



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.
- Acquired 35% 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 21 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 (As on 9M-FY24).....

Home Comfort :

- Constitutes 74% of the sales revenue
- Product portfolio includes Mattresses, Furniture Foam, and Comfort foam products.
- Market leading brands like ‘Sleepwell’, ‘Feather Foam’, ‘Sleep X’, and ‘Star Lite’
- With KEL’s acquisition it has also added Kurlon products which is a widely recognized brand in the market

Technical Foam :

- Constitutes 26% 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
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
9M-FY24	21,372	2,200	10.29%	1,188	5.56.%	11.61

Key Data

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

Market Data (INR) As on 31st December, 2023

Face Value	5.0
CMP	1,238.6
52 Week H/L	1,363.6/905.5
MCAP (Mn)	1,34,636.0
Shares O/S (Mn)	108.7
1 Yr. Avg. Vol. ('000)	93.4

Performance As on 31st December, 2023

	3M	6M	12M
SFL	7.7%	-0.8%	-5.4%
SENSEX	9.8%	11.4%	18.7%
BSE Midcap	12.4%	25.9%	40.4%

Shareholding Pattern As on 31st December, 2023

Promoters	65.48%
DII + AIF	24.99%
FPI	6.12%
Public	3.41%

BUSINESS SEGMENTS.....

Mattresses (41%)

- Household Brand ‘Sleepwell’ one of the most popular mattresses brands
- Wide range of products with price ranging from INR 8,000/- 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 (12%)

- 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 (21%):

- 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 (26%):

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

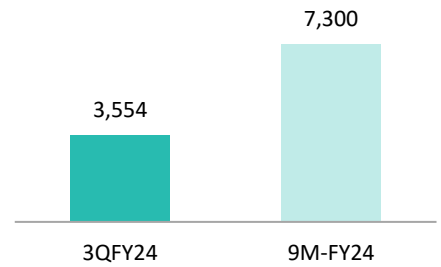
International Operations

- 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.

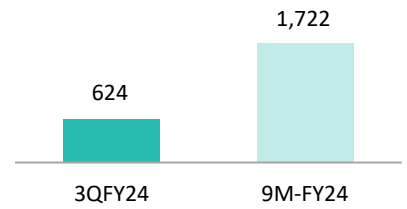
GROWTH DRIVERS.....

- 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

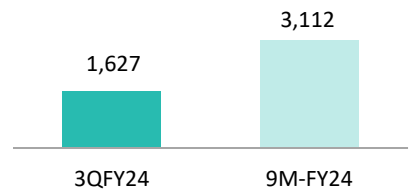
MATTRESSES REVENUES (INR MN)



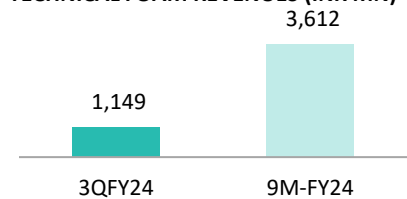
FURNITURE FOAM REVENUES (INR MN)



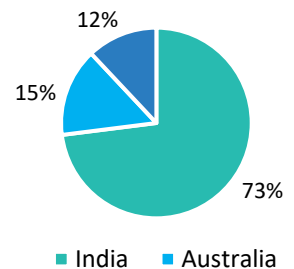
COMFORT FOAM AND HOME CARE PRODUCTS REVENUES (INR MN)



TECHNICAL FOAM REVENUES (INR MN)



GEOGRAPHICAL DISTRIBUTION



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

Company (INR Mn)	Operational Income	EBITDA	EBITDA%	PAT	PAT%	Market Cap
Sheela Foam	28,662	2,977	10.38%	1,646	5.74%	1,34,638
GNFC	80,910	7,270	8.98%	7,030	8.68%	1,16,8988
Havells India	1,80,072	17,353	9.63%	11,821	6.56%	8,56,915
Trident	66,998	10,033	14.98%	4,216	6.29%	1,84,881
Kajaria Ceramics	45,424	7,036	15.49%	4,386	9.66%	2,07,442

INCOME STATEMENT (CONSOLIDATED)

PARTICULARS (INR Mn)	FY20	FY21	FY22	FY23	9M-FY24
Operational Revenue	20,532	23,550	28,656	28,733	21,372
Operating Expenses	17,528	19,908	25,507	25,760	19,172
EBITDA	3,004	3,642	3,149	2,973	2,200
EBITDA Margins (%)	14.63%	15.46%	10.99%	10.35%	10.29%
Other Income	400	502	792	865	804
Depreciation	590	729	808	896	744
Finance Cost	130	177	169	211	416
PBT	2,684	3,238	2,964	2,731	1,844
Exceptional Items	120	-	-	-	109
Tax	621	836	777	700	471
Share of Profit / (Loss) from JV	-	-	-	-	(76)
PAT	1,943	2,402	2,187	2,031	1,188
PAT Margins (%)	9.46%	10.02%	7.63%	7.07%	5.56%
Other Comprehensive Income	(31)	188	(18)	125	92
Total Comprehensive Income	1,912	2,590	2,169	2,156	1,280
Diluted EPS (INR)	19.92	24.62	22.42	20.81	11.61

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	GRAND TOTAL - EQUITIES & LIABILITIES	23,632	27,108	40,082
Other Current Assets	402	638	710				
GRAND TOTAL – ASSETS	23,632	27,108	40,082				

INVESTOR RELATIONS TEAM AT VALOREM ADVISORS

Name	Designation	Email	Phone
Anuj Sonpal	CEO	anuj@valoremadvisors.com	+91-22-4903-9500
Sumeet Singhaniya	Lead Manager	sumeet@valoremadvisors.com	+91-22-4903-9500

Valorem Advisors Disclaimer:

Valorem Advisors is an Independent Investor Relations Management Service company. This factsheet has been prepared by Valorem Advisors based on information and data which the Company considers reliable, but Valorem Advisors and the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Valorem Advisors also hereby certifies that the directors or employees of Valorem Advisors do not own any stock in personal or company capacity of the Company under review.

Sheela Foam Ltd. Disclaimer:

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be “forward looking statements” based on the currently held beliefs and assumptions of the management of Sheela Foam Ltd. which are expressed in good faith and in their opinion reasonable, including those relating to the Company’s general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company’s business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation is for any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of it should form the basis of or be relied upon in connection with any investment decision for general information purposes only, without regard to any specific objectives, financial situations or informational needs or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration therefrom. This document is confidential and may not be copied or disseminated, in whole or in part, and in any manner.