

Market Cap.
Rs. 15,958 Cr.
52 Week H/L
Rs. 595/367
CMP
Rs. 434
Target Price
Rs. 620

FMCG

STOCK DATA

BUY
Reuters Code JYOI.BO
Bloomberg Code JYL IN

BSE Code 532926
NSE Symbol JYOTHYLAB

Face Value Rs.1

Shares Outstanding 36.7 Cr.

Avg. Daily Volume (6m) 1,039,158 Shares

Price Performance (%)

1M	3M	6M
(16)	(21)	(4)

200 days EMA Rs.481

SHARE HOLDING (%)

Promoters 62.9

FII 15.1

FI / MF 15.1

Bodies Corporate 0.2

Public & Others 6.7

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Jyothy Labs Ltd has recently announced its performance for the quarter ended Sept 30, 2024. Following are the key financial highlights:

Particulars	Q2FY25	Q2FY24	YoY	Q1FY25	QoQ
Net Sales	746.3	755.5	(1.2%)	745.6	0.1%
EBITDA	151.0	147.2	2.6%	148.6	1.6%
EBITDA Margin	20.2%	19.5%	70 bps	19.9%	30 bps
Profit (loss) before Tax	135.7	132.3	2.6%	135.1	0.5%
Profit (loss) after Tax	105.0	101.7	3.2%	104.0	0.9%
PAT Margin	14.1%	13.5%	60 bps	13.9%	20 bps
EPS	2.86	2.77	3.2%	2.84	0.7%

Highlights from the Quarter (Q2FY25):

Jyothy Labs Ltd (JLL) reported a flat quarterly net revenue of Rs.746.3cr for Q2FY25, marginally lower by 1.2% YoY and flat on a QoQ basis. The company reported an EBITDA of Rs.151.0cr for the quarter vs Rs.148.6cr for the same quarter in the previous year, and Rs.147.2cr in the preceding quarter. Subsequently, the company posted a net profit of Rs.105.0cr for the quarter.

The company observed a 0.2% value growth and 3% volume growth this quarter against a base of 11% value growth in the same period last year. This variance between value and volume growth is primarily due to increased grammages and price cuts for certain SKU's.

JLL has roped in Vidya Balan as the new brand ambassador for Ujala Supreme. The Ujala Crisp & Shine campaign, featuring Nayanthara, is doing well in the Southern markets. In Kerala, Ujala IDD detergent powder gained a market share of 23.9% in the quarter, thanks to a multimedia campaign featuring celebrity Manju Warriar. Additionally, the company has launched exclusive liquid detergent packs for the Henko brand and are continuing to actively sample in target markets.

According to the management, the EBITDA margin expansion for the quarter implies enhanced operational efficiency. The company's 7% volume growth at the half-year mark demonstrates that its strategy and activities can sustain growth. Their brand's increasing market share demonstrates their strong consumer trust. JLL's future strategy includes increasing the distribution network in rural markets and establishing direct retail presence.

OUTLOOK AND VALUATION

Jyothy Labs Ltd posted a flat quarter in terms of revenue numbers. However, on the back of improved EBITDA margins and increased distribution network, the management remains confident of improved growth and margins in the second half of the financial year. Therefore, we expect FY26E revenue at Rs.3821.6cr, EBITDA of Rs.718.5cr at an EBITDA margin of 16.1% and PAT of Rs.256.7 cr. We estimate FY26E EPS at Rs.18.1, and assign a PE multiple of 40x, maintaining the target price of Rs.620 (upside ~43.6%) from the current market price of Rs.434. We maintain our BUY Rating for Jyothy Labs Ltd over an investment horizon of 24-30 months.

Y/E Mar	Revenue (Rs. Cr)	EBITDA (Rs. Cr)	EBITDA Margin (%)	PAT (Rs. Cr)	NPM (%)	EPS (Rs.)	P/E (x)	P/S (x)	P/BV (x)
FY24	2,756.9	479.8	17.4%	369.3	13.4%	10.1	43.0	5.8	8.8
FY25 E	3,074.0	531.8	17.3%	416.1	13.5%	11.3	38.1	5.2	7.7
FY26 E	3,427.5	613.5	17.9%	485.2	14.2%	13.2	32.7	4.6	6.8
FY27 E	3,821.6	718.5	18.8%	569.4	14.9%	15.5	27.9	4.2	5.9



Earlier Recommendation

Date	Report Type	Reco	Price (Rs.)	Target (Rs.)
12-July-24	Initiating Coverage	Buy	488	620

PROFIT & LOSS STATEMENT

(Rs. Cr.)

Y/E Mar.	FY24	FY25E	FY26E	FY27E
Revenue	2,757	3,074	3,427	3,822
Raw Material Cost	1404	1519	1686	1869
Employee Cost	301	320	360	401
Other Expenses	573	704	768	833
EBITDA	480	532	614	718
<i>EBITDA Margin (%)</i>	<i>17.4%</i>	<i>17.3%</i>	<i>17.9%</i>	<i>18.8%</i>
Depreciation	50	54	55	59
EBIT	430	478	559	659
<i>EBIT Margin (%)</i>	<i>15.6%</i>	<i>15.5%</i>	<i>16.3%</i>	<i>17.3%</i>
Finance Costs	5	4	2	1
Other Income	0	0	0	0
Profit before Tax	479	533	622	730
Tax Expense	110	117	137	161
Net Profit	369	416	485	569
<i>Net Margin (%)</i>	<i>13.4%</i>	<i>13.5%</i>	<i>14.2%</i>	<i>14.9%</i>
A-EPS	10.1	11.3	13.2	15.5

BALANCE SHEET

(Rs.Cr.)

Y/E Mar.	FY24	FY25E	FY26E	FY27E
PP&E (incl. CWIP+intangibles)	306	345	342	342
Right of Use Assets / Investment Property	47	47	47	47
Other Non-Current	909	920	933	948
Inventories	284	320	356	394
Trade Receivables	201	236	272	304
Cash Balance	84	116	209	291
Bank Balance	82	122	196	323
Other Current Assets	488	565	631	705
Total Assets	2,401	2,671	2,985	3,354
Equity Share Capital	37	37	37	37
Reserves & Surplus	1,772	2,019	2,293	2,630
Borrowings (LT)	-	-	-	-
Other Non-Current Liabilities	111	115	115	115
Trade Payables	276	287	314	338
Other Financial Liabilities	34	31	31	31
Current Borrowings	-	-	-	-
Other Current Tax Liab & Provisions	172	183	196	205
Total Liabilities	2,401	2,671	2,985	3,354

Source: Company, Sushil Finance Research

CASH FLOW STATEMENT
(Rs. Cr)

Y/E Mar.	FY24	FY25E	FY26E	FY27E
PBT	479	533	622	730
Depreciation	50	54	55	59
Interest	5	4	2	1
CFO before Working Cap chg	534	591	679	790
Chg in Inventories	18	(37)	(35)	(38)
Chg in Trade Receivables	(64)	(34)	(37)	(31)
Chg in Trade Payables	62	11	27	24
Chg in Current Assets & Liabilities	42	74	100	100
Income Taxes Paid	(110)	(117)	(137)	(161)
Cash Flow from Operations	482	487	596	683
Interest Paid	(5)	(4)	(2)	(1)
Dividend Paid	(127)	(169)	(211)	(232)
Other Adjustments	15	(85)	(93)	(99)
Cash Flow from Financing	(116)	(257)	(307)	(332)
Capital Expenditure	(110)	(37)	(51)	(59)
Current Investments	(192)	(19)	(21)	(23)
Other Financial assets	96	(41)	(73)	(127)
Other Adjustments	(255)	(45)	(52)	(59)
Cash Flow from Investing	(460)	(142)	(198)	(269)
Opening Cash	106	84	116	209
Total Cash Flow	(21)	88	93	82
Closing Cash	84	116	209	291

Source: Company, Sushil Finance Research

FINANCIAL RATIO STATEMENT

Y/E Mar.	FY24	FY25E	FY26E	FY27E
<u>Growth (%)</u>				
Revenue	10.9%	11.5%	11.5%	11.5%
EBITDA	51.9%	10.8%	15.4%	17.1%
Net Profit	58.7%	12.7%	16.6%	17.4%
<u>Profitability (%)</u>				
EBITDA Margin	17.4%	17.3%	17.9%	18.8%
Net Profit Margin	13.4%	13.5%	14.2%	14.9%
ROCE	24.3%	23.7%	24.4%	25.1%
ROE	20.4%	20.2%	20.8%	21.4%
<u>Per Share Data (Rs.)</u>				
EPS	10.1	11.3	13.2	15.5
BVPS	49.2	56.0	63.4	72.6
CEPS	11.4	12.8	14.7	17.1
<u>Valuation (x)</u>				
P/E	43.0	38.1	32.7	27.9
P/BV	8.8	7.7	6.8	5.9
EV/EBITDA	32.9	29.7	25.7	22.0
P/Sales	5.8	5.2	4.6	4.2
<u>Turnover</u>				
Inventory days	74	77	77	77
Debtor days	27	28	29	29
Creditor days	72	69	68	66
<u>Gearing (x)</u>				
D/E	0.0	0.0	0.0	0.0

Source: Company, Sushil Finance Research

Rating Scale :

This is a guide to the rating system used by our Institutional Research Team. Our rating system comprises of three rating categories.

Total Expected Return Matrix (Rating and Return)	BUY : Over 12%	HOLD : -12% to 12%	SELL : Below -12%
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Analyst Stock Ownership	No
Stock Recommended to Clients	Yes
Remuneration/Benefits received from company in 12 months	No
Merchant Banking Market Making activities / projects	No
Sushil Financial Services Pvt. Ltd and Group Companies Holding	No
Sushil Financial Services Pvt. Ltd and Group Directors Holding	No
Broking Relationship with the company covered	No