

PRESS RELEASE**Blue Star's Consolidated Q1FY24 Revenue grows 12.6% to
Rs 2,226 crores; Operating Profit grows 17.6% to
Rs 145 crores**

The Company entered Q1FY24 on a strong note on the heels of an exceptional Q4FY23 performance with a record carried forward order book and a promising summer season. While the unseasonal rains across the country resulted in muted demand for the unitary products, with its robust performance in its diversified B2B business portfolio, the Company delivered good results for the quarter.

Consolidated Financial Performance for Q1FY24

- The Company's Revenue from Operations increased by 12.6% to Rs 2,226.00 crores for the quarter ended June 30, 2023, compared to Rs 1,977.03 crores during the same period in the previous year.
- The Operating Profit (PBIDTA excluding Other Income and Finance Income) for the quarter was Rs 145.00 crores (6.5% of Revenue) compared to Rs 123.31 crores (6.2% of Revenue) in Q1FY23.
- Net Profit for the quarter grew to Rs 83.37 crores compared to Rs 74.35 crores in Q1FY23.

- Other Income (including Finance Income) for Q1FY24 was Rs 9.40 crores compared to Rs 10.51 crores in Q1FY23.
- Finance Cost for the quarter increased to Rs 18.00 crores from Rs 10.62 crores in Q1FY23.
- Tax expense for the quarter was Rs 30.24 crores compared to Rs 26.34 crores in Q1FY23.
- Earnings per share (not annualized) for Q1FY24 (Face value of Rs 2.00) was Rs 4.33 compared to Rs 3.86 in Q1FY23.
- Carried Forward Order Book as on June 30, 2023, grew by 37.4% to Rs 5359.05 crores, compared to Rs 3901.48 crores as on June 30, 2022.
- Net Borrowing as on June 30, 2023, was Rs 283.46 crores (Debt Equity ratio of 0.20 on a net basis), compared to a net cash position of Rs 81.03 crores as of June 30, 2022. Relatively higher borrowing levels are due to the investments in manufacturing capacity expansion to meet the growth in demand.

Consolidated Segment Performance for Q1FY24

- Revenue of the Electro-Mechanical Projects and Commercial Air Conditioning Systems grew by 19.1% to Rs 949.12 crores in Q1FY24 compared to Rs 796.76 crores in Q1FY23. The Segment Result for Q1FY24 was Rs 66.62 crores (7.0% of Revenue) compared to Rs 45.17 crores (5.7% of Revenue) in Q1FY23. In the Electro-Mechanical Projects business, the government's continued thrust in enhancing manufacturing Capex led to healthy order bookings from the Factories and Data Center sectors. While the Company bagged fewer than anticipated orders from the Commercial Buildings sector, it saw an uptick in enquiries from the Healthcare and Hospitality sectors. The inflow of enquiries and tenders in the Railway Electrification and Metro Railway sectors also remained buoyant throughout

the quarter. The Commercial Air Conditioning business witnessed continued traction from the Government, Industrial and Healthcare sectors coupled with increasing demand from the Education and Retail sectors which enabled the growth of this business.

- Unitary Products revenue grew by 6.3% to Rs 1,198.45 crores in Q1FY24 compared to Rs 1127.59 crores in Q1FY23. The Segment Result was Rs 89.34 crores (7.5% of Revenue) in Q1FY24 compared to Rs 91.13 crores (8.1% of Revenue) in Q1FY23. With large parts of the country witnessing unseasonal rains, the demand for room air conditioners remained flat. The Commercial Refrigeration business witnessed traction across all segments with an uptick in demand from the Hospitality, Pharma and Processed Food sectors coupled with strong demand from Educational Institutions and Commercial Establishments. The Company also witnessed growth in the Modular Cold Rooms category with significant investments in Infrastructure for the Warehousing and Logistics segment, apart from seeing increased traction for its kitchen refrigeration equipment, driven by the growth of QSRs and the Hospitality sectors.
- The Professional Electronics and Industrial Systems Business revenue grew by 48.9% to Rs 78.43 crores in Q1FY24 compared to Rs 52.68 crores in Q1FY23. With a steady rise in corporate capex across segments, revenue grew across all lines of business. Increased penetration and investments in the Healthcare segment by both the public and private sectors continued to create opportunities for the Healthcare business. Additionally, the Non-Destructive Testing business also continued to gain momentum during the quarter. The Segment Result was Rs 10.49 crores (13.4% of Revenue) in Q1FY24 compared with Rs 5.89 crores (11.2% of Revenue) in Q1FY23.

Raising of Funds for Growth

Blue Star has aspirational growth plans and in order to fund the same, the Board of Directors of the Company, in its meeting held today has approved raising of funds by way of issuance of equity shares, fully/partly convertible debentures, non-convertible debentures, and/or any other financial instruments convertible into equity shares including by way of a qualified institutions placement or any combination thereof for an aggregate amount not exceeding Rs. 1,000 crores (Rupees One Thousand Crores only) in one or more tranches subject to necessary approvals.

Outlook

Vir S. Advani, Vice Chairman & Managing Director, Blue Star Limited adds, "Quite a few market segments such as Infrastructure, Manufacturing, Healthcare, Data Centre, Food Processing and Retail continue to attract investments and are growing. Because of this, the demand for our B2B products and solutions continues to be robust. The unseasonal rains during the summer season impacted the revenue growth in the room air conditioners category during Q1FY24, but given the fact that the penetration level is exceptionally low in the residential segment, we are confident that the demand will revive from the festival season. We remain optimistic about the prospects for the rest of the fiscal year."

Place: Mumbai

Date: August 3, 2023

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