



Date: 4th November, 2024

To
Department of Corporate services
BSE Limited
1st 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- Q2H1 & FY25 Results

Dear Sir/Madam,

Please find enclosed Investor's Presentation for Q2H1 & 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: 2024-11-04 17:57+05:30

Ereena Vikram
Company Secretary & Compliance Officer

Registered Office :
G2, Farah Winsford, 133 Infantry Road,
Bengaluru-560001, Karnataka
Ph.: + 91- 080-40117777, Fax- +91-080-41119317

Corporate Office :
No. 21/1 & 35-A-1, Hosur Main Road,
Electronic City, Veerasandra, Bengaluru-560100
Ph.: +91-080-29910702 | 080-29910709

Email :- info@shankarabuildpro.com | CIN:L26922KA1995PLC018990. | Website : www.shankarabuildpro.com

Shankara
Building Products Ltd.

SHANKARA
Buil dpro
Building Materials and more

Investor Presentation

Q2 & H1 FY2025

November 4, 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.

Q2 & H1 FY25 Highlights

- Healthy growth in non-steel revenue (+35%)
- Robust growth in steel volume growth (+25%)
- EBITDA up by 11% YoY during H1, despite softening of steel prices; EBITDA margin at 3.01%
- Finance cost reduced sequentially by 17% QoQ in Q2
- Reduction in borrowings by ~100 Cr in Q2FY25
- Superior RoCE of ~28% generated by marketplace business; consolidated RoCE at 16%
- Overall business momentum continues to be strong, with 10 new fulfillment centers planned in FY25 (4 already opened in H1)

Steel Business Update

- Shankara is India's largest Steel Tube marketplace, with volume of 0.25 million ton in H1 (+25% YoY) - expected to cross 0.50 million ton in FY25
- Shankara has achieved 0.4 million tons overall volume in H1 - expected to cross 0.8 million tons by end of FY25
- Aspiration to cross milestone of 1 million tons in FY25-26
- Distribution of JSW & AM/NS
- 50% growth in capacity utilization in Manufacturing biz.

Non-Steel Business Update

- Growth at 35% YoY in H1
- Shankara is India's largest marketplace for sanitary ware & fittings, with growth of 35% in H1
- Our brand, Fotia, grew at 30% in H1
- Opened 18,000 Sq. ft. experience center at Morbi for Fotia ([link](#))
- Shankara was a Corporate Sponsor for CREDAI - National Conference, held at Sydney in Sep-24

New fulfillment centers underway

- Inaugurated Fotia experience center in Morbi in Sep-24
- Set up as strategic hub for expanding footprint pan India
- Identified strategic locations for setting up fulfillment centers
- **10 new fulfillment centers planned during FY25**
(4 centers already opened in H1)



Fotia Experience Centre in Morbi

Expanding footprints beyond South

- West and Central regions witnessed rapid expansion - grew in excess of 50% YoY in H1
- Contributed 18% of overall revenues

Improved digital experience

- Launch of our renewed Buildpro.store
- Serving a comprehensive building material solution platform

Demerger Update

- Approval received from SEBI for demerger
- Filed with NCLT – formalities under way

H1 FY25

Revenue



Steel Volume +25% YoY
Non-Steel Revenue +35% YoY

EBITDA



EBITDA Margin 3.01%

PAT

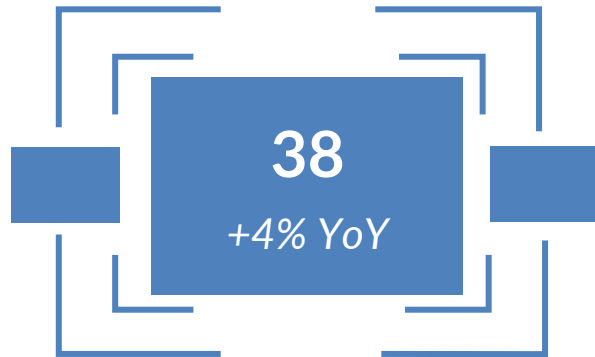


PAT Margin 1.19%

Q2 FY25



Steel Volume +25% YoY
Non-Steel Revenue +36% YoY



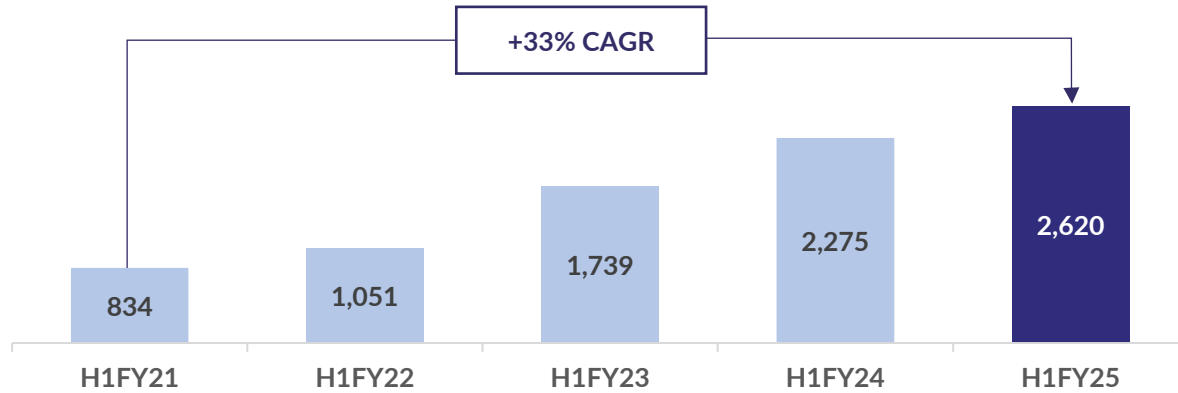
EBITDA Margin 2.82%



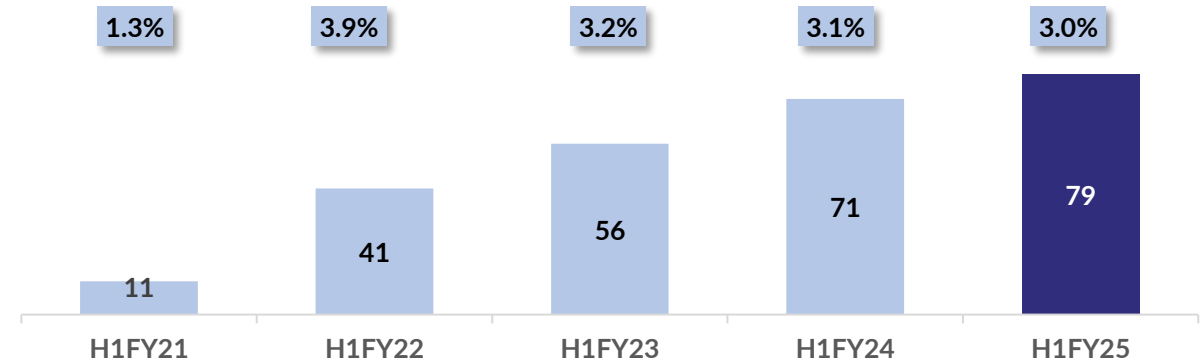
PAT Margin 1.14%

Steady growth in revenue and EBITDA with diversifying business mix

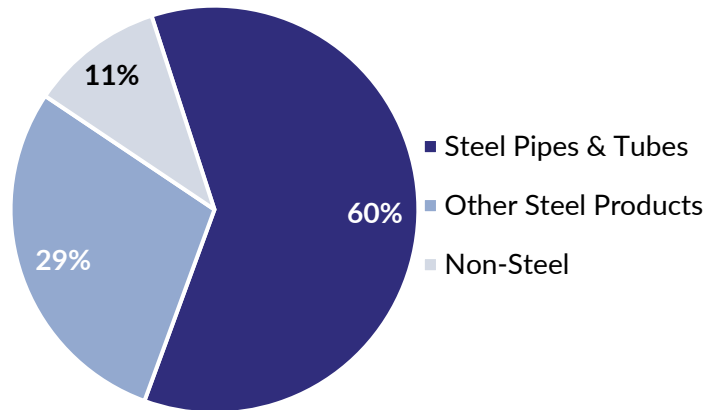
Steady revenue momentum, in a difficult macro environment



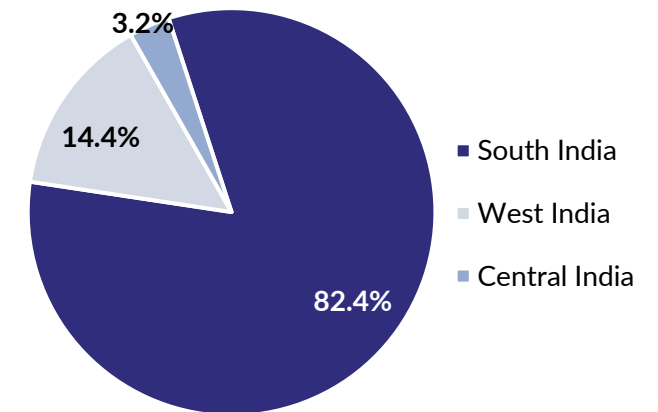
Focus on consistent EBITDA growth, despite volatilities



Optimizing steel tubes, other steel & non-steel mix*



Expanding footprints beyond South*

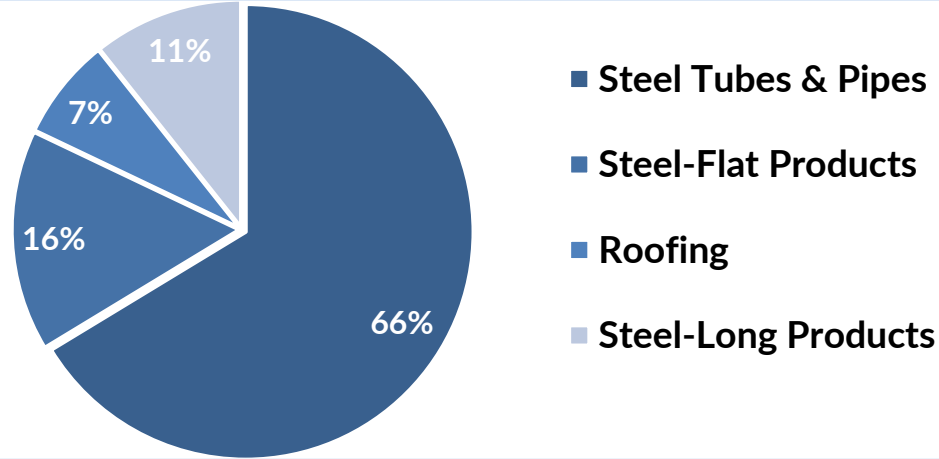


Other steel products comprises of roofing, flats and longs
*Revenue mix and geographic footprint representing H1 FY25 financials

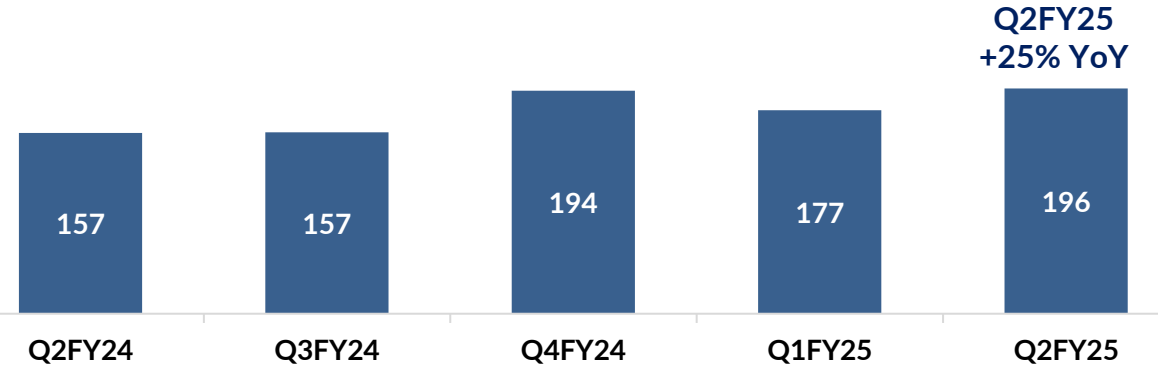
Segmental Update - Steel Business

Robust growth in steel volumes despite sluggish demand

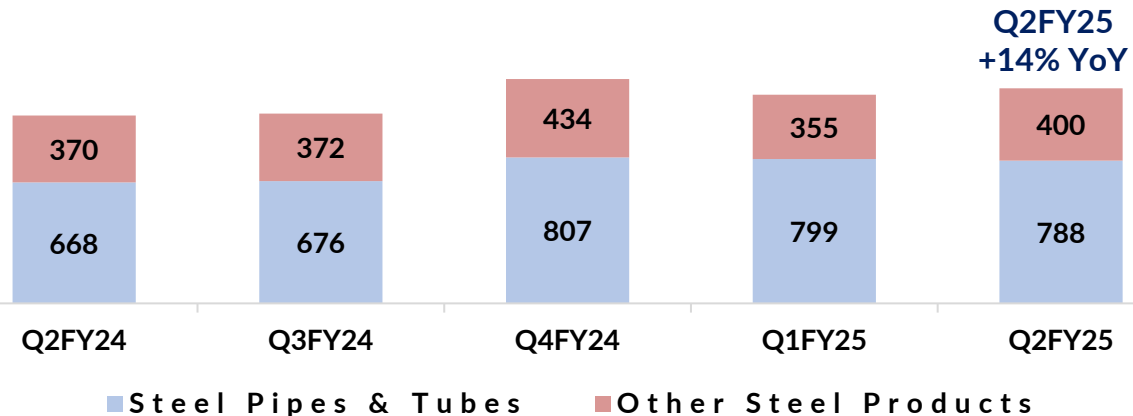
Diversifying mix within steel, to drive steady growth*



Healthy volume growth across steel portfolio (kT)



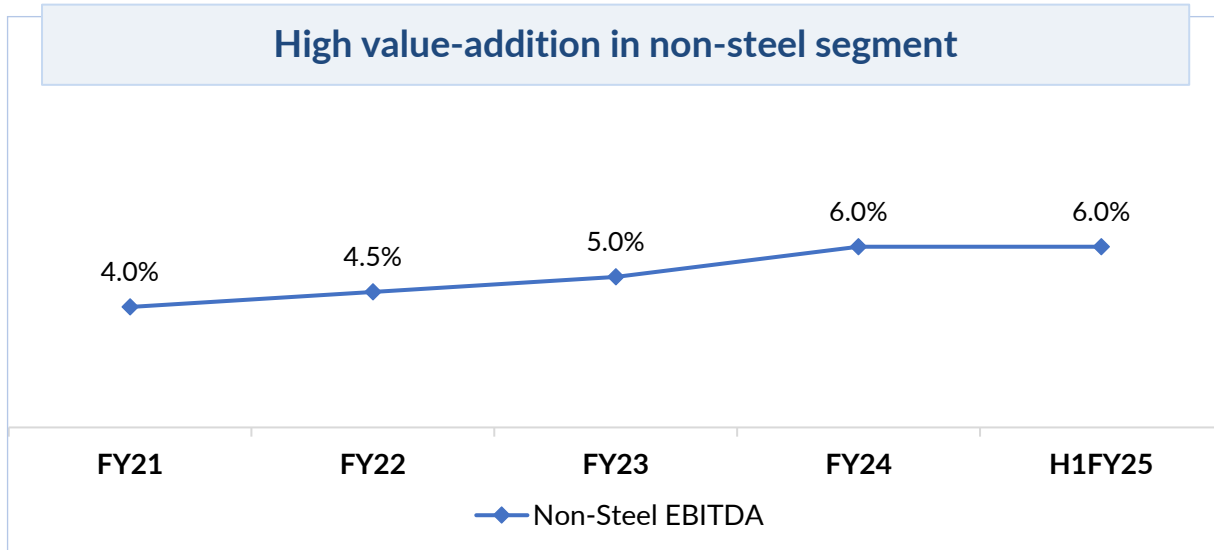
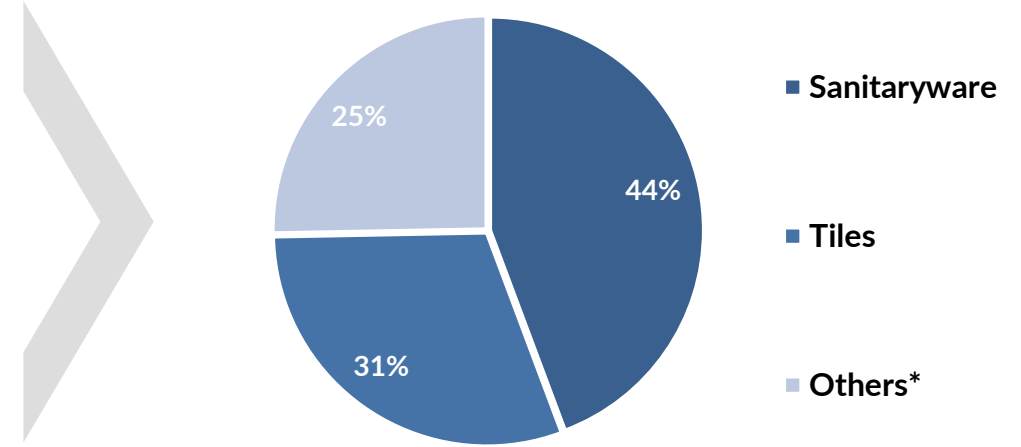
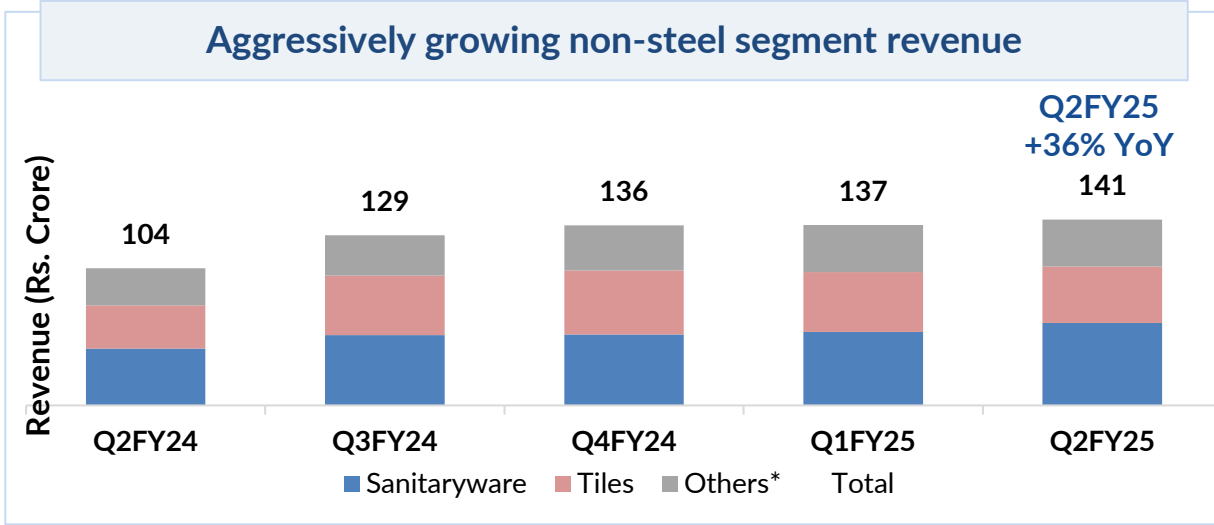
Revenue growth, partly offset by price softening (Rs. crore)



- ✓ Steady momentum in steel - led by ~25% growth in volumes
- ✓ Revenue growth at 13%, amidst softened steel prices in H1
- ✓ EBITDA momentum maintained, despite price softening

Segmental Update - Non-Steel Business

Aggressively expanding high margin non-steel business



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

Rs. Crore	TAM
Sanitaryware & Fittings	~18,000
Tiles	~45,000
PVC Pipes & Fittings	~40,000
Electricals & Lighting	~70,000
Paints & Coating	~75,000

Tiles

- ❑ Private label, Fotia Ceramica has seen successful ramp up in Kerala & Tamil Nadu; now expanding presence in Karnataka & other Southern states
- ❑ Launched tile display centre in Morbi - aimed at expanding Fotia's brand presence pan-India and for exports in the coming years
- ❑ Launched Quartz sinks & Nippon co-branded adhesives under Fotia brand this quarter



Sanitaryware & Others

- ❑ Started distribution for fittings, sanitaryware and plumbing in Telangana
- ❑ Store-in-store with Nippon Paints gaining traction; expanding presence in Kerala
- ❑ Industrial segment with Nippon showing good traction

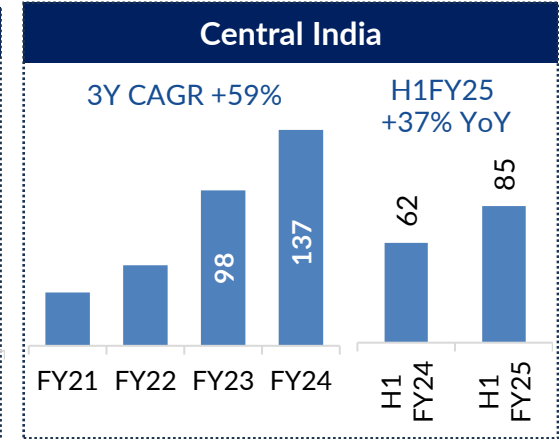
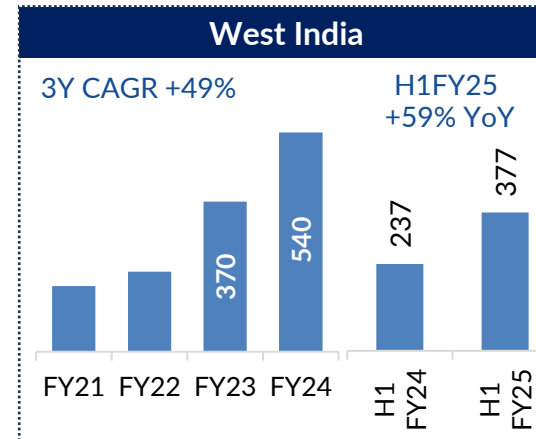
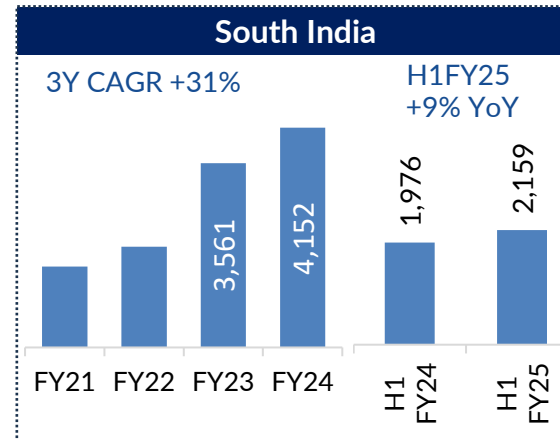
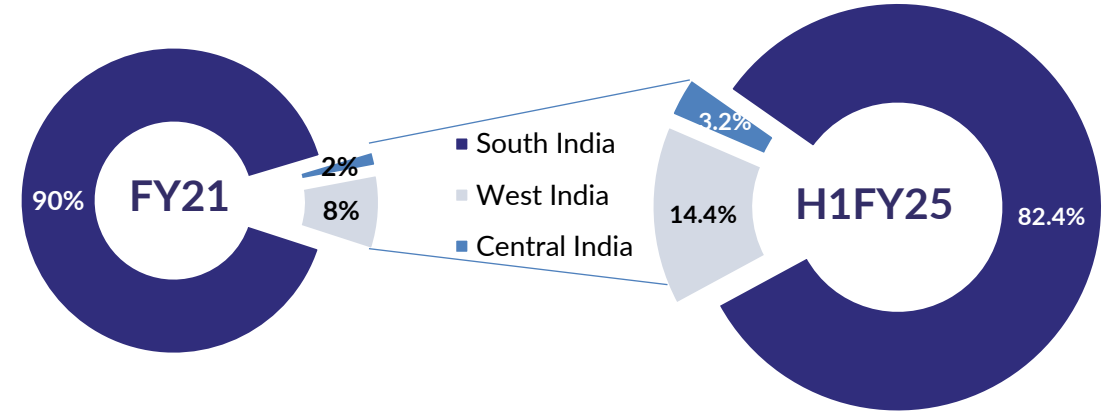




Expanding footprints beyond South, now in West & Central region

-  Warehouses
-  Processing Units
-  BuildPro Store

10/1
States/UT

45
Cities

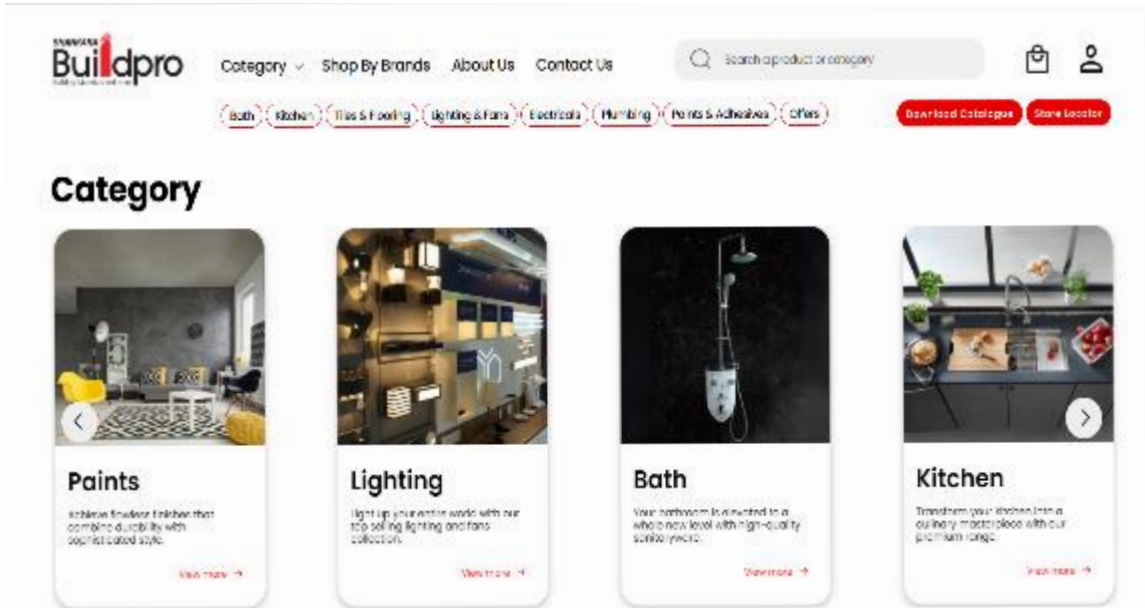


-  Cluster-based distribution network has helped deepen our penetration in the Southern states
-  With strong presence in South, aggressively expanding to other regions in line with long-term vision to become a pan-India player

Online Discovery of wide range of products Anytime, Anywhere



Offline Push through Fulfillment Centers



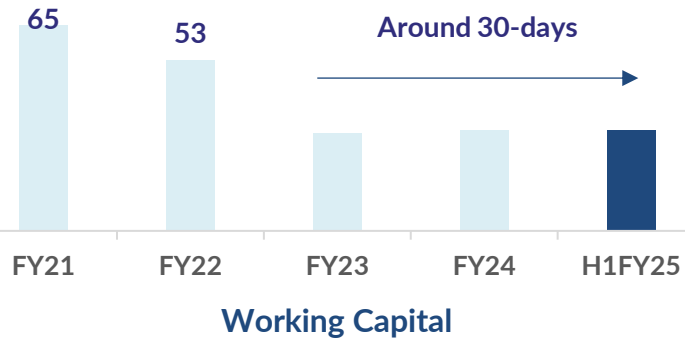
With launch of “BuildPro” app ([Google Play](#) & [App Store](#)) and [website](#):

- Evolved from a traditional marketplace to online marketplace
- Enabling an online discovery platform for all building materials, leading to an increased footfalls at fulfillment centers
- Technology will be a key enabler for Pan India expansion





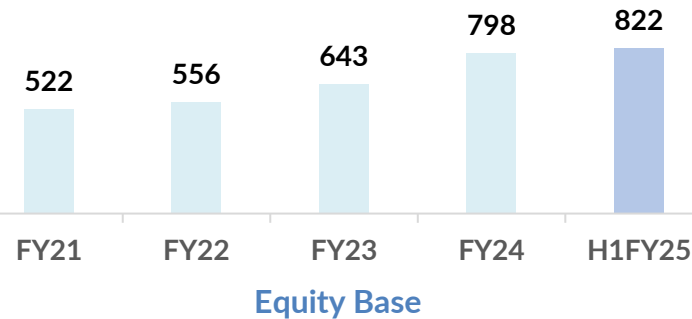
EFFICIENT WORKING CAPITAL MANAGEMENT



- Strengthened relationship with key suppliers, & robust supply chain; aimed to efficiently maintain working capital at around 30 days



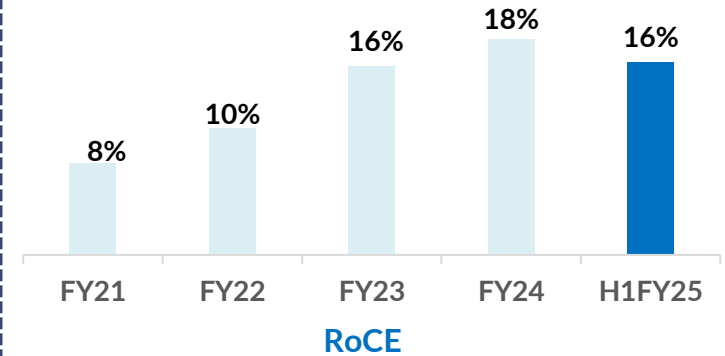
STRONG EQUITY BASE



- Equity infusion through warrants and steady accretion of profits has expanded company's liquidity and equity capital base



ASSET OPTIMIZED BUSINESS MODEL



- Asset light business model resulting in healthy return ratios; marketplace business generating superior RoCE of ~28%

Consolidated Profit & Loss Statement

Particulars (Rs Crore)	Q2 FY25	Q2 FY24	Change YoY	H1 FY25	H1 FY24	Change YoY
Revenue from Operations	1,329	1,142	16%	2,620	2,275	15%
Other Income	1	1	89%	2	1	47%
Cost of Materials Consumed	1,256	1,076	17%	2,472	2,145	15%
Employee Expenses	16	14	17%	31	27	16%
Other Expenses	21	17	25%	40	33	22%
EBITDA	38	36	4%	79	71	11%
EBITDA Margin %	2.8%	3.2%	(35 bps)	3.0%	3.1%	(10 bps)
Depreciation	4	4	5%	8	8	7%
Finance Cost	13	8	67%	28	15	88%
Profit before Tax	20	24	(17%)	42	48	(12%)
Tax	5	6	(17%)	11	12	(12%)
Profit after Tax	15	18	(16%)	31	35	(12%)
PAT Margin %	1.1%	1.6%	(45 bps)	1.2%	1.6%	(37 bps)
Basic EPS (in Rs.)	6.3	8.0	(21%)	12.9	15.5	(17%)

Consolidated Balance Sheet

Particulars (Rs Crore)	Sep-24	Mar-24
Shareholders Equity	822	798
Non-current liabilities	20	25
Borrowings	9	14
Lease & Other Financial Liabilities	3	2
Deferred Tax Liabilities (Net)	8	9
Current Liabilities	838	763
Borrowings	102	69
Trade Payables	695	650
Lease & Other Financial Liabilities	16	14
Current Tax Liabilities (Net)	7	5
Other Current Liabilities & Provisions	18	25
Total Liabilities	1,680	1,586

Particulars	Sep-24	Mar-24
Non-current assets	315	315
Property, Plant & Equipment (incl. CWIP)	269	268
Investment Property	8	8
Right of use Assets	3	3
Goodwill & Intangible Assets	18	17
Trade Receivables	2	3
Other non-current assets	15	16
Current Assets	1,365	1,271
Inventories	530	485
Trade Receivables	735	686
Cash and bank balances	28	34
Other financial and current assets	72	66
Total Assets	1,680	1,586

Demerger Update

Creating two distinct focused entities



Creating two separate entities, focused on marketplace and manufacturing



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

Building Materials Marketplace	H1FY25	Manufacturing
Rs. 2,417 Cr	Revenue	Rs. 672 Cr
Rs. 68 Cr	EBITDA	Rs. 10 Cr
Rs. 31 Cr	PAT	Rs. 0.3 Cr
~28%	RoCE	~3%

Balance Sheet Split (as of September 30, 2024)

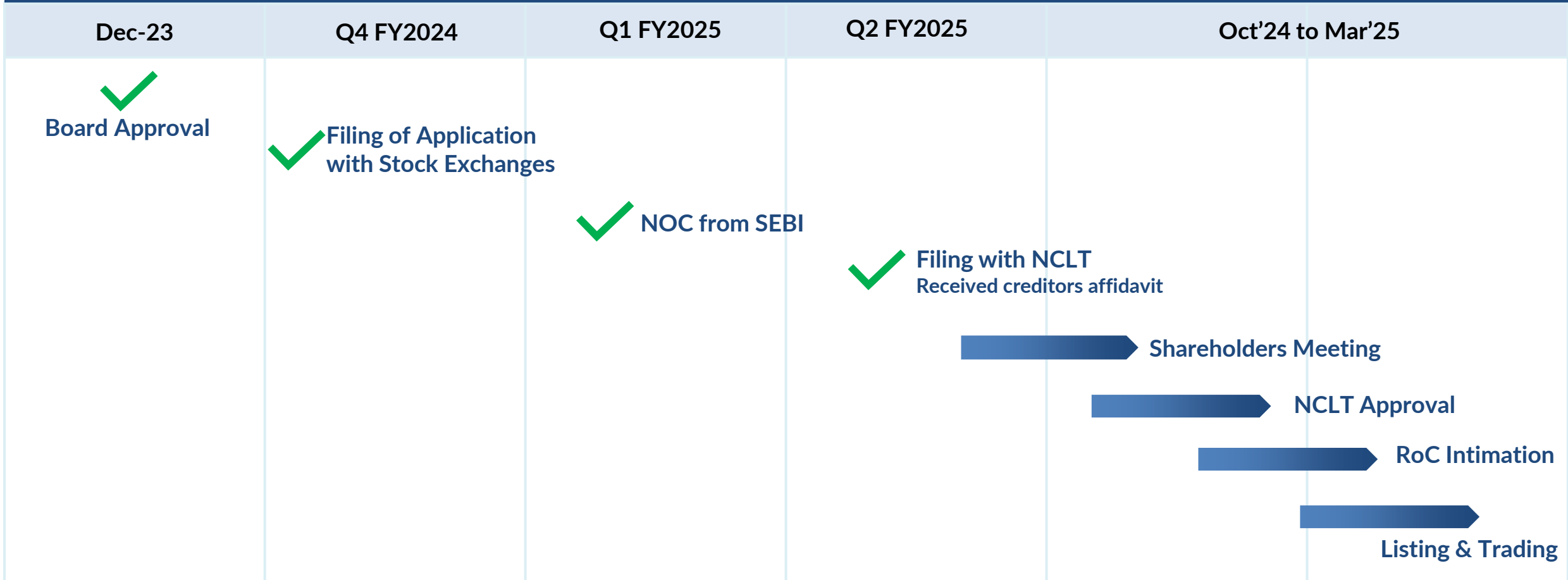
	Current	Post-demerger*			Current	Post-demerger*	
	Overall	Building Materials Marketplace	Manufacturing		Overall	Building Materials Marketplace	Manufacturing
Total Equity	822	421	400	Net Block	297	45	252
Total Debt	110	55	55	Trade Receivables	735	673	95
Capital Employed ¹	912	462	450	Inventory	530	340	190
Trade Payables	695	591	138	Cash & Cash Equivalents	28	10	19
Other Liabilities	52	39	18	Other Assets	90	39	56

Figures in Rs. Crore ; * represents indicative split of consolidated financials into Building Materials marketplace and Manufacturing business

¹ Capital Employed = Equity + Debt - Cash & Bank Balances + Deferred Tax Liability (net)

Implementation Timeline

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



Appointed date for the scheme implementation is April 1, 2024

Thank You

Shankara Building Products Limited

CIN: L26922KA1995PLC018990

Mr. Alex Varghese, Chief Financial Officer

ir@shankarabuildpro.com

www.shankarabuildpro.com

Scan the QR to experience the

SHANKARA
Buildpro
App



Android



iOS

SHANKARA
Buildpro
Building Materials and more

Shankara
Building Products Ltd.