

Ratings

Business	★★★★☆
Financials	★★★★☆
Valuation	★★★★☆
Management	★★★★★



FIN2RESEARCH
Investment Advisor Pvt. Ltd.



BAJAJ AUTO LTD.

Sector: Automobile

Rating: Buy	Buying Range: 8900-9000	Target 1/2: 9670-10280	Potential Upside: 16%
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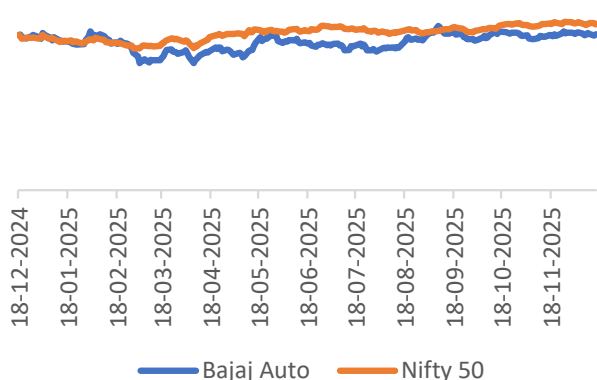
NSE Code/BSE Code	BAJAJ-AUTO/532977
Market Cap (crores)	Rs. 2,49,716
CMP (19-Dec-2025)	Rs. 8950
52W High/Low	9490/7088
Avg. Volume (lakhs)	1.15
No. of Equity Shares	27.93 crores
Face Value	Rs. 10
Free Float (crores)	Rs. 98,834

Source: NSE/BSE

Particulars	FY24	FY25
P/E	32.87x	34.10x
EPS	₹272.4	₹262
ROCE	34.13%	25.71%
EBIT Margin	22.51%	20.81%
P/B	8.64x	7.09x
EV/EBITDA	31.44x	28.55x
EV/EBIT	24.62x	23.84x
ROE	26.61%	20.82%
Net Profit Margin	16.65%	13.96%

Source: NSE, Company Annual Report

Stock Performance



Source: NSE

Bajaj Auto, the flagship company of Bajaj Group, is engaged in the business of development, manufacturing and distribution of automobiles such as motorcycles, commercial vehicles, electric vehicles, etc. automobile parts. The company sells its products in India as well as in various other global markets. It exports to 79 countries across several countries in Latin America, Southeast Asia, and many more. It's headquarter is in Pune, India. Its portfolio includes motorcycles, scooters, three-wheelers. Some of the top selling brands like Pulsar, KTM is owned by the company. 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.

Key Highlights:

- Total sales in Q2 FY2026 was up 18.79% to ₹15,735 crore, driven by strong growth across business segments.
- Operating performance remained resilient with EBIT up 37% YoY to ₹2829 crore and margins improved to 18% from 16% a year earlier, indicating effective cost management. Net profit rose 53% YoY to ₹2122 crore, with margins also improved from 10.46% a year earlier to 13.49%. This showcases both operating leverage and sustained demand momentum.
- The exports volume grew by 24% in Q2 with exports of over 550,000 units. This delivered the highest ever quarterly revenue from exports. The top 30 overseas markets, collectively accounting for 70% of emerging markets, grew about 14% in this quarter.
- Key strengths of company includes its strong brand and market position with product reliability, performance across all segments. Also, it has diverse product portfolio across segments with entry level commuters to super sports vehicles. Also, three wheelers products range help it to cater to various customer segments. Its strong after sales service and vast distribution network gives it advantage to serve customers fast and efficiently.

Key Risks:

- **Competitive Pressure:** Intense rivalry in both traditional and electric two-wheelers from players like Hero Motocorp, TVS, Honda and EV startups like Ola, Ather, etc. puts pressure on market share and pricing.
- **Currency Risk:** Heavy reliance on exports exposes the company to currency volatility, geopolitical tensions and local regulatory shifts.
- **Raw material and Supply Chain Risk:** Input costs like steel, aluminium are subject to change based on global supply & demand and sudden change in prices could reduce the margin.
- **EV Strategy Lag:** Bajaj has entered EV segment with its Chetak scooters, but still its EV portfolio is smaller and has been slower to scale compared to emerging competitors.

**BAJAJ AUTO LTD.****FIN2RESEARCH**
Investment Advisor Pvt. Ltd.*Techno-Funda***Rating: Buy****Buying Range: 8900-9000****Target 1/2: 9670-10280****Potential Upside: 16%**BAJAJ-AUTO-EQ **8,791.50** -223.50 -2.48%
O: 8,891.00 H: 8,891.00 L: 8,735.00

Momentum Analysis-

- **RSI Indicator-** The RSI (14) is positioned at 50.88 which is a healthy momentum zone. While the indicator has cooled off from potential overbought extremes (70+) that may have occurred during recent peaks, it remains above the critical 50-level threshold. This positioning indicates that bullish momentum remains intact and strong, though not yet in an overheated state that would warrant caution. The RSI's current level suggests room for further upside movement before becoming overbought.
- **MACD & Momentum Confirmation-** The MACD (26,12) is at 140.5 with a crossover happening at 159.37, demonstrating positive momentum alignment. The MACD is indicating that momentum divergence concerns are not present. This confirms that the bullish price movement is supported by strengthening momentum indicators across multiple timeframes.

Technical Verdict - Bullish Signal for Near-Term

Current support level for the stock is 7700, which is 12.8% lower than current market price. Current three months candle is crossing the previous candle's higher value, confirming the bullish momentum in stock. Based on these patterns, we have arrived to the conclusion that stock is showing strong momentum and can give upside to the tune of 8% to 16% in the near-term before showing any reversal. Given this, the target for the stock is 9670-10280.

The stock has started its uptrend with price consistently trading above all key moving averages in perfect bullish alignment. All these signal confirms sustained bullish strength across short, medium, and long-term horizons.



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DISCLAIMER

RATING SCALE: DEFINITION OF RATINGS

- **BUY** –We expect the stock to deliver more than 10%-20% returns over the next 9 months.
- **ACCUMULATE** –We expect the stock to deliver 5% -12% returns over the next 9 months.
- **REDUCE** –We expect the stock to deliver 0% -5% returns over the next 9 months.
- **SELL** –We expect the stock to deliver negative returns over the next 9 months.
- **NR** –Not Rated. Fin2Research is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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- **NA** –Not Available or Not Applicable. The information is not available for display or is not applicable.
- **NM** –Not Meaningful. The information is not meaningful and is therefore excluded.
- **NOTE** –Our target prices are with a 9-month perspective. Returns stated in the rating scale are our internal benchmark.

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