



Sheela Foam Limited



COMPANY BACKGROUND.....

- Incorporated in 1971, Sheela Foam Limited (SFL) is the market leader and the largest manufacturer of Polyurethane Foam (PU) in India.
- It manufactures various foam-based home comfort products like mattresses, Furniture cushions, and technical grades PU foams for end-user industries like automobile, acoustics, etc.
- Presence in Australia through its wholly-owned subsidiary, Joyce Foam Pty Ltd. and in Spain through its subsidiary, Interplasp S.L.
- Acquired Kurlon Enterprises Limited (KEL) in 2023. With this acquisition SFL now commands more than 30% market share in branded mattress segment.
- Holds a 45.5% stake in Furlenco, a platform to rent / buy branded furniture to foray into branded furniture market,
- With KEL’s acquisition SFL now has a global manufacturing footprint with 18 nationwide manufacturing plants in India, 5 in Australia, and 1 in Spain.
- SFL and KEL combined now has an extensive pan India sales and distribution network with 100+ exclusive distributors, 6,100+ Exclusive Retail Dealers (EBO’s), and 12,000+ Multi-Brand Outlets (MBO’s)

BUSINESS MIX (Q3-FY25).....

Home Comfort :

- Constitutes 84% of the sales revenue
- Product portfolio includes Mattresses, Furniture Foam, and Comfort foam products.
- Market leading brands like ‘Sleepwell’ and ‘Kurlon’
- With KEL’s acquisition it has also added Kurlon products which is a widely recognized brand in the market

Technical Foam :

- Constitutes 16% of the sales revenue
- Product portfolio includes automotive Foams, Reticulated Foams, Ultra-Violet Stable Foams, Silentech Foams

KEY STRENGTHS.....

- Market leader with more than 30% market share in branded mattress segment
- Experienced management with deep industry knowledge
- Wide range of products catering from mass market to premium market
- Strategically located manufacturing facilities with backward integration
- Pan India distribution network with excellent customer reach
- Sleepwell is the most trusted brand with high customer recall value

FINANCIAL HIGHLIGHTS.....

| Company (INR Mn) | Op. Income | EBITDA | EBITDA% | PAT | PAT% | EPS |
|------------------|------------|--------|---------|-------|-------|-------|
| FY22 | 28,656 | 3,149 | 10.99% | 2,187 | 7.63% | 22.42 |
| FY23 | 28,733 | 2,982 | 10.38% | 2,008 | 6.99% | 20.39 |
| FY24 | 29,823 | 3,005 | 10.08% | 1,839 | 6.17% | 17.66 |
| 9M-FY25 | 25,900 | 2,170 | 8.38% | 750 | 2.90% | 6.85 |

Key Data

| | |
|------------------|---------|
| BSE Code | 540203 |
| NSE Code | SFL |
| Reuters | SHEF.NS |
| Bloomberg | SFL:IN |

Market Data (INR) As on 31st December, 2024

| | |
|-------------------------------|---------------|
| Face Value | 5.0 |
| CMP | 992.6 |
| 52 Week H/L | 1,262.0/775.2 |
| MCAP (Mn) | 1,07,893.0 |
| Shares O/S (Mn) | 108.7 |
| 1 Yr. Avg. Vol. ('000) | 119.8 |

Performance As on 31st December, 2024

| | 3M | 6M | 12M |
|-------------------|--------|--------|---------|
| SFL | 7.7% | 7.3% | (21.3)% |
| SENSEX | (7.3)% | (1.1)% | 8.2% |
| BSE Midcap | (6.0)% | 0.22% | 25.5% |

Shareholding Pattern As on 31st December, 2024

| | |
|------------------|--------|
| Promoters | 65.70% |
| DII + AIF | 18.93% |
| FPI | 6.55% |
| Public | 8.82% |

BUSINESS SEGMENTS.....

Mattresses (54%)

- Household Brand ‘Sleepwell’ one of the most popular mattresses brands
- Wide range of products with price ranging from INR 2,000/- to INR 1 lakh+.
- KEL’s acquisition has further strengthened its product portfolio with undisputed market leadership position in branded mattress segment
- Setting up a plant with VPF technology to enter the unorganised EPE foam mattress
- ‘Bed in a Box’ strategy for increasing exports to the US markets

Furniture Foam (8%)

- Furniture cushioning is one of the most important part of furniture like Sofa Sets, Chairs, Custom Sofas, Sofa cum bed, etc.
- Popular categories include Primo, Resitec and Cool Gel-S.
- Significant forward integration opportunities with Furlenco’s acquisition.

Comfort Foam and Home Comfort Foam (16%):

- Industrial grade products with applications in mattress manufacturing, sofa manufacturing and others.
- Comfort Accessories include Pillows, Mattress Protector, Bolsters, Back Cushions.
- New products added in this category with KEL’s acquisition.

Technical Foam (16%):

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

Others (5%):

- Consists of HCP and Scrap.

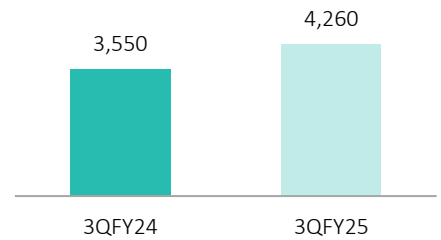
International Operations

- 40% market share in Australia with 5 state-of-the-art manufacturing facilities.
- Produces raw materials for branded mattress producers catering to industrial users
- Access to European markets with a PU foam manufacturing facility at Yecla in Spain.

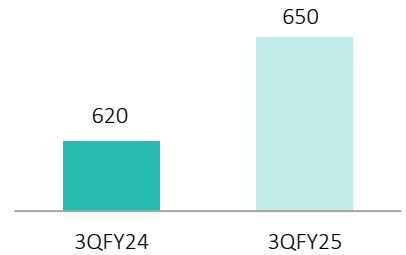
GROWTH DRIVERS.....

- Acquisition synergies from KEL and Furlenco to drive revenues and margins in the coming years
- Entry into the unorganized EPE mattress market with a strategy to drive premiumization over a period to time will open opportunities for deeper penetration in an untapped market.
- Profitability growth to be driven by margin improvement accruing from expanded network of manufacturing facilities and sales and distribution.
- The Indian modern mattress market is expected to grow at a CAGR of 10%+ to INR 25,000 Cr mark by the year 2030. SFL being a market leader will be biggest beneficiary from this strong industry tailwind

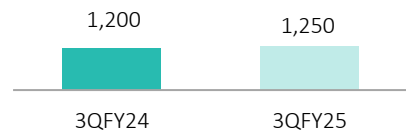
MATTRESSES REVENUES (INR MN)



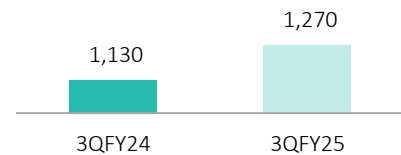
FURNITURE FOAM REVENUES (INR MN)



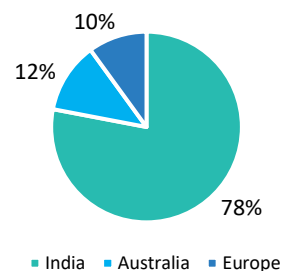
COMFORT FOAM AND HOME CARE PRODUCTS REVENUES (INR MN)



TECHNICAL FOAM REVENUES (INR MN)



GEOGRAPHICAL DISTRIBUTION (9M-FY25)



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

| Company (INR Mn) | Operating Income | EBITDA | EBITDA% | PAT | PAT% | Market Cap |
|------------------|------------------|--------|---------|--------|-------|------------|
| Sheela Foam | 34,346 | 2,980 | 8.68% | 1,395 | 4.06% | 1,07,893 |
| Nilkamal Sleep | 32,530 | 2,786 | 8.56% | 1,081 | 3.32% | 28,483 |
| Havells India | 2,06,765 | 20,084 | 9.71% | 14,000 | 6.77% | 10,50,065 |
| Trident | 68,050 | 8,708 | 12.80% | 2,963 | 4.35% | 1,70,409 |
| Kajaria Ceramics | 46,975 | 6,467 | 13.77% | 3,611 | 7.69% | 1,84,676 |

INCOME STATEMENT (CONSOLIDATED)

| PARTICULARS (INR Mn) | FY22 | FY23 | FY24 | 9M-FY25 |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Operational Revenue | 28,656 | 28,733 | 29,823 | 25,896 |
| Operating Expenses | 25,507 | 25,752 | 26,818 | 23,726 |
| EBITDA | 3,149 | 2,982 | 3,005 | 2,170 |
| EBITDA Margins (%) | 10.99% | 10.38% | 10.08% | 8.38% |
| Other Income | 792 | 856 | 1,171 | 700 |
| Depreciation | 808 | 896 | 1,158 | 1,327 |
| Finance Cost | 169 | 211 | 686 | 853 |
| PBT | 2,964 | 2,731 | 2,332 | 690 |
| Exceptional Items | - | - | (227) | (310) |
| Tax | 777 | 723 | 614 | 250 |
| Share of Profit / (Loss) from JV | - | - | (106) | - |
| PAT | 2,187 | 2,008 | 1,839 | 745 |
| PAT Margins (%) | 7.63% | 6.99% | 6.17% | 2.90% |
| Other Comprehensive Income | (18) | 126 | (27) | (65) |
| Total Comprehensive Income | 2,169 | 2,134 | 1,812 | 680 |
| Diluted EPS (INR) | 22.42 | 20.39 | 17.66 | 6.85 |

BALANCE SHEET (CONSOLIDATED)

| PARTICULARS (INR Mn) | FY23 | FY24 | H1-FY25 | PARTICULARS (INR MN) | FY23 | FY24 | H1-FY25 |
|------------------------------------|---------------|---------------|---------------|---|---------------|---------------|---------------|
| ASSETS | | | | EQUITY & LIABILITIES | | | |
| Non-current Assets | 12758 | 44,647 | 39,333 | Equity | 16,065 | 29,807 | 30,570 |
| Property, Plant & Equipment | 4,290 | 11,596 | 11,791 | (a) Share Capital | 488 | 544 | 544 |
| Capital Work In Progress | 2,875 | 1,614 | 1,169 | (b) Other Equity | 15,494 | 28,658 | 29,431 |
| Right of Use Assets | 1,086 | 2,297 | 2,180 | Non Controlling Interest | 83 | 605 | 596 |
| Investment Property | 534 | 505 | 496 | Non-current Liabilities | 4,204 | 12,300 | 10,230 |
| Intangible Assets | 2,740 | 16,889 | 17,017 | Financial Liabilities | | | |
| Financial Assets | | | | (a) Borrowings | 2,838 | 9,446 | 7,418 |
| (a) Other Investments | 564 | 5,100 | - | (b) Lease Liabilities | 875 | 1,742 | 1,655 |
| (b) Loans | 19 | 19 | 19 | (c) Other Non Current Financial Liabilities | 259 | 716 | 650 |
| (c) Other Non -Current Fin. Assets | 52 | 213 | 205 | Provisions | 130 | 217 | 296 |
| Deferred Tax Assets | 71 | 2,252 | 2,312 | Other Non Current Liabilities | 2 | 2 | 2 |
| Non-current Assets (Net) | 172 | 547 | 542 | Deferred Tax Liabilities (Net) | 100 | 177 | 209 |
| Other Non Current Tax Assets | 354 | 72 | 101 | Current Liabilities | 6,822 | 11,289 | 12,905 |
| Current Assets | 14,333 | 8,748 | 14,071 | Financial Liabilities | | | |
| Inventories | 3,313 | 3,394 | 4,077 | (a) Borrowings | 1,838 | 3,367 | 4,961 |
| Financial Assets | | | | (b) Lease Liabilities | 160 | 376 | 322 |
| (a) Investments | 7,120 | 178 | 4,548 | (c) Trade Payables | 2,594 | 3,875 | 4,041 |
| (b) Trade Receivable | 2,820 | 3,634 | 3,857 | (d) Other Current Fin Liabilities | 1,124 | 2,653 | 2,477 |
| (c) Cash And Cash Equivalent | 423 | 440 | 332 | Provisions | 205 | 291 | 272 |
| (d) Other Bank Balances | 3 | 49 | 66 | Current Tax Liabilities (Net) | 0.2 | 9 | 85 |
| (e) Loans | 7 | 11 | 20 | Other Current Liabilities | 901 | 718 | 748 |
| (f) Other Current Fin Assets | 10 | 78 | 49 | GRAND TOTAL - EQUITIES & LIABILITIES | 27,091 | 53,395 | 53,705 |
| Other Current Assets | 638 | 955 | 1,123 | | | | |
| Assets Held For Sale | - | - | 301 | | | | |
| GRAND TOTAL – ASSETS | 27,091 | 53,395 | 53,705 | | | | |

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