STANLEY
Makers Of Beautiful

Date: 20.11.2026 Ref no. SLL/SE/86-2026

To, National Stock Exchange of India Limited ("NSE") Listing Department Exchange Plaza, C-1 Block G, Bandra Kurla Complex Bandra [E], Mumbai – 400051	To, BSE Limited ("BSE") Listing Department Corporate Relationship Department Phiroze Jeejeebhoy Towers, 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 CALL FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2026.

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 call held on November 16, 2026, on the Unaudited financial results (standalone and consolidated) of the Company for the quarter and half year ended 30th September 2026.

The transcript of the earnings conference call is also available on the website of the Company at:

https://www.stanleylifestyles.com/storage/Investor/November2026/GHvWE-StanleyLifestyles-Nov16-2026.pdf

We request you to kindly take this on your record.

Thanking You,

For Stanley Lifestyles Limited

Venkataramana Seshagirirao Gorti

Digitally signed by Venkataramana Seshagirirao Gorti
Date: 2026.11.20 12:17:12 +05'30'

VENKATARAMANA SESHAGIRIRAO GORTI
MANAGING DIRECTOR
DIN: 08526382

Enclosed: As above

“Stanley Lifestyles Limited

Q2 & H1 FY27 Earnings Conference Call”

November 16, 2026

MANAGEMENT: **MR. SUNIL SURESH – CHAIRMAN AND FOUNDER**
MRS. SHUBHA SUNIL – WHOLE-TIME DIRECTOR
MR. VENKATARAMANA SESHAGIRIRAO GORTI – MANAGING DIRECTOR
MR. SUDHIR IYER – GROUP CHIEF FINANCIAL OFFICER

MODERATOR: **MR. SUNNY BHADRA – EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Stanley Lifestyles Limited Q2 and H1 FY27 Earnings Conference Call hosted by Emkay Global Financial Services Limited. As a reminder, all participant 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sunny Bhadra from Emkay Global Financial Services Limited. Thank you, and over to you, Mr. Sunny.

Sunny Bhadra: Yes. Thank you, Siddhant. Good afternoon, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today, Mr. Sunil Suresh, Chairman and Founder, Mrs. Shubha Sunil, Whole-Time Director, Mr. Venkataramana Seshagirirao Gorti, Managing Director, and Mr. Sudhir Iyer, Group Chief Financial Officer.

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

Sunil Suresh: Good afternoon, everyone, and thank you for joining us for the Stanley Lifestyles Q2 and H1 FY27 earning call. As we move into the second half of the financial year, I would like to share some important developments across our retail network and the strategic initiatives undertaken during the quarter. Store expansion and network rationalization.

I would like to begin with the developments across our retail network. During the quarter, we opened three new stores across different markets and formats, reflecting our approach of expanding selectively while strengthening our presence in the premium and luxury home segment.

At the same time, we continue to review the performance of our existing network. As part of its exercise, we closed three stores, certain catchment areas which have matured over time with limited scope for further customer acquisitions through our existing locations.

Our approach is to regularly assess the financial prospects of individual stores and the potential of their surrounding markets. Accordingly, we are relocating resources towards locations that offer better opportunities for customer acquisition and future growth. Expansion into new markets.

Moving on to our expansion initiatives, we entered our first international market with the opening of Stanley Boutique in Colombo, Sri Lanka. This has undertaken through a strategic partnership with Singer Sri Lanka PLC, one of the country's established retail companies.

The partnership gives us access to Singer's local market knowledge and retail network as we build our presence in Sri Lanka and understand customer preference in the region. With India, we also expanded our geographical presence with the opening of a new Sofas & More store in Jaipur, making our entry into Rajasthan.

The new store brings our premium furniture portfolio closer to customers in Jaipur and the surrounding markets. We see this as an important addition to our retail network as we expand into select markets with potential for premium home and lifestyle products.

Stanley Superlative Living represents our next phase of growth in the luxury home interiors market. In major markets where we have an established presence of over a decade and where the premium housing pipeline remains robust, we see a significant opportunity to consolidate smaller format Stanley stores into one large format complete luxury home destination.

Spread across 72,000 square feet, the experience center brings together end-to-end design and build solutions across kitchens, wardrobes, living, dining, and other home interiors. Every solution is fully customized and manufactured in our factories, backed by Stanley's manufacturing expertise, superior service, and industry-leading warranty.

We believe this format has the potential to emerge as a meaningful incremental revenue driver as we scale it across major metros with high luxury housing sales. The first Superlative was opened in Hyderabad. Impact of BIS Quality Control Order. The implementation of Quality Control Order, QCO, from August 2026 created considerable disruption in the imported furniture market, with thousands of containers carrying imported furniture being held up at various seaports across India.

The government has subsequently granted a one-time extension until 1st January 2027, after which the QCO is expected to come back into full force again. Anticipating the implementation, several importers and traders had front-loaded substantial inventory ahead of August. This resulted in excess market inventory and aggressive discounting during the festival season, creating short-term pricing pressures across the industry.

However, we believe this is a temporary market adjustment and presents a significant long-term opportunity for organized domestic manufacturers such as Stanley. The proposed inclusion of sofas and recliners under QCO could accelerate the shift towards domestic sourcing, as dealers who have traditionally relied on imports look for domestic suppliers. We see a near-term opportunity to supply them through our B2B manufacturing business. We are making internal organizational changes to prepare for higher B2B volumes.

Our existing B2B facility is set up for repetitive production and has a capacity to increase output as orders come in. This gives us the ability to respond quickly to dealer demand and grow manufacturing volumes beyond what we sell through our own stores. We see this as an important structural opportunity to expand our business while strengthening our leadership in the organized Indian furniture market.

With that, I would now like to hand over the call to our Managing Director, who will take you through the financial performance, business environment, and other key initiatives during the quarter and half year September 2026. Thank you.

Venkataramana S. Gorti: Thank you, Sunil. Let me begin with the financial performance and business environment during the quarter. Revenue from operations was Rs. 10,706 lakhs in Q2 compared to Rs. 10,542 lakhs in Q2 of last year. On a sequential basis, revenue improved by 7.8% from Rs. 9,935 lakhs in Q1

of this year. For H1 of this year, revenue from operations was Rs. 20,641 lakhs compared to Rs. 21,409 lakhs in the previous year.

While we have seen an improvement in revenue compared to the previous quarter, the retail business is still operating in a challenging environment. As we have discussed in our previous calls, a large portion of Stanley Lifestyles' customers are new home buyers in the premium and luxury residential segment.

Delays in residential project completions and property handovers have affected the timing of furniture purchases. Customers are taking longer to finalize their purchases as they wait for possession of their homes.

As a result, conversion cycles remain extended, and the recovery in retail demand is taking longer than anticipated. Coming to profitability, the depreciation of the rupee put pressure on our gross profit margin during the quarter. EBITDA for the quarter was Rs. 1,989 lakhs with a margin of 18.6%. On a sequential basis, EBITDA increased by 15.5% from Rs. 1,722 lakhs in Q1 of this year.

While the sequential improvement is encouraging, our focus remains on improving profitability as newer stores mature and the initiatives undertaken across the business progress. Our cash position remains strong even after the significant investments we have made in our large-format store openings. We have been selective about where we commit capital and have managed our cash carefully as we expand. We will maintain that discipline as the new stores ramp up.

Proposed amalgamation and business restructuring. I would also like to provide an update on an important initiative for us, which is the planned restructuring of our business. We are progressing with the proposed amalgamation of our subsidiaries and step-down subsidiaries into Stanley Lifestyles Limited.

The objective is to create a simpler and more integrated corporate structure. The amalgamation is intended to improve coordination across businesses, streamline reporting, and reduce administrative duplication arising from multiple entities.

We also believe that a more integrated structure will enable better allocation of resources across the organization and improve decision-making as we expand our operations. This remains an important part of our broader restructuring efforts and our plans to build a more efficient operating structure. Strategic sourcing and operational initiatives. Alongside the proposed amalgamation, we are working on several initiatives to improve the overall operating structure of the business.

One of our key areas of focus is improving cost competitiveness through strategic sourcing under a best-cost country model, along with greater localization. Our imports declined by 6% year-on-year during the half year. At the same time, we are reviewing our brand and retail architecture to ensure that our store formats are aligned with the markets and the customer segments they serve.

We are also strengthening our internal processes and developing our capabilities across the complete home solutions portfolio. These initiatives are aimed at improving sourcing efficiencies, execution, and the overall customer experience. We believe they will help improve business productivity as our retail network develops and newer stores gradually mature. Looking ahead, our priorities remain clear. We will focus on improving customer conversions as residential project handovers progress.

At the same time, we will work towards increasing the contribution from our newer stores and further developing our complete home solutions portfolio. We will also remain selective in expanding our retail network and regularly assess the performance of individual locations.

The restructuring and operational initiatives underway are aimed at improving the overall performance of the business and preparing Stanley for its next phase of growth. That concludes my remarks. We can now open the floor for questions and answers. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Saket Kapoor from Kapoor Family Office. Please go ahead.

Saket Kapoor: Yes. Thank you firstly for the opportunity. Firstly, sir, I would like to congratulate on the revamped investor presentation deck. My questions and my understanding are all developed from whatever inputs you people have provided in a very elaborate manner. All the best to the team, and we hope the continuity of this format. Just taking things forward, sir, firstly, it's regarding this delay part in the residential project handover.

If you could just explain to us that this is the in-built demand or the inherent demand, and it is only the delayed part of it that is factoring in, and this is a part of our order booking also? Or when we say that delays in residential project handover, this means prospective demand, or we have orders in hand and won't be delivered because the projects are not ready?

Sunil Suresh: Yes. Basically, our order books remain very robust. From about Rs. 53 crores same time last year, now we have Rs. 60 crores order book. Order book position has definitely improved, but the time taken for completion of the invoicing is slightly delayed because the project handovers are there.

Similarly, there are a lot of customers who have done their market recce and store visit but are waiting for projects to be handed over. This is an ongoing effect, and we hope that starting from this Q3 onwards, or probably from early Q4 onwards, the delivery pipeline will get a little more robust, and our order books are also saying the same thing.

Saket Kapoor: Sir, just to dwell on the order book part a bit, taking into account our current capacity, what is our peak revenue capability, taking into account whatever capacity today we have, the manufacturing capacity? How much can we move upwards in terms of the revenue profile?

Sunil Suresh: Our existing manufacturing capacities are good enough to do almost 2x our revenues, provided we might need to shift some of the raw material out of our facility into a warehouse or something like that. But the current facilities are good enough for almost more than 2x of our growth.

Saket Kapoor: Okay, so the base number is Rs. 420 crores or Rs. 419 crores rather for the last year. We can assume with the incremental pillars that you are giving in your opening remark and also in your presentation, we can, with this capacity, without any incremental capacity addition, we can reach 800 plus on the sale.

Sunil Suresh: Yes, it is possible. Again, depends on the product mix. So we can safely say almost 2X of what we are doing is we are capable of doing it with the existing facility.

Saket Kapoor: And just to add to, again, to what you mentioned about the Quality Control Order and the potential induction of sofas and recliner under the QCO. What exactly will this add to in terms of the visibility part when this comes into foray and we have written that we believe the potential inclusion. So in the gazette, which has been certified, are these products mentioned or why are we mentioning the potential, we believe the potential inclusion part, if you could just clear me?

Sunil Suresh: Apart from the originally identified six items, there are also a bunch of other products, close to about 40 products that have been included and now in public domain for public response. Hopefully around 17th December, which is the last date, we expect those to be included. This is a similar way that QCO and BIS was introduced both for footwear as well as for toys, and we see that playing out in furniture also.

Now to answer your question from an implementation of QCO on various other furniture products which we directly produce and are quite strong in the market such as sofas, leather sofas, recliners, armchairs, and beds, there will be two types of an impact on us in terms of one from a B2C perspective, where many of the individual customers used to fly to various countries such as Italy or China or Malaysia and import furniture.

That will come to an end because unless those factories are BIS certified, individual customers cannot fly there and bring in containers of furniture. From a B2B perspective, most of our competitors, if you look at the pan-India space, close to about 800 retailers of furniture, out of which almost 80% of them mostly depend on imports for these kind of products, especially leather sofas and recliners.

We also believe there is going to be a good opportunity for us because we also have a B2B arm and we can cater to that demand. I hope I've answered you.

Saket Kapoor: Yes, sir. I will reconcile again. Just to take forward again about the merging of this subsidiary part also, and although you have explained to us the efficiency part of it, but when we compare our H1 versus the previous H1, our employee cost and others have gone up not proportionate to the turnover. That means the productivity has taken a dent. So, further, what steps exactly are we taking for improving the EBITDA margin and how H2 would likely to shape up?

Then secondly, when we look at the, just a small understanding from my side, when we look at how the big residential projects and all are being showcased to the prospective buyers, there are standard or display rooms showcased.

Are we participating through these real estate shows through our showcasing of our product in those model flats so that we can create the awareness there itself? Have we any tie-ups with any

of the real estate player to create our, to have our furniture there and creating a footprint in the model flats?

Sudhir Iyer: Namaskar. On the first question on the employee benefit expenses compared to the last Rs. 14.29 crores versus Rs. 17.11 crores which you are referring to, was because of two reasons. One is the increments which was got impacted in the current quarter. Second thing is we were capitalized the cost of employees for the NPD purpose, which amortized.

These are the two reasons why the employee cost has been increased actually. That is the reason there is a fall in EBITDA. Coming to your question for H2 improvement, and sorry, third one I wanted to include here is, there are a lot of senior management hiring also has happened. That is the reason why the cost has been increased.

Saket Kapoor: Okay. So, any color on H2 you can share now or is it early for us?

Sudhir Iyer: I can tell it's very early to us. I think we will let you know in the next earnings call.

Saket Kapoor: Yes.

Sunil Suresh: So basically, we are, like I said in the previous earnings call that we were in between a lot of senior management changes. So there was some amount of, what you call as overlap while we had older senior management which stayed with us for a couple of quarters before the new management took over. So, that would also be one of the reasons.

Now, coming back to answer your second question, while we have slightly refrained from going to builders because the builders expect us to become what is known as their vendors when we do their mock-up houses. As of now, as the market is facing a lot of competition with a lot of high-end builders, we are starting to get builder inquiries for mock-ups where they're willing to have branded furniture in their mock-up houses.

As we speak, especially after we have opened our first Superlative store in Hyderabad, we are in discussion with luxury builders who want Stanley branded mock-ups to get into their mock-up houses.

This is the future for us. We have held back because earlier they were asking us to give it to them in B2B pricing or project pricing, which is something that we refrained from doing because we wanted to call it as Interiors by Stanley. And now we see that demand slowly increasing because as and when there is competition in a particular market with a lot of luxury projects coming into play, people prefer to show branded furniture in their mock-ups.

Just like how it has happened, for example, if you look at in the sanitary ware, a luxury brand house will say that I have a certain German brand or a Japanese brand or an Italian marble. Likewise, this is an early scenario. We expect this to be a big business. We are also in the process of onboarding a senior chief business development officer who will be dedicated to contact high-end luxury builders as we go forward. Hope I have answered you that.

Saket Kapoor: Yes, sir. Last point is on note number eight. I joined the queue post this. If you could just explain that on a cautionary note, we have mentioned that we have taken a charge on the remaining balance of Rs. 2.83 crores as an exceptional item. Where are we, sir, in terms of recovering this money?

Sudhir Iyer: I will answer this question, Saket ji.

Saket Kapoor: Yes.

Sudhir Iyer: Good news to the shareholders is we were able to arrest the ex-company secretary who was involved in this financial fraud, and he has confessed to the police, and we are in the process of recovering that. Whatever the charge you have taken, there is a potential to get reversed in the Q3.

Saket Kapoor: Okay. There will be no loss of financial loss to the company, that it should be subsidized.

Sudhir Iyer: No. Answer is no.

Sunil Suresh: The answer is no. Yes.

Moderator: Thank you. The next question comes from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, thank you for the opportunity. Sir, firstly, if you can help me understand what is the gross margin difference, we earn on the B2B versus the branded or the retail business?

Sudhir Iyer: See, when we talk about gross margin in the presentation, we spoke about the consolidated only, because we are not given the retail and B2B. So, at the company level, we are given the gross margin at company level.

Madhur Rathi: Sir, can you just give me an overview about what would be the difference between, so if you earn X on B2B, how much higher would we earn on the B2C or the retail business?

Sudhir Iyer: See, always, of course, the gross margin is more in the B2C.

Madhur Rathi: Okay, got it. Now, sir, coming out to the BIS and imports, sir, how many sofas were imported earlier on an annual basis in India, if you can help me understand on the volume terms?

Sunil Suresh: While there are substantial, I would say, authentic information or data available to us readily, the estimated size of this business can run into close to US$100 million is what we are estimating in terms of the retail of what was happening. This is an internal data, so this is not something that is available as a data for our companies such as ourselves.

From our market study, we realize that there are close to 800 odd retailers across India who are mostly dependent on imports of leather sofas and recliners, mainly coming through China, Vietnam, Malaysia, and the higher end coming through Italy and Spain. This is an internal estimate. We estimate its size to be about US$100 million.

Madhur Rathi: Sir, in terms of volume, how much would that be?

Sunil Suresh: Well, even if you average roughly about, I would say, Rs. 25,000 per seater, you can do your numbers. Rs. 25,000 to Rs. 30,000 per seater, the cost of each seat. So, 100 million divided by about Rs. 25,000 to Rs. 30,000 is an approximate number that we have estimated.

Madhur Rathi: Got it. Sir, so I understand that. Sir, so now coming out to how many stores do we plan to open during this year? Sir, how do we plan to better utilize our store? Because these are very large-sized stores. Is there a possibility of Stanley doing a shop-in-shop kind of a model where either an audiovisual solution, so with someone like a PRO FX who is a market leader in importing these audiovisual brands outside from India, just like doing a partnership, if you can help me understand or your thoughts on that?

Sunil Suresh: At the moment, we have no plans for Stanley to go as shop-in-shops. In fact, we are, like I said, in the process of identifying and slightly changing the architecture of our brand going forward, because earlier Stanley and we had Sofas & More by Stanley. Going forward, our latest format of Sofas & More without name Stanley going on it is being prepared in Hyderabad.

That should come into life within the next 45 days or so. We have further been more competitive there and made it a very aggressive furniture retail store, manufacturing retail store. Stanley, in the key markets where we have been present for more than a decade, we know the market size, we understand the luxury housing there, key markets such as Delhi, Mumbai, Hyderabad, and Bangalore.

We have decided that we will shut down smaller Stanley stores and come up with one mega store which will cater to complete home solution. That should be more than enough for Stanley. That is the first pilot store what we have done in Hyderabad. We just opened about two months ago. The traction has started very well. There is a very strong inquiry pipeline. We will monitor it for about a couple of quarters, then take the decision as we go forward.

Madhur Rathi: Got it. Sir, if I were to consider the 70 stores that we have currently, sir, how many would be loss-making and that are more than like two, three years, that have been opened for the past two, three years? If you can help me understand.

Sunil Suresh: If you look at the current 70 stores, some of them are hybrid stores. Technically, we would say that about 15% to 18% of the stores are loss-making. Out of that, some of them we have already closed three stores which are older stores, but most of the loss-making stores are all under 18 months, and we need a little more gestation period.

Madhur Rathi: Got it. Sir, this idea of this restructuring of one large store in major cities, sir, would it be similar to an IKEA or a Restoration Hardware, where rather than showcasing multiple products in one small store, we will showcase everything in a large format store? Is that the understanding? If you can.

Sunil Suresh: Yes. So basically, as I told you, we have been present in multiple major metro markets, and especially post-IPO, we have acquired our franchisees in five metros, which includes Delhi,

Mumbai, Hyderabad, Pune, and Chennai. So, in these major markets, the six metros almost contribute to 80% of India's luxury housing.

So, in these markets, our plan is clear. Wherever we have been present and we know the pipeline of luxury housing is adequate enough, we will make the Stanley concept available in large format, starting especially with the four major metros.

We have started with Hyderabad, the second would be Bombay, the third would be Delhi, and the fourth would be Bangalore. These four A-class metros, we plan to do that, shut down the smaller Stanley formats, but have more of Sofas & More, so it actually works as a hub-and-spoke model in each of these cities.

Madhur Rathi: Got it. Sir, just one final question from my end. Sir, considering all the efforts that we are taking, sir, how do we see our revenue growth? Maybe this should be the minimum revenue growth, or conservatively, where should we see our revenue growing maybe over the next one or two years?

Sunil Suresh: If I might want to say that, I would say that post our IPO, I think whatever major structural changes within the organization need to be done, I would say almost 70% of that has been completed.

We have been quite conservative in using our funds, so we will now look at stabilization for a quarter or two. Post that, we plan to start expanding in a very meaningful way. That is also looking at opportunities that are opening up from QCO and all. We remain extremely positive, and we believe that our revenue should start growing to double digits going forward.

Madhur Rathi: And sir, we have close to 170 crores cash on our books. Sir, SEBI has allowed an open market share buyback, and sir, the promoter shareholders is also not up to the 75% allowed as per the limit. Sir, so are there any plans for share buyback? Because our stock is trading at an all-time low, and I think if we see the pipeline of the revenue growth being very strong in the future, we can just do a share buyback and then reward whatever benefits to a smaller number of shareholders.

Sudhir Iyer: Good question. Let me answer for this. It is a good thought, and to be honest with you, currently we do not explore that. Of course, we will consider this, and we do explore this, and we will get this buyback done.

Moderator: Thank you. The next question comes from the line of Naysar Shah from AMPL Asset Management. Please go ahead.

Naysar Shah: Hi, sir. Thank you for the opportunity. Sir, this quarter, our sales growth has largely come from B2B business. Why the COCO business is not growing? If you can share some more data as to what is the same-store sales growth for the 35 stores which are older than three years? Can you throw some more light on that?

Sunil Suresh: Most of the COCO stores are undergoing what we call as a structural change, moving from a typical, especially the Stanley stores are moving from a typical furniture retail format towards a

complete home solution format. This process is a bit lengthy because instead of sales executives, we need to hire and train design executives. This process is going on.

Naysar Shah: Sir, when do you think this process will get over and COCO store will start growing?

Sudhir Iyer: Let me answer this. COCO stores are growing actually, but if you ask me the same-store sales growth is negative. We aspire and we believe that the growth will happen as further when the stores gets matured.

Naysar Shah: So, sir, I am asking about the older stores only, which are more than three years, the 35 stores which are older than three years. So, what has been the same-store sales growth for these stores? Can you share some historical data?

Sudhir Iyer: Yes, we can share that if you specify which stores you require, we can share you on the email rather than on the call. We can do that. But if you ask me the straight question right now, the answer is negative. The same-store sales growth has been negative. If you, example, if you want compared to the H1 to H1 or last three years, you just give us the email, we will just answer that question.

Naysar Shah: Okay. And also maybe, I do not know whether you can share revenue per square feet across each of your store format, and how has this changed over the last few years?

Sunil Suresh: This is again something that from the very beginning we have been fairly explanative that being manufacturing retailers, our revenue per square foot usually is not considered like typical retail stores, probably because our custom order to off-the-floor sale is around 75%-80%. So thereby, that formula of revenue per square foot slightly varies and differs.

In some cases where we are now taking complete home solutions, customer order can be anywhere between Rs. 40 lakhs to Rs. 1 crores of rupees, and that could really go very high. In the Sofas & More, it is mostly only loose furniture. Those revenue per square foot are slightly recalculated again. But whether it is a Sofas & More concept or a Stanley concept, we are not trading retailers.

I want investors to understand this, please, because we are manufacturing retailers, and most of the products which are on display are not immediately sold because we give customization options, and almost 75% of the orders that come in are custom-made. This is a slightly different model from pure play retail.

Naysar Shah: Sir, our company got listed about two and a half years ago, and that time you were talking about Rs. 1,000 crores sales in 1,000 working days. Of course, we are nowhere near that, right? Now you are talking about aggressive growth in starting from FY28. Maybe can you just help us understand what exactly would have gone wrong in last two and a half years, and why do you think future will be different than the recent past?

Sunil Suresh: 1,000 working days still remains the plan. If we calculate exactly from where we are listed till now, I think we have done about 500 odd and 550 odd working days. Nevertheless, that is the plan, and yes, it has gone through certain changes. There have been macro headwinds that we

have been able to overcome, and I think we are very well prepared to the next phase of our growth now. We remain extremely positive that those numbers will be achieved as we go forward.

Naysar Shah: Sir, don't mind my saying, but you were very positive even two and a half years ago as well, right? I am just trying to understand how future will be different from the recent past, right? Because luxury sales have been very strong over the last two, three years, ever since you got listed.

You had tailwinds in the sector, and yet, we have no I mean, our sales is virtually flat over the last two and a half years, right? Maybe can you give us some concrete strategy as to why you think future will be different than the recent past? Everybody has aggressive growth plans, but maybe can you outline some concrete strategy as to why you think it will be different?

Sunil Suresh: I would still say that we are very measured. I do not think we would want to call ourselves very aggressive. We have all the basic required engines in place for growth. We, as promoters, continue to be very much invested. Of course, like I said, as a 30-year-old company, we had to go through certain structural changes which we have very successfully implemented. We now believe that we are a lot more in a positive area.

Starting from this quarter onwards, we have seen a betterment in how we are managing our business and our top lines or our gross profits or our EBITDA are all inclined to improve as we go forward. Despite there being a massive, almost 16% jump in the forex last year to this year, we have still managed it very careful. We have been fairly import dependent in our raw material.

That has been under control. What we have consumed is almost more than 6% reduction in imports. There are multiple things that we had no control in terms of event. Also, there have been massive delays if you really look at RERA and understand. There has been a lot of delays in project handovers across the country. A lot of projects that are sold are still in the pipeline, and there are delays.

We still remain extremely confident. Yes, the old stores where we had, I would say, utilized that particular catchment over the last three to five years, and that catchment was not returning enough return per square foot, we have decided to either shut them down or push them to Sofas & More. That cleanup is also happening as we speak.

In all probability, like I said, we are remaining positive is one thing, but being very involved in terms of day-to-day and the way we are structuring our company is extremely solid. We kindly request all our investors to visit our facility, because once we visit our facilities and showrooms, I think our investors will get a much better idea, because that is where we are able to elaborate on all this detail very clearly.

Naysar Shah: Sir, your Hyderabad Superlative Living store of 72,000 square feet, what are the expectations? How much sales it can generate? What kind of profitability? What has been the initial response?

Sunil Suresh: These are large anchor stores which we have decided to go to cities where we already have had a presence, and we know that there is a massive pipeline of luxury housing happening. These

stores are very capable of taking the revenues to anywhere between Rs. 70 crores to Rs. 80 crores in the second, third year onwards.

These are large investments we are doing, and it is also much easier to manage because when we have one large captive store, and since we are company-owned, company-operated, customers do not have to go from store to store, and one store is able to give a complete, what you call as design, build, execute, install, service to the customer.

Naysar Shah: And sir, maybe, considering rental and other expenses, let us say once this store becomes mature, what kind of EBITDA margin such stores can generate?

Sunil Suresh: I think we are very clear that anything above 19% to 20% is what we are always expecting, and I think we are hovering around those numbers even now. It should even get better as the stores get slightly matured.

Naysar Shah: This will be after the rental expenses, right?

Sunil Suresh: Yes, correct. Iyer you want to talk?

Naysar Shah: Okay.

Sudhir Iyer: Yes.

Sudhir Iyer: One submission here. When I tell the after rentals, the EBITDA margin, impact of Ind AS will be there actually. So, don't factor that also.

Naysar Shah: Then you are saying 20% will be post-Ind AS or pre-Ind AS?

Sudhir Iyer: This is pre-Ind AS.

Naysar Shah: Right, so rental expenses is above EBITDA item, right then?

Sudhir Iyer: Correct. Exactly. Let me put it like this to you. If you talk about in the IGAAP terms, we are keen to make the 20% EBITDA margin, and if you factor the Ind AS impact, there will be, of course, the secure time and the rentals over there. There are a lot of factors to calculate the Ind AS, that impact will be there. If you cleanly talk about the business perspective, after the rentals, you are going to make 20% EBITDA margins.

Moderator: Thank you. The next question comes from the line of Kaushik Poddar from KB Capital Markets Private Limited. Please go ahead.

Kaushik Poddar: What I understand is that you want to follow the template as in Hyderabad, where you have put up a 72,000 square feet Superlative Living store. Can you share with us your experience, since this has been operating for the last two, three months, of operating this store?

Sunil Suresh: Yes, we just completed 60 days. We have had a massive footfall, much more than expected. We had a good launch, and we have had a massive footfall. This, if I can look at it, I think this is

again a store that is not going to do, what you call as immediate off-the-floor sales, because also this is like a complete experience center.

From a pipeline perspective, Kaushik, I think close to about 7 to 8 crores of prospective pipeline has already been built up, and we have started seeing the conversion already. From our experience of such large stores, which we have done once in Bangalore also, we did one store which is almost 100,000 square feet, which is now the factory store.

We see that it takes roughly three to four months for the pipeline to build up and the conversion to start happening. We will know the, what you call as the actual conversion probably in about maximum in another month or two. To tell you, I think from a footfall and inquiry generation perspective and the pipeline generation perspective, we are extremely positive.

Kaushik Poddar: Another thing, in your furniture mix, it's mostly leather, is it? I mean, leather and wood. Are you doing something even for, say, fabric sofa and all those things?

Sunil Suresh: Yes, we are. Actually, leather has been the legacy of our brand. We continue to be extremely strong in that medium, but you will be quite surprised to know that we offer a lot more than leather. Again, our facility is so well designed that it can do metal, it can do various different types of metal finish, timber finish, cabinetry, fabric, as well as leather. We have one factory that can technically make a complete home solution. This is exactly what we have, and that has taken us time to build, and that is our moat.

Kaushik Poddar: But in your ads, it is mostly leather type of sofa and all these things I see. I mean, I do not see any other type of sofa other than leather. I mean, for example, I want to build a new house is getting built, but I am not getting the vibe that I can get from you people something beyond leather.

Sunil Suresh: Let me take your address immediately. We will make sure that we are able to send the required catalogs, brochures, or even the sales executive so that you are able to see the elaborate range what we have. Again, please understand, like I said, our business is about customization, and 80% of our business is customized.

The choice of upholstery is completely dependent on the customer. We have quite an elaborate range of fabric. The same product can be developed in fabric also. So kindly, after this, if you can mail us your details, we are more than happy to send you our catalog, or if you are placed in Bombay, we can ask our executives to even meet you and show you our elaborate range.

Moderator: Thank you. The next question comes from the line of Saket Kapoor from Kapoor Family Office. Please go ahead.

Saket Kapoor: Yes. Thank you for the opportunity again. Sir, firstly, as a percentage of sales, what is our sales promotion expenses? I think so in the print media, in the financial dailies, we do see a full-page advertisement of particularly a sofa. If you could just explain to us, as a percentage, what have we earmarked for the year, and how much are we eyeing to spend going ahead?

Sunil Suresh: All through the journey of this brand, we have maintained our marketing expenses slightly below a double digit. Either we are between 7% and 9%. Sometimes when the markets are bad, maybe we have even gone up to 10%, but we have never exceeded that. So our customer acquisition costs or our marketing cost has always remained in single digits.

That is one. Secondly, the reason why we are fairly active in print is, again, our customer base, people who are building homes worth Rs. 3 crores or Rs. 5 crores or Rs. 10 crores are mostly in the age group of 45 and above, and they continue to use newsprint. Thereby, we are still active in newsprint. Having said that, we also have inducted our new CMO just now, and our CMO comes with a lot of exposure and experience in new-age marketing.

This will change as we go forward, but till now, marketing was managed in-house, and we will continue to keep our marketing expenses way below 10%.

Saket Kapoor: Lastly, sir, in the PPT presentation, we have mentioned about store locations, all categories. We have noticed that even just now you answered that in the four metro places, you would be eyeing to just replicate what you have done for the Hyderabad store. There is no mention of East, wherein we see the mineral-bearing state of Odisha, Raipur. There, I think so luxury and the amount of per capita income, there is significantly, I think so, or in comparative to what the places you are eyeing your stores.

Would definitely request your team to deliberate on the fact of state capital city, Bhubaneswar, then Raipur, the places where we can have potential buyers, and not only concentrating in the southern part. South is definitely the Silicon Valley part, but that is a small understanding on my part.

Sunil Suresh: No, let me answer that question. We truly appreciate your understanding of the Indian topography, but to tell you that the business of luxury furniture works slightly differently. The choice for customers making a house, let us say, in Bhubaneswar or anywhere in probably Raipur or somewhere else in a smaller city, is fairly limited. Luxury customers gravitate towards major markets because they get a much bigger choice.

We have done the study, we know the market. We believe that they are not absolutely ready yet for luxury format stores. While Sofas & More, we have an opportunity to grow to probably 80-100 cities, but the mega Stores of Stanley, we believe, should belong into larger metro markets because the customers and their designers usually tend to come to these markets.

They feel more privileged to say that, "I went to Delhi and bought," or, "I went to Bombay and bought," or, "I went to Bangalore and bought." This is the typical nature, and that is what we have understood. Even in cities like Hyderabad, Bangalore, we see lot of influx of customers. Close to 25% of our customer base is coming from smaller cities and towns. This is something that we have experienced over time.

Despite of we having stores in Coimbatore, or for that matter, in Madurai or Tirupati, a lot of these customers tend to come to cities like Bangalore because they feel they get a bigger choice. Thereby, by design, we have decided not to expand to smaller cities with our luxury format, but

we will definitely go into those cities with our value format, which is Sofas & More. Hope I have answered you.

Saket Kapoor: Yes, sir. Last point is, sir, if you could elaborate on the fixed cost expenses for running these six-story showrooms at Hyderabad, which is open currently. What is our monthly fixed cost for the same? Or the investment that we are making through, if I may use it, rather than the cost part.

Sunil Suresh: Fixed cost is talking. Yes, so ideally, you see, once the store comes to a certain maturity, which is roughly about 18%, our opex should be between 10% to 11% for us to generate a fairly decent PAT of 8% to 10%. But then, like I said, it's a ramp-up. It will take anywhere between two to three quarters to start breaking even.

From the fourth quarter onwards, we see a changeover. These stores, normally, I would say that now with so much of exposure and experience, five to six years, they should be able to run without any further capex invested in renovation. So that is how we gauge our stores.

Saket Kapoor: Yes. Sir, I am just trying to make my point that definitely the stores will mature over a period of time, but what is the current initial, if you take as a standalone unit, the expenses that the company need to put into the stores, the footfalls, and other things will follow through.

First, we have to come up with the investment. I would just like to understand on the monthly basis of this large format, this is the first of its kind, what are our fixed costs if you have a number or ballpark number to the same? Sales and other things that are going to be for time to come.

Sunil Suresh: Saket, is it you are asking for the capex or the opex?

Saket Kapoor: Opex cost, sir. Yes, opex cost. Okay, capex also if you can provide, it will be very, very comfortable. That will suffice.

Sunil Suresh: Capex and opex are two different things. You are asking for reoccurring monthly cost, or are you asking for the capex of the entire cost of the store?

Saket Kapoor: Sir, you give me the monthly cost.

Sunil Suresh: That is what I'm saying is reoccurring cost, reoccurring expenses.

Saket Kapoor: Yes, yes.

Sunil Suresh: So for example, yes. That is what I am trying to tell you. Ideal situation is around between 10% to 11% or 12%, but in certain new stores, which is now Superlative, which is our new format, we even expect it to go to about 15%- 16%. But then, like I said, due course of time, it should drop to about 12%.

Currently, about 12% to 13% is our reoccurring cost per store. Again, Mr. Kapoor, what I would request you is, any specific requirement, please write to us. We are more than happy to share with you.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we have reached the end of question-and-answer session. I now hand the conference over to management for closing comments. Thank you, and over to you.

Sunil Suresh: Thank you all for taking the time to join us today and for your continued interest in Stanley Lifestyles Limited. Would also like to thank Emkay Global for hosting this conference call and the moderator for managing the call. We appreciate your time and participation today.

We remain focused on priorities we have outlined. If you have any further questions, please feel free to reach out to our Investor Relations Advisor, Churchgate Partners, and we will be happy to address your queries. Thank you very much.

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

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