BUY (Maintain)

CMP: **INR 660** Target Price: **INR 760 (INR 600)** ▲ 15%

ICICI Securities

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14 July 2026

India | Equity Research | Results Update

Bajaj Consumer Care

Consumer Staples & Discretionary

Entering cruise phase (with predictable turbulence)

Bajaj Consumer (BACO) reported a good Q1FY27, with revenue growth led by acceleration in Almond Drops (ADHO) volumes and continued traction across non-ADHO portfolio. Gross margin expanded YoY on a favourable mix (though declined sequentially), translating into healthy EBITDA margin, despite elevated brand investments (operating leverage seen). BACO aspires to deliver low-to-mid-teens value growth over the medium term, underpinned by productivity gains from the Aarohan (sales project) rollout and portfolio scaling. Management has guided for EBITDA margin in the low-to-mid-20s range, while flagging input inflation and demand risks. In the near term, profitability management in Q2FY27 and sustaining demand momentum in H2FY27 remain key challenges.

In our view, execution discipline and better profitability provide confidence in medium-term earnings compounding. Reiterate **BUY** (despite stock up 2.8x in one year) as earnings upgrades mean the stock still trades at acceptable P/E of ~28x FY28E.

ADHO drives volume; channel momentum intact

Consolidated revenue in Q1FY27 grew 24.9% YoY to INR 3.4bn, led by low-teens volume growth in ADHO (post adjustment for ml-age reduction). This was supported by higher brand investments and improved traction in LUPs, which grew ahead of brand average. Non-ADHO portfolio witnessed double-digit sequential growth (except Amla oil), despite price cuts in coconut portfolio. Coconut growth was driven by healthy traction in price point packs and general trade channel, improved distribution, and better product availability. Banjara's financial as well as team integration has been completed. The company is broadly on track to meet its revenue target of ~INR 5bn (non-ADHO) within three years.

Organised trade grew in strong twenties (YoY) in Q1FY27, fuelled by continued momentum in modern trade (MT), e-commerce and q-commerce (QC). GT grew in the high twenties (YoY) in the quarter, supported by sustained growth in urban markets (strong momentum in both retail and wholesale) and a strong recovery in rural markets. International business (IB) witnessed healthy growth on a favourable base (double-digit EBITDA margin) on account of double-digit growth in both Nepal and Bangladesh, partly offset by disruptions in West Asia.

Financial Summary

Y/E March (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Revenue	9,648	11,647	14,001	15,744
EBITDA	1,274	2,209	3,395	3,880
EBITDA %	13.2	19.0	24.2	24.6
Net Profit	1,253	1,902	2,887	3,390
EPS (INR)	8.8	13.3	20.2	23.7
EPS % Chg YoY	(19.4)	51.8	51.8	17.4
P/E (x)	75.3	49.6	32.7	27.8
EV/EBITDA (x)	70.4	40.8	25.9	22.0
RoCE (%)	12.2	22.5	30.3	27.0
RoE (%)	15.9	25.3	33.4	30.7

Ashutosh Joytiraditya
ashutosh.joytiraditya@icicisecurities.com
+91 22 6807 7632
Manoj Menon
manoj.menon@icicisecurities.com
Akshay Krishnan
akshay.krishnan@icicisecurities.com
Aniket Kamble
aniket.kamble@icicisecurities.com

Market Data

Market Cap (INR)	87bn
Market Cap (USD)	905mn
Bloomberg Code	BAJAJCON IN
Reuters Code	BACO BO
52-week Range (INR)	692 /220
Free Float (%)	57.0
ADTV-3M (mn) (USD)	7.9

Price Performance (%)	3m	6m	12m
Absolute	57.0	133.0	183.3
Relative to Sensex	56.0	140.2	189.2

ESG Score	2024	2025	Change
ESG score	66.8	70.7	3.9
Environment	53.2	64.0	10.8
Social	67.0	68.1	1.1
Governance	77.3	77.7	0.4

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY27E	FY28E
Revenue	7.1	7.4
EBITDA	23.3	23.3
EPS	24.1	28.3

Previous Reports

19-04-2026: Q4FY26 results review

22-01-2026: Q3FY26 results review

Margin delivery strong; brand investments remain elevated

Gross margin expanded 393bps YoY to 61.8%, supported by mix improvement and ml-age reduction, partly offset by an inflated RM basket. A&SP increased ~29% YoY, reflecting sustained investments behind ADHO and digital activation. EBITDA grew ~103% YoY to INR 834mn, with the margin expanding 939bps YoY to 24.4%, despite higher brand spends. Adj. PAT grew ~85% YoY to INR 707mn, driven by a strong operating performance. Management expects EBITDA margin to be in the low-to-mid-20s range while acknowledging potential volatility from the evolving US-Iran conflict.

Aarohan rollout near completion; focus shifts to productivity

Aarohan's reach expansion is largely complete (phase-3 is underway in Bihar, Jharkhand, Odisha and Punjab), with the programme now transitioning from expansion to productivity and throughput improvement. Management had earlier highlighted ~4% higher growth in markets where Aarohan has been implemented compared to non-Aarohan markets. It expects to complete Aarohan implementation in remaining markets in FY27. The focus remains on scaling ADHO, improving GT productivity and sustaining margin gains while maintaining brand investments to support medium-term growth.

Valuation and risks

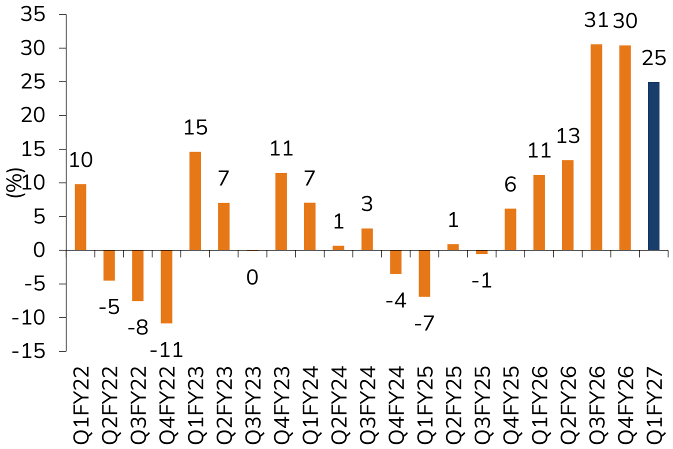
We raise EPS estimates for FY27/28 by 24%/28% to reflect higher sales growth and better-than-expected margins. We model revenue/EBITDA/PAT CAGR of 16%/33%/34% over FY26-28E, respectively. Maintain **BUY** with a DCF-based revised target price of **INR 760** (vs. INR 600). At our target price, the stock would trade at ~32x P/E Mar'28E. **Downside risks:** Over reliance on a single brand—ADHO, higher-than-expected commodity inflation, and failure of new product launches.

Exhibit 1: Q1FY27 results preview (consolidated)

INR mn	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Net Revenue	3,416	2,734	**24.9**	3,267	**4.6**
COGS	(1,305)	(1,152)	*13.3*	(1,183)	*10.2*
Gross profit	**2,111**	**1,582**	**33.4**	**2,083**	**1.3**
Staff cost	(357)	(366)	*(2.5)*	(353)	*1.2*
A&SP	(500)	(389)	*28.7*	(494)	*1.2*
Other opex	(420)	(417)	*0.8*	(471)	*(10.7)*
Total opex	(1,277)	(1,171)	*9.0*	(1,318)	*(3.1)*
EBITDA	**834**	**411**	**103.1**	**765**	**8.9**
Other income	80	80	*0.8*	62	*30.4*
Finance cost	(3)	(4)	*(10.5)*	(4)	*(15.5)*
D&A	(38)	(25)	*54.2*	(45)	*(15.9)*
PBT	**873**	**462**	**88.9**	**778**	**12.2**
Tax	(165)	(79)	*110.3*	(141)	*16.9*
Recurring PAT	**707**	**383**	**84.6**	**636**	**11.2**
Extraordinary items	-	-	-	-	-
Share of profit from Associate	-	(1)	-	-	-
Net profit (reported)	**707**	**383**	**84.8**	**636**	**11.2**
EPS	5	3	**84.8**	5	**11.2**
% of operating revenues					
COGS	38.2	42.1	-394 bps	36.2	196 bps
Gross margin	**61.8**	**57.9**	393 bps	**63.8**	-197 bps
Staff cost	10.5	13.4	-294 bps	10.8	-35 bps
A&SP cost	14.6	14.2	42 bps	15.1	-50 bps
Other opex	12.3	15.2	-295 bps	14.4	-212 bps
EBITDA margin	**24.4**	**15.0**	939 bps	**23.4**	98 bps
Income tax rate (% of PBT)	18.9	17.0	192 bps	18.2	75 bps

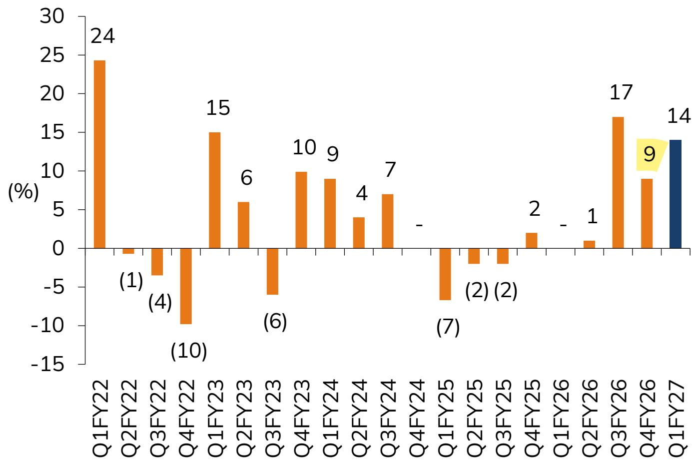
Source: Company data, I-Sec research

Exhibit 2: Revenue growth



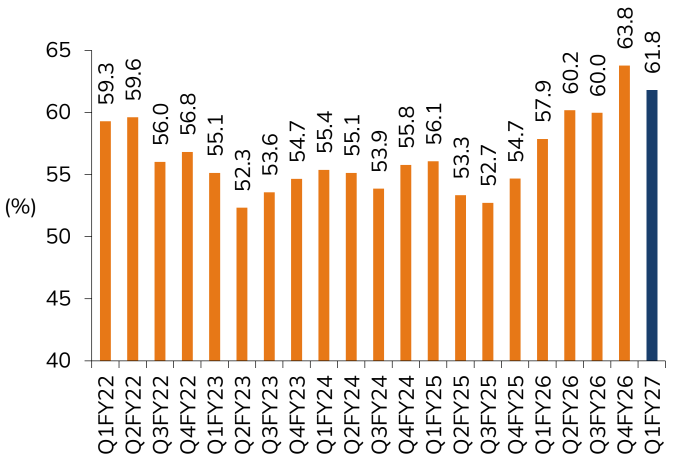
Source: Company data, I-Sec research

Exhibit 3: Volume growth



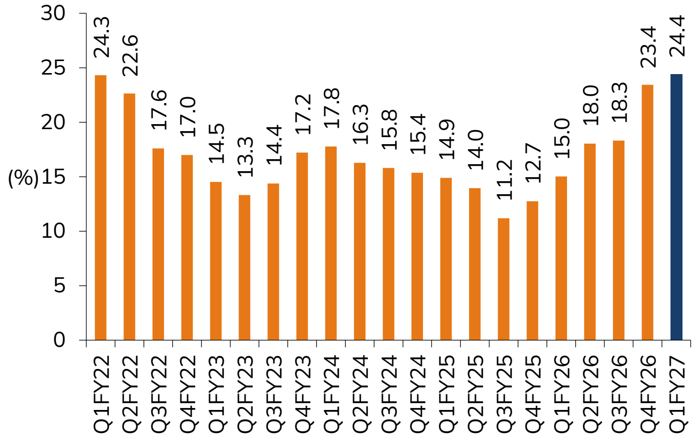
Source: Company data, I-Sec research; Note: ml-age adjusted

Exhibit 4: Gross margin



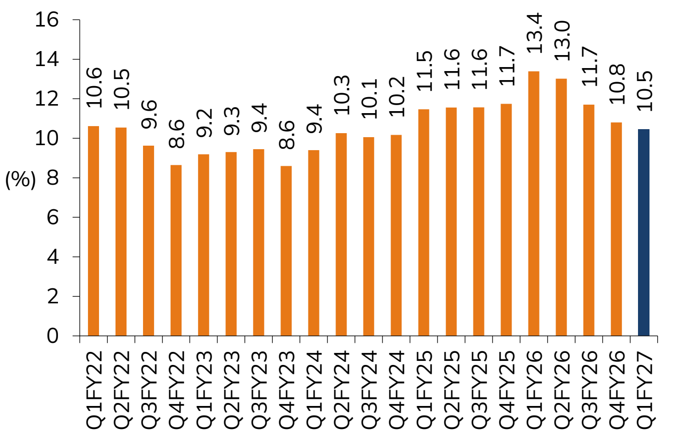
Source: Company data, I-Sec research

Exhibit 5: EBITDA margin



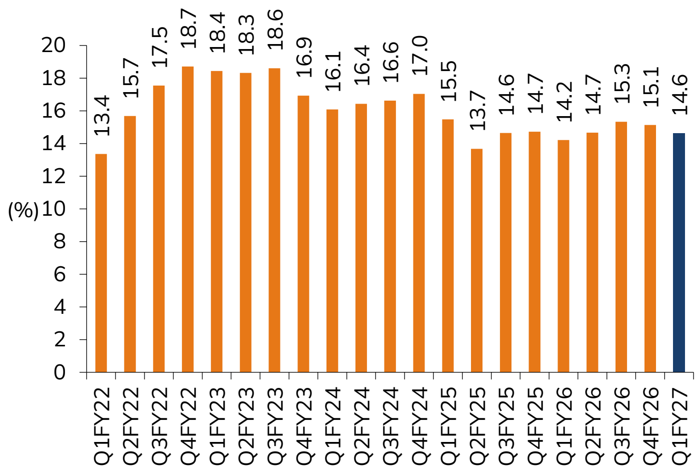
Source: Company data, I-Sec research

Exhibit 6: Staff costs (% of sales)



Source: Company data, I-Sec research

Exhibit 7: Ad spends (% of sales)



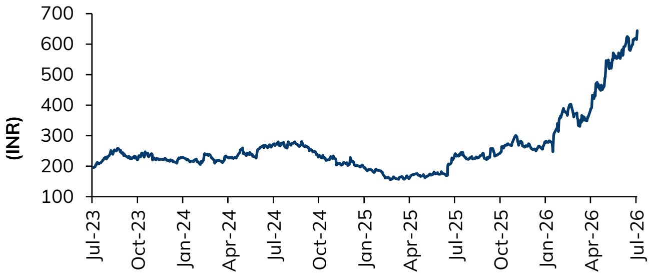
Source: Company data, I-Sec research

Exhibit 8: Shareholding pattern

%	Dec'25	Mar'26	Jun'26
Promoters	43.0	43.0	43.0
Institutional investors	25.4	30.8	31.1
MFs and others	15.4	13.9	14.7
Insurance	0.3	0.3	0.3
FIIs	9.7	16.6	16.1
Others	31.6	26.2	26.2

Source: Bloomberg, I-Sec research

Exhibit 9: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 10: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Net Sales	9,648	11,647	14,001	15,744
Operating Expenses	**8,374**	**9,438**	**10,606**	**11,864**
EBITDA	1,274	2,209	3,395	3,880
EBITDA Margin (%)	**13.2**	**19.0**	**24.2**	**24.6**
Depreciation & Amortization	102	153	173	212
EBIT	1,173	2,056	3,222	3,668
Interest expenditure	5	16	17	17
Other Non-operating Income	356	271	349	509
Recurring PBT	1,523	2,311	3,555	4,160
Profit / (Loss) from Associates	**5**	**3**	**-**	**-**
Less: Taxes	**275**	**412**	**668**	**770**
PAT	1,248	1,899	2,887	3,390
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	1,253	1,902	2,887	3,390
Net Income (Adjusted)	**1,253**	**1,902**	**2,887**	**3,390**

Source Company data, I-Sec research

Exhibit 11: Balance sheet

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Total Current Assets	6,530	6,075	8,827	11,557
of which cash & cash eqv.	4,529	4,061	6,404	8,832
Total Current Liabilities & Provisions	1,433	1,697	2,041	2,295
Net Current Assets	**5,097**	**4,378**	**6,785**	**9,261**
Investments	600	-	-	-
Net Fixed Assets	1,066	1,373	1,568	1,768
ROU Assets	-	-	-	-
Capital Work-in-Progress	282	269	269	269
Total Intangible Assets	436	1,462	1,032	1,032
Long Term Loans & Advances	56	100	100	100
Deferred Tax assets	-	-	-	-
Total Assets	**7,578**	**7,754**	**9,927**	**12,603**
Liabilities				
Borrowings	**-**	**-**	**-**	**-**
Deferred Tax Liability	**-**	**-**	**-**	**-**
Provisions	57	47	47	47
Other Liabilities	42	158	158	158
Minority Interest	-	-	-	-
Equity Share Capital	137	131	131	131
Reserves & Surplus	7,342	7,419	9,592	12,268
Total Net Worth	**7,479**	**7,550**	**9,723**	**12,399**
Total Liabilities	**7,578**	**7,754**	**9,927**	**12,603**

Source Company data, I-Sec research

Exhibit 12: Quarterly trend

(INR mn, year ending March)

	Sep 25	Dec 25	Mar 26	Jun 26
Net Sales	2,653	3,061	3,267	3,416
% growth (YOY)	13.4	30.6	30.4	24.9
EBITDA	478	561	765	834
Margin %	18.0	18.3	23.4	24.4
Other Income	79	53	62	80
Extraordinaries	-	-	-	-
Adjusted Net Profit	423	464	636	707

Source Company data, I-Sec research

Exhibit 13: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Operating Cashflow	**1,277**	**2,228**	**3,744**	**4,389**
Working Capital Changes	(347)	121	(484)	(672)
Capital Commitments	(54)	(328)	62	(412)
Free Cashflow	**597**	**1,641**	**2,654**	**2,536**
Other investing cashflow	**1,607**	**184**	**(1,441)**	**1,669**
Cashflow from Investing Activities	1,553	(145)	(1,379)	1,257
Issue of Share Capital	-	-	-	-
Interest Cost	0	0	(17)	(17)
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	-	-	(714)	(714)
Others	(2,116)	(1,965)	-	-
Cash flow from Financing Activities	(2,116)	(1,965)	(731)	(731)
Chg. in Cash & Bank balance	**88**	**(140)**	**482**	**3,473**
Closing cash & balance	458	930	698	4,017

Source Company data, I-Sec research

Exhibit 14: Key ratios

(Year ending March)

	FY25A	FY26A	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	8.8	13.3	20.2	23.7
Diluted EPS (Adjusted)	8.8	13.3	20.2	23.7
Cash EPS	9.5	14.4	21.4	25.2
Dividend per share (DPS)	-	-	5.0	5.0
Book Value per share (BV)	52.4	52.9	68.1	86.8
Dividend Payout (%)	-	-	24.7	21.1
Growth (%)				
Net Sales	(1.9)	21.4	20.3	12.5
EBITDA	(17.9)	73.4	53.7	14.3
EPS (INR)	(19.4)	51.8	51.8	17.4
Valuation Ratios (x)				
P/E	75.3	49.6	32.7	27.8
P/CEPS	69.6	45.9	30.8	26.2
P/BV	12.6	12.5	9.7	7.6
EV / EBITDA	70.4	40.8	25.9	22.0
P / Sales	9.9	8.2	6.8	6.0
Dividend Yield (%)	-	-	0.8	0.8
Operating Ratios				
Gross Profit Margins (%)	54.2	60.5	62.0	62.6
EBITDA Margins (%)	13.2	19.0	24.2	24.6
Effective Tax Rate (%)	18.1	17.8	18.8	18.5
Net Profit Margins (%)	13.0	16.3	20.6	21.5
Working Capital Days	21.3	10.9	10.9	10.5
Inventory Turnover Days	20.5	22.7	22.6	21.9
Fixed Asset Turnover (x)	6.4	7.7	8.2	7.5
Receivables Days	26.9	25.9	25.9	25.1
Payables Days	18.7	14.6	14.5	14.1
Net Debt / Equity (x)	(0.6)	(0.5)	(0.7)	(0.7)
Net Debt / EBITDA (x)	(3.6)	(1.8)	(1.9)	(2.3)
Profitability Ratios				
RoCE (%)	12.2	22.5	30.3	27.0
RoE (%)	15.9	25.3	33.4	30.7
RoIC (%)	38.8	52.5	76.9	86.8

Source Company data, I-Sec research

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, **E-mail Address** : complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122