

## Company Overview

Studds Accessories Limited (SAL) is India's largest two-wheeler helmets player, in terms of revenue in FY24 and also the world's largest two-wheeler helmet player by volume in CY24. The company designs, manufactures, markets, and sells two-wheeler helmets under the 'Studds' and 'SMK' (launched in 2016) brands, as well as other accessories (such as two-wheeler luggage, gloves, helmet locking device, rain suits, riding jacket, and eyewear) under our 'Studds' brand. The company sells its products pan-India and in more than 70 countries worldwide, with its key export markets across the Americas, Asia (excluding India), Europe, and the rest of the world. We also manufacture helmets for Jay Squared LLC, which are sold under the "Daytona" brand in the United States of America, as well as for O'Neal under their branding, supplying to markets in Europe, the US and Australia. As of FY25, its manufacturing facilities I, II, and III have a combined annualised capacity of producing 9.04 million units and sold around 7.40 million helmets in FY25. As of FY25, the company generated approximately 16.6% of its revenue from exports, with Europe, the Americas and Asia being the key contributors. Direct sales to OEMs accounted for 15.5% of its FY25 revenue.

The table below sets forth the details of the revenue from two-wheeler helmets and other accessories for the periods as indicated below:

| Product           | FY23              |                              | FY24              |                              | FY25              |                              | Q1FY26            |                              |
|-------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|
|                   | Amount in Rs. Cr. | % of revenue from operations | Amount in Rs. Cr. | % of revenue from operations | Amount in Rs. Cr. | % of revenue from operations | Amount in Rs. Cr. | % of revenue from operations |
| 2W Helmet         | 474               | 91.9%                        | 506               | 92.4%                        | 540               | 92.4%                        | 139               | 92.8%                        |
| Other Accessories | 41                | 7.9%                         | 40                | 7.4%                         | 43                | 7.3%                         | 10                | 7.0%                         |

## Objects of the issue

The company will not receive any proceeds from the offer, since it is an OFS.

## Investment Rationale

## Strong market leadership with diversified product portfolio across segments

Studds Accessories Ltd (SAL) holds a dominant position as the largest two-wheeler helmet manufacturer in India by revenue in FY24 and the world's largest by volume in CY24. Backed by nearly five decades of industry experience, the company has built a strong reputation for safety, quality, and innovation, reflected in the sale of around 7.4 million helmets in FY25. Its flagship brands, Studds and SMK, cater to distinct consumer segments, Studds targeting the mass commuter market and SMK addressing the premium and export segments. This dual-brand strategy allows the company to effectively cover a wide price spectrum ranging from Rs. 875 to Rs. 12,800 per helmet, thereby capturing diverse customer preferences. With over 240 designs and more than 19,000 SKUs across helmet and accessory categories, Studds demonstrates strong design capability and responsiveness to evolving consumer trends. The company's extensive product catalogue, robust brand equity, and consistent focus on style, safety, and technological innovation provide a sustainable competitive edge, enhancing both market penetration and customer loyalty across domestic and international markets.

## Advanced manufacturing and design capabilities with vertically integrated operations and a global distribution network to drive scalable growth

Studds Accessories Ltd (SAL) benefits from a deeply vertically integrated, technologically advanced manufacturing ecosystem that provides end-to-end control across the value chain, from raw material procurement and design to production, marketing, and distribution. With nearly five decades of manufacturing experience, the company has built four state-of-the-art facilities (and a fifth under construction), equipped with advanced automation technologies such as robotic painting, laser-based cutting systems, and sputtering and metalising technologies for visors, a capability held by few Indian helmet

## Issue Details

|                                   |                                 |
|-----------------------------------|---------------------------------|
| Offer Period                      | 30th Oct. 2025 - 03rd Nov. 2025 |
| Price Band                        | Rs. 557 to Rs. 585              |
| Bid Lot                           | 25                              |
| Listing                           | BSE & NSE                       |
| Issue Size (no. of shares in Cr.) | 0.8                             |
| Issue Size (Rs. in Cr.)           | 455.5                           |
| Face Value (Rs.)                  | 5                               |

## Issue Structure

|        |     |
|--------|-----|
| QIB    | 50% |
| NIB    | 15% |
| Retail | 35% |

|      |   |
|------|---|
| BRLM | IIFL Capital Services Limited, ICICI Securities Limited |
|------|---|

|           |                                   |
|-----------|-----------------------------------|
| Registrar | MUFG Intime India Private Limited |
|-----------|-----------------------------------|

| Particulars               | Pre Issue %   | Post Issue %  |
|---------------------------|---------------|---------------|
| Promoter & Promoter Group | 78.8%         | 59.0%         |
| Public                    | 21.2%         | 41.0%         |
| <b>Total</b>              | <b>100.0%</b> | <b>100.0%</b> |

(Assuming issue subscribed at higher band)

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manufacturers. The in-house production of key components like EPS liners, decals, moulds, and helmet liners ensures stringent quality control, cost efficiency, and faster product turnaround, with an average design-to-production cycle of 9 months for Studds and 14 months for SMK. Complementing its strong manufacturing backbone is SAL's well-established sales and distribution network, spanning 363 active distributors across India and exports to over 70 countries across Asia, Europe, and the Americas. The company also supplies to leading OEMs such as Hero MotoCorp, Honda Cars India, Royal Enfield, and Yamaha, while maintaining a presence across EBOs, e-commerce, and government channels like the Central Police Canteen. Its global reach is reinforced by compliance with stringent international quality standards such as BIS (IS:4151:2015), ECE 22.06, and ISO 9001:2015 certifications, enabling sales in high-standard markets like Europe and the U.S. This strong integration of advanced in-house production, innovation-driven design, and a robust multi-channel distribution network underpins Studds' operational efficiency, scalability, and competitive edge both domestically and internationally.

## Valuation

SAL was registered in 1975, holding the position as the largest two-wheeler helmet player in India. The company has built a strong presence across more than 70 countries, supported by its dual-brand portfolio, which collectively caters to mass and premium segments. SAL's extensive vertical integration, automation-led manufacturing, and continuous design innovation enable strong cost control, consistent product quality, and faster turnaround times. Further, the company's robust distribution network, spanning 363 domestic distributors and leading OEM relationships with players such as Hero MotoCorp, Honda, and Royal Enfield, strengthens its leadership position in the organized helmet market. SAL's strategic roadmap is centred on capacity expansion, product diversification, and global penetration. It is setting up a fifth manufacturing facility at Faridabad to deepen vertical integration and capitalize on growing global demand for certified helmets. The company is also investing in automation and IoT-enabled systems to enhance operational efficiency and scale. Geographically, it is expanding through acquisitions (such as Bikerz US, Inc.) and establishing a direct distribution model in Europe. On the product front, SAL plans to increase its presence in the premium segment under both the Studds and SMK brands, while also expanding into bicycle helmets, apparel, and other two-wheeler lifestyle accessories. Financially, SAL has exhibited steady growth with net sales rising from Rs 499 crore in FY23 to Rs 584 crore in FY25, reflecting a CAGR of 8.1%. EBITDA margin expanded from 12.0% in FY23 to 18.0% in FY25, driven by operational efficiencies and product mix improvement. Net profit grew from Rs 33 crore in FY23 to Rs 70 crore in FY25, translating into an EPS CAGR of over 45%. Return ratios also strengthened, with ROE improving from 9.8% in FY23 to 15.5% in FY25, indicating efficient capital utilization. Overall, Studds' integrated manufacturing strength, expanding global footprint, diversified product portfolio, and margin-accretive strategy position it well to benefit from the structural growth in the two-wheeler helmet market, both domestically and globally. **On the valuation front, at the upper band of the issue price range, the company trades at a P/E of 33.1x based on FY25 earnings. We thus recommend a "SUBSCRIBE" rating from a medium- to long-term perspective.**

| Valuation & Return Ratio (post-issue) | FY23  | FY24  | FY25  |
|---------------------------------------|-------|-------|-------|
| EPS                                   | 8.4   | 14.5  | 17.7  |
| P/E                                   | 69.5x | 40.2x | 33.1x |
| Book Value (in Rs. Cr)                | 338   | 387   | 449   |
| P/BV                                  | 6.8x  | 5.9x  | 5.1x  |
| ROE                                   | 9.8%  | 14.8% | 15.5% |
| ROA                                   | 7.2%  | 11.8% | 12.5% |

## Key Risks:

⇒ The company faces high concentration risk, with its business being highly dependent on the two-

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wheeler market.

- ⇒ The company's performance is subject to seasonality, with Q2 being the weakest.
- ⇒ With all of its manufacturing facilities being located in a single geographic location, SAL's operations are highly susceptible to the risk of complete disruption or shutdown due to any significant event.

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## Income Statement (Rs. in crores)

| Particulars   | FY23       | FY24        | FY25        | Q1FY26     |
|---|------------|-------------|-------------|------------|
| <b>Revenue from operations:</b>   | 499        | 529         | 584         | 149        |
| <b>Total revenue from operations</b>                                      | <b>499</b> | <b>529</b>  | <b>584</b>  | <b>149</b> |
| <b>Expenses</b>   |            |             |             |            |
| Cost of Material Consumed   | 259        | 243         | 262         | 61         |
| (Increase)/decrease in Inventories of Finished Goods and Work-in-Progress | 3          | -4          | -6          | 0          |
| Employee benefits   | 65         | 71          | 63          | 16         |
| Other expenses  | 112        | 129         | 161         | 43         |
| <b>Total operating expenses</b>   | <b>439</b> | <b>439</b>  | <b>479</b>  | <b>119</b> |
| <b>EBITDA</b>   | <b>60</b>  | <b>90</b>   | <b>105</b>  | <b>30</b>  |
| Depreciation & amortization   | 18         | 19          | 21          | 5          |
| <b>EBIT</b>   | <b>42</b>  | <b>71</b>   | <b>84</b>   | <b>25</b>  |
| Finance costs   | 3          | 2           | 1           | 0          |
| Other Income  | 7          | 7           | 12          | 3          |
| Exceptional items   | 0          | 0           | 0           | 0          |
| <b>PBT</b>  | <b>46</b>  | <b>76</b>   | <b>95</b>   | <b>28</b>  |
| Current tax   | 11         | 18          | 24          | 7          |
| Deferred tax  | 2          | 1           | 2           | 0          |
| Tax relating to earlier periods   | 1          | 0           | 0           | 0          |
| <b>Total tax</b>  | <b>13</b>  | <b>19</b>   | <b>25</b>   | <b>7</b>   |
| <b>Net Profit</b>   | <b>33</b>  | <b>57</b>   | <b>70</b>   | <b>20</b>  |
| <b>Diluted EPS</b>  | <b>8.4</b> | <b>14.5</b> | <b>17.7</b> | <b>5.1</b> |

Source: RHP, BP Equities Research

## Cash Flow Statement (Rs. in crores)

| Particulars   | FY23      | FY24      | FY25      | Q1FY26    |
|---|-----------|-----------|-----------|-----------|
| Cash Flow from operating activities                             | 56        | 72        | 63        | 24        |
| Cash flow from/(used in) investing activities                   | -26       | -20       | -51       | -7        |
| Net cash flows (used in) / from financing activities            | -24       | -41       | -9        | -1        |
| <b>Net increase/(decrease) in cash and cash equivalents</b>     | <b>6</b>  | <b>11</b> | <b>3</b>  | <b>16</b> |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>19</b> | <b>25</b> | <b>36</b> | <b>39</b> |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>25</b> | <b>36</b> | <b>39</b> | <b>55</b> |

Source: RHP, BP Equities Research

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## Balance Sheet (Rs. in crores)

| Particulars                                 | FY23       | FY24       | FY25       | Q1FY26     |
|---|------------|------------|------------|------------|
| <b>Assets</b>                               |            |            |            |            |
| <b>Non-Current Assets</b>                   |            |            |            |            |
| Property Plant & Equipment                  | 307        | 320        | 326        | 322        |
| Capital Work in Process (Tangible)          | 10         | 10         | 25         | 34         |
| Right of use Assets                         | 1          | 8          | 5          | 5          |
| Intangible Assets                           | 3          | 3          | 2          | 2          |
| Goodwill                                    | 0          | 0          | 5          | 5          |
| Intangible Assets under development         | 2          | 2          | 4          | 4          |
| Financial Assets                            | 0          | 0          | 0          | 0          |
| (i) Non-Current Investments                 | 0          | 0          | 0          | 0          |
| (ii) Other Financial Assets                 | 30         | 4          | 3          | 7          |
| <b>Total Non-Current Assets</b>             | <b>353</b> | <b>347</b> | <b>371</b> | <b>377</b> |
| <b>Current Assets</b>                       |            |            |            |            |
| Inventories                                 | 35         | 40         | 56         | 61         |
| Financial Assets                            | 0          | 0          | 0          | 0          |
| (i) Trade Receivables                       | 31         | 28         | 43         | 40         |
| (ii) Cash & Cash Equivalents                | 25         | 36         | 39         | 55         |
| (iii) Other Bank Balances                   | 5          | 23         | 33         | 32         |
| (iv) Other Financial Assets                 | 0          | 0          | 0          | 0          |
| Other Current Assets                        | 12         | 11         | 14         | 21         |
| <b>Total Current Assets</b>                 | <b>108</b> | <b>139</b> | <b>186</b> | <b>209</b> |
| <b>Total Assets</b>                         | <b>461</b> | <b>486</b> | <b>557</b> | <b>587</b> |
| <b>Equity and Liabilities</b>               |            |            |            |            |
| Equity Share Capital                        | 10         | 10         | 20         | 20         |
| Other Equity                                | 328        | 378        | 430        | 450        |
| <b>Total Equity</b>                         | <b>338</b> | <b>387</b> | <b>449</b> | <b>470</b> |
| <b>Liabilities</b>                          |            |            |            |            |
| <b>Non-Current Liabilities</b>              |            |            |            |            |
| Financial Liabilities                       |            |            |            |            |
| (a) Non-Current Borrowings                  | 20         | 0          | 3          | 3          |
| (b) Lease Liabilities                       | 0          | 6          | 4          | 3          |
| (c) Other Non-Current Financial Liabilities | 3          | 3          | 3          | 3          |
| Non-Current Provisions                      | 4          | 5          | 5          | 5          |
| Deferred Tax Liability (Net)                | 16         | 17         | 18         | 19         |
| <b>Total Non-Current Liabilities</b>        | <b>43</b>  | <b>31</b>  | <b>34</b>  | <b>33</b>  |
| <b>Current Liabilities</b>                  |            |            |            |            |
| Financial Liabilities                       |            |            |            |            |
| (a) Current Borrowings                      | 11         | 0          | 0          | 0          |
| (b) Lease Liabilities                       | 1          | 2          | 2          | 3          |
| (c) Trade Payables                          | 35         | 31         | 32         | 39         |
| (d) Other Current Financial Liabilities     | 18         | 16         | 16         | 17         |
| Other Current Liabilities                   | 13         | 15         | 14         | 13         |
| Current Provisions                          | 2          | 2          | 2          | 2          |
| Current Tax Liabilities (Net)               | 2          | 2          | 7          | 10         |
| <b>Total Current Liabilities</b>            | <b>80</b>  | <b>68</b>  | <b>73</b>  | <b>84</b>  |
| <b>Total Liabilities</b>                    | <b>123</b> | <b>98</b>  | <b>107</b> | <b>117</b> |
| <b>Total Equity and Liabilities</b>         | <b>461</b> | <b>486</b> | <b>557</b> | <b>587</b> |

Source: RHP, BP Equities Research

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

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