Bajaj Auto Limited

Press Release

Results: Q4 and FY19

Highest ever Turnover – ₹31,899 crore

Highest ever Profits

Profit before tax – ₹6,703 crore; Profit after tax – ₹4,675 crore

Volumes cross 5 million units

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for FY19.

The Board of Directors recommended a dividend of ₹60 per share – 600% (previous year – 600%). The total amount of dividend and tax thereon amounts to ₹2,093 crore (previous year – ₹2,093 crore).

Performance Highlights of the Company are:-

1. Results

1.1. for FY19

✓ Highest ever …

— Volume : 5,019,503
— Turnover : ₹31,899 crore
— Operating EBITDA : ₹5,387 crore
— Profit before tax : ₹6,703 crore
— Profit after tax : ₹4,675 crore
— Consolidated Profit after tax : ₹4,928 crore

✓ EBITDA margin – 17.6%
1.2. for Q4 / FY19
✓ Volume : 1,193,590
✓ Turnover : ₹ 7,828 crore
✓ Operating EBITDA : ₹ 1,266 crore
✓ Profit before tax and exceptional item : ₹ 1,534 crore
✓ Profit before tax : ₹ 1,876 crore
✓ Profit after tax : ₹ 1,306 crore
✓ Consolidated Profit after tax : ₹ 1,408 crore
✓ EBITDA margin – 17.0%

2. Volumes

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Q4 FY19</th>
<th>Q4 FY18</th>
<th>%</th>
<th>FY19</th>
<th>FY18</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motorcycles</td>
<td>610,094</td>
<td>497,587</td>
<td>23%</td>
<td>2,541,320</td>
<td>1,974,577</td>
<td>29%</td>
</tr>
<tr>
<td>CV</td>
<td>102,258</td>
<td>122,229</td>
<td>-16%</td>
<td>399,453</td>
<td>369,637</td>
<td>8%</td>
</tr>
<tr>
<td>sub-total</td>
<td>712,352</td>
<td>619,816</td>
<td>15%</td>
<td>2,940,773</td>
<td>2,344,214</td>
<td>25%</td>
</tr>
<tr>
<td>Exports</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motorcycles</td>
<td>391,889</td>
<td>358,802</td>
<td>9%</td>
<td>1,695,553</td>
<td>1,394,757</td>
<td>22%</td>
</tr>
<tr>
<td>CV</td>
<td>89,349</td>
<td>66,760</td>
<td>34%</td>
<td>383,177</td>
<td>267,820</td>
<td>43%</td>
</tr>
<tr>
<td>sub-total</td>
<td>481,238</td>
<td>425,562</td>
<td>13%</td>
<td>2,078,730</td>
<td>1,662,577</td>
<td>25%</td>
</tr>
<tr>
<td>Total Volumes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motorcycles</td>
<td>1,001,983</td>
<td>856,389</td>
<td>17%</td>
<td>4,236,873</td>
<td>3,369,334</td>
<td>26%</td>
</tr>
<tr>
<td>CV</td>
<td>191,607</td>
<td>188,989</td>
<td>1%</td>
<td>782,630</td>
<td>637,457</td>
<td>23%</td>
</tr>
<tr>
<td>Total</td>
<td>1,193,590</td>
<td>1,045,378</td>
<td>14%</td>
<td>5,019,503</td>
<td>4,006,791</td>
<td>25%</td>
</tr>
</tbody>
</table>
3. Financials

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Q4 FY19</th>
<th>Q4 FY18</th>
<th>%</th>
<th>FY19</th>
<th>FY18</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover (net)</td>
<td>7,828</td>
<td>7,140</td>
<td>10%</td>
<td>31,899</td>
<td>26,512</td>
<td>20%</td>
</tr>
<tr>
<td>Net Sales and Operating Income</td>
<td>7,464</td>
<td>6,849</td>
<td>9%</td>
<td>30,540</td>
<td>25,424</td>
<td>20%</td>
</tr>
<tr>
<td>Operating EBITDA</td>
<td>1,266</td>
<td>1,431</td>
<td>-12%</td>
<td>5,387</td>
<td>5,145</td>
<td>5%</td>
</tr>
<tr>
<td>Operating EBITDA %</td>
<td>17.0%</td>
<td>20.9%</td>
<td></td>
<td>17.6%</td>
<td>20.2%</td>
<td></td>
</tr>
<tr>
<td>Operating Profit</td>
<td>1,205</td>
<td>1,343</td>
<td>-10%</td>
<td>5,117</td>
<td>4,829</td>
<td>6%</td>
</tr>
<tr>
<td>Profit before tax and exceptional items</td>
<td>1,534</td>
<td>1,594</td>
<td>-4%</td>
<td>6,361</td>
<td>5,815</td>
<td>9%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>1,876</td>
<td>1,594</td>
<td>18%</td>
<td>6,703</td>
<td>5,783</td>
<td>16%</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>1,306</td>
<td>1,080</td>
<td>21%</td>
<td>4,675</td>
<td>4,068</td>
<td>15%</td>
</tr>
<tr>
<td>Consolidated Profit after tax</td>
<td>1,408</td>
<td>1,175</td>
<td>20%</td>
<td>4,928</td>
<td>4,219</td>
<td>17%</td>
</tr>
</tbody>
</table>

Highlights for individual business units are given below:

A. Motorcycle – Domestic

Company recorded a growth of 29% over FY18 as against an industry growth of under 8%.

Overall share in the domestic motorcycle market increased to 18.7% as against 15.7% in FY18, an improvement of 300 bps. For Q4 / FY19, share in domestic motorcycle market was 20.0%.

— At the entry-level, Bajaj Auto not only played a key role in growing the segment, but also captured greater market share in doing so.
  ➢ Company recorded a growth of 52% over FY18 as against an industry growth of 26%.
    Market share improved to 35.4% in FY19 as against 29.5% in FY18.
  ➢ CT sold over 742,000 units, growth of 59% over FY18.
  ➢ Platina sold over 626,000 units, growth of 44% over FY18.

— In the Sports segment, the Company, with the Pulsars and Avengers, is the dominating leader.
  ➢ Company recorded a growth of 33% over FY18 as against an industry growth of 18%.
    Market share further improved to 44.1% in FY19 as against 39.0% in FY18.
  ➢ Pulsars sold over 908,000 units in FY19, HIGHEST ever.
B. Commercial Vehicles

Company recorded its highest ever volume of 399,453 units in the domestic market — a growth of 8% over FY18 and continues to maintain dominance with overall market share of 56.9%.

— RE brand is the market leader in the small three-wheeler segment; market share at 86.1%.

— MAXIMA brand is a market leader in the big three-wheeler passenger carrier segment; market share at 37.2%.

— In the Goods carrier segment, Company recorded a growth of 34% over FY18 as against an industry growth of 8%; market share at 23.8%.

— QUTE, the Quadricycle, was successfully launched in Kerala, Gujarat, Odisha and Rajasthan. Launches in other states are planned for.

C. International Business

For the first time ever, volumes have crossed 2 million units, a worthy landmark and highest ever.

— Company recorded exports of over 2,078,000 units, growth of 25% over FY18.

➢ Motorcycles sold over 1,695,000 units, a growth of 22% over FY18.

  Growth witnessed across all territories – Africa, ASEAN, South Asia and Middle East.

➢ Commercial Vehicles sold over 383,000 units, a growth of 43% over FY18.

  Growth aided by recovery in traditional markets like Egypt & Nigeria and new markets like Cambodia, Iraq, Myanmar and Nepal.

— With presence across 79 countries, the Company was ranked either as No. 1 or No. 2 in 21 of these countries.

— In value terms, exports in US$ was 1.642 billion, a growth of 20% over FY18.

— Realization per US$ was ₹ 68.5 in FY19 as against ₹ 67.0 in FY18.

4. Investment in KTM

Bajaj Auto International Holdings BV, a Netherlands based 100% subsidiary of Bajaj Auto Ltd, holds 47.99% stake in KTM AG of Austria at a total investment of €198.1 million ( ₹ 1,219 crore).

Results of KTM AG are consolidated with Bajaj Auto, one quarter in arrear.

<table>
<thead>
<tr>
<th>€ in million</th>
<th>FY19</th>
<th>FY18</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes</td>
<td>211,931</td>
<td>191,270</td>
<td>11%</td>
</tr>
<tr>
<td>Revenue</td>
<td>1,454.7</td>
<td>1,331.7</td>
<td>9%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>417.1</td>
<td>374.6</td>
<td>11%</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>89.8</td>
<td>79.0</td>
<td>14%</td>
</tr>
</tbody>
</table>

The proportionate profit to Bajaj Auto Limited is € 43.1 million ( ₹ 350 crore ), which has been accounted for in the consolidated results of FY19.
5. Exceptional Item

The Company, during the year ended 31 March 2015, had made a payment towards 'National Calamity Contingent Duty' (NCCD) and applicable education, secondary and higher education cess thereon, together with interest and penalty amounting to ₹ 342 crore for the period from 1st April 2007 to 30th September 2014. This was pursuant to an order from the Honourable High Court of Uttarakhand on 9th October 2014 that the levy of NCCD is out of the purview of exemptions granted to the Company under the scheme of incentives for industries in certain identified growth areas in Uttarakhand.

In the current year, pursuant to a special leave petition filed by the Company, the Honourable Supreme Court vide its judgement dated. 27th March 2019 has held that the Company is not liable to pay NCCD, education, secondary and higher education cess; and set aside the orders of Division Bench of Nainital High Court and quashed the show cause notices. The Company has accordingly reversed the charge of ₹ 342 crore as an exceptional item in the current year.

6. Cash and cash equivalents

As on 31st March 2019, surplus cash and cash equivalents stood at ₹ 16,368 crore as against ₹ 15,542 crore as on 31st March 2018.

7. Other matters

As informed earlier, Shri Soumen Ray, currently Joint President (Finance), takes over as President (Finance) and CFO of the Company, with effect from 18th May 2019.

______________________
Kevin D'sa
President (Finance)
17th May 2019