



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

RESULTS PRESENTATION

Q2 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

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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

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

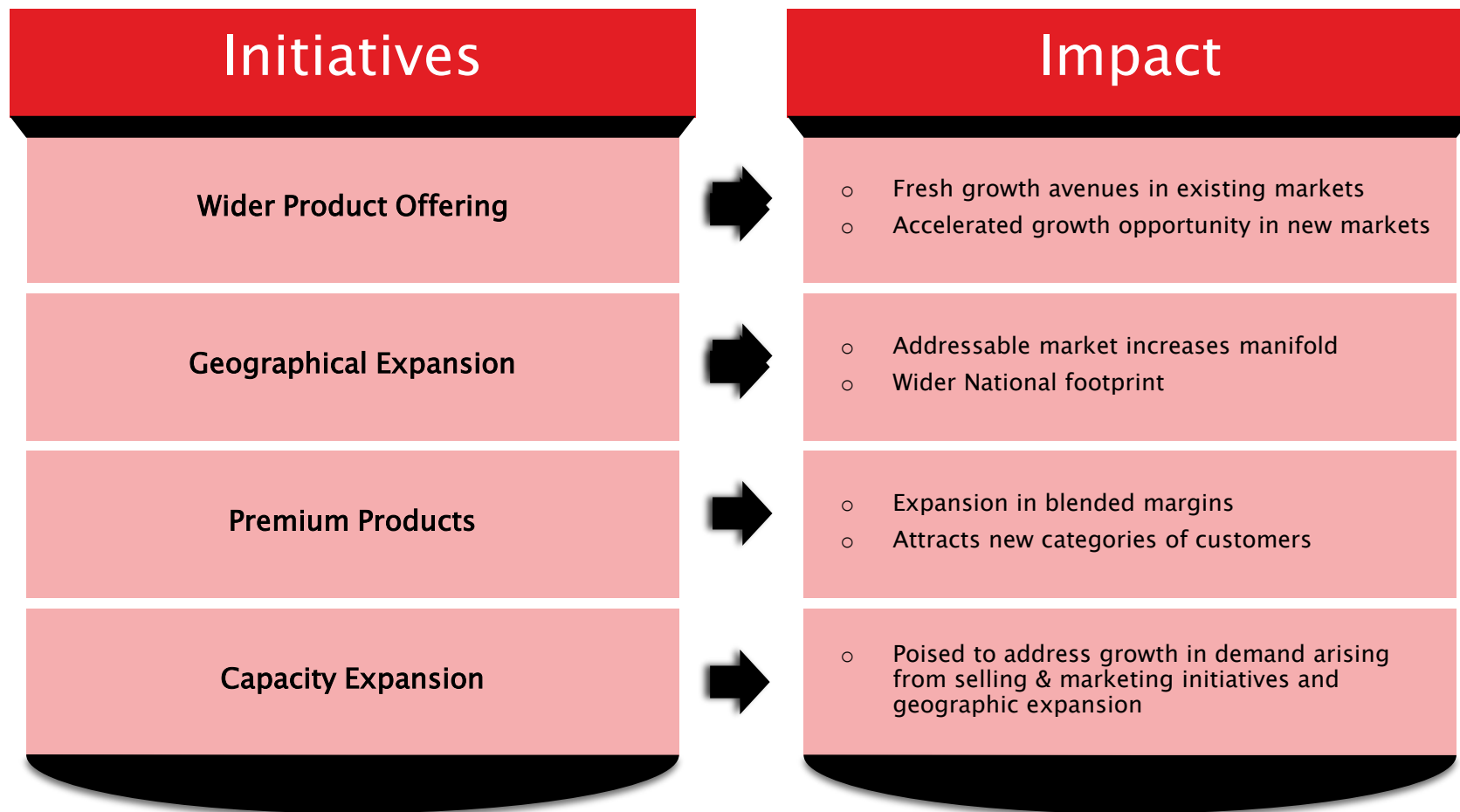
33.5%

REVENUE GROWTH
OVER FY18

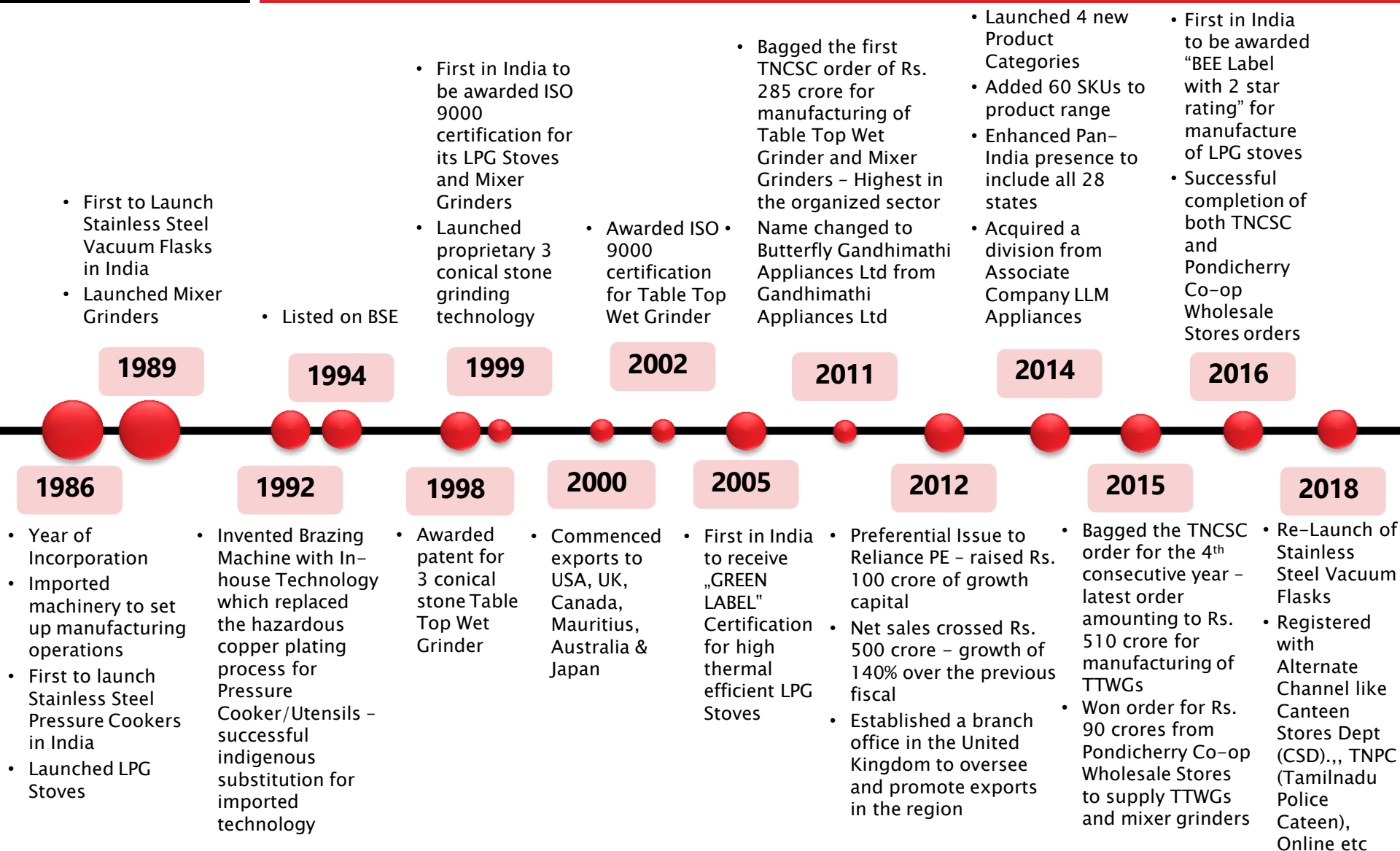
15%

OF FY18
REVENUES FROM NON-SOUTH
STATES

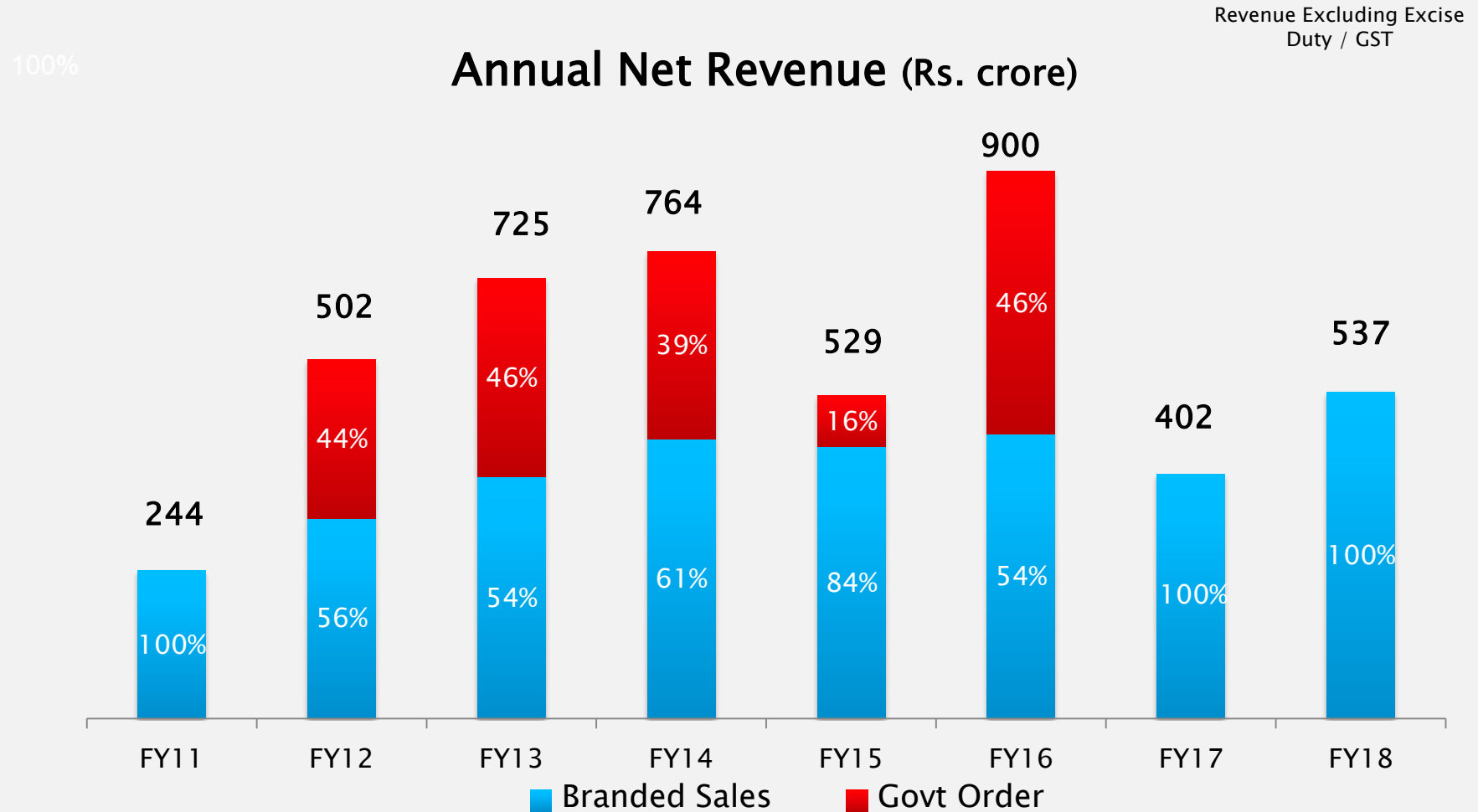
Growth Levers



Overview Milestones

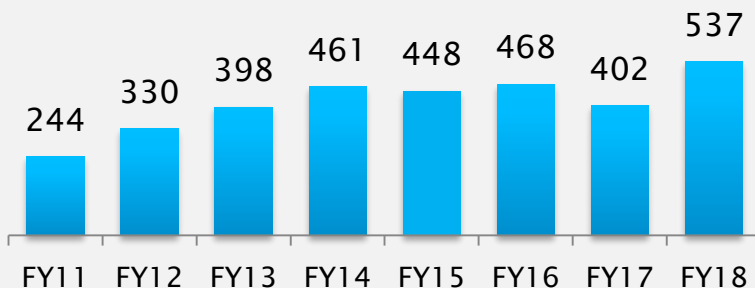


Revenue Profile



Branded Retail Sales

Branded Net Sales (Rs. crore)



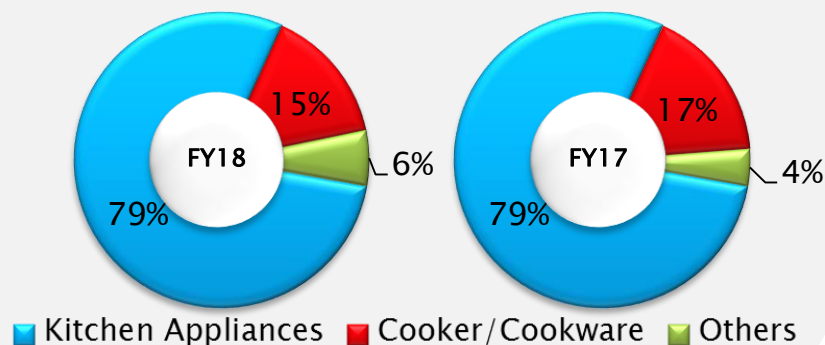
Through Institutions

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

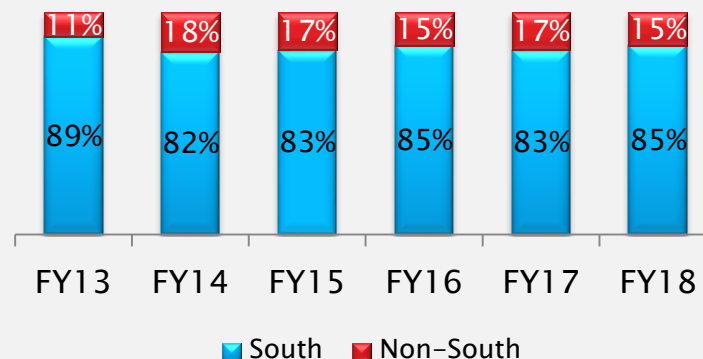
Through Retail Marketing

- Network of 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

Branded Product Distribution (%)



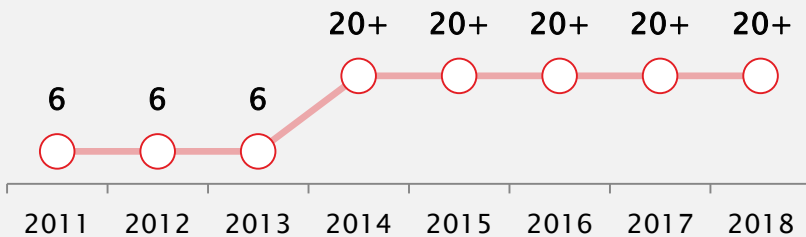
Region-wise Break-up



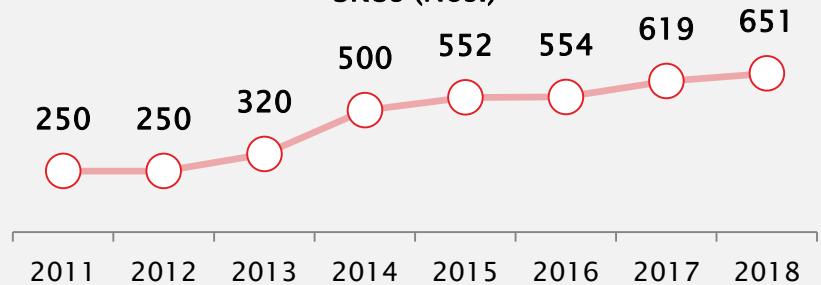
Augmenting Organic Growth

Increased Product Categories For Wider Product Portfolio And Higher Market Share

Product Categories (Nos.)

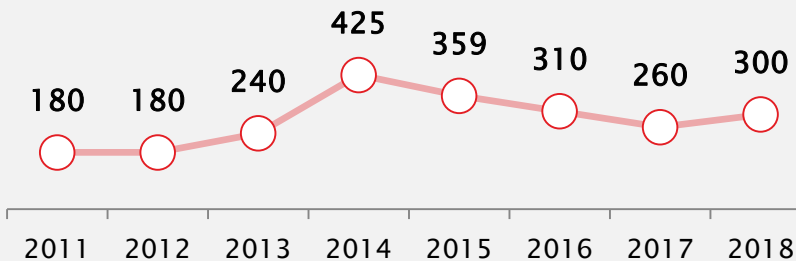


SKUs (Nos.)

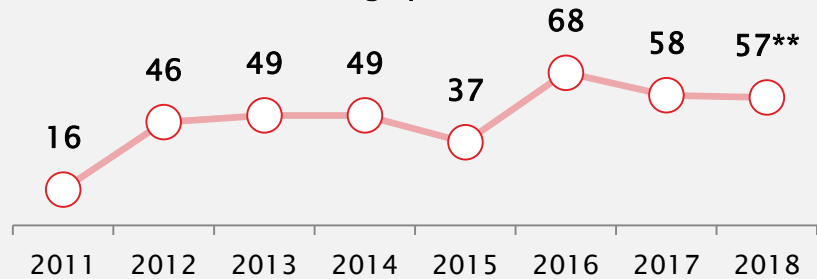


Enhancing Sales and Marketing Efficiency For Better Penetration And Brand Development

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

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 – Swirl 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

EBITDA 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.

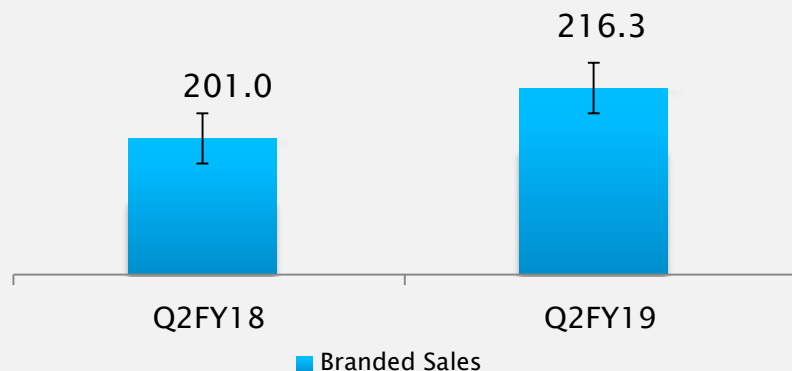


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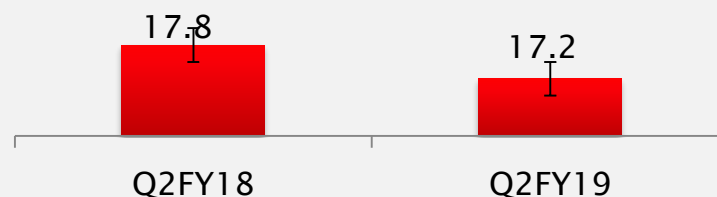
Q2 FY19 Operating Performance & Highlights

Q2 FY19 – Performance highlights

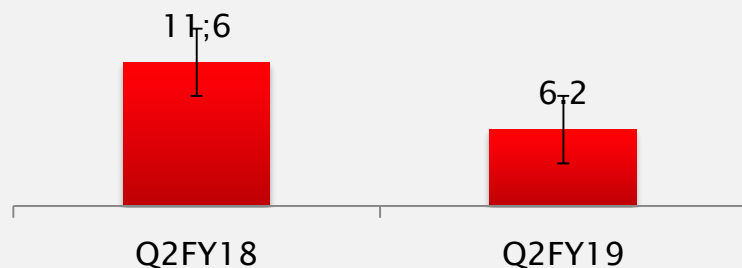
Total Income (Net) (Rs. crore)



EBITDA (Rs. crore)



PAT (Rs crore)



- 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%.



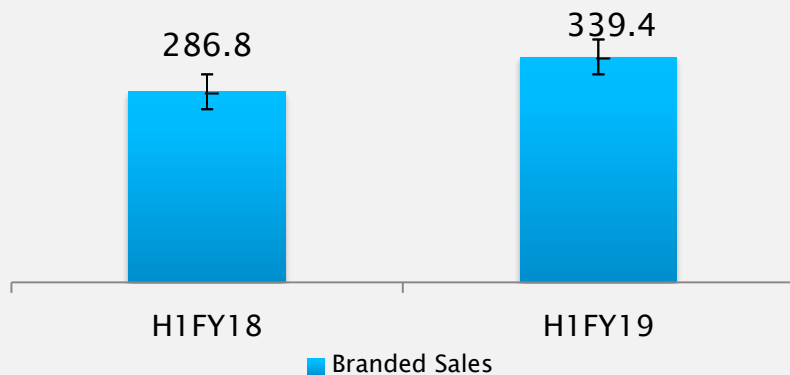
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H1 FY19 Operating Performance & Highlights

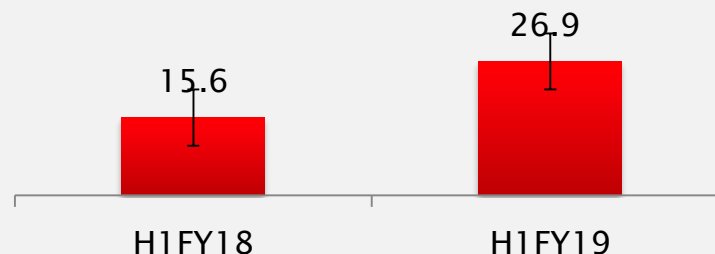


H2 FY19 – Performance highlights

Total Income (Net) (Rs. crore)



EBITDA (Rs. crore)



PAT (Rs crore)



- 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



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
