

## Wakefit Innovations Ltd.

## 'SUBSCRIBE'

**08-12-2025 TO 10-12-2025**

**Industry:** Sleep and home solutions

**Price Band:** ₹185 to ₹195

**Recommendation:** Subscribe for long term

**Post Implied Market Cap:** ₹6,066 Cr – ₹6,373 Cr

### Key Data

Issue Size (₹ Cr)	₹1,288.89
Fresh (₹ Cr)	₹377.18
OFS (₹ Cr)	₹911.71
No of shares offered (total issue)	6,60,96,866
Face Value (₹ /share)	1
Bid Lot	76 Shares

### Indicative Timetable

IPO Open Date	Mon, Dec 8, 2025
IPO Close Date	Wed, Dec 10, 2025
Tentative Allotment	Thu, Dec 11, 2025
Initiation of Refunds	Fri, Dec 12, 2025
Credit of Shares to Demat	Fri, Dec 12, 2025
Tentative Listing Date	Mon, Dec 15, 2025
Cut-off time for UPI mandate confirmation	5 PM on Wed, Dec 10, 2025

### Shareholding (No. of shares)

Pre-Issue	30,74,86,214
Post-Issue	32,68,28,675

### Issue Breakup

QIB	75%
NII	15%
Retail	10%

### Shareholding Pattern

	Promoter	Public
Pre-Issue	43.01%	56.99%
Post-Issue	36.83%	63.17%

### Other Details

**BRLM:** Axis Capital Limited, IIFL Capital Services Limited (formerly known as IIFL Securities Limited), Nomura Financial Advisory and Securities (India) Private Limited

**Registrar:** MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited)

**Listing:** BSE & NSE

### Research Analyst

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### About the company

Wakefit Innovations Limited is an Indian direct-to-consumer (D2C) home and sleep solutions brand. Initially known for mattresses, the company has successfully expanded its product portfolio to include a wide range of furniture and home furnishings, positioning itself as a comprehensive 'Home Solutions' provider. Wakefit leverages a vertically integrated, technology-driven model to offer competitively priced products and is currently undergoing a strategic shift to an omnichannel retail model by aggressively expanding its physical store presence across India.

### Investment Rationales

**Omnichannel Expansion:** Aggressive shift to physical COCO (Company Owned, Company Operated) stores to capture the large unorganised market and allow customers to 'touch and feel' products.

**Diversified Portfolio:** Expansion into furniture and furnishings (beyond mattresses) to increase Average Order Value (AOV) and reduce reliance on a single category.

**Financial Turnaround:** Demonstrated recent shift to net profitability (₹35.5 Cr profit in H1 FY25), validating scalability and unit economics.

**Strong D2C Foundation:** Vertically integrated, cost-efficient model allows for competitive pricing and establishes the company as a top organised player.

**Favourable Market:** Growth Positioning to capture growth in India's ₹3 lakh crore home and furnishings market, projected to grow at 11-13% CAGR.

### Risk

Company has heavy reliance on third party logistics service providers for transporting its products which costed 7.98% of its revenues in FY25. Business is manpower extensive and company has faced high attrition rates.

### Our views

Wakefit Solutions Ltd. capitalizes on the massive shift towards organized online and physical retail in the Indian furniture and home furnishings sector.

Wakefit Solutions Ltd. achieved significant scale, with revenue from operations surging to ₹1,274 Cr in FY25. Although the full year FY25 saw a net loss due to investment in expansion, the business demonstrated a strong turnaround, achieving a net profit of ₹35.5 Cr in H1 FY26 which indicates improving unit economics and a path to profitability.

The IPO is valued at ₹1,288 Cr, with Fresh Issue of ₹377.18 Cr which will be utilised for retail expansion (new stores), capital expenditure, and brand building. The rest is an Offer for Sale (OFS) of ₹911.71 Cr (70%) by promoters and early investors.

Wakefit Solutions Ltd.'s market leadership in online mattresses, its integrated supply chain, and the strategic expansion into physical retail provide a clear growth roadmap despite competition and the recent nature of its profitability. We recommend a 'SUBSCRIBE' rating for long term investors.

## CONSOLIDATED FINANCIALS – BASIC FINANCIAL DETAILS

Financial Performance Indicators	Unit	Wakefit			Sheel Foam		
		Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2023	Fiscal 2024	Fiscal 2025
Revenue from operations growth	%	28.46	21.38	29.13	0.27	3.79	15.32
PAT	₹ Cr	-15.45	-145.68	-35	200.84	183.93	90.07
EBITDA	₹ Cr	-85.75	65.85	90.83	298.16	300.54	286.02
PAT Margin	%	-1.9	-15.53	-2.75	6.99	6.17	2.62
EBITDA Margin	%	-10.55	6.68	7.13	10.37	10.07	8.32
Return on Net Worth	%	-28.84	-2.77	-6.72	3.74	3.1	2.98
Return on Capital Employed	%	-20.5	0.27	-0.68	13.51	7.02	5.01
Net working capital days	Days	20.44	6.89	3.84	41.44	40.97	34.5
Operating Performance Indicators	Unit	Wakefit			Sheel Foam		
		Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2023	Fiscal 2024	Fiscal 2025
Revenue – Mattresses	₹ Cr	515.98	567.52	781.37	—	874	1,053.00
Revenue – Furniture	₹ Cr	195.11	301.22	351.69	NA	NA	NA
Revenue – Furnishings	₹ Cr	101.53	117.62	140.63	NA	NA	NA
Volume – Mattresses	Nos.	5,68,443	5,94,040	7,93,348	20,33,000	21,74,000	33,08,000
Volume - Furniture	Nos.	1,78,488	2,82,681	3,51,492	NA	NA	NA
Volume - Furnishings	Nos.	11,73,453	14,00,491	14,55,037	NA	NA	NA
COCO Regular Stores at the end of the relevant period	Nos.	23	56	105	NA	NA	NA

**Source: Company RHP**

### **Wakefit Solutions Ltd. IPO Peer Comparison**

(As on March 31, 2025)

Company Name	EPS (Basic)	EPS (Diluted)	NAV (per share) (Rs)	P/E (x)	RoNW (%)	P/BV Ratio	Financial statements
<b>Wakefit Innovations Limited</b>	<b>-1.15</b>	<b>-1.15</b>	<b>16.96</b>		<b>-6.72</b>		
Sheela Foam Ltd	8.84	8.84	278.35	77.26	2.98	2.46	

**Notes:**

All the financial information for listed industry peer is on a consolidated basis and is sourced from the financial information of such listed industry peer available on the website of the stock exchanges for the Financial Year ended March 31, 2025.

Basic /Diluted EPS for peer refers to the Basic/Diluted EPS sourced from the financial statements of the listed industry peer for the financial year ended March 31, 2025.

P/E Ratio for the listed industry peer has been computed as the closing market price of equity shares on NSE, as of Nov 7, 2025, divided by the diluted EPS for the respective year end.

Return on Net Worth (%) is computed as profit/(loss) for the period/year divided by Net Worth as at the end of the period/year. As per Regulation 2(1)(hh) of SEBI ICDR Regulations, as amended, Net Worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated statement of assets and liabilities, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Further, Net Worth has been computed as a sum of equity share capital, instruments entirely equity in nature and other equity as of the end of the period/year.

Net Asset Value per equity share represents Net Worth at the end of the period/ year divided by weighted average number of Equity Shares outstanding at the end of the period/year.

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