



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

May 24, 2019

General Manager – DCS,
Dept. of Corporate Services,
BSE Ltd,
Floor I, P.J.Towers,
Dalal Street,
Mumbai – 400 001
Scrip: 517421

Manager,
National Stock Exchange of India Ltd
Exchange Plaza,
BandraKurla Complex,
Bandra (E),
Mumbai – 400 051
Scrip: BUTTERFLY

Dear Sir,

Butterfly Gandhimathi Appliances Limited – Results presentation for the fourth quarter ended on 31.03.2019

Enclosed please find the Company's Performance/Results presentation for the fourth quarter ended on 31.3.2019, which may please be uploaded on the website for information of our investors.

Thanking you,

Yours faithfully,
For Butterfly Gandhimathi Appliances Limited

K. S. Ramakrishnan
Company Secretary &
General Manager (Legal)

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CIN no. is I28931TN1986PLC12728

BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

RESULTS PRESENTATION

Q4 FY19

www.butterflyindia.com

Certain statements in this presentation concerning our future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, fluctuations in earnings, our ability to manage growth, competitive intensity in our industry of operations including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, sufficient availability of raw materials, our ability to successfully complete and integrate potential acquisitions, liability for damages on our contracts to supply products, the success of the companies in which Butterfly Gandhimathi Appliances Ltd has made strategic investments, withdrawal of governmental fiscal incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Butterfly Gandhimathi Appliances Ltd may, from time to time, make additional written and oral forward-looking statements, including our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company

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1

Company Overview

About Us..

Leading manufacturer of Kitchen and Electrical Appliances

Market Leader in India for SS LPG Stoves & Table Top Wet Grinders and major supplier of Mixer Grinders & Pressure Cookers

The 'Butterfly' brand is a highly respected brand synonymous with quality

Established in 1986 by Shri V. Murugesu Chettiar – currently helmed by 2nd and 3rd generation of promoter family

Headquartered in Tamil Nadu with Pan India presence

Strong R&D focus which has led to several pioneering initiatives and continues to drive in-house development of new products

Quick Facts

#1

IN INDIA
FOR SS LPG STOVES
& TABLE TOP WET GRINDERS

27%

REVENUE CAGR
FY17-19

IN THE TOP

3

IN INDIA FOR DOMESTIC
KITCHEN APPLIANCES

NOW PRESENT IN ALL

29

STATES IN INDIA

SALES OF BRANDED
PRODUCTS IN FY19

652

CRORE

500+

EXCLUSIVE
DISTRIBUTORS ACROSS
INDIA

0.81

NET DEBT / EQUITY
RATIO

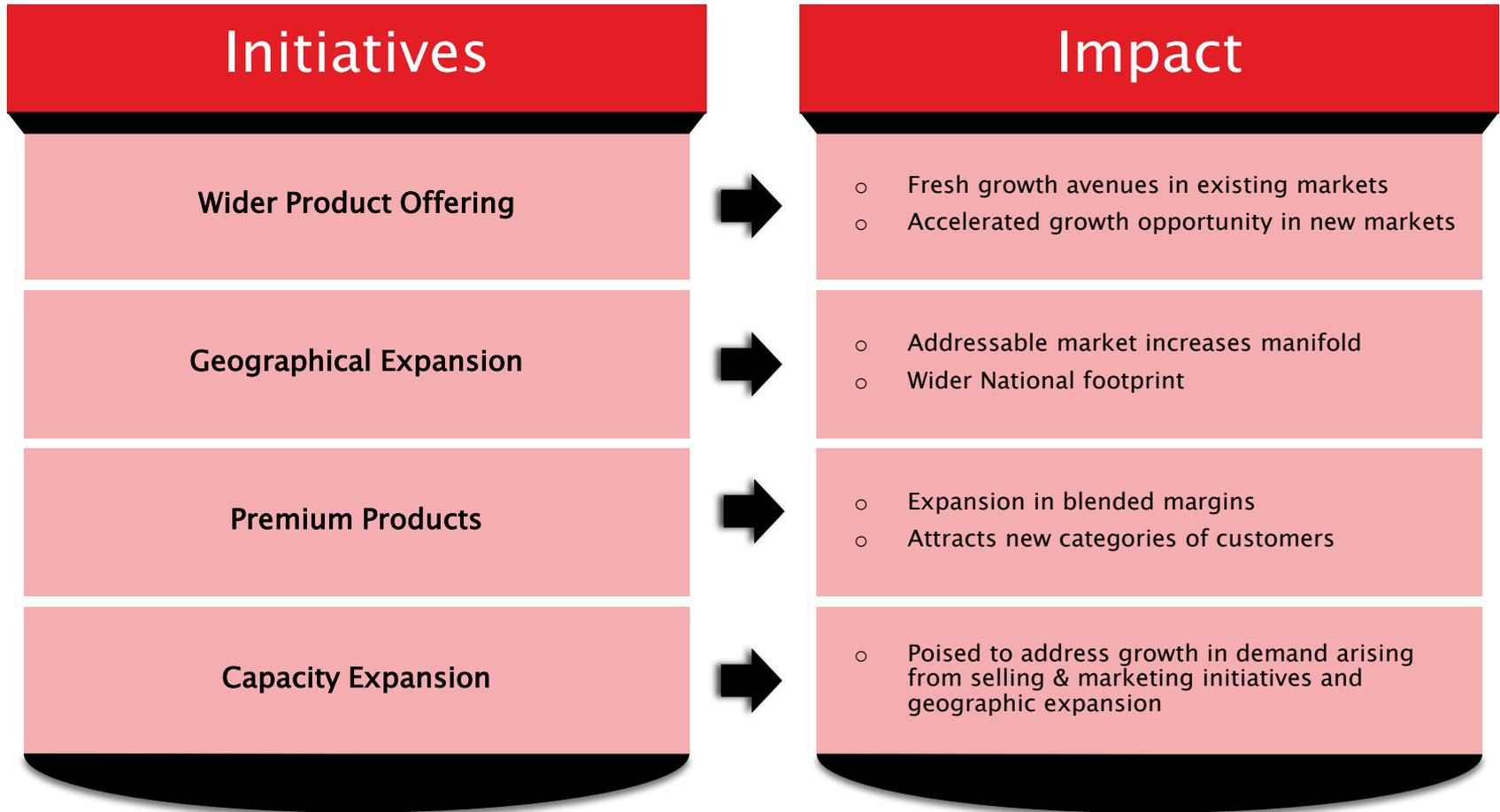
21%

REVENUE GROWTH
OVER FY18

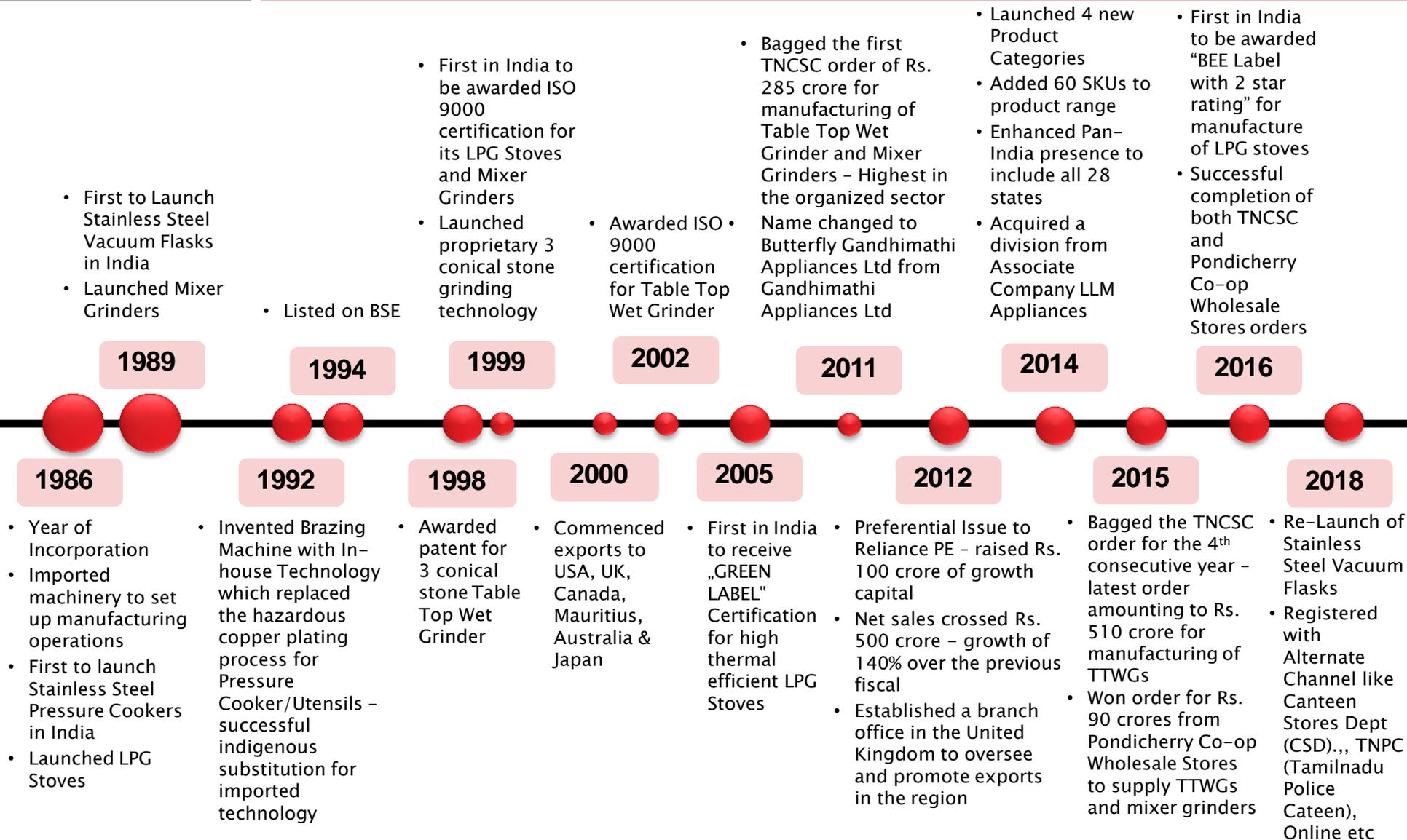
19%

OF FY19
REVENUES FROM NON-SOUTH
STATES

Growth Levers



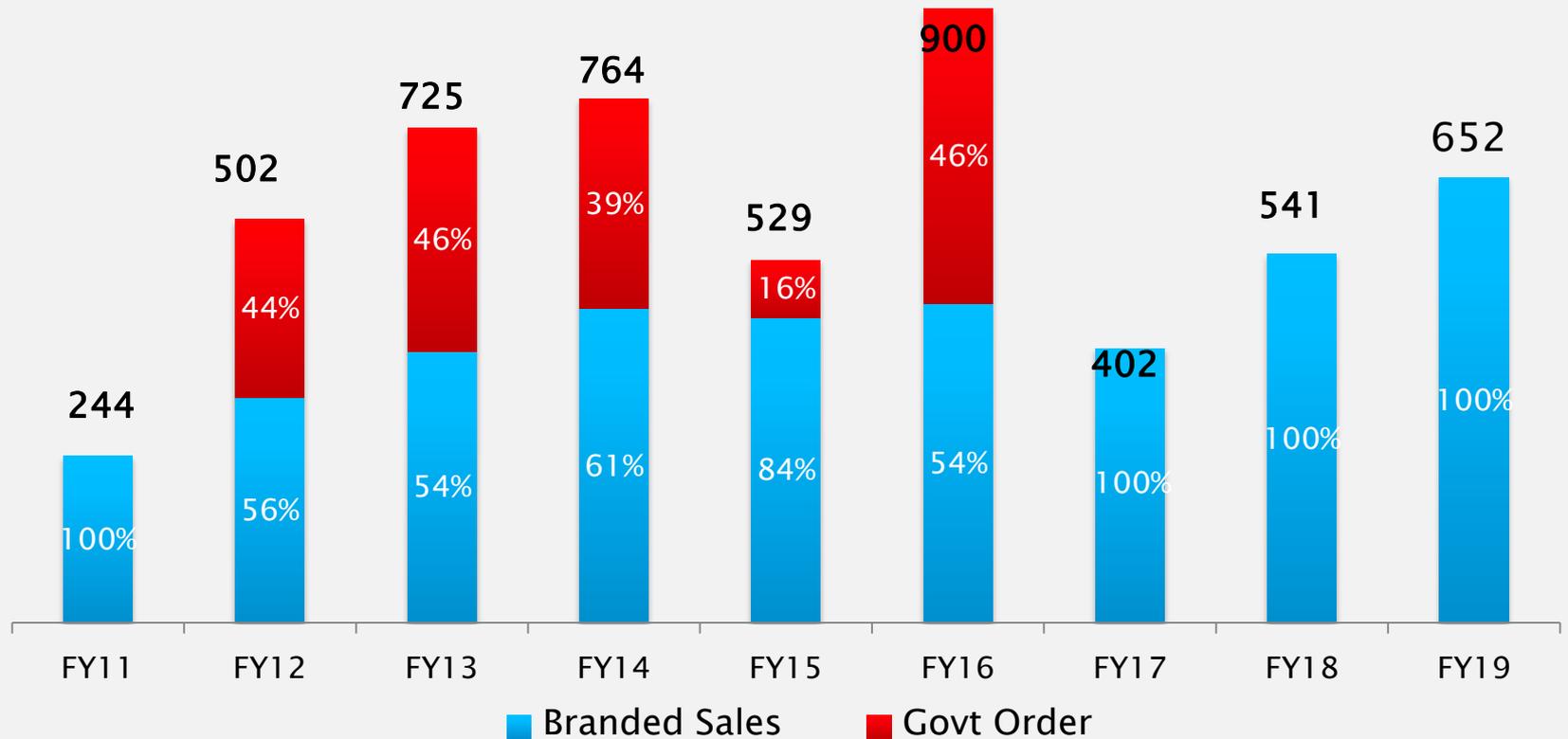
Overview Milestones



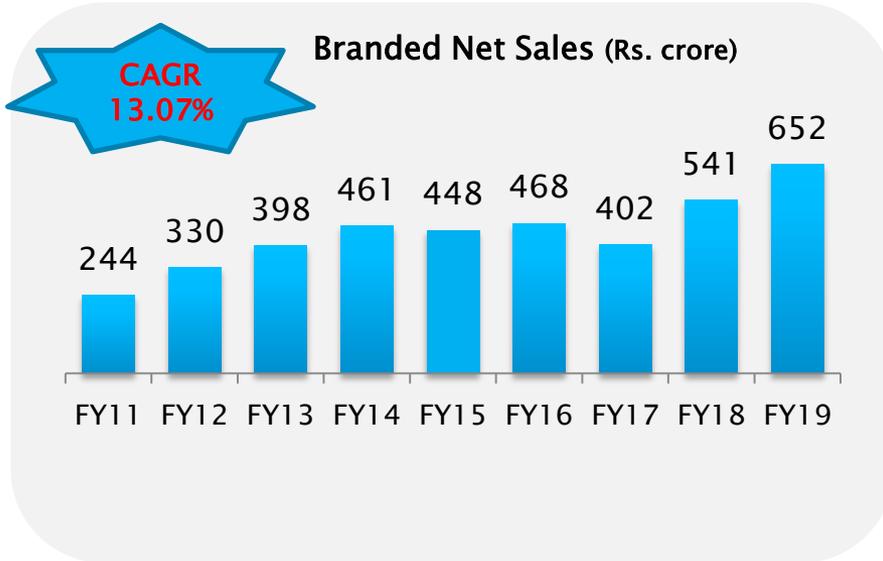
Revenue Profile

Annual Net Revenue (Rs. crore)

Revenue Excluding Excise
Duty / GST



Branded Retail Sales

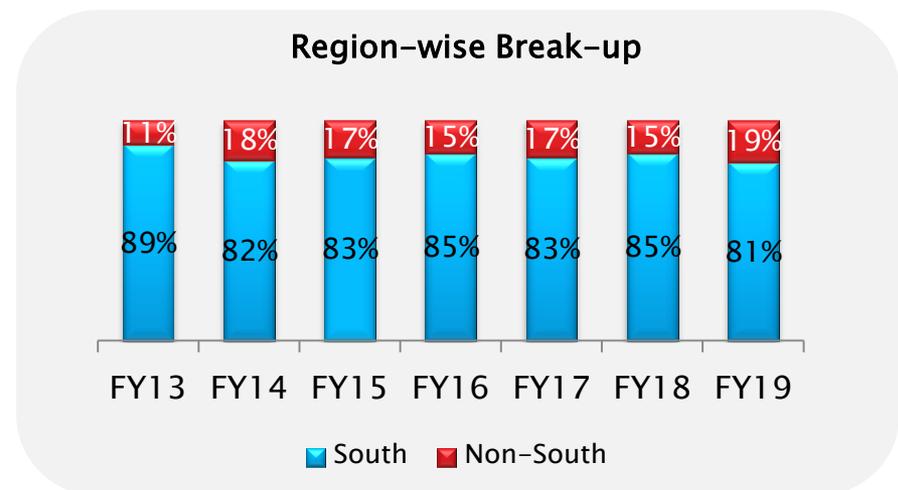
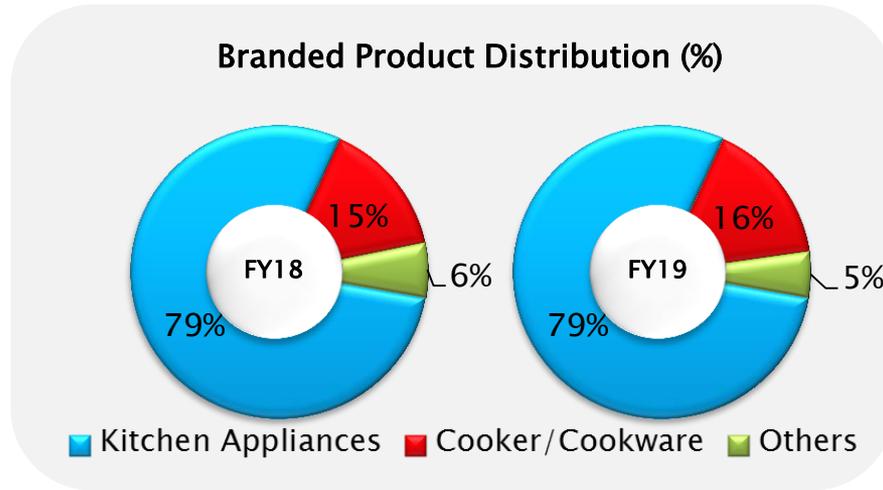


Through Institutions

- Tie ups with Gas dealers of IOCL, BPCL and HPCL
- Customers for new gas connection are provided with co-branded products manufactured by BGMAL

Through Retail Marketing

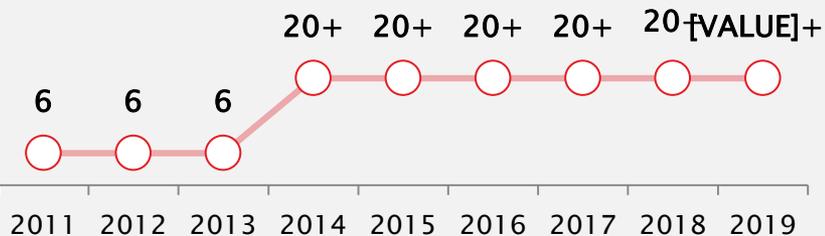
- Network of 500+ exclusive distributors
- Distributors supply to dealer network which is customer facing
- Tie-up with Modern Trade, Online, CSD, CPC, TNPC etc.
- 25000+ retail points across the Indian map



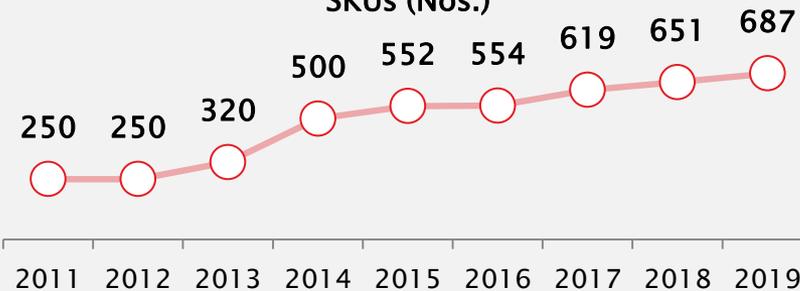
Augmenting Organic Growth

Increased Product Categories For Wider Product Portfolio And Higher Market Share

Product Categories (Nos.)

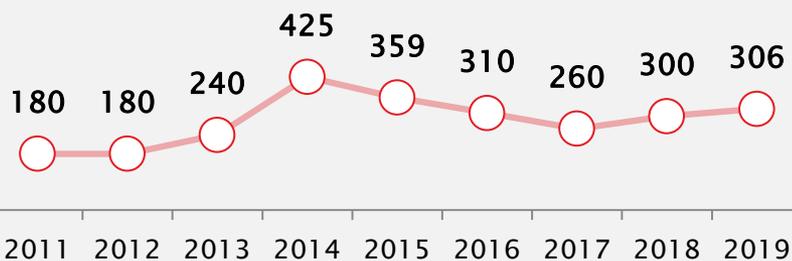


SKUs (Nos.)

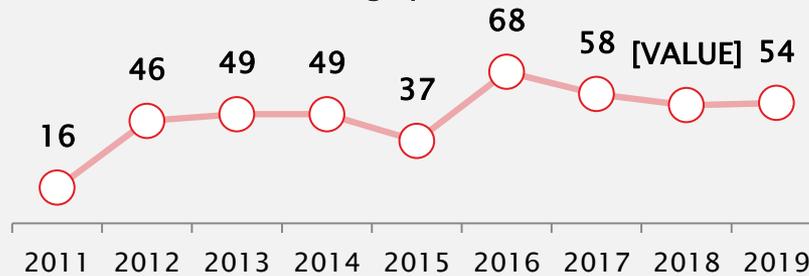


Enhancing Sales and Marketing Efficiency For Better Penetration And Brand Development

Sales Team (Personnel)



Marketing Spend (Rs. Cr)



Product Portfolio

Every product exhibits the highest standards in Safety, Durability, Efficiency, Aesthetics & Reliability



LPG Stove



Mixer Grinder



Table Top
Wet Grinder



Electric Chimney



Pressure Cooker



Non Stick Cookware



Induction Cooktop



Electric Rice Cooker



Juicer Mixer Grinder



Electric Kettle



Sandwich Maker

Other Pioneering Products



Juicer



Hand Blender



Electric Iron



Vacuum Flasks



Pop-up Toaster

Strong R&D Capabilities

R&D focused Company with a demonstrated track record in innovation

1st to introduce Stainless Steel Pressure Cookers in India

1st to manufacture Stainless Steel LPG Stoves in India

1st to introduce Stainless Steel Vacuum Flasks in India which deliver enhanced Heat Retention up to 72 hours compared to 8 hours with conventional products

Invented 3 conical stone grinding technology – awarded patent in 1998

Enhanced Fuel efficiency in LPG Stoves from 50% to over 68% at present

In-house design of moulds, tools and dies has resulted in improved manufacturing efficiency

360° R&D efforts focused on product efficiency, longevity and design

1st in India to get BEE label with 2 star rating for manufacture of LPG Stoves



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NEW PRODUCTS LAUNCHED
FY 19

NEW PRODUCT LAUNCHES during FY 2018-19

LPG Stoves / Mixer Grinder / Table Top Wet Grinder

Curve 2B SS LPG Stove



Mixer Grinder - Tulip - 4J 750 w



Mixer Grinder - Tornado 3J 750 w



Cyclone Mixer grinder 3J



Pebble Mixer Grinder - 750 W



Wet Grinder - Rhino 2.0 - Red and White



Wet Grinder - Rhino 2 Ltr - Blue



NEW PRODUCT LAUNCHES – Non-Stick Cookware Items

Matchless – Sauce Pan with Glass Lid – 250 mm



Matchless–Casserole 250 mm with Glass Lid



Matchless Gold Fry Pan 240 mm



Matchless – Handi Gold – 2.5 ltr



Matchless – Kadai with Glass Lid 240 mm



Matchless – Omni Tawa 280 mm



NEW PRODUCT LAUNCHES – Electric Chimney and Power Hob

Electric Chimney Fortis 60



Electric Chimney Fusion 60



Electric Chimney Aura 60



Electric Chimney Sleek 60 Black



Electric Chimney Matchless + 90 and 60



Electric Chimney Curve + 90 and 60



Turbo 2.0 Power Hob



NEW PRODUCT LAUNCHES — Hand Blender and Hand Mixers

Hand Blender – HPB-17

HPB17
400 WATTS



KEY FEATURES

- Full stainless steel body
- Ergonomically designed to hold with comfort while in use
- 2-speed setting

Hand Blender – HBE-17

HBE17
200 WATTS



KEY FEATURES

- Full ABS body
- Ergonomically designed to hold with comfort while in use
- 2-speed setting

Hand Mixer – Swirl 400

SWIRL
400 WATTS



KEY FEATURES

- Aesthetically designed ABS body
- Multi-recipe support with 5-speed control with turbo speed
- One-year warranty

Hand Mixer Jazz 300

JAZZ
300 WATTS



KEY FEATURES

- Aesthetically designed ABS body
- Multi-recipe support with 5-speed control with turbo speed
- One-year warranty

Hand Mixer Swing 300

SWING
300 WATTS



KEY FEATURES

- Aesthetically designed ABS body
- Multi-recipe support with 5-speed control with turbo speed
- One-year warranty

NEW PRODUCT LAUNCHES

Slice Toasters, Sandwich Maker and Electric Kettle

Slice Toaster BSTE-17-18

BSTE17-18
700 WATTS



PRODUCT HIGHLIGHTS

- Cool touch 2-slice toaster
- Cancel button
- Slide-out crumb tray; easy to clean
- One-year warranty

Slice Toaster - BSTP 17-18

BSTP17-18A
800 WATTS



PRODUCT HIGHLIGHTS

- Cool touch 2-slice toaster
- Reheat, defrost, cancel button
- Slide-out crumb tray; easy to clean
- One-year warranty

Sandwich Maker BSWR17

BSWR17
750 WATTS



PRODUCT HIGHLIGHTS

- 2-slice fixed sandwich maker
- Fuse for overheat protection
- One-year warranty

Sandwich Maker BSWG17

BSWG17
750 WATTS



PRODUCT HIGHLIGHTS

- 2-slice fixed sandwich maker
- Non-stick coating plate
- Indication light for on/off
- One-year warranty

Water Kettle - EKN 1.5

EKN | 1500 WATTS
1.5 LTR



KEY FEATURES

- Superior quality stainless steel body
- Auto cut-off facility
- One-year warranty

Electric Kettles - Wave 1.2

WAVE | 600 WATTS
1.2 LTR



KEY FEATURES

- Durable and elegant stainless steel body
- Temperature control knob and auto switch-off
- One-year warranty

NEW PRODUCT LAUNCHES

Chopper and Blender





3

Financial Overview

Abridged Profit & Loss Statement

Rs. crore

Particulars	FY 2015	FY 2016	FY 2017	FY 2017 * Ind-AS	FY 2018 * Ind-AS	FY 2019 * Ind-As
Total Net Revenues (Incl. OI)	533.3	906.3	405.5	406.6	542.1	654.0
- Branded Net Revenues	447.5	468.2	402.3	404.9	540.5	652.0
- Government Net Revenues	84.3	432.7	-	-	-	-
- Other Income	1.5	5.4	3.2	1.7	1.6	2.0
Material Cost	317.5	621.9	251.7	247.3	315.2	390.0
- Cost of Materials Consumed	248.3	566.6	145.9	149.1	218.7	316.6
- Purchases of Stock-in-Trade	65.3	31.5	49	78.8	106.4	97.6
- Changes in Inventories of Finished Goods, Work-in- Progress and Stock-in-Trade	3.9	23.8	1	19.4	-9.9	-24.2
Gross Profit	215.8	284.4	153.8	159.3	226.9	264.0
Gross Margin (%)	40%	31%	38%	39%	42%	40.4%
Employee Expenses	60.3	61.3	50	50.4	57.3	70.1
Other Expenses	111.5	157.9	127.5	126.9	133.2	146.1
EBITDA	44	65.2	-23.7	-18	36.3	47.7
EBITDA Margin (%)	8%	7%	-3%	-4%	7%	7.3%
Depreciation	10.2	11.5	11.6	11.6	12.4	12.9
Finance Cost	29.6	34.5	21.2	23.3	18.1	22.5
Profit Before Tax	4.2	19.1	-56.6	-53.1	5.8	12.4

The Revenue has grown across all the channel

Gross Profit is healthy at above 40% in spite on huge growth in alternate channels.

The company doubled the profit because of very good revenue growth.

NOTE : * FY19, FY18 & FY17 results are as per IND-AS standards.

Abridged Balance Sheet

Rs. In crore

Sources of Funds	FY 2015	FY 2016	FY 2017	FY 2017**	FY 2018**	FY 2019**
a) Shareholders' Funds	225.6	238.1	179.9	175.2	180.2	189.4
b) Non-current Liabilities (NCL)	77	52.8	68	62.5	45.8	42.2
- Long-term Borrowings	68.3	43.4	60	62.5	45.8	39.4
- Other NCL	8.7	9.4	8	-	-	2.8
c) Current Liabilities (CL)	266.3	266.3	159.4	180.7	241.6	232.2
- Short-term Borrowings	106.3	148.8	65	83.9	145.4	104.3
- Trade Payables	118.3	105	52	59.7	56.1	99.4
- Other CL	41.7	42.5	42.4	37.1	40.1	28.5
Total	568.9	587.2	407.3	418.4	467.6	463.8
Net Debt – Equity Ratio	0.7	0.8	0.5	0.91	1.16	0.81

Long term debt has reduced from last year due to repayment of loans

Short Term Borrowing reduced because of better utilization of Net working capital

Net Debt / Equity Ratio is better compared to previous year

** as per IND-AS Presentation

Abridged Balance Sheet

Rs. In crore

Application Of Funds	FY 2015	FY 2016	FY 2017	FY 2017 **	FY 2018**	FY 2019 **
a) Non-current Assets	175.4	173.6	176.0	177.9	171.6	176.4
a) Current Assets	393.5	413.6	231.3	240.5	296.0	287.5
- Inventories	168.9	123.8	108.8	108.8	125.1	142.1
- Trade Receivables- TNCSC/PCWS	84	137.46	21.8	21.8	17.3	3.8
- Trade Receivables-Branded	108.9	119.96	66.2	66.2	113.3	113.3
- Cash & cash equivalents	15.4	13.4	28.2	31.4	22.7	9.8
- Others	16.3	19	13	12.3	17.6	18.5
Total	569.2	587.2	407.3	407.3	467.6	463.8
Branded Revenue	447.5	468.2	402.3	402.3	540.5	652.0
Working Capital Days	130	108	112	105	123	87
Inventory Days*	138	97	99	99	84	80
Debtors Days (branded)	89	94	60	60	77	63
Creditors Days*	96	82	47	54	38	56

Inventory increased due to higher growth. Inventory number of days has reduced by 4 days compared to previous year

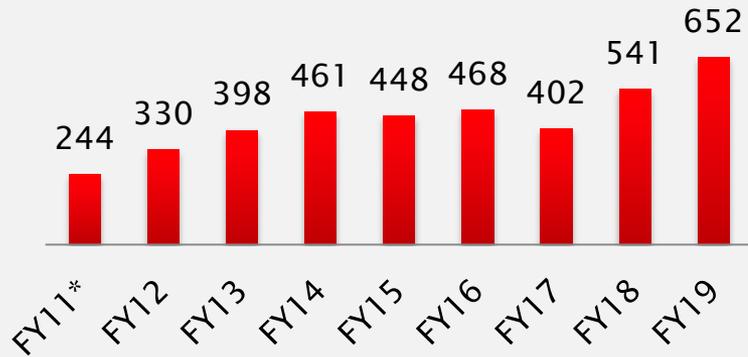
Debtors days decreased due to better secondary sales monitoring system implemented by the company

- Calculation of Working Capital Ratios based on Net Revenue
- Based on year end values (Not average values)
- Working capital days = (Inventory + Debtor - Creditor) Days
- Days calculated on the basis of 365 days

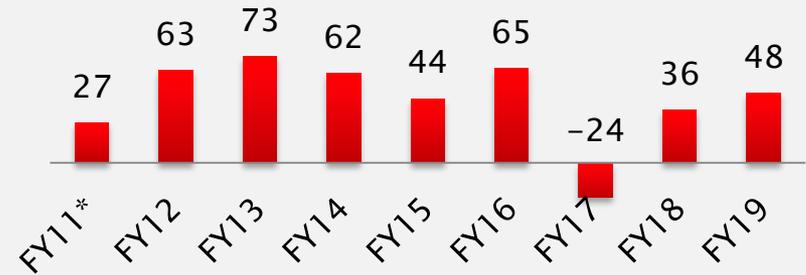
** - Presented as per IND-AS

Performance Track Record – Annualized

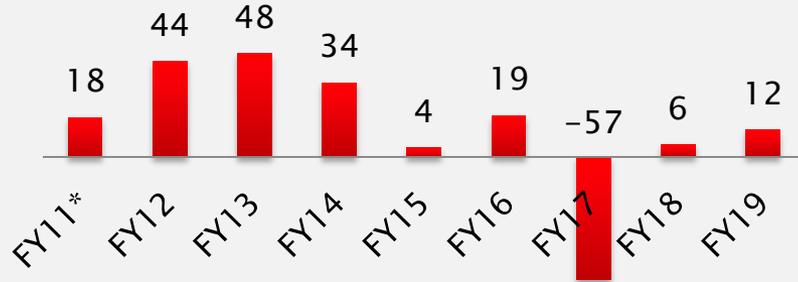
Total Revenue (Rs crore)



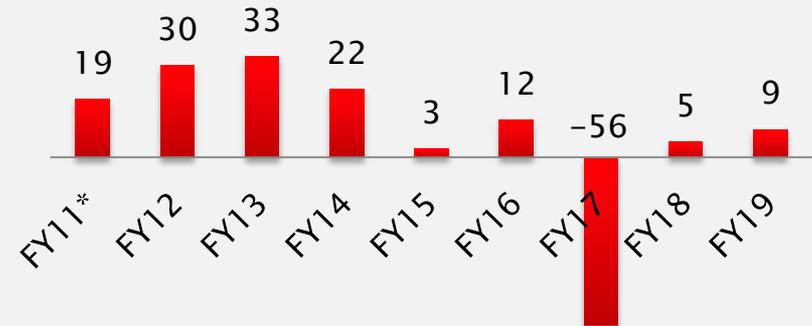
EBITDA (Rs crore)



Profit Before Tax (Rs crore)

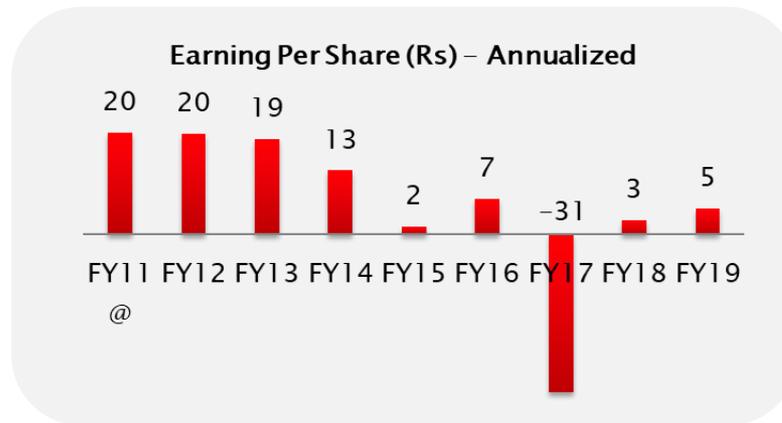


Profit After Tax (Rs crore)

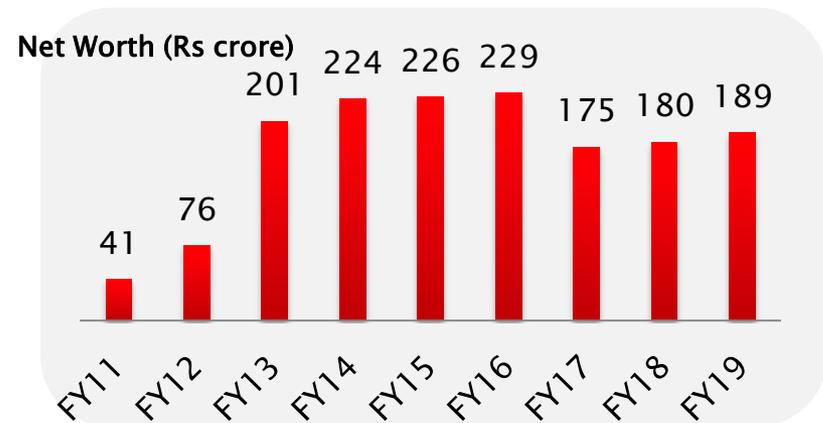
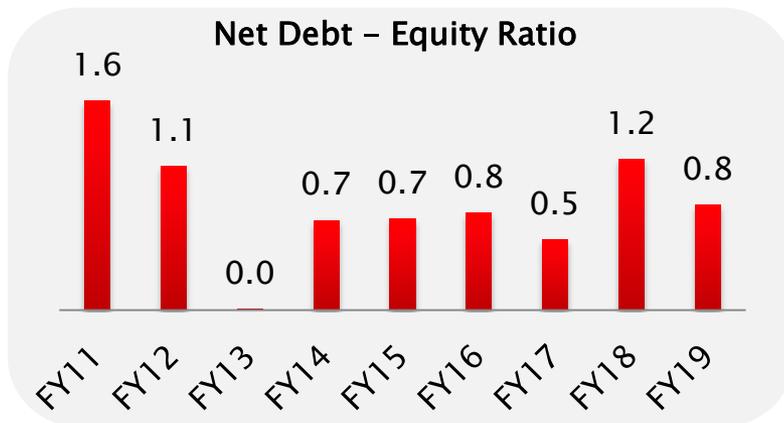


NOTE : * FY11 was for period of 9 months ended on 31.03.2011. The figures above represent the annualized numbers in order to facilitate a comparison.

Key Financials



@ FY11 was for period of 9 months ending 31.03.2011. The figures above represent the annualized numbers in order to facilitate a comparison.





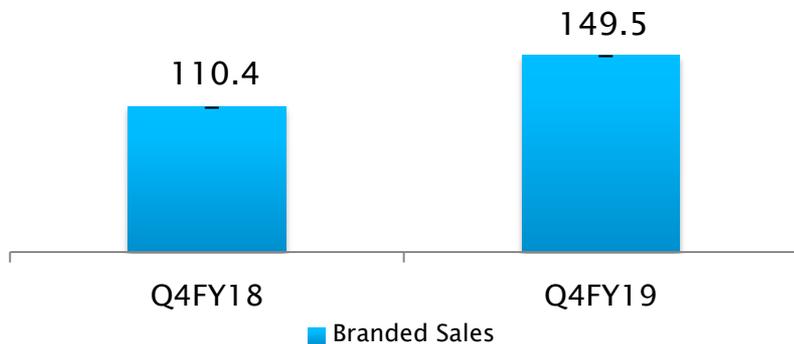
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Q4 FY19 Operating Performance & Highlights



Q4 FY18 – Performance highlights

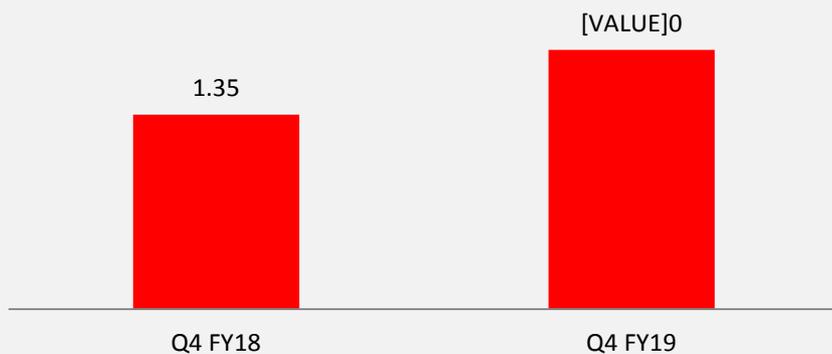
Total Income (Net) (Rs. crore)



EBITDA (Rs. crore)



PBT (Rs crore)



- Total Income during Q4 FY19 stood at Rs. 149.53 crore, as against Rs.110.40 crore in Q4 FY18
 - Branded net sales was higher by 35% on a Y-o-Y basis.
 - This is due to better market conditions.
- PBT stood at Rs.1.80 crore in Q4 FY19

Key Highlights

Branded Net Sales

(Rs. in Crore)

Product	Q4 FY19	Q4 FY18	Q3 FY19	Y-o-Y Growth	Q-o-Q Growth
Branded Market					
Kitchen Appliances	114.4	83.5	123.4	37.0%	-7.3%
Cooker/Cookware	22.0	18.6	30.7	18.0%	-28.5%
Others	13.1	8.3	6.6	58.1%	98.8%
Grand Total	149.5	110.4	160.7	35.4%	-7.0%

- Overall the quarter is good.
- Quarter on Quarter is not comparable due to seasonal sales.



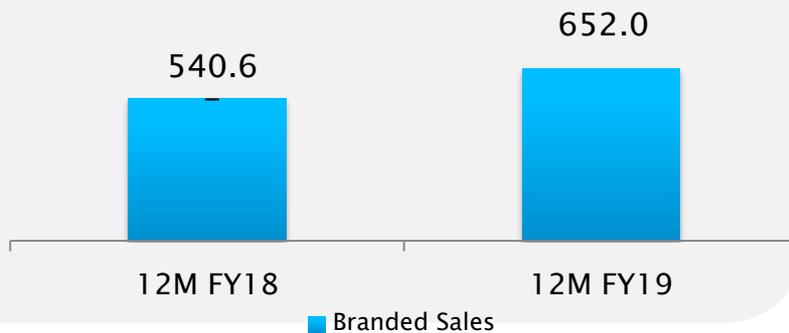
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12 Months FY19 Operating Performance & Highlights

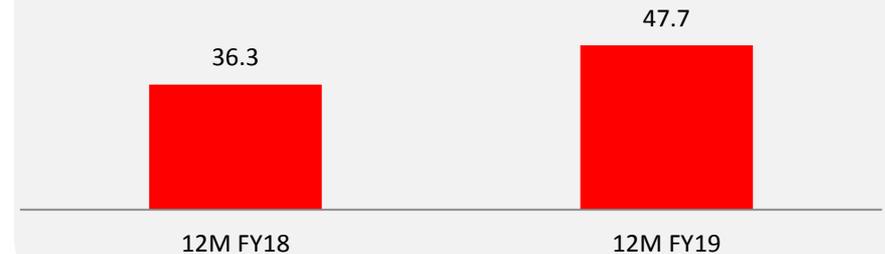


12 Months FY19 – Performance highlights

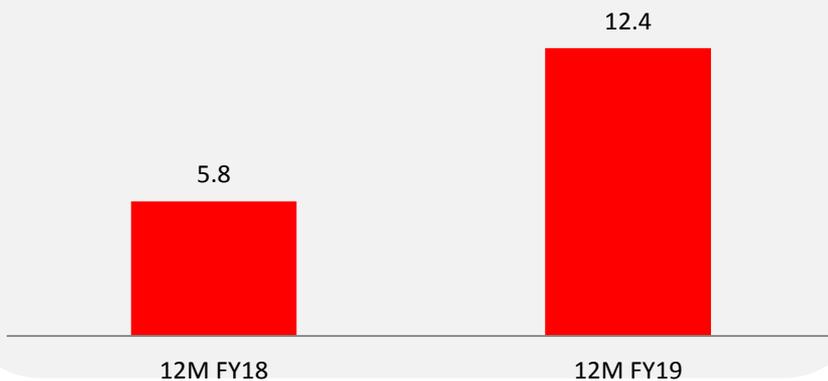
Total Net Revenue (Rs. Crore)



EBITDA (Rs. crore)



PBT (Rs crore)



- Total Income during the FY 2018–19 stood at Rs.652.0 crore, as against Rs.540.6 crore in FY 2017–18
 - Branded sales was higher by **20.6%** on a FY 2018–19 vs FY 2017–18
- PBT stood at Rs. 12.4 crore in FY 2018–19

Key Highlights

Branded Gross Sales (incl. Excise Duty)

(Rs in Crore)

Product	FY 2018-19	FY 2017-18	Y-o-Y Growth
Branded Market			
Kitchen Appliances	514.3	434.4	18.4%
Cooker/Cookware	104.4	84.7	23.3%
Others	33.3	30.2	10.1%
Grand Total	652.0	549.3	18.7%
Less: Excise Duty		8.8	
Grand Total	652.0	540.6	20.6%

- Overall the Company had a positive year with better market conditions compared to previous years.
- New Channels like E-commerce, Modern Trade, etc., have contributed to good growth for the Company.



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Outlook



The objective and focus of the plan is completely on delivering better Profit for FY 2019–20

1. **Balance Sheet efficiency / liquidity**
 - a. Continue to Focus on better control on Trade Receivables.
 - b. Continue to Increase in supplier credit days
 - c. Reduction in Inventory levels through optimised sales planning
2. **Big push in alternate channels such as Online, Corporates, Modern Trade, CSD and Corporate sales, which has grown over 70%.**
3. **Fully implemented Microsoft Power BI to monitor secondary sales data in South India market.**
4. **The Company is targeting a growth of 20% in FY19–20.**

Outlook

CATEGORY	12M FY19 CONTRIBUTION	MARKET ENVIRONMENT	OUTLOOK
Retail Channel Sales	80 – 85% of Branded Sales in 12M FY19	<ul style="list-style-type: none"> • Post GST implementation, a buoyant festive season is performed well. • Same level expected to continue in Financial year 2019–20 also. 	Retail channel demand is expected to good in the coming Financial Year 2019–20
Institutional Channel Sales	15– 20 %of Branded Sales in 12M FY19	<ul style="list-style-type: none"> • Plan to increase the volume in the category of Glass Top LPG Stoves 	Consumer demand is expected to good in the coming quarters
TOTAL BRANDED SALES	Rs. 652.0 crore		

Thank you

any queries please contact Mr.V.M.G.Mayuresan, vmgm@butterflyindia.com
