Twitter Thread by The Tycoon Mindset

The Tycoon Mindset
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Jyothy Labs conducted their earnings con-call today at 3:00 PM

Here are the key highlights ■■

@drprashantmish6 @unseenvalue @proxy_investor @deepakshenoy

#concall

Sector Trend:
• Strong demand in Homecare and healthcare
• Institutional business has gradual comeback and now near to pre-covid level
• New launches: Exo All Surface Cleaner launched in South of India
• Media spent increased for more growth
• Market share has been improved

Business: Updates:
• A&P spend increased with growth in business segment.
• Segmental performance in image.
• Due to lower other expenses the EBIDA margins have seen growth insipte of increase in adv. cost.

CATEGORY	KEY BRAND	QUARTER ENDED			NINE MONTHS ENDED		
		CY	PY	GR %	CY	PY	GR %
Fabric Care	Ujala FW, Henko, Mr White, Ujala Crisp & Shine	176	172	**2.3%**	489	552	**-11.4%**
Dishwashing	Exo, Pril	182	150	**21.1%**	530	440	**20.6%**
Household Insecticides	Maxo	47	43	**10.0%**	171	117	**45.8%**
Personal Care	Margo, Neem, Fa	53	36	**48.2%**	176	150	**16.9%**
Other Products	T Shine, Maya	13	8	**56.5%**	35	27	**26.9%**
TOTAL		**470**	**409**	**15.1%**	**1,401**	**1,287**	**8.9%**
Laundry Services		7	12		13	32	
GRAND TOTAL		**477**	**421**	**13.3%**	**1,414**	**1,318**	**7.3%**

Business segment:

- Mainwash segment has started doing better.
- Postwash segment is still constrain as school and office are closed. However there is gradual growth.
- Dishwash segment remain robust and company continuous to see good growth over diswash.

Sales Growth:

- Higher utlization has been helping in decreasing the cost.
- Sales force with higher utlization reduces per cost, hence increase in margin.
- Increase in price has very little part.
- Company has current guidance of same margins of around 14-15%.

Recovery of Detergent:

- All of the detergent are back on growth.
- Ujala and Mr White are doing good. Ujala post wash is coming back to pre-covid levels (90-95% of pre-covid levels)
- Crisp and Shine has been only in 2 states which is affect by covid, hence it may take time.

Household Insecticide.

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- Segment is still profitable.
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- Product Delivery have been improved with compare to competitor.
- Other Expense as a % of sales will be same and there is no on-off.
- Tax Rate: Company is under MAT for this year and entire FY 2022, hence tax rate can be 18-20%.
- Personal care: Main growth driver is Margo

• Rural growth is higher than the urban.(1.3:1 growth rate rural:urban).
• Channel Inventory: Generally is 2-3 week
• Debt: Company stands at net cash. Gross debt is expected to be ~50-60cr.
• There may be little decline in A&P cost keeping EBIDTA margins expectation in line.

•Low presence in East: East is next biggest market hence there is good presence of the company.

• In e-commerce company don't go for Grofferes due to unfavourable T&C.