

PRESS RELEASE**Blue Star's Q3FY23 Net Profit increases by 22.79% to Rs 58.41 crores, Revenue for the quarter increases by 18.72% to Rs 1788.20 crores**

With healthy order inflows in the B2B segment and robust demand in the B2C segment, Blue Star maintained the growth momentum and ended the quarter on a healthy note with good financial performance across all segments.

Consolidated Financial Performance for Q3FY23

- The Company's Revenue from Operations increased by 18.72% to Rs 1788.20 crores for the quarter ended December 31, 2022, on a consolidated basis, compared to Rs 1506.22 crores during the same period in the previous year.
- The Operating Profit (PBIDTA excluding Other Income and Finance Income) for the quarter was Rs 104.71 crores compared to Rs 90.59 crores in Q3FY22.
- During the current financial period the Company has capitalized new capacities including plant and machinery and factory buildings. The Company was hence required to review the expected pattern of consumption of future economic benefits embodied in Property, Plant and Equipment. After the review it was decided to change the depreciation method from 'Written Down Value' method to 'Straight Line Method' with effect from October 1, 2022. This led to a lower depreciation charge for the quarter by Rs 10.80 crores.
- Net Profit for the quarter was Rs 58.41 crores compared to Rs 47.57 crores in Q3FY22.

- Other Income for Q3FY23 was Rs 5.16 crores compared to Rs 13.38 crores in Q3FY22. Other Income for Q3FY22 was higher on account of a subsidy received for one of the Company's manufacturing plants.
- The Tax expense for the quarter was Rs 21.64 crores compared to Rs 22.75 crores in Q3FY22.
- Earnings per share (not annualized) for Q3FY23 (Face value of Rs 2.00) was Rs 6.06 compared to Rs 4.94 in Q3FY22.
- Carried Forward Order Book as on December 31, 2022, grew by 47.27% to a record Rs 4861.99 crores compared to Rs 3301.33 crores as on December 31, 2021.
- Net Borrowing as on December 31, 2022, stood at Rs 395.85 crores (net debt equity ratio of 0.36) compared to Rs 165.11 crores as at December 31, 2021 (net debt equity ratio of 0.18). During the current financial period the Company and its subsidiary Blue Star Climatech Limited have invested in capacity expansion projects which has caused the debt levels to increase.

Consolidated Segment Performance for Q3FY23

- Revenue from the Electro-Mechanical Projects and Commercial Air Conditioning Systems segment grew by 20.51% to Rs 1000.09 crores in Q3FY23 compared to Rs 829.85 crores in Q3FY22. The Segment Result for Q3FY23 grew by 36.77% to Rs 71.68 crores compared to Rs 52.41 crores in Q3FY22. In the Electro-Mechanical Projects business, the Company continued to witness healthy order inflows from all segments including Infrastructure, Factories and Data Centers. The Company booked significant orders from the newly entered Railway Electrification segment. In the Commercial Air Conditioning business, revenue growth and the consequent scale impact enabled improvement in margins.
- Unitary Products revenue grew by 15.13% to Rs 701.90 crores in Q3FY23 compared to Rs 609.68 crores in Q3FY22. The Segment Result grew by 33.65% to Rs 51.83 crores in Q3FY23 compared to Rs 38.78 crores in Q3FY22. In the Room Air Conditioner business, despite subdued festive demand, the business registered growth with channels beginning to stock up for the upcoming season in the month of

December. The Commercial Refrigeration business continued to witness traction across all segments with a substantial increase in consumption levels. Demand from Tier 3, 4 and 5 cities, was strong enabling growth in revenue for this business.

- The Professional Electronics and Industrial Systems Business revenue grew by 29.27% to Rs 86.21 crores in Q3FY23 compared to Rs 66.69 crores in Q3FY22 driven by strong demand for Healthcare solutions on the backdrop of increasing awareness and investments in the Healthcare sector. The demand for Non-Destructive Testing business from the Industrial sector and Data Security Solutions from the BFSI sector also continued to be encouraging. Segment Result was Rs 10.98 crores compared to Rs 12.76 crores in Q3FY22.

Consolidated Financial Performance for the nine months ended December 31, 2022

- For the nine months ended December 31, 2022, the Company reported Revenue from Operations of Rs 5,334.76 crores compared to Rs 3798.00 crores over the same period in the previous year, a growth of 40.46%.
- Operating Profit (PBIDTA excluding Other Income and Finance Income) was Rs 313.61 crores compared to Rs 203.52 crores during the same period last year.
- Net Profit for the nine months ended December 31, 2022, at Rs 175.40 crores has crossed the Net Profit of Rs 168.00 crores earned for the full year ended March 31, 2022. Net Profit for the nine months ended December 31, 2021, was Rs 91.73 crores.

Outlook

Vir S. Advani, Vice Chairman & Managing Director, Blue Star Limited adds, "This is the fifth consecutive quarter of good performance, and we expect to maintain the growth momentum in the coming quarters as well. We will continue to stay focused on rejigging our product portfolio in line with customer preferences, deepening our distribution penetration in the domestic market and expansion of our footprint in international

geographies. Simultaneously, we will continue to invest in enhancing our R&D capabilities, manufacturing capacity expansion and various programs to mitigate the supply chain risks in order to improve our competitiveness. We are optimistic about the prospects for the fourth quarter.”

Place: Mumbai

Date: January 31, 2023

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