

PRESS RELEASE**Blue Star's Q2FY23 Net Profit increases by 35.6% to
Rs 42.64 crores**

The sentiments in the Indian economy continued to be positive despite the ongoing geo-political uncertainties, and the impact that the strengthening dollar has on the currency/exchange rates globally. Capex investments by both the public and the private sectors continued to be encouraging. Consequently, all the sectors that the Company operates in witnessed healthy growth and enabled the Company to end the quarter on a positive note.

Consolidated Financial Performance for Q2FY23

- The Company's Revenue from Operations increased by 27.1% to Rs 1,576.24 crores for the quarter ended September 30, 2022, on a consolidated basis, compared to Rs 1,239.74 crores during the same period in the previous year.
- The Operating Profit (PBIDTA excluding Other Income and share of profit/loss in Joint Ventures) for the quarter was Rs 85.59 crores compared to Rs 70.70 crores in Q2FY22.
- Net Profit for the quarter was Rs 42.64 crores compared to Rs 31.45 crores in Q2FY22.
- Other Income for Q2FY23 was Rs 8.55 crores compared to Rs 8.12 crores in Q2FY22.
- The Tax expense for the quarter was Rs 14.89 crores compared to Rs 15.99 crores in Q2FY22.
- Earnings per share for Q2FY23 (Face value of Rs 2.00) was Rs 4.43 compared to Rs 3.27 in Q2FY22.

- Carried Forward Order Book as on September 30, 2022, grew by 30.06% to a record Rs 4162.05 crores compared to Rs 3185.91 crores as on September 30, 2021.
- Net Borrowing as on September 30, 2022, was Rs 392.62 crores (debt equity ratio of 0.37) compared to Rs 44.34 crores as on September 30, 2021 (debt equity ratio of 0.05) owing to higher inventory holding to mitigate continuing supply chain disruptions and capital investments for the manufacturing capacity expansion projects.

Consolidated Segment Performance for Q2FY23

- Revenue of the Electro-Mechanical Projects and Commercial Air Conditioning Systems grew by 32.6% to Rs 959.07 crores in Q2FY23 compared to Rs 723.40 crores in Q2FY22. The Segment Result for Q2FY23 grew by 30.5% to Rs 60.72 crores compared to Rs 46.54 crores in Q2FY22. In the Electro-Mechanical Projects business, the overall pace of execution remained healthy. While the Company witnessed a strong uptick in enquiries, and order finalizations in the Data Center segment, Metro Railways and the Factories segment, the inflow of tenders in the Infrastructure sector also continued to remain encouraging. In the Commercial Air Conditioning business, growth in demand across all the segments enabled growth in revenue for the quarter.
- Unitary Products revenue grew by 15.4% to Rs 524.79 crores in Q2FY23 compared to Rs 454.71 crores in Q2FY22. The Segment Result grew by 39.3% to Rs 32.40 crores in Q2FY23 compared to Rs 23.26 crores in Q2FY22. Despite being a seasonally lower demand quarter, the Room Air Conditioner business registered a growth over the corresponding quarter of the previous year. The Commercial Refrigeration business also witnessed a growth in demand across all segments with consumption levels back to normal. While the demand for supermarket refrigeration products from the Retail segment continued to be encouraging, demand from the Hospitality sector also revived during the quarter.
- The Professional Electronics and Industrial Systems Business revenue grew by 49.9% to Rs 92.38 crores in Q2FY23 compared to Rs 61.63 crores in Q2FY22 driven by robust demand for medical diagnostic equipment with increasing awareness and investments in the Healthcare sector, post covid. The demand for the Non-Destructive Testing business as well as Data Security Solutions for the BFSI sector also continued to be

encouraging. Segment Result grew by 40.4% to Rs 13.80 crores compared to Rs 9.83 crores in Q2FY22.

Consolidated Financial Performance for the half-year ended September 30, 2022 (H1FY23)

- For the half-year ended September 30, 2022, the Company reported Revenue from Operations of Rs 3,546.56 crores compared to Rs 2,291.78 crores over the same period in the previous year, a growth of 54.8%.
- Operating Profit (PBIDTA excluding Other Income and share of profit/loss in Joint Ventures) was Rs 208.90 crores compared to Rs 112.93 crores during the same period last year.
- Net Profit for the half-year ended September 30, 2022, was Rs 116.99 crores compared to Rs 44.16 crores in H1FY22.

Outlook

Vir S. Advani, Vice Chairman & Managing Director, Blue Star Limited adds, "The demand for our products and solutions from the segments in which we are operating, continues to be good now. With the push in infrastructure investments and the commencement of the capacity expansion cycle in the manufacturing segment, we expect order inflows in the Projects segment to remain buoyant throughout the year. Besides, the low level of penetration of room ACs in India is expected to aid market growth in the Room Air Conditioner business going forward. Opportunity for our Commercial Refrigeration business is also expected to be robust with the growing investments in food processing and the organized retail sectors. We are hopeful that the softening of commodity prices and a few localization initiatives will enable us to partly mitigate the impact of depreciation of the Indian Rupee against the US Dollar. Against the backdrop of the above factors, I remain optimistic about the prospects for our businesses in H2."

Place: Mumbai

Date: November 3, 2022

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