

# Wakefit Innovations Ltd.

December 04, 2025



Wakefit Innovations Limited, headquartered in Bengaluru and incorporated in 2016, is India's largest D2C home and furnishings company, offering mattresses, furniture, and furnishings through robust omnichannel presence. Operating as a full-stack vertically integrated organization, the company controls all operations from product conceptualization to manufacturing, distribution, and customer engagement across mass, masstige, and premium segments. The company's distribution network spans over 700 districts across 28 states and 6 union territories, comprising 125 COCO Regular Stores and 1,504 multi-branded outlet (MBO) stores as of September 30, 2025, complemented by a strong direct-to-consumer website. Vertically integrated across five manufacturing facilities in Haryana, Karnataka, and

Tamil Nadu, Wakefit is the only D2C home and furnishings company in India to scale across all three product categories, each generating significant revenue, while maintaining strong customer loyalty and market presence among organized peers.

## Investment Rationale:

### Largest and Fastest-Growing D2C Home and Furnishings Destination with Market-Leading D2C Capabilities

- India's largest D2C home & furnishings brand by revenue; strong scale achieved in just 9 years.
- Revenue grew at 25.2% CAGR (FY23–FY25) -1.64x faster than organized peers.
- Strong brand equity driven by innovation, quality, design, and wellness focus.
- High contribution from own channels (57–65%), enabling pricing control, better customer experience, and higher margins.
- Direct channels boost loyalty, repeat purchases, AOV, conversions, and operational insights.

### Comprehensive Home & Furnishing Solutions with Innovation-Led Product Portfolio

- Only D2C brand scaled across mattresses, furniture, furnishings & decor.
- Top 3 in organized mattress market; #1 in online mattress sales among organized players.
- Strong cross-selling & upselling due to wide portfolio.
- Robust R&D with 5-stage development cycle; 3,070 SKUs (FY25) and 2,333 SKUs (FY24) launched.
- Innovation highlights: Regul8, Track8, personalized mattress tech, and "Plus" premium range.

### Full-Stack Vertically Integrated Operations with Advanced Manufacturing & Technology

- End-to-end control: design → manufacturing → distribution → customer engagement.
- Five advanced manufacturing plants with automation (robotic arms, CAM/CAD systems).
- Cloud-based design sync reduces errors and increases production efficiency.
- Flat-pack, space-optimized designs improve logistics and installation efficiency.
- Standardized components across SKUs lower costs; EPEI initiatives cut waste.
- H1FY26 capacity: 0.64M mattresses, 0.33M furniture units, 1.59M furnishing units.
- Rigorous quality testing with global labs like SGS and TUV Rheinland.

### Strategic Expansion of COCO Regular Stores & Introduction of COCO Jumbo Stores

- COCO Regular Stores grew from 23 (Mar'23) → 125 (Sep'25).
- Planned use of proceeds: ₹308.42M to open 117 new COCO stores (FY27–FY28).
- COCO store AOV is ~79% higher than website AOV.
- Tailored store formats for diverse catchment areas; expansion into smaller towns.
- New COCO Jumbo Stores (50,000–200,000 sq. ft.) to serve as large-format home experience centers; two planned in Bengaluru.
- Potential franchise model for accelerated scaling.

### Synergistic, Data-Driven Product Category Expansion with Scaling & Premiumization Focus

- Expansion designed to boost upsell, cross-sell, and customer lifetime value.
- Strong cross-category penetration (17–22% repeat across categories).
- Aggressive SKU expansion in furniture: 2,534 (FY25); 1,065 (FY24).
- ₹154.08M allocated for advanced furniture machinery at Hosur Facility IV.
- Premiumization through the "Plus" range; exploring acquisitions and entry into interior design.

### Investment in Brand Building, Marketing Excellence & House-of-Brands Strategy

- High-impact community-led and cultural campaigns; strong digital presence.
- Flagship programs (e.g., Sleep Internship) enhanced brand leadership in sleep & wellness.
- Marketing efficiency improving: promo spends reduced from 11.8% to 5.1% of revenue (FY23 → H1FY26).
- Planned spend: ₹1,084.04M on marketing (FY27–FY29).
- House-of-brands strategy to launch multiple new sub-brands across segments and price points.
- Expected to expand customer reach, uplift revenues, and strengthen long-term growth.

**Valuation and Outlook:** India's home and furnishings market is poised for exceptional growth, projected to reach ₹5.2–5.9 trillion by CY30 from ₹2.8–3.0 trillion in CY24, clocking an 11–13% CAGR driven by rising disposable incomes, rapid urbanization, and accelerating shift toward organized retail capturing 35% market share. Against this favourable backdrop, Wakefit Innovations is well-positioned to capitalize on sustained demand given its vertically integrated manufacturing ecosystem operating five facilities producing mattresses, furniture, and furnishings, which eliminates intermediary costs and enables strong margins. Wakefit's revenue reached ₹12,736.91 million in FY25 growing at 25.20% CAGR, with EBITDA margins expanding sharply to 4.64% in FY25, while net profit inflected from ₹1,456.83 million losses in FY23 to ₹355.74 million profit in H1FY26, underpinned by superior capital efficiency and net working capital days compressed to 1.04 days. The company's strong execution is evident from its expanding retail footprint of 125 COCO Regular Stores across 62 cities and 1,504 MBO outlets, with plans to add 117 new COCO Regular Stores by FY28, and strategic marketing investments of ₹1,084.04 million across FY27–FY29. The company's ambitious expansion into smaller cities and towns, coupled with premium "Plus" range offerings and house-of-brands strategy, provides significant runway for market share gains and premiumization. We recommend subscribing to the issue given Wakefit's profitability inflection, 25% revenue CAGR outpacing organized peers, vertically integrated cost advantages, and sustainable competitive moats offering multifold revenue potential and value creation in India's fastest-growing home furnishings retail sector, a high-risk, high-potential opportunity for long-term investors.

## Key Financial & Operating Metrics (Consolidated)

In INR mn	Revenue	YoY (%)	EBITDA	EBITDA %	PAT	EPS	ROE	ROCE
FY23	8126.20	-	-931.41	-11.46	-1456.83	-5.62	-36.26	-31.18
FY24	9863.53	21.38	348.68	3.54	-150.53	-0.50	-3.08	0.60
FY25	12,736.91	29.13	590.95	4.64	-350.04	-1.15	-7.13	-0.86

## Issue Snapshot

Issue Open	08-Dec-25
Issue Close	10-Dec-25
Price Band	INR 185 - 195
Issue Size (Shares)	6,60,96,867
Market Cap (mln)	INR 63732

## Particulars

Fresh Issue (INR mln)	INR 3771.78
OFS Issue (INR mln)	INR 9117.11
QIB	75%
Non-institutionals	15%
Retail	10%

## Capital Structure

Pre Issue Equity	30,74,86,214
Post Issue Equity	32,68,28,676
Bid Lot	76 Shares
Minimum Bid amount @ 185	INR 14060
Maximum Bid amount @ 195	INR 14820

## Share Holding Pattern

	Pre Issue	Post Issue
Promoters	43.01%	26.16%
Public	56.99%	73.84%

## Particulars

Face Value	INR 1
Book Value	INR 27.47
EPS, Diluted	INR -1.07

## Objects of the Issue

- Capital expenditure to be incurred by the Company for setting up of 117 new COCO - Regular Stores – ₹308.42 million
- Expenditure for lease, sub-lease rent and license fee payments for the existing COCO - Regular Stores – ₹1,614.69 million
- Capital expenditure to be incurred by the Company for purchase of new equipment and machinery – ₹154.08 million
- Marketing and advertisement expenses towards enhancing the awareness and visibility of the brand – ₹1,084.04 million
- General corporate purposes

**SUBSCRIBE**

research@smifs.com

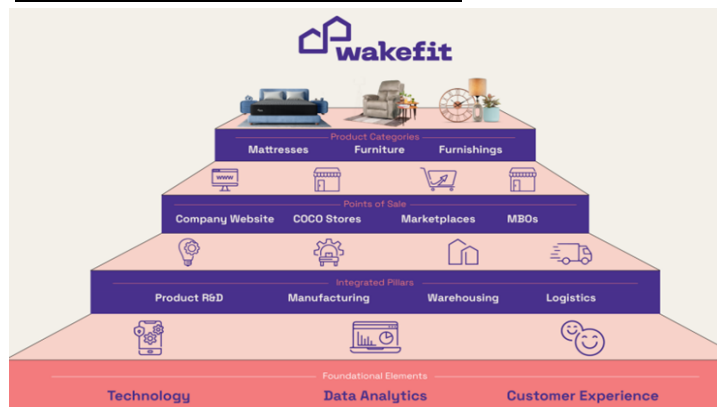
# Wakefit Innovations Ltd.

December 04, 2025



Wakefit Innovations Limited, headquartered in Bengaluru and incorporated in 2016, is India's largest direct-to-consumer (D2C) home and furnishings company, offering a comprehensive range of products including mattresses, furniture, and furnishings through a robust omnichannel presence. Operating as a full-stack vertically integrated organization, the company controls every aspect of its operations from product conceptualization, design, and engineering to manufacturing, distribution, and customer engagement, enabling efficient operations and differentiated offerings across mass, masstige, and premium segments.

## Wakefit's Full-Stack, Omnichannel Business Model



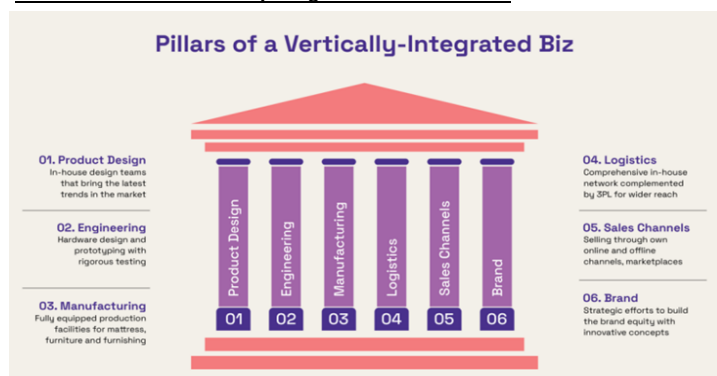
The company's omnichannel distribution network spans more than 700 districts across 28 states and 6 union territories, comprising 125 company-operated and company-owned (COCO) Regular Stores across 62 cities and 1,504 multi-branded outlet (MBO) stores across 395 cities as of September 30, 2025, complemented by a strong direct-to-consumer website presence.

Vertically integrated across five strategically located manufacturing facilities in Haryana, Karnataka, and Tamil Nadu, Wakefit produces mattresses, furniture, and furnishings and has achieved category leadership as the only D2C home and furnishings company in India to scale across all three product categories, each generating significant revenue contribution, while maintaining strong customer loyalty and market presence across organized peers.

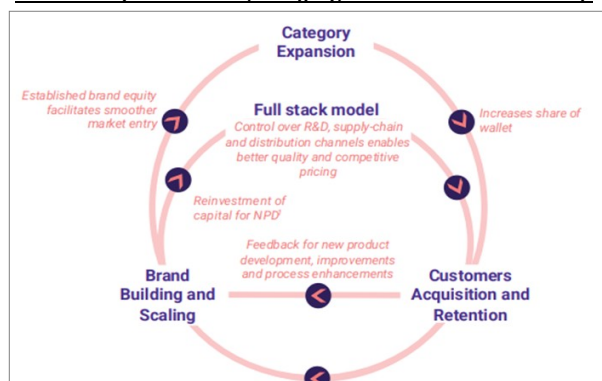
## Platform Play: Channel and Category Expansion



## Pillars of Wakefit's Vertically Integrated Business Model



## Full-Stack Flywheel: Brand, Category, and Customer Growth Loop



Manufacturing facility	Location	Products manufactured	Built-up area (in square feet)
Manufacturing Facility I	Sonipat, Haryana	Mattress and sofa	1,21,040.00
Manufacturing Facility II	Bengaluru, Karnataka	Chairs and steel bed fabrication and R&D activities	37,076.00
Manufacturing Facility III	Bengaluru, Karnataka	Accessories- comforter, pillows, bedsheet, protectors, curtains, cushion, bean bag, décor	70,725.00
Manufacturing Facility IV	Hosur, Tamil Nadu	Engineered wood furniture, solid wood furniture and sofa	3,44,994.00
Manufacturing Facility V	Hosur, Tamil Nadu	Mattress	1,25,000.00

## Industry Overview:

India's home and furnishings market is expected to sustain healthy momentum, with domestic consumption projected to grow by 11%-13% CAGR through FY30, supported by rising disposable incomes, rapid urbanization, and accelerating premiumization across organized retail and digital channels. Growth in premium mattress and furniture segments, coupled with the rapid adoption of wellness-focused, ergonomic designs, is expected to further strengthen overall market volumes. Favourable economic tailwinds and increased consumer spending on home improvements are also likely to boost urban and Tier-2 city demand, adding to the sector's positive outlook. Over the medium term, India's home furnishings market is anticipated to grow from ₹2.8-3.0 trillion in CY24 to ₹5.2-5.9 trillion by CY30, driven by broad-based recovery in residential and commercial real estate and accelerating penetration of organized retail and D2C channels.

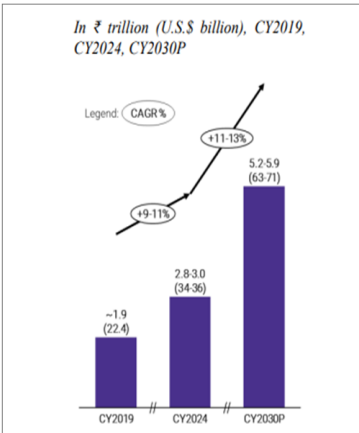
**Market Expansion and Manufacturing Excellence:** Indian home furnishings manufacturers, particularly those in mattresses and furniture, have established strong competitive advantages through cost-efficient production, advanced manufacturing capabilities spanning design, foam technology, and engineered wood processing, and adherence to quality and safety standards. This has enabled them to capture growing domestic demand and access new markets across Asia, Africa, and Middle East. With major consumption drivers including work-from-home trends, hospitality sector recovery, and rising wellness consciousness, the industry offers significant growth potential for large, organized players.

# Wakefit Innovations Ltd.

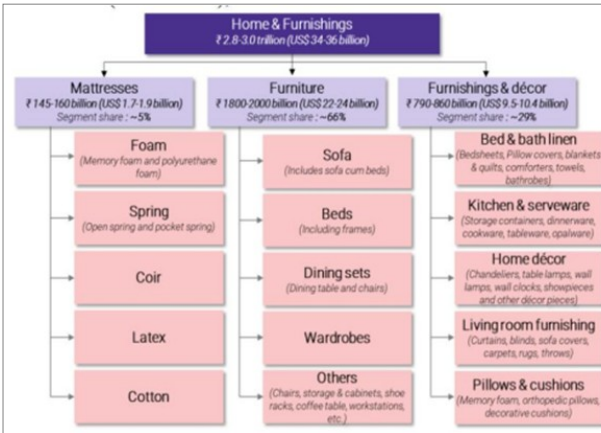
December 04, 2025



## India Home & furnishings market size



## India Home & furnishings market size- In ₹trillion (U.S.\$ billion), CY24

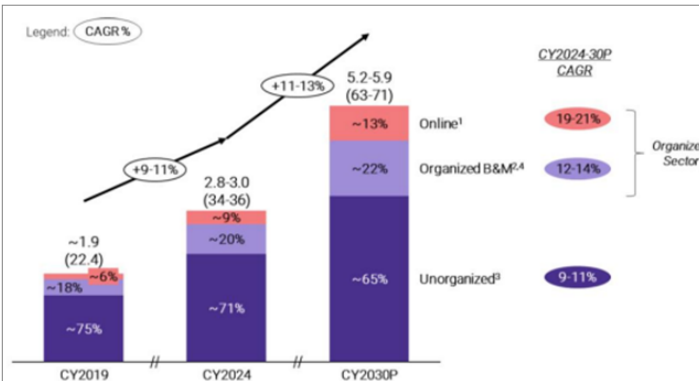


**Formalization of the Market:** India's home and furnishings market is undergoing structural transformation, with a clear shift from unorganized to organized segments. Stricter regulatory standards, increasing consumer preference for branded quality, and the rise of D2C platforms have strengthened this trend. As a result, the share of organized retail in home furnishings is expected to rise from approximately 29% in CY24 to approximately 35% by value in CY30, reflecting increased standardization and formalization.

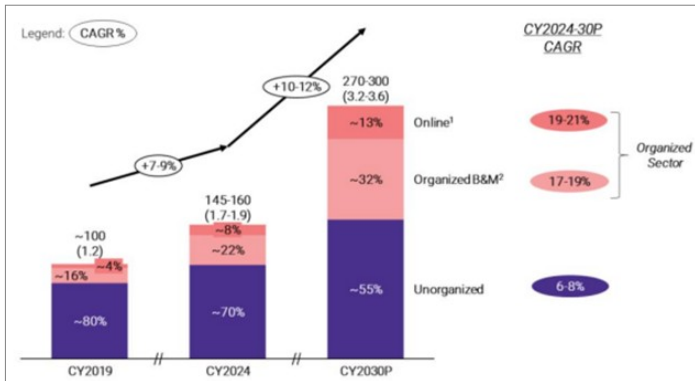
**Market Consolidation and Premiumization:** The sector has witnessed increasing strategic consolidation, with established players and private equity firms acquiring complementary businesses to expand market share and diversify portfolios. Examples include Sheela Foam's

acquisition of Kurlon, HomeLane's acquisition of Design Café, and Asian Paints' investment in The White Teak Company. Simultaneously, the market is experiencing a structural shift toward premiumization, driven by rising consumer focus on comfort, wellness, and design aesthetics. Premium and luxury mattress segments are projected to grow at 15%-20% CAGRs, significantly outpacing mass-market growth, making premium offerings a meaningful lifestyle choice.

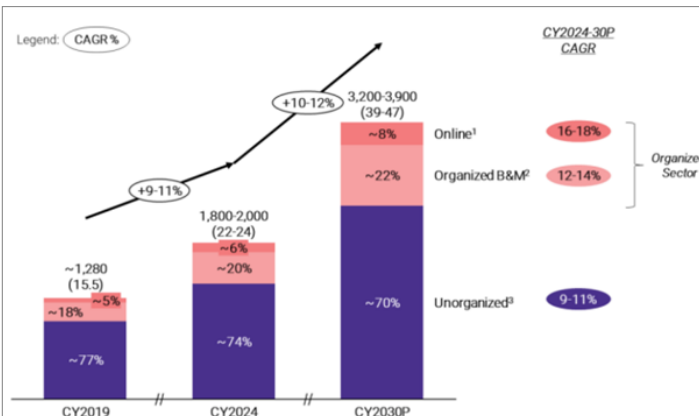
## Home & furnishings market - In % of ₹billion (U.S. \$billion), CY19, CY24, CY30P



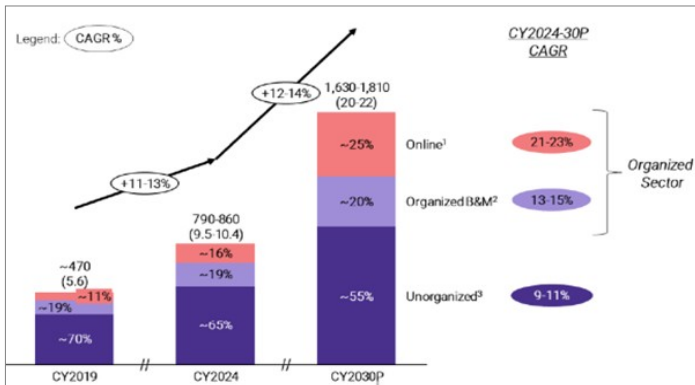
## Mattress market - In % of ₹billion (U.S. \$billion), CY19, CY24, CY30P



## Furniture market - In % of ₹billion (U.S. \$billion), CY19, CY24, CY30P

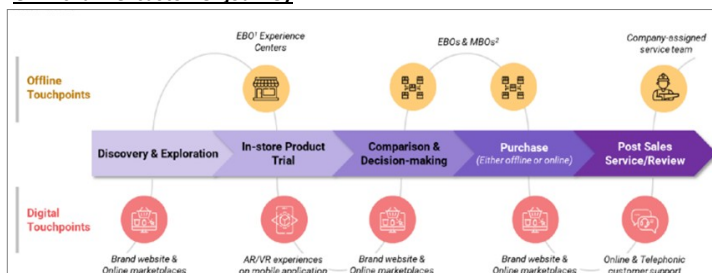


## Furnishings & Decor market - In % of ₹billion (U.S. \$billion), CY19, CY24, CY30P



**Digital Channel Growth and Consumer Behaviour:** The online home furnishings market is growing rapidly, with online penetration projected to increase from approximately 9% in CY24 to approximately 13% by value in CY30, growing at a CAGR of 19%-21%, significantly outpacing offline channels. Consumers increasingly prefer frequent home makeovers and seasonal purchasing, driving recurring demand for furnishings and décor. While standard furniture and mattresses have replacement cycles of 5-7 years, the rise of design-driven consumption and aspirational home styling is shortening these cycles, particularly among urban, affluent consumers.

## Omnichannel customer journey



The convergence of rising incomes, digital adoption, wellness awareness, and retail formalization is creating a compelling growth runway for India's home furnishings sector, positioning organized, multi-category players well to capitalize on this transformation.



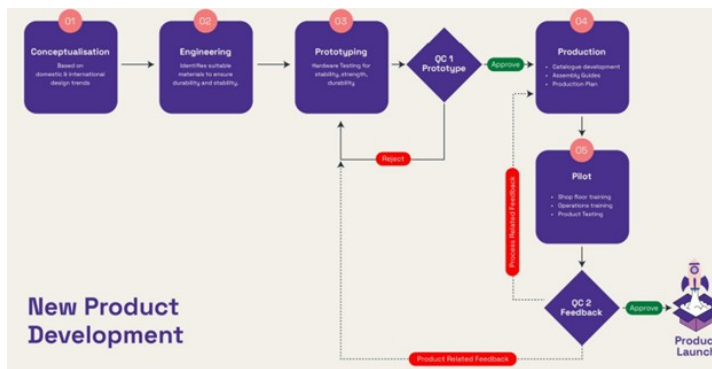
**Investment Rationale:****Largest and Fastest-Growing D2C Home and Furnishings Destination with Market-Leading D2C Capabilities**

Wakefit Innovations Limited holds the position of India's largest direct-to-consumer (D2C) home and furnishings company by revenue, underscoring its exceptional leadership in a fragmented and rapidly formalizing market. The company's market-leading position is underpinned by its strong scale and operational efficiency achieved within just nine years of operations. The company's revenue from operations has expanded at a CAGR of 25.20% from FY23 to FY25, approximately 1.64 times higher than the average growth of organized players in the sector reflecting its superior execution capabilities and strong market resonance.

Wakefit has built substantial brand equity and customer trust through continuous product innovation, adherence to stringent quality standards, and an unwavering commitment to design, functionality, and wellness. The strength of its omnichannel platform, particularly through "own channels" comprising the company website and company-owned company-operated (COCO) Regular Stores, has established a differentiated business model. These own channels contributed 64.91%, 56.97%, 58.30%, and 57.50% of total revenue in H1FY26 and FY25, FY24, and FY23, respectively, demonstrating the company's exceptional ability to engage customers directly without heavy reliance on third-party marketplaces. This direct relationship enables enhanced control over pricing, product presentation, and customer experience, which fosters brand loyalty, drives repeat purchases, increases average order value and customer conversion rates, and optimizes operations through actionable insights into customer behaviour and direct feedback. Products distributed through own channels enjoy superior profitability compared to those sold through external channels, as the company circumvents costs associated with third-party sellers or intermediaries, thereby expanding margins while benefiting from the scalability of its website platform.

**Comprehensive Home and Furnishing Solutions Brand with Innovation-Led, Synergistic Product Portfolio**

Wakefit positions itself as a comprehensive one-stop destination for home and furnishings solutions, targeting customers at various life stages. The company uniquely stands as the only D2C home and furnishings company in India to achieve scale across all three product categories; mattresses, furniture, and furnishings & decor. It ranks among the top three companies in the organized mattress market by revenue and leads in online mattress revenue among organized competitors. This diversified platform play enables cross-selling of complementary products, upselling of higher-end offerings, and encourages repeat purchases through powerful network effects.

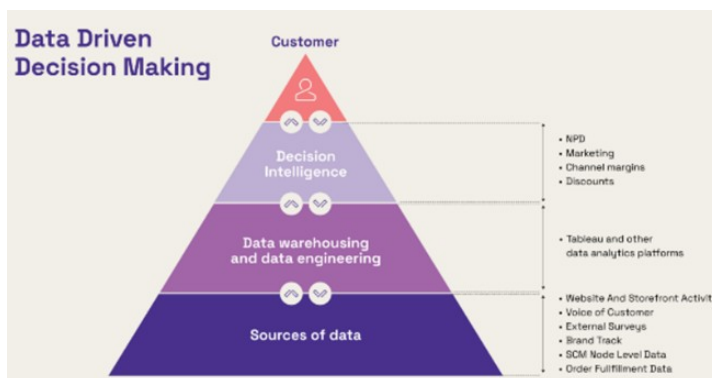


The company's research and development-driven product design strategy, coupled with its commitment to enhancing products based on customer feedback, exemplifies its innovation prowess. The product development process encompasses five rigorous stages: conceptualization, engineering, prototyping, production development, and pilot testing, ensuring new products meet evolving market demands. Wakefit launched 3,070 and 2,333 SKUs across all categories in FY25 and FY24, respectively, demonstrating its rapid innovation capability. By initially producing limited batches of new products to assess market demand, the company reduces inventory risks and minimizes capital intensity before scaling production. Notable innovations include advanced sleep-tech products such as Regul8 (featuring water-based active temperature regulators) and Track8 (a non-wearable, contactless smart technology for sleep pattern monitoring). The company is currently pilot testing personalized mattress technology utilizing firmness customization techniques. Additionally, the introduction of a "Plus" range for mattresses, sofas, and wardrobes offers

enhanced features at accessible premium price points, enabling the company to increase average customer spending and broaden its addressable market.

**Full-Stack Vertically Integrated Operations with Advanced Manufacturing and Technological Capabilities**

Wakefit operates a deeply vertically integrated business model providing end-to-end control over the entire value chain from product conceptualization, designing, and engineering through manufacturing, distribution, and customer experience and engagement. This comprehensive integration maintains consistent quality standards, improves cost efficiency, and achieves faster product development and turnaround times. The company operates five state-of-the-art manufacturing facilities, two in Bengaluru Karnataka, two in Hosur Tamil Nadu, and one in Sonapat Haryana equipped with imported machinery and advanced automation technologies including robotic arms and roller belts, which streamline production, reduce waste, and enhance throughput.



The company's design, engineering, and manufacturing processes are technology-centric, leveraging computer-aided design (CAD) for detailed and accurate product designs and computer-aided manufacturing (CAM) to control production machinery. Product designs are uploaded to the cloud, enabling seamless access throughout the manufacturing process, with any design modifications automatically recognized and applied across all production facilities, thereby reducing errors, eliminating manual reconfiguration, boosting efficiency, and minimizing downtime. Wakefit prioritizes innovative space-optimized design, with products engineered for the entire downstream process from production to installation, enabling designs optimized for flat-packing and improving efficiency throughout the value chain. Most components are designed for versatility across multiple SKUs, enabling high-volume manufacturing of standardized components that are then customized for different products, reducing costs and increasing installation productivity. The company has implemented agile cost optimization initiatives, such as "Every

Part Every Interval" (EPEI), to minimize wastage. For example, in-house lamination of raw boards for furniture production, rather than purchasing pre-laminated boards, reduces costs while enhancing customization capabilities. During H1FY26, the company's available capacity comprised 0.64 million mattresses, 0.33 million furniture units, and 1.59 million furnishing units. The company prioritizes quality assurance through rigorous testing and certifications, conducting evaluations with labs such as SGS India Private Limited and TUV Rheinland India Private Limited, with each new product undergoing comprehensive testing including load testing for furniture and compression testing for mattresses and sofas, ensuring products meet high standards of performance and safety.

### Strategic Expansion of COCO Regular Stores and Introduction of COCO Jumbo Stores to Strengthen Omnichannel Presence

Building on its rapid COCO Regular Store expansion from 23 stores as of March 31, 2023, to 125 stores as of September 30, 2025, Wakefit has implemented an ambitious retail expansion strategy targeting deeper market penetration and enhanced customer accessibility. The company proposes to utilize ₹308.42 million from Net Proceeds toward opening 117 new COCO Regular Stores across multiple cities and districts throughout India during FY27 and FY28. This data-driven expansion approach identifies locations with higher business potential by assessing market demand, population density, demographic trends, competitive landscape, and sales performance of existing stores. In H1FY26, the average order value for COCO Regular Stores was 78.78% higher than the average order value for the company's website, demonstrating stores' effectiveness in driving higher-value transactions. The company intends to open stores of varied sizes tailored to specific catchment areas for mattresses, furniture, and furnishings products, while simultaneously tapping into smaller cities, towns, and underserved pockets of metropolitan areas across India to capture customers unable to convert due to lack of touch-and-feel experience.

Additionally, Wakefit plans to establish COCO Jumbo Stores, each spanning 50,000 to 200,000 square feet, to provide a comprehensive product range and offer a one-stop shopping experience. These regional hubs will attract customers from broader geographic areas, driving increased footfall and sales volumes. Leveraging the company's extensive product portfolio across various price points, COCO Jumbo Stores will serve as comprehensive shopping destinations where customers can explore and visualize multiple design options for bedrooms, living rooms, and other home setups under a single roof. The company intends to open two COCO Jumbo Stores in Bengaluru, Karnataka, and may integrate restaurant amenities to enhance customer experience, thereby increasing visit duration, loyalty, and revenue per visit.



The company will leverage detailed insights on store location identification, demographic analysis, foot traffic patterns, revenue projections, and retail competition to execute its expansion plans, ensuring new stores are situated in high-visibility locations with strong customer potential. Wakefit may further expand its retail footprint through a franchise model, enabling accelerated scaling of its store network.

### Synergistic, Data-Driven Product Category Expansion with Focus on Scaling Operations and Premiumization

Wakefit's product expansion strategy focuses on introducing products that complement existing offerings to establish itself as a complete home and furnishing solutions provider, thereby enhancing upsell and cross-sell opportunities that increase wallet shares and customer lifetime value. The company has expanded from mattresses to encompass furnishings such as pillows, bed sheets, comforters, beds, sofas, and wardrobes. In FY25, FY24, FY23, and H1FY26, cross-category penetration demonstrated strong synergies, with 19.63%, 21.60%, 21.35%, and 22.16% of furnishings customers being existing customers from other categories, while 17.55%, 17.78%, 17.34%, and 17.88% of furniture customers were existing customers from other categories, respectively. To scale its furniture business, Wakefit employs the customer-centric approach that built its mattress business offering high-quality products at strong value-for-money, conducting delight calls for feedback, and building word-of-mouth through brand trust. The company plans to continue launching new furniture products with high growth potential, having introduced 2,534 and 1,065 SKUs in the furniture category in FY25 and FY24, respectively. To support this growth, the company proposes to utilize ₹154.08 million from Net Proceeds for purchasing advanced machinery and equipment at Manufacturing Facility IV in Hosur, Tamil Nadu, to enhance furniture production capabilities. The company also intends to introduce premium products across categories, exemplified by its "Plus" range, enabling increased average customer spending and access to broader customer segments seeking premium solutions. Wakefit intends to explore acquisition opportunities to expand existing product categories and diversify into new ones, potentially broadening its customer base and accelerating growth, and may venture into interior designing leveraging its expertise in developing complete home and furnishing solutions.

### Investment in Brand Building, Marketing Excellence, and House-of-Brands Strategy to Drive Customer Acquisition and Retention

Wakefit intends to enhance brand salience and awareness through strategic, high-impact initiatives while leveraging proven sales and marketing playbooks. Its customer outreach model focuses on community engagement, celebrity collaborations, and cultural integration to build long-term loyalty. Flagship initiatives such as the Sleep Internship program (over 40.99 million social media views and 1.26 million applications across four seasons) and the Great Indian Sleep Score, published annually since 2018, have strengthened brand recall and thought leadership in the sleep and home wellness space. Campaigns like "Andar ke bacche ko jagao," "Kumbhakaran," and "Gaddagiri" showcase the brand's ability to create memorable, relatable content, while collaborations with celebrities help expand reach and aspirational appeal.

The company follows a disciplined marketing-spend philosophy, driving strong visibility and engagement without disproportionately high costs. In H1FY26 and FY25, FY24, and FY23, advertisement and business promotion expenses were ₹368.91 million, ₹963.25 million, ₹773.64 million, and ₹959.09 million, representing 5.10%, 7.56%, 7.84%, and 11.80% of revenue from operations, respectively, indicating improving efficiency. Wakefit plans to deploy ₹1,084.04 million from Net Proceeds toward marketing and advertisement in FY27–FY29 and to launch and test multiple new brands under the Wakefit umbrella, initially piloted in focused categories such as mattresses. This house-of-brands strategy, built on controlled pilots, clear success metrics, and targeted positioning across price points and customer segments, is expected to deliver higher incremental revenue, broaden the addressable market, deepen engagement, and structurally enhance the company's long-term growth trajectory.

**Valuation and Outlook:** India's home and furnishings market is poised for exceptional growth, projected to reach ₹5.2–5.9 trillion by CY30 from ₹2.8–3.0 trillion in CY24, clocking an 11–13% CAGR driven by rising disposable incomes, rapid urbanization, and accelerating shift toward organized retail capturing 35% market share. Against this favourable backdrop, Wakefit Innovations is well-positioned to capitalize on sustained demand given its vertically integrated manufacturing ecosystem operating five facilities producing mattresses, furniture, and furnishings, which eliminates intermediary costs and enables strong margins. Wakefit's revenue reached ₹12,736.91 million in FY25 growing at 25.20% CAGR, with EBITDA margins expanding sharply to 4.64% in FY25, while net profit inflected from ₹1,456.83 million losses in FY23 to ₹355.74 million profit in H1FY26, underpinned by superior capital efficiency and net working capital days compressed to 1.04 days. The company's strong execution is evident from its expanding retail footprint of 125 COCO Regular Stores across 62 cities and 1,504 MBO outlets, with plans to add 117 new COCO Regular Stores by FY28, and strategic marketing investments of ₹1,084.04 million across FY27–FY29. The company's ambitious expansion into smaller cities and towns, coupled with premium "Plus" range offerings and house-of-brands strategy, provides significant runway for market share gains and premiumization. We recommend subscribing to the issue given Wakefit's profitability inflection, 25% revenue CAGR outpacing organized peers, vertically integrated cost advantages, and sustainable competitive moats offering multifold revenue potential and value creation in India's fastest-growing home furnishings retail sector, a high-risk, high-potential opportunity for long-term investors.

Manufacturing Unit Capacity & Utilization

H1FY26						FY25				FY24				FY23			
Manufacturing Unit	Product Categories	Installed Capacity (Mn)	Available Capacity (Mn)	Actual Production (Mn)	Utilization %	Installed Capacity (Mn)	Available Capacity (Mn)	Actual Production (Mn)	Utilization %	Installed Capacity (Mn)	Available Capacity (Mn)	Actual Production (Mn)	Utilization %	Installed Capacity (Mn)	Available Capacity (Mn)	Actual Production (Mn)	Utilization %
Manufacturing Facility I	Mattress	0.65	0.14	0.1	72.07%	1.3	0.29	0.21	73.19%	1.3	0.29	0.18	61.27%	1.3	0.29	0.19	64.48%
Manufacturing Facility V	Mattress	1	0.5	0.46	91.12%	2	0.86	0.74	86.30%	1.84	0.7	0.53	76.14%	1.5	0.59	0.47	80.23%
Manufacturing Facility I	Sofa	0.02	0.02	0.01	80.00%	0.04	0.04	0.03	80.00%	0.06	0.03	0.03	78.00%	0.08	0.06	0.04	80.00%
Manufacturing Facility IV	Sofa	0.18	0.09	0.07	80.00%	0.37	0.19	0.15	80.50%	0.23	0.19	0.15	82.00%	0.22	0.16	0.12	80.00%
Manufacturing Facility III	Furnishing	4.75	1.59	1.29	81.00%	4.75	3.19	2.52	79.00%	4.75	3.17	2.38	75.00%	4.75	2.66	1.94	73.00%
Manufacturing Facility II	Chairs	0.07	0.07	0.05	75.55%	0.07	0.02	0.02	73.61%	0.15	0.05	0.03	68.89%	0.08	0.03	0.02	57.39%
Manufacturing Facility IV	Solid Wood	0.05	0.03	0.02	48.93%	0.1	0.07	0.05	79.42%	0.1	0.07	0.05	78.32%	0.1	0.06	0.03	47.97%
Manufacturing Facility IV	Engineered Wood	0.18	0.12	0.12	96.87%	0.36	0.25	0.22	86.67%	0.36	0.24	0.17	72.88%	0.34	0.16	0.1	62.69%

Revenue by Channels

H1FY26			FY25		FY24		FY23	
Channels	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations
Company owned channels	4,699.28	64.91%	7,255.68	56.97%	5,750.60	58.30%	4,672.55	57.50%
Others (includes marketplaces and MBOs)	2,540.75	35.09%	5,481.23	43.03%	4,112.93	41.70%	3,453.65	42.50%
Total	7,240.03	100.00%	12,736.91	100.00%	9,863.53	100.00%	8,126.20	100.00%

Revenue Segmentation

H1FY26			FY25		FY24		FY23	
Product Category	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of revenue from operations
Mattresses	4,390.78	60.65%	7,813.73	61.35%	5,675.18	57.54%	5,159.77	63.50%
Furniture	2,118.60	29.26%	3,516.89	27.61%	3,012.20	30.54%	1,951.10	24.01%
Furnishings	730.65	10.09%	1,406.29	11.04%	1,176.15	11.92%	1,015.33	12.49%
Total	7,240.03	100%	12,736.91	100%	9,863.53	100.00%	8,126.20	100.00%

Peer Comparison

Name of the company	Diluted EPS 2025 (₹)	Price as on Dec 01, 2025	P/E (x)
Wakefit Innovations Limited	-1.15	195	-169.57
Sheela Foam Limited	8.84	610.75	69.09

Particulars FY25	Unit	Wakefit Innovations Limited	Sheela Foam Limited
Revenue from Operations	₹ in million	12,736.91	34,391.90
Revenue Growth	%	29.13%	15.32%
PAT (Profit After Tax)	₹ in million	-350.04	900.7
EBITDA	₹ in million	908.3	2,860.00
PAT Margin	%	-2.75%	2.62%
EBITDA Margin	%	7.13%	8.32%
Return on Net worth	%	-6.72%	2.98%
Return on Capital Employed	%	-0.68%	5.01%
Net working capital days	in days	3.84	34.5
Mattresses Revenue	₹ in million	7,813.73	13,770
Furniture Revenue	₹ in million	3,516.89	-
Furnishings Revenue	₹ in million	1,406.29	-
Mattresses Volume	Quantity	7,93,348	33,08,000
Furniture Volume	Quantity	3,51,492	-
Furnishings Volume	Quantity	14,55,037	-
COCO Regular Stores	Number	105	-

# Wakefit Innovations Ltd.

December 04, 2025



Income Statement				Balance Sheet			
Y/E (INR mn)	FY23	FY24	FY25	Y/E (INR mn)	FY23	FY24	FY25
Revenue	8,126.20	9,863.53	12,736.91	<b>Source of funds</b>			
Expenses:				Equity Share Capital	10.11	10.34	10.52
Cost of Material Consumed	4717.11	4639.71	5817.61	Reserves	5040.68	5425.72	5195.18
Employee Cost	1057.72	1346.32	1657.43	Total Share holders funds	5050.79	5436.06	5205.70
Total Expenses	9,057.61	9,514.85	12,145.96	Lease Liabilities	1,439.30	1,825.40	2,733.27
EBITDA	-931.41	348.68	590.95	Current Liabilities	1,719.35	2,394.82	3,193.81
EBITDA Margin %	-11.46	3.54	4.64	Trade Payables	1095.19	1444.20	1570.08
Interest	126.57	170.13	295.92	Total Non-Current Liabilities	1,147.86	1,452.10	2,107.99
Depreciation	472.74	638.89	962.42	<b>Total Liabilities</b>	7,918.00	9,282.98	10,507.50
Other Income	73.89	309.81	317.35				
PBT	-1,456.83	-150.53	-350.04	<b>Application of funds</b>			
PAT	-1,456.83	-150.53	-350.04	Fixed Assets	1559.31	1635.63	1652.01
EPS	-5.62	-0.50	-1.15	Capital Work in Progress	34.72	21.40	7.35
				Cash and Bank	1731.64	172.11	102.02
				Current Assets	3855.80	5741.18	5374.78
				Trade Receivables	168.30	280.88	58.58
				Other current assets	429.68	218.38	162.92
				<b>Total Assets</b>	7,918.00	9,282.98	10,507.50

Cash Flow				Key Ratios			
Y/E (INR mn)	FY23	FY24	FY25	Y/E (INR mIn)	FY23	FY24	FY25
Profit Before Tax	-1456.83	-150.53	-350.04	<b>Growth Ratio</b>			
Adjustment	625.40	641.52	1,100.44	Net Sales Growth(%)	-	21.38	29.13
Changes In working Capital	584.30	330.06	3.20	EBITDA Growth(%)	-	-137.44	69.48
Cash Flow after changes in Working Capital	-247.13	821.05	753.60	PAT Growth(%)	-	-89.67	132.54
Tax Paid	42.50	-15.12	13.1	<b>Margin Ratios</b>			
Cash From Operating Activities	-204.63	805.93	766.70	EBITDA	-11.46	3.54	4.64
Cash Flow from Investing Activities	-2011.81	-1472.39	-21.10	PBT	-17.93	-1.53	-2.75
Cash from Financing Activities	2746.03	87.48	-710.67	PAT	-17.93	-1.53	-2.75
Net Cash Inflow / Outflow	529.59	-578.98	34.93	<b>Return Ratios</b>			
Opening Cash & Cash Equivalents	85.65	615.24	36.26	ROA	-21.34	-1.75	-3.54
Closing Cash & Cash Equivalent	615.24	36.26	71.19	ROE	-36.26	-3.08	-7.13
				ROCE	-31.18	0.60	-0.86
				<b>Turnover Ratios</b>			
				Asset Turnover(x)	1.19	1.15	1.29
				Inventory Turnover(x)	6.43	8.01	8.66
				Fixed Asset Turnover (x)	2.66	2.42	2.38
				<b>Solvency Ratios</b>			
				Debt/Equity(x)	-	0.01	-
				Current Ratio(x)	2.24	2.40	1.68
				Quick Ratio(x)	1.57	1.85	1.17
				Interest Cover(x)	-9.61	0.17	-0.15
				<b>Valuation Ratios</b>			
				P/E	-	-	-169.57
				P/B	-	-	7.10
				EV/EBITDA	-	-	112.30
				EV/Sales	-	-	5.21

### Analyst Certification:

I, **Shreyut Daga**, Research Analyst of SMIFS Limited (in short "SMIFS / the Company"), authors and the names subscribed to this Research Report, hereby certify that all of the views expressed in this Research Report accurately reflect our views about the subject issuer(s) or securities and distributed as per SEBI (Research Analysts) Regulations 2014. I also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this Research Report. It is also confirmed that I, the above mentioned Research Analyst(s) of this Research Report have not received any compensation from the subject companies mentioned in the Research Report in the preceding twelve months and do not serve as an officer, director or employee of the subject companies mentioned in the Research Report.

### Terms & Conditions and Other Disclosures:

SMIFS Limited is engaged in the business of Stock Broking, Depository Services, Portfolio Management and Distribution of Financial Products. SMIFS Limited is registered as Research Analyst Entity with Securities & Exchange Board of India (SEBI) with Registration Number – INH300001474.

SMIFS and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Research Analysts. SMIFS generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

The information and opinions in this Research Report have been prepared by SMIFS and are subject to change without any notice. The Research Report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of SMIFS Limited. While we would endeavour to update the information herein on a reasonable basis, SMIFS is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent SMIFS from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or policies of SMIFS, in circumstances where SMIFS might be acting in an advisory capacity to this company, or in certain other circumstances.

This Research Report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This Research Report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Securities as defined in clause (h) of section 2 of the Securities Contract Act, 1956, includes Financial Instruments, Currency and Commodity Derivatives. Though disseminated to all the customers simultaneously, not all customers may receive this Research Report at the same time. SMIFS will not treat recipients as customers by virtue of their receiving this Research Report. Nothing in this Research Report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this Research Report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. SMIFS accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this Research Report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. The information given in this report is as of date of this report and there can be no assurance that future results or events will be consistent with this information. The information provided in this report remains, unless otherwise stated, the copyright of SMIFS. All layout, design, original artwork, concepts and intellectual Properties remains the property and copyright of SMIFS and may not be used in any form or for any purpose whatsoever by any party without the express written permission of the SMIFS.

SMIFS shall not be liable for any delay or any other interruption which may occur in presenting the data due to any reason including network (Internet) reasons or snags in the system, breakdown of the system or any other equipment, server breakdown, maintenance shutdown, breakdown of communication services or inability of SMIFS to present the data. In no event shall SMIFS be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by the SMIFS through this report.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (a) Exchange Rates can be volatile and are subject to large fluctuations; (b) the value of currencies may be affected by numerous market factors, including world and notional economic, political and regulatory events, events in Equity & Debt Markets and changes in interest rates; and (c) Currencies may be subject to devaluation or government imposed Exchange Controls which could affect the value of the Currency. Investors in securities such as Currency Derivatives, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Since associates of SMIFS are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this Research Report.

SMIFS and its Associates, Officers, Directors, Employees, Research Analysts including their relatives worldwide may: (i) from time to time may have long or short positions in, and buy or sell the Securities, mentioned herein or (ii) be engaged in any other transaction involving such Securities and earn brokerage or other compensation of the Subject Company/ companies mentioned herein or act as an Advisor or Lender/Borrower to such Companies or have other potential/material Conflict of Interest with respect to any recommendation and related information and opinions at the time of the publication of the Research Report or at the time of Public Appearance.

SMIFS does not have proprietary trades but may at a future date, opt for the same with prior intimation to Clients/ Investors and extant Authorities where it may have proprietary long/short position in the above Scrip(s) and therefore should be considered as interested.

The views provided herein are general in nature and do not consider Risk Appetite or Investment Objective of any particular Investor; Clients/ Readers/ Subscribers of this Research Report are requested to take independent professional advice before investing, however the same shall have no bearing whatsoever on the specific recommendations made by the analysts, as the recommendations made by the analysts are completely independent views of the Associates of SMIFS even though there might exist an inherent conflict of interest in some of the stocks mentioned in the Research Report.

The information provided herein should not be construed as invitation or solicitation to do business with SMIFS.

SMIFS or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the Research Report as of the last day of the month preceding the publication of the Research Report.

SMIFS encourages independence in Research Report preparation and strives to minimize conflict in preparation of Research Report. Accordingly, neither SMIFS and their Associates nor the Research Analysts and their relatives have any material conflict of interest at the time of publication of this Research Report or at the time of the Public Appearance, if any.

SMIFS or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

SMIFS or its associates might have received any compensation from the companies mentioned in the Research Report during the period preceding twelve months from the date of this Research Report for services in respect of managing or co-managing public offerings, corporate finance, investment banking, brokerage services or other advisory service in a merger or specific transaction from the subject company.



## Disclaimer

SMIFS or its associates might have received any compensation for products or services other than investment banking or brokerage services from the subject companies mentioned in the Research Report in the past twelve months.

SMIFS or its associates or its Research Analysts did not receive any compensation or other benefits whatsoever from the subject companies mentioned in the Research Report or third party in connection with preparation of the Research Report.

Compensation of Research Analysts is not based on any specific Investment Banking or Brokerage Service Transactions.

The Research Analysts might have served as an officer, director or employee of the subject company.

SMIFS and its Associates, Officers, Directors, Employees, Research Analysts including their relatives worldwide may have been engaged in market making activity for the companies mentioned in the Research Report.

SMIFS may have issued other Research Reports that are inconsistent with and reach different conclusion from the information presented in this Research Report.

A graph of daily closing prices of the securities/commodities is also available at [www.nseindia.com](http://www.nseindia.com) and/or [www.bseindia.com](http://www.bseindia.com), [www.mcxindia.com](http://www.mcxindia.com) and/or [www.icex.com](http://www.icex.com).

SMIFS submit's that no material disciplinary action has been taken on the Company by any Regulatory Authority impacting Equity Research Analysis activities in last 3 years.

This Research Report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject SMIFS and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

#### Specific Disclosures

1. SMIFS, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
2. SMIFS, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company.
3. SMIFS, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months.
4. SMIFS, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as director/officer/employee in the subject company
6. SMIFS has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. SMIFS has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
8. SMIFS has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months.
9. SMIFS has not received any compensation or other benefits from third party in connection with the research report.
10. SMIFS has not engaged in market making activity for the subject company

Analyst holding in stock: **NO**

#### Key to SMIFS Investment Rankings / Ratings

Buy: Return >15%, Accumulate: Return between 5% to 15%, Reduce: Return between -5% to +5%, Sell: Return < -5%

#### Contact us:

**SMIFS Limited.** (<https://www.smifs.com/>)

#### Compliance Officer:

**Sudipto Datta,**

5F Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: +91 33 4011 5414 / +91 33 6634 5414

Email Id.: [compliance@smifs.com](mailto:compliance@smifs.com)

#### Mumbai Office:

206/207, Trade Centre, Bandra Kurla Complex (BKC), Bandra East, Mumbai – 400051, India

Contact No.: (D) +91 22 4200 5508, (B) +91 22 4200 5500

Email Id: [institutional.equities@smifs.com](mailto:institutional.equities@smifs.com)

#### Kolkata Office:

Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: (D) +91 33 6634 5466, (B) +91 33 4011 5466

Email Id: [smifs.institutional@smifs.com](mailto:smifs.institutional@smifs.com)