Bajaj Auto Limited

Press Release

Results : Q4 and FY17

Profit before tax crosses ₹ 5,000 crore
Profit after tax – ₹ 3,828 crore
Operating EBITDA margin – 21.7%

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

The Board of Directors recommended a dividend of ₹ 55 per share – 550% (previous year – 550%). The total amount of dividend and tax thereon amounts to ₹ 1,916 crore (previous year – ₹ 1,916 crore).

In a difficult environment, Bajaj Auto continued to earn best in industry operating EBITDA margin of 21.7% and grew its surplus cash and cash equivalents by 36% to ₹ 12,368 crore.

1. Highlights for Q4 and FY17

<table>
<thead>
<tr>
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<th>Q4</th>
<th>Full Year</th>
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<tbody>
<tr>
<td>₹ in crore</td>
<td>FY17</td>
<td>FY16</td>
</tr>
<tr>
<td>Sales ( No's )</td>
<td>787,627</td>
<td>872,458</td>
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<tr>
<td>Total income</td>
<td>5,506</td>
<td>5,967</td>
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<tr>
<td>Operating EBITDA</td>
<td>1,056</td>
<td>1,261</td>
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<tr>
<td>Operating EBITDA %</td>
<td>21.2%</td>
<td>23.3%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>1,124</td>
<td>1,334</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>802</td>
<td>949</td>
</tr>
</tbody>
</table>
2. **Motorcycles (domestic)**

   Overall share in domestic market stood at **18.0%** in FY17.
   
i. The Platina and CT combine sold over 836,000 units; segment market share ~32%.
   
ii. Iconic “V15” motorcycle model and its new sibling, the “V12” – launched in December 2016, sold over 234,000 units.
   
iii. Pulsars and Avengers sold over 786,000 units – a growth of ~3% over previous year. In contrast, the industry recorded a decline of ~2% in this segment.
   
iv. “Dominar 400” motorcycle model, launched in December 2016, sold over 9,300 units.
   
v. KTM, in India, sold ~35,000 units; a growth of 15% over previous year.

3. **Commercial Vehicle (domestic)**

   Bajaj Auto improved its share in domestic market by 210 bps, to **49.5%** in FY17.
   
i. Market leader in the Petrol and Alternate fuel segment; market share ~88%.
   
ii. Now a major player in the diesel segment; market share ~34%.
      — Market leader in small diesel carrier segment; market share ~71%.
      — Share in domestic market of big diesel carriers at ~23%.
   
iii. Cargo vehicles sold over 13,000 units in its first full year after launch; market share ~12%.

4. **International Business**

   International business was affected due to external factors like economic and political uncertainties, sharp devaluation of currencies and scarcity of US$ in some of the key importing countries.
   
   Despite this, Bajaj Auto continues to be at No 1 or No 2 position in 21 countries – a reflection of the Company’s strong brand proposition.
   
i. In motorcycles, of the 18 markets which contribute ~85% of its exports, Bajaj Auto gained market share in 16 markets.
   
ii. In three-wheelers, Bajaj Auto continues to be a dominant player.
   
iii. Bajaj Auto continues to be India’s No. 1 exporter of motorcycles and three-wheelers, having exported 1.2 million motorcycles and 191,000 three-wheelers.
   
iv. Exports, by value, was at ₹ 7,880 crore (US$ ~1.1 billion).
   
v. Average realization was ₹ 67.3 per US$ in FY17 as against ₹ 65.5 per US$ in FY16.
5. **Investment in KTM**

Bajaj Auto International Holdings BV is a 100% Netherlands based subsidiary of Bajaj Auto Ltd. Through this subsidiary, Bajaj Auto holds ~48% stake in KTM AG of Austria at a total investment of €198.1 million (₹ 1,219 crore).

For KTM, calendar year 2016 has been a record year, the accounts of which are consolidated in Bajaj Auto. It recorded its Highest ever

a. **Sales**: 203,423 motorcycles, a growth of 11%.

b. **Turnover**: €1.14 billion, a growth of 12%.

c. **Profit after tax**: €72.1 million, a growth of 13%.

Proportionate profit after tax of €34.6 million (₹ 255 crore) has been accounted in the consolidated results of Bajaj Auto Ltd.

In its Annual General Meeting for the calendar year 2016, held on 25th April 2017, KTM AG has declared a dividend of €2.0 per share (same as €2.0 per share for the year 2015).

6. **Results**

6.1. **Q4 / FY17**

a. Declared an operating EBITDA margin of **21.2%** in Q4 / FY17. Margins were lower due to:
   — Rise in input material cost.
   — Increase in costs on transition from BSIII to BSIV compliant vehicles.

b. CSR spend was ₹ 73 crore as against ₹ 9 crore in Q3 / FY17 and ₹ 63 crore in Q4 / FY16.

6.2. **FY17**

a. Declared an operating EBITDA margin of **21.7%** in FY17 as against 22.2% in FY16.

b. Standalone profit before tax was ₹ 5,336 crore as against ₹ 5,547 crore in FY16.

c. Profit after tax was ₹ 3,828 crore as against ₹ 3,930 crore in FY16.

6.3. **Consolidated**

a. Consolidated profit after tax was ₹ 4,079 crore as against ₹ 4,061 crore in FY16.

7. **Cash and cash equivalents**

Cash and cash equivalents as on 31st March 2017 stood at ₹ **12,368** crore as against ₹ 9,086 crore as on 31st March 2016.

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Kevin D’sa  
President (Finance)  
18th May 2017.