

Rentomojo IPO

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- The company is operating technology driven, full-stack D2C online rental and subscription platform for furniture and appliances in India.
- It has emerged as a leader in the segment with over a decade experience.
- The company posted steady growth in its top and bottom lines for the reported periods.
- Based on its recent average financial data, the issue appears aggressively priced.
- However, well-informed/cash surplus investor may park moderate funds for medium to long term rewards.

About the Company

Rentomojo Ltd. (RL) operates a technology-driven, full-stack direct-to-consumer (“D2C”) online rental and subscription platform for furniture and appliances in India. It is the largest online rental and subscription platform for home furniture and appliances based on live subscribers as of March 31, 2025 and as of September 30, 2025, and subscription revenue during Fiscal 2025, amongst leading home furniture and appliance rental platforms in India. (Source: Redseer Report) As of March 31, 2026, it had 253825 live subscribers spread across 29 cities in India, enabling subscribers to access home essentials through affordable, long-term and flexible subscription plans backed by a reliable and a full-stack asset-lifecycle model.

Its integrated asset-lifecycle model, spanning across category management, designing, procurement, refurbishment, servicing, reverse logistics and multi-cycle redeployment, helps it deliver a flexible living experience to modern age consumers of India. In addition, RL focuses on offering quality service, to drive subscriber satisfaction and retention. Its platform, operating through an omni-channel mechanism, combining online ordering platform and experience stores (82 experience stores across India, as of March 31, 2026), enables consumers to access furniture and appliances on a flexible subscription plan, thus eliminating the need for large upfront purchases, repair and maintenance hassles, relocation concerns, limitations on upgrading products and long-term ownership commitments.

Consumers rely on its brand to subscribe to essential home-building blocks such as beds, mattresses, washing machines, refrigerators, wardrobes, sofas, televisions, and water purifiers. It has a comprehensive portfolio of 851184 live items (“Products”) across furniture and appliances, as of March 31, 2026. The company has consistently maintained an occupancy rate of 83.34%, 82.82% and 86.43% during Fiscals 2026, 2025 and 2024, respectively, enabling capital efficiency, with sustained and predictable revenue generation, which is assessed based on the contracts entered into by the

subscribers with our Company. The furniture and appliances that it offers consumers has a diverse mix of brands including Haier, Wakefit, Livpure and Duroflex as well as its own private-label brands. In Fiscal 2025, RL expanded its portfolio and launched private-label refrigerators and washing machines manufactured in partnership with Dixon Technologies (India) Limited (“Dixon”), as well as its own branded water purifiers.

India’s urban expansion has transformed the country’s economic and social landscape. Between CY2000 and CY2025, the urban population has more than doubled from approximately 292 million to over approximately 522 million as the urbanization rate climbed. This migration toward cities is driven by emerging job opportunities in global capability centres (“GCC”), growth of manufacturing and industrial clusters, and development of technology and startup ecosystems among other drivers. Rising urbanization has led to a supply-demand imbalance in the housing market, pushing property prices beyond the reach of many households. Within the rental stock in India, nearly approximately 80% is unfurnished or semi-furnished, placing the setup burden on incoming tenants. With urban tenancy averaging just approximately 1.6 years, the cycle repeats frequently: making ownership of bulky, depreciating assets economically inefficient for mobile households. These realities create powerful tailwinds for models that simplify home setup, reduce time-to-live ability, and minimize upfront cash outflow paving the way for flexible, service-oriented living solutions to thrive.

The home furniture and appliances rental industry in India represents a large and rapidly expanding opportunity, with a total addressable market (“TAM”) of approximately Rs. 695.2 billion (approximately US\$ 8.2 billion) in CY2025. This market is expected to grow at a compounded annual growth rate (“CAGR”) of approximately 11% to reach approximately Rs. 1172.1 billion (approximately US\$ 13.8 billion) by CY2030, driven by India’s young demographic profile, rising consumption and urban migration, increasing formal workforce participation, growing rental housing penetration, a shift towards asset-light lifestyles, and widening adoption of subscription-based consumption among young working professionals. (Source: Redseer Report) Prior to the emergence of organized rental platforms, consumers typically met their furniture and appliance requirements through outright purchase. Over the past decade, rental platforms have provided an alternative access-based option to consumers alongside traditional ownership. As of March 31, 2026, it had 835 employees on its payroll and additional 1772 contractual employees.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of approx. 31078400 equity shares (worth Rs. 1255.57 cr. at the upper cap). The IPO consists of fresh equity shares worth Rs. 150.00 cr. (approx. 3712871 equity shares at the upper cap) and an Offer for Sale (OFS) of 27365529 equity shares (worth Rs. 1105.57 cr. at the upper cap). The company has announced a price band of Rs. 384 – Rs. 404 per equity shares of Rs. 1 each. The issue opens for subscription on September 09, 2026, and will close on September 11, 2026. The minimum application to be made is for 23 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and

NSE. The issue constitutes 29.85% of the post-IPO paid-up equity capital. From the net proceeds of the fresh equity issue, the company will utilize Rs. 70.00 cr. for repayment/prepayment of certain borrowings, Rs. 42.50 cr. for payment of lease rentals, license fee for warehouse and experience stores, and the rest for general corporate purposes.

The company has reserved shares worth Rs. 2.00 cr. (approx. xxx equity shares at the upper cap), and offering them a discount of Rs. 20.00 per share. From the rest, it has allocated not more than 50% for QIBs, not less than 35% for Retail investors, and not less than 15% for HNI investors.

The three joint Book Running Lead Managers (BRLMs) to this issue are Motilal Oswal Investment Advisors Ltd., Axis Capital Ltd., and IIFL Capital Services Ltd., while KFin Technologies Ltd. is the registrar to the issue.

After issuing initial equity shares at par value, the company has issued/converted further equity shares in the price range of Rs. 1.50 – Rs. 11747.62 per share (on the basis of Rs. 1 FV), between August 2015, and July 2026. It has also issued bonus shares in the ratio of 123 for 1 in March 2026. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. Negligible, Rs. 46.79, Rs. 55.99, Rs. 74.91, Rs. 75.10, Rs. 75.36, Rs. 81.57, Rs. 82.36, Rs. 94.74, and Rs. 96.18 per share.

Post-IPO, its current paid-up equity capital of Rs. 10.04 cr. (100400342 equity shares) will stand enhanced to Rs. 10.41 cr. (104113213 equity shares). Based on the upper cap of the price band, the company is looking for a market cap of Rs. 4206.17 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted a total income/net profit, of Rs. 195.80 cr. / Rs. 22.41 cr. (FY24), Rs. 271.96 cr. / Rs. 43.11 cr. (FY25), and Rs. 394.09 cr. / Rs. 104.30 cr. (FY26). The company posted steady growth in its top and bottom lines for the reported periods. This also indicates likely trends in coming years.

For the last three fiscals, the company has posted an average EPS of Rs. 7.07 (basic) and an average RoNW of 35.26 %. The issue is priced at a P/BV of 14.10 based on its NAV of Rs. 28.65 as of March 31, 2026, and at a P/BV of 9.43 based on its post-IPO NAV of Rs. 42.82 per share at the upper cap.

If we attribute FY26 super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at P/E of 40.32. Based on FY25 earnings, the P/E stands at 97.58. The issue appears aggressively priced based on its recent average performance.

For the reported periods, the company has reported PAT Margins of 11.63% (FY24), 16.21% (FY25), 26.95% (FY26), and RoCE margins of 31.47%, 25.14%, 25.34%, respectively, for the referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has already adopted a dividend policy in March 2026, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has no listed peers to compare with.

Merchant Banker's Track Record

The three BRLMs associated with this issue has handled 109 IPOs in the last three fiscals and out of which 28 IPOs closed below the issue price on listing date.

Conclusion / Investment Strategy

RL is operating technology driven, full-stack D2C online rental and subscription platform for furniture and appliances in India. It has emerged as a leader in the segment with over a decade experience. The company posted steady growth in its top and bottom lines for the reported periods. Based on its recent average financial data, the issue appears aggressively priced. It may catch first mover fancy post listing. Well-informed/cash surplus investor may park moderate funds for medium to long term rewards.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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