

**BAJAJ-AUTO****RATING: BUY | CMP: 9040 | TARGET: 11134 | TIME FRAME: 9-12 MONTHS****Sector: AUTO****Why BAJAJ-AUTO is a BUY for Investment:**

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 headquarters 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.

The company is the 2nd-largest player in the domestic motorcycle segment in terms of volume. It is the largest 3W producer in the world and the largest exporter of 2W and 3W from India. It is India's leading exporter of motorcycles and three-wheelers. A significant portion of its production is exported to many countries worldwide. Bajaj's global footprint spans across many regions — Africa, Latin America, Middle East, Southeast Asia, etc.

In recent years, Bajaj has expanded beyond just basic two-wheelers: it has entered the electric mobility segment, launched EV scooters and focused on EV infrastructure & production. Their premium motorcycle segment (higher-cc, performance bikes) remains strong, helping maintain robust margins and profitability. On the commercial-vehicle and three-wheeler side including ICE and newer EV 3-wheelers — the sales volumes have reportedly reached record highs, reflecting growing demand for both traditional and electric urban transport solutions.

The company has five manufacturing plants, of which two are in Chaka and one each in Waluj, Akurdi, and Pantagar, with a total installed capacity of 7.1 million units per annum. In FY24, the company set up a new plant in Brazil with an initial capacity of 20k units/month that commenced commercial production on Jun 24. It will incur capex of Rs. 600 Cr -Rs. 700 Cr in FY25-FY26, largely towards maintenance activities.

**Segment performance of the company:**

1. Motorcycles: The company holds a market share of 18.2% in FY24 vs 17.3% in FY23 of motorcycle sales in India with reach in various segment:
  - a. 100cc to 110cc Segment: Includes Bajaj CT and Platina brands.
  - b. 125cc and Above Segment: Features brands like Pulsar, Dominar, KTM, Husqvarna, and Avenger.
  - c. Pro-biking Segment: Consists of KTM and Husqvarna. KTM motorcycles are available nationwide in 125cc, 200cc, 250cc, and 390cc categories.

- d. Triumph: Entered a global partnership with Triumph Motorcycles in 2017. In 2023, they jointly developed two mid-sized Triumph motorcycles, Speed 400 and Scrambler 400. The company took over Triumph's distribution network in India, expanding it from 15 to over 78 showrooms across 56 cities and 16 countries.
  - e. Urbanite (Chetek EV): Introduced in 2020, the Company sold 115,700+ units in FY24 vs 8,000+ units in FY22. It introduced a second model, the Chetek Urbane, on Nov 23 and upgraded to the Chetek Premium on Dec 23. These two models, are offered through a network of 204 dealers in over 160 cities and are at No. 3.
2. Three-Wheelers Segment: As of FY24, the company holds a market share of ~78% in ICE three-wheelers, 75.5% in the 3W passenger carrier segment and around 46.5% share in the 3W cargo segment. It launched its first quad ricycle, Quote in FY19.
  3. Exports: The company exports to 80 countries worldwide including Mexico, Peru, Ethiopia, Turkey, Saudi Arabia, Bangladesh, Myanmar, Afghanistan, etc. It has exported 1.64 million units in FY24 vs 1.82 million vehicles in FY23. Rough macroeconomic conditions across key countries resulted in muted export volumes. Domestic revenue: 68% in FY24 vs 47% in FY22, Exports revenue: 32% in FY24 vs 53% in FY22

#### Why to invest in BAJAJ-AUTO:

1. **Diverse product portfolio** — from entry-level bikes to premium motorcycles, and from auto-rickshaws to EV scooters — helps Bajaj capture many segments of Indian mobility and global markets.
2. **Strong export and global presence** — makes Bajaj not just a domestic player but a recognized global brand in 2W and 3W vehicles.
3. **Innovation & R&D focus** — with in-house R&D Centre and continuous evolution (e.g. EVs, upgraded bikes), Bajaj stays relevant as mobility needs evolve.
4. **Adaptability** — while maintaining traditional segments, Bajaj is investing in future trends (Electric vehicles, premium bikes, global expansion) — showing resilience and forward-thinking.

Overall, Bajaj Auto looks well-positioned for the next decade, especially if its bets on EVs and electrified mobility pay off. The combination of: a strong legacy in 2W/3W, global exports, financial strength, and strategic focus on EVs gives it balanced resilience plus upside. However, success depends a lot on execution: launching the right products at the right time, scaling EV production, managing supply-chain risks, and staying ahead of competition.

#### Future prospects of the company:

1. For FY25, the company plans to commence exports of its quad ricycle Qute to Egypt and expand its presence in Europe. 6 new Pulsar models will be launched in H1 FY25.
2. According to recent reports, the EV business as a whole has turned marginally profitable, driven by profitable electric three-wheelers and improving unit economics of Chetak scooters.



3. Demand for EV two-wheelers is expected to grow faster than the overall 2-wheeler segment: Bajaj itself projects 20–25% growth for e-scooters in FY26 — much higher than the 5–7% growth expected in conventional motorcycles.
4. As India (and many developing economies) push for cleaner, greener transport, demand for e-rickshaws / electric 3-wheelers / cargo vehicles are rising sharply. Bajaj already has a presence there (both ICE and EV), giving it a head start vs many newcomers.

## KEY FINANCIALS FOR THE Q1FY26:

### Consolidated Quarterly Results:

	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Sales	12,165	11,555	11,932	13,247	13,169	12,646	13,133	15,735
Expenses	9,750	9,271	9,562	11,174	10,418	10,289	10,340	12,906
Operating Profit	2,415	2,284	2,370	2,073	2,751	2,358	2,793	2,829
OPM %	20%	20%	20%	16%	21%	19%	21%	18%
Other Income	356	444	335	399	348	392	509	576
Interest	12	30	47	75	120	147	224	287
Depreciation	93	93	95	98	102	119	118	119
Profit before tax	2,666	2,606	2,564	2,299	2,876	2,484	2,961	2,999
Tax %	24%	23%	24%	40%	24%	27%	25%	29%
Net Profit	2,033	2,011	1,942	1,385	2,196	1,802	2,210	2,122
EPS in Rs	71.78	72.05	69.55	49.61	78.62	64.52	79.15	75.99

### Profit & Loss Statement:

	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales	30,358	29,919	27,741	33,145	36,455	44,870	50,995
Expenses	25,160	24,809	22,803	27,886	29,991	36,106	41,440
Operating Profit	5,198	5,109	4,938	5,259	6,465	8,765	9,555
OPM %	17%	17%	18%	16%	18%	20%	19%
Other Income	2,028	1,832	1,570	2,671	1,703	1,700	1,472
Interest	4	3	7	9	40	60	389
Depreciation	266	246	259	270	286	365	414
Profit before tax	6,956	6,692	6,241	7,652	7,842	10,040	10,224
Tax %	29%	22%	22%	19%	23%	23%	28%
Net Profit	4,928	5,212	4,857	6,166	6,060	7,708	7,325
EPS in Rs	170.29	180.11	167.85	213.08	214.17	276.1	262.29

**Balance Sheet:**

	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Equity Capital	289	289	289	289	283	279	279
Reserves	22,944	21,373	26,984	29,570	29,079	28,683	34,909
Borrowings	125	126	121	123	124	1,912	9,364
Other Liabilities	5,476	4,722	6,207	5,129	5,651	8,470	9,557
Total Liabilities	28,834	26,510	33,602	35,111	35,136	39,344	54,110
Fixed Assets	1,764	1,699	1,668	1,836	2,842	3,217	3,677
CWIP	48	60	16	77	85	35	61
Investments	20,603	19,914	24,687	26,634	26,183	28,087	28,914
Other Assets	6,420	4,837	7,232	6,564	6,026	8,005	21,459
Total Assets	28,834	26,510	33,602	35,111	35,136	39,344	54,110

**Key Ratios:**

	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Debtor Days	31	21	36	17	18	17	15
Inventory Days	16	18	28	18	22	19	22
Days Payable	63	56	85	54	58	64	66
ROCE %	30%	30%	25%	23%	27%	34%	28%

**Shareholding Pattern:**

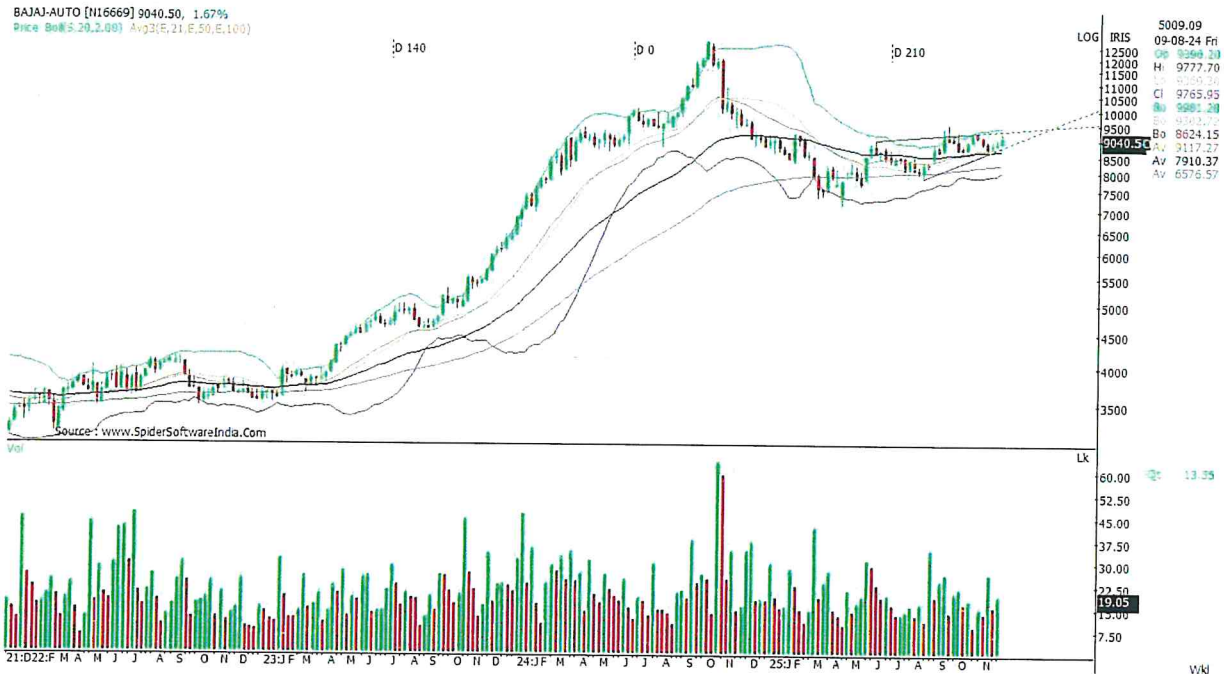
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Promoters	55.06%	55.06%	55.04%	55.04%	55.03%	55.04%	55.04%
FIs	14.53%	14.19%	14.32%	12.45%	11.61%	10.30%	9.66%
DIs	8.47%	8.73%	8.67%	9.98%	10.92%	12.01%	12.78%
Public	21.88%	21.92%	21.89%	22.44%	22.32%	22.53%	22.51%
No of Shareholders	2,97,605	2,74,956	2,69,698	3,47,655	3,44,314	3,58,806	3,57,666

**Stock price CAGR:**

Stock Price CAGR	
10 Years:	14%
5 Years:	23%
3 Years:	35%
1 Year:	-2%

## Technical View on the Stock:

BAJAJ-AUTO: CMP: 9040



BAJAJ-AUTO has started to show positive signs on the charts with overall sentiment on the stock turning positive for medium to long term perspective after the recent massive moves on the charts. The overall sentiment and the price action seem bullish and many minor corrections will be a good opportunity to add on to the counter. Nifty Auto have given major breakout on the weekly charts and the index price was well led by BAJAJ-AUTO which is trading near fresh all-time highs. The current technical set up suggests that the price is expected to go into the five-digit mark in the coming next few months.

The price has given breakout above 8500 level with volumes also are showing increasing trends from past few trades indicating traction in the counter. The Bollinger band (20,2) is also trading in the comfortable zones with RSI & MACD also signaling bullish signals both on the daily as well as the weekly time frames. The next resistance for the price is around 11000 plus for long term perspective



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**Conclusion:**

Bajaj Auto is expanding into electric vehicles (EVs), including two-wheelers and other formats. That helps position it for the long-term shift toward cleaner mobility a megatrend in India and abroad. It caters to many segments (entry-level motorcycles, premium bikes, commercial vehicles, EVs, exports), a downturn in one segment may be offset by strength in others. It is one of the ideal investments for the Investors looking for a balanced auto-stock with exposure to both domestic demand plus global exports.

**Sources:**

[www.nseindia.com](http://www.nseindia.com) | [www.bseindia.com](http://www.bseindia.com) | [www.moneycontrol.com](http://www.moneycontrol.com) | [www.screener.in](http://www.screener.in) |  
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