



August 04, 2024

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 July 30, 2024. Please find attached Management Presentation.

Thanking you,

Yours truly,
For Sheela Foam Limited

Md. Iquebal Ahmad
Company Secretary & Compliance Officer

SHEELA FOAM LTD.

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CIN- L74899MH1971PLC427835

Investor Presentation Q1 FY25



India Business Summary Q1 FY25

India Business | KEL + SFL Integration Status

- > Post KEL acquisition in October 2023, we had two options:
 - > One to let them run independently and integrate gradually – pains would have been lesser, but benefits of integration would have been stretched over a period
 - > Two to integrate the two business instantly – led to lot of dust which is gradually settling but synergy benefits are instant
 - > ERP and F&A completely integrated; combined operations aligned; cost benefits started to flow
 - > Sales Integration was the toughest – both KEL and SFL operated in very different ways – one used to serve directly to dealers whereas other was solely through distributors. A combined channel network with a mix of distributors and dealers was put in place. Took some time along with disruptive impacts in Q1 but happy to share that this is settled now
 - > In quest for speed, some challenges had to be faced and resolved and it impacted sales . Sales are getting back to normalised levels and we are all set to hit the desired targets in the subsequent qtrs. and the full year

New Model established for Combined SFL+KEL Business in a short time span-objective to prepare base for Q2 and Q3 (festive season) sales growth.

India Business | Key Highlights: Synergies

- > Synergies Started to flow in -Since acquisition, the gross margin of the Combined Business improved by >2%.
 - > This in spite of increase in low margin online segment sales
 - > Small Town India (STI) mattress Initiative has shown increased volume -Current run rate >4 Cr per month. Stabilization impacted gross margin.
 - > Two Plants of KEL closed , reduction in Fixed cost , Overall fixed cost at Q4 levels despite increments and additional manpower cost.
 - > Operational synergy run rate by end of Q1 at Rs. 100 Cr. Approx..
 - > Total synergies (including above) under implementation >Rs.250 Crores.

India Business | Key Highlights: Financials Highlights

- > India Business Gross margin touching 44% in Q1 FY25.
- > Volume Growth: In Q1 FY25, the India business experienced significant growth YoY:
 - > Sleepwell Brand Volume Growth 35%
 - > Kurlon Brand Volume Growth 5%
 - > Overall, Mattress Volume Growth 6%
 - > Technical foam volume Growth 12%
- > Sales impacted due to
 - > ERP implementation
 - > Distribution model changes
 - > Combined Logistic model adoption

Fully geared up for topline growth in Q2 through Q4.

1.0 RTM (Route to Market)

1.1 RTM | Mattresses

OPTIMISING THE STORE AND MARKET TYPE FIT

RTM | Mattresses : Performance tracking: India Business

| | Q1 FY24 | Q4 FY24 | Q1 FY25 |
|-------|---------|---------|---------|
| VALUE | 197 Cr. | 321 Cr. | 309 Cr. |

| | Q1 FY24 | Q4 FY24 | Q1 FY25 |
|--------|---------|---------|---------|
| VOLUME | 426 K | 675 K | 737 K |

1.2 RTM | FC & Comfort Foam

USE COMPLEMENTARITIES TO SAVE COSTS AND IMPROVE MARGINS REGION WISE

RTM | Furniture Cushioning Performance tracking: India Business

| | Q1 FY24 | Q4 FY24 | Q1 FY25 |
|-------|---------|---------|---------|
| VALUE | 59 Cr. | 55 Cr. | 49 Cr. |

| | Q1 FY24 | Q4 FY24 | Q1 FY25 |
|--------|----------|----------|----------|
| VOLUME | 1381 Tns | 1543 Tns | 1320 Tns |

RTM | Comfort Foam Performance tracking

| | Q1 FY24 | Q4 FY24 | Q1 FY25 |
|-------|---------|---------|---------|
| VALUE | 64 Cr. | 135 Cr. | 105 Cr. |

| | Q1 FY24 | Q4 FY24 | Q1 FY25 |
|-----------|----------|----------|----------|
| BY VOLUME | 2862 Tns | 8332 Tns | 5111 Tns |

1.3 RTM | Technical Foam

RE-INFORCE STRENGTHS AND EXPLORE NEW AREAS TO MAINTAIN GROWTH AND IMPROVE MARGINS

RTM | Technical Foam Performance tracking

| | Q1 FY24 | Q4 FY24 | Q1 FY25 |
|-------|---------|---------|---------|
| VALUE | 117 Cr. | 124 Cr. | 116 Cr. |

| | Q1 FY24 | Q4 FY24 | Q1 FY25 |
|--------|----------|----------|----------|
| VOLUME | 3726 Tns | 4305 Tns | 4182 Tns |

1.4 Others

RTM | Others : Performance tracking

| | Q1 FY24 | Q4 FY24 | Q1 FY25 |
|-------|---------|---------|---------|
| VALUE | 19 Cr. | 41 Cr. | 27 Cr. |

| | Q1 FY24 | Q4 FY24 | Q1 FY25 |
|--------|-------------|-------------|-------------|
| VOLUME | Mixed (N.A) | Mixed (N.A) | Mixed (N.A) |

India Business Summary Q1 FY25

India Business Results Q1 FY25 – SFL + KEL

| | Q1 FY24* | Q4 FY24 | Q1 FY25 |
|--------------------|--------------|-------------|-------------|
| TOTAL REVENUE | 456 Cr. | 676 Cr. | 605 Cr. |
| Gross Margin** | 39.0% | 43.7% | 43.8% |
| OTHER EXPENSES | 25.6% | 34.1% | 36.0% |
| -Marketing Expense | 2.4% | 5.8% | 5.7% |
| EBITDA | 13.3% | 9.7% | 7.7% |

*Q1 FY24 included SFL only

**Gross Margin derived from Revenue minus Raw Materials only.

India Business Results Q1 FY25 – SFL

| | Q1 FY24 | Q4 FY24 | Q1 FY25 |
|--------------------|--------------|--------------|-------------|
| TOTAL REVENUE | 456 Cr. | 487 Cr. | 504 Cr. |
| Gross Margin* | 39.0% | 40.4% | 37.8% |
| OTHER EXPENSES | 25.6% | 30.2% | 28.4% |
| -Marketing Expense | 2.4% | 7.2% | 4.3% |
| EBITDA | 13.3% | 10.3% | 9.5% |

*Gross Margin derived from Revenue minus Raw Materials only. Sales include intercompany sales with KEL

Staqa Business (IT) Summary Q1 FY25

Staqa Results : Q1 FY25

| | Q1 FY24 | Q4 FY24 | Q1 FY25 |
|----------------|---------|---------|---------|
| TOTAL REVENUE | 6 Cr. | 8 Cr. | 12 Cr. |
| Gross Margin | 100% | 100% | 100% |
| OTHER EXPENSES | 75.0% | 94.6% | 62.9% |
| EBITDA | 25.0% | 5.4% | 37.1% |

Australia Business Summary Q1 FY25

Achieve fast and sustainable growth with profitability

Improve top and bottom line sustainably and quickly

by

- > Efficiency improvements
- > Addressing new geographies
- > While building long-term strengths

Australia Business Results Q1 FY25

| | Q1 FY24 | Q4 FY24 | Q1 FY25 |
|----------------|---------|---------|---------|
| TOTAL REVENUE | 100 Cr. | 89 Cr. | 96 Cr. |
| Gross Margin | 46.8% | 53.2% | 49.1% |
| OTHER EXPENSES | 40.8% | 48% | 46.5% |
| EBITDA | 6.0% | 5.2% | 2.6% |

Spain Business Summary Q1 FY25

Expand capacities and market share in a weak market

Grow in, and enter new segments for greater than EU growth
Improve operational efficiency

by

- > Introducing upholstery-specialised foam
- > Increasing capacities by 30-35%
- > Taking a 'green' brand position

Spain Business Results Q1 FY25

| | Q1 FY24 | Q4 FY24 | Q1 FY25 |
|----------------|---------|---------|---------|
| TOTAL REVENUE | 88 Cr. | 80 Cr. | 90 Cr. |
| Gross Margin | 27.2% | 28.2% | 27.2% |
| OTHER EXPENSES | 17.4% | 19.6% | 19.9% |
| EBITDA | 9.8% | 8.6% | 7.4% |

Consolidated Business Results Q1 FY25

Consolidated Business Results Q1 FY25

| | Q1 FY24 | Q4 FY24 | Q1 FY25 |
|----------------|---------|---------|---------|
| TOTAL REVENUE | 645 Cr. | 845 Cr. | 810 Cr. |
| Gross Margin* | 38.7% | 43.6% | 42.2% |
| OTHER EXPENSES | 26.6% | 34.1% | 34.9% |
| EBITDA | 12.0% | 9.5% | 7.4% |

*Gross Margin derived from Revenue minus Raw Materials only.

Thank you

Reconciliation for Volumes Data Q1 24

| Qtr Volumes | | | | |
|-------------------------|--------------|------------|--------------|--|
| Particulars | Old Q1 FY 24 | Adjustment | New Q1 24 | Remarks |
| Mattress | 379 | 47 | 426 | Adding ICTPL Mattress Volume |
| Furniture Foam (Tonnes) | 1352 | 29 | 1381 | Adding ICTPL FC Volume |
| Foam Core (Tonnes) | 4685 | -1823 | 2862 | Industrial other Scrap sold shifted Customer wise in Others Category |
| Technical Foam (Tonnes) | 3940 | -214 | 3726 | Some part Industrial other Scrap sold shifted Customer wise in Technical Foam. |
| Others(HCP + Scrap) | 0 | 1961 | 1961 | Earlier included in comfort foam, now included seperately. |
| Total | 10356 | 0 | 10356 | |

0 Diff. Due to adding volumes in Mattress and FC of ICTPL, as ther Merger of ICTPL conduct in Q4 FY24.

*HCP did not have volumes of foam, so was not included in volume anywhere but was included in value of others.

| Qtr Values (in Crores) | | | | |
|------------------------|--------------|------------|--------------|---|
| Particulars | Old Q1 FY 24 | Adjustment | New Q1 24 | Remarks |
| Mattress | 175.9 | 21.1 | 197 | Adding ICTPL Mattress Values |
| Furniture Foam | 57.6 | 1.4 | 59 | Diff. due to Indas reclass impact |
| Foam Core | 95 | -30.6 | 64 | Industrial other Scrap sold shifted Customer wise in Technical Foam+ HCP not included in Values of Rs. 9.1 Crores |
| Technical Foam | 118 | -1 | 117 | Industrial other Scrap sold shifted Customer wise in Technical Foam. |
| Others(HCP + Scrap) | 0 | 9.1 | 9.1 | Earlier included in comfort foam, now included seperately in others category |
| Total | 446 | 0 | 446.1 | |

0 Diff. Due to adding values in Mattress and FC of ICTPL, as ther Merger of ICTPL conduct in Q4 FY24.