

# SHANKARA BUILDING PRODUCTS LIMITED

**Q4FY25**  
INVESTOR PRESENTATION

NSE: SHANKARA  
BSE: 540425  
BLOOMBERG: SHANKARA:IN



## 1

Q4 & FY25  
RESULTS

03-13



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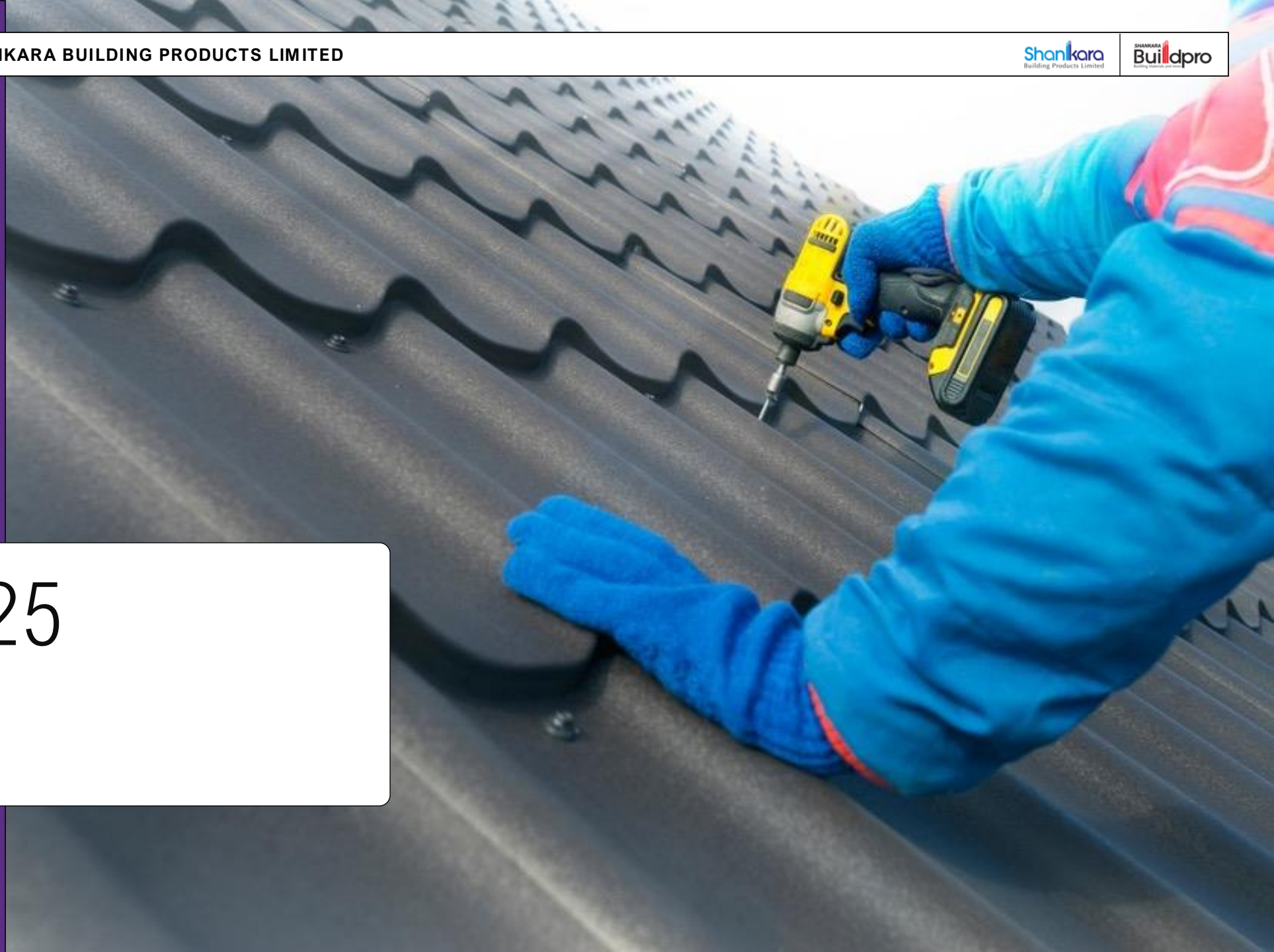
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## 1

Q4 & FY25  
RESULTS

04-13



# Q4 & FY25

## HIGHEST-EVER PERFORMANCE

### OPERATIONAL HIGHLIGHTS

#### Q4FY25

**2.58** Lakh Tonne

HIGHEST VOLUMES – STEEL

**33%**

Q4 VOLUME GROWTH  
(YOY) – STEEL

**₹1,475** Crore

HIGHEST SALES – STEEL

**19%**

Q4 REVENUE GROWTH  
(YOY) – STEEL

**₹164** Crore

HIGHEST SALES – NON-STEEL

**20%**

Q4 REVENUE GROWTH  
(YOY) – NON-STEEL

**₹1,639** Crore

HIGHEST SALES

**19%**

Q4 REVENUE

#### FY25 ANNUAL

**8.43** Lakh Tonne

HIGHEST VOLUMES – STEEL

**29%**

FY25 VOLUME GROWTH  
(YOY) – STEEL

**₹5,101** Crore

HIGHEST SALES – STEEL

**17%**

FY25 REVENUE GROWTH  
(YOY) – STEEL

**₹595** Crore

HIGHEST SALES – NON-STEEL

**26%**

FY25 REVENUE GROWTH  
(YOY) – NON-STEEL

**₹5,697** Crore

HIGHEST SALES

**18%**

FY25 REVENUE

### FINANCIAL HIGHLIGHTS

**3.20%**

Q4 EBITDA MARGIN

**3.02%**

FY25 EBITDA MARGIN

# QUARTERLY & ANNUAL UPDATES

STRATEGIC UPDATES

Exceeded **0.8 million tonne steel volume** target of FY25 by 5%

Aiming **1.0+ million tonne steel volume** in FY26

Healthy **Cash Flow from Operations of ₹90 Crore** (pre-tax) on account of healthy growth

**Robust PAT growth** in Q4, up 61% QoQ and 17% YoY

Good volume growth in steel categories such as:
 

- Pipes & Tubes**
- Flats**
- Roofing**

Good growth in non-steel categories such as:
 

- CP & Sanitaryware**
- PVC Pipes & Fittings**

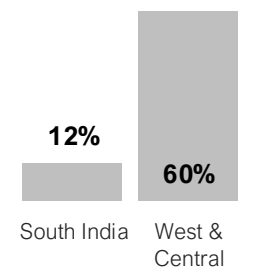
**Working capital at 30 days** in FY25, vs 31 days in FY24

Strengthening strategic relationship with our key business partners



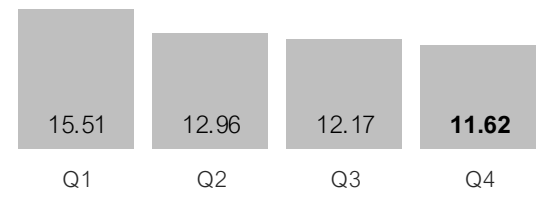
Continuing growth in **Retail & Non-Retail across South-India** in all key markets

Good growth rate coming in from **Non-Retail channel in West & Central India** like Maharashtra, Gujarat, Madhya Pradesh



| Region         | Annual Growth Rate |
|----------------|--------------------|
| South India    | 12%                |
| West & Central | 60%                |

**3 quarters of back-to-back reduction in finance cost**, despite growing scale

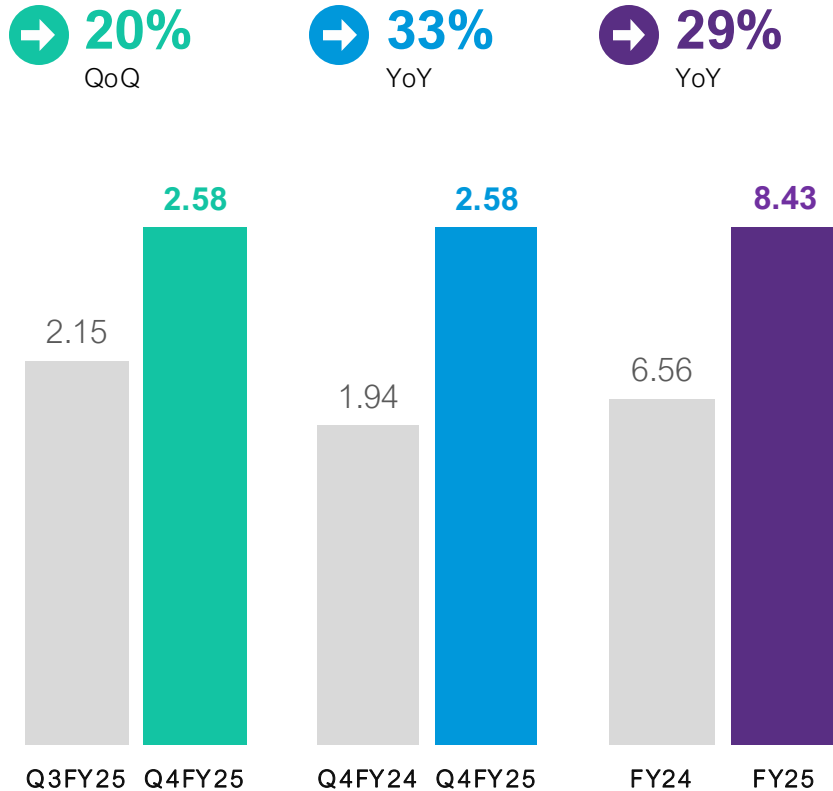
Interest Cost Reduction
 

| Quarter | Interest Cost Reduction |
|---------|-------------------------|
| Q1      | 15.51                   |
| Q2      | 12.96                   |
| Q3      | 12.17                   |
| Q4      | 11.62                   |

# VOLUME THRUST CONTINUES IN STEEL MARKETPLACE

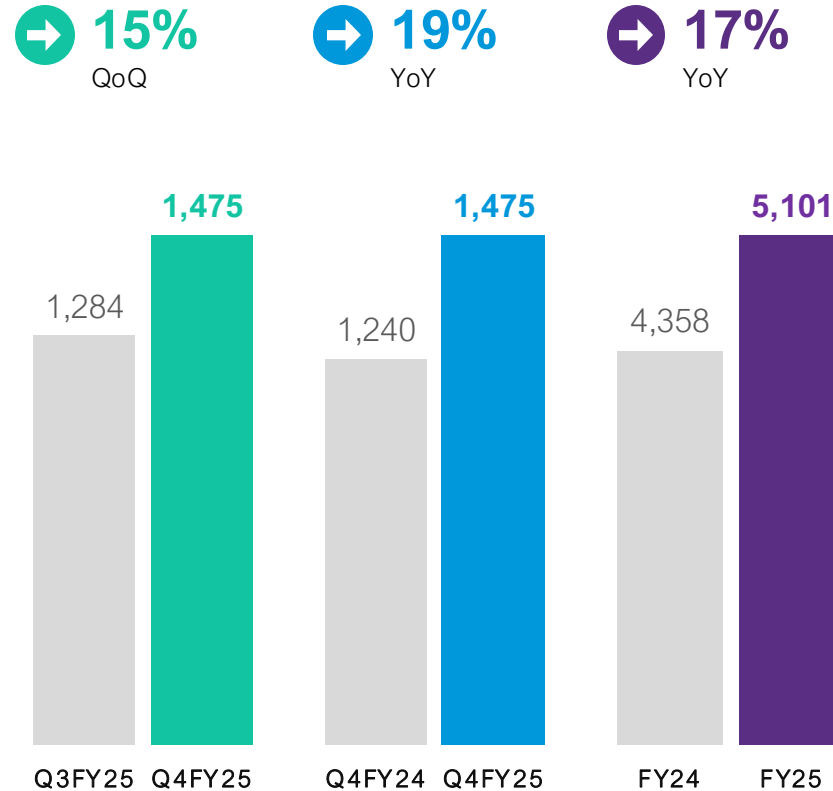
## Volumes - Steel

(IN LAKH TONNE)



## Revenue - Steel

(IN ₹ CRORE)



**Robust volume growth**  
in Q4 & FY25

Steel Volume target of  
**0.8 MT surpassed for  
FY25**

# IMPROVING GROWTH RATES

## STEEL MARKETPLACE

### Volumes – Steel

(IN LAKH TONNE)



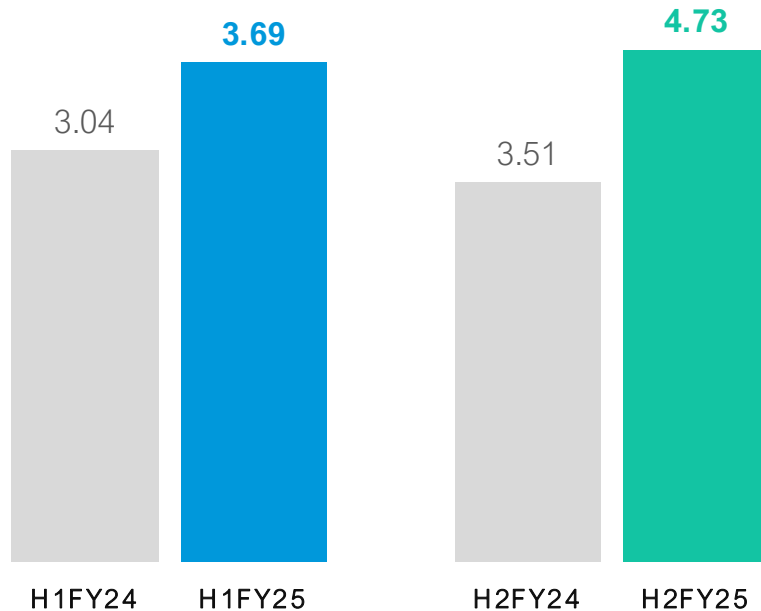
21%

YoY



35%

YoY



Volume growth rate has accelerated in second-half of FY25

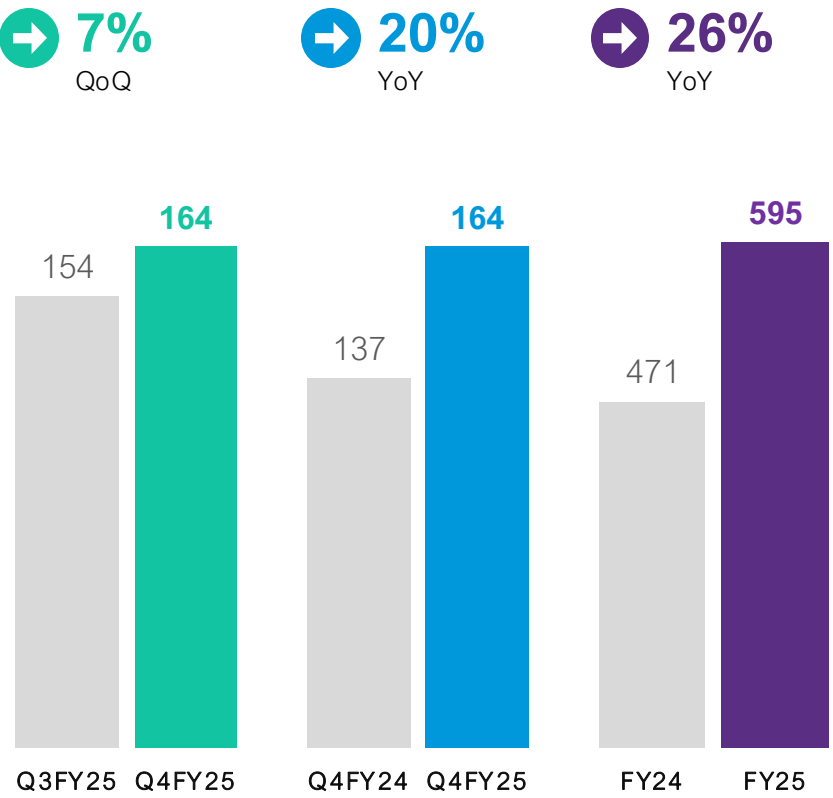
Growth rate in H2FY25 stood at 35%, higher than the 21% growth rate in H1FY25





# GROWING RUN RATE IN NON-STEEL MARKETPLACE

Revenue – Non-Steel (IN ₹ CRORE)

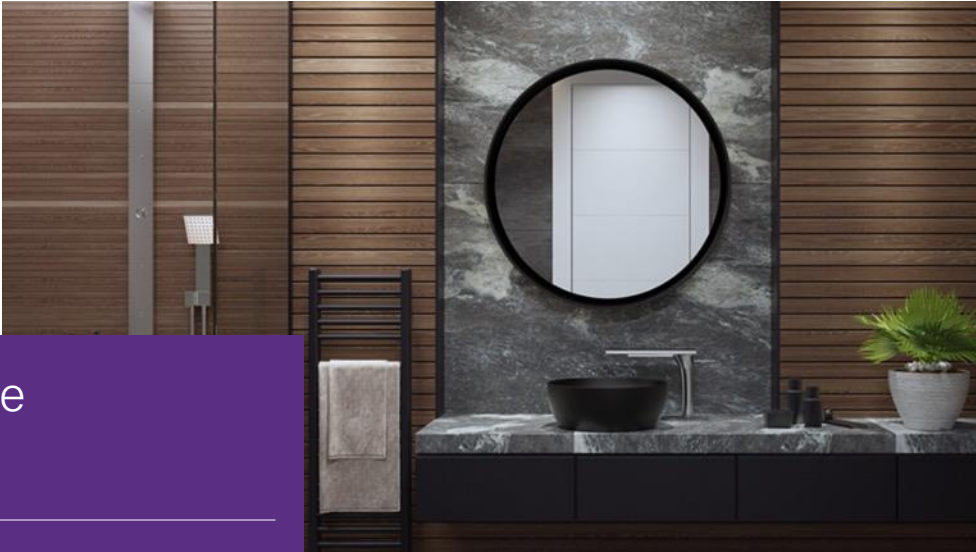


Delivered healthy revenue growth in Q4 & FY25

Growth despite continued-tepid building materials & macro environment

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

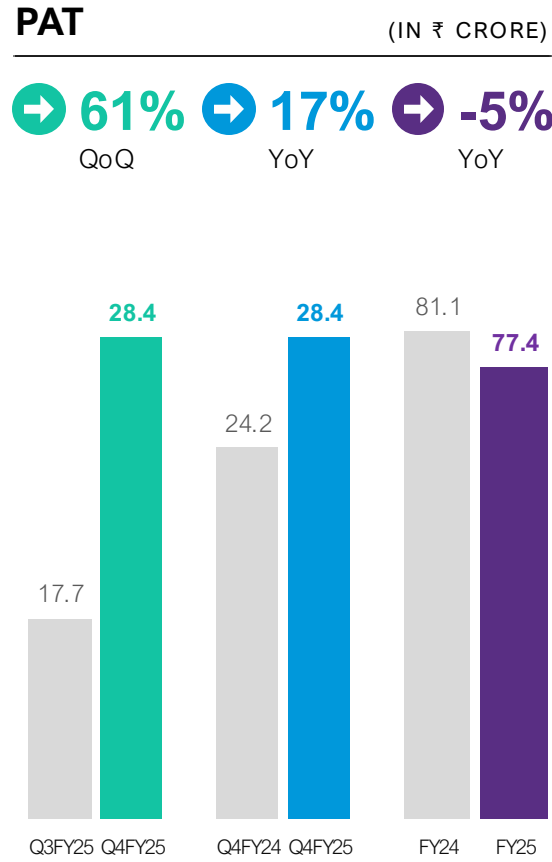
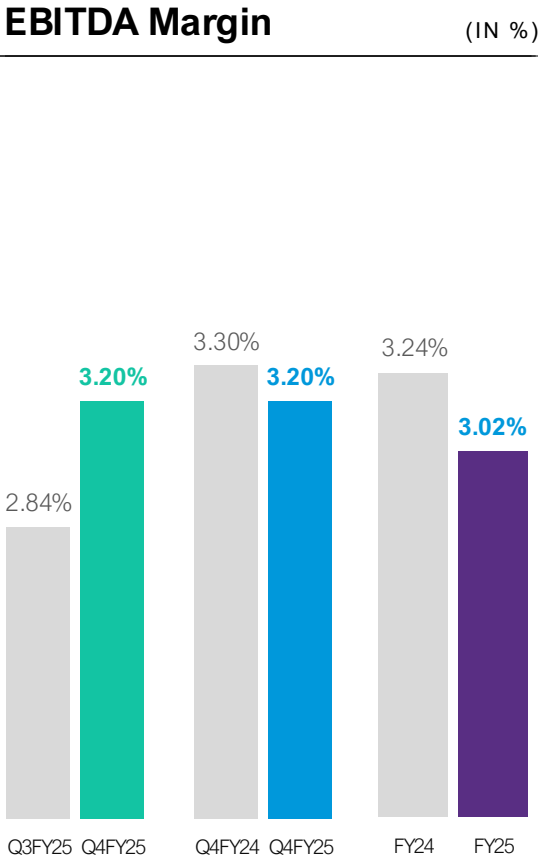
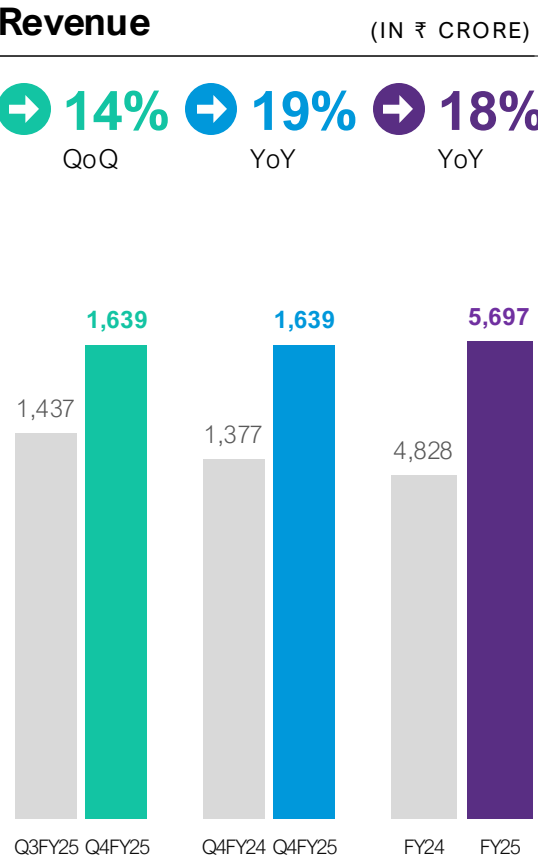
Emerging categories such as Electrical, Lighting & Paints doing well





Q4 & FY25

PERFORMANCE



Revenue growth impacted due to decline in steel prices (~11% decline) despite 29% growth in volume

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

Inventory losses eased in Q4, thus leading to better margins

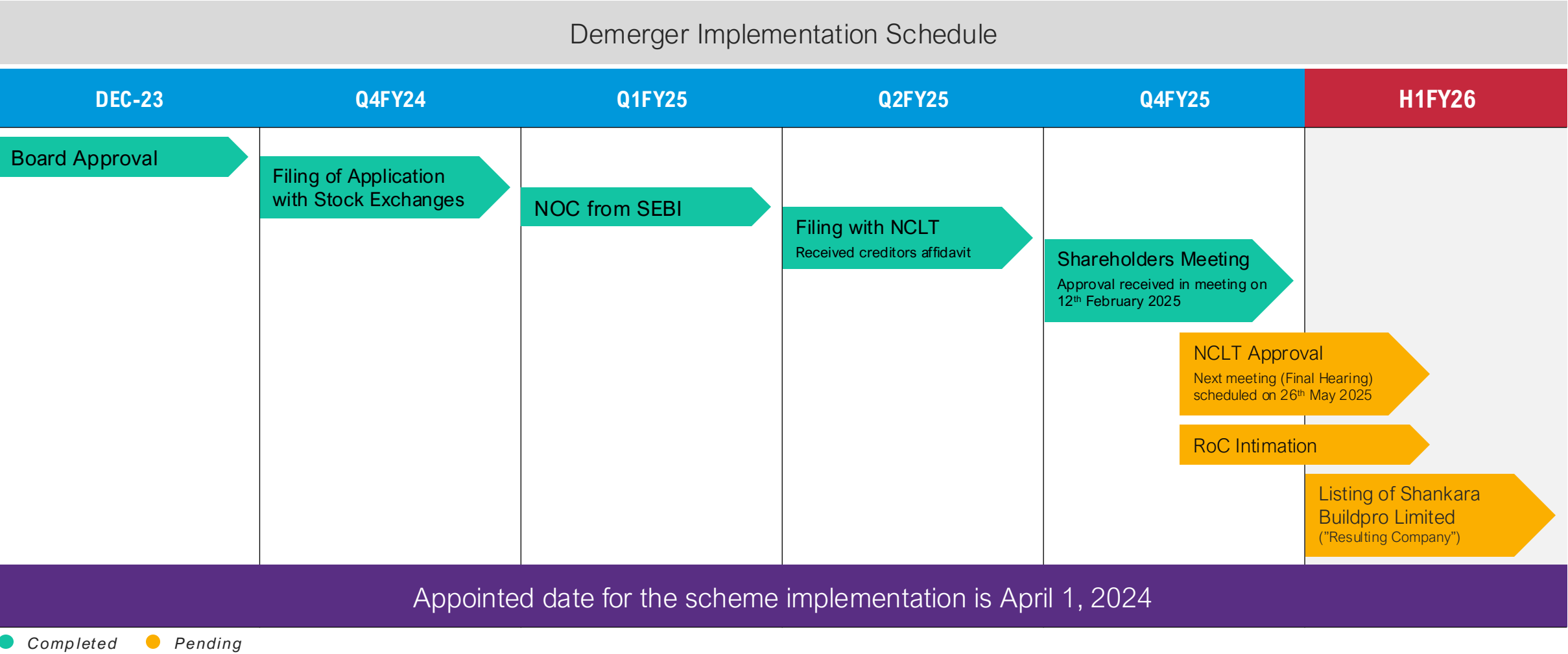
# CONSOLIDATED P&L STATEMENT

| PARTICULARS (₹ CRORE)          | Q4 FY24      | Q3 FY25      | Q4 FY25      | CHANGE YOY      | FY24         | FY25         | CHANGE YOY      |
|--------------------------------|--------------|--------------|--------------|-----------------|--------------|--------------|-----------------|
| <b>Revenue from Operations</b> | <b>1,377</b> | <b>1,437</b> | <b>1,639</b> | <b>19%</b>      | <b>4,828</b> | <b>5,697</b> | <b>18%</b>      |
| Other Income                   | 2            | 1            | 1            | (54%)           | 5            | 3            | (38%)           |
| Cost of Materials Consumed     | 1,298        | 1,360        | 1,547        | 19%             | 4,552        | 5,379        | 18%             |
| Employee Expenses              | 13           | 15           | 14           | 7%              | 52           | 58           | 12%             |
| Other Expenses                 | 22           | 22           | 27           | 24%             | 73           | 91           | 24%             |
| <b>EBITDA</b>                  | <b>45</b>    | <b>41</b>    | <b>52</b>    | <b>16%</b>      | <b>156</b>   | <b>172</b>   | <b>10%</b>      |
| <b>EBITDA Margin %</b>         | <b>3.30%</b> | <b>2.84%</b> | <b>3.20%</b> | <b>(10 bps)</b> | <b>3.24%</b> | <b>3.02%</b> | <b>(22 bps)</b> |
| Depreciation                   | 4            | 4            | 4            | 3%              | 16           | 17           | 5%              |
| Finance Cost                   | 9            | 12           | 12           | 25%             | 32           | 52           | 62%             |
| Profit before Tax              | 32           | 24           | 37           | 14%             | 108          | 103          | (4%)            |
| Tax                            | 8            | 7            | 8            | 5%              | 27           | 26           | (4%)            |
| <b>Profit after Tax</b>        | <b>24</b>    | <b>18</b>    | <b>28</b>    | <b>17%</b>      | <b>81</b>    | <b>77</b>    | <b>(5%)</b>     |
| <b>PAT Margin %</b>            | <b>1.76%</b> | <b>1.23%</b> | <b>1.73%</b> | <b>(2 bps)</b>  | <b>1.68%</b> | <b>1.36%</b> | <b>(32 bps)</b> |
| <b>Basic EPS (in ₹)</b>        | <b>9.98</b>  | <b>7.27</b>  | <b>11.72</b> | <b>17%</b>      | <b>33.45</b> | <b>31.91</b> | <b>(5%)</b>     |

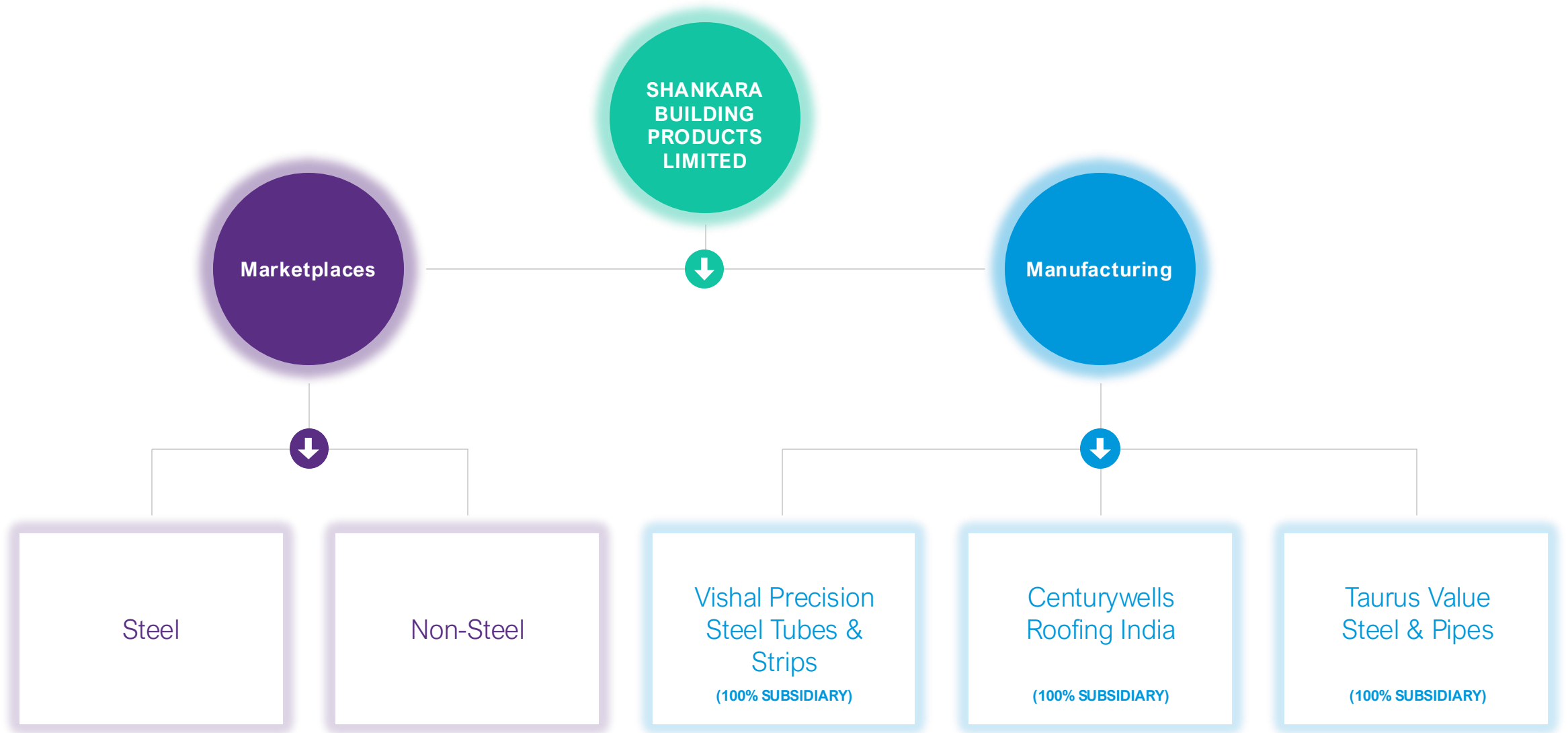
Note – All figures have been rounded-off

DEMERGER IMPLEMENTATION

TIMELINE



# 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 (FY25): ~₹463 Cr
- Revenue (FY25): ₹1,362 Cr
- EBITDA (FY25): ₹20 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 (FY25): ~₹486 Cr
- Revenue (FY25): ₹5,267 Cr
- EBITDA (FY25): ₹152 Cr
- RoCE: ~30%

### 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.

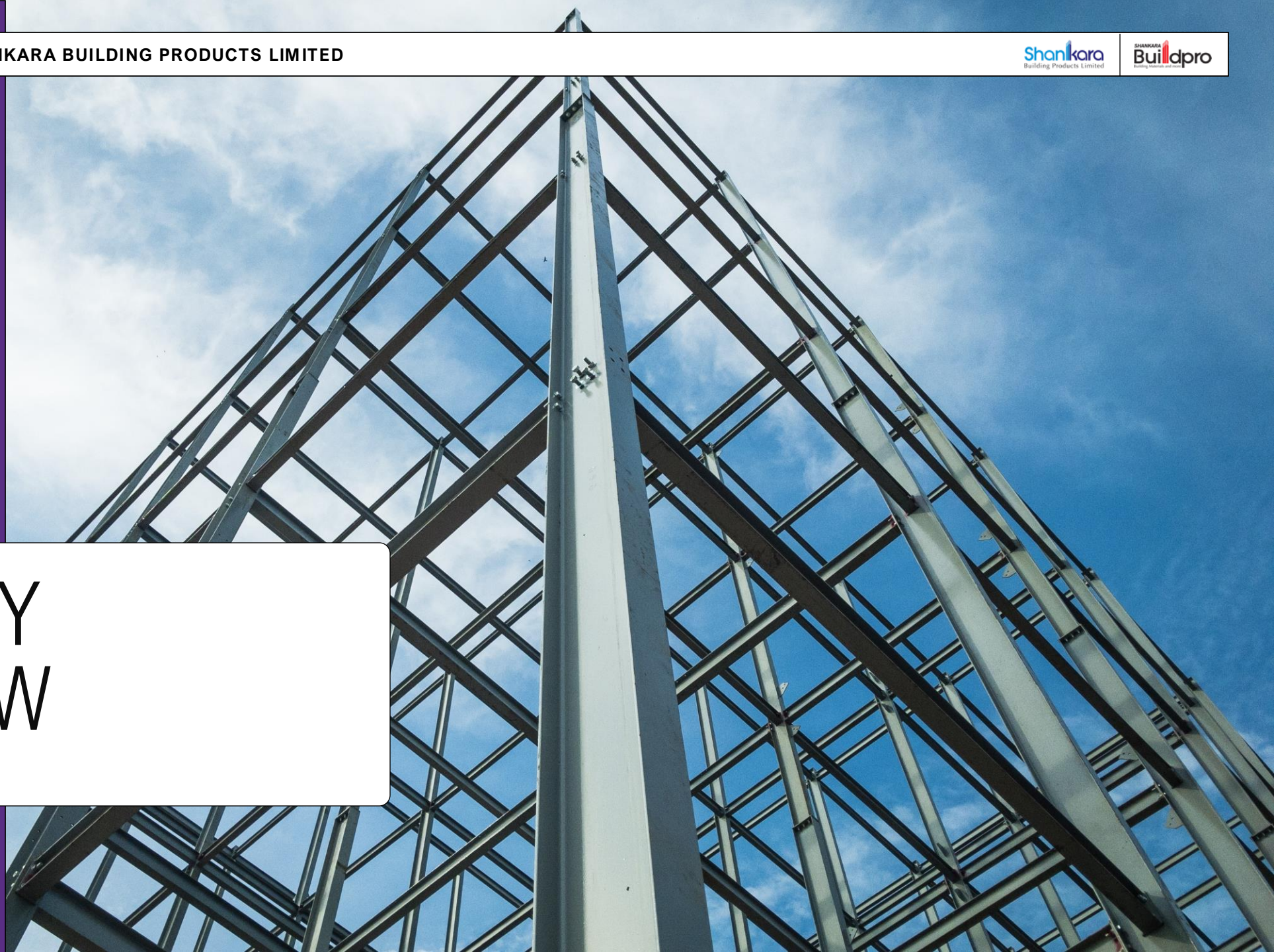
Create a dedicated building materials marketplace business with a leaner balance sheet & healthy RoCE



## 2

COMPANY  
OVERVIEW

15-20





# SHANKARA AT A GLANCE

# 124

**92** OPERATIONAL  
STORES & **32**  
FULFILMENT CENTER

# 5.1+

**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

# 43%

**3Y\* VOLUME CAGR**  
in core steel product  
segment

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

# 42%

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

# SHANKARA FOOTPRINT

## Strategy

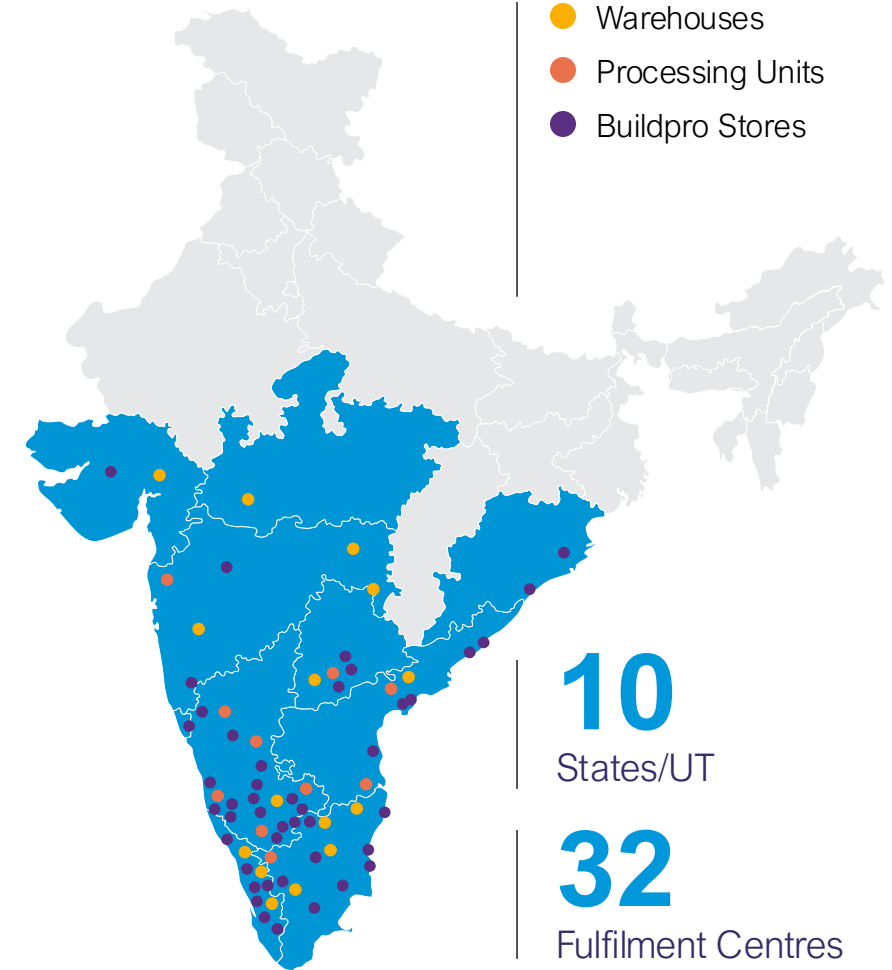
**South-India stronghold:** Karnataka, Tamil Nadu, Kerala, Telangana, Andhra Pradesh, Pondicherry & Goa

**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**



**92**  
Stores

**10**  
States/UT

**32**  
Fulfilment Centres

**45**  
Cities

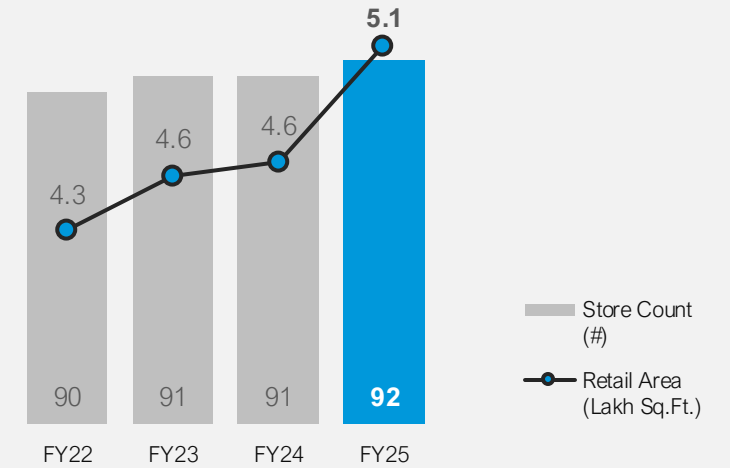
Note: Map only for illustration purpose, not to scale



# 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 (14% SSSG in FY25)**
- Transitioning potential existing steel stores to hybrid stores (18 so far)
- Dedicated non-steel stores as needed (13 so far)

# DIVERSIFIED PRODUCT PROFILE

## Steel

### Pipes & Tubes



ERW Pipes



HR/MS Tubes



Galvanized Steel Pipes



Mechanical Tubing



Hollow Structural Sections

### Long



MS Angle



MS Square Rod



MS Round Rod



Long S



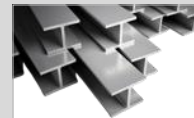
MS Channel



MS Angle



MS Beams



MS Beams &amp; NPB

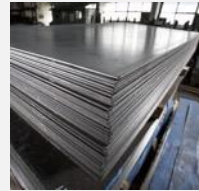


Long MS Channel Steel Tube

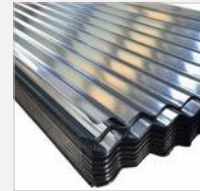


Long MS Round Rod

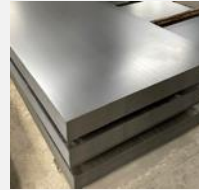
### Flat



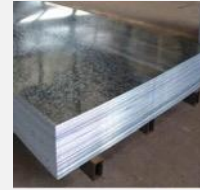
MS Sheet



GC Sheet



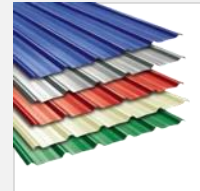
CR Sheet



GP Sheet



HRPO Sheet



PPGI &amp; PPGL Sheet

**1 Lakh+ SKU's** across  
**75 product** categories

## Non-Steel



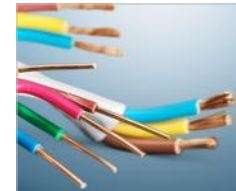
CP &amp; Sanitaryware



Tiles &amp; Surfaces



PVC Pipes &amp; Fittings



Electrical &amp; Lightings



Kitchen, Doors &amp; Hardware



Plumbing



Interior &amp; Exterior Finishes



Construction Materials

# KEY SUPPLIER PARTNERSHIPS

Steel

AM/NS INDIA

Hi-TECH STEEL PIPES

JSW

सेल SAIL

PULKIT TMT BARS  
Everlasting Relationship

SURYADEV TMT REBAR

APLAPOLLO

JINDAL

NEZONE  
VALUE BUILT WITH QUALITY

PRESIDENT TMT

INDUS 555-D TMT

Plumbing & Sanitaryware

AQUANT CONTEMPORARY BATHROOMS

ashirvad

DURAVIT

ESSCO

KOHLER

Jaquar

SCARABEO

Supreme®  
People who know plastics best

Artize

hangrohe

involgia  
Curated Bath Brands

FOTIA®

Parryware

viega

GEBERIT

ASTRAL

Tiles & Surfaces

FOTIA™ TILES • BATH

Nexion ITALIAN STYLE THAT INSPIRES

SOMANY®

EVEREST

Kajaria TRANSFORM YOUR WORLD

NITCO

ZMARTBUILD

orientbell tiles

Paints, Chemicals, and Adhesives

asianpaints

LATICRETE

ARDEX ENDURA

NIPPON PAINT

Lighting & Electricals

HAVELLS

PHILIPS

Jaquar

Crompton

Finolex

Schneider Electric

STANDARD ELECTRIC

ANCHOR by Panasonic

POLYCAAB WIRES & CABLES

V-GUARD

legrand®

WadBros®  
GERMAN STANDARD

SM SWITCH TO A BETTER WORLD

HYBEC  
lighting the future

100+

Brands

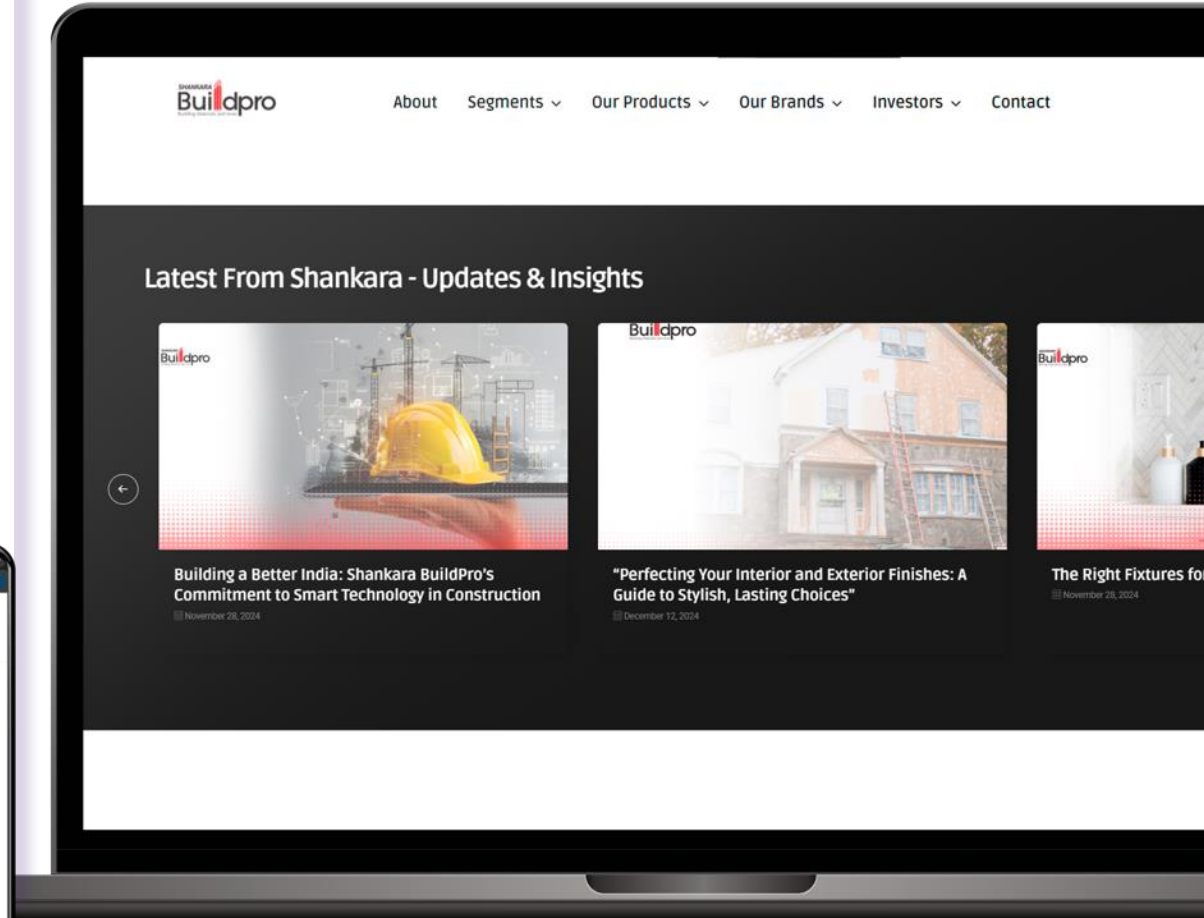
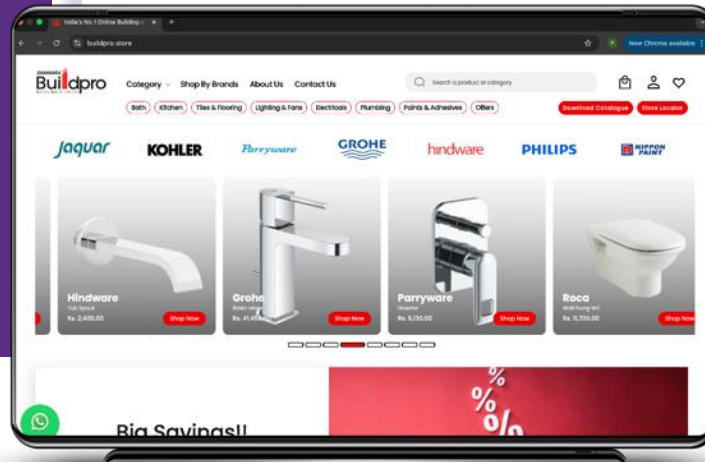


# BUILDPRO.STORE

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

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

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





# 3

## STRATEGIC DIRECTION

22-24



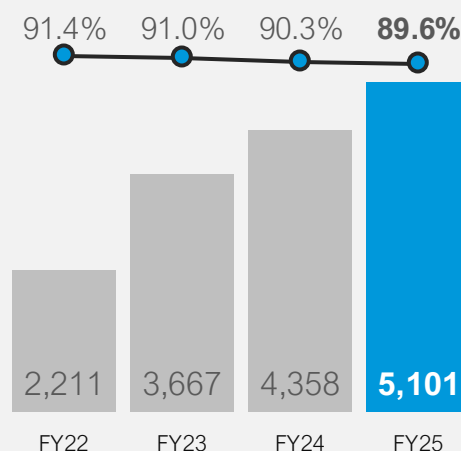
# EVOLVING REVENUE MIX

## Product Categories: Steel & Non-Steel

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

### Steel Turnover

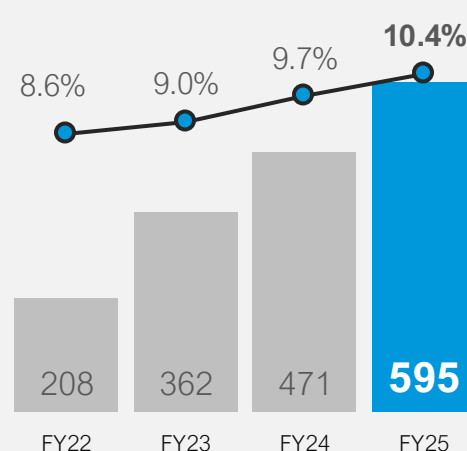
(IN ₹ CRORE & REVENUE-MIX %)



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

### Non-Steel Turnover

(IN ₹ CRORE & REVENUE-MIX %)

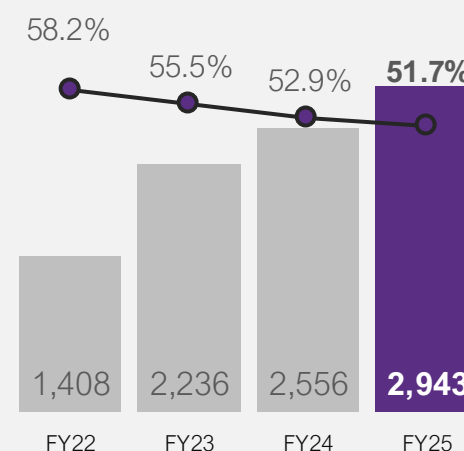


## Verticals: Retail & Non-Retail

- Overall revenue mix has shifted towards Non-Retail, driven by Non-Retail led market entry in West and Central India (where Non-Retail mix is 77-78%)
- **In South India, the Retail revenue mix is intact and improving (57-58% Retail mix in South India)**
- Company continues to pursue an omni-channel strategy aimed at accelerating overall volume growth
- Growth initiatives are being actively pursued across all business verticals

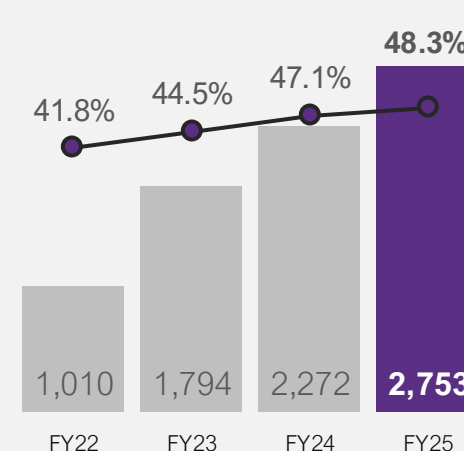
### Retail Turnover

(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 Pipes & Tubes, Longs driven

Addition of SKU's, Brands/Suppliers and Geographies

Targeting larger 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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