Jyothy Labs Ltd

Market Cap.	52 Week H/L	CMP	Target Price
Rs. 8,966 Cr.	Rs. 400/239	Rs. 245	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)	3,63,490 Shares

Price Performance (%)		
1M	3M	6M
(6)	(23)	(28)

200 days EMA Rs. 311

SHARE HOLDING (%)	
Promoters	62.89
Govt.	0.01
FII	12.12
FI / MF	16.00
Bodies Corporate	0.28
Public & Others	8.70

Jyothy Labs Ltd has recently announced its performance for the quarter ended December 31, 2025. Following are the key financial highlights:

Particulars	Q3FY26	Q3FY25	YoY	Q2FY26	QoQ
Net Sales	755.0	717.5	5.2%	753.0	0.2%
EBITDA	126.0	129.6	(2.7%)	135.3	(6.8%)
EBITDA Margin	**16.6%**	**18.0%**	**(140 bps)**	**18.0%**	**(140 bps)**
Profit (loss) before Tax	109.5	113.8	(3.7%)	118.7	(7.7%)
Profit (loss) after Tax	81.1	87.4	(7.2%)	87.8	(7.6%)
PAT Margin	**10.7%**	**12.2%**	**(150 bps)**	**11.6%**	**(90 bps)**
EPS	2.21	2.38	(7.1%)	2.39	(7.5%)

Highlights from the Quarter (Q3FY26):

Jyothy Labs Ltd (JLL) reported a flat quarterly net revenue of Rs.755.0cr for Q3FY26, higher by 5.2% YoY and by 0.2% on a QoQ basis. The company reported an EBITDA of Rs.126.0cr for the quarter vs Rs.129.6cr for the same quarter in the previous year and Rs.135.3cr in the preceding quarter. Subsequently, the company posted a net profit of Rs.81.1cr for the quarter.

The company noted a broad-based consumption recovery, with rural markets remaining strong and urban demand showing signs of revival. However, margins were under pressure during the quarter, with gross margin at 46.5% (down 330 basis points YoY) and EBITDA margin at around 16% (down 140 basis points YoY). The compression was driven by several key factors:

- Competitive Pricing Actions: Significant MRP reductions and higher grammages were implemented to maintain market share, particularly in the Dishwash and Liquid Detergent categories. In the Dishwash segment, portfolio-level price cuts were between 8% and 9%.
- Input Cost Inflation: Prices for select key commodities, such as LABSA and SLES (used in detergents) and soap noodles, remained elevated and showed visible inflation both sequentially and year-on-year.

Coming to the product categories, Fabric care delivered 9.2% value growth, primarily driven by high double-digit volume growth in the liquid detergent portfolio. Personal care returned to profitable growth with an 11% value increase, led by the Margo franchise. The household insecticides segment posted 12.6% value growth. While coil sales declined, they were more than offset by volume growth in liquid vaporizers.

Future outlook:

- The company remains cautiously optimistic about sustained consumption recovery and is focusing on volume-led growth.
- Gross margins are expected to remain subdued for at least the next couple of quarters due to continued input cost pressure and competitive intensity. Stability is expected to return gradually as raw material prices cool off.
- The company aims to increase its direct reach to 14 lakh retail outlets by the end of the year, up from 13 lakh the previous year.

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Earlier Recommendation

Date	Report Type	Reco	Price (Rs.)	Target (Rs.)
12-Jul-24	Initiating Coverage	Buy	488	620
13-Nov-24	Q2FY25 Update	Buy	434	620
12-Feb-25	Q3FY25 Update	Buy	370	620
13-May-25	Q4FY25 Update	Buy	336	620
18-Aug-25	Q1FY26 Update	Buy	336	507
20-Nov-25	Q2FY26 Update	Buy	310	507

OUTLOOK AND VALUATION

We remain bullish on Jyothy Labs Ltd due to an anticipated recovery as well as the company's rigorous push towards growth. We expect FY27E revenue at Rs.3286.6cr, EBITDA of Rs.624.4cr at an EBITDA margin of 19.0% and PAT of Rs.477.0cr. We estimate FY27E EPS at Rs.13.0, and assign a PE multiple of 39x, maintaining the target price of Rs.507 (upside ~106.0%) from the current market price of Rs.245. We maintain our BUY Rating for Jyothy Labs Ltd over an investment horizon of 18-24 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	24.5	3.3	5.0
FY25	2,847.0	499.6	17.5%	374.7	13.2%	10.1	24.4	3.2	4.4
FY26 E	2,960.9	503.3	17.0%	383.9	13.0%	10.5	23.5	3.1	4.1
FY27 E	3,286.6	624.4	19.0%	477.0	14.5%	13.0	18.9	2.7	3.7

PROFIT & LOSS STATEMENT

(Rs. Cr.)

Y/E Mar.	FY24	FY25	FY26E	FY27E
Revenue	**2,757**	**2,847**	**2,961**	**3,287**
Raw Material Cost	1404	1420	1483	1607
Employee Cost	301	326	311	342
Other Expenses	573	602	663	713
EBITDA	**480**	**500**	**503**	**624**
EBITDA Margin (%)	*17.4%*	*17.5%*	*17.0%*	*19.0%*
Depreciation	50	56	55	59
EBIT	**430**	**443**	**449**	**565**
EBIT Margin (%)	*15.6%*	*15.6%*	*15.2%*	*17.2%*
Finance Costs	5	6	2	1
Other Income	0	-4	0	0
Profit before Tax	**479**	**489**	**512**	**636**
Tax Expense	110	118	128	159
Net Profit	**369**	**375**	**384**	**477**
Net Margin (%)	*13.4%*	*13.2%*	*13.0%*	*14.5%*
A-EPS	**10.1**	**10.1**	**10.5**	**13.0**

BALANCE SHEET

(Rs. Cr.)

Y/E Mar.	FY24	FY25	FY26E	FY27E
PP&E (incl. CWIP+intangibles)	306	322	340	337
Right of Use Assets / Investment Property	47	56	56	56
Other Non-Current	909	902	920	936
Inventories	284	328	341	374
Trade Receivables	201	274	284	315
Cash Balance	84	77	58	78
Bank Balance	82	65	104	172
Other Current Assets	488	667	749	840
Total Assets	**2,401**	**2,691**	**2,852**	**3,108**
Equity Share Capital	37	37	37	37
Reserves & Surplus	1,772	2,013	2,186	2,430
Borrowings (LT)	-	-	-	-
Other Non-Current Liabilities	111	134	134	134
Trade Payables	276	290	280	291
Other Financial Liabilities	34	39	27	26
Current Borrowings	-	-	-	-
Other Current Tax Liab & Provisions	170	179	189	191
Total Liabilities	**2,399**	**2,691**	**2,852**	**3,108**

Source: Company, Sushil Finance Research

CASH FLOW STATEMENT

(Rs. Cr.)

Y/E Mar.	FY24	FY25	FY26E	FY27E
PBT	479	489	512	636
Depreciation	50	56	55	59
Interest	5	6	2	1
CFO before Working Cap chg	**534**	**551**	**568**	**696**
Chg in Inventories	18	(45)	(13)	(33)
Chg in Trade Receivables	(64)	(73)	(9)	(31)
Chg in Trade Payables	62	14	(10)	10
Chg in Current Assets & Liabilities	42	74	100	100
Income Taxes Paid	(110)	(118)	(128)	(159)
Cash Flow from Operations	**482**	**403**	**507**	**583**
Interest Paid	(5)	(6)	(2)	(1)
Dividend Paid	(127)	(169)	(211)	(232)
Other Adjustments	15	(44)	(108)	(105)
Cash Flow from Financing	**(116)**	**(219)**	**(321)**	**(338)**
Capital Expenditure	(110)	(34)	(53)	(56)
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)**	**(186)**	**(225)**
Opening Cash	**106**	**84**	**58**	**58**
Total Cash Flow	**(21)**	**(7)**	**0**	**20**
Closing Cash	**84**	**58**	**58**	**78**

Source: Company, Sushil Finance Research

FINANCIAL RATIO STATEMENT

Y/E Mar.	FY24	FY25	FY26E	FY27E
Growth (%)				
Revenue	10.9%	3.3%	4.0%	11.0%
EBITDA	51.9%	4.1%	0.8%	24.1%
Net Profit	58.7%	1.5%	2.5%	24.2%
Profitability (%)				
EBITDA Margin	17.4%	17.5%	17.0%	19.0%
Net Profit Margin	13.4%	13.2%	13.0%	14.5%
ROCE	24.3%	22.0%	20.5%	23.3%
ROE	20.4%	18.3%	17.3%	19.3%
Per Share Data (Rs.)				
EPS	10.1	10.1	10.5	13.0
BVPS	49.2	55.8	60.5	67.2
CEPS	11.4	11.6	11.9	14.6
Valuation (x)				
P/E	24.5	24.4	23.5	18.9
P/BV	5.0	4.4	4.1	3.7
EV/EBITDA	18.7	17.9	17.8	14.3
P/Sales	3.3	3.2	3.1	2.7
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