Rentomojo Ltd

9th September, 2026

IPO NOTE

Recommendation	Subscribe
Price Band	Rs 384- Rs 404
Bidding Date	9th-11th Sep'26
Book Running Lead Manager	Motilal Oswal Investment Advisors, Axis Capital, IIFL Capital
Registrar	Kfin Technologies Ltd.
Sector	Internet
Minimum Retail Application- Detail At Cut off Price	
Number of Shares	37
Minimum Application Money	Rs. 14948
Payment Mode	ASBA

Consolidated Financials (Rs Cr)	FY25	FY26
Total Income	266	387
Adj EBITDA	112	159
PAT	43	107

Valuations (FY26)	Upper Band
Market Cap (Rs Cr)	4246.3
Adj. EPS	5
PE	81.2
EV/ EBITDA (x)	27.5
Enterprise Value (Rs Cr)	4,377
Post Issue Shareholding Pattern	
Public investors	80.06%
Promoter	19.94%
Offer structure for different categories	
QIB (Including Mutual Fund)	50%
Non-Institutional	15%
Retail	35%
Post Issue Equity (Rs. in Cr)	10.51
Issue Size (Rs in Cr)	1255.57
Face Value (Rs)	1

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Sr Analyst – Equity Research (022 62738034)

BACKGROUND

Rentomojo Limited, incorporated in 2012 and headquartered in Bengaluru, is India's largest online furniture and home-appliance rental and subscription platform. It operates a technology-driven, direct-to-consumer model where customers pay monthly subscriptions to use items like beds, sofas, refrigerators, washing machines, TVs, and water purifiers instead of buying them outright. As of March 31, 2026, the company served ~253,825 live subscribers across 29 cities with over 851,000 live rental items, supported by an integrated asset-lifecycle system (procurement, refurbishment, reverse logistics) and an omni-channel presence including around 82 experience stores.

Objects and Details of the Issue: It is a book build issue of Rs 1,255.57 cr with a combination of fresh issue of 37.15 lakh shares aggregating to Rs 150.00 cr and offer for sale of 2.74 cr shares aggregating to Rs 1,105.57 cr. Proceeds will be utilized for debt and lease rental payments.

Investment Rationale

1. Market Leader in the organized Furniture rental Market driven by predictable recurring revenues
2. Growing consumer Interest for rental furniture
3. Yield is the flywheel – Buy Once, Earn Five Times

Risks

1. Capital efficiency risks due to asset-intensive nature of business
2. Credit and collections related risks
3. Competitive intensity, including potential entry by original equipment manufacturers

Valuation and Recommendation

Rentomojo operates a technology-driven furniture and appliance rental platform, leveraging the "Access over Ownership" trend. Its subscription model ensures recurring revenue, high customer retention, and efficient asset utilization through refurbishment and redeployment cycles. Revenues and Ebidta have shown a CAGR of 42%/46% respectively during FY24-26 and debt repayment post IPO will enhance profitability. At Upper price band, issue is priced at a 81.2x adj P/E (ex of 25.5% tax - adj PAT of Rs.52.3 cr and adj EPS of Rs. 5 in fY26) and 27.5x Ev/Ebidta of FY26 and we recommend 'Subscribe' given the strong revenue, profitability growth and superior yield.

Financials	FY24	FY25	FY26
Net Revenues	193	266	387
Growth (%)		38.0%	45.5%
EBITDA	75	112	159
EBITDA Margin (%)	38.9%	42.3%	41.1%
PBT	22	43	70
PAT	22	43	107
EPS	2.13	4.10	10.17
ROCE	15.7%	18.5%	18.1%
P/E	189.5x	98.5x	39.7x
EV/Sales	22.7x	16.5x	11.3x
EV/EBITDA	58.3x	38.9x	27.5x

Source: RHP, NBRR

Company Background

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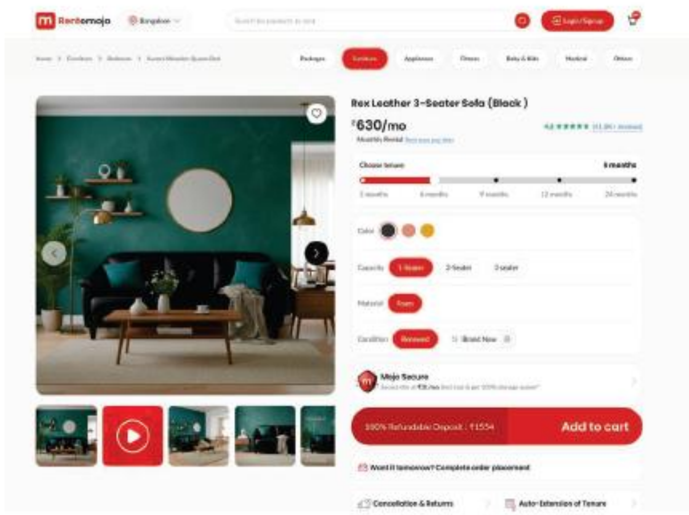
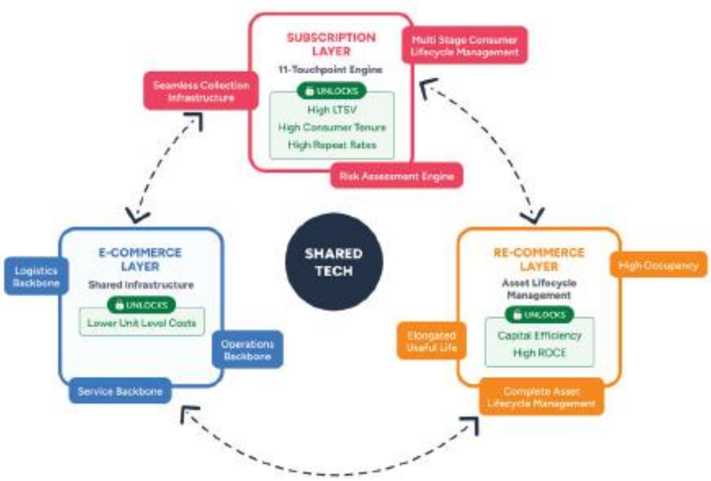


~97.5%+ of revenue is recurring rental/subscription income from a mixed basket of furniture and appliances, with a small ancillary component.

Company operates an execution-intensive and high-engagement business model, comprising 11 distinct consumer touchpoints across a subscription transaction - far higher than the 3 - 5 touchpoints typical of most D2C product commerce brands and platforms - reflecting the operational depth, service intensity, and full-stack execution capability inherent in the model, making it difficult to replicate.



Investment Rationale

Market Leader in the organized Furniture rental Market driven by predictable recurring revenues

Rentomojo is a market leader in the organised home furniture and appliances rental market (excluding water purifiers), commanding ~ 42% - 47% share in terms of subscription revenue in FY25. This scale advantage creates strong compounding network effects driven by word-of-mouth and repeat engagement. With the largest live subscriber base of 2,53,825, amongst leading home furniture and appliance rental platforms in India, Company interacts with subscribers across 11 touchpoints throughout their subscription lifecycle, ranging from orders, risk assessment, delivery, installation, monthly collections, relocation, repairs, upgrades, subscription contract transfers, reverse logistics, and refunds. Frequent subscriber engagements is expected to support strong brand recognition and trust, which then contributes to organic recall, repeat orders and sustained advocacy across the consumer base. As a result, a meaningful portion of traffic and demand is anticipated to originate organically, targeting reinforcing its market leadership while helping to optimise subscriber acquisition costs and supporting sustained subscriber retention. Repeat Orders rate has improved from 47.3% in FY24 to 50.4% in fY26.

	FY24	FY25	FY26
No of Subscribers	149498	194262	253825
Total Contracted Revenues Cr	242.91	390.03	706.90
Unrecognised Contracted revenues Cr	68.29	142.30	292.57

Source: NBRR

Rentomojo's business model is anchored in its subscription agreements, which renew monthly with auto-renewal provisions embedded in the contract structure, and many of which have long tenures that generate predictable and recurring revenue streams. Its average subscription period is ~18 months and rental revenue is recognized over a period of time as per subscription agreements with subscribers, creating sustained visibility into future inflows and creating a predictable revenue stream.

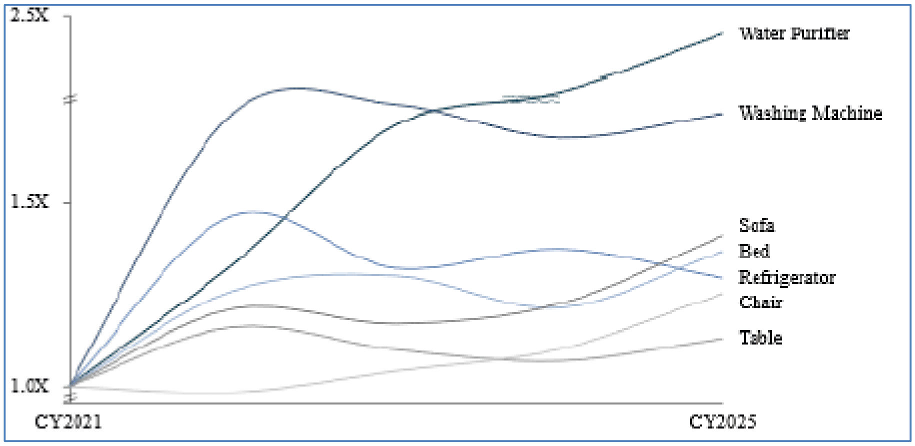
Growing consumer Interest for rental furniture

The broader Indian furniture and appliances market is around Rs 4.27 tn in 2025, with rental still a low-penetration but fast-growing slice driven by urbanisation and job mobility.

India online furniture rental & leasing platforms market at ~USD 4.62 bn in 2025, growing at ~12.4% CAGR to ~USD 9.31 bn by 2031. Similarly, India's appliance rental market was about USD 213 mn in 2024, expected to reach USD 534 mn by 2030 at ~16.3% CAGR, reflecting rising demand among short-tenure urban renters.

The home furniture and appliances rental search volumes have surged nearly 1.7X, from CY2021 to CY2025. This upward trajectory is visible across the search volume of key home furniture and appliances, especially water purifiers and washing machines whose rental search volumes have grown nearly 1.5 to 2.5X over the last 4 years. This continuous upward trend underpins the strong momentum of flexible models in India.

Home Furnishes and Rental Searches trend in India

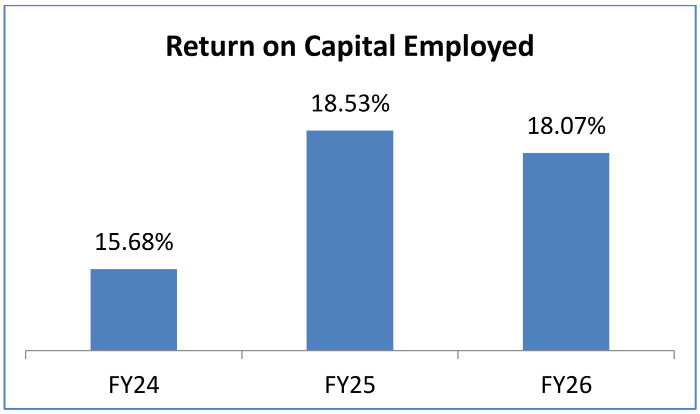


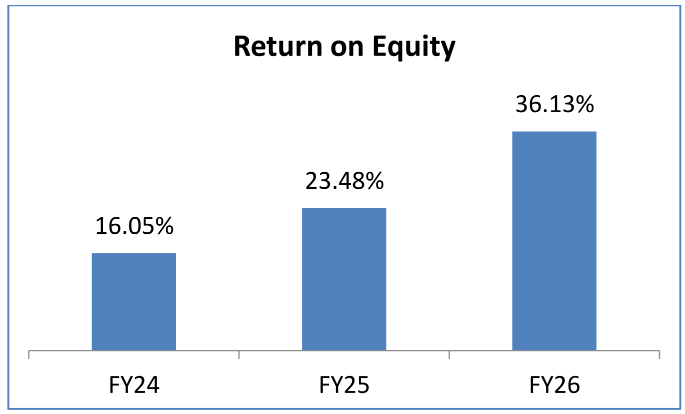
Source: Company, NBRR

Modern consumers, typically renters, struggle with high upfront costs when purchasing essential home furniture and appliances due to education loans, security deposits required to secure accommodation, and limited savings. Rentomojo provides a flexible subscription model that offers monthly rentals, allowing subscribers to rent, return, upgrade, or relocate anytime. Company's full-stack service handles delivery, installation, maintenance, pickup, and relocation, offering a convenient one stop furnishing solution throughout the subscription lifecycle. Company is also one of the fastest D2C furnishing solutions in India amongst leading home furniture and appliances rental platforms in India, with average delivery turnaround times of 2.35 days as compared to 3.77 days in FY24.

Yield is the flywheel – Buy Once, Earn Five Times

Rentomojo buys a fridge for Rs 15,000 and rents it for Rs 1,000 a month. That is 80% return per year. After repair and empty days, it still makes 60%. One fridge bought in 2017 has already earned Rs 51,200 till now — 5 times its cost. In first year profit is low due to delivery and loan interest, but from year 4 there is no loan and no depreciation, so full rent is profit. IPO will repay costly debt, so profit and ROCE will improve.





Source: Company, NBRR

Valuation and Recommendation

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Financials

P&L (Rs. Cr)	FY24	FY25	FY26
Net Revenue	**193**	**266**	**387**
% Growth	*60%*	*38%*	*46%*
Employee Cost	31	41	61
% of Revenues	*16.1%*	*15.6%*	*15.7%*
Other expenses	87	112	167
% of Revenues	*45.0%*	*42.1%*	*43.2%*
EBITDA	**75**	**112**	**159**
EBITDA Margin	*38.9%*	*42.3%*	*41.1%*
Depreciation	30	49	70
Other Income	3	6	7
Interest	26	27	25
PBT	**22.4**	**43.1**	**70.2**
Tax	0	0	(37)
Tax rate	*0%*	*0%*	*-52%*
Adj PAT	**22.4**	**43.1**	**106.9**
% Growth	*408%*	*92%*	*148%*
EPS (Post Issue)	**2.1**	**4.1**	**10.2**

Ratios & Others	FY24	FY25	FY26
Debt / Equity	1.2	1.0	0.8
EBITDA Margin (%)	39%	42%	41%
PAT Margin (%)	12%	16%	28%
ROE (%)	16%	23%	36%
ROCE (%)	16%	19%	18%

Turnover Ratios	FY24	FY25	FY26
Debtors Days	42	42	39
Creditor Days	25	23	37
Asset Turnover (x)	0.63	0.71	0.73

Valuation Ratios	FY24	FY25	FY26
Price/Earnings (x)	189.5	98.5	39.7
EV/EBITDA (x)	58.3	38.9	27.5
EV/Sales (x)	22.7	16.5	11.3
Price/BV (x)	30.4	23.1	14.4

Balance Sheet (Rs. Cr)	FY24	FY25	FY26
Share Capital	0	0	3
Other Equity	140	184	292
Networth	**140**	**184**	**296**
Total Loans	**167**	**192**	**233**
Other non-curr liab.	3	3	6
Trade payable	13	17	39
Other Current Liab	44	54	67
Total Equity & Liab.	**366**	**450**	**641**
Plant Machinery	163	290	426
Other Intangibles / RoU	20	38	46
Non Curr. Fin assets	27	4	7
Other non Curr. assets	53	34	51
cash and cash equivalents	43	13	23
Bank bal	23	9	9
Trade receivables (debtors)	22	31	42
Other Current assets	14	33	37
Total Assets	**366**	**450**	**641**

Cash Flow (Rs. Cr)	FY24	FY25	FY26
Profit Before Tax	22	43	68
Provisions & Others	58	77	104
Op. profit before WC	**80**	**121**	**171**
Change in WC	1	(18)	(8)
Less: Tax	(0)	(0)	(0)
CF from operations	**82**	**103**	**163**
Purchase/Sale of Plant, Mch	(149)	(138)	(175)
Purchase/Sale of Invest.	(33)	26	17
Int, div & other inc	(2)	0	(0)
CF from Investing	**(184)**	**(111)**	**(158)**
Proceeds/Repay. LT debt	146	6	39
Payment of lease liab.	(10)	(20)	(23)
int & div paid	(23)	(21)	(20)
CF from Financing	**113**	**(35)**	**(4)**
Net Change in cash	**11**	**(43)**	**0**
Cash & Bank at beginning	21	41	11
Cash & Bank at end	41	11	21

Source: Company Data, NBRR

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