



BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

November 9, 2015

National Securities Depository Limited,
4th Floor, "A" Wing, Trade World,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel,
Mumbai – 400 013.

Dear Sir,

Butterfly Gandhimathi Appliances Limited – Results Presentation
for the second quarter/six months period ended on 30.09.2015 (FY 2015-16)

Enclosed please find the Company's Performance/Results presentation for the
second quarter/six months period ended on 30.09.2015.

We request you to kindly upload the above information in NSE website for
information for our investors.

Thanking you,

Yours faithfully,
For BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

Executive Director-cum-Company Secretary

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E-mail : gm@butterflyindia.com Web : www.butterflyindia.com

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BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

RESULTS PRESENTATION

Q2 & H1 FY16
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

Contents

1

Company Overview

2

Transformation Strategy & Operational Progress

3

Financial Overview

4

Q2 & H1 FY16 Operating Performance & Highlights

5

Outlook



1

Company Overview

About Us..

Leading manufacturer of Kitchen and Electrical Appliances

Market Leader in India for 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

Healthy Balance Sheet with continuously improving Financial Indicators

Mix of industry growth and Company initiatives has led to traction in Revenues in last few years

Quick Facts

#1

IN INDIA
FOR LPG STOVES
& TABLE TOP WET GRINDERS

17%

REVENUE CAGR
FY10-15

IN THE TOP

3

IN INDIA FOR DOMESTIC
KITCHEN APPLIANCES

NOW PRESENT IN ALL

29

STATES IN INDIA

SALES OF BRANDED
PRODUCTS IN FY15

485

CRORE

400+

EXCLUSIVE
DISTRIBUTORS ACROSS
INDIA

<1.0

NET DEBT / EQUITY
RATIO

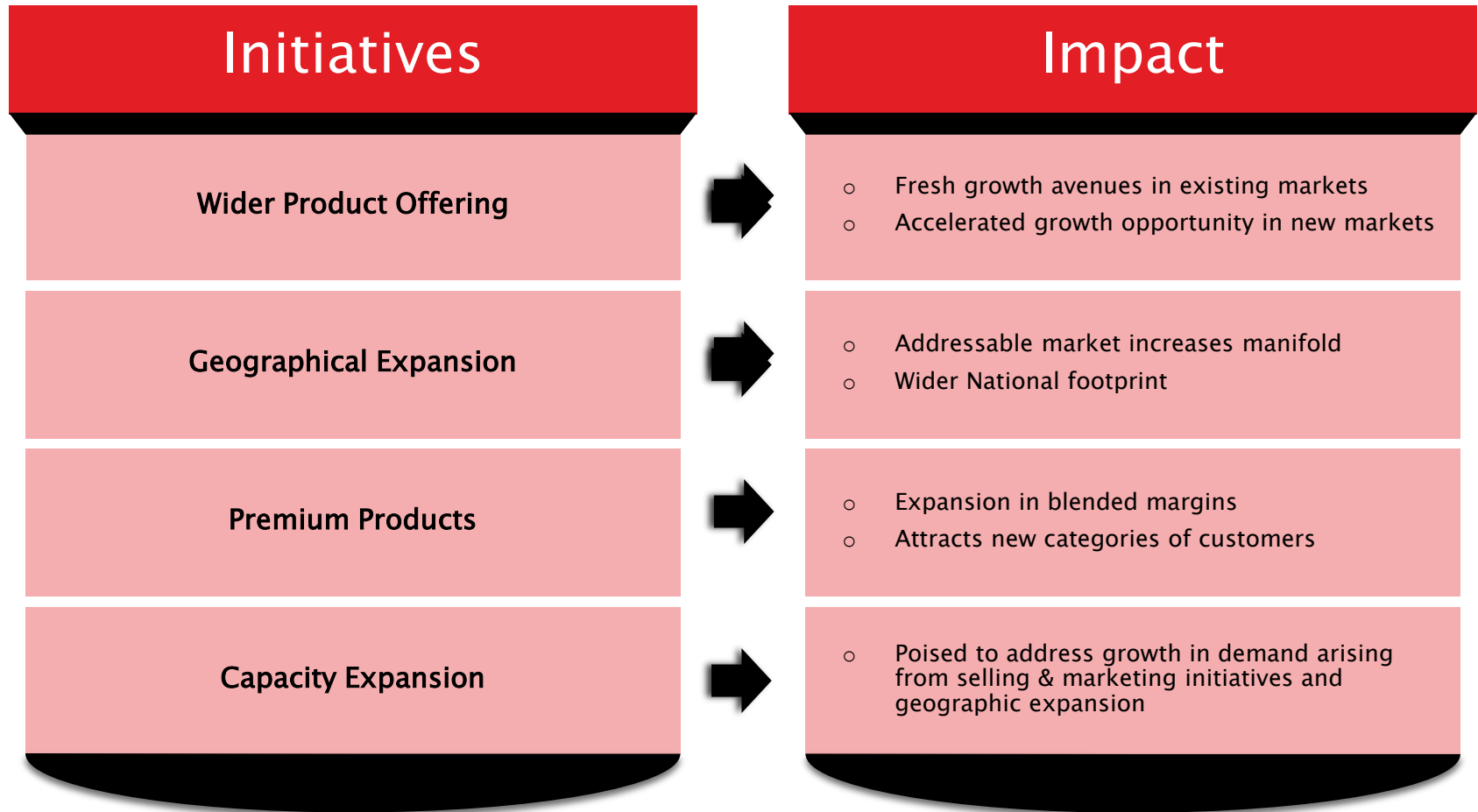
17%

OF FY15
REVENUES FROM NON-
SOUTH STATES

3x

EXPANSION IN PRODUCT
CATEGORIES IN LAST 24
MONTHS

Growth Levers



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



Washer



Juicer



Hand Blender



Water Heater

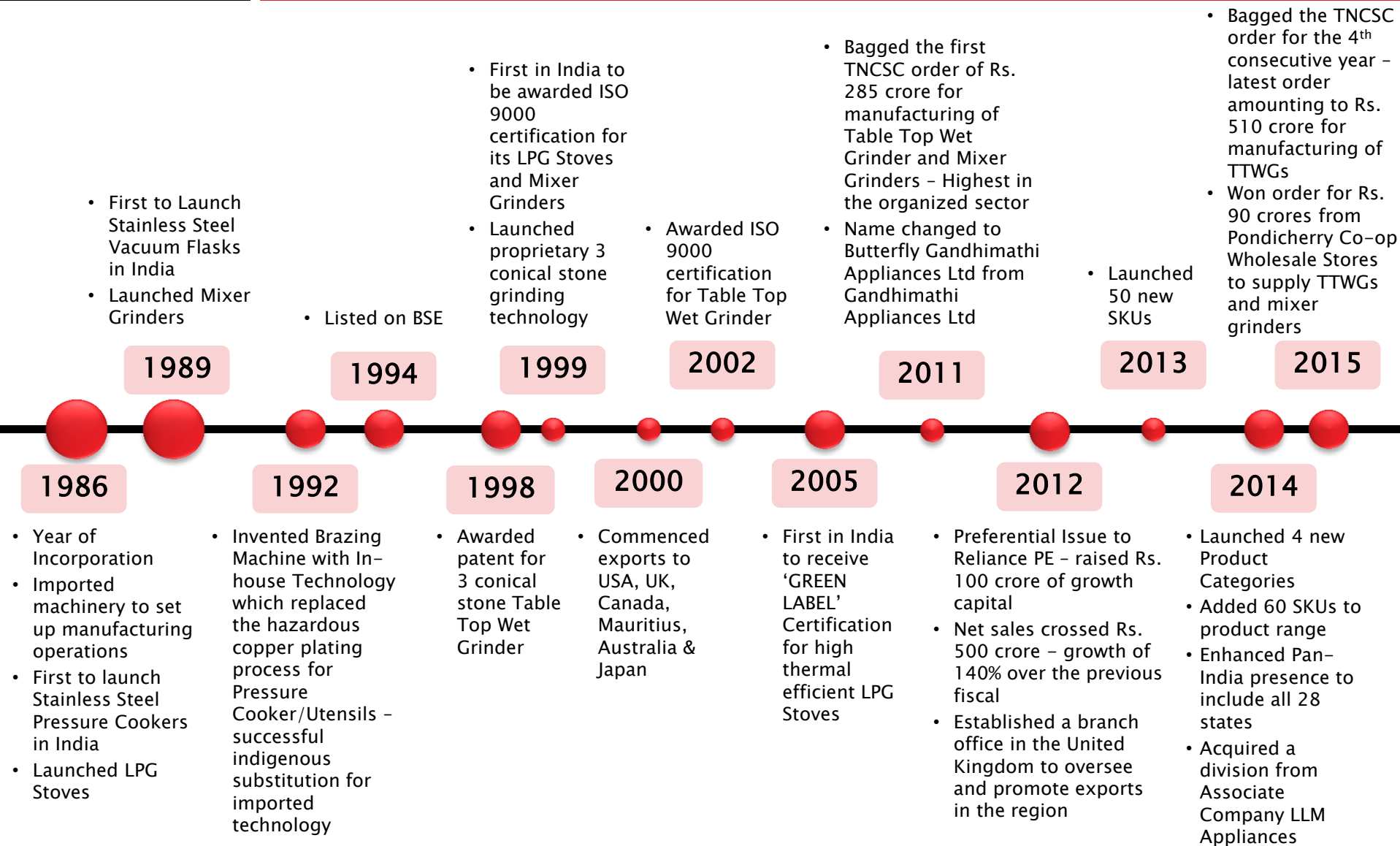


Electric Iron

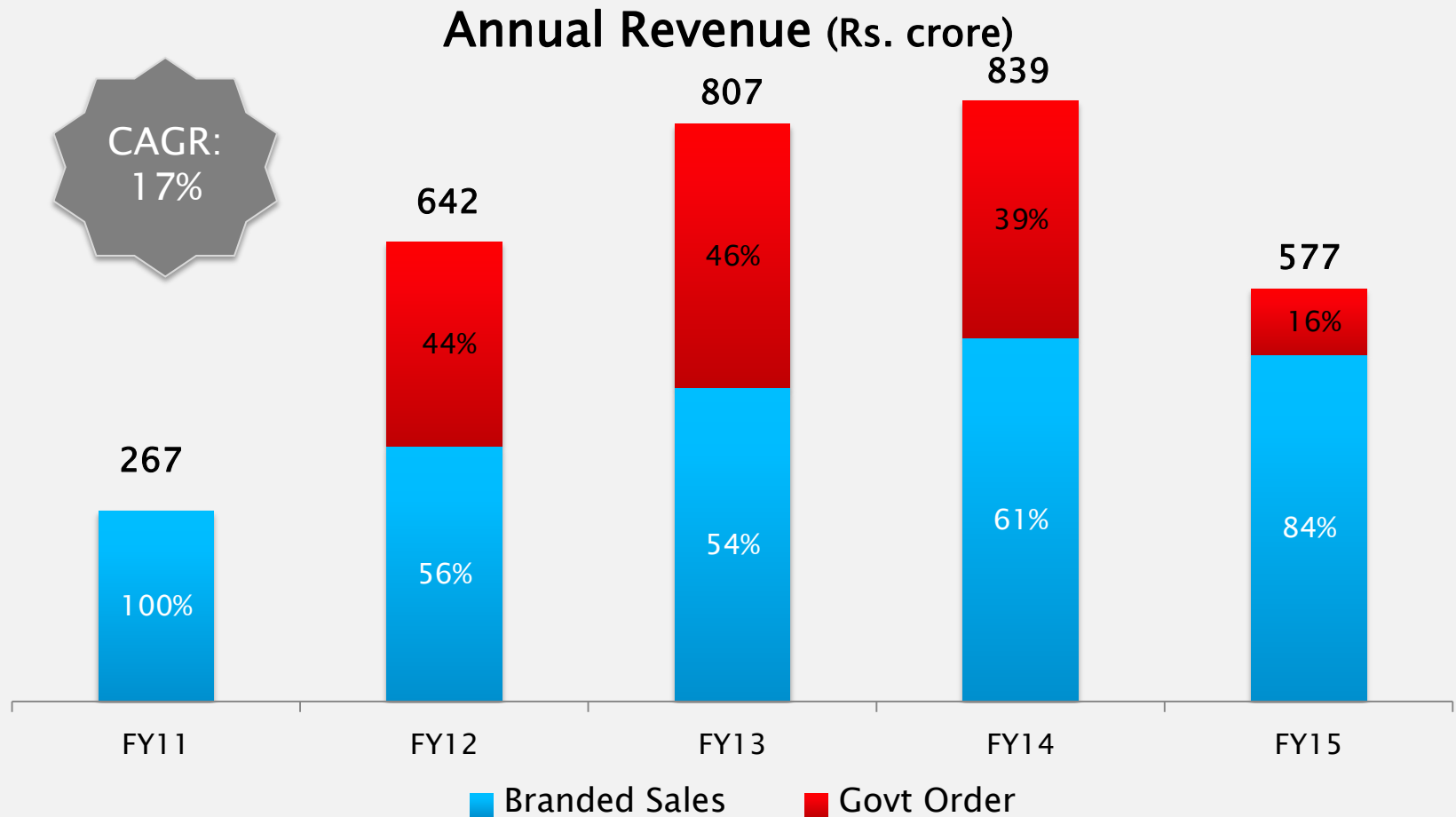


Pop-up Toaster

Milestones



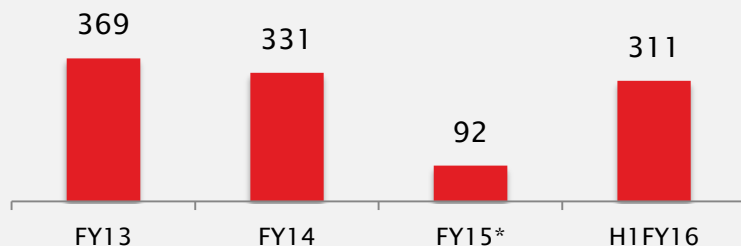
Revenue Profile



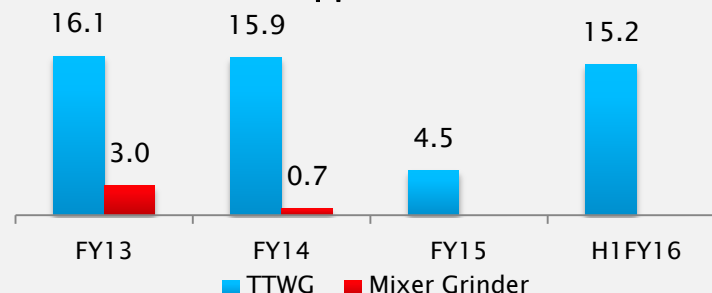
Note: FY15 Government Tender was deferred and combined with FY16 tender which resulted in execution for only part of the year translating to reduced contribution to revenue

Government Orders

Government Order Sales (Rs. crore)



Products supplied (in lakh units)



- For the last 4 years in succession, BGMAL won orders in the annual tender of Tamil Nadu Civil Supplies Corporation (TNCSC). In January 2015, the Company bagged orders worth Rs. 510 crore* for supply of Table Top Wet Grinders from TN Govt in CY2016. This order marked the completion of the TN Govt order under the current regime
- In August 2015, the Company also bagged orders worth Rs. 90 crore for supply of Table Top Wet Grinders and Mixer Grinders from Pondicherry Co-Op. Wholesale Stores (PCWS)

Benefits to BGMAL

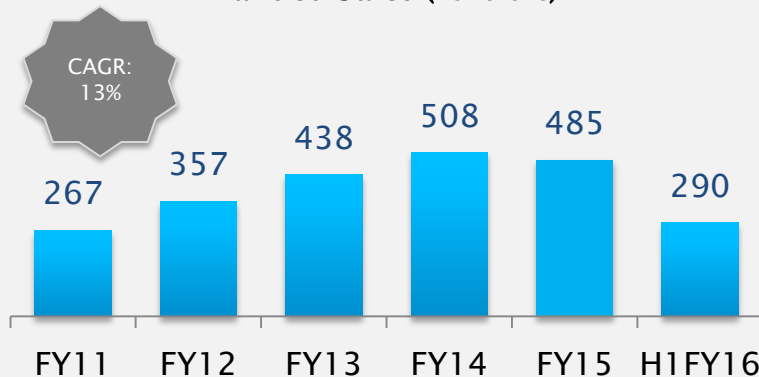
- Incremental contribution to profitability, favorable payment terms enabling a positive cash flow business
- Increase in volumes have elevated BGMAL's manufacturing and delivery capabilities
- Increased number of users of the Company's products has led to an increase in the potential market for the Company
- Creates ready customer base which will materialize at the time of product replacement or upgradation
- Delivery experience has led to innovation and launch of economy models which have aided growth in Branded Sales

Orders received from	Order size (Rs. Crore)	Completed till-date (Rs. Crore)	Balance (Rs. Crore)
TNCSC	510	403	107
PCWS	90	–	90
TOTAL	600	403	197

Note: * – Govt. Order for FY15 was received only in Jan 2015, hence the revenues will accrue primarily in FY16

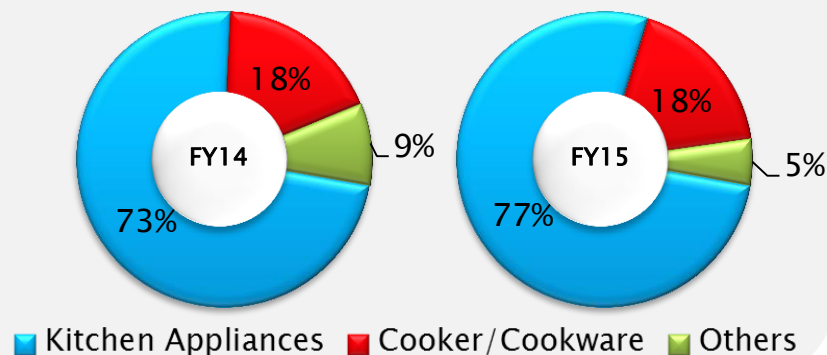
Branded Retail Sales

Branded Sales (Rs. crore)



Note: Excluding spare / component sales, Branded Revenue sales were largely stable at Rs. 478 crore in FY15 compared to as against Rs. 477 crore in FY14

Branded Product Distribution (%)



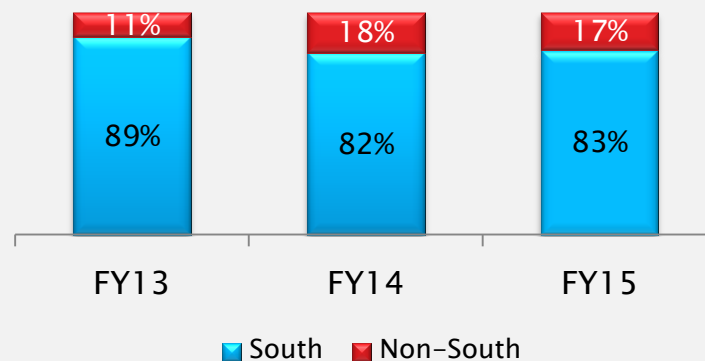
Through Institutions

- Tie ups with Gas dealers of IOCL, BPCL and HPCL
- Customers for new gas connection are provided with co-branded products manufactured by BGMAL
- This provides the Company a ready market for primary sales at the point of Gas connections itself

Through Retail Marketing

- Network of 400+ exclusive distributors
- Distributors supply to dealer network which is customer facing
- 3 Company retail stores in Chennai, Hyderabad and Bengaluru and one franchisee store at Pondicherry
- 18,000+ retail points across the Indian map

Region-wise Break-up



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

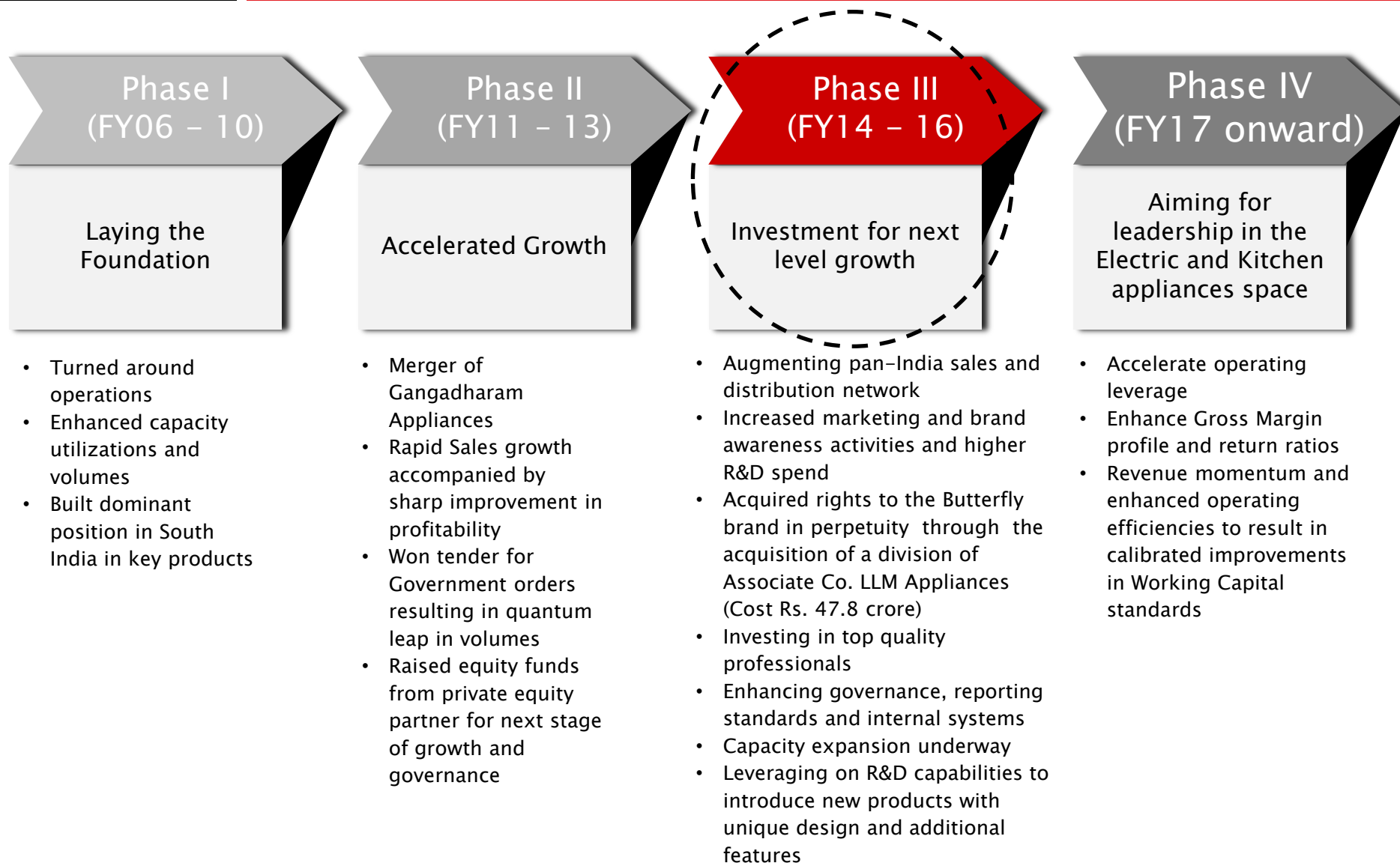
360° R&D efforts focused on product efficiency, longevity and design



2

Transformation Strategy & Operational Progress

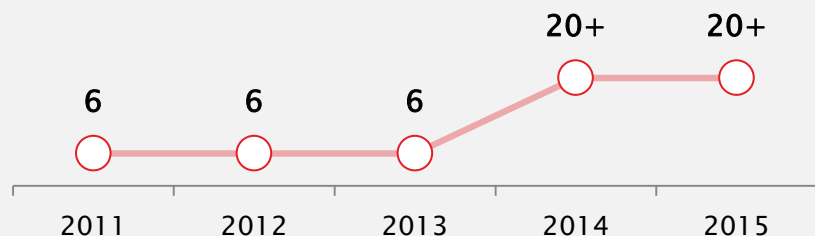
BGMAL Transformation



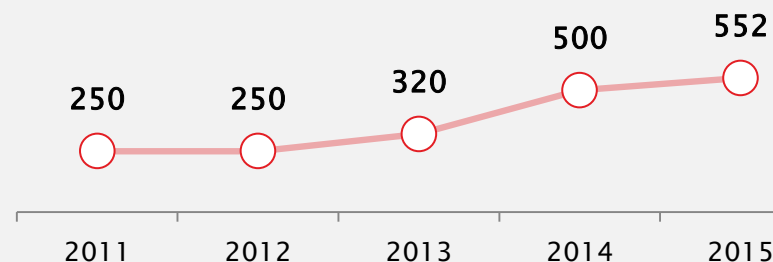
Augmenting Organic Growth

Increased Product Categories For Wider Product Portfolio And Higher Market Share

Product Categories (Nos.)

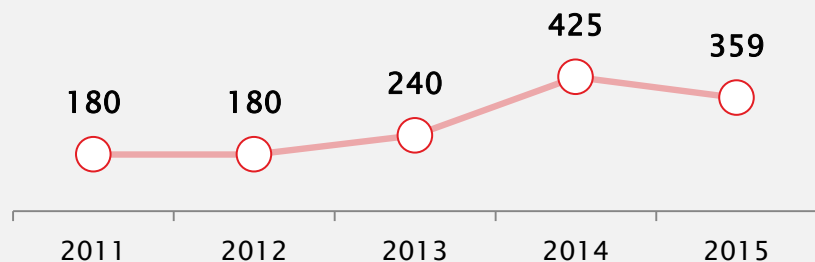


SKUs (Nos.)

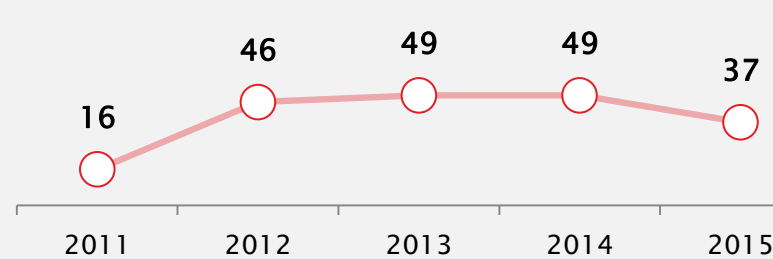


Enhancing Sales and Marketing Efficiency For Better Penetration And Brand Development

Sales Team (Personnel)



Marketing Spend (Rs. Cr)



Abridged Balance Sheet

Rs. crore

Sources of Funds	FY 2013	FY 2014	FY 2015	H1FY15	H1FY16
a) Shareholders' Funds	201.3	223.7	225.6	224.5	236.4
b) Non-current Liabilities (NCL)	12.7	21.4	77.0	54.0	64.1
- Long-term Borrowings	6.4	14.3	68.3	45.6	54.9
- Other NCL	6.3	7.2	8.7	8.4	9.2
c) Current Liabilities (CL)	327.6	427.5	266.3	253.8	466.4
- Short-term Borrowings	37.1	171.3	106.3	135.9	165.6
- Trade Payables	220.4	207.2	118.3	89.5	236.8
- Other CL	70.1	49.0	41.7	28.4	64.0
Total	541.6	672.7	568.9	532.2	766.9
Net Debt – Equity Ratio	0.0	0.7	0.7	0.8	0.9

Increase in short term borrowings mainly due to delayed receipt of TN Govt. order receivables

Increase in Payables mainly due to increase in Govt. order related purchases

Abridged Balance Sheet

Rs. crore

Application Of Funds	FY 2013	FY 2014	FY 2015	H1FY15	H1FY16
a) Non-current Assets	105.3	164.0	175.4	171.6	174.5
a) Current Assets	436.3	508.7	393.5	360.6	592.4
- Inventories	158.8	167.2	168.9	138.3	157.1
- Trade Receivables	195.5	279.3	192.9	188.5	396.7
- Cash & cash equivalents	46.3	20.0	15.4	11.0	17.9
- Others	35.7	42.1	16.3	22.8	20.7
Total	541.6	672.7	569.2	532.2	766.9
Gross Revenues	807.0	838.9	577.2	285.0	601.1
Working Capital	134.5	240.0	242.1	235.9	317.0
Working Capital Days	60	103	151	149	95
Inventory Days*	71	72	105	87	47
Debtors Days*	87	120	120	119	119
Creditors Days*	98	89	74	57	71

Increase in Receivables due to delayed payment for TN Govt. order

Reduction in Inventory days from 87 days in H1 FY15 to 47 days in H1 FY16 is due to a combination of higher revenue booking from Government order and initiatives to reduce inventory position

The total debtors includes Rs. 241 crores of Govt. debtors

Excluding the Government debtors and Government sales, the debtor days stands at 96 days for H1 FY16 compared to 103 days in H1 FY15

- Calculation of Working Capital Ratios based on Gross Revenue
- Based on year end values (Not average values)
- Working capital days= (Inventory + Debtor - Creditor) Days
- Days calculated on the basis of 360 days (yearly) and 180 days (half-yearly)

Abridged Profit & Loss Statement

Rs. crore

Particulars	FY 2013	FY 2014	FY 2015	H1 FY15	H1 FY16
Total Net Revenues (Incl. OI)	730.5	770.7	533.3	264.9	547.8
- Branded Net Revenues	390.6	460.8	447.5	262.4	255.2
- Government Net Revenues	338.0	308.2	84.3	-	289.4
- Other Income	1.9	1.85	1.5	2.5	3.2
Material Cost	491.2	520.2	317.5	155.8	391.6
- Cost of Materials Consumed	444.1	483.6	248.3	105.5	352.9
- Purchases of Stock-in-Trade	73.5	85.3	65.3	20.9	18.4
- Changes in Inventories of Finished Goods , Work-in-Progress and Stock-in-Trade	(26.4)	(48.7)	3.9	29.4	20.3
Gross Profit	239.3	250.5	215.8	109	156.2
Gross Margin (%)	33%	33%	40%	41%	29%
Employee Expenses	51.6	60.8	60.3	29.7	31.1
Other Expenses	119.8	128.2	111.5	56.8	86.9
EBITDA	67.9	61.5	44.0	22.5	38.2
EBITDA Margin (%)	9%	8%	8%	8%	7%
Depreciation	4.0	5.1	10.2	5.1	5.7
Finance Cost	15.3	22.1	29.6	14.8	16.5
Profit Before Tax	48.6	34.3	4.2	3.0	16.0

Gross margin on branded sales intact, reduction in Gross profit mainly due to Government. Order sales contribution in H1 FY16

Increase in other expenses due to increased sales and promotion activities in H1FY16 on a Y-o-Y basis

Key Focus Areas

- Optimize investment on expansion of distribution network and brand building activities
- Continued focus on enhanced working capital position
- Inventory de-stocking efforts undertaken by the Company are nearly complete and is expected to further boost efficiency and cash flow, while also improving the health of the balance sheet
- Maximizing cost efficiencies at all levels of operations
- Long-term growth in primary sales to accrue from the various strategic initiatives undertaken by the Company
- To launch several innovative and ergonomic kitchen and domestic electrical appliances – world class products with immaculate design and added utility features developed through in-house R&D
- To further improve perception of product quality synonymous with the “BUTTERFLY” brand

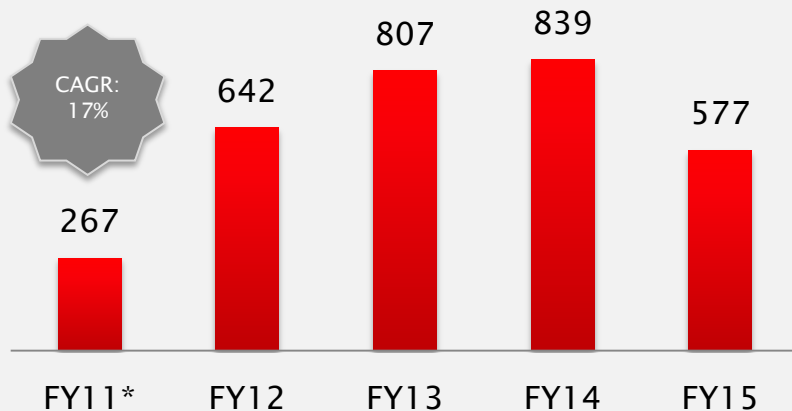


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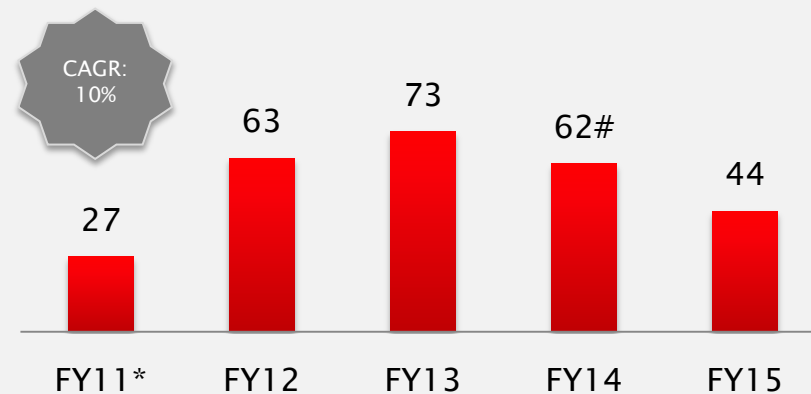
Financial Overview

Performance Track Record – Annualized

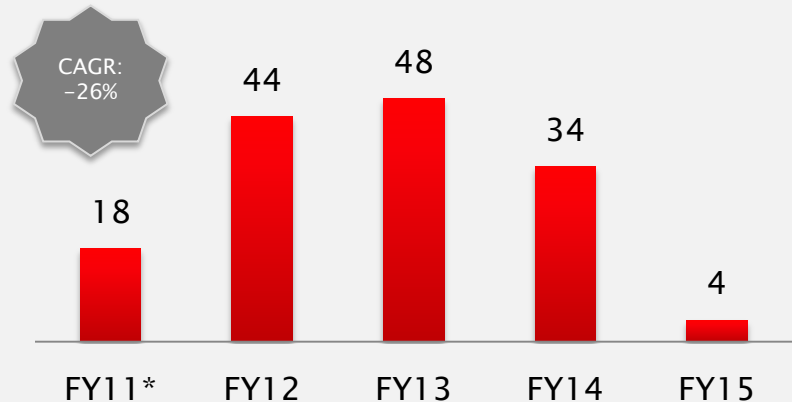
Total Revenue (Rs crore)



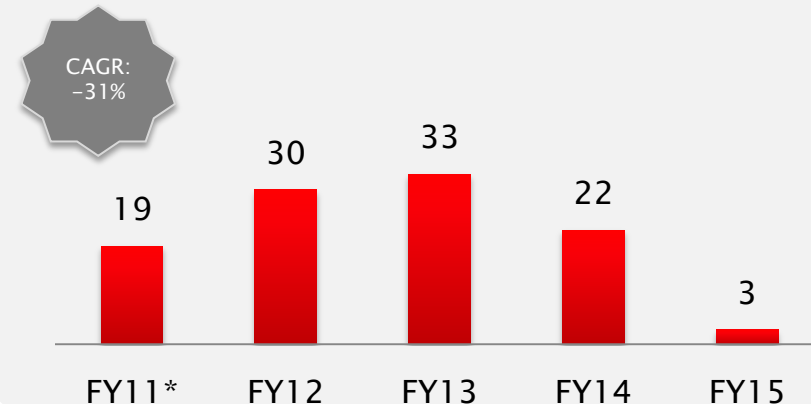
EBITDA (Rs crore)



Profit Before Tax (Rs crore)



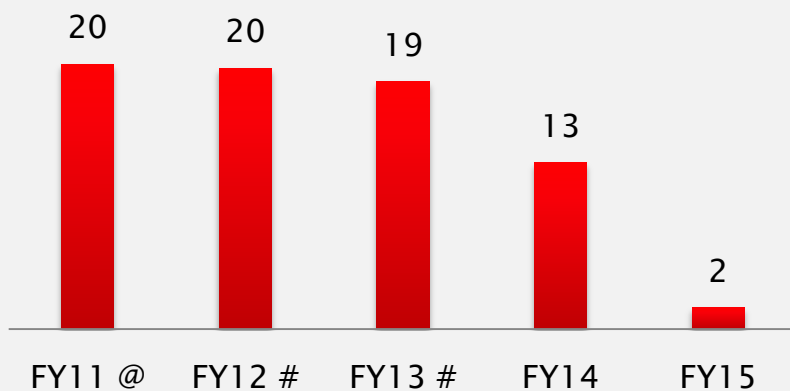
Profit After Tax (Rs crore)



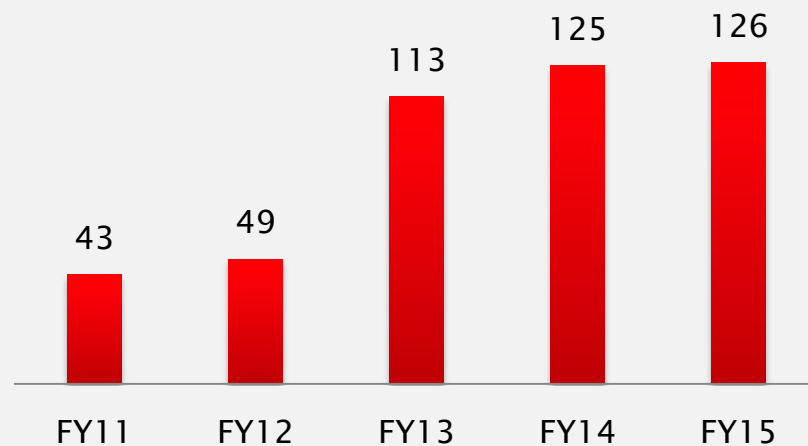
NOTE: * FY11 was for period of 9 months ended on 31.03.2011. The figures above represent the annualized numbers in order to facilitate a comparison.
Foreign exchange loss was not included in EBITDA calculation until FY13. From FY14, foreign exchange loss has been included in EBITDA calculation

Key Financials

Earning Per Share (Rs) – Annualized



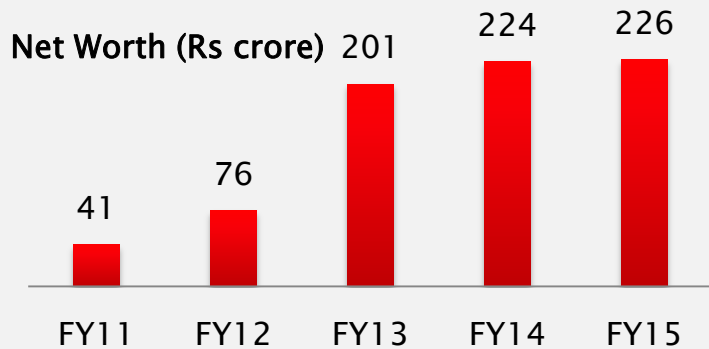
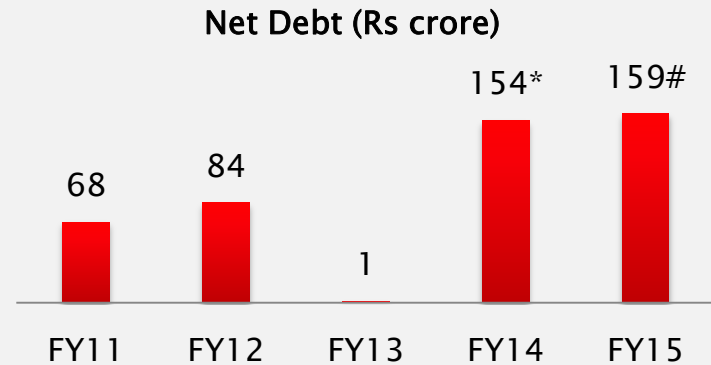
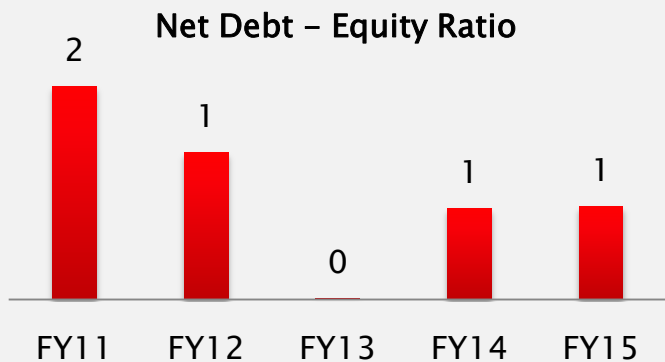
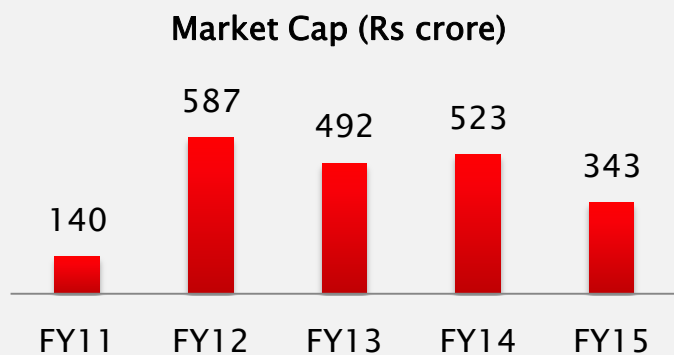
Book value per share (Rs)



@ FY11 was for period of 9 months ending 31.03.2011. The figures above represent the annualized numbers in order to facilitate a comparison.

EPS for FY12 and FY13 have reduced due to expansion of the Equity Base

Key Financials



- *Increase in Net debt in FY2014 was on account of delayed payment of Government orders.
- #Net debt remained higher mainly due to the recent Govt. order and loan towards LLM acquisition



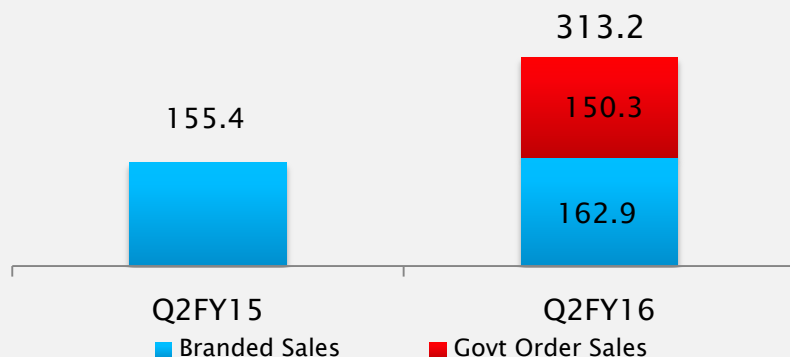
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Q2 & H1 FY16 Operating Performance & Highlights

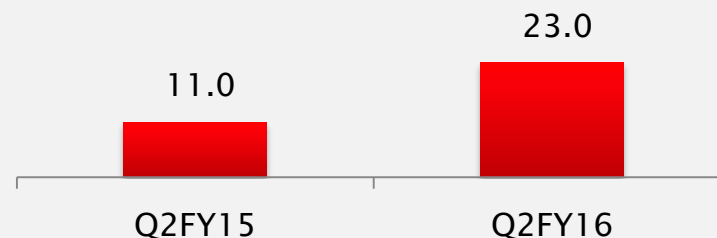


Q2 FY16 – Performance highlights

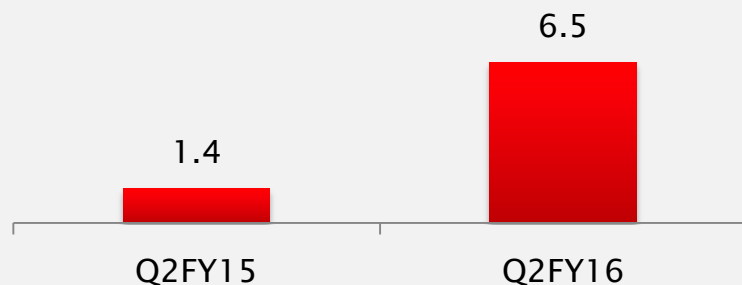
Total Income (Net) (Rs. crore)



EBITDA (Rs. crore)



PAT (Rs crore)

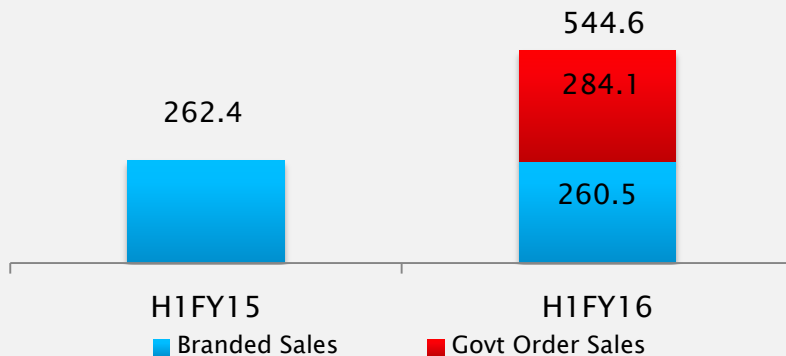


- Total Income (Net) during Q2 FY16 stood at Rs. 313.2 crore as against Rs. 155.4 crore, of which Branded sales grew by 4.8% from Rs. 155.4 crore in Q2 FY15 to Rs. 162.9 crore in Q2 FY16
- EBITDA improved by 109% and stood at Rs. 23 crore in Q2 FY16 as against Rs. 11 crore in Q2 FY15. Higher revenue booking from Government orders led to the growth in EBITDA
- PAT stood at Rs. 6.5 crore in Q2 FY16, translating into an EPS of Rs. 3.6

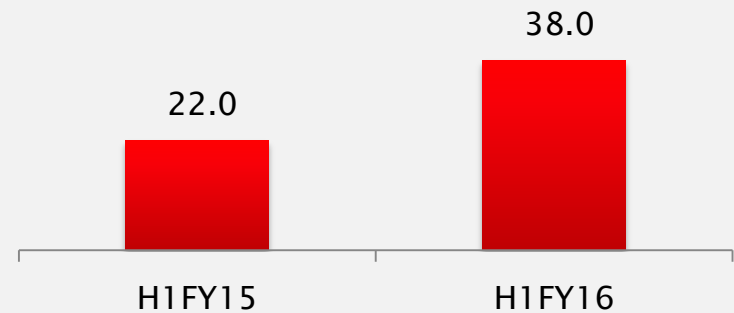
Detailed Performance Overview discussed on Slide 29

H1 FY16 – Performance highlights

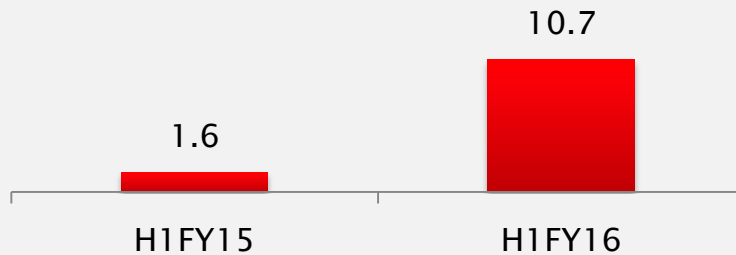
Total Income (Net) (Rs. crore)



EBITDA (Rs. crore)



PAT (Rs crore)



- Total Income (Net) during H1 FY16 stood at Rs. 544.6 crore as against Rs. 262.4 crore. Branded net revenue was lower by 0.7% from Rs. 262.4 crore in H1FY15 to Rs. 260.5 crore in H1FY16
- A larger proportion of festival sales were booked in H1 FY15 whereas there has been spillover to Q3 in the current fiscal. On a Y-o-Y basis, the performance in festival season has been stable-to-improving.
- PAT stood at Rs. 10.7 crore in H1 FY16, translating into an EPS of Rs. 6

Detailed Performance Overview discussed on Slide 29

for Q2 & H1 FY16

- Branded Sales during the quarter saw a growth of 5% Y-o-Y, primarily led by slight improvement in consumer sentiment and moderate recovery in demand environment
- After a weak first quarter, sales of branded goods have improved marginally, as anticipated in Q2 FY16
- However, growth in H1FY16 over H1 FY15 has been flattish as the festival season in the current year have meaningfully spilled over into Q3
- Initial data on consumer sales in the festive season has been on anticipated lines and the Company expects to sustain growth in the remainder of FY16 given the orders on hand and weak base of last year
- Witnessing improved consumer demand in Institutional channels

- *The Company has already undertaken initiatives like new market consolidation, focus on products with value added features, entry into modern retail and ecommerce business formats , focus on Export business and enhanced Marketing & Brand Awareness Activities, which are expected to gain renewed momentum in performance in the upcoming quarters*
- *Execution of the Government order (Awarded in Jan 2015) has been going on at a steady pace. As of Q2 FY16, Rs. 311 crore worth of orders have been executed, which have resulted in a positive impact on the financial performance of the Company*
- *The Company continues to leverage its strength and position in the Southern markets, while also ensuring optimal execution of its pan-India expansion strategy*
- *Continued resilient focus on accomplishing Company's long-term secular growth objectives*

Product Categories

Kitchen Appliances

- LPG Stove
- Mixer Grinder
- Table Top Wet Grinder
- Electric Chimney
- Hand Blender
- Induction Cooktop
- Electric Kettle
- Juicer
- Juicer Mixer Grinder
- Yogurt Maker
- Slice Toaster
- Sandwich Maker

Cookers/Cookware

- Pressure Cooker
- Non-Stick Cookware
- Electric Rice Cooker

Others

- Air Cooler
- Water Heater (Geyser)
- Other Trading Goods
- Electric Iron

Key Highlights

Branded Gross Sales (including excise)

(Rs crore)

Product	Q2 FY16	Q2 FY15	Q1 FY16	Y-o-Y Growth	Q-o-Q Growth
Branded Market					
Kitchen Appliances	133.5	135.0	75.7	-0%	76%
Cooker/Cookware	26.0	31.4	15.1	-17%	72%
Others	-	4.7	5.8	-	-
Total-Branded	159.5	171.1	96.6	-7%	59%
Others (Components / Spares)	19.1	-	15.3	-	25%
Grand Total	178.6	171.1	111.9	4%	60%

- The Retail market has improved marginally, as anticipated, but the outlook continues to remain sluggish especially in South India market. However, the Company expects to post growth given the weak base of last year in H2 FY15
- In the current financial year, Diwali season sales have been divided between Q2 & Q3 whereas a larger proportion of the FY15 season sales were booked in Q2 FY15. Thus, the Y-o-Y growth in Q2 FY16 has been impacted due to higher base effect in Q2 FY15

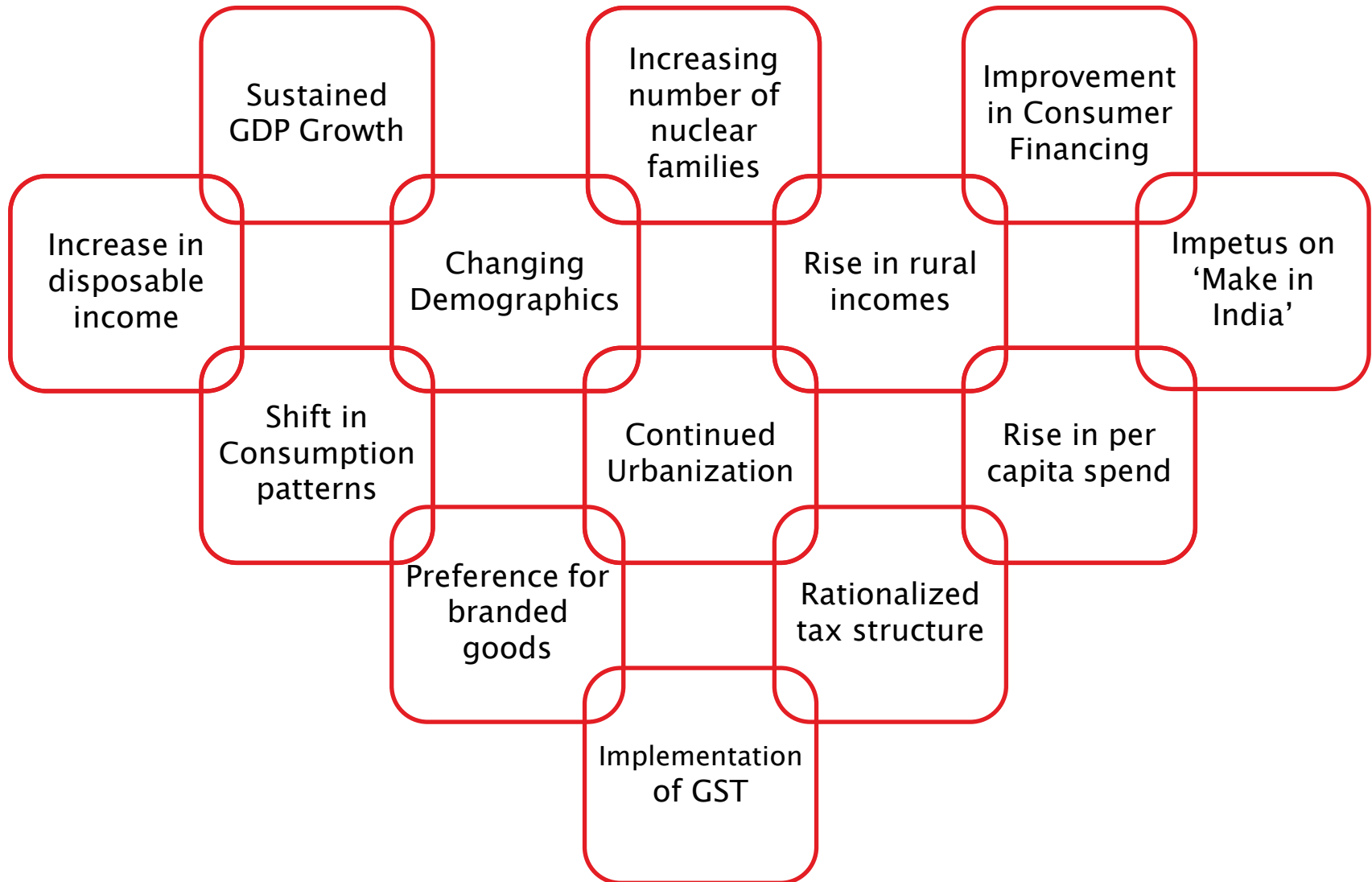


5

Outlook



Industry Growth Drivers



Attractive Growth Prospects



Improved Distribution & Sustained Presence

- Currently concentrated in South India which represents over 80% of Branded sales
- Have already extended distribution set-up to western India, increasing maturity is driving sales momentum
- Scaling up distribution network in Central, North & East India
- Pan-India presence being augmented leading to improved market penetration



New Product Pipeline

- Revenues currently dominated by 6 key products
- Total offerings now at more than 20 product categories
- Enhancing product options for mass market as well as premium category



Capacity Expansion

- The Company commenced expansion of its manufacturing capacity at a total cost of Rs. 45 crore
- Planned enhancement of capacity for Pressure Cookers, LPG Stoves and Mixer Grinders
- Capacity expansion will meet projected medium term growth



Enhanced Marketing & Brand Awareness Activities

- Have launched strong advertisement and brand awareness campaign
- Across multiple media such as newspaper, magazines, television and web
- Investments in advertising & marketing was Rs. 37 crore in FY15
- Advertising and marketing activities will help to leverage the enhanced distribution network and wider market reach

Outlook

CATEGORY	H1 FY16 CONTRIBUTION	MARKET ENVIRONMENT	OUTLOOK
Retail Channel Sales*	75–80% of Branded Sales in H1FY16	<ul style="list-style-type: none"> The market scenario has not changed considerably and continues to be sluggish especially in Southern markets 	Retail channel demand is expected to improve on a Y-o-Y basis, given the lower base
Institutional Channel Sales	20–25% of Branded Sales in H1FY16	<ul style="list-style-type: none"> Institution sales is dependent on release of new LPG gas connections Issuance of new LPG gas connections has improved in Q2 FY16, which is expected to continue for the rest of FY16 	Consumer demand to gradually improve
TOTAL BRANDED SALES	Rs. 290 crore		
Government Order Sales	Rs. 311 crore	<ul style="list-style-type: none"> As of Q2 FY16, Rs. 311 crore worth of TNCSC order has been completed New order for Rs. 90 crore has been received from Pondicherry Co-Op. Wholesale Stores for supply of TTWG and Mixer Grinder 	Both TN and Pondicherry Govt. order will be completed by FY16
GROSS REVENUES	Rs. 601 crore		

NOTE : *New product categories added through acquisition has also been included in the Retail channel sales

Thank you
