

PRESS RELEASE**Blue Star reports record profits in Q4FY21**

With an improvement in the general business sentiments and the early onset of summer in some parts of the country, all business segments witnessed growth in Q4FY21 compared to Q4FY20. The overall business recovery for the year was satisfactory and better than expected at the beginning of the year. Several cost rationalisation and capital preservation measures coupled with prudent working capital management resulted in generation of healthy cash from operations. These measures enabled the Company to close FY21 with a strong Balance Sheet, healthy liquidity position and net positive cash balance.

Consolidated Financial Performance for Q4FY21

- The Company's Revenue from Operations recovered 124% to Rs 1611.56 crores for Q4FY21 compared to Rs 1299.36 crores in Q4FY20.
- Revenue growth and improvement in profitability across segments enabled Operating Profit (PBIDTA excluding other income and finance income) to increase to Rs 101.81 crores (6.3% of revenue) for Q4FY21 from Rs 37.33 crores (2.9% of revenue) in Q4FY20.
- Profit Before Tax Before Exceptional Items was Rs 103.34 crores for Q4FY21 compared to Rs 13.08 crores in Q4FY20.
- Healthy cash from operations and improvement in working capital efficiencies enabled a significant reduction of Rs 282.46 crores in Net Borrowings for Q4FY21.

Consolidated Financial Performance for FY21

- The Company has reported Revenue from Operations of Rs 4263.59 crores for the year ended March 31, 2021 on a consolidated basis, compared to Rs 5360.19 crores during FY20, marking a recovery of 79.5%.
- The Operating Profit (PBIDTA excluding Other Income and Finance Income) for the year was Rs 239.81 crores (5.6% of revenue) compared to Rs 282.78 crores (5.3% of revenue) in FY20.
- Net Profit for the year was Rs 100.35 crores compared to Rs 143.25 crores in FY20, marking a recovery of recovered 70.1%.
- Finance Cost for the year was at Rs 64.72 crores compared with Rs 29.47 crores in FY20 due to additional borrowings during the year and increased cost of funds.
- Tax expense for FY21 was Rs 47.09 crores compared to Rs 65.32 crores in FY20.
- The Company ended the year with a Net Positive Cash Balance of Rs 151.45 crores as of March 31, 2021 compared to a Net Borrowing of Rs 131.01 crores as of December 31, 2020. Net Borrowing was Rs 155.00 crores as on March 31, 2020 (Debt Equity ratio of 0.21).
- Earnings per share for the year (Face value of Rs 2.00) was Rs 10.42 vis-à-vis Rs 14.87 in the previous year.
- Carried Forward Order Book as on March 31, 2021 was Rs 2952.42 crores compared to Rs 2946.59 crores as on March 31, 2020.

Consolidated Segment Performance

- Revenue of the Electro-Mechanical Projects and Commercial Air Conditioning Systems business grew by 18.1% to Rs 779.96 crores in Q4FY21 compared to Rs 660.39 crores in Q4FY20. Segment Revenue for FY21 recovered 78.5% to Rs 2218.72 crores compared to Rs 2826.67 crores in FY20. Segment Result for Q4FY21 grew to

Rs 48.50 crores from Rs 3.17 crores in Q4FY20, and for FY21 was Rs 106.49 crores compared to Rs 120.26 crores in FY20. While order inflows from the factories and Light Industrial sector improved compared to last year driven by the 'Make in India' initiatives of the government, the order inflow from the Commercial Buildings and Infrastructure sectors continued to be slow. Continued traction in the Healthcare, Pharma, Industrial and Government segments enabled growth for the Commercial Air Conditioning business. Better margin profile of jobs executed during the year, improved margin in the Commercial Air Conditioning and Service businesses coupled with actions taken to reduce operating costs helped improve profitability of the segment.

- Unitary Products revenue grew by 31.1% to Rs 781.81 crores in Q4FY21 compared to Rs 596.28 crores in Q4FY20, and recovered 81.2% during the year to Rs 1868.28 crores compared to Rs 2300.61 crores in FY20. This segment, which was the most impacted by restrictions at the beginning of the year during the peak selling season, recovered during the rest of the year due to improvement in general business sentiments, increased share of business from the e-commerce channel and sustained initiatives such as introduction of new product categories, and foray into new customer categories. In the Room Air Conditioners business, the Company launched a new range of 'Mass Premium' products. In the Commercial Refrigeration business, in addition to increased traction from the Retail and Pharma segments, order inflows also improved from Healthcare, Restaurants and the Government sector. Segment Result was Rs 62.06 crores for Q4FY21 compared to Rs 43.75 crores in Q4FY20, and for FY21 was Rs 108.82 crores compared to Rs 162.27 crores in FY20 due to reduced scale in the first quarter of the year and increase in material costs and competitive pricing pressures.
- The Professional Electronics and Industrial Systems business revenue grew by 16.6% to Rs 49.79 crores in Q4FY21 compared to Rs 42.69 crores in Q4FY20, and for FY21 recovered 75.8% to Rs 176.59 crores compared to Rs 232.91 crores in FY20. Order inflows from the Healthcare business and orders from the essential services of the Government sector were encouraging. This along with continued opportunities from the BFSI sector for the Data Security Solutions business helped improved revenue in Q4FY21. Segment Result was Rs 7.22 crores in Q4FY21 compared to Rs 7.50 crores in Q4FY20, and for FY21 was Rs 33.81 crores compared to Rs 54.34 crores in FY20. Revenue and profitability were higher in FY20 on account of a few large value orders in the Data Security Solutions business.

Dividend

The Directors have recommended a dividend of Rs 4 per equity share of Rs 2 each for FY21.

Outlook

Vir Advani, Vice Chairman & Managing Director, Blue Star Limited adds, "Robust business recovery witnessed in the second half of the financial year enabled us to end the year on a high note. We have gained market share in each product category and closed the fiscal year with a strong balance sheet. While the sustenance of this growth momentum has been challenged by the second wave of the pandemic and the consequent restrictions imposed in many parts of the country, I believe that we have the potential to navigate through the current situation and bounce back once the situation improves. Our focus continues to be on keeping our employees, dealers, and business associates safe, and fulfilling emergency needs of our customers. Our goal is to grow faster than the market, keep the operating costs under control and manage the balance sheet prudently, with a clear focus on operating cash flows."

Place: Mumbai

Date: May 6, 2021

For additional information, please contact: R S Priya, General Manager-Corporate Communications & Marketing Services, Blue Star Limited. Email: rspriya@bluestarindia.com Telephone: +91 44 43444009/ +91 98401 99941