

Rentomojo Ltd – IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
9 September 2026	11 September 2026	₹384-404	Subscribe

Investment Summary

Rentomojo Limited is a technology-driven, **full-stack online rental platform** providing flexible subscription solutions for home furniture and major appliances across India. Operating in a high-growth consumer segment, the company manages an integrated asset-lifecycle model that spans digital onboarding, automated credit underwriting, delivery logistics, warehousing, and in-house asset refurbishment. Financial performance has scaled aggressively, with Revenue from Operations rising from ₹192.70 Cr in FY24 to ₹386.99 Cr in FY26, alongside an expansion in EBITDA margins to 41.88% and a sharp increase in Restated PAT to ₹104.30 Cr. The IPO comprises a **Fresh issue of 37,15,449 shares, aggregating up to ₹150 Cr** and an **Offer for sale of 2,73,65,529 shares**, aggregating up to **₹1,106 Cr** at the upper price band of ₹404 per share. Fresh proceeds will primarily be allocated toward the repayment or prepayment of certain outstanding borrowings and the payment of lease rentals/license fees for warehouses and experience stores. Backed by high customer stickiness (50.41% repeat orders), an omnichannel footprint of 82 experience stores across 17 cities as of March 31, 2026, and a robust return on net worth (RoNW) of 43.51%, Rentomojo presents a compelling growth narrative. Despite risks tied to asset-intensity, working capital requirements, and urban tier-1 market concentration, its market leadership and strong unit economics support a **Subscribe stance** for medium- to long-term investors.

Company Overview

Rentomojo Limited (formerly known as Rentomojo Private Limited and Edunetwork Private Limited), incorporated in 2012, is a technology-driven, full-stack online rental platform providing customizable subscription options for home furniture and major appliances. Operating through its digital platform and an expanding footprint of physical experience stores across urban markets in India, the company offers flexible rental and subscription solutions as an alternative to traditional ownership. Its product portfolio covers essential household assets such as beds, mattresses, sofas, dining sets, wardrobes, refrigerators, washing machines, televisions, air conditioners, and kitchen appliances. The company functions on an asset-lifecycle rental model, managing end-to-end operations spanning asset procurement, deployment, warehousing, maintenance, reverse logistics, and refurbishment. Rentomojo serves a growing subscriber base across major metropolitan and tier-1 cities in India, supported by an advanced credit evaluation engine, automated billing, and route optimization tools. In FY26, the company reported a Revenue from Operations of ₹386.99 Crores, an EBITDA of ₹165.04 Crores (derived from total income and expense restatements), and a Restated Profit After Tax of ₹104.30 Crores. Promoted by Geetansh Bamania, the company is launching an initial public offering comprising a fresh issue of up to ₹150 Cr and an offer for sale of up to 27,365,529 equity shares by selling shareholders.

Business Model

Rentomojo Limited operates an asset-light, full-stack digital subscription and rental platform that provides flexible access to home furniture and major appliances as an alternative to ownership. The company functions on a subscription-led, asset-lifecycle model, managing end-to-end operations through its digital applications and website, supported by a network of physical experience stores and backend warehouses. Its product ecosystem spans essential living assets, including beds, mattresses, sofas, dining sets, wardrobes, refrigerators, washing machines, televisions, air conditioners, and home kitchen equipment. Revenue is primarily generated through recurring monthly rental subscription fees paid by subscribers over agreed contract tenures. The platform's operational backbone is heavily integrated with technology, utilizing a proprietary credit evaluation engine for subscriber underwriting, route optimization tools for delivery logistics, enterprise resource planning (ERP) tools for asset tracking, and automated digital collection systems. By controlling the entire asset journey - from procurement and deployment to reverse logistics, quality checks, repairs, and refurbishment - Rentomojo maximizes the useful lifespan and residual value of its rental inventory across multiple subscriber cohorts.

Investment Rationale

Pioneer and Market Leader in Asset-Light Digital Rental: Rentomojo is a technology-first, full-stack online rental platform providing flexible subscription solutions for home furniture and major appliances, catering to the rising urban mobile population seeking alternatives to traditional asset ownership.

Asset-Lifecycle and Full-Stack Operational Control: The company manages the complete asset journey - including procurement, digital onboarding, automated credit underwriting, delivery logistics, warehousing, reverse logistics, and rigorous refurbishment - maximizing asset utilization and lifespan across multiple rental cohorts.

Strong Financial Scale and Robust Margin Expansion: Rentomojo has demonstrated aggressive growth, with Revenue from Operations surging from ₹192.70 Crores in FY24 to ₹386.99 Crores in FY26 at a CAGR of 41.71%. Improved operating leverage and asset efficiency have driven Restated PAT sharply higher to ₹104.30 Crores in FY26.

High Repeat Demand and Scalable Platform Model: The company exhibits high customer stickiness, with repeat orders accounting for 50.41% of total orders in FY26 and live subscribers expanding to 253,825 across 29 cities, supported by an advanced tech stack including automated credit engines and route optimization tools.

Strategic Expansion of Physical Footprint: In addition to its dominant digital presence, Rentomojo has successfully scaled up an offline omni-channel footprint to 82 experience stores across 17 cities as of March 31, 2026, enhancing brand trust, lead generation, and customer engagement.

Key Risk Factors

High Revenue Concentration in Furniture and Appliance Rentals: The company derives nearly all of its revenue from renting furniture and appliances, accounting for 97.90%, 98.20%, and 98.19% of revenue from operations in Fiscals 2026, 2025, and 2024, respectively. Any downturn in consumer discretionary spending, preference shifts toward ownership, or decreased rental demand could adversely affect financial performance.

Reliance on Third-Party Vendors and Manufacturers: The company relies on external vendors and third-party contract manufacturers (such as Dixon Technologies for private-label appliances) to source inventory. Supply chain constraints, delivery delays, quality failures, or price increases from suppliers could negatively impact asset availability and profit margins.

Subscriber Growth, Retention, and Experience Risks: Business growth depends heavily on acquiring new subscribers and retaining existing ones, with repeat orders accounting for 50.41% of total orders in FY26. Inability to resolve customer service issues or maintain high customer satisfaction could impact renewal rates and lifetime value.

Geographic Concentration in Tier-1 Markets: A significant majority of revenue is concentrated in key tier-1 and metropolitan cities such as Bengaluru, Mumbai, and Hyderabad (89.51% of revenue in FY26). Localized disruptions or intensified regional competition in these key markets can disproportionately harm operations.

Operational and Damage Risks within Warehouses: Asset management involves intensive storage, transit, and refurbishment across warehouses. For instance, a fire incident at a Noida warehouse in June 2026 resulted in asset losses and ongoing dispute notices from the sub-lessor, highlighting potential vulnerabilities to property damage and operational downtime.

Financial Snapshot

Metric	FY24	FY25	In Cr FY26
Revenue from Operations	192.70	265.96	386.99
EBITDA	78.15	118.44	163.46
EBITDA Margin	40.56%	44.53%	42.24%
Profit After Tax (PAT)	22.41	43.11	104.30
PAT Margin	11.63%	16.21%	26.95%
Basic EPS (₹)	2.21	4.25	10.29

IPO Details and Use of Proceeds

Parameter	Details
Issuer	Rentomojo Limited
IPO Issue Size	3,10,80,978 shares (agg. up to ₹1,256 Cr) Fresh Issue 37,15,449 shares (agg. up to ₹150 Cr) Offer for Sale 2,73,65,529 shares (agg. up to ₹1,106 Cr)
Price Band	₹384 – ₹404 per share
Face Value	₹1 per share
IPO Opening Date	9 September 2026
IPO Closing Date	11 September 2026
Listing	NSE / BSE
Promoter Holding (Pre/Post)	Pre-IPO: 21.49% → Post-IPO: ~19.94%
Book Running Lead Managers	Motilal Oswal Investment Advisors Limited, Axis Capital Limited, IIFL Capital Services Limited
Use of Proceeds	• ₹70 Cr towards repayment/ prepayment, in full or in part, of certain outstanding borrowings and accrued interest thereon availed by our Company • ₹42.50 Cr towards payment of lease rental/ license fee for our warehouses and experience stores

Valuation and Outlook

At the upper price band of **₹404**, Rentomojo Limited is valued at a FY26 P/E of **40.73x**, implying a post-issue market capitalization of **₹4,246.30 Cr**. While the valuation reflects a growth-oriented tech platform multiple, it is firmly supported by exceptional financial performance, highlighted by a strong FY26 Revenue from Operations of ₹386.99 Cr, an impressive EBITDA margin of 41.88%, a PAT of ₹104.30 Cr, and a high Return on Net Worth (RoNW) of 43.51%. The company occupies a dominant niche as a full-stack online rental platform, benefiting from an omnichannel presence with 82 experience stores, high repeat order rates (50.41%), and scalable asset-lifecycle management. Although risks remain regarding capital intensity, working capital structures, and geographical concentration in tier-1 markets, the structural shift toward flexible living provides a strong tailwind. Considering its robust growth trajectory, industry leadership, and solid profitability metrics, we recommend a **Subscribe stance** for medium- to long-term investors.

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