

PRESS RELEASE

**Blue Star's Consolidated Q2FY20 revenue grows 21%
to Rs 1249.47 crores; net profit grows 94%
to Rs 37.94 crores**

Consolidated Financial Performance for Q2FY20

- The Company has reported Revenue from Operations of Rs 1249.47 crores for the quarter ended September 30, 2019 on a consolidated basis, compared to Rs 1032.20 crores during the same period in the previous year, a growth of 21%.
- The Operating Profit (PBIDTA excluding Other Income and Finance Income) for the quarter was Rs 73.58 crores compared to Rs 58.07 crores in Q2FY19, a growth of 27%.
- Net Profit for the quarter was Rs 37.94 crores compared to Rs 19.55 crores in Q2FY19, a growth of 94%.
- Other Income (including finance income) for Q2FY20 was Rs 10.60 crores compared to Rs 4.93 crores in Q2FY19. Other income in Q2FY20 was higher on account of higher interest on income tax refunds.
- Finance Cost for the quarter decreased to Rs 6.79 crores from Rs 11.67 crores in Q2FY19 due to effective management of working capital and consequently lower borrowings quantum in Q2FY20 and also due to lower cost of borrowings.
- Tax expense for the quarter was Rs 16.88 crores compared to Rs 7.84 crores in Q2FY19. The Company has decided not to immediately opt for the lower rate of 22% corporate tax owing to the un-availed MAT credit to the tune of Rs 67 crores

(consolidated). At the same time, it needed to account for higher tax expense during the quarter on account of increased profitability and unwinding of Deferred Tax Asset created in earlier years.

- Earnings per share for Q2FY20 (Face value of Rs 2.00) was Rs 3.94 vis-à-vis Rs 2.03 in Q2FY19.
- The Carried Forward Order Book as on September 30, 2019, grew by 32.4% to Rs 2935 crores as compared to the carry forward order book as on September 30, 2018.

Consolidated Segment Performance for Q2FY20

- Revenue of the Electro-Mechanical Projects and Commercial Air Conditioning Systems segment for the quarter grew by 24.2% to Rs 783.54 crores compared to Rs 630.97 crores in Q2FY19, while Segment Results remained almost flat at Rs 44.56 crores due to increase in input costs and increase in overheads due to slow pace of project execution. Revenue growth in the Electro-Mechanical Projects business was driven by the execution of a healthy order book, though at a slower pace, while growth in the central air conditioning product categories contributed to increased revenue in the Commercial Air Conditioning Systems business.
- Unitary Products revenues increased by 10.0% to Rs 377.21 crores from Rs 343.06 crores in Q2FY19 driven by increased billings across all product categories. Segment Results increased to Rs 11.96 crores from Rs 8.20 crores during the same period in the previous year.
- The Professional Electronics and Industrial Systems Business registered a revenue growth of 52.5% to Rs. 88.72 crores in Q2FY20 from Rs 58.17 crores in Q2FY19 while the Segment Results increased to Rs 24.43 crores in Q2FY20 from Rs 12.56 crores in Q2FY19. Revenue and profit growth was majorly contributed by receipt of multiple high value orders relating to Data Security Solution and Non-Destructive Testing businesses.

Consolidated Financial Performance for the half-year ended September 30, 2019 (H1FY20)

- For the half-year ended September 30, 2019, the Company reported Revenue from Operations of Rs 2824.92 crores as compared to Rs 2540.03 crores over the same period in the previous year, representing a growth of 11.2%.
- Operating Profit (PBIDTA excluding Other Income and Finance Income) was Rs 188.43 crores compared to Rs 194.73 crores during the same period last year.
- Net Profit for the half-year was Rs 114.78 crores as compared to Rs 111.13 crores in H1FY19.

Outlook

Vir Advani, Vice Chairman & Managing Director, Blue Star Limited adds, "The order book is healthy in the Electro Mechanical Projects segment. However, pace of execution of projects continues to be constrained due to reduced credit flow to the real estate and infrastructure sectors. Unitary Products segment continues to do well on increased demand from tier 3, 4 and 5 towns. With the Government providing stimuli to various sectors to boost the economy we remain confident of growth improving in the medium term".

Place: Mumbai

Date: November 13, 2019.

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