



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 (FY24).....

Home Comfort :

- Constitutes 75% 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 25% 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	2,982	10.38%	2,008	6.99%	20.39
FY24	29,823	3,005	10.08%	1,839	6.17%	17.66

Key Data

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

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

Face Value	5.0
CMP	940.5
52 Week H/L	1,363.6/917.5
MCAP (Mn)	1,02,224.4
Shares O/S (Mn)	108.7
1 Yr. Avg. Vol. ('000)	104.3

Performance As on 31st March, 2024

	3M	6M	12M
SFL	-25.48%	-18.22%	-6.79%
SENSEX	1.98%	11.91%	24.56%
BSE Midcap	6.22%	21.43%	62.87%

Shareholding Pattern As on 31st March, 2024

Promoters	65.48%
DII + AIF	21.82%
FPI	6.32%
Public	6.38%

BUSINESS SEGMENTS.....

Mattresses (44%)

- 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 (19%):

- 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 (25%):

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

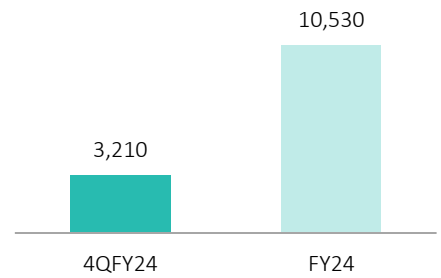
International Operations

- 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.

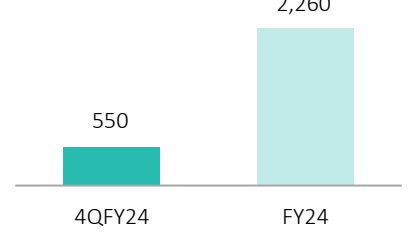
GROWTH DRIVERS.....

- 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

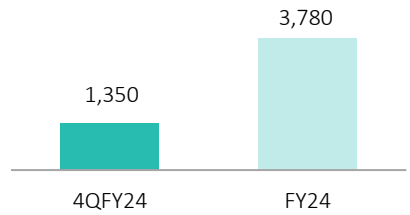
MATTRESSES REVENUES (INR MN)



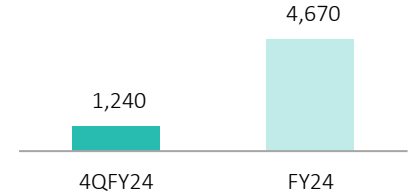
FURNITURE FOAM REVENUES (INR MN)



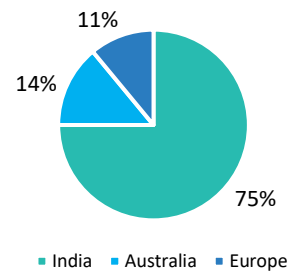
COMFORT FOAM AND HOME CARE PRODUCTS REVENUES (INR MN)



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	29,822	3,012	10.1%	1,838	6.2%	1,02,224
GNFC	79,300	5,030	6.3%	4,970	6.3%	91,809
Havells India	1,85,900	18,427	9.9%	12,708	6.8%	9,49,331
Trident	68,088	9,403	13.8%	3,499	5.1%	1,86,206
Kajaria Ceramics	45,784	6,997	15.3%	4,322	9.4%	1,84,174

INCOME STATEMENT (CONSOLIDATED)

PARTICULARS (INR Mn)	FY20	FY21	FY22	FY23	FY24
Operational Revenue	20,532	23,550	28,656	28,733	29,823
Operating Expenses	17,528	19,908	25,507	25,752	26,818
EBITDA	3,004	3,642	3,149	2,982	3,005
EBITDA Margins (%)	14.63%	15.46%	10.99%	10.38%	10.08%
Other Income	400	502	792	856	1,171
Depreciation	590	729	808	896	1,158
Finance Cost	130	177	169	211	686
PBT	2,684	3,238	2,964	2,731	2,332
Exceptional Items	120	-	-	-	(227)
Tax	621	836	777	723	614
Share of Profit / (Loss) from JV	-	-	-	-	(106)
PAT	1,943	2,402	2,187	2,008	1,839
PAT Margins (%)	9.46%	10.02%	7.63%	6.99%	6.17%
Other Comprehensive Income	(31)	188	(18)	126	(27)
Total Comprehensive Income	1,912	2,590	2,169	2,134	1,812
Diluted EPS (INR)	19.92	24.62	22.42	20.39	17.66

BALANCE SHEET (CONSOLIDATED)

PARTICULARS (INR Mn)	FY22	FY23	FY24	PARTICULARS (INR MN)	FY22	FY23	FY24
ASSETS				EQUITY & LIABILITIES			
Non-current Assets	15,767	12,758	44,647	Equity	14,002	16,066	29,807
Property, Plant & Equipment	4,355	4,290	11,596	(a) Share Capital	244	488	543
Capital Work In Progress	1,199	2,875	1,614	(b) Other Equity	13,682	15,494	28,658
Right of Use Assets	1,394	1,086	2,297	Non Controlling Interest	76	83	605
Investment Property	562	534	505	Non-current Liabilities	4,134	4,204	12,300
Intangible Assets	2,520	2,740	16,889	Financial Liabilities			
Financial Assets				(a) Borrowings	2,282	2,838	9,446
(a) Other Investments	5,288	564	5,100	(b) Lease Liabilities	1,057	875	1,742
(b) Loans	1	19	19	(c) Other Non Current Financial Liabilities	503	259	716
(c) Other Non -Current Fin. Assets	45	52	213	Provisions	193	130	217
Deferred Tax Assets	78	71	2,252	Other Non Current Liabilities	2	2	2
Non-current Assets (Net)	69	172	547	Deferred Tax Liabilities (Net)	97	100	177
Other Non Current Tax Assets	256	354	72	Current Liabilities	5,496	6,822	11,289
Current Assets	7,865	14,333	8,748	Financial Liabilities			
Inventories	3,145	3,313	3,394	(a) Borrowings	1,096	1,838	3,367
Financial Assets				(b) Lease Liabilities	230	160	376
(a) Investments	894	7,120	178	(c) Trade Payables	2,854	2,594	3,875
(b) Trade Receivable	2,694	2,820	3,634	(d) Other Current Fin Liabilities	440	1,124	2,653
(c) Cash And Cash Equivalent	408	423	440	Provisions	106	205	291
(d) Other Bank Balances	3	3	49	Current Tax Liabilities (Net)	-	0.2	9
(e) Loans	56	7	11	Other Current Liabilities	770	901	718
(f) Other Current Fin Assets	263	10	78	GRAND TOTAL - EQUITIES & LIABILITIES	23,632	27,091	53,395
Other Current Assets	402	638	955				
GRAND TOTAL – ASSETS	23,632	27,091	53,395				

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