



Stanley is a super-premium and luxury furniture brand in India, distinguished as one of the few home-grown super-premium and luxury consumer brands operating at scale in terms of manufacturing as well as retail operations. Further, Stanley is the fourth largest player in the home furniture segment in India in terms of revenue in FY23. Stanley has the distinction of being among the first few Indian companies to venture into the super-premium and luxury furniture segment and one of the few Indian companies present across various price points, i.e., super-premium, luxury, and ultra-luxury segment, through its various brands.

Investment Rationale:

Stanley lifestyles TAM in India as the largest and the fastest growing brand in the luxury/super-premium furniture segment:

- In FY23, Stanley Lifestyles has an addressable market of approximately US\$ 5.3 billion (₹423 billion), projected to grow to approximately US\$ 10.5 billion (₹840 billion) by FY27.
- Their current suite of offerings focuses on the luxury furniture, home goods, and home interiors market in India.
- Stanley is the largest in terms of number of stores and total different types of luxury products offered amongst peers and the fastest in terms of revenue growth.

Strategic expansion plans of retail stores which will boost the top-line growth:

- Stanley's expansion into newer markets offers potential for market share gains, increased brand recognition, and economies of scale.
- Stanley intends to establish 24 new stores between FY25 to FY27 in the states and union territories of Delhi, Tamil Nadu, Telangana, and Maharashtra through five of its subsidiaries. Stanley proposes to utilize an estimated amount of ₹901.27 million from the Net Proceeds towards the establishment of these new stores.
- Stanley intends to establish three Anchor Stores between FY26 to FY27, each with an estimated average size of 30,000 square feet in the States and Union Territories of Delhi, Telangana, and Maharashtra through 3 of its subsidiaries.

Expansion Strategies in B2B segment and diversifying product portfolio:

- Stanley aims to expand its presence in the B2B segment and enter into distribution arrangements.
- With a shift towards luxury furniture in airports, corporate offices, and high-end hospitals, Stanley plans to leverage its brand value and premium products to meet this demand.
- To connect with younger demographics and diversify its portfolio, Stanley intends to offer perfumes through its stores, aiming to cross-sell products and build long-term customer relationships

Valuation and Outlook: In FY23, Stanley Lifestyles has an addressable market of approximately US\$ 5.3 billion (₹423 billion), projected to grow to approximately US\$ 10.5 billion (₹840 billion) by FY27. The company currently has 62 COCO and FOFO stores as of 9MFY24 with an average revenue per store of ₹50.67 million. With the expansion of 24 new stores by FY27 and 3 new anchor stores the company's total store count will increase to 89 stores. We also expect the company's average revenue per store to increase due to rise in India's GDP per capita, growth of affluent households, and increase in organised retail share in the luxury retail market. Stanley is the largest in terms of number of stores and total different types of luxury products offered amongst peers and the fastest in terms of revenue growth. The rapid expansion of stores from 19 stores in FY21 to 34 stores in FY23 has resulted in a CAGR of 46.29% in revenues with EBITDA also growing 173.44% with an increase of EBITDA margin from 15% in FY21 to 20% in FY23 during the same period as the company catered luxury and premium furniture products which have higher margins. The company reported ROE and ROCE of 16.83% and 28.99% in FY23. We recommend a subscribe to the issue, as the company is poised to benefit from the growth in the luxury, premium products segment as the company with no probable listed peers in the Indian market and largest product offerings. We recommend a subscribe to the issue, as a good long term investment as the new store additions done over the last 2-3 years combined with the new store additions in the years to come nearly trebles the company's presence coupled with very strong industry growth rates.

Key Financial & Operating Metrics (Consolidated)

In INR mn	Revenue	YoY (%)	EBITDA	EBITDA %	PAT	EPS	ROE	ROCE
FY21	1957.80	-	307.91	15.73%	19.23	0.20	1.05	8.74
FY22	2922.04	49.25	602.69	20.63%	232.19	4.14	12.13	22.66
FY23	4189.98	43.39	841.95	20.09%	349.77	6.13	16.83	28.99

Issue Snapshot

Issue Open	21-June-24
Issue Close	25-June-24
Price Band	INR 351-369
Issue Size (Shares)	1,45,53,508
Market Cap (mIn)	INR 21039

Particulars

Fresh Issue (INR mIn)	INR 2000
OFS Issue (INR mIn)	INR 3370.24
QIB	50%
Non-institutionals	15%
Retail	35%

Capital Structure

Pre Issue Equity	5,15,97,168
Post Issue Equity	5,70,17,222
Bid Lot	40 shares
Minimum Bid amount @ 351	INR 14040
Maximum Bid amount @ 369	INR 14760

Share Holding

	Pre Issue	Post Issue
Promoters	67.36%	56.81%
Public	33.00%	43.19%

Particulars

Face Value	INR 2
Book Value	INR 76.68
EPS, Diluted	INR 6.13

Objects of the Issue

1. Opening of new stores by subsidiaries- INR 901.27mn
2. Opening anchor stores by subsidiaries- INR 399.90mn
3. Renovation of existing stores- INR 100.40mn
4. Funding capex for purchase of new machinery- INR 66.59mn
5. General corporate purposes

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Stanley is a super-premium and luxury furniture brand in India, distinguished as one of the few home-grown super-premium and luxury consumer brands operating at scale in terms of manufacturing as well as retail operations. Further, Stanley is the fourth largest player in the home furniture segment in India in terms of revenue in FY23. Stanley has the distinction of being among the first few Indian companies to venture into the super-premium and luxury furniture segment and one of the few Indian companies present across various price points, i.e., super-premium, luxury, and ultra-luxury segment, through its various brands.

Manufacturing-Retail Model

Stanley designs, manufactures, and retails its products through its own network of 'company owned and company operated' and 'franchisee-owned and franchisee-operated' stores with pan-India presence. Stanley is among the top four Indian super-premium and luxury furniture manufacturing companies in India that is completely integrated, possessing the ability to manufacture its products and distribute them through its own network of retail stores. Stanley believes that its in-house manufacturing operations coupled with its retailing model differentiates it from other Indian and foreign furniture brands. Stanley's integrated model provides it with the ability to have complete control over its processes, ranging from procurement of raw materials, designing its products, manufacturing, quality control, marketing, and ultimately sale of its products.

Stanley offers customers bespoke products by leveraging the skilled craftsmanship of its employees. Stanley's employees possess expertise across various processes deployed as part of its operations, which include leather marking, cutting, carpentry, sewing and stitching, metal work, and polishing. As of 9MFY24, the total number of craftsmen associated with Stanley's new product development division was 58 (including permanent employees and craftsmen on a contractual basis). Stanley focuses on attention to detail while blending unique manufacturing techniques with contemporary design to deliver a truly distinctive product experience and offer luxurious offerings to customers. Almost all of Stanley's products under its "Stanley Level Next" and "Stanley Boutique" brands include handcrafted elements.

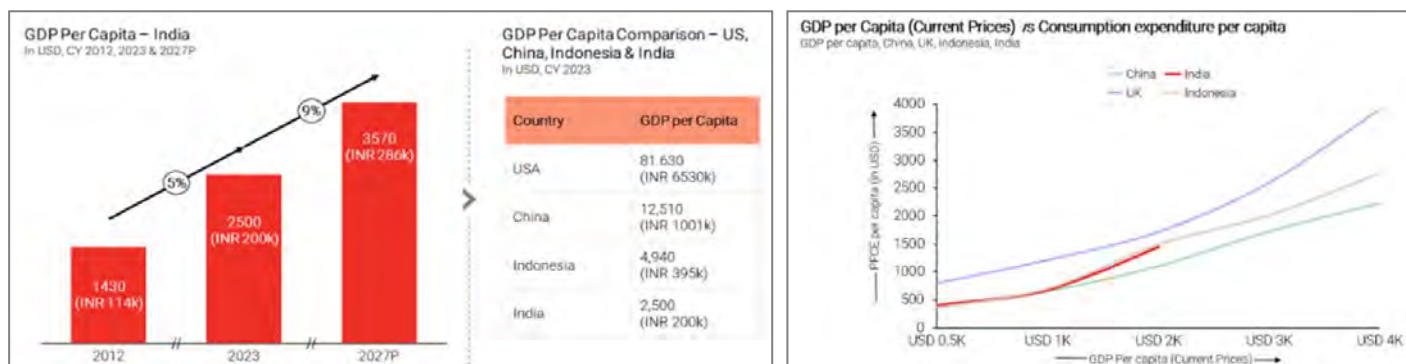
Over the years, Stanley has developed long-standing relationships with its vendors, allowing it to source quality raw materials, including leather and Forest Stewardship Council ("FSC") certified timber used in its operations. Stanley uses premium quality leather sourced from green certified tanneries across Europe while the timber used to manufacture its products is sourced from vendors across South-East Asia. Stanley is also one of the largest importers of leather in India for furniture manufacturing purposes in FY23. Stanley believes that its ability to oversee various processes results in better product quality and reduced delivery timelines, and its ability to adapt to customers' requirements and preferences allows it to manufacture furniture for every room of a home.

Retail Presence

Stanley markets and sells its products through its network of stores. Stanley believes its stores are the first step towards entering the world of luxury furniture for its customers. Over the years, Stanley has significantly expanded its network of stores and as of 9MFY24, it operated 38 'company owned and company operated' or "COCO" stores all located in the major metro-cities of Bengaluru, Chennai, New Delhi, Mumbai, and Hyderabad and 24 'franchisee-owned and franchisee-operated' or "FOFO" stores in 21 cities across 11 States and Union Territories in India. In addition, in certain cities in India, Stanley has also experimented with a hybrid concept, where it may have different store formats under one large store in order to efficiently utilize the real estate and provide an opportunity to its customers to experience the complete "Stanley" brand experience under one roof. For example, one of Stanley's existing stores located at Hosur Road, Bengaluru, Karnataka includes different store formats, i.e., "Stanley Level Next" and "Sofas & More by Stanley" at a single location.

Industry Overview:

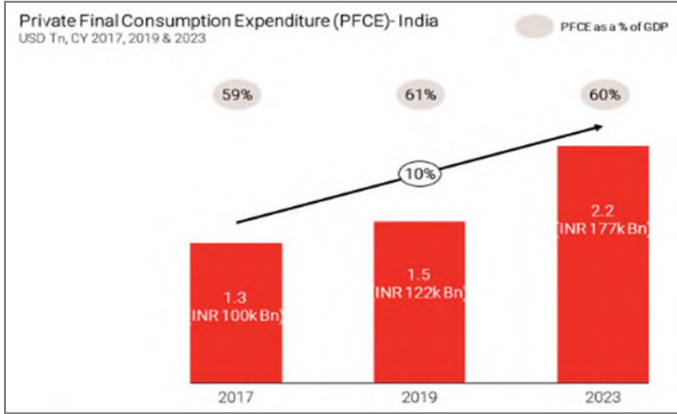
Indian households actively engage in discretionary spending, especially luxury spending, fueled by the surge in GDP Per Capita: According to the IMF, India's GDP per capita was US\$ 2,500 in 2023, which is currently lower than that of other developed economies like the US (US\$ 81,630) and China (US\$ 12,510). However, the IMF has projected a potential growth of 9% annually, which could result in India's GDP per capita reaching US\$ 3,570 by CY27. In mature economies, crossing the GDP per capita mark of approximately US\$ 2,000 has historically signalled an inflection point that indicates an increase in discretionary expenditure. For instance, when China surpassed the US\$ 2,000 mark in CY06, it witnessed significant growth in its Private Final Consumption Expenditure (PFCE is defined as the expenditure incurred by the resident households on final consumption of goods and services, whether made within or outside the economic territory). India is



bound to witness a similar trend, with the current GDP per capita ranging from US\$ 2,200 to US\$ 2,400.

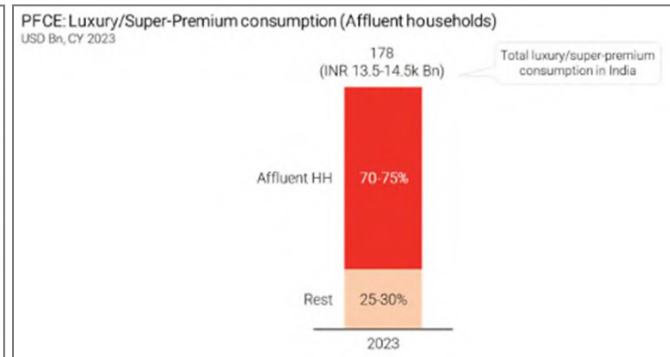
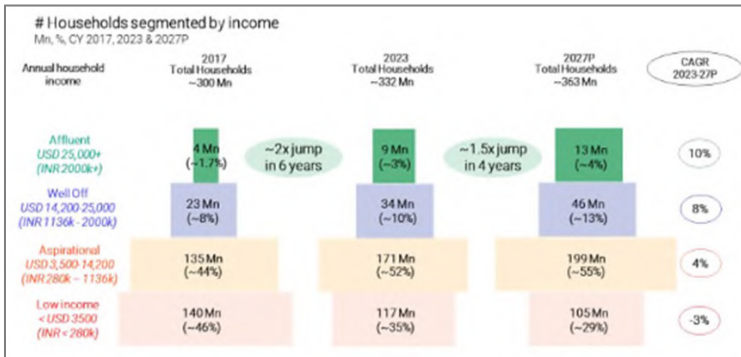
The consumption of luxury/super-premium goods correlates with GDP per capita: Considering the potential for India's GDP per capita to surpass US\$ 2,000, India can emerge as a significant contributor to the global luxury/super-premium market.

According to the World Bank, India's PFCE still remains below that of developed nations such as the USA (US\$ 16.7 trillion) and China (US\$ 7.5 trillion). However, the Indian Budget Report Fiscal 2023 states that PFCE experienced a growth rate of 10% and is projected to reach US\$ 2.2 trillion by 2023, constituting approximately 60% of the country's GDP. This highlights the substantial contribution of PFCE to India's overall economic activity. The growth in PFCE indicates that households have a higher propensity to consume goods and services, reflecting positive consumer sentiment, increasing purchasing power, and rising incomes.

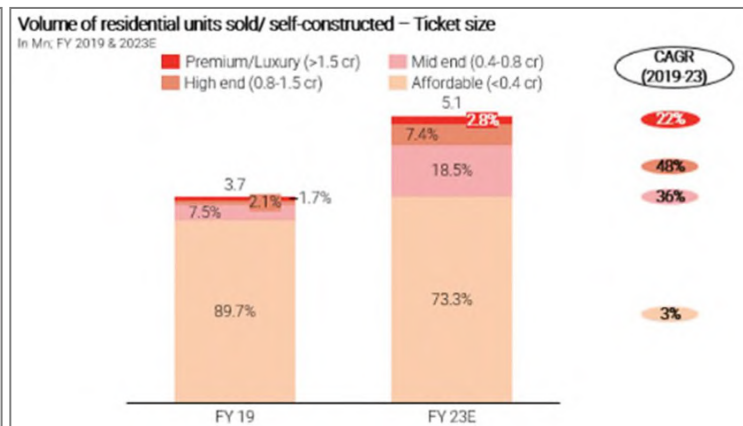
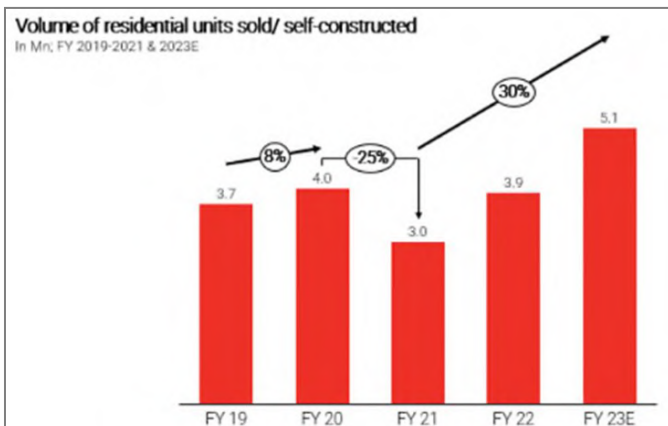
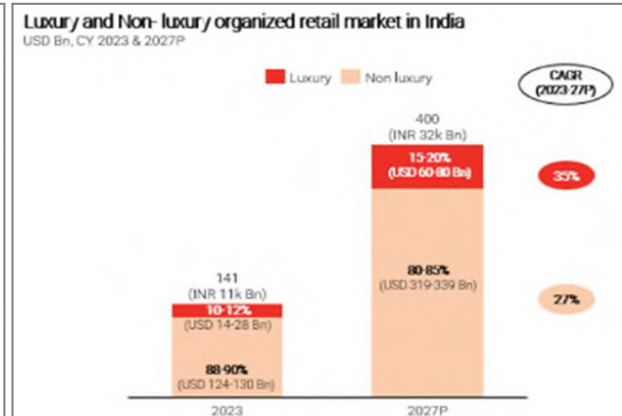
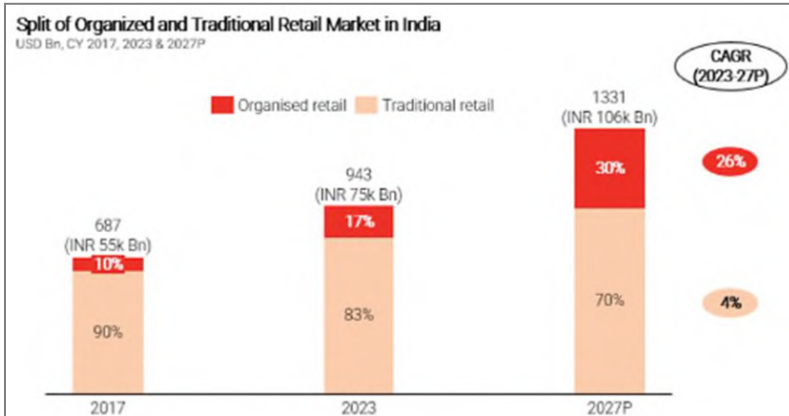


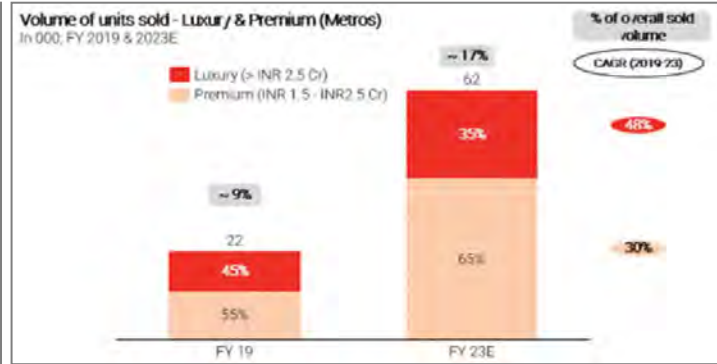
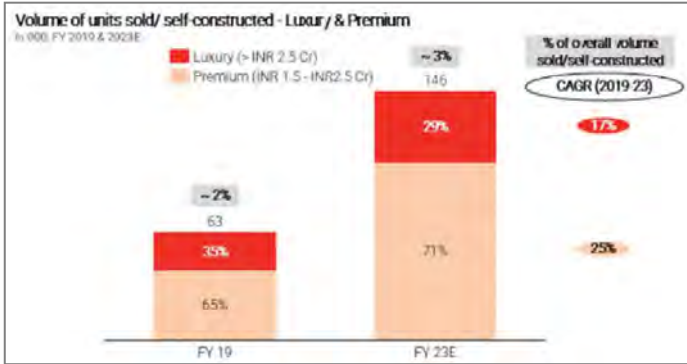
The growing number of affluent households' fuels rising consumption and drives luxury/super-premium spending: The total number of Indian households can be broadly divided into four cohorts: affluent, well-off, aspirational, and low-income households. While aspirational households (households with an annual income of US\$ 3,500/₹ 0.28 million to US\$ 14,200/₹ 1.13 million) form the largest chunk of the population, affluent households (households with an annual income of more than US\$ 25,000/₹ 2 million), which currently represent approximately 3% of the total households, are projected to grow fastest, at 10% annually between FY23-27. During FY17-23, the total number of affluent households has grown approximately 2 times, from 4 million to 9 million, which depicts a significant jump when compared to other household categories. With the rise in household incomes and an upward shift in the household pyramid, there is an anticipated increase in discretionary spending as well. This observation is further supported by the growth of discretionary spending in PFCE (Private Final Consumption Expenditure) over the past decade. This suggests consumers are increasingly spending a large portion of their budgets on discretionary items and experiences. Although affluent households make up only 3% of the total households, they

contribute 10% of the total PFCE. This signifies that affluent households have high purchasing power and engage in a substantial amount of discretionary spending. This reflects their ability to indulge in luxury and super-premium goods and services. Luxury consumption in FY23 accounted for 3% and super-premium consumption accounted for 5% of the PFCE, respectively. Luxury consumption grew at a CAGR of 17% over the last 6 years, whereas super-premium consumption grew at a CAGR of 19% over the same period.



Luxury organised retail to grow at 26% within FY23-27

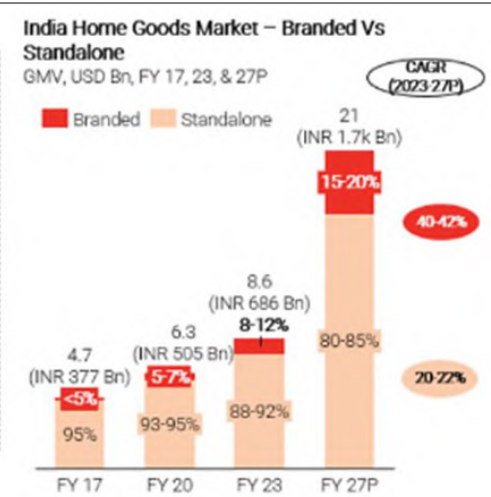
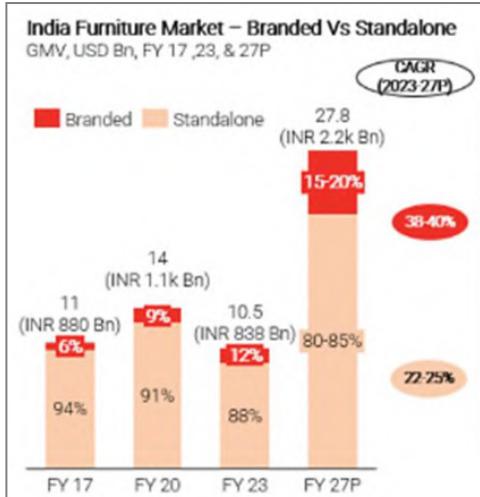
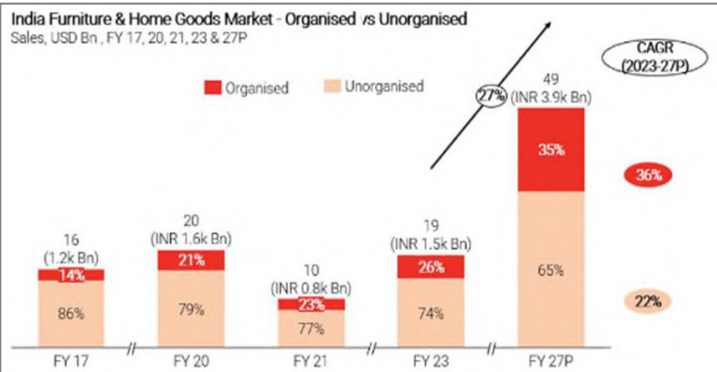
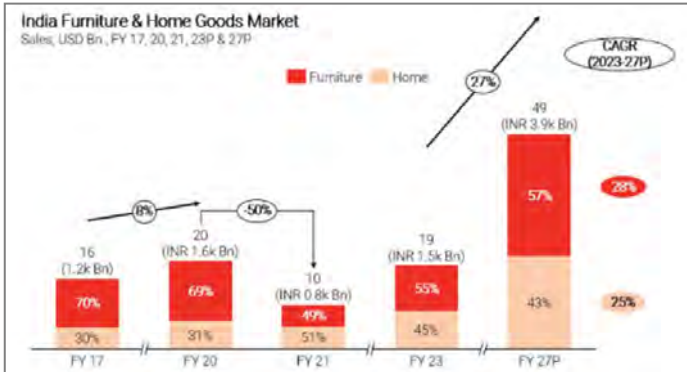




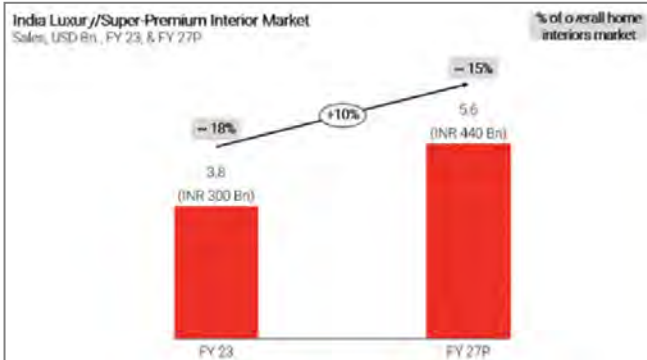
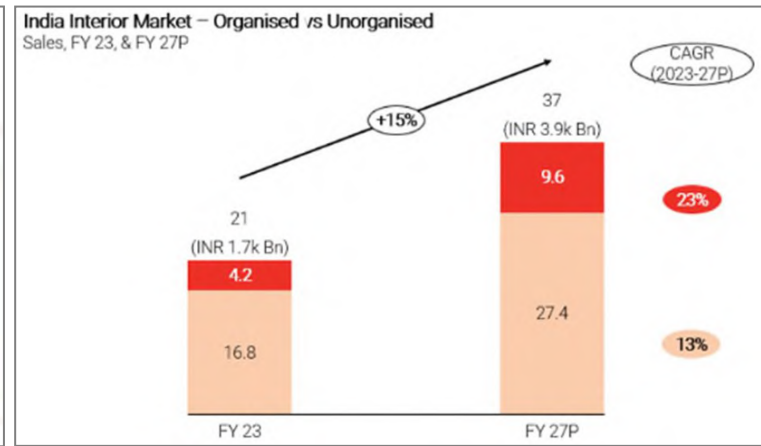
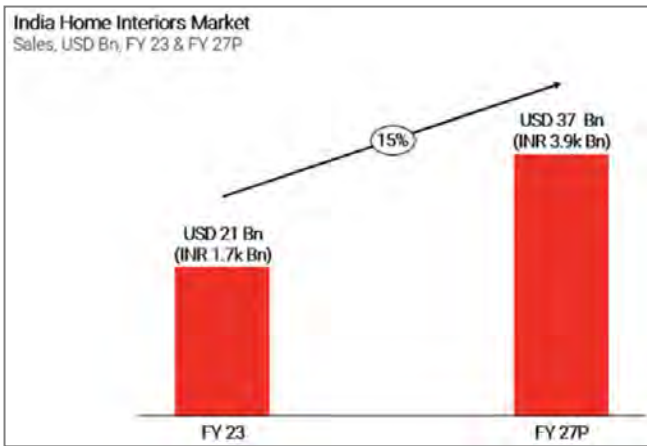
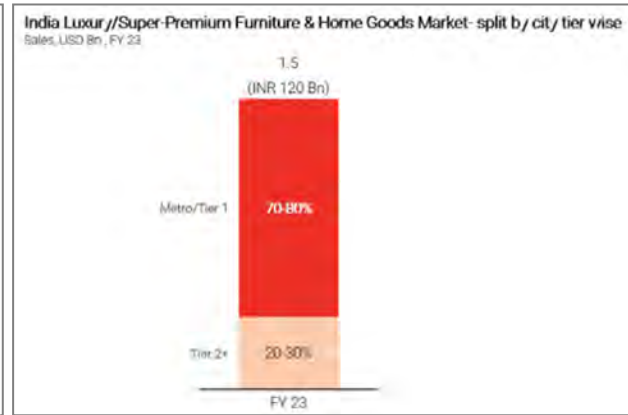
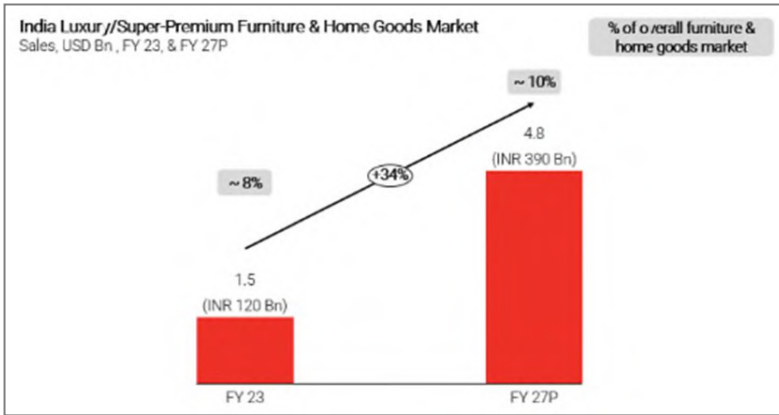
The furnishing market likely to be direct beneficiary of the surge in demand for real estates:

- The growth in the real estate market is closely tied to the growth of the home furnishing market. As real estate grows, so does the demand for home furnishings. On average, approximately 20-25% of the total cost of acquiring a household is spent on home furnishings, which is a substantial amount considering the growth in residential real estate sales and the trend of consumers buying multiple residential units.
- One of the key factors boosting the growth of the home furnishing market is the increased demand for housing units driven by the real estate market. Homeowners and renters need furniture to make their living spaces functional and aesthetically pleasing, which in turn drives growth in the furniture market.
- As real estate grows, so too does the demand for interior design and home staging services. Homeowners and real estate developers look for ways to make their properties more attractive to potential buyers. Interior designers and home stagers select and arrange furniture in a way that creates a stylish and inviting atmosphere. This can help to sell a property more quickly and for a higher price, which in turn drives demand for furniture.
- The real estate market significantly influences housing trends and changing lifestyle preferences. As the market grows, new housing trends emerge, such as open floor plans, smart homes, or eco-friendly designs. These trends often require specific types of furniture that align with the evolving preferences of homebuyers and renters, leading to growth in the furniture market.
- With real estate growth, there is increased awareness of design trends and the importance of home furnishing aesthetics. Luxury and premium real estate consumers are more likely to be knowledgeable about current interior design styles, materials, and decor. This heightened awareness and interest in home interior solutions contribute to the growth of the market as consumers actively seek out products and services that align with their design preferences.
- Overall, the growth in the real estate market creates a ripple effect in the furniture market. The increasing demand for housing, interior design services, furnished options, renovations, and evolving housing trends all contribute to the expansion of the furniture market as it caters to the furnishing needs of properties in the real estate sector.

Indian furniture and home goods market to become US\$ 49 billion market by FY27



The luxury/super-premium furniture & home goods market is poised to triple its size by FY27:



Investment Rationale:

Stanley lifestyles TAM in India as the largest and the fastest growing brand in the luxury/super-premium furniture segment: In FY23, Stanley Lifestyles has an addressable market of approximately US\$ 5.3 billion (₹423 billion), projected to grow to approximately US\$ 10.5 billion (₹840 billion) by FY27. Their current suite of offerings focuses on the luxury furniture, home goods, and home interiors market in India. Within this market, the organized luxury segment, which includes sales through brick-and-mortar stores and online platforms, is experiencing significant growth. Growth in this segment is driven by factors such as rising nuclearization, increasing women's workforce, changing consumer preferences, higher disposable incomes, the influence of social media, rising housing projects, and the growth of the tourism and hospitality industry. Stanley is the largest in terms of number of stores and total different types of luxury products offered amongst peers and the fastest in

Luxury/super-premium brands offer comprehensive customisation options, but only a few, primarily Indian brands have established their own manufacturing setups.
Luxury/Super-Premium brands- Categor y wise presence

Brands	Living + Dining rooms	Bedroom	Kitchen cabinets	Complete home solution
Stanley Lifestyle	✓	✓	✓	✓
Roche Bobois	✓	✓	✗	✗
SCASA	✓	✓	✓	✗
BoConcept	✓	✓	✗	✗
Poltrona Frau	✓	✓	✓	✓
Royal zig	✓	✓	✓	✗
West elm	✓	✓	✗	✗
Vivono	✓	✓	✗	✗
Natuzzi	✓	✓	✗	✗
Dash square	✓	✗	✗	✗
Mor décor	✓	✓	✗	✗
Ashley Furniture	✓	✓	✗	✗
Sarita Handa	✓	✗	✗	✗
Simply Sofas	✓	✗	✗	✗
Mobel Grace	✓	✓	✓	✗



Category	Overall market (2023)	Overall market (2027P)	CAGR (2023-27P)	Luxury/super-premium market (2023)	Luxury/super-premium market (2027P)	CAGR (2023-27P)
In USD Bn (INR Bn), except for %						
Furniture	10.5 (INR 838 Bn)	27.8 (INR 2200 Bn)	28%	0.8 (INR 67 Bn)	2.8 (INR 223 Bn)	35%
Home Goods	8.6 (INR 686 Bn)	21 (INR 1600 Bn)	25%	0.7 (INR 55 Bn)	2.1 (INR 169 Bn)	32%
Interior market	21 (INR 1700 Bn)	37 (INR 3900 Bn)	15%	3.8 (INR 302 Bn)	5.6 (INR 444 Bn)	10%

terms of revenue growth.

Strategic expansion plans of retail stores which will boost the top-line growth: Stanley's expansion into newer markets offers potential for market share gains, increased brand recognition, and economies of scale. While Stanley has previously focused on expanding its presence in India, the company intends to continue increasing its presence within India as well as expanding its retail operations outside India, including but not limited to regions in the Middle East and Southeast Asia, to address the

luxury furniture requirements of high-net-worth individuals. With the increase of premium and luxury homes in India, Stanley intends to increase its same-city presence and target opening new stores across all its formats in major metro cities while also expanding its presence in markets where the company is not currently present. Stanley intends to establish 24 new stores between FY25 to FY27 in the states and union territories of Delhi, Tamil Nadu, Telangana, and Maharashtra through five of its subsidiaries. Stanley proposes to utilize an estimated amount of ₹901.27 million from the Net Proceeds towards the establishment of these new stores. The establishment of the new stores is proposed to be undertaken entirely from the Net Proceeds of the Fresh Issue. The new stores are proposed to be established under three formats: (i) Stanley Level Next, (ii) Stanley Boutique, and (iii) Sofas & More by Stanley ("Formats"). Stanley Level Next stores offer luxury products, Stanley Boutique stores offer premium products, and Sofas & More by Stanley stores offer products which fall in the mid-high category, thereby catering to customers at all price points. Stanley's new stores will be set up and operated by one or more of its subsidiaries depending on the region in which the new stores will be set up. In addition, going forward, Stanley may consider strategically acquiring stakes from its partners in certain subsidiaries. For example, Stanley has in the past acquired the stake of its partners in its subsidiary, Sana Lifestyles Limited, to make it a wholly-owned subsidiary and gain effective control over retail operations, focusing on improving profitability. Stanley may also grow its store count inorganically by converting FOFO stores into COCO stores by buying out its franchisee partners when the company sees a market opportunity. Further, Stanley will continue to undertake the refurbishment of its existing stores to align with its customer expectations. Under Stanley's renovation policy, once a particular format of store has completed five years of operations, the company typically renovates that store. Stanley intends to utilize an estimated amount of ₹100.40 million from the Net Proceeds to renovate 15 existing stores between FY25 to FY27 in the States and Union Territories of Delhi, Tamil Nadu, Telangana, Maharashtra, and Karnataka. Leveraging its experience in operating different store formats, such as "Stanley Level Next" and "Stanley Boutique" at a single location at one of its existing stores located at Hosur Road, Bengaluru, Karnataka, Stanley intends to establish three Anchor Stores between FY26 to FY27, each with an estimated average size of 30,000 square feet in the States and Union Territories of Delhi, Telangana, and Maharashtra through three of its subsidiaries. The Anchor Store format is a combination of

Total Owned stores by the company:

Format*	As of March 31,						As of December 31,	
	2021		2022		2023		2023	
	Stores	Cities	Stores	Cities	Stores	Cities	Stores	Cities
Company Owned and Company Operated Stores								
Stanley Level Next	3	1	4	2	5	3	6	4
Stanley Boutique	7	5	7	5	9	5	10	5
Sofas & More by Stanley	8	1	14	2	17	2	19	3
Others ⁽¹⁾	1	1	2	2	3	2	3	2
Total (A)	19	5	27	5	34	5	38*	5
Franchisee Owned Franchisee Operated Stores								
Stanley Level Next	-	-	1	1	1	1	1	1
Stanley Boutique	3	3	3	3	4	3	4	3
Sofas & More by Stanley	3	3	9	9	15	15	19	19
Total (B)	6	5	13	11	20	17	24	21
Total (A+B)	25	9	40	15	54	21	62	25

"Stanley Level Next", "Stanley Boutique", and "Sofas & More by Stanley" formats where luxury products are offered at a more affordable price. Stanley started operations at its first Anchor Store in Bengaluru, Karnataka in FY24. The company proposes to utilize an estimated amount of ₹399.90 million from the Net Proceeds towards the establishment of these Anchor Stores. The rapid expansion of stores from 19 stores in FY21 to 34 stores in FY23 has resulted in a CAGR of 46.29% in revenues with EBITDA also growing 173.44% with an increase of EBITDA margin from 15% in FY21 to 20% in FY23 during the same period as the company catered luxury and premium furniture products which have higher margins. With the further increase of 24 new stores we expect the company's earnings to further expand in the coming financial years.

The table below sets forth details of the revenue generated from sales for the periods indicated:

Store Category	Fiscal				For the nine months ended December 31, 2023			
	2021		2022		2023		2023	
	Revenue (₹ million)	Percentage of Revenue from Operations (%)	Revenue (₹ million)	Percentage of Revenue from Operations (%)	Revenue (₹ million)	Percentage of Revenue from Operations (%)	Revenue (₹ million)	Percentage of Revenue from Operations (%)
COCO	1,216.44	62.13%	1,759.45	60.21%	2,643.08	63.08%	1,947.47	62.16%
FOFO	143.80	7.35%	258.88	8.86%	467.04	11.15%	408.57	13.04%
Others ⁽¹⁾	597.49	30.52%	903.71	30.93%	1,079.87	25.77%	777.07	24.80%
Total	1,957.80	100.00%	2,922.04	100.00%	4,189.98	100.00%	3,133.11	100.00%

⁽¹⁾ Other include revenue from operations generated from contract manufacturing, leather automotive interiors, other B2B sales, trading of raw materials.

Expansion Strategies in B2B segment and diversifying product portfolio: Stanley aims to expand its presence in the B2B segment and enter into distribution arrangements. With a shift towards luxury furniture in airports, corporate offices, and high-end hospitals, Stanley plans to leverage its brand value and premium products to meet this demand. The company recently demonstrated its B2B capabilities by designing and manufacturing products for a major Indian airport terminal. While maintaining its focus on manufacturing and retailing under the "Stanley" brand, Stanley may explore distribution arrangements with leading foreign brands to grow its business. The company also plans to increase market presence through third-party distributors and has recently partnered with an American furniture company to distribute products in the SAARC region. To connect with younger demographics and diversify its portfolio, Stanley intends to offer perfumes through its stores, aiming to cross-sell products and build long-term customer relationships. The company will continue to develop quality products, ensuring the "Stanley" brand remains distinctive. Stanley's strategy includes expanding into new segments, such as launching store formats for affordable quality products if there is demand. Additionally, to streamline operations, Stanley may establish product-specific store formats and enhance its online presence, such as standalone retail stores for beds and mattresses.

Proposed new stores to be opened:

Format	Total number of stores to be opened	Number of stores to be opened in Fiscal 2025	Number of stores to be opened in Fiscal 2026	Number of stores to be opened in Fiscal 2027
Stanley Level Next	2	1	-	1
Stanley Boutique	9	4	2	3
Sofas & More by Stanley	13	7	3	3
Total	24	12	5	7

The table below sets forth the total estimated costs per store under each of the Formats:

Format	Proposed number of stores (A)	Average fit-out costs per store ⁽¹⁾ (B)	₹ in million, except for the number of stores			Total costs (A) * ((B) + (C) + (D))
			Average Inventory costs per store ⁽¹⁾ (C)	Average Security deposit costs per store (D)		
Stanley Level Next	2	30.09	31.73	16.75	157.14	
Stanley Boutique	9	17.12	20.24	7.39	402.75	
Sofas & More by Stanley	13	10.83	10.12	5.31	341.38	

⁽¹⁾ Including applicable GST

furniture products which have higher margins. The company reported ROE and

Particulars	Number of COCO and FOFO Stores	Average revenue per store (₹ million)
As of March 31, 2021 For Fiscal 2021	25	54.41
As of March 31, 2022 For Fiscal 2022	40	50.46
As of March 31, 2023 For Fiscal 2023	54	57.59
As of December 31, 2023 For nine months ended December 31, 2023	62	50.67*

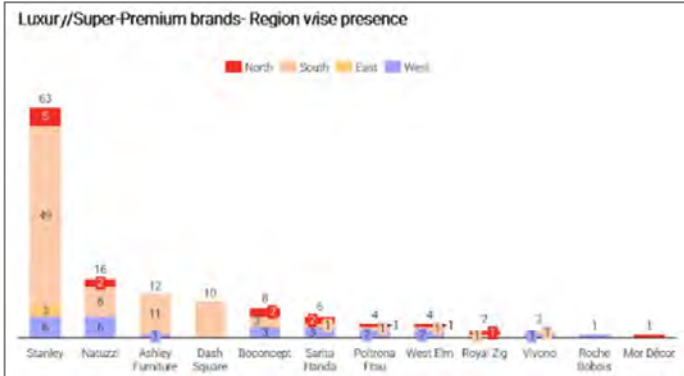
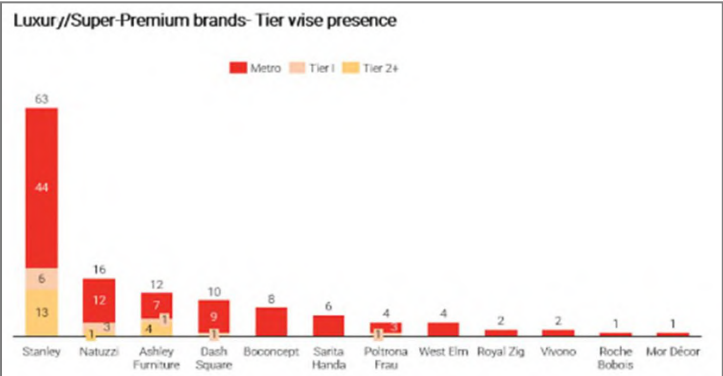
Valuation and outlook: In FY23, Stanley Lifestyles has an addressable market of approximately US\$ 5.3 billion (₹423 billion), projected to grow to approximately US\$ 10.5 billion (₹840 billion) by FY27. The company currently has 62 COCO and FOFO stores as of 9MFY24 with an average revenue per store of ₹50.67 million. With the expansion of 24 new stores by FY27 and 3 new anchor stores the company's total store count will increase to 89 stores. We also expect the company's average revenue per store to increase due to rise in India's GDP per capita, growth of affluent households, and increase in organised retail share in the luxury retail market. Stanley is the largest in terms of number of stores and total different types of luxury products offered amongst peers and the fastest in terms of revenue growth. The rapid expansion of stores from 19 stores in FY21 to 34 stores in FY23 has resulted in a CAGR of 46.29% in revenues with EBITDA also growing 173.44% with an increase of EBITDA margin from 15% in FY21 to 20% in FY23 during the same period as the company catered luxury and premium ROCE of 16.83% and 28.99% in FY23. We recommend a subscribe to the issue, as the company is poised to benefit from the growth in the luxury, premium products segment as the company with no probable listed peers in the Indian market and largest product offerings. We recommend a subscribe to the issue, as a good long term investment as the new store additions done over the last 2-3 years combined with the new store additions in the years to come nearly trebles the company's presence coupled with very strong industry growth rates.

Peer comparison:

Luxur//Super-Premium brands – Revenue and market share for FY 23

Brands	Revenue in INR Cr (USD Mn)	Luxur / market share (In %)	PAT (In %)	ROCE (In %)
Stanley Lifestyles	419.0 (36.5)	6.25%	8.4%	16.63%
Roche bobois	NA	NA	NA	NA
SCASA	NA	NA	NA	NA
Boconcept	45.6 (5.7)	0.68%	7.6%	53.4%
Poltrona Frau	21.6 (2.7)	0.32%	0.8%	2.6%
Royal zig	1.6 (0.2)	0.02%	1.8%	NA
West elm	NA	NA	NA	NA
Vivono	42.6 (5.3)	0.64%	2.3%	NA
Natuzzi	NA	NA	NA	NA
Dash square	NA	NA	NA	NA
Mor décor	NA	NA	NA	NA
Ashley Furniture	12.6 (1.6)	0.19%	10.3%	74.6%
Sarita Handa	NA	NA	NA	NA
Simply Sofas	0.03 (0.004)	0.0004%	10.8%	0.7%
Mobel Grace	11.6 (1.5)	0.17%	0.1%	3.5%

Notes: Companies whose revenues are not listed from last 2-3 years/unavailability of company name are indicated as NA. Stanley lifestyles overall revenue for FY 23 stands at 419 Cr, of which OEM and IKEA represent a share of 23.12%



Income Statement				Balance Sheet			
Y/E (INR mn)	FY21	FY22	FY23	Y/E (INR mn)	FY21	FY22	FY23
Revenue	1957.80	2922.04	4189.98	Source of funds			
Expenses:				Equity Share Capital	73.71	73.71	73.71
Employee Cost	270.36	337.37	494.57	Reserves	1755.61	1923.84	2084.37
Total Expenses	1649.89	2319.35	3348.03	Total Share holders funds	1829.32	1997.55	2165.02
EBITDA	307.91	602.69	841.95	Total Debt	2.53	60.86	93.70
EBITDA Margin %	15.73%	20.63%	20.09%	Current Liabilities	768.45	1028.81	1041.26
Interest	97.88	121.39	161.69	Trade Payables	423.61	485.50	437.95
Depreciation	207.14	217.45	282.50	Total Non-Current Liabilities	756.64	1055.34	1195.98
Other Income	59.31	55.51	66.24	Total Liabilities	3401.03	4140.17	4475.23
PBT	62.20	319.36	464.00				
PAT	19.23	232.19	349.77	Application of funds			
EPS	0.20	4.14	6.37	Fixed Assets	1175.27	1654.50	2016.25
				Cash and Bank	864.89	746.27	734.00
				Total Current Assets	2095.44	2298.26	2269.61
				Other current assets	9.05	38.55	17.63
				Sundry Debtors	139.52	189.48	165.40
				Total Assets	3401.03	4140.17	4475.23

Cash Flow				Key Ratios			
Y/E (INR mn)	FY21	FY22	FY23	Y/E (INR mln)	FY21	FY22	FY23
Profit Before Tax	62.20	319.36	464.00	Growth Ratio			
Adjustment	293.11	279.53	392.04	Net Sales Growth(%)	0.00	49.25	43.39
Changes In working Capital	16.02	-199.32	-41.24	EBITDA Growth(%)	0.00	79.24	37.98
Cash Flow after changes in Working	371.33	399.57	814.80	PAT Growth(%)	0.00	1107.44	50.64
Tax Paid	-41.53	-114.34	-135.09	Margin Ratios			
Cash From Operating Activities	329.80	285.23	679.71	Gross Profit	50.18	50.70	51.24
Cash Flow from Investing Activities	-31.69	-116.21	-273.90	PBIDTM	18.76	22.53	21.68
Cash from Financing Activities	-238.75	-187.66	-411.70	EBITM	8.18	15.08	14.93
Net Cash Inflow / Outflow	59.36	-18.64	-5.89	PBT	3.18	10.93	11.07
Opening Cash & Cash Equivalent	61.85	121.21	102.57	PAT	0.98	7.95	8.35
Closing Cash & Cash Equivalent	121.21	102.57	96.68	Return Ratios			
				ROA	0.57	6.16	8.12
				ROE	1.05	12.13	16.83
				ROCE	8.74	22.66	28.99
				Turnover Ratios			
				Asset Turnover(x)	0.58	0.77	0.97
				Inventory Turnover(x)	2.05	2.74	3.50
				Debtors Turnover(x)	14.03	17.76	23.61
				Fixed Asset Turnover (x)	1.15	1.43	1.54
				Solvency Ratios			
				Total Debt/Equity(x)	0.00	0.03	0.04
				Current Ratio(x)	2.73	2.23	2.18
				Quick Ratio(x)	1.49	1.09	1.01
				Interest Cover(x)	1.64	3.63	3.87

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