

<b>Price Band</b>	Rs. 185 to Rs. 195
<b>Recommendation</b>	<b>Subscribe For Long Term</b>
<b>The Issue</b>	
<b>Type of Issue</b>	<b>Rs. Mn.</b>
Fresh Issue	3,772
Offer for Sale	9,117
<b>Total Issue Size*</b>	<b>12,890</b>
Post issue mkt cap*	63,732
Lot size (Nos.)	76
Face Value / share (Rs.)	1
*At upper price band	
<b>Issue Break-Up</b>	
<b>Reservation for</b>	<b>% of Issue</b>
QIB	75%
NIB	15%
Retail	10%
<b>Total</b>	<b>100%</b>
<b>Indicative Offer Timeline</b>	<b>Indicative Date</b>
Bid/Offer Opening Date	Dec 08, 2025
Bid/Offer Closing Date	Dec 10, 2025
Basis of Allotment	Dec 11, 2025
Initiation of refunds	Dec 12, 2025
Credit of shares	Dec 12, 2025
Listing Date	Dec 15, 2025
<b>Usage of Proceeds</b>	
Capex for 117 new COCO stores	308
Expense for lease, sub-lease and license fees for existing COCO stores	1,615
Capex for equipment and machinery	154
Marketing and advertisement expenses	1,084
General corporate purpose	
<b>BRLM &amp; Registrar to Issue</b>	
<b>BRLM</b>	Axis Capital, IIFL Capital Services, Nomura Financial Advisory and Securities (India)
<b>Registrar</b>	MUFG Intime India

Source: Indsec Research, RHP

### Comprehensive Home & Furnishing solutions provider

#### Business Overview

- **Wakefit Innovations Limited** is a D2C home and furnishing company selling products across categories such as mattresses (61.3% of FY25), furniture (27.6% of FY25) and furnishing décor (11.0% of FY25) under the brand name “Wakefit”.
- The company is full-stack vertically integrated enabling control over operations from conceptualizing, designing and engineering to manufacturing and distributing the products.
- Wakefit has an omni-channel presence including own website, COCO stores (company owner, company operated), e-commerce websites, quick commerce platforms and MBOs (multi-brand outlets).
- As of 31<sup>st</sup> September 2025, the company operated 125 COCO stores and had presence in 1,504 MBO stores supported by 1 central mother warehouse, 17 inventory holding points and 18 points of delivery.

#### Rationale

- **High share of sales through own channel (COCO + Websites):** For Wakefit, revenue from its own channels (COCO stores + websites) comprises >55% of total revenue from operations. Sales through its own channels enjoys higher profitability and margins vs sales through third party sellers or distributors. Its COCO stores have rapidly increased from 23 in FY23 to 125 in FY25. Also, direct sales to customers enables it to enhance brand loyalty, drive repeat purchases, increase average order value and customer conversion rates.
- **One-stop destination for comprehensive home and furnishing solutions:** The company offers its products under three categories – Mattresses, Furniture, and Furnishing and Décor. This enables it to cross-sell complementary products, up-sell higher-end products, and encourage repeat purchases through network effects. As on March 31, 2025, its SKUs across categories stood at 3,070.
- **Expansion of COCO (Jumbo + Regular store):** As on September 30, 2025, the company operated 125 COCO – Regular Stores. Additionally, the average order value of its COCO-Regular stores was 78.8% higher than the average order value of its website. Through the use of proceeds, it intends to add additional 117 COCO-Regular and 2 COCO-Jumbo stores. Further, it may also expand retail stores through a franchise model to scale up footfalls and drive growth.

**Valuation and View:** At an upper price band of Rs 195, Wakefit Innovations is valued at a P/S of 4.4x on FY26 annualized basis which is at a significant premium versus its listed peer Sheela Foams (P/S of 1.8x). The company's revenue has grown at a CAGR of 25.2% over FY23-25 driven by 23.1%/34.3%/17.7% CAGR growth in Mattress/Furniture/Furnishing businesses. During the same period, number of COCO-Regular stores have registered a CAGR of 113.7% to 105 stores (H1FY26 store count at 125). Through the IPO proceeds the company intends to add 117 COCO-Regular and 2 COCO-Jumbo stores to drive growth. The company operates in an industry dominated by unorganized sector which puts pricing pressure, who has significant market reach within their region. Positively for Wakefit growth is visible on back of improving housing demand, increasing discretionary spending and successful expansion of its COCO stores. We are cautious due to higher relative valuations versus Sheela Foams (Sleepwell and Kurl-on), dominance of unorganized players, and supply side risk pertaining to RM imports. We thus assign a “**Subscribe for Long-Term**” rating to the issue.

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## Shareholding Pattern, Issue Bifurcation & Selling Shareholder

Shareholding Pattern	Pre Issue			Offer		Post Issue	
	# of shares (in Mn)	%	Type	No. of shares (in Mn)	# of shares (in Mn)	%	
Promoter	134.4	43.7	OFS	-46.8	87.6	37.4	
Public	173.1	56.3	OFS	+19.3	239.2	62.6	
			Fresh	+46.8			
<b>Total</b>	<b>307.5</b>	<b>100.0</b>			<b>326.8</b>	<b>100.0</b>	

Issue Bifurcation	No of shares		Rs. Mn.	
	Floor	Cap	Floor	Cap
Fresh Issue	2,03,88,000	1,93,42,462	3,772	3,772
Offer for Sale (OFS)	4,67,54,405	4,67,54,405	8,650	9,117
<b>Net Offer</b>	<b>6,71,42,405</b>	<b>6,60,96,867</b>	<b>12,421</b>	<b>12,889</b>
<b>QIB Portion (75% of Offer)</b>	<b>5,03,56,804</b>	<b>4,95,72,650</b>	<b>9,316</b>	<b>9,667</b>
Total Anchor portion (60% of QIB)	3,02,14,082	2,97,43,590	5,590	5,800
QIB Portion reserved for MF (5% of Net QIB)	10,07,136	9,91,453	186	193
<b>Balance Available QIB Portion (95% of Net QIB)</b>	<b>1,91,35,585</b>	<b>1,88,37,607</b>	<b>3,540</b>	<b>3,673</b>
Non Institutional portion (15% of Offer)	1,00,71,361	99,14,530	1,863	1,933
Retail portion (10% of Offer)	67,14,241	66,09,687	1,242	1,289

Selling Shareholders	Pre Offer	% of Total Shareholding	Offered	Post Offer	% of Total Shareholding
Ankit Garg	Promoter	77,29,488	16.5%	2.5%	Ankit Garg
Chaitanya Ramalingegowda	Promoter	44,52,185	9.5%	1.4%	Chaitanya Ramalingegowda
Nitika Goel	Others	8,99,205	1.9%	0.3%	Nitika Goel
Peak XV Partners Investments VI	Others	2,03,74,774	43.6%	6.6%	Peak XV Partners Investments VI
Redwood Trust	Others	1,38,047	0.3%	0.0%	Redwood Trust
Verlinvest S.A.	Others	1,01,93,506	21.8%	3.3%	Verlinvest S.A.
SAI Global India Fund I, LLP	Others	4,13,150	0.9%	0.1%	SAI Global India Fund I, LLP
Paramark KB Fund I	Others	25,54,050	5.5%	0.8%	Paramark KB Fund I

Source: Indsec Research, RHP

## Key Risk

- **Highly competitive intensity:** The company faces stiff competition, especially from unorganized local and unbranded sellers. These players could put pricing pressure on the company by selling products at significantly cheaper prices owing to better raw material procurement prices and efficient supply chain, leading to increased competitive intensity.
- **Seasonality driven sales:** Company has experienced high demand for its products during festive season. Failure to accurately forecast demand or disruption in supply chain during peak demand season could affect profitability and cash flows.
- **Lower margins due to Jumbo COCO stores:** The company intends to expand its presence through Jumbo COCO stores. These stores would require large capital expenditure due to high operational costs, thereby diluting margins.

## Key Performance Indicators

Revenue by Product Category	FY23	FY24	FY25	H1FY26
Mattresses	5,160	5,675	7,814	4,391
<i>% of Total</i>	<i>63.5%</i>	<i>57.5%</i>	<i>61.3%</i>	<i>60.6%</i>
Furniture	1,951	3,012	3,517	2,119
<i>% of Total</i>	<i>24.0%</i>	<i>30.5%</i>	<i>27.6%</i>	<i>29.3%</i>
Furnishings	1,015	1,176	1,406	731
<i>% of Total</i>	<i>12.5%</i>	<i>11.9%</i>	<i>11.0%</i>	<i>10.1%</i>
<b>Total</b>	<b>8,126</b>	<b>9,864</b>	<b>12,737</b>	<b>7,240</b>

Revenue by Channels	FY23	FY24	FY25	H1FY26
Online (Website + Marketplace)	7,270	7,466	8,491	4,307
<i>% of Total</i>	<i>89.5%</i>	<i>75.7%</i>	<i>66.7%</i>	<i>59.5%</i>
Offline (COCO Regular + MBO)	856	2,397	4,246	2,933
<i>% of Total</i>	<i>10.5%</i>	<i>24.3%</i>	<i>33.3%</i>	<i>40.5%</i>
<b>Total</b>	<b>8,126</b>	<b>9,864</b>	<b>12,737</b>	<b>7,240</b>

Revenue by Format	FY23	FY24	FY25	H1FY26
Own (Website + COCO Stores)	4,673	5,751	7,256	4,699
<i>% of Total</i>	<i>57.5%</i>	<i>58.3%</i>	<i>57.0%</i>	<i>64.9%</i>
Others (Marketplace + MBO)	3,454	4,113	5,481	2,541
<i>% of Total</i>	<i>42.5%</i>	<i>41.7%</i>	<i>43.0%</i>	<i>35.1%</i>
<b>Total</b>	<b>8,126</b>	<b>9,864</b>	<b>12,737</b>	<b>7,240</b>

Stores Count	FY23	FY24	FY25	H1FY26
COCO	23	56	105	125

Volumes	FY23	FY24	FY25	H1FY26
Mattresses	5,68,443	5,94,040	7,93,348	4,64,641
Furniture	1,78,488	2,82,681	3,51,492	2,66,190
Furnishings	11,73,453	14,00,491	14,55,037	8,62,041

Source: Indsec Research, RHP

## Key Performance Indicators : Manufacturing Facilities

Manufacturing facility	Location	Products manufactured	Built-up area (sq. ft.)
Facility I	Sonipat, Haryana	Mattress and sofa	1,21,040
Facility II	Bengaluru, Karnataka	Chairs and steel bed fabrication and R&D activities	37,076
Facility III	Bengaluru, Karnataka	Accessories- comforter, pillows, bedsheet, protectors, curtains, cushion, bean bag, décor items	70,725
Facility IV	Hosur, Tamil Nadu	Engineered wood furniture, solid wood furniture and sofa	3,44,994
Facility V	Hosur, Tamil Nadu	Mattress	1,25,000

Manufacturing Unit	Product	Capacity (Mn.)		Utilization (%) <sup>*</sup>
		Installed	Available	
Facility 1	Mattress	1.30	0.29	72.1
	Sofa	0.04	0.04	80.0
Facility 2	Chairs	0.07	0.02	73.6
Facility 3	Furnishing	4.75	3.19	79.0
Facility 4	Solid Wood	0.10	0.07	79.4
	Engineered Wood	0.36	0.25	86.7
	Sofa	0.37	0.19	80.5
Facility 5	Mattress	2.00	0.86	86.3

\*Capacity Utilization calculated on available capacity

## Peer Comparison

Parameters	Unit	Wakefit Innovations	Sheela Foam
Revenue from Operations	Rs. in Mn.	12,737	34,390
EBITDA	Rs. in Mn.	591	2,860
<i>EBITDA Margin</i>	%	<b>4.6%</b>	<b>8.3%</b>
Adj. PAT	Rs. in Mn.	-350.0	900.7
<i>APAT Margin</i>	%	<b>-2.7%</b>	<b>2.6%</b>
P/E	(x)	NA	80.4
P/S	(x)	5.0	2.3
<i>RoE</i>	%	<b>-6.7%</b>	<b>3.0%</b>
<i>RoCE</i>	%	<b>-5.1%</b>	<b>5.0%</b>
Revenue from Mattress	Rs. in Mn.	7,814	13,770
<i>% of Total Revenue</i>	%	<b>61.3%</b>	<b>40.0%</b>
Mattress Volume	#	14,55,037	33,08,000

## Industry Charts

Exhibit 1: Home &amp; Furnishing Market Size (Rs. Bn.)

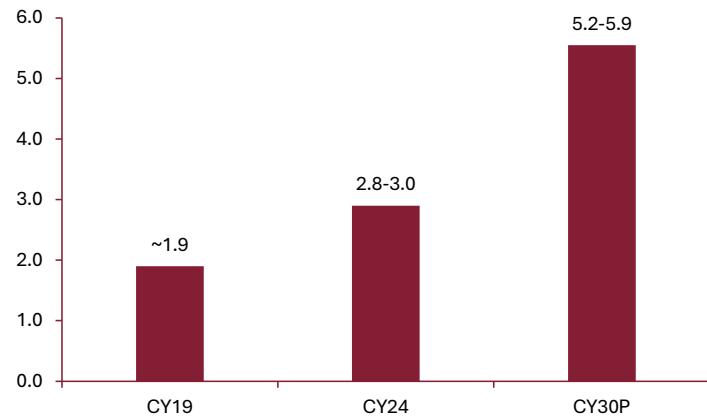


Exhibit 2: Furnishing &amp; Decor market size (Rs. Bn.) with product split

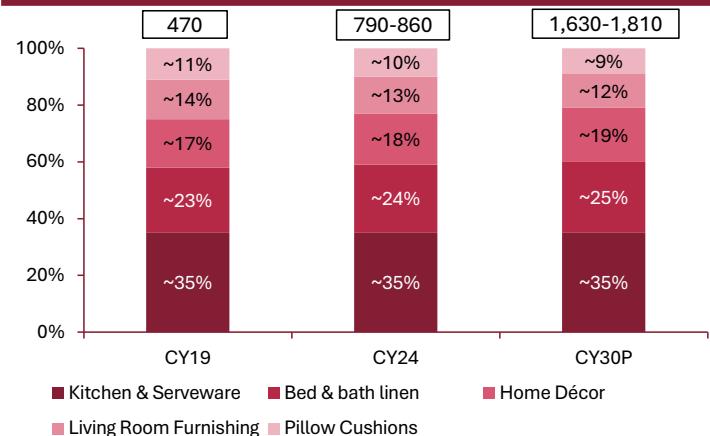


Exhibit 3: Mattress market size (Rs. Bn.)

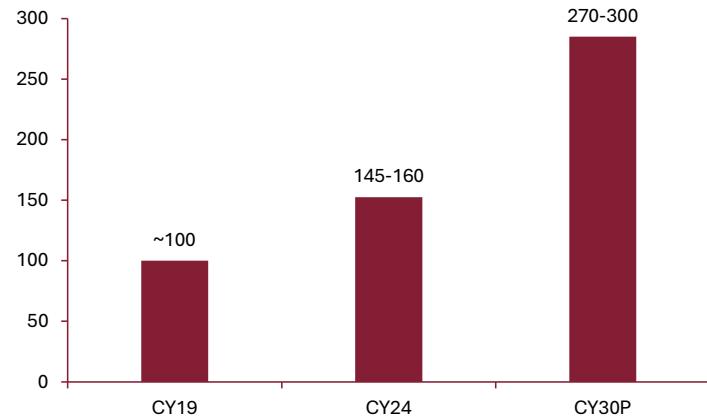


Exhibit 4: Mattress market by channels

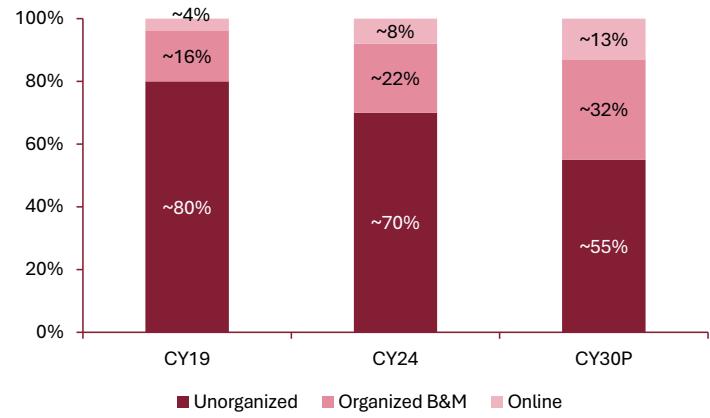


Exhibit 5: Furniture market size (Rs. Bn.)

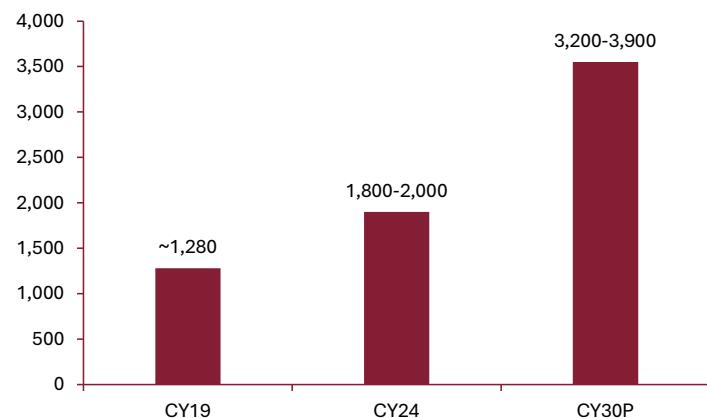
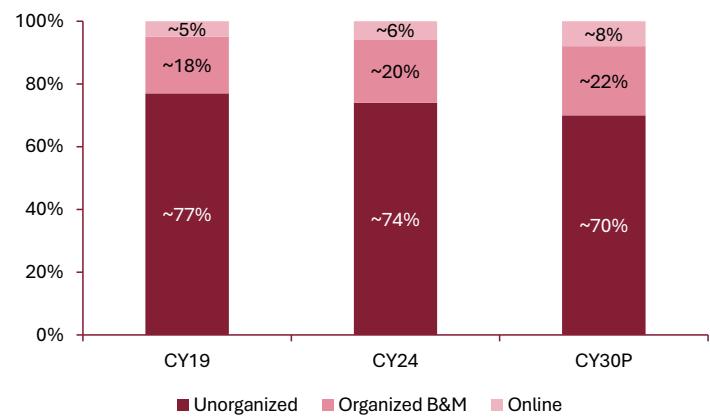


Exhibit 6: Furniture market by channels



Source: Indsec Research, RHP

## Financial Story

SUMMARY INCOME STATEMENT					SUMMARY CASH FLOW STATEMENT				
(Rs. in mn)	FY23	FY24	FY25	H1FY26	(Rs. in mn)	FY23	FY24	FY25	H1FY26
Total Operating Income	8,126	9,864	12,737	7,240	Loss Before Tax	-1,457	-151	-350	356
YoY		21.4%	29.1%		Depreciation & Amort.	473	639	962	528
RM Cost	4,660	4,650	5,733	3,129	Before Working capital adjustments	-831	491	750	905
<b>Gross Profit</b>	<b>3,466</b>	<b>5,213</b>	<b>7,004</b>	<b>4,111</b>	Working Capital adjustments	584	330	3	-125
<b>Gross Margin</b>	<b>42.7%</b>	<b>52.9%</b>	<b>55.0%</b>	<b>56.8%</b>	Taxes	43	-15	13	8
Employee Cost	1,058	1,346	1,657	795	<b>Cash Flow from Operating</b>	<b>-205</b>	<b>806</b>	<b>767</b>	<b>788</b>
Other Operating Expenses	3,340	3,518	4,755	2,457	Capital Expenditure	-400	-291	-508	-155
<b>EBITDA</b>	<b>-931</b>	<b>349</b>	<b>591</b>	<b>859</b>	<b>Cash from Investing Activities</b>	<b>-2,012</b>	<b>-1,472</b>	<b>-21</b>	<b>-359</b>
<b>EBITDA Margin</b>	<b>-11.5%</b>	<b>3.5%</b>	<b>4.6%</b>	<b>11.9%</b>	<b>Cash from Financing Activities</b>	<b>2,746</b>	<b>87</b>	<b>-711</b>	<b>-369</b>
Other Income	74	310	317	173	<b>Net Change in Cash</b>	<b>530</b>	<b>-579</b>	<b>35</b>	<b>61</b>
Net Interest Exp.	127	170	296	148	BF Cash	86	615	36	71
Depreciation	473	639	962	528	<b>END Cash</b>	<b>615</b>	<b>36</b>	<b>71</b>	<b>132</b>
Exceptional Items	0	0	0	0					
<b>PBT</b>	<b>-1,457</b>	<b>-151</b>	<b>-350</b>	<b>356</b>					
Tax	0	0	0	0					
<b>Net Profit</b>	<b>-1,457</b>	<b>-151</b>	<b>-350</b>	<b>356</b>					
<b>NPM</b>	<b>-17.9%</b>	<b>-1.5%</b>	<b>-2.7%</b>	<b>4.9%</b>					
<b>EPS</b>	<b>-4.5</b>	<b>-0.5</b>	<b>-1.1</b>	<b>4.4</b>					
SUMMARY BALANCE SHEET					SUMMARY RATIOS				
(Rs. in mn)	FY23	FY24	FY25	H1FY26		FY23	FY24	FY25	
<b>Assets</b>					<b>Profitability</b>				
Net Block	1,559	1,636	1,652	1,595	RoA	-18.4%	-1.6%	-3.3%	
Other Non current Assets	2,503	1,906	3,481	3,064	RoCE	-22.7%	-4.2%	-5.1%	
<b>Total Non-Current Assets</b>	<b>4,062</b>	<b>3,542</b>	<b>5,133</b>	<b>4,659</b>	ROE	-28.8%	-2.8%	-6.7%	
Inventories	1,156	1,307	1,636	2,618	<b>Margin Analysis</b>				
Trade receivables	168	281	59	37	Gross Margin	42.7%	52.9%	55.0%	
Cash and cash equivalents	615	36	71	132	EBITDA Margin	-11.5%	3.5%	4.6%	
Bank Balance	1,116	136	31	31	Net Income Margin	-17.9%	-1.5%	-2.7%	
Other current assets	800	3,981	3,578	4,727	<b>Short-Term Liquidity</b>				
<b>Total Current Assets</b>	<b>3,856</b>	<b>5,741</b>	<b>5,375</b>	<b>7,545</b>	Current Ratio	2.2	2.4	1.7	
<b>Current Liabilities &amp; Provisions</b>					Quick Ratio	1.6	1.9	1.2	
Trade payables	1,095	1,444	1,570	2,697	Avg. Days Payables	49	53	45	
Short-term provisions	71	59	81	82	Avg. Days Inventory Outstanding	91	103	104	
Other current liabilities	553	818	1,543	1,772	Avg. Days Sales Outstanding	86	113	100	
<b>Total Current Liabilities</b>	<b>1,719</b>	<b>2,321</b>	<b>3,194</b>	<b>4,551</b>	<b>Valuation Ratios</b>				
<b>Net Current Assets</b>	<b>2,136</b>	<b>3,420</b>	<b>2,181</b>	<b>2,993</b>	P/S	7.8	6.5	5.0	
<b>Total Assets</b>	<b>6,199</b>	<b>6,962</b>	<b>7,314</b>	<b>7,652</b>	P/B	12.6	11.7	12.2	
<b>Liabilities</b>					<b>Long-Term Solvency</b>				
Share Capital	10	10	11	158	Total Debt / Equity	0.3	0.3	0.5	
Instruments entirely equity in nature	171	192	192	192					
Other Equity	4,870	5,233	5,003	5,223					
<b>Total Shareholders Funds</b>	<b>5,051</b>	<b>5,436</b>	<b>5,206</b>	<b>5,573</b>					
Minority Interest	0	0	0	0					
<b>Total Debt</b>	<b>0</b>	<b>74</b>	<b>0</b>	<b>0</b>					
Lease Liabilities	1,135	1,376	2,023	1,989					
Long Term Provisions	13	76	85	90					
<b>Total Liabilities</b>	<b>6,199</b>	<b>6,962</b>	<b>7,314</b>	<b>7,652</b>					

Source: Indsec Research, RHP

**RATING SCALE**

IPO Recommendation (For NOT RATED Reports)	
Recommendation	Comments
SUBSCRIBE	We advise investor to subscribe to the issue
SUBSCRIBE FOR LONG TERM	We advise investor to subscribe to the issue on the basis of intact long-term prospects of the company/sector
NEUTRAL	We don't have any recommendation for the issue
AVOID	We advise investor to avoid subscribing to the issue

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