

SHANKARA BUILDING PRODUCTS LIMITED

Q1FY26
INVESTOR PRESENTATION

NSE: SHANKARA
BSE: 540425
BLOOMBERG: SHANKARA:IN



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Q1FY26 RESULTS

03-12



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STRATEGIC DIRECTION

20-23

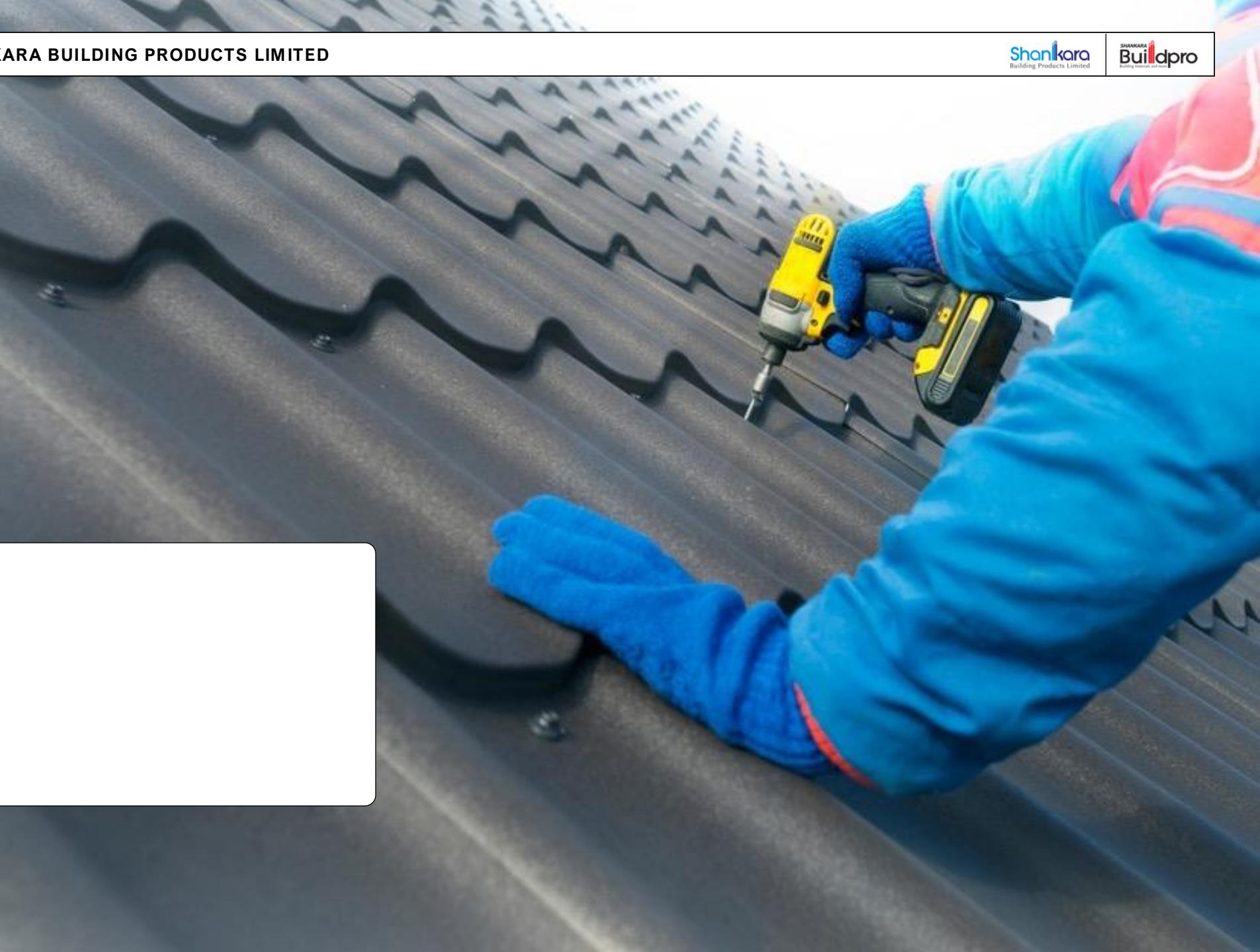


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Q1FY26 RESULTS

04-12



Q1FY26

ROBUST GROWTH CONTINUES

OPERATIONAL HIGHLIGHTS

2.38
Lakh Tonne
VOLUMES – STEEL

35%
Q1 VOLUME GROWTH
(YOY) - STEEL

₹1,500
Crore
HIGHEST SALES – STEEL

30%
Q1 REVENUE GROWTH
(YOY) – STEEL

₹144
Crore
SALES – NON-STEEL

5%
Q1 REVENUE GROWTH
(YOY) – NON-STEEL

₹1,644
Crore
HIGHEST SALES

27%
Q1 REVENUE
GROWTH (YOY)

FINANCIAL HIGHLIGHTS

27%
Q1 TOPLINE GROWTH (YOY)

43%
Q1 EBITDA GROWTH (YOY)

102%
Q1 PAT GROWTH (YOY)

3.58%
Q1 EBITDA MARGIN

QUARTERLY UPDATES

STRATEGIC UPDATES

Robust **2.38 lakh tonne** steel volume delivered in Q1. On track to achieve **1.0+ million tonne** steel volume in FY26.

Healthy growth in **Retail of 23% YoY & Non-Retail of 33% YoY**. Improvement in Non-Retail & Manufacturing margins during the quarter.

Opened a new store in **Jabalpur**, and a fulfilment center in **Gannavaram, Vijayawada**, expanding our geographical presence.

Robust PAT growth in Q1, up 14% QoQ and 102% YoY. EBITDA growth of 12% QoQ & 43% YoY.

Good volume growth in steel categories such as:

- **Pipes & Tubes**
- **Flats**
- **Roofing**

Continuing growth in **Retail & Non-Retail across South-India** in all key markets.

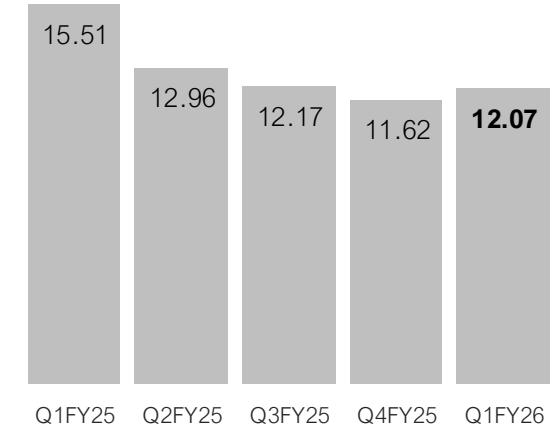
Working capital at 29 days in Q1FY26, vs 30 days in FY25.

Strengthening strategic relationship with our key business partners:



Moderation in finance cost despite growing scale, achieved through better working capital management.

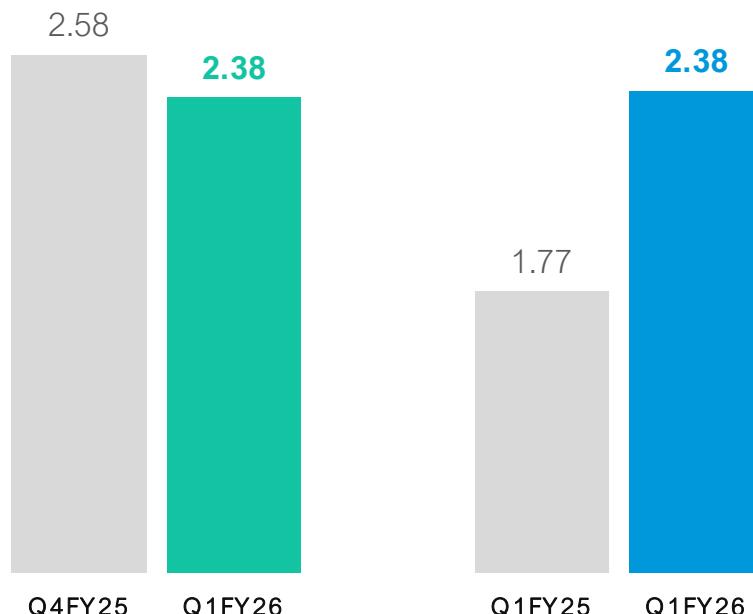
Interest Cost Moderation
(IN ₹ CRORE)



VOLUME THRUST CONTINUES IN STEEL MARKETPLACE

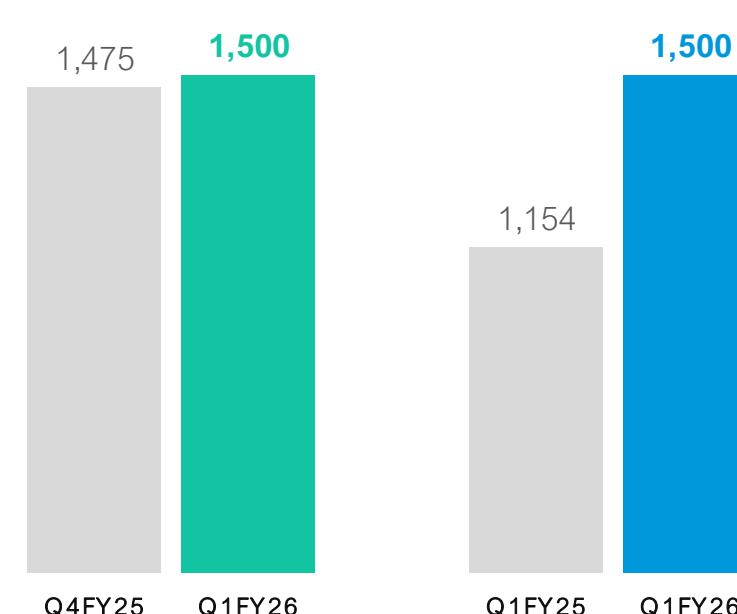
Volumes - Steel

(IN LAKH TONNE)

 (8%)
QoQ 35%
YoY

Revenue - Steel

(IN ₹ CRORE)

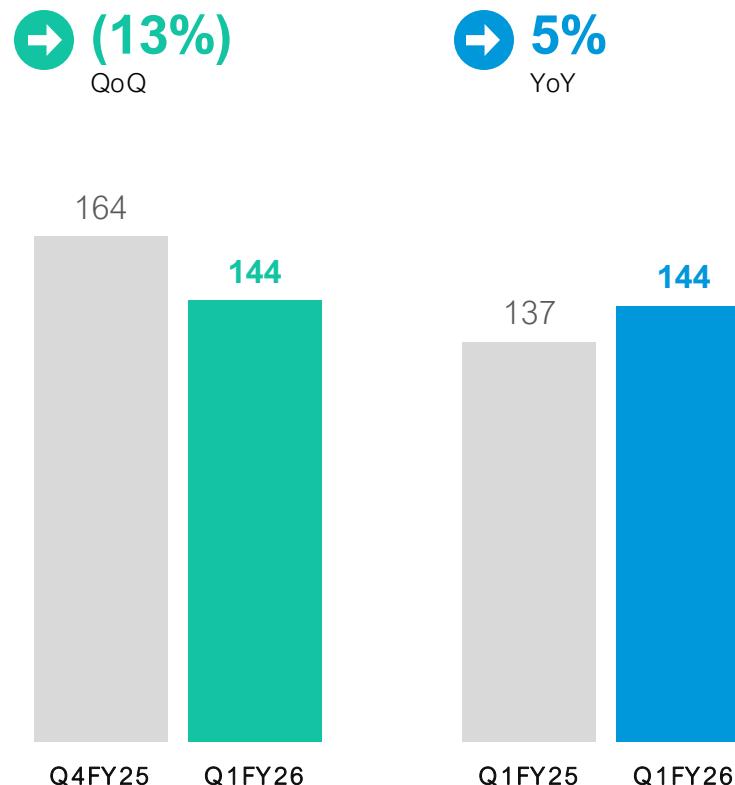
 2%
QoQ 30%
YoY

Robust volume growth continues in Q1FY26, aided by some increase in realizations up till mid-quarter

Good start to exceed the **1.0+ MT volume target for FY26**

INDUSTRY HEADWINDS IN NON-STEEL MARKETPLACE

Revenue – Non-Steel (IN ₹ CRORE)

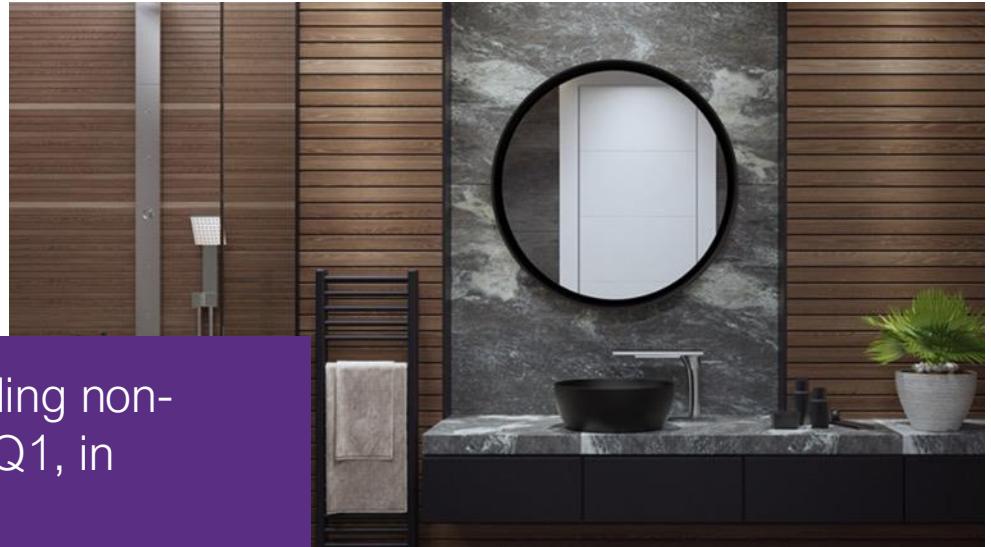


Macro headwinds impeding non-steel revenue growth in Q1, in continuation to H2FY25

Moderate YOY growth despite the tepid building materials industry environment

Leading sub-categories: Plumbing, Fittings & Sanitaryware continue to do well

Emerging categories such as Electrical, Lighting and Paints



Q1FY26

ROBUST PERFORMANCE

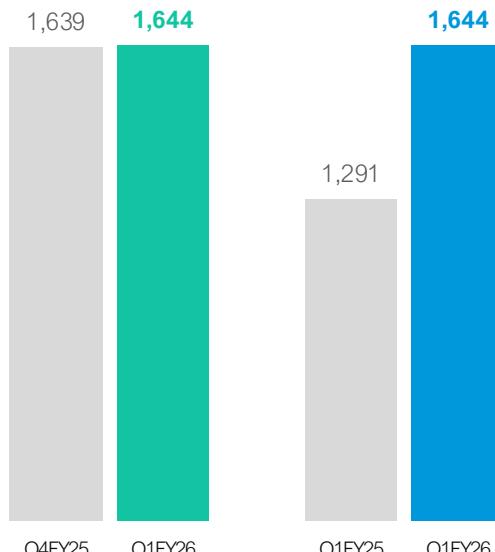
Revenue (IN ₹ CRORE)

(IN ₹ CRORE)

0%
QoQ

→ 27%

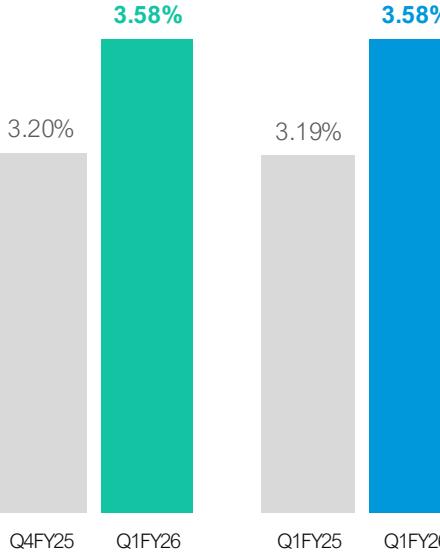
YoY



EBITDA Margin (IN %)

(IN %)

113



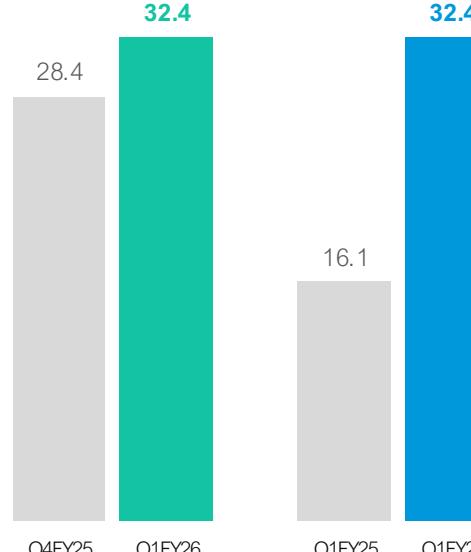
PAT (IN ₹ CRORE)

(IN ₹ CRORE)

1

→ 102%

Yc



Revenue growth (YOY) on account of robust 35% growth in volumes

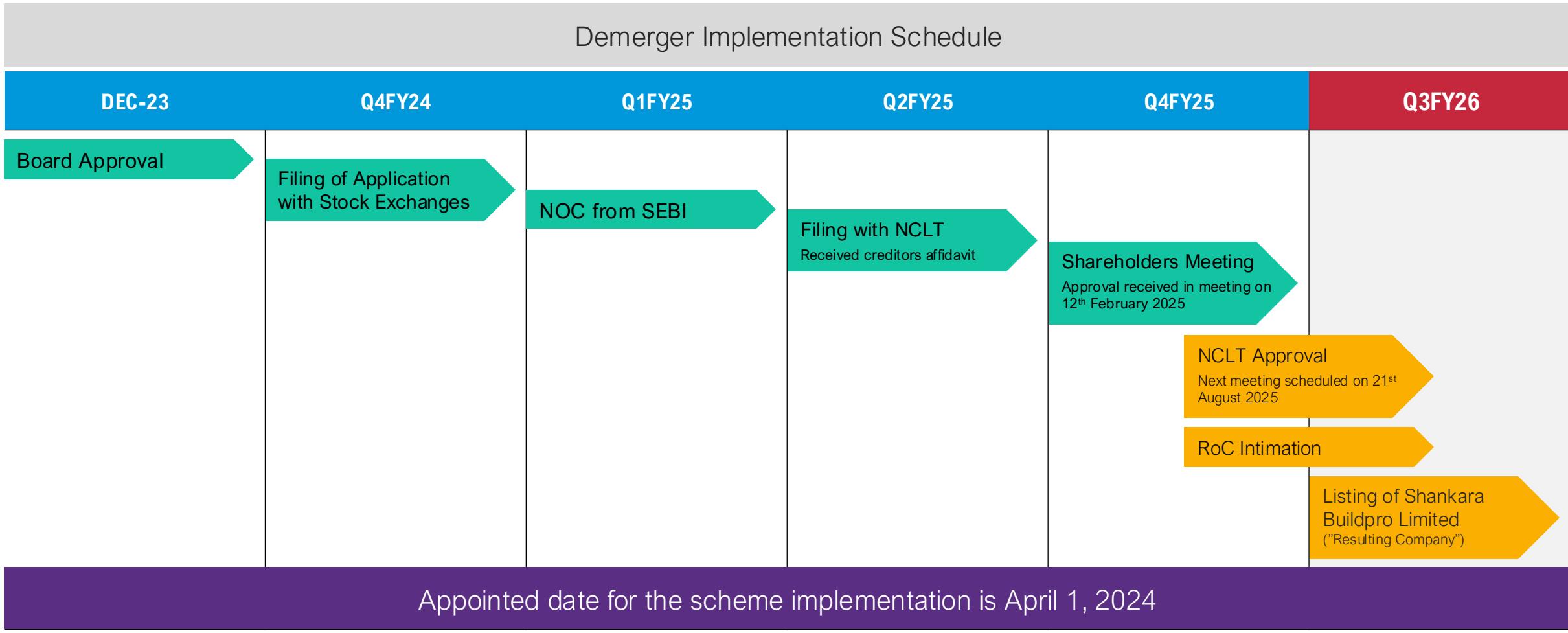
EBITDA margins improved on account of stoppage in inventory losses & improvement in steel realizations up till mid-quarter

CONSOLIDATED P&L STATEMENT

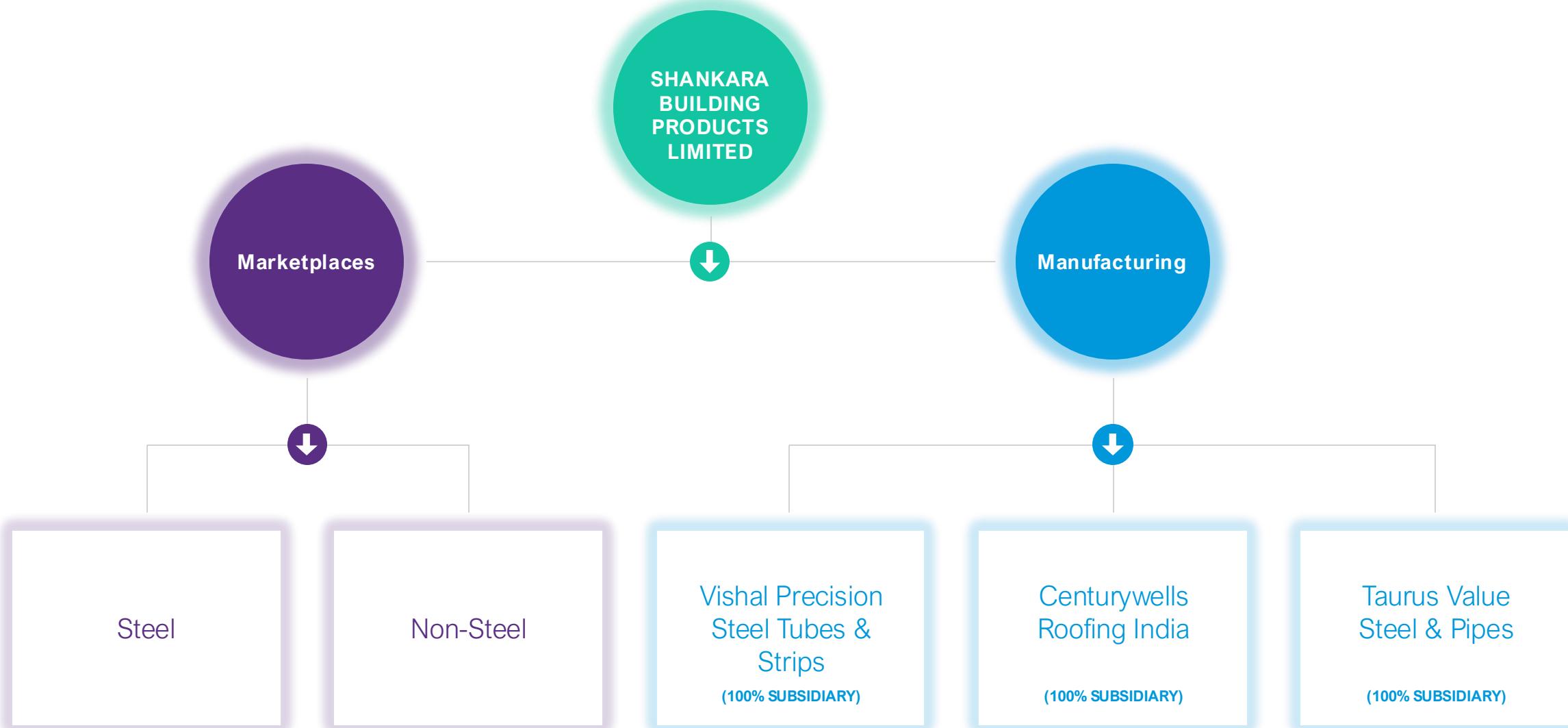
PARTICULARS (₹ CRORE)	Q1 FY25	Q4 FY25	Q1 FY26	CHANGE YOY
Revenue from Operations	1,291	1,639	1,644	27%
Other Income	1	1	0	(26%)
Cost of Materials Consumed	1,216	1,547	1,545	27%
Employee Expenses	14	14	15	14%
Other Expenses	20	27	25	22%
EBITDA	41	52	59	43%
EBITDA Margin %	3.19%	3.20%	3.58%	+39 bps
Depreciation	4	4	4	(5%)
Finance Cost	16	12	12	(22%)
Profit before Tax	22	37	43	99%
Tax	5	8	10	90%
Profit after Tax	16	28	32	102%
PAT Margin %	1.24%	1.73%	1.97%	+73 bps
Basic EPS (in ₹)	6.62	11.72	13.37	102%

Note – All figures have been rounded-off

DEMERGER IMPLEMENTATION TIMELINE



CURRENT CORPORATE STRUCTURE



POST-DEMERGER CORPORATE STRUCTURE

Already Listed



Entire manufacturing operations:

- Colour-coated roofing products
- Tubes & cold rolled strip

ALL EXISTING SUBSIDIARIES TO BE RETAINED IN SBPL

- Capital Employed (Q1FY26): **~₹481 Cr**
- Revenue (Q1FY26): **₹323 Cr**
- EBITDA (Q1FY26): **₹7 Cr**
- RoCE: **~4%**

To pursue operational re-structuring & improve margins with a dedicated team

To Be Listed



Entire marketplace business:

- Retail & Non-Retail
- Steel & Non-Steel

SIMPLIFIED CORPORATE STRUCTURE FOR SBL

- Capital Employed (Q1FY26): **~₹565 Cr**
- Revenue (Q1FY26): **₹1,568 Cr**
- EBITDA (Q1FY26): **₹52 Cr**
- RoCE: **~35%**

Continue to deliver growth in marketplace business:

- Pursue 20-25% volume growth in steel product segment
- Pursue 25-30% revenue growth in non-steel product segments

Objectives of Demerger

1.

Two distinct entities as per the nature of operations & capital-intensity

2.

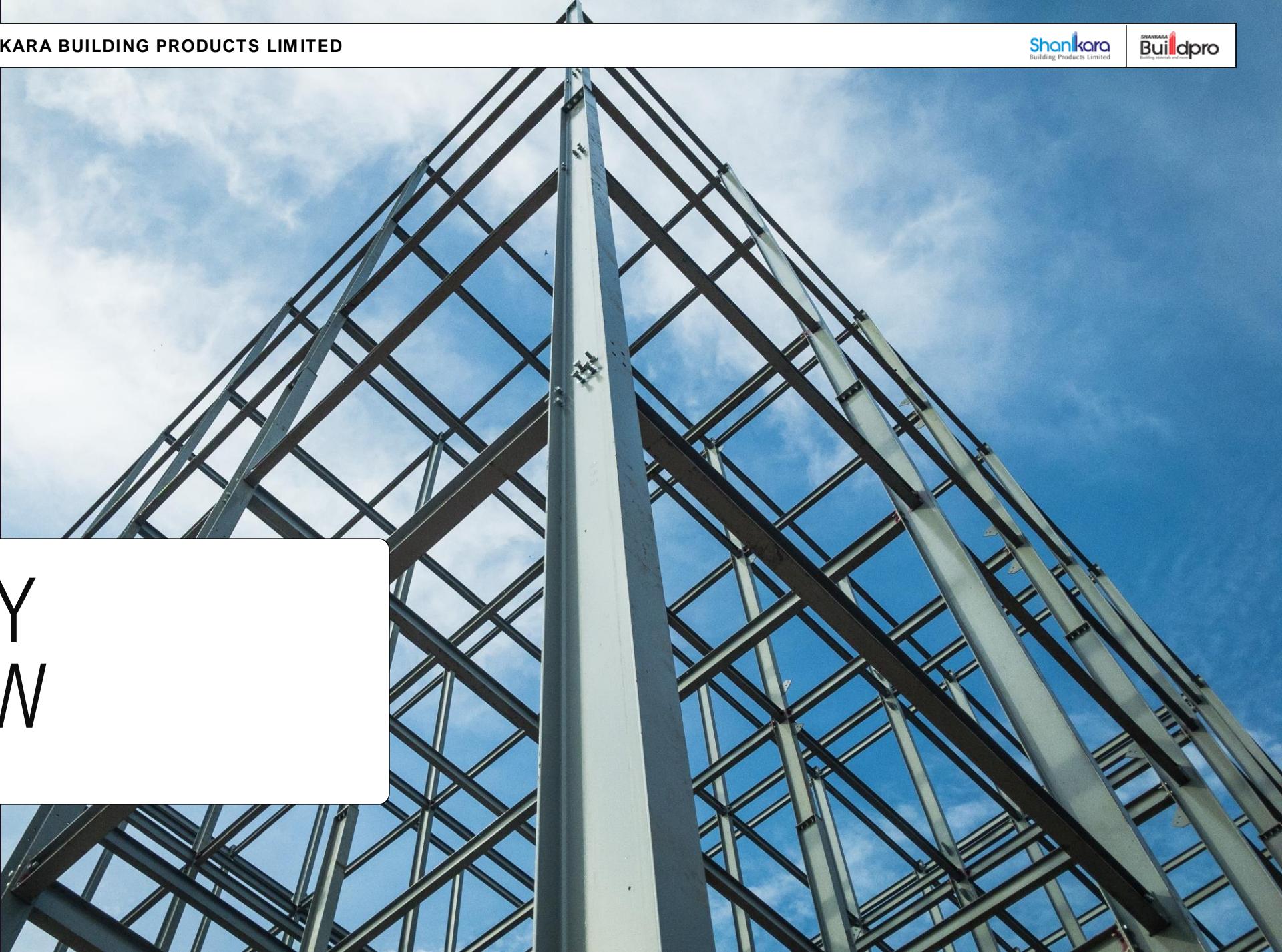
Create a dedicated building materials marketplace business with a leaner balance sheet & healthy RoCE



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COMPANY OVERVIEW

14-19



SHANKARA AT A GLANCE

India's leading
building
materials
marketplace

**One stop-
solution** for all
building materials

126

**93 OPERATIONAL
STORES & 33
FULFILMENT CENTER**

5.2+

**LAKH SQ.FT. OF RETAIL
SPACE**



**Demerging
marketplaces**
business to
unlock value

43%

3Y* VOLUME CAGR
in core steel product
segment

**Building
margin-accretive
non-steel**
business

42%

3Y* REVENUE CAGR
in supplementing non-steel
product segment

SHANKARA FOOTPRINT

Strategy

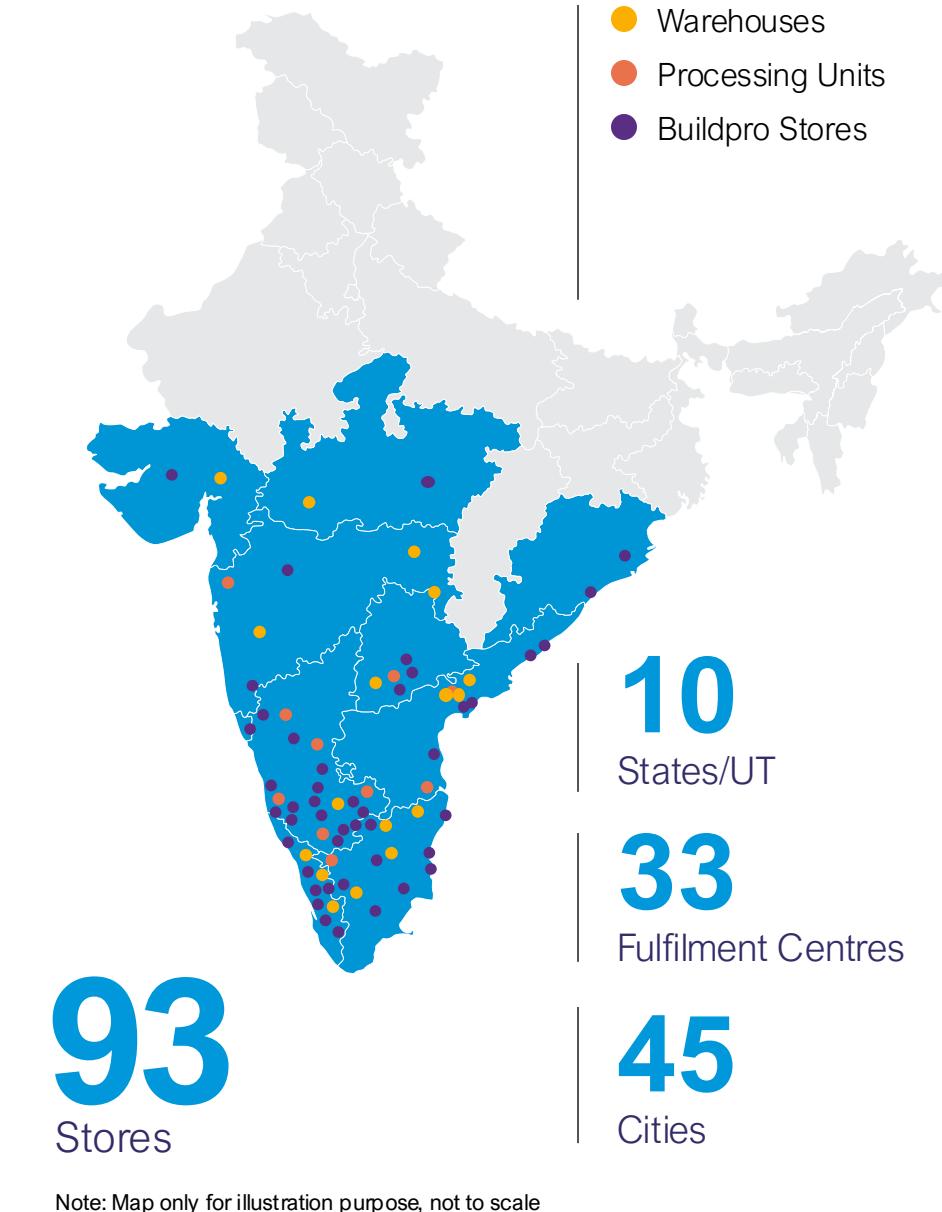
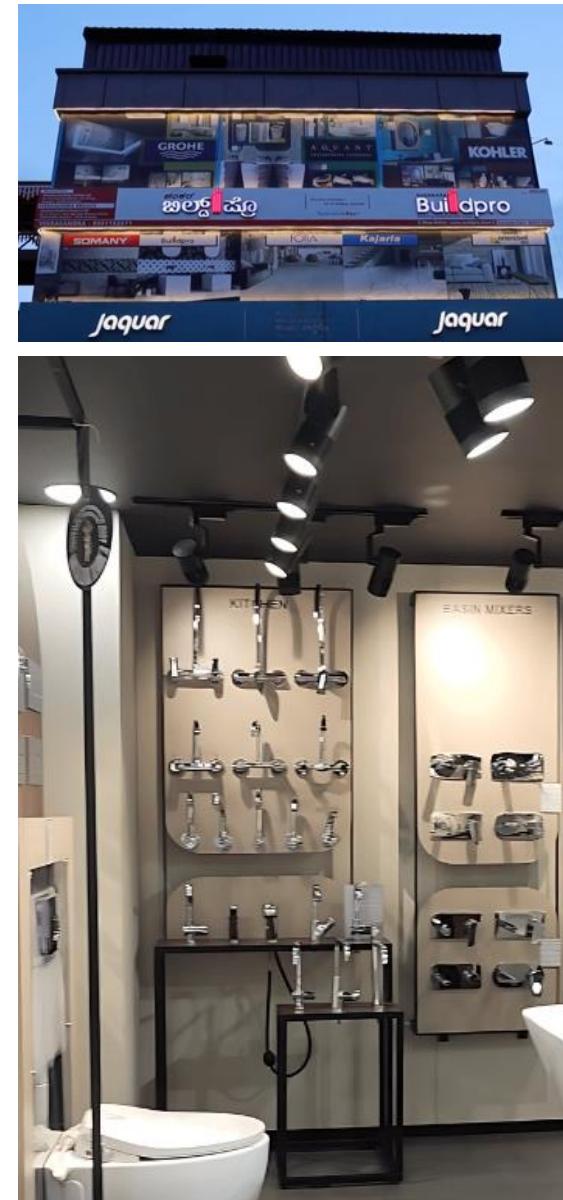
South-India stronghold: Karnataka, Tamil Nadu, Kerala, Telangana, Andhra Pradesh, Pondicherry & Goa

New markets: Maharashtra, Madhya Pradesh, Gujarat

Important supply-chain infrastructure in each micro-market: Fulfilment Centres & Warehouses

Cluster-based distribution approach

Prioritizing quick order fulfilment



KEY STORES



DASANPURA, BANGALORE



MYLAPORE, CHENNAI



YELAHANKA, BENGALURU



KULUR, MANGALORE

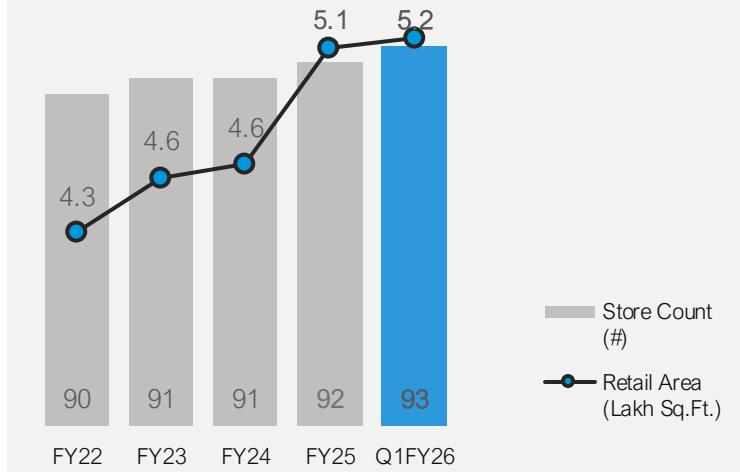


INFANTRY ROAD, BENGALURU



ANNA NAGAR, CHENNAI

STORE FOOTPRINT



- Prioritizing stores in potential areas over increasing cumulative store count
- Gradual addition in net store-count
- In the past 2 years, 10 unprofitable stores have been replaced with newer ones in different locations
- Concentrating on improving SSSG (14% SSSG in FY25 & 22% in Q1FY26)
- Transitioning potential existing steel stores to hybrid stores (18 so far)
- Dedicated non-steel stores as needed (13 so far)

DIVERSIFIED PRODUCT PROFILE

Steel

Pipes & Tubes



ERW Pipes



HR/MS Tubes



Galvanized Steel Pipes



Hollow Structural Sections



Mechanical Tubing

Long



MS Angle



MS Round Rod



MS Channel



MS Beams



Long MS Channel Steel Tube

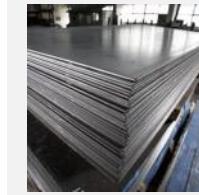


MS Beams & NPB



Long MS Round Rod

Flat



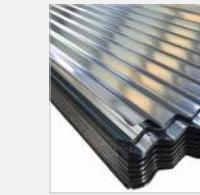
MS Sheet



CR Sheet



HRPO Sheet



GC Sheet



PPGI & PPGL Sheet

Non-Steel

CP & Sanitaryware



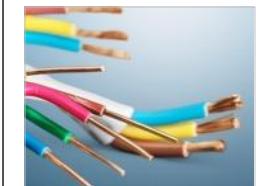
CP & Sanitaryware



Tiles & Surfaces



PVC Pipes & Fittings



Electrical & Lightings



Kitchen, Doors & Hardware



Plumbing



Interior & Exterior Finishes



Construction Materials

KEY SUPPLIER PARTNERSHIPS

Steel

**AM/NS
INDIA**



**Hi-TECH
STEEL PIPES**



JSW



**PULKIT
TMT BARS**

**SURYADEV
TMT REBAR**



**100+
Brands**

Plumbing & Sanitaryware

**AQUANT
CONTEMPORARY BATHROOMS**

Ärtize

ashirvad

hansgrohe

DURAVIT

involgia
Curated Bath Brands

ESSCO

FOTIA

KOHLER

Parryware

Jaquar

viega

SCARABEO

GEBERIT

Supreme®
People who know plastics best

ASTRAL

Tiles & Surfaces

**FOTIA™
TILES • BATH**

Kajaria
TRANSFORM YOUR WORLD

Nexion
ITALIAN STYLE THAT INSPIRES

NITCO

SOMANY

ZMARTBUILD

EVEREST

orientbell tiles

Paints, Chemicals, and Adhesives

asianpaints

ARDÈX ENDURA

LATICRETE

NIPPON PAINT

Lighting & Electricals

HAVELLS

**ANCHOR
by Panasonic**

PHILIPS

POLYCARB
WIRES & CABLES

Jaquar

V-GUARD

Crompton

legrand®

Finolex

**WadBros®
GERMAN STANDARD**

**Schneider
Electric**

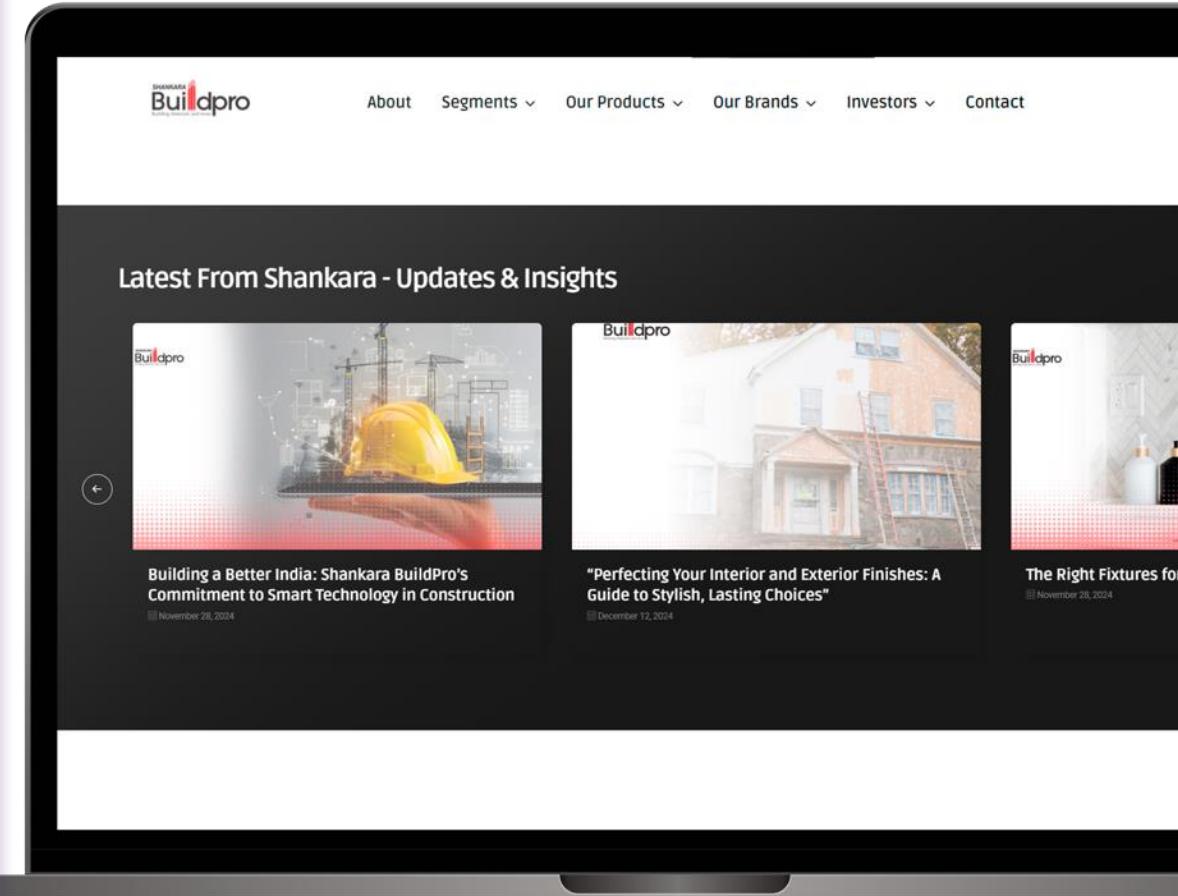
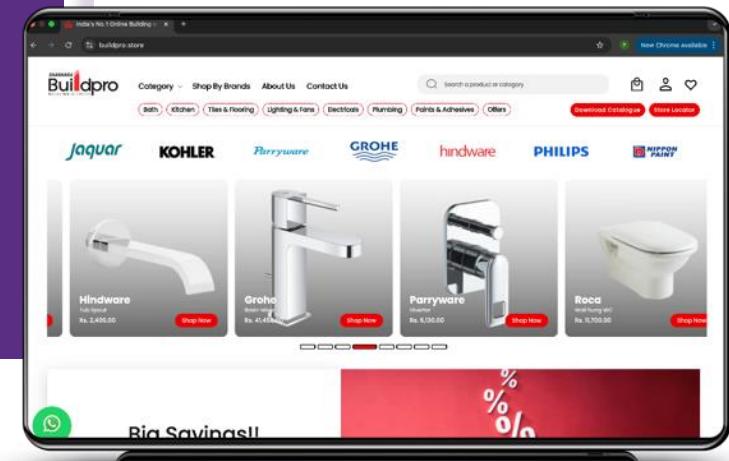
**STANDARD
ELECTRIC**

BUILDPRO.STORE

Shankara's online
e-com presence
**offering thrust to
offline channels**

Buildpro.store
enabling online
discovery and
purchase, a true
online store

Objective to
touch-base
with customers
**across different
channels and
ultimately drive
store footfalls**



3

STRATEGIC DIRECTION

21-23



EVOLVING REVENUE MIX

Product Categories: Steel & Non-Steel

- Consistent volume driven growth in steel business
- Growth in FY25 partially offset by lower steel realizations, volume growth surpassed target
- Building non-steel marketplace business from scratch, with higher growth CAGR
- Better margin profile in non-steel portfolio over steel portfolio

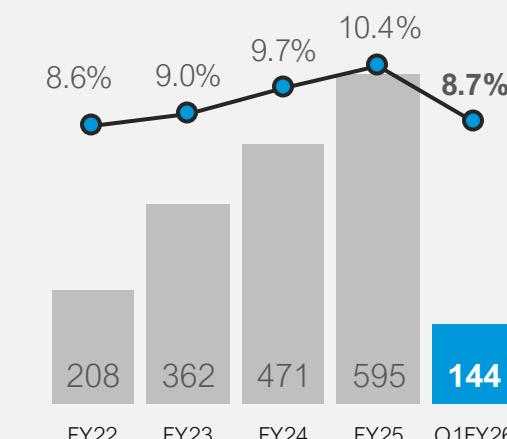
Steel Turnover

(IN ₹ CRORE & REVENUE-MIX %)



Non-Steel Turnover

(IN ₹ CRORE & REVENUE-MIX %)

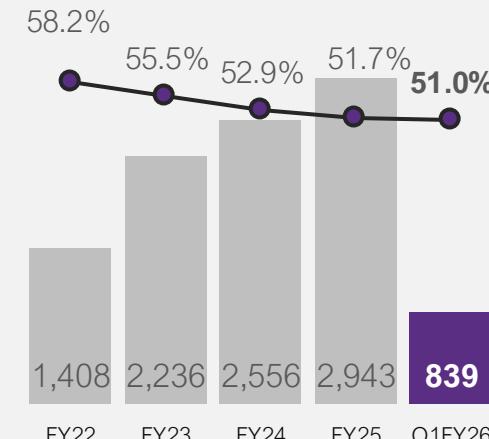


Verticals: Retail & Non-Retail

- Overall revenue mix has shifted towards Non-Retail, driven by Non-Retail led market entry in West and Central India (where Non-Retail mix is 77-78%)
- **In South India, the Retail revenue mix is intact and improving (57-58% Retail mix in South India)**
- Company continues to pursue an omni-channel strategy aimed at accelerating overall volume growth
- Growth initiatives are being actively pursued across all business verticals

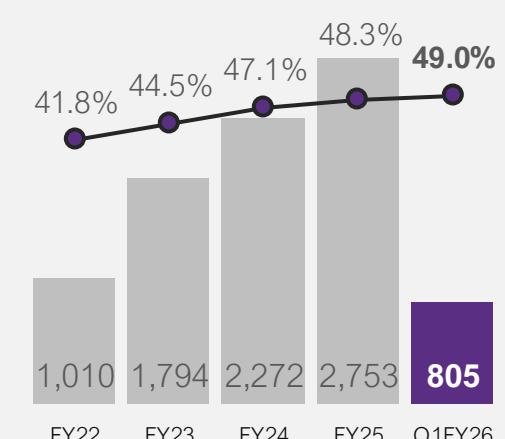
Retail Turnover

(IN ₹ CRORE & REVENUE-MIX %)



Non-Retail Turnover

(IN ₹ CRORE & REVENUE-MIX %)



GROWTH STRATEGIES: MARKETPLACES

Continued thrust on steel volumes

Addition of Flats portfolio, earlier business predominately Pipes & Tubes, Longs driven

Addition of SKU's, Brands/Suppliers and Geographies

Targeting larger volumes through a mix of multiple-channels (retail, channel, and enterprise)

Building non-steel business

Build on initial success in Fittings, Sanitaryware & Tiles

Pursue other categories such Electricals, Lighting and Paints

Convert potential existing stores to hybrid stores (18 hybrid stores & 13 dedicated non-steel stores so far)

New Opportunities

Building on brand "Fotia" in Non-Steel verticals

Dedicated experience centres in select markets

Co-branded product launches

Desired Goal

Resulting in:

Top line growth

Diversified business profile

Gradually improving margin profile

GROWTH STRATEGIES: MANUFACTURING

A dedicated management
team to lead the business

Optimize
margin profile

Attain higher overall capacity utilization
(50%+ currently)

Selective CAPEX
to strengthen business profile



Pursuing
its independent growth strategies

FOR MORE INFORMATION **CONTACT US**

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