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National Stock Exchange of India Limited	BSE Limited ("BSE")
("NSE")	Listing Department
Listing Department	Corporate Relationship Department
Exchange Plaza, C-1 Block G, Bandra Kurla	Phiroze Jeejeebhoy Towers,
Complex Bandra [E], Mumbai – 400051	Dalal Street, Fort, Mumbai - 400 001
NSE Scrip Symbol: STANLEY	BSE Scrip Code: 544202
ISIN: INE01A001028	ISIN: INE01A001028

Dear Sir/Ma'am,

SUB: TRANSCRIPT OF THE EARNINGS CONFERENCE CALL HELD ON 27TH MAY 2025

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of transcript of the earnings conference call held on Tuesday, May 27, 2025 on the audited financial results (standalone and consolidated) of the Company for the quarter and financial year ended March 31, 2025.

The transcript of the earnings conference call is also available on the website of the Company at https://www.stanleylifestyles.com/investors/financials

We request you to kindly take this on your record.

Thanking You,

For Stanley Lifestyles Limited

Akash Shetty Company Secretary and Compliance Officer FCS No.11314

Enclosed: As above



"Stanley Lifestyles Limited Q4 & FY '2025 Earnings Conference Call"

May 27, 2025







MANAGEMENT: Mr. SUNIL SURESH – MANAGING DIRECTOR, STANLEY

LIFESTYLES LIMITED

Ms. Shubha Sunil – Whole-Time Director,

STANLEY LIFESTYLES LIMITED

MR. PRADEEP KUMAR MISHRA – GROUP CHIEF

FINANCIAL OFFICER, STANLEY LIFESTYLES LIMITED

MR. SRI KRISHNA – CHIEF EXECUTIVE OFFICER,

RETAIL DIVISION, STANLEY LIFESTYLES LIMITED

MODERATOR: DEVANSHU BANSAL – EMKAY GLOBAL FINANCIAL

SERVICES LIMITED





Moderator:

Ladies and gentlemen, good day and welcome to the Stanley Lifestyles Limited's Earnings Conference Call, hosted by Emkay Global Financial Services Limited.

As a reminder, all participants' lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*", then "0" on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Devanshu Bansal – Emkay Global Financial Services Limited. Thank you. And over to you, sir.

Devanshu Bansal:

Yes. Hi, good afternoon everyone. I would like to welcome the management and thank them for this opportunity.

We have with us today, Mr. Sunil Suresh – Managing Director; Ms. Shubha Sunil – Whole-Time Director; Mr. Pradeep Kumar Mishra – Group Chief Financial Officer; Mr. Sri Krishna – Chief Executive Officer, Retail Division.

I shall now hand over the call to the management team for the opening remarks. Over to you, gentlemen.

Sunil Suresh:

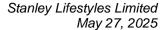
Yes. Good afternoon, everyone. Welcome to Stanley Lifestyles Limited's Earnings Conference Call for the 4th Quarter and Financial Year ended 31st March 2025. The Earnings Presentation has been uploaded on the Stock Exchange, and we trust you have had the opportunity to review it

The financial year gone by was an important milestone for the company, marked by the successful completion of our Initial Public Offering in June 2024. The listing has strengthened our financial base, enabling us to drive our strategic priorities across the premium and luxury home interior market.

In FY '25, Stanley Lifestyles Limited reported the revenue from operations of INR 4,262 million. The COCO retail business, which continues to be the key driver, grew by 12.7% quarter-on-quarter and 13.5% year-on-year for FY '25 Q4. The full year growth stood at 8.5%, supported by consistent demand for premium and luxury furniture in the key urban centers.

Among our brand portfolio, Stanley Level Next led the performance with 15.5% year-on-year growth, while Stanley Boutique degrew by 9.2% year-on-year and our value premium line Sofas & More grew by 11.8% year-on-year. We have witnessed some rebound in the footfall traction in Q3 and Q4.

Our distribution business vertical saw short term disruption due to realignment in credit policies from credit to cash and carry model, impacting volumes. The vertical is now stabilizing, and we expect growth momentum to return by Q3 FY '26, as channel partners adjust to revised terms.





Meanwhile, the B2B segment remained flat throughout the year, although there's an encouraging volume of enquiries, the conversion cycle is elongated, and we are anticipating similar trends in FY '26. The business will continue to be nurtured with the focus on project-driven execution timeline.

On the profitability front, the localization efforts and manufacturing efficiency through in-house manufacturing have been progressing well, led by an improvement of 237 bps in gross margin. The gross margin expanded to 56.3% in FY '25 compared to 53.9% in FY '24. As of FY '25, we have 68 stores across India comprising of 44 COCO stores and 24 FOFO stores.

COCO stores contributed 61% of total revenue, reinforcing our control over brand presentation, customer engagement and service quality. That said, our retail expansion during the year was measured. Despite the availability of IPO funds, the rollout plan was moderated due to mismatch between expected rental terms and shortage of Grade A retail location.

Several high traffic zones saw rental expectations that did not align with our business model, leading to delayed store launches. On the demand front, while structural indicators remain favorable, footfall remained less than expected, primarily owning to lower than expected residential handover and some climatic conditions. We view this as a temporary lag rather than a demand deficit. The premium and luxury residential real estate sector is experiencing strong sales traction, and we continue to monitor housing handover schedules closely.

Looking ahead, we are on track to opening five stores, three COCO and two FOFO in Q1 of FY '26, with a full year target of 15 new stores with three stores planned relocation. Our focus remains on expanding in high opportunity real estate clusters, improving inventory efficiencies at the store level, and enhancing customer engagement through curated offering. Additionally, the entry of imported furniture, which is a major competition, is poised for disruption with government emphasis on BIS certification coming into effect from March '26.

With a strong presence of retail stores in major metros, supported by well established, fully integrated manufacturing capacity, Stanley Lifestyles Limited is well placed to capitalize on emerging opportunities in India's premium and luxury furniture landscape.

Thank you. We can open for questions.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Devanshu Bansal from Emkay. Please go ahead, sir.

Devanshu Bansal:

Yes. Hi. So, this time around in FY 25, the growth has been a bit muted, though improvements have been seen on the gross margin front. But I wanted to check if you could just help us understand the growth prospects for the coming year, right, FY '26 and maybe for the next two, three years, it would be very helpful. Thank you.





So, we are definitely going to go about in a fairly measured manner, keeping our eyes glued to the profitability, and also availability of required real estate. So in our target, we have a trajectory to reach INR 1,000 crores revenues with about 12% to 15% PAT in the next three years. So this is going to happen in a measured manner. Most of the stores that we have set up last year are coming to maturity this year. This year we are planning 15 new stores. Likewise, we all also target a similar number of stores in the next year. In some areas we are also planning to have larger stores, which we believe that will do well for us because we have experimented with a couple of stores of such size in Bangalore, and the proof of concept has already been established. So that is the way we are going to go forward.

Devanshu Bansal:

And sir, these are 15 new stores that we are planning to open, can you help us understand as in which format are they going to enter, how many of them will be COCO, how many of them will be FOFO? And there are few franchisee store closures, right, so maybe I do not know, I am not able to understand whether these have been converted to Stanley Level Next or there are some closures in Stanley Boutique and Sofas and More, right? So just your thoughts on that also, please.

Sunil Suresh:

Okay. So the legacy brand, Stanley Boutique, which has now stood for almost 20 years, is going through a complete makeover. The first of the new format Stanley Boutiques is scheduled to open in the next one week. Just day before yesterday, we have opened the first store of this financial year in a city called Mangalore, that is a hybrid store which houses Sofas & More, and Stanley Boutique, the old format of Stanley Boutique. So the new format of Stanley Boutique is scheduled to open this year. Plus also we have Surat which is a franchisee store. Then we have Mount Road, Chennai, which is a COCO store. And Pune, Pisoli is also COCO.

So what we have actually done is, in the city of Pune we have actually acquired our previous franchisee, likewise in Hyderabad also we are in the process of acquiring our previous partnership firm and converting it into 100% COCO. That is why actually there are no franchisee store closure, but we have acquired the same. Yes, except one store in Bangalore where we decided that we will have the entire cluster to have COCO stores only.

Devanshu Bansal:

Understood. Overall, sir, out of these 15 stores can you help us understand how many would be COCO and how many would be FOFO.

Sunil Suresh:

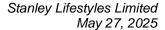
12 stores are COCO and 3 franchisees. As of now we are still in discussion with a few more franchisees, which are not yet signed up, but 3 franchisees have been signed up and 12 COCOs have been planned.

Devanshu Bansal:

Understood. And this acquisition that we have done, on the balance sheet, if Pradeep can sort of help me understand, this sits in the long-term investments, right, so that increase that we are seeing is because of that only?

Pradeep Kumar Mishra:

So this investment, so the company operates through subsidiaries in markets outside of Bangalore like Bombay, Hyderabad, Delhi is all operating through subsidiaries. So when we





open new stores in respective markets, the investment happens through the respective local legal entity. So there is an investment that the corporate or the group company does in the respective entity for it to do expansion in the respective cluster. So that is the investment in subsidiaries that you are seeing which has gone up.

Devanshu Bansal:

Okay. And you have acquired those stakes in those subsidiaries, so your investment must have gone up because of that, right? I am talking about in standalone, this INR 33 crores has moved to INR 81 crores, this predominantly because of stake acquisitions or have you made further investments in the subsidiary?

Pradeep Kumar Mishra:

So there is further investment in subsidiaries. So, SLL is the group consol entity where the IPO is done and the money was raised in IPO, and say SRL is the retail entity at Bangalore, which is 100% subsidiary. So for expanding in Bangalore, the funds have got transferred from the group entity to the local entity for further expansion. That is what is happening, all are 100% COCO entities.

Devanshu Bansal:

Very clear. And lastly, sir, you indicated some BIS related changes, I wanted to check how these changes can benefit us.

Sunil Suresh:

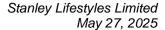
Currently, if you look at the value premium to premium furniture, probably even to luxury, I think there is a lot of furniture being imported from Asia Pacific region, primarily Malaysia, China, and also a lot of furniture coming from Turkey and Europe. So there has been a gazette that has already been passed that furniture along with the footwear and toys, which have already been under BIS certification for three years, furniture also is going to be applied with this BIS norm. So, if you really look at what has happened to the footwear and toys, the import has drastically reduced and the local players have significantly grown their business. So, we hope that this is going to be a very good measure for Made in India and lot of furniture manufacturing companies such as ourselves who are focused in making and selling in India. In terms of numbers, we do not want to hazard a guess, but I think it is going to be definitely, I would say, a very good way that the government will be aiding us to further enhance our manufacturing and retail opportunities in India.

Devanshu Bansal:

Just a small follow-up, do you also foresee B2B opportunities because of these implementations? Because import will be restricted, so all those brands may be sort of willing to invest or maybe get more work done on the contractual basis. So are you also exploring those opportunities?

Sunil Suresh:

We are in discussions and already started some business with Steelcase, which is an American major. They have clear plans to start their localization starting from this year itself. So we have already engaged with them in our B2B business. There are a lot of inquiries that are coming to us, but primarily we are very focused on selecting only premium to luxury segments in B2B also. So we are not rushing into it, though there are a lot of inquiries and those are low value products, and our manufacturing capabilities do not allow us to take on those kinds of projects.





Devanshu Bansal: Sure. Sir, any guidance that you can provide on this business specifically, as in how much is it

currently and what scale it can achieve maybe over a three, four, five-year period?

Sunil Suresh: You are talking about the B2B business?

Devanshu Bansal: B2B business opportunity, yes.

Sunil Suresh: So our B2B business has been quite consistent with close to about, currently at about INR 100

crores. And I think we see it having an opportunity to grow by about 20%, 25%, 30% year-on-year going forward, very selectively choosing the right set of enquiries. We have just exported our first shipment to Germany and that is also a new opening for us. This is the first time we exported one container of furniture as a sample to German market. I think that is also getting realigned. There are a lot of European as well as American players wanting to move from China.

So, some of the high-end people have started approaching us already.

Devanshu Bansal: Very encouraging. Sir, I have more questions, I will get back in the queue. Thanks for taking my

questions.

Sunil Suresh: Thank you. Thank you.

Moderator: Thank you very much. The next question is from the line of Deepak Malhotra from Capgrow

Capital Advisors LLP. Please go ahead.

Deepak Malhotra: My first question is on one of your product lines, mattresses. I just wanted to know how much

percentage of your turnover is that. Is it manufactured in-house or are you focusing on memory foam, latex, pocket springs or a combination of these kind of technologies? And how is it slotted

against say a Sleepwell or a Kurlon? Thank you. That's my first question.

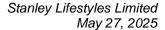
Sunil Suresh: Thank you. Currently, our mattress business is about 1% of our entire retail revenues. Our

mattress, again, is absolutely not competing or in the same level of either Kurlon or Sleepwell. Our mattress recipe has been obtained from Norway and the specialty of our mattress is it's an absolute luxury mattress which has got close to 10,000 titanium springs in the king size mattress, which will retail in excess of INR 2 lakh a mattress. So, these are only sold in our Level Next showrooms, and now we have also started opening the second line which is basically the premium line under the name of Slumber Mate, which is again the recipe we have obtained from an American company, so which are also a lot more advanced. These are spring plus memory foam mattresses, we have just started selling them in our Sofas & More chain. So as we go forward, we do not have any plans to sell the mattress in the open markets. These mattresses have been developed at a very high quality spec and will accompany Stanley Full Home

Solutions going forward.

Deepak Malhotra: I absolutely agree, because the pricing point is INR 2 lakh, I mean, that is honestly quite at the

higher end of it. The other product which, I am sure is not in competition has been launched is





the Pro Sofa HR range by the same company which I just mentioned about, Sheela Foam, so does that compete with you at all?

Sunil Suresh:

No, no, no. So, unfortunately, where we are positioning ourselves is a lot more higher value product. Most of our mattresses are not sold as various different type of home expositions, they are actually with various other materials such as latex, different types of memory foams, different types of latex also, and different types of springs. So these are absolutely in the luxury segment. And currently we do not have any local manufacturers offering something equivalent to what we are offering, it is mostly imported European mattresses such as Duxiana or Hastens, which are brands that have already come to India where the mattresses are in excess of INR 10 lakhs.

Deepak Malhotra:

Sure, sir. My second question is that, while obviously you are focusing yourself as a premium and as a luxury player, targeting at that segment. So, I have two parts to the question. One is, when you are talking on your B2B business, I mean, you are talking of IKEA for example. Now IKEA globally is basically a DIY budget targeted kind of a brand or market whatever you want to say. So, how do you marry that in India? And my second part of the question is on the furniture rentals, at the moment, like you are focusing largely on Tier-1 cities, but there is obviously a good market for it even in Tier-1 and Tier-2 and Tier-3, so have you looked at that market at all, sir? Thank you.

Sunil Suresh:

So I will answer your second question first. Part of the plan to have three segments centered strategy was to penetrate the country with different drop-down segments. For example, the Sofas & More is what you can call as a value line segment that has the potential to probably grow to about close to 100 different cities in the country in the next five years. Stanley Boutique, which is a premium brand, has the potential to probably grow to about 30 cities in the country. And Stanley Level Next, which is a luxury brand, it has a potential of about a maximum of 8 to 10 cities where we already present.

So coming back, IKEA, I strongly request and suggest that investors interested in our company to visit our company and manufacturing setups, because for us we are manu-retailers, and manufacturing is very crucial and very powerful as an advantage we have. While IKEA and other B2B business is done in a completely different plant. For us it is all about our design, development and how we customize bespoke manufacture under Stanley label. So there are two different manufacturing facilities.

For Stanley everything is done cellular. We have Italian and German designers. We have a very strong NPD team. We develop close to 150 new products every year. And every custom order is a different order, and it is a cellular manufacturing plant which has the capabilities of doing a complete home from kitchens to wardrobes to loose furniture like sofas or chairs, recliners, dining tables, coffee tables, dining chairs, beds and mattress.

While our B2B facility is purely a sofa manufacturing plant where we have repetitive manufacturing capabilities and we can do high-speed manufacturing for people like IKEA. So





there are completely two different ways of manufacturing, that's how we are going about our business. I hope I have answered your question.

Deepak Malhotra:

Yes. Just one more if I may ask you, sir. How are you seeing consumer behavior changing, in the sense that earlier when we used to buy a leather sofa or anything which is at that end, it will continue to adorn our house say for 20, 25 years even. Do you see any change in that behavior where people want to change that, especially when they are paying such a high amount?

Sunil Suresh:

So, two things here. One is, India as a luxury consumption story, we are at what I call as a 9:00 AM movement, in the sense we are just about moving from basic necessities to comfort, and from comforts to lifestyle, and from lifestyles to luxury. So that journey has just about commenced. So, as we look at our retail business, almost 90% of our customers are new home makers. So we are not a matured market like Germany or Italy or London or UK where almost 90% of the high-end furniture buyers are actually refurbishing their house. But in India, the opportunity is completely different. As of now, 90% of our customer base is new homes, people who are buying new homes and moving into new home.

So the premiumization has just about started. People are updating themselves. People who had maybe a smaller apartment are going for a larger apartment, a person who had a larger apartment is going for a better location, even a bigger apartment. In a most of the country they also have lot of villas that they can buy other than Mumbai. So that is how this market is currently poised. So we truly believe that the value proposition what we offer at the luxury segment is something that there has been a lot of aspiration that we have created over the last 30 years the brand has been present. And I think the future is going to be very bright for us.

Deepak Malhotra:

Okay. Thank you.

Sunil Suresh:

Thank you.

Moderator:

Thank you very much. The next question is from the line of Yug Jhaveri from Molecule Ventures LLP. Please go ahead.

Yug Jhaveri:

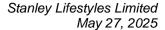
Sir, thank you for the opportunity. Sir, the first section is on the side of the performance of all the three segments, so if you can provide the breakup B2B, B2C and B2B2C on quarterly basis as well as yearly basis.

Pradeep Kumar Mishra:

Yes. So I am talking about quarterly numbers, quarterly growth over last year for COCO retail business is about 13.5%. The B2B2C business is degrown by 45%. And my B2B business is almost flat, with a very small negative growth of minus 2%.

Yug Jhaveri:

Okay. So retail business grew 13% year-on-year for FY '25, but due to B2B2C slow down the overall revenue was flat, am I correct?





Pradeep Kumar Mishra: Yes. So that's been the business vertical that we had to do some change there in credit policy.

We moved from credit to cash and carry. And that had a business impact right from Q2 onwards. Which is stabilizing now around this range, but then I think for the quarter and for the full year

this business vertical was severely impacted.

Sunil Suresh: There was a large outstanding. I think we have successfully collected that, almost 80% of the

outstanding in the market has been collected and we had to go to cash and carry. But now the

buyers' market is getting used to it and we are starting to stabilize.

Yug Jhaveri: Sir, I just wanted to understand that B2C is growing actually 13%, 14% but due to B2B and

B2B2C the overall revenue is hitting up. So, what is your outlook like, in last call previous concall you said by Q2 FY '26 B2B2C will improve. Now you are saying that by Q3 FY '26 it is improving. So I just wanted your words on this matter that how these other two segments will

scale up, and are you intact on your guidance part, sir?

Sunil Suresh: Our main focus is always going to be B2C, that has been our main major focus constantly. And

B2B2C and B2B are incidental businesses, legacy businesses that are there. We will continue to hold them well as long as they are profitable. That's how we are measured in our manner. And

we continue to focus mostly on B2C.

Pradeep Kumar Mishra: And all my investments in retail expansion of stores, all are contributing in my COCO and retail

business growth.

Yug Jhaveri: Okay. So the issue which you were telling about in serious concalls about inventory handover

issues, so there are articles which are saying that the sales, luxury housing sales are growing up in Bangalore from last three, four quarters as well as the inventory levels are going down. So what is the actual problem we are facing right now, is it inventory handover or some approval issues? So if you can explain how this works and what is the current issue which you are facing, are you facing challenges from Chinese manufacturers, European manufacturers, what is the

scenario right now?

Sunil Suresh: Sorry, can you repeat that question again please?

Yug Jhaveri: Yes, sure. So Just wanted to understand that from previous quarters you were saying that there

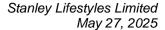
are inventory handover issues, but there are many articles which are saying that housing sales in Bangalore are going up and also inventory levels are going down. So what actual issue you are facing right now? So is it inventory handover issue? Approval challenges? Or competition from

Chinese manufacturers, what is actually problem we are facing right now?

Sunil Suresh: So, I think it is definitely, in my opinion, the number one problem is still there is if you look at

RERA, there has always been a constant delay in every single project across the country, and Bangalore probably is maybe slightly better in terms of handover. But if you look at cities like Hyderabad or Mumbai, or for that matter Delhi, including DLF, there has always been a constant

delay of between 15 to 18 months as per RERA is concerned. So while the properties have been





sold, we are looking at certain delays in the handover. So I think there has been a bigger chunk of properties other than in Bangalore that are held which are all going to come to the market due course of this year, that's what we are expecting.

So while there has been some amount of competition that has increased across various European brands coming into the country, but for that we look at it as a positive competition because the pricing is a lot more, I think much more higher than what we offer in all our three segments. The Chinese competition has been there and has been very strongly associated with the more under organized or unorganized kind of a sector where there has been always a problem of under invoicing and stuff like that. That is hopefully getting cleared up with the new BIS. So that is something that we will remain very positive. Chinese competition mostly affects us at the bottom end of the pyramid with our Sofas & More.

Yug Jhaveri: Okay, got it. So if you can please provide some light on RERA, the RERA part which you said,

what is the role of RERA in all of these? Do they will give approval or what role they perform

and what is the reason?

Sunil Suresh: No, RERA is a body that actually tracks all the Builders Association across the country. There

are more than 16,000 builders that are enrolled with RERA. And RERA tracks what is happening, and it supports the customer if there is more than expected delay, you can always approach RERA and RERA will support the customers by ensuring the builders who have

enrolled with RERA, deliver on time or give some penalties or things like that.

Yug Jhaveri: Okay. So there is delay from the builders end and RERA is helping positively, right?

Sunil Suresh: Yes, absolutely.

Yug Jhaveri: Okay. And just last question on the CWIP side. So, the IP payment was to be completed by Q2

FY '26. So if I am seeing the CWI amount is INR 38 crores previous year and currently also INR 38 crores, I might be mistaken, but why it is not transferred into intangible assets till now?

Pradeep Kumar Mishra: So this is towards transfer of trademark and copyright asset. While we have made the necessary

application, it has not got fully transferred in our name. So pending that, it continues to be reported in CWIP. And as the company gets the transfer of entire trademark and copyright assets,

we will move it into intangible assets.

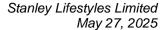
Yug Jhaveri: By what time are you expecting the same?

Pradeep Kumar Mishra: See, almost more than 50% we have already got, there is a small chunk which is under process.

I hope we should get this by Q2 end. We will keep everybody posted on this update.

Yug Jhaveri: Okay. And the last question is on the same store sales growth side, so if you can provide for this

quarter also and for the entire year across all the three formats.





Pradeep Kumar Mishra: Yes. So our same store sales growth for the quarter has been positive Q4. Level Next has been

almost like, all of these are in single digit numbers. While we do not report SSG anywhere, but then I think I would just comment that this, at least this quarter and Q3, Q4 is where we have

seen like --

Yug Jhaveri: Was positive.

Pradeep Kumar Mishra: Yes, the sales has started rebounding is what we have seen. So we are in a positive territory.

Stanley Boutique is where we need to have some fixes done, and I think that is a segment where we have already started relaunching the product and rebranding the format store itself, where we have launched new stores. So that is a segment that there's still some work to be done. But I

think we are happy that in this quarter --

Sunil Suresh: That segment probably will also be flat this year. But because it is going through a complete

orbit change, it's a very old format, and so that is going through for orbit change. But Level Next and Sofas & More, both the segments have shown good high single digit same store groups.

Yug Jhaveri: Okay. And you expect B2B business to grow by 20% this year, along with B2C, or this year will

be also flat?

Sunil Suresh: Flat, this year also we are expecting B2B flat, primarily our growth will come mostly from the

stores that are maturing. Many clusters we have also acquired in terms of now becoming more

COCO owned stores there, and the new stores that we are planning to open.

Yug Jhaveri: So this year the entire bet is on B2C only, because B2B2C will revive from Q3 while B2B will

be flat, right?

Sunil Suresh: Right.

Yug Jhaveri: Okay. Thank you. That's it from my side.

Moderator: Thank you very much. The next question is from the line of Shubham Biswal from Conversions

Capital. Please go ahead.

Shubham Biswal: Yes. So I was doing some ground level work, and I was talking to some of the home buyers who

were in the range of INR 50 crores plus, I think they are our segment. So what they do is usually when they want luxury furniture, they reach out to these interior designers or contractors and these contractors usually point them towards Italian companies like Minotti, Giorgetti, right. So, sir, are we trying to get to these interior designers? So, these interior designers and contractors, I think so, they take a commission for this reference in a way. So, are we trying to get to these interior designers and contractors and we probably make a distribution mechanism, this will

work? Any work on that side? That's my first question.





Yes. So now you are talking about what we call as a Super Luxury segment, which is in my opinion also a very strongly growing segment in the past five, seven years. We have kept a close tab on that. And that is something that is still going to grow further going forward. We are exploring some joint ventures of sorts with the European brands, which will basically highlight probably in the early stage of next year. But currently, we are not really present in that segment. Our customer base, you can say, when we say luxury, for us the customer base is between INR 5 crores to INR 25 crores, INR 30 crores kind of a customer base.

The Super Luxury segment has the tendency to go to mostly European brands which have a very long legacy and have a strong global presence. So that market is something that we have kept an eye on, but it is I think we will kind of also look at the format where we will bring in some luxury brands if required as we go forward. But currently, yes, we also associate and work with close to 1,000 specifiers across the country, but we are not really able to reach out to the Super luxury which is like you said INR 50 crores and above kind of homes. They have a tendency to go to more international brands.

Shubham Biswal:

Right, sir. Sir, my question was that on the side of are we trying to, like in some industries, so in sales industry for example, they reach out to these painters or like in the pipe industry they reach out to this plumber. So like the decision makers are sometimes not the original customers, right? So in your industry does it happen that these original customers are usually the decision makers or they are influenced by someone else? I mean, how does it work in your industry, sir? I mean, that's what I wanted to understand.

Sunil Suresh:

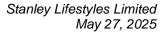
Sure. So basically we have a very strong business development team. We reach out also, like I said, to our architect specifier. We normally also hold what is known as factory visits. We bring them in clusters from Bombay, Pune, Hyderabad and show them our facilities. That is an ongoing business development work what we do. At the same time, our brand building and our exposure to direct customer is also very high. So, in many cases it is such that the customer also definitely decides that we want to buy Stanley, and that's how we actually work. So 20% of our Level Next business is currently coming from what we call a specifier driven business, which is from architectural interior designers, and 80% is coming from our direct customer in the Stanley Level Next. But in Sofas & More, it is almost 100% direct B2C, it's not specifier driven business.

Shubham Biswal:

Great, sir. Thank you, sir. That was that was really helpful. Just the last question, sir. Sir, so what I have understood is that this is a business where we have to nail the theme, right? Once we make the product, it should be in in line with the current trend, right? And I have understood that there are some 10 to 12 themes that usually run, like I think so there is Japan being mid-century or Bohemian or those are some of the themes. So how do we understand which theme might work? Or does the theme keep changing a lot? Does the frequency of these themes keep changing a lot? How do we gain feedback from the market that which theme is probably running and accordingly how do we try to nail on the execution? That was my last question, sir.

Sunil Suresh:

You seem to be exceptionally knowledgeable about my industry. If you are bored about investments, you can always come and work with us here. You are absolutely right, there have





been various trends that have been coming and going and also staying sometimes. So basically if you look at what Stanley offers in the Level Next, we call it as artisanal luxury, which is something which we arrive mostly from higher craft and artisanal workmanship. So, we are not comparable with the very ultra-luxury or ultra-modern or mid-century modern or whatever it has been interpreted from various different parts of the world.

Our inspiration is completely international, but we do have a touch of India in our product, which is fine craftsmanship and fine material what we supply. So I think we are in the process over the last 20 to 25 years have been honing our skills. And we have developed a very new line which I truly believe will have a great opportunity in the global market also. So my vision is to first ensure that we are able to be the absolute leaders in the country where this all started. So we are focusing mostly on domestic right now, while we are constantly keeping our eyes open to probably expand into the Middle East in the next couple of years or so. So that is how we are planning.

And again, if you visit our facility, you will understand that we have very, very strong and established designers and makers who have been in European countries as well as in China in the past 15, 20 years. We have a German with almost 50 years of experience. So we use them to bring the internationalness in the product, but we also have our artisans where we kind of give it an Indian touch in terms of showing craftsmanship. I hope I have answered your question.

Shubham Biswal: Yes, absolutely. Thank you, sir. That answers my questions. All the best for your endeavors,

yes.

Sunil Suresh: Thank you. Thank you.

Moderator: Thank you very much. The next question is from the line of Shriram R, an individual investor.

Please go ahead.

Shriram R.: Thank you for the opportunity. Sir, I had the same question as the previous participant. So how

much of Stanley brand is defined by reference? You mentioned Sofas & More and Level Next,

but how much of it driven by referencing Stanley?

Sunil Suresh: You are asking the split between the three brands?

Shriram R.: No, no, what do you call the specifier driven. You mentioned 20% of the Level Next business is

from architects and interiors, right? So how much is Stanley, you mentioned Level Next, so --

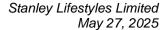
Sunil Suresh: So, Stanley Level Next is about 20%, about 6% in Stanley Boutiques. As an overall group it is

only 6%, because Sofas & More it is not specifier driven business, it's a pure B2C business.

Shriram R.: Okay. And my second question is, since you are targeting INR 5 crores to INR 25 crores ticket

size, why not directly engage with the large developers? Have you thought about it or have you

done some progress in that direction?





Yes, definitely. So, basically what it is, is we are very clear that we want to remain a B2C brand and thereby prefer to directly deal with the customers. The minute you try to have association with the builders; they will look at you as their vendor and they ask for B2B pricing for the brand. So that is something that we are not willing to accept at this point in time. Having said that, many builders now have found the necessity to associate with luxury brands, especially if they are not luxury home constructors in the past and want to do something in a high end project. They are approaching us. So I think there will come a time when they will approach us, then we will approach them. That is our policy and that is how we have maintained throughout the years.

Shriram R.: Okay, sir. Great. Thank you so much. All the best.

Sunil Suresh: Thank you.

Moderator: Thank you very much. The next question is in the line of Om Prakash from Pluto's Capital.

Please go ahead.

Om Prakash: Hi sir. What is the strategy on having a sale in the company? Because off late I see that many

times previously the store never used to go on sale so often, is it the strategy?

Sunil Suresh: Yes, let me explain it. Basically, since we are what you call as a display-led business and the

look at any traders, the traders get products in stock and they have inventory warehouses, and they kind of put the products on the floor and try to sell the same product. In our case, we are an

customers do not have to buy what is there on the floor, this our greatest USP. Because if you

inventory-light model. We do not have any warehouse inventory. What we have inventory is in

the form of displayed stocks in our store.

And while our customers see the product and offer what they want, almost 85% of our orders in Stanley Level Next is bespoke orders, in the sense the customer looks at a particular product, touches, feels it, understands it, sits on it, and then says I want the same product but in a different color or different configuration. So everything is custom made. So thereby our products which are there on the floor constantly need to be changed because we are coming up with innovative

new models, understanding the trend.

So twice a year off season and season we go on sale. The sale is applicable mostly to what is on the floor, floors display stock only. So that is a need of the business. So twice a year for almost 45 days each time we are very strongly present in the national market, and we try to dilute our

floor stock and refresh our stores every year. I hope I have helped.

Om Prakash: Okay. It's only twice a year, because I think constant we see this ad. I was not concerned about

you going on sale, maybe because you are a very premium brand and your products are outstanding. So, I have been a user of your Stanley sofas. I think they are one of the best in all the local brands what is there in India. And whom do you think is your competition there in

India?



Thank you very much for being our customer. And you can always reach out if you need any service, that's been our constant endeavor. One thing we have always tried to maintain is to have 100% CSR, 100% customer satisfaction report, that is what we have always thrived. At this point in time, frankly, I might sound a bit cocky, but at the national level I do not think we really have any serious competition from anyone manufacturing in India because they do not have the required know how or the 30 years of established manufacturing capabilities. While there are various young brands which are trying to lure younger customers with a different design outlay, they are still very small and mostly local.

So in the segments where we are playing, I think we really do not have any major competition from within the country. Our competition is mostly importers and traders who are basically importing a lot of products from China, Malaysia and Turkey. Turkey was growing business, but I hopefully think that now they have started to stop buying from Turkey. When you start buying from Europe, either Germany, Spain or Italy, which are large manufacturing countries, we do not mind because the quality is much higher, and the price is also much higher in each of the segments in what we are playing.

Om Prakash:

My concern is, the sales have been flat for the last three years, obviously it should be your concern as well. So, you have been stuck in this INR 400 crores of sales for the last three years, whereas your penetration is going up, the number of stores are going up, your visibility has improved. The number of houses coming in the country has gone up. The affordability has gone up with the people. The real estate prices you have seen people are really affording large houses. So where is it that we have not been able to grow in the last three years? What is your internal -

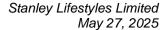
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Sunil Suresh:

If you deep dive into our business, I think probably if you look at with a different lens, our B2C business has constantly been growing. While we had in the first year probably some consolidation where we had to take over some partners and correct ourselves in those clusters. But if you look at it even now, I think our B2C business is definitely on a growth path. While our legacy business of B2B, which is the automobile as well as to IKEA what we supply, and also the trading business which we were doing is something that we have not focused on.

And those are the business, not focused on the wrong word, it's not that we have an opportunity to increase our profitability in those businesses. While there is a lot of business available, I could easily do INR 100 crores, INR 150 crores of business with IKEA because they have the requirement. But we realize that the profitability is extremely low and the ecosystem to supply to them globally with the kind of prices what they want is not ready in our country.

So, yes, you are absolutely right, while we have been flattish for now the third year, but when you look at it, like I said, with a different lens, you will see that we are expanding in the right clusters, we are establishing a stronger market share, including in our home market constantly being growing year-on-year for the last three years. I think about five years ago, the Bangalore market, we were doing only about INR 25 crores, INR 30 crores of business and currently INR 135 crores to INR 140 crores.





So what we have also done, it's an important question and I am trying to answer it to the best of my ability. We have done the proof-of-concept in Bangalore. We did not want to rush into many cities. We wanted to complete our proof-of-concept with what I call as a hub-and-spoke model of business. So we have a very dominant positioning in Bangalore. Exactly what we are now replicating in Hyderabad and probably also Delhi. Mumbai is continuing to be a big challenge only because of real estate. That is how we are planning to grow.

Om Prakash: So there is more scope for your gross margin and your EBITDA margin to go up since you are

increasing the share of B2C going ahead also?

Sunil Suresh: Absolutely. So the target is very clear, INR 1,000 crores with a 15% to 20% PAT over the next

three years. That is the target we keep in mind and we are walking towards that.

Om Prakash: Okay. All the best, sir. Thanks for answering my questions.

Moderator: Thank you very much. The next question is from the line of Avinash Nahata from Parami

Financial Services. Please go ahead.

Avinash Nahata: Yes. Thanks for the opportunity. So I have two questions. The first question is, when we were

mentioning 18%, 6% of our sales for a particular brand of ours within the three level where we play, we were mentioning architects and interiors. Do we mean that we actually bill to architects

and interiors?

Sunil Suresh: No, no, no. We never bill to any architectural interiors. They bring us the customer and we have

a referral reward that we give them.

Avinash Nahata: Okay. So, I mean, it is literally 0%. There's nothing which goes to they and they do not work as

turnkey project providers to the end customers?

Sunil Suresh: No, no, we do not do that. There are multiple non branded B2B players who do that. As a branded

company we do not do that. We always bill directly to customer. So our entire databank is

directly with our customers.

Avinash Nahata: Okay. So one question just to understand the competitive intensity in this thing, so whenever we

purchases, I mean, this has been there for the history of the country. And as and when the economy gets formalized and the cash in the system goes down, it is better for players like us.

are working with the luxury brands, there's a tendency for a consumer to use cash for their

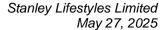
So just to understand this context, because we want to work around with the GST, etc., so what kind of business we lose, one out of every 20 customer or one out of 10 customer who just asked

for this and we as a corporate are not able to do that and maybe this business comes to us in

future?

Sunil Suresh: Absolutely right. I think you are very correct here. While we have seen across the last decade,

decade and a half the requirement to have no invoice or only cash sales have definitely started





to reduce. And now thanks to GST introduction, many entrepreneurs actually buy it with the complete invoice. And probably even if they are taking it to their homes, they might get it invoiced in their private firms or something like that. So that has been in favor of organized companies like ourselves.

You are right, probably one in 20 customers or maybe depending on which city. Some cities there is a little more demand. In Level Next I think, not in Sofas & More that is already now moving towards what we call as EMI and card payment. Almost 70% to 80% of our business is coming from card payment and about 20% coming from EMI payment. So that is a different segment. But in Level Next, probably in cities like Delhi and Hyderabad we might lose one in 20 or one in 25 customers here, depending on the city. Bangalore is a lot more cleaner. Mumbai is also much better, Chennai is also very clean. Yes, so this is the reality of the country today.

Avinash Nahata: Okay. And if you want to answer this question, I mean, we do some INR 400-odd crores of

business around the year. So what is that comes from net banking and your credit card, what

percentage, if you want to answer this?

Pradeep Kumar Mishra: You want to split between net banking and credit card?

Avinash Nahata: No, put together. I mean, put together credit card, debit card, all formal channels, what

percentage of business?

Pradeep Kumar Mishra: So 100% of my collection is through banks, everything is collected in bank.

Avinash Nahata: So even small purchases like a side table or a coffee table are not happening through cash. I

mean, if the amount is INR 50,000 or INR 100,000, they do not happen in cash?

Sunil Suresh: They do not, the limit is there up to I think INR 2 lakhs. Whatever is allowed, as per that we do

some small sales in cash. But as of now 45% is through credit card and 55% through RTGS. And please always remember, we are 100% cash and carry company and we take 50% in advance

and 50% before delivery. So this is the trade right now.

Avinash Nahata: Thanks for all the clarification, all the very best.

Sunil Suresh: Thank you.

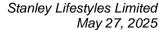
Moderator: Thank you very much. The next question is from the line of Devanshu Bansal from Emkay

Global Financial Services Limited. Please go ahead, sir.

Devanshu Bansal: Yes, thanks for the follow-up. Sir, there was a big marketing push in Mumbai recently with large

banners across the city. I just wanted to better understand the strategy or the key indicators that triggered such a kind of a marketing campaign. And secondly, how has been the response to this

marketing campaign?





For addressing your question candidly, we have been at this for many, many years now and we are still in the process of experimenting because the goal posts are constantly being changed. While we have constantly been using traditional marketing such as print and outdoor media, we are also now very meaningfully and very measurably moving into social and digital media. And also as we speak, there are new methods of marketing which are experiential marketing and specifier marketing that we are embarking on.

So, I think to be candid and honest, I think while we have successfully built the business so far, I think we really know only 50% of how to go about it in the future. Because there are always constant dynamic changes, we are keeping our ears to the ground and doubling up on whatever works for us. We have tried, as you said, a lot of outdoor. Outdoor did not give us the ROI. We have tried some airport marketing, that also did not give us the ROI. Currently it is mostly print and through interior architect magazines and sometimes through national dailies that is working well for us. But having said that, we have also started digital and social media marketing, that is also seeming to be working for us. We are very measured. As a company we have never gone beyond 9% as our marketing expense, historically.

Devanshu Bansal:

Can you call out as in what was the expense last year and what are we targeting for the current year FY '26?

Sunil Suresh:

For the marketing spend?

Devanshu Bansal:

Yes, yes, yes.

Sunil Suresh:

Last year in fact we have also reduced compared to the previous year. Actually we are at 5% last year. This year also we are aiming to be between 5% to 6% maximum.

Devanshu Bansal:

Understood, sir. Thanks.

Moderator:

Thank you very much. As there are no further questions from the participants, I now hand the conference over to management for closing comments.

Sunil Suresh:

Thank you all for taking the time to join us today and for your continued interest in Stanley Lifestyles Limited. As we continue to navigate opportunities ahead, we remain committed to delivering consistent growth in value in the coming quarter. As always, if you have any further questions, please feel free to reach out to our investor relation advisor, Churchgate Partners and we will be happy to address your queries. And thank you very much once again.

we will be happy to address your queries. And thank you ve

Moderator:

Thank you very much. On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.

Notes:

1. This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.



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