

Date: 9<sup>th</sup> November, 2023

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- Q2 & H1 FY24 Results**

Dear Sir/Madam,

Please find enclosed Investor's Presentation for Q2 & H1 FY24 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: 2023-11-09 15:36+05:30

Ereena Vikram  
**Company Secretary & Compliance Officer**



**Shankara**  
Building Products Ltd.

SHANKARA  
**Buidpro**  
Building Materials and more

# Investor Presentation

Q2 & H1 FY2024

November 9, 2023





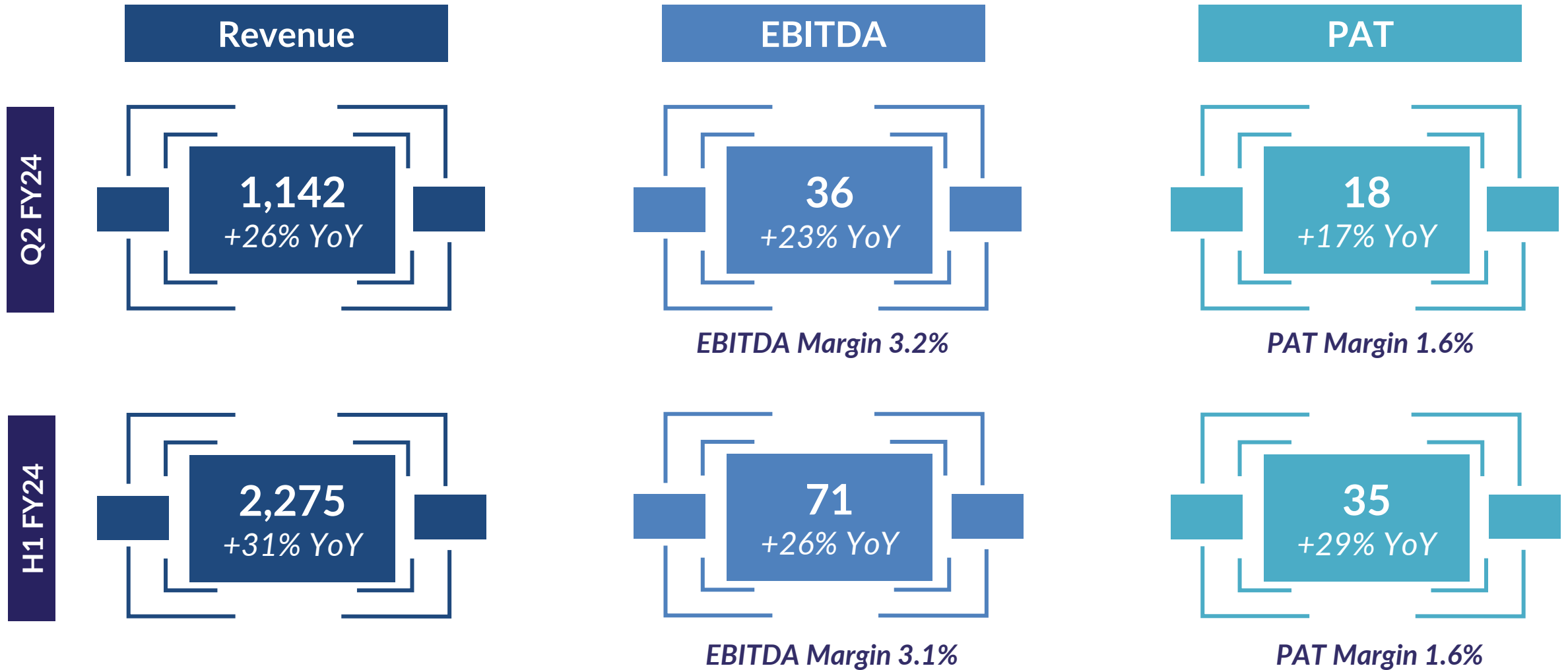
The statements contained in this document speak only as at the date as of which they are made and certain statements made in this presentation relating to the Company's objectives, projections, outlook, expectations, estimates, among others may constitute 'forward-looking statements' within the meaning 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.



**Mr. Sukumar Srinivas**  
**Managing Director**

“ We are delighted to report another quarter of resilient performance. Our revenues have surged by 31% YoY in H1 FY2024, with a 23% same-store sales increase, demonstrating a steady momentum, driven by our focus on customer experience, inventory management, customer engagement and digital integration. As part of Shankara 2.0, we have strategically introduced our private label, Fotia Ceramica catering to a diverse range of customers’ need in the tile segment. We are also evaluating opportunities for strategic collaborations in the digital landscape to enhance our existing omni-channel strategy and transforming our ecosystem with technology and innovation. Recently, we have received the balance payment towards warrant conversion by APL Apollo, further strengthening our enduring partnership for future growth. This equity infusion will be allocated towards debt reduction and operational requirements, bolstering the company's financial stability. ”

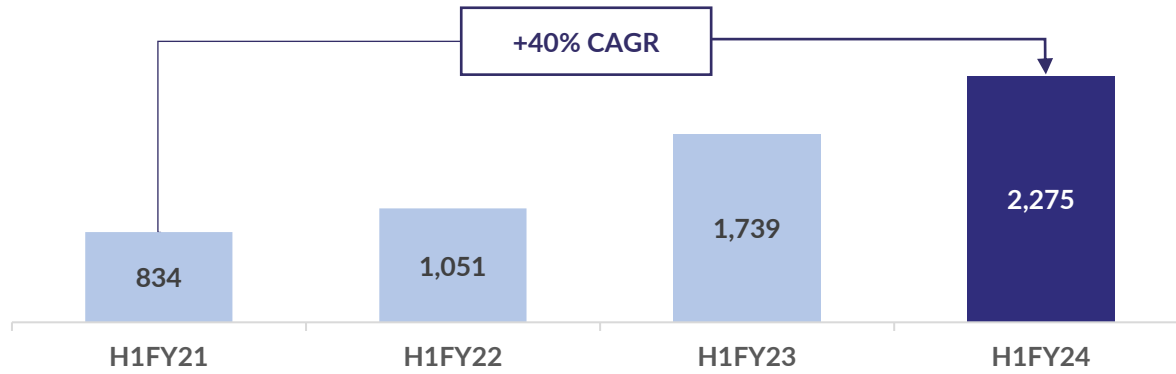
# Q2 & H1 FY2024 HIGHLIGHTS



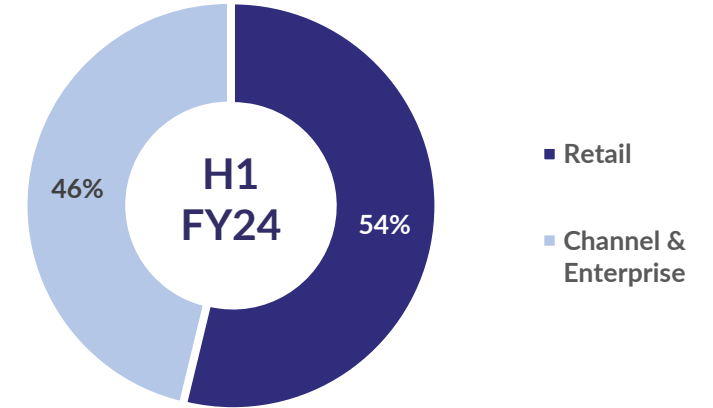
Figures in Rs. Crore

# STRONG BUSINESS MOMENTUM CONTINUES

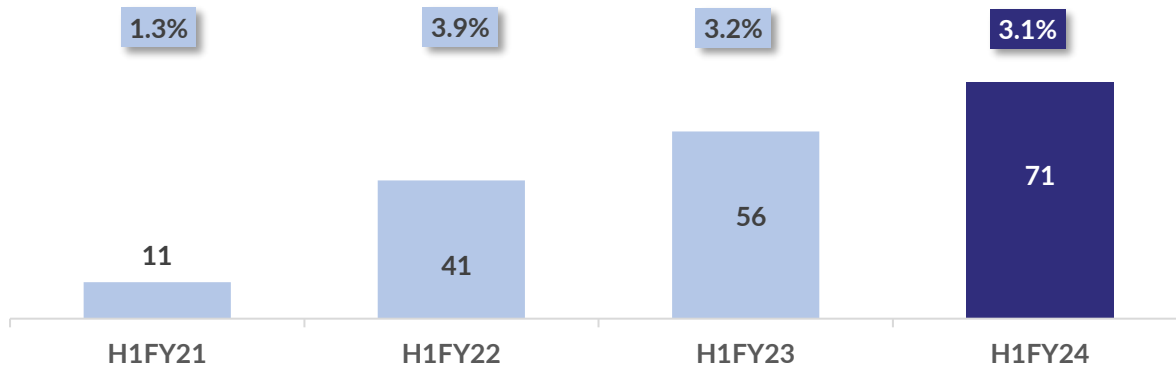
### Revenue (Rs. Crore)



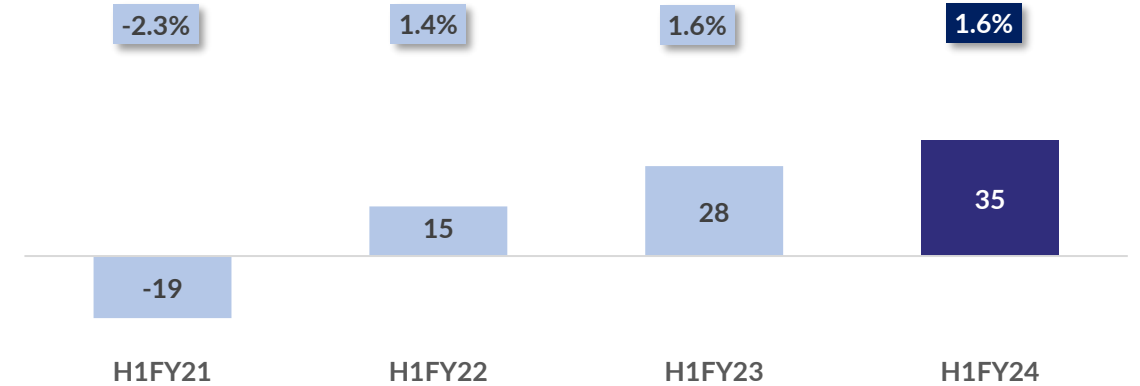
### Revenue Mix (%)



### EBITDA (Rs. Crore & Margin %)

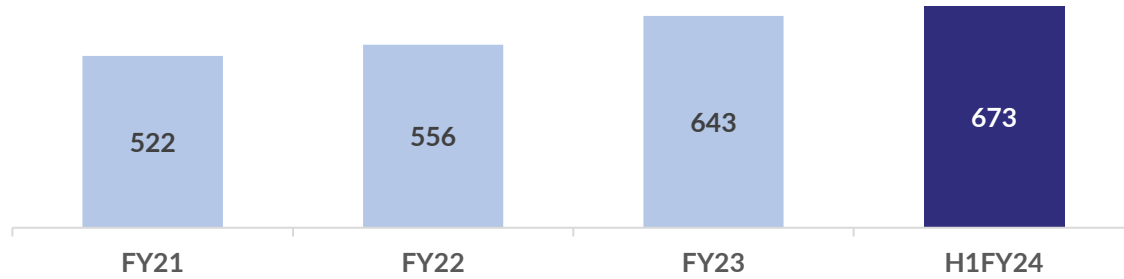


### PAT (Rs. Crore & Margin %)

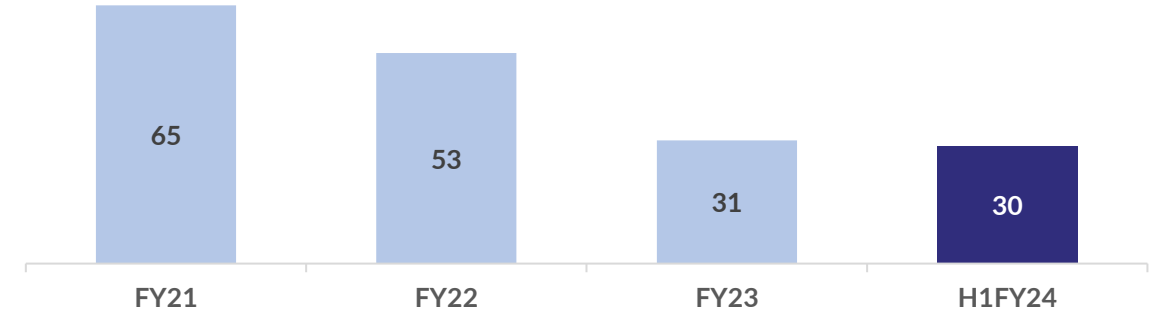


# BALANCE SHEET REMAINS STRENGTHENED

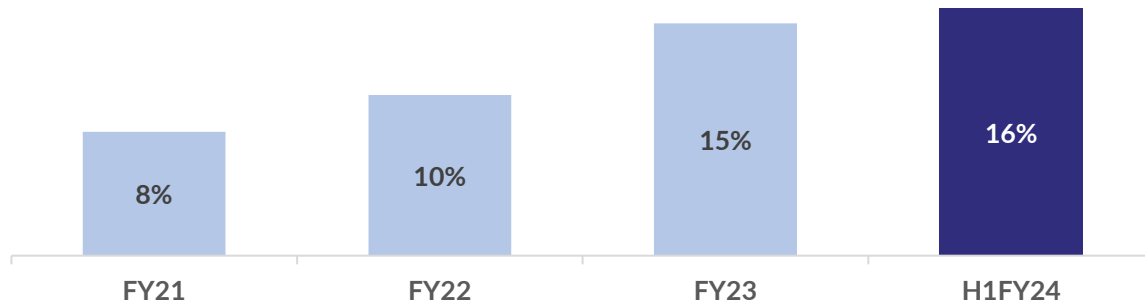
## Net Worth (Rs. Crore)



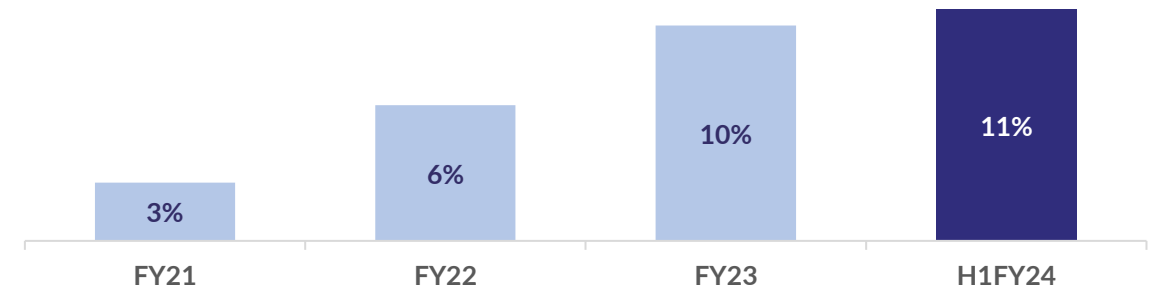
## Working Capital Days



## Return on Capital Employed



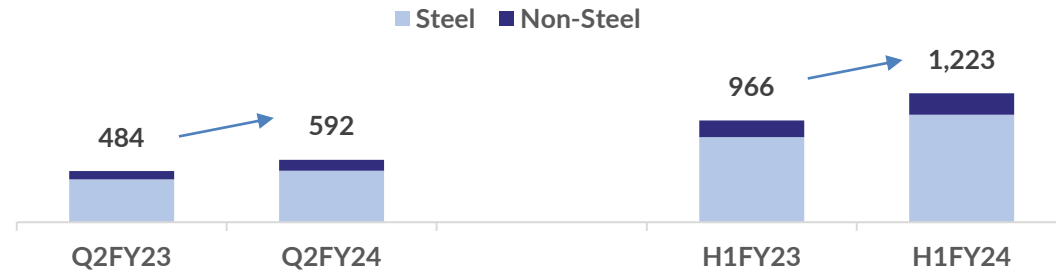
## Return on Equity



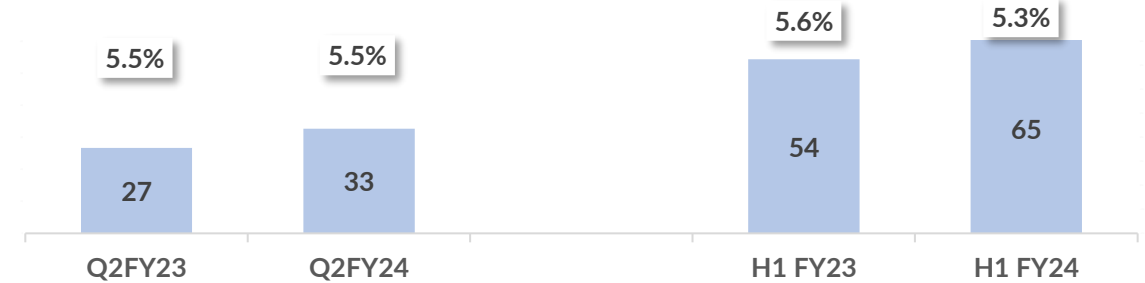
# SEGMENTAL UPDATE

Retail

### Revenue (Rs. Crore)

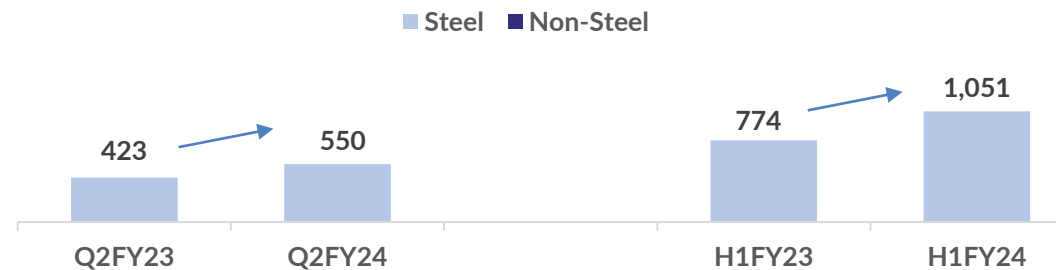


### EBITDA (Rs. Crore)

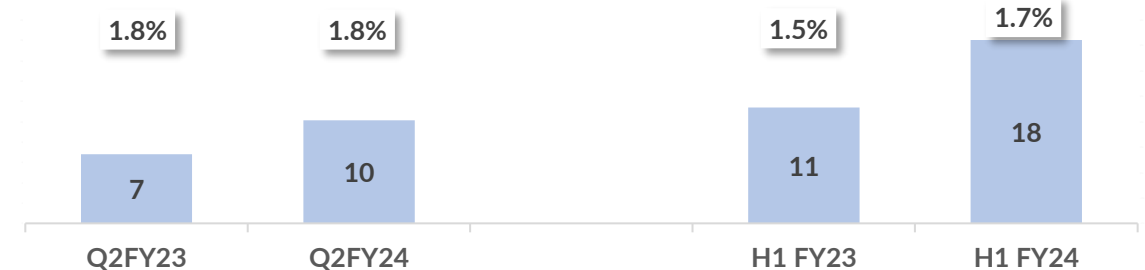


Non-Retail

### Revenue (Rs. Crore)



### EBITDA (Rs. Crore)



**Retail Business:** Retail continues to perform well. We are focused to leverage the strength of the brands we deal with and our wide product portfolio to create a customer pull at all our stores. Company has achieved Same-store sales growth of 23% in H1 FY24

**Non-retail Business:** Channel and Enterprise business continues to be strategic for growth. This segment caters to the requirements of large end users, contractors and OEMs, primarily for their steel-related products presently



# CONSOLIDATED PROFIT & LOSS STATEMENT

Particulars (Rs Crore)	Q2 FY24	Q2 FY23	Change YoY	H1 FY24	H1 FY23	Change YoY
Revenue from Operations	1,142	907	26%	2,275	1,739	31%
Other Income	1	3	(80%)	1	3	(68%)
Cost of Materials Consumed	1,076	853	26%	2,145	1,635	31%
Employee Expenses	14	12	13%	27	23	15%
Other Expenses	17	15	10%	33	28	17%
<b>EBITDA</b>	<b>36</b>	<b>30</b>	<b>23%</b>	<b>71</b>	<b>56</b>	<b>26%</b>
<b>EBITDA Margin %</b>	<b>3.2%</b>	<b>3.3%</b>		<b>3.1%</b>	<b>3.2%</b>	
Depreciation	4	4	2%	8	8	(2%)
Finance Cost	8	6	30%	15	12	24%
<b>Profit before Tax</b>	<b>24</b>	<b>20</b>	<b>24%</b>	<b>48</b>	<b>36</b>	<b>34%</b>
Tax	6	4	52%	12	8	49%
<b>Profit after Tax</b>	<b>18</b>	<b>16</b>	<b>17%</b>	<b>35</b>	<b>28</b>	<b>29%</b>
<b>PAT Margin %</b>	<b>1.6%</b>	<b>1.7%</b>		<b>1.6%</b>	<b>1.6%</b>	
<b>Basic EPS (in Rs.)</b>	<b>7.97</b>	<b>6.79</b>	<b>17%</b>	<b>15.53</b>	<b>12.05</b>	<b>29%</b>

# CONSOLIDATED BALANCE SHEET

Particulars (Rs Crore)	Sep-23	Mar-23
Shareholders Equity	673	643
<b>Non-current liabilities</b>	<b>31</b>	<b>40</b>
Borrowings	21	27
Lease & Other Financial Liabilities	1	5
Deferred Tax Liabilities (Net)	9	9
<b>Current Liabilities</b>	<b>728</b>	<b>608</b>
Borrowings	101	56
Trade Payables	588	520
Lease & Other Financial Liabilities	15	12
Current Tax Liabilities (Net)	7	6
Other Current Liabilities & Provisions	16	14
<b>Total Liabilities</b>	<b>1,432</b>	<b>1,292</b>

Particulars	Sep-23	Mar-23
<b>Non-current assets</b>	<b>307</b>	<b>301</b>
Property, Plant & Equipment (incl. CWIP)	260	256
Investment Property	10	10
Right of use Assets	2	4
Goodwill & Intangible Assets	16	15
Trade Receivables	3	3
Other non-current assets	16	14
<b>Current Assets</b>	<b>1,125</b>	<b>990</b>
Inventories	470	425
Trade Receivables	582	511
Cash and bank balances	19	12
Other financial and current assets	55	42
<b>Total Assets</b>	<b>1,432</b>	<b>1,292</b>

# SBPL at a Glance



# SHANKARA'S EVOLUTION

Shankara

1995

Incorporated  
as Steel Trading  
Business by  
Mr. Sukumar Srinivas



Integrated  
warehousing facility  
of 55,000 sq. ft. at  
Bengaluru

ISO 9001:2008  
certification

Shankara 1.0

2008

Retail Operations  
were started with  
first store in  
Bengaluru



**Acquisitions:**  
Vishal Precision Steel  
Tubes & Pipes,  
Centurywells Roofing,  
Vaigai Sanitation, JP  
Sanitation

**Brands launched:**  
Ganga, Ganga Gold,  
Century Roofing,  
Taurus, Prince Galva  
Plus & Loha

Publicly Listed in  
2017

Shankara 2.0

2022

Omni-channel  
Marketplace

"BuildPro" app,  
1,00,000+ SKUs  
across building  
products life cycle



Expansion of product  
portfolio to lighting,  
paints, cladding &  
exterior UPVC window  
doors, plywood, modular  
kitchen & wardrobes

Added Luxury brands in  
our product portfolio

Launched inhouse brand  
- Fotia Ceramica

Achieved Rs. 40+ bn  
turnover



# SHANKARA 2.0: AN OMNI-CHANNEL MARKETPLACE

Products

Omni-Channel Marketplace

Customers



Suppliers

125+ Brands across  
Steel & Non-Steel  
Building Materials

Retail Stores (91)



Warehouses (21)



Processing Facilities  
(13)



Dealer Network  
(2000+)



Customers

Widespread customer base  
Smallest homeowner to  
large contractors/developers

Our technology and services bring together suppliers and customers

# ONE STOP MARKETPLACE FOR ALL BUILDING MATERIALS

## Products

## Omni-Channel Marketplace

## Customers

Presence across the entire home construction and renovation lifecycle



### Construction Materials

Steel Tubes, TMT, Cement, M-Sand, Scaffolding, Fabrication, Accessories



### Plumbing & Sanitaryware

PVC Pipes & Fittings, Water Tanks, Sanitaryware, CP Fittings, Solar Heater



### Flooring

Ceramic Tiles, Vitrified Tiles, Flooring Tiles, Wooden Flooring, Accessories



### Electricals

Electrical Cable & Fittings, Switches, Decorative Lights, Fans, Heater



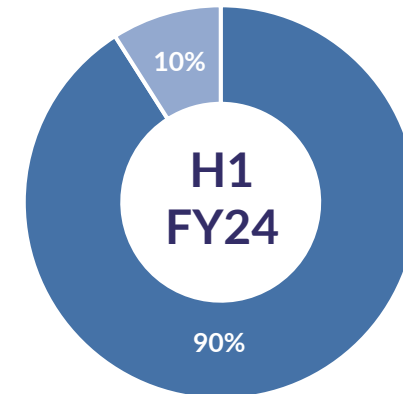
### Interior-Exterior

Paints, ACP, Roofing, Cladding, Wallpaper, Plywood, Kitchen



### Irrigation

Pumps/Motors, Sprinklers, Drip/Lift Irrigation, Borewell, Casing



## Revenue Mix

- Steel Products
- Non-Steel Products

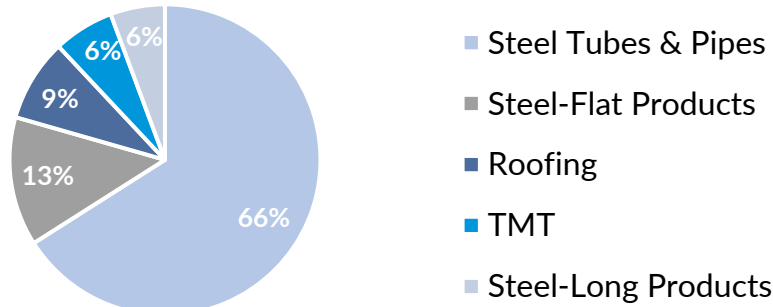
# DIVERSE OFFERINGS ACROSS STEEL & NON-STEEL

## Products

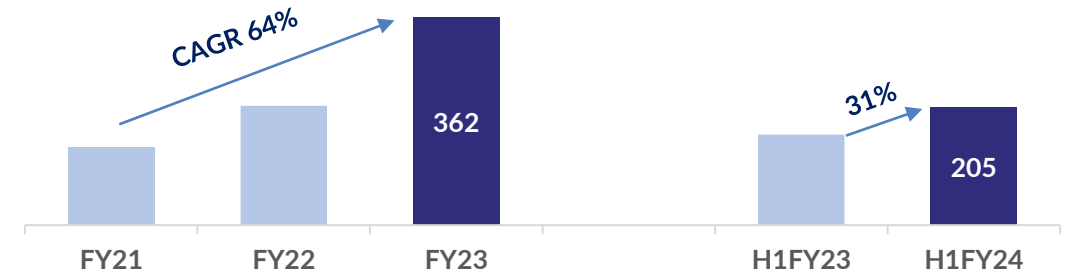
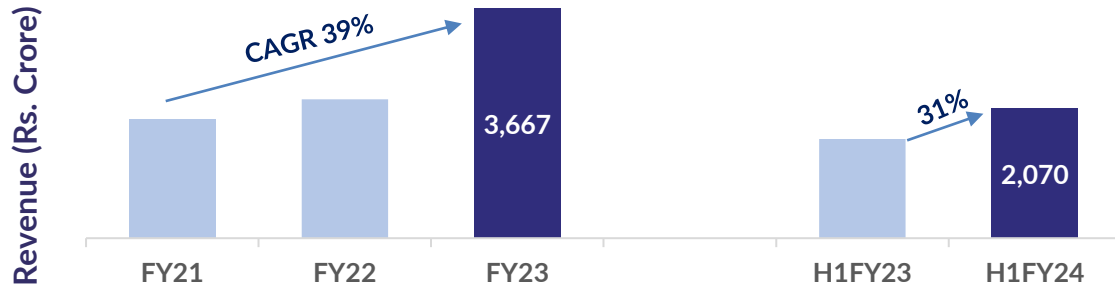
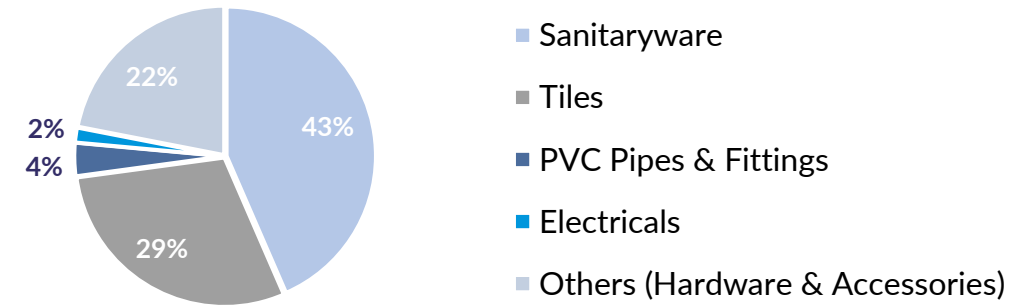
## Omni-Channel Marketplace

## Customers

### Steel Products



### Non-Steel Products



- ❑ Steel as well as non-steel business witnessing steady improvement in revenues, driven by expansion in product offerings and brand portfolio
- ❑ Steel business momentum continues driven by an improvement in construction activities and continuous infrastructure investment
- ❑ Shankara holds a prominent position in Steel Tubes & Pipes Business and is gradually expanding other products within steel building materials
- ❑ Non-steel business also witnessing strong growth driven by significant surge in home improvement and upgradation demand

# LARGEST RETAILER OF LEADING BUILDING PRODUCT BRANDS

Products

Omni-Channel Marketplace

Customers

## Strength of multi-brand tie ups


Seller/brand OEMs benefits from Shankara's wide distribution channel, access to larger customer base and ease of transactions



# OMNICHANNEL PRESENCE

Products

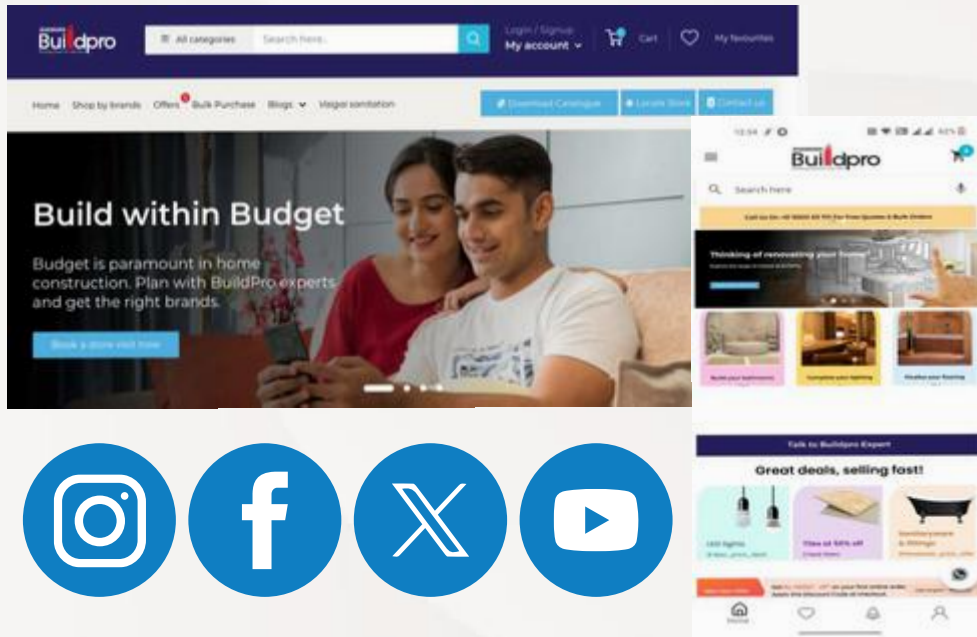
Omni-Channel Marketplace

Customers

Online Discovery of Wide Range of Products  
Anytime, Anywhere



Offline Push through our Fulfillment Centers



With launch of “BuildPro” app and website, Shankara has evolved from a traditional marketplace to online marketplace  
Ecommerce has enabled an online discovery platform for all building materials, leading to an increased footfalls at our fulfillment centers  
Shankara is evaluating opportunities for strategic collaborations in the digital landscape to enhance our existing omni-channel strategy

# STRONG NETWORK OF FULFILLMENT CENTERS

Products

Omni-Channel Marketplace

Customers

125

Fulfillment Centers  
13.2 lakh sq ft



91

Retail Stores  
4.6 lakh sq ft



21

Warehouses  
5.0 lakh sq ft



13

Processing Units  
3.6 lakh sq ft

Presence across

10/1

States/UT



Owned Fleet

75+

Trucks



Our strong network of fulfillment centers and our supply chain infrastructure supports smooth scaling up of business

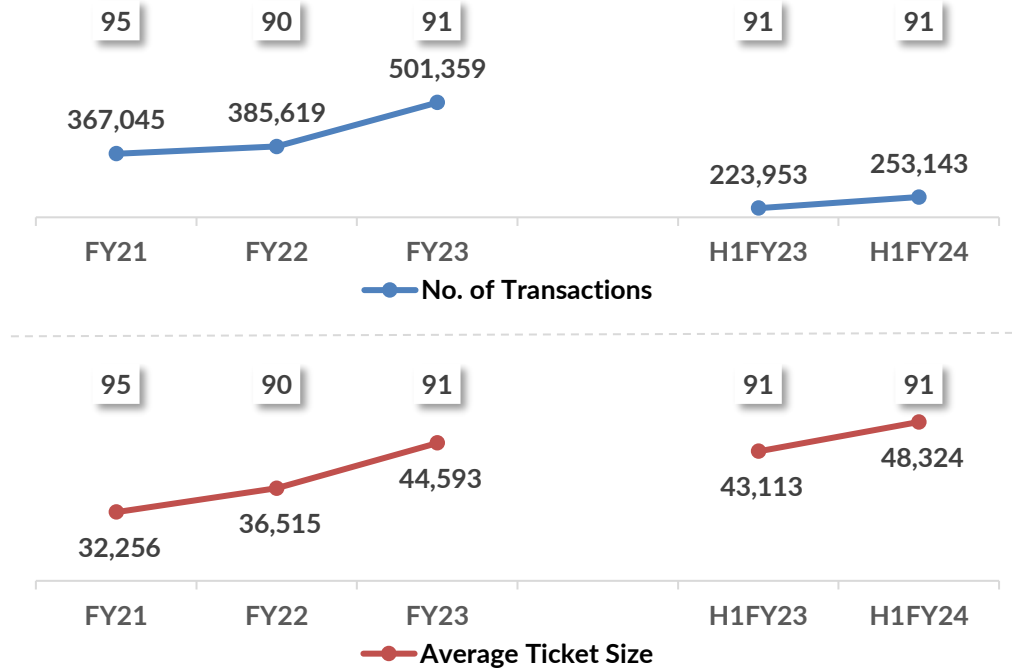
# RETAIL: INCREASING THROUGHPUT FROM EXISTING NETWORK

Products

Omni-Channel Marketplace

Customers

Particulars	H1 FY24	H1 FY23	Change YoY
Retail Stores (No.)	91	91	-
Retail Area (lakh sq ft)	4.64	4.58	1%
No. of Transactions	2,53,143	2,23,953	13%
Average Ticket Size (Rs.)	48,324	43,113	12%
Retail Revenue (Rs. Crore)	1,223	966	27%
Retail EBITDA (Rs. Crore)	65	54	20%
Average Rental Cost (per sq ft per month)	16.9	16.3	4%



- Same Store Sales Growth (SSSG) of 23% in H1 FY24
- Average ticket size has grown by 12% YoY with newer products/categories at existing stores

# WIDESPREAD CUSTOMER BASE

Products

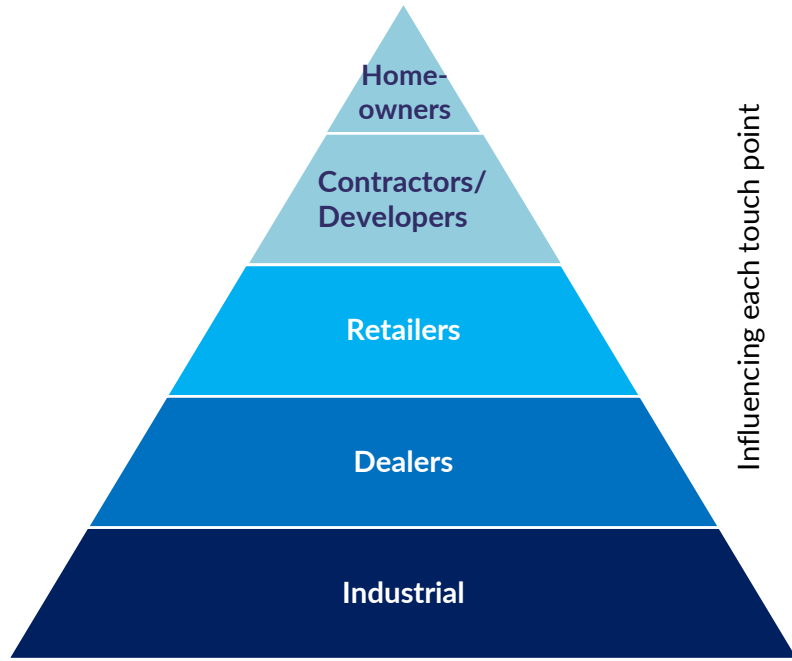
Omni-Channel Marketplace

Customers

Widespread customer base and reach across all touchpoints in a construction lifecycle

Small

Large



Influencing each touch point

Fabricator  
Plumber  
Architect  
Engineer  
Painter  
Electrician





# MARKETING INITIATIVES

## Products

## Omni-Channel Marketplace

## Customers

### Influencer Meets



### Exhibitions



### Conferences & Events



### Build with BuildPro



Products

Omni-Channel Marketplace

Customers

## OUR VALUED CLIENTS



Prestige Group



Brigade Group



Sobha Developers



L&T



Casa Grand



Murugappa Group



KEC



Shapoorji Pallonji



Appaswamy



Pennar Industries



NCC



Johnson



HNI India



Kempegowda



Tata Motors



Nilkamal



Total Environment



Spacewood



## Expansion of Non-Steel Business

- ✓ Business aspirations to make this **25% of total revenue** in next 4-5 years

01

## Leveraging Distribution Channel

- ✓ Cross sell opportunities at existing fulfillment centers and penetration further in existing as well as newer geographies

02

## Transforming Ecosystem with Technology and Innovation

- ✓ Greater Online Presence & **Tech Driven Customer Acquisition** and Retention

03

## Strengthening Balance Sheet

- ✓ Capital efficient **business model** to drive improvement in the return indicators

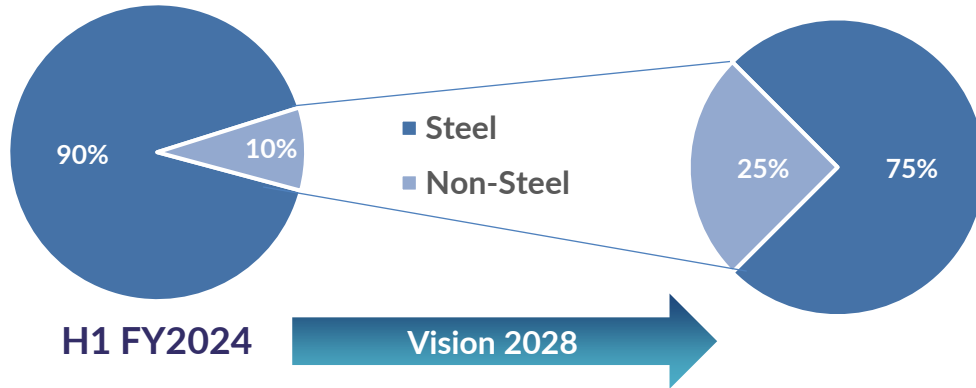
04

CORE  
STRATEGIES  
FOR THE  
FUTURE



# EXPANSION OF NON-STEEL BUSINESS

High margin non-steel business to drive EBITDA margins



- ❖ Shankara is scaling up presence in fast growing and value-added non-steel business, with increase in product categories and brands
- ❖ Aimed to increased cross selling opportunities at existing fulfillment centers and leveraging existing customer relationships to sell our expanded range of products
- ❖ Fotia Ceramica, our private label, is a strategic expansion catering to diverse range of customers' building needs in the tile segment
- ❖ Next generation is driving the growth in this segment
- ❖ Non-steel business expansion to drive blended EBITDA margin improvement in the coming years

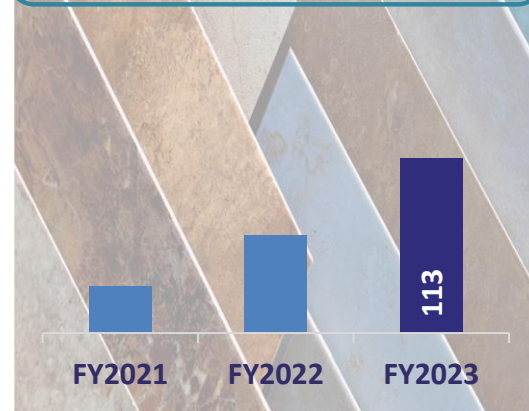
TAM

Shankara's Share  
(Rs. Crore)

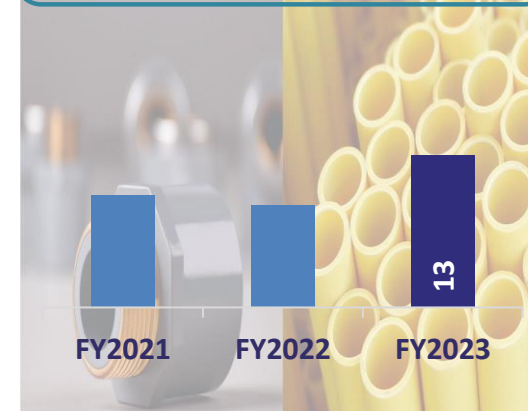
Sanitaryware  
~Rs. 18,000 Crore



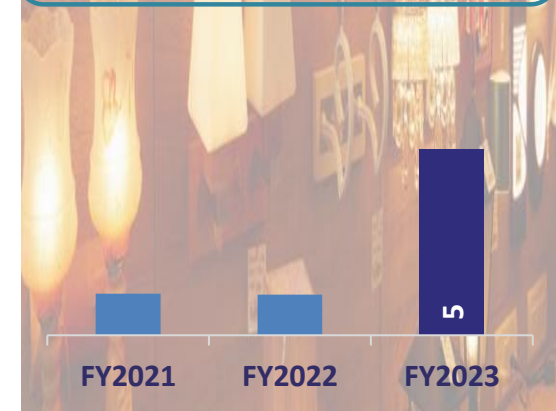
Tiles  
~Rs. 45,000 Crore



PVC Pipes & Fittings  
~Rs. 40,000 Crore

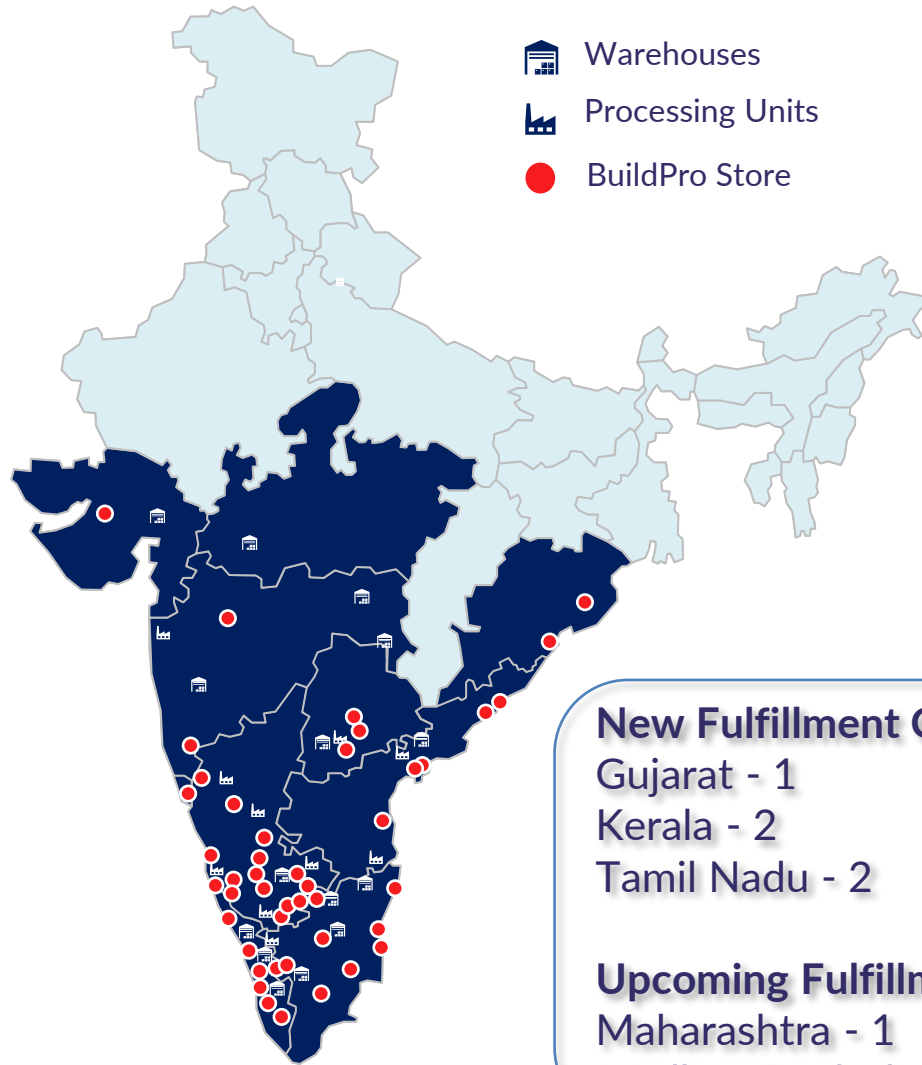


Electricals  
~Rs. 70,000 Crore





# LEVERAGING DISTRIBUTION CHANNEL

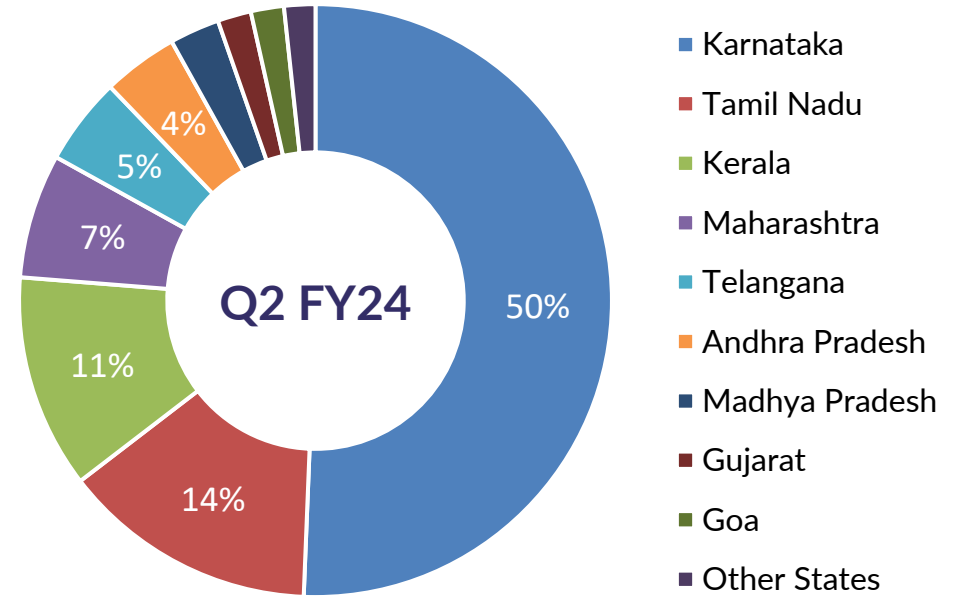


**10/1**  
States/UT

**45**  
Cities

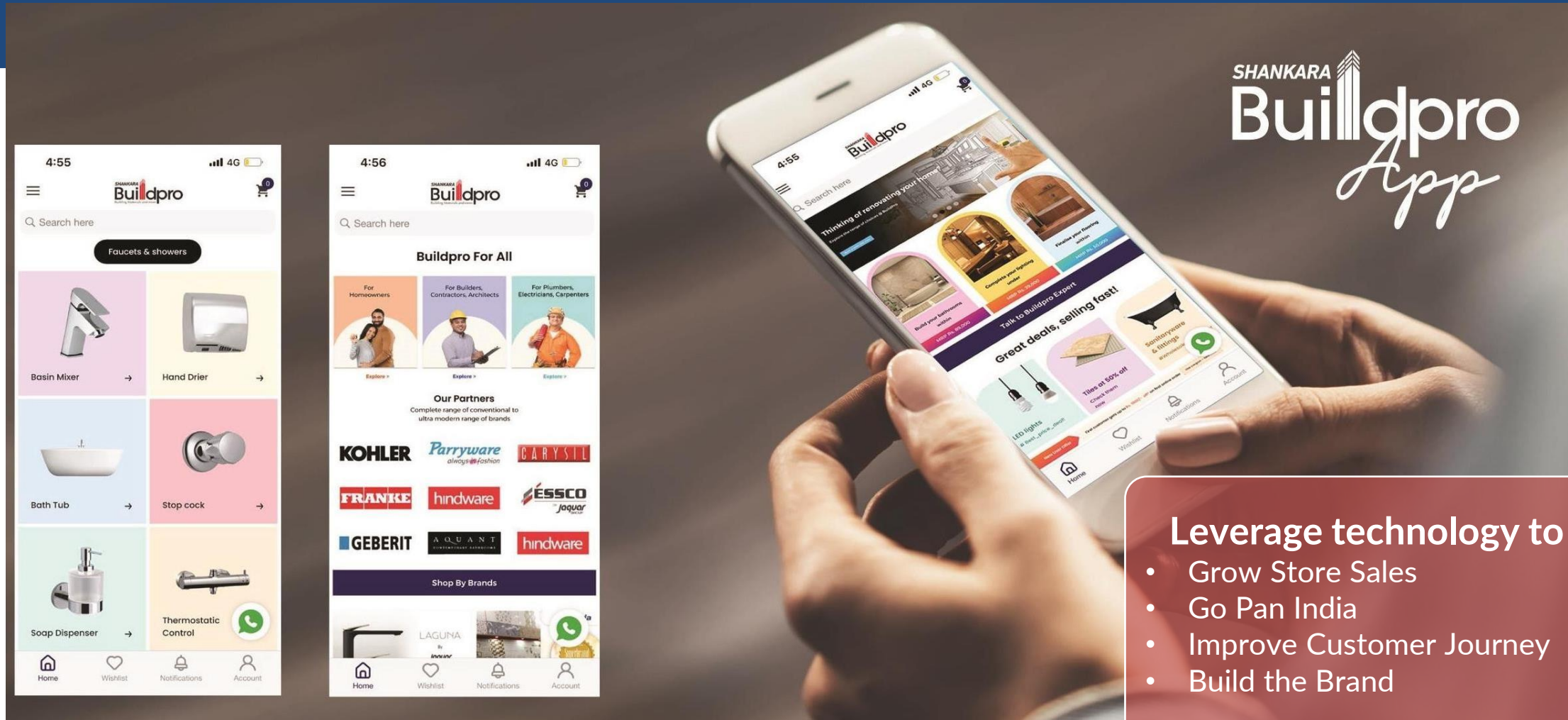
**New Fulfillment Centers in H1**  
 Gujarat - 1  
 Kerala - 2  
 Tamil Nadu - 2

**Upcoming Fulfillment Centers**  
 Maharashtra - 1  
 Madhya Pradesh - 1



- ❖ Our cluster-based distribution network has helped deepen our penetration in Southern states, while also growing in Maharashtra and Madhya Pradesh
- ❖ Shankara is focused at harnessing its distribution network to market newer products and categories, to enable higher revenues from our existing fulfillment centers

# TRANSFORMING ECOSYSTEM WITH TECHNOLOGY AND INNOVATION



**Leverage technology to**

- Grow Store Sales
- Go Pan India
- Improve Customer Journey
- Build the Brand

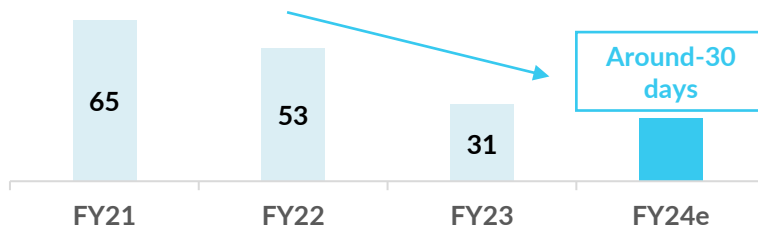
- Focus on technology & digital marketing, with Shankara BuildPro app ([Google Play](#) & [App Store](#)) and [website](#)
- Move towards greater online presence & focus on tech driven customer acquisition and retention
- Technology will be a key enabler for Pan India expansion in the coming years
- Evaluating opportunities for strategic collaborations in the digital landscape to enhance our existing omni-channel strategy

# STRENGTHENING BALANCE SHEET



## EFFICIENT WORKING CAPITAL MANAGEMENT

- Strengthen relationship with key suppliers to ensure credit availability from suppliers, and build a robust supply chain to ensure efficient and faster delivery, optimizing inventory levels; all aimed to efficiently maintain its working capital at ~30 days

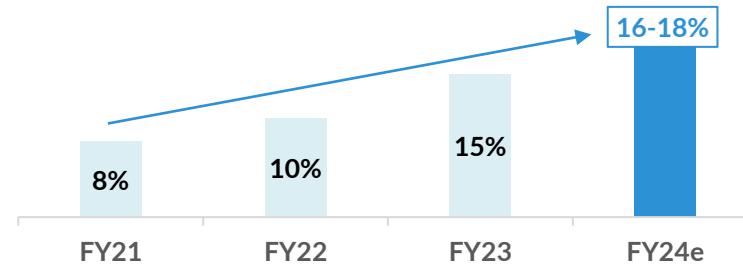


Working Capital Days



## ASSET-OPTIMIZED BUSINESS MODEL

- Retail expansion through leased outlets, resulting in asset light operations and improved return indicators
- Company is committed to unlock value of non-core assets by optimizing utilization, monetization and strategic growth

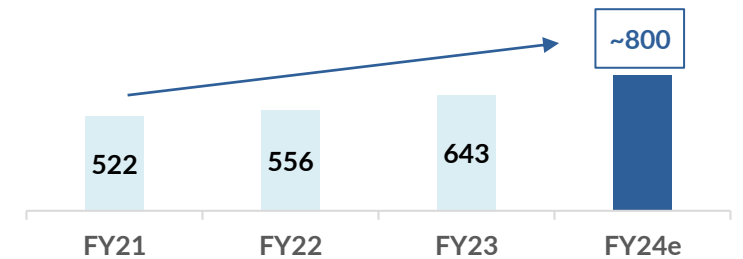


RoCE Expansion



## EQUITY INFUSION

- On November 2, 2023, APL Apollo subscribed to the balance 75% of the warrants, with payment of Rs. 78.75 crore, reinforcing the company's liquidity and capital base



Strengthening of Capital Base

# Thank You

Shankara Building Products Limited

CIN: L26922KA1995PLC018990

Mr. Alex Varghese, Chief Financial Officer

[ir@shankarabuildpro.com](mailto:ir@shankarabuildpro.com)

[www.shankarabuildpro.com](http://www.shankarabuildpro.com)

Scan the QR to experience the

SHANKARA  
**Buildpro**  
*App*



Android



iOS

SHANKARA  
**Buildpro**  
Building Materials and more

**Shankara**  
Building Products Ltd.