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STUDDS ACCESSORIES LTD.

October 28, 2025

STUDDS SMK
RIDE YOUR DREAMS

SMC Ranking
★★☆☆☆ (2/5)

Issue Highlights

Industry	Helmet
Offer for sale (Shares)	7,786,120
Net Offer to the Public	7,786,120
Issue Size (Rs. Cr.)	433.69-455.49
Price Band (Rs.)	557-585
Offer Date	30-Oct-25
Close Date	3-Nov-25
Face Value	5
Lot Size	25

Issue Composition

	In shares
Total Issue for Sale	7,786,120
QIB	3,893,060
NIB	1,167,918
Retail	2,725,142

Shareholding Pattern (%)

Particulars	Pre-issue	Post -issue
Promoters & promoters group	78.78%	61.75%
QIB	21.22%	28.35%
NIB	0.00%	2.97%
Retail	0.00%	6.92%
Total	**100.00%**	**100.00%**

*calculated on the upper price band

Objects of the Issue

The Company Studds Accessories IPO proposes to utilise the Net Proceeds from the Issue towards the following objects:

1. Achieve the benefits of listing the Equity Shares on the Stock Exchanges

Book Running Lead Manager

- IIFL Capital Services Limited
- ICICI Securities Limited

Name of the registrar

- MUFG Intime India Private Limited

About the company

Incorporated in 1975 and established in 1983, Studds Accessories Limited is a leading manufacturer of two-wheeler helmets and motorcycle accessories based in Faridabad, Haryana, India. The company designs, manufactures, markets, and sells helmets under the “Studds” and “SMK” brands, while other accessories such as luggage, gloves, helmet security guards, rain suits, riding jackets, and eyewear are sold under the “Studds” brand. Studds has a strong domestic presence and exports its products to over 70 countries across the Americas, Europe, and Asia (excluding India). It also manufactures helmets for international clients, including Jay Squared LLC (“Daytona” brand, USA) and O’Neal (Europe, USA, and Australia). The company operates four manufacturing facilities in Faridabad—three on company-owned land and one partially owned and leased. As of August 31, 2025, Studds offers over 19,000 SKUs and 240 helmet designs (80 under SMK and 160 under Studds), selling 7.40 million helmets in FY2025, supported by a 75-member R&D team.

Strength

Largest Domestic and Global Player in Two-Wheeler Helmets: The company is India’s largest two-wheeler helmet manufacturer by revenue in Fiscal 2024 and the world’s largest by volume in Calendar Year 2024, backed by nearly five decades of experience and sales of about 0.74 crore helmets in Fiscal 2025. Its flagship Studds brand, known for safety and quality, remains a market leader, while the SMK brand, launched in 2016, strengthens its presence in the premium segment with growing international exports. With a diversified portfolio across price points and complementary accessories such as gloves and luggage, the company is well-positioned to expand into new markets—leveraging Studds as an aspirational mass brand and SMK as a global premium offering.

Extensive Product Portfolio Across Segments and Price Points: The company offers one of the broadest helmet and motorcycle accessory portfolios in the industry, comprising over 240 styles and 19,258 SKUs as of August 31, 2025. Its two core brands cater to distinct segments—Studds serves the commuter market with helmets priced between Rs. 875 and Rs. 4,000, while SMK targets premium consumers with prices ranging from Rs. 3,000 to Rs. 12,800. In Fiscal 2025, Studds sold 0.707 crore units, contributing 78.32% of revenue, while SMK sold 0.029 crore units, accounting for 11.87%. A 75-member design team drives innovation and safety-focused design refreshes, supported by a structured customer feedback and grievance redressal mechanism that informs product improvement.

Advanced Manufacturing and In-House R&D with Vertical Integration: The company’s vertically integrated operations provide complete control over product design, development, and manufacturing, ensuring efficiency, cost optimization, and quality. Key in-house facilities include EPS liner production, mold and decal units, stitching centers, and a VCA England-certified testing lab. With four automated plants and a fifth under construction, the company continuously invests in robotics and smart manufacturing. Its design-to-production cycles average nine months for Studds and 14 months for SMK, reflecting agility in responding to evolving consumer preferences. A 75-member D&D team focuses on product innovation and future-ready technologies, including communication systems and rear-view cameras.

Robust Domestic and International Distribution Network: The company’s products reach consumers through a comprehensive distribution ecosystem that includes 363 active distributors, OEM partnerships, EBOs, online retailers, and institutional clients such as Central Police Canteens. Its exports span over 70 countries across Asia, Europe, and the Americas, supported by certifications such as BIS, ISO, and ECE 22.06, with products manufactured for global brands like Daytona and O’Neal. In Fiscal 2025, exports and OEM

sales contributed 16.63% and 15.49% of total revenue, respectively. While Studds dominates the mass market globally, SMK focuses on the mid-tier segment in Europe and the premium category in India.

Capital-Efficient and Scalable Business Model: The company's scalable, brand-driven model combines strong recall, vertical integration, and cost efficiency. With minimal advertising costs due to strong on-product branding, and a low working-capital cycle supported by credit-backed distributor and advance importer payments, the model enables steady, capital-light growth. Its extensive distributor and OEM network facilitates market penetration without significant capex. Between Fiscal 2023 and 2025, the company delivered a Total Revenue CAGR of 8.47%, EBITDA CAGR of 32.13%, and Profit Before Tax CAGR of 43.04%, underscoring its operational efficiency and financial strength.

STRATEGY

Expand and Strengthen Production Capacity and Deepen Vertical Integration: The company, recognized as India's largest two-wheeler helmet manufacturer by revenue in Fiscal 2024 and the world's largest by volume in Calendar Year 2024, continues to leverage its nearly five decades of industry experience and a global footprint spanning over 70 countries. Its competitive strength lies in its large-scale, technologically advanced, and vertically integrated manufacturing operations, featuring in-house processes such as silicon hard coating, sputtering, metalizing, mold making, and a VCA-certified testing laboratory. To capture the estimated 5.1% CAGR growth in the global two-wheeler helmet market, driven by increasing safety awareness and regulatory certifications such as BIS, the company is undertaking a strategic capacity expansion through the development of its fifth manufacturing facility (Facility V) in Faridabad, expected to be commissioned in Fiscal 2026. This expansion aims to enhance production efficiency, improve supply chain integration, and create operational synergies. In parallel, the company is upgrading existing facilities by incorporating advanced robotic systems for shell cutting, painting, and visor coating, alongside IoT-enabled machines for real-time performance monitoring and predictive maintenance. These initiatives are expected to strengthen production capabilities, improve cost efficiency, and achieve greater economies of scale.

Strategic Expansion into New Markets and Geographies: To strengthen its international presence, the company has outlined a focused strategy to expand across North America, South America, and the ASEAN region by leveraging its established distributor and OEM relationships. A key milestone in this initiative was the acquisition of Bikerz US, Inc.—a wholly owned subsidiary of Bikerz Inc.—in May 2025 for USD 99,112.98, aimed at deepening its distribution network and market reach in the United States. Additionally, the company plans to pursue inorganic growth opportunities in emerging markets such as Vietnam, Peru, and Egypt, further diversifying its geographical presence. For Europe, it intends to establish a dedicated subsidiary to strengthen brand visibility, adopt a direct-to-distributor model in select key markets, and set up a regional warehouse to streamline logistics and enhance delivery timelines. This targeted approach will position the company to capitalize on rising global demand for branded, safety-certified helmets.

Increase Offerings in the Premium Helmet Segment under Studds and SMK Brands: The company aims to strengthen its position in the high-growth premium helmet segment by expanding the SMK brand's reach and introducing premium products under the well-established Studds brand. While SMK already enjoys recognition as a premium brand in India and international markets, the company plans to launch premium Studds helmets positioned slightly below SMK's price range to tap into a broader customer base. This dual-brand approach will enable penetration across multiple premium sub-segments. The expansion aligns with global trends favoring high-performance helmets, driven by increasing sales of premium motorcycles, higher disposable incomes, and growing replacement demand. To meet this rising demand, the company is enhancing production capacity for both SMK and premium Studds helmets, supported by advanced automation and upgraded design capabilities.

Broaden Product Portfolio to Enter New High-Margin Categories: Building on its strong design, engineering, and manufacturing expertise, the company plans to diversify into adjacent lifestyle and safety product segments to capture higher-margin opportunities. It intends to expand the production of bicycle helmets, two-wheeler luggage, and rider apparel, targeting aspirational consumers seeking premium, safety-oriented mobility accessories. These initiatives are expected to strengthen

brand positioning, enhance customer retention, and open new revenue streams in complementary markets.

Accelerate Growth Through Digital and Online Sales Channels: Recognizing the growing consumer shift toward digital commerce, the company plans to significantly scale its online presence in both domestic and international markets. Currently, its products are available through major e-commerce platforms, quick commerce partners, and its official website (www.studds.com). The strategic roadmap includes further investment in digital infrastructure to build an integrated online–offline ecosystem, offering customers a seamless and personalized shopping experience. Plans include the potential launch of a dedicated mobile application, expanded e-commerce partnerships, and enhanced data analytics for targeted marketing. These initiatives will enable the company to capture a larger share of digitally savvy consumers while maintaining cost-efficient growth through low-capital, high-visibility channels.

Risk Factor

- A decline in the strength or perception of the 'Studds' and 'SMK' brands could adversely impact sales, profitability, and overall brand equity.
- Since two-wheeler helmets contribute over 91% of total revenue, any slowdown in motorcycle sales could materially affect business performance and cash flows.
- The company's operations depend heavily on its manufacturing facilities, and any disruption or shutdown could significantly impact production and financial results.
- The company's dependence on key raw materials exposes it to price volatility and supply disruptions, which could adversely affect operations and margins.
- Failure to introduce appealing new designs or update products in line with customer preferences could reduce demand and hurt sales growth.
- The company relies on a few major raw material suppliers (over 40% share); any supply disruption from them could affect manufacturing and profitability.

Peer Comparison

AS per RHP, there are no listed companies which are comparable in size to the company in India or globally in the same industry.

Valuation

Considering the P/E valuation, on the upper end of the price band of Rs.585, the stock is priced at P/E of 33.06 x on an FY25 EPS of Rs. 17.70. Looking at the P/B ratio at Rs. 585, book value of Rs. 119.36 of P/Bvx 4.90x.

Considering the P/E valuation, on the lower end of the price band of Rs.557, the stock is priced at P/E of 31.48x on FY25 EPS of Rs. 17.70. Looking at the P/B ratio at Rs. 557, book value of Rs. 17.70 of P/Bvx 4.67x.

Industry Outlook

The global two-wheeler helmets market is projected to witness robust growth, estimated to expand at a CAGR of 5.1% in value terms between Calendar Year (CY) 2024 and CY 2029. This market expansion is primarily fueled by rising urbanization, increasing disposable incomes, heightened safety awareness, and government regulations mandating helmet use. Concurrently, the Indian helmet market is undergoing significant consolidation from the unorganized to the organized sector , driven by stricter government mandates requiring all motorcycle helmets to carry Indian Standards certification from the Bureau of Indian Standards (BIS). This regulatory shift is expected to increase the share of organized or ISI-certified helmet sales in India from 70% in 2019 to over 80% by 2029. Furthermore, the industry is seeing a notable shift towards premiumization, as the increasing popularity of leisure riding leads new-age riders to prioritize advanced safety, comfort, and aesthetics in their helmet choices.

Outlook

With strong leadership, integrated operations, and market-leading brands Studds and SMK, the company is well-positioned to benefit from rising global helmet demand and safety awareness. Strategic capacity expansion, premium-segment growth, and digital initiatives are expected to drive revenue and margin gains. However, sustained growth depends on brand strength, stable raw-material supply, and uninterrupted manufacturing operations amid competitive and regulatory challenges.

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

EVENT	INDICATIVE DATE (On or about)
BID/ISSUE OPENS ON	30-October-25
BID/ISSUE CLOSES ON	03-November-25
Finalisation of Basis of Allotment with the Designated Stock Exchange	04-November-25
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	06-November-25
Credit of Equity Shares to Demat Accounts of Allottees	06-November-25
Commencement of trading of the Equity Shares on the Stock Exchanges	07-November-25

Annexure

Consolidated Financials

Profit & Loss

Rs. in Cr.

Particulars	Period ended 30-Jun-25 (3 Months)	Period ended 31-Mar-25 (12 Months)	Period ended 31-Mar-24 (12 Months)
Revenue from operations	149.18	583.82	529.02
Total expenditure	118.92	478.98	438.83
Operating Profit	**30.26**	**104.84**	**90.19**
OPM%	20.29	17.96	17.05
Other Income	2.83	12.07	6.82
Total Net Income	**33.09**	**116.91**	**97.01**
Interest	0.24	1.22	1.61
PBDT	**32.85**	**115.70**	**95.40**
Depreciation	5.18	20.67	19.03
Profit before tax	**27.67**	**95.03**	**76.37**
Tax	7.42	25.39	19.15
Profit & Loss	**20.25**	**69.64**	**57.23**

Balance sheet is on next page

Balance Sheet

Rs. in Cr.

Particulars	As on 30-Jun-25	As on 31-Mar-25	As on 31-Mar-24
Non-current assets			
Property Plant & Equipment	321.89	325.91	320.44
Capital Work in Process (Tangible)	33.55	25.32	9.95
Right of use Assets	5.02	5.45	7.73
Intangible Assets	2.10	2.41	3.19
Goodwill	4.81	4.72	0.00
Intangible Assets under development	3.51	3.52	1.75
Financial assets			
(i) Non-Current Investments	0.01	0.01	0.01
(ii) Other Financial Assets	6.51	3.21	3.70
Total non-current assets	**377.41**	**370.55**	**346.77**
Current asset			
Inventories	60.96	56.28	40.22
Financial Assets			
- Trade Receivables	39.73	42.96	28.36
Cash & Cash Equivalents	55.20	38.98	35.57
- Other Bank Balances	31.74	33.20	22.98
Other financial assets	0.41	0.29	0.21
Other current assets	21.17	14.44	11.44
Total current assets	**209.20**	**186.16**	**138.79**
Total Assets	**586.61**	**556.71**	**485.56**
Non-current liabilities			
Financial liabilities			
- Non-Current Borrowings	2.91	2.91	0.20
- Lease Liabilities	2.83	4.49	6.26
- Other Non-Current Financial Liabilities	2.94	2.99	2.97
Non-Current Provisions	5.31	5.07	4.54
Deferred Tax Liability (Net)	18.75	18.41	16.56
Total Non- Current liabilities	**32.73**	**33.86**	**30.53**
Current liabilities			
Financial Liabilities			
- Current Borrowings	0.00	0.00	0.41
- Lease Liabilities	2.91	1.64	1.89
- Trade Payables			
- Total outstanding dues of MSME	9.81	7.81	8.63
- Total outstanding dues of creditors other than MSME	29.41	24.14	21.93
- Other Current Financial Liabilities	16.77	16.28	16.13
Other Current Liabilities	12.85	14.39	14.67
Current Provisions	2.19	2.00	1.89
Current Tax Liabilities (Net)	10.18	7.11	2.09
Total - Current Liabilities	**84.11**	**73.37**	**67.63**
Total Liabilities	**116.85**	**107.23**	**98.16**
Net worth represented by:			
Equity share capital	19.68	19.68	9.84
Other equity	450.09	429.80	377.57
Total Equity	**469.77**	**449.48**	**387.41**

RANKING METHODOLOGY

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

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