where we are over, let's say, the next 18 months, which is already signed.

Now in terms of the capex, just for the coming year, this year, you'll see that we did close to about INR460 crores or we spent INR460 crores of capex. A lot of that was driven by some really large managed office deals, high-spend deals that we had to do this year as well. We have some of those coming next year. So we believe the capex will be somewhere in the range of INR500 crores to INR600 crores for next year in terms of what we end up spending across all of the deals that we already have locked-in.

From a revenue guidance perspective, we don't want to give any like guidance. I think we've stuck with the fact that we will keep growing the business at over 20% year-over-year on a top line basis. And you can already see the earnings growth is much, much higher. So we will continue that. One good part, obviously, is that we're going into the year with a higher amount of locked-in revenue than we ever have. And historically, we always compound on top of this significantly by the end of the year.

Adhidev Chattopadhyay: Okay, sure, sure. Yes. That was very helpful and pretty clear. I'll come back in the queue if I have more questions. Yes. Thank you and all the best.

Karan Virwani: Thank you.

Moderator: Thank you. We'll take the next question from Sourabh Gilda from JM Financial. Please go ahead.

Sourabh Gilda: Yes. Hi, good morning, and congratulations on a great set of numbers. I have a question on your design and build segment, which we have officially launched. So just wanted to get your sense on the thought process. So on a core business, we definitely have a right to win given our premium positioning and market leadership. And given the all other peers are competing in the design and build segment. So I just wanted to get your sense on how you would like to differentiate. And also, if you could quantify the size of the opportunity that you wish to capture in this segment?

Karan Virwani: I think, start with the size of the opportunity itself, which is set to be at like roughly \$35 billion to \$40 billion in terms of entire market size. But the reason that we got into design and build is slightly different. It's much more strategic. I think if you see how we've evolved the platform over the last nine years, we started as a co-working space. We've slowly progressed from being

just co-working for start-ups to really a workspace as a service provider for all types of businesses and large enterprises.

Then about two years ago, we launched -- we got into managed office as well to start catering to the companies that are already growing with us and getting to a size and scale where they wanted their own office, but they still wanted us to operate it, right? And we also see there are companies that once they reach a certain size, they end up wanting to go take their own space, own campus for whatever reason, they want to operate the space that themselves.

But a lot of them come to us and say, look, we love your design. you've executed so much space. They've seen the quality of our execution. So they're asking us to see if we can execute for them when they're going and taking up their own space. That's how we looked at getting into it.

The other part is that we look at it as a funnel or a net to the platform itself where companies who have never used a flex operator, never used a WeWork space, if we're able to do the design build for them in that traditional workspace, we believe that for overflow requirements, any new cities, new business units, if they're expanding outside of that office, we will be able to hold that relationship and actually get that demand into the platform and hopefully use it as a way to grow that account, grow that company.

So the way that we view this is more of a strategic net to continue to capture more companies within the platform itself and continue to cater to the existing companies that we have. And finally, in terms of right to win, like I don't want to comment on other operators. I think one of the key differentiators that we've always created is our quality of design and quality of execution that is really unmatched in the way that we deliver space.

We're taking all of that to Rivet. It's the same exact team that has done this for many years. We've built systems behind it. We have a procurement team. We have an execution team, and we have a design team that will execute to the highest quality. And our focus with this is not to grow this to some mass scale and it's become some 30% of our business or anything like that right now.

It's to do some really high-quality projects. It's to try to capture our existing customers. And for our managed office business, today, we use external design build consultants to deliver some of that where we pay an additional cost, we're paying fees. So with this unit, we'll maybe be able to cut down some of the costs that we have in executing those projects also by bringing it in-house rather than using an external design build company.

Sourabh Gilda:

Understood. Sure. Thank you, thanks for the detailed answer. My second question is just a clarification. The 14,000 seats that are expected to become operational by end of Q1 FY '27, is it fair to assume that they'll start operating at a very high occupancy from second quarter? Or will that be a gradual movement in occupancy for the seats?

Karan Virwani:

So there's a combination of both WeWork branded spaces and managed office spaces as part of that 14,000 seats. So as you can see, almost 40% is our WeWork branded -- I mean, our managed office spaces. So those will open with 100% occupancies on day one. The WeWork spaces will open with some occupancy and will ramp up like we've done historically across all of these

centers that within 12 months, we are seeing that we are able to get to that 85% sort of occupancy breakevens are happening within four to six months, Yes, four to six months in most cases, which you can see from the growth portfolio even today, which is already at about 70% plus. So we are trying to cushion a little bit of the capacity addition with the managed office business.

Sourabh Gilda: Thank you so much, those were my questions. All the best for the year.

Karan Virwani: Thank you.

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

Abhinav Sinha: Hi, Karan, strong performance and congrats to you and the team. A few questions. So firstly, on the guidance for the year on new builds, which is about 27,000 seats, what should be the year-end occupancy that we are looking at?

Karan Virwani: I think the endeavor is to keep the levels of occupancy as we sort of like exit. So through the year, as capacity comes on, there will be like slight dips in occupancy and then sort of like move back up. But the goal and the idea is to remain higher than 85% even as we bring on all of these new buildings as we exit the year.

And we've been able to deliver that, I think, with a strong managed office pipeline, which are opening at high occupancies and then some of the new centers that we have coming up in really prime locations, we feel like the ramp-up should sort of like get there. We've also planned some of the expansion to make sure there's not too much occupancy dips through the year as well.

Abhinav Sinha: And will this year also have eventually predominantly managed like it was last year in terms of new...

Karan Virwani: No. Actually, this year, we have a significant amount of WeWork branded spaces opening. So I think out of the 28,000 seats, roughly about 18,000 or 19,000 are going to be WeWork branded locations that we're opening, which is nearly double that which we did this year. But similar to what we did in the previous financial year, if you go back to FY 2025, that was the type of expansion. And then we use this year as a way to like stabilize that portfolio, ramp it up, get the occupancies going and now we're bringing in some new capacity. And we'll go down that sort of like process again over the next 12 to 18 months to ramp those up.

Abhinav Sinha: Okay. The mix which is coming up for FY '27, '28, and you've already hinted in your remarks that demand seems to be skewing a little more premium. So how should we look at how the portfolio is going to change in the next six to eight quarters?

Karan Virwani: I think one, we'll be doubling down on like some premium or like higher rental markets. So Bangalore is going to see some addition. We've already opened one location in Bangalore and in Aero City, which will see some further expansion within Gurgaon. We have some -- the growth markets, which are basically Chennai, Hyderabad and Pune seeing significant expansion in this coming year as well.

So I think it's a good mix between centers that would be priced, let's say, like over ₹20,000 a desk as well as centers in growth markets that are in the range of, let's say, like 12,000 to 18,000 also that will scatter through the year. And that's how we're looking at the expansion coming up for the coming year.

Abhinav Sinha: Great. And sir, Karan, lastly, with company turning net cash and it appears FCF should stay reasonably positive next year too, what are the use of cash that you're thinking about?

Karan Virwani: Right now, we're just in a growth mode. So like the use of capex is really to just keep putting it back into these -- into the centers and actually expanding the business. We will have peak periods of capex spend that happen through the year depending on the rollout. And then you'll have some lighter periods where you'll see operating free cash maybe higher than the quarters where we spent a decent amount of capex to deliver those new centers.

We're also seeing an increased spend from these GCCs and managed office businesses maybe slightly higher than we would have expected in terms of what they want to put into their space. And I think like the dollar strengthening will also probably enhance that entire bit for us. So the idea is to just keep on a lot of this liquidity to keep pumping back into the business. And we'll also build up the cash balance through the year to make sure that we are remaining in this net debt negative or close to net debt negative position even by the end of next year.

Abhinav Sinha: Great. Thanks, and all the best for the year.

Karan Virwani: Thank you.

Moderator: Thank you. We'll take the next question from the line of Yashas Gilganchi from BOB Capital Markets Limited. Please go ahead.

Yashas Gilganchi: Good morning team, thank you for taking my questions. Occupancy has improved remarkably over the quarter and year. Please give me a sense of how much of this take-up was driven by GCC tenants? Was there a significant jump? There was a significant jump in the leasing by BFSI and telecommunications tenants. So what drove this? And are these trends durable? And lastly, was the jump mostly driven by private office tenants?

Karan Virwani: Sure. So yes, the expansion -- GCCs right now contribute roughly about like 40% of our existing member base, I think of new sales, maybe closer to 50% in this last year. So if you look at the sectors that have grown through with us, it continues to be driven by sectors like BFSI, technology, pharma, etcetera. These will continue and are reflective of the overall commercial leasing market in India. So we're seeing that.

And as hiring changes or as different industries keep moving up -- moving up and down in the hiring cycle, you see the mix that we have basically changing also, right? So if you look at the member mix in what happened this year, which is the slide that we have up on the screen, you'll see like something like telecommunications, which never was an industry that had taken space with us prior, that's seen significant growth with one large deal that we did. BFSI has, for the last few years, been growing quite significantly. And even last year, we saw almost a 200% growth over there.

And you'll see other services -- other sectors like IT services have significantly reduced or come down in this last year. Even pharma compared to last year came down, but it was all taken up by other sectors, newer sectors and other sectors that continue to grow. So this mix is going to keep changing. And I think that's really the beauty of our platform and our business, right? It's able to cater to every single segment, any type of format.

The fact that we are doing managed office and WeWork plug-and-play spaces gives us the ability to take any size, any contract term and any industry. And you'll see from the spaces that we built out also in terms of use cases where we're not just building offices, which are just desk, right, like we're able to build broadcast studios to AI labs to EV testing facilities. So we're really future-ready for any type of transition or any type of work requirement that companies might have in the future, and we'll continue to do that.

Yashas Gilganchi:

Understood. And have you pre-leased any of the 1.6 million square foot of leases signed with your landlords? Any pre-leasing of the space you have signed LOIs for? I understand from the answer you gave to my colleague a while before that managed offices are likely to be 100% occupied from day one. I'm just trying to understand what drives the pace of expansion of leasable area at WeWork?

Karan Virwani:

So yes. So I think 40% of the deals is coming in Q1, which is actually a large part of our entire managed office rollout for next year is going to be fully demand back. So out of the 28,000 seats, roughly about 11,000 are already signed managed office deals that we have coming up, which will open with basically 100% occupancies. The remaining are WeWork locations that as we open, we pre-lease some portion of it or as we've opened, they quickly ramp up in terms of occupancy and flow through that ramp that we spoke about earlier as well.

So the velocity -- the uptick in velocity, the amount of customers that are within the platform itself who are looking for new space and this managed office portfolio are really the things that are giving us confidence of having all of this capacity underwritten with demand and quickly filled up through the year as well. And that's how we balance or sort of plan for the previous year is really understanding the underlying demand that's already sitting with us, understanding things that we have locked in from the previous year going into next year. And the remaining bit is things that we've historically always done with sales velocity and move-ins, et cetera.

Yashas Gilganchi:

Okay. And just one last one. Is there any scope to -- for you to push revenue from VAS higher? I understand it was approximately 14% of revenue over the quarter. What's a good long-term level to assume going forward?

Karan Virwani:

Yes. So while it was 14% for this quarter, there was obviously like a large customization revenue that came in, in Q4. But if you see for the year, I think we've been hovering at that 13% to -- like 12% to 13% of value-added services, almost INR300 crores for this year, which is about 12%. I think you should always just assume that it is within this range itself.

In the next few quarters, we'll probably talk about some stuff that we're working on from a services standpoint, but it's not something that we want to discuss right now. And the idea is to find these non-linear ways of growing the business and growing the platform, find ways to go

deeper into the wallet share, do adjacent businesses like the design build business, which don't have lease liabilities and are slightly higher in terms of flow-through of cash and margin and incremental in terms of earnings, et cetera, for the business.

We think that with scale, as members grow from what we are at 110,000 to like 140,000, 150,000, 200,000, there's just going to be more and more opportunities for us to be able to create new lines of revenue and also scale this platform. You can imagine when this is 500,000 members or like 1 million members, the type of opportunity scale and size of the different revenue streams that already exists, like how large they could get, right, and how much they would add from a cash flow and an EBITDA standpoint. So I think that's where -- that's how we look at the business over the next five to 10 years.

Yashas Gilganchi: Understood. Thank you again for taking my questions and have a nice day.

Karan Virwani: Thank you.

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

Girish Choudhary: Yes, hi. Thanks for the opportunity, and congratulations on a very strong fiscal '26 and also the fourth quarter. I would also -- I mean, just genuinely credit the team for a detailed investor deck, right? So my first question, I just wanted to check on the margin sustainability. So you had exit EBITDA margins of around 23-odd percent. Full year was around 20%, which is more or less identical to fiscal '25. And when I see the deck, you also mentioned about 14,000 desks coming in, but 40% of that is managed. So I assume there will be operating leverage there. But I mean, generally, in terms of trajectory, how should we look at the margins in the next one to two quarters and also for fiscal '27?

Karan Virwani: Yes. No, it's a great question. And I think a lot of it, like we've said, always is a factor and timing of capacity coming in. If you just look at last year, the Q1 dip, which we had in this year of about 15% and then exit 23% is why the average ended up being the same or similar than last year. Like if that dip was closer to about 20%, we would have seen an average sort of like margin being much higher or that margin expansion basically playing out throughout the year.

And with the demand-backed expansion coming in, in Q1 or part of the expansion being demand back, we don't foresee as big a dip that we saw in the last year from Q4 into Q1. It will be less than it was. But there will still be a slight dip, and then it will again ramp up again. So hopefully, by the end of the year, the margin will show that expansion from levels that we are today to what it will average out for the entire year for next year as well.

And we added only 17,500 seats in this last financial year, right? So we're going to be adding almost 28,000 seats in this -- in the coming year. So it's more capacity, more sort of like more seats and all of that coming in while keeping the margin either at similar levels or slightly higher over through the year.

Girish Choudhary: Got it, got it.

Karan Virwani: And obviously that leads to compounding of cash and EBITDA also.

Girish Choudhary:

Got it, got it. Next, on the cost side, if I see the landlord, the rent per square foot, right, which I see have increased only by close to 1% this year. What I'm trying to check is that -- I mean, we all know that the commercial real estate market is pretty tight right now in terms of vacancy and the escalations which we are seeing. So going ahead, how much of your portfolio renewals will come up in the next one to two years? And what escalation should we expect? And just as a follow-up, in terms of passing on stepping up the rentals from the clients, how should we think about that?

Karan Virwani:

Yes. I think it's definitely -- so this rental escalation that you're seeing, obviously, is of our already contracted rents that we have and the average increase that we've seen both of contracted rents and signed rents that we have coming up. You'll see that consistently that our revenue to rent multiple remains at that 2.6 to 3x. So really, whatever rentals, whether market increase, a micro market increase that we've been able to get in, we've been able to price deals and actually like fill those up with the spread continuing, and that's leading to higher quantum and similar EBITDA margins or profitability margins as that new capacity comes on.

It's important to note why those rental markets are moving or why the rents are moving up is because of the real constraint between supply and demand that exists in those micro markets. So if we're able to capture that supply at the start of a 10-year cycle or this demand cycle, there's already so much pent-up demand that we see those seats filling up. And you can see this year, we filled up seats like 2x faster than the capacity that we brought on, right? And that's because we focus on these Grade A assets, Grade A properties, Grade A micro markets where the demand continues to remain strong.

Now from a lease renewal perspective, I think this is definitely an exercise or a new part of our business that's going to come up through the year. We see that there are micro markets where obviously over -- around us, the market rentals have moved up a lot. And there will be some jumps over what we have -- what we normally see in rental escalations as we do these renewals. It also will be a point where we evaluate which assets we continue for over a 10-year period. I think predominantly across our portfolio, I would say, 95% of the assets we will likely continue into another 10-year period.

Now the added benefit that we get, right, with this 10-year renewal, which is also a huge flip that the business is going to see over the next decade or so is that the depreciation of the capex is completely off the books. So whatever EBIT or PAT that those assets are generating today will balloon by the factor of the depreciated amount and whatever flow-through comes from already sitting at high occupancies at the start of the tenure because we've already filled it up.

And even if there's some rental hit when we look at the escalation, you will still see a bigger PAT from all of those assets as well, right? And new deals will basically be repriced at the new rentals that we signed. So you will see that repricing happen over a period of time in those assets, not necessarily on day one, but not so different from how you see new centers that we bring in, right, in a similar micro market.

Girish Choudhary:

Got it, got it. That was very useful. On my last question, this is on the capex. While you have discussed this on the call, you've spent close to INR460-odd crores. So if I do a simple math,

you added 17,000 desks for the year that roughly implies around INR2.6 lakh per desk, right, which is higher than the prior year. So if you can help us understand two things. One is how much of that -- I mean, fiscal '26 capex funded the fiscal '27 incoming desks? And in general, what is the underlying fit-out costs, which you're doing and the current inflationary scenario, how are you coping up with that?

Karan Virwani: Yes. No, thanks for that. I think the reason it is that high for this year. A lot of it is driven by two really large high-spend deals that we did, one for JPMorgan, Amazon and then some parts -- Yes, I think those are the two really large deals that were super high spend that inflated the capex. But those deals are also bringing us higher return on capex. So I think overall, our return on capex is like roughly about 34% even with this higher spend because of the way those are sort of like priced and come in.

We -- right now, we're estimating, like I said, about INR500 crores to INR600 crores for the coming year. 20,000 of the 28,000 desks are WeWork branded spaces. So there, we have good control on whatever the cost per square foot is and whatever the cost of spend will be. And then the managed office is whatever we have locked in, we know what the spends sort of look like. So we can estimate it to be in this range that we've already said.

There are certain deals that are still in discussion, design still happening. And if we extend or if those sort of ask to spend more capex, we will spend it. But you can assume that we will be recovering and getting a return on all of that capex spend to similar levels that we have today.

Girish Choudhary: Got it, got it. Thank you so much and all the very best.

Karan Virwani: Thank you.

Moderator: Thank you. The next question is from Raman KV from Sequent Investments. Please go ahead. Mr. Raman KV, I have unmuted your line, please proceed. Please proceed.

Raman KV: Yes, I just have one question. Hello, can you hear me?

Moderator: Yes, sir, please proceed.

Raman KV: Hello. Yes. I just want to understand with respect to Flexi Lease, which you are aiming for GCCI and AI, how is the model different from our existing model? And what is the edge in terms of ROCE from this model?

Karan Virwani: Sorry, can you repeat that question? I didn't fully understand.

Moderator: Mr. Raman KV, can you please mute your webcast sir, because there is a follow up on your line. Please mute your webcast first and then ask your audio question.

Raman KV: Hello, can you hear me now?

Karan Virwani: Yes.

Raman KV: Yes. So I just want to understand the Flexi Lease model, which you are aiming for the upcoming GCCI and AI boom. How is it different from our existing model? And also, can you throw some comparatively, can you just talk about the ROCE in the Flexi Lease model versus the existing model?

Karan Virwani: Yes. So just to clarify, there's absolutely no new product or no change that we're doing for, let's say, like AI businesses or GCCs. Today, the reason that the platform and our business is not just capturing the demand, but actually being able to -- is ready for any future demand that comes from any disruption that happens because of AI and because of the GCC growth, we're able to already cater to it because we're the only scaled platform that pan-India in these premium locations that can do plug-and-play requirements where you can start with a small amount of seats and actually grow to large managed office deals.

The other thing that's come out through the study that we did is that almost 75% of enterprises can't even foresee five years out anymore. They're looking to sign only three-year deals and three-year leases, which is something our model already is doing and able to do more than, let's say, traditional real estate.

And that's why we believe there's going to be more transition from just traditional -- like companies signing traditional long-term leases moving to WeWork spaces or the WeWork platform. So that's really what we were talking about that the WeWork business is the most future-ready real estate platform when it comes to this future of work and how we believe companies, enterprises, startups, entrepreneurs, all are going to work in the future from today.

In terms of ROCE, right? I think that like it's about 80% of our business today still is WeWork branded spaces, right? And our ROCEs are in that 25% to 35% range depending on occupancy, maturity of the center and the margin that we create. So it will flow in that similar range as well.

Raman KV: Understood, sir. Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. With that, we conclude the Q&A session. I now hand the conference back over to Mr. Karan Virwani for his closing remarks. Thank you and over to you, sir.

Karan Virwani: Thank you. I just want to close by thanking everyone for joining the call. It was -- it has been a great year, a very new life for us at being a public market company, and our endeavour was to make sure that we deliver beyond what we promised when we actually went through this process. We hope that in the next year also, we're able to continue to overdeliver and make sure that we provide as much value to the shareholders as possible, and we will continue to execute against the plan. So thank you very much, and we'll join you in Q1 -- in our Q1 call.

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