

# Jyothy Labs | ADD

## Revenue performance remains under pressure

Jyothy Labs' 2QFY26 earnings print was a tad below our expectation on revenue/EBITDA. Standalone sales were flat YoY, led by volume growth of 2.8%. Barring fabric care, sales decline was seen across other segments. Weak gross margins and scale deleverage resulted in EBITDA margins coming at 16.1% (inline & lower end of its guided range of 16-17%). Heightened competition & elevated RM has been a drag on 1H performance; gradual demand recovery & portfolio interventions (price hikes & new launches) should drive improvement in 2HFY26. Management maintained its margin guidance at 16%-17% for FY26. Our earnings remain largely unchanged; however, considering weak execution, we have cut our multiple to 30x (vs. 32x earlier). Valuations at 29x/27x FY27/28E are not demanding; restricting downsides. Maintain ADD with revised TP of INR 335 (30x Sep 27E). Rerating from current levels will be contingent on pace of recovery in core segments of fabric wash/dishwash and innovations (especially in HI) considering heightened competition.

- **Revenue performance was tad below estimate impacted by adverse pricing:** Standalone sales performance was weak and remained flat at INR 7.4bn (1-2% below our and street estimates). Underlying volume growth of 2.8% YoY (inline with est.). Revenue growth was impacted by - a) adverse pricing (in dishwash) due to increase in consumer offers amid weak demand environment, b) disruption due short-term channel destocking on account of GST rate change (in personal care) and continued weakness in HI. In terms of channel performance, GT remained under pressure, while MT and e-commerce (incl. quick commerce) sustained double-digit growth.
- **Fabric care fared well, while other categories remained under pressure: 1) Fabric Care** grew 6.1% driven by rapid expansion of liquids portfolio (doubled YoY) and continued momentum in powders and bars. New launches continue to gain consumer acceptance and delivered sales inline with mgmt. expectations. **2) Dishwash** declined 3.8% YoY due to adverse price/mix on the back of MRP reductions and grammage offers in bars, though volume growth remains healthy at 3.4%. Liquids portfolio continues to outperform bars. **3) Personal Care** declined 4.3% YoY impacted by GST-led transition. Management expects this to normalise and revert back to growth in 2H. **4) Household insecticides** declined 8.9% YoY due to sustained slowdown in coil sales. Liquid Vaporisers performed well and surpassed coil sales. New launches in aerosols and rackets are gaining traction and management focus remains to improve profitability over the next four to six quarters.
- **Gross margin weakness continues to impact earnings:** Gross margin delivery was weak – down 214 YoY to 48.1% (better vs. JMFe: 47.2%), due to input cost pressure and higher promotional intensity in order to remain competitive, especially in dishwash. Staff costs grew 5.2% YoY, while pace of growth in A&P spends and other expense was slower at 0.7%/1.4% YoY. Negative flowthrough from gross margin along with scale deleverage resulted in EBITDA margin compression of 280bps YoY to 16.1% (inline with est.). Resultant EBITDA declined 14.5% YoY to INR 1.2bn was 2% below our estimate while 7% below street estimates. PAT declined 16.4% to INR 878mn (below our/street est.) due to higher depreciation. Going ahead, management expects 2H performance to better vs. 1H, supported by stable commodity costs and gradual recovery in demand.



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### Recommendation and Price Target

Current Reco.	ADD
Previous Reco.	ADD
Current Price Target (12M)	335
Upside/(Downside)	8.0%
Previous Price Target	350
Change	-4.3%

### Key Data – JYL IN

Current Market Price	INR310
Market cap (bn)	INR113.9/US\$1.3
Free Float	37%
Shares in issue (mn)	367.2
Diluted share (mn)	367.2
3-mon avg daily val (mn)	INR98.1/US\$1.1
52-week range	504/268
Sensex/Nifty	84,467/25,876
INR/US\$	88.6

### Price Performance

%	1M	6M	12M
Absolute	-1.1	-11.6	-29.7
Relative*	-3.4	-13.7	-34.6

\* To the BSE Sensex

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

### Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	27,550	28,451	29,266	30,963	32,759
Sales Growth (%)	10.9	3.3	2.9	5.8	5.8
EBITDA	4,798	4,996	4,718	5,056	5,441
EBITDA Margin (%)	17.4	17.5	16.1	16.3	16.6
Adjusted Net Profit	3,736	3,804	3,611	3,944	4,302
Diluted EPS (INR)	10.2	10.4	9.8	10.7	11.7
Diluted EPS Growth (%)	59.6	1.8	-5.1	9.2	9.1
ROIC (%)	24.4	23.1	21.7	23.4	25.1
ROE (%)	22.3	19.7	16.7	16.6	16.6
P/E (x)	30.5	29.9	31.5	28.9	26.5
P/B (x)	6.3	5.6	5.0	4.6	4.2
EV/EBITDA (x)	23.0	21.6	22.3	20.4	18.6
Dividend Yield (%)	1.1	1.1	1.3	1.6	1.9

Source: Company data, JM Financial. Note: Valuations as of 12/Nov/2025

## Concall Highlights

### ■ Operating environment

- The quarter faced disruptions due to the GST rate revision announced in September, which caused temporary market challenges and slowed demand.
- Personal care products (e.g., toilet soaps, toothpaste- 11% of business) were most affected by the GST changes, but the benefits were passed on to consume via revised pricing, and change remain cost-neutral for the company.
- However, early demand signals in 3Q are positive, and the company expects demand to improve gradually in the second half of the year.
- Rural demand trends remain positive, and there are indications of a broad-based consumption recovery, supported by fiscal measures, tax rationalization, and stable macroeconomic conditions.
- While general trade showed subdued performance, modern trade, e-commerce, and quick commerce reported double-digit growth, especially in fabric care and dishwash segment.

### ■ Operating performance

- The company posted flat revenue growth of 0.4% YoY in 2Q, with a volume growth of 2.8%. However, MRP reductions, promotional price-offs, and higher grammage affected the value growth.
- Fabric care (both main wash and post wash) performed well with 6.1% value growth and high single-digit volume growth, driven by strong sales in Henko, Ujala, and Mr. White.
- The personal care segment was impacted by the GST transition and is expected to recover and return to growth in 2HFY26. Management highlighted that it is difficult to quantify the impact.
- Personal care margin got a hit primarily due to a) sizeable investment in Margo brand and b) uptick in input prices (14-15% growth YoY in palm oil prices).
- Dishwash segment volumes grew 3.4%, despite a 3.8% value decline, mainly due to price reductions and grammage offers on bars.
- Household insecticides continued to see muted growth, with the company focusing on profitability improvement over the next 4-6 quarters. Within this category, liquid vaporisers have surpassed coil sales.

### ■ Marketing, innovation and launches

- New product launches like Dr. Wool in fabric care, Ujala Young & Fresh, Maxo Aerosols, and Anti-Mosquito Racquets in household insecticides showed early traction.
- More new product launches are expected in the second half of FY26 and lined up for next year, including in fabric care and possibly other categories. The company remains focused on driving innovation in existing and adjacent categories.
- Investment in digital marketing is increasing, in parallel with traditional advertising through TV with a focus on rural markets (40% contribution in revenue). Digital spending is expected to continue growing.
- 1HFY26 was muted for Margo but going forward both Margo and Jovia will start delivering. However, Jovia will take some time as it is a new brand, but doing reasonably well.

### ■ Distribution

- Company has done quite big on distribution front in last five years. Hence, with high base, growth has been slower in 2Q but increasing number of outlets remains a key focus.
- Company doesn't extend credit, particularly in GT, and do business on cash. However, it maintains personal touch and trust that built over the years with distributors and retailers.
- Company did not offer any support to distributors regarding GST, as they were able to utilize input tax credits following the rate reduction from 18% to 5%.

- The proportion of modern trade, e-commerce, and quick commerce channels has been growing, now accounting for one-third of sales, with general trade contributing the remaining two-thirds.
- This shift in channel mix has caused temporary increase in working capital as credit cycles in these channels are longer than GT.
- Company clarified that it has been expanding its product portfolio Pan India basis with brands like Exo, Pril, Margo, Ujala, and not concentrated in southern India. Revenue from South has decreased from 40% to 33% over the years.

#### ■ M&A/Inorganic strategy

- Company is actively looking for the right acquisition opportunities, focusing on assets that complement its existing portfolio and expand into adjacent categories. The company is in discussions with potential targets and remains open to strategic acquisitions.
- While there is strong potential for organic growth in its existing categories, acquisitions are seen as a means to fast-track expansion and improve growth prospects.
- The company remains cautious in its approach, ensuring that any acquisitions align with its long-term growth strategy.

#### ■ Miscellaneous/Company's differentiation

- Company focuses on building deep, trustworthy relationships with distributors and retailers.
- Committed to providing timely and full service, ensuring efficient product delivery to consumers.
- Emphasis on providing quality and value product along with competitive pricing.
- No extension of credit in general trade, ensuring clean sales without overdue issues.
- A work culture that minimizes undue pressure on the sales force, fostering a stable environment.

#### ■ Guidance

- Company's focus remains on profitable and organic growth, strengthening core categories, invest in innovation, and scaling up new product launches.
- **Management guided that EBITDA margin are likely to remain in the range of 16-17% in 2HFY26 with an assumption of stable commodity prices and improvement in demand.**
- Company is aiming at double-digit volume growth by end of this year.
- Management expects net working capital days to normalize to 18-20 days in the medium term.
- Company is focusing on liquid vaporizer with medium term focus remains on driving efficiency and turning around the HI category.

**Exhibit 1. 2QFY26 snapshot (Parent): Revenue performance tad below estimates along with weak GM drove earning miss**

INR mn	2QFY26	2QFY25	YoY growth	2QFY26E	% Variance	1HFY26	1HFY25	YoY growth
<b>Net Sales</b>	<b>7,361</b>	<b>7,331</b>	<b>0.4%</b>	<b>7,447</b>	<b>-1.2%</b>	<b>14,873</b>	<b>14,743</b>	<b>0.9%</b>
<b>Gross Profit</b>	<b>3,537</b>	<b>3,679</b>	<b>-3.9%</b>	<b>3,515</b>	<b>0.6%</b>	<b>7,145</b>	<b>7,482</b>	<b>-4.5%</b>
Gross Profit Margin %	48.1%	50.2%	-214 bps	47.2%	85 bps	48.0%	50.8%	-271 bps
Staff Cost	848	806	5.2%	812	4.4%	1,715	1,666	2.9%
A&P	615	611	0.7%	603	1.9%	1,203	1,226	-1.9%
Other Expenses	892	880	1.4%	894	-0.2%	1,802	1,870	-3.6%
<b>EBITDA</b>	<b>1,183</b>	<b>1,383</b>	<b>-14.5%</b>	<b>1,206</b>	<b>-2.0%</b>	<b>2,424</b>	<b>2,719</b>	<b>-10.9%</b>
EBITDA margin %	16.1%	18.9%	-280 bps	16.2%	-13 bps	16.3%	18.4%	-215 bps
Depreciation	152	139	9.4%	152	0.1%	299	273	9.6%
EBIT	1,031	1,245	-17.2%	1,054	-2.3%	2,125	2,447	-13.1%
Interest Expense	14	14	-2.9%	18	-24.4%	27	28	-3.2%
Financial Other Income	170	125	35.4%	158	7.6%	364	262	38.8%
<b>PBT</b>	<b>1,187</b>	<b>1,356</b>	<b>-12.5%</b>	<b>1,194</b>	<b>-0.6%</b>	<b>2,462</b>	<b>2,681</b>	<b>-8.2%</b>
Taxes	309	307	0.9%	281	10.2%	617	613	0.6%
<b>Net Profit</b>	<b>878</b>	<b>1,049</b>	<b>-16.4%</b>	<b>914</b>	<b>-3.9%</b>	<b>1,846</b>	<b>2,068</b>	<b>-10.7%</b>

Source: Company, JM Financial

**Exhibit 2. Quarterly financial overview – on standalone basis**

INR mn	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
<b>Volume growth</b>	<b>9.0%</b>	<b>11.0%</b>	<b>7.2%</b>	<b>10.8%</b>	<b>3.0%</b>	<b>8.0%</b>	<b>4.0%</b>	<b>3.6%</b>	<b>2.8%</b>
<b>Sales</b>	<b>7,316</b>	<b>6,768</b>	<b>6,593</b>	<b>7,412</b>	<b>7,331</b>	<b>7,037</b>	<b>6,660</b>	<b>7,512</b>	<b>7,361</b>
<b>YoY</b>	<b>11%</b>	<b>11%</b>	<b>7%</b>	<b>8%</b>	<b>0%</b>	<b>4%</b>	<b>1%</b>	<b>1%</b>	<b>0%</b>
<b>Gross Profit</b>	<b>3,601</b>	<b>3,368</b>	<b>3,264</b>	<b>3,803</b>	<b>3,679</b>	<b>3,504</b>	<b>3,279</b>	<b>3,608</b>	<b>3,537</b>
Staff cost	768	751	725	861	806	806	782	867	848
A&P spends	574	607	598	616	611	637	534	589	615
Other expenses	905	824	857	990	880	903	842	911	892
<b>EBITDA</b>	<b>1,354</b>	<b>1,186</b>	<b>1,084</b>	<b>1,336</b>	<b>1,383</b>	<b>1,158</b>	<b>1,121</b>	<b>1,242</b>	<b>1,183</b>
<b>YoY</b>	<b>69%</b>	<b>41%</b>	<b>20%</b>	<b>14%</b>	<b>2%</b>	<b>-2%</b>	<b>3%</b>	<b>-7%</b>	<b>-15%</b>
Depreciation	123	128	129	134	139	143	146	147	152
Interest	12	12	13	14	14	15	17	13	14
Other income	132	106	130	137	125	138	154	194	170
<b>PBT</b>	<b>1,351</b>	<b>1,152</b>	<b>1,073</b>	<b>1,325</b>	<b>1,356</b>	<b>1,138</b>	<b>1,113</b>	<b>1,275</b>	<b>1,187</b>
<b>YoY</b>	<b>95%</b>	<b>37%</b>	<b>31%</b>	<b>9%</b>	<b>0%</b>	<b>-1%</b>	<b>4%</b>	<b>-4%</b>	<b>-12%</b>
Pre-tax Exceptional Income/ (Exp)	-	-	-	-	-	-	(37)	-	-
Tax	307	243	291	307	307	264	306	307	309
<b>PAT</b>	<b>1,044</b>	<b>909</b>	<b>782</b>	<b>1,018</b>	<b>1,049</b>	<b>874</b>	<b>770</b>	<b>968</b>	<b>878</b>
<b>YoY</b>	<b>60%</b>	<b>35%</b>	<b>33%</b>	<b>6%</b>	<b>0%</b>	<b>-4%</b>	<b>-2%</b>	<b>-5%</b>	<b>-16%</b>
<b>% to sales</b>	<b>2QFY24</b>	<b>3QFY24</b>	<b>4QFY24</b>	<b>1QFY25</b>	<b>2QFY25</b>	<b>3QFY25</b>	<b>4QFY25</b>	<b>1QFY26</b>	<b>2QFY26</b>
Gross margin	49.2%	49.8%	49.5%	51.3%	50.2%	49.8%	49.2%	48.0%	48.1%
Staff cost	10.5%	11.1%	11.0%	11.6%	11.0%	11.5%	11.7%	11.5%	11.5%
A&P spends	7.8%	9.0%	9.1%	8.3%	8.3%	9.0%	8.0%	7.8%	8.4%
Other expenses	12.4%	12.2%	13.0%	13.4%	12.0%	12.8%	12.6%	12.1%	12.1%
EBITDA margin	18.5%	17.5%	16.4%	18.0%	18.9%	16.5%	16.8%	16.5%	16.1%

Source: Company, JM Financial

## Exhibit 3. Quarterly segmental overview – on consolidated basis

INR mn	2QFY24	3QFY24	4QFY24	1QFY25*	2QFY25*	3QFY25	4QFY25*	1QFY26*	2QFY26*
<b>Revenue - Segmental</b>									
Fabric Care	3,166	2,948	2,811	2,480	3,161	3,221	2,859	3,328	3,355
YoY	11%	12%	10%	NM	NM	9%	NM	34%	6%
Dishwashing	2,507	2,361	2,183	3,222	2,540	2,446	2,252	2,482	2,444
YoY	10%	7%	6%	NM	NM	4%	NM	-23%	-4%
Household Insecticides	450	457	722	503	451	344	687	455	411
YoY	3%	5%	-10%	NM	NM	-25%	NM	-10%	-9%
Personal Care	896	723	618	933	856	697	564	939	819
YoY	22%	22%	18%	NM	NM	-4%	NM	1%	-4%
Others**	304	286	266	274	323	336	299	309	332
YoY	7%	13%	16%	NM	NM	17%	NM	12%	3%
<b>Total</b>	<b>7,323</b>	<b>6,775</b>	<b>6,600</b>	<b>7,412</b>	<b>7,331</b>	<b>7,045</b>	<b>6,660</b>	<b>7,512</b>	<b>7,361</b>
YoY	11%	11%	7%	8%	0%	4%	1%	1%	0%
<b>EBIT - Segmental</b>									
Fabric Care	828	744	647	804	788	716	644	676	737
Margin %	26%	25%	23%	32%	25%	22%	23%	20%	22%
Dishwashing	523	425	393	495	484	447	408	502	422
Margin %	21%	18%	18%	15%	19%	18%	18%	20%	17%
Household Insecticides	-79	-93	-75	-54	-43	-102	-48	-48	-40
Margin %	-18%	-20%	-10%	-11%	-9%	-30%	-7%	-11%	-10%
Personal Care	98	93	52	103	116	75	60	111	22
Margin %	11%	13%	8%	11%	14%	11%	11%	12%	3%
<b>Total</b>	<b>1,370</b>	<b>1,183</b>	<b>1,014</b>	<b>1,342</b>	<b>1,370</b>	<b>1,140</b>	<b>1,074</b>	<b>1,246</b>	<b>1,143</b>
Margin %	19%	17%	15%	18%	19%	16%	16%	17%	16%
YoY	79%	43%	11%	NM	NM	-4%	NM	-7%	-17%

Source: Company, JM Financial

\*Figures are on standalone basis

\*\*Others includes laundry services

## Exhibit 4. JYL's 5yr avg. PE band



Source: Bloomberg, Company, JM Financial

## Exhibit 5. JYL's 10yr avg. PE band



Source: Bloomberg, Company, JM Financial

## Exhibit 6. Revision in estimates

INR mn	Revised			Earlier			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales	29,266	30,963	32,759	28,466	30,378	32,419	3%	2%	1%
EBITDA	4,718	5,056	5,441	4,686	5,116	5,583	1%	-1%	-3%
PAT	3,611	3,944	4,302	3,559	3,936	4,364	1%	0%	-1%
EPS	9.8	10.7	11.7	9.7	10.7	11.9	1%	0%	-1%

Source: Company, JM Financial

## Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	27,550	28,451	29,266	30,963	32,759
Sales Growth	10.9%	3.3%	2.9%	5.8%	5.8%
Other Operating Income	20	19	22	23	25
<b>Total Revenue</b>	<b>27,569</b>	<b>28,470</b>	<b>29,288</b>	<b>30,986</b>	<b>32,784</b>
Cost of Goods Sold/Op. Exp	14,038	14,195	15,189	16,008	16,871
Personnel Cost	3,005	3,258	3,351	3,530	3,718
Other Expenses	5,728	6,021	6,030	6,392	6,753
<b>EBITDA</b>	<b>4,798</b>	<b>4,996</b>	<b>4,718</b>	<b>5,056</b>	<b>5,441</b>
EBITDA Margin	17.4%	17.5%	16.1%	16.3%	16.6%
EBITDA Growth	51.9%	4.1%	-5.6%	7.2%	7.6%
Depn. & Amort.	500	561	611	649	689
EBIT	4,298	4,435	4,107	4,407	4,752
Other Income	537	556	703	847	978
Finance Cost	47	59	59	65	71
PBT before Excep. & Forex	4,788	4,931	4,751	5,189	5,659
Excep. & Forex Inc/Loss(-)	0	-43	0	0	0
PBT	4,788	4,888	4,751	5,189	5,659
Taxes	1,095	1,184	1,140	1,245	1,358
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	-2	-1	-1	-1	-1
Reported Net Profit	3,695	3,704	3,611	3,944	4,302
<b>Adjusted Net Profit</b>	<b>3,736</b>	<b>3,804</b>	<b>3,611</b>	<b>3,944</b>	<b>4,302</b>
Net Margin	13.6%	13.4%	12.3%	12.7%	13.1%
Diluted Share Cap. (mn)	367.2	367.2	367.2	367.2	367.2
<b>Diluted EPS (INR)</b>	<b>10.2</b>	<b>10.4</b>	<b>9.8</b>	<b>10.7</b>	<b>11.7</b>
Diluted EPS Growth	59.6%	1.8%	-5.1%	9.2%	9.1%
Total Dividend + Tax	1,285	1,285	1,444	1,775	2,151
Dividend Per Share (INR)	3.5	3.5	3.9	4.8	5.9

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	4,788	4,931	4,751	5,189	5,659
Depn. & Amort.	500	561	611	649	689
Net Interest Exp. / Inc. (-)	-490	-497	-644	-782	-907
Inc (-) / Dec in WCap.	387	-1,062	-66	-246	-268
Others	187	161	0	0	0
Taxes Paid	-793	-981	-1,026	-1,232	-1,344
<b>Operating Cash Flow</b>	<b>4,579</b>	<b>3,114</b>	<b>3,626</b>	<b>3,578</b>	<b>3,830</b>
Capex	-144	-578	-461	-477	-519
Free Cash Flow	4,435	2,536	3,165	3,101	3,311
Inc (-) / Dec in Investments	-3,512	-1,246	0	0	0
Others	213	213	703	847	978
<b>Investing Cash Flow</b>	<b>-3,444</b>	<b>-1,611</b>	<b>242</b>	<b>371</b>	<b>460</b>
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-1,102	-1,285	-1,444	-1,775	-2,151
Inc / Dec (-) in Loans	0	0	0	0	0
Others	-247	-290	-54	-59	-65
<b>Financing Cash Flow</b>	<b>-1,348</b>	<b>-1,575</b>	<b>-1,498</b>	<b>-1,834</b>	<b>-2,216</b>
<b>Inc / Dec (-) in Cash</b>	<b>-213</b>	<b>-72</b>	<b>2,370</b>	<b>2,115</b>	<b>2,074</b>
Opening Cash Balance	1,873	1,495	1,424	3,793	5,908
Closing Cash Balance	1,661	1,424	3,793	5,908	7,982

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	18,083	20,495	22,662	24,831	26,982
Share Capital	367	367	367	367	367
Reserves & Surplus	17,716	20,128	22,295	24,464	26,615
Preference Share Capital	0	0	0	0	0
Minority Interest	19	0	-1	-1	-2
Total Loans	0	0	0	0	0
Def. Tax Liab. / Assets (-)	-594	-273	-273	-273	-273
<b>Total - Equity &amp; Liab.</b>	<b>17,508</b>	<b>20,222</b>	<b>22,388</b>	<b>24,557</b>	<b>26,707</b>
Net Fixed Assets	10,920	11,079	10,930	10,757	10,587
Gross Fixed Assets	5,197	5,471	5,910	6,362	6,854
Intangible Assets	7,863	7,863	7,863	7,863	7,863
Less: Depn. & Amort.	2,273	2,480	3,090	3,739	4,429
Capital WIP	134	224	247	271	298
Investments	1,915	4,565	4,565	4,565	4,565
Current Assets	10,580	10,991	13,651	16,363	19,072
Inventories	2,835	3,281	3,368	3,563	3,770
Sundry Debtors	2,014	2,744	2,806	2,969	3,141
Cash & Bank Balances	1,661	1,424	3,793	5,908	7,982
Loans & Advances	2,860	1,993	2,050	2,169	2,295
Other Current Assets	1,210	1,549	1,634	1,754	1,884
Current Liab. & Prov.	5,907	6,413	6,758	7,128	7,517
Current Liabilities	3,266	3,516	3,739	3,928	4,127
Provisions & Others	2,641	2,897	3,019	3,201	3,389
Net Current Assets	4,672	4,578	6,893	9,235	11,556
<b>Total - Assets</b>	<b>17,508</b>	<b>20,222</b>	<b>22,388</b>	<b>24,557</b>	<b>26,707</b>

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	13.6%	13.4%	12.3%	12.7%	13.1%
Asset Turnover (x)	1.6	1.4	1.3	1.3	1.2
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0
RoE	22.3%	19.7%	16.7%	16.6%	16.6%
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	49.2	55.8	61.7	67.6	73.5
ROIC	24.4%	23.1%	21.7%	23.4%	25.1%
ROE	22.3%	19.7%	16.7%	16.6%	16.6%
Net Debt/Equity (x)	-0.2	-0.3	-0.4	-0.4	-0.5
P/E (x)	30.5	29.9	31.5	28.9	26.5
P/B (x)	6.3	5.6	5.0	4.6	4.2
EV/EBITDA (x)	23.0	21.6	22.3	20.4	18.6
EV/Sales (x)	4.0	3.8	3.6	3.3	3.1
Debtor days	27	35	35	35	35
Inventory days	38	42	42	42	42
Creditor days	44	45	46	45	44

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
4-Jun-25	Hold	375	
4-Jul-25	Hold	375	0.0
13-Aug-25	Hold	380	1.3
17-Aug-25	Hold	380	0.0
8-Oct-25	Add	350	-7.9

Recommendation History



## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq$ 15% over the next twelve months.
ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	Meaning
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

\* REITs refers to Real Estate Investment Trusts.

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