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Bajaj Auto Limited

Press Release

Results : Q2 / FY21

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for Q2 / FY21. Key financial highlights are as follows :-

- Volumes : **1,053,337 units**
 - Pulsar : **348,561 units; highest ever**
 - KTM and Husqvarna : **20,200 units; highest ever in the domestic market**
- Turnover : **₹ 7,442 crore**
- Revenue from operations : **₹ 7,156 crore**
- Operating EBITDA : **₹ 1,300 crore**
- Profit before tax : **₹ 1,485 crore**
- Profit after tax : **₹ 1,138 crore**
- Operating EBITDA % : **18.2% (19.0% Excluding MEIS Impact - see note below)**
- Consolidated Profit after tax : **₹ 1,194 crore**

Financials

₹ in crore	Q2 FY21	Q2 FY20	Change	H1 FY21	H1 FY20	Change	FY20
Turnover	7,442	8,101	-8%	10,859	16,298	-33%	31,652
Revenue from operations	7,156	7,707	-7%	10,235	15,463	-34%	29,919
EBITDA	1,300	1,305	-	1,741	2,555	-32%	5,253
EBITDA %	18.2%	16.9%		17.0%	16.5%		17.6%
Operating Profit	1,233	1,242	-1%	1,609	2,432	-34%	5,004
Profit before tax	1,485	1,609	-8%	2,167	3,188	-32%	6,580
Profit after tax	1,138	1,402	-19%	1,666	2,528	-34%	5,100

- For Q2 / FY21, Operating Profit is flat as against Q2/FY20. However, Profit before tax and Profit after tax is lower on account of the following reasons:
 - a. Lower interest rates / yields during Q2 / FY21 resulted in reduction of treasury income
 - b. Last year, the corporate tax rates were revised u/s 115BAA of the Income Tax Act 1961, resulting in a one-time gain of ₹ 182 crore for Q2 / FY20
- 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 ₹ 2 crore.
The impact of the same, including reversal of MEIS for Q1 / FY21, is ₹ 78 crore – else, the EBITDA % would have been 19.0%.
- Optimisation of fixed cost helped in improving margin profile.

Cash and cash equivalents

- As on 30th September 2020, surplus cash and cash equivalents stood at ₹ 16,240 crore as against ₹ 14,232 crore as on 30th June 2020 and ₹ 14,322 crore as on 31st March 2020.

Volumes

Particulars	Q2 FY21	Q2 FY20	Change	H1 FY21	H1 FY20	Change	FY20
Domestic							
Two-wheelers	550,194	521,350	6%	736,175	1,132,286	-35%	2,078,348
CV	23,392	107,730	-78%	28,674	193,947	-85%	365,759
sub-total	573,586	629,080	-9%	764,849	1,326,233	-42%	2,444,107
Exports							
Two-wheelers	414,271	462,890	-11%	628,219	934,581	-33%	1,869,220
CV	65,480	81,621	-20%	103,372	159,951	-35%	301,885
sub-total	479,751	544,511	-12%	731,591	1,094,532	-33%	2,171,105
Total							
Two-wheelers	964,465	984,240	-2%	1,364,394	2,066,867	-34%	3,947,568
CV	88,872	189,351	-53%	132,046	353,898	-63%	667,644
Total	1,053,337	1,173,591	-10%	1,496,440	2,420,765	-38%	4,615,212

- 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. Industry grew by 7% in Q2 and our growth was in line with Industry and hence our market share was 18.2% in H1 / FY21 vs 18.1% in H1 / FY20.
- KTM and Husqvarna had their highest ever sales in a quarter of 20,200 vehicles.
- Domestic CV volumes continue to remain muted and is dependant 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 2,12,000 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 250 were also introduced.

Soumen Ray
CFO

22nd October 2020.