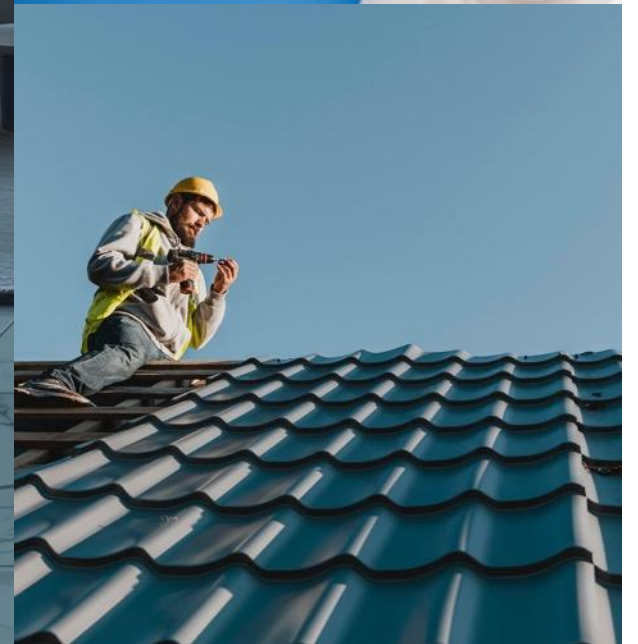
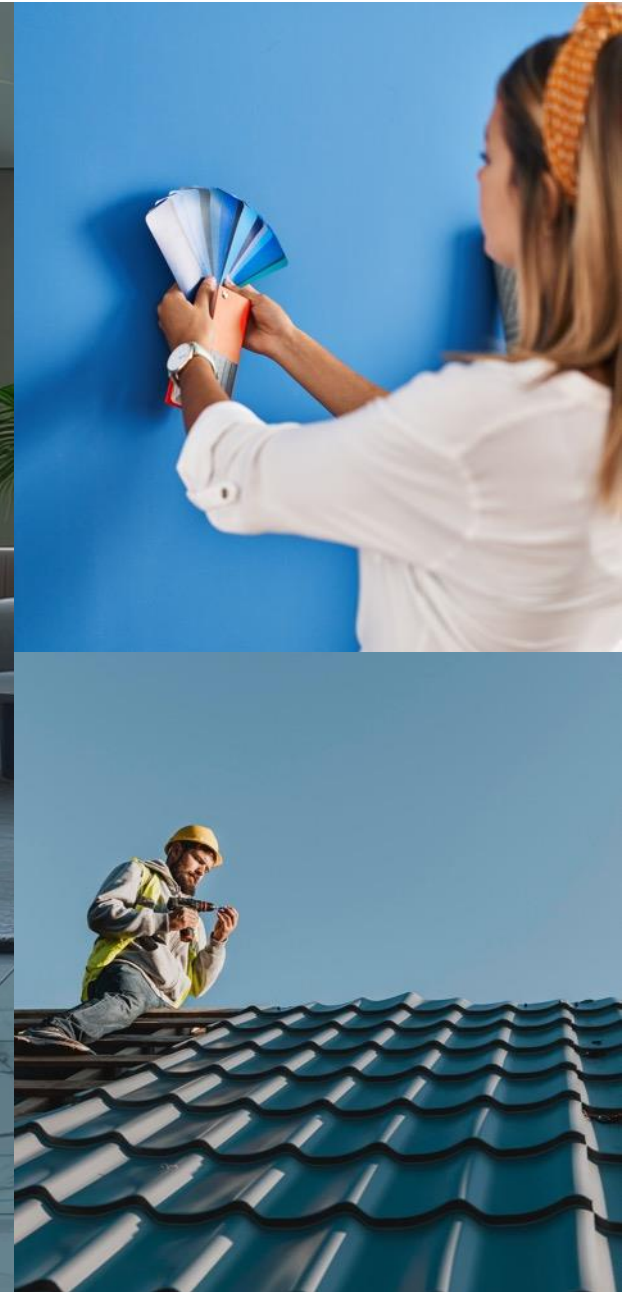


SHANKARA BUILDING PRODUCTS LIMITED

Q3FY25
INVESTOR PRESENTATION

NSE: SHANKARA
BSE: 540425
BLOOMBERG: SHANKARA:IN



1

Q3 & 9MFY25 RESULTS

03-12



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COMPANY OVERVIEW

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3

STRATEGIC DIRECTION

20-23

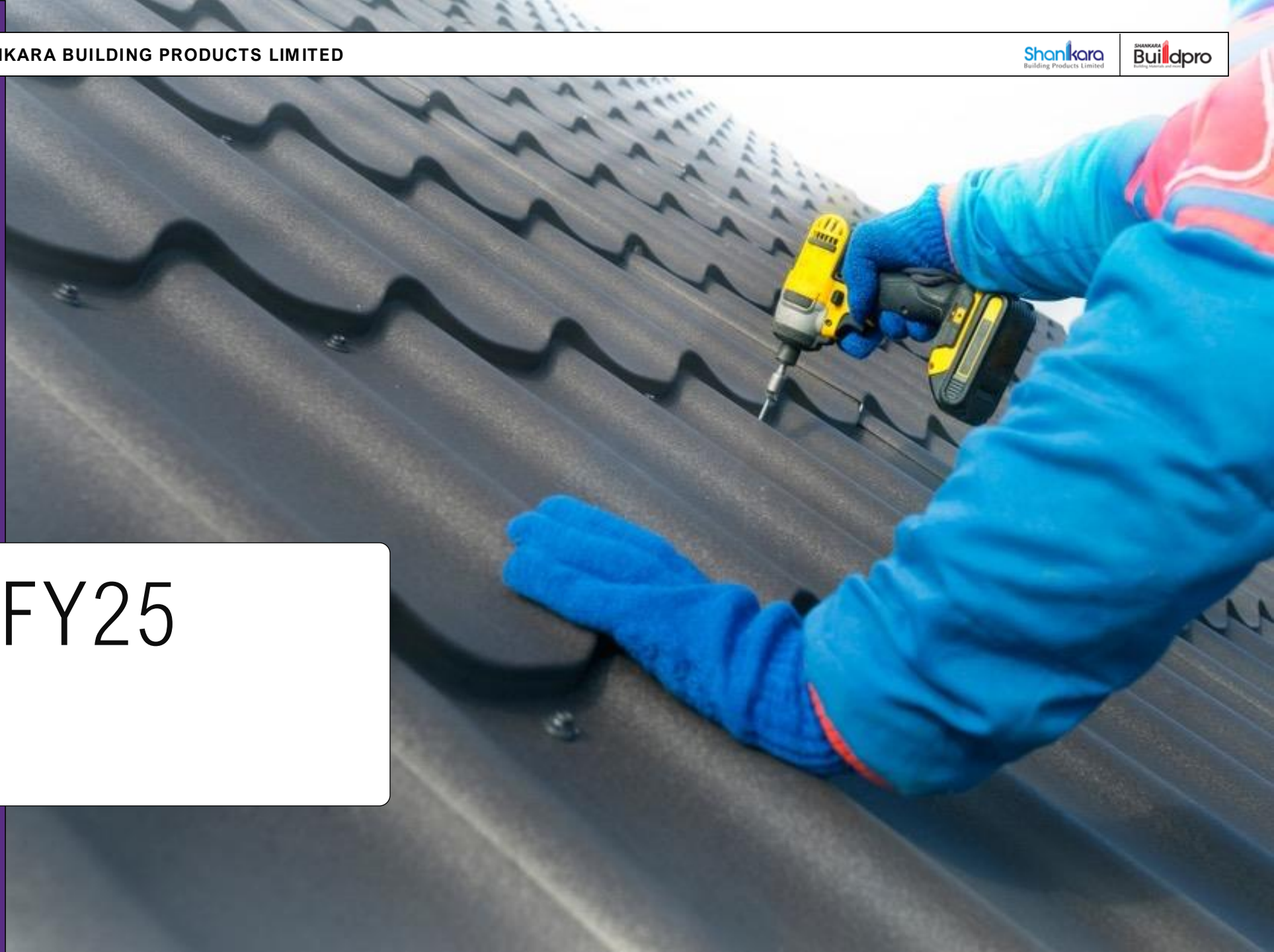


Evolving Revenue Mix	21
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1

Q3 & 9MFY25 RESULTS

04-12



Q3 & 9M AT A GLANCE

OPERATIONAL HIGHLIGHTS

2.15 Lakh Tonne

HIGHEST QUARTERLY VOLUMES – STEEL

37%

Q3 VOLUME GROWTH (YOY) - STEEL

27%

9M VOLUME GROWTH (YOY) - STEEL

₹1,284 Crore

HIGHEST QUARTERLY SALES – STEEL

22%

Q3 REVENUE GROWTH (YOY) – STEEL

16%

9M REVENUE GROWTH (YOY) – STEEL

₹154 Crore

HIGHEST QUARTERLY SALES – NON-STEEL

19%

Q3 REVENUE GROWTH (YOY) – NON-STEEL

29%

9M REVENUE GROWTH (YOY) – NON-STEEL

FINANCIAL HIGHLIGHTS

22%

Q3 TOPLINE GROWTH (YOY)

18%

9M TOPLINE GROWTH (YOY)

2.84%

Q3 EBITDA MARGIN

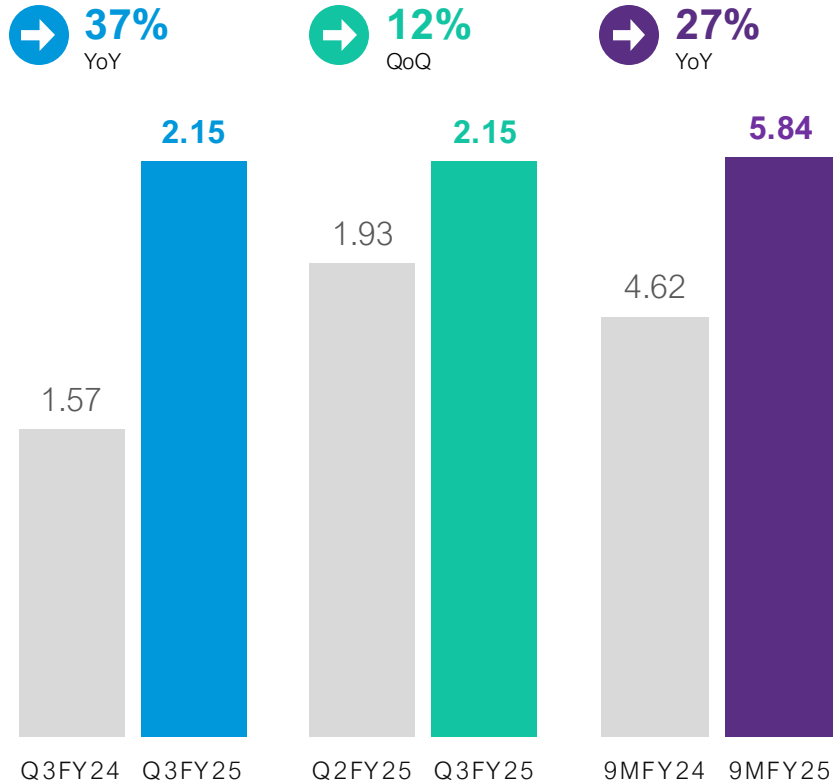
2.95%

9M EBITDA MARGIN

VOLUME THRUST CONTINUES IN STEEL MARKETPLACE

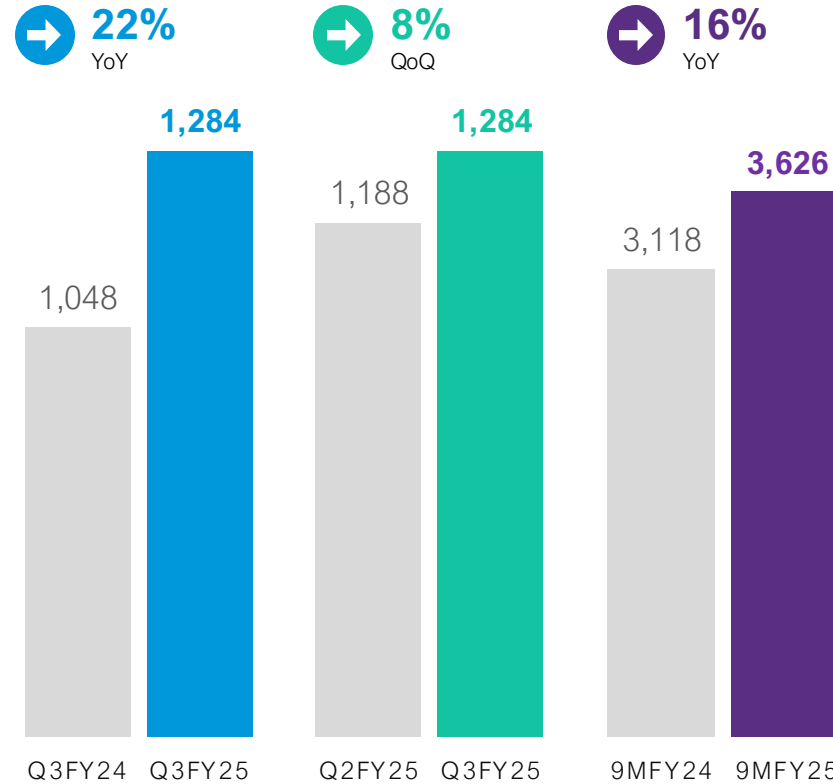
Volumes - Steel

(IN LAKH TONNE)



Revenue - Steel

(IN ₹ CRORE)



Continuing to deliver robust volume growth in Q3 & 9M

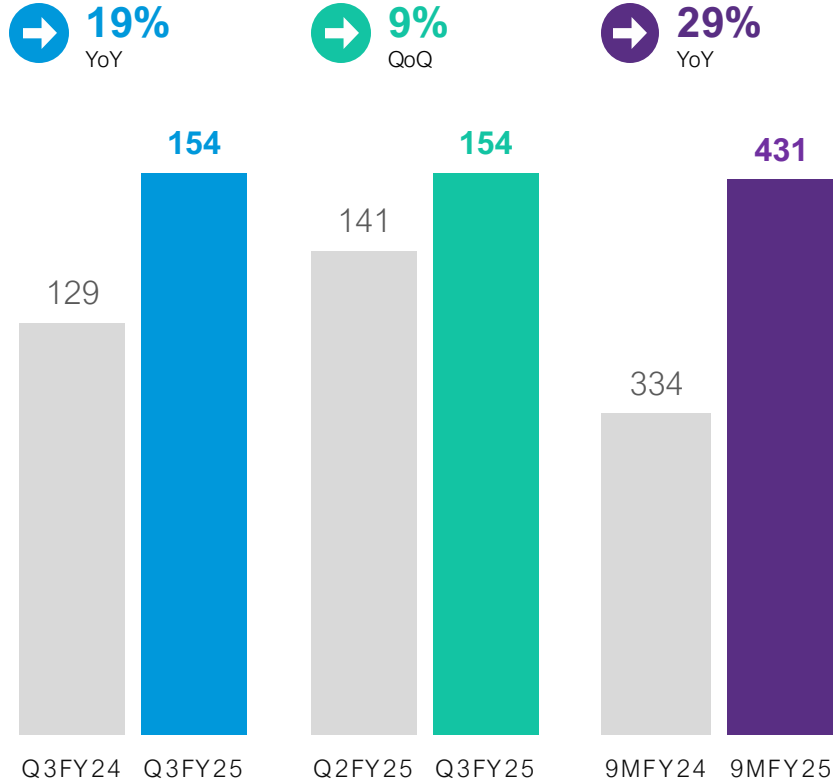
Q3 & 9M revenue growth partially offset by drop in realizations in Q2 & Q3

Steel Volume target of 0.8 MT for FY25

GROWING RUN RATE IN NON-STEEL MARKETPLACE

Revenue – Non-Steel

(IN ₹ CRORE)



Delivered robust revenue growth in Q3 & 9M

Growth despite tepid building materials & macro environment

Leading sub-categories: Plumbing, Fittings & Sanitaryware and Tiles continue to do well

Emerging categories such as Electrical, Lighting & Paints doing well



QUARTERLY **UPDATES**

STRATEGIC UPDATES

On-track to achieve
0.8 million tonnes
steel volume in FY25

Aiming **1.0 million tonnes** steel volume in FY26

2 quarters of back-to-back reduction in finance cost

Good growth in steel categories such as:

- Pipes & Tubes
- Flats

Good growth in non-steel categories such as:

- CP & Sanitaryware
- Tiles
- PVC Pipes & Fittings

Good growth rate coming in from
Non-Retail channel in West & Central India

Continuing growth in **Retail & Non-Retail across South-India**

Launched Quartz sinks in Fotia brand

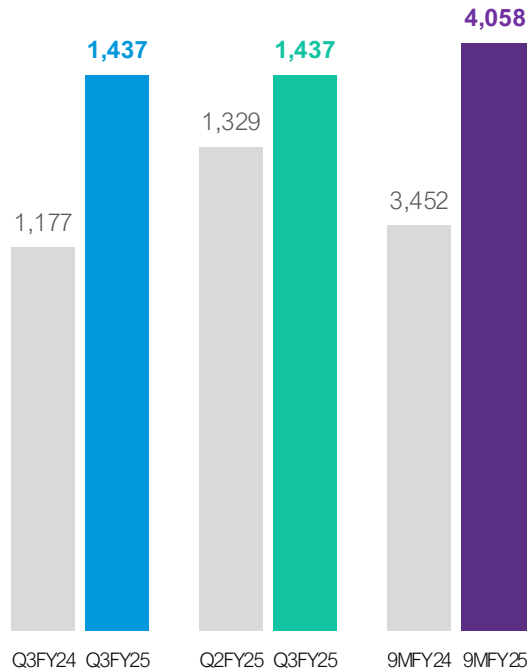
Expanding footprint of Fotia to cover all southern states

Distribution of JSW & AM/NS portfolio for Karnataka & beyond

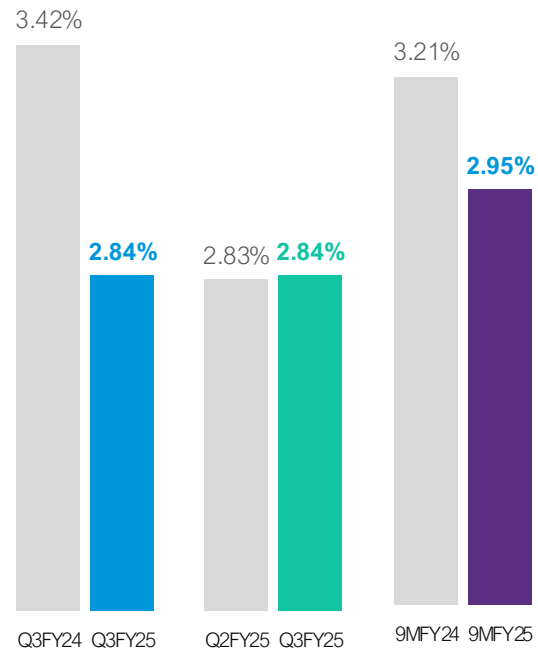
Strengthening strategic partnerships with our key suppliers

Q3 & 9M PERFORMANCE

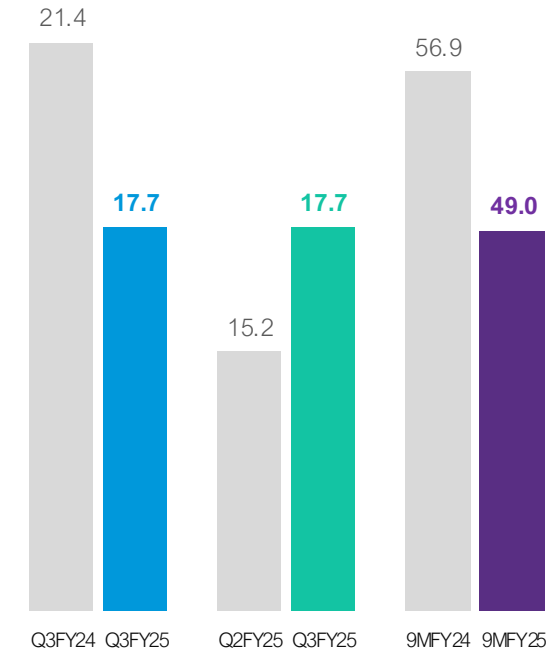
Revenue (IN ₹ CRORE)



EBITDA (IN %)



PAT (IN ₹ CRORE)



Revenue growth partially offset by drop in steel prices

EBITDA margins impacted by inventory losses on account of drop in steel realizations

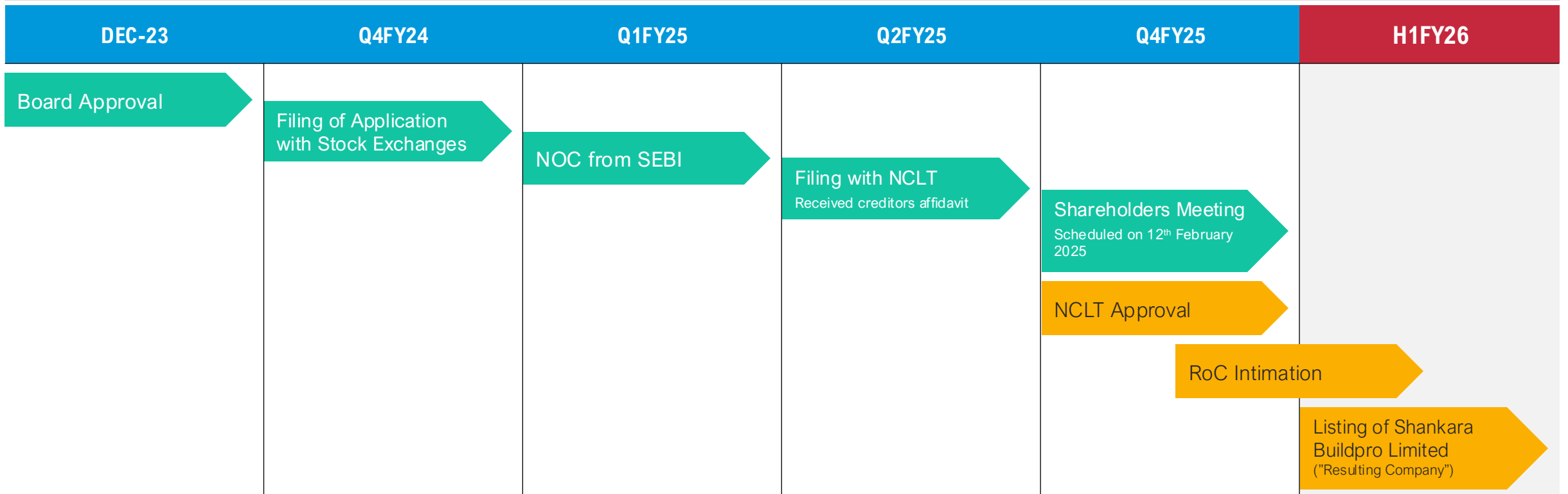
CONSOLIDATED P&L STATEMENT

PARTICULARS (₹ CRORE)	Q3 FY24	Q2 FY25	Q3 FY25	CHANGE YOY	9M FY24	9M FY25	CHANGE YOY
Revenue from Operations	1,177	1,329	1,437	22%	3,452	4,058	18%
Other Income	2	1	1	(65%)	3	2	(24%)
Cost of Materials Consumed	1,108	1,256	1,360	23%	3,254	3,832	18%
Employee Expenses	14	16	16	14%	41	47	16%
Other Expenses	17	21	20	23%	49	61	22%
EBITDA	40	38	41	2%	111	120	8%
EBITDA Margin %	3.42%	2.83%	2.84%	(58 bps)	3.21%	2.95%	(26 bps)
Depreciation	4	4	4	3%	12	13	5%
Finance Cost	8	13	12	54%	23	41	76%
Profit before Tax	28	20	25	(13%)	76	66	(12%)
Tax	7	5	7	(1%)	19	18	(8%)
Profit after Tax	21	15	18	(17%)	57	49	(14%)
PAT Margin %	1.82%	1.14%	1.23%	(59 bps)	1.65%	1.21%	(44 bps)
Basic EPS (in ₹)	9.06	6.26	7.30	(17%)	24.62	20.18	(17%)

Note – All figures have been rounded-off

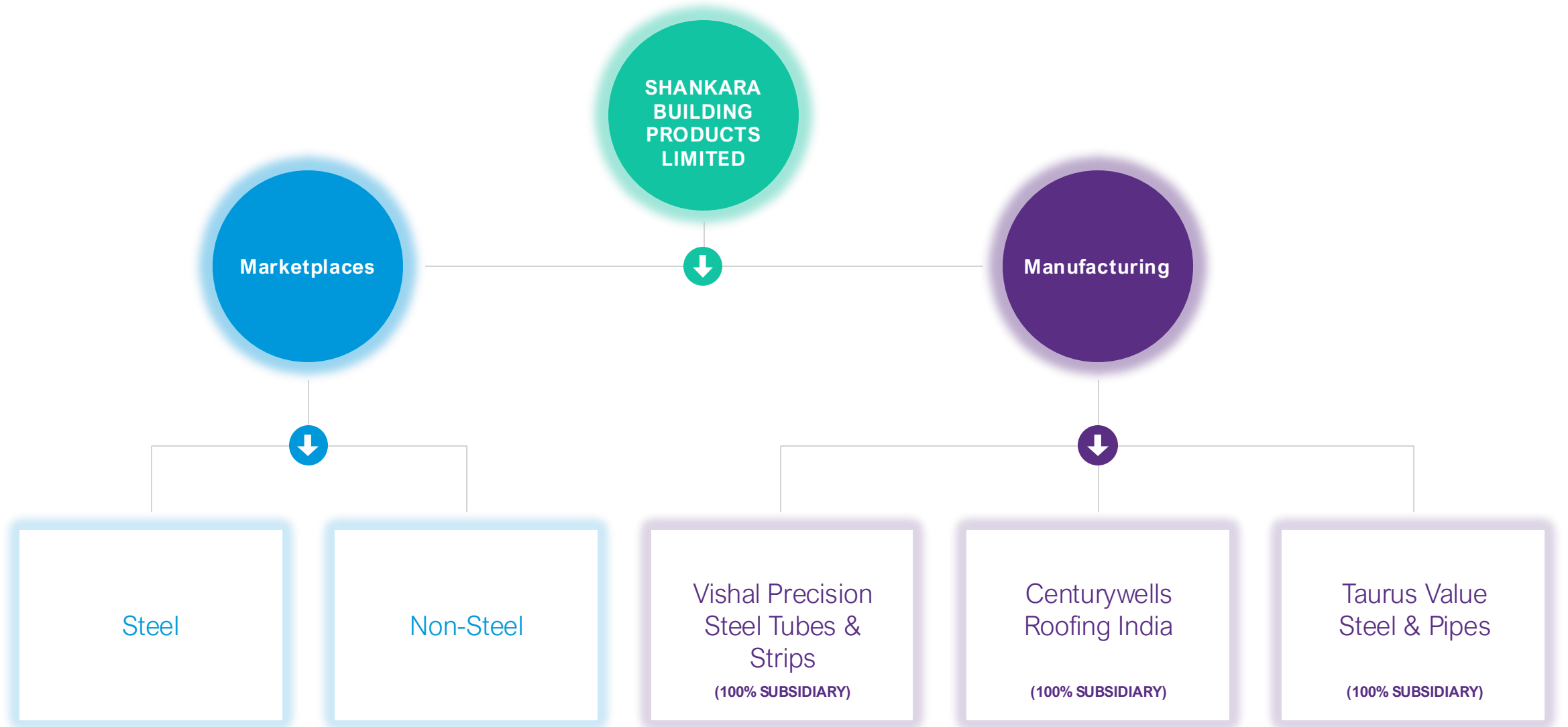
DEMERGER IMPLEMENTATION TIMELINE

Demerger Implementation Schedule



Appointed date for the scheme implementation is April 1, 2024

CURRENT CORPORATE STRUCTURE



POST-DEMERGER **CORPORATE STRUCTURE**

Already Listed



Entire manufacturing operations:

- Colour-coated roofing products
- Tubes & cold rolled strip

ALL EXISTING SUBSIDIARIES TO BE RETAINED IN SBPL

- Capital Employed (9MFY25): **~₹485 Cr**
- Revenue (9MFY25): **₹1,036 Cr**
- EBITDA (9MFY25): **₹16 Cr**
- RoCE: **~3%**

To pursue operational re-structuring & improve margins with a dedicated team

To Be Listed



Entire marketplace business:

- Retail & Non-Retail
- Steel & Non-Steel

SIMPLIFIED CORPORATE STRUCTURE FOR SBL

- Capital Employed (9MFY25): **~₹449 Cr**
- Revenue (9MFY25): **₹3,707 Cr**
- EBITDA (9MFY25): **₹104 Cr**
- RoCE: **~29%**

Continue to deliver growth in marketplace business:

- Pursue 20-25% volume growth in steel product segment
- Pursue 25-30% revenue growth in non-steel product segments

Objectives of Demerger

1.

Two distinct entities as per the nature of operations & capital-intensity

2.

Create a dedicated building materials marketplace business with a leaner balance sheet & healthy RoCE



2

COMPANY OVERVIEW

14-19



SHANKARA AT A GLANCE

126

92 OPERATIONAL STORES & 34 FULFILMENT CENTER

4.7+

LAKH SQ.FT. OF RETAIL SPACE

India's leading **building materials marketplace**

One stop-solution for all building materials



Demerging marketplaces business to unlock value

24%

3Y* VOLUME CAGR in core steel product segment

Building **margin-assertive non-steel** business

52%

3Y* REVENUE CAGR in supplementing non-steel product segment

SHANKARA FOOTPRINT



Strategy

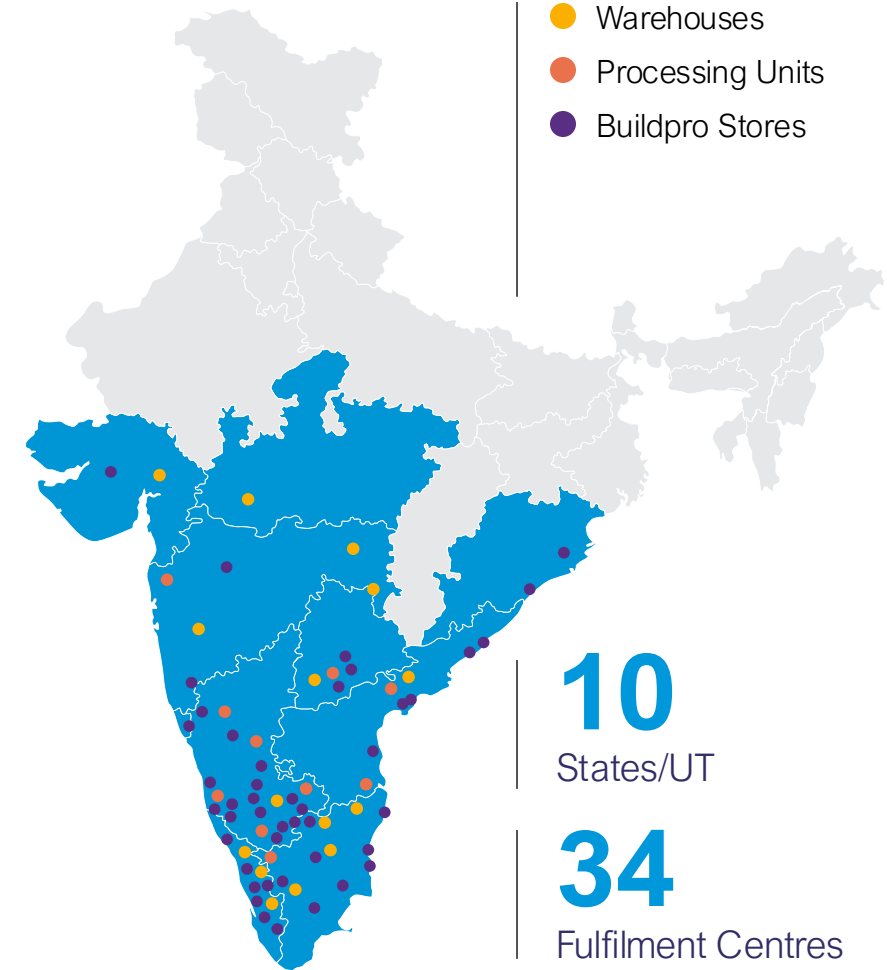
South-India stronghold: Karnataka, Tamil Nadu, Kerala, Telangana, Andhra Pradesh, Pondicherry & Goa

New markets: Maharashtra, Madhya Pradesh, Gujarat

Important supply-chain infrastructure in each micro-market: Fulfilment Centres & Warehouses

Cluster-based distribution approach

Prioritizing quick order fulfilment



- Warehouses
- Processing Units
- Buildpro Stores

10
States/UT

34
Fulfilment Centres

92
Stores

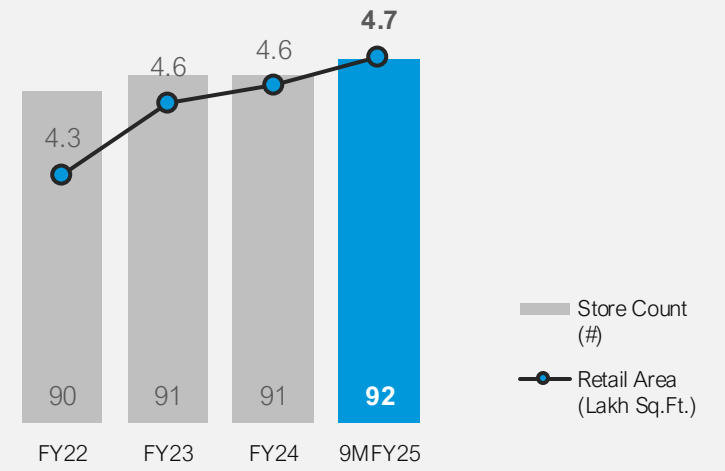
45
Cities

Note: Map only for illustration purpose, not to scale

KEY STORES



STORE FOOTPRINT



- Prioritizing stores in potential areas over increasing cumulative store count
- Gradual addition in net store-count
- In the past 2 years, 10 unprofitable stores have been replaced with newer ones in different locations
- **Concentrating on improving SSSG (15% SSSG in 9MFY25)**
- Transitioning potential existing steel stores to hybrid stores
- Dedicated non-steel stores as needed

DIVERSIFIED PRODUCT PROFILE

Steel

Pipes & Tubes



ERW Pipes



HR/MS Tubes



Galvanized Steel Pipes

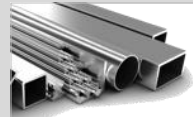


Hollow Structural Sections



Mechanical Tubing

Long



MS Angle



MS Square Rod



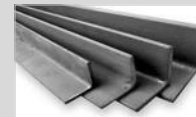
MS Round Rod



Long S



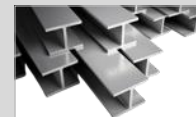
MS Channel



MS Angle



MS Beams



MS Beams & NPB

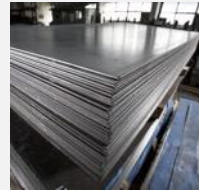


Long MS Channel Steel Tube

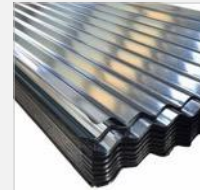


Long MS Round Rod

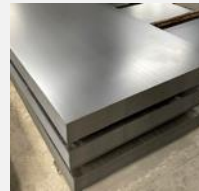
Flat



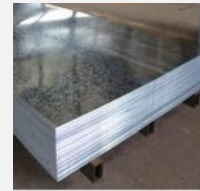
MS Sheet



GC Sheet



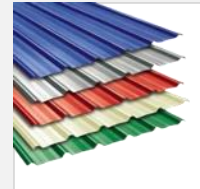
CR Sheet



GP Sheet



HRPO Sheet



PPGI & PPGL Sheet

1 Lakh+ SKU's across 75 product categories

Non-Steel



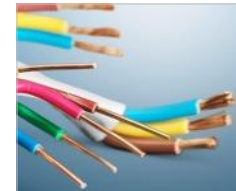
CP & Sanitaryware



Tiles & Surfaces



PVC Pipes & Fittings



Electrical & Lightings



Kitchen, Doors & Hardware



Plumbing



Interior & Exterior Finishes



Construction Materials

KEY SUPPLIER PARTNERSHIPS

Steel

Plumbing & Fittings

Tiles & Surfaces

<h3>Paints, Chemicals, and Adhesives</h3>	

Lighting & Electricals

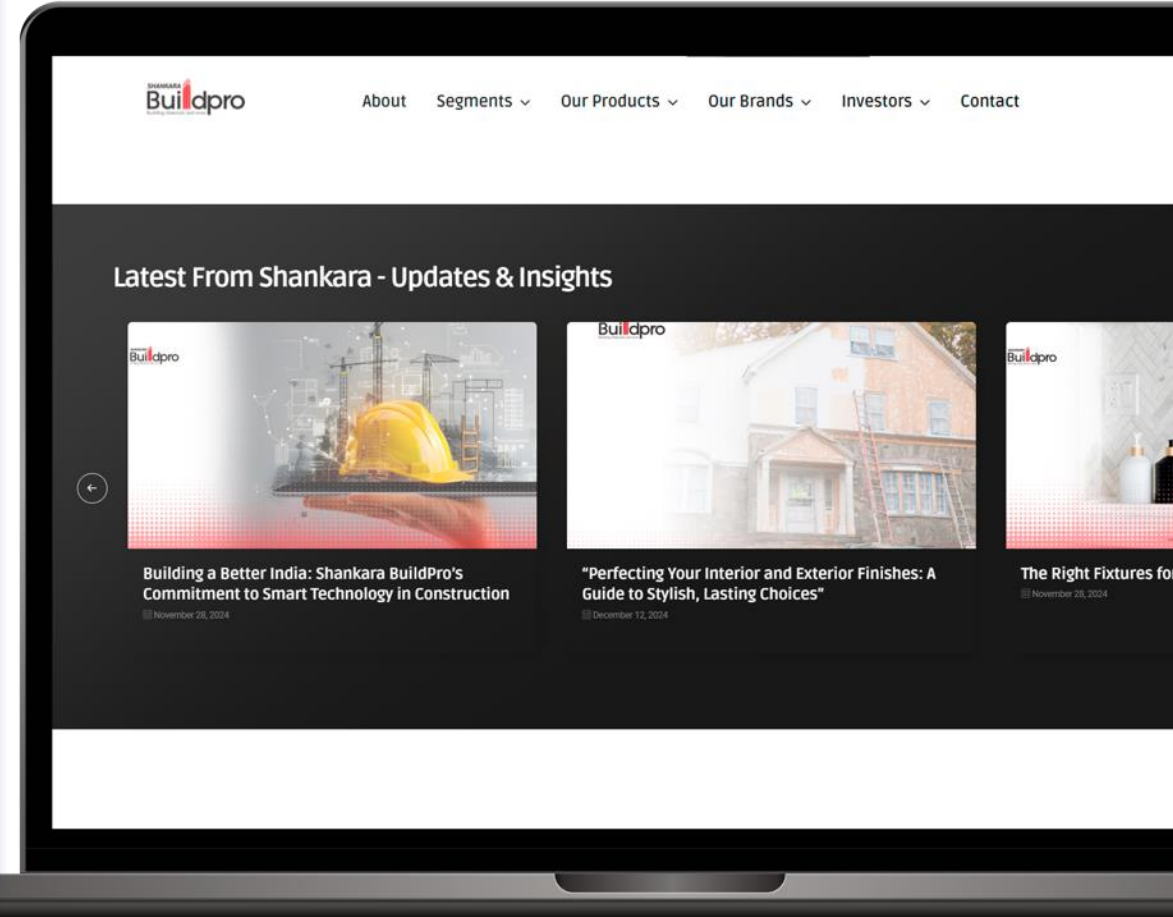
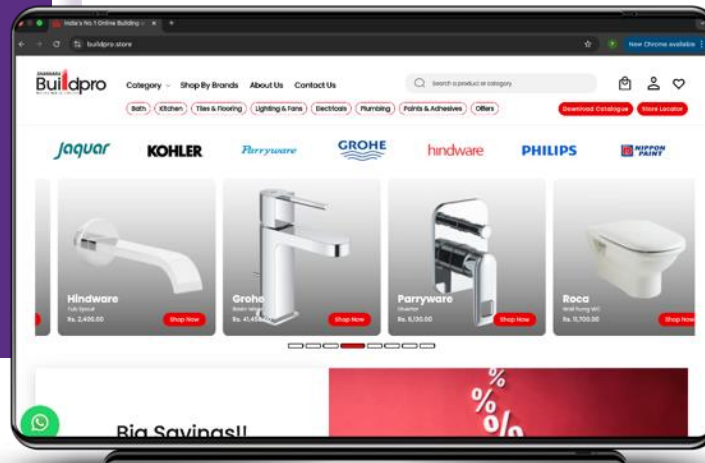
100+
Brands

BUILDPRO.STORE

Shankara's online e-com presence offering thrust to offline channels

Objective to touch-base with customers across different channels and ultimately drive store footfalls

Buildpro.store enabling online discovery and purchase, a true online store



3

STRATEGIC DIRECTION

21-23



EVOLVING REVENUE MIX

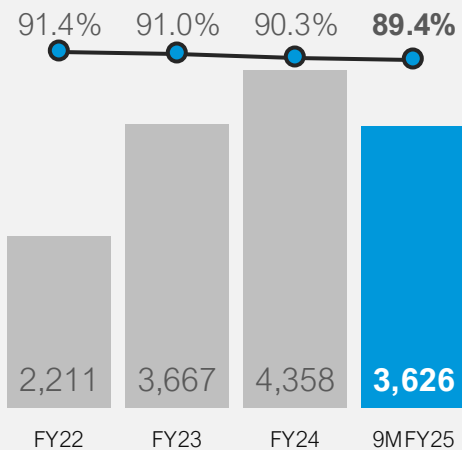
Product Categories: Steel & Non-Steel

- Consistent volume driven growth in steel business
- Growth in YTD-FY25 partially offset by lower steel realizations, volume growth intact

- Building non-steel marketplace business from scratch, with higher growth CAGR
- Better margin profile in non-steel portfolio over steel portfolio

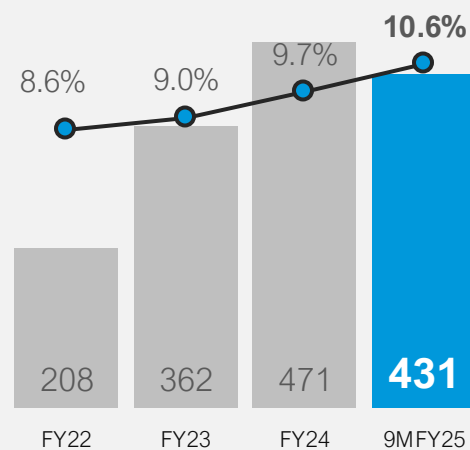
Steel Turnover

(IN ₹ CRORE & REVENUE-MIX %)



Non-Steel Turnover

(IN ₹ CRORE & REVENUE-MIX %)

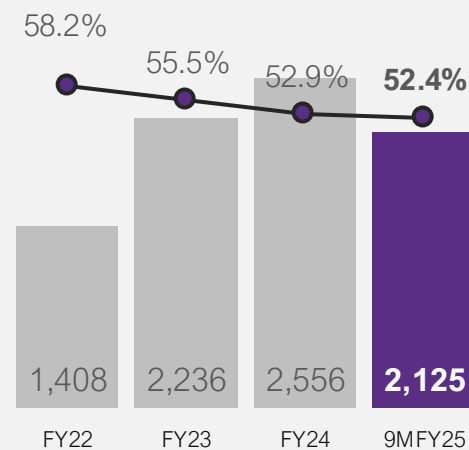


Verticals: Retail & Non-Retail

- Non-Retail growth rate higher than Retail in last few years due to Non-Retail-led market entry into West & Central India markets
- South India Retail & Non-Retail revenue mix intact
- Focusing on omni-channel strategy with intention of delivering higher volume growth
- Pursuing growth on all fronts

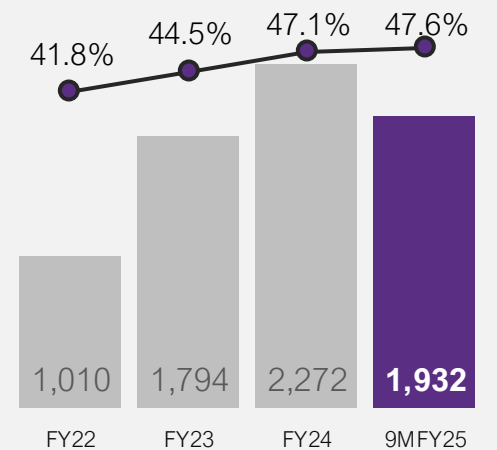
Retail Turnover

(IN ₹ CRORE & REVENUE-MIX %)



Non-Retail Turnover

(IN ₹ CRORE & REVENUE-MIX %)



GROWTH STRATEGIES: MARKETPLACES

Continued thrust on steel volumes

Addition of Flats portfolio, earlier business predominately Longs driven

Addition of SKU's, Brands/Suppliers and Geographies

Targeting large volumes through a mix of multiple-channels (retail, channel, and enterprise)



Building non-steel business

Build on initial success in Fittings, Sanitaryware & Tiles

Pursue other categories such as Electricals, Lighting and Paints

Convert potential existing stores to hybrid stores (18 hybrid stores & 13 dedicated non-steel stores so far)



New Opportunities

Building on brand "Fotia" in Non-Steel verticals

Dedicated experience centres in select markets

Co-branded product launches



Desired Growth

Resulting in:

Top line growth

Diversified business profile

Gradually improving margin profile

GROWTH STRATEGIES: **MANUFACTURING**



A dedicated management team to lead the business

Optimize margin profile

Attain higher overall capacity utilization (~50% currently)

Selective CAPEX to strengthen business profile

Pursuing its independent growth strategies

FOR MORE INFORMATION CONTACT US

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