

PRESS RELEASE**Blue Star's Consolidated Q1FY23 Revenue grows 87.3% to
Rs 1970.32 crores; Operating Profit grows 192.0% to
Rs 123.31 crores**

With business and economic activities at 100% normalcy in Q1FY23, the growth momentum witnessed in Q4FY22 continued in Q1FY23. After two consecutive summers disrupted by the Pandemic, this year witnessed a normal summer without any restrictions. Consequently, demand for all Blue Star's products and services witnessed an uptick compared to Q1FY22. The performance stands out even when compared to Q1FY20 which was the last comparable first quarter when business and economic activity were at normal levels.

Consolidated Financial Performance for Q1FY23

- The Company's Revenue from Operations increased by 87.3% to Rs 1970.32 crores for the quarter ended June 30, 2022 compared to Rs 1052.04 crores during the same period in the previous year.
- The Operating Profit (PBIDTA excluding Other Income and Finance Income) for the quarter was Rs 123.31 crores compared to Rs 42.23 crores in Q1FY22.
- Net Profit for the quarter grew to Rs 74.35 crores compared to Rs 12.71 crores in Q1FY22.
- Other Income (including Finance Income) for Q1FY23 was Rs 10.51 crores compared to Rs 7.95 crores in Q1FY22.

- Finance Cost for the quarter marginally decreased to Rs 10.62 crores from Rs 10.73 crores in Q1FY22.
- Tax expense for the quarter was Rs 26.34 crores compared to Rs 6.52 crores in Q1FY22.
- Earnings per share (not annualized) for Q1FY23 (Face value of Rs 2.00) was Rs 7.72 compared to Rs 1.32 in Q1FY22.
- Carried Forward Order Book as on June 30, 2022, grew by 23.8% to Rs 3901.48 crores, compared to Rs 3152.30 crores as on June 30, 2021.
- Higher cash from operations coupled with a continued focus on working capital management enabled the Company to end the quarter with a net cash balance of Rs 81.03 crores compared to a net borrowing of Rs 68.47 crores on June 30, 2021 (Net debt equity ratio of 0.08) after exercising the call option to redeem Non-Convertible debentures to the tune of Rs 175 crores in June 2022.

Consolidated Segment Performance for Q1FY23

- Revenue of the Electro-Mechanical Projects and Commercial Air Conditioning Systems grew by 57.0% to Rs 793.43 crores in Q1FY23 compared to Rs 505.24 crores in Q1FY22. The Segment Result for Q1FY23 was Rs 45.17 crores (5.7% of Revenue) compared to Rs 20.03 crores (4.0% of Revenue) in Q1FY22. In the Electro-Mechanical Projects business, enquiries and order finalizations improved as compared to the similar period last year. While order inflows from the Commercial Building sector picked up with an improvement in the construction cycle, enquiries and order inflows from the Factories segment also continued to be encouraging. Order finalization in the infrastructure sector also picked up. The Commercial Air Conditioning business witnessed growth in demand across all the segments including in the Retail, Builder, and Entertainment segments. The Manufacturing, Government, and Healthcare sectors also continued to remain major contributors to this business.

- Unitary Products revenue grew by 122.5% to Rs 1124.21 crores in Q1FY23 compared to Rs 505.37 crores in Q1FY22. The Segment Result was Rs 91.13 crores (8.1% of Revenue) in Q1FY23 compared to Rs 21.77 crores (4.3% of Revenue) in Q1FY22. With India witnessing severe summer across regions, the Company witnessed a strong demand for room air conditioners. The Commercial Refrigeration business also witnessed increased traction across all product categories with strong demand from the Ice cream, Processed Food, and Pharma segments coupled with an increase in demand from the Retail segment for Supermarket Refrigeration products.
- The Professional Electronics and Industrial Systems Business revenue grew by 27.2% to Rs 52.68 crores in Q1FY23 compared to Rs 41.43 crores in Q1FY22, on the back of continued opportunities from the Healthcare, BFSI, Industrial and a few Government sectors. While the Data Security Solutions business continued to contribute to the revenue growth, the demand for the Non-Destructive Testing business also gained momentum during the quarter. The Segment Result was Rs 5.89 crores (11.2% of Revenue) in Q1FY23 compared with Rs 5.56 crores (13.4% of Revenue) in Q1FY22. Segment Result was impacted owing to delay in execution of certain high value orders on shortage of semiconductors.

Outlook

Vir S. Advani, Vice Chairman & Managing Director, Blue Star Limited adds, "I am happy that we could deliver good results for the third consecutive quarter in a row. While the momentum continues with healthy inflow of enquiries and orders for our products and services, we anticipate headwinds due to inflationary pressures, rising interest rates, weakening of Indian Rupee, and global recessionary concerns. However, considering the large carried forward order book for our B2B businesses, significantly lower rate of penetration of room air conditioners in India, commencement of capex and construction cycles, and softening of commodities, we are optimistic about the prospects for FY23."

Place: Mumbai

Date: August 4, 2022

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