



Q1FY19
Result
Presentation

August
2018

Safe Harbor

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Building **STORES**

Building **CUSTOMERS**

Building **SCALE**



Build With **SHANKARA**
Buildpro
Building Materials and more

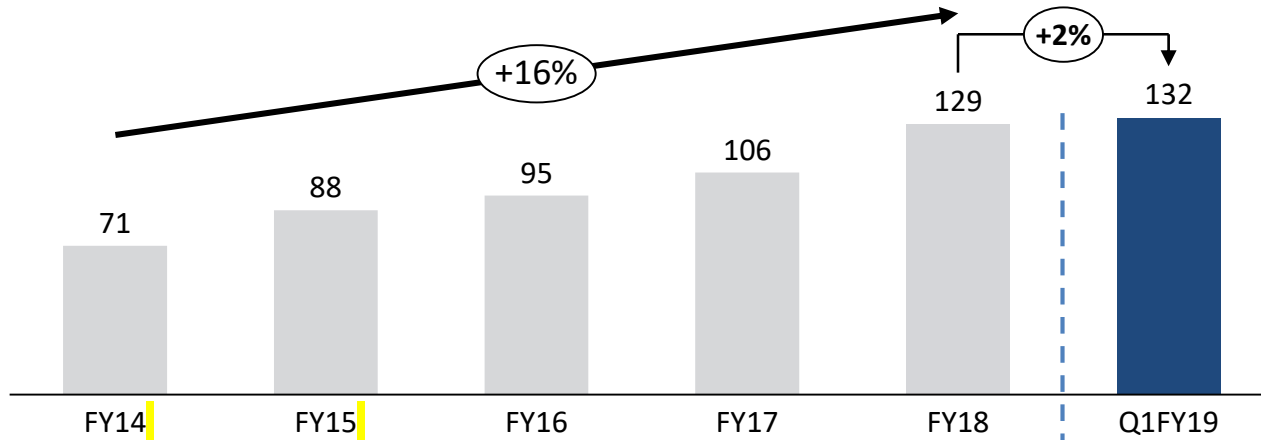


132 STORES across 9 States & 1 Union Territory

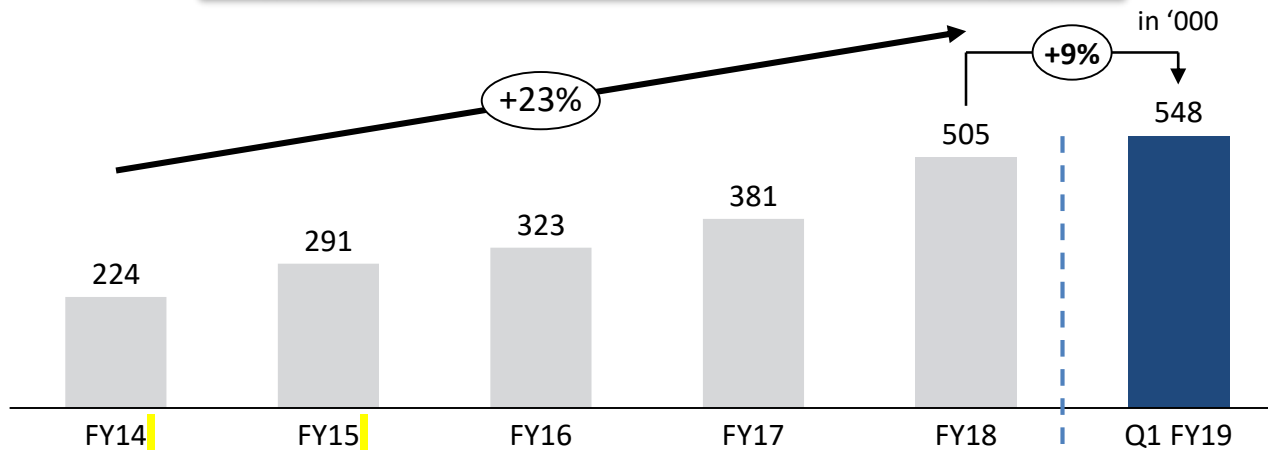
[Store List](#)

Building STORES

Number of Stores



Total Area of Stores (in Sq. Ft)



- ✓ During Q1 FY19 we have **added 3 stores** taking the total count to 132 stores
- ✓ Our ongoing process of upgrading stores continues. Additional 5 stores have been put on the upgrade path
- ✓ Average store size now stands at **4,150 sq ft**
- ✓ **Low rentals** and efficient space utilizations helps us to achieve the break even per store faster

Upgraded Stores



New Stores



[Click Here](#) – For the Complete Store List

Customer Meets



“Build with BUILDPRO”



Training Sessions



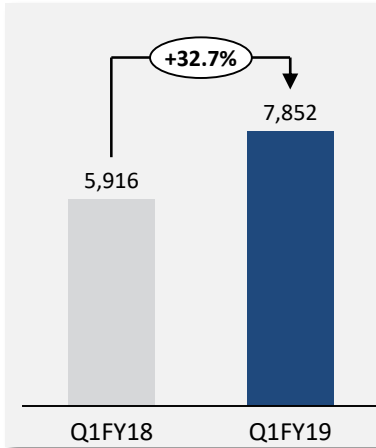
Exhibitions & Events



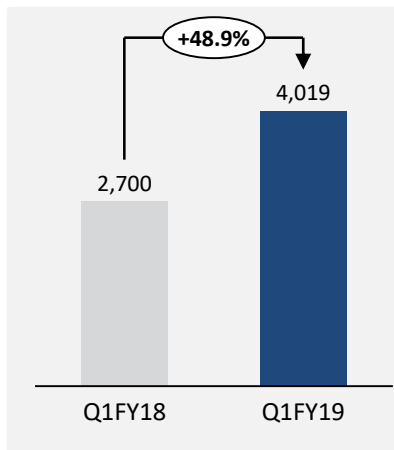
- ✓ **Organizing customer meets** across locations to showcase the wide range of product offering
- ✓ Piloting a loyalty scheme **“Build with Buildpro”**, a scheme to attract customers and enhance customer engagement
- ✓ **Product training sessions in collaboration with various brands** for better understanding and insights on the products we offer and their usage
- ✓ **Participation in various industry exhibitions and events** to engage with customers and to enhance brand visibility

Building SCALE

Rs. in Mn Total Revenue Q1FY19

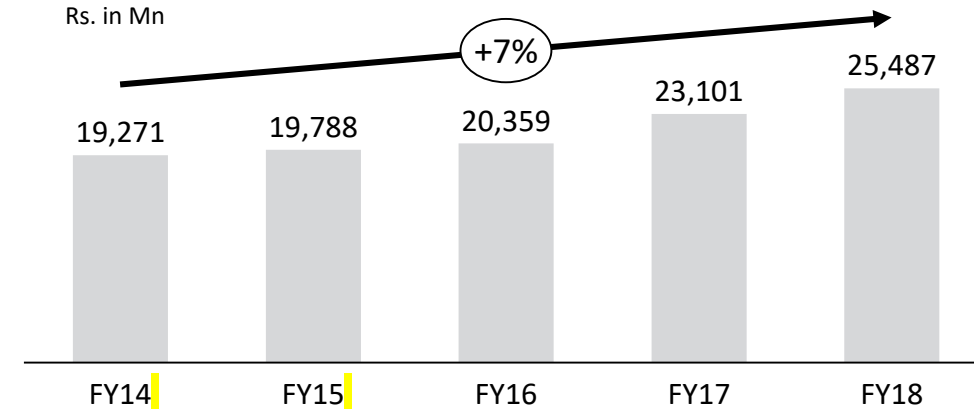


Rs. in Mn Retail Revenue Q1FY19

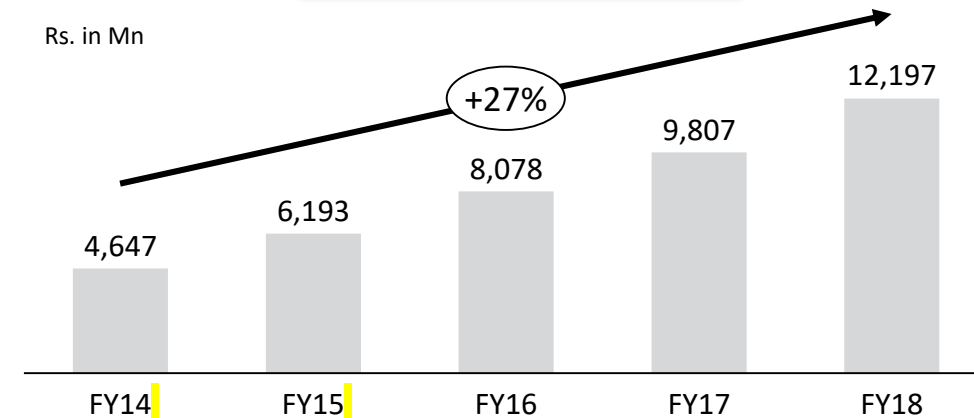


- ✓ Strong revenue growth of **33%** for the Company in Q1 FY 19 across regions
- ✓ Strong growth in the **Retail** vertical with a growth of **49%**
- ✓ **Retail segment** now accounts for **51%** of overall Company revenues
- ✓ **Comparable sales growth** for the retail segment stood at **29.6%** for the quarter
- ✓ Sales growth of upgraded stores (opened on or before 31st March, 2017) stood at **41%**

Total Revenue Trends



Retail Revenue Trends

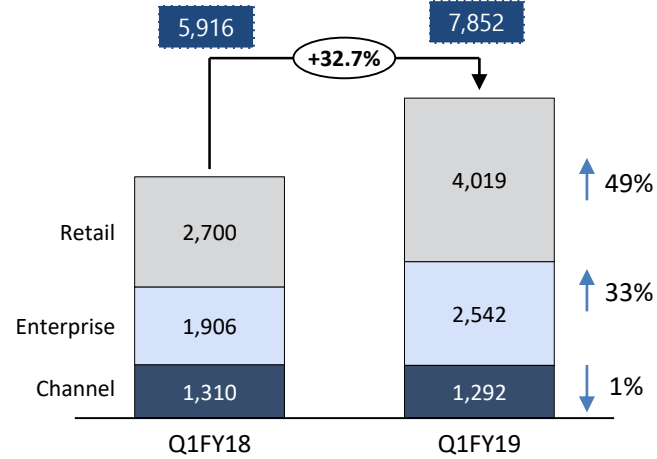




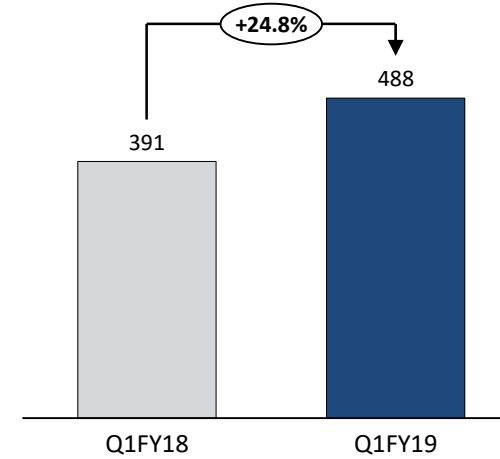
**Financial
performance**

Key Financial Performance

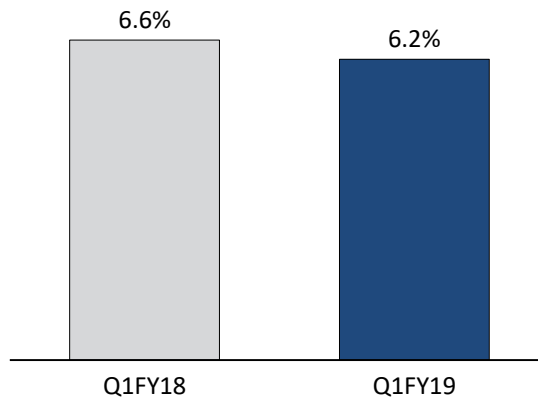
Segment wise Revenue & Net Revenue from Operations (Rs. mn.)



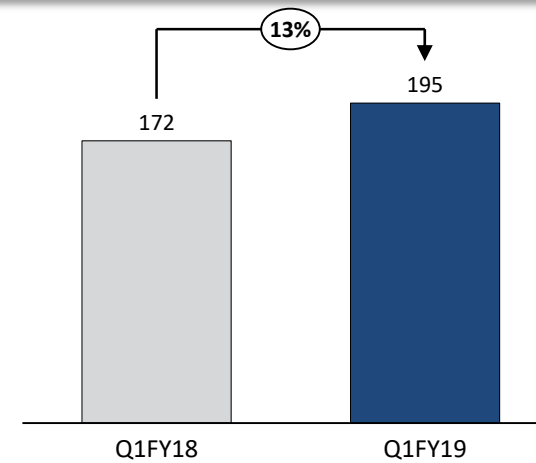
EBITDA (Rs. mn.)



EBITDA Margin (%)

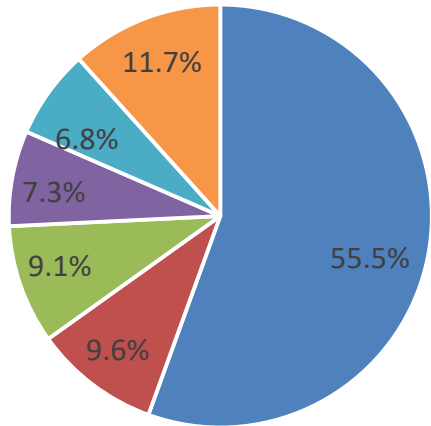


PAT (Rs. mn)



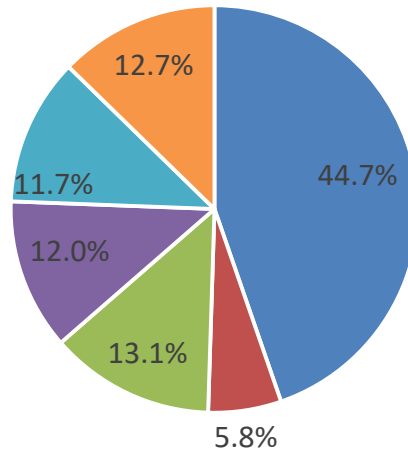
Revenue Break up

Q1 FY18
Revenue mix across States



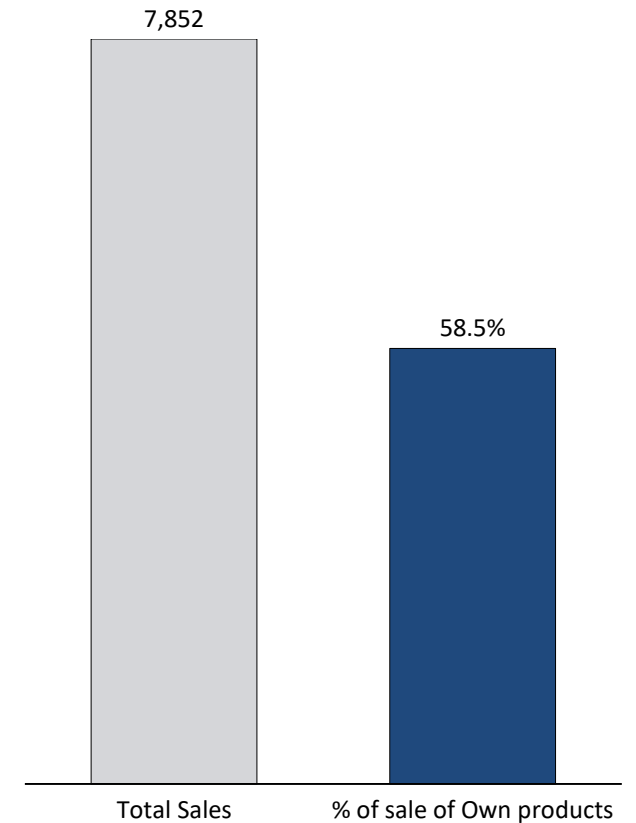
- Karnataka
- Andhra Pradesh
- Telengana
- Kerala
- Tamil Nadu
- Other States

Q1 FY19
Revenue mix across States



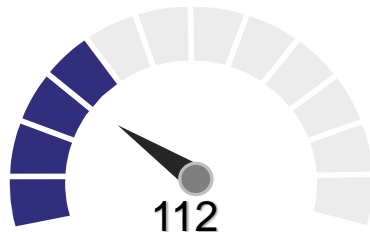
- Karnataka
- Andhra Pradesh
- Telengana
- Kerala
- Tamil Nadu
- Other States

Overall Sales Mix

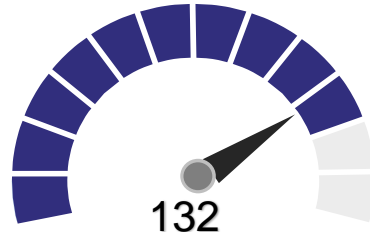


Key Highlights – Retail Business

Number of Stores

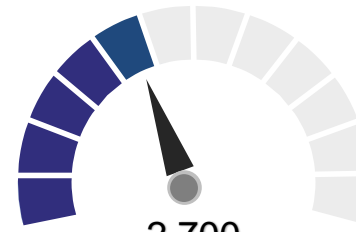


Q1FY18

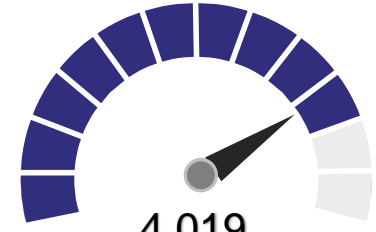


Q1FY19

Revenue (Rs. mn.)

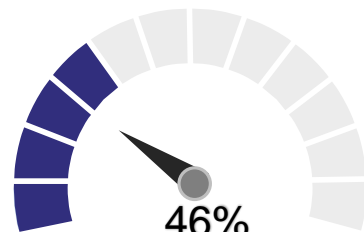


Q1FY18

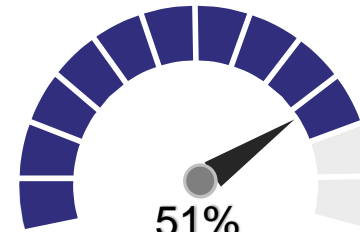


Q1FY19

Retail Share



Q1FY18



Q1FY19

Key Highlights – Retail Business

Particulars	Units	Q1FY19	Q1FY18	Y-o-Y
No of retail stores	Nos.	132	112	17.9%
Total Area	Sq. ft	5,47,864	4,01,233	36.5%
Average store size	Sq. ft	4,150	3,582	15.9%
Average ticket size	Rs.	30,336	22,972	32.1%
Revenue from retail stores	Rs. Mn	4,019	2,700	48.9%
EBITDA	Rs. Mn	415.3	300.0	38.4%
Margin (%)	%	10.3%	11.1%	-78 bps
EBITDA per store	Rs. Mn	3.15	2.68	17.5%
Average rental cost per sq.ft. per month	Rs.	18.6	16.6	11.5%

Retail Store Growth Metrics

Same store sales growth

Q1 FY 19: 32.9%

Basis of Calculation: The definition of SSSG (Same Store Sales Growth) considers stores that were in operation for at least 12 months at the end of the period.

For example, for Q1 FY19, the SSSG considers stores in operation at the end of Q1 FY18. The growth in revenues generated from these stores in Q1 FY18 and Q1 FY19 represents the SSSG. Q1 FY19 SSSG computation is as follows

Stores considered for SSSG	Revenue considered for Q1 FY18	Revenue considered for Q1 FY19
xxx stores at end of Q1 FY18	Revenues of these xxx stores in quarter Q1 FY18	Revenues of these xxx stores in quarter Q1 FY19
Total	Sum total of above = [A]	Sum total of above = [B]

Same Store Sales Growth calculation: $([B] - [A]) / [A]$

Comparable sales growth

Q1 FY 19: 29.6%

Basis of Calculation: The definition of comparable sales method considers stores that have completed at least 12 months of operations. Revenues from these stores become comparable in the immediate following month after their 12th month of operation.

For example, for Q1 FY19, the comparable sales consider all stores operational at the end of FY16. In addition, for stores opened during Q1 FY17, the comparable period of sales in Q1 FY18 and Q1 FY19 is also considered after they complete 12 months of operations. Store closures, if any in the period, will be removed from both the base and the subsequent year revenue computations. Q1 FY19 comparable sales computation is as follows

Stores considered for Comparable Sales	Revenue considered for Q1 FY18	Revenue considered for Q1 FY19
xx stores operational at end of FY16	Revenues of these xx stores in quarter Q1 FY18, net of closures if any	Revenues of these xx stores in quarter Q1 FY19, net of closures if any
For stores opened in Q1 FY17 & still operational		
<i>Store no. xx, say, opened in April 2016</i>	<i>Store no. xx revenue from May 2017 to June 2017</i>	<i>Store no. xx revenue from May 2018 to June 2018</i>
<i>Store no. xx, say, opened in May 2016</i>	<i>Store no. xx revenue for June 2017</i>	<i>Store no. xx revenue for June 2018</i>
Total	Sum total of above = [C]	Sum total of above = [D]

Comparable Sales Calculation: $([D] - [C]) / [C]$

Computations of retail store revenue growth as per the two metrics

The computations of the two metrics as mentioned in the slide above for the 3 years are available in the table below.

Period	Same Store Sales Growth (Method 1: Old)	Comparable Sales Growth (Method 2: Revised)
FY 18*	27.4%	23.4%
FY 17	19.4%	15.7%
FY 16	28.3%	18.4%

Q1 FY19 Income Statement

Particulars (Rs. Mn)	Q1 FY19	Q1 FY18	Y-o-Y
Total Income	7,852	5,916	32.7%
Raw Material	6,901	5,123	
Employee Expenses	175	128	
Other Expenses	288	273	
EBITDA	488	391	24.8%
EBITDA %	6.2%	6.6%	
Other Income	2	1	
Depreciation	45	29	
Finance Cost	139	98	
Profit before Tax	307	266	15.4%
Tax	112	93	
Profit after Tax	195	172	13.0%
Cash Profit	240	201	19.3%
EPS	8.52	7.53	



Historical Financials

5 years of Consolidated Profit & Loss Statement*

Particulars (Rs. Mn)	FY14	FY15	FY16	FY17*	FY18*	CAGR
Total Income	19,271	19,788	20,359	23,101	25,487	7.2%
Raw Material	17,364	17,580	17,672	19,794	21,738	
Employee Expenses	264	350	413	492	592	
Other Expenses	757	963	1,079	1,300	1,404	
EBITDA	886	895	1196	1,522	1,758	18.7%
EBITDA %	4.6%	4.5%	5.9%	6.6%	6.9%	
Other Income	8	9	7	7	6	
Depreciation	58	88	95	114	136	
Finance Cost	416	470	460	506	463	
Profit before Tax & Minority Interest (MI)	420	345	648	902	1,159	28.9%
Tax	133	120	240	314	421	
Profit after Tax & before MI	287	226	407	586	739	26.7%
Minority Interest	-	-	-	-	-	
Profit after Tax & MI	287	226	407	586	739	26.7%
Cash Profit	345	314	503	701	875	
EPS	13.13	10.32	18.90	26.81	32.34	

Consolidated Balance Sheet*

Particulars (Rs. Mn)	Mar-18	Mar-17
Total Equity	4,558	3,898
Equity Share Capital	228	228
Other Equity	4,329	3,669
Non-Controlling Interest	1	0
Non-current liabilities	184	207
Financial Liabilities		
(i) Borrowings	9	58
(ii) Other Financial Liabilities	0	0
Provisions	6	8
Deferred Tax Liabilities (Net)	169	141
Current liabilities	7,386	5,315
Financial Liabilities		
(i) Borrowings	2,420	2,101
(ii) Trade Payables	4,612	2,610
(iii) Other Financial Liabilities	181	229
Provisions	7	4
Current Tax Liabilities (Net)	81	182
Other Current Liabilities	85	189
Total Liabilities	12,128	9,420

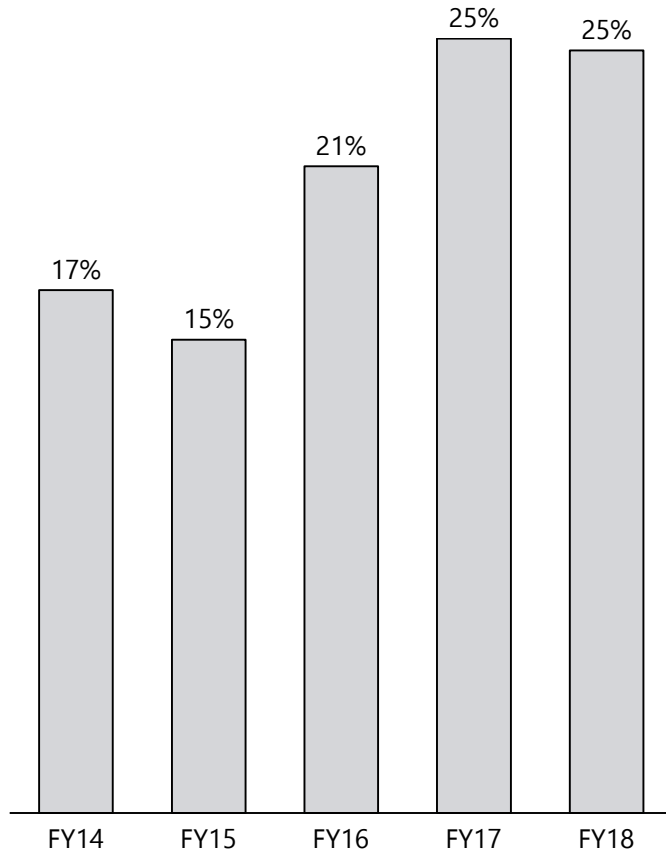
Particulars (Rs. Mn)	Mar-18	Mar-17
Non-current assets	3,206	2,739
Property, Plant and Equipment	2,726	2,448
Investment Property	1	1
Intangible Assets	104	-
Goodwill on Consolidation	140	140
Financial Assets		
(i) Trade Receivables	31	23
(ii) Loans	180	103
Other non-current assets	25	23
Current assets	8,921	6,681
Inventories	4,157	2,795
Financial Assets		
(i) Trade receivables	4,241	3,084
(ii) Cash and cash equivalents	12	18
(iii) Bank balances other than above	48	644
(iv) Others financial assets	12	14
Other Current Assets	451	126
Total Assets	12,128	9,420

Outperformance of retail segment*

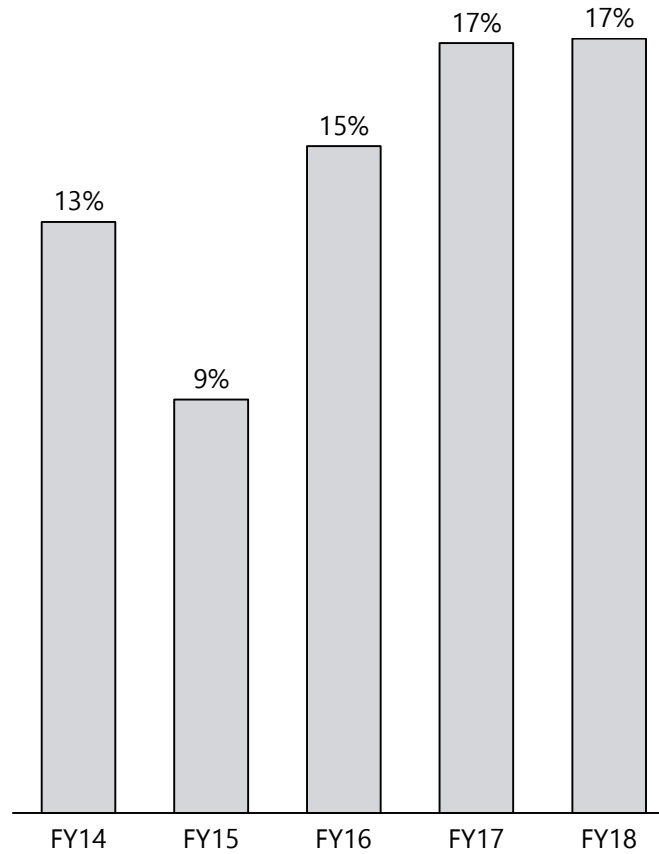
Particulars	Units	FY14	FY15	FY16	FY17	FY18	CAGR FY14-FY18
No of retail stores	Nos.	71	88	95	106	129	16%
Total Area	Sq. ft	2,23,869	2,91,139	3,23,070	3,81,070	5,05,034	23%
Revenue from retail stores (INR mn)	Rs. Mn	4,647	6,193	8,078	9,807	12,197	27%
EBITDA (INR mn)	Rs. Mn	218	461	775	972	1,303	56%
Margin (%)	%	4.7%	7.4%	9.6%	9.9%	10.7%	-
EBITDA per store (INR mn)	Rs. Mn	3.07	5.24	8.16	9.17	10.10	35%

Low rental cost of ~Rs.19 per sq.ft per month for the leased outlets enhance the profitability of the retail segment and thus target to achieve retail store breakeven within a year

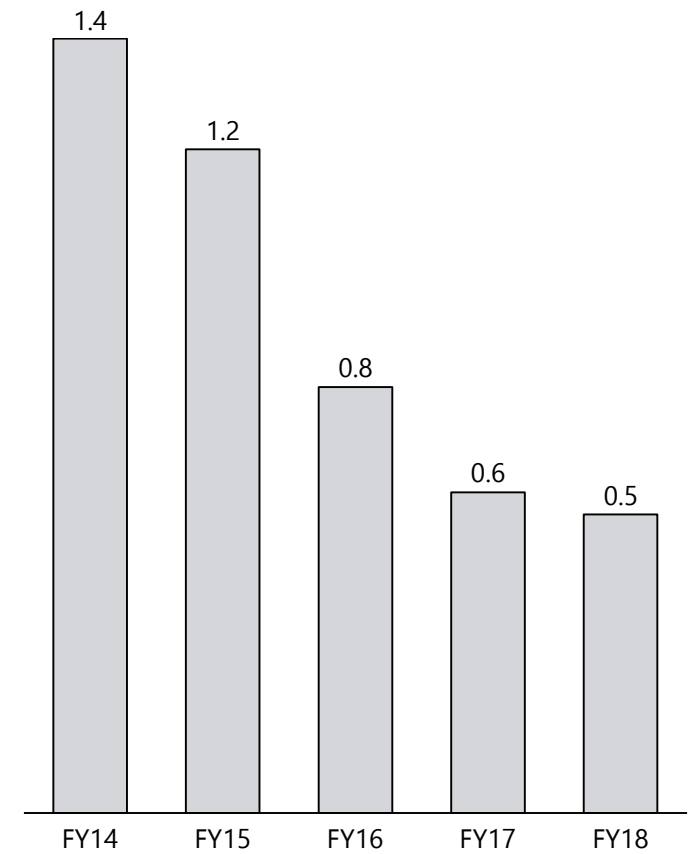
Average Return on Capital Employed



Average Return on Equity



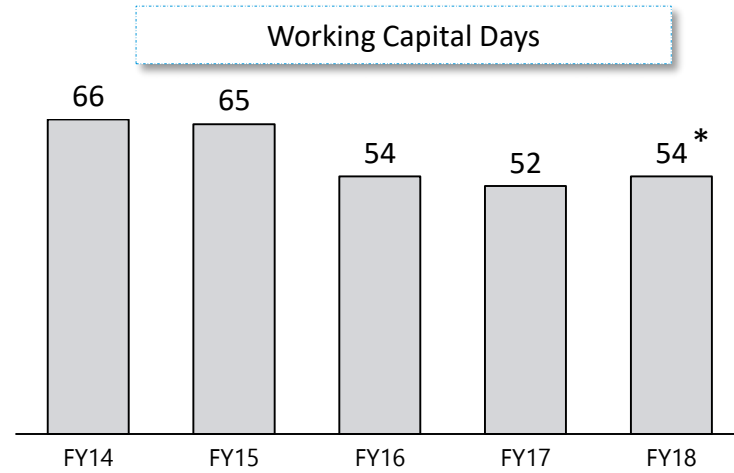
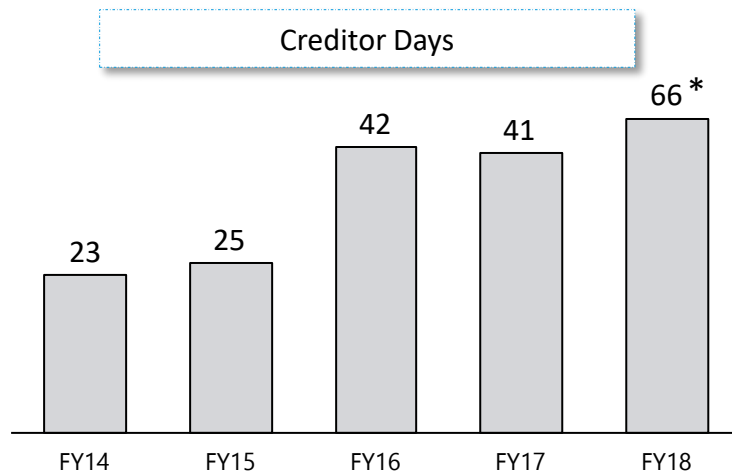
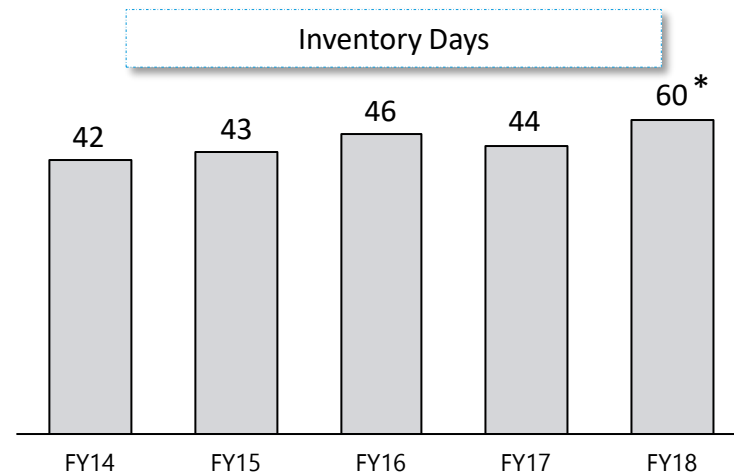
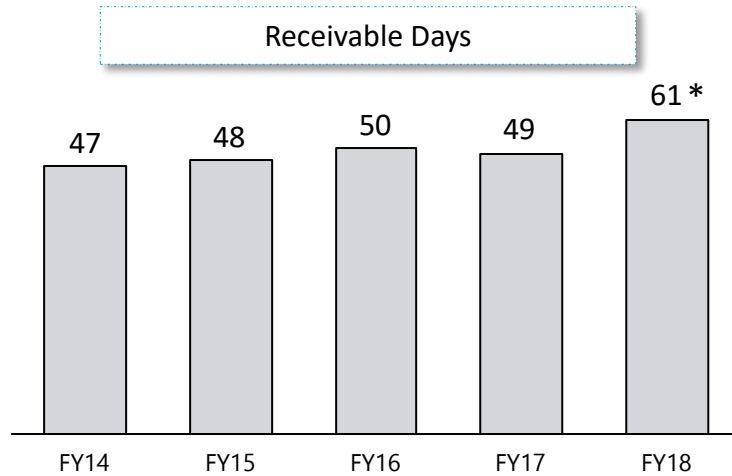
Net Debt : Equity



Key Ratios

Working Capital Days are calculated on the basis of revenue

***FY17 & FY18 days are not comparable due to GST impact on revenue**



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