

Blue Star Limited
Band Box House, 4th Floor,
254 D, Dr Annie Besant Road,
Worli, Mumbai 400 030, India.
T : +91 22 6654 4000
F : +91 22 6654 4001
www.bluestarindia.com

BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 BSE Scrip Code: 500067	National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 NSE Symbol : BLUESTARCO
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November 27, 2018

Dear Sir,

Sub: Investors' Presentation

Further to our letter dated November 21, 2018 and pursuant to Regulation 30 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") read with Part A of Schedule III of the Listing Regulations, we are enclosing herewith the Presentation to be made at Blue Star Investors Meet scheduled today.

Pursuant to Regulation 46 (2) (o) of the Listing Regulations, the aforesaid Presentation is being made available on the website of the Company i.e. www.bluestarindia.com

Thanking you,
Yours faithfully,
For **Blue Star Limited**


Vijay Devadiga
Company Secretary



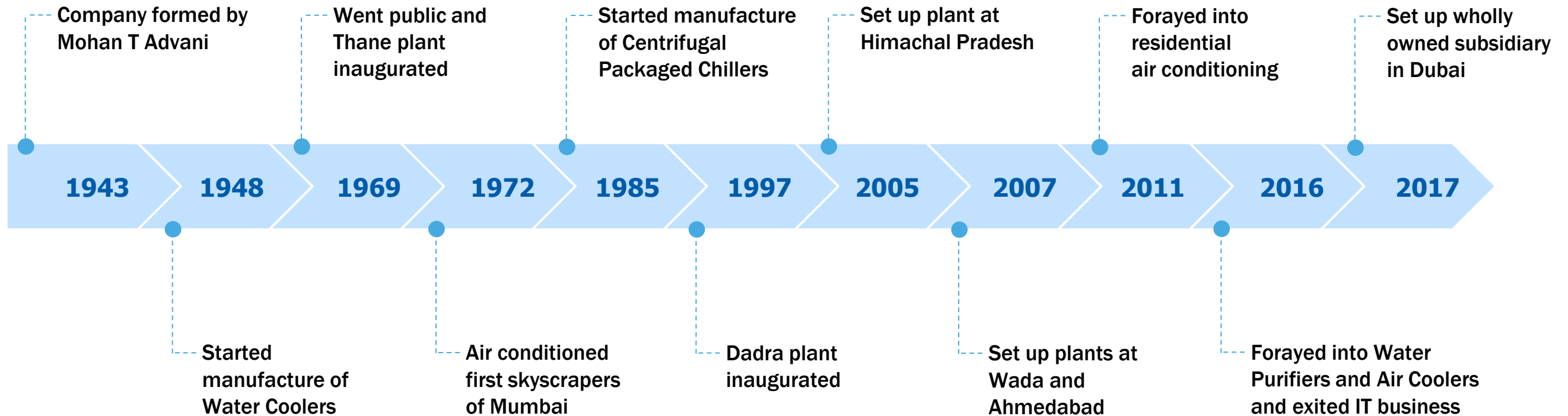
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Blue Star - Platinum Jubilee

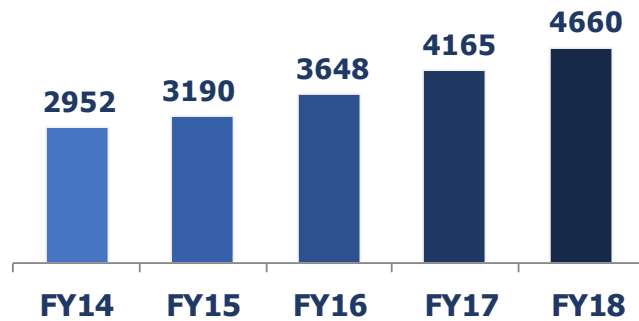
Investors & Analysts Meet
Mumbai
November 27, 2018

The Blue Star Journey



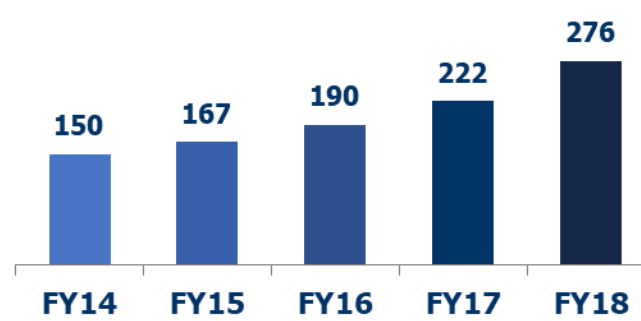
Total Income (Rs in Cr)

CAGR - 12%



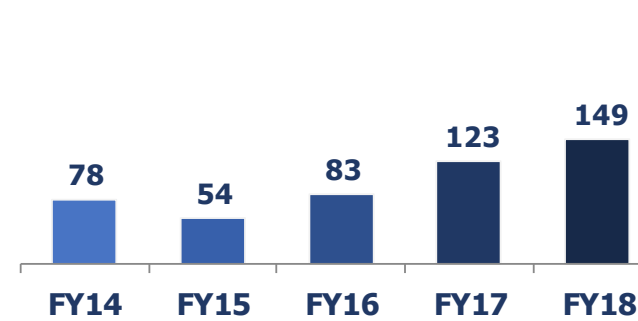
EBITDA (Rs in Cr)

CAGR - 16%

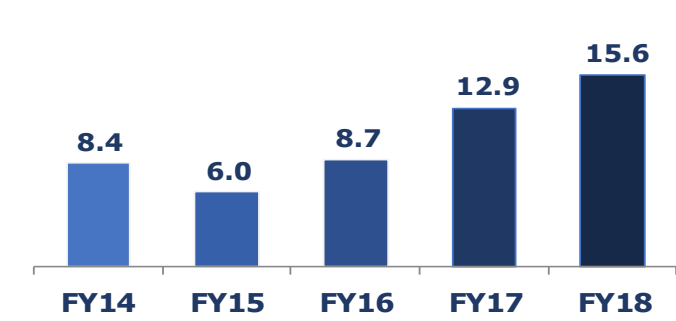


PAT (Rs in Cr)

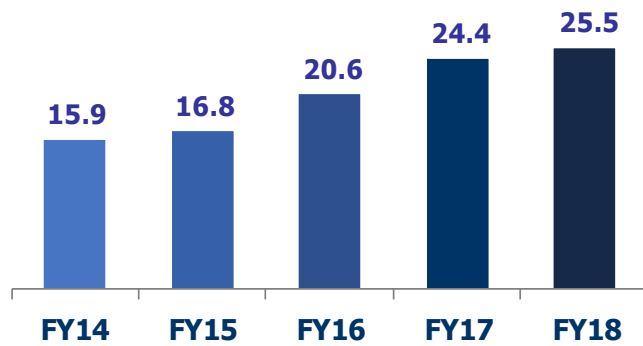
CAGR - 18%



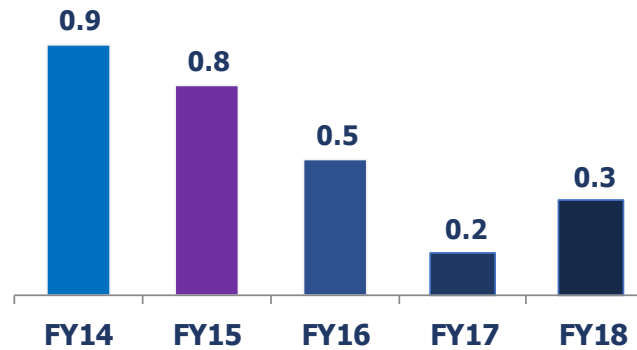
Earnings Per Share (Rs per share)



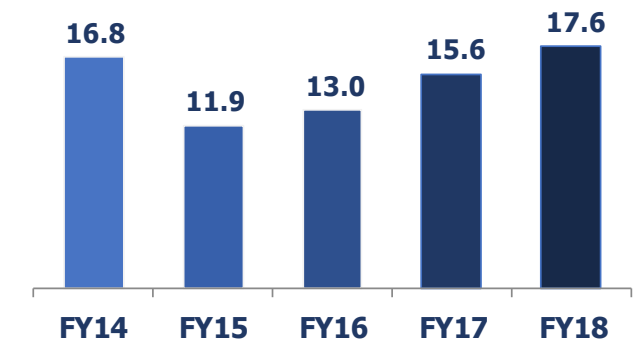
Return on Capital Employed (%)




Debt / Equity (times)




Return on Equity (%)






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.

The Blue Star Way

11 core values and beliefs that guide all Blue Starites in the discharge of their roles and responsibilities

Committees of the Board

- Audit Committee
- Nomination and Remuneration Committee
- Investor Grievance cum Stakeholder Relationship Committee
- Corporate Social Responsibility (CSR) Committee
- Risk Management Committee
- Executive Management Committee
- Share Transfer Committee

Governance Policy Framework

- Code of Conduct - Principles and practices for ethical conduct
- Whistle Blower Policy - Report unethical and improper practices
- Fraud Risk Management Policy - Guidance for detection and prevention of fraud and fraud risk assessment
- Code of Conduct for Prevention of Insider Trading - Prohibits and regulates dealings in shares of the company by designated employees and other connected persons
- Regulation of Related Party Transactions – Prior/Omnibus approvals taken for all related party transactions

Commitment to integrity and ethical values

- Middle-class consumer spending is expected to increase at a rapid pace; rising disposable incomes and easy access to credit will drive growth in consumer durables
- Growth is anticipated from Tier 3, 4, 5 markets, and MSME sector
- Intensified trade barriers call for appropriate mitigation strategies
- Competitive landscape to change with direct entry of Chinese brands
- Post elections, Government and Infra spend expected to pick up momentum; pick up in construction sector
- Oil and Dollar expected to stabilise in near term; softening of commodities is unlikely in the medium term
- NPAs in the Indian banking system and the NBFC liquidity crunch may impact the real estate and infra sectors



Despite the macro-economic uncertainties and challenges,
we expect adequate growth opportunities for our businesses

Our businesses have weathered several macro-economic challenges in the past

- The shared Vision, Credo and Blue Star Way continue to guide us
- Profitable growth is the key priority; need to grow faster than the market
- Deliver differentiated world-class products, services and solutions; ahead of the curve
- Significantly increase our commitment to manufacturing as a means of increasing value addition as well as de-risking the company from expected non-tariff barriers on imports
- Attract and retain best-in-class talent



- Productivity (Capital and Manpower) improvement is central to our growth plan
- Generate sufficient profits, invest adequately in the business for growth and pay good dividends consistently
- Grow Net Worth and strengthen the Balance Sheet



- Drive strong focus on **Revenue Growth, Profitability Improvement and Productivity Enhancement**
- Retain and grow our leadership in core **Domestic Businesses** (HVAC&R products, MEP projects, and AC&R service)
 - Grow Room Air Conditioners, Commercial Air Conditioning and Commercial Refrigeration businesses faster than the market
 - Strong focus on Northern region to grow our market share across all businesses
 - Pursue profitable HVAC and MEP business opportunities from Government and Public Sector including Railways
 - Enhance Customer Experience by using technology and process improvements
- Aggressively grow the **adjacencies** (Air Coolers, Air Purifiers, Professional Kitchen Refrigeration, Medical Refrigeration, Engineering Facility Management, Factory E&M Projects) by investing adequately



- **Incubate new lines of business** in Blue Star Engineering & Electronics portfolio to revive growth
- Invest in the **International and Water Purifiers businesses** to scale-up and turn profitable by FY21
- Drive **higher value-addition** through backward integration, procurement, supply chain efficiency and margin improvement initiatives
- Implement a **new manufacturing footprint** with a judicious mix of capital investments in our own plants as well as Company Managed Contract Manufacturing through Indian entities
- **Enhance productivity** through automation of processes and digital technologies



- **Implement a TQM programme** with an objective to apply for the Deming award by FY21 for at least two lines of business
- **Improving Brand salience** through sustained investments with a specific focus on Tier 3, 4, 5 markets, North India and the GCC countries
- **Building Human Capital** to drive future growth by driving the people transformation agenda for higher Employee Engagement, **Leadership Development and Succession Planning**



MEP Projects

- Retain our market leadership in Buildings MEP through Business Development, Key Account Acquisition and Key Account Management initiatives
- Consolidate our position in Infrastructure MEP in Airports, Metros, Railway Redevelopment and Power Transmission
- Evaluate entry into select adjacencies with higher margin opportunities within Factory E&M, Industrial EPC and Infrastructure MEP
- Be the Contractor of Choice through implementation of “Superior Project Delivery”

Service Business

- Enhance customer engagement and grow revenue from service by way of annual maintenance contracts, energy, air and water management solutions
- Continue to expand remote monitoring and intelligent diagnostics
- Scale-up Engineering Facility Management services

Central AC Products

- Maintain leadership in ducted air conditioning segment
- Aggressively grow our share in VRF market by strengthening product mix and channel expansion
- Grow chiller business through optimal system selection and enhanced productivity
- Invest in technology and R&D to grow the business and profitability
- Having mastered inverter technology, continue to keep ahead of the curve in inverter room air conditioners and VRF
- Adopt inverter technology for Chillers and Cold Rooms

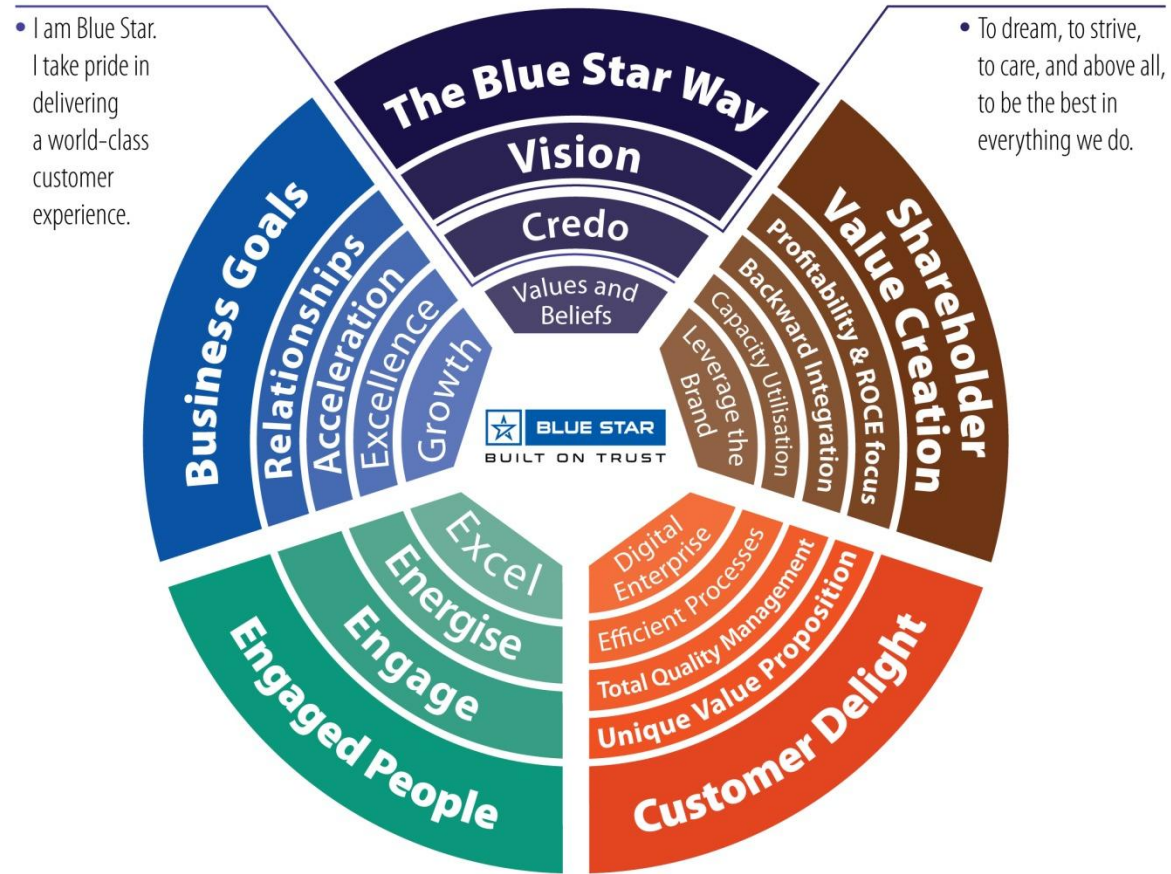
Product Exports

- Grow International Business by focussing on key markets (UAE, Oman, Qatar, Nigeria, Egypt, Saudi Arabia, Bangladesh, Sri Lanka, Vietnam) to deliver 80% of business
- Add new markets after consolidating our position

- **Grow Room AC business to a value market share of 15% by way of**
 - Increased focus on North India market
 - Structured distribution expansion
 - Enhanced customer experience at the store level
 - Sustained and strengthened premium imagery
 - Backward integration for higher value addition
- **Maintain our leadership position in Commercial Refrigeration business in the addressed categories**
- **Aggressively grow business from adjacencies; Air Cooler, Air Purifiers, Professional Kitchen Refrigeration, Healthcare Refrigeration and Retail Refrigeration**
- **Scale-up water purifier business by way of refreshed product line-up, asset light model, deeper market penetration, strong brand imagery and differentiated service network; aspire to achieve a market share of 10% by FY21**

- **Strengthen R&D capabilities**
 - Bring out at least two break-through products every year
 - Adopt new low-GWP refrigerants and new regulatory energy labelling norms
 - Invest in emerging technologies such as solar, air purification and digital enablement
- **Strengthen Blue Star Brand**
 - “Built On Trust” as the umbrella value proposition
 - Increase spend on Advertising from 2.7% of Products Revenue to ~ 3%
 - Maintain and further grow our image as a premium player
 - Increase digital media presence to capture the mind space of younger customers
- **Manufacturing expertise**
 - Leverage in-house manufacturing and deploy latest technologies for enhancing productivity
 - Significant capacity expansion in line with new manufacturing footprint strategy
 - De-risk China dependency through a judicious mix of insourcing and local outsourcing
- **Service as a differentiator**
 - Be the best-in class Gold Standard service provider in the next three years
 - Use technology tools like Apps, Chatbots, Data Analytics to enhance customer experience

- **Expand the addressable markets through addition of adjacent products in Healthcare, Data Security, and Non-Destructive Testing Systems and Products**
- **Evaluate new opportunities stemming from high growth areas of Industrial Robotics, 3D Printing, Non-radiology Medical Devices, Railway Safety Testing etc**
- **Deliver on our Value Proposition of “Superior Technology Solutions”**
 - **Continue to explore wider opportunities as a solution provider for higher value addition**
 - **Skilling and improving effectiveness in sales, product management, project execution and service functions**
- **Explore Joint Ventures/co-ownership models to augment capabilities, enhance value addition and improve business model durability**



- **Aspire to grow revenue ~ 20% CAGR, profitability ~ 25% CAGR and ROCE ~ 30% over the next 5 years**
 - **Larger in value but fewer in number MEP projects, more evenly balanced across Buildings, Infra and Industrial segments**
 - **No 3 player in Room ACs with a market share of at least 15%**
 - **No 2 player in VRF and Chillers with a market share of at least 20%**
 - **Retaining our No 1 position in Ducted Systems and Commercial Refrigeration**
 - **Service will continue to be a winning differentiator and a growth enabler**
 - **Fully backward integrated, world-class manufacturing**
 - **Deming Prize winner**
 - **Largest exporter of products in our industry with a strong presence in the MENA, Gulf and SAARC regions**
 - **Evaluating and exploring new emerging opportunities**

Thank You