

IPO Note: Meesho Ltd.

Industry: E-Commerce

Date: December 01, 2025

Issue Snapshot	
Company Name	Meesho Ltd.
Issue Opens	December 03, 2025 to December 05, 2025
Price Band	Rs. 105 – Rs. 111
Bid Lot	135 Equity Shares and in multiples thereof.
The Offer	Public issue of 48,83,96,722 Equity shares of face value Rs. 1 each, (Comprising of fresh issue of 38,28,82,883 Equity Shares* (Rs. 4,250.0 cr.) and Offer for Sale of 10,55,13,839 Equity Shares (Rs. 1,171.2 cr.*) by Selling Shareholder).
Issue Size	Rs. 5,357.9 - 5,421.2 Crores
IPO Process	100% Book Building
Face Value	Rs. 1.00
Exchanges	NSE & BSE
BRLM	Kotak Mahindra Capital Company Ltd., J.P. Morgan India Pvt. Ltd., Morgan Stanley India Company Pvt. Ltd., Axis Capital Ltd., Citigroup Global Markets India Pvt. Ltd.
Registrar	KFin Technologies Ltd.

Issue Break up		
QIB ex Anchor	30%	14,65,19,017
Anchor Investor	45%	21,97,78,525
HNI<Rs. 10 Lakhs	5%	2,44,19,836
HNI>Rs. 10 Lakhs	10%	4,88,39,672
RII	10%	4,88,39,672
Total Public	100%	48,83,96,722
Equity Share Pre Issue (Nos. Cr.)		413.0
Fresh Share (Nos. Cr.)		38.3
OFS Share (Nos. Cr.)		10.6
Equity Share Post Issue (Nos. Cr.)		451.3
Market Cap (Rs. Cr.)		50,095.8
Equity Dilution		8.5%
Stake Sale by OFS		2.3%

Objects of the Offer

Offer for Sale

The Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders. (up to 16,000,000 equity shares by Vidit Aatrey, up to 16,000,000 equity shares by Sanjeev Kumar, up to 24,445,349 equity shares by Elevation Capital V Ltd., up to 17,380,873 equity shares by Peak XV Partners Investments V, up to 1,247,351 equity shares by Gemini Investments, L.P., up to 7,961,640 equity shares by Golden Summit Ltd., up to 7,195,453 equity shares by Y Combinator Continuity Holdings I, LLC, up to 8,636,727 equity shares by Venture Highway Series 1, A Series Of Venture Highway Spvs LLC, up to 516,690 equity shares by Crimsn Holdings, LLC, , up to 765,360 equity shares by Titan Patriot Fund Ltd, up to 1,591,044 equity shares by Sarin Family India LLC, up to 472,212 equity shares by Rajul Garg, up to 3,301,140 equity shares by Man Hay Tam)

Fresh Issue

- Investment for cloud infrastructure in Meesho Technologies Private Limited, Subsidiary (Rs. 1390 Cr);
- Payment of salaries of existing and replacement hires for the Machine Learning and AI and technology teams for AI and technology development undertaken by Meesho Technologies Private Limited, Subsidiary (Rs. 480 Cr);
- Investment in Meesho Technologies Private Limited, Subsidiary, for expenditure towards marketing and brand initiatives (Rs. 1020 Cr); and
- Funding inorganic growth through acquisitions and other strategic initiatives and general corporate purposes.

Company Highlights

- Meesho Ltd. (ML) is a multi-sided technology platform driving e-commerce in India by bringing together four key stakeholders – consumers, sellers, logistics partners and content creators. Its e-commerce marketplace, that it operates under the brand name Meesho, emerged as India's largest in terms of number of Placed Orders and Annual Transacting Users among e-commerce players in India in the last twelve months period ended September 30, 2025.
- ML's value focused platform is designed to serve all segments of consumers across India by making ecommerce affordable, accessible and engaging. The company is focused on providing 'Everyday Low Prices' to consumers. Its technology-first operations, platform scale and efficiency offer low cost order fulfilment to sellers on Meesho. This, along with a zero commission model for sellers enables it to reduce the average cost charged to sellers and provide a wide assortment of products ranging from low cost unbranded products, regional brands and national brands at affordable prices on Meesho. Its artificial intelligence/machine learning (AI/ML) led algorithms are designed to deliver a personalized, discovery led shopping experience to consumers similar to an offline window shopping experience, making online shopping easy and engaging for consumers.

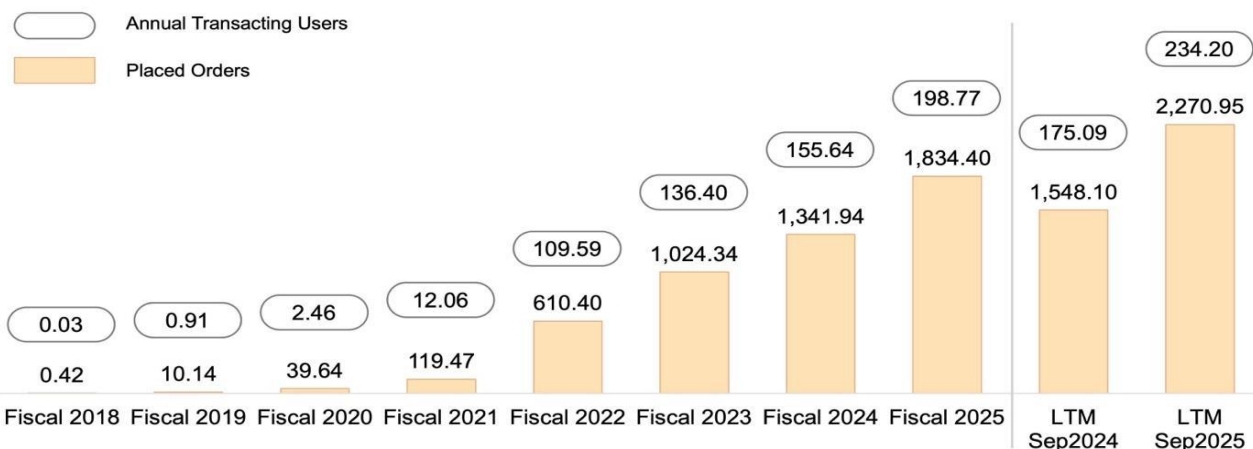
- Through a combination of the above capabilities and inherent benefits of a pure-play marketplace model, the company has been able to attract a large base of consumers. Technology forms the backbone of its platform enabling e-commerce transactions at population scale across India. ML's modular technology architecture orchestrates interactions across stakeholders enabling reliability, scalability and efficiency on its platform. Every interaction between its stakeholders on its platform generates rich data inputs, which are continuously fed into AI/ML models. These models power a suite of tech backed capabilities such as hyper-personalized recommendations, dynamic pricing of services, automated cataloguing, transaction risk management and prevention, and logistics optimization. The company monetizes its platform through services that are provided to sellers on Meesho such as order fulfilment, advertising and data insights.
- Further, it does not charge sellers any commission and do not charge any platform fee to consumers on Meesho. Its platform scale and ecosystem integration also enable it to launch and scale New Initiatives such as (i) low cost local logistics network for daily essentials and (ii) a financial services platform where regulated partners offer financial services tailored to its stakeholders, further strengthening platform stickiness and addressable market. The company therefore operate in two business segments – Marketplace and New Initiatives.

View

- Meesho is focused on making e-commerce affordable and accessible for consumers across India. To achieve this, the company intends to lower the average cost charged to sellers on its platform by driving technology-led operating efficiencies and enhancing the cost effectiveness of its logistics partners, including through continued optimisation of Valmo. The company's investments in automation and other technologies are designed to reduce manual overheads, improve partner productivity, and streamline fulfilment operations.
- India's e-commerce market is currently sized at ~Rs. 6 trillion in terms of gross merchandise value (GMV) and is projected to reach Rs. 15–18 trillion, penetrating 12–13% of India retail market by FY30. Majority of new online shoppers are projected to come from tier 2+ cities, which are projected to account for 51–52% of India's e-commerce market by FY30, up from ~44% in FY25.
- India's total retail market constitutes the Total Addressable Market (TAM) for Meesho, estimated at Rs. 83 trillion (~US\$978 billion) in FY25 and projected to reach Rs. 123–135 trillion (US\$1.4–1.6 trillion) by FY30. Within this, Meesho focuses on a subset of categories forming its Serviceable Addressable Market (SAM). As of FY25, Meesho's SAM is valued at ~Rs. 33 trillion (~US\$384 billion) and is projected to reach Rs. 51–56 trillion (US\$600–653 billion) by FY30P, reflecting a CAGR of 9–11%, higher than the overall retail market CAGR of 8–10% during the same period.
- The company is a value focused e-commerce platform that delivers 'Everyday Low Prices' for consumers, which means that consumers get products at low prices on Meesho without having to rely on limited time discounts and event-based flash sales. The company's zero commission model for sellers combined with its low-cost order fulfilment reduces the average cost charged to sellers and enables them to provide a wide assortment of products at affordable.
- Continuous investment in technology and product development is core to scaling the company's platform, increasing efficiencies and driving product innovation. The company plans to continue strengthening its in-house technology and product development capabilities through (i) compensation packages for its software engineers, AI/ML specialists, product developers, and designers, who are integral to platform development and ongoing innovation, (ii) implementing structured retention programs to encourage sustained commitment of its talent pool; and (iii) recruiting specialised professionals to continue to deliver on its AI technology and capabilities.
- The company leverages Horizon 2 Initiatives to identify, test, and scale new opportunities that expand its business, strengthen its core, and create long-term value. The company has a demonstrated track record of incubating high-impact Horizon 2 Initiatives and scaling them into integral parts of its core business. Two notable examples include Valmo and content commerce.
- The company aims to improve cash flow by scaling seller services through greater adoption of existing offerings and the introduction of new ones, while maintaining a low-cost experience for consumers. Segment revenue from Marketplace grew from Rs. 5,733.73 crore in FY23 to Rs. 9,385.87 crore in FY25, driven by higher placed orders and increased seller adoption. In FY25, Rs. 4,332 crore NMV from its Marketplace was generated through seller advertisements, delivering an 8.62x return on ad spend.
- In terms of the valuations, on the higher price band, Meesho demands Mcap/Sales multiple of 4.5x on H1FY26 annualized sales.

Our Placed Orders and Annual Transacting Users trajectory

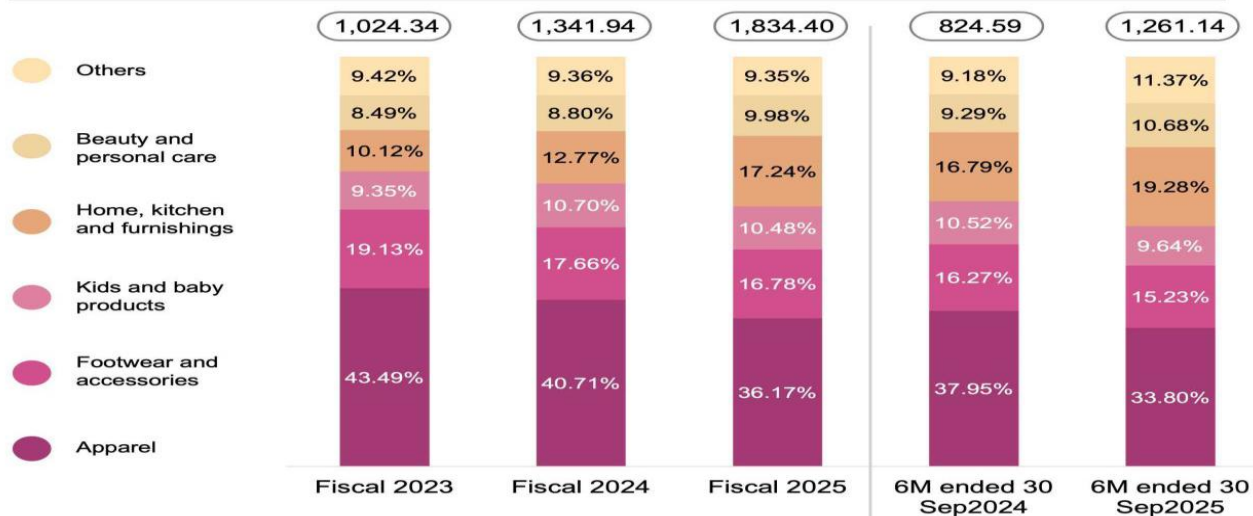
million



Category mix of Placed Orders

Category split by Placed Orders %

Placed Orders (million)



Operational and Financial Metrics

	FY23	FY24	FY25	H1FY25	H1FY26
Revenue from operations	5734.5	7615.2	9389.9	4311.3	5577.5
Segment revenue – Marketplace	5733.7	7613.7	9385.9	4309.3	5573.9
Segment revenue – New Initiatives	0.8	1.4	4.0	2.0	3.6
Total income	5897.7	7859.2	9900.9	4544.9	5857.7
Restated loss before exceptional items and tax	-1671.9	-314.5	-108.4	-24.0	-433.2
Restated loss for the period/year	-1671.9	-327.6	-3941.7	-2512.9	-700.7
Adjusted EBITDA	-1693.7	-230.2	-219.6	-54.4	-551.9
Adjusted EBITDA – Marketplace	-1599.0	-149.2	-116.7	6.5	-519.1
Adjusted EBITDA – New Initiatives	-90.9	-66.9	-92.9	-54.8	-30.1
Adjusted EBITDA – Marketplace as % of NMV – Marketplace	-8.3%	-0.6%	-0.4%	-0.1%	-2.7%
Contribution Margin – Marketplace	565.9	1303.2	1483.7	773.3	733.3
Contribution Margin – Marketplace as % of NMV – Marketplace	2.9%	5.6%	5.0%	5.8%	3.8%
Last Twelve Months Free Cash Flow ("LTM FCF")	-2336.4	199.6	591.2	N.A.	581.5
LTM FCF as % NMV – Marketplace	-12.2%	0.9%	2.0%	N.A.	1.6%
Shipped Orders	866.9	1,146.4	1,587.9	714.0	1,077.8
Shipped Orders - Valmo	15.9	224.1	763.5	275.6	695.4
Shipped Orders – End-to-end express parcel delivery companies	851.1	922.3	824.4	438.4	382.4

Key Performance Indicator

	FY23	FY24	FY25	H1FY25	H1FY26
Annual Transacting Users (in Million)	136.4	155.6	198.8	175.1	234.2
Annual Transacting Sellers	4,49,966	4,23,749	5,13,757	4,40,824	7,06,471
Placed Orders (in Million)	1,024.3	1,341.9	1,834.4	824.6	1,261.1
Growth in Placed Orders (%)	-	31.0%	36.7%	33.3%	52.9%
Order Frequency	7.5	8.6	9.2	8.8	9.7
Gross Merchandise Value (GMV) - Marketplace (Rs. Billion)	344.9	400.4	503.1	226.1	334.8
Net Merchandise Value (NMV) - Marketplace (Rs. Billion)	192.3	232.4	299.9	133.2	191.9
NMV – Marketplace growth (%)	-	20.8%	29.0%	23.6%	44.1%

Financial Statement

(In Rs. Cr)	FY23	FY24	FY25	H1FY25	H1FY26
Share Capital	0.0	0.0	0.3	0.0	194.8
Net Worth	2471.9	2229.6	1445.5	2173.6	850.4
Long Term Borrowings	0.0	0.0	0.0	0.0	0.0
Other Long Term Liabilities	11.5	72.6	63.6	65.9	70.8
Short-term borrowings	0.0	0.0	0.0	0.0	0.0
Other Current Liabilities	1369.9	1858.8	5717.0	4260.0	5719.2
Fixed Assets	57.8	112.0	95.8	101.4	118.6
Non Current Assets	1213.9	881.7	343.0	1124.2	604.3
Current Assets	2639.5	3167.3	6787.3	5273.8	5917.5
Total Assets	3853.3	4161.0	7226.1	6499.4	6640.4
Revenue from Operations	5734.5	7615.1	9389.9	4311.3	5577.5
Revenue Growth (%)		32.8	23.3		29.4
EBITDA	(1803.7)	(494.1)	(578.5)	(236.1)	(693.4)
EBITDA Margin (%)	(31.5)	(6.5)	(6.2)	(5.5)	(12.4)
Net Profit	(1671.9)	(327.6)	(3941.7)	(2512.9)	(700.7)
Net Profit Margin (%)	(29.2)	(4.3)	(42.0)	(58.3)	(12.6)
Earnings Per Share (Rs.)	(4.4)	(0.9)	(10.0)	(6.2)	(1.7)
Return on Networth (%)	(65.6)	(14.2)	(252.4)	(110.4)	(72.3)
Net Asset Value per Share (Rs.)	6.8	6.1	3.7	5.6	2.3

Source: RHP, Ashika Research

Cash Flow Statement

(In Rs. Cr)	FY23	FY24	FY25	H1FY25	H1FY26
Cash flow from Operations Activities	(2308.2)	220.2	539.4	135.5	(850.6)
Cash flow from Investing Activities	498.4	(165.6)	(2635.3)	(2229.5)	968.4
Cash flow from Financing Activities	(11.8)	(11.4)	2105.3	2112.0	(9.4)
Net increase/(decrease) in cash and cash equivalents	(1821.6)	43.2	9.4	18.0	108.4
Cash and cash equivalents at the beginning of the year	423.7	96.5	140.4	140.4	147.1
Cash and cash equivalents at the end of the year	96.5	140.4	147.1	155.4	255.5

Source: RHP

Comparison with Listed Industry Peers

Co Name	Net Sales (Rs. Cr.)	OPM (%)	D/E (x)	ROCE (%)	RONW (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	MCap/Sales (x)	Market Cap (Rs. Cr.)
Meesho Ltd.	9389.9	-6.2	0.0	-10.0	-69.2	NA	9.8	-35.9	4.5	50095.8
Eternal Ltd.	20243.0	8.5	0.0	3.4	2.2	NA	9.5	152.2	9.1	292067.9
Avenue Supermarts Ltd.	59358.1	7.1	0.0	18.7	13.5	95.5	11.4	54.7	4.1	260830.1
Trent Ltd.	17134.6	16.5	0.1	42.4	32.2	93.6	24.9	45.2	8.2	151739.8
Swiggy Ltd.	15226.8	-15.5	0.0	-33.1	0.0	NA	9.8	-30.9	5.1	96479.2
FSN E-Commerce Ventures Ltd.	7949.8	6.3	0.8	11.2	5.9	728.0	54.6	126.5	8.6	75821.4
Vishal Mega Mart Ltd.	10716.3	15.1	0.0	17.1	10.6	85.9	9.2	35.1	5.4	63269.6
Brainbees Solutions Ltd.	7659.6	4.9	0.1	-1.7	-8.0	NA	3.3	39.0	2.0	15985.6

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