



## SMC Ranking

★ ★ ☆ ☆ ☆ (2/5)

### Issue Highlights

Industry	Home Furnishing
Offer for sale (Shares)	46,754,405
Fresh Issue (Shares)	19,342,461
<b>Net Offer to the Public</b>	<b>66,096,866</b>
Issue Size (Rs. Cr.)	1222-1289
Price Band (Rs.)	185-195
Offer Date	8-Dec-25
Close Date	10-Dec-25
Face Value	1
Lot Size	76 Shares

### Issue Composition

	In shares
Total Issue for Sale	66,096,866
QIB	49,572,650
NIB	9,914,530
Retail	6,609,687

### Shareholding Pattern (%)

Particulars	Pre-issue	Post-issue
Promoters & promoters group	43.70%	37.39%
QIB	56.30%	57.56%
NIB	0.00%	3.03%
Retail	0.00%	2.02%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

\*calculated on the upper price band

### Objects of the Issue

The Company Wakefit Innovations IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Capital expenditure to be incurred by the company for setting up of 117 new COCO – Regular Stores
2. Expenditure for lease, sub-lease rent and license fee payments for its existing COCO – Regular Stores
3. Capital expenditure to be incurred by the company for purchase of new equipment and machinery
4. Marketing and advertisement expenses toward enhancing the awareness and visibility of its brand
5. General corporate purposes

### Book Running Lead Manager

- Axis Capital Limited
- IIFL Capital Services Limited
- Nomura Financial Advisory and Securities (India) Private Limited

### Name of the registrar

- MUFG Intime India Private Limited

### About the company

Wakefit Innovations Limited, incorporated in 2016, is an Indian D2C home and sleep solutions company known for offering high-quality, affordable mattresses, furniture, and home décor products. The company initially built its brand through online sales of memory foam mattresses, leveraging a direct-to-consumer model to eliminate intermediaries and offer competitive pricing. Over the years, Wakefit expanded into a comprehensive home solutions portfolio, including pillows, beds, sofas, study tables, wardrobes, and furnishings. It serves customers across 700 districts in 28 states and 6 union territories through strong digital channels, logistics, and customer support, complemented by 125 stores in 62 cities as of September 30, 2025.

### Strength

**Largest and fastest-growing D2C home and furnishing solutions brand:** The company is India's largest D2C home and furnishings brand by revenue in Fiscal 2024, with a strategic focus on its own channels—website and COCO—Regular Stores—which contributed 64.91% of revenue in the six months ended September 30, 2025. This model enhances profitability, ensures tighter control over customer experience, and strengthens loyalty through direct insights and feedback. Its rapid expansion from 23 to 125 COCO—Regular Stores between March 2023 and September 2025 demonstrates strong consumer trust and an effective engagement-led retail strategy.

**Comprehensive home solutions brand with strong product innovation:** The company is a one-stop home solutions platform with mattresses, furniture, and furnishings each generating over Rs. 100 Crore in Fiscal 2024—making it the only D2C brand in India with such scale across all three segments. Its R&D-led, five-step product development framework enables continuous innovation, reflected in 3,070 SKUs launched in Fiscal 2025 and advanced sleep-tech products such as Regul8 and Track8. With a top-three position in the organized mattress market, the company benefits from strong cross-selling and repeat purchase potential.

**Full-stack, vertically integrated operations with strong technical capabilities:** The company operates a fully integrated model encompassing R&D, design, manufacturing, and fulfillment, supported by CAD/CAM systems and cloud-linked automation across five facilities. Its logistics backbone—comprising a mother warehouse, 7 INHPs and 18 PODs—drives efficient, cost-effective delivery through roll-pack/flat-pack innovations and SAP-ERP integration. A data-driven approach leveraging customer interactions, supply chain signals, and behavioral insights enables optimized product development, pricing, and marketing, supported by digital tools such as A/B testing and the 'Wixy' chatbot.

**Omnichannel presence with a well-located store network:** The company has built an integrated omnichannel network combining its website, rapidly growing COCO—Regular Stores (125 stores by September 2025), and external channels including leading marketplaces and 1,504 MBOs. Store expansion is guided by data analytics to ensure optimal city and micro-market selection. This multi-touchpoint presence improves brand discovery, allows product trials, and drives higher conversion, reinforcing the company's position as a convenient and accessible home solutions destination.

**Multi-faceted marketing approach strengthening brand equity:** The company leverages community-driven initiatives, targeted campaigns, celebrity collaborations, and culturally resonant content to build brand affinity. Signature programs such as the "Sleep

Internship” (40.99 million social media views) and campaigns like “Kumbhakaran” and “Gaddagiri” enhance visibility and engagement. Marketing efficiency has improved, with promotional expense as a share of revenue declining from 11.80% in Fiscal 2023 to 5.10% in H1 Fiscal 2026, supporting high repeat business (35.45% in H1 Fiscal 2026) and consistently strong product ratings.

## Strategy

**Expand COCO—Regular Stores and strengthen website-led sales:** The company plans to deepen market reach by expanding its COCO—Regular Store network and introducing large-format COCO—Jumbo Stores (50,000–200,000 sq. ft.), beginning with two in Bengaluru. It aims to grow website-driven sales through improved delivery capabilities, same-day services for select SKUs, performance marketing, and enhanced financing options. Expansion of the MBO network—already at 1,504 stores—will further bolster offline reach.

**Data-driven product category expansion with scaled operations:** The company aims to broaden its presence across home categories using customer insights and data-led decision-making. Rapid scaling of the furniture segment—supported by 2,534 SKUs launched in Fiscal 2025—complements ongoing innovation in mattresses, including sleep-tech upgrades and personalized mattress pilots. A premium “Plus” range is being introduced across categories to increase average spend, while acquisitions and an entry into interior design are being evaluated to expand the solutions ecosystem.

**Strengthen brand salience and broaden portfolio through a house-of-brands approach:** To elevate brand awareness, the company plans to invest Rs. 108.40 Crore in marketing between Fiscal 2027–2029 while continuing marquee initiatives such as the 100-day free mattress trial. It is also piloting a house-of-brands strategy under the Wakefit umbrella to cater to varied price points and customer segments, driving incremental revenue beyond SKU additions alone.

**Leverage technology to enhance customer experience and operational efficiency:** The company will continue enhancing its website as a key differentiator, offering tools such as live product demos, advanced self-service bots, and real-time delivery visibility. Detailed A/B testing and performance marketing will support personalization and targeted engagement. Supply chain efficiency will be boosted through RFID-enabled real-time inventory visibility and end-to-end order tracking.

**Increase customer lifetime value through cross-selling and premiumisation:** The company intends to deepen customer relationships through cross-category expansion, improved product variants, and strategic up-selling. High overlap across categories—such as 22.16% of furnishings customers and 17.88% of furniture customers originating from other categories—demonstrates strong potential to grow wallet share. Store-based product discovery, expanded assortments, and trust-led features like the 100-day trial will further reinforce loyalty, repeat purchases, and customer lifetime value.

## Risk Factor

- The business is highly dependent on the “Wakefit” brand, and any impairment or dilution of the brand may adversely impact its reputation, operations, financial performance, and cash flows.
- A significant share of revenue comes from mattresses (60–63% across recent periods). Any change in consumer preferences, supply chain disruptions, or increased competition in this category could negatively affect the company’s performance and cash flows.
- The company has incurred losses in the past and may continue to experience losses in the future.
- The company reported negative operating cash flows in Fiscal 2023 and may continue to face negative cash flows going forward.
- The company depends on third-party logistics providers, and any disruption or rise in transportation costs may adversely affect its operations, financial condition, and cash flows.

## Peer Comparison

Co_Name	Total Income	PAT	EPS	P/E	P/BV	BV	FV	Price	Mcap
Sheela Foam	3513.06	56.47	5.64	107.89	2.15	283.27	5	608.50	6615.05
WAKEFIT INNOVATIONS LTD	1273.69	-35.00	-ve	-ve	6.83	28.56	1	195.00	6373.16

\*Peer companies financials are TTM based

\*\*\*WAKEFIT INNOVATIONS LTD financials are based on FY25

## Valuation

The company is loss making so we are considering the P/BV valuation, Looking at the P/B ratio at higher band of Rs. 195, pre - issue book value of Rs. 18.09 of P/Bvx 10.78x. Post issue book value of Rs. 28.56 of P/Bvx 6.83x.

Looking at the P/B ratio at lower band of Rs. 185, pre - issue book value of Rs. 18.09 of P/Bvx 10.23x. Post issue book value of Rs. 28.56 of P/Bvx 6.48x.

## Industry Outlook

India's home and furnishings market which is broadly classified into three key categories, namely, furniture, mattresses and furnishings, including décor, is estimated to be worth Rs. 2.8 to Rs. 3.0 trillion as of calendar year 2024, projected to grow to reach Rs. 5.2 to 5.9 trillion by calendar year 2030. The growth in this market is primarily driven by rising disposable income,

urbanization, and homeownership, a focus on comfort, functionality, and wellness, rise in consumption of organized players offerings, easy financing and affordability-driven premiumization, and an increasing frequency of home makeovers and seasonal buying.

## Outlook

The company is positioned for strong growth driven by its leadership in the D2C home solutions market, rapid store expansion, and data-driven product innovation. Its integrated operations, omnichannel network, and marketing efficiency support scale and customer loyalty. However, heavy reliance on the Wakefit brand and mattress segment, past losses, cash-flow pressures, and logistics dependencies pose ongoing risks. Successful diversification and premiumisation will be key to sustaining momentum.

## An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	08-December-25
BID/ISSUE CLOSES ON	10-December-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	11-December-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	12-December-25
Credit of Equity Shares to Demat Accounts of Allottees	12-December-25
Commencement of trading of the Equity Shares on the Stock Exchanges	15-December-25

## Annexure

### Consolidated Financials

#### Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Sept-25 (6 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	724.00	1273.69	986.35
Total expenditure	638.11	1214.60	951.49
<b>Operating Profit</b>	<b>85.90</b>	<b>59.10</b>	<b>34.87</b>
OPM%	11.86	4.64	3.54
Other Income	17.30	31.74	30.98
<b>Total Net Income</b>	<b>103.19</b>	<b>90.83</b>	<b>65.85</b>
Interest	14.80	29.59	17.01
<b>PBDT</b>	<b>88.39</b>	<b>61.24</b>	<b>48.84</b>
Depreciation	52.82	96.24	63.89
<b>PBT</b>	<b>35.57</b>	<b>-35.00</b>	<b>-15.05</b>
Tax	0.00	0.00	0.00
<b>Profit &amp; Loss</b>	<b>35.57</b>	<b>-35.00</b>	<b>-15.05</b>

Balance sheet is on next page

## Balance Sheet

Rs. in Cr.

Particulars	As on 30-Sept-25	As on 31-Mar-25	As on 31-Mar-24
<b>Non-current assets</b>			
Property Plant & Equipment	159.49	165.20	163.56
Capital Work In Progress	0.33	0.74	2.14
Right of use assets	246.74	249.31	165.23
Intangible assets	1.24	0.91	0.58
<b>Financial assets</b>			
Other financial assets	52.75	89.04	12.99
Income tax assets	2.80	3.62	4.93
Other non-current assets	2.54	4.46	4.75
<b>Total non-current assets</b>	<b>465.89</b>	<b>513.27</b>	<b>354.18</b>
<b>Current asset</b>			
<b>Financial Assets</b>			
Inventories	261.79	163.63	130.68
<b>Financial assets</b>			
Investments	50.81	51.25	138.42
Trade receivables	3.66	5.86	28.09
Cash and cash equivalents	13.17	7.12	3.63
Bank balances other than above	3.08	3.08	13.59
Other financial assets	393.26	290.25	237.88
Other current assets	28.68	16.29	21.84
<b>Total current assets</b>	<b>754.45</b>	<b>537.48</b>	<b>574.12</b>
<b>Total Assets</b>	<b>1220.34</b>	<b>1050.75</b>	<b>928.30</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	198.88	202.34	137.63
Provisions	9.00	8.46	7.58
<b>Total Non- Current liabilities</b>	<b>207.87</b>	<b>210.80</b>	<b>145.21</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	0.00	0.00	7.36
Lease liabilities	78.11	70.99	44.91
Trade Payables			
- Total outstanding dues of MSME	51.01	21.00	18.54
- Total outstanding dues of creditors other than MSME	218.72	136.01	125.88
Other financial liabilities	17.99	18.00	9.65
Other current liabilities	81.08	65.31	27.26
Provisions	8.23	8.08	5.88
<b>Total - Current Liabilities</b>	<b>455.13</b>	<b>319.38</b>	<b>239.48</b>
<b>Total Liabilities</b>	<b>663.00</b>	<b>530.18</b>	<b>384.69</b>
Net worth represented by:			
Equity share capital	15.75	1.05	1.03
Instruments entirely equity in nature	19.25	19.25	19.25
Other equity	522.34	500.27	523.33
<b>Total Equity</b>	<b>557.34</b>	<b>520.57</b>	<b>543.61</b>

## RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★★
EXCELLENT	★★★★★

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