

IPO Note

15th September 2025

Company Overview

The company is a leading player in India's decorative wall panels and decorative laminates industry, operating as a seller and marketer of high-quality, design-driven wall solutions. According to the Technopak Report, it holds a dominant position in the organised decorative wall panels segment with a 15.9% market share by revenue, establishing itself as one of the largest and most trusted brands in this space. The company is recognised for its differentiated design templates that align with contemporary architectural and interior design trends. It has been acknowledged as a product innovator for launches like Louvres, Chisel, and Auris at the India Coverings Expo from 2019 to 2022. Its offerings are tailored to meet evolving consumer preferences, ensuring relevance across diverse market segments. Through its flagship brands, Euro Pratik and Gloirio, the company has established a distinctive identity in both residential and commercial sectors, offering over 30 product categories and 3,000 designs as of March 31, 2025. The company operates like a fast-fashion brand, having launched 113 catalogues in four years, catering to both residential and commercial markets. Its products provide eco-friendly, durable alternatives to traditional wall coverings, competing with wallpapers and premium paints. The portfolio is anti-bacterial, anti-fungal, free from heavy metals, and made from recycled materials. The company's growth is braced by a vast distribution network of 180 distributors across 25 states and five union territories, reaching 116 cities, including metros, mini-metros, and Tier-I to Tier-III markets. Its strategic placement near key logistics hubs, such as its 194,877.50 sq. ft. warehouse in Bhiwandi, Maharashtra, near the Nhava Sheva port, ensures seamless delivery and supply chain efficiency. Strategic branding initiatives, including partnerships with actors Hrithik Roshan and Kareena Kapoor Khan, have strengthened its market presence. It follows an asset-light model, outsourcing manufacturing to 36 global partners while maintaining strict design and quality standards. Exports began in FY24 to over six countries in Asia and Europe, including Singapore, the UAE, Australia, Bangladesh, Burkina Faso, and Nepal. The company continues to explore new markets with favourable demographics and growth prospects through both organic and inorganic expansion.

Objects of the issue

The net proceeds from the fresh issue will be used towards the following purposes:

- ⇒ To carry out the Offer for Sale;
- ⇒ General corporate purposes.

Investment Rationale

One of India's largest and most trusted organised wall panel brands

The company is a market leader in India's organised decorative wall panels industry, with a 15.9% market share (Technopak Report). This scale reflects the strength of its business model, strategic market positioning, and deep understanding of consumer preferences, which have been instrumental in building trusted brands such as Euro Pratik and Gloirio. The company's focus on design-led innovation, aligned with global trends, has enabled it to continually adapt to changing consumer demands. Its commitment to quality, reliability, and satisfaction of both distributors and consumers has fostered strong brand equity, driving customer loyalty and reinforcing its competitive advantage in both residential and commercial segments. Over the past three years, the company has accelerated growth through strategic acquisitions and inorganic expansion. The integration of businesses such as Millennium Decor, Euro Pratik Laminate LLP, Europratik Intex LLP, and Vougue Decor has diversified its product portfolio and expanded its distribution channels. These acquisitions have enhanced its reach across geographies and product categories while deepening its relationships with over 180 distributors nationwide as of March 31, 2025. The company's proactive branding efforts, including targeted marketing campaigns and the engagement of high-profile brand ambassadors, have increased product visibility and brand recall. The decorative wall panels and decorative laminates markets are expected to expand further, driven by rising disposable incomes, urbanisation, and increasing demand for premium and technologically advanced products. With FY25 industry sizes of decorative wall panels and decorative laminates markets projected at Rs. 28.4 billion and Rs.102 billion (Technopak Report), respectively, the company's market leadership, established distribution network, and product innovation position it well to capitalize on these growth trends.

Leading the market with innovative designs and trend-driven merchandising

The decorative wall panels and laminates industries are shaped by rapid technological changes, price competition, and shifting consumer preferences. Leveraging its deep industry experience, the company has successfully positioned itself as a fast-fashion brand, having launched over 113 prod-

Issue Details

Offer Period	16 th Sept, 2025 - 18 th Sept, 2025
Price Band	Rs. 235 to Rs. 247
Bid Lot	60
Listing	BSE, NSE
Issue Size (no. of shares in mn)	18.2
Issue Size (Rs. in bn)	4.51
Face Value (Rs.)	1

Issue Structure

QIB	50%
NIB	15%
Retail	35%

BRLM	Axis Capital Ltd., DAM Capital Advisors Ltd.
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Registrar	MUFG Intime India Private Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	87.97	70.15
Public	12.03	29.85
Total	100.00	100.00

(Assuming issue subscribed at higher band)

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Euro Pratik Sales Ltd.

uct catalogues in the last four years to meet emerging market demands. Its product development strategy is driven by distributor engagement, market research, and consumer feedback, enabling it to design solutions tailored to regional preferences and lifestyle trends. The company's innovation-led approach, exemplified by successful product iterations like the Cassa Series and pioneering launches, has reinforced its position as a market leader. A dedicated research team, advisory panel, and global manufacturing partnerships further support the company's design capabilities. The company integrates design inspirations from the broader interior design space and introduces unique finishes, including textured, rattan, fabric, leather, and metallic surfaces, which set it apart from competitors. A key growth driver is its targeted merchandising strategy, which includes digital campaigns, trade shows, and collaborations with architects and interior designers. This approach has strengthened brand visibility and fostered loyalty among distributors and consumers. With 308 new designs in development as of March 31, 2025, and a proven track record of regularly introducing new products, the company is well-positioned to capitalise on the growing demand for premium and technologically advanced wall decor solutions. Its innovation-driven approach, supported by market insights and a robust distribution framework, provides a sustainable competitive advantage and growth potential in India's expanding decorative solutions market.

Valuation

Euro Pratik Sales operates in the decorative wall panel and decorative laminates industry as a seller and marketer of decorative wall panels and decorative laminates. As of March 31, 2025, the company offered a range of over 30 product categories and over 3,000 designs. As a product innovator for Louvres, Chisel and Auris in India's decorative wall panels and decorative laminates segment industries, the company introduced first-to-market products by identifying and understanding consumer and industry trends. As the company expands its consumer base in India, it also aims to explore international markets and will continue to assess growth opportunities through both organic and inorganic expansion selectively. The company has a network of 180 distributors across 25 states and five union territories in India. It plans to expand its distribution network by further leveraging its existing relationships to create a new distribution and logistics network. The company follows an asset-light model, with its products being manufactured by contract manufacturers. As of March 31, 2025, the company worked with 36 contract manufacturers in India and abroad, including countries such as South Korea, China, the United States, Romania, Turkey, Indonesia and Portugal. The company has recently completed a series of acquisitions to consolidate further and augment its business operations. The company seeks to diversify its product range further, access a wider distributor channel and expand into new markets and geographies through its recent acquisitions. On the financial front, the company has delivered healthy CAGR growth over FY2023–25 period, with Revenue/EBITDA/PAT CAGR of 3.8%/14.7%/13.3%. Overall, the company's focus on strengthening inventory management systems, integrating recent acquisitions, and optimising operational efficiencies positions it for scalable growth. Given its market leadership, differentiated product offerings, strategic expansion, and ability to capitalise on industry trends, the company provide long-term growth visibility. **At the upper price band, the company is valued at a P/E multiple of 32.8x FY25 earnings. We, thus, recommend a "SUBSCRIBE" rating for this issue.**

Key Risks

- ⇒ A fire incident at the company's largest warehouse in Swagat Complex, Rahanal Village, Bhiwandi, Mumbai, led to the destruction of inventories. Such incidents pose a significant risk to the company's operations, potentially disrupting supply chains, increasing costs, and affecting revenue generation.
- ⇒ The company is materially dependent on its largest contract manufacturer for the production of its products. Any disruption, loss, or termination of this relationship could significantly impact the company's supply chain, production capacity, and cost structure, thereby adversely affecting its business operations, financial performance, and overall stability.
- ⇒ The company's growth is dependent on its ability to expand and effectively manage its distribution network. Any inability to scale operations, address logistical challenges, or handle disruptions within the distribution chain could hinder market reach, delay product availability, and increase operational costs, thereby adversely impacting the company's business, financial performance, and results of operations.

Euro Pratik Sales Ltd.

Income Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Revenue			
Revenue from Operations	2,636	2,217	2,842
Total Revenue	2,636	2,217	2,842
Expenses			
Cost of raw materials consumed	1,707	1,230	2,106
Purchases of stock-in-trade	-	-	-
Changes in inventories of stock-in-trade and finished goods	(21)	32	(556)
Employee benefit expenses	61	59	91
Other expenses	102	85	188
Total Operating Expenses	1,849	1,406	1,828
EBITDA	787	811	1,014
Depreciation and Amortization expenses	24	34	53
EBIT	763	776	961
Finance costs	11	10	40
Other Income	50	84	73
PBT	801	850	994
Total tax	206	217	243
PAT	596	629	764
Diluted EPS	5.9	6.2	7.5

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in millions)

Particulars	FY23	FY24	FY25
Cash Flow from operating activities	571	747	-307
Cash flow from investing activities	-97	-281	360
Cash flow from financing activities	-484	-424	-19
Net increase/(decrease) in cash and cash equivalents	-10	42	35
Cash and cash equivalents at the beginning of the period	73	63	105
Cash and cash equivalents at the end of the period	63	105	140

Source: RHP, BP Equities Research

Euro Pratik Sales Ltd.

Balance Sheet (Rs. in millions)

Particulars	FY23	FY24	FY25
Assets			
Non-Current Assets			
Property, plant and equipment	17	15	31
Right of Use assets	135	117	160
Intangible Assets	0	0	0
Investment Property	132	120	110
Financial Assets			
(i) Loans	0	27	13
(ii) Other financial assets	35	37	18
Non-Current Tax Assets	0	0	0
Deferred tax assets (net)	7	6	21
Other non current assets	3	2	53
Total Non current assets	330	325	404
Inventories	388	356	962
Investments	55	344	81
(i) Trade Receivables	605	444	958
(ii) Cash and cash equivalents	63	105	140
(ii) Other Bank Balance	61	75	0
Others financial assets	57	55	75
Current tax assets	0	0	9
Other current assets	33	42	109
Total Current Assets	1,261	1,420	2,334
Total Assets	1,591	1,745	2,738
Equity and Liabilities			
Equity Share Capital	5	20	102
Other Equity	1,295	1,538	2,243
Total Equity	1,300	1,557	2,345
Financial Liabilities			
(i) Borrowings	0	0	12
(ii) Lease Liabilities	135	121	137
Provisions	6	7	7
Other financial liabilities	5	1	1
Current Liabilities			
(i) Borrowings	30	0	15
(ii) Lease Liabilities	12	14	30
(iii) Trade Payable	56	2	79
(iv) Other financial liabilities	0	0	0
Current tax liabilities	1	1	0
Provisions	2	2	1
Other current liabilities	46	39	111
Total Current Liabilities	146	58	237
Total liabilities	291	188	394
Total Equity and Liabilities	1,591	1,745	2,738

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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