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Bajaj Auto Limited

Press Release

Results : Q1 / FY21

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for Q1 / FY21.

Q1 / FY21 has been an extremely challenging quarter due to the unprecedented COVID-19 pandemic. Lockdown and other containment / precautionary measures have resulted in disrupted supply lines and a sharp decline in overall demand.

Impact of this pandemic was experienced in India and in countries across the globe that we export to. While we have restarted operations, sporadic localised lockdowns are disrupting the supply chain and impacting the ability of the business to return towards normalcy.

Highlights:-

✓ Volumes	: 443,103 units
✓ Turnover	: ₹ 3,417 crore
✓ Revenue from operations	: ₹ 3,079 crore
✓ Operating EBITDA	: ₹ 441 crore
✓ Operating Profit	: ₹ 376 crore
✓ Profit before tax	: ₹ 682 crore
✓ Profit after tax	: ₹ 528 crore
✓ Consolidated Profit after tax	: ₹ 396 crore

1. Volumes

Q4 FY20	Particulars	Q1 FY21	Q1 FY20	FY20
	Domestic			
403,084	Two-wheelers	185,981	610,936	2,078,348
75,076	CV	5,282	86,217	365,759
478,160	sub-total	191,263	697,153	2,444,107
	Exports			
450,456	Two-wheelers	213,948	471,691	1,869,220
63,345	CV	37,892	78,330	301,885
513,801	sub-total	251,840	550,021	2,171,105
	Total			
853,540	Two-wheelers	399,929	1,082,627	3,947,568
138,421	CV	43,174	164,547	667,644
991,961	Total	443,103	1,247,174	4,615,212

Highlights for individual business units are given below:

A. Motorcycle – Domestic

Tabulated below is the comparative performance of Bajaj Auto and the domestic motorcycle industry.

Change over previous year	For April	For May	For June	For Q1
Bajaj Auto	-100%	-81%	-26%	-70%
Industry	-100%	-83%	-35%	-73%

Sales in the domestic motorcycle market was Nil for the entire month of April and impacted for a large part of May 2020. The month of June 2020 witnessed a decent recovery and performance of Bajaj Auto was better than the industry.

For Q1 / FY21:

- Overall share in the domestic motorcycle market was 20.7% as against 18.5% in FY20.
- In the Mileage segment, Bajaj Auto sold over 110,000 units.
 - CT sold over 32,000 units.
 - Platina, including Platina 110H, sold over 45,000 units.
 - Pulsar 125 sold over 32,000 units.
 - Market share in this segment was 15.5% as against 14.3% in FY20.
- In the Sports segment, Bajaj Auto continues to be a market leader.
 - Sold over 69,000 units in this segment.
 - Pulsar 150 billed over 49,000 units.
 - Market share in this segment was 59.0% as against 44.7% in FY20.
- In the Super Sports segment, Bajaj Auto sold nearly 6,000 units; market share was 8.8%.
 - RS200 along with Dominar sold over 2,500 units.
 - KTM and Husqvarna sold over 3,400 units.

B. Commercial Vehicles

Domestic market of Commercial Vehicles was severely impacted due to the pandemic.

Industry recorded a decline of 91%. Being a market leader, Bajaj Auto was impacted the most.

Overall share in domestic market was 42.6% for Q1 / FY21.

- RE brand, in the small three-wheeler passenger carrier segment, had a market share of 80% and continues to be a market leader.
- MAXIMA brand, in the big three-wheeler passenger carrier segment, had a market share of 27%.
- MAXIMA brand, in the Goods carrier segment, had a market share of 34%.

There is a drop in market share, largely attributed to lack of commuting demand due to the pandemic which led to a reduction of segment contribution of small three-wheeler passenger carrier (~23% in Q1 / FY21 as against ~44% in FY20).

C. International Business

For Q1 / FY21, Bajaj Auto recorded sales of over 251,000 units. In value terms, exports in US\$ was 217 million (₹ 1,651 crore).

- Motorcycle sold over 213,000 units.
- Commercial Vehicles sold over 37,000 units.
- Overall export by volume recorded a decline of 54% as against Q1 / FY20.
By regions, Africa recorded a decline of 50%, SAME recorded a decline of 63%, LATAM recorded a decline of 63% and ASEAN recorded a decline of 67%.
- Realization per US\$ was ₹ 75.6 in Q1 / FY21 as against ₹ 72.1 in Q4 / FY20.

2. COVID related measures

Given the scale of the pandemic, various measures were implemented for the entire business eco-system helping the end-customers, dealers, vendors and employees wade thru this crisis.

- Extension of free service and warranty period, free distribution of COVID safety kits under CSR programme for existing drivers of three-wheeler commercial vehicles, across brands, free battery check-up camp to increase footfalls in service centres and Bajaj “Secure”, an initiative, communicating to the people at large that our outlets are open for business and following all the required safety and social distancing norms.
- Timely payments to all our business partners, including vendors and facilitation with bankers for vendors to avail credit facilities.
- Salaries were paid to all employees of Bajaj Auto for the entire period of March to June 2020 and work from home was enabled wherever possible.

3. Bajaj Auto International Holdings BV (BAIH BV)

BAIH BV, a Netherlands based 100% subsidiary of Bajaj Auto Ltd, holds 47.99% stake in KTM AG. Results of KTM AG are consolidated with Bajaj Auto, one quarter in arrear.

€ in million	Q1 FY21	Q1 FY20
Volumes	33,220	38,267
Revenue	259.6	310.8
Gross Margin	55.0	79.6
Profit after tax	-32.9	-2.3

The proportionate loss to Bajaj Auto Limited is € 15.8 million (₹ 132 crore), which has been accounted for in the consolidated results of Q1 / FY21.

4. Financials

Q4 FY20	₹ in crore	Q1 FY21	Q1 FY20	FY20
7,349	Turnover	3,417	8,197	31,652
6,816	Revenue from operations	3,079	7,756	29,919
1,293	EBITDA	441	1,250	5,253
19.0	EBITDA %	14.3	16.1	17.6
1,229	Operating profit	376	1,189	5,004
1,721	Profit before tax	682	1,579	6,580
1,310	Profit after tax	528	1,126	5,100

For Q1 / FY21:

- Resultant to the lockdown and other measures, revenue from operations recorded a decline of 60% to ₹ 3,079 crore.
- With a sharp drop in revenue from operations, EBITDA also recorded a decline. However, strict cost control measures helped us declare an EBITDA of ₹ 441 crore.
- Fixed cost spends were controlled across all plants and locations. In addition, marketing and advertisement spends were also curtailed.
- For Q1 / FY21, EBITDA margin was 14.3%.

5. Cash and cash equivalents

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

Soumen Ray

CFO

22nd July 2020.