

Euro Pratik Sales Ltd

Company Overview:

Euro Pratik Sales Ltd (EPSL) operates in decorative wall panel and decorative laminates industry. The company is one of India's largest organized Wall Panel brands with market share of ~10% based on revenue as of FY24 and 15.9% as of FY23. The company develops differentiated design templates for Decorative Wall Panels and Decorative Laminates which are tailored to meet contemporary architectural and interior design trends and are sold under the brands 'Euro Pratik' and 'Gloirio'. During FY25, EPSL has completed certain acquisitions in order to diversify and expand its product range, distribution network and to enter into new markets and geographies. The acquisition includes a) 'Vogue Décor' and 'Millenium Décor' which are engaged in interior wall cladding & interior decorative panels; b) 'Euro Pratik Laminate LLP', a marketer and seller of wall panels, louvers, designer laminates and other furniture materials; c) 'Euro Pratik Intex', a marketer and seller of exterior wall panels and other exterior furnishing materials; and d) 'Euro Pratik USA LLC', a marketer and seller of wall panels, louvers and designer laminates in USA.

Key Highlights:

1. Comprehensive product portfolio: The company offers a wide range of products across 30+ categories and 3,000+ designs. EPSL has been at the forefront of product innovation by introducing various first-to-market wall panel products like Louvres, Chisel & Auris for the Indian decorative wall panels & laminates segment. Its product portfolio includes a variety of decorative wall panels catering to diverse architectural & design needs. As of Mar'25, the company's offerings in the laminates segment included 11 decorative products.

2. Asset-light business model: The company operates an asset-light business model with a focus on product design and development. EPSL outsources the manufacturing processes to contract manufacturing partners like Miga, South Korea, who possess the technology and know-how to manufacture the required designs. This helps to minimize the requirement for substantial capital investment in production facilities and equipment.

3. Robust pan-India presence along with foray into international markets: A well-established distribution network is the key strength of the company enhancing the market presence and operational efficiency. As at Mar'25, the company had a distribution network of 180 distributors across 25 states and 5 union territories in India. During FY24, the company expanded into international markets of USA, Europe, Middle East and Africa. It believes these markets are at a nascent stage and will become a key revenue driver as its presence in these markets ramp-up.

4. Staying ahead of market trends with its merchandising capabilities: The company operates as a fast-fashion brand in the Decorative Wall Panels and Decorative Laminates industries in India with over 113 product catalogues (involving a combination of products and designs) launched in the last 4 years. These design capabilities are the cornerstone of the business, setting it apart in the competitive landscape.

Valuation: At upper price band of Rs 247, the IPO is valued at a P/E multiple of 32.9x on post issue capital. The business operates on an asset light model thus helping it to generate EBITDA margin of 35% plus and ROE of above 30%. While performance was muted in last 3 years due to unfavorable industry supply-demand dynamics, the outlook appears attractive with rising share of organized market. EPSL operates a unique business mode with no like-to-like peers. Based on the company's strong return metrics, extensive distribution network and comprehensive product portfolio, we recommend investors SUBSCRIBE to the issue for long term investment horizon.

Issue Details

Date of Opening	16 th September 2025
Date of Closing	18 th September 2025
Price Band (Rs)	235 – 247
Issue Size (Rs cr)	451.3
Fresh Issue (Rs cr)	-
Offer for sale (Rs cr)	451.2
Issue Size (No. of shares) @ upper band	1,82,71,862
Face Value (Rs)	1.0
Post Issue Market Cap (Rs cr)	2,402 – 2,524
BRLMs	Axis Capital Ltd, DAM Capital Advisors Ltd
Registrar	MUFG Intime India Pvt Ltd
Bid Lot	60 shares and in multiples thereof
QIB shares	50%
Retail shares	35%
NIB shares	15%

Shareholding Pattern

Pre-Issue	No. of Shares	%
Promoter & Promoter Group	8,99,09,860	88.0
Public & Others	1,22,90,140	12.0
Total	10,22,00,000	100.0

Post Issue @ Upper Price Band	No. of Shares	%
Promoter & Promoter Group	7,16,37,998	70.1
Public & Others	3,05,62,002	29.9
Total	10,22,00,000	100.0

Promoter entities selling through OFS	Amount (Rs cr)
Pratik Gunvantraj Singhvi HUF	156.7
Jai Gunvantraj Singhvi HUF	156.7
Dipty Pratik Singhvi	40.9
Nisha Jai Singhvi	40.9
Pratik Gunvantraj Singhvi	28.3
Jai Gunvantraj Singhvi	27.9
Total	451.3

Source: RHP, SSL Research

Key Financials

Particulars (Rs cr)	FY23	FY24	FY25
Revenue from operations	264	222	284
EBITDA	79	81	101
Adj. PAT	60	63	77
EBITDA Margin (%)	29.8	36.6	35.7
Adj. PAT Margin (%)	22.6	28.4	27.0
RoE (%)	45.8	40.4	32.8
RoCE (%)	61.1	55.2	43.7
P/E (x)*	42.4	40.1	32.9

Source: RHP, SSL Research

* Pre-issue based on upper price band

Risk Factors

- **Forex risk:** The company primarily imports its products from contract manufacturers overseas, with majority of these transactions denominated in either USD or CNY. As of FY23/FY24/FY25, EPSL's goods purchased in foreign currencies as a % of total purchases stood at 81.2%/92.2%/54.8% respectively. The company does not enter into any hedging transactions; hence any adverse exchange rate fluctuations may affect the company's performance.
- **Concentration on suppliers:** As the company operates on an asset-light model it does not manufacture any goods and is dependent on independent suppliers. As of FY23/FY24/FY25, goods purchased from Top 10 suppliers stood at 87.9%/91.7%/52.8% respectively, while goods purchased from the top supplier Miga, South Korea stood at 56.2%/70.6%/24.0% respectively.
- **Distributor dependency:** The company's Top 30 distributors contributed 30.5%/32.2%/36.2% to its FY23/FY24/FY25 revenue respectively. Any inability to retain key distributors on terms that are commercially reasonable or if there is any reduction in the volume of business with such distributors may have adverse impact on the company's performance.

Growth Strategy

- Expand into new markets.
- Continue to expand distribution network and undertake measures to improve inventory management systems.
- Improve brand equity.
- Focus on product innovation in response to evolving consumer preferences and further expand product portfolio.
- Integrate recent acquisitions and continue to expand the business through strategic inorganic growth opportunities.
- Leverage market position to capitalize on favorable industry trends.

Revenue Split - Segment wise

Particulars	FY23		FY24		FY25	
	Rs cr	as a % of Revenue	Rs cr	as a % of Revenue	Rs cr	as a % of Revenue
Decorative Wall Panels	174.3	66.1	169.7	76.5	188.0	66.1
Decorative Laminates	75.4	28.6	42.8	19.3	72.9	25.6
Interior films, adhesives, catalogues, etc.	13.9	5.3	9.2	4.1	23.4	8.2
Total	263.6	100.0	221.7	100.0	284.2	100.0

Source: RHP, SSL Research

Revenue Split - Geography wise

Particulars	FY23		FY24		FY25	
	Rs cr	as a % of Revenue	Rs cr	as a % of Revenue	Rs cr	as a % of Revenue
East	19.6	13.9	17.8	13.5	28.2	13.1
North	47.4	33.6	43.0	32.6	50.9	23.7
South	40.0	28.3	40.7	30.8	75.9	35.3
West	28.5	20.2	24.5	18.5	50.2	23.4
Central	5.6	4.0	6.1	4.6	9.7	4.5
Exports & Others	122.4	46.5	89.7	40.5	69.5	24.4
Total	141.1	100.0	132.0	100.0	214.8	100.0

Source: RHP, SSL Research

Operating Metrics

Particulars	FY23	FY24	FY25
Number of SKUs	2,810	3,047	3,438
Number of Distributors	97	97	180
Number of states in India with presence	24	23	25

Source: RHP, SSL Research

Number of Contract Manufacturers

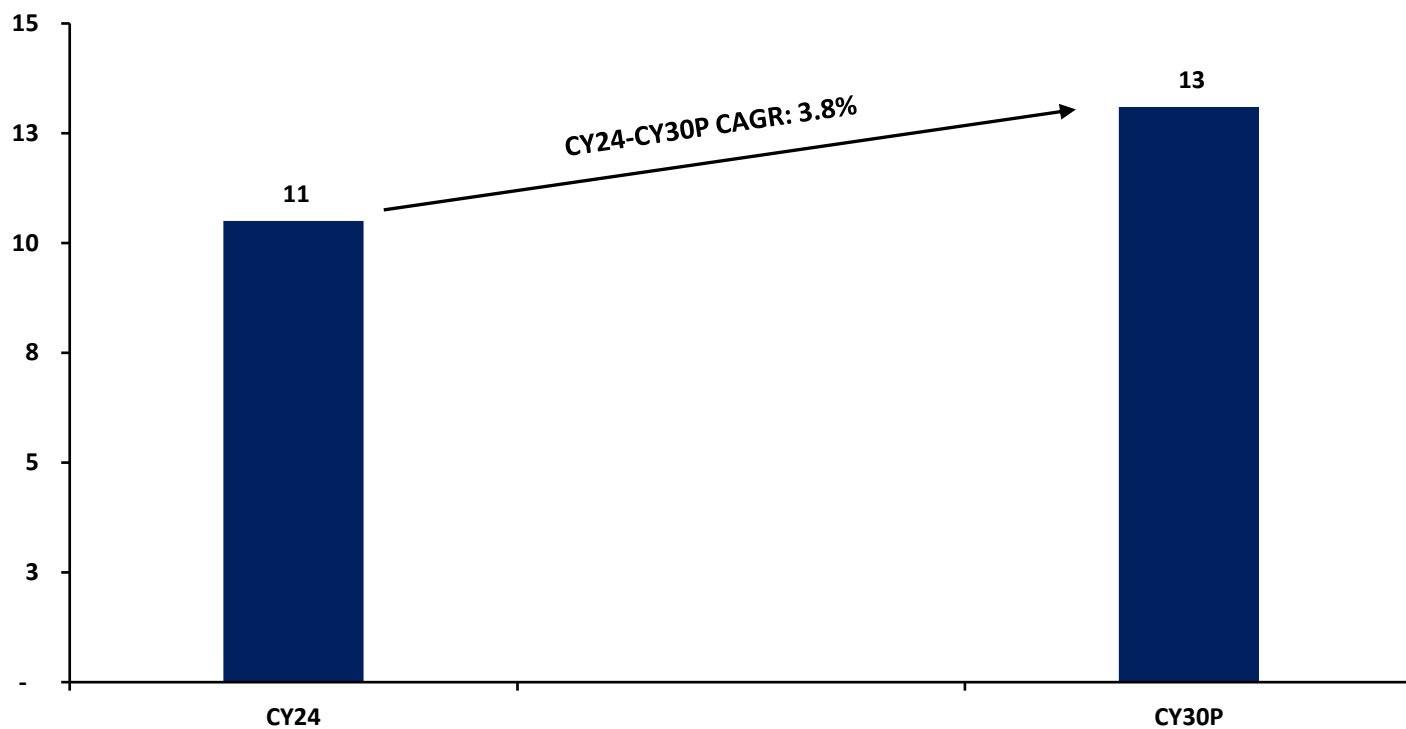
Particulars	FY23	FY24	FY25
India			
East	-	-	-
North	1	-	9
South	-	-	-
West	1	1	6
Central	-	-	1
International			
Asia*	12	10	20
Europe	2	-	-
India	1	1	-
Total	17	12	36

Source: RHP, SSL Research

*Number of contract manufacturers in Asia is ex-India basis.

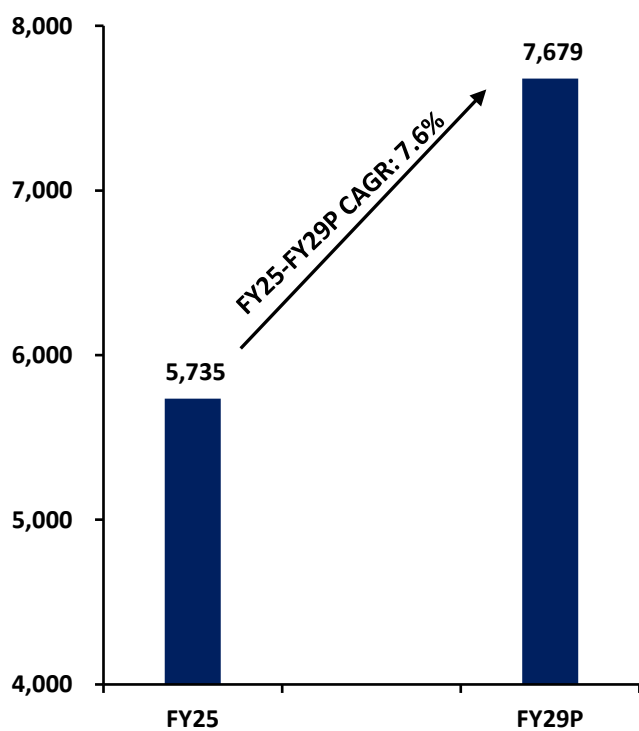
Industry Overview

Global Wall Panel Market (USD bn)

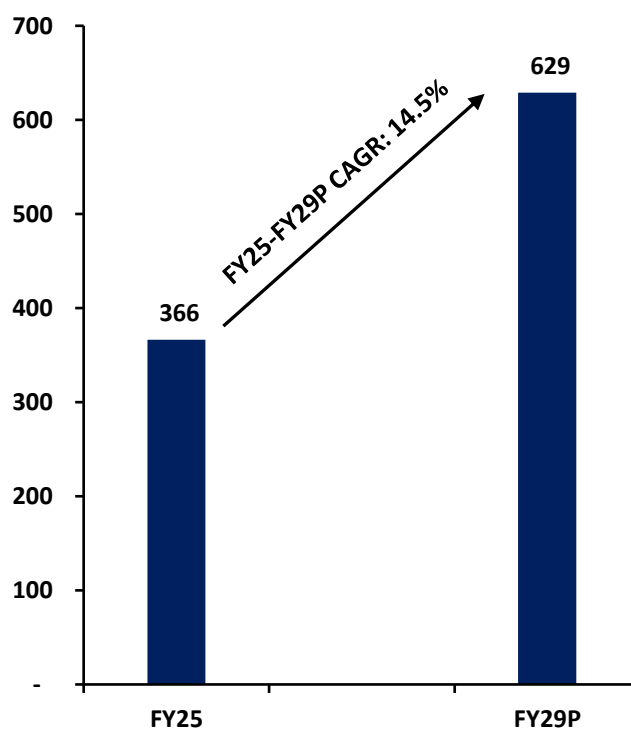


Source: RHP, SSL Research

Indian Interior Fixture Market (Rs bn)



Indian Wall Decorative Market (Rs bn)



Source: RHP, SSL Research

Financial Snapshot

INCOME STATEMENT			
Particulars (Rs cr)	FY23	FY24	FY25
Revenue from Operations	264	222	284
YoY growth	-	-15.9%	28.2%
Cost Of Revenues (incl Stock Adj)	169	126	155
Gross Profit	95	95	129
Gross margins	36.0%	43.1%	45.5%
Employee Cost	6	6	9
Other Operating Expenses	10	8	19
EBITDA	79	81	101
EBITDA margins	29.8%	36.6%	35.7%
Other Income	5	8	7
Interest Exp.	1	1	4
Depreciation	2	3	5
PBT	80	85	99
Exceptional item	-	-	-
Tax	21	22	24
Reported PAT	60	63	76
Reported PAT margin	22.6%	28.4%	26.9%
Adj. PAT	60	63	77
Adj. PAT margin	22.6%	28.4%	27.0%

BALANCE SHEET			
Particulars (Rs cr)	FY23	FY24	FY25
Assets			
Net Block	2	1	3
Intangible Assets	-	-	-
Right of use assets	14	12	16
Other Non-current Assets	18	19	21
Current Assets			
Current Investment	6	34	8
Inventories	39	36	96
Trade receivables	60	44	96
Cash and Bank Balances	12	18	14
Other Current Assets	9	10	19
Total Current Assets	126	142	233
Current Liabilities & Provisions			
Trade payables	6	-	8
Other current liabilities	5	4	11
Total Current Liabilities	10	4	19
Net Current Assets	116	138	214
Assets Classified as held for sale	-	-	-
Total Assets	149	170	255
Liabilities			
Share Capital	1	2	10
Reserves and Surplus	130	154	224
Total Shareholders' Funds	130	156	234
Total Debt	3	-	3
Long Term Provisions	1	1	1
Lease Liabilities	15	13	17
Net Deferred Tax Liability	-	-	-
Total Liabilities	149	170	255

CASHFLOW			
Particulars (Rs cr)	FY23	FY24	FY25
Cash flow from Operating Activities	57	75	(31)
Cash flow from Investing Activities	(10)	(28)	36
Cash flow from Financing Activities	(48)	(42)	(2)
Free Cash Flow	45	74	(33)

RATIOS			
Particulars	FY23	FY24	FY25
Profitability			
Return on Assets	37.4%	36.1%	28.0%
Return on Capital Employed	61.1%	55.2%	43.7%
Return on Equity	45.8%	40.4%	32.8%
Margin Analysis			
Gross Margin	36.0%	43.1%	45.5%
EBITDA Margin	29.8%	36.6%	35.7%
Net Profit Margin	22.6%	28.4%	27.0%
Short-Term Liquidity			
Current Ratio (x)	9.4	32.1	11.3
Quick Ratio (x)	6.5	24.1	6.6
Avg. Days Sales Outstanding	84	73	123
Avg. Days Inventory Outstanding	84	103	227
Avg. Days Payables	11	1	16
Fixed asset turnover (x)	155.8	150.1	92.7
Debt-service coverage (x)	19.9	87.7	15.5
Long-Term Solvency			
Total Debt / Equity (x)	0.0**	-	0.0**
Interest Coverage Ratio (x)	74.4	87.7	25.8
Valuation Ratios*			
EV/EBITDA (x)	32.0	30.9	24.8
P/E (x)	42.4	40.1	32.9
P/B (x)	19.4	16.2	10.8
EV/Sales (x)	9.5	11.3	8.8
Mkt Cap/Sales (x)	9.6	11.4	8.9

* Valuation ratios are based on pre-issue capital at the upper price band.

** Total Debt/Equity for FY23 and FY25 stood at 0.02x and 0.01x respectively.

Source: RHP, SSL Research

Peer Comparison – Building Materials (FY25)

Particulars (Rs cr)	Euro Pratik Sales Ltd	Greenlam Industries Ltd	Century Plyboards (India) Ltd
CMP (Rs)	247	249	806
Sales	284	2,569	4,528
EBITDA	101	275	487
Net Profit	77	70	185
Mkt Cap.	2,524	6,342	17,924
Enterprise Value	2,513	7,374	19,349
EBITDA Margin (%)	35.7	10.7	10.7
Net Profit Margin (%)	27.0	2.7	4.1
P/E (x)	32.9	91.0	96.7
EV/EBITDA (x)	24.8	26.9	39.8
RoE (%)	32.8	6.2	7.8
RoCE (%)	43.7	7.8	9.4
EV/Sales (x)	8.8	2.9	4.3

For Euro Pratik Sales Limited, the Market cap, Enterprise Value, P/E(x), EV/EBITDA (x) and EV/Sales(x) are calculated on post-issue equity share capital based on the upper price band.

Please note, as the company does not have any like-to-like peers we have provided a peer comparison with companies operating in the similar segments of building materials.

CMP as on 11th September, 2025.

Source: RHP, SSL Research

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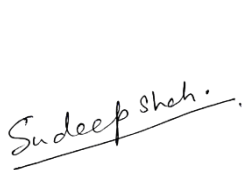
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