

October 30, 2026

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 Q2 FY27 Earnings Call

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Q2 FY27 Earnings Call held on October 27, 2026.

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

This is for your information and records.

Yours faithfully,

For **WeWork India Management Limited**

Udayan Shukla
Digitally signed
by Udayan Shukla
Date: 2026.10.30
16:11:43 +05'30'

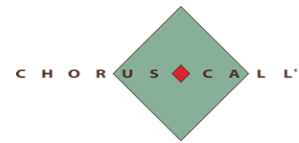
Udayan Shukla

Company Secretary & Compliance Officer
Membership No.: F11744

Encl.: As above



“WeWork India Management Limited
Q2 FY27 Earnings Conference Call”
October 27, 2026



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

Moderator:

Ladies and gentlemen, good day, and welcome to WeWork India Management Limited Q2 FY27 Earnings Conference Call. The presentation in this call is a concise version of the presentation uploaded on the company's website and shared with the stock exchanges. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions, and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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

Karan Virwani:

Thank you, Michelle, and good morning, everyone. Thank you for joining us for our Q2 and first half FY27 results. As always, the financials we discuss today are on an I-GAAP-equivalent basis. The reconciliation to reported Ind AS is in the presentation and our shareholder letter. Before we turn to the numbers, I want to start where everything we build starts.

WeWork is the brand India's companies look for first when they choose where to work. We pioneered this category in India, we lead it today, and that brand is the foundation of everything that we do. Our vision is an ecosystem where people feel supported, energized, and inspired to do their best work.

Our mission is to build spaces that don't just enable work; they elevate it. It shapes how we design WeWork spaces, how we operate it, and how our members experience it to the same standard day one in any city. The market around us has had another strong quarter. India absorbed 21 million square feet of office space in Q3, up 6% year-over-year, with GCCs taking about 41% of it.

Flex took 24% of all leasing, about 5 million square feet, which is up 21%, ahead of BFSI at 22% and tech at 15%. It has now been India's largest occupier segment for three quarters running. Two nuggets from the quarter that stand out for us: domestic companies took 47% of all leasing, and flex operators drove half of that. Hyderabad led the country with 25% of Q3 leasing, a market where we have doubled down this year.

The move to quality also continued, with 80% of completions being green-certified, and about three quarters of leasing in buildings under 10 years old, the same segment our portfolio sits in. Flex has gone mainstream, and branded workspaces are the most relevant form. Of India's billion-plus square feet of office space, Flex is about 123 million, organized Flex about 83 million, and organized branded workspace, a category we pioneered, about 29 million.

We operate about 10 million square feet of WeWork-branded spaces, by our estimate about 26% of the space and 34% of the revenue. That premium reflects how deeply our members build

around us. Once a company is inside the ecosystem, WeWork becomes part of how it runs, not just where it sits.

The demand comes from a change in how companies plan. Few can say how many people they will need or where a year from now, they're going to be, and five-plus year leases have collapsed from 40% of enterprises to just 8%. A new hire joins in 45 days to 60 days, while a team can be live in a WeWork space on day one, with no fit-out and no capex.

And companies are trading up to keep their people, with 55% of those planning or moved to targeting better buildings. Loyalty in Flex is never locked in; it's earned at every renewal. Companies choose WeWork first because the brand defines the category. 96% of companies that are not yet members already know us, against a 51% median for other operators.

We bring a global network of more than 600 locations in 37 countries, with 1 in every 4 Global Fortune 500 companies as a WeWork member worldwide. The backing of the Embassy Group and our relationship with India's leading developers put us in the right buildings, with about 94% of our portfolio in Grade A across 8 cities that take roughly 95% of the country's Grade A absorption.

They stay because the network grows with them. Our NPS is +79. More than 16,000 accounts work with us, and of those using our physical spaces, nearly 30% work across more than one format, moving from a day pass to a managed office floor without ever leaving the network. And 27% already buy from us beyond the desk. This is where the platform begins.

This is a category we created and the one that we own. AI and macro uncertainty are reshaping how companies grow, and they are now committed -- they now commit to teams before they commit to buildings. Branded workspaces and WeWork-branded workspaces are the most relevant answer to that.

WeWork is the most future-ready form, one standard in every city, life from day one, and able to grow and shrink or move with the business. That's the story of this quarter. Demand is keeping pace with our largest openings. Our platform is compounding beyond the desk, and margins, returns, and cash, all strengthening throughout the build.

We added nearly 11,700 desks in Q2, more than we've ever opened in a quarter, taking us to 145,300 desks across 85 centres in 8 cities, which is up 27% year-over-year, with about 18,400 added in the first half and about 4,500 more added in October. We are past the 22,000 mark that we set out for in Q1.

Members grew 32.5% to about 121,700, ahead of capacity, and occupancy grew 357 basis points year-over-year to about 83.7%, with mature centres at nearly 88%. The 114-basis points dip from Q1 is new capacity ramping up, and mature centres have edged up over the same period.

Demand carried straight through to the numbers. Revenue grew nearly 31.6% year-over-year and 10.1% quarter-over-quarter to about INR768.7 crores. EBITDA grew faster, at about 37.6%

to about INR162.9 crores, with a margin up 138 basis points over Q1 to about 21.2%. PAT grew 67.4% to about INR65.8 crores, and pricing held, with revenue to rent at all-time highs of 2.7x.

Returns and cash moved the same way. ROCE reached 34.5%, which is up more than 12 points in a year. We closed September with a net cash of about INR23 crores, from a net debt of about INR310 crores a year ago. And with an A+ rating and borrowing costs down 184 basis points to 8.5%, we're investing more and earning more on what we invest.

The first half tells the same story at greater scale. Revenue grew 30% to about INR1,466.7 crores, EBITDA 51% with a margin up 279 basis points, and PAT more than doubled to INR119 crores. H1 ROCE doubled to about 31.1% through the heaviest first half of investments in our history.

Over half of what we opened in Q2 was full from day one. Chennai added about 3,600 desks through a fully demand-backed managed office deal with an extension of one of our best-performing mature WeWork-branded spaces. Hyderabad added about 2,700 desks, all branded WeWork spaces, in a market that's led India's leasing in Q3. And Pune added another 2,600 desks, which are all managed offices.

Today, Bangalore remains our anchor at 54,000 desks. Hyderabad has overtaken Mumbai to become our second-largest market at 20,000, and Pune is close behind at 17,000. The next phase is already secured, more than 9,000 desks under leases signed and fit-out, about 38,000 seats under LOIs, which gives us about 47,000 seats of incremental desks, 32% beyond what today's capacity is.

We expect to reach about 150,000 to 155,000 by March of 2027 and on the way to about 190,000 to 200,000 seats, with supply for FY28 and FY29 already under negotiation. The base we are growing into is high quality and well balanced. Enterprises contribute 77% of core revenue, and Fortune 500 companies about 30%.

GCCs account for nearly 41% of the overall mix, and with other global companies, about 26%. No sector or customer dominates, and our Top 10 members together are 23% of overall revenue. Commitments are also well matched. Locked-in core revenue grew nearly 66% to about INR3,843 crores, covering the INR1,421 crores of rent locked in against it, which is about 2.7 times.

Over the year, we added nearly INR3 of contracted value to every INR1 of rent. And members are committing for longer, with the average term up to about 28 months that gives a strong visibility into quarters ahead. With that, I'll hand it over to Cliff to go in more detail.

Clifford Lobo:

Thank you, Karan, and good morning, everyone. Let me start with how our new capacity is being absorbed, because everything else rests on it. Year-over-year, we added 30,800 desks and 29,800 members, nearly a member for every desk. Our growth centres, those open for less than 12 months, are at 64.8% occupancy, up from 51.4% a year ago, on a cohort nearly 80% larger and well above our portfolio breakeven of 55.7%. Mature centres are at 87.7%, up 355 basis points.

The highlight of this quarter is the platform. VAS grew 35% year-on-year to INR79.6 crores, and digital 46% to INR29.2 crores. Together, they reached INR108.8 crores, up 38%, well ahead of 31.7% growth in our core business, which grew to INR657.7 crores. Revenue from operations grew 32.5% to INR766.5 crores. These are also our highest-margin revenue lines.

Digital operates at close to 80% EBITDA margin, and VAS is margin accretive. So, as both keep growing faster than the core, they will continue contributing disproportionately to our profitability, all the way down to PAT. The events, food, technology, customization, and digital access around our members' working day can all come from us, and every service they take deepens the relationship ahead of renewal. In H1, revenue from operations was INR1,453.8 crores, up 30.2%, with growth across every segment.

Our mature base continues to absorb the cost of growth while widening margins. Centre-level EBITDA grew 38.4% year-on-year to INR214 crores, with margin up 109 basis points to 28.4%. In H1, centre-level margin expanded 284 basis points to 28.1%. This was delivered with 25,000 desks still in growth centres. EBITDA grew 37.6% year-on-year and 17.8% quarter-on-quarter to INR162.9 crores, with margin expanding 138 basis points sequentially to 21.2%.

The comparison with our previous expansion is instructive. When around 20,000 desks came online between Q3 FY25 and Q1 FY26, margins fell to 15% before recovering. This cycle has been more concentrated, with nearly as many desks added in a single half, yet margin held at 19.8% in Q1 and grew to 21.2% in Q2. The operating leverage we have been building is already visible in our margins while the cycle is still underway.

Growth is carrying through to the bottom line. PAT grew 67.4% year-on-year to INR65.8 crores, with margin up 183 basis points to 8.6%. In H1, EBITDA grew 50.6% to INR301.2 crores, and PAT 149.5% to INR119 crores, more than three times our H1 profits 2 years ago. Returns grew through our largest investment cycle. ROCE reached 34.5%, up 590 basis points quarter-on-quarter and 1,235 basis points year-on-year. H1 ROCE doubled to 31.1% in a half in which capex grew 75%.

The business is a cash-generating engine, and that cash is compounding. Free cash flow from operations, or FCFO, was INR237.7 crores this quarter, up 149% year-on-year and 68% on Q1, at 1.5 times EBITDA. In H1, FCFO more than doubled, up 157% to INR379.8 crores, which is already nearly two-thirds of the INR586 crores we generated in all of FY26.

That cash is funding our growth in full. After INR175.8 crores of capex in the quarter, we still generated INR61.9 crores of free cash flow to the firm. In H1, that FCFO funded our entire INR363.8 crores of capex, the largest we have ever deployed, and left a surplus of INR16 crores. That surplus has strengthened the balance sheet. We closed September with a net cash of INR23.1 crores, compared with a net debt of INR310.5 crores a year ago.

Our credit rating was upgraded from an A- to A+ over the year, and our average cost of borrowing fell 184 basis points to 8.5%. Our reported Ind AS basis PAT was INR20.5 crores, compared to a loss of INR4.2 crores in Q1. The difference from our IGAAP-equivalent figures

is lease accounting under Ind AS 116 and brokerage. The full reconciliation is set out on slides 29 to 32. Margins, returns, and cash all strengthened through the largest investment cycle in our history. With that, I'll hand it back to Karan.

Karan Virwani:

Thank you, Cliff. We've spent this year building. Our largest capex cycle is now live, and as these centers mature, our base becomes larger, stronger, and more resilient, unlocking operating leverage and delivering superior returns and a more profitable growth. Alongside it, the platform keeps widening.

We are becoming the infrastructure companies run their workplace on, not the space that they sit in. That gives us more ways to grow and gives our members more reasons to stay. All of this is powered by a business that generates more cash than it needs to grow. India's companies are planning around teams, not buildings, and WeWork branded spaces are built for exactly that. This is how India works, and we built the category for it. Thank you for your continued trust, and we're happy to take your questions.

Moderator:

Thank you very much, sir. We will now begin the question-and-answer session. The first question is from Girish Choudhary from Avendus Spark. Please go ahead.

Girish Choudhary:

Yes. Hi. Good morning. Thanks for the opportunity. Firstly, on the expansion and let's say some of the new properties which you're signing today, just wanted to get a sense on how are the underwriting in terms of economics versus, let's say, what you would have done for centers 2, 3 years ago, right? Because one is obviously competition is increasing for the same new supply, and also what we have seen is the capital requirements going up.

So, just wanted to get a sense on the underwriting, how are you seeing in terms of payback period? Or looking at the revenue-to-rent multiples, are we seeing improving returns or is there some pressure which is coming in? So Yes, that's the first question.

Karan Virwani:

Thanks. I'll try to address that. In terms of the actual identification itself of the assets specifically for the next 12 months or even the next financial year that's already been done. And I think there are a few things that we are definitely doing differently. One, there's definitely an increase in the size and scale of the take-up that we are doing specifically in assets where we have super high conviction or are really like the Grade A assets across the country, so we are looking to take larger positions.

We're also underwriting and signing up buildings that are still under development with a lot of these landlords. And also with a lot of the landlords, talking about multiple properties under one transaction and no longer leasing just one asset at a time from some of these landlords. So that has definitely changed, which is giving us some speed of getting the right supply, and also getting the right stack, the right size in that supply.

Now, the other thing that we're definitely looking at doing is almost bifurcating some of this capacity between managed office and WeWork [Inaudible 00:22:56]. We continue to see return

profiles of the business expanding. You'll see that in the ROCE numbers, in the profit numbers that you're seeing today, even after a large expansion is happening.

And with that, we continue to sort of see pricing hold good, we are seeing more efficiency when it comes to how we design the spaces, and also, finally, controlling the capex spend, which is leading to these better returns. Payback periods continue to improve, ramp-up of occupancy timelines are continuing to improve. And with that, I think that in terms of underwriting of new assets, we're getting smarter at it, but I wouldn't say that we've drastically changed anything from the underwriting that we've done even 2 years ago in evaluation of the assets.

Girish Choudhary:

Great. Secondly, if you could talk about how renewals are trending across the portfolio, are you seeing some improvement in customer retention? And then also in terms of pricing, what sort of price increases are you achieving as and when the renewal comes up, and how does it compare with pricing on new customer contracts?

Karan Virwani:

So, I think in terms of contracted escalations, and you'll see that the average commitment terms also of each account has gone up to about 28 months, larger accounts are at about 32 months. So, on average across the member base, we are getting our 6% to 7% contracted escalations on the existing contracts today.

As we continue to do some of these larger managed office deals, you'll see that with the capex spend going up, the actual revenue-to-rent multiple on these deals is actually higher than what we've delivered basically in the past, so closer to about 3x versus 2.7x or whatever we have previously.

And in terms of renewals and all of that, you'll see that our renewal percentage is close, around 80% to 85% even for the first half of this year. We continue to see a lower-than-expected churn in the business over the first half of the year. And that is all leading to the occupancy tick-up that you're seeing both in the mature cohorts as well as the growth cohorts.

That is why in a period basically that of just this last quarter itself, occupancy has moved up the way that it has. Even our growth centres, like Clifford mentioned, have moved up nearly like 20% in just one quarter, while adding nearly like 10,000 seats within that. So almost about, if you just look at the member count versus capacity, we've added 30.8k capacity, but we've also added 30,000 members in that same period.

Even the growth centres just in the last quarter moved from about 15,000 seats to about 25,000 seats, but the members grew from about 10,000 to about 16,000, so nearly 60% of anything that we opened in this first half is already leased up within an average, weighted average period of let's say like three months across all of these assets that we've opened. So, if you look at the same cohort in the next year, we'll definitely hit and be crossing the mature building occupancy on that cohort, and it'll all start compounding and driving cash flow through the business.

Girish Choudhary:

Great. And finally, more a capital allocation kind of this thing. So, given the scale we are at and also the expansion which we have taken up or which is under process, how should we think

about the balance between further accelerating capacity expansion and let's say maybe generating free cash flow? How are you thinking about that going ahead?

Karan Virwani:

So, I think with the demand indications that we have, we definitely feel the need to expand the amount of, to grow the amount of expansion that we have coming up for FY28. So that is definitely one thing that we're working on right now to grow beyond the growth that we've had this year. So, some additional capex will get allocated towards that additional growth.

We also, I think like you mentioned earlier, see that some of the requirements on managed office, specifically from some of these large enterprises, the per-square-foot capex numbers have definitely increased, which is a good sign, and we're able to deliver on higher spec spaces for a lot of these customers and even larger spaces.

We're actually, we've signed one of probably our largest deal ever, which we will announce in the next quarter. That is a significant amount of capex that we'll have to deploy to that one single asset itself, and we hope that there'll be few of those in the coming year for us to do. Now, over and above that, 100% there's going to be some more cash that we have.

And like we mentioned in Q1, we've embarked on this corporate action of getting rid of our book losses or creating the ability for us to pay dividends or do buybacks. That is definitely one option that we're looking at if the business has excess cash. And I think that we are right now also looking at how we expand the platform completely.

We definitely want to invest into adjacent businesses that kind of complement the strengths that we have and the right to win that we have. We want to build businesses around helping companies grow in India, to make scaling easier, anything that allows for talent to become much more productive, to take away all of the inconvenience for Indian businesses to be able to kind of scale and become these global businesses. We want to be able to build businesses that help enable that, and some amount of capital will go into investing into those new ideas and new businesses as well.

Girish Choudhary:

Got it. Thank you so much, Karan, for the clarity, and wish you all the best.

Karan Virwani:

Thank you.

Moderator:

Thank you. The next question is from the line of Adhidev Chattopadhyay from ICICI Securities. Please go ahead.

Adhidev Chattopadhyay:

Yes, good morning, everyone. Thank you for the opportunity. A couple of questions. Firstly, sir, if you could clarify on the VAS revenue, what would be the customization revenue which was booked for the quarter and the flow-through to EBITDA? That is the first question. And secondly, more on a longer term, as you said, GCC is now 40% of the demand for us. So, in your conversations with GCCs, how are they looking at headcount addition right in India maybe for the next two to three years? And where does flex fit in all of that as part of their expansion strategy? Yes, those are the two questions. Yes, thank you.

Karan Virwani:

Sure. So, on customization, I think like we've mentioned in the past, we've now normalized any large lumpiness. So, I think in the quarter, we would have done about INR18 crores of customization revenue, and close to maybe about INR30 crores in the first half of this year in terms of customization revenue, which has a flow-through down to EBITDA.

These are a long tail of small, small, small customizations that we do across multiple member accounts that are much more short term and, in the space, coupled with maybe like one or two large ones that we've done. And this is probably the run-rate expectation that we have moving forward on how this sort of revenue stream will work.

We also have started to really amortize the large customizations like we spoke about, so this number includes amortized customization as well, which is smoothing out the entire revenue bucket over there. In terms of GCC headcount, we continue to see, I think, two things happening. While headlines read about job cuts across some of these large occupiers or large tech businesses, when we speak to all of them on the ground, they're all talking about moving jobs basically from the US to India and setting up these GCCs and insourcing a lot from some of the IT services firms because they want to control culture, they want to control the product, they want to control the talent.

We are seeing new businesses, new global businesses setting up. In fact, just yesterday, actually, I was at a dinner for Blackstone's GCC, Revantage, that they set up with Prestige on Outer Ring Road. And speaking to the guys over there, they were like, "This is just talent that we're moving out of PwC or Wipro that was housing a lot of this talent. We're trying to bring it in-house. We want to control the experience that they have. We're spending a lot more on the space."

And someone like Blackstone, who is an asset manager, was never really a large taker of space, they're a large owner of space, but they were never an occupier or tenant of space in the country. And like that, there is a whole bunch of new businesses that are setting up their GCCs that are sizable businesses globally, they just never hired talent in India.

And with this AI buildout and boom, which I think seeing some of the cracks in a lot of the stories of it replacing jobs and implementation within enterprises, etc. But if you think about companies that are really non-tech, which are a huge section of all businesses in the world, they are all trying to do technology transformation now, they're trying to build AI within their businesses.

And the only way they're able to do it is with skilled developers, and the only place with skilled developers at scale continues to be India. And so we see this as a big driver even in coming quarters. Now, there has been one change though, which is no longer necessarily an FTE or a seat count type of metric.

It is fully a productivity and outcome-driven metric that these GCCs are driving, and hence experience, the type of employee, the output of employee has changed to being much, much more high value, which is why you're seeing the premiumization story play out across the

country. You are seeing the increase in capex for some of these managed office deals because they want to spend more on the space.

It's not as dense, they want to give more amenities to these customers. Today, we are working on space types with a lot of these customers that are well beyond what we used to do. They are all asking for wellness spaces, they are all asking for F&B at scale, they are all asking for town hall spaces.

The need for meeting room, collaboration areas have increased almost like 50% in what these companies want in that space. So, AI has made the office much more collaborative. It is definitely a space where meetings and putting things together is more a requirement. And I think one other really green shoot which is getting unnoticed in our business is our digital products business.

That is just showing how the nature of demand is actually changing. I think it's a good indication of what future of office space, future of flex looks like, where there will be a lot of people, a lot of B2C customers that end up using the office space in this manner and on demand through a fully digital journey. So, all of these things, I think, are reasons why we continue to invest in the platform.

Adhidev Chattopadhyay: Sure, Karan. Thank you for that detailed explanation. Yes, and wish you all the best.

Karan Virwani: Thank you.

Moderator: Thank you. The next question is from the line of Mohit Agrawal from IIFL Capital. Please go ahead.

Mohit Agrawal: Yes. Hi. Good morning, everyone, and congratulations on a great set of numbers. My question is actually getting some more clarity on the earlier question on renewals. Karan, you mentioned that typically 80% or more of contracts which are coming up for renewal are getting renewed at a higher revenue-to-rent multiple. Is that understanding, correct? This would include pure renewals, right, with the same tenant?

Karan Virwani: Yes. So, renewals, I think like we try to do multiple bits with renewals. A lot of times, renewal comes with an upgrade conversation also. So companies do not just renew the existing contract; they end up adding scale, adding a new city, adding a new format of space. So when we look at the price increases over there, we try to obviously weigh out all of the different parameters, which include further commitment term, further lock-in from these customers.

So, I would say renewals are definitely lower than, renewal escalations are definitely lower than the annual contracted escalation and also some of the pricing increases we get in buildings when we fill up occupancy. And I think that's like a conscious call, because we want to obviously reward for loyalty, we want to reward for scale, and we want to help these companies continue to grow through the platform.

And the cost of churn or the cost of backfill is obviously much, much higher than whatever it costs us to renew at slightly lower. So we focus more on that. Even sometimes if it's let's say like a flat renewal that we would have to make, as long as there's added scale and there's an added commitment term, it makes sense for us, because the cost of replacing that customer would be a lot larger.

And that's how we kind of look at it. I think there's no uniform approach necessarily to these renewals, but over the last two years, you will see the rates have consistently moved up. We are seeing more customers grow with us. That's been like above 50% for years now, actually, that about 50% of our customer growth comes from internal members growing.

And yes, so that's how the renewal part is playing out. But on aggregate, that is all leading to the revenue-to-rent multiple, the overall pricing increase and revenue increase, and the margin increase in these centres.

Mohit Agrawal:

Yes, actually that is what, the profitability on renewals is what I was coming to. So, let's say, assuming that you would renew with the same tenant, even if the revenue-to-rent multiple is flattish, what proportion of the INR2,500 capex do you need to re-incur on renewals, let's say for a three-year or four-year contract? Because then that would actually get built into your IRRs or the entire profitability of the contract. So, have you analysed if a customer renews with you, what is the kind of enhanced profitability that you get on the renewal?

Karan Virwani:

Yes, I mean I think there's, again, we break it up into two parts. One is the WeWork-branded spaces, right, where our capex is over a longer period of time, not dedicated to that customer.

So typically, when renewals happen there, we do not end up putting any fresh investment into the space, unless there is some real requirement to, and at that point that gets priced in into the renewal conversation and there's a payback based on the further commitment term, let's say, that that customer is giving us, or they pay us upfront for small works that need to get done.

In some cases, it might be an enhancement that works for us, so we put that into the space, and it overall extends the capex, or the look and feel of the space, for years beyond what it would have otherwise. But these renewals happen like on a regular basis, and we do not go around keep deploying capital into some of those locations.

Now, on managed office deals or these larger, like fully dedicated capex deals, at that point, conversations happen with the customer. Sometimes they want us to reinvest back into the space. Sometimes they actually do not need to reinvest back into the space, and we continue that fit out with them.

So, like I said, even in that scenario, if we are putting any money back into the space, it all gets priced in to both the escalation and the commitment term that we have coming up. Now, profitability obviously increases with each renewal cycle, I think with every customer, because not only has it helped us pay back the initial capex that we have put in into the space, a further

renewal allows it to just be clear sort of like juice for the business, and it continues to improve the return profiles of the business.

We see the same thing happening in managed office as well. In managed office, however, I think sometimes when the amortized capex or the initial capex has amortized and we do not need to reinvest back into the space, we do give the customer the benefit of the paid-off capex so that we are able to kind of extend them at like a better rate also coming up for the future.

So, I think just to highlight the refurbishment cycle, across most of our assets, we are only putting in heavy investment back between year five and year seven, depending on the product and the wear and tear of those assets. And now we are already talking about renewal across most of the portfolio as well, so all of this capex will extend to a further 10-year cycle that should drive PAT increases at that asset level to be significantly higher than what it is today.

Mohit Agrawal: Hello?

Karan Virwani: Yes, I think, sorry, the last bit is the ROCE number obviously, it reflects all of it. It reflects refurbishment, maintenance, fresh capex, new capex, all of that is reflected in this number, so it is obviously continuing to move up. Sorry, am I audible?

Mohit Agrawal: Your voice is breaking.

Moderator: Mr. Agrawal?

Mohit Agrawal: Yes.

Moderator: Sir, can you please repeat your last line?

Mohit Agrawal: No, I think, Karan, this is very clear. Just one...

Karan Virwani: Yes. No, sorry, I just maybe complete it again. The ROCE numbers obviously reflect all of the capex investment that we are doing, which includes refurbishments or anything that we put in into any of the assets. And you can see that those numbers are trending upwards, which will be basically an output of better economics through each of the buildings.

Mohit Agrawal: Sure, this is clear. My second question is the cash flow from operating activities, like you put it, the free cash flow number to EBITDA ratio, as Clifford mentioned, was about 1.5x. How do you think about this ratio, and is the driver completely the security deposit float that you enjoy on higher leasing, or are there more legs to it? So, if you could explain that and the sustainability of that 1.5x around that kind of a ratio?

Karan Virwani: I think you should look at a range of between 1.2 to 1.5x in terms of what this number would look like. I think security deposits is definitely one factor to it. There is also sometimes like this upfront customization that companies end up paying us, but we've been now, we're amortizing that across the contract term, but we still continue to receive the cash upfront from these companies, so that definitely is adding to it. I think these are the two large factors really that

adds to that multiple. Security deposits will always continue, customization will also continue at different levels, and I think that is really what drives that range between 1.2 to maybe like 1.5 times.

Mohit Agrawal: Yes. So just one last clarification. When you're renewing a contract at a higher revenue-to-rent ratio, the security deposit, you get an incremental deposit on the renewed rental as well, correct?

Karan Virwani: We don't. We actually take additional deposit purely on any expansion of seats when it comes to that. So, we don't necessarily take higher deposits when the prices escalate.

Mohit Agrawal: Okay, understood. Those were my questions. Thanks a lot, and all the best.

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

Abhinav Sinha: Hi. Congrats on a strong quarter. Just a couple of questions. Firstly, on seat addition guidelines, now you have put March '27 as between 150 to 155k. Is there a chance of the earlier 155k not being met, and what is driving that? So that's first question. And secondly, if you can also guide us on what should be the margin uptick in the second half of the year? Thank you.

Karan Virwani: Sure. I think we wanted to start putting a range because sometimes buildings slip from one quarter to the other and doesn't always end up in the exact way. But as of today itself, we are already at 150,000. As of October 5th, we opened another 4,500 over and above this 45,000 that you're seeing, which ended at September 30th. So, we're already at 150k. We definitely have visibility of the 155 by, between now and March.

But like I said, with maybe some deliveries that are meant for March could potentially open like April 1st or in the first week of April, that's why we wanted to just kind of put this range in from a reporting standpoint. So, I don't think anything is changing in terms of the guidance or whatever it is, and some of it has to do with client requirements, some of it has to do with landlords delivering the space or giving us, handing over the space delayed or whatever it might be. But we continue to stay on the path like we've mentioned.

Now, in terms of margin expansion, I think for the coming two quarters, with a lower capacity addition and pretty much all of the rentals hitting in Q3, between Q3 and Q4, you will see, hopefully, further margin expansion as occupancy continues to move up. There will be maybe a higher expansion towards Q4, because we have some rent freezes and things that will expire in Q3 and actually start hitting the P&L in full force. But the large kind of growth, you'll definitely see happening by Q4 and as we exit the year. And that's kind of how we built out the plan as well. We wanted to front-load all of this capacity, so we have that time to ramp up towards the second half of the year.

Abhinav Sinha: Great. So, can we expect last quarter, 4Q margins to be higher on a Y-o-Y basis?

Karan Virwani: On a Y-o-Y basis, I mean we did have a pretty stellar Q4 last year, so I'm not exactly sure on a percentage-wise Y-o-Y basis would be that much different, but overall EBITDA base obviously would be much larger than it was last year.

Abhinav Sinha: Got it. Thank you.

Karan Virwani: Thanks.

Moderator: Thank you. We'll take the next question from the line of Mayur Patel from 360 ONE AMC. Please go ahead.

Mayur Patel: Congrats, Karan and the team, for stellar performance. Just one or two questions on this. Doing 21% plus EBITDA margin, and you're hinting towards more margin expansion going forward, is there anything we can take it as a guidance for next year and way forward? That's question number one, in terms of margin expansion.

Karan Virwani: I think that's a loaded question. But I don't think we'll give, really a percentage increase. I think there are a lot of moving parts, obviously. I mean just to give you a very good example of this year itself, right, minimum wage increases that hit us basically in this first half for Karnataka was nearly 60%, Haryana was also sizable, and we also got hit with a lot of energy, backdated energy tariffs, especially from BESCOM in Karnataka, which is our largest portfolio.

So opex cost per square foot actually went up significantly in this last year, I mean in this last first half, and even with that, we were able to deliver this sort of margin expansion. I think if that didn't exist or that didn't happen, margin obviously would be closer to maybe like 22%, 23% just in this quarter itself. So, to give you a percentage guidance, I think for next year is hard you know, just because there are so many moving parts, buildings open at different times, move-ins of customers can happen at different times.

I think what we really want to note is structurally the business is definitely expanding in terms of margin. Fixed costs are much, much flatter than the revenue growth that we're seeing today. You'll see just even in the rentals that we brought in versus the revenue contracts that we signed, there's a huge gap happening over there, and the rent-to-revenue continues to stay.

Now, I would say over and above that, our endeavor in terms of new initiatives, new businesses, is to drive anything that will make the PAT margin as well as the EBITDA margin grow. That is the major focus of how we're operating and growing the business. But you know I would say let's think about it in this range of 20% to 23% for next year, depending on how capacity comes in and all of that.

That's how we'd look at it. But structurally, really the center-level margins are nearly close to about 30%, so at any point in time, if we pull the lever on growth, you'll definitely see the margins inch up closer to the center-level margins.

Mayur Patel: Got it. Sir, just two more questions. First on, given your total capacity of 13 and you are at 9.8 currently, that clearly gives you that, like you said, March '27 will close it around 10%, 10.3%, 30% growth visibility for next year. But how is the pipeline looking for booking new supply and you know growth beyond FY28? That's one. And second, is my reading right, when we look at

your 2.9x contract value coverage, that's largely related to the current operational capacity of 9.8?

Karan Virwani: That's right. Second part, you're right. It's only based on whatever is basically hitting the P&L today and actual live contracts that we have signed up against that. In terms of growth from this perspective, like I said, the 13 is what we have signed right now, which are LOI signed. But there's a whole tail of assets that are not yet, that are in discussion, evaluation, and all of that, that are not either at LOI stage, or we've not brought it to LOI stage because we don't want to pay the deposit right now. And so, I think easily there's another visibility like of over 2 million square feet over and above this 13 that we have across various different assets that we're looking at right now itself, it's just not signed. Now, in terms of...

Mayur Patel: This 2 million can -- Yes, sorry.

Karan Virwani: Go ahead.

Mayur Patel: No, this 2 million can get finalized over next two quarters?

Karan Virwani: I wouldn't say over the next two quarters, but it will keep increasing as we need it to. There's no need to just sign-up space for FY29, FY30 today when we either don't know what the market is going to look what the demand is going to look which locations we really want to grow in. We having almost 95% visibility of let's say 12 months out, and maybe 70%, 80% visibility of 18 months to 24 months out.

But doing anything over and above that, signing these leases, taking on a long-term commitment where demand could move either way, I don't think is prudent either. We don't think about just adding AUM for the sake of adding AUM. We are definitely focused on a consistent rollout plan each year, and next year will be higher than this year for sure in terms of the desk rollout that we have, and we already have visibility of that. But we're in no rush to sign up spaces that are necessarily coming in FY29 or FY28 without knowing what the market is going to really look at that point in time.

Mayur Patel: Sure. Thanks, and all the best, Karan.

Karan Virwani: Thank you.

Moderator: Thank you. The next question is from the line of Rishith Shah from Axis Capital. Please go ahead. And I would request all the participants to kindly limit the questions to one per participant as we have a queue Thank you.

Rishith Shah: Yes. Thanks for the opportunity. Just on the extension of the previous question about renewals. On the expiries, so are you looking at any lumpy expiries in the coming maybe rest of FY27 and FY28? And correct my understanding if I'm wrong over here. So, with a tenure of about 28 months, we will typically see about 35% to 40% area expiring each year. How does that work, I mean? Yes.

Karan Virwani: So, on the last part, I mentioned, our renewal rates are closer to 80% to 85%, so you should assume obviously that section of the current contracts continues to renew with us for a further whatever, 28 months to 30 months. That's on average how that sort of continues to keep rolling. In terms of lumpy move-outs, we do have one company we have that might be moving out in the next year, but it is not fully certain right now in terms of timing, which month and things like that.

But Commonwealth Bank of Australia, that's been a large customer of ours for nearly 7 years, has taken up a large built-to-suit campus with Embassy in Manyata itself of about 1.2 million. So, there will be some shifting of that to their own campus, which happens. But we've already - I would say, we have already been working both on backfill as well as bringing in some large contracts that will offset any of that churn, because we've known about this for a few years in terms of their timing and when this is going to kind of move out. I think other than that, we don't have any deep concentration of customers, and we don't see any major issue in terms of renewals coming up next year apart from that.

Rishith Shah: Sure. Can I squeeze in one quick question?

Karan Virwani: Yes, go ahead.

Rishith Shah: Yes. So, with the capex cycle that we are, with the capex cycle that we are on, the depreciation should increase, so how are you looking at PAT margins going forward?

Karan Virwani: we have depreciations obviously increasing of newer assets, but we also have some reducing of older assets, and then as we go, some of the buildings go through the 10-year renewal, you'll see that most of the capex is paid off across those assets as well. But in terms of PAT margins, I would say hovering between the 7% to 10% with all the growth that we have coming in should continue. The timing of the expansion, the way that we roll it out, and the amount that we bring in is all something that we keep looking at and trying to manage it to the best of our ability. The other thing is obviously interest cost has come down drastically, which has led to also some of the PAT expansion in the business, and we hopefully see that continuing to stay this way.

Rishith Shah: Perfect. Thank you so much for the detailed answer. Thanks.

Moderator: Thank you. The next question is from Ankit Minocha. Please introduce yourself and proceed with the questions.

Ankit Minocha: Yes, hi. Good morning, Karan and Clifford. Congratulations on the consistent progress on the platform front. So I had asked about the promoter pledge on the previous quarterly call as well. At that time, you had indicated that maybe 30 lakh additional shares would be released shortly and that a block sale was another possible route towards eliminating the pledge. Could you please update us on whether there's been any progress since then and share the broad plan on the pledge from here?

- Karan Virwani:** Sure. In terms of the pledge, obviously that it continues to hold, it will come down. Market has been a little bit volatile, but as long as our value, our market cap sort of gets back to where it should be at, there'll be some percentage reduction in what is pledged based on the cover that we have on that debt.
- Our endeavour is to close this basically as soon as possible, but it also has to sort of make sense for us to be able to either sell something externally that is not WeWork-related or do a block at some point in time. But it's not something that we're looking at definitely at these pricing levels. We see that there's a lot of upside in the business coming up.
- We are in no hurry to close it, because we have three years to basically sort of like pay that debt off, and clearly the business is growing faster than the cost of capital that we have for that debt. So right now it makes sense for us to kind of just stay status quo. I think if anything changes or really what you want to know is that we are 100% on like a deleveraging path. Timing of that is just based on where it makes sense for us as a promoter group.
- Ankit Minocha:** Yes, sure. Thanks. That helps. I'm just coming from a place of which we are all aware of, that the kind of effect that this has on the share valuations as well. So, I mean, I believe it's moving up double-digit argument there, but yes, look forward to kind of...
- Karan Virwani:** Yes, I think there's no denying that, 100%. We are fully like aware of it, and it's something that we definitely want to get done as soon as possible.
- Ankit Minocha:** Appreciate that, Karan, and wish you guys all the best for that. Thank you.
- Karan Virwani:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, this will be the last question for today from the line of Saurabh Gilda. Please introduce yourself and proceed with the questions.
- Saurabh Gilda:** Hi. Congratulations on good set of numbers. My first question is just a clarification on a comment earlier made on rent-to-rent multiple, which is clocking 3x for some of the new deals. So just wanted to understand, is this also associated with higher capex per square feet that you're incurring?
- Karan Virwani:** Yes, it is. Especially on those larger managed office deals, it's fully driven by the capex spend. So, yes.
- Saurabh Gilda:** Okay. Sure. Thanks. And secondly, if you can highlight any capex guidance for second half and next year FY28?
- Karan Virwani:** I think we've, yes, I would say like for the entire year, we're still holding or like between INR500-odd crores of capex spend that will happen. Like I mentioned, we have a large deal that we're executing on for the next half, which just got signed like a few months ago, a few weeks ago. So that is a larger capex spend than we expected, but it will be lower than the first half for sure for the remaining half of this year.

In terms of FY28, like I mentioned, we're looking at extending the expansion or like adding more seats than we did this year. So, capex would possibly be closer to the INR600 crores mark, or maybe even slightly more than that for FY28. And yes, obviously it will still be well below the cash generated from the business in FY28.

Saurabh Gilda: Okay, sure. And given that you, the managed deals are largely, demand-backed, and so in that `sense, is there any upside risk? Because when you sign a manage deal, it kind of get closed in a two, three months' time period, right? So the point I'm trying to make is, is there any upside risk to the capex number in a situation wherein you may land up multiple managed seats which you don't envisage currently?

Karan Virwani: Yes, I mean I think that we would really hope for that situation to happen, because that just means while we'll be deploying more capital, our revenues will jump up more than we expected, and so will EBITDA, and so will PAT of doing these deals, because they're, like you mentioned, they're 100% demand-backed, and if we can get that live, it will obviously add a boost to the business. So, we, I think we hope, and we're actually pushing and fighting to try to get definitely upside that can help expand, sort of increase the growth that we have for that year.

Saurabh Gilda: Sure, Thanks. Thanks for the clarification.

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

Karan Virwani: Thank you, and thank you, everyone, for joining and spending time and asking us all of these detailed questions. We hope to meet a lot of you one-on-one and in meetings coming forward as well. Thank you for your continued trust. And we hope to continue to deliver as we've done in the past. So, thank you and have a great day.

Moderator: Thank you, sir. 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 now disconnect your lines. Thank you.