



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

November 10 2016

General Manager – DCS,
Dept. of Corporate Services,
BSE Ltd,
Floor I, P.J.Towers,
Dalal Street,
Mumbai – 400 001
Thro' BSE Listing Centre

Manager,
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051
Thro' NEAPS

Dear Sir,

Butterfly Gandhimathi Appliances Limited – Results presentation for the second quarter/half year ended on 30.09.2016

We are enclosing the Company's Performance/Results presentation for the second quarter/half year ended on 30.09.2016, 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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Phone : +91-44-4741 5500 CIN No. - L28931TN1986PLC012728
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BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

RESULTS PRESENTATION

Q2 & H1 FY17
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 Financial Overview

3 Product launches in H1 FY17

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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

Healthy Balance Sheet with continuously improving Financial Indicators

Mix of industry growth and Company initiatives has led to traction in Revenues in last few years

Quick Facts

#1

IN INDIA
FOR SS LPG STOVES
& TABLE TOP WET GRINDERS

15%

BRANDED
REVENUE CAGR
FY11-16

IN THE TOP

3

IN INDIA FOR DOMESTIC
KITCHEN APPLIANCES

PRESENCE IN ALL

29

STATES IN INDIA

SALES OF BRANDED
PRODUCTS IN FY16

534

CRORE

400+

EXCLUSIVE
DISTRIBUTORS ACROSS
INDIA

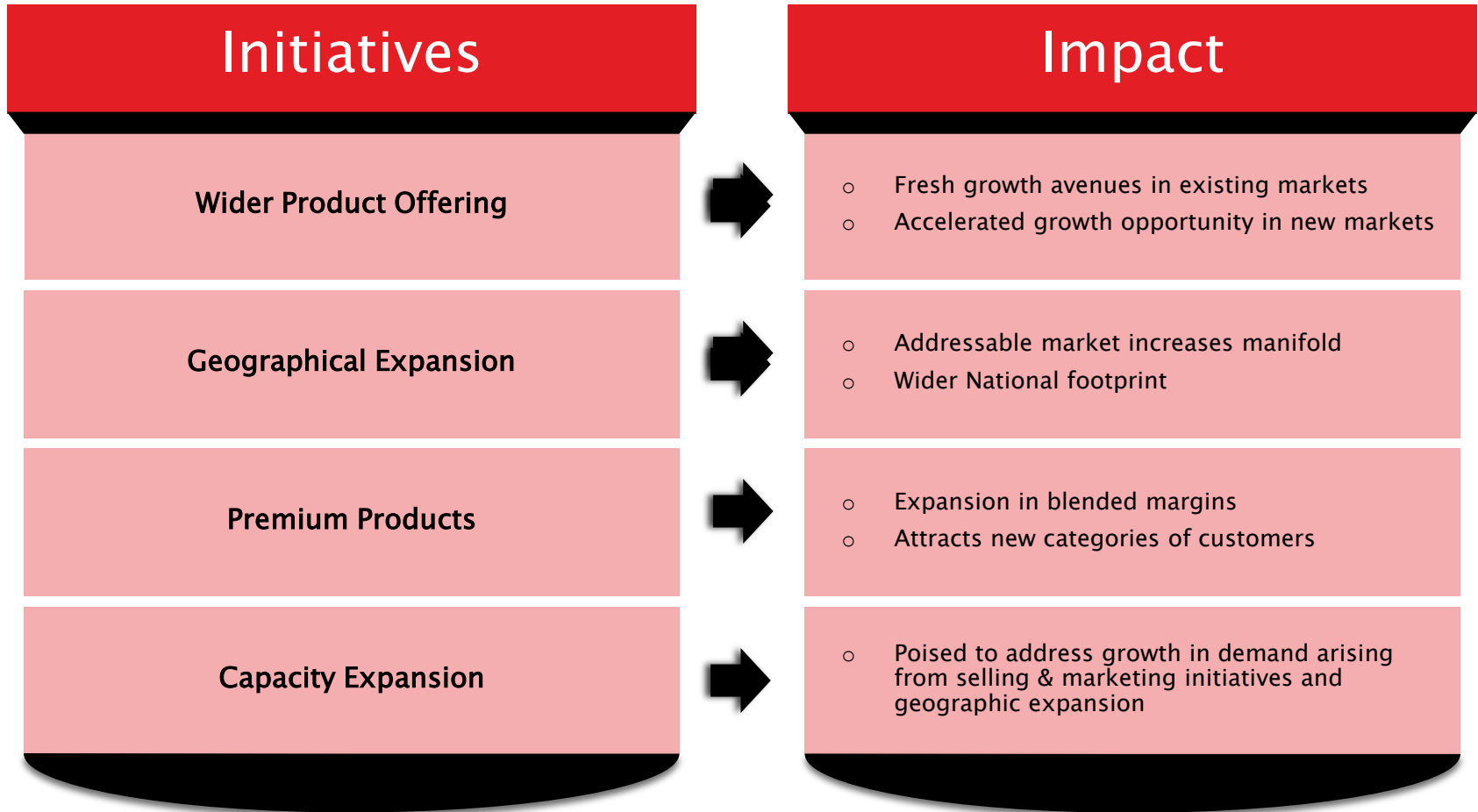
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NET DEBT / EQUITY
RATIO

15%

OF FY16
REVENUES FROM NON-
SOUTH STATES

Growth Levers



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



Washer



Juicer



Hand Blender



Water Heater

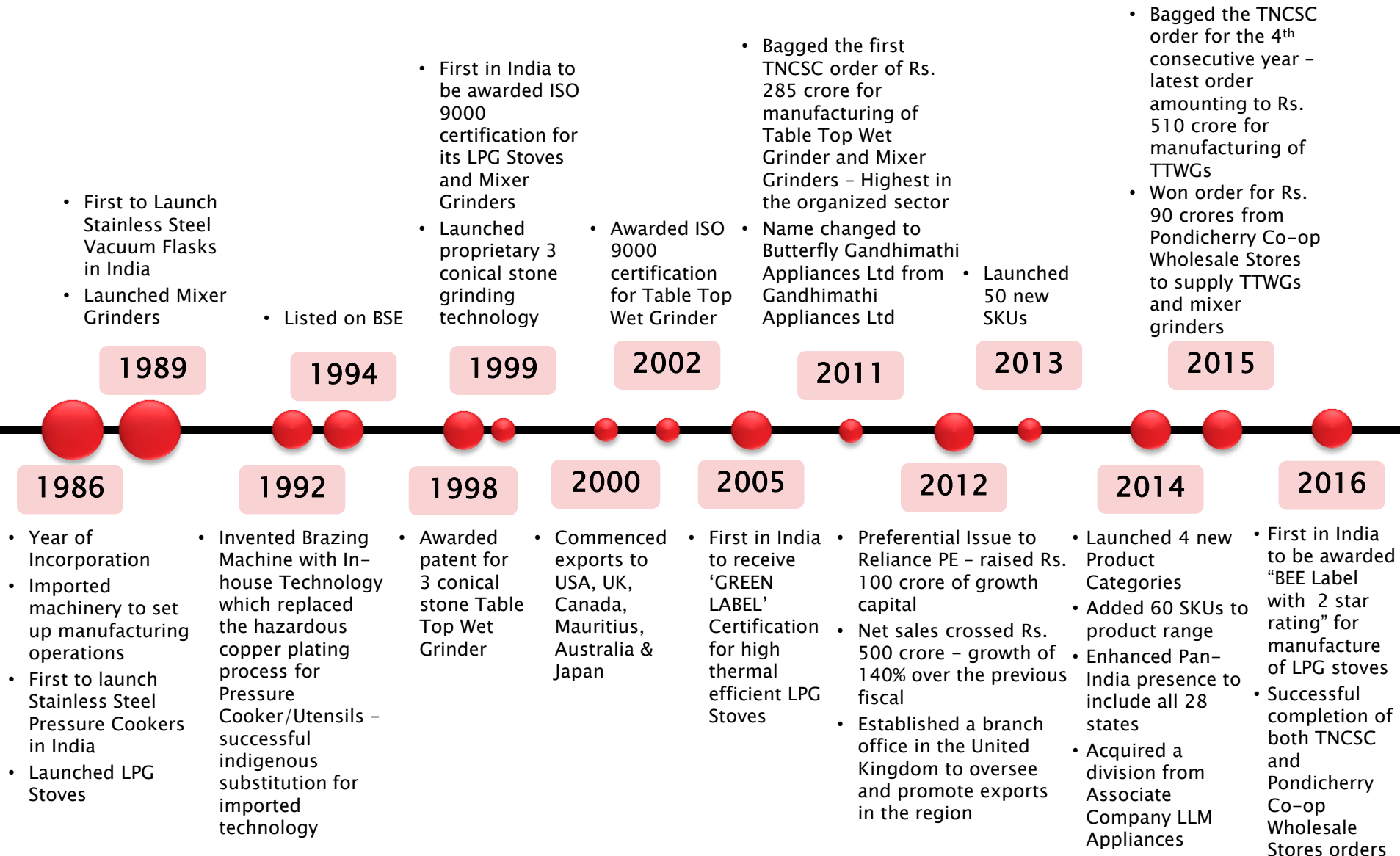


Electric Iron



Pop-up Toaster

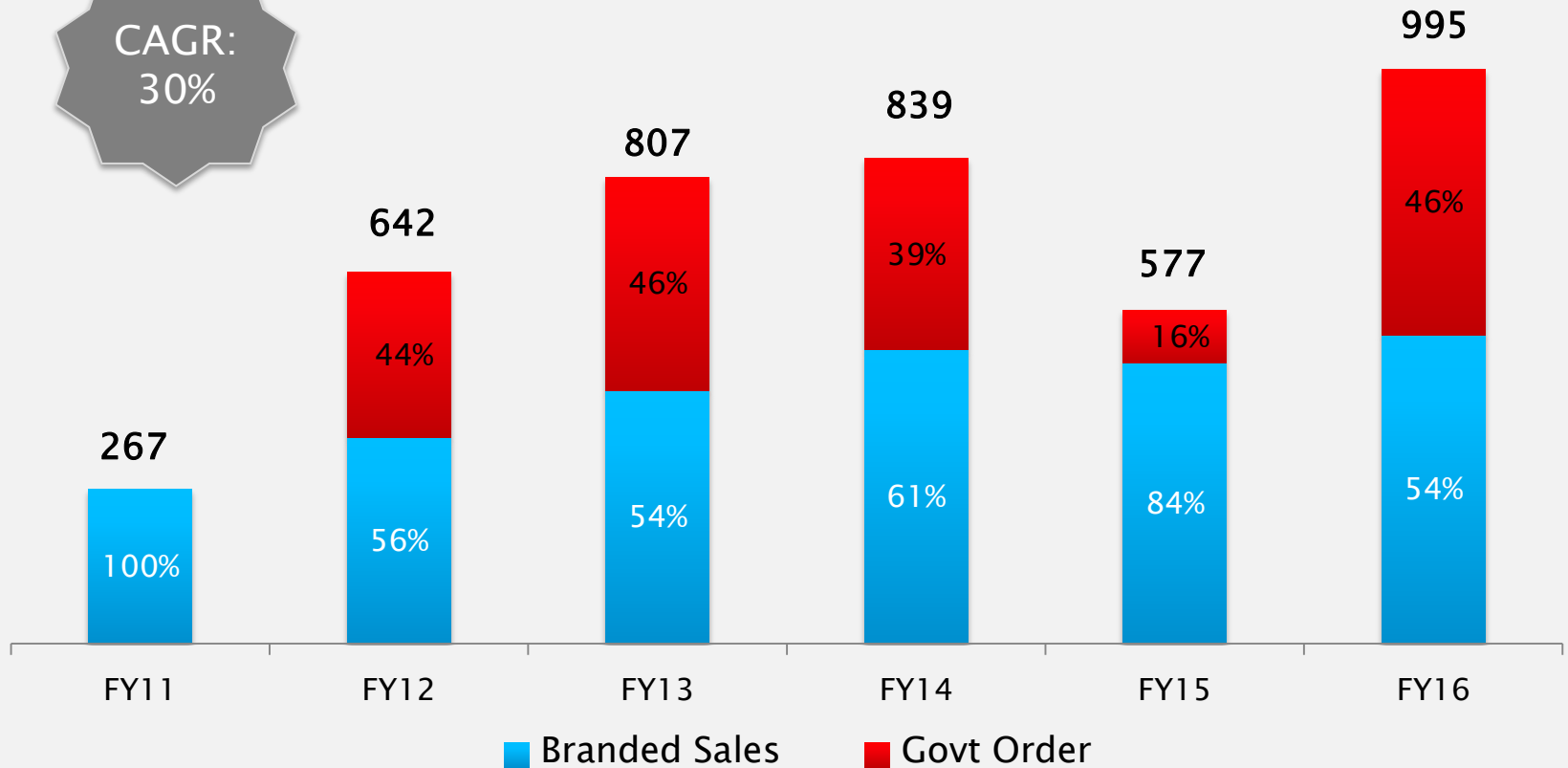
Milestones



Revenue Profile

Annual Revenue (Rs. crore)

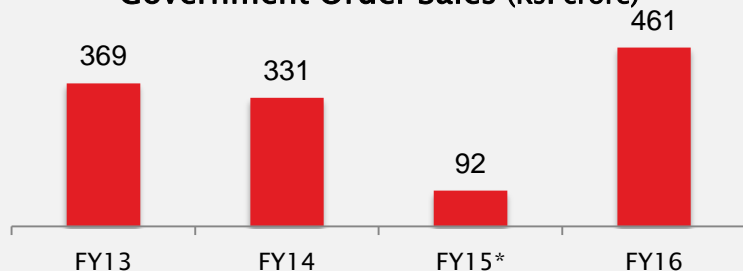
CAGR:
30%



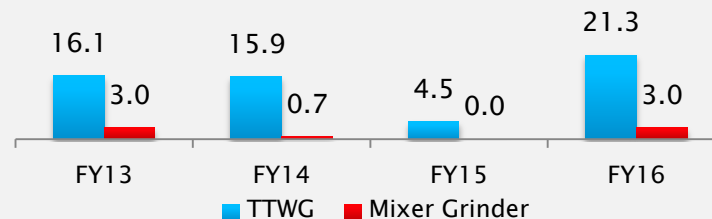
Note: FY15 Government Tender was deferred and combined with FY16 tender which resulted in increased Govt. revenues in FY16

Government Orders

Government Order Sales (Rs. crore)



Products supplied (in lakh units)



- For the last 4 years in succession, BGMAL won orders in the annual tender of Tamil Nadu Civil Supplies Corporation (TNCSC). In January 2015, the Company bagged orders worth Rs. 510 crore* for supply of Table Top Wet Grinders from TN Govt in CY2016. This order marked the completion of the TN Govt order under the current regime
- In August 2015, the Company also bagged orders worth Rs. 90 crore for supply of Table Top Wet Grinders and Mixer Grinders from Pondicherry Co-Op. Wholesale Stores (PCWS)

Benefits to BGMAL

- Incremental contribution to profitability, favorable payment terms enabling a positive cash flow business
- Increase in volumes have elevated BGMAL's manufacturing and delivery capabilities
- Increased number of users of the Company's products has led to an increase in the potential market for the Company
- Creates ready customer base which will materialize at the time of product replacement or upgradation
- Delivery experience has led to innovation and launch of economy models which have aided growth in Branded Sales

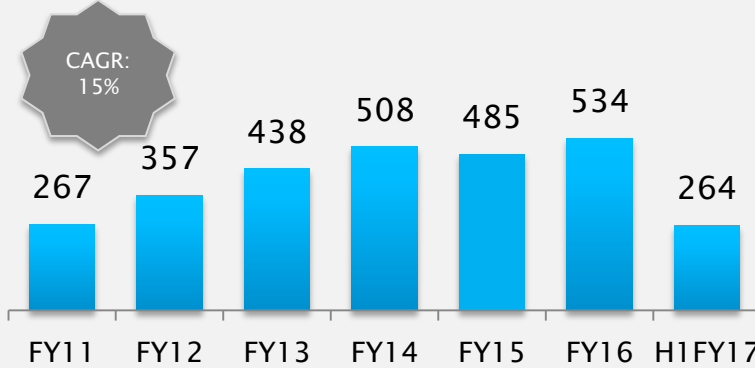
Orders received from	Order size (Rs. Crore)	Completed till-date (Rs. Crore)	Balance (Rs. Crore)
TNCSC*	463	463	0
PCWS	90	90	0
TOTAL	553	553	0

Note: Govt. Order for FY15 was received only in Jan, 2015 hence the revenues accrued primarily in FY16.

* The order size for TNCSC has been revised from Rs. 510 crore to Rs. 463 crore

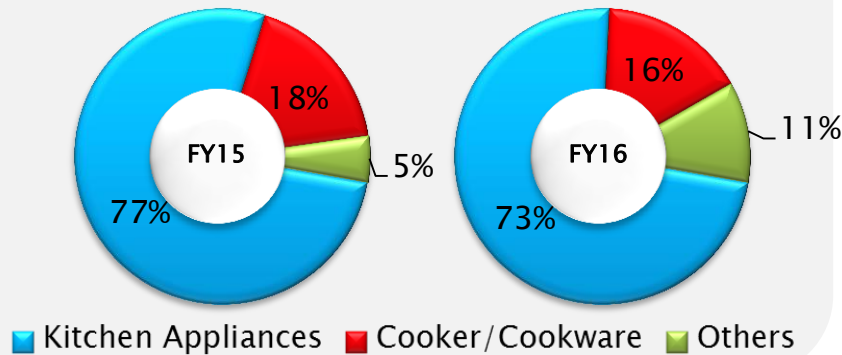
Branded Retail Sales

Branded Gross Sales (Rs. crore)



Note: Excluding spare / component sales, Branded Revenue sales were largely stable at Rs. 486 crore in FY16 as against Rs. 479 crore in FY15

Branded Product Distribution (%)



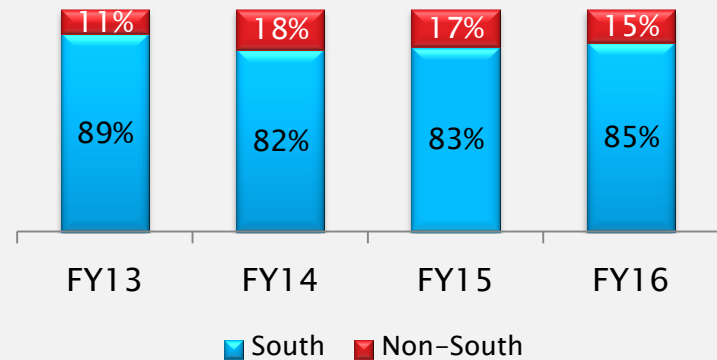
Through Institutions

- Tie ups with Gas dealers of IOCL, BPCL and HPCL
- Customers for new gas connection are provided with co-branded products manufactured by BGMAL
- This provides the Company a ready market for primary sales at the point of Gas connections itself

Through Retail Marketing

- Network of 400+ exclusive distributors
- Distributors supply to dealer network which is customer facing
- 2 Company retail stores in Chennai and Bengaluru and one franchisee store at Pondicherry
- 18,000+ retail points across the Indian map

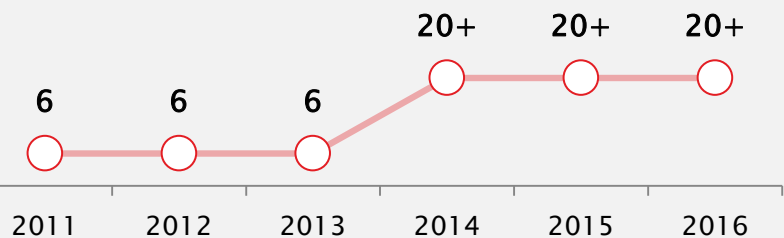
Region-wise Break-up



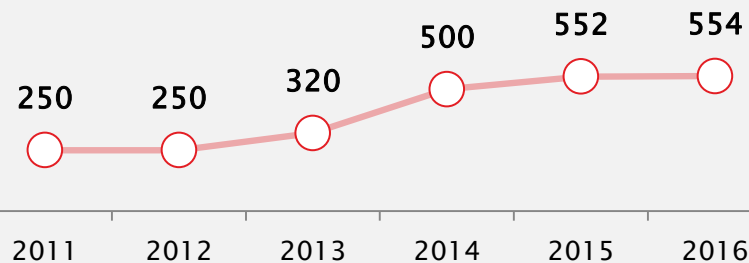
Augmenting Organic Growth

Increased Product Categories For Wider Product Portfolio And Higher Market Share

Product Categories (Nos.)

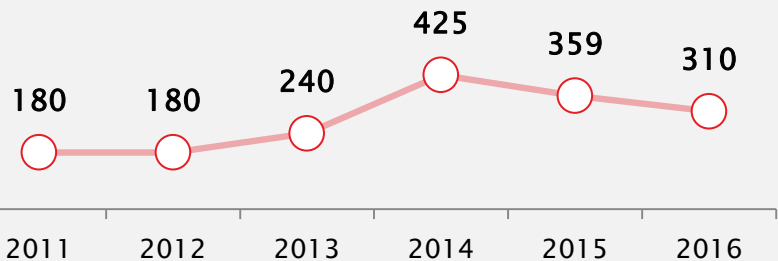


SKUs (Nos.)

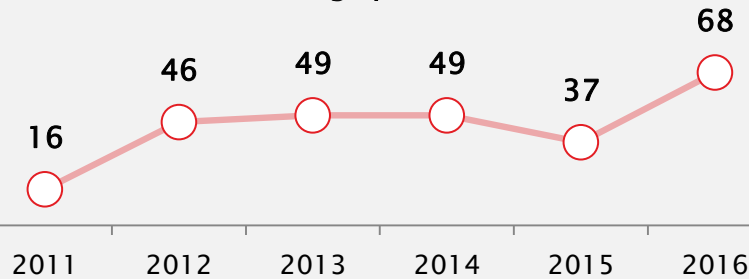


Enhancing Sales and Marketing Efficiency For Better Penetration And Brand Development

Sales Team (Personnel)



Marketing Spend (Rs. Cr)



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

Key Focus Areas

- Optimize investment on expansion of distribution network and brand building activities
- Continued focus on enhanced working capital position
- Inventory de-stocking efforts undertaken by the Company are nearly complete and is expected to further boost efficiency and cash flow, while also improving the health of the balance sheet
- Maximizing cost efficiencies at all levels of operations
- Long-term growth in primary sales to accrue from the various strategic initiatives undertaken by the Company
- To launch several innovative and ergonomic kitchen and domestic electrical appliances – world class products with immaculate design and added utility features developed through in-house R&D
- To further improve perception of product quality synonymous with the “BUTTERFLY” brand



2

Financial Overview

Abridged Balance Sheet

Rs. crore

Sources of Funds	FY 2013	FY 2014	FY 2015	FY 2016	H1FY16	H1FY17
a) Shareholders' Funds	201.3	223.7	225.6	238.1	236.4	226.7
b) Non-current Liabilities (NCL)	12.7	21.4	77.0	52.8	64.1	82.0
- Long-term Borrowings	6.4	14.3	68.3	43.4	54.9	74.3
- Other NCL	6.3	7.2	8.7	9.4	9.2	7.7
c) Current Liabilities (CL)	327.6	427.5	266.3	266.3	466.4	237.6
- Short-term Borrowings	37.1	171.3	106.3	148.8	165.6	90.9
- Trade Payables	220.4	207.2	118.3	105.0	236.8	98.1
- Other CL	70.1	49.0	41.7	42.5	64.0	48.6
Total	541.6	672.7	568.9	587.2	766.9	546.3
Net Debt – Equity Ratio	0.0	0.7	0.7	0.8	0.9	0.7

Decrease in current liabilities mainly due to completion of Govt. orders

Abridged Balance Sheet

Rs. crore

Application Of Funds	FY 2013	FY 2014	FY 2015	FY 2016	H1FY16	H1FY17
a) Non-current Assets	105.3	164.0	175.4	173.6	174.5	172.8
a) Current Assets	436.3	508.7	393.5	413.6	592.4	373.5
- Inventories	158.8	167.2	168.9	123.8	157.1	127.2
- Trade Receivables	195.5	279.3	192.9	257.4	396.7	219.0
- Cash & cash equivalents	46.3	20.0	15.4	13.4	17.9	5.9
- Others	35.7	42.1	16.3	19.0	20.7	21.5
Total	541.6	672.7	569.2	587.2	766.9	546.3
Gross Revenues	807.0	838.9	577.2	994.6	601.1	264.2
Working Capital	134.5	240.0	242.1	276.2	317.0	248.1
Working Capital Days	60	103	151	100	95	169
Inventory Days*	71	72	105	45	47	87
Debtors Days*	87	120	120	93	119	149
Creditors Days*	98	89	74	38	71	67

Decrease in Receivables due to completion of Govt. order and collection of majority outstanding of the same

The total debtors includes Rs. 71 crores of Govt. debtors

Excluding the Government debtors, the debtor days stands at 101 days for H1 FY17 compared to 98 days in H1 FY16

- Calculation of Working Capital Ratios based on Gross Revenue
- Based on year end values (Not average values)
- Working capital days= (Inventory + Debtor - Creditor) Days
- Days calculated on the basis of 360 days (yearly) and 180 days (half-yearly)

Abridged Profit & Loss Statement

Rs. crore

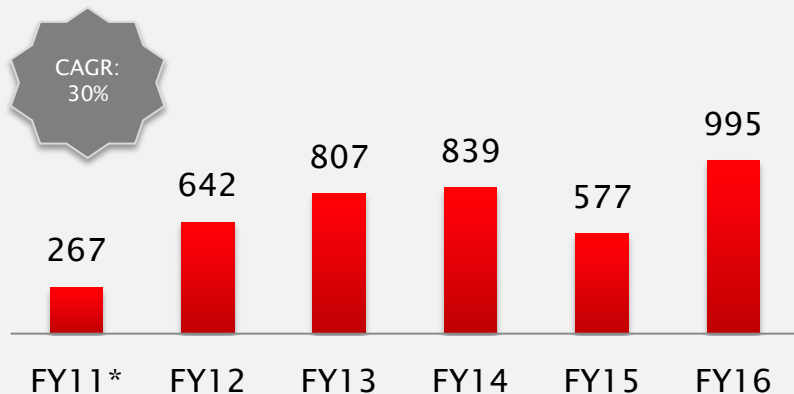
Particulars	FY 2013	FY 2014	FY 2015	FY 2016	H1 FY16	H1 FY17
Total Net Revenues (Incl. OI)	730.5	770.7	533.3	906.3	547.8	239.6
- Branded Net Revenues	390.6	460.8	447.5	468.2	255.2	237.9
- Government Net Revenues	338.0	308.2	84.3	432.7	289.4	-
- Other Income	1.9	1.85	1.5	5.4	3.2	1.7
Material Cost	491.2	520.2	317.5	621.9	391.6	143.5
- Cost of Materials Consumed	444.1	483.6	248.3	566.6	352.9	109.5
- Purchases of Stock-in-Trade	73.5	85.3	65.3	31.5	18.4	33.3
- Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(26.4)	(48.7)	3.9	23.8	20.3	0.7
Gross Profit	239.3	250.5	215.8	284.4	156.2	96.1
Gross Margin (%)	33%	33%	40%	31%	29%	40%
Employee Expenses	51.6	60.8	60.3	61.3	31.1	25.4
Other Expenses	119.8	128.2	111.5	157.9	86.9	61.1
EBITDA	67.9	61.5	44.0	65.2	38.2	9.7
EBITDA Margin (%)	9%	8%	8%	7%	7%	4%
Depreciation	4.0	5.1	10.2	11.5	5.7	5.8
Finance Cost	15.3	22.1	29.6	34.5	16.5	12.5
Profit Before Tax	48.6	34.3	4.2	19.1	16.0	-8.6

Increase in Gross profit mainly due to absence of Govt. order sales

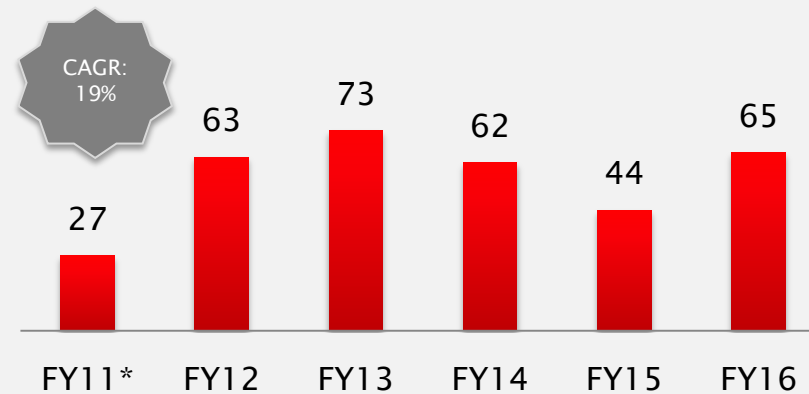
Decrease in profit mainly due to reduced contribution from the institution channel sales and increase in finance cost arising from late collection of Govt. receivable

Performance Track Record – Annualized

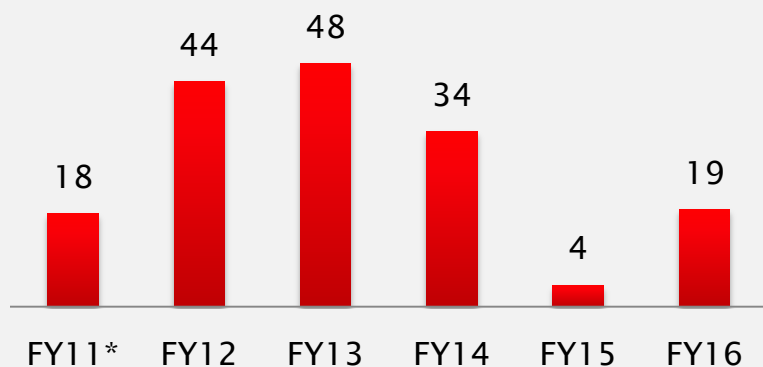
Total Revenue (Rs crore)



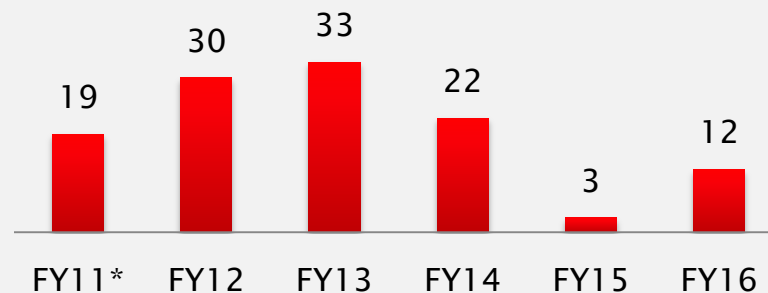
EBITDA (Rs crore)



Profit Before Tax (Rs crore)



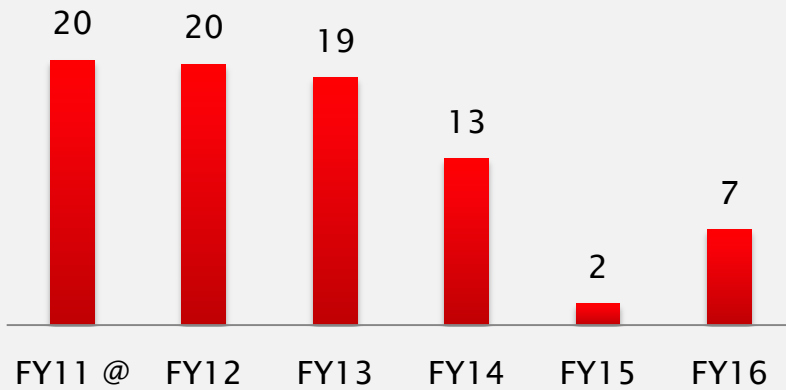
Profit After Tax (Rs crore)



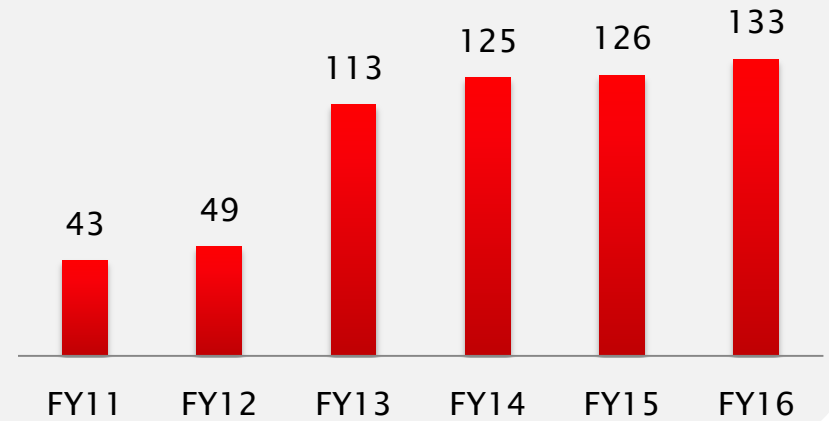
NOTE : * FY11 was for period of 9 months ended on 31.03.2011. The figures above represent the annualized numbers in order to facilitate a comparison.

Key Financials

Earning Per Share (Rs) – Annualized

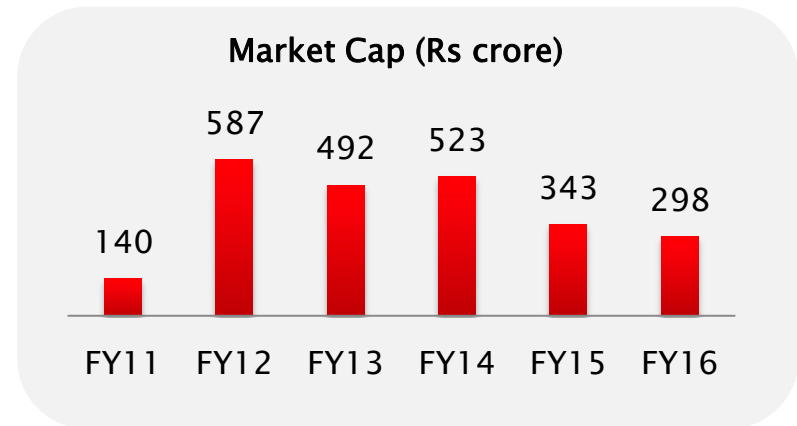
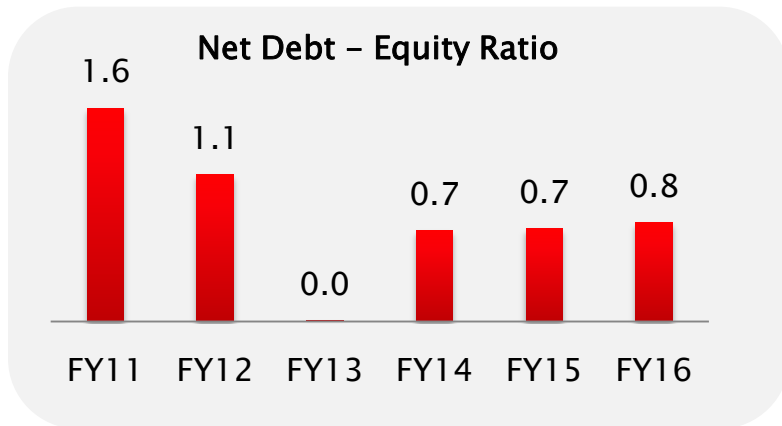
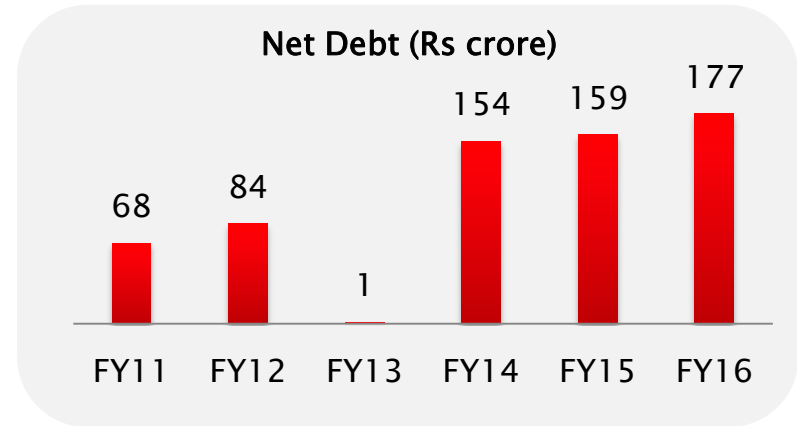
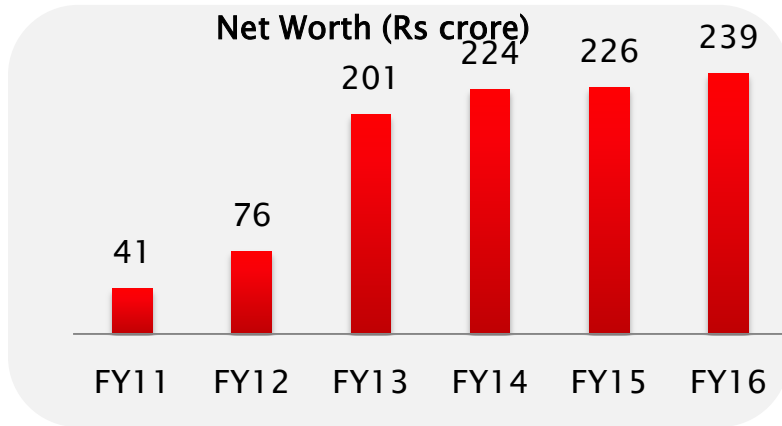


Book value per share (Rs)



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

Key Financials



- *Increase in Net debt in FY2016 is mainly due to the funding for Govt. orders in FY16



3

Product Launches in H1FY17

Products Launched in H1 FY17

56 new SKU's launched

Built-in Hobs category launched with
4 SKU's

New Products Launched in H1 FY17

Mixer Grinder – ‘Spectra’ Range



Features:

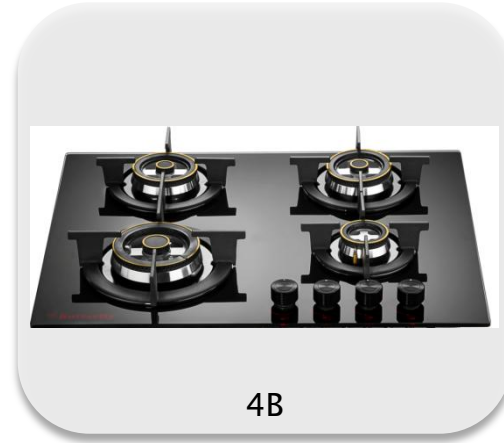
- Present in 3 color variants – Red, Green and Black
- Overlapping jar with wider jar base
- Easy to clean
- New bayonet system
- Space saving & stackable jars
- More sturdy and appealing Drive (backward compatible)
- Protective Cap with measuring cup
- Micro-switch for additional safety

New Products Launched in H1 FY17

Built-in-Hobs



3B



4B

Features:

- Four models BHA -A 3B01 – 3 Burner, BHA- A 3B01 F – 3Burner, BHA - A 4B01 – 4 Burner, BHA - A4B01 F – 4 Burner
- Auto-ignition feature
- 3 ring burner
- Flame Failure Device
- Cast iron mixing tube
- Easy grip knob and easy to clean facility

New Products Launched in H1 FY17

Chimney – ‘Matchless’, ‘Splendid’ and ‘Rhino Plus’ Range



Matchless



Splendid



Rhino Plus

Features:

- Size 60CM,
- Suction capacity: 1200M³/Hr (Matchless), 1000M³/Hr (Splendid), 700M³/Hr (Rhino Plus)
- 3 speed push button
- Normal lamp 2* 40W (Except Matchless)
- Oil collector
- LCD Display, 2*1.5 W LED lamp, Glass lining, Remote control, Gas sensor, Auto Clean (only in Matchless)

New Products Launched in H1 FY17

Glass Top Stoves – ‘Prism’, ‘Signature’ and ‘Spectra’ Range



Prism



Signature



Spectra

Features:

- Extra durable toughened glass
- Heat resistant reinforced polymer legs and flame retardant front panel
- Smart lock pan support for easy fitment
- Leak proof stainless steel spill trays
- High thermal efficiency brass burners
- Long lasting enamel coated pan stands
- Ergonomically designed ABS knobs

New Products Launched in H1 FY17

Glass Top Stoves – ‘Grand’, ‘Jet’, ‘Reflection Plus’ Range



Grand



Jet



Reflection Plus

Features:

- Thick toughened glass
- Detachable spill tray
- Enamel pan stand

New Products Launched in H1 FY17

SS LPG Stoves – ‘DLX-60’, ‘Acme’ and ‘Nitro’ Range



DLX-60



Acme



Nitro

Features:

- Specially launched to cater to PM Ujjwala Yojana Scheme – Institution channel
- Long lasting SS body
- Thermal efficient brass burners

New Products Launched in H1 FY17

Electric Rice Cooker – ‘Streak’, ‘Aura’ and ‘Iris’ Range



Streak



Aura



Iris

Features:

- Size 60CM,
- Suction capacity: 1200M³/Hr (Matchless), 1000M³/Hr (Splendid), 700M³/Hr (Rhino Plus)
- 3 speed push button
- Normal lamp 2* 40W (Except Matchless)
- Oil collector
- LCD Display, 2*1.5 W LED lamp, Glass lining, Remote control, Gas sensor, Auto Clean (only in Matchless)

New Products Launched in H1 FY17

Non-Stick Cookware – ‘Raga’ Range Electric Kettle – ‘ST5510’ Range Washer – ‘7000S’ and ‘7000G’ Range Air Cooler – ‘Desert +’ Range



Raga Appachatty



Raga Omni Tawa



Electric Kettle – ST5510



Washer – 7000S



Washer – 7000G

Washer – Features:

- Rust-free cabinet
- Large body and capacity
- High Motor power
- Dynamic designed Pulsator

New Products Launched in H1 FY17

Power Hob – ‘Jet’ Range



Features:

- Bigger in size
- 1600 Watts
- 5 Indian cooking menus
- Push Button control
- Auto Timer Settings
- Over heating protection function



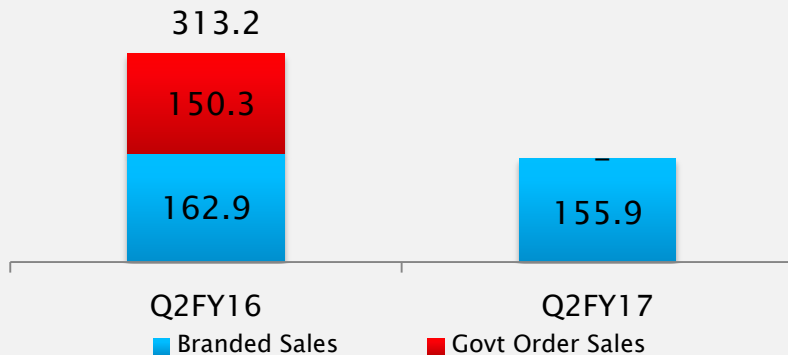
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Q2 & H1 FY17 Operating Performance & Highlights

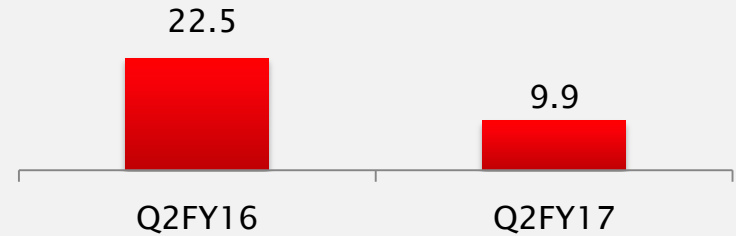


Q2 FY17 – Performance highlights

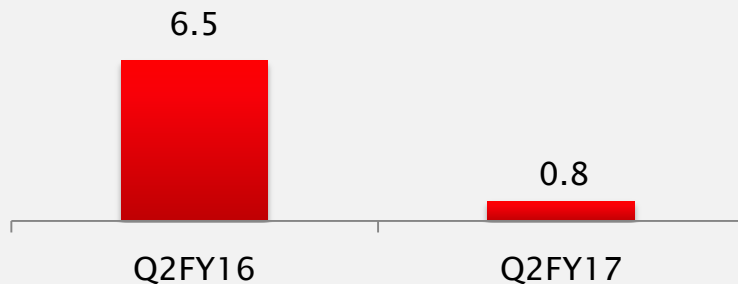
Total Income (Net) (Rs. crore)



EBITDA (Rs. crore)



PAT (Rs crore)

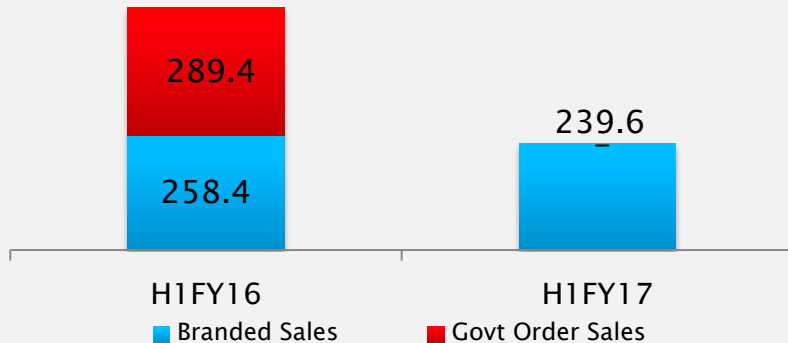


- Total Income (Net) during Q2 FY17 stood at Rs. 155.9 crore, as against 313.2 crore in Q2 FY16
 - Branded sales was lower by 4.3% on a Y-o-Y basis mainly due to fall in institution sales
 - Branded Retail sales grew by a phenomenal 31%
 - No Govt. Sales contribution in this quarter
- PAT stood at Rs. 0.8 crore in Q2 FY17

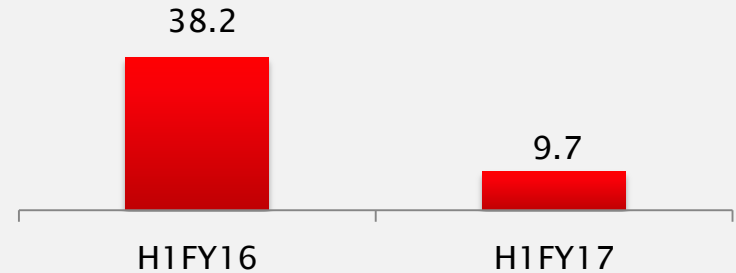
Detailed Performance Overview discussed on Slide 38

H1 FY17 – Performance highlights

Total Income (Net) (Rs. crore)
547.8



EBITDA (Rs. crore)



PAT (Rs crore)



- Total Income (Net) during H1 FY17 stood at Rs. 239.6 crore, as against 547.8 crore in H1 FY16
 - Branded sales was lower by 7.3% on a Y-o-Y basis mainly due to fall in institution sales
 - Branded Retail sales grew by an impressive 25%
 - No Govt. Sales contribution in this period
- PAT stood at Rs. -8.6 crore in H1 FY17

Detailed Performance Overview discussed on Slide 38

Performance Overview for Q2 & H1 FY17

- Branded Net Sales during the quarter was lower by 4.3% on a Y-o-Y basis (half yearly sales was lower by 7.3%) due to the short term drag of the institution channel sale
- Retail sales during the quarter witnessed a positive growth on a Y-o-Y basis aided by buoyant festive sales and new model launches
- We launched 57 new SKU's in H1 FY17
- Institution sale was impacted because of lower connection release by Oil Companies. PM Ujjwala Yojana (PMUY) Scheme is expected to provide LPG connections to over 5 crore household below poverty line in the next 3 years. This will off-set the drop in current quarter sale in the up-coming quarters

- *The Company has already undertaken initiatives like new market consolidation, focus on products with value added features, entry into modern retail and ecommerce business formats , focus on Export business and enhanced Marketing & Brand Awareness Activities, which are expected to gain renewed momentum in performance in the upcoming quarters*
- *The Company continues to leverage its strength and position in the Southern markets, while also ensuring optimization of its pan-India expansion strategy*
- *Continued resilient focus on accomplishing Company's long-term secular growth objectives*

Product Categories

Kitchen Appliances

- LPG Stove
- Mixer Grinder
- Table Top Wet Grinder
- Electric Chimney
- Hand Blender
- Induction Cooktop
- Electric Kettle
- Juicer
- Juicer Mixer Grinder
- Slice Toaster
- Sandwich Maker

Cookers/Cookware

- Pressure Cooker
- Non-Stick Cookware
- Electric Rice Cooker

Others

- Air Cooler
- Water Heater (Geyser)
- Other Trading Goods
- Electric Iron

Key Highlights

Branded Gross Sales (including excise)

(Rs crore)

Product	Q2 FY17	Q2 FY16	Q1 FY17	Y-o-Y Growth	Q-o-Q Growth
Branded Market					
Kitchen Appliances	138.2	133.5	69.5	4.7%	68.7%
Cooker/Cookware	29.9	26.0	14.7	3.9%	15.2%
Others	4.2	-	7.7	-	-3.5%
Total-Branded	172.3	159.5	91.9	12.8%	80.4%
Others (Components / Spares)	-	19.1	-	-	-
Grand Total	172.3	178.6	91.9	-6.3%	80.4%

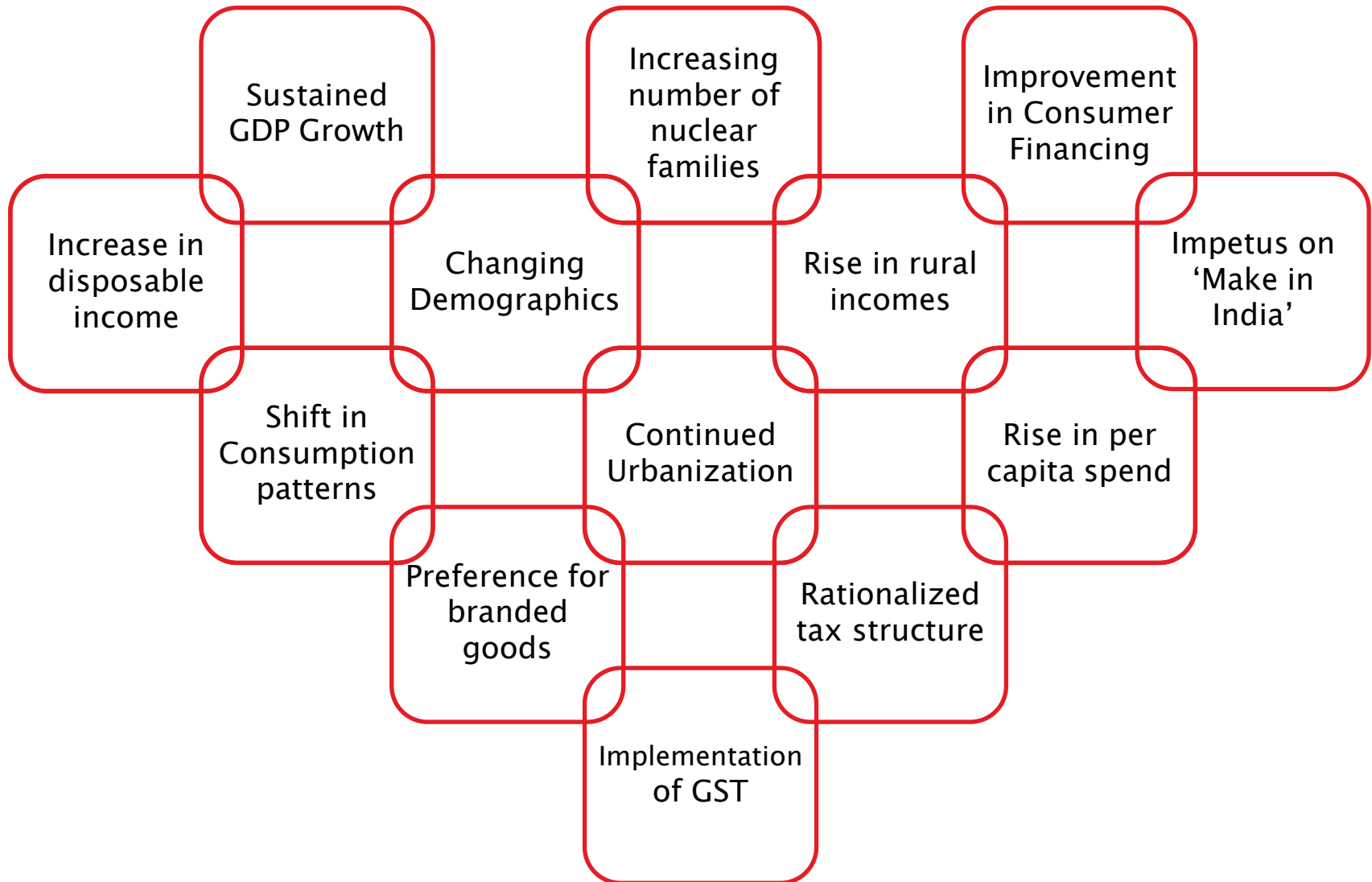
- The Retail market demand was subdued for most part of the previous year. But, it has showed good improvement registering a positive 31% growth in the current quarter on a Y-o-Y basis
- Fall in Institutional sales due to lower connections being released by Oil Companies had an impact on the overall sales for the quarter. This was a temporary phenomenon only and demand has already improving in second quarter, especially in Non-south markets



5

Outlook

Industry Growth Drivers



Attractive Growth Prospects



Improved Distribution & Sustained Presence

- Currently concentrated in South India which represents over 80% of Branded sales
- Have already extended distribution set-up to western India, increasing maturity is driving sales momentum
- Scaling up distribution network in Central, North & East India
- Pan-India presence being augmented leading to improved market penetration



New Product Pipeline

- Revenues currently dominated by 6 key products
- Total offerings now at more than 20 product categories
- Enhancing product options for mass market as well as premium category



Capacity Expansion

- Planned enhancement of capacity for Pressure Cookers, LPG Stoves and Mixer Grinders has been completed
- Capacity expansion will meet projected medium term growth



Enhanced Marketing & Brand Awareness Activities

- Have launched strong advertisement and brand awareness campaign
- Across multiple media such as newspaper, magazines, television and web
- Investments in advertising & marketing was Rs. 68 crore in FY16
- Advertising and marketing activities will help to leverage the enhanced distribution network and wider market reach

Outlook

CATEGORY	H1 FY17 CONTRIBUTION	MARKET ENVIRONMENT	OUTLOOK
Retail Channel Sales	85–90% of Branded Sales in Q1 FY17	<ul style="list-style-type: none"> The market scenario was comparatively improved, especially in Southern markets New model launches coupled with buoyant festive season aided the growth in this channel 	Retail channel demand rebounded in current quarter and is expected to be positive in the coming quarters as well
Institutional Channel Sales	10–15% of Branded Sales in Q1FY17	<ul style="list-style-type: none"> New LPG connections release got delayed, which impacted sale during the quarter Non–South markets have started getting traction post the new scheme launch 	Consumer demand is expected to improve in the coming quarters
TOTAL BRANDED SALES	Rs. 264 crore		
GROSS REVENUES	Rs. 264 crore		

Thank you
