

PRESS RELEASE

**Blue Star reports record revenue and profits in Q4FY22;
Consolidated FY22 Revenue grows 41.8% to
Rs 6045.58 crores; Operating Profit grows 44.5% to
Rs 346.47 crores**

Good demand for the Company's offerings across all business segments coupled with an early onset of summer in some parts of the country, helped Blue Star register a robust revenue growth. The momentum gained in Q3FY22 continued in Q4FY22 despite a three-week disruption caused by the Omicron variant. Against this backdrop, the Company delivered record revenue and profits in Q4FY22 and ended the year on a high note despite losing the 2021 summer season.

Consolidated Financial Performance for Q4FY22

- Revenue from operations for Q4FY22 grew by 39.5% to an all-time high of Rs 2247.58 crores compared to Rs 1611.56 crores in Q4FY21.
- The Operating Profit (PBIDTA excluding Other Income and Finance Income) for Q4FY22 was Rs 142.95 crores (6.4% of revenue) compared to Rs 101.81 crores (6.3% of revenue) for Q4FY21.
- Profit before tax grew by 9.2% to Rs 113.91 crores in Q4FY22 compared to Rs 104.32 crores in Q4FY21.
- Net profit for Q4FY22 grew by 12.0% to Rs 76.27 crores compared to Rs 68.09 crores in Q4FY21.

- Healthy cash from operations enabled a reduction of Rs 97.97 crores in net borrowings in Q4FY22 compared to Q3FY22.

Consolidated Financial Performance for FY22

- The Company has reported Revenue from Operations of Rs 6045.58 crores for the year ended March 31, 2022, on a consolidated basis, compared to Rs 4263.59 crores during FY21, representing a growth of 41.8%.
- The Operating Profit (PBIDTA excluding Other Income and Finance Income) for the year was Rs 346.47 crores (5.7% of revenue) compared to Rs 239.81 crores (5.6% of revenue) in FY21.
- Net Profit for the year was Rs 168.00 crores compared to Rs 100.66 crores in FY21, representing a growth of 66.9%.
- Finance Cost for the year was at Rs 46.40 crores compared with Rs 64.72 crores in FY21 due to lower average gross borrowings and lower cost of funds during the year.
- Tax expense for FY22 was Rs 82.90 crores compared to Rs 47.09 crores in FY21.
- Net borrowing as of March 2022 was Rs 67.14 crores compared to a net cash balance of Rs 151.45 crores as of March 2021 due to a planned advancement in inventory levels related to the procurement of long-lead raw materials and components in order to de-risk supply chain constraints, and capacity expansion capital investments in the new manufacturing projects at Sri City.
- The Company had raised Rs 350 crores through the issue of Unsecured Non-Convertible Debentures (NCD) in June 2020 in order to strengthen its Balance Sheet with a repayment tenor of 3 years and a call option to repay 50% of the NCD in May 2022. The Company proposes to exercise the said call option and reduce the residual NCD obligation on the back of its strong fund position.
- Earnings per share for the year (Face value of Rs 2.00) was Rs 17.44 vis-à-vis Rs 10.42 in the previous year.

- Carried Forward Order Book as on March 31, 2022, stood at Rs 3253.30 crores compared to Rs 2952.42 crores as on March 31, 2021.

Consolidated Segment Performance

- Revenue of the Electro-Mechanical Projects and Commercial Air Conditioning Systems business grew by 44.0% to Rs 3,194.46 crores in FY22 compared to Rs 2,218.72 crores in FY21 driven by the revival of the construction cycle and the improved pace of execution. Segment Result for FY22 grew by 82.9% to Rs 194.82 crores compared to Rs 106.49 crores in FY21. The inflow of orders from the factories and Light Industrial sector continued to be encouraging driven by the continued focus on Make in India initiatives of the Government. Order inflows from the Commercial Buildings sector also started gaining momentum. Revival of demand from the Builder, Retail, and Education segments, coupled with continued opportunities from the Industrial, Healthcare, and Government customer segments, enabled growth in revenue for the Commercial Air Conditioning systems business.
- Unitary Products revenue grew by 39.4% to Rs 2,603.77 crores in FY22 compared to Rs 1,868.28 crores in FY21. Strong pent-up demand coupled with the onset of early summers, and an improvement in the consumer sentiments across the country enabled good growth in revenue for the Room Air Conditioners business. The Commercial Refrigeration business witnessed increased traction across all product categories owing to the revival of demand from traditional customer segments such as Ice cream, Processed Foods, Dairy, and Restaurants. This, in addition to increased demand from the Pharma, Healthcare, QSRs, and Food Delivery segments enabled revenue growth. Segment Result grew by 43.2% to Rs 155.86 crores for FY22 compared to Rs 108.82 crores in FY21. Increase in input costs coupled with the disruptions in the international supply chain and increased lead time for supplies continued to exert margin pressures in this segment.
- The Professional Electronics and Industrial Systems business revenue grew by 40.1% to Rs 247.35 crores in FY22 compared to Rs 176.59 crores in FY21. The revival of private sector CAPEX, increase in spends related to data security solutions, and improvement in demand across all segments, enabled strong growth in revenue. Segment Result grew by 25.7% to Rs 42.49 crores in FY22 compared to Rs 33.81 crores in FY21. Segment profitability improved due to a growth in revenue and a few high-margin orders.

Dividend

The Directors have recommended a dividend of Rs 10 per equity share of Rs 2 each for FY22.

Outlook

Vir S. Advani, Vice Chairman & Managing Director, Blue Star Limited adds, "I am happy that we could end the year on a strong note with healthy growth across all segments. With the ebbing of the pandemic impact, the business and market disruptions have progressively reduced, aiding growth and revival of opportunities. After the washout of two consecutive summers, we are witnessing strong demand for room air conditioners in Q1FY23. With the launch of our new 'Affordable Premium' range of room air conditioners, we are growing faster than the market. The market for commercial refrigeration products is also growing, and with a wide range of offerings across various segments such as Ice Cream, Pharma, Horticulture, and Food Delivery, Blue Star is well placed to consolidate its leadership position. With the increase in corporate CAPEX and revival of demand from traditional customer segments, prospects for growth in the Electro-Mechanical Projects and Commercial Air Conditioning business are encouraging.

"Given the ongoing geopolitical conflict between Russia and Ukraine, input cost pressure and supply chain challenges are expected to continue for a while. However, we have taken adequate measures to mitigate the risks. Our cost optimization initiatives and prudent working capital management will help us to sustain growth, profitability, and a strong balance sheet.

"We are confident of building on the momentum gained in Q3FY22 and Q4FY22 into Q1FY23 and the subsequent quarters."

Place: Mumbai

Date: May 5, 2022

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