

November 6, 2025

BSE Limited 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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Dear Sir/Madam,

Sub: Investor Update for the Second Quarter and Half Year ended September 30, 2025

We are enclosing herewith the Investor Update for the Second Quarter and Half Year ended September 30, 2025.

This intimation is also being made available on the website of the Company at www.bluestarindia.com

Kindly take the same on record.

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



Rajesh Parte
Company Secretary & Compliance Officer

Encl.: a/a

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Blue Star Limited Investor Update Q2FY26 & H1FY26

I. FINANCIAL HIGHLIGHTS

In Q2FY26, the Company reported modest growth amidst multiple challenges. The Room Air Conditioner segment continued to witness demand slowdown after a subdued monsoon-led Q1FY26, as prolonged rains and lower temperatures impacted secondary sales and delayed channel offtake. Also, the Room AC and Commercial AC demand was deferred due to GST rate reduction announcement on August 15, 2025, which subsequently came into effect on September 22, 2025. In Project businesses, execution of factories and data center projects remained steady though the pace of new order inflows was subdued.

Financial highlights for the quarter ended September 30, 2025, on a consolidated basis, are summarized as follows:

- Revenue from operations for Q2FY26 grew 6.4% to ₹2,422.37 cr as compared to ₹2,275.96 cr in Q2FY25.
- EBIDTA (excluding other income) for Q2FY26 improved to ₹183.41 cr (EBITDA margin 7.6% of revenue) as compared to ₹149.31 cr (EBITDA margin 6.6% of revenue) in Q2FY25.
- PBT (before share of Profit/(Loss) of JV and exceptional items) grew 1.3% to ₹133.16 cr in Q2FY26 as compared to ₹131.39 cr in Q2FY25.
- Tax expense for Q2FY26 was ₹33.39 cr as compared to ₹35.04 cr in Q2FY25.
- Net profit grew 2.8% to ₹98.78 cr in Q2FY26 as compared to ₹96.06 cr in Q2FY25.
- Carried-forward order book as of September 30, 2025, grew by 7.9% to ₹7,120.44 cr, as compared to ₹6,598.20 cr as of September 30, 2024. Carried-forward order book as of March 31, 2025, stood at ₹6,263.36 cr.
- The capital employed as of September 30, 2025, increased to ₹3530.88 cr as compared to ₹2550.28 cr as of September 30, 2024.
- Net Borrowings of ₹417.06 cr as on September 30, 2025 as compared to a Net Cash Position of ₹185.26 cr as of September 30, 2024.

II. BUSINESS HIGHLIGHTS FOR Q2FY26

Segment I: Electro-Mechanical Projects & Commercial Air Conditioning Systems

Segment I revenue grew 16.5% to ₹1,664.21 cr in Q2FY26, as compared to ₹1,428.42 cr in Q2FY25. Segment result was ₹147.14 cr (8.8% of revenue) in Q2FY26 as compared to ₹119.21 cr (8.3% of revenue) in Q2FY25.

Order inflow for the quarter was flat at ₹1,921.93 cr in Q2FY26 (₹1,899.99 cr in Q2FY25).

1. Electro-Mechanical Projects business

While the enquiry inflows from buildings, data centers and factories were good, order finalization during Q2FY26 was muted. As far as infrastructure projects are concerned, the company continues to be selective.

Owing to the strong order book and faster project execution billing growth during the quarter was strong.

Carried-forward order book of the Electro-Mechanical Projects business was at ₹4,840.46 cr as on September 30, 2025, as compared to ₹5,036.69 cr as on September 30, 2024, a negative growth of 3.9%.

2. Commercial Air Conditioning Systems

The Commercial Air Conditioning business grew in line with market trends. However, billing pace moderated post-GST reforms from mid-August until late September. The company continues to maintain its market leadership in Ducted Systems and Scroll Chillers, and ranks among the top three in VRF and Screw Chillers.

International Business

With the approval process and trial marketing having been completed for a few products in the US market supplies scaled in Q1FY26 and Q2FY26.

The tariff-related uncertainties persist, and the business should accelerate further once the India- US trade deal is concluded. With the successful development of products for both, US and Europe the Company continue to be optimistic about the prospects for international business.

Segment 1 margins saw an improvement in Q2FY26, rising to 8.8% of revenue, compared to 8.3% of revenue in Q2FY25. The improvement in margins is a result of the changing mix of businesses within the segment.

Segment II: Unitary Products

Segment II revenue de-grew 9.5% to ₹693.81 cr in Q2FY26 as compared to ₹767.00 cr in Q2FY25. Segment result was ₹42.72 cr (6.2% of revenue) in Q2FY26 as compared to ₹53.92 cr (7.0% of revenue) in Q2FY25

1. Cooling and Purification Products business

Unfortunately, Q2FY26 was also impacted, and the only silver lining was good secondary sales with effect from September 22, 2025. With the energy label change scheduled for implementation on January 1, 2026 it is likely that the Christmas and New Year sales would be good. Preparations are underway for the launch of new products for pre-summer/summer season 2026.

2. Commercial Refrigeration business

The commercial refrigeration business experienced a modest quarter. With the GST reduction on various food products, we expect significant demand growth in H2FY26.

We are expanding our energy-efficient and IoT-enabled product range to meet evolving customer needs, while deepening penetration in Tier 2 and Tier 3 markets through localized distribution and service support.

The segment margins were lower as compared to previous corresponding quarter (6.2% in Q2FY26 as compared to 7.0% in Q2FY25).

Segment III: Professional Electronics and Industrial Systems

Segment III revenue de-grew by 20.1% to ₹64.35 cr in Q2FY26 as compared to ₹80.54 cr in Q2FY25. Segment result was ₹6.17 cr (9.6% of revenue) in Q2FY26 as compared to ₹5.17 cr (6.4% of revenue) in Q2FY25.

The de-growth is primarily due to uncertainties surrounding the current business model of MedTech Solutions business pending the finalization of regulatory policy framework.

Industrial solutions continued its strong growth momentum on the back of manufacturing and testing demand. Data Security Solutions continued with steady performance driven by robust demand from BFSI and large enterprises.

As the business navigates through challenging times, efforts on expense rationalization have helped to improve the margin.

III. BUSINESS OUTLOOK

We are optimistic about the prospects of Room AC business as the benefits of GST rate rationalization will spur the demand in Q3 FY26. However, unseasonal rains in several parts of the country continue to be a matter of concern. While the order inflow in Electro-Mechanical Projects business continues to slow, we expect demand revival in Commercial Air Conditioning and Commercial Refrigeration businesses.

Several initiatives have been undertaken for reducing both operating costs as well as working capital in order to substantially improve the H2FY26 performance.

For more information contact

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SAFE HARBOUR

Certain statements in this release concerning our future growth prospects are forward-looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fiscal policy, competition, inflationary pressures and general economic conditions affecting our industry. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.