

# 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 forwardlooking 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 New Products Launched
- 3 Financial Overview
- 4 Q2 FY19 Operating Performance & Highlights
- 5 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. 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

## **Quick Facts**

#1

IN INDIA
FOR SS LPG STOVES
& TABLE TOP WET GRINDERS

PRESENCE IN ALL

29

STATES IN INDIA

1.16

NET DEBT / EQUITY RATIO 12.8%

BRANDED REVENUE CAGR FY10-18

SALES OF BRANDED PRODUCTS IN FY18

537
CRORE

33.5%

REVENUE GROWTH OVER FY18 IN THE TOP

3

IN INDIA FOR DOMESTIC KITCHEN APPLIANCES

500+
EXCLUSIVE

EXCLUSIVE DISTRIBUTORS ACROSS INDIA

15%

OF FY18
REVENUES FROM NON-SOUTH
STATES



## **Growth Levers**

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



## **Overview Milestones**

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

1989

1994

Listed on BSE

 First in India to be awarded ISO 9000 certification for its LPG Stoves and Mixer Grinders

 Launched proprietary 3 conical stone grinding technology

1999

for Table Top Wet Grinder

2002

Awarded ISO

certification

9000

- · 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

2011

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

2014

- 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

2016

1986

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

1992

 Invented Brazing Machine with Inhouse Technology which replaced the hazardous copper plating process for Pressure Cooker/Utensils successful indigenous substitution for imported

1998

 Awarded patent for 3 conical stone Table Top Wet Grinder

2000

 Commenced exports to USA, UK, Canada. Mauritius. Australia & Japan

2005

First in India • to receive "GREEN I ABFI " for high thermal efficient LPG Stoves

2012

Preferential Issue to

Reliance PE - raised Rs.

- 100 crore of growth capital Certification • 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

2015

- 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

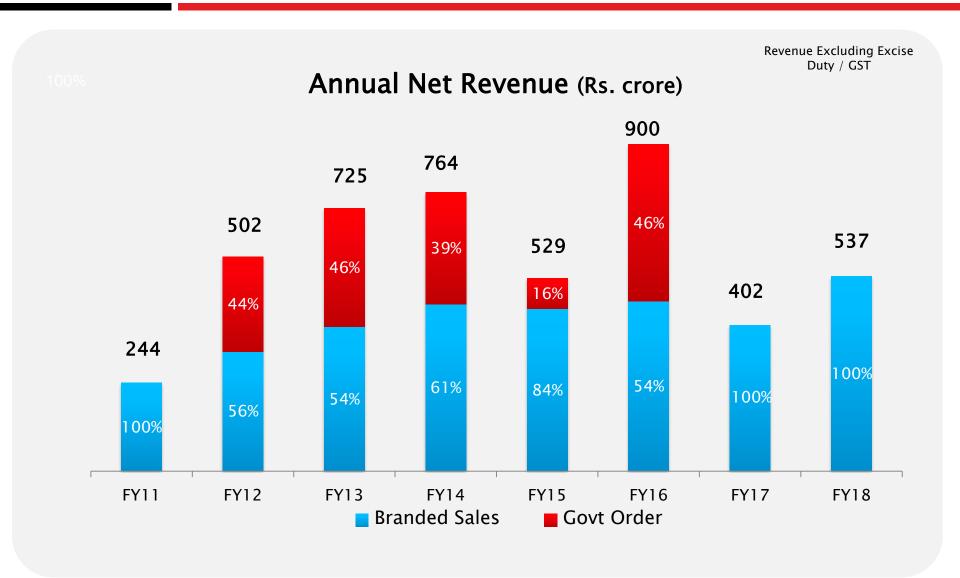
2018

- Bagged the TNCSC Re-Launch of Stainless Steel Vacuum Flasks
  - Registered with **Alternate** Channel like Canteen Stores Dept (CSD)... TNPC (Tamilnadu Police Cateen).

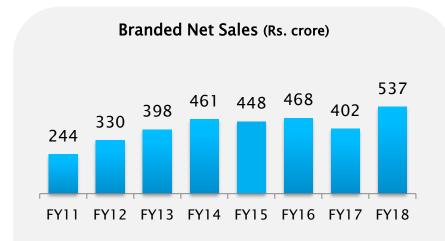
Online etc

technology

## **Revenue Profile**



### **Branded Retail Sales**

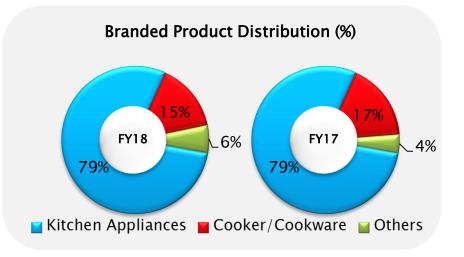


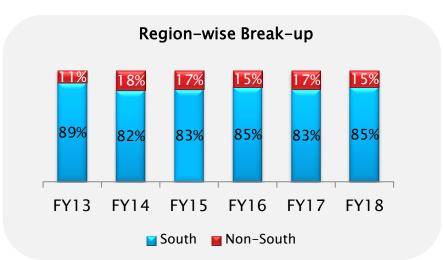
#### **Through Institutions**

- · Tie ups with Gas dealers of IOCL, BPCL and HPCL
- Customers for new gas connection are provided with cobranded 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

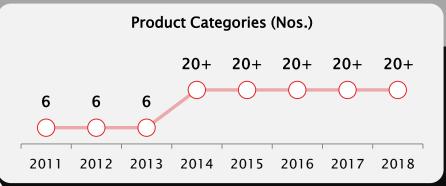


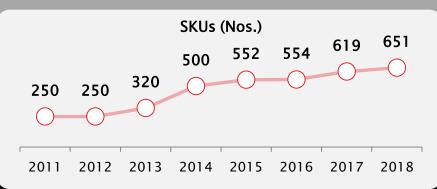




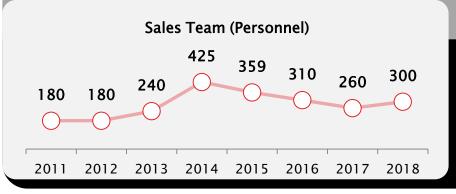
## **Augmenting Organic Growth**

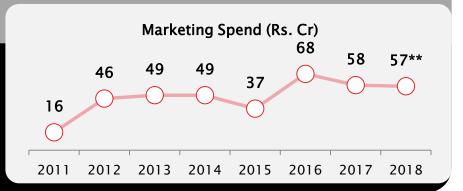
#### Increased Product Categories For Wider Product Portfolio And Higher Market Share





#### 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



## **NEW PRODUCT LAUNCHES during FY 2018–19**

LPG Stoves / Mixer Grinder / Table Top Wet Grinder

Curve 2B SS LPG Stove



Cyclone Mixer grinder 3J



Mixer Grinder - Tulip - 4J 750 w



Pebble Mixer Grinder – 750 W



Wet Grinder – Rhino 2.0 – Red and White



Mixer Grinder - Tornado 3J 750 w



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

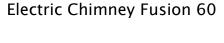






## NEW PRODUCT LAUNCHES — Electric Chimney and Power Hob

Electric Chimney Fortis 60



Electric Chimney 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



#### Sandwich Maker BSWG17



#### Slice Toaster - BSTP 17-18



#### Water Kettle - EKN 1.5



#### Sandwich Maker BSWR17



#### 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





## **Financial Overview**

## **Abridged Profit & Loss Statement**

						KS	. crore	
Doubleslave	EV 201E	EV 2016	EV 2017	FY 2017 *	FY 2018 *	H1 FY18*	H1 FY19*	
Particulars	FY 2015	FY 2016	FY 2017	Ind-AS	Ind-AS	Ind-As	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	2
- 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	3.9	23.8	1	19.4	-9.9			
and Stock-in-Trade						1.7	-8.4	
Gross Profit	215.8	284.4	153.8	159.3	226.9	117.2	137.7	1
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°	7
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

Rs. crore

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 operationg 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

FY 2015	FY 2016	FY 2017	FY 2017 **	FY 2018**	H1 FY18**	H1 FY19 **	
175.4	173.6	176.0	177.9	171.6	177.1	171.1	
393.5	413.6	231.3	240.5	296.0	309.9	330.4	
168.9	123.8	108.8	108.8	125.1	119.2	139.1	
84	137.46	21.8	21.8	17.3	17.3	3.8	
108.9	119.96	66.2	66.2	113.3	141.0	160.2	2
15.4	13.4	28.2	31.4	22.7	17.3	6.9	
16.3	19	13	12.3	17.6	15.1	20.4	
569.2	587.2	407.3	407.3	467.6	487.0	501.5	
447.5	468.2	402.3	402.3	537.3	288.7	342.4	
130	108	112	105	124	98	95	4
138	97	99	99	85	74	73	
89	94	60	60	77	88	84	
96	82	47	54	38	64	62	
	393.5 168.9 84 108.9 15.4 16.3 569.2 447.5 130 138 89	175.4       173.6         393.5       413.6         168.9       123.8         84       137.46         108.9       119.96         15.4       13.4         16.3       19         569.2       587.2         447.5       468.2         130       108         138       97         89       94	175.4       173.6       176.0         393.5       413.6       231.3         168.9       123.8       108.8         84       137.46       21.8         108.9       119.96       66.2         15.4       13.4       28.2         16.3       19       13         569.2       587.2       407.3         447.5       468.2       402.3         130       108       112         138       97       99         89       94       60	175.4       173.6       176.0       177.9         393.5       413.6       231.3       240.5         168.9       123.8       108.8       108.8         84       137.46       21.8       21.8         108.9       119.96       66.2       66.2         15.4       13.4       28.2       31.4         16.3       19       13       12.3         569.2       587.2       407.3       407.3         447.5       468.2       402.3       402.3         130       108       112       105         138       97       99       99         89       94       60       60	175.4       173.6       176.0       177.9       171.6         393.5       413.6       231.3       240.5       296.0         168.9       123.8       108.8       108.8       125.1         84       137.46       21.8       21.8       17.3         108.9       119.96       66.2       66.2       113.3         15.4       13.4       28.2       31.4       22.7         16.3       19       13       12.3       17.6         569.2       587.2       407.3       407.3       467.6         447.5       468.2       402.3       402.3       537.3         130       108       112       105       124         138       97       99       99       85         89       94       60       60       77	175.4       173.6       176.0       177.9       171.6       177.1         393.5       413.6       231.3       240.5       296.0       309.9         168.9       123.8       108.8       108.8       125.1       119.2         84       137.46       21.8       21.8       17.3       17.3         108.9       119.96       66.2       66.2       113.3       141.0         15.4       13.4       28.2       31.4       22.7       17.3         16.3       19       13       12.3       17.6       15.1         569.2       587.2       407.3       407.3       467.6       487.0         447.5       468.2       402.3       402.3       537.3       288.7         130       108       112       105       124       98         138       97       99       99       85       74         89       94       60       60       77       88	175.4       173.6       176.0       177.9       171.6       177.1       171.1         393.5       413.6       231.3       240.5       296.0       309.9       330.4         168.9       123.8       108.8       108.8       125.1       119.2       139.1         84       137.46       21.8       21.8       17.3       17.3       3.8         108.9       119.96       66.2       66.2       66.2       113.3       141.0       160.2         15.4       13.4       28.2       31.4       22.7       17.3       6.9         16.3       19       13       12.3       17.6       15.1       20.4         569.2       587.2       407.3       407.3       467.6       487.0       501.5         447.5       468.2       402.3       402.3       537.3       288.7       342.4         130       108       112       105       124       98       95         138       97       99       99       85       74       73         89       94       60       60       77       88       84

Receivables increased, due to higher sales.

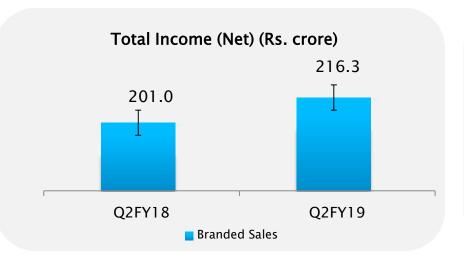
Net working capital has decreased compared to Mar-18.

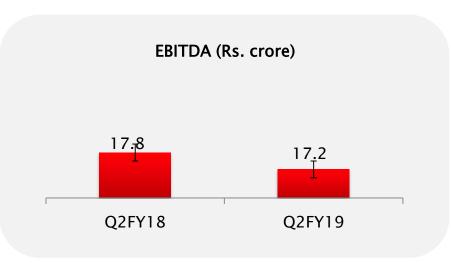


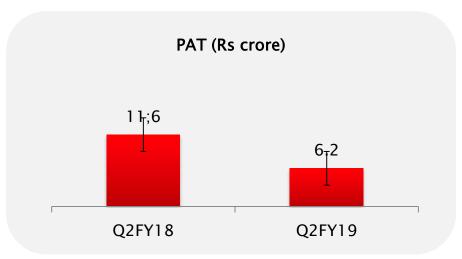


## Q2 FY19 Operating Performance & Highlights

## **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)

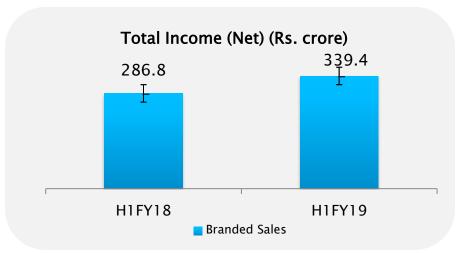
Product	Q2 FY19	Q2 FY18	Q1 F19	Y-o-Y Growth	Q-o-Q Growth
Branded Market					
Kitchen Appliances	175.1	163.3	96.4	7.2%	81.6%
Cooker/Cookware	33.1	30.2	18.5	9.5%	78.8%
Others	8.1	7.5	8.2	7.7%	-1.5%
Grand Total	216.2	201.0	123.1	7.6%	75.7%

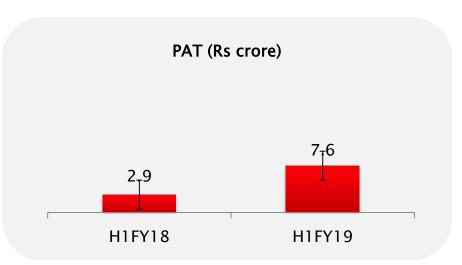
• Overall the branded business grew by 7.6%.

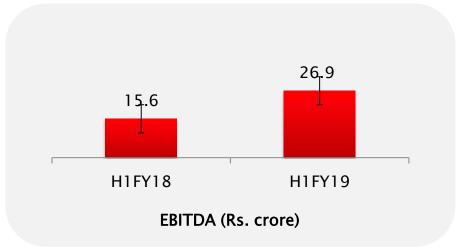


## H1 FY19 Operating Performance & Highlights

## **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	1 <i>7</i> .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