BAJAJ
Distinctly Ahead

Bajaj Auto Limited
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Press Release

Results : Q1 / FY16

Turnover ⬆ 11%, PAT ⬆ 37%

Operating EBITDA margin at 21.1%

PAT* crosses ₹ 1,000 crore, first time ever !!!

A meeting of the Board of Directors of Bajaj Auto Limited was held today to consider and approve the results for Q1 / FY16.

The Company's strategy for growth in markets across the globe and increase of share in the domestic motorcycle market has yielded desired results. Export revenue recorded a growth of 17% over Q1 / FY15 while overall share in domestic market expanded by 300 bps, to 18% in Q1 / FY16.

This has been achieved without any compromise on margins.

Bajaj Auto delivered:–

- ✓ **Highest** ever
  - — **Profit before tax*** – **₹ 1,498** crore
  - — **Profit after tax*** – **₹ 1,015** crore
- ✓ Operating EBITDA – **₹ 1,190** crore v/s ₹ 1042 crore
- ✓ Operating EBITDA margin – **21.1%**

1. Performance highlights

Performance for Q1 / FY16 is better appreciated on comparison with the sequential results for Q4 / FY15.

₹ in crore	Q1 FY16	Q1 FY15	Q4 FY15	Q1 / FY16 v/s Q1 / FY15	Q1 / FY16 v/s Q4 / FY15	FY15
Sales (No's)	**1,013,029**	988,430	782,669	2%	**29%**	3,811,201
Turnover	**6,050**	5,472	4,894	11%	**24%**	22,194
Export revenue	**2,634**	2,251	2,091	17%	**26%**	9,758
Operating EBITDA (before MTM gain / loss)	**1,190**	1,042	937	14%	**27%**	4,429
Operating EBITDA % (before MTM gain / loss)	***21.1***	*19.7*	*19.4*			*20.3*
Profit before tax	**1,498**	1,075	922	39%	**62%**	4,085
Profit after tax	**1,015**	740	622	37%	**63%**	2,814

*** before exceptional item**

A summary of the results is given in Annexure I.

2. Motorcycles

Sold a total of 875,000 units in domestic and international market.

Q1 / FY16 reaped the benefits of the Company's overall strategy to reassert its dominance in the " Sports " and " Super Sports " segment and to further expand its share in the M1 – Mileage segment of the domestic motorcycle market.

i. Super sports segment

Bajaj is represented by Pulsar RS200 and KTM

- Pulsar RS200, launched in late March 2015, has been a star attraction, sold ~7,000 units in Q1 / FY16
- Together with KTM, Bajaj Auto **dominates this segment with sales of over 14,000 units in Q1 / FY16 and is a market leader with share of 59%**

ii. Sports segment

Bajaj is represented by Pulsar and Avenger

- In April 2015, the company launched the Pulsar AS150 and the Pulsar AS200 models, raising the performance bar for this category and sold over 21,000 units in Q1 / FY16
- Bajaj Auto continues to be a market leader in this segment with sales of over **158,000** units in Q1 / FY16 and a market share in excess of **43%**

iii. M1 Mileage segment

Bajaj is represented by CT100 and Platina

CT100, launched in February 2015, is currently amongst the **top 5 selling models** in India and sold over **173,000** units in Q1 / FY16

- With the successful launch of CT100 in this segment by Bajaj Auto, **the overall segment size grew by 300 bps to ~24%**
- CT100 and Platina, sold over **250,000** units in Q1 / FY16 and has **increased** share in domestic market from 26% in Q4 / FY15 to **over 39%** in Q1 / FY16

Thus, with the successful launch of new products, the company increased its overall share in the domestic market, by 300 bps, from 15% in Q4 / FY15 to 18% in Q1 / FY16 and is now a dominant player in three broad segments, representing ~40% of the total domestic market.

iv. M2 and M3 Mileage segment

Bajaj is represented by Discover

Q2 and Q3 / FY16 shall see the company play out its strategy in the M3 segment. The company has just launched the new Discover 125. While it is too early to draw any conclusion, dealer feedback for the new Discover 125 is positive.

3. Commercial Vehicle

Sold around 138,000 units in domestic and international market.

- Exports contribute over **60%** of our total commercial vehicle sales
- Continue to be a leader in the domestic market of this segment; overall share at **45%**
- Share in domestic market for petrol and alternate fuel passenger segment at **91%**
- Market leader in small diesel carriers; share in domestic market at **61%**
- Share in domestic market of big diesel carriers at **15%**

4. International Business

With exports of over 389,000 motorcycles and nearly 87,000 three-wheelers, this business now contributes nearly **47%** of our net sales.

- Exports, by value, grew by 17% to **₹ 2,634 crore**.

  In USD, the same grew by 10% to **$395 million**.

- For Q1 / FY16, the average realization was **₹ 63.9** / USD as against ₹ 62.8 / USD in Q4 / FY15 and ₹ 61.8 / USD in FY15

5. 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.

In this quarter, BAIH BV received a dividend of Euro 1.5 per share (Euro 7.8 million, i.e ₹ 56 crore) declared by KTM AG for the calendar year 2014.

During the quarter, BAIH BV also declared an interim dividend of Euro 2.5 per share in April 2015 and Euro 3.9 per share in June 2015. In total, for Q1 / FY16, Bajaj Auto has received a dividend income of Euro 12.7 million, i.e ₹ 89 crore.

6. Cash and cash equivalents

Cash and cash equivalents as on 30th June 2015 stood at **₹ 10,234** crore as against ₹ 8,455 crore as on 1st April 2015.

Kevin D'sa
President (Finance)
23rd July 2015.

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Annexure I

(₹ In Crore)

	Particulars	Quarter ended		Year ended
		30.06.2015 (Unaudited)	30.06.2014 (Unaudited)	31.03.2015 (Audited)
	Sales in numbers	**1,013,029**	**988,430**	**3,811,201**
1	**Income from operations**			
	(a) Gross sales	5,787.02	5,334.71	22,013.21
	Less: Excise duty	281.96	201.34	909.28
	Net sales	5,505.06	5,133.37	21,103.93
	(b) Other operating income	108.43	119.04	508.08
	Total income from operations (net)	**5,613.49**	**5,252.41**	**21,612.01**
2	**Expenses**			
	(a) Cost of materials consumed	3,404.58	3,363.11	13,752.79
	(b) Purchases of stock-in-trade	270.68	244.82	1,154.57
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	97.49	72.29	(57.56)
	(d) Employee benefits expense	243.74	214.57	897.30
	(e) Depreciation and amortisation	78.41	69.20	267.40
	(f) Other expenses	461.26	445.11	1,808.41
	(g) Expenses capitalised	(3.91)	(12.62)	(60.05)
	Total expenses	**4,552.25**	**4,396.48**	**17,762.86**
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	**1,061.24**	**855.93**	**3,849.15**
4	**Other income**	**436.81**	**219.27**	**582.42**
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	**1,498.05**	**1,075.20**	**4,431.57**
6	Finance costs	0.08	0.11	6.49
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	**1,497.97**	**1,075.09**	**4,425.08**
8	**Exceptional items**			
	NCCD payment	-	-	340.29
9	**Profit from ordinary activities before tax (7-8)**	**1,497.97**	**1,075.09**	**4,084.79**
10	Tax expense	483.17	335.11	1,271.05
11	**Net Profit from ordinary activities after tax (9-10)**	**1,014.80**	**739.98**	**2,813.74**