



Issue Opens - June 21, 2024 to June 25, 2024

**Price Band**  
₹351 to ₹369

**Face Value**

₹2

**Issue Size**

₹132.00 Cr

**Lot Size**

40 Shares

**Issue Type**

Book Built

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# Important Events



**Issue Size**

**14,553,508 shares / ₹537.02 Cr**

**Fresh Issue**

**5,420,054 shares / ₹200.00 Cr**

**Offer for Sale**

**9,133,454 shares of ₹2 / ₹337.02 Cr**

**Basis of Allotment**

**Wednesday, June 26, 2024**

**Initiation of Refunds**

**Thursday, June 27, 2024**

**Credit of Shares to Demat**

**Thursday, June 27, 2024**

**Aasaan Loans Listing Day**

**Friday, June 28, 2024**

## Objects of The Offer

The company proposes to utilize the Net Proceeds towards the funding of the following objects:

1. Expenditure for opening new stores under the formats of "Stanley Level Next", "Stanley Boutique" and "Sofas & More by Stanley" ("New Stores");
2. Expenditure for opening anchor stores ("Anchor Stores");
3. Expenditure for the renovation of existing stores under the formats of "Stanley Level Next", "Stanley Boutique" and "Sofas & More by Stanley" ("Existing Stores");
4. Funding the capital expenditure requirements for purchasing new machinery and equipment by the company and Material Subsidiary, SOSL; and
5. General corporate purposes.

# Brief profiles of the Directors



**Sunil Suresh** is our Managing Director. He completed his SSLC exam with the Karnataka Secondary Education Examination Board and has been with our company as a promoter and director since October 11, 2007. Before joining our company, he worked at Stanley Seating, making car seat leather upholstery.

**Shubha Sunil** is our Whole Time Director. She has a Bachelor of Science from Bangalore University and completed the INSEAD leadership program for senior executives. She has been with our company as a promoter and director since October 11, 2007, and also worked at Stanley Seating before joining us.

**Vishal Verma** is a Non-Executive Nominee Director. He has an MBA from the Indian Institute of Foreign Trade, New Delhi, and over 18 years of experience. He is currently an Investment Director at Oman India Joint Investment Fund Management Company and previously worked at ICICI Bank Limited.

**Girish Shrikrishna Nadkarni** is an Independent Director. He has a bachelor's degree in commerce from the University of Mumbai, a qualification from the Institute of Cost Accountants of India, and a postgraduate diploma from IIM Ahmedabad. He has over 16 years of experience and is a director at Clair Advisors Private Limited.

**Ramanujam Venkat Raghavan** is an Independent Director. He has a bachelor's degree in commerce from Bangalore University and over 18 years of experience. He is currently the CEO and director at Shahi Exports Private Limited.

**Anusha Shetty** is an Independent Director. She holds a postgraduate diploma in management from T.A. Pai Management Institute and has over 17 years of experience. She is the chairperson and group CEO of Grey Group India.



# About The Company.

Stanley Lifestyles is India's largest super-premium and luxury furniture brand. They design, manufacture, and retail furniture under the "Stanley" brand name. Established in 2011, they've grown from a single store to a comprehensive home solution provider, offering luxury furniture, kitchens, and mattresses across various price points. Stanley Lifestyles leverages their experience in leather upholstery to create high-quality furniture and has built brand recognition through targeted marketing and customer loyalty programs.

## Description of Their Business

They are a top-tier luxury furniture brand in India, recognized as one of the few home-grown super-premium brands operating on a large scale in both manufacturing and retail. In Fiscal 2023, they ranked as the fourth largest player in the Indian home furniture market by revenue. They are pioneers in the super-premium and luxury furniture segment in India and stand out as one of the few companies offering products across a range of price points, from super-premium to ultra-luxury, through various brands.

Their luxury furniture is marketed under the "Stanley" brand. Over the years, they have built strong brand recognition and customer loyalty through high-quality products and targeted marketing campaigns such as "Beautiful Living," "Design Glamour," "Luxury Unlimited," and "Bed of Dreams."



# Manufacturing-Retail Model

- They design, manufacture, and retail their products through a network of both company-owned and operated, as well as franchisee-owned and operated stores across India. According to the RedSeer Report, they are among the top four Indian super-premium and luxury furniture manufacturers in the country, notable for their fully integrated operations, allowing them to produce and distribute their products through their own retail network.

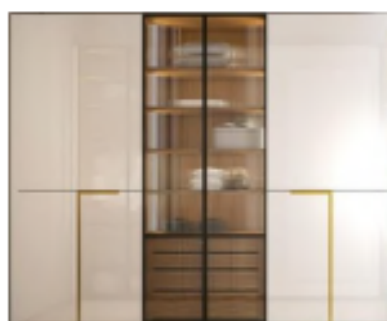
## Kitchen and Cabinetry

- They offer a variety of materials, finishes, and styles available for their kitchen and cabinetry products with versatile options to suit different design preferences and lifestyle needs.

*Kitchens*



*Wardrobes*



*Laundry / Utility*



*Bar Units*



## Mattresses and Beds

- They design, manufacture and sell a range of bed frames and mattresses. Further, they also sell bedding and bedroom accessories such as pillows, which are designed and manufactured by us.

*Mattresses*



*Beds*

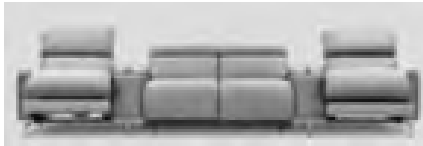




# Seating

- They are engaged in the design, production and sale of seating products majority of which can be customized in various configurations such as four seater or three seater sofas, leg options and upholstery options such as Scandinavia Max, Euro Nappa / Tuscana Nova Cashmere / Poach Molba.

*Sofas*



*Sofa-cum-Bed*



*Recliners*



*Cushions*



*Dining Chairs*



*Pouffes*



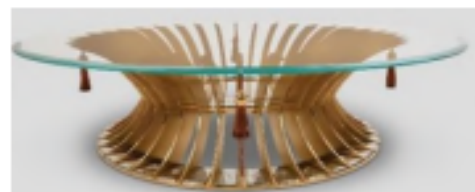
*Bar Stools*



# Cased Goods

- They cased goods furniture products are constructed with a solid outer case, typically made of wood which offer durability and aesthetic, providing functional storage solutions while adding a touch of elegance

*Coffee Tables*



*Dining Tables*



*End Tables*



*Consoles*



# Track Record Of Financial Performance



Particulars	Note No.	For the period ended 31 December 2023	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
I Revenue from operations	22	3,133.11	4,189.98	2,922.04	1,957.80
II Other income	23	89.81	66.24	55.51	59.31
<b>III Total income</b>		<b>3,222.92</b>	<b>4,256.22</b>	<b>2,977.55</b>	<b>2,017.11</b>
<b>IV Expenses</b>					
a) Cost of materials consumed	24	1,383.77	2,042.55	1,456.10	902.00
b) Purchase of stock-in-trade	25	239.42	108.14	201.30	52.90
c) Changes in inventories of finished goods and work-in-progress	26	(149.13)	(107.82)	(216.88)	20.50
d) Employee benefits expense	27	421.56	494.57	337.37	270.36
e) Finance costs	28	142.68	146.91	108.78	87.72
f) Depreciation and amortisation	29	277.52	282.50	217.45	207.14
g) Other expenses	30	659.84	825.37	554.07	414.29
<b>V Total expenses</b>		<b>2,975.66</b>	<b>3,792.22</b>	<b>2,658.19</b>	<b>1,954.91</b>
<b>Restated profit before tax (III - V)</b>		<b>247.26</b>	<b>464.00</b>	<b>319.36</b>	<b>62.20</b>
<b>VI Tax expenses</b>					
a) Current tax	31	86.26	143.98	103.54	48.60
b) Deferred tax	31	(24.99)	(25.91)	(18.77)	(34.00)
c) Short/(excess) provision of tax relating to earlier years	31	(0.98)	(3.84)	2.40	28.37
<b>Total tax expenses</b>		<b>60.29</b>	<b>114.23</b>	<b>87.17</b>	<b>42.97</b>
<b>VII Restated profit for the period/ year</b>		<b>186.97</b>	<b>349.77</b>	<b>232.19</b>	<b>19.23</b>
Profit/(Loss) attributable to non controlling interest	15	(10.82)	21.02	18.70	8.92
<b>Profit attributable to owners</b>		<b>197.79</b>	<b>328.75</b>	<b>213.49</b>	<b>10.31</b>
<b>VIII Other comprehensive income (OCI)</b>					
<b>Other comprehensive income not to be reclassified to restated profit or loss in subsequent periods:</b>					
Re-measurement gains/ (losses) on defined benefit plans	36	(2.64)	2.23	6.43	5.71
Income tax effect on above	31	0.66	(0.56)	(1.62)	(1.44)
<b>Other comprehensive income for the period/ year, net of tax</b>		<b>(1.98)</b>	<b>1.67</b>	<b>4.81</b>	<b>4.27</b>
<b>Restated earnings per equity share (EPS)</b>					
- Basic (in Rs) (face value of share Rs. 2/-)	43	3.83	6.37	4.14	0.20
- Diluted (in Rs) (face value of share Rs. 2/-)	43	3.83	6.37	4.14	0.20

The table below provides details of their revenue from operations from the sale of their products in the periods indicated:



Product Category	Fiscal						For the nine months ended December 31, 2023	
	2021		2022		2023		Amount (₹ million)	Percentage of Revenue from Operations (%)
	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)	Amount (₹ million)	Percentage of Revenue from Operations (%)		
Seating	1,089.01	55.62%	1,648.14	56.40%	2,402.79	57.35%	1,761.57	56.22%
Automotive and Others <sup>(1)</sup>	200.55	10.24%	227.67	7.79%	290.43	6.93%	229.86	7.34%
Beds and Mattress	114.63	5.85%	147.09	5.03%	200.30	4.78%	153.13	4.89%
Case Goods	188.23	9.61%	324.82	11.12%	551.75	13.17%	495.62	15.82%
Kitchen and Cabinetry	70.67	3.61%	94.62	3.24%	241.06	5.75%	140.06	4.47%
Leather Automotive Interiors <sup>(2)</sup>	294.71	15.05%	479.71	16.42%	503.65	12.02%	352.88	11.26%
<b>Total</b>	<b>1,957.80</b>	<b>100.00%</b>	<b>2,922.04</b>	<b>100.00%</b>	<b>4,189.98</b>	<b>100.00%</b>	<b>3,133.11</b>	<b>100.00%</b>

The table below sets forth details their revenue from operations across regions in India for the periods indicated

Particulars	Fiscal						For the nine months ended December 31, 2023	
	2021		2022		2023		Revenue from Operations (₹ million)	Percentage from Revenue of Operations (%)
	Revenue from Operations (₹ million)	Percentage from Revenue of Operations (%)	Revenue from Operations (₹ million)	Percentage from Revenue of Operations (%)	Revenue from Operations (₹ million)	Percentage from Revenue of Operations (%)		
South <sup>(1)</sup>	1,585.51	80.98%	2,419.33	82.80%	3,444.96	82.22%	2,501.36	79.84%
West <sup>(2)</sup>	207.05	10.58%	281.45	9.63%	396.84	9.47%	408.23	13.03%
East <sup>(3)</sup>	20.04	1.02%	36.23	1.24%	61.86	1.48%	54.26	1.73%
North <sup>(4)</sup>	145.20	7.42%	185.03	6.33%	286.32	6.83%	169.27	5.40%
<b>Total</b>	<b>1,957.80</b>	<b>100.00%</b>	<b>2,922.04</b>	<b>100.00%</b>	<b>4,189.98</b>	<b>100.00%</b>	<b>3,133.11</b>	<b>100.00%</b>



# Strengths



1. Leading and rapidly expanding brand in the luxury and super-premium furniture segment.
2. Comprehensive home solutions provider, offering a wide range of categories and price points.
3. Nationwide presence with strategically located stores.
4. Emphasis on design-driven product innovation.
5. Vertically integrated manufacturer known for skilled craftsmanship.
6. Efficient business model with a proven track record of financial growth.
7. Promoter-led company supported by an experienced professional and senior management team.

# Threats

1. The company is a leading super-premium and luxury consumer brand in India, excelling in both manufacturing and retail operations. It has the largest store network and is the fastest-growing brand in the furniture segment.
2. Offering a wide range of home furnishing products, the company aims to be a one-stop destination for customers. By regularly updating its product range, it ensures that its catalogue remains trendy, fresh, and aligned with current customer preferences and market trends.
3. With a vertically integrated model, the company controls its processes from raw material procurement to retail, ensuring high-quality products that stand out in the market.

# Valuation and Outlook



The expected share price for Stanley Lifestyles Limited IPO is set between ₹351 to ₹369 per share. The company's valuation shows a Price-to-Earnings (P/E) ratio of 57.92x, based on a price above ₹369, and FY23 EPS is ₹6.37.

There are no listed companies in India or globally similar to theirs, so no industry comparison is provided. Stanley Lifestyles ("Stanley") is a top luxury furniture brand in India, ranking fourth in the home furniture segment by revenue in Fiscal 2023. They are one of the few home-grown brands operating at scale in both manufacturing and retail, maintaining high profitability across mass, luxury, and ultra-luxury segments. With improved lifestyles, more households, and a trend towards second homes, growth is expected to continue. The management is committed to expanding market share and increasing the customer base in the coming years.

We assign a "**Subscribe**" grade for this issue.

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