

PRESS RELEASE**Blue Star's consolidated revenue for Q2FY21 at
Rs 902.12 crores; net profit at Rs 15.32 crores**

The financial performance for the quarter and half-year ended September 30, 2020, needs to be viewed in the context of it being a challenging period for the economy as a whole, and the HVAC&R industry in particular due to the economic disruption caused by the on-going pandemic. Though after a challenging first quarter, Q2FY21 witnessed an encouraging revival in business activities with unlocks and easing of restrictions and consequent improvement in the consumer sentiment, the business scale continues to be below pre-COVID levels. Therefore, the results for Q2FY21 and H1FY21 are not comparable with that of Q2FY20 and H1FY20, respectively.

Consolidated Financial Performance for Q2FY21

- The Company has reported Revenue from Operations of Rs 902.12 crores for the quarter ended September 30, 2020, on a consolidated basis, compared to Rs 1249.47 crores during the same period in the previous year, marking a recovery of 72.2%.
- The Operating Profit (PBIDTA excluding Other Income and Finance Income) for the quarter was Rs 55.08 crores as compared to Rs 73.58 crores in Q2FY20. The robust recovery of 74.9% in the Operating Profit is reflective of the business recovery along with prudent and swift cost containment measures undertaken by the Company.
- Net Profit for the quarter was Rs 15.32 crores compared to Rs 37.94 crores in Q2FY20.

- Other Income (including finance income) for Q2FY21 was Rs 5.86 crores compared to Rs 10.60 crores in Q2FY20. Other Income in Q2FY20 was higher on account of higher interest on income tax refunds.
- Finance Cost for the quarter was Rs 17.85 crores compared to Rs 6.79 crores in Q2FY20 due to additional borrowings and increased cost of funds.
- Tax expense for the quarter was Rs 7.42 crores compared to Rs 16.88 crores in Q2FY20.
- Earnings per share for Q2FY21 (Face value of Rs 2.00) was Rs 1.59 vis-à-vis Rs 3.94 in Q2FY20.
- The Carried Forward Order Book as on September 30, 2020, increased marginally to Rs 3019.57 crores compared to Rs 2934.52 crores as on September 30, 2019.

Consolidated Segment Performance for Q2FY21

- Revenue of the Electro-Mechanical Projects and Commercial Air Conditioning Systems segment for the quarter was Rs 540.83 crores compared to Rs 783.54 crores in Q2FY20, while Segment Results were at Rs 34.41 crores. The order inflow in the Electro-Mechanical Projects business saw a gradual recovery with a major order from the infrastructure segment. The Healthcare, Pharma and Government sectors helped the Commercial Air Conditioning business to recover, in Q2FY21. The profitability of the segment improved in Q2FY21 due to better margin profile of the projects executed and improved margin in the Commercial Air Conditioning business coupled with actions taken to reduce operating costs.
- Unitary Products revenues for the quarter were Rs 318.65 crores compared to Rs 377.21 crores in Q2FY20. With the opening of retail outlets across the country and the growth of e-commerce channel, the demand recovery exceeded the expectations in the room air conditioner business. Increased traction in the Pharma and Healthcare segments for modular cold rooms and medical refrigeration products, and growth momentum in the supermarket refrigeration equipment business enabled

recovery for the Commercial Refrigeration business. Segment Results for the quarter were Rs 11.73 crores compared to Rs 11.96 crores during the same period in the previous year.

- The Professional Electronics and Industrial Systems Business registered revenues of Rs 42.64 crores in Q2FY21 compared to Rs 88.72 crores in Q2FY20. Revenue for the quarter picked-up on the back of continued opportunities from the BFSI sector for the Data Security Solutions business, encouraging order inflows from the Healthcare business and a pick-up in orders from the Industrial segment. Segment Results were at Rs 8.15 crores compared to Rs 24.43 crores in Q2FY20. Higher segment margin in Q2FY20 was driven by a large order received in the Data Security Solutions business. Excluding the impact of the order, the profitability of the segment is comparable to that of Q2FY20.

Consolidated Financial Performance for the half-year ended September 30, 2020 (H1FY21)

- For the half-year ended September 30, 2020, the Company reported Revenue from Operations of Rs 1528.14 crores as compared to Rs 2824.92 crores over the same period in the previous year.
- Operating Profit (PBIDTA excluding Other Income and Finance Income) was Rs 56.44 crores compared to Rs 188.43 crores during the same period last year.
- Net loss for the half-year narrowed down to Rs 4.34 crores compared to net profit of Rs 114.78 crores in H1FY20.

Outlook

Vir Advani, Vice Chairman & Managing Director, Blue Star Limited adds, "This quarter was relatively encouraging as we witnessed much needed demand revival with easing of government restrictions. Consequently, we experienced a gradual recovery across all our business segments in Q2FY21 and we expect the revenue recovery to accelerate further underpinned by the festival season and backed by our comprehensive range of

products and solutions including the newly launched ACs with Virus Deactivation Technology. At the same time, our focus will continue to be on efficient management of working capital and operating costs. We are very optimistic about improving our performance for the forthcoming quarters of FY21.”

Place: Mumbai

Date: October 28, 2020.

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