

IPO NOTE – STUDDS ACCESSORIES LIMITED

31st October 2025

Piggy-backing on the booming 2W industry in India:-

Studds Accessories Ltd (Studds) is an established manufacturer with nearly 5 decades of experience in designing and manufacturing of 2W helmets under the “Studds” and “SMK” brands and other accessories like riding jackets, gloves, etc under “Studds” brand. It also manufactures helmets for other international brands like “Daytona” and “O’Neal”. It is India’s largest 2W helmet player in India in terms of FY24 revenue and also the world’s largest in terms of volume. It had a market share of 27.3% in volume and 25.5% in value terms as on FY24 in the 2W helmet market in India. Their products are sold in India and 70+ export markets. It has 4 manufacturing facilities in India with a total capacity of ~9 mn units, with 5th facility having ~3 mn capacity in pipeline.

Ever-expanding product portfolio with increased focus towards premiumization:-

Studds offers a wide and diversified portfolio of helmets and motorcycle accessories catering to mass and premium segments with ~19,200 SKUs across categories as on 31/08/2025. Leveraging its reputation, it expanded into the premium 2W helmet segment in 2016 with the launch of its “SMK” brand which opened the gate way for export markets. Studds intends to capitalise on the growing premium 2W market in India by leveraging its brands and increasing its presence in the premium 2W helmet segment. For this, it proposes to increase the manufacturing capacity of SMK helmets and premium helmets under the ‘Studds’ brand. Studds has a service agreement with a European design firm, for designing and conceptualising its helmets while also also engaging a Spanish design firm to launch helmets with inbuilt Bluetooth technology to enhance riding comfort and safety of the motorcycles. Going ahead, it intends to grow its product offerings in niche segments such as bicycle helmets and apparel and plans to enter new aspirational product lines and target new segments.

Strong presence globally with strategic expansion into newer geographies:-

Studds have developed a widespread distributor network in India and globally that has enabled them to serve customers in 70+ countries. They have tie-ups with 363 active distributors in India and sell in key export markets situated across Americas and Asia for their export operations. It sells its products primarily through its extensive distributor networks, OEMs, EBOs, online retailers, Q-comm platforms, central stores, department stores, central police canteen and institutional customer. Studds will continue to expand its footprint in new geographical locations, particularly in the Americas and ASEAN markets. It plans to establish a new subsidiary in Europe to strengthen its presence there. Additionally, in key export markets, it intends to implement a distributor-direct approach to enhance its engagement with the market. It sold ~7.4 mn helmets in FY25.

Key Risks: - 1) Supplier concentration as largest supplier accounts for ~19% of total supply 2) Slowdown in 2W sales 3) Volatility in raw materials prices like ABS could affect margins and production 4) Delay in commissioning of new plant will affect growth as current utilisation is ~80%+.

Financials & valuation: -

Studds is one of the largest 2W helmet players globally, supported by strong distribution network, vertically integrated operations, robust R&D capabilities and multi-brand strategy across product categories. Studds is well poised to continue its growth trajectory owing to its strong profitability, debt-free balance sheet, commissioning of new mfg. plant and strategic expansion into newer geographies. The Indian helmet market size is expected to grow at a CAGR of ~8.7% while the global market is expected to grow at a CAGR of ~5.1% between 2024-2029, which bodes well for Studds. At the upper price band, Studds is available at a valuation of ~33x its FY25 EPS. We have a **SUBSCRIBE** for long term recommendation to this issue.

Key Financials (₹ Cr)	Mar-23	Mar-24	Mar-25
Total Income	500	529	584
EBITDA	60	90	105
EBITDA Margin (%)	12.0	17.0	18.0
PAT	33	57	70
PAT Margin (%)	6.6	10.8	12.0
Net Worth	338	387	449

Rating	SUBSCRIBE
Issue Details	
Issue Opens	30-Oct-25
Issue Closes	03-Nov-25
Face Value (₹)	5
Price Band (₹)	557-585
Bid Lot	25 shares
Issue Size (₹ Cr)	455
Market cap at upper price band (₹ Cr)	2,302
Listing	NSE/BSE
BRLM	ICICI Securities, IIFL Capital
Registrar	MUFG Intime Pvt Ltd.

Shareholding Pattern (%)		
	Pre-Issue	Post Issue
Promoters	79.00	62.00
Public	21.00	38.00
Total	100	100

Issue Structure (In Cr no. of shares)	
Issue size	0.78
OFS	0.78
Break-up of net issue to public (%):	
QIB portion	50.0
Non-Institutional portion	15.0
Retail Portion	35.0

Analyst Details	
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