moneywise. be wise.

RENTOMOJO LIMITED

September 7, 2026

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	**Furniture & Appliances Rental and Subscription**
Offer for sale (Shares)	27,365,529
Fresh Issue (Shares)	3,712,871
Net Offer to the Public	31,078,400
Issue Size (Rs. Cr.)	1193-1256
Price Band (Rs.)	384-404
Offer Date	9-Sep-26
Close Date	11-Sep-26
Face Value	1
Lot Size	37

Issue Composition

	In shares
Total Issue for Sale	31,078,400
QIB	15,539,200
NIB	4,661,760
Retail	10,877,440

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	21.51%	19.94%
QIB	68.84%	55.97%
NIB	9.65%	13.75%
Retail	0.00%	10.35%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Repayment/ prepayment, in full or in part, of certain outstanding borrowings and accrued interest thereon availed by the Company
2. Payment of lease rental/ license fee for its warehouses and experience stores
3. General corporate purposes

Book Running Lead Manager

- Motilal Oswal Investment Advisors Limited
- Axis Capital Limited
- IIFL Capital Services Limited

Name of the registrar

- KFin Technologies Limited

About the company

Rentomojo Limited is a leading Indian digital rental and subscription platform offering furniture, home appliances, and fitness equipment to urban consumers under a full-stack Direct-to-Consumer (D2C) model. Operating across major urban centers, the company acquires, refurbishes, deploys, and maintains high-utility products, generating predictable recurring subscription revenue. Through its proprietary digital platform and localized warehouse infrastructure, Rentomojo manages the complete end-to-end customer journey from onboarding and credit assessment to delivery and maintenance.

Strengths

Pioneer and Category Leader in Tech-Enabled Rental Subscriptions: Rentomojo is a frontrunner in India's online furniture and appliance rental space, leveraging early-mover advantages to build strong brand equity among urban millennials and mobile professionals. Its end-to-end digital technology stack automates customer onboarding, risk assessment, order tracking, and recurring subscription management. By eliminating intermediaries, the platform offers a smooth customer experience that lowers initial adoption friction while maximizing subscription customer retention and overall long-term subscriber lifetime value (LTSV).

Comprehensive Full-Stack Operational Capability: The company operates an integrated value chain that encompasses product sourcing, dynamic inventory control, in-house refurbishing, and localized logistics infrastructure. This proprietary operational framework allows Rentomojo to maintain stringent product quality and asset health across multi-year rental lifecycles. Operating its own refurbishment hubs enables the business to restore returned items cost-effectively to near-new condition, significantly extending asset longevity and enhancing returns on capital invested in rental assets.

Asset-Light Financial Discipline with High Asset Lifecycle Yields: Rentomojo maximizes capital efficiency by extracting recurring yields from every physical asset over multiple user subscription cycles. Once an item completes an initial rental period, it is reconditioned and redeployed to new subscribers, generating cumulative lifetime revenues that exceed the original procurement cost. This high-yielding asset lifecycle engine, paired with disciplined credit underwriting to minimize defaults, allows the platform to achieve sustainable operating margins and positive cash flows.

Capital-Efficient Growth and Scalable Unit Economics: Through rigorous customer acquisition strategies and algorithmic credit scoring, Rentomojo balances user growth with strong credit quality. The scalable tech architecture enables expansion into new metropolitan and Tier-2 markets without proportional increases in overhead expenses. Strong operational leverage, combined with steady growth in Average Rent Per User (ARPU) and consistently high asset occupancy rates, underpins the company's financial resilience.

Strategy

Expand Geographical Footprint and Deepen Market Penetration: Rentomojo plans to scale its operations deeper into existing metropolitan hubs while strategically entering emerging urban centers with growing populations of mobile white-collar professionals. By expanding its hyper-local fulfillment centers, the company aims to reduce delivery turnaround times (TAT), optimize last-mile fulfillment costs, and capture untapped rental demand driven by rising urbanization and job mobility.

Enhance Product Portfolio and Introduce Premium Offerings: To increase customer wallet share and attract higher-income consumer segments, the company intends to diversify its portfolio into premium furniture lines, smart home appliances, and high-end consumer electronics. Expanding these high-ARPU categories will enhance gross margins, boost overall order values, and increase average subscriber lifetime value without significantly scaling customer acquisition costs.

Leverage Advanced Data Analytics and AI for Risk & Fleet Management: Rentomojo is continuously upgrading its proprietary artificial intelligence (AI) and machine learning (ML) models to refine risk assessment, default prediction, and automated underwriting. Furthermore, predictive analytics will be used to optimize asset refurbishing schedules, demand forecasting, and inventory allocation across regional fulfillment nodes, minimizing idle inventory and boosting overall fleet occupancy rates.

Drive Omnichannel Customer Acquisition and Strategic Partnerships: The platform aims to lower Customer Acquisition Costs (CAC) by strengthening direct organic acquisition channels, refining its app experience, and partnering with real estate aggregators, co-living spaces, and corporate employers. By integrating rental solutions into commercial real estate ecosystems and flexible housing platforms, Rentomojo plans to secure low-cost, institutional customer lead pipelines.

Key Risk Factors

- Non-recovery, theft, or severe damage of rental assets by subscribers could lead to asset write-offs and materially harm financial performance.
- Changes in working patterns, such as a permanent shift to remote work reducing geographic job relocation, could lower demand for flexible furniture rentals.
- The business requires upfront capital expenditure to purchase inventory before generating rental returns, exposing the company to cash flow pressures if funding becomes constrained.
- Higher-than-anticipated subscription defaults or failure of credit underwriting algorithms could lead to uncollectible receivables and reduced profitability.
- Disruptions in procuring inventory from Original Equipment Manufacturers (OEMs) or increases in spare-part refurbishing costs could hinder growth and compress margins.

Peer Comparison

There are no listed companies in India or globally whose business model is comparable with that of the Company's business and comparable to the Company's scale of operations

Valuation:

Considering the P/E valuation, on the upper end of the price band of Rs. 404, the stock is priced at pre issue P/E of 39.27x on FY2026 EPS of Rs. 10.29. Post issue, the stock is priced at a P/E of 40.71x on its EPS of Rs. 9.92. Looking at the P/B ratio at Rs. 404 pre issue, book value of Rs. 29.17 P/BV of 13.85x. Post issue, book value of Rs. 9.92 P/BV of 9.52x.

Considering the P/E valuation, on the lower end of the price band of Rs. 384, the stock is priced at pre issue P/E of 37.33x on FY2026 EPS of Rs. 10.29. Post issue, the stock is priced at a P/E of 38.70x on its EPS of Rs. 9.92. Looking at the P/B ratio at Rs. 384 pre issue, book value of Rs. 29.17 P/BV of 13.16x. Post issue, book value of Rs. 42.42 P/BV of 9.05x.

Industry Overview

India's home furniture and appliance rental industry is experiencing strong growth driven by accelerating urbanization, flexible lifestyle preferences among Gen Z and millennials, and a rising white-collar mobile workforce. Shift towards a "consumption-led" flexible living model has expanded the addressable market, as consumers increasingly choose access over ownership to avoid heavy upfront capital investments. Key growth drivers include rising disposable incomes, expanding e-commerce adoption, and increasing real estate development in Tier-1 and Tier-2 cities. However, the industry faces structural challenges including high inventory maintenance costs, logistics complexities, credit default risks, and competition from unorganized local furniture markets.

Outlook

Rentomojo is well-positioned to benefit from India's growing subscription economy, supported by its asset-light customer proposition, full-stack operating model and technology-led execution. Growth is expected from deeper penetration across Tier-1 and Tier-2 cities, expansion of high-margin categories and improved asset utilization through AI-driven inventory management. Operating leverage and higher asset lifecycle yields could support margin expansion. However, credit defaults, capital intensity and supply-chain constraints remain key monitorable risks. Overall, its recurring revenue model and market leadership offer attractive long-term growth prospects.

moneywise. be wise.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
IPO Open Date	Wed, Sep 9, 2026
IPO Close Date	Fri, Sep 11, 2026
Tentative Allotment	Tue, Sep 15, 2026
Initiation of Refunds	Wed, Sep 16, 2026
Credit of Shares to Demat	Wed, Sep 16, 2026
Tentative Listing Date	Thu, Sep 17, 2026

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-26 (12 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	386.99	265.96	192.70
Total expenditure	228.05	153.52	117.65
Operating Profit	**158.94**	**112.44**	**75.06**
OPM%	41.07	42.28	38.95
Other Income	7.10	6.00	3.10
Total Net Income	**166.04**	**118.44**	**78.15**
Interest	25.34	26.52	25.61
PBDT	**140.71**	**91.92**	**52.54**
Depreciation	70.47	48.81	30.13
Restated profit before exceptional items and tax	**70.24**	**43.11**	**22.41**
Exceptional items	2.58	0.00	0.00
PBT	**67.66**	**43.11**	**22.41**
Tax (Deferred tax credit)	36.64	0.00	0.00
Profit & Loss	**104.30**	**43.11**	**22.41**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-26	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property, plant and equipment	426.17	289.75	162.71
Right-of-use assets	42.46	35.62	19.17
Other intangible assets	1.78	2.14	1.28
Intangible assets under development	1.33	0.23	0.00
Financial assets	0.00	0.00	0.00
Other financial assets	7.38	3.61	27.22
Deferred tax assets (net)	36.52	0.00	0.00
Tax assets (net)	0.57	0.54	0.28
Other non-current assets	14.11	33.20	53.20
Total non-current assets	**530.31**	**365.09**	**263.86**
Current assets			
Financial Assets			
Investments	5.79	22.04	6.05
Trade receivables	41.56	30.77	22.12
Cash and cash equivalents	23.10	12.52	43.20
Bank balances other than (iii) above	9.38	8.56	22.83
Other financial assets	8.12	8.49	7.24
Other current assets	22.87	2.40	0.90
Total current assets	**110.81**	**84.78**	**102.34**
Total Assets	**641.12**	**449.87**	**366.20**
LIABILITIES			
Non-current liabilities			
Borrowings	109.79	81.88	78.11
Lease liabilities	27.82	20.12	10.31
Provisions	5.72	3.27	2.52
Total non-current liabilities	**143.33**	**105.27**	**90.94**
Current liabilities			
Financial liabilities			
Borrowings (current)	77.80	72.70	69.11
Lease liability (current)	17.71	17.43	9.16
Trade payables – MSME	7.04	5.07	2.20
Trade payables – others	32.11	11.50	10.89
Other financial liabilities	58.44	49.99	39.71
Provisions	3.36	1.93	1.26
Other current liabilities	5.52	2.37	3.31
Total current liabilities	**201.99**	**160.99**	**135.65**
Total liabilities	**345.31**	**266.26**	**226.59**
Net worth represented by:			
Equity share capital	3.45	0.02	0 .19
Instruments entirely equity in nature	0.65	0.65	6 .50
Other equity	291.71	182.94	138.94
Total Equity	**295.81**	**183.61**	**138.94**

moneywise. be wise.

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

E-mail: smc.care@smcindiaonline.com

moneywise. be wise.

Corporate Office:
11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:
Lotus Corporate Park, A Wing 401 / 402 , 4th Floor , Graham Firth Steel Compound, Off Western Express Highway, Jay Coach Signal, Goreagon (East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-67341697

Kolkata Office:
18, Rabindra Sarani, Poddar Court, Gate No-4,
5th Floor, Kolkata - 700001
Tel.: 033 6612 7000/033 4058 7000
Fax: 033 6612 7004/033 4058 7004