



November 04, 2025

To,

BSE Ltd. Listing Department, P. J. Towers, Dalal Street, Mumbai – 400 001. (Scrip Code: Equity - 544484),	National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. (Symbol: BLUESTONE, Series EQ)
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Dear Sirs/ Madam,

Sub.: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Management Commentary

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed the Management Commentary of the Company for the quarter and half year ended 30th September, 2025, the same is also available on the website of the Company i.e. <https://www.bluestone.com/investor-relations.html>

You are requested to take the above information on record

Thanking you,

Your Sincerely,

For Bluestone Jewellery and Lifestyle Limited
(Formerly known as Bluestone Jewellery and Lifestyle Private Limited)

Gaurav Singh Kushwaha
Managing Director
DIN: 01674879

Encl.: As below

BLUESTONE

BlueStone Jewellery and Lifestyle Limited
[Formerly Known as BlueStone Jewellery and Lifestyle Private Limited]

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statutorycompliance@bluestone.com www.bluestone.com CIN: L72900KA2011PLC059678
Corporate off: 302, Dhantak Plaza, Makwana Road, Marol, Andheri East, Mumbai - 400 059, Maharashtra.
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BlueStone – Q2 FY26 Management Commentary

Q: Tell us about your performance for the quarter?

A: We are pleased to report that our Q2FY26 standalone revenues stood at INR 5,131mn, up a solid 37.4% year-on-year. The operating environment remained dynamic given the movement in gold prices. Our digital-first approach continues to direct demand to our stores, while our expanding retail footprint is deepening customer access. This allowed us to grow our customer base by 31% year-on-year to over 858K.

Q: What were the key growth drivers this quarter?

A: A wider distribution reach and a pickup in festive demand in the latter half of September supported growth during the quarter. September was mixed – demand softened early in the month with rising gold prices, but festive buying stayed resilient. Same-store sales growth for Q2 FY26 stood at 11.1% year-on-year, on a high base (YoY – on account of custom duty cut in same quarter last year) and in a gold price environment that has remained elevated through most of the calendar year, with prices accelerating further in September.

Q: How do you think about your SSSG performance this quarter?

A: Given the base effect of preceding quarter last year we had anticipated moderation in SSSG for this quarter vs. our trendline growth. To quantify the base effect, our Q2FY25 SSSG was 43.8% year on year. We are seeing divergent consumer demand behaviour in the short term in response to the volatility in gold prices— as seen in the initial restraint in early September followed by resilient festive demand later in the month.

Q. How are you approaching your portfolio mix between plain gold and studded jewellery in the context of sharply rising gold prices?

A: Our product mix between plain gold and studded jewellery is largely shaped by consumer preferences, design differentiation and long-term demand patterns. In the current high gold price environment, we have observed some tactical shifts in consumer behaviour, with customers gravitating towards plain gold and seeking designs aligned with their preferred ticket sizes. However, consumers continue to look for differentiated designs across both these sets and that along with omnichannel customer experience remains the key driver for adoption and price premium that consumers are willing to pay. At a product level, our business inputs remain focused on driving design differentiation, with a balanced and diversified portfolio that caters to evolving customer needs.

Q. How has the performance been on core contribution margins?

A: Core contribution margin performance (excluding inventory gains) was steady at 31.8%, an improvement of 327 bps YoY. This is despite headwinds from lower studded mix of 62% offset by scale benefits and manufacturing efficiencies.


Q: What about the operating performance this quarter?

A: Our Adjusted EBITDA was at INR 714mn, up 1312% year-on-year with margins at 13.9% up 1,255bps from 1.4% in same quarter last year. Excluding inventory gains (which we have called out separately) also our Adjusted EBITDA was INR 553mn, margin of 10.8%, up 995% year-on year, with 943bps margin improvement over Q2FY25.

Q: What was the Pre-IndAS EBITDA for the business?

A: Pre-IndAS EBITDA (excl. inventory gain) was at INR 160mn, against a loss of INR (211)mn in the same quarter last year. The margin performance was healthy with Pre-IndAS margins at 3.1% vs. -5.6% in Q2FY25 even as we opened 19 new stores.

Q: What has driven higher A&P QoQ?

A: A&P spends continue to show improvement and operating leverage on a YoY basis and as a % of revenue are down 220bps YoY. However sequentially higher A&P spends this quarter were driven by early festive season and higher gold prices drove increased old gold exchanges and greater adoption of our attractive Big Gold Upgrade promotion. This was moderated to providing an incremental 1% in old gold value in response to the evolving operating environment.

Q. How was the reported profit performance for the quarter?

A. It's important to note that some of the reported impact on PAT comes from non-cash items. The main factors are ESOP charges and the way lease costs are accounted for under IndAS 116, which tends to show higher expenses in the early years of a store lease. Our actual cash rent payments are lower than what accounting reflects. Below is our PAT performance adjusting for these items.

Standalone Pre IND AS Non-GAAP profit / (loss):

Particulars (in INR million)	Q2 FY26	Q2 FY25	Y-o-Y Growth	H1 FY26	H1 FY25	Y-o-Y Growth
Reported Profit / (Loss) before tax	(491.1)	(844.7)	NM	(819.0)	(1,436.9)	NM
ESOP expenses	276.9	87.9	215.1%	510.8	173.2	194.9%
Net Impact of IND AS 116 (Dep. On ROU + int. on LI- rent payment)	106.4	121.3	-12.3%	215.6	186.9	15.3%
Pre IND AS profit / (loss)	(107.8)	(635.5)	NM	(92.6)	(1,076.8)	NM

Q: Can you give some colour on your inventory levels?

A: Our closing inventory for the quarter of INR 19,621mn, up 13% QoQ as we added 19 stores sequentially.

Q: How many stores does BlueStone currently operate?

A: As of Q2FY26, we have 311 stores across 127 cities adding 19 stores QoQ. We plan to add more pins on the map this year.

Q: Any store closures in the quarter?

A: No. We will report proactively when we do.

PS: We don't consider relocations in an area as closure.

**Q: What is management's take on giving guidance?**

A: We believe our efforts are best directed toward building a strong and sustainable business rather than managing to short-term forecasts. Accordingly, we do not provide quarterly or annual earnings guidance. Our focus remains on driving long-term growth, ROCE, and ROE.

That said, we are committed to maintaining transparency and will continue to share detailed commentary, operating and financial updates through our quarterly updates, so that our investors can clearly track the progress we are making.

Q: How do you think about and track profitability?

A: Given the significant growth opportunity ahead, we remain focused on striking the right balance between growth investments and profitability. Much of our investments over the past 15–24 months were frontloaded, and their productivity is starting to get visible in the metrics we track and report. We encourage looking at these metrics across two horizons. In the short term, profitability is best assessed through Adjusted EBITDA and Cash PAT. Over the medium term, core store ROCE profile of our business model at scale should reflect through at corporate level ROCE and ROE.

For the quarter ended September 2025, we reported Adjusted EBITDA of INR 714mn as against INR 51mn in Q2FY25. Cash PAT of INR 61mn vs. Cash loss of INR (536)mn in same quarter last year.

Thank you



Housekeeping Q&A

Q: Gross Margins and Contribution Margins

A:

Particulars (in INR million)	Q2 FY26	Q1 FY26	Q2 FY25
Gross margin	39.5%	41.1%	37.1%
Contribution Margin	34.9%	36.5%	28.5%
Contribution Margin (excl. inventory gains/losses)	31.8%	31.8%	28.5%

Q: Adjusted EBITDA reconciliation

A:

Particulars (in INR million)	Q2 FY26	Q1 FY26	Q2 FY25
EBITDA	427	566	-44
ESOP charge	277	234	88
Franchise commission (Opex)	9	30	7
Adjusted EBITDA	714	830	51
Adjusted EBITDA Margin	13.9%	16.8%	1.4%

Q: Rent for the quarter

A

Particulars (in INR million)	Q2 FY26	Q1 FY26	Q2 FY25
Rent payment	393	368	261

Q: Pre-IndAS EBITDA Reconciliation

A.

Particulars (in INR million)	Q2 FY26	Q1 FY26	Q2 FY25
Profit / (Loss) before tax	(491)	(328)	(845)
Finance cost	522	528	547
Depreciation and amortization expense	511	485	361
Other income	(115)	(119)	(107)
ESOP expenses	277	234	88
Franchise commission (Opex)	9	30	7
Rent payment	(393)	(368)	(261)
Post rental EBITDA	320	461	(211)
Margin %	6.2%	9.4%	-5.6%
Inventory gain / (loss)	160	228	-
Post rental EBITDA (excl. inventory gain / (loss))	160	233	(211)
Margin %	3.1%	4.7%	-5.6%

Q: Pre-IndAS Non-GAAP Profit/(Loss) Reconciliation

A:

Particulars (in INR million)	Q2 FY26	Q1 FY26	Q2 FY25
Profit / (Loss) before tax	(491)	(328)	(845)
ESOP expenses	277	234	88
Net Impact of IND AS 116 (Dep. On ROU + int. on Leases - rent payment)	106	109	121
Pre IND AS Non-GAAP profit / (Loss)	(108)	15	(636)

Q: Reconciliation to Cash PAT

A:

Particulars (in INR million)	Q2 FY26	Q1 FY26	Q2 FY25
Profit / (Loss) before tax	(491)	(328)	(845)
Depreciation and amortization expense	511	485	361
Finance cost on lease	157	151	121
ESOP expenses	277	234	88
Rent payment	(393)	(368)	(261)
Net	61	174	(536)

Q: Any inventory gains or loss?

A: Every jewellery company has exposure to gold, either through unhedged positions and/or futures contracts, where the buy/sell arbitrage contributes to inventory gains. In line with our commitment to transparency and to give investors clear visibility into the core operating performance of the business, we disclose this separately each quarter. For Q2, we reported an inventory gain of INR 160mn.

Q: Gross and net debt level at the end of the quarter

A:

Particulars (in INR million)	Q2 FY26	Q1 FY26	Q2 FY25
Gross debt	7,322	7,345	7,673
Net debt	(542)*	6,419	4,914

* includes balance lying in the public issue account

Q: Methodology for Same Store Sales Growth (SSSG)?

A: All stores that have been operational for at least 12 months are included in the SSSG calculation. The month of opening is excluded, even if the store was opened at the very beginning of that month. As a result, a store is considered for SSSG from its 13th month of operation onwards.



Annexure A – KPIs

Standalone Financial Performance Indicators

Particulars (in INR million)	Q2 FY26	Q1 FY26	Q2 FY25
Net Revenue	5,131	4,926	3,734
Net Revenue (year on year growth) (%)	37.4%	41.4%	-
Gross Profit	2,029	2,022	1,386
Gross Margin (%)	39.5%	41.1%	37.1%
EBITDA	427	566	(44)
EBITDA Margin (%)	8.3%	11.5%	-1.2%
Adjusted EBITDA	714	830	51
Adjusted EBITDA Margin (%)	13.9%	16.8%	1.4%
Restated Profit After Tax for the year / period	(491)	(328)	(845)
PAT Margin (%)	-9.6%	-6.7%	-22.6%

Particulars (in INR million)	As on 30 September 2025	As on 30 September 2024
Average Inventory	18,073	12,044
Inventory Turnover Ratio	1.11	1.20
ROCE (%) – (EBIT / (Equity + Net Debt))	-0.02%	-4.7%
ROCE (%) – (EBIT / (Equity + Gross Debt including GML))	-0.03%	-6.97%
Net Debt (without GML)	-542*	4,914
Net Debt (with GML)	-36.5	5,114
Net Debt / Equity (without GML)	-0.01	0.56
Net Debt / Equity (with GML)	-0.00	0.58

* includes balance lying in the public issue account

Other KPIs

Particulars (in INR million)	Q2 FY26	Q1 FY26	Q2 FY25
Number of stores	311	292	233
Number of cities	127	122	104
Advertising and Marketing cost	420	340	388
Advertising and Marketing cost as a percentage of revenue from operations (%)	8.2%	6.9%	10.4%

Particulars (in INR million)	Q2 FY26	Q1 FY26	Q2 FY25
No. of Customers (Life till Date)	8,58,457	8,15,910	6,57,664
Average order Value (AOV) (₹)	59,907	55,499	44,944
Studded Revenue (%)	62%	64%	67%
Same Store Sales Growth (year on year growth) (%)	11.1%	18.4%	NA

Consolidated Financial Performance Indicators

Particulars (in INR million)	Q2 FY26	Q1 FY26	Q2 FY25
Net Revenue	5,136	4,927	3,734
Net Revenue (year on year growth) (%)	37.6%	41.5%	-
Gross Profit	2,049	2,059	1,386
Gross Margin (%)	39.9%	41.8%	37.1%
EBITDA	417	558	(44)
EBITDA Margin (%)	8.1%	11.3%	-1.2%
Adjusted EBITDA	688	811	51
Adjusted EBITDA Margin (%)	13.4%	16.5%	1.4%
Restated Profit After Tax for the year / period	(521)	(347)	(845)
PAT Margin (%)	-10.1%	-7.1%	-22.6%

Particulars (in INR million)	As on 30 September 2025	As on 30 September 2024
Average Inventory	18,099	12,044
Inventory Turnover Ratio	1.11	1.20
ROCE (%)	-0.3%	-4.7%
Net Debt	-624*	4,914
Net Debt / Equity	-0.04	0.56

*includes balance lying in the public issue account

Annexure B – Standalone Financial Details (DataBook)

Employee Benefit Expense Schedule (in INR million)

Particulars	Q2 FY26	Q1 FY26	Q2 FY25
Employee cost	437	390	364
Expense on employee stock option scheme	277	234	88
Total employee benefits expense	714	624	452

Depreciation and Amortisation Schedule (in INR million)

Particulars	Q2 FY26	Q1 FY26	Q2 FY25
Depreciation of property, plant and equipment	166	155	98
Amortization of other intangible assets	4	4	1
Depreciation of right to use assets	342	326	261
Total depreciation and amortization expense	511	485	361

Finance Costs Schedule (in INR million)

Particulars	Q2 FY26	Q1 FY26	Q2 FY25
Interest and others	267	276	304
Interest on Franchisee deposit	98	100	122
Interest on lease liabilities	157	151	121
Total finance costs	522	528	547

Glossary of Terms

Term	Description
A&P	Advertising expense plus selling or promotional expenses.
Adjusted EBITDA	EBITDA plus ESOP charge plus franchisee commission as part of opex. Franchisee commission includes minimum guarantee on the franchisee deposits and the margin paid to the Franchisees over and above the minimum guarantee (forms part of brokerage and commission in our Restated Financial Information).
Average Inventory	Average of the sum of opening inventory plus closing inventory.
Average Order Value or AOV	Average Order Value (AOV) measures the average amount of revenue generated per customer order
Capital Employed	Total equity plus non-current borrowings plus current borrowings (including gold metal loan).
Cash PAT	Cash profit after payment of expenses – depreciation, interests, ESOP expenses, rent payment
Contribution Margin	Margin after deducting direct costs from gross profit
EBITDA	EBITDA is calculated as loss before tax less other income plus depreciation and amortization expense plus finance cost plus fair value through profit or loss (one-time loss in Fiscal 2022).
EBITDA Margin	EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations
Gross Debt	Non-current borrowings plus current borrowings
Gross Margin	Gross Margin is calculated as gross profit divided by revenues from operations
Gross Profit	Gross Profit is calculated as revenue from operations less cost of raw materials consumed plus change in inventory.
Inventory Turnover Ratio	Inventory Turnover Ratio is calculated as the annualized revenue from operations divided by the average inventory for the period (calculated as the average between the opening and closing inventory for the period)
Net Debt (without GML)	Gross Debt excluding GML less cash and bank balances
Net Debt / Equity (without GML)	Net debt without GML divided by total equity
Net Debt (with GML)	Gross Debt excluding Cash and Bank Balances (including all unrestricted bank deposits, and deposits for Gold Metal Loan)
Net Debt / Equity (with GML)	Net debt with GML divided by total equity
Number of customers	Number of customers refers to the total count of unique customers who have made and retained a purchase till date
PAT	Profit after tax
PAT Margin	Profit after tax as a percentage of revenue from operations.
Pre-IndAS EBITDA	EBITDA calculated removing the impact of IndAS accounting
Return on Capital Employed or ROCE	EBIT divided by sum of Equity and Net Debt where EBIT is calculated as profit/loss before tax less other income plus finance cost
Same Store Sales Growth (SSSG)	Same Store Sales Growth represents the period-over-period percentage change in net revenue from operations of all stores which are operational for more than 12 months for the reported Fiscal.
Studded Revenue	Studded Revenue refers to the revenue generated through the sale of Studded Jewellery. Studded jewellery refers to jewellery pieces that prominently feature gemstones or precious stones. These stones, such as diamonds, rubies, etc., are set into jewellery to add colour and value. <i>(Source: RedSeer Report)</i>