RESULT REVIEW

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

**HOLD**
**TP: Rs 9,686 | ⮝ 1%**

**BAJAJ AUTO** | Automobiles | 31 January 2026

# Healthy overall show; soft GST, supply chain issues ease help

- **Domestic volumes grew ~3% YoY, driven by CV at 9% YoY, 2W (2% YoY) offsetting prior slump. Exports rose 18% YoY, helping realisations gains**
- **Better product mix guard gross margins despite RM cost inflation; EBITDA margin at 20.5% vs 20.2% YoY (19.7% QoQ)**
- **We revise FY26E/FY27E/FY28E EPS upwards by 1%/2%, value BJAUT at 24x Sep'27 earnings, new TP at Rs 9,686 (vs Rs 9,474)**


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**Revenue growth led by mix and exports:** BJAUT's revenue surged ~19% YoY ~Rs152bn, aided by festive demand, GST-led momentum, and a richer product mix. Domestic volumes grew ~3% YoY, driven by CVs at 9% YoY, positive consumer sentiment, 2W (2% YoY) offsetting prior slump. Exports rose 18% YoY, while average realisation per vehicle up ~9% YoY to ~Rs113k, aided by premiumisation (125cc+ focus, KTM exports +15% YoY) and favourable FX (Rs88.3/USD).

**EBITDA expands despite inflationary pressures:** Raw material (RM) costs (as % of sales) fell ~117bps YoY to 70.1%, despite ~50–60bps double digit inflation from noble metals (rhodium/platinum/palladium), copper/aluminium/lead hardening (steel stable). Gross margins flat QoQ, add 120 bps YoY to 29.9%. EBITDA margin gained YoY to 20.8% vs 20.2/20.5% YoY/QoQ) aided by favourable currency, PLI benefits and better product mix offsetting commodity pressures, festive marketing, and EV scale-up drag. Partial pricing actions in Jan'26 to cover ~half the inflation.

**Exports sustain with diversification:** Export volumes grew 18% YoY to >600k units, with revenue higher. Growth was broad-based with BJAUT growing 15% in top 30 markets; Nigeria doubled QoQ, but fell YoY; LATAM growth was led by Colombia and Mexico; Brazil subsidiary turned profitable with sales close to~10k. CV exports rose 56% YoY. KTM Austria exports grew 15% YoY and expected to continue.

**Launch and refreshes to gain momentum:** BJAUT's 2W strategy focuses on market share gain and premiumisation. Full portfolio refresh is underway for Pulsar lineup with 7 refreshers since Nov' 25 and 8 more planned for the next 4-5 months.

**Retain earnings; maintain HOLD:** We retain our FY26/FY27/FY28 EPS estimates, factoring in BJAUT's improving domestic market growth in the key 2W segment. We expected higher volume estimates to factor in the GST benefits and receding supply chain issues (rare-earth magnet shortage). 2W EV focus may offset gains partially. EBITDA/PAT 3Y CAGR is at 12%/11%. To factor the growth momentum in domestic markets, traction in exports and focus on EV segment, we value the stock at 24x P/E Dec 2027 earnings and arrive at TP of Rs 9,686 (vs Rs 9,474). Maintain HOLD.

## Key changes

| Target | Rating |
|---|---|
| ▲ | ◀ ▶ |

| | |
|---|---|
| Ticker/Price | BJAUT IN/Rs 9,598 |
| Market cap | US$ 30.2bn |
| Free float | 46% |
| 3M ADV | US$ 35.4mn |
| 52wk high/low | Rs 9,888/Rs 7,089 |
| Promoter/FPI/DII | 54%/10%/13% |

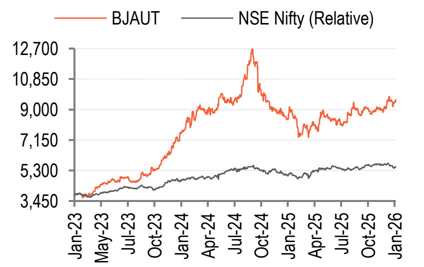
Source: NSE | Price as of 30 Jan 2026

## Key financials

| Y/E 31 Mar | FY25A | FY26E | FY27E |
|---|---|---|---|
| Total revenue (Rs mn) | 5,00,103 | 5,58,943 | 6,24,800 |
| EBITDA (Rs mn) | 1,00,988 | 1,15,419 | 1,30,744 |
| Adj. net profit (Rs mn) | 83,627 | 92,098 | 1,04,889 |
| Adj. EPS (Rs) | 292.0 | 329.9 | 375.7 |
| Consensus EPS (Rs) | 292.0 | 341.2 | 389.3 |
| Adj. ROAE (%) | 31.6 | 30.7 | 31.2 |
| Adj. P/E (x) | 32.9 | 29.1 | 25.5 |
| EV/EBITDA (x) | 27.8 | 24.1 | 21.2 |
| Adj. EPS growth (%) | 11.8 | 10.1 | 13.9 |

Source: Company, Bloomberg, BOBCAPS Research

## Stock performance




Source: NSE

**Fig 1 – Earnings call highlights**

| Parameter | Q3FY26 | Q2FY26 | Our view |
|---|---|---|---|
| Volumes | Domestic motorcycle industry sustained strong momentum post-GST rationalisation: 12–15% YoY growth in Q3 (vs. –3% in Q2); 125cc+ segment growing faster (150cc+ even stronger). BJAUT pointed the arrest of prior market share erosion; gains accelerated in 125cc+ (esp. 150cc+ sports) via 7 interventions (upgrades/refreshes) since Nov'25 + 8 more planned in next 4–5 months. Pulsar portfolio fully refreshed (OG, N-series, NS-series). Expect double-digit growth in 125cc+; industry to continue 12–15% in near-term. Total volumes ~10% YoY to ~1.35mn units. | GST rate cuts implementation and festive season drove 40-day festive surge. BJAUT's motorcycles segment also achieved high retail volumes/revenue in festive period, arresting prior market share erosion and aiding gains in strategic 125cc+ segment (especially 150cc+ sports). Pulsar N/NS series outperformed segment growth as affluent customers upgraded to top variants. Volume likely to moderate in November/December, but medium-term industry growth is projected at 6-8%; BJAUT aims to outpace in 125cc+ with new variants in next 2-3 months. | Heavy focus on the scooter segment continues through the EV portfolio. This, alongside motorcycle volume, will continue to help volume gains in Q4FY26 and further. Further, with strong exports momentum from 2W/3W gains, BJAUT is expected to gain momentum and catch up with the missed volume rally. |
| Exports | Export volumes >600k units (highest in 15 quarters; last in Q3FY22) sustaining +200k plus run rate; 18% YoY growth in volumes (revenue growth higher due to mix and currency tailwinds). Top 30 markets (75% EM) +10% growth; BJAUT grew 15% leading to MS gain. Nigeria volumes doubled QoQ but down YoY. Weight of Nigeria in portfolio halved YoY (portfolio ex-Nigeria at all-time high). Latam delivered strong performance (Colombia/Mexico); Brazil close to ~10k units (subsidiary now profitable). CV exports grew +56% YoY broad-based across markets. KTM Austria exports +15% YoY similar run rate is expected to sustain; highest-ever USD topline expected in FY26. | Export volumes surged 24% YoY to >550k units (2W: +19%; CV: +67%) helping strong quarterly export revenue. Top 30 markets (70% EM portfolio) grew 14%; BJAUT outpaced at 1.5x industry, gaining market share. LATAM record highs (Colombia/Mexico-led); Brazil >8k units with expanded capacity and high localisation, October retail crossed >3k units, now profitable. Asia/Africa at double-digit growth (Sri Lanka, Philippines, East Africa strong); Nigeria steady (recovery still underway as Nov-Dec is festive season). CV segment delivered +67% YoY from development efforts. KTM Austria seeing +10% QoQ sales growth, with ~20k India-made units exported. October exports hit 200k (non-Nigeria swing from prior 50-60k Nigeria dependency). | Exports revival encouraging, will contribute to volume growth and offset softness in domestic volumes. Faster revival of KTM overseas subsidiary will further help exports. Currency tailwinds an additional help, offsetting commodity cost inflation. BJAUT also tends to benefit from lower tariffs in the key Mexican markets over competition. Lower dependence of Nigeria should only add cushion. |
| Three-wheelers (3W) | GST rationalisation drove industry reversal: ICE segment moved from –4% to +4–5% growth; EVs sustained 50%+ growth driving the sector. BJAUT continues to dominate, maintaining 70%+ ICE market share and 85%+ CNG MS. E-auto volumes were at the highest-ever levels in retail, exited Dec as No.1 player. Possess a wide and diversified EV portfolio (battery sizes 9–18 kWh, largest in industry). E-Riki (L3 e-rickshaw) seeded across ~50 cities (North/East); focus currently on playbook development, scale up is planned from Q1FY27. Launched 2 passenger variants and introduced cargo variant (Riki C4005) in Q3FY26. | 3W industry shifted from YTD decline to single-digit October growth; e-auto +50% YoY, but e-rickshaw dipped on RTO restrictions. BJAUT hit record ~144k units, with 75% ICE share. EV share slipped (~15% shortfall from target) from 7012 variant supply constraints (key components); 3W manufacturing running at peak capacity with the surge in export. Expanding e-auto/EV capacity in next few months. Post-supply chain easing, expect e-auto to pick-up. GST cut lifts ICE +5pp. Extensive portfolio expected to outpace industry; recent rickshaw launched with ~500 units sold in 8 cities with positive feedback, open avenue for large profit/revenue pool capture. Management expects >100k quarterly run-rate. | Continues leadership in the 3-W segment and only consolidaiting its position in the segment. Indicating beyond the short-term challenges, BJAUT is well poised for strong growth in the 3W segment. |
| Electric and CNG | EVs contributed ~25% of domestic revenue. Both e2W and e3W crossed Rs10bn | EV portfolio performed robustly, despite lingering supply chain constraints (rare earth | Easing of supply chain disruption in earth magnet products have helped |

| Parameter | Q3FY26 | Q2FY26 | Our view |
|---|---|---|---|
| vehicles (EV) | quarterly revenue each for the first time. Chetak volumes grew 70% QoQ, as supply chain normalised; ~500bps MS regained, returning to leadership cluster. Network expanded to ~450 exclusive stores, 4,000 touchpoints across ~800 towns. New Chetak C25 launched at Rs91,399. Aggregate EV business now delivers double-digit EBITDA margins; e-2W EBITDA breakeven achieved. | resolved, but 7,012 variant components limited); cumulative revenue generated of Rs100bn over 2 years. EV revenue in Q2FY26 was 18% of domestic revenue at Rs 17bn. Strong festive retail recorded in e2W/e3W; Chetak momentum softened post GST cut.<br>Freedom (CNG) initial pickup has moderated constrained by limited infra. Aim is to shift focus to states with dense CNG network | inroads in the EV segment further. The leverage has helped partially mitigate the impact on margins. CNG product response is below the initially anticipated stronger response. |
| Currency | USD/INR realization averaged Rs88.3 (vs Rs84.3 YoY; Rs87.1 in QoQ), providing ~60bps margin tailwind due to favourable currency movement and operating leverage. Management also reinvested part of currency gains into overseas geographies. | Rupee weakened, leading to USD/INR realisation averaging Rs 87.1, up from Rs 85.6 in Q1FY26 and Rs 83.8 in Q2FY25. The higher realisation supported export profitability and offset a part of commodity and logistics cost pressures. | Tailwinds in the currency were expected in the medium term as indicated by currency movement in the recent pass. |
| Commodities | Net RM inflation ~50bps in Q3, driven by sharp rise in noble metals (platinum, palladium, rhodium – double digit); copper, aluminium, lead also firmed. No pricing taken in Q3 (deferred to Jan'26). Q4 inflation expected 50–60bps, with ~50% pricing action taken, balance will be monitored on the base of developments. | Commodity cost inflation was impacted by 40 bps in Q2YF26. Driven by increase in steel, noble metals (rhodium, platinum), copper & rubber. Inflation was offset via pricing actions, cost savings and operating leverage. | Commodity costs inched up since since couple of quarters. BJAUT had continued volume momentum with minimum pass thru,however have taken pricing uptick to the extent of 50% cost inflation. |
| Cash position | Cash surplus ~Rs150bn. 9MFY26 FCF generated was ~Rs52bn (+70% YoY). Rs23bn invested into BIHBV (KTM funding) and BACL growth. | FCF generated in H1FY26 was ~ Rs 45bn. Cash surplus at Q2YF26 was Rs 140bn after 2 major outflows: i) dividend payout ii) Rs 20bn investment (Rs 15bn in BACL, Rs 5bn KTM acquisition). | The company's healthy balance sheet can facilitate further investments with ease, especially in the capex-intensive EV space. |
| Key product segments | Pro-Biking (KTM + Triumph): reported ~35k domestic sales (+50% YoY). KTM Adventure portfolio grew ~4x YoY, Duke series have grown +30%. Triumph growth is steady despite being on the unfavored end of GST rationalization. Joint KTM-Triumph showrooms scaled to ~50, targeting 100 by Mar'26. Spares revenue ~Rs18bn (+18% YoY).<br>BACL: AUM ~Rs165bn, PAT Rs2bn (+52% QoQ), ROE ~21%, CAR ~19.8%, penetration ~45%.<br>KTM AG: Bajaj stake increased to 75% (Nov'25); turnaround underway (liquidity secured, management rebuilt, cost & synergy programs launched). | Pro biking: Triumph and KTM continue to scale up. Bajaj is working to recalibrate both brands with <350cc engine displacements to qualify for the revised GST benefits. In Mexico while most OEMs will face a 35% import duty, Bajaj secured a concessionary 5% tariff due to prior approved investments and local assembly.<br>BACL: AUM was ~Rs 140bn, CAR at 19.8% and ROE at ~17.5%. Financing penetration stands at ~70% for motorcycles (BACL share ~40%) and ~95% for three-wheelers (BACL share ~50%). | Faster revival of the global KTM subsidiary business will be handy for exports. Festive season and better monsoon fuel expectations. |

Source: Company, BOBCAPS Research

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### Fig 2 – Quarterly performance

| (Rs mn) | Q3FY26 | Q3FY25 | YoY (%) | Q2FY26 | QoQ (%) | Q3FY26E | Deviation (%) |
|---|---|---|---|---|---|---|---|
| Volume (nos) | 13,41,252 | 12,24,472 | 9.5 | 12,94,120 | 3.6 | 13,41,252 | 0.0 |
| Avg. Realisation per Vehicle (Rs) | 1,13,479 | 1,04,591 | 8.5 | 1,15,307 | (1.6) | 1,03,545 | (8.8) |
| Net Revenues | 1,52,203 | 1,28,069 | 18.8 | 1,49,221 | 2.0 | 1,38,880 | (8.8) |
| **Total Income (A)** | **1,52,203** | **1,28,069** | **18.8** | **1,49,221** | **2.0** | **1,38,880** | **(8.8)** |
| **Operating Expenses** | | | | | | | |
| Raw materials consumed | 1,06,755 | 91,327 | 16.9 | 1,04,556 | 2.1 | 99,250 | (7.0) |
| Employee Expenses | 4,194 | 3,865 | 8.5 | 4,097 | 2.4 | 4,127 | (1.6) |
| Other Expenses | 9,649 | 7,070 | 36.5 | 10,051 | (4.0) | 9,557 | (1.0) |
| **Total Expenditure (B)** | **1,20,598** | **1,02,261** | **17.9** | **1,18,704** | **1.6** | **1,12,933** | **(6.4)** |
| **EBITDA (A-B)** | **31,605** | **25,807** | **22.5** | **30,517** | **3.6** | **25,947** | **(17.9)** |
| Other Income | 3,420 | 3,347 | 2.2 | 3,692 | (7.4) | 3,766 | 10.1 |
| Depreciation | 1,119 | 997 | 12.3 | 1,117 | 0.2 | 1,129 | 0.9 |
| EBIT | 33,905 | 28,158 | 20.4 | 33,091 | 2.5 | 28,583 | (15.7) |
| Finance Costs | 26 | 143 | (82.1) | 144 | (82.2) | 151 | 489.8 |
| PBT after excep items | 34,493 | 28,015 | 23.1 | 32,948 | 4.7 | 28,432 | (17.6) |
| Tax expense | 8,238 | 6,927 | 18.9 | 8,150 | 1.1 | 6,539 | (20.6) |
| **Reported PAT** | **26,255** | **21,087** | **24.5** | **24,797** | **5.9** | **21,893** | **(16.6)** |
| **Adjusted PAT** | **25,641** | **21,087** | **21.6** | **24,797** | **3.4** | **21,893** | **(14.6)** |
| EPS (Rs) | 72.4 | 72.9 | (0.6) | 85.7 | (15.5) | 75.7 | 4.5 |
| **Key Ratios (%)** | | | **(bps)** | | **(bps)** | | **(bps)** |
| Gross Margin | 29.9 | 28.7 | 117.1 | 29.9 | (7.2) | 28.5 | (132) |
| EBITDA Margin | 20.8 | 20.2 | 61.4 | 20.5 | 31.4 | 18.7 | (208) |
| EBIT Margin | 22.3 | 22.0 | 29.0 | 22.2 | 10.0 | 20.6 | (169) |
| PBT Margin | 22.3 | 21.9 | 38.5 | 22.1 | 18.0 | 20.5 | (179) |
| Tax Rate | 23.9 | 24.7 | (84.3) | 24.7 | (85.3) | 23.0 | (88) |
| Adj PAT Margin | 16.8 | 16.5 | 38.1 | 16.6 | 22.9 | 15.8 | (108) |

Source: Company, BOBCAPS Research

## Valuation Methodology

We retain our FY26/FY27/FY28 EPS estimates, factoring in BJAUT's improving domestic market growth in the key 2W segment. We expected higher volume estimates to factor in the GST benefits and receding supply chain issues (rare-earth magnet shortage). 2W EV focus may offset gains partially.

Intense competition leading to margin pressures from the EV space will be a key concern. Further, the expanding presence in the high-end ICE motorcycle business getting tepid response does not augur well. However, to offset this support will be extended from a strong presence in the 3W space, both in the ICE and EV segments and strong export momentum. Additionally, the strong presence in the core 125cc+ segment (Puslar a strong brand) will help boost and offset the concerns in EV and premium biking These will be the key monitorable for the stock.

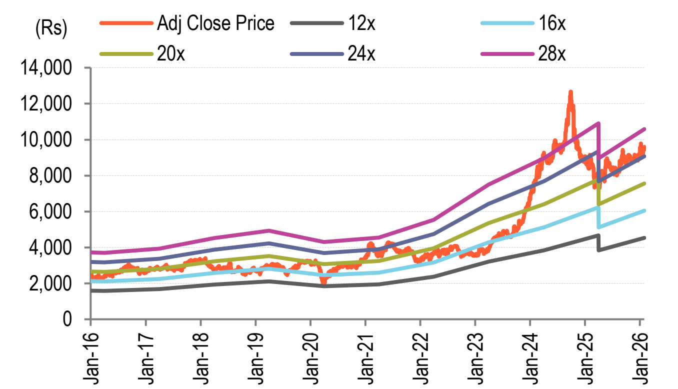
EBITDA/PAT 3Y CAGR at 12%/11%. To factor the growth momentum in domestic markets, traction in exports and focus on EV segment, we value the stock at 24x P/E Dec'27 earnings and arrive at TP of Rs 9,686 (vs Rs 9,474). Maintain HOLD.

**Fig 3 – Key assumptions**

| | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|
| 2W volume (nos) | 39,82,329 | 41,81,445 | 44,74,147 | 46,97,854 |
| 3W volume (nos) | 6,68,657 | 8,02,388 | 8,82,627 | 9,70,890 |
| ASP (Rs) (average) | 1,07,838 | 1,12,151 | 1,16,637 | 1,20,136 |
| Revenues (Rs mn) | 5,00,103 | 5,58,943 | 6,24,800 | 6,81,023 |
| EBITDA (Rs mn) | 1,00,988 | 1,15,419 | 1,30,744 | 1,44,566 |
| EBITDA margin (%) | 20.2 | 20.6 | 20.9 | 21.2 |
| Adj. PAT (Rs mn) | 83,626 | 92,097.8 | 1,04,888.9 | 1,15,901.9 |
| EPS (Rs) | 307.1 | 329.9 | 375.7 | 415.2 |

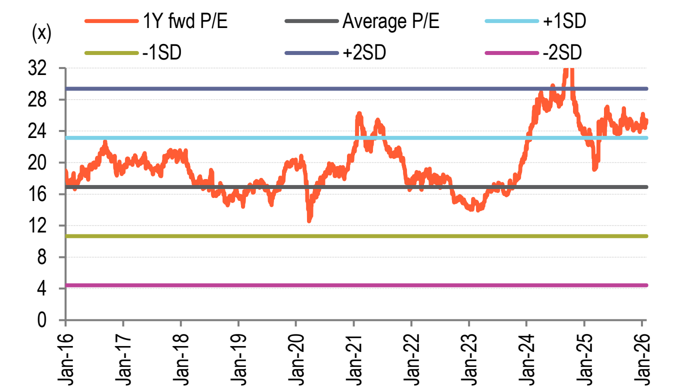
Source: Company, BOBCAPS Research

**Fig 4 – P/E band: The stock has moderated of late, but leaves limited investment opportunity…**




Source: Company, Bloomberg, BOBCAPS Research

**Fig 5 – … and trades above +1SD, which we feel is unjustified**




Source: Company, Bloomberg, BOBCAPS Research

## Key Upside/Downside Risks

- Higher commodity price, inflating more than our assumptions.
- Market share gains, especially in the high-end motorcycle segment.
- Better-than-expected relief (cost and price) in the EV segment.

# Financials

### Income Statement

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| **Total revenue** | **4,46,852** | **5,00,103** | **5,58,943** | **6,24,800** | **6,81,023** |
| EBITDA | 88,229 | 1,00,988 | 1,15,419 | 1,30,744 | 1,44,566 |
| Depreciation | 3,498 | 4,001 | 4,254 | 4,695 | 5,136 |
| EBIT | 98,755 | 1,11,196 | 1,22,967 | 1,38,565 | 1,53,035 |
| Net interest inc./(exp.) | (535) | (677) | (573) | (599) | (626) |
| Other inc./(exp.) | 14,025 | 14,209 | 11,803 | 12,516 | 13,605 |
| Exceptional items | 0 | (2,113) | 0 | 0 | 0 |
| EBT | 98,220 | 1,08,406 | 1,22,394 | 1,37,966 | 1,52,409 |
| Income taxes | 23,432 | 26,892 | 30,297 | 33,077 | 36,507 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 0 | 0 | 0 | 0 | 0 |
| **Reported net profit** | **74,788** | **81,514** | **92,098** | **1,04,889** | **1,15,902** |
| Adjustments | 0 | 2,113 | 0 | 0 | 0 |
| **Adjusted net profit** | **74,788** | **83,627** | **92,098** | **1,04,889** | **1,15,902** |

### Balance Sheet

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Accounts payables | 56,102 | 49,710 | 58,532 | 64,019 | 70,543 |
| Other current liabilities | 21,241 | 30,088 | 34,492 | 38,869 | 42,830 |
| Provisions | 1,891 | 2,515 | 2,299 | 2,629 | 2,897 |
| Debt funds | 9,599 | 9,276 | 1,404 | 1,544 | 1,699 |
| Other liabilities | 0 | 0 | 0 | 0 | 0 |
| Equity capital | 2,792 | 2,792 | 2,792 | 2,792 | 2,792 |
| Reserves & surplus | 2,45,813 | 2,62,200 | 2,97,123 | 3,33,454 | 3,71,971 |
| Shareholders' fund | 2,48,605 | 2,64,992 | 2,99,915 | 3,36,246 | 3,74,763 |
| **Total liab. and equities** | **3,37,437** | **3,56,581** | **3,96,642** | **4,43,308** | **4,92,732** |
| Cash and cash eq. | 5,366 | 4,696 | 7,587 | 3,281 | 3,623 |
| Accounts receivables | 21,224 | 22,826 | 29,490 | 35,674 | 39,354 |
| Inventories | 16,956 | 19,579 | 22,118 | 25,945 | 28,621 |
| Other current assets | 20,586 | 47,106 | 32,089 | 34,974 | 38,304 |
| Investments | 2,44,925 | 2,35,702 | 2,61,277 | 2,95,008 | 3,30,503 |
| Net fixed assets | 31,987 | 47,986 | 52,731 | 57,036 | 60,899 |
| CWIP | 274 | (12,196) | 427 | 427 | 427 |
| Intangible assets | 0 | 0 | 0 | 0 | 0 |
| Deferred tax assets, net | (5,069) | (9,118) | (9,428) | (9,738) | (10,048) |
| Other assets | 1,188 | 0 | 350 | 700 | 1,050 |
| **Total assets** | **3,37,437** | **3,56,581** | **3,96,642** | **4,43,308** | **4,92,732** |

### Cash Flows

| Y/E 31 Mar (Rs mn) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| **Cash flow from operations** | **81,888** | **46,264** | **1,02,449** | **93,418** | **1,07,527** |
| Capital expenditures | (7,780) | (7,530) | (21,623) | (9,000) | (9,000) |
| Change in investments | (15,692) | 9,223 | (25,574) | (33,732) | (35,494) |
| Other investing cash flows | 14,025 | 14,209 | 11,803 | 12,516 | 13,605 |
| **Cash flow from investing** | **(9,447)** | **15,902** | **(35,394)** | **(30,215)** | **(30,890)** |
| Equities issued/Others | 825 | 293 | (1,156) | 0 | 0 |
| Debt raised/repaid | 8,357 | (323) | (7,872) | 140 | 154 |
| Interest expenses | (535) | (677) | (573) | (599) | (626) |
| Dividends paid | (39,602) | (58,640) | (65,677) | (73,558) | (82,385) |
| Other financing cash flows | 1,618 | 4,048 | 310 | 310 | 310 |
| **Cash flow from financing** | **(29,337)** | **(55,299)** | **(74,968)** | **(73,706)** | **(82,546)** |
| **Chg in cash & cash eq.** | **43,104** | **6,867** | **(7,913)** | **(10,504)** | **(5,909)** |
| **Closing cash & cash eq.** | **5,366** | **4,696** | **7,587** | **3,281** | **3,623** |

### Per Share

| Y/E 31 Mar (Rs) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Reported EPS | 267.9 | 299.5 | 329.9 | 375.7 | 415.2 |
| Adjusted EPS | 267.9 | 292.0 | 329.9 | 375.7 | 415.2 |
| Dividend per share | 141.9 | 210.0 | 235.2 | 263.5 | 295.1 |
| Book value per share | 890.5 | 949.2 | 1,074.3 | 1,204.4 | 1,342.4 |

### Valuations Ratios

| Y/E 31 Mar (x) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| EV/Sales | 6.3 | 5.6 | 5.0 | 4.4 | 4.1 |
| EV/EBITDA | 31.9 | 27.8 | 24.1 | 21.2 | 19.2 |
| Adjusted P/E | 35.8 | 32.9 | 29.1 | 25.5 | 23.1 |
| P/BV | 10.8 | 10.1 | 8.9 | 8.0 | 7.1 |

### DuPont Analysis

| Y/E 31 Mar (%) | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Tax burden (Net profit/PBT) | 76.1 | 77.1 | 75.2 | 76.0 | 76.0 |
| Interest burden (PBT/EBIT) | 99.5 | 97.5 | 99.5 | 99.6 | 99.6 |
| EBIT margin (EBIT/Revenue) | 22.1 | 22.2 | 22.0 | 22.2 | 22.5 |
| Asset turnover (Rev./Avg TA) | 174.0 | 187.8 | 194.2 | 195.5 | 190.7 |
| Leverage (Avg TA/Avg Equity) | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Adjusted ROAE | 29.7 | 32.6 | 32.6 | 33.0 | 32.6 |

### Ratio Analysis

| Y/E 31 Mar | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| **YoY growth (%)** | | | | | |
| Revenue | 22.7 | 11.9 | 11.8 | 11.8 | 9.0 |
| EBITDA | 34.7 | 14.5 | 14.3 | 13.3 | 10.6 |
| Adjusted EPS | 35.4 | 11.8 | 10.1 | 13.9 | 10.5 |
| **Profitability & Return ratios (%)** | | | | | |
| EBITDA margin | 19.7 | 20.2 | 20.6 | 20.9 | 21.2 |
| EBIT margin | 22.1 | 22.2 | 22.0 | 22.2 | 22.5 |
| Adjusted profit margin | 16.7 | 16.7 | 16.5 | 16.8 | 17.0 |
| Adjusted ROAE | 30.1 | 31.6 | 30.7 | 31.2 | 30.9 |
| ROCE | 29.3 | 31.4 | 32.2 | 33.0 | 32.6 |
| **Working capital days (days)** | | | | | |
| Receivables | 16 | 16 | 17 | 19 | 20 |
| Inventory | 13 | 13 | 14 | 14 | 15 |
| Payables | 56 | 55 | 50 | 51 | 51 |
| **Ratios (x)** | | | | | |
| Gross asset turnover | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 |
| Current ratio | 0.8 | 1.1 | 1.0 | 0.9 | 0.9 |
| Net interest coverage ratio | (184.6) | (164.2) | (214.6) | (231.4) | (244.5) |
| Adjusted debt/equity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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**BUY** – Expected return >+15%
**HOLD** – Expected return from -6% to +15%
**SELL** – Expected return <-6%
**Note:** Recommendation structure changed with effect from 21 June 2021

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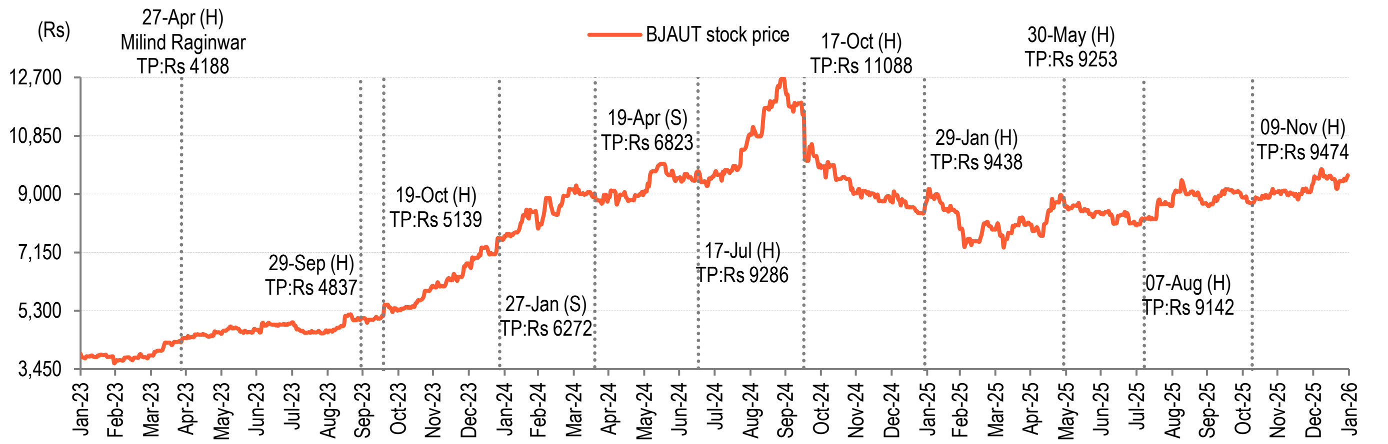
**Ratings and Target Price (3-year history): BAJAJ AUTO (BJAUT IN)**

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