

25
years

Shankara
Building Products Ltd.



Q4 & FY21 Results

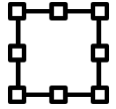
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Leading Building Material Retailer



Retail Space

0.45
mn sqft



Products

75+



SKUs

30,000+



States/UT

9 / 1

Mysore, Karnataka



Thiruvalla, Kerala



Nellore, Andhra Pradesh



Chennai, Tamil Nadu



Q4 & FY21 Financial Highlights



Revenue

Q4FY21	FY21
Rs. 642.3 Crs	Rs. 2,038.4 Crs



EBITDA

Q4FY21	FY21
Rs. 28.0 Crs	Rs. 77.2 Crs
4.4%	3.8%



PBT

Q4FY21	FY21
Rs. 15.7 Crs	Rs. 20.1 Crs
2.5%	1.0%



PAT

Q4FY21	FY21
Rs. 11.1 Crs	Rs. 13.8 Crs
1.8%	0.7%

Margins

Note – Q4FY21 and FY21 figures are not comparable with Q4FY20 and FY20 figures due to Covid-19 and lockdowns imposed during FY21 and the general impact of the pandemic

Q4 & FY21 Operational Highlights

Sequential Highlights

- The Company's consistent emphasis throughout 4 quarters on **keeping operating expenses under strict control** resulted in a positive operating leverage from loss of Rs.9.3 Crore in Q1 FY21
- Interest costs have seen a significant reduction since Q1 FY21 to Q4 FY21
- Collective efforts taken by the Company from Q1FY21 resulted in **sequential positive net profit** from loss of Rs 25.3 Crore in Q1 FY21
- Sequential Same store sales growth has seen good traction of 15%+ growth each quarter
- Same store sales growth stood at 16.96%* from Q4 FY20 to Q4 FY21

Financial year Highlights

- Total overhead costs have shown drastic reduction in FY21 as compared to FY20
- During FY21, the Company strategized towards **effective inventory rationalization & debt reduction** to further strengthen the balance sheet and cash flows that will help in future growth plans
- **For FY21 Company's operating cash flow position stood at Rs. 133 Crores**

*The growth is calculated on mature store outlets (Store count – 94)

Pickup across all segments

In Rs. Crs

Total Revenue



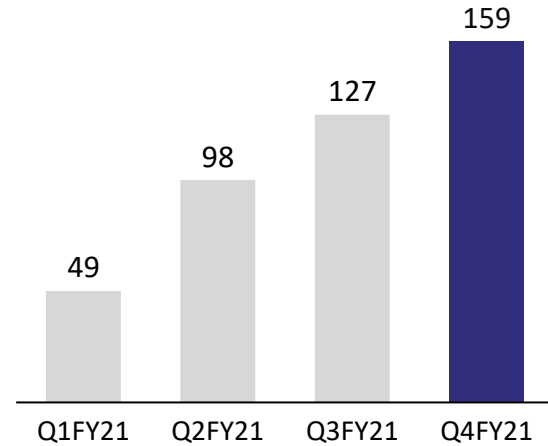
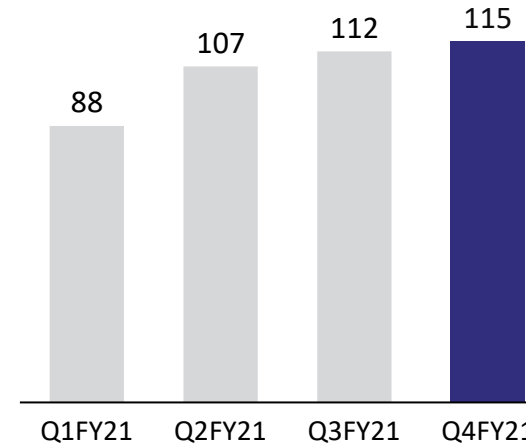
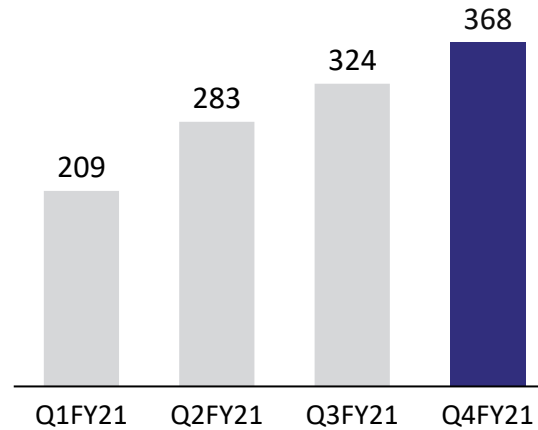
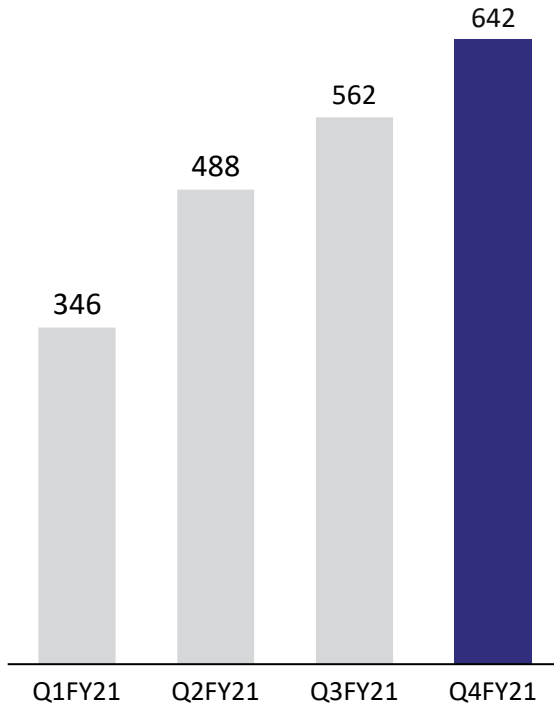
Retail



Channel



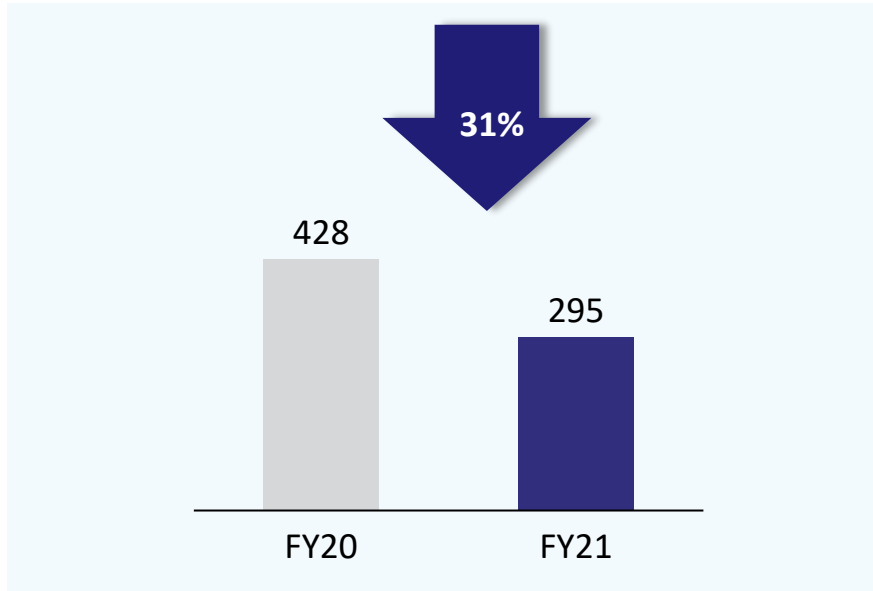
Enterprise



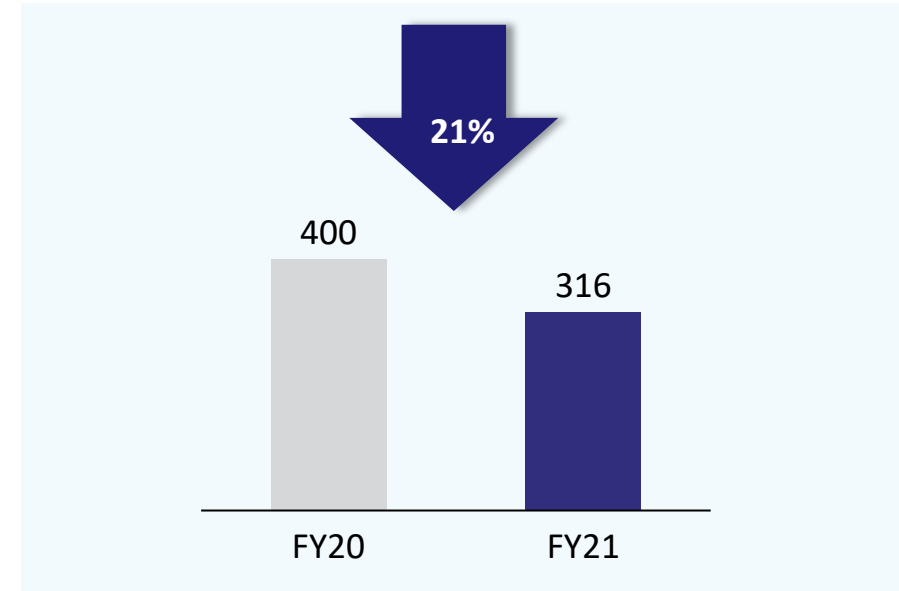
- **Retail Business Update:** The throughput from each store has increased substantially despite lesser no. of stores
- **Channel business Update:** Saw a positive growth primarily because of reasonable activity in the smaller towns and districts in many states. In this segment cash flow was consistent which was particularly useful in the pandemic year.
- **Enterprise business Update:** witnessed a good recovery in the auto segment in Q3 & and overall manufacturing activity had started picking up in the second half.

Strong Focus on Balance Sheet

Debtors (Rs. Crs)



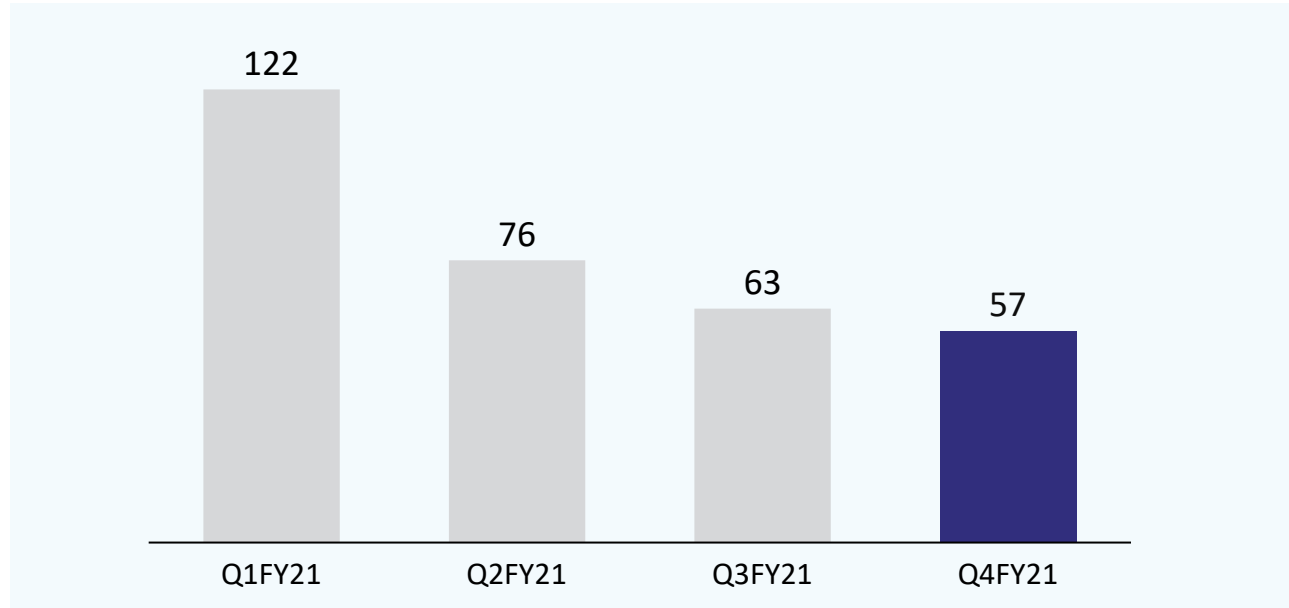
Inventory (Rs. Crs)



- During the financial year, with our continuous focus on balance sheet, we have been able to reduce Debtors by ~Rs. 133 Crs and Inventory by ~Rs. 84 crs as compared to March 2020
- Net debt + acceptances stands at Rs. 276 crores as on end of Mar 2021

Efficient Working Capital Management

Net working capital days

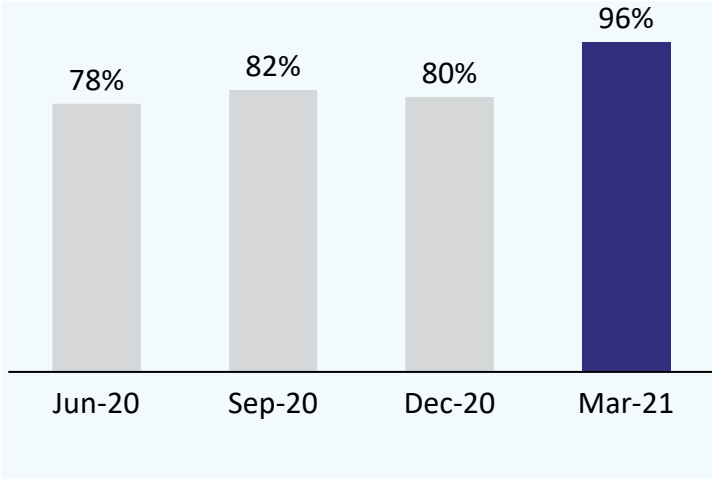


*FY21 Operating cash flow
stood strong at*

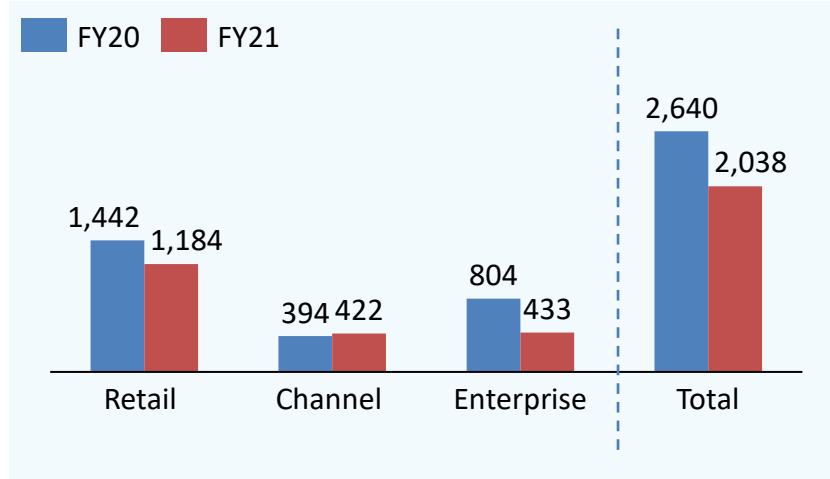
Rs. 133 Crs

- During FY21, the company focused on effectively rationalizing inventory levels & improve cash flows
- This has led to sequential increase in Net working capital and strong cash flow position

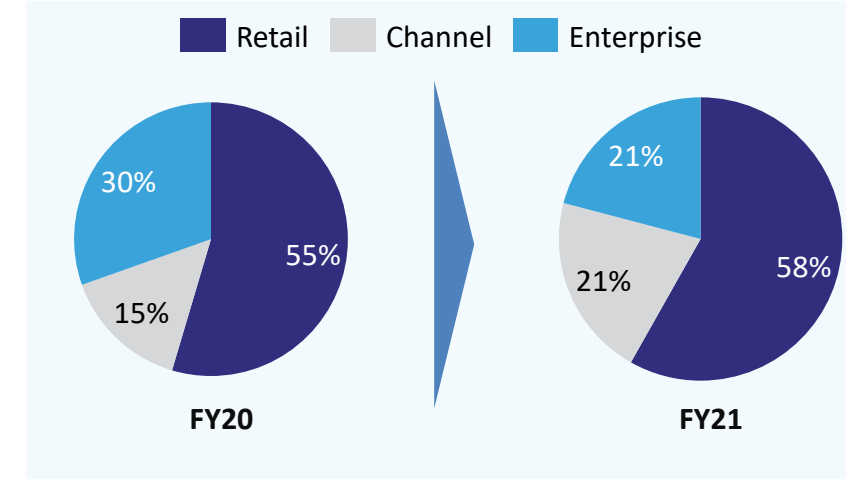
Revenue as a % of last year sales*



Revenue across Verticals (Rs. Crs)



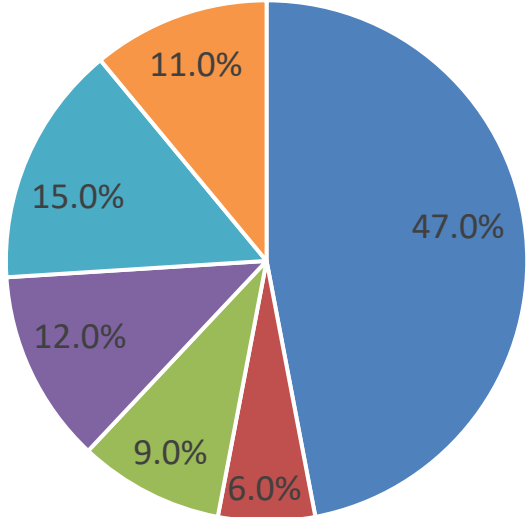
Revenue share across Verticals



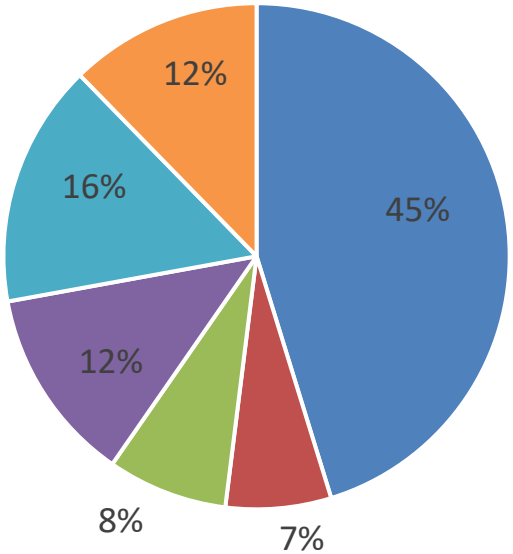
- Revenue for the quarter at ~96% of last year sales
- Tier 2 and 3 demand continued momentum
- Auto and end customer segment witnessed demand acceleration in H2
- Channel segment showed resilience

Revenue Break-up FY21

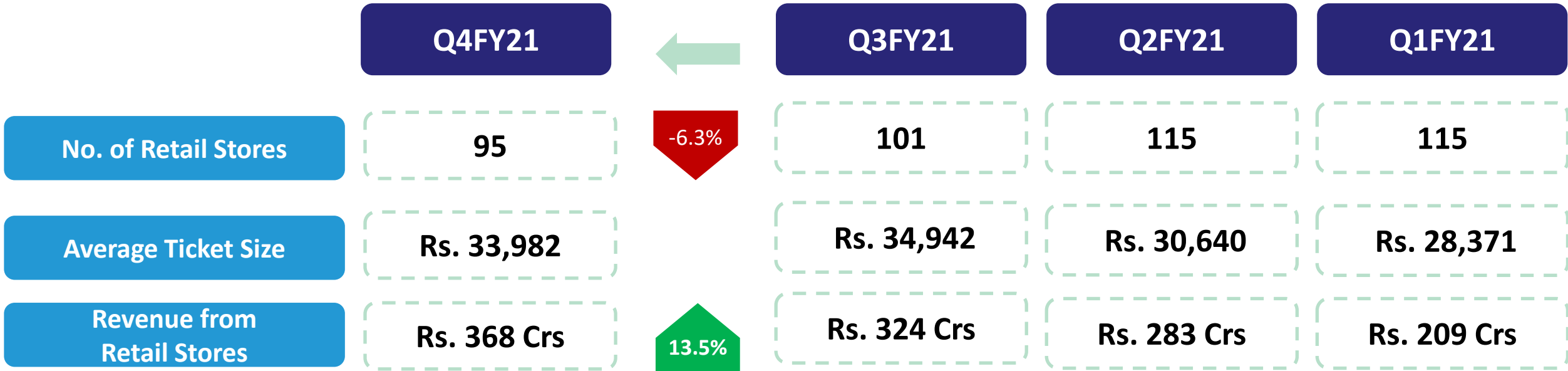
FY20
Revenue mix across States



FY21
Revenue mix across States



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



Revenue from retail stores substantially improved with gradual pickup in the demand. However, the revenue increase was despite lower store count

Period	No of stores	Revenue (in Rs. Crs)	Growth
Q1 FY21	95	190.6	
Q2 FY21	95	260.3	36.54%
Q3 FY21	95	306.1	17.61%
Q4 FY21	95	365.1	19.27%

Period	No of stores	Revenue (in Rs. Crs)	Growth
Q4-21	94	362.7	16.96%*
Q4-20	94	310.1	

*The growth is calculated on mature store outlets (Store count – 94)

Key Highlights – Retail Business

Particulars	Units	Q4FY21	Q3FY21	Q2FY21	Q1FY21
No of retail stores	Nos.	95	101	115	115
Total Area	Sq. Ft	447,904	471,264	520,576	520,576
Average Store size	Sq. Ft	4,715	4,666	4,527	4,527
Average Ticket size	Rs.	33,982	34,942	30,640	28,371
Revenue from retail stores	Rs. in Crs	368	324	283	209
Average rental cost per Sq. Ft. per month	Rs.	15.48	16.65	15.93	15.90

Significant savings in rental costs achieved

Consolidated Income Statement

Particulars (Rs. in Crs)	Q4FY21	Q3FY21	Q2FY21	Q1FY21	FY21	FY20
Total Income	642.3	562.1	487.9	346.1	2,038.4	2,639.7
Other Income	1.5	2.2	1.6	1	6.2	5
Raw Material	591.9	504.3	448.5	340	1,884.6	2,398.2
Employee Expenses	10.4	8.7	8.3	7.3	34.7	53.6
Other Expenses	13.4	13	12.5	9.2	48.1	70.9
EBITDA	28	38.4	20.1	-9.3	77.2	122.1
EBITDA %	4.40%	6.80%	4.10%	-2.70%	3.80%	4.60%
Depreciation	4.9	5.7	6.65	6.7	24	25.4
Finance Cost	7.4	8.2	8.04	9.5	33.1	43.3
Profit before Tax	15.7	24.4	5.42	-25.5	20.1	53.4
Extraordinary Expenses	-	-	-	-	-	(2.3)
Tax	4.7	2.6	-0.83	-0.2	6.3	11.2
Profit After Tax	11	21.8	6.25	-25.3	13.8	39.9
Profit After Tax (%)	1.70%	3.90%	1.30%	-7.30%	0.70%	1.51%

Consolidated Balance Sheet

Particulars (Rs. in Crs)	Mar-21	Mar-20
Total Equity	521.7	507.5
Equity Share Capital	22.8	22.8
Other Equity	498.9	484.6
Non-current liabilities	60.4	43.6
Financial Liabilities		
(i) Borrowings	37.8	0.9
(ii) Lease Liabilities	16.6	35.4
(iii) Other Financial Liabilities	0.1	0.1
Provisions		0.2
Deferred Tax Liabilities (Net)	5.9	6.9
Current liabilities	343.7	623.5
Financial Liabilities		
(i) Borrowings	113.0	238.1
(ii) Trade Payables	205.6	360.3
(iii) Lease Liabilities	0.9	2.3
(iv) Other Financial Liabilities	8.7	12.6
Provisions	0.4	1.9
Current Tax Liabilities (Net)	3.9	1.9
Other Current Liabilities	11.3	6.4
Total Liabilities	925.8	1174.6

Particulars (Rs. Mn)	Mar-21	Mar-20
Non-current assets	274.0	299.4
Property, Plant and Equipment	219.5	223.0
Investment Property	8.6	8.7
Capital Work in Progress	2.4	0.2
Right of use Assets	14.0	33.8
Goodwill on Consolidation	14.0	14.0
Intangible Assets		2.9
Financial Assets		
(i) Trade Receivables	3.8	3.8
(ii) Loans	9.4	11.2
Other non-current assets	2.3	1.9
Current assets	651.8	875.2
Inventories	316.1	400.4
Financial Assets		
(i) Trade receivables	295.1	428.5
(ii) Cash and cash equivalents	10.9	13.5
(iii) Bank balances other than above	4.3	7.3
(iv) Others financial assets	1.0	2.8
Other Current Assets	24.4	21.7
Current Assets Net	0.0	0.9
Non Current Assets held for sale		
Total Assets	925.8	1174.6

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