

## **PRESS RELEASE**

### **Blue Star reports good financial performance for Q1FY22, despite being a quarter impacted by lockdown restrictions**

The quarter commenced on the backdrop of a pick-up in business activities and an improvement in general sentiments witnessed in the second half of the last financial year. However, the growth momentum was interrupted by the resurgence of the second wave of COVID-19 in the middle of April and the consequent lockdown like restrictions imposed in various states. This impacted revenue for the Unitary Products segment during its peak selling season and also disrupted operations at project sites, for the second year in a row. However, the impact was relatively lower compared to last year due to the staggered nature of the lockdown-like restrictions and the agility in response by the Company. This enabled the Company to end the quarter with a healthy growth in revenue and better profitability for Q1FY22 compared to Q1FY21.

#### **Consolidated Financial Performance for Q1FY22**

- The Company's Revenue from Operations increased by 68.1% to Rs 1052.04 crores for the quarter ended June 30, 2021 on a consolidated basis, compared to Rs 626.02 crores during the same period in the previous year.
- The Operating Profit (PBIDTA excluding Other Income and Finance Income) for the quarter was Rs 42.23 crores compared to Rs 1.36 crores in Q1FY21.
- Net Profit for the quarter was Rs 12.69 crores compared to a net loss of Rs 19.66 crores in Q1FY21.

- Other Income (including Finance Income) for Q1FY22 was Rs 7.95 crores compared to Rs 8.61 crores in Q1FY21.
- Finance Cost for the quarter decreased to Rs 10.73 crores from Rs 18.54 crores in Q1FY21 due to reduction in borrowings.
- The Tax expense for the quarter was Rs 6.52 crores compared to a tax credit of Rs 9.52 crores in Q1FY21.
- Earnings per share for Q1FY22 (Face value of Rs 2.00) was Rs 1.32 positive vis-à-vis Rs 2.04 negative in Q1FY21.
- Carried Forward Order Book as on June 30, 2021 grew by 8.0% to Rs 3152.30 crores compared to Rs 2918.66 crores as on June 30, 2020.
- Despite short-term challenges to the operating cash flows during the quarter, Net Borrowing as on June 30, 2021, reduced to Rs 68.47 crores (debt equity ratio of 0.08) compared to Rs 428.53 crores as on June 30, 2020 (debt equity ratio of 0.56) on account of prudent working capital management and other continuing capital preservation measures.

### **Consolidated Segment Performance for Q1FY22**

- Revenue of the Electro-Mechanical Projects and Commercial Air Conditioning Systems grew by 61.7% to Rs 505.24 crores in Q1FY22 compared to Rs 312.44 crores in Q1FY21. The Segment Result for Q1FY22 was Rs 20.03 crores compared to a loss of Rs 10.53 crores in Q1FY21. While inflow of orders from the Factories and Light Industrial sector, driven by the Make in India initiatives of the government, were encouraging, the order inflows from the Commercial Buildings sector continued to be impacted by challenges faced by that sector. Muted government expenditure continued to affect the order inflows from the Infrastructure sector. Healthy traction from the Industrial, Healthcare, and Pharma segments led to the Commercial Air Conditioning Systems business registering good growth.
- Unitary Products revenue grew by 83.9% to Rs 505.37 crores in Q1FY22 compared to Rs 274.85 crores in Q1FY21. The Segment Result was Rs 21.77 crores in Q1FY22

compared to a loss of Rs 3.76 crores in Q1FY21. Despite the business disruption witnessed in Q1FY22, expansion of conventional channels and increase in share of business from E-commerce portals coupled with favorable summer conditions in the northern region, enabled revenue growth in the Room ACs business. Increased demand from the Healthcare, Pharma, Food Processing, and Food Delivery segments enabled growth in revenue for the Commercial Refrigeration business during the quarter.

- The Professional Electronics and Industrial Systems Business revenue grew by 7.0% to Rs 41.43 crores in Q1FY22 compared to Rs 38.73 crores in Q1FY21, on the back of continued opportunities from the BFSI sector for data security solutions and order inflow for medical diagnostic equipment from the Healthcare sector. The Testing Machines business also witnessed growth with a revival of investments in the Manufacturing sector. However, the Segment Result was lower at Rs 5.56 crores in Q1FY22 compared with Rs 10.18 crores in Q1FY21 due to the product mix.

## **Outlook**

Vir S. Advani, Vice Chairman & Managing Director, Blue Star Limited adds, "With the capital investment cycle playing out in a significant manner, the demand for our products and services is expected to be robust. Consumer spending has resumed and we expect to witness healthy growth in demand. We will continue to focus on controlling operating costs and improving working capital efficiencies and operating cash flows. With the vaccination drive expected to pick-up momentum, the impact of the third wave, if any, should be also minimal. Therefore, we believe the prospects for the ensuing quarters are good."

Place: Mumbai

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