



BLUE STAR

Blue Star Limited

Investor Presentation – Q3FY23 & 9MFY23

January 31, 2023

- India's leading air-conditioning, commercial refrigeration and MEP contracting company
- Total Revenue from Operations: ~ Rs. 6046 crores
- Employee Strength: ~2700
- 7 manufacturing facilities
- 31 offices; ~3950 channel partners
- Present in select markets in the Middle East, Africa, SAARC and ASEAN regions; recently incorporated subsidiaries in US and Europe
- Comprehensive solutions for corporate, commercial, residential customers
- Winner of the prestigious Golden Peacock Awards
 - Excellence in Corporate Governance, for three years in a row (2019, 2020 & 2021)
 - Risk Management (2020 and 2022)
 - Corporate Ethics (2019)
- Winner of ICSI Best Governed Company (Listed Company : Medium Category) – 2019 award.

Blue Star – Vision & Credo



Vision :

“To dream, to strive, to care and, above all to be the best in everything we do.”

Credo :

“I am Blue Star. I take pride in delivering a world-class customer experience.”

Governance Structure

Chairmen Emeriti



Ashok M Advani



Suneel M Advani

Board of Directors



Shailesh Haribhakti
Chairman



Vir S Advani
Vice Chairman & Managing Director



B Thiagarajan
Managing Director



Sam Balsara
Independent Director



Anil Harish
Independent Director



Anita Ramachandran
Independent Director



Arvind K Singhal
Independent Director



Rajiv R Lulla
Non-Executive Director



Sunaina Murthy
Non-Executive Director



Dinesh Vaswani
Non-Executive Director

A blue-tinted photograph showing the silhouettes of several business professionals standing in a modern office. They are positioned in front of large windows that offer a view of a city skyline at night. The office floor is highly reflective, mirroring the silhouettes of the people. The overall atmosphere is professional and contemporary.

Business Segments

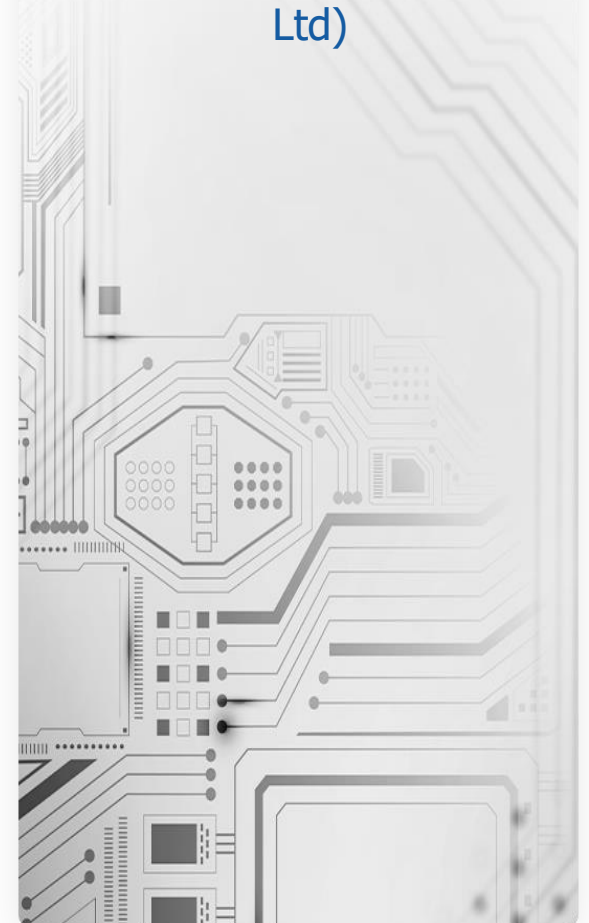
Electro-Mechanical Projects & Commercial Air Conditioning Systems



Unitary Products (Room ACs, Air Coolers, Air Purifiers, Water Purifiers and Commercial Refrigeration Products & Systems)



Professional Electronics and Industrial Systems (Housed under a wholly owned subsidiary, Blue Star Engineering & Electronics Ltd)





Segment I
**Electro-Mechanical Projects and
Commercial Air Conditioning Systems**

Electro-Mechanical Projects

- Design, engineering, procurement and execution of MEP projects in buildings (including Airports), factories (including Data centres) and infrastructure (Metro rail, Electrical substations, Railway electrification & Water MEP) segments
 - Large central air conditioning & ventilation projects
 - Electrical projects
 - Plumbing projects
 - Fire-fighting projects
- Mechanical EPC projects in large Industrial sector & Electrical EPC projects for Electrical substations
- Our Value Proposition
 - Superior project delivery through intelligent engineering, modern execution practices, and committed teams
- Winner of 'MEP Contractor of the year' seven times in a row (2017 to 2023)

- Complete range of energy-efficient Packaged and Ducted split air conditioners
- Innovative New range of Packaged & Ducted Split air conditioners with Special Filters and UVGI
- Innovative new generation Inverter ducted system
- VRF V Plus, the fifth generation VRF designed for Indian conditions and higher efficiency
- Side Discharge VRFs
- Highly Channelized Business – 660 dealers in 218 towns



Commercial Air Conditioning Systems

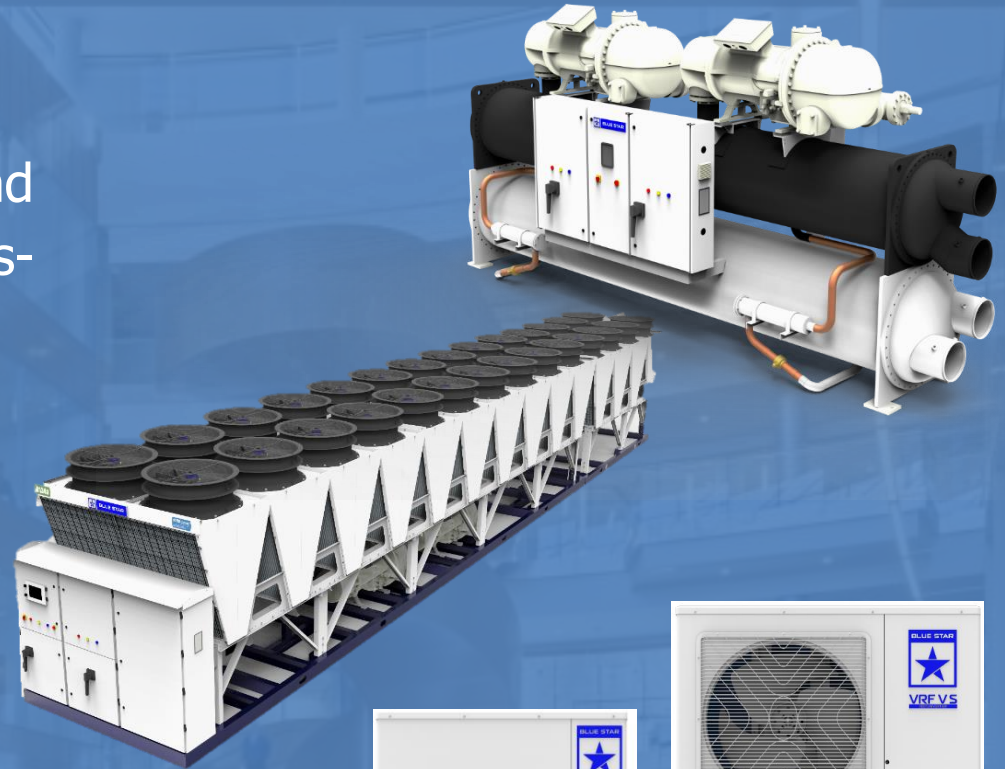


- Highly efficient 5 Star rated Configured Oil Free chillers
- Mix and Match Configured Series- Air-Cooled and Water-Cooled Screw chillers
- Energy-efficient 5 Star VFD Screw Chillers
- Energy-efficient 3 Star Inverter scroll chillers
- Process chillers for industrial and non-comfort cooling applications
- Wide range of Centrifugal Chillers from 350 TR to 4000 TR

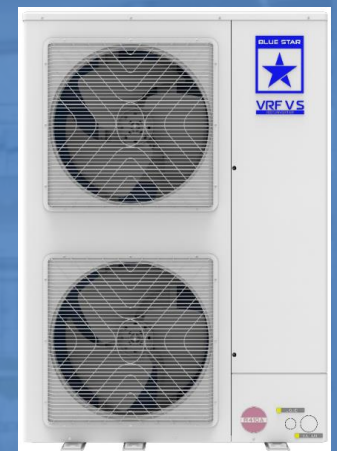
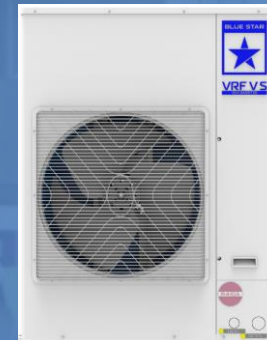


Commercial Air Conditioning Systems

- Large Capacity Mix and Match Configured Series-Screw chillers



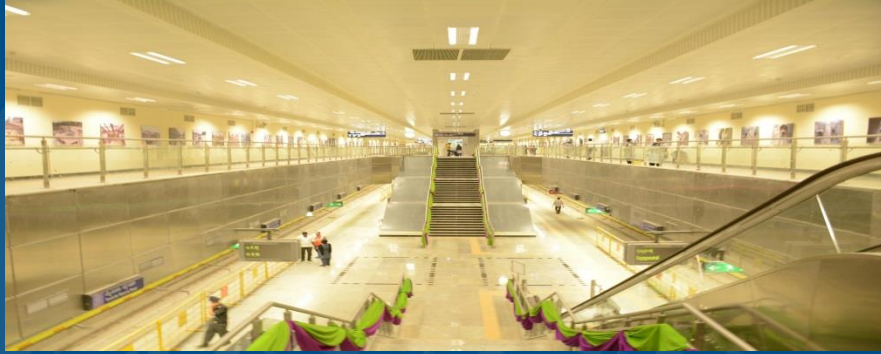
- 5th Generation Side discharge VRF



- India's largest air conditioning and refrigeration service provider
- Maintaining around 2 million tonnes of air conditioning and refrigeration equipment
- Backed by our value proposition "Gold Standard service delivery", we extensively expanded our service reach to Tier 2, 3 & 4 towns and are currently handling 3900 towns with > 1.2 million service calls a year
- Focus on Same day installation for 90% jobs; response time of 3 hours and turnaround time of 18 hours
- State of the art 'Remote Monitoring Centre' at Thane
- ISO 9001-2015 and ISO 45001 certified
- Accreditations from TAB, NEBB, CMVP, IAQ and NADCA
- Offers Engineering Facility Management covering operation and maintenance services for electro-mechanical utilities

- The Company's wholly owned subsidiary, Blue Star International FZCO at Dubai Airport Free Zone (DAFZA) Dubai manages the following in the Middle East, Africa, ASEAN and SAARC regions -
 - Air Conditioning and Refrigeration products, installations and services
 - Product portfolio includes Unitary products, DX Commercial, Refrigeration and Applied systems
- Focus on building a larger international footprint by appointing new distributors and going deeper with current distributors into the market.
- A state of the art showroom at Dubai displaying the latest developments on product lines manufactured by Blue Star
- International projects at Qatar managed by a subsidiary of the company 'Blue Star Qatar'
- International projects in Malaysia managed by the company's Joint Venture at Malaysia under the management of Blue Star
- Formed new subsidiaries in the United States and Europe to pursue opportunities there

Some of our prestigious projects



Bangalore Metro



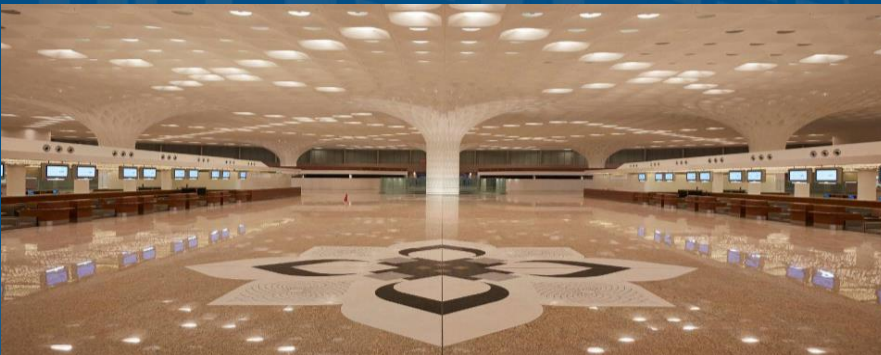
Gift City



CEAT - Nagpur



TCS - Pune



Chhatrapati Shivaji International Airport-T2

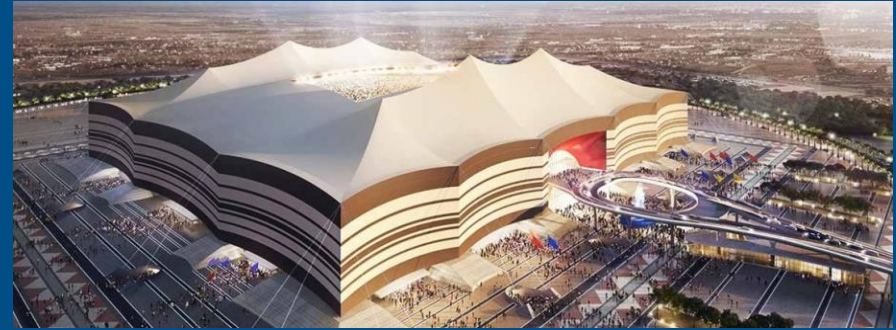


Parliament House

Some of our prestigious international projects



HVAC works in Doha Live, Qatar



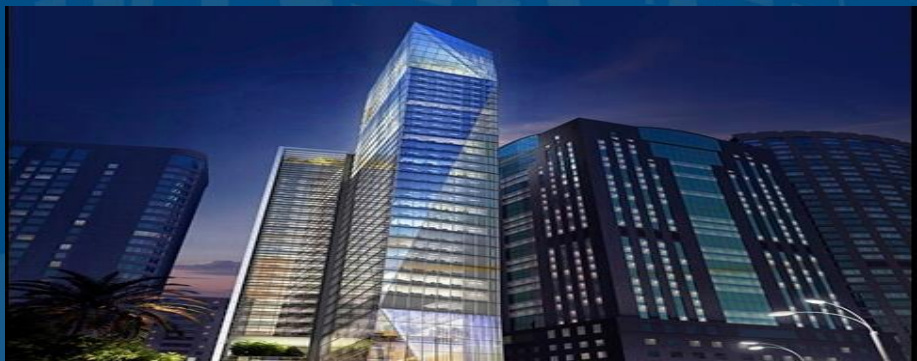
Al Bayt International Stadium



PAVILLION 2, BUKIT JALIL MALL, Malaysia



HOSPITAL CYBERJAYA, Malaysia



BB TOWER, Malaysia



Bowyer Wick Office & Warehouse

Segment II Unitary Products



Room Air Conditioners

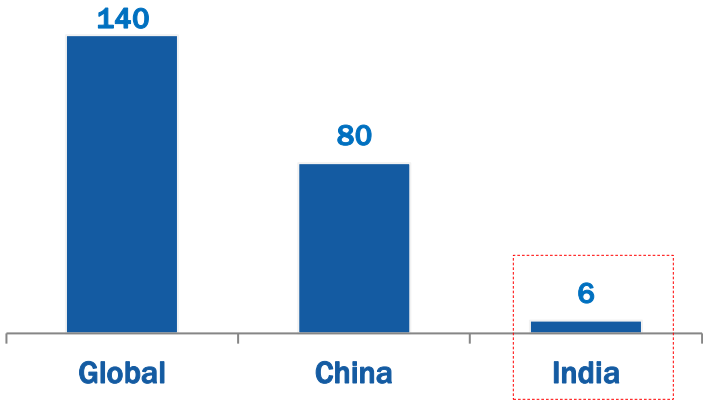
- Wide range of highly-affordable split ACs offering state-of-the-art features and premium build quality
- Installed base of over two million units.
- Products available in 7500 outlets in more than 650 locations across the country.
- Focus on inverter technology, energy efficient products and ACs with purification technologies.
- Focus on residential as well as corporate and commercial customers
- Aesthetics and low noise make our products widely recommended by interior designers
- Higher quality consistent performance under various Indian conditions



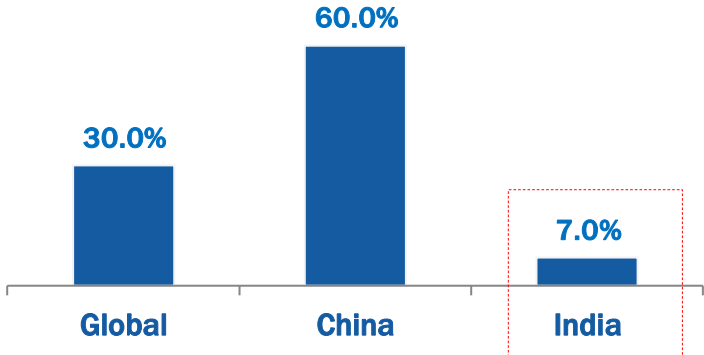
Low penetrated market and growing middle class purchasing power offer immense opportunity for growth...



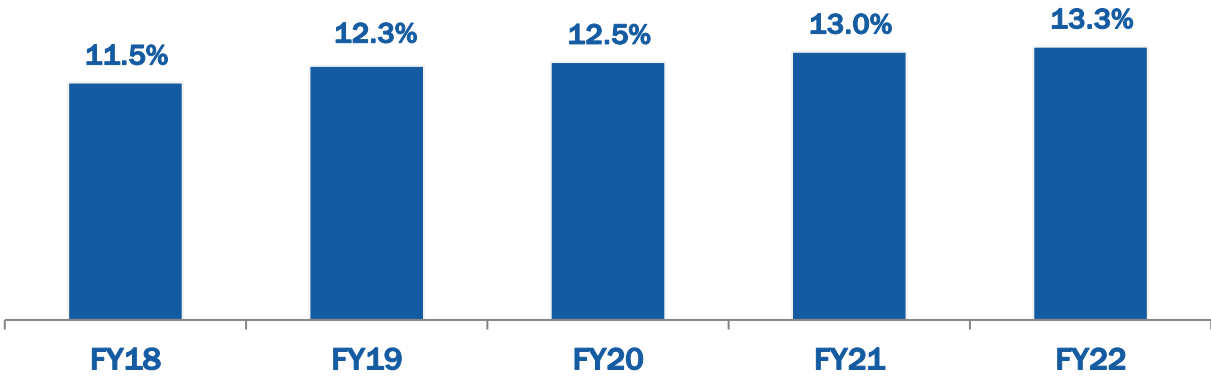
Market Size (Units in millions) - FY22



Penetration % - FY22



Blue Star Market Share (%)



Commercial Refrigeration Products



- Wide range of commercial refrigeration equipment
- Market leader in most of the segments
- Products having latest technology with innovative features:
 - Deep Freezers
 - Bottle Coolers
 - Visi Coolers/Freezers
 - Storage Water Coolers/Dispensers
 - Bottled Water Dispensers
 - Ice Cubers/Flakers
 - Cold Rooms
 - Commercial Kitchen Refrigeration
 - Medical Refrigeration
 - Supermarket Refrigeration



State-of-the-Art Manufacturing Facilities



Himachal Pradesh 2



Himachal Pradesh 1



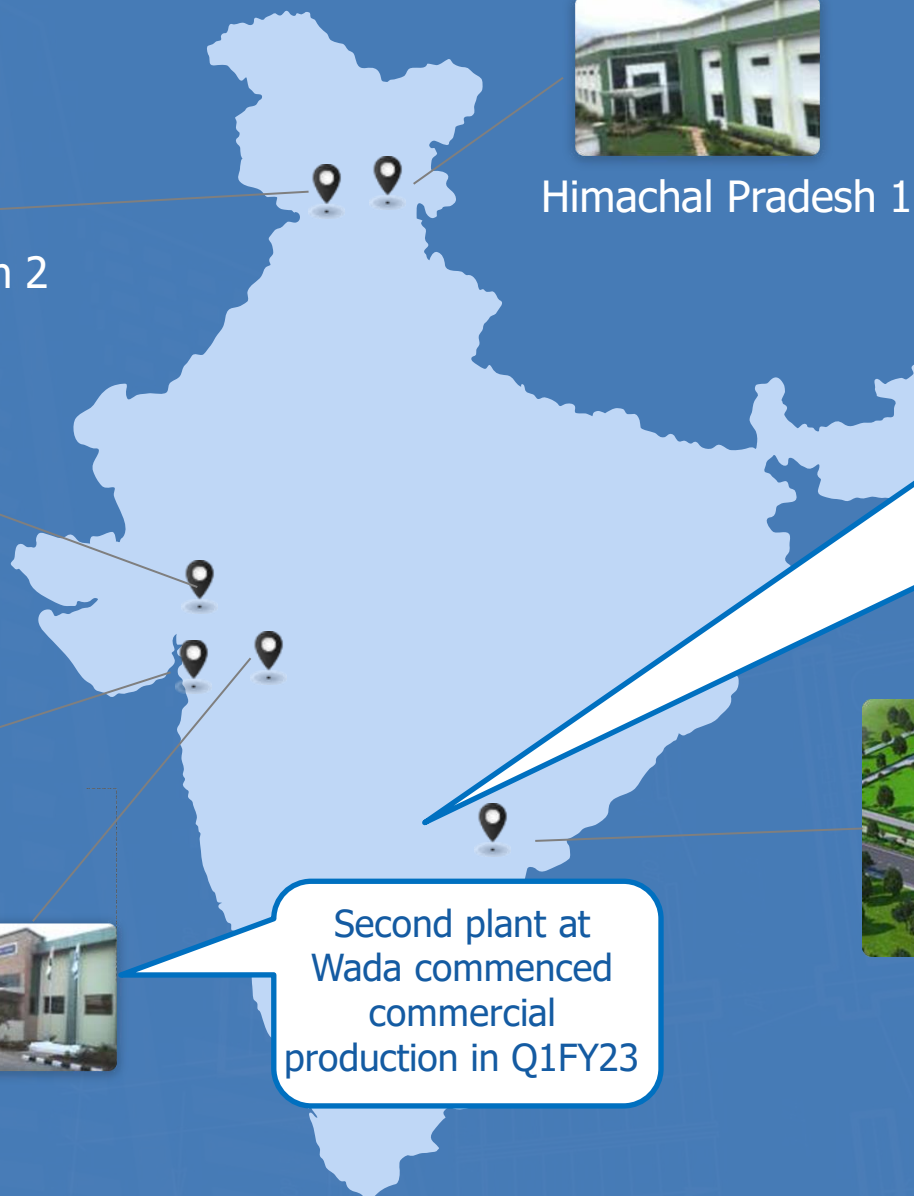
Ahmedabad



Dadra



Wada



New world-class manufacturing facility for Room ACs at Sri City under Blue Star Climatech Limited, a wholly owned subsidiary of Blue Star Limited commenced commercial production in January 2023

Second plant at Wada commenced commercial production in Q1FY23

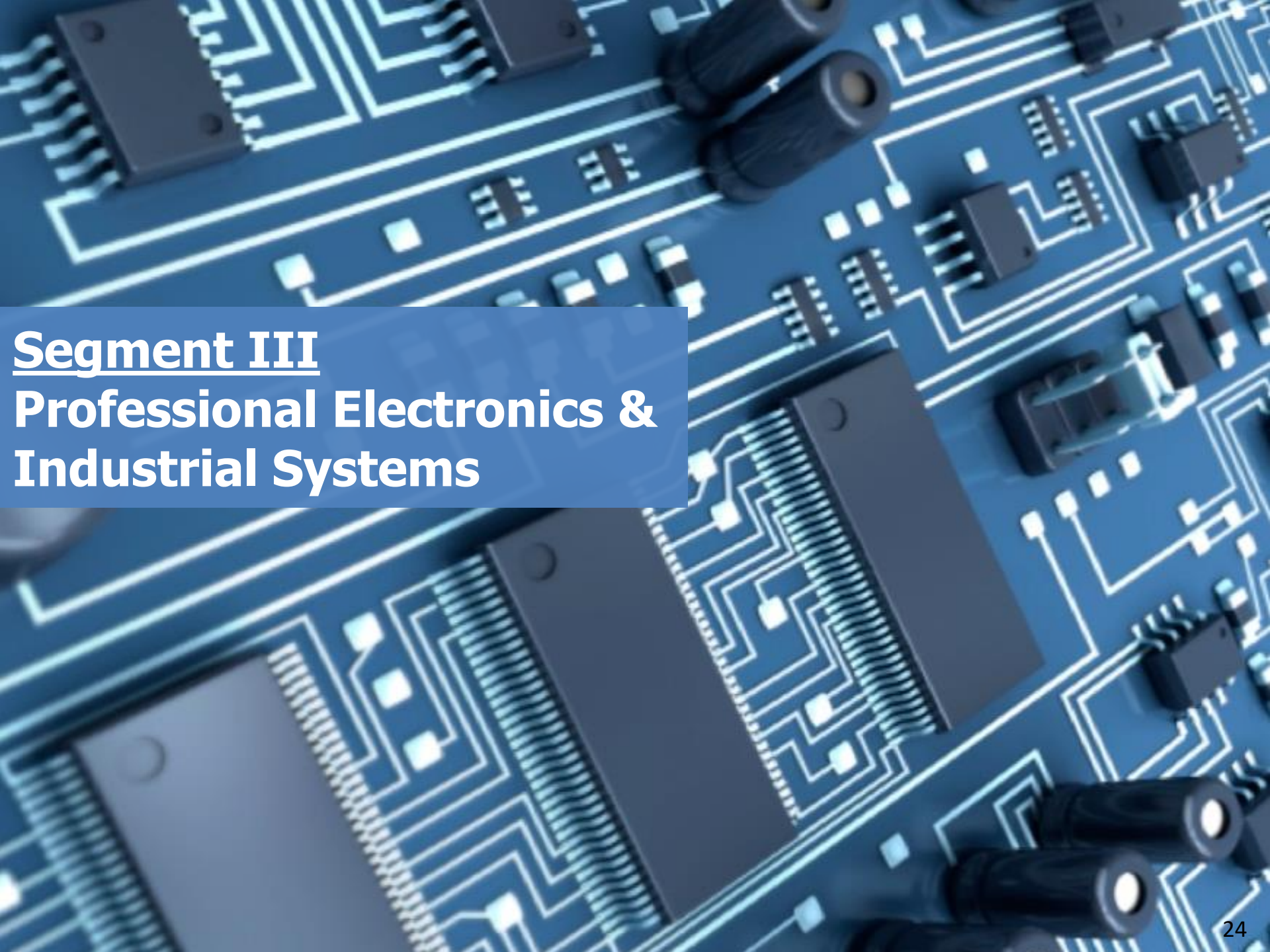


Bird's eye view of the upcoming Sri City Plant

- Specialise in manufacturing a variety of highly engineered and custom-built products.
- Manufacturing footprint of 1.3 lakh square meter.
- Over 300 models manufactured across 25 product lines.
- Lean manufacturing and world-class practices.
- Green Building initiative - Wada factory certified 'Green factory' – Gold category from IGBC and Solar plant installed at Dadra.
- Intelligent I-Factory through application of Industry 4.0 for Real-time monitoring of assets to improve overall equipment effectiveness, Utility & Energy.
- Successful implementation of Manufacturing excellence program, Blue star has now embarked upon complete process improvement

- Automation of processes using robots and Cobots
- Using Product Life Cycle Management to improve New product Introduction process
- Improved efficiency of operations through Digital Work Instruction, Augmented reality, Auto guided vehicle, Additive manufacturing, Poka Yoke, e QMS, Automatic storage & retrieval system
- Usage of new edge techniques like Advance Planning & Scheduling, Business process Continuity, Virtual factory 3D simulation modelling, 3D plant layout, Predictive analytics
- Product monitoring & traceability through QR Code, logistic monitoring through specially designed sensors and remote monitoring of products like chillers
- Manufacturing factories are ISO 9001-2015 & ISO 45001:2018 certified by TUV Nord

- Consistent investment in R&D to enhance company's product offerings and technical capabilities
- Focus on energy efficient and sustainable products and technologies
- Cost innovation through Total Cost Management and Design to Value, initiative for highly affordable air conditioners
- High level of product development and testing capabilities with several patents for new breakthrough products
- Enhanced electronics design capability for variable speed products and smart controllers
- NABL (ISO-17025) accredited laboratories for performance testing of products
- NABL (ISO-17025) accredited reliability and safety test facilities

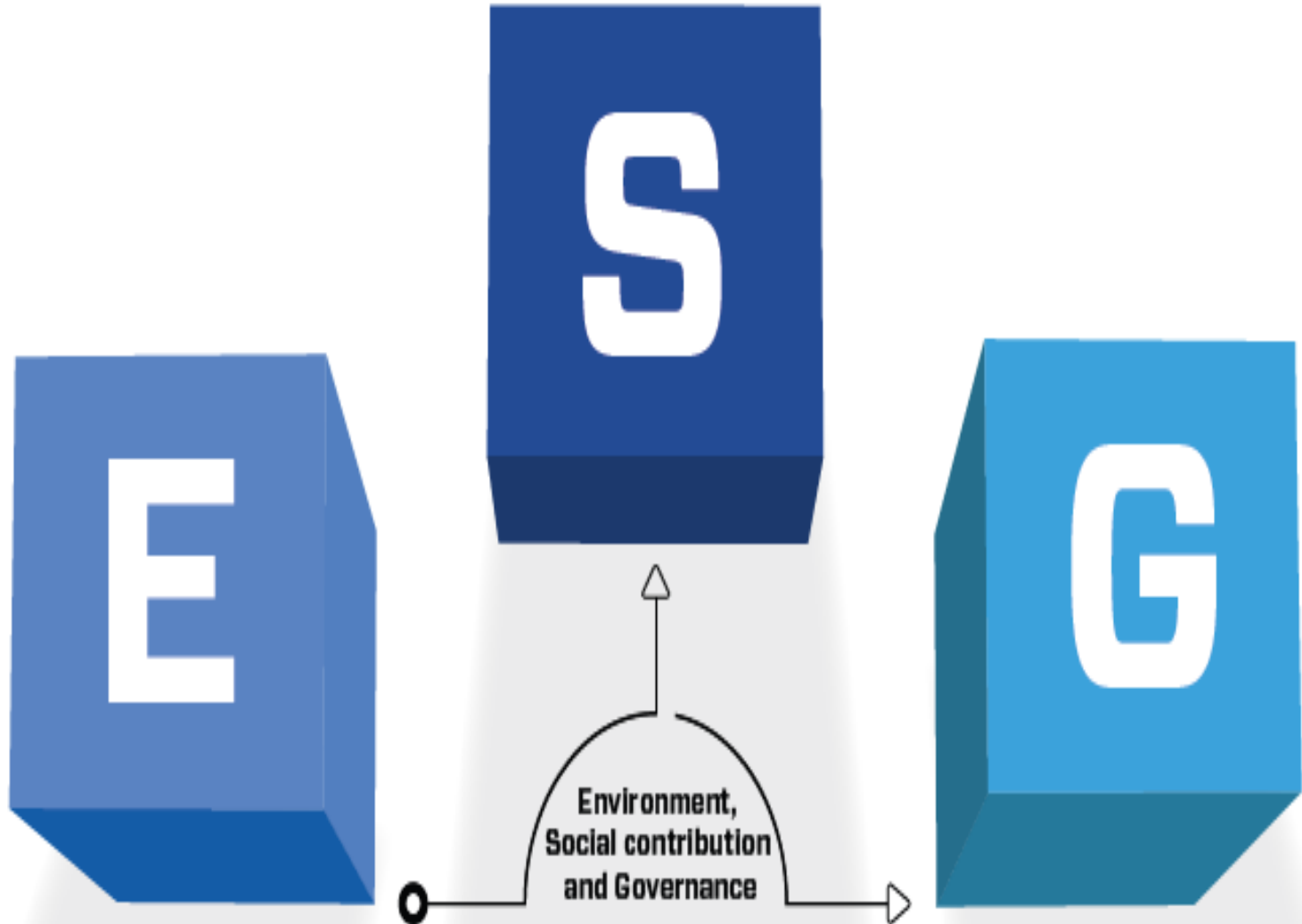


Segment III
**Professional Electronics &
Industrial Systems**

Professional Electronics & Industrial Systems

- Managed by the Company's wholly owned subsidiary, Blue Star Engineering & Electronics Ltd
- Lines of Business include:
 - Healthcare Systems: MRI & CT Scanner
 - Data Security Solutions: Payment HSM, PKI, Encryption
 - Communication Systems: Satellite Test Equipment, Radio Frequency recorders
 - Testing Machines: UTM, Hardness Testers, Chambers
 - NDT Systems & Industrial Automation: Ultrasonic, Eddy Current Systems, X-Ray, MPI, Bagging, Truck Loading
 - NDT Products: Ultrasonic, RVI, X-Ray, CT, CR, Metrology
- Evolved from being only a distributor of leading global manufacturers to a high-end system integrator and value-added reseller





ESG Principles Embedded in Blue Star's Business Practices



ENVIRONMENT



- Industry leader in energy-efficiency for Room ACs, Deep Freezers and Screw Chillers with VFDs
- Number 1 in E-Waste compliance in the Room AC industry
- Part of the India-EU Climate Dialogue panel coordinated by TERI
- Focus on Circular Economy initiatives
- Founding member of the Indian Green Building Council

SOCIAL



- Focused initiatives on skill development and sustainable development projects
- Active participation in COVID-19 relief measures
- Philanthropic initiatives in the areas of education and healthcare
- Leading AC&R training partner for multiple institutes and corporates
- Committed to highest standards of safety practices for employees and business partners

GOVERNANCE



- Well-enumerated Code of Conduct, Whistle Blower Mechanism and a Governance, Risk and Compliance policy
- Integrated Vigil Mechanism Framework; all Governance pillars integrated with each other
- Balanced and diverse Board with an optimum mix of Executive & Non-Executive Directors

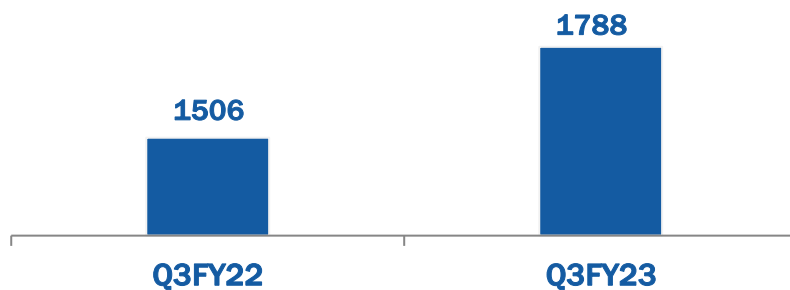
The image features a group of business professionals in silhouette, standing in a modern office with large windows overlooking a city skyline at night. The scene is bathed in a blue light, and the silhouettes of the people are reflected on the glossy floor. A semi-transparent blue banner is overlaid on the image, containing the text 'Financial Performance Q3FY23'.

Financial Performance Q3FY23

Financial Performance – Q3FY23

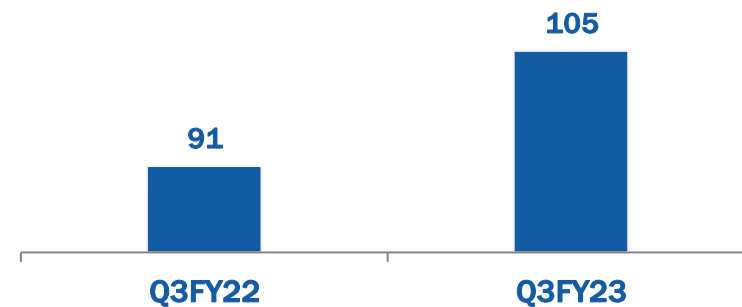
Revenue (Rs Cr)

Growth of 19%



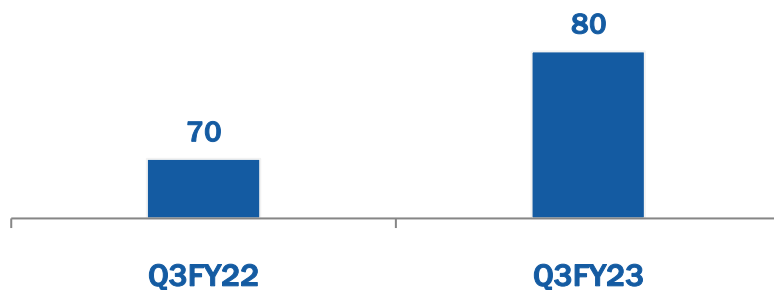
EBITDA (Rs Cr)

Growth of 16%



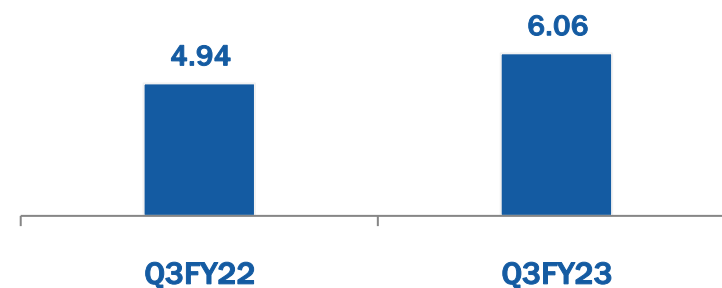
Profit before tax (Rs Cr)

Growth of 14%



Earnings per share (EPS)* (Rs)

Growth of 23%



*Not Annualized

Segment Performance – Q3FY23

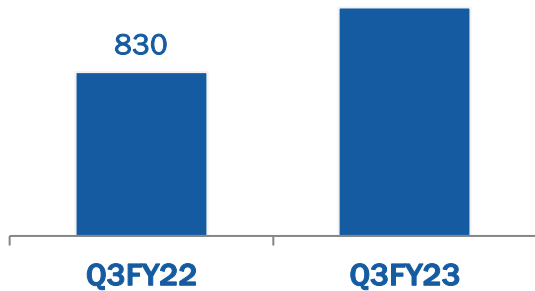
Segment Revenue (Rs Cr)

Segment I

Growth of 21%

1000

830

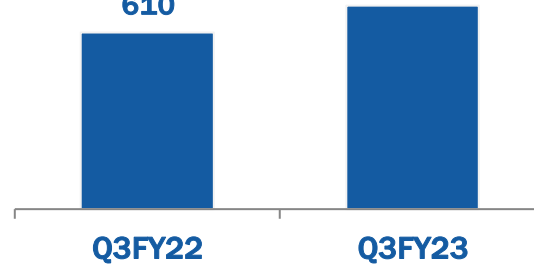


Segment II

Growth of 15%

702

610

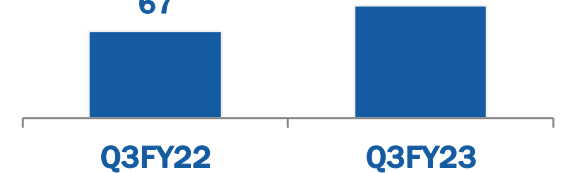


Segment III

Growth of 29%

86

67



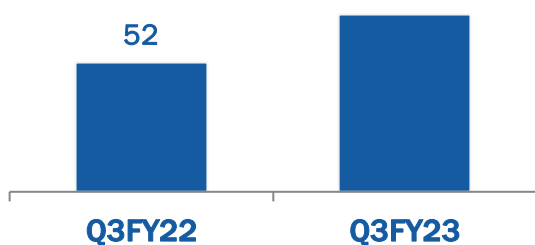
Segment Result (Rs Cr)

Segment I

Growth of 37%

72

52

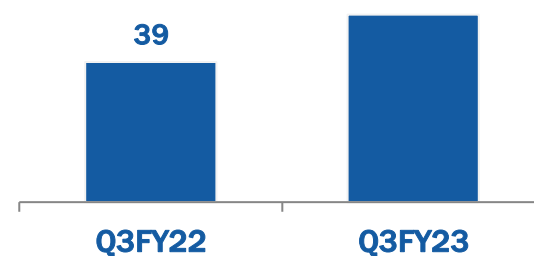


Segment II

Growth of 34%

52

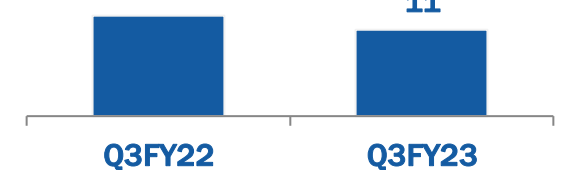
39



Segment III

13

11



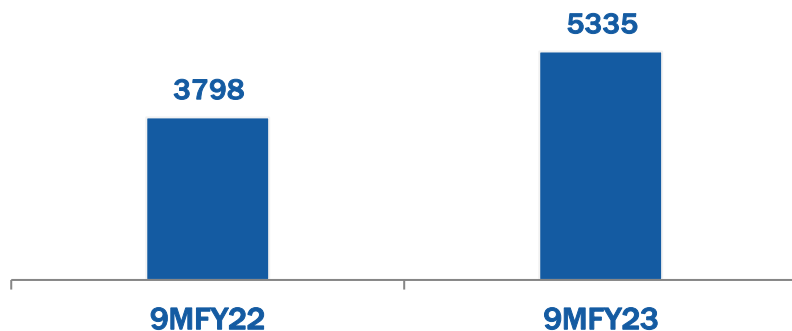
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Financial Performance 9MFY23

Financial Performance – 9MFY23

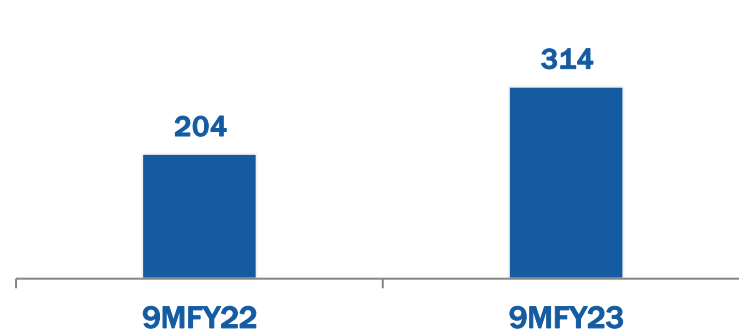
Revenue (Rs Cr)

Growth of 40%



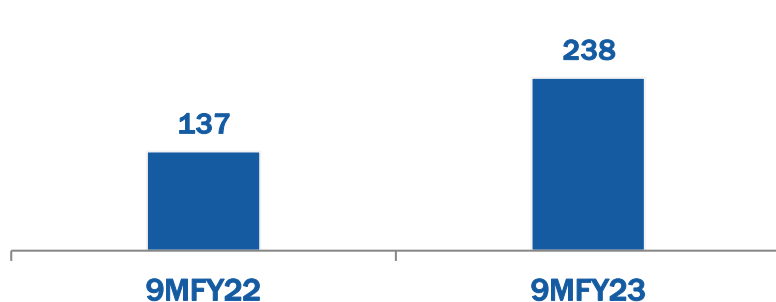
EBITDA (Rs Cr)

Growth of 54%



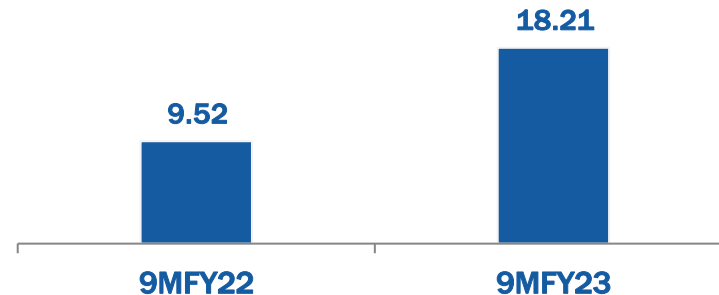
Profit before tax (Rs Cr)

Growth of 74%



Earnings per share (EPS)* (Rs)

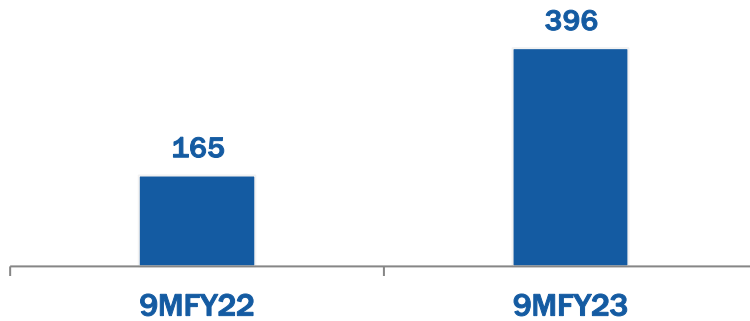
Growth of 91%



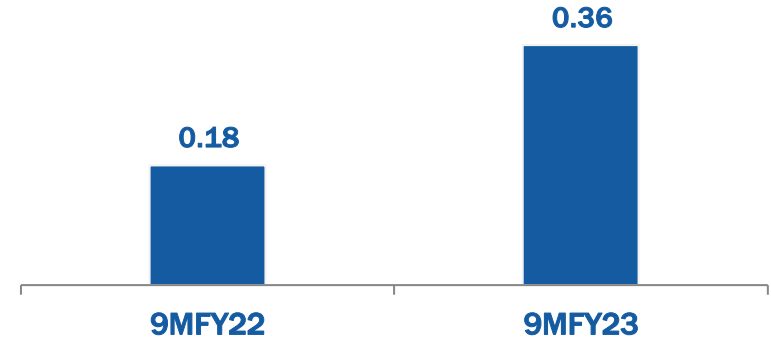
*Not Annualized

Balance Sheet indicators – 9MFY23

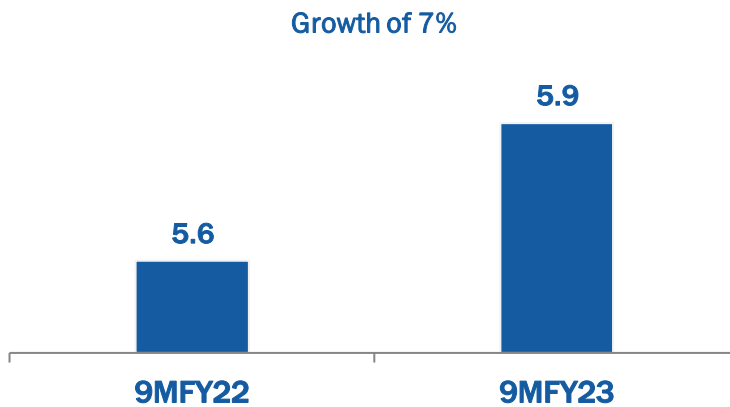
Net Borrowing (Rs Cr)



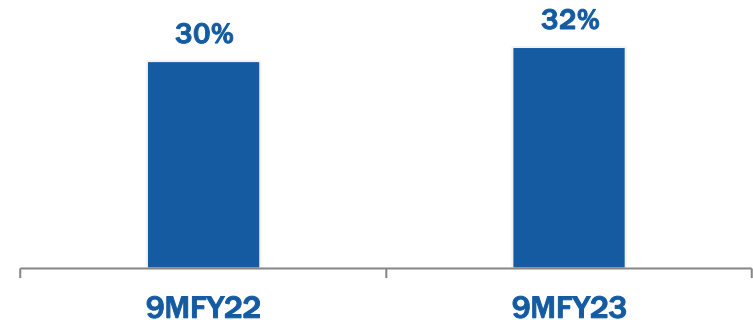
Net Debt / Equity (times)



Capital Turns (times)



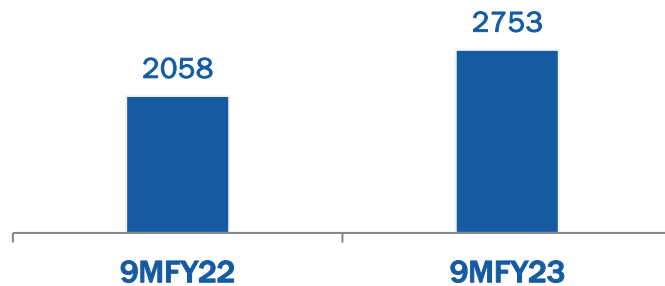
Return on Capital Employed (%)



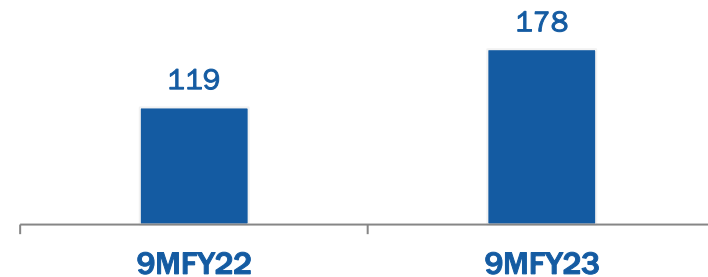
Segment 1: EMP and Commercial Air-Conditioning systems

Segment Revenue (Rs Cr)

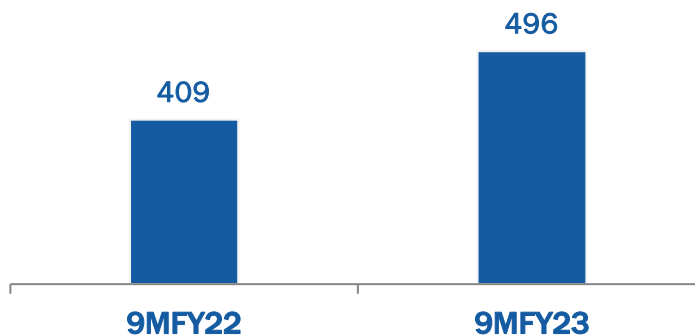
Growth of 34%



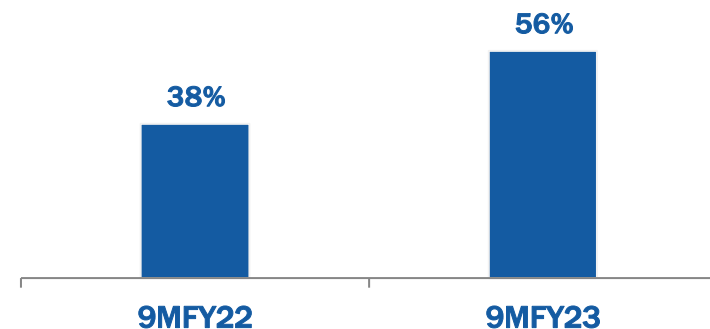
Segment Result (Rs Cr)



Capital Employed (Rs Cr)



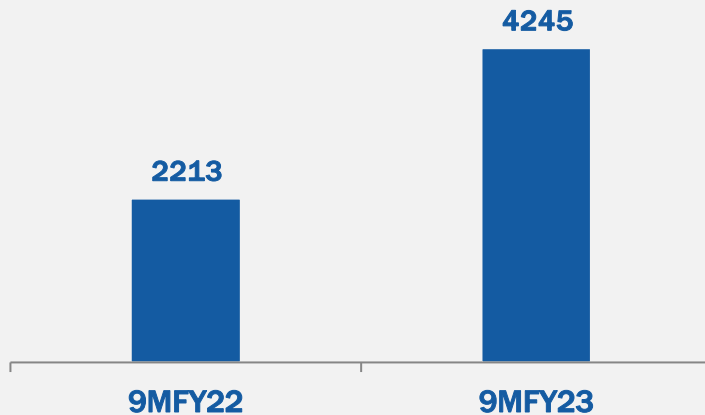
Return on Capital Employed (%)



Segment 1: EMP and Commercial Air-Conditioning systems

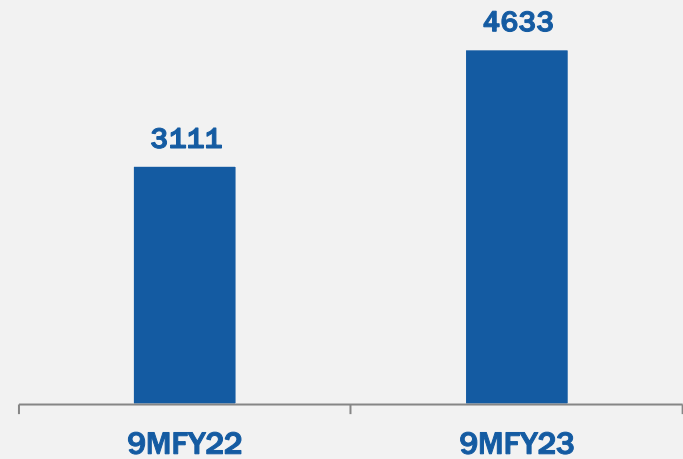
Orders Booked (Rs Cr)

Growth of 92%



Carried forward Orders (Rs Cr)

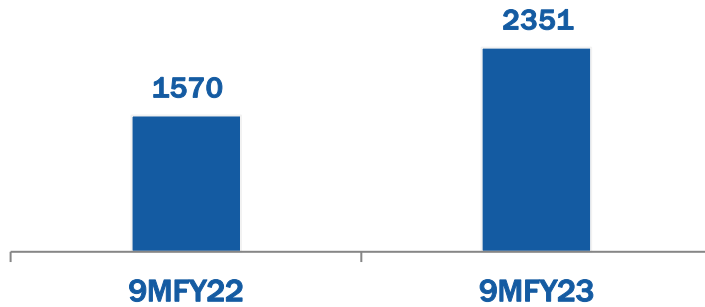
Growth of 49%



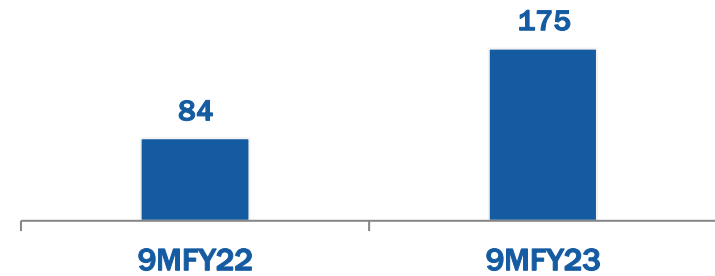
Segment 2: Unitary Products

Segment Revenue (Rs Cr)

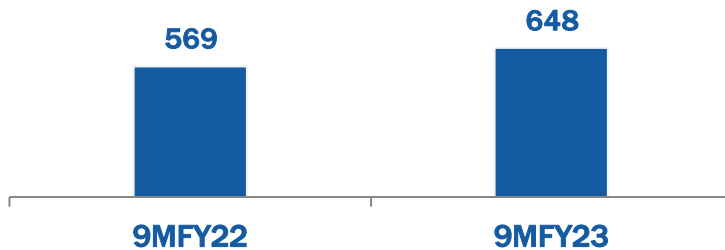
Growth of 50%



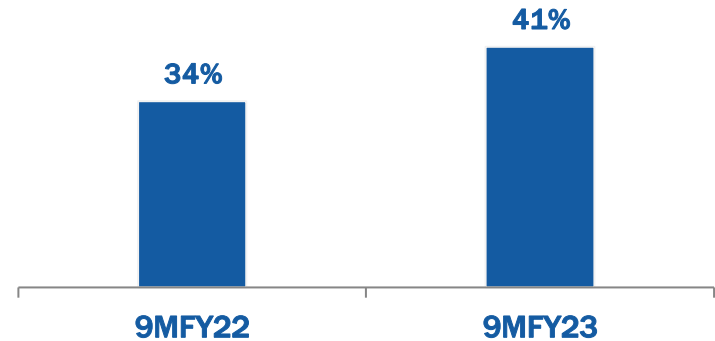
Segment Result (Rs. Cr)



Capital Employed (Rs Cr)



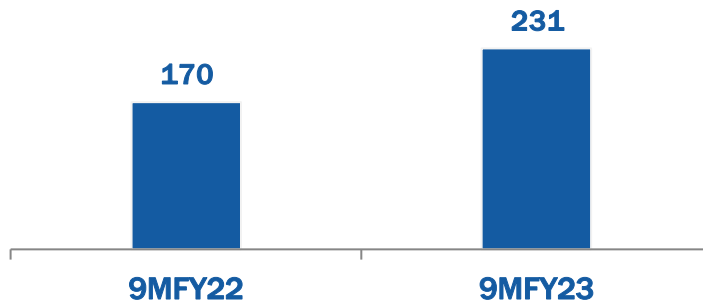
Return on Capital Employed (%)



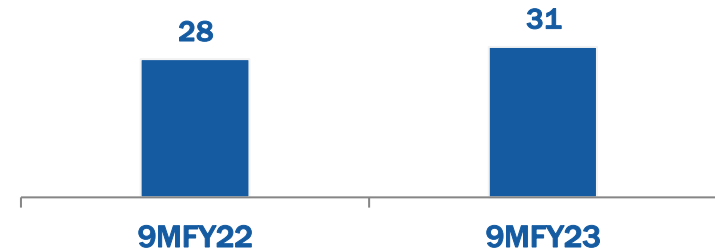
Segment 3: Professional Electronics & Industrial Systems

Segment Revenue (Rs Cr)

Growth of 36%



Segment Result (Rs. Cr)





Thank you