BP Wealth | STOXBOX

Result Update

Q1 FY27

Jyothy Labs Ltd.

Institutional Research

Jyothy Labs Ltd.

BP WEALTH

FMCG | Q1FY27 Result Update **13th August 2026**

Severe Commodity Inflation Impairs Margins Despite Resilient Core Growth

Jyothy Labs reported a steady top-line performance for Q1FY27, with revenue from operations reaching Rs. 773.0 crores, up 3.0% YoY. Revenue excluding sales from Pril and Fa grew 8.1% in value terms and 5.3% in volume terms, demonstrating underlying resilience in core categories amid a mixed demand environment, with rural markets showing stability while urban consumption remained subdued. However, profitability was severely impacted by abnormal inflation in crude-linked raw materials, palm derivatives, and packaging costs. Gross margins contracted significantly by 950 bps YoY to 38.5% (vs 48.0% in Q1FY26). Consequently, Operating EBITDA declined 47.9% YoY to Rs. 64.7 crores, with EBITDA margins shrinking 810 bps YoY to 8.4% (vs. 16.5% in Q1FY26). PAT stood at Rs. 47.6 crores, down 50.8% YoY, with PAT margins contracting 670 bps YoY to 6.2% (vs. 12.9% in Q1FY26). Fabric Care led overall performance with robust growth, delivering 14.1% YoY value growth and 10.2% volume growth, driven by strong momentum in liquid detergents and steady gains in main wash powders. Home Care recorded revenue of Rs. 280 crores (up 2.4% YoY excluding Pril), supported by positive initial traction for the newly launched Exo Dishwash Liquid (bio-enzyme) and the strategic rollout of Maxo Incense Sticks. Personal Care remained largely flat at Rs. 94 crores (up 0.4% YoY), with Margo showing modest growth backed by national brand-building campaigns.

Valuation and Outlook

The near-term outlook for Jyothy Labs presents a sharp dichotomy between resilient volume-driven top-line growth and severe margin compression. While core operational performance remains healthy, backed by double-digit volume growth in Fabric Care, strong traction in liquid detergents, and steady scaling of new product developments (NPDs) like Exo Bio-Enzyme Liquid and Maxo Incense Sticks, profitability remains under intense pressure. Unprecedented inflation across crude-linked raw materials, palm derivatives, and packaging inputs has severely squeezed gross margins by 950 bps YoY, driving a sharp 47.9% drop in EBITDA. With approximately 50-60% of input costs tied to crude oil, margin recovery is expected to be gradual and contingent on commodity stabilization, as pricing actions lag inflation to protect volume growth and market share. From a structural perspective, Jyothy Labs remains well-positioned to navigate the transitory headwinds. The business is supported by a robust net cash position of approximately Rs. 850 crores, strong working capital discipline, and rapidly expanding presence in modern trade, e-commerce, and quick commerce channels. Furthermore, ongoing efforts to reduce exposure to crude-linked inputs, expand into higher-margin categories, and maintain disciplined capital allocation demonstrated by a selective approach to M&A, provide strong medium-to-long-term growth levers. As pricing hikes take full effect and input cost pressures normalize, the company's strong brand equity and volume momentum should drive a sustainable recovery toward historical profitability levels.

Key Highlights

Particulars (Rs. Cr.)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Net Sales	**773**	**751**	**3.0%**	**717**	**7.8%**
Gross profit	298	361	-17.4%	324	-8.0%
Gross margin (%)	**38.5%**	**48.0%**	**-948 bps**	**45.2%**	**-661 bps**
EBITDA	65	124	-47.9%	97	-33.1%
OPM (%)	**8.4%**	**16.5%**	**-816 bps**	**13.5%**	**-512 bps**
PAT	48	97	-50.8%	68	-29.4%
PAT Margin	**6.2%**	**12.9%**	**-672 bps**	**9.4%**	**-325 bps**

Source: Company, BP Equities Research

Sector Outlook	**Positive**

Stock

CMP (Rs.)	200
BSE code	532926
NSE Symbol	JYOTHYLAB
Bloomberg	JYL IN
Reuters	JYOI.BO

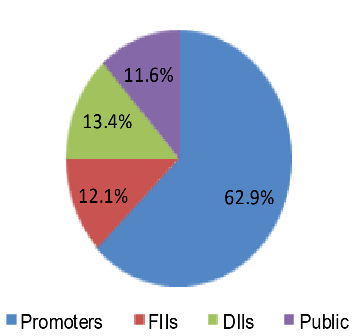
Key Data

Nifty	24,396
52 Week H/L (Rs,)	353/188
O/s Shares (Cr.)	37
Market Cap (Rs. Cr.)	7,350
Face Value (Rs.)	1

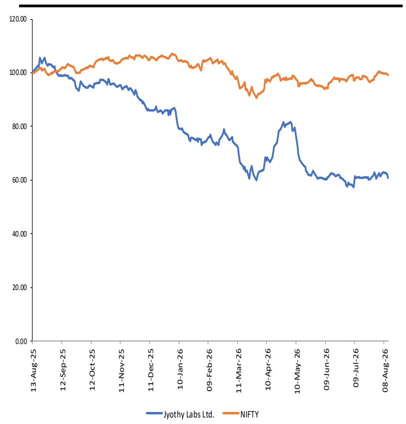
Average Volume

3 months	8,41,723
6 months	8,41,692
1 year	6,13,224

Share Holding Pattern (%)



Relative Price Chart



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Key Concall Highlights

Demand & Industry Outlook

Rural demand remained resilient, while urban consumption stayed subdued due to higher household expenses and cautious consumer sentiment.

Management remains cautiously optimistic, expecting growth to be driven by a combination of volume growth, calibrated pricing, premiumization and new product launches.

FY27 revenue growth guidance, excluding Pril and Fa, remains double-digit, with H2 expected to be significantly better than H1.

"H2FY27 is expected to outperform H1 significantly."

Raw Material & Margin Pressure

Crude and crude-linked input costs remained highly volatile, significantly impacting Fabric Care and Home Care, which account for around 90% of the business.

Q1 gross margin declined 950 bps YoY to 38.5%, while EBITDA margin fell 820 bps YoY to 8.4% due to elevated input costs.

Management expects margin recovery to be gradual, with H2FY27 likely to be better than H1, subject to commodity prices and demand recovery.

Lower crude prices are expected to benefit margins with a lag, with more meaningful benefits potentially visible from October onwards.

The company is focusing on cost optimization, procurement efficiencies, value engineering, mix improvement and selective pricing to restore margins.

"Margin recovery is expected gradually from H2FY27."

Pricing & Volume Growth

Total price increases since the beginning of the commodity inflation cycle were around 4-4.5%, with 3% flowing through in Q1 and the balance expected in Q2.

Fabric Care saw around 5% portfolio-level price increases, while dishwashing pricing remained competitive.

Management expects high-single-digit volume growth through FY27 and is targeting double-digit revenue growth from the current quarter.

"Double-digit revenue growth is expected from Q2."

Home Care & Exo

Home Care grew 2.4% YoY excluding Pril, with the Pril exit impacting the dishwash portfolio.

The newly launched Exo bio-enzyme liquid has delivered an encouraging early performance and is expected to scale up further with wider distribution.

The broader Exo franchise grew mid-to-high single digits in value and double digits in volume.

E-commerce and quick commerce are growing at around 25-30%, remaining among the company's fastest-growing channels.

"Exo franchise delivered mid-to-high single-digit value growth."

Personal Care

Personal Care remained subdued in Q1 due to price increases and temporary supply-chain disruptions.

Management expects the segment to recover from Q2 onwards, supported by easing base effects and improved demand.

The company is working on expanding Personal Care and introducing higher-margin products to diversify its portfolio.

"Recovery is expected from Q2 onwards."

Maxo Incense Sticks

Jyothy Labs launched Maxo incense sticks in July, targeting concerns around unsafe and unapproved local agarbattis.

The product is government-approved, competitively priced and uses a stable molecule; management believes it offers a differentiated and effective proposition.

New Product Development & Diversification

Management is actively working on new categories and products, particularly those with better margins and lower dependence on crude-linked raw materials.

"Focus is on higher-margin and less crude-dependent products."

The company is also exploring products using more sustainable/alternative ingredients to reduce exposure to crude-linked inputs.

M&A & Cash Position

Jyothy Labs continues to evaluate acquisitions aggressively, but applies strict strategic and valuation filters and will not acquire assets merely for the sake of growth.

"TTK Healthcare assets were rejected due to strategic overlap."

The company had around Rs. 850 crores of net cash at the end of the quarter.

The TTK Healthcare assets were evaluated but not pursued due to strategic misalignment and significant overlap in certain businesses.

Working Capital & Distribution

Working-capital discipline remains a key focus, with a significant portion of General Trade sales conducted on an advance-payment basis.

"General Trade sales largely follow an advance-payment model."

Distributor inventory is maintained at around 15-20 days, supporting healthy working-capital management.

Key FY27 Priorities

Scale up recent NPDs, strengthen the innovation pipeline and improve General Trade productivity.

"Margins are expected to recover as commodity pressures normalize."

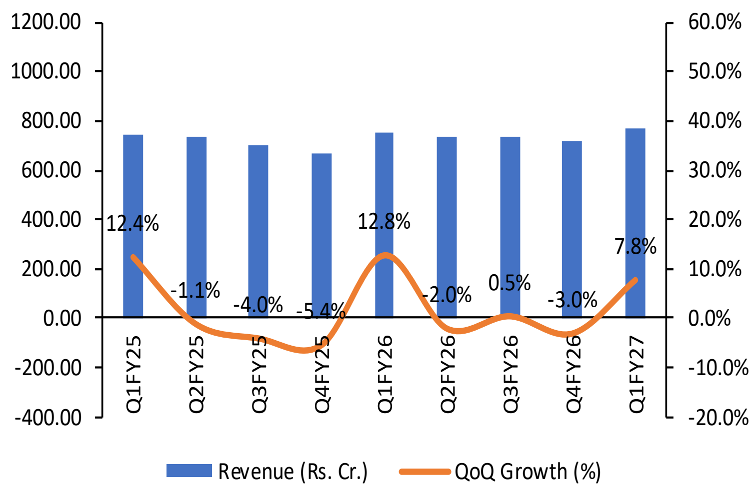
Sustain volume growth despite pricing actions and gradually increase brand investments.

Reduce dependence on crude-linked raw materials through product diversification and innovation.

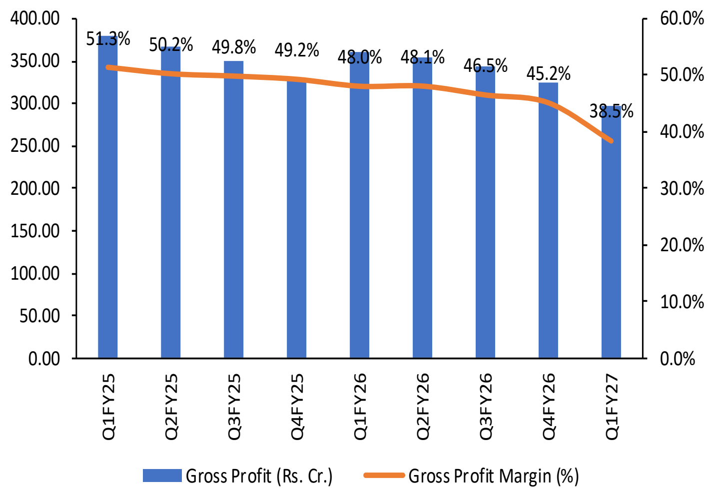
Management remains confident of returning toward historical margin levels as commodity pressures normalize.

Quarterly Snapshot

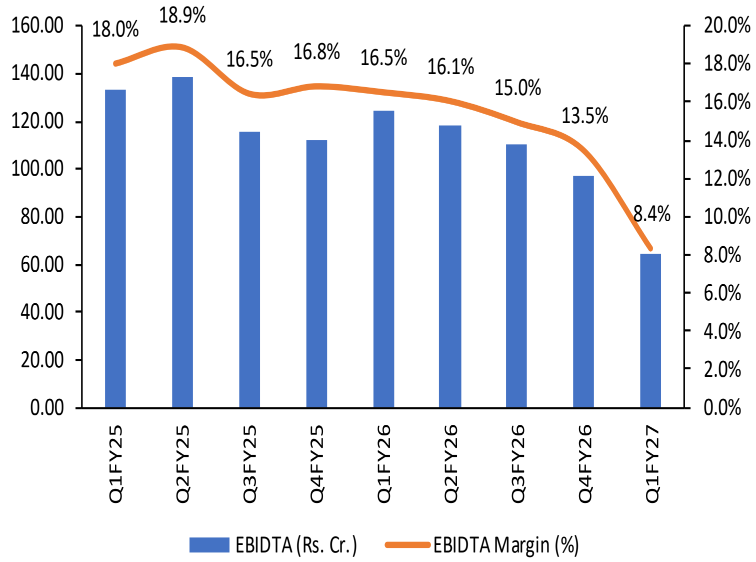
Moderate revenue growth on QoQ basis



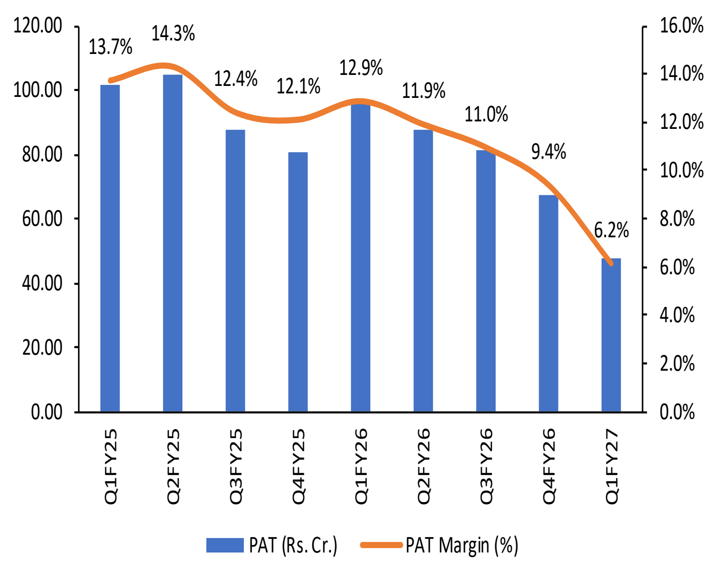
Gross margin declined because of higher raw material cost



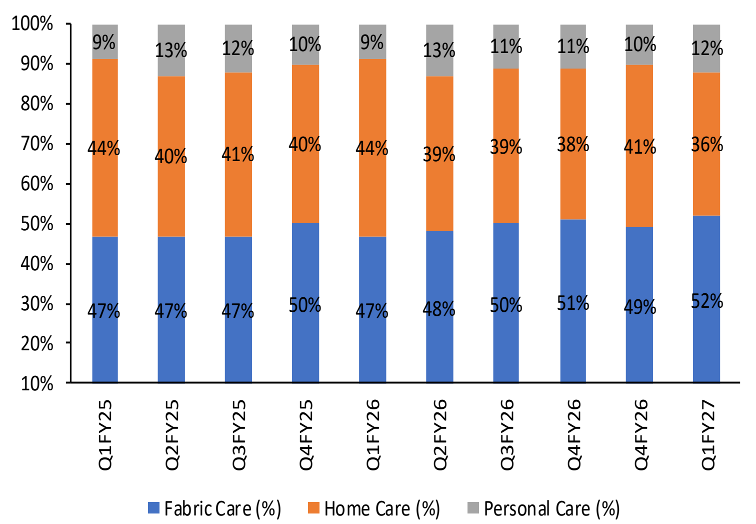
EBITDA margins declined due to inflated crude price



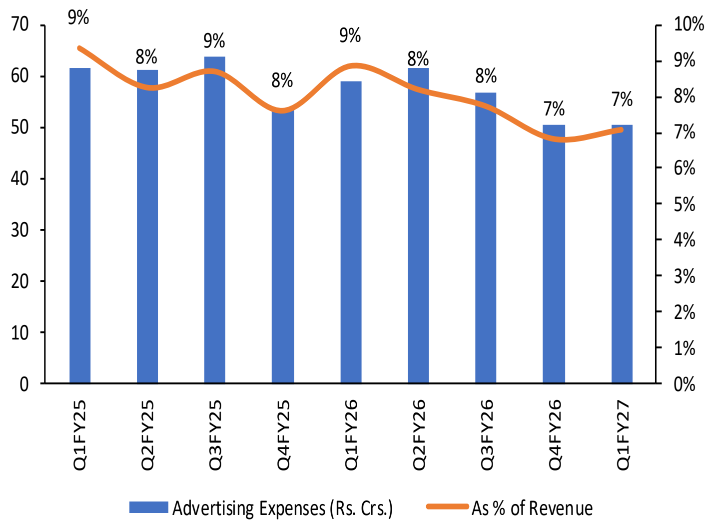
PAT margins decline despite stable revenue



Segment wise revenue split



Advertising expenses to remain at same levels



Source: Company, BP Equities

Key Financials						
YE March (Rs. Cr.)	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Revenue	**2,757**	**2,847**	**2,944**	**3,085**	**3,342**	**3,626**
Revenue Growth (Y-o-Y)	*10.9%*	*3.3%*	*3.4%*	*4.8%*	*8.3%*	*8.5%*
EBITDA	**480**	**500**	**450**	**371**	**476**	**538**
EBIT Growth (Y-o-Y)	*51.9%*	*4.1%*	*(9.9%)*	*(17.6%)*	*28.4%*	*13.0%*
Net Profit	**369**	**370**	**333**	**277**	**359**	**412**
Net Profit Growth (Y-o-Y)	*54.0%*	*0.3%*	*(10.1%)*	*(16.8%)*	*29.8%*	*14.7%*
Diluted EPS	**10.1**	**10.1**	**9.1**	**7.5**	**9.8**	**11.2**
Diluted EPS Growth (Y-o-Y)	*54.0%*	*0.3%*	*(10.1%)*	*(16.8%)*	*29.8%*	*14.7%*
Profitability Ratios						
EBITDA (%)	**17.4%**	**17.5%**	**15.3%**	**12.0%**	**14.2%**	**14.8%**
NPM (%)	13.4%	13.0%	11.3%	9.0%	10.8%	11.4%
ROE (%)	**20.4%**	**18.1%**	**14.8%**	**11.5%**	**13.6%**	**14.1%**
ROCE (%)	25.2%	22.6%	17.8%	13.2%	16.1%	16.5%
Valuation Ratios						
P/E (x)	**19.9x**	**19.8x**	**22.1x**	**26.5x**	**20.4x**	**17.8x**
EV/EBITDA	15.0x	14.5x	15.7x	18.9x	14.7x	12.9x
P/BV (x)	**4.1x**	**3.6x**	**3.3x**	**3.1x**	**2.8x**	**2.5x**
Market Cap. / Sales (x)	2.7x	2.6x	2.5x	2.4x	2.2x	2.0x

Source: Company, BP Equities, Bloomberg Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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