

25
years

Shankara
Building Products Ltd.



Q2 FY21 Results

Safe Harbor

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The impact of the pandemic continued to be felt on the Company's operations for Q2 FY 21. Some states and locations did have partial lockdowns in the month of July. The impact of COVID-19, however, was less as compared to the previous quarter. Liquidity continued to be sluggish. By September, 2020 there was an uptake in demand by certain industries like automobile and the infrastructure sector. Further, there have been some green shoots visible in the construction industry. That Company continues to take a partial wait and watch policy while taking adequate measures to ensure operations run in a smooth manner.

Leading Building Material Retailer

Retail space

0.52 mn sqft

Products

75+

SKUs

30,000+

States / UT

9 / 1



Mysore, Karnataka



Thiruvalla, Kerala



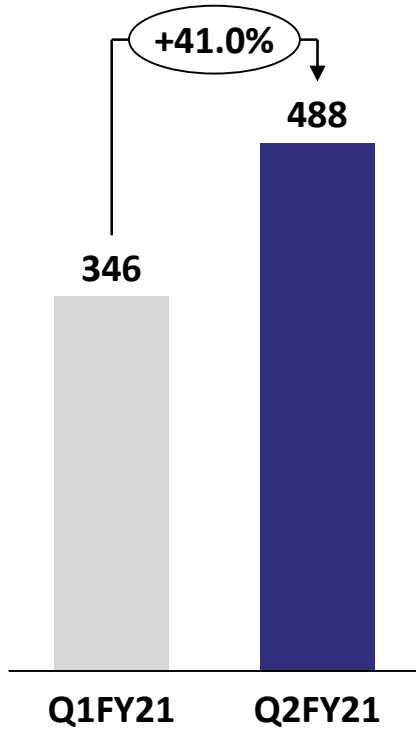
Nellore, Andhra Pradesh



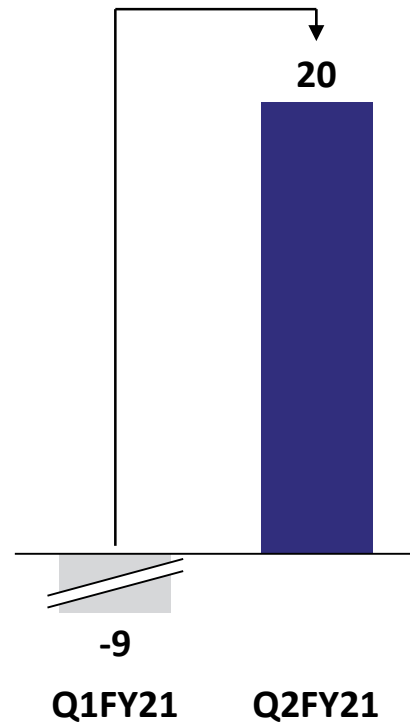
Chennai, Tamil Nadu

Strong recovery in Q2 FY 21

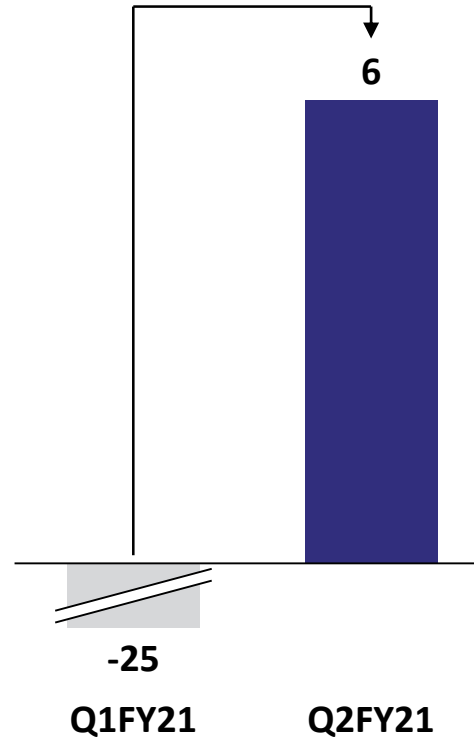
Revenue



EBITDA

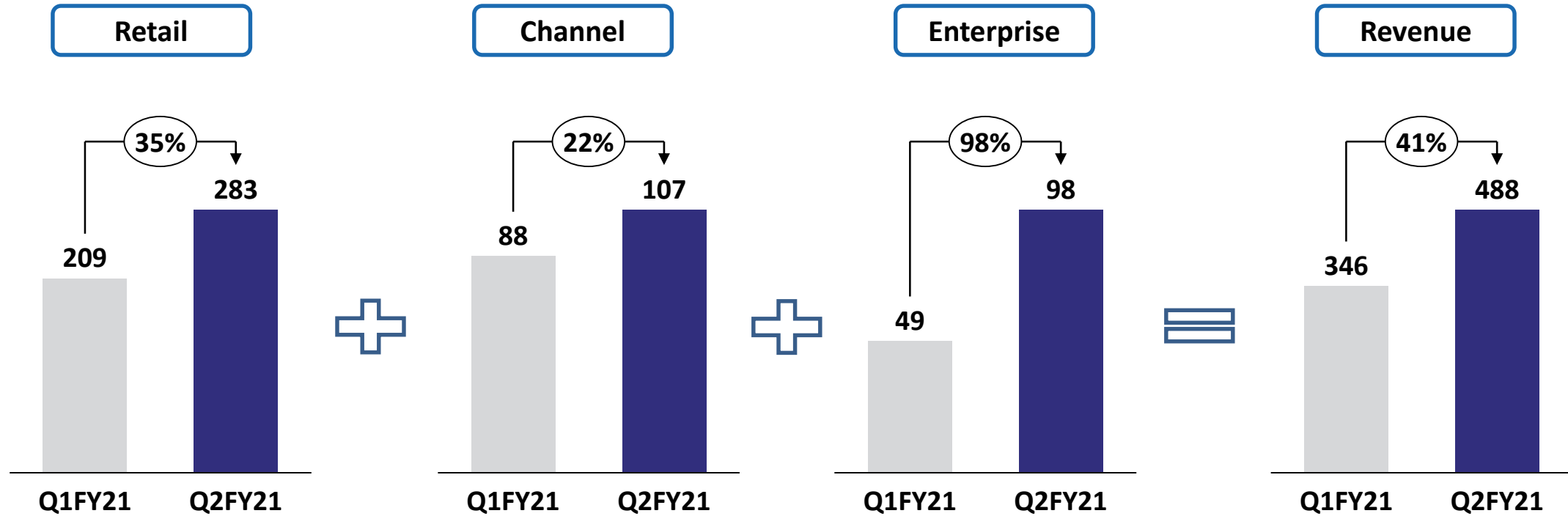


PAT*



- ✓ Partial demand recovery across all segments
- ✓ Tier 2 and 3 demand nearing normal
- ✓ Pickup seen in construction activity and in the automobile industry

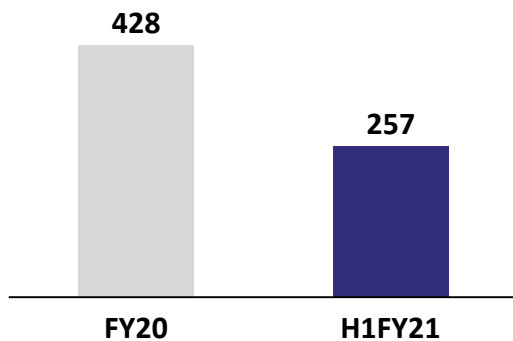
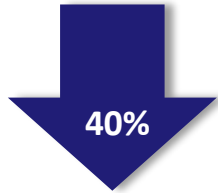
Pickup across all segments



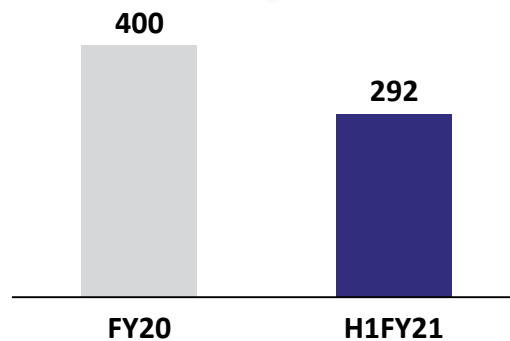
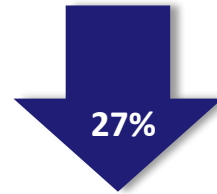
- ✓ Individual house building picking up
- ✓ Budget housing segment showing signs of recovery
- ✓ Housing finance rates have come down and banks are encouraging home loans
- ✓ Good monsoon augurs well for rural demand

Strong Focus on Balance Sheet

Debtors



Inventory



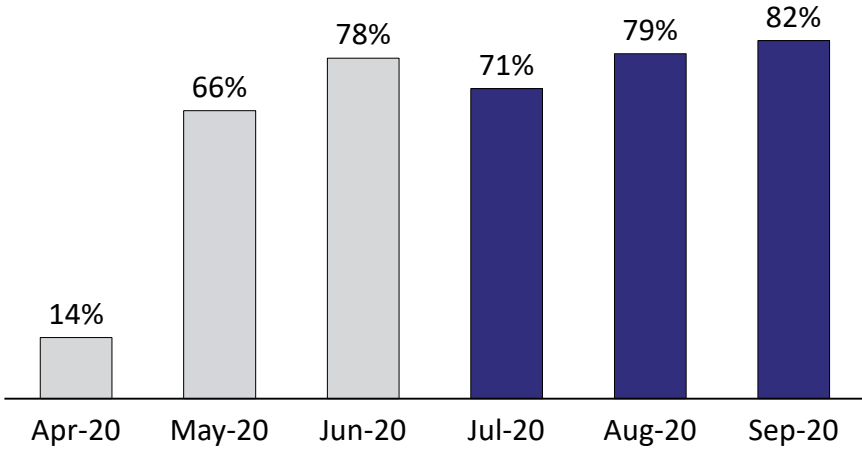
H1 FY 21 Operating cash flow
stood strong at

Rs. 61 Crs

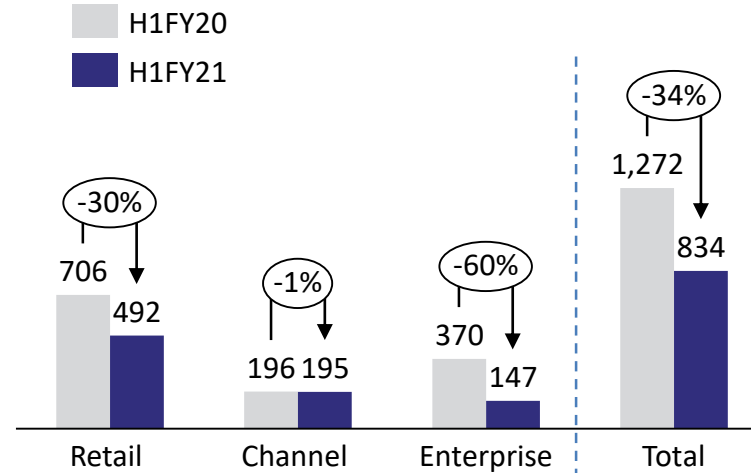
- ✓ With our continuous focus on balance sheet and demand traction , we have been able to reduce Debtors by ~Rs. 172 crs & Inventory by ~Rs. 108 crs as compared to March 2020
- ✓ Our overall net debt + acceptances has reduced by 14% as of end September 2020 as compared to March 2020. Net debt + acceptances stands at Rs. 292 crores as on end September 2020
- ✓ We have ensured timely payment for all our banking commitments and all our trade creditors
- ✓ Fresh capex plans are on hold

Revenue Break-Up

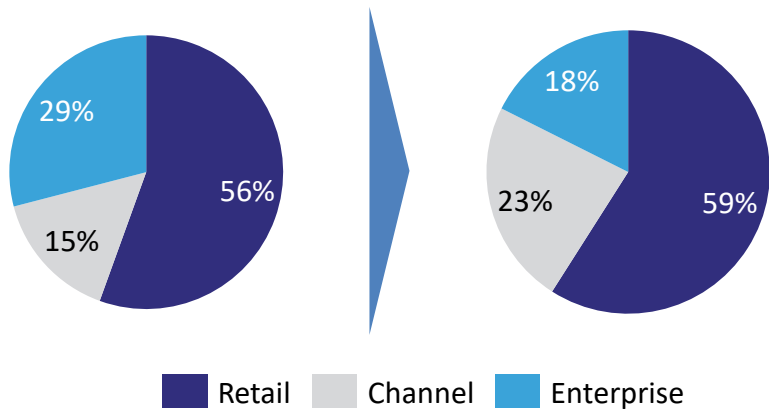
Revenue as a % of last year sales*



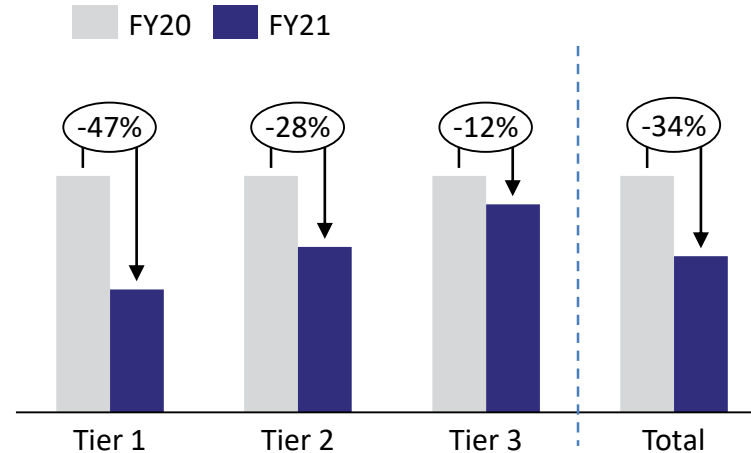
Revenue across Verticals



Revenues share across Verticals (H1FY21)



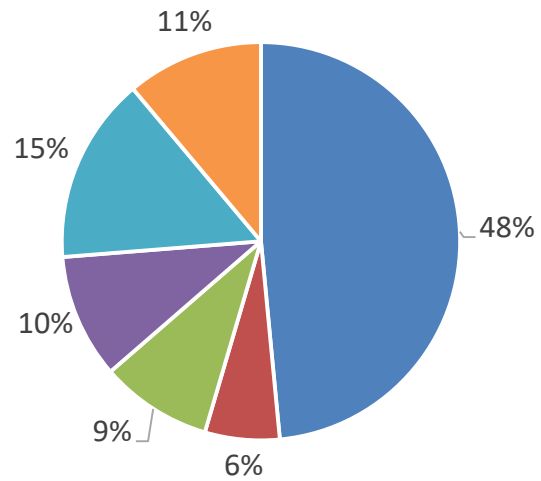
Revenue across Locations (H1FY21)



- ✓ Revenues are at ~75% levels compared to last year
- ✓ Tier 2 & 3 demand has picked up
- ✓ Auto and end customer segment has picked up in Q2 FY 21
- ✓ Increase in share of sales from channel segment from 15% to 23%

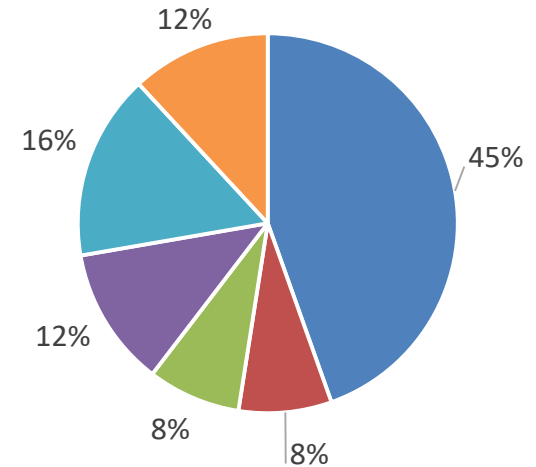
Revenue Break up H1FY21

H1FY20
Revenue mix across States



- Karnataka
- Andhra Pradesh
- Telengana
- Kerala
- Tamil Nadu
- Other States

H1FY21
Revenue mix across States



- Karnataka
- Andhra Pradesh
- Telengana
- Kerala
- Tamil Nadu
- Other States

Key Highlights – Retail Business

Particulars	Units	Q2FY21	Q2FY20
No of retail stores	Nos.	115	129
Total Area	Sq. Ft	520,576	555,622
Average store size	Sq. Ft	4,527	4,307
Average ticket size	Rs.	30,640	28,156
Revenue from retail stores	Rs. in Crs	283	347
Average rental cost per Sq. Ft. per month	Rs.	15.9	20.0

Significant savings in rental costs achieved

Q2 FY21 Income Statement

Particulars (Rs. in Crs)	Q2FY21	Q2FY20	Q1FY21
Total Income	487.9	633.1	346.1
Other Income	1.6	0.6	1.0
Raw Material	448.5	576.8	340.0
Employee Expenses	8.3	13.9	7.3
Other Expenses	12.5	15.7	9.2
EBITDA	20.1	27.3	(9.3)
EBITDA %	4.1%	4.3%	-2.7%
Depreciation	6.65	5.72	6.7
Finance Cost	8.04	11.18	9.5
Profit before Tax	5.42	10.40	(25.5)
Extraordinary expenses	-	0.18	(0.1)
Tax	(0.83)	0.40	(0.2)
Profit After Tax	6.25	9.82	(25.2)
Profit After Tax (%)	1.3%	1.6%	-7.3%

*EBITDA margins
at last year levels*

Balance Sheet

Particulars (Rs. in Crs)	30-Sep-20	31-Mar-20
Non-current assets	282.8	299.4
Property, plant and equipment	219.1	223.0
Investment Property	8.6	8.7
Capital work-in-progress	1.5	0.2
Right of use assets	22.5	33.8
Goodwill on Consolidation	14.0	14.0
Intangible Assets	1.0	2.9
Financial Assets		
(i) Trade Receivables	3.7	3.8
(ii) Loans	10.4	11.2
Other non-current assets	1.9	1.9
Deferred tax Assets (Net)	0.1	0.0
Current Assets	590.7	875.2
Inventories	291.7	400.4
Financial Assets		
(i) Trade receivables	256.9	428.5
(ii) Cash and cash equivalents	3.8	13.5
(iii) Bank balances other than above	5.2	7.3
(iv) Others financial assets	0.8	2.8
Other Current Assets	31.7	21.7
Current Assets Net	0.5	0.9
Total Assets	873.5	1174.6

Particulars (Rs. in Crs)	30-Sep-20	31-Mar-20
Total Equity	488.6	507.5
Equity Share Capital	22.8	22.8
Other Equity	465.7	484.6
Non-current liabilities	31.6	43.6
Financial Liabilities		
(i) Borrowings	0.1	0.9
(ii) Lease Liabilities	24.8	35.4
(iii) Other Financial Liabilities	0.1	0.1
Provisions	0.2	0.2
Deferred Tax Liabilities (Net)	6.4	6.9
Current liabilities	353.4	623.5
Financial Liabilities		
(i) Borrowings	190.4	238.1
(ii) Trade Payables	136.3	360.3
(iii) Lease Liabilities	1.8	2.3
(iv) Other Financial Liabilities	12.4	12.6
Provisions	1.6	1.9
Current Tax Liabilities (Net)	1.5	1.9
Other Current Liabilities	9.3	6.4
Total Liabilities	873.5	1174.6

For further information, please contact:

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