



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

February 5, 2024

To, The Manager - Listing BSE Limited ("BSE"), Corporate Relationship Department, 2nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001.	To, The Manager - Listing National Stock Exchange of India Limited ("NSE"), "Exchange Plaza", 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East), Mumbai – 400 051.
BSE Scrip Code: 517421	NSE Symbol: BUTTERFLY
ISIN: INE295F01017	ISIN: INE295F01017
Our Reference: 117/2023-24	Our Reference: 117/2023-24

Dear Sir/ Madam,

Sub: Press Release – Q3 – 2023-24

This is in continuation of our letter dated February 5, 2024, regarding Outcome of Board Meeting held on February 5, 2024, wherein the Company had approved Unaudited Financial Results for the quarter and nine months ended December 31, 2023. In this regard, please find enclosed press release for the same.

You are requested to take the same on your record.

Thanking you,

For Butterfly Gandhimathi Appliances Limited

Viral Sarvaiya
Company Secretary & Compliance Officer
ACS: 33764

Encl: as above

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Butterfly Gandhimathi Appliances Ltd.

Announces its Results for Q3 FY24

Revenue at Rs. 238 Cr
Material Margin at 34%
Strong growth continues in core categories

Chennai, 5th February 2024: Butterfly Gandhimathi Appliances Ltd. ('Company'), South-India's leading kitchen and small domestic appliances player, reported its standalone financials for the third quarter ended 31st December 2023.

Operational Highlights:

- Despite high competitive intensity, core categories such as Mixer Grinders, Gas Stove & Pressure Cookers delivered robust Revenue growth of 12% YoY;
 - Growth was led by Stainless Steel Gas Stoves (+47% YoY) owing to new product launches and portfolio width spanning across price points to fulfil consumer needs
 - Press Cooker witnessed 3x growth online
- All core categories witnessed market share gains during the quarter vs the same period last year.
- Amidst slowdown in the market, Retail & Regional Chain Stores grew for the third consecutive quarter. Retail counters grew by 11% YoY and expanded Modern Trade reach by 14% YoY.
- Witnessed growth in E-commerce with steady market share gains.
- Corporate & Institutional channels declined by 76% YoY (by Rs. 34 Crs) as part of ongoing channel de-risking.
- Share of business from new products at 14% of Total Q3 Sales:
 - 7 new products were launched in Q3 such as Insta and Dynamo Mixer Grinders, Friendly Shakti Gas Stove, Jyoti Stainless Steel LPG, Matchless Sandwich Maker, Magnum Cool Touch Kettle, Dazzler Hand Blender
 - Magnum series in Mixer Grinders and Stainless Steel Gas Stove helped in improving the Revenue contribution from the premium segment
 - New product launches resulting in accelerated portfolio refresh with focus on premiumization
- Leveraging Crompton's go-to-market strengths ('Power of One' initiative) to generate sales for Butterfly, with key contribution from the Northern region and alternate channels.
- Significantly higher investments on brand building at Rs. 22 Cr during the quarter through continued spends on TV, Print & out-of-home advertising and a targeted approach towards e-commerce to build brand awareness & consideration. This was coupled with higher promotions during festive season.
- Higher in-shop visibility and awareness drives during Diwali were conducted across markets.
- Butterfly was awarded the 'Best Company of the Year' in the Home Appliances category by IBC and Berkshire Media.
- Continued focus on process excellence led to improvement in key operational metrics.

Financial Highlights:
Q3 FY24

- Revenue at Rs. 238 Cr (-4% YoY). De-growth due to decline in B2B segment, especially corporate sales.
- Material Margin at 34.3% due to higher absorption costs and promotions for Diwali which led to a 430 bps YoY contraction in gross margins.
- EBITDA at Rs. 2 Cr. EBITDA Margin at 1.0% on account of:
 - Higher investments in brand building & disproportionate A&P spends in Retail & E-commerce; A&P spends at Rs. 22 Cr, growth of 31% YoY.
 - Investments in people capabilities and an increase in salaries and minimum wages by 16% w.e.f April'23.

Commenting on the performance, **Rangarajan Sriram, Managing Director, Butterfly Gandhimathi Appliances Ltd.** said, "During the quarter, Revenue from core categories grew along with market share gains vs the same period last year. Growth in core categories was driven by new product launches, with meaningful contribution from premium segments. We continued our focus on channel development resulting in Retail and Regional Chain Stores growing for the third consecutive quarter, with sustainable growth in e-commerce sellouts. The '*Power of One*' initiative, which leverages Crompton's existing strength in distribution to expand Butterfly's reach in the West & North regions, is garnering momentum.

Promotions due to competitive intensity, increase in employee expenses and higher A&P spends led to subdued EBITDA margins. We continue to focus on strengthening our Retail, Regional Chain Stores & Modern Trade presence and gaining share in E-commerce."

BGMAL Financials:

Particulars (Rs. Crs)	Q3 FY24	Q3 FY23	Y-o-Y
Revenue	238	248	-4%
Material Margin	82	96	-15%
Material Margin (%)	34.3%	38.6%	-430 bps
EBITDA	2	22	-89%
EBITDA Margin (%)	1.0%	8.7%	-770 bps
PAT	-2	12	-118%
PAT Margin (%)	-0.9%	4.7%	-560 bps

About Butterfly Gandhimathi Appliances Ltd.:

'Butterfly' is amongst the Top 3 Brands in India in kitchen and small domestic appliances. It is a reputed brand with high consumer recall in South, known for Aesthetics and Product Quality. It has diverse product portfolio, with variants adapted to meeting consumer needs. It has 4 core products – Mixer Grinders, Pressure Cookers, Gas Stove, Wet Grinders and backed by a full suite of small domestic appliances. It has state of art in-house manufacturing setup with strong backward integration.

For further queries, please contact:**Investor Relations:**

Chief Investor Relations Officer

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