

October 23, 2020



**Current Price: ₹ 3009.25**

### STOCK DATA

BSE Code	532977
NSE Symbol	BAJAJ-AUTO
Reuters	BAJA.BO
Bloomberg	BJAUT IN

### VALUE PARAMETERS

52 W H/L(Rs)	3315.00/1793.10
Mkt. Cap.(Rs Cr)	87077.77
Latest Equity(Subscribed)	289.37
Latest Reserve (cons.)	23430.04
Latest EPS (cons.) -Unit Curr.	147.42
Latest P/E Ratio -cons	20.41
Latest Bookvalue (cons.) -Unit Curr.	819.7
Latest P/BV - cons	3.67
Dividend Yield -%	3.99
Face Value	10

### SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2020
Foreign	13.56
Institutions	10.41
Promoters	53.70
Public & Others	22.33

### Consolidated Financials Results

	Qtr Ending Sept. 20	Qtr Ending Sept. 19	In Cr. VAR %
Sales	7155.86	7707.32	-7
OPM(%)	17.70	16.60	
OP	1265.72	1278.83	-1
Other Inc.	285.80	393.44	-27
PBIDT	1551.52	1672.27	-7
Interest	2.65	1.24	114
PBDT	1548.87	1671.03	-7
Dep.	64.32	61.34	5
PBT	1484.55	1609.69	-8
share of profit/loss in JV	56.28	120.12	-53
PBT after share of profit/loss in JV	1540.83	1729.81	-11
Tax	346.86	206.49	68
PAT	1193.97	1523.32	-22
MI	0.00	0.01	-100
Net profit after MI	1193.97	1523.31	-22
EPS	41.21	52.64	

#### 2-wheeler Volume recovers in Q2FY21 on pent up demand, meets street estimates

Bajaj Auto registered 7% fall in consolidated sales for the quarter ended September 2020 to Rs7155.86 crore. But with operating profit margin (OPM) expand by 110 bps to 17.7%, the fall at operating profit was restricted to 1% to Rs1265.72 crore. With other income down by 27% to Rs285.80 crore, the PBIDT was down by 5% to Rs1551.52 crore. After accounting for higher interest (up 114% to Rs2.65 crore) and higher depreciation (up 5% to Rs64.32 crore) the PBT (before share of profit from associate & EO) was down by 8% to Rs1484.55 crore. As share of profit from associate down by 53% to Rs56.28 crore, the PBT (after share of profit from associate but before EO) was down by 11% to Rs1540.83 crore. The EO income for the period as well as corresponding previous period was nil. Thus the PBT (after EO) was down by 11% to Rs1540.83 crore. Last year, the corporate tax rates were revised U/s 115BAA of the Income Tax Act 1961, resulting in a one-time gain of Rs 182 crore for Q2FY20. Thus on inflated base the PAT was eventually down by 22% to Rs1193.97 crore with taxation stand higher by 68% to Rs 346.86 crore.

- Operating income was down by 6% to Rs 7041.48 crore. Volume for the quarter was down by 10% to 1053337 units as motor cycles sold/despatched during the quarter stand lower by 2% and that of CV down by 53%. While domestic motor cycle volume stood higher by 6% that of exports declined by 11% dragging the overall number by marginal 2% to 964465 units. Though unit realisation stood higher hit by volume the sales declined.
- Other operating income was down by sharp 45% to Rs 114.38 crore. And this seems largely due to reversal of MEIS for Q1FY21 amounting Rs 78 crore as Director General of Foreign Trade ( DGFT) vide its notification dated 1st September 2020 has restricted MEIS benefit on exports, per IE code, to a max of Rs 2 crore.
- Sharp fall in other income was largely due to lower interest rates during Q2FY21 result in

reduction of treasury income.

## Other developments

Domestic two-wheelers registered a strong turnaround in the first half of the quarter driven by pent up demand. While the exact festive spike is awaited, early signs show (strong) indications of a recovery.

KTM and Husqvarna had their highest ever sales in a quarter of 20,200 vehicles.

Domestic CV volumes continue to remain muted and is dependent on return of adequate short distance mobility demand. Within CV, cargo has fared better than passenger and our share has increased to 37% which is the highest ever. Overall, our market share was 53.3%.

Export continues to perform very well, and September was the highest ever month at 212000 units. Strong revival of demand was witnessed in Latin America and Africa while ASEAN continues to be weak and Sri Lanka has stopped all vehicle imports.

The growth in LATAM is driven by the Sports segment - Pulsar and Dominar.

During the quarter, Bajaj Auto introduced Pulsar 125 Drum Split Seat and expanded the footprint of Pulsar 125 Disc Split Seat. Further refreshed versions of Platina 100 ES and Duke 50 were also introduced.

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