

## Press Release

### Results : Q3 / FY16

**Turnover – ₹ 5,765 crore; Profit after tax – ₹ 901 crore**

**EBITDA margin – 22%**

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for Q3 / FY16.

In a challenging domestic market and a volatile global scenario Bajaj Auto recorded an **industry best operating EBITDA margin of 22.0%**

For the quarter, **Profit after tax again crosses ₹ 900 crore**

**Profit after tax of ₹ 2,849 crore earned during 9M ending 31<sup>st</sup> December 2015 exceeds the profit after tax earned by the company in the full year of FY15**

#### 1. Key highlights

₹ in crore	Q3 FY16	Q3 FY15	9M FY16	9M FY15	FY15
Sales ( No's )	951,498	984,520	3,021,123	3,028,532	3,811,201
Turnover	5,765	5,752	18,065	17,301	22,194
Export revenue	2,281	2,680	7,752	7,667	9,758
Operating EBITDA (before MTM gain / loss)	1,234	1,202	3,782	3,491	4,429
Operating EBITDA % (before MTM gain / loss)	22.0	21.1	21.7	20.6	20.3
Profit before tax and exceptional item	1,296	1,256	4,186	3,503	4,425
Exceptional item	-	-	-	340	340
Profit before tax	1,296	1,256	4,186	3,163	4,085
Profit after tax	901	861	2,849	2,192	2,814

A summary of the results is given in **Annexure I**.

The sterling performance is a result of a seamless execution of the company's business strategy.

#### a. Motorcycle ( domestic )

The strategy to expand the " Price " segment and to reinforce the company's leadership in the " Premium " and " Luxury " segment has paid rich dividends

##### ✓ " Price " segment

- ❖ The introduction of Platina ES and CT at the beginning of the year expanded this segment by ~350 bps

**In fact, the entire growth in this segment was led by Bajaj Auto**

- ❖ Market share of the company in this segment **increased to ~34% in Q3 / FY16** from ~23% in FY15
- ❖ Recorded a sale of 215,000 units in Q3 / FY16 – **growth of 86%** over Q3 / FY15
- ❖ With the introduction of CT100-B motorcycle model in January 2016, company expects to further gain in market share

##### ✓ " Premium " and " Luxury " segment

- ❖ Volumes of the newly launched **highly profitable** Avenger series recorded an increase from an average of 3,500 units per month to **over 20,000 units in December 2015 !!!**

Given the strong demand for Avenger, company plans to increase the production capacity to 30,000 units per month by March 2016

- ❖ The new Avengers, along with Pulsars, reinforced the company's leadership position – in the " Premium " segment, **market share improved to over 50% in Q3 / FY16** from 43% in FY15
- ❖ **Here again, growth in the " Premium " segment was led by BAL.**  
The Avengers, along with the Pulsars, recorded a **growth of ~11%** as against an industry growth of ~3% over Q3 / FY15
- ❖ In the " **Luxury** " segment, the addition of Pulsar RS200 increased the company's **market share to ~60% in Q3 / FY16** from 40% in FY15

**The broad segments covered above represent ~40% of the total domestic motorcycle market where Bajaj Auto is a leader. In this space Bajaj Auto recorded a growth of 43% over Q3 / FY15 as against an industry growth of 10%**

##### ✓ " Value " segment

- ❖ Launch of the " V " motorcycle model planned in February 2016.  
Compared to the current products in this segment, the " V " motorcycle is highly differentiated in form and is superior in mileage & performance
- ❖ With this new offering, the company expects to change the future of this segment and is confident to become a market leader in this segment too

## b. Commercial Vehicle ( domestic )

The strategy to communicate and reinforce the superiority and strength of Bajaj Petrol and Alternate Fuel ( PAF ) RE three-wheelers while offering differentiated packages for the Diesel customers has been very successful

- ❖ Share in domestic market, for petrol and alternate fuel passenger carriers **improved to 91% in Q3 / FY16** from 88% in FY15
- ❖ Market leadership in the small diesel carrier segment with share in domestic market **improved to 64% in Q3 / FY16** from 61% in FY15
- ❖ Market share in large diesel carrier segment **improved to 21% in Q3 / FY16** from 18% in FY15
- ❖ Overall, for December 2015, market share stood at **50%**

## c. International market

The strategy to expand geographical presence and improve the market share in individual countries has succeeded

- ❖ With the oil prices coming down substantially, some markets are facing balance of payment issues resulting in non-availability of US\$ for imports.  
This has impacted the company's despatches to those markets.  
Markets affected are primarily Egypt and Nigeria
- ❖ However, at retail level the company is performing extremely well in these markets
  - In December 2015, recorded retail sales of 60,000 Boxers in Nigeria and improved market share to ~65%
  - Iran, Nigeria, Colombia, Mexico and Peru witnessed an increase in retail market share

## 2. Cash and cash equivalents

As on 31<sup>st</sup> December 2015, surplus cash and cash equivalents stood at **₹ 9,430 crore**.

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**Kevin D'sa**  
**President (Finance)**  
 4<sup>th</sup> February 2016.



Bajaj Auto Limited

Annexure I

(₹ In Crore)

	Particulars	Quarter ended		Nine months ended		Year ended
		31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	<b>Sales in numbers</b>	<b>951,498</b>	<b>984,520</b>	<b>3,021,123</b>	<b>3,028,532</b>	<b>3,811,201</b>
<b>1</b>	<b>Income from operations</b>					
	(a) Gross sales	5,799.62	5,733.57	17,894.89	17,122.60	22,013.21
	Less: Excise duty	336.42	213.56	946.00	642.37	909.28
	Net sales	5,463.20	5,520.01	16,948.89	16,480.23	21,103.93
	(b) Other operating income	101.70	137.16	327.28	392.44	508.08
	<b>Total income from operations (net)</b>	<b>5,564.90</b>	<b>5,657.17</b>	<b>17,276.17</b>	<b>16,872.67</b>	<b>21,612.01</b>
<b>2</b>	<b>Expenses</b>					
	(a) Cost of materials consumed	3,383.43	3,537.24	10,546.41	10,738.25	13,752.79
	(b) Purchases of stock-in-trade	345.26	317.74	935.12	852.89	1,154.57
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(32.92)	7.00	42.07	61.11	(57.56)
	(d) Employee benefits expense	230.24	213.92	715.71	638.73	897.30
	(e) Depreciation and amortisation	74.64	65.77	231.06	203.59	267.40
	(f) Other expenses	471.29	367.83	1,420.66	1,344.93	1,808.41
	(g) Expenses capitalised	(3.66)	(13.39)	(11.82)	(41.98)	(60.05)
	<b>Total expenses</b>	<b>4,468.28</b>	<b>4,496.11</b>	<b>13,879.21</b>	<b>13,797.52</b>	<b>17,762.86</b>
<b>3</b>	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>1,096.62</b>	<b>1,161.06</b>	<b>3,396.96</b>	<b>3,075.15</b>	<b>3,849.15</b>
<b>4</b>	<b>Other income</b>	<b>199.68</b>	<b>95.27</b>	<b>789.13</b>	<b>428.15</b>	<b>582.42</b>
<b>5</b>	<b>Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>1,296.30</b>	<b>1,256.33</b>	<b>4,186.09</b>	<b>3,503.30</b>	<b>4,431.57</b>
<b>6</b>	<b>Finance costs</b>	<b>0.07</b>	<b>0.07</b>	<b>0.42</b>	<b>0.23</b>	<b>6.49</b>
<b>7</b>	<b>Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>1,296.23</b>	<b>1,256.26</b>	<b>4,185.67</b>	<b>3,503.07</b>	<b>4,425.08</b>
<b>8</b>	<b>Exceptional items</b>					
	NCCD payment	-	-	-	340.29	340.29
<b>9</b>	<b>Profit from ordinary activities before tax (7-8)</b>	<b>1,296.23</b>	<b>1,256.26</b>	<b>4,185.67</b>	<b>3,162.78</b>	<b>4,084.79</b>
<b>10</b>	<b>Tax expense</b>	<b>394.74</b>	<b>395.02</b>	<b>1,336.32</b>	<b>970.66</b>	<b>1,271.05</b>
<b>11</b>	<b>Net profit from ordinary activities after tax (9-10)</b>	<b>901.49</b>	<b>861.24</b>	<b>2,849.35</b>	<b>2,192.12</b>	<b>2,813.74</b>