

Key Changes	Target	Rating	Earnings	Target	Rs. 306
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Small Cap	JYL:IN	83,878	JYOTHYLAB	532926	12 Months
				CMP	Rs. 260
				Return	+18%

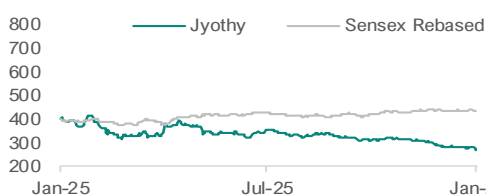
Data as of: 12-01-2026, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	9,547.2		
52 Week High — Low (Rs.)	423-257		
Enterprise Value (Rs.cr)	9,513.4		
Outstanding Shares (cr)	36.7		
Free Float (%)	37%		
Dividend Yield (%)	1.3%		
6m average volume (cr)	0.04		
Beta	0.8		
Face value Rs.	1.0		

Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	62.9	62.9	62.9
FII's	11.4	9.4	12.1
MFs/Insti	12.6	13.6	16.1
Public	10.4	11.8	8.3
Others	9.8	9.3	0.6
Total	100.0	100.0	100.0
Promotor pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-14.1%	-24.3%	-32.7%
Absolute Sensex	2.2%	2.2%	7.9%
Relative Return*	-16.3%	-26.5%	-40.6%

*over or under performance to benchmark index



Consolidated (Rs.cr)	FY25A	FY26E	FY27E
Sales	2,847	2,969	3,258
Growth (%)	3.3	4.3	9.7
EBITDA	500	477	554
EBITDA Margin (%)	17.5	16.1	17.0
Adj. PAT	375	365	424
Growth (%)	4.0	-2.5	16.0
Adj. EPS	10.2	10.0	11.5
Growth (%)	4.0	-2.5	16.0
P/E	25.5	26.1	22.5
P/B	4.7	4.2	3.7
EV/EBITDA	19.1	19.9	17.1
ROE (%)	19.4	16.9	17.4
D/E	0.0	0.0	0.0

Author: Vincent K A - Sr. Research Analyst

Margins soften amid GST transition; recovery expected in H2FY26

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

- In Q2FY26, the topline growth was flat at 0.4% YoY, reaching ₹736 crore, but fell 2% QoQ due to GST-driven channel disruption.
- Segment-wise, Fabric Care grew 6.1% YoY, while Dishwashing declined 3.8%, Personal Care fell 4.3%, and Household Insecticides dropped 8.9% YoY, indicating a mixed performance across categories.
- Gross margin fell 210 bps YoY to 48.1%, mainly due to price cuts and higher palm oil costs.
- EBITDA stood at ₹118.3 crore, down 14.5% YoY, with margins at 16.1% compared to 18.9% YoY.
- Net profit came in at ₹87.8 crore, a decline of 16.4% YoY, impacted by lower gross margins and higher input costs.
- The company maintained a strong cash position of ₹801 crore and remains debt-free, supporting future growth and potential acquisitions.

Outlook & Valuation

We expect Jyothy Labs to witness a gradual recovery from Q3FY26 as GST-related disruptions ease and festive demand kicks in. Margin trajectory should improve in H2FY26, supported by stable commodity prices, normalization of pricing actions, and scaling of premium launches. The company's innovation pipeline, including Dr. Wool and Ujala Young & Fresh, along with strong rural resilience and double-digit growth in modern trade and e-commerce, will drive topline momentum. With zero debt and ~₹800 crore in cash, JLL is well-positioned for organic growth and selective acquisitions. However, competitive intensity in detergents, palm oil volatility, and slower urban recovery remain key risks to watch. **The stock currently trades at 1yr fwd PE of 28x (30x 5yr avg). We value JLL at a P/E of 27x (3yr avg=34x), with a target price of Rs. 306, and recommend Accumulate rating supported by improving demand outlook and decent correction in valuation.**

Quarterly Financials Consol.

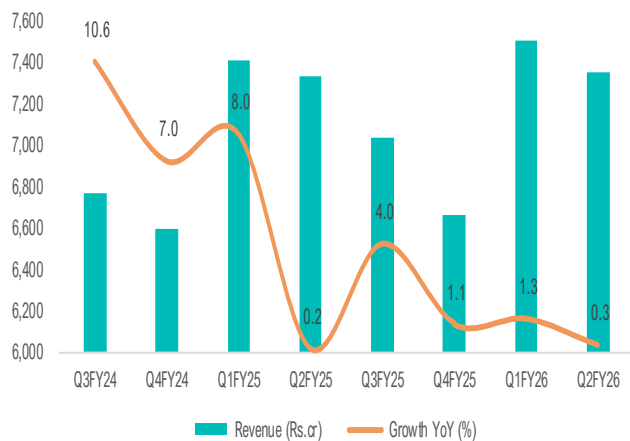
Rs.cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	736	742	(0.8)	751	-2.0	1,487	1,476	0.8
EBITDA	118	133	(11.4)	124	-4.7	242	272	-10.8
Margin (%)	16.1	18.0	(190bps)	16.5	(50bps)	16.3	18.4	(210bps)
EBIT	103	120	(14.2)	109	-5.8	213	245	-13.1
PBT	119	132	(10.3)	128	-6.9	246	268	-8.2
Rep. PAT	88	102	(13.7)	97	-9.3	185	207	-10.7
Adj PAT	88	102	(13.7)	97	-9.3	185	207	-10.7
EPS (Rs)	2	3	(13.7)	3	-9.3	5	6	-10.7



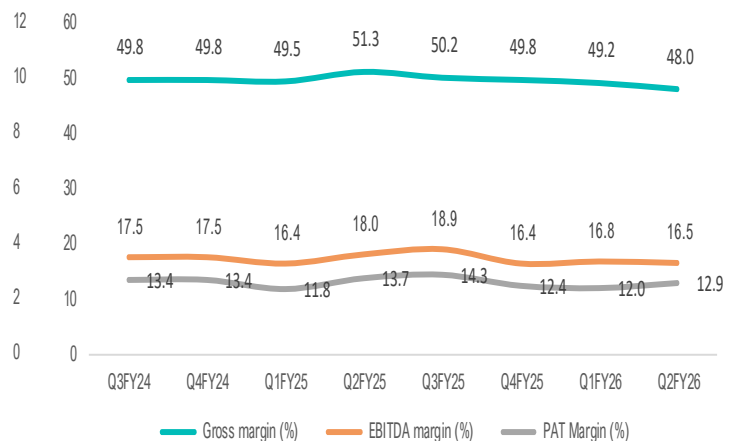
Key Highlights...

- GST transition caused short-term destocking; recovery expected from Q3FY26.
- Fabric Care revenue was ₹335 crore, up 6.1% YoY, led by liquids and conditioners.
- Dishwashing revenue stood at ₹244 crore, down 3.8% YoY, impacted by grammage-led pricing.
- Personal Care revenue was ₹82 crore, down 4.3% YoY, despite sequential improvement from Margo and Jovia.
- Household Insecticides revenue declined 8.9% YoY to ₹41 crore, though new formats like aerosols and racquets were introduced.
- Modern trade, e-commerce, and quick commerce channels grew in double digits, while rural demand remained resilient at ~40% mix.

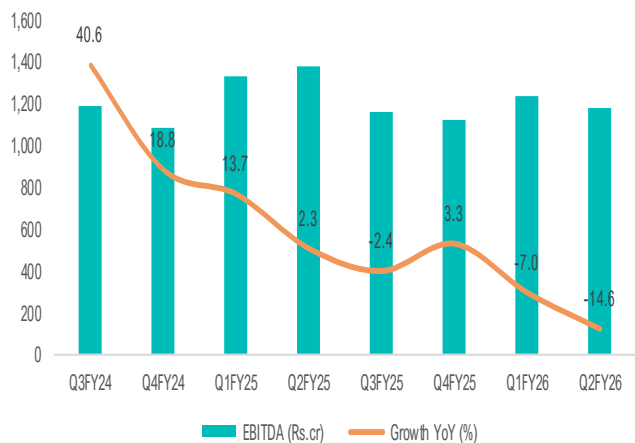
Revenue



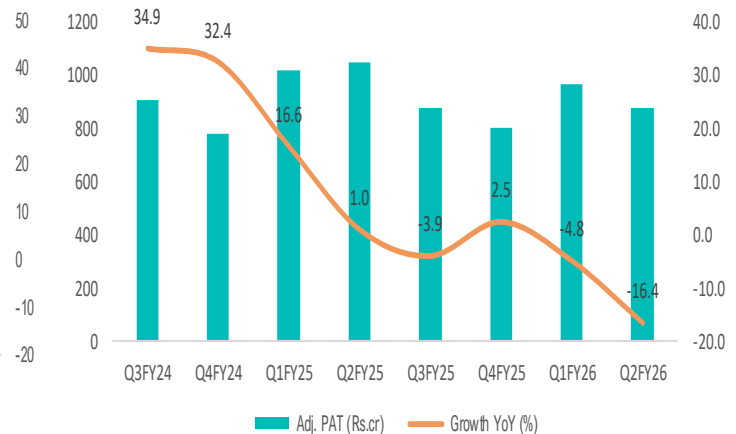
Gross / EBITDA / PAT margin



EBITDA



PAT



Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	3,030	3,332	2,969	3,258	-2.0	-2.2
EBITDA	513	572	477	554	-7.0	-3.2
Margins (%)	16.9	17.2	16.1	17.0	-90bps	-20bps
Adj. PAT	396	439	365	424	-7.7	-3.5
EPS	10.8	11.9	10.0	11.5	-7.9	-3.0



Consolidated Financials

PROFIT & LOSS

Y.E March (Rs. cr)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Revenue	2,196	2,486	2,757	2,847	2,969	3,258
% change	15.1	13.2	10.9	3.3	4.3	9.7
EBITDA	248	316	480	500	477	554
% change	-21.1	27.2	51.9	4.1	-4.5	16.1
Depreciation	58	50	50	56	61	66
EBIT	190	266	430	443	416	488
Interest	12	13	5	6	4	1
Other Income	19	40	54	56	69	72
PBT	197	299	479	493	481	559
% change	-16.1	52.0	60.0	3.0	-2.4	16.1
Tax	38	59	110	118	116	135
Tax Rate (%)	19.2%	19.9%	22.9%	24.0%	24.1%	24.2%
Reported PAT	159	240	369	375	365	424
Adj*	0	-7	-9	0	0	0
Adj PAT	159	233	360	375	365	424
% change	-25.7	46.2	54.8	4.0	-2.5	16.0
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	10.0	11.5
% change	-25.7	46.2	54.8	4.0	-2.5	16.0
DPS (Rs.)	2.5	3.0	3.5	3.5	3.5	3.5
CEPS (Rs.)	5.9	7.7	11.2	11.7	11.6	13.3

BALANCE SHEET

Y.E March (Rs. cr)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	76	106	84	77	52	74
Accounts Receivable	143	138	201	274	277	295
Inventories	297	302	284	328	358	388
Other Cur. Assets	201	230	378	275	277	282
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	2,933	3,261
Current Liabilities	408	371	432	455	505	542
Provisions	85	93	109	122	122	134
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	2,250	2,545
Shareholder's Fund	1,403	1,551	1,810	2,050	2,286	2,582
Total Liabilities	2,023	2,062	2,401	2,691	2,933	3,261
BVPS (Rs.)	39	42	49	56	62	70

CASH FLOW

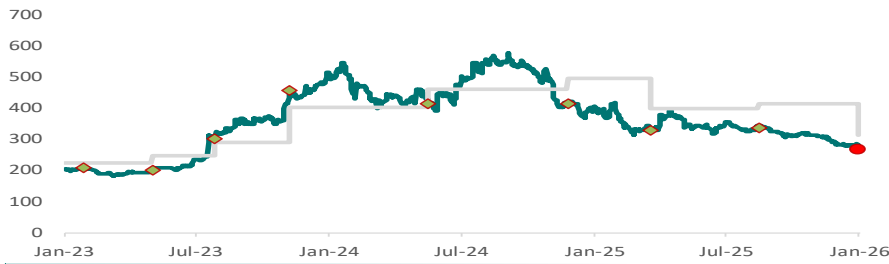
Y.E March (Rs. cr)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	217	290	410	431	427	490
Non-cash adj.	11	-11	-5	-14	4	1
Changes in W.C	-26	50	45	-106	23	-13
C.F. Operation	203	329	458	311	453	477
Capital exp.	-21	-12	-14	-58	-52	-59
Change in inv.	-13	-43	-351	-125	-250	-250
Other invest.CF	3	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	-25	22
Closing cash	76	106	84	77	52	74

RATIOS

Y.E March	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return						
EBITDA margin (%)	11.3	12.7	17.4	17.5	16.1	17.0
EBIT margin (%)	8.7	10.7	15.6	15.6	14.0	15.0
Net profit mgn.(%)	7.2	9.4	13.1	13.2	12.3	13.0
ROE (%)	11.1	15.6	21.5	19.4	16.9	17.4
ROCE (%)	11.1	15.6	21.0	19.1	16.7	17.4
W.C & Liquidity						
Receivables (days)	19.7	20.6	22.5	30.5	33.9	32.0
Inventory (days)	47.8	44.0	38.7	39.2	42.1	41.8
Payables (days)	64.4	57.2	53.2	56.8	59.0	58.6
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	0.7
Turnover & Leverage						
Gross asset T.O (x)	3.7	3.9	4.0	3.8	3.6	3.7
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	118.8	656.6
Adj. debt/equity (x)	0.1	0.0	0.0	0.0	0.0	0.0
Valuation						
EV/Sales (x)	4.5	3.9	3.5	3.4	3.3	3.0
EV/EBITDA (x)	39.4	30.6	20.2	19.4	20.3	17.4
P/E (x)	61.2	41.8	27.0	26.0	26.6	23.0
P/BV (x)	6.7	6.3	5.4	4.7	4.3	3.8



Recommendation Summary (last 3 years)



Source: Bloomberg, Geojit Research

Dates	Rating	Target
07-Aug-23	Sell	291
16-Nov-23	Sell	405
29-May-24	Accumulate	478
13-Oct-24	Accumulate	645
04-Dec-24	Buy	496
11-Mar-25	Buy	395
27-Mar-25	Accumulate	404
22-Aug-25	Buy	412
13-Jan-26	Accumulate	306

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.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

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

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