



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

November 5, 2020

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 second quarter ended on 30.09.2020**

Enclosed please find the Company's Performance/Results presentation for the second quarter ended on 30.09.2020, which may please be uploaded on the website for information of our investors.

Thanking you,

Yours faithfully,
For Butterfly Gandhimathi Appliances Limited

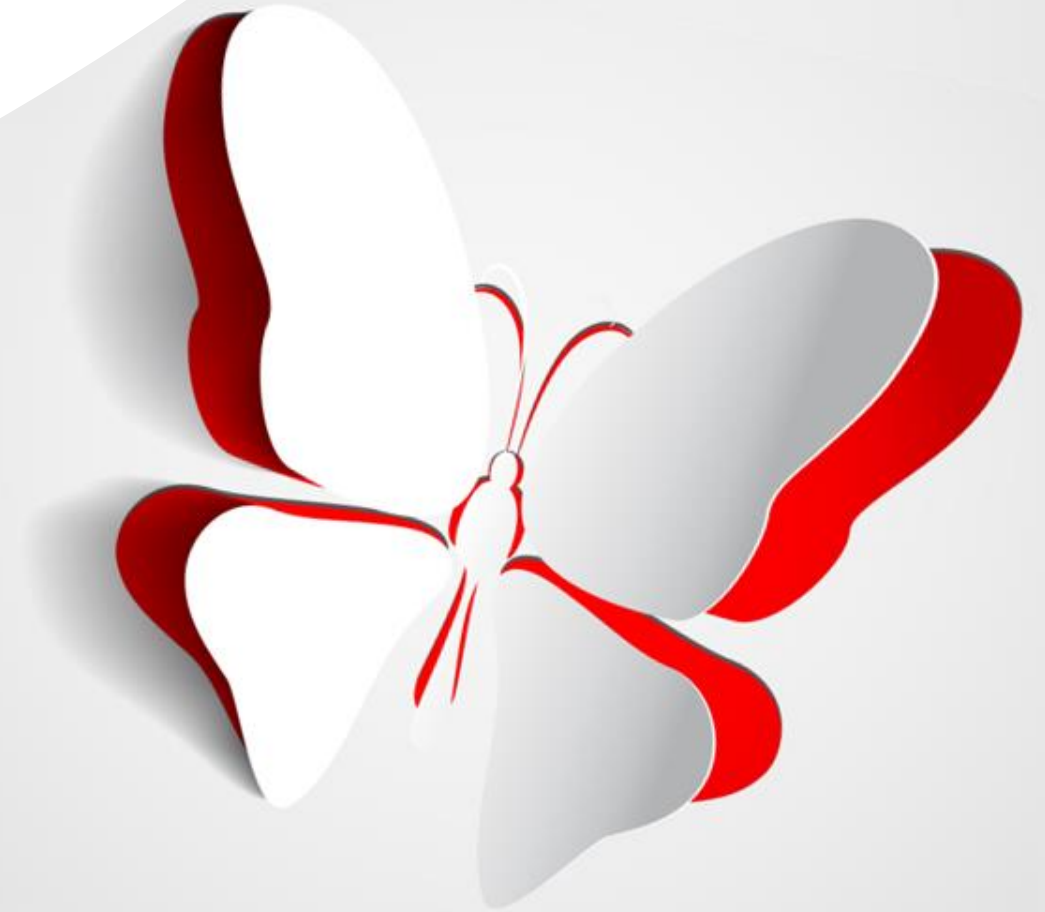
K.S. Ramakrishnan
K.S. Ramakrishnan
Company Secretary &
General Manager (Legal)

Regd. Office: 143, Pudupakkam Village, Vandalur - Kelambakkam Road, Kelambakkam - 603 103, Kancheepuram District,
Phone: +91-44-47415500 CIN No: L28931TN1986PLC012728,
E-mail: gm@butterflyindia.com web : www.butterflyindia.com

Corporate Office: E-34, II Floor, Rajiv Gandhi Salai, Egattur Village, Navalur - 600 130. Kancheepuram District.
Phone: 044 - 49005100/5154, E- mail: butterflyho@butterflyindia.com

Butterfly Gandhimathi Appliances Limited

Q2 & H1 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

45.8 Crore

Net Debt as on 30.09.2020

4%

Growth over FY19

23%

of FY20 Revenues from Non-South States

Agenda

01

Quarter Highlights

02

Company Overview

03

Historical Financial Overview

04

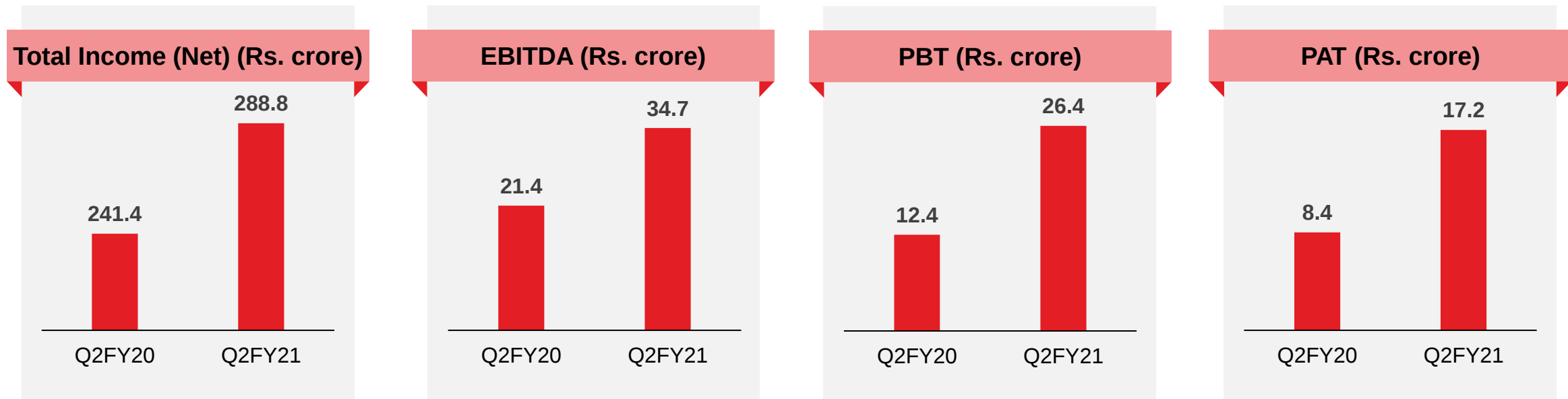
Outlook



QUARTER HIGHLIGHTS



Q2 FY21 – Performance Highlights



- Total Income (Net) during Q2 FY21 stood at Rs. 288.8 crore, as against Rs. 241.4 crore in Q2 FY20, a growth of 19.6% YoY
- EBITDA during Q2 FY21 stood at Rs. 34.7 crore, as against Rs. 21.4 crore in Q2 FY20, a growth of 62.1% YoY
- PBT increased to Rs. 26.4 crore in Q2 FY21, as against Rs. 12.4 crore in Q2 FY20, a growth of 113.3% YoY
- PAT increased to Rs. 17.2 crore in Q2 FY21, as against Rs. 8.4 crore in Q2 FY20, a growth of 105.2% YoY

Q2 - Abridged Profit & Loss Statement

Particulars (Rs. crore)	Q2FY20	Q2FY21
Total Net Revenues (Incl. OI)	241.8	289.2
- Branded Net Revenues	241.4	288.8
- Other Income	0.3	0.4
Material Cost	145.2	166.8
- Cost of Materials Consumed	96.8	99.8
- Purchases of Stock-in-Trade	39.8	44.5
- Changes in Inventories	8.6	22.5
Gross Profit	96.5	122.3
<i>Gross Margin (%)</i>	39.9%	42.3%
Employee Expenses	21.2	19.0
Other Expenses	54.0	68.6
EBITDA	21.4	34.7
<i>EBITDA Margin (%)</i>	8.9%	12.0%
Depreciation	3.2	3.7
Finance Cost	5.8	4.6
Profit Before Tax	12.4	26.4

The Branded revenue grew by 19.6%, across all channels except Modern Trade and Gas Dealer Channels.

Gross Margin continuously healthy above 42%, due to Channel-Mix, Product-Mix etc.

The Company reported an increase of 113.3% in PBT due to operating leverage.

Particulars (Rs. crore)	Q2FY20	Q2FY21	YoY Growth
Kitchen Appliances	189.6	221.5	16.8%
Cooker/Cookware	42.9	51.8	20.6%
Others	8.8	15.5	76.3%
Total	241.4	288.8	19.6%

- The Company has grown across all the product categories.

Balance Sheet Trends

Particulars (Rs. crores)	Sep-17	Sep-18	Sep-19	Sep-20
ASSETS				
Non-Current Assets	177.1	171.1	172.5	173.2
<i>Property, Plant and Equipment</i>	122.6	123.8	132.2	130.4
<i>Capital Work-in-Progress</i>	3.4	2.7	1.5	2.4
<i>Other Intangible Assets</i>	43.1	40.2	37.3	34.1
<i>Financial Assets</i>	2.5	4.4	1.4	1.6
<i>Others</i>	5.5	-	0.1	4.7
Current Assets	309.9	330.4	397.6	306.8
<i>Inventories</i>	119.2	139.1	150.7	137.6
<i>Trade Receivables- TNCSC/PCWS</i>	17.3	3.8	3.8	1.9
<i>Trade Receivables-Branded</i>	141.0	160.2	224.3	124.2
<i>Cash & Cash equivalents*</i>	17.3	6.9	5.4	30.0
<i>Others</i>	15.1	20.4	13.4	13.1
Total Assets	487.0	501.5	570.1	480.1

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

* Balances with bank is 29.50 crores as on Sep-20

Particulars (Rs. crores)	Sep-17	Sep-18	Sep-19	Sep-20
EQUITY & LIABILITIES				
Shareholders' Funds	181.9	187.8	199.6	200.9
Non-current Liabilities (NCL)	68.1	41.9	37.3	36.8
<i>Long-term Borrowings</i>	64.9	39.2	34.5	33.3
<i>Other NCL</i>	3.2	2.8	2.8	3.5
Current Liabilities (CL)	237.0	271.8	333.3	242.4
<i>Short-term Borrowings</i>	80.4	119.6	136.1	24.0
<i>Trade Payables</i>	102.9	118.4	161.2	171.4
<i>Others CL</i>	53.7	33.8	36.0	47.0
Total Equity & Liabilities	487.0	501.5	570.1	480.1

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

H1 - Abridged Profit & Loss Statement



Particulars (Rs. crore)	H1FY20	H1FY21
Total Net Revenues (Incl. OI)	394.0	366.1
- Branded Net Revenues	393.5	365.5
- Other Income	0.4	0.6
Material Cost	233.9	210.7
- Cost of Materials Consumed	170.7	122.9
- Purchases of Stock-in-Trade	61.8	50.7
- Changes in Inventories	1.3	37.1
Gross Profit	160.1	155.4
<i>Gross Margin (%)</i>	40.6%	42.4%
Employee Expenses	39.5	32.5
Other Expenses	87.2	92.1
EBITDA	33.3	30.8
<i>EBITDA Margin (%)</i>	8.5%	8.4%
Depreciation	7.0	7.4
Finance Cost	11.7	10.3
Profit Before Tax	14.6	13.2

Reduction in Debt and Interest Cost

Gradual decline in Debt

(Rs crore)	FY18	FY19	FY20	Q2FY20	Q2FY21
Short Term	145	104	127	136	24
Long Term**	63	50	43	45	51

Interest Cost has reduced significantly

(Rs crore)	FY18	FY19	FY20	Q2FY20	Q2FY21
Interest Charges	15.7	20.0	20.8	5.3	3.8
Other Charges*	2.4	2.5	3.3	0.4	0.8

- Debt decreased drastically due to lower working capital days.
- Interest cost reduced due to Channel Finance facility availed by the Company.

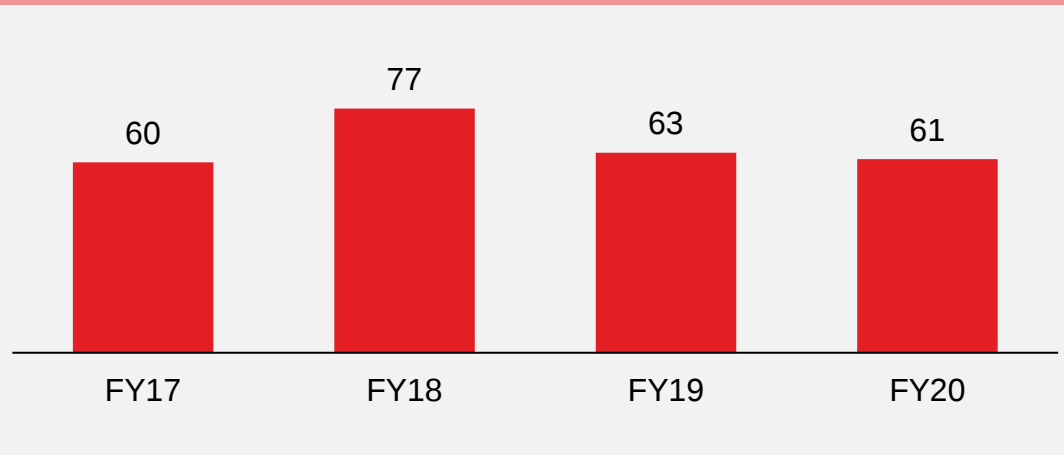
*LC opening / clearing and Processing charges, etc.

** Includes maturities of current liabilities

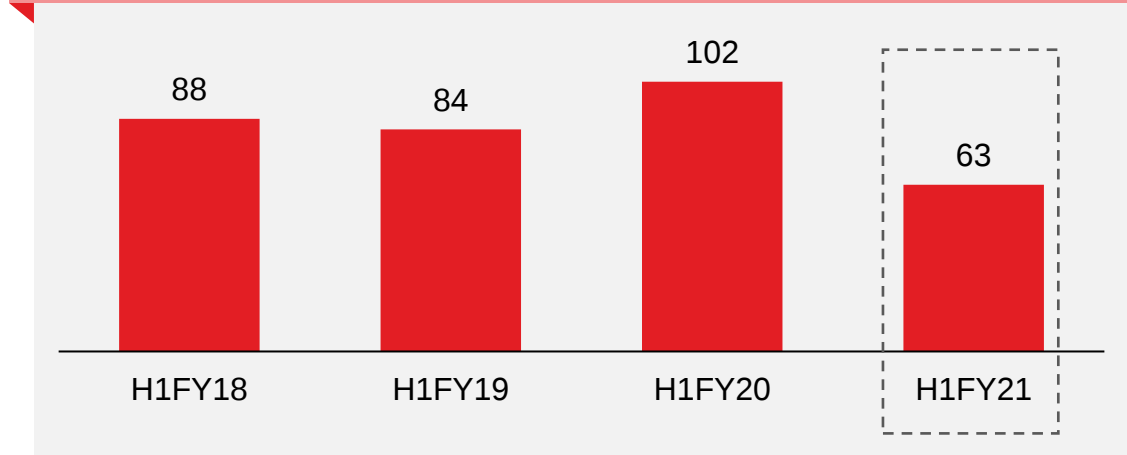
Significant Improvement in Debtors Days



Debtors Days



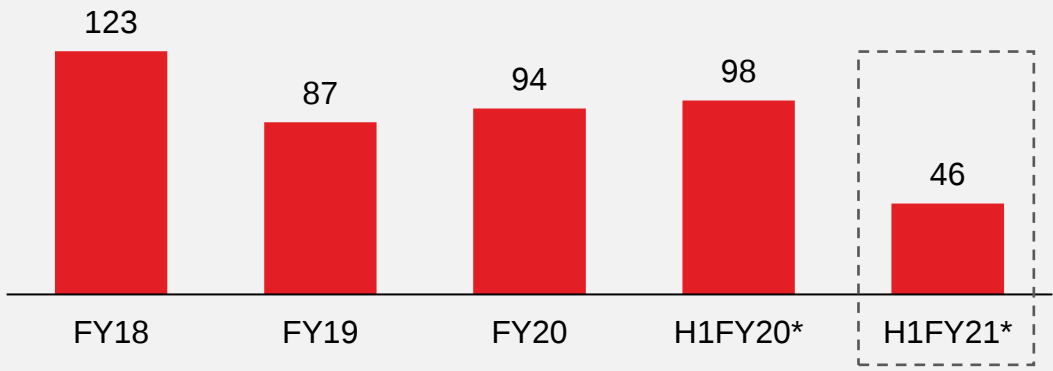
Debtors Days*



- Relentless focus on improving debtors days have now started yielding results
 - Currently stands at 63 days in H1FY21 vs 102 days in H1FY20
- 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; 7% currently as compared to 23% 3 years ago
 - Bill Discounting: Successful implementation of bill discounting facility has reduced the debtors by Rs. 30 crores. The bill discounting facility can go up to Rs.100 crores in the medium term

* Debtors Days has been calculated by annualizing H1 Sales

Working Capital Days



- Net working capital days has come down considerably in last 3 years from 123 days in FY18 to 46 days in H1FY21
 - 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 brining 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	H1FY20*	H1FY21*
Inventory Days	84	80	91	69	69
Debtors Days	77	63	61	102	63
Creditors Days	38	56	58	74	86

* Calculated by annualizing H1 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 m³/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

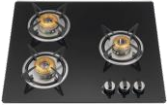


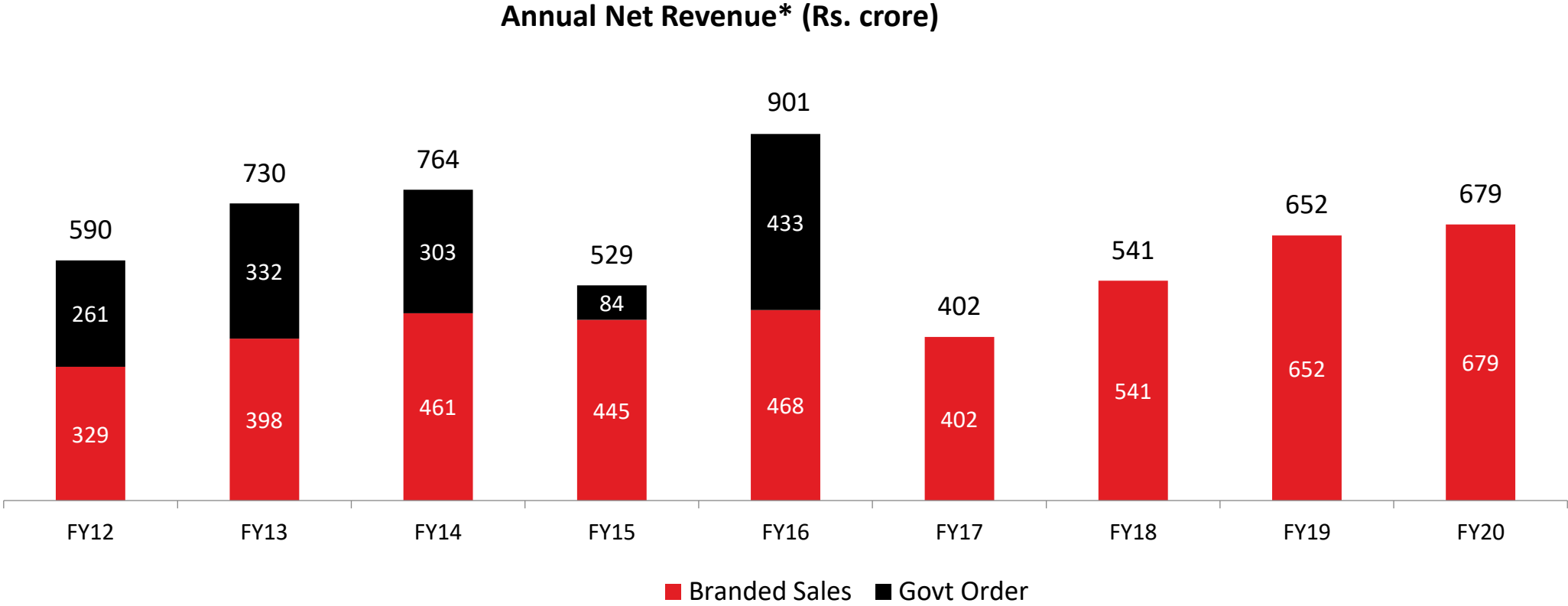
- 60CM & 90CM
- Suction power: 1200 m³/h
- Filter less
- Black Powder Coating
- 3 speed touch control, Digital display
- 2*1.5W LED Lights
- SS oil collector
- Motion sensor
- Heat Auto Clean
- Noise Level <58 dB
- Indian 3-pin Plug
- 1.8m Aluminium exhaust pipe

COMPANY OVERVIEW

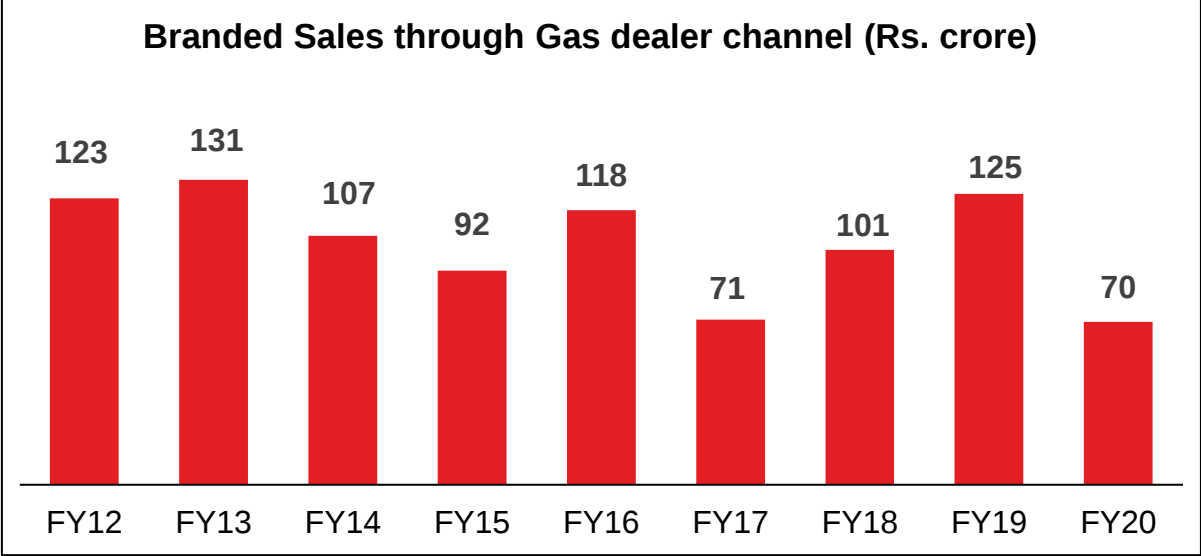
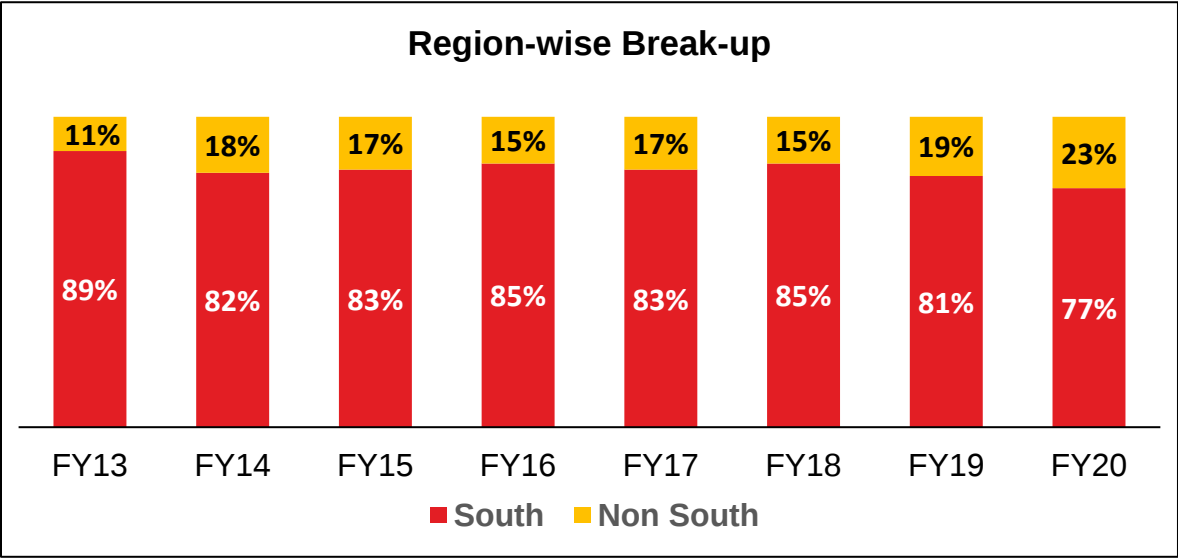
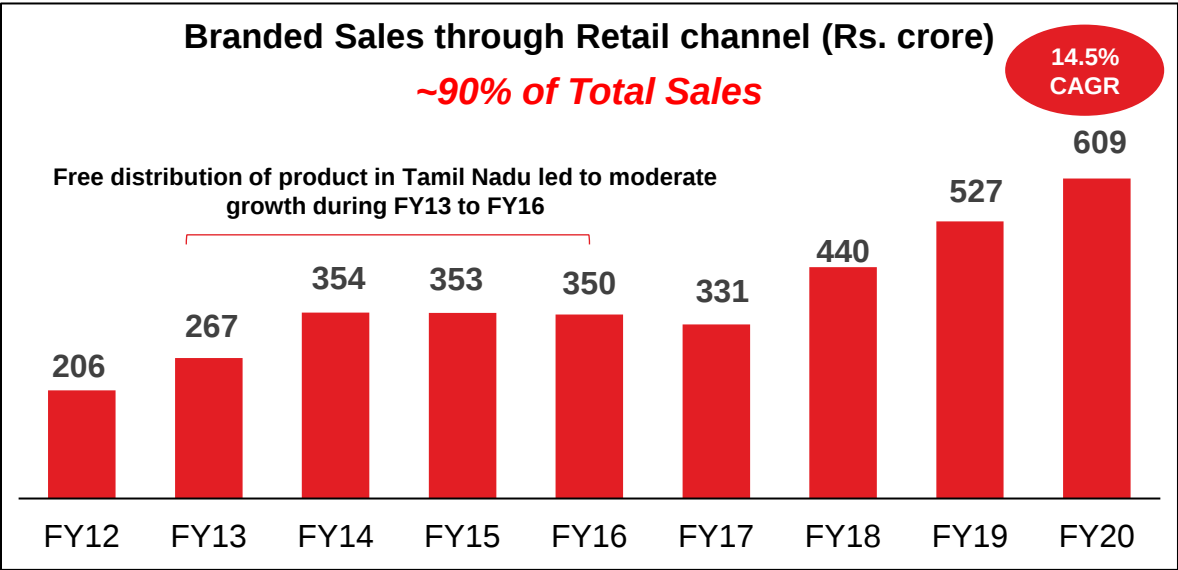


- Established in 1986 by late Shri V. Murugesu Chettiar, the Company is one of the leading manufacturer of Kitchen and Electrical Appliances in the country
- The Company sells its products branded as “Butterfly” across the country through distributors, direct dealers, modern trade, online channels, gas 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	 Non-Stick Cookware	 Pressure Cookers	 Hand Blender	 Hand Mixer	 Pop Up Toaster	 Sandwich Maker
	 Wet Grinder	 Chimney	 Power Hobs	 Built In Hobs			 Flasks	 Electric Kettles	 Water Bottles	



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



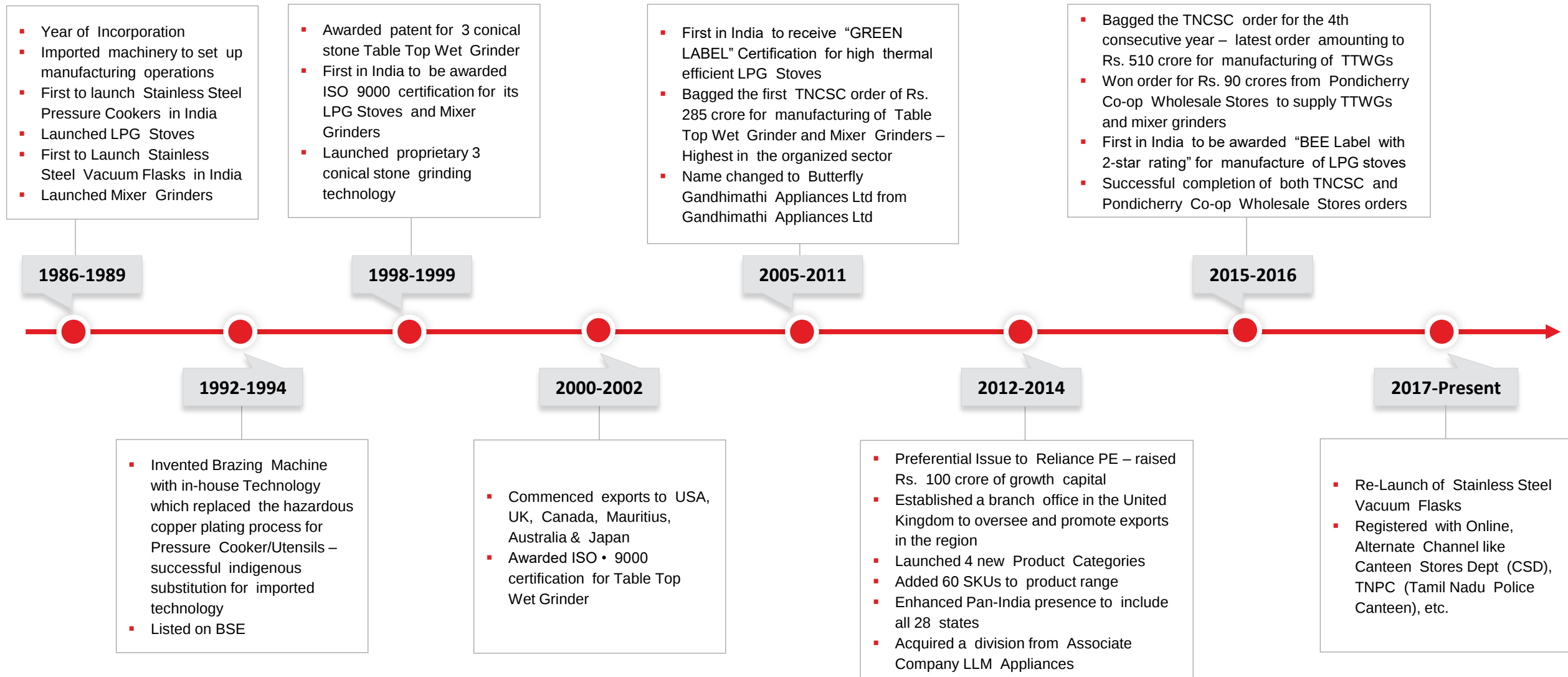
Through Retail Marketing

- 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

Milestone





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

1st

- 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

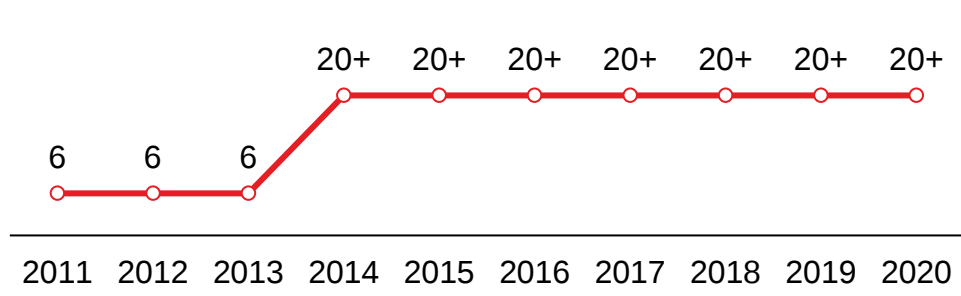
Enhanced Fuel efficiency in LPG Stoves from 50% to over 68% at present

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

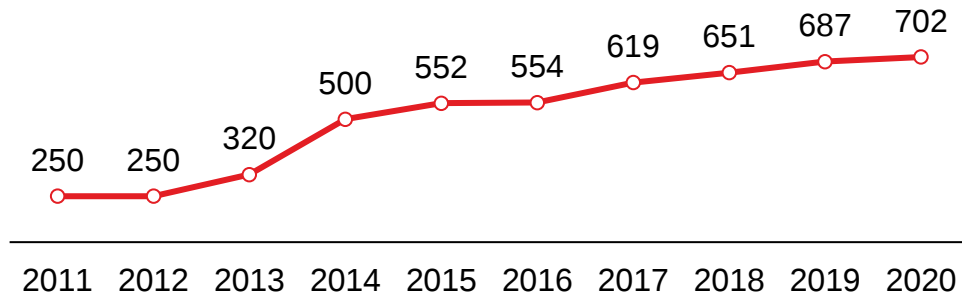
360° R&D efforts focused on product efficiency, longevity and design

Increased Product Categories For Wider Product Portfolio And Higher Market Share

Product Categories (Nos.)

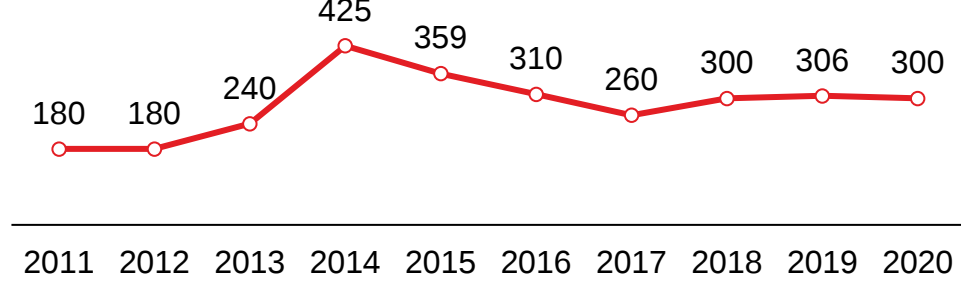


SKUs (Nos.)

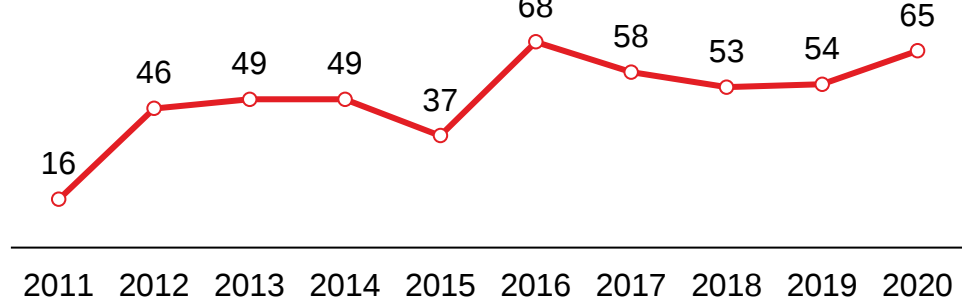


Enhancing Sales and Marketing Efficiency For Better Penetration And Brand Development

Sales Team (Personnel)



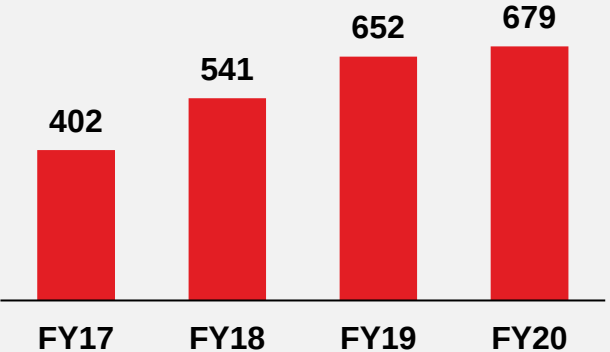
Marketing Spend (Rs. crore)



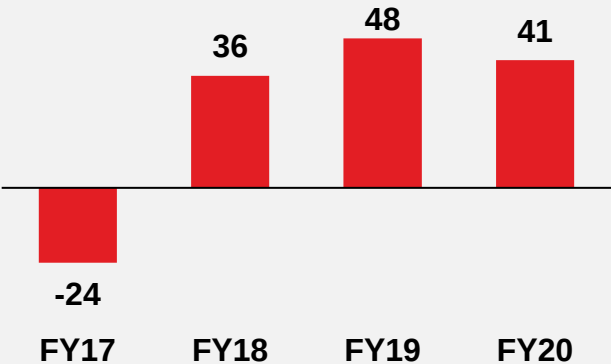
HISTORICAL FINANCIAL OVERVIEW



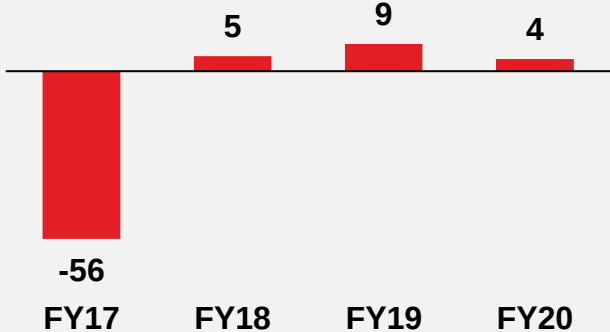
Revenue from Operations (Rs. crore)



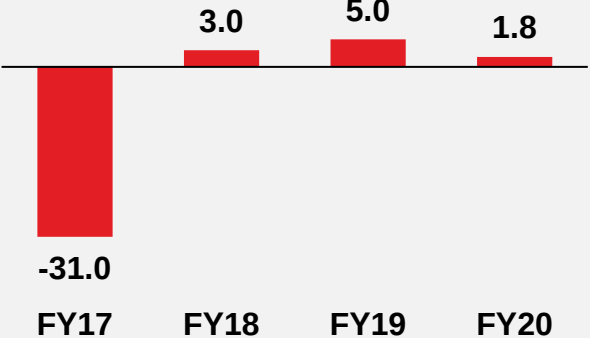
EBITDA (Rs. crore)



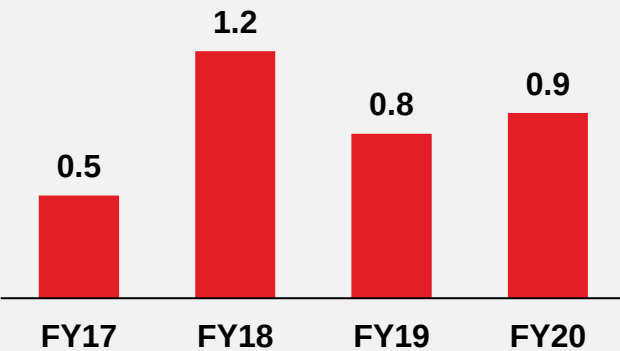
Profit After Tax (Rs. crore)



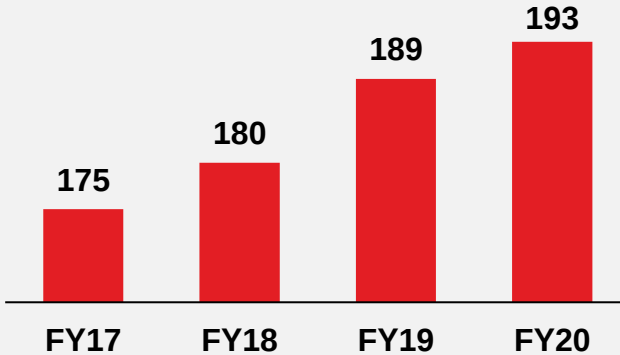
EPS (Rs.)



Net Debt - Equity Ratio



Net Worth (Rs. crore)



Historical Profit & Loss

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

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

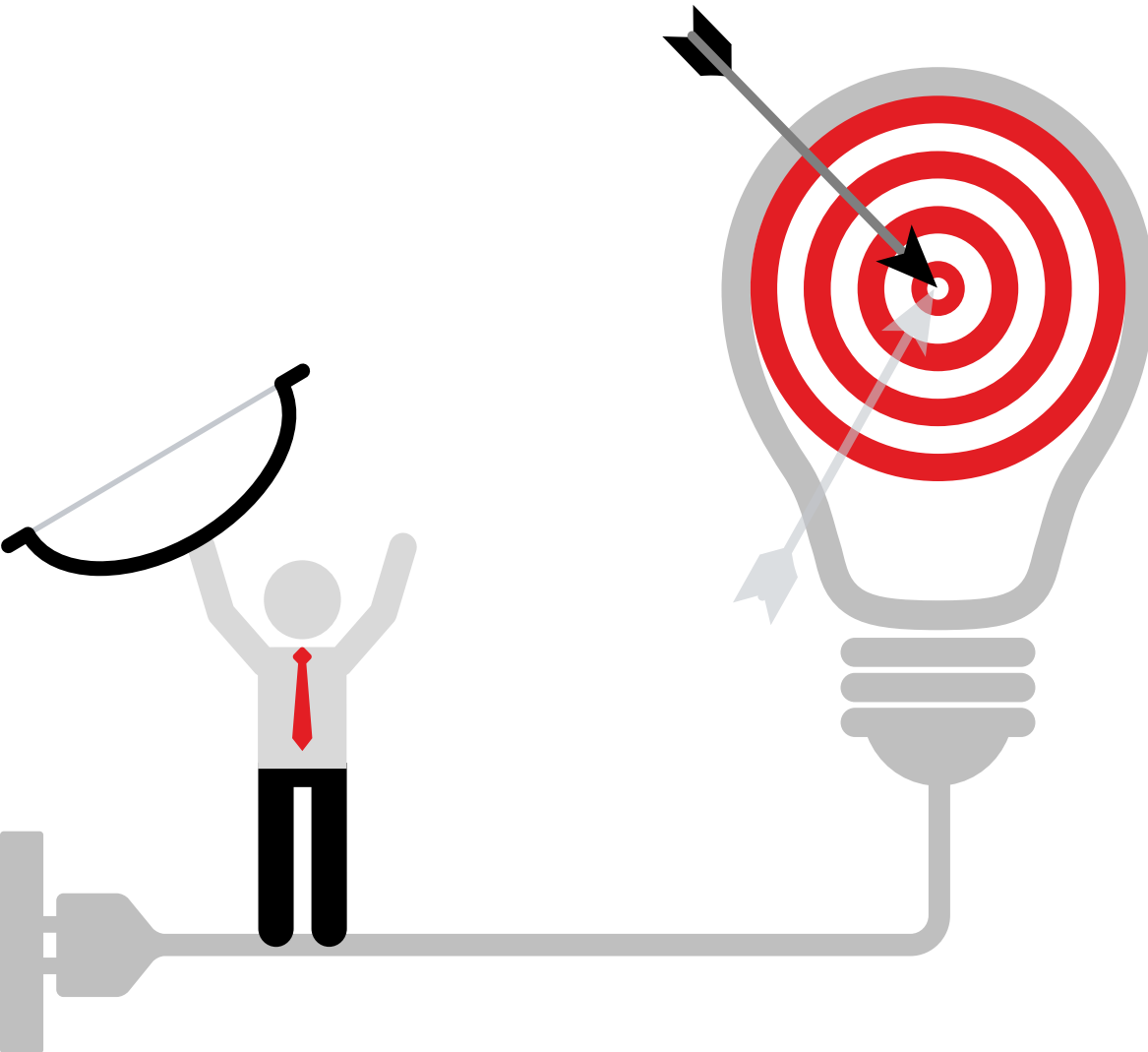
Balance Sheet Trends

Particulars (Rs. crore)	FY17	FY18	FY19	FY20
ASSETS				
Non-Current Assets	178	172	176	179
Current Assets	241	296	287	313
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
Total Assets	418	468	464	492
Branded Revenue	402	541	652	680
Working Capital Days	105	123	87	94
Inventory Days	99	84	80	91
Debtors Days (branded)	60	77	63	61
Creditors Days	54	38	56	58

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

OUTLOOK





FY21

- Earlier guidance of achieving 85 to 90% of revenue of FY20 in FY21 is now revised upwards
- Expected to grow revenue min. 10% in FY21 vs FY20

Medium term

- Revenue: Greater than Rs. 1,000 crore in 24 to 36 months
- EBITDA margins: Greater than 10% in 24 to 36 months
- Net debt / EBITDA: Less than 1x

- [Butterfly Opal Mixer Grinder Diwali Film 35Sec With Offer Tamil HD](#)
- [Butterfly Standard Plus Pressure Cooker Tamil](#)
- [Butterfly Reflections Stove Tamil](#)
- [Butterfly Matchless Table Top Wet Grinder Tamil](#)
- [Butterfly Electric Rice Cooker Tamil](#)
- [Butterfly Blue Flame Tamil](#)
- [Butterfly Desire Mixer Grinder Tamil](#)
- [Butterfly Power Hob Hindi](#)
- [Butterfly Matchless Table Top Wet Grinder Hindi](#)
- [Butterfly Standard Plus Pressure Cooker Hindi](#)
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- [Butterfly Desire Mixer Grinder Kannada](#)
- [Butterfly Blue Flame Kannada](#)
- [Butterfly Matchless Mixer Grinder Malayalam](#)
- [Butterfly Blue Flame Malayalam](#)
- [Butterfly Power Hob Malayalam](#)
- [Butterfly Matchless Table Top Wet Grinder Malayalam](#)
- [Butterfly Reflections Stove Malayalam](#)
- [Butterfly Electric Rice Cooker Malayalam](#)
- [Butterfly Blaze LPG Stove Malayalam](#)
- [Butterfly Matchless Mixer Grinder Telugu](#)
- [Butterfly Desire Mixer Grinder Telugu](#)
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- [Butterfly Power Hob Kannada](#)
- [Butterfly Matchless Table Top Wet Grinder Kannada](#)
- [Butterfly Reflections Stove Kannada](#)

Thank You

Mayuresan VMG

Vice President – Finance & Strategy

Butterfly Gandhimathi Appliances Limited

Email: vmgm@butterflyindia.com

