



Date: 20<sup>th</sup> May, 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- Q4FY24 Results**

Dear Sir/Madam,

Please find enclosed Investor's Presentation for Q4FY24 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: 2024-05-20 18:20+05:30

Ereena Vikram  
**Company Secretary & Compliance Officer**

**Registered Office :**  
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Ph.: + 91- 080-40117777, Fax- +91-080-41119317  
Email :- info@shankarabuildpro.com | CIN:L26922KA1995PLC018990. | Website : www.shankarabuildpro.com

**Corporate Office :**  
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Electronic City, Veerasandra, Bengaluru-560100  
Ph.: +91-080-29910702 | 080-29910709

**Shankara**  
Building Products Ltd.

SHANKARA  
**Bulldpro**  
Building Materials and more

# Investor Presentation

Q4 & FY2024

May 20, 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.



## Financial Highlights

- Highest-ever annual revenues and profits
- Healthy RoCE of 18%
- Board recommends dividend of Rs. 3 per share

## Business Highlights

- Steel volume growth at 27% during the year; Value added steel volumes grew by 43%
- Non-steel revenue growth at 30% YoY; Fotia Ceramica revenue at Rs. 116 crore (+50% YoY)
- Retail ticket size at ~Rs. 52k (+17% YoY) for the year; Rs. 58k in Q4 FY2024



## Other Business Updates

- Awaiting SEBI approval on demerger; expect to complete process by Q4 FY2025
- Plan to inaugurate tile display centre in Morbi in Jun-24, aimed at expanding Fotia's presence pan India and explore other opportunities in the coming years
- Expanded significantly in West (+46% YoY), with 11% revenue contribution in FY2024

FY24

## Revenue

4,828  
+20% YoY

Steel Volume +27% YoY  
Non-Steel Revenue +30% YoY

## EBITDA

156  
+25% YoY

EBITDA Margin 3.24%

## PAT

81  
+29% YoY

PAT Margin 1.68%

Q4 FY24

1,377  
+14% YoY  
+17% QoQ

EBITDA Margin 3.30%

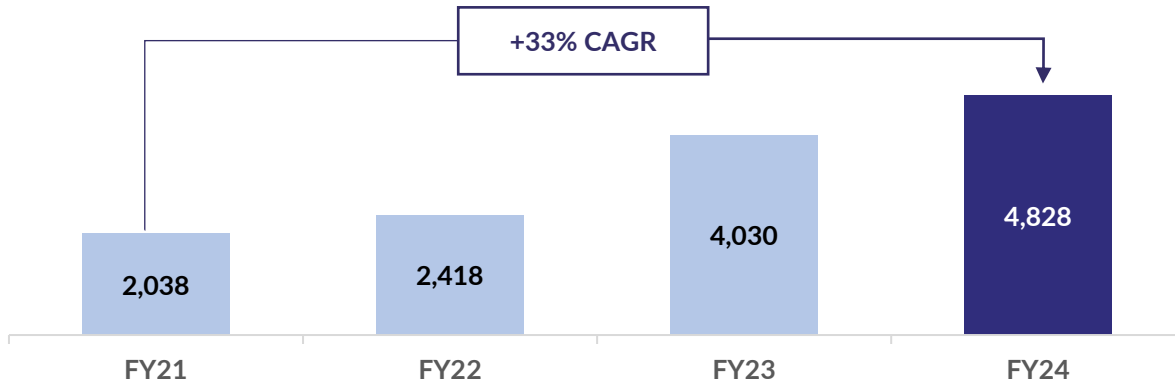
45  
+24% YoY  
+13% QoQ

PAT Margin 1.76%

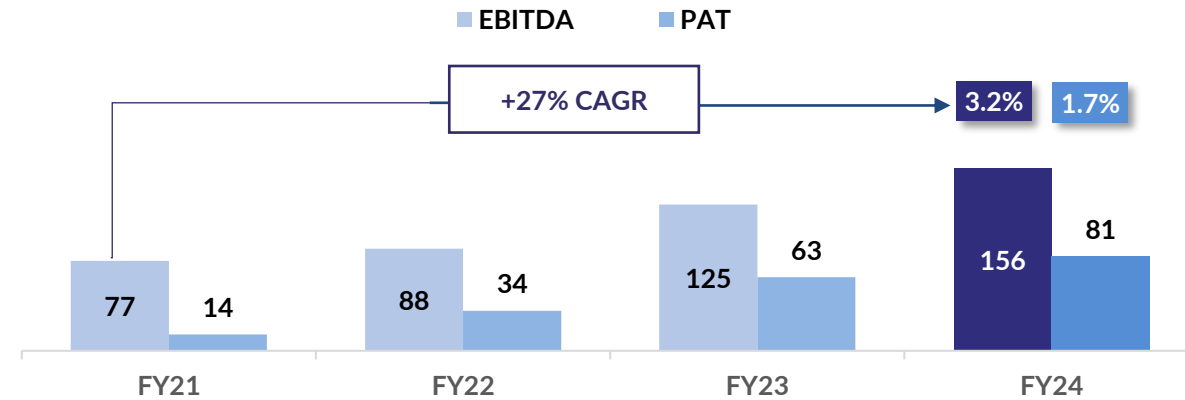
24  
+27% YoY  
+13% QoQ

# Record revenues and profits during the year, while consciously building a diversified business model

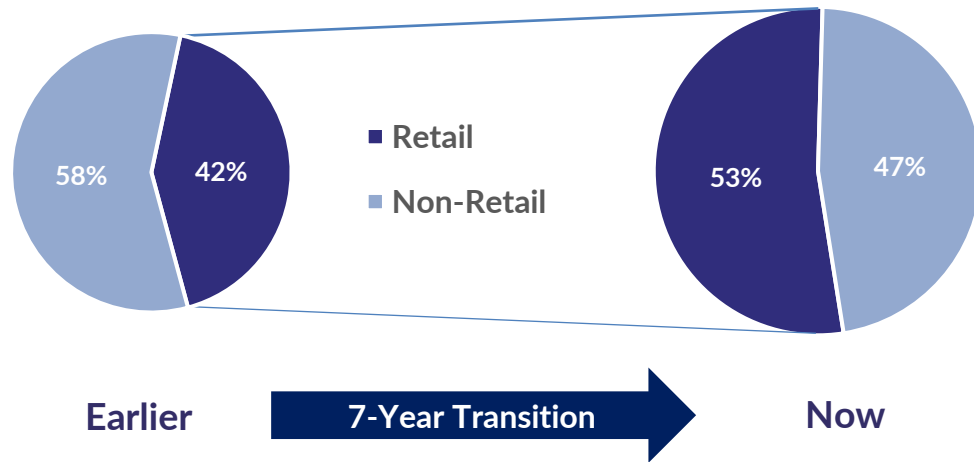
## Record Revenue in FY2024



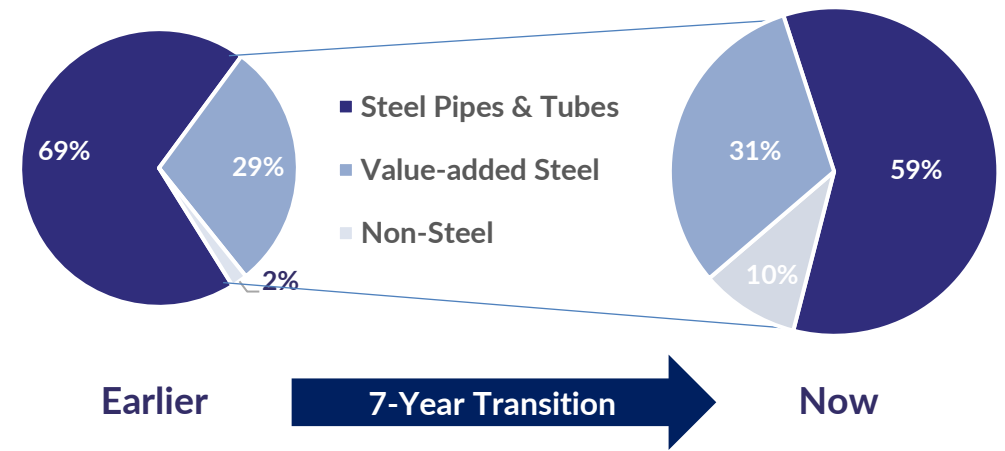
## Highest ever Annual PAT



## Streamlining Revenue distribution across segments

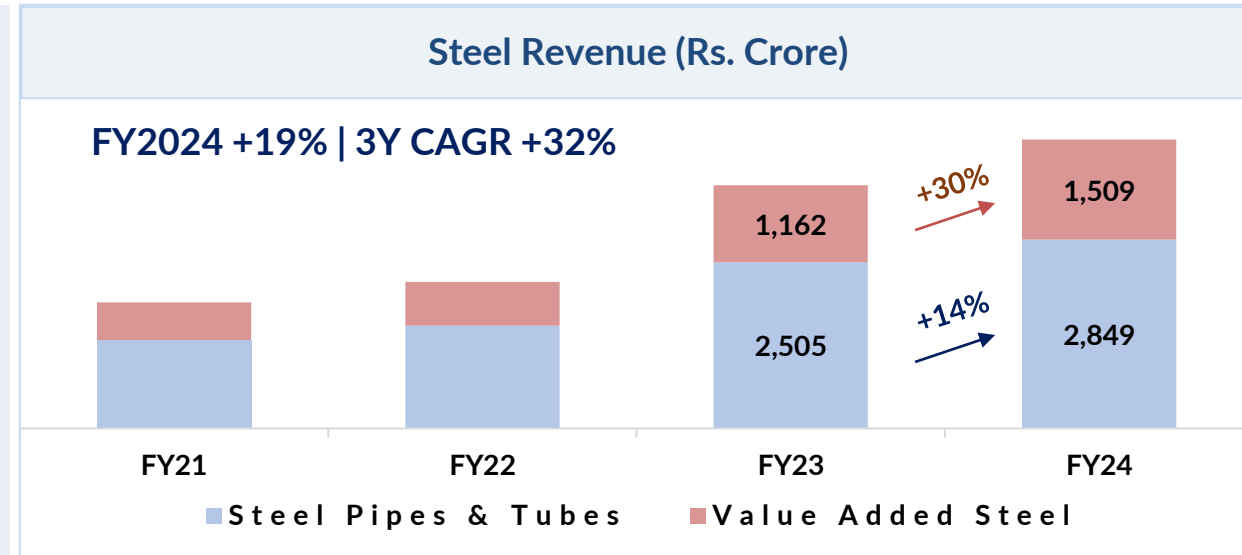
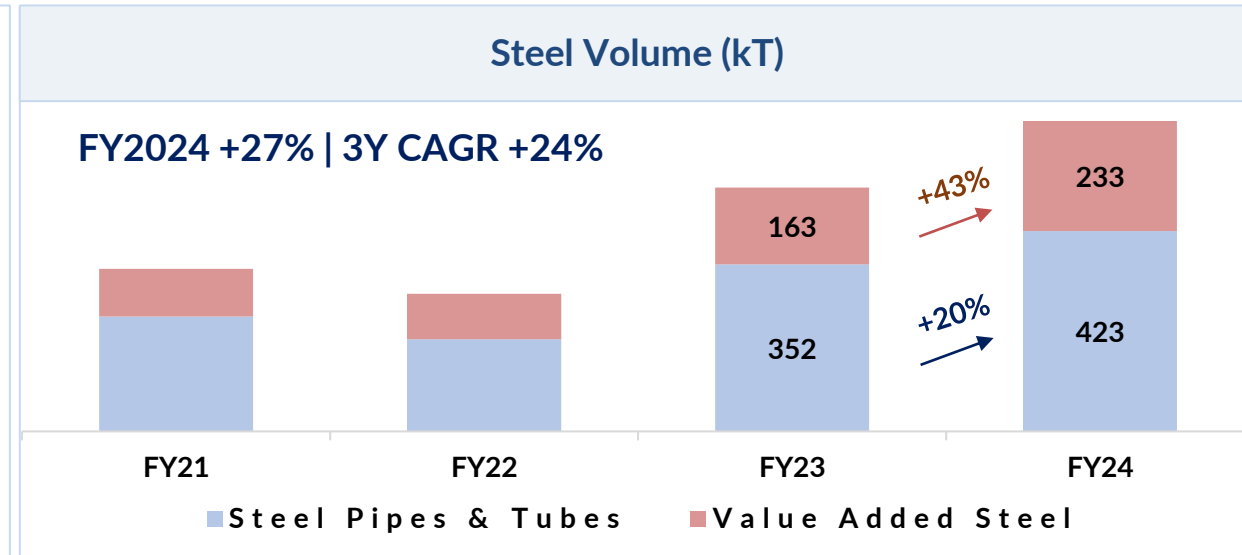
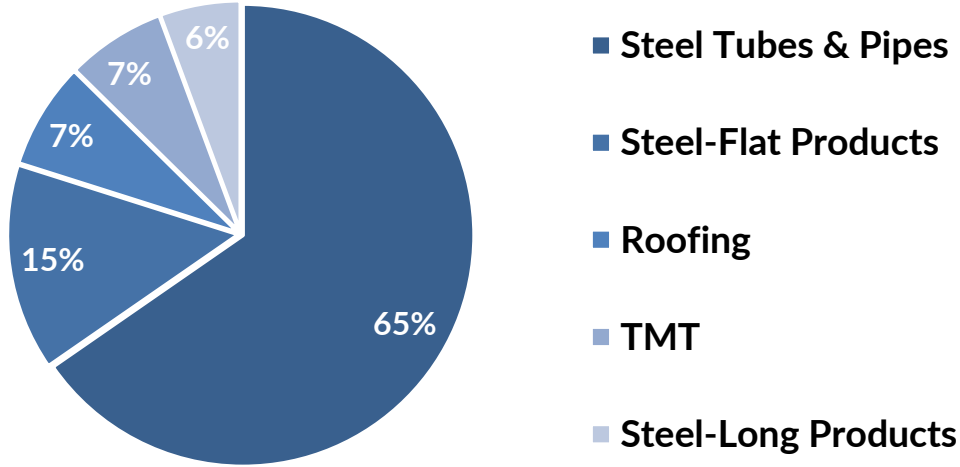


## Optimizing revenue mix to VAS & non-steel



# Strategically growing value-added products within steel aggressively

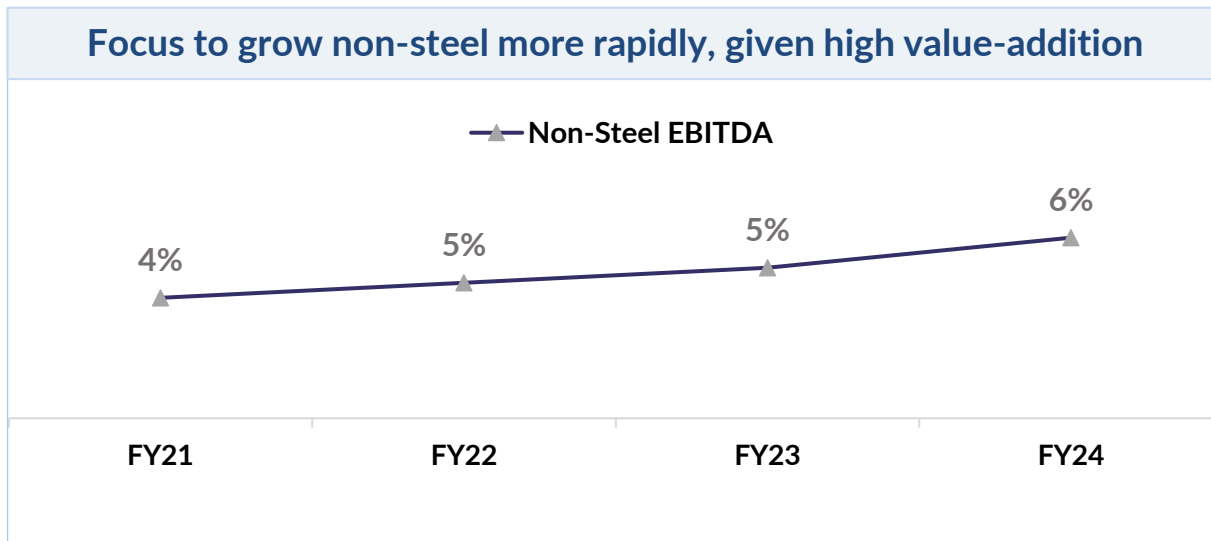
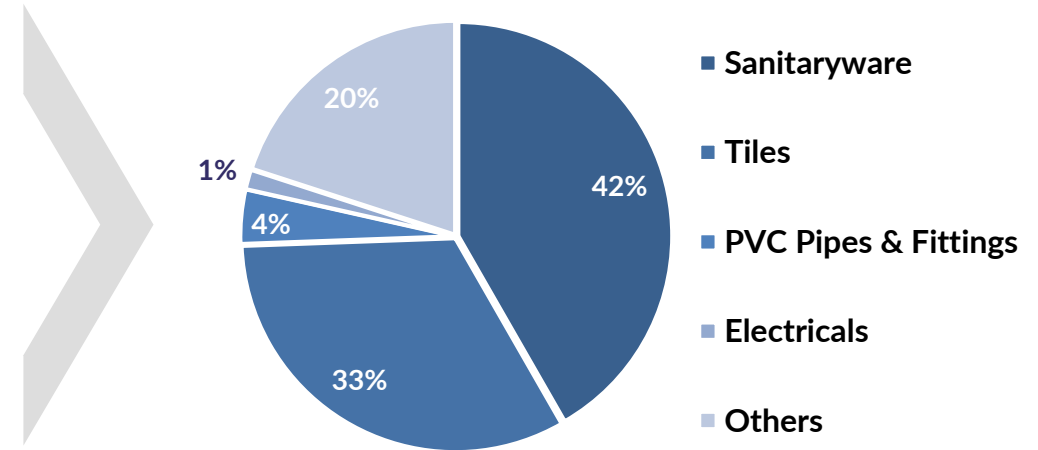
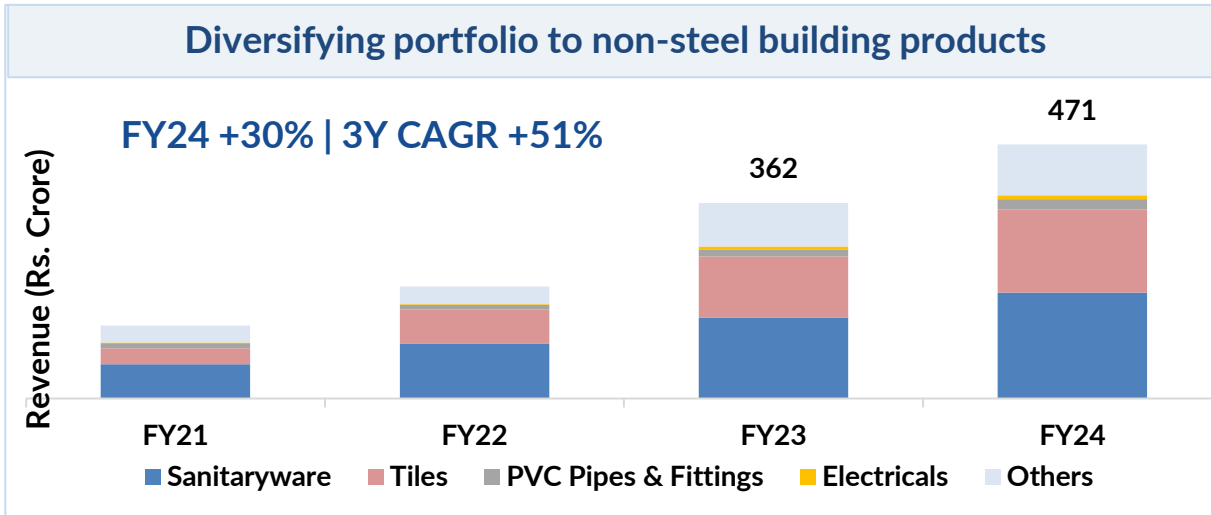
STEEL



Steel pipes & tubes business continues to grow at a steady pace; conscious focus is towards growing value-added steel portfolio aggressively

Higher steel volume growth at 27%; VAS grew at 43%  
Steel revenue growth at 19%; VAS grew at 30%

# Expanding market share in higher margin non-steel business

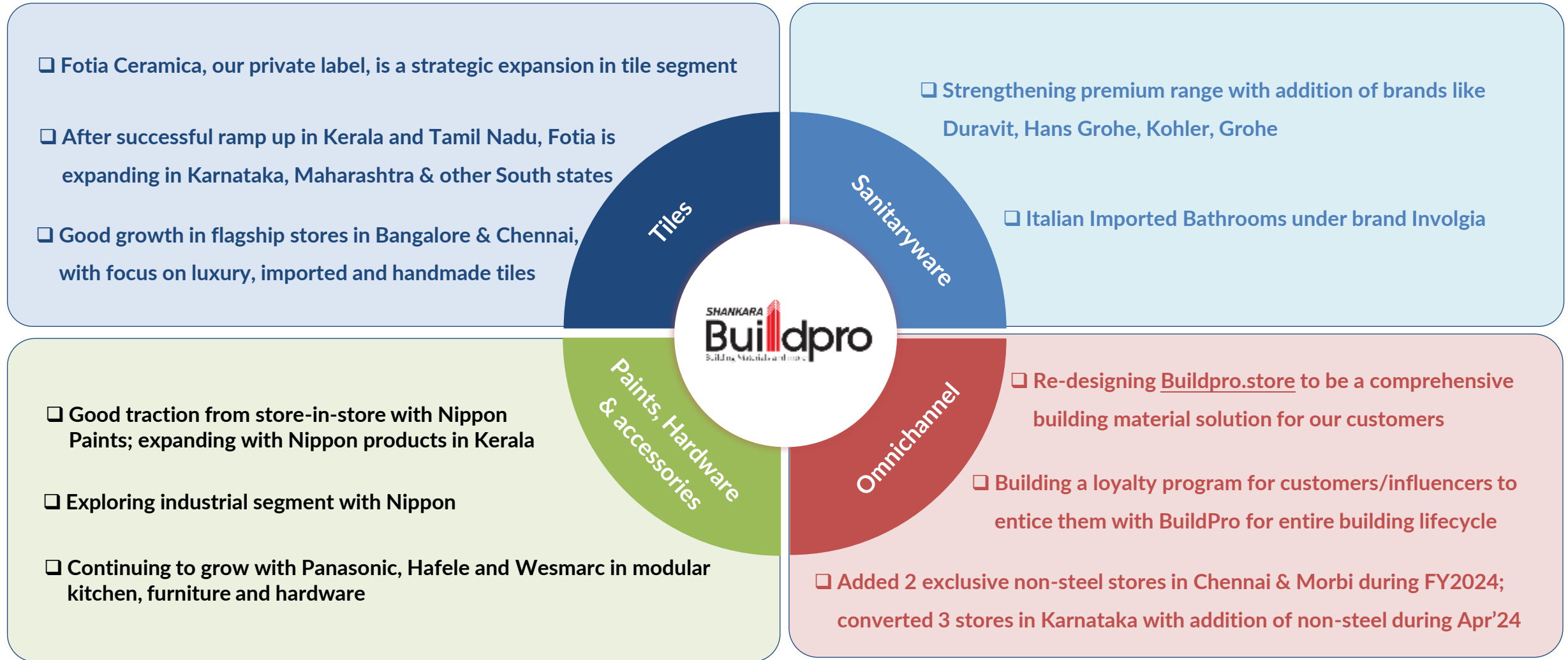


### Significant runaway to expand market share in all non-steel products

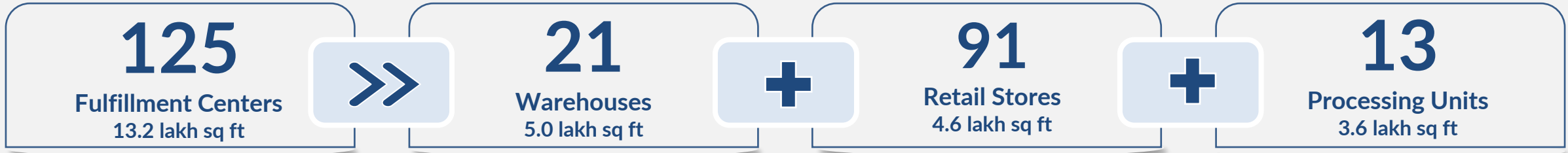
Rs. Crore	TAM	Shankara's Revenue
Sanitaryware & Fittings	~18,000	200
Tiles	~45,000	150
PVC Pipes & Fittings	~40,000	20
Electricals & Lighting	~70,000	7
Paints & Coating	~75,000	7



# Strategic initiatives aimed at improving value-added portfolio



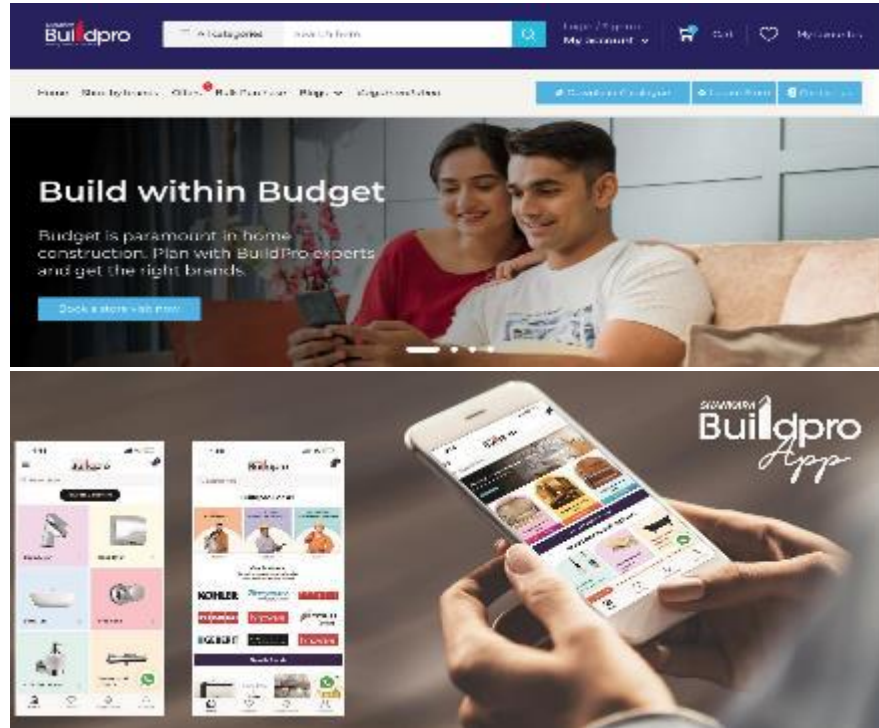
# Building an omnichannel marketplace for building materials



## Processing Facilities

- Vishal Precision Steel Tubes & Strips**
  - Processing of tube and cold rolled strip
  - Two processing facilities in Bengaluru
- Centurywells Roofing India**
  - Engaged in colour coated roofing products.
  - Ten processing facilities, mainly in Bengaluru, Chennai, Coimbatore
- Taurus Value Steel & Pipes**
  - Tube processing facility at Hyderabad

## Online Discovery of wide range of products Anytime, Anywhere



## Offline Push through Fulfillment Centers



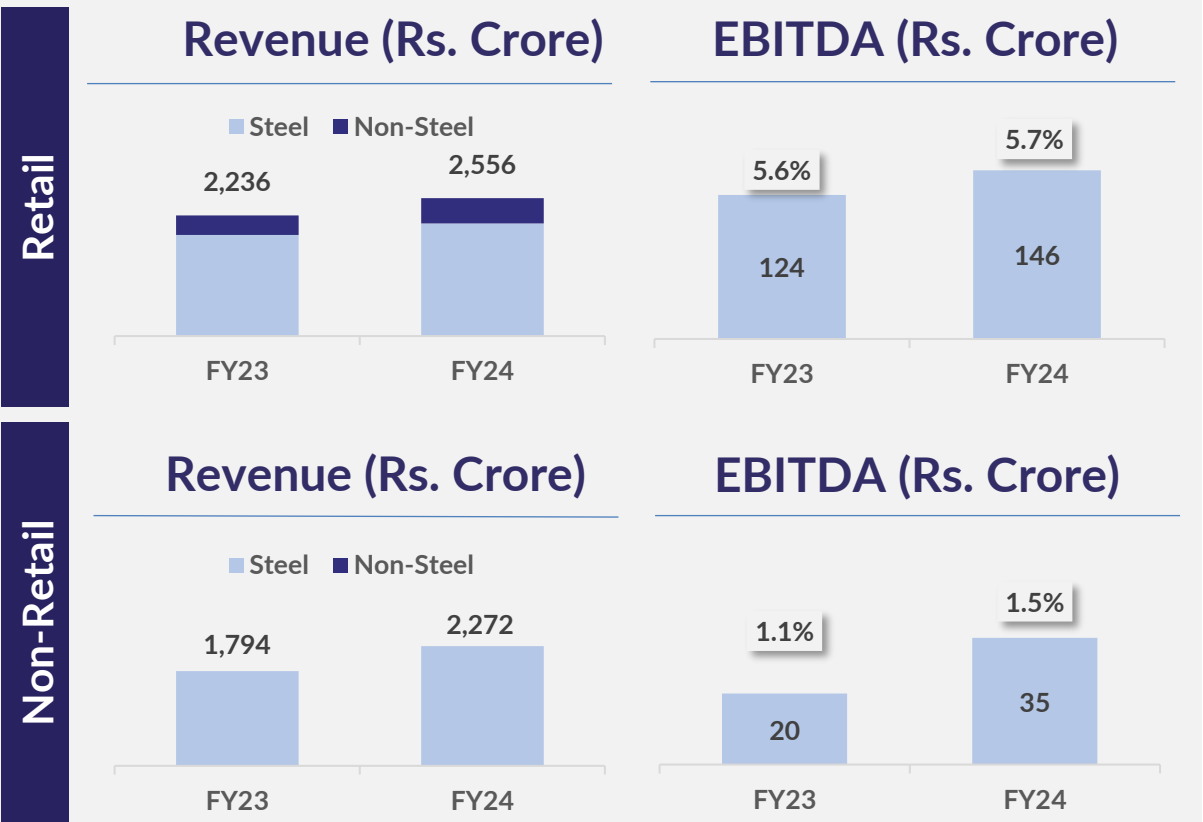
With launch of “BuildPro” app ([Google Play](#) & [App Store](#)) and [website](#):

- 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 fulfillment centers

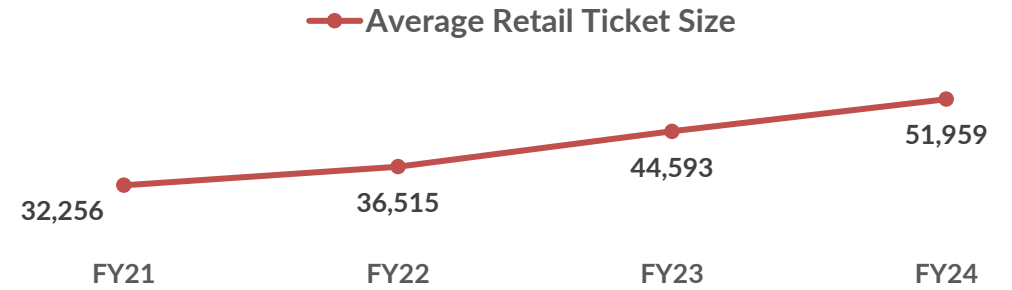
- Focus on technology & digital marketing
- Move towards greater online presence & focus on tech driven customer acquisition and retention

- 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 existing omni-channel strategy

# Retail model remains resilient, while steadily growing non-retail business

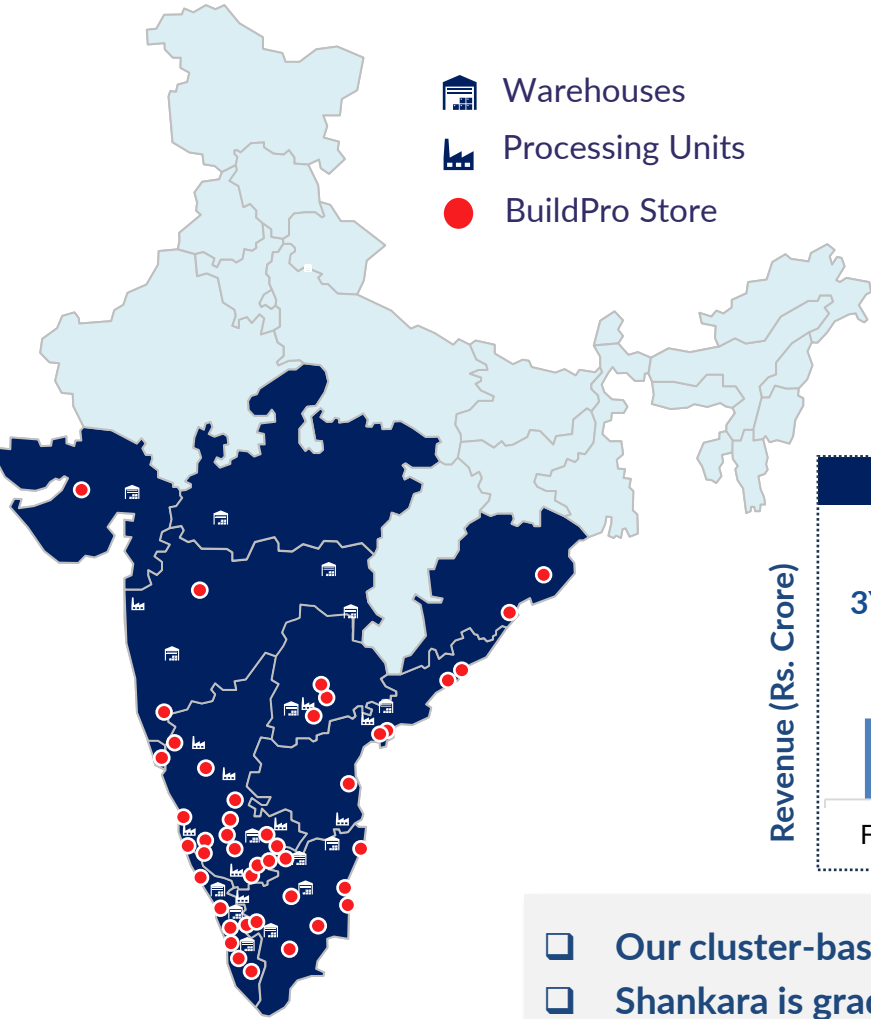


Retail Parameters	FY24	FY23	Change YoY
Retail Stores (No.)	91	91	-
Retail Area (lakh sq ft)	4.64	4.58	1%
No. of Transactions	491,991	501,359	-2%
Average Ticket Size (Rs.)	51,959	44,593	17%
Retail Revenue	2,556	2,236	14%
Retail EBITDA	146	124	17%
Average Rental Cost (per sq ft per month)	17.2	16.4	5%

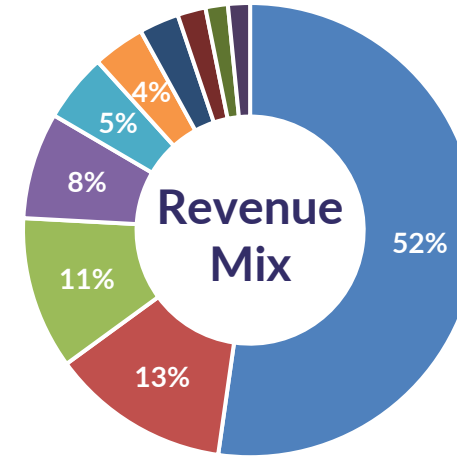


- Retail continues to leverage strength of brands and wide product portfolio to create customer pull at all stores
- Average ticket size at retail was Rs. 58,500 in Q4 FY2024, with increased product offerings in VAS & non-steel at stores
- Channel and Enterprise continues to be strategic for growth; focus on VAS has resulted in revenue & profitability expansion in non-retail segment

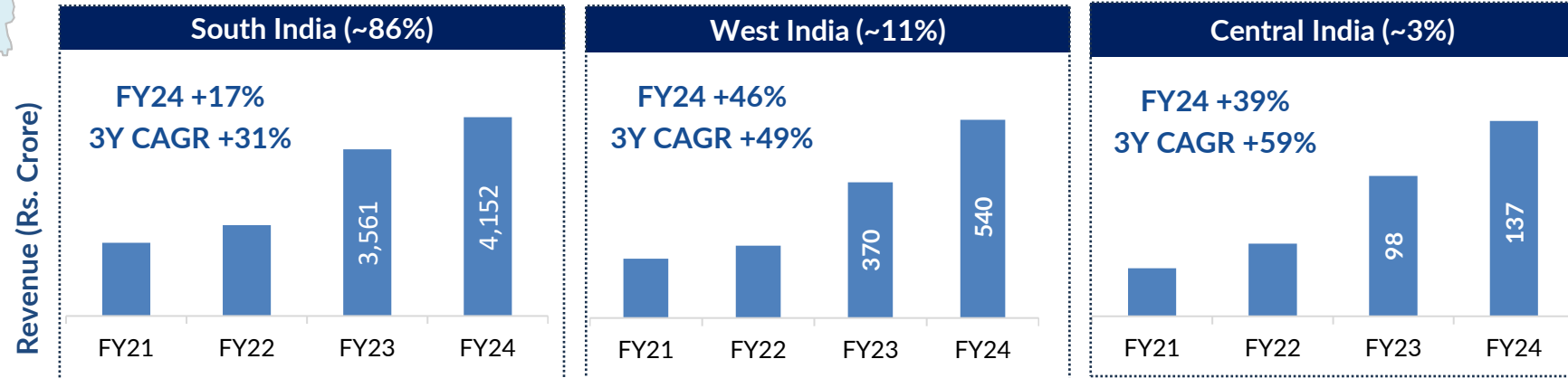
# Built a strong position in South, and expanding presence in other regions



**10/1**  
States/UT  
  
**45**  
Cities



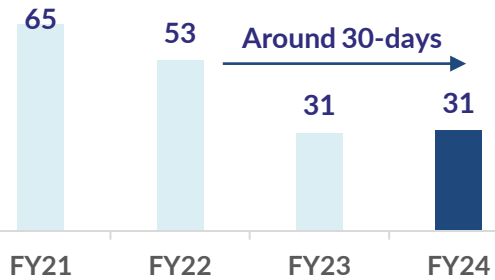
- Karnataka
- Tamil Nadu
- Kerala
- Maharashtra
- Telangana
- Andhra Pradesh
- Madhya Pradesh
- Gujarat
- Goa
- Other States



- Our cluster-based distribution network has helped deepen our penetration in the Southern states
- Shankara is gradually expanding to West and Central India, with long-term vision to go pan India



## EFFICIENT WORKING CAPITAL MANAGEMENT

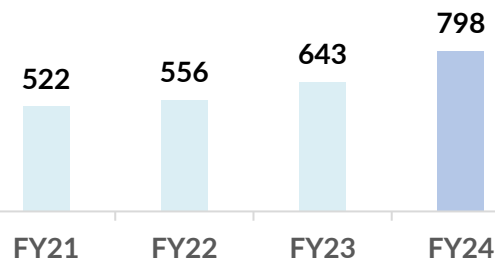


Working Capital

- Strengthened relationship with key suppliers, and robust supply chain ensures optimised inventory levels
- Aimed to efficiently maintain working capital at around 30 days



## STRENGTHENED EQUITY BASE

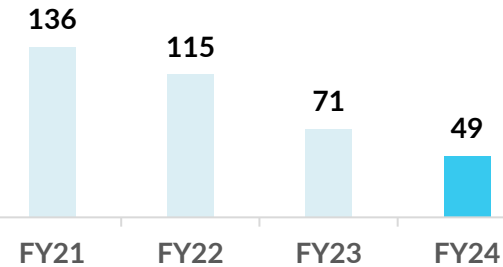


Equity Base

- Equity infusion and steady accretion of profits have expanded company's liquidity and equity capital base



## SUSTAINED DEBT REDUCTION

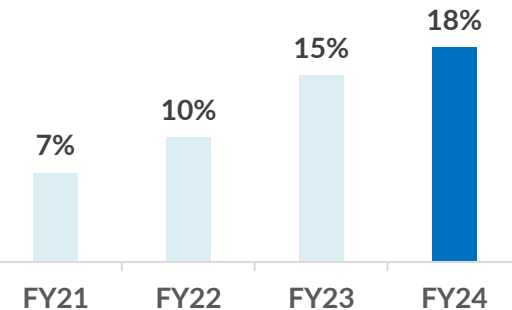


Net Debt

- Consistently deleveraging the balance sheet, with reduction in net debt levels
- As on Mar'24, cash & bank balances stood at Rs. 34 crore



## ASSET OPTIMIZED BUSINESS MODEL



RoCE

- Retail expansion through leased outlets, and efficient working capital management have resulted in asset light business model and thus, improved return indicators

# Consolidated Profit & Loss Statement

Particulars (Rs. Crore)	Q4 FY24	Q4 FY23	Change YoY	FY24	FY23	Change YoY
<b>Revenue from Operations</b>	<b>1,377</b>	<b>1,210</b>	<b>14%</b>	<b>4,828</b>	<b>4,030</b>	<b>20%</b>
Other Income	2	1	184%	5	8	(32%)
Cost of Materials Consumed	1,298	1,146	13%	4,552	3,806	20%
Employee Expenses	14	13	14%	55	48	14%
Other Expenses	21	15	33%	70	58	21%
<b>EBITDA</b>	<b>45</b>	<b>37</b>	<b>24%</b>	<b>156</b>	<b>125</b>	<b>25%</b>
<b>EBITDA Margin %</b>	<b>3.3%</b>	<b>3.0%</b>	<b>26 bps</b>	<b>3.2%</b>	<b>3.1%</b>	<b>12 bps</b>
Depreciation	4	4	(6%)	16	16	(3%)
Finance Cost	9	7	41%	32	25	31%
<b>Profit before Tax</b>	<b>32</b>	<b>26</b>	<b>24%</b>	<b>108</b>	<b>84</b>	<b>28%</b>
Tax	8	7	17%	27	21	26%
<b>Profit after Tax</b>	<b>24</b>	<b>19</b>	<b>27%</b>	<b>81</b>	<b>63</b>	<b>29%</b>
<b>PAT Margin %</b>	<b>1.8%</b>	<b>1.6%</b>	<b>18 bps</b>	<b>1.7%</b>	<b>1.6%</b>	<b>12 bps</b>
<b>Basic EPS (in Rs.)</b>	<b>10.0</b>	<b>8.4</b>	<b>19%</b>	<b>34.7</b>	<b>27.6</b>	<b>26%</b>

# Consolidated Balance Sheet

Particulars (Rs. Crore)	Mar-24	Mar-23
<b>Shareholders Equity</b>	<b>798</b>	<b>643</b>
<b>Non-current liabilities</b>	<b>25</b>	<b>40</b>
Borrowings	14	27
Lease & Other Financial Liabilities	2	5
Deferred Tax Liabilities (Net)	9	9
<b>Current Liabilities</b>	<b>763</b>	<b>608</b>
Borrowings	69	56
Trade Payables	650	520
Lease & Other Financial Liabilities	14	12
Current Tax Liabilities (Net)	5	6
Other Current Liabilities & Provisions	25	14
<b>Total Liabilities</b>	<b>1,586</b>	<b>1,292</b>

Particulars	Mar-24	Mar-23
<b>Non-current assets</b>	<b>315</b>	<b>301</b>
Property, Plant & Equipment (incl. CWIP)	268	256
Investment Property	8	10
Right of use Assets	3	4
Goodwill & Intangible Assets	17	15
Trade Receivables	3	3
Other financial & non-current assets	16	14
<b>Current Assets</b>	<b>1,271</b>	<b>990</b>
Inventories	485	425
Trade Receivables	686	511
Cash and bank balances	34	12
Other financial & current assets	66	42
<b>Total Assets</b>	<b>1,586</b>	<b>1,292</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 Ltd will be a focused listed entity for traditional Manufacturing business

## Building Materials Marketplace

Rs. 3,836 Cr

~3.3-3.5%

~1.8-2.0%

~30 days

~27-28%

FY24 Revenue

EBITDA Margin (%)

PAT Margin (%)

Working Capital

RoCE

## Manufacturing

Rs. 993 Cr

~2.0-2.2%

~0.8-1.0%

~40 days

~5-6%

# Balance Sheet split (as of March 31, 2024)

	Current	Post-demerger*	
	Overall	Building Materials Marketplace	Manufacturing
Total Equity	798	400	398
Total Debt	83	75	8
Capital Employed <sup>1</sup>	855	441	414
Trade Payables	650	585	103
Other Liabilities	54	40	18

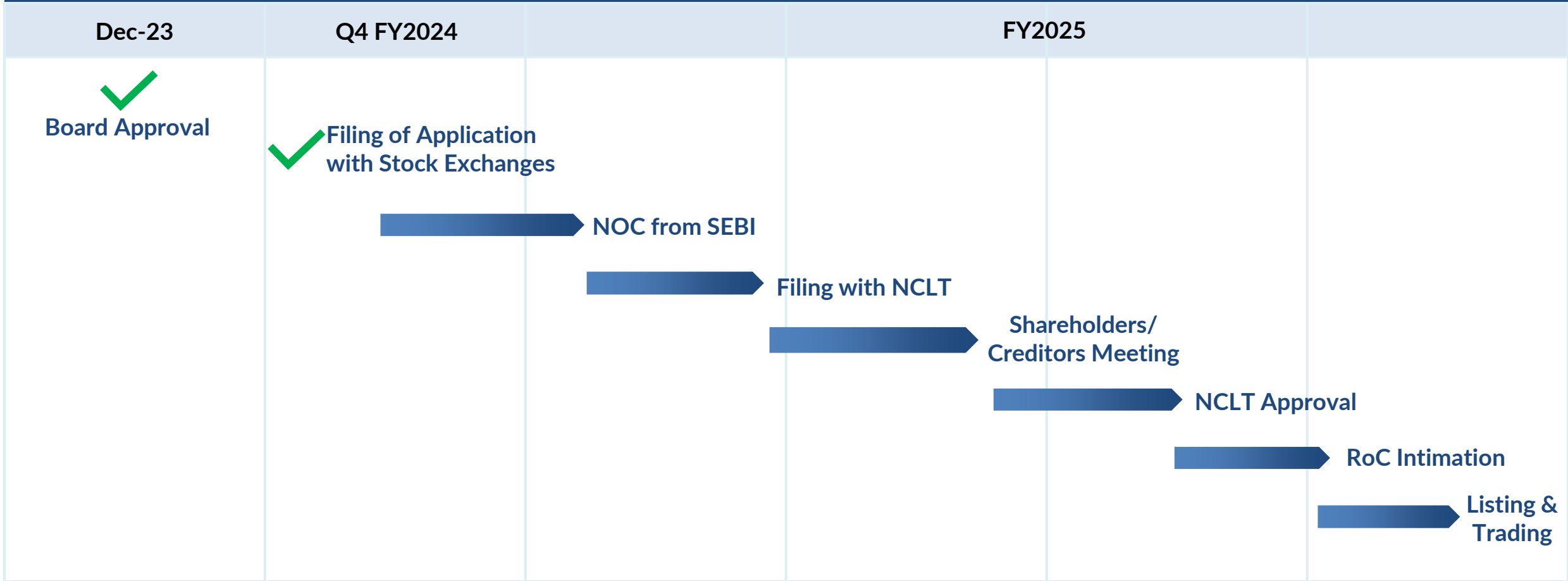
	Current	Post-demerger*	
	Overall	Building Materials Marketplace	Manufacturing
Net Block	296	43	253
Trade Receivables	686	634	91
Inventory	485	348	137
Cash & Cash Equivalents	34	29	5
Other Assets	85	46	42

Figures in Rs. Crore ; \* represents indicative split of consolidated financials into Building Materials Marketplace and Manufacturing business

<sup>1</sup> Capital Employed = Equity + Debt - Cash & Bank Balances + Deferred Tax Liability (net)

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

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