



November 02, 2023

To

The BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai-400001  
Scrip Code: 540203

The National Stock Exchange India Limited  
Exchange Plaza, Bandra Kurla Complex  
Bandra(E), Mumbai-400051  
NSE Symbol: SFL

Subject: Investor Presentation

Dear Sir/Madam,

Furtherance to our intimation for investor call dated October 31, 2023. Please find attached Earning Presentation.

Thanking you,

Yours truly,

For Sheela Foam Limited

**MD IQEBAL  
AHMAD**

Digitally signed by MD  
IQEBAL AHMAD

Date: 2023.11.02 23:13:04  
+05'30'

Md. Iquebal Ahmad

Company Secretary & Compliance Officer

**SHEELA FOAM LTD.**

#14, Sleepwell Tower , Sector 135, Noida- 201301

Ph: Int-91(0)-120-4868400 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: [contactus@sheelafoam.com](mailto:contactus@sheelafoam.com)

Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-23316875-76

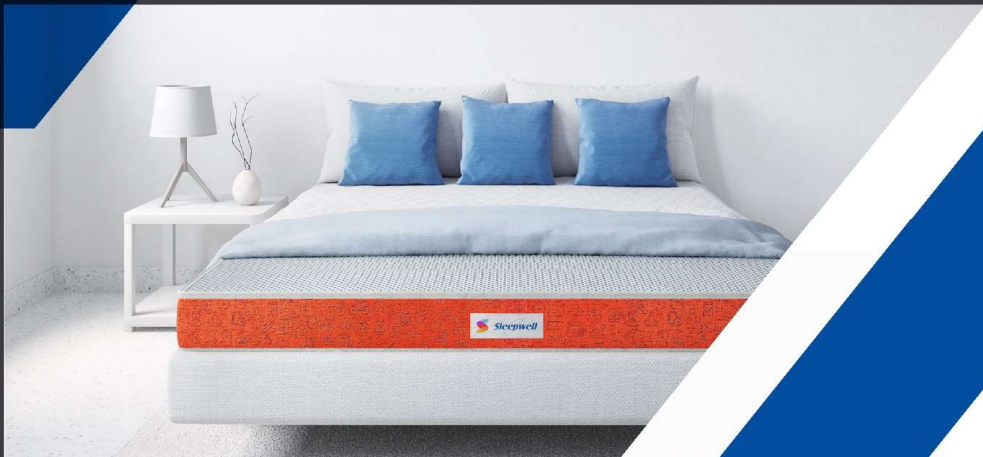
Toll Free: 1800 103 6664 • [www.sleepwellproducts.com](http://www.sleepwellproducts.com) • [www.sheelafoam.com](http://www.sheelafoam.com)

CIN-L74899DL1971PLC005679




# Sheela Foam Ltd.

Earnings Presentation Q2/H1-FY24




# Company Snapshot



Experienced Management




'Sleepwell' mattresses a household Brand and one of the most trusted brands in India



Backward Integrated Player with a wide product basket




Largest manufacturers of PU Foam in India




30-35% Market Share in the Mattresses segment




40% market share in Australia



Presence across multiple geographies



Low Gearing ratio




Consistent Positive cash flow generation



Strategic move to focus on high margin products



Marquee Investors

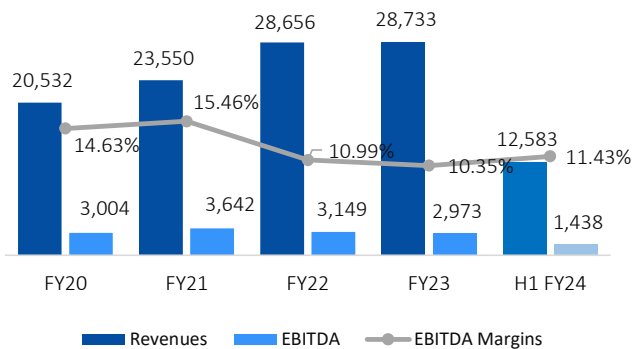


Proven track record in Acquisitions and Integration

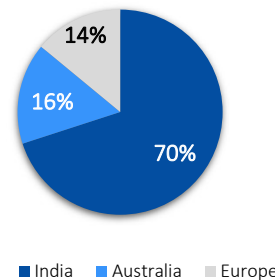
# Company Overview

- Incorporated in 1971, Sheela Foam is one of 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.
- It has a 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 123,000 MTPA.
- In 2023, The company acquired nearly 95% stake in Kurlon Enterprises and 35% stake in online furniture firm Furlenco

Revenue, EBITDA (INR Mn) and EBITDA Margins (%)



H1-FY24 Geographical Revenue Breakup



## India Operations

**Sleepwell**  
Launched in 1994

11 | Manufacturing Plants

129,000 | MTPA of Total Capacity

## Global Operations

5 | Manufacturing plants in Australia

1 | Manufacturing plant in Spain to cater to European and US markets

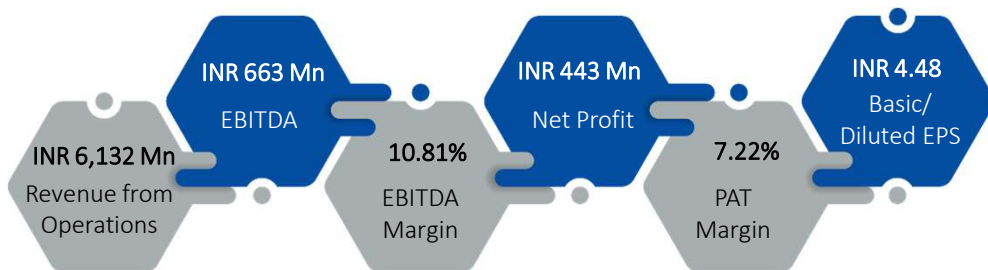


# Q2/ H1-FY24 Performance Highlights

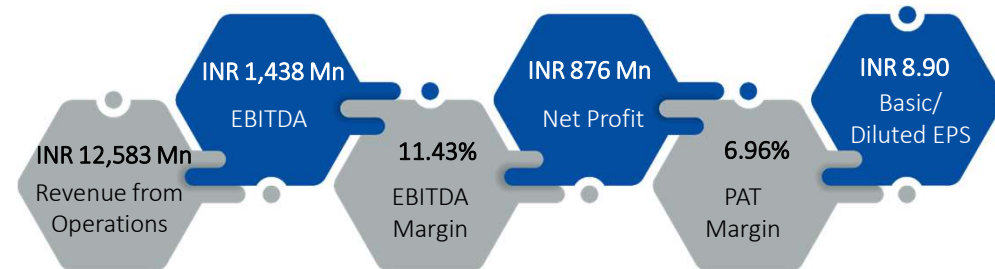


## Q2/H1-FY24 Financial and Operational Highlights

### Q2-FY24 Consolidated Financial Performance



### H1-FY24 Consolidated Financial Performance

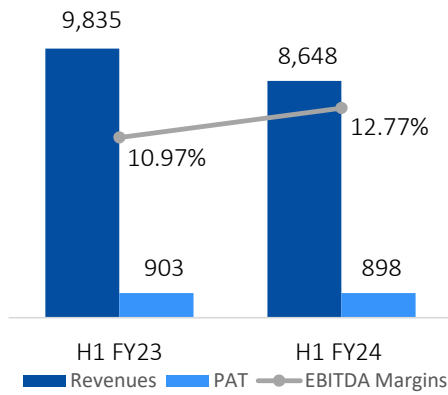
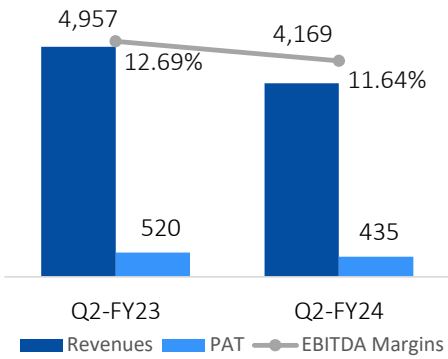


### Q2/H1-FY24 Operational Highlights

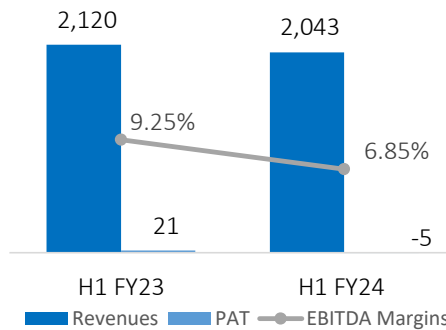
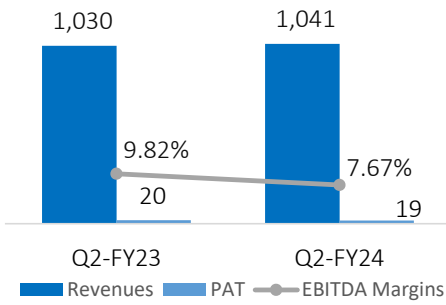
- Consolidated Gross Margin improved from 37 % to 39% on a QoQ basis and from 40% to 41% on a YoY primarily because of lower raw material cost.
- Company completed both the announced acquisitions – Furlenco in August and Kurl On in October.
- Well balanced synergy program launched for Kurlon as the company was prepared with action steps to be taken immediately post acquisition.
- Decline in Topline primarily on account of portfolio rationalization and reduction in raw material prices.
- EBITDA for the quarter impacted by higher manpower cost due to strengthening of management team to take care of next level of growth and managing and extracting benefits from recent acquisitions.
- Powerful advertisement campaigns undertaken to drive aggressive growth in the coming quarters.
- Fifty-two new Showrooms (13 World + 39 Gallery) and Fourty shoppe started in Q2.

# Quarterly and Annual Geographical Revenues

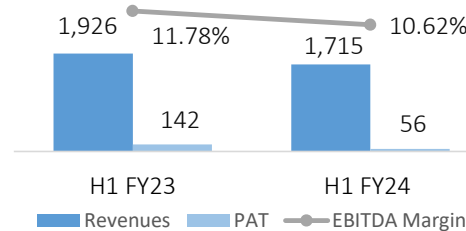
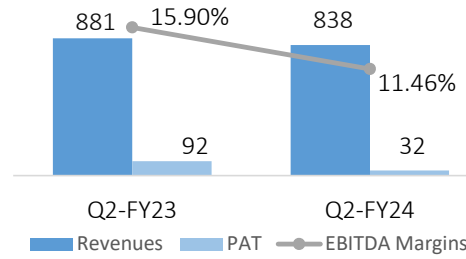
## SFL India (INR Mn)



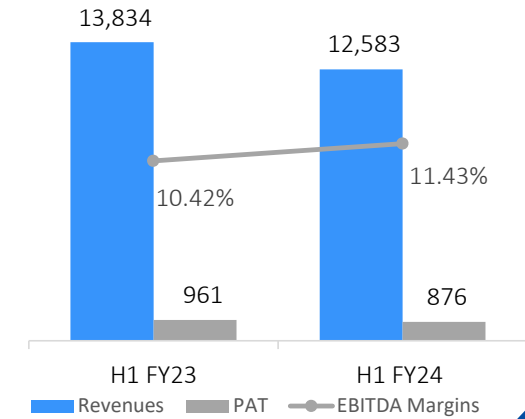
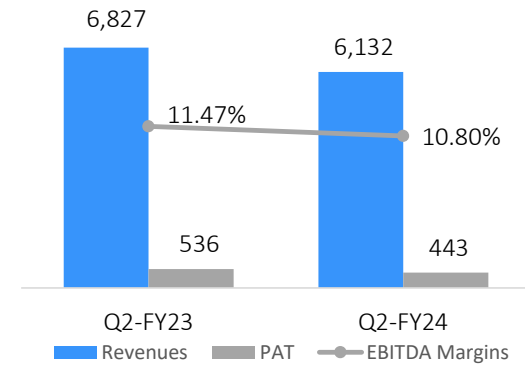
## Australia - Joyce (INR Mn)



## Spain - Interplasp (INR Mn)

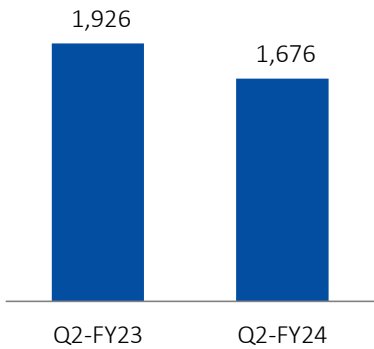


## Consolidated (INR Mn)

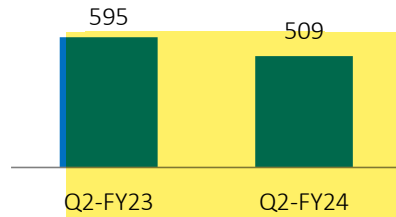


# Quarterly Business Segment Revenues

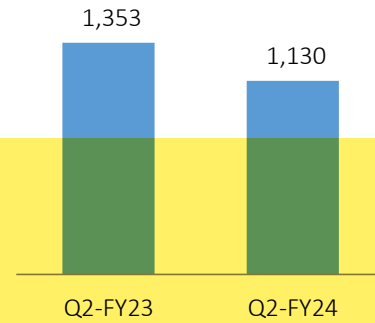
Mattresses (INR Mn)



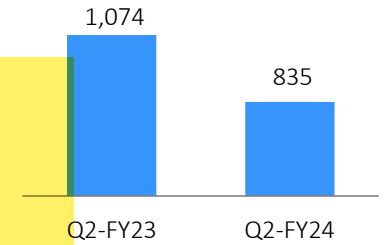
Furniture Foam (INR Mn)



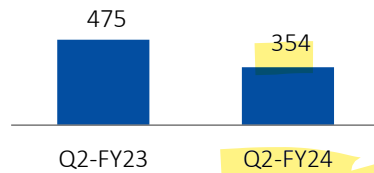
Technical Foam (INR Mn)



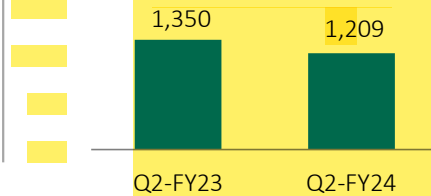
Comfort Foam and HC Line (INR Mn)



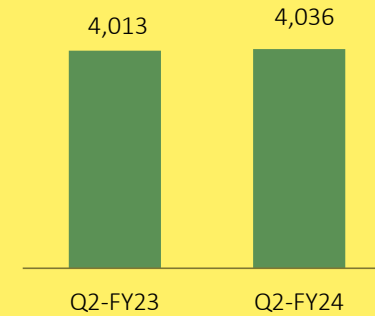
Mattresses (Volumes in 000's)



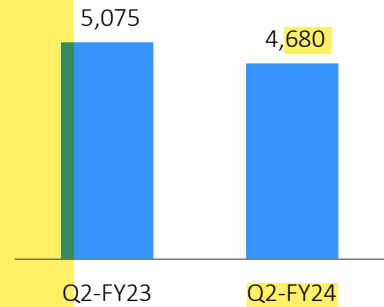
Furniture Foam (Volumes in MT)



Technical Foam (Volumes in MT)



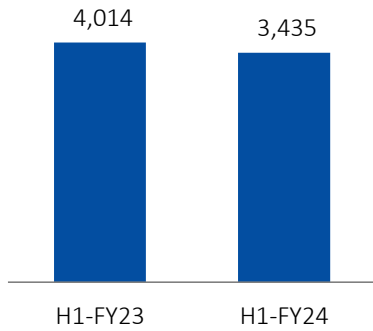
Comfort Foam (Volumes in MT)



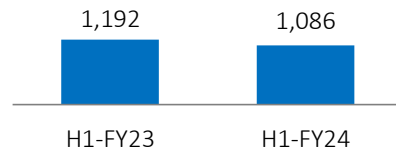


## YTD Business Segment Revenues

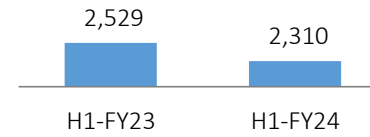
Mattresses (INR Mn)



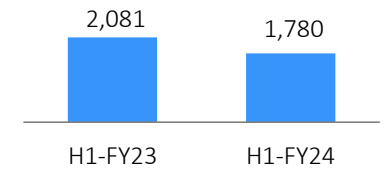
Furniture Foam (INR Mn)



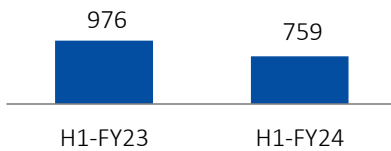
Technical Foam (INR Mn)



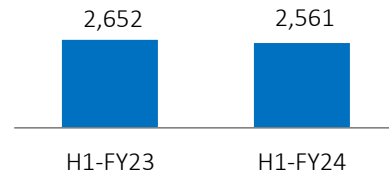
Comfort Foam and HC Line (INR Mn)



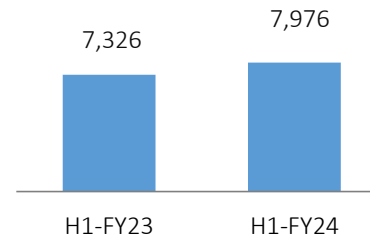
Mattresses (Volumes in 000's)



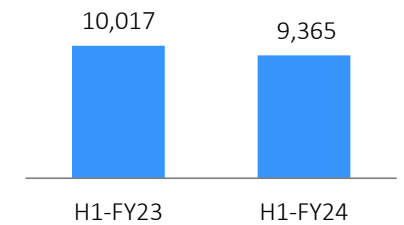
Furniture Foam (Volumes in MT)



Technical Foam (Volumes in MT)

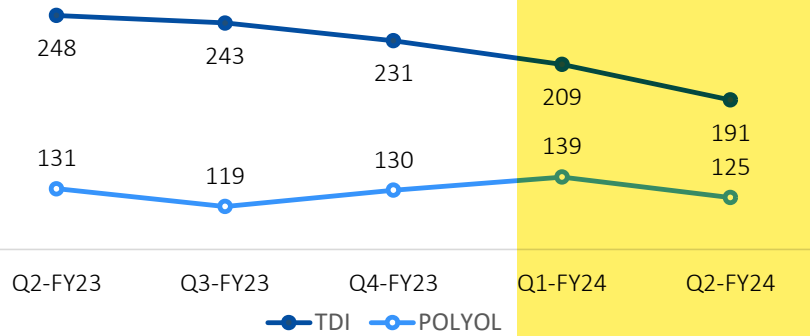


Comfort Foam (Volumes in MT)

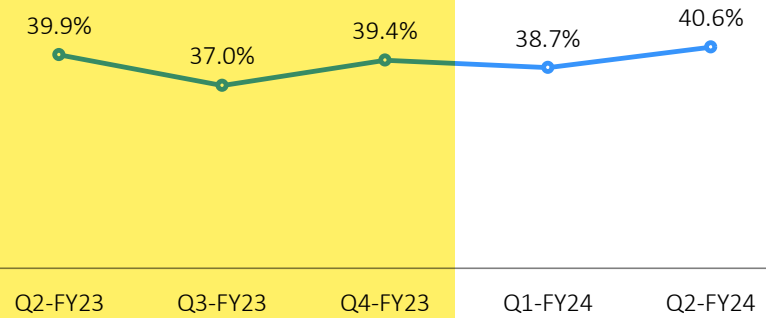


# Raw Material Prices and Gross Margins (%)

TDI & Polyol Price Trend (INR/KG)

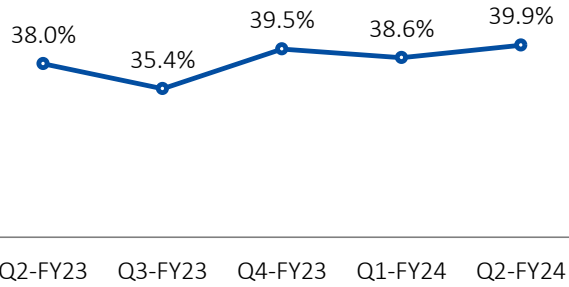


SFL Consolidated Gross Margins (%)

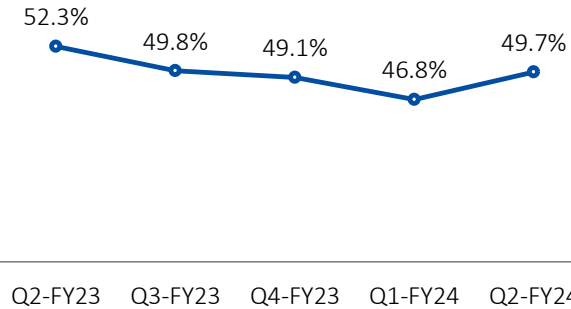


Gross Margins (%)

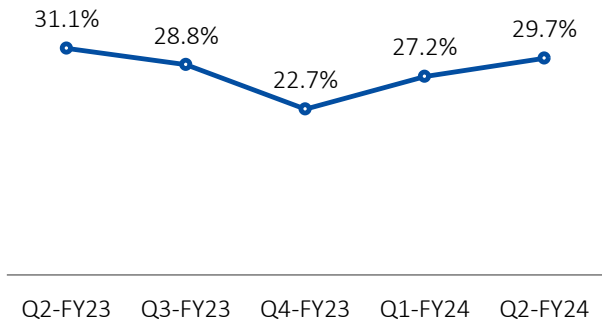
SFL India



Australia - Joyce



Spain - Interplasp



## Quarterly Standalone Financial Performance

Particulars (INR Mn)	Q2-FY24	Q2-FY23	Y-O-Y	Q1-FY24	Q-O-Q
Revenue from Operations	4,169	4,958	(15.9)%	4,478	(6.9)%
Operating Expenses	3,683	4,330	(14.9)%	3,859	(4.6)%
EBITDA	486	628	(22.6)%	619	(21.5)%
<i>EBITDA Margin (%)</i>	<b>11.66%</b>	<b>12.67%</b>	<b>(101) Bps</b>	<b>13.82%</b>	<b>(216) Bps</b>
Other Income	232	194	19.6%	234	(0.9)%
Depreciation	107	78	37.2%	91	17.6%
Finance Cost	23	19	21.1%	20	15.0%
PBT	588	725	(18.9)%	742	(20.8)%
Exceptional Item	-	-	-	110	NA
Tax	153	205	(25.4)%	168	(8.9)%
PAT	435	520	(16.3)%	464	(6.3)%
<i>PAT Margin (%)</i>	<b>10.43%</b>	<b>10.49%</b>	<b>(6) Bps</b>	<b>10.36%</b>	<b>7 Bps</b>
Other Comprehensive Income	(10)	8	NA	3	NA
Total Comprehensive Income	425	528	(19.5)%	467	(9.0)%
Basic/Diluted EPS (INR)	4.43	5.33	(16.9)%	4.75	(6.7)%

## YTD Standalone Income Statement

Particulars (INR Mn)	H1-FY24	H1-FY23	Y-O-Y
Revenue from Operations	8,648	9,835	(12.1)%
Operating Expenses	7,544	8,756	(13.8)%
<b>EBITDA</b>	<b>1,104</b>	<b>1,079</b>	<b>2.3%</b>
<b>EBITDA Margin (%)</b>	<b>12.77%</b>	<b>10.97%</b>	<b>180 Bps</b>
Other Income	466	351	32.8%
Depreciation	198	151	31.1%
Finance Cost	43	38	13.2%
<b>PBT</b>	<b>1,329</b>	<b>1,241</b>	<b>7.1%</b>
Exceptional Item	110	-	NA
Tax	321	338	(5.0)%
<b>PAT</b>	<b>898</b>	<b>903</b>	<b>(0.6)%</b>
<b>PAT Margin (%)</b>	<b>10.38%</b>	<b>9.18%</b>	<b>120 Bps</b>
Other Comprehensive Income	(7)	(26)	(73.1)%
<b>Total Comprehensive Income</b>	<b>891</b>	<b>877</b>	<b>1.6%</b>
Basic/Diluted EPS (INR)	9.18	9.26	(0.9)%

## Quarterly Consolidated Financial Performance



Particulars (INR Mn)	Q2-FY24	Q2-FY23	Y-O-Y	Q1-FY24	Q-O-Q
Revenue from Operations	6,132	6,827	(10.2)%	6,451	(4.9)%
Operating Expenses	5,469	6,044	(9.5)%	5,674	(3.6)%
EBITDA	663	783	(15.3)%	777	(14.7)%
<i>EBITDA Margin (%)</i>	<i>10.81%</i>	<i>11.47%</i>	<i>(66) Bps</i>	<i>12.04%</i>	<i>(123) Bps</i>
Other Income	244	220	10.9%	242	0.8%
Depreciation	219	205	6.8%	227	(3.5)%
Finance Cost	86	45	91.1%	79	8.9%
<b>PBT</b>	<b>602</b>	<b>753</b>	<b>(20.1)%</b>	<b>713</b>	<b>(15.6)%</b>
Exceptional Item	-	-	-	110	NA
Tax	156	217	(28.1)%	170	(8.2)%
Share of Profit / (Loss) from JV	(3)	-	NA	-	NA
<b>PAT</b>	<b>443</b>	<b>536</b>	<b>(17.4)%</b>	<b>433</b>	<b>2.3%</b>
<i>PAT Margin (%)</i>	<i>7.22%</i>	<i>7.85%</i>	<i>(63) Bps</i>	<i>6.71%</i>	<i>51 Bps</i>
Other Comprehensive Income	(66)	96	NA	(29)	NA
<b>Total Comprehensive Income</b>	<b>377</b>	<b>632</b>	<b>(40.3)%</b>	<b>404</b>	<b>(6.7)%</b>
Basic/Diluted EPS (INR)	4.48	5.49	(18.4)%	4.41	1.6%

## YTD Consolidated Income Statement

Particulars (INR Mn)	H1-FY24	H1-FY23	Y-O-Y
Revenue from Operations	12,583	13,834	(9.0)%
Operating Expenses	11,145	12,392	(10.1)%
<b>EBITDA</b>	<b>1,438</b>	<b>1,442</b>	<b>(0.3)%</b>
<b>EBITDA Margin (%)</b>	<b>11.43%</b>	<b>10.42%</b>	<b>101 Bps</b>
Other Income	486	400	21.5%
Depreciation	445	412	8.0%
Finance Cost	164	93	76.3%
<b>PBT</b>	<b>1,315</b>	<b>1,337</b>	<b>(1.6)%</b>
Exceptional Item	110	-	NA
Tax	326	376	(13.3)%
Share of Profit / (Loss) from JV	(3)	-	NA
<b>PAT</b>	<b>876</b>	<b>961</b>	<b>(8.8)%</b>
<b>PAT Margin (%)</b>	<b>7.00%</b>	<b>6.95%</b>	<b>1 Bps</b>
Other Comprehensive Income	(95)	30	NA
<b>Total Comprehensive Income</b>	<b>781</b>	<b>991</b>	<b>(21.2)%</b>
Basic/Diluted EPS (INR)	8.90	9.85	(9.6)%



# Historical Financial Overview



## Historical Standalone Income Statement

PARTICULARS (INR Mn)	FY20	FY21	FY22	FY23	H1-FY24
Operational Revenue	16,344	16,117	20,082	20,198	8,648
Operating Expenses	14,074	13,744	17,744	17,975	7,544
EBITDA	2,270	2,373	2,338	2,223	1,104
<i>EBITDA Margins (%)</i>	<i>13.89%</i>	<i>14.72%</i>	<i>11.64%</i>	<i>11.01%</i>	<i>12.77%</i>
Other Income	413	474	702	786	466
Depreciation	331	325	324	338	198
Finance Cost	81	87	71	64	43
PBT	2,271	2,435	2,645	2,607	1,329
Exceptional Items	120	-	-	-	110
Tax	496	623	672	658	321
PAT	1,655	1,812	1,973	1,949	898
<i>PAT Margins (%)</i>	<i>10.13%</i>	<i>11.24%</i>	<i>9.82%</i>	<i>9.65%</i>	<i>10.38%</i>
Other Comprehensive Income	(43)	21	(12)	(39)	(7)
Total Comprehensive Income	1,612	1,833	1,961	1,910	891
Basic/Diluted EPS (INR)	16.97	18.57	20.22	19.97	9.18

## Historical Standalone Balance Sheet

PARTICULARS (INR Mn)	FY22	FY23	H1-FY24
<b>ASSETS</b>			
<b>Non-current Assets</b>	<b>11,171</b>	<b>6,909</b>	<b>11,630</b>
Property, Plant & Equipment	2,350	2,371	2,344
Capital Work In Progress	6	19	191
Right of Use Assets	184	163	366
Investment Property	36	34	30
Equity Investments in Subsidiaries and Joint venture company	1,967	1,967	5,574
Financial Assets			
(a) Other Investments	5,288	564	878
(b) Loans	778	1,223	1634
(c) Other Financial Assets	191	170	169
(d) Investment in Preference Shares	299	299	299
Non-current Tax Assets (Net)	46	67	57
Other Non Current Assets	26	32	88
<b>Current Assets</b>	<b>4,911</b>	<b>11,142</b>	<b>19,593</b>
Inventories	2,035	1,889	1,472
Financial Assets			
(a) Investments	840	7,065	15,097
(b) Trade Receivable	1,360	1,640	2,170
(c) Cash And Cash Equivalent	143	104	426
(d) Other Bank Balances	3	3	3
(e) Loans	56	6	5
(f) Other Current Fin Assets	282	64	88
Other Current Assets	192	371	332
<b>GRAND TOTAL – ASSETS</b>	<b>16,082</b>	<b>18,051</b>	<b>31,223</b>

PARTICULARS (INR Mn)	FY22	FY23	H1-FY24
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>	<b>12,095</b>	<b>13,958</b>	<b>26,682</b>
(a) Share Capital	244	488	543
(b) Other Equity	11,851	13,470	26,139
<b>Non-current Liabilities</b>	<b>796</b>	<b>515</b>	<b>696</b>
Financial Liabilities			
(a) Borrowings	-	-	-
(b) Lease Liabilities	183	149	320
(c) Other Financial Liabilities	503	255	257
Provisions	60	90	93
Deferred Tax Liabilities (Net)	48	19	24
Other Non Current Liabilities	2	2	2
<b>Current Liabilities</b>	<b>3,191</b>	<b>3,578</b>	<b>3,845</b>
Financial Liabilities			
(a) Borrowings	-	-	-
(b) Lease Liabilities	11	13	44
(c) Trade Payables	1,941	1,827	1,469
(d) Other Current Fin Liabilities	413	863	1,454
Provisions	105	109	89
Current Tax Liabilities (net)	-	12	60
Other Current Liabilities	721	754	729
<b>GRAND TOTAL - EQUITY &amp; LIABILITES</b>	<b>16,082</b>	<b>18,051</b>	<b>31,223</b>

## Historical Consolidated Income Statement



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
<i>EBITDA Margins (%)</i>	<b>14.63%</b>	<b>15.46%</b>	<b>10.99%</b>	<b>10.35%</b>	<b>11.43%</b>
Other Income	400	502	792	865	486
Depreciation	590	729	808	896	445
Finance Cost	130	177	169	211	164
<b>PBT</b>	<b>2,684</b>	<b>3,238</b>	<b>2,964</b>	<b>2,731</b>	<b>1,315</b>
Exceptional Items	120	-	-	-	110
Tax	621	836	777	700	326
Share of Profit / (Loss) from JV	-	-	-	-	(3)
<b>PAT</b>	<b>1,943</b>	<b>2,402</b>	<b>2,187</b>	<b>2,031</b>	<b>876</b>
<i>PAT Margins (%)</i>	<b>9.46%</b>	<b>10.20%</b>	<b>7.63%</b>	<b>7.07%</b>	<b>6.96%</b>
Other Comprehensive Income	(31)	188	(18)	125	(95)
<b>Total Comprehensive Income</b>	<b>1,912</b>	<b>2,590</b>	<b>2,169</b>	<b>2,156</b>	<b>781</b>
Basic & Diluted EPS (INR)	19.92	24.62	22.42	20.81	8.90

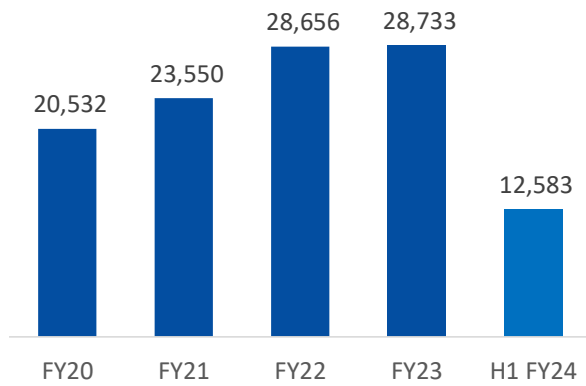
## Historical Consolidated Balance Sheet

PARTICULARS (INR Mn)	FY22	FY23	H1-FY24
<b>ASSETS</b>			
<b>Non-current Assets</b>	<b>15,767</b>	<b>12,775</b>	<b>17,971</b>
Property, Plant & Equipment	4,355	4,290	4,819
Capital Work In Progress	1,199	2,875	3,329
Right of Use Assets	1,394	1,086	1,599
Investment Property	562	534	518
Intangible Assets	2,520	2,740	2,691
Intangible Assets under development	-	-	22
Investment Accounted using Equity Method	-	-	3,604
Financial Assets			
(a) Other Investments	5,288	564	878
(b) Loans	1	19	19
(c) Other Non Current Fin Assets	45	52	69
Deferred Tax Assets	78	137	156
Non-current Assets (Net)	69	124	138
Other Non Current Tax Assets	256	354	129
<b>Current Assets</b>	<b>7,865</b>	<b>14,333</b>	<b>22,111</b>
Inventories	3,145	3,313	2,713
Financial Assets			
(a) Investments	894	7,120	15,165
(b) Trade Receivable	2,694	2,820	2,914
(c) Cash And Cash Equivalent	408	423	547
(d) Other Bank Balances	3	3	29
(e) Loans	56	6	6
(f) Other Current Fin Assets	263	10	27
Other Current Assets	402	638	710
<b>GRAND TOTAL – ASSETS</b>	<b>23,632</b>	<b>27,108</b>	<b>40,082</b>

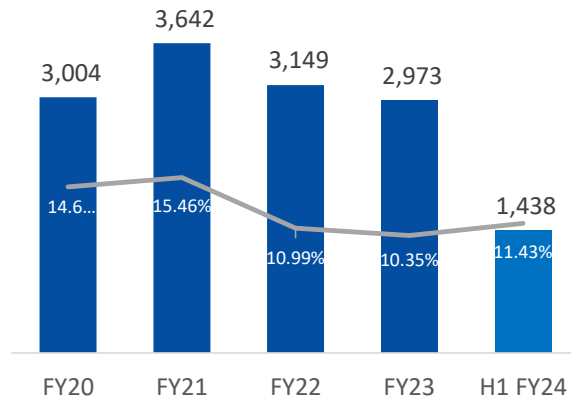
PARTICULARS (INR Mn)	FY22	FY23	H1-FY24
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>	<b>14,002</b>	<b>16,087</b>	<b>28,690</b>
(a) Share Capital	244	488	543
(b) Other Equity	13,682	15,516	28,077
Non Controlling Interest	76	83	70
<b>Non-current Liabilities</b>	<b>4,134</b>	<b>4,187</b>	<b>4,410</b>
Financial Liabilities			
(a) Borrowings	2,282	2,838	2,612
(b) Lease Liabilities	1,057	875	1,304
(c) Other Non Current Financial Liabilities	503	259	266
Provisions	193	130	139
Other Non current Liabilities	2	2	1
Deferred Tax Liabilities (Net)	97	83	88
<b>Current Liabilities</b>	<b>5,496</b>	<b>6,834</b>	<b>6,982</b>
Financial Liabilities			
(a) Borrowings	1,096	1,838	1,569
(b) Lease Liabilities	230	160	242
(c) Trade Payables	2,854	2,594	2,535
(d) Other Current Fin Liabilities	440	917	1,508
Provisions	106	205	180
Current Tax Liabilities (Net)	-	12	63
Other Current Liabilities	770	1,108	885
<b>GRAND TOTAL - EQUITY &amp; LIABILITES</b>	<b>23,632</b>	<b>27,108</b>	<b>40,082</b>

# Consolidated Financial Performance

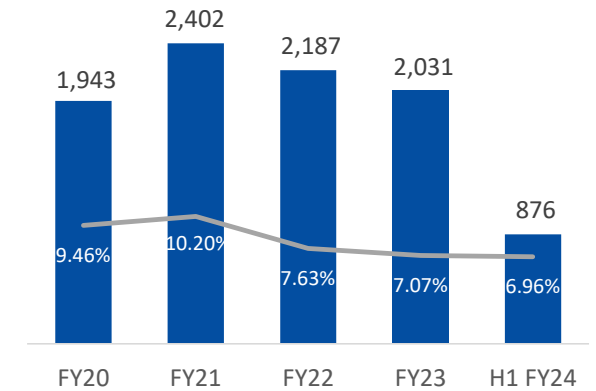
Revenues (INR Mn)



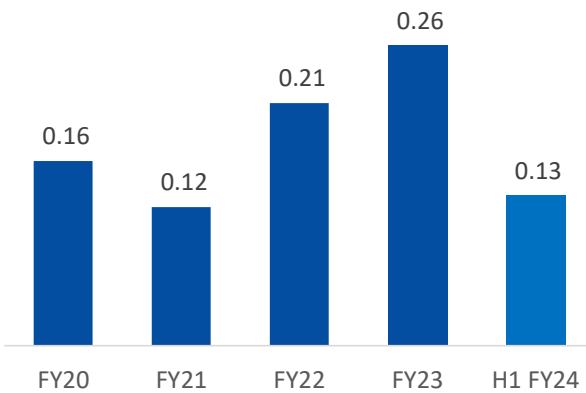
EBITDA (INR Mn) and EBITDA Margins (%)



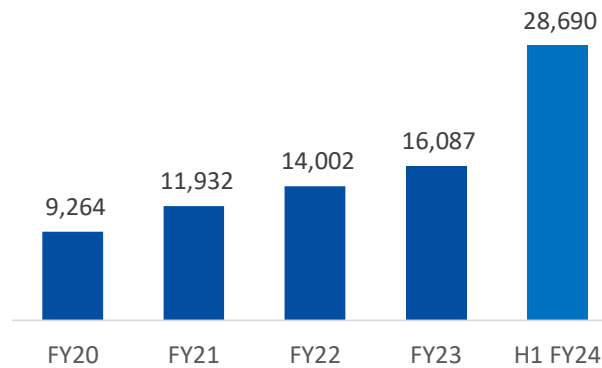
PAT (INR Mn) and PAT Margins (%)



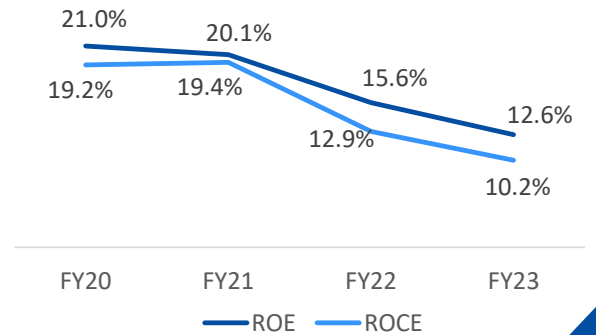
Net Debt to Equity Ratio (x)



Net worth (INR Mn)

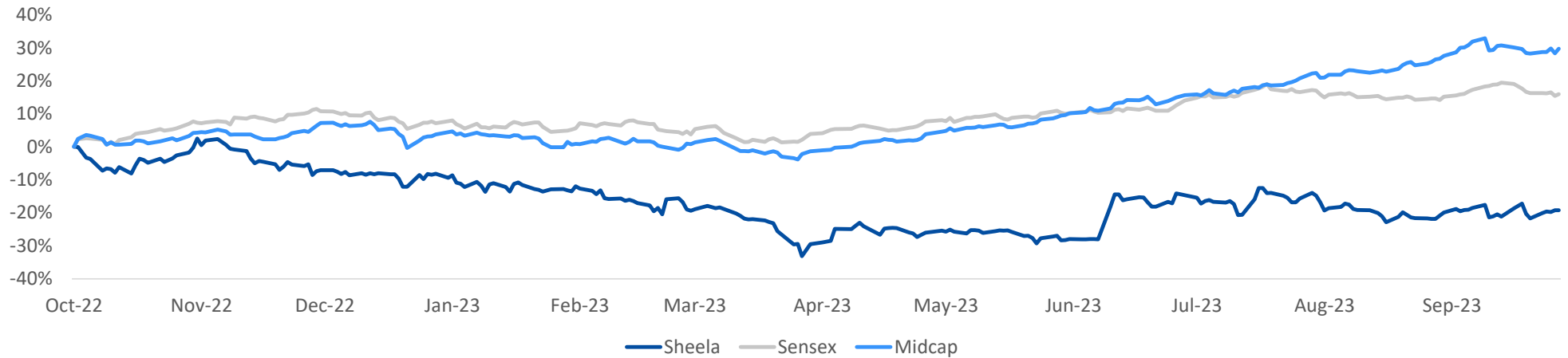


ROE and ROCE (%)



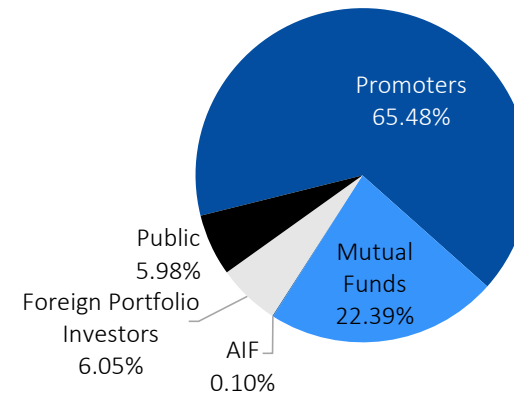
## Capital Market Data

1 year stock performance (As on 30<sup>th</sup> September, 2023)



Price Data (As on 30 <sup>st</sup> September, 2023)	INR
Face Value	5.0
CMP	1,140.9
52 Week H/L	1,496.9 / 905.5
Market Cap (INR Mn)	1,24,015.8
No. of Share outstanding (Mn)	108.7
1 Year Avg. Trading Volume (000)	72.66

Shareholding Pattern as on 30th September, 2023



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THANK YOU