

August 7, 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 First Quarter ended June 30, 2025

We are enclosing herewith the Investor Update for the First Quarter ended June 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

\\172.16.31.16\\Legal and Secretarial Documents\\(01) Blue Star Limited\\2025-26\\Stock Exchange Compliances\\Reg 30 - Information & Updates\\7. Investor update\\Q1FY26

Blue Star Limited

Investor Update

Q1FY26

I. FINANCIAL HIGHLIGHTS

Following an exceptional year of growth, FY26 started on a softer note driven primarily by unseasonal rains across the country which resulted in a muted demand primarily for Room Air-Conditioning segment. Despite this headwind faced by the Room AC business, the Company has delivered robust revenue growth across other key businesses. Backed by a healthy order book and prospects of demand reviving during the festive season, we are optimistic about growth for the full year.

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

- Revenue from operations for Q1FY26 grew 4.1% to Rs 2,982.25 cr as compared to Rs 2,865.37 cr in Q1FY25.
- EBIDTA (excluding other income) for Q1FY26 recorded at Rs 199.99 cr (EBITDA margin 6.7% of revenue) as compared to Rs 237.83 cr (EBITDA margin 8.3% of revenue) in Q1FY25.
- PBT before exceptional items dropped by 27.8% to Rs 163.23 cr in Q1FY25 as compared to Rs 226.02 cr in Q1FY25.
- Tax expense for Q1FY26 was Rs 42.41 cr as compared to Rs 57.26 cr in Q1FY25.
- Net profit for Q1FY26 grew to Rs 120.82 cr as compared to Rs 168.76 cr in Q1FY25.
- Carried-forward order book as of June 30, 2025, grew by 12.5% to Rs 6,843.04 cr, as compared to Rs 6,084.69 cr as of June 30, 2024. Carried-forward order book as of March 31, 2025, stood at Rs 6,263.36 cr.
- The capital employed as of June 30, 2025, stood at Rs 2,820.96 cr as compared to Rs 1,737.88 cr as of June 30, 2024. We continue to invest in manufacturing capacity, Research & Development and Digitalization initiatives.
- The company reported a net cash position of Rs 370.92 cr as on June 30, 2025 as compared to a net cash position of Rs 1,042.87 cr as of June 30, 2024.

II. BUSINESS HIGHLIGHTS FOR Q1FY26

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

Segment I revenue grew 35.9% to Rs 1,412.46 cr in Q1FY26, as compared to Rs 1,038.99 cr in Q1FY25. Segment result was Rs 111.62 cr (7.9% of revenue) in Q1FY26 as compared to Rs 103.03 cr (9.9% of revenue) in Q1FY25.

Order inflow for the quarter was Rs 1,963.43 cr in Q1FY26 as compared to Rs 1,466.25 cr in Q1FY25.

1. Electro-Mechanical Projects business

We experienced strong order bookings in the projects business during the quarter, driven primarily by continued demand from the factory, data center, and healthcare market segments indicating sustained interest and a healthy pipeline for the upcoming quarters.

Inflow of enquiries and tenders in the Railway Electrification and Metro Railway sectors remained subdued and we continue to maintain selective approach to Infra projects.

Carried-forward order book of the Electro-Mechanical Projects business was at Rs 5,080.36 cr as on June 30, 2025, as compared to Rs 4,557.29 cr as on June 30, 2024, a growth of 11.5%.

2. Commercial Air Conditioning Systems

During the quarter, Blue Star's Commercial Air Conditioning business delivered robust growth, in line with overall market trends, reflecting sustained demand and strong execution. All key product categories like Ducted Systems, VRF and Chillers registered healthy growth during the quarter.

Key demand contributors included the Manufacturing, and Education sectors, driven by infrastructure expansion and increased investment in climate control solutions. However, demand from the Government and Public Sector remained muted due to lower capital expenditure, and Commercial Retail demand was also relatively modest.

3. International Business

We continue to pursue our international foray and are steadily progressing in the US markets. The engagement with European customers is also underway with discussions at various stages of finalization. Uncertainty due to geo-political factors including pending US trade negotiations may act as a short-term impediment. We are also focused on strengthening our presence in Middle East and Africa market.

Segment 1 margins at 7.9% for Q1FY26 vs 9.9% in Q1FY25. The quarterly margins are influenced by the projects and products mix and hence may not be comparable with the previous periods.

Segment II: Unitary Products

Segment II revenue de-grew by 13.3% to Rs 1,499.37 cr in Q1FY26 as compared to Rs 1,729.52 cr in Q1FY25. Segment result was Rs 87.47 cr (5.8% of revenue) in Q1FY26 as compared to Rs 158.03 cr (9.1% of revenue) in Q1FY25.

1. Cooling and Purification Products business

This quarter presented unexpected headwinds due to the early onset of monsoon across India, making this an unusually soft summer season. However, as in the past, we have done marginally better than industry and we estimate that our market share has slightly improved above 14%. While the near-term environment remains challenging, we remain confident in the underlying strength of the category and are strategically positioned and focused on navigating this phase effectively as we look ahead to a stronger demand revival during the upcoming festive season.

We continue to invest in expanding our distribution footprint across the country.

We remain confident in our outlook for the rest of the year and expect to close FY26 with reasonable growth.

2. Commercial Refrigeration business

The Commercial Refrigeration business witnessed strong growth in Q1FY26, and we are now on a firmer footing. The regulatory challenges we faced in the Storage Water Coolers category last year have been resolved.

Growth in this quarter was primarily driven by strong demand from the processed food and pharmaceuticals segments, reflecting a positive turnaround in key end-user industries.

In Q1FY26, this segment reported margin of 5.8%, as compared to 9.1% of Q1FY25. Margins for the current quarter were impacted by a sharp decline in Room Air-conditioning business. With lower volumes, the operating leverage benefits witnessed in Q1FY25 could not be replicated in this quarter thus resulting in drop in margins.

Segment III: Professional Electronics and Industrial Systems

Segment III revenue de-grew by 27.3% to Rs 70.42 cr in Q1FY26 as compared to Rs 96.86 cr in Q1FY25. Segment result was Rs 7.62 cr (10.8% of revenue) in Q1FY26 as compared to Rs 9.60 cr (9.9% of revenue) in Q1FY25.

The segment faced a decline in revenue, driven by continued challenges in the Med Tech and Data Security businesses. The MedTech business has been impacted by regulatory uncertainty with the Government temporarily stopping the import of refurbished medical devices; however, Industrial Solutions business is experiencing steady growth supported by manufacturing and testing demand.

Segment margins at 10.8% for Q1FY26 vs 9.9% in Q1FY25. This improvement was majorly due to favorable change in product and service mix.

III. BUSINESS OUTLOOK

While the first quarter of FY26 was impacted due to poor room air conditioners sales owing to unseasonal rains during summer season, it is expected that the demand will revive during the festival season. Further, our strong portfolio of B2B products and solutions comprising of, Electro-Mechanical Projects, Commercial Air Conditioning and Commercial Refrigeration should help us partly offset the shortfall during the rest of the financial year.

Aligned with our long-term vision for growth and innovation, we remain committed to strategic investments in manufacturing, R&D, and digitalization while ensuring sustainable value creation for our stakeholders.

For more information contact

Nikhil Sohoni

Blue Star Limited

Tel: 022-6654 4000

nikhilsohoni@bluestarindia.com

Snighter Albuquerque

Adfactors PR Pvt. Limited

Tel: 98191 23804

snighter.a@adfactorspr.com

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.