

PRESS RELEASE

Blue Star posts modest growth in Consolidated Revenue and Operating Profit

In Q3FY26, the Company delivered moderate revenue growth despite market challenges. The Room ACs business recorded modest growth, primarily driven by channel partners building inventory ahead of the mandatory energy-label transition effective January 1, 2026.

Consolidated Financial Performance for Q3FY26

- The Company's Revenue from Operations increased by 4.2% to Rs 2925.31 crores for the quarter ended December 31, 2025, as compared to Rs 2807.36 crores during the same period in the previous year.
- The Operating Profit (PBIDTA excluding Other Income) for the quarter increased by 5.4% to Rs 220.72 crores (7.5% of Revenue) as compared to Rs 209.38 crores (7.5% of revenue) in Q3FY25.
- Other Income, including income from treasury investments for the quarter was Rs 11.88 crores as compared to Rs 8.73 crores in Q3FY25.
- Tax expense for the quarter was Rs 27.07 crores as compared to Rs 46.53 crores in Q3FY25.
- Profit Before Tax (before share of Profit/(Loss) of JV and exceptional items) was marginally lower at Rs 164.66 crores in the quarter as compared to Rs 167.20 crores in Q3FY25.
- On November 21, 2025, the Government of India notified four Labour Codes,

consolidating 29 existing labour laws, followed by the issuance of draft Central Rules and FAQs by the Ministry of Labour & Employment to assess the financial impact. As required by the ICAI guidance note, the Company has recognised the incremental impact of Gratuity and Leave Encashment amounting to Rs 56.35 crores on an estimated basis. The provision will be reviewed again in March 2026, by which time more clarity is expected on the rules, definition of wages and coverage of employees. 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.

- Consequent to the above Exceptional Item, Net Profit for the quarter was Rs 80.55 crores as compared to Rs 132.46 crores in Q3FY25.
- Earnings per share (Face value of Rs 2.00) for Q3FY26 stood at Rs 3.92 as compared to Rs 6.44 for Q3FY25.
- Carried-forward order book as of December 31, 2025, stood at Rs 6898.74 crores, as compared to Rs 6810.00 crores as of December 31, 2024.
- Capital Employed as of December 31, 2025, increased to Rs 3550.51 crores as compared to Rs 2763.44 crores as of December 31, 2024.
- Net Borrowings were at Rs 352 crores as on December 31, 2025, as compared to a Net Cash Position of Rs 102 crores as of December 31, 2024.

Consolidated Segment Performance for Q3FY26

- Revenue of Segment 1, comprising Electro-Mechanical Projects, Commercial Air Conditioning Systems, Service and International Business, grew by 8.6% to Rs 1696.21 crores in Q3FY26, as compared to Rs 1562.41 crores in Q3FY25. The Segment Result stood at Rs 114.66 crores (6.8% of Revenue) in Q3FY26 as compared to Rs 118.73 crores (7.6% of Revenue) in Q3FY25. During the quarter, the Electro-Mechanical Projects business saw healthy momentum in enquiries from buildings, data centres, and factories, with a few large order finalisations deferred to the next quarter. Hospitals and malls, including in Tier-3 cities, continued to demonstrate strong growth potential,

supporting a favourable medium-term outlook. Commercial office demand remains healthy in select pockets. As a few infrastructure projects approach closure, the segment margins are likely to get impacted as the profitability of infrastructure project vertical is lower than the other verticals of the Electro-Mechanical Projects business. The Commercial Air Conditioning business recorded strong order bookings. However, due to some product deliveries shifting to the next quarter, revenue growth during this quarter was subdued. Despite tariff related uncertainties in International Business, the Company's foray into US and Europe is progressing well.

- Revenue for the Unitary Products Segment, comprising Room Air Conditioners and Commercial Refrigeration, was Rs 1154.22 crores in Q3FY26, as compared to Rs 1164.36 crores in Q3FY25. The Segment Result stood at Rs 97.65 crores (8.5% of Revenue) in Q3FY26, as compared to Rs 94.78 crores (8.1% of Revenue) in Q3FY25. The Segment witnessed revival of growth in Room Air Conditioners Business on account of channel partners building inventory ahead of the energy-label change effective January 1, 2026. The production of new range of products as per the new energy-label norms has begun and the Company is preparing for the upcoming summer season. During this quarter, growth for Commercial Refrigeration business remained muted.
- The Professional Electronics and Industrial Systems segment revenue declined by 7.1% to Rs 74.88 crores in Q3FY26, as compared to Rs 80.59 crores in Q3FY25. Segment Result stood at Rs 6.83 crores (9.1% of Revenue) in Q3FY26, as compared to Rs 6.20 crores (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, resulting in the slowdown of the business.

Consolidated Financial Performance for the 9-months ended December 31, 2025

- For the 9-months ended December 31, 2025, the Company reported Revenue from Operations of Rs 8329.93 crores compared to Rs 7948.69 crores over the same period in the previous year, recording a growth of 4.8%.
- Operating Profit (PBIDTA excluding Other Income) was Rs 604.14 crores (7.3% of Revenue) compared to Rs 596.52 crores (7.5% of Revenue) during the same period last

year, reflecting a growth of 1.3%.

- Net Profit was Rs 300.15 crores compared to Rs 397.28 crores during the same period in the previous year, representing a decline of 24.4%.

Outlook

Vir S. Advani, Chairman & Managing Director, Blue Star Limited, adds, "The first three quarters of the current fiscal year were challenging, but the signs of market revival are encouraging. The Company expects Q4FY26 to be a strong quarter for Room ACs, Commercial Air Conditioning and Commercial Refrigeration businesses. In anticipation of robust growth in FY27, the Company is continuing to expand distribution and invest in R&D, manufacturing, digitalisation and the brand, while introducing cost optimisation and productivity improvement measures. We are hopeful that Q4FY26 will be an encouraging quarter."

Place: Mumbai

Date: January 29, 2026

*For additional information, please contact Girish Hingorani, Vice President – Marketing (Unitary Cooling Products Group) & Corporate Communications, Blue Star Limited.
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