SBI Securities® Investment aur Trust, Dono

Retail Research	IPO Note
Sector: Consumer Services	Price Band (Rs): 384 - 404
08th September 2026	Recommendation: SUBSCRIBE

Rentomojo Ltd.

Company Overview:

Rentomojo Ltd. is a digital-first, full-stack rental platform offering furniture, appliances, fitness equipment and other household products to customers through flexible subscription plans. The company manages the product lifecycle across procurement, storage, delivery, installation, maintenance, relocation, refurbishment and reverse logistics, enabling the same asset to be rented to multiple customers over its useful life. Customers can choose individual products or bundled packages and have the flexibility to extend, return, relocate or purchase rented items. As of FY26, Rentomojo had 2,53,825 live subscribers and 8,51,184 live items across 29 cities, supported by 20 warehouses and 82 experience stores. Its operations are supported by proprietary technology systems covering inventory management, pricing, customer servicing, payment collections and logistics. The company's refurbishment capabilities and product occupancy of 83.3% in FY26 support asset reuse and utilisation, while its revenue from operations stood at Rs 387 cr.

Key Highlights:

1. Market Leadership Position: Rentomojo is the largest player in India's organised home furniture and appliance rental market, excluding water purifiers, with a 42% to 47% share of subscription revenue in FY25. The company accounted for around 50% to 55% of live subscribers in the market as of Mar'25. Its scale supports higher customer engagement and organic demand, with organic traffic contributing 61% of website traffic in FY26 and repeat orders accounting for 50% of total orders, up from 47% in FY24.

2. Integrated Multi-Stack Model: The company integrates e-commerce, subscription and re-commerce capabilities across 11 subscriber touchpoints. Its model supports shared infrastructure, end-to-end customer management and repeated asset refurbishment and redeployment, helping maintain occupancy above 82% during FY24-FY26 while improving capital efficiency.

3. Proprietary Technology Stack: Rentomojo's proprietary technology stack integrates asset tracking, demand forecasting, underwriting, logistics, refurbishment and workflow management across the asset lifecycle. The platform processed 17.5 lakh operational touchpoints and supported 6.18 lakh refurbishments in FY26, while delivery turnaround improved from 3.7 days in FY24 to 2.4 days in FY26. Data-driven underwriting and collections improved revenue realisation from 98.1% to 99.0%, while incremental credit-impaired receivables declined to 1.0% of revenue.

View & Valuation: Rentomojo is India's largest organised furniture and appliance rental platform, supported by a recurring subscription model, an expanding subscriber base and integrated capabilities across procurement, refurbishment, logistics and asset redeployment. The company's Revenue/ EBITDA/Adj. PAT grew at a CAGR of 41.7%/45.5%/118.4%, respectively, over FY24-FY26 period, reflecting healthy operating leverage and improving profitability. Its growing live subscriber base and unrecognised contracted revenue provide revenue visibility, while healthy occupancy levels and the ability to refurbish and redeploy assets across multiple rental cycles supports asset-level returns. The company also benefits from rising urban mobility, a large share of unfurnished rental housing and increasing preference for flexible, asset-light consumption. However, the business remains capital intensive and exposed to subscriber defaults, rental demand, geographic concentration and execution risks associated with maintaining asset utilisation and service quality. At the upper price band of Rs 404, Rentomojo is valued at a post-issue P/E of 39.4x based on FY26 earnings. Considering its market leadership, strong growth, improving profitability and favourable industry opportunity, we assign a SUBSCRIBE rating to the issue.

Issue Details	
Date of Opening	9th September 2026
Date of Closing	11th September 2026
Price Band (Rs)	384 - 404
Issue Size (Rs cr)	1,255.6 @ upper price band
Fresh Issue (Rs cr)	150
Offer for Sale (Rs cr)	1,105.6 @ upper price band
Issue Size (No. of shares)	3,10,78,400 @ upper price band
Face Value (Rs)	1
Post Issue Market Cap (Rs cr)	4,206 @ upper price band
BRLMs	Motilal Oswal Investment Advisors Ltd., Axis Capital Ltd., IIFL Capital Services Ltd.
Registrar	Kfin Technologies Ltd.
Bid Lot	37 shares and in multiple thereof
QIB shares	50%
Retail shares	35%
NII shares	15%
Employee Reservation (Rs cr)	2.0
Employee Discount (Rs)	20.0 per share

Objects of Issue

Particulars	Estimated utilization (Rs cr)
Repayment/prepayment, in full or in part, of certain outstanding borrowings and accrued interest	70.0
Payment of lease rental/ license fee for warehouses and experience stores	42.5
General corporate purposes*	-
Net proceeds from the issue	-

**To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Shareholding Pattern

Pre-Issue	No. of Shares	%
Promoter & Promoter Group	2,18,04,684	21.7
Public & Others	7,85,95,658	78.3
Total	**10,04,00,342**	**100.0**

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	2,09,55,509	20.1
Public & Others	8,31,57,704	79.9
Total	**10,41,13,213**	**100.0**

Source: RHP, SBICAP Securities Research

Key Financials

Particulars (Rs cr)	FY24	FY25	FY26
Revenue from operations	193	266	387
EBITDA	75	112	159
EBITDA Margin (%)	38.9	42.3	41.1
PAT	22	43	104
PAT Margin (%)	11.6	16.2	27.0
EPS	2.2	4.3	10.4
Adj. PAT	22	43	107
Adj. PAT Margin (%)	11.6	16.2	27.6
Adj. EPS	2.2	4.3	10.6
RoE (%)	16.1	23.5	36.1
RoCE (%)	16.7	20.6	19.8
P/E (x)*	181.0	94.1	38.0

Note: Pre-issue P/E is based on upper price band
Source: RHP, SBICAP Securities Research

Risk Factors

- **Vendor Supply Dependence:** Rentomojo depends on third-party vendors for the procurement of furniture, appliances and other products and does not generally have long-term supply arrangements. Any disruption in supply, deterioration in product quality or increase in procurement costs could affect product availability, subscriber experience and margins. An inability to source sufficient inventory may also restrict the company's capacity to add subscribers and enter new markets.
- **Subscriber Growth Dependence:** Growth depends on attracting new subscribers, retaining existing customers and generating repeat orders. Higher subscriber churn or customer acquisition costs could adversely affect growth and profitability.
- **Execution Risks:** The company's growth plans involve entering new cities, expanding its warehouse and experience-store network and increasing the range of products offered. Delays in establishing the required infrastructure, achieving sufficient subscriber density or managing logistics efficiently could increase costs and affect profitability.
- **Geographic Revenue Concentration:** The top 10 cities contributed 89.5% of revenue in FY26. Economic, regulatory or competitive developments in these markets could disproportionately affect the company's performance.
- **Subscriber Payment Defaults:** Payment delays, defaults or premature contract cancellations could reduce asset returns and increase receivable impairment and collection costs, thereby affecting liquidity and profitability.

Growth 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 platform solutions to provide a wider breadth of services.

Selling Shareholders through OFS

Names	Category	Number of shares @ UB
Geetansh Bamania	Promoter	8,49,175
Accel India IV (Mauritius) Ltd	Public & Others	78,46,951
Edelweiss Discovery Fund - Series I	Public & Others	28,82,794
IDG Ventures India Fund III LLC	Public & Others	28,03,431
ValueQuest S.C.A.L.E. Fund	Public & Others	27,13,418
Madison India Opportunities V VCC	Public & Others	23,98,550
Chiratae Trust	Public & Others	20,02,019
GMO Payment Gateway Inc	Public & Others	15,12,800
GMO GFF Limited Partnership	Public & Others	8,42,174
MSIVC 2018V Venture Capital Investment Ltd Partnership	Public & Others	7,53,647
Pratithi Investment Trust	Public & Others	7,19,315
Rajeev Chitrabhanu HUF	Public & Others	3,07,000
VCATs Management Services Trust – II	Public & Others	76,260
Renaud Laplanche	Public & Others	7,55,405
Gaurav Bamania	Public & Others	4,00,000
Gautam Dalmia	Public & Others	2,54,130
Nitish Mittersain	Public & Others	1,48,460
Subodh Shinkar	Public & Others	1,00,000
Total		**2,73,65,529**

Source: RHP, SBICAP Securities Research

Live Subscribers and Revenue

Particulars	FY24	FY25	FY26
Number of live subscribers	1,49,498	1,94,262	2,53,825
Total Contracted Revenue (Rs cr)	243	390	707
Unrecognised Contracted Revenue (Rs cr)	68	142	293

Source: RHP, SBICAP Securities Research

Average Subscription Period

Particulars	FY24	FY25	FY26
Average subscription period (months)	18.4	18.8	18.0

Source: RHP, SBICAP Securities Research

Live Items, Occupancy Rate and Refurbishment Cost

Particulars	FY24	FY25	FY26
Total live items (numbers)	4,63,130	6,34,091	8,51,184
Occupancy Rate (%)	86.4	82.8	83.3
Refurbishment Cost (Rs cr)	8.6	14.9	19.0

Source: RHP, SBICAP Securities Research

Item Cohort Performance

Particulars	Cohort Value (Indexed to Rs 100)	Revenue multiple earned till FY26	Percentage of cohort still generating revenue (%)
FY17	100.0	5.1x	56.1
FY18	100.0	4.5x	60.9

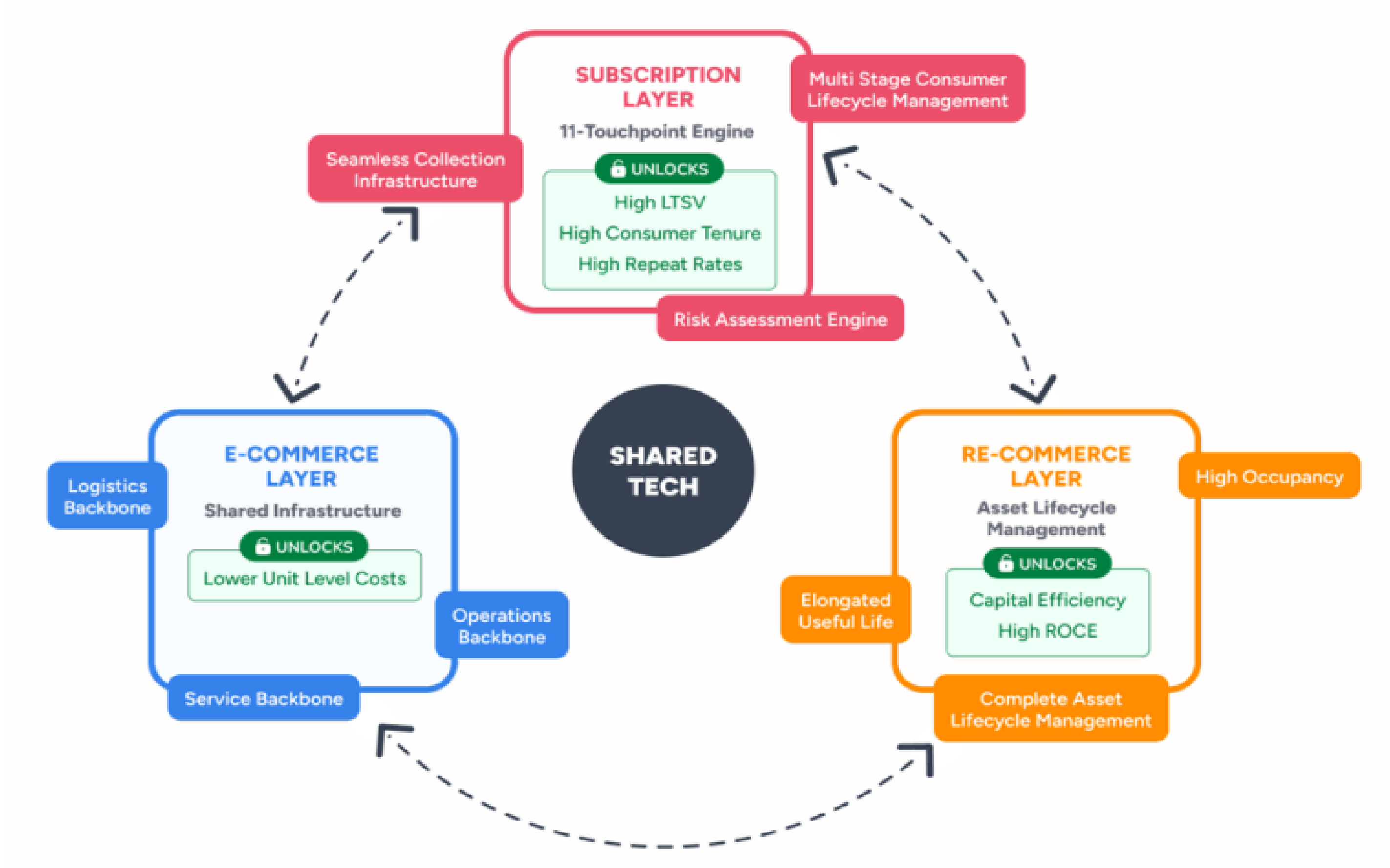
Source: RHP, SBICAP Securities Research

Delivery Turnaround Time

Particulars	FY24	FY25	FY26
Average delivery turnaround time (in days)	3.8	3.3	2.4

Source: RHP, SBICAP Securities Research

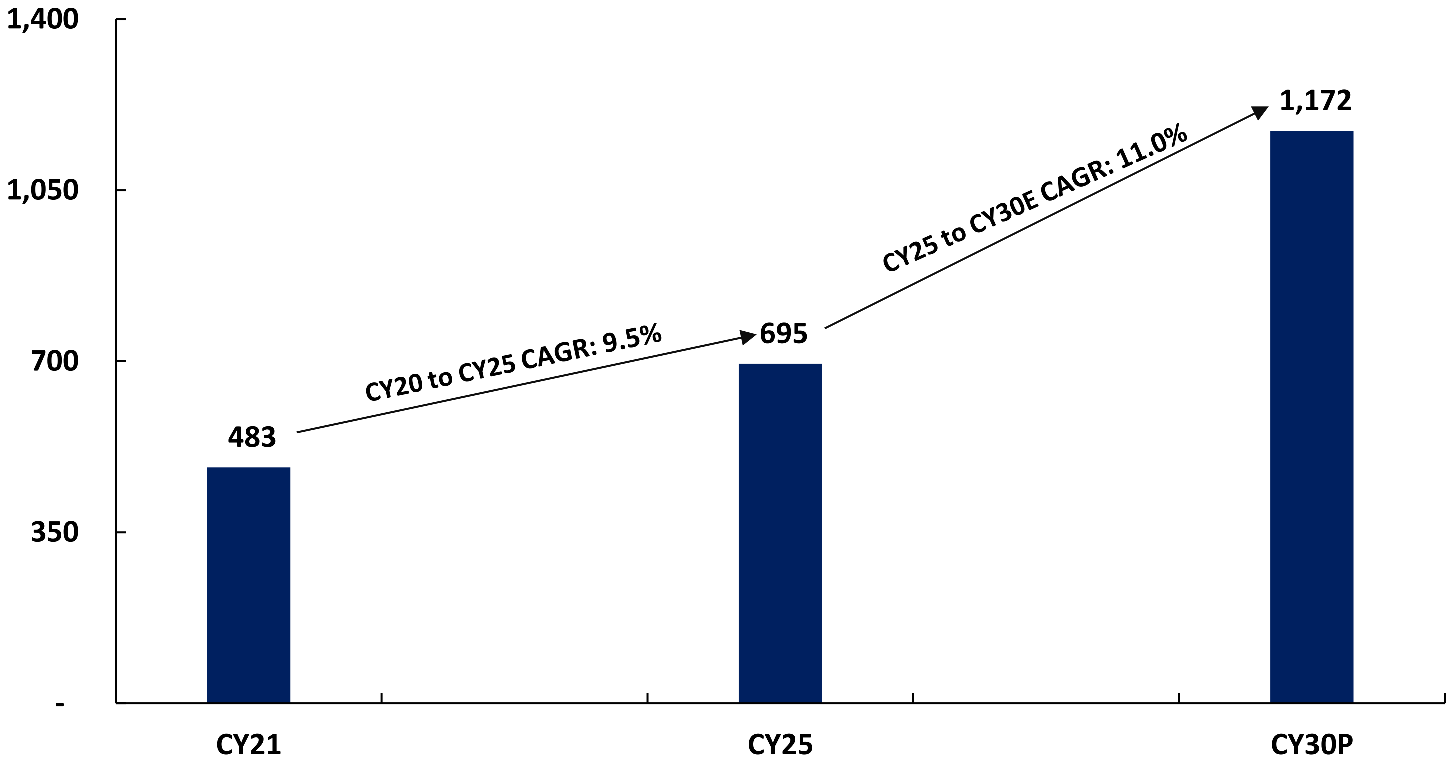
Integrated Multi-Stack Business Model



Source: RHP, SBICAP Securities Research

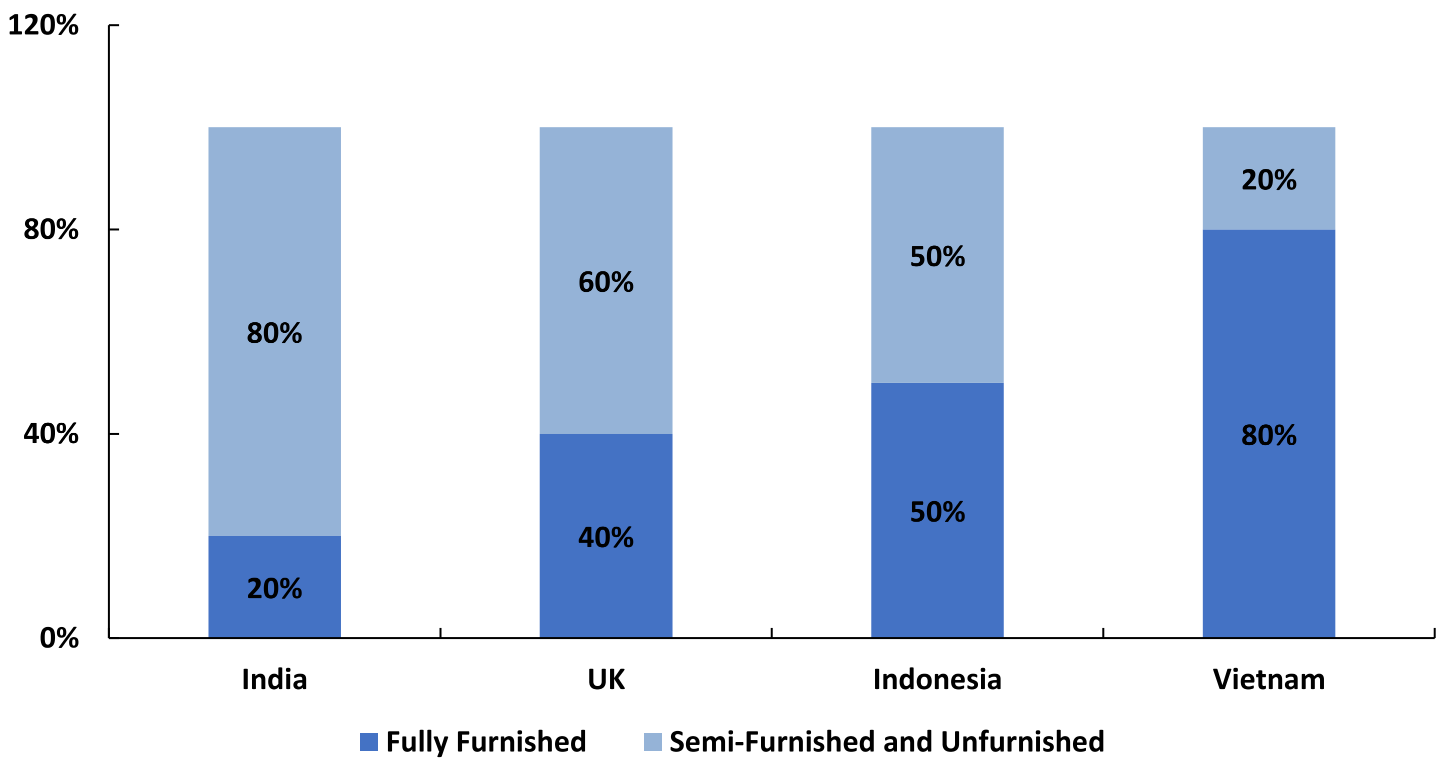
Industry Overview

Global Home Furniture and Appliances Rental TAM (Rs Bn)



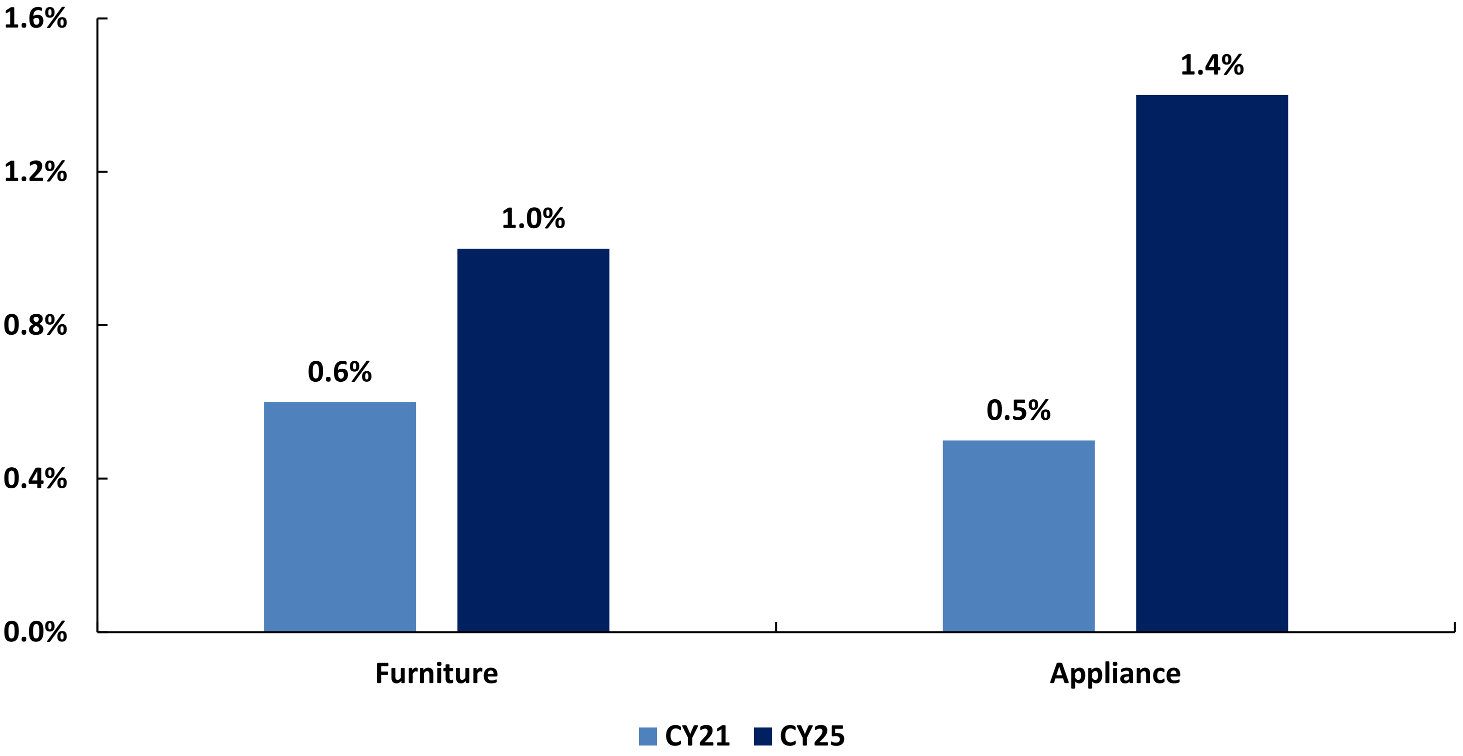
Source: RHP, SBICAP Securities Research

Split of rental houses by level of furnishing for India and global benchmarks



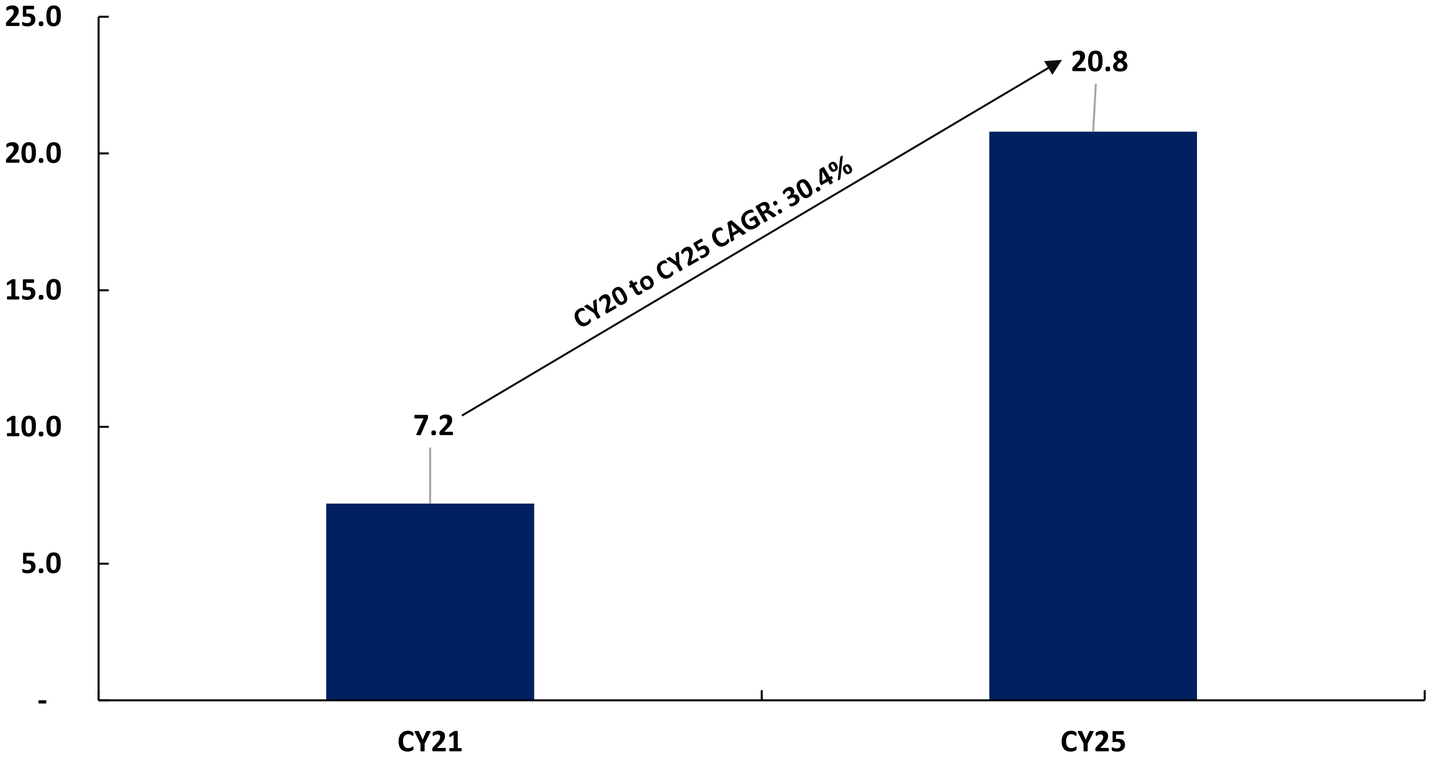
Source: RHP, SBICAP Securities Research

Average Rental Penetration by volumes in India



Source: RHP, SBICAP Securities Research

India's purchase market revenue displaced by rental model (Rs Bn)



Source: RHP, SBICAP Securities Research

Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	**FY24**	**FY25**	**FY26**
Revenue from Operations	**193**	**266**	**387**
YoY growth (%)	-	*38.0%*	*45.5%*
COGS (incl Stock Adj)	-	-	-
Gross Profit	**193**	**266**	**387**
Gross margin (%)	***100.0%***	***100.0%***	***100.0%***
Employee Cost	31	41	61
Other Operating Expenses	87	112	167
EBITDA	**75**	**112**	**159**
EBITDA margin (%)	***38.9%***	***42.3%***	***41.1%***
Other Income	3	6	7
Interest Exp.	26	27	25
Depreciation	30	49	70
PBT	**22**	**43**	**70**
Exceptional item	-	-	3
Tax	-	-	(37)
PAT	**22**	**43**	**104**
PAT margin (%)	***11.6%***	***16.2%***	***27.0%***
EPS (Rs)	**2.2**	**4.3**	**10.4**
Adj. PAT	**22**	**43**	**107**
Adj. PAT margin (%)	***11.6%***	***16.2%***	***27.6%***
Adj. EPS	**2.2**	**4.3**	**10.6**

BALANCE SHEET			
Particulars (Rs cr)	**FY24**	**FY25**	**FY26**
Assets			
Net Block	163	290	426
Right of use assets	19	36	42
Intangible Assets	1	2	2
Intangible Assets under development	-	0	1
Other Non-current Assets	81	37	59
Current Assets			
Current Investment	6	22	6
Trade receivables	22	31	42
Cash and Bank Balances	66	21	32
Other Current Assets	8	11	31
Total Current Assets	**102**	**85**	**111**
Current Liabilities & Provisions			
Trade payables	13	17	39
Other current liabilities	43	52	64
Short-term provisions	1	2	3
Total Current Liabilities	**57**	**71**	**106**
Net Current Assets	**45**	**14**	**4**
Total Assets	**309**	**379**	**535**
Liabilities			
Share Capital	0	0	3
Reserves and Surplus	139	183	292
Instruments entirely equity in nature	1	1	1
Total Shareholders' Funds	**140**	**184**	**296**
Total Debt	**147**	155	188
Long Term Provisions	3	3	6
Lease Liabilities	19	38	46
Total Liabilities	**309**	**379**	**535**

Particulars (Rs cr)	FY24	FY25	FY26
Cash flow from Operating Activities	92	116	173
Cash flow from Investing Activities	(184)	(111)	(158)
Cash flow from Financing Activities	113	(35)	(4)
Capex	(149)	(138)	(175)
Free Cash Flow	(57)	(22)	(2)

RATIOS			
Particulars	**FY24**	**FY25**	**FY26**
Profitability			
Return on Assets	6.1%	9.6%	16.7%
Return on Capital Employed	16.7%	20.6%	19.8%
Return on Equity	16.1%	23.5%	36.1%
Margin Analysis			
Gross Margin	100.0%	100.0%	100.0%
EBITDA Margin	38.9%	42.3%	41.1%
Net Profit Margin	11.6%	16.2%	27.6%
Short-Term Liquidity			
Current Ratio (x)	0.8	0.6	0.6
Quick Ratio (x)	0.8	0.6	0.6
Avg. Days Sales Outstanding	42	42	39
Avg. Days Inventory Outstanding	-	-	-
Avg. Days Payables	25	23	37
Fixed asset turnover (x)	1.1	0.8	0.8
Debt-service coverage (x)	0.3	0.4	0.4
Long-Term Solvency			
Total Debt / Equity (x)	1.1	0.8	0.6
Interest Coverage Ratio (x)	1.9	2.6	3.8
Valuation Ratios*			
EV/EBITDA (x)	55.1	37.3	26.5
P/E (x)	181.0	94.1	38.0
P/B (x)	29.1	22.1	13.7
EV/Sales (x)	21.5	15.8	10.9
Market Cap/Sales (x)	21.0	15.3	10.5

***Valuation ratios are based on pre-issue capital at the upper price band**

Source: RHP, SBICAP Securities Research

SBICAP Securities Limited

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