EURO PRATIK SALES LTD.

September 15, 2025

EURO PRATIK
An Opus of Products

SMC Ranking

★★☆☆☆ (2/5)

Issue Highlights

Industry	Consumer durables
Offer for sale (Shares)	18,271,862
Net Offer to the Public	**18,271,862**
Issue Size (Rs. Cr.)	429-452
Price Band (Rs.)	235-247
Employee Discount	Rs. 13
Offer Date	16-Sep-25
Close Date	18-Sep-25
Face Value	1
Lot Size	60 Shares

Issue Composition

	In shares
Total Issue for Sale	18,271,862
QIB	9,135,931
NIB	2,740,779
Retail	6,395,152

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	87.97%	70.10%
QIB	12.03%	20.96%
NIB	0.00%	2.68%
Retail	0.00%	6.26%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company Euro Pratik Sales IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. To carry out the Offer for Sale of up to [●] equity shares of face value of ₹1 each by the Selling Shareholders aggregating up to Rs. 451.32 Crore
2. Achieve the benefits of listing the Equity Shares on the Stock Exchanges.

Book Running Lead Manager

- Axis Capital Limited
- DAM Capital Advisors Limited

Name of the registrar

- MUFG Intime India Private Limited

About the company

Founded in 2010, Euro Pratik Sales Limited operates within the decorative wall panel and laminate industry, specializing in the sale and marketing of innovative Decorative Wall Panels and Laminates. The company is known for creating cutting-edge design templates that align with modern architectural trends, earning recognition for pioneering products such as Louvres, Chisel, and Auris. Over the past seven years, Euro Pratik has built a diverse and expanding product portfolio, establishing itself as a leading player in both residential and commercial segments of the Decorative Wall Panels and Laminates market. Committed to sustainability, Euro Pratik's products provide eco-friendly, durable alternatives to traditional wall coverings like wallpaper, wood, and paint. Their products are antibacterial, antifungal, made from recycled materials, and free from harmful heavy metals. The company operates an extensive distribution network, spanning 116 cities across India—from major metros to Tier-III cities. As of March 31, 2025, it partners with 180 distributors across 25 states and five union territories. Beyond India, Euro Pratik exports to six countries, including Singapore, UAE, and Australia, with plans to expand further into markets with strong demographics and growth potential.

Key Product Offerings:

- **Decorative Wall Panels:** These panels combine aesthetics with functionality, offering insulation, soundproofing, and ease of installation. They are designed to be durable and cost-effective, making them ideal for both residential and commercial applications.
- **Decorative Laminates:** Made from high-quality materials like PVC, these laminates provide stylish, long-lasting finishes for furniture, cabinetry, countertops, and wall coverings, offering protection against wear and tear.

Strength

Leading Brand in India's Decorative Wall Panel Industry: Euro Pratik Sales Limited stands as one of India's foremost brands in the organized decorative wall panel segment, commanding a 15.87% revenue market share as of Fiscal 2023. The company's leadership position is driven by its strategic business model, consistent innovation, and alignment with global design trends. Its flagship brands, "Euro Pratik" and "Gloirio," are promoted through targeted marketing initiatives, including social media outreach and participation in trade exhibitions, enhancing both brand recognition and customer loyalty. Through strategic acquisitions such as Millenium Decor, Vougue Decor, and a controlling stake in Europratik Intex LLP, the company has expanded its product portfolio and distribution capabilities. This growth strategy, underpinned by strong branding and a focus on quality, positions Euro Pratik to effectively capture opportunities in India's expanding decorative panel and laminate markets.

Extensive and Diverse Product Portfolio: Euro Pratik Sales Limited has earned a reputation for product innovation within the decorative wall panel and laminate sectors. As of March 31, 2025, the company offered over 30 product categories and more than 3,000 unique designs, including several first-to-market innovations like Louvers, Chisel, and Auris. Its portfolio encompasses laminates, wall panels, profiles, mouldings, and

translucent panels, available in a wide range of finishes, specifications, and price points. This broad product offering allows the company to meet the diverse design preferences and functional needs of both residential and commercial customers, reinforcing its competitive advantage and supporting long-term growth.

Trend-Focused Innovation and Merchandising Excellence: Adopting a “fast-fashion” approach to design, Euro Pratik Sales Limited remains at the forefront of market trends by rapidly responding to evolving consumer preferences. The company actively engages with distributors and stakeholders to gather insights that inform its design process. It consistently rolls out new product series—such as the "Cassa" collection—merging creativity with technical expertise to develop visually appealing and regionally relevant solutions. By pioneering several industry-first products and constantly refreshing its catalogue with new textures, formats, and finishes, Euro Pratik has established itself as a trendsetter. A dedicated R&D and design team, in collaboration with international manufacturing partners, ensures the company stays ahead in a dynamic and competitive marketplace.

Asset-Light Model with Global Manufacturing Partnerships: Operating under an asset-light model, Euro Pratik Sales Limited focuses on design and innovation while outsourcing manufacturing to a global network of 36 contract partners across South Korea, China, the United States, Romania, Turkey, Indonesia, and Portugal. This approach reduces capital expenditure and operating costs, enabling the company to invest more in branding, market expansion, and product development. Manufacturing partners are chosen based on their quality standards, pricing, technical proficiency, and production timelines, ensuring access to exclusive products that are not commonly available in India. Notably, its long-standing partnership with Miga, a South Korean manufacturer, underscores this strategy. By avoiding retail store ownership, the company further optimizes operational efficiency and profitability.

Nationwide Distribution Network with Strong Market Penetration: Euro Pratik Sales Limited has built a robust and expansive distribution network that strengthens its market reach and enhances customer accessibility across India. As of March 31, 2025, the company worked with 180 exclusive distributors across 25 states and five union territories, including major metropolitan areas and smaller Tier-I to Tier-III cities. This network is supported by a dedicated team managing order processing, logistics, and post-sale service, fostering strong distributor relationships and enhancing customer satisfaction. The success of this model is reflected in the company’s operational revenue of Rs. 214.76 crore for Fiscal 2025, highlighting the effectiveness of its go-to-market strategy.

Experienced Leadership and Skilled Workforce: Euro Pratik Sales Limited benefits from the leadership of seasoned professionals, including Chairman and Managing Director Pratik Gunvantraj Singhvi, with over 19 years of industry experience, and Executive Director and CFO Jai Gunvantraj Singhvi, with over 13 years. The company’s strategic direction is shaped by a diverse Board of six Directors and supported by a committed team of 195 employees as of March 31, 2025. A low attrition rate of 4.80% in Fiscal 2025 reflects strong employee engagement. The management team’s experience and the stability of its workforce are instrumental in driving sustainable growth and organizational resilience.

Strong Financial Performance with Minimal Leverage: Euro Pratik Sales Limited has demonstrated consistent financial growth and operational strength over recent fiscal years. EBITDA rose from Rs. 83.63 crore in FY 2023 to Rs. 110.10 crore in FY 2025, while profit after tax increased from Rs. 59.57 crore to Rs. 76.44 crore over the same period. As of March 31, 2025, the company reported total equity of Rs. 234.49 crore with minimal borrowings of Rs. 2.68 crore, resulting in a low Debt-to-Equity Ratio of 0.01. This strong financial position reflects the company’s prudent fiscal management and positions it well for future growth initiatives.

Strategy

Expanding into New International Markets: Euro Pratik Sales Limited is actively pursuing global expansion beyond the Indian market, aiming to replicate its domestic success in strategically chosen international territories. In 2023 and 2024, the company established two subsidiaries—Euro Pratik C Corp Inc. and Euro Pratik Trade FZCO, UAE—as part of its global growth strategy. The company is targeting markets with favorable demographics, rising construction activity, and increasing demand for decorative materials. By diversifying its geographic presence and revenue sources, Euro Pratik seeks to mitigate market-specific risks and establish a strong international footprint.

Strengthening Distribution and Enhancing Inventory Management: To support its growth ambitions, Euro Pratik Sales Limited plans to further expand its distribution network, which already includes 180 distributors across 25 states and five union territories in India. The company aims to penetrate deeper into Tier-II and Tier-III cities while also entering select international markets. To manage this growth efficiently, the company is upgrading its inventory management systems for real-time tracking, enhancing logistics infrastructure, and expanding warehousing capacity. These improvements are designed to boost operational efficiency, reduce delivery times, and enhance partner and customer satisfaction.

Enhancing Brand Equity and Market Visibility: Brand visibility remains a core focus for Euro Pratik Sales Limited as it continues to build recognition and loyalty across markets. In Fiscal 2025, the company invested Rs. 6.00 crore in advertising and business promotion initiatives, including media campaigns, product displays, brand ambassador fees, and marketing materials. Going forward, it will adopt a multi-channel marketing strategy that includes traditional advertising, digital platforms, social media, and participation in key industry trade shows. The company also plans to deepen engagement with architects, interior designers, and construction professionals, using strategic partnerships to promote its "Euro Pratik" and "Gloirio" brands and strengthen brand equity.

Ongoing Product Innovation and Portfolio Expansion: Euro Pratik Sales Limited sustains its competitive edge by focusing on continuous product innovation that reflects evolving consumer tastes and market trends. Its approach includes rigorous market research and regular feedback loops with customers and stakeholders. This strategy has already resulted in the successful launch of innovative products like Chisel, Classic Louvers, and Thermolite. Product development is conducted collaboratively with contract manufacturers—who bear the production cost—ensuring both efficiency and creativity. As of March 31, 2025, the company had nine new products and over 300 designs in the pipeline, allowing it to remain agile and responsive in both domestic and global markets.

Driving Growth Through Strategic Acquisitions: Euro Pratik Sales Limited continues to pursue inorganic growth by acquiring complementary businesses that enhance its product range, distribution channels, and market reach. Recent acquisitions include the businesses of Euro Pratik Laminate LLP and Millenium Decor, along with controlling stakes in Europratik Intex LLP and Euro Pratik USA, LLC. Additionally, its subsidiary Gloirio acquired the operations of Vougue Decor. These acquisitions have strengthened the company's capabilities and broadened its presence in key segments. Moving forward, Euro Pratik will explore additional growth avenues, including joint ventures, strategic alliances, and technology collaborations that align with its long-term business objectives.

Leveraging Market Position Amid Favorable Industry Trends: With strong positioning in the growing decorative wall panel and laminate markets, Euro Pratik Sales Limited is well-placed to benefit from rising demand across India and beyond. As of Fiscal 2024, the Indian decorative wall panel and laminate industries were valued at Rs. 2,418.02 crore and Rs. 9,493.12 crore, respectively. Holding a 15.87% share of the organized decorative wall panel segment, the company attributes its growth to expanding its customer and distributor base, introducing new products, and entering new

markets. Euro Pratik plans to leverage this position by focusing on customization, operational efficiency, and innovation—ensuring it remains ahead of the curve in a dynamic and competitive industry.

Risk Factor

- On April 26, 2025, a fire at the Bhiwandi warehouse destroyed inventory worth Rs. 33.59 crore, which may adversely impact business operations and financials.
- The company relies heavily on its largest contract manufacturer, posing a risk in case of disruption.
- In Fiscals 2025, 2024, and 2023, 52.79%, 91.66%, and 87.88% of purchases were from the top 10 contract manufacturers, indicating high supplier dependency.
- Top 30 distributors contributed 57.44%, 49.66%, and 45.38% of revenue in Fiscals 2025, 2024, and 2023. Any disruption may affect financial performance.
- The company reported negative operating cash flow in Fiscal 2025, which may impact liquidity and operations.

Peer Comparison

As per he RHP, the company doesnot have any exact comparable listed peers in India.

Valuation

Considering the P/E valuation on the upper price band of Rs.247, both FY25 EPS and P/E are Rs 7.48 and 33.02 multiple respectively and at a lower price band of Rs. 235, P/E multiple is 31.42. Looking at the P/B ratio on the upper price band of Rs. 247, book value and P/B are Rs 22.94 and 10.77 multiple respectively and at a lower price band of Rs. 235, P/B multiple is 10.24. No change in pre and post issue EPS and Book Value as the company is not making fresh issue of capital.

Industry Outlook

The wall decorative industry in India is experiencing significant growth, valued at INR 3,66,219 million in Fiscal 2025 and projected to reach INR 6,28,902 million by Fiscal 2029, a Compound Annual Growth Rate (CAGR) of 12.9%. This expansion is fueled by rising disposable incomes, rapid urbanization, and a growing consumer preference for premium, aesthetically pleasing, and sustainable building materials. The Decorative Wall Panels and Decorative Laminates industries, in particular, are driven by consumer-centric preferences, requiring constant innovation and development. Competition is intense, with success factors including product quality, reliability, brand reputation, and price.

Outlook

Euro Pratik Sales Limited is well-positioned for growth, leveraging its strong product portfolio, innovative designs, and eco-friendly offerings. The company's strategic expansion across India and international markets strengthens its competitive edge. However, risks related to market saturation, supply chain disruptions, and economic fluctuations may pose challenges. Continued innovation and diversification will be key to sustaining its market leadership.

An Indicative timetable in respect of the Issue is set out below:

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	16-September-25
BID/ISSUE CLOSES ON	18-September-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	19-September-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	22-September-25
Credit of Equity Shares to Demat Accounts of Allottees	22-September-25
Commencement of trading of the Equity Shares on the Stock Exchanges	23-September-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)	Period ended 31-Mar-23 (12 Months)
Revenue from operations	284.23	221.70	263.58
Total expenditure	182.84	140.65	184.92
Operating Profit	**101.39**	**81.05**	**78.67**
OPM%	3.57	3.66	2.98
Other Income	7.30	8.41	4.97
Total Net Income	**108.68**	**89.46**	**83.63**
Interest	4.00	0.98	1.09
PBDT	**104.68**	**88.48**	**82.54**
Depreciation	5.31	3.44	2.39
PBT & Share of Profit/(Loss) of Associates	**99.37**	**85.04**	**80.15**
Share of Profit/(Loss) of Associates	1.42	-0.46	0.00
PBT	**100.79**	**84.58**	**80.15**
Tax	24.35	21.67	20.58
PAT	**76.44**	**62.91**	**59.57**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 31-Mar-25	As on 31-Mar-24	As on 31-Mar-23
Non-current assets			
Financial liabilities			
Property, Plant and Equipment	3.07	1.48	1.69
Right-of-use assets	15.99	11.73	13.51
Intangible Assets	0.03	0.00	0.00
Investment Property	10.96	12.05	13.25
Financial Assets			
Loans	1.25	2.66	0.00
Other Financial Assets	1.78	3.65	3.52
Deferred tax assets (Net)	2.06	0.65	0.74
Other non-current assets	5.31	0.25	0.28
Total non-current assets	**40.44**	**32.46**	**32.98**
Current asset			
Inventories	96.21	35.57	38.80
Financial Assets			
Investments	8.08	34.45	5.53
Trade receivables	95.83	44.37	60.49
Cash and cash equivalents	13.97	10.46	6.26
Bank Balances other than (iii) above	0.00	7.50	6.10
Other Financial Assets	7.52	5.46	5.68
Current Tax Assets (Net)	0.87	0.00	0.00
Other current assets	10.91	4.24	3.29
Total current assets	**233.40**	**142.04**	**126.14**
Total Assets	**273.84**	**174.49**	**159.12**
Non-current liabilities			
Financial Liabilities			
Borrowings	1.15	0.00	0.00
Lease liabilities	13.73	12.10	13.46
Other financial liabilities	0.13	0.12	0.45
Provisions	0.66	0.73	0.56
Other non-current liabilities	0.02	0.03	0.00
Total Non- Current liabilities	**15.69**	**12.98**	**14.47**
Current liabilities			
Financial Liabilities			
Borrowings	1.53	0.00	3.00
Lease Liabilities	3.02	1.35	1.21
Trades Payable - total outstanding dues of micro enterprises and small enterprises	0.07	0.00	0.00
Trades Payable - total outstanding dues of creditors other than micro enterprises and small enterprises	7.82	0.21	5.56
Other Financial Liabilities	0.00	0.00	0.01
Other current liabilities	11.14	3.90	4.57
Provisions	0.09	0.25	0.18
Current Tax Liabilities (Net)	0.00	0.07	0.09
Total Current liabilities	**23.66**	**5.78**	**14.64**
Total	**39.35**	**18.76**	**29.10**
Net worth represented by:			
Equity Share Capital	10.22	1.98	0.51
Other equity	223.88	153.75	129.51
Non Controlling Interest	0.39	0.00	0.00
Net Worth	**234.49**	**155.73**	**130.02**

RANKING METHODOLOGY

WEAK	★
NEUTRAL	★★
FAIR	★★★
GOOD	★★★★
EXCELLENT	★★★★★

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