

**HOLD**  
 TP: Rs 10,490 | ▼ 1%

**BAJAJ AUTO**

| Automobiles

| 07 May 2026

**Overall healthy show; geared for challenges in medium term**

- Revenue and Volume grew ~32%/~24% respectively, driven by exports (~610k, +25% YoY) and premiumisation (150cc+ sports segment)
- Margins sustain at 20.8%, aided by price hike and currency tailwind, though the net impact of 3.5-4% is likely in Q1FY27
- We revise FY27E/FY28E EPS upwards by 5% each; and value BJAUT at 24x March 2028 earnings. Revised TP at Rs 10,490 (vs Rs 9,686 earlier)

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**Revenue growth accelerates on exports & premium mix:** BJAUT reported revenue growth of 31.8% YoY to ~Rs160bn, aided by robust volume growth (24.3% YoY to ~1.37mn units), sustained exports momentum, and prudent product mix. Domestic motorcycles aided by traction particularly in the 150cc+ sports segment, while 3W and EVs strong growth momentum continued. ASPs added 6% YoY, due to a richer mix and favourable currency movement (~Rs90.6/USD vs Rs86.5 YoY).

**Margins remain resilient; inflation impact yet to unfold:** EBITDA grew 35.6% YoY to ~Rs33.2bn, with margins sustaining at ~20.8% (+59bps YoY). OPM was aided by currency tailwinds, operating leverage, and growing contribution from premium motorcycles. Commodity inflation intensified in Q4, though the impact was partly mitigated (40%) by price hikes and cost controls. The EV (2W+3W) portfolio hit double-digit EBITDA margins and e2W business reached EBITDA breakeven.

**Region and product diversification drive exports:** LATAM outperformed across regions, with Brazil scaling up meaningfully (~10k quarterly units), aided by capacity ramp-up. Nigeria stabilised, with Q4 volumes crossing ~100k units despite operating at ~50% peak levels and retaining ~50% of retail market share. KTM exports rose to ~17.5k units from near-zero levels. BJAUT targets 220k unit/month export run-rate.

**3Ws deliver a strong show:** The 3W segment delivered its strongest show with volumes adding ~28% YoY, crossing milestone of 500k units annually. Growth continues to be driven by structural demand expansion in the last-mile mobility, semi-urban and rural markets. The ICE portfolio remains dominant with ~90% share in CNG, while the EV portfolio retained No.1 position in E3W registrations.

**Retain earnings; maintain HOLD:** We revise FY27E/FY28E EPS upwards by 5% each, factoring in BJAUT's improving domestic market growth in the key 2-W segment. We estimate higher volume factoring in the GST benefits and receding supply chain issues. We introduce FY29 earnings and EBITDA/PAT 3Y CAGR is at 13%/11%. We continue to value the stock at 24x P/E with rollover to Mar 2028 earnings and arrive at a revised TP of Rs 10,490 (vs Rs 9,686). Maintain HOLD.

**Key changes**

Target	Rating
▲	◀ ▶

Ticker/Price	BJAUT IN/Rs 10,605
Market cap	US\$ 32.6bn
Free float	46%
3M ADV	US\$ 38.4mn
52wk high/low	Rs 10,740/Rs 7,612
Promoter/FPI/DII	54%/10%/13%

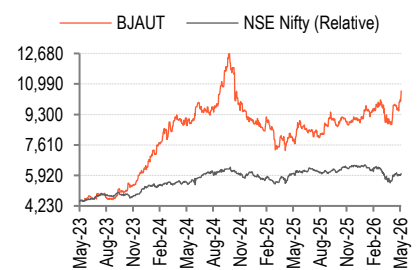
Source: NSE | Price as of 7 May 2026

**Key financials**

Y/E 31 Mar	FY26P	FY27E	FY28E
Total revenue (Rs mn)	5,87,324	6,58,123	7,28,449
EBITDA (Rs mn)	1,20,165	1,36,821	1,53,069
Adj. net profit (Rs mn)	99,431	1,09,988	1,22,153
Adj. EPS (Rs)	354.9	393.5	437.1
Consensus EPS (Rs)	354.9	398.5	449.1
Adj. ROAE (%)	28.4	27.8	26.2
Adj. P/E (x)	29.9	26.9	24.3
EV/EBITDA (x)	25.6	22.4	20.1
Adj. EPS growth (%)	18.8	10.6	11.1

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

**Stock performance**



Source: NSE



**Fig 1 – Earnings call highlights**

Parameter	Q4FY26	Q3FY26	Our view
Volumes	<p>BJAUT reported ~24% YoY growth in total volumes to ~1.37mn units, supported by a strong traction in Pulsar portfolio upgrades. The refreshed Pulsar (N &amp; 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.</p>	<p>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 at 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 is 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.</p>	<p>BJAUT is likely to mitigate the motorcycle segment lull by a strong focus on scooters via EV portfolio. This, alongside premium motorcycle segment volume, will continue to help growth in a challenging FY27. New launches and upgrades in the Pulsar 125+cc segment will only help buoy the dull demand.</p> <p>Further, with strong exports momentum from 2W/3W gains, BJAUT is expected to pick up pace and catch up with the missed volume rally.</p>
Exports	<p>Exports volumes sustained &gt;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.</p>	<p>Export volumes &gt;600k units (the 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 a 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; the highest-ever USD topline expected in FY26.</p>	<p>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 the lower tariffs in the key Mexican markets over competition. Revival in Nigeria key BJAUT market only adds comfort.</p>
Three-wheelers (3W)	<p>The 3W segment delivered its strongest quarterly performance, with volumes growing ~28% YoY, crossing milestone 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 retained 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.</p>	<p>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 the No.1 player. Possess a wide and diversified EV portfolio (battery sizes 9–18 kWh, the largest in the 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.</p>	<p>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.</p> <p>New launches in the 3W segment will only keep the excitement unabated.</p>
Electric and CNG vehicles (EV)	<p>Chetak crossed 100k units in Q4FY26 for the first time and FY26 volumes exceeded 500k units. Revenue was &gt;Rs 40bn. Market share improved to ~23% (+170bps QoQ), E-</p>	<p>EVs contributed ~25% of domestic revenue. Both e2W and e3W crossed Rs10bn quarterly revenue each for the first time. Chetak volumes grew 70% QoQ, as supply chain</p>	<p>Easing of supply chain disruption in earth magnet products have helped inroads in the EV segment further. The leverage has helped partially mitigate</p>

Parameter	Q4FY26	Q3FY26	Our view
	scooters grew 40% in Q4FY26 and growth has been ~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.	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.	the impact on margins. CNG product response is below the initially anticipated stronger response.
Currency	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.	USD/INR realisation averaged Rs88.3 (vs Rs84.3 YoY; Rs87.1 in QoQ), providing ~60bps margin tailwind on favourable currency movement and operating leverage. Management also reinvested part of currency gains into overseas geographies.	Tailwinds in the currency were expected in the medium term, as indicated by the currency movement recently.
Commodities	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.	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 costs inched up since in Q4 and will only continue to pinch in the medium term. BJAUT had continued volume momentum with minimum pass thru, however have taken pricing uptick to the extent of 40% cost inflation. Given the competition, it is unlikely to take further hikes, implying strong focus on improving efficiencies
Cash position	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).	Cash surplus ~Rs150bn. 9MFY26 FCF generated was ~Rs52bn (+70% YoY). Rs23bn invested in BAIHBV (KTM funding) and BACL growth.	Healthy balance sheet can facilitate further investments with ease, especially in the capex-intensive EV space.
Key product segments	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.  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.  Spares revenue was ~Rs 17bn (+16% YoY).	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).  BACL: AUM ~Rs165bn, PAT Rs2bn (+52% QoQ), ROE ~21%, CAR ~19.8%, penetration ~45%.  KTM AG: Bajaj stake increased to 75% (Nov'25); turnaround underway (liquidity secured, management rebuilt, cost & synergy programs launched).	Faster revival of the global KTM subsidiary business will be handy for exports.  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)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	Q4FY26	Q4FY26E	Deviation (%)
Volume (nos)	13,71,058	11,02,934	24.3	13,41,252	2.2	13,71,058	0.0
Avg. Realisation per Vehicle (Rs)	1,16,739	1,10,142	6.0	1,13,478	2.9	1,14,179	2.2
Net Revenues	1,60,057	1,21,480	31.8	1,52,203	5.2	1,56,545	2.2
<b>Total Income (A)</b>	<b>1,60,057</b>	<b>1,21,480</b>	<b>31.8</b>	<b>1,52,203</b>	<b>5.2</b>	<b>1,56,545</b>	<b>2.2</b>
<b>Operating Expenses</b>							
Raw materials consumed	1,11,950	84,882	31.9	1,06,755	4.9	1,11,669	0.3
Employee Expenses	4,214	3,645	15.6	4,194	0.5	4,291	(1.8)
Other Expenses	10,666	8,446	26.3	9,649	10.5	9,661	10.4
<b>Total Expenditure (B)</b>	<b>1,26,830</b>	<b>96,974</b>	<b>30.8</b>	<b>1,20,598</b>	<b>5.2</b>	<b>1,25,621</b>	<b>1.0</b>
<b>EBITDA (A-B)</b>	<b>33,227</b>	<b>24,506</b>	<b>35.6</b>	<b>31,605</b>	<b>5.1</b>	<b>30,924</b>	<b>7.4</b>
Other Income	4,210	3,808	10.6	3,420	23.1	3,271	28.7
Depreciation	1,137	1,111	2.3	1,119	1.6	1,154	(1.5)
EBIT	36,300	27,202	33.4	33,905	7.1	<b>33,041</b>	9.9
Finance Costs	49	168	(71.1)	26	89.8	81	(40.0)
PBT after excep items	36,627	27,034	35.5	33,266	10.1	32,960	11.1
Tax expense	9,165	6,541	40.1	8,238	11.3	7,581	20.9
<b>Reported PAT</b>	<b>27,461</b>	<b>20,493</b>	<b>34.0</b>	<b>25,028</b>	<b>9.7</b>	<b>25,379</b>	<b>8.2</b>
<b>Adjusted PAT</b>	<b>27,086</b>	<b>20,493</b>	<b>32.2</b>	<b>25,641</b>	<b>5.6</b>	<b>25,379</b>	<b>6.7</b>
EPS (Rs)	94.9	70.8	34.0	86.5	9.7	<b>87.7</b>	6.7
<b>Key Ratios (%)</b>			<b>(bps)</b>		<b>(bps)</b>		
Gross Margin	30.1	30.1	(7)	29.9	20	28.7	139
EBITDA Margin	20.8	20.2	59	20.8	(1)	19.8	101
EBIT Margin	22.7	22.4	29	22.3	40	21.1	157
PBT Margin	22.6	22.3	40	22.3	39	21.1	159
Tax Rate	25.0	24.2	83	24.8	26	23.0	202
Adj PAT Margin	16.9	16.9	5	16.8	8	16.2	71

Source: Company, BOBCAPS Research

## Valuation Methodology

We revise our FY27E/FY28E EPS upwards by 5% each, factoring in the improving domestic-market growth of BJAUT in the key 2W segment. We estimate higher volumes, factoring in the GST benefits and receding supply-chain issues. Additionally, the increasing momentum in the 3W segment — where BJAUT has a dominant presence — will help the company walk past the tough motorcycle business environment.

The intense competition causing margin pressures from the EV space, will be a key concern. 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, only adds comfort. Additionally, the strong presence in the core 125cc+ segment (Pulsar a strong brand) will help boost and offset the concerns in EVs and premium biking. These will be the key monitorables for the stock.

We introduce FY29 earnings estimates; 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 roll over to Mar 2028 earnings and arrive at a revised TP of Rs 10,490 (vs Rs 9,686 earlier). Maintain HOLD.

**Fig 3 – Revised estimates**

(Rs mn)	New			Old			Change (%)		
	FY27E	FY28E*	FY29E*	FY27E	FY28E*	FY29E*	FY27E	FY28E*	FY29E*
Revenue	6,58,123	7,28,449	8,11,207	6,24,800	6,81,023		5.3	7.0	
EBITDA	1,36,821	1,53,069	1,71,111	1,30,744	1,44,566		4.6	5.9	
Adj PAT	1,09,988	1,22,153	1,36,325	1,04,889	1,15,902		4.9	5.4	
Adj EPS (Rs)	393.5	437.1	487.8	375.7	415.2		4.7	5.3	

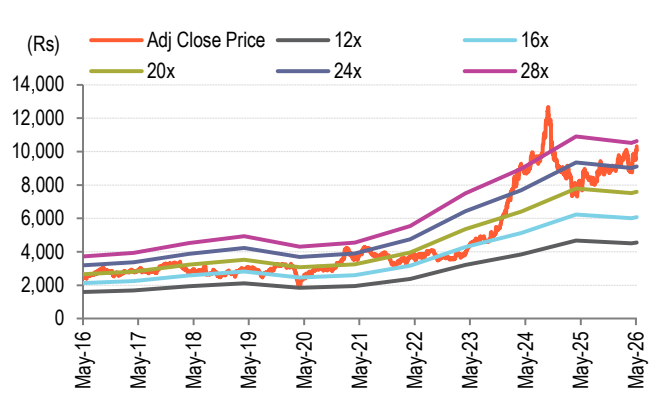
Source: BOBCAPS Research, \*FY29 earnings newly introduced

**Fig 4 – Key assumptions**

	FY26P	FY27E	FY28E	FY29E
2W volume (nos)	41,81,445	45,57,776	48,76,820	52,66,965
3W volume (nos)	8,02,388	8,82,627	9,70,890	10,58,270
ASP (Rs) (average)	1,12,151	1,16,637	1,20,136	1,23,741
Revenues (Rs mn)	5,87,324	6,58,123	7,28,449	8,11,207
EBITDA (Rs mn)	1,20,165	1,36,821	1,53,069	1,71,111
EBITDA margin (%)	20.5	20.8	21.0	21.1
Adj. PAT (Rs mn)	99,430.6	1,09,988.1	1,22,152.8	1,36,324.8
EPS (Rs)	354.9	393.5	437.1	487.8

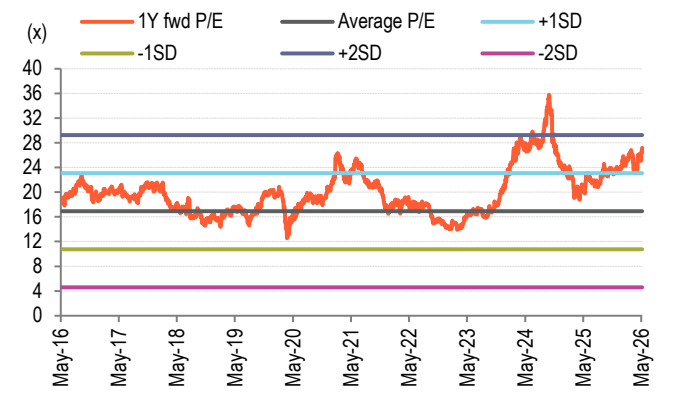
Source: Company, BOBCAPS Research

**Fig 5 – P/E band: The stock reversal after a soft valuation patch leaves limited opportunity...**



Source: Company, Bloomberg, BOBCAPS Research

**Fig 6 – ... and trades above +1SD, which we feel is at a premium**



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 (in terms of cost and price) in the EV segment.

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26P	FY27E	FY28E	FY29E
<b>Total revenue</b>	<b>5,00,103</b>	<b>5,87,324</b>	<b>6,58,123</b>	<b>7,28,449</b>	<b>8,11,207</b>
EBITDA	1,00,988	1,20,165	1,36,821	1,53,069	1,71,111
Depreciation	4,001	4,482	4,695	5,136	5,577
EBIT	1,11,196	1,32,259	1,45,598	1,61,654	1,80,351
Net interest inc./(exp.)	(677)	(359)	(599)	(626)	(654)
Other inc./(exp.)	14,209	16,576	13,472	13,722	14,818
Exceptional items	(2,113)	(238)	0	0	0
EBT	1,08,406	1,31,662	1,44,999	1,61,028	1,79,697
Income taxes	26,892	32,469	35,011	38,876	43,373
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>81,514</b>	<b>99,193</b>	<b>1,09,988</b>	<b>1,22,153</b>	<b>1,36,325</b>
Adjustments	2,113	238	0	0	0
<b>Adjusted net profit</b>	<b>83,627</b>	<b>99,431</b>	<b>1,09,988</b>	<b>1,22,153</b>	<b>1,36,325</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26P	FY27E	FY28E	FY29E
Accounts payables	49,710	59,000	65,764	74,475	82,994
Other current liabilities	30,088	34,492	39,928	46,295	51,591
Provisions	2,515	5,236	2,701	3,086	3,439
Debt funds	9,276	733	1,544	1,699	1,869
Other liabilities	0	0	0	0	0
Equity capital	2,792	2,795	2,795	2,795	2,795
Reserves & surplus	2,62,200	3,46,940	3,92,638	4,63,895	5,43,734
Shareholders' fund	2,64,992	3,49,735	3,95,433	4,66,690	5,46,529
<b>Total liab. and equities</b>	<b>3,56,581</b>	<b>4,49,195</b>	<b>5,05,371</b>	<b>5,92,245</b>	<b>6,86,422</b>
Cash and cash eq.	4,696	12,998	1,576	5,621	4,523
Accounts receivables	22,826	27,122	35,968	40,295	45,777
Inventories	19,579	23,537	26,159	30,222	34,587
Other current assets	47,106	57,398	56,522	61,225	69,809
Investments	2,35,702	3,01,133	3,32,864	3,98,969	4,72,685
Net fixed assets	47,986	52,504	56,808	60,672	64,094
CWIP	(12,196)	(16,193)	5,000	5,050	5,101
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(9,118)	(9,654)	(10,227)	(10,859)	(11,553)
Other assets	0	350	700	1,050	1,400
<b>Total assets</b>	<b>3,56,581</b>	<b>4,49,195</b>	<b>5,05,371</b>	<b>5,92,245</b>	<b>6,86,422</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26P	FY27E	FY28E	FY29E
<b>Cash flow from operations</b>	<b>46,264</b>	<b>84,496</b>	<b>99,335</b>	<b>1,14,963</b>	<b>1,21,817</b>
Capital expenditures	(7,530)	(5,003)	(30,193)	(9,050)	(9,050)
Change in investments	9,223	(65,430)	(31,732)	(66,105)	(73,715)
Other investing cash flows	14,209	16,576	13,472	13,722	14,818
<b>Cash flow from investing</b>	<b>15,902</b>	<b>(53,857)</b>	<b>(48,452)</b>	<b>(61,433)</b>	<b>(67,948)</b>
Equities issued/Others	293	(1,153)	0	0	0
Debt raised/repaid	(323)	(8,543)	811	154	170
Interest expenses	(677)	(359)	(599)	(626)	(654)
Dividends paid	(58,640)	(41,922)	(50,306)	(55,896)	(61,486)
Other financing cash flows	4,048	536	574	631	695
<b>Cash flow from financing</b>	<b>(55,299)</b>	<b>(51,442)</b>	<b>(49,520)</b>	<b>(55,736)</b>	<b>(61,275)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>6,867</b>	<b>(20,803)</b>	<b>1,363</b>	<b>(2,206)</b>	<b>(7,406)</b>
<b>Closing cash &amp; cash eq.</b>	<b>4,696</b>	<b>12,998</b>	<b>1,576</b>	<b>5,621</b>	<b>4,523</b>

### Per Share

Y/E 31 Mar (Rs)	FY25A	FY26P	FY27E	FY28E	FY29E
Reported EPS	299.5	355.8	393.5	437.1	487.8
Adjusted EPS	292.0	354.9	393.5	437.1	487.8
Dividend per share	210.0	150.0	180.0	200.0	220.0
Book value per share	949.2	1,251.4	1,414.9	1,669.9	1,955.5

### Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26P	FY27E	FY28E	FY29E
EV/Sales	6.2	5.2	4.7	4.2	3.8
EV/EBITDA	30.7	25.6	22.4	20.1	17.9
Adjusted P/E	36.3	29.9	26.9	24.3	21.7
P/BV	11.2	8.5	7.5	6.4	5.4

### DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26P	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	77.1	75.5	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	22.5	22.1	22.2	22.2
Asset turnover (Rev./Avg TA)	187.8	188.0	176.1	168.4	159.6
Leverage (Avg TA/Avg Equity)	1.0	1.0	1.0	1.0	1.0
<b>Adjusted ROAE</b>	<b>32.6</b>	<b>32.3</b>	<b>29.5</b>	<b>28.3</b>	<b>26.9</b>

### Ratio Analysis

Y/E 31 Mar	FY25A	FY26P	FY27E	FY28E	FY29E
<b>YoY growth (%)</b>					
Revenue	11.9	17.4	12.1	10.7	11.4
EBITDA	14.5	19.0	13.9	11.9	11.8
Adjusted EPS	11.8	18.8	10.6	11.1	11.6
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	20.2	20.5	20.8	21.0	21.1
EBIT margin	22.2	22.5	22.1	22.2	22.2
Adjusted profit margin	16.7	16.9	16.7	16.8	16.8
Adjusted ROAE	31.6	28.4	27.8	26.2	24.9
ROCE	31.4	31.9	29.6	28.3	26.9
<b>Working capital days (days)</b>					
Receivables	16	16	17	19	19
Inventory	13	13	14	14	15
Payables	55	48	49	50	50
<b>Ratios (x)</b>					
Gross asset turnover	0.2	0.2	0.2	0.2	0.1
Current ratio	1.1	1.2	1.1	1.1	1.1
Net interest coverage ratio	(164.2)	(368.1)	(243.1)	(258.3)	(275.8)
<b>Adjusted debt/equity</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

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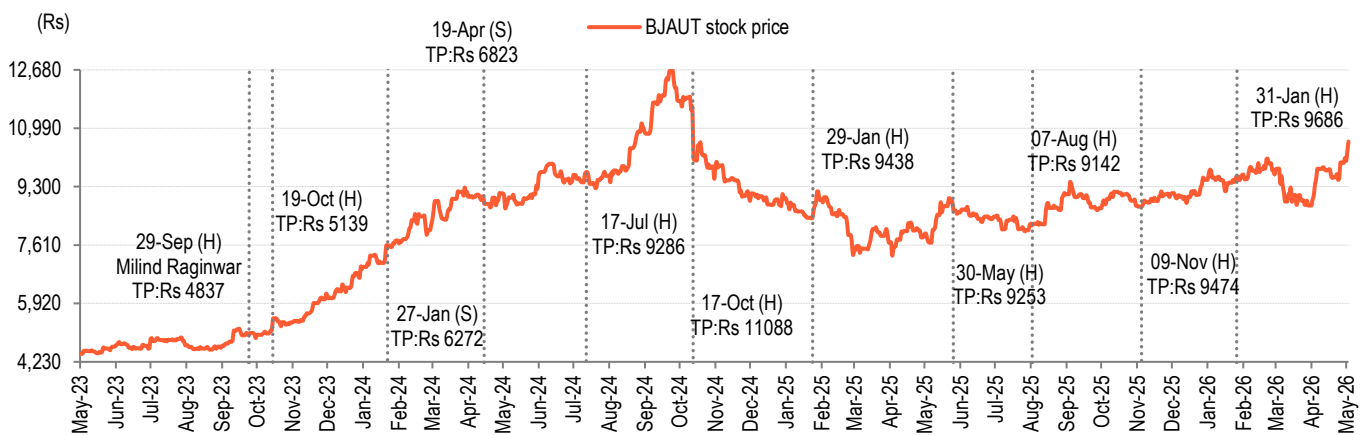
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**BUY** – Expected return >+15%  
**HOLD** – Expected return from -6% to +15%  
**SELL** – Expected return <-6%

**Note:** Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

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



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