

Oura IPO Can a smart ring become a health platform

Saxo Bank · 2026-09-29 · English original

Key points:

- Oura is coming to market with unusually strong growth for a consumer hardware company. Revenue rose 74% year-on-year to US\$1.21 billion in the nine months to June 2026, gross margin improved to 55%, and net income reached US\$60.8 million. Paid members doubled to 5 million, with Oura expecting around 5.7 million by the end of FY2026.
- The investment case increasingly extends beyond the ring. Membership revenue grew 121% year-on-year and now accounts for 20% of revenue, while high retention, strong engagement and a differentiated position in women's health strengthen Oura's recurring-revenue proposition.
- The valuation sets a high hurdle. At the US\$42 midpoint, Oura would have a market capitalisation of roughly US\$13.5 billion, equivalent to around 9.5x trailing sales and more than 200x trailing earnings. Sustaining strong growth while expanding margins will therefore be central to the investment case.

Another wearable IPO, or something bigger?

Oura is preparing to list on Nasdaq under the ticker OURA, with 50 million shares offered at an expected price of US\$40–44 each. Of these, Oura itself is selling 13.5 million shares while existing shareholders are selling 36.5 million.

Founded in Finland in 2013, Oura built its reputation around health monitoring through a ring rather than a smartwatch. Its devices track sleep, heart rate, heart-rate variability, temperature, activity, stress and reproductive-health signals.

The more interesting investment question today is whether Oura can turn that hardware success into something larger. As of June 2026, the company served 5 million paid members across 56 markets and had accumulated nearly 42 billion hours of longitudinal biometric data. Oura now expects paid membership to reach around 5.7 million by the end of FY2026.

That makes this increasingly a story about whether a successful wearable can develop into a recurring-revenue health platform.

Oura IPO: the numbers investors need to know

Revenue reached US\$1.21 billion during the first nine months of FY2026, up from US\$697.6 million a year earlier, while net income increased to US\$60.8 million from US\$1.6 million. Gross margin rose to 55% from 51%.

That combination of fast growth and positive earnings distinguishes Oura from many earlier high-growth technology IPOs, although current profits remain small relative to the valuation.

The ring creates a recurring-revenue relationship

Hardware still generates around 80% of revenue, but membership is growing considerably faster. Membership revenue rose 121% year-on-year to US\$240.5 million, increasing its contribution from 16% to 20% of revenue.

This gives Oura an attractive model if it can keep users inside the ecosystem after the initial device purchase: hardware brings the customer in, while the subscription can extend lifetime value without requiring another ring sale.

Engagement and data strengthen retention

Oura's weighted-average 12-month paid-member retention was approximately 85%, while its daily-active-to-monthly-active ratio was around 65%.

The longer users stay, the more personalised health history Oura accumulates. Hardware features can be copied, but years of individual biometric history and established user habits are harder to recreate, potentially supporting retention and switching costs.

Women's health provides a differentiated use case

Approximately 72% of Oura members are women, and Oura has expanded into cycle tracking, fertility, pregnancy, postpartum recovery and menopause.

This gives Oura a somewhat different positioning from wearables historically centred on fitness and exercise and potentially allows the relationship to extend across multiple life stages.

The bigger opportunity: from wellness to healthcare

This is where Oura's investment story becomes more ambitious.

The company ultimately wants to move beyond consumer wellness into preventative and personalised healthcare.

Its expanding partnerships give that strategy some credibility.

- With Dexcom, users can bring glucose information together with sleep, exercise, stress and meal timing.
- With Eli Lilly, Oura potentially gains exposure to weight-management and metabolic-health ecosystems.
- With Resmed, users showing signs of nighttime breathing disturbances can be connected with further sleep-health resources.

The strategic opportunity is to connect wearable data with a broader picture of an individual's health and eventually open distribution through healthcare providers, employers, insurers and pharmaceutical companies. For now, however, most of that opportunity remains ahead rather than a meaningful contributor to reported revenue.

Valuation: the platform premium is already showing

At the US\$42 midpoint, Oura would have about 321 million shares outstanding, implying a market capitalisation of roughly US\$13.5 billion.

Using trailing twelve-month figures through June 2026, revenue is approximately US\$1.42 billion, putting the valuation at around 9.5x sales. Trailing net income is only around US\$59 million, implying a P/E of more than 200x.

That earnings multiple needs to be treated cautiously because profitability has only recently begun to scale. But it does highlight how much operating leverage is already expected.

For that premium to hold, revenue growth needs to remain strong, membership needs to become a larger share of the mix, and margins need to expand meaningfully. Healthcare could eventually add another growth engine, but investors are likely to want evidence that these partnerships can translate into measurable revenue or stronger economics.

One unusual feature of the IPO: where the money goes

Only 13.5 million of the 50 million shares in the offering are newly issued by Oura; the remaining 36.5 million are being sold by existing shareholders. Oura will receive no proceeds from those secondary sales.

At the US\$42 midpoint, Oura expects approximately US\$532.6 million of net proceeds from its own shares, but around US\$526.4 million is expected to go toward tax withholding associated with the settlement of employee restricted stock units. The remainder is available for general corporate purposes such as technology investment, working capital and capital expenditure.

This means the IPO is not primarily about raising a large pool of fresh capital for expansion. It is also creating liquidity for existing shareholders and dealing with employee equity obligations. That does not undermine the business case, but it is an important feature of the offering.

What could go wrong?

Competition is arguably the biggest strategic risk. Apple, Google and Samsung can combine wearables with phones, operating systems and increasingly sophisticated health platforms, giving them distribution and ecosystem advantages Oura cannot easily replicate.

There is also still a significant gap between the platform narrative and Oura's current revenue mix: hardware contributes around 80% of revenue. If subscription penetration stalls or customer acquisition becomes more expensive as Oura moves beyond early adopters, the path to higher margins becomes more difficult.

Finally, deeper expansion into healthcare increases regulatory, cybersecurity and privacy exposure. Oura handles sensitive biometric and health information, making trust and data security increasingly important as the platform expands.

The investment takeaway

Oura combines strong growth, positive earnings and a rapidly expanding subscription business with exposure to preventative healthcare and personalised health data. Its longer-term opportunity lies in using the ring as the entry point to a broader, higher-margin health ecosystem.

The valuation, however, already demands substantial execution. At roughly 9.5x trailing sales and more

than 200x trailing earnings, Oura needs to sustain strong member growth, increase the contribution from recurring revenue and translate that growth into materially higher profitability. The business has attractive ingredients, but the IPO valuation leaves limited room for execution missteps.

Source: <https://www.home.saxo/content/articles/equities/oura-ipo-can-a-smart-ring-become-a-health-platform-29092026>