Jyothy Labs Ltd

Market Cap.	52 Week H/L	CMP	Target Price
Rs. 12,338 Cr.	Rs. 595/268	Rs. 336	Rs. 507

FMCG

STOCK DATA

BUY

Reuters Code	JYOI.BO
Bloomberg Code	JYL IN
BSE Code	532926
NSE Symbol	JYOTHYLAB
Face Value	Rs. 1
Shares Outstanding	37 Cr.
Avg. Daily Volume (6m)	684,954 Shares

Price Performance (%)

1M	3M	6M
(6)	(3)	(7)

200 days EMA Rs. 372

SHARE HOLDING (%)

Promoters	62.89
FII	12.65
FI / MF	15.89
Govt.	0.01
Bodies Corporate	0.24
Public & Others	8.32

Jyothy Labs Ltd has recently announced its performance for the quarter ended June 30, 2025. Following are the key financial highlights:

Particulars	Q1FY26	Q1FY25	YoY	Q4FY25	QoQ
Net Sales	770.7	754.8	2.1%	681.4	13.1%
EBITDA	143.6	147.3	(2.5%)	127.5	12.6%
EBITDA Margin	18.6%	19.5%	(90 bps)	18.7%	(10 bps)
Profit (loss) before Tax	127.5	132.5	(3.8%)	111.3	14.6%
Profit (loss) after Tax	96.8	101.8	(4.9%)	77.0	25.7%
PAT Margin	12.6%	13.5%	(90 bps)	11.3%	130 bps
EPS	2.64	2.77	(4.7%)	2.10	25.7%

Highlights from the Quarter (Q1FY26):

Jyothy Labs Ltd (JLL) reported a flat quarterly net revenue of Rs.770.7cr for Q1FY26, marginally higher by 2.1% YoY and higher by 13.1% on a QoQ basis. The company reported an EBITDA of Rs.143.6cr for the quarter vs Rs.127.5cr for the same quarter in the previous year and Rs.147.3cr in the preceding quarter. Subsequently, the company posted a net profit of Rs.96.8cr for the quarter.

JLL delivered stable volumes in Q1 despite urban demand pressures and high competition. The management mentioned that the next 2 quarters remain challenging with margin pressures and muted value growth, however, it is optimistic of a meaningful recovery in H2FY26, supported by monsoon-led rural demand, festive spending, easing costs, and a stronger innovation push.

The company is actively working to turn around the household insecticide category and is hopeful that it will become profitable by the second half of FY27. Fabric care delivered satisfactory mid-single-digit volume growth in both the Main Wash and Post Wash segments. Liquid detergents more than doubled growth versus last year, with strong sequential double-digit growth. The company launched Ujala Young & Fresh, a fabric conditioner, with a TV commercial featuring actress Keerthy Suresh.

The company aims to maintain an Operating EBITDA margin between 16% and 17% for the full year FY26. The company is committed to investing in its brands, with marketing spend expected to hover between 8% and 9% on an annualized basis in the near term. The first half of FY26 is expected to be difficult, with slight pressure on top-line growth and potential stress on EBITDA margins. The second half is expected to be better due to anticipated demand improvement and the full impact of planned price increases flowing into the P&L.

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	33.4	4.5	6.8
FY25	2,847.0	499.6	17.5%	374.7	13.2%	10.1	33.3	4.3	6.0
FY26 E	3,160.1	537.2	17.0%	409.3	13.0%	11.1	30.1	3.9	5.5
FY27 E	3,507.8	659.5	18.8%	503.2	14.3%	13.7	24.5	3.5	4.9

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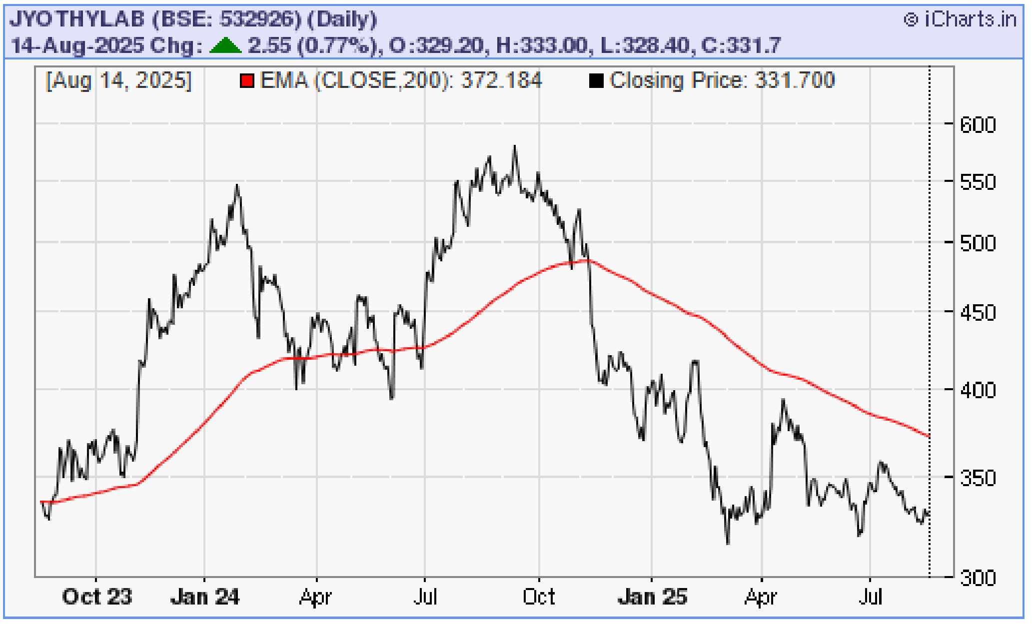
OUTLOOK AND VALUATION

We are revising the target price for Jyothy Labs Ltd from Rs.620 to Rs.507, due to the muted growth in revenue and margins in the previous year. However, we still remain bullish due to an anticipated recovery as well as the company's rigorous push towards innovation. We expect FY27E revenue at Rs.3507.8cr, EBITDA of Rs.659.5cr at an EBITDA margin of 18.8% and PAT of Rs.503.2cr. We estimate FY27E EPS at Rs.13.7, and assign a PE multiple of 37x, maintaining the target price of Rs.507 (upside ~50.1%) from the current market price of Rs.336. We maintain our BUY Rating for Jyothy Labs Ltd over an investment horizon of 24 months.



Earlier Recommendation

Date	Report Type	Reco	Price (Rs.)	Target (Rs.)
12-July-24	Initiating Coverage	Buy	488	620
13-Nov-24	Q2FY25 Update	Buy	434	620
12-Feb-25	Q3FY25 Update	Buy	370	620

PROFIT & LOSS STATEMENT (Rs. Cr.)

Y/E Mar.	FY24	FY25	FY26E	FY27E
Revenue	**2,757**	**2,847**	**3,160**	**3,508**
Raw Material Cost	1404	1420	1583	1715
Employee Cost	301	326	332	368
Other Expenses	573	602	708	765
EBITDA	**480**	**500**	**537**	**659**
EBITDA Margin (%)	*17.4%*	*17.5%*	*17.0%*	*18.8%*
Depreciation	50	56	55	59
EBIT	**430**	**443**	**483**	**600**
EBIT Margin (%)	*15.6%*	*15.6%*	*15.3%*	*17.1%*
Finance Costs	5	6	2	1
Other Income	0	-4	0	0
Profit before Tax	**479**	**489**	**546**	**671**
Tax Expense	110	118	136	168
Net Profit	**369**	**375**	**409**	**503**
Net Margin (%)	*13.4%*	*13.2%*	*13.0%*	*14.3%*
A-EPS	**10.1**	**10.1**	**11.1**	**13.7**

BALANCE SHEET (Rs. Cr.)

Y/E Mar.	FY24	FY25	FY26E	FY27E
PP&E (incl. CWIP+intangibles)	306	322	343	344
Right of Use Assets / Investment Property	47	56	56	56
Other Non-Current	909	902	920	936
Inventories	284	328	364	399
Trade Receivables	201	274	303	336
Cash Balance	84	77	55	93
Bank Balance	82	65	104	172
Other Current Assets	488	667	753	844
Total Assets	**2,401**	**2,691**	**2,898**	**3,181**
Equity Share Capital	37	37	37	37
Reserves & Surplus	1,772	2,013	2,211	2,482
Borrowings (LT)	-	-	-	-
Other Non-Current Liabilities	111	134	134	134
Trade Payables	276	290	299	310
Other Financial Liabilities	34	39	28	28
Current Borrowings	-	-	-	-
Other Current Tax Liab & Provisions	170	179	189	191
Total Liabilities	**2,399**	**2,691**	**2,898**	**3,181**

Source: Company, Sushil Finance Research

CASH FLOW STATEMENT (Rs. Cr.)

Y/E Mar.	FY24	FY25	FY26E	FY27E
PBT	479	489	546	671
Depreciation	50	56	55	59
Interest	5	6	2	1
CFO before Working Cap chg	**534**	**551**	**602**	**731**
Chg in Inventories	18	(45)	(36)	(35)
Chg in Trade Receivables	(64)	(73)	(29)	(33)
Chg in Trade Payables	62	14	9	11
Chg in Current Assets & Liabilities	42	74	100	100
Income Taxes Paid	(110)	(118)	(136)	(168)
Cash Flow from Operations	**482**	**403**	**509**	**605**
Interest Paid	(5)	(6)	(2)	(1)
Dividend Paid	(127)	(169)	(211)	(232)
Other Adjustments	15	(44)	(110)	(105)
Cash Flow from Financing	**(116)**	**(219)**	**(323)**	**(339)**
Capital Expenditure	(110)	(34)	(57)	(60)
Current Investments	(192)	(265)	(55)	(61)
Other Financial assets	96	16	(39)	(68)
Other Adjustments	(255)	89	(39)	(40)
Cash Flow from Investing	**(460)**	**(194)**	**(190)**	**(229)**
Opening Cash	**106**	**84**	**58**	**55**
Total Cash Flow	**(21)**	**(7)**	**(3)**	**38**
Closing Cash	**84**	**58**	**55**	**93**

Source: Company, Sushil Finance Research

FINANCIAL RATIO STATEMENT

Y/E Mar.	FY24	FY25	FY26E	FY27E
Growth (%)				
Revenue	10.9%	3.3%	11.0%	11.0%
EBITDA	51.9%	4.1%	7.5%	22.8%
Net Profit	58.7%	1.5%	9.2%	22.9%
Profitability (%)				
EBITDA Margin	17.4%	17.5%	17.0%	18.8%
Net Profit Margin	13.4%	13.2%	13.0%	14.3%
ROCE	24.3%	22.0%	21.8%	24.2%
ROE	20.4%	18.3%	18.2%	20.0%
Per Share Data (Rs.)				
EPS	10.1	10.1	11.1	13.7
BVPS	49.2	55.8	61.2	68.6
CEPS	11.4	11.6	12.6	15.3
Valuation (x)				
P/E	33.4	33.3	30.1	24.5
P/BV	6.8	6.0	5.5	4.9
EV/EBITDA	25.5	24.5	22.8	18.6
P/Sales	4.5	4.3	3.9	3.5
Turnover				
Inventory days	74	84	84	85
Debtor days	27	35	35	35
Creditor days	72	75	69	66
Gearing (x)				
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