Stanley Lifestyles Limited
IPO Note
Date: 20.06.2024

- Stanley Lifestyles Ltd. (SLL) is a prominent manufacturer and retailer of luxury furniture in India, operating 62 stores across 25 cities. It isIndia's fourth-largest player in the home furniture segment by revenue in FY23.
- SLL offers a wide range of products across super-premium, luxury, and ultra-luxury segments.
- The management has reported that foreign brands currently hold over 50% of the market share in the luxury furniture segment in India. Given the rising domestic consumption, the company aims to capture a higher percentage of this market share in the future.
- It plans to open 12 to 15 stores annually over the next three years, anticipating 20-30% year-over-year business growth.
- The company has a vast network of designers and real estate partners, enabling them to supply products to new flats sold in warm-shell conditions.
- The company's capacity utilisation is 50%, allowing room for expansion without immediate capital expenditure.
- Based on FY23 and annualised FY24 earnings, the P/E ratio stands at 57.93x and 72.26x, indicating aggressive pricing.
- Despite this, SLL's strong market position and growth potential make it a promising investment.

Therefore, we recommend to **SUBSCRIBE** this issue for long-term gains.

STANLEY Makers Of Beautiful

About Company

- Stanley Lifestyles Limited designs and manufactures super-premium, luxury and ultra-luxury furniture and sells it through its brand "Stanley".
- As of December 31, 2023, the Company operated 38 "company-owned and company-operated" or "COCO" stores, all located in the major metropolitan cities of Bengaluru, Chennai, New Delhi, Mumbai, and Hyderabad, and 24 "franchisee-owned and franchisee-operated" or "FOFO" stores in 21 cities across 11 Indian states and Union Territories.

Issue details

Price Band (in ₹ per share)	351-369
Issue size (in ₹ Crore)	520.58-537.02
Fresh Issue (in ₹ Crore)	200.00
OFS (in ₹ Crore)	320.58-337.02
Issue open date	21.06.2024
Issue close date	25.06.2024
Tentative date of Allotment	26.06.2024
Tentative date of Listing	28.06.2024
Total number of shares (lakhs)	148.31-145.54
No. of shares for QIBs (50%) (lakhs)	74.16-72.77
No. of shares for NII (15%) (lakhs)	22.25-21.83
No. of shares for S-HNI (33%)(lakhs)	7.42-7.28
No. of shares for B-HNI (66%)(lakhs)	14.83-14.55
No. of shares for retail investors (35%) (lakhs)	51.91-50.94
No of shares for Employee Reservation (lakhs)	NA
Minimum order quantity	40
Face value (in ₹)	2.00
Amount for retail investors (1 lot)	14040-14760
Maximum number of shares for Retail investors at Lower Band	560 (14 lots)
Maximum number of shares for Retail investors at Upper Band	520 (13 lots)
Maximum amount for retail investors at lower band - upper band	196560-191880
Minimum number of shares for sHNI (2 Lakhs) at upper band	560 (14 Lots)
Maximum number of shares for sHNI (10 Lakhs) at upper band	2680 (67 Lots)
Minimum number of shares for bHNI at upper band	2720 (68 Lots)
Exchanges to be listed on	BSE, NSE

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Objective of the Offer

- Expenditure for opening new stores & renovation under the formats of "Stanley Level Next", "Stanley Boutique" and "Sofas & More by Stanley";
- Expenditure for opening anchor stores;
- Funding the capital expenditure requirements for purchasing new machinery and equipment by the company and Material Subsidiary, SOSL; and
- General corporate purposes.

Brief Financials

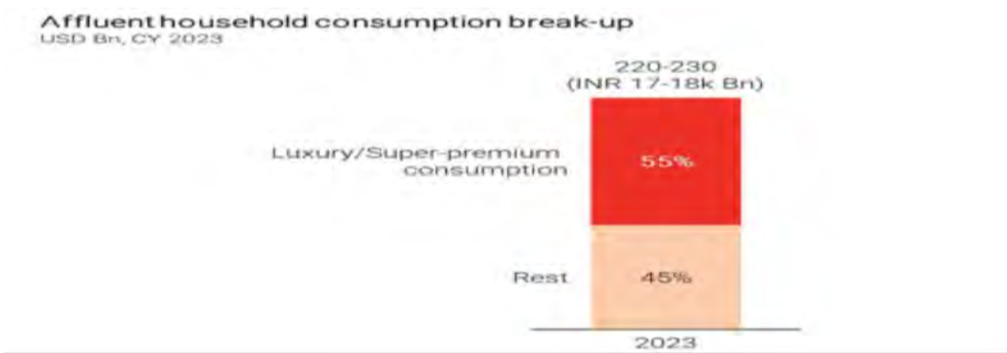
PARTICULARS (Rs. Cr)*	9MFY24	FY23	FY22	FY21
Share Capital	10.31	7.37	7.37	7.37
Net Worth	237.21	216.50	199.75	182.93
Revenue from operation	313.31	418.99	292.20	195.78
EBITDA	57.76	82.71	59.00	29.77
EBITDA margin (%)	18.44	19.74	20.19	15.21
Profit/(Loss) After Tax	18.69	34.97	23.21	1.92
EPS (in Rs)	5.10^	6.37	4.14	0.20
Net Asset Value (Rs)	45.97	41.96	38.71	35.45
Total Borrowing	30.89	9.37	6.08	0.25
P/E#	72.26^	57.93	NA	NA
P/B#	8.03	8.79	NA	NA

Source: RHP #calculated at upper price band *Restated consolidated financials ^annualized EPS

Industry Review

Drivers of luxury/super-premium consumption: Rising income and aspirational lifestyle

◊ Affluent households are projected to experience a growth rate of 10% annually between 2023-27, reaching a total of 13 million by 2027. This growth is attributed to various factors, including rising income, access to quality education, increased opportunities, and significant investments. As per Redseer estimates, affluent households drive approximately 55% of the consumption towards luxury/super-premium goods and services, estimated to be US$ 130-140 billion.



◊ With the onset of social media and international travel becoming accessible, there has been a rich exposure among the population towards global trends and lifestyle goods. This trend has boosted the awareness among households among luxury/super-premium lifestyle and products, which has also positively impacted the overall luxury/super-premium market.

◊ There has been a rapid increase in the millennial and Gen Z population. These group of population embrace luxury/super-premium products as they prioritise value offered by the products. Also, the rise of accessible luxury/super-premium brands and entry level luxury/super-premium products has made luxury attainable for millennials and Generation Z.

◊ Millennials and Gen Z populations are also digital natives and continuously engage with online content and are expecting highly sophisticated digital experiences. Luxury/super-premium brands have been able to rise to their expectations and always offer experiences that are worth the costs that are associated with the products.

◊ India has the largest population base of Gen Z and Millennials in the world. They offer unprecedented opportunities for brands. They will significantly drive the luxury/super-premium market in the country.