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Operator: Good evening, ladies and gentlemen. Welcome to the Q1 FY27 earnings conference call of Rentomojo Ltd., hosted by Radhe Capital. As a reminder, all participants will be in listen-only mode, and there will be an opportunity to ask questions after the presentation concludes. If you have any questions, please feel free to press the raise hand button. We will call on you in turn and unmute your line so you can speak. Important note: If you need to ask a question, please ensure Microsoft Teams has permission to access your microphone when you log in; otherwise, you will not be able to unmute. Please note that this conference is being recorded. Kindly also note that the audio of the earnings call is corporate material of Rentomojo Ltd. and cannot be copied, rebroadcast, or attributed in the PR media without specific consent from the company. Please note that anything said on this call that reflects the outlook towards the future, which can be construed as a forward-looking statement, must be reviewed in conjunction with the risks that the company faces. A copy of the disclosure is available in the investor relations section of the website as well as on the stock exchanges. To give you an in-depth understanding of the company and answer all your queries, we have with us from the management side today Mr. Geetansh Bamanian, Chairperson, Managing Director and CEO, and Mr. Hakeem Ujjainwala, Chief Financial Officer. I now hand over the conference to Geetansh for his opening remarks. Thank you, and over to you, Geetansh.

Geetansh Bamanian – Chairperson, MD & CEO: Thank you. Good afternoon, everyone, and thank you for joining us. As this is our first analyst call, we might not have met all of you, so it is important for us to give a brief introduction to the business. Before that, let me start with an introduction about myself.

I come from a small town and grew up in the 1990s in a place called Bhilai. When I was growing up in the 1990s, most of us were also living in joint families, and I remember very distinctly that whenever my father and mother used to buy something like a TV or a washing machine, that used to be an aspiration for us. That used to be a way for us to tell society that we had arrived. That was a big aspiration for all of us.

In fact, until 2015, between 1990 and 2015, the only way to meet those aspirations was to spend close to 6–7 times one's monthly salary to purchase everything. With India's average income at around 30,000–40,000, that was the state of affairs. To fulfil that aspiration, most of us used to sacrifice and accumulate most of our savings, and then purchase gradually. That was the state of affairs.

As I also became part of the organization, with increased urbanization coupled with increased mobility in the workforce, and with attrition touching close to 20% across organizations, you name it and you can look at an average LinkedIn profile these days—most people are changing jobs every 2 years or so. We saw society moving from a joint-family setup to more nuclear and solo setups, with people potentially changing houses every 2 years. In fact, according to a report by Redseer, the average tenancy in India is close to 19 months.

That is the kind of society we adopted between 1990 and 2015. With every move, every time somebody moved away from the household, and of course with a job change, there were associated household changes. With every move came the compounding issues of relocation costs, breakages, repairs, disposal headaches, and the risk of obsolescence altogether.

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We have heard countless stories of somebody wanting to join a new job in the next 7 days and not knowing what to do with their products, so they simply gift them to their friends and walk away. There are countless stories of people spending 15,000–30,000 in relocation costs every time they move.

Those were the kinds of challenges people were facing. Every couple of years, even the designs and technologies were changing across some of the consumption buckets in which we operate. Ownership used to be a big aspiration, but gradually, as we moved into being a different kind of nuclear and solo society, I think that same aspiration became much more of a burden with the high mobility.

That is where we thought, why not create a solution that gives you the best of both worlds, which provides a certain sense of credit and subscription at the same time? In rentals, one does not have to pay that entire cost upfront. One does not have to deal with the compounding issues of ownership. The entire relocation, repairs, and upgrades are taken care of at no additional cost. In fact, it is not even a liability; one can simply use it as a pay-as-you-go model.

That is why we all subscribe to Netflix. While an IPL match is happening, perhaps I would want to get a subscription for a particular channel, and after that I might simply walk away from it. That is the kind of pay-as-you-go model and the kind of benefit this proposition provides.

In a sense, we realized that rentals can provide the best of both worlds. That is when we launched in 2015 and imagined a different kind of rental. Rental existed before that as well, but we had a different view of how rental should work. Rental was typically a very short-term phenomenon, and people perhaps used it for a temporary purpose.

We were the first to imagine that if somebody is indicating a commitment to a longer tenure, why not reduce the rentals, and so on. In the initial days, it was very difficult. We had to build supply and demand at the same time, so there were many challenges. While we were creating demand, we also had to figure out the capital required to purchase the assets that most people were asking to rent. We had to figure out both sides together.

Over many years, we have built and shaped this category. We have done this over the last 11 years. Some market participants may have raised more capital or been around for a longer time, but we are steering this market from the forefront. We are very thankful to all the market players in this ecosystem. They are almost like our brothers in terms of building this market, because all of us are helping the market evolve consistently.

According to Redseer's analysis, rental searches across furniture and appliance categories have been rising meaningfully since calendar year 2021. In fact, they have increased 2–2.5 times from calendar year 2021 through 2025. It is a very fast-growing market that is displacing existing methods of consumption altogether.

Our internal analysis also shows that keywords for furniture and appliances are growing at close to 20%. In the market that we have steered and created, we were the largest player by both revenue and subscribers as of H1 FY26.

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That has been a brief summary of the journey. When we started, the concept was in a very different shape and form. Nobody knew about rental, and awareness was very low. Even today, awareness is quite low for this kind of proposition.

In FY26 alone, we received approximately close to 1 million items ordered on the platform. That is equivalent to close to 1,100 crores of purchase volume being displaced from the market. If you take just the number of items and multiply it by the average retail prices, that would be close to 1,150 crores worth of purchases. That means that if we were in the selling business, that would be the kind of demand we would be seeing.

In Q1 FY27 alone, we received close to 3.3 lakh items on the platform, which is again equivalent to close to 400 crores of displacement in terms of purchases. We believe that the number of items ordered is the single most important metric for understanding the company's growth and future prospects, as the rest of the aspects flow through the P&L from that one variable.

Our items ordered grew by almost 40–45% year-on-year in Q1. This strong underlying demand translated into 51% year-on-year growth in quarterly revenue from operations, which grew from approximately 83 crores in Q1 FY26 to approximately 126 crores in Q1 FY27.

More importantly, I would say that growth is one thing, but we delivered that growth without compromising the economics of the business. If you look at our normalized EBITDA margin, it has been close to 40–41% for several quarters over the last 3 years, even as we continued to reinvest some of the operating leverage in expanding our offline footprint.

By the end of Q1, we were already close to 89 stores across India. Our normalized EBITDA grew by approximately 50% year-on-year between Q1 FY26 and Q1 FY27, from approximately 35 crores to approximately 52 crores. During the same period, our normalized PAT grew by almost 71% year-on-year, from approximately 12.8 crores to approximately 22 crores.

The operating performance for Q1 was strong, thanks to a very driven team. However, we did experience an unforeseen fire at our Noida warehouses in July 2026, which we also disclosed in the RHP before the IPO.

Most importantly, thankfully, there was no loss of life or injury to any of our colleagues. We had sufficient insurance coverage for such unforeseen exceptional events. The inventory involved represented close to 2% of our overall gross base at WDV.

Although this was relatively insignificant, it did result in a one-time exceptional loss of approximately 11 crores. This reduced the EBITDA from approximately 52 crores to approximately 41 crores. The same loss was one of the primary reasons for the difference between normalized PAT and reported PAT. That same 11 crores, along with the non-cash deferred tax, accounted for the balance, and this was a non-recurring item.

That covers the financial perspective. PAT is one aspect, but I would really like to stress that in a CAPEX business, one of the most important metrics, in our view, is not only the EBITDA generated by the business but also how much of that EBITDA translates into cash generation.

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Our cash flow from operations grew by almost 50%, with {? 49.6% ?} year-on-year growth and roughly a 37% CAGR over the last few years. We have consistently maintained more than 100% EBITDA-to-cash-flow-from-operations translation for the last 3 years.

This possibly reflects the quality of our earnings. What we show in EBITDA actually translates into operating cash flow. That has been our fundamental principle when we approach the P&L.

In FY26, we generated close to 173 crores of operating cash flow, broadly covering our {? 87.5 ?} crores of growth CAPEX. This self-funded growth has helped us consistently maintain a normalized return on capital of more than 26%, including in Q1 FY27.

This, along with the strength of our balance sheet and business economics, helped us raise incremental debt at close to 9%, in fact at less than 9%. We ended March 2026 with a healthy debt-to-equity ratio of approximately 0.6, after which the primary proceeds from the IPO would have further strengthened the balance sheet.

With the compounding network effect of cash, which is largely utilized for accruals, we have historically seen ourselves becoming less dependent on external debt. Of course, we will balance this with growth and the growth behaviour as we move forward.

What gives us confidence in future growth is the behaviour we have seen from our consumers, with almost 50% repeat behaviour and 60% of demand being organic. I think both metrics are strong indicators of the kind of experience and value proposition we are delivering. Can we do much better? Of course, that is what we are striving for.

Geetansh Bamania – Chairperson, MD & CEO: Finally, I would like to conclude by saying that this was just a milestone for us. Q1 happened, and we are very excited about it. The IPO was a big milestone for us. We have a long way to go.

Rental today displaces only a fraction of the overall purchase market. The opportunity ahead, in our view, is enormous, and we are very excited about the next phase of growth as we continue to build Rentomojo with one clear purpose: to build a new consumption model for young, mobile India, where renting becomes a flexible alternative to purchasing. With that, I will conclude here, and we can continue with the rest of the meeting.

Operator: Hakeem, would you like to go ahead?

Hakeem Ujjainwala – Chief Financial Officer: Thank you, Vinita. Thank you, Geetansh, for such a good introduction to the business and for taking everyone through the key parameters of the business. This is our first quarterly results presentation as a listed company, so a warm welcome to all of you.

Vinita, can you go to the next page? As you can see, and as Geetansh highlighted a few moments ago, we had a very strong growth quarter in Q1. Our revenue from operations grew 51% year-on-year and 15% sequentially to 1,263 million. Our normalized EBITDA was also healthy at {? 523 million ?} rupees, representing year-on-year growth of approximately 50%. Our normalized PAT was 219 million, representing a 71% year-on-year increase.

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We maintained our normalized EBITDA and EBIT margins at 41% and 23%, respectively, while reinvesting part of the operating leverage into experience-store expansion. We closed the quarter with 89 stores, up from 82 stores in March. We also reinvested some of the operating leverage in marketing initiatives, which helped us grow the business.

Our normalized PAT margin also increased from 15% to 17%, an increase of approximately 230 basis points. This was driven by finance-cost efficiencies, as we optimized our borrowing cost. Finance cost increased 10% year-on-year while revenue grew approximately 51%, taking finance cost from 7.59% of revenue to 5.8%.

Vinita, if you can go to the earlier slide. Earlier, yes. Beneath these financials, we received 329,159 items ordered on the platform from our customers or subscribers. This is a key parameter that we track internally, and it was up 46% year-on-year and 27% sequentially.

Another key parameter is purchase displaced, which is the retail value of goods that our subscribers chose to rent rather than buy. This crossed 4,136 million, up 52% year-on-year.

Our normalized ROI was approximately 28%, up approximately 198 basis points year-on-year. We are growing at 50% with a stable return on capital. This is the most important point I would like you to take away from this slide.

Going to the next slide. This slide contains the reported numbers exactly as filed with the exchanges last evening and reviewed by our auditors, Deloitte.

Starting from the top left, revenue from operations grew 51% year-on-year and 15% sequentially, while total income grew 49.8%. There is a small element of other income, which has remained stable and has not increased. This means that total income is being driven by growth in revenue from operations and not by other income.

The growth is also supported by volume. Items ordered increased 45%, live items increased 41% year-on-year, and live subscribers increased 36%. Occupancy remained stable at 85–86%. On top of that volume growth, we also grew our realization. Average revenue per item rose approximately 6% year-on-year and approximately 7% sequentially to 1,663 rupees for the quarter.

We added assets, kept them rented, and earned more on each one of them. Reported EBITDA, EBIT, and PAT may appear to have declined, but there are some non-recurring items in the financials, both in the current quarter and in the base quarters. I will take you through the waterfall to give you more insight into that.

Vinita, if you can go to the next slide, the fourth page. This is the normalization bridge that we created to show what kind of non-recurring items we removed from the calculation to arrive at normalized and sustainable EBITDA, EBIT, and PAT.

Starting with Q1 FY27, in the EBITDA and EBIT bridge, we added the one-time fire loss. Geetansh has already highlighted this, so I will not add much to it now. We had a fire in the Noida warehouse where we lost some assets, and the total value of the loss was approximately 113.7 million.

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We added this because it is a non-recurring exceptional item, and it is also marked as an exceptional item in our audited limited-review financials. In the PAT bridge, the same 113.7 million is also included, along with a deferred tax asset.

We created a deferred tax asset in September 2026, so the deferred tax asset was not present in the June financials. To make the comparison with the current Q1 FY27 comparable, we have also highlighted this as a normalization item so that analysts can make a clear comparison between the two periods.

I would like to reiterate that we did not have any cash tax outflow in this quarter. The entire 27.3 million is deferred tax, which represents the unwinding of the deferred tax asset that was created.

Similarly, in Q4 FY26, which was the previous quarter, there was a non-recurring item of 29.3 million rupees relating to an old past liability that we wrote off. Again, in the Q4 PAT bridge, there is a deferred tax adjustment where deferred tax expense was created on account of the unwinding of the deferred tax asset created in September.

Vinita, if you can go to the third slide. After adding those normalization items, our normalized EBITDA grew from 348 million to 523 million and remained stable at 41%. Our normalized EBIT grew from 194 million to 293 million and remained stable at approximately 23%.

Our normalized PAT grew from 128 million to 213 million. The margin increased from 15% to 17.3% because of finance-cost efficiencies. ROE remained stable at approximately 27-28%, and ROCE remained stable at approximately 26%.

We have been able to reduce our cost of debt consistently. In Q1, our weighted average cost was approximately 9.58%, while the latest debt we have taken or availed was at approximately 8.95%. We are therefore borrowing at a very competitive rate compared with the returns we are generating. The gap is very attractive.

We have also provided the IndAS-to-I GAAP conversion in the annexures. This can help analysts who are modelling our business on the basis of I GAAP. Similar adjustments are included in the IndAS-to-I GAAP reconciliation.

All our warehouse rentals and experience-store rentals are converted into ROU, or right-of-use, assets. Because of this, IndAS EBITDA is slightly higher than I GAAP EBITDA. However, at the PAT level, PAT is almost similar. Our IndAS and I GAAP PAT are not very different.

I will pause here and open the floor for questions.

Operator: Thank you. We will now open the call for questions. Kindly raise your hand to ask a question, and we will unmute your line. Please announce your name and organization before asking a question. As a reminder, we request all participants to restrict themselves to 2 questions and come back into the queue. Our first question is from the line of Bala Murali Krishna. Bala, please unmute yourself and go ahead with your question.

Bala Murali Krishna – Oman: Good evening. I am Bala Murali Krishna from Oman. It has been a great IPO journey, and it has been a good listing as well.

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From a business perspective, I would like to understand the following. In the existing cities where you operate, there will be additions of new people coming into the cities who will take rentals, so that market may grow by perhaps 10–15%. What is the plan to enter new geographies, either in the current year or over the next 2–3 years, in order to achieve more exponential growth?

Geetansh Bamania – Chairperson, MD & CEO: We definitely do not see this as only an urban phenomenon. If India has to become a 7–8 trillion dollar economy, most other geographies will also have to play a significant role. Of course, Indore and Lucknow will not be as large as Bangalore, but at the same time, as we have disclosed in the RHP and DRHP, Lucknow and Indore are growing at very strong exponential rates.

We realized this during the COVID period, when many people were moving back to their hometowns. They were not availing of relocation as a free service, and that is when they told us, “Why are you not present in Indore and Lucknow?”

That is how we gradually started understanding that expanding the network base also helps create the network effect that we want. This is a great value addition that we provide to consumers. Expanding into cities is therefore not only a growth lever but also a great experience lever for us.

As highlighted in the RHP, some of these cities are growing extremely well. From time to time, we will continue to expand the list and the number of cities as we move forward, because we clearly do not see this as only an urban phenomenon.

Bala Murali Krishna – Oman: Thank you for that. Do you have a number of cities that you want to enter in the current year or any plan for new geographies?

Geetansh Bamania – Chairperson, MD & CEO: I would refrain from setting any future expectations. It is definitely on the roadmap. If you view it as a lever, it is both a growth lever and an experience lever for us. I will refrain from setting expectations regarding how much of that will translate into what kind of growth.

Bala Murali Krishna – Oman: Thank you for that. On the growth front, I think you have grown at around a 40% CAGR over the last 3–4 years. Do you expect similar numbers in the coming years? Do you see any challenges in maintaining that run rate, either at the EBITDA level or in terms of revenue growth?

Geetansh Bamania – Chairperson, MD & CEO: Until FY26, we had been growing at approximately a 40% CAGR, and that is something we disclosed in the RHP as well. In fact, between FY25 and FY26, the growth CAGR was approximately 45%. It increased suddenly between FY25 and FY26, and as you can clearly see, Q1 was up almost 50%. So let me restrict my response more from a quarterly perspective.

We are fairly hopeful based on the historical trends we have seen. As I mentioned in the initial opening remarks, keyword strength is a great indicator. Most of the market today is growing on the back of organic behaviour.

In 2015, the paid funnel was almost non-existent. Even today, only a small portion of the keyword funnel is available. Because of this organic behaviour, it is not possible to simply purchase a large

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number of consumers with capital, as the paid funnel is small.

Therefore, if somebody is the largest player in the ecosystem, that player would have the biggest network effect to leverage and potentially have the capacity to grow. A certain degree of the future can also be assessed from the way keyword volumes have historically grown.

Bala Murali Krishna – Oman: Thank you. I have one small suggestion. On the management guidance or forward-looking statement front, earlier you were bound by certain terms. Now, if you are comfortable, you can share your business plan. Most of the time, things may happen as expected, and sometimes they may not, but perhaps you can rethink whether to restrict yourself from sharing or whether to share some outlook with investors. This is something followed by all other companies as well. I just wanted to share that perspective. Thank you.

Geetansh Bamania – Chairperson, MD & CEO: The point is well taken. This was also our first call, so we are learning and trying to understand everyone's expectations. We have noted the point, and we will deliberate on it. Hopefully, we will be able to share more guidance in the future.

Bala Murali Krishna – Oman: Thank you. All the best.

Operator: Thank you. The next question is from the line of Pratham Kankaria. Pratham, please unmute yourself and go ahead.

Operator: Pratham? I think you are on mute. Pratham, please unmute yourself.

Operator: We will move to the next question. Perhaps Pratham can join again. The next question is from Dela. Dela, please announce your organization name and go ahead with your question.

Dela: Hi, am I audible?

Operator: Yes, you are.

Dela: Hi, Hakeem. Hi, Geetansh. Congratulations on a good set of numbers. I have a couple of questions.

Given that growth has been quite strong at 51% and most of it has come on the back of subscriber additions, could you help us understand the mix between organic and inorganic user acquisition in this quarter? How should we think about the 36% subscriber growth? Was there additional impetus from performance marketing, for example? Also, could you provide more detail on the contribution of offline operations to this growth?

Geetansh Bamania – Chairperson, MD & CEO: I can clearly explain the traffic. Approximately 60% of our traffic is still organic. That gives you an indication of the biggest acquisition bucket for us so far.

Of course, over the last couple of years, we have also added offline operations, as you mentioned. I would say that offline has grown close to 83% year-on-year. That is an important strategy for us going forward, but it is a mix of organic traffic and offline operations, with offline also playing a role.

Paid traffic continues to be approximately 30%, after excluding referrals. It remains important, but compared with organic behaviour, it is still less significant.

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Dela: Understood. Do you have any guidance on opening more centres or experience centres during the quarter and the year?

Geetansh Bamania – Chairperson, MD & CEO: I will refrain again from providing guidance. As this is our first call, we will also learn as we move forward, and hopefully we will be able to give more guidance in the future.

Historically, however, you can clearly see that this has been an important strategy for us. Our EBITDA numbers could have been much higher if we were not investing in this long-term strategy, but we continue to do so because that is our belief.

There is a certain degree of cushion on the EBITDA side. At the end of Q1, we had added close to 89 stores. That is where we stood in terms of store count. We have been consistently adding stores for the last 2–2.5 years.

Dela: Understood. My second question is about seasonality in the business. Q1 delivered 51% top-line growth with approximately 100 basis points of year-on-year margin expansion. For the full year, how should we think about growth? Could you also explain the quarter-on-quarter seasonality? Is the swing quite drastic, or is it range-bound?

Geetansh Bamania – Chairperson, MD & CEO: Seasonality will not affect the year-on-year comparison because—

Dela: Yes, I also want to understand the seasonality on a quarter-on-quarter basis.

Geetansh Bamania – Chairperson, MD & CEO: Purely from my standpoint, I would urge you to look at this business primarily from a year-on-year perspective. March begins with the summer season, along with significant lateral hiring, and gradually this is coupled with many people joining the workforce.

A lot happens during this period. The first 2 quarters are definitely strong from a revenue perspective, while the other 2 quarters are also good from a profit perspective. That is where the seasonality exists.

The seasonality is driven by the combination of the summer season and lateral hiring. There is a major misconception that this business is only for young professionals who are just joining the workforce. I think it has a lot to do with the mobility we are seeing in the ecosystem and the job changes taking place.

According to EPFO data, 50 lakh jobs used to be added annually, and this has increased to close to 2 crores a year through FY26. That gives us an indication of the mobility that exists, and that definitely helps us.

If we ignore the seasonality and look at year-on-year performance, historically, if a particular month has delivered a certain year-on-year growth rate, we have seen that growth rate broadly retained.

Dela: Understood. This quarter, you highlighted that average revenue per item was higher by approximately 7% year-on-year, driven by air conditioners, correct? How should we think about this

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going forward? Will the 7% growth sustain through the year, given the seasonality in—

Geetansh Bamania – Chairperson, MD & CEO: Hakeem, did we mention air conditioners specifically, or would you like to take this?

Hakeem Ujjainwala – Chief Financial Officer: Our business is very much cumulative in nature. Even one quarter's deployment will not change revenue or ARPU significantly because revenue is built on the accumulation of past deployments.

Only a proportion of the revenue for this quarter will come from deployments made in the current quarter. Most of the revenue comes from assets that we deployed in previous quarters.

This makes revenue relatively predictable in nature. Once I deploy the assets, they generate revenue for the next 18 months.

Dela: Understood. That is quite clear. I just want to ask one last question. With roughly 3 lakh subscribers at Rentomojo and perhaps another 3 lakh from peers and the long tail, what kind of user penetration are we looking at, with approximately 6 lakh organized subscribers in the market? How should we think about the broader market growth rate?

Geetansh Bamania – Chairperson, MD & CEO: There are approximately 4.8 crores rental apartments, of which roughly 3.8 crores fall within the income bracket in which we operate. Within that, approximately 1.8 crores apartments churn every year.

One could argue that some of them may involve large families or joint families that also churn every year. However, the entire ecosystem, with perhaps a 6–7 lakh subscriber base today, has not even acquired a fraction of the total number of rental apartments within our income bracket.

This is evident if you look at keywords. A rental keyword as a fraction of purchase keywords is currently only close to 1%. These indicators show that awareness of this proposition is still relatively low.

In the absence of a large paid funnel, the biggest driver of the industry right now is the network effect that can be created with one's own base. That is what we are seeing. That is what has been driving the 20% CAGR in keywords and the industry growth that we are currently seeing.

Dela: Understood. This was very helpful. Thank you, and all the best.

Geetansh Bamania – Chairperson, MD & CEO: Thank you, Dela.

Operator: Thank you. Our next question is from Manish Oswal. Manish, please announce your organization name and go ahead.

Operator: Manish, please unmute yourself. You are on screen.

Geetansh Bamania – Chairperson, MD & CEO: Is there an issue with the mute, Vinita? Can we check? I hope people are able to unmute.

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Operator: They have to give Microsoft permission for unmuting and allow access. If they have not done that, they will not be able to unmute.

Geetansh Bamania – Chairperson, MD & CEO: Okay.

Operator: We will take the next question from Dikshant Gupta.

Dikshant Gupta: Hello. Am I audible?

Geetansh Bamania – Chairperson, MD & CEO: Yes, Dikshant, you are.

Dikshant Gupta: Congratulations on a very good set of results. I wanted to understand the unit economics, such as the payback period and refurbishment cost. If you purchase an asset for 10,000, what rental do you earn on it, and what is the refurbishment cost when it changes hands?

Geetansh Bamania – Chairperson, MD & CEO: Like any CAPEX business, whether manufacturing, a hospital, or a hotel, the question is how quickly we recover the capital invested and what revenue multiple we can generate.

We mentioned in the RHP that the 2017 cohort generated approximately 5 times revenue, indexed to 100 dollars. The 2017 cohort was worth a couple of million dollars, but if you index that to 100 dollars, it generated 5 times the revenue multiple.

Approximately 56% of the products in that cohort were still generating revenue. That gives us an indication of the useful life available in the business.

The payback period is shorter than the useful life. We have not disclosed the payback period as such, but there is a considerable difference between the payback period and the useful life.

Coming to your second question regarding repair and maintenance as a percentage of revenue, we disclosed that this was approximately 6%, including FY26. We spent close to 20 crores on consumables in FY26. This does not include technicians and carpenters.

We spent approximately 20 crores on a gross block of roughly 450–460 crores. That is the kind of repair and maintenance expenditure we incurred. We also spent approximately 49–50 crores on depreciation.

Therefore, approximately 70 crores was spent on a gross block of approximately 450–460 crores, which implies a useful life of approximately 6 years if you divide the 460 crores by the 70 crores. That is what it should translate to.

Dikshant Gupta: Thank you. Are your stores operating under the COCO model? What is the current online versus offline revenue mix?

Geetansh Bamania – Chairperson, MD & CEO: All 89 stores are completely company-operated. The year-on-year growth in offline operations is approximately 83%, as I mentioned earlier.

Dikshant Gupta: Sorry, the 83% figure is the growth—

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Management: The growth.

Dikshant Gupta: What would be its share of total revenue?

Management: This is something we can take offline. For further questions regarding store economics or anything else, we would be happy to connect offline, either with me or with the Aradhya team, and assist you.

Dikshant Gupta: Certainly. I would like to connect with you offline. Thank you.

Operator: Thank you. Our next question is from Manish Poddar. Manish, please unmute yourself and go ahead with your question.

Manish Poddar: Hi, team. I have 2 questions. First, could you help me understand the current balance-sheet position? What is the gross block, and how much cash or debt is currently on the balance sheet?

Management: Hakeem, would you like to take this?

Hakeem Ujjainwala – Chief Financial Officer: We have not presented the balance sheet for Q1. Therefore, I would refrain from giving any numbers at this stage. What we have disclosed is that the latest cost of debt is approximately 8.95%, while the average is approximately 9.5%.

Management: Hakeem, perhaps you can specify where you stood in FY26 in terms of debt-to-equity and what kind of net-worth addition took place. That may give Manish a clearer picture. We can also connect with him offline and provide more details.

Hakeem Ujjainwala – Chief Financial Officer: We had debt of approximately {? 180–185 crores ?} in FY26, with cash of approximately {? 35 crores ?}. Therefore, net debt was approximately 150 crores, while net worth was approximately 290 crores. We were at a very healthy debt-to-equity ratio of approximately 0.4–0.45.

With the IPO, we raised 150 crores of capital. Our net worth will therefore become approximately 440 crores, plus the profit that will be added in H1. By September, it would be 450 crores or more. Accordingly, you can model the debt-to-equity ratio. The debt-to-equity ratio remains at a very healthy level.

Manish Poddar: If I want to understand the purchase pattern, could you help me understand how much of the full-year purchases typically take place in Q1? For example, last year, what proportion of full-year purchases occurred in Q1?

Hakeem Ujjainwala – Chief Financial Officer: That number is not readily available with me. We can connect offline, and I can share it with you.

Manish Poddar: No problem. Thank you.

Operator: Thank you. Our next question is from Raj Shah. Raj, please unmute yourself and go ahead with your question. Please announce your organization name.

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Raj Shah – Fidant Asset Management: Are you able to hear me?

Management: Yes.

Raj Shah – Fidant Asset Management: Raj Shah from Fidant Asset Management. I wanted to understand our growth outlook. Over the next 2–3 years, what kind of growth can come from subscriber growth, the number of items per subscriber, and ASP growth? I would like to understand the mix between these 3 drivers of total growth.

Management: Historically, we have seen items per user increase from approximately 2.3 to the current level of approximately 2.8. That has been a reasonable lever for overall revenue growth.

Subscriber additions continue to be the biggest growth lever historically, along with items per user. Our rent per item, or RPI, has remained broadly stable historically. Predominantly, the change we are seeing in the business is a mix of subscriber additions and items per user.

Raj Shah – Fidant Asset Management: Understood. My second question concerns the agreement signed with Dixon. What are we currently sourcing from them? What kind of cost reduction can we see on a per-item basis, since these products will have a lower cost compared with branded products? Also, what mix do you expect from this agreement over the next 3–4 years?

Management: The discount depends significantly on volume, the terms, and the working-capital terms, among other factors, and these can fluctuate somewhat.

With Dixon, we are predominantly sourcing refrigerators and washing machines at present. It has been an important relationship for us. We are also building similar relationships with some other contract-manufacturing companies.

At present, the products are predominantly refrigerators and washing machines.

Raj Shah – Fidant Asset Management: Understood. Finally, what will be our gross-block addition for this year?

Management: For FY26?

Raj Shah – Fidant Asset Management: FY27.

Management: FY27 has just begun with the first quarter. I can talk about FY26, when gross-block addition was close to 170 crores.

Raj Shah – Fidant Asset Management: Okay.

Operator: Thank you. Our next question is from Naveen Kaushik. Naveen, please unmute yourself and go ahead with your question. Please announce your organization name.

Naveen Kaushik – I thought PMS: Am I audible?

Management: Yes, Naveen.

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Naveen Kaushik – I thought PMS: I am Naveen from I thought PMS. I have a couple of questions, which are largely follow-ups to the points discussed.

First, I want to understand the share of our gross block sourced from Dixon versus other manufacturers. More broadly, from an economics perspective, if we undertake further CAPEX, what would our preference be between private-label products and other brands? I would like to understand this aspect.

Management: That number is not readily available. We will have to pull it and try to provide it to you.

However, we are not biased towards private-label products, our own brand, or any other particular brand. We have Wakefit on the platform, we offer Duroflex mattresses, and we have strong relationships with them. We also source from Haier, Samsung, and multiple other brands that operate on the platform.

It all depends on the demand behaviour we see for a particular SKU. On the backend, we have been continuously improving our inventory-prediction algorithm over many quarters and years. The algorithm does not have any bias between private-label and non-private-label products.

Our procurement is entirely dependent on the demand we see from consumers. In some categories, the brand may be an important parameter even for rental. In other categories, price may be more important. We purchase on that basis.

Naveen Kaushik – I thought PMS: My next question is about fleet additions. I do not have the exact numbers for gross-block additions this year and next year. I want to understand how you evaluate adding to the gross block in the first place.

Do you think about it in terms of a budget, or in terms of market size and market share? I would like to understand how you plan the next supply addition.

Management: As I mentioned, supply addition is based on a complex inventory-prediction algorithm that we have perfected over many years.

In a typical selling business, all you need to determine is the traffic coming in, such as add-to-carts, and then look at the funnel and estimate demand based on the impressions you are seeing on the paid side and the organic side.

Here, the complexity is not only predicting demand but also predicting churn. Several predictions are taking place. We have to predict demand, predict churn, predict how many items we will be able to repair on a daily basis, and account for the countless consumables required at the backend.

We have more than 200–300 SKUs and more than 1,000 consumables at the backend. We need to determine the right time to conduct inventory prediction for them and maintain the appropriate inventory days.

If consumables are involved, we also need to predict technician and carpenter attrition. We somehow have to predict how many units of a particular refrigerator, for example, can be moved from a refurbishment bin to a deployable bin.

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These are 3 different predictions running at the backend. As a company, we have tried to balance growth and return on capital at the same time. That is why we have delivered 40% growth and a return on capital of 25–26% over the last several years.

There is a certain budget element to it, as you rightly pointed out. The budget defines the traffic and the multiple variables that flow through the business. These include the multiple variables affecting churn, refurbishment activity, and the supply chain.

Our vendors are spread across India, so we need to use the supply chain effectively to ensure that products reach the warehouses on time. This is reflected in occupancy.

We do not consider 90% occupancy to be good, and we do not consider 65–70% occupancy to be good. We have identified a suitable range of approximately 83–84%.

This range is not too aggressive in terms of the stock we hold, allowing for some warehouse capacity to remain unutilized, while also not being so conservative that we consistently go out of stock.

We have maintained 83–84% occupancy, which is a direct outcome of our inventory–prediction model.

Naveen Kaushik – I thought PMS: I have a small follow-up. I want some perspective on the funding angle and particularly the scale.

Cash flow before financing for FY26 was, I believe, not positive, and we have not earmarked any IPO proceeds for this purpose. At what scale of business does the size of our current business affect how much supply addition we want to undertake? Will supply additions grow as the scale of the business grows?

Management: We are comfortable on that front. I will not provide a great deal of guidance, but I can give you significant comfort that we are not restricted by supply at all.

We generated almost 170 crores of operating cash flow in FY26, and 170 crores went towards buying CAPEX. As Hakeem mentioned, the debt-to-equity ratio was not even 0.5–0.6.

You can imagine the flexibility available when a large portion of accruals goes into CAPEX. After that comes the option to raise external debt, and even there, we can move up to a certain debt-to-equity ratio.

We are definitely not constrained by our growth aspirations. That is not the case. I would like to give you that comfort.

Naveen Kaushik – I thought PMS: Thank you for your time. This was very helpful.

Management: Thank you.

Operator: Thank you. Due to time constraints, we will take the last question for the day. We have Chintan Shah. Chintan, please unmute yourself and go ahead with your question.

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Chintan Shah: Thank you for the opportunity. I have 2 questions.

First, we are currently seeing an inflationary scenario, particularly on the consumer-durables side, and we could potentially also see an increase in interest rates over the next few quarters.

How do inflation and rising interest rates affect our business in terms of subscriber behaviour and growth? Second, I would like to understand the strategy for addressing this, particularly in terms of pricing. These are the 2 aspects on which I would appreciate your views.

Management: I will address the second question first. These are challenging times, with considerable interest-rate sensitivity. However, our business is not a spread business. At the end of the day, it is a business of payback and useful life. It is also a business of occupancy.

A marginal 1-2% change does not significantly affect return on capital. Some of you may have seen our earlier models, in which most of us can calculate the sensitivity of return on capital to interest rates. That sensitivity is not very high.

Second, as the supply chain becomes somewhat constrained, we have historically seen some costs increase, such as packaging costs. However, repairs are approximately 6% of revenue, so that does not have a significant impact.

There are some areas where pricing increases. However, we are not in the business of selling. The benchmarks are also not clear. In some cases, the benchmark for the consumer may be a purchase; for some, it may be a furnished apartment; and for some, it may be a secondary. Therefore, the benchmark is not clearly visible.

Even if there is a 10% to 20%-30% increase in price, imagine paying that 20% increase over the next 18-20 months. From a cost-impact perspective, if you are in the purchase business, the impact is immediate because you pay the 20% on day one.

However, if you pay over a staggered period through a subscription plan over several months, that also helps at the end of the day. That should give you some sense of the way I am looking at these 2 variables.

Chintan Shah: Understood. I have 2 follow-ups. First, suppose costs increase by approximately 10-15% and there is a sudden sharp increase on the consumer side. Your purchase or supply cost would increase, but how would you pass this on? Would it be a gradual mechanism in which you gradually increase prices, or would it be a one-time activity implemented immediately?

Management: Our rental prices are always a function of the procurements we undertake. That is a lever that is always available to us. We can decide whether to pass the increase on or absorb some of it.

However, what I want to say is that a 10-15% increase staggered over an 18-20-month period does not create as much sensitivity in the conversion funnel or margins as one might assume. The sensitivity of the conversion funnel and margins is lower because the increase is staggered over an 18-20-month period.

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Chintan Shah: Understood. That is clear. I have one more bookkeeping question. Could you state the unrecognized contracted revenue as of the end of Q1 FY27? I believe it was 293 crores at the end of FY26. Could you highlight the same number for the end of Q1 FY27?

Management: {? Akin ?}, you would have that figure readily available, which we discussed yesterday.

{? Akin ?}: You are asking about contracted revenue, correct?

Chintan Shah: Yes, the unrecognized portion.

{? Akin ?}: The total contracted revenue contracted during this quarter was approximately 5,544 million, and the unrecognized amount was approximately 4,079 million.

Chintan Shah: 4,079 million, or 408 crores. Understood. That is all from my side. Thank you for answering my questions.

Management: Thank you, Chintan.

Operator: That was the last question for the day. Thank you once again for your time and participation. On behalf of Rentomojo Ltd., this concludes today's conference. For any questions, please feel free to write to us at the email addresses mentioned in the invite. We appreciate your engagement. You may now disconnect your lines.

Management: Thank you, everyone. Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.