



## BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

February 3, 2021

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,  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai – 400 051  
Scrip: BUTTERFLY

Dear Sir,

### **Butterfly Gandhimathi Appliances Limited – Result Presentation for The third quarter ended on 31.12.2020**

Enclosed please find the Company's Performance/Results presentation for the third quarter ended on 31.12.2020, 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*  
K.S. Ramakrishnan  
Company Secretary &  
General Manager (Legal)

**Regd. Office:** 143, Pudupakkam Village, Vandalur - Kelambakkam Road, Kelambakkam - 603 103, Chengalpattu District,  
Phone: +91-44-47415500 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. Chengalpattu District.  
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# Butterfly Gandhimathi Appliances Limited

**Q3 & 9M FY21 Results Presentation**



*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.*

**#1**

In India for SS LPG Stoves & Table Top Wet Grinders

**19%**

Revenue CAGR FY17-20

In the top **3**

In India for Domestic Kitchen Appliances

Now present in all **29**

States in India

**679** Crore

Sales of Branded Products in FY20

**500+**

Exclusive Distributors across India

**3.65** Crore

Net Debt as on 31.12.2020

**4%**

Growth over FY19

**23%**

of FY20 Revenues from Non-South States

# Agenda

**01**

**Quarter Highlights**

**02**

**Company Overview**

**03**

**Historical Financial Overview**

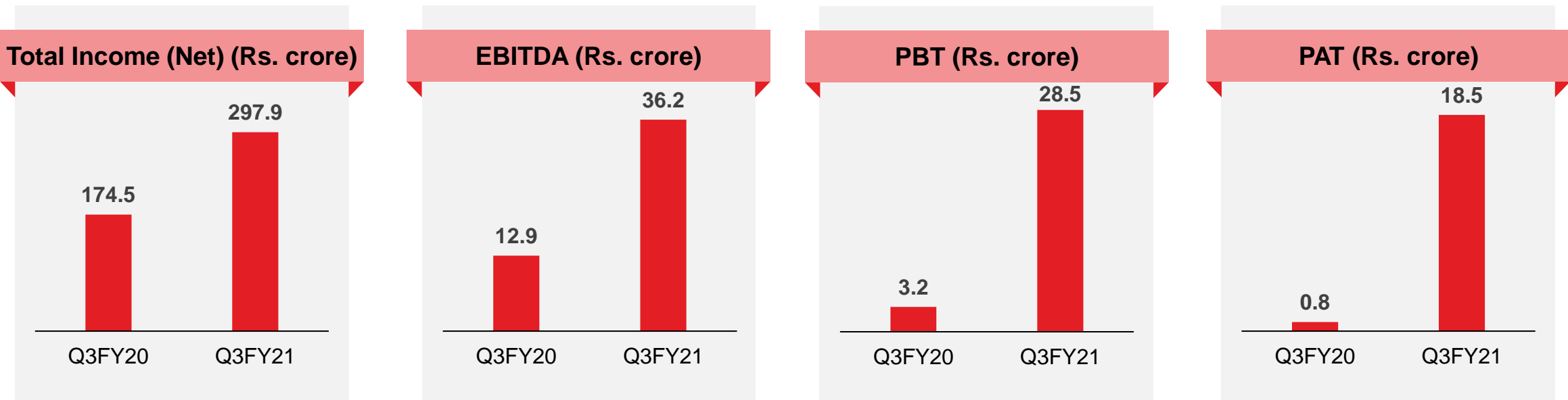
**04**

**Outlook**



# QUARTER HIGHLIGHTS





- Total Income (Net) during Q3 FY21 stood at Rs. 297.90 crore, as against Rs. 174.5 crore in Q3 FY20, a growth of 70.7% YoY
- EBITDA during Q3 FY21 stood at Rs. 36.2 crore, as against Rs. 12.9 crore in Q3 FY20, a growth of 2.8 times YoY
- PBT increased to Rs. 28.5 crore in Q3 FY21, as against Rs. 3.2 crore in Q3 FY20, a growth of 8.9 times YoY
- PAT increased to Rs. 18.5 crore in Q3 FY21, as against Rs. 0.77 crore in Q3 FY20, a growth of 24 times YoY

# Q3 - Abridged Profit & Loss Statement



Particulars (Rs. crore)	Q3FY20	Q3FY21
<b>Total Net Revenues (Incl. OI)</b>	<b>174.9</b>	<b>298.3</b>
- Branded Net Revenues	174.5	297.9
- Other Income	0.4	0.4
<b>Material Cost</b>	<b>94.8</b>	<b>173.6</b>
- Cost of Materials Consumed	85.4	110.3
- Purchases of Stock-in-Trade	24.2	48.2
- Changes in Inventories	(14.8)	15.2
<b>Gross Profit</b>	<b>80.1</b>	<b>124.6</b>
<i>Gross Margin (%)</i>	45.8%	41.8%
Employee Expenses	21.1	22.5
Other Expenses	46.2	65.9
<b>EBITDA</b>	<b>12.8</b>	<b>36.2</b>
<i>EBITDA Margin (%)</i>	7.3%	12.1%
Depreciation	3.4	3.8
Finance Cost	6.3	3.8
<b>Profit Before Tax</b>	<b>3.1</b>	<b>28.5</b>

The Branded revenue grew by 70%, across all channels except Gas Dealer Channels.

Gross Margin continuously healthy near 42%, due to Channel-Mix, Product-Mix etc. However, comparing with previous year is lower due to change in product mix, channel mix and increase in raw material prices

The Company reported an increase of 9 times in PBT due to operating leverage and higher top line.



Particulars (Rs. crore)	Q3FY20	Q3FY21	YoY Growth
Kitchen Appliances	133.4	231.0	73.2%
Cooker/Cookware	33.8	58.2	72.2%
Others	7.3	8.7	19.2%
<b>Total</b>	<b>174.5</b>	<b>297.9</b>	<b>70.7%</b>

- The Company has grown across all the product categories.

Particulars (Rs. crores)	Dec-17	Dec-18	Dec-19	Dec-20
<b>ASSETS</b>				
<b>Non-Current Assets</b>	<b>171.7</b>	<b>172.4</b>	<b>172.0</b>	<b>175.2</b>
<i>Property, Plant and Equipment</i>	121.3	124.4	132.7	130.0
<i>Capital Work-in-Progress</i>	3.5	4.0	1.3	3.2
<i>Other Intangible Assets</i>	42.3	39.5	36.6	33.4
<i>Financial Assets</i>	0.1	2.9	1.5	6.3
<i>Others</i>	4.5	1.7	-	2.2
<b>Current Assets</b>	<b>318.8</b>	<b>328.6</b>	<b>335.8</b>	<b>321.0</b>
<i>Inventories</i>	130.6	150.7	157.2	130.3
<i>Trade Receivables</i>	158.4	145.4	157.4	124.9
<i>Cash &amp; Cash equivalents*</i>	8.6	9.4	5.7	41.9
<i>Others</i>	21.2	23.1	15.6	23.9
<b>Total Assets</b>	<b>490.5</b>	<b>501.0</b>	<b>507.8</b>	<b>496.2</b>

The detailed Analysis on Debtors / Inventory is given in slide no.14 and 15.

\* Balances with bank is Rs 38.37 crores as on Dec-20

Particulars (Rs. crores)	Dec-17	Dec-18	Dec-19	Dec-20
<b>EQUITY &amp; LIABILITIES</b>				
<b>Shareholders' Funds</b>	<b>185.9</b>	<b>188.4</b>	<b>200.3</b>	<b>216.8</b>
<b>Non-current Liabilities (NCL)</b>	<b>54.4</b>	<b>43.7</b>	<b>36.5</b>	<b>27.0</b>
<i>Long-term Borrowings</i>	45.6	41.0	32.4	19.1
<i>Other NCL</i>	8.8	2.7	4.1	7.9
<b>Current Liabilities (CL)</b>	<b>250.2</b>	<b>268.9</b>	<b>271.0</b>	<b>252.4</b>
<i>Short-term Borrowings</i>	106.8	119.3	100.3	10.3
<i>Trade Payables</i>	76.8	118.5	115.5	138.2
<i>Others CL</i>	66.6	31.3	55.2	103.7
<b>Total Equity &amp; Liabilities</b>	<b>490.5</b>	<b>501.0</b>	<b>507.8</b>	<b>496.2</b>

The short-term borrowing has come down substantially due to lower working capital days.

Other CL includes current maturities of long-term debt of Rs. 16 crores

# 9M - Abridged Profit & Loss Statement



Particulars (Rs. crore)	9MFY20	9MFY21
<b>Total Net Revenues (Incl. OI)</b>	<b>568.8</b>	<b>664.4</b>
- Branded Net Revenues	568.0	663.4
- Other Income	0.8	1.0
<b>Material Cost</b>	<b>328.6</b>	<b>384.4</b>
- Cost of Materials Consumed	256.1	233.2
- Purchases of Stock-in-Trade	86.0	98.9
- Changes in Inventories	(13.5)	52.3
<b>Gross Profit</b>	<b>240.3</b>	<b>280.0</b>
<i>Gross Margin (%)</i>	42.2%	42.1%
Employee Expenses	60.7	55.0
Other Expenses	133.4	158.0
<b>EBITDA</b>	<b>46.2</b>	<b>67.1</b>
<i>EBITDA Margin (%)</i>	8.1%	10.1%
Depreciation	10.4	11.2
Finance Cost	18.0	14.1
<b>Profit Before Tax</b>	<b>17.8</b>	<b>41.7</b>

Revenue has grown by 16.8% during the first 9 months

## Gradual decline in Debt

(Rs Crore)	FY18	FY19	FY20	9MFY20	9MFY21
Short Term	145	104	127	100	10
Long Term**	63	50	43	43	35

## Interest Cost has reduced significantly

(Rs Crore)	FY18	FY19	FY20	Q3FY20	Q3FY21
Interest Charges	15.7	20.0	20.8	5.3	2.4
Other Charges*	2.4	2.5	3.3	1.0	1.4

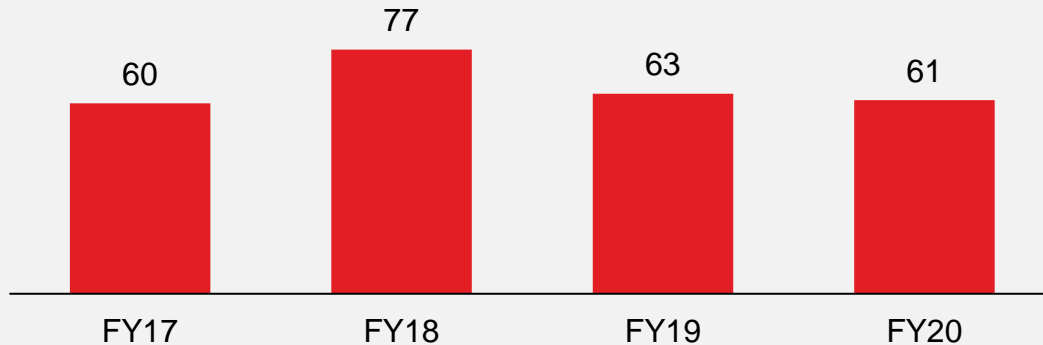
- Debt decreased drastically due to lower working capital days

\*LC opening / clearing and Processing charges, etc.

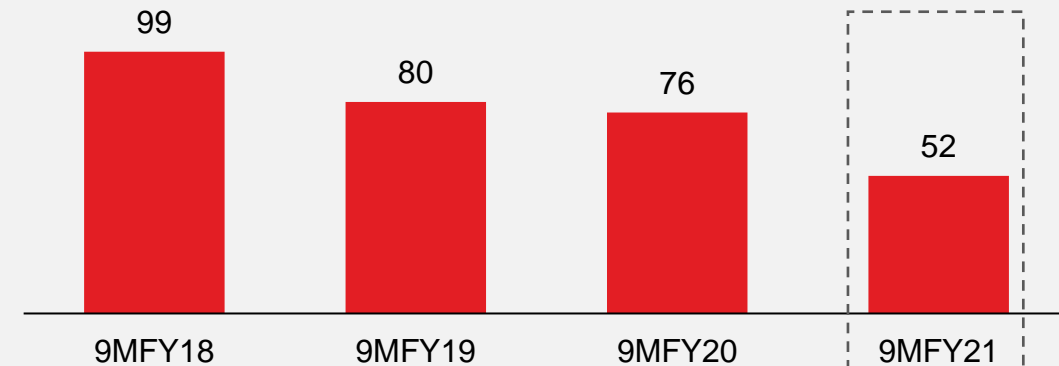
\*\* Includes maturities of current liabilities

# Significant Improvement in Debtors Days

Debtors Days

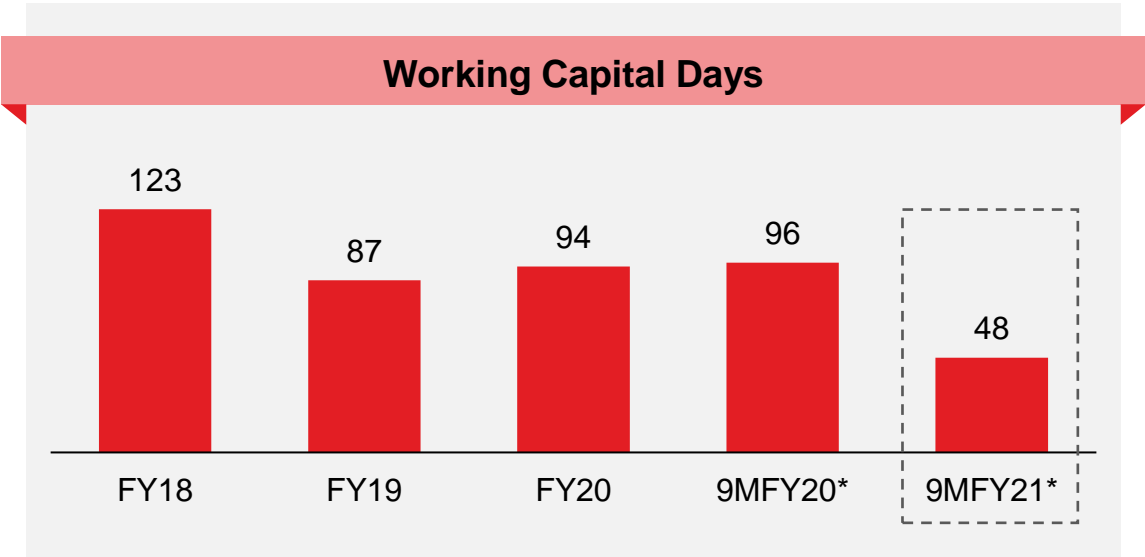


Debtors Days\*



- Relentless focus on improving debtors days have now started yielding results
  - Currently stands at 52 days in 9MFY21 vs 76 days in 9MFY20
- Measures driving the improvement includes:
  - Inventory Tracking: Real time inventory tracking at distributor and dealer level as resulted in streamlining of channel inventory. This has helped in increasing ROI for distributors and reduction in debtors for the Company
  - Business mix: Lower share of gas dealer channel business; 6% currently as compared to 30% 3 years ago
  - Bill Discounting: Successful implementation of bill discounting facility has reduced the debtors by Rs. 38 crores. The bill discounting facility can go up to Rs 70 crores in the medium term

\* Debtors Days has been calculated by annualizing 9M Sales



- Net working capital days has come down considerably in last 3 years from 123 days in FY18 to 48 days in 9MFY21
  - Debtors days (explained in slide 14)
  - Inventory days
    - Real Time tracking of inventory has helped the Company to manufacture goods that are in demand leading to lower holding days of finished goods
    - Increase in revenue is also bringing down inventory holding period
  - Creditors days
    - Increase in revenue is helping the company to negotiate better credit terms
    - Focus on doing tie up for vendor bill discounting to increase creditor days

	FY18	FY19	FY20	9MFY20*	9MFY21*
Inventory Days	84	80	91	76	54
Debtors Days	77	63	61	76	52
Creditors Days	38	56	58	56	57

\* Calculated by annualizing 9M Sales

### Duo Plus 2B SS Frame



### Trio Plus 3B SS Frame



### Bloom 2.0 TTG



### Flora 2.0 TTG



### Blossom 2.0 TTG



### Choppers



Premium Vegetable Chopper 600



Premium Vegetable Chopper 900

### Reflection Plus



- 60CM & 90CM
- Suction power: 1200 m<sup>3</sup>/h
- One baffle filter
- Stainless steel finish
- 3 speed touch control, Digital display
- 2\*1.5W LED Lights
- SS oil collector
- Motion sensor
- Heat Auto Clean
- Noise Level <58 dB
- Indian 3-pin Plug
- 1.8m Aluminium exhaust pipe

### Desire Plus



- 60CM & 90CM
- Suction power: 1200 m<sup>3</sup>/h
- Filter less
- Black Powder Coating
- 3 speed touch control, Digital display
- 2\*1.5W LED Lights
- SS oil collector
- Motion sensor
- Heat Auto Clean
- Noise Level <58 dB
- Indian 3-pin Plug
- 1.8m Aluminium exhaust pipe



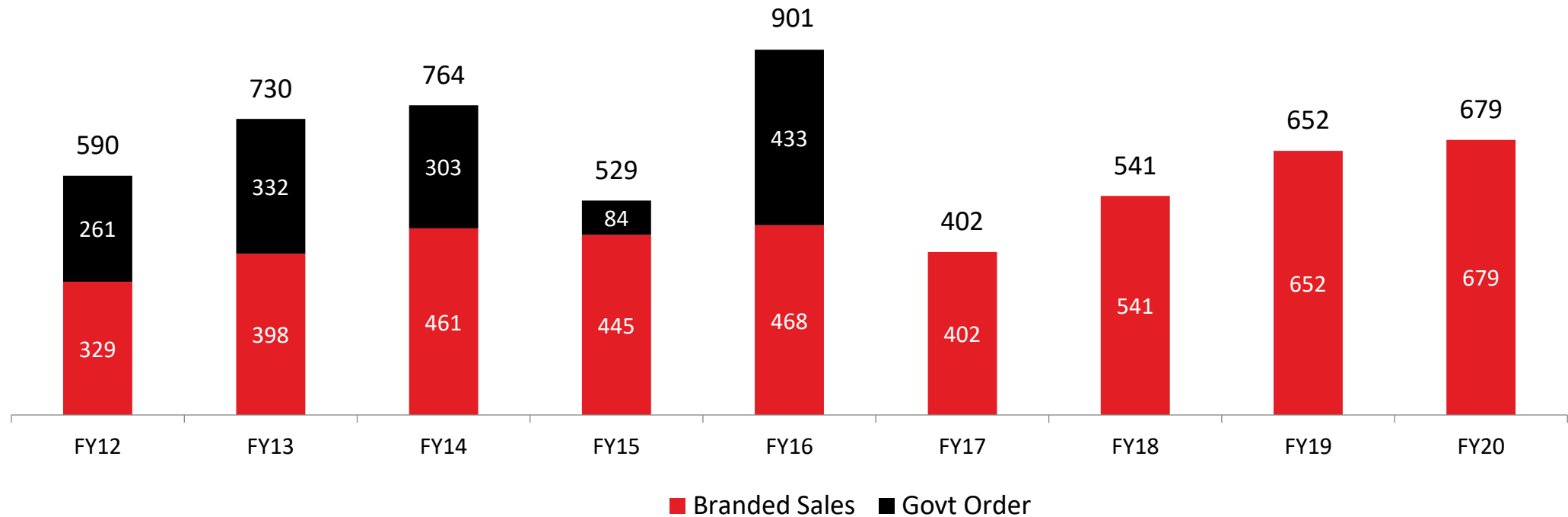
# COMPANY OVERVIEW



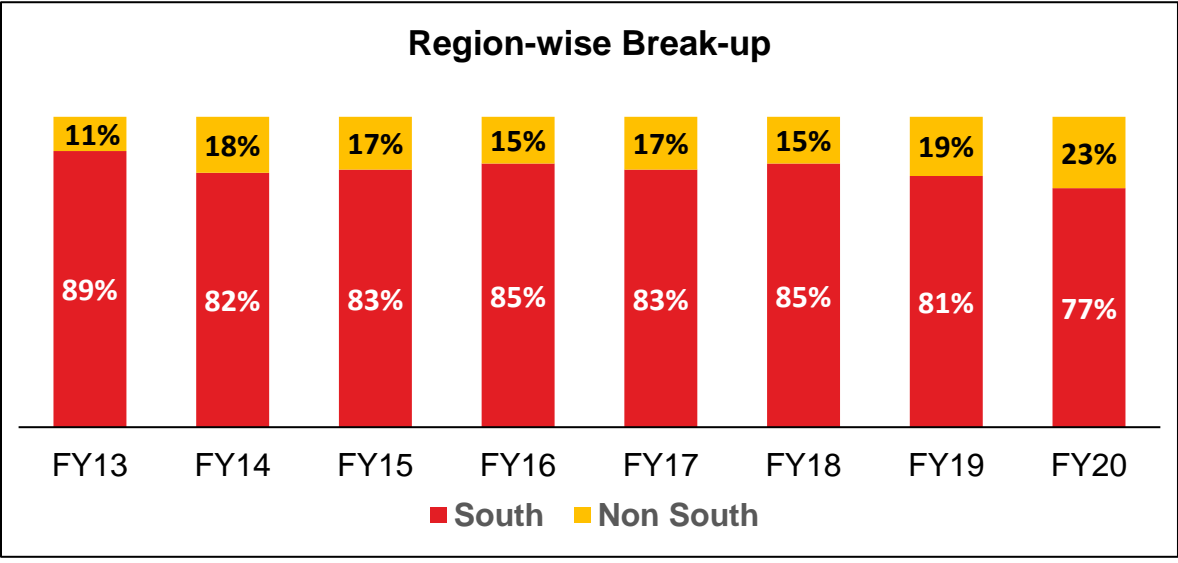
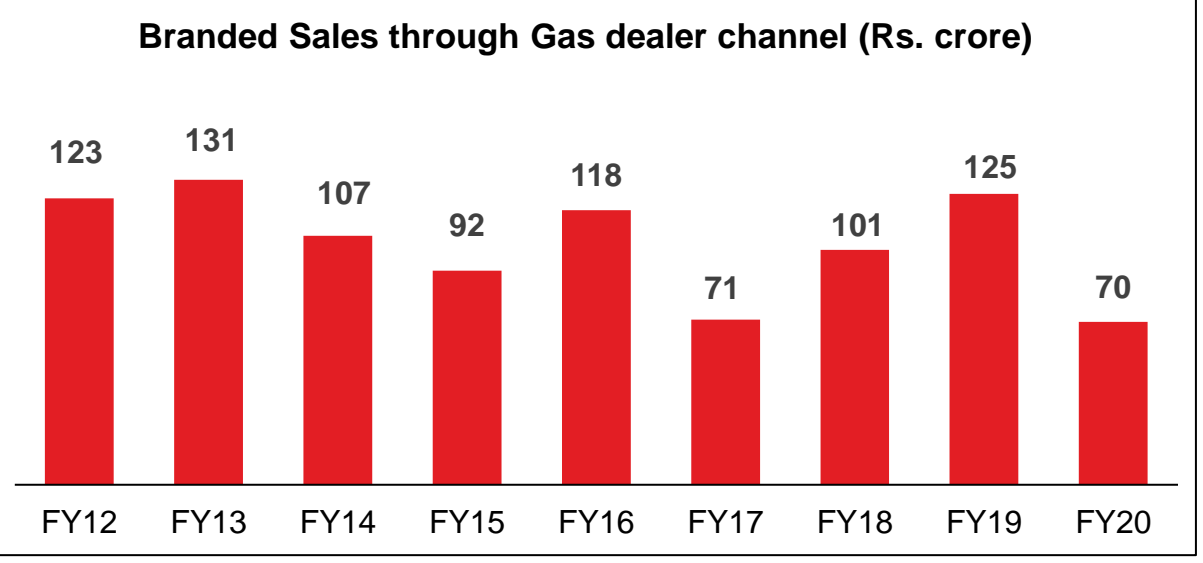
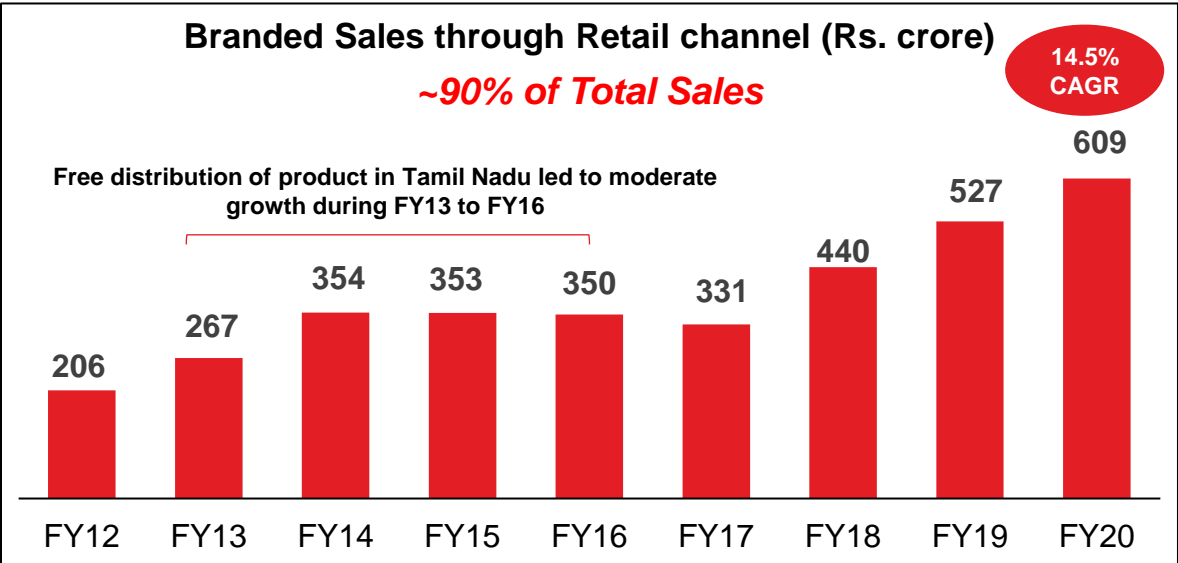
- Established in 1986 by late Shri V. Murugesu Chettiar, the Company is one of the leading manufacturer of Kitchen and Electrical Appliances in the country
- The Company sells its products branded as “Butterfly” across the country through distributors, direct dealers, modern trade, online channels, gas dealer channel etc.
- The Company is a market leader in India for SS LPG Stoves & Table Top Wet Grinders and major supplier of Mixer Grinders & Pressure Cookers
- Strong R&D focus which has led to several pioneering initiatives and continues to drive in-house development of new products
- Butterfly Gandhimathi is headquartered in Tamil Nadu and has a pan India presence

PRODUCTS	Kitchen Appliances				Cooker/Cookware		Others			
	 LPG Stoves  Mixer Grinder  Electric Rice Cookers  Juicer Mixer Grinder  Wet Grinder  Chimney  Power Hobs  Built In Hobs	   Non-Stick Cookware  Pressure Cookers	 Hand Blender  Hand Mixer  Pop Up Toaster  Sandwich Maker  Flasks  Electric Kettles  Water Bottles							

Annual Net Revenue\* (Rs. crore)



\*Further break down of branded sales is given in next slide



## 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

## Through Gas Dealer Channel

- Tie ups with Gas dealers of Oil Marketing Companies
- Customers for new gas connection are provided with Butterfly brand manufactured by BGMAL

- Year of Incorporation
- Imported machinery to set up manufacturing operations
- First to launch Stainless Steel Pressure Cookers in India
- Launched LPG Stoves
- First to Launch Stainless Steel Vacuum Flasks in India
- Launched Mixer Grinders

**1986-1989**

- Awarded patent for 3 conical stone Table Top Wet Grinder
- First in India to be awarded ISO 9000 certification for its LPG Stoves and Mixer Grinders
- Launched proprietary 3 conical stone grinding technology

**1998-1999**

**1992-1994**

- Invented Brazing Machine with in-house Technology which replaced the hazardous copper plating process for Pressure Cooker/Utensils – successful indigenous substitution for imported technology
- Listed on BSE

**2000-2002**

- Commenced exports to USA, UK, Canada, Mauritius, Australia & Japan
- Awarded ISO • 9000 certification for Table Top Wet Grinder

- First in India to receive “GREEN LABEL” Certification for high thermal efficient LPG Stoves
- 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

**2005-2011**

**2012-2014**

- Preferential Issue to Reliance PE – raised Rs. 100 crore of growth capital
- Established a branch office in the United Kingdom to oversee and promote exports in the region
- 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

- 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
- 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

**2015-2016**

**2017-Present**

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



**The Company has 1 state of the art R&D facility, with in-house design studio with a dedicated team of 15 people**

- Entire function operated on SAP environment ( All modules).
- Product wise traceability ( Bar Coding) of all the products
- 5 stage Quality control systems.
- Fully integrated manufacturing facility

**Manufactures the following 5 products:**

1. LPG Stoves
2. Mixer Grinders
3. Pressure Cooker
4. Table-Top Wet Grinders
5. Vacuum Flasks and Bottle

## R&D focused Company with a demonstrated track record in innovation

1<sup>st</sup>

- To introduce Stainless Steel Pressure Cookers in India
- To manufacture Stainless Steel LPG Stoves in India
- To introduce Stainless Steel Vacuum Flasks in India which deliver enhanced heat retention up to 72 hours compared to 8 hours with conventional products
- In India to get BEE label with 2-star rating for manufacture of LPG Stoves

Invented 3 conical stone grinding technology – awarded patent in 1998

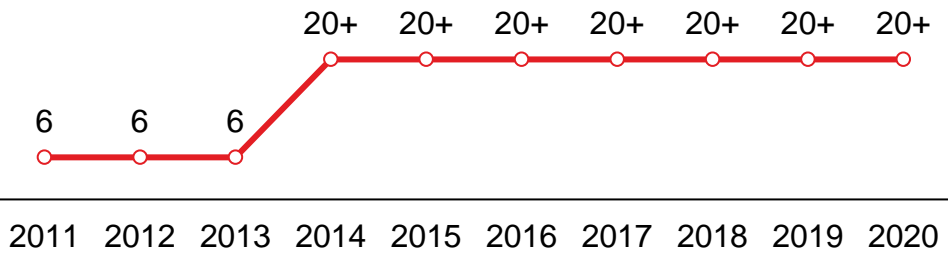
Enhanced Fuel efficiency in LPG Stoves from 50% to over 68% at present

In-house design of moulds, tools and dies has resulted in improved manufacturing efficiency

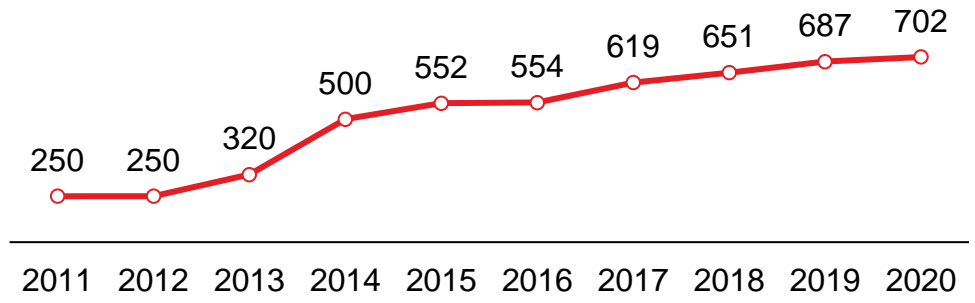
360° R&D efforts focused on product efficiency, longevity and design

## Increased Product Categories For Wider Product Portfolio And Higher Market Share

Product Categories (Nos.)

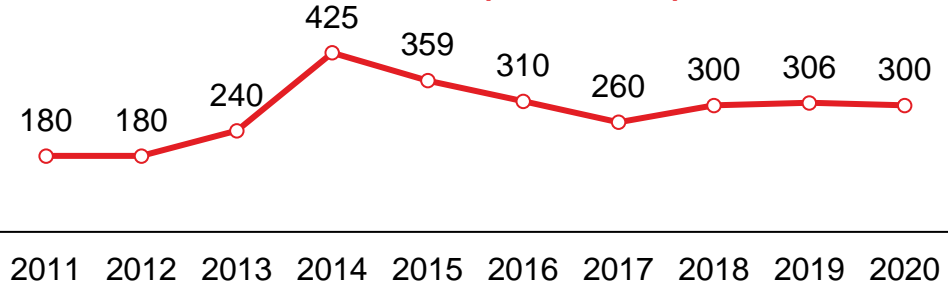


SKUs (Nos.)

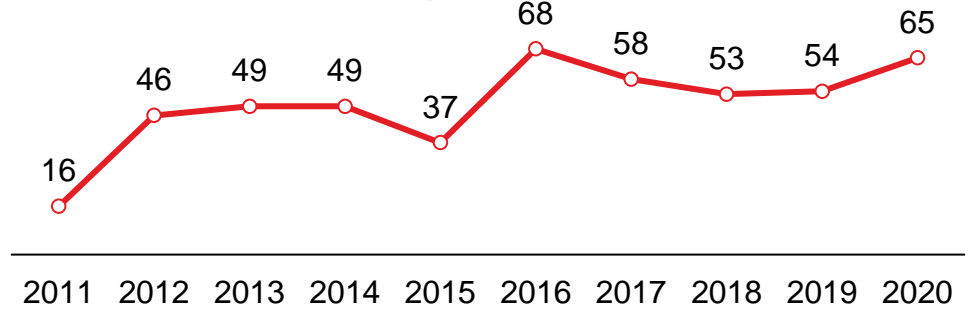


## Enhancing Sales and Marketing Efficiency For Better Penetration And Brand Development

Sales Team (Personnel)



Marketing Spend (Rs. crore)

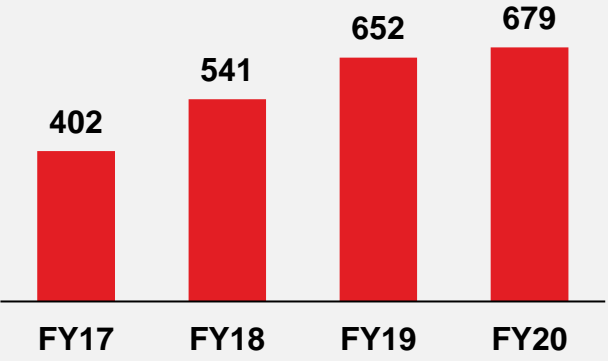




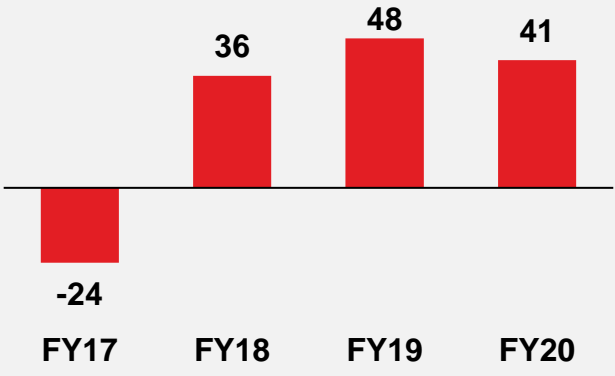
# HISTORICAL FINANCIAL OVERVIEW



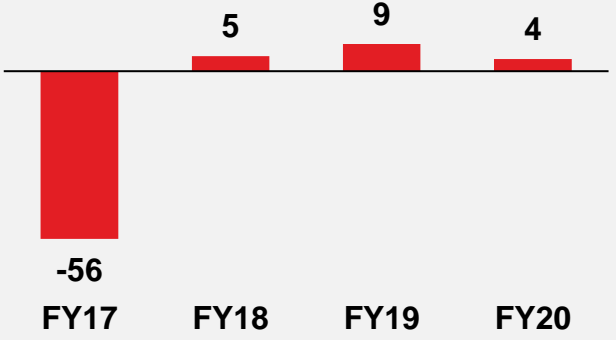
### Revenue from Operations (Rs. crore)



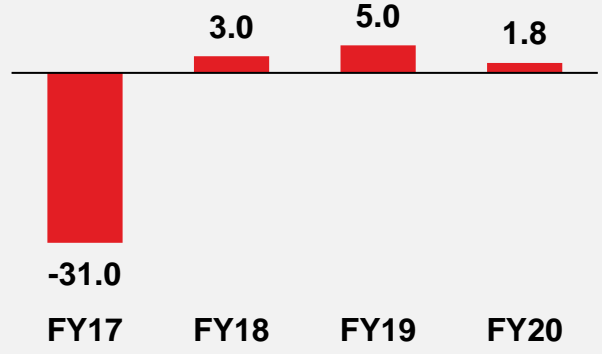
### EBITDA (Rs. crore)



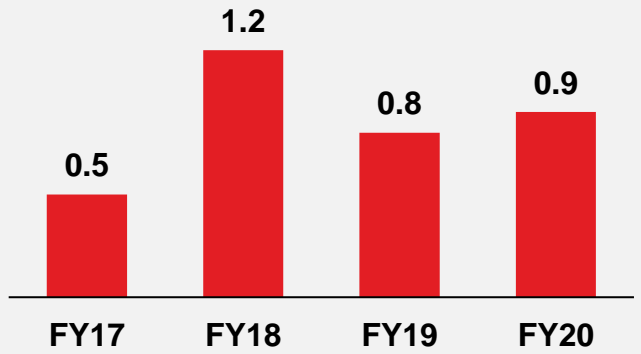
### Profit After Tax (Rs. crore)



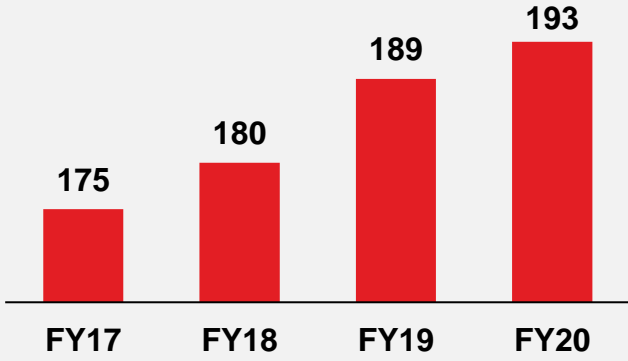
### EPS (Rs.)



### Net Debt - Equity Ratio



### Net Worth (Rs. crore)



# Historical Profit & Loss



Particulars (Rs. crore)	FY17	FY18	FY19	FY20
<b>Total Net Revenues (Incl. OI)</b>	<b>407</b>	<b>542</b>	<b>654</b>	<b>680</b>
- Branded Net Revenues	405	541	652	679
- Government Net Revenues	-	-	-	-
- Other Income	2	2	2	2
<b>Material Cost</b>	<b>247</b>	<b>315</b>	<b>390</b>	<b>390</b>
- Cost of Materials Consumed	149	219	317	311
- Purchases of Stock-in-Trade	79	106	98	105
- Changes in Inventories	19	-10	-24	-25
<b>Gross Profit</b>	<b>159</b>	<b>227</b>	<b>264</b>	<b>290</b>
<i>Gross Margin (%)</i>	39%	42%	40%	43%
Employee Expenses	50	57	70	79
Other Expenses	127	133	146	169
<b>EBITDA</b>	<b>-18</b>	<b>36</b>	<b>48</b>	<b>42</b>
<i>EBITDA Margin (%)</i>	-4%	7%	7%	6%
Depreciation	12	12	13	14
Finance Cost	23	18	23	24
<b>Profit Before Tax</b>	<b>-53</b>	<b>6</b>	<b>12</b>	<b>4</b>

Company lost Rs. 40 crores sales due to Covid-19

Branded Net Revenue has witnessed CAGR of 19% over FY17 to FY20.

Gross Margin has increased from 39% in FY17 to 43% in FY20

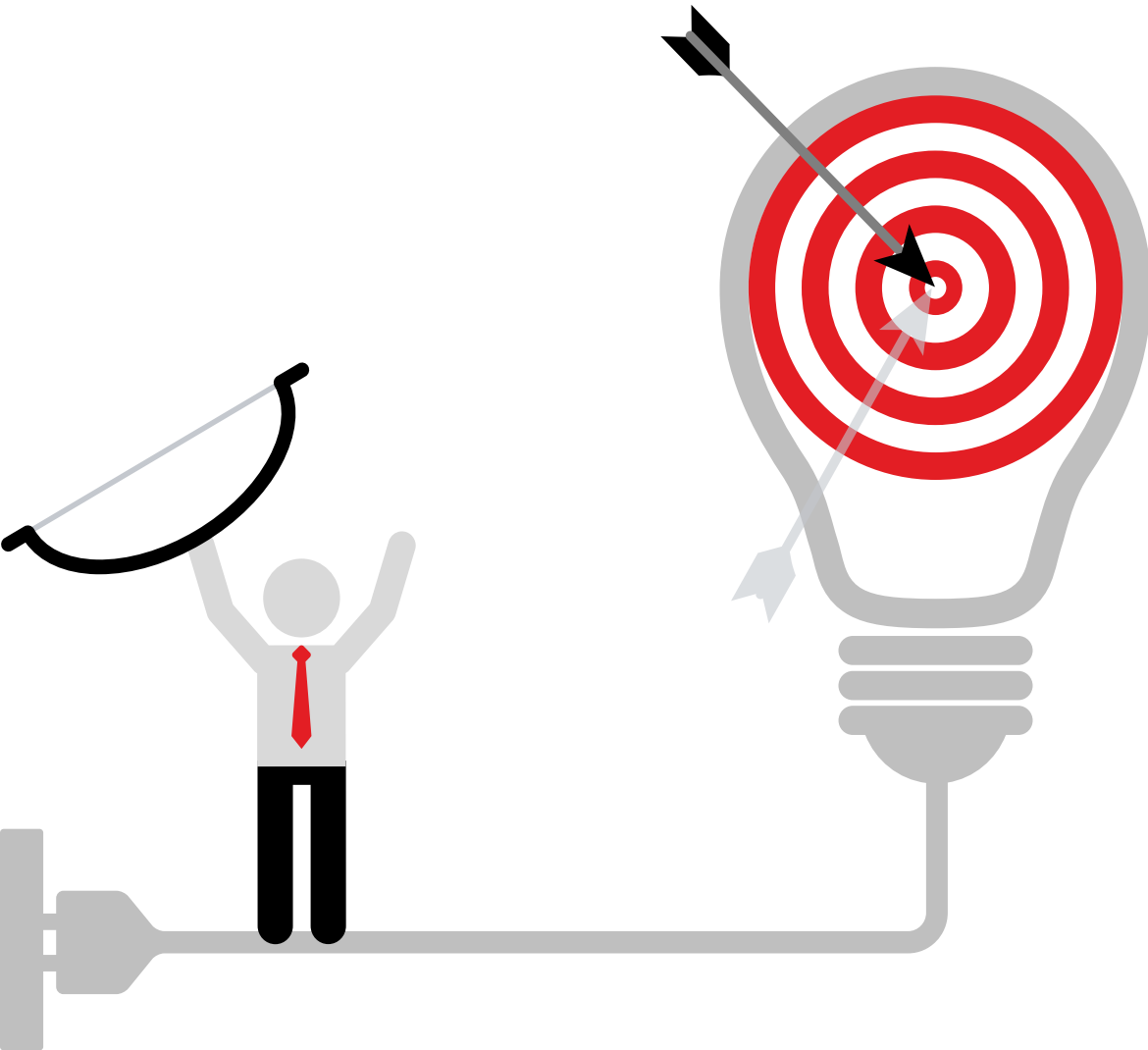
EBITDA margin was impacted due to Covid-19

Particulars (Rs. crore)	FY17	FY18	FY19	FY20
<b>ASSETS</b>				
<b>Non-Current Assets</b>	<b>178</b>	<b>172</b>	<b>176</b>	<b>179</b>
<b>Current Assets</b>	<b>241</b>	<b>296</b>	<b>287</b>	<b>313</b>
Inventories	109	125	142	170
Trade Receivables- TNCSC/PCWS	22	17	4	4
Trade Receivables-Branded	66	113	113	113
Cash & cash equivalents	31	23	10	4
Others	12	18	18	21
<b>Total Assets</b>	<b>418</b>	<b>468</b>	<b>464</b>	<b>492</b>
<b>Branded Revenue</b>	<b>402</b>	<b>541</b>	<b>652</b>	<b>680</b>
<b>Working Capital Days</b>	<b>105</b>	<b>123</b>	<b>87</b>	<b>94</b>
<b>Inventory Days</b>	<b>99</b>	<b>84</b>	<b>80</b>	<b>91</b>
<b>Debtors Days (branded)</b>	<b>60</b>	<b>77</b>	<b>63</b>	<b>61</b>
<b>Creditors Days</b>	<b>54</b>	<b>38</b>	<b>56</b>	<b>58</b>

Particulars (Rs. crore)	FY17	FY18	FY19	FY20
<b>EQUITY &amp; LIABILITIES</b>				
Shareholders' Funds	175	180	189	193
<b>Non-current Liabilities (NCL)</b>	63	46	42	36
Long-term Borrowings	63	46	39	32
Other NCL	-	-	3	3
<b>Current Liabilities (CL)</b>	181	242	232	264
Short-term Borrowings	84	145	104	127
Trade Payables	60	56	99	108
Others CL	37	40	29	29
<b>Total Equity &amp; Liabilities</b>	<b>418</b>	<b>468</b>	<b>464</b>	<b>492</b>
<b>Net Debt – Equity Ratio</b>	<b>0.91</b>	<b>1.16</b>	<b>0.81</b>	<b>0.88</b>

# OUTLOOK





## **FY21**

- Earlier guidance in Sep 20 of achieving 10% growth in FY21 is now revised upwards
- Expected to grow revenue above 20% in FY21 vs FY20

## **Medium term**

- Revenue: Greater than Rs. 1,000 Crore in 12-24 months
- EBITDA margins: Greater than 10% in 12-24 months
- Net debt / EBITDA: Less than 1x

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## **Thank You**

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