

Date: 31st July, 2020

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: - Annual General Meeting Presentation

Dear Sir/Madam,

Please find enclosed Annual General Meeting Presentation 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**

Ereena Vikram

Ereena Vikram
Company Secretary & Compliance Officer



25
years

Shankara
Building Products Ltd.



July 2020

Safe Harbor

This presentation and the accompanying slides (the “Presentation”), which has been prepared by Shankara Building Products Limited (the “Company”), has been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the tire industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

One of India's Largest Home Improvement & Building Material Retailer

Retail space

0.5 mn sqft

Products

75+

SKUs

30,000+

States / UT

9 / 1



Mysore, Karnataka



Thiruvalla, Kerala

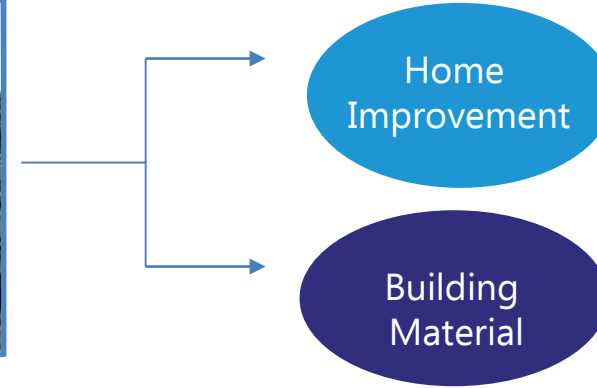


Nellore, Andhra Pradesh



Chennai, Tamil Nadu

...catering to Home Improvement & Building Material Customers...



Our Target Audience



Home Owners



Professional Customers
(Architects & Contractors)



Small Enterprises

...offering a 'One Stop Shop' solution in India's High Growth Industry...

100+

Brands

10,000+

Touchpoints

75+

Products

30,000+

SKUs

Comprehensive range of products



Construction Materials



Plumbing & Sanitaryware



Flooring



Electricals



Interior-Exterior



Irrigation

...with a wide range of Product Offerings and Brands

Third party brands

Construction Materials



Plumbing & Sanitaryware



Flooring



Interior-exterior



Electricals



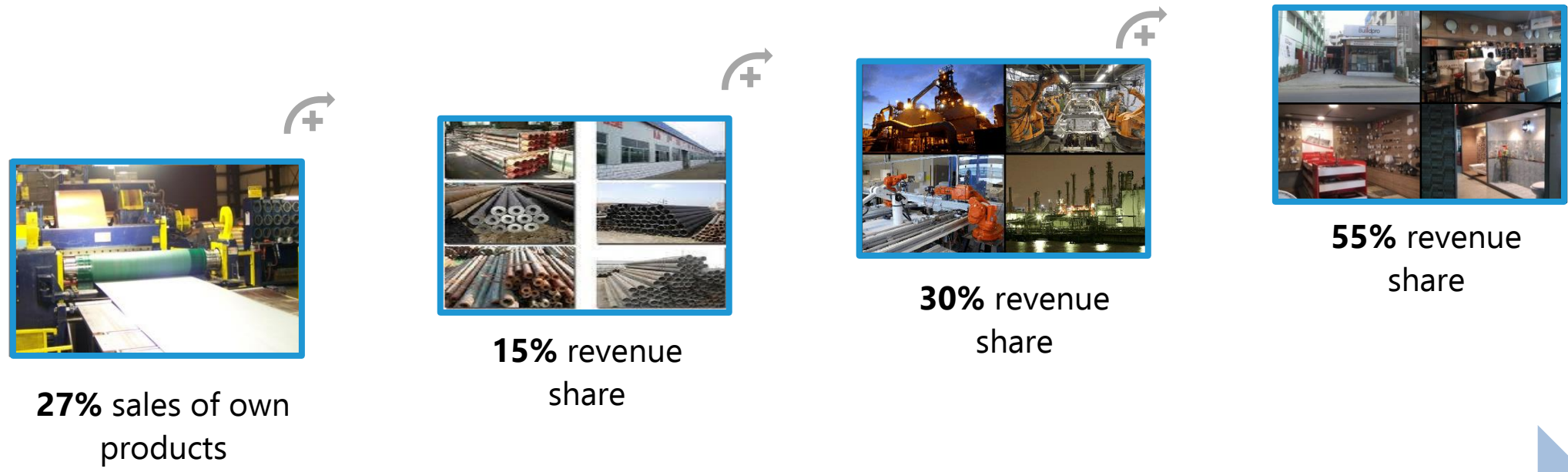
Irrigation



In-house brands



'End to End' provider of Home Improvement & Building Materials

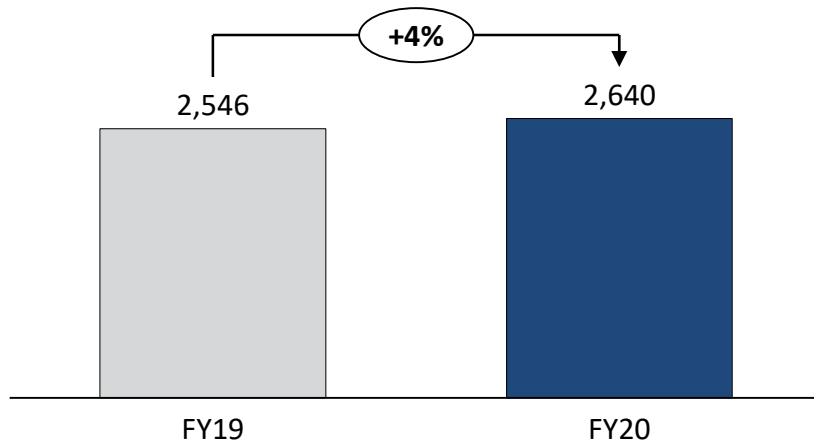




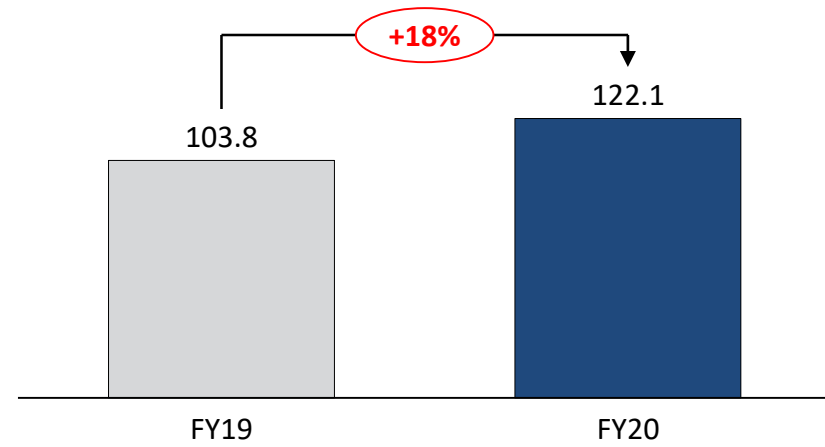
**FY20 Financial
Performance**

Key Highlights for FY20

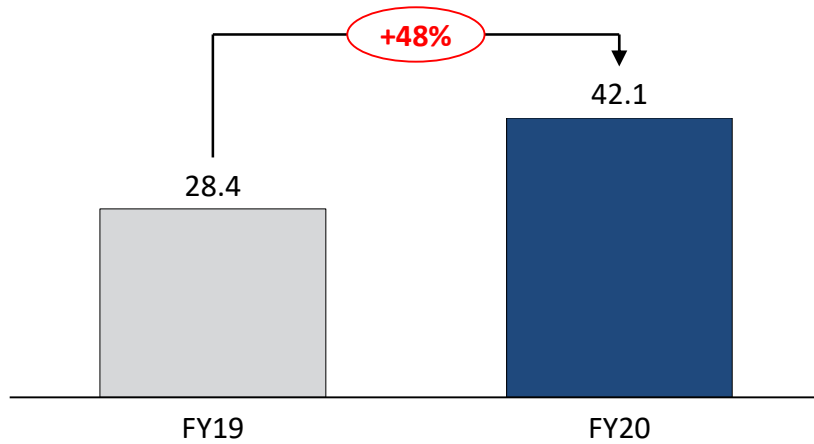
Revenue (Rs. in Crs)



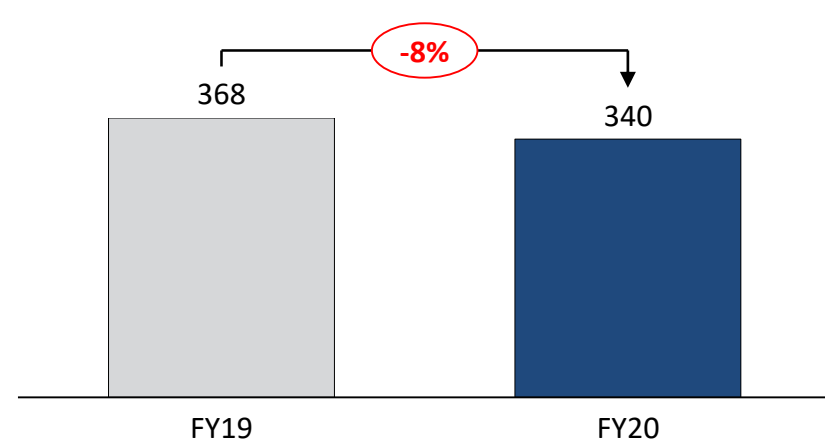
EBIDTA* (Rs. in Crs)



PAT (Rs. in Crs)

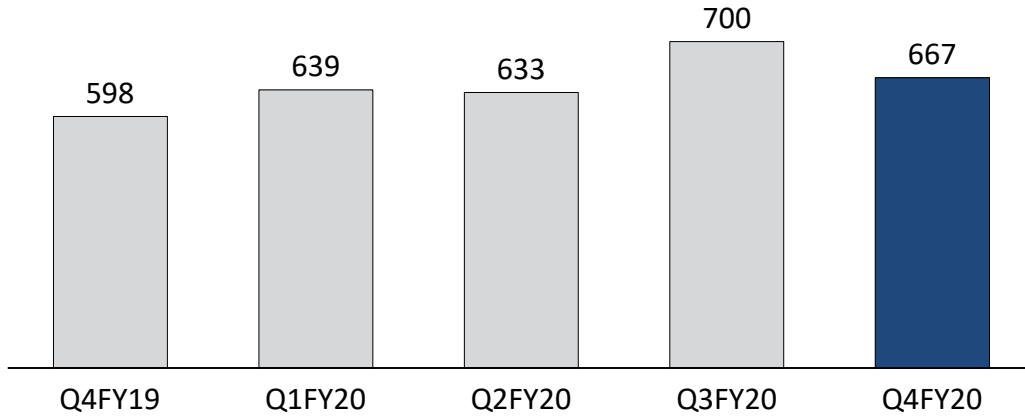


Net Debt + Acceptances (Rs. in Crs)

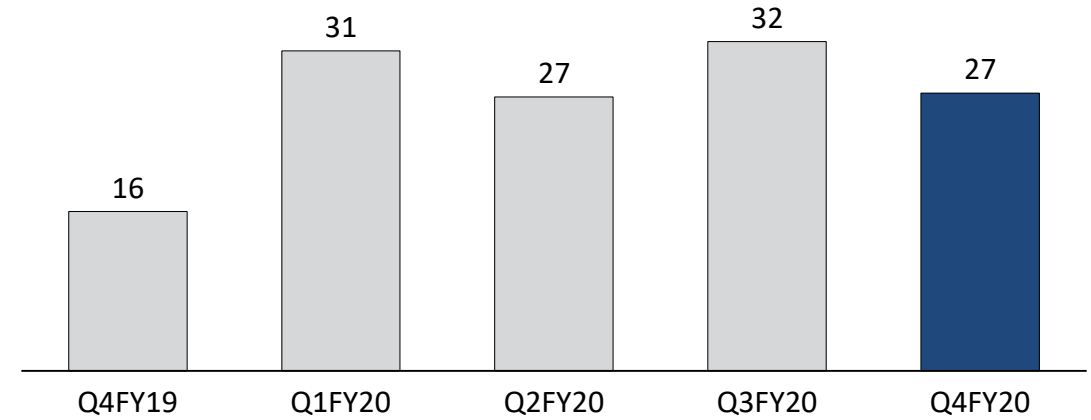


Strong Sequential Growth with Focus on Balance Sheet

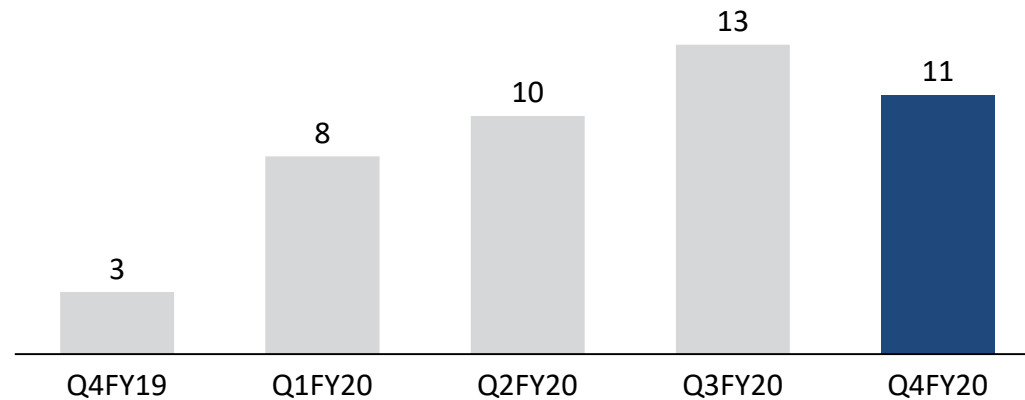
Revenue (Rs. in Crs)



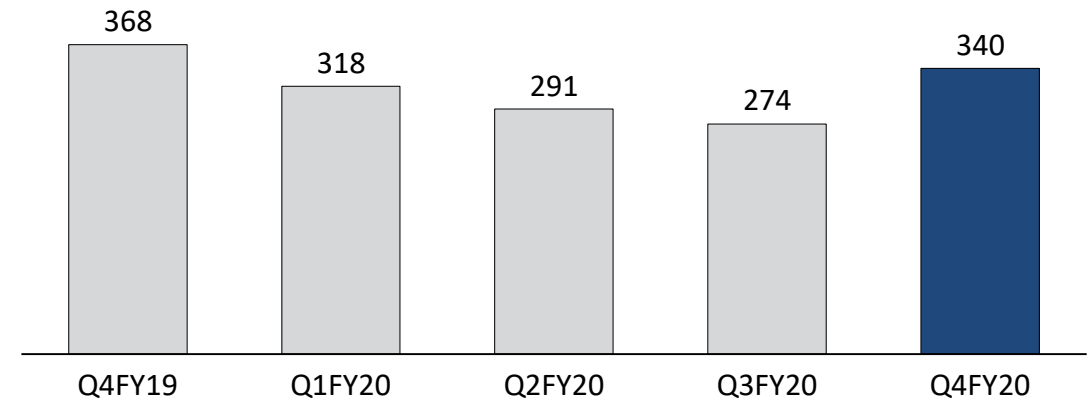
EBIDTA (Rs. in Crs)



PAT (Rs. in Crs)

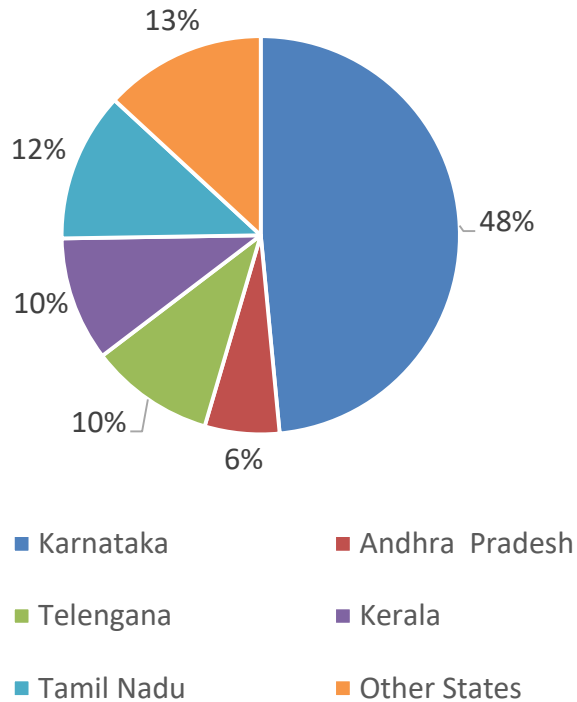


Net Debt + Acceptances (Rs. in Crs)

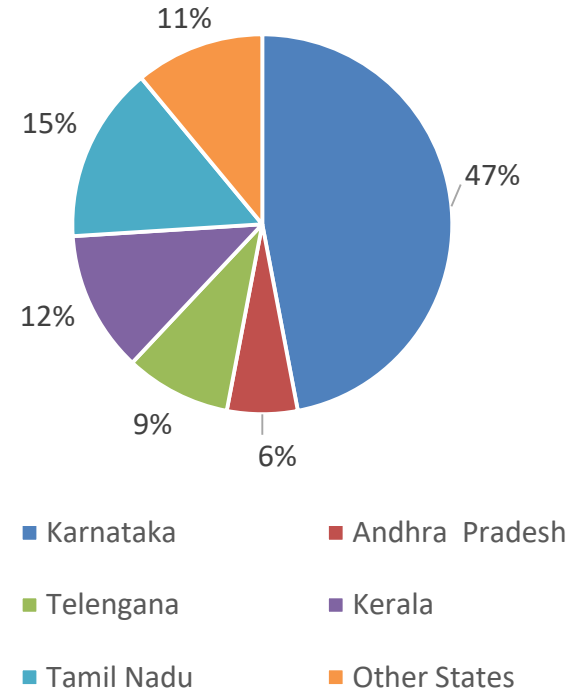


Revenue Break up across States

FY19
Revenue mix across States



FY20
Revenue mix across States



Key Highlights – Retail Business

Particulars	Units	FY20	FY19
No of retail stores	Nos.	120	134
Total Area	Sq. Ft	542,233	567,202
Average store size	Sq. Ft	4,519	4,233
Average ticket size	Rs.	29,212	28,003
Revenue from retail stores	Rs. in Crs	1,441.8	1,431.1
EBITDA	Rs. in Crs	115.6	126.5
Margin (%)	%	8.0%	8.8%
Average rental cost per Sq. Ft. per month	Rs.	19.87	19.10

FY20 Income Statement*

Particulars (Rs. in Crs)	FY20	FY19	Y-o-Y (%)
Total Income	2,639.7	2,546.3	3.7%
Raw Material	2,398.2	2,312.0	
Employee Expenses	53.6	55.4	
Other Expenses	70.9	79.5	
Other Income	5.0	4.3	
EBITDA	122.1	103.8	17.7%
EBITDA %	4.63%	4.08%	55 bps
Depreciation	25.4	14.8	
Finance Cost	43.3	47.1	
Profit before Tax	53.4	41.8	27.6%
Tax	11.2	13.4	
Profit After Tax	42.1	28.4	48.1%
Profit After Tax (%)	1.60%	1.12%	48 bps

FY20 Consolidated Balance Sheet*

Particulars (Rs. in Crs)	Mar-20	Mar-19
Total Equity	507.5	479.1
Equity Share Capital	22.8	22.8
Other Equity	484.6	456.3
Non-current liabilities	43.6	23.5
Financial Liabilities		
(i) Borrowings	0.9	2.4
(ii) Lease Liabilities	35.4	
(iii) Other Financial Liabilities	0.1	-
Provisions	0.2	0.3
Deferred Tax Liabilities (Net)	6.9	20.6
Current liabilities	623.5	609.4
Financial Liabilities		
(i) Borrowings	238.1	192.7
(ii) Trade Payables	360.3	381.4
(iii) Lease Liabilities	2.3	-
(iv) Other Financial Liabilities	12.6	16.7
Provisions	1.9	2.0
Current Tax Liabilities (Net)	1.9	2.3
Other Current Liabilities	6.4	14.3
Total Liabilities	1,174.6	1,112.0

Particulars (Rs. Mn)	Mar-20	Mar-19
Non-current assets	299.4	277.3
Property, Plant and Equipment	223.0	225.2
Investment Property	8.7	7.1
Capital Work in Progress	0.2	4.3
Right of use Assets	33.8	-
Goodwill on Consolidation	14.0	14.0
Intangible Assets	2.9	6.6
Financial Assets		
(i) Trade Receivables	3.8	4.0
(ii) Loans	11.2	14.8
Other non-current assets	1.9	1.4
Current assets	875.2	834.6
Inventories	400.4	382.9
Financial Assets		
(i) Trade receivables	428.5	333.6
(ii) Cash and cash equivalents	13.5	9.2
(iii) Bank balances other than above	7.3	8.3
(iv) Others financial assets	2.8	1.3
Other Current Assets	21.7	29.6
Current Assets Net	0.9	0.7
Non Current Assets held for sale		69.1
Total Assets	1,174.6	1,112.0

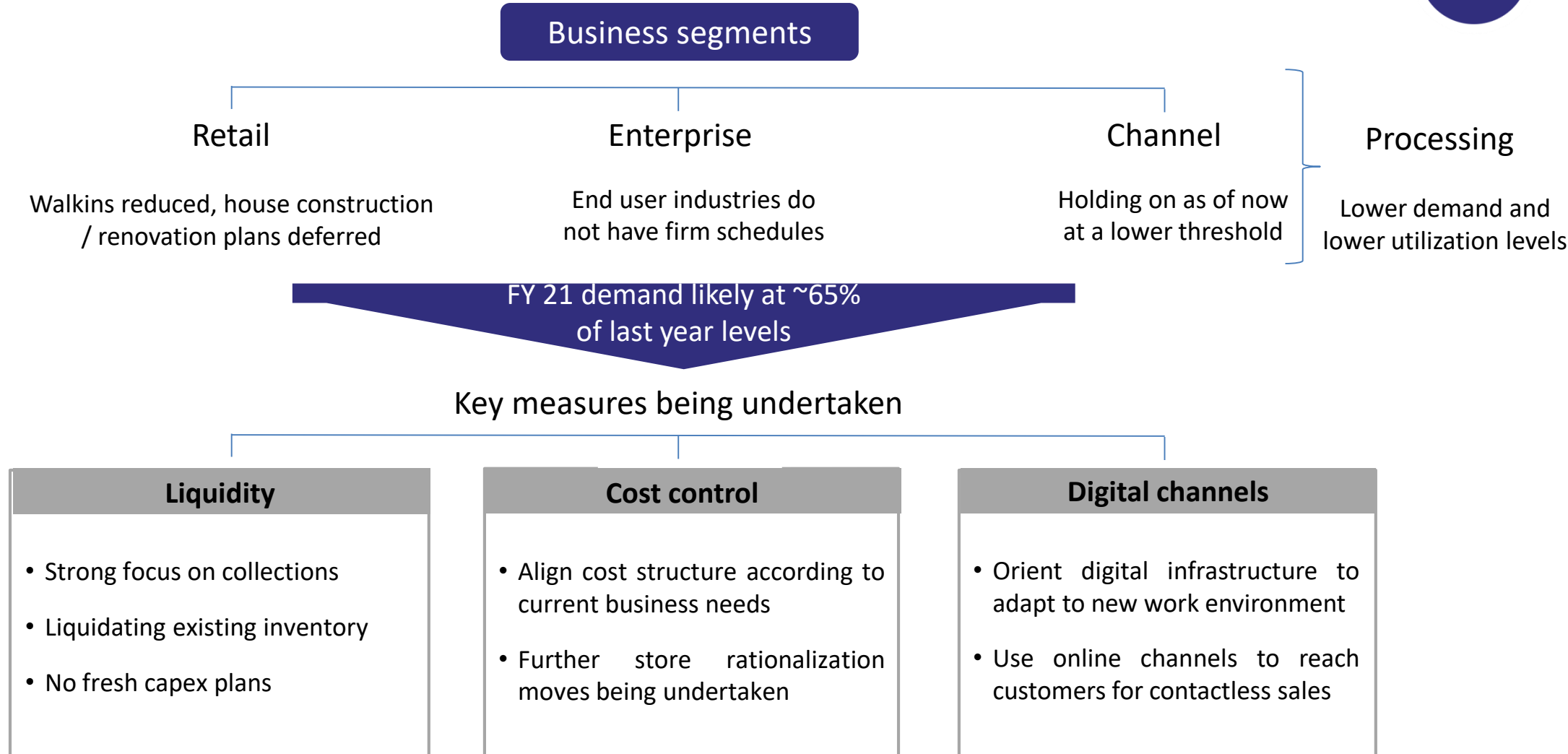


**COVID-19 impact
on business**

The business environment is very uncertain. Recurrent lockdowns impact visibility and delay recovery

- ↑ Tier 2 / 3 locations offer some respite as compared to urban locations
- ↓ Cautious approach of banks / NBFCs; terms of trade impacted
- ↓ End consumer sentiment dented - job losses, restricted mobility
- ↓ Fresh spending to be pushed out; private sector / end customer capex plans impacted
- ↓ Changing habits – commercial real estate - small shops; malls; IT offices (WFH) demand to be hit
- ↓ Currently in seasonally weak period of monsoons

Managing the impact on business due to Covid-19

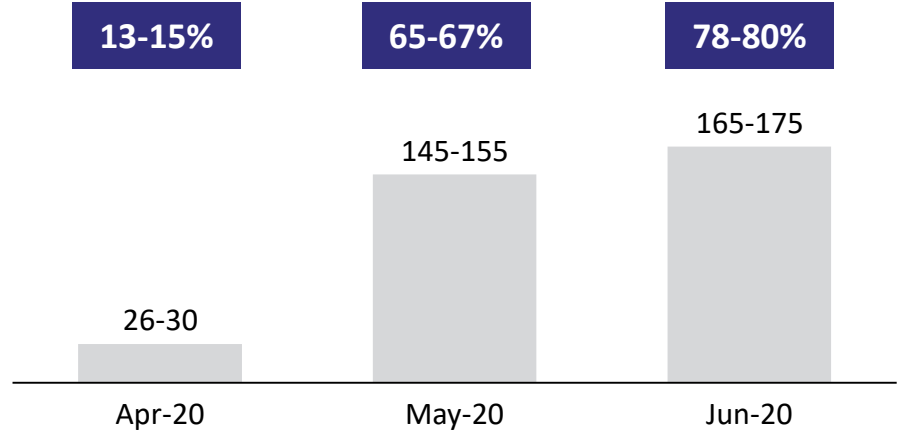


Balance sheet strengthening measures will be key priority

% of Sales as compared to same period last year



Revenue on Month on Month basis (Rs. in Crs)

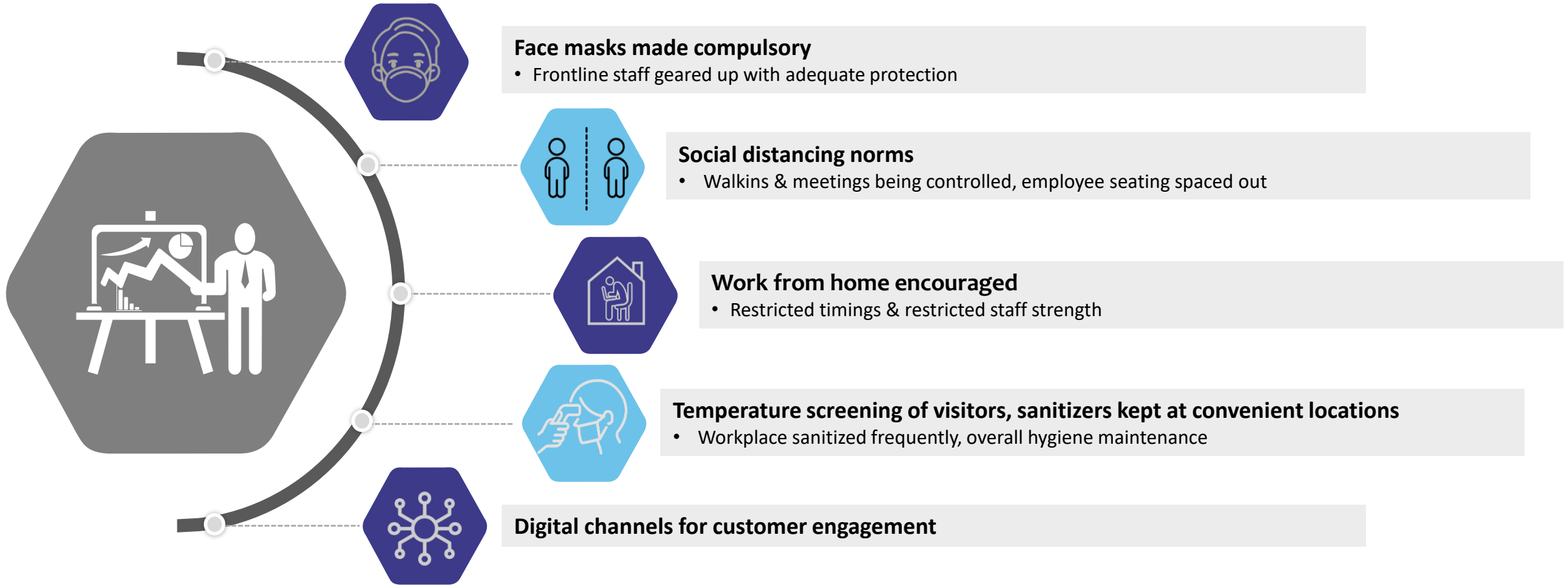


Focus on Balance Sheet Intact

Particulars	Inventory	Debtors	Borrowings
% Reduction	28-30%	27-29%	12-14%

- ✓ Revenue in Q1 FY 21 at ~54-56% of last year levels
- ✓ Balance Sheet focus continues with Rs. 100+ crores reduction each in debtors and inventory
- ✓ Our overall Debt + Acceptances reduced by ~12-14% as of end June 2020
- ✓ Overall fixed cost base also being realigned to the revised revenue threshold
- ✓ Despite cost control measures, lower revenues and lower gross margins will have an impact on Q1 FY21 results

Covid-19: Employee / community safety measures





**Long Term
Focus Areas**

Shankara's Vision



Awards & Accolades

Consistently recognized by Suppliers for our **Outstanding Performance, Quality & Relationships**



Jaquar Group

Platinum Dealer, bags 4 awards

Kajaria Ceramics

Platinum Category (South)

Varmora Tiles

Highest Sale Winner

Somany Ceramics

Platinum Club

Parryware India

Best Retail Management

Landmark Craft Pvt Ltd

Best star Dealer Award

Shankara Buildpro School – adopted a school with over 30 abandoned children providing for their education, books as well as food, clothing and shelter in Bangalore



Jala Nela – integrated watershed project for water conservation in Ranebennur, Karnataka



Other Projects

- Treatment and medical care; medical camps
- Soccer sponsorship for underprivileged kids
- Community welfare programs
- Renovation of school toilets
- Many other programs

Thank You