



BLUE STAR

Blue Star Limited

Conference of Fund Managers
and Analysts

Mumbai

May 5, 2023

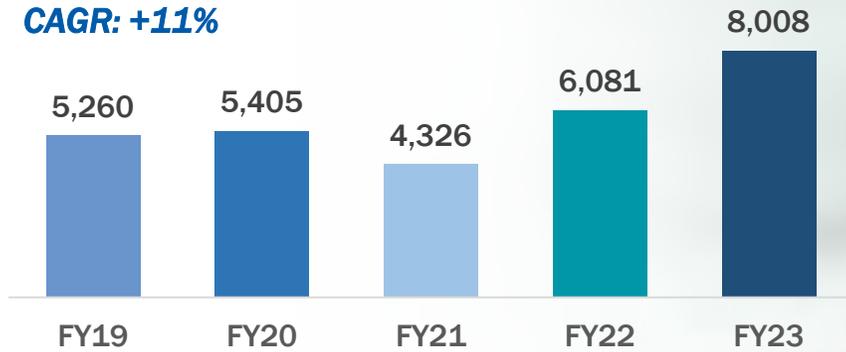
Safe Harbour

Certain statements in this release concerning our future growth prospects are forward-looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fiscal policy, competition, inflationary pressures and general economic conditions affecting our industry. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

Key Performance Indicators

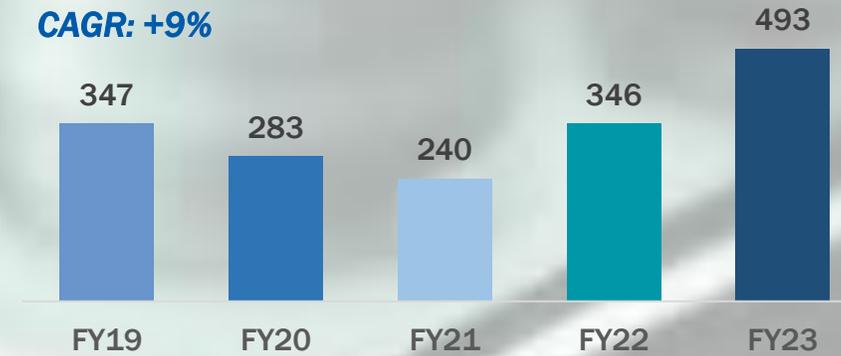
Total Income (Rs in cr)

CAGR: +11%



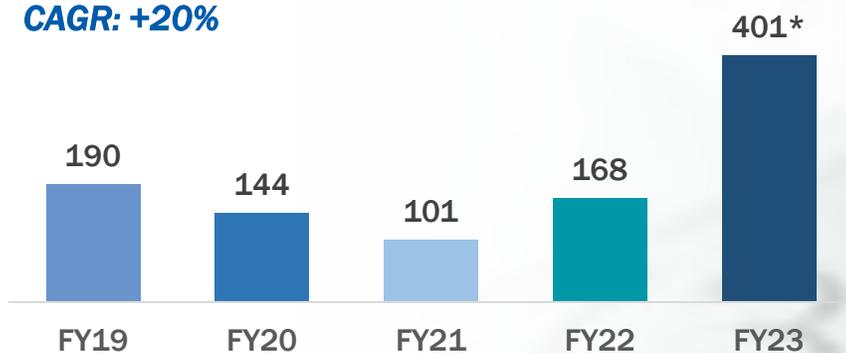
EBITDA (Rs in cr)

CAGR: +9%



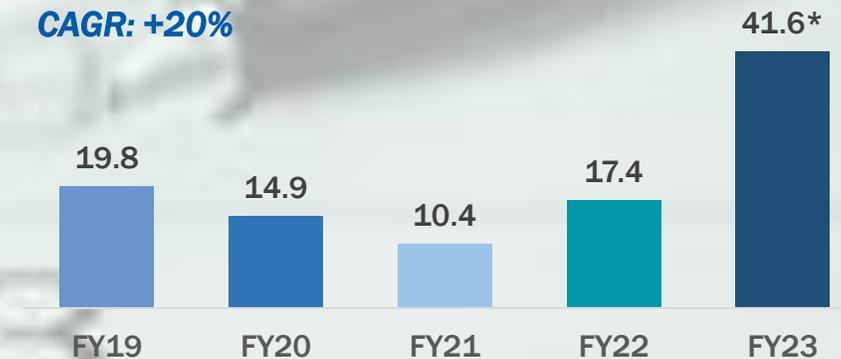
PAT (Rs in cr)

CAGR: +20%



Earnings Per Share (Rs per share)

CAGR: +20%



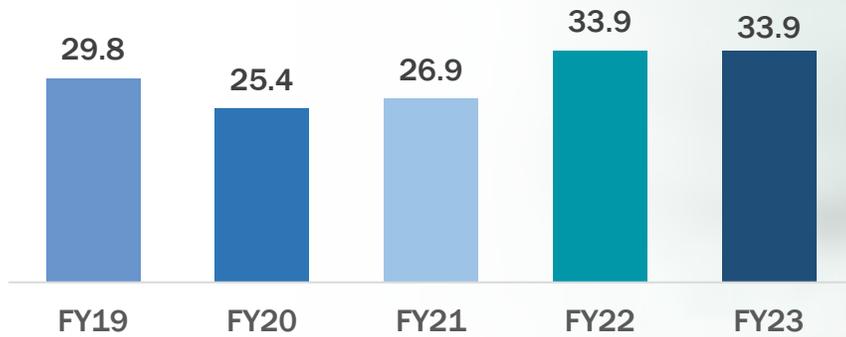
* FY23: Rs 261 cr without Thane property sales

* FY23: Rs 27.15 without Thane property sales

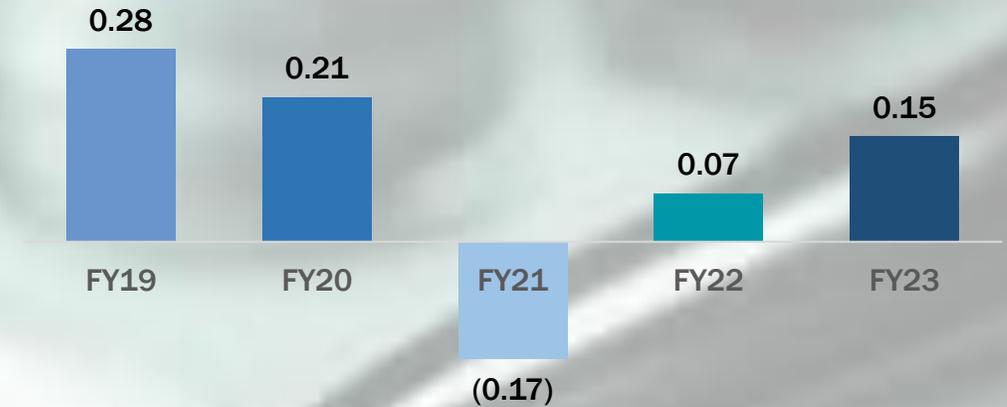
Key Performance Indicators

The company is in its growth phase and has consistently improved value addition to shareholders over the years

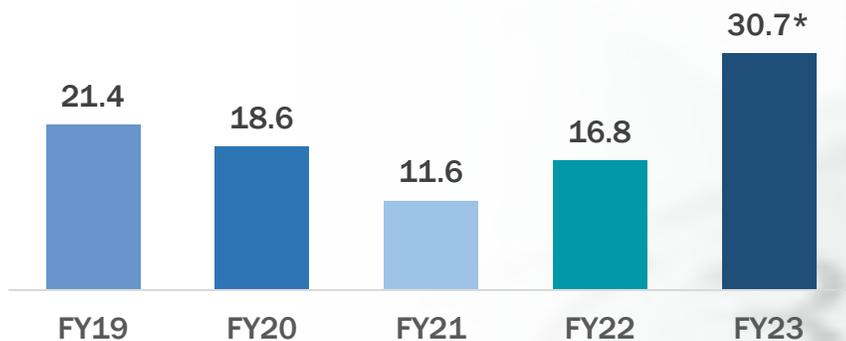
Return on Capital Employed (%)



Net Debt / Equity (times)

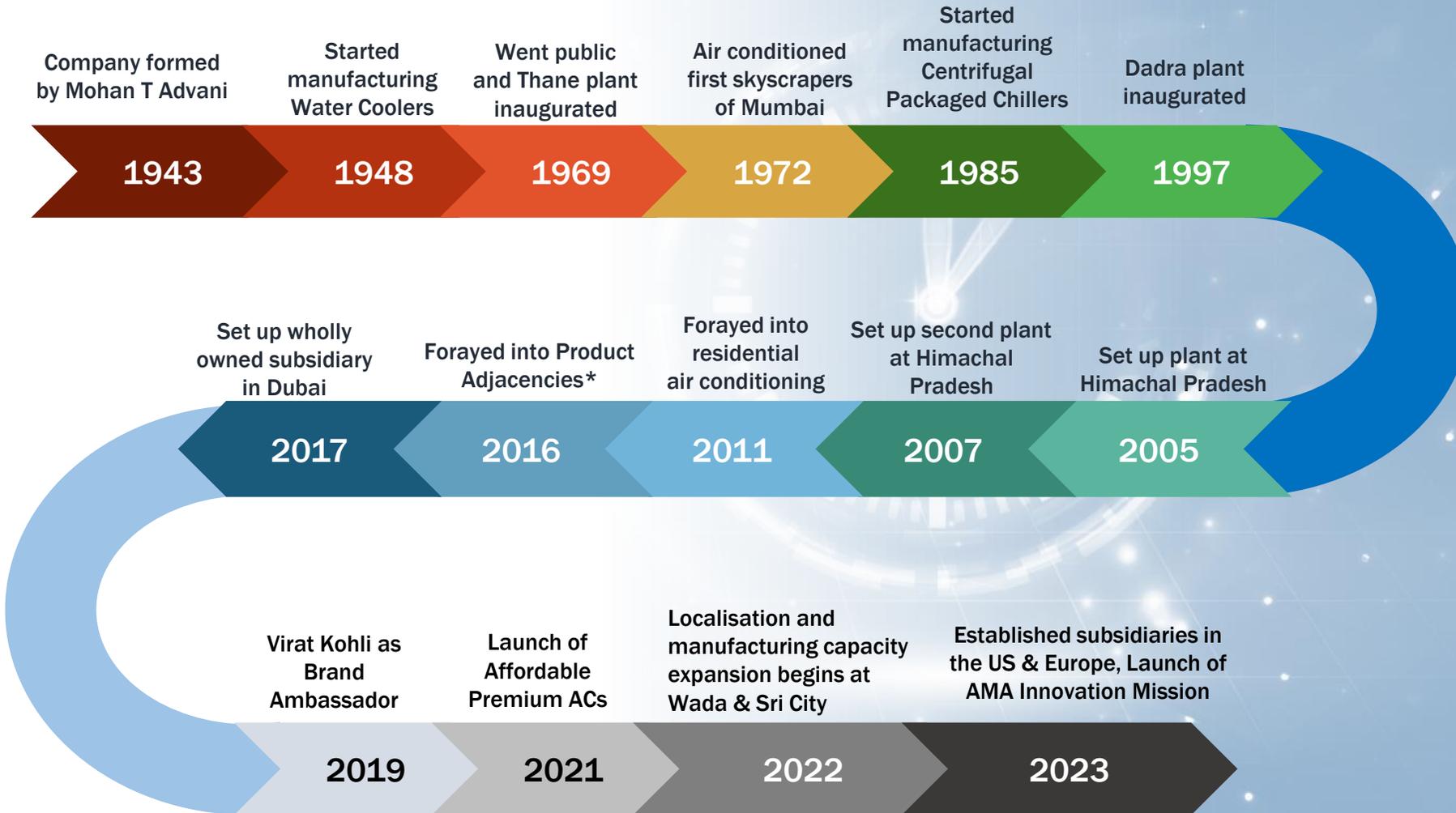


Return on Equity (%)



* FY23: 20.3% without Thane property sales

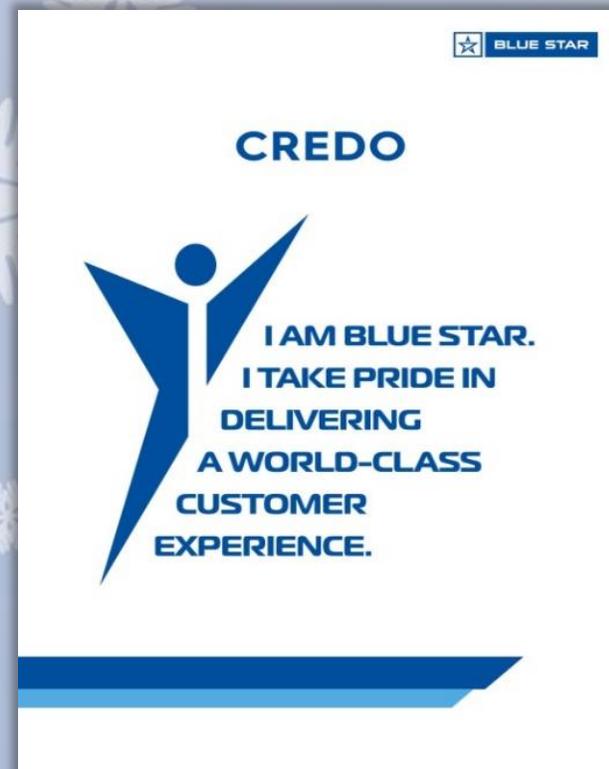
The Blue Star Journey



A 79-YEAR-OLD CORPORATION, 'BUILT ON TRUST' OF ITS STAKEHOLDERS

(* Air Coolers, Water Purifiers, Medical, Kitchen & Supermarket Refrigeration)

Vision, Credo and The Blue Star Way



The Blue Star Way

**11 core values and beliefs
that guide all Blue Starites
in the discharge of their
roles and responsibilities**

Balanced three-tiered Governance Structure; a firm foundation





The next phase of our journey...



Strategic Direction: Grow faster than the market

- Build scale by participating in and aggressively addressing the growth opportunities in HVACR products offered by aspirational Middle Class, MSMEs, Light Commercial and Tier 3-4-5 markets
 - **Air Conditioning**
 - Launch affordable range of Room ACs, new generation VRFs, Centrifugal Chillers
 - Deepen the distribution reach
 - Strengthen Blue Star brand salience in HSMs
 - **Commercial Refrigeration**
 - Introduce new range of Deep Freezers and Cold Rooms to retain market leadership
 - Scale adjacencies in Retail, Healthcare and Kitchen Refrigeration



Strategic Direction: Grow faster than the market

- **Scale MEP Business profitably with high focus on free cash flow**
 - Grow beyond the traditional Buildings segment, viz. Factories, Data Centres, Metro Rail, Railway Electrification, and Water
 - Be the Contractor of Choice through implementation of “Superior Project Delivery”
- Become a significant player in the international HVACR market by consolidating our position in the MEA region and making an entry in North America and Europe markets
- Scale Blue Star E&E by adding new lines of business in Medtech and Industrial Solutions markets



Strategic Direction: Profitability improvement

- Drive scale and achieve operating cost leverage
- Cross deploy and institutionalise Total Cost Management (TCM) culture across the businesses for acquiring cost leadership
- Strengthen product innovation and identify and implement process innovation
- Focus on indigenisation and backward integration
 - Indigenisation of Deep Freezers at Wada
 - Backward integration at Sri City



Strategic Direction: Excellence

Human Capital: Build a highly capable and engaged organization

- Be the preferred employer in the HVACR Industry; GPTW Trust Index is 81 in FY23 (vs. 69 in FY16 and 75 in FY19)
- Focus on Capability Building, including Leadership Development and Succession Planning
- Continued focus on improving Diversity and Inclusion

Continue to invest in future-ready R&D

- Invest in enhancing existing R&D capabilities and acquiring new skills and competencies
- Launch of the Ashok M Advani Innovation Mission to fast-track R&D and innovation programs supported by Innovation Centres

Strategic Direction: Excellence

Financial Capital: Enabling sustainable profits and growth

- Optimal capital allocation, value creation and financial discipline at the core
- Affordable capital structure to finance investment in growth
- Sustained working capital efficiencies to support growth

Digital First Strategy

- Enhance Information and Cyber Security with a 'Cloud First' strategy
- Digitalisation to enhance customer experience, operational effectiveness and productivity, especially in Sales and Service
- Leverage Analytics to create a data-centric organisation
- Implement IoT in new manufacturing units



Environmental Social & Governance (ESG)

- Continue to remain ahead of the curve in the areas of energy efficiency, ozone depletion, global warming mitigation measures, and e-waste management
- As a part of the Blue Star Net Zero Mission, map the carbon footprint across Blue Star manufacturing units and other establishments and invest in reducing the emission levels
- Pursue Circular Economy in business operations
- Continue to centre Social Strategy around:
 - Gender Diversity in Senior Management; Supplier Diversity
 - CSR activities related to vocational training and skill development in the areas of health, hygiene and wellness in a cause branding framework
- Maintain our high Governance standards

In conclusion...

- Continue to be guided by the shared Vision, Credo, and Blue Star Way
- Be a globally competitive HVACR player
- Profitability improvement is the most important strategic imperative
- Deliver differentiated world-class products, services, and solutions to meet customer expectations and address emerging market opportunities
- Significantly increase our commitment to innovation and R&D and manufacturing to remain ahead of the curve
- Attract and retain best-in-class talent
- Generate sufficient profits, strengthen the Balance Sheet, invest adequately in businesses, and pay good dividends consistently
- Continue the focus on sustainability





Blue Star: Built to Last, Built on Trust

Thank You