Pune E-Stock Broking Limited

Your trust is our capital

Initiating Coverage

Rentomojo Ltd.

Reco: ACCUMULATE	CMP: 578	TP: 683



Turning Assets into Recurring Revenues

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Rentomojo Ltd.

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About Company:

Rentomojo Ltd is a direct-to-consumer (D2C) rental and subscription platform offering furniture and appliances across India. The company provides consumers with affordable and flexible long-term subscription solutions, enabling them to rent, return, upgrade and relocate products without the need for significant upfront investment or long-term ownership commitments. Its product portfolio spans across essential household categories, including beds, mattresses, washing machines, refrigerators, wardrobes, sofas, televisions and water purifiers. Incorporated in 2012, it operates through an omni-channel model combining online digital platforms with 82 experience stores across India.

Outlook:

India's rapid urbanisation is creating a structural tailwind for furniture and appliance rentals. The urban population more than doubled from ~290 million in CY2000 to >520 million in CY2025, while nearly 80% of rental housing is unfurnished or semi-furnished and average urban tenancy is only ~1.6 years, increasing the need for flexible, low-upfront-cost home furnishing. The home furniture and appliance rental TAM stood at ~₹69,520 crore in CY2025 and is estimated to reach ₹1.17 lakh crore by CY2030, implying ~11% CAGR, while the organised rental market expanded from ₹350 crore in CY2021 to ₹1,550 crore in CY2025 at ~45% CAGR.

Given the above context, Rentomojo has established a strong leadership position through its technology-driven, full-stack model spanning procurement, subscriptions, servicing, refurbishment, reverse logistics and multi-cycle asset redeployment. The company's live subscribers increased from 1.49 lakh in FY24 to 2.54 lakh in FY26, while its live rental portfolio reached 8.51 lakh items. Gross items ordered increased from 5.25 lakh in FY24 to 9.90 lakh in FY26, reflecting strong adoption and increasing wallet share. The operating model also creates a competitive advantage through 83.3% asset occupancy and 6.18 lakh refurbishments in FY26, enabling assets to generate revenue across multiple rental cycles and improving capital efficiency. With 97.9% of FY26 operating revenue derived from rentals and revenue rising to ₹387 crore, the business is increasingly supported by recurring subscription cash flows. Rising urban mobility, expansion into new cities, private-label products and increasing adoption of bundled home solutions provide substantial runway. With only ~2.54 lakh subscribers against a ₹69,520 crore TAM, Rentomojo has significant headroom to deepen penetration, increase products per customer and scale its asset-reuse.

Valuation:

RentoMojo is well positioned for a multi-year growth phase, supported by rising adoption of rental-led consumption, an expanding subscriber base and increasing penetration of furniture and appliance rentals. We expect Revenue/EBITDA/PBT to grow at a CAGR of 40%/47%/64% over FY26–28E, driven by strong customer additions, higher rental penetration, operating leverage and improving asset utilisation. The company added new subscribers at a 30% CAGR over FY24–26, while gross items ordered grew at 37% CAGR, reflecting increasing platform traction. Its focus on offline stores is expected to strengthen customer experience and trust, with the store network reaching 89 outlets as of Q1FY27.

FY26 PAT of ₹104.3 crore included a ₹36.6 crore deferred tax credit, making reported earnings less representative of underlying profitability. Accordingly, we focus on PBT to assess the company's earnings trajectory. At CMP of ₹578, the stock trades at ~56x FY26 P/E, or ~86x excluding the deferred tax benefit. While the valuation remains premium, RentoMojo's differentiated rental model, scalable platform and high entry barriers support its long-term growth potential. We value the company at 39x FY28E EPS of ₹17.53, arriving at a target price of ₹683, implying an upside of 18%. We initiate coverage with an **ACCUMULATE** rating.

CMP: ₹578
Rating: ACCUMULATE
Target Price: ₹683

Stock Info

BSE	544915
NSE	RENTOMOJO
Sector	E-Commerce
Face Value (₹)	1
Equity Capital (₹ Cr)	3
Mkt Cap (₹ Cr)	₹6,017

Source: Company RHP, PESB Research

Shareholding Pattern (Sep 2026)	
Promoters	20%
FII	3%
DII	32%
Public	45%

Source: Company RHP, PESB Research

Key Important Metrics	FY26
Average delivery turnaround time (in days)	2
Gross Items Ordered	9,89,931
Occupancy Rate	83%
Number of live subscribers	2,53,825
Organic Share	61%
Repeat Orders	50%
Average subscription period (months)	18.04
Average revenue per item	₹6,253

Source: Company RHP, PESB Research

Anupama Bhootra
Analyst
Praveen Kumar Yadav
Associate

Investment Thesis:

Market Leadership with Rapid Scaling: Rentomojo dominates India's organized home furniture and appliances rental market with a 42%–47% subscription revenue share and 50%–55% of live subscribers. The platform's live subscriber base expanded from 149,498 in FY24 to 253,825 in FY26, while live items surged to 851,185 and gross items ordered reached 989,931. This surge in demand drove revenue from operations to ₹386.98 crore in FY26 (a 41.71% CAGR from FY24) and PAT to ₹104.29 crore (a 115.72% CAGR), which demonstrates expanding operating leverage and category dominance over unlisted competitors.

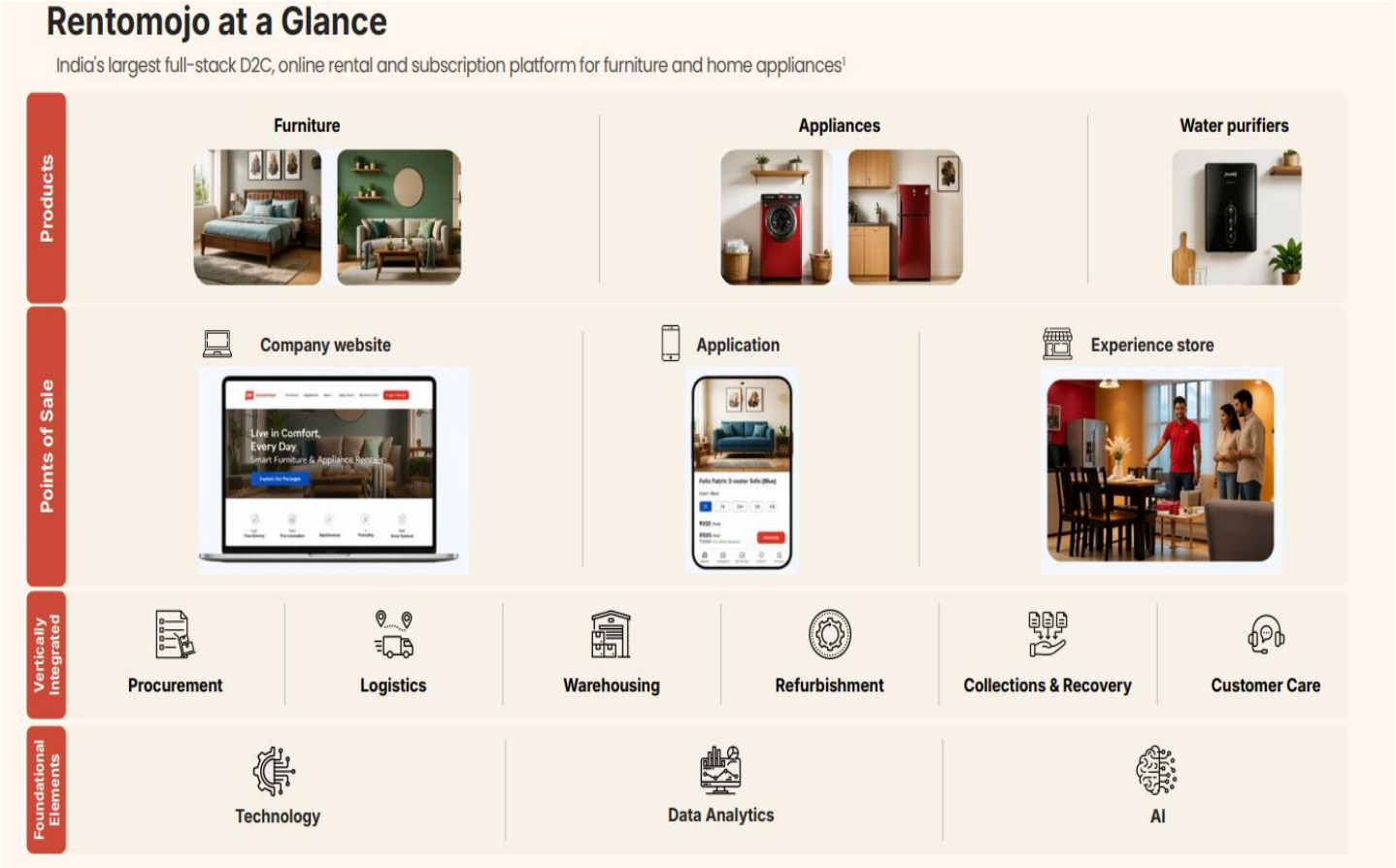
High-Friction Operational Moat & Proprietary Technology: Rentomojo operates an execution-intensive, full-stack model with 11 consumer touchpoints across the subscription lifecycle—significantly higher than the 3–5 touchpoints typical of traditional D2C peers, creating an operational barrier that is difficult to replicate. Its proprietary technology stack, including Mojodesk for lifecycle workflow management, MojoVaahan for logistics route optimisation, and machine-learning credit underwriting engines, helps enable seamless execution. The percentage of total orders originating from repeat subscribers (subscribers who have placed more than one order till date) increased from 47.31% in FY24 and 46.55% in FY25 to 50.41% in FY26.

Capital-Efficient Re-Commerce & Asset Longevity: The company's re-commerce infrastructure, backed by 1,688 in-house and contractual refurbishment personnel, extends asset lifespans of the assets. Multi-cycle asset reuse, 56.12% of assets purchased in FY17 remain active and revenue-generating as of FY26, with the FY17 cohort earning a 5.12x cumulative revenue multiple on initial asset cost. Maintaining consistently high occupancy rates (83.34% in FY26) and an average subscription tenure of 18.04 months, Rentomojo achieves high capital efficiency (25.34% Adjusted RoCE) and predictable, recurring subscription revenue.

Consistent Profitability & Cash Flow-Fueled Growth: Rentomojo is among the very few Indian D2C product commerce platforms to demonstrate consistent profitability over FY2023–2026. Growth is powered by predictable, recurring monthly subscription contracts with an average tenure of 18.04 months in FY26. Total contracted revenue reached ₹706.90 crore in FY26, while unrecognised contracted revenue locked in ₹292.57 crore, providing strong forward revenue visibility. Operating leverage is further amplified by organic brand equity, with organic traffic accounting for 61.37% of total visits in FY26, driving down subscriber acquisition costs and generating robust cash flows to self-fund growth.

Business Overview:

Rentomojo Limited is India's largest technology-driven, full-stack direct-to-consumer (D2C) online rental and subscription platform for home furniture and appliances. In FY25, the company commanded a dominant 42%–47% subscription revenue share in the organized market (excluding water purifiers) and held 50%–55% of total live subscribers.



Source: Company RHP, PESB Research

As of Q1FY27, Rentomojo operates across 29 Indian cities, serving 283,058 live subscribers with an inventory of 9,22,631 live items, while sustaining an 83.34% occupancy rate. Its omni-channel ecosystem includes 89 experience stores across 17 cities.



Source: Company RHP, PESB Research

Business Segments:

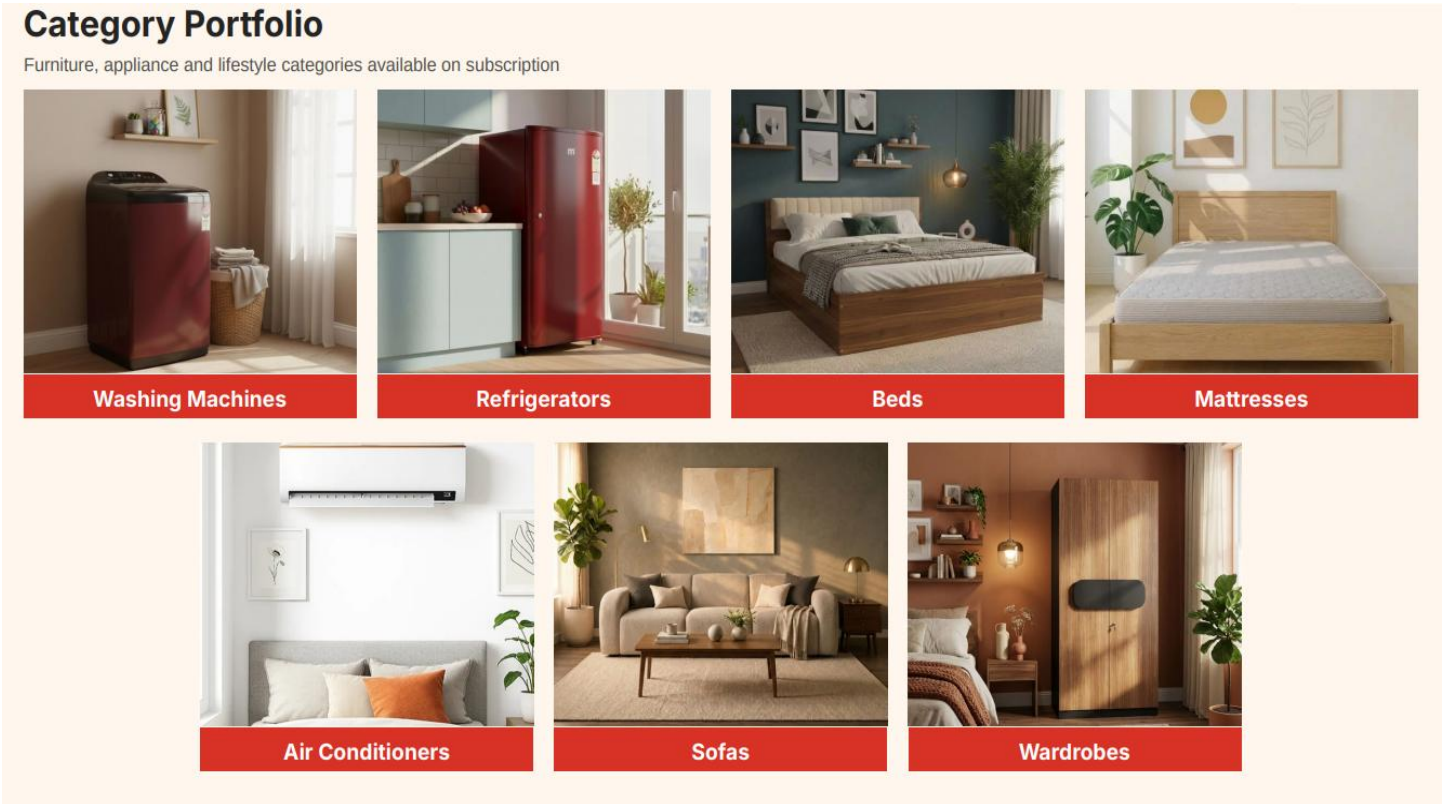
Rentomojo evaluates its business performance on an overall basis as a single reportable operating segment under Ind AS 108. However, its operational revenues are disaggregated across specific product categories and fee-based service streams:

Furniture Rentals: This category encompasses a comprehensive portfolio of home furnishings across bedrooms, living rooms, kitchens, dining areas, work-from-home setups, and baby products. Offerings include beds, mattresses, sofas, wardrobes, dining sets, study tables, centre tables, chairs, recliners, dressers, and shoe racks. In FY26, furniture rentals generated ₹195.78 crore, constituting the largest share at 50.59% of total revenue from operations.

Appliance Rentals: Covering essential household electronics and large appliances, this segment includes refrigerators, washing machines, split air conditioners, televisions, microwave ovens, air coolers, dishwashers, air purifiers, and multi-stage water purifiers. In FY26, appliance rentals produced ₹182.44 crore, representing 47.15% of revenue. This category includes private-label products such as 'Zenovi by Mojo' refrigerators and washing machines (manufactured via a partnership with Dixon Technologies) as well as proprietary water purifiers priced starting at ₹391 per month.

Other Rentals: Comprises recurring subscription revenue from electronics, two-wheelers, and miscellaneous items, contributing ₹0.63 crore or 0.16% of revenue from operations in FY26.

Fee-Based & Point-in-Time Services: Rentomojo earns additional non-recurring revenue transferred at a point in time from delivery and installation fees, quality and inspection charges, early closure fees, late fees, and relocation support services ('Mojo Mover'). In FY26, these service streams generated ₹8.11 crore, accounting for 2.10% of total revenue from operations.



Source: Company RHP, PESB Research

Source: Company RHP, PESB Research

Business Model:

Rentomojo operates a technology-driven, full-stack direct-to-consumer (D2C) online rental and subscription platform for home furniture and appliances across 29 cities in India, using an omni-channel ecosystem combining digital platforms (website/app) with 82 experience stores.

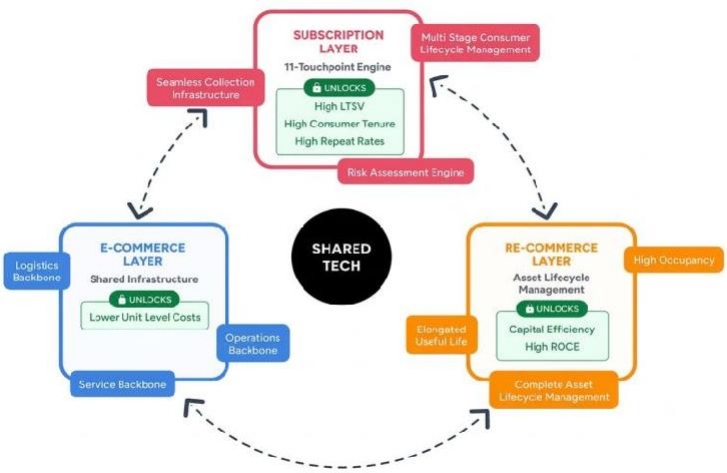
Subscription Mechanism & Value Proposition: The core business relies on a postpaid monthly subscription model with auto-renewal provisions embedded in subscriber contracts, offering flexible tenures where customers can rent, return, upgrade, or relocate items anytime. Subscribers pay an initial refundable security deposit alongside monthly rentals. This recurring structure creates predictable forward revenue streams, supported by an average subscription period of 18.04 months in Fiscal 2026.

Integrated Multi-Stack Operational Flywheel: Rentomojo's high-engagement business model manages an 11-touchpoint consumer lifecycle (ordering, risk assessment, delivery, installation, monthly collections, upgrades, repairs, relocations, product transfers, pickup, and refund processing). This full-stack execution is powered by three interconnected operational stacks:

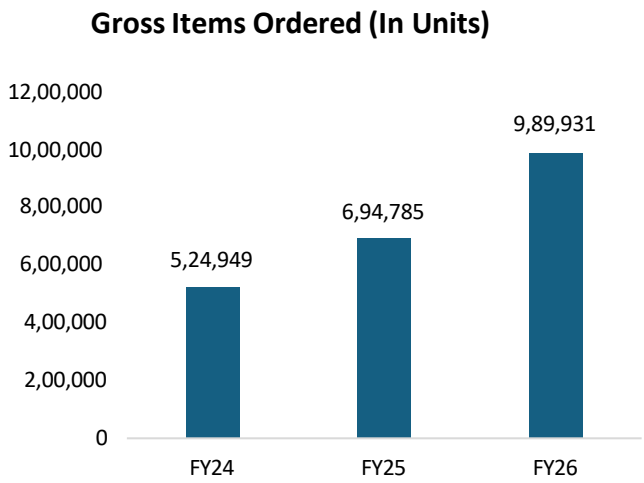
- **E-Commerce Stack:** Operates a unified logistics, warehousing, and labor infrastructure as a shared backbone across all delivery, installation, repair, relocation, and reverse logistics touchpoints. By utilising the same truck fleet and field workforce for forward and reverse movements (e.g., picking up returns on a delivery route), fixed costs are spread across multiple transactions, driving down unit-level fulfillment costs.

- **Subscription Stack:** Orchestrates the 11-touchpoint subscriber journey using 'Mojodesk', a proprietary in-house workflow management and ticketing platform. This stack integrates a machine-learning credit risk assessment engine that evaluates identity, document authenticity, credit scores, and address stability. This underwriting technology ensures responsible onboarding and high collection efficiency, achieving a 99.00% revenue realization efficiency in Fiscal 2026.

- **Re-Commerce Stack:** Manages asset lifecycles across multiple deployment cycles. Supported by a serialized ERP tracking system and a refurbishment workforce of over 1,688 personnel, returned items undergo structured diagnosis, repair, and quality checks. This extends useful asset lives up to 10 years and maintains high occupancy rates (83.34% in Fiscal 2026).
- These three stacks form a self-reinforcing flywheel: long subscription tenures generate high lifetime subscriber value (LTSV), which justifies re-commerce investments in asset life extension; extended asset life and high occupancy reduce capital expenditure requirements, improving margins and enabling the e-commerce stack to deliver lower unit costs, which enhances subscriber value and further drives LTSV.



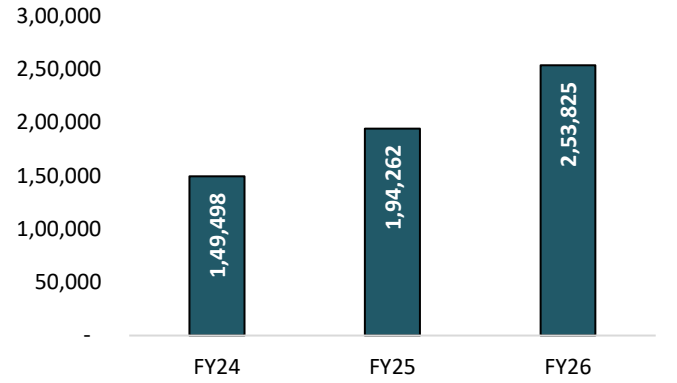
Source: Company RHP, PESB Research



Source: Company RHP, PESB Research

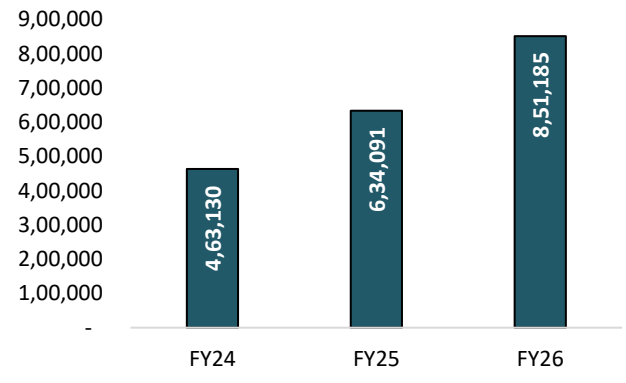
Charts – Key Operational Metrics

Live Subscribers (in numbers)



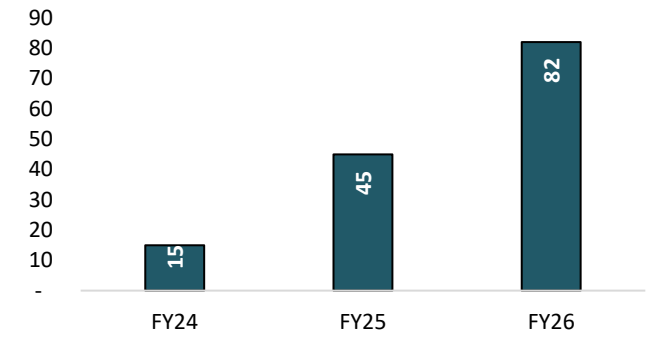
Source: Company filings, PESB Research

Live Items (in units)



Source: Company filings, PESB Research

Experience Stores (in numbers)



Source: Company filings, PESB Research

Average Revenue Per Item



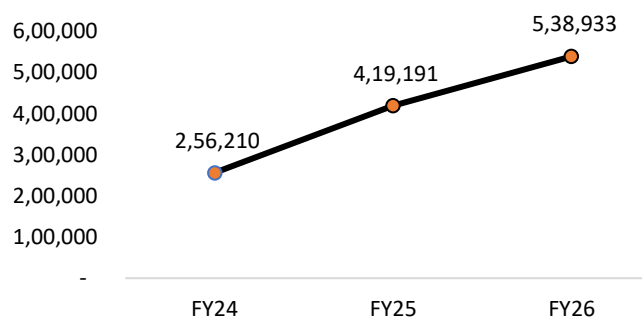
Source: Company filings, PESB Research

Average Subscription Period (Months)



Source: Company filings, PESB Research

Warehouse Area (sq.ft)



Source: Company filings, PESB Research

Growth triggers:

- **TAM & Urbanization Tailwinds:** India's home furniture and appliances rental market TAM is projected to grow from ₹695.2 billion in CY2025 to ₹1,172.1 billion by CY2030. Demand is driven by rapid urbanization (~43% by CY2050), shortening urban tenancy (1.6 years), and 80% unfurnished rental housing stock.
- **Market Dominance & Organic Acquisition Scale:** Holding a 42%–47% subscription revenue share and 50%–55% of live subscribers in its core market, Rentomojo grew live subscribers from 149,498 in FY24 to 253,825 in FY26. This scale generates strong word-of-mouth, driving a 61.37% organic traffic share in FY26 and optimizing acquisition costs.
- **Strong Revenue Visibility & Debt Reduction:** Unrecognized contracted revenue surged to ₹292.57 crore in FY26 (up from ₹68.29 crore in FY24), locking in future cash flows. Furthermore, deploying ₹70 crore from IPO fresh proceeds toward debt repayment will reduce finance costs (₹25.33 million in FY26), significantly expanding net profitability.
- **High-Margin Category Expansion & Private Labels:** Rentomojo is expanding into high-frequency verticals like water purifiers (onboarded units grew at 145.16% CAGR from FY24–FY26). Partnership with Dixon Technologies to manufacture private-label appliances ('Zenovi by Mojo') enhances product margins, while low-entry pricing (₹391/month) accelerates subscriber onboarding and lifetime value.
- **Tech-Driven Underwriting & Re-Commerce Lifespan Moat:** Proprietary ML credit underwriting improved revenue realization efficiency to 99.00% in FY26. Simultaneously, in-house refurbishment (1,688 personnel) extends asset lives up to 10 years, with FY17 asset cohorts generating a 5.12x cumulative revenue multiple, sustaining a 25.34% Adjusted RoCE.

Risk Factors:

- **Payment Defaults, Early Terminations, and Collection Risks:** Delays, defaults, or contract cancellations directly affect cash flows. Credit-impaired trade receivables reached ₹21.89 crore in FY26, up from ₹13.01 crore in FY24. Low subscriber auto-pay adoption further increases collection friction, potential write-offs, and asset recovery expenses.
- **Negative Working Capital and Debt Servicing Pressure:** The company reported negative net working capital of ₹(911.73) million in FY26 with a current ratio of 0.55. Short-term obligations include borrowing maturities (38.52% of current liabilities) used to fund long-term rental assets, creating a structural cash flow mismatch.
- **Warehouse Operational Disruptions and Insurance Shortfalls:** Operations face storage and transit risks, exemplified by a June 2026 Noida warehouse fire causing ₹11.02 crore in asset losses. Crucially, asset insurance covered only 53.92% of total property, plant, and equipment book value in FY26, leaving deployed subscriber assets uninsured.

Management Commentary:

- **Strong Growth & Market Opportunity** – Management highlighted ~40% growth over the last two years, including ~45% in the latest year. With 2.5 lakh subscribers, 8.5 lakh items and 4.8 crore rental apartments, management sees significant headroom for category penetration.

- **Market Leadership & Customer Economics –** RentoMojo commands ~55% subscriber market share and 42–43% revenue share. Around 70% of traffic is organic, while 45% of customers repeat, supporting lower acquisition costs and stronger lifetime value. The company also operates 82 stores.

- **Cash Generation & Asset Utilisation –** Management reported ~₹170 crore operating cash flow against ₹175 crore incremental capex required for ~45% growth. Higher asset utilisation and longer useful life are key profitability drivers, enabling assets to be deployed across multiple rental cycles and supporting operating leverage.

Competitive Landscape:

The home furniture and appliances market in India can broadly be divided into three major models. The first is the traditional purchase model, where consumers buy new furniture and appliances directly from brands or retailers. The second is the second-hand market, where customers purchase pre-owned products through online platforms or local dealers. The third is the rental model, where customers pay a recurring subscription to use furniture and appliances without owning them. Purchase-based models generally involve lower operational requirements for the seller after the product is sold. The second-hand segment offers a more affordable alternative but is often characterized by varying product quality. In comparison, organized rental companies manage the products throughout their useful life, including delivery, installation, maintenance and refurbishment. Customers can upgrade, replace or return products as their requirements change, making rentals particularly relevant for urban consumers.

Home furniture and appliance rental market in India has many well established player with strong market presence. Some these companies are AVA Lifestyle Product & Services Ltd, CityFurnish Pvt. Ltd, Livpure Smart Homes Pvt. Ltd & Rentomojo Ltd. Among all these companies Rentomojo is the largest online rental and subscription platform in India based on subscription revenue with a market share of 42-47% and 50%–55% of live subscribers.

Particulars	Rentomojo Ltd.			House of Kieraya Ltd.		
Year of Incorporation	2012			2012		
Year of financials	**FY24**	**FY25**	**FY26**	**FY24**	**FY25**	**FY26**
Total Income (₹cr)	196	272	394	152	240	375
Income Growth (%)	58%	39%	45%	-3.55%	58.03%	56.39%
Revenue from Operations (₹cr)	193	266	387	140	229	370
Revenue Growth (%)	60%	38%	46%	10.41%	63.90%	61.94%
EBITDA (₹cr)	75	112	159	NA	NA	NA
EBITDA Margin (%)	39%	42%	41%	NA	NA	NA
PAT (₹cr)	22	43	104	-130	3	60
PAT Margin (%)	12%	16%	27%	-93.31%	1.36%	16.07%

Source: Company RHP, PESB Research

Key differentiators/competitive advantages for Rentomojo:

• **Proprietary Technology Stack:** In-house ticketing, ERP and ML-based risk engines integrate customer, asset and service data, enabling faster execution, better risk assessment and continuous technology customization.

• **Micro-Market Intelligence**: Proprietary first-party data, including micro-market-level patterns, repayment behavior and asset-recovery signals, enables granular customer underwriting, demand planning and localized inventory decisions.

• **Product-Level Differentiation:** Private-label appliances, including refrigerators and washing machines, improve assortment control and economics; automated six-month water-purifier filter replacement further enhances customer convenience.

• **Full-Stack Asset Ecosystem:** Category management, procurement, refurbishment, servicing, reverse logistics and multi-cycle redeployment create an integrated asset lifecycle, improving utilization, asset life and capital efficiency.

• **Integrated & Execution Scale:** E-commerce, subscription and re-commerce reinforce each other, while 11 customer touchpoints and large refurbishment capabilities create operational complexity that is difficult for competitors to replicate.

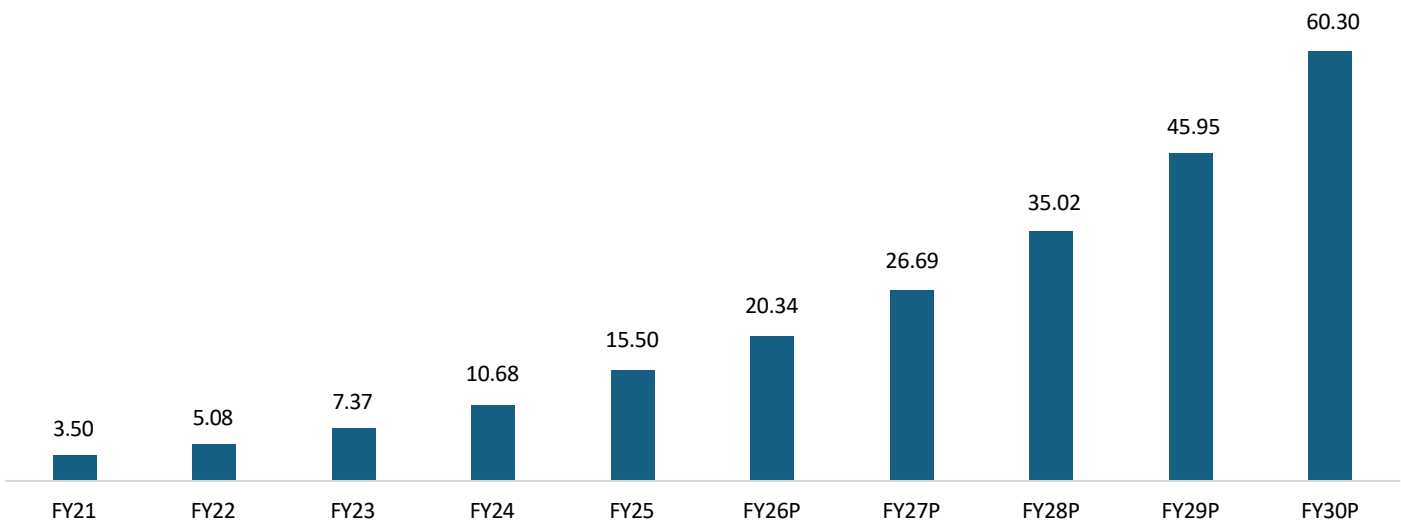
Industry Overview:

India's rapid urbanization has significantly changed the country's economic and social landscape. As compared to early 2000 to present time India's urban population almost doubled from around 292 million to over 522 million, while the urbanization rate increased from about 28% to 36% of the total population. This growth has been supported by increasing job opportunities, manufacturing and industrial sector growth, technology companies and startups. The growing movement of people toward cities has, in turn, increased demand for housing, furniture, appliances, infrastructure and other urban services. India's urbanization rate is expected to reach around 43% by FY50P, potentially adding nearly 200 million people to the urban population. This continued urban migration is expected to create a long-term opportunity for flexible and convenient housing-related services.

The rental housing market also presents a significant opportunity due to the largely unfurnished nature of rental homes in India. Nearly 80% of rental housing is estimated to be unfurnished or semi-furnished, which means tenants often have to arrange essential furniture and appliances themselves. In many cases, homes described as semi-furnished provide only a few basic items leaving tenants to purchase most of the remaining requirements. With typical rental agreements in major cities often lasting around 11 months tenants may find it inefficient to purchase assets that depreciate over time. These factors are driving demand for rental and subscription-based solutions that reduce upfront costs, simplify home setup and provide greater flexibility.

The growing demand for rental housing is creating a sizeable opportunity for furniture and home appliance rental companies in India. In FY25 the total addressable market (TAM) for this segment was estimated at around ₹695bn. This market is expected to grow at ~11% CAGR and reach around ₹1,172bn by FY30. The growth is being supported by factors like rapid urbanisation & rising consumer spending. Greater acceptance of rental housing and a growing preference for flexible lifestyles are also encouraging consumers to rent rather than purchase household products. Metro and Tier 1 cities together account for more than 77% of the overall TAM, while Tier 2+ cities contribute the remaining share. India's home furniture and appliance rental market has already witnessed strong growth, increasing from ~₹3.5bn in FY21 to ₹15.5bn in FY25, representing a CAGR of nearly 45%. The market is projected to reach around ₹60.3 bn by FY30P, implying a growth rate of about 31% over the next five years. The recurring nature of service and maintenance requirements makes this category attractive for businesses.

India's Home Furniture and Appliance Rental Market Forecast (₹bn)



Source: Company RHP, PESB Research

Industry Overview: Home Furniture & Appliances Rental

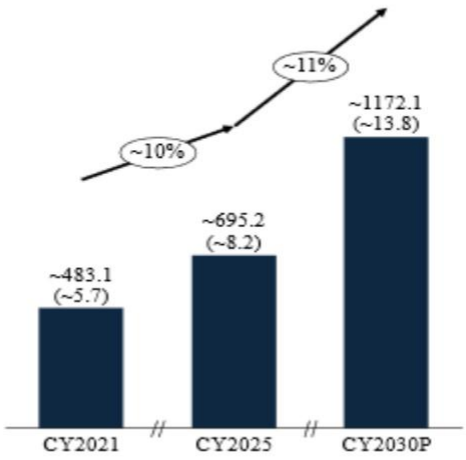
India's home furniture and appliances rental market remains structurally underpenetrated, despite a large embedded rental economy within the housing sector. In CY2025, around 29% of urban housing was rented, with nearly 80% of rental housing being semi-furnished or unfurnished. This creates significant latent demand, as tenants increasingly seek flexibility, affordability and the ability to personalise their homes without committing large upfront capital.

The Total Addressable Market (TAM) for home furniture and appliances rentals stood at ~₹69,520 crore in CY2025 and is projected to reach ₹1,17,210 crore by CY2030P, implying an ~11% CAGR. Metro and Tier-1 cities account for >77% of the TAM, supported by higher workforce mobility, rental penetration and concentration of young working professionals. Tier-2+ cities represent a smaller opportunity, reflecting relatively lower employment-driven mobility and greater preference for ownership.

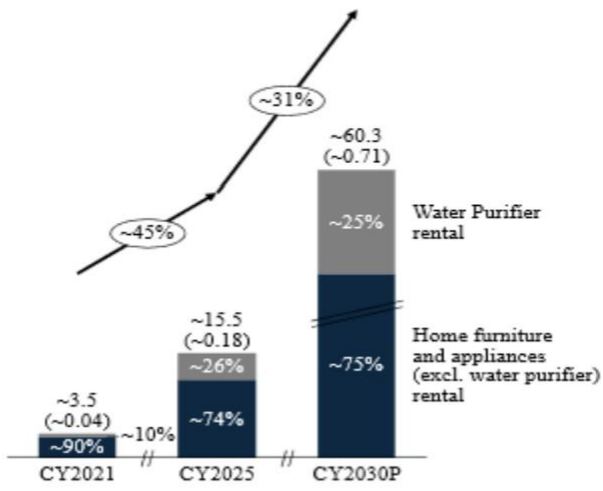
Importantly, the organised rental market is scaling much faster than the underlying TAM. The home furniture and appliances rental market expanded from ₹350 crore in CY2021 to ₹1,550 crore in CY2025, translating into an impressive ~45% CAGR. It is projected to reach ₹6,030 crore by CY2030P, implying a further ~31% CAGR. Excluding water purifiers, the market was ~₹1,150 crore in CY2025 and is expected to grow at ~30% CAGR through CY2030P. Organised players already constitute 80–85% of the market.

For Rentomojo, this combination of a large ₹69,520 crore TAM, rapidly expanding organised rental market and low penetration provides substantial runway. Increasing consumer awareness, improving perceptions of rental-product quality, asset-light consumption preferences and subscription adoption should support the transition of rentals from a niche offering towards a mainstream consumption model.

Home Furniture and Appliances Rental Total Addressable Market ("TAM")[1]
CY2021, CY2025, CY2030P, in ₹ billion (US$ billion)



Home Furniture and Appliances Rental Market Size[2]
CY2021, CY2025, CY2030P, in ₹ billion (US$ billion)



Source: Company RHP, PESB Research

Career mobility and high setup costs make outright purchasing economically inefficient. Job switching among formal workers grew at a 22% CAGR between FY21 and FY25, causing average urban tenancy to drop to 1.6 years (1.3 years in Metros). Meanwhile, furnishing a standard 1BHK apartment in India requires 8 to 9 months of average GNI per capita income. Faced with high upfront costs and frequent relocations, India's young demographic, where Gen Z and younger cohorts represent ~49% of the population, increasingly prefers flexible, commitment-light subscriptions.

Management Overview

Mr. Geetansh Bamania (Chairman, Managing Director & CEO)



He holds a master's degree in mechanical engineering from IIT Madras. He is also the promoter of the company and has 14 years of experience in the fields of business and management. Previously, he has held positions in KPMG as an analyst in the advisory department, management trainee at Flipkart. He has been conferred with the 'Comeback Kid' award at the Economic Times Startup Awards 2024, and has been recognized in the Forbes 30 under 30 Asia: Retail & E-commerce list in 2016.

Mr. Hakim Fakhruddin Ujjainwala (Chief Financial Officer)



He is associated with the company since 2022 and was appointed as CFO in March, 2026. He holds a bachelor's degree in commerce from the University of Mumbai. He has 15 years of experience in the finance sector. He leads finance, corporate strategy, fund raising and capital markets initiatives, investor relations, and legal functions, and plays a role in financial governance, strategic planning, and stakeholder engagement. He was previously associated with Pioneer Investcorp Ltd as a senior manager, and MGB Advisors Pvt. Ltd as a senior manager.

Mr. Prabhat Verma (Head of Product and Technology)



Prabhat Verma leads RentoMojo's product and technology function, supporting the development of its technology platform and digital capabilities to improve customer experience and operational efficiency. He joined the company in October 2022 and brings 11 years of experience in technology and engineering, having previously worked with Kyros Healthcare Solutions, Goddard Technical Solutions as Associate Director – Engineering, and Synovate India as a consultant. He holds a bachelor's degree in Chemical Engineering from IIT Kanpur.

Q1 FY27 - Financials

Particulars	Q1 FY27	Q4 FY26	QoQ (%)	Q1 FY26	YoY (%)
In ₹ Crore					
Revenue from operations	**126**	**110**	*15%*	**84**	*51%*
Employee Expense	19	17	*12%*	14	*36%*
Other Expense	**56**	**48**	*18%*	**36**	*54%*
Total Expenses	75	64	*16%*	50	*49%*
EBITDA	**51**	**45**	*14%*	**34**	*54%*
EBITDA Margin	*41%*	*41%*	*-52bps*	*40%*	*64bps*
Depreciation and Amortization	23	20	*15%*	15	*49%*
EBIT	**29**	**25**	*13%*	**18**	*57%*
EBIT Margin	*23%*	*23%*	*-55bps*	*22%*	*85bps*
Finance Costs	**7**	**6**	*17%*	**7**	*10%*
Other Income	1	4	*-80%*	1	*-39%*
Exceptional items	**11**	**0**		**0**	
EBT	11	23	*-54%*	13	*-17%*
EBT Margin	*8%*	*21%*	*-1250bps*	**0**	*-691bps*
Tax Expense	-3	-6		0	
PAT	**8**	**17**	*-54%*	**13**	*-39%*
PAT Margin	*6%*	*16%*	*-931bps*	*15%*	*-907bps*
EPS (₹) (Q1 FY27)	0.78				
No of shares (Crore)	10.0				

Source: Company RHP, PESB Research

➢ Concall Highlights

- **Strong growth driven by volume and realization:** Revenue grew 51% YoY to ₹126.3 Cr, supported by 46% growth in items ordered to 3.29 lakh, 36% growth in live subscribers and 41% growth in live inventory. Average revenue per item increased 6% YoY to ₹1,663, while occupancy remained healthy at 85-86%.

- **Gross block addition driven by demand and inventory planning:** Gross block additions stood at ~₹170 Cr in FY26. Management highlighted that future asset additions depend on an inventory prediction algorithm forecasting demand, subscriber churn, repair/refurbishment capacity and SKU-level requirements. The company targets 83–84% occupancy to balance growth, asset utilisation and returns on capital.

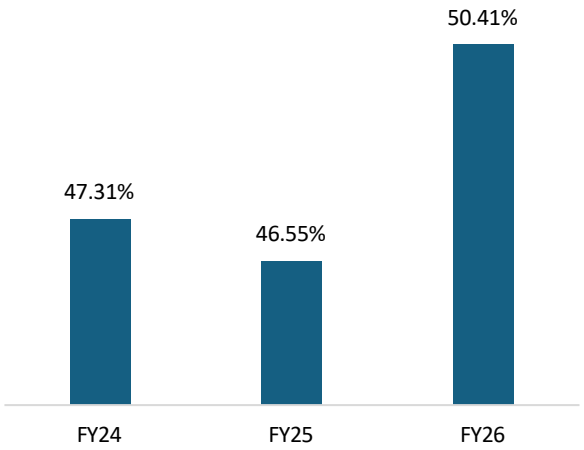
- **Healthy profitability despite reinvestment:** Normalised EBITDA increased 50% YoY to ₹52.3 Cr, maintaining a 41% margin, while normalised PAT rose 71% to ₹21.9 crore. Reported EBITDA was impacted by a one-time ₹11.37 Cr warehouse fire loss at Noida, equivalent to ~2% of the gross block at written-down value; the loss was treated as exceptional.

- **Strong cash generation supports asset-led expansion:** FY26 operating cash flow stood at ~₹173 Cr, against growth capex of ₹87.5 Cr, supporting self-funded expansion. Operating cash flow grew 49.6% YoY in Q1 FY27, while normalised ROCE remained at ~26%. Management stated that growth ambitions are not constrained by funding, given internal accruals and debt headroom.

- **Organic demand and offline expansion strengthen customer acquisition:** Around 60% of traffic is organic, while paid traffic contributes approximately 30%, excluding referrals. Offline experience-store growth was ~83% YoY, with the company operating 89 stores at quarter-end versus 82 in March 2026. Management continues to invest in stores and marketing to improve customer experience and support growth.

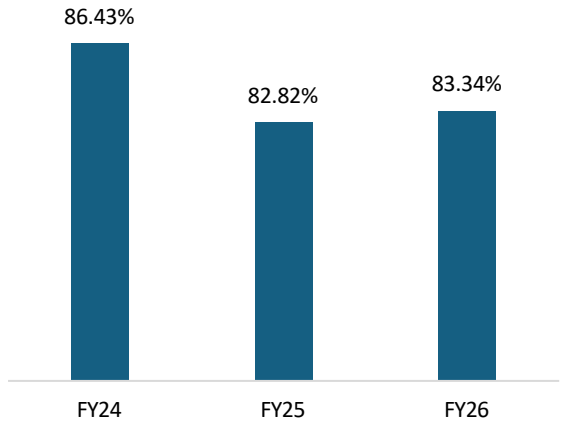
Charts:

Repeat Rate of Orders



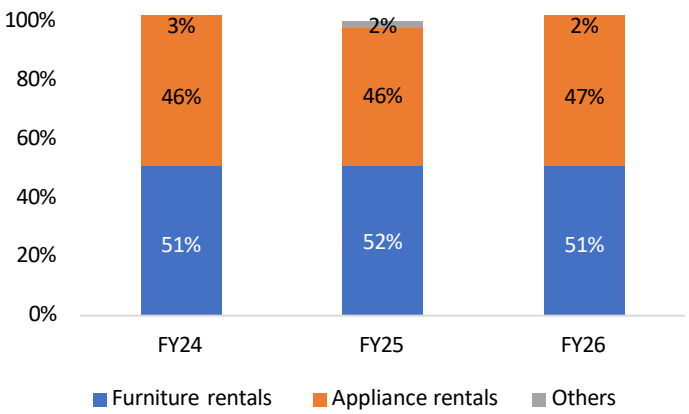
Source: Company RHP, PESB Research

Occupancy Rate



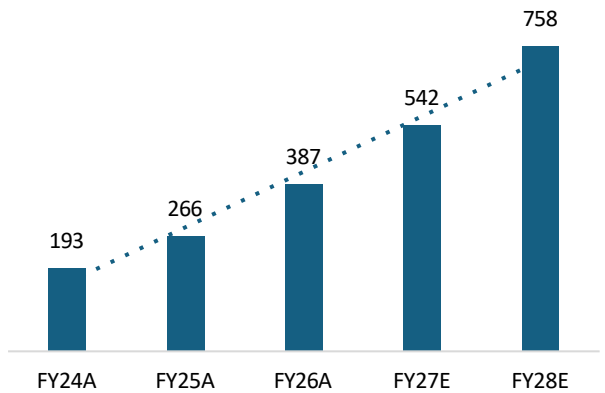
Source: Company RHP, PESB Research

Revenue Bifurcation



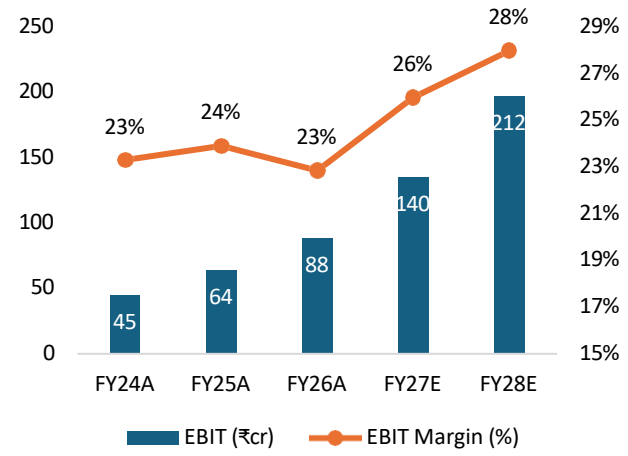
Source: Company RHP, PESB Research

Revenue from Operations (₹cr)



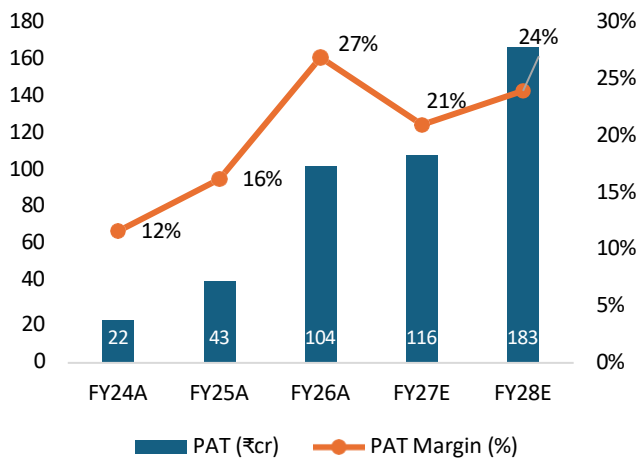
Source: Company RHP, PESB Research

EBIT & EBIT Margins



Source: Company RHP, PESB Research

PAT & PAT Margin



Source: Company RHP, PESB Research

Financials:

Income Statement

Particulars (₹ Cr)	2024A	2025A	2026A	2027E	2028E
Revenue from Operations	193	266	387	542	758
Expenses					
Cost of Materials	0	0	0	0	0
Employee Expense	31	41	61	81	99
SG&A	87	112	167	228	319
EBITDA	**75**	**112**	**159**	**233**	**341**
EBITDA Margin	***39%***	***42%***	***41%***	***43%***	***45%***
EBITDA Growth rate		***50%***	***41%***	***47%***	***47%***
Depreciation and Amortization	30	49	70	93	130
EBIT	**45**	**64**	**88**	**140**	**212**
EBIT Margin	***23%***	***24%***	***23%***	***26%***	***28%***
EBIT Growth rate		***42%***	***39%***	***59%***	***51%***
Finance Cost	26	27	25	35	43
Other Income	3	6	7	9	13
Exceptional items	0	0	3	1	1
EBT	**22**	**43**	**68**	**116**	**183**
EBT Margin	***12%***	***16%***	***19%***	***21%***	***24%***
EBT Growth rate		***92%***	***69%***	***59%***	***58%***
Tax expense	0	0	37	0	0
PAT	**22**	**43**	**104**	**116**	**183**
PAT Margin	***12%***	***16%***	***27%***	***21%***	***24%***
PAT Growth rate		***92%***	***142%***	***11%***	***58%***

	FY24-26A	FY26-28E
Revenue CAGR	**42%**	**40%**
EBITDA CAGR	**46%**	**47%**
PAT CAGR	**121%**	**64%**

Source: Company RHP, PESB Research

RATIOS

	2024A	2025A	2026A	2027E	2028E
Margin Analysis					
Gross Margins	100%	100%	100%	100%	100%
EBITDA Margin	39%	42%	41%	43%	45%
PAT Margin	12%	16%	28%	21%	24%
	2024A	2025A	2026A	2027E	2028E
Profitability					
ROA	6%	10%	16%	13%	16%
ROCE	16%	19%	18%	19%	21%
ROE	16%	23%	35%	28%	31%
	2024A	2025A	2026A	2027E	2028E
Liquidity and Solvency					
Current ratio (x)	0.8	0.5	0.5	0.5	0.4
Quick ratio (x)	0.8	0.5	0.5	0.5	0.4
fixed asset turnover (x)	1.1	0.8	0.8	0.8	0.8
Total Debt/ Equity (x)	1.1	0.8	0.6	0.8	0.7
Interest Coverage Ratio (x)	1.8	2.4	3.5	4.1	4.9
	2024A	2025A	2026A	2027E	2028E
Valuation Ratios					
EV/EBITDA (x)	74	49	35	24	16
P/E (x)	259	135	86	52	33
P/B (x)	42	32	20	15	10
EV/Sales (x)	29	21	14	10	7

Source: Company RHP, PESB Research

Financials:

BALANCE SHEET

Particulars (₹ Cr)	2024A	2025A	2026A	2027E	2028E
Assets					
PP&E (Including Intangibles)	183	328	470	652	904
Capital WIP	0	0	1	1	1
Other Non Current Assets	81	37	59	59	59
Inventories	0	0	0	0	0
Investments	13	31	14	19	19
Trade Receivables	22	31	42	61	85
Cash and Bank	66	21	32	85	95
Other Current Assets	1	2	23	9	9
Total Assets	**366**	**450**	**641**	**885**	**1,171**
Equity					
Equity Share Capital	0	0	3	3	3
Other Equity	140	184	292	407	589
Total Equity	**140**	**184**	**296**	**410**	**593**
Liabilities					
Borrowings	78	82	110	90	70
Other Non Current Liabilities	13	23	34	23	23
Borrowings	69	73	78	255	365
Trade Payables	13	17	39	36	51
Other Current Liabilities	53	72	85	70	70
Total Equity and Liabilities	**366**	**450**	**641**	**885**	**1,171**

Source: Company RHP, PESB Research

CASH FLOW

Particulars (₹ Cr)	2024A	2025A	2026A	2027E	2028E
Net cash from operations	82	116	173	182	300
Net cash from Investing	-178	-111	-158	-289	-382
Net cash from Financing	123	-35	-4	159	92

Source: Company RHP, PESB Research

Disclosures and Disclaimers:

Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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