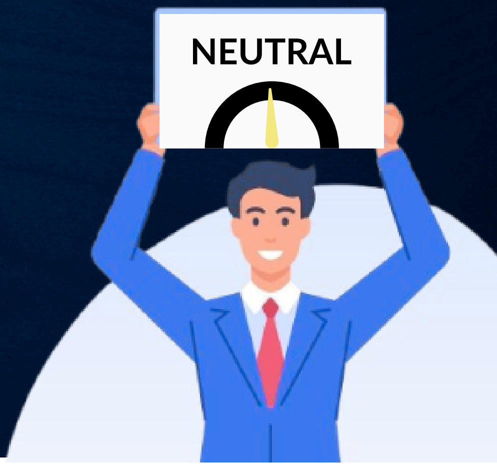
॥ सर्वे भवन्तु धनिनः ॥

swastika



rentomojo

IPO NOTE

RENTOMOJO

Rating:

NEUTRAL

Rentomojo Limited is a technology-driven, full-stack direct-to-consumer (D2C) online rental and subscription platform for furniture and appliances in India.

ISSUE OFFER

Issue Opens on	SEP 09, 2026
Issue Close on	SEP 11, 2026
Total IPO size (cr)	₹1,256 CR
Fresh issue (cr)	₹150 CR
Offer For Sale (cr)	₹1106 CR
Price Band (INR)	₹348-404
Market Lot	37 SHARES
Face Value (INR)	₹1
Listing At	BSE, NSE
Market Cap (Pre IPO)	₹4,246.30 CR.

OBJECTS OF THE ISSUE

- Repayment and/ or pre-payment, in full or part, of certain borrowings availed by the company.
- Payment of lease rental/ license fee for warehouses and experience stores

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2026	FY 2025	FY 2024
Equity Share Capital	3.45	0.02	0.02
Net Worth	295.81	183.61	139.61
Revenue from operations	**394.09**	**271.96**	**195.80**
EBITDA Margin%	42.2%	43.55%	39.91%
Net Profit/Loss of the year	**104.30**	**43.11**	**22.41**

MINIMUM INVESTMENT DETAILS

Number of Shares	3,10,80,978
Minimum Investment Amount	₹14,948
Small-HNI (Min)/ 518 Shares	₹2,09,272
Big-HNI (Min)/ 2,479 Shares	₹10,01,516

FINANCIAL RATIOS OF FY26

25.34%	43.5%	39.26x
ROCE	**ROE**	**P/E (Pre IPO)**

INDICATIVE TIMETABLE

Basis of Allotment	15-09-2026
Refunds/Unblocking ASBA Fund	16-09-2026
Credit of Share to Demat A/c	16-09-2026
Listing Date	17-09-2026

ISSUE BREAK-UP (%)

QIB Portion	50%
Retail Portion	35%
NII Portion	15%

OUTLOOK & VALUATION

- At the upper band of ₹404, the stock commands a post-issue P/E of ~40.73x (based on FY26 post-issue EPS of ₹9.92). On FY25 earnings, the asking P/E jumps significantly to ~97.6x.
- Company enjoys a "first-mover scarcity premium," but the pricing leaves little safety margin for initial public investors.
- ₹70 Crore of the fresh issue is allocated toward debt prepayment, which will lower interest expense and improve the Debt/Equity ratio (currently 0.63x).
- Well-informed, high-risk, or cash-surplus investors apply with a medium-to-long-term horizon. Long-term performance will depend on the company's ability to maintain high asset utilization, extract repeat cycles from inventory, and expand bottom-line profitability without further diluting return on capital.

COMPANY PROFILE

- The Company provides consumers with affordable, flexible and long-term subscription plans for home furniture and appliances, enabling them to rent, return, upgrade and relocate products without the need for large upfront purchases or long-term ownership commitments.
- Its product portfolio includes essential home products such as beds, mattresses, washing machines, refrigerators, wardrobes, sofas, televisions and water purifiers, comprising 851,184 live items as of March 31, 2026.
- Rentomojo operates through an integrated asset-lifecycle model covering category management, product design, procurement, refurbishment, servicing, reverse logistics and multi-cycle redeployment.

COMPETITIVE STRATEGIES

- Leveraging micro-market intelligence to drive omni-channel expansion and strengthen consumer trust .
- Capital-light expansion to capture urbanization driven growth.
- Invest in technology stack to enhance customer experience, strengthen operational efficiency, and drive cost optimization.
- Strengthen and scale the platform solutions to provide a wider breadth of services.

KEY CONCERNS

- High dependence on rental income.
- The growth of the business is dependent on the ability to continue to grow the number of subscribers.
- Revenue is concentrated in key tier-1 and metropolitan markets in India.
- Capital-intensive business.
- Competition.

KEY STRENGTHS

- Consistently profitable D2C player since Fiscal 2023.
- Strong subscriber base and extensive product portfolio.
- Marquee institutional investors and established sponsorship base.
- Predictable recurring revenues and high return on capital employed.
- Omni-channel presence through online platform and experience stores.

COMPARISON WITH LISTED INDUSTRY PEERS

RENTOMOJO DOES HAVE SEVERAL BUSINESS COMPETITORS, BUT ACCORDING TO ITS RHP, THERE IS NO DIRECTLY COMPARABLE LISTED COMPANY IN INDIA OR GLOBALLY WITH THE SAME FULL-STACK RENTAL MODEL AND SCALE.

CORPORATE & ADMINISTRATIVE OFFICE - 48, Jaora Compound, M.Y.H. Road, Indore - 452 001 | Phone 0731 - 6644000
Compliance Officer: Mrs. Dimple Soni Email: compliance@swastika.co.inPhone: (0731) 6644 241