

BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

August 7, 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,
Sandra (E),
Mumbai - 400 051
Scrip: BUTTERFLY

Dear Sir,

Butterfly Gandhimathi Appliances Limited - Results presentation for the first quarter ended on 30.06.2018

Enclosed please find the Company's Performance/Results presentation for the first quarter ended on 30.6.2018, which may please be uploaded on the website for information of our investors.

Thanking you,

Yours faithfully,
For Butterfly Gandhimathi Appliances Limited

k-
Company Secretary &
General Manager (Legal)

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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.
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BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

RESULTS PRESENTATION

Q1 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 Financial Overview

3 Q1 FY19 Operating Performance & Highlights

4 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

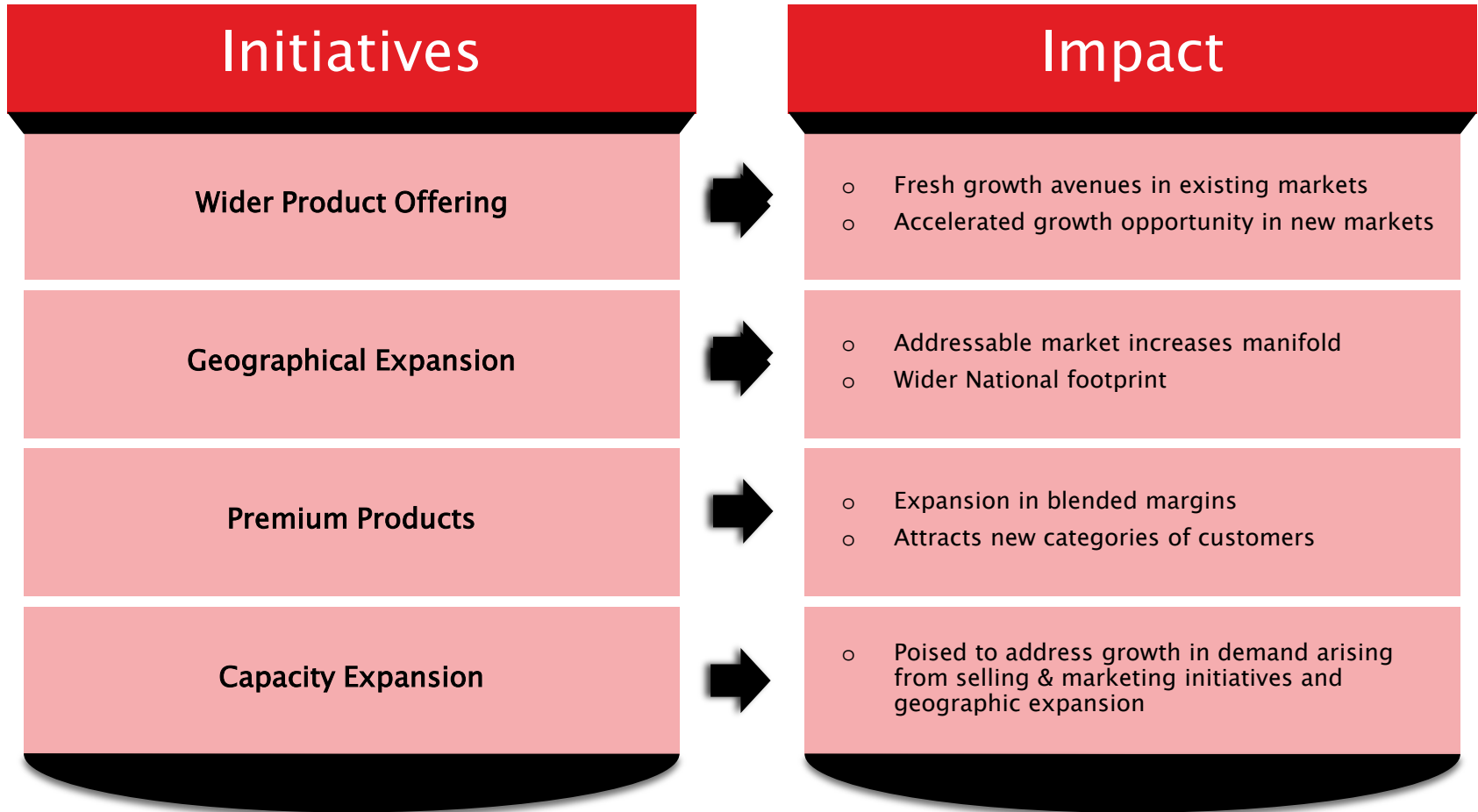
33.5%

REVENUE GROWTH
OVER FY18

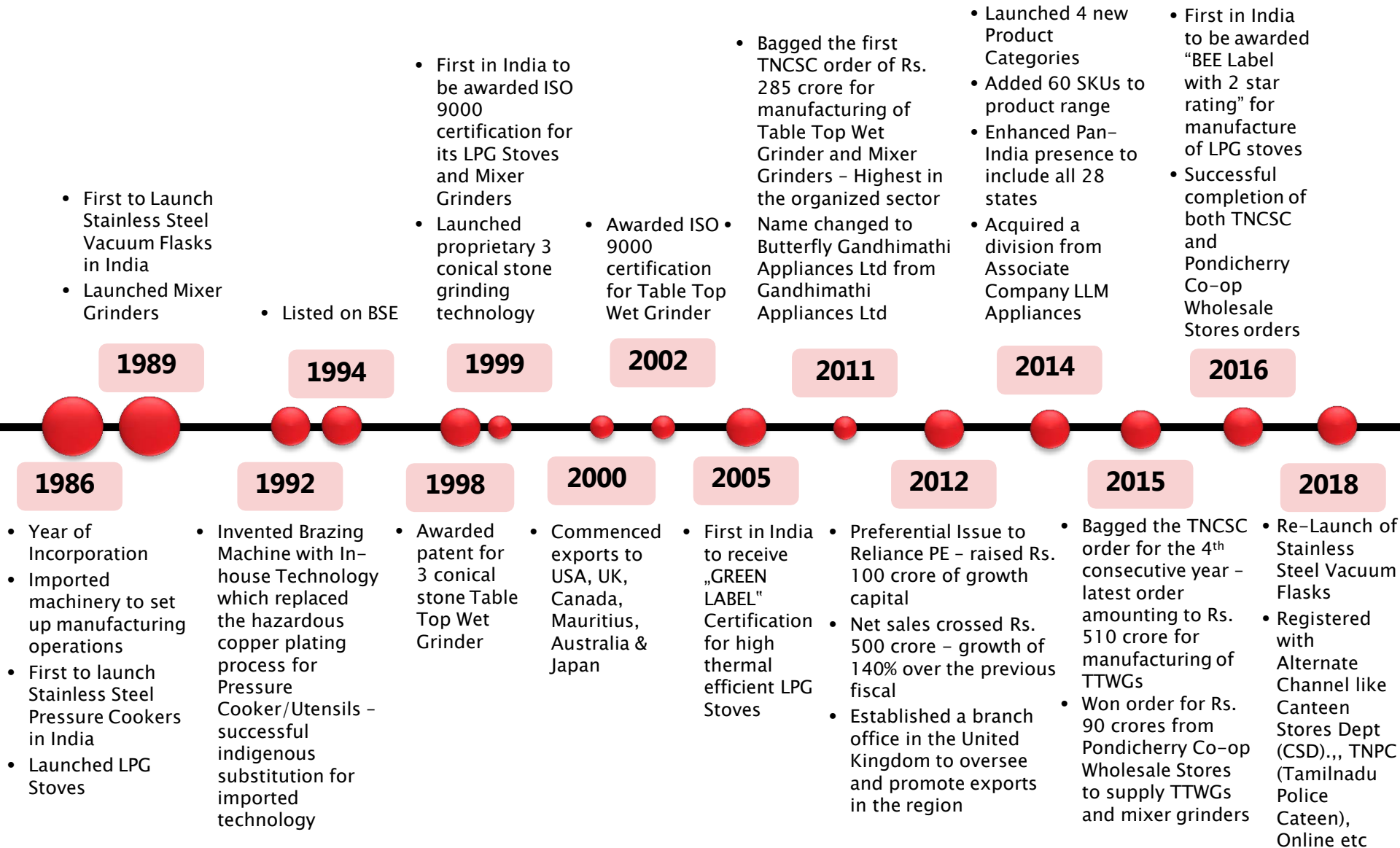
15%

OF FY18
REVENUES FROM NON-SOUTH
STATES

Growth Levers



Overview Milestones

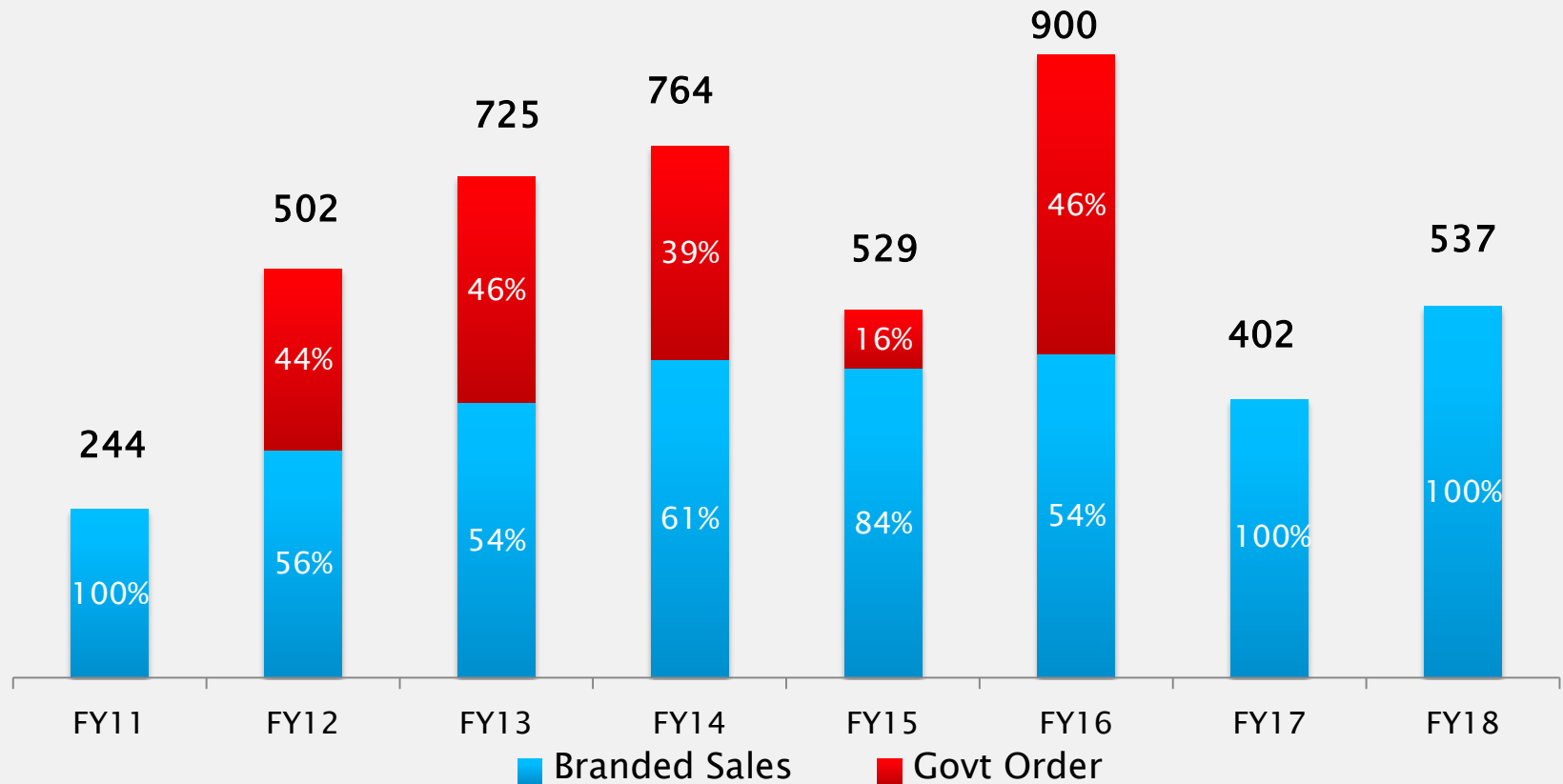


Revenue Profile

100%

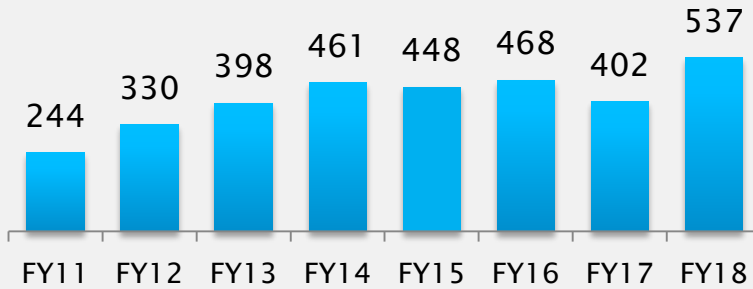
Revenue Excluding Excise
Duty / GST

Annual Net Revenue (Rs. crore)



Branded Retail Sales

Branded Net Sales (Rs. crore)



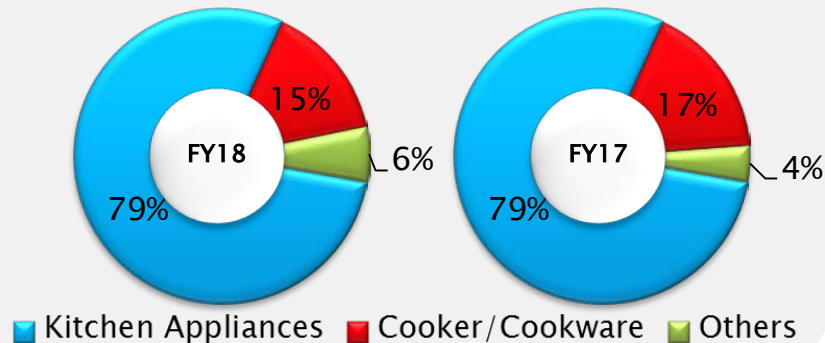
Through Institutions

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

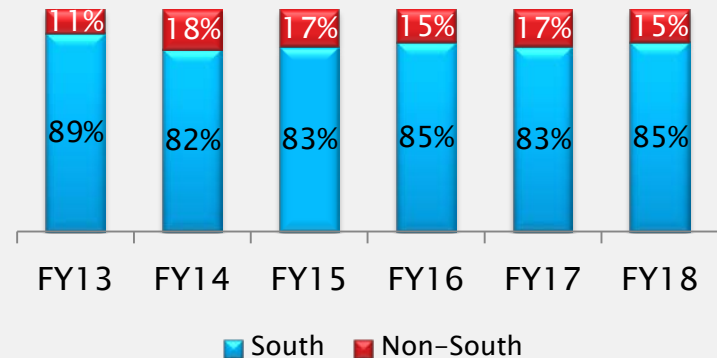
Through Retail Marketing

- Network of 500+ exclusive distributors
- Distributors supply to dealer network which is customer facing
- Tie-up with Modern Trade, CSD, CPC, TNPC etc.
- 22000+ retail points across the Indian map

Branded Product Distribution (%)



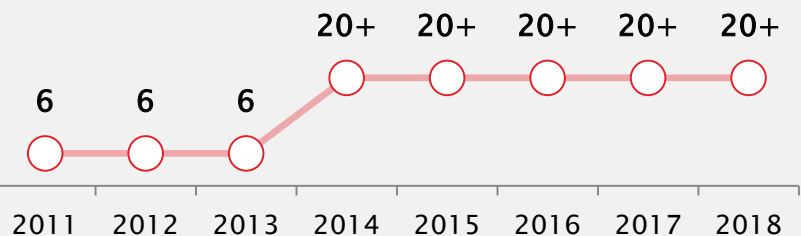
Region-wise Break-up



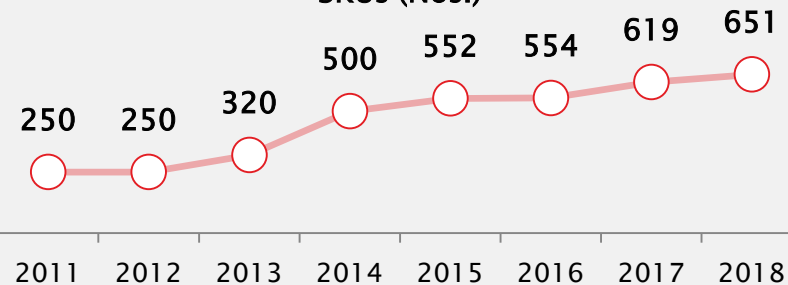
Augmenting Organic Growth

Increased Product Categories For Wider Product Portfolio And Higher Market Share

Product Categories (Nos.)

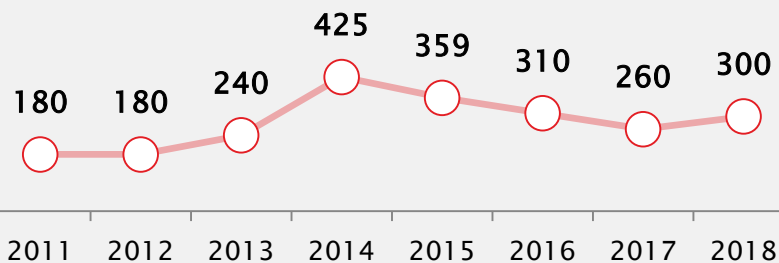


SKUs (Nos.)

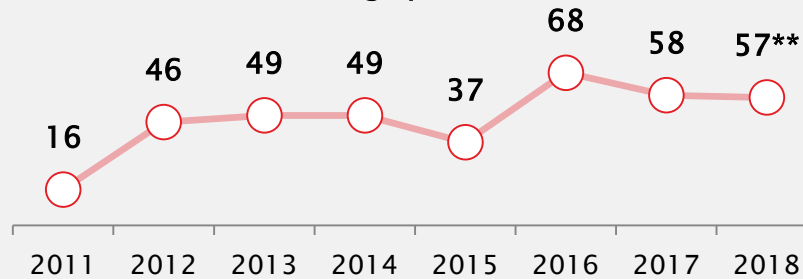


Enhancing Sales and Marketing Efficiency For Better Penetration And Brand Development

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



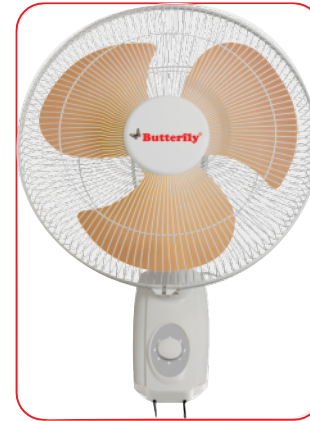
Washer



Juicer



Hand Blender



Fan



Water Heater



Electric Iron



Pop-up Toaster



Vacuum Flasks



Tower Fan

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



2

Financial Overview

Abridged Profit & Loss Statement

Particulars	FY 2015	FY 2016	FY 2017	FY 2017 *	FY 2018 *	Rs. crore	
						Q1 FY18 *	Q1 FY19 *
				Ind-AS	Ind-AS	Ind-As	Ind-As
Total Net Revenues (Incl. OI)	533.3	906.3	405.5	406.6	542.1	86.7	124.9
- Branded Net Revenues	447.5	468.2	402.3	404.9	540.5	86.6	124.4
- Government Net Revenues	84.3	432.7	-	-	-	-	-
- Other Income	1.5	5.4	3.2	1.7	1.6	0.1	0.5
Material Cost	317.5	621.9	251.7	247.3	315.2	51.4	73.0
- Cost of Materials Consumed	248.3	566.6	145.9	149.1	218.7	49.0	75.3
- Purchases of Stock-in-Trade	65.3	31.5	49	78.8	106.4	26.1	15.8
- Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	3.9	23.8	1	19.4	-9.9	-23.6	-18.1
Gross Profit	215.8	284.4	153.8	159.3	226.9	35.3	51.9
Gross Margin (%)	40%	31%	38%	39%	42%	41%	42%
Employee Expenses	60.3	61.3	50	50.4	57.3	12.2	16.9
Other Expenses	111.5	157.9	127.5	126.9	133.2	25.3	25.3
EBITDA	44	65.2	-23.7	-18	36.3	-2.2	9.8
EBITDA Margin (%)	8%	7%	-3%	-4%	7%	-2.6%	7.8%
Depreciation	10.2	11.5	11.6	11.6	12.4	3.0	3.2
Finance Cost	29.6	34.5	21.2	23.3	18.1	3.6	5.2
Profit Before Tax	4.2	19.1	-56.6	-53.1	5.8	-8.8	1.3

The Revenue has grown remarkable 44% across all the channel and geography.

The Employee cost increased due to increase in sales team and annual increment.

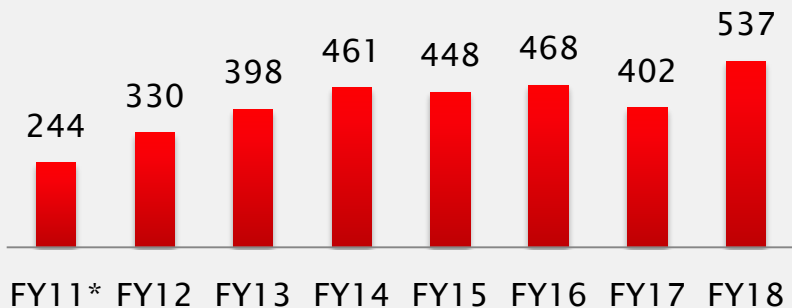
NOTE : * FY18 & FY17 results are as per IND-AS standards.

Comments on Financial Performance

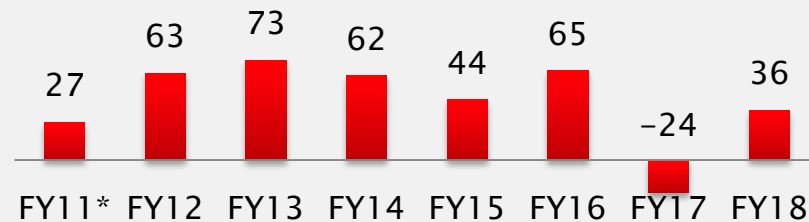
- **Branded Sales achieved a growth of 44% on a Y-o-Y basis**
 - a. South Retail channel grew by 42% on a Y-o-Y basis (on net sale basis).
 - b. Other than South Retail channel grew by 70% Y-Y basis (on sale basis).
 - c. The alternate channels like Online / CSD / CPC / TNPC / Modern Trade / Corporate all are contributed nearly Rs.12.5 Cr Q1 FY19 as compared to Rs.6.79 Cr in Q1 FY18.
- **Retention money received from Tamilnadu Civil supplies Corporation (TNCSC) for Rs.8.06 Cr during this quarter and the balance receivable of retention money is Rs.9.34 cr.**

Performance Track Record – Annualized

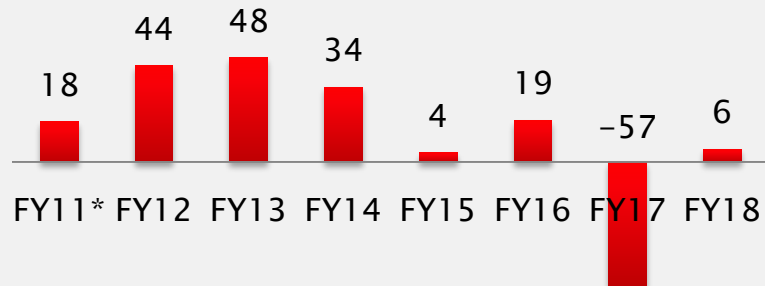
Total Revenue (Rs crore)



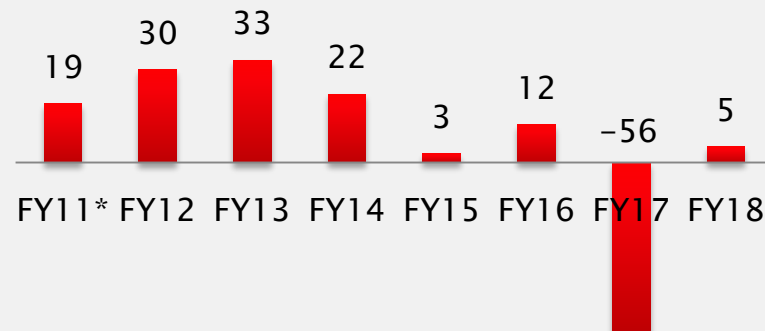
EBITDA (Rs crore)



Profit Before Tax (Rs crore)

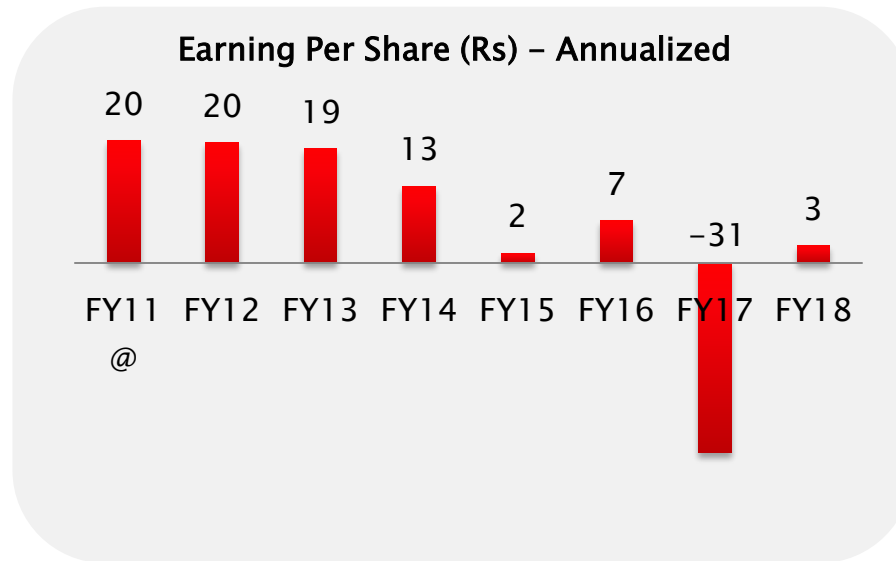


Profit After Tax (Rs crore)



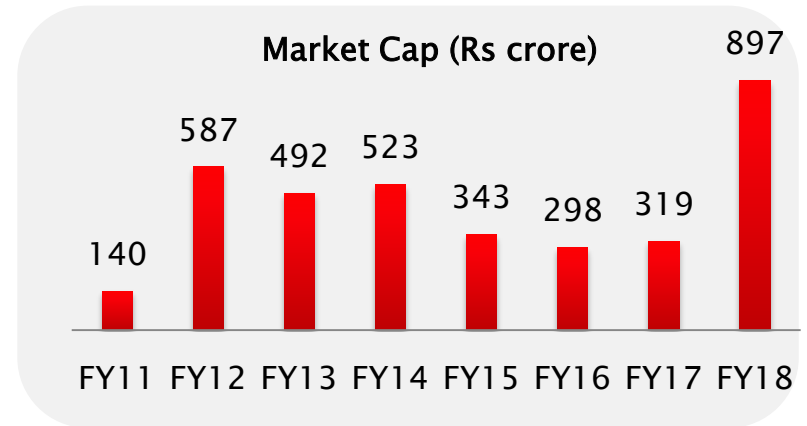
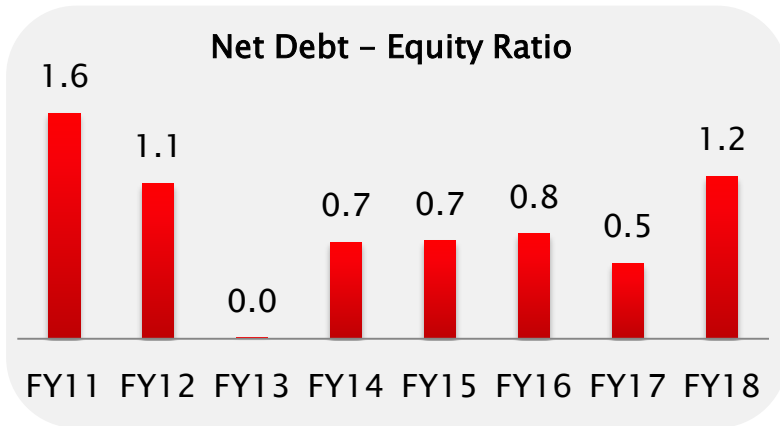
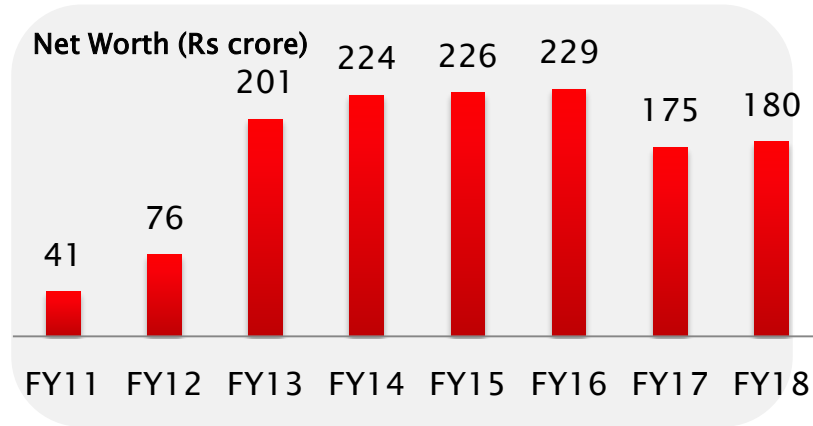
NOTE : * FY11 was for period of 9 months ended on 31.03.2011. The figures above represent the annualized numbers in order to facilitate a comparison.

Key Financials



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Key Financials



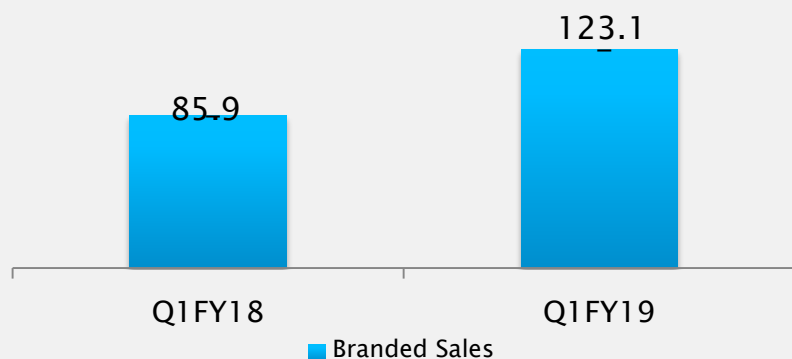


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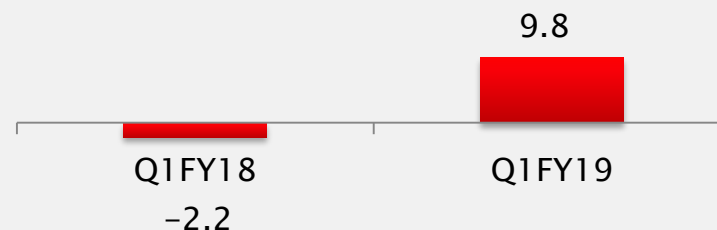
Q1 FY19 Operating Performance & Highlights

Q1 FY19 – Performance highlights

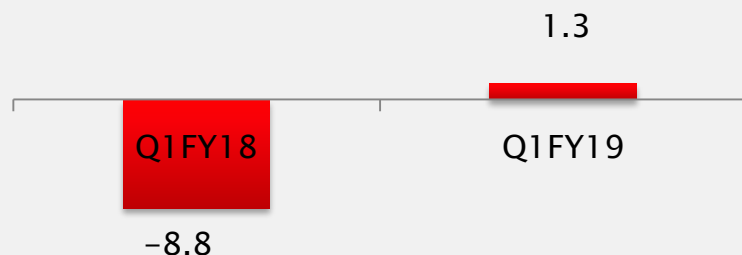
Total Income (Net) (Rs. crore)



EBITDA (Rs. crore)



PAT (Rs crore)



- Total Income (Net) during Q1 FY19 stood at Rs. 123.1 crore, as against Rs.85.9 crore in Q1 FY18
 - Branded sales was higher by 44% on a Y-o-Y basis
- PAT stood at Rs. 1.3 cr in Q1 FY19

NOTE : Results are as per Ind-AS standards

Key Highlights

Branded Sales

(Rs crore)

Product	Q1 FY19	Q1 FY18	Q4 FY18	Y-o-Y Growth	Q-o-Q Growth
Branded Market					
Kitchen Appliances	96.4	76.9	83.5	25.4%	15.4%
Cooker/Cookware	18.5	12.2	18.6	51.6%	-0.5%
Others	8.2	5.6	8.3	46.4%	-1.2%
Grand Total	123.1	94.7	110.4	30.0%	11.5%
Less: Excise Duty		8.8			
Grand Total	123.1	86.0	110.4	43.2%	11.5%

- Overall the branded business grew by 43%.



4

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. **Balance Sheet efficiency / liquidity**
 - a. Focus on collections. We are yet to finalise the Channel Financing with Bankers.
 - b. Increase in supplier credit days
 - c. Reduction in Inventory levels through optimised sales planning
2. **Fully implemented Microsoft Power BI to monitor secondary sales data in South India market.**
3. **For FY 2018–19 Company is targeting to achieve more than 20% top line growth.**

Outlook

CATEGORY	12M FY18 CONTRIBUTION	MARKET ENVIRONMENT	OUTLOOK
Retail Channel Sales	75- 80% of Branded Sales in 12M FY18	<ul style="list-style-type: none"> • Post GST implementation, a buoyant festive season is performed well. • Same level expected to continue in Financial 2018-19 also. 	Retail channel demand is expected to good in the coming Financial Year 2018-19
Institutional Channel Sales	20- 25% of Branded Sales in 12M FY18	<ul style="list-style-type: none"> • New PMUY scheme has started gaining traction • In finance bill of FY18 government has proposed to increase the LPG gas connections (PMUY) from 5 crores to 8 crores 	Consumer demand is expected to good in the coming quarters
TOTAL BRANDED SALES	Rs. 540.5 crore		



Thank you

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