

Date: 13<sup>th</sup> February, 2024

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- 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

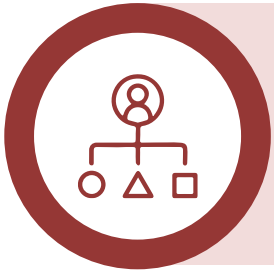
# Investor Presentation

Q3 & 9M FY2024

February 13, 2024



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.



## 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

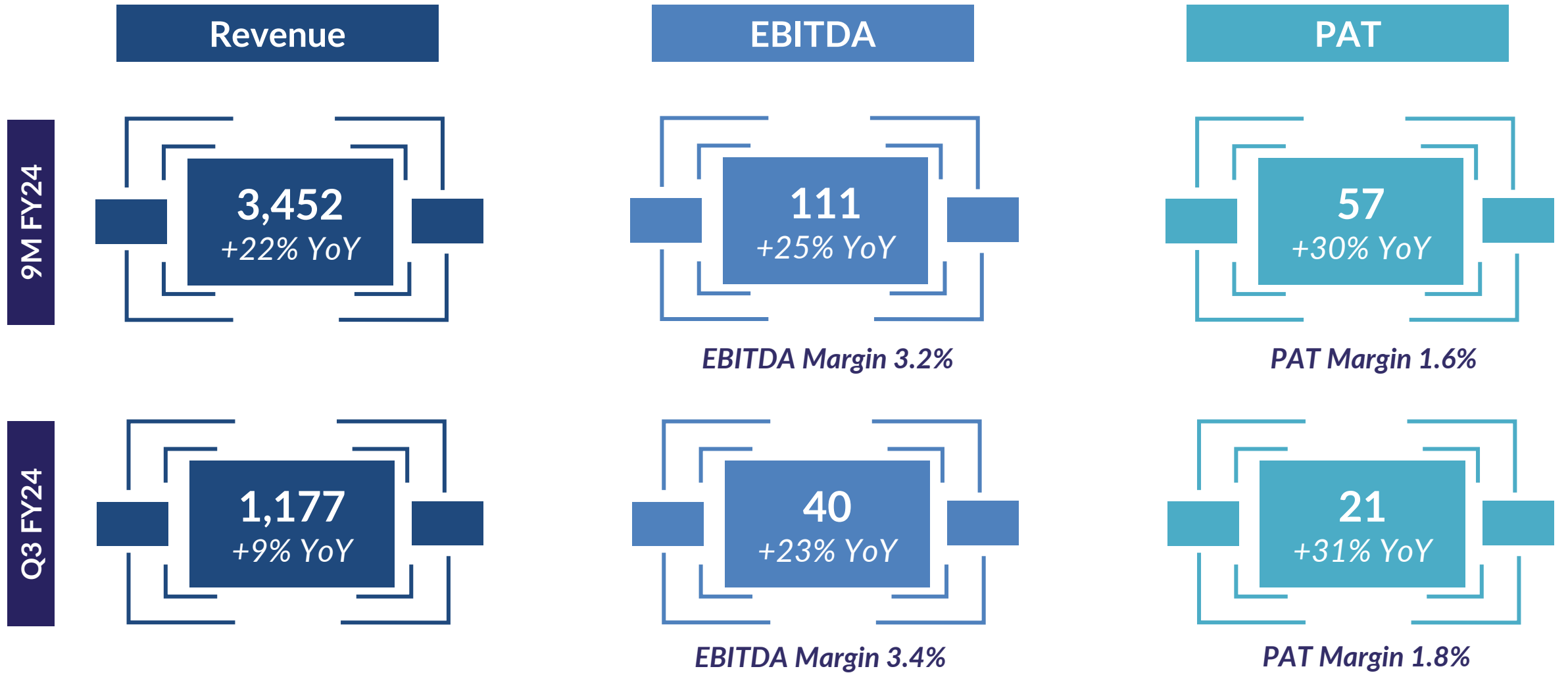
## 9M FY2024 Financial Performance

- 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

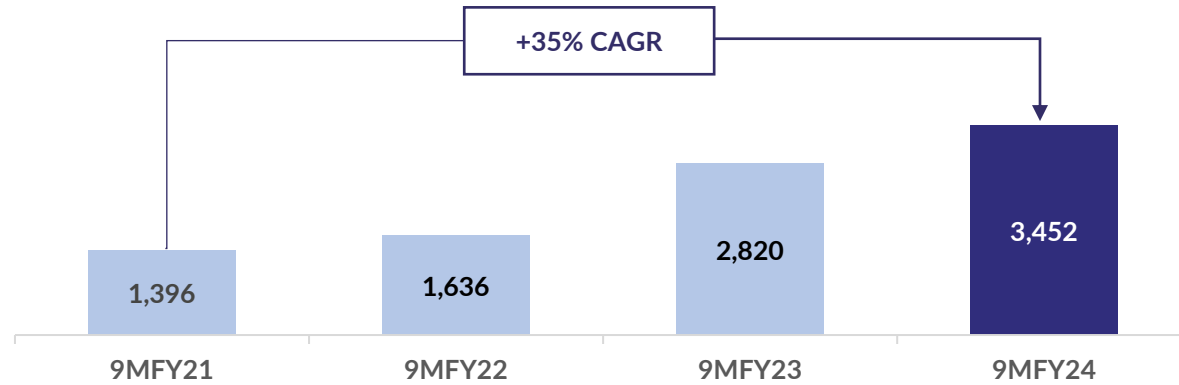
- Non-steel share improved to 11% in Q3 vs 9% in Q2, with strategic measures towards growing value-added portfolio
- Tiles segment grew by almost 40% in 9MFY24, primarily led by growth in private label, Fotia Ceramica, while Sanitaryware revenues were up by 40%+ in 9MFY24



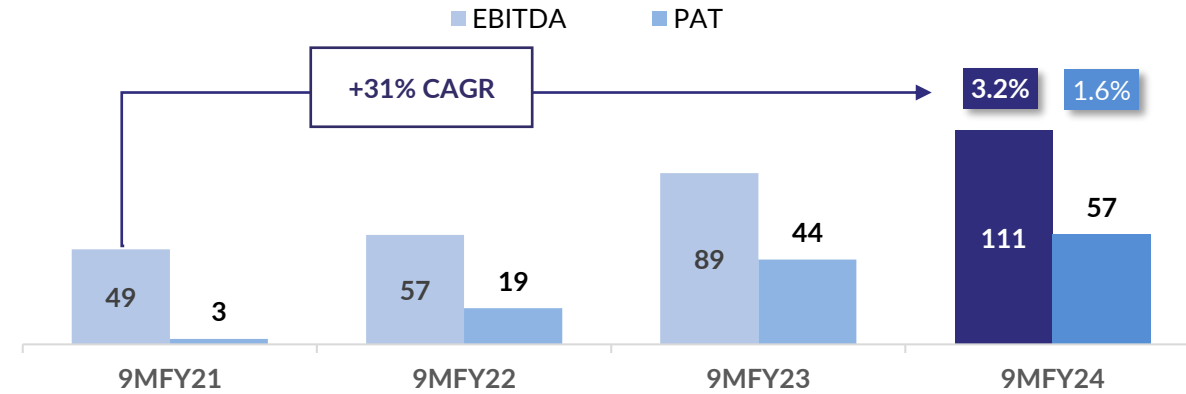
Figures in Rs. Crore

# Business momentum continues, while diversifying building materials portfolio

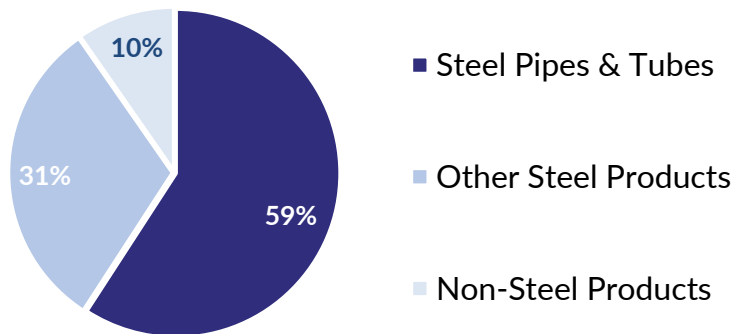
## Revenue (Rs. Crore)



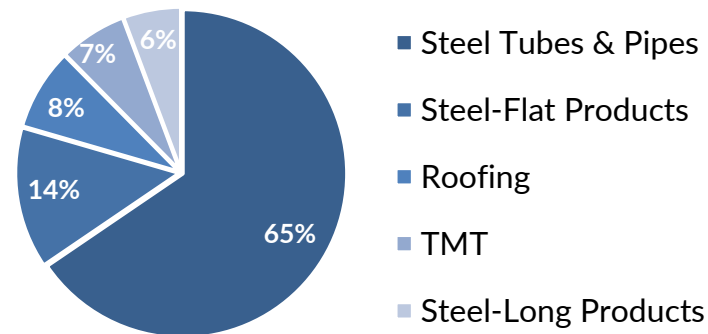
## Profitability (Rs. Crore)



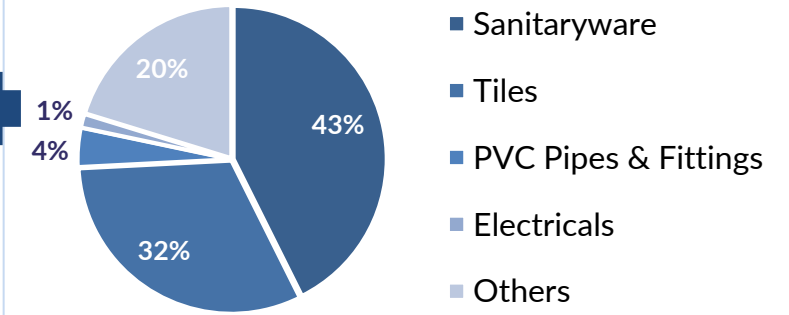
## Revenue Mix



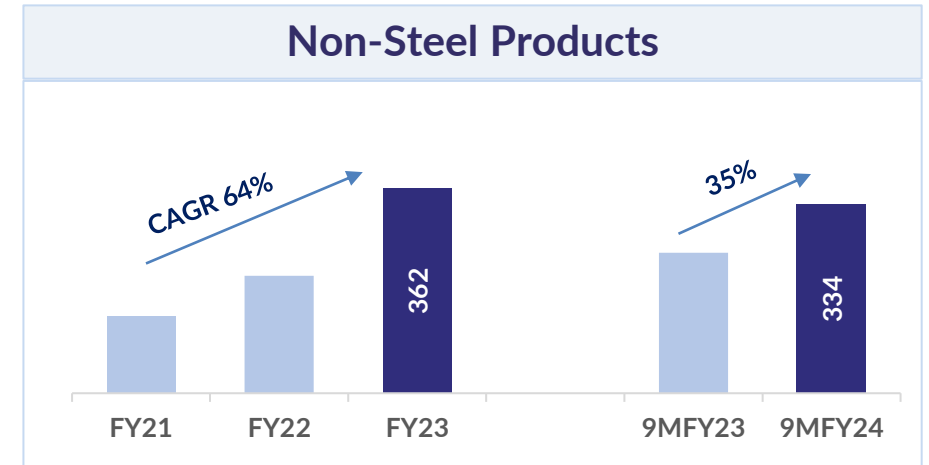
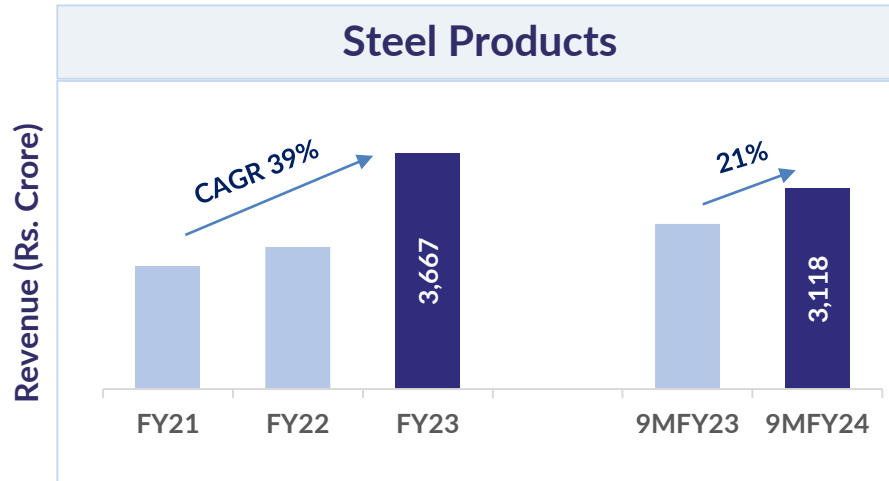
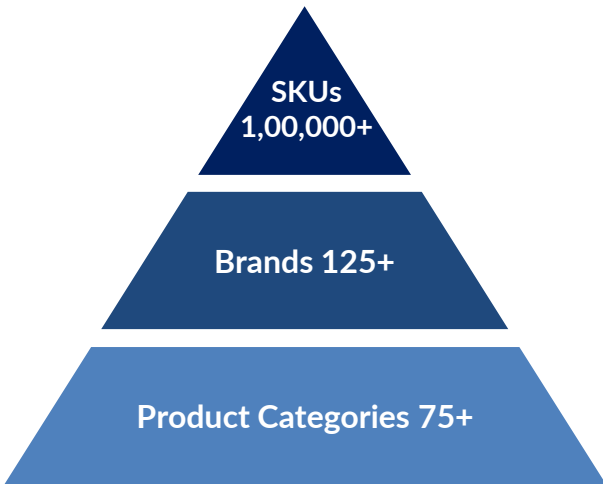
## Steel Products



## Non-Steel Products



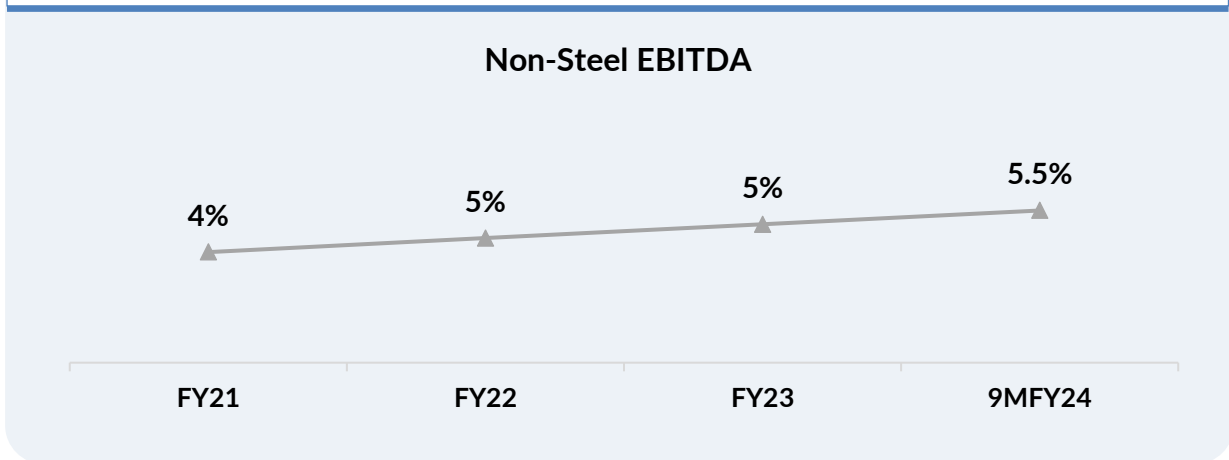
# Strategically aimed at growing value-added portfolio aggressively



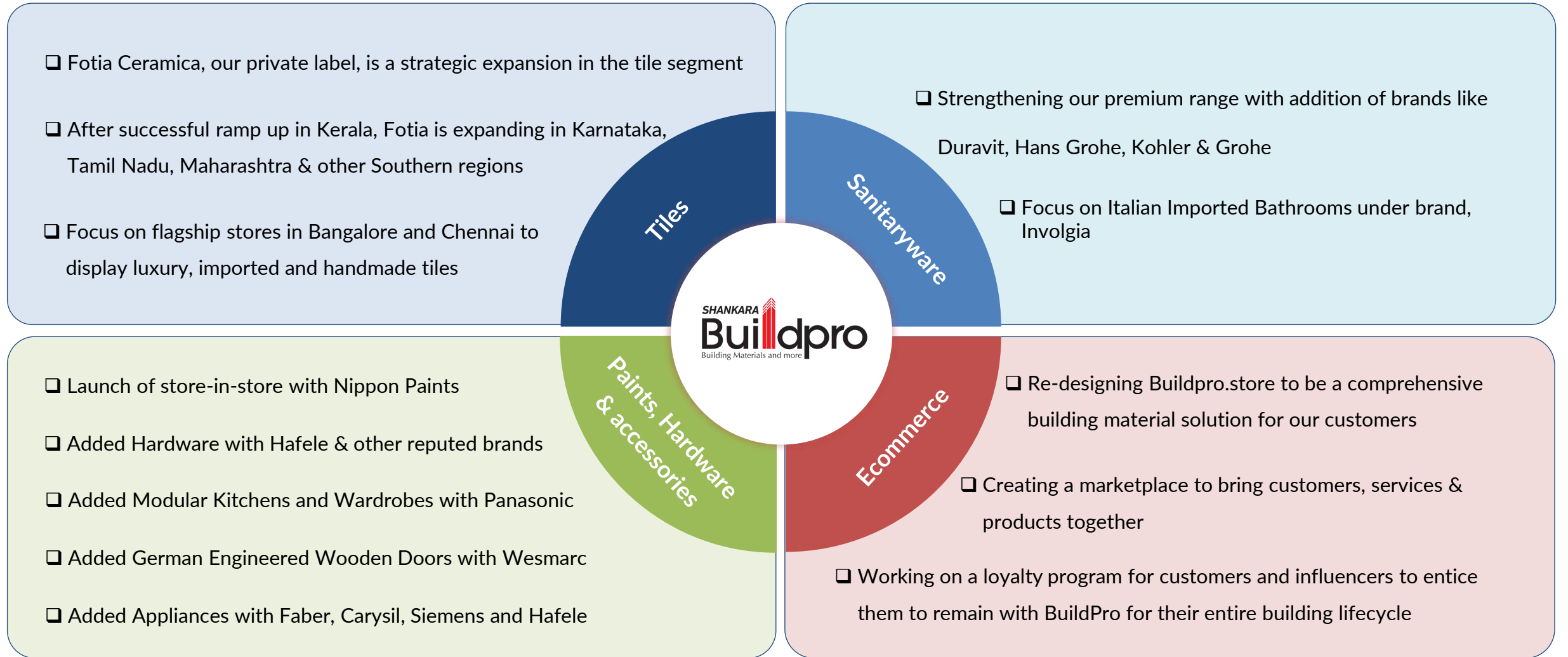
Significant runaway to expand our market share in all non-steel products

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



# Strategic steps taken towards improving value-added portfolio



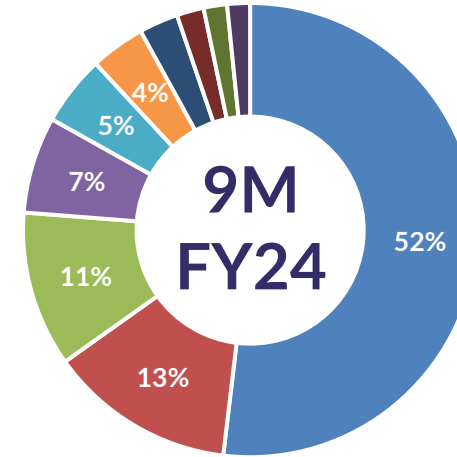


# Building a dominant position in South, while expanding into other regions

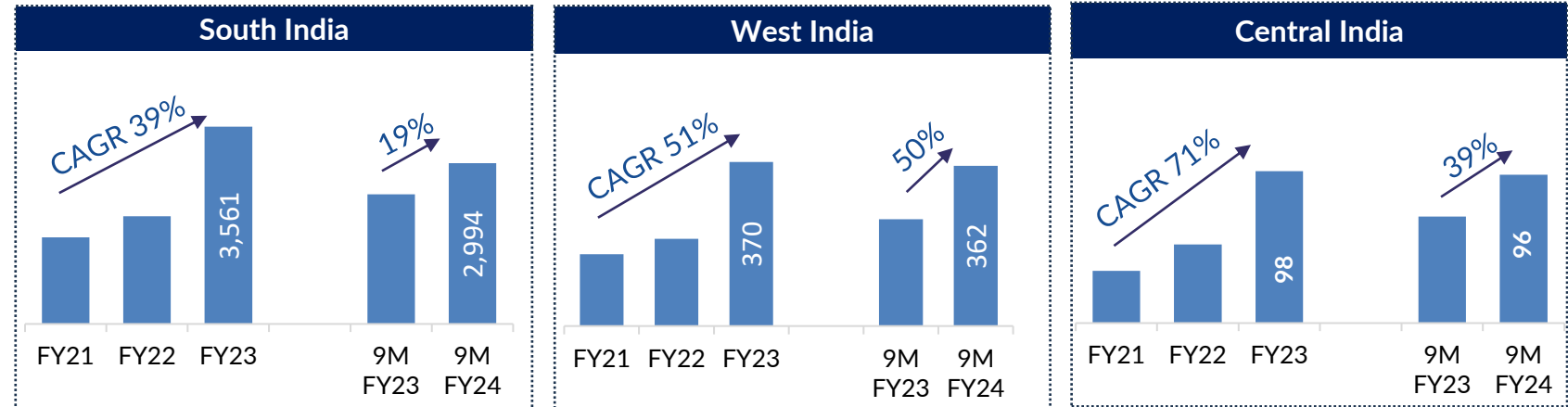
-  Warehouses
-  Processing Units
-  BuildPro Store

**10/1**  
States/UT

**45**  
Cities



- Karnataka
- Tamil Nadu
- Kerala
- Maharashtra
- Telangana
- Andhra Pradesh
- Madhya Pradesh
- Gujarat
- Goa
- Other States

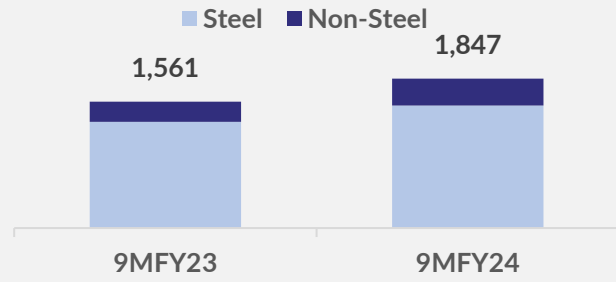


- Our cluster-based distribution network has helped deepen our penetration in Southern states, while also growing in Maharashtra and Madhya Pradesh
- Focus towards harnessing distribution network to market newer products and categories, to enable higher revenues from our existing fulfillment centers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

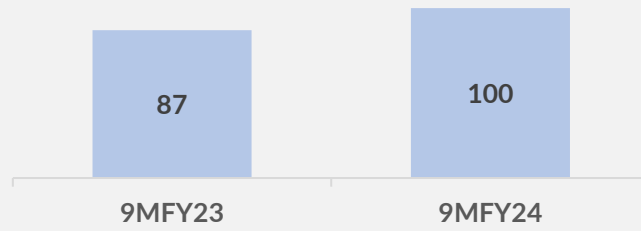
# ...with improvement in both retail and non-retail segment

Retail

Revenue (Rs. Crore)

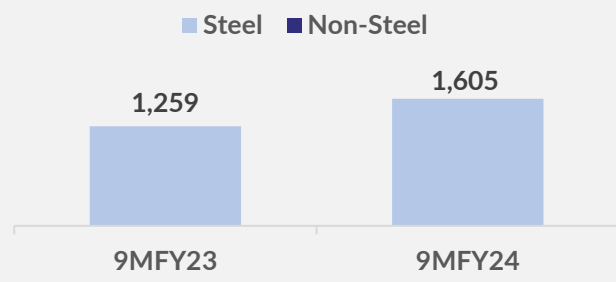


EBITDA (Rs. Crore)

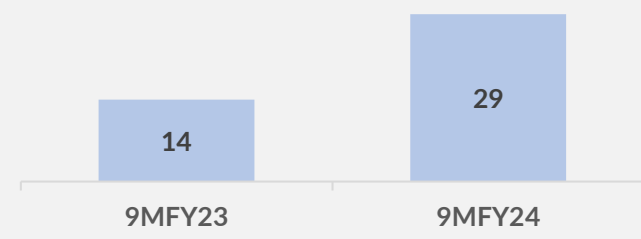


Non-Retail

Revenue (Rs. Crore)



EBITDA (Rs. Crore)

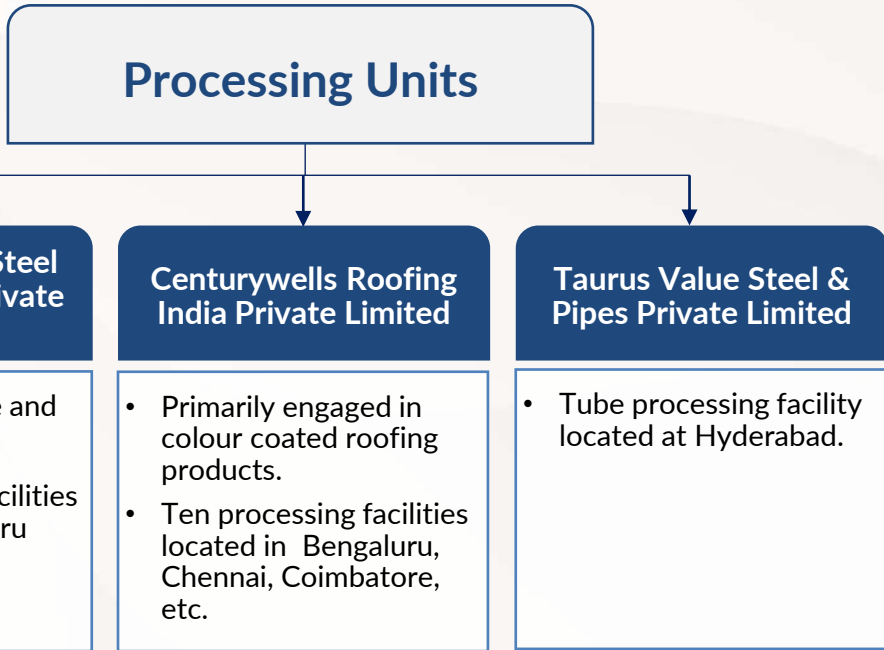
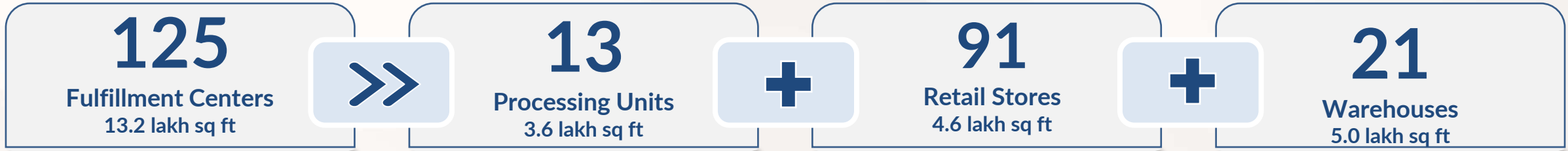


Retail Parameters	9M FY24	9M FY23	Change YoY
Retail Stores (No.)	91	91	-
Retail Area (lakh sq ft)	4.64	4.58	1%
No. of Transactions	3,70,803	3,56,406	4%
Average Ticket Size (Rs.)	49,817	43,794	14%
Retail Revenue (Rs. Crore)	1,847	1,561	18%
Retail EBITDA (Rs. Crore)	100	87	15%
Average Rental Cost (per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

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

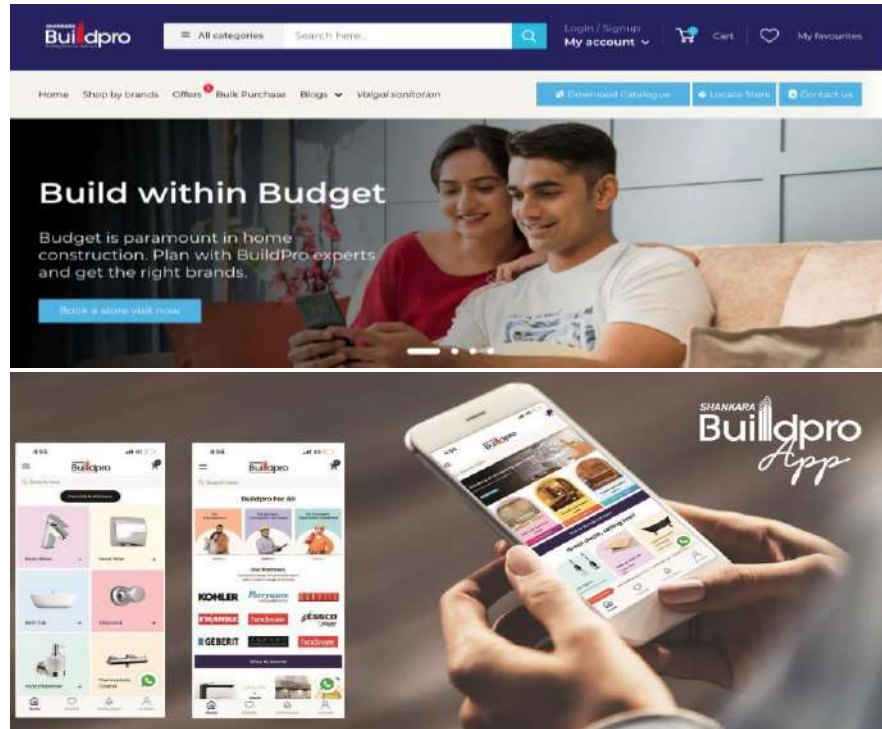


**Installed Capacity ~2.1 lakh MT**

**Capacity Utilisation ~35-40%**



## 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%
<b>EBITDA</b>	<b>40</b>	<b>33</b>	<b>23%</b>	<b>111</b>	<b>89</b>	<b>25%</b>
<b>EBITDA Margin %</b>	<b>3.4%</b>	<b>3.0%</b>	<b>39 bps</b>	<b>3.2%</b>	<b>3.1%</b>	<b>7 bps</b>
Depreciation	4	4	(1%)	12	12	(2%)
Finance Cost	8	6	33%	23	18	27%
<b>Profit before Tax</b>	<b>28</b>	<b>23</b>	<b>24%</b>	<b>76</b>	<b>58</b>	<b>30%</b>
Tax	7	6	8%	19	15	31%
<b>Profit after Tax</b>	<b>21</b>	<b>16</b>	<b>31%</b>	<b>57</b>	<b>44</b>	<b>30%</b>
<b>PAT Margin %</b>	<b>1.8%</b>	<b>1.5%</b>	<b>31 bps</b>	<b>1.6%</b>	<b>1.6%</b>	<b>9 bps</b>
<b>Basic EPS (in Rs.)</b>	<b>9.1</b>	<b>7.2</b>	<b>27%</b>	<b>24.6</b>	<b>19.2</b>	<b>28%</b>

# Demerger Update

*Creating two distinct focused entities*



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



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



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

## Building Materials Marketplace

~Rs. 2,775 Cr

~3.3-3.5%

~1.8-2.0%

~27-28%

9M Revenue

EBITDA Margin (%)

PAT Margin (%)

RoCE

## Manufacturing

~Rs. 677 Cr

~1.7-2.0%

~0.6-0.8%

~4-5%

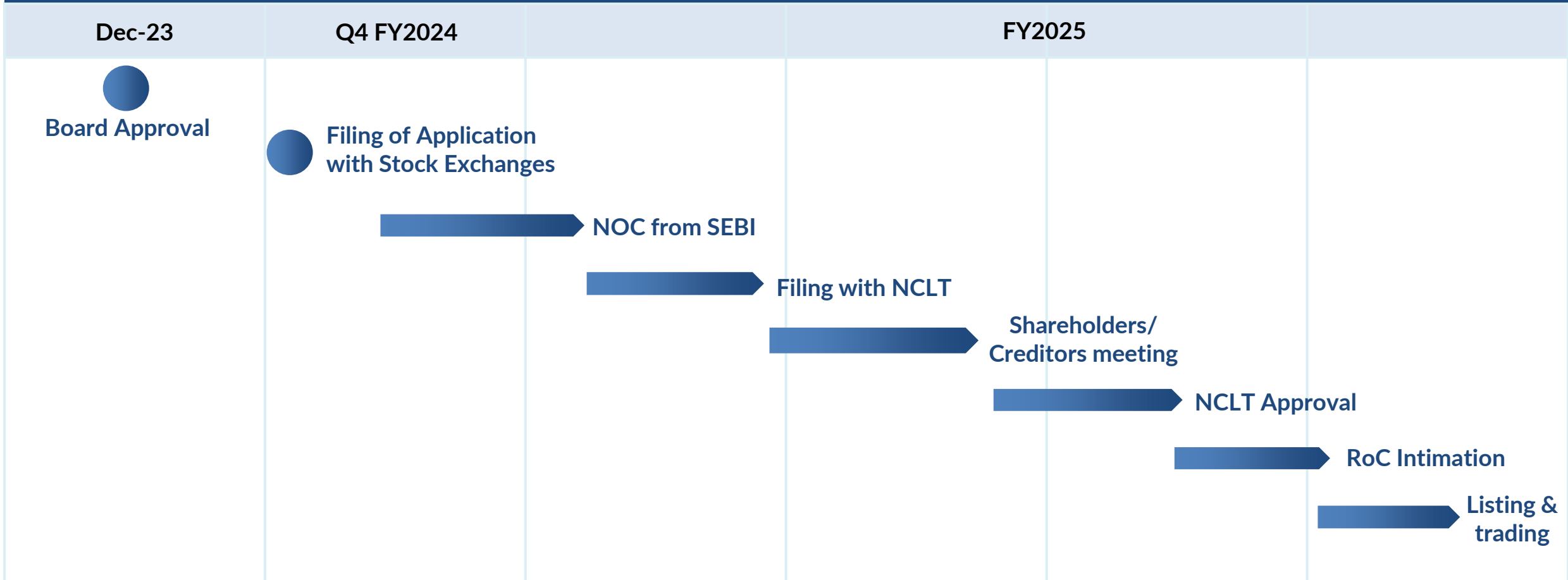
# Proforma Balance Sheet Split (As on September 30, 2023)

	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



# Implementation Timeline

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



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

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