

PRESS RELEASE**Blue Star's Q2FY24 Net Profit increases by 66% to
Rs 70.77 crores**

The Company witnessed renewed demand for its room air conditioners after the summer season which was impacted due to unseasonal rains. At the same time, the corporate and commercial businesses continued to grow at a healthy pace. Moreover, margins improved across business segments due to the Company's continued focus on Total Cost Management and stability in commodity prices and exchange rates. Further, Blue Star witnessed healthy order inflow and consequently ended the quarter with a record carried forward order book.

As announced, during the quarter, the Company also successfully completed the infusion of Rs 1000 crores through its first ever QIP, which witnessed strong response from existing and new marquee foreign portfolio investors, sovereign wealth funds and top domestic institutional investors.

Consolidated Financial Performance for Q2FY24

- The Company's Revenue from Operations increased by 19.5% to Rs 1890.40 crores for the quarter ended Sep 30, 2023, compared to Rs 1582.29 crores during the same period the previous year.
- The Operating Profit (PBIDTA excluding Other Income) for the quarter improved significantly to Rs 122.69 crores (6.5% of Revenue) compared to Rs 85.59 crores in Q2FY23 (5.4% of Revenue) driven by enhanced scale and higher gross margins.

- Other Income including treasury income for Q2FY24 was Rs 12.96 crores compared to Rs 8.55 crores in Q2FY23.
- The Tax expense for the quarter was Rs 24.26 crores compared to Rs 14.89 crores in Q2FY23.
- Profit Before Exceptional Items grew by a significant 65.2% to Rs 95.03 crores during the quarter compared to Rs 57.53 crores in Q2FY23.
- Net Profit for the quarter was Rs 70.77 crores compared to Rs 42.64 crores in the same quarter of the previous year, representing growth of 66.0%.
- Earnings per share (Face value of Rs 2.00) for Q2FY24 stood at Rs 3.65 as compared to Rs 2.21 for Q2FY23.
- Carried-forward order book as of September 30, 2023, grew significantly by 44.4% to Rs 6008.52 crores, as compared to Rs 4162.05 crores as of September 30, 2022.
- The Company continues to invest in expanding manufacturing capacity, accelerating R&D and digitalization as a part of its growth plans and profitability improvement programmes. Consequently, the capital employed as of September 30, 2023, increased to Rs 2069.62 crores as compared to Rs 1441.16 crores as of September 30, 2022.
- The Company ended the quarter with a net cash position of Rs 285.85 crores as compared to a net borrowing of Rs 392.62 crores as of September 30, 2022.

Consolidated Segment Performance for Q2FY24

- Revenue from the Electro-Mechanical Projects and Commercial Air Conditioning Systems segment grew by 12.1% to Rs 1077.21 crores during the quarter compared to Rs 961.22 crores in the same quarter of the previous year. The Segment result was Rs 65.28 crores (6.1% of Revenue) compared to Rs 60.72 crores (6.3% of Revenue) in Q2FY23. In Electro-Mechanical Projects business, while the slowdown and delay in order finalizations in the commercial buildings sector continued during the quarter, inquiries and order finalizations from factories, data centres, railway electrification,

water MEP, metro railway and healthcare sectors remained buoyant. The Commercial Air conditioning business continued to witness traction from the industrial, healthcare and retail sectors.

- Unitary Products revenue grew by 38.0% to Rs 729.49 crores in Q2Y24 compared to Rs 528.69 crores in Q2Y23. The Segment Result grew significantly by 90.2% to Rs 61.61 crores (8.4% of Revenue) in Q2Y24 compared to Rs 32.40 crores (6.1% of Revenue) during the same period last year. While the second quarter has traditionally not been a strong quarter for room air conditioners, latent demand arising out of a muted summer, resulted in significant growth in the business, with Blue Star growing faster than the market. The growing investments in segments such as food retail, HORECA, hospitality, dairy, ice cream, processed foods and food delivery on the back of rising consumer demand drove growth in revenue of the Commercial Refrigeration business with significant volume growth across major product categories such as deep freezers, visi coolers, water coolers and cold storages.
- The Professional Electronics and Industrial Systems Segment revenue declined by 9.4% to Rs 83.70 crores in the quarter compared to Rs 92.38 crores in Q2FY23 due to a slowdown in the data security business. The Segment Result declined by 11.4% to Rs 12.23 crores in Q2FY24 (14.6% of Revenue) compared to Rs 13.80 crores (14.9% of Revenue) in Q2FY23. The steady rise in corporate capex across sectors continues to drive demand and the overall prospects of this segment continue to be robust.

Consolidated Financial Performance for the half-year ended September 30, 2023 (H1FY24)

- For the half-year ended September 30, 2023, the Company reported Revenue from Operations of Rs 4116.40 crores compared to Rs 3559.32 crores over the same period in the previous year, a growth of 15.7%.
- Operating Profit (PBIDTA excluding Other Income) was Rs 267.69 crores (6.5% of Revenue) compared to Rs 208.90 crores (5.9% of Revenue) during the same period last year.

- Net Profit for the half-year ended September 30, 2023, was Rs 154.14 crores compared to Rs 116.99 crores in H1FY23.

Outlook

Vir S. Advani, Vice Chairman & Managing Director, Blue Star Limited adds, "Despite being a lean quarter, the Company performed well in almost all the segments that it operates in and enhanced its profitability due to scale and higher gross margins. This quarter marked the completion of our 80 years of existence on September 27, 2023. Born during World War II, Blue Star's ability to survive and prosper through these eight decades can be attributed to its customer focus and the trust it has earned as a dependable brand, its agility and ability to adapt to changing circumstances, and to its deep technical expertise in cooling. While the occasion marks our entry into an elite league of Indian companies that have achieved this milestone, we will now focus on the next phase of our journey. With the infusion of Rs 1000 crores equity from the recently concluded QIP, we intend to accelerate our growth plans and make prudent investments in several developmental areas that will help the Company scale further. Given the continued robust demand from the corporate, commercial, and residential segments, I remain optimistic about our prospects in H2.

Place: Mumbai

Date: Oct 30, 2023

For additional information, please contact Girish Hingorani, Vice President – Marketing (Cooling & Purification Appliances) & Corporate Communications, Blue Star Limited. Email: girishhingorani@bluestarindia.com Tel: +91 22 66684000/ +91 9820415919