BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

November 1, 2018

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 second quarter ended on 30.09.2018

With reference to the above, we have uploaded the Company's Investor Presentation converting into Machine Readable as per BSE circular on 31.10.2018.

When we opened it in the website of BSE, in most of the pages it is not correctly converted. Hence, we once again uploading the Investor Presentation, 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 : gmal@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

Q2 FY19

www.butterflyindia.com

Safe Harbour

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

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. Murugesa 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

Butterfly®

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

Initiatives	Impact
Wider Product Offering	○ Fresh growth avenues in existing markets ○ Accelerated growth opportunity in new markets
Geographical Expansion	○ Addressable market increases manifold ○ Wider National footprint
Premium Products	○ Expansion in blended margins ○ Attracts new categories of customers
Capacity Expansion	○ Poised to address growth in demand arising from selling & marketing initiatives and geographic expansion

Overview Milestones

1986
- Year of Incorporation
- Imported machinery to set up manufacturing operations
- First to launch Stainless Steel Pressure Cookers in India
- Launched LPG Stoves

1989
- First to Launch Stainless Steel Vacuum Flasks in India
- Launched Mixer Grinders

1992
- Invented Brazing Machine with In-house Technology which replaced the hazardous copper plating process for Pressure Cooker/Utensils - successful indigenous substitution for imported technology

1994
- Listed on BSE

1998
- Awarded patent for 3 conical stone Table Top Wet Grinder

1999
- First in India to be awarded ISO 9000 certification for its LPG Stoves and Mixer Grinders
- Launched proprietary 3 conical stone grinding technology

2000
- Commenced exports to USA, UK, Canada, Mauritius, Australia & Japan

2002
- Awarded ISO 9000 certification for Table Top Wet Grinder

2005
- First in India to receive „GREEN LABEL" Certification for high thermal efficient LPG Stoves

2011
- Bagged the first TNCSC order of Rs. 285 crore for manufacturing of Table Top Wet Grinder and Mixer Grinders - Highest in the organized sector
- Name changed to Butterfly Gandhimathi Appliances Ltd from Gandhimathi Appliances Ltd

2012
- Preferential Issue to Reliance PE - raised Rs. 100 crore of growth capital
- Net sales crossed Rs. 500 crore - growth of 140% over the previous fiscal
- Established a branch office in the United Kingdom to oversee and promote exports in the region

2014
- Launched 4 new Product Categories
- Added 60 SKUs to product range
- Enhanced Pan-India presence to include all 28 states
- Acquired a division from Associate Company LLM Appliances

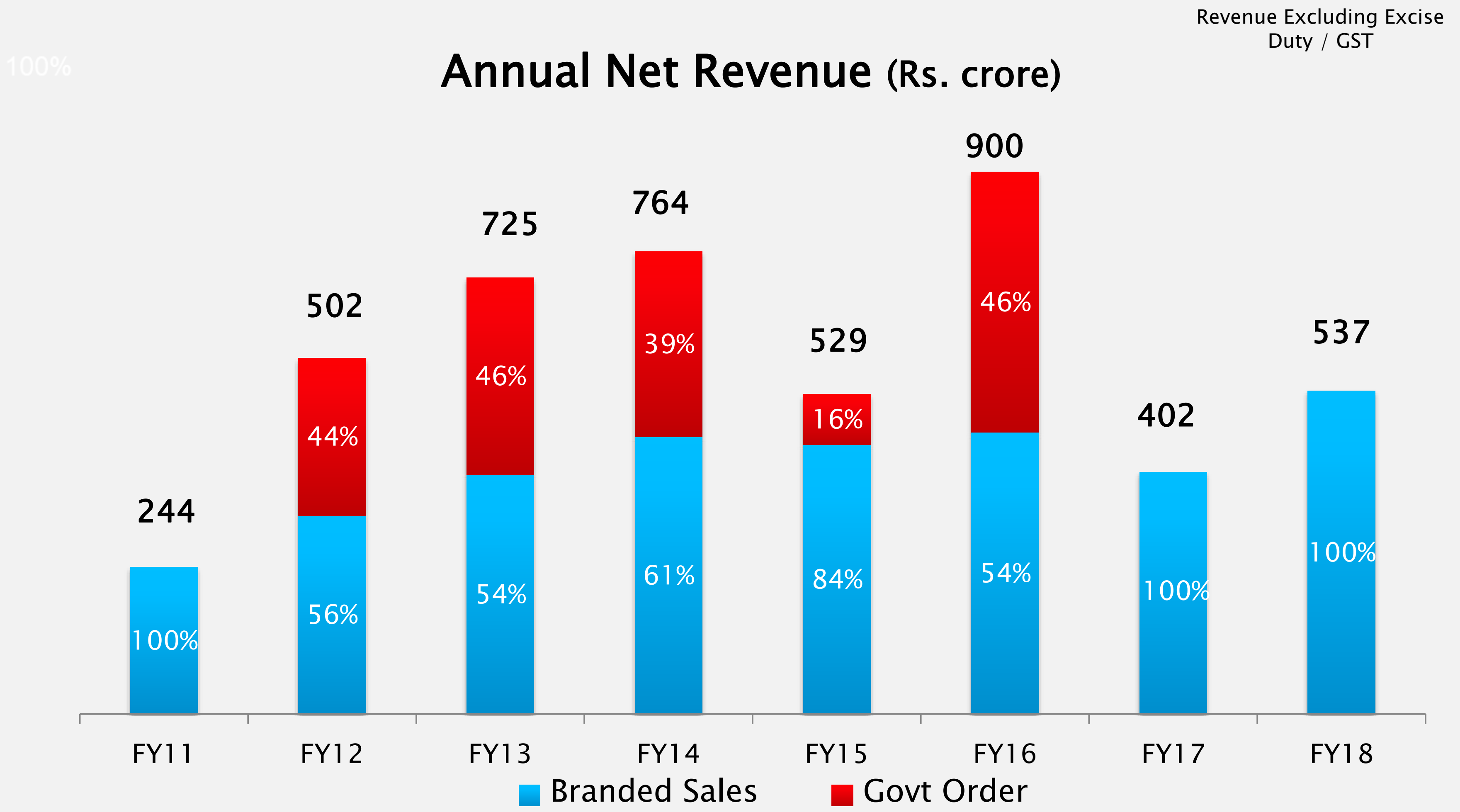
2015
- Bagged the TNCSC order for the 4th consecutive year - latest order amounting to Rs. 510 crore for manufacturing of TTWGs
- Won order for Rs. 90 crores from Pondicherry Co-op Wholesale Stores to supply TTWGs and mixer grinders

2016
- First in India to be awarded "BEE Label with 2 star rating" for manufacture of LPG stoves
- Successful completion of both TNCSC and Pondicherry Co-op Wholesale Stores orders

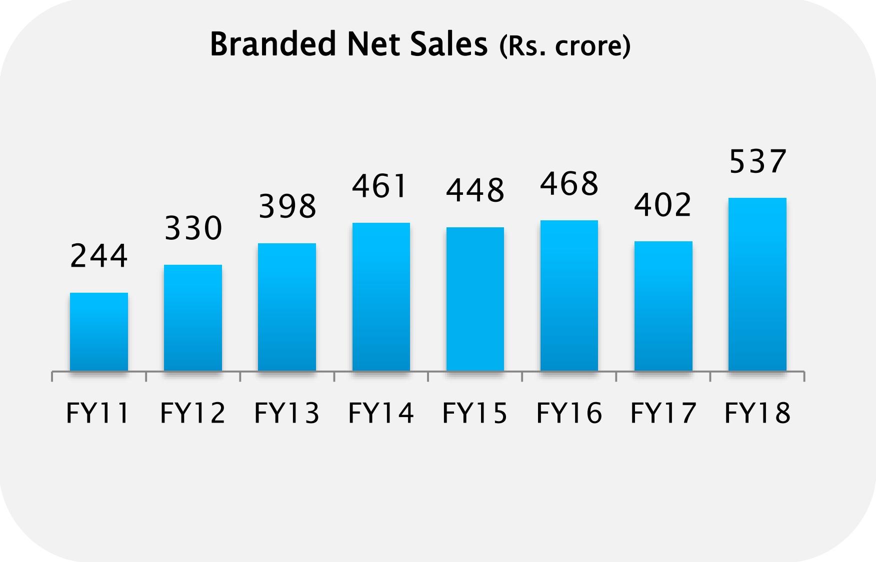
2018
- Re-Launch of Stainless Steel Vacuum Flasks
- Registered with Alternate Channel like Canteen Stores Dept (CSD).,, TNPC (Tamilnadu Police Cateen), Online etc

Butterfly®

Revenue Profile



Branded Retail Sales

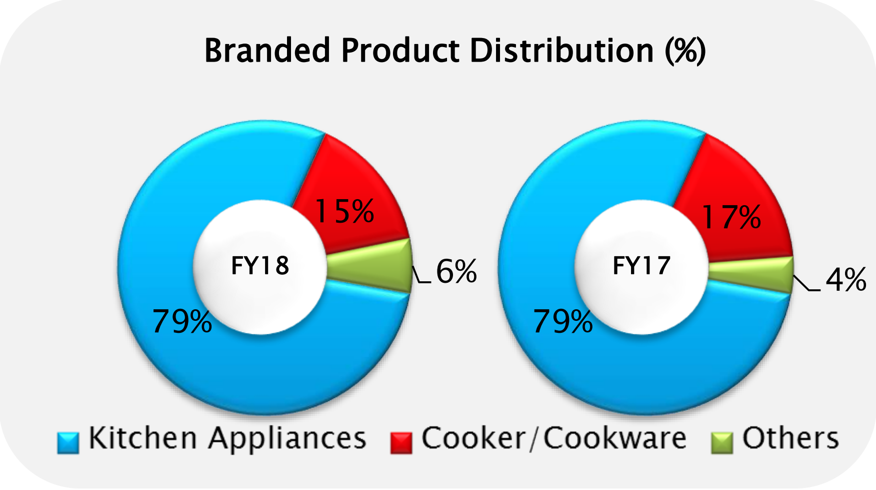


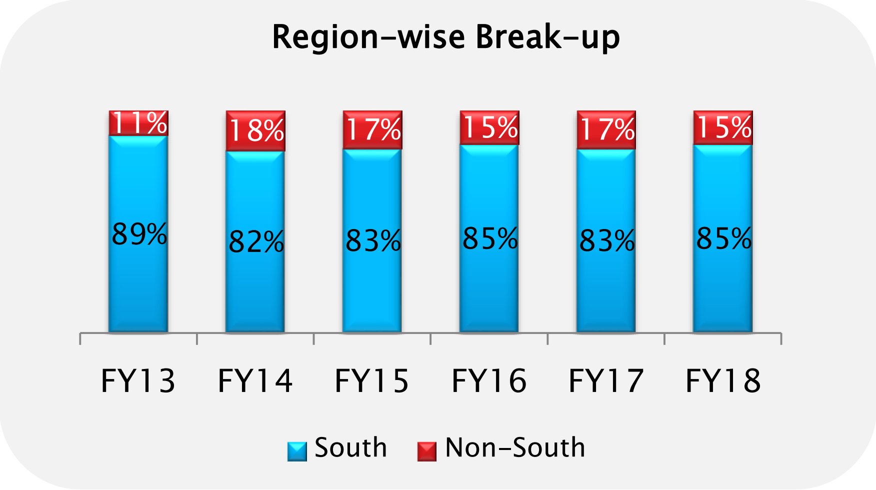
Through Institutions

- 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

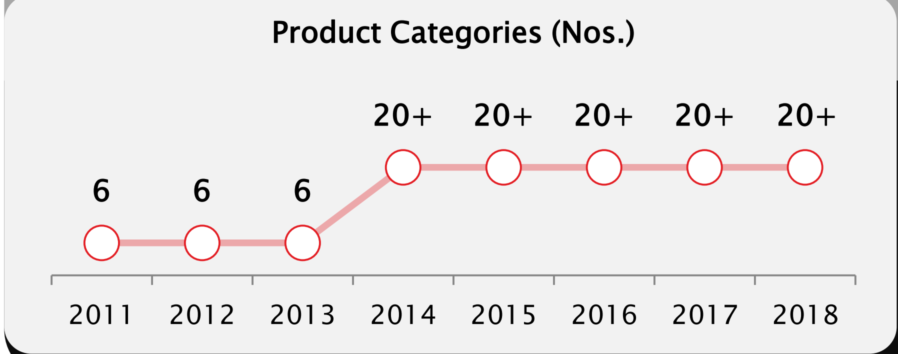
- Network of 550+ exclusive distributors
- Distributors supply to dealer network which is customer facing
- Tie-up with Modern Trade, CSD, CPC, TNPC etc.
- 22000+ retail points across the Indian map

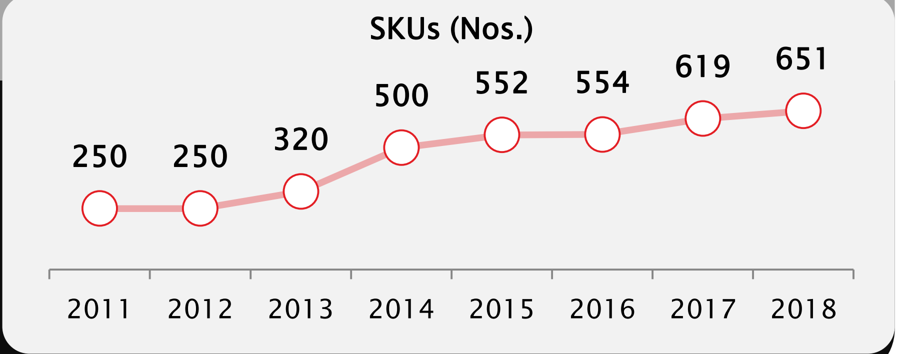




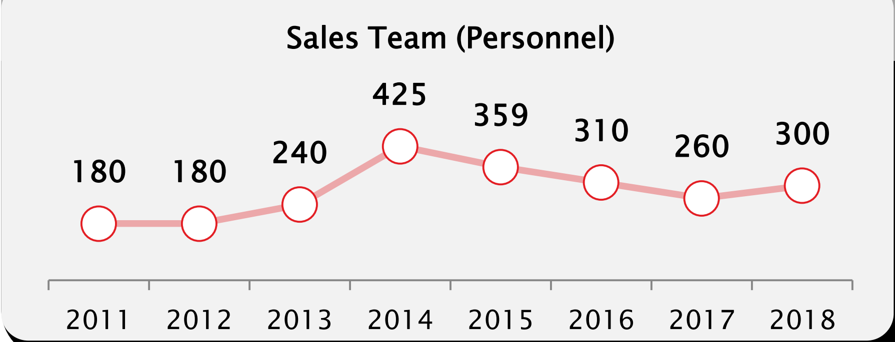
Augmenting Organic Growth

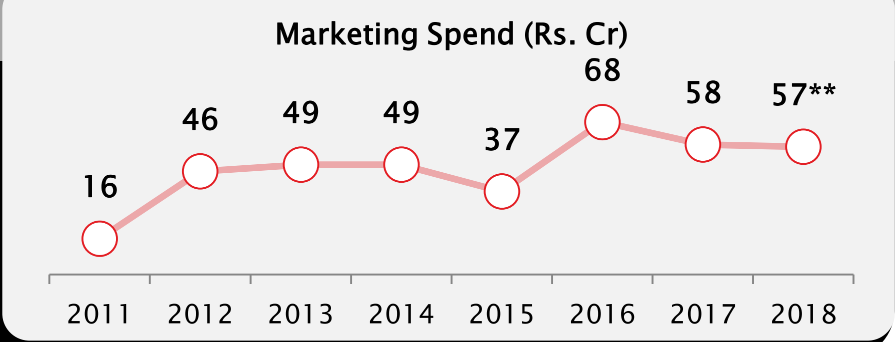
Increased Product Categories For Wider Product Portfolio And Higher Market Share





Enhancing Sales and Marketing Efficiency For Better Penetration And Brand Development





** 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

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

Hand Blender – HBE-17

Hand Mixer – Swril 400

Hand Mixer Jazz 300

Hand Mixer Swing 300

NEW PRODUCT LAUNCHES – Slice Toasters, Sandwich Maker and Electric Kettle

Slice Toaster BSTE-17-18

Slice Toaster – BSTP 17-18

Sandwich Maker BSWR17

Sandwich Maker BSWG17

Water Kettle – EKN 1.5

Electric Kettles – Wave 1.2

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

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Financial Overview

Abridged Profit & Loss Statement

Rs. crore

Particulars	FY 2015	FY 2016	FY 2017	FY 2017 * Ind-AS	FY 2018 * Ind-AS	H1 FY18* Ind-As	H1 FY19* Ind-As
Total Net Revenues (Incl. OI)	**533.3**	**906.3**	**405.5**	**406.6**	**542.1**	**288.7**	**342.4**
- Branded Net Revenues	*447.5*	*468.2*	*402.3*	*404.9*	*540.5*	288.3	341.7
- Government Net Revenues	*84.3*	*432.7*	-	-	-	-	-
- Other Income	*1.5*	*5.4*	*3.2*	*1.7*	*1.6*	0.4	0.6
Material Cost	**317.5**	**621.9**	**251.7**	**247.3**	**315.2**	**171.5**	**204.7**
- Cost of Materials Consumed	*248.3*	*566.6*	*145.9*	*149.1*	*218.7*	112.2	166.8
- Purchases of Stock-in-Trade	*65.3*	*31.5*	*49*	*78.8*	*106.4*	57.5	46.3
- Changes in Inventories of Finished Goods , Work-in-Progress and Stock-in-Trade	*3.9*	*23.8*	*1*	*19.4*	*-9.9*	1.7	-8.4
Gross Profit	**215.8**	**284.4**	**153.8**	**159.3**	**226.9**	**117.2**	**137.7**
Gross Margin (%)	*40%*	*31%*	*38%*	*39%*	*42%*	40.6%	40.2%
Employee Expenses	60.3	61.3	50	50.4	57.3	27.5	36.1
Other Expenses	111.5	157.9	127.5	126.9	133.2	74.1	74.7
EBITDA	**44**	**65.2**	**-23.7**	**-18**	**36.3**	**15.6**	**26.9**
EBITDA Margin (%)	*8%*	*7%*	*-3%*	*-4%*	*7%*	5.4%	7.9%
Depreciation	10.2	11.5	11.6	11.6	12.4	6.1	6.5
Finance Cost	29.6	34.5	21.2	23.3	18.1	7.3	11.1
Profit Before Tax	**4.2**	**19.1**	**-56.6**	**-53.1**	**5.8**	**2.3**	**9.4**

The Revenue has grown by 18% 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

EBIDTA increased 2.5% due to operating leverage

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

Abridged Balance Sheet

- Rs. crore

Sources of Funds	FY 2015	FY 2016	FY 2017	FY 2017**	FY 2018**	H1 FY18	H1 FY19**
a) Shareholders' Funds	225.6	238.1	179.9	175.2	180.2	181.9	187.8
b) Non-current Liabilities (NCL)	77	52.8	68	62.5	45.8	68.1	41.9
- Long-term Borrowings	*68.3*	*43.4*	*60*	*62.5*	*45.8*	64.9	39.2
- Other NCL	*8.7*	*9.4*	*8*	-	-	3.2	2.8
c) Current Liabilities (CL)	266.3	266.3	159.4	180.7	241.6	237.0	271.8
- Short-term Borrowings	*106.3*	*148.8*	*65*	*83.9*	*145.4*	80.4	119.6
- Trade Payables	*118.3*	*105*	*52*	*59.7*	*56.1*	102.9	118.4
- Other CL	*41.7*	*42.5*	*42.4*	*37.1*	*40.1*	53.7	33.8
Total	**568.9**	**587.2**	**407.3**	**418.4**	**467.6**	**487.0**	**501.5**
Net Debt – Equity Ratio	0.7	0.8	0.5	0.91	1.16	0.88	0.90

Long Term Borrowing reduced due to repayment of Term Loan

Abridged Balance Sheet

- Rs. crore

Application Of Funds	FY 2015	FY 2016	FY 2017	FY 2017 **	FY 2018**	H1 FY18**	H1 FY19 **
a) Non-current Assets	175.4	173.6	176.0	177.9	171.6	177.1	171.1
a) Current Assets	393.5	413.6	231.3	240.5	296.0	309.9	330.4
- Inventories	*168.9*	*123.8*	*108.8*	*108.8*	*125.1*	119.2	139.1
- Trade Receivables- TNCSC/PCWS	*84*	*137.46*	*21.8*	*21.8*	*17.3*	17.3	3.8
- Trade Receivables-Branded	*108.9*	*119.96*	*66.2*	*66.2*	*113.3*	141.0	160.2
- Cash & cash equivalents	*15.4*	*13.4*	*28.2*	*31.4*	*22.7*	17.3	6.9
- Others	*16.3*	*19*	*13*	*12.3*	*17.6*	15.1	20.4
Total	**569.2**	**587.2**	**407.3**	**407.3**	**467.6**	**487.0**	**501.5**
Branded Revenue	**447.5**	**468.2**	**402.3**	**402.3**	**537.3**	288.7	342.4
Working Capital Days	**130**	**108**	**112**	**105**	**124**	98	95
Inventory Days*	**138**	**97**	**99**	**99**	**85**	74	73
Debtors Days (branded)	**89**	**94**	**60**	**60**	**77**	88	84
Creditors Days*	**96**	**82**	**47**	**54**	**38**	64	62

Receivables increased, due to higher sales.

Net working capital has decreased compared to Mar-18.

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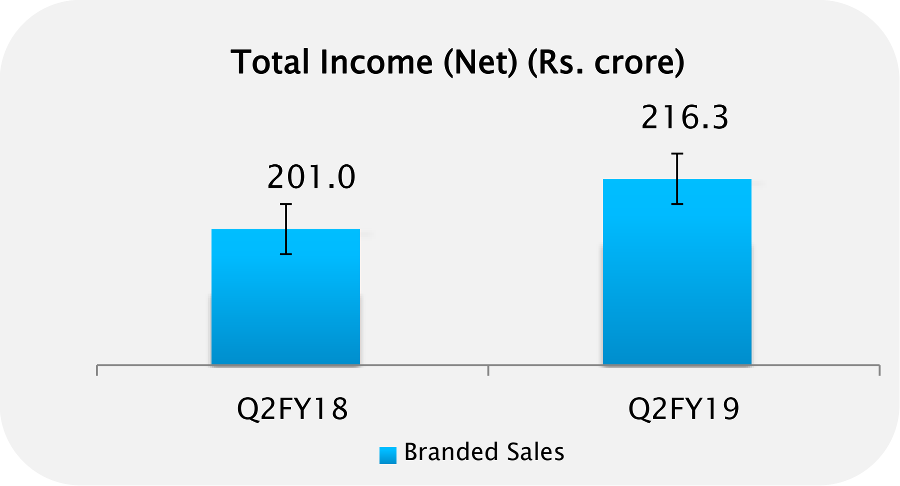
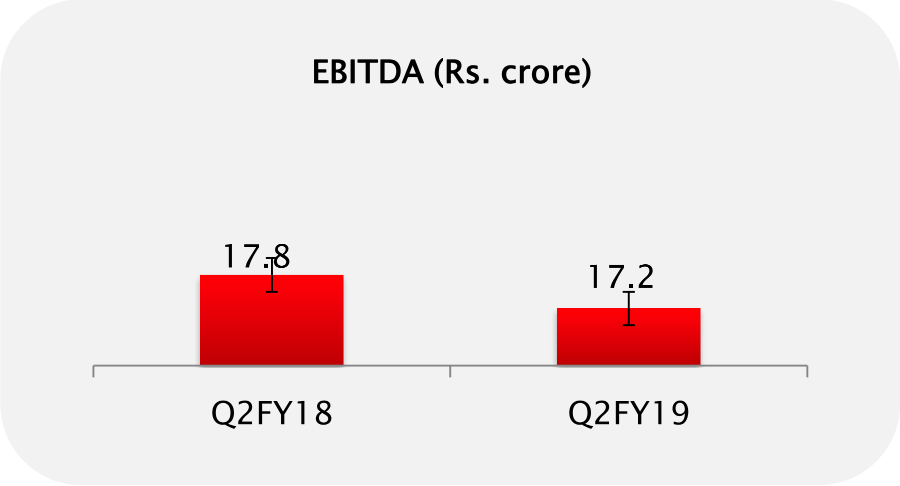
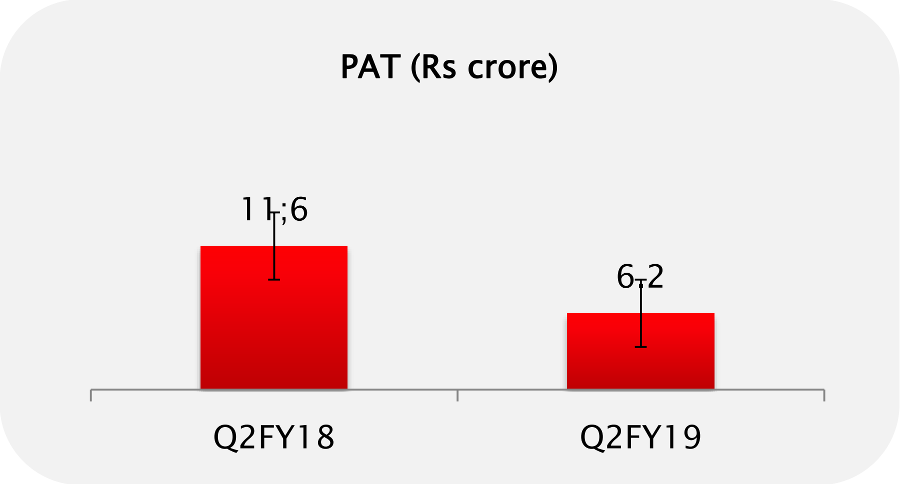
Q2 FY19 Operating Performance & Highlights

Q2 FY19 – Performance highlights







- Total Income (Net) during Q2 FY19 stood at Rs. 216.3 crore, as against Rs.201.0 crore in Q2 FY18
    - Branded sales was higher by 7.6% on a Y-o-Y basis. The growth lower compare to Q2 FY18 because of higher base of last year, due to GST restocking and early festival season.
- PAT stood at Rs. 6.2 cr in Q2 FY19

NOTE : Results are as per Ind-AS standards

Key Highlights

Branded Sales

(Rs crore)

Product	Q2 FY19	Q2 FY18	Q1 F19	Y-o-Y Growth	Q-o-Q Growth
Branded Market					
Kitchen Appliances	175.1	163.3	96.4	7.2%	81.6%
Cooker/Cookware	33.1	30.2	18.5	9.5%	78.8%
Others	8.1	7.5	8.2	7.7%	-1.5%
Grand Total	**216.2**	**201.0**	**123.1**	**7.6%**	**75.7%**

- Overall the branded business grew by 7.6%.

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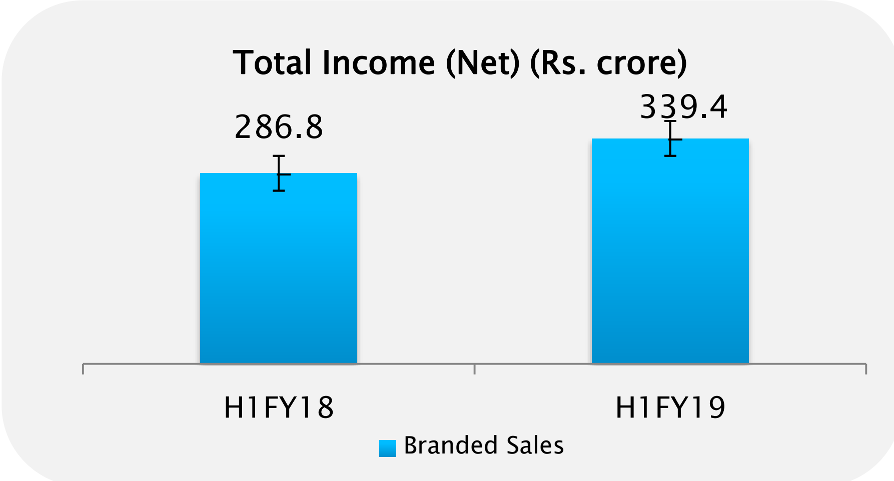
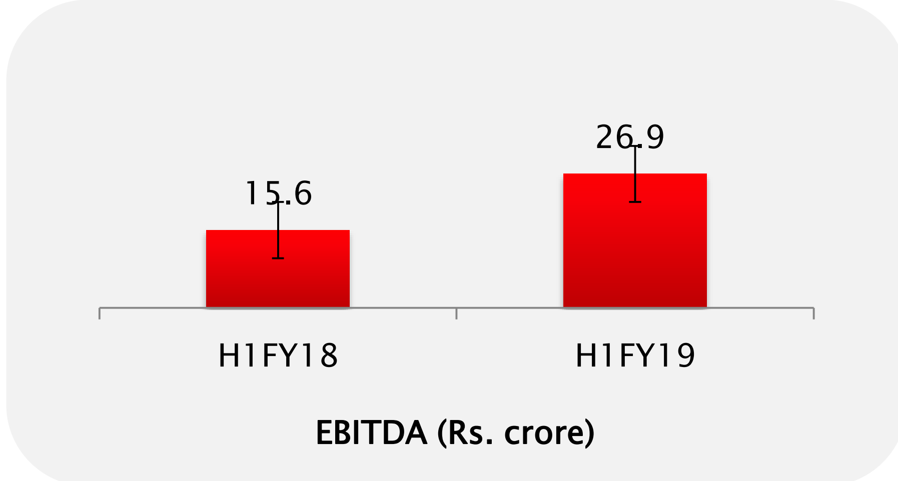
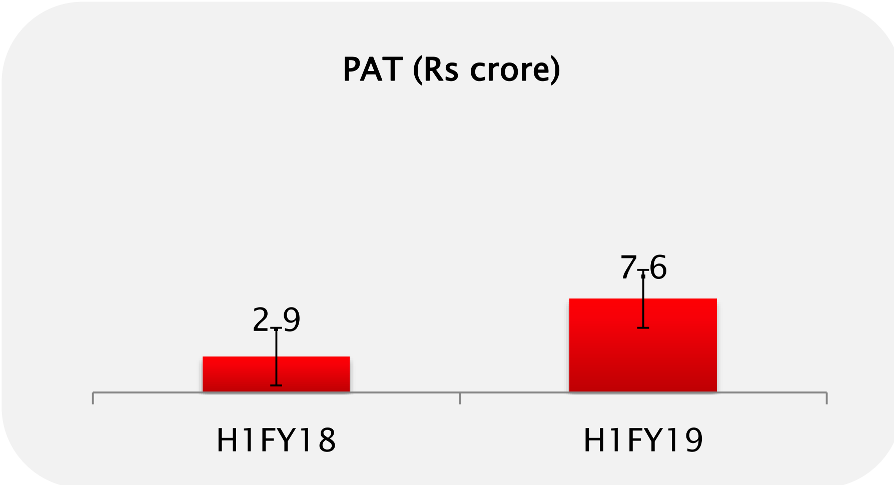
H1 FY19 Operating Performance & Highlights

H2 FY19 – Performance highlights







- Total Income during H1 FY19 stood at Rs.339.4 crore, as against Rs.286.8 crore in H1 FY18
    - Branded sales was higher by 18.3% on a H1 FY19 vs H1 FY18 basis on net of Excise Duty basis
- PAT stood at Rs.7.6 crore in H1 FY19

NOTE : * Results are as per INDAS standards

Key Highlights

Branded Gross Sales

(Rs crore)

Product	H1 FY19	H1 FY18	Y-o-Y Growth
Branded Market			
Kitchen Appliances	270.7	240.2	12.7%
Cooker/Cookware	51.6	42.3	22.0%
Others	17.1	13.1	30.5%
Grand Total	**339.4**	**295.6**	**14.8%**
Less: Excise Duty		8.8	
Grand Total	**339.4**	**286.8**	**18.3%**

- Overall the company had a very good half year 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 20%.**

Thank you

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