

Press Release

Results : Q1 / FY17

Turnover* - ₹ 6,356 crore PAT - ₹ 978 crore

Operating EBITDA margin at 21.2%

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for Q1 / FY17.

Company has, for the first time, adopted Indian Accounting Standards (Ind-AS) for FY17 with Ind-AS compliant comparatives for FY16. Accordingly, figures for previous year/period have been re-cast and reviewed by statutory auditors as per new accounting standards.

The performance of the company has been highlighted below. Despite input cost pressures and continuing headwinds in export markets, the company has declared an **industry high EBITDA of 21.2%**.

The standalone profit after tax stands at **₹ 978 crore** whereas consolidated **profit after tax crosses ₹ 1,000 crore - ₹ 1,040 crore**.

1. Performance highlights

₹ in crore	Q1 FY17	Q1 FY16	FY16
A. Standalone results			
Sales (No's)	994,733	1,013,029	3,893,581
Turnover*	6,356	6,188	24,957
Operating EBITDA	1,227	1,191	5,044
<i>Operating EBITDA %</i>	<i>21.2</i>	<i>21.1</i>	<i>22.2</i>
Profit before tax	1,366	1,368	5,547
Profit after tax	978	957	3,930
B. Consolidated results			
Consolidated profit after tax	1,040	914	4,061

*Turnover includes excise duty

2. Sales numbers

	Q1 FY17	Q1 FY16	Q4 FY16	Q on Q Change	Sequential Change	FY16
Domestic						
Motorcycles	548,880	485,818	468,782	13%	17%	1,898,957
CV	75,204	50,715	71,129	48%	6%	254,995
Sub-total	624,084	536,533	539,911	16%	16%	2,153,952
Exports						
Motorcycles	323,660	389,417	283,737	-17%	14%	1,459,295
CV	46,989	87,079	48,810	-46%	-4%	280,334
Sub-total	370,649	476,496	332,547	-22%	11%	1,739,629
Total						
Motorcycles	872,540	875,235	752,519	-	16%	3,358,252
CV	122,193	137,794	119,939	-11%	2%	535,329
Total	994,733	1,013,029	872,458	-2%	14%	3,893,581

Performance of Q1 / FY17 is better appreciated on comparison with the sequential numbers for Q4 / FY16.

3. Motorcycles

- Domestic motorcycles sales grew by **13%** as against industry growth of 9%.
- While quarter on quarter growth stood at 13%, sequentially company sold ~548,000 vehicles as against ~468,000 – resulting in a growth of **17%**.
- As a result, overall market share in domestic motorcycles improved to **19%** in Q1 / FY17.
- The growth has been fuelled by the success of new products
 - ✓ The iconic V15 motorcycle has been extremely well received by the market with sales of **~82,000 units** in Q1
 - ✓ Avenger continues it's successful run with sales **in excess of 56,000** during Q1
- The **Pulsar** and **Avenger** combined recorded a growth of **20%** while the segment growth for the industry was 13%.
- **KTM** recorded a growth of **23%**.
- Overall, Bajaj Auto remains a dominant player in segments which represent ~40% of the total domestic motorcycle market.

4. Commercial Vehicle

- Sales in domestic market grew by **48%** as against industry growth of 23%
- Sequentially, company sold **~75,000** vehicles as against ~71,000 in Q4 / FY16
- As a result, overall share in domestic market has improved from 47% in FY16 to **54%** in Q1 / FY17
- Company continues to hold dominant share in domestic market in the In-city category; **~89%**.
- Witnessed major gains in diesel segment; market share improved from 32% in FY16 to **35%** in Q1 / FY17
 - ✓ Market leader in small diesel carriers; share in domestic market at **~73%** v/s ~65% in FY16.
 - ✓ Share in domestic market of big diesel carriers at a healthy **~23%** v/s ~20% in FY16.

5. International Business

- Headwinds continue in export markets viz. Nigeria & Egypt. Decline in exports is attributable primarily to external factors – availability of foreign currency and depreciation in local currency.
- Exports sequentially grew from ~332,500 units in Q4 / FY16 to **~370,600** units in Q1 / FY17. However lower than ~476,000 units in Q1 / FY16.
- Company has improved its market shares in most of the export markets.
- For Q1 / FY17, the average realization was **₹ 67.1 / USD** as against ₹ 67.5 / USD in Q4 / FY16 and ₹ 63.9 / USD in Q1 / FY16.

6. Results

Standalone :

- Despite input cost increase and lower exports, Company maintains industry leading EBITDA margin of 21.2% in Q1 / FY17.
- EBITDA increased to **₹ 1,227 crore** in Q1 / FY17 v/s ₹ 1,191 crore in Q1 / FY16
- Standalone profit before tax was ₹ 1,366 crore v/s ₹ 1,368 crore in Q1 / FY16
- Profit after tax stood at ₹ 978 crore v/s ₹ 957 crore in Q1 / FY16

Consolidated :

- BAIH BV, a Netherlands based 100% subsidiary of Bajaj Auto Ltd, holds 47.99% stake in KTM AG.
- In this quarter, BAIH BV received a dividend of Euro 2 per share (Euro 10.4 million, i.e ₹ 78 crore) declared by KTM AG for the calendar year 2015.
- BAIH BV has not declared any dividend.
- Consolidated profit after tax increased to **₹ 1,040 crore** v/s ₹ 914 crore in Q1 / FY16

7. Cash and cash equivalents

Cash and cash equivalents as on 30th June 2016 stood at ₹ 10,701 crore as against ₹ 9,085 crore as on 31st March 2016.

Kevin D'sa
President (Finance)
27th July 2016.