

Retail Research	IPO Note
Sector: Consumer Durables	Price Band (Rs): 185 – 195
03rd December 2025	Recommendation: AVOID

Wakefit Innovations Ltd

Company Overview:

Wakefit Innovations Ltd. (WIL) is a leading D2C home and furnishings company in India, providing a wide range of products across 3 categories: (i) Mattresses, (ii) Furniture and (iii) Furnishings. The company offers its products through an omnichannel presence and was the largest D2C home and furnishings company in India by revenue in FY24. As of Sep'24, WIL has an established logistics network comprising of a central mother warehouse, 7 inventory holding points (INHPs) and 18 points of delivery (PODs), all strategically positioned to optimize logistics and distribution.

Key Highlights:

1. Comprehensive home and furnishing solutions brand: Over the years, WIL has evolved from a sleep solutions player to a one-stop destination offering home and furnishing solutions catering to the mass, masstige and premium segments. The company's Mattress category includes a wide variety of options including memory foam, latex, grid and high resilience foam models to cater to various customer preferences. On the other hand, the Furniture category includes beds, sofas and recliners, wardrobes, dining tables, etc. and the Furnishings category includes pillows and cushions, home essentials & home décor.

2. Strong platform play: Wakefit encompasses a strong platform play, wherein it provides a broad spectrum of products across categories (mattresses, furniture and furnishing) under one brand umbrella, through various channels - both online and offline. Ultimately, this strong platform chain enables the company to cross-sell complementary products, up-sell higher end-products and encourage repeat purchases.

3. Omnichannel sales presence: The company operates a comprehensive sales network that blends Wakefit's own channels and external channels, enabling it to reach customers in more than 700 districts across 28 states and 6 UTs. WIL's own channels comprise of its Website and COCO – Regular Stores, while the external channels comprise Multi-branded Outlets and various marketplaces such as major e-commerce platforms including Pepperfry and other quick commerce platforms. The company owns 125 COCO Regular stores in India, located in 62 cities across 19 states and 2 UTs with an average order value higher by ~79% from that of its website. Further, within a period of less than 3.5 years since commencement of MBO operations, Wakefit's MBO store count has grown to 1,504 stores, located in 395 cities across 24 states and 4 UTs as of Sep'25.

4. Established supply and logistics network: The company employs a well-structured supply chain network which comprises of one mother warehouse in Hosur (of 1.55 lakh sq. ft), 7 INHPs (ranging from 10,000 to 55,000 sq.ft) and 18 PODs (ranging from 800 to 5,600 sq. ft), as of Sep'25. The mother warehouse serves as the primary inventory repository and main distribution point, whereas, INHPs hold inventory for mattresses and marketplace-serviced categories, reducing delivery time and logistics costs. PODs act as transit hubs for last-mile deliveries and bases for furniture installers. As of Sep'25, the company had a team of 198 employees dedicated to providing installation services for its furniture offerings.

Valuation: Wakefit Innovations Ltd. is India's leading one-stop D2C home and furnishings solutions provider which operates across the mattresses, furniture and furnishings categories. The company had initially started its business with selling mattresses and then expanded into adjacent categories of furniture and furnishings. Over the last three years, WIL has delivered a revenue CAGR of 25% while simultaneously turning EBITDA positive in FY24 and PAT positive in 1HFY26 respectively. At the upper price band of Rs 195, the issue is valued at EV/Sales multiple of 4.7x based on the post-issue capital. On comparing with its listed peer, the issue appears to be expensive. Hence, we recommend investors to AVOID the issue and track the company's performance post listing.

Issue Details	
Date of Opening	08 th December 2025
Date of Closing	10 th December 2025
Price Band (Rs)	185 – 195
Offer for sale (Rs cr)	911.7 @ upper price band
Fresh Issue (Rs cr)	377.2
Issue Size (Rs cr)	1,288.9 @ upper price band
No. of shares	6,60,96,866 @upper price band
Face Value (Rs)	1.0
Post Issue Market Cap (Rs cr)	6,373 @upper price band
BRLMs	Axis Capital Ltd, IIFL Capital Services Ltd, Nomura Financial Advisory and Securities (India) Pvt Ltd
Registrar	MUFG Intime India Pvt Ltd
Bid Lot	76 shares and in multiple thereof
QIB shares	75%
Retail shares	10%
NII shares	15%

Objects of Issue	
Particulars	Estimated utilization from Net Proceeds (Rs cr)
Capex to be incurred for setting up 117 new COCO – Regular Stores	30.8
Expenditure for lease, sub-lease rent and license fee payments for existing COCO – Regular Stores	161.5
Capex to be incurred for purchase of new equipment and machinery	15.4
Marketing and advertisement expenses	108.4
General corporate purposes*	-
Net proceeds from the issue#	-

*To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

#The company undertook a Pre-IPO private placement of 2,871,794 Equity Shares at an issue price of Rs 195 per Equity Share of face value of Rs 1 aggregating to Rs 56.0 cr.

Shareholding Pattern		
Pre-Issue	No. of Shares	%
Promoter & Promoter Group	13,43,71,044	43.7
Public & Others	17,31,15,170	56.3
Total	30,74,86,214	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	12,21,89,371	37.4
Public & Others	20,46,39,305	62.6
Total	32,68,28,676	100.0

Source: RHP, SSL Research

Key Financials

Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Revenue from operations	812.6	986.4	1,273.7	724.0
EBITDA	(93.1)	34.9	59.1	85.9
PAT	(145.7)	(15.1)	(35.0)	35.6
EBITDA Margin (%)	(11.5)	3.5	4.6	11.9
PAT Margin (%)	(17.9)	(1.5)	(2.7)	4.9
RoE (%)	(28.8)	(2.8)	(6.7)	12.8
RoCE (%)	(26.3)	0.4	(1.0)	18.1
P/E (x)*	-	-	-	84.3

*Note: Pre-issue P/E based on upper price band

Source: RHP, SSL Research

Risk Factors

- **High dependency on the Mattress category:** The company derives a significant portion of its revenue from the Mattress product category (~60.7%/61.4% for 1HFY26/FY25 respectively) which is in turn dependent on a number of factors and may face hiccups as a result of increased competition and pricing pressures. Thus, any shifts in consumer preferences, any disruption in the supply chain or heightened competition could adversely the company's business.
- **Raw material price risk:** The company's primary raw materials include chemicals, natural wood, processed wood, fabrics, glue and metal goods. The company generally does not enter into long term supply contracts with its suppliers. This exposes the company to volatility in the prices of raw materials and also faces the risk of existing suppliers discontinuing their supplies. Additionally, the company imports certain raw materials from countries like the USA, China, Singapore, among others. The share of imported raw materials in the total purchases stood at 38%/26% in 1HFY26/FY25.

Growth Strategies

- Strategic expansion of COCO – Regular Stores and enhance website sales.
- Product category expansion with a focus on scaling operations.
- Continue to develop, invest and increase brand salience and brand awareness.
- Increase customer lifetime value.

Selling Shareholders through OFS

Selling Shareholders through OFS	Classification	No. of shares offered
Ankit Garg	Promoter	77,29,488
Chaitanya Ramalingegowda	Promoter	44,52,185
Peak XV Partners Investments VI	Public	2,03,74,774
Verlinvest S.A.	Public	1,01,93,506
Paramark KB Fund I	Public	25,54,050
Nitika Goel	Public	8,99,205
SAI Global India Fund I, LLP	Public	4,13,150
Redwood Trust	Public	1,38,047
Total	-	4,67,54,405

Source: RHP, SSL Research

COCO Regular Stores - Geographical Presence (*as of Sep'25)



Source: RHP, SSL Research

Revenue Split - Segmental

Product Category	FY23		FY24		FY25		1HFY26	
	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR
Mattresses	516	63.5%	568	57.5%	781	61.3%	439	60.6%
Furniture	195	24.0%	301	30.5%	352	27.6%	212	29.3%
Furnishings	102	12.5%	118	11.9%	141	11.0%	73	10.1%
Total Revenue (TR)	813	100.0%	986	100.0%	1,274	100.0%	724	100.0%

Source: RHP, SSL Research

Revenue Split – Own vs External Channels

Channels	FY23		FY24		FY25		1HFY26	
	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR
Own Channels*	467	57.5%	575	58.3%	726	57.0%	470	64.9%
External Channels**	345	42.5%	411	41.7%	548	43.0%	254	35.1%
Total Revenue (TR)	813	100.0%	986	100.0%	1,274	100.0%	724	100.0%

*Own channels include Website and COCO – Regular Stores

**External channel includes marketplaces and MBOs

Source: RHP, SSL Research

Revenue Split – Online vs Offline Channels

Channels	FY23		FY24		FY25		1HFY26	
	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR	Rs cr	% of TR
Online*	727	89.5%	747	75.7%	849	66.7%	431	59.5%
Offline**	86	10.5%	240	24.3%	425	33.3%	293	40.5%
Total Revenue (TR)	813	100.0%	986	100.0%	1,274	100.0%	724	100.0%

*Online includes Website and Marketplace

**Offline includes COCO Regular stores and MBO

Source: RHP, SSL Research

Manufacturing Capabilities

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

Source: RHP, SSL Research

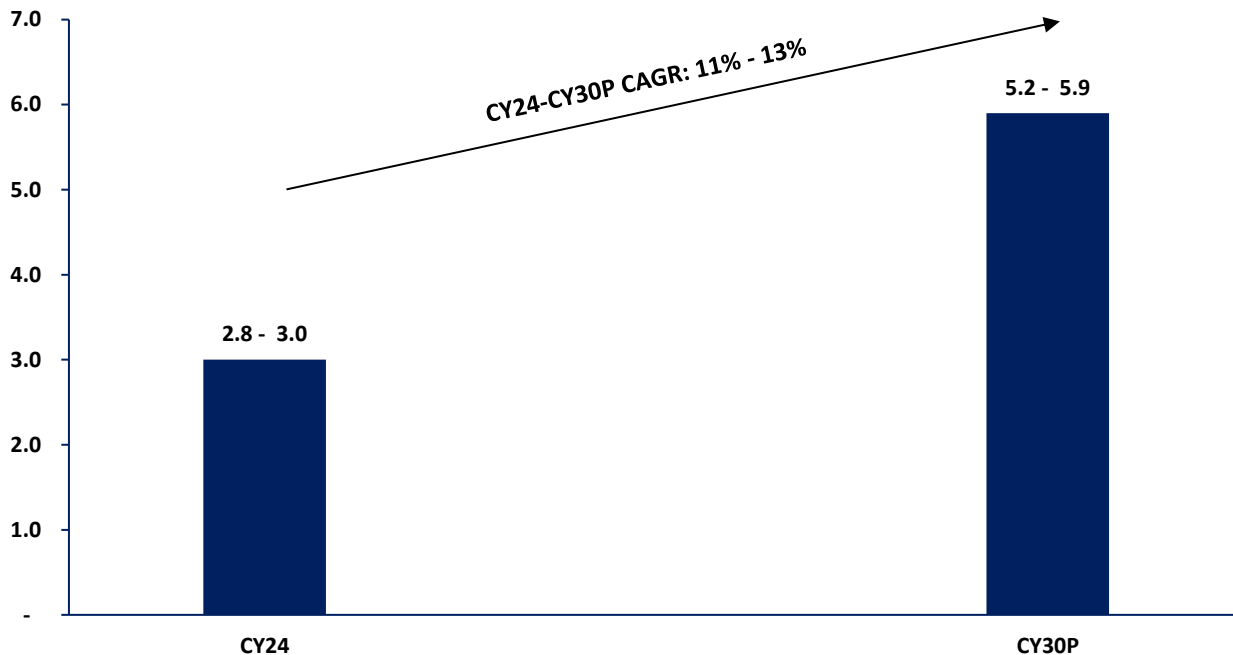
Capacity Utilization across Facilities

Manufacturing Unit	Product Categories	FY23	FY24	FY25	1HFY26
Manufacturing Facility I	Mattress	64.5%	61.3%	73.2%	72.1%
Manufacturing Facility V	Mattress	80.2%	76.1%	86.3%	91.1%
Manufacturing Facility I	Sofa	80.0%	78.0%	80.0%	80.0%
Manufacturing Facility IV	Sofa	80.0%	82.0%	80.5%	80.0%
Manufacturing Facility III	Furnishing	73.0%	75.0%	79.0%	81.0%
Manufacturing Facility II	Chairs	57.4%	68.9%	73.6%	75.6%
Manufacturing Facility IV	Solid Wood	48.0%	78.3%	79.4%	48.9%
Manufacturing Facility IV	Engineered Wood	62.7%	72.9%	86.7%	96.9%

Source: RHP, SSL Research

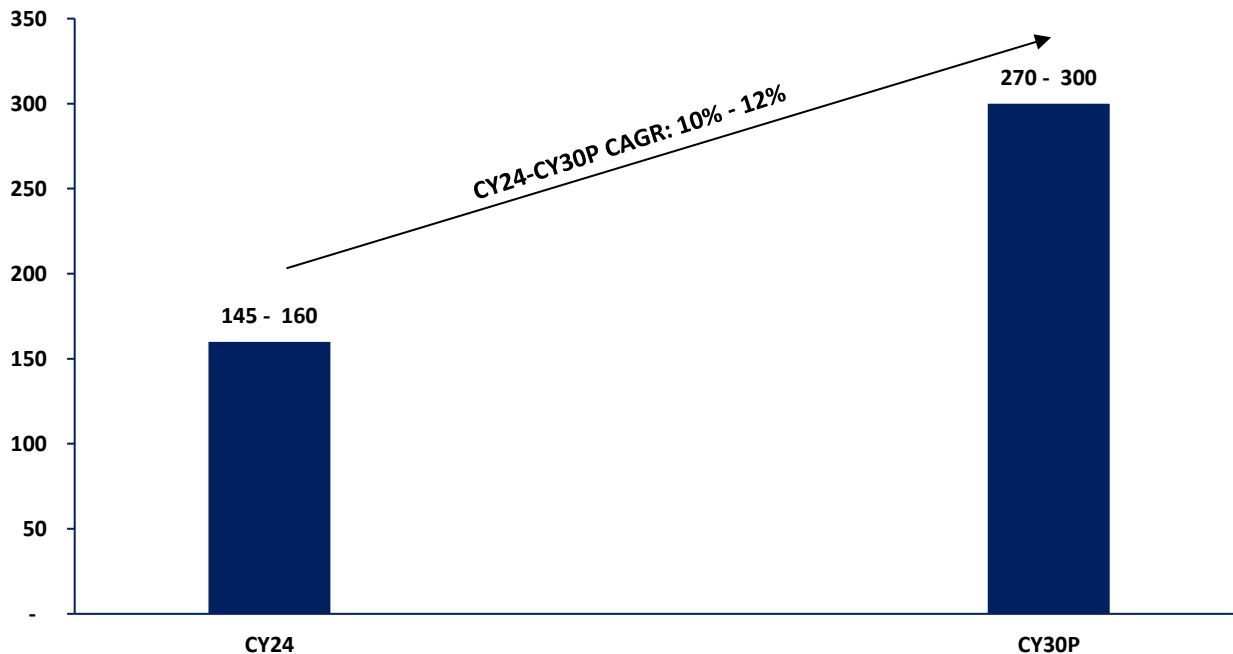
Industry Overview

India - Home and Furnishings market (Rs tn)



Source: RHP, SSL Research

India - Mattress market (Rs bn)



Source: RHP, SSL Research

Financial Snapshot

INCOME STATEMENT				
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Revenue from Operations	813	986	1,274	724
<i>YoY growth (%)</i>	-	21.4%	29.1%	-
COGS (incl Stock Adj)	466	465	573	313
Gross Profit	347	521	700	411
<i>Gross margin (%)</i>	42.7%	52.9%	55.0%	56.8%
Employee Cost	106	135	166	80
Other Operating Expenses	334	352	476	246
EBITDA	(93)	35	59	86
<i>EBITDA margins (%)</i>	(11.5%)	3.5%	4.6%	11.9%
Other Income	7	31	32	17
Interest Exp.	13	17	30	15
Depreciation	47	64	96	53
PBT	(146)	(15)	(35)	36
Tax	-	-	-	-
PAT	(146)	(15)	(35)	36
<i>PAT margin (%)</i>	(17.9%)	(1.5%)	(2.7%)	4.9%
EPS (Rs)	(4.7)	(0.5)	(1.1)	1.2

BALANCE SHEET				
Particulars (Rs cr)	FY23	FY24	FY25	1HFY26
Assets				
Net Block	156	164	165	159
Capital WIP	3	2	1	0
Right of use assets	133	165	249	247
Intangible Assets	1	1	1	1
Other Non current Assets	113	23	97	58
Current Assets				
Inventories	116	131	164	262
Current Investment	31	138	51	51
Trade receivables	17	28	6	4
Cash and Bank Balances	173	17	10	16
Other Current Assets	49	260	307	422
Total Current Assets	386	574	537	754
Current Liabilities & Provisions				
Trade payables	110	144	157	270
Other current liabilities	25	37	83	99
Short-term provisions	7	6	8	8
Total Current Liabilities	141	187	248	377
Net Current Assets	244	387	289	377
Total Assets	650	741	802	843
Liabilities				
Share Capital	1	1	1	16
Reserves and Surplus	504	543	520	542
Total Shareholders Funds	505	544	521	557
Total Debt	-	7	-	-
Long Term Provisions	1	8	8	9
Lease Liabilities	144	183	273	277
Total Liabilities	650	741	802	843

Cash Flow Statement (Rs cr)	FY23	FY24	FY25	1HFY26
Cash flow from Operating Activities	(20)	81	77	79
Cash flow from Investing Activities	(201)	(147)	(2)	(36)
Cash flow from Financing Activities	275	9	(71)	(37)
Free Cash Flow	(60)	52	26	63

RATIOS			
Particulars	FY23	FY24	FY25
Profitability			
Return on Capital Employed	(26.3%)	0.4%	(1.0%)
Return on Equity	(28.8%)	(2.8%)	(6.7%)
Margin Analysis			
Gross Margin	42.7%	52.9%	55.0%
EBITDA Margin	(11.5%)	3.5%	4.6%
Net Profit Margin	(17.9%)	(1.5%)	(2.7%)
Short-Term Liquidity			
Current Ratio (x)	2.7	3.0	2.2
Quick Ratio (x)	1.9	2.3	1.5
Avg. Days Sales Outstanding	8	10	2
Avg. Days Inventory Outstanding	91	103	104
Avg. Days Payables	44	55	47
Fixed asset turnover (x)	5.2	6.0	7.7
Debt-service coverage (x)	(10.5)	0.1	(0.2)
Long-Term Solvency			
Total Debt / Equity (x)	-	0.0	-
Interest Coverage Ratio (x)	(10.5)	0.1	(0.2)
Valuation Ratios*			
EV/EBITDA (x)	-	171.7	101.3
P/E (x)	-	-	-
P/B (x)	11.9	11.0	11.5
EV/Sales (x)	7.2	6.1	4.7
Market Cap/Sales (x)	7.4	6.1	4.7

**Valuation ratios are based on pre-issue capital at the upper price band*

Source: RHP, SSL Research

Peer Comparison – FY25

Particulars (Rs cr)	Wakefit Innovations Ltd.	Sheela Foam Ltd.
CMP (Rs)	195	611
Sales	1,274	3,439
EBITDA	59	252
Net Profit	(35)	60
Mkt Cap.	6,373	6,647
Enterprise Value	5,924	7,817
EBITDA Margin (%)	4.6	7.3
Net Profit Margin (%)	(2.7)	1.7
P/E (x)	(182.1)	110.8
EV/EBITDA (x)	100.2	31.0
RoE (%) – Pre/Post	(6.7) / (3.7)	2.0
RoCE (%) – Pre/Post	(1.0) / (0.6)	5.4
EV/Sales (x)	4.7	2.3

For Wakefit Innovations Limited, the Market Cap, P/E(x), EV/EBITDA (x), EV/Sales (x) are calculated on post-issue equity share capital based on the upper price band.

Post issue RoE/RoCE is calculated as Pre issue RoE/RoCE adjusted for Fresh issue Proceeds and Pre-IPO Placement (Rs 56 cr).

Enterprise Value is calculated as Post issue market capitalization plus Market value of long term & short-term debt less cash & cash equivalents adj. for fresh issue proceeds and Pre-IPO Placement proceeds.

CMP for peer company is closing price as on 02nd December, 2025

Source: RHP, Exchange Filings, SSL Research

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