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The Wearable Boom Is Real. The Investment Case Is Murkier.

Oura and Whoop are eyeing IPOs at heady valuations

By David Wainer

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An Oura 5 smart ring. JASON HENRY FOR WSJ

From sleep scores to heart rate, our biology now arrives packaged as a dashboard.

For investors, it is tempting to bet wearable companies like Oura and Whoop have cracked the code on turning self-optimization into a durable, fast-growing business. The history of consumer health hardware suggests otherwise.

Oura's roughly \$400 smart ring has spread from Wall Street to Silicon Valley and drawn praise from celebrities like Gwyneth Paltrow. Whoop's screenless wristband has locked millions of fitness-minded users into a subscription model and counts backing from sports superstars such as LeBron James and Cristiano Ronaldo.

Both companies are growing quickly and are seeking to go public in the near future. Both have recently raised capital at private-market valuations of roughly \$10 billion to \$11 billion, around 10 times revenue.

The appeal is real. Modern wearables deliver genuinely useful insights, from menstrual-cycle prediction to granular sleep analysis, fostering meaningful user loyalty. Oura has reported selling more than 5.5 million rings. In the first quarter of this year it became one of the most popular wearable brands in the U.S. by unit volume, trailing only Apple and Alphabet's Google, according to IDC data. Whoop reports more than 2.5 million members worldwide.

For investors, however, the shadow of Fitbit looms large. A decade ago, the pioneering fitness-tracker maker went public and soared to a market capitalization near \$10 billion, eerily close to where Oura and Whoop now sit. Growth eventually stalled as single-purpose trackers were eclipsed by all-in-one smartwatches like the Apple Watch. In 2021, Fitbit was acquired by Google for about \$2.1 billion, less than two times revenue.

Oura and Whoop do have advantages. Rather than selling mass-market step counters, they market premium products that synthesize biometrics like heart rate variability and skin temperature into actionable outputs: early illness warnings, recovery scores and training recommendations. Both benefit from sticky subscription revenue and, notably, lack screens. That positions them both as companions to an Apple Watch or as alternatives for users who don't want yet another screen to look at.



The screenless Whoop 5.0 wristband. JASON HENRY FOR WSJ

But the premium defense has its own historical challenges. Even in its best years, Peloton—another premium hardware brand that Wall Street briefly valued like a highflying software company—managed only high single-digit operating margins. The pattern is familiar: A company rides a genuine cultural trend, gets valued on growth rather than steady-state profitability, and eventually runs into a ceiling.

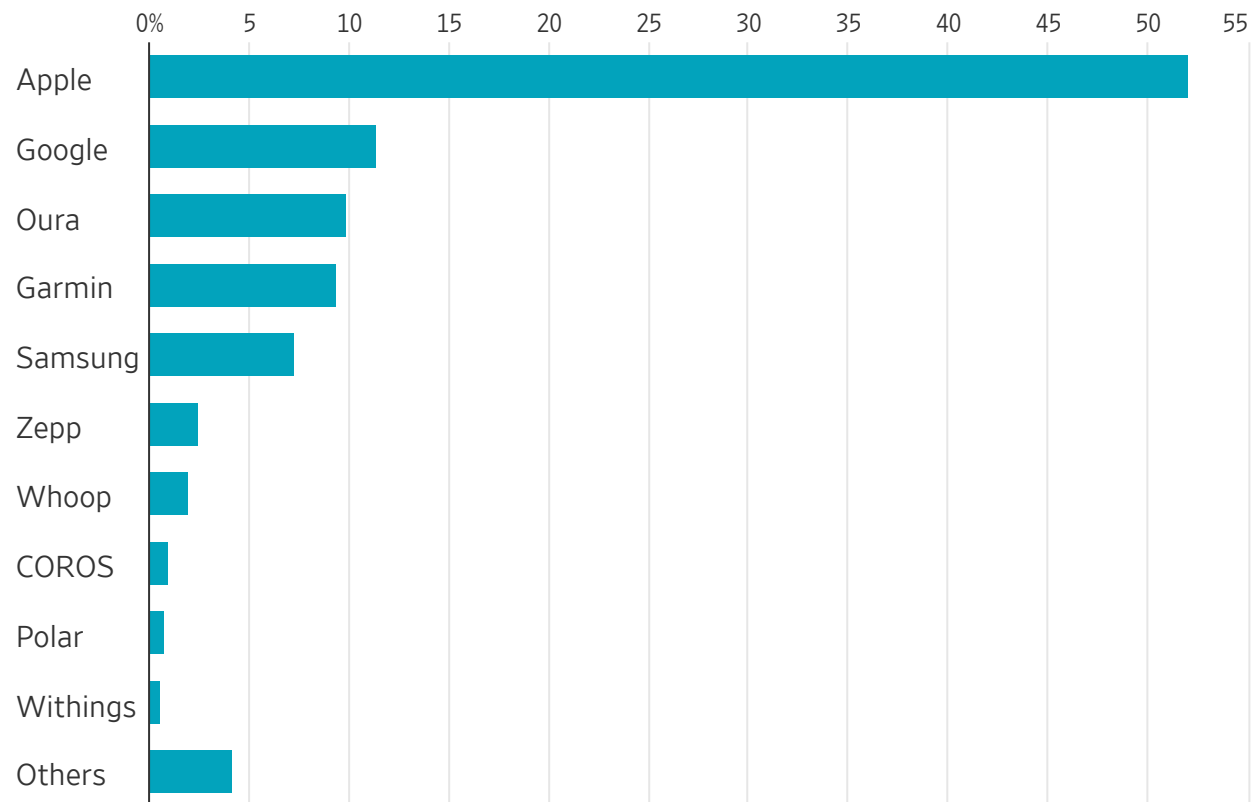
Consumer hardware is a notoriously fickle, low-margin business, says health-tech analyst and adviser Stephanie Davis. She notes that direct-to-consumer health brands face punishingly high customer-acquisition costs, forcing them to spend heavily simply to replace users who burn out on tracking their data. Oura is now running its largest marketing push to date, with ads appearing during marquee events such as the NBA Finals. That

level of spending may be necessary to sustain growth, but it inevitably weighs on margins.

The competitive environment is fierce. Oura has played aggressive legal defense, filing patent complaints to block rivals such as Samsung and Indian smart-ring maker Ultrahuman from encroaching on the market. But even if Oura can stave off competition in the smart-ring space, the underlying metrics these devices collect, like REM sleep or resting heart rate, can be tracked at no incremental cost by cheaper devices on other parts of the body, like a Fitbit worn on the wrist.

The Tracker Wars

Top 10 rings, smartwatches and wristbands in the U.S. by unit volume.



Note: Q1 2026

Source: IDC

The biggest issue is the growth ceiling. Smart rings are one of the few wearable categories still expanding, but the adoption curve could weaken sooner than an \$11 billion valuation implies. For now, Oura is capturing affluent and health-conscious consumers at the top of a K-shaped economy.

The harder question is what happens when that market saturates. Will everyday consumers—already cutting back at Target and skipping Chipotle

—sign up for a mandatory recurring subscription just to be reminded how much more they should exercise?

According to IDC, global smart-ring shipments are expected to grow through 2027 but begin to plateau in the U.S. by 2028. Jitesh Ubrani, IDC's research manager for worldwide device trackers, attributes that outlook to high prices and the absence of major functionality breakthroughs that could reignite growth.

The one credible bull case is medicalization: wearables evolving from wellness gadgets into clinically integrated monitoring tools used by physicians and insurers. But that path is slow and heavily regulated.

If growth slows, valuation multiples could compress quickly. Consider [Garmin](#) GRMN **1.63%** ▲ : profitable, effectively debt-free, growing its fitness segment at a robust clip, and trading at five-to-six times revenue—about half what Oura and Whoop command currently.

The wellness obsession is a lucrative and possibly permanent slice of the modern economy, fueled by consumers who scrutinize granola labels, train religiously and shop organic.

But that is still a niche. Just because LeBron James, who famously spends a fortune to maintain his body, can easily afford a Whoop doesn't mean that most people will.

New public-market investors should think carefully before trying to follow him in.

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