

PRESS RELEASE**Blue Star delivers exceptional financial results in FY23 in an orbit shifting all round performance****Total Income grew 31.3% to Rs 8008.19 crores and Operating Profit grew 42.2% to Rs 492.78 crores**

Building on the momentum built over the previous 5 consecutive quarters, Blue Star ended the fiscal year on a strong note with record revenue and profits, a strong balance sheet and a robust carried forward order book. The Board of Directors has recommended 1:1 equity bonus issue to the shareholders.

Consolidated Financial Performance for Q4FY23

- The Company's Revenue from Operations increased by 16.4% to Rs 2623.83 crores for the quarter ended March 31, 2023, compared to Rs 2254.21 crores during the same period in the previous year.
- The Operating Profit (PBIDTA excluding Other Income) for the quarter was Rs 179.17 crores (6.8% of Revenue) compared to Rs 142.95 crores in Q4FY22 (6.3% of Revenue).
- Profit Before Exceptional Items grew by 28.4% to Rs 146.30 crores in Q4FY23 compared to Rs 113.91 crores in Q4FY22.
- Net Profit for the quarter was Rs 225.29 crores compared to Rs 76.27 crores in Q4FY22. The company was able to successfully conclude the sale of a land parcel at Thane, thus realizing a gain of Rs 170.81 crores (Net of Tax Rs 139.24 crores), which is reported as Exceptional Income for Q4FY23.
- Other Income including treasury income for Q4FY23 was Rs 6.65 crores compared to Rs 6.27 crores in Q4FY22.

- The Tax expense for the quarter was Rs 91.82 crores compared to Rs 37.64 crores in Q4FY22.

Consolidated Financial Performance for FY23

- The Company has reported Revenue from Operations of Rs 7977.32 crores for the year ended March 31, 2023, compared to Rs 6064.08 crores during FY22, representing a growth of 31.6%.
- The Operating Profit (PBIDTA excluding Other Income) for the year was Rs 492.78 crores (6.2% of revenue) compared to Rs 346.47 crores (5.7% of revenue) in FY22.
- Profit Before Tax Before Exceptional Items grew by 53.3% to Rs 384.57 crores in FY23 compared to Rs 250.90 crores in FY22.
- Net Profit for the year was Rs 400.69 crores compared to Rs 168.00 crores in FY22.
- Other Income including treasury income for FY23 was Rs 30.87 crores compared to Rs 35.72 crores in FY22.
- Finance Cost for the year increased to Rs 54.70 crores compared with Rs 46.40 crores in FY22 due to higher average borrowing levels and higher average cost of funds during FY23.
- Tax expense for FY23 was Rs 154.69 crores compared to Rs 82.90 crores in FY22.
- Prudent cash management ensured that the net borrowing as of March 2023 was at a reasonable level of Rs 204.43 crores (debt equity ratio of 0.15 on a net basis) compared to Rs 67.14 crores (debt equity ratio of 0.07 on a net basis) as of March 2022 after investments in manufacturing capacity expansion projects and higher inventory holding to prepare for the upcoming season.
- Earnings per share for the year (Face value of Rs 2.00) was Rs 41.60 vis-à-vis Rs 17.44 in the previous year.
- Carried Forward Order Book as on March 31, 2023, grew by 55.0% to a record Rs 5042.27 crores, compared to Rs 3253.30 crores as of March 31, 2022.

Consolidated Segment Performance

- Revenue from the Electro-Mechanical Projects and Commercial Air Conditioning Systems segment grew by 25.3% to Rs 4,015.63 crores in FY23 compared to Rs 3,204.49 crores in FY22. The Segment Result for FY23 grew by 42.1% to Rs 276.78 crores (6.9% of Revenue) compared to Rs 194.82 crores (6.1% of Revenue) in FY22. In the Electro-Mechanical Projects business, the Company continued to witness healthy order inflows from across segments including Buildings, Metro Railways, Factories, and Data Centres. The Company secured significant orders from the newly entered Railway Electrification segment. The Government, Industrial and Healthcare sectors continued to offer significant opportunities for the Commercial Air Conditioning business.
- Unitary Products revenue grew by 38.8% to Rs 3626.93 crores in FY23 compared to Rs 2612.24 crores in FY22. The Segment Result grew by 81.1% to Rs 282.31 crores (7.8% of Revenue) in FY23 compared to Rs 155.86 crores (6.0% of Revenue) in FY22. The early onset of summers across some parts of the country resulted in the Company witnessing a surge in demand for its room air conditioners. The Commercial Refrigeration business continued to witness traction across all segments with an uptick in demand from the Food and Healthcare sectors, and with a substantial pickup in travel and out-of-home consumption, the demand from Hotels, Restaurants and QSRs, was also strong. Besides, the revival of the Hospitality sector resulted in growth in demand for kitchen refrigeration equipment, and the Company continued to witness increased demand for supermarket refrigeration products from the Retail segment.
- The Professional Electronics and Industrial Systems Business revenue grew by 35.3% to Rs 334.76 crores in FY23 compared to Rs 247.35 crores in FY22. The Segment Result grew by 18.9% to Rs 50.50 crores in FY23 (15.1% of Revenue) compared to Rs 42.49 crores (17.2% of Revenue) in FY22. With the revival of the private capex cycle, revenue grew across all lines of businesses. Segment Result was partially impacted by planned investments in business development, marketing, and other initiatives to support future growth.

Bonus Shares

The Company is in its 80th year of business and has delivered exceptional financial performance in FY23. A modern Deep Freezer manufacturing plant in Wada was

commissioned. Further, a state-of-the-art Room Air Conditioner manufacturing facility in Sri City was commissioned by the Company's subsidiary, Blue Star Climatech Limited. To expand its global footprint, the Company has incorporated wholly owned subsidiaries in the US, Europe, and Japan. Overall, in FY23, with a record all-round performance, the Company has reinvented itself once again, and is on a high growth path. The Company has adequate accumulated reserves.

Considering the above, the Board of Directors has recommended a bonus issue of 1 (One) equity share for every 1 (One) existing equity share to the shareholders subject to necessary approvals.

Dividend

The Board of Directors has recommended a dividend of Rs 12 per equity share of face value Rs 2 each for FY23. (FY22: Rs 10 per equity share of face value Rs 2 each.)

As and when the bonus issue is approved, **the dividend post bonus for FY23 will stand revised as Rs 6 per equity share** of face value Rs 2 each.

Outlook

Vir S. Advani, Vice Chairman & Managing Director, Blue Star Limited adds, "We are delighted to report record financial performance in FY23. During the fiscal year, we improved our market share in all the businesses, commissioned the Deep Freezer manufacturing plant at Wada and the Room Air Conditioner manufacturing unit in Sri City, enhanced our R&D capabilities, deepened our distribution reach, and set up wholly owned subsidiaries in the US, Europe, and Japan in pursuit of expanding our global footprint. Blue Star is in its 80th year of operations, and as in the past, it has not only reinvented itself post the pandemic, but has emerged stronger."

"With the weather forecast indicating a strong summer combined with a strong carry forward order book for our B2B businesses, we are optimistic about the prospects for Q1FY24 and FY24."

Place: Mumbai

Date: May 4, 2023

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