



BLUE STAR

# **BLUE STAR LIMITED**

## **Investor Presentation**

### **September 2024**

# India based air conditioning, commercial refrigeration and MEP contracting company

Commenced operations in **1943**, with c. **80** years of operations in India

**Air conditioning, Refrigeration and MEP solution provider**

Maintains c. **2 million** tonnes of air conditioning and refrigeration equipment<sup>1</sup>

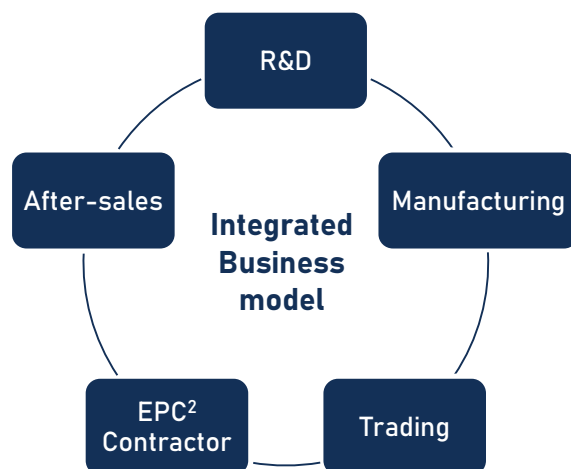
Presence in **18+ countries<sup>1</sup>**

Plans to strengthen presence in **USA, Europe**

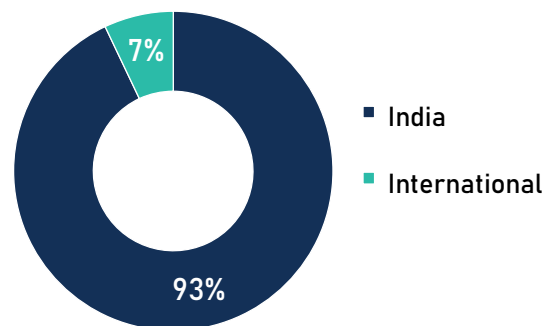
**7** manufacturing facilities in India<sup>1</sup>

~ 4000 Channel Partners<sup>1</sup>

3 Year Revenue CAGR **17%**



Revenue by geography (H1FY25)



End-markets

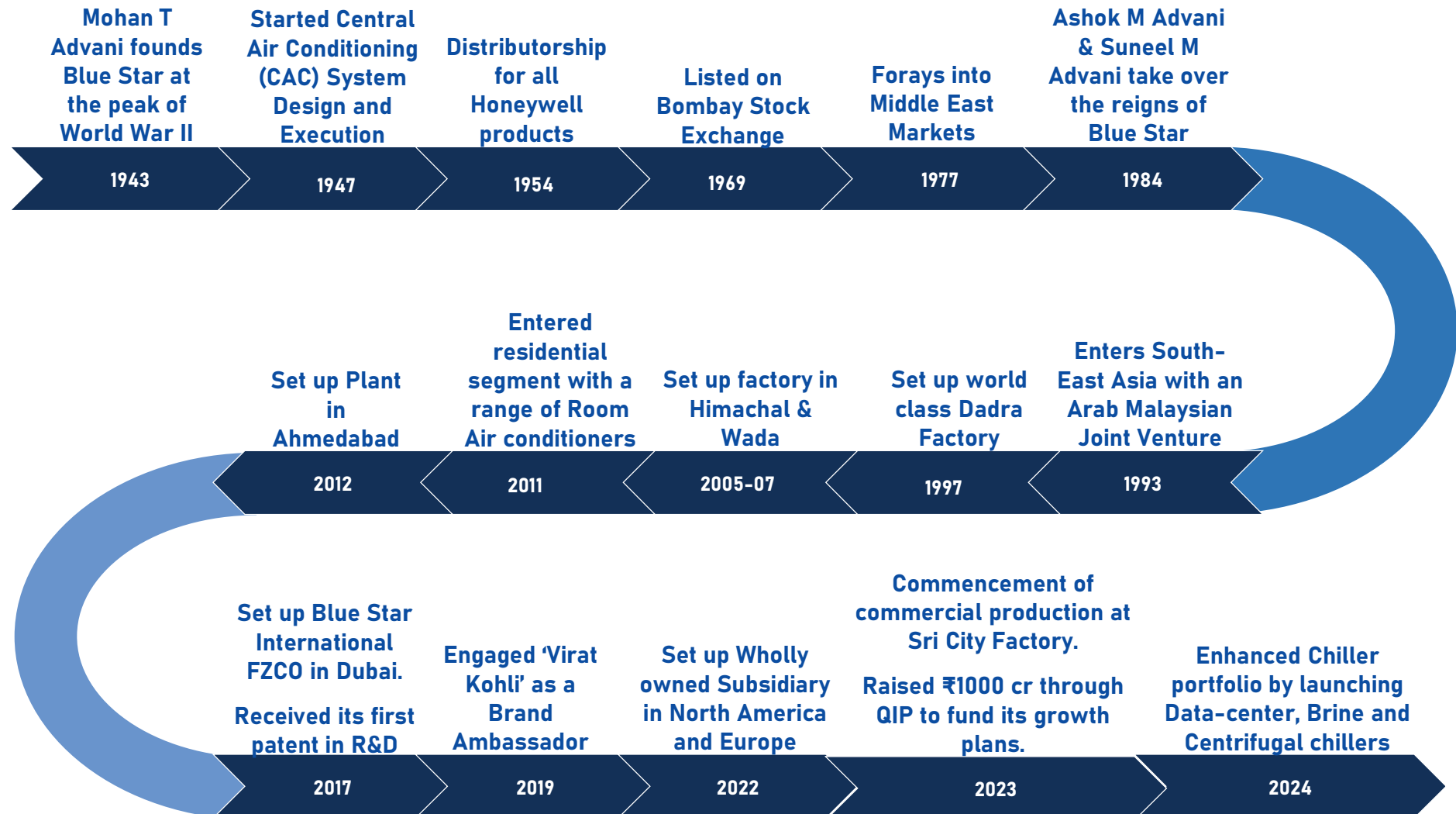


Note:

1. As at Sept 30, 2024
2. Engineering, Procurement and Construction



# 80 Years of Operations in India





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# Business Segments Overview



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# **Segment 1: Electro-Mechanical Projects & Commercial Air Conditioning Systems**

# Segment 1 : EMP and Commercial Air-Conditioning Systems

## Electro-Mechanical Projects & Commercial Air Conditioning Systems

MEP Projects

Central AC Division (CAD)

After sales services



(MEP Projects, Central Air Conditioning Business, After Sales Service, Product Exports)

**Q2FY25 Revenue: ₹ 1428 cr (up by 32.6% vs Q2FY24)**

**Q2FY25 EBIT: ₹ 119 cr (up by 82.6% vs Q2FY24)**

**Q2FY25 Capital employed: ₹ 1057 cr.**

**Key customers: Commercial Buildings, Retail, Hospitals, Hotels, Education, Industries, Data Centers, Metro, Railways**

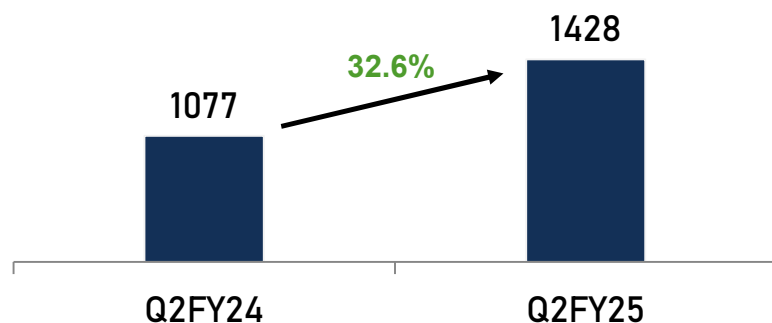
## Business Highlights

- ✓ Growth continued to be led by manufacturing and data center sectors.
- ✓ Demand for Commercial Air Conditioning from tier 3 and 4 cities remained strong, driven by ducted systems and VRF chillers 2
- ✓ In Commercial AC business, accelerating deliveries and improving margins through the ongoing Total Cost Management (TCM) initiatives
- ✓ After sales service business is maintaining contracts for ~2.5 million tonnes of air conditioning and refrigeration equipment.
- ✓ Currently serving ~4000 towns with more than 2 million service calls a year.
- ✓ Focused on improving Digital infrastructure to support customers through quick service query resolution.
- ✓ Development of new products targeting decarbonization and energy efficiency for key OEMs in Europe and North America is progressing well, with successful field trials completed for some products.

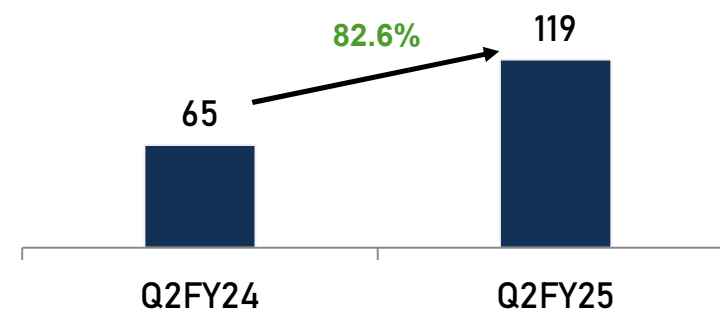


## Segment 1 : EMP and Commercial Air-Conditioning Systems

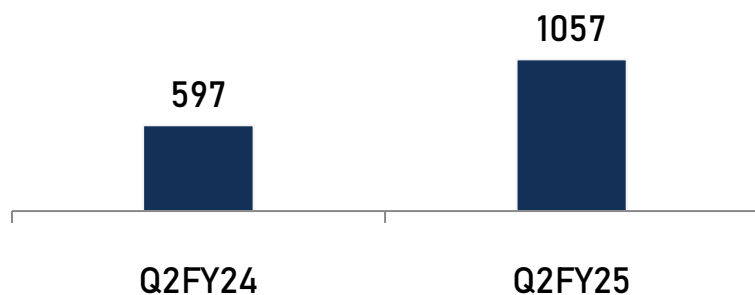
**Segment Revenue (₹cr)**



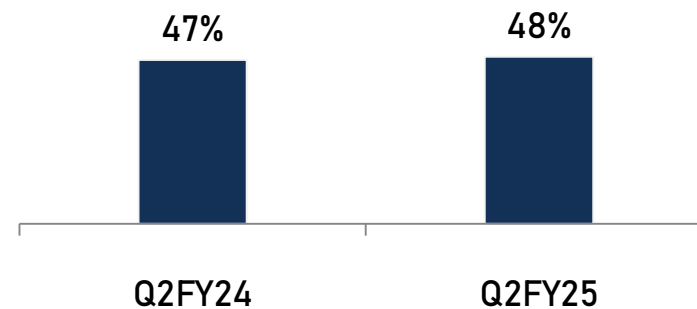
**Segment Result (₹cr)**



**Capital Employed (₹cr)**

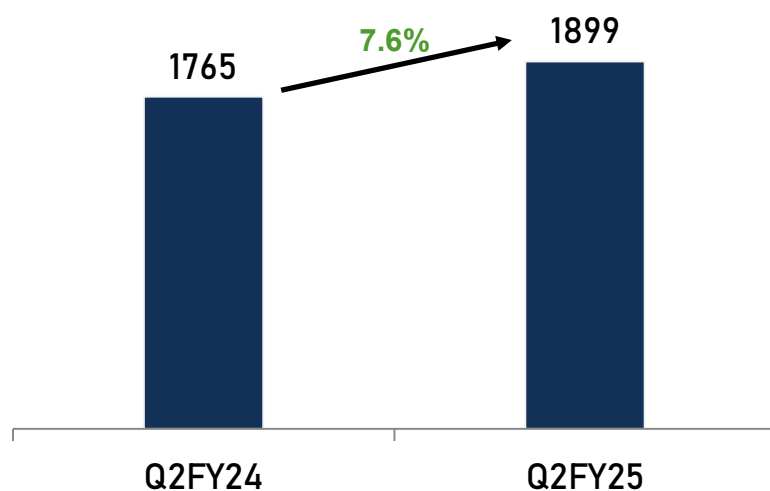


**Return on Capital Employed (%)**

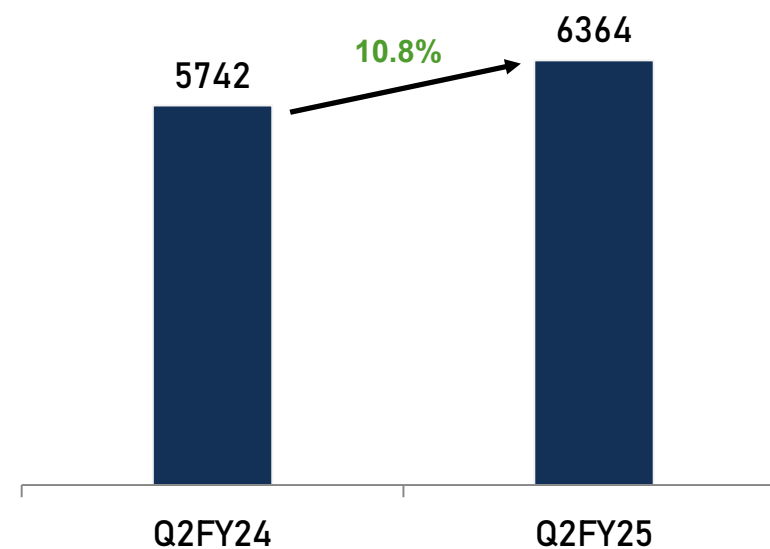


## Segment 1 : EMP and Commercial Air-Conditioning Systems

Orders Booked (₹cr)



Carried Forward Orders (₹cr)







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## **Segment 2: Unitary Products Segment**

## Segment 2 : Unitary Products

### Unitary Products

**Cooling & Purification  
Appliances Group  
(CPAG)**

**Commercial  
Refrigeration  
Business Group  
(CRBG)**



(Room ACs, Air Coolers, Air Purifiers, Water Purifiers and Commercial Refrigeration Products & Systems)

**Q2FY25 Revenue: ₹ 767 cr (up by 5.1% vs Q2FY24)**

**Q2FY25 EBIT: ₹ 54 cr (drop by 12.5% vs Q2FY24)**

**Q2FY25 Capital employed: ₹ 1253 cr.**

**Key customers: Residential, Light Commercial - Shops / Showrooms, Ice-cream, Hospitality, QSRs (Quick Service Restaurants)**

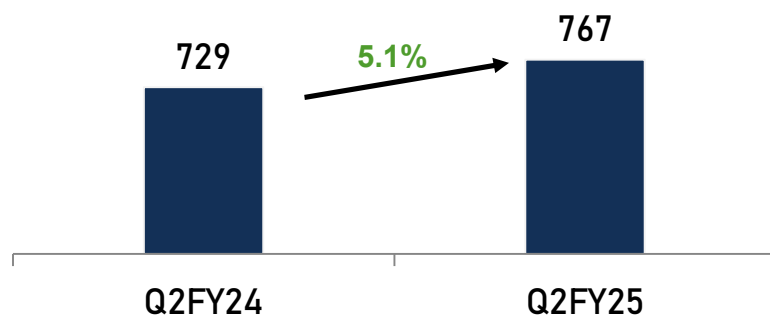
### Business Highlights

- ✓ Witnessed in robust growth in Room AC sales, driven by diverse product range and strong distribution network.
- ✓ Cooling and Purification Appliances available in ~9500 outlets across India
- ✓ Wide range of premium, affordable premium and affordable split Acs with superior built quality serves residential and light commercial markets
- ✓ Commercial refrigeration business offers wide range of products like deep freezers, bottled water dispensers, storage water coolers, cold rooms and new product categories like Visi coolers, medical refrigeration, commercial kitchen refrigeration.
- ✓ Serves customers across segments including Ice-creams, dairy, retail, hospitality, food & beverage, restaurants, QSR chains, pharma, etc.

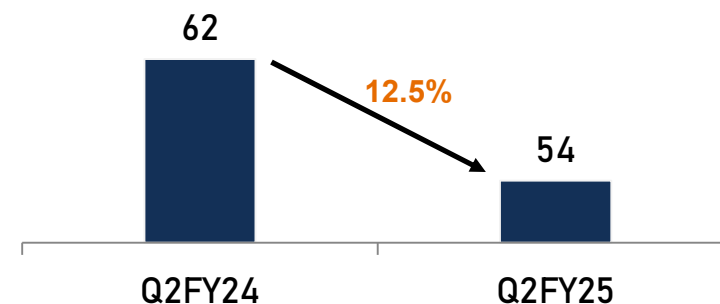


## Segment 2 : Unitary Products

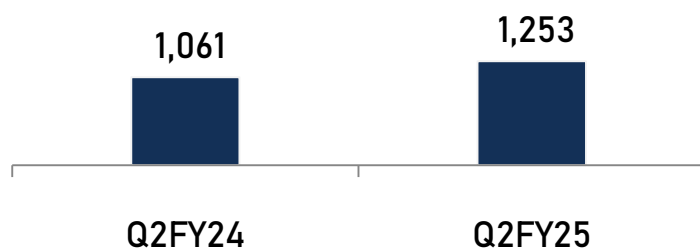
**Segment Revenue (₹cr)**



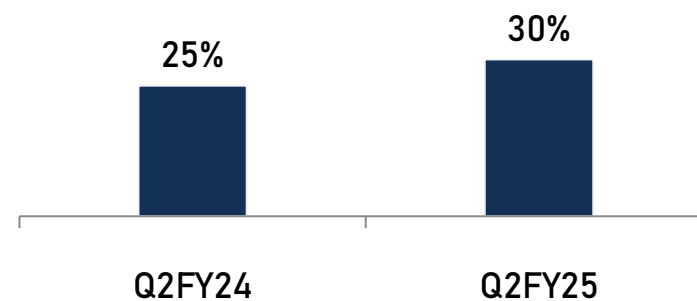
**Segment Result (₹cr)**



**Capital Employed (₹cr)**



**Return on Capital Employed (%)**



*In this segment, Room AC performed well however challenges in commercial refrigeration business impacted the overall segment results.*



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## **Segment 3: Professional Electronics & Industrial Systems**

## Segment 3 : Professional Electronics & Industrial Systems

### Professional Electronics and Industrial Systems

Med-Tech  
Solutions

Data  
Security

Industrial  
Solutions



(Solutions and System Integration in MedTech, Industrial Systems and Data Security)

**Q2FY25 Revenue: ₹ 81 cr (drop by 3.8% vs Q2FY24)**

**Q2FY25 EBIT: ₹ 5 cr (down by 57.7% vs Q2FY24)**

**Q2FY25 Capital employed: ₹ 23 cr.**

**Key customers: Healthcare, Automotive, Aerospace, Steel, BFSI (Banking, Financial Services and Insurance)**

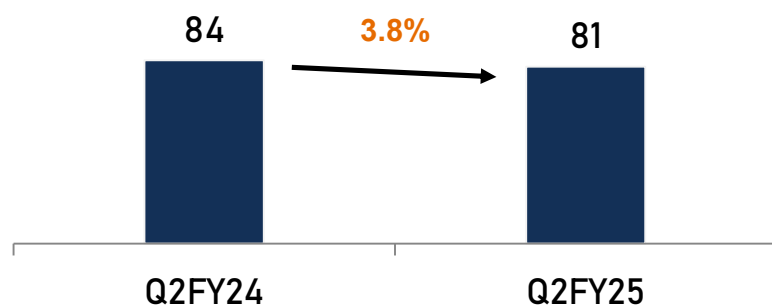
### Business Highlights

- ✓ The medical diagnostic equipment refurbishment facility in Bhiwandi, established in FY24, has ramped up operations.
- ✓ The customer experience centers for industrial solutions in Thane, Chennai, and Pune are gradually becoming operational.
- ✓ The Data Security business has progressed during the quarter

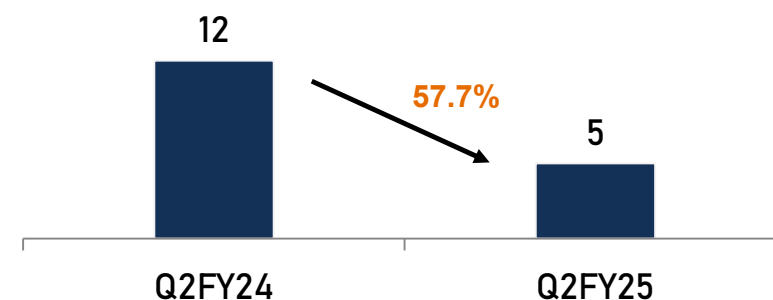


## Segment 3 : Professional Electronics & Industrial Systems

**Segment Revenue (₹cr)**



**Segment Result (₹cr)**



*In this segment, business relies heavily on imported hi-tech capital equipment. Supply chain constraints and uncertainties have caused significant delays in order finalization and execution which has impacted revenue and margins.*

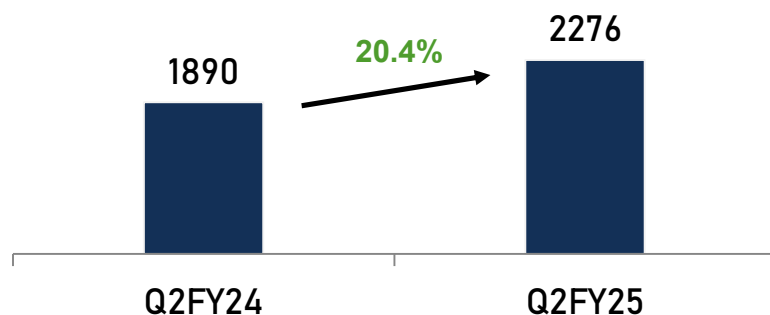


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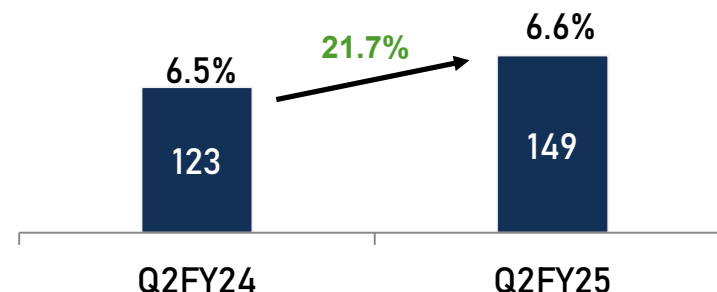
# Consolidated Financial Performance – Q2 & H1FY25

# Consolidated Financial performance – Q2FY25

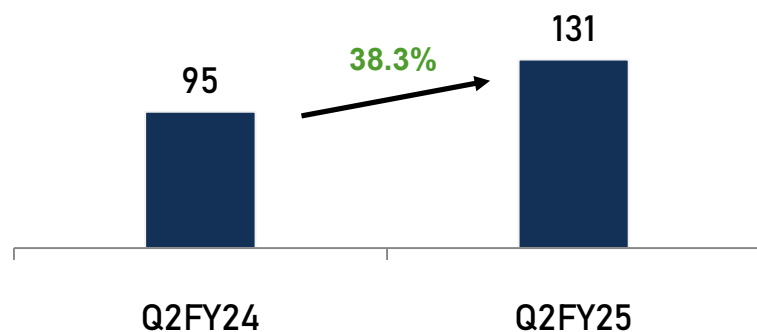
**Revenue (₹cr)**



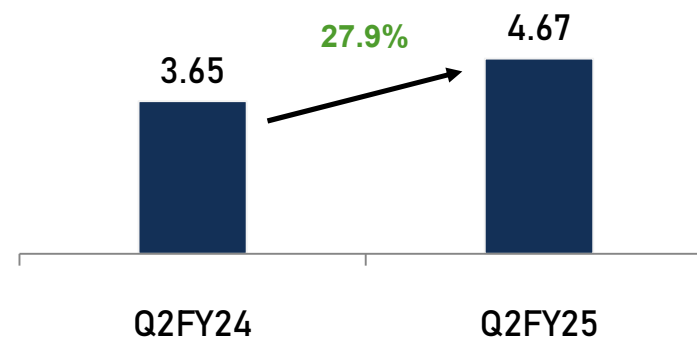
**EBITDA growth (₹cr)**



**Profit before tax (₹cr)**



**Earnings per share (EPS)\* (₹)**

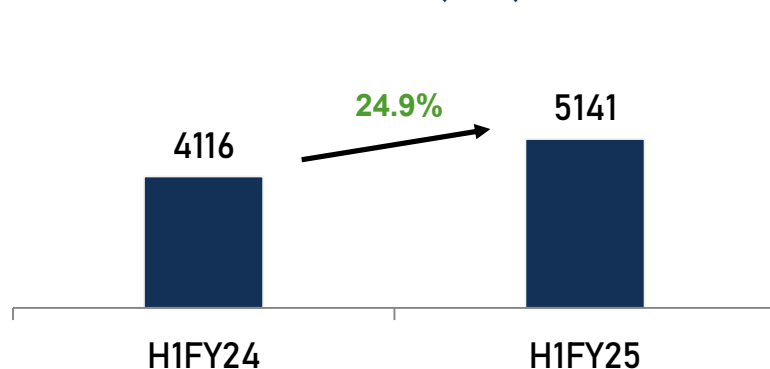


**\*Not Annualized**

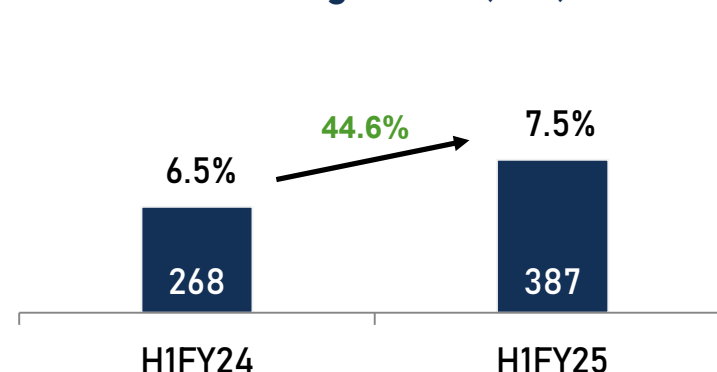


# Consolidated Financial performance – H1FY25

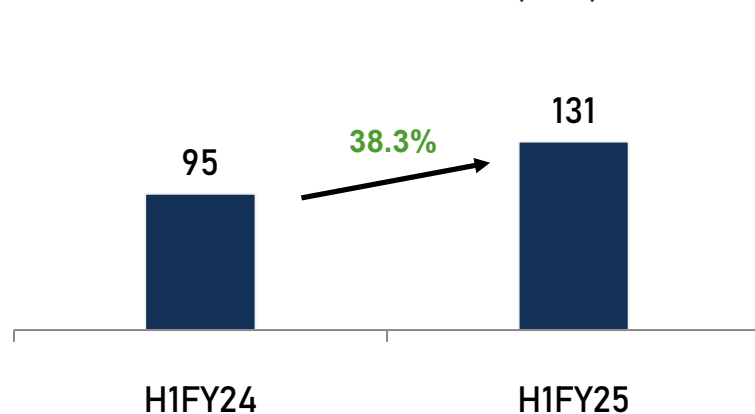
**Revenue (₹cr)**



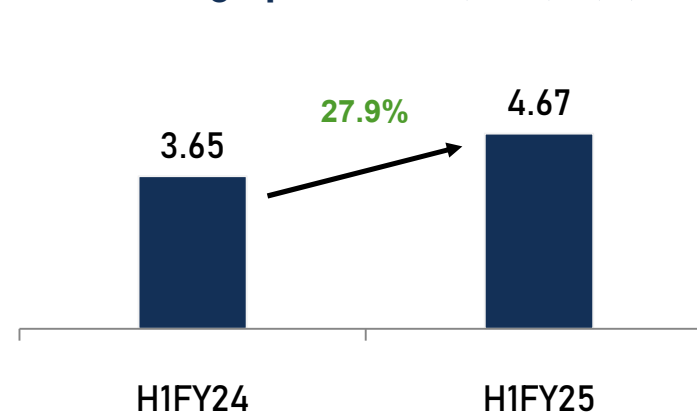
**EBITDA growth (₹cr)**



**Profit before tax (₹cr)**



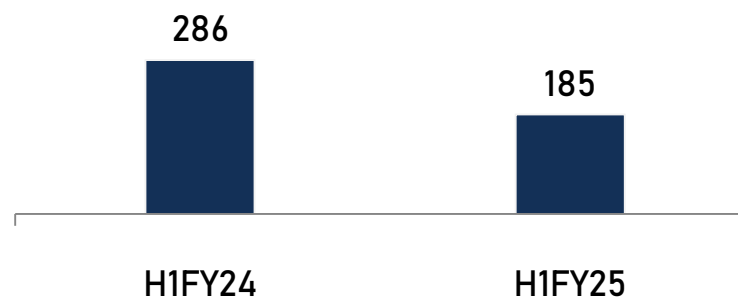
**Earnings per share (EPS)\* (₹)**



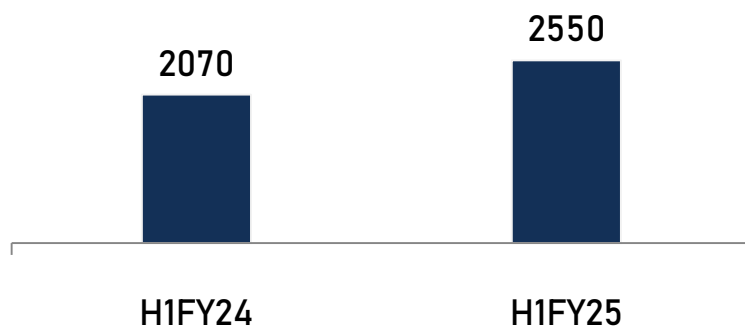
**\*Not Annualized**

## Balance Sheet Indicators – as on Sept'24

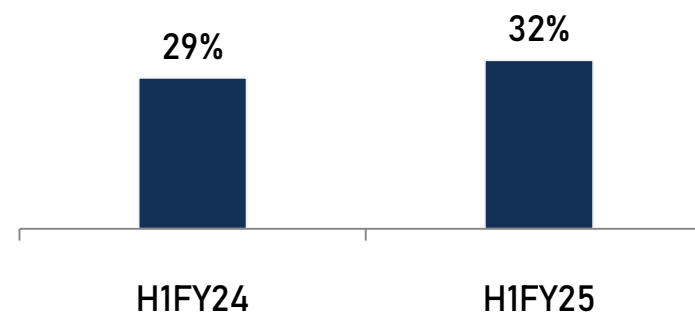
### Net Cash Surplus (₹cr)



### Capital Employed (₹cr)



### Return on Capital Employed (%)

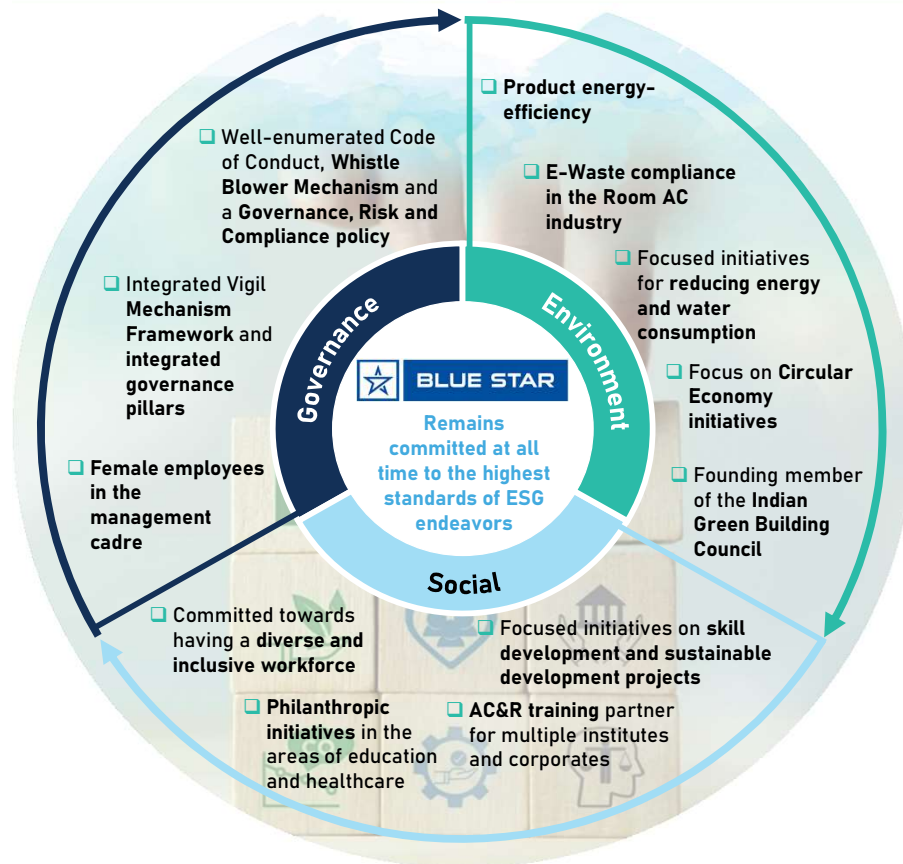




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# ESG Initiatives & Net Carbon Zero Roadmap

# ESG principles are embedded in Blue Star's business practices



## Net zero road map

2022-40

- ✓ Carbon Footprint Mapping
- ✓ Reduction Targets
- ✓ Energy Efficiency
- ✓ Renewable Energy
- ✓ Water & waste Mgt.

- ✓ Carbon Footprint
- ✓ Logistics: Inbound / Outbound
- ✓ Employee Commute
- ✓ Disposal of Material Transfer

- ✓ Energy Zero
- ✓ Water Zero
- ✓ Zero Waste to Landfill

## Product & Plant Initiatives

- ✓ Installed **4.69 MWp Solar Power** in plants and offices with **17% renewable energy**.

- ✓ **Waste reduction and recycling** pursued as a part of TCM programme.

- ✓ **Energy-efficient** Room ACs, VRFs, Deep Freezers, and Screw Chillers

- ✓ Wada factory / Thane Innovation Centre are **Platinum rated** by IGBC<sup>1</sup>. Sri City factory applied for **Gold rating**

## Social Initiatives

- ✓ Constructed **pre-fabricated residential blocks & washroom** in Dadra, benefitting tribal girls.

- ✓ Promoted the concept of '**Padhega India Tabhi Toh Badhega India**'

- ✓ Joined hands with NGO to train women of the farmers community in **basket & coir-mat making**.

- ✓ **Employs Apprentices** every year under the Central Govt.'s skill development Programme (NETAP)

Note:  
1. Indian Green Building Council (IGBC)



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# **Industry Recognitions for Achievements**

# Industry recognition for achievements

## Corporate governance and management



Golden Peacock Award  
for Corporate Governance  
2019/2020/2021



Golden Peacock Award  
for Risk Management  
2020/2022/2023



Winner of ICSI Best  
Governed Company  
(Listed: Medium)  
2019



Great Place to Work –  
Certified Organization  
2023

## Industry expertise



MEP Contractor of the  
Year  
2017–2023



Best Water R&D and  
Technological  
Breakthrough–Domestic  
2022



Multiple CII National  
Manufacturing Awards



REFCOLD India Emerson  
Awards for First Runner-  
up under Innovative  
Refrigeration Product  
2022



NEBB Certified



ISO 9001–2015 Certified



India Design Mark  
2023



IAQA Membership  
Certified



Best Customer Service  
Initiative of the Year  
2022

## Certified R&D capabilities



AHRI Certified for Air  
Cooled Chiller Lab



AHRI Certified for Water  
Cooled Chiller Lab



NABL ISO 17025 Certified  
Lab for Testing



Wada Plant receiving the  
IGBC Platinum  
Certification under 'Green  
Factory Building' category



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**Thank You**