

**Shankara**  
Building Products Ltd.

SHANKARA  
**Bulldpro**  
Building Materials and more

# Investor Presentation

Q1 FY2025

August 8, 2024



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## Financial Highlights

- Q1FY2025 revenues grew by 14% YoY, led by steel volumes & non-steel growth, while steel prices softened
- EBITDA grew by 20% YoY, EBITDA margin expanded by 15 bps YoY to 3.2% with improved mix
- PAT was impacted by increase in finance cost, primarily due to higher acceptances
- Working capital days remain unchanged at around 30 days

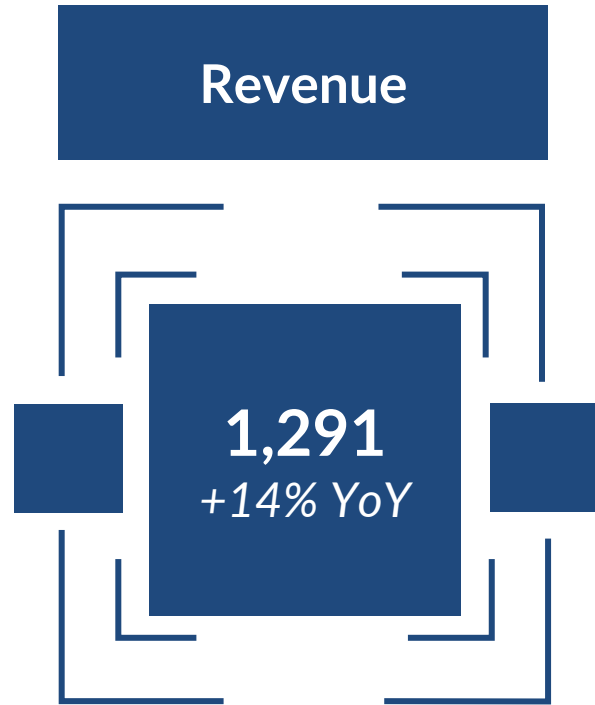
## Business Highlights

- Steel volume growth continues to be healthy at 20% YoY; Non-steel revenue growth robust at 35% YoY
- Retail ticket size at Rs. 58.5k in Q1 FY2025 (+23% YoY)
- West and Central regions grew by over 50% YoY, with revenue contribution of 13% & 3% respectively
- Tiles revenue growth at 66% YoY; Fotia Ceramica revenues at Rs. 31 crore – **launched quartz sinks under Fotia brand**

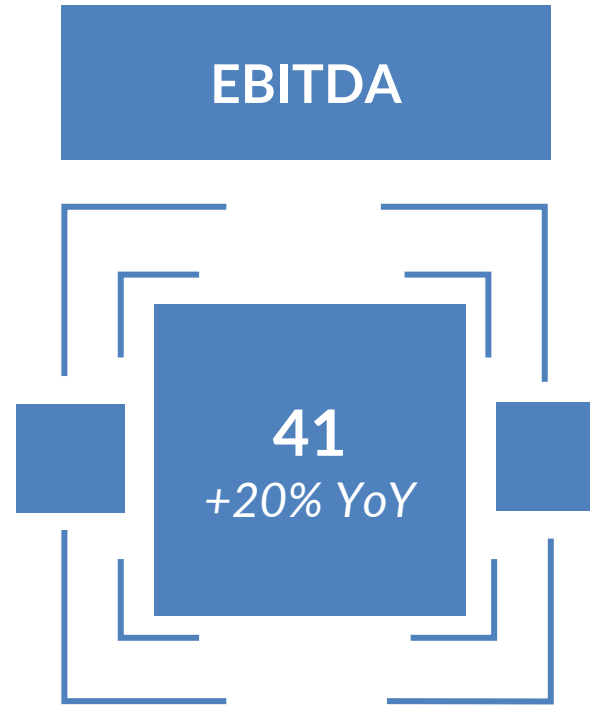


## Other Business Updates

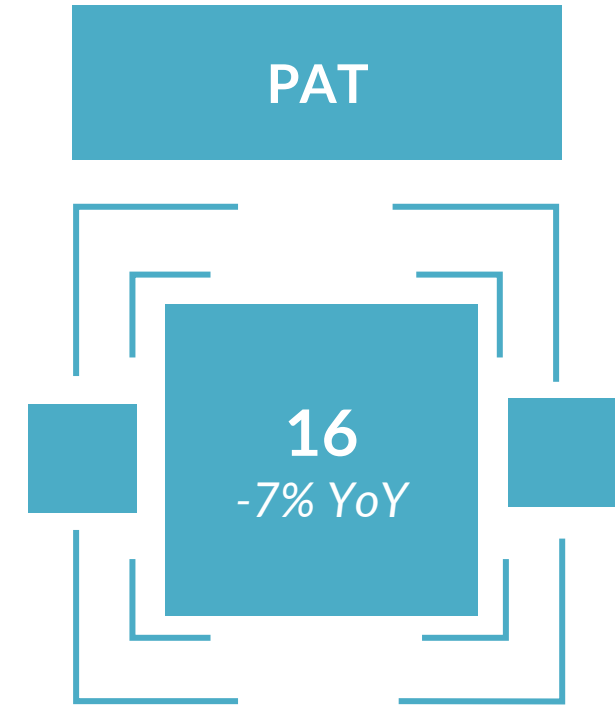
- Approval received from SEBI for demerger and filing underway with NCLT
- **Identified 10 strategic locations for setting up of new fulfilment centers over next 6-9 months**
- Inauguration of tile display centre in Morbi is now expected in Sep-24. This will expand Fotia's presence across India and help explore other opportunities in the coming years



**Steel Volume +20% YoY**  
**Non-Steel Revenue +35% YoY**



**EBITDA Margin**  
**3.20% (+15 bps YoY)**

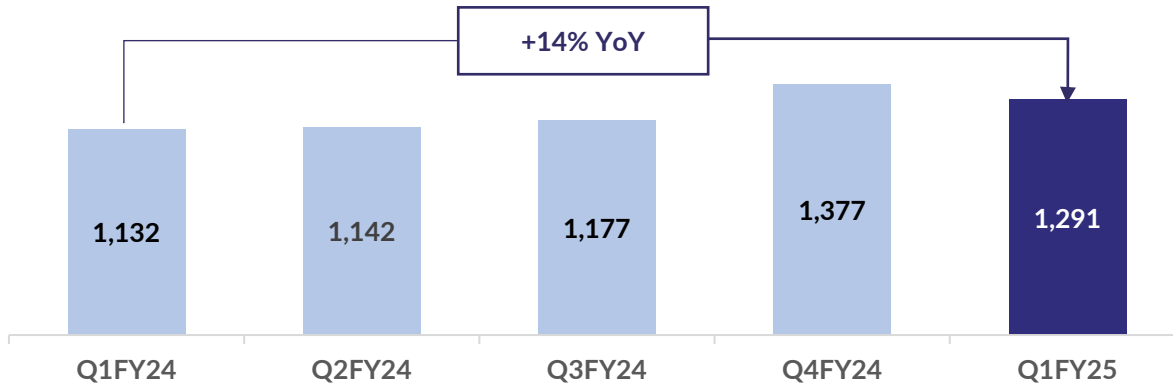


**PAT Margin**  
**1.24%**

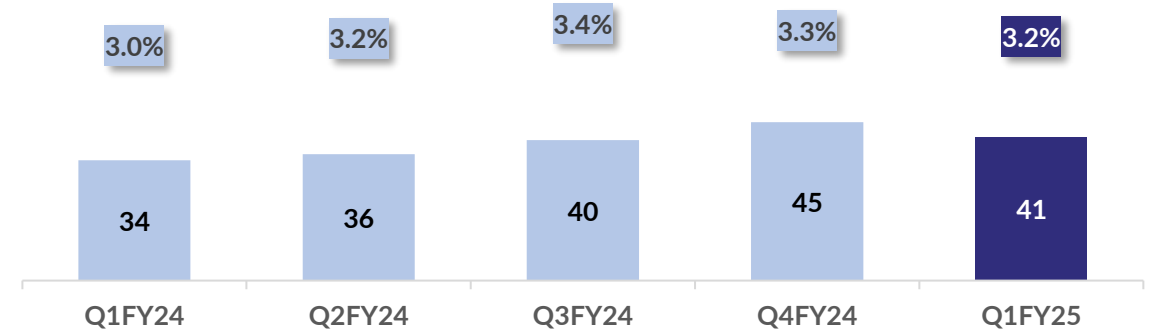
Figures in Rs. Crore

# Consistent growth in revenue and EBITDA, while consciously building a diversified business model

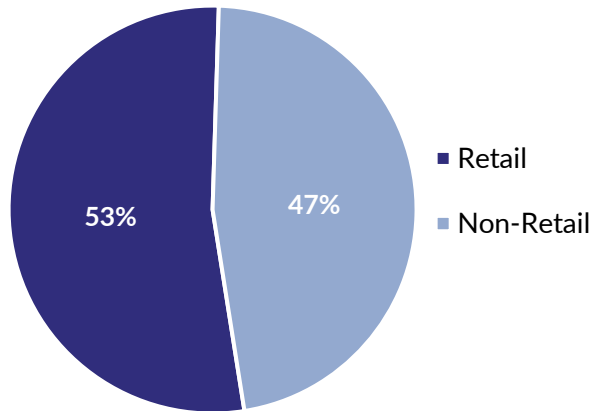
## Healthy revenues despite weak macroeconomic condition



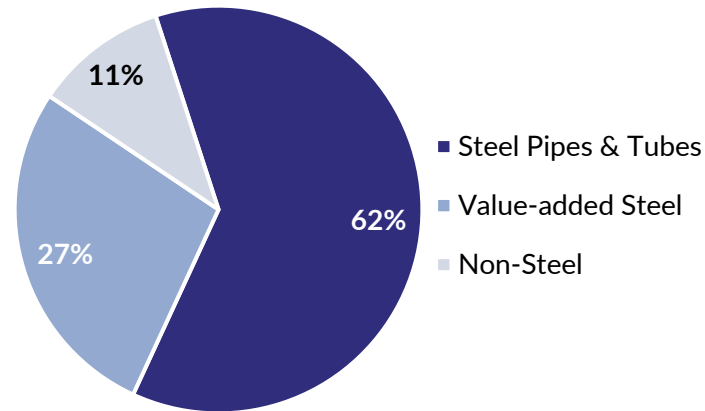
## Steady margins with focus on VAS and non-steel products



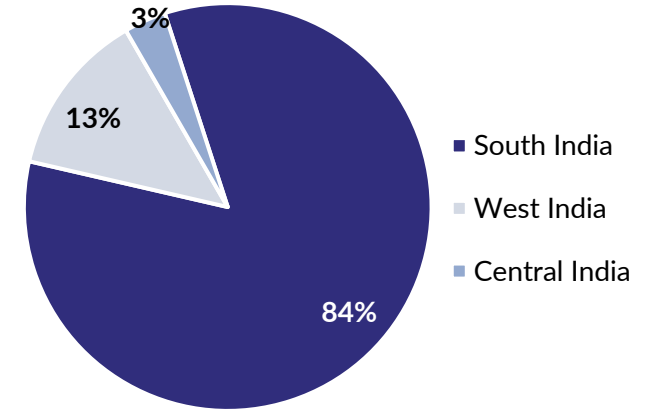
## Streamlining distribution across segments



## Optimizing value-added revenue mix

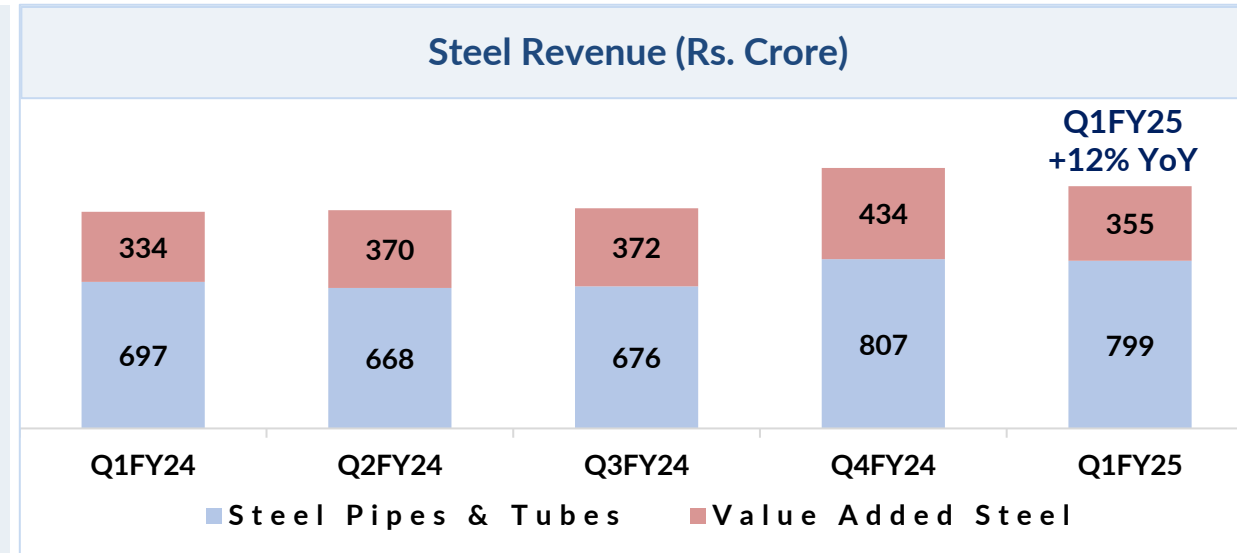
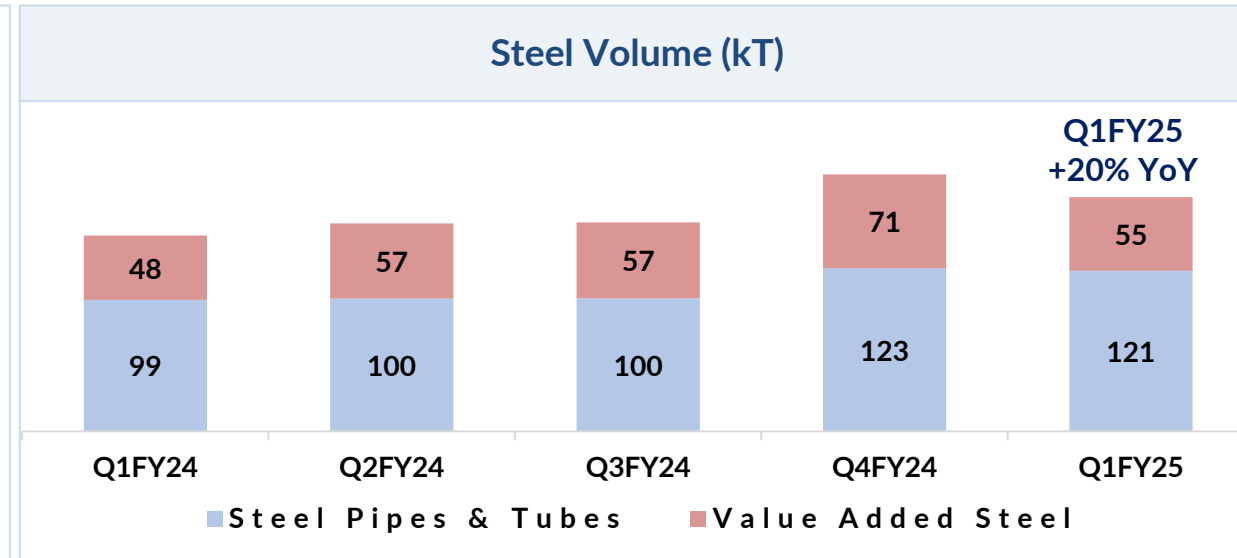
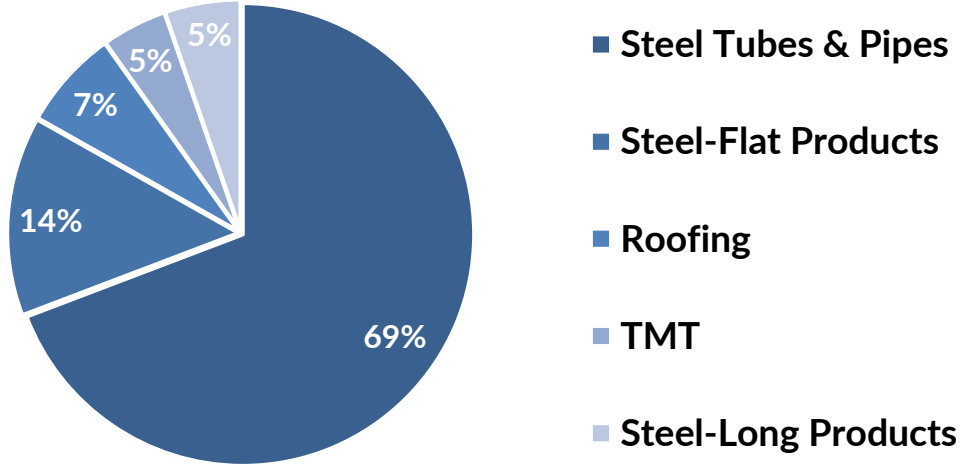


## Expanding footprints beyond South



# Steadily growing volume as well as value within steel business

STEEL

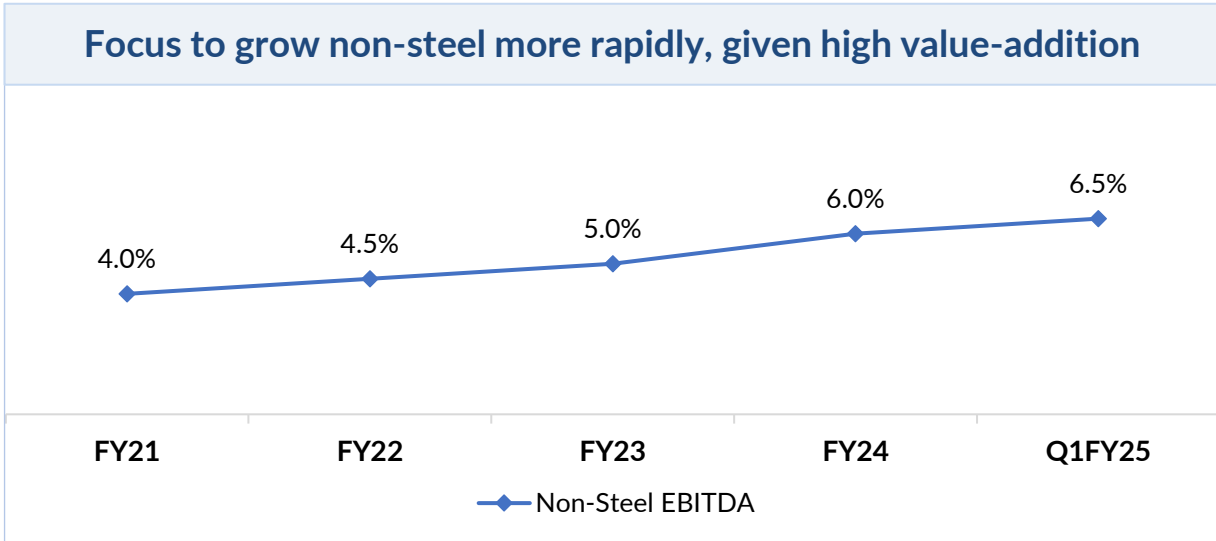
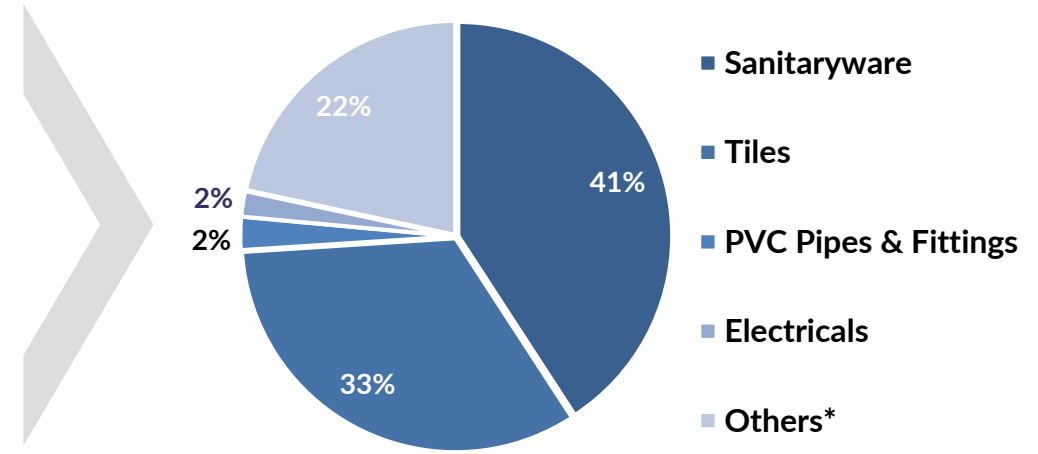
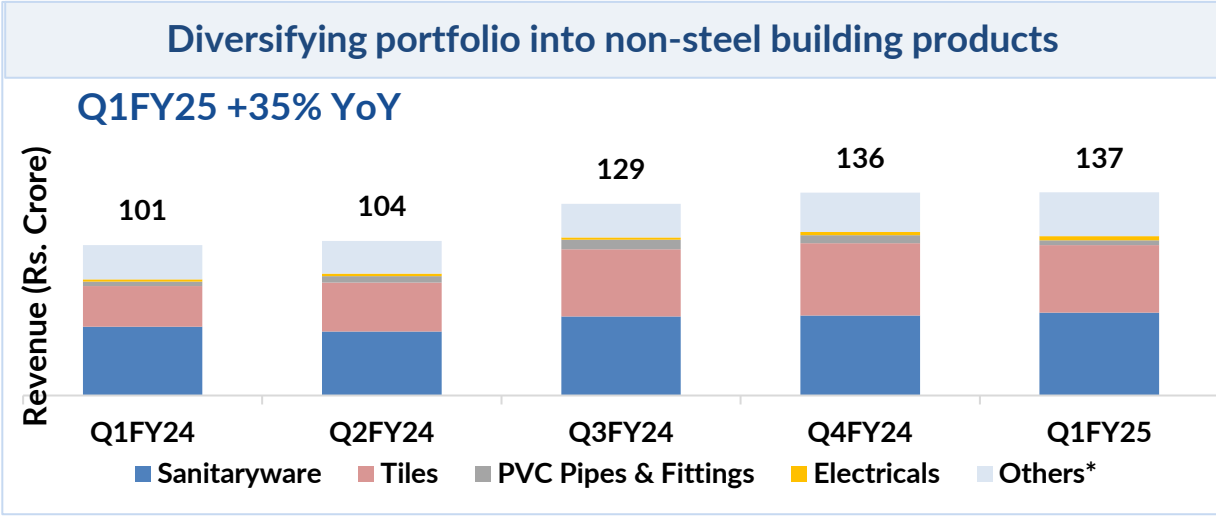


Steel business registered steady growth, despite overall softness in demand led by elections and monsoons; Steel volumes grew by 20% YoY

Steel revenue growth at 12%, due to softening of steel prices; Steel flat products growth was higher at 44% YoY

# Aggressively expanding higher margin non-steel business

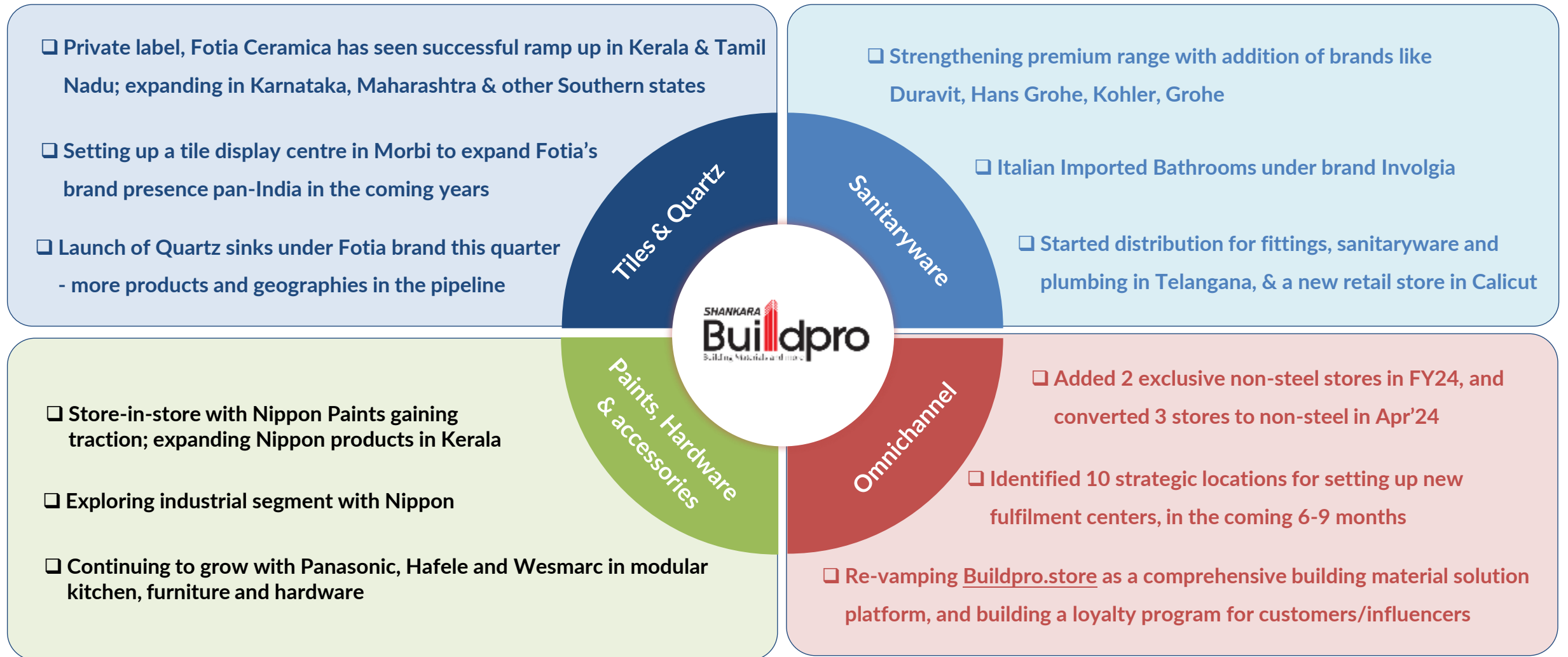
NON-STEEL



### Significant runaway to expand market share in all non-steel products

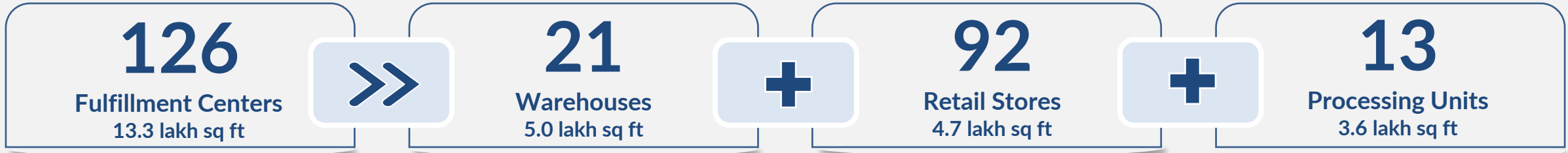
Rs. Crore	TAM	Shankara's TTM Revenue
Sanitaryware & Fittings	~18,000	~200
Tiles	~45,000	~175
PVC Pipes & Fittings	~40,000	~20
Electricals & Lighting	~70,000	~10
Paints & Coating	~75,000	~5

# Strategic initiatives aimed at improving value-added portfolio





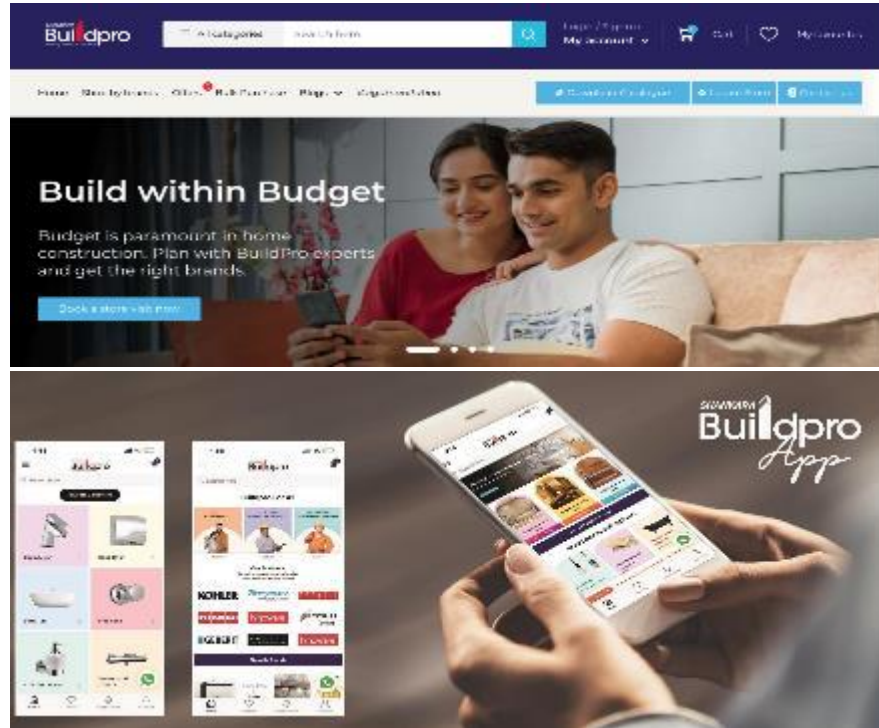
# Building an omnichannel marketplace for building materials



## Processing Facilities

- Vishal Precision Steel Tubes & Strips**
  - Processing of tube and cold rolled strip
  - Two processing facilities in Bengaluru
- Centurywells Roofing India**
  - Engaged in colour coated roofing products.
  - Ten processing facilities, mainly in Bengaluru, Chennai, Coimbatore
- Taurus Value Steel & Pipes**
  - Tube processing facility at Hyderabad

## Online Discovery of wide range of products Anytime, Anywhere



## Offline Push through Fulfillment Centers



With launch of “BuildPro” app ([Google Play](#) & [App Store](#)) and [website](#):

- Shankara has evolved from a traditional marketplace to online marketplace
- Has enabled an online discovery platform for all building materials, leading to an increased footfalls at fulfillment centers

- Focus on technology & digital marketing
- Move towards greater online presence & focus on tech driven customer acquisition and retention

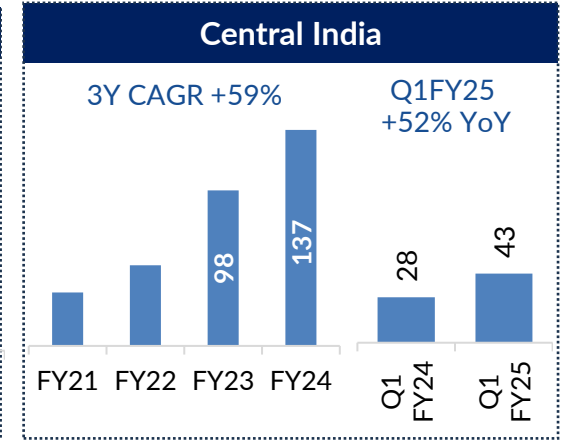
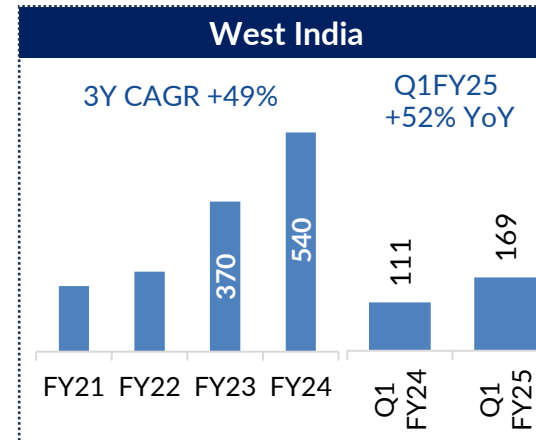
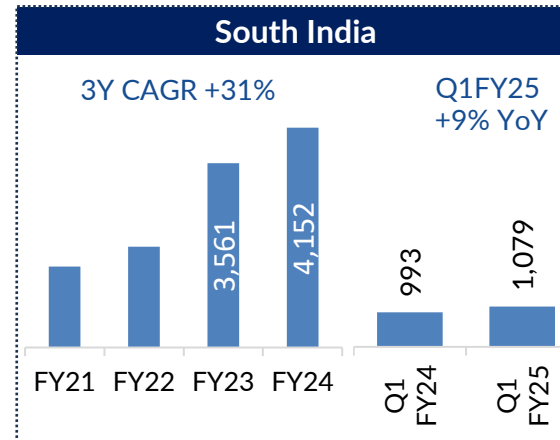
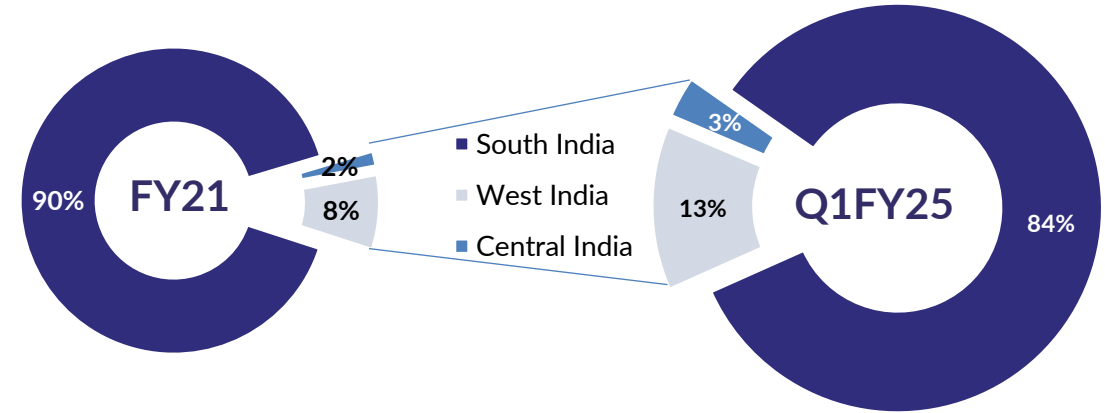
- Technology will be a key enabler for Pan India expansion in the coming years
- Evaluating opportunities for strategic collaborations in the digital landscape to enhance existing omni-channel strategy



# Dominant position in South, now expanding into other regions

-  Warehouses
-  Processing Units
-  BuildPro Store

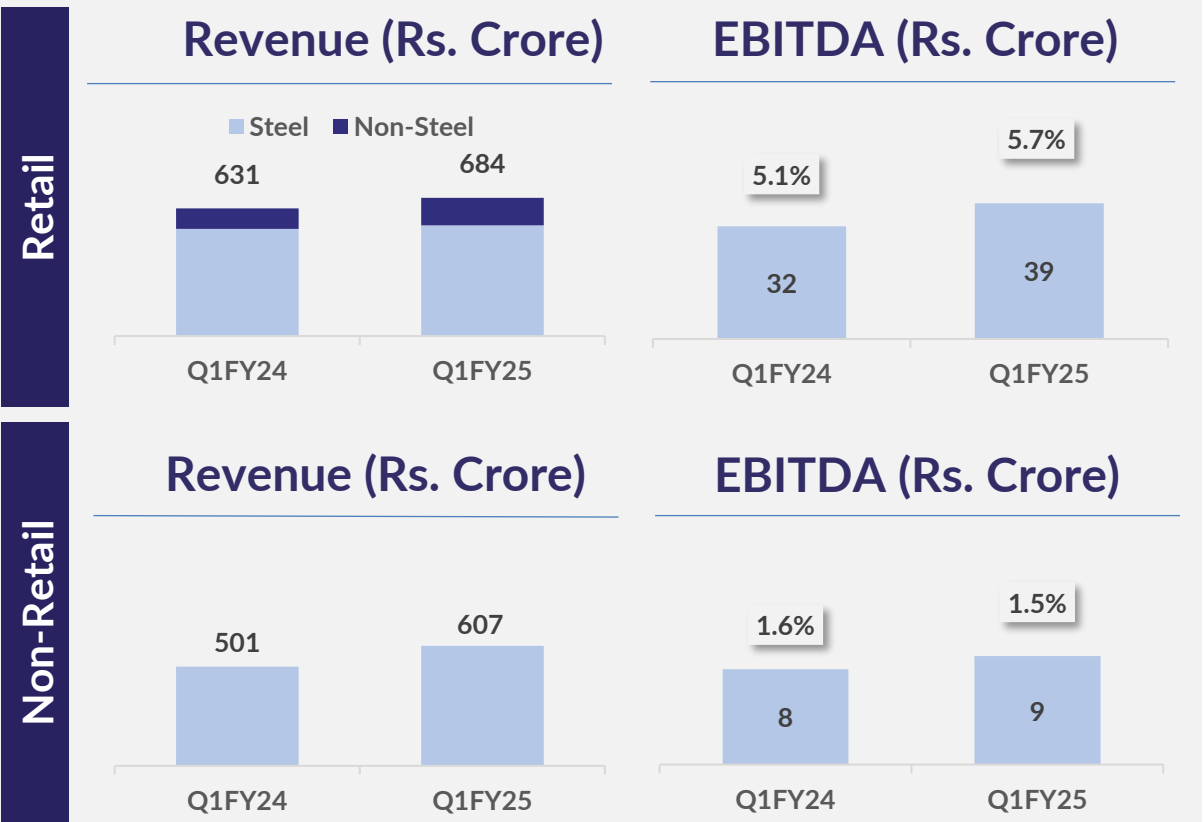
**10/1**  
States/UT

**45**  
Cities

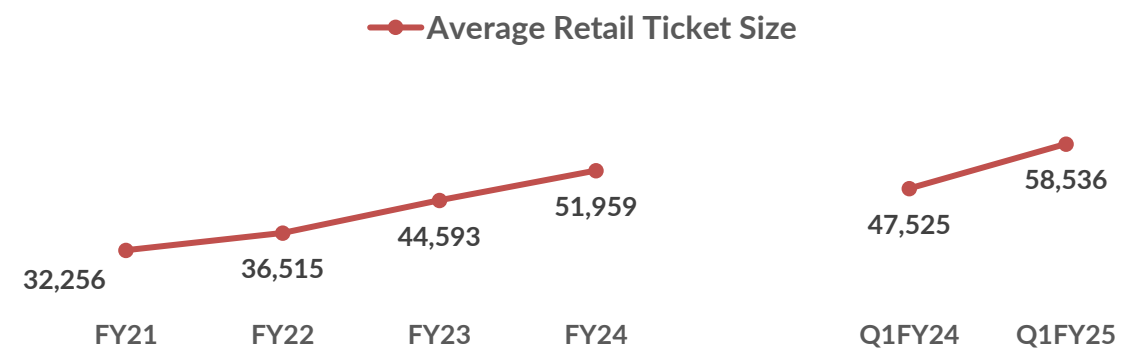


-  Cluster-based distribution network has helped deepen our penetration in the Southern states
-  With strong presence in South, aggressively expanding to other regions in line with long-term vision to become a pan-India player

# Resilient Retail, Expanding beyond South thriving Non-retail growth



Retail Parameters	Q1FY25	Q1FY24	Change YoY
Retail Stores (No.)	92	91	1%
Retail Area (lakh sq ft)	4.74	4.58	3%
No. of Transactions	116,867	132,803	-12%
Average Ticket Size (Rs.)	58,536	47,525	23%
Retail Revenue	684	631	8%
Retail EBITDA	39	32	20%



- Retail continues to leverage strength of brands and wide product portfolio to create customer pull at all stores; average ticket size increased by 23% YoY to ~Rs. 58,500 in Q1 FY2025, with increased product offerings in VAS & non-steel at stores – leading to margin expansion
- Non-retail business growth was more rapid, primarily due to expansion beyond South – both West and Central region grew by 52% YoY, with revenue contribution of 13% & 3% respectively

# Consolidated Profit & Loss Statement

Particulars (Rs. Crore)	Q1 FY25	Q1 FY24	Change YoY
<b>Revenue from Operations</b>	<b>1,291</b>	<b>1,132</b>	<b>14%</b>
Other Income	0.5	0.5	15%
Cost of Materials Consumed	1,216	1,069	14%
Employee Expenses	14	13	16%
Other Expenses	19	16	20%
<b>EBITDA</b>	<b>41</b>	<b>34</b>	<b>20%</b>
<b>EBITDA Margin %</b>	<b>3.2%</b>	<b>3.0%</b>	<b>15 bps</b>
Depreciation	4	4	8%
Finance Cost	16	7	109%
<b>Profit before Tax</b>	<b>22</b>	<b>23</b>	<b>(7%)</b>
Tax	5	6	(7%)
<b>Profit after Tax</b>	<b>16</b>	<b>17</b>	<b>(7%)</b>
<b>PAT Margin %</b>	<b>1.2%</b>	<b>1.5%</b>	<b>(28 bps)</b>
<b>Basic EPS (in Rs.)</b>	<b>6.62</b>	<b>7.56</b>	<b>(12%)</b>

# Demerger Update

*Creating two distinct focused entities*



# Demerger to create two separate entities, focused on building materials marketplace and manufacturing respectively



Building Materials Marketplace  
(with its omnichannel presence) will be separated to create Shankara BuildPro Limited

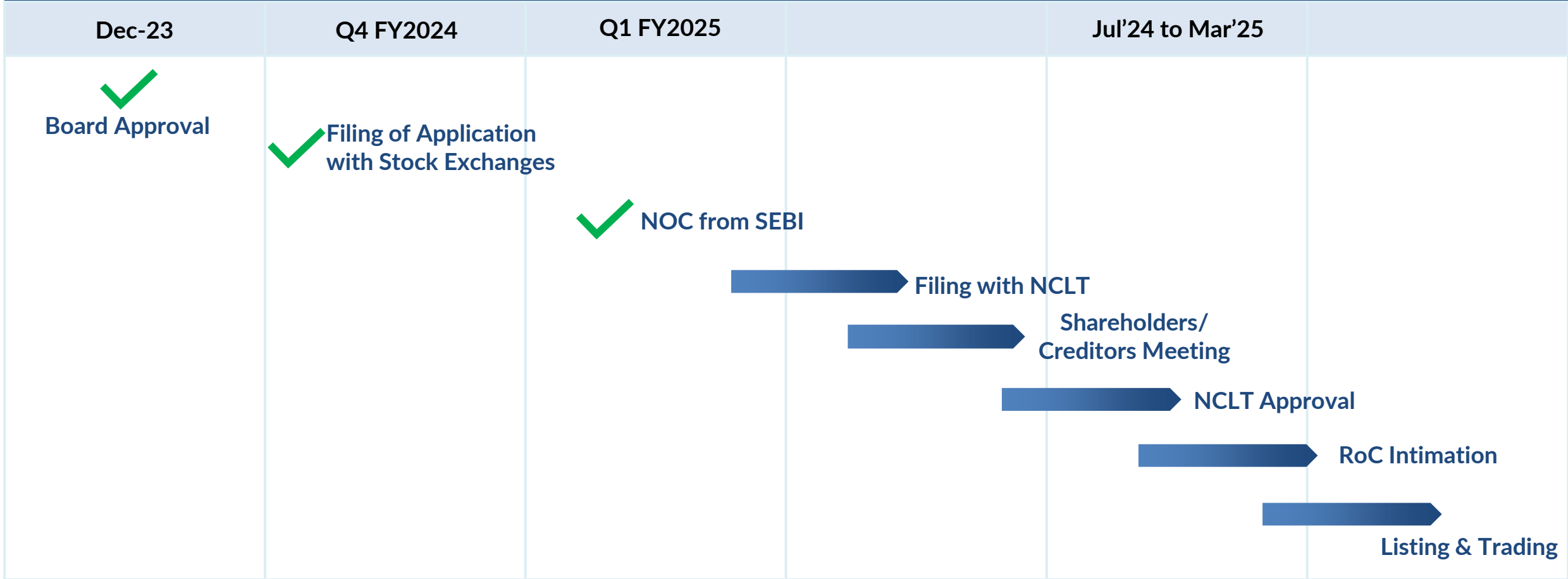


Post segregation, Shankara Building Products Ltd will be a focused listed entity for traditional Manufacturing business

Q1FY25	Building Materials Marketplace	Manufacturing	Total
Revenue	Rs. 1,178 Cr (Restated*: Rs. 956 Cr)	Rs. 335 Cr	Rs. 1,291 Cr
EBITDA	Rs. 37 Cr	Rs. 5 Cr	Rs. 41 Cr
PAT	Rs. 17 Cr	Rs. (0.6) Cr	Rs. 16 Cr

# Implementation timeline

## Estimated timeline for the demerger: 10-14 months from Board Approval date



Appointed date for the scheme implementation is April 1, 2024, subject to necessary approvals



# Thank You

Shankara Building Products Limited

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Mr. Alex Varghese, Chief Financial Officer

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