



Q3 & 9MFY19
Result
Presentation

February
2019

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.

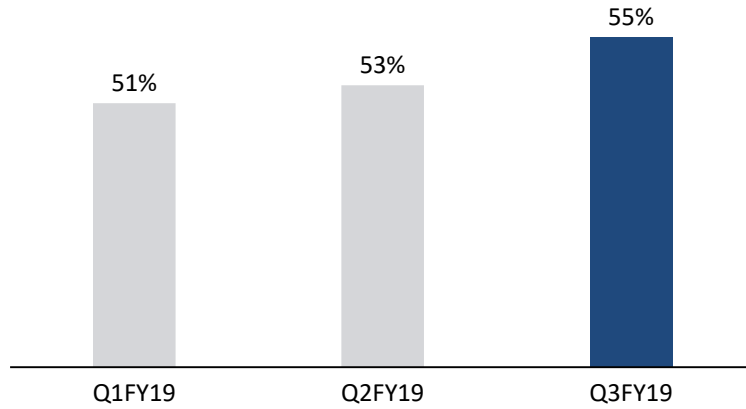
This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness 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.

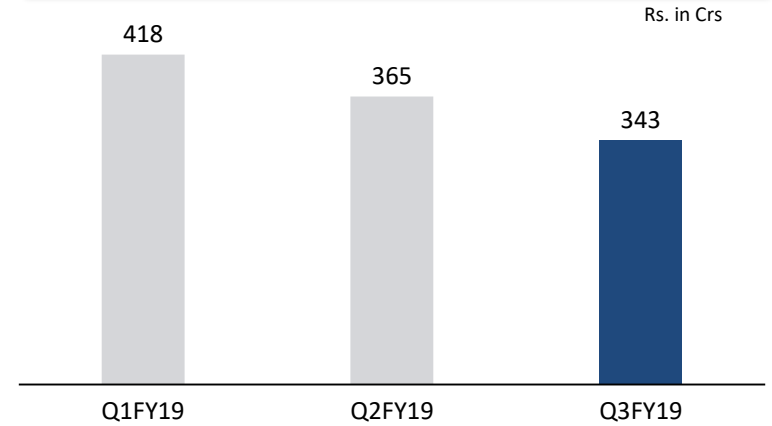
Our current focus areas



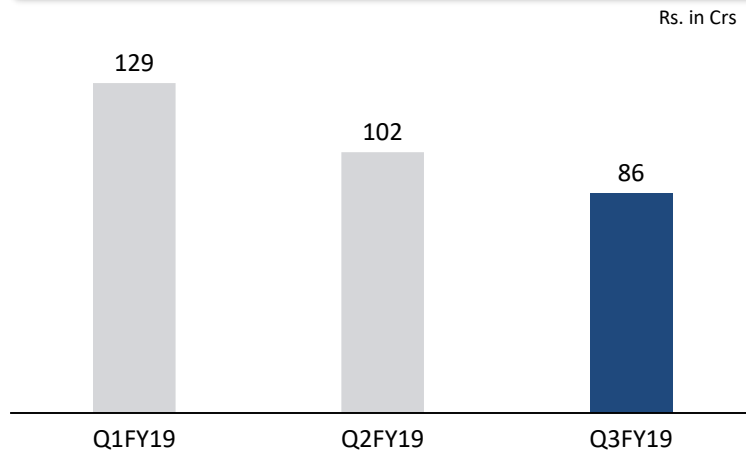
INCREASE in share of *Retail Business*



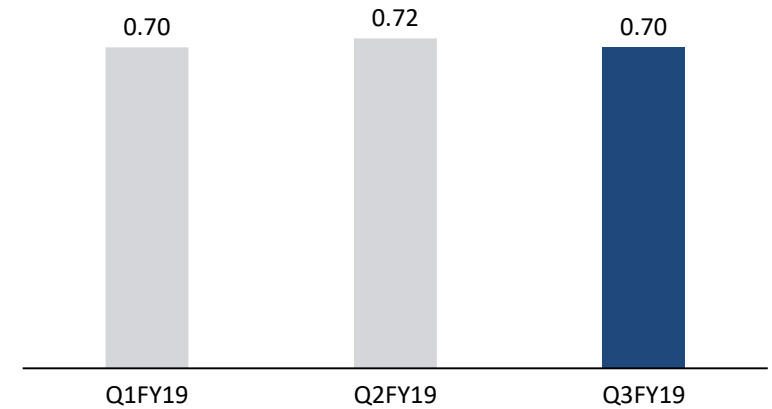
REDUCTION in *Debtors*



Conscious **DEFOCUS** on *Channel Business*



Rationalizing *Debt:Equity Ratio*



Processing business highlights

- ✓ Processing business has been unstable in the last few quarters
- ✓ Lower margins in processing has an impact on segment margins of retail, channel & enterprise
- ✓ Higher reliance on own processing also led to lower creditors with increased cash purchase of raw material
- ✓ Lot of measures as indicated below started in December. Positive impact to continue in Q4 FY 19

Processing Business	Q1FY19	Q2FY19	Q3FY19
Effect on Margins			
Processing Margins (in %)	4.9%	4.1%	2.3%
Retail Segment Margins (in %) (Impact of lower processing margins on retail business)	10.3%	9.7%	7.9%
Key Measures	<ul style="list-style-type: none"> ➤ Rationalizing production volumes ➤ Strong focus on trimming expenses ➤ Rationalizing sales of certain lower margin steel products ➤ Increasing third party purchases for steel products ➤ Increasing focus on newer product categories 		

Customer outreach activities strengthened

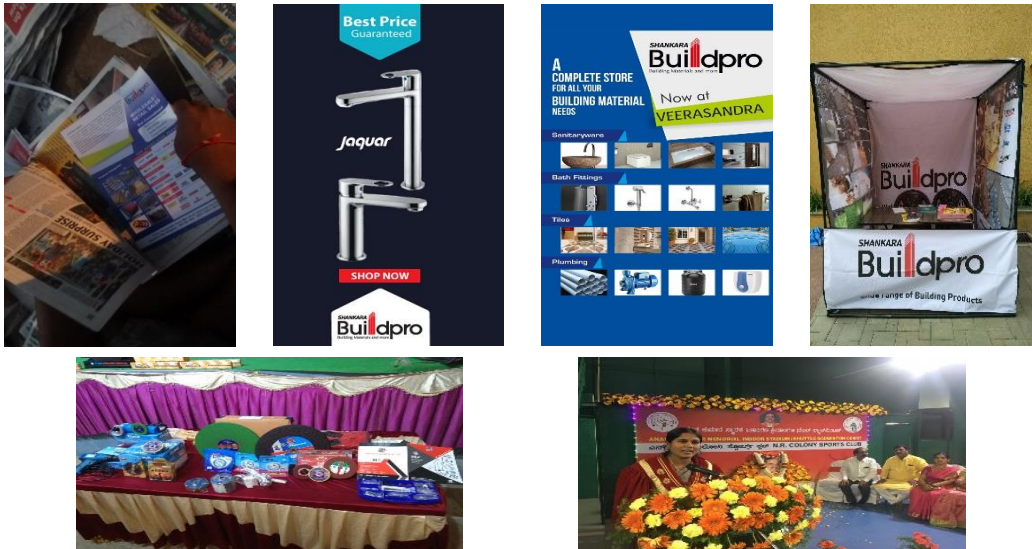
Customer meets



Orientation sessions

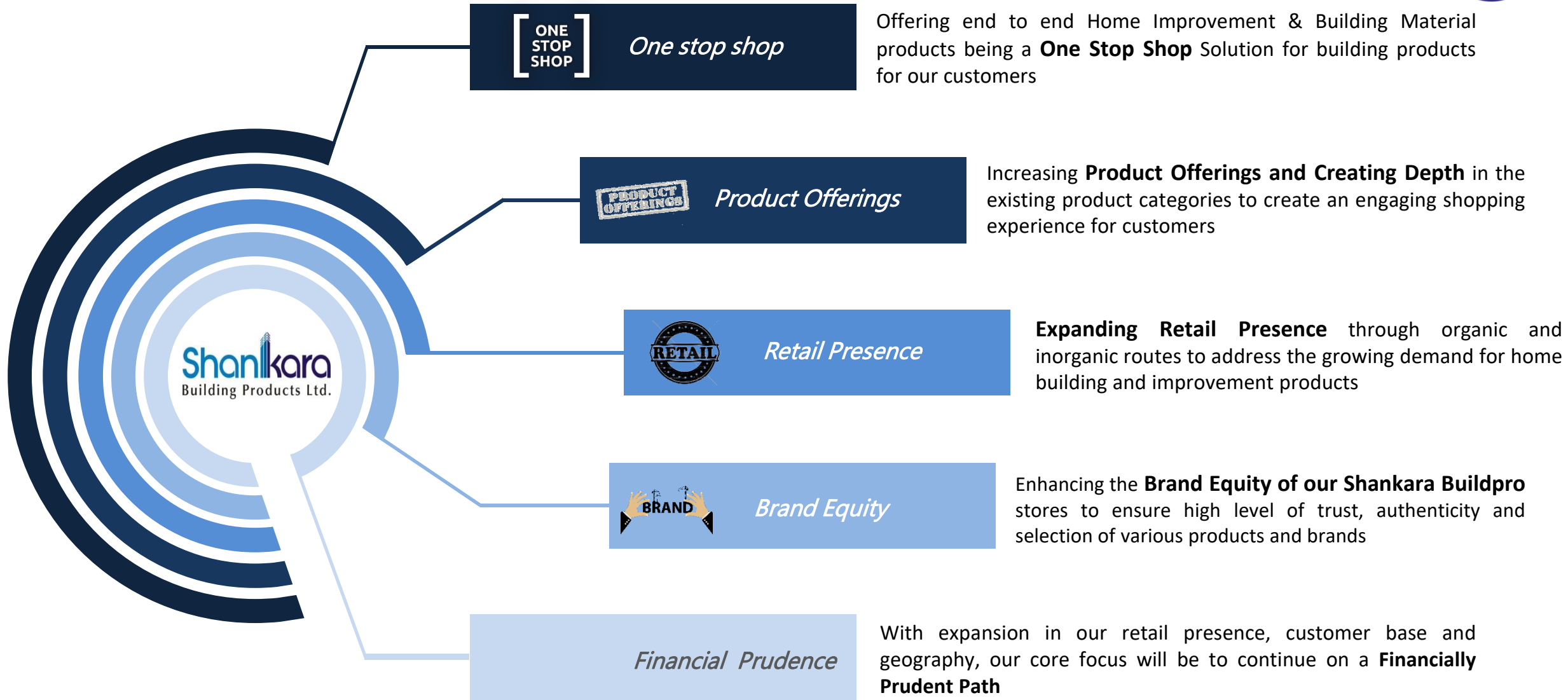


Customer outreach

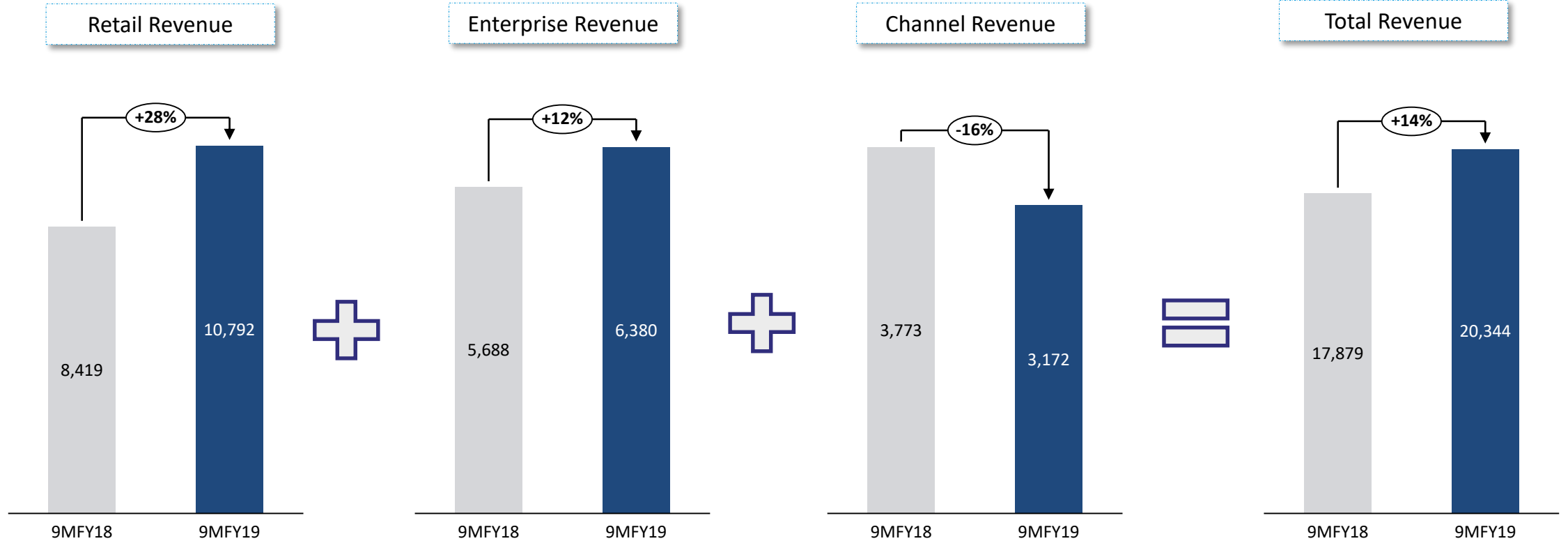


- ✓ Organizing customer meets across locations to showcase the wide range of product offerings
- ✓ Over 50 influencer meets held over last 3 months
- ✓ Direct outreach to over 1,000+ influencers
- ✓ Most of the meets held in collaboration with partner brands
- ✓ Localized marketing efforts – newspaper inserts, pamphlet distribution, direct outreach to construction sites etc.
- ✓ Product training sessions in collaboration with various brands for better understanding and insights on the products we offer and their usage

Long term focus areas



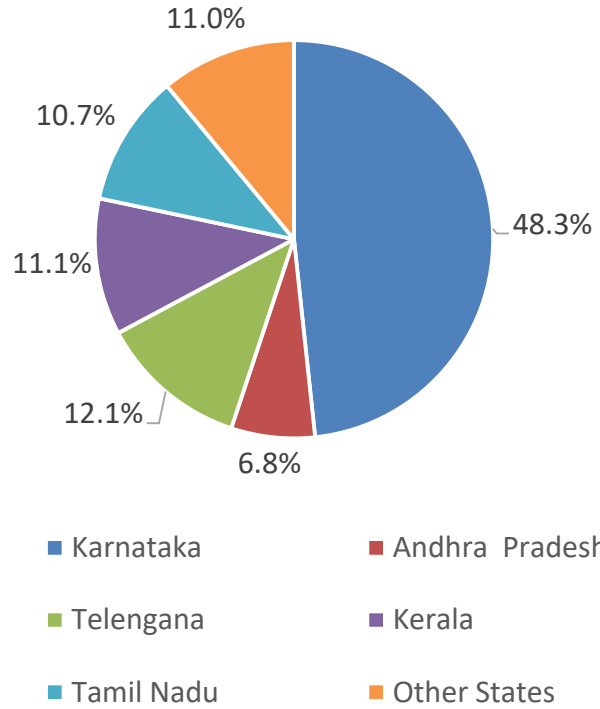
Revenue break up 9MFY19



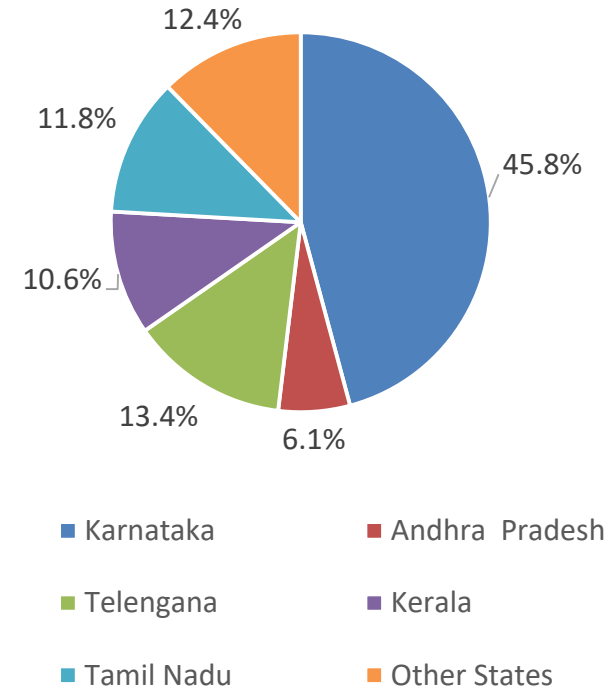
- ✓ Overall company revenues grew by 14% for 9M FY 19
- ✓ Retail segment is a strong focus area for the Company and grew by 28% in 9M FY 19
- ✓ Channel business is being consciously shrunk and has declined by 16%

Revenue break up 9MFY19

9MFY18
Revenue mix across States



9MFY19
Revenue mix across States



Telegana and Tamil Nadu have recorded strong growth

Key Highlights – Retail Business

Particulars	Units	9MFY19	9MFY18	Y-o-Y
No of retail stores	Nos.	134	124	8.1%
Total Area	Sq. Ft	5,65,202	4,73,034	19.5%
Average store size	Sq. Ft	4,218	3,815	10.6%
Average ticket size	Rs.	28,454	24,382	16.7%
Revenue from retail stores	Rs. Mn	10,792	8,419	28.2%
EBITDA	Rs. Mn	1,010	897	12.6%
Margin (%)	%	9.4%	10.7%	
Average rental cost per Sq. Ft. per month	Rs.	19.14	17.62	

Comparable sales growth stood at 12.1% for 9MFY 19

Q3 & 9MFY19 Income Statement

Particulars (Rs. Mn)	Q3 FY19	Q3 FY18	Y-o-Y	9M FY19	9M FY18	Y-o-Y	FY18
Total Income	6,053	6,246	-3.1%	20,344	17,879	13.8%	25,487
Raw Material	5,396	5,407		17,966	15,401		21,986
Employee Expenses	167	161		513	438		592
Other Expenses	260	270		835	829		1,157
EBITDA	230	408	-43.6%	1,030	1,211	-15.0%	1,752
EBITDA %	3.8%	6.5%		5.1%	6.8%		6.9%
Other Income	4	2		22	5		6
Depreciation	49	33		140	93		136
Finance Cost	152	110		443	326		463
Profit before Tax	34	268	-87.2%	469	797	-41.1%	1,159
Tax	9	91		158	275		421
Profit after Tax	25	177	-85.7%	311	522	-40.4%	738
Cash Profit	74	210		451	615		874
EPS	1.11	7.73		13.62	22.84		32.3

For further information, please contact:

Company :



CIN - U26922KA1995PLC018990

Mr. Alex Varghese – CFO

www.shankarabuildpro.com

Investor Relations Advisors :



CIN - U74140MH2010PTC204285

Mr. Sagar Shroff /Mr. Shogun Jain
sagar.shroff@sgapl.net / shogun.jain@sgapl.net
+91 98205 19303 / +91 77383 77756

www.sgapl.net