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INITIAL PUBLIC OFFER (IPO)
08-12-2025

WAKEFIT INNOVATIONS LTD — 08-12-2025 TO 10-12-2025

Industry: Home & Furnishing — **Price Band: ₹ 185 – 195**
Recommendation: Subscribe for long term — **Post Implied Market Cap: ₹ 6,066 – 6,373 Cr**

Key Data

Issue Size (₹ Cr)	1,242 – 1,289
Fresh (₹)	377
OFS (₹)	912
No. of shares offered	1,93,42,564
Face Value (₹ /share)	1
Bid Lot	76

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	11/12/2025
Refunds/Unblocking ASBA Fund	12/12/2025
Credit of equity shares to DP A/c	12/12/2025
Trading commences	15/12/2025

Shareholding (No. of shares)

Pre-Issue	30,74,86,214
Post Issue (Lower price band)	32,78,74,214
Post Issue (Higher price band)	32,68,28,675

Shareholding Pattern

Promoter & Promoter Group:	
Pre Issue	43.70%
Post Issue	36.83%
Public – Peak XV Partners Investments VI:	
Pre Issue	22.83%
Post Issue	15.02%
Public - Public – Other Selling S/h:	
Pre Issue	18.31%
Post Issue	12.69%
Public - Others:	
Pre Issue	15.17%
Post Issue	35.47%

Issue Breakup

QIB	75%
NIB	15%
Retail	10%

Other Details

BRLMs: Axis Capital, IIFL Capital, Nomura Financial

Registrar: MUFG Intime India Pvt Ltd.

Listing: BSE & NSE

Research Analyst

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About the Company

Wakefit Innovations Ltd is India's largest D2C home and furnishings brand by revenue in FY2024 and the only player to successfully scale across all major categories: mattresses, furniture, furnishings, and décor. Known for consumer-first innovations, Wakefit pioneered India's first 100-day free trial and 100% refund policy for mattresses. The company also offers tech-enabled sleep products like Regul8 and Track8 under its Zense range. With a strong omnichannel presence: via its website, COCO stores, and major marketplaces. Wakefit reaches customers across 700+ districts in 28 states and 6 union territories.

Investment Rationales

1) Largest and fastest growing D2C home and furnishing solutions destination: Wakefit is one of India's leading home and furnishing solutions providers, offering a comprehensive portfolio of mattresses, furniture, and soft furnishings through a strong omnichannel distribution network. In Fiscal 2024, it emerged as the largest direct to consumer (D2C) home and furnishings company in India by revenue from operations.

2) Comprehensive home and furnishing solutions brand with a core focus on product innovation: Wakefit is positioned as a one-stop home and furnishing solutions brand, catering to consumers across multiple life stages with a wide and integrated product portfolio. It is the only D2C home and furnishings company in India to successfully scale all three major categories: mattresses, furniture, and furnishings & décor, each surpassing ₹100 crore in revenue in FY2024, reflecting strong category depth, customer trust, and broad market acceptance.

3) Full-stack vertically integrated operations with differentiated processes and technical capabilities: The company operates a fully integrated, end-to-end model that gives it complete control over every stage of the value chain from product conceptualisation, design, and engineering to in house manufacturing, distribution and customer experience. This full stack approach enhances quality, ensures consistency, improves cost efficiency and enables the company to deliver a seamless and reliable experience to customers.

4) Omnichannel sales presence and strategically located store network: Wakefit has developed a robust omnichannel sales network that seamlessly integrates its own platforms such as its website and COCO (company owned, company operated) stores with external channels, including major marketplaces and multi-brand outlets. This diversified distribution strategy ensures wide product availability and convenience for customers across regions. Wakefit's strong marketing presence across search engines, social media, OTT platforms, online marketplaces, and physical retail enhances brand visibility and discovery, helping the company engage effectively with a broad and growing customer base.

5) Synergistic, data-driven product category expansion with a focus on scaling their operations: Wakefit's product expansion strategy focuses on launching complementary products to build a complete home and furnishing solutions portfolio, enabling stronger upselling, cross-selling, and higher customer lifetime value. Their expansion is guided by data-driven SKU planning across categories. The company is particularly scaling its furniture segment, having launched 2,534 new SKUs in FY2025 and 1,065 in FY2024. Across all categories, Wakefit introduced 3,070 SKUs in FY2025 and 2,333 in FY2024, reflecting its continued push toward broader, customer-centric product offerings.

Risk

1) High competition industry.
2) Fluctuation in raw material prices.

MView

We believe the Wakefit Innovations Ltd IPO offers investors an opportunity to participate in one of India's largest and most successful D2C home and furnishings brands, uniquely positioned with a fully integrated, consumer-focused business model and a strong omnichannel presence. We thinks company's full-stack operational control, spanning product design, in-house manufacturing, distribution and customer experience, provides strong cost efficiency, quality consistency, and competitive differentiation versus asset-light D2C peers. We also think its data-led SKU expansion positions Wakefit to capture higher wallet share and drive sustained cross selling. By looking at the financials, Company has delivered healthy revenue growth of 21.4% in FY2024 and 29.1% in FY2025, though profitability remained pressured due to significant greenfield capex and rapid expansion of COCO stores. However, the company turned profitable in the six months ended Q2 FY2026, indicating improving operating leverage. On valuation parse at the upper price band of ₹ 195/-, the issue is asking for a Market cap of ₹6373/- cr. Based on FY2026 annualised earning the company is asking for a PE of 89.6x and market cap to sales 4.4x which appears fully priced compare to its listed peer. We believe Wakefit is structurally well placed to capitalize on rising urban consumption, formalization of the home-furnishings market and the growing shift toward trusted D2C brands. Hence, we recommend risk taking investors to "SUBSCRIBE" the Wakefit Innovations Ltd IPO long term perspective only.

CONSOLIDATED FINANCIAL TABLES

BASIC FINANCIAL DETAILS

Particulars ₹ (in Cr)	6 months ended Sept 30	As of Mar' 31, 2025	2024	2023
Equity Share Capital	15.75	1.05	1.03	1.01
Instruments entirely equity in nature	19.25	19.25	19.25	17.08
Reserves	522.34	500.27	523.33	486.99
Net Worth	557.34	520.57	543.61	508.28
Total Borrowings	-	-	7.36	-
Revenue from operations	724	1273.69	986.35	812.03
Revenue Growth (%)	-	29.13%	21.38%	-
EBITDA	103.19	90.83	65.85	-85.14
EBITDA Margin (%)	14.25%	7.13%	6.68%	-10.55%
Net Profit/(Loss) for the period/year	35.57	-35	-15.05	-145.68
Net Profit/(Loss) Margin (%)	4.91%	-2.75%	-1.52%	-17.93%
EPS-Basic & Diluted (₹)	1.15	-1.15	-0.5	-5.62
RONW (%)	6.38%	-6.72%	-2.77%	-28.84%
NAV (₹)	17.9	16.96	17.92	19.48
Cash flow from operating activities	78.79	76.67	80.6	-20.46
Cash flow from investing activities	-35.8	-2.11	-147.24	-201.18
Cash flow from financing activities	-36.86	-71.07	8.75	274.6

Source: Company RHP

COMPARISON WITH INDUSTRY LISTED PEERS RS. (IN CR)

Companies	Revenue from Operations (₹ in Cr)	Mcap (₹ in Cr)	FV	EPS	NAV (₹ Per Share)	P/B	P/E	RoNW
Wakefit Innovations Ltd	**1,273.69**	**6373**	**2**	**2.18**	**29.68**	**6.60**	**89.6**	**-6.72%**
Sheela Foam Ltd	3,439.19	6426	5	8.84	278.35	2.1	105.0	2.98%

Date as on 31st March 2025, Cline Mcap, PE, PB calculated as on 08-12-2025
Wakefit Innovation Ltd, ES/PE, P/B, NAV calculated on FY 2026 annualised basis post money

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Msearch’s Recommendation (Absolute Performance)
Buy: > 20% within the next 12 Months
Accumulate: 5% to 20% within the next 12 Months
Sell : < -20% within the next 12 Months

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