FINANCIAL EXPRESS

Bajaj Auto profit jumps 20% in Q2

Ebitda surpasses ₹2,000-crore mark for the first time

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BAJAJ AUTO ON Wednesday reported a 20% year-on-year increase in profit to ₹1,836 crore and a 6% rise in revenue to ₹10,777 crore for the September quarter, despite difficult international market conditions. Bajaj Auto has, for the first time, crossed the ₹2,000-crore Ebitda mark, Rakesh Sharma, executive director, Bajaj Auto, said.

The Q2FY23 Ebitda grew by 21% to ₹2,133 crore and Ebitda margins were up 80 basis points sequentially at 19.8%. The margin growth was achieved despite a fall in volumes by 8% and was largely driven by the product mix, premiumisation and higher realisation, Sharma said. The margins were up 260 bps year-on-year and this covered the drag arising from investments in growing electric scooters business.

Growth in domestic motorcycle sales, increasing share of 125-cc-plus-segment bikes, which was 65% of the business, and record sales of the highly-profitable three-wheeler business to 1,32,000 units, had contributed to the margin growth, Sharma said. The company gained a 2% market share in the second quarter in the motorcycle segment, which was growing at 36%.

The company delivered 8,000 units of the Triumph bikes during the second quarter and will start exporting the bikes from October end. The company had received 18,000 bookings by the end of August. Bajaj is looking to scale up manufacturing from 5,000-7,000 units to 10,000 units during Q4FY23 and will depend on the network expansion from 20 to 100 cities, Sharma said. There is a waiting list for the Triumph motorcycles priced between ₹2,33,0000 (Speed 400) and ₹2,63,000 (Scrambler 400X).

However, exports continued to be weak and fell by 9% but were limping back and improving sequentially, he said. The African markets were down but they were doing well in Latin America. The recent geopolitical tensions were a concern and were not good for the trade, though West Asia was not a big factor in the two-wheeler segment for the company.

GROWTH DRIVERS

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- Record sales of the highly-profitable three-wheeler business to **132,000** units, had contributed to the margin growth
- Bajaj Auto gained a **2%** market share in Q2 in the motorcycle segment which was growing at **36%**