BSE Limited **National Stock Exchange of India Limited**

Scrip Code: - 540425 **Symbol- SHANKARA**

Sub: - Revised Investor's presentation- Q1FY21

Shankara Building Products Limited

Company Secretary & Compliance Officer

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CIN No.: L26922KA1995PLC018990 **www.shankarabuildpro.com**

Shankara
Building Products Ltd.

Q1 FY21 Results

Safe Harbor

"Presentation"),

Impact of COVID on financials

The Company's operations and financial results for the quarter have been very adversely impacted by the lockdown imposed to contain the spread of COVID-19 and the uncertainty in the business environment. The operations gradually resumed in May with requisite precautions. The results for the quarter are therefore not comparable with those of the previous quarter. The Company has assessed the impact of the pandemic on its financial results based on information available up to the date of approval of the same. The Company continues to monitor the evolving economic situation due to the pandemic and is taking measures to improve its efficiencies.

Leading Building Material Retailer

Retail space

0.52 mn sqft

Products

75+

SKUs

30,000+

States / UT

9 / 1

Mysore, Karnataka

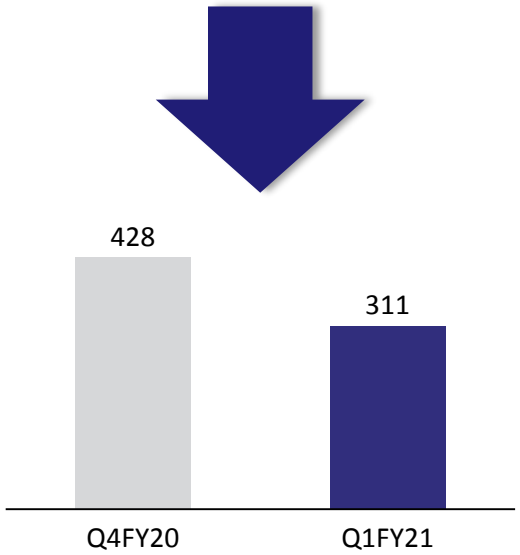
Thiruvalla, Kerala

Nellore, Andhra Pradesh

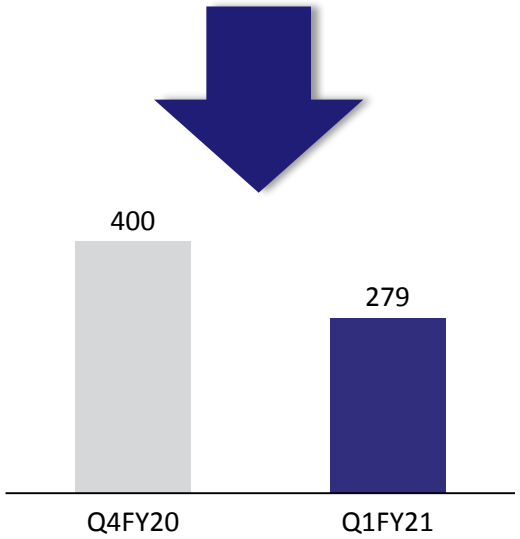
Chennai, Tamil Nadu

Strong Focus on Balance Sheet

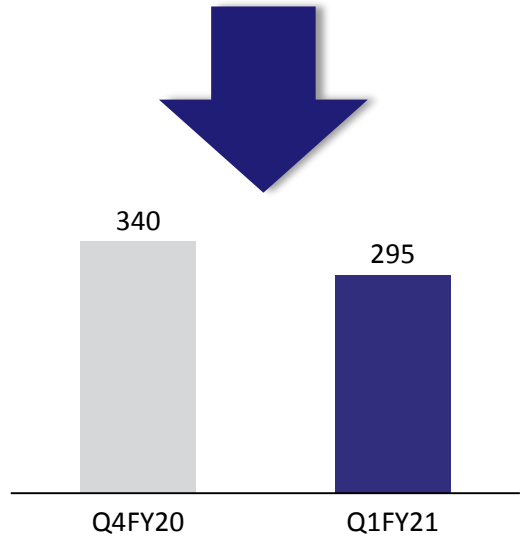
Debtors



Inventory



Net Debt + Acceptances

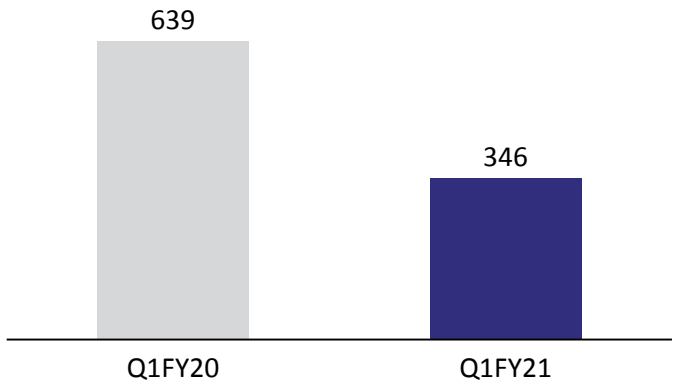


- ✓ With our continuous focus on balance sheet, we have been able to reduce Debtors by Rs. 117 crs & Inventory by Rs. 121 crs as compared to March 2020
- ✓ Our overall Net Debt + Acceptances has reduced by 13% as of end June 2020 as compared to March 2020. Net debt + Acceptances stands at Rs. 295 crs as on June 2020
- ✓ We have ensured timely payment for all our banking commitments and all our trade creditors
- ✓ Fresh capex plans are on hold

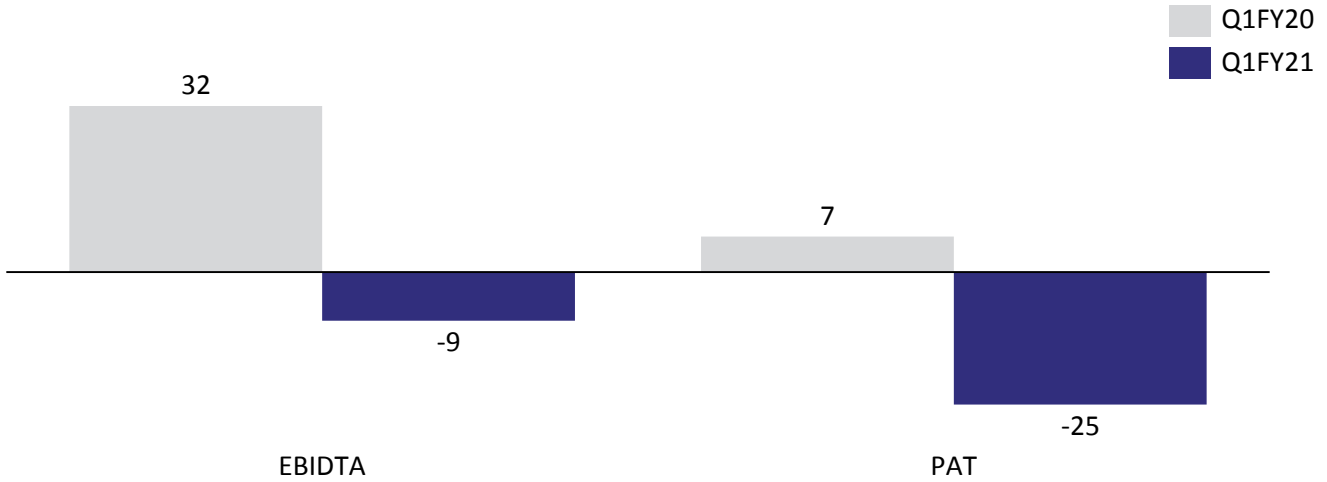
Q1FY21 Financial Highlights

Rs. In Crs

Revenue from Operations



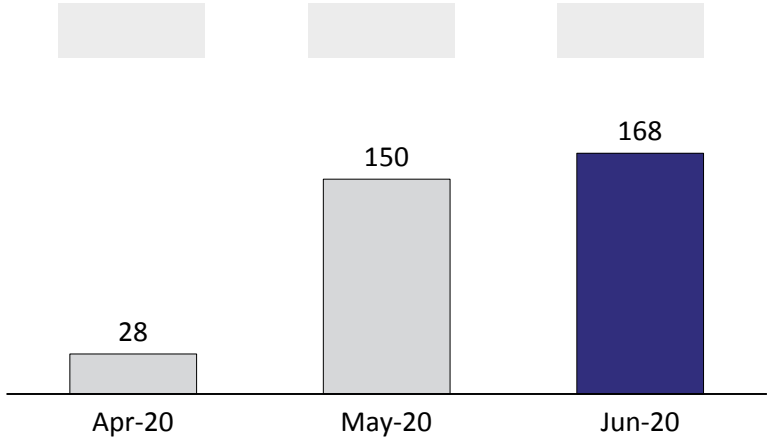
Margin Performance



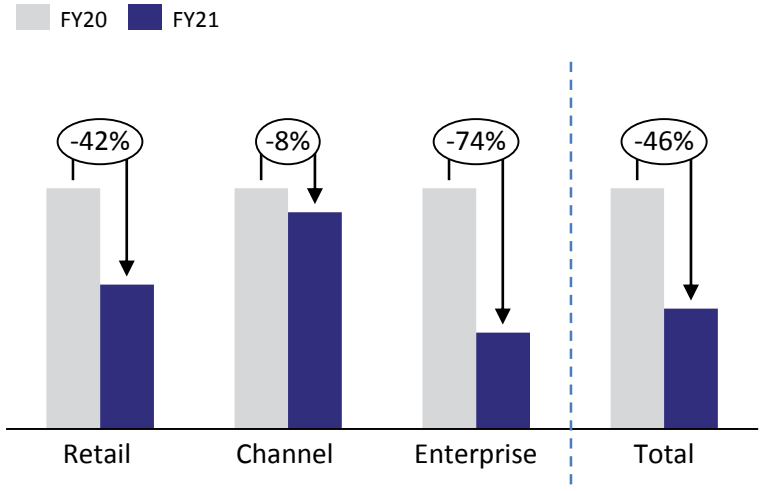
- ✓ First quarterly loss ever in our history of 25 years
- ✓ On account of the lockdown across the country, we witnessed a revenue drop of 46% on Y-o-Y basis in Q1FY21
- ✓ Higher share of channel sales impacted overall gross margins
- ✓ Lower capacity utilization led to losses in processing units
- ✓ Price realization was impacted by trade channel undertaking inventory destocking for cashflow generation
- ✓ Overheads has been reduced by ~30% on a monthly run rate basis

Revenue Break-Up

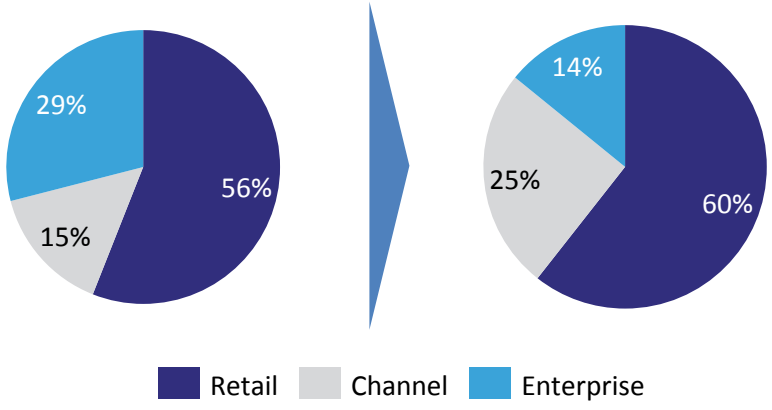
Total Revenues* (Rs. In Crs)



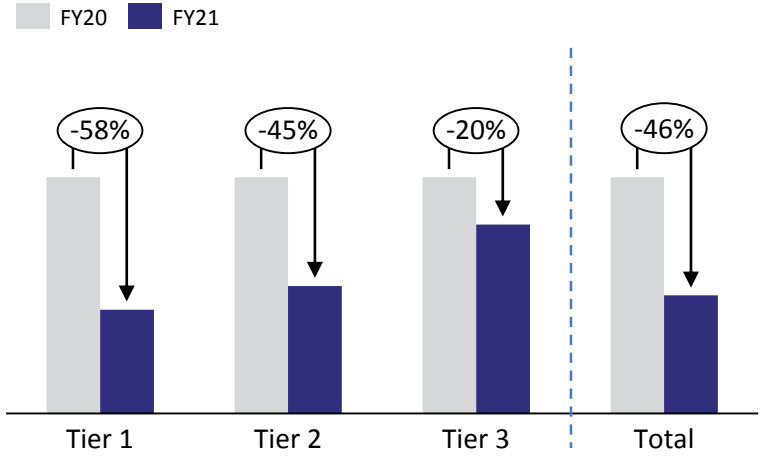
Revenue across Verticals



Revenues share across Verticals



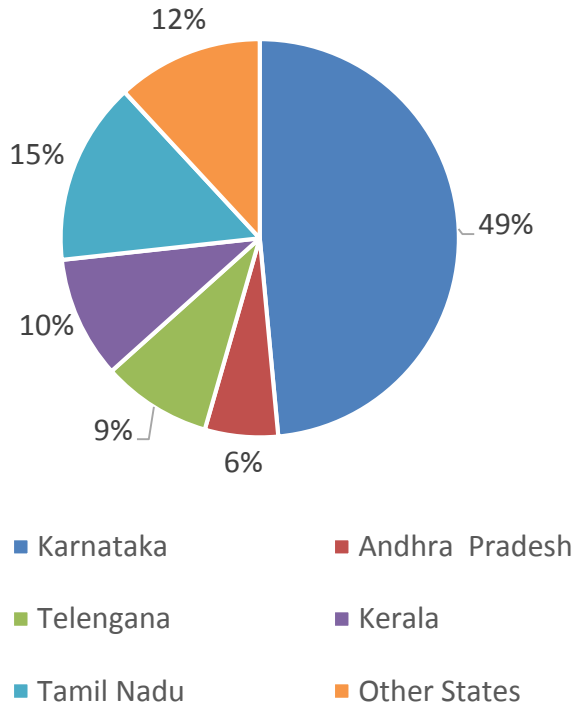
Revenue across Locations



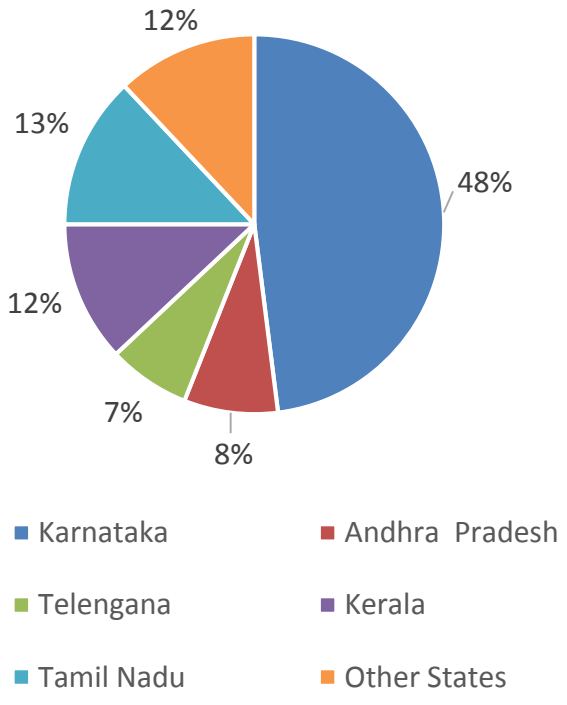
- ✓ As lockdown has lifted, the monthly revenues have steadily increased
- ✓ Channel segment recorded lower drop in revenues; enterprise segment was sharpest
- ✓ Increase in share of sales from channel segment from 15% to 25%
- ✓ Across locations – Tier 2 and Tier 3 recorded lower drop in revenues

Revenue Break up Q1FY21

Q1FY20
Revenue mix across States



Q1FY21
Revenue mix across States



Due to all India Lockdown on account of Covid-19 Pandemic, the figures for Q1FY21 & Q1FY20 are not comparable

Key Highlights – Retail Business

No of retail stores	Nos.		
Total Area	Sq. Ft		
Average store size	Sq. Ft		
Average ticket size	Rs.		
Revenue from retail stores	Rs. in Crs		
Average rental cost per Sq. Ft. per month	Rs.		

Significant savings in rental costs achieved

Due to all India Lockdown on account of Covid-19 Pandemic, the figures for Q1FY21 & Q1FY20 are not comparable

Q1 FY21 Income Statement

Other Income	1.0	0.5
Raw Material	340.0	578.5
Employee Expenses	7.3	13.2
Other Expenses	9.2	16.5
EBITDA %	***-2.7%***	***5.0%***
Depreciation	6.7	8.5
Finance Cost	9.5	11.3
Extraordinary expenses	-	1.5
Tax	-0.2	3.6
Profit After Tax (%)	***-7.3%***	***1.1%***

Due to all India Lockdown on account of Covid-19 Pandemic, the figures for Q1FY21 & Q1FY20 are not comparable

Future outlook

- ✓ Revenue stream will stabilize at ~65 to 70% of normalized Q2 revenues
- ✓ Costs are being contained commensurate to the reduction in revenues and will have a follow through over the next few months
- ✓ There is a pickup in the enterprise segment
- ✓ Processing units costs are also being contained as per lower capacity utilization
- ✓ Continuous focus on reduction in borrowings
- ✓ Slight pickup in demand in Tier 1 cities
- ✓ Overall positive outlook for metals

For further information, please contact:

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