

PRESS RELEASE

Blue Star's Revenue grows by 3.6% to Rs 12,402 crores and PBIDTA excluding Other Income grows by 6.2% to Rs 930 crores in FY26 despite a challenging year; registers Net Profit of Rs 527 crores

Blue Star registered 3.6% revenue growth in FY26 despite multiple headwinds impacting the businesses. The Room AC business was adversely impacted during the summer of 2025 due to unseasonal rains. But the demand for Room Air Conditioners picked up towards the end of the year, helping the Company record its highest ever quarterly revenue in Q4FY26. Further, growth in the Projects, Commercial Air Conditioning and International Business helped offset external challenges and contributed to the Company's overall performance for the year.

Consolidated Financial Performance for Q4FY26

- The Company's Revenue from Operations grew by 1.3% to Rs 4072.06 crores for the quarter ended March 31, 2026, compared to Rs 4018.96 crores during the same period in the previous year.
- The Operating Profit (PBIDTA excluding Other Income) for the quarter grew by 16.8% to Rs 326.25 crores (8.0% of Revenue) in Q4FY26 compared to Rs 279.40 crores in Q4FY25 (7.0% of Revenue).
- Pursuant to the notification of Labour Codes and as required by the ICAI Guidance Note, the Company had, on an estimated basis, recognised the incremental impact of Gratuity and Leave Encashment amounting to Rs 56.35 crores for the period ended on December 31, 2025, and this was shown as an Exceptional Item. In the current quarter, the liability was reassessed and finalised at Rs 38.83 crores and accordingly provision of Rs 17.52 crores has been reversed in Q4FY26.

- Finance costs for the quarter increased to Rs 23.06 crores as compared to Rs 18.75 crores for Q4FY25.
- Other Income, including treasury income, for Q4FY26 was Rs 23.95 crores compared to Rs 23.99 crores in Q4FY25.
- Tax expense for the quarter was Rs 72.91 crores, as compared to Rs 54.82 crores in Q4FY25.
- Consequently, Profit (before share of Profit/Loss of JV and exceptional items) grew by 11.9% to Rs 278.92 crores in Q4FY26 compared to Rs 249.22 crores in Q4FY25.
- Net Profit for the quarter was Rs 227.18 crores compared to Rs 194.00 crores in Q4FY25 representing a growth of 17.1%.

Consolidated Financial Performance for FY26

- The Company's Revenue from Operations increased to Rs 12401.99 crores for the year ended March 31, 2026, as compared to Rs 11967.65 crores for the year ended March 31, 2025, representing a growth of 3.6%.
- Operating Profit (PBIDTA excluding Other Income) for the year grew by 6.2% to Rs 930.41 crores (7.5% of revenue) compared to Rs 875.92 crores (7.3% of revenue) in FY25, mainly owing to the Company's overall focus on cost management.
- Profit Before Exceptional Items & Tax declined by 3.9% to Rs 741.94 crores in FY26 compared to Rs 772.42 crores in FY25.
- Pursuant to the notification of Labour Codes and as required by the ICAI Guidance Note, the Company has recognised the incremental impact of Gratuity and Leave Encashment amounting to Rs 38.83 crores. This non-recurring item is shown as an Exceptional Item in the consolidated Statement of Profit and Loss for the year ended March 31, 2026.
- Net Profit for the year declined to Rs 527.33 crores (4.3% of the revenue) compared to Rs 591.28 crores (4.9% of revenue) in FY25.

- Other Income, including treasury income, for FY26 decreased by 17.5% to Rs 61.91 crores compared to Rs 75.00 crores in FY25, as the average cash surplus levels during the current year were lower than the previous year.
- Net cash balance as of March 31, 2026, was Rs 175.45 crores compared to a net cash balance of Rs 640.35 crores as of March 31, 2025.
- Finance cost for FY26 was Rs 72.14 crores compared to Rs 48.80 crores in FY25, mainly due to higher borrowing levels to support working capital requirements during the year.
- Capital Employed as of March 31, 2026, increased to Rs 3258.41 crores as compared to Rs 2427.28 crores as of March 31, 2025.
- Tax expense for FY26 was Rs 175.78 crores as compared to Rs 193.65 crores in FY25. The effective tax rate was 25% for FY26 as compared to 24.7% in FY25.
- Earnings per share for the year (face value of Rs 2) was Rs 25.65 vis-à-vis Rs 28.76 in the previous year.
- Carried Forward Order Book as of March 31, 2026, grew by 10.5% to Rs 6923.00 crores, compared to Rs 6263.36 crores as of March 31, 2025.

Consolidated Segment Performance for FY26

- Revenue from the Electro-Mechanical Projects and Commercial Air Conditioning Systems segment grew by 12.8% to Rs 6762.80 crores in FY26 compared to Rs 5997.99 crores in FY25. The Segment Result for FY26 grew to Rs 501.91 crores (7.4% of Revenue) compared to Rs 490.88 crores (8.2% of Revenue) in FY25. The Electro-Mechanical Projects business delivered a steady revenue performance, supported by demand from buildings, data centres, and factories. The Commercial Air Conditioning business also maintained steady momentum, supported by enhanced offtake from government, industrial, and retail segments. However, traction from the office, education, and IT sectors remained subdued during Q4FY26. Revenue growth in ducted systems and chillers remained robust during the year, and VRF systems demonstrated steady progress. The margins for this segment were influenced by composition of businesses within this segment.

- Unitary Products revenue declined by 5.1% to Rs 5332.36 crores in FY26 compared to Rs 5621.11 crores in FY25. Consequently, the Segment Result stood at Rs 434.82 crores (8.2% of Revenue) in FY26 compared to Rs 471.26 crores (8.4% of Revenue) in FY25. Due to early onset of monsoon and an overall mild summer, the Room Air Conditioners business was highly impacted in Q1FY26. However, there was healthy demand during Q4FY26, driven by enhanced primary offtake in March and channel stocking across all regions ahead of the summer. The Company also launched a wide new range of Room ACs in Q4FY26, complying with the new BEE norms which came into effect from January 1, 2026. The range includes a premium flagship series, covering all consumer segments and price points. Cost rationalisation measures taken throughout the year and deferment of certain discretionary costs resulted in improved margins for the quarter. In the Commercial Refrigeration business, muted demand from the frozen food and QSR segments kept the deep freezers and cold rooms market largely stagnant during the year. Meanwhile, storage water coolers delivered double-digit growth, driven by government and corporate sectors.
- The revenue of the Professional Electronics and Industrial Systems business declined by 12.0% to Rs 306.83 crores in FY26 as compared to Rs 348.55 crores in FY25. The Segment Result stood at Rs 34.89 crores (11.4% of Revenue) in FY26 compared to Rs 29.72 crores (8.5% of Revenue) in FY25. Uncertainty surrounding the regulatory policy framework for the Med-Tech Solutions business persisted during the year, leading to a moderation in performance. Meanwhile, the Industrial Solutions business continued to deliver strong growth, driven by the automotive and steel sectors, while the Data Security Solutions business maintained steady performance.

Dividend

The Board of Directors has recommended a dividend of Rs 8.5 per equity share of face value of Rs 2 each for FY26 (FY25: Rs 9 per equity share).

Outlook

Vir S. Advani, Chairman & Managing Director, Blue Star Limited adds, "FY26 was a challenging year shaped by multiple external factors but it concluded on a positive note. The onset of summer from mid-April 2026 has led to a steady pickup in consumer sales of Room ACs, indicating improving market momentum for FY27. The Electro-Mechanical Projects and Commercial Air Conditioning segments are expected to sustain their growth trajectory, supported by demand from the manufacturing and data centre sectors. However, rising input and commodity costs along with volatile exchange rates may present some challenges in managing margins. Further, the ongoing Middle East crisis may lead to supply chain disruptions and could dampen growth. Overall, we remain cautiously optimistic about the outlook for FY27, while continuing to take a balanced approach and strengthen operational efficiencies to navigate the evolving business environment."

Place: Mumbai

Date: May 6, 2026

For additional information, please contact Girish Hingorani, Vice President – Marketing (Unitary Cooling Products Group) & Corporate Communications, Blue Star Limited. Email: girishhingorani@bluestarindia.com Tel: +91 22 66684000/ +91 9820415919