

PRESS RELEASE

Blue Star's revenue recovers to pre-COVID level in Q2FY22; Net Profit doubles over Q2FY21

The quarter commenced on a strong note with an extended summer in the northern parts of the country. The Company witnessed healthy demand and robust volume growth for room air conditioners and refrigeration products in Q2FY22 compared to Q2FY21. This was on account of the ebbing of the second wave of the pandemic and the consequent easing of restrictions combined with improvement in consumer sentiment. Commercial, Manufacturing and other Institutional segments also revived. Most importantly, collections were healthy resulting in substantial reduction in borrowings. Escalation in commodity prices, logistics costs and depreciation of the rupee exerted margin pressure, which was partially offset by price increases, cost reduction initiatives and improvement in operational efficiency.

Consolidated Financial Performance for Q2FY22

- The Company's Revenue from Operations increased by 37.4% to Rs 1239.74 crores for the quarter ended September 30, 2021, on a consolidated basis, compared to Rs 902.12 crores during the same period in the previous year.
- The Operating Profit (PBIDTA excluding Other Income and Finance Income) for the quarter was Rs 70.70 crores compared to Rs 55.08 crores in Q2FY21.
- Net Profit for the quarter was Rs 31.45 crores compared to Rs 15.40 crores in Q2FY21.

- Other Income (including Finance Income) for Q2FY22 was Rs 8.12 crores compared to Rs 5.86 crores in Q2FY21.
- Finance Cost for the quarter decreased to Rs 11.18 crores from Rs 17.85 crores in Q2FY21 due to reduction in borrowings.
- The Tax expense for the quarter was Rs 15.99 crores compared to Rs 7.42 crores in Q2FY21.
- Earnings per share for Q2FY22 (Face value of Rs 2.00) was Rs 3.27 compared to Rs 1.59 in Q2FY21.
- Carried Forward Order Book as on September 30, 2021 grew by 5.5% to Rs 3185.91 crores compared to Rs 3019.57 crores as on September 30, 2020.
- Net Borrowing as on September 30, 2021, reduced to Rs 44.34 crores (debt equity ratio of 0.05) compared to Rs 344.06 crores as on September 30, 2020 (debt equity ratio of 0.44) on account of prudent working capital management and capital allocation measures.

Consolidated Segment Performance for Q2FY22

- Revenue of the Electro-Mechanical Projects and Commercial Air Conditioning Systems grew by 33.8% to Rs 723.40 crores in Q2FY22 compared to Rs 540.83 crores in Q2FY21. The Segment Result for Q2FY22 was Rs 46.54 crores compared to Rs 34.41 crores in Q2FY21. Overall pace of execution of projects and order finalisations improved compared to the previous quarter. While the order inflows from the Factories and Light Industrial sectors continued to be encouraging, order inflows /enquiries from the Infrastructure and the Commercial Realty sectors also began to pick up. Continued traction in the Healthcare, Pharmaceutical, Industrial and Government customer segments coupled with recovery in key segments, namely, Retail, IT and Educational Institutions enabled encouraging growth for the Commercial Air Conditioning business.
- Unitary Products revenue grew by 42.7% to Rs 454.71 crores in Q2FY22 compared to Rs 318.65 crores in Q2FY21. The Segment Result grew by 98.3% to

Rs 23.26 crores in Q2FY22 compared to Rs 11.73 crores in Q2FY21. Despite extended monsoon, Room AC business grew on the back of upgradation of residences and the revival of the light commercial sector coupled with consolidation of e-com channel. Continued traction for the medical and supermarket refrigeration equipment coupled with a recovery in demand for storage water coolers due to the partial opening up of educational institutions and commercial establishments enabled a growth in revenue for the commercial refrigeration business during the quarter.

- The Professional Electronics and Industrial Systems Business revenue grew by 44.5% to Rs 61.63 crores in Q2FY22 compared to Rs 42.64 crores in Q2FY21 driven by a few high value orders secured in the Data Security Solutions, Non-Destructive Testing, and Healthcare businesses. The Data Security Solutions business continued to do well, led by the various digitisation initiatives in the BFSI sector. The Testing Machines business also witnessed growth with a revival of investments in the Manufacturing sector. Segment Result grew by 20.6% to Rs 9.83 crores compared to Rs 8.15 crores in Q2FY21.

Consolidated Financial Performance for the half-year ended September 30, 2021 (H1FY22)

- For the half-year ended September 30, 2021, the Company reported Revenue from Operations of Rs 2291.78 crores compared to Rs 1528.14 crores over the same period in the previous year, a growth of 50.0%.
- Operating Profit (PBIDTA excluding Other Income and Finance Income) was Rs 112.93 crores compared to Rs 56.44 crores during the same period last year.
- Net Profit for the half-year ended September 30, 2021, was Rs 44.16 crores compared to Net Loss of Rs 4.20 crores in H1FY21.

Outlook

Vir S. Advani, Vice Chairman & Managing Director, Blue Star Limited adds, "With the revenue reaching pre-COVID level in Q2FY22, we expect the growth momentum to continue through Q3 and Q4 leading up to the next summer season. The pricing corrections will continue, depending on movement in input costs. At the same time, product cost rationalization through value engineering and alternate designs, as well as operating cost reduction will be undertaken to counter the margin pressure."

Place: Mumbai

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