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# Studds Accessories Limited

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## Overview of the Company

**a) They are the largest two-wheeler helmet manufacturer of the world (In terms of a total number of helmets sold in FY 2018 (source: F&S Industry report) diligently serving their customers with safety, style, and comfort.**

**b) With a market share of more than 25% in India, they have established themselves as the largest organized player in the industry. Since their incorporation in 1983, they have witnessed a sustained growth in their business. What started as a small manufacturing set up is today 2 manufacturing facilities company spread across almost 6 acres in Faridabad, Haryana.**

**c) Largest- Manufacturer of Helmets in the world, UNIQUE- Their laboratory is the only one in the industry (in India) to be certified by European Safety Agency, and Safety - They use one of the best technologies in the world to produce certified products.**

## **Presence of the Company**

The company has a presence in almost more than 30 countries in the world.

## **Competitiveness**

- a) Innovation- 16 New Products launches in the last 3 years.
- b) Excellence- 21 No. of quality/safety tests done in-house (per helmet as per ECE 22.05 standard).
- c) Adaptability- 7 Different sizes are available in the helmet.
- d) Presence- Over 360 Active dealer network across India as on 31st March 2018 across more than 30 countries.

## **Revenue Model**

- (a) The company sells a helmet in the range of Rs.825 to 2165 under the brand name Studds having a market share of 25% as on FY18.
- (b) The company sells a helmet in the range of Rs.2300 to 9800 under the brand name SMK having a market share of 27.79% as on FY18.
- (c) Apart from selling a helmet the company also in the business of Motorcycle Accessories like Jacket, Gloves, Glass etc.
- (d) The 90% of the Revenue comes from Helmet division and 10% comes from Motorcycle Accessories.
- (e) The 92.3% of the business comes from the Domestic Market and rest 7.97% comes from Export.

## **Future Plans**

The company plans to enter into manufacturing and selling bicycle helmets. These products would be destined for the domestic and global market. Bicycle helmets have a larger market share in advanced Economies and as such we expect a bigger export market.

## **Management**

(i) **Mr. Madhu Bhushan Khurana** is the Chairman and Managing Director of the Company. He holds a bachelor's degree in engineering (aeronautical) from the Panjab University. Madhu Bhushan Khurana has been on Board since our Company's incorporation. Prior to incorporating Company, he was an entrepreneur and had commenced the business of manufacturing motorcycle helmets. He has over 35 years of experience in the field of business administration, finances, strategies, and manufacturing.

(ii) **Mr. Sidhartha Bhushan Khurana** is the Managing Director of the Company. He holds a bachelor's degree in engineering (aeronautical) from the Panjab University. He has been on Board since 1998. He has more than 19 years of experience in the field of business administration, finance, strategy, and manufacturing.

(iii) **Mr. Shanker Dev Choudhry** is an independent Director of the Company. He holds a bachelor's degree in science (metallurgy) from the Panjab University. He has been on Board since March 2, 2015. Previously, he has worked with the Bureau of Indian Standards for more than 20 years and has experience in quality management and quality control activities.

## **Financials ( Consolidated)**

<b>Assets and Liabilities (all figures in Million)</b>							
Year	Asset	Liabilities	Net Worth	Book Value	Debt	Debt/Equity	RONW
FY16	1,234.28	598.93	635.35	581	24.3	0.04	39%
FY17	1,416.99	546.74	870.25	796	24.75	0.03	27%
FY18	2,228.33	1,041.45	1,186.88	1086	3.51	0	28%

<b>Profit n Loss Key Parameters (all figures in Million)</b>						
Year	Revenue	PAT	EBITDA Margins	Profit Margins	Outstanding Shares	EPS
FY16	2,930.26	245.59	13.40%	8%	1.093	12.48
FY17	3,111.33	236.01	11.90%	8%	1.093	11.99
FY18	3,417.89	328.81	16.80%	10%	1.093	16.71

### **Key Salient Points:**

- 1.The Company has shown 8% Revenue Growth in the last 3 years.**
- 2. The Company has shown 15.21% PAT Growth in the last 3 years.**
- 3. The Company has almost debt Free.**
- 4. The Company has Excellent Return Ratios ROE and ROCE in the last 3 years.**

<b>Year</b>	<b>ROE</b>	<b>ROCE</b>
<b>2016</b>	<b>39%</b>	<b>52%</b>
<b>2017</b>	<b>27%</b>	<b>37%</b>
<b>2018</b>	<b>28%</b>	<b>32%</b>

- 5. The Company is continuously generating the cash in the last 3 years which is big positive for the company.**

## Note:

- (i) The Company was having total outstanding Shares of 1,093,150 with FV=10 as on March FY18.
- (ii) Then on July 07 2018, the company had spilt the FV from 10 to 5 and accordingly the number of shares increased to 2186300 Shares.
- (iii) Then on July 16 2018, the company has issued bonus shares in the ratio 1:8 and accordingly the number of shares increased to 17,490,400 Shares before the issue.
- (iv) So EPS based on FY18 Earning by considering Split and Bonus is 18.75.

## Valuation Matrix of Studds Limited

UnlistedZone(www.unlistedzone.com)													
Studds Accessories Limited Unlisted Shares													
Valuation Matrix													
Based on FY17-18 Financials							FY18-19 Projections						
Share Price	600	650	700	750	800	900	Share Price	600	650	700	750	800	900
Mcap(Cr)	1180	1278	1378	1475	1574	1770	Mcap(Cr)	1180	1278	1378	1475	1574	1770
EV(Cr)	1163	1261	1361	1458	1557	1753	EV(Cr)	1163	1261	1361	1458	1557	1753
EBITDA(Cr)	58						EBITDA(Cr)	80					
EV/EBITDA	20.05	21.74	23.47	25.14	26.84	30.22	EV/EBITDA	14.54	15.76	17.01	18.23	19.46	21.91
Sales(Cr)	341						Sales(Cr)	402					
Mcap/Sales	3.46	3.75	4.04	4.33	4.62	5.19	Mcap/Sales	2.94	3.18	3.43	3.67	3.92	4.40
EPS	16.71						EPS	22					
P/E	35.91	38.90	41.89	44.88	47.88	53.86	P/E	27.27	29.55	31.82	34.09	36.36	40.91
As per reports company is expecting a Valuation between 1500-1800 Cr, therefore IPO price could be in the range of 750 to 900													

## Shareholding Pattern( As on 31.03.2018)

1. Madhu Bhushan Khurana , CMD holds 55.31% of Shares.
2. Sidhartha Bhushan Khurana, MD, Holds 14.30% Shares.

If you're interested in buying these Studds Accessories Share then drop an email to [sales@unlistedzone.com](mailto:sales@unlistedzone.com) or call/Whatsapp on **08010009625** (Mr. Dinesh Gupta).