

July 17, 2025

Stable quarter; Awaiting capital allocation policy...

About the stock: Just Dial (JDL) generates revenues from advertisers on various subscription and fee-based packages. Reliance Retail Ventures Limited holds a 63.84% stake in JDL.

Q1FY26 Performance: JDL reported revenue of ₹297.9 crore, up 3% QoQ & 6.2% YoY in Q1FY26. EBITDA margins came at 29%, down ~80 bps QoQ/ up 20 bps YoY, due to higher employee benefit (+3% QoQ) and other expenses (+11% QoQ). Paid campaigns grew by 0.7% QoQ and 4.3% YoY to 617.3k, with average pricing per paid campaign improving by 2.3% QoQ to ₹4,825. PAT stood at ₹159.7 crore, up 1% QoQ/ 13% YoY, aided by higher other income.

Investment Rationale

- **Steady revenue growth led by strong user traction:** JDL reported revenue growth of 3% QoQ & 6.2% YoY, driven by sustained user traction. Unique visitors rose to 193.2 million (+1% QoQ / +6.6% YoY), total app downloads reached 40.7 million (+2.2% QoQ / +9.3% YoY), and daily app downloads improved 10% QoQ to 7,613. Mobile remained the dominant channel, contributing ~90% of total traffic. Mobile visitors rose 8.7% YoY to 167.9 million, while desktop and voice traffic declined 5% and 6.5% YoY, respectively. **We expect revenues to grow at a CAGR of ~12% over FY25-27E to ₹ 1,430 crore.**
- **Other Income drives earnings growth yet again; margins stable:** EBITDA margin contracted by ~80 bps QoQ (+20 bps YoY) to 29%, impacted by higher employee and other (advertisement) expense. **PAT grew 1% QoQ / 13% YoY, driven by elevated other income of ₹127 crore, supported by strong cash reserves.** Headcount increased by 66 QoQ to 13,068. Sales force headcount increased by 73, taking the total to 10,176 sales employees. **Margins may remain in range as investments ramp up across sales and marketing to drive user and merchant engagement. We bake in EBITDA margins of 29%/29.5% for FY26E/FY27E.**
- **Capital allocation policy awaited:** JDL has yet to come back on its capital allocation policy wherein it had announced that it is targeting 100% profit distribution via dividend or buyback. This same was likely to be crystallised by H1FY26. For Q1, Cash & Investments rose 14% YoY to ₹5,429 crore.

Rating and Target Price

- We continue to believe that any formation of capital allocation – through dividend/buyback can be a stock price trigger and the dividend payout policy remains a key monitorable.
- We maintain our **BUY** rating on the stock and continue to value it at a **target price of ₹ 1,250; at 12x FY27E EV/EBITDA.**

Key Financial Summary

(₹ crore)	FY23	FY24	FY25	5 year CAGR (FY20-25)	FY26E	FY27E	2 year CAGR (FY25-27E)
Net Sales	845	1,043	1,142	3.7	1,251	1,430	11.9
EBITDA	86	217	335	(4.4)	363	422	12.2
EBITDA Margins (%)	10.2	20.8	29.4		29.0	29.5	
Net Profit	163	363	584	62.2	575	583	(0.1)
EPS (₹)	19.3	42.7	68.7		67.6	68.6	
P/E	46.4	21.0	13.0		13.2	13.0	
RoNW (%)	4.4	9.0	12.7		12.0	11.8	
RoCE (%)	5.1	11.2	13.9		14.5	14.4	

Source: Company, ICICI Direct Research

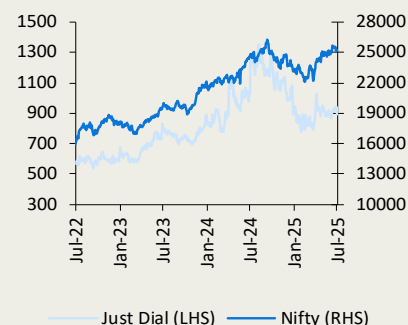
Particulars

Particular	Amount
Market Capitalization (₹ Crore)	7,611
Total Debt(₹ Crore)	-
Cash and Investments (₹ Crore)	5,279
EV (₹ Crore)	2,022
52 week H/L	1395 / 752
Equity capital (₹ Crore)	85
Face value (₹)	10

Shareholding pattern

	Jun-24	Sep-24	Dec-24	Mar-25
Promoters	74.2	74.2	74.2	74.2
FII	7.0	7.8	7.3	6.6
DII	8.9	8.4	8.3	8.9
Others	10.0	9.7	10.2	10.4

Price Chart



Key risks

- Lower than expected revenue growth;
- Delayed decision w.r.t capital allocation

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Performance highlights and outlook

- **Revenue Performance:** JDL reported revenue of ₹297.9 crore, up 3% QoQ & 6.2% YoY in Q1FY26. **Paid campaigns grew by 0.7% QoQ and 4.3% YoY to 617.3k, with average pricing per paid campaign improving by 2.3% QoQ to ₹4,825.**
- **Margin Performance:** EBITDA for the quarter stood at ₹86.4 crore, up 0.4% QoQ/7.2% YoY while EBITDA margins came at 29%, down ~80 bps QoQ/ up 20 bps YoY, due to higher employee benefit (+3% QoQ) and other expenses (+11% QoQ). PAT stood at ₹159.7 crore, up 1% QoQ/ 13% YoY, aided by higher other income.
- **Other Income:** For Q1FY26, Other Income stood at ₹127.3 crore, (42.7% of topline). Notably it has increased 17% QoQ/47% YoY.
- **Cash and Investment and Capital allocation policy:** Cash & Investments rose 14% YoY to ₹5,429 crore in Q1 which continues to provide downside support. **JDL has yet to come back on its capital allocation policy wherein it had announced that it is targeting 100% profit distribution via dividend or buyback. A formalised policy could help address the balance sheet cash overhang and act as a near-term trigger.**
- **Shopping platform:** We await updates on the online shopping platform (website), which the company was developing to enable them to connect with the businesses, having an online presence. **Status of its launch and ramp up remain a key monitorable.**
- **Employee strength:** Headcount for the quarter stood at 13,068 employees, up 66 employees. Sales force headcount increased by 73, taking the total to 10,176 sales employees. **Margins may moderate as investments ramp up across sales and marketing**

Quarter Performance

	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	Comments
Revenue	297.9	280.6	6.2	289.2	3.0	JDL reported revenue growth of 3% QoQ & 6.2% YoY, driven by sustained user traction. Unique visitors rose to 193.2 million (+1% QoQ / +6.6% YoY), total app downloads reached 40.7 million (+2.2% QoQ / +9.3% YoY), and daily app downloads improved 10% QoQ to 7,613.
Employee expenses	180.0	172.9	4.1	174.8	3.0	
Gross Margin	117.8	107.7	9.4	114.4	3.0	
Gross margin (%)	39.6	38.4	117 bps	39.5	1 bps	
Other expenses	31.4	27.1	16.0	28.3	11.0	
EBITDA	86.4	80.6	7.2	86.1	0.4	
EBITDA Margin (%)	29.0	28.7	28 bps	29.8	-74 bps	EBITDA margin contracted by ~80 bps QoQ (+20 bps YoY) to 29%, impacted by higher employee and other (advertisement) expense.
Depreciation & amortisation	11.7	11.7	-	11.8	(0.8)	
EBIT	74.7	68.9	8.4	74.3	0.6	
EBIT Margin (%)	25.1	24.6	52 bps	25.7	-59 bps	
Other income (less interest)	124.2	85.0	46.2	105.3	18.0	
PBT	198.9	153.9	29.3	179.5	10.8	
Tax paid	39.3	12.7	209.9	21.9	79.0	
PAT	159.7	141.2	13.1	157.6	1.3	PAT grew 1% QoQ / 13% YoY, driven by elevated other income of ₹127 crore, supported by strong cash reserves.

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 1: Profit and loss statement ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Total Revenues	1,043	1,142	1,251	1,430
Growth (%)	23.5	9.5	9.6	14.3
COGS	720	695	762	872
Other Expenses	107	111	127	136
EBITDA	217	335	363	422
Growth (%)	152.5	54.9	8.2	16.3
Depreciation	46	47	54	60
Other Income	305	387	426	397
Interest paid	9	11	11	11
PBT	467	664	724	748
Growth (%)	148.4	42.3	9.0	3.3
Total Tax	104	80	150	165
PAT	363	584	575	583
Adjusted PAT	363	584	575	583
Adjusted PAT (Growth %)	123.0	61.0	(1.6)	1.5
EPS	42.7	68.7	67.6	68.6
EPS (Growth %)	121.2	61.0	(1.6)	1.5

Source: Company, ICICI Direct Research

Exhibit 3: Balance Sheet ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Equity	85	85	85	85
Reserves & Surplus	3,938	4,521	4,694	4,840
Networth	4,024	4,607	4,779	4,925
Minority Interest	-	-	-	-
Total Debt	-	-	-	-
Other long term liabilities	227	260	285	325
Source of funds	4,251	4,866	5,063	5,250
Net Block	119	126	109	91
CWIP	-	-	-	-
Other intangible assets&Goodwill	28	17	16	16
Other long term assets	28	23	25	25
Current investments	4,608	4,968	5,268	5,568
Other financial assets	15	26	29	33
Cash & Cash equivalents	18	310	321	321
Loans and advances	0	0	0	0
Other Current Assets	46	50	55	62
Trade payables	13	15	27	31
Other Current liabilities	585	627	721	824
Provisions	11	12	12	12
Application of funds	4,251	4,866	5,063	5,250

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Net profit before Tax	466	664	724	748
Depreciation	46	47	54	60
(inc)/dec in Current Assets	(2)	(6)	(10)	(16)
(inc)/dec in current Liabilities	77	52	131	148
CF from operations	259	311	335	389
Other Investments	(253)	16	126	97
(Purchase)/Sale of Fixed Assets	23	(6)	(8)	(9)
CF from investing Activities	(230)	(290)	118	88
Inc / (Dec) in Equity Capital	1	-	-	-
Othes	(28)	(29)	(29)	(29)
Dividend & Buyback	-	-	(402)	(438)
Interest Paid on Loans	-	-	(11)	(11)
CF from Financial Activities	(27)	(29)	(442)	(477)
Cash generating during the year	2	(7)	11	0
Opening cash balance	16	18	10	21
Closing cash	18	10	21	21

Source: Company, ICICI Direct Research

Exhibit 4: Key ratios

(Year-end March)	FY24	FY25	FY26E	FY27E
Per share data (₹)				
EPS	42.7	68.7	67.6	68.6
BV per share	473.1	541.7	562.0	579.1
DPS	-	-	47	51
Cash per Share	2.1	36.5	37.8	37.8
Operating Ratios				
EBITDA Margin (%)	20.8	29.4	29.0	29.5
EBIT Margin (%)	16.3	25.2	24.7	25.3
PAT Margin (%)	34.8	51.2	45.9	40.8
Creditor days	5	5	8	8
Return Ratios (%)				
RoE	9.0	12.7	12.0	11.8
RoCE	11.2	13.9	14.5	14.4
Valuation Ratios (x)				
P/E	21.0	13.0	13.2	13.0
EV / EBITDA	13.8	7.0	5.6	4.1
Price to Book Value	1.9	1.7	1.6	1.5
EV / Net Sales	2.9	2.0	1.6	1.2
Market Cap / Sales	7.3	6.7	6.1	5.3
Solvency Ratios				
Debt/EBITDA	-	-	-	-
Debt / Equity	-	-	-	-
Current Ratio	0.1	0.1	0.1	0.1
Quick Ratio	0.1	0.1	0.1	0.1

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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