IPO Note – Rentomojo Ltd (07th September 2026)

Company Overview

- Rentomojo operates a technology-driven, full-stack D2C online rental and subscription platform for home furniture and appliances. It is the largest player in India based on subscription revenue in FY25 and live subscribers as of March 31, 2025 and September 30, 2025. As of March 31, 2026, it had 253,825 live subscribers across 29 cities.
- The company offers furniture, appliances and water purifiers, with FY26 revenue from operations of ₹386.99 crore, comprising ₹195.79 crore (50.59%) from furniture rentals, ₹182.45 crore (47.15%) from appliance rentals and ₹6.37 crore (0.16%) from other rentals. 97.90% of revenue came from recurring subscription revenue. It is also scaling private-label appliances through its partnership with Dixon Technologies, while its water purifier starts at ₹391/month.
- Rentomojo operates across an e-commerce stack, subscription stack and re-commerce stack, supported by an integrated asset lifecycle covering category management, design, procurement, refurbishment, servicing, reverse logistics and multi-cycle redeployment. The platform manages 851,184 live items and has 11 distinct customer touchpoints per subscription transaction, supporting customer retention, asset utilisation and lifetime value.
- The company maintained high asset occupancy of 83.34% in FY26, 82.82% in FY25 and 86.43% in FY24, with assets having an estimated 10-year useful life. 56.12% of FY17 and 60.92% of FY18 cohort assets were still revenue-generating as of March 31, 2026.

Sector Outlook

- The TAM for India's home furniture and appliances rental industry was ₹695.2 bn in CY2025, and is projected to grow at approximately 11% CAGR to ₹1,172.1 bn by CY2030, driven by young demographics, rapid urbanisation, rising formal-sector employment and increasing preference for flexible, asset-light lifestyles.
- The actual rental market expanded at 45% CAGR during CY2021–25, from ₹3.5 billion to ₹15.5 billion, and is projected to reach ₹60.3 billion by CY2030, implying 31% CAGR. The market is also increasingly formalised, with organised players accounting for 80–85% of the market as of CY2025.

Rentomojo Ltd

₹ 384 – 404
Price Band

₹ 1,255.57 Cr
Issue Size

09th September – 11th September
Subscription Days

17th September 2026
Listing date

SUBSCRIBE

Particulars	IPO Details
No of Shares under IPC	3.1081
Post Issue MCap (Cr.)	**₹ 4,246.30**
QIB (Cr.)	1.5540
NIB (Cr.)	0.4662
Retail (Cr.)	**1.0878**

Shareholding Pattern	Pre Issue (%)	Post Issue (%)
Promoter	21.49%	19.94%
Others	78.51%	80.06%
Total	**100%**	**100%**

Company Outlook

- Rentomojo demonstrated stellar financial scale as its revenue from operations grew at a CAGR of 41.71% to reach ₹386.99 crore in Fiscal 2026, supported by a high revenue realization efficiency of 99.00%, while its restated profit after tax surged at a CAGR of 115.72% to ₹104.30 crore. This resulted in a significantly improved PAT margin of 26.95%, up from 11.63% in Fiscal 2024, a Return on Net Worth (RoNW) of 43.51%, up from 27.70% in Fiscal 2024, and an Adjusted RoCE of 25.34%.

- Rentomojo is launching an IPO of ₹1,255.57 crore, comprising a fresh issue of ₹150.00 crore and an OFS of ₹1,105.57 crore. The ₹150 crore fresh issue proceeds will be utilised towards repayment/prepayment of borrowings (₹70 crore), payment of lease rentals/license fees for warehouses and experience stores (₹42.50 crore), and general corporate purposes (₹37.50 crore), while the OFS proceeds will accrue to the selling shareholders.

- At the upper price band of ₹404, Rentomojo is valued at a post-issue P/E of 40.73x. The premium valuation is supported by strong earnings growth, improving margins and high return ratios, along with its asset-light, subscription-led rental model and growing organised rental market. However, the valuation leaves limited margin of safety. We recommend SUBSCRIBE for long-term investors, given its strong growth and profitability profile.

Key Risks

- High concentration in rentals (97.90% of FY26 revenue) and top 10 metros (89.51%), coupled with negative working capital and a pending NCLT petition, highlight key operational, financial and legal risks.

Particulars	FY24	FY25	FY26
Revenue (Rs. Cr)	**192.7**	**266.0**	**387.0**
Revenue Growth %		*38.0%*	*45.5%*
EBITDA (Rs. Cr)	**78.2**	**118.4**	**163.5**
EBITDA Growth %		*51.6%*	*38.0%*
EBITDA Margin %	**39.9%**	**43.6%**	**41.5%**
PAT (Rs. Cr)	22.4	43.1	104.3
ROCE (%)	**31.47%**	**25.14%**	**25.34%**

Note: *Rentomojo has no directly comparable listed peers.*

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