

Research Report

Bajaj Auto

Prepared By:
Abhishek Shelar
Equity Research Analyst



About

Bajaj Auto, the flagship company of Bajaj Group, is a two-wheeler and three-wheeler manufacturing company that exports to 79 countries across several countries in Latin America, Southeast Asia, and many more. Its headquarter is in Pune, India.

It has acquired 48% of the KTM Brand which manufactures sports and super sports two-wheelers, which was 14% in 2007 when the company first acquired KTM.

Business segments

Bajaj Auto's core business is automotive, contributing 97 percent of revenue. Investments add 3 percent. Financing and others are minimal. The company manufactures two-wheelers, three-wheelers, and electric vehicles, exports globally, and earns steady returns from surplus funds. Financing supports vehicle sales, enhancing overall performance and growth strategy.

Revenue Mix FY24

- Automotive – 97%
- Investments – 3%
- Financing & Others – 0% (negligible)

Synopsis of Financials

- **Bajaj's Q4FY25 beat our estimates on all fronts. Total revenue grew ~5.8% YoY (down 5.1% QoQ), driven primarily by ~3.2% YoY growth (down 9.9% QoQ) in volumes and better ASP due to higher exports and an improved CV mix. EBITDA increased ~6.3% YoY (down 5% QoQ) and EBITDA margins remained steady at 20.2%, supported by cost reduction initiatives and lower personnel costs. PAT rose 5.9% YoY (down 2.8% QoQ).**

Source: Company Annual Report

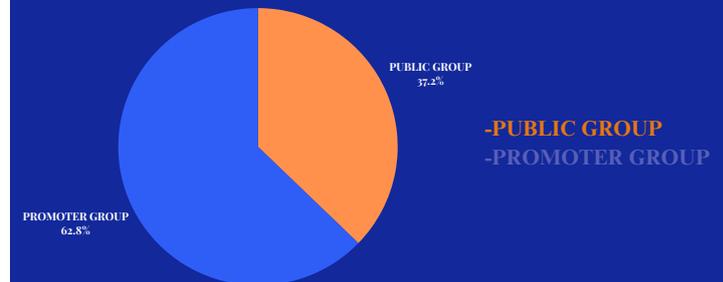
Stock data (as 27th June 2025)

Nifty Price	: 25,577.00
52 week High (in Rs.)	: 12,772.15
52 week Low (in Rs.)	: 7,088.25
Market Cap. (in Crore)	: 2,36,673.62
NSE Code	: INE917I01010

Stock data



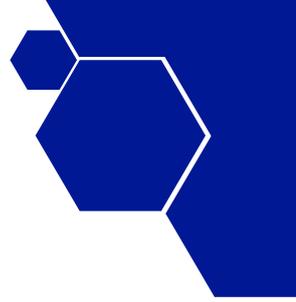
Shareholding Pattern (March 2025)



Financial Summary

Particulars	Mar-23	Mar-24	Mar-25
Sales	36,455	44,870	50,995
Sales Growth %	9.99%	23.08%	13.65%
Expenses	29,991	36,106	41,442
Operating Profit	6,465	8,765	9,552
OPM %	18%	20%	19%
Net Profit	6,060	7,708	7,325
EPS in Rs	65%	29%	80%

Quarterly Results



Particular	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
Sales	10,838	12,165	11,555	11,932	13,247	13,169	12,646
Expenses	8,708	9,750	9,271	9,562	11,174	10,418	10,289
Operating Profit	2,130	2,415	2,284	2,370	2,073	2,751	2,358
OPM %	20%	20%	20%	20%	16%	21%	19%
Other Income	552	356	444	335	399	348	392
Interest	7	12	30	47	75	120	147
Depreciation	92	93	93	95	98	102	119
Profit before tax	2,584	2,666	2,606	2,564	2,299	2,876	2,484
Tax %	22%	24%	23%	24%	40%	24%	27%
Net Profit	2,020	2,033	2,011	1,942	1,385	2,196	1,802
	71.39	71.78	72.05	69.55	49.61	78.62	64.52

Source: Statement

Key Ratios

Particulars	FY2024	FY2023	Remarks
Debtors Turnover Ratio	22.36	21.48	
Inventory Turnover Ratio	20.52	19.83	
Current Ratio	1.19	1.71	Increase in trade payable and short term borrowing
Operating Profit Margin	18.8%	17.1%	
Net Profit Margin	16.2%	15.0%	
Debt-Equity Ratio	0.03	0.0	
Return on Equity	29.7%	21.6%	Change because of increase in profits during the year

Yearly Results

Particulars	Mar-23	Mar-24	Mar-25
Equity Capital	283	279	279
Reserves	29,079	28,683	34,909
Borrowings	124	1,912	9,364
Other Liabilities	5,651	8,470	9,646
Total Liabilities	35,136	39,344	54,199
Fixed Assets	2,842	3,217	3,708
CWIP	85	35	29
Investments	26,183	28,087	28,914
Other Assets	6,026	8,005	21,547
Total Assets	35,136	39,344	54,199

Synopsis Quarter Results

Concall Notes - Mar-2025: Key Highlights

Financial Performance:

- **All-time high revenues and profitability:** FY25 revenue crossed INR 50,000 crore for the first time. EBITDA crossed INR 10,000 crore, with steady margins at 20.2% across all four quarters. PAT also crossed INR 8,000 crore for the first time.
- **Spares business:** Highest-ever quarter, clocking 18% growth in FY25.
- **Dividend:** Board approved dividend of INR 210 per share, total payout ~INR 5,900 crore (72% payout ratio).

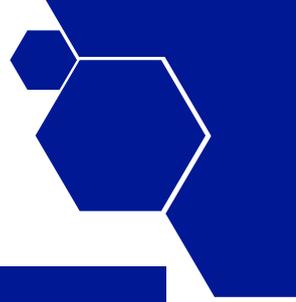
Q4 FY25 (Jan–Mar 2025)

- **Revenue:** ₹12,148–12,646 cr (standalone vs consolidated), +9% YoY
- **EBITDA:** ₹2,451 cr, +6% YoY; margin ~20.2%
- **Net Profit (consolidated):** ₹1,802 cr, –10% YoY (₹2,011 cr in Q4 FY24)

Export Business Highlights:

- **Volume growth:** Exports volume up 20% in Q4; Bajaj outpaced industry growth (26% in top 30 markets) by growing 31%.
- **LATAM Focus:** Latin America now the largest emerging market region for motorcycles. Bajaj's exports to LATAM up 18%. Bajaj Brazil posted its highest ever retails (7,000 units in Q4, exceeding FY24 full-year sales).
- **Brazil plant:** Commissioned July 2024 (20k units), expanded to 30k, target 50k by Dec 2025.
- **Premium Mix:** Over 65% of Q4 export volumes were premium brands (Pulsar, Dominar).

Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
Bajaj Auto	8479.75	32.33	236803.47	2.48	1801.85	-10.42	12646.32	9.45	28.14
Eicher Motors	5615.00	32.53	153992.63	0.91	1362.15	27.25	5241.11	23.15	29.77
TVS Motor Co.	2930.00	63.06	139200.52	0.34	697.51	68.86	11542.00	16.09	19.43
Hero Motocorp	4291.05	19.60	85827.74	3.85	1168.75	24.21	9969.81	3.67	31.15
Ola Electric	43.45		19165.06	0.00	-870.00	-109.13	611.00	-61.76	-28.10

Source: Screener

Final Outlook

LTIM: HOLD | LTP: 8,480.00

Bajaj Auto's FY24 report, the company demonstrated steady growth across domestic segments while navigating export market volatility. Domestic revenue surged to 68% of total sales in FY24, up from 47% in FY22, largely driven by stronger motorcycle sales and increased electric vehicle (EV) adoption. However, exports declined to 32% in FY24 (vs 53% in FY22), due to macroeconomic headwinds in key overseas markets, with volumes falling from 1.82 million units in FY23 to 1.64 million in FY24.

The company's EV brand, Chetak, showed strong traction, with FY24 sales of over 115,700 units compared to 8,000+ units in FY22. Bajaj currently ranks third in the domestic electric two-wheeler market. Two new variants—Chetak Urbane and Chetak Premium—were launched during the year, expanding reach to over 160 cities. Despite increased operating activity, the company's total borrowings rose sharply to ₹1,900 crore in FY24, from ₹124 crore in FY23, due to the use of foreign currency loans and packing credit facilities. Analysts flagged a significant increase in short-term leverage, though management clarified the funds were directed toward working capital needs and export operations.

Notably, Bajaj Auto undertook a share buyback of ₹4,000 crore in March 2024, acquiring 40 lakh shares at ₹10,000 each (1.41% of equity), signaling confidence in its long-term growth.

The launch of Bajaj Auto Credit Ltd., its captive financing arm, is a strategic step aimed at deepening market penetration. The board has approved a cumulative investment of ₹2,850 crore toward BACL's national expansion, expected to boost financing access in Tier 2–3 cities.

Looking ahead to FY25, Bajaj plans to:

- Export its Qute quadricycle to Egypt and expand further into Europe.
- Launch six new Pulsar models in H1FY25, strengthening its mid-range motorcycle portfolio.
- Invest ₹600–700 crore in capex for plant maintenance and expansion.

While ICE (Internal Combustion Engine) 3W sales remain dominant, holding ~78% market share, the growing emphasis on urban mobility and EVs is expected to contribute significantly to volumes and margins in the next 2–3 years.

Disclaimer: The information provided on this blog is for general informational purposes only and is not intended as financial advice. While we aim to provide accurate information, please conduct your own research before making any investment decisions. This content is for informational purposes only and should not be construed as financial advice. Always consult with a financial advisor before investing.

This blog may contain links to external websites for your convenience. We do not endorse the content or views expressed in these external sites and are not responsible for their accuracy or reliability.

By using this blog, you acknowledge that you have read and understood this disclaimer and agree to its terms.