

Date: May 29, 2026

To, National Stock Exchange of India Limited ("NSE") Listing Department Exchange Plaza, C-1 Block G, Bandra Kurla Complex Bandra [E], Mumbai – 400051	To, BSE Limited ("BSE") Listing Department Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001
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Subject: Transcript of the Earnings Conference Call w.r.t. Audited Financial Results of Awfis Space Solutions Limited ('the Company') for the Financial Year ended March 31, 2026

Dear Sir(s)/Madam(s),

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference Call held w.r.t. Audited Financial Results of the Company for the Financial Year ended March 31, 2026, held on Monday, May 25, 2026, at 05:30 P.M. (IST) with the Management of the Company.

The above information will also be available on the website of the Company at <https://www.awfis.com/investor-relations/initial-public-offer/financials>.

We request you to kindly take this on your record.

Thanking You.

For Awfis Space Solutions Limited

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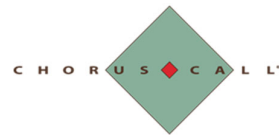


Awfis Space Solutions Limited

Q4 FY26 Earnings Conference Call

May 25, 2026

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 25th May 2026 will prevail.



MANAGEMENT: **MR. AMIT RAMANI – CHAIRMAN AND MANAGING DIRECTOR**
MR. SUMIT LAKHANI – CHIEF EXECUTIVE OFFICER
MR. SUMIT ROCHLANI – CHIEF FINANCIAL OFFICER

MODERATOR: **MR. VIKRANT KASHYAP – ASIAN MARKETS SECURITIES**



Moderator: Ladies and gentlemen, good day, and welcome to the Awfis Space Solutions Limited Q4 FY '26 Earnings Conference Call hosted by Asian Market Securities. 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. Should you need assistance during this conference, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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 the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Vikrant Kashyap from Asian Market Securities. Thank you, and over to you, Mr. Kashyap.

Vikrant Kashyap: Thank you. Good evening, everyone. On behalf of Asian Market Securities, we welcome you to the Q4 FY '26 Earnings Conference Call of Awfis Space Solutions. Today, we have from the management team, Mr. Amit Ramani, Chairman and MD; Mr. Sumit Lakhani, CEO; and Mr. Sumit Rochlani, CFO.

I now hand over the call to Mr. Amit Ramani for his opening remarks. Thank you, and over to you, sir.

Amit Ramani: Thank you, Vikrant. Thank you, and good evening, everyone. A very warm welcome to all of you joining us on the call today. I'm joined by Mr. Sumit Lakhani, our CEO; Mr. Sumit Rochlani, our Chief Financial Officer; and our Investor Relations Advisors from SGA. Our Q4 and FY '26 results presentation has been uploaded on the stock exchanges, and I hope you have had a chance to review it.

FY26 has been a defining year for Awfis. It was a year marked by strong execution, deeper enterprise adoption, sharper premiumization of the network and disciplined capital deployment. More importantly, it has been a year where the Awfis platform has demonstrated that scale, profitability and industry-leading returns on capital can all be delivered together consistently and at pace.

Before I get into our performance, I want to spend a moment on the broader landscape because the structural backdrop today is exceptionally supportive of what we have been building. India's commercial real estate market is at one of the strongest phases. CY 2025 saw record office leasing of 82.6 million square feet.

The third consecutive record year with new Grade A supply, completions also reaching a peak of 58.9 million square feet. The momentum has carried into CY 2026 with Q1 recording 21.9 million square feet of gross leasing, a 13% increase year-on-year despite a noisy global environment.

GCC continues to lead the chart, now accounting for over 40% of total CRE leasing, while flexible workspace operators contributed nearly 23% of the leasing activity. Demand from

premium Grade A assets is strengthening across the top micro markets. The Flex segment itself has grown eightfold over the past 8 years with penetration rising from 5% to 21% and expect it to reach 25% by 2027 as per leading industry estimates. Flexible workspace stock has grown roughly 3.5x since 2020 and continues to grow at a rapid pace.

The shift from real estate as a cost line to workplace as a managed business outcome is no longer a thesis. It is now visible in the numbers. Two forces are amplifying this further. The AI wave is reshaping how global enterprises view India as a true innovation and product development hub rather than just a cost destination driving GCC mandates that are larger, longer and more premium.

India's GCC ecosystem has now crossed 2,100 GCCs, generating nearly \$100 million in revenue with over 500 new GCCs and 1,000 new units established in the last 5 years alone. More than 1,200 of these GCCs now have active AI and ML capabilities and India ranked number 1 globally in AI hiring intensity across GCC markets.

What is particularly significant is the pace of maturation. 48% of India's GCC now operate at portfolio or transformation of maturity, up from 42% just a few years ago and 26% of new GCCs are reaching portfolio stage within 5 years, a journey that has historically took a decade.

At the same time, Indian IT services companies are returning with larger workspace mandates as cost parity narrows and AI-led delivery model scale up. Both forces play directly to our strengths across GCC's, managed office, and even the coworking segment, where AI-nativestartups and distributed teams are driving incremental demand.

Again, this backdrop Awfis delivered a strong Q4 and are defining full year performance.

For FY '26, revenue from operations grew 24% year-on-year to INR1,493 crores with our coworking and allied services segment growing 35% to INR1,237 crores, a meaningful acceleration over the previous year. To put that in context, this segment alone added INR321 crores of incremental revenue during the year.

Operating EBITDA grew 37% year-on-year to INR550 crores with margins expanding to 36.8%. This expansion is a cumulative outcome of several things working in our Favor at once, deeper enterprise demand, operating leverage as the network matures, the premiumization mix shift and the rising contribution of mature centers flowing through at full economics.

PAT before exceptional items grew 66% to INR71 crores reflecting the underlying earning quality of the platform. We continue to operate at industry-leading capital efficiency with ROCE sustaining at 60% plus and maintained at a net flat position through the year.

Let me now turn to strategic themes that defined FY '26 and that will continue to shape FY '27 and beyond. We see 5 engines driving the next phase of our growth, and I will walk you through each of them. The first engine is premiumization at scale. Premiumization has now become default at Awfis, not a strategy overlay.

Every new center signed during the year was in a Grade A/A+ asset with top demand micromarkets. That's standard now and non-negotiable. Nearly 60% of our new supply signed during the year was with institutional landlords, a significant step-up in our partnership with India's marquee developer ecosystem. These institutional assets are increasingly the natural home for gold and elite formats, which continue to see disproportionate traction from enterprise and GCC clients.

We closed FY '26 with 35 Gold and Elite centers across key GCC and enterprise hubs in India and the premium footprint continues to scale. The average size of a center signed across FY '25 and '26 is approximately 20% larger than our legacy portfolio, reflecting our deliberate shift towards enterprise-ready format, which are better aligned with GCC and managed office mandates.

We also became the first coworking brand in India to achieve three WELL certifications, simultaneously across Health & Safety, Equity, and Coworking ratings, a meaningful differentiator as GCC and large enterprising increasing the value to workspace partners on wellness and compliance credential.

Premiumization is translating into structurally better realization, stronger pricing power, longer client tenures and a meaningfully higher quality of revenue. The full financial benefit of this shift is still ahead of us and as the FY26 cohort of premium centers mature into steady-state economics, they are designed to deliver.

The second engine is multi-format supply. Our supply strategy today operates across 4 distinct pillars, and I want to walk you through each briefly.

The first is a revamped managed aggregation engine. We are increasingly using forward leasing as a strategic tool locking in Grade A/A+ assets in high-demand micro markets well before they are ready for fit out. We have already pre-committed over 4 lakh square feet under our MA model through Q2 FY '28. We are forward leasing, securing Grade A+ supply and with capital-light assets in advance.

The next evolution of this is developer partnership model. We are in advanced discussions with 2 marquee institutional developers for structured partnership built around shared capex, premium Grade A+ assets and Awfis managing the end-to-end operations. For us, this means premium supply at materially lower net capital intensity and sharper ROCE compounding. We expect these partnerships to become a meaningful supply pillar in FY '27 and '28.

The second is the next wave of enterprise supply anchored by 2 formats: Partial Managed Office and Demand Side Innovation where Awfis signs a new property, where only when 40% to 70% of the seats are already anchored by the enterprise or GCC client at the time of signing. The balance is filled through coworking, giving us anchor economics from day 1 and yield upside of flex inventory at center fill.

We have already a few partial MO centers started to go live soon with marquee anchor clients secured across Pune, Mumbai, Bangalore at the time of signing itself. Alongside this, premium managed office mandates from Fortune 500 GCC clients are driving large long tenured, high

realization requirements that add clear revenue visibility to our pipeline. The third is disciplined risk mitigated supply acquisition.

Our supply portfolio is built to perform across cycles. Every deal goes through an asset liability mismatch validation before signing and we are locking in flagship under construction assets, only where we have prevalidated demand and return signals.

We are also increasing the signing supply with a forward view, securing the best assets early in building a pipeline that is resilient regardless of where the CRE cycle moves. And the fourth is Premium by Design, 100% of new supply is in Grade A/A+ assets. We now have 35 Gold and Elite centers growing with a deepening presence in marquee IT parks and over 60% of new leasing time with institutional landlords.

The premium filter is non-negotiable and is what drives the realization trajectory we are building towards.

The third engine is GCC: Structural Demand Engine. GCC demand in India is no longer a cyclical theme. It is structural multiyear tailwind, and it is accelerating. India continues to add 20 to 30 first-time GCCs every quarter and the mid-market segment, which is our primary focus area, remains the fastest growing and most underpenetrated GCC category in India today.

The fourth engine for our organic growth, which is often underappreciated is conversations about our business, but is of the most powerful compounding levers we have. Our existing network itself is the growth engine.

Renewals and seat expansion within existing clients are deepening every quarter, and the multicenter client base, which today accounts for 48% of our total clients. This continues to grow as enterprises consolidated their Pan-India workspace requirements with Awfis.

To give you a sense of demand velocity, we sold over 58,000 seats across the platform in FY '26. What makes the compounding particularly powerful is the butterfly effect within our client base. A client entering through coworking often expand into managed office and then into full design and build mandate through Awfis Transform.

This is not a sales motion. It is a natural progression that plays out every quarter.

The fifth engine is the Value Beyond Flex, the set of adjacencies that compound of our core platform. Let me start with Awfis Transform: a design and build business. FY '26 was a softer year on overall D&B revenue, driven by project timing and lower count of managed aggregation deals. But the structural shift in the business is the real story.

Third-party revenue, our external client work outside of Awfis centers grew from INR95 crores in FY '25 to INR152 crores in FY '26, a 27% CAGR over 2 years. Third-party share has moved from 47% to 59%, and the average ticket size has nearly doubled. We closed 5 orders about INR10 crores in FY '26 compared to just 1 in FY '24 and '25, and 17 orders above INR5 crores in FY '26 versus 11 in prior 2 years combined.

Transform is now delivering across sectors as diverse as BFSI, pharmaceuticals, telecom, industrial, consulting and aviation, and we executed projects over across 20-plus cities in FY '26 alone. The pipeline going into FY '27 is materially stronger with INR130 crores of mandates already won in delivery across the next 6 to 7 months.

This is no longer a support function. It's just a stand-alone business with its own client relationships, its own capability stack and its own compounding pipeline. The cross-sell flywheel is one of the most powerful aspects of this business. 80% of our external D&B revenue comes from our flex clients. And it works the other way too.

Transform clients are now anchoring future flex and managed office demand back into the Awfis network. We have also been building Frame by Awfis, our furniture business over the last few quarters. The approach is deliberately capex-light rather than building own manufacturing infrastructure.

We have assembled a contract manufacturing setup across 5 plus partners covering all major furniture categories, giving us quality control and scalability without the capital commitment. The majority of our new coworking centers will have frame furniture deployed by H1, making it the default for our own center rollouts. Beyond that 30% to 40% of our D&B deployments are now integrating Frame through our existing transform pipeline.

And by H2, we expect to have 2-3 large external mandates closed with corporate clients where we are not engaged in Flex or D&B relationship, which is the first proof point of Frame as a stand-alone revenue channel. FY '27 will be a year of building this vertical with quality, discipline and right unit economics before we accelerate further.

Elite services across IT, F&B, transport, business support, continue to scale rapidly with attached rates increasing at our enterprise and GCC mix deepens. Each of this is a high-margin layer on top of our core seat economics and a meaningful differentiator after compound wallet shares per client over time.

Taken together, these 5 engines, premiumization, multi-format, GCC demand, organic growth and adjacencies are not separate initiatives. They reinforce each other. A premium center attracts a GCC client. A GCC client multicenters into our network and absorbs the allied services, a managed office mandate, converts into Transform engagement and each of these makes the new partial MO or develop a partnership easier to sign. This is the compounding flywheel we have been building towards in FY '26 is the year it has visibly started turning.

Before I close, a word on FY '26 guidance. Our coworking and allied services segment comfortably met both revenue and EBITDA guidance for the year. Consolidated revenue growth was slightly impacted by softness in Design Build segment, where EBITDA held up strongly, which speaks to the operating leverage and the earnings quality of the core platform.

To summarize FY '26 has been a defining year for Awfis. We have scaled the premium portfolio meaningfully, deepened our GCC enterprise base, built our new adjacencies in Transform and Frame, delivered industry-leading returns on capital and stayed net cash through it all. The 5 engines I walked you through are not a plan for tomorrow.

They're already in motion, each one reinforcing the other and each one positioned to compound through FY '27 and beyond. The business is in the strongest position yet. FY '27 is not about building for the future, it's about compounding on every strong present.

With that, I would now like to hand over the call to Sumit Lakhani, our CEO, to walk you through the operational highlights in greater detail. Over to you, Sumit.

Sumit Lakhani:

Thank you, Amit, and good evening, everyone. Let me walk you through the operational highlights for Q4 and FY '26. And then let me also pick up on a few items Amit referenced. During FY '26, we added nearly 30,000 seats across the network on a gross basis across 41 new centers with 100% of new supply in Grade A/A+ assets.

As of March 2026, our total supplies stood at 250 centers and approximately 167,000 seats across 18 cities, while signed supply expanded to 266 centers and approximately 184,000 seats. Operational capacity today stands at 156,000 seats. We were highly selective on supply this year, focusing only on Grade A/A+ buildings, prime micro-markets and centers with strong anchor demand.

More broadly, our supply additions are now increasingly optimized for revenue per seat rather than headline seat count. So while the headline number looks a bit smaller, the underlying economics are materially stronger.

Our supply pipeline going into FY '27 is robust with a meaningful share already secured through signed LOIs and centers under fit-out. All occupancy, mature centers defined as those operating for more than 12 months sustained at approximately 84%, while the blended occupancy stood at 76%.

To put that trajectory in context, over the last 4 quarters, we have moved blended occupancy up by 300 basis points on an average seat base of over 145,000 seats, which is a meaningful lift at this scale. We are also increasingly anchoring new client additions on pre-committed demand, either through full or partial managed office arrangements before setting up a center.

What that means is new centers are coming online with a higher starting occupancy than what has historically been the case, which structurally reduces the drag from new additions on blended numbers.

Demand quality has continued to deepen meaningfully. Enterprise and MNC clients now account for 64% of our client base. Average client tenure has strengthened to 37 months with lock-in tenure at 26 months, both of which reinforce the durability and predictability of our revenue base.

The 500-plus seat cohort, which is the most premium and stickiest segment of our portfolio now represents 37% of our overall portfolio mix. Multicenter client penetration is one of the strongest signals of platform value in our business.

Today, 48% of our client base operates across multiple Awfis centers and depth here is accelerating. Clients operating in 3 more centers now account for 31% of our seats up 300 basis

points quarter-on-quarter. Those in 5 or more centers account for 18%, also up 300 basis points and the share of clients operating across 10 or more centers has risen by 600 basis points quarter-on-quarter.

When a client expands from one center to multiple centers across cities, they are not just renewing a contract, they are choosing Awfis as their national operating partner. What is also worth highlighting is the density we have built within the key micro markets. We have a strong and deep presence across the most important micro markets in every major Tier 1 city with multiple format types co-located in the same catchment serving start-ups, corporates and GCCs simultaneously.

Like, for example, Outer Ring Road in Bangalore alone houses 12 of our centers, offering the full format stack from Value, Gold, Elite to Awfis 6.0 and managed office within a single micro market. BKC in Mumbai houses 5 centers serving BFSI, GCC and start-ups in India's most premium address.

This clustering creates network effects that are very difficult to replicate. Each new center strengthens the network, we can see risk drops as the catchment deepens, wallet capture per client increases and shared operational infrastructure across clustered centers drives lower operating expense and higher margins over time.

Our diversified client mix remains one of our strongest structural differentiator. We continue to serve across enterprise clients, SMEs, start-ups and mobility led users each through differentiated formats and solutions. This breadth gives us occupancy velocity at the entry end, anchor stability at the enterprise end and the funnel of clients who scale from one to another over time.

Our GCC business has continued to scale meaningfully. Before I get into the Awfis aspect metrics, it is worth noting the broader landscape. India's GCC ecosystem has now crossed 2,100 GCCs, operating across 3,700-plus units with the mid-market segment, which is our primary focus area remaining the most underpenetrated relative to its corporate base.

Over 100 new GCCs were established in India in FY '26 alone per the latest industry data and the tailwind from AI adoption is driving both new entrants and the expansion of existing GCCs at a pace we have not seen before. Two-third of new GCCs continue to choose Bangalore and Hyderabad as their primary location, but emerging hubs are also gaining traction.

And our 18 cities presence across Tier 1 and Tier 2 markets give us a network to serve these clients wherever they choose to set up. Within this landscape, Awfis now serves 100-plus unique GCC clients across 9 cities contributing approximately 23% of our rental revenues.

We closed 14 major GCC mandates in FY '26 with 6 already committed for FY '27 and another 7 in advanced stages of discussion. The momentum here is real and visible. Our strategic focus, as Amit mentioned, is the mid-market GCC clients typically entering with 25 to 200 seats and scaling rapidly across multiple cities.

The GCC client lifecycle within Awfis follows a very predictable pattern. Client typically enters at 25 to 50 seats in our working on board formats, expanding to 100 to 200 seats as operations mature and increasingly take up managed office mandates over time.

This creates long-term revenue visibility, deep stickiness and rising allied services rates as the relationship grows. Each new GCC cohort is materially larger and stickier than the previous one, deepening the compounding effect we see across the client base.

On the premium portfolio, we closed FY '26 with 35 Gold and Elite centers comprising 27 Gold and 8 Elite, and this segment continues to grow as a share of new supply. Our premium footprint now covers 8 key GCC hubs including all 7 Tier 1 cities, giving us the right presence in the market where premium demand actually sits.

Premium centers are increasingly the front door for enterprise conversions, large managed office mandates and higher allied services attached. They also command structurally higher realization. And as this cohort matures further through FY '27, the realization and margin contribution will continue to flow through.

A quick word on the 3 adjacencies Amit referenced earlier. On Awfis Transform, Amit walked you through the structural shift in the business, the third-party revenue trajectory and FY '27 pipeline. From an operation standpoint, I would add that Transform is increasingly becoming a national multisector platform.

The flywheel between our Flex business and Transform continues to strengthen, and we see this as a meaningful driver of per client revenue going forward. On Frame by Awfis, we have built the foundations through FY '26.

The team is in place, the contract manufacturing setup is operational across 5 plus partners and FY '27 will be a year of deliberate build for this vertical. Allied services across IT, F&B, transport and business support continue to scale steadily as a higher-margin layer over our core seat economics.

Before I close, one important point on our coworking business. Coworking is sometimes overshadowed in conversations about enterprise and GCC growth, but it remains one of our deepest structural advantages. Awfis is the only scaled flex operator in India with a genuinely deep and diversified presence across the small and midsize cohort of coworking segments from single seat users to 100-plus seat clients.

What is particularly interesting is that around half of our sub-100-seat clients are large enterprises or MNC clients. Even at entry point scale, we are adapting blue-chip demand, not just filling seats. This is a highly operations-intensive business and with meaningful entry barriers built over more than a decade of execution, technology integration, operation depth and network scale.

It is also the segment that creates the funnel for everything else where the network effect begins and the moat that is very difficult to replicate. Overall, what we are seeing across the operational

metrics is a network that is maturing well. A client base that is deepening rapidly and a platform that is set up to compound.

With that, I hand over to Sumit Rochlani for the financial update.

Sumit Rochlani:

Thank you, Sumit, and good evening, everyone. Let me walk you through the financial performance for Q4 and FY '26 in detail. Starting with the fourth quarter, consolidated revenue from operations for Q4 FY '26 stood at INR410 crores, growing 21% year-on-year. Within this, our coworking and allied services segment grew 27% year-on-year to INR342 crores, continuing the strong momentum we have seen through the year.

On a sequential basis, this segment also grew 6% quarter-on-quarter, reinforcing the consistent compounding trajectory. Operating EBITDA for the quarter stood at INR152 crores, a 31% increase year-on-year with EBITDA margins expanding to 37%. Profit before tax and exceptional items grew 97% to INR24 crores, and PAT for the quarter came in at INR23 crores, compared to INR11 crores in Q4 FY25, a growth of 107%.

Moving on to the full year. Consolidated revenue from operations for FY '26 stood at INR1,493 crores, a 24% increase year-on-year. Our coworking and allied services segment grew 35% to INR1,237 crores adding INR321 crores of incremental revenue in a single year. To put this in context, INR321 crores of incremental CW (Co-Working) net revenue in 1 year. Operating EBITDA grew 37% to INR550 crores, with EBITDA margins expanding by approximately 350 basis points to 36.8%.

PAT before exceptional items grew 66% year-on-year to INR71 crores. As a reminder, the exceptional gain in FY '25 related to our exit from Awfis Care business and there are no exceptional items in FY '26.

On a normalized basis, adjusted for Ind AS 116 and other accounting items, normalized EBITDA for FY '26 stood at INR213 crores a 27% increase year-on-year, with normalized EBITDA margins at 14.3%. Our balance sheet remains in excellent shape. We maintained a net cash position throughout the year.

With net debt to equity at negative 0.20 and gross debt to equity at 0.09, reinforcing the financial discipline that underpins our group. Cash generated from operations for FY '26 stood at INR655 crores.

After tax payments, net cash from operating activities came in at INR616 crores as per Indian accounting standard. On a normalized basis, adjusted for lease liability outflows, normalized cash flow from operations was at INR216 crores, reflecting strong cash conversion with operating cash flows to EBITDA of 1.01x. On returns, ROCE sustained at 60% and annualized ROE stood at 17%.

Just as importantly, our revenue to gross fixed assets ratio came in at 1.5x, which is best in the industry, reflecting the asset productivity advantage of our capital-light managed aggregation model. On capex, total capex deployed towards capex during FY '26 stood at approximately INR208 crores, primarily directed towards Grade A/ A+ centres in premium micro markets.



With that, we conclude our opening remarks and would like to open the floor for questions and answers.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question is from the line of Murtuza Arsiwalla with Kotak Securities.

Murtuza Arsiwalla: Just 2 or 3 questions. One is when you refer to your occupancy, is the base on operational capacity or on the total supply of 167,000 seats. So that's first one. Second, what's the margin profile on the D&B business or roughly INR250 crores of external revenues? And the third one was on, I don't seem to see revenue to rent kind of a ratio, which is a lot of your peer set sort of reports. So if you could give us some indication on that?

Sumit Lakhani: I'll start answering your question, this is Sumit. So with respect to the occupancy, we look at the occupancy calculated on the total operational seats, so which in this case would be around 157,000 seats. With respect to your second question around on design and build revenue and margin. I'll request Sumit rochlani to answer that.

Sumit Rochlani: The design and build margins are close to 7% to 8%, and this is the net margins that I'm referring to. And the last question you had was on rent to revenue ratio, is it?

Murtuza Arsiwalla: Yes.

Sumit Rochlani: Yes. So the revenue-to-rent ratio for us comes around 2.3x.

Moderator: Our next question is from the line of Yashas Gilganchi with BOB Capital Markets Limited.

Yashas Gilganchi: Would you be able to share what is the operational chargeable area as of 4Q '26? And also the centers assigned to the partial managed office? Are these centers also likely to be bigger than the typical Awfis center or is it right to assume that from now on, the average Awfis center is likely to be bigger across all offerings?

Sumit Lakhani: So the operational chargeable area, we are looking at every seat as 50 square feet. So across various metrics of seats, which we have given you could directly just multiply by 50 for the area. So that's the standard metrics we have been following over the last couple of years. In terms of your question around partial managed office centers, the primary goal for us is to set up centers in the range of about 30,000 to 50,000 square feet.

However, in partial managed office centers, we are a bit agile in terms of -- if the size of the center increases. There are certain discussions where we would be looking at signing closer to about 65,000 to 70,000 square feet centers where the client demand ranges from about 40% to 50% day 1.

Yashas Gilganchi: Okay. Understood. And what is the highest sustainable level blend occupancies can be treated in your portfolio? And what would drive that improvement?

Sumit Lakhani: So primarily, the overall -- if you look at the headline blended number, over the last 4 quarters, as I mentioned, it has gone up by 300 basis points at an average seat base of about 145,000. The blended figure of 76%, it's essentially a function of the large cohort of new centers added during

FY '26 still being in the ramp phase. So as long as we are growing at this pace, there is always going to be some drag on blended occupancy, right.

On our mature cohort, the centers, which are operating for more than 12 months, we are at 84%. This is healthy, but this is also where we believe there is a room to do better in FY '27. So primarily 3 actionable levers over here from our side, more deeper GCCs and enterprise penetration across these centers.

Second, what we are aiming for is longer tenure deals into these centers. And a straightforward actionable for is more active renewal and churn management across the portfolio. Broadly in this kind of a cohort, we would prefer that at least we have a couple of 100 basis point increase over the next couple of quarters.

Yashas Gilganchi: Understood. And if I could just squeeze in another question. With the meaningful improvement of growth in your D&B business and a higher proportion of Elite and Gold centers, how do you expect EBITDA margins to trend over the next few years?

Sumit Lakhani: Sorry, can you repeat that question?

Yashas Gilganchi: Sure. With the meaningful growth in your D&B business and a higher proportion of the Elite and Gold centers, how do you expect EBITDA margins to trend over the next 3 years?

Sumit Lakhani: So see, fundamentally, if you look at a broad view of next 2 to 3 years, we think that all the interventions which we are making right now with respect to moving into the whole premiumization strategy, we think we will move into a serious kind of uptake around on EBITDA margins going forward. And a D&B business with a good portion of D&B business coming from third party over the course of next 2 to 3 years will help contribute further in improving the EBITDA margins.

Moderator: Our next question is from the line of Shamit Ashar with Ambit Capital.

Shamit Ashar: So I just wanted to know what would be the seat addition for FY '27 be. And what kind of capex number are you looking for in FY '27, given that we'll be adding more of Gold and Elite centers and some elevated capex in '27?

Sumit Lakhani: So, the way of what we have done in FY '26. So the FY '26 seat addition is reflecting more of a deliberate choice of quality over quantity. If you looked at, we were very highly selective on supply this year, focusing only on Grade A and A+ building. So we would look at following a similar kind of a trend around on FY '27 as well. Because the supply additions, the way we are looking at is now increasingly optimized for revenue per seat rather than the seat count.

And what we expect to do is probably around 22,000 to 25,000 gross seats translating closer to 1.25 million square feet. We have a decent kind of a pipeline and already a significant kind of visibility around on achieving these seats. In terms of the overall capex, the way we are projecting and seeing is it would be almost on similar lines of FY '26 across for these seats.

Moderator: Our next question comes from the line of Aditya Sharma with Shikhara Investments.

- Aditya Sharma:** Just trying to understand what happened in this quarter? In last quarter, we reduced our guidance from 40,000 to 32,000 seats, and I think what we have done is 26,000. So if you could just help us understand what has led to this reduction in terms of what we had guided.
- Amit Ramani:** So on the coworking and allied piece segment, we obviously comfortably we met both revenue and EBITDA guidance, right? So 35% revenue growth and 37% EBITDA growth, obviously, speaks for itself. On basically the seat addition itself, obviously, it's a deliberate choice of quality over quantity. We were highly selective on our suppliers this year.
- We focused on only Grade A plus buildings, prime micro markets centers with strong anchor demand, and a larger share of elite and managed office center, which carry obviously longer fit-out timelines also shape the whole phasing. More broadly, our supply additions are now increasingly optimized for revenue per seat rather than the headline seat count. The underlying economics per seat are still materially strong.
- Sumit Lakhani:** So just one more point around here. The gross addition for FY '26 had been around 30,000 seats and not 26,000 seats...
- Aditya Sharma:** Can you help in terms of clarifying that because when you put in the presentation first half was 14,000 and then we did 8,000 and then we did 4,000. So my math suggests it's 26. So I didn't understand how did you put 30,000 plus seats added because if we just go back in previous presentations, H2 was 14 last quarter was 8. This quarter was 4?
- Amit Ramani:** So the seat addition still is 30,000. It's because of some of the closures that have happened. So the gross addition is 30,000. There are a few centers that have been closed and hence, because of that number, again, there is some mismatch in what you're saying and what we are seeing.
- Aditya Sharma:** Okay. So the number, the 26,000 is the net addition and 30,000 is the gross solution. That's how we should look at it?
- Amit Ramani:** So about roughly 22,000 is the net addition and 30,000 is the gross addition.
- Aditya Sharma:** Okay. Okay. And then where does this number come in 26. So the one that we keep guiding like 4,000 that you've highlighted in this quarter. If we add that is 26, so what does that number mean?
- Sumit Lakhani:** Sorry, you would have to give us, again, some context around 26,000 number?
- Aditya Sharma:** I'll repeat yes.
- Amit Ramani:** So, last year basically, last year, we ended the year at approximately about 135,000 seats. And right now, we have 157,000 seats that are operational. So that's the 22,000 net addition. And overall, we added 30,000. And hence, obviously, we closed 8,000. So hence, the net add is 22,000.
- Aditya Sharma:** Got it. Got it. Okay. And second question is, so some of the players with similar size are talking about higher growth in terms of space addition? So if this choosing premium offering, is it a

onetime exercise or if we're going to continue this and this is going to impact our growth expectation for the medium term as well. Is that how we should look at it?

Amit Ramani:

So I think, obviously, the premiumization has now obviously become default at Awfis. So it's not a onetime deal for '27. It's an overall strategy overlay. And obviously, every new center that we are going to sign now is going to be in Grade A and Grade A+ assets, obviously, in top demand micro markets. So there's not -- it's a non-negotiable and it's a fundamental shift that we are doing.

In terms of -- as we said earlier, we have given guidance on the number of seats that we would add this year would be between 22,000 to 25,000 seats that we would add. Now from our standpoint, the headline number of seat is not critical for us. I think what that per seat realizes for us is more critical.

So at the end of the day, growth is a factor of number of seats multiplied by the realization from the seat. So obviously, if my realization is higher from lower seat addition, I can achieve the growth that we have projected out there.

We are currently saying that, obviously, our growth is essentially going to be overall somewhere in the 25% range, where coworking will translate to about 25% to 27%, and the design and build business will be about 22% to 25%.

Aditya Sharma:

Got it. Got it. Just final question. Like with the increase in supply -- incremental supply from enterprise developers, will we see reduction in share of our managed aggregation format?

Amit Ramani:

Managed aggregation for us continues to remain a core strategy. I think as we explained in points that we highlighted, clearly, I think from our standpoint, this is fundamentally, we are doing 2, 3 things here, right? One obviously, we are looking at managed aggregation, but a better quality of supply and managed aggregation and that is happening through the developer partnerships that we spoke about.

I think we are in advanced stages of closing these 2 large developers, where they would essentially be a partnership and essentially, the investment will go in and Awfis will manage and run the show just like our managed aggregation model. So I think that clearly drives that for us.

And then as we are obviously moving into some of these micro markets, where we have done partial MO where we are doing MO, it gives us credibility in those markets to continue to expand those relationships with our developers.

And currently, we anticipate that this will -- the managed aggregation continues to remain a core strategy for us. And I think going forward, we will continue to maintain the ratio in the 60-40 kind of a range, which we have done over the last few quarters as well.

Moderator:

The next question is from the line of Vikrant Kashyap from Asian Market Securities.

Vikrant Kashyap:

Two questions. One, you mentioned partial MO is a new format. Could you walk us through what it is and why it matters for Awfis going forward? And the second question is been on

developer partnership that you were just talking about? There has been talk about your developer partners. Could you explain what these deals look like and how they fit in your strategy going ahead?

Sumit Lakhani:

Sure. So see, partial MO is something where Awfis signs a new property, and day 1 there's almost about 40 to, let's say, 60%-odd of the seats are already anchored by an enterprise or a GCC client at the time of signing. So the balance is filled through coworking. So this gives us best of the both worlds. So it gives us anchor economics from day 1 and the yield upside of flexible inventory as the center fills.

So we have been following it up since last couple of quarters, and now this is becoming more important part of our strategy. In terms of our developer partnerships, as Amit has mentioned, this is a variant of our managed aggregation model only.

Here, we are looking to have more portfolio level relationship with developers driving coworking and flex centers within their tech parks, where we'll have put out skin in the game in terms of putting a portion of capital from our side, giving a portion of MG but going more deeper and more larger kind of relationship with those partners.

The only difference here would be most of our managed aggregation so far has been hedged around all non-institutional space owners. And now we are seeing an opportunity that we can get more to build these partnerships with larger developers.

Vikrant Kashyap:

Okay. So in terms of the occupancy and risk mitigation, how these 2 strategies put together will help you out in terms of getting higher occupancy since partial would be taken care by your coworking and with this new strategy of sourcing, how would you minimize your risk?

Sumit Lakhani:

See, both are primarily anchored around on risk aversion and risk mitigation. As you see, most of the partial -- all the partially managed office centers or partial MO centers are going to be straight leases. So we are starting these straight lease centers with a kind of an anchor demand so that the complete rental or a portion of the fixed rental is covered day 1.

So it helps us reduce the occupancy buildup losses. In terms of developer partnerships, in any case, it's going to be risk averse because the risk will get shared between us and the developer, both in terms of occupancy across the tenure.

Second, it also helps us drive a capital-efficient model and give a way to drive more managed aggregation transactions. Why this is specifically we are calling it out because the MA transactions, what we are doing. We want to highlight that we are doing the MA transactions and attempting to do these MA transactions more Grade A and A+ building now.

Vikrant Kashyap:

In your presentation, you also mentioned about the Elite 2.0 and Awfis 6.0, you are going to build more of the premium versions. So in terms of capex per seat or maybe capex per square feet, how would you differ from your base versions of Elite and Gold, per say, and these 2 formats will have more of the incremental suites and centers going ahead in '27, '28?

Amit Ramani: So I mean, if you really look at it, 6.0 from a spend standpoint is not going to be very different than 5.0. It's a complete refresh on the design, but as far as the capital towards those centers go, the 6.0 centers, it would not be very different than what was being spent in 5.0. This 6.0 also will continue to be a majority of the overall seat count that we will add, right.

Obviously, we currently, as we had mentioned earlier, out of the 250-odd centers, 35-plus are in gold and elite. So we'll continue to maintain the ratio. And hence, I don't think the capital spend would be very different than what we have done for FY '26.

Moderator: Our next question comes from the line of Fenil Brahmabhatt with Choice Institutional Equities.

Fenil Brahmabhatt: So my first question is on the segment side. So what is the management guidance on the revenue from construction and fit-out projects? Any Y-o-Y growth we are expecting for next FY '27, '28? And from where we are expecting this growth. The second, we have not reported any other income like revenue from others versus around INR132 million in FY '25, so it would be great if you throw some color like we are going to expect anything on this side or there will be zero for next coming years?

Amit Ramani: Sure. So I'll answer the first part of the question, and then I'll request Sumit Rochlani, our CFO, to answer the second part. So let me walk you through the FY '27 outlook across the key parameters. So starting with revenue, our Coworking and Allied segment is expected to grow in the range of 25% to 28% (Correct number: 25% to 27%, previously stated on call) in FY '27. Awfis Transform is expected to grow in the range of 20% to 23% (Correct Number: 22% to 25%, previously stated on call) over FY '26 levels.

Together, this total will constitute a revenue growth of approximately 25% to 27% for the full year. Our confidence is obviously coming currently from specific drivers, committed GCCs sign-ups that we have done, both on megascale increasing in micro and nano GCC segment.

Obviously, the MO and the partial MO that we've spoken about where conversion is already visible and the premiumization mix that shift that is driving obviously structurally better realizations across the total portfolio. On terms of the second part of the question, I will just ask Sumit Rochlani to address that, please.

Sumit Rochlani: The line item, which says others in the segmental results that you are referring to represents revenue and results from the facility management services business that we had sold last year in September '24, sorry.

Fenil Brahmabhatt: Okay. So now we are not expecting anything on that side. Got it. Got it. And the second question is on the payment of principal portion of lease liability, which has increased significantly for FY '26. So can you throw some light over there and what we can expect for upcoming quarters on this?

Sumit Rochlani: So we have also added supply in a meaningful way this year alone, we have added 30,000 seats. So that alone contributes to the increase in the payment of lease liabilities. Also some of the centers that we have added towards the fourth quarter of last year, we initially had some rent-free period.

Once that rent-free period is over, which got over and this year, there was a rent outflow on those leases as well. And then since we have been in business for a decade there have been properties which have come up for renewal.

So there were escalations on that as well. So these are the contributing factors. But the primary factor is the seat addition that we have done this year and towards the end of last year in the last quarter.

Fenil Brahmhatt: So just want to understand what was the escalation percentage, if you can share the average escalation percentage or something, which would be helpful for us?

Amit Ramani: So I would not have that handy in terms of the average escalation. But typically, the way the leases work is that for the first 3 years is fixed, then it's a 15% escalation. And typically, depending on the fifth year, if you are renewing again, then there could be escalation at that stage, but I don't have that number handy on the overall portfolio level.

Moderator: Our next question is from the line of Hitaindra Pradhan with Maximal Capital.

Hitaindra Pradhan: I hope I'm audible. The first question is just a clarification on the seat addition. So 22,000 to 25,000 is our net additional guidance, right?

Amit Ramani: Gross addition guidance.

Hitaindra Pradhan: Okay. And sir, this addition would be 60-40 percentage that you mentioned, that would be coworking versus the managed office?

Amit Ramani: No, just to clarify, we were talking about the managed aggregation ratio which is currently at 60% is managed aggregation, about 40% is straight lease, and this has trended in the last few quarters at the same level. So this is not a mix of coworking versus managed office. This is a mix of managed aggregation versus trade lease.

Hitaindra Pradhan: Okay. So on this, sir, the incremental additions this ratio would be broadly maintained or will be pivoting more towards...

Amit Ramani: Yes.

Moderator: Our next question comes from the line of Shrinjana Mittal with MS Capital.

Shrinjana Mittal: I have 2 questions. First thing is in FY '26, we saw 30,000 seat gross addition and net addition being 23,000. So that means approximately 5% was the closure rate if I take last year's base. So is this a level of churn that you would characterize as omni course of business or was there some specific element of some portfolio readjustment which happened this year? Yes, that would be my first question.

Sumit Lakhani: So Shrinjana, you're right. So FY '26 was a year of portfolio rebalancing for us. As we were premiumizing the network towards Grade A and A+ assets. So we thought there are certain centers which we should exit. So out of the broadly 8,000 seats, which we closed one specific instance was there 3,000 seats, which were from a short-term space setup, specifically for a

single client, which we exited because this was more of a time bound arrangement and not a permanent addition.

The remaining closures primarily fell into 2 categories, one at the time of lease renewal, we evaluated each center against the return thresholds, the micro market outlook and asset quality. So wherever the terms did not justify renewal or where the buildings no longer met our Grade A+ bar, we exited.

So in a couple of these cases, we consolidated demand from older centers into newer centers in the same micro market. So we did not lose all the customers on the revenue, but we upgraded the experience for a significant portion of the customers. So broadly, we don't expect this percentage of seat closure across every year.

Shrinjana Mittal: Understood. Understood, Sumit, that's helpful. So, but going forward, you would say that this 5% is not the kind of churn that we're looking for, maybe some on the lower side?

Sumit Lakhani: Yes. 5% is not the kind of a churn which we would look at.

Shrinjana Mittal: Understood. Sir, my second question is a bookkeeping question. So if I look at the adjusted rent number, which is reported in the normalized P&L, that stands about INR350-odd crores for FY '26. But the cash flow rent number is INR412-odd crores, which is a gap of about INR60-odd crores. And in H1, this gap was about INR20-odd crores, and it was explained at that time that there is some cash flow accrual, timing mismatches and lease payments and IT products because of which this gap exists.

But the understanding then was that this gap would not widen in absolute terms, but it appears to have, so could you help me understand that what is the reason for the increase in this gap in absolute terms?

Sumit Rochlani: Yes. So the reconciling items that we had shared earlier, more or less, those reconciling items are still there as far as items like operating lease and as far as operating lease is concerned, of course, that with the passage of time as a higher number. We do have a reconciliation and we can connect on this one-on-one, and we can walk you through this calculation.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we will take that as a last question for today. I would now like to hand the conference over to Mr. Sumit Lakhani for closing comments. Over to you, sir.

Sumit Lakhani: Thank you, everyone, for joining us today. We hope we have been able to give you a detailed overview of our business and answer your queries. Should you have any further questions or required clarifications, please feel free to reach out to SGA, our Investor Relations Advisors. Thank you once again, and have a great evening.

Moderator: On behalf of Awfis Space Solutions Limited and Asian Market Securities, that concludes this conference. Thank you all for joining us. You may now disconnect your lines