

Company Overview

WakeFit Innovations Ltd. is the largest D2C home and furnishings brand in India by revenue in FY24. Within just nine years of operations, it has emerged as the fastest homegrown player among organized peers to surpass total income of Rs. 1000 crores in the home and furnishings market, with Rs. 986 crores generated from operations as of March 31, 2024. Revenue from operations has grown at a robust CAGR of 24.9% between FY22 and FY24, approximately 1.6x the average growth rate of organized competitors, highlighting strong brand momentum, customer adoption, and market share gains. The company operates an extensive omnichannel model, offering a comprehensive portfolio spanning mattresses, furniture, and furnishings, ensuring consistent consumer engagement across digital and offline formats. Its full-stack, vertically integrated operating structure covering product conceptualization, design, engineering, manufacturing, distribution, and customer experience, provides end-to-end control, enabling superior product quality, operational efficiencies, and faster innovation cycles. Wakefit's business model is anchored in full-stack control from design to manufacturing and last-mile delivery. Its infrastructure backbone comprises 1 Mother Warehouse, 7 Inventory Holding Points (INHPs) and 18 Points of Delivery (PODs), supported by an owned fleet and trained installers. This deep operational moat, difficult for competitors to replicate, enables scalable production, predictable installation, and efficient inventory management. Wakefit further strengthens its reach through 125+ COCO stores and an omnichannel presence, while its mattress-led flywheel lowers customer acquisition cost. The company operates across three segments, mattresses 60%, furniture 30% and furnishings 10%.

Objects of the issue

The company will utilize net proceeds in the following manner:

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

Issue Details

Offer Period	08th Dec. 2025 - 10th Dec. 2025
Price Band	Rs. 185 to Rs. 195
Bid Lot	76
Listing	BSE & NSE
Issue Size (no. of shares in crores)	6.6
Issue Size (Rs. in crores)	1,289
Face Value (Rs.)	1

Issue Structure

QIB	75%
NIB	15%
Retail	10%
BRLM	Axis Capital Ltd., IIFL Capital Services Ltd., Nomura Financial Advisory and Securities (India) Pvt. Ltd.

Investment Rationale

Largest and fastest growing D2C home and furnishing solutions destination

The company operates as a scaled home and furnishing solutions provider with a comprehensive product portfolio spanning mattresses, furniture, and furnishings, supported by a strong omnichannel presence. It is the largest D2C home and furnishings brand in India by revenue in FY24 and the fastest homegrown player among organized peers to surpass Rs. 1000 crores in total income within just nine years of operations (Rs. 986 crores revenue from operations). Revenue from operations grew at a robust 24.9% CAGR over FY22-FY24, approximately 1.6x the average growth of organized industry players, highlighting strong execution and brand momentum. The company's differentiated strategy is anchored in a high share of direct-to-consumer sales. Own channels (website + COCO stores) contributed 65%, 57%, 58% and 57% of revenue in H1FY26, FY25, FY24 and FY23, respectively, demonstrating the brand's ability to attract and convert customers within proprietary platforms. The D2C-heavy mix enhances customer engagement, drives higher order values, boosts repeat purchases, and optimizes conversion rates through data-driven insights and direct customer feedback. Importantly, direct channels also deliver superior profitability by bypassing third-party marketplace commissions and distributor margins. The company has aggressively scaled its COCO network from 23 stores in FY23 to 125 stores across 62 cities by September 2025, strengthening experiential retail, increasing touchpoints, and reinforcing brand visibility. These stores, combined with the capital-efficient and scalable website channel, create an integrated ecosystem that allows the company to control pricing, experience, product education, and customer lifetime value. A majority of the company's revenue originates from its own channels, underscoring the brand's consumer trust and preference over established marketplaces. The direct interface with customers enables richer insights for

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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	43.0%	36.8%
Public	57.0%	63.2%
Total	100.0%	100.0%

(Assuming issue subscribed at higher band)

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Wakefit Innovations Ltd.

product innovation, personalized marketing, and targeted retention interventions, further strengthening the brand's competitive moat and supporting continued growth.

Full-stack vertically integrated operations with differentiated processes and technical capabilities

The company has built strong in-house design, engineering, and manufacturing capabilities, anchored in a technology-centric R&D framework. Advanced CAD/CAM systems enable precision design, rapid prototyping, and digitally integrated manufacturing. Designs are stored and updated through a cloud-based architecture, allowing real-time synchronization with machinery across facilities. This end-to-end digital workflow materially reduces manual intervention, minimizes reconfiguration downtime, improves consistency, and enhances overall production efficiency. The company's focus on ergonomics, functionality, and dimensional accuracy supports differentiated product quality and faster design-to-market cycles. On the operations front, the company has established a scalable and cost-efficient supply chain infrastructure comprising a 1.55-lakh sq. ft. mother warehouse in Hosur, seven INHPs, and 18 PODs as of September 2025. The mother warehouse functions as the central inventory and dispatch hub, while INHPs hold key SKUs, particularly mattresses and marketplace-driven categories to compress delivery timelines and reduce logistics costs. PODs serve as hyperlocal transit hubs supporting last-mile delivery and on-ground installation. This distributed logistics architecture enhances fulfillment speed and customer experience, particularly in larger-format categories like furniture. Additionally, a dedicated workforce of 198 installation specialists ensures professional assembly and post-sales service, reinforcing customer satisfaction and strengthening the company's brand promise.

Valuation

Wakefit's business model is anchored in full-stack control from design to manufacturing and last-mile delivery. Its infrastructure backbone comprises 1 Mother Warehouse, 7 Inventory Holding Points (INHPs) and 18 Points of Delivery (PODs), supported by an owned fleet and trained installers. This deep operational moat, difficult for competitors to replicate, enables scalable production, predictable installation, and efficient inventory management. Wakefit further strengthens its reach through 125+ COCO stores and an omnichannel presence, while its mattress-led flywheel lowers customer acquisition cost. The company operates across three segments, mattresses 60%, furniture 30% and furnishings 10%. India's Home & Furnishings market is estimated to be Rs. 2.8 to 3.0 trillion (USD 34 to 36 billion) as of CY24, and is projected to grow to reach Rs. 5.2 to 5.9 trillion (USD 63 to 71 billion) by CY30. The home and furnishings market is projected to grow at 11% to 13% CAGR from CY24 to CY30, fueled by organized retail growth, rising online dominance, and premiumization. This provides substantial headroom for Wakefit Innovations Ltd. to accelerate its scale-up. The company is currently prioritizing structural cost optimization by streamlining its supply chain, shifting from a factory to mother warehouse model to direct dispatches to INHPs, which is expected to improve efficiencies and reduce logistics costs. On the financial front, revenue grew at a robust CAGR of 25.2% between FY23 and FY25, losses narrowed in FY24, and the company delivered a profit of Rs. 36 crores in FY25. **At the upper price band of Rs. 195, WakeFit Innovations Ltd. is valued at a P/S multiple of 5.5x based on FY25 sales. Given the company's expansion plans, expanding margins, scalable business model, and industry growth potential, we believe the valuation is justified. Thus, we recommend a "SUBSCRIBE" rating for this issue with a medium to long-term investment horizon.**

Key Risks:

- ⇒ The company's performance is closely tied to the strength of its flagship "Wakefit" brand, which anchors its mattress, furniture, and furnishings portfolio. Given the brand's central role in driving customer acquisition, pricing power, and category expansion, any dilution, impairment, or negative perception of the Wakefit brand could materially impact business momentum, operating performance, financial stability, and cash flows. Maintaining brand integrity is therefore a critical strategic and operational priority for the company.
- ⇒ The company derives a significant portion of its revenue from the mattress product category. Revenue from the sale of mattresses accounted for 60.65%, 61.35%, 57.54% and 63.50% of revenue from operations in the six-month period ended September 30, 2025 and FY25, FY24 and FY23, respectively. Any shifts in consumer preferences, any disruption in the supply chain, could adversely affect business, results of operations, financial condition and cash flows.

Wakefit Innovations Ltd.

Income Statement (Rs. in crores)

Particulars	FY23	FY24	FY25	H1FY26
Revenue:				
Revenue from operations	813	986	1,274	724
Total revenue	813	986	1,274	724
Expenses:				
Cost of material Consumed	472	464	582	338
Purchase of stock in trade	5	2	5	3
Changes in inventories	-11	-1	-13	-28
Employee Benefits	106	135	166	80
Other Expenses	334	352	476	246
Total expenses	906	951	1,215	638
EBITDA	-93	35	59	86
Depreciation & amortization	47	64	96	53
EBIT	-140	-29	-37	33
Finance costs	13	17	30	15
Other Income	7	31	32	17
PBT	-146	-15	-35	36
Current Tax	0	0	0	0
Deferred tax	0	0	0	0
Total tax	0	0	0	0
PAT	-146	-15	-35	36
Diluted EPS	-5.6	-0.5	-1.2	1.1

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY23	FY24	FY25	H1FY26
Cash Flow from/(used in) operating activities	-20	81	77	79
Cash flow from/(used in) investing activities	-201	-147	-2	-36
Net cash flows from/(used in) financing activities	275	9	-71	-37
Net increase/(decrease) in cash and cash equivalents	53	-58	3	6
Cash and cash equivalents at the beginning of the period	9	62	4	7
Cash and cash equivalents at the end of the period	62	4	7	13

Source: RHP, BP Equities Research

Wakefit Innovations Ltd.

Balance Sheet (Rs. in crores)

Particulars	FY23	FY24	FY25	H1FY26
Assets				
Non-Current Assets				
Property, plant and equipment	156	164	165	159
Capital Work in progress	3	2	1	0
Right-of-use of assets	133	165	249	247
Intangible assets	1	1	1	1
Financial Assets				
(i) Other financial assets	104	13	89	53
Income Tax assets	3	5	4	3
Other non current assets	6	5	4	3
Total Non Current assets	406	354	513	466
Current Assets				
Inventories	116	131	164	262
Financial Assets				
(i) Investments	31	138	51	51
(ii) Trade Receivables	17	28	6	4
(iii) Cash and Cash equivalents	62	4	7	13
(iv) Bank balances other than cash	112	14	3	3
(v) Other financial assets	6	238	290	393
Other current assets	43	22	16	29
Total Current Assets	386	574	537	754
Total Assets	792	928	1,051	1,220
Equity and Liabilities				
Equity Share Capital	1	1	1	16
Instruments entirely equity in nature	17	19	19	19
Other Equity	487	523	500	522
Total Equity	505	544	521	557
Non-Current Liabilities				
Financial Liabilities				
(i) Lease Liabilities	113	138	202	199
Provisions	1	8	8	9
Total Non-Current Liabilities	115	145	211	208
Current Liabilities				
Financial Liabilities				
(i) Borrowings	0	7	0	0
(ii) Lease Liabilities	30	45	71	78
(iii) Trade payables	110	144	157	270
(iv) Other financial liabilities	3	10	18	18
Other current liabilities	22	27	65	81
Provisions	7	6	8	8
Total Current Liabilities	172	239	319	455
Total Liabilities	287	385	530	663
Total Equity and Liabilities	792	928	1,051	1,220

Source: RHP, BP Equities Research

Disclaimer Appendix**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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