

Jyothy Labs Ltd.

Sector: FMCG

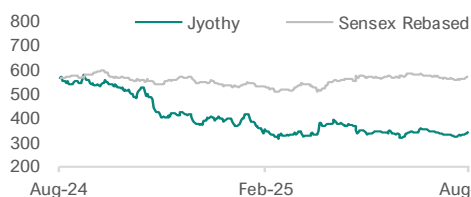
BUY22nd Aug 2025

Key Changes	Target	Rating	Earnings	Target	Rs. 412
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Small Cap	JYL:IN	82,001	JYOTHYLAB	532926	12 Months
				CMP	Rs. 344
				Return	+20%

Data as of: 21-08-2025, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	12,631.7		
52 Week High — Low (Rs.)	595-268		
Enterprise Value (Rs.cr)	12,597.8		
Outstanding Shares (cr)	36.7		
Free Float (%)	37.0		
Dividend Yield (%)	1.0		
6m average volume (cr)	0.1		
Beta	0.7		
Face value Rs.	1.0		
Shareholding (%)	Q3FY25	Q4FY25	Q1FY26
Promoters	62.9	62.9	62.9
FII's	11.4	9.4	12.7
MFs/Insti	12.6	13.6	16.0
Public	10.4	11.8	8.0
Others	9.8	9.3	0.4
Total	100.0	100.0	100.0
Promotor pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	4.0%	1.2%	-38.4%
Absolute Sensex	1.1%	8.7%	1.3%
Relative Return*	2.8%	-7.5%	-39.7%

*over or under performance to benchmark index



Consolidated (cr)	FY25A	FY26E	FY27E
Sales	2,847	3,030	3,332
Growth (%)	3.3	6.4	9.9
EBITDA	500	513	572
EBITDA Margin (%)	17.5	16.9	17.2
Adj. PAT	375	396	439
Growth (%)	4.0	5.8	10.6
Adj. EPS	10.2	10.8	11.9
Growth (%)	4.0	5.8	10.6
P/E	33.7	31.9	28.8
P/B	6.2	5.5	4.8
EV/EBITDA	25.3	24.5	21.9
ROE (%)	19.4	18.2	17.7
D/E	0.0	0.0	0.0

Author: Vincent K A - Sr. Research Analyst

Improving demand outlook...

Jyothy Labs Ltd. (JLL) is an Indian FMCG player with products across fabric care, dishwashing, mosquito repellents and personal care.

- JLL delivered a modest Q1FY26 performance amid a challenging demand environment, with revenue up by 1.4% YoY on 3.6% volume growth, while value growth was constrained by higher grammage and promotional pricing.
- Gross margin contracted 280bps YoY to 48.5%, due to input cost pressures and heightened competition in the Dish wash segment. EBITDA margin stood at 16.5%, in line with guidance, while PAT declined 4.9% YoY to Rs. 96.8cr.
- A&P Spend moderated to Rs. 58.9 crore (7.8% of revenue), balancing brand investment with margin protection. H2FY26 to see improvement in margins and the company guides for 16-17% EBITDA margin for FY26.
- Segment wise, Fabric Care led the growth (3% YoY) while Dishwash and Personal Care remained stable. Household Insecticides (HI) remained under pressure (-9.7% YoY), though management reiterated its turnaround focus with new launches and pricing actions.
- New launches across categories (Ujala Young & Fresh, Jovia, Maxo aerosols) are gaining traction, with more planned in H2FY26 to drive growth.

Outlook & Valuation

Rural momentum is expected to remain strong, supported by favorable monsoon, robust agri output, and higher MSPs while signs of urban recovery is visible as revival are emerging in modern trade and digital channels. A broader recovery anticipated from Q3FY26, aided by festive demand and easing inflation. H2FY26 likely to see improvement in margins as input costs stabilize and pricing actions normalize. Growth will be underpinned by innovation, brand equity, and channel agility, with the company also exploring inorganic opportunities for strategic expansion. JLL's strong balance sheet and cash flow provide additional support. **We value JLL at a P/E of 34x (2yr avg=36x), with a target price of Rs. 412, and recommend BUY rating supported by rural tailwinds, innovation-led growth, improving urban sentiment and recent stock price correction.**

Quarterly Financials Consol.

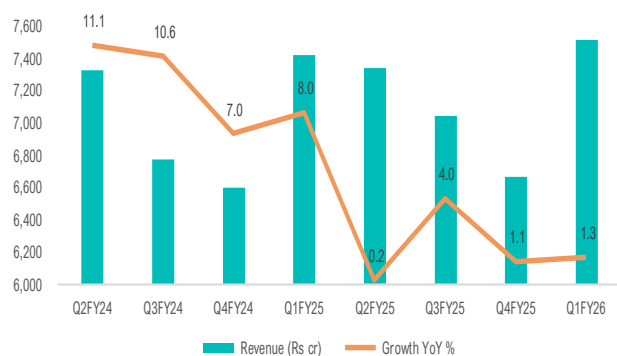
Rs.cr	Q1FY26	Q1FY25	YoY %	Q4FY25	QoQ %
Sales	751	742	1.3	667	12.6
EBITDA	124	133	(7.0)	112	10.9
Margin (%)	16.5	18.0	40bps	16.8	90bps
EBIT	109	120	(8.9)	97	12.4
PBT	128	132	(3.7)	107	19.3
Rep. PAT	97	102	(4.8)	76	26.9
Adj PAT	97	102	(4.8)	80	20.8
EPS (Rs)	3	3	(4.8)	2	20.8



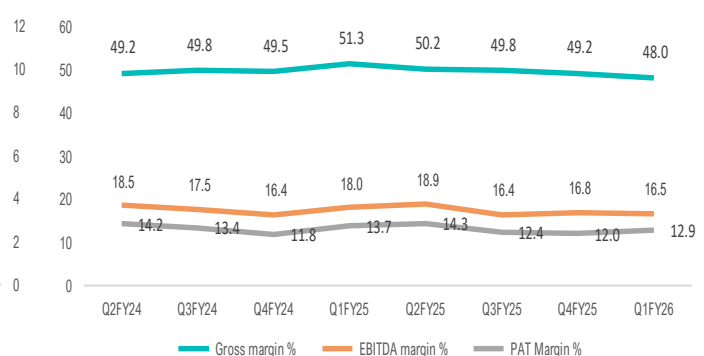
Key Highlights...

- The company remains cautiously optimistic, expecting demand recovery from Q3FY26, supported by a favorable monsoon, easing inflation, and festive tailwinds. Continued investments in innovation, distribution, and brand building are expected to support medium-term growth.
- Fabric Care: Mid-single-digit volume growth led by liquid detergents (Henko, Ujala, Mr. White). Ujala Young & Fresh fabric conditioner gained early traction with targeted campaigns.
- Dish Wash: High single-digit volume growth in Exo bars and double-digit growth in Pril liquid. Value growth impacted by grammage-led competition.
- Personal Care: Flat YoY, but sequential improvement driven by Margo and new brand Jovia. Continued investment in media and distribution.
- Household Insecticides: Declined YoY; focus on profitability and turnaround with new formats (aerosols, racquets) and price hikes in coils. Management targets breakeven by H2FY27.
- JLL continues to recalibrate pack sizes, pricing, and promotional strategies to align with evolving consumer behavior across channels.
- Channels: Modern/E com/Q com are growing double digits but largely share a shift from general trade; urban remains soft; rural is ~40% mix and resilient.

Revenue



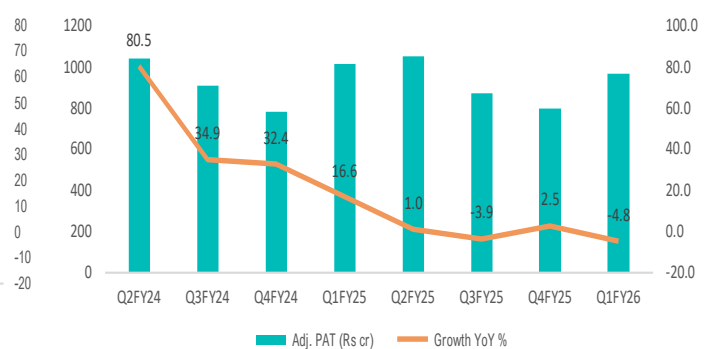
Gross / EBITDA / PAT margin



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	3,071	3,384	3,030	3,332	-1.3	-1.5
EBITDA	516	583	513	572	-0.7	-1.9
Margins (%)	16.8	17.2	16.9	17.2	10bps	-10bps
Adj. PAT	399	449	396	439	-0.7	-2.3
EPS	10.9	12.2	10.8	11.9	-1.0	-2.1



Consolidated Financials

PROFIT & LOSS

Y.E March (Rs. cr)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Revenue	2,196	2,486	2,757	2,847	3,030	3,332
% change	15.1	13.2	10.9	3.3	6.4	9.9
EBITDA	248	316	480	500	513	572
% change	-21.1	27.2	51.9	4.1	2.6	11.6
Depreciation	58	50	50	56	61	66
EBIT	190	266	430	443	451	506
Interest	12	13	5	6	4	1
Other Income	19	40	54	56	70	73
PBT	197	299	479	493	517	578
% change	-16.1	52.0	60.0	3.0	4.9	11.8
Tax	38	59	110	118	121	140
Tax Rate (%)	19.2%	19.9%	22.9%	24.0%	23.4%	24.2%
Reported PAT	159	240	369	375	396	439
Adj*	0	-7	-9	0	0	0
Adj PAT	159	233	360	375	396	439
% change	-25.7	46.2	54.8	4.0	5.8	10.6
No. of shares (cr)	36.7	36.7	36.7	36.7	36.7	36.7
Adj EPS (Rs.)	4.3	6.3	9.8	10.2	10.8	11.9
% change	-25.7	46.2	54.8	4.0	5.8	10.6
DPS (Rs.)	2.5	3.0	3.5	3.5	3.5	3.5
CEPS (Rs.)	5.9	7.7	11.2	11.7	12.5	13.7

BALANCE SHEET

Y.E March (Rs. cr)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	76	106	84	77	80	119
Accounts Receivable	143	138	201	274	282	301
Inventories	297	302	284	328	361	397
Other Cur. Assets	201	230	378	275	278	283
Investments	0	0	192	456	706	956
Gross Fixed Assets	615	657	717	788	848	908
Net Fixed Assets	331	324	333	349	347	341
CWIP	8	15	13	22	15	15
Intangible Assets	790	792	792	793	792	791
Def. Tax (Net)	91	85	59	27	27	27
Other Assets	85	70	64	88	82	91
Total Assets	2,023	2,062	2,401	2,691	2,971	3,322
Current Liabilities	408	371	432	455	509	554
Provisions	85	93	109	122	125	137
Debt Funds	127	47	51	61	17	0
Other Liabilities	0	0	0	3	3	4
Equity Capital	37	37	37	37	37	37
Reserves & Surplus	1,407	1,512	1,772	2,013	2,281	2,591
Shareholder's Fund	1,403	1,551	1,810	2,050	2,317	2,627
Total Liabilities	2,023	2,062	2,401	2,691	2,971	3,322
BVPS (Rs.)	39	42	49	56	63	72

CASH FLOW

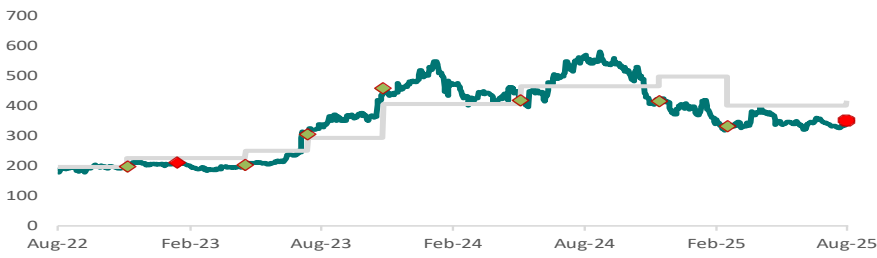
Y.E March (Rs. cr)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	217	290	410	431	458	504
Non-cash adj.	11	-11	-5	-14	4	1
Changes in W.C	-26	50	45	-106	20	-12
C.F. Operation	203	329	458	311	481	493
Capital exp.	-21	-12	-14	-58	-52	-59
Change in inv.	-13	-43	-351	-125	-250	-250
Other invest.CF	3	7	21	21	0	0
C.F - Investment	-32	-48	-344	-161	-302	-309
Issue of equity	0	0	0	0	0	0
Issue/repay debt	231	0	0	0	-45	-16
Dividends paid	-147	-92	-110	-129	-129	-129
Other finance.CF	-229	-135	0	-5	-4	-1
C.F - Finance	-167	-251	-135	-158	-177	-145
Chg. in cash	4	30	-21	-7	3	39
Closing cash	76	106	84	77	80	119

RATIOS

Y.E March	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return						
EBITDA margin (%)	11.3	12.7	17.4	17.5	16.9	17.2
EBIT margin (%)	8.7	10.7	15.6	15.6	14.9	15.2
Net profit mgn.(%)	7.2	9.4	13.1	13.2	13.1	13.2
ROE (%)	11.1	15.6	21.5	19.4	18.2	17.7
ROCE (%)	11.1	15.6	21.0	19.1	18.0	17.7
W.C & Liquidity						
Receivables (days)	19.7	20.6	22.5	30.5	33.5	32.0
Inventory (days)	47.8	44.0	38.7	39.2	41.5	41.5
Payables (days)	64.4	57.2	53.2	56.8	58.1	58.3
Current ratio (x)	1.5	1.7	2.1	2.4	2.7	3.0
Quick ratio (x)	0.5	0.7	0.7	0.8	0.7	0.8
Turnover & Leverage						
Gross asset T.O (x)	3.7	3.9	4.0	3.8	3.7	3.8
Total asset T.O (x)	1.1	1.2	1.2	1.1	1.1	1.1
Int. coverage ratio (x)	16.1	20.3	90.9	74.8	128.9	680.5
Adj. debt/equity (x)	0.1	0.0	0.0	0.0	0.0	0.0
Valuation						
EV/Sales (x)	5.8	5.1	4.6	4.4	4.1	3.8
EV/EBITDA (x)	51.1	39.8	26.3	25.3	24.5	21.9
P/E (x)	79.4	54.3	35.1	33.7	31.9	28.8
P/BV (x)	8.8	8.2	7.0	6.2	5.5	4.8



Recommendation Summary (last 3 years)



Source: Bloomberg, Geojit Research

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:



Upgrade



No Change



Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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