



# Bajaj Auto Limited

**BUY**

Sector: Automobiles

01<sup>st</sup> June, 2026

Key Changes	Target 	Rating 	Target	Rs. 11,735			
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	<b>CMP</b>	<b>Rs. 10,460</b>
Large Cap	BJAUT:IN	74,776	BAJAJ-AUTO	532977	12 Months	<b>Return</b>	<b>+12%</b>

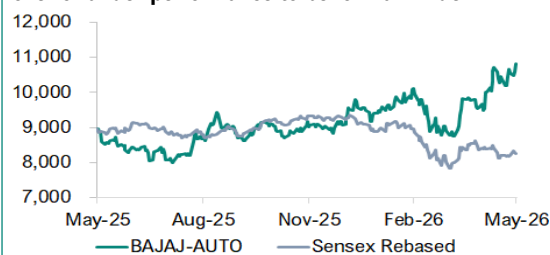
Data as of: 29-May-2026, 18:00 hrs

Company Data	
Market Cap (Rs.cr)	292,367
52 Week High — Low (Rs.)	10,835 - 7,879
Enterprise Value (Rs. cr)	286,095
Outstanding Shares (cr)	27.9
Free Float (%)	38.3
Dividend Yield (%)	1.4
6m average volume (cr)	0.04
Beta	1.1
Face value (Rs. )	10.0

Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	55.0	55.0	55.0
FII's	9.7	8.8	8.8
MFs/Institutions	12.8	14.1	14.5
Public	11.0	10.4	10.0
Others	11.5	11.7	11.7
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	8.4%	19.8%	20.6%
Absolute Sensex	-6.7%	-11.5%	-7.0%
Relative Return	15.1%	31.3%	27.6%

### \*over or under performance to benchmark index



Y.E March (cr)	FY26A	FY27E	FY28E
Sales	58,732	67,804	75,721
Growth (%)	17.4	15.4	11.7
EBITDA	12,017	13,746	15,567
EBITDA Margin (%)	20.5	20.3	20.6
PAT Adjusted	9,848	11,130	12,592
Growth (%)	17.8	13.0	13.1
Adjusted EPS	352.4	405.9	459.3
Growth (%)	17.6	15.2	13.1
P/E	24.9	26.2	23.1
P/B	7.0	8.0	6.7
EV/EBITDA	20.3	21.1	18.4
ROE (%)	28.1	30.7	29.0
D/E	0.0	0.0	0.0

## Broad-based growth momentum continues

Bajaj Auto Ltd (BAL) is India's second-largest motorcycle manufacturer. It is India's largest three-wheeler maker. The company is based in Pune and has plants in Chakan (Pune), Waluj (near Aurangabad) and Pantnagar (Uttarakhand). It is the country's largest exporter of motorcycles and three-wheelers.

- In Q4FY26, standalone revenue grew 31.8% YoY to Rs. 16,006cr, driven by strong volume expansion, sustained export momentum and a favourable product mix.
- Total sales volume rose 24.3% YoY to 1,371,058 units, due to strong growth across both the domestic and export markets.
- Domestic volume grew 24.1% YoY to 760,846 units, aided by a strong recovery supported by GST rate rationalisation. Export volume grew 24.7% YoY to 610,212 units.
- EBITDA surged 35.6% YoY to Rs. 3,323cr, with margin expanding 60bps YoY to 20.8%, supported by favourable currency realisations, better operating leverage (due to higher volume), a richer product mix (helped offset commodity inflation) and higher discretionary spend.
- Reported profit after tax increased 34.0% YoY to Rs. 2,746cr, driven by improved operating performance on the back of stronger revenue, and included an exceptional gain of ~Rs. 35cr.

## Outlook & Valuation

BAL's Q4FY26 performance underscores strong execution across domestic sales, exports and electric mobility, with record quarterly revenue and sustained EBITDA margin above 20% supported by broad-based volume growth. The company is well-placed to benefit from premiumisation in motorcycles, aided by continued traction in the 150cc+ sports segment and an enhanced launch pipeline across the 125cc and 150cc+ ranges. This is expected to support market-share gains. Further, the electric portfolio continues to scale, with improving unit economics supporting profitability as volume ramps up across the two- and three-wheeler platform. **Hence, we upgrade our rating on the stock to BUY from HOLD with a rolled-forward target price of Rs. 11,735, based on 26x FY28E adjusted EPS.**

## Quarterly Financials Standalone

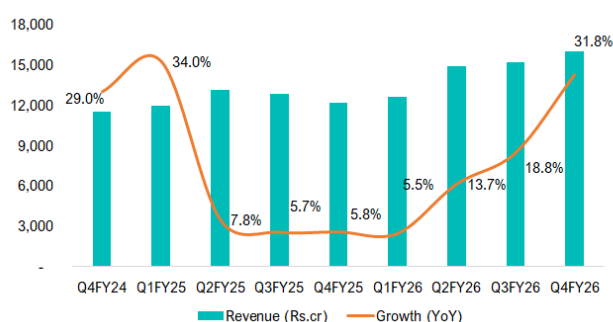
Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	16,006	12,148	31.8	15,220	5.2	58,732	50,010	17.4
EBITDA	3,323	2,451	35.6	3,161	5.1	12,017	10,099	19.0
Margin (%)	20.8	20.2	60bps	20.8	0bps	20.5	20.2	30bps
EBIT	3,209	2,339	37.2	3,049	5.3	11,568	9,699	19.3
PBT	3,663	2,703	35.5	3,327	10.1	13,072	11,052	18.3
Rep. PAT	2,746	2,049	34.0	2,503	9.7	9,825	8,151	20.5
Adj PAT	2,709	2,049	32.2	2,564	5.6	9,848	8,151	20.8
Adj. EPS (Rs)	96.9	73.4	32.0	91.9	5.4	352.4	292.1	20.6



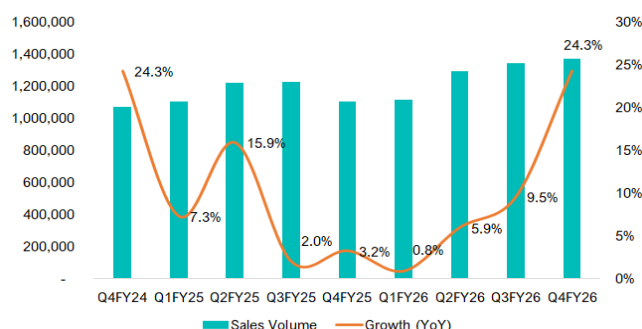
## Key concall highlights

- Management highlighted sharp commodity inflation heading into Q1FY27 (steel: ~+15%, copper: ~+20%, aluminium/noble metals: +35-45%), implying an increase in raw material costs by 3.5-4.0% of revenue. Q4FY26 margins were cushioned by favourable currency movements, and the company has taken April pricing to offset ~40% of the impact.
- Commercial vehicles achieved a milestone in FY26, with annual volume crossing 500,000 units for the first time, and Q4FY26 delivering the highest-ever quarterly volume with 28% YoY growth.
- Latin America continued to drive export growth with 11 consecutive quarters of expansion. Meanwhile, Brazil scaled up with ~10,000 units sold in Q4FY26, supported by expanded capacity of ~60,000 units p.a., a wider retail presence of ~70 stores and new launches, taking Bajaj to a top-five market position in April 2026 in terms of share.
- Chetak delivered its highest-ever quarterly retail sales in Q4FY26, with ~100,000 units sold, and improved its market share to ~23%. In FY26, Chetak crossed 500,000 units with Rs. 4,000cr revenue, supported by over 500 exclusive stores and presence across more than 850 cities.
- KTM exports from India rebounded to ~17,500 units in Q4FY26, driven by strong demand across the street and adventure portfolios, aided by launches such as the 390 Adventure R and the introduction of more tax-friendly 350cc variants.
- The combined electric two- and three-wheeler portfolio now contributes over 20% of domestic revenue and delivers double-digit EBITDA margin, with Chetak at an EBITDA-neutral level.

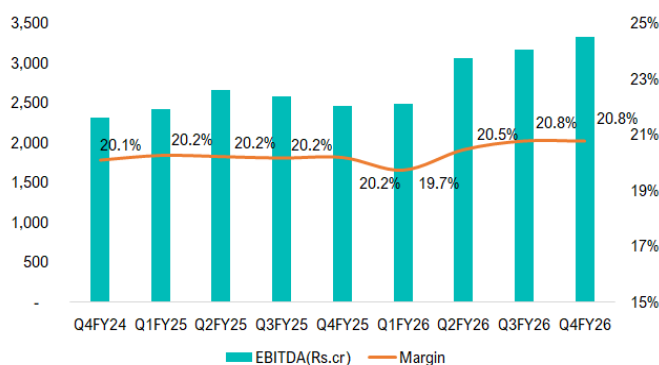
### Revenue



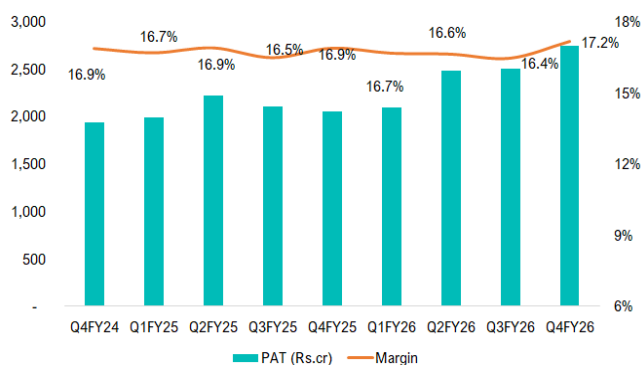
### Volume



### EBITDA



### PAT



## Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	-	-	67,804	75,721	-	-
EBITDA	-	-	13,746	15,567	-	-
Margins (%)	-	-	20.3	20.6	-	-
Adj. PAT	-	-	11,130	12,592	-	-
EPS	-	-	405.9	459.3	-	-

\* Due to change in basis of preparation from consolidated to standalone, there are no Old Estimates.



## Standalone Financials

### Profit & Loss

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Sales</b>	<b>44,685</b>	<b>50,010</b>	<b>58,732</b>	<b>67,804</b>	<b>75,721</b>
% change	22.7	11.9	17.4	15.4	11.7
<b>EBITDA</b>	<b>8,823</b>	<b>10,099</b>	<b>12,017</b>	<b>13,746</b>	<b>15,567</b>
% change	-	15.3	19.6	14.8	13.4
Depreciation	350	400	448	466	498
<b>EBIT</b>	<b>8,473</b>	<b>9,699</b>	<b>11,568</b>	<b>13,280</b>	<b>15,068</b>
Interest	54	68	36	34	32
Other Income	1,402	1,421	1,539	1,594	1,754
<b>PBT</b>	<b>9,822</b>	<b>11,052</b>	<b>13,072</b>	<b>14,840</b>	<b>16,790</b>
% change	32.6	12.5	18.3	13.5	13.1
Tax	2,343	2,900	3,247	3,710	4,197
Tax Rate (%)	23.9	26.2	24.8	25.0	25.0
<b>Reported PAT</b>	<b>7,479</b>	<b>8,151</b>	<b>9,825</b>	<b>11,130</b>	<b>12,592</b>
<b>PAT att. to common shareholders</b>	<b>7,479</b>	<b>8,151</b>	<b>9,825</b>	<b>11,130</b>	<b>12,592</b>
Adj.*	-	211	24	-	-
<b>Adj. PAT</b>	<b>7,479</b>	<b>8,363</b>	<b>9,848</b>	<b>11,130</b>	<b>12,592</b>
% change	32.9	11.8	17.8	13.0	13.1
No. of shares (cr)	28.3	27.9	27.9	27.4	27.4
<b>Adj EPS (Rs.)</b>	<b>264.6</b>	<b>299.6</b>	<b>352.4</b>	<b>405.9</b>	<b>459.3</b>
% change	34.1	13.2	17.6	15.2	13.1
DPS (Rs.)	80.0	210.0	150.0	200.0	220.0

### Cashflow

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Net inc. + Depn.</b>	<b>7,829</b>	<b>8,552</b>	<b>10,273</b>	<b>11,596</b>	<b>13,091</b>
Non-cash adj.	264	-860	-524	454	535
Other adjustments	-	-	-	-	-
Changes in W.C	-614	-424	-788	520	552
<b>C.F. Operation</b>	<b>7,478</b>	<b>7,267</b>	<b>8,961</b>	<b>12,570</b>	<b>14,178</b>
Capital exp.	-799	-722	-491	-747	-773
Change in inv.	572	-88	216	-770	-1,764
Other invest.CF	88	-2,831	-1,662	-1,292	-2,932
<b>C.F - Investment</b>	<b>-139</b>	<b>-3,641</b>	<b>-1,936</b>	<b>-2,809</b>	<b>-5,470</b>
Issue of equity	-3,931	-903	93	-5,633	-
Issue/repay debt	833	-50	-800	-	-
Dividends paid	-3,960	-2,235	-5,855	-4,192	-5,484
Other finance.CF	-52	-66	-56	-34	-32
<b>C.F - Finance</b>	<b>-7,110</b>	<b>-3,254</b>	<b>-6,617</b>	<b>-9,860</b>	<b>-5,516</b>
Chg. in cash	229	372	408	-99	3,192
<b>Closing Cash</b>	<b>537</b>	<b>1,329</b>	<b>1,301</b>	<b>1,202</b>	<b>4,394</b>

### Balance Sheet

Y.E March (Rs. Cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	537	1,329	1,301	1,202	4,394
Accts. Receivable	2,122	2,283	2,712	3,051	3,332
Inventories	1,696	1,958	2,354	2,660	2,911
Other Cur. Assets	6,003	7,858	10,362	10,793	11,915
Investments	19,662	23,035	22,689	23,085	24,065
Gross Fixed Assets	6,032	6,757	7,187	7,933	8,705
Net Fixed Assets	3,153	3,510	3,418	3,757	4,028
CWIP	24	26	29	31	35
Intangible Assets	20	10	73	74	75
Def. Tax -Net	906	1,238	1,154	1,163	1,175
Other Assets	128	1,183	1,794	3,024	5,957
<b>Total Assets</b>	<b>34,251</b>	<b>42,429</b>	<b>45,886</b>	<b>48,843</b>	<b>57,885</b>
Current Liabilities	7,892	8,203	9,795	11,422	13,331
Provisions	1	-	53	58	64
Debt Funds	834	800	-	-	-
Other Liabilities	664	1,279	1,064	1,083	1,103
Equity Capital	279	279	280	280	280
Res. & Surplus	24,581	31,868	34,695	36,000	43,108
Shareholder Funds	24,861	32,147	34,975	36,279	43,388
Minority Interest	-	-	-	-	-
<b>Total Liabilities</b>	<b>34,251</b>	<b>42,429</b>	<b>45,886</b>	<b>48,843</b>	<b>57,885</b>
BVPS	880	1,152	1,251	1,323	1,582

### Ratio

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Profitab. &amp; Return</b>					
EBITDA margin (%)	19.7	20.2	20.5	20.3	20.6
EBIT margin (%)	19.0	19.4	19.7	19.6	19.9
Net profit mgn.(%)	16.7	16.3	16.7	16.4	16.6
ROE (%)	30.1	25.4	28.1	30.7	29.0
ROCE (%)	33.0	29.4	33.1	36.6	34.7
<b>W.C &amp; Liquidity</b>					
Receivables (days)	17.3	16.7	16.9	16.4	16.1
Inventory (days)	19.5	20.2	20.9	20.4	20.1
Payables (days)	64.5	64.7	65.2	65.5	66.2
Current ratio (x)	1.2	1.5	1.7	1.6	1.7
Quick ratio (x)	0.9	1.0	1.2	1.1	1.2
<b>Turnover &amp; Leverage</b>					
Gross asset T.O (x)	7.9	7.8	8.4	9.0	9.1
Total asset T.O (x)	1.4	1.3	1.3	1.4	1.4
Int. covge. ratio (x)	158.4	143.2	322.0	389.1	464.7
Adj. debt/equity (x)	0.0	0.0	-	-	-
<b>Valuation</b>					
EV/Sales (x)	5.8	4.4	4.2	4.3	3.8
EV/EBITDA (x)	29.3	21.7	20.3	21.1	18.4
P/E (x)	34.6	26.3	24.9	26.2	23.1
P/BV (x)	10.4	6.8	7.0	8.0	6.7



## Recommendation Summary - (Last 3 years)



Dates	Rating	Target
25-Apr-24	HOLD	9,153
30-Jul-24	HOLD	10,420
22-Oct-24	HOLD	10,810
04-Feb-25	HOLD	9,730
04-Jun-25	HOLD	9,300
11-Dec-25	HOLD	9,780
01-Jun-26	BUY	11,735

## Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
<b>Buy</b>	Upside is above 10%	Upside is above 15%	Upside is above 20%
<b>Accumulate</b>	-	Upside is between 10%-15%	Upside is between 10%-20%
<b>Hold</b>	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
<b>Reduce/sell</b>	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

### Not rated/Neutral

#### Definition:

**Buy:** Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

#### Symbols definition:

▲ Upgrade

● No Change

▼ Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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