

Shankara
Building Products Ltd.

SHANKARA
Bulldpro
Building Materials and more

Investor Presentation

Q1 FY2024 Results - August 2023



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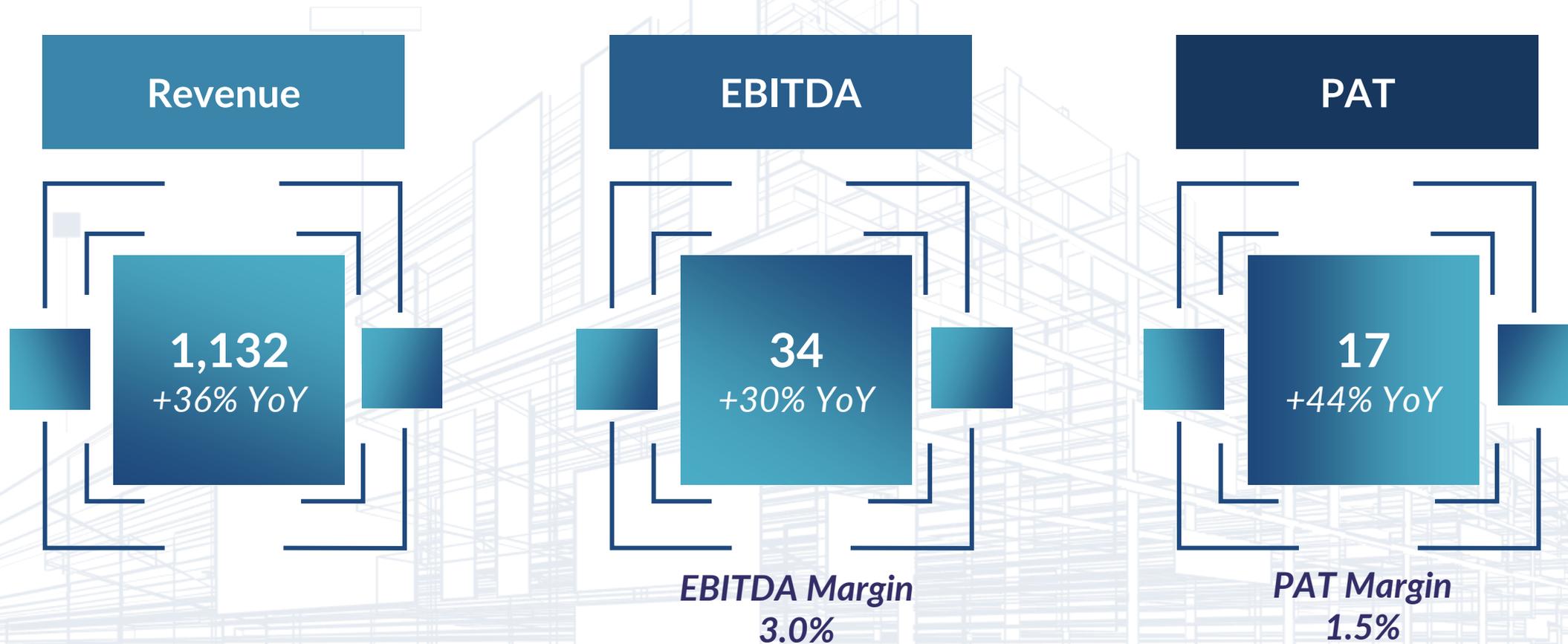


Mr. Sukumar Srinivas
Managing Director

“ I am glad to announce another quarter of resilient performance. On the back of a positive real estate cycle and an increasing trend of home premiumization, our revenues have increased by 36% YoY during the quarter. This growth is a testament of our ability to capitalize on the favourable market conditions.

As part of **Shankara 2.0 - the omnichannel marketplace** for all building materials, we have strategically aligned our product offerings and our omnichannel presence over the past few quarters, with the evolving needs of the real estate market. This has helped us to provide tailored solutions that cater to the increased activities in the home improvement industry. With Shankara 2.0, our consistent endeavour has been towards transforming our ecosystem with technology and innovation, and continue to prioritize customer satisfaction, and operational excellence. As we move forward, we are committed to grow our revenues, while maintaining our profitability and working capital management.”

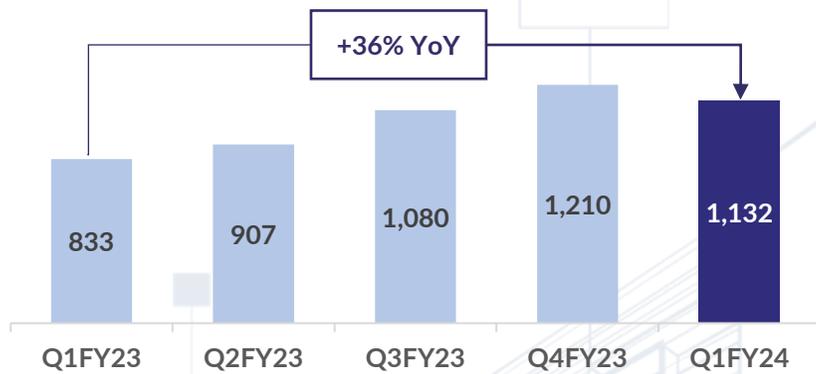
Q1 FY2024 HIGHLIGHTS



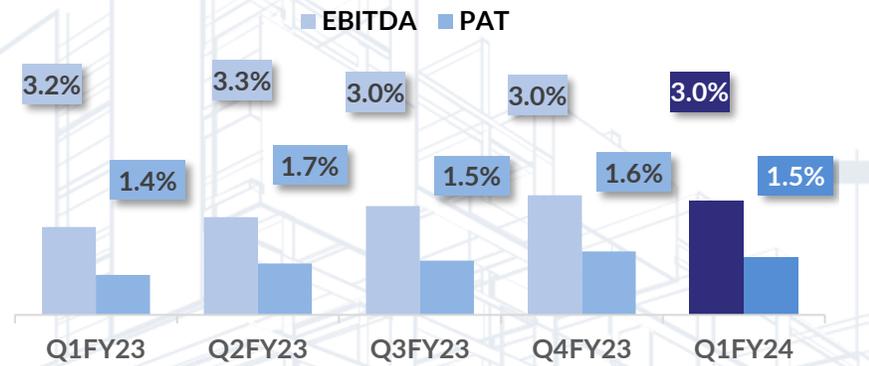
Figures in Rs. Crore

STRONG BUSINESS MOMENTUM CONTINUES

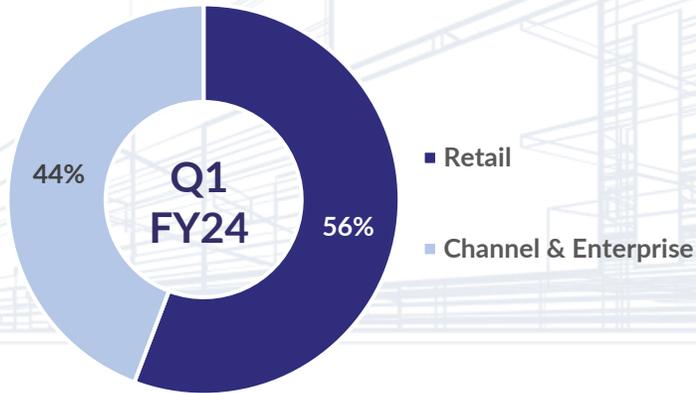
Revenue (Rs. Crore)



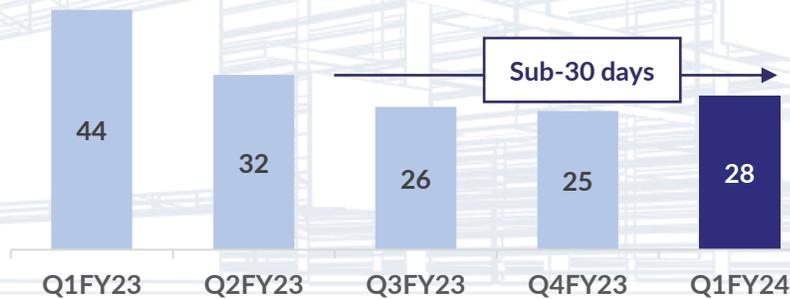
Profitability (Rs. Crore)



Revenue Mix



Working Capital Days



- ❖ After registering a strong performance in FY2023 (+67% YoY revenue growth), our business momentum continues, with revenue of Rs. 1,132 crore (+36% YoY) in Q1 FY2024
- ❖ Efficient working capital management continues to result in improved cash flows and return indicators

SEGMENTAL UPDATE

Retail

Revenue (Rs. Crore)

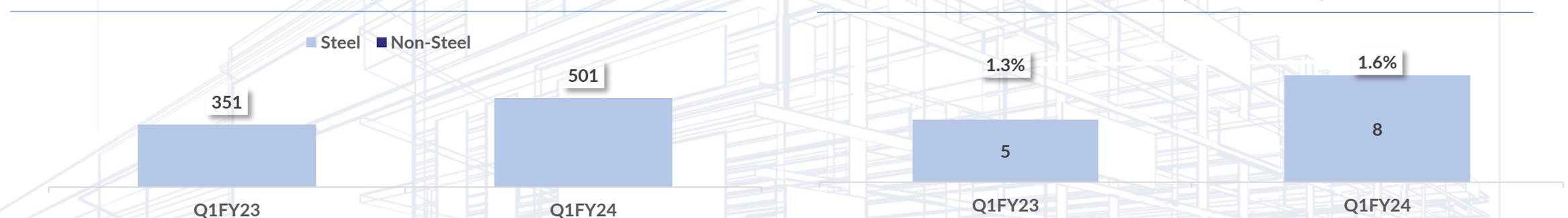
EBITDA (Rs. Crore)



Non-Retail

Revenue (Rs. Crore)

EBITDA (Rs. Crore)



Retail Business: Retail business continues to perform well, with 31% YoY growth in revenue during Q1FY24. We are focused to leverage the strength of the brands we deal with to create customer pull for our stores

Non-retail Business: Channel and Enterprise business continues to be strategic for growth. The segment is catering the requirements of large end users, contractors and OEMs

CONSOLIDATED PROFIT & LOSS STATEMENT

Particulars	Q1 FY24	Q1 FY23	Change YoY
Revenue From Operations	1,132.1	832.5	36%
Other Income	0.5	0.4	25%
Cost of Materials Consumed	1,069.4	782.9	37%
Employee Expenses	12.5	10.7	17%
Other Expenses	16.2	12.9	26%
EBITDA	34.5	26.5	30%
EBITDA %	3.0%	3.2%	(13) Bps
Depreciation	3.9	4.1	(5%)
Finance Cost	7.4	6.3	17%
Profit before Tax	23.2	16.0	45%
Tax	5.9	4.0	48%
Profit after Tax	17.3	12.0	44%
PAT %	1.5%	1.4%	9 Bps

SBPL at a Glance



SHANKARA'S EVOLUTION

Shankara

1995

Incorporated
as Steel Trading
Business by
Mr. Sukumar Srinivas



Integrated
warehousing facility
of 55,000 sq. ft. at
Bengaluru

ISO 9001:2008
certification

Shankara 1.0

2008

Retail Operations
were started with
first store in
Bengaluru



Acquisitions:
Vishal Precision Steel
Tubes & Pipes,
Centurywells Roofing,
Vaigai Sanitation, JP
Sanitation

Brands launched:
Ganga, Ganga Gold,
Century Roofing,
Taurus, Prince Galva
Plus & Loha

Publicly Listed in
2017

Shankara 2.0

2022

Omni-channel
Marketplace

"BuildPro" app,
1,00,000+ SKUs
across building
products life cycle



Expansion of product
portfolio to lighting,
paints, cladding &
exterior UPVC window
doors, plywood, modular
kitchen & wardrobes

Added Luxury brands in
our product portfolio

Launched inhouse brand
- Fotia Ceramica

Achieved Rs. 40+ bn
turnover

SHANKARA 2.0: AN OMNI-CHANNEL MARKETPLACE

Our Products

Our Omni-Channel Marketplace

Our Customers



Suppliers

125+ Brands across
Steel & Non-Steel
Building Materials

Retail Stores (91)



Warehouses (21)



Processing Facilities
(13)



Dealer Network
(2000+)



Customers

Widespread customer base
Smallest homeowner to
large contractors/developers

Our technology and services bring together suppliers and customers

ONE STOP MARKETPLACE FOR ALL BUILDING MATERIALS

Our Products

Our Omni-Channel Marketplace

Our Customers

Presence across the entire home construction and renovation lifecycle



Construction Materials

Steel Tubes, TMT, Cement, M-Sand, Scaffolding, Fabrication, Accessories



Plumbing & Sanitaryware

PVC Pipes & Fittings, Water Tanks, Sanitaryware, CP Fittings, Solar Heater



Flooring

Ceramic Tiles, Vitrified Tiles, Flooring Tiles, Wooden Flooring, Accessories



Electricals

Electrical Cable & Fittings, Switches, Decorative Lights, Fans, Heater



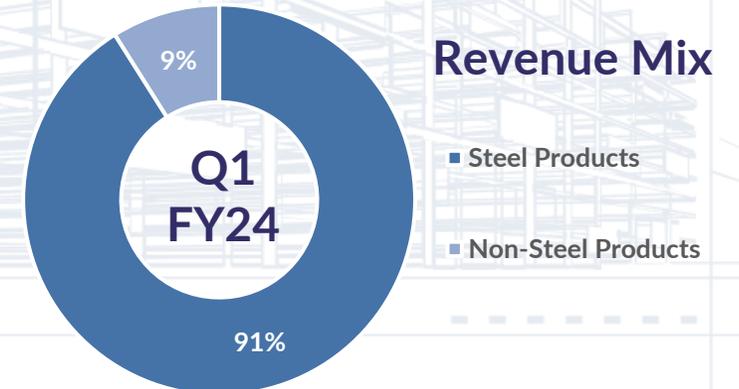
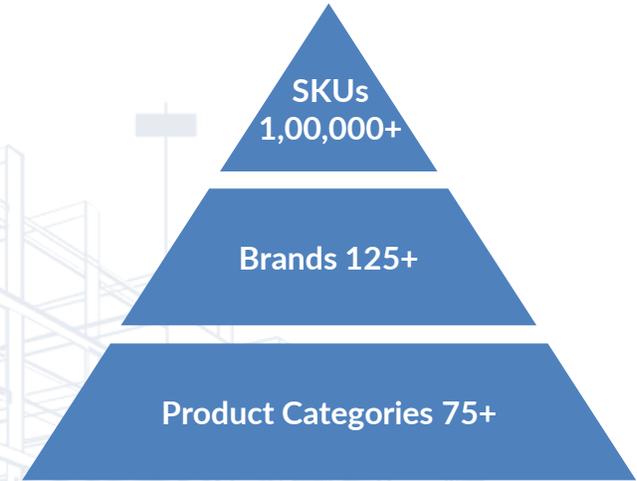
Interior-Exterior

Paints, ACP, Roofing, Cladding, Wallpaper, Plywood, Kitchen



Irrigation

Pumps/Motors, Sprinklers, Drip/Lift Irrigation, Borewell, Casing



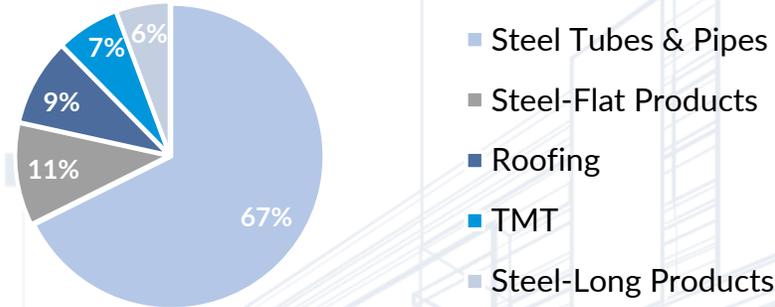
DIVERSE OFFERINGS ACROSS STEEL & NON-STEEL PRODUCTS

Our Products

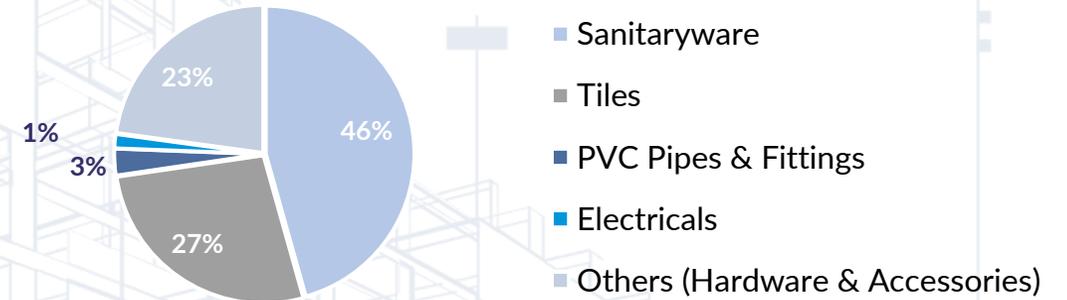
Our Omni-Channel Marketplace

Our Customers

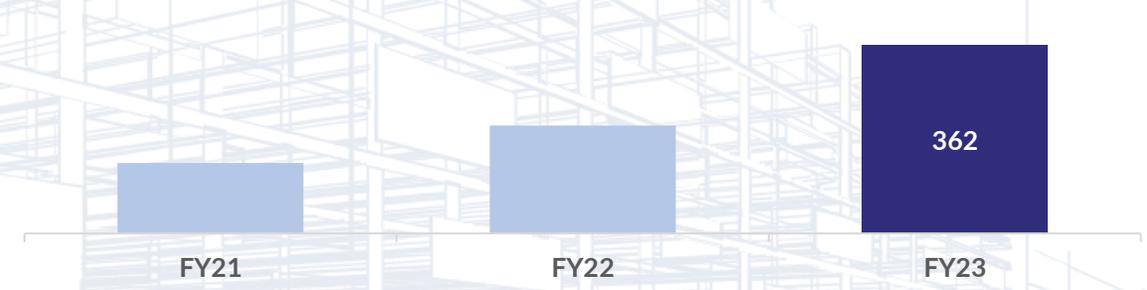
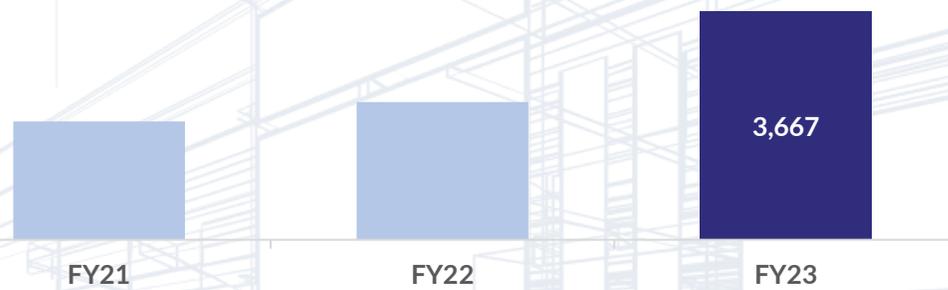
Steel Products



Non-Steel Products



Revenue (Rs. Crore)



- ❖ Both steel and non-steel business witnessing steady improvement in revenues driven by expansion in product offerings
- ❖ Steel business momentum continue to be driven by improvement in construction activities and continuous infrastructure investment
- ❖ Shankara holds a prominent position in the Steel Tubes & Pipes Business and is focused towards expanding other products within steel building materials
- ❖ Non-steel business also witnessing multifold growth driven by significant surge in home improvement and upgradation demand

STRENGTH OF MULTI-BRAND TIE UPS

Our Products

Our Omni-Channel Marketplace

Our Customers

Largest retailer of leading building product brands

Seller/brand OEMs benefits from Shankara's wide distribution channel, access to larger customer base and ease of transactions

Our Products

Our Omni-Channel Marketplace

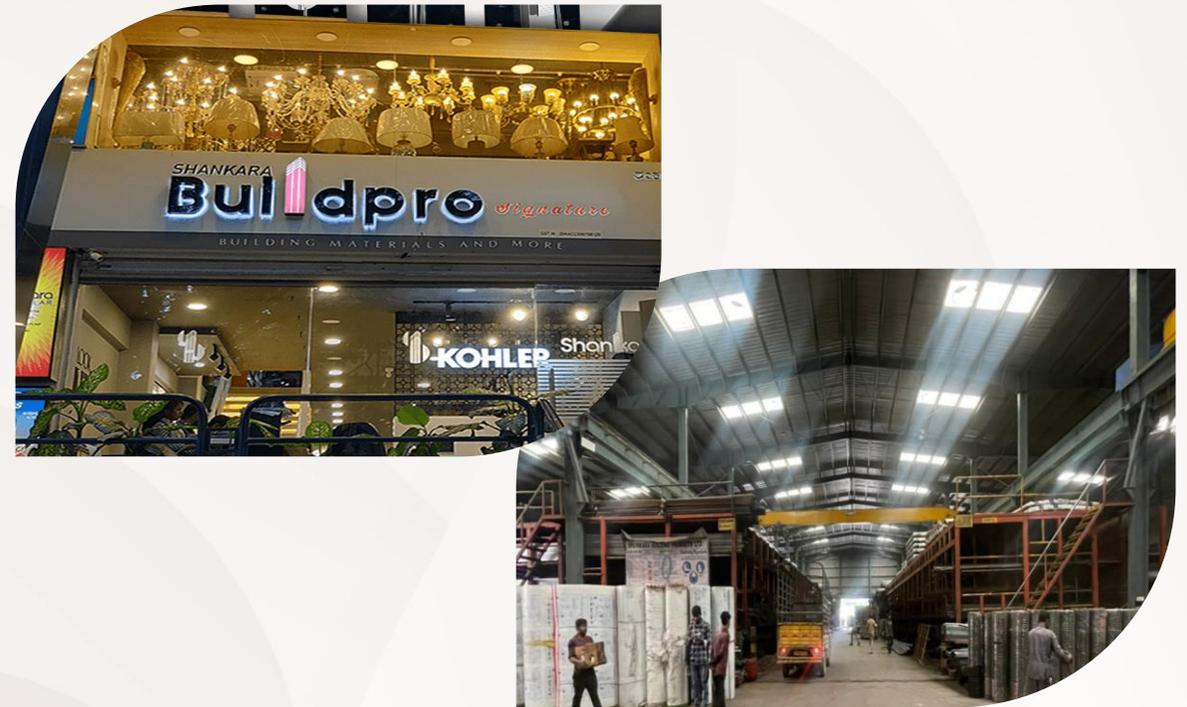
Our Customers

Online Discovery of Wide Range of Products
Anytime, Anywhere



Offline Push through our Fulfillment Centers

The image shows a composite of digital marketing assets. On the left is a desktop website banner for 'Build within Budget' featuring a couple looking at a smartphone. Below it are social media icons for Instagram, Facebook, X, and YouTube. On the right is a mobile app interface with a search bar, navigation menu, and promotional tiles for home renovation services and product deals like LED lights and tiles.



With launch of “BuildPro” app and website, Shankara has evolved from a traditional marketplace to online marketplace
Ecommerce has enabled an online discovery platform for all building materials, leading to an increased footfalls at our fulfillment centers

STRONG NETWORK OF FULFILLMENT CENTERS

Our Products

Our Omni-Channel Marketplace

Our Customers

125

Fulfillment Centers
1.32 mn sq ft



91

Retail Stores
0.46 mn sq ft



21

Warehouses
0.50 mn sq ft



13

Processing Units
0.36 mn sq ft

Presence across

10/1

States/UT

Owned Fleet

75+

Trucks



Our strong network of fulfillment centers and our supply chain infrastructure supports smooth scaling up of business

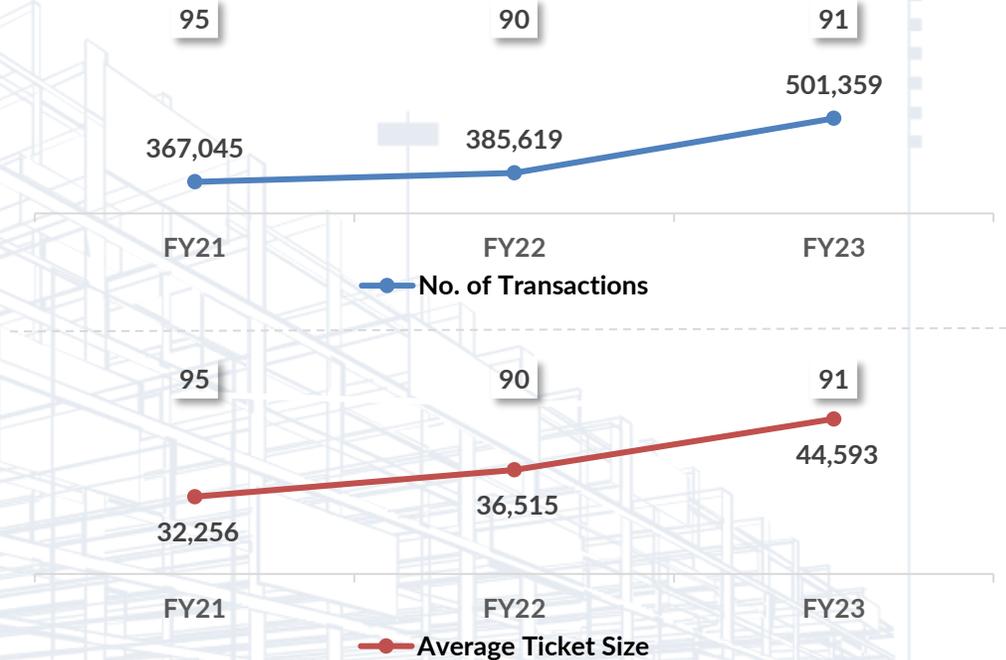
RETAIL: INCREASING THROUGHPUT FROM EXISTING NETWORK

Our Products

Our Omni-Channel Marketplace

Our Customers

Particulars	Q1 FY24	Q1 FY23	Change YoY
Retail Stores (No.)	91	91	-
Retail Area (mn sq ft)	0.46	0.46	-
No. of Transactions	1,32,803	1,10,967	20%
Average Ticket Size (Rs.)	47,525	43,401	10%
Retail Revenue (Rs. Crore)	631	482	31%
Retail EBITDA (Rs. Crore)	32	28	18%
Average Rental Cost (per sq ft per month)	17.1	16.2	5%



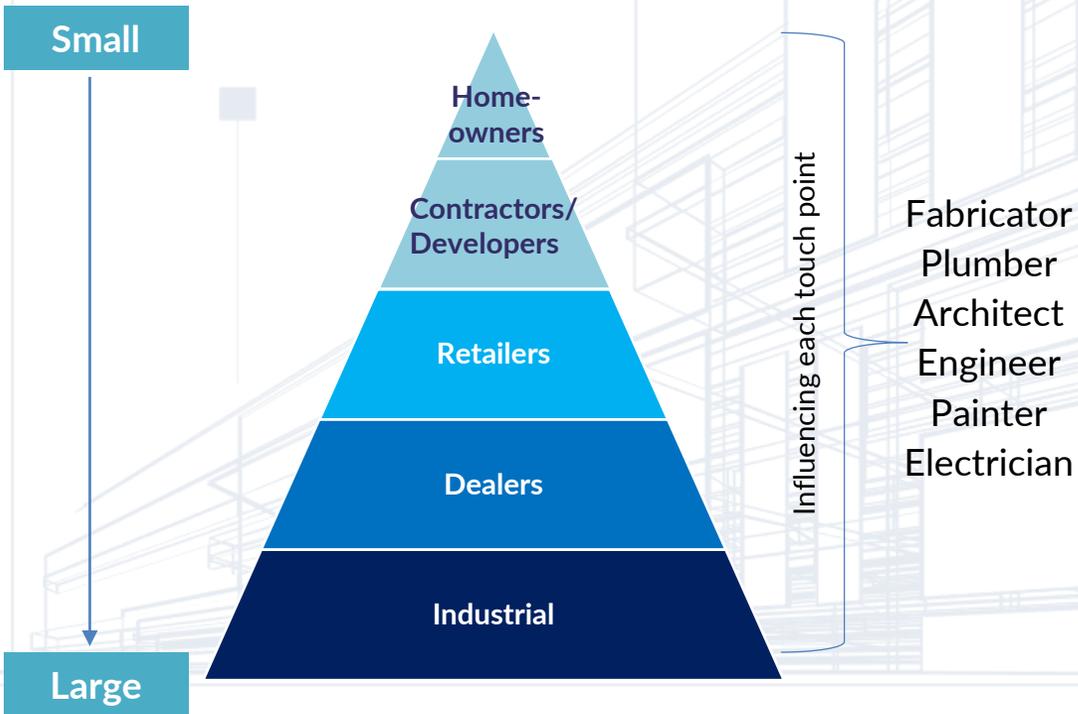
- ❖ Same Store Sales Growth (SSSG) of 31% in Q1 FY24
- ❖ No. of transactions and average ticket size on uptrend with newer products/categories at existing stores

Our Products

Our Omni-Channel Marketplace

Our Customers

Widespread customer base and reach across all touchpoints in a construction lifecycle



Our Products

Our Omni-Channel Marketplace

Our Customers

Influencer Meets



Exhibitions



Conferences & Events



Build with BuildPro



Our Products

Our Omni-Channel Marketplace

Our Customers

OUR VALUED CLIENTS





CORE STRATEGIES FOR THE FUTURE

01

Expansion of Non-Steel Business

- ✓ Business aspirations to make this **25% of total revenue** in next 4-5 years

02

Leveraging Distribution Channel

- ✓ Cross sell opportunities at existing fulfillment centers and penetration further in existing as well as newer geographies

03

Transforming Ecosystem with Technology and Innovation

- ✓ Greater Online Presence & **Tech Driven Customer Acquisition** and Retention

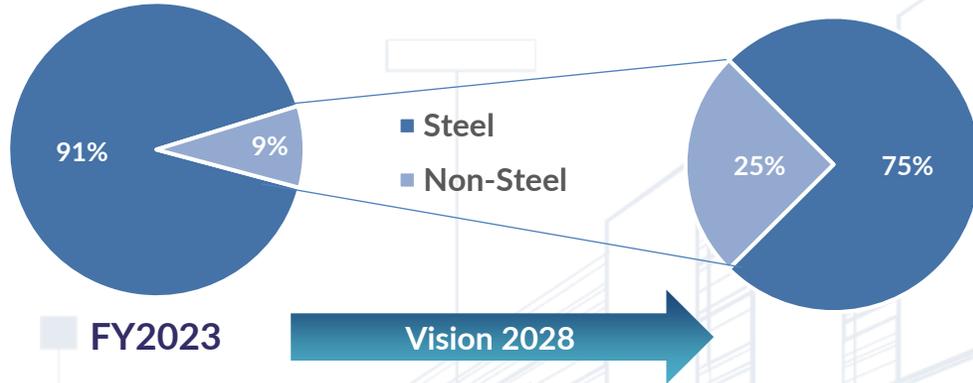
04

Strengthening Balance Sheet

- ✓ Capital efficient business model to drive improvement in the return indicators

EXPANSION OF NON-STEEL BUSINESS

High margin non-steel business to drive EBITDA margins



- ❖ Shankara is scaling up presence in fast growing and value-added non-steel business, with increase in product categories and brands
- ❖ Cross selling opportunities at existing fulfillment centers and leveraging existing customer relationships to sell our expanded range of products
- ❖ Next generation is driving the growth in this segment
- ❖ Non-steel business expansion to drive blended EBITDA margin improvement in the coming years

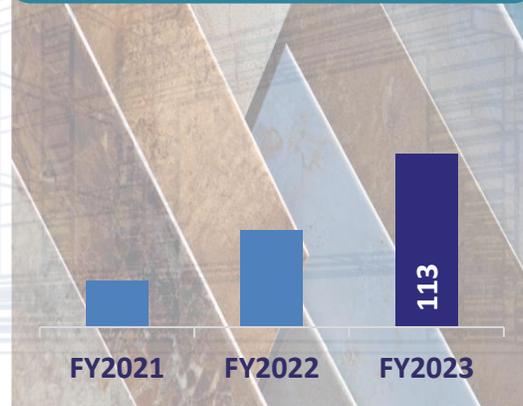
TAM

Shankara's Share
(Rs. Crore)

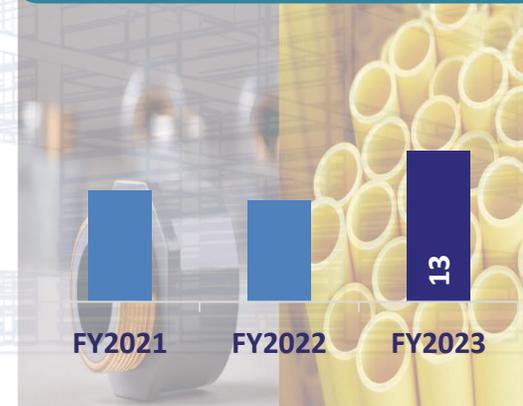
Sanitaryware
~Rs. 18,000 Crore



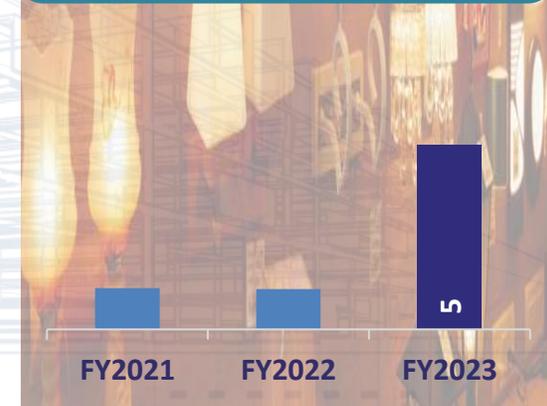
Tiles
~Rs. 45,000 Crore



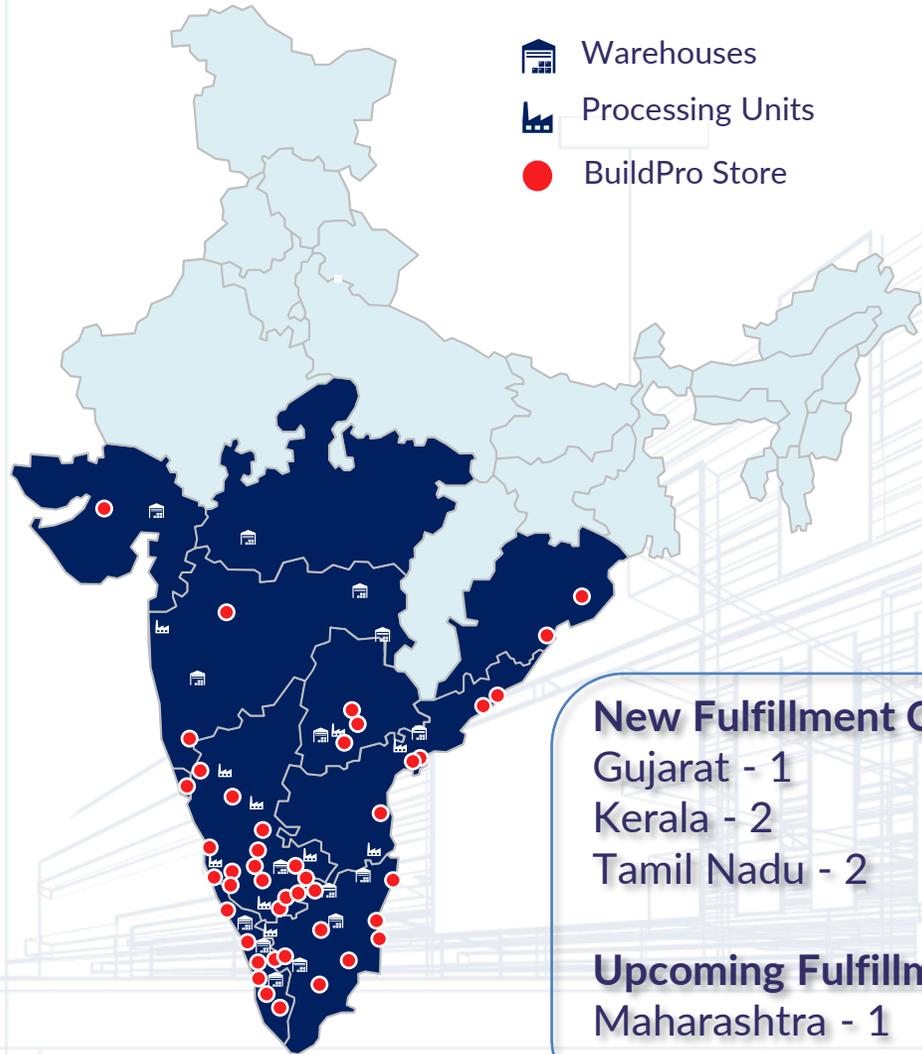
PVC Pipes & Fittings
~Rs. 40,000 Crore



Electricals
~Rs. 70,000 Crore



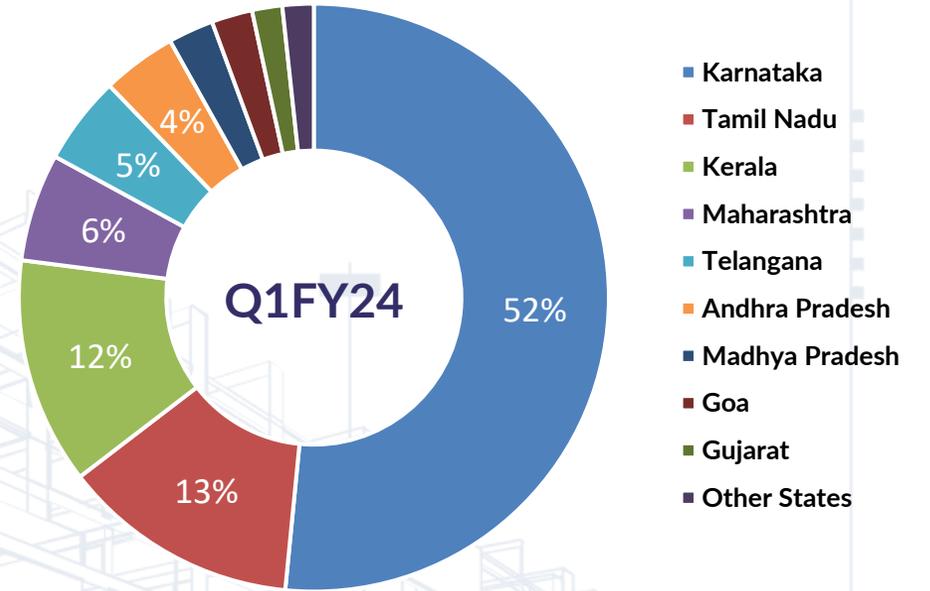
LEVERAGING DISTRIBUTION CHANNEL



10/1
States/UT

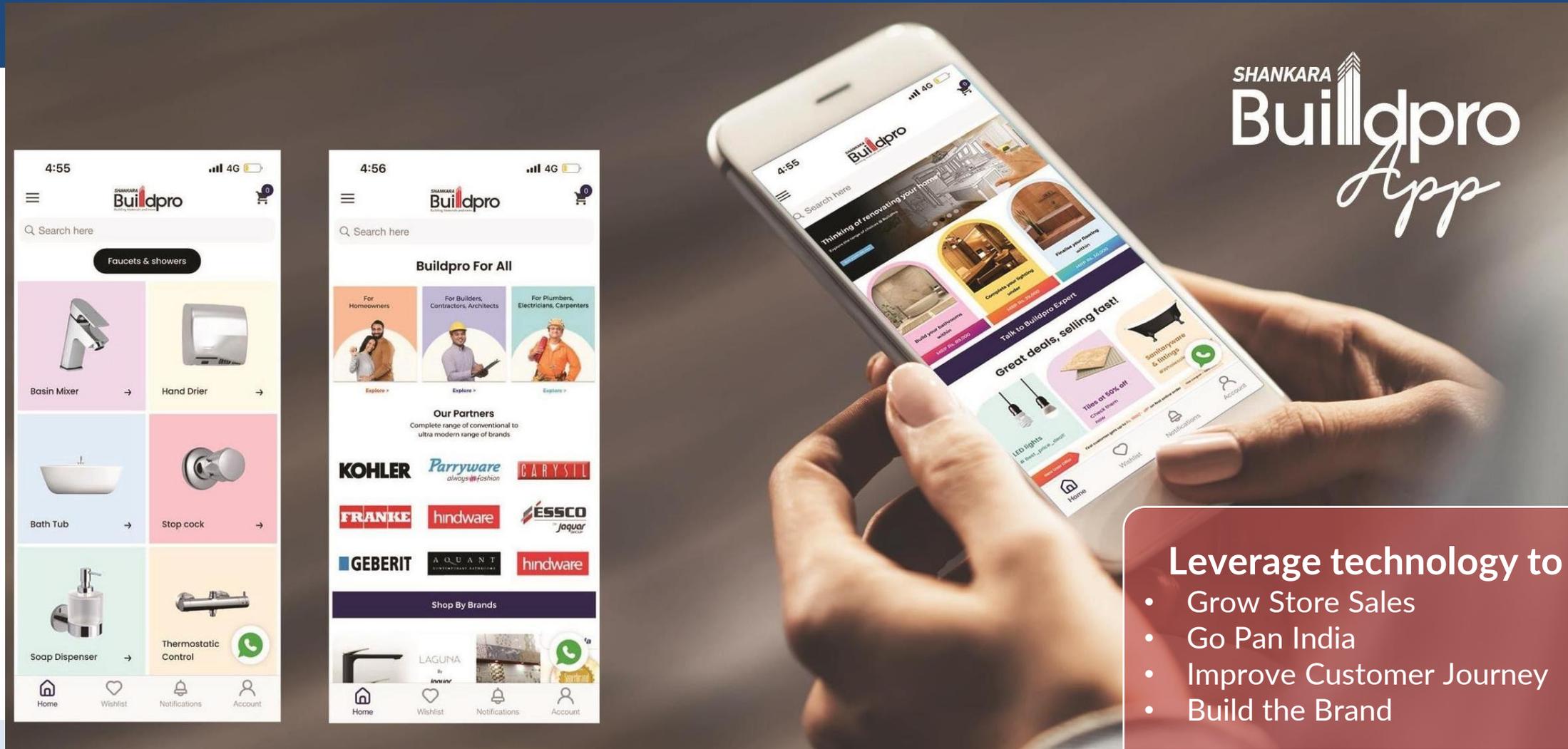
45
Cities

- New Fulfillment Centers**
 Gujarat - 1
 Kerala - 2
 Tamil Nadu - 2
- Upcoming Fulfillment Centers**
 Maharashtra - 1
 Madhya Pradesh - 1



- ❖ Our cluster-based distribution network has helped deepen our penetration in Southern states, while also growing in Maharashtra and Madhya Pradesh
- ❖ Shankara is focused at harnessing its distribution network to market newer products and categories, to enable higher revenues from our existing fulfillment centers

TRANSFORMING ECOSYSTEM WITH TECHNOLOGY AND INNOVATION



Leverage technology to

- Grow Store Sales
- Go Pan India
- Improve Customer Journey
- Build the Brand

- Focus on technology & digital marketing, with Shankara BuildPro app ([Google Play](#) & [App Store](#)) and [website](#)
- Move towards greater online presence & focus on tech driven customer acquisition and retention
- Technology will be a key enabler for Pan India expansion in the coming years

Thank You

Shankara Building Products Limited

CIN: L269222KA1995PLC018990

Mr. Alex Varghese, Chief Financial Officer

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