

## MEESHO LTD

03-12-2025 TO 05-12-2025

Industry: E- Commerce  
Recommendation: Subscribe for long term

Price Band: ₹ 105 - 111  
Post Implied Market Cap: ₹47,618 Cr - ₹ 50,096 Cr

### Key Data

|                       |                     |
|-----------------------|---------------------|
| Issue Size (₹ Cr)     | 5,357.90 – 5,421.20 |
| Fresh (₹)             | 4,250               |
| OFS (₹)               | 1,171               |
| No. of shares offered | 382,882,883         |
| Face Value (₹ /share) | 1                   |
| Bid Lot               | 135                 |

### About the Company

Meesho Ltd (Meesho) is a multi-sided e-commerce platform that connects consumers, sellers, logistics partners and content creators, offering value-led online shopping through an "Everyday Low Prices" model without relying on flash sales. It has become India's largest e-commerce marketplace by Placed Orders and Annual Transacting Users in the 12 months ending September 30, 2025. Meesho held strong market share positions across key categories to around 21%-23% in Fashion, 23 %-25% in Home & Kitchen/Furnishings, and 8%-10% in Beauty & Personal Care in FY 2025, this highlights its leadership in value-focused online retail.

### Investment Rationales

**1) Platform is built on multiple scaled self-reinforcing flywheels:** Company operates a multi-sided platform that connects consumers, sellers, logistics partners and content creators through three reinforcing flywheels—commerce, logistics and content. As more consumers transact due to Meesho's large, affordable assortment, sellers join the platform, list more products and price competitively, which further boosts demand. Rising order volumes improve logistics efficiency, allowing partners (via Valmo) to collaborate and reduce fulfilment costs. Simultaneously, content creators drive product discovery and engagement, attracting more buyers and sellers. These interconnected flywheels create strong network effects that accelerate growth. Valmo, launched in August 2022, has scaled rapidly, contributing 1.83% of shipped orders in FY2023, 19.55% in FY2024, 48.08% in FY2025, and 64.52% in H1 FY2026.

**2) Technology-first approach with focus on AI-driven solutions:** Meesho has deeply integrated GenAI and ML across its platform to boost productivity, scalability and user experience. With 1,182 tech employees, including 163 in ML/AI, the company achieved a strong GMV to FTE of ₹29.39 Cr and supported 205M monthly active users as of Sept 2025. AI is used for hyper-personalised product discovery, automated customer support and multimodal search for consumers; seamless on boarding, cataloguing, pricing insights and targeted ads for sellers; optimized routing, partner selection and address interpretation for logistics; and behavioural insights plus content creation tools for creators. These capabilities significantly enhance efficiency and drive growth across all stakeholder segments

**3) Delivering 'everyday low prices' for consumers:** Meesho sustains its "Everyday Low Prices" model by combining zero commission for sellers, low-cost logistics and a large, competitive ecosystem of consumers, sellers and partners. Its technology-first, asset-light operations reduce costs across the value chain, enabling sellers to offer a wide product assortment at affordable prices without relying on discounts or flash sales.

**4) Trusted layer among the stakeholders:** Company strengthens trust across its platform through fast refunds, strict quality controls, and strong risk-management systems. Its value-focused model supports both branded and unbranded sellers, providing quality insights and consumer feedback that improve product ratings. Consumers benefit from a 7-day return policy with quick refunds, while sellers receive payments within 8 working days. The platform proactively blocks fraudulent users and sellers and removes counterfeit listings at scale, ensuring a safer and more reliable marketplace for all stakeholders

**5) Ability to scale in a capital-efficient manner:** Meesho runs a highly capital-efficient, asset-light business model with no owned inventory, private labels, warehouses or logistics infrastructure. By leveraging seller's capacity and third party logistics, the company rapidly scaled users and orders from FY23 to FY25 while significantly reducing marketing, technology and operating costs as a percentage of GMV and total expenses. Despite higher tech spending in 1H FY26 due to rising user engagement, overall cost efficiency continues to improve. Meesho's disciplined culture, granular expense tracking and structured experimentation ('Horizon 2 Initiatives') allow it to launch and scale new services with minimal investment, reinforcing its sustainable, low-cost operating model.

### Risk

- 1) High competition industry.
- 2) Large portion of orders paid using "COD" which reduces the rate of successful deliveries and increases operational inefficiencies.

### MView

We believe Meesho Ltd IPO brings investors an opportunity to in a one of India's fastest-scaling, value-focused e-commerce platforms with demonstrated leadership across key categories such as Fashion, Home & Kitchen, and Beauty & Personal Care. We think the company's multi-sided marketplace, reinforced by the powerful interplay of commerce, logistics and content flywheels, has created strong network effects that are difficult for competitors to replicate. We also think its deep integration of GenAI and machine learning enhances personalisation, operational efficiency and platform trust as key differentiators in a cost-sensitive, high-volume market like India. We also believe Meesho's asset-light model, zero-commission structure for sellers and disciplined cost optimisation have enabled rapid user and order growth while steadily improving unit economics. Additionally, Valmo's accelerated scale-up materially strengthens the logistics flywheel and further improves fulfilment efficiency. By looking at the financials, Company has delivered healthy growth, with revenue from operations rising 32.8% YoY in FY2024 and 23.3% in FY2025, though profitability remains negative as the company continues to invest in growth and ecosystem expansion. On valuation parse at the upper price band of ₹111/-, the issue is asking for a Market cap of ₹50096/- cr. Based on FY2025 actuals, the company is valued at approx ~5.3x Market-Cap to sales, and at around ~4.9x FY2026 annualised revenue, which appear fairly priced relative to listed new-age tech peers. Given its strong category penetration, rising MAUs, and structurally lower cost base compared to competitors, we believe Meesho is well positioned to sustain market share gains and improve profitability over the long term. Hence, we recommend risk seeking investors who wanted to capitalise India's expanding e-commerce landscape to "SUBSCRIBE" Meesho Ltd IPO for long term perspective only.

### Indicative Timetable

|                                    |             |
|------------------------------------|-------------|
| Activity                           | On or about |
| Finalisation of Basis of Allotment | 8/12/2025   |
| Refunds/Unblocking ASBA Fund       | 9/12/2025   |
| Credit of equity shares to DP A/c  | 9/12/2025   |
| Trading commences                  | 10/12/2025  |

### Shareholding (No. of shares)

|                                |               |
|--------------------------------|---------------|
| Pre-Issue                      | 4,130,248,118 |
| Post Issue (Lower price band)  | 4,535,010,022 |
| Post Issue (Higher price band) | 4,513,131,000 |

### Shareholding Pattern

#### Promoter & Promoter Group:

|            |        |
|------------|--------|
| Pre Issue  | 19.08% |
| Post Issue | 16.76% |

#### Investor Selling Shareholders:

|            |        |
|------------|--------|
| Pre Issue  | 29.63% |
| Post Issue | 25.49% |

#### Public - Others:

|            |        |
|------------|--------|
| Pre Issue  | 51.29% |
| Post Issue | 57.76% |

### Issue Breakup

|        |     |
|--------|-----|
| QIB    | 75% |
| NIB    | 15% |
| Retail | 10% |

### Other Details

**BRLMs:** Axis Capital, J.P. Morgan India, Kotak Mahindra Capital, Morgan Stanley India, Citigroup Global Markets India

**Registrar:** KFin Technologies. Ltd.

**Listing:** BSE & NSE

### Research Analyst

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## CONSOLIDATED FINANCIAL TABLES

### BASIC FINANCIAL DETAILS

|                                  | 6 months ended Sept 30 |           | As of Mar' 31, |         |          |
|----------------------------------|------------------------|-----------|----------------|---------|----------|
| Particulars ₹ (in Cr)            | 2025 (06)              | 2024 (06) | 2025           | 2024    | 2023     |
| Equity Share Capital             | 194.75                 | 0         | 0.27           | 0       | 0        |
| Net Worth                        | 968.87                 | 2277.29   | 1561.88        | 2301.64 | 2548.31  |
| Total Borrowings                 | -                      | 14.81     | -              | -       | -        |
| Revenue from operations          | 5577.54                | 4311.29   | 9389.9         | 7615.15 | 5734.52  |
| Revenue Growth (%)               | 29.37%                 | -         | 23.31%         | 32.79%  | -        |
| EBITDA as stated                 | -551.87                | -54.4     | -219.59        | -230.15 | -1693.73 |
| Profit After Tax                 | -700.72                | -2512.89  | -3941.71       | -327.64 | -1671.9  |
| RONW (%)                         | -72.32%                | -110.35%  | -252.37%       | -14.24% | -65.61%  |
| Net Asset Value (₹)              | 2.28                   | 5.58      | 3.68           | 6.10    | 6.76     |
| EPS-Basic (₹)                    | -1.65                  | -6.21     | -9.98          | -0.87   | -4.43    |
| Cash Flows-operating activities  | -850.64                | 135.53    | 539.37         | 220.20  | -2308.19 |
| Cash Flows-investing activities  | 968.42                 | -2229.46  | -2635.25       | -165.62 | 498.38   |
| Cash Flows- financing activities | -9.44                  | 2111.97   | 2105.26        | -11.42  | -11.81   |

Source: Company RHP

### COMPARISON WITH INDUSTRY LISTED PEERS RS. (IN CR)

| Companies                   | Revenue from Operations<br>(₹ in Cr) | Mcap<br>(₹ in Cr) | FV | EPS    | NAV<br>(₹ Per Share) | P/B  | P/E    | RoNW     |
|-----------------------------|--------------------------------------|-------------------|----|--------|----------------------|------|--------|----------|
| Meesho Ltd                  | 9,389.90                             | 50096             | 1  | -3.23  | 26.12                | 4.20 | -35.7  | -252.37% |
| Eternal Ltd                 | 20,243.00                            | 291248            | 1  | 0.58   | 31.42                | 9.5  | 1549.0 | 2.16%    |
| Swiggy Limited              | 15,226.76                            | 97589             | 1  | -13.72 | 40.98                | 9.9  | -      | -30.50%  |
| Brainbees Solutions Ltd     | 7,659.61                             | 15793             | 2  | -4.11  | 91.00                | 3.3  | -      | -26.63%  |
| FSN E-Commerce Ventures Ltd | 7,949.82                             | 75607             | 1  | 0.23   | 4.55                 | 54.5 | 722.0  | 5.21%    |
| Vishal Mega Mart Ltd        | 10,716.35                            | 62709             | 10 | 1.36   | 13.92                | 9.1  | 85.2   | 9.85%    |
| Trent Ltd                   | 17,134.61                            | 150556            | 1  | 43.51  | 153.64               | 24.7 | 92.8   | 27.93%   |
| Avenue Supermarts Ltd       | 59,358.05                            | 258051            | 10 | 41.50  | 329.29               | 11.3 | 94.4   | 13.63%   |



# MSEARCH

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### **Msearch's Recommendation (Absolute Performance)**

**Buy: > 20% within the next 12 Months**

**Accumulate: 5% to 20% within the next 12 Months**

**Sell : < -20% within the next 12 Months**

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