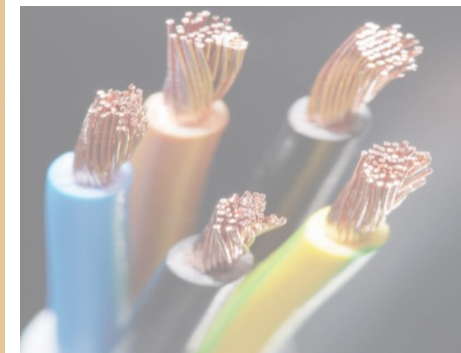
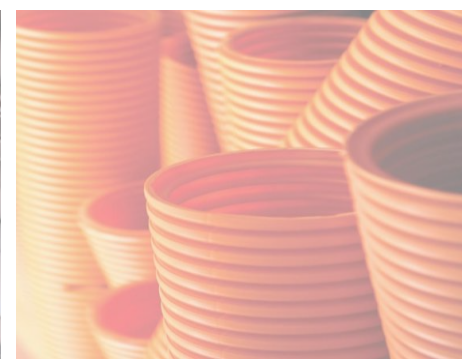
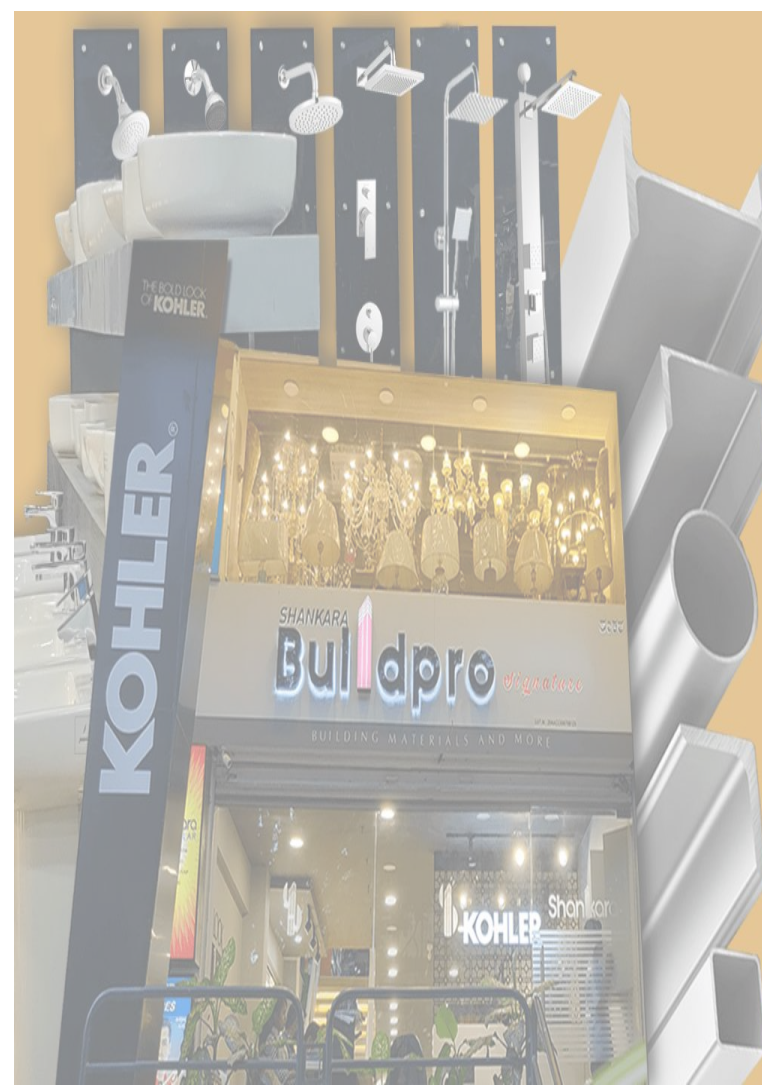


Shankara

Building Products Ltd.



Q4 & FY22 Results

Safe Harbor

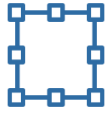
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About us

India's leading organized retailer/wholesaler of home improvement and building products



Retail Space

0.45 mn sqft



Products

75+



SKUs

1,00,000+



States/UT

9 / 1

Stores

Mysore, Karnataka



Thiruvalla, Kerala



Nellore, Andhra Pradesh



Chennai, Tamil Nadu



Products

Electricals



Interior-Exterior



Irrigation



Flooring



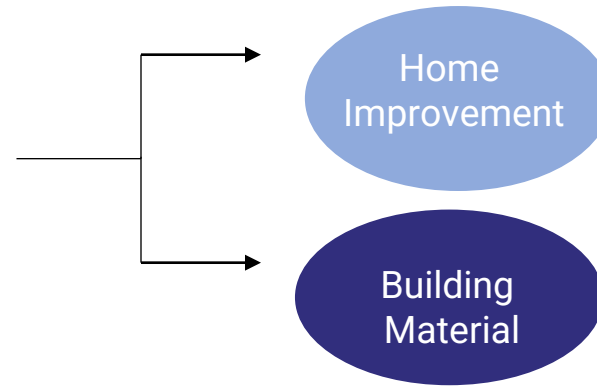
Plumbing & Sanitaryware



Construction Materials



Customer Profile



Target Audience



Home Owners



Professional Customers
(Architects & Contractors)



Small Enterprises

Q4 & FY22 Business Highlights

01

We have achieved ~22% & ~19% growth in top line in Q4 and FY22 respectively on the back of revival in the housing sector, low mortgage rates & infrastructure growth

02

Retail and Channel business performed well in FY22. Strategic customer communication and campaigns helped in driving higher footfalls at the stores

03

During FY22, gross margin witnessed challenges due to volatility in raw material prices

04

During FY22, Inventory volumes strategically kept at adequate levels in anticipation of higher demand

05

The company's focused approach helped to maintain working capital and cash flow position during FY22

06

During the Q4FY22, the Company has approved the preferential issue of 14,00,000 share warrants convertible into equity shares (which is 5.77% of fully diluted capital upon conversion) for an offered price of Rs.750 per warrant to APL Apollo Mart Ltd. (a wholly-owned subsidiary of APL Apollo Tubes Limited).

07

Credit Rating agency CRISIL has assigned a credit rating to the Company. Long Term Rating BBB+/Stable; Short Term Rating CRISIL A2

Performance Highlights

Particulars (Rs. Cr)	Q4FY22	Q3FY22	Q2FY22	Q1FY22
Revenue	782.2	585.0	605.7	445.5
EBITDA	31.1	15.3	22.2	19.2
PAT	15.6	3.5	9.0	6.3

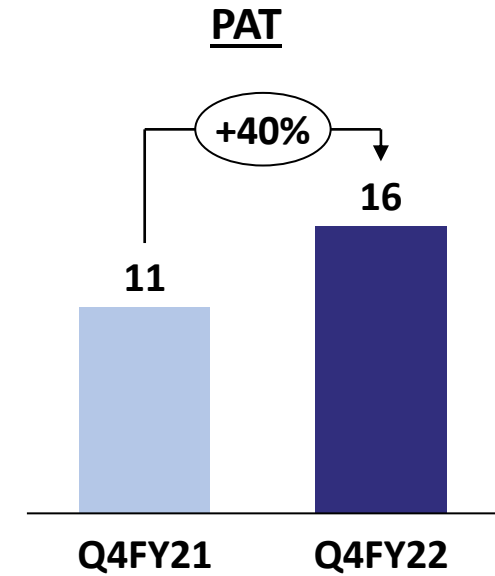
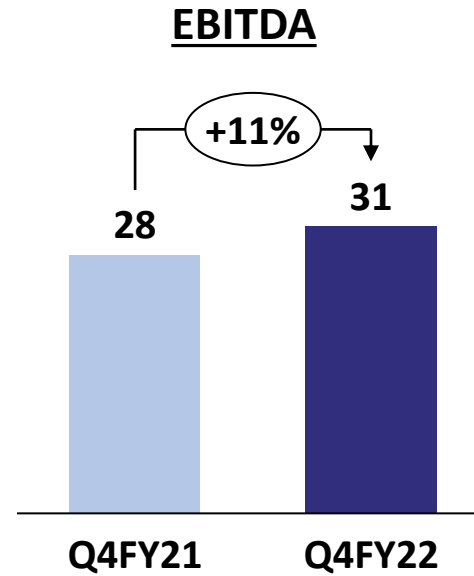
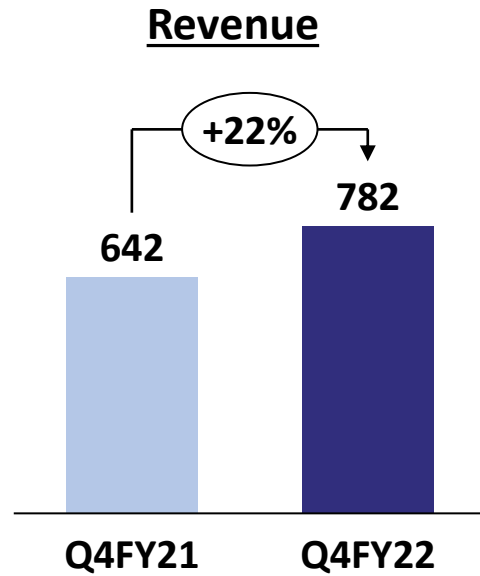
Navigating through Challenges



Sequential Improvement in Performance

Performance Highlights

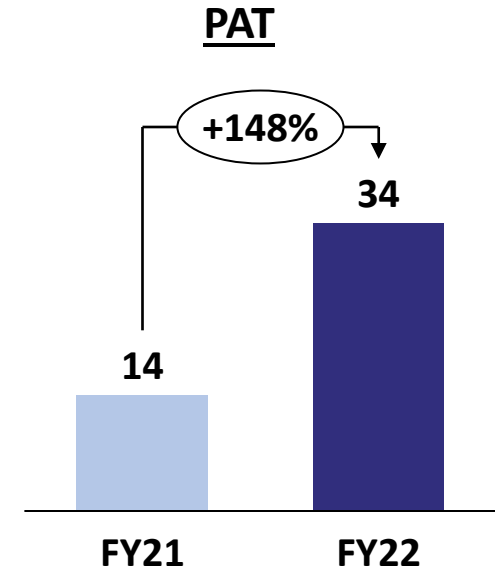
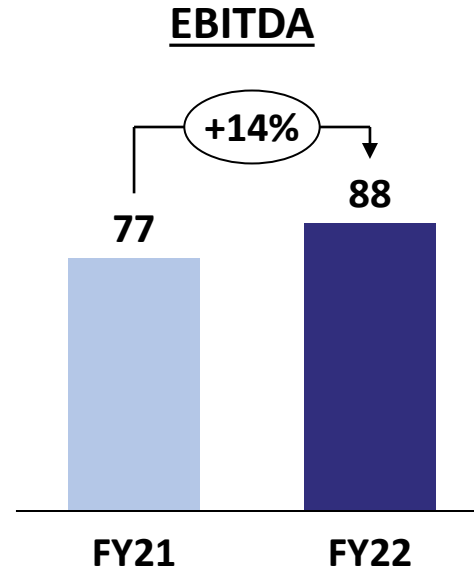
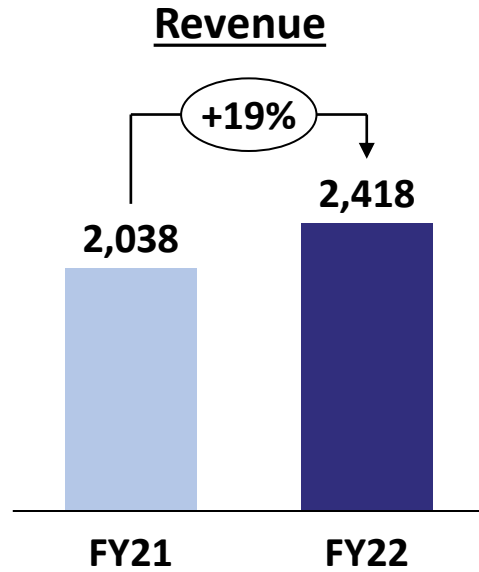
Rs. Cr



- ✓ Revenue for Q4Y22 at ~121% of last year sales
- ☐ Same store sales growth for existing stores stood at 22.54% in Q4 FY22

Performance Highlights

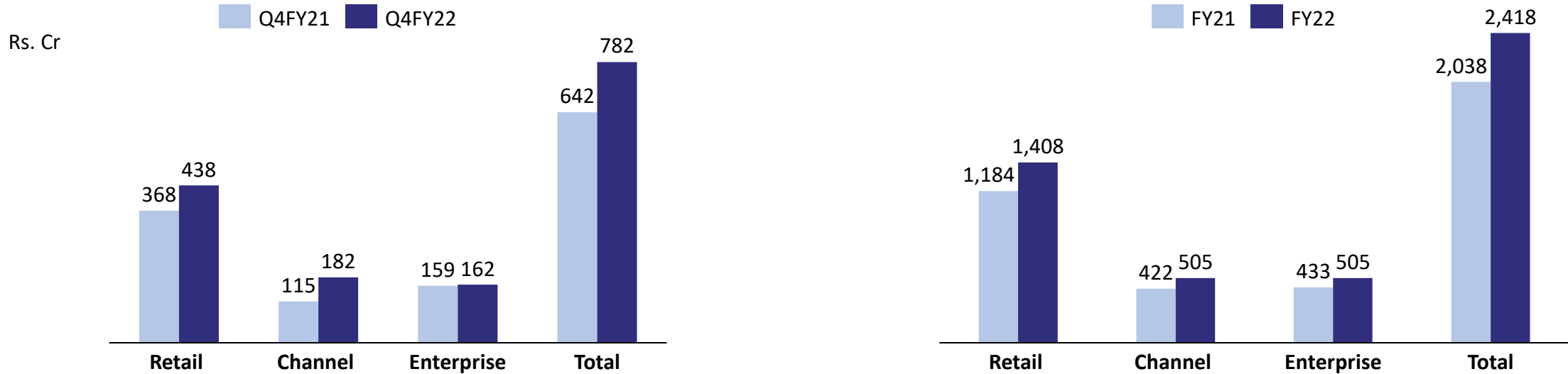
Rs. Cr



- ✓ Revenue for FY22 at ~119% of last year sales
- ❑ Same store sales growth for existing stores stood at 29.05% from FY21 to FY22

Revenue Break up

Revenue across Verticals

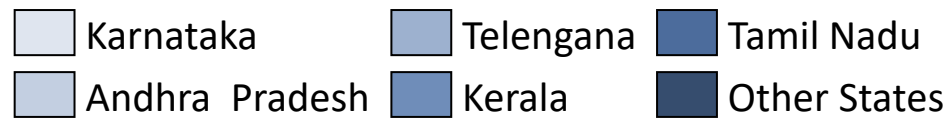
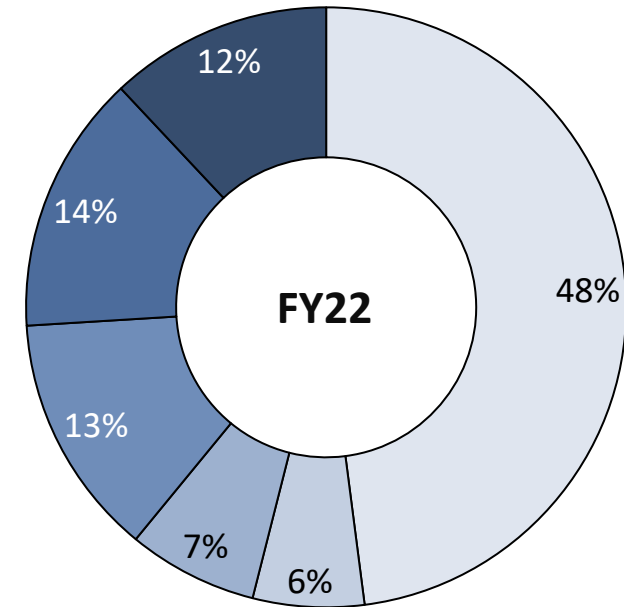
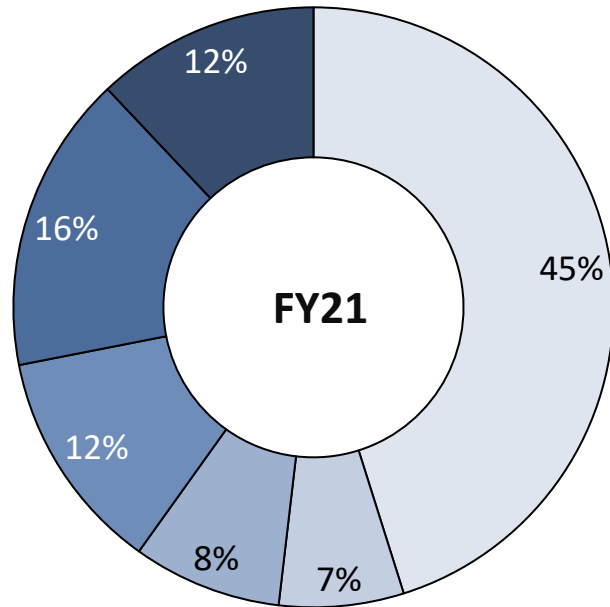


- ❑ **Retail Business Update:** Retail business continues to perform well during FY22. Our retail revenue was Rs.1,408 Cr in FY22 which was 58.2% of our total sales. Our comparable sales growth gained momentum with each passing quarter of the year. We are looking to leverage the strength of the brands we deal with to create customer pull for our stores. All these should have a positive impact on the revenue growth opportunities of our stores in the future
- ❑ **Channel business Update:** The Channel segment continues to be a strategic business for us. It builds understanding of the markets and the emerging trends. The channel business recorded revenues of Rs.505 Cr for FY22 as compared to Rs.422 Cr for FY21 recording a growth of 20%. The Channel business also helps us in our other business segments and helps optimize costs as well as securing scale benefits
- ❑ **Enterprise business Update:** In this segment, we cater to the requirements of large end users, contractors and OEMs. We generated revenues of Rs.505 Crores in FY22, a growth of 16.7% over the previous year. Enterprise customers are more demanding in terms of quality parameters and specifications. This can be partly catered to with our integrated processing facilities

Revenue Break up

Revenue across States

Rs. Cr



Store Metrics

	Q4FY22	←	Q3FY22	Q2FY22	Q1FY22	Q4FY21
No. of Retail Stores	90		90	90	90	95
Total Area (in Sft)	4,34,412		4,34,412	4,34,412	4,34,412	4,47,904
Average Store size (in Sft)	4,827		4,827	4,827	4,827	4,715
Average Ticket size (In Rs)	37,966	+2.2%	37,138	35,761	34,563	33,982
Revenue from retail stores (Rs. Cr)	438.3	+25.8%	348.5	352.4	268.8	368.1
Average rental cost per Sq. Ft. per month	14.1	+1.5%	13.9	13.7	15.0	15.5

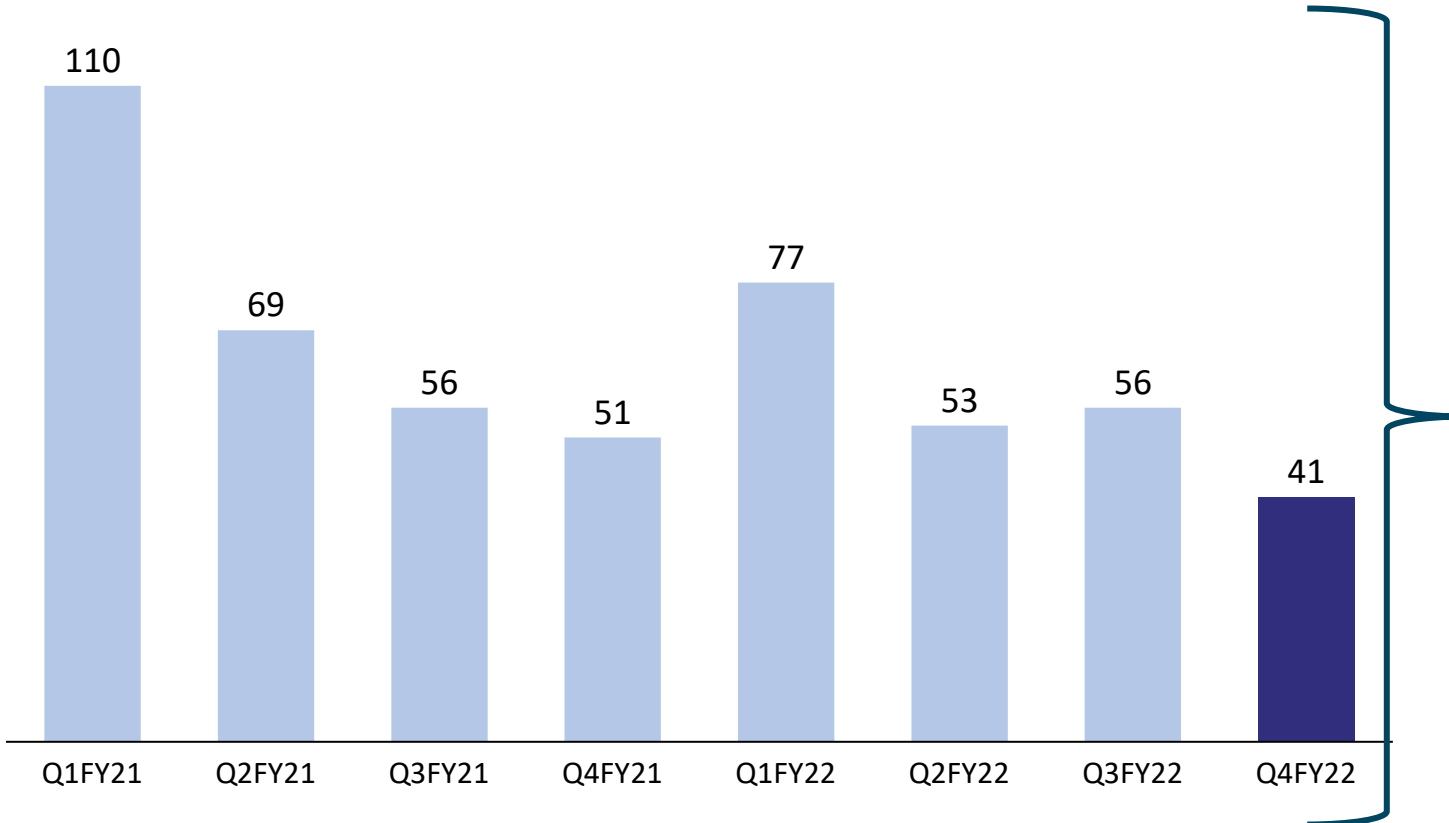
Same Store Sales Growth			
Period	No of stores	Q4	12M
FY22	90	438.3	1,407.4
FY21	90	357.7	1,090.6
*SSSG (YoY)		22.5%	29.0%

*The growth is calculated on mature store outlets (Store count – 90)

- ❑ Achieved significant revenue growth sequentially in the retail stores despite challenging environment
- ❑ The company is continuously upgrading stores. Efficient supply chain is our key focus area. We place utmost importance in hiring the right manpower and training.
- ❑ Cross sell is the key theme across our retail stores. The company wants to leverage existing customer relationships to sell more of our expanded range of products. We are increasing our focus on branding our stores and continuing with our customer outreach programme.

Working Capital Management

Net Working Capital Days*



The company's consistent efforts taken during FY22 helped to improve net working capital days and achieve stable cash flow position

Operating cash flow in FY22 stood at

Rs. 69.6 Cr

*Debtors are calculated on Gross Sales

Strategic Partnership

Strategic partnership to accelerate Shankara's growth plans

Shankara
Building Products Ltd.



APL APOLLO

Association to strengthen and ensure consistent supplies

Raising of working capital through equity to fund growth

Expected to drive rapid growth in sales

Value accretion to Shareholders through enhanced EPS & ROCE

Direct access to India's largest innovator and manufacturer of Steel tubes & allied steel products

- ❑ APL Apollo Tubes Ltd., one of our key suppliers of steel tubes have agreed to subscribe through their wholly owned subsidiary APL Apollo Mart Ltd, 1,400,000 warrants priced at Rs.750 per warrant fully convertible into equity shares by way of preferential allotment
- ❑ Sale of 1,000,000 Equity shares at Rs.755 per share by promoter

Consolidated P&L Statement

Particulars (Rs. in Crs)	Q4FY22	Q4FY21	Q3FY22	FY22	FY21
Revenue From Operations	782.2	642.3	585.0	2,418.4	2,038.4
Other Income	0.9	1.5	0.2	3.1	6.2
Raw Material	726.5	591.9	548.3	2,244.4	1,884.7
Employee Expenses	11.4	10.4	10.5	41.3	34.7
Other Expenses	14.3	13.4	11.1	48.1	48.1
EBITDA	31.0	28.0	15.3	87.7	77.2
EBITDA %	4.0%	4.4%	2.6%	3.6%	3.8%
Depreciation	4.2	4.9	4.2	17.2	24.0
Finance Cost	5.9	7.4	6.2	24.4	33.1
Profit before Tax	20.9	15.7	4.8	46.1	20.1
Tax	5.3	4.7	1.3	11.7	6.3
Profit After Tax	15.6	11.1	3.5	34.3	13.8

Consolidated Balance Sheet

Particulars (Rs. in Crs)	Mar-22	Mar-21
Total Equity	556.0	521.7
Equity Share Capital	22.9	22.9
Other Equity	533.1	498.8
Non-current liabilities	52.5	60.4
Financial Liabilities		
(i) Borrowings	35.6	37.8
(ii) Lease Liabilities	10.0	16.6
(iii) Other Financial Liabilities	0.1	0.1
Deferred Tax Liabilities (Net)	6.8	5.9
Current liabilities	432.3	343.7
Financial Liabilities		
(i) Borrowings	86.0	113.8
(ii) Trade Payables	318.7	205.6
(iii) Lease Liabilities	1.3	0.9
(iv) Other Financial Liabilities	9.5	7.9
Provisions	0.8	0.4
Current Tax Liabilities (Net)	3.2	3.9
Other Current Liabilities	12.8	11.4
Total Liabilities	1040.8	925.8

Particulars (Rs. in Crs)	Mar-22	Mar-21
Non-current assets	274.5	274.01
Property, Plant and Equipment	225.8	219.4
Investment Property	9.6	8.6
Capital Work in Progress	1.5	2.4
Right of use Assets	8.6	13.9
Goodwill on Consolidation	14.0	14.0
Other Intangible assets	-	-
Financial Assets		
(i) Trade Receivables	3.2	3.8
(ii) Loans	0.1	0.1
(iii) Other financial assets	9.6	9.4
Other non-current assets	2.1	2.2
Current Assets	766.3	651.8
Inventories	372.3	316.1
Financial Assets		
(i) Trade receivables	354.0	295.1
(ii) Cash and cash equivalents	2.5	10.9
(iii) Bank balances other than above	4.4	4.3
(iv) Others financial assets	0.8	0.8
Other Current Assets	32.2	24.6
Current Assets Net	0.2	-
Total Assets	1040.8	925.8

CONTACT US

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