September 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)**

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 ended 30th June, 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
Digitally signed by Gaurav Singh Kushwaha
Date: 2025.09.04 16:00:26 +05'30'

Gaurav Singh Kushwaha
Managing Director
DIN: 01674879

Encl.: As above

BlueStone – Q1 FY26 Management Commentary

Q: Tell us about your performance for the quarter?
A: Our omni-channel strategy continues to shine, even against the backdrop of significant upmove in gold prices during the quarter. We closed Q1 with standalone revenues of INR 4,926mn, up a 41.4% year-on-year. Our digital-first approach continues to serve as a strong demand funnel for our stores, while our expanding retail footprint is deepening customer access. This allowed us to grow our customer base by 34.4% year-on-year to 816K. Importantly, we have also maintained strong unit economics and disciplined cost management, ensuring that topline growth translates effectively into operating profitability.

Q: What were the key growth drivers this quarter?
A: Growth was broad-based with new store openings and same-store sales growth contributing to growth. Same-store sales growth in Q1 FY26 stood at 18.4% year-on-year, reflecting healthy customer demand and store productivity in an elevated gold price environment that has persisted for better part of this calendar year. We kept adding new customers, with the base growing 34.4% year-on-year.

Q: You had given data on revenue per store performance of older cohorts in FY24 in RHP, how did they do in FY25?
A: The performance of our older cohorts (FY19-FY20) remained robust. In FY25, they delivered around INR 120 million per store per annum, reflecting a solid 20% same-store sales growth over FY24. The consistency of these cohorts reinforces the strength of our customer franchise, the relevance of our product portfolio, and the scalability of our omni-channel model.

Q: What about the operating performance this quarter?
A: Our Adjusted EBITDA was at INR 830mn, up 630% year-on-year with margins at 16.8% sharp improvement from 3.3% in same quarter last year. Excluding inventory gains (which we have called out separately) also our Adjusted EBITDA was INR 602mn, margin of 12.2%, up 429% year-on year, with 895bps margin improvement over Q1FY25.

Q: What was the Pre-IndAS EBITDA for the business?
A: Pre-IndAS EBITDA (excl. inventory gain) was at INR 233mn, against a loss of INR (121)mn in the same quarter last year. The margin performance was healthy with Pre-IndAS margins at 4.7% vs. -3.5% in Q1FY25 and 1% in FY25. This quarter performance surpasses the Pre-IndAS EBITDA for the whole of FY25, underscoring the strong embedded operating leverage in the business.

Q: The YoY operating margin improvement has been substantial; can you double click on what's driving that?
A: The improvement was led by operating leverage as scale benefits flowed through, particularly in A&P and corporate costs. Manufacturing efficiencies further supported contribution margins. What makes this performance more encouraging is that it came despite a moderation in studded mix (around 64%), as customers leaned towards plain gold in the backdrop of elevated gold prices.

Q: Okay, so how did you perform on contribution margins then?
A: Our contribution margins (excluding inventory gains) stood at 31.8%, an improvement of 131 bps YoY. This expansion was primarily driven by the scaling of our new manufacturing facilities opened in FY25, which are improving manned capacity utilization and delivering process efficiencies.

Q: The fall in A&P as % of revenue is significant from FY25 levels, how do we read this?
A: At a fundamental level, both A&P and corporate costs have fair amount of operating leverage. This has begun to get demonstrated with expanding revenue base. While for FY25 our A&P was 9.0% of revenues on a full-year basis, we kept getting better on quarterly exit rates and this continues to reflect in Q1FY26 performance. Key drivers – a) Revenue scale benefits, b) Rising share of repeat revenues (stood at 50.7% in Q1FY26 vs. 43.2% same quarter last year), c) Old gold upgrade scheme plan saw downward revision in our carat upgrade offer late last year reducing promotion expenses. Right now, we feel comfortable being in the vicinity of these levels.

Q. Reported PAT loss has come down significantly but why is this still negative?
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. In reality, our actual cash rent payments are lower than what accounting reflects. Since we have been opening many new stores in recent years, these effects were more visible. However, as the business has grown strongly through the year, the impact moderates, and profitability improved significantly quarter on quarter. Below is our PAT performance excluding these items.

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

Particulars (in INR million)	Q1 FY26	Q1 FY25	Y-o-Y Growth	Q4 FY25	Q-o-Q growth
Reported Profit / (Loss) before tax	(327.9)	(592.2)	NM	(486.4)	NM
ESOP expenses	233.9	85.3	174.1%	148.5	57.5%
Net Impact of IND AS 116 (Dep. On ROU + int. on LI - rent payment)	109.2	65.6	66.4%	110.0	-0.8%
Pre IND AS profit / (loss)	**15.2**	**(441.3)**	**NM**	**(227.8)**	**NM**

Q: Can you give some colour on your inventory levels?
A: Our closing inventory for the quarter of INR 17,427mn, change of INR 901mn largely a reflection of new stores that we added in the quarter.

Q: How many stores does BlueStone currently operate?
A: As of Q1-end, we have 292 stores across 122 cities adding 17 stores QoQ. And yes, more pins are going 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: Okay, if you aren't giving any guidance – Please tell us how Q2FY26 has been trending since we are already 2 months into the quarter?

A: We'll make an exception (one-time) here to provide some flavour — Q2 so far has been trending ahead of the May–June monthly exit rates of Q1 (April-25 was Akshay Tritiya so not a LFL comp), driven by continued strength across our omni-channel platform. It is worth noting that Q2 revenues last year benefited from a customs duty cut which had released some pent-up demand; that said, this year the festive season begins earlier, in September versus October last year, which should support demand as the quarter progresses. On balance, the quarter is shaping up well so far even as we keep an eye on gold prices

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 June 2025, we reported Adjusted EBITDA of INR 830mn as against INR 114mn in Q1FY25. Cash PAT of INR 174mn vs. Cash loss of INR (360)mn in same quarter last year.

Q: What is the split between online and offline revenue?

A: We don't look at our business through the lens of channel-level invoicing, because our model is truly omni-channel. A large part of consumer behaviour today is non-linear — many customers start their journey browsing and shortlisting products online and then choose to complete the purchase online or offline at our stores. Our digital presence acts as a powerful demand funnel, driving both store walk-ins and conversions. Similarly, our stores enhance trust and brand discovery, which in turn feeds back into higher online engagement. What matters to us is the overall consumer lifecycle and experience across channels, rather than where the final invoice gets booked.

Q: Any update on your subsidiary?

A: It's still early days. This is a greenfield business where we completed our investment only earlier this calendar year. We're pleased to report that it became operational in Q1, and we'll provide further updates later this year once there is more meaningful progress to report.

Q: Any impact of US Tariffs on India?
A: We have no exports and thus are not directly impacted by US tariffs on India.

Thank you

Housekeeping Q&A

Q: Gross Margins and Contribution Margins

A:

Particulars (in INR million)	Q1 FY26	Q4 FY25	Q1 FY25
Gross margin	41.1%	38.6%	39.2%
Contribution Margin	36.5%	32.1%	30.5%

Q: Adjusted EBITDA reconciliation

A:

Particulars (in INR million)	Q1 FY26	Q4 FY25	Q1 FY25
EBITDA	566	279	20
ESOP charge	234	149	85
Franchise commission (Opex)	30	2	8
Adjusted EBITDA	**830**	**430**	**114**
Adjusted EBITDA Margin	**16.8%**	**9.3%**	**3.3%**

Q: Rent for the quarter

A

Particulars (in INR million)	Q1 FY26	Q4 FY25	Q1 FY25
Rent payment	368	336	234

Q: Pre-IndAS EBITDA Reconciliation

A.

Particulars (in INR million)	Q1 FY26	Q4 FY25	Q1 FY25
Profit / (Loss) before tax	(328)	(486)	(592)
Finance cost	528	545	457
Depreciation and amortization expense	485	449	265
Other income	(119)	(228)	(109)
ESOP expenses	234	149	85
Franchise commission (Opex)	30	2	8
Rent payment	(368)	(336)	(234)
Post rental EBITDA	**461**	**94**	**(121)**
Margin %	**9.4%**	**2.0%**	**-3.5%**
Inventory gain / (loss)	228	-	-
Post rental EBITDA (excl. inventory (gain) / loss)	**233**	**94**	**(121)**
Margin %	**4.7%**	**2.0%**	**-3.5%**

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

A.

Particulars (in INR million)	Q1 FY26	Q4 FY25	Q1 FY25
Profit / (Loss) before tax	(328)	(486)	(592)
ESOP expenses	234	149	85
Net Impact of IND AS 116 (Dep. On ROU + int. on Leases - rent payment)	109	110	66
Pre IND AS Non-GAAP profit / (Loss)	**15**	**(228)**	**(441)**

Q: Reconciliation to Cash PAT

A:

Particulars (in INR million)	Q1 FY26	Q4 FY25	Q1 FY25
Profit / (Loss) before tax	(328)	(486)	(592)
Depreciation and amortization expense	485	449	265
Finance cost on lease	151	143	116
ESOP expenses	234	149	85
Rent payment	(368)	(336)	(234)
Net	**174**	**(82)**	**(360)**

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 will disclose this separately each quarter. For Q1, we reported an inventory gain of INR 228mn.

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

A:

Particulars (in INR million)	Q1 FY26	Q4 FY25	Q1 FY25
Gross debt	7,345	7,286	7,150
Net debt	6,419	6,171	7,124

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)	Q1 FY26	Q4 FY25	Q1 FY25
Net Revenue	4,926	4,613	3,482
Net Revenue (year on year growth) (%)	41.4%	-	-
Gross Profit	2,022	1,780	1,367
Gross Margin (%)	41.1%	38.6%	39.2%
EBITDA	566	279	20
EBITDA Margin (%)	11.5%	6.0%	0.6%
Adjusted EBITDA	830	430	114
Adjusted EBITDA Margin (%)	16.8%	9.3%	3.3%
Restated Profit After Tax for the year / period	(328)	(486)	(592)
PAT Margin (%)	-6.7%	-10.5%	-17.0%
Average Inventory	14,783	13,219	NA

Other KPIs

Particulars (in INR million)	Q1 FY26	Q4 FY25	Q1 FY25
Number of stores	292	275	203
Number of cities	122	117	86
Advertising and Marketing cost	340	371	424
Advertising and Marketing cost as a percentage of revenue from operations (%)	6.9%	8.0%	12.2%

Particulars (in INR million)	Q1 FY26	Q4 FY25	Q1 FY25
No. of Customers (Life till Date)	8,15,910	7,71,845	6,06,891
Average order Value (AOV) (₹)	55,499	48,688	45,084
Studded Revenue (%)	64%	69%	68%

Consolidated Financial Performance Indicators

Particulars (in INR million)	Q1 FY26	Q4 FY25	Q1 FY25
Net Revenue	4,927	4,613	3,482
Net Revenue (year on year growth) (%)	41.5%	-	-
Gross Profit	2,059	1,780	1,367
Gross Margin (%)	41.8%	38.6%	39.2%
EBITDA	547	251	20
EBITDA Margin (%)	11.1%	5.4%	0.6%
Adjusted EBITDA	811	402	114
Adjusted EBITDA Margin (%)	16.5%	8.7%	3.3%
Restated Profit After Tax for the year / period	(347)	(513)	(592)
PAT Margin (%)	-7.1%	-11.1%	-17.0%
Average Inventory	14,783	13,219	NA

Annexure B – Standalone Financial Details (DataBook)

Employee Benefit Expense Schedule (in INR million)

Particulars	Q1 FY26	Q4 FY25	Q1 FY25
Employee cost	390	409	332
Expense on employee stock option scheme	234	149	85
Total employee benefits expense	**624**	**558**	**417**

Depreciation and Amortisation Schedule (in INR million)

Particulars	Q1 FY26	Q4 FY25	Q1 FY25
Depreciation of property, plant and equipment	155	145	81
Amortization of other intangible assets	4	1	1
Depreciation of right to use assets	326	303	183
Total depreciation and amortization expense	**485**	**449**	**265**

Finance Costs Schedule (in INR million)

Particulars	Q1 FY26	Q4 FY25	Q1 FY25
Interest and others	276	283	220
Interest on Franchisee deposit	100	118	120
Interest on lease liabilities	151	143	116
Total finance costs	**528**	**545**	**457**

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 refers to the average ticket size for peers.
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 revenue from operations divided by the average inventory for the year (calculated as the average between the opening and closing inventory for the year).
Net Debt	Gross Debt excluding GML less cash and bank balances.
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
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. *(Source: RedSeer Report)*