



Sheela Foam Limited



COMPANY BACKGROUND.....

- Incorporated in 1971, Sheela Foam is the market leader and the largest manufacturer of Polyurethane Foam (PU) in India.
- The Company manufactures various foam-based home comfort products like mattresses, Furniture cushions, as well as technical grades of polyurethane foams for end-use in a range of industries like automobile, acoustics, etc.
- The flagship household brands include: 'Sleepwell' for mattresses and home comfort, 'Feather Foam' a pure PU Foam, and 'Lamiflex' a polyester foam for lamination.
- The company has a global manufacturing footprint with 11 nationwide manufacturing plants in India, 5 in Australia, and 1 in Spain.
- Strong presence and market share in Australia through its wholly-owned subsidiary, Joyce Foam Pty Ltd. And also in Spain through its subsidiary, Interplasp S.L.
- The company has an integrated manufacturing facility of 123,000 MTPA with a robust distribution network of 100+ exclusive distributors, 5,400+ exclusive retail dealers, and 7,850+ multi-brand outlets.
- The company has recently done a recent acquisition where they have acquired Kurlon Enterprises (94.66%) and Furlenco (35%)

BUSINESS MIX (As on H1-FY24).....

- **Home Comfort (74%)** : Backward Integrated along with being the largest PU Foam manufacturer in India. This segment constitutes Mattresses, Furniture Foam, and Comfort foam products. The company has various Flagship brands like 'Sleepwell', 'Feather Foam', 'Sleep X', 'Star Lite', 'SleepX' to leverage its market dominance in the mattresses and allied segments.
- **Technical Foam (26%)** : Technical and institutional product range find diverse applications in home furnishings, car seats, clothes and accessories, auditoriums, hospital beds, and various other industries, enhancing comfort and convenience in surroundings.

KEY STRENGTHS.....

- Largest manufacturers of PU Foam in India with Experienced management
- Backward Integrated Player with a wide product basket
- 'Sleepwell' mattresses a household Brand and one of the most trusted brands in India
- 20+% Market Share in the Mattresses segment in India
- Global presence with 40% market share in Australia
- Strategic move to focus on high margin products and Low Gearing ratio
- Consistent Positive cash flow generation
- Proven track record in Acquisitions and Integration
- Marquee Investors like SBI MF, Kotak MF, DSP MF, UTI MF etc.
- Clientele includes Mahindra, Maruti Suzuki, Urban Ladder, Adidas and many more

FINANCIAL HIGHLIGHTS.....

(INR Mn)	Op. Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY20	20,532	3,004	14.63%	1,943	9.46%	19.92
FY21	23,550	3,642	15.46%	2,402	10.20%	24.62
FY22	28,656	3,149	10.99%	2,187	7.63%	22.42
FY23	28,733	2,973	10.35%	2,031	7.07%	20.81
H1-FY24	12,583	1,438	11.43%	876	7.00%	8.90

Key Data	
BSE Code	540203
NSE Code	SFL
Reuters	SHEF.NS
Bloomberg	SFL:IN

Market Data (INR) As on 30 th September, 2023	
Face Value	5.0
CMP	1,140.9
52 Week H/L	1,496.9/905.5
MCAP (Mn)	1,24,015.8
Shares O/S (Mn)	108.7
1 Yr. Avg. Vol. ('000)	72.66

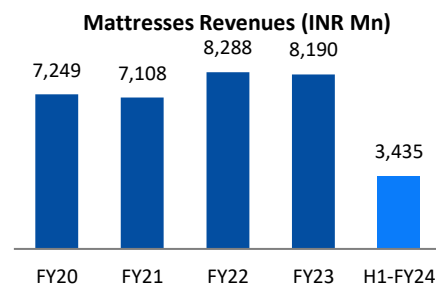
Performance As on 30 th September, 2023			
	3M	6M	12M
SFL	-8.6%	13.1%	-60.3%
SENSEX	1.5%	11.3%	14.7%
BSE Midcap	12.1%	33.9%	31.8%

Shareholding Pattern As on 30 th September, 2023	
Promoters	65.48%
DII + AIF	22.49%
FPI	6.05%
Public	5.98%

BUSINESS SEGMENTS.....

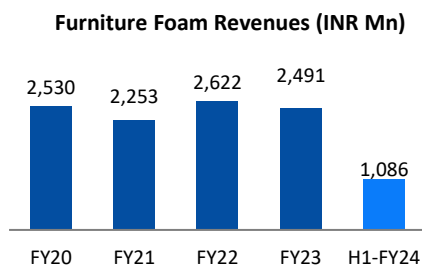
Mattresses (41%):

- Household Brand 'Sleepwell' was established in 1994 and over time has become one of the most popular mattresses brands with products from a price range from INR 8,000/- to INR 1 lakh+.
- The company continuously invests in Research and Innovation and has taken consistent efforts to improve its product portfolio. Neem Fresche is one of the innovations undertaken by the Management to drive products to a more conscious consumer.
- The company is also focusing on increasing its operations with 'Bed in a Box' strategy for exports to the US and its efforts on establishing an E-commerce platform called 'Sleep X' for D2C sales.



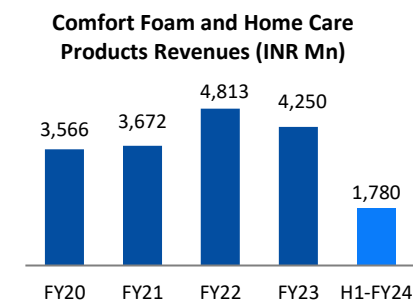
Furniture Foam (12%):

- The company has made advancements in this segment by using renowned technologies Health Fresh which prevents the breeding of dust mites & bacteria and SANtech, an advanced technology that enhances firmness and breathability for ultimate comfort and support.
- Popular categories include Primo, Resitec and Cool Gel-S.



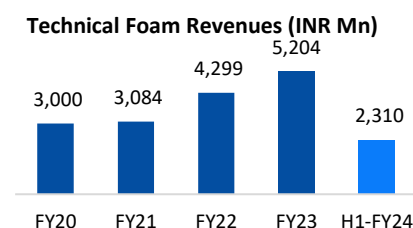
Comfort Foam and Home Comfort Foam (21%):

- With continuous investment for advancements and innovation the company had launched; My Pillow, a range of customized pillows with High-Rise or Low-Rise options that make up for a perfect sleep is one such innovation into allied product categories
- Comfort Accessories include Pillows, Mattress Protector, Bolsters, Back Cushions.



Technical Foam (26%):

- Diverse applications in home furnishings, car seats, clothes and accessories, auditoriums, hospital beds, and various other industries, enhancing comfort and convenience.



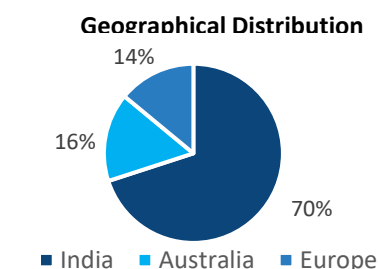
MANUFACTURING STRENGTH.....

India Operations:

- 11 nationwide manufacturing plants in India with capacity of 123,000+ MTPA and enjoying 30-35% market share in India.

Global Operations:

- The company has a sustainable mature market base in Australia with 5 manufacturing units with a total capacity of 11,000 MTPA with a market share of ~40% in Australia.
- Interplasp S.L., is a modernized manufacturing facility at Yecla in Spain, with an annual capacity of 22,000 MTPA. Interplasp caters to 1% of Europe's market and is well placed to focus on expanding operations to meet the demand from Europe and US (After the China+1 Policy) with a 'Bed in a Box' strategy.



GROWTH DRIVERS.....

- ICT – International Comfort Technologies; Low-Value Economy mattress for the rural segment; Exports to US with 'Bed in a Box' strategy, E-commerce Sales.
- Capacity expansion plan being undertaken across geographies in India, Australia, and Spain which will be operational in March 2023. INR 350+ Cr for the establishment of the two new manufacturing facilities in India and brownfield expansion in Australia and Spain.

PEER COMPARISON (TRAILING 12 MONTHS) INR Mn.....

Company (INR Mn)	Operational Income	EBITDA	EBITDA%	PAT	PAT%	Market Cap
Sheela Foam	28,043	2,989	10.66%	1,946	6.94%	1,24,018.2
GNFC	86,760	10,810	12.46%	9,320	10.74%	95,077.4
Havells India	1,77,209	17,262	9.74%	11,777	6.65%	8,70,670.0
Trident	17,975	2,403	13.37%	903	5.02%	1,91,709.9
Kajaria Ceramics	44,817	6,579	14.68%	4,043	9.02%	2,11,000.0

INCOME STATEMENT (CONSOLIDATED).....

PARTICULARS (INR Mn)	FY20	FY21	FY22	FY23	H1-FY24
Operational Revenue	20,532	23,550	28,656	28,733	12,583
Operating Expenses	17,528	19,908	25,507	25,760	11,145
EBITDA	3,004	3,642	3,149	2,973	1,438
EBITDA Margins (%)	14.63%	15.46%	10.99%	10.35%	11.43%
Other Income	400	502	792	865	486
Depreciation	590	729	808	896	445
Finance Cost	130	177	169	211	164
PBT	2,684	3,238	2,964	2,731	1,315
Exceptional Items	120	-	-	-	110
Tax	621	836	777	700	326
Share of Profit / (Loss) from JV	-	-	-	-	(3)
PAT	1,943	2,402	2,187	2,031	876
PAT Margins (%)	9.46%	10.02%	7.63%	7.07%	6.96%
Other Comprehensive Income	(31)	188	(18)	125	(95)
Total Comprehensive Income	1,912	2,590	2,169	2,156	781
Diluted EPS (INR)	19.92	24.62	22.42	20.81	8.90

BALANCE SHEET (CONSOLIDATED)

PARTICULARS (INR MN)	FY22	FY23	H1-FY24	PARTICULARS (INR MN)	FY22	FY23	H1-FY24
ASSETS				EQUITY & LIABILITIES			
Non-current Assets	15,767	12,775	17,971	Equity	14,002	16,087	28,690
Property, Plant & Equipment	4,355	4,290	4,819	(a) Share Capital	244	488	543
Capital Work In Progress	1,199	2,875	3,329	(b) Other Equity	13,682	15,516	28,077
Right of Use Assets	1,394	1,086	1,599	Non Controlling Interest	76	83	70
Investment Property	562	534	518	Non-current Liabilities	4,134	4,187	4,410
Intangible Assets	2,520	2,740	2,691	Financial Liabilities			
Financial Assets				(a) Borrowings	2,282	2,838	2,612
(a) Other Investments	5,288	564	878	(b) Lease Liabilities	1,057	875	1,304
(b) Loans	1	19	19	(c) Other Non Current Financial Liabilities	503	259	266
(c) Other Non -Current Fin. Assets	45	52	69	Provisions	193	130	139
Deferred Tax Assets	78	137	156	Other Non Current Liabilities	2	2	1
Non-current Assets (Net)	69	124	138	Deferred Tax Liabilities (Net)	97	83	88
Other Non Current Tax Assets	256	354	129	Current Liabilities	5,496	6,834	6,982
Current Assets	7,865	14,333	22,111	Financial Liabilities			
Inventories	3,145	3,313	2,713	(a) Borrowings	1,096	1,838	1,569
Financial Assets				(b) Lease Liabilities	230	160	242
(a) Investments	894	7,120	15,165	(c) Trade Payables	2,854	2,594	2,535
(b) Trade Receivable	2,694	2,820	2,914	(d) Other Current Fin Liabilities	440	917	1,508
(c) Cash And Cash Equivalent	408	423	547	Provisions	106	205	180
(d) Other Bank Balances	3	3	29	Current Tax Liabilities (Net)	-	12	63
(e) Loans	56	6	6	Other Current Liabilities	770	1,108	885
(f) Other Current Fin Assets	263	10	27				
Other Current Assets	402	638	710				
GRAND TOTAL – ASSETS	23,632	27,108	40,082	GRAND TOTAL - EQUITIES & LIABILITES	23,632	27,108	40,082

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