

FMCG – Q1FY27 Quarterly Result Preview

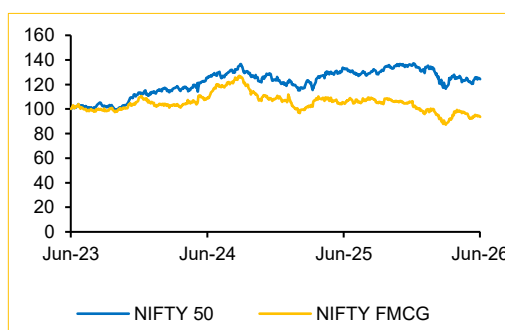
Sector View: Neutral

Broader Growth Momentum Sustained; Near-term Outlook Remains Neutral

Recommendation			
Company (Ticker)	CMP (INR)	TP (INR)	Rated
Bajaj Consumer	616	690	BUY
CCL Products	1,182	1,365	BUY

*CMP as on July 01, 2026
#TP and Rating as per previous report

Relative Performance (%)			
YTD	3Y	1Y	6M
NIFTYFMCG	(4.9)	(9.6)	(10.6)
NIFTY 50	24.7	(6.2)	(8.4)



Source: Bloomberg, Choice Institutional Research

Q1FY27 FMCG growth momentum sustained; supported by stable demand despite Middle East conflict and raw material inflation

- Demand remains resilient across urban and rural markets, with Q1FY27 sales trend broadly in line with Q4FY26. While crude-linked input cost saw a temporary uptick following the Middle East conflict, recent commodity trends indicate easing inflationary pressure and a gradual stabilisation in raw material cost
- Most FMCG companies undertook low-to-mid single-digit price hikes in Q1FY27 to mitigate earlier input cost inflation. However, with raw material prices moderating, the need for further pricing intervention appears limited versus earlier expectation of further price hike. However, given the current volatile environment (geopolitics and El-Nino) near-term outlook remains cautious for the sector
- Key things to watch out: Management commentary on El-Nino impact on sustenance of demand, especially in rural and raw material inflation outlook

Sector View

- Demand remains stable across urban and rural markets, with Q1FY27 sales likely to be in line with Q4FY26. While crude-linked input cost rose following the Middle East conflict, recent commodity trends indicate easing cost pressure. Most FMCG companies took low-to-mid single-digit price hike in Q1FY27 and further pricing actions are expected to remain limited if input cost continue to stabilise
- **Key Raw Material Price Trends:** Brent crude, palm oil and HDPE prices increased by **10%/14%/21% YoY**, respectively, but declined by **29%/6%/11% QoQ (-34%/+1%/-12% MoM)**. Meanwhile, Robusta coffee prices remained broadly flat YoY but increased **8% QoQ and MoM**

Our Coverage Universe

- **Bajaj Consumer:** BAJAJCON growth strategy is centred on the turnaround of its core ADHO franchise and the scaling up of its non-ADHO portfolio. ADHO delivered ~25% growth in FY26, driven by volume-led initiatives, strategic pricing, higher brand investments, and distribution expansion under Project Aarohan. Simultaneously, the company aims to more than double its Growth Portfolio (Non-ADHO) revenue, from INR 2.25 Bn in FY26 to INR 5 Bn, in the next three years, supported by premiumisation, innovation, and an expanding distribution network
- In Q1FY27, we expect revenue to grow 27.5% YoY, driven by ~8% volume growth, strategic pricing actions in ADHO, distribution expansion, and continued scaling up of the Non-ADHO portfolio. EBITDA margin is anticipated to expand by 665 bps to 21.8%, while PAT is projected to increase by 63.4% YoY to INR 620 Mn in Q1FY27E
- **CCL Products:** CCLP is entering a utilisation-led growth phase, supported by higher contribution from premium Freeze-Dried Coffee (FDC) and small packs, which continue to improve profitability. Stabilising coffee prices are enhancing demand visibility and reducing working capital requirements. The branded coffee business remains a key growth driver, aided by distribution expansion and premiumisation. With the major capex cycle complete, improving cash flows are likely to support margin expansion and steady debt reduction
- In Q1FY27, We expect revenue to grow 16.4% YoY, driven by ~20% volume growth, as demand remains resilient, with minimal impact from the Middle East conflict. Additionally, higher capacity utilisation at the Vietnam freeze-dried coffee (FDC) facility is expected to support growth. We forecast realisation to decline by ~3–4% due to lower coffee prices. EBITDA margin is projected to expand by 67 bps to 15.7%, while PAT is expected to increase by 55.6% YoY to INR 1,128 Mn in Q1FY27E

High-conviction investment ideas:

We maintain a positive stance on **Bajaj Consumer and CCL Products**

Preeyam Tolia

Email: preeyam.tolia@choiceindia.com
Ph: +91 22 6707 9987

Links to our Previous Reports:

- [Bajaj Consumer IC](#)
- [CCL Products IC](#)

BAJAJ CONSUMER

INR Mn	Q1FY27E	1QFY26	YoY %	4QFY26	QoQ %	Comments
Revenue	3,402	2,667	27.5%	3,267	4.1%	<ul style="list-style-type: none"> We expect revenue to grow 27.5% YoY, driven by ~8% volume growth, strategic pricing actions in ADHO, distribution expansion and continued scaling up of the Non-ADHO portfolio. EBITDA margin is expected to expand by 665 bps to 21.8%, while PAT is projected to increase by 63.4% YoY to INR 620 Mn in Q1FY27E To watch out for: Raw material inflation and Impact of possible El-Nino on overall demand
EBITDA	743	405	83.4%	765	-2.9%	
EBITDAM (%)	21.8%	15.2%	665 bps	23.4%	(158)bps	
PAT	620	379	63.4%	636	-2.5%	

CCL PRODUCTS

INR Mn	Q1FY27E	Q1FY26	YoY %	Q4FY26	QoQ %	Comments
Revenue	12,288	10,556	16.4%	12,244	0.4%	<ul style="list-style-type: none"> We expect revenue to grow 16.4% YoY, driven by ~20% volume growth, as demand remains resilient with minimal impact from the Middle East conflict. Additionally, higher capacity utilisation at the Vietnam freeze-dried coffee (FDC) facility is expected to support growth. We expect realisations to decline by ~3–4% due to lower coffee prices. EBITDA margin is projected to expand by 67 bps to 15.7%, while PAT is anticipated to increase by 55.6% YoY to INR 1,128 Mn in Q1FY27E To watch out for: Coffee price outlook, capacity utilisation trends and demand outlook across key markets
EBITDA	1,934	1,590	21.6%	1,918	0.8%	
EBITDAM (%)	15.7%	15.1%	67 bps	15.7%	7 bps	
PAT	1,128	724	55.6%	1,145	-1.6%	

Source: Company, Choice Institutional Research

Institutional Research Team

Utsav Verma, CFA	Head of Institutional Research – Equity Strategy, Small & MidCaps	utsav.verma@choiceindia.com	+91 22 6707 9440
Ashutosh Murarka	Analyst – Building Materials	ashutosh.murarka@choiceindia.com	+91 22 6707 9521
Bhavik Shah, CFA	Analyst – Metals & Mining	Bhavik.shah@choiceindia.com	+91 22 6707 9521
Deepika Murarka	Analyst – Healthcare	deepika.murarka@choiceindia.com	+91 22 6707 9513
Dhaval Popat	Analyst – Energy	dhaval.popat@choiceindia.com	+91 22 6707 9949
Fenil Brahmhatt	Analyst – Realty & Building Materials	fenil.brahmhatt@choiceindia.com	+91 22 6707 9930
Ishank Gupta	Analyst – NBFCs	ishank.gupta@choiceindia.com	+91 22 6707 9867
Karan Kamdar	Analyst – Consumer Discretionary, Small and Midcaps	karan.kamdar@choiceindia.com	+91 22 6707 9451
Kunal Bajaj	Analyst – Technology	kunal.bajaj@choiceindia.com	+91 22 6707 9901
Maitri Sheth	Analyst – Pharmaceuticals	maitri.sheth@choiceindia.com	+91 22 6707 9511
Putta Ravi Kumar	Analyst – Defence	ravi.putta@choiceindia.com	+91 22 6707 9908
Preeyam Tolia	Analyst – FMCG & Retail	preeyam.tolia@choiceindia.com	+91 22 6707 9987
Vijjiya Rao	Analyst – AMC & Insurance	vijjiya.rao@choiceindia.com	+91 22 6707 9531
Aayush Saboo	Sr. Associate– Realty	aayush.saboo@choiceindia.com	+91 22 6707 9930
Avi Jhaveri	Sr. Associate – Technology	avi.jhaveri@choiceindia.com	+91 22 6707 9901
Bharat Kumar Kudikyala	Sr. Associate – Building Materials	bharat.kudikyala@choiceindia.com	+91 22 6707 9930
Samarth Goel	Sr. Associate– Small and Midcaps	samarth.goel@choiceindia.com	+91 22 6707 9451
Subhash Gate	Sr. Associate – Autos	subhash.gate@choiceindia.com	+91 22 6707 9233
Heer Gogri	Associate – Small and Midcaps	heer.gogri@choiceindia.com	+91 22 6707 9433
Heet Chheda	Associate – Autos	heet.chheda@choiceindia.com	+91 22 6707 9233
Rushil Katiyar	Associate – Technology	rushil.katiyar@choiceindia.com	+91 22 6707 9901
Shreya Mehra	Associate – Technology	shreya.mehra@choiceindia.com	+91 22 6707 9535
Stuti Bagadia	Associate – Pharmaceuticals	stuti.bagadia@choiceindia.com	+91 22 6707 9511
Vinay Rawal	Associate – Small and Midcaps	vinay.rawal@choiceindia.com	+91 22 6707 9433

CHOICE RATING DISTRIBUTION & METHODOLOGY

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

Disclaimer & Disclosure

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Choice Equity Broking Private Limited is a registered Research Analyst Entity (Reg. No. INH00000222) CIN. NO.: U65999MH2010PTC198714. Reg. Add.: Sunil Patodia Tower, J B Nagar, Andheri (East), Mumbai 400099. Tel. No. 022-6707 9999 . Compliance Officer-Prashant Salian. Tel. 022-6707 9999-Ext. 896. Email- Compliance@choiceindia.com. Grievance officer-Deepika Singhvi Tel.022-67079999- Ext-834.

Email- ig@choiceindia.com

The Company uses artificial intelligence tools as part of its research process, including data analysis and content generation. Notwithstanding the foregoing, all analysis, views, and recommendations are independently formulated and duly reviewed by qualified research analysts prior to issuance.

General Disclaimer:

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

This report ("Report") is prepared by Choice Equity Broking Private Limited as a Research Entity (hereinafter referred as "CEBPL") in its capacity as a SEBI-registered Research Analyst and is intended solely for informational and educational purposes. This Report is meant exclusively for the recipient and shall not be circulated, reproduced, or distributed, in whole or in part.

This Report does not take into account the specific investment objectives, financial situation, risk profile, or particular needs of any individual or class of investors and does not constitute a personal recommendation or investment advice. Any views, opinions, or recommendations expressed herein are based on publicly available information and internal analysis and are subject to change without notice.

Nothing contained in this Report shall be construed as an offer, solicitation, or inducement to buy, sell, or subscribe to any securities, derivatives, or other financial instruments, nor shall it be considered as investment, legal, accounting, or tax advice. Recipients are advised to conduct their own independent analysis and are encouraged to seek independent professional advice before making any investment or trading decisions.

The information contained in this Report has been compiled from sources believed to be reliable; however, CEBPL does not represent or warrant the accuracy, completeness, or reliability of such information. CEBPL, its directors, employees, or associates shall not be liable for any losses, damages, or expenses arising directly or indirectly from the use of or reliance upon this Report.

Investments in securities are subject to market risks. The price and value of investments and the income from them may fluctuate, and investors may incur losses. Past performance is not indicative of future results. Opinions expressed herein are as of the date of this Report and may differ from views expressed in other research reports due to differences in methodology, assumptions, or time horizons.

Disclaimers in respect of Jurisdiction:

This Report is not intended for distribution to, or use by, any person or entity who is a citizen or resident of, or located in, any jurisdiction where such distribution, publication, or use would be contrary to applicable laws or regulations, or would subject CEBPL to any registration or licensing requirements in such jurisdiction.

No action has been taken or will be taken by CEBPL in any jurisdiction outside India where such action would be required for distribution of this Report. Accordingly, this Report shall not be directly or indirectly distributed, published, or circulated in any such jurisdiction except in compliance with applicable laws and regulations.

Recipients of this Report are required to inform themselves of, and comply with, all applicable legal and regulatory restrictions at their own expense and without any liability to CEBPL. Any dispute arising out of or in connection with this Report shall be subject to the exclusive jurisdiction of the competent courts in Mumbai, India.

Disclosure on Ownership and Material Conflicts of Interest:

- "CEBPL", its Research Analyst(s), their associates and relatives may have any financial interest in the subject company covered in this Research Report.
- "CEBPL", its Research Analyst(s), their associates and relatives may have actual or beneficial ownership of one percent (1%) or more of the securities of the subject company, as on the last day of the month immediately preceding the date of publication of this Research Report.
- "CEBPL", its Research Analyst(s), their associates and relatives may have any other material conflict of interest at the time of publication of this Research Report.

Disclosure on Receipt of Compensation:

- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months.
- "CEBPL" or its associates may have managed or co-managed public offerings of securities for the subject company during the past twelve months.
- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months for investment banking, merchant banking or brokerage services.
- "CEBPL" or its associates may have received compensation from the subject company during the past twelve months for products or services other than investment banking, merchant banking or brokerage services.
- "CEBPL" or its associates have not received any compensation or other benefits from the subject company or any third party in connection with the preparation or publication of this Research Report.
- Research Analyst may have served as an officer, director or employee of the subject company covered in this Research Report.
- "CEBPL" and Research analyst may engage in market-making activity in the securities of the subject company.

Details of Associates of CEBPL and Brief History of Disciplinary action by regulatory authorities are available on our website i.e. [www. https://choiceindia.com/research-listing](http://www.https://choiceindia.com/research-listing)

Copyright:

This research report is confidential and intended solely for the recipient. Unauthorized reproduction, distribution, or disclosure of this report, in whole or in part, in any form or by any means, without the prior written permission of the Company is strictly prohibited.