

May 7, 2026

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 023
BSE Code: 532926

National Stock Exchange of India Limited
Exchange Plaza, Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051
Scrip Code: JYOTHYLAB

Dear Sir / Madam,

**Sub: Transcript of the earnings conference call for the quarter and year ended
March 31, 2026**

Pursuant to Regulation 30(6) read with Part A of Para A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, transcript of the earnings conference call held on Monday, May 4, 2026 for analyst/ investors to discuss the Audited Financial Results for the quarter and year ended March 31, 2026 and the way forward, is enclosed.

Further, the aforesaid information is also available on the website of the Company at www.jyothy.com.

Kindly take the above on your record and disseminate the same for the information of investors.

Thanking you,

Yours faithfully,
For Jyothy Labs Limited

Shreyas Trivedi
Head – Legal & Company Secretary

Encl.: as above

Jyothy Labs Limited

CIN: L24240MH1992PLC128651

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“Jyothy Labs Limited
Q4 FY26 Results Conference Call”

May 04, 2026



**MANAGEMENT: Ms. M. R. JYOTHY – CHAIRPERSON AND MANAGING
DIRECTOR – JYOTHY LABS LIMITED
MR. PAWAN AGARWAL – CHIEF FINANCIAL OFFICER –
JYOTHY LABS LIMITED**

MODERATOR: MR. ASHUTOSH – ICICI SECURITIES

Moderator: Ladies and gentlemen, good day, and welcome to the Jyothy Labs' Q4 FY26 Earnings Conference Call hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashutosh sir from ICICI Securities. Thank you, and over to you, sir.

Ashutosh: Thank you, Gitesh. Hello, and good afternoon, everyone present on the call. I, on behalf of ICICI Securities, welcome you on Jyothy Labs' Q4 FY26 Earnings Call. I would like to thank the management to give this opportunity of hosting the call. From the management we have with Ms. Jyothy, Chairperson and Managing Director; and Mr. Pawan Agarwal, CFO.

I now hand the call over to Jyothy ma'am for her opening remarks. Thank you.

M. R. Jyothy: Thank you, Ashutosh. Good afternoon, everyone, and a warm welcome to the Q4 and FY26 Earnings Call of Jyothy Labs Limited. Our financial results and investor presentation are available on our website and the stock exchanges. I trust you have had the opportunity to review them.

Let me start with the broader environment. FY26 was a year of volatility for the FMCG sector. Urban demand was uneven for a large part of the year. At the same time, input costs remain elevated with a sharp increase towards the end of the year due to the West Asia situation. Despite these headwinds, we maintained steady volume growth. This was supported by calibrated grammage actions and a gradual improvement in demand, especially in the second half of the financial year.

Rural markets remained relatively resilient, supported by monsoons and government spending. GST rate cuts also helped improve demand particularly in Personal Care segment from the third quarter onwards. For the full year, our revenues grew by 3.5% in value terms and 6% in volumes. Fabric Care grew by 8% in value and 9.5% in volumes, led by strong growth in liquid detergents.

Liquids nearly doubled during the year. Dishwash declined by 1.3% in value, despite 6% volume growth due to intense competition, price cuts and higher grammage across the market. Personal Care recovered well with the Margo franchise growing by 5% in value and 1.6% in volumes.

We expect FY27 to be a stronger year for this segment. In Household Insecticides, our focus was on reducing losses and improving the mix, while HI sales declined by 1.3%, losses reduced significantly from INR25 crores last year to about INR5 crores this year.

Q4 saw a mixed demand environment. Consumption remained steady overall. We had started seeing early signs of recovery, particularly in the urban markets after the GST changes in September. That trend continued into Q4. But towards the end of the quarter, the situation became less predictable due to the developments in West Asia.

While this region does not have any material direct impact on our revenues, the indirect impact through crude prices, packaging costs and currency movement is significant. Crude prices moved up sharply, and that has started reflecting in key inputs like LAB, PP and PE.

Packaging costs alone account for nearly 15% to 20% of our material costs. As stated earlier, around 50% to 60% of our inputs are crude linked directly or indirectly, and therefore, a sharp increase in the crude prices, along with a weaker rupee has put pressure on the overall cost structure.

Looking ahead, there is some uncertainty. Higher crude prices could keep inflation elevated and may affect consumer spending. This is also a risk to rural demand if farm income gets impacted in the coming quarters. That said, demand conditions through most of the Q4 remained stable, and we saw a gradual improvement in the consumption, especially in urban markets.

Fabric Care delivered strong growth with 14.4% value growth and 17.8% volume growth, both main wash and post wash contributed. Liquids continued their strong momentum while powders and bars also supported the growth. Our key brands, Henko, Ujala, Mr. White and Morelight performed well. Dishwash saw a 5% volume growth, but value growth remained flat. This was largely due to price reductions, grammage increases and promotional offers.

Competitive intensity remains high with several players reducing MRPs and offering more quantity at the same price. During the quarter, we strengthened the Exo portfolio with the launch of the bio-enzyme-based dishwash across formats. Personal Care saw a strong recovery. The segment grew by 20% in value and volume in Q4. The impact of GST-related disruption seen earlier in the year, fully settled and demand improved meaningfully from December onwards.

The Margo franchise performed well, supported by both core variants and refreshed pack for Margo Original. This will help improve visibility and support future growth. Household Insecticides grew by about 3% in value. While coils continued to decline, growth in liquids vaporizer more than offset this. The mix continues to improve with LV now about 55% of the portfolio compared to 50% last year.

this is moving the segment closer to profitability. Channel trends remain consistent, modern trade, e-commerce and quick commerce continue to grow strongly. These channels are becoming an increasingly important part of the portfolio. General trade also continued its recovery in Q4 with growth across regions.

Let me now cover the financial performance. For Q4, revenue stood at INR717 crores, up 7.7% year-on-year. Gross margin was at 45.2%, down about 400 basis points, driven by input cost inflation and lower realizations. Employee cost was 11.9% of revenue. Other expenses were at 12.8% of revenue. A&P spend was 7% compared to 8% last year.

EBITDA margin stood at 13.5%, down by about 330 basis points year-on-year. For full year 2026, revenue stood at INR2,944 crores, up by 3.5%. Gross margin was 47%, down 320 basis points. EBITDA margin was 15.3%, down by 230 basis points. PAT stood at INR333 crores. Net working capital improved to 15 days, a reduction of 4 days. We remain debt free with a

strong cash balance of INR1,000 crores. The Board has recommended a final dividend of INR3.5 per share for FY26.

Input cost pressures increased sharply towards the end of the quarter. We have taken selective price increases in March and their impact will be seen in Q1 FY27. We may take further actions depending on how input costs move. However, given the current demand environment, it is difficult to pass on the full impact of cost increases immediately. This is especially true in lower unit packs where price points are fixed. As a result, margins are likely to remain under pressure in the near-term.

Also, there is typically a lag between cost increases and pricing actions. We will continue to manage the margin pressure through a mix of pricing, cost control, operating leverage and calibrated media spends. Looking ahead, the environment remains uncertain. Input costs, currency movements and geopolitical developments will continue to influence the business in the near-term.

We expect the full impact of recent developments to be visible in Q1 FY27. Our focus remains on scaling recently launched NPDs, improving general trade productivity and sustaining volume growth amidst price hikes, while maintaining brand investment in a calibrated manner to support medium-term growth. We remain cautiously optimistic about FY27 while staying watchful of the external environment.

Before I close, I would like to thank our teams for their commitment, our trade and distribution partners for their support and our investors for their continued trust. With that, I conclude my opening remarks. We'll now be happy to take your questions. Thank you.

Moderator: Thank you very much. The first question is from the line of Vishal Gutka from Ask Investment Managers. Thank you and go ahead.

Vishal Gutka: Congrats on a decent set of numbers. 3-4 questions from my side. Firstly, on the Fabric Care, excellent numbers on the volume front, around 18% volume growth. And I think once in a lifetime opportunity is available with regard to conversion of powder to liquid. What more can be done so that we grab hefty market share in the liquid detergent segment?

I understand you've doubled what you call the business size and efficiency, especially on a lower base. What more can be done from here onwards? I think a couple of products you have launched, Ujala conditioner, Young & Fresh conditioner that you launched. I just wanted more insight from you on that?

Secondly, second question on the dishwashing segment. Due to competitive pressures, I think you have increased the grammage from the third quarter onwards. The margins have collapsed over here from 18%, the margins are down to around 10% for the quarter. So, what actions can we take so that the margin gradually recover.

I understand there are challenges with regards to competition with the inflation front. But one of the actions that you've taken is launch of maybe Exo Liquid, if you can elaborate a bit. What is

the game plan because since you already have Pril in the basket. So how do you plan to scale up both the brands?

Third question is on the HI segment. Third question is on the HI piece. Since you have turned profitable on HI during this quarter, what is the long-term growth path as well as profitability path for the HI piece from here onwards?

And last question, madam, is on the cash balance that we have of approximately INR1,000 crores that we are holding. I think we've been, I think, scouting for acquisition for a while. What is the hindrance or what is what we call preventing us from doing an M&A activity? Thank you.

M. R. Jyothy:

Hi, Vishal. So, Fabric Care is the first question that you asked. Liquid detergent for us has done really well. It is also to note that post wash segment is also growing. And the detergent powder segment as such is seeing a marginal degrowth because you see most of the conversions from powder to liquid happening. So, we have grown healthy. So, the thing is that we've been investing on the brands, and that has helped us yield that result. And it's not just on detergent, liquid detergents, it's across the Fabric Care portfolio also.

Our Young & Fresh also has done really well. Our Dr. Wool, the liquid detergent for woolen clothes and special clothes that we introduced in the third quarter also has done well. So, if you see Fabric Care across, we have done well.

And very happy to see the double-digit growth also on that. And that will continue because that market is going to adopt, more and more people are getting into liquid detergents as it makes it easier for them to use. It's also milder on the hands. So, you will see a lot of action in the liquid detergent space, and we are there to grow along with that.

On Dishwash, yes, the grammage reductions, the increases have happened and the price reductions have happened. So, if you see, compared to last year versus this year, that has been the trend, but we are happy to say that we have maintained the market share, and we are growing, in fact, in many markets. So that's good. And for some time, it will remain, especially because of the West Asia crisis that will be there for some time. But we are doing well in the business, so no concern there. On the HI?

Vishal Gutka:

Madam, on this Exo liquid and Pril, if you can just elaborate what is the game plan because you already have Pril dishwashing with the branding already there, so now we introduced Exo liquid out over there. Just wanted your thoughts, how do you plan to scale up this brand?

M. R. Jyothy:

Yes. So, Exo Liquid is quite differentiated compared to Pril. Pril is at a premium, and Exo will be in direct competition with the market leader. And we have bio-enzymes included in the formulation. It makes the washing process easier. So that is one that is the differentiator. Our focus is also to grow because you see the Dishwash liquid segment also growing. So, if you say across formats, the liquid segments are growing. And we want to capture it in every possible way.

So, for Exo bar user, if you see, there are not much choice for Exo bar consumer in liquid. So, for any Exo bar users to upgrade, it was high time to launch Exo Liquid. So that is one. Exo

Liquid is antibacterial and it has bio-enzymes, Pril is more on degreasing and on premium liquid segment. So that is the differentiation, and we wish to see that both the brands grow, we'll be investing on both the brands, yes.

Pawan Agarwal:

On HI, your specific question on the profitability and long-term plan. So, as we have stated some 3, 4 quarters before that we are working on a plan to turn this category profitable, and the plan has started delivering some results. In terms of our focus, we have been focusing more on liquid vaporizer, and we have taken some aggressive price increases on coil segment that, of course, meant some decline in volumes and value in coil, but that has been more than offset by liquid vaporizer.

Our NPD Maxo Aerosol is a profitable product and is doing reasonably well, although it's too early to comment because there are only a couple of quarters the product is available. If you see the volume growth has been in high teens. And for the full year also, if you see, we are almost touching double digits. So, the strategy seems to be playing out well.

And we had indicated that by the end of FY27, this category will be profitable, but it seems that if the last two quarters are anything to go by, I think we are on the right track and probably it can help us deliver the profitability target much earlier.

Your last question around the cash balance of INR1,000 crores. Yes, you are right, and we have been scouting for right assets. And very aggressively, we are looking for right asset. But as we have mentioned earlier, we are going to pick up the asset, which actually adds to the overall shareholders' value. And we are in active dialogues with a couple of them. Let's see, you know, how it pans out. And at appropriate time, we will let the street know about our acquisition decision. Thank you.

Vishal Gutka:

Thank you. Thank you for the insight. Just one last question on the margins and overall margins, and all the highlighted uncertainty with regard to a lot of things. But madam if you can broadly provide a guidance about FY27 shall we assume a margin band of 13.5 to 14 for FY27? That's the broader margin band that we're targeting?

Pawan Agarwal:

Vishal, your question is valid, but at this point of time, looking at the situation, we are all aware. The way input prices and packing material prices are behaving, the way crude is behaving. We are also taking price increases. All these factors put together, there is extremely high volatility. At this stage, we will be constrained to give any guidance on margin front. Maybe once the external environment settles down a little bit, hopefully, it should in a couple of quarters' time, then we'll be able to guide the street on our margin target for FY27.

Moderator:

The next question is from the line of Rushabh Shah from Buglerock PMS. Thank you. Please go ahead.

Rushabh Shah:

Just to continue the previous participant question. Fabric Care, as you know, it's clearly make-or-break segment for the company. So how typically is the pricing in the detergent category versus the Surf, Tide. Are we at a premium or at discount?

And also, I have read somewhere the prices of the liquid detergent have collapsed because of the new players who have entered the market. So how is Henko's position out here? And what steps are we taking to defend the market share in the Fabric Care segment? And the same question would be valid for the Dishwash segment as well.

M. R. Jyothy:

Yes. So, hi, Rushabh. fabric Care segment, all of our brands that are operating, it is not just Henko, we have various brands at different segments, and all are priced same at parity to competition. In fact, in some markets, we are at premium as well. So that said, I hope that answers your question there.

And liquid detergents, yes, it has been competitive. The intensity was there from local players as well. But as we go along, consumers also see where the quality is. There are many brands, especially at the local level that they had hardly anything in the product and the pricing was at a very low level.

End of the day, consumers know what quality is and which brand to be chosen. And there, I think if it were to be that this thing, then people would have chosen only locals over branded players. But the thing that all the organized players are growing handsomely in this segment, which also means that slowly that trend will change going forward. Consumers will look for quality than just water. So that's what I believe in. The same goes for Dishwash as well.

Rushabh Shah:

Okay. Can you please talk about brand differentiation compared to the competition? So, we said that what we offer is differentiated with what competition is offering. So, my question is when you say differentiated products, what exactly are we talking about? Is it only the effectiveness of the product or is it the branding differentiation? What are we talking about?

M. R. Jyothy:

Yes, it's a positioning, Rushabh. I don't think I can sit and explain each brand because there are many in the Fabric Care segment, each one stands for at a differentiated position.

Rushabh Shah:

This question is not just related to the Fabric Care, it's the overall Jyothy Labs I'm talking about.

M. R. Jyothy:

Yes. Certainly, what I'm saying is each brand has a different positioning. So, it's what the brand speaks is what the brand delivers. That is where it is. So, we are differentiated. Now I cannot sit and explain on the call what each brand stands for. If you see it, but whatever we speak on the spend that we do, the communication that reaches the consumers, they are differentiated in terms of compared to competition, right?

And at pricing, we are at similar pricing to that of competition. So hence, there is we've been that way since quite some time, and we have made our mark. So that's what I can explain right now.

Rushabh Shah:

And my second question is, suppose you do an inorganic acquisition, what other things which you will investigate in terms of the work culture of the company, the profile of the customers, etcetera, and many other things. So, what things will you investigate in the company?

- Pawan Agarwal:** So, there is the reason why we have not been able to announce any acquisition so far is the robust screening process. And we have a very robust and tight process through which we look at any potential opportunity. And there are various aspects to a deal. It is not just the cultural alignment.
- Of course, this is an important element, but there are other factors also. Your channel, the category, the price point, the consumer segment, the market, the presence on organized trade, all these factors we take into consideration while taking a call on a particular opportunity.
- Rushabh Shah:** Okay. Last question is that we have seen that certain categories which reach, let's say, penetration of 14%, 15% and then the slow burn rate starts, then the incremental penetration becomes difficult and fight with the competition. So, what I wanted to know what is the thought process or rather what are the strategies lined on gaining incremental share in our categories alongside fighting with the competition?
- M. R. Jyothy:** See, end of the day, you'll have to fight the competition, Rushabh, there's no escape from that. So, the categories that we are present is very competitive in nature. And I've explained in my previous listing that we are differentiated. We'll keep spending on the brands, and our quality will speak for itself, right? So those are the parameters where you can fight and if your consumer chooses you, it's a win for you. So that's all what I can explain to you on the call here.
- Moderator:** The next question is from the line of Navin from ithoughtPMS. Please go ahead.
- Navin:** Yes. So, I just wanted to understand on small thing about the margins. It's more of a clarification than anything else. So, I just want to understand if some lower priced inventory has helped us cushion the margin impact this quarter? Or if we have been like exhausted all that low price inventory and we have had to buy inventory at these elevated prices as of March even. So maybe just to get an idea regarding that?
- Pawan Agarwal:** No, there is no such advantage of lower-priced inventory in this quarter. I think the raw material prices have been moving in upward direction. So not a material impact as far as the lower-priced inventory issue is concerned.
- Moderator:** The next question is from the line of Yogesh Mittal, Individual Investor. Please go ahead.
- Yogesh Mittal:** Thanks for the opportunity. So, I wanted to ask about the divisions that we have in the Fabric Care, the Dishwash, the Personal Care. Do we have our individual business heads for them? Or how do we manage because they target a different kind of the customer needs? I just wanted to understand this part. Thank you.
- M. R. Jyothy:** So, the brand guys are different. That's all. Rest of the supply chain, the rest of the team are all common, Yogesh.
- Yogesh Mittal:** So, do we have the business heads for each of the division or the segment, as we call them?
- M. R. Jyothy:** No, not as a business this thing, but yes, it's only in one certain department that you have that way. But as a business, we combine and we give the results. Yes.

- Yogesh Mittal:** Right. Okay. Right. Thanks for this. And just one thing, I wanted to ask one thing more, if I can squeeze in. For the Personal Care, do we intend to go in the beauty segment as well because soaps and these aspects in case like some beauty segments or products which you are thinking of coming in?
- M. R. Jyothy:** Not currently. We'll see if possible in future.
- Moderator:** The next question is from the line of Sonal, Prescient Capital. Please go ahead.
- Sonal Minhas:** This is Sonal Minhas. I hope I am audible?
- Yogesh Mittal:** Yes, you are.
- Sonal Minhas:** Thanks for taking my question. My first question was with regard to the Dishwash segment. Just asking subjectively, have you seen the competition become less intense as we speak in the month of April and May. And most sensitive in terms of pricing and volume, any direction of data that you can give?
- Moderator:** Sorry to interrupt, sir. The voice is muffled. May I request you to use your headset?
- Sonal Minhas:** Sure. I am asking the question. Is it better now?
- Moderator:** Yes, sir. It's better now. You can continue. Thank you.
- Sonal Minhas:** Yes. Yes. I was asking, have you seen competition become less intense in the Dishwash segment in terms of pricing or grammage. Anything you can share there?
- M. R. Jyothy:** No, not right now. It's the same. It's continuing the same way.
- Sonal Minhas:** Got it. My second question, with regard to the difference between the volume and the value gap between last quarter and this quarter, the gap has widened a little more by a percentage point. Wanted to understand for next year, do we see the convergence directionally, anything if you could share?
- Pawan Agarwal:** Yes, you are right. Going forward with the price increases that we are taking, I think the gap between volume and value growth would narrow down and slowly it will converge.
- Sonal Minhas:** So for next year, we should assume that by the later quarters, the numbers should be in sync in tandem basically?
- Pawan Agarwal:** As I said, giving any kind of guidance at this stage is difficult, but the actions that we are taking right now, in the near-term, this gap should reduce is all I can tell you.
- Sonal Minhas:** Got it, sir. That is good enough for me. My last question is with regard to the retail footprint of Jyothy as a brand. I just wanted to, I think between last year and this year, just picking up data from your deck, you seem to have added 1 lakh outlets overall. Just wanted to understand if there is broader guidance on states, where your footprint is less, regions your footprint is less and do

you intend to have a plan of how many retail outlets you need to add to expand and fill the gaps in those areas?

M. R. Jyothy: So we've been adding almost 50,000 to 100,000 of retail outlets every year, and that is what will continue. And that is across the country. There are no particular geography or things like that. So it will be an across GT increase in outlets.

Moderator: The next question is from the line of Aditya Soman from CLSA. Please go ahead.

Aditya Soman: Firstly, can you give us a sense on market share, how your fabric care and soaps and liquid vaporizers or insecticides? If any sort of sense you can give that would be very useful. In terms differentiate products how are we differentiating on the liquid detergents?

Moderator: Sir, your voice is breaking. Can you just come a little bit closer. Yes.

Aditya Soman: Yes. On liquid detergents, we are seeing a huge amount of competition coming. How are we seeing this? how we can grow in this competitive environment?

Pawan Agarwal: So, we do not give the detailed brand-wise or category-wise market share data. But on an overall basis, we have protected our market share or improved it across various categories is all I can tell you. And in liquid detergent also specifically, we have done really well. Our market shares have improved.

Aditya Soman: Understood. And any sense on competitive positioning of the products? I mean, in terms of price points or where you're seeing the most demand at what price point? Any sense would be very useful.

M. R. Jyothy: So, we have different segments, Aditya, that is you have your premium, you have your mass, you have your med. And we are priced at par with competition. So, like Pawan said, we have either retained the market share or have improved that across brands.

Aditya Soman: I understand. No, I know about the different price points. What I wanted to understand also a little bit more is you indicated that we are seeing a shift from sort of powder to liquid. Is this being also driven by being sort of more aggressive on pricing on liquids? One of the things I'm seeing in my checks is that price per use on liquids has now dropped below powder for equivalent brands. So, would that be sort of a strategic choice?

M. R. Jyothy: Yes. See, if you see a few years back when liquids were introduced in the country. At that time, it was a premium to powders. It is just to induce trial that players have to make it more affordable to have more to see the benefits of liquid that such competitive pricing has been introduced in the market, and that has continued for some time. Maybe after a couple of years, things may see a different picture in that segment. But otherwise, for now, yes, it is very competitive.

Moderator: The next question is from the line of Akash Shah from UTI MF. Please go ahead.

Akash Shah: Just wanted to ask, sir, how much has the price increase being taken in Dishwash and Detergent segment? And how much inflation is there in the raw materials? Just wanted to get some sense on how far are we from taking the full price increase to offset the inflation?

- Pawan Agarwal:** Thank you Akash. So, we have as I mentioned earlier, we have taken pricing action to the tune of around 4% in the month of March. The result of which should be visible in quarter 1 to a large extent and full impact should be visible quarter 2 onwards.
- Second, on the inflation side, our large part of our portfolio is impacted with crude or crude derivative inflation. So there, the impact is higher. And also in packing materials, we have seen in the last couple of months, the crude-linked HDPE, PP going up, prices going up significantly. So, on packing material side also, there is an inflation impact, so overall pricing increase first action we have taken and if required, we will take subsequent action going forward, depending upon how inflation subsists.
- Akash Shah:** Sure. And sir, if I were to sort of assume that current prices prevail in terms of raw materials, then sir, how much price increase will be required to offset that inflation?
- Pawan Agarwal:** No, I cannot give that number just now. But we are monitoring the price increases on the raw material side on a continuous basis. And depending upon the market situation and also the volume growth or ambition, we have to keep all the factors in mind while taking any pricing decisions. So, we are taking calibrated steps and we'll continue to do so.
- Akash Shah:** Sure, sir. Sir, this 4% price hike that we have taken, that is for both Fabric Care as well as Dishwash, right?
- Pawan Agarwal:** At the company level, I'm saying across various brand categories, SKUs, it's a mix. I'm talking about the portfolio level.
- Akash Shah:** Okay, understood, understood. And sir, two bookkeeping questions. One is, sir, how much will the tax rate for us for FY27?
- Pawan Agarwal:** It will be, we will be going for 115BAA. So, rate should be around 25% to 26%. It should be hovering between 25% to 26%.
- Akash Shah:** Right. And sir, capex for '27, will it be similar to previous year or a bit higher?
- Pawan Agarwal:** Similar. It will be in similar range only. Yes. Thank you.
- Moderator:** The next question is from the line of Harit Kapoor from Investec. Please go ahead.
- Harit Kapoor:** I just had a few questions. One was on the pricing that you just mentioned. So, while you did give the weighted average number, I just wanted to understand that is the entire pricing in Fabric and Dishwash or you also have taken up prices in Personal Care?
- Pawan Agarwal:** No. As I said, Harit, this is across all the segment categories. So, the blended increase would be close to 4% or a little over 4%.
- Harit Kapoor:** Yes, I get that, Pawan, but I just wanted to check whether there have been increases in soaps as well. That's the question.

- Pawan Agarwal:** Yes, we have initiated. As I said, in the month of March, we have initiated. The impact would be visible in quarter 1, including Margo.
- Harit Kapoor:** Got it. Okay. Got it. Got it. And the second thing was on HI. If you could just help us understand this product mix or category mix, subsegment mix, whatever you call it in HI for the second half of this year. Just wanted to understand at what level of mix you've been able to kind of achieve these breakeven numbers in terms of LV non-LV basis? Or coil, non-coil, however you want to call it.
- Pawan Agarwal:** Yes. Understand, understand. Look, what I'm saying is it is too early to draw any conclusion based on 1 or 2 quarters' number. While the LV's share in the total HI has improved, if you look at last 4 to 5, 6 quarters, it has improved slowly but gradually. Now it is at 55% and coil is 45% and also when I say, LV, the new launches, for example, aerosol and racquet, etcetera, I'm bunching together because the profitability is superior compared to coil. So, these products are doing well. And hence, the ratio is tilted in favour of LV and others, whereas coil dependence is coming down.
- Harit Kapoor:** Got it. Got it. Got it. Third question was really on these price increases, which have been taken by yourselves and the market. Do you have these been broadly in line across like most players would have taken similar levels of price increase according to your key categories? Is that what you're witnessing? Or there are players are using this as a mode to drive competitive intensity. I would assume not, but just wanted to get your thoughts on it.
- Pawan Agarwal:** No, you are right. Your assessment is right. It is in line.
- Harit Kapoor:** It is in line. Okay. Got it. Got it. And last bit was on the Fabric Care bit. Exceptionally strong volume growth numbers, in fact, not even quarter 4, even quarter 3 numbers are very good. While you've mentioned liquids is like 2x, but I remember it being like a low single-digit share of your mix, if I'm not wrong, correct me if I'm wrong, please.
- But, so obviously, the growth there, it's not really while it has driven a part of it, it would not have driven it entirely. If you could just give a flavour in terms of this acceleration in growth in H2. I don't want a number, but would it be primarily penetration led or a couple of categories like either premium detergents or mass detergents, something doing much better than the other. Some colour on that would be very helpful.
- Pawan Agarwal:** No, I understand from where you are coming, Harit. But overall, the Fabric Care category has been doing well for us, both in main wash as well as in post wash, detergent powder, liquid bar, soaps, our premium product our flagship product, Ujala Supreme fabric whitener, fabric conditioner that we recently launched. You pick any product. I think we are doing a decent job across various products and categories within Fabric Care.
- Harit Kapoor:** Good. And sorry, one last question was that any sense of apart from premiumization because there's also a lot of volume growth, so apart from premiumization in terms of adoption, penetration, usage, overall category growth, have you also seen that lift up in the last 2 quarters, like not for you overall, but just overall category growth, have you seen that pick up as well,

because you've definitely been gaining, but would you see category growth also having really adding to that tailwind?

M. R. Jyothy: So that category is definitely growing. Compared to powders, liquids are growing. That is what I can say. And that has been on a similar thing through the year, this year, last year also. but yes, we've done well. The powders have started diminishing. That is the main thing. So, yes.

Moderator: The next question is from the line of Amit Purohit from Elara. Please go ahead.

Amit Purohit: Sir, just trying to understand, I mean, on the pricing side, you highlighted the 4% price increase at the portfolio level. If I look at Q4 versus Q3, the price reduction or the difference between volume and value has further gone down by 1% or so. Is that largely to do with some of the mix or some schemes that you might be running? Is that the reason, sir?

Pawan Agarwal: Yes, it's a combination of a lot of factors, not just the schemes, your grammages or quantity, then MRP cuts. It's a combination of a lot of factors across different segments and categories.

Amit Purohit: And then you have taken price increase of 4%. Have you reduced the schemes as well? Is it combination or when you say 4%, everything is included in that?

Pawan Agarwal: I'm saying overall impact around 4%, which we took towards second or third week of March, a large portion of it, which should be visible in quarter 1 and quarter 2 at a totality level.

Amit Purohit: That's a combination of you might have reduced some schemes as well as ASP increase.

Pawan Agarwal: Pricing action. Basically, the net effect of pricing decision would be about 4%.

Amit Purohit: Okay. And sir, just to ask again, on the margin thing, while I understand it's a volatile scenario, but when I look at, I mean, current numbers, and we would be carrying some bit of an inventory which will be an old stock inventory, which would and you indicated not much of benefits would have come, but if I think from 2 quarters down the line, are we in a scenario where the inflation concern has only risen while we do have taken price increase.

So, could there be a scenario in the near-term that this exit margins of Q4 could be slightly lower in the near-term? Is that directionally if you can help, it will be much better for us to understand. While I take your point on the volatility scenario, but just to model it, it will be better for us.

Pawan Agarwal: No, fair question. As I indicated, rather, as Jyothy indicated in her opening remarks, near-term, we are seeing margin pressure. So, quarter 1, definitely there is some pressure on margins. But it's highly linked to what happens on the crude and crude derivative prices, which would have a bearing on our pricing actions. So, for the current quarter, there will be some pressure on margins.

Amit Purohit: Sure. And lastly, sir, is there any structurality change in the margin profile because of maybe liquids gaining significant traction in the recent times in the Fabric category or competition is there in the Dishwash, but that was there earlier also. I mean this quarter saw a significant fall in the EBIT margin. So, there is no otherwise structural change, which would probably result in

a slightly lower margin profile from here on one should expect, excluding the crude scenario, which we are seeing right now?

Pawan Agarwal: No, this margin drop that you're seeing is largely driven by the crude or crude derivative prices. Structurally, there is no major change in the business construct of the company.

Amit Purohit: And lastly, sorry, on the supply and sourcing side, I just wanted to know how are we positioned relative to some of the smaller players? Do we have some advantage over there and you are seeing on the ground some market share gains from smaller players, especially on the liquids, fabric or powder. If you can touch upon that and our ability to source it slightly better just on these points, qualitative?

Pawan Agarwal: Our volume growth numbers tell you the story. So, we would not like to comment beyond that.

Moderator: The next question is from the line of Siddhesh Deshmukh from IIFL Capital. Please go ahead.

Percy: Hi. This is Percy here. Just wanted to ask regarding your gross margin this quarter, it was 400 bps down. Just trying to understand the reason for this because the input costs inflated only in March, and typically, there is a lag between the crude prices going up and the derivatives going up, plus there is an inventory or some kind of cover that companies have. So why in this quarter, gross margin has gotten affected by 400 basis points?

Pawan Agarwal: good question, Percy. There are two reasons for this. One is, of course, some bit of inflation did hit us in quarter 4. But on the pricing side, lower overall lower sales realization has also impacted margin. As you know, we have a typical 2 to 3 months of lag between the cost increases on the input side and the price action that we take on the sales side.

So that has impacted. The corrective action, the sales price increase decision was taken towards the end of the quarter while the lowering of sales average realization was happening through the quarter. And hence, you see some impact in gross margin in this quarter.

M. R. Jyothy: Also, we have given grammages, extra grammages and all that comparative to last year. So that is also there, Percy.

Percy: So, this extra grammages is something driven by competitive pressure or it's something that like you have done even though the competition has not done the same thing?

M. R. Jyothy: No, no. So, it is a competitive reaction. Also, as we speak, so last year versus this year, there's a huge price reduction also that has happened. If you see quarter-on-quarter, last year's price versus this year, there's a huge difference. So even if we have grown by volume, the pricing action and the grammages, these put together, along with your other inflated raw materials, all of this together all converged in this quarter. So that is why you see that.

Percy: Okay. Because just trying to understand this a little bit in detail. One is, of course, there is some in some categories, there is just GST-led grammage and lower price, but detergents did not have that, and if I'm also looking at HUL results, they have not seen a significant kind of margin pressure.

So just wanted to sort of put across these data points and see what is happening that, I mean and see where I'm coming from is even if I see the last crude price cycle a few years ago, our margins had come down from 16%, 17% to 10%, 11%.

And EPS, I think on a full year basis, not just for 1 quarter, had fallen approximately 30% or something like that. So just wanted to understand why this kind of impact on bottom line happens to us much more than other companies even adjusted for the product portfolio?

Like, for example, instead of looking at HUL, overall as a company, if I look at only the Home Care, in the past cycles, we do not see such a big impact. But if we look at other FMCG companies, we do not see such a big impact. So just wanted to understand what is different for us that we are sort of facing the brunt of this.

Of course, it reverses when the crude price goes down and the margin does come up, not denying that. But a few quarters can be very painful in the interim. And I was just trying to understand what is the reason for that?

Pawan Agarwal:

No, fair question, Percy. As we have mentioned earlier also, about 60% of the business is linked to crude and crude derivatives. And also, if we look at the key raw material, LABSA, the prices have gone through the roof in this quarter. If you look at January, and if you look at prices today, they are up by 60%, 65%.

If you look at HDPE, PP, packing material item, which is roughly 15% to 20% of our purchases that has gone up by about 50%, 55%, and that has happened in March and April. So, all these factors, plus the average of sales realization has affected the margins. And as I indicated, quarter 1 is also going to be some pressure, while calibrated pricing action will be taken, but it is all linked to how input prices behave going forward.

M. R. Jyothy:

Yes. Another reason, Percy, is almost 70% to 80% of our portfolio is into home care. And if you see, while the rest have the other segments also, so hence, you don't see as much. Apart from that, the coil as a segment is also margin decorative. So that is an addition to us, but we have performed very well on liquid. So, while we are trying to correct that segment as well, as you see. So, these are the factors which impact us more than for others.

Percy:

Got it. Got it. But why not then take a higher price increase? 4% seems very low?

Pawan Agarwal:

We are also keeping an eye on our volume retention because the volume growth momentum that we are maintaining, while in the near-term, there could be some pressure in margin, but we want to retain volumes. So, we have to strike a balance between the two. I'm not saying one versus the other. It will be a combination of both. But again, it will 100% of the input price increase, as you know, cannot be passed on to the market.

Moderator:

Thank you. That was the last question for the day. I now hand the conference over to Mr. Pawan sir for closing remarks. Please go ahead.

Pawan Agarwal:

Thank you. Thank you so much. We really appreciate your continued interest in Jyothy Labs Limited. Thank you so much. Have a pleasant evening ahead. Thank you.

Moderator: On behalf of Jyothy Labs Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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