

## Bajaj Auto

### Performance Highlights

Y/E March (₹ cr)	Q1FY18	Q1FY17	% chg (yoy)	Q4FY17	% chg (qoq)
<b>Net Sales</b>	<b>5,442</b>	<b>5,748</b>	<b>-5.3</b>	<b>4,897</b>	<b>11.1</b>
EBITDA	938	1,176	-20.2	906	3.6
EBITDA Margin (%)	17.2	20.5	-322 bp	18.5	-126 bp
<b>Adj. PAT</b>	<b>956</b>	<b>978</b>	<b>-2.3</b>	<b>802</b>	<b>19.2</b>

Source: Company, Angel Research

**Results below estimates on weak sales:** Bajaj Auto reported weak Q1 result due to lower volumes sold in the quarter and higher RM cost. Revenue and EBITDA were 1.5% and 13% below the consensus estimates respectively. Though PAT beat the street estimates by 2%, this was due to 71% jump in the other income (dividend by KTM). Net sales and PAT declined by 5% (yoy) and 6% (yoy) respectively to ₹5,442cr and ₹524cr. EBITDA declined by 20% (yoy) to ₹938cr due to sharp increase in RM costs. EBITDA margin was at 17.2% vs. 18.5% in 4QFY17 and 20.5% in 1QFY17. PAT declined by 5.5% (yoy), slower than decline in operating profit due to steep increase in other income. Adjusted for ₹32cr exceptional expenses (GST led dealer compensation), Q1 PAT is at ₹956cr. Blended realization was at ₹59,976 showing a yoy growth of 5.7% and qoq decline of 1.7%. RM cost per vehicle accelerated by 10% yoy (faster than realization) reflecting higher RM prices. In the nutshell, the GST led destocking by the dealers in June and higher RM costs led to the weak results during this quarter.

The company has guided of pick up in volumes in the remainder of the year. It has indicated of a monthly run rate of ~21,000 in domestic 3Ws in 2Q/3Q of FY18 while in exports, it expects to clock ~1.8mn export sales volumes despite volatility in the markets. Company is likely to announce a deal with a premium segment motorcycle manufacturer in next two weeks which needs to be watched carefully. There will be no new launches in FY18E and company expects ~19.5%-20% EBITDA margin in FY18E vs. >20% margins FY16 and FY17 each.

**Outlook and valuation:** We expect Bajaj Auto to report 13.3%/12.5% CAGR in sales/PAT over the next two years and maintain ROE over ~22%. We value Bajaj Auto at 18.0x of FY19E EPS to ₹2,845/share and add KTM stake value of ₹139/share. **We derive a target price of ₹3,151 with an accumulate rating.**

### Key financials (Standalone)

Y/E March (₹ cr)	FY2015	FY2016	FY2017	FY2018E	FY2019E
<b>Net Sales</b>	<b>21,612</b>	<b>22,688</b>	<b>21,767</b>	<b>23,936</b>	<b>27,955</b>
% chg	7.3	5.0	(4.1)	10.0	16.8
<b>Net Profit</b>	<b>3,154</b>	<b>3,652</b>	<b>3,828</b>	<b>4,163</b>	<b>4,842</b>
% chg	(2.8)	15.8	4.8	8.8	16.3
OPM (%)	19.0	21.1	20.3	19.5	20.1
<b>EPS (Rs)</b>	<b>97.2</b>	<b>126.2</b>	<b>132.3</b>	<b>142.7</b>	<b>167.3</b>
P/E (x)	29.0	22.3	21.3	19.7	16.8
P/BV (x)	7.6	6.1	4.8	4.3	3.8
RoE (%)	26.3	27.5	22.5	21.7	22.8
RoCE (%)	35.4	33.2	23.9	22.7	24.6
EV/Sales (x)	3.8	3.6	3.7	3.4	2.9
<b>EV/EBITDA (x)</b>	<b>19.7</b>	<b>16.9</b>	<b>18.4</b>	<b>17.4</b>	<b>14.4</b>

Source: Company, Angel Research; Note: CMP as of July 21, 2017

## ACCUMULATE

CMP	₹2,815
Target Price	₹3,151

Investment Period	12 Months
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Stock Info	
Sector	Automobile
Market Cap (₹ cr)	81,457
Net Debt (₹ cr)	(88.4)
Beta	0.9
52 Week High / Low	3,122/2,510
Avg. Daily Volume	31,565
Face Value (₹)	10
BSE Sensex	32,029
Nifty	9,915
Reuters Code	BAJA NS
Bloomberg Code	BJAUT IN

Shareholding Pattern (%)	
Promoters	49.3
MF / Banks / Indian Fls	8.3
FII / NRIs / OCBs	17.5
Indian Public / Others	24.9

Abs. (%)	3m	1yr	3yr
Sensex	9.1	14.7	24.5
Bajaj Auto	0.2	1.7	35.9

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**Exhibit 1: Quarterly financial performance (Standalone)**

Y/E March (₹ cr)	Q1FY18	Q1FY17	% chg (yoy)	Q4FY17	% chg (qoq)
<b>Total operating income</b>	<b>5,442</b>	<b>5,748</b>	<b>-5.3</b>	<b>4,897</b>	<b>11.1</b>
Raw material consumption	3,809	3,863	-1.4	3,320	14.7
% of total operating income	70.0	67.2		67.8	
Employee expense	273	268	1.6	227	19.9
% of total operating income	5.0	4.7		4.6	
Other expenditure	422	441	-4.2	444	-4.9
% of total operating income	7.8	7.7		9.1	
<b>Total expenditure</b>	<b>4,504</b>	<b>4,572</b>	<b>-1.5</b>	<b>3,991</b>	<b>12.8</b>
% of total operating income	83	80		82	
<b>EBITDA</b>	<b>938</b>	<b>1,176</b>	<b>-20.2</b>	<b>906</b>	<b>3.6</b>
EBITDA margin (%)	17.2	20.5		18.5	
Depreciation and Ammortisation	75	77	-2.9	76	-0.6
<b>EBIT</b>	<b>863</b>	<b>1,099</b>	<b>-21.4</b>	<b>830</b>	<b>4.0</b>
Other Income	457	267	71.2	294	55.7
Net Interest exp	0	0	9.1	0	0.0
<b>Profit before tax (PBT)</b>	<b>1,320</b>	<b>1,365</b>	<b>-3.3</b>	<b>1,124</b>	<b>17.5</b>
Taxes	364	387	-6.0	322	13.2
% of PBT	27.6	28.4		28.6	
Extraordinary income/(expense)	32	0		0	
<b>Reported PAT</b>	<b>924</b>	<b>978</b>	<b>-5.5</b>	<b>802</b>	<b>15.2</b>
<b>Adjusted PAT</b>	<b>956</b>	<b>978</b>	<b>-2.3</b>	<b>802</b>	<b>19.2</b>
Equity capital	289	289		289	
<b>Reported EPS (₹)</b>	<b>33.0</b>	<b>33.8</b>	<b>-2.3</b>	<b>27.7</b>	<b>19.2</b>
<b>Adjusted EPS (₹)</b>	<b>33.0</b>	<b>33.8</b>	<b>-2.3</b>	<b>27.7</b>	<b>19.2</b>

Source: Company, Angel Research

**Exhibit 2: Quarterly volume performance**

Y/E March	1QFY18	1QFY17	% chg (yoy)	4QFY17	% chg (qoq)
Motorcycles (Domestic)	426,562	548,880	-22.3	413,539	3.1
Motorcycles (Exports)	349,152	323,660	7.9	287,478	21.5
<b>Total Motorcycles</b>	<b>775,714</b>	<b>872,540</b>	<b>-18.5</b>	<b>701,017</b>	<b>-20.4</b>
Three wheeler (Domestic)	52,347	75,204	-30.4	50,037	4.6
Three wheeler (Exports)	60,373	46,989	28.5	36,573	65.1
<b>Total Three wheeler</b>	<b>112,720</b>	<b>122,193</b>	<b>-0.7</b>	<b>86,610</b>	<b>-21.3</b>
Overall Domestic	478,909	624,084	-23.3	463,576	3.3
Overall Exports	409,525	370,649	10.5	324,051	26.4
<b>Total volumes</b>	<b>888,434</b>	<b>994,733</b>	<b>-16.4</b>	<b>787,627</b>	<b>-20.5</b>

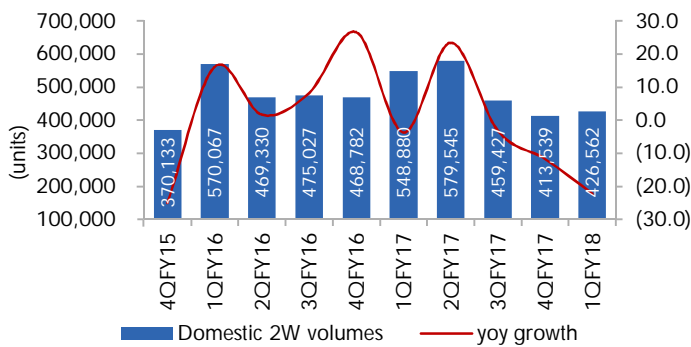
Source: Company, Angel Research

- Bajaj Auto has continued to report decline in the domestic volumes for the third quarters in row. Domestic volumes at 478,909, declined by 23%.
- Exports volumes were at 409,525 grew by 10% yoy, in line with management expectation of revival in the export volumes. Company has indicated that

entering in the new countries has been a successful strategy and has helped to reduce the dependence on high volume countries like Sri Lanka, Nigeria, etc.

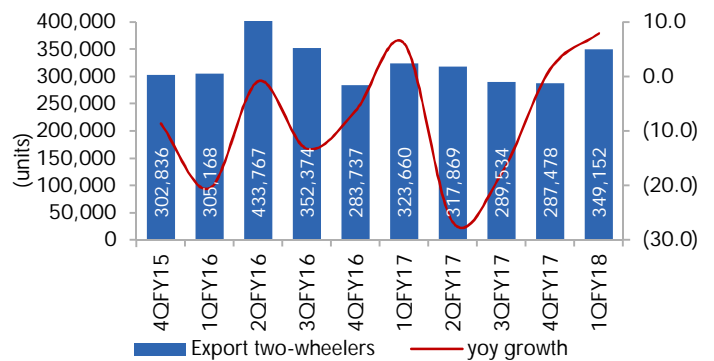
- Domestic vehicle realisation/unit grew 8% yoy to ₹68,099, led by the price hikes. Export realization was at ₹60,534 per unit, showing a yoy growth of 9%. Company realized ₹66.8/USD in 1QFY2018 as against ₹67.1/USD accrued in 1QFY2017.
- Contribution/vehicle declined by 3% yoy and 8% qoq due to higher material costs and weak sales.
- Blended realization was at ₹59,976/vehicle showing a yoy growth of 5.7% and qoq decline of 1.7%.

**Exhibit 3: Domestic 2W volumes decline by 22% yoy**



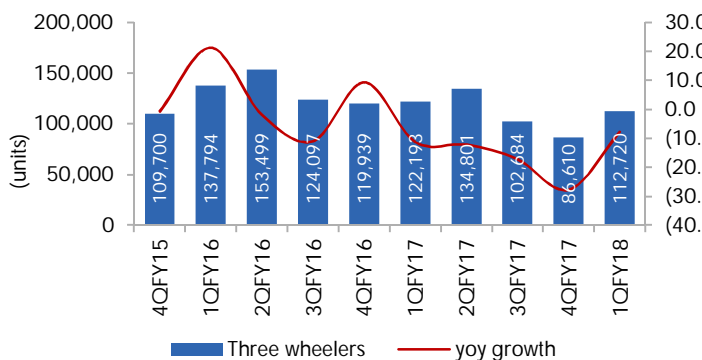
Source: Company, Angel Research

**Exhibit 4: Exports showing a recovery**



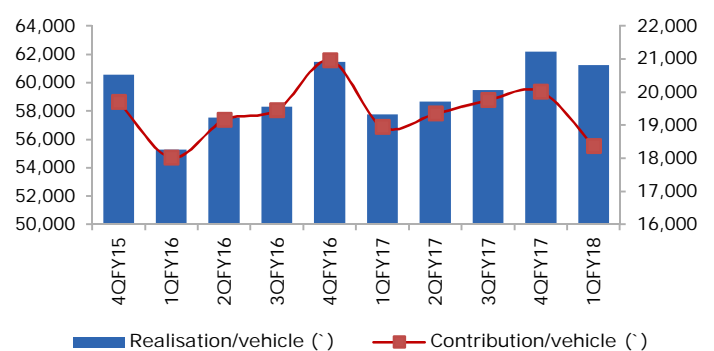
Source: Company, Angel Research

**Exhibit 5: 3W volumes remain subdued**



Source: Company, Angel Research

**Exhibit 6: Blended realizations and contribution decline**

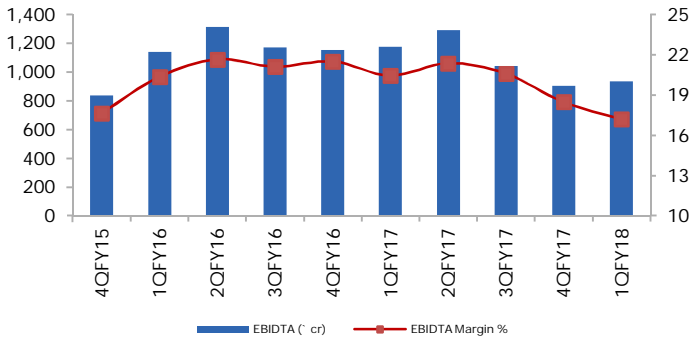


Source: Company, Angel Research

- Due to the higher material costs and overheads, the company has seen weakest EBITDA margins in the last 11 quarters. Company has now seen consistent decline in the margins since 2QFY17 (21.4%) to 17.2% in the 1QFY18.

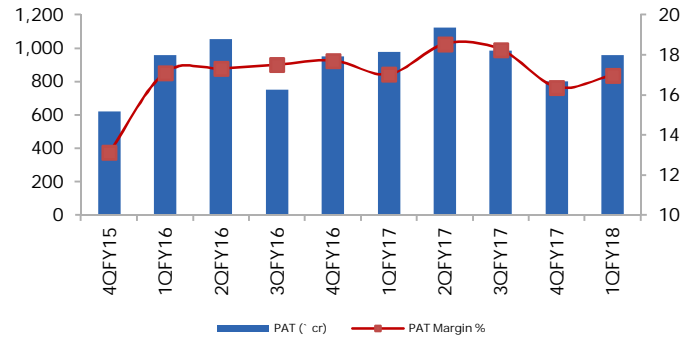
- During the quarter company paid `32cr to the dealers as compensation to clear the stocks on account of GST. The 1QFY18 PAT is at `924cr vs. `978cr in 1QFY17. This was due to higher other income to the tune of `457cr, up 71% yoy.

**Exhibit 7: Operating margin lowest in 11 quarters**



Source: Company, Angel Research

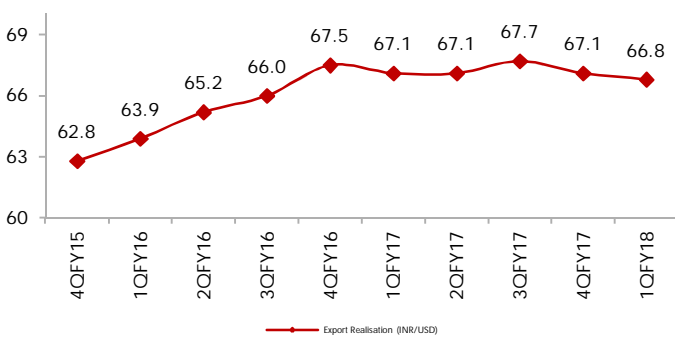
**Exhibit 8: Other income boosts adj. PAT**



Source: Company, Angel Research

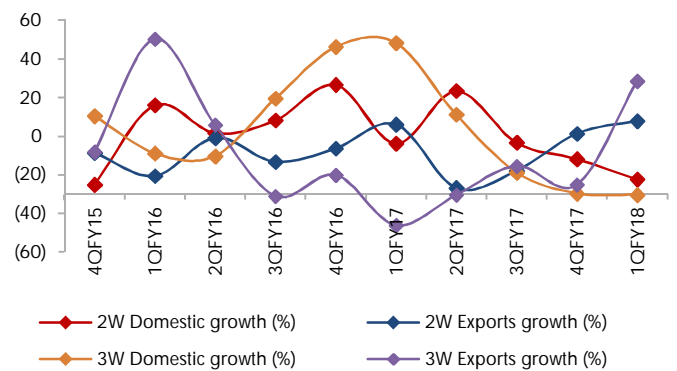
- Company has indicated that there will be no new product launches in FY18E.
- Company expects to see momentum in the 3W business on the back of the new permits in Maharashtra and Delhi, the diesel vehicle ban in Bangalore and mandatory transition from 2-stroke to 4-stroke vehicles in Karnataka.

**Exhibit 9: Export Realisation trend**



Source: Company, Angel Research

**Exhibit 10: Exports recover, domestic volumes decline**



Source: Company, Angel Research

### Conference call – Key highlights

- During the quarter, company has seen expiry of the fiscal incentives at its Pantnagar plant. This plant represents ~33% of its motorcycle capacity.
- Company expects a run rate of ~25,000 units in V model and ~12,000-15,000 units in the Avenger models.
- As per company, industry is expected to see 7% growth in volumes this fiscal.
- During the remainder of FY18E, Bajaj Auto expects growth of 10%, on conservative basis. Company is expecting EBITDA margins of 19.5-20% for full year FY18E.
- Company has given a guidance of average 20,000-21,000 3W unit sales each month from July to December. This is expected on account of 1) Maharashtra opening auto rickshaw permits, execution of 10,000 permits in Delhi, mandatory conversion of 2-stroke to 4-stroke vehicles in Karnataka and ban on diesel vehicles in Bangalore.
- In the exports, company expects 1.6mn vehicles and by H1FY18E it expects to exports ~0.8mn vehicles, however company has acknowledged of the volatile market conditions in its exports segment.
- The sales were impacted during the quarter due the destocking by the dealers and company expects sales to normalize going ahead. The dealer level inventory was at ~1,50,000 units by the end of 1QFY18 and company keeps inventory or ~4-4.5 weeks with the dealers. Company paid `32cr to its dealers on the stock that dealers held until end of June to compensate the losses arising due to the GST implementation.
- Bajaj Auto, on 24<sup>th</sup> May, has taken the price hike (Rs 500-1,000 in 2W segment and Rs 1,500-2,000 in CV segment) which covers about 90% of price increase in the raw materials. The ambit of the price hike was only limited to the GST and input prices hence the hike is not expected to boost the profitability of the company. There were no discounts owing to the GST. In the exports segment, company has taken a price hike effective from 1<sup>st</sup> July for both 2W and 3W.
- Company during the quarter maintained profitability 64% of business i.e. exports, three wheelers, and KTM segments, however in the motorcycle segment (36% of the business) profitability took a significant hit due to the overheads. Company has indicated that overall profitability was maintained in April 2017 and May 2017 however due to GST, June saw the most severe impact.
- Management has indicated that a deal with a motorcycle company is awaited however decline to comment further on this. It also expects to launch a electric 3W within the next year and said that it will require minimum cost.

## Investment arguments

- **Significant market share and diversified product offerings** – Bajaj Auto is a diversified automobile manufacturer with presence in 2W/3W categories. In the 2W segment, company has presence in the entry level (price segment – Platina and CT-100), premium (Pulsar and Avenger), Value (V series) and Super sports (KTM, Ninja, RS200, Dominor-400) while in 3W it has presence across both PV and CV categories. In the 2W category, company has a market share of 18%, in the vehicles like Platina and CT100 (100cc category), company has market share of ~32% by end of FY17. In the 3W - CV category, company has a market share of 49.5% in FY17 and in the petrol / alternate fuel category, it has market share of 88% and in the diesel category, market share stands at 34%. Company exports both 2W and CV and which constitute ~40% of its total volumes and 35% of its sales.
- **Healthy operating performance despite weak volumes-** Bajaj Auto has maintained a healthy operating performance despite weak volume growth. In FY16 and FY17, when volume growth was weak the company recorded EBITDA margins of more than 20% and ROE level more than 20%. The ROIC levels also remain healthy.
- **Industry expected to grow in FY18E-** The domestic 2W industry grew by 6.9% in FY17 vs. 3% in FY16. The 3W industry growth declined to 4.9% in FY17 vs. just 1% growth in FY16. This year, 2W industry is expected to continue to the growth momentum on the back of the normal monsoon, lower interest rates and strong consumption trend. The 3W industry is expected to see revival due to the new licenses issuance in Maharashtra, and Delhi as well as mandatory conversion of 2-stroke vehicles to 4-stroke vehicles in Karnataka and ban on diesel vehicles in Bangalore. We believe that Automobile industry is currently in good shape and is expected to see growth in FY18E.

## Outlook and valuation

We expect Bajaj Auto to report 13.3%/12.5% CAGR in sales/PAT over the next two years and maintain ROE levels over ~22%. We value Bajaj Auto at 17x of FY19E EPS to ₹2,845/share and add KTM stake value of ₹139/share. **We derive a target price of ₹3,151 with an accumulate rating.**

### Exhibit 11: Key assumptions - Volumes

Y/E March (Cr)	FY15	FY16	FY17	FY18E	FY19E
Motorcycles (Domestic)	1,761,474	1,983,206	2,001,391	2,022,585	2,265,301
Motorcycles (Exports)	1,530,610	1,375,046	1,218,541	1,363,820	1,554,761
<b>Total Motorcycles</b>	<b>3,292,084</b>	<b>3,358,252</b>	<b>3,219,932</b>	<b>3,386,405</b>	<b>3,820,062</b>
Three wheeler (Domestic)	234,345	254,995	253,496	238,420	262,267
Three wheeler (Exports)	284,772	280,334	192,792	235,341	277,709
<b>Total three-wheelers + Quadricycle</b>	<b>519,117</b>	<b>535,329</b>	<b>446,288</b>	<b>473,761</b>	<b>539,976</b>
<b>Total volumes</b>	<b>3,811,201</b>	<b>3,893,581</b>	<b>3,666,220</b>	<b>3,860,166</b>	<b>4,360,038</b>
% chg	-1.5	2.2	-5.8	5.3	12.9

Source: Company, Angel Research

## Company background

Bajaj Auto is the one of the largest 2W manufacturer in the country (~18% market share) and a market leader in the 3W segment (~49.5% market share). Company has three manufacturing facilities in India, located at Waluj, Chakan and Pantnagar, with a total installed capacity (2W - 5.4mn and 3W - 0.6mn) of 6.0mn units. The company is also one of India's largest auto exporters, with exports forming 40% of volumes in FY2017. Company also has 48% stake in KTM AG, maker of sports bikes.

**Profit and loss statement (Standalone)**

Y/E March (₹ cr)	FY2015	FY2016	FY2017	FY2018E	FY2019E
<b>Total operating income</b>	<b>21,612</b>	<b>22,688</b>	<b>21,767</b>	<b>23,936</b>	<b>27,955</b>
% chg	7.3	5.0	(4.1)	10.0	16.8
<b>Total Expenditure</b>	<b>17,495</b>	<b>17,908</b>	<b>17,344</b>	<b>19,275</b>	<b>22,342</b>
Cost of Materials	14,850	15,057	14,624	16,307	18,971
Personnel	897	918	997	1,131	1,261
Others Expenses	1,748	1,933	1,723	1,836	2,110
<b>EBITDA</b>	<b>4,117</b>	<b>4,780</b>	<b>4,422</b>	<b>4,662</b>	<b>5,613</b>
% chg	0.3	16.1	(7.5)	5.4	20.4
(% of Net Sales)	19.0	21.1	20.3	19.5	20.1
Depreciation & Amortisation	267	307	307	305	339
<b>EBIT</b>	<b>3,849</b>	<b>4,472</b>	<b>4,115</b>	<b>4,357</b>	<b>5,274</b>
% chg	(2.0)	16.2	(8.0)	5.9	
(% of Net Sales)	17.8	19.7	18.9	18.2	18.9
Interest & other Charges	6	0	1	1	1
Other Income	582	913	1,222	1,545	1,644
(% of PBT)	13.2	17.0	22.9	26.2	23.8
<b>Recurring PBT</b>	<b>4,425</b>	<b>5,385</b>	<b>5,336</b>	<b>5,901</b>	<b>6,918</b>
% chg	(4.5)	21.7	(0.9)	10.6	17.2
Prior Period & Extra. Exp./ (Inc.)	340	-	-	32	-
<b>PBT (reported)</b>	<b>4,085</b>	<b>5,385</b>	<b>5,336</b>	<b>5,869</b>	<b>6,918</b>
Tax	1,271	1,733	1,508	1,738	2,075
(% of PBT)	31.1	32.2	28.3	29.6	30.0
<b>PAT (reported)</b>	<b>2,814</b>	<b>3,652</b>	<b>3,828</b>	<b>4,131</b>	<b>4,842</b>
Add: Share of earnings of asso.	-	-	-	-	-
Less: Minority interest (MI)	-	-	-	-	-
<b>PAT after MI (reported)</b>	<b>2,814</b>	<b>3,652</b>	<b>3,828</b>	<b>4,131</b>	<b>4,842</b>
<b>ADJ. PAT</b>	<b>3,154</b>	<b>3,652</b>	<b>3,828</b>	<b>4,163</b>	<b>4,842</b>
% chg	(2.8)	15.8	4.8	8.8	16.3
(% of Net Sales)	14.6	16.1	17.6	17.4	17.3
<b>Basic EPS (₹)</b>	<b>97.2</b>	<b>126.2</b>	<b>132.3</b>	<b>142.7</b>	<b>167.3</b>
<b>Fully Diluted EPS (₹)</b>	<b>97.2</b>	<b>126.2</b>	<b>132.3</b>	<b>142.7</b>	<b>167.3</b>
% chg	(13.3)	29.8	4.8	7.9	16.3



## Balance sheet statement (Standalone)

Y/E March (₹ cr)	FY2015	FY2016	FY2017	FY2018E	FY2019E
<b>SOURCES OF FUNDS</b>					
Equity Share Capital	289	289	289	289	289
Reserves & Surplus	10,403	12,977	16,745	18,705	20,943
<b>Shareholders' Funds</b>	<b>10,692</b>	<b>13,267</b>	<b>17,034</b>	<b>18,994</b>	<b>21,232</b>
Minority Interest	-	-	-	-	-
Total Loans	194	206	205	179	188
Deferred Tax Liability	142	203	314	314	314
Other Liabilities	58	30	49	70	82
<b>Total Liabilities</b>	<b>11,086</b>	<b>13,706</b>	<b>17,602</b>	<b>19,557</b>	<b>21,817</b>
<b>APPLICATION OF FUNDS</b>					
Gross Block	4,101	4,301	4,570	4,922	5,471
Less: Acc. Depreciation	2,184	2,365	2,672	2,977	3,316
<b>Net Block</b>	<b>1,917</b>	<b>1,936</b>	<b>1,899</b>	<b>1,945</b>	<b>2,154</b>
Capital Work-in-Progress	102	27	11	11	11
Intangibles	153	115	76	76	76
Other non-current assets	511	743	757	786	908
Noncurrent Investments	3,353	8,941	8,681	9,384	10,963
Current Investments	5,801	1,320	6,050	6,050	6,050
<b>Investments</b>					
Current Assets	3,726	3,405	3,341	4,376	4,866
Inventories	814	719	728	836	1,051
Sundry Debtors	717	718	953	964	1,126
Cash	586	860	294	699	770
Loans & Advances	1,262	60	270	938	1,096
Other Assets	347	1,049	1,096	938	822
Current liabilities	4,477	2,781	3,213	3,071	3,212
<b>Net Current Assets</b>	<b>(751)</b>	<b>624</b>	<b>129</b>	<b>1,305</b>	<b>1,655</b>
<b>Deferred Tax Asset</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Misc. Exp. not written off	-	-	-	-	-
<b>Total Assets</b>	<b>11,086</b>	<b>13,706</b>	<b>17,602</b>	<b>19,557</b>	<b>21,817</b>

### Cash flow statement (Standalone)

<b>Cash Flow Statement</b>					
<b>Y/E March (₹ cr)</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018E</b>	<b>FY2019E</b>
Profit before tax	4,085	5,547	5,336	5,869	6,918
Depreciation	267	307	307	305	339
Change in Working Capital	(583)	575	253	(800)	(401)
Interest / Dividend (Net)	6	90	1	0	0
Direct taxes paid	(1,285)	(1,782)	(1,503)	(1,738)	(2,075)
Others	(343)	(1,080)	(1,055)	0	1
<b>Cash Flow from Operations</b>	<b>2,147</b>	<b>3,657</b>	<b>3,339</b>	<b>3,636</b>	<b>4,782</b>
(Inc.)/ Dec. in Fixed Assets	(270)	(265)	(199)	(352)	(548)
(Inc.)/ Dec. in Investments	(145)	246	(3,489)	(703)	(1,579)
<b>Cash Flow from Investing</b>	<b>(414)</b>	<b>(19)</b>	<b>(3,688)</b>	<b>(1,054)</b>	<b>(2,127)</b>
Issue of Equity	-	-	-	-	-
Inc./(Dec.) in loans	0	0	0	(6)	22
Dividend Paid (Incl. Tax)	(1,691)	(3,434)	(202)	(2,170)	(2,604)
Interest / Dividend (Net)	(6)	(0)	(1)	0	0
Others	64.26	69.86	-13.89	0	-1
<b>Cash Flow from Financing</b>	<b>(1,633)</b>	<b>(3,364)</b>	<b>(217)</b>	<b>(2,176)</b>	<b>(2,584)</b>
Inc./(Dec.) in Cash	100	274	(566)	405	71
<b>Opening Cash balances</b>	<b>486</b>	<b>586</b>	<b>860</b>	<b>294</b>	<b>699</b>
<b>Closing Cash balances</b>	<b>586</b>	<b>860</b>	<b>294</b>	<b>699</b>	<b>770</b>

### Key ratios

Y/E March	FY2015	FY2016	FY2017	FY2018E	FY2019E
<b>Valuation Ratio (x)</b>					
P/E (on FDEPS)	29.0	22.3	21.3	19.7	16.8
P/CEPS	26.4	20.6	19.7	18.4	15.7
P/BV	7.6	6.1	4.8	4.3	3.8
Dividend yield (%)	1.8	2.0	2.0	2.7	3.2
EV/Sales	3.8	3.6	3.7	3.4	2.9
EV/EBITDA	19.7	16.9	18.4	17.4	14.4
EV / Total Assets	5.2	4.9	3.9	3.6	3.2
<b>Per Share Data (₹)</b>					
EPS (Basic)	97.2	126.2	132.3	142.7	167.3
EPS (fully diluted)	97.2	126.2	132.3	142.7	167.3
Cash EPS	106.5	136.8	142.9	153.3	179.1
DPS	50.0	55.0	55.0	75.0	90.0
Book Value	369.5	458.5	588.7	656.4	733.8
<b>Returns (%)</b>					
ROCE	35.4	33.2	23.9	22.7	24.6
Angel ROIC (Pre-tax)	90.7	40.1	38.1	35.3	36.3
ROE	26.3	27.5	22.5	21.7	22.8
<b>Turnover ratios (x)</b>					
Asset Turnover (Gross Block)	5.3	5.3	4.8	4.9	5.1
Inventory / Sales (days)	14	12	12	13	14
Receivables (days)	12	12	16	15	15
Payables (days)	30	33	38	35	30
Working capital cycle (ex-cash) (days)	(4)	(10)	(9)	(7)	(1)

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3. Served as an officer, director or employee of the company covered under Research	No
4. Broking relationship with company covered under Research	No

**Ratings (Based on expected returns over 12 months investment period):**

Buy (> 15%)

Accumulate (5% to 15%)  
Reduce (-5% to -15%)

Neutral (-5 to 5%)  
Sell (< -15)