

Bajaj Auto Limited

Press Release

Results : Q2 / FY18

Highest ever quarterly Turnover – ₹ 6,863 crore

Highest ever quarterly EBITDA – ₹ 1,383 crore

EBITDA margin – 20.8%

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for Q2 / FY18.

For Q2 / FY18, the company recorded its:-

- ✓ **Highest ever**
 - **Turnover** : ₹ 6,863 crore
 - **Operating EBITDA** : ₹ 1,383 crore
 - **Operating Profit** : ₹ 1,306 crore
- ✓ **EBITDA margin – 20.8%**
- ✓ **Profit before tax – ₹ 1,517 crore; 2nd highest in the history of the Company !**
(Highest being ₹ 1,561 crore in Q2 / FY17)
- ✓ **Profit after tax – ₹ 1,112 crore; 2nd highest in the history of the Company !**
(Highest being ₹ 1,123 crore in Q2 / FY17)

Performance

1. Volumes:

Q1 FY18	Particulars	Q2 FY18	Q2 FY17	Growth		H1 FY18	H1 FY17	FY17
				Q2oQ2	Q2oQ1			
	Domestic							
426,562	Motorcycles	583,997	579,545	1%	37%	1,010,559	1,128,425	2,001,391
52,347	CV	84,938	74,383	14%	62%	137,285	149,587	253,226
478,909	sub-total	668,935	653,928	2%	40%	1,147,844	1,278,012	2,254,617
	Exports							
349,152	Motorcycles	334,724	317,869	5%	-4%	683,876	641,529	1,218,541
60,373	CV	67,851	60,148	13%	12%	128,224	107,137	192,792
409,525	sub-total	402,575	378,017	6%	-2%	812,100	748,666	1,411,333
	Total							
775,714	Motorcycles	918,721	897,414	2%	18%	1,694,435	1,769,954	3,219,932
112,720	CV	152,789	134,531	14%	36%	265,509	256,724	446,018
888,434	Total	1,071,510	1,031,945	4%	21%	1,959,944	2,026,678	3,665,950

Q2 / FY18 witnessed multiple records

- Highest ever monthly sale in September 2017 – 428,752 units.
- Highest ever monthly sale of Commercial Vehicles in September 2017 – 59,074 units.
- Highest ever monthly sale of Pulsars in September 2017 – 112,075 units.
- Highest ever quarterly sale of Commercial Vehicles in the domestic market – 84,938 units.

Sales volume for each month has progressively improved and the Company has achieved a **14% growth in September 2017**.

2. Financials:

Q1 FY18	₹ in crore	Q2 FY18	Q2 FY17	Growth		H1 FY18	H1 FY17	FY17
				Q2oQ2	Q2oQ1			
6,311	Turnover	6,863	6,774	1%	9%	13,174	13,130	24,310
1,005	EBITDA	1,383	1,364	1%	38%	2,389	2,591	4,778
18.3%	EBITDA %	20.8%	22.3%			19.7%	21.8%	21.7%
930	Operating Profit	1,306	1,286	2%	40%	2,236	2,435	4,470
1,288	Profit before tax	1,517	1,561	-3%	18%	2,806	2,926	5,336
924	Profit after tax	1,112	1,123	-1%	20%	2,036	2,101	3,828

Highlights for individual BU's is given below

A. International Business

Q2 / FY18 sales volume recorded a growth of over 6% – to 402,575 units.

- New / Nascent markets now contribute ~16% of the total volume as against 10% in FY17 and 6% in FY16.
- With stability returning in Nigeria, Company reaped the benefits of its support to the Network and Customers during difficult times in the past; motorcycle volumes have steadily improved from ~8,000 units in April 2017 to 26,000 units in August 2017 and 23,000 units in September 2017.
- The relative slowdown in Srilanka has been compensated by a substantial growth in volume in Bangladesh and Philippines.
- Order book for October is healthy and outlook for November and December 2017 is encouraging.

The Company is on track to exceed its target for the year.

B. Commercial Vehicles

Company recorded its highest ever quarterly volume of 84,938 units in the domestic market.

- Growth in volumes over Q2 / FY17 was 14%.
- With discontinuation of permits in the State of Maharashtra, new permits released in Delhi and replacement of 2stroke three-wheelers with 4stroke three-wheelers for the city of Bangalore, the Company is well poised to leverage its overwhelming leadership position.
- With demand for Commercial Vehicles in domestic and international markets over-stripping its supply, export orders are temporarily deferred and capacity is diverted to the domestic market.

The outlook for Commercial Vehicles remain very positive and the Company is likely to cross a record three lakh units in FY18 – well ahead of its annual target.

C. Motorcycle – Domestic

- Sold over 281,000 units of CT and Platina during Q2 / FY18 – a growth of 12% over Q2 / FY17 and 52% over Q1 / FY18.
 - ✓ CT sold over 176,000 units – a growth of 24% over Q2 / FY17.
The new CT electric start, launched in August 2017, sold over 99,000 units in two months.
 - ✓ Platina sold 105,000 units in Q2 / FY18.
The New Platina, launched in September 2017, has met with very good acceptance – sold 45,000 units in September 2017 and was stocked out.

Share in domestic market for this segment improved to 32% in Q2 / FY18 as against 25% in Q1 / FY18.

- Pulsar, along with Avenger and Dominar, sold nearly 237,000 units in Q2 / FY18.
 - ✓ The newly launched NS series of Pulsars sold ~42,000 units in Q2 / FY18.
 - ✓ With sales close to 100,000 units for September 2017 (98,601 units), share in domestic market was an overwhelming 45%.

Share in domestic market for this segment was ~42% in Q2 / FY18.

Overall share in domestic market improved to **17%** in Q2 / FY18. For the month of September 2017, overall share in domestic market was ~19.5%.

3. Results – Q2 / FY18

3.1. Standalone

With all high margin products and business verticals doing well (International Business, Commercial Vehicle and Pulsar) and higher capacity utilization driven by CT and Platina, the Company has maintained its Industry high operating EBITDA margin of **20.8%**.

- Standalone profit before tax was ₹ 1,517 crore as against ₹ 1,288 crore in Q1 / FY18 and ₹ 1,561 crore in Q2 / FY17.
- Profit after tax was ₹ 1,112 crore as against ₹ 924 crore in Q1 / FY18 and ₹ 1,123 crore in Q2 / FY17.

3.2. Consolidated

- Consolidated profit after tax was ₹ 1,194 crore as against ₹ 837 crore in Q1 / FY18 and ₹ 1,201 crore in Q2 / FY17.

4. Cash and cash equivalents

As on 30th June 2017, surplus cash and cash equivalents stood at ₹ 13,256 crore.

After payment of dividend and tax thereon amounting to ₹ 1,888 crore, surplus cash and cash equivalents stood at **₹ 12,699 crore** as on 30th September 2017.

Kevin D'sa
President (Finance)
 17th October 2017.