

Blue Star Ltd.

Mumbai



PRESS RELEASE

Blue Star Q1FY16 Net Profit grows 26% to Rs 39 crores on a standalone basis

Standalone Financial Performance for Q1FY16

- Airconditioning and commercial refrigeration major, Blue Star Limited reported Total Operating Income of Rs 908.58 crores for the quarter ended June 30, 2015, as compared to Rs 837.61 crores in Q1FY15, representing an increase of 8%.
- Operating Profit (PBIDT excluding Exceptional Items and Other Non Operating Income) for the quarter increased 9% to Rs 65.74 crores from Rs 60.16 crores in Q1FY15.
- During the quarter, Other Income was Rs 0.44 crores as compared to Rs 1.62 crores during the same period last year.
- Financial Expenses for the quarter declined by 25% to Rs 8.29 crores from Rs 11.04 crores in Q1FY15, mainly due to lower forex volatility and tight control in management of forex exposure.
- There was no exceptional gain/loss during the quarter as compared an exceptional loss of Rs 5.16 crores during Q1FY15.
- Tax expense for the quarter was Rs 9.79 crores as compared to Rs 5.16 crores in the same period last year.
- Consequently, Net Profit grew 26% to Rs 39.04 crores from Rs 31.10 crores in Q1FY15.
- Earnings per share for the quarter (Face value of Rs 2.00) stood at Rs 4.34 vis-à-vis Rs 3.45 in the corresponding quarter of the previous year.
- Carry Forward Order Book as on June 30, 2015 declined by 5% to Rs 1493 crores compared to Rs 1572 crores as at June 30, 2014.

Segment-wise performance for Q1FY16

- The revenues of the Electro Mechanical Projects and Packaged Airconditioning Systems business, declined marginally by 3%, while segment results registered a decline of 17% to Rs 8.76 crores. The decrease in profitability was mainly due to sluggish execution of projects resulting in lower billings with a higher cost structure along with cost overruns in specific legacy projects.
- Cooling Products, comprising 61% of the total revenues of the Company during the quarter, registered a growth of 17%. Segment results grew 12% to Rs 79.01 crores. Despite the fact that the summer was not harsh with rains in several parts of the country in April and May, the business did much better than the industry mainly due to the Company's strong brand equity coupled with an enhanced product portfolio and distribution.
- The Professional Electronics and Industrial Systems business had been transferred to its subsidiary, Blue Star E&E Ltd with effect from April 1, 2015. During Q1, due to commercial considerations, certain contracts were executed by Blue Star Limited. Thus, the revenues and profit for this business during the quarter were split between the parent Company and its subsidiary. On a combined basis, the business recorded a revenue growth of 59%, while the results grew 72% to Rs 7.36 crores. These combined figures are based on management accounts, and have not been subjected to audit or a limited review by the auditors.

Outlook

A normal monsoon will result in enhanced demand for cooling products. Though the commercial construction cycle is yet to pick up, the Company is confident that its expertise and credentials will hold it in good stead when the growth opportunities revive. During the rest of the year, while the Company is expected to sustain this performance, a normal monsoon coupled with enhanced commercial construction activities will enable it to register significant growth.

Place: Mumbai

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