



BLUE STAR

Blue Star Limited

Investor Presentation

August 14, 2019

- India's leading air-conditioning, commercial refrigeration company and MEP contracting company
- Total Revenue from Operations: ~ Rs. 5200 crores
- Employee Strength: ~ 2800
- Network of 32 offices; ~ 3600 channel partners
- Presence in 19 international markets in the Middle East, Africa and South Asia
- 5 modern manufacturing facilities
- Comprehensive solutions for corporate, commercial and residential customers

Blue Star – Vision & Credo



Vision :

"To dream, to strive, to care and, above all to be the best in everything we do."

Credo :

"I am Blue Star. I take pride in delivering a world-class customer experience."

Governance Structure



BLUE STAR

Chairmen Emeriti



Ashok M Advani



Suneel M Advani

Board of Directors



Shailesh Haribhakti
Chairman



Vir S Advani
Vice Chairman & Managing Director



B Thiagarajan
Managing Director



Sam Balsara
Independent Director



Rumjhum Chatterjee
Independent Director



Anil Harish
Independent Director



Arvind K Singhal
Independent Director



Rajiv R Lulla
Non-Executive Director



Sunaina Murthy
Non-Executive Director



Dinesh Vaswani
Non-Executive Director

The image features a group of business professionals in a modern office setting. They are silhouetted against a large window that offers a view of a city skyline with numerous skyscrapers. The scene is bathed in a blue light, suggesting either dawn or dusk. The professionals are standing and appear to be in a meeting or discussion. A semi-transparent blue box is overlaid on the left side of the image, containing the text 'Business Segments' in white.

Business Segments



Segment I **Electro-Mechanical Projects and Commercial Air Conditioning Systems**

Electro-Mechanical Projects

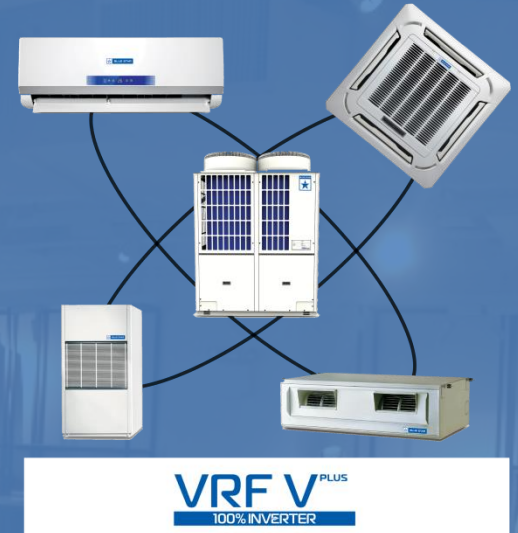
- Design, engineer and execution of MEP projects in buildings, factories and infrastructure (Metros & Airports) segments
 - Large central air conditioning & ventilation projects
 - Electrical projects
 - Plumbing projects
 - Fire-fighting projects
- Mechanical EPC projects in large Industrial sector & Electrical EPC projects for Electrical substations
- Our Value Proposition

Superior project delivery through intelligent engineering, modern execution practices, and committed teams
- Awarded 'MEP Contractor of the year' in Sep 2018 (fourth year in a row)

Commercial Air Conditioning Systems



- Complete range of energy-efficient Packaged air conditioners and Ducted split air conditioners
- Innovative new range of Inverter ducted system
- VRF V Plus, the fifth generation VRF is launched which is ' 100% Inverter-based VRF system with higher output capacity and efficiency
- VRF IV S , Side Discharge Inverter-based VRF system for medium sized commercial applications.
- Highly Energy Efficient Water Cooled VRF
- Highly Channelized Business – 460 dealers in 160 towns



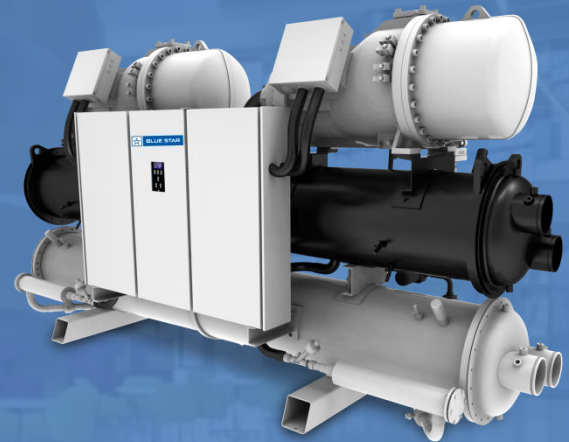
Commercial Air Conditioning Systems



- Highly efficient Oil Free chillers

Mix and Match Configured Series-Screw chillers

- Energy-efficient Inverter scroll chillers
- Process chillers for industrial and non-comfort cooling applications
- Wide range of Centrifugal Chillers



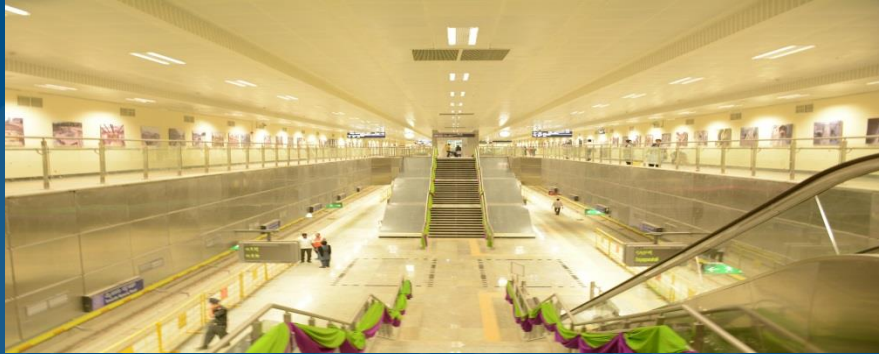
- India's largest air conditioning and refrigeration service provider, maintaining around 2 million tonnes of air conditioning and refrigeration equipment. Service reach to more than 4000 towns handling > 1.2 million service calls a year
- Runs an excellence programme titled "Gold Standard service". Same day installation and response time of 3 hours and turnaround time of 18 hours.
- ISO 9001-2015 certified.
- Recognised as "Leader in Customer Management" during Business Excellence Star Recognition by CII in Sep 2018
- Forayed into Engineering Facility Management which covers a wide repertoire of operation and maintenance services for electro-mechanical utilities

- Headquartered and managed by the Company's wholly owned subsidiary at Dubai
- Offers Air Conditioning and Refrigeration products, after-sales service as well as system integration in global markets.
- Product portfolio includes Unitary products, DX Commercial, refrigeration and Applied systems products.
- Focus on building a larger international footprint by enhancing reach of distributors, channel associates.
- International projects managed by the Company's international joint ventures in Qatar and Malaysia.
- State-of-the-art exclusive showroom was inaugurated at Dubai on April 15th 2019. Displays a complete range of our latest energy efficient products for the Middle East.

Market Opportunity

- The HVAC market in India is forecast to reach US\$ 5.9 billion by 2024
- Government propelled infrastructure investments is expected to drive growth in medium term.
- Sectors like Metros Rail, Healthcare, Education, Airports, Light industrial projects and commercial offices would see significant capital expenditure.
- Infrastructure investments in tier-2/3/4 cities like shopping malls, retail complexes, airports will further push growth.

Some of our prestigious projects



Bangalore Metro



GIFT City



Tata Power - HT Substation



Tata Steel



Chhatrapati Shivaji International Airport-T2

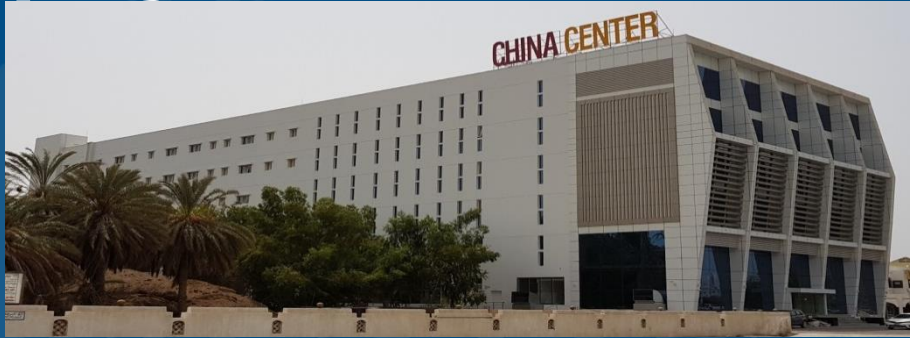


Parliament House

Some of our prestigious international projects



BLUE STAR



China Centre, Seeb, Oman



Al Dafna West Bay, Doha



Kuala Lumpur Grand Hyatt , Malaysia



Polonnaruwa Auditorium, Sri Lanka



Qatar University, Qatar



Lexus Car Show room, DFC, Dubai

Segment II Unitary Products



Room Air Conditioners

- Installed base of over two million units
- Products available in 4800 outlets in more than 650 locations across the country
- Focus on inverter technology and energy efficient products
- Focus on residential as well as corporate and commercial customers
- Aesthetics and low noise make our products widely recommended by interior designers
- Higher quality, consistent performance under various Indian conditions, durability & stability of the product make our product widely accepted

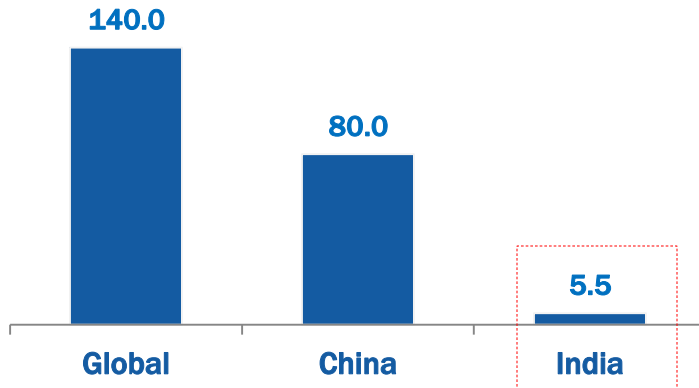


Low penetrated market and growing middle class purchasing power offer immense opportunity for growth...

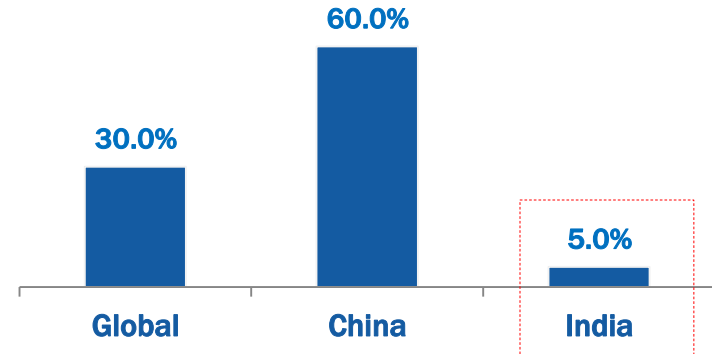


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Market Size (Units in millions) – FY 19

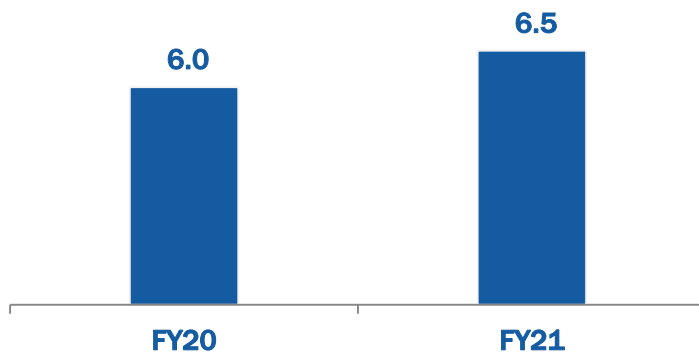


Penetration % - FY 19

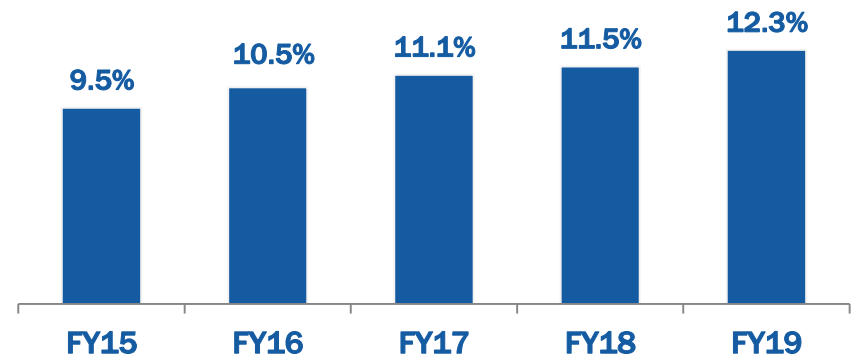


Future Growth

Market Size (Units in millions)



Blue Star Market Share (%)



Commercial Refrigeration Products



- Wide range of commercial refrigeration equipment
- Market leader in most of the segments
- Products having latest technology with innovative features:
 - Deep Freezers
 - Bottle Coolers
 - Visi Coolers/Freezers
 - Storage Water Coolers/Dispensers
 - Bottled Water Dispensers
 - Ice Cubers/Flakers
 - Cold Rooms
 - Commercial Kitchen Refrigeration
 - Medical Refrigeration
 - Supermarket Refrigeration



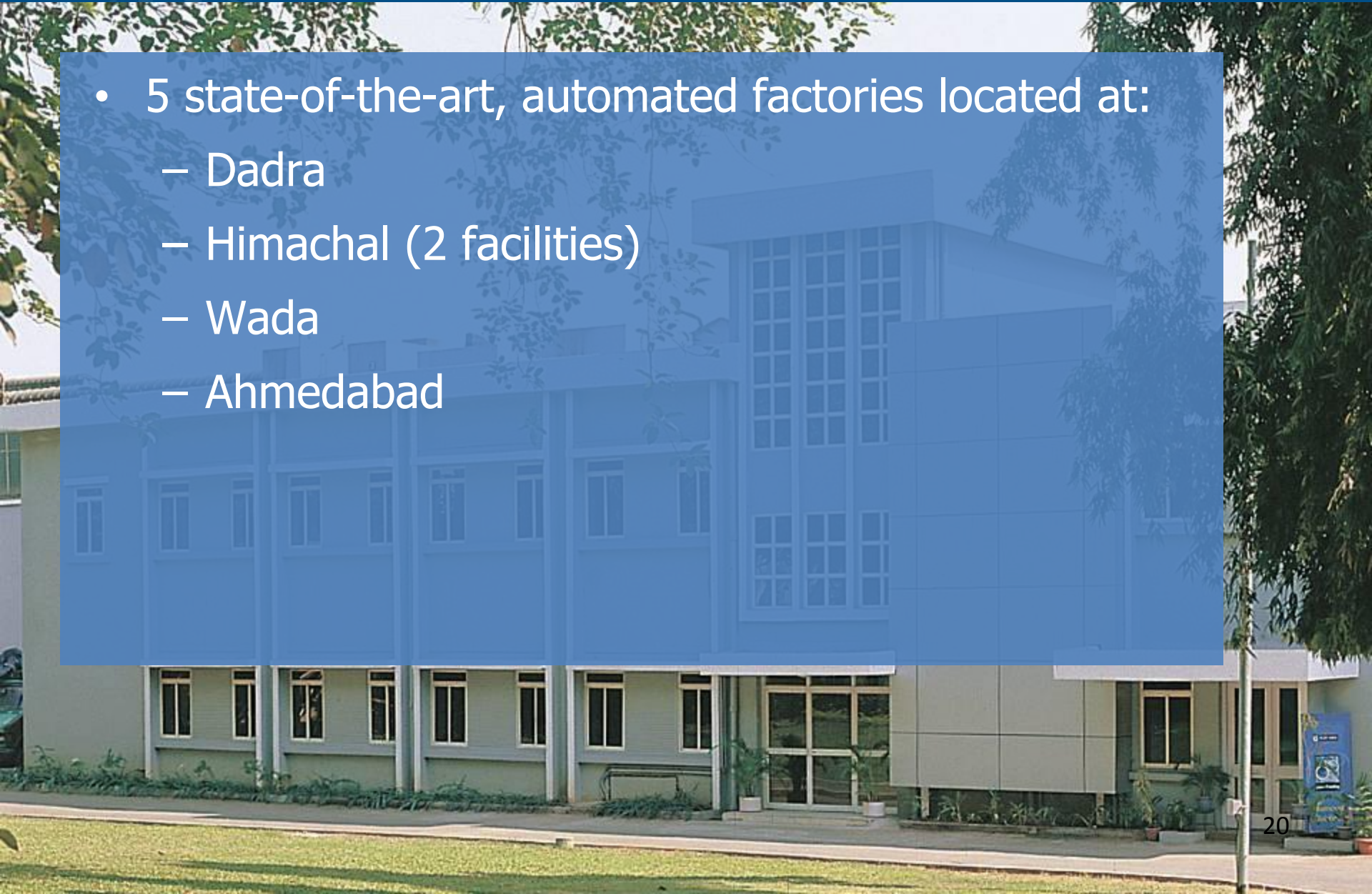
Water Purifiers

- Offers a comprehensive range of stylish value for money as well as premium and differentiated range of RO+UV+UF products across price points from Rs 7,900 to Rs 46,900
- Unique features such as cold and hot water, filter change alerts, aqua taste boosters and electronic dispensing
- Available in over 150 towns with ~200 channel partners and 2800 retail points
- Won the Water Digest Awards 2019 for 'Best Domestic RO+UV Purifier' in the country for the third time in a row



Manufacturing Facilities

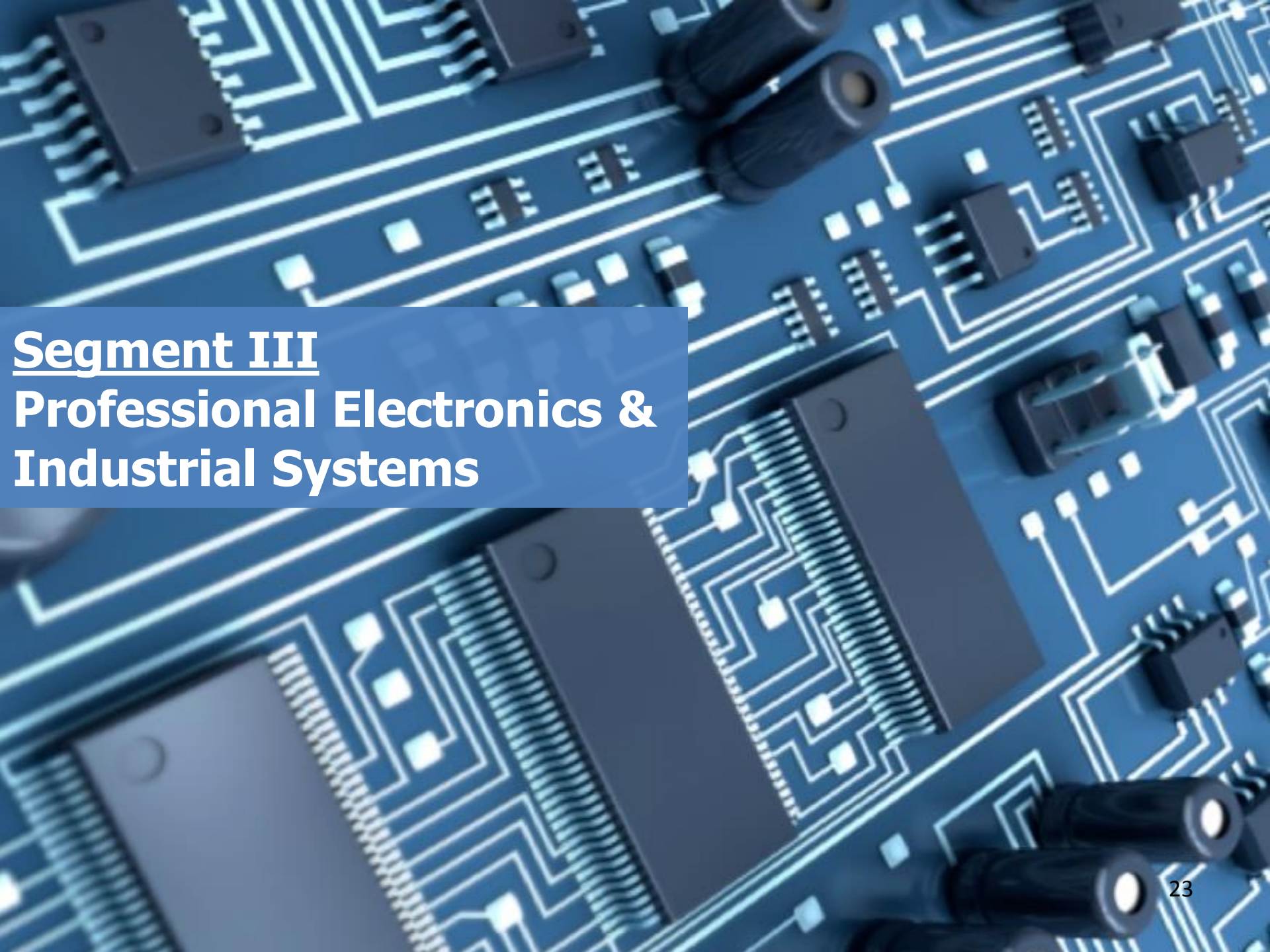
- 5 state-of-the-art, automated factories located at:
 - Dadra
 - Himachal (2 facilities)
 - Wada
 - Ahmedabad



Manufacturing Facilities

- Specialise in manufacturing a variety of highly engineered and custom-built products
- Manufacturing footprint of 1 lakh sq. m.
- Over 1125 SKUs manufactured across 21 assembly lines
- Lean manufacturing and world-class practices
- Wada factory certified as 'Green factory' – Gold category certification from IGBC

- High level of product development and testing capabilities with several patents for new breakthrough products
- Department of Scientific & Industrial Research approved
- Lab certification programme for facility upgradation
- Enhanced capability in reliability and electronics for digital and smart products
- In-house capacity for testing and certification for safety compliance
- Consistent investment in R&D to enhance company's product offerings and technical capabilities



Segment III Professional Electronics & Industrial Systems

Professional Electronics & Industrial Systems



BLUE STAR

- Managed by the Company's wholly owned subsidiary, Blue Star Engineering & Electronics Ltd
- Lines of Business include:
 - Healthcare Systems: MRI & CT Scanner
 - Data Security Solutions: Payment HSM, PKI, Encryption
 - Infra Security System: Video Surveillance, Traffic Management
 - Communication Systems: Satellite Test Equipment, Radio Frequency recorders
 - Testing Machines: UTM, Hardness Testers, Chambers
 - NDT Systems & Industrial Automation: Ultrasonic, Eddy Current Systems, X-Ray, MPI, Bagging, Truck Loading
 - NDT Products: Ultrasonic, RVI, X-Ray, CT, CR, Metrology
 - Industrial Products: Pumps, Valves, Filters, Analysers
- Evolved from being only a distributor of leading global manufacturers to a high end system integrator and value-added reseller

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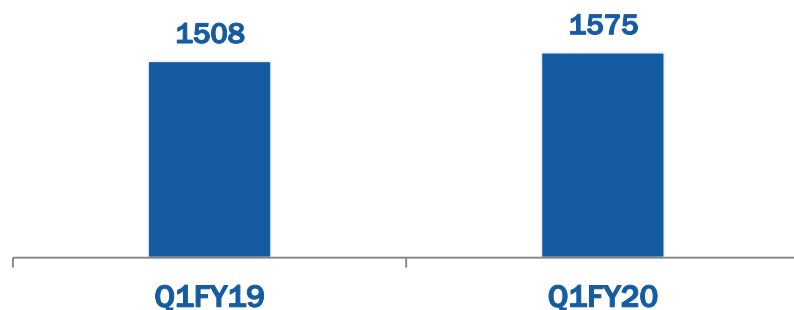
Financial Performance

Financial Performance – Q1FY20

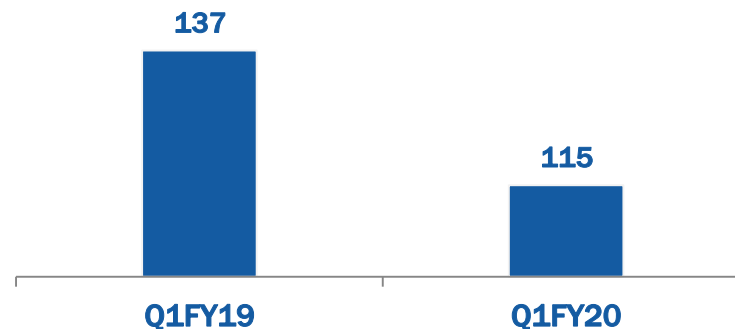


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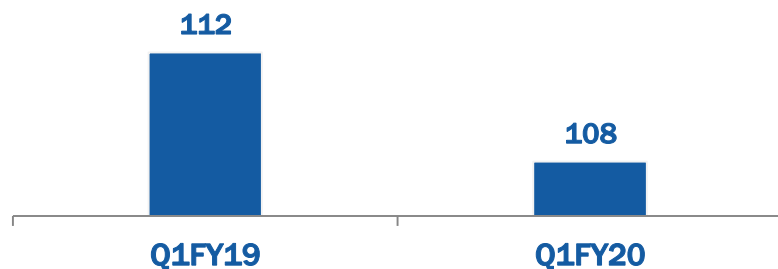
Revenue (Rs Cr)



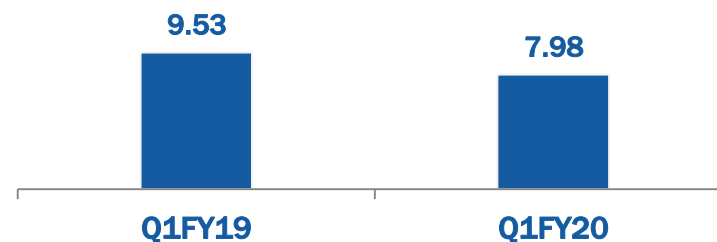
EBITDA (Rs Cr)



PBT (Before exceptional items) (Rs Cr)



Earnings per share (EPS)* (Rs)



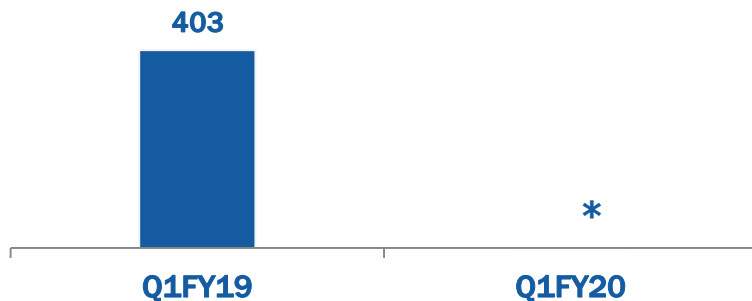
**Not annualized*

Balance Sheet indicators – Q1FY20

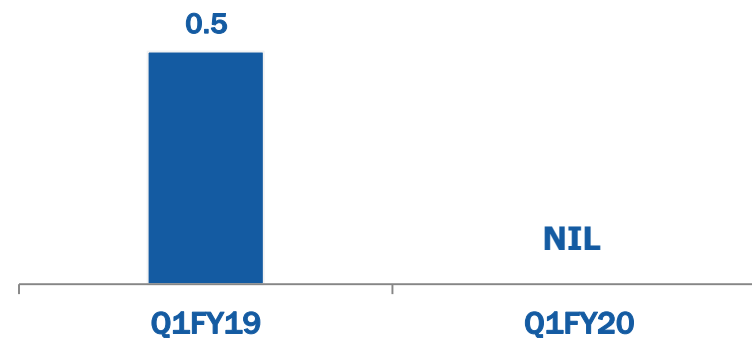


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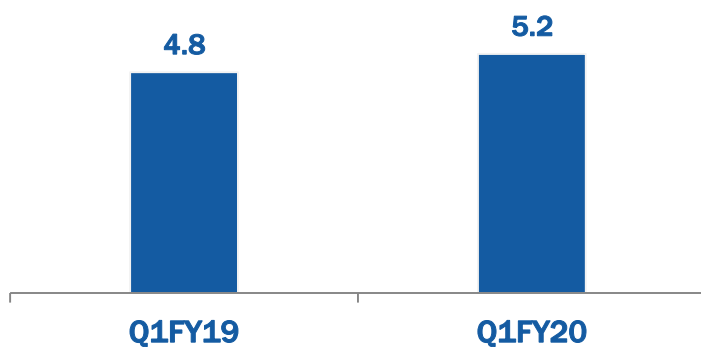
Net Borrowing (Rs Cr)



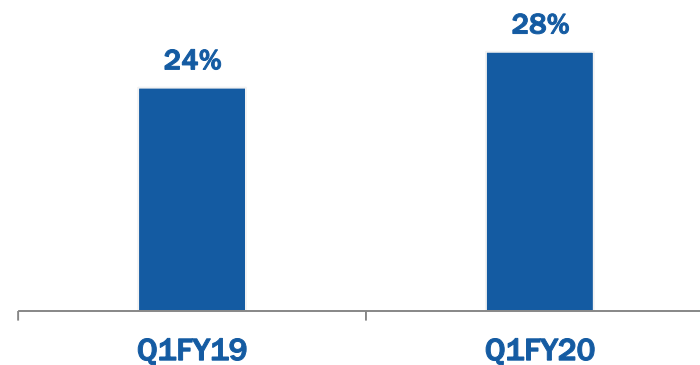
Debt / Equity (times)



Capital Turnover (times)



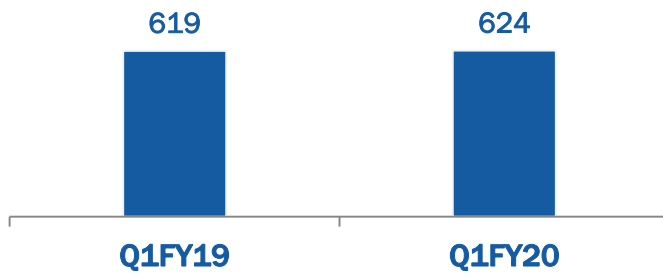
Return on Capital Employed (%)



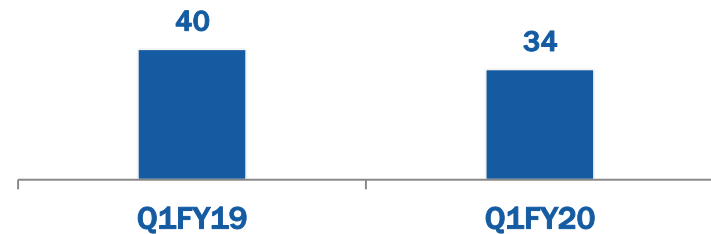
**Net positive cash balance*

Segment 1: EMP and Commercial Air-Conditioning systems BLUE STAR

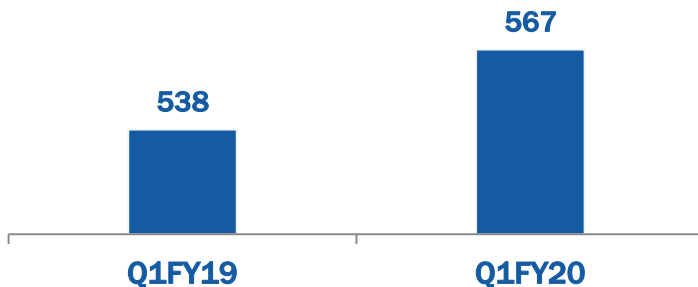
Segment Revenue (Rs Cr)



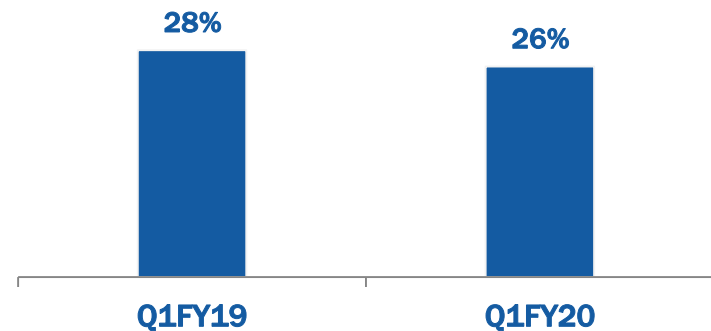
Segment Results (Rs Cr)



Capital Employed (Rs Cr)



Return on Capital Employed (%)



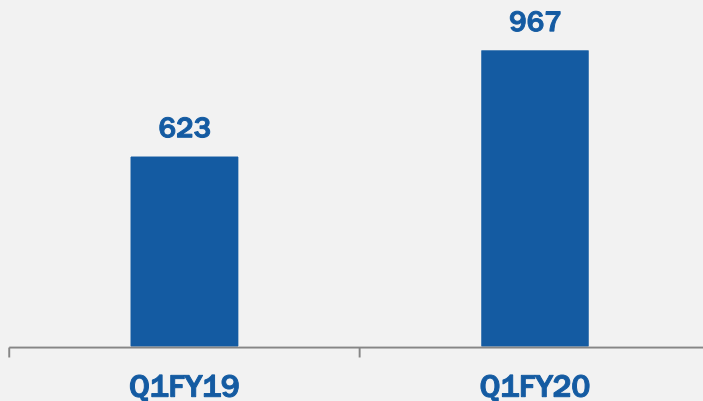
Blue Star continued to maintain its dominant position in integrated MEP space.

Segment 1: EMP and Commercial Air-Conditioning systems

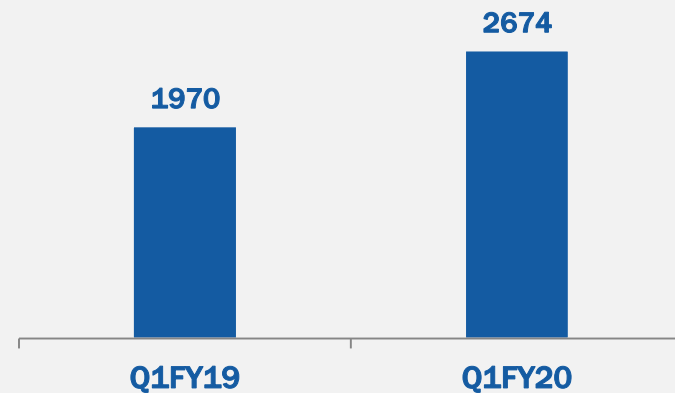


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**Orders Booked
(Rs Cr)**



**Carry forward Orders
(Rs Cr)**

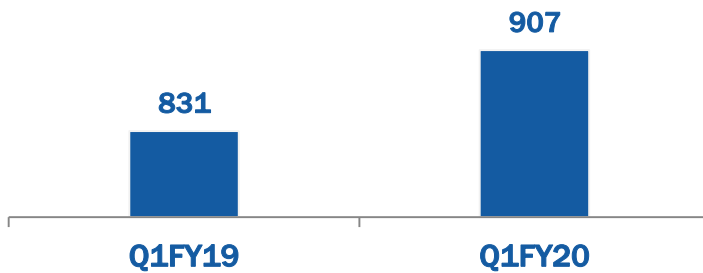


Segment 2: Unitary Products

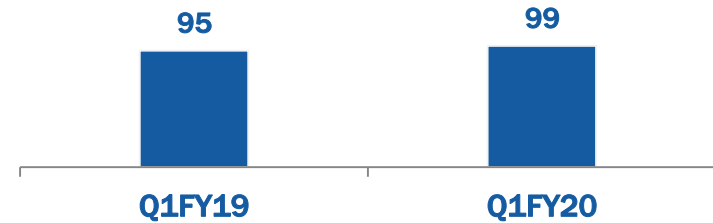


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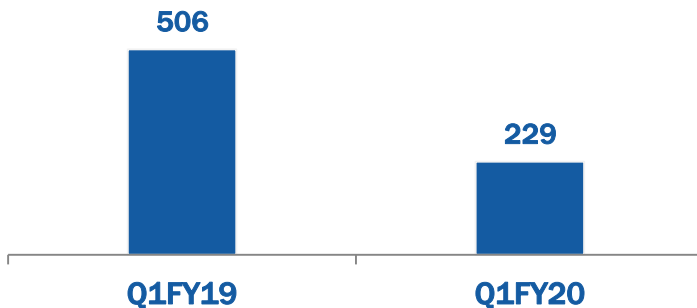
Segment Revenue (Rs Cr)



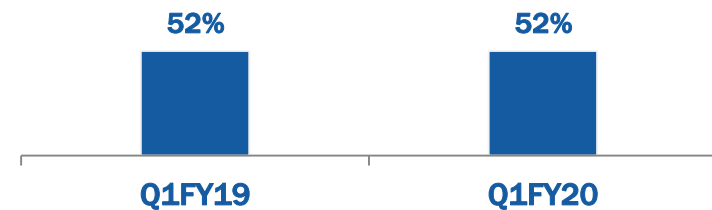
Segment Results (Rs. Cr)



Capital Employed (Rs Cr)



Return on Capital Employed (%)





Thank you