BOBCAPS
TRUST | INNOVATION | EXCELLENCE

**HOLD**
**TP: Rs 10,958 | ▲ 5%**

**BAJAJ AUTO** | Automobiles | 22 July 2026

## Strong show; well defined strategy to mitigate challenges

- **Strong execution across exports and EV with gradual domestic recovery drive volume and revenue up ~29%/37%; Supply chain impact of 10-15%**
- **EBITDA grew ~45% despite cost inflation exceeding expectation at 4.5%; Management confident of growth backed by product launches**
- **Revise FY27E/FY28E/FY29E EPS upwards by 1%/2%; and value BJAUT at 24x Jun 2028 earnings Revised TP at Rs 10,958 (vs Rs 10,490) HOLD**

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**Strong growth all over with pricing gains:** Revenue growth was strong at 37% YoY to Rs172.4bn in Q1FY27 driven by volumes of ~1.49mn units up 29% YoY, strong domestic demand, and continued improvement in product mix. All segments 2W/3W, ICE/EV and domestic/export businesses supported performance. Average realisation improved on the back of premium motorcycles, higher EV contribution (~30% of domestic revenues), healthy exports and USD/INR realisation.

**Commodity inflation circumvented:** Gross margins remained resilient at 29.1%, as higher realisations, favourable currency, operating leverage, pricing actions and cost-saving initiatives aid to offset elevated commodity costs. EBITDA rose ~45% YoY to ~Rs36bn, with margins expanding to 20.9% (+110bps YoY; +10bps QoQ), while PAT increased by ~42% YoY to ~Rs30bn, reflecting healthy operating leverage and strict cost management. However, cost inflation to reflect fully in Q2,

**Exports achieved another record quarter:** Exports were at ~723k units, supported by recovery across key geographies. Africa rebounded sharply (Nigeria up 3x YoY), CV exports grew nearly 70% YoY despite logistical disruptions in the MENA region. Continued market share gains, improving geographic diversification and favourable currency trends remain key growth drivers for the export franchise.

**EV strategy continues to strengthen**: The EV business continued to scale rapidly, with Chetak delivering record volumes and profitability despite capacity constraints. The e-3W franchise revenue grew ~80% YoY, and volumes at 2/3rd of ICE 3W volumes. Investments in EV capacity expansion and network growth augurs well.

**Retain earnings; maintain HOLD:** We revise FY27E/FY28E/FY29E EPS upwards by 1-2%, factoring in BJAUT's improving domestic and exports market growth in the key 2-W segment. The strong strategy of BJAUT with better product mix aided by premiumisation, export focus, well planned EV strategy driven by 2W/3W and tapping the niche segment with KTM/Triumph focus will help in the long term. Our EBITDA/PAT 3Y CAGR is at 13%/11%. We value the stock at 24x P/E with rollover to Jun 2028E and arrive at a revised TP of Rs 10,958 (Rs 10,490). Maintain HOLD.

### Key changes

| Target | Rating |
|---|---|
| ▲ | ◄ ► |

| | |
|---|---|
| Ticker/Price | BJAUT IN/Rs 10,404 |
| Market cap | US$ 31.7bn |
| Free float | 46% |
| 3M ADV | US$ 44.6mn |
| 52wk high/low | Rs 10,834/Rs 7,859 |
| Promoter/FPI/DII | 54%/10%/13% |

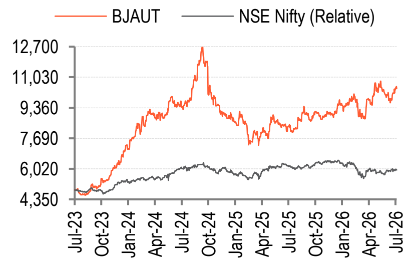
Source: NSE | Price as of 21 Jul 2026

### Key financials

| Y/E 31 Mar | FY26A | FY27E | FY28E |
|---|---|---|---|
| Total revenue (Rs mn) | 5,87,325 | 6,68,813 | 7,45,836 |
| EBITDA (Rs mn) | 1,20,166 | 1,37,387 | 1,55,077 |
| Adj. net profit (Rs mn) | 98,485 | 1,11,075 | 1,24,308 |
| Adj. EPS (Rs) | 351.5 | 397.4 | 444.8 |
| Consensus EPS (Rs) | 351.5 | 402.9 | 455.4 |
| Adj. ROAE (%) | 28.2 | 26.6 | 25.3 |
| Adj. P/E (x) | 29.6 | 26.2 | 23.4 |
| EV/EBITDA (x) | 25.2 | 22.2 | 19.7 |
| Adj. EPS growth (%) | 17.6 | 12.8 | 11.9 |

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

### Stock performance




Source: NSE

**Fig 1 – Earnings call highlights**

| Parameter | Q1FY27 | Q4FY26 | Our view |
|---|---|---|---|
| Volumes | BJAUT volumes came at ~1.4mn units (+29% YoY), despite disruptive supply-chain, logistics issues and a ransomware attack, which together constrained production by ~10-15%. Domestic motorcycle growth moderates, although the refreshed Pulsar N & NS portfolio continued to outperform, contributing ~60% of premium Pulsar sales. BJAUT indicated volumes could have crossed ~1.5mn units in absence of supply constraints. The company plans to complete the premium portfolio refresh within the next six weeks through an all-new Pulsar 150, multiple upgrades across the 160–400cc range and a new Pulsar 125 platform, followed by two new brands in the 125cc segment later during FY27. | BJAUT reported ~24% YoY growth in total volumes to ~1.37mn units, supported by strong traction in Pulsar portfolio upgrades. The refreshed Pulsar (N & NS series) continues growing at ~2x industry rate, with 10+ interventions contributing ~50% of sales. Growth in domestic motorcycle industry will likely decelerate, moderating from ~20% YoY in Q4 to an estimated 7–9% near-term growth, driven by price hikes (partial reversal of GST benefits), inflationary pressures, and weak consumer sentiment amid LPG shortages and rural disruptions. Despite this, growth remains structurally skewed towards premium segments, with 125cc+ and particularly 150cc+ expected to outperform. | New launches and upgrades in the Pulsar 125+cc segment will only help buoy the dull demand and will overcome the brand fatigue and likely to boost the domestic motorcycle volume from H2FY27. Additionally, a strong focus on scooters via EV portfolio will help offset lull in 100cc segment. This, alongside premium motorcycle segment volume, will continue to help growth in a challenging FY27.<br><br>Further, with strong exports momentum from 2W/3W gains, BJAUT is expected to pick up pace and catch up with the volume rally. |
| Exports | Exports delivered another strong with ~732k units (+30% YoY) and ~USD735k revenue, contributing ~40% of total revenues. Growth remained broad-based across Africa, LATAM and Asia (excluding MENA), with Africa growing ~2x industry led by Nigeria (retail market share ~60%) and Boxer Heavy Duty. Brazil retail expanded 50%+ YoY, supported by healthy subsidiary profitability and network expansion. KTM exports grew >20% YoY, Triumph exports >40% YoY. 3W exports crossed 100k units (+70% YoY). Management expects exports to sustainably exceed 250k units/month from Q2 onwards. | Exports volumes sustained >600k units for the second consecutive quarter (+25% YoY) and revenues at ~USD 2.2bn annualised. Growth was broad-based across regions, led by strong momentum in LATAM (11 consecutive quarters of growth), while Asia (Sri Lanka, Philippines, Nepal) continued the double-digit expansion. Nigeria, despite operating at ~50% of peak, showed early signs of stabilisation (~100k quarterly volumes) with Bajaj maintaining ~50% retail market share. KTM exports revived sharply (~17.5k units vs near-zero YoY), while Brazil scaled up to ~10k quarterly units, supported by capacity expansion and network ramp-up. | Exports revival encouraging, will contribute to volume growth and offset softness in domestic volumes. Currency tailwinds is an additional help, offsetting commodity cost inflation. BJAUT also tends to benefit from the lower tariffs in the key Mexican markets over competition. Revival in Nigeria key BJAUT market only adds comfort and will offset the middle east slow down. Faster revival of KTM overseas subsidiary will further help exports. |
| Three-wheelers (3W) | Domestic 3W industry grew ~11% YoY, supported by a doubling in electric auto sales. BJAUT recorded its highest-ever domestic billings and retail sales while retaining ~70% ICE market share and leadership in electric L5 vehicles. 3W exports crossed 100k units, while the electric RE (Riki) expanded to ~150 cities. Demand remained robust across both ICE and EV portfolios, although capacity constraints limited supplies. | The 3W segment delivered its strongest quarterly performance, with volumes growing ~28% YoY, crossing milestones of 500k units annually. Growth continues to be driven by structural demand expansion in last-mile mobility, particularly in semi-urban and rural markets. The ICE portfolio remains dominant with ~90% share in CNG, while the EV portfolio remained No.1 position in E3W registrations. The launch of larger-format EVs (e.g., high-range variants) aligns with the shift toward shared mobility needs (ticketing model). Launched WEGO P9018 (largest in industry, 17.7 kWh, 296 km range). E-rickshaw (Riki) in is available in 100+ cities. | Continues leadership in the 3-W segment and only consolidating its position in the segment. Indicating beyond the short-term challenges, BJAUT is well poised for strong growth in the 3W segment. Focus on adding new capacities to meet demand will help maintain the market share.<br><br>New launches in the 3W segment will only keep the excitement unabated. |
| Electric and CNG vehicles (EV) | EV portfolio now contributes ~30% of domestic revenues while generating double-digit EBITDA margins. Chetak volumes grew 65% YoY, materially ahead of industry growth, with EV penetration reaching ~25% | Chetak crossed 100k units in Q4FY26 for the first time and FY26 volumes exceeded 500k units. Revenue was >Rs 40bn. Market share improved to ~23% (+170bps QoQ), E-scooters grew 40% in Q4FY26 and growth has been | Easing of supply chain disruption in earth magnet products have helped inroads in the EV segment further. The leverage has helped partially mitigate the impact on margins. CNG product |

| Parameter | Q1FY27 | Q4FY26 | Our view |
|---|---|---|---|
| | of scooter sales. Chetak has now turned EBITDA positive. The newly launched Chetak 2501 targeted at young buyers already constitutes 12% of sales. | ~60% in April outpacing ICE scooters. The EV segment (2W + 3W) now contributes >20% of domestic revenues and has achieved double-digit EBITDA margins, with e-2W reaching breakeven. Exports foray has begun in select Sri Lanka, Nepal and Philippines. | response is below the initially anticipated stronger response. |
| Currency | The depreciating rupee continued providing earnings support, with realised USD/INR at ~94.4 vs 90.6 in Q4FY26 and 85.6 YoY. Furthermore, with ~40% of revenues contributed by exports favourable currency movements significantly offset the impact of elevated commodity inflation. | The INR depreciated significantly, leading to realisation at ~Rs90.6/USD (vs Rs88.3 QoQ; Rs86.5 YoY), providing a strong margin tailwind. The company remains unhedged, allowing the full benefit of currency movements. | Tailwinds in the currency were expected in the medium term, as indicated by the currency movement recently. This has come to be very handy in the overall improvement in the performance. |
| Commodities | Commodity inflation accelerated further to ~4.5% of revenue, exceeding the cumulative inflation seen during the previous two financial years. Steel prices rose >10%, aluminium, platinum and rhodium increased ~40%. Pricing actions offset almost half the inflation, with the remainder mitigated through currency gains, operating leverage and disciplined cost control. | Commodity inflation intensified sharply, with steel (~15%), copper (~20%), aluminium and noble metal (35%-45%). The net cost inflation impact is estimated at ~3.5–4% of revenue for Q1FY27, significantly higher than the prior quarters. BJAUT has implemented price hikes covering ~40% of inflation, with further mitigation via cost optimisation and discretionary spend control. | Commodity costs inflation impact will be reflected fully from Q2. BJAUT has healthy strategy of better product mix, operating leverage, focus on export and strong launch plan to mitigate the cost inflationary headwinds. |
| Cash position | Free cash flow remained robust at ~Rs23bn. Standalone cash stood at ~Rs210bn before paying ~Rs100bn towards dividend and buyback during July. Management expects cash to rebuild to ~Rs150bn by FY27-end through strong operating cash generation. | Cash surplus at FY26 exit was Rs 180bn and free cash was Rs 80bn. Rs 23bn has been invested in BACL and BAIHBV. The Board announced a 100% profit payout, including dividend (~Rs42bn) and buyback (~Rs56bn). | Healthy balance sheet can facilitate further investments with ease, especially in the capex-intensive EV space. |
| Key product segments | KTM turnaround continues with production normalising and inventories stabilising. Triumph and KTM together delivered nearly 40k domestic units (+50% YoY), while the combined dealership network expanded to ~210 outlets.<br><br>Spares business maintained revenues of ~Rs17bn.<br><br>BACL continued scaling strongly, with quarterly PAT exceeding Rs2.2bn (doubling YoY), AUM crossing Rs200bn (+70% YoY), ROE exceeding 25%, and CAR remaining healthy at 19% | Pro-Biking (KTM + Triumph) delivered strong domestic volumes (~43k units, +43% YoY). Triumph crossed 100k cumulative sales. Joint showroom network expanded (~90 stores). New product launches and platform expansion (incl. 350 cc variants) aimed to align with GST benefits.<br><br>BACL PAT for FY26 was ~Rs 6.7bn and AUM was ~Rs 190bn, while disbursements were ~Rs150bn. Customer base stands at 1.8mn while distribution present at 6.2k outlets.<br><br>Spares revenue was ~Rs 17bn (+16% YoY). | Faster revival of the global KTM subsidiary business will be handy for exports.<br><br>Other businesses are steady in pace spares revenue only to gain maintain with focus on premium bike segment. |

Source: Company, BOBCAPS Research

### Fig 2 – Quarterly performance

| (Rs mn) | Q1FY27 | Q1FY26 | YoY (%) | Q4FY26 | QoQ (%) | Q1FY27E | Deviation (%) |
|---|---|---|---|---|---|---|---|
| Volume (nos) | 14,38,251 | 11,11,237 | 29.4 | 13,71,058 | 4.9 | 14,38,251 | 0.0 |
| Avg. Realisation per Vehicle (Rs) | 1,19,894 | 1,13,247 | 5.9 | 1,16,739 | 2.7 | 1,18,490 | 1.2 |
| Net Revenues | 1,72,437 | 1,25,845 | 37.0 | 1,60,057 | 7.7 | 1,70,419 | 1.2 |
| **Total Income (A)** | **1,72,437** | **1,25,845** | **37.0** | **1,60,057** | **7.7** | **1,70,419** | **1.2** |
| **Operating Expenses** | | | | | | | |
| Raw materials consumed | 1,22,317 | 88,596 | 38.1 | 1,11,950 | 9.3 | 1,22,663 | (0.3) |
| Employee Expenses | 4,667 | 4,138 | 12.8 | 4,214 | 10.8 | 4,846 | (3.7) |
| Other Expenses | 9,499 | 8,293 | 14.6 | 10,666 | (10.9) | 10,975 | (13.4) |
| **Total Expenditure (B)** | **1,36,484** | **1,01,027** | **35.1** | **1,26,830** | **7.6** | **1,38,484** | **(1.4)** |
| **EBITDA (A-B)** | **35,953** | **24,818** | **44.9** | **33,227** | **8.2** | **31,935** | **12.6** |
| Other Income | 5,118 | 4,308 | 18.8 | 4,210 | 21.6 | 4,110 | 24.5 |
| Depreciation | 1,181 | 1,109 | 6.5 | 1,137 | 3.9 | 1,141 | 3.5 |
| **EBIT** | **39,891** | **28,017** | **42.4** | **36,300** | **9.9** | **34,904** | **14.3** |
| Finance Costs | 43 | 141 | (69.7) | 49 | (11.9) | 52 | (17.7) |
| PBT after excep items | 39,848 | 27,875 | 43.0 | 36,627 | 8.8 | **35,271** | 13.0 |
| Tax expense | 10,019 | 6,915 | 44.9 | 9,165 | 9.3 | 8,713 | 15.0 |
| **Reported PAT** | **29,828** | **20,960** | **42.3** | **27,461** | **8.6** | **26,558** | **12.3** |
| **Adjusted PAT** | **29,828** | **20,960** | **42.3** | **27,086** | **10.1** | **26,558** | **12.3** |
| EPS (Rs) | 106.7 | 72.4 | 47.3 | 93.6 | 14.0 | **91.8** | 16.3 |
| **Key Ratios (%)** | | | **(bps)** | | **(bps)** | | |
| Gross Margin | 29.1 | 29.6 | (53) | 30.1 | (99) | 28.0 | 104 |
| EBITDA Margin | 20.9 | 19.7 | 113 | 20.8 | 9 | 18.7 | 211 |
| EBIT Margin | 23.1 | 22.3 | 87 | 22.7 | 45 | 20.5 | 265 |
| PBT Margin | 23.1 | 22.2 | 96 | 22.6 | 46 | 20.5 | 266 |
| Tax Rate | 25.1 | 24.8 | 34 | 25.0 | 12 | 24.7 | 44 |
| Adj PAT Margin | 17.3 | 16.7 | 64 | 16.9 | 38 | 15.3 | 196 |

Source: Company, BOBCAPS Research

## Valuation Methodology

We revise FY27E/FY28E/FY29E EPS upwards by 1-2%, factoring in BJAUT's improving domestic and exports market growth in the key 2-W segment. The strong strategy of BJAUT with better product mix aided by premiumisation, export focus, well planned EV strategy driven by 2W/3W and tapping the niche segment with KTM/Triumph focus will help in the long term.

The strong penetration in the EV 2W space more intensely post the middle east crisis has helped BJAUT increasing its presence in the space. The operating leverage has been handy and partially mitigating the margin pressures. Further, an expanding presence in the high-end ICE motorcycle business gaining steady space, adds further respite. Strong presence in 3Ws, both in the ICE and EV segments and a strong momentum in exports are comforting with the latter helping with currency benefits. Additionally, the strong presence in the core 125cc+ segment (with new launches in the Pulsar brand) will help boost and offset the concerns in EVs and premium biking. These will be the key monitorable for the stock.

Our EBITDA/PAT 3Y CAGR is at 13%/11%. To factor in the growth momentum in domestic markets, traction in exports and a focus on EV segment we continue to value the stock at 24x P/E with rollover to Jun 2028E and arrive at a revised TP of Rs 10,958 (Rs 10,490). Maintain HOLD

**Fig 3 – Revised estimates**

| (Rs mn) | New | | | Old | | | Change (%) | | |
|---|---|---|---|---|---|---|---|---|---|
| | FY27E | FY28E | FY29E | FY27E | FY28E | FY29E | FY27E | FY28E | FY29E |
| Revenue | 6,68,813 | 7,45,836 | 8,24,356 | 6,58,123 | 7,28,449 | 8,11,207 | 1.6 | 2.4 | 1.6 |
| EBITDA | 1,37,387 | 1,55,077 | 1,71,868 | 1,36,821 | 1,53,069 | 1,71,111 | 0.4 | 1.3 | 0.4 |
| Adj PAT | 1,11,075 | 1,24,308 | 1,37,498 | 1,09,988 | 1,22,153 | 1,36,325 | 1.0 | 1.8 | 0.9 |
| Adj EPS (Rs) | 397.4 | 444.8 | 492.0 | 393.5 | 437.1 | 487.8 | 1.0 | 1.8 | 0.9 |

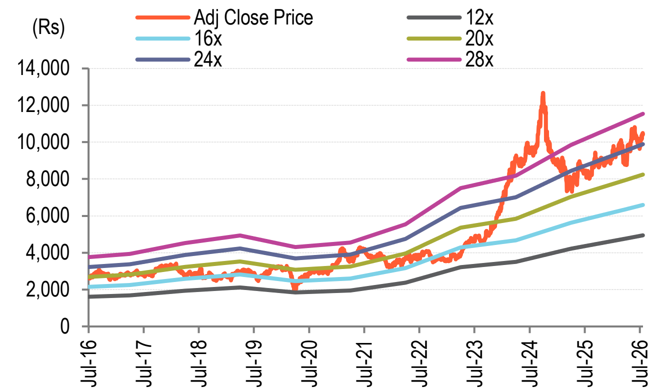
Source: BOBCAPS Research

**Fig 4 – Key assumptions**

| | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|
| 2W volume (nos) | 41,81,445 | 46,41,404 | 50,12,717 | 53,63,607 |
| 3W volume (nos) | 8,02,388 | 8,90,651 | 9,79,716 | 10,67,891 |
| ASP (Rs) (average) | 1,12,151 | 1,16,637 | 1,20,136 | 1,23,741 |
| Revenues (Rs mn) | 5,87,325 | 6,68,813 | 7,45,836 | 8,24,356 |
| EBITDA (Rs mn) | 1,20,166 | 1,37,387 | 1,55,077 | 1,71,868 |
| EBITDA margin (%) | 20.5 | 20.5 | 20.8 | 20.8 |
| Adj. PAT (Rs mn) | 98,484.6 | 1,11,074.5 | 1,24,308.0 | 1,37,498.3 |
| EPS (Rs) | 351.5 | 397.4 | 444.8 | 492.0 |

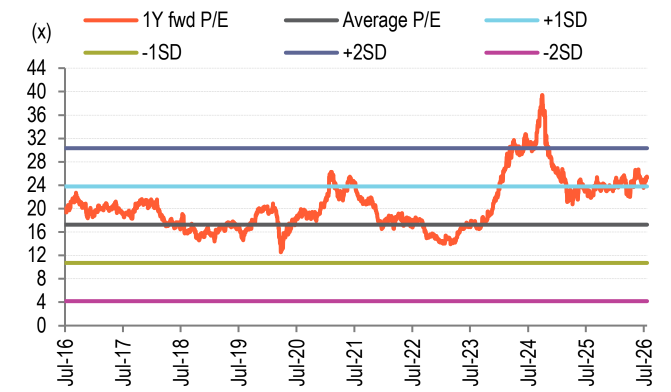
Source: Company, BOBCAPS Research

**Fig 5 – P/E band: The stock trades at a fair valuation and leaves limited head room**




Source: Company, Bloomberg, BOBCAPS Research

**Fig 6 – Stock trades above +1SD, which we feel is factoring in the better earning performance**




Source: Company, Bloomberg, BOBCAPS Research

## Key Upside/Downside Risks

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

## Financials

### Income Statement

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| **Total revenue** | **5,00,103** | **5,87,325** | **6,68,813** | **7,45,836** | **8,24,356** |
| EBITDA | 1,00,988 | 1,20,166 | 1,37,387 | 1,55,077 | 1,71,868 |
| Depreciation | 4,001 | 4,482 | 3,813 | 4,254 | 4,695 |
| EBIT | 1,11,196 | 1,31,313 | 1,47,023 | 1,64,481 | 1,81,890 |
| Net interest inc./(exp.) | (677) | (359) | (599) | (626) | (654) |
| Other inc./(exp.) | 14,209 | 15,629 | 13,449 | 13,658 | 14,718 |
| Exceptional items | (2,113) | (238) | 0 | 0 | 0 |
| EBT | 1,08,406 | 1,30,716 | 1,46,424 | 1,63,855 | 1,81,237 |
| Income taxes | 26,892 | 32,469 | 35,350 | 39,547 | 43,738 |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 0 | 0 | 0 | 0 | 0 |
| **Reported net profit** | **81,514** | **98,247** | **1,11,075** | **1,24,308** | **1,37,498** |
| Adjustments | 2,113 | 238 | 0 | 0 | 0 |
| **Adjusted net profit** | **83,627** | **98,485** | **1,11,075** | **1,24,308** | **1,37,498** |

### Balance Sheet

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Accounts payables | 62,676 | 73,562 | 66,734 | 76,544 | 84,837 |
| Other current liabilities | 17,122 | 19,929 | 40,517 | 47,582 | 52,736 |
| Provisions | 2,515 | 5,236 | 2,741 | 3,172 | 3,516 |
| Debt funds | 9,276 | 733 | 806 | 887 | 976 |
| Other liabilities | 0 | 0 | 0 | 0 | 0 |
| Equity capital | 2,792 | 2,795 | 2,795 | 2,795 | 2,795 |
| Reserves & surplus | 3,18,677 | 3,46,951 | 4,15,420 | 4,88,832 | 5,69,845 |
| Shareholders' fund | 3,21,469 | 3,49,746 | 4,18,215 | 4,91,627 | 5,72,640 |
| **Total liab. and equities** | **4,13,058** | **4,49,207** | **5,29,013** | **6,19,812** | **7,14,705** |
| Cash and cash eq. | 13,285 | 13,010 | 39,679 | 46,248 | 45,976 |
| Accounts receivables | 22,826 | 27,122 | 36,291 | 41,142 | 46,718 |
| Inventories | 19,579 | 23,537 | 26,393 | 30,856 | 35,298 |
| Other current assets | 46,239 | 57,175 | 58,115 | 63,612 | 72,353 |
| Investments | 2,85,702 | 3,01,133 | 3,31,773 | 3,96,678 | 4,69,073 |
| Net fixed assets | 35,530 | 35,880 | 41,067 | 45,812 | 50,117 |
| CWIP | 260 | 431 | 5,000 | 5,050 | 5,101 |
| Intangible assets | 0 | 0 | 0 | 0 | 0 |
| Deferred tax assets, net | (11,230) | (9,654) | (10,227) | (10,859) | (11,553) |
| Other assets | 867 | 573 | 923 | 1,273 | 1,623 |
| **Total assets** | **4,13,058** | **4,49,208** | **5,29,013** | **6,19,812** | **7,14,705** |

### Cash Flows

| Y/E 31 Mar (Rs mn) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| **Cash flow from operations** | **46,264** | **84,497** | **98,789** | **1,16,423** | **1,21,504** |
| Capital expenditures | (7,530) | (5,003) | (13,569) | (9,050) | (9,051) |
| Change in investments | (40,777) | (15,430) | (30,641) | (64,905) | (72,395) |
| Other investing cash flows | 14,209 | 15,629 | 13,449 | 13,658 | 14,718 |
| **Cash flow from investing** | **(34,098)** | **(4,804)** | **(30,760)** | **(60,296)** | **(66,728)** |
| Equities issued/Others | 293 | 935 | (2,088) | 0 | 0 |
| Debt raised/repaid | (323) | (8,543) | 73 | 81 | 89 |
| Interest expenses | (677) | (359) | (599) | (626) | (654) |
| Dividends paid | (22,334) | (58,644) | (50,306) | (55,896) | (61,486) |
| Other financing cash flows | 6,161 | (1,577) | 574 | 631 | 695 |
| **Cash flow from financing** | **(16,881)** | **(68,188)** | **(52,346)** | **(55,810)** | **(61,356)** |
| **Chg in cash & cash eq.** | **(4,715)** | **11,505** | **15,683** | **317** | **(6,580)** |
| **Closing cash & cash eq.** | **13,285** | **13,010** | **39,679** | **46,248** | **45,976** |

### Per Share

| Y/E 31 Mar (Rs) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Reported EPS | 299.5 | 352.4 | 397.4 | 444.8 | 492.0 |
| Adjusted EPS | 292.0 | 351.5 | 397.4 | 444.8 | 492.0 |
| Dividend per share | 80.0 | 209.8 | 180.0 | 200.0 | 220.0 |
| Book value per share | 1,151.5 | 1,251.4 | 1,496.4 | 1,759.1 | 2,048.9 |

### Valuations Ratios

| Y/E 31 Mar (x) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| EV/Sales | 6.1 | 5.2 | 4.6 | 4.1 | 3.7 |
| EV/EBITDA | 30.1 | 25.2 | 22.2 | 19.7 | 17.8 |
| Adjusted P/E | 35.6 | 29.6 | 26.2 | 23.4 | 21.1 |
| P/BV | 9.0 | 8.3 | 7.0 | 5.9 | 5.1 |

### DuPont Analysis

| Y/E 31 Mar (%) | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Tax burden (Net profit/PBT) | 77.1 | 75.3 | 75.9 | 75.9 | 75.9 |
| Interest burden (PBT/EBIT) | 97.5 | 99.5 | 99.6 | 99.6 | 99.6 |
| EBIT margin (EBIT/Revenue) | 22.2 | 22.4 | 22.0 | 22.1 | 22.1 |
| Asset turnover (Rev./Avg TA) | 169.8 | 172.4 | 173.8 | 163.6 | 154.6 |
| Leverage (Avg TA/Avg Equity) | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Adjusted ROAE | 29.3 | 29.3 | 28.9 | 27.3 | 25.8 |

### Ratio Analysis

| Y/E 31 Mar | FY25A | FY26A | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| **YoY growth (%)** | | | | | |
| Revenue | 11.9 | 17.4 | 13.9 | 11.5 | 10.5 |
| EBITDA | 14.5 | 19.0 | 14.3 | 12.9 | 10.8 |
| Adjusted EPS | 11.8 | 17.6 | 12.8 | 11.9 | 10.6 |
| **Profitability & Return ratios (%)** | | | | | |
| EBITDA margin | 20.2 | 20.5 | 20.5 | 20.8 | 20.8 |
| EBIT margin | 22.2 | 22.4 | 22.0 | 22.1 | 22.1 |
| Adjusted profit margin | 16.7 | 16.8 | 16.6 | 16.7 | 16.7 |
| Adjusted ROAE | 26.0 | 28.2 | 26.6 | 25.3 | 24.0 |
| ROCE | 28.4 | 29.0 | 29.0 | 27.4 | 25.9 |
| **Working capital days (days)** | | | | | |
| Receivables | 16 | 16 | 17 | 19 | 19 |
| Inventory | 13 | 13 | 14 | 14 | 15 |
| Payables | 61 | 60 | 54 | 49 | 50 |
| **Ratios (x)** | | | | | |
| Gross asset turnover | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Current ratio | 1.2 | 1.2 | 1.5 | 1.4 | 1.4 |
| Net interest coverage ratio | (164.2) | (365.5) | (245.5) | (262.8) | (278.1) |
| 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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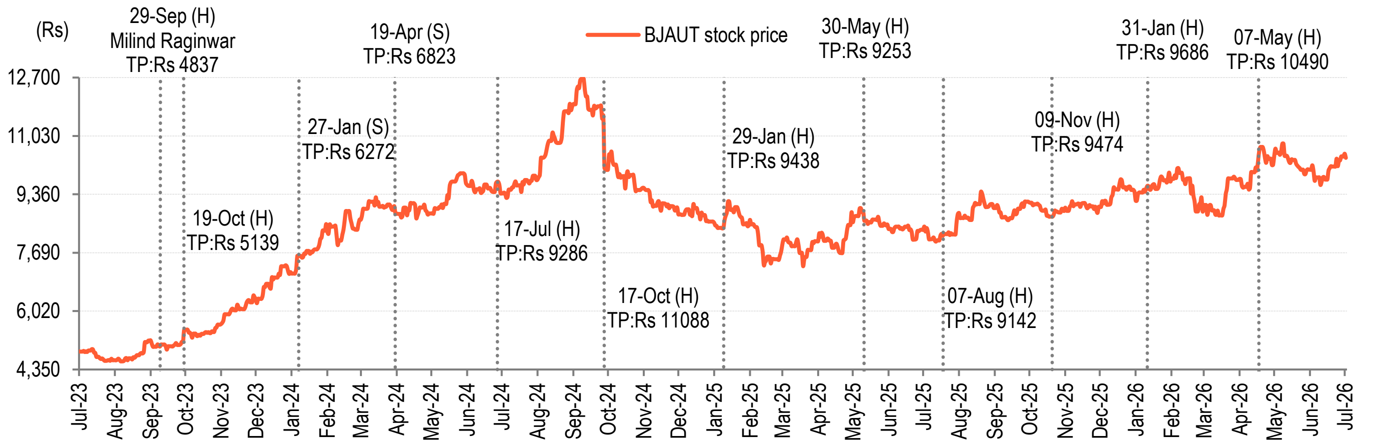
**Ratings and Target Price (3-year history): BAJAJ AUTO (BJAUT IN)**

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