

Date: 16<sup>th</sup> May, 2022

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- Q4 & FY22**

Dear Sir/Madam,

Please find enclosed Investor's Presentation-Q4 & FY22 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**

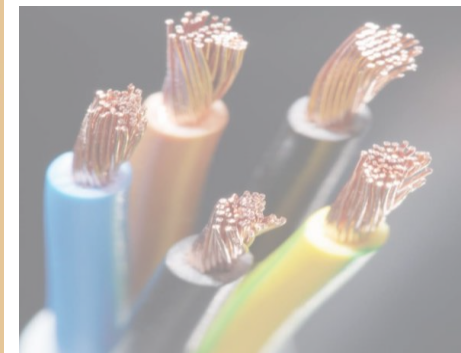
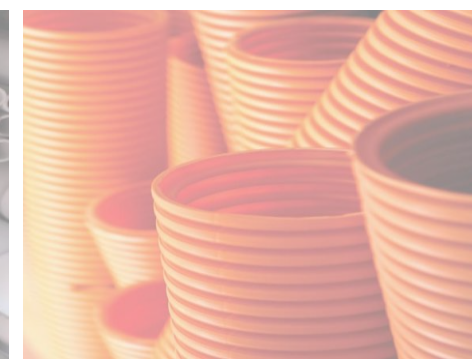
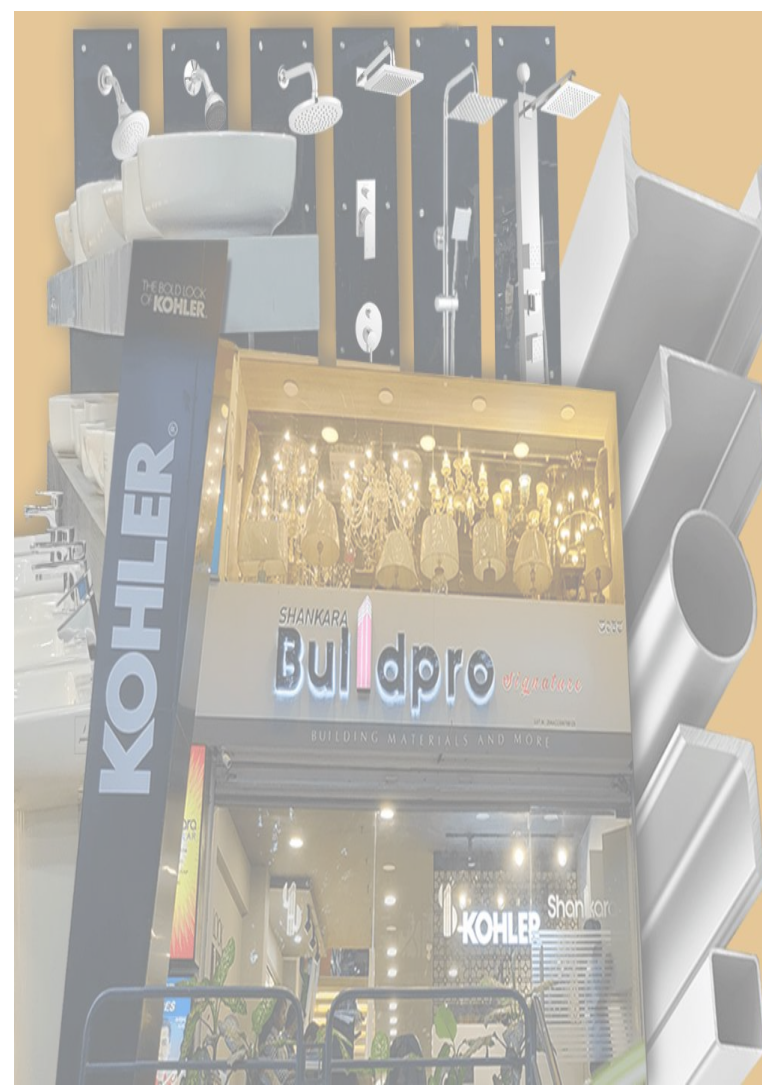


Ereena Vikram  
**Company Secretary & Compliance Officer**



# Shankara

Building Products Ltd.



## Q4 & FY22 Results

# Safe Harbor

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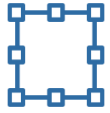
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# About us

India's leading organized retailer/wholesaler of home improvement and building products



Retail Space

0.45 mn sqft



Products

75+



SKUs

1,00,000+



States/UT

9 / 1

## Stores

Mysore, Karnataka



Thiruvalla, Kerala



Nellore, Andhra Pradesh



Chennai, Tamil Nadu



## Products

Electricals



Interior-Exterior



Irrigation



Flooring



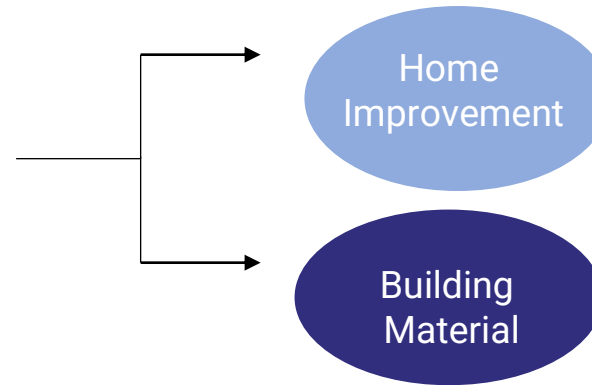
Plumbing & Sanitaryware



Construction Materials



# Customer Profile



## Target Audience



**Home Owners**



**Professional Customers  
(Architects & Contractors)**



**Small Enterprises**

# Q4 & FY22 Business Highlights

- 01 We have achieved ~22% & ~19% growth in top line in Q4 and FY22 respectively on the back of revival in the housing sector, low mortgage rates & infrastructure growth
- 02 Retail and Channel business performed well in FY22. Strategic customer communication and campaigns helped in driving higher footfalls at the stores
- 03 During FY22, gross margin witnessed challenges due to volatility in raw material prices
- 04 During FY22, Inventory volumes strategically kept at adequate levels in anticipation of higher demand
- 05 The company's focused approach helped to maintain working capital and cash flow position during FY22
- 06 During the Q4FY22, the Company has approved the preferential issue of 14,00,000 share warrants convertible into equity shares (which is 5.77% of fully diluted capital upon conversion) for an offered price of Rs.750 per warrant to APL Apollo Mart Ltd. (a wholly-owned subsidiary of APL Apollo Tubes Limited).
- 07 Credit Rating agency CRISIL has assigned a credit rating to the Company. Long Term Rating BBB+/Stable; Short Term Rating CRISIL A2

# Performance Highlights

| Particulars<br>(Rs. Cr) | Q4FY22 | Q3FY22 | Q2FY22 | Q1FY22 |
|-------------------------|--------|--------|--------|--------|
| Revenue                 | 782.2  | 585.0  | 605.7  | 445.5  |
| EBITDA                  | 31.1   | 15.3   | 22.2   | 19.2   |
| PAT                     | 15.6   | 3.5    | 9.0    | 6.3    |

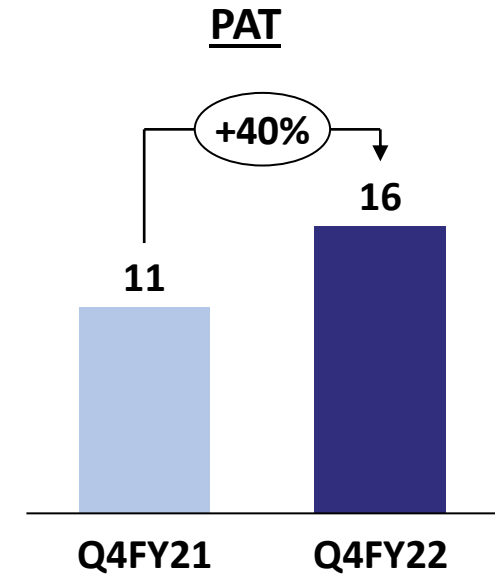
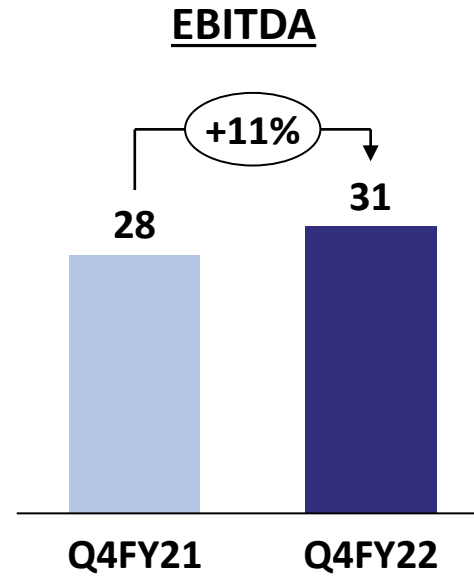
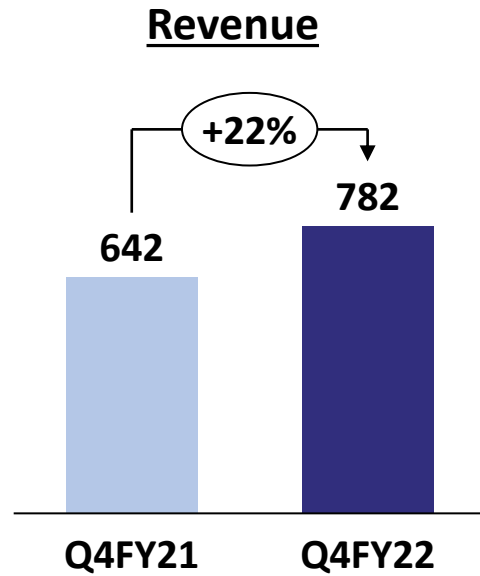
## Navigating through Challenges



*Sequential Improvement in Performance*

# Performance Highlights

Rs. Cr

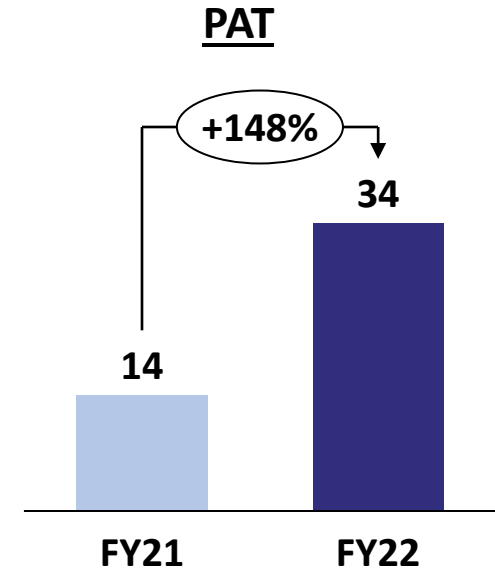
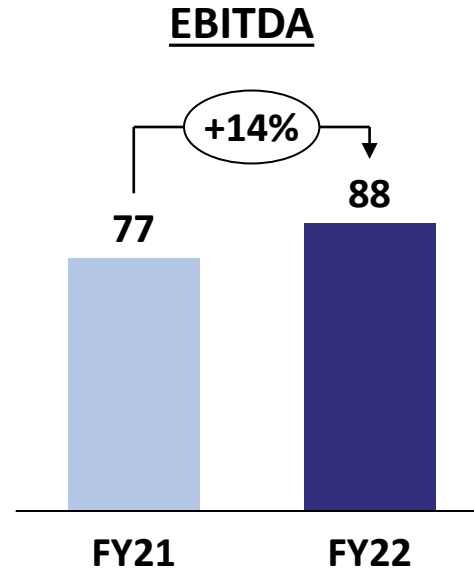
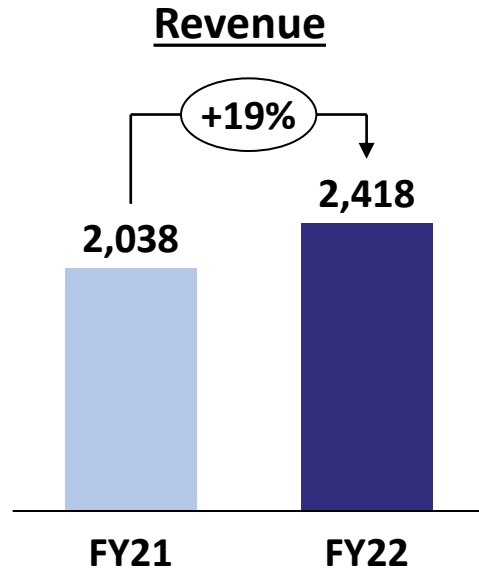


- ✓ Revenue for Q4Y22 at ~121% of last year sales
- ☐ Same store sales growth for existing stores stood at 22.54% in Q4 FY22



# Performance Highlights

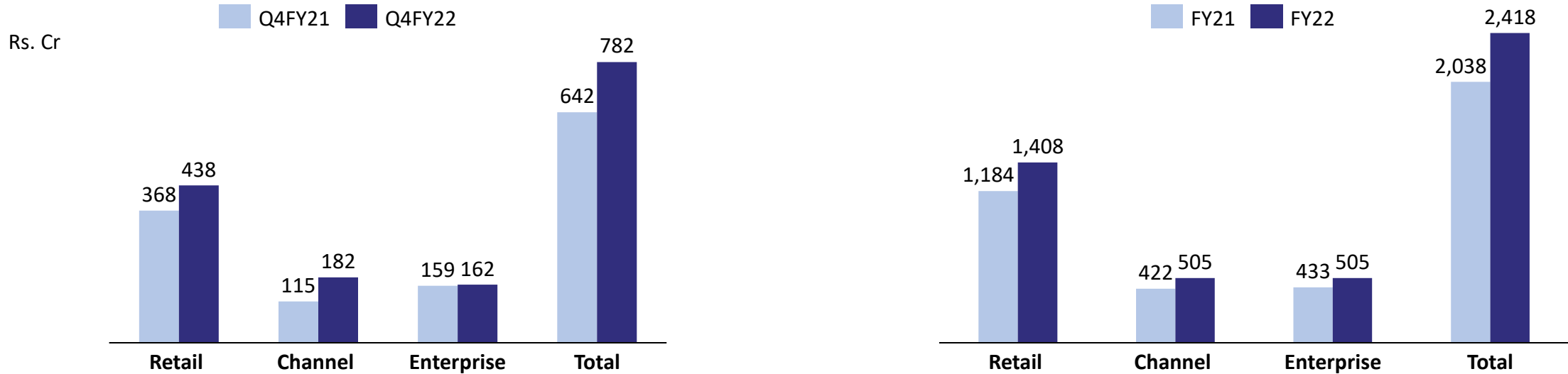
Rs. Cr



- ✓ Revenue for FY22 at ~119% of last year sales
- ☐ Same store sales growth for existing stores stood at 29.05% from FY21 to FY22

# Revenue Break up

## Revenue across Verticals

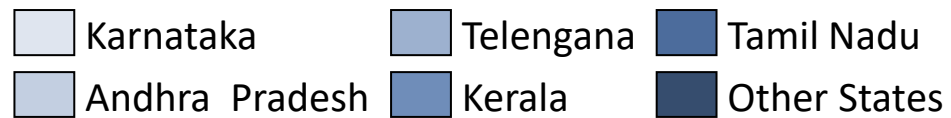
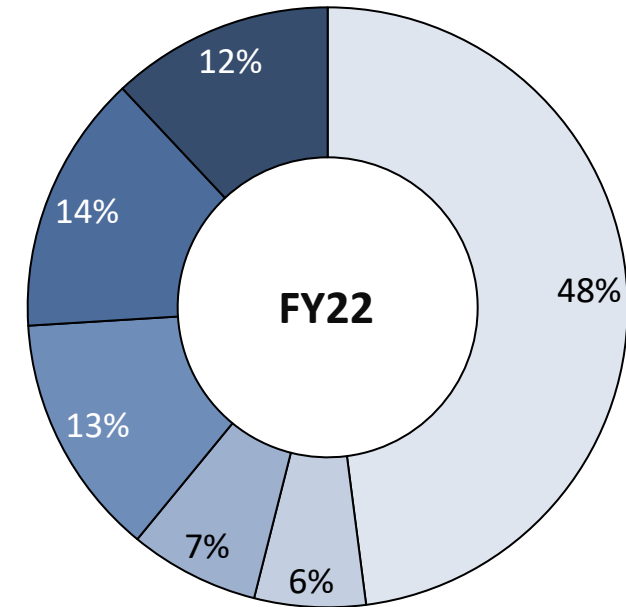
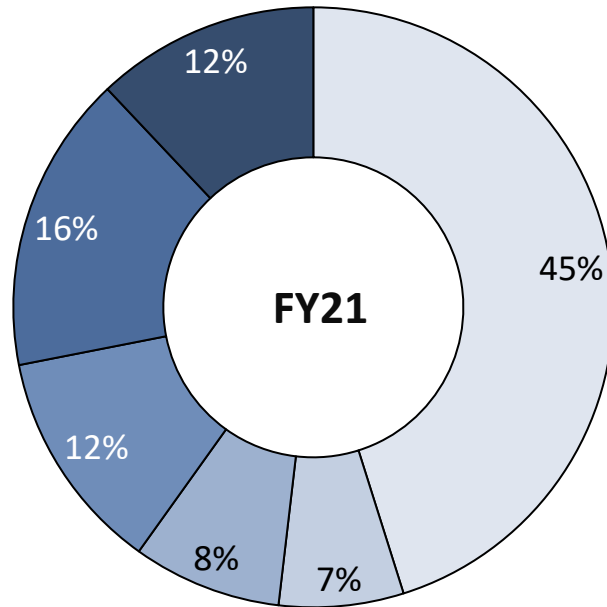


- ❑ **Retail Business Update:** Retail business continues to perform well during FY22. Our retail revenue was Rs.1,408 Cr in FY22 which was 58.2% of our total sales. Our comparable sales growth gained momentum with each passing quarter of the year. We are looking to leverage the strength of the brands we deal with to create customer pull for our stores. All these should have a positive impact on the revenue growth opportunities of our stores in the future
- ❑ **Channel business Update:** The Channel segment continues to be a strategic business for us. It builds understanding of the markets and the emerging trends. The channel business recorded revenues of Rs.505 Cr for FY22 as compared to Rs.422 Cr for FY21 recording a growth of 20%. The Channel business also helps us in our other business segments and helps optimize costs as well as securing scale benefits
- ❑ **Enterprise business Update:** In this segment, we cater to the requirements of large end users, contractors and OEMs. We generated revenues of Rs.505 Crores in FY22, a growth of 16.7% over the previous year. Enterprise customers are more demanding in terms of quality parameters and specifications. This can be partly catered to with our integrated processing facilities

# Revenue Break up

## Revenue across States

Rs. Cr



# Store Metrics

|   | Q4FY22   | ←      | Q3FY22   | Q2FY22   | Q1FY22   | Q4FY21   |
|---|----------|--------|----------|----------|----------|----------|
| No. of Retail Stores                      | 90       |        | 90       | 90       | 90       | 95       |
| Total Area (in Sft)                       | 4,34,412 |        | 4,34,412 | 4,34,412 | 4,34,412 | 4,47,904 |
| Average Store size (in Sft)               | 4,827    |        | 4,827    | 4,827    | 4,827    | 4,715    |
| Average Ticket size (In Rs)               | 37,966   | +2.2%  | 37,138   | 35,761   | 34,563   | 33,982   |
| Revenue from retail stores (Rs. Cr)       | 438.3    | +25.8% | 348.5    | 352.4    | 268.8    | 368.1    |
| Average rental cost per Sq. Ft. per month | 14.1     | +1.5%  | 13.9     | 13.7     | 15.0     | 15.5     |

| Same Store Sales Growth |              |       |         |
|-------------------------|--------------|-------|---------|
| Period                  | No of stores | Q4    | 12M     |
| FY22                    | 90           | 438.3 | 1,407.4 |
| FY21                    | 90           | 357.7 | 1,090.6 |
| *SSSG (YoY)             |              | 22.5% | 29.0%   |

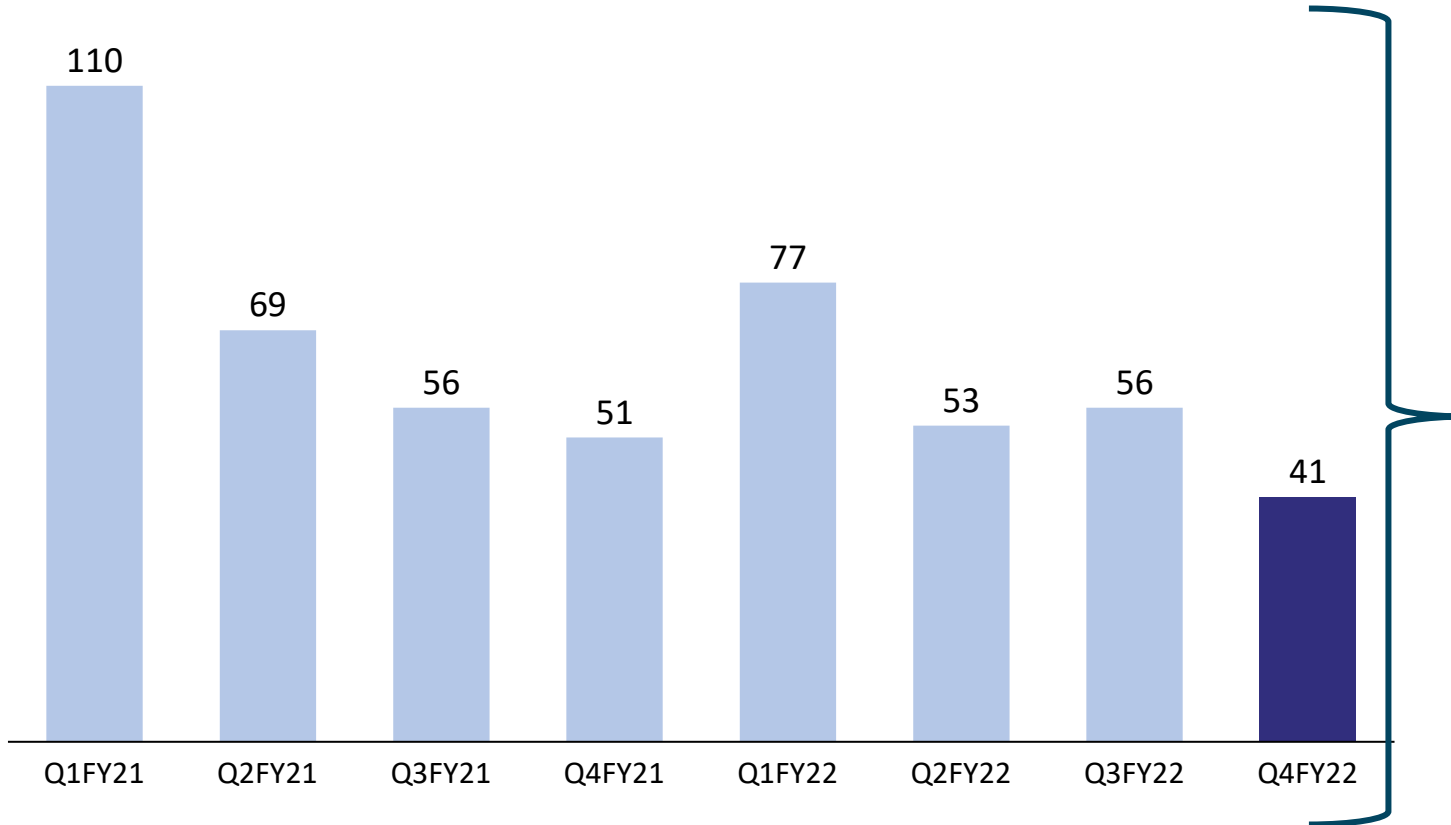
\*The growth is calculated on mature store outlets (Store count – 90)

- ❑ Achieved significant revenue growth sequentially in the retail stores despite challenging environment
- ❑ The company is continuously upgrading stores. Efficient supply chain is our key focus area. We place utmost importance in hiring the right manpower and training.
- ❑ Cross sell is the key theme across our retail stores. The company wants to leverage existing customer relationships to sell more of our expanded range of products. We are increasing our focus on branding our stores and continuing with our customer outreach programme.



# Working Capital Management

Net Working Capital Days\*



The company's consistent efforts taken during FY22 helped to improve net working capital days and achieve stable cash flow position

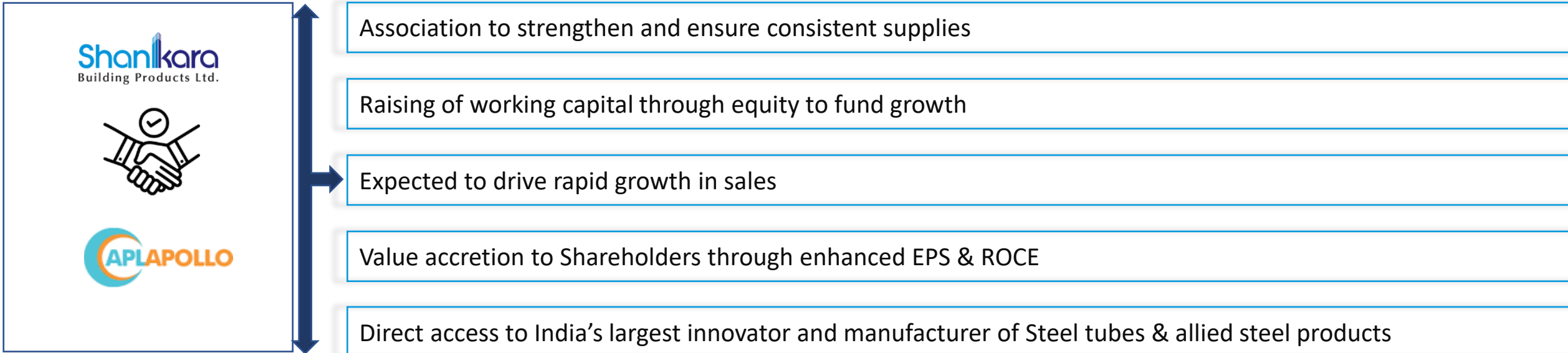
*Operating cash flow in FY22 stood at*

***Rs. 69.6 Cr***

\*Debtors are calculated on Gross Sales

# Strategic Partnership

## Strategic partnership to accelerate Shankara's growth plans



- ❑ APL Apollo Tubes Ltd., one of our key suppliers of steel tubes have agreed to subscribe through their wholly owned subsidiary APL Apollo Mart Ltd, 1,400,000 warrants priced at Rs.750 per warrant fully convertible into equity shares by way of preferential allotment
- ❑ Sale of 1,000,000 Equity shares at Rs.755 per share by promoter

# Consolidated P&L Statement

| Particulars (Rs. in Crs)       | Q4FY22       | Q4FY21       | Q3FY22       | FY22           | FY21           |
|--------------------------------|--------------|--------------|--------------|----------------|----------------|
| <b>Revenue From Operations</b> | <b>782.2</b> | <b>642.3</b> | <b>585.0</b> | <b>2,418.4</b> | <b>2,038.4</b> |
| Other Income                   | 0.9          | 1.5          | 0.2          | 3.1            | 6.2            |
| Raw Material                   | 726.5        | 591.9        | 548.3        | 2,244.4        | 1,884.7        |
| Employee Expenses              | 11.4         | 10.4         | 10.5         | 41.3           | 34.7           |
| Other Expenses                 | 14.3         | 13.4         | 11.1         | 48.1           | 48.1           |
| <b>EBITDA</b>                  | <b>31.0</b>  | <b>28.0</b>  | <b>15.3</b>  | <b>87.7</b>    | <b>77.2</b>    |
| <b>EBITDA %</b>                | <b>4.0%</b>  | <b>4.4%</b>  | <b>2.6%</b>  | <b>3.6%</b>    | <b>3.8%</b>    |
| Depreciation                   | 4.2          | 4.9          | 4.2          | 17.2           | 24.0           |
| Finance Cost                   | 5.9          | 7.4          | 6.2          | 24.4           | 33.1           |
| <b>Profit before Tax</b>       | <b>20.9</b>  | <b>15.7</b>  | <b>4.8</b>   | <b>46.1</b>    | <b>20.1</b>    |
| Tax                            | 5.3          | 4.7          | 1.3          | 11.7           | 6.3            |
| <b>Profit After Tax</b>        | <b>15.6</b>  | <b>11.1</b>  | <b>3.5</b>   | <b>34.3</b>    | <b>13.8</b>    |

# Consolidated Balance Sheet

| Particulars (Rs. in Crs)          | Mar-22        | Mar-21       |
|-----------------------------------|---------------|--------------|
| <b>Total Equity</b>               | <b>556.0</b>  | <b>521.7</b> |
| Equity Share Capital              | 22.9          | 22.9         |
| Other Equity                      | 533.1         | 498.8        |
| <b>Non-current liabilities</b>    | <b>52.5</b>   | <b>60.4</b>  |
| Financial Liabilities             |               |              |
| (i) Borrowings                    | 35.6          | 37.8         |
| (ii) Lease Liabilities            | 10.0          | 16.6         |
| (iii) Other Financial Liabilities | 0.1           | 0.1          |
| Deferred Tax Liabilities (Net)    | 6.8           | 5.9          |
| <b>Current liabilities</b>        | <b>432.3</b>  | <b>343.7</b> |
| Financial Liabilities             |               |              |
| (i) Borrowings                    | 86.0          | 113.8        |
| (ii) Trade Payables               | 318.7         | 205.6        |
| (iii) Lease Liabilities           | 1.3           | 0.9          |
| (iv) Other Financial Liabilities  | 9.5           | 7.9          |
| Provisions                        | 0.8           | 0.4          |
| Current Tax Liabilities (Net)     | 3.2           | 3.9          |
| Other Current Liabilities         | 12.8          | 11.4         |
| <b>Total Liabilities</b>          | <b>1040.8</b> | <b>925.8</b> |

| Particulars (Rs. in Crs)             | Mar-22        | Mar-21        |
|--------------------------------------|---------------|---------------|
| <b>Non-current assets</b>            | <b>274.5</b>  | <b>274.01</b> |
| Property, Plant and Equipment        | 225.8         | 219.4         |
| Investment Property                  | 9.6           | 8.6           |
| Capital Work in Progress             | 1.5           | 2.4           |
| Right of use Assets                  | 8.6           | 13.9          |
| Goodwill on Consolidation            | 14.0          | 14.0          |
| Other Intangible assets              | -             | -             |
| <b>Financial Assets</b>              |               |               |
| (i) Trade Receivables                | 3.2           | 3.8           |
| (ii) Loans                           | 0.1           | 0.1           |
| (iii) Other financial assets         | 9.6           | 9.4           |
| Other non-current assets             | 2.1           | 2.2           |
| <b>Current Assets</b>                | <b>766.3</b>  | <b>651.8</b>  |
| Inventories                          | 372.3         | 316.1         |
| Financial Assets                     |               |               |
| (i) Trade receivables                | 354.0         | 295.1         |
| (ii) Cash and cash equivalents       | 2.5           | 10.9          |
| (iii) Bank balances other than above | 4.4           | 4.3           |
| (iv) Others financial assets         | 0.8           | 0.8           |
| Other Current Assets                 | 32.2          | 24.6          |
| Current Assets Net                   | 0.2           | -             |
| <b>Total Assets</b>                  | <b>1040.8</b> | <b>925.8</b>  |



# CONTACT US

**For further information, please contact:**

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**Investor Relations Advisors :**

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