

Rating: Subscribe for long term
Issue Offer

Total issue size: INR 62,002 Mn, OFS of INR 19,502 Mn and a Fresh Issue of INR 42,500 Mn.

Issue Summary	
Price Band (INR)	105-111
Face Value (INR)	1
Implied Market Cap (INR mn)	2,58,672.3
Market Lot	135
Issue Opens on	03 December, 2025
Issue Close on	05 December, 2025
No. of share pre-issue	1,947,498,633
No. of share post issue	2,330,381,516
Listing	NSE / BSE

Issue Break-up (%)	
QIB Portion	≥75
NIB Portion	≤15
Retail Portion	≤10

Book Running Lead Managers

J.P. Morgan India Private Limited
Kotak Mahindra Capital Company Limited
Morgan Stanley India Company Private Limited
Axis Capital Limited
Citigroup Global Markets India Private Limited

Registrar

KFin Technologies Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	40.47%	26.29%
Public & Others	59.53%	73.71%

Objects of the issue

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

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Meesho Limited is a multi-sided technology platform powering value-led e-commerce in India by connecting consumers, sellers, logistics partners, and content creators. Operating primarily through its Marketplace segment supported by a low-cost logistics network (Valmo) and new digital initiatives, the company offers affordable products to consumers and a cost-efficient growth channel to sellers. As of the twelve months ended September 30, 2025, the platform had 234 mn annual transacting users and over 706,000 transacting sellers. With 2,082 employees and a technology-first, cost-efficient operating model, The company continues to scale profitably while expanding its digital ecosystem.

Investment Rationale:

Continuous Innovation and Value-Focused Model: The company drives constant innovation through its experimentation platform, Abacus, enabling over 430 concurrent monthly tests and around 34 new features per month. This supports its value-led “Everyday Low Prices” model, powered by zero commissions, low-cost fulfilment, and scale-driven efficiencies that lower seller costs and expand affordable assortment for consumers.

Expanding Consumer Reach and Driving Higher Transaction Frequency: The company aims to broaden its consumer base across both top cities and Bharat by offering affordable access and a deeper assortment. Strong network effects have enabled ATU to grow at a 20.7% CAGR (FY23–FY25) while acquisition costs fell sharply, with ad spends reducing from 4.82% to 2.15% of NMV. Order frequency rose from 7.5 to 9.2 over the same period, supported by rising trust, maturing user cohorts, and improving post-purchase reliability. With non-electronics penetration still low, Meesho plans to scale assortment and new use cases to further lift retention and transaction intensity.

Strengthening Affordability and Accessibility in E-Commerce: The company aims to further reduce seller costs through technology-led operational efficiencies, improved logistics partner productivity, and continued optimization of Valmo. Despite declining shipment yields in India, current levels (\$0.7–\$0.8) remain well above China’s asset-light benchmarks, indicating substantial efficiency headroom. As fulfillment costs fall, sellers can offer sharper prices and a wider assortment, especially in low-ticket, high-frequency categories, enabling Meesho to enhance consumer value and deepen nationwide accessibility.

Valuation & Outlook: Meesho enters FY26 with a robust outlook, fueled by scaled flywheels, AI-led efficiencies via Meesho AI Labs, and Horizon 2 tailwinds like content commerce (India’s 12% e-comm share vs. 40-50% China), Meesho Mall, and financial services pilots targeting deeper Tier 2+ penetration amid 692-706 mn smartphone users (vs. 250-270mn shoppers) and non-electronics under penetration. Order frequency at 9.5 LTM, falling CAC, logistics yields compressing toward China levels (INR 43/order FY25), and 44% H1 NMV growth signal 30%+ GMV CAGR with accelerating FCF conversion to sustained profitability, though macro slowdowns and competition warrant monitoring. **At the upper band of INR 111, the issue is valued at a P/S ratio of 2.3x, based on a FY26E Annualized revenue. We are recommending a “Subscribe for long term” rating for this issue.**

Particulars (INR Mn)	H1FY26	FY25	FY24	FY23
Revenue	55,775	93,899	76,151	57,345
Growth (% YoY)	22.7%	23.3%	32.8%	
EBITDA	(5,519)	(2,196)	(2,302)	(16,937)
PAT	(7,007)	(39,417)	(3,276)	(16,719)

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Stock Rating Scale

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Absolute Return**Research Analyst
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