



Date: 8<sup>th</sup> August, 2024

To  
Department of Corporate services  
**BSE Limited**  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, Phiroze Jeejeebhoy  
Towers, Dalal Street, Fort,  
Mumbai-400001  
**Scrip Code: - 540425**

To  
Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot No. C-1,  
G Block, Bandra Kurla Complex,  
Bandra (E)  
Mumbai- 400051  
**Symbol- SHANKARA**

**Sub: - Investor's presentation- Q1 & FY25 Results**

Dear Sir/Madam,

Please find enclosed Investor's Presentation for Q1 & FY25 Results pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015.

You are requested to take note of the same.

Thanking You.

Yours faithfully  
For **Shankara Building Products Limited**

Digitally signed by ereena vikram  
DN: cn=ereena vikram c=IN o=Personal  
Date: 2024-08-08 18:19+05:30

Ereena Vikram  
**Company Secretary & Compliance Officer**  
**Memb. No: ACS-33459**

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Ph.: + 91- 080-40117777, Fax- +91-080-41119317

Email :- [info@shankarabuildpro.com](mailto:info@shankarabuildpro.com) | CIN:L26922KA1995PLC018990, | Website : [www.shankarabuildpro.com](http://www.shankarabuildpro.com)

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Ph.: +91-080-29910702 | 080-29910709



# Investor Presentation

Q1 FY2025

August 8, 2024





The statements contained in this document speak only as at the date as of which they are made and certain statements made in this presentation relating to the Company's objectives, projections, outlook, expectations, estimates, among others may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties and actual results may differ from such expectations, projections etc., whether express or implied. These forward-looking statements are based on various assumptions, expectations and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, competitive intensity, pricing environment in the market, economic conditions affecting demand and supply, change in input costs, ability to maintain and manage key customer relationships and supply chain sources, new or changed priorities of trade, significant changes in political stability in India and globally, government regulations and taxation, climatic conditions, natural calamity, commodity price fluctuations, currency rate fluctuations, litigation among others over which the Company does not have any direct control. These factors may affect our ability to successfully implement our business strategy. The Company, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein and the Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any statements contained herein to reflect any change in events, conditions or circumstances on which any such statements are based. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the management of the Company on future events.



## 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

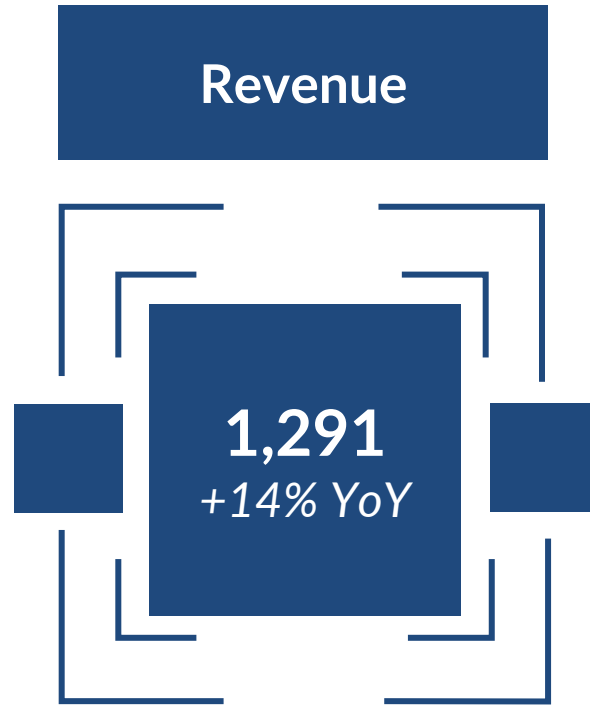
## Business Highlights

- 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**

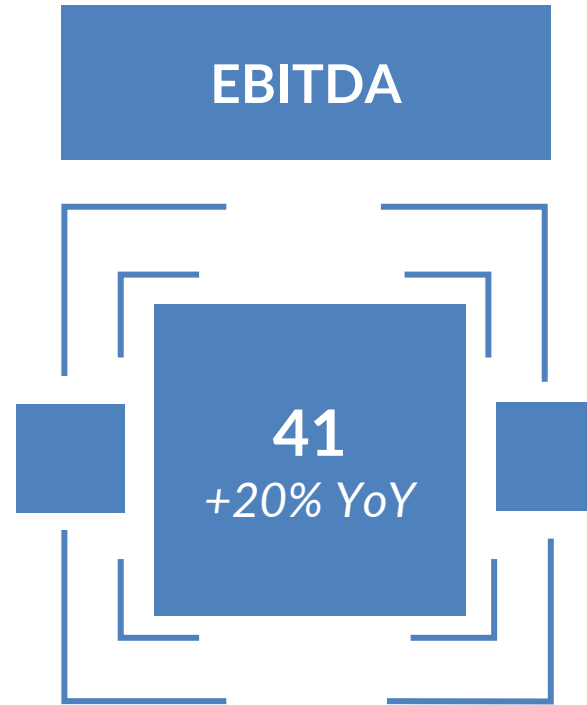


## Other Business Updates

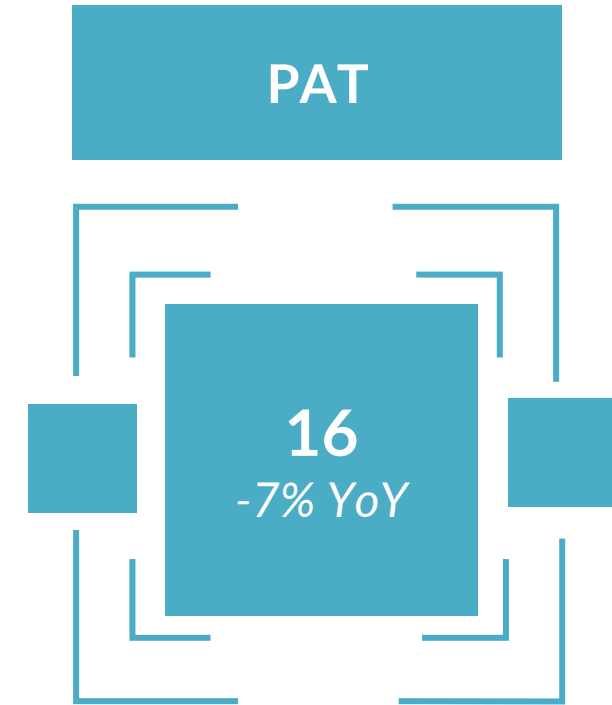
- Approval received from SEBI for demerger and filing underway with NCLT
- **Identified 10 strategic locations for setting up of new fulfilment centers over next 6-9 months**
- Inauguration of tile display centre in Morbi is now expected in Sep-24. This will expand Fotia's presence across India and help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



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



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



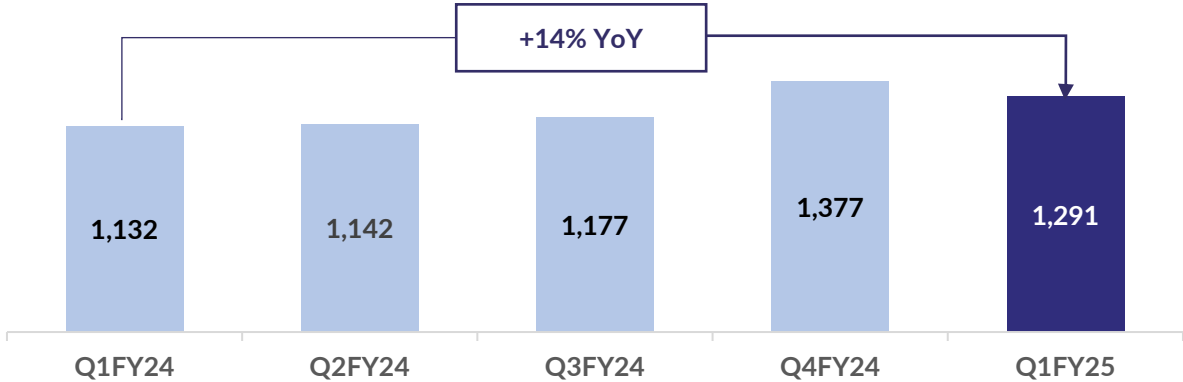
*PAT Margin*  
*1.24%*

*Figures in Rs. Crore*

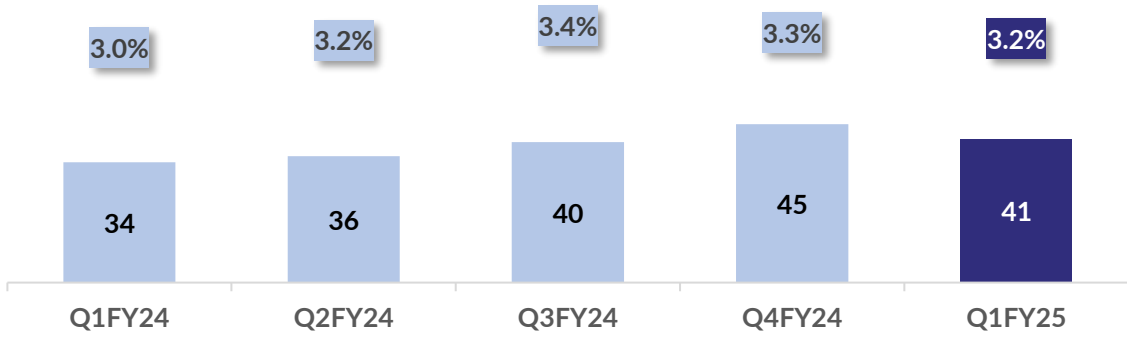
# Consistent growth in revenue and EBITDA, while consciously building a diversified business model



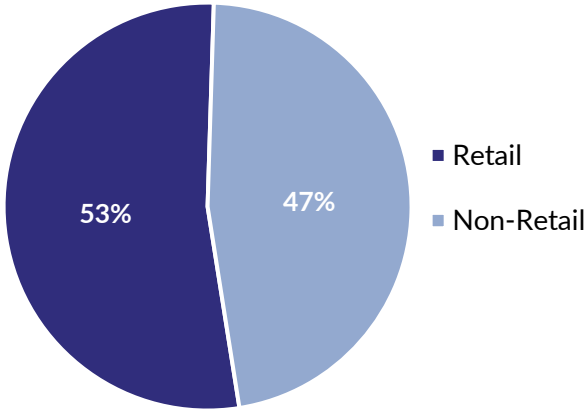
Healthy revenues despite weak macroeconomic condition



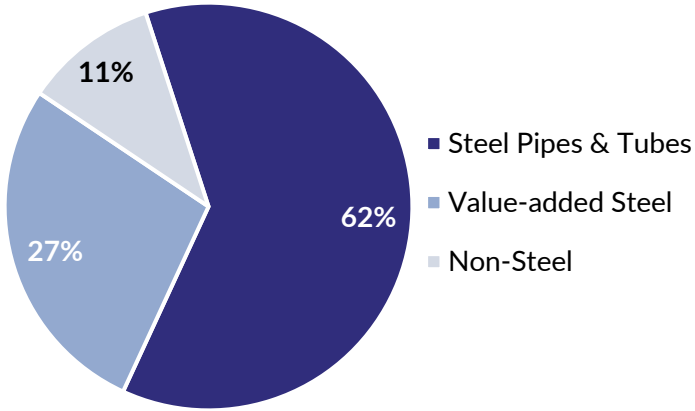
Steady margins with focus on VAS and non-steel products



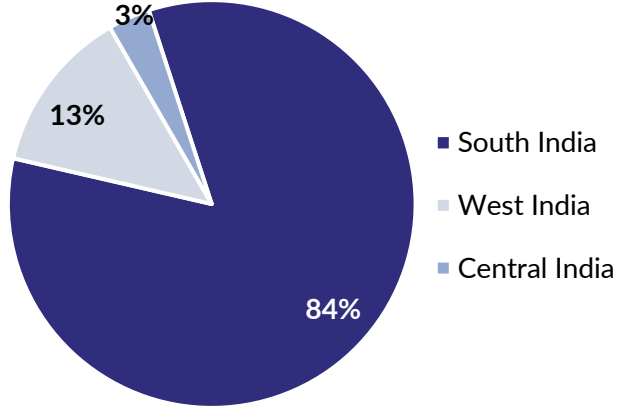
Streamlining distribution across segments



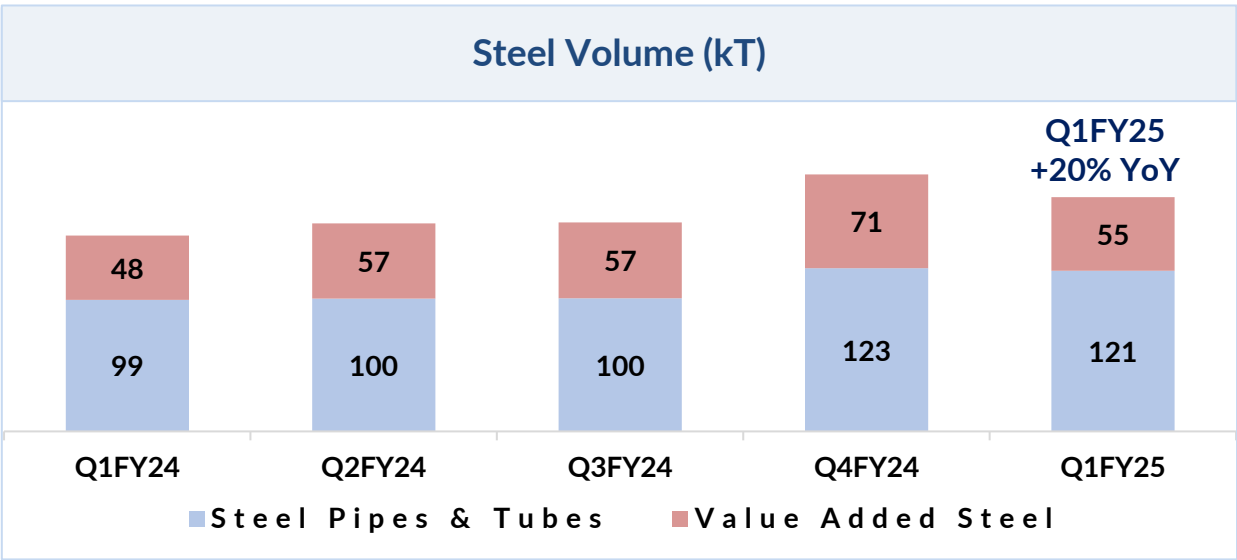
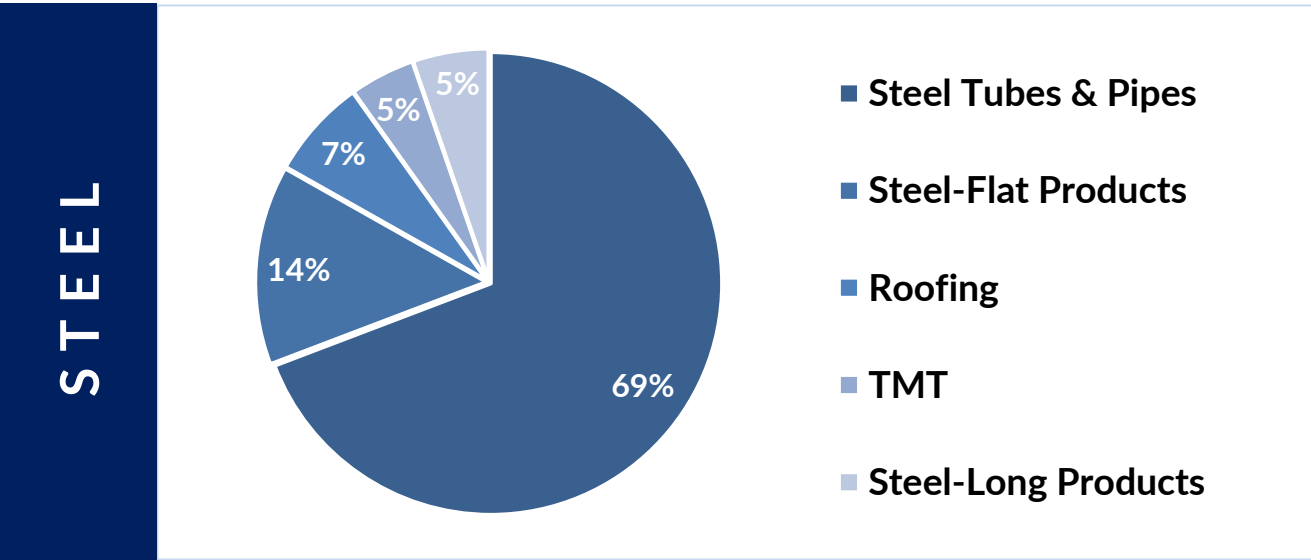
Optimizing value-added revenue mix



Expanding footprints beyond South

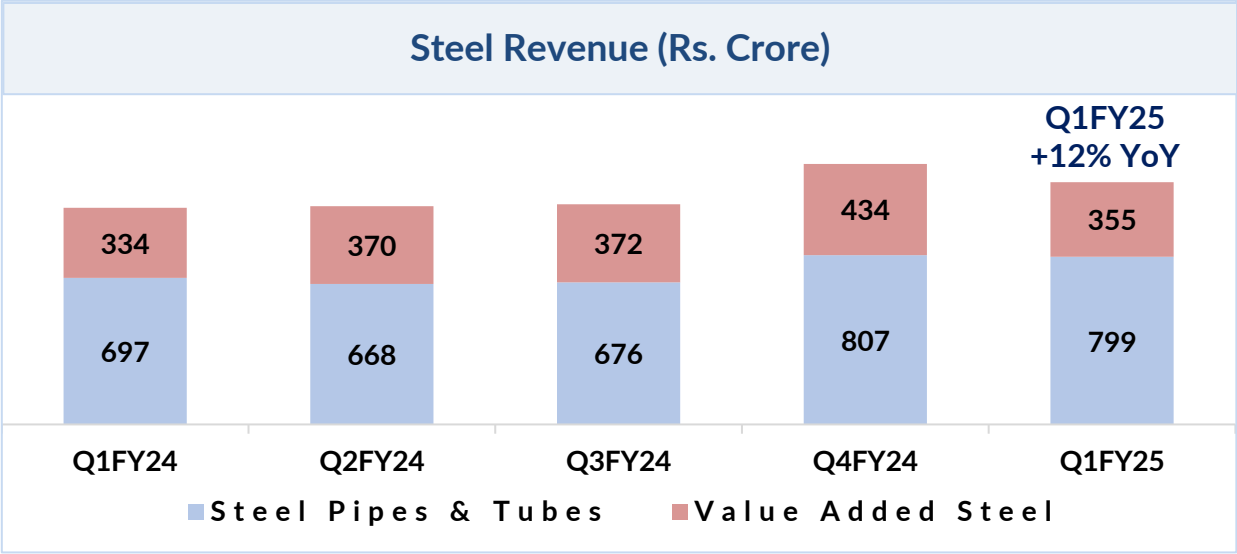


# Steadily growing volume as well as value within steel business

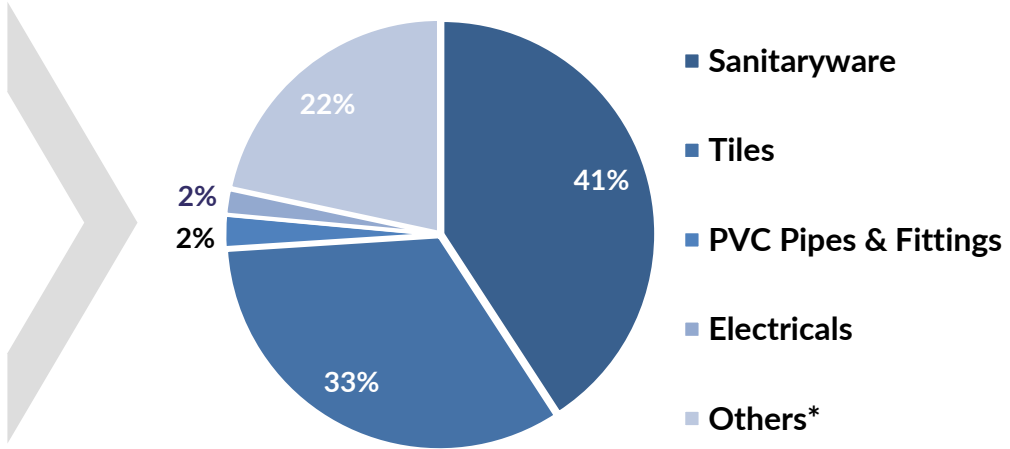
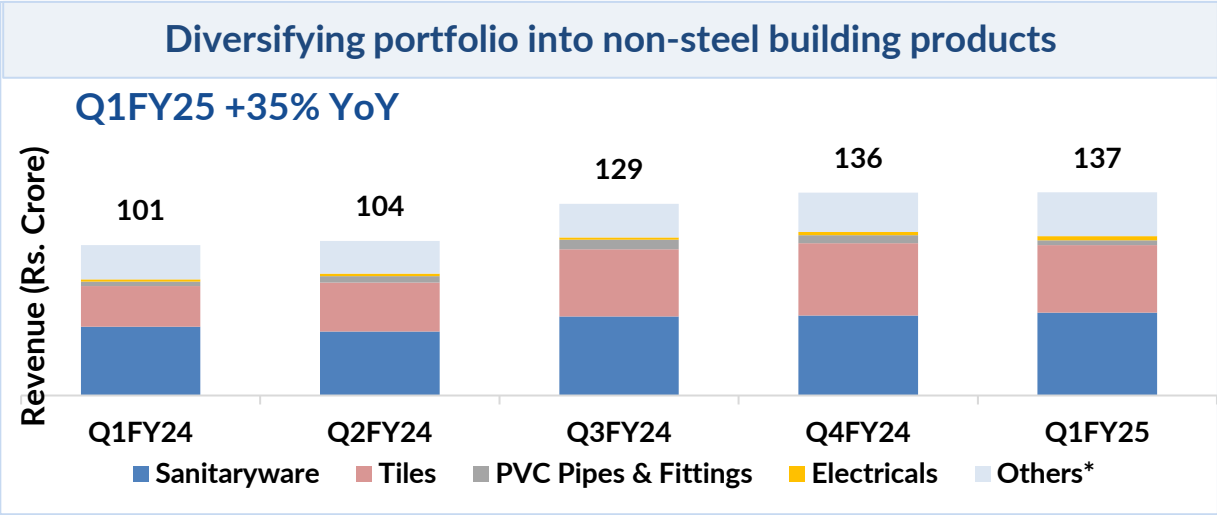


Steel business registered steady growth, despite overall softness in demand led by elections and monsoons; Steel volumes grew by 20% YoY

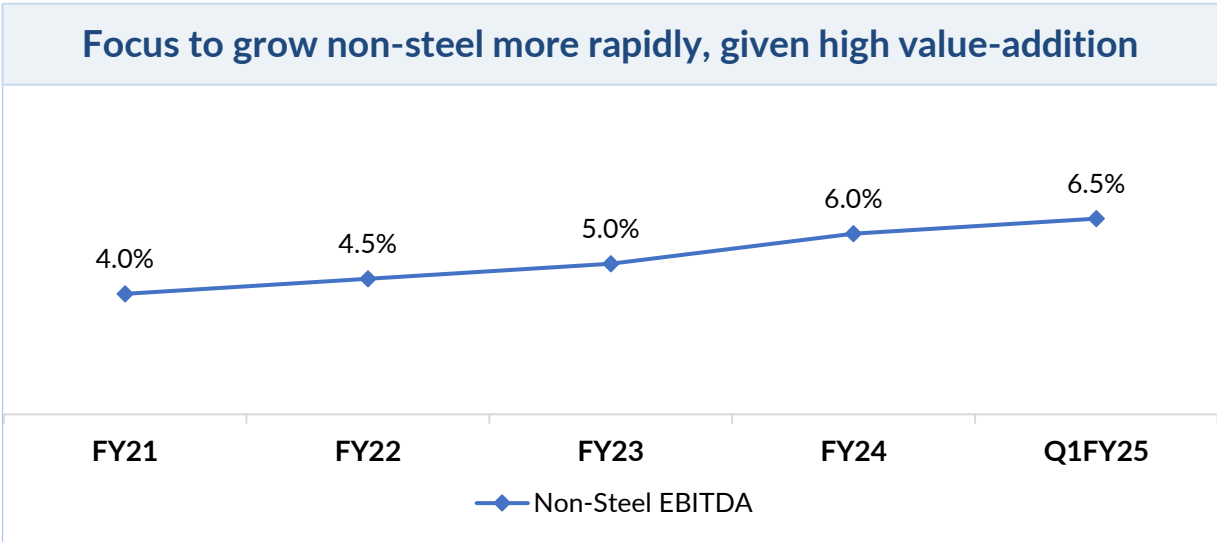
Steel revenue growth at 12%, due to softening of steel prices; Steel flat products growth was higher at 44% YoY



# Aggressively expanding higher margin non-steel business



NON-STEEL

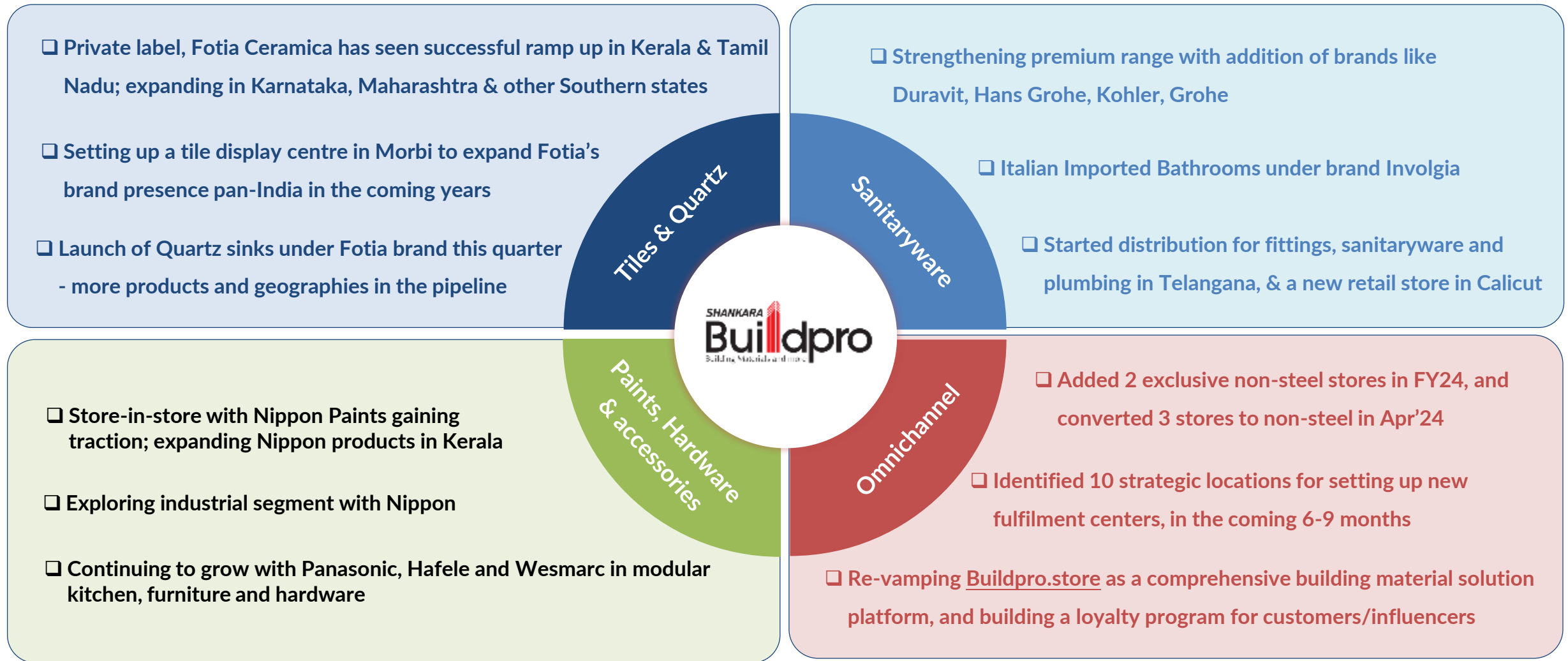


Significant runaway to expand market share in all non-steel products

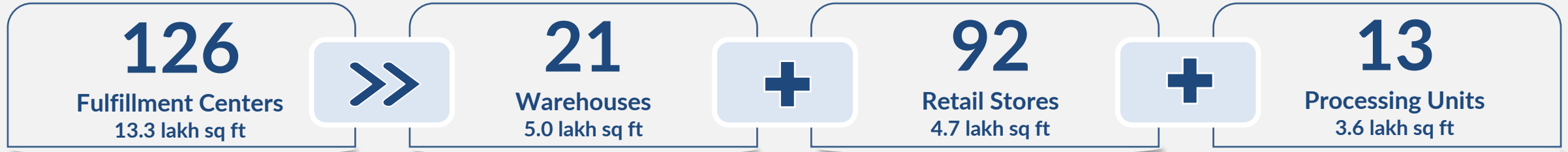
Rs. Crore	TAM	Shankara's TTM Revenue
Sanitaryware & Fittings	~18,000	~200
Tiles	~45,000	~175
PVC Pipes & Fittings	~40,000	~20
Electricals & Lighting	~70,000	~10
Paints & Coating	~75,000	~5



# 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

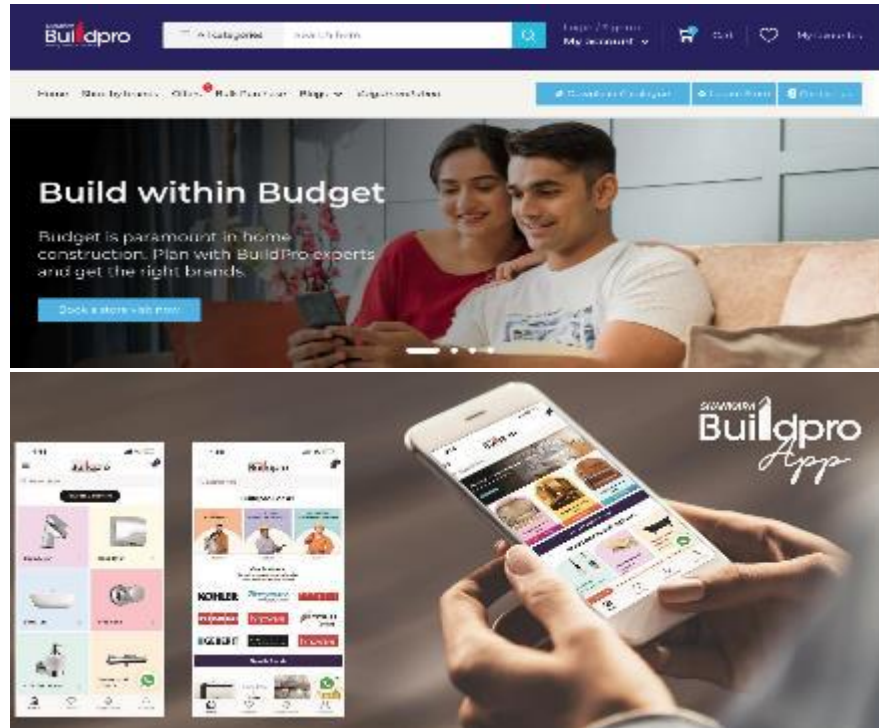
- Engaged in colour coated roofing products.
- Ten processing facilities, mainly in Bengaluru, Chennai, Coimbatore

Taurus Value Steel & Pipes

- Tube processing facility at Hyderabad

# With online presence becoming a key enabler for future growth

## 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](#):

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

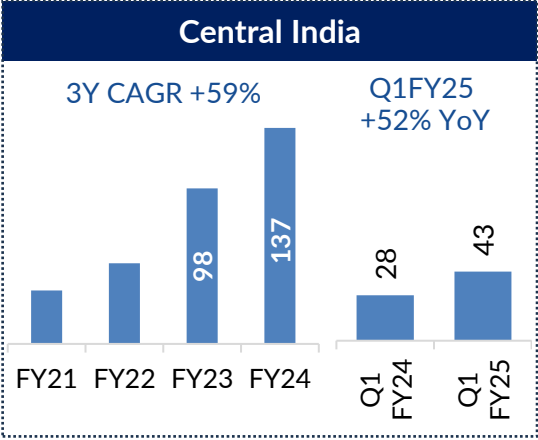
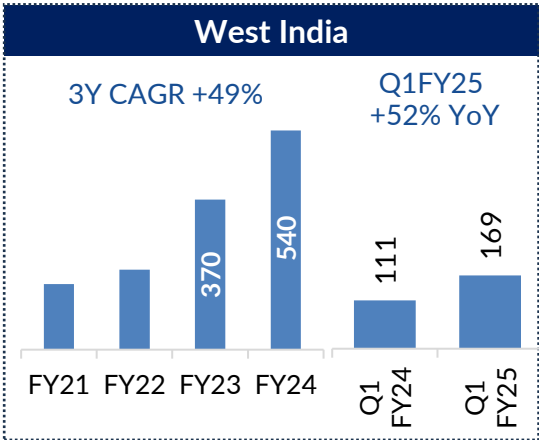
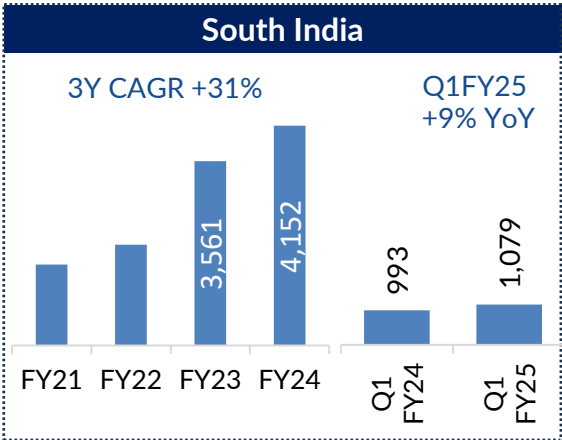
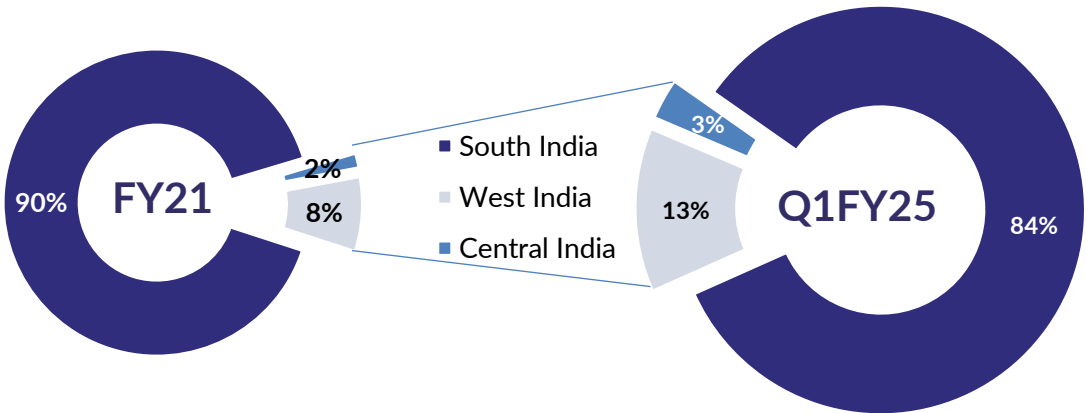
- Technology will be a key enabler for Pan India expansion in the coming years
- Evaluating opportunities for strategic collaborations in the digital landscape to enhance existing omni-channel strategy

# Dominant position in South, now expanding into other regions

- Warehouses
- Processing Units
- BuildPro Store

10/1  
States/UT

45  
Cities



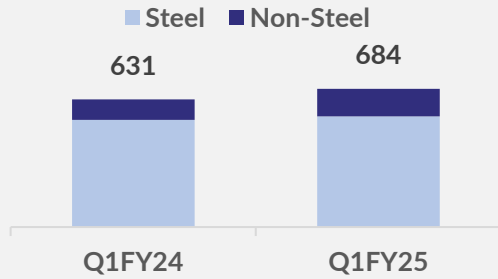
- Cluster-based distribution network has helped deepen our penetration in the Southern states
- With strong presence in South, aggressively expanding to other regions in line with long-term vision to become a pan-India player



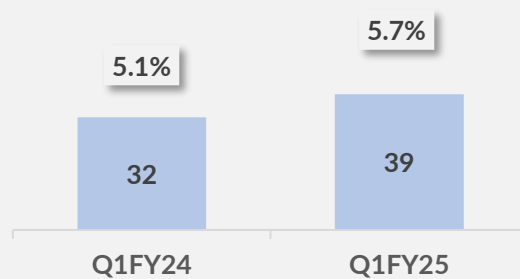
# Resilient Retail, Expanding beyond South thriving Non-retail growth

## Retail

### Revenue (Rs. Crore)

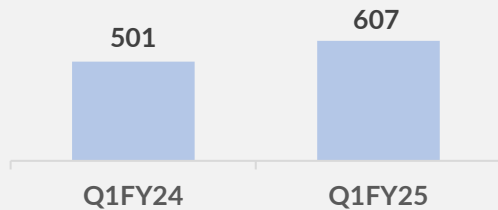


### EBITDA (Rs. Crore)

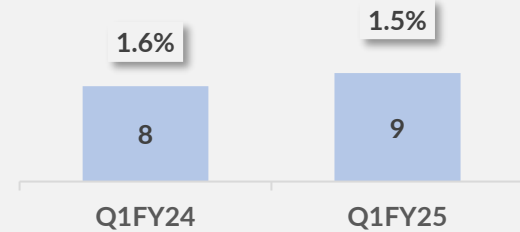


## Non-Retail

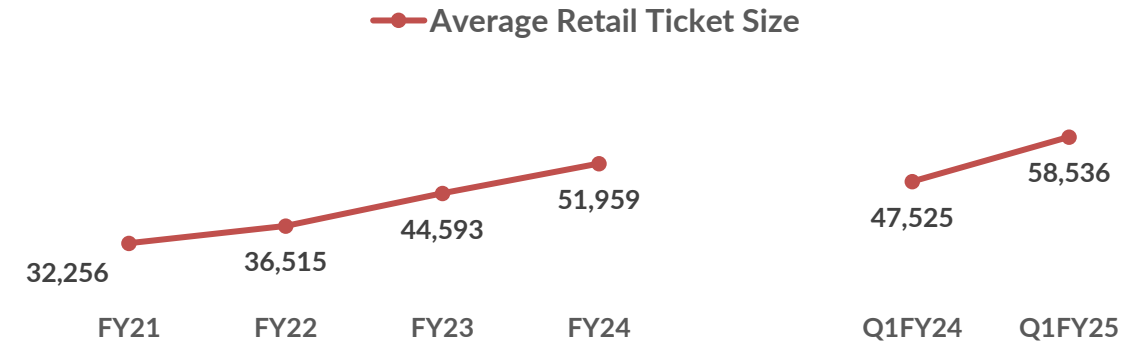
### Revenue (Rs. Crore)



### EBITDA (Rs. Crore)



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

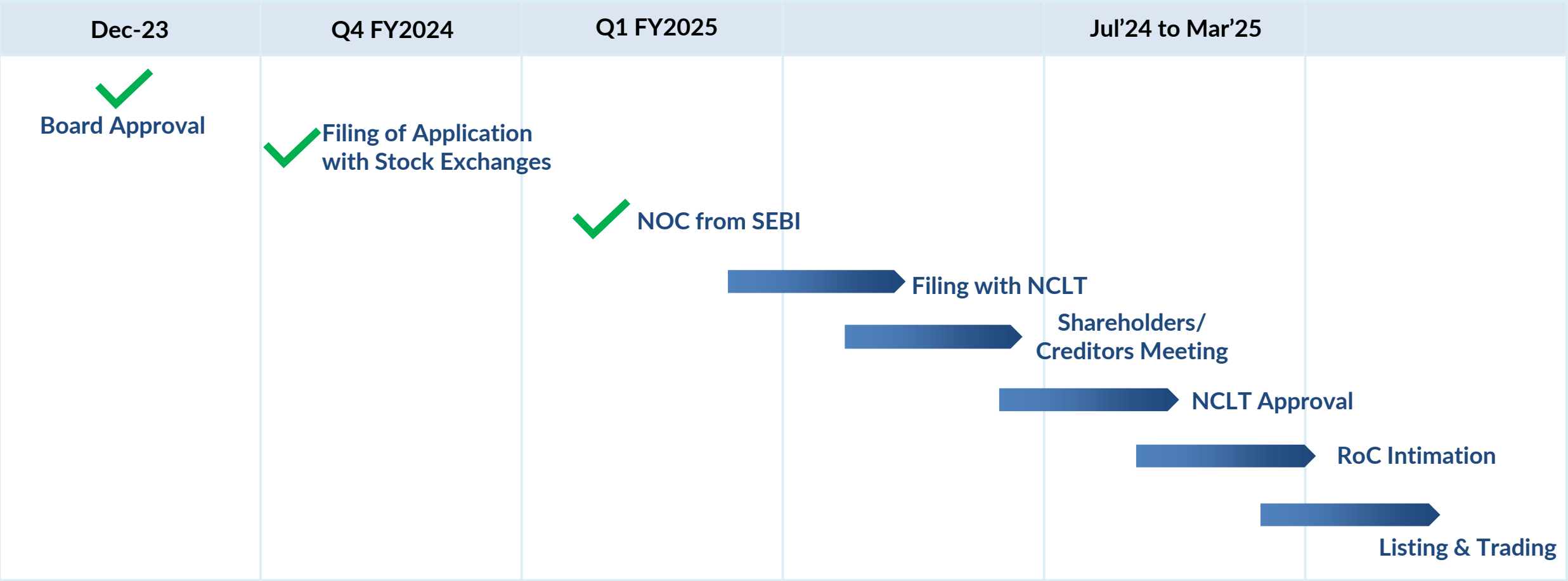


Post segregation, Shankara Building Products Ltd  
will be a focused listed entity for traditional  
Manufacturing business

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

CIN: L26922KA1995PLC018990

Mr. Alex Varghese, Chief Financial Officer

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