

19 April 2026

India | Equity Research | Results update

Bajaj Consumer Care

Consumer Staples & Discretionary

Improved conversion, strong delivery

Execution converting into earnings, with BaCo delivering a decisive beat on both growth and margins in Q4FY26. Revenue was driven by healthy ADHO-led volume traction and continued strength across LUP and core packs, supported by rural recovery and an improving channel mix. GM expanded sharply on a favourable product mix and ml-age reduction, translating into strong EBITDA expansion despite sustained brand investments. While part of the margin expansion is cyclical, improved execution is enabling better conversion of growth into earnings. Mix-led moderation in margins remains a key monitorable, with recent RM volatility making Q1FY27 an important test for margin sustainability.

With reach expansion largely complete and the focus shifting to productivity and portfolio scaling, we reiterate BaCo as our top pick, with strong conviction in management's execution-focused approach. Maintain **BUY**.

ADHO drives volume; channel momentum intact

Consolidated net revenue in Q4FY26 grew 30.4% YoY to INR 3.3bn, led by nearly double-digit volume growth in ADHO (post adjustment for ml-age reduction; growth was mid-single digit excluding the adjustment). This was supported by higher brand investments and improved traction in LUPs, which saw growth in strong twenties. Core ADHO sustained its growth momentum with volume market share gains. Non-ADHO portfolio sales stood at INR 2.3bn in FY26 with a single-digit margin. Management targets revenue of ~INR 5bn within three years. In FY26, consolidated revenue grew ~21% YoY, driven by strong growth in the twenties for ADHO.

Organised trade (~30% of mix) delivered growth in the twenties in Q4FY26, fuelled by continued momentum in modern trade (MT), e-commerce and q-commerce. GT continued its recovery, with rural segments growing in the twenties. Although the international business (IB) witnessed sequential improvement, it declined annually. Demand weakness in GCC/ROW was partly offset by growth in Nepal and Bangladesh. Management expects IB to improve in coming quarters under new leadership.

Financial Summary

Y/E March (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Revenue	9,648	11,647	13,068	14,656
EBITDA	1,274	2,209	2,754	3,147
EBITDA %	13.2	19.0	21.1	21.5
Net Profit	1,253	1,902	2,326	2,642
EPS (Rs)	8.8	13.3	16.3	18.5
EPS % Chg YoY	(19.4)	51.8	22.3	13.6
P/E (x)	53.6	35.3	28.8	25.4
EV/EBITDA (x)	49.1	28.5	22.2	18.9
RoCE (%)	12.2	22.5	25.2	23.6
RoE (%)	15.9	25.3	27.8	26.1

Manoj Menon

manoj.menon@icicisecurities.com
+91 22 6807 7209

Ashutosh Joytiraditya

ashutosh.joytiraditya@icicisecurities.com

Akshay Krishnan

akshay.krishnan@icicisecurities.com

Aniket Kamble

aniket.kamble@icicisecurities.com

Market Data

Market Cap (INR)	62bn
Market Cap (USD)	663mn
Bloomberg Code	BAJAJCON IN
Reuters Code	BACO BO
52-week Range (INR)	495 /161
Free Float (%)	57.0
ADTV-3M (mn) (USD)	7.0

Price Performance (%)	3m	6m	12m
Absolute	67.4	74.5	170.4
Relative to Sensex	73.5	81.0	170.4

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

Previous Reports

22-01-2026: [Q3FY26 results review](#)

11-11-2025: [Q2FY26 results review](#)

Margin delivery strong; brand investments remain elevated

Gross margin in Q4FY26 expanded sharply by 899bps YoY to 63.7%, supported by mix improvement and ml-age reduction. A&SP increased 34% YoY, reflecting sustained investments behind ADHO and digital activation. EBITDA grew ~140% YoY to INR 765mn, with the margin expanding 1,067bps YoY to 23.4% despite higher employee and brand spends. PAT grew 105% YoY to INR 636mn, driven by strong operating performance. For FY26, the EBITDA margin stood at 19% (vs. 13.2% in FY25), while PAT grew ~52% YoY. As on date, management is confident of low to mid-twenties EBITDA margin; however, much depends on the ongoing Middle East war.

Aarohan rollout near completion; focus shifts to productivity

Aarohan's reach expansion is largely complete (extended to phase-3 in Q4FY26), with the programme now transitioning from expansion to productivity and throughput improvement. Management 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

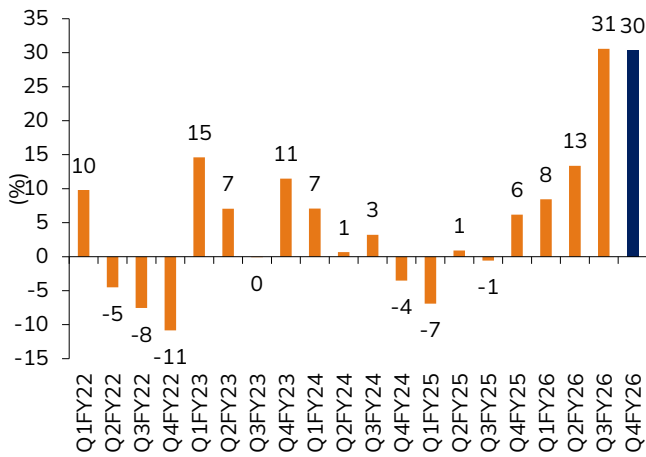
We model revenue / EBITDA / PAT CAGR of 12% / 19% / 18% over FY26-28E, respectively. Maintain **BUY** with a DCF-based revised target price of **INR 600** (vs. INR 500); we now incorporate consolidated financials in our model. At our target price, the stock could trade at 32x P/E Mar'28E. **Downside risks:** Over reliance on a single brand – ADHO, higher-than-expect commodity inflation and failure of new product launches.

Exhibit 1: Q4FY26 result review (consolidated)

INR mn	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Net Revenue	3,267	2,505	30.4	3,061	6.7	11,647	9,648	20.7
COGS	(1,187)	(1,135)	4.5	(1,225)	(3.1)	(4,597)	(4,416)	4.1
Gross profit	2,080	1,370	51.9	1,836	13.3	7,050	5,232	34.7
Staff cost	(355)	(294)	20.7	(358)	(0.9)	(1,407)	(1,118)	25.9
A&SP	(494)	(369)	34.0	(469)	5.4	(1,738)	(1,413)	23.0
Other opex	(465)	(387)	20.2	(448)	4.0	(1,696)	(1,428)	18.8
Total opex	(1,315)	(1,050)	25.2	(1,275)	3.1	(4,841)	(3,958)	22.3
EBITDA	765	319	139.6	561	36.4	2,209	1,274	73.4
Other income	62	81	(23.8)	53	16.5	271	356	(23.7)
Finance cost	(4)	(1)	267.7	(4)	(3.4)	(16)	(5)	199.9
D&A	(45)	(27)	67.2	(45)	0.2	(153)	(102)	51.1
PBT	777	372	109.0	564	37.8	2,311	1,523	51.7
Tax	(141)	(67)	111.4	(101)	40.6	(412)	(275)	49.8
Recurring PAT	636	305	108.4	464	37.1	1,899	1,248	52.2
Extraordinary items	-	-	-	-	-	-	-	-
Share of profit from Associate	-	5	-	-	-	3	5	
Net profit (reported)	636	310	105.2	464	37.1	1,902	1,253	51.8
EPS	5	2	105.2	3	37.1	13.9	9.1	51.8
% of operating revenues								
COGS	36.3	45.3	-900 bps	40.0	-369 bps	39.5	45.8	-630 bps
Gross margin	63.7	54.7	899 bps	60.0	368 bps	60.5	54.2	629 bps
Staff cost	10.9	11.7	-88 bps	11.7	-84 bps	12.1	11.6	49 bps
A&SP cost	15.1	14.7	40 bps	15.3	-20 bps	14.9	14.6	27 bps
Other opex	14.2	15.5	-122 bps	14.6	-38 bps	14.6	14.8	-24 bps
EBITDA margin	23.4	12.7	1067 bps	18.3	509 bps	19.0	13.2	575 bps
Income tax rate (% of PBT)	18.2	18.0	21 bps	17.8	36 bps	17.8	18.1	-24 bps

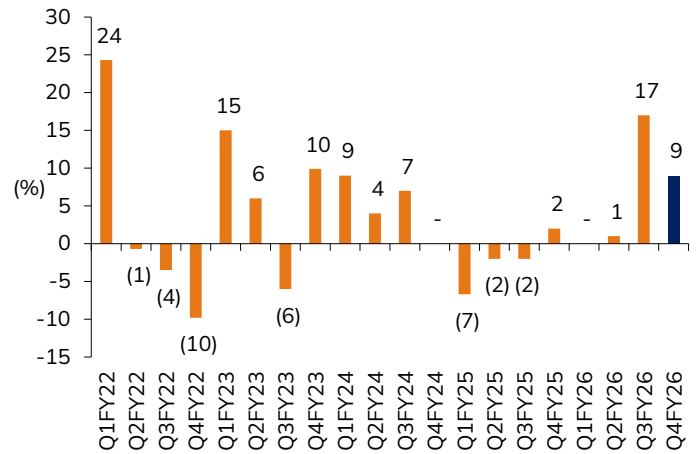
Source: I-Sec research, Company data

Exhibit 2: Revenue growth



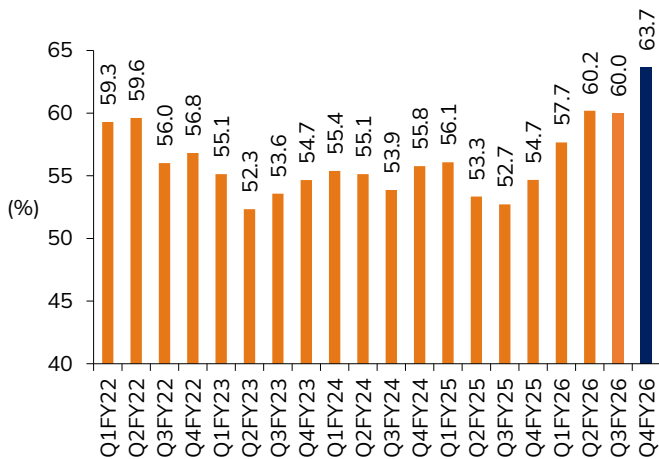
Source: Company data, I-Sec research

Exhibit 3: Volume growth



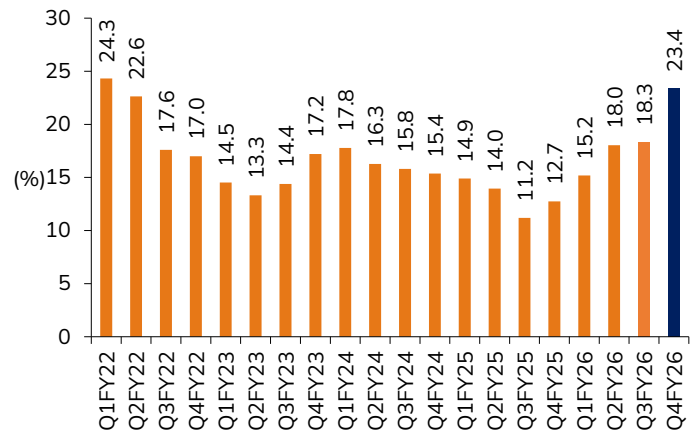
Source: Company data, I-Sec research, Q4FY26 data is adjusted for ml-age reductions

Exhibit 4: Gross margin



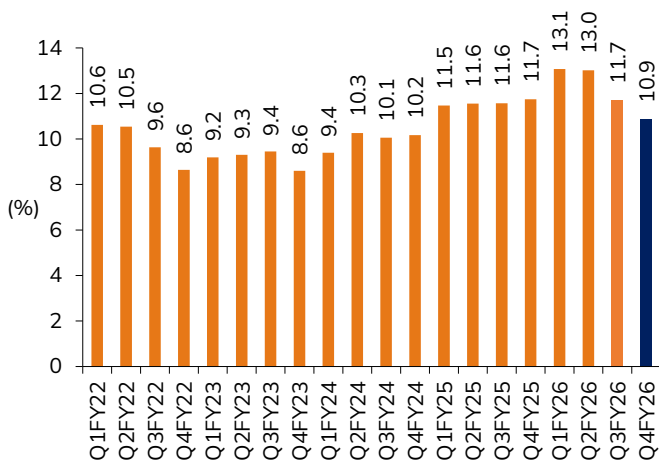
Source: Company data, I-Sec research

Exhibit 5: EBITDA margin



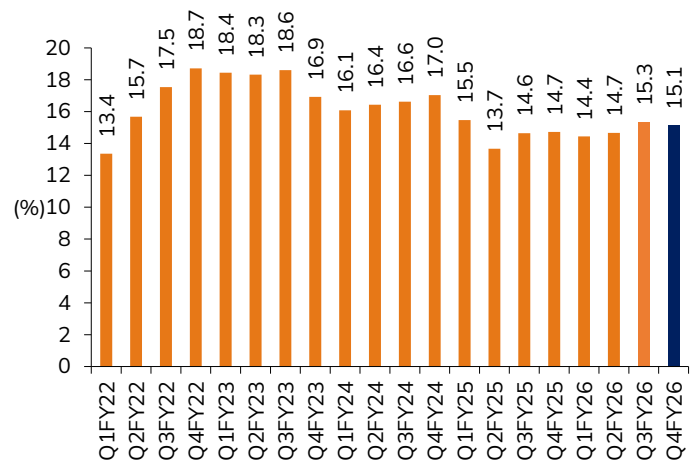
Source: Company data, I-Sec research

Exhibit 6: Staff costs (% of sales)



Source: Company data, I-Sec research

Exhibit 7: Ad spends (% of sales)



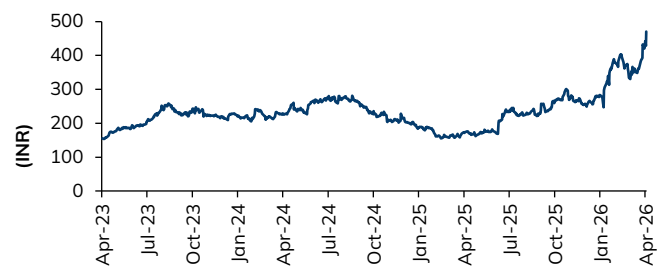
Source: Company data, I-Sec research

Exhibit 8: Shareholding pattern

%	Sep'25	Dec'25	Mar'26
Promoters	41.0	43.0	43.0
Institutional investors	25.3	25.4	30.8
MFs and others	14.9	15.4	13.9
Insurance	0.3	0.3	0.3
FII's	10.1	9.7	16.6
Others	33.7	31.6	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	13,068	14,656
Operating Expenses	8,374	9,438	10,314	11,509
EBITDA	1,274	2,209	2,754	3,147
EBITDA Margin (%)	13.2	19.0	21.1	21.5
Depreciation & Amortization	102	153	173	212
EBIT	1,173	2,056	2,581	2,935
Interest expenditure	5	16	17	17
Other Non-operating Income	356	271	290	324
Recurring PBT	1,523	2,311	2,854	3,242
Profit / (Loss) from Associates	5	3	-	-
Less: Taxes	275	412	528	600
PAT	1,248	1,899	2,326	2,642
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	1,253	1,902	2,326	2,642
Net Income (Adjusted)	1,253	1,902	2,326	2,642

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	8,129	10,088
of which cash & cash eqv.	4,529	4,061	5,869	7,554
Total Current Liabilities & Provisions	1,433	1,697	1,904	2,135
Net Current Assets	5,097	4,378	6,225	7,953
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	9,367	11,295
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	9,032	10,960
Total Net Worth	7,479	7,550	9,162	11,090
Total Liabilities	7,578	7,754	9,367	11,295

Source Company data, I-Sec research

Exhibit 12: Quarterly trend

(INR mn, year ending March)

	Jun 25	Sep 25	Dec 25	Mar 26
Net Sales	2,667	2,653	3,061	3,267
% growth (YOY)	8.4	13.4	30.6	30.4
EBITDA	405	478	561	765
Margin %	15.2	18.0	18.3	23.4
Other Income	78	79	53	62
Extraordinaries	-	-	-	-
Adjusted Net Profit	379	423	464	636

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	3,044	3,471
Working Capital Changes	(347)	121	(459)	(642)
Capital Commitments	(54)	(328)	62	(412)
Free Cashflow	597	1,641	2,119	1,818
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)	(53)	2,755
Closing cash & balance	458	930	163	3,539

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	16.3	18.5
Diluted EPS (Adjusted)	8.8	13.3	16.3	18.5
Cash EPS	9.5	14.4	17.5	20.0
Dividend per share (DPS)	-	-	5.0	5.0
Book Value per share (BV)	52.4	52.9	64.2	77.7
Dividend Payout (%)	-	-	30.7	27.0
Growth (%)				
Net Sales	(1.9)	21.4	12.2	12.1
EBITDA	(17.9)	73.4	24.7	14.3
EPS (INR)	(19.4)	51.8	22.3	13.6
Valuation Ratios (x)				
P/E	53.6	35.3	28.8	25.4
P/CEPS	49.6	32.7	26.9	23.5
P/BV	9.0	8.9	7.3	6.1
EV / EBITDA	49.1	28.5	22.2	18.9
P / Sales	7.1	5.8	5.2	4.6
Dividend Yield (%)	-	-	1.1	1.1
Operating Ratios				
Gross Profit Margins (%)	54.2	60.5	61.7	62.2
EBITDA Margins (%)	13.2	19.0	21.1	21.5
Effective Tax Rate (%)	18.1	17.8	18.5	18.5
Net Profit Margins (%)	13.0	16.3	17.8	18.0
Working Capital Days	21.3	10.9	10.5	10.5
Inventory Turnover Days	20.5	22.7	21.9	21.9
Fixed Asset Turnover (x)	6.4	7.7	7.6	7.0
Receivables Days	26.9	25.9	25.1	25.1
Payables Days	18.7	14.6	14.1	14.1
Net Debt / Equity (x)	(0.6)	(0.5)	(0.6)	(0.7)
Net Debt / EBITDA (x)	(3.6)	(1.8)	(2.1)	(2.4)
Profitability Ratios				
RoCE (%)	12.2	22.5	25.2	23.6
RoE (%)	15.9	25.3	27.8	26.1
RoIC (%)	38.8	52.5	62.0	70.0

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

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