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Choice Institutional Equities

Bajaj Consumer Care Ltd: ADHO Continues to Drive Growth

ADD

Q1FY27 Result Update

July 14, 2026 | CMP: INR 660| Target Price: INR 715

Expected Share Price Return: 9% I Dividend Yield: 0.0% I Potential Upside: 9%

Sector View: Neutral

Change in Estimates	✔
Change in Target Price	✔
Change in Recommendation	✔

Company Info	
BB Code	BAJAJCON IN
Face Value (INR)	1
52-week High/Low (INR)	691 / 220
Mkt Cap (Bn)	INR 86 / USD 0.9
Shares o/s (Mn)	131
3M Avg. Daily Volume	1,387,626

Change in CIE Estimates

	FY27E			FY28E		
INR Bn	**New**	**Old**	**Dev. (%)**	**New**	**Old**	**Dev. (%)**
Revenue	13.4	13.2	1.5	15.4	15.3	0.6
EBITDA	3.0	2.7	9.0	3.4	3.2	8.5
EBITDAM%	22.1	20.6	149 bps	22.3	20.7	163 bps
PAT	2.5	2.4	3.7	2.9	2.8	3.7
EPS (INR)	19.2	18.5	3.7	22.1	21.3	3.7

Actual vs CIE Estimates

INR Mn	Q1FY27A	CIE Est.	Dev.%
Revenue	3,416	3,402	0.4
EBITDA	834	743	12.3
EBITDAM %	23.3	20.5	281 bps
PAT	707	620	14.1

Key Financials

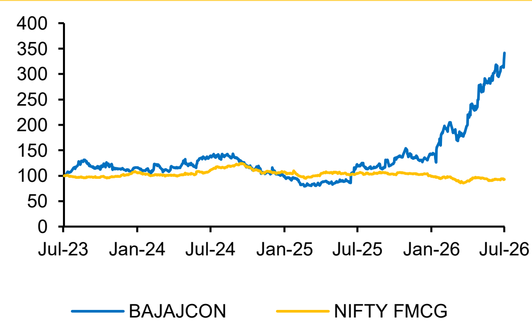
INR Bn	FY26	FY27E	FY28E	FY29E
Net Sales	11.7	13.4	15.4	17.5
YoY Growth (%)	21.4	14.8	14.2	13.7
EBIDTA	2.2	3.0	3.4	3.9
EBITDA Margin (%)	18.9	22.1	22.3	22.4
PAT	1.9	2.5	2.9	3.3
EPS, Rs	14.6	19.2	22.1	25.1
PER, x	45.2	34.4	29.9	26.3
ROE, %	25.4	29.6	27.9	27.1

Shareholding Pattern (%)

	Jun-26	Mar-26	Dec-25
Promoters	42.97	42.97	42.97
FIIs	16.11	16.59	9.70
DIIs	14.91	14.27	15.75
Public	25.99	26.17	31.59

Relative Performance (%)

YTD	1Y	6M	3M
NIFTY FMCG	(9.7)	(7.8)	(6.2)
BAJAJCON	161.9	151.6	124.2



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Bajaj Consumer Care Ltd Initiating Coverage

Growth Momentum Continues

Q1FY27 results were ahead of expectation; while revenue came in line with estimate, **led by continued strong momentum in ADHO (Almond Drop Hair Oil) portfolio (volume growth est. 11-12%)** driven by strong growth in sachets. EBITDA margin was ahead of expectation on the strength of better gross margin expansion (price hike), cost savings to the tune of 600 bps YoY and operating leverage.

Key Management Guidance: Q2FY27 gross margin is expected to remain under pressure as compared to Q1 on account of higher raw material cost. However, Q3 and Q4 is expected to see recovery as recent raw material price trend saw a decline. Moreover, the current EBITDA margin of 24.4% is on the upper end of guided range; **while long-term EBITDA margin guidance is expected to be in low to mid 20s range.**

Valuation & Rating: We remain constructive on Bajaj Consumer Care's long-term growth strategy, driven by the recovery in ADHO, scaling up of the non-ADHO growth portfolio, premiumisation and Project Aarohan-led distribution expansion. Sustained double-digit growth, an improving product mix and operating leverage are expected to drive **Revenue/EBITDA/PAT CAGR of 14%/20%/20%, respectively, over FY26–29E.**

We have revised our one-year DCF-based TP to INR 715 (earlier: INR 690), implying an upside of 9% from the CMP (implied P/E of ~32.4x FY28E EPS and PEG of 2.3). **Given the sharp appreciation in the stock price, up ~88% since April 2026 (~25% since our Initiating Coverage)** and the limited upside from the current level, we have changed our rating on the stock from **BUY** to '**ADD**.'

Q1FY27 Result: ADHO Continues to Drive Growth

- Revenue was up 24.9% YoY and up 4.6% QoQ to INR 3,416 Mn (vs. CIE estimate of INR 3,402 Mn). **Q1FY27 ADHO volume grew in early teens (est. 11-12%) led primarily by sachets.**
- EBITDA was up 103.1% YoY and up 8.9% QoQ to INR 834 Mn (vs. CIE estimate of INR 743 Mn). EBITDA margin was up 939 bps YoY and up 98 bps QoQ to 24.4% (vs. CIE estimate of 21.8%). **BAJAJCON under took price hikes and grammage cut on back of increase in raw material prices. Its cost-saving program and operating leverage supported overall EBITDA growth.**
- PAT was up 84.9% YoY and up 11.1% QoQ to INR 707 Mn (vs. CIE estimate of INR 620 Mn)

Bajaj Consumer Care Ltd.	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)
Revenues (INR Mn)	**3,416**	**2,734**	**24.9**	**3,267**	**4.6**
COGS	1,305	1,152	13.3	1,183	10.2
Gross Profit (INR Mn)	**2,111**	**1,582**	**33.4**	**2,083**	**1.3**
Gross Margin (%)	**61.8%**	**57.9%**	**394 bps**	**63.8%**	**(197)bps**
Employee Cost	357	366	(2.5)	353	1.2
A&P Spends	500	389		494	
Other Expenses	420	417	0.8	471	(10.7)
EBITDA (INR Mn)	**834**	**411**	**103.1**	**765**	**8.9**
EBITDA Margin (%)	**24.4%**	**15.0%**	**939 bps**	**23.4%**	**98 bps**
Depreciation	38	25	54.2	45	(15.9)
EBIT (INR Mn)	**796**	**386**	**106.2**	**720**	**10.5**
EBIT Margin (%)	**23.3%**	**14.1%**	**918 bps**	**22.0%**	**125 bps**
Other Income	80	80	0.8	62	30.4
Interest	3	4	(10.5)	4	(15.5)
EO Items	-	(1)		-	
PBT	873	461	89.2	778	12.22
Tax	166	79	109.7	141	17.19
PAT (INR Mn)	**707**	**382**	**84.9**	**636**	**11.12**
EPS (INR)	**5.4**	**2.9**	**84.9**	**4.9**	**11.12**

Source: BAJAJCON, Choice Institutional Equities

ADHO continued its strong momentum, driven by robust traction across all channels and pack sizes, particularly sachets and smaller SKUs

Non-ADHO: BAJAJCON reiterated its ambition to grow the non-ADHO portfolio at a high-20% rate over the long term

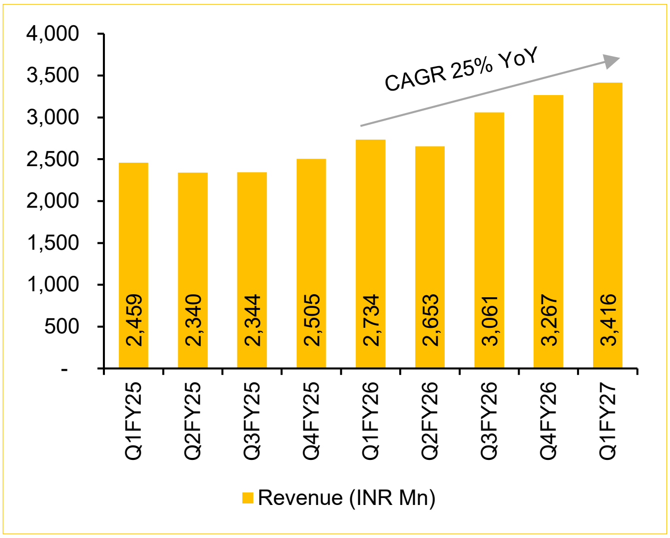
The international business saw a sharp recovery after a challenging FY26 and disruptions from the West Asia crisis led by reset in leadership & distribution partners

Project Aarohan typically delivers a 200–300 bps one-time growth uplift initially while creating long-term benefits through deeper direct distribution and improved execution capabilities.

Management Call – Highlights

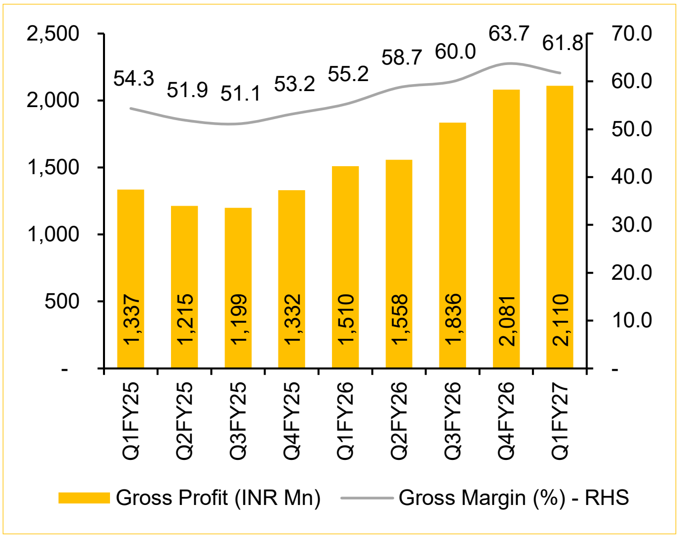
- **ADHO:** Continued its strong momentum, driven by a robust traction across all channels and pack sizes, **particularly sachets and smaller SKUs. ADHO contributed 80% of revenue in Q1FY27 (vs. 75% in FY26)**
- **Non-ADHO: The coconut oil portfolio delivered sequential growth** despite price rationalisation measures aimed at reducing the discount to the category leader
- Banjara’s, which accounts for around 5% of the consolidated revenue, is undergoing a strategic revamp with new positioning, portfolio restructuring and pilot initiatives aimed at accelerating growth. **The management views Banjara’s as the second major pillar of its growth portfolio**
- BAJAJCON **reiterated its guidance to grow the non-ADHO portfolio at a high-20% rate in the long term**
- **International Business:** The international business saw a sharp recovery after a challenging FY26 and disruption from the West Asia crisis **led by reset in leadership & distribution partners**
- Strong growth recorded across Nepal, Bangladesh, MENA and Rest of the World markets
- Overall **IB business delivered double-digit EBDITA growth**. The management is confident of scaling up the business in a profitable and sustainable manner, going forward
- **Project Aarohan:** Distribution expansion remains a key growth driver through Project Aarohan, which is being rolled out across large states
- **BAJAJCON indicated that Project Aarohan typically delivers a 200–300 bps one-time growth uplift initially** while creating long-term benefits through deeper direct distribution and improved execution capability

Revenue growth of 25% YoY in line with expectation on back of growth strong in ADHO



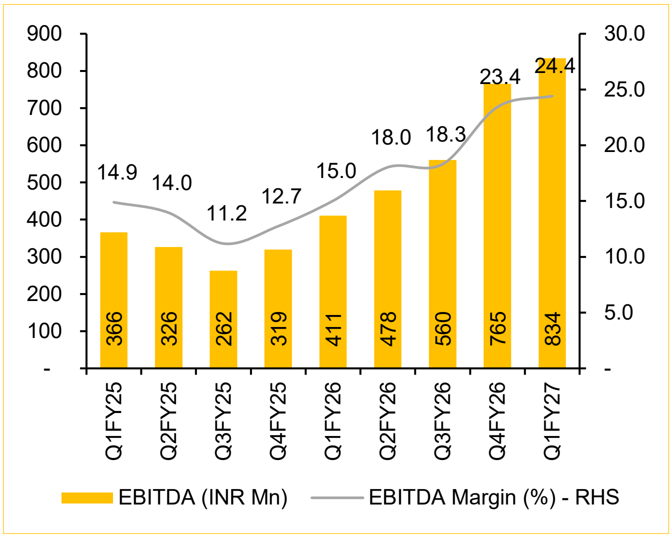
Source: BAJAJCON, Choice Institutional Equities

High raw material cost hits gross margin sequentially



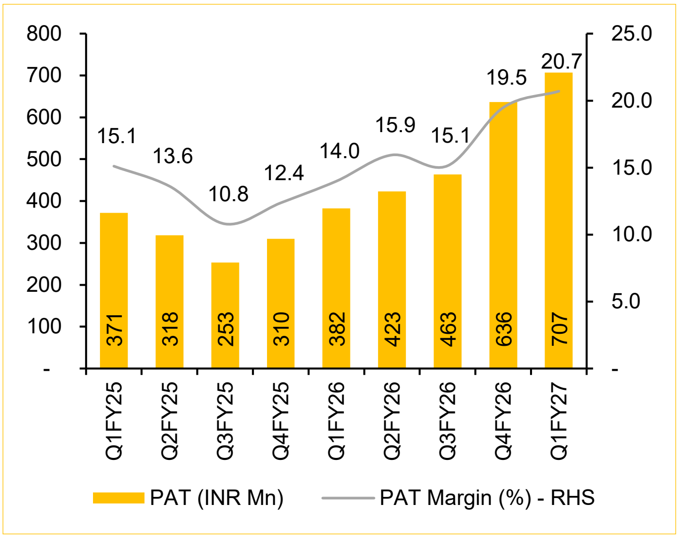
Source: BAJAJCON, Choice Institutional Equities

Led by operating leverage and cost-saving, EBITDA margin expanded 939 bps on a YoY basis



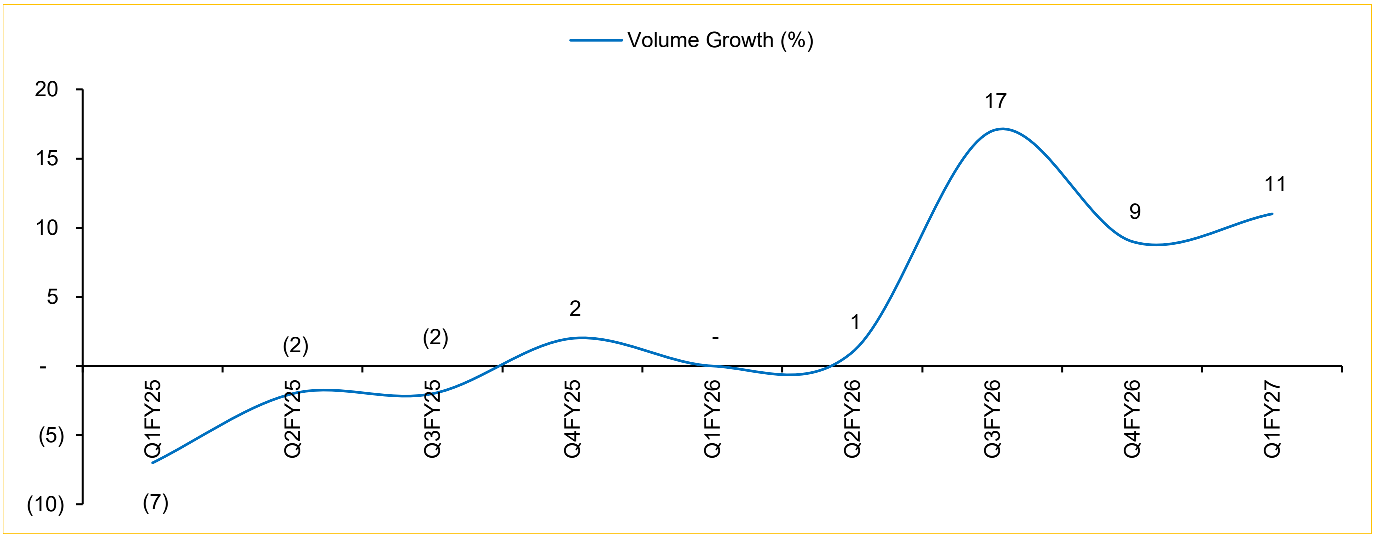
Source: BAJAJCON, Choice Institutional Equities

PAT margin remained healthy



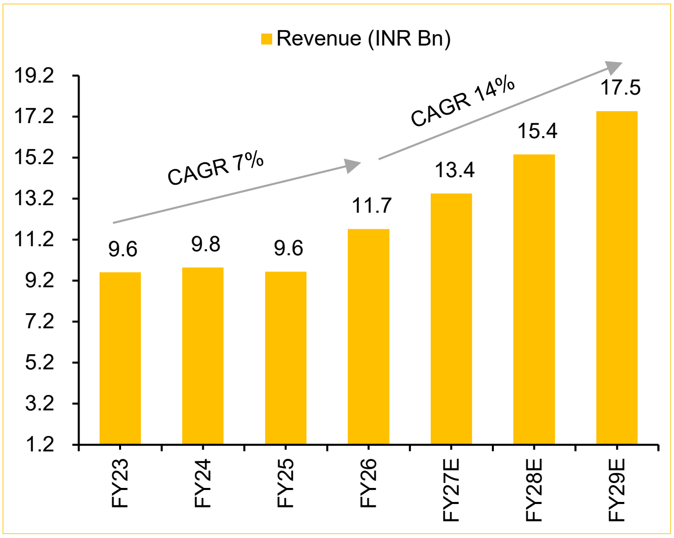
Source: BAJAJCON, Choice Institutional Equities

ADHO volume growth remains stable



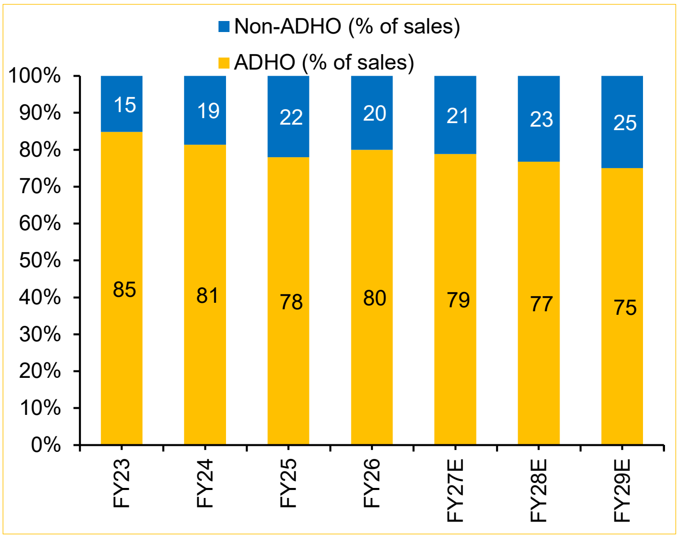
Source: BAJAJCON, Choice Institutional Equities
Note: est. volume growth of 11-12%

Revenue expected to expand CAGR 14% over FY26-29E



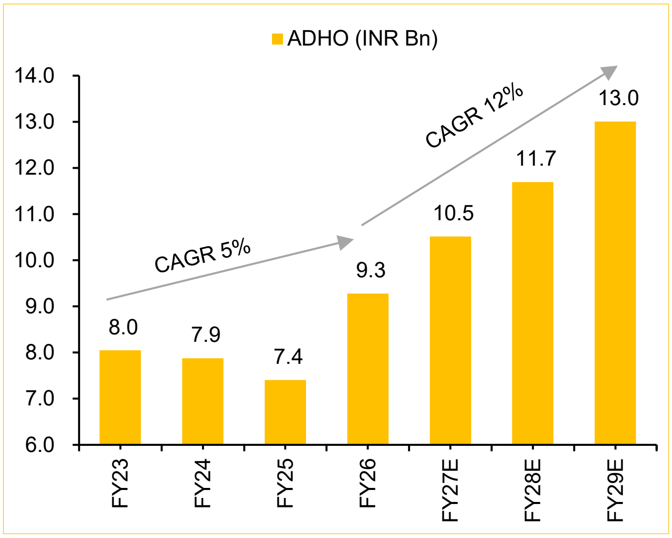
Source: BAJAJCON, Choice Institutional Equities

Non-ADHO Portfolio Likely to See Gradual Rise in Share



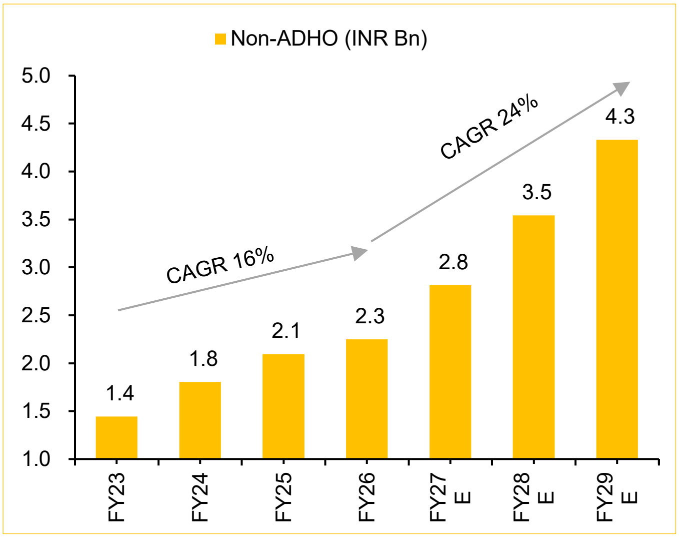
Source: BAJAJCON, Choice Institutional Equities

Led by Continued Traction from Project 'Aarohan,' ADHO Likely to Witness 12% CAGR over FY26-29E



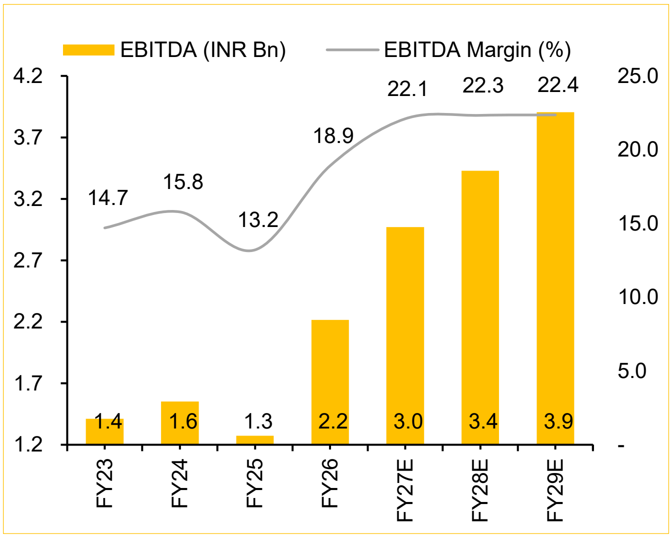
Source: BAJAJCON, Choice Institutional Equities

Led by Coconut and Banjara's, non-ADHO portfolio to drive faster at 24% CAGR over FY26-29E



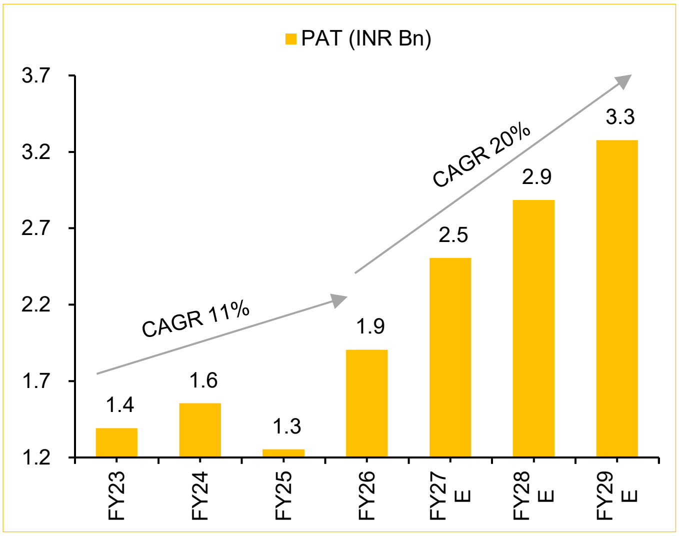
Source: BAJAJCON, Choice Institutional Equities

EBITDA and margin forecast to remain healthy



Source: BAJAJCON, Choice Institutional Equities

PAT projected to expand 20% CAGR over FY26-29E



Source: BAJAJCON, Choice Institutional Equities

Income Statement (INR Mn)

Particular	FY26	FY27E	FY28E	FY29E
Revenue	11,714	13,445	15,360	17,470
Gross Profit	7,103	8,403	9,677	11,006
EBITDA	2,215	2,970	3,429	3,906
Depreciation	(154)	(161)	(168)	(175)
EBIT	2,061	2,810	3,261	3,731
Interest Expense	(16)	(16)	(16)	(16)
Other Income	273	300	315	331
PAT	1,906	2,506	2,884	3,277
EPS (INR)	14.6	19.2	22.1	25.1

Ratio Analysis	FY26	FY27E	FY28E	FY29E
Growth Ratios (%)				
Revenue	21.4	14.8	14.2	13.7
EBITDA	73.8	34.1	15.4	13.9
EBIT	75.8	36.3	16.1	14.4
PAT	52.1	31.5	15.1	13.6
Margins (%)				
Gross Margin	59.7	61.6	62.2	62.3
EBITDA Margin	18.9	22.1	22.3	22.4
PAT Margin	16.3	18.6	18.8	18.8
Profitability (%)				
ROE	25.4	29.6	27.9	27.1
ROCE	27.3	29.9	29.0	28.8
Turnover ratios				
Asset Turnover (x)	1.3	1.3	1.2	1.2
Receivable Days	23.8	23.8	23.8	23.8
Inventory Days	20.8	20.8	20.8	20.8
Payable Days	13.4	13.4	13.4	13.4
Working Capital Days	31.2	31.2	31.2	31.2
Liquidity ratios				
Current ratio (x)	3.6	4.5	5.4	6.1
Quick ratio (x)	3.2	4.1	4.9	5.6
Interest cover (x)	127.9	174.4	202.4	231.6
Total Debt/Equity (%)	-	-	-	-
Valuation				
PER (x)	45.2	34.4	29.9	26.3
EV/EBITDA (x)	37.1	27.1	23.0	19.8
EV/EBIT (x)	39.9	28.6	24.2	20.7

Source: BAJAJCON, Choice Institutional Equities

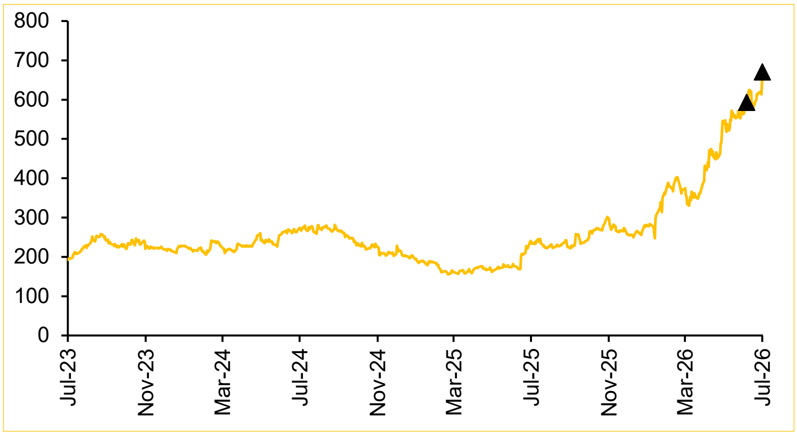
Balance Sheet (INR Mn)

Particulars	FY26	FY27E	FY28E	FY29E
Cash & Cash Equivalents	217	1,883	3,526	5,031
Other Bank Balance	175	175	175	175
Marketable Securities at Cost	3,669	3,669	3,669	3,669
Debtors	756	869	993	1,130
Inventory	661	759	868	988
Loans & Advances	2	2	2	2
Other Current Assets	595	595	595	595
Total Current Assets	**6,075**	**7,952**	**9,828**	**11,590**
Investments	100	100	100	100
Gross Fixed Assets	4,409	4,609	4,809	5,009
Less: Depreciation	(1,428)	(1,589)	(1,757)	(1,932)
Add: Capital WIP	269	269	269	269
Net Fixed Assets	**3,250**	**3,289**	**3,321**	**3,346**
Other Non-Current Assets	27	27	27	27
Total Assets	**9,451**	**11,367**	**13,276**	**15,063**
Current Liabilities	1,697	1,760	1,830	1,907
Provisions	47	47	47	47
Total Current Liabilities	**1,744**	**1,807**	**1,876**	**1,953**
Non-Current Liabilities	158	158	158	158
Total Liabilities	**1,901**	**1,965**	**2,034**	**2,111**
Paid-Up Capital	131	131	131	131
Reserves & Surplus	7,419	9,272	11,111	12,821
Shareholders' Equity	**7,550**	**9,403**	**11,242**	**12,951**
Total Equity & Liabilities	**9,451**	**11,367**	**13,276**	**15,063**

Cash Flows (INR Mn)	FY26	FY27E	FY28E	FY29E
Cash Flows from Operations	1,969	2,535	2,905	3,288
Cash Flows from Investing	(145)	(200)	(200)	(200)
Cash Flows from Financing	(1,965)	(669)	(1,061)	(1,584)

Particulars	FY26	FY27E	FY28E	FY29E
Tax Burden	82%	81%	81%	81%
Interest Burden	112%	110%	109%	108%
EBIT Margin	18%	21%	21%	21%
Asset Turnover	1.3	1.3	1.2	1.2
Equity Multiplier	1.2	1.2	1.2	1.2
ROE (%)	**25.4%**	**29.6%**	**27.9%**	**27.1%**

Historical Price Chart: Bajaj Consumer Care Ltd



Date	Rating	Target Price
May 20, 2026	BUY	690
July 14, 2026	ADD	715

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Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

*Large Cap: More Than INR 20,000 Cr Market Cap
*Mid & Small Cap: Less Than INR 20,000 Cr Market Cap

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