

# SHANKARA BUILDING PRODUCTS LIMITED

**Q1FY26**  
INVESTOR PRESENTATION

NSE: SHANKARA  
BSE: 540425  
BLOOMBERG: SHANKARA:IN



## 1

Q1FY26  
RESULTS

03-12



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STRATEGIC  
DIRECTION

20-23



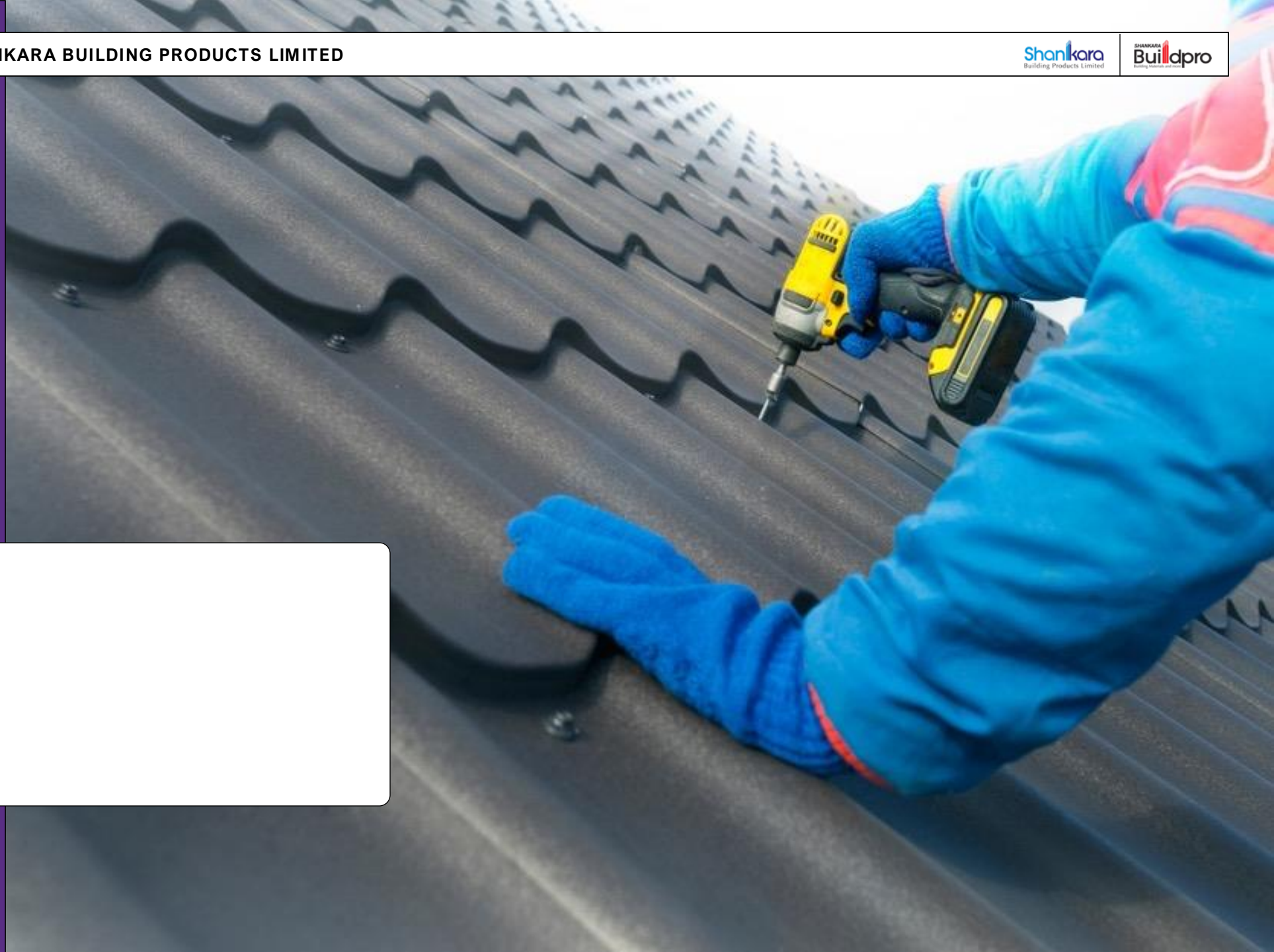
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## 1

Q1FY26  
RESULTS

04-12



**Q1FY26**

ROBUST GROWTH CONTINUES

## OPERATIONAL HIGHLIGHTS

**2.38**

Lakh Tonne

VOLUMES – STEEL

**₹1,500**

Crore

HIGHEST SALES – STEEL

**₹144**

Crore

SALES – NON-STEEL

**₹1,644**

Crore

HIGHEST SALES

**35%**Q1 VOLUME GROWTH  
(YOY) - STEEL**30%**Q1 REVENUE GROWTH  
(YOY) – STEEL**5%**Q1 REVENUE GROWTH  
(YOY) – NON-STEEL**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.

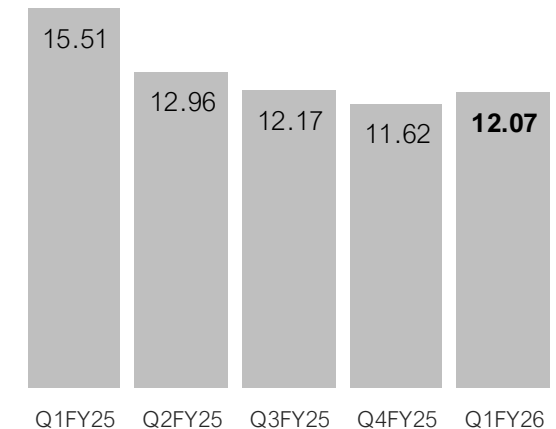
Strengthening strategic relationship with our key business partners:



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

### Interest Cost Moderation

(IN ₹ CRORE)



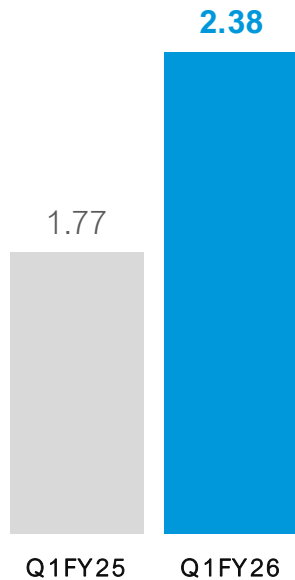
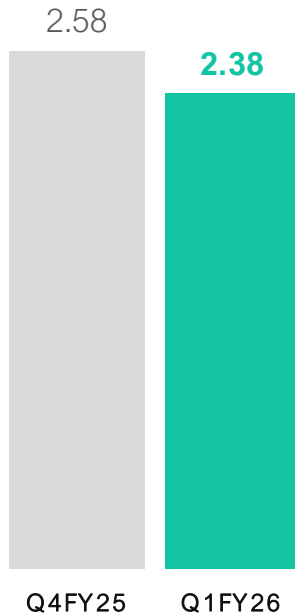
# VOLUME THRUST CONTINUES IN STEEL MARKETPLACE

## Volumes - Steel

(IN LAKH TONNE)

➔ (8%)  
QoQ

➔ 35%  
YoY

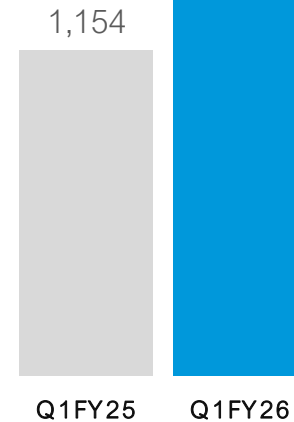
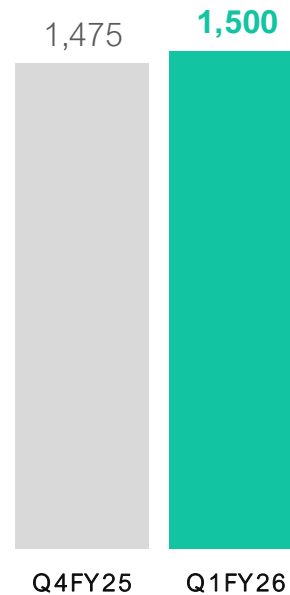


## Revenue - Steel

(IN ₹ CRORE)

➔ 2%  
QoQ

➔ 30%  
YoY



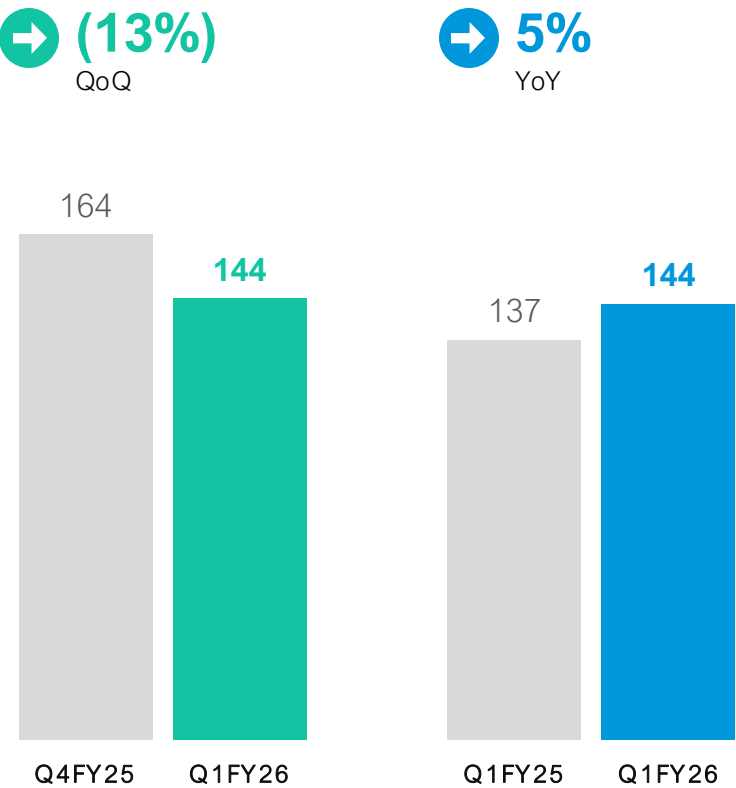
**Robust volume growth** continues in Q1FY26, aided by some increase in realizations up till mid-quarter

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

# INDUSTRY HEADWINDS IN NON-STEEL MARKETPLACE

## Revenue – Non-Steel

(IN ₹ CRORE)

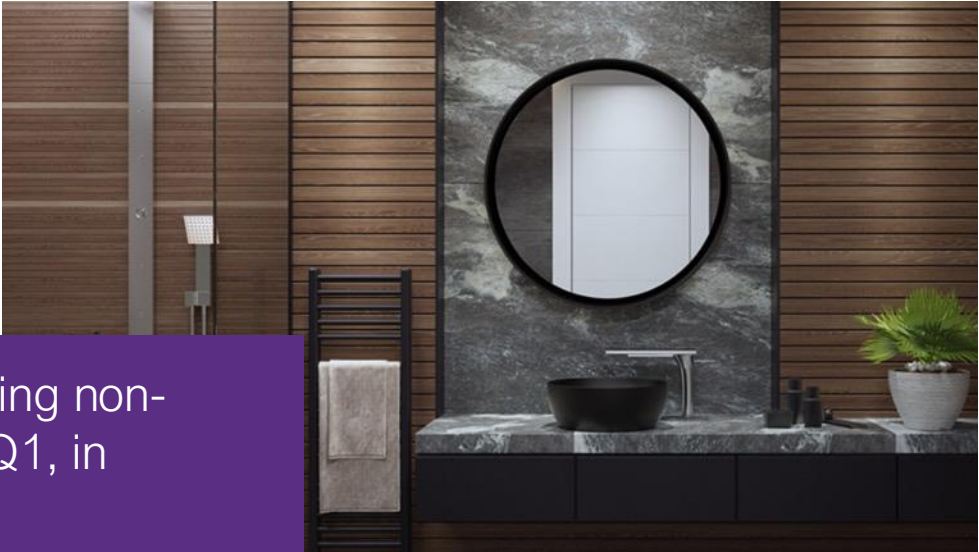


Macro headwinds impeding non-steel revenue growth in Q1, in continuation to H2FY25

Moderate YOY growth despite the tepid building materials industry environment

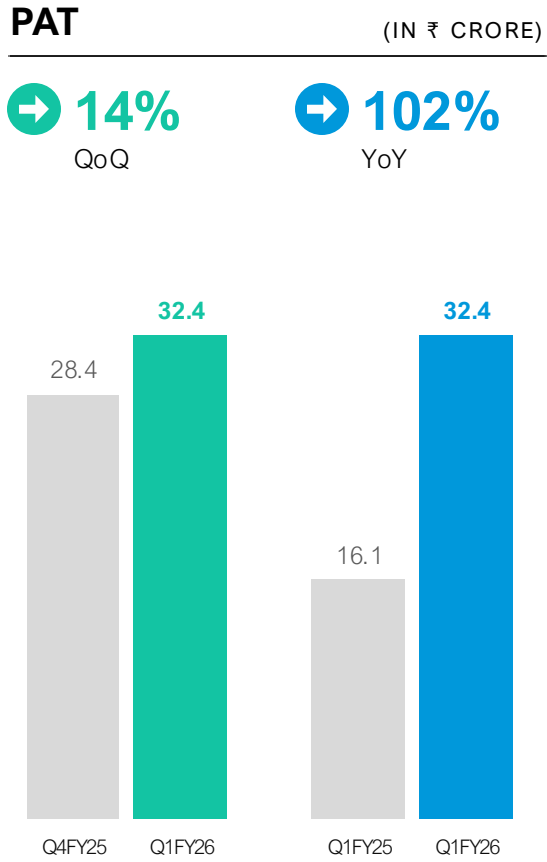
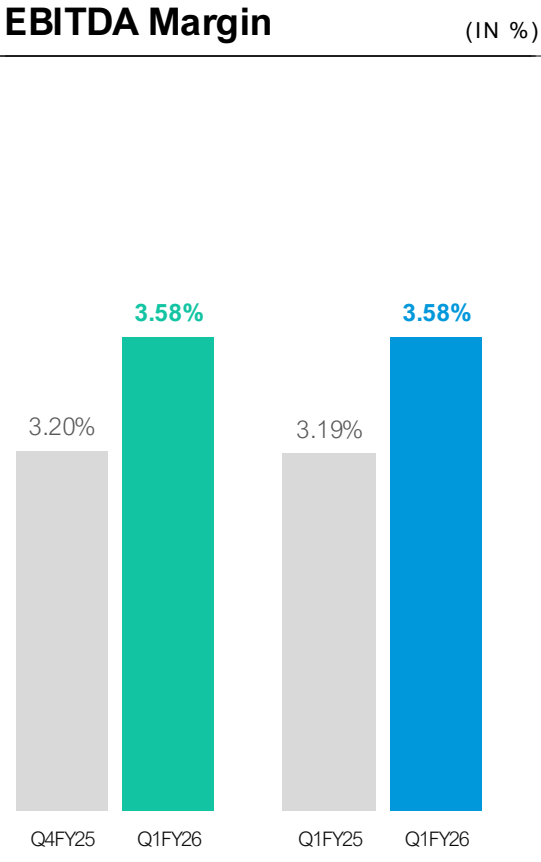
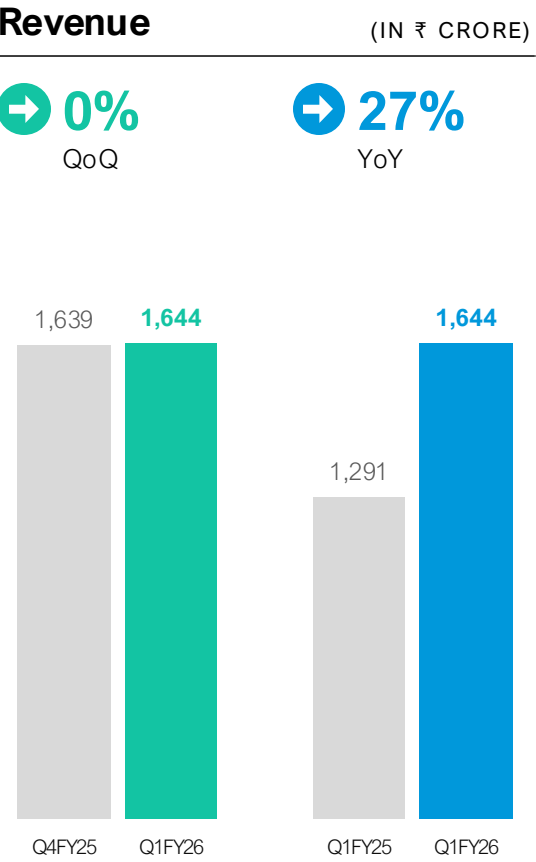
Leading sub-categories: Plumbing, Fittings & Sanitaryware continue to do well

Emerging categories such as Electrical, Lighting and Paints



Q1FY26

ROBUST PERFORMANCE



Revenue 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



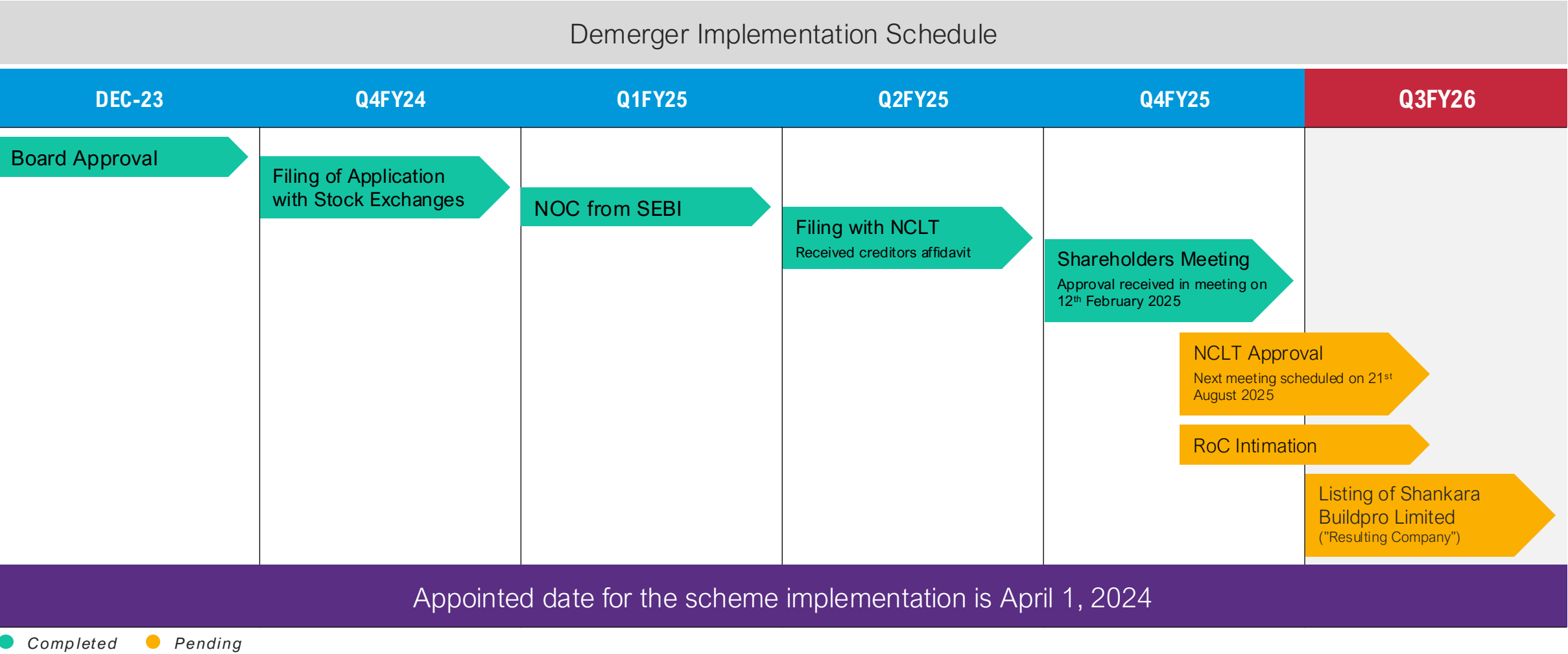
# CONSOLIDATED P&L STATEMENT

PARTICULARS (₹ CRORE)	Q1 FY25	Q4 FY25	Q1 FY26	CHANGE YOY
<b>Revenue from Operations</b>	<b>1,291</b>	<b>1,639</b>	<b>1,644</b>	<b>27%</b>
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%
<b>EBITDA</b>	<b>41</b>	<b>52</b>	<b>59</b>	<b>43%</b>
<b>EBITDA Margin %</b>	<b>3.19%</b>	<b>3.20%</b>	<b>3.58%</b>	<b>+39 bps</b>
Depreciation	4	4	4	(5%)
Finance Cost	16	12	12	(22%)
Profit before Tax	22	37	43	99%
Tax	5	8	10	90%
<b>Profit after Tax</b>	<b>16</b>	<b>28</b>	<b>32</b>	<b>102%</b>
<b>PAT Margin %</b>	<b>1.24%</b>	<b>1.73%</b>	<b>1.97%</b>	<b>+73 bps</b>
<b>Basic EPS (in ₹)</b>	<b>6.62</b>	<b>11.72</b>	<b>13.37</b>	<b>102%</b>

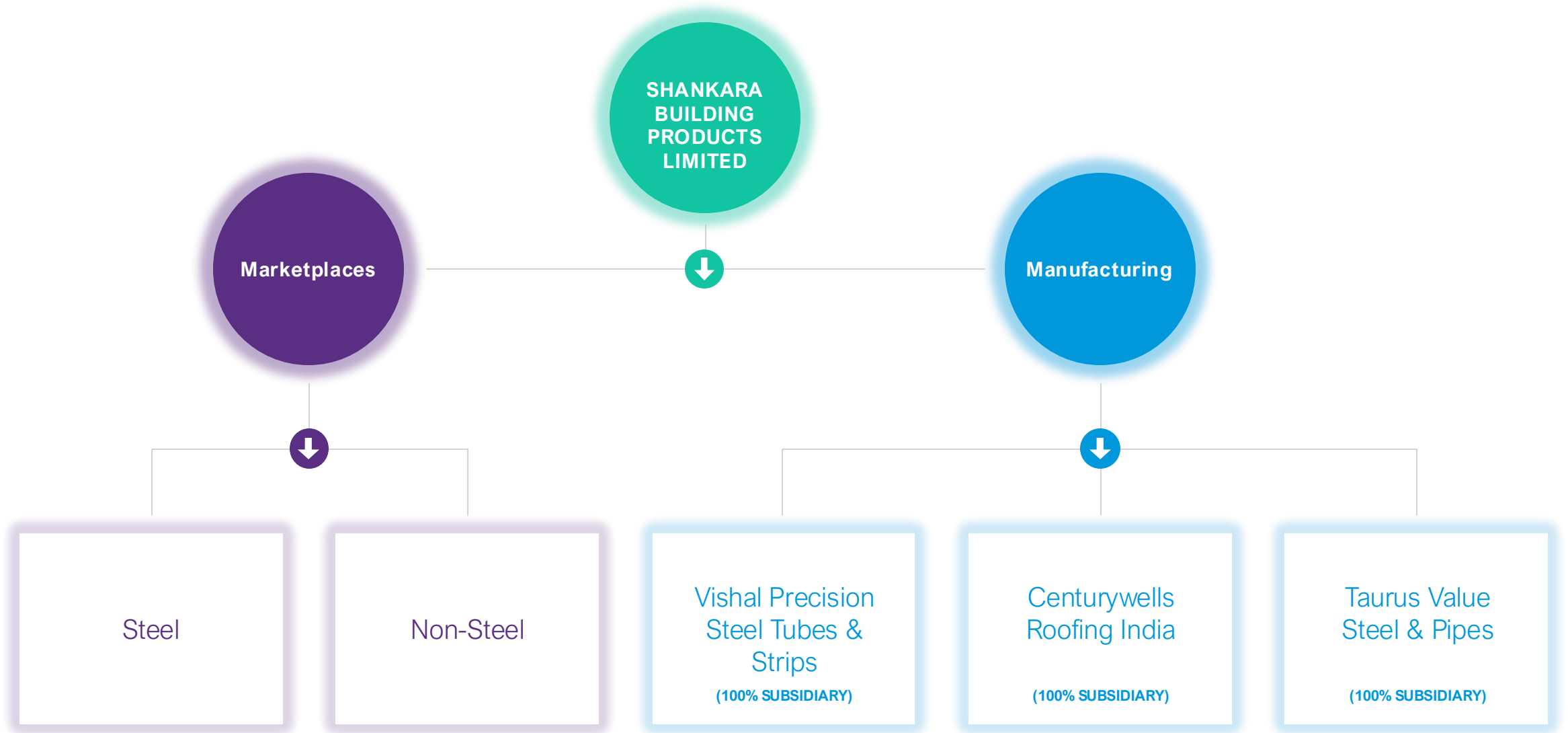
Note – All figures have been rounded-off

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

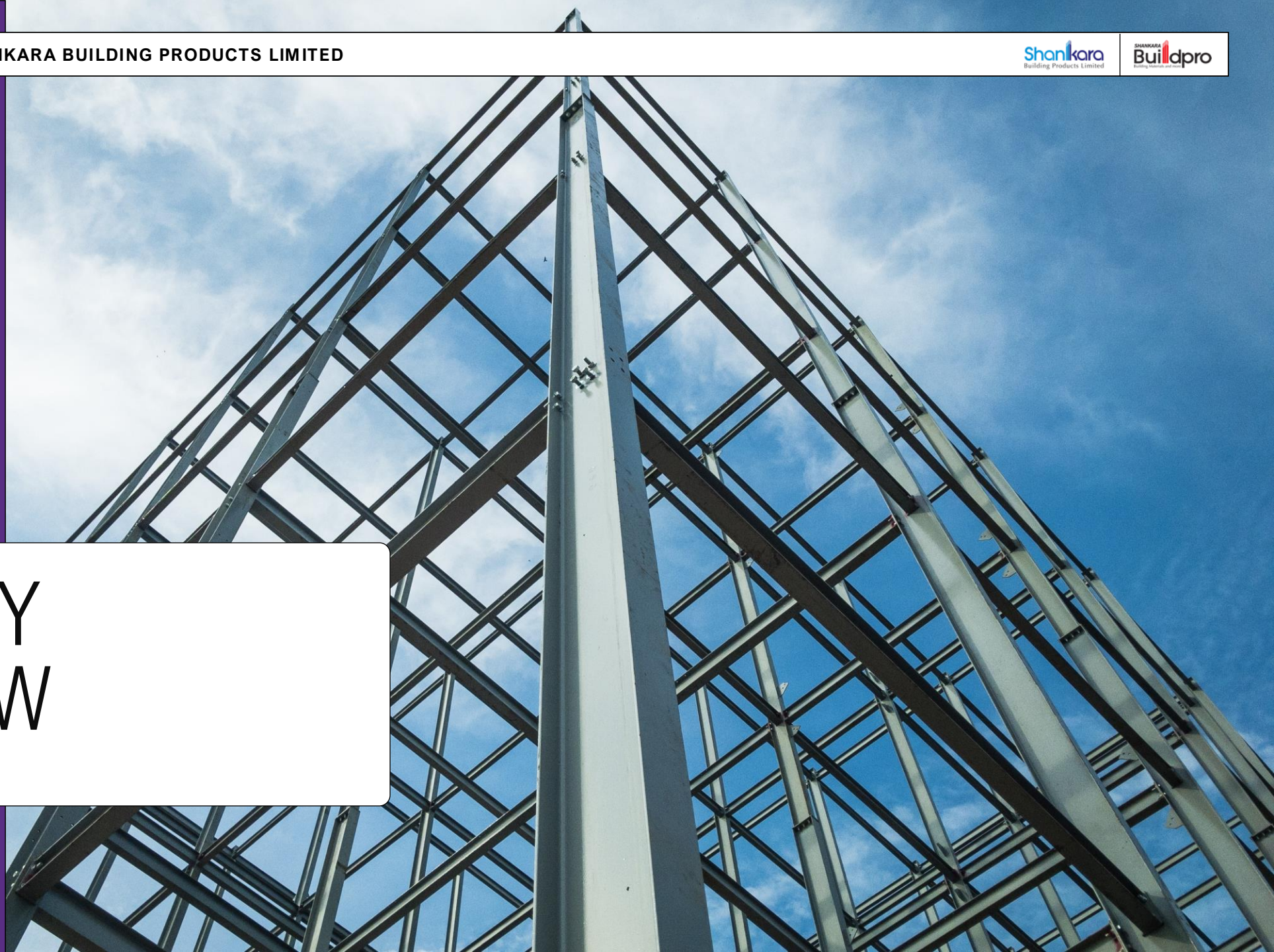




## 2

COMPANY  
OVERVIEW

14-19





# SHANKARA AT A GLANCE

## 126

**93 OPERATIONAL  
STORES & 33  
FULFILMENT CENTER**

## 5.2+

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

India's leading  
**building  
materials  
marketplace**

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



**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

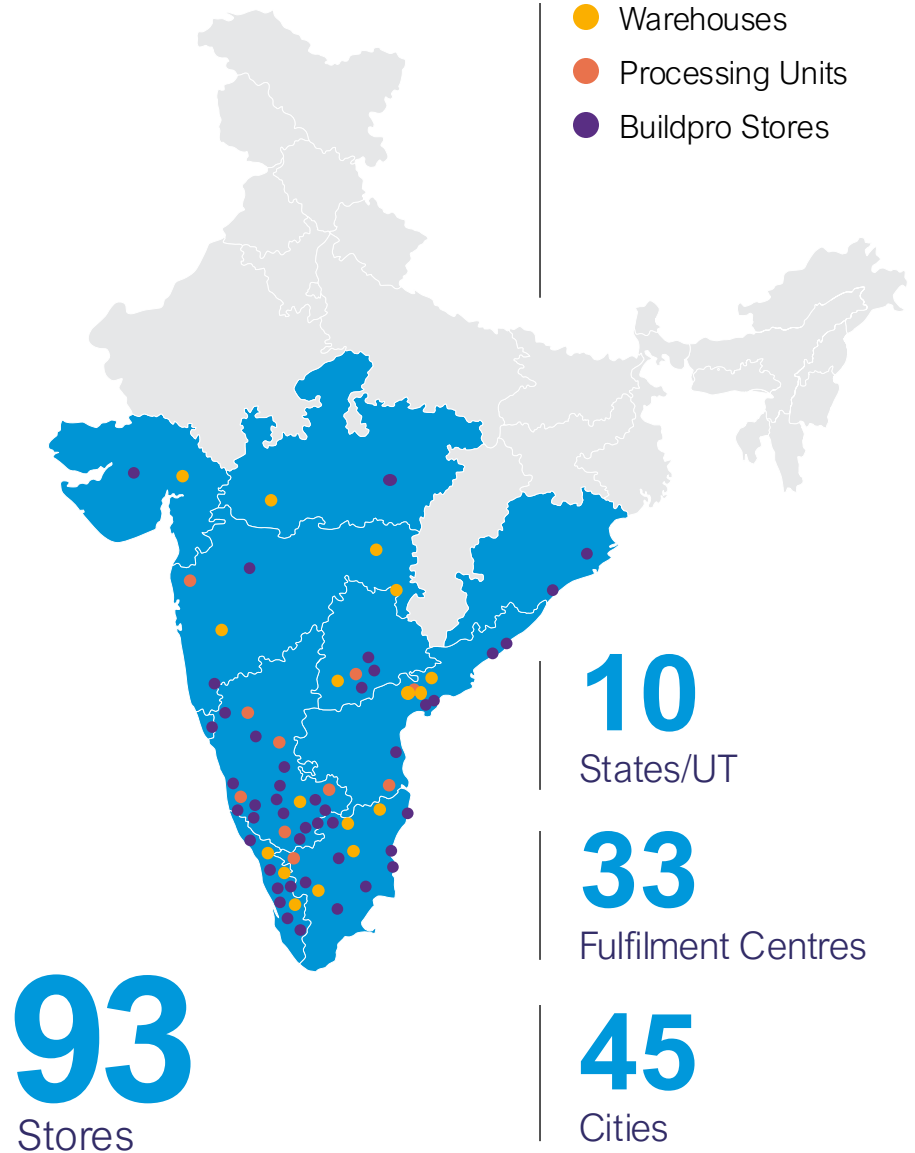
**South-India stronghold:** Karnataka, Tamil Nadu, Kerala, Telangana, Andhra Pradesh, Pondicherry & Goa

**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**

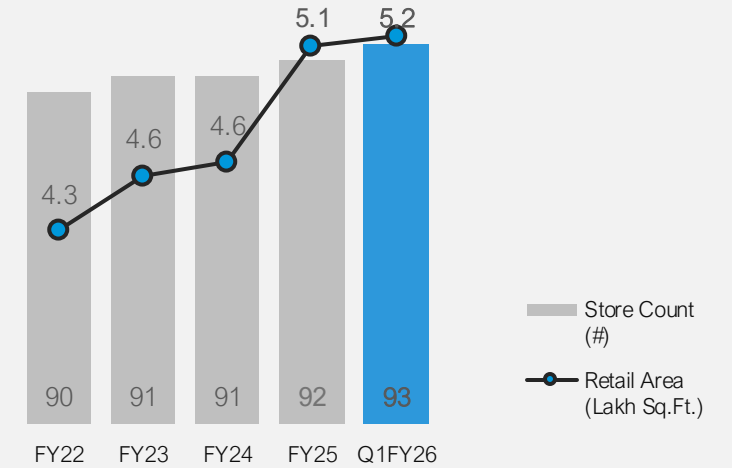


Note: Map only for illustration purpose, not to scale

# KEY STORES



## 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

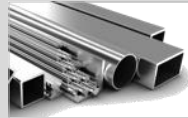


Mechanical Tubing



Hollow Structural Sections

### Long



MS Angle



MS Square Rod



MS Round Rod



Long S



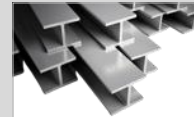
MS Channel



MS Angle



MS Beams



MS Beams &amp; NPB

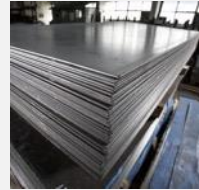


Long MS Channel Steel Tube

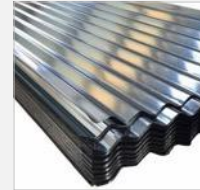


Long MS Round Rod

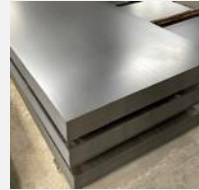
### Flat



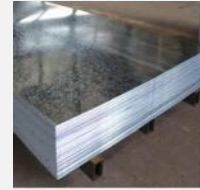
MS Sheet



GC Sheet



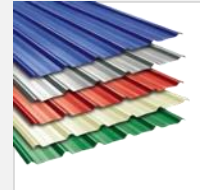
CR Sheet



GP Sheet



HRPO Sheet



PPGI &amp; PPGL Sheet

**1 Lakh+ SKU's** across  
**75 product** categories

## Non-Steel



CP &amp; Sanitaryware



Tiles &amp; Surfaces



PVC Pipes &amp; Fittings



Electrical &amp; Lightings



Kitchen, Doors &amp; Hardware



Plumbing














Interior &amp; Exterior Finishes



Construction Materials

















# KEY SUPPLIER PARTNERSHIPS

## Steel














	
	
	
	
	
	
	

100+ Brands













## Plumbing & Sanitaryware

## Tiles & Surfaces

## Lighting & Electricals

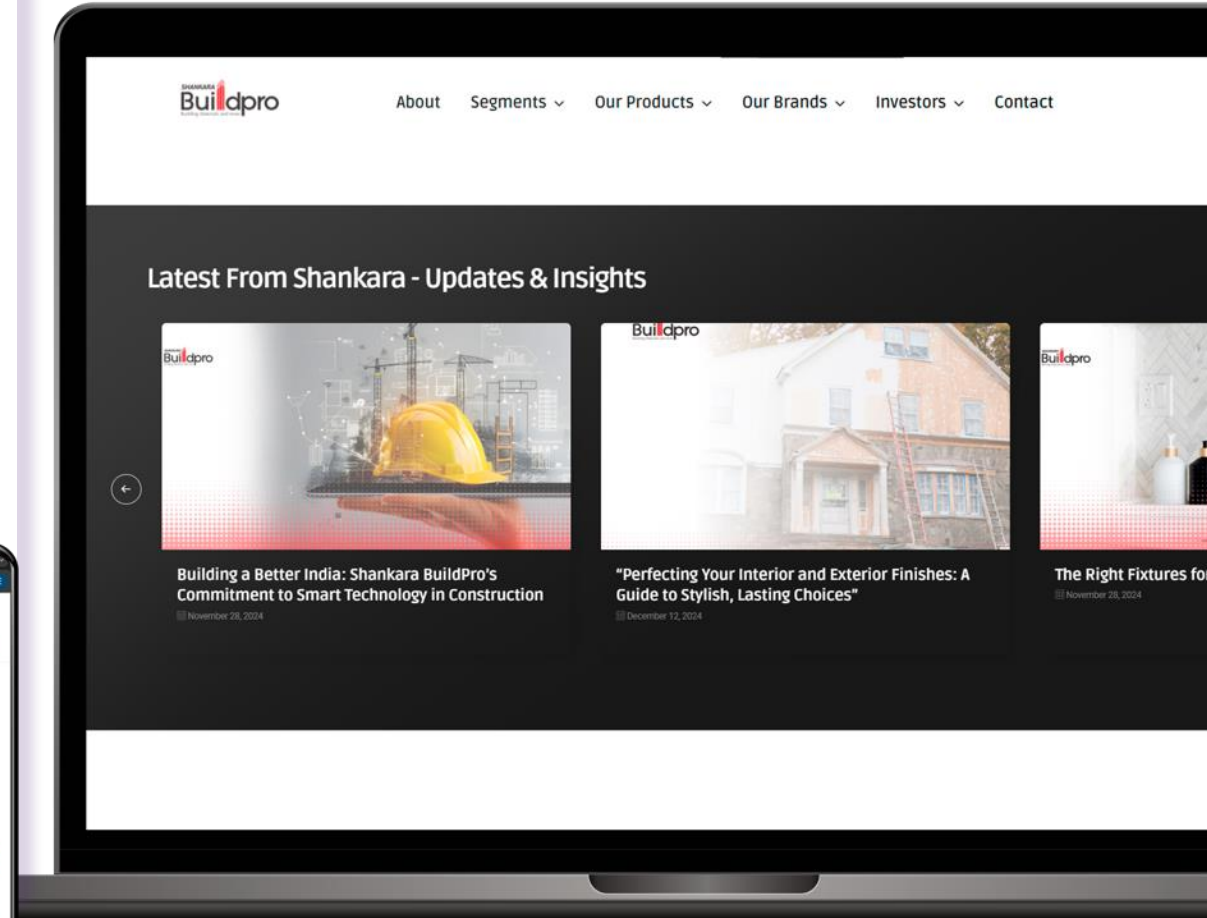
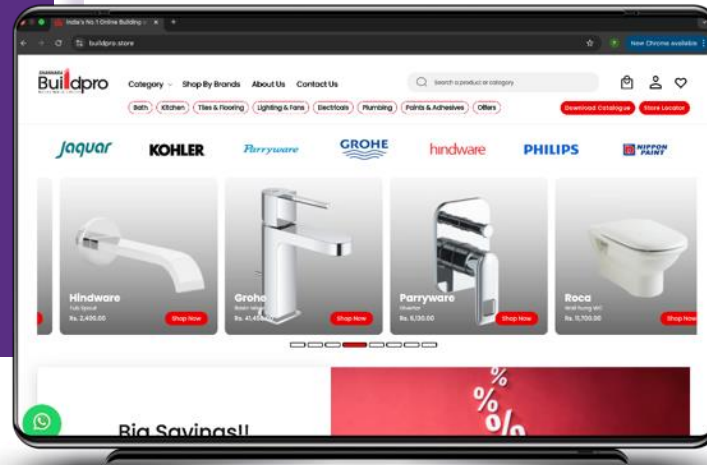


# BUILDPRO.STORE

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



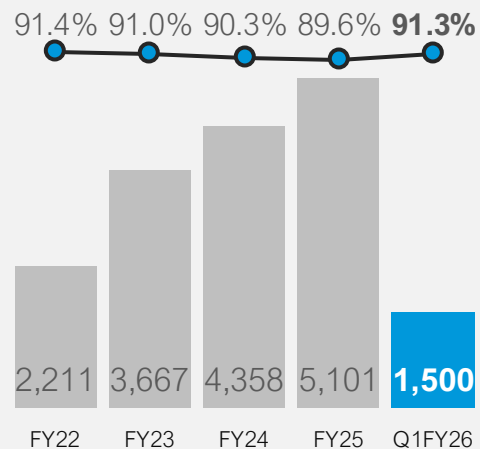
# EVOLVING REVENUE MIX

## 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

### Steel Turnover

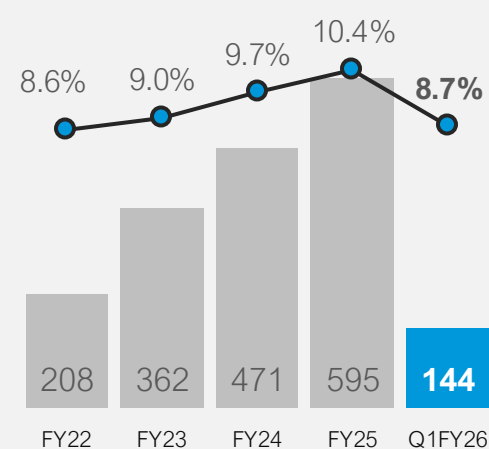
(IN ₹ CRORE & REVENUE-MIX %)



- Building non-steel marketplace business from scratch, with higher growth CAGR
- Better margin profile in non-steel portfolio over steel portfolio

### Non-Steel Turnover

(IN ₹ CRORE & REVENUE-MIX %)

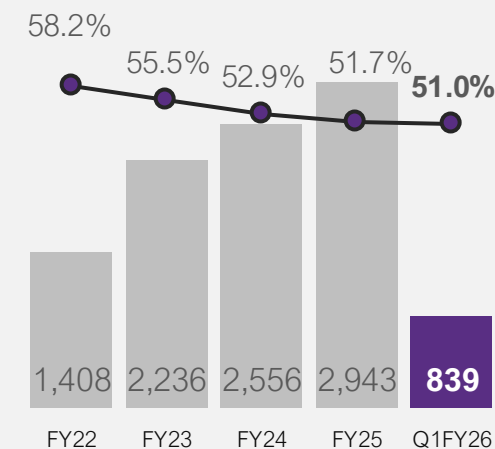


## Verticals: Retail & Non-Retail

- 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

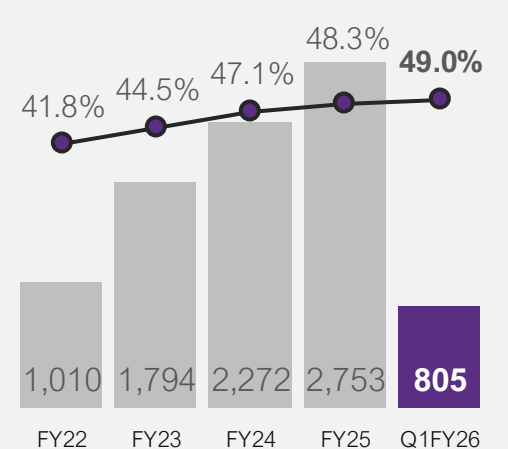
### Retail Turnover

(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 as 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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**SHANKARA BUILDING  
PRODUCTS LIMITED**

**Alex Varghese**  
CHIEF FINANCIAL OFFICER  
[ir@shankarabuildpro.com](mailto:ir@shankarabuildpro.com)



**TIL ADVISORS PRIVATE  
LIMITED**

**Sayam Pokharna**  
INVESTOR RELATIONS ADVISOR  
[sayam@theinvestmentlab.in](mailto:sayam@theinvestmentlab.in)