DEVEN CHOKSEY RESEARCH

Q2FY26
Bajaj Auto Ltd.

Result Update

12-11-2025

Bajaj Auto Ltd.

Record quarter with all-time high revenue, strong exports, and margin expansion

CMP	Target	Potential Upside	Market Cap (INR Bn)	Recommendation	Sector
INR 8,895	**INR 9,770**	**9.8%**	**2,482**	**ACCUMULATE**	**Auto**

Result highlights

Revenue: Bajaj Auto's consolidated revenue from operations grew 18.8% YoY (+19.8% QoQ) to INR 1,57,347 Mn, beating our estimates, led by broad-based strength across exports, premium motorcycles, and commercial vehicles. Export volumes surged 24% YoY, delivering the highest-ever quarterly export revenue, aided by strong traction in LATAM, Asia, and Africa, with notable contributions from Colombia, Mexico, Sri Lanka, and the Philippines. Domestic two-wheeler volumes improved sharply during the festive period, supported by GST rate cuts and the strong performance of the Pulsar and KTM portfolios. Average realizations increased 12.3% YoY (+3.6% QoQ) to INR 1,17,869, supported by favorable product mix, richer exports, and higher spares contribution.

Margin and Profitability: EBITDA grew 30.5% YoY (+24.0% QoQ) to INR 34,632 Mn, substantially ahead of our estimates, driven by operating leverage, improved currency realization, and a richer mix. EBITDA margin expanded 74 bps QoQ and 198 bps YoY to 22%, marking an all-time high, aided by stronger exports, improved realizations, and cost discipline despite 40 bps cost inflation from commodities (steel, noble metals, copper, rubber). PAT stood at INR 21,220 Mn (+53.2% YoY, -4.0% QoQ), marginally below estimates (-1.3%), reflecting higher depreciation and tax normalization post exceptional items last year. PAT margin contracted 334 bps QoQ to 13.5%, impacted by one-time factors, though core operational profitability remains strong.

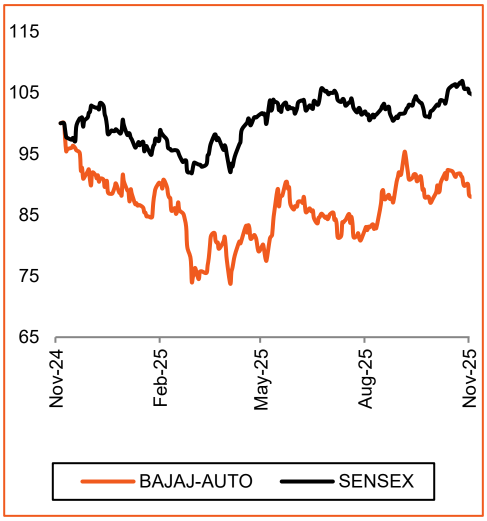
Segmental trends/ Exports momentum: Exports reached an all-time high of INR 5,53,327 Mn (+24.4% YoY), led by premium motorcycles and commercial vehicles, with broad-based growth across LATAM, Africa, and Asia. Management expects 15–20% export growth in FY26E, aided by favorable forex and tariff benefits. Domestic two-wheelers delivered a record festive performance, driven by Pulsar 125cc+ and 150cc+ models, with industry growth of 6–8% guided for H2FY26E. The EV portfolio contributed ~INR 17,000 Mn (~18% of domestic revenue) and achieved double-digit EBITDA margins, led by Chetak and e-3Ws amid supply chain normalization. 3W volumes hit an all-time high of ~145,000 units, maintaining 75–80% share in ICE autos, while EV 3Ws are set to rebound as capacity expands. BACL posted PAT of INR 1,300 Mn (+29% QoQ) with AUM near INR 140,000 Mn

Outlook and Valuation: Management guided for sustained export momentum (15–20% YoY growth), steady 125cc+ domestic premium growth, and margin maintenance near 20–21%, supported by favorable currency, operating leverage, and PLI benefits (valid till FY28). The company aims to consolidate its EV leadership with new Chetak and Erik e-3W variants, expand Brazil operations, and capitalize on the KTM–Triumph synergy post full control of Pierer Mobility AG (renamed Bajaj Mobility AG). While commodity inflation poses a short-term risk, management expects currency tailwinds and product mix improvements to offset cost pressures.

We have roll-forwarded our valuation basis to Sept'27 estimates. We value Bajaj Auto at 23x Sept'27 EPS, implying a target price of INR 9,770.

We reiterate our "**ACCUMULATE**" rating on the stock.

SHARE PRICE PERFORMANCE



MARKET DATA

Shares outs (Mn)	279
Mkt Cap (INR Bn)	2,482
52 Week H/L (INR)	9,999/ 7,088

*Based on the previous closing
Note: All the market data is as of the previous closing

SHARE HOLDING PATTERN (%)

Particulars (%)	Sep -25	Jun -25	Mar -25
Promoters	55.0	55.0	55.0
FIIs	9.7	10.3	11.6
DIIs	12.8	12.0	10.9
Others	22.5	22.7	22.5
Total	100.0	100.0	100.0

13.5%

Revenue CAGR between FY25-FY27E

22.3%

Adj. PAT CAGR between FY25-FY27E

KEY FINANCIALS

Particulars (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	4,48,704	5,09,946	5,86,717	6,56,958	7,43,010
EBITDA	87,616	1,04,677	1,24,107	1,37,802	1,56,939
EBITDA Margin	19.5%	20.5%	21.2%	21.0%	21.1%
Adj. PAT	77,082	75,360	91,735	1,09,527	1,26,303
Adj. EPS	272.7	269.9	328.5	392.2	452.3

Source: Company, DevenChoksey Research

RESEARCH ANALYST
Yogesh Tiwari, fundamental-research1@devenchoksey.com

Phone: +91-22-6696 5555
www.devenchoksey.com

Bajaj Auto Ltd.

Conference call highlights

International and export market:

- Exports delivered a strong 24% YoY growth, achieving record quarterly revenues of nearly USD 600 Mn, supported by robust volume growth across Latin America, Asia, and Africa.
- LATAM led with its highest-ever quarterly performance, driven by Colombia and Mexico, while Brazil crossed 8,000 units in Q2, aided by localized production and expanded capacity. Asia and East Africa posted double-digit growth, while Nigeria stabilized at steady retail levels, indicating early signs of recovery.
- Exports of KTM motorcycles surged, with nearly 20,000 units shipped in Q2, marking sustained recovery post-restructuring. Commercial vehicle (3W) exports rose 67% YoY, reflecting the success of new market entries and broad-based regional demand.
- Management expects the export growth momentum to sustain at 15–20% through FY26E, underpinned by healthy macro trends and capacity expansion in key regions.

Domestic market

- Domestic motorcycle demand rebounded sharply post the GST rate reduction and festive season, driving record retail volumes and revenue. The Pulsar portfolio delivered an all-time high performance, with leadership regained in the 125cc+ segment, particularly in 150cc+ sports models.
- Market share losses from prior quarters were fully recouped, and October witnessed market share gains. Premium models outperformed, reflecting consumer uptrading and strong festive sentiment. Management expects industry growth of 6–8% in FY26E, with Bajaj aiming to outpace industry growth through continued product launches and targeted tactical support.
- ABS regulations for entry-level motorcycles are under government review; potential implementation could affect demand dynamics due to cost implications.

Commercial vehicles

- Three-wheeler volumes reached an all-time high of 145,000 units, maintaining ~75–80% market share in ICE models. The EV 3W segment saw short-term supply constraints due to e-component shortages but remains a key growth pillar.
- The company plans to expand 3W capacity and launch new EV variants, targeting consistent monthly run rates of 50,000+ units per quarter. The recently introduced e-Rickshaw (Erik), currently on pilot in 8 cities, received strong early feedback.
- Management expects a broader scale-up in H2FY26.The overall EV + ICE 3W portfolio contributed ~20% of domestic revenue and achieved double-digit EBITDA margins in Q2.

E-2W – Chetak

- Chetak achieved 21% market share in the premium e-scooter segment (>INR 1 lakh) and lifted overall EV share to 18% of domestic revenues (~INR 17 Bn).Supply disruptions due to rare earth magnet shortages led to ~50% production shortfall in Q2, but recovery was ahead of schedule with alternate sourcing and LE-based magnets.
- October retails rebounded, regaining 1st position in Vahan registrations. The dealer network now covers 390 exclusive stores and 4,000 touchpoints in 800 cities.EV operations (Chetak + e3W + Yulu) contributed ~20% of domestic revenue and delivered double-digit EBITDA margins, a first for Bajaj Auto's EV portfolio.

Pro-Biking: KTM & Triumph

- The premium motorcycle BU (KTM + Triumph) delivered record volumes of over 30,000 units (+30% YoY), driven by new KTM launches and sustained demand for Triumph models. Bajaj plans to restructure the product lineup to benefit from GST cuts by introducing sub-350cc variants.
- KTM Austria resumed full-scale operations, and regulatory approvals for 100% control of KTM AG (via Bajaj Mobility AG) are nearly complete, with full consolidation expected from Q3FY26E.

Guidance

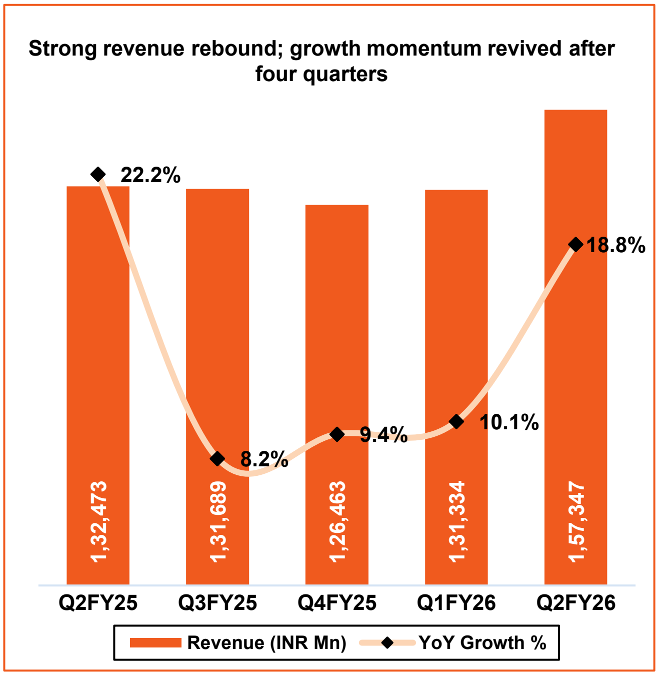
- Bajaj Auto expects momentum to remain strong in H2FY26, driven by sustained export traction, festive demand, and premium segment recovery. Management guided for 15–20% export growth, supported by LATAM, Asia, and full consolidation of KTM Mobility AG from Q3FY26E.
- Domestic motorcycle volumes are seen growing 6–8% YoY, led by 125cc+ and premium models, aided by GST-led uptrading and new launches. EV margins are set to improve as supply normalization, cost efficiencies, and platform migration boost profitability.
- Capex of INR 6–7 Bn will be evenly allocated between ICE innovation and EV expansion. Despite moderate commodity headwinds, FX gains and operating leverage should sustain margins near the 20% band, keeping Bajaj Auto well positioned for record FY26 earnings.

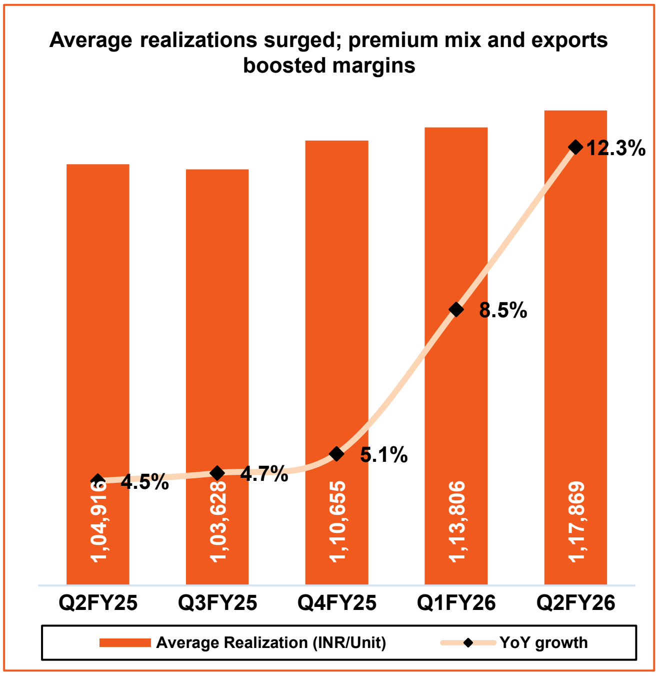
RESEARCH ANALYST
Yogesh Tiwari, fundamental-research1@devenchoksey.com

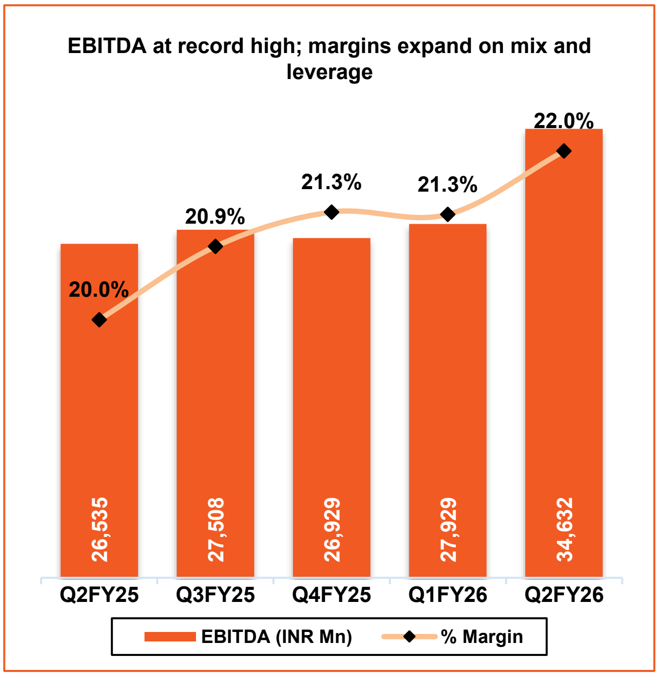
Phone: +91-22-6696 5555
www.devenchoksey.com

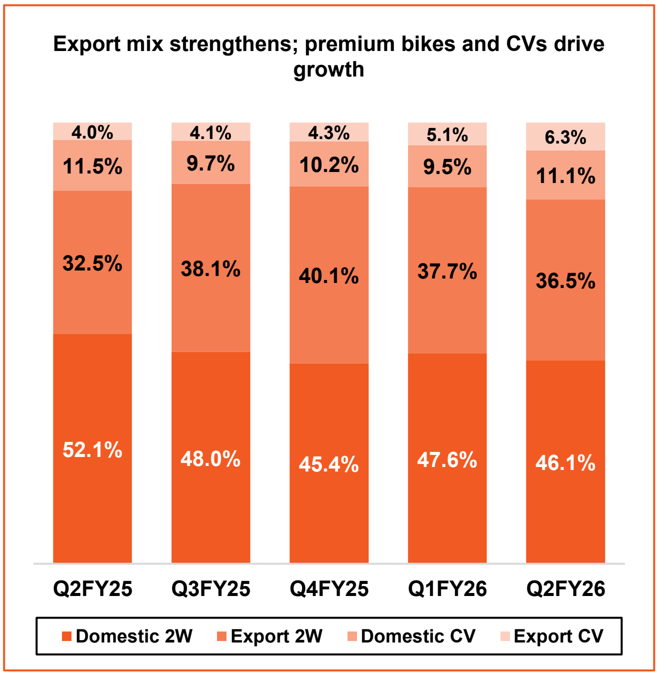
Bajaj Auto Ltd.

Story in Charts









Source: Company, DevenChoksey Research

Bajaj Auto Ltd.

Result Snapshot

Particulars (Mn)	Q2FY26	Q1FY26	Q2FY25	QoQ	YoY
No. Of. Vehicles Sold	12,94,120	11,11,237	12,21,504	16.5%	5.9%
Net Sales	1,52,536	1,26,466	1,28,155	20.6%	19.0%
Other Operating Income	4,811	4,868	4,318	(1.2%)	11.4%
Net Operating Income	**1,57,347**	**1,31,334**	**1,32,473**	**19.8%**	**18.8%**
Total revenue	**1,63,105**	**1,36,423**	**1,36,466**	**19.6%**	**19.5%**
Total Expenditure	**1,22,716**	**1,03,404**	**1,05,938**	**18.7%**	**15.8%**
COGS	1,05,240	88,131	93,030	19.4%	13.1%
Employee costs	5,275	5,202	4,749	1.4%	11.1%
Other expenses	12,268	10,443	8,257	17.5%	48.6%
Capitalized expenses	(67)	(372)	(99)	82.1%	32.8%
EBITDA	**34,632**	**27,929**	**26,535**	**24.0%**	**30.5%**
EBITDA Margin (%)	**22.0%**	**21.3%**	**20.0%**	**74 bps**	**198 bps**
Depreciation	1,190	1,175	983	1.3%	21.1%
Other income	5,758	5,090	3,993	13.1%	44.2%
EBIT	**33,442**	**26,754**	**25,553**	**25.0%**	**30.9%**
EBIT Margin (%)	**21.3%**	**20.4%**	**19.3%**	**88 bps**	**196 bps**
Interest	2,868	2,238	752	28.2%	281.4%
PBT before share of associates	36,331	29,607	28,794	22.7%	26.2%
Share of associates	(6,345)	0	(5,803)	NA	9.3%
Tax	8,766	7,502	9,137	16.9%	(4.1%)
PAT	21,220	22,104	13,854	(4.0%)	53.2%
Adj. PAT	**21,220**	**22,104**	**15,967**	**(4.0%)**	**32.9%**
Adj. EPS (INR)	**76.0**	**79.2**	**57.2**	**(4.0%)**	**32.9%**

Source: Company, DevenChoksey Research

Bajaj Auto Ltd.

KEY FINANCIALS

Exhibit 1: Profit & Loss Statement

INR Mn	FY25	FY26E	FY27E	FY28E
Revenues	**5,09,946**	**5,86,717**	**6,56,958**	**7,43,010**
COGS	3,52,592	3,97,649	4,50,028	5,10,419
Gross profit	**1,57,354**	**1,89,068**	**2,06,930**	**2,32,590**
Employee cost	19,258	22,398	23,938	27,906
Other expenses	34,391	43,501	46,190	48,945
EBITDA	**1,04,677**	**1,24,107**	**1,37,802**	**1,56,939**
Depreciation	4,142	4,765	4,990	5,135
EBIT	**1,00,535**	**1,19,342**	**1,32,812**	**1,51,804**
Finance Costs	3,889	8,706	6,775	5,400
Other Income	14,744	19,848	20,000	22,000
Share of profit by associates	(9,155)	(6,345)	0	0
PBT	**1,02,235**	**1,24,140**	**1,46,037**	**1,68,404**
Tax	28,988	32,405	36,509	42,101
PAT	**73,247**	**91,735**	**1,09,527**	**1,26,303**
EPS (INR)	262.3	328.5	392.2	452.3
Adj. PAT	75,360	91,735	1,09,527	1,26,303
Adj. EPS (INR)	269.9	328.5	392.2	452.3

Exhibit 3: Cash Flow Statement

INR Mn	FY25	FY26E	FY27E	FY28E
CFFO	(14,056)	99,824	1,22,761	1,38,335
CFFI	(10,562)	(11,500)	(12,000)	(12,000)
CFFF	42,301	(72,504)	(94,377)	(1,14,172)
Net Inc/Dec in cash	**17,683**	**15,821**	**16,384**	**12,163**
Opening Cash	5,605	23,315	39,136	55,520
Closing Cash	**23,315**	**39,136**	**55,520**	**67,683**

Exhibit 4: Key Ratios

Key Ratio	FY25	FY26E	FY27E	FY28E
EBITDA Margin (%)	20.5%	21.2%	21.0%	21.1%
Net Profit Margin (%)	14.8%	15.6%	16.7%	17.0%
RoE (%)	22.8%	25.0%	27.3%	28.7%
RoCE (%)	23.6%	26.2%	27.5%	30.1%
Tax rate (%)	28.4%	26.1%	25.0%	25.0%
EPS (INR per share)	262.3	328.5	392.2	452.3
Adj. P/E	29.2x	25.1x	21.0x	18.2x

Exhibit 2: Balance Sheet

INR Mn	FY25	FY26E	FY27E	FY28E
Equity				
Equity Capital	2,793	2,793	2,793	2,793
Other Equity	3,49,095	3,79,397	4,16,322	4,58,853
Total Equity	**3,51,888**	**3,82,189**	**4,19,115**	**4,61,646**
Non-Current Liabilities				
Borrowings	60,827	60,000	50,000	30,000
Sales tax deferral	1,276	1,276	1,276	1,276
Other Current Liabilities	12,157	12,157	12,157	12,157
Total Non-Current Liabilities	**74,261**	**73,433**	**63,433**	**43,433**
Current Liabilities				
Borrowings	31,538	30,000	25,000	20,000
Trade Paybles	63,727	69,725	78,909	89,498
Provisions	2,617	2,617	2,617	2,617
Other current liabilities	17,956	18,363	18,790	19,238
Total Current Liabilities	**1,15,838**	**1,20,705**	**1,25,316**	**1,31,354**
Total Equities & Liabilities	**5,41,986**	**5,76,327**	**6,07,864**	**6,36,433**
Non-Current Assets				
PPE	35,887	37,622	39,632	41,497
Financial assets	1,93,236	1,93,236	1,93,236	1,93,236
Other current assets	1,18,404	1,19,831	1,21,402	1,23,129
Total Non-Current Assets	**3,47,527**	**3,50,689**	**3,54,270**	**3,57,862**
Current Assets				
Trade Receivables	21,252	27,327	30,598	34,606
Investments	59,020	64,020	69,020	74,020
Inventories	20,774	25,057	28,358	32,163
Cash and Bank	23,315	39,136	55,520	67,683
Oher current assets	70,098	70,098	70,098	70,098
Total Current Assets	**1,94,459**	**2,25,638**	**2,53,594**	**2,78,571**
Total Assets	**5,41,986**	**5,76,327**	**6,07,864**	**6,36,433**

Source: Company, DevenChoksey Research

RESEARCH ANALYST
Yogesh Tiwari, fundamental-research1@devenchoksey.com

Phone: +91-22-6696 5555
www.devenchoksey.com

Bajaj Auto Ltd.

Bajaj Auto Ltd.			
Date	CMP (INR)	TP(INR)	Recommendation
12-Nov-25	8,895	9,770	ACCUMULATE
13-Aug-25	8,249	9,030	ACCUMULATE
03-Jun-25	8,563	9,108	ACCUMULATE
29-Jan-25	8,637	9,900	ACCUMULATE
17-Oct-24	10,292	11,446	ACCUMULATE
18-Jul-24	9,482	10,948	BUY

Rating Legend (Expected over a 12-month period)	
Our Rating	Upside
Buy	More than 15%
Accumulate	5% – 15%
Hold	0 – 5%
Reduce	-5% – 0
Sell	Less than – 5%

ANALYST CERTIFICATION:

I , Yogesh Tiwari (MBA), Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect my views about the subject issuer(s) or securities. I also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Terms & Conditions and other disclosures:

DRChoksey FinServ Private Limited (hereinafter referred to as DCFPL) is a registered member of SEBI as a Research Entity vides Registration No. INH000011246 under SEBI (Research Analyst) Regulations, 2014,Portfolio Managers Entity vides Registration No. INP000007906 under SEBI (PORTFOLIO MANAGERS) Regulations, 2020 & Investment Adviser Entity vides Registration No. INA000017903 under SEBI (INVESTMENT ADVISERS) REGULATIONS, 2013.

The information and opinions in this report have been prepared by DCFPL and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of DCFPL. While I would endeavor to update the information herein on a reasonable basis, DCFPL is not under any obligation to update the information. Also, there may be regulatory, compliance or other reasons that may prevent DCFPL from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or DCFPL policies, in circumstances where DCFPL might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. DCFPL will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. DCFPL accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Our employees in sales and marketing team, dealers and other professionals may provide oral or written market commentary or trading strategies that reflect opinions that are contrary to the opinions expressed herein, in reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

I submit that no material disciplinary action has been taken on DCFPL and its associates (Group Companies) by any Regulatory Authority impacting Equity Research Analysis activities.

DCFPL prohibits its associate, analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analyst covers.

DCFPL or its associates (Group Companies) collectively or its research analyst, or relatives do not hold any financial interest/beneficial ownership of more than 1% (at the end of the month immediately preceding the date of publication of the research report) in the company covered by Analyst and has not been engaged in market making activity of the company covered by research analyst.

It is confirmed that, I, **Yogesh Tiwari** Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific brokerage service transactions.

DCFPL or its Associates (Group Companies) have not managed or co-managed public offering of securities for the subject company in the past twelve months.

DCFPL or its associates (Group Companies) collectively or its research analyst, or relatives might have received any commission/compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of brokerage services or specific transaction or for products and services other than brokerage services.

DCFPL or its associates (Group Companies) collectively or its research analyst, or relatives might have received any commission/compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report other than investment banking or merchant banking or brokerage services from the subject company

DCFPL encourages the practice of giving independent opinion in research report preparation by the analyst and thus strives to minimize the conflict in preparation of research report. DCFPL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither DCFPL nor Research Analysts his associate or his relative, have any material conflict of interest at the time of publication of this report.

It is confirmed that **Yogesh Tiwari**, Research Analyst do not serve as an officer, director or employee of the companies mentioned in the report.

DCFPL or its associates (Group Companies) or its research analyst has may been engaged in market making activity for the subject company.

The securities quoted are for illustration only and are not recommendatory.

DCFPL (Research Entity) and its research analysts uses Artificial Intelligence tools.

DCFPL and or its Research analysts shall be solely responsible for the security, confidentiality and integrity of the client data, use of any other information or data for research services, research services based on output of Artificial Intelligence tools and compliance with any law for the time being in force.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other Jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject DCFPL and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform them of and to observe such restrictions.

Investment in securities are subject to market risks, read all the documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

•Please send your feedback to research.retail@devenchoksey.com

DRChoksey FinServ Private Limited

CIN Number -U67100MH2020PTC352816

Registered Office and Corporate Office:

5th Floor Abhishek Building, Behind Monginis Cake Factory, Off New Link Road, Andheri West, Mumbai-400058

YOGESH DASHARATH TIWARI

Digitally signed by YOGESH DASHARATH TIWARI
Date: 2025.11.12 10:38:05 +05'30'