



Bonito is backed by Abhinandan Lodha's Tomorrow Capital that currently holds a 51% stake in the firm.

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# Bonito Designs to raise up to \$75 mn to expand footprint

Sneha Shah

sneha.shah@livemint.com

MUMBAI

**B**onito Designs is raising \$50-75 million as the home renovation and décor company backed by Abhinandan Lodha's Tomorrow Capital aims to challenge established entities such as Livspace and Homelane.

"We feel we have a lot of potential to grow the supply chain margins and hence, we want to raise this capital," said Lodha, who was earlier deputy managing director at Mumbai-based real estate firm Lodha Developers.

Tomorrow Capital, a \$200 million fund sponsored by Abhinandan Lodha, first invested in Bonito in 2019, leading a pre-Series A round of \$6.3 million.

"When we invested in Bonito, its average (revenue) run rate was ₹6.2 crore per year," Lodha said. "Bonito is already Ebitda positive and last month, it crossed ₹50 crore in profit, and has burnt the least amount of money to get here," he added.

According to Lodha, Bonito's customer acquisition cost or CAC is just a fifth of that of the entire industry.

This April, Tomorrow Capital further raised its stake in Bonito to 51%. "We decided to get actively involved. The first

thing we did was to change the distribution mix. We changed our distribution base and now, we're effectively sourcing (customers) through five channels. Today, no single vertical is more than 30% of the sales."

Rohini Prakash, chief executive, Tomorrow Capital, said Bonito has CAC below 4% in non-digital verticals, the lowest in the industry.

The company has tied up with interior designer Gauri Khan and has a conversion rate of three times of its nearest rival, Lodha claimed.

"Another thing we've done to add to Bonito's profitability is that we've not opened too many experience centres (EC).

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Unlike our competition, we have presence in only two cities and have four ECs.

For everybody to get to our size, they'll need 10-15 cities and minimum 20-30 experience centres," said Prakash.

"We think we'll grow at 50% every year for the next four years, even if we open in only one new city every year," he said. This fiscal, Bonito aims to post revenue of ₹273 crore and an Ebitda of ₹12 crore. "But our exit revenue for the year will be ₹600 crore," Lodha said adding, "We will double our revenues next year." The company is currently present in Mumbai and Bengaluru, and will later look to expand to Hyderabad, Pune and NCR.