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January 30, 2026

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**

Dear Sir/Madam,

Sub: <u>Investor Update for the Third Quarter and Nine Months ended on December 31, 2025</u>

We are enclosing herewith the Investor Update for the Third Quarter and Nine Months ended on December 31, 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 DIGAMBAR PARTE

Digitally signed by RAJESH DIGAMBAR PARTE
Date: 2026.01.30 11:29:41 +05'30'

BLUE STAR LIMITED

Rajesh Parte
Company Secretary & Compliance Officer

Encl.: a/a

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Blue Star Limited

Investor Update

Q3FY26 & 9MFY26

I. FINANCIAL HIGHLIGHTS

During Q3FY26, the Company recorded modest revenue growth despite prevailing market headwinds. The good news is that for the first time in this fiscal, the Room Air Conditioners business has witnessed modest growth owing to channels building up the inventory ahead of energy label change deadline of January 1, 2026.

Financial highlights for the quarter ended December 31, 2025, on a consolidated basis, are summarized as follows:

- Revenue from operations for Q3FY26 grew 4.2% to Rs 2,925.31 cr as compared to Rs 2,807.36 cr in Q3FY25.
- EBIDTA (excluding other income) for Q3FY26 improved to Rs 220.72 cr (EBITDA margin 7.5% of revenue) as compared to Rs 209.38 cr (EBITDA margin 7.5% of revenue) in Q3FY25.
- PBT (before share of Profit/Loss of JV and exceptional items) was marginally lower at Rs 164.66 cr in Q3FY26 as compared to Rs 167.20 cr in Q3FY25.
- Tax expense for Q3FY26 was Rs 27.07 cr as compared to Rs 46.53 cr in Q3FY25.
- Pursuant to the notification of Labour Codes and as required by the ICAI Guidance Note, the Company has recognized the incremental impact of Gratuity and Leave Encashment amounting to Rs 56.35 crores on an estimated basis. This non-recurring item is shown as an Exceptional Item in the consolidated Statement of Profit and Loss for the quarter ended December 31, 2025.
- Consequently, Net profit was at Rs 80.55 cr in Q3FY26 as compared to Rs 132.46 cr in Q3FY25.
- Carried-forward order book as of December 31, 2025, grew by 1.3% to Rs 6,898.74 cr, as compared to Rs 6,810.00 cr as of December 31, 2024. Carried-forward order book as of March 31, 2025, stood at Rs 6,263.36 cr.
- The capital employed as of December 31, 2025, increased to Rs 3550.51 cr as compared to Rs 2763.44 cr as of December 31, 2024.
- Net Borrowings were at Rs 352 cr as on December 31, 2025 as compared to a Net Cash Position of Rs 102 cr as of December 31, 2024.

II. BUSINESS HIGHLIGHTS FOR Q3FY26

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

Segment I revenue grew 8.6% to Rs 1,696.21 cr in Q3FY26, as compared to Rs 1,562.41 cr in Q3FY25. Segment result was Rs 114.66 cr (6.8% of revenue) in Q3FY26 as compared to Rs 118.73 cr (7.6% of revenue) in Q3FY25.

Order inflow for the quarter was lower by 16.5% compared to previous quarter (Rs 1,459.57 cr in Q3FY26 vs Rs 1,748.37 cr in Q3FY25)

1. **Electro-Mechanical Projects business**

   In Q3FY26, enquiry momentum from Buildings, Data Centers and Factories was encouraging but few large order finalizations were deferred to next quarter. Hospitals and malls have witnessed strong growth potential, including in tier-three cities, supporting a favorable medium-term outlook.

   Commercial office demand remains healthy in select pockets, while data center and factory segments continue to see stable and robust enquiry traction, supporting steady order momentum. We continue to remain selective about new order bookings as we focus on effective capital deployment.

   Since the infrastructure project profitability is lower than commercial buildings, factories & datacenter verticals as we approach closure of these projects, the segment margin gets impacted to an extent.

   Carried-forward order book of the Electro-Mechanical Projects business was at Rs 4,777.34 cr as on December 31, 2025, as compared to Rs 5,146.27 cr as on December 31, 2024, a negative growth of 7.2%.

2. **Commercial Air Conditioning Systems**

   The Commercial Air Conditioning business saw healthy order bookings in this quarter supported by strong demand. While the revenue during this quarter was subdued (as some product deliveries were shifted to next quarter), the strong order book gives confidence in the future prospects.

3. **International Business**

   Given that, the tariff-related uncertainties persist, the future prospects of the US business are highly dependent upon outcome of India-US trade deal. Despite this headwind, our foray into the US and Europe is progressing well.

On account of the above change in business mix, Segment 1 margins were lower at 6.8% of revenue in Q3FY26 from 7.6% in Q3FY25.

Segment II: Unitary Products

Segment II revenue was flat at Rs 1,154.22 cr in Q3FY26 as compared to Rs 1,164.36 cr in Q3FY25. Segment result was Rs 97.65 cr (8.5% of revenue) in Q3FY26 as compared to Rs 94.78 cr (8.1% of revenue) in Q3FY25.

1. **Room Air conditioners**

   As anticipated the energy-label change with effect from January 1, 2026, helped in reduction of inventory and we witnessed revival of growth. The Company would have gained market share slightly during this quarter. The cost reduction initiatives undertaken since Q1FY26 have contributed to the improved margins.

   The production of new range of products as per the new energy-label norms has begun and the Company is preparing for the summer season 2026. We have taken short-term and long-term measures to achieve supply chain resilience. The depreciation of INR and rising commodity prices will compel us to revise the prices upwards in Q4FY26. The dealer network expansion is progressing as per the plan.

2. **Commercial Refrigeration business**

   Contrary to the expectation that the Commercial Refrigeration business will rebound during festival season onwards, the market remained muted. Consequently, all the product lines other than storage water coolers de-grew. The anticipation is that the demand will revive only during summer season.

Due to focus on cost optimization and overall cost management, the segment margins improved to 8.5% in Q3FY26 as compared to 8.1% in Q3FY25.

Segment III: Professional Electronics and Industrial Systems

Segment III revenue de-grew by 7.1% to Rs 74.88 cr in Q3FY26 as compared to Rs 80.59 cr in Q3FY25. Segment result was Rs 6.83 cr (9.1% of revenue) in Q3FY26 as compared to Rs 6.20 cr (7.7% of revenue) in Q3FY25.

The uncertainties around the regulatory policy framework pertaining to the Med-Tech Solutions business are yet to be resolved, consequently, the business has slowed down. However, Industrial Solutions continue to grow, driven by strong demand in the automotive and steel industries, and Data Security Solutions maintained steady performance.

III. BUSINESS OUTLOOK

While three quarters of this fiscal had been challenging, the signs of market revival are encouraging. The Company expects Q4FY26 to be a strong quarter for Room Air conditioners, Commercial Air Conditioning and Refrigeration products. In Electro-Mechanical Project Business, the demand from Factories & Datacenter vertical continues to be healthy. In anticipation of robust growth in FY2027 the Company is focused on expanding distribution reach and continues to invest in R&D, manufacturing and digitalization, while persisting with cost optimization measures.

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.