



Date: 13th February 2026

To,

BSE Limited,
20th Floor, P.J. Towers,
Dalal Street,
Mumbai - 400001.
BSE Scrip Code: 544454

National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051
NSE Scrip Symbol: INDIQUBE

Subject: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript

Dear Sir/ Ma'am,

Transcript of the discussion on the Unaudited Financial Results of the Company for the quarter ended December 31, 2025, at the earnings conference call with investor(s)/analyst(s) held on February 11th 2026, is attached and also available on the website of the Company at: <https://indiqube.com/investor/>

The earnings conference call with investor(s)/analyst(s), conducted through conference call, concluded at 02:55 p.m. (IST) on February 11th, 2026.

This is for information and records.

Thanking You.

For Indiqube Spaces Limited

Pranav Ayanath Kuttiyat
Company Secretary and Compliance Officer
Membership No. A57351

Indiqube Spaces Limited
(formerly known as Indiqube Spaces Private Limited, Innovent Spaces Private Limited)

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“IndiQube Spaces Limited
Q3 FY26 Earnings Conference Call”
February 11, 2026



**MANAGEMENT: MR. RISHI DAS – CHAIRMAN, EXECUTIVE DIRECTOR
AND CHIEF EXECUTIVE OFFICER – INDIQUBE SPACES
LIMITED**

**MS. MEGHNA AGARWAL – CO-FOUNDER & CHIEF
OPERATING OFFICER – INDIQUBE SPACES LIMITED**

**MR. PAWAN JAIN – CHIEF FINANCIAL OFFICER –
INDIQUBE SPACES LIMITED**

**MR. VIKAS AGRAWAL – HEAD-INVESTOR RELATIONS
– INDIQUBE SPACES LIMITED**

**MR. VAMSI CHATRATHI – AVP-MARKETING –
INDIQUBE SPACES LIMITED**

MODERATOR: MR. VIKRANT KASHYAP – ASIAN MARKET SECURITIES

Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY26 Earnings Conference Call of IndiQube Spaces Limited, 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 call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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

Vikrant Kashyap: Good afternoon, everyone. I welcome you to the Q3 FY26 Earnings Conference Call of IndiQube Spaces Limited. Today we have with us on the call Mr. Rishi Das, Chairman, Executive Director, and CEO; Ms. Meghna Agarwal, CEO and Executive Director; Mr. Pawan Jain, Chief Financial Officer; Mr. Vikas Kumar Agarwal, Head of Investor Relations; and Mr. Vamsi Chatrathi, AVP Marketing.

Without much ado, I now hand over the call to Mr. Rishi Das for his opening remarks. Thank you and over to you, sir.

Rishi Das: Yes, thank you, Vikrant. Good afternoon, everyone, and thank you for joining IndiQube Spaces Limited's Q3 FY26 Earnings Call.

Since this is our first interaction with the analyst community this year, on behalf of the entire management, I would like to wish a very Happy New Year to all of you and extend a warm welcome to all our shareholders, analysts, and the participants joining us today. Our earnings presentation has been uploaded on the stock exchanges as well as on our website, and we trust you had the opportunity to review it.

This quarter marks another important milestone in our journey. I'll start with the financial performance in Ind AS terms. We recorded our highest-ever quarterly revenue of INR395 crores in Q3 FY26, and this represents a year-on-year growth of 45%. If we consider the 9-month period ending December of '25, our revenue stood at INR1,063 crores, reflecting a robust year-on-year growth of 37%.

Profit after tax for Q3 FY26 has been INR40 crores, and this has more than doubled on a year-on-year basis. For the 9-month period, our PAT has been INR95 crores, our share lower than INR100 crores, and this is a growth of 284% year-on-year. Our return on capital employed improved to 23% in Q3 FY26 compared to 15% in the same quarter last year.

We have also taken major strides into sustainability. As we have mentioned earlier, we were in the process of setting up a solar farm in Yadgir, Karnataka. This has become fully operational, and we now have 20-megawatt open access solar farms running there, and this is taking care of a very large percentage of our buildings in Bangalore, which is the largest part of our portfolio, on green power.

Additionally, we are in the process of going live with a 4-megawatt solar farm in Latur. And these initiatives is a key milestone in our transition towards green power across our portfolio. Some bits we will share on the market perspective. South India has been the clear frontrunner when it comes to commercial real estate absorption. Bangalore, Hyderabad, and Chennai constituted more than 50% of India's commercial real estate absorption in Q3.

Also, another interesting fact is 80% of the total GCC absorption that happened in Q3 across India happened in these three cities. So it is as lopsided as that. If we talk about IndiQube, 80% of our pan-India portfolio is down South, and we have emerged as a clear market leader in the region and as a preferred workspace partner for global capability centers.

We view our dominance in South India not as a concentration risk, but as a strategic positioning that reinforces our leadership and our status as a preferred workspace partner for the global capability centers. Our strong financial performance along with our CRISIL A+ stable ratings highlights the resilience of our business model, the discipline underlying our growth strategy, and the depth of our long-term enterprise relationships.

With that, I will now hand over to my Co-Founder, Meghna Agarwal, to take you through the operational highlights for the quarter. Thank you.

Meghna Agarwal:

Thank you, Rishi. Moving on to our operation metrics, since quarter 3 last year, we have expanded our area under management by 1.5 million square feet, added 33,000 seats, launched 21 new centers, and added three new cities. Our entry into Bhubaneswar in this quarter strengthens IndiQube's footprint in the Tier 2 cities, reinforcing our position as a pan-India workspace platform.

Our IndiQube bespoke offering for enterprises continues to gain traction with approximately 66,000 square feet signed across two projects in Guwahati and Chennai. Our portfolio occupancy improved to 84% from 81%. However, the quarter-on-quarter metrics such as occupancy and EBITDA may witness temporary volatility primarily driven by the scale and timing of a new rent-paying area addition in a given quarter.

For example, in the coming current quarter, the occupancy declined to 84%. It was largely due to the addition of 7.8 lakh square feet. However, from a steady-state perspective, we expect the corporate level occupancy to remain in the 80% to 85% range, and the mature centers to consistently operate between 85% to 90% occupancy range.

On an annual basis, our operating metrics remain aligned with our guidance. Further, I would like to underscore that technology remains a fundamental pillar of our workspace experience. During this quarter, we have upgraded our space management module, which enables enterprises to seamlessly configure their workspace into dedicated desks and hot desks.

Employees can view real-time desk availability and instantly book desks, improving utilization, flexibility, and overall workspace efficiency. Our workspace app, MiQube, has surpassed 100,000 downloads, and over 9 months the MiQube ecosystem has been close to about 1 million transactions.

The value-added services continue to be an integral part of our growth. VAS contribution overall revenue has gone up to 13% in 9 months compared to the 12% last year. And as these value-added streams scale, we see the VAS contribution increasing further.

I would also like to proactively clarify a few reoccurring questions which came -- keep coming. The first is what is lease liability in our context? Now, under Ind AS, they arise solely from our accounting requirement to recognize future lease rentals for long-term operating leases and not from any borrowing or financing activities. They are purely non-cash and notional in nature.

In our case, while the balance sheet may reflect a lease liability towards the tenure of 10 to 15 years, our actual contractual commitment to the landlord is limited to the lock-in period, which is only typically around about 3.5 years. Hence, these liabilities should not be included in the net debt or a ROCE computation as they are not financial in nature.

The second is the company's PAT positive as per applicable income tax rules and has been consistently paying income taxes, reflecting the underlying strength in profitability of our core operation. The accounting loss which is reported in Ind AS arises primarily due to the application of Ind AS, which requires recognition of depreciation on right-of-use of asset and interest on lease of liabilities.

Both of these are non-cash accounting adjustments driven by accounting standards rather than operating performance. A detailed reconciliation and explanation have been provided in the investor presentation also.

We remain deeply confident about the road ahead supported by strong client demand, a resilient business model, and a continuous focus on profitability, sustainability, and innovation. With that, we look forward to addressing your questions during the Q&A session. Thank you.

Moderator: Thank you very much. Our first question comes from the line of Adhidev Chattopadhyay from ICICI Securities. Please go ahead.

Adhidev Chattopadhyay: Yes, good afternoon, everyone. Congratulations Rishi and Meghna for delivering another strong quarter. So first, I'd like to ask a more strategic question on our expansion plans. Now that we have gone for almost 10 million square feet of AUM, so based on the pipeline and the business development activities, so year down the line, where do you expect this AUM number and also your Operational area to be in the next four, five quarters? That's the first question?

Meghna Agarwal: So thank you, Adhidev. So the thing is, as you rightly said, historically we have added 1.5 to 2 million square feet annually, which translates to approximately 33,000 to 44,000 seats per year. And we intend to continue to operate within the similar range going forward. So if you see, currently our total signed portfolio stands at 9.55 million square feet, which is approximately about 2,12,000 seats.

And of this, about 6.3 million square feet, which is the rent-yielding area, approximately about 1,40,000 seats there. So this leaves already a pipeline of 3.26 million square feet, which is approximately 72,000 seats, which is already signed and which is expected to become operational over the next 18 to 24 months.

If we take this headroom, inbuilt headroom, it already provides a strong visibility of growth and should support the approximate 30% annual topline growth subject to ramp-up timelines. And from an occupancy perspective, we continue to guide for 82%, 85% for our corporate-level occupancy and 85%, 90% in a mature center. Thank you.

Adhidev Chattopadhyay: Yes, sure. And so the second question is just trying to reconcile the cash flows for the quarter? Our net cash seems to have reduced by, I think, INR40-odd crores quarter-on-quarter. Could you just help us reconcile the capex working capital and any taxes we may have paid from the EBITDA of INR70 crores we have done, the cash EBIT? That's the second question?

Meghna Agarwal: So look, so both Adhidev, we assess the reporting operating cash flow and even the capex on a half-yearly basis aligned with the balance sheet closures. So although we would want it, because of the auditor reasons we did not. Accordingly, we did not provide a standalone OCF or a capex split for Quarter 3.

However, for H2, our operating cash flow has been broadly in line with H1, both for OCF and the capex. So if you look at our balance sheet, like the cash flow was around about 151, in about H2 we would have similar and even the capex would be also similar. So in balance sheet at the end of the year, you would see both the terms coming.

Adhidev Chattopadhyay: Okay. If you could just help us with the overall capex for the year, means which you are planning, just for this year, just for 26? The overall budgeted capex which we are expecting?

Meghna Agarwal: So it was -- H1 was around about, I would say, about INR180 crores. The H2, Adhidev would be something in the similar range. So my H1 OCF and the capex it would be almost similar of H2 so both yes.

Adhidev Chattopadhyay: Okay, fine. That's it from my side. I'll come back in the queue if I have more questions. Thank you, all the best.

Moderator: Thank you. Our next question comes from the line of Mohit Agarwal from IIFL. Please go ahead.

Mohit Agrawal: Yes, hi. Good afternoon, everyone, and congratulations for a great set of numbers. My first question is on your revenue growth of 45%. While your occupied seats have -- the volume has gone up by about 27%, the revenue from co-working business has gone up by 45%. So one would kind of generally understand about a 5%, 7% bump up to volume. What would explain this? Is there like a meaningful reset in pricing or is it premiumization? If you could explain that?

Meghna Agarwal: So the question Mohit you're asking is, why do we see much more change in the revenue versus the number of seats? Is that correct?

Mohit Agrawal: Yes. So year-on-year, the occupied area has gone up from 5 million to 6.3 or the number of occupied seats would be 110,000 to 140k approximately. That is 27% growth versus that the revenue growth is about 45%?

Meghna Agarwal:

So there are two, three reasons to it. So one is the occupancy. If you see, our occupancy has improved from 81% to 84%. So that itself gives you that from the existing building. And the renovated building which we talked about last time -- so there the occupancy has also improved and come to the realization 90% because they are -- they come into the steady-state level, which is more than 12 months.

And basis this, this also comprises of one-time revenue. So we have one-time revenue, for example, coming from the either the design-and-build or any other sale of assets. So these are the three components which have added to that kind of a revenue growth vis-a-vis as compared to the seat growth which you've seen.

Mohit Agrawal:

Okay, understood. This one-time revenue that you're talking about, would that be a part of the co-working space revenue or would that be in somewhere in the other or VAS or that kind of component?

Meghna Agarwal:

It would be VAS revenue. It is not of -- so we do not say a co-working revenue. We do not divide that into, that is as a space and leasing revenue only. All our one-time revenue would be a services revenue, which we call it a VAS revenue. So and if you see, we have also do, did the demarcation of the VAS revenue as one-time reoccurring and non-reoccurring because one-time can change, but reoccurring is something which is there. So that is why the division is there.

Mohit Agrawal:

Okay. I may take this offline, just trying to reconcile the numbers a little more detail. Moving on to my next question is actually on VAS. So you just mentioned about one-time and recurring. If you could explain because I think again the numbers in especially the one-time has seen quite a bit of volatility especially on a year-on-year basis?

So if you kind of explain how to kind of forecast or how to look at the future in terms of the recurring, which is growing at about 17% year-on-year, but the one-time is more volatile. So if you could explain the outlook on both and then how do you look at the margins on both recurring and one-time VAS income?

Meghna Agarwal:

So here I would say, like the income from value-added service currently contributes almost about 13% of total revenue, which is already up from 12% last year. And as mentioned earlier, the VAS remains an integral part of our business model. So whether it is design-build or food or beverages or transport, these are not tracked separately, but, it all is seen in totality.

And the growth of each service is different. So every service would either have sometimes reoccurring and sometimes would have non-reoccurring. So the one-time volatility if you're seeing, reoccurring and that is why we divided it into it, because of one of our bigger clients. So they took interior the design-and-build interior, it was a one-time cost of a very big company.

So that is why you see it is a big, big volatility in that number. That kind of a volatility you would keep seeing because it all depends on the companies which you say, 'Hey, I would want to buy XYZ product of a service and I want to pay upfront over and leasing above.' So that is why that division has been given so that the volatility in the VAS revenue would remain.

However, the value-added stream scale, we see the contribution increasing to 15% in next financial year. So rather than growth of the VAS, you should see in percentage of terms of revenue, that would be around about we are hoping to come to about 15% next financial year. And a net margin of these services would be around about 15%.

Mohit Agarwal: Okay, just one clarification. So one-time VAS revenue would be essentially your D&B? So INR19 crores is largely D&B. The remaining let's say F&B, mobility, solar, all that would go into the recurring VAS. Is that understanding correct?

Meghna Agarwal: Yes, D&B also product and services. Like we do have a lot of services like IT product and services. So we also have these laptops, projectors, on screens, which we do it on rental basis, or a capex basis also. So it is all about products. So, D&B and other services which can be one-time. So it could -- it would be a combination. But as of now, the number what you're looking at is largely as of now is a D&B thing, driven.

Mohit Agarwal: Okay, understood. Thanks a lot, all the best.

Moderator: Thank you. Our next question comes from the line of Shamit Ashar from Ambit Capital. Please go ahead.

Shamit Ashar: Yes. Hi, thanks for the opportunity and congrats on a good set of numbers. So firstly, with the recent openings in Tier 2 cities, how do you view the supply outlook in Tier 1 versus the Tier 2 cities? And are there any plans to expand your footprint further in Tier 1 cities or will growth largely be led by new centers in Tier 2 cities?

Management: Yes, so thank you, Shamit. So if you look at our growth, if I talk about the area. By area our growth will be largely driven by the Tier 1 cities. Because Tier 2 cities still just constitute about 8%, if you look at of the overall portfolio, but we are growing fast there. So if you see the city additions year-on-year basis, we have added three cities.

And the last quarter, Q3 FY26, we added Bhubaneswar. So that was a recent addition. So we will continue on our journey to add more cities, because what is happening is today the way, like the work is going where people are. That's a big shift. And our philosophy of follow the talent, wherever talent is going, we are going there.

So we definitely see that our city list will continue to expand. However, most of these cities are just starting. And these cities do have a supply problem. Most of these cities have been caught completely off guard.

So for example, if you see Coimbatore, we are now almost 3.5 lakh square feet, and, and, and there is no supply in that. So in these locations we are now looking at a lot of build-to-suit or other options to see that how more supply can be added. Where -- and our Tier 1 city expansion will continue. And Tier 1 expansion again will be a combination of, one will be strengthening our presence in the micro-markets which we are already there, where we have tasted success. We are doubling down on those micro-markets.

At the same time, we are expanding our footprint to other micro-markets. Like for example, we started last quarter Navi Mumbai. So within Bombay, that's an addition that we have done. So those kind of things will happen where we'll start making presence and where we already have presence, we will start trying to build more dominance and scale in those locations. Yes.

Shamit Asher: Got it. And secondly, could you highlight the cash conversion number for the quarter? I'm looking for the CFO-EBITDA number for 3Q and 9-month FY26, that would be helpful?

Management: Can you just repeat the question, Shamit, once again?

Shamit Asher: Yes, so could you just highlight the cash conversion number for the quarter? I'm looking for the CFO to EBITDA number for the third quarter as well as the 9-month FY26?

Meghna Agarwal: Shamit, that is exactly what I mentioned earlier, that both the operating cash flows and the capex, you know, I mean, as per our auditor suggestion, it's all aligned with the balance sheet closures. So they said we would be doing at the end of the year. So in the quarter 4, you would see both the numbers coming up.

But the OCF and everything is almost in aligned kind of aligned with H1 number. So my H1 numbers of the capex was about 180, and my H1 numbers of OCF was also about 150 around, approximately that number. My H2, you would see the similar numbers in both. But we would be disclosing everything by end of the year thing.

Shamit Asher: Got it, got it. Thank you.

Meghna Agarwal: Yes, but if you are looking at OCF / EBITDA that kind of a ratio if you're looking at, it would be more than one, you know, kind of the number you can see. But the actual numbers we would be disclosing as I mentioned by the end of the year.

Shamit Asher: Understood. Thanks.

Moderator: Thank you. Our next question comes from the line of Yashas Gilganchi from BOB Capital Markets Limited. Please go ahead.

Yashas Gilganchi: Good afternoon, thank you for taking my question. I understand that the dip in occupancy was caused by the outsized increase to rentable seats over the quarter. But how long do you think the lease-up of these seats is likely to take, and where do you see occupancy reaching over 4Q '26?

Meghna Agarwal: Yashas, the thing is, as you rightly said, you know, it is not right to look at this business quarter-on-quarter, right? Because any quarter can get affected with the rent-paying significant addition of the rent-paying area. But to your question, we would be maintaining at a corporate level the occupancy in the range of 82% to 85% and my steady-state centers in the range of 85 to 90. So by FY26 number, FY26, you would see the similar range. So we would be aligned as per our guidance.

Yashas Gilganchi: Okay, understood. Also, when do you expect the approximately 1.8 million square feet of area under LOI to be included in active stock, and how long do fit-outs usually take?

- Meghna Agarwal:** So it would take about, because these, our this, the balance area is right now is in different stages, you know. Some things under construction, or the OC the compliance is coming in place. So it would be operational in about 18 to 24 months. And what was the second question, Yashas?
- Yashas Gilganchi:** How long do fit-outs usually take, like when you include...
- Meghna Agarwal:** Yes, fit-out usually take, after the post-approval of the layout, it takes about 60 to 90 days depending on the complexity of the interiors.
- Yashas Gilganchi:** Understood. Thank you very much.
- Meghna Agarwal:** Yes, thank you.
- Moderator:** Thank you. Our next question comes from the line of Vikrant Kashyap from Asian Market Securities. Please go ahead.
- Vikrant Kashyap:** Thank you. My first question is on your capital allocation and expansion. With this net debt now being in the negative and ROCE trending over 20% plus, so how are you prioritizing incremental capex with faster seat addition or design and build scaling, or balance sheet strengthening? What annual AUM seat addition guidance would investors assume going forward?
- Management:** Sorry, can you repeat the question, Vikrant, once again please, yes?
- Vikrant Kashyap:** Okay, am I clear?
- Meghna Agarwal:** Yes, you're clear, but we have not been able to understand, yes.
- Vikrant Kashyap:** So my question is on capital allocation strategy. I mean, with your net debt is now in the negative zone and ROCE is trending over 20% plus. So how are you prioritizing incremental capital? Like faster center addition, design and build scaling, or strengthening your balance sheet? What kind of annual AUM or seat addition guidance should investors assume going forward?
- Management:** So yes, thank you, very clear now. So if you look at, as suggested earlier, that our capex has been to the tune of INR180 crores in H1, and we see a similar kind of a addition this year. So bulk of the capex will go towards the interior addition. And that is where you see from the IPO proceeds that we raised, we have allocated more than INR400 crores towards the capex, and we are on track and using those funds.
- So predominantly most of the funds will go into interiors, whether it is for our managed office plug-and-play or whether it is for design and build, it will be a combination of that where most capital allocation will happen. And as you can imagine when we are looking at a 30% kind of a growth rate, so bulk of this will go into funding the growth. Yes.
- Vikrant Kashyap:** Okay. My second question is on GCCs. This is now around 40% of your client mix, and churn is also negligible. So how is the deal pipeline shaping up for '27, particularly for large enterprise mandates? And are you seeing change in decision timelines or ticket size? Anything, I mean, are you looking more of the large deal of say 1,000-plus seat counts or any color you can provide on that?

- Management:** Yes.
- Meghna Agarwal:** Vikrant, the thing is, so we do not define or track individually which all clients are large and all. Our client mix would be almost similar if you could see the last three quarters and even now, it's going to be similar. And the larger deal definitely the time, you know, deal time definitely takes a little bit bigger or longer time than your, the smaller clients, which is about 100 to 500 seats.
- But everything to say, like I would say, we have one-third of our expansion is coming from existing clients and one-third is sourced from our in-house sales and business development team and one-third of our expansion is going to come from the IPCs and brokers. And all this put together would put up into as we rightly, as we mentioned earlier is about 30% of the topline growth, that is what we kind of giving the guidance for.
- Vikrant Kashyap:** Okay. And the last question is on the margin front. Since we have seen strong expansion in margins, so how much of this improvement is structural, say pricing versus VAS mix or operating leverage against the cyclicity, and what margin band should be on the right on a steady-state basis?
- Meghna Agarwal:** So look, so if you see already our 9-month FY26 corporate EBITDA margins are up to about 21%, which is from 16% 9-month of FY25. So there's been a margin expansion there, and we are already reflecting the operating leverage which we have already captured. And over the next four quarters as we continue, the idea is to we continue to prioritize growth and scale as we do not foresee any kind of major margin expansion.
- So expansion would be in the similar range, I would put it. And also we believe that the market opportunity is extremely large and at this stage our focus is on capturing the demand and scaling the platform rather than optimizing on these incremental margins. So yes, focus is on growth if I would say, but the margin would be a certain in the range of 20%-21% which we have already achieved by the operating leverage as we mentioned before.
- Vikrant Kashyap:** Okay. Thank you, Meghna and Rishi.
- Moderator:** Thank you. Our next question comes from the line of Siva from Ithought PMS. Please go ahead.
- Siva:** Hi, good afternoon and thank you for the opportunity. So my first question is around the client lease and lock-in period. In case the client is not able to serve the lock-in and decides to vacate the space, do we get any compensation for that? And if so, how much would that be?
- Management:** Okay. Yes, so basically our typical client lock-in is about 3 years. That is what we have with them. And what it means is that if the client is vacating within the lock-in period, they have to pay for the balance lock-in period. By and large, if you see our collections have been very, very high. Like we have been collecting more than, I will say, 97%-98% of the expected or projected revenue.
- Having said that, there have been instances where clients have defaulted, like typically they abruptly moved out and all of that. And in those cases we have basically taken the legal recourse. And most of the places we have been able to reach a settlement or agree on a recovery of the

balance tenure. And why I am saying this because if you notice, like our typical clients are large-size long-stay.

Our 300-plus seat clients constitute typically more than 60%, almost 64% of our portfolio. And as our -- lot of clients are global capability centers, well-funded startups and all that, so the, they defaulting is, is very, very rare. And definitely in the 0 to 100 seats, luckily for us that number is just 11% of our portfolio. Sometimes we have seen those kind of situations. But it's a very manageable thing, and we do a fair amount of KYC when we add any new customer. We do a credit check also on the company's finances before we provide them any substantial space.

Siva: Understood, sir. Thank you for that. So my second question is on the lease duration side. So our average lease duration is around 3.5 to 4 years, right? And when does most of these lease coming up for renewal? So is it kind of spread out or do we have like a major chunk coming up ahead?

Management: It is quite spread out typically because clients keep coming on regular intervals. And another thing I will highlight is if you look at the top five clients, they constitute about 12%, 12% of our revenue. And we do not have concentration of typically one client taking the full building. We in fact don't like giving one client the full building.

So, so our most of the buildings are multi-tenancy and our client revenues are also quite spread out. So as a result of that there is no major concentration risk in terms of suddenly a client is leaving the space and all that. Yes, so that has helped in a good form all this while.

Siva: Got it, sir. And one last question. So if you could give us a rough figure on what your client retention is like, a percentage figure would help.

Management: Client retention has been in excess of 95% typically. And as Meghna mentioned also, if you look at like one-third of our business growth, I am talking about, comes from the same clients taking up more space. Plus another metric to look at is that more than 40% of the space that we have are -- is multi-center.

Like, meaning by that a client came to us for looking for space for one center, they liked us, and then they have taken space in second center, third center, maybe in the same city or different cities. So invariably we have seen that once the client comes in, they have been very comfortable and retention rates, as I mentioned, have been upwards of 95%.

Siva: Understood, yes. That's all from my side.

Management: Thank you.

Moderator: Thank you. Next, we have a follow-up question from Adhidev Chattopadhyay from ICICI Securities. Please go ahead.

Adhidev Chattopadhyay: Yes, thank you for the opportunity. Rishi, just a question on the, now that the solar power plant is fully operational, could you quantify in terms of a percentage of revenue or in absolute terms what is the cost savings which you're expecting going ahead on that? Yes, that's the first question.

Rishi Das: Yes. So Adhidev, as I mentioned that we have already commissioned 20-megawatt now in Karnataka and 4-megawatt is going live in Maharashtra. We also plan to put up small plants in states like Tamil Nadu and like that. So, we see that every year for our own requirement, about I will say, about 10-megawatt is what we will be requiring to fulfill that.

So most of the plants that we have put up or are exploring to put up, we have planned for expansion capacity in these places. So annually between 5 and 10-megawatt is going to be our incremental requirement for green power. And that would be met through our plants, yes.

Adhidev Chattopadhyay: Yes, yes. Rishi, I was just asking on the cost savings on the operationally how much would this be because of this, the capex we have done?

Rishi Das: So basically -- yes, so I can give you some idea on the unit metric. Like for example, if you look at today in Karnataka, a unit of power costs about INR7.5. And when we are generating this power because it's a captive, so I'm not able to quantify the saving, saving per se, but broadly you can take 50% power savings if you were to look at the interest payout, depreciation, and all of that. 50% power savings we are able to achieve, yes.

Adhidev Chattopadhyay: Okay, okay. And just a follow-up on that capex. So sir, when we are doing the obviously capex for our fit-outs, right, and the capex for these plants, could you segregate the percentage breakup? Means let's say between INR350 crores of capex, right, for the full year. So how much of this would be for these power plant or solar things on an ongoing basis annually?

Rishi Das: Sure. I don't have it Adhidev off-hand, but if you look at the -- when we were -- when we raised the funds from IPO, there we have carved out a 20-megawatt for solar power. That carve out basically like on the green power, the capex that we will do basically has been budgeted in that. But, yes -- but good idea. We will be happy to carve out the capex breakup also what goes under solar, yes, in times to come.

Adhidev Chattopadhyay: Yes, it just helps us to understand the core business capex and because -- yes, yes, that is the only thing I was getting at. Yes. Fine, fine. Anyways, I'll again take it offline if required. Yes. Thank you, all the best.

Meghna Agarwal: Yes, thank you.

Moderator: Thank you. Our next question comes from the line of Dhairya Trivedi from DJT Investments. Please go ahead.

Dhairya Trivedi: Hi, sir. Thanks for taking my question and congratulations on a great set of numbers. So my first question is that once the lease tenure expires from the client's end, what would stop the client from say leasing space in a, in a newer center, which may possibly have newer or better infrastructure?

Rishi Das: So basically, see, we have a [CRM 0:36:45] team and what the job of the CRM team is to be in continuous touch with the client. So even before the client lock-in is getting over, our teams are in touch with them. And so, so that is a good thing that if they are planning to vacate or whatever, are they planning to expand and all of that, we are able to understand their requirement.

And, so two situations can mostly happen because most of the clients who typically stay for 3 years invariably are expanding. So either we are able to give them continuous space in the same building or in the same micro-market to expand, or we are able to help them consolidate and move to a bigger space in the same micro-market.

So see what happens, the biggest stickiness for clients is that once they become comfortable with the building and their employees are comfortable coming over there, they don't want to change the address. So there is a fair amount of stickiness. Now having said that, if suppose the client had taken 200 seats and the client is now going to 400 seats, if we don't have space, then we have to displace them. But our philosophy has been always that if I have 10 buildings in a micro-market, then idea is to add one or two buildings every year in that micro-market.

So we always plan for growth and more or less we see that the same clients typically move to the other places and all that. If the client decides to stay after the expiry, then we definitely basically upgrade or provide them like suppose, for example, if the carpets or some chairs have worn out, those are definitely renovated so that the place gives a feel of a new, new kind of place. So those investments are proactively made depending upon what kind of lock-in commitment and all the client is willing to provide for the further period.

Dhairya Trivedi: Got it. And sir, what would be, our oldest center for example at the moment and could you give a sense on what the churn would be in some of those older centers?

Rishi Das: We have not basically specifically the data immediately is not available, but as Meghna highlighted that if you look at like our steady-state center which are more than 12 months old, we have 90% plus occupancy over there. So, so yes, so I will say more or less the occupancy even if you look at even space center which are 5-year, 7-year old, I don't think that occupancy will be very, very different from this 90% number that I am talking about. Overall, I can tell you that consistently older centers have maintained 90% plus occupancy which are more than 1-year old.

Dhairya Trivedi: Okay, and sir centers which are say 5-, 7-year old, would they still have an occupancy of more than say 75%-80%?

Rishi Das: Yes, yes. We will have that, yes.

Meghna Agarwal: So if you see our slide also to add to the point, if you see our Slide in Investor deck, it is written very clearly the steady-state occupancy and the -- your, the corporate-level occupancy. So that would also give you a clear picture. Plus the churn is also, we kind of track it overall on a corporate basis, which is also mentioned in our Investor deck. So that is why the building-wise what you asked is a little tough for us.

Dhairya Trivedi: Okay, okay. And one last question on the GCC. While I understand 40% of our clients are GCCs, what would be the revenue contribution from them, in terms of percentage?

Management: 56% revenue comes from Global Capability Centers.

Dhairya Trivedi: 56%.

- Management:** Yes, 5-6, yes.
- Dhairya Trivedi:** Okay, all right. Got it. Thank you, thank you, and all the best.
- Management:** Thank you.
- Moderator:** Next, we have a follow-up question from Vikrant Kashyap from Asian Market Securities. Please go ahead.
- Vikrant Kashyap:** Yes, thank you. My, my question is, since we are very heavy and strong foothold in Bangalore, so after this micro-market, which of these key micro-market, whether you are trying to or maybe like to replicate the same similar business model, and what are the economic factors that will drive that expansion? If you could highlight some color on that?
- Management:** Yes, thank you, Vikrant. So, so as you rightly highlighted that Bangalore continues to be the largest market. But if you look at our presence in Chennai, we are typically 1.2 million square feet in Chennai. And we have a, like, if we go by the IPC data, we have a market leadership position in Chennai as well.
- And then, so clearly a lot of expansion has happened. Like Hyderabad, if you compare two years back and today, from almost 70,000 square feet, we have moved to more than 280,000 square feet. Very similarly, Bombay, where we were less than 50,000 square feet, we are now at 175,000 square feet. So clearly these, these locations, we are doubling down, adding more and more real estate over there, so that will continue.
- And other thing, which I will highlight is that, when people talk about Bangalore, we have to appreciate the fact that 20% to 22% of the total real estate absorption in India happens in Bangalore. And Bangalore absorbs more real estate than a city like Shanghai or New York, or Tokyo, or any city you pick up.
- So, maximum amount of real estate as a city, anywhere in the world is absorbed in Bangalore. So I think in all humility, I must say that, we are the largest in the largest or the fastest growing market in the world. So I think that's a good position to be in. We don't see it as basically concentration risk, but so is the nature of this business, that 1/5th of the real estate is absorbed in Bangalore, so, so we see that.
- And as also as we mentioned earlier in our talk, that South India if you look at is almost 50% of the thing, and there again we are very, very dominant. So we are seeing a lot of cross-pollination happening between clients across Bangalore, Hyderabad, Chennai, Coimbatore like that. So, good strong moat, you can say, we have built in the South India.
- Vikrant Kashyap:** Okay. And my another question is on the client mix. So in terms of your client concentration, so whether IT continue to absorb more seats in the flex space or banking has taken up or maybe you can highlight the some color on that, which of these sectors are taking more seats and where do you see more traction coming in?

Management:

Our client mix if you see, I will say the core of our business is large-size long-stay. So from that point of view, if you see, more than 60% of our space is occupied by clients who have taken 300-plus seats. So you can imagine people have taken 300-plus seats are normally mid-sized to large companies. And if you talk about the vertical, of course Global Capability Centers cut across different industry segments, but about like 56% of our revenue is coming from the Global Capability Centers.

In addition to this, we have a very healthy, I will say, client mix of a lot of large Indian companies. If you look at a company like Mahindra Logistics you talk about, or Ashok Leyland, TVS Motors. So the typical, so-called the old-school Indian economy companies, they are also in a very, very substantial number. Then we have a lot of late-stage startups. When I say late-stage, these are Series D funded or even listed kind of companies.

So, so basically, so overall, I will say, the client base is quite diverse. Plus, I will say that, this varies depending upon city to city. For example, if you look at Chennai, Chennai is a lot more diverse than Bangalore. Chennai we have a lot of companies which are into shipping, logistics, core engineering. Even from a nationality point of view, Chennai is more diverse than Bangalore.

We have companies not only of American origin, but a lot of companies of say European origin, Scandinavian countries, German like that, Finnish companies, Danish companies. Those kind of company also are in our portfolio. So, I think that is a fairly diverse, and it varies as I said location to location.

Vikrant Kashyap:

Okay, that was quite helpful. My last question is on your sourcing side. So if you could highlight the given the pipeline that you have built, how much of that would be your older buildings? So that comes under this I think cornerstones. Can you give some color on that?

Management:

Yes. So, so what we have done is, like, if you look at our renovation, we typically have more than 3 million square feet -- about 3 million square feet of portfolio we have, which is basically across 20 properties. And these are buildings which are from 20 years going up to 50-year-old properties. And we have upgraded these buildings mostly to a level of a platinum green, a platinum or a gold-rated IGBC building.

And another highlight, I will say is that, India has the total stock of commercial real estate in India is about 1 billion square feet, and 50% of these properties are more than 10 years old, and almost 52% of the properties are non-green. So, as part of our cornerstone initiative, we are continuously looking at, basically a lot of older properties in the central business districts to pick up, renovate them, upgrade them. So that is there.

Plus now we are also going to a lot of building which IndiQube is not leased, where we are going to the landlords and offering them renovation as a service or basically or looking at managing those services, including offering them green power. Because we see that energy transition is a very, very big challenge and opportunity in India.

So lot of our landlords or commercial buildings still are not on green power, and they want to move to green power. So that is also part of our cornerstone solutions that is being offered to clients. So, so there is a good acceptance and traction on that side, which is happening.

- Vikrant Kashyap:** All right. Thank you for the clarification and wish you all the best.
- Management:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Saurabh Gilda from JM Financial. Please go ahead.
- Saurabh Gilda:** Yes, hi. Thanks for the opportunity and congratulations on good set. Just wanted to discuss bit more on the strategy on for the Tier 2 markets. Except for Coimbatore and Kochi of all nine markets, we have probably except for these two, we have just one center. So from an expansion strategy perspective, do you see that, that would be the strategy going ahead wherein you add one or two centers?
- And expand your breadth across multiple markets or do you see opportunity in doubling down in the, in the other markets where you don't have much presence?
- And secondly what, what share of your demand in these Tier 2 cities is driven by your existing clients in Tier 1 if you can quantify?
- Meghna Agarwal:** So the first thing is the expansion strategy. So when you said one or two or the more, our expansion strategy Saurabh is built around three key pillars. One is the deeper penetration, then the wider presence and the service diversification. So deeper penetration we mean that we focus on dominating the existing market like Koramangala, HSR, Guindy.
- The idea is to keep growing in those market and do the dominance there. Because the clients prefer to stay within the specific micro-market when they're expanding. They do not want to change the micro-market. And thus market dominant is very, very critical for leverage and brand leadership. The second is your wider presence. Now wider presence your question comes in your Tier 2.
- So we continue to expand selectively into the new and emerging Tier 1 and Tier 2 markets, because we are constantly looking and evaluating other Tier 2 markets. The idea is to start small, and when we see a potential then we grow big. Test the waters and then grow big. These new cities are first tested for client demand and scalability, and once they've proved, we scale rapidly, and that is what exactly happening in Coimbatore.
- And in the other markets like Bhubaneswar just started off, we'll test the waters and if we see a lot of potential then we'll grow rapidly. So it is testing the water strategy which is working on. And the third is addition of B2B and B2C. So we continuously broaden our business portfolio like F&B, facility management, solar solution and even the recent addition of the solar has helped also to adopt the client you know the renewable energy solutions.
- So these are sectors we services sector agnostic, and they do not just help us to serve the client in IndiQube, but also in the non-IndiQube. So all these pillars, we put together and that that is how the idea is to grow. So there's no one particular strategy of grow that whether it will be just Tier 2 or Tier 1, but it is the combination of multiple strategies to grow.

Saurabh Gilda: Sure. That's, that's quite clear. Just if you can quantify what percentage of demand in these cities is driven by your existing tenants in Tier 1.

Meghna Agarwal: So 90% as mentioned earlier also 85 to 90 still Tier 1, if I have to really put it. Only about, the balance is coming from the Tier 2, Tier 3 thing. This is where we are currently as of now.

Saurabh Gilda: Sure, that's all from my side. Thanks.

Moderator: Thank you. Our next question comes from the line of Siva from Ithought PMS. Please go ahead.

Siva: Hi, just had a follow-up question regarding the client sourcing strategy. How dependent are we on IPCs? And why should brokers prefer us over other players? Is it like we need to be paying higher brokerage or any other factor is involved here?

Management: So 40% of our clients are coming from brokers. To be precise, 39% and 61% of the clients are sourced directly by us. And within this 39%, I will say about 70% will be IPCs and then there will be a lot of individual or smaller brokerage firms. And we follow a three-pronged strategy by which clients come to us.

Like if we have to very broadly put it, one-third of our client acquisitions happen directly, where the same clients basically are growing. And another one-third is through our business development efforts, either by our inside sales, dedicated sales team, our social media handles, where our or campaigns is what -- which our teams are doing all the time.

And another third is through the brokers over there. And our total brokerage payout is about 2% to 2.1% of our revenue. And that has been fairly consistent, and we don't see that very significantly changing also in the future.

Siva: Understood. But again, sir like you mentioned, they do have a significant upper hand in giving out clients to operators, right? So why should one broker choose us over other players?

Management: So basically, of course, see -- there are again two-three factors. One, a lot of times clients are very specific about the location where they want, and not every operator may have a ready supply in that location. So one factor tends to be the location.

Second is basically the services. Now what is happening, lot of larger clients typically are using more than one operator across India. So they have comparable data. They know that what quality of service which operator is providing. So clients are also becoming discerning where when they are floating RFP, they know what operator is offering, referencability and all that has happened. So that is also playing a role.

And then the comfort that we have built with the IPCs. Like for example, the transparency, ensuring that their payments are happening on time, there are incentives that we have created for them depending upon suppose early bird incentives are there over there. So I think it's a combination of all of these things, and yes, so I think we work with all the leading IPCs across the country over there. So to that typically, I think is in a steady state now. There are no major surprises that we see every quarter and all that.

Siva: Understood, sir. Thanks for explaining.

Management: Thank you.

Moderator: As there are no further questions, I would now like to hand the conference over to management for closing comments.

Management: Yes, thank you to all of you for taking out time and giving us a patient listening. And we are very happy with the quality of questions that came in. And I hope we have been able to answer these questions and clarify things to your satisfaction and look forward to your continued support. Thank you all again. Yes, thank you.

Meghna Agarwal: Thank you all. Thank you for the time and the patience. Thank you.

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