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YOUR FRIENDLY FINANCIAL ADVISORS



IPO Note:

RENTOMOJO LIMITED - SUBSCRIBE

Rentomojo Limited is a technology-driven, full-stack direct-to-consumer (D2C) platform focused on furniture and appliances rentals in India. The company enables consumers to access home essentials through affordable, flexible and long-term subscription plans. As of March 31, 2026, Rentomojo had 253,825 live subscribers across 29 cities in India. Its business model is designed to provide consumers with a flexible alternative to outright ownership by addressing upfront purchase costs, maintenance, relocation and product-upgrade requirements.

The company operates through an omnichannel model, combining its online ordering platform with 82 experience stores across India. As of March 31, 2026, Rentomojo offered 851,184 furniture and appliance products, including brands such as Haier, Wakefit, Livpure and Duroflex, alongside its private-label portfolio. Healthy occupancy rates of 83.34% in FY26, 82.82% in FY25 and 86.43% in FY24 underscore the company's capital efficiency and support predictable revenue generation. Its platform allows customers to subscribe to a wide range of home essentials, including beds, mattresses, washing machines, refrigerators, wardrobes, sofas, televisions and water purifiers.

The company has developed an integrated asset-lifecycle model covering category management, designing, procurement, refurbishment, servicing, reverse logistics and multi-cycle redeployment, while also managing delivery, installation, maintenance, pickup and relocation as part of its full-stack offering. Customers can rent, return, upgrade or relocate products during their subscription lifecycle, with the average delivery turnaround time improving from 3.77 days in FY24 to 2.35 days in FY26, reflecting enhanced operational capabilities.

The company operates 20 warehouses with an aggregate warehousing area of 538,933 sq. ft. As of September 30, 2025, Rentomojo had an in-house and contractual workforce of 1,688 technicians, carpenters, painters and other personnel. This infrastructure supports its refurbishment, servicing and asset redeployment capabilities.

Rentomojo's business model combines e-commerce, subscription and re-commerce capabilities. Its e-commerce stack integrates logistics, warehousing, servicing and labour across key customer touchpoints, while its subscription stack manages the full 11-touchpoint consumer lifecycle covering order, risk assessment, delivery, installation, monthly collections, relocation, repairs, upgrades, subscription contract transfers, reverse logistics and refunds. The re-commerce stack manages the lifecycle of assets through refurbishment, reverse logistics and multiple deployments. The company believes that these three stacks reinforce each other by supporting longer subscriber tenures, extending asset life, maintaining occupancy, reducing new capital expenditure and improving capital efficiency.

Driven by a subscription-led, rental-based model that remains resilient and largely acyclical across economic cycles, the company achieved strong financial growth between Fiscals 2024 and 2026. Revenue from Operations, EBITDA, and Restated PAT grew at impressive CAGRs of 41.71%, 44.62%, and 115.72% respectively, supported by an adjusted ROCE of 31.47% in Fiscal 2026.

Investment Recommendation and Rationale: -

Rentomojo is well positioned to benefit from the growing shift towards flexible and asset-light consumption in India. Its market leadership, integrated operating model and recurring subscription-led revenue model provide a strong foundation for scalable growth. Further, improving financial performance and efficient asset utilisation strengthen the company's long-term growth potential. At the upper price band of ₹404, the issue is valued at a P/E multiple of about 40.73x on its FY26 post-IPO EPS of ₹9.92. We give a 'SUBSCRIBE' rating to the issue for the following reasons:

1. Largest online furniture and appliance rental platform in India, supported by a subscriber base of over 253000 across 29 cities.
2. Rising urbanisation, workforce mobility and preference for asset-light living are driving increased adoption of flexible subscription models.
3. Integrated capabilities across procurement, refurbishment, servicing and reverse logistics create operational efficiencies and improve asset utilisation.
4. High occupancy levels and multi-cycle asset redeployment support predictable subscription revenues while reducing incremental capex requirements.

Issue Opens	9th September 2026
Issue Closes	11th September 2026
Type of Issue	Fresh Issue of 37,15,449 shares (aggregating up to ₹150.00 Crores) Offer for sale of 2,73,65,529 shares of ₹1 (aggregating up to ₹1,106 .00 Crores)
Issue size	₹ 1,256 Crores
Price Band	₹384 to ₹404 per share
Bid lot/ Bid Size	37 shares/ Rs. 14,948
Issue structure	QIB-50%, HNI- 15%, Retail- 35%
Post issue equity shares	10,51,06,545 shares
Promoters and Promoter Group Public	Pre Issue – 21.72% Post Issue – 19.93% Pre issue – 78.28% Post Issue- 80.77%
Post issue implied market cap	₹4,246.30 Crores
BRLMs	Motilal Oswal Investment Advisors Limited, Axis Capital Limited, IIFL Capital Services Limited
Registrar to the issue	KFin Technologies Limited

Financial Summary (in ₹ million, unless otherwise indicated)

Particulars	Fiscal		
	2026	2025	2024
GAAP Measures			
Revenue from operations (₹)	3,869.88	2,659.59	1,927.01
Restated Profit After Tax (₹)	1,042.99	431.06	224.12
Non-GAAP Measures			
Revenue from Operations Growth (%)	45.51	38.02	60.45
EBITDA (₹)	1,634.62	1,184.39	781.52
EBITDA Margin (%)	41.48	43.55	39.92
Profit After Tax Margin (%)	26.95	16.21	11.63
Return on Equity(%)	43.51	26.67	27.70
Adjusted Return on Capital Employed (%)	25.34	25.14	31.47
Cash Profit (₹)	1,381.27	919.16	525.42
Operational			
Gross Items Ordered (No.)	989,931	694,785	524,949
Occupancy Rate (%)	83.34	82.82	86.43

Source: RHP



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The following table sets forth the the increasing number of live subscribers as of each corresponding date, together with our Total Contracted Revenue and Unrecognised Contracted Revenue:

Particulars	FY26	FY25	FY24
Number of live subscribers (No.)	253,825	194,262	149,498
Total Contracted Revenue (₹)	7,069.02	3,900.28	2,429.11
Unrecognised Contracted Revenue (₹)	2,925.73	1,422.95	682.94

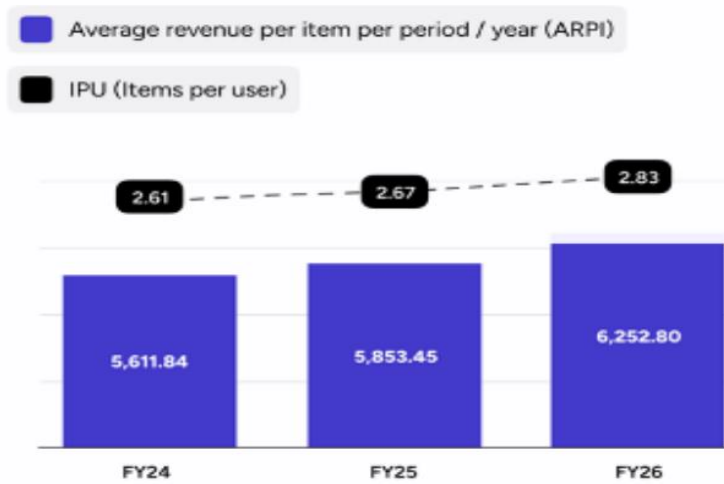
Source: Red Herring Prospectus (RHP)

The table below sets forth average delivery turnaround time for each of the years indicated:

Particulars	FY26	FY25	FY24
Average delivery turnaround time(1) (in days)	2.35	3.33	3.77

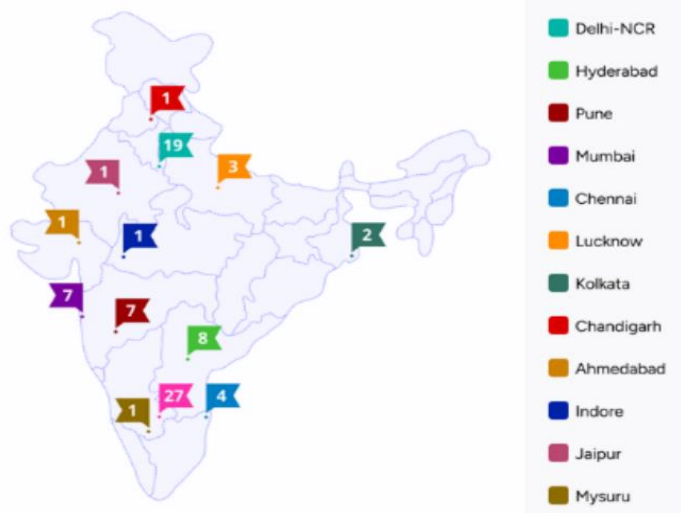
Source: Red Herring Prospectus (RHP)

The chart below highlights the improvement in average revenue per item ("ARPI") and items per user ("IPU"), reflecting a significant increase in revenue generated per subscriber:



Source: Red Herring Prospectus (RHP)

RentoMojo Experience Stores



Source: Red Herring Prospectus (RHP)

Shareholding pattern

Name of the Selling Shareholders	Type	Number of Equity Shares Offered	Weighted Average Cost of Acquisition per Equity Share (in ₹)
Accel India IV (Mauritius) Limited	ISS	Up to 7,846,951 Equity Shares of face value of ₹1 each	46.79
Edelweiss Discovery Fund - Series I	ISS	Up to 2,882,794 Equity Shares of face value of ₹1 each	74.91
IDG Ventures India Fund III LLC	ISS	Up to 2,803,431 Equity Shares of face value of ₹1 each	81.57
ValueQuest S.C.A.L.E. Fund	ISS	Up to 2,713,418 Equity Shares of face value of ₹1 each	75.36
Madison India Opportunities V VCC	ISS	Up to 2,398,550 Equity Shares of face value of ₹1 each	55.99
Chiratae Trust represented by its trustee Vistra ITCL (India) Limited and acting through its investment manager, Naigama Investment Manager LLP	ISS	Up to 2,002,019 Equity Shares of face value of ₹1 each	82.36
GMO Payment Gateway Inc	ISS	Up to 1,512,800 Equity Shares of face value of ₹1 each	94.74
Geetansh Bamania	PSS	Up to 849,175 Equity Shares of face value of ₹1 each	Negligible
GMO GFF Limited Partnership	ISS	Up to 842,174 Equity Shares of face value of ₹1 each	96.18
Renaud Laplanche	ISS	Up to 755,405 Equity Shares of face value of ₹1 each	75.10

Source: Red Herring Prospectus (RHP)

Objects of the issue

Fresh Issue of 37,15,449 shares (aggregating up to ₹150.00 Cr)

Offer for Sale of 2,73,65,529 shares of ₹1 (aggregating up to ₹ 1,106.00 Cr)

Company plans to use the Net Proceeds to fund the following objects:

1. Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by the Company and accrued interest.
2. Payment of lease rental/license fee for the Company's warehouses and experience stores ("Premises").
3. General corporate purposes.

Source: Red Herring Prospectus (RHP)

Peer Comparison

There are no listed companies in India or globally whose business model is comparable with that of the Company's business and comparable to the Company's scale of operations.

Competitive Strengths

1. Consistently profitable D2C Business supported by predictable recurring revenues, resilient demand and high return on capital employed.
2. Leading furniture & appliance rental platform a growing subscriber base enable higher customer engagement and create strong organic demand.
3. An integrated model spanning e-commerce, subscription and re-commerce creates a self-reinforcing flywheel, enhancing asset utilisation and customer lifetime value.
4. Strong track record of extending asset life through multiple reuse cycles while delivering consistent returns across customer cohorts.
5. In-house technology stack enables seamless end-to-end integration across customer acquisition, subscription management, logistics, asset tracking and re-commerce.
6. Founder-led business backed by a professional management team and marquee shareholders, providing a combination of entrepreneurial vision and institutional support.

Source: Red Herring Prospectus (RHP)

Growth Strategies

1. Leverage micro-market intelligence to drive targeted omni-channel expansion and build greater consumer trust.
2. Pursue a capital-light expansion strategy to capture growth opportunities arising from rapid urbanization.
3. Continue investing in the technology stack to enhance customer experience, improve operational efficiency and optimize costs.
4. Strengthen and scale platform capabilities to broaden the range of services offered and deepen customer engagement.

Source: Red Herring Prospectus (RHP)



Key Risks

1. A substantial 97.90% of revenue from operations in FY26 is derived from furniture, appliance and other recurring subscription rentals, making the business susceptible to any slowdown or adverse shift in rental demand.
2. Inability to procure products on commercially acceptable terms, vendor/manufacture disruptions, quality issues, supply delays or higher input costs could adversely impact margins, operations and brand reputation.
3. Revenue is concentrated across key Tier-1 and metropolitan markets in India, exposing the business to disproportionate impact from adverse local economic, regulatory or market developments.

Source: Red Herring Prospectus (RHP)

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