

Press Release

Results : Q3 / FY17

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for Q3 / FY17.

The Government's action to demonetize high value currency had an adverse impact on the industry and the performance of the Company.

With good monsoon and 7th pay commission, motorcycle industry was expected to record a healthy growth. However, post demonetization, in November and December 2016, the domestic industry for motorcycles and commercial vehicles recorded a decline of 16% and 32% respectively.

Despite the adverse conditions, the Company was able to record a strong operating EBITDA margin of **22%**.

1. Summarised results

		<u>Q3 / FY17</u>	<u>Q3 / FY16</u>
✓ Turnover	:	₹ 5,673 crore	₹ 6,127 crore
✓ Operating EBITDA	:	₹ 1,131 crore	₹ 1,235 crore
✓ Operating EBITDA margin at	:	22.0%	22.0%
✓ Profit before tax	:	₹ 1,286 crore	₹ 1,339 crore
✓ Profit after tax - Standalone	:	₹ 925 crore	₹ 971 crore
✓ Profit after tax - Consolidated	:	₹ 977 crore	₹ 1,031 crore

2. Volumes

Particulars	Q3 FY17	Q3 FY16	9M FY17	9M FY16	FY16
Domestic					
Motorcycles	459,427	475,027	1,587,852	1,430,175	1,898,957
CV	53,602	66,034	203,189	183,866	254,995
sub-total	513,029	541,061	1,791,041	1,614,041	2,153,952
Exports					
Motorcycles	289,534	352,374	931,063	1,175,558	1,459,295
CV	49,082	58,063	156,219	231,524	280,334
sub-total	338,616	410,437	1,087,282	1,407,082	1,739,629
Total	851,645	951,498	2,878,323	3,021,123	3,893,581

3. Motorcycle market (domestic)

- Overall share in domestic market stood at **18.5%** in Q3 / FY17 as against 17.4% in FY16
 - ✓ CT100 and Platina sold over 204,000 units – segment market share at ~33%
 - ✓ The “ V ” sold over 200,000 units, since its launch; sold over 43,000 units in Q3 / FY17
In December 2016, the Company introduced the “ V12 ” motorcycle model
 - ✓ Pulsars and Avengers sold over 178,000 units
 - ✓ KTM sold in India ~8,000 units
- In December 2016, the company launched the all new “ Dominar 400 ” motorcycle
The product has created a lot of excitement amongst motorcycle enthusiasts and has received rave reviews. Marketed primarily through social media, the commercial for this product on YouTube has received hits of over 11 million – more than double the hits received by the next best advertisement.

4. Commercial vehicles (domestic)

- Continue to be a market leader; overall share in domestic market at ~**46%**
- Market leader in the In-city segment; market share ~**86%**
- Dominant share in the diesel segment; market share ~**32%**
 - ✓ Market leader in small diesel carrier segment; market share ~**70%**
 - ✓ Share in domestic market of big diesel carriers at ~**22%**
- The recently launched cargo vehicle sold ~3,000 units; market share ~**11%**.
With its acceptance in the domestic market, volumes and market share in this segment are expected to increase further

5. International business

- Company continues to maintain significant market share in major international markets
- However, external factors such as economic crises and constraints in availability of foreign currency, amongst others, continue to drag performance
Nigeria is yet to witness a market recovery, countries like Egypt are still plagued with availability of US\$ currency and devaluation while sales in Iran was disrupted on new vehicle related norms
- For Q3 / FY17, the average realization was ₹ **67.7** per US\$ as against ₹ 67.1 per US\$ in Q2 / FY16 and ₹ 66.0 per US\$ in Q3 / FY16

6. Financials

Standalone:-

- Despite the fall in volumes, Company's strategy of operating on a variable cost structure, coupled with an improvement in realization per US\$, helped maintain the operating EBITDA margin at **22.0%** in Q3 / FY17
- Standalone profit before tax was ₹ 1,286 crore as against ₹ 1,339 crore in Q3 / FY16
Profit after tax was ₹ 925 crore as against ₹ 971 crore in Q3 / FY16

Consolidated:-

- Consolidated profit after tax was ₹ 977 crore as against ₹ 1,031 crore in Q3 / FY16

7. BSIV norms

Bajaj Auto's entire portfolio of motorcycles and commercial vehicles is BS-IV compliant. These clean emission norms are achieved well ahead of the stipulated compliance date of 31st March 2017.

8. Cash and cash equivalents

As on 31st December 2016, surplus cash and cash equivalents stood at **₹ 10,932 crore**

Kevin D'sa
President (Finance)
31st January 2017