



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

February 11, 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 third quarter ended on 31.12.2018

Enclosed please find the Company's Performance/Results presentation for the third quarter ended on 31.12.2018, 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)

Regd. Office : 143, Pudupakkam Village, Vandalur - Kelambakkam Road, Kelambakkam - 603 103, Kancheepuram District.
Phone : +91-44-4741 5500 CIN No. : L28931TN1986PLC012728
E-mail : gmat@butterflyindia.com Web : www.butterflyindia.com

Corporate Office : E-34, II Floor, Rajiv Gandhi Salai, Egattur Village, Navalur - 600 130, Kancheepuram District.
Phone : 044 - 4900 5100, 5154 E-mail : butterflyho@butterflyindia.com

BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

RESULTS PRESENTATION

Q3 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

Contents

1

Company Overview

2

New Products Launched FY19

3

Financial Overview

4

Q3 FY19 Operating Performance & Highlights

5

Outlook



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

12.8%

BRANDED
REVENUE CAGR
FY10-18

IN THE TOP

3

IN INDIA FOR DOMESTIC
KITCHEN APPLIANCES

PRESENCE IN ALL

29

STATES IN INDIA

SALES OF BRANDED
PRODUCTS IN FY18

537

CRORE

500+

EXCLUSIVE
DISTRIBUTORS ACROSS
INDIA

1.16

NET DEBT / EQUITY
RATIO

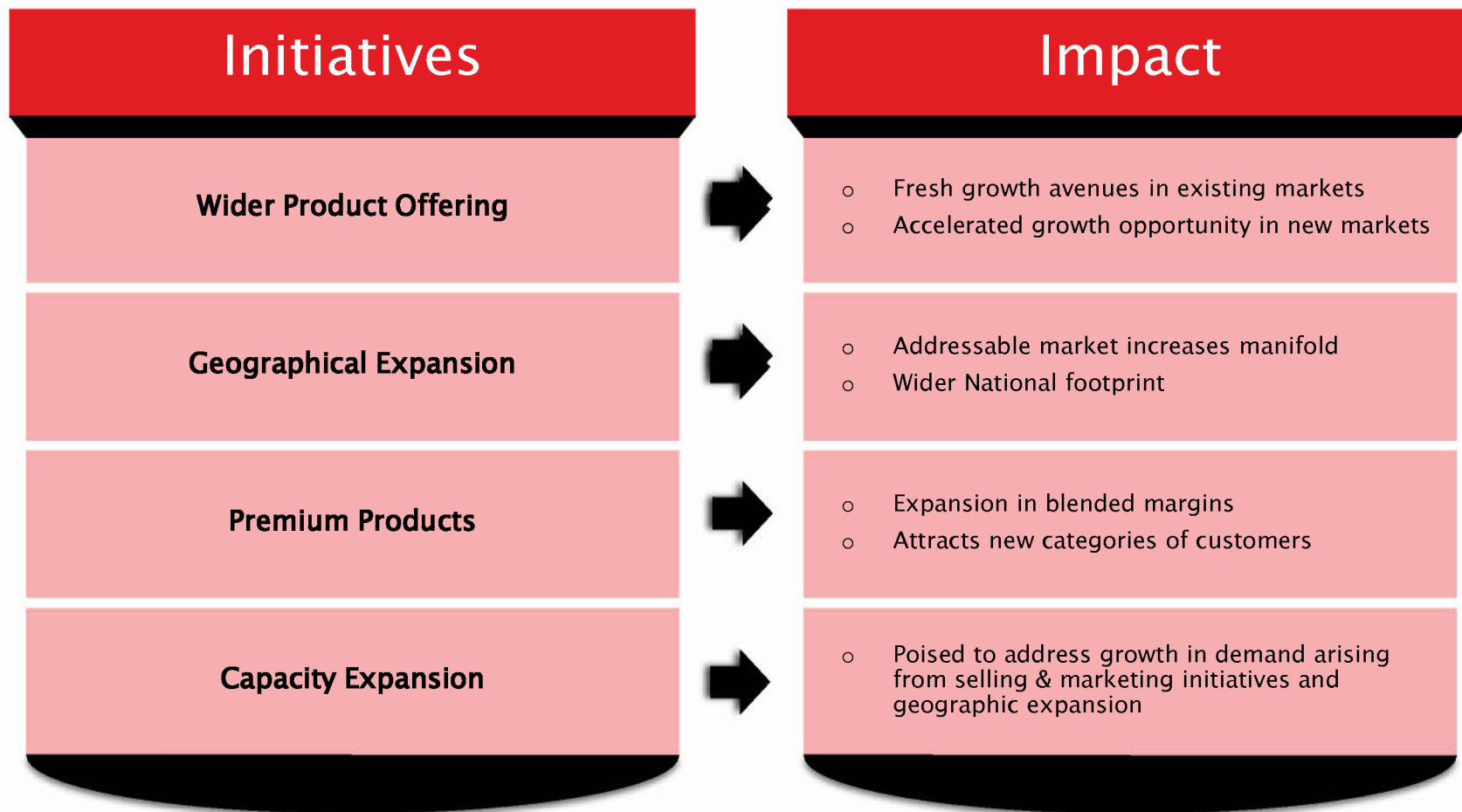
33.5%

REVENUE GROWTH
OVER FY18

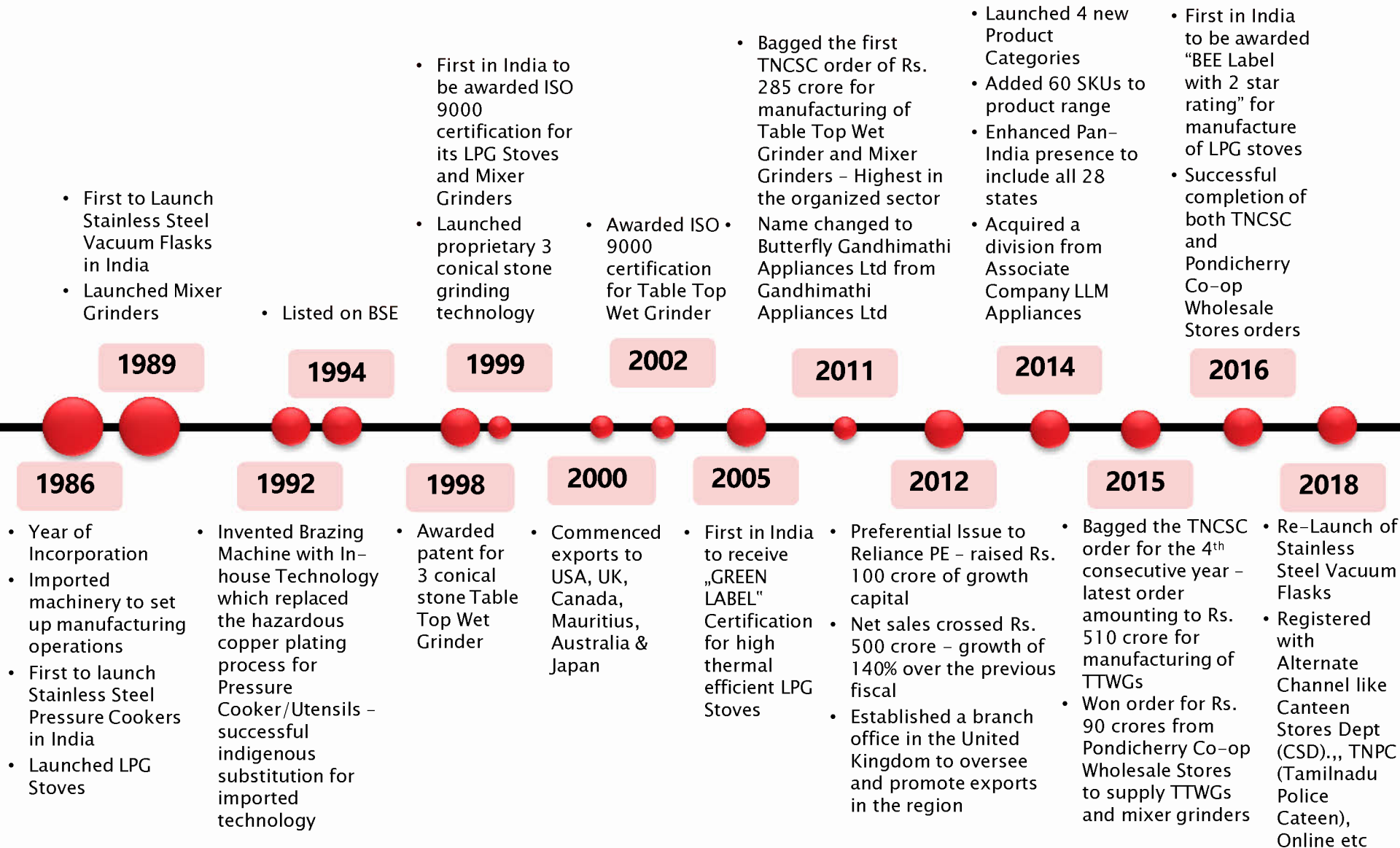
15%

OF FY18
REVENUES FROM NON-SOUTH
STATES

Growth Levers



Overview Milestones

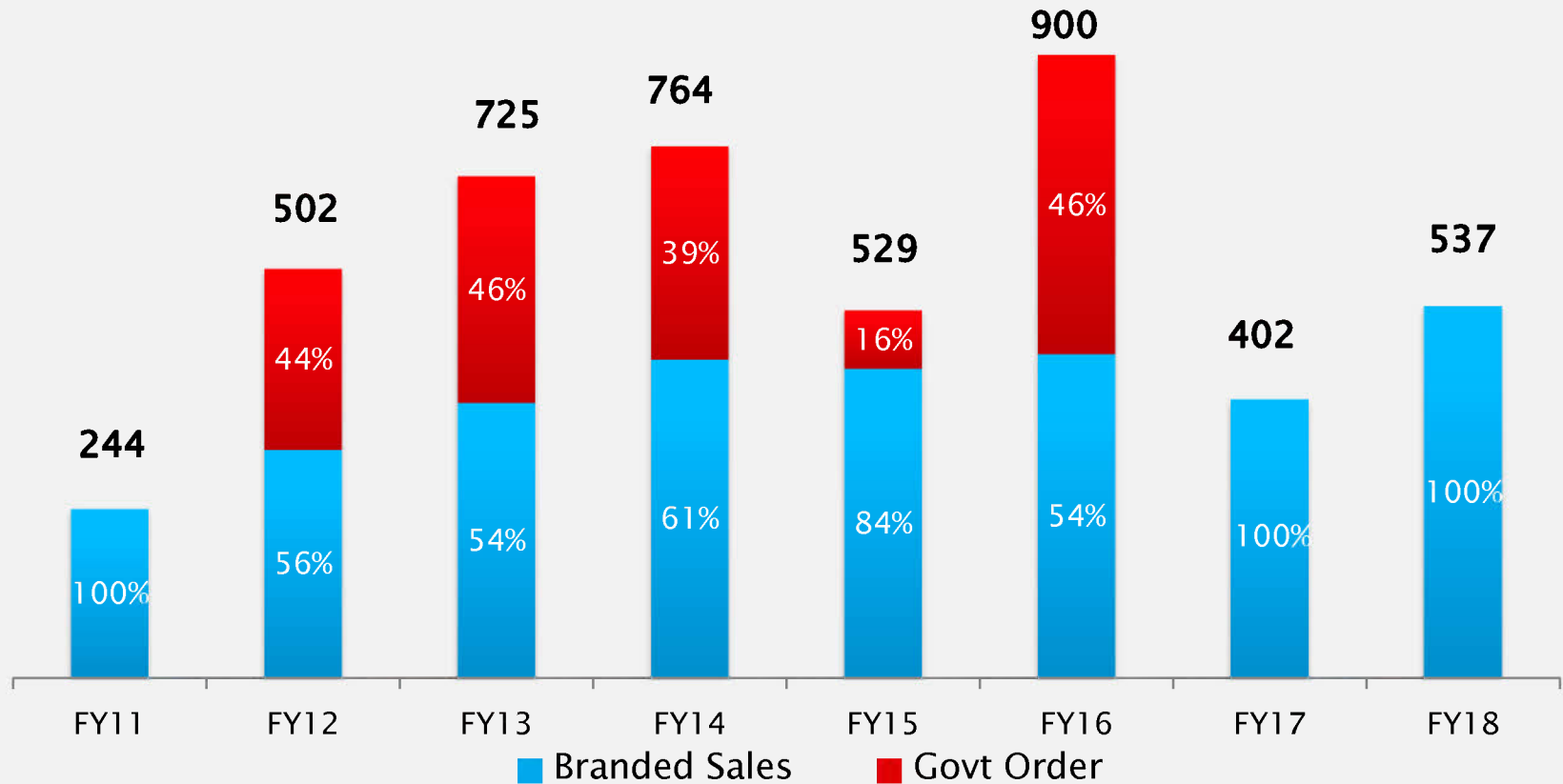


Revenue Profile

100%

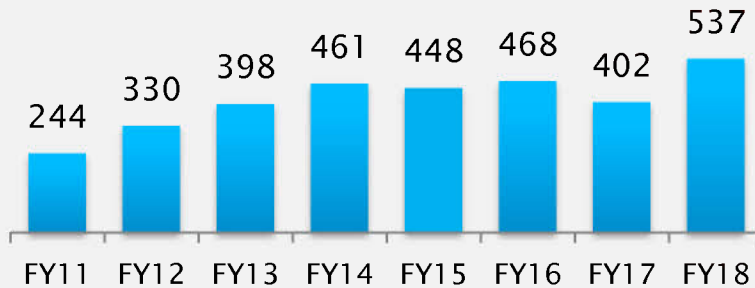
Revenue Excluding Excise
Duty / GST

Annual Net Revenue (Rs. crore)

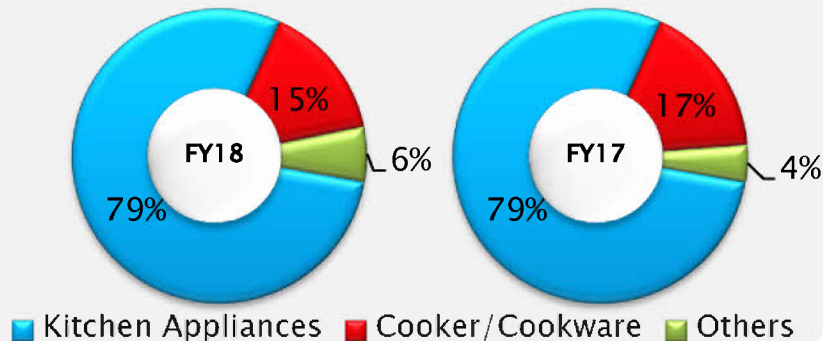


Branded Retail Sales

Branded Net Sales (Rs. crore)



Branded Product Distribution (%)



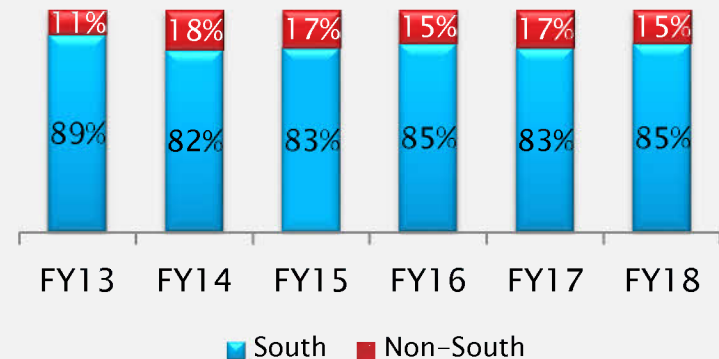
Through Institutions

- 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 550+ exclusive distributors
- Distributors supply to dealer network which is customer facing
- Tie-up with Modern Trade, CSD, CPC, TNPC etc.
- 22000+ retail points across the Indian map

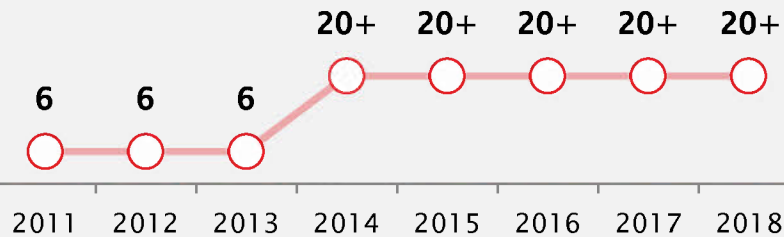
Region-wise Break-up



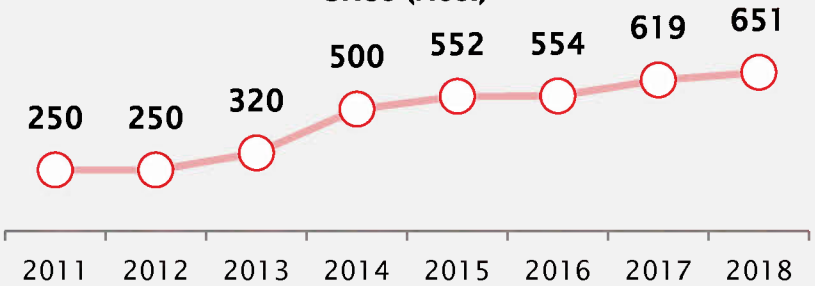
Augmenting Organic Growth

Increased Product Categories For Wider Product Portfolio And Higher Market Share

Product Categories (Nos.)

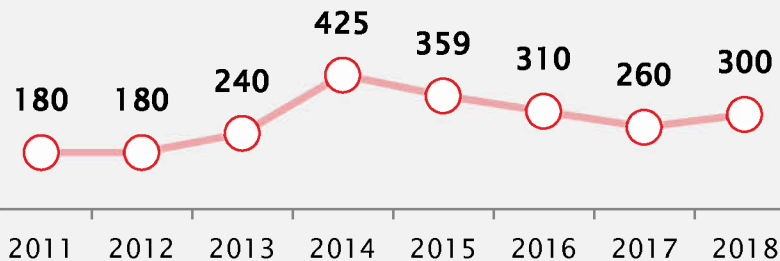


SKUs (Nos.)

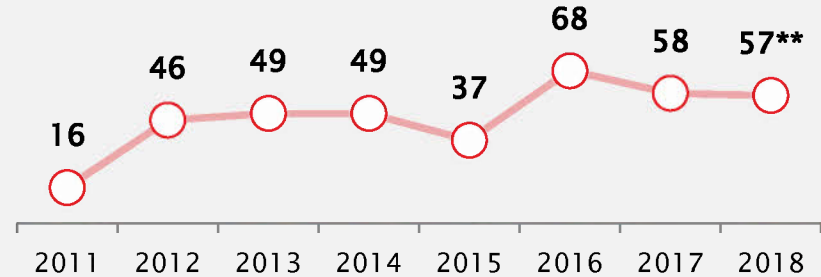


Enhancing Sales and Marketing Efficiency For Better Penetration And Brand Development

Sales Team (Personnel)



Marketing Spend (Rs. Cr)



** Including Rs.3 Cr spent on new channels

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



Air Cooler

Product Portfolio

Other Pioneering Products



Juicer



Hand Blender



Electric Iron



Pop-up Toaster



Vacuum Flasks



2

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



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



KEY FEATURES

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

Hand Mixer Jazz 300



KEY FEATURES

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

Hand Mixer Swing 300



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 overhear 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



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



3

Financial Overview



Abridged Profit & Loss Statement

Rs. crore

Particulars	FY 2015	FY 2016	FY 2017	FY 2017 * Ind-AS	FY 2018 * Ind-AS	9M FY18* Ind-As	9M FY19* Ind-As
Total Net Revenues (Incl. OI)	533.3	906.3	405.5	406.6	542.1	430.7	503.5
- Branded Net Revenues	447.5	468.2	402.3	404.9	540.5	430.2	502.5
- Government Net Revenues	84.3	432.7	-	-	-	-	-
- Other Income	1.5	5.4	3.2	1.7	1.6	0.5	1.1
Material Cost	317.5	621.9	251.7	247.3	315.2	253.6	300.8
- Cost of Materials Consumed	248.3	566.6	145.9	149.1	218.7	180.4	250.9
- Purchases of Stock-in-Trade	65.3	31.5	49	78.8	106.4	84.5	73.1
- Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.9	23.8	1	19.4	-9.9	-11.4	-23.3
Gross Profit	215.8	284.4	153.8	159.3	226.9	177.1	202.7
Gross Margin (%)	40%	31%	38%	39%	42%	41.1%	40.3%
Employee Expenses	60.3	61.3	50	50.4	57.3	43.5	54.2
Other Expenses	111.5	157.9	127.5	126.9	133.2	107.6	111.6
EBITDA	44	65.2	-23.7	-18	36.3	25.9	36.9
EBITDA Margin (%)	8%	7%	-3%	-4%	7%	6.0%	7.3%
Depreciation	10.2	11.5	11.6	11.6	12.4	9.1	9.8
Finance Cost	29.6	34.5	21.2	23.3	18.1	12.3	16.5
Profit Before Tax	4.2	19.1	-56.6	-53.1	5.8	4.5	10.6

The Revenue has grown by 16.8% across all the channel and geography in spite of Kerala Flood

GP dropped slightly due to Product Mix

Employee cost increased due to annual increment and hiring of senior professional in Sales

EBITDA increased 1.3% due to operating leverage

NOTE : *results are as per IND-AS standards.



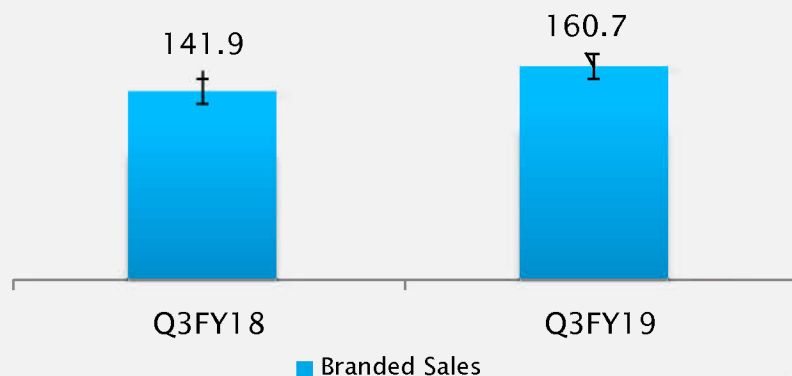
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Q3 FY19 Operating Performance & Highlights

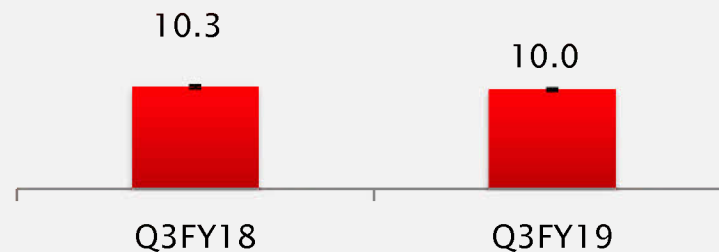


Q3 FY19 – Performance highlights

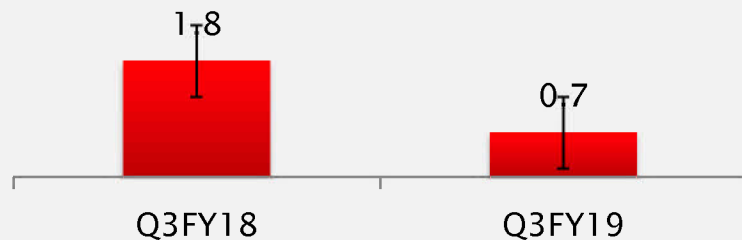
Total Income (Net) (Rs. crore)



EBITDA (Rs. crore)



PAT (Rs crore)



- Total Income (Net) during Q3 FY19 stood at Rs.160.7 crore, as against Rs.141.9 crore in Q3 FY18
 - Branded sales was higher by 13% on a Y-o-Y basis.
 - EBITDA reduced by 1.07% on Y-o-Y basis, because of Gross Profit impact due to Product Mix and Channel Mix.
- PAT stood at Rs. 0.7 cr in Q3 FY19

NOTE: Results are as per Ind-AS standards

Key Highlights

Branded Sales

(Rs crore)

Product	Q3 FY19	Q3 FY18	Q2 F19	Y-o-Y Growth	Q-o-Q Growth
Branded Market					
Kitchen Appliances	123.4	110.7	175.1	11.5%	-29.5%
Cooker/Cookware	30.7	23.7	33.1	29.5%	-7.2%
Others	5.3	6.6	8.1	-19.7%	-34.4%
Grand Total	159.4	141.0	216.2	13.0%	-26.3%

- Overall the branded business grew by 13% for the quarter on Y-o-Y basis
- However the quarter on quarter basis reduced due to festival season in Q2.



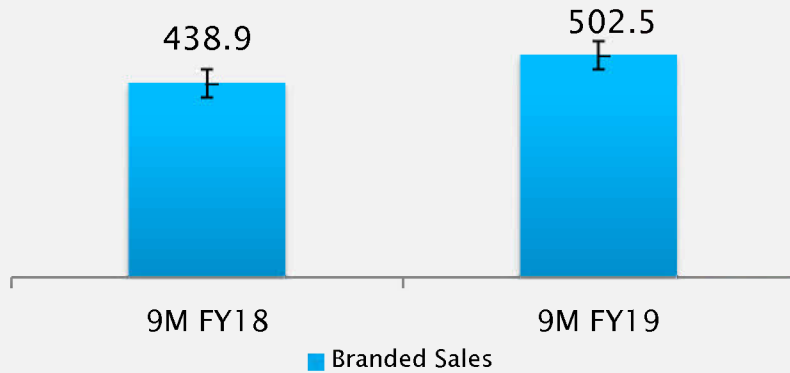
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9M FY19 Operating Performance & Highlights

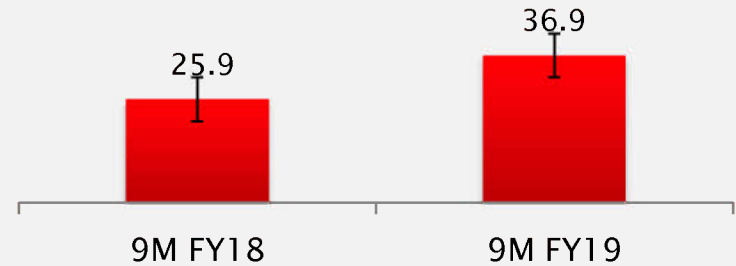


9M FY19 – Performance highlights

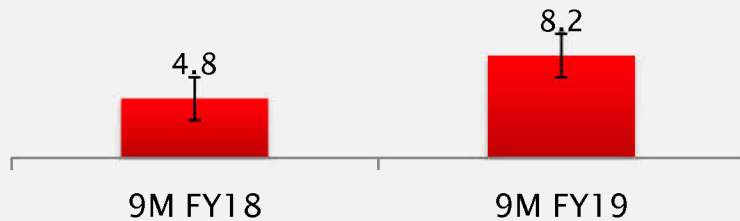
Total Income (Net) (Rs. crore)



EBITDA (Rs. crore)



PAT (Rs crore)



- Total Income during 9M FY19 stood at Rs.502.5 crore, as against Rs.438.9 crore in 9M FY18
 - Branded sales was higher by 16.6% on a 9M FY19 vs 9M FY18 basis on net of Excise Duty basis.
- PAT stood at Rs.8.3 crore in 9M FY19

NOTE : * Results are as per INDAS standards

Key Highlights

Branded Gross Sales

(Rs crore)

Product	9M FY19	9M FY18	Y-o-Y Growth
Branded Market			
Kitchen Appliances	398.9	350.9	13.7%
Cooker/Cookware	81.5	66.0	23.4%
Others	18.3	19.7	-6.9%
Grand Total	498.7	436.6	14.2%
Less: Excise Duty		8.8	
Grand Total	498.7	427.8	16.6%

- Overall the company had a very good in top line upto 9M and is looking forward for a good financial year.
- We are on track to achieve the targets set for the year



5

Outlook



Outlook

The objective and focus of the plan is completely on delivering better Profit for FY18–19 also, improving balance sheet liquidity and reduction of debt

1. Improving working capital ratio of the Company

- a. Focus on collections. Channel Financing is expected to reduce the Debtors in the coming quarters.
- b. Increase in supplier credit days
- c. Reduction in Inventory levels through optimised sales planning

2. For FY 2018–19 Company is targeting a growth of 15% to 20%.

Thank you

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