



3R MATRIX

	+	=	-
Right Sector (RS)	✓	✗	✗
Right Quality (RQ)	✓	✗	✗
Right Valuation (RV)	✓	✗	✗

+ Positive = Neutral - Negative

What has changed in 3R MATRIX

	Old		New
RS	✗	↑	✓
RQ	✓	↔	✓
RV	✓	↔	✓

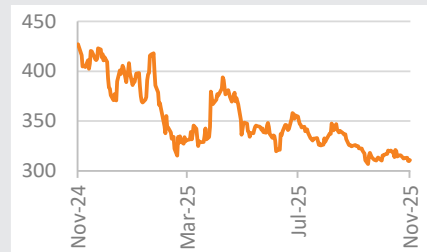
Company details

Market cap:	Rs. 11,411 cr
52-week high/low:	Rs. 433 / 268
NSE volume: (No of shares)	3.8 lakh
BSE code:	532926
NSE code:	JYOTHYLAB
Free float: (No of shares)	13.6 cr

Shareholding (%)

Promoters	62.9
FII	12.6
DII	16.1
Others	8.4

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	0.1	-6.2	-8.9	-27.2
Relative to Sensex	-3.0	-11.1	-12.9	-36.2

Source: Mirae Asset Sharekhan Research, Bloomberg

Jyothy Labs Ltd

Weak Q2; H2 to be brighter

Consumer Goods	Sharekhan code: JYOTHYLAB		
Reco/View: Buy	↔	CMP: Rs. 311 (as on Nov 14, 2025)	Price Target: Rs. 360 ↓

Summary

- Jyothy Labs Limited's (JLL's) Q2FY26 numbers were weak, missing estimates on all fronts. Revenue stood flat y-o-y, OPM fell 280 bps y-o-y to 16.1% and PAT declined 16% y-o-y.
- H2 is likely to be better than H1. It aims to close FY26 with double-digit volume growth, supported by post-GST normalisation and demand recovery.
- OPM is eyed at 16-17% in H2, on stable commodity prices and improving demand, supported by scaling of premium launches, and better mix management.
- Stock has corrected 32% since its recent highs and trades at 30x/28x/25x its FY26E/FY27E/FY28E EPS, respectively. We maintain Buy with a revised PT of Rs. 360.

JLL's Q2FY26 numbers were weak, missing estimates on all fronts. Consolidated revenue stood largely flat y-o-y at Rs. 736 crore (missing our expectation of Rs. 756 crore), with volume growth at 2.8% y-o-y. Fabric care segment grew by 5.9% y-o-y, while Dish washing, HI and personal care segments declined by 3.8%, 8.9% and 4.3% y-o-y, respectively. General trade channel remained under pressure as recent GST rate revision led to temporary channel realignment, while modern trade, including e-commerce and quick-commerce, sustained double digit growth. Gross margins & OPM fell by 214 bps and 280 bps y-o-y to 48.1% and 16.1%, respectively mainly due to higher input costs, pricing interventions, including MRP cuts and promotional offers and negative operating leverage. OPM missed our expectation of 17.3%. Operating profit declined by 14.6% y-o-y to Rs. 118 crore and adjusted PAT fell by 16.4% y-o-y to Rs. 88 crore, lagging our expectation of Rs. 97 crore. H1FY26 revenue grew by 0.8% y-o-y to Rs. 1,487 crore, OPM declined 213 bps y-o-y to 16.3% and PAT fell by 10.7% y-o-y to Rs. 185 crore.

Key negatives

- Fabric care and dishwashing segments' EBIT margins fell 295 bps and 180 bps y-o-y to 22% and 17.3%, respectively.
- Personal care segment's revenues fell 4% y-o-y, while EBIT margin plunged to 2.7% versus 13.6% in Q2FY25.

Management commentary

- Company-wide value-volume gap of ~2%-2.5% was owing to MRP reductions, higher grammage, and promotional initiatives.
- Early demand signals for Q3 are encouraging, environment to strengthen in H2.
- Significant investments made in Margo coupled with price hikes taken in December 2024 and elevated palm oil prices led to sharp decline in personal care EBIT margins. EBIT margins are expected to return to double digits in the coming quarters.
- Focus stays on turning around HI segment, with a focus on profitability. Within HI, focus is on liquid vaporizers, aerosol, and anti-mosquito rackets. It has no plans to expand the coils category and will
- Management reiterated its focus on consumer-centricity, strengthening core categories, scaling up detergent liquids, driving new launches, and reviving growth in personal care segment.
- Product launches to accelerate growth, strengthen category relevance, and support long-term brand equity. The new product pipelines remains healthy.

Revision in earnings estimates – We have reduced our earnings estimates for FY26 and FY27 as H1FY26 performance was subdued with recovery likely be gradual. We have introduced FY28 estimates through this note.

Our Call

View – Maintain Buy with a revised PT of Rs. 360: JLL's Q2FY26 numbers were weak owing to GST 2.0 related disruption and inflation in key input prices. Subdued demand, high raw material cost inflation and elevated competitive intensity could limit JLL's growth in the near term. However, long term prospects are intact owing to company's focus on expanding in new territories, innovation, distribution expansion and cost efficiency measures. The company has managed to strengthen its balance sheet by reducing working capital requirements and improving cash balances, which can be utilised for organic and inorganic initiatives in the coming years. The stock has corrected by 32% since its recent highs and trades at 30x/28x/25x its FY26E/FY27E/FY28E EPS, respectively. We maintain Buy with a revised PT of Rs. 360 (rolling over to Sept-27 EPS).

Key Risks

A delayed recovery in HI category or market share loss in some of the key categories would act as a key risk to our earnings estimates

Valuation (Consolidated)

	Rs cr				
Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenues	2,757	2,847	2,986	3,235	3,509
OPM (%)	17.4	17.5	16.7	17	17.4
Adjusted PAT	369	374	377	413	465
Adjusted EPS (Rs.)	10.1	10.2	10.3	11.3	12.7
P/E (x)	30.9	30.5	30.2	27.6	24.6
P/B (x)	6.3	5.6	5	4.6	4.2
EV/EBIDTA (x)	23.6	22.8	21.7	19.5	17.1
RoNW (%)	22	19.4	17.5	17.5	17.8
RoCE (%)	21.1	18.7	16.6	16.3	16.8

Source: Company; Mirae Asset Sharekhan estimates

Key business updates

- Fabric Care segment's revenue grew 5.9% y-o-y led by liquid detergents, which more than doubled y-o-y. EBIT margin shrunk 295 bps y-o-y to 22%. The company launched Dr. Wool, expanding its fabric care portfolio into a premium niche and strengthening its presence in specialized garment care.
- Dishwash revenue fell 3.8% y-o-y (volume growth at 3.4%), mainly due to MRP cuts and grammage offers on bars. EBIT margin contracted 180 bps y-o-y to 17.3%. Liquid dishwash outperformed the bars category, supported by continued consumer adoption and strong brand equity.
- HI segment remained weak, registering 8.9% y-o-y revenue decline on a flat base as the category continued to face near-term headwinds. EBIT margin stood largely flat y-o-y at -9.7%. JLL remains focused on improving profitability over the next few quarters and aims to reduce losses and drive a structured turnaround of the category in the medium term.
- Personal care segment's revenue declined 4.3% y-o-y, impacted by GST transition. EBIT margin saw a sharp contraction to 2.7% versus 13.6% in Q2FY25. The company expects the segment to normalise and return to growth in H2.

Results (Consolidated)

Particular	Q2FY26	Q2FY25	y-o-y (%)	Q1FY26	q-o-q (%)
Total Revenue	736.1	733.8	0.3	751.2	-2.0
Raw material cost	382.4	365.5	4.6	390.4	-2.1
Employee expenses	84.8	80.7	5.1	86.7	-2.2
Advertisement expenses	61.5	61.1	0.7	58.9	4.4
Other expenses	89.2	88.1	1.2	91.1	-2.1
Total operating cost	617.8	595.3	3.8	627.1	-1.5
Operating profit	118.3	138.5	-14.6	124.2	-4.7
Other income	17.0	12.5	35.5	19.4	-12.7
Depreciation	15.2	13.9	9.4	14.7	3.3
Interest expenses	1.4	1.4	-2.9	1.3	1.5
Profit before tax	118.7	135.7	-12.5	127.5	-6.9
Tax	30.9	30.7	0.8	30.7	0.6
Reported PAT	87.8	105.0	-16.4	96.8	-9.3
EPS (Rs.)	2.4	2.9	-16.4	2.6	-9.4
			BPS		BPS
GPM (%)	48.1	50.2	-214	48.0	3
OPM (%)	16.1	18.9	-280	16.5	-46
NPM (%)	11.9	14.3	-239	12.9	-96
Tax rate (%)	26.1	22.6	346	24.1	196

Source: Company; Mirae Asset Sharekhan Research

Category-wise performance

Particulars	Q2FY26	Q2FY25	y-o-y (%)	Q1FY26	q-o-q (%)
Revenue					
Fabric care	335.5	316.8	5.9	332.8	0.8
Dish washing	244.4	254.0	-3.8	248.2	-1.5
Household insecticides	41.1	45.1	-8.9	45.5	-9.6
Personal care	81.9	85.6	-4.3	93.9	-12.8
Other Products	33.2	32.3	2.8	30.9	7.6
Total revenue	736.1	733.8	0.3	751.2	-2.0
PBIT Margins (%)					
Fabric care	22.0	24.9	-295	20.3	164
Dish washing	17.3	19.1	-180	20.2	-298
Household insecticides	-9.7	-9.5	-19	-10.6	94
Personal care	2.7	13.6	-	11.8	-908
Other Products	0.9	7.5	-656	1.8	-88
	15.5	18.7	-314	16.6	-105

Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

■ Sector Outlook – Multiple factors to aid pick up in volumes and margins

Most consumer companies are expected to pass on the benefits of GST rate reduction to the consumers either through increased grammage or price reductions. In the near term, there may be some trade related challenges, however, these steps are structural changes that will boost consumption. Consumer demand is expected to improve from H2FY26 with reduction in tax on consumer goods, further supported by the festive season. Market share gains, distribution expansion, and new product launches should help volume growth to improve in the medium to long run. We expect margins to have bottomed out in Q1 and see margins rise from H2FY26 aided by easing raw material price inflation, new inventory coming in and better operating leverage through higher volumes. Focus on improving product mix, operating efficiencies and cost saving initiatives will help to improve OPM in the medium to long term.

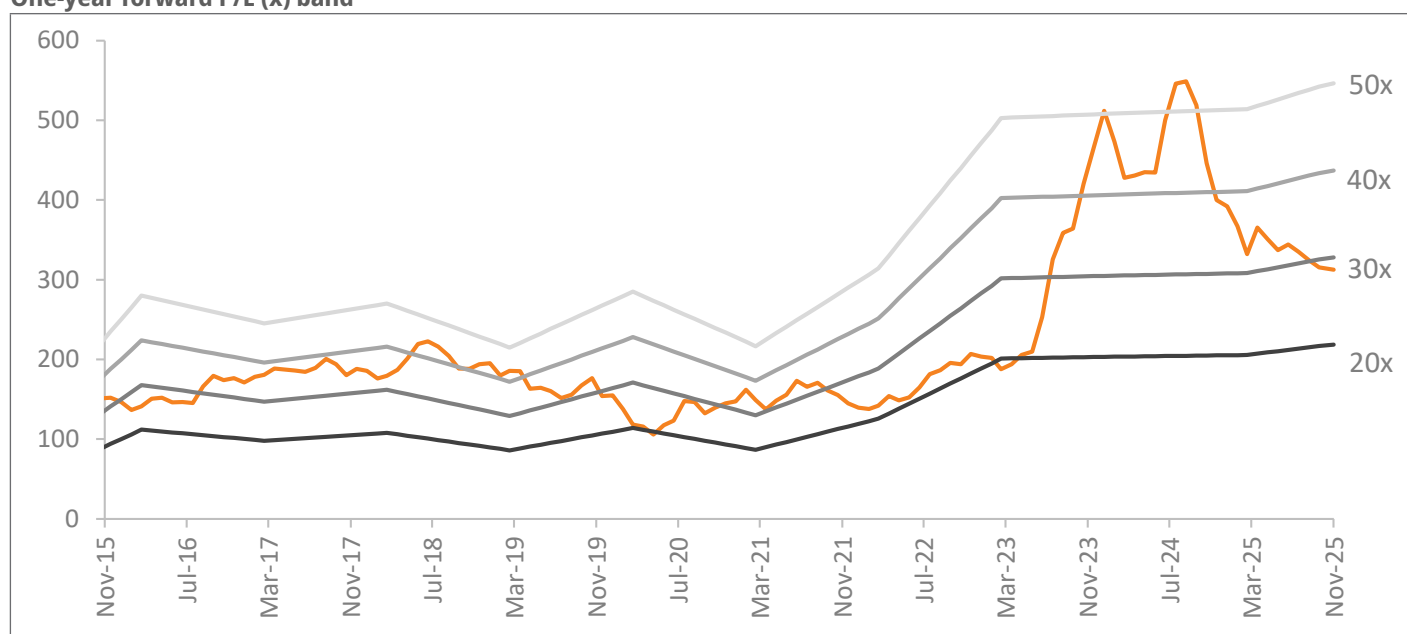
■ Company Outlook – Focus stays on double-digit revenue growth

JLL's FY25 performance was muted with revenue and PAT growing by just 1% and 2% y-o-y, respectively. The company is focusing on achieving volume-led, double-digit revenue growth in the medium to long term through driving category development, increased brand-building initiatives, digital technology driving sales efficiency in go-to-market initiatives, market share gains, distribution expansion, and improving penetration for key categories in rural and urban markets. We expect revenue and PAT to clock 9% and 8% CAGR over FY25-27E, respectively.

■ Valuation – Maintain Buy with a revised PT of Rs. 360

JLL's Q2FY26 numbers were weak owing to GST 2.0 related disruption and inflation in key input prices. Subdued demand, high raw material cost inflation and elevated competitive intensity could limit JLL's growth in the near term. However, long term prospects are intact owing to company's focus on expanding in new territories, innovation, distribution expansion and cost efficiency measures. The company has managed to strengthen its balance sheet by reducing working capital requirements and improving cash balances, which can be utilised for organic and inorganic initiatives in the coming years. The stock has corrected by 32% since its recent highs and trades at 30x/28x/25x its FY26E/FY27E/FY28E EPS, respectively. We maintain Buy with a revised PT of Rs. 360 (rolling over to Sept-27 EPS).

One-year forward P/E (x) band



Source: Company; Mirae Asset Sharekhan Research

Peer Comparison

Particulars	P/E (x)			EV/EBITDA (x)			RoCE (%)		
	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
Godrej Consumer Products	61.4	53.4	44.2	39.4	37.6	31.8	16.7	17.1	20.9
HUL	55.6	53.9	48.8	39.3	37.6	34.1	26.9	28.6	32.9
Jyothy Labs	30.5	30.2	27.6	22.8	21.7	19.5	18.7	16.6	16.3

Source: Company; Mirae Asset Sharekhan Research

About company

JLL has evolved from being a promoter-driven, south-centric, single-product company to a professionally managed, multi-brand, multi-product company with pan-India operations and a turnover of over Rs. 2,800 crore. JLL is present in key categories such as fabric care, dishwasher, HI, and personal care products. JLL's power brands include Ujala, Henko, Exo, Maxo, Margo, and Pril. The company's flagship brand, Ujala has remained at the top of the fabric whitener category since its launch, with an ~80% market share.

Investment theme

JLL has a leadership position in the fabric whitener category in India, whereas it ranks number two in the dishwasher bar, liquid, and mosquito repellent coil categories. Going forward, long-term strategies undertaken to enhance growth include winning through innovations in the fabric wash category, leveraging rural penetration in the dishwasher category, increasing footprint, and relevant extensions in the HI and personal care categories. A resurgence in the HI category will help drive growth in the medium term.

Key Risks

- ♦ **Slowdown in demand:** A sustained slowdown in the HI category's growth would affect demand.
- ♦ **Higher input prices:** Any sharp rise in key raw-material prices such as Brent crude oil would affect profitability and earnings growth.
- ♦ **Increased competition in highly penetrated categories:** Increased competition in highly penetrated categories such as fabric whiteners would threaten revenue growth.

Additional Data

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

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Nalanda India Equity Fund	5.72
2	Canara Robeco AMC	3.14
3	Nippon Life India AMC	2.84
4	Mirae Asset Global Investment Co.	2.60
5	Franklin Resources Inc.	2.33
6	Vanguard Group Inc.	1.34
7	Axis AMC Ltd.	1.06
8	Blackrock Inc.	0.83
9	WhiteOak capital Asset Management Ltd.	0.82
10	Sundaram Asset Management Co. Ltd.	0.71

Source: Bloomberg

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Understanding the Mirae Asset Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/ weak realisation environment resulting in margin pressure and deteriorating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Mirae Asset Sharekhan Research

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