

PRESS RELEASE

Blue Star reports modest growth in Q2FY26

During the quarter, the Company reported modest revenue growth amidst a few headwinds. The Room ACs segment continued to experience a seasonal slowdown, influenced by an extended monsoon and lower temperatures impacting secondary sales and channel offtake. Further, the demand for Room ACs and Commercial Air Conditioning was deferred due to GST rate reduction which was announced on August 15, 2025, but came into effect on September 22, 2025. In the Electro-Mechanical Projects business, execution of factories and data centre projects remained steady.

Consolidated Financial Performance for Q2FY26

- The Company's Revenue from Operations grew by 6.4% to Rs 2422.37 crores for the quarter ended September 30, 2025, as compared to Rs 2275.96 crores during the same period in the previous year.
- The Operating Profit (EBITDA excluding Other Income) for the quarter increased by 22.8% to Rs 183.41 crores (7.6% of Revenue) compared to Rs 149.31 crores (6.6% of Revenue) in Q2FY25.
- Other Income, including income from treasury investments, for Q2FY26 was Rs 10.01 crores as compared to Rs 18.51 crores in Q2FY25.
- Finance costs for the quarter increased to Rs 16.92 crores as compared to Rs 6.48 crores in the same period of the previous year, mainly due to higher borrowing levels as compared to corresponding previous quarter.
- Tax expense for the quarter was Rs 33.39 crores as compared to Rs 35.04 crores in Q2FY25.

- Profit Before Tax (before exceptional items and share in profit/(loss) from JV) grew by 1.3% to Rs 133.16 crores in Q2FY26 compared to Rs 131.39 crores in Q2FY25.
- Net Profit for the quarter grew by 2.8% to Rs 98.78 crores as compared to Rs 96.06 crores reported in the same period of the previous year.
- Earnings per share (not annualised) for Q2FY26 (Face value of Rs 2.00) was Rs 4.80 compared to Rs 4.67 in Q2FY25.
- Carried Forward Order Book as on September 30, 2025, grew by 7.9% to Rs 7120.44 crores as compared to Rs 6598.20 crores as on September 30, 2024.
- As of September 30, 2025, the capital employed increased to Rs 3530.88 crores, as compared to Rs 2550.28 crores on September 30, 2024.
- The quarter ended with net borrowings of Rs 417.06 crores as on September 30, 2025, as compared to a net cash position of Rs 185.26 crores as of September 30, 2024.

Consolidated Segment Performance for Q2FY26

- Revenue of Segment 1, comprising Electro-Mechanical Projects, Commercial Air Conditioning Systems, Service and International Business, grew by 16.5% to Rs 1664.21 crores in Q2FY26, compared to Rs 1428.42 crores in Q2FY25. The Segment result for Q2FY26 stood at Rs 147.14 crores (8.8% of Revenue) compared to Rs 119.21 crores (8.3% of Revenue) in Q2FY25. During the quarter, the Electro-Mechanical Projects business witnessed good enquiry inflow from buildings, data centres and factories, but order finalisations were muted. Owing to a healthy order book and faster project execution, billing growth during this quarter was strong. The Commercial Air Conditioning business grew in line with market trends, with billing momentum moderating between mid-August until late September due to GST reforms. The Company maintained leadership in Ducted Systems and Scroll Chillers and ranks amongst the top three in VRF and Screw Chillers. On the International Business front, supplies to the US markets scaled in H1FY26, but tariff related uncertainties persist.
- Unitary Products Segment, comprising Room Air Conditioners and Commercial Refrigeration, recorded a revenue decline of 9.5% to Rs 693.81 crores in Q2FY26,

compared to Rs 767.00 crores in Q2FY25. Segment result stood at Rs 42.72 crores (6.2% of Revenue) in Q2FY26 as compared to Rs 53.92 crores (7.0% of Revenue) in Q2FY25. Driven by unfavourable weather conditions and the mid-quarter GST rate rationalisation announcement, this segment continued to experience de-growth in Q2FY26 as well. The Commercial Refrigeration business experienced a modest quarter owing to muted seasonal demand and an extended monsoon. However, the Company continues to enhance its energy-efficient and IoT-enabled product portfolio and deepen penetration in Tier 2 and Tier 3 markets through strengthened distribution and service networks.

- Revenue of the Professional Electronics and Industrial Systems Segment, declined by 20.1% to Rs 64.35 crores in Q2FY26, compared to Rs 80.54 crores in Q2FY25. The Segment result stood at Rs 6.17 crores (9.6% of Revenue) in Q2FY26, compared with Rs 5.17 crores (6.4% of Revenue) in Q2FY25. The decline was primarily due to uncertainties surrounding the current business model of MedTech Solutions Business, pending the finalisation of regulatory policy framework. Industrial Solutions Business continued its strong growth momentum, supported by robust demand from the manufacturing and testing sectors. Data Security Solutions continued to deliver steady performance, driven by consistent demand from the BFSI segment and large enterprises.

Consolidated Financial Performance for the half-year ended September 30, 2025 (H1FY26)

- For the half-year ended September 30, 2025, the Company reported Revenue from Operations of Rs 5404.62 crores compared to Rs 5141.33 crores over the same period in the previous year, recording a growth of 5.1%.
- Operating Profit (EBITDA excluding Other Income) was Rs 383.41 crores (7.1% of Revenue) compared to Rs 387.14 crores (7.5% of Revenue) during the same period last year.
- Net Profit for the half-year ended September 30, 2025, was Rs 219.60 crores compared to Rs 264.82 crores in H1FY25.

Outlook

Vir S. Advani, Chairman & Managing Director, Blue Star Limited, adds, "While demand in some businesses was temporarily impacted, the Company's diversified portfolio and strong execution capabilities continue to reinforce its long-term growth trajectory. As far as the Room AC business is concerned, the benefit of GST rate rationalisation is likely to accelerate consumer demand and drive long-term market expansion. Also, with the energy label change scheduled for implementation on January 1, 2026, we expect a rise in demand during the Christmas and New Year period. While the Electro-Mechanical Projects business may see slower order inflows, the Commercial Air Conditioning business is poised for a revival in demand. We remain focused on both prudent cost management as well as optimising the working capital levels to enhance our performance in the second half of this fiscal year."

Place: Mumbai

Date: November 5, 2025

For additional information, please contact Girish Hingorani, Vice President – Marketing (Unitary Cooling Products Group) & Corporate Communications, Blue Star Limited. Email: girishhingorani@bluestarindia.com Tel: +91 22 66684000/ +91 9820415919