



Simpliwork Offices to invest INR 650 crores by 2023

India's leading outsourced office partner for large corporates aims to double its inventory to 6 million sq.ft. by end 2022

25 November 2021, Bengaluru: India's leading outsourced office partner, Simpliwork Offices (*partnered with Salarpuria Sattva Group*), continues to witness steep growth in demand as employees return to office and businesses ramp up hiring. ***The company has earmarked an investment of INR 650 crores over the next two years to capitalise on the accelerated market demand for flexible enterprise spaces following the pandemic.***

Despite the global uncertainties, ***Simpliwork witnessed a 5x growth in turnover in FY 20-21, with a revenue run rate of INR 300 crores and a committed order book of close to INR 1000 crores.*** Currently, the Bengaluru-based company is in talks with prospective investors to raise funds to further expand its geographical footprint. ***They plan to double the inventory to 6 million sq. ft. by the end of 2022.***

Simpliwork achieved profitability in FY 2021-22, and continues to enjoy industry leading EBIDTA margins. The company's unique business proposition is specially tailored for Large to Very Large Enterprise customers that are looking for Flexible Workspaces in Grade 'A' buildings. Its strategy of leasing spaces with leading institutional backed developers across major Indian cities enables this unique proposition. Simpliwork is the leading choice for Fortune 500 enterprises looking to move to Flexible Workspaces. For FY 2021-22, the company is estimating topline revenues of INR 450-500 crores with net Positive EBIDTA. This sets up the Simpliwork business to publicly list over the next 3-5 years.

Commenting on the impact created by the pandemic and the future of workspaces, ***Kunal Walia - CEO & Founder, Simpliwork Offices,*** said, ***"80% of Simpliwork's business comes from Very Large Enterprises with requirements of over 500 seats. The balance is from the same category of clients looking at upwards of 100 seats. Our business model was uniquely positioned to survive the downturn caused by the pandemic last year. We are***

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currently witnessing a significant uptick in demand for flexible workspaces as companies continue to show reluctance towards capex spends on non-core activities. We delivered two of the largest flexible workspaces during the pandemic last year; a 600,000 sq. ft. office space in Hyderabad and another 450,000 office space in Gurgaon. We are currently profitable and are looking to raise funds specifically to capture increasing market share in the flexible workspace segment, along with geographic expansion. We entered both Mumbai and Chennai this year, and are aiming to have our first international centre signed up in H1 2022. We believe our model is uniquely positioned to capture the significant increased demand for flexible workspaces, and our asset light model along with proprietary technology sets us up for a public listing in the next 3-5 years. Though we are only three years old, we already have a 20% share in the overall leasing market pie."

"In the new hybrid work environment, employers will seek two things – Grade A spaces with advanced technology and large flex spaces – to up their productivity and scale without committing capital to non-core business activities. In terms of how the flex workspace sector is faring currently, the leasing numbers from the last quarter (July – September 2021) indicate a complete resurgence in demand, especially, since there is very limited availability of Grade A properties. The absolute spend in office spaces has gone up by 25-30% in the last few years, but we need to ensure that the RoI more than justifies these office spaces, as we go forward. That is a continuing discussion for us, at Simpliwork.", he signed off.

The Indian market has grown by more than 100% as compared to the pre-COVID period. While two years ago, co-working and flexible workspace management companies made up for around 7% of the overall leasing in India, today, they account for 18 to 20% of all corporate leasing in the country.

Simpliwork Offices clients' includes the likes of Mastercard, Rolls Royce, Siemens Healthcare, SBI Cards, Sterlite Power, OLX, GlobalData, and Lufthansa, among others. Currently, it has 27 centres in India, with Hyderabad being its biggest market, and Chennai the most recent one. The company is also present in Bengaluru, Mumbai, Pune, Delhi and Gurgaon. The company has received a rating of A – from ICRA.
