

Reco/View: **BUY**

CMP: **Rs. 241**

Price Target: **Rs. 315**



Jyothy labs

STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Consumer Goods

COMPANY DETAILS

Market cap:	Rs. 8,839 cr
52-week high/low:	Rs. 400 / 239
NSE volume: (No of shares)	3.6 lakh
BSE code:	532926
NSE code:	JYOTHYLAB
Free float: (No of shares)	13.6 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	62.9
FII	13.3
DII	15.1
Others	8.7

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-4.7	-21.9	-28.6	-32.2
Relative to Sensex	-3.9	-18.7	-29.6	-40.9

Source: Mirae Asset Sharekhan Research, Bloomberg

Quick Snapshot

- JLL's Q3FY26 numbers were muted, with revenue growth at 5% y-o-y, OPM down 149 bps y-o-y to 15% (versus 16.3% expected) and PAT lower 7% y-o-y.
- Management eyes volume-led double-digit growth trajectory in the near term, with sustained brand investments and innovation driving growth.
- Near-term margin pressure to persist, especially in dishwashing and liquid detergents, on rising input costs and reduced MRPs. Greater focus on premium product sales and scale-up of new launches would ease margin pressures.
- Stock has corrected 22% over the past three months and trades at 25x/23x/20x its FY26E/FY27E/FY28E EPS, respectively. We maintain Buy with a revised PT of Rs. 315.

Result overview

- Consolidated revenue grew 5.1% y-o-y to Rs. 740 crore with volume growth at 7.2% y-o-y.
- Fabric care grew 9.2% y-o-y driven by continued momentum in liquid detergents.
- Personal care/household insecticides grew 12.6%/10.9% y-o-y on a low base of 25%/4% decline in Q3FY25, respectively.
- Dishwashing revenues fell 1.3% y-o-y despite high single-digit (~7%) volume growth due to price cuts and higher promotions (increase grammage).
- General trade is reviving, while modern trade, e-commerce, and quick commerce continued to grow in double digits.
- Gross margins fell 328 bps y-o-y to 46.5% due to pricing actions to address competition (mainly in liquid detergent and dishwash), higher consumer offers and inflation in select commodity prices. Lower advertisement spends (down 11% y-o-y) reduced OPM contraction to 149 bps y-o-y at 15%. OPM missed our expectation of 16.3%.
- EBIT margin fell for most segments with dishwashing/fabric care/personal care saw a sharp contraction of 387 bps/298 bps/199 bps y-o-y to 14.4%/19.3%/8.7%, respectively. HI EBIT margins improved from -29.7% to -0.7%.
- Operating profit fell 4.4% y-o-y to Rs. 111 crore and PAT declined by 7.2% y-o-y to Rs. 81 crore.
- 9MFY26 consolidated revenue grew 2.2% y-o-y to Rs. 2,227 crore, OPM declined by 193 bps y-o-y to 15.9% and PAT fell by 9.7% y-o-y to Rs. 266 crore.

Our Call

We have cut our EPS estimates by 4-8% for FY26-28 owing to a high competitive intensity and raw material cost inflation. Long-term prospects are intact owing to its focus on expanding in new territories, innovation, distribution expansion and cost efficiency measures. Stock has corrected by 22% in the past three months and trades at 25x/23x/20x its FY26E/FY27E/FY28E EPS, respectively. We maintain Buy with a revised PT of Rs. 315.

Key Risks

Delayed recovery in HI category or market share loss in some key categories would act as key risks to our earnings estimates.

Valuation (Consolidated)

Particulars	Rs cr				
	FY24	FY25	FY26E	FY27E	FY28E
Revenues	2,757	2,847	2,938	3,150	3,394
OPM (%)	17.4	17.5	15.7	16.5	17.2
Adjusted PAT	369	374	348	391	444
Adjusted EPS (Rs.)	10.1	10.2	9.5	10.7	12.1
P/E (x)	23.9	23.6	25.4	22.6	19.9
P/B (x)	4.9	4.3	4.0	3.6	3.3
EV/EBIDTA (x)	18.3	17.6	18.0	15.7	13.6
RoNW (%)	22.0	19.4	16.3	16.8	17.5
RoCE (%)	21.1	18.7	15.4	15.7	16.4

Source: Company; Mirae Asset Sharekhan estimates

Concall highlights

- Management indicated that rural demand was resilient aided by good monsoons, stable farm income and steady government spending, while urban demand improved gradually.
- **Fabric care:** Liquid detergents across Ujala, Henko, Mr. White, and Morelight performed well. The new 'Dr Wool' launch also contributed positively. Detergent powder demand remained stable. However, liquid detergent category pricing remains competitive. The company continues to focus on scaling up liquid detergents.
- **Dishwashing:** Liquids continued to outperform bars.
- **Personal care:** Growth was led by stabilization of the post-GST disruption that affected September and October and settled by November-end.
- **Home Insecticides:** Growth was led by a strong volume growth in liquid vaporisers. Coils declined but were offset by growth Liquid vaporizer and newer formats. The Maxo Aerosol launch is scaling well, supporting the medium-term turnaround plan.

Results (Consolidated)

Particular	Rs cr				
	Q3FY26	Q3FY25	y-o-y (%)	Q2FY26	q-o-q (%)
Total Revenue	739.6	703.7	5.1	736.1	0.5
Raw material cost	395.6	353.4	12.0	382.4	3.5
Employee expenses	84.8	80.6	5.2	84.8	0.0
Advertisement expenses	56.8	63.7	-10.8	61.5	-7.6
Other expenses	91.7	90.3	1.6	89.2	2.8
Total operating cost	628.9	587.9	7.0	617.8	1.8
Operating profit	110.7	115.8	-4.4	118.3	-6.4
Other income	15.4	13.8	11.1	17.0	-9.6
Depreciation	15.5	14.3	8.6	15.2	2.0
Interest expenses	1.1	1.5	-27.7	1.4	-21.3
Profit before tax	109.5	113.8	-3.8	118.7	-7.8
Tax	28.3	26.4	7.3	30.9	-8.4
Reported PAT	81.1	87.4	-7.2	87.8	-7.6
EPS (Rs.)	2.2	2.4	-7.2	2.4	-7.6
			BPS		BPS
GPM (%)	46.5	49.8	-328	48.1	-154
OPM (%)	15.0	16.5	-149	16.1	-110
NPM (%)	11.0	12.4	-145	11.9	-95
Tax rate (%)	25.9	23.2	268	26.1	-17

Source: Company; Mirae Asset Sharekhan Research

Category-wise performance

Particulars	Q3FY26	Q3FY25	y-o-y (%)	Q2FY26	q-o-q (%)
Revenue (Rs. crore)					
Fabric care	350.9	321.4	9.2	335.5	4.6
Dish washing	241.3	244.6	-1.3	244.4	-1.2
Household insecticides	38.8	34.4	12.6	41.1	-5.7
Personal care	77.3	69.7	10.9	81.9	-5.7
Other Products	31.4	33.6	-6.8	33.2	-5.5
Total revenue	739.6	703.7	5.1	736.1	0.5
PBIT Margins (%)					
Fabric care	19.3	22.3	-298	22.0	-266
Dish washing	14.4	18.3	-387	17.3	-287
Household insecticides	-0.7	-29.7	-	-9.7	899
Personal care	8.7	10.7	-199	2.7	606
Other Products	0.6	1.5	-94	0.9	-33

Source: Company; Mirae Asset Sharekhan Research

Additional Data
Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Nalanda India Equity Fund	5.72
2	Canara Robeco AMC	3.21
3	Nippon Life India AMC	2.97
4	Mirae Asset Financial Group	2.34
5	Franklin Resources Inc	1.81
6	Vanguard Group Inc	1.33
7	Axis AMC Ltd	1.06
8	Blackrock Inc	0.89
9	WhiteOak capital Asset Management Ltd	0.82
10	Sundaram Asset Management Co. Ltd	0.81

Source: Bloomberg

Key management personnel

Name	Designation
M. R. Jyothy	Chairman and Managing Director
Pawan Kumar Agarwal	Chief Financial Officer
Shreyas Trivedi	Company Secretary & Compliance Officer

Source: Company Website

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