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IPO Report

02nd Dec'25

Snapshot

Company is a multi-sided technology platform driving e-commerce in India by bringing together four key stakeholders – consumers, sellers, logistics partners and content creators. Company's e-commerce marketplace, that it operate under the brand name **Meesho**, emerged as India's largest in terms of number of Placed Orders and Annual Transacting Users among e-commerce players in India in the last twelve months period ended September 30, 2025, according to the Redseer Report.

VALUATION

Company is bringing the issue at price band of Rs 105-111 per share at p/b multiple of more than 9x on post issue basis. Company's platform is built on multiple scaled self-reinforcing flywheels. Company's technology-first mindset with focus on AI driven solutions. Also company is delivering 'everyday low prices' to consumers structurally & company has ability to scale in a capital efficient manner. Company's organisation built on culture of agility and innovation, with experienced management team. Hence, we recommend "Subscribe" to the issue.

Price Band (Rs./Share)	105-111
Opening date of the issue	03rd Dec '2025
Closing Date of the issue	05th Dec '2025
No of shares pre issue	4,13,02,48,118 Eq Shares
Issue Size	Rs 5358-5421 Cr
Fresh issue	Rs 4250.00 Cr
Offer For Sale	105,513,839 Eq Shares
Face Value (Rs/ share)	Rs 1/share
Bid Lot	135
BIDDING DETAILS	
QIBs (Including Anchor)	75% of the offer (Approx 36,62,97,541 eq Shares)
Non-Institutional	15% of the offer (Approx 7,32,59,508 eq Shares)
Retail	10% of the offer (Approx 4,88,39,672 eq Shares)
Lead managers	Axis Capital, J.P. Morgan India, Kotak Mahindra Capital, Morgan Stanley India, Citigroup Global Markets India
Registrar to the issue	KFin Technologies Ltd

WHAT WE LIKE

Ability to scale in a capital-efficient manner

Company operate an asset-light business model. Company do not manufacture or sell private label products, own product inventory or logistics infrastructure making company's platform more capital-efficient compared to organised retail models or other e-commerce models that may depend on physical stores, warehousing, owned inventory and/or captive logistics. According to the Redseer Report, platform based models possess faster scalability and an asset-light model, enabling more capital-efficient growth, and hence deliver higher return on capital while generating more free cash flows. By leveraging the existing capacity and capabilities of its sellers and logistics partners, company have been able to scale its operations while being capital efficient..

Delivering 'everyday low prices' for consumers

Company is a value focused e-commerce platform that delivers 'Everyday Low Prices' for consumers, which means that consumers get products at low prices on Meesho without having to rely on limited time discounts and event based flash sales. Company's zero commission model for sellers combined with its lowcost order fulfilment reduces the average cost charged to sellers and enables them to provide a wide assortment of products at affordable prices on Meesho.

Company's technology-first approach with focus on AI driven solutions

Rather than relying on manual interventions, company employ a technology driven approach to problem solving. As of September 30, 2025, company had a total technology workforce of 1,182 full time employees, including 163 in its machine learning and AI team. This technology workforce represented 56.77% of its total employee base of 2,082. In the last twelve months period ended September 30, 2025, company's GMV to FTE ratio⁵ was ₹293.94 million. Company have integrated GenAI tools into its engineering stack. These tools help company's developers and engineers streamline software code generation, improve development velocity, and reduce time to deployment. Company have also embedded Gen AI capabilities across functions to enhance both scale and productivity.



COMPANY BACKGROUND

Company's value focused platform is designed to serve all segments of consumers across India by making ecommerce affordable, accessible and engaging. Company is focused on providing 'Everyday Low Prices' to consumers. Company's technology-first operations, platform scale and efficiency offers low cost order fulfilment to sellers on Meesho. This, along with a zero commission model for sellers enables company to reduce the average cost charged to sellers and provide a wide assortment of products ranging from low cost unbranded products, regional brands and national brands at affordable prices on Meesho. Company's artificial intelligence/machine learning ("AI/ML") led algorithms are designed to deliver a personalised, discovery led shopping experience to consumers similar to an offline window shopping experience, making online shopping easy and engaging for consumers. Through a combination of the above capabilities and inherent benefits of a pure-play marketplace model, company have been able to attract a large base of consumers.

Company's Platform

Technology forms the backbone of its platform enabling e-commerce transactions at population scale across India. Company's modular technology architecture orchestrates interactions across its stakeholders enabling reliability, scalability and efficiency on its platform. Every interaction between its stakeholders on its platform generates rich data inputs, which are continuously fed into company's AI/ML models. These models power a suite of tech backed capabilities such as hyper-personalized recommendations, dynamic pricing of services, automated cataloguing, transaction risk management and prevention, and logistics optimisation.

Company's Stakeholders

Consumers

Consumers on Meesho come from various income backgrounds across India. These consumers are typically value focused, seeking a wide assortment of products at affordable prices. In Fiscal 2025, 198.77 million Annual Transacting Users transacted on Meesho, of which 174.43 million were from outside Top 8 cities¹ in India. 54.22% of company's consumers in Fiscal 2025 were women.² In the last twelve months periods ended September 30, 2025 and September 30, 2024, 234.20 million and 175.09 million Annual Transacting Users transacted on Meesho, of which 205.80 million and 153.45 million were from outside Top 8 cities in India, respectively. 53.27% and 54.29% of company's consumers in the last twelve months periods ended September 30, 2025 and September 30, 2024, were women, 3 respectively.

Sellers

Sellers on Meesho include manufacturers, wholesalers and traders. During Fiscals 2023, 2024 and 2025, 449,966, 423,749 and 513,757, and for the last twelve months periods ended September 30, 2024 and September 30, 2025, 440,824 and 706,471 Annual Transacting Sellers transacted on Meesho, respectively. The NMV per Annual Transacting Seller increased at a CAGR of 16.86% from ₹427,429.78 in Fiscal 2023, ₹548,463.42 in Fiscal 2024 to ₹583,697.39 in Fiscal 2025. The average number of days for a new seller on Meesho to receive its first order after the product is listed on Meesho decreased from 32 days in Fiscal 2023, 26 days in Fiscal 2024, 16 days in Fiscal 2025, to 15 days in the twelve months period ended September 30, 2025.

Logistics Partners

Company's logistics partners include first and last mile delivery businesses and individuals, sorting centres, truck operators, and end-to-end logistics partners. Meesho has the highest e-commerce shipment volume in India among the e-commerce players, accounting for 29-31% of total e-commerce shipments (excluding hyperlocal shipments) in Fiscal 2025, according to the Redseer Report

OBJECTS OF OFFER

The Offer comprises of the Fresh Issue of Equity Shares, aggregating up to ₹42,500 million by Company and an Offer for Sale of up to 105,513,839 Equity Shares, by the Selling Shareholders.

Fresh Offer

Company proposes to utilize the Net Proceeds towards funding the following objects

1. Investment for cloud infrastructure in Meesho Technologies Private Limited, company's Subsidiary;
2. Payment of salaries of its existing and replacement hires for the Machine Learning and AI and technology teams for AI and technology development undertaken by Meesho Technologies Private Limited, company's Subsidiary;
3. Investment in Meesho Technologies Private Limited, company's Subsidiary, for expenditure towards marketing and brand initiatives; and
4. Funding inorganic growth through acquisitions and other strategic initiatives and general corporate purposes.

RISKS

Company have incurred losses since its inception in 2015. While company was cash flow positive in the six months period ended September 30, 2024, and Fiscals 2025 and 2024, company had Restated loss before exceptional items and tax of ₹4,332.14 million and ₹240.38 million in the six months period ended September 30, 2025 and September 30, 2024, and ₹1,084.29 million, ₹3,145.33 million and ₹16,719.02 million in Fiscals 2025, 2024 and 2023, respectively. Company had negative cash flows from operating activities for the six months period ended September 30, 2025 and Fiscal 2023. If company is unable to generate adequate revenue and manage its cash flows and expenses, company may continue to incur losses.

Source:RHP


Consolidated Financials

(Rs in Mn)

Financials	FY23	FY24	FY25	H1FY26
Total Revenue (A)	57345.19	76151.48	93899.03	55775.38
Total Expenditure (B)	75382.18	81092.93	99684.08	62709.42
EBIDTA	-18036.99	-4941.45	-5785.05	-6934.04
EBIDTA Margin	-31.45	-6.49	-6.16	-12.43
Other Income	1631.72	2440.94	5109.98	2801.55
Depreciation	300.36	581.10	340.27	172.72
EBIT	-16705.63	-3081.61	-1015.34	-4305.21
Interest	13.39	63.72	68.95	26.93
PBT	-16719.02	-3145.33	-1084.29	-4332.14
Share of profit in Asso	0.00	0.00	0.00	0.00
PBIT	-16719.02	-3145.33	-1084.29	-4332.14
Exceptional	0.00	-131.08	-13464.34	-1373.81
PBT	-16719.02	-3276.41	-14548.63	-5705.95
Tax	0.00	0.00	24868.42	1301.23
PAT	-16719.02	-3276.41	-39417.05	-7007.18
NPM	-29.16	-4.30	-41.98	-12.56
ROE%	-65.61	-14.24	-252.37	-72.32
EPS	-4.43	-0.87	-9.98	-1.65
Eq Cap	0.00	0.00	2.72	1,947.50
Net Worth	24,719.15	22,296.42	14,455.18	8,503.84

(Source: RHP)



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