Shankara®
Building Products Limited

Date: 13th February, 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- Q3 & 9M FY24 Results

Dear Sir/Madam,

Please find enclosed Investor's Presentation for Q3 & 9M 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: 2024-02-13 15:25+05:30

Ereena Vikram
Company Secretary & Compliance Officer

Shankara Building Products Ltd.

SHANKARA Buildpro
Building Materials and more

Investor Presentation

Q3 & 9M FY2024

February 13, 2024

Disclaimer

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.

Business Highlights

Demerger of Building Materials Marketplace and Manufacturing

- Approved by the board in Dec-23 and filed with Stock Exchanges in Jan-24
- To create two separate focused listed entities in building materials marketplace and manufacturing
- Shareholders to get 1 share of new entity for each share held in SBPL, resulting in no change in shareholding
- Upon completion, the shares of new entity (Shankara BuildPro) will be listed on the NSE & BSE

9M FY2024 Financial Performance

- Consolidated nine-month revenues up by 22% YoY, while Non-Steel Revenues up by 35% YoY
- Consolidated nine-month EBITDA & PAT up by 25% & 30% YoY respectively; EBITDA margins at 3.2%
- Working Capital Days continues to be around 30 days

Other Business Updates

- Non-steel share improved to 11% in Q3 vs 9% in Q2, with strategic measures towards growing value-added portfolio
- Tiles segment grew by almost 40% in 9MFY24, primarily led by growth in private label, Fotia Ceramica, while Sanitaryware revenues were up by 40%+ in 9MFY24

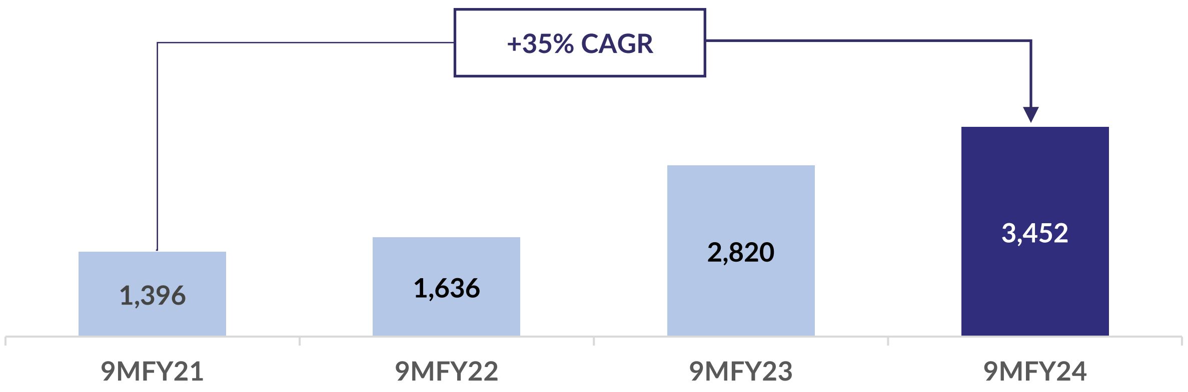
Financial Highlights

	Revenue	EBITDA	PAT
9M FY24	3,452 +22% YoY	111 +25% YoY EBITDA Margin 3.2%	57 +30% YoY PAT Margin 1.6%
Q3 FY24	1,177 +9% YoY	40 +23% YoY EBITDA Margin 3.4%	21 +31% YoY PAT Margin 1.8%

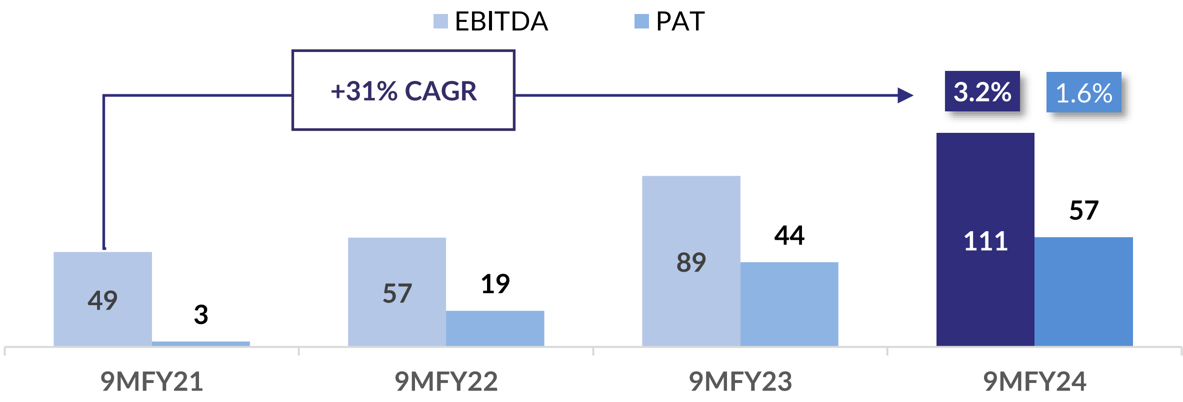
Figures in Rs. Crore

Business momentum continues, while diversifying building materials portfolio

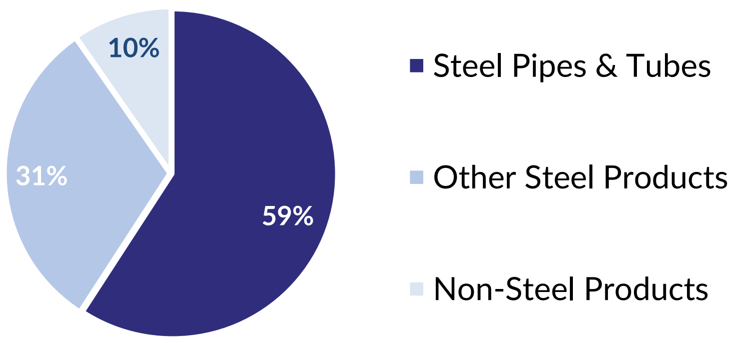
Revenue (Rs. Crore)



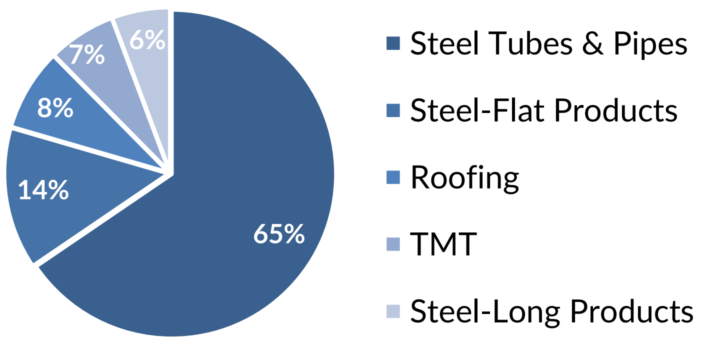
Profitability (Rs. Crore)



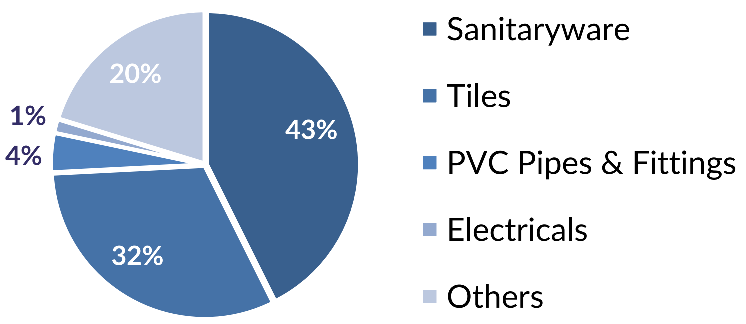
Revenue Mix



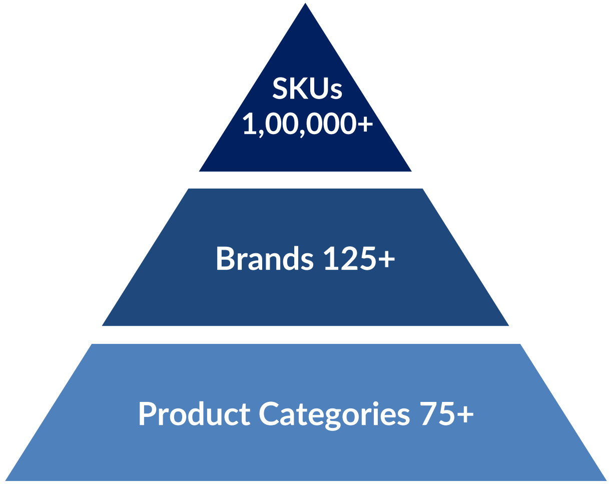
Steel Products

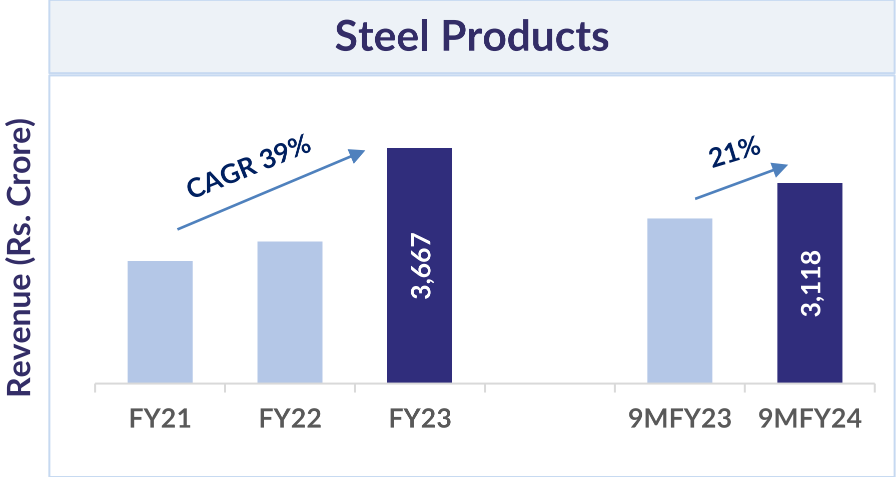


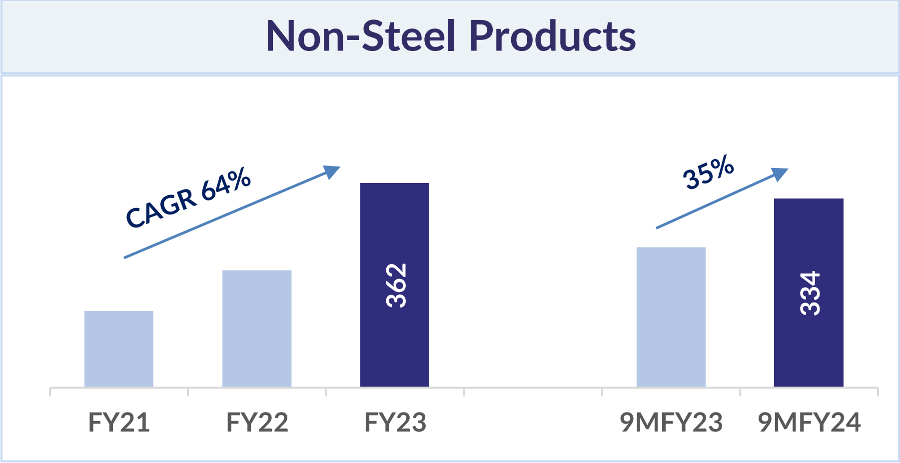
Non-Steel Products



Strategically aimed at growing value-added portfolio aggressively



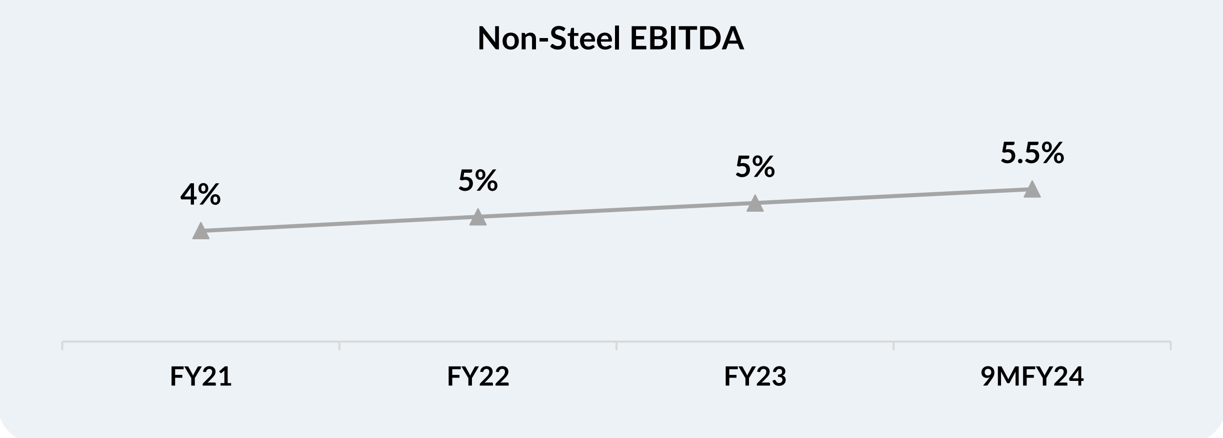




Significant runaway to expand our market share in all non-steel products

Rs. Crore	TAM	Shankara's Revenue (FY23)
Sanitaryware & Fittings	~18,000	150
Tiles	~45,000	113
PVC Pipes & Fittings	~40,000	13
Electricals & Lighting	~70,000	5
Paints & Coatings	~75,000	4

Hence, focus is to grow the non-steel business more rapidly in the coming years, given the high value-adding nature of this segment



TAM – Total Addressable Market (India Market Size – Estimated), as per available industry data

Strategic steps taken towards improving value-added portfolio

Shankara Building Products Ltd.

Tiles

- Fotia Ceramica, our private label, is a strategic expansion in the tile segment
- After successful ramp up in Kerala, Fotia is expanding in Karnataka, Tamil Nadu, Maharashtra & other Southern regions
- Focus on flagship stores in Bangalore and Chennai to display luxury, imported and handmade tiles

Sanitaryware

- Strengthening our premium range with addition of brands like Duravit, Hans Grohe, Kohler & Grohe
- Focus on Italian Imported Bathrooms under brand, Involgia

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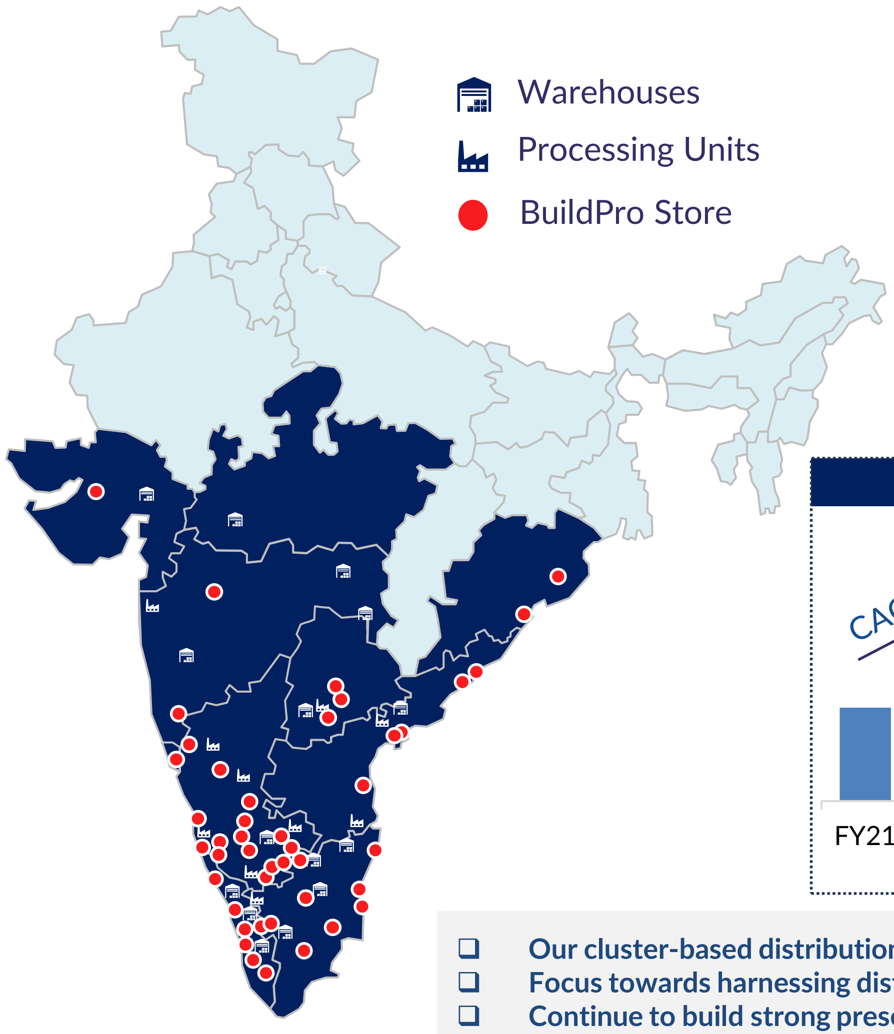
Paints, Hardware & accessories

- Launch of store-in-store with Nippon Paints
- Added Hardware with Hafele & other reputed brands
- Added Modular Kitchens and Wardrobes with Panasonic
- Added German Engineered Wooden Doors with Wesmarc
- Added Appliances with Faber, Carysil, Siemens and Hafele

Ecommerce

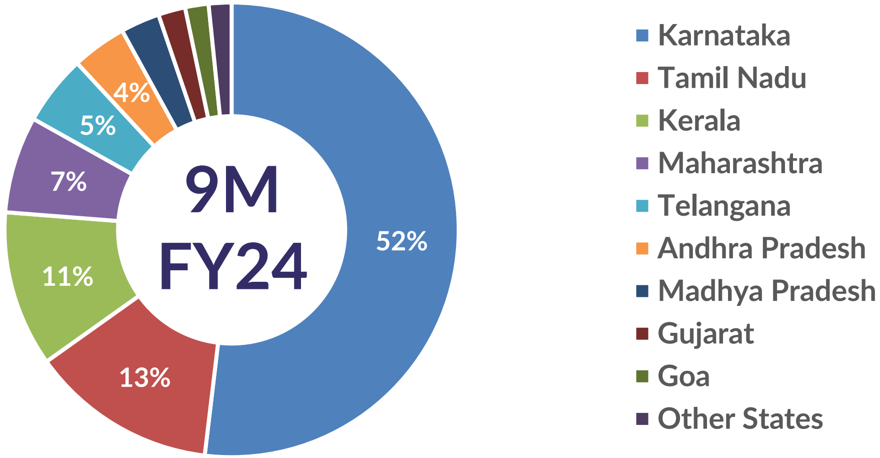
- Re-designing Buildpro.store to be a comprehensive building material solution for our customers
- Creating a marketplace to bring customers, services & products together
- Working on a loyalty program for customers and influencers to entice them to remain with BuildPro for their entire building lifecycle

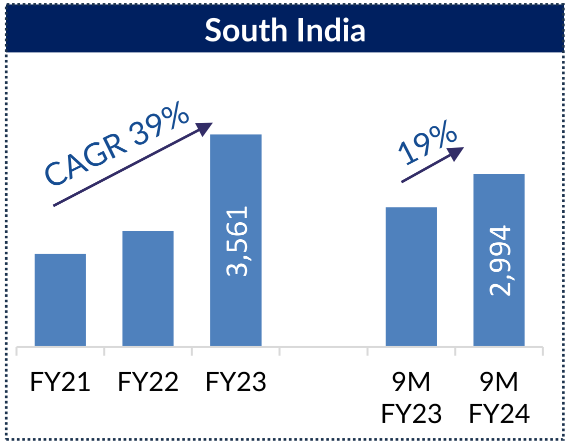
Building a dominant position in South, while expanding into other regions

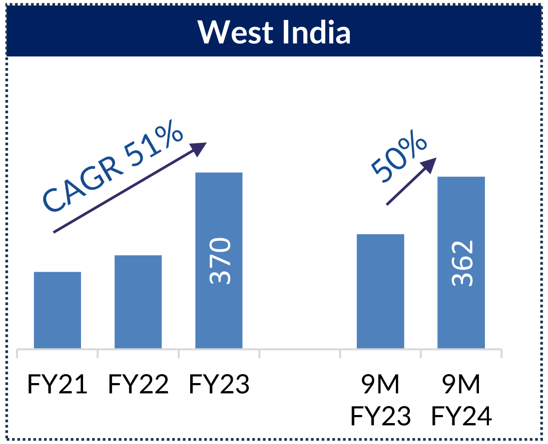


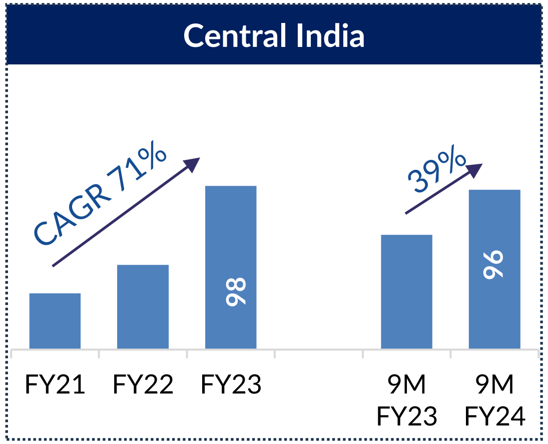
10/1
States/UT

45
Cities









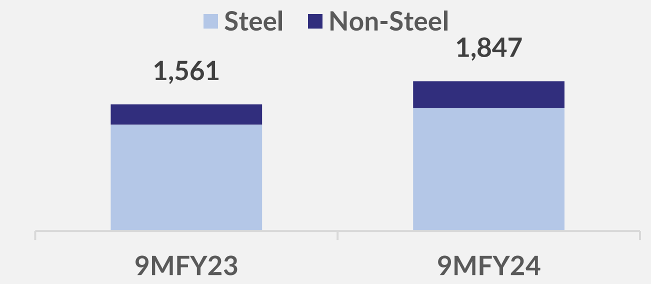
- Our cluster-based distribution network has helped deepen our penetration in Southern states, while also growing in Maharashtra and Madhya Pradesh
- Focus towards harnessing distribution network to market newer products and categories, to enable higher revenues from our existing fulfillment centers
- Continue to build strong presence in South, while expanding to other regions in line with long-term vision to become a pan India building materials company

…with improvement in both retail and non-retail segment

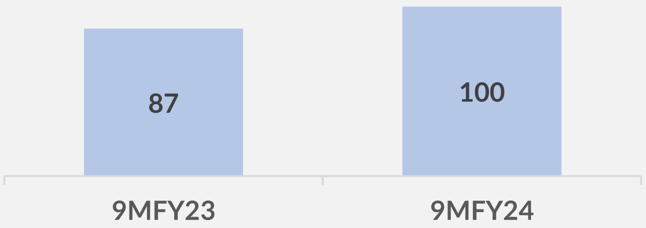
Shankara Building Products Ltd.

Retail

Revenue (Rs. Crore)

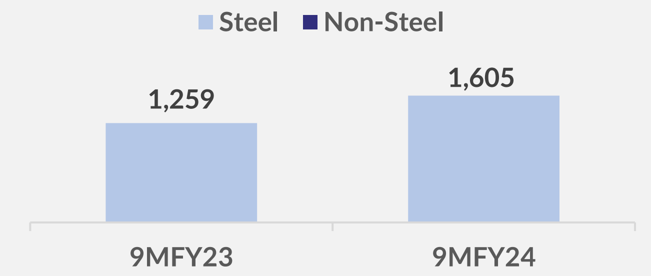


EBITDA (Rs. Crore)

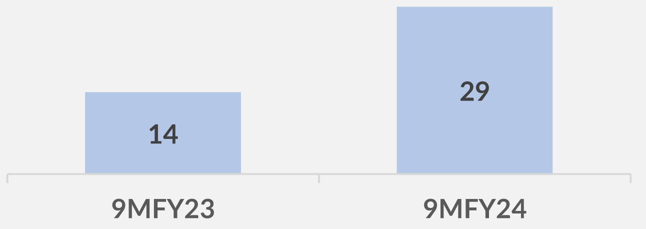


Non-Retail

Revenue (Rs. Crore)



EBITDA (Rs. Crore)



Retail Parameters	9M FY24	9M FY23	*Change YoY*
Retail Stores (No.)	91	91	-
Retail Area (lakh sq ft)	4.64	4.58	*1%*
No. of Transactions	3,70,803	3,56,406	*4%*
Average Ticket Size (Rs.)	49,817	43,794	*14%*
Retail Revenue (Rs. Crore)	1,847	1,561	*18%*
Retail EBITDA (Rs. Crore)	100	87	*15%*
Average Rental Cost (per sq ft per month)	16.9	16.2	*4%*

Retail Business: Retail continues to perform, with a focus 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 15% during 9M 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

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On-ground execution driven by a strong network of fulfillment centers

Shankara Building Products Ltd.

125 Fulfillment Centers 13.2 lakh sq ft	»	13 Processing Units 3.6 lakh sq ft	+	91 Retail Stores 4.6 lakh sq ft	+	21 Warehouses 5.0 lakh sq ft

Processing Units

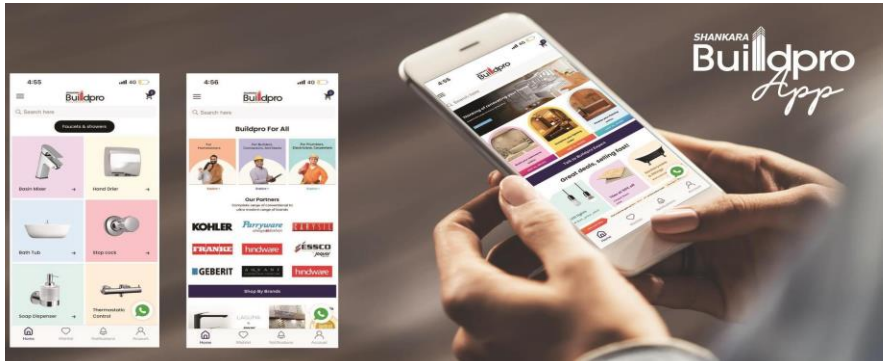
Vishal Precision Steel Tubes & Strips Private Limited	Centurywells Roofing India Private Limited	Taurus Value Steel & Pipes Private Limited
• Processing of tube and cold rolled strip • Two processing facilities located in Bengaluru	• Primarily engaged in colour coated roofing products. • Ten processing facilities located in Bengaluru, Chennai, Coimbatore, etc.	• Tube processing facility located at Hyderabad.

Installed Capacity ~2.1 lakh MT

Capacity Utilisation ~35-40%

Omnichannel presence becoming a key enabler for future growth

Online Discovery of Wide Range of Products Anytime, Anywhere



Offline Push through our Fulfillment Centers

With launch of "BuildPro" app (Google Play & App Store) and website:

- Shankara has evolved from a traditional marketplace to online marketplace
- Has enabled an online discovery platform for all building materials, leading to an increased footfalls at our fulfillment centers

- 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 our existing omni-channel strategy

Consolidated Profit & Loss Statement

Particulars (Rs Crore)	Q3 FY24	Q3 FY23	Change YoY	9M FY24	9M FY23	Change YoY
Revenue from Operations	**1,177**	**1,080**	***9%***	**3,452**	**2,820**	***22%***
Other Income	2	4	*(50%)*	3	7	*(59%)*
Cost of Materials Consumed	1,108	1,024	*8%*	3,254	2,659	*22%*
Employee Expenses	14	12	*13%*	41	36	*14%*
Other Expenses	17	15	*12%*	49	43	*16%*
EBITDA	**40**	**33**	***23%***	**111**	**89**	***25%***
EBITDA Margin %	***3.4%***	***3.0%***	***39 bps***	***3.2%***	***3.1%***	***7 bps***
Depreciation	4	4	*(1%)*	12	12	*(2%)*
Finance Cost	8	6	*33%*	23	18	*27%*
Profit before Tax	**28**	**23**	***24%***	**76**	**58**	***30%***
Tax	7	6	*8%*	19	15	*31%*
Profit after Tax	**21**	**16**	***31%***	**57**	**44**	***30%***
PAT Margin %	***1.8%***	***1.5%***	***31 bps***	***1.6%***	***1.6%***	***9 bps***
Basic EPS (in Rs.)	**9.1**	**7.2**	***27%***	**24.6**	**19.2**	***28%***

Demerger Update

Creating two distinct focused entities

SHANKARA Buildpro
Building Materials and more

Shankara
Building Products Ltd.

Demerger to create two separate entities, focused on building materials marketplace and manufacturing respectively

SHANKARA Buildpro
Building Materials and more

Building Materials Marketplace (with its omnichannel presence) will be separated to create Shankara BuildPro Limited

Shankara Building Products Ltd.

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

Building Materials Marketplace		Manufacturing
~Rs. 2,775 Cr	9M Revenue	~Rs. 677 Cr
~3.3-3.5%	EBITDA Margin (%)	~1.7-2.0%
~1.8-2.0%	PAT Margin (%)	~0.6-0.8%
~27-28%	RoCE	~4-5%

Approximate numbers representing indicative split of consolidated financials into Building Materials marketplace and Manufacturing business

Proforma Balance Sheet Split (As on September 30, 2023)

	Current	Post-demerger*	
	Overall	Building Materials Marketplace	Manufacturing
Total Equity	673	281	392
Net Debt (External)	103	98	5
Capital Employed	785	375	409
Net Block	269	34	235
Working Capital	463	383	81

Figures in Rs. Crore, Approximate numbers representing indicative split of consolidated financials as on September 30, 2023

Implementation Timeline

Shankara Building Products Ltd.

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

Dec-23	Q4 FY2024	FY2025
Board Approval	Filing of Application with Stock Exchanges	

- Board Approval
- Filing of Application with Stock Exchanges
- NOC from SEBI
- Filing with NCLT
- Shareholders/ Creditors meeting
- NCLT Approval
- RoC Intimation
- Listing & trading

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

ir@shankarabuildpro.com

www.shankarabuildpro.com

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