



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

January 31, 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 31.12.2019

Enclosed please find the Company's Performance/Results presentation for the third quarter ended on 31.12.2019, 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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CIN no. is I28931TN1986PLC12728



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

RESULTS PRESENTATION

Q3 FY20
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

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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

27%

REVENUE CAGR
FY17-19

IN THE TOP

3

IN INDIA FOR DOMESTIC
KITCHEN APPLIANCES

NOW PRESENT IN ALL

29

STATES IN INDIA

SALES OF BRANDED
PRODUCTS IN FY19

652

CRORE

500+

EXCLUSIVE
DISTRIBUTORS ACROSS
INDIA

0.81

NET DEBT / EQUITY
RATIO

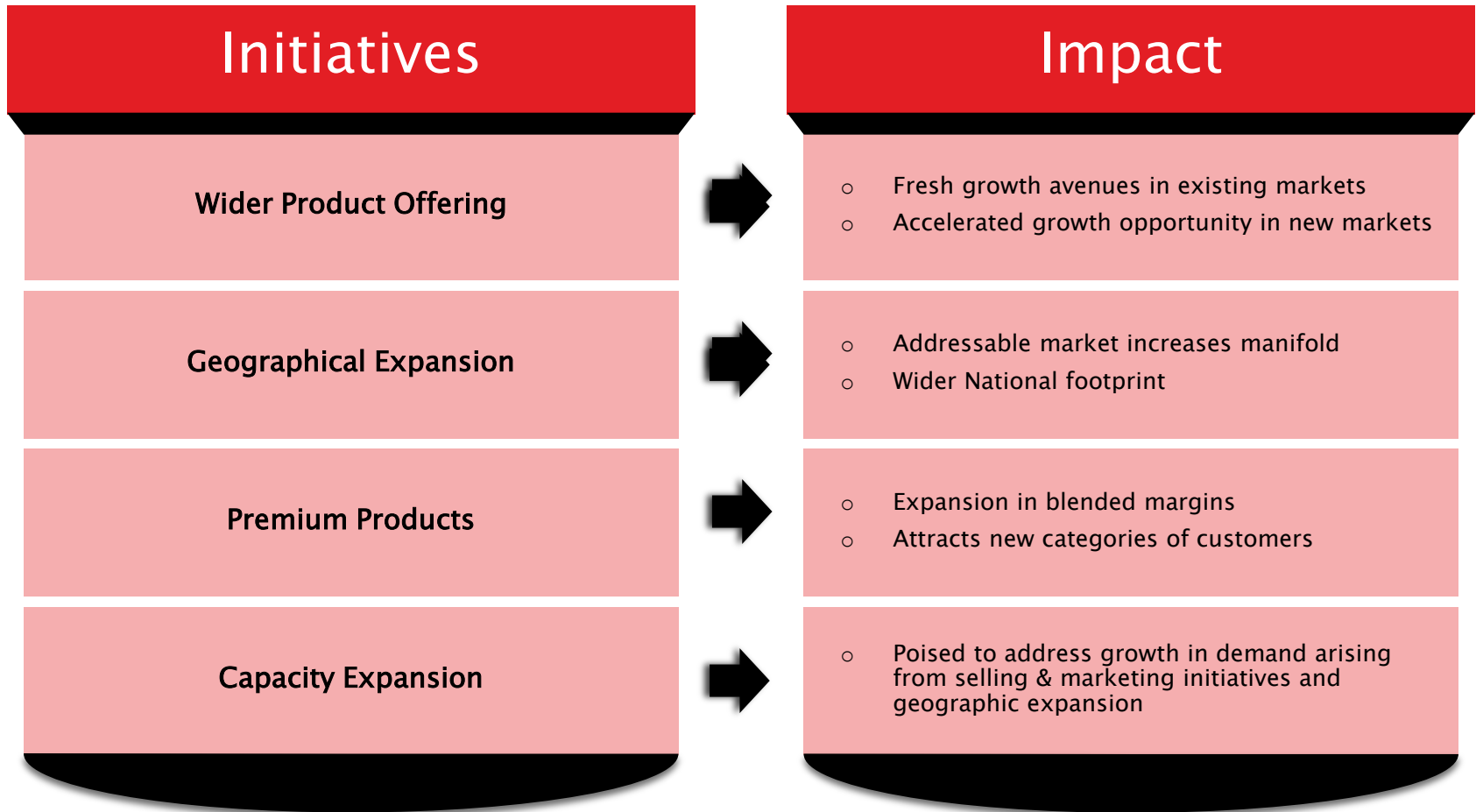
21%

REVENUE GROWTH
OVER FY18

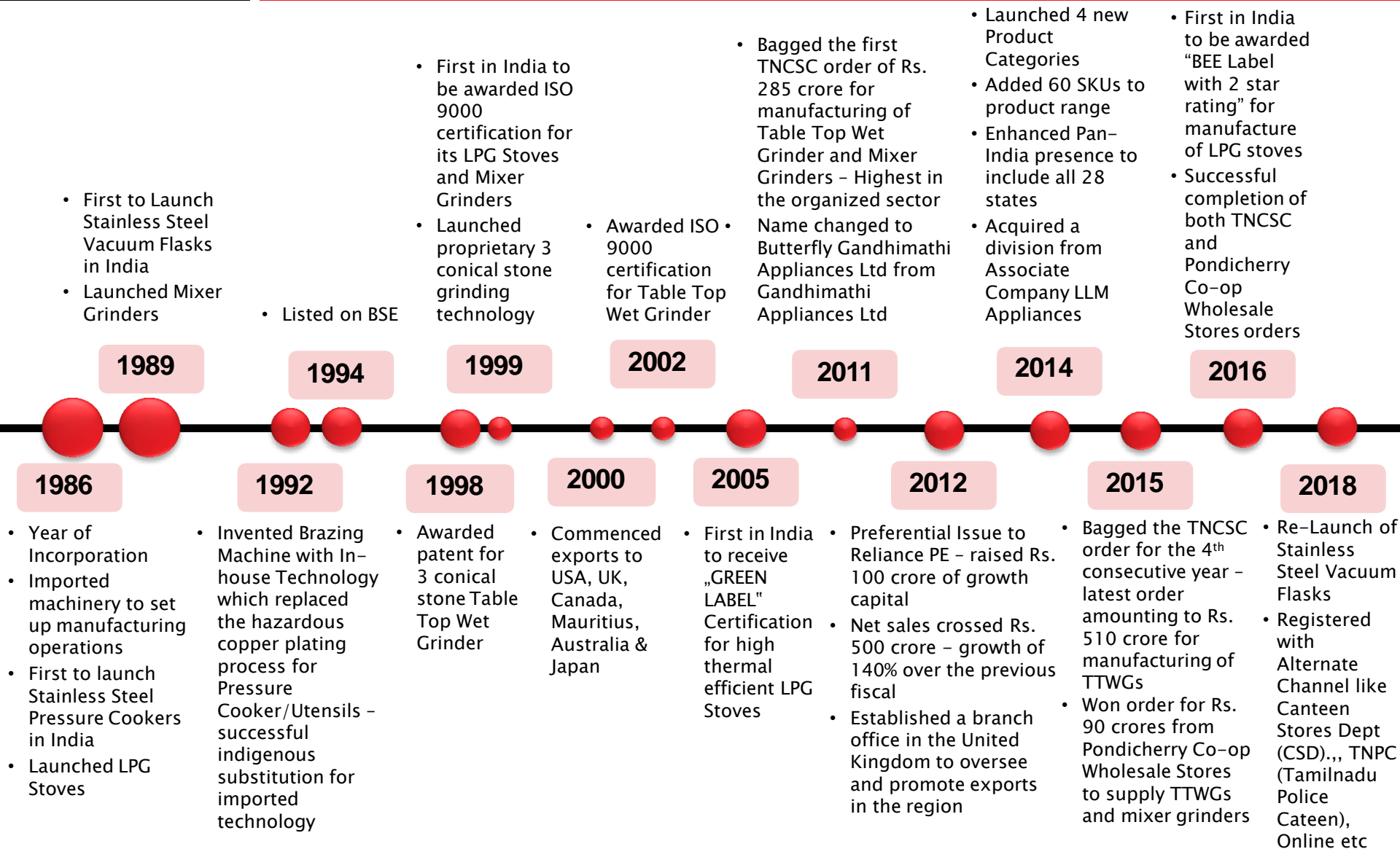
19%

OF FY19
REVENUES FROM NON-SOUTH
STATES

Growth Levers



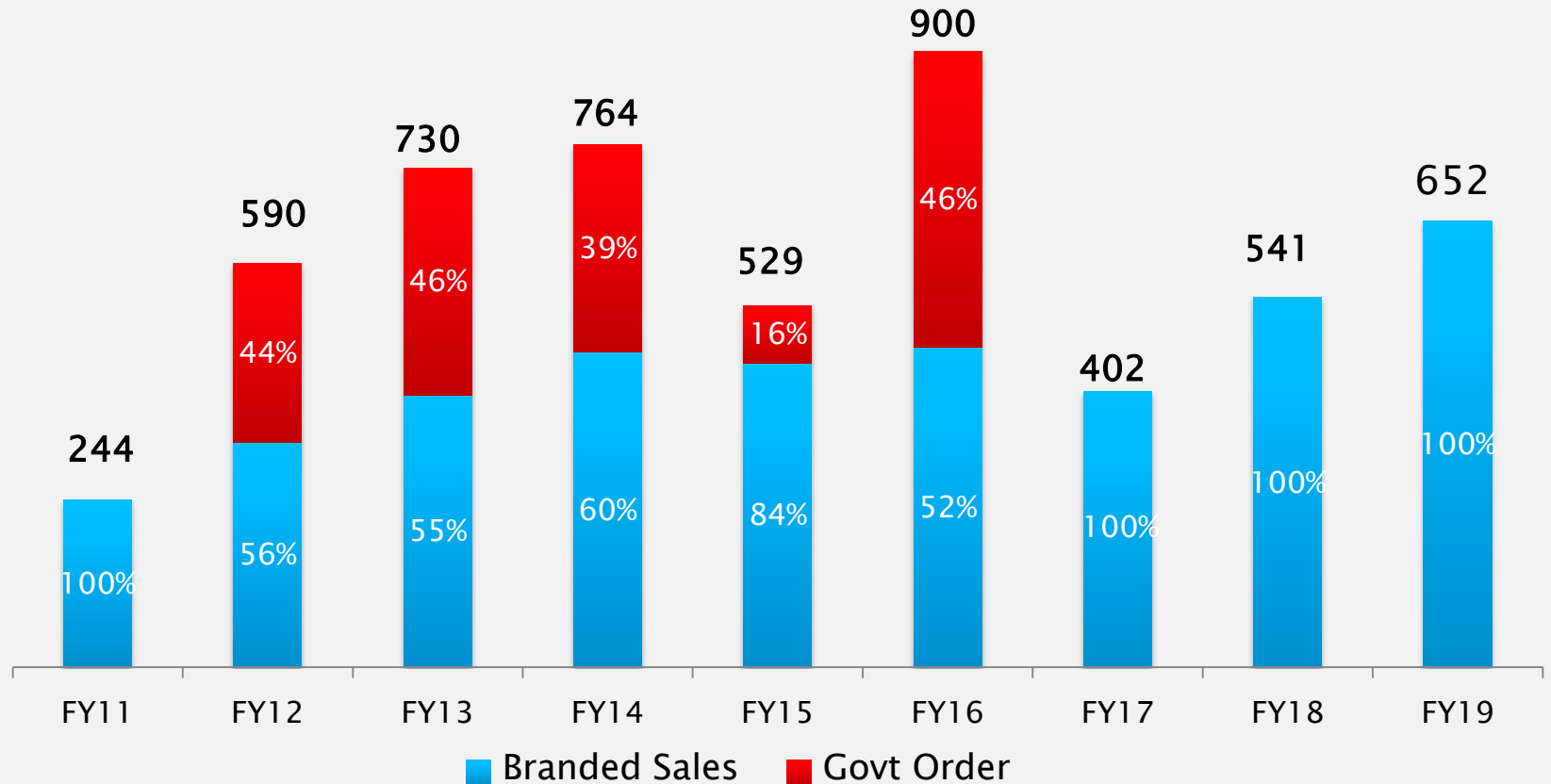
Overview Milestones



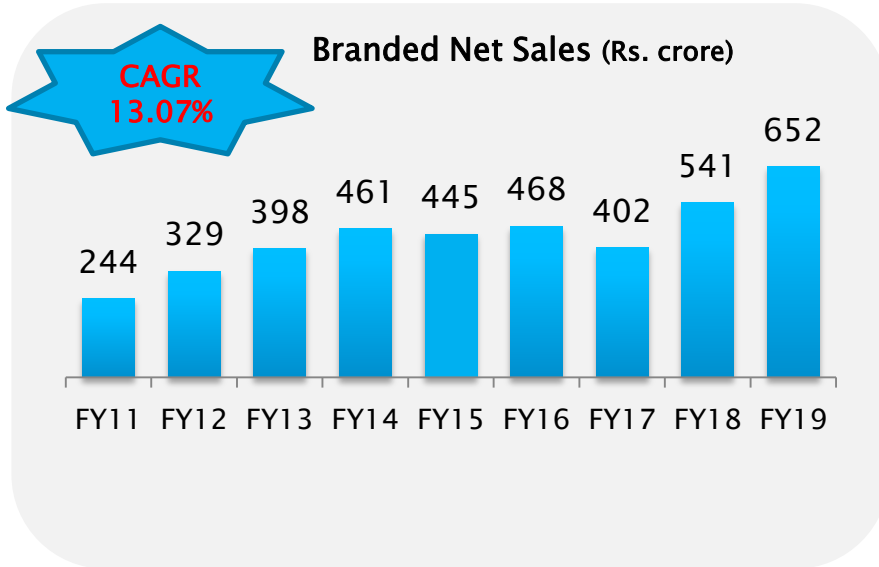
Revenue Profile

Annual Net Revenue (Rs. crore)

Revenue Excluding Excise
Duty / GST



Branded Retail Sales

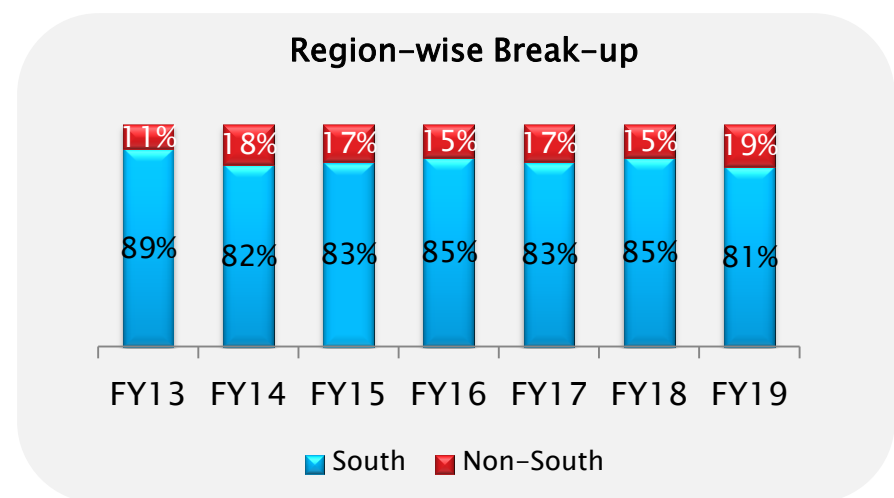
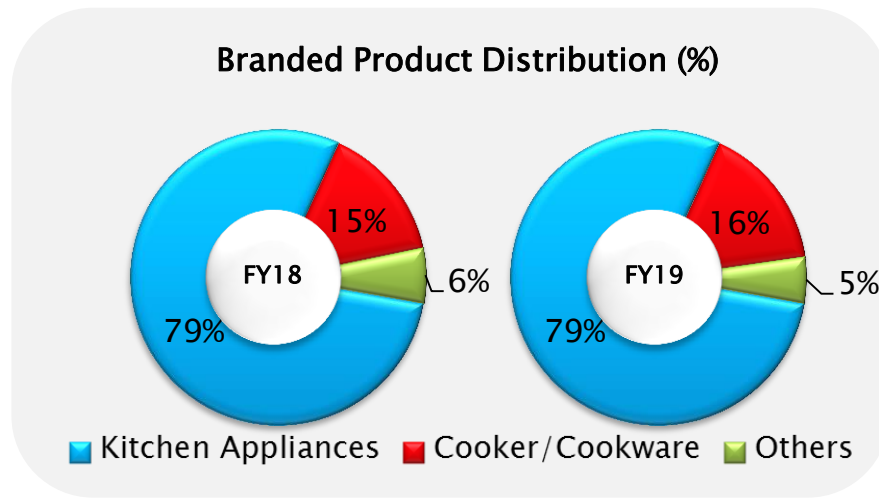


Through Oil Marketing Channel

- 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

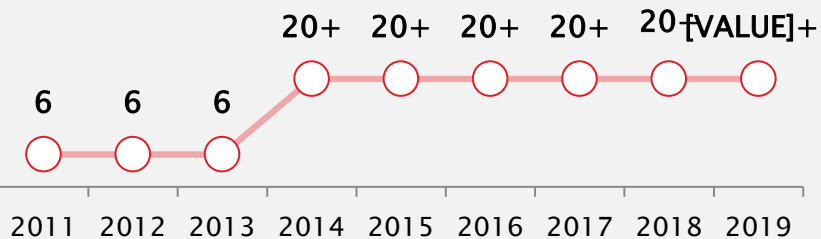
- Network of 500+ exclusive distributors
- Distributors supply to dealer network which is customer facing
- Tie-up with Modern Trade, Online, CSD, CPC, TNPC etc.
- 25000+ retail points across the Indian map



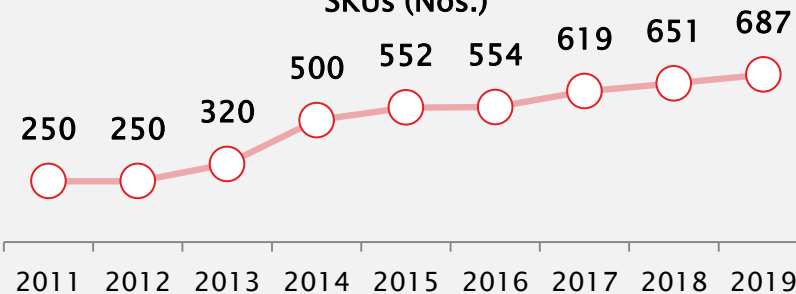
Augmenting Organic Growth

Increased Product Categories For Wider Product Portfolio And Higher Market Share

Product Categories (Nos.)

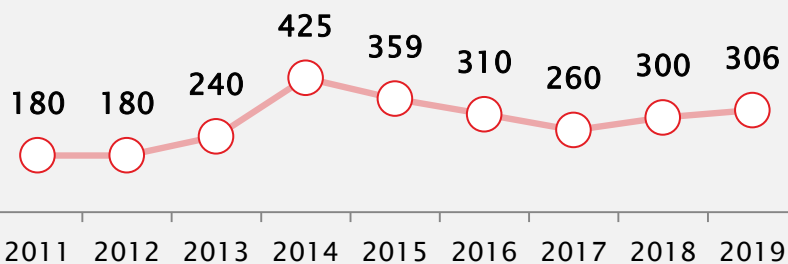


SKUs (Nos.)

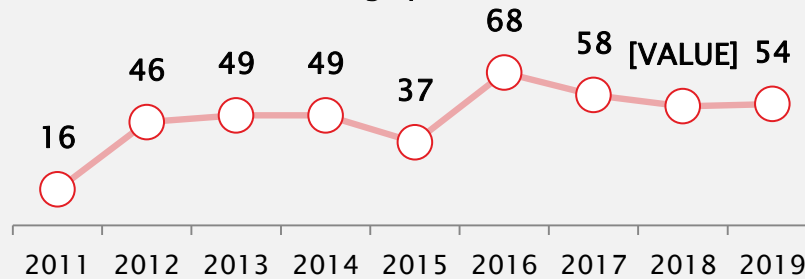


Enhancing Sales and Marketing Efficiency For Better Penetration And Brand Development

Sales Team (Personnel)



Marketing Spend (Rs. Cr)



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

Other Pioneering Products



Juicer



Hand Blender



Vacuum Flasks



Electric Iron



Pop-up Toaster

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

NEW PRODUCTS LAUNCHED



New Product Launches during FY 20



Ruby



Opal



Signature



Peerless

New Product Launches during FY 20



Duo



Trio



Radiant

New Product Launches during FY 20

New Launches



Home & Office



Urban



Leisure



Voyage

New Product Launches during FY 20

New
Launches



Rock Die -Cast NS Flat Tawa 310mm



Superb Plus HA NS Kadai 280mm



Rock Die Cast Kadai 240mm



Rock Die Cast Grill pan 240mm

New Product Launches during FY 20

New
Launches



Trendy 2L



Compact 2L



Kroma NS Jumbo Grill Pan

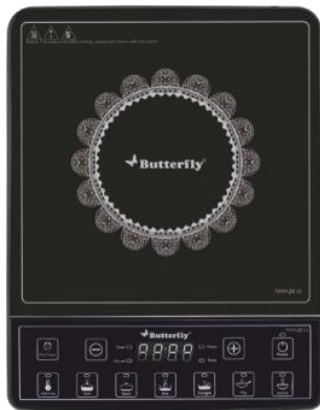


Kroma NS Oothappam Tawa

New Product Launches during FY 20

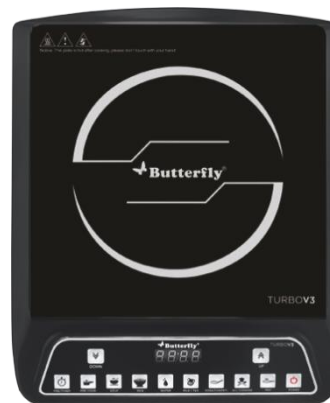
New
Launches

2000w



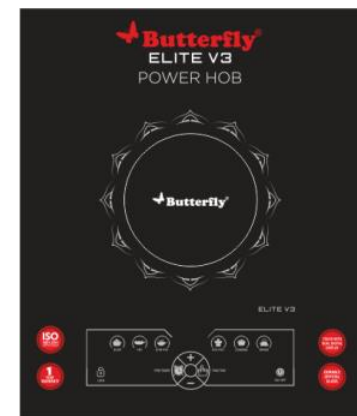
Amaze

1800w



Turbo V3

2200w



Elite V3

New Product Launches during FY 20

New Launches



Food Processor Utilities



Food Processor Utilities



Mini Chopper



Citrus Juicer



Slicer Blade



Food Processor Utilities



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Financial Overview

Abridged Profit & Loss Statement

Rs. In crore

Particulars	FY 2017	FY 2017 IND-AS	FY 2018 IND-As	FY 2019 Ind-As	Q3 FY 20 Ind-As	9M F19 Ind-As	9M FY20 Ind-As
Total Net Revenues (Incl. OI)	405.5	406.6	542.1	654.0	174.9	503.5	568.8
- Branded Net Revenues	402.3	404.9	540.5	652.0	174.5	502.5	568.0
- Government Net Revenues	-	-	-	-	-	-	-
- Other Income	3.2	1.7	1.6	2.0	0.4	1.1	0.8
Material Cost	251.7	247.3	315.2	390.0	94.7	300.9	328.6
- Cost of Materials Consumed	145.9	149.1	218.7	316.6	85.4	250.9	256.1
- Purchases of Stock-in-Trade	49	78.8	106.4	97.6	24.2	73.1	86.0
- Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	1	19.4	-9.9	-24.2	-14.8	-23.2	-13.5
Gross Profit	153.8	159.3	226.9	264.0	80.2	202.7	240.3
<i>Gross Margin (%)</i>	38%	39%	42%	40%	45.8%	40.3%	42.2%
Employee Expenses	50	50.4	57.3	70.1	21.1	54.2	60.7
Other Expenses	127.5	126.9	133.2	146.1	46.2	111.6	133.4
EBITDA	-23.7	-18	36.3	47.7	12.9	36.9	46.2
<i>EBITDA Margin (%)</i>	-3%	-4%	7%	7%	7.4%	7.3%	8.1%
Depreciation	11.6	11.6	12.4	12.9	3.4	9.8	10.4
Finance Cost	21.2	23.3	18.1	22.5	6.3	16.5	18.0
Profit Before Tax	-56.6	-53.1	5.8	12.4	3.2	10.6	17.8

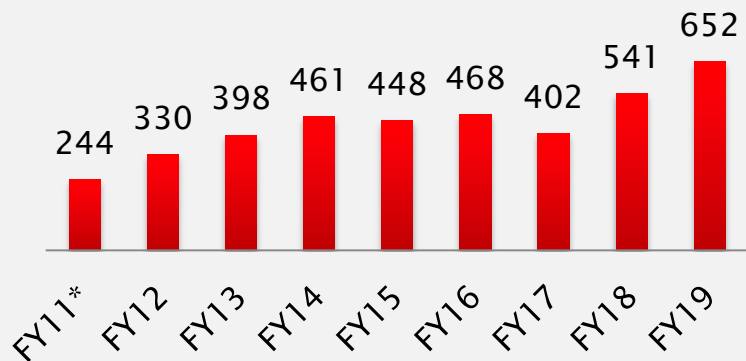
The Revenue has grown across all the retail channel

Gross Profit is healthy at above 40% because of raw material purchase price benefit and product mix for Q3

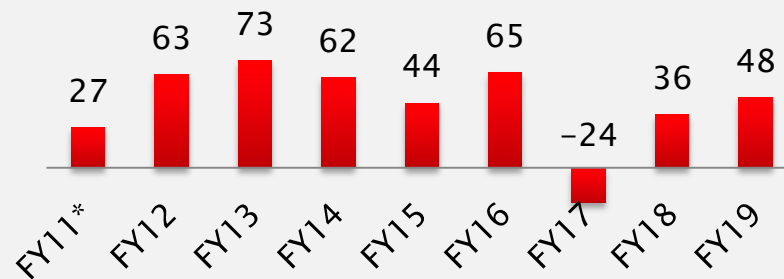
The Company is improving it's margin because of good revenue growth and operational leverage

Performance Track Record – Annualized

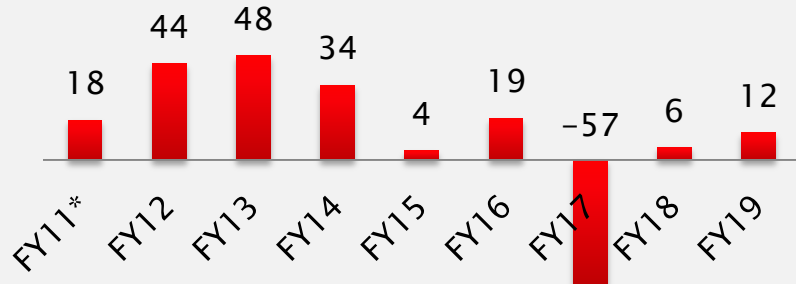
Total Revenue (Rs crore)



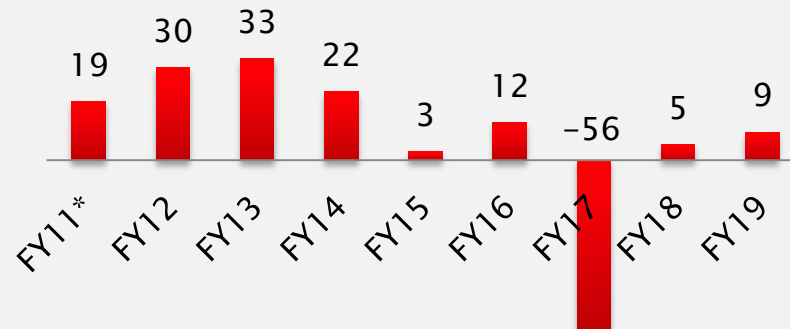
EBITDA (Rs crore)



Profit Before Tax (Rs crore)

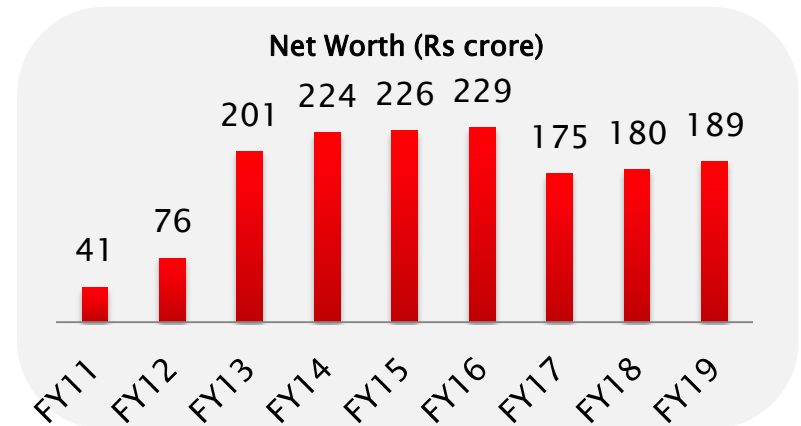
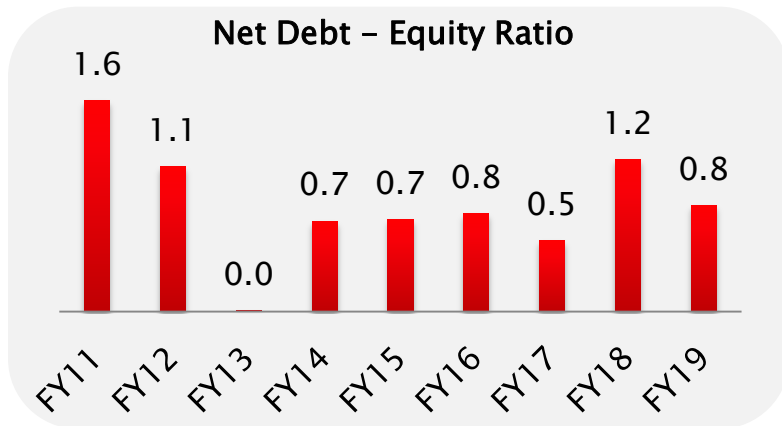
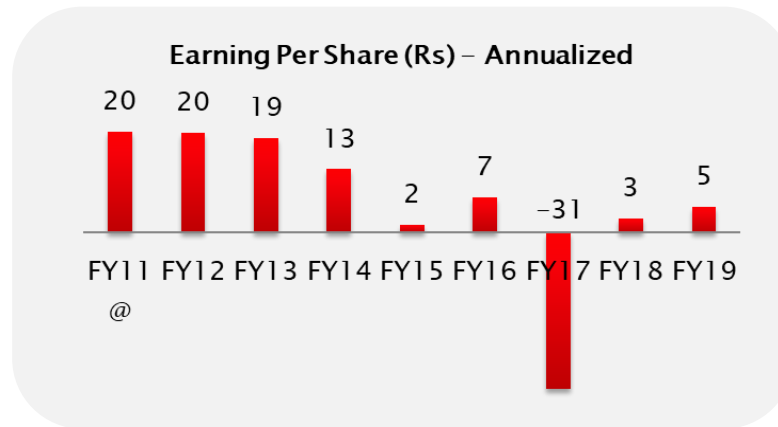


Profit After Tax (Rs crore)



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



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.



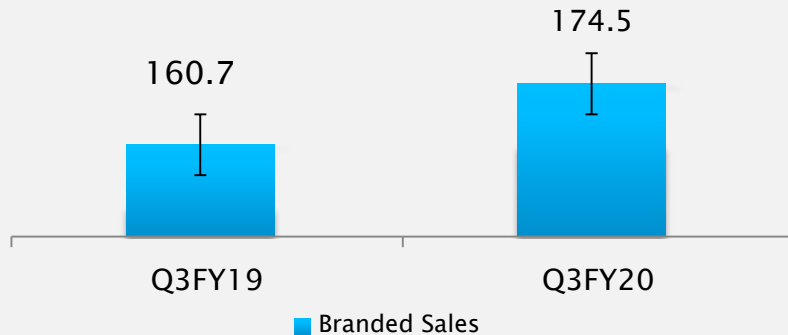
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Q3 FY20 Operating Performance & Highlights

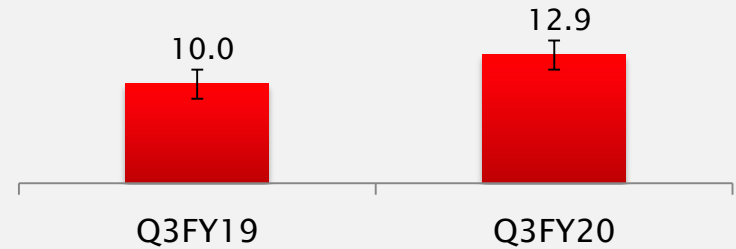


Q3 FY20 – Performance highlights

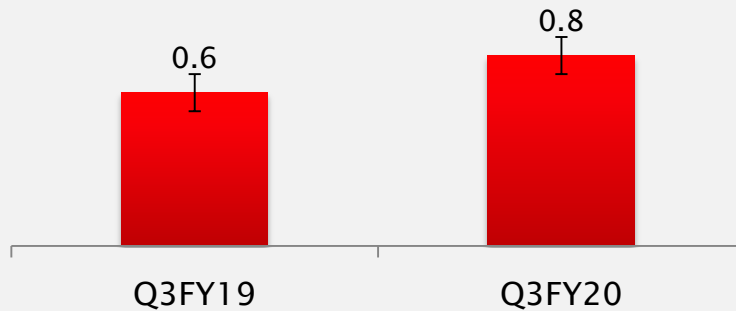
Total Income (Net) (Rs. crore)



EBITDA (Rs. crore)



PAT (Rs. crore)



- Total Income during Q3 FY20 stood at Rs. 174.52 crore, as against Rs.160.74 crore in Q3 FY19
 - Growth in retail branded sales is 16% as compared to overall growth of 8% during the quarter. The overall growth is lower than expected due to de-growth in Oil Marketing Channel.
- PAT stood at Rs. 0.77 cr in Q3 FY20

NOTE : Results are as per Ind-AS standards

Key Highlights

Branded Sales

(Rs crore)

Product	Q3 FY20	Q3 FY19	Q2 F20	Y-o-Y Growth	Q-o-Q Growth
Branded Market					
Kitchen Appliances	133.4	123.4	189.6	8.1%	-29.6%
Cooker/Cookware	33.8	30.7	42.9	10.0%	-21.3%
Others	7.3	6.6	8.8	9.9%	-17.3%
Grand Total	174.5	160.7	241.4	8.6%	-27.7%

- Overall the branded business grew by 8.6% compared to Q3 FY19, however it is not comparable figure with Q2 because of major seasonal sales happen in Q2.
- Kitchen Appliances has grown strong in Retail Channel and degrown in Oil Marketing Channel.



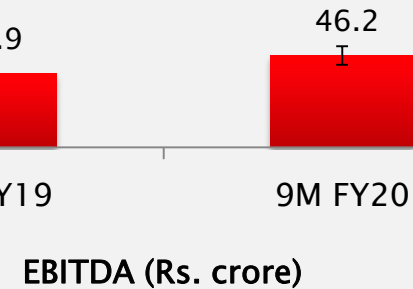
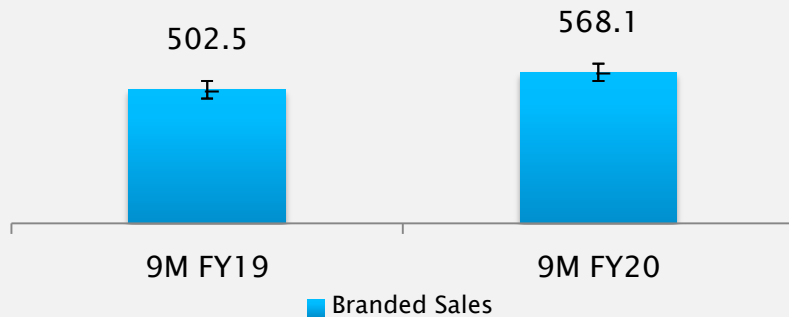
5

9 Months FY20 Operating Performance & Highlights

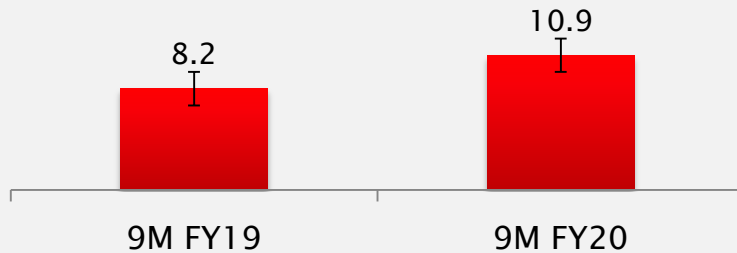


9M FY20 – Performance highlights

Total Income (Net) (Rs. crore)



PAT (Rs. crore)



- Total Income during 9 months FY20 stood at Rs.568.05 crore, as against Rs.502.46 crore in 9 months FY19.
 - Retail sales have grown by 24% during the first 9 months compared to overall growth of 13% for 9 months period. Overall growth rate is lower due to degrowth in oil marketing channel.
 - Revenue from oil marketing channel has come down to a minimum level and we don't see it degrowing in FY21
 - PAT stood at Rs.10.90 crore in 9M FY20

NOTE : * Results are as per INDAS standards

Key Highlights

Branded Gross Sales

(Rs. crore)

Product	9M FY20	9M FY19	Y-o-Y Growth
Branded Market			
Kitchen Appliances	434.5	394.1	10.3%
Cooker/Cookware	102.7	82.3	24.8%
Others	30.9	26.1	18.4%
Grand Total	568.1	502.5	13.1%

- Overall the company performed well during the 9 months period ended December 2019 and is looking forward for a good financial year.
 - Sales in kitchen appliances segment is lower due to degrowth in oil marketing channel.
- Company has got a bill discounting facility from Sundaram Finance of Rs. 30 crore. This will help us in reducing debtors' level and reduce working capital days.
- Overall revenue from online channel and modern trade has increased to 25% of sales which is expected to do well in FY21 also. This was less than 5% of the revenue of the company in FY18.



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Outlook



The objective and focus of the plan is completely on delivering better Profit for FY 2019–20

1. **Balance Sheet efficiency / liquidity**
 - a. Continue to Focus on better control on Trade Receivables.
 - b. Continue to Increase in supplier credit days
 - c. Reduction in Inventory levels through optimised sales planning
2. **Big push in alternate channels such as Online, Corporates, Modern Trade, CSD and Corporate sales, which has grown over 70% for FY2018–19 and has grown over 130% in 9M FY20.**
3. **Fully implemented Microsoft Power BI to monitor secondary sales data in South India market.**
4. **The Company is targeting a growth of 20% in retail sales in FY19–20 and overall growth of 12% to 13% in FY20**

Outlook

CATEGORY	9M FY20 CONTRIBUTION	MARKET ENVIRONMENT	OUTLOOK
Retail Channel Sales	85 – 90% of Branded Sales in 9M FY20	<ul style="list-style-type: none"> • New channels are doing well and expected to continue the same. They are growing exponentially due to lower base. • Traditional retail channel sales are not growing as expected. 	The Company is targeting a growth of more than 15% due to higher growth in new channels.
Oil Marketing Channel Sales	10– 15 %of Branded Sales in 9M FY20	<ul style="list-style-type: none"> • This channel has degrown in the first 9 months due to lesser number of gas connection released by Oil Companies. 	Continue to be lower during the year end also.
TOTAL BRANDED SALES	Rs. 568.8 crore		

Thank you

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