

06 May 2025

India | Equity Research | Results Update

Bajaj Consumer Care

Consumer Staples & Discretionary

Marginal sequential recovery visible; sustenance remains key

Bajaj Consumer (BaCo) reported a stable quarter with 4.2% YoY revenue growth (~2% volume growth), aided by marginal sequential recovery in core Almond Drops Hair Oil (ADHO), strong momentum in the non-ADHO portfolio (especially in Coconut oil) and sustained double-digit growth in international business. Management alluded there are early signs of improvement in demand, which should sustain going ahead. Operating margin improved QoQ (+170bps to 14.1%) led by gross margin recovery and controlled spends, though still below the guided range. Project Aarohan Phase 2 rollout across key Hindi-speaking markets and post-merger integration of Vishal Personal Care (Banjara's) remain key execution levers in FY26. While management remains confident of margin normalisation and broader recovery, sustained volume traction in the core portfolio will be critical. Maintain **BUY**.

ADHO sees sequential recovery; non-ADHO and IB scale well

Revenue grew 4.2% YoY to INR 2.4bn with ~2% volume growth. Core ADHO posted 3% YoY and 11% QoQ volume growth, driven by tactical interventions and better offtake in large (+32% YoY for 700ml) and small (+27% QoQ) packs. The INR 10 pack grew 16% YoY. Non-ADHO portfolio (~20% salience) grew 46% YoY in Q4, led by scale-up in coconut oil (+19% in FY25) and Almond Drops extensions (serum, soap, lotion, shampoo). GT channel improved sequentially with wholesale up 15% and stronger servicing in Aarohan states. Modern trade grew 22% YoY (with 30%+ growth in DMart, 43% in Vishal Mega Mart) and e-comm grew 33% YoY, led by 60% growth in quick commerce (now contributes ~11% to e-comm sales). International business grew 30% YoY with robust momentum in Nepal, Bangladesh and ROW (Canada, US, NZ, Tibet). Retail loyalty program contributed 12.5% of sales, growing 17% YoY in Q4FY25.

Margin recovery underway but remains below guidance

Gross margin improved 290bps QoQ to 54.2% (-50bps YoY), aided by three pricing rounds – two in Q4 and one in April'25 – to partially offset copra inflation. Management acknowledged being marginally late in price hikes but expects benefits to flow through in Q1FY26. EBITDA margin improved sequentially to 14.1% (vs 13% in Q3FY25), though still below the guided 16–18%. EBITDA declined 10% YoY to INR 338mn while PAT was down 16% YoY to INR 315mn. A&P spends were steady at ~15% of sales, while other overheads increased 17% YoY due to distribution initiatives and continued investments in visibility, digital and NPDs. Management remains optimistic on further margin improvement as volume recovers and mix improves, though scale and operating leverage will remain critical drivers for sustainable profitability.

Financial Summary

Y/E March (INR mn)	FY24A	FY25A	FY26E	FY27E
Net Revenue	9,677	9,428	10,188	11,072
EBITDA	1,582	1,324	1,556	1,773
EBITDA %	16.3	14.0	15.3	16.0
Net Profit	1,588	1,301	1,528	1,750
EPS (Rs)	11.1	9.1	10.7	12.3
EPS % Chg YoY	13.4	(18.0)	17.4	14.6
P/E (x)	15.1	18.4	15.7	13.7
EV/EBITDA (x)	11.2	14.7	12.1	10.2
RoCE (%)	14.6	12.2	14.5	15.3
RoE (%)	18.8	15.7	18.6	19.6

Dhiraj Mistry

dhiraj.mistry@icicisecurities.com
+91 22 6807 7649

Manoj Menon

manoj.menon@icicisecurities.com

Karan Bhuwania

karan.bhuwania@icicisecurities.com

Akshay Krishnan

akshay.krishnan@icicisecurities.com

Market Data

Market Cap (INR)	23bn
Market Cap (USD)	274mn
Bloomberg Code	BAJAJCON IN
Reuters Code	BACO BO
52-week Range (INR)	289 /151
Free Float (%)	59.0
ADTV-3M (mn) (USD)	0.8

Price Performance (%)	3m	6m	12m
Absolute	(10.1)	(25.2)	(33.8)
Relative to Sensex	(13.3)	(26.8)	(43.2)

ESG Score	2023	2024	Change
ESG score	NA	66.8	NA
Environment	NA	53.2	NA
Social	NA	67.0	NA
Governance	NA	77.3	NA

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

Source: SES ESG, I-sec research

Earnings Revisions (%)	FY26E	FY27E
Revenue	-	-
EBITDA	(4.7)	(3.0)
EPS	(5.5)	(3.5)

Previous Reports

17-02-2025: [Q3FY25 results review](#)

13-11-2024: [Q2FY25 results review](#)

Project Aarohan Phase 2 execution in full swing

Following pilot success in UP and MP (24k new outlets added, 9.5% uplift in secondary sales), BaCo has initiated Project Aarohan rollout in Rajasthan, Delhi, Haryana and Chhattisgarh with the implementation expected to conclude by May'25. Improved servicing and coverage in satellite towns are expected to drive GT recovery. In Q4, ~96% channel partners were billed and 80% satellite towns serviced across Aarohan states. Sustained on-ground execution and capability building in newer markets will be crucial to drive growth in FY26.

Integration of Vishal Personal Care (Banjara's) initiated

BaCo completed acquisition of 49% stake in Vishal Personal Care Pvt. Ltd. (Banjara's) in Mar'25 and is expected to acquire balance 51% in Q1FY26. VPCL (~INR 500mn topline; 4 yr CAGR: 14%) has presence across ~70k outlets in southern India (across 5 states) and offers access to naturals-oriented personal care portfolio (~48:52 mix of hair and skin care). Integration planning began in April with a leading consultant engaged for post-merger execution. Execution remains key to unlocking southern India growth and realising cost and channel synergies by Q2-Q3FY26.

Valuation and risks

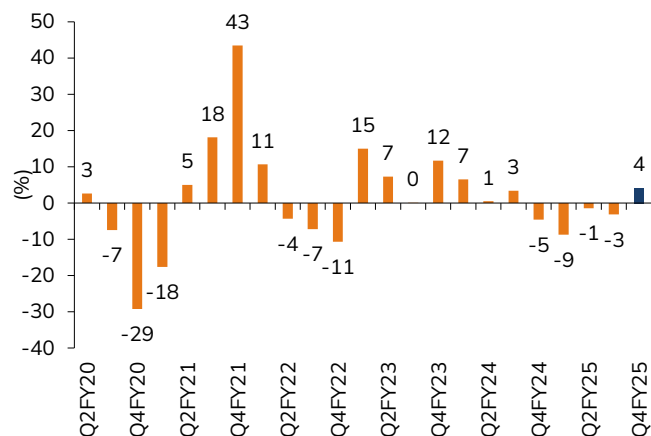
We cut our earnings estimates by ~6/4% for FY26E/27E, modelling revenue / EBITDA / PAT CAGR of 8% / 16% / 16% over FY25-27E, respectively. Maintain BUY with DCF-based revised target price of INR 210 (vs INR 220 earlier). At our target price, the stock will trade at 17x P/E Mar'27E. Downside risks: Over reliance on a single brand – ADHO and higher-than-expect commodity inflation and failure of new product launches.

Exhibit 1: Q4FY25 result review (standalone)

INR mn	Q4FY25	Q4FY24	YoY (%)	Q3FY25	QoQ (%)	FY25	FY24	YoY (%)
Net Revenue	2,435	2,359	3	2,293	6	9,428	9,677	(3)
COGS	(1,098)	(1,043)	5	(1,087)	1	(4,318)	(4,350)	(1)
Gross profit	1,337	1,316	2	1,206	11	5,109	5,327	(4)
Staff cost	(278)	(240)	16	(257)	8	(1,065)	(963)	11
A&SP	(366)	(402)	(9)	(330)	11	(1,378)	(1,600)	(14)
Other opex	(364)	(311)	17	(335)	9	(1,342)	(1,182)	14
Total opex	(1,009)	(953)	6	(922)	9	(3,785)	(3,745)	1
EBITDA	328	363	(10)	284	16	1,324	1,582	(16)
Other income	81	117	(31)	76	6	355	446	(20)
Finance cost	1	2	(51)	1	(10)	5	10	(47)
D&A	26	25	5	25	5	97	95	3
PBT	381	452	(16)	334	14	1,577	1,924	(18)
Tax	(67)	(79)	(16)	(58)	14	(276)	(336)	(18)
Recurring PAT	315	373	(16)	275	14	1,301	1,588	(18)
Extraordinary items	-	-	-	-	-	-	-	-
Net profit (reported)	315	373	(16)	275	14	1,301	1,588	(18)
EPS	2.2	2.6	(16)	1.9	14	9.1	11.1	(18)
% of operating revenues								
COGS	45.1	44.2	87 bps	47.4	-231 bps	45.8	45.0	85 bps
Gross margin	54.9	55.8	-88 bps	52.6	230 bps	54.2	55.0	-86 bps
Staff cost	11.4	10.2	125 bps	11.2	19 bps	11.3	10.0	134 bps
A&SP cost	15.0	17.0	-200 bps	14.4	65 bps	14.6	16.5	-192 bps
Other opex	15.0	13.2	177 bps	14.6	36 bps	14.2	12.2	202 bps
EBITDA margin	13.5	15.4	-191 bps	12.4	109 bps	14.0	16.3	-231 bps
Income tax rate (% of PBT)	17.5	17.5	-1 bps	17.5	-1 bps	17.5	17.5	-1 bps

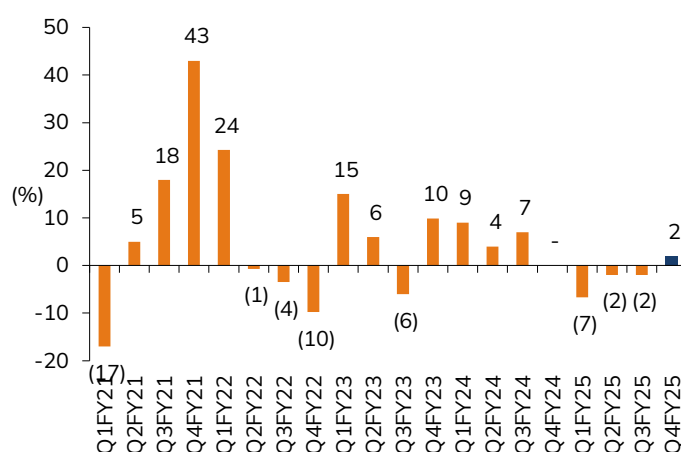
Source: I-Sec research, Company data

Exhibit 2: Revenue growth



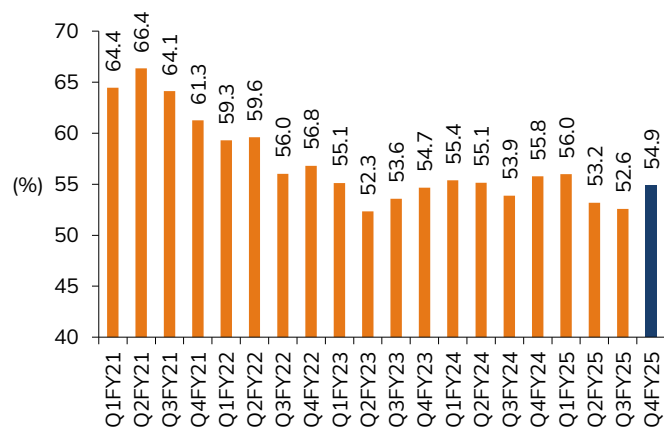
Source: Company data, I-Sec research

Exhibit 3: Volume growth



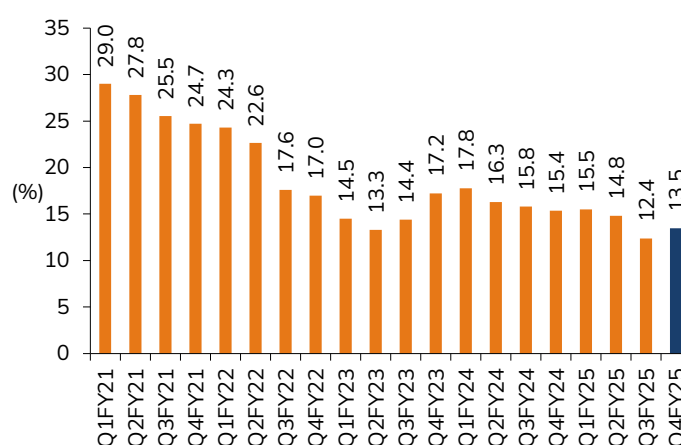
Source: Company data, I-Sec research

Exhibit 4: Gross margin



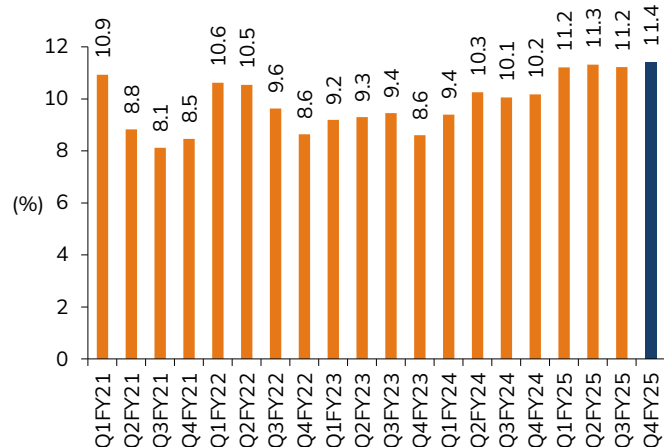
Source: Company data, I-Sec research

Exhibit 5: EBITDA margin



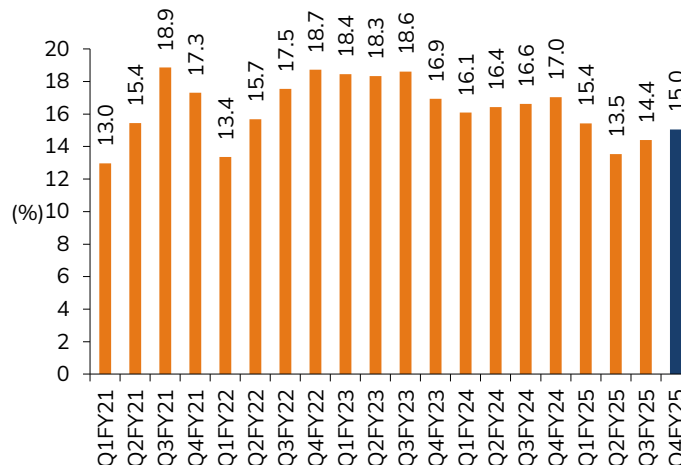
Source: Company data, I-Sec research

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'24	Dec'24	Mar'25
Promoters	41.0	41.0	41.0
Institutional investors	31.6	30.7	29.1
MFs and others	17.9	17.7	18.1
Insurance	2.3	2.0	0.3
FIIIs	11.4	11.0	10.7
Others	27.4	28.3	29.9

Source: Bloomberg, I-Sec research

Exhibit 9: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 10: Profit & Loss

(Rs mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Net Sales	9,677	9,428	10,188	11,072
Operating Expenses	8,095	8,103	8,632	9,300
EBITDA	1,582	1,324	1,556	1,773
EBITDA Margin (%)	16.3	14.0	15.3	16.0
Depreciation & Amortization	95	97	108	115
EBIT	1,487	1,227	1,448	1,657
Interest expenditure	10	5	5	6
Other Non-operating Income	446	355	409	469
Recurring PBT	1,924	1,577	1,851	2,121
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	336	276	323	371
PAT	1,588	1,301	1,528	1,750
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	1,588	1,301	1,528	1,750
Net Income (Adjusted)	1,588	1,301	1,528	1,750

Source Company data, I-Sec research

Exhibit 11: Balance sheet

(Rs mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Total Current Assets	7,788	6,435	7,265	8,190
of which cash & cash eqv.	6,226	4,477	5,150	5,893
Total Current Liabilities & Provisions	1,305	1,336	1,443	1,568
Net Current Assets	6,483	5,099	5,821	6,623
Investments	1,713	2,327	2,327	2,327
Net Fixed Assets	449	452	400	350
ROU Assets	-	-	-	-
Capital Work-in-Progress	14	14	14	14
Total Intangible Assets	7	6	6	6
Long Term Loans & Advances	124	86	86	86
Deferred Tax assets	-	-	-	-
Total Assets	8,791	7,982	8,654	9,405
Liabilities				
Borrowings	-	-	-	-
Deferred Tax Liability	-	-	-	-
Provisions	48	57	57	57
Other Liabilities	88	42	42	42
Minority Interest	-	-	-	-
Equity Share Capital	143	137	137	137
Reserves & Surplus	8,512	7,747	8,418	9,169
Total Net Worth	8,655	7,884	8,555	9,306
Total Liabilities	8,791	7,982	8,654	9,405

Source Company data, I-Sec research

Exhibit 12: Quarterly trend

(INR mn, year ending March)

	Jun 24	Sep 24	Dec 24	Mar 25
Net Sales	2,412	2,288	2,293	2,435
% growth (YOY)	(8.7)	(1.3)	(2.7)	3.2
EBITDA	374	339	284	328
Margin %	15.5	14.8	12.4	13.5
Other Income	110	89	76	81
Extraordinaries	-	-	-	-
Adjusted Net Profit	380	332	275	315

Source Company data, I-Sec research

Exhibit 13: Cashflow statement

(Rs mn, year ending March)

	FY24A	FY25A	FY26E	FY27E
Operating Cashflow	1,592	1,327	1,965	2,242
Working Capital Changes	(69)	(370)	(50)	(58)
Capital Commitments	(41)	(49)	(57)	(65)
Free Cashflow	1,143	630	1,535	1,748
Other investing cashflow	121	1,589	-	-
Cashflow from Investing Activities	80	1,539	(57)	(65)
Issue of Share Capital	-	-	-	-
Interest Cost	0	0	(5)	(6)
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	(1,141)	-	(857)	(1,000)
Others	(57)	(2,116)	-	-
Cash flow from Financing Activities	(1,198)	(2,116)	(862)	(1,005)
Chg. in Cash & Bank balance	67	103	673	743
Closing cash & balance	205	472	1,743	2,486

Source Company data, I-Sec research

Exhibit 14: Key ratios

(Year ending March)

	FY24A	FY25A	FY26E	FY27E
Per Share Data (INR)				
Reported EPS	11.1	9.1	10.7	12.3
Diluted EPS (Adjusted)	11.1	9.1	10.7	12.3
Cash EPS	11.8	9.8	11.5	13.1
Dividend per share (DPS)	3.0	5.0	6.0	7.0
Book Value per share (BV)	60.6	55.2	59.9	65.2
Dividend Payout (%)	27.0	54.9	56.1	57.1
Growth (%)				
Net Sales	1.4	(2.5)	8.0	8.6
EBITDA	11.9	(16.3)	17.5	13.9
EPS (INR)	13.4	(18.0)	17.4	14.6
Valuation Ratios (x)				
P/E	15.1	18.4	15.7	13.7
P/CEPS	14.3	17.1	14.7	12.9
P/BV	2.8	3.0	2.8	2.6
EV / EBITDA	11.2	14.7	12.1	10.2
P / Sales	2.5	2.6	2.4	2.2
Dividend Yield (%)	1.8	3.0	3.6	4.2
Operating Ratios				
Gross Profit Margins (%)	54.1	53.2	53.6	53.8
EBITDA Margins (%)	16.3	14.0	15.3	16.0
Effective Tax Rate (%)	17.5	17.5	17.5	17.5
Net Profit Margins (%)	16.4	13.8	15.0	15.8
Working Capital Days	9.8	23.8	25.0	25.1
Inventory Turnover Days	20.4	19.7	20.8	20.8
Fixed Asset Turnover (x)	12.0	11.1	11.3	11.5
Receivables Days	16.5	27.9	29.4	29.4
Payables Days	15.2	18.8	19.8	19.8
Net Debt / Equity (x)	(0.7)	(0.6)	(0.6)	(0.6)
Net Debt / EBITDA (x)	(3.9)	(3.4)	(3.3)	(3.3)
Profitability Ratios				
RoCE (%)	14.6	12.2	14.5	15.3
RoE (%)	18.8	15.7	18.6	19.6
RoIC (%)	51.7	34.7	35.1	40.1

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com and Kadambari_balachandran@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Dhiraj Mistry, CMA; Manoj Menon, MBA, CMA; Karan Bhuvania, MBA; Akshay Krishnan, MBA; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

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. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report.

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. Bhavesh Soni](#) Email address: headservicequality@icicidirect.com Contact Number: 18601231122
